



ARDINFORMATICS

Investor Presentation 1Q 2021 Figures

21 May 2021



1Q 2021 HEADLINES

Growth: Continuing Solid Growth

Financials: Net Cash and Long Foreign Exchange Position

Investment: R&D Investment Creates Expectation



EXECUTIVE SUMMARY

Growth

- The company has been selected among the top 50 companies in the "Deloitte Technology Fast 50 Turkey 2020" program held in February 2021 and was among the fastest growing technology companies in Turkey.
- Simultaneous strong growth was achieved in net sales, EBITDA and net profit in the first quarter of the year

Margins

- Quarterly gross profit margin, which was 67% in 1Q2021, increased to 77% in 1Q2021
- Quarterly rise in R&D expenses balanced net profit and EBITDA margin in 1Q2021

Low Leverage

- Despite the high sales growth, the steady decline in the working capital to sales ratio since 2019 indicates efficiency
- In a period when exchange rates increased, TL 12.5 mn long foreign exchange position affected profitability positively

Performance

- Strong financials supported share performance
- Economic added value was achieved with a return on equity of 40.2%, well above the interest rates

1Q20 vs 1Q21 (12mTrailing)

Solid Performance

1Q20 vs 1Q21(Quarterly)

REVENUE
GROWTH



121.7%

135.2%



REVENUE
GROWTH

EBITDA*
GROWTH



141.6%

133.8%



EBITDA*
GROWTH

NET INCOME
GROWTH



165.2%

170.1%



NET INCOME
GROWTH

EBITDA*
MARGIN



59.3%

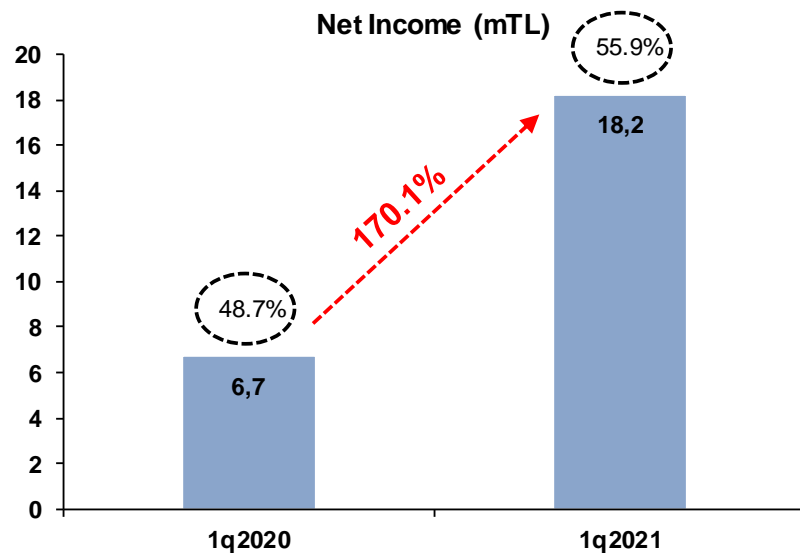
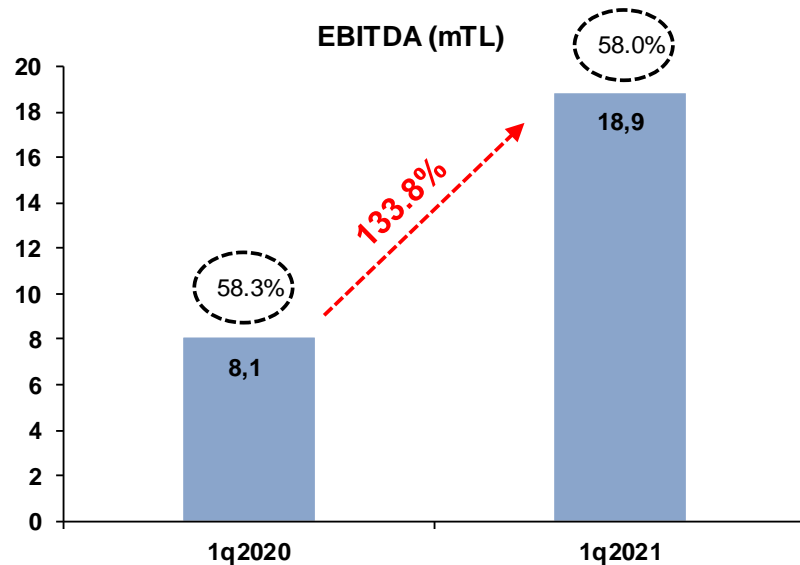
58.0%



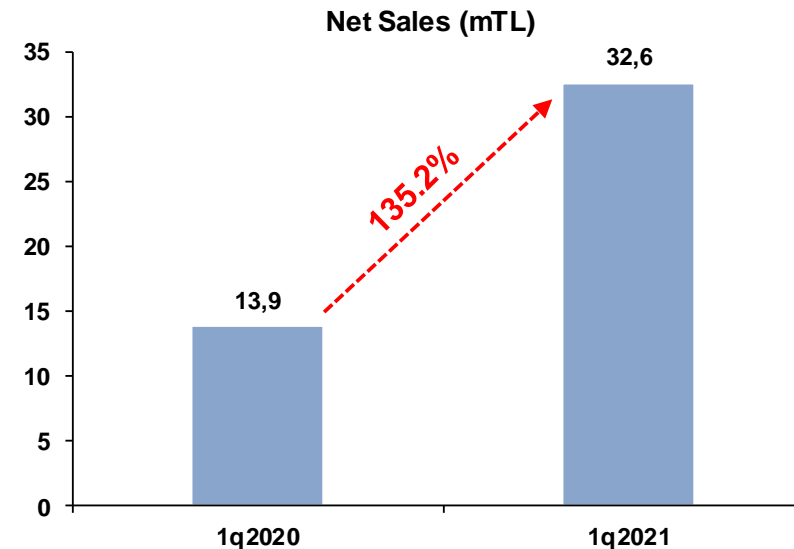
EBITDA*
MARGIN

*Other Income / Expense from Operating Activities are included in EBITDA.

Quarterly Financial Data



Quarterly Net Sales

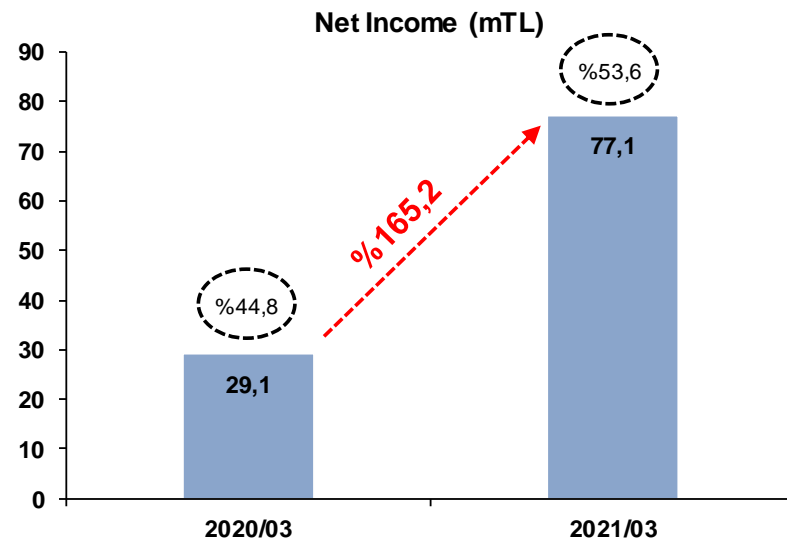
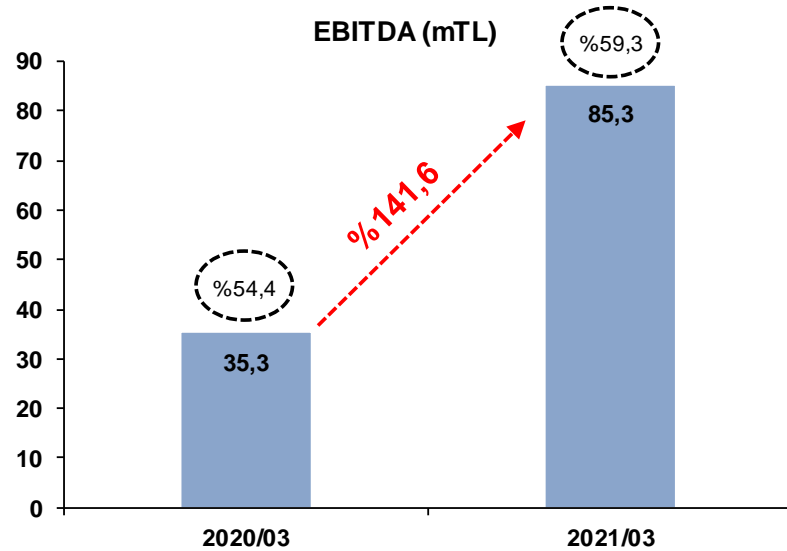


Robust Quarterly Performance

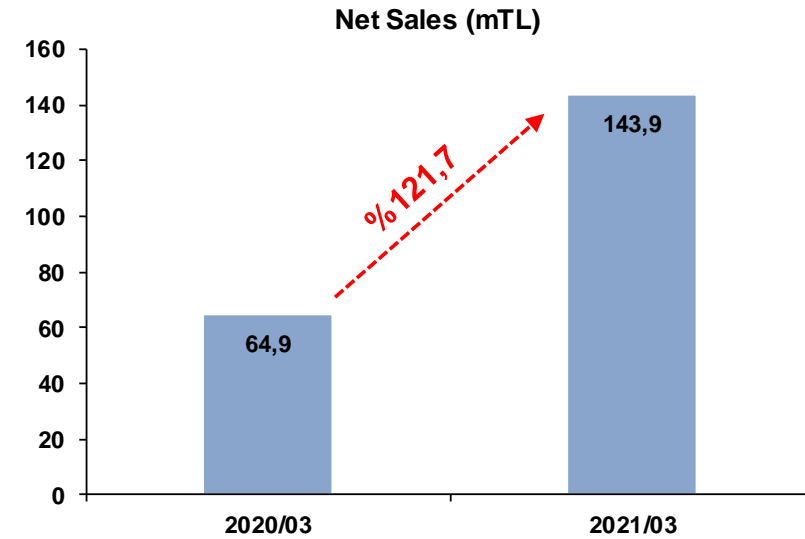
- Net Sales increased by 135.2% on a quarterly basis compared to the same period of previous year and reached TL 32.6 mn.
- EBITDA raised by 133.8% quarter-on-quarter to TL 18.9 mn.
- Net Income ascended by 170.1% on a quarterly basis compared to the same period of last year and reached TL 18.2 mn.

 EBITDA and Net Income Margin

12M Trailing Financial Data



12M Trailing Net Sales



Strong 12M Trailing Performance

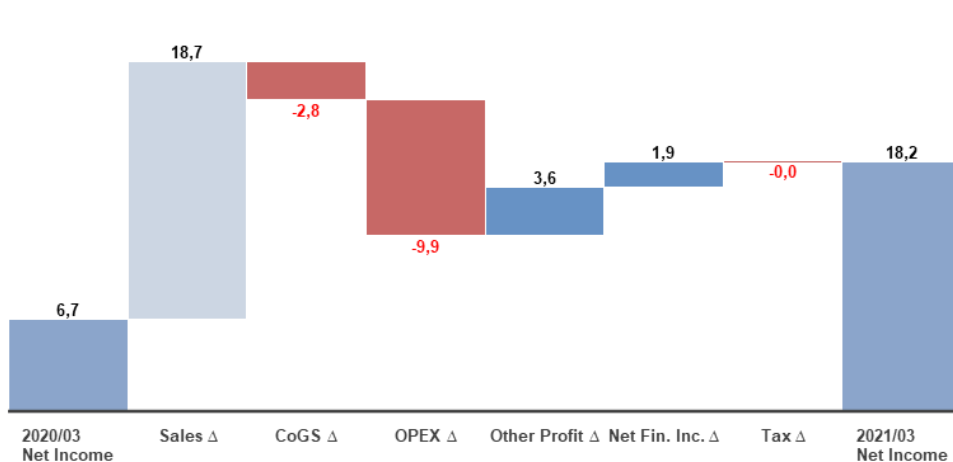
- 12M trailing Net Sales increased by 121.7% in 2021/03 compared to the previous year and reached 143.9 mn TL.
- 12M trailing EBITDA rose by 141.6% compared to the previous year in 2021/03 and reached 85.3 mn TL.
- 12M trailing Net Profit grew by 165.2% in 2021/03 compared to last year and reached 77.1 mn TL.



EBITDA and Net Income Margin

1Q21 Net Income Bridge

Net Income Bridge (mTL)



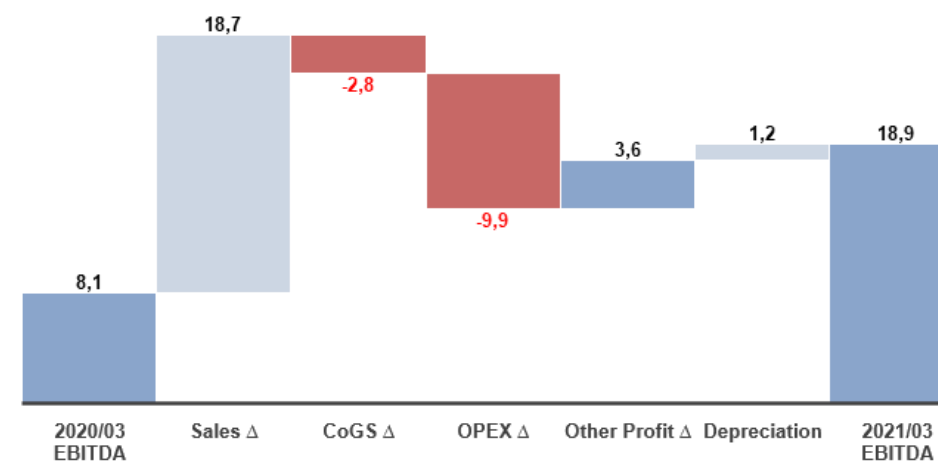
Δ : Change

Strong Growth in Net Income

- The net profit bridge reveals the improvement in net profit on a quarterly basis compared to 2020/03.
- The biggest source of net profit growth is seen as the 18.7 mn TL increase in sales in the 2021/03 period. Despite the strong growth in sales, the cost of sales increased by TL 2.8 mn and the growth in gross margin supported the net profit for the period.
- While operating expenses increased by TL 9.9 mn due to R&D expenditures, operating income supported the net profit for the period. As of 2021/03, the Company has a foreign currency surplus of TL 12.5 mn. Another important variable is that the Company has a tax advantage along with the high profit generated.

1Q21 EBITDA Bridge

EBITDA Bridge (mTL)



Δ : Change

EBITDA Grew Significantly

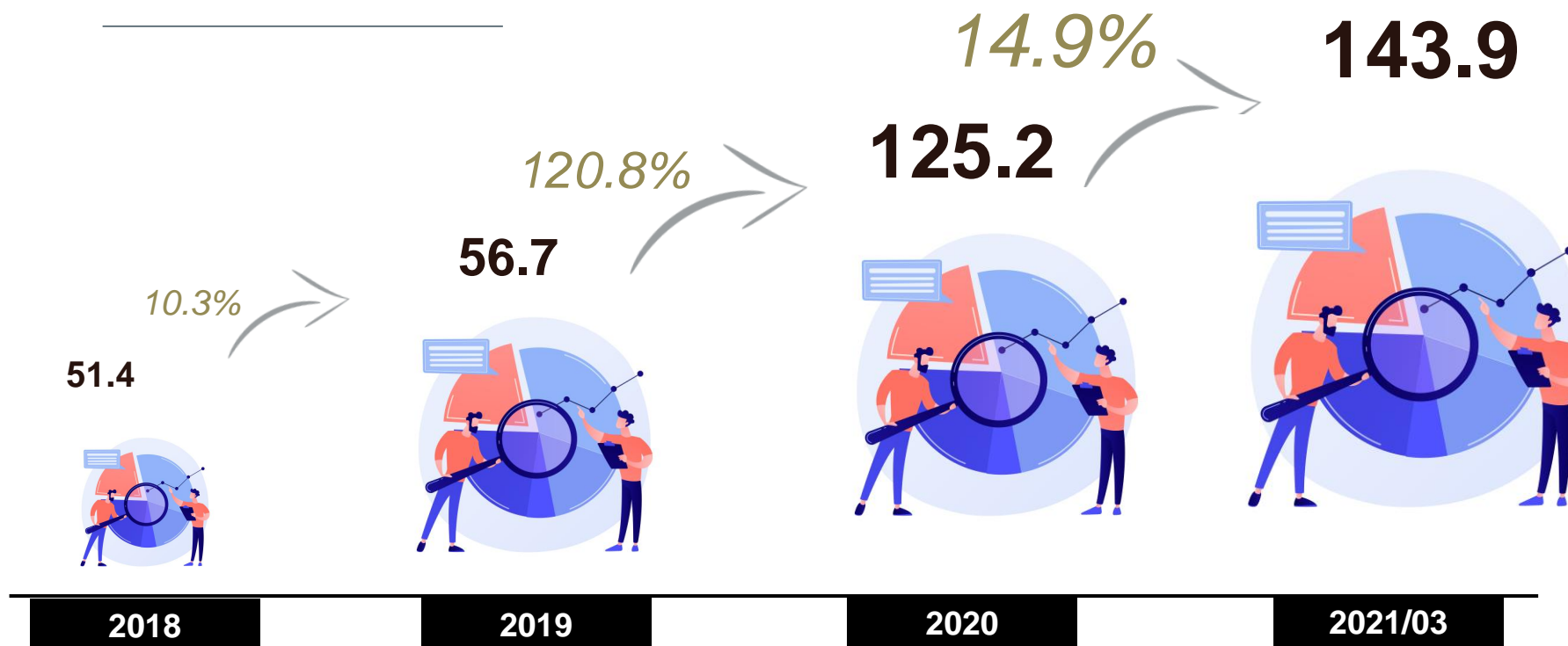
- The EBITDA bridge reveals the improvement in EBITDA compared to 2020/03 on a quarterly basis.
- The biggest source of EBITDA growth is seen as the 18.7 mn TL increase in sales in the 2021/03 period.
- Together with the high growth in sales, the increase in total expenses below the sales growth is an important efficiency indicator. R&D expenditures to increase the future EBITDA figure play an important role in the strong increase in operating expenses.
- The increase in the exchange rate in the relevant period generated income from the main activities and supported the quarterly EBITDA.

Net Sales Development (mTL)

143.9 mTL 12m trailing net sales at 1q2021

58% CAGR

2018– 2021/03

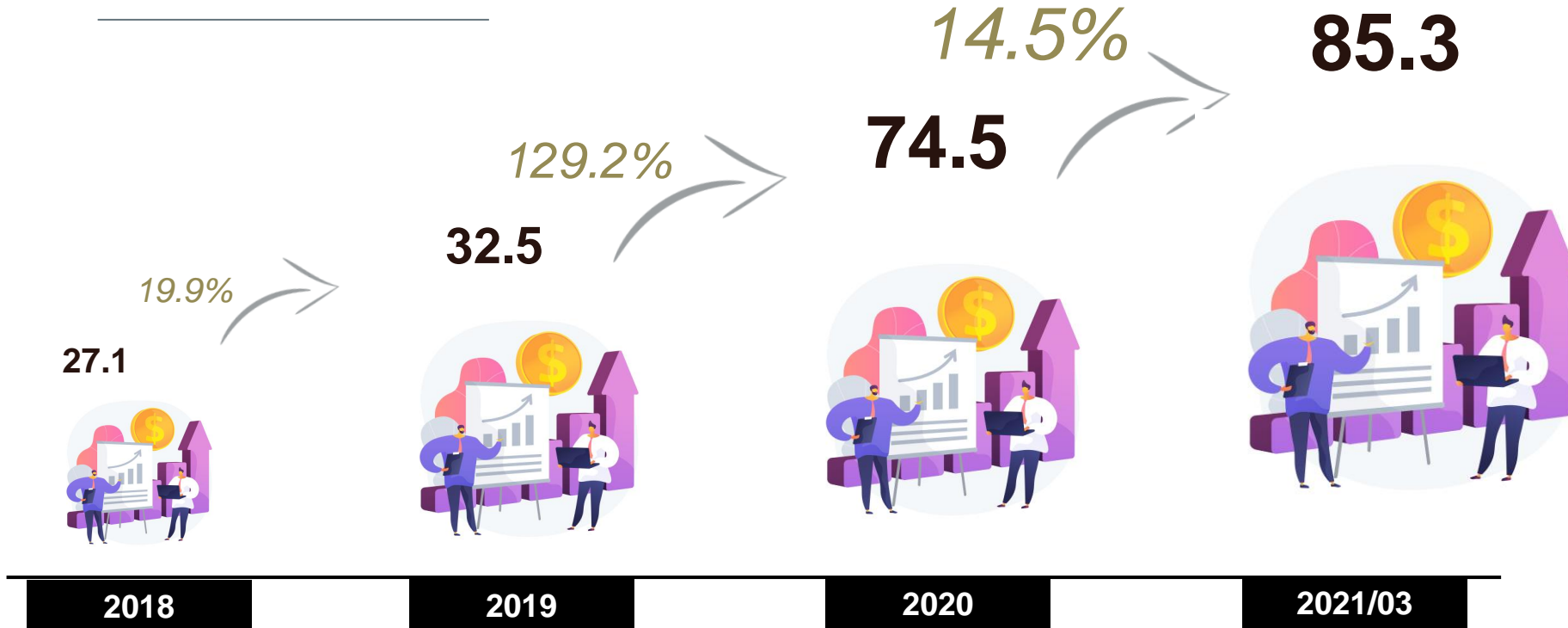


EBITDA Development (mTL)

85.3 mTL 12m trailing EBITDA at 1q2021

66% CAGR

2018– 2021/03

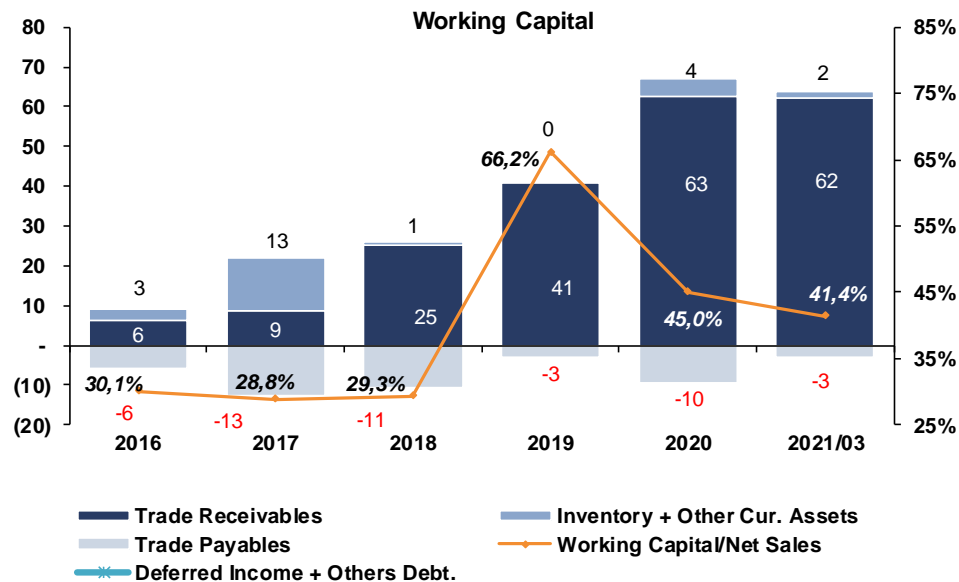
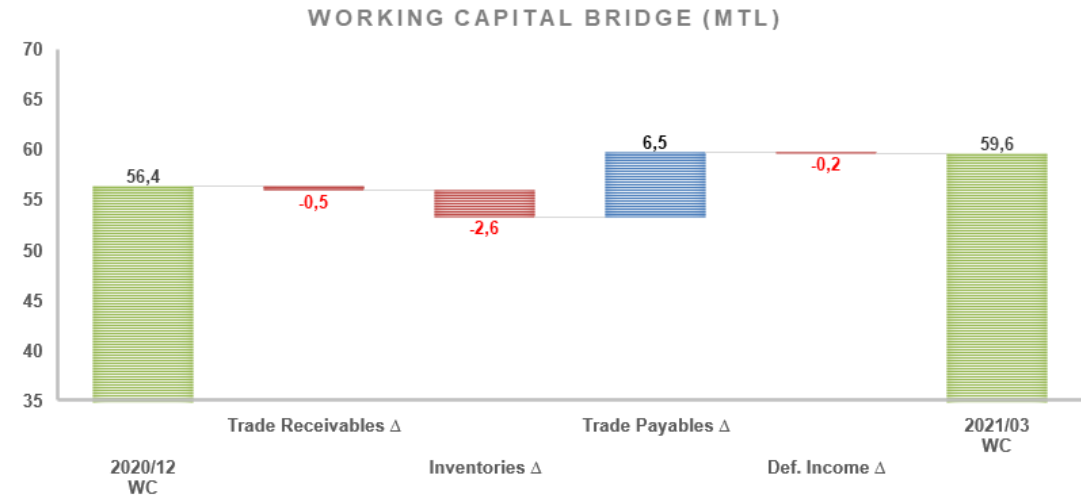


Working Capital

| Working Capital Analysis | | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| TLm | 2016 | 2017 | 2018 | 2019 | 2020 | 2021/03 |
| Trade Receivables | 6,1 | 8,8 | 25,0 | 40,9 | 62,6 | 62,0 |
| Inventory + Other Cur. Assets | 2,9 | 13,0 | 0,8 | 0,4 | 4,4 | 1,9 |
| Trade Payables | (5,7) | (12,8) | (10,7) | (3,2) | (9,6) | (3,1) |
| Deferred Income + Others Debt | (0,1) | (0,1) | (0,1) | (0,5) | (1,0) | (1,2) |
| Working Capital/Net Sales | 30,1% | 28,8% | 29,3% | 66,2% | 45,0% | 41,4% |
| Net Sales | 10,5 | 30,8 | 51,4 | 56,8 | 125,2 | 143,9 |

*As of 2021/03 trailing net sales have been considered

Working Capital Bridge



The Share of Private Sector in Client Portfolio Rises

- While the public sector sales increase the working capital relatively, the growing share of the private sector in the portfolio improves the working capital day by day.
- The minimum stock level positively affects the working capital. While the decline in receivables and stocks in the relevant period supported the working capital, the decrease in commercial debts has a relatively negative effect on working capital.
- Although the working capital to net sales ratio saw a high rate of 66.2% at the end of 2019, it declined steadily for the next 3 periods and realized as 41.4% in 2021/03. In a period of robust growth in sales, the decline in working capital to sales ratio is seen as a crucial productivity indicator.

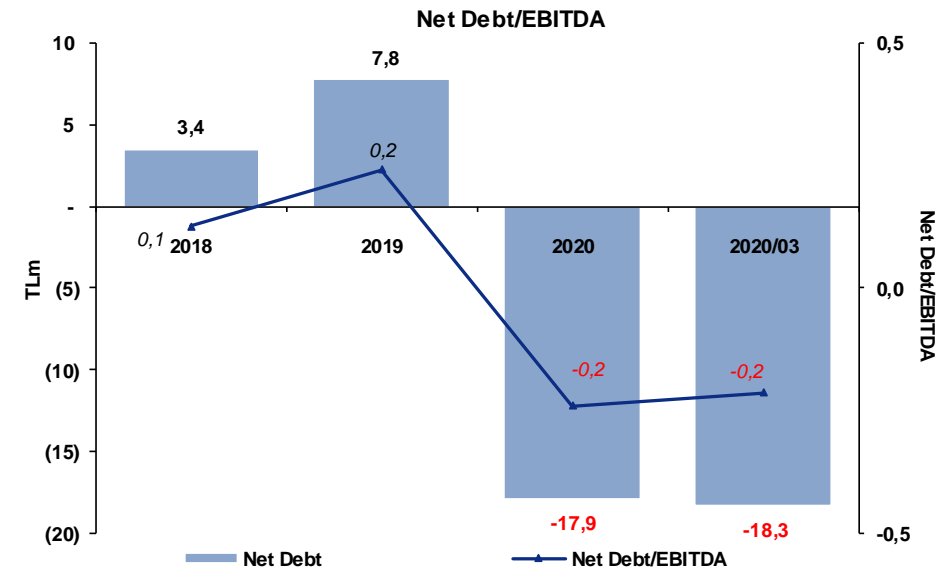
Net Cash Position

Net Cash & Equity & Financial Leverage

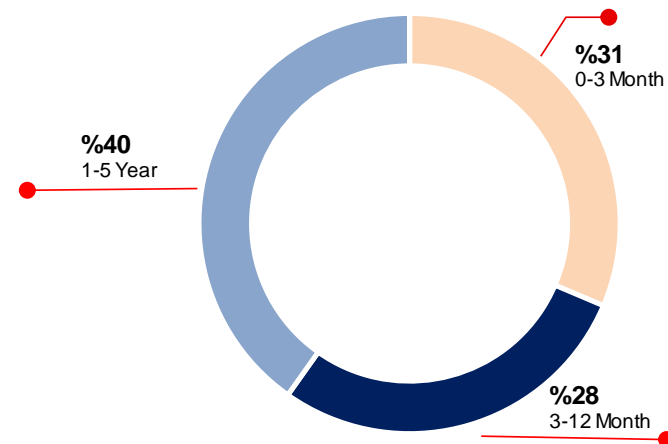
| TLm | 2018 | 2019 | 2020 | 2020/03 |
|------------------------------|-------------|--------------|---------------|---------------|
| Cash and Cash Equivalents | 0,1 | 1,7 | 27,3 | 27,6 |
| Financial Investments | - | - | - | - |
| Other Receivables | 4,4 | - | - | - |
| Short Term. Fin. Debt | 5,7 | 7,4 | 4,7 | 5,5 |
| Other Debt | 0,0 | - | 0,1 | 0,1 |
| Long Term. Fin. Debt | 2,2 | 2,1 | 4,6 | 3,7 |
| Net Debt | 3,4 | 7,8 | (17,9) | (18,3) |
| Equity | 46,1 | 72,5 | 173,5 | 191,8 |
| Net Debt/Equity | 7,4% | 10,8% | -10,3% | -9,5% |
| Net Debt/EBITDA | 0,1 | 0,2 | -0,2 | -0,2 |
| EBITDA | 27,1 | 32,5 | 74,5 | 85,3 |

* EBITDA is annualized for 2021/03.

Net Debt/EBITDA



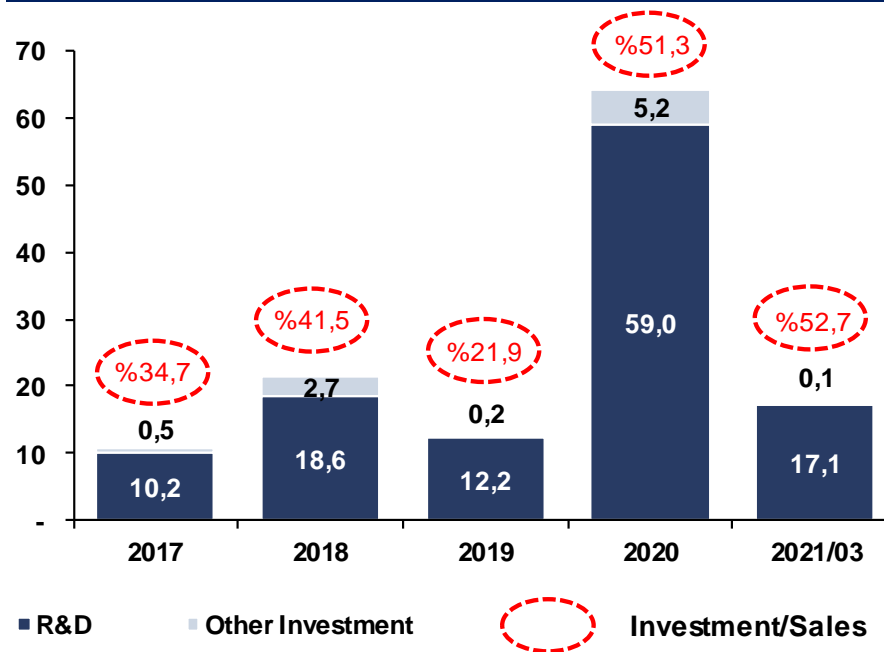
Maturity Breakdown (2021/03)



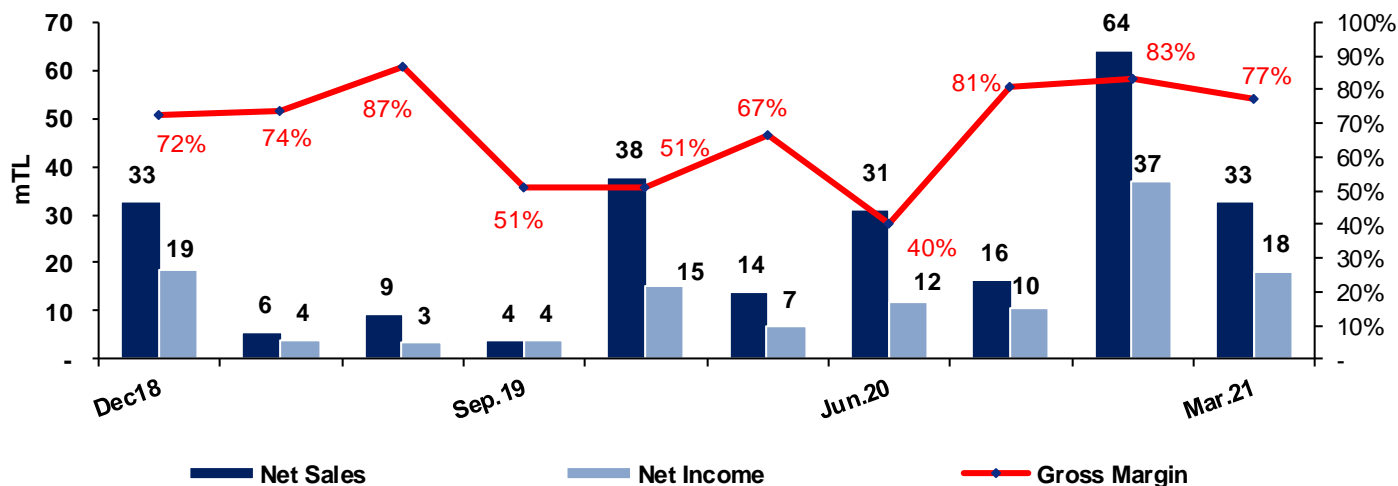
Foreign Exchange Position

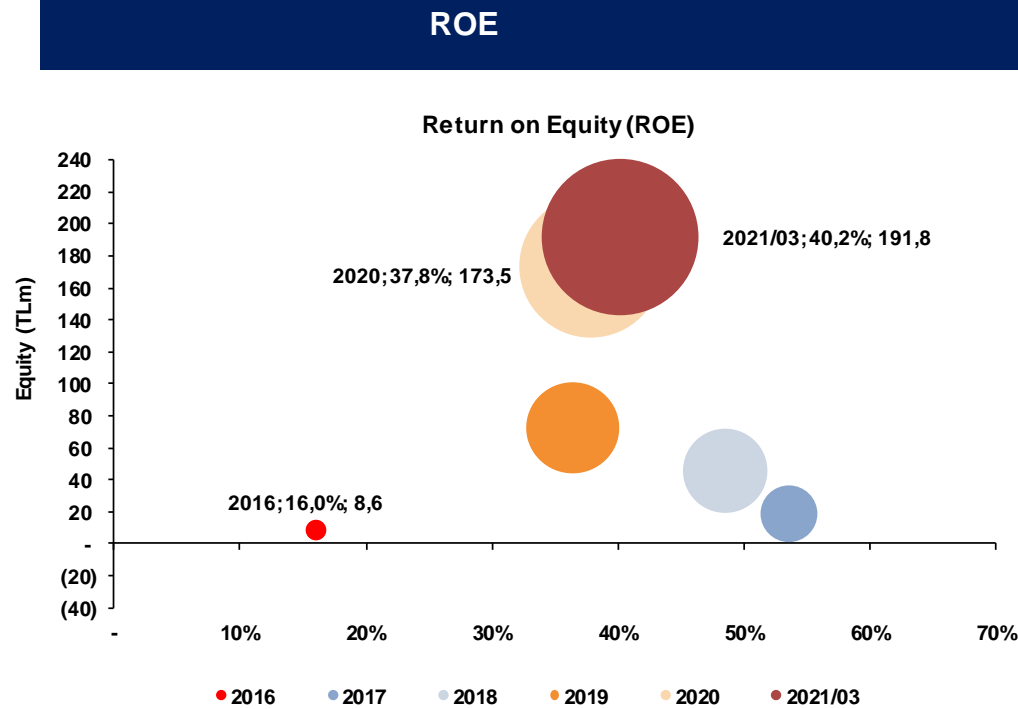
As of 2021/03, the company has **TL 12.5 mn long foreign exchange position**

Investments (mTL)



Seasonality (mTL)





Positive Economic Value Added (EVA) in the Last 3 Years

- The liquidation degree of the balance sheet continued to increase with each passing period meaning high dividend yield potential.
- Return on equity is above the annual Bond yield indicating that the capital is used efficiently.
- Low leverage points out that the company has a high borrowing capacity. EBITDA / Financing Expense and Net Debt / EBITDA ratios indicate an investment grade.

Financial Ratios

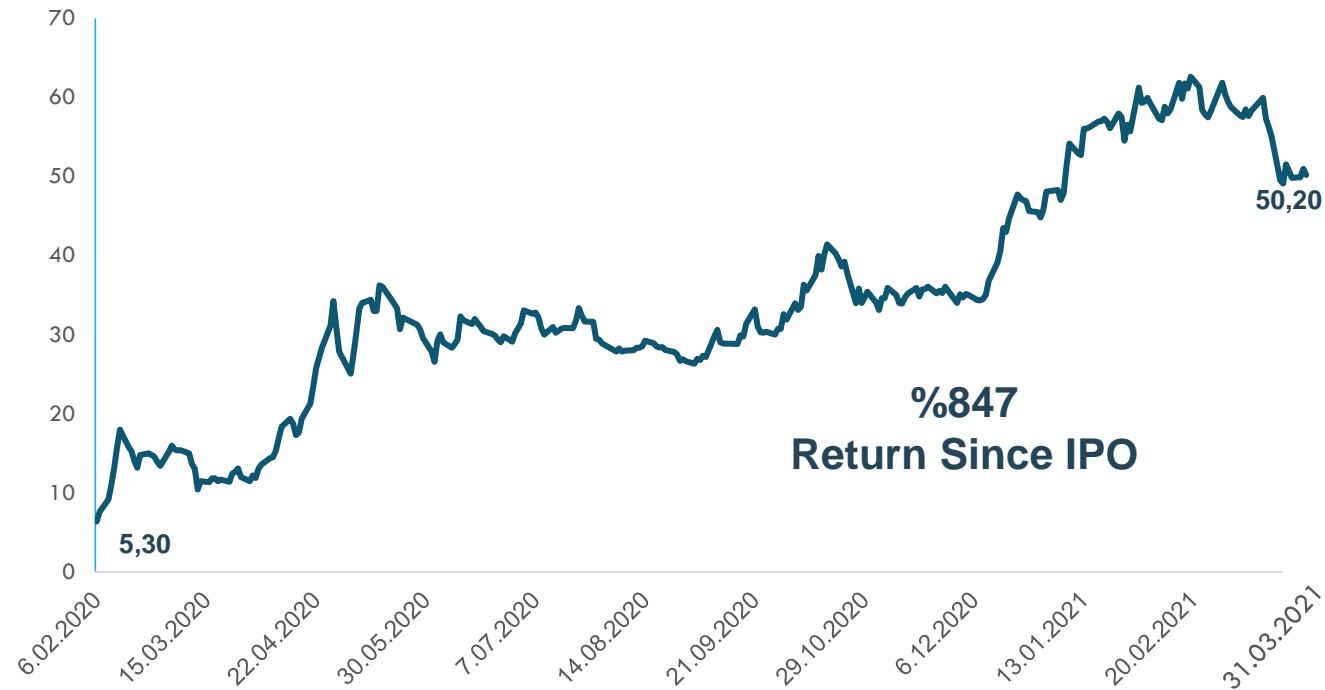
| Liquidity Ratios | 2021/03 | 2020/12 | 2019/12 | Referans |
|------------------|---------|---------|---------|----------|
| Current Ratio | 9,34 | 6,17 | 3,86 | 1,0-1,5 |
| Liquidity Ratio | 9,27 | 5,94 | 3,83 | 0,8-1,0 |

| Debt Ratios | 2021/03 | 2020/12 | 2019/12 | Referans |
|--------------------------------|---------|---------|---------|----------|
| Total Debts / Total Assets | 6,9% | 10,6% | 16,0% | <%40 |
| Short Term. Fin. Debt / Equity | 2,9% | 2,7% | 10,3% | <100% |
| Coverage Ratio | -93,3 | 78,2 | 18,4 | >3 |
| Net Debt / EBITDA | -0,2 | -0,2 | 0,2 | <4 |
| Short Term Liability / Assets | 4,8% | 7,9% | 12,9% | Sektör |
| Long Term Liability / Assets | 2,1% | 2,8% | 3,1% | Sektör |
| Equity / Assets | 93,1% | 89,4% | 84,0% | >%60 |
| Total Liabilities / Equity | 7,4% | 11,9% | 19,1% | Sektör |
| Financial Debts / Total Debts | 64,7% | 45,0% | 69,2% | Sektör |

| Profitability Ratios (Trailing) | 2021/03 | 2020/12 | 2019/12 | Referans |
|---------------------------------|---------|---------|---------|------------------|
| Gross Margin | 72,2% | 70,3% | 59,2% | Sektör |
| EBIT Margin | 53,2% | 53,5% | 49,5% | Sektör |
| EBITDA Margin | 59,3% | 59,5% | 57,2% | Sektör |
| Net Income Margin | 53,6% | 52,5% | 46,5% | Sektör |
| ROE | 40,2% | 37,8% | 36,4% | >Tahvil Getirisi |
| Interest Exp. / Net Sales | -0,6% | 0,8% | 3,1% | <%3 |

| Investment Ratios (Trailing) | 2021/03 | 2020/12 | 2019/12 | Referans |
|------------------------------|------------|------------|-----------|----------|
| Investment / Depreciation | 665,0% | 850,3% | 282,8% | >%100 |
| Investment / Net Sales | 52,7% | 51,3% | 21,9% | Sektör |
| EVA-TL | 30.357.018 | 25.803.144 | 8.178.159 | >0 |
| ROIC | 34,6% | 33,6% | 27,1% | >%17,0 |
| CRR | 120,1% | 124,2% | 142,2% | <%100 |

Stock Performance

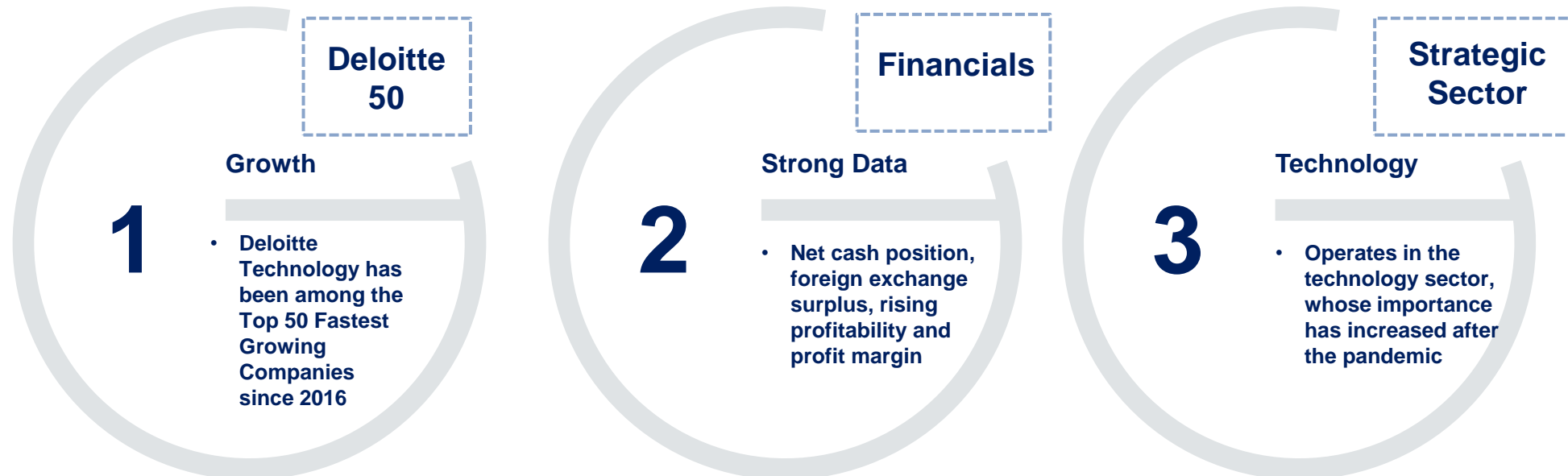


Robust Share Performance

- 847% return from the IPO until the first quarter of the year
- Strong financial data and compliance with corporate governance principles supported the performance
- The company has been selected among the top 50 companies in the "Deloitte Technology Fast 50 Turkey 2020" program held in February 2021, and was among the fastest growing technology companies in Turkey.

Investment Thesis

Rising software expenditure all over the world with the pandemic makes the sector strategic; R&D and Technocity incentives and low tax rate; Being one of the fastest growing technology companies in Turkey by the Deolitte Technology Fast 50 Turkey since 2016; Low indebtedness creates high borrowing capacity; Resilient financial structure in the period of increasing exchange rate with net cash position and foreign exchange surplus; Strong financials as of 2021/03; Strong cash position and liquid balance sheet means high dividend yield potential, R&D investments, which are made every year, will have a significant impact on EBITDA in the coming years.





ARD Informatics has a vital potential for the investors with its strong financial data, growth potential, incentives and operating in a strategic sector.



APPENDIX



MILESTONES OF ARD GROUP



**Establishment of
ARD INFORMATICS
in Hacettepe
Technopark**

2011

**Establishment of
ARD Group Energy
ARD Group
Construction**

2016

**The company title
changed to
ARD INFORMATICS**

2018

**Transition to
the Registered
Capital System**

2019

**ARD INFORMATICS
listed in BIST100 index
and rised to the BIST
Stars Market**

2020

**Establishment of
ARD Group Holding
ARD Group Defense
ARD Group Health**

2015

**Getting Facility
Security Certificate
NATO / NATIONAL
SECRET and SPICE
TS ISO / IEC 15504
Certificates**

2017

**ARD INFORMATICS
London, Dubai and
ARDTech Bahrain
offices are opened**

2018

**Public offering of
ARD
INFORMATICS on
February 6, 2020**

2020

FINANCIALS

| Balance Sheet | | | |
|-------------------------------|--------------------|--------------------|--------------|
| TL | 2020/12 | 2021/03 | 2021/2020 |
| ARD Informatics | Realized | Realized | FUNDING |
| | Audited | Non-Audited | |
| Assets | 194.182.794 | 205.975.803 | |
| Cash and Equivalents | 27.282.062 | 27.562.238 | 280.176 |
| Trade Receivables | 62.550.745 | 62.021.868 | (528.877) |
| Other Current Assets | 853.786 | 1.216.247 | 362.461 |
| Inventory | 3.572.036 | 637.484 | (2.934.552) |
| Current Assets | 94.258.629 | 91.437.837 | |
| Investment Property | 26.200 | 26.200 | - |
| Tangible Fixed Assets | 6.192.120 | 5.836.275 | (355.845) |
| Intangible Fixed Assets | 93.705.845 | 108.675.491 | 14.969.646 |
| Fixed Assets | 99.924.165 | 114.537.966 | |
| Equity and Liabilities | 194.182.794 | 205.975.803 | |
| Short Term. Debts | 4.674.158 | 5.491.815 | 817.657 |
| Trade Payables | 9.562.520 | 3.098.410 | (6.464.110) |
| Other Debts | 115.021 | 101.588 | (13.433) |
| Other Short-Term Liabilities | 919.596 | 1.100.527 | 180.931 |
| Short-Term Liabilities | 15.271.295 | 9.792.340 | |
| Long Term Debt | 4.624.358 | 3.690.182 | (934.176) |
| Other Long-Term Liabilities | 766.164 | 714.266 | (51.898) |
| Long-Term Liabilities | 5.390.522 | 4.404.448 | |
| Paid-in Capital | 23.875.000 | 23.875.000 | - |
| Emission Premium | 30.961.672 | 30.961.672 | - |
| Other Comprehensive Exp. | 24.532 | 59.665 | 35.133 |
| Profit Reserves | 1.340.006 | 1.340.006 | - |
| Retained Earning | 51.650.507 | 117.319.767 | 65.669.260 |
| Net Income | 65.669.260 | 18.222.905 | (47.446.355) |
| Equity | 173.520.977 | 191.779.015 | |

| Income Statements | | | |
|-------------------------------|-------------------|-------------------|------------|
| TL | 2020/03 | 2021/03 | 2021-2020 |
| ARD Informatics | Realized | Realized | Change (%) |
| | Non-Audited | Non-Audited | |
| Net Sales | 13.865.939 | 32.614.170 | 135,2% |
| <i>Change</i> | | 135,2% | |
| CoGS | (4.640.132) | (7.415.577) | 59,8% |
| Gross Profit | 9.225.807 | 25.198.593 | 173,1% |
| <i>Gross Margin</i> | 66,5% | 77,3% | |
| General & Administrative Exp. | (921.690) | (1.051.620) | 14,1% |
| <i>Change</i> | | 14,1% | |
| R&D | (910.475) | (10.677.104) | 1072,7% |
| <i>Change</i> | | 1072,7% | |
| Other Opreating Profit | 867.694 | 3.029.536 | 249,1% |
| Other Opreating Exp. | (1.567.494) | (172.260) | -89,0% |
| EBITDA | 8.090.235 | 18.913.863 | 133,8% |
| <i>Change</i> | | 133,8% | |
| <i>EBITDA Margin</i> | 58,3% | 58,0% | |
| Depreciation | (1.396.393) | (2.586.718) | 85,2% |
| EBIT | 6.693.842 | 16.327.145 | 143,9% |
| <i>Change</i> | | 143,9% | |
| <i>EBIT Margin</i> | 48,3% | 50,1% | |
| Net Finance Income | 2.862 | 1.870.201 | 65245,9% |
| Pre-tax Profit | 6.696.704 | 18.197.346 | |
| Tax | 49.697 | 25.559 | |
| Net Income | 6.746.401 | 18.222.905 | 170,1% |
| <i>Net Margin</i> | 48,7% | 55,9% | |

FACTSHEET

| Shareholders | SHAREHOLDER STRUCTURE | | |
|----------------------|-----------------------|-------------------|-------------------|
| | Capital (TL) | Capital Ratio (%) | Voting Rights (%) |
| ARD GRUP HOLDİNG INC | 12.115.000 | 50.74 | 67.22 |
| FREE FLOAT | 11.760.000 | 49.26 | 32.78 |
| TOTAL | 23.875.000 | 100 | 100 |

- ARD Group Informatics Technologies Inc. has been continuing its R&D software and system integrator activities within the headquarters of Ankara Hacettepe University Teknokent since 2011.
- Our Activity Areas ; To develop software programs for law, health, defense, logistics and warehouse process management. We supply traceability, cyber security, tracking system products to not only public institutions but also private sector.
- The voting right of the public portion is 32.78%
- As of 31.03.2021, 51 employees are working within the company.

| Type of Quoted Capital Market Instrument | First Trading Date | The Country of The Stock Exchange Market | Name of the Stock Exchange Market | Name of the Market |
|--|--------------------|--|-----------------------------------|--------------------|
| Stock | 6.02.2020 | Türkiye | BORSA İSTANBUL A.Ş. | BIST STARS |

| Financial Data | 2021/03 |
|----------------|------------|
| Net Sales | 32,6 m TL |
| Net Income | 18,2 m TL |
| Equity | 191,8 m TL |
| Mcap | 1,19 Bn TL |
| EBITDA | 18,9 m TL |

| Preferred Stock & Subsidiaries | |
|---|--------------|
| Amount of Preferred Stock | 3.000.000 TL |
| The company does not have any direct or indirect subsidiaries | |

DISCLAIMER

This presentation contains information relating to ARD GROUP INFORMATION TECHNOLOGIES INC. (“ARD INFORMATICS”) that may not be redistributed, reproduced, published, or passed on to any other person or used in whole or in part for any other purpose. By accessing this document you agree to abide by the limitations set out in this document as well as any limitations set out on the webpage of ARD INFORMATICS on which this presentation has been made available.

This document is being presented solely for informational purposes. It should not be treated as giving investment advice, nor is it intended to provide the basis for any evaluation or any securities and should not be considered as a recommendation that any person should purchase, hold or dispose of any shares or other securities.

This presentation may contain forward looking statements based on current assumptions and forecasts made by ARD INFORMATICS management and other information currently available to ARD INFORMATICS . Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. ARD INFORMATICS does not accept any responsibility or declaration for this information.

Neither ARD INFORMATICS nor any respective agents of ARD INFORMATICS undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any information or to correct any inaccuracies in any such information.

Certain numerical data, financial information and market data (including percentages) in this presentation have been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or interim totals or differences or if numbers are put in relation) in this presentation may not correspond in all cases to the amounts contained in the underlying (unrounded) figures appearing in the consolidated financial statements. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts.

INVESTOR RELATIONS CONTACTS

Damla Mermerođlu
Investor Relations Manager

T 0 312 299 25 95
damla.mermeroglu@ardgrup.com.tr

Eda Dirican
Investor Relations Specialist

T 0 312 299 25 95
eda.dirican@ardgrup.com.tr

THANK YOU

For detailed information, please contact us by e-mail
investor.relations@ardgroup.com.tr



ARD INFORMATICS