

INVESTOR PRESENTATION

2Q 2021 FIGURES

07.09.2021



ARD BİLİŞİM

- ✓ **Project Portfolio:** Value Added Projects Expanded Portfolio
- ✓ **Financials:** Significant Increase in Cash Position
- ✓ **Growth:** High Performance in Quarterly Revenue and Gross Margin

EXECUTIVE SUMMARY

DEBT LEVEL

Despite high sales growth, steady decline in working capital to sales since 2019 points out efficiency.

In a period of increasing exchange rates, Company's FX surplus position continued and its net cash position rose to TL 42.8 mn.

MARGINS

Quarterly gross profit margin, which was 40% in 2020/06, increased to 96% in 2021/06, driven by value-added projects.

Considering the added value that can be achieved with quarterly rise in R&D expenses, the expectation for operating profitability for the next period continues.



PERFORMANCE

With its financial performance, the company achieved a return on equity (45.5%) well above the interest rates.

It continues to generate economic added value with the project sales in its portfolio.

GROWTH

Projects that are generating high added value has been effective in the robust increase in quarterly income.

R&D expenses increased significantly in EBITDA growth of 203.6% quarter-on-quarter reduced service costs. In line with EBITDA growth The further net profit increase was supported by deferred tax revenue.

SOLID PERFORMANCE

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2021/06 & 2020/06 PERIODICAL

130,0%

REVENUE
GROWTH

178,4%

EBITDA *
GROWTH

214,4%

NET INCOME
GROWTH

60,3%

EBITDA*
MARGIN

2Q21 & 2Q20 QUARTERLY

127,7%

203,6%

239,6%

61,3%

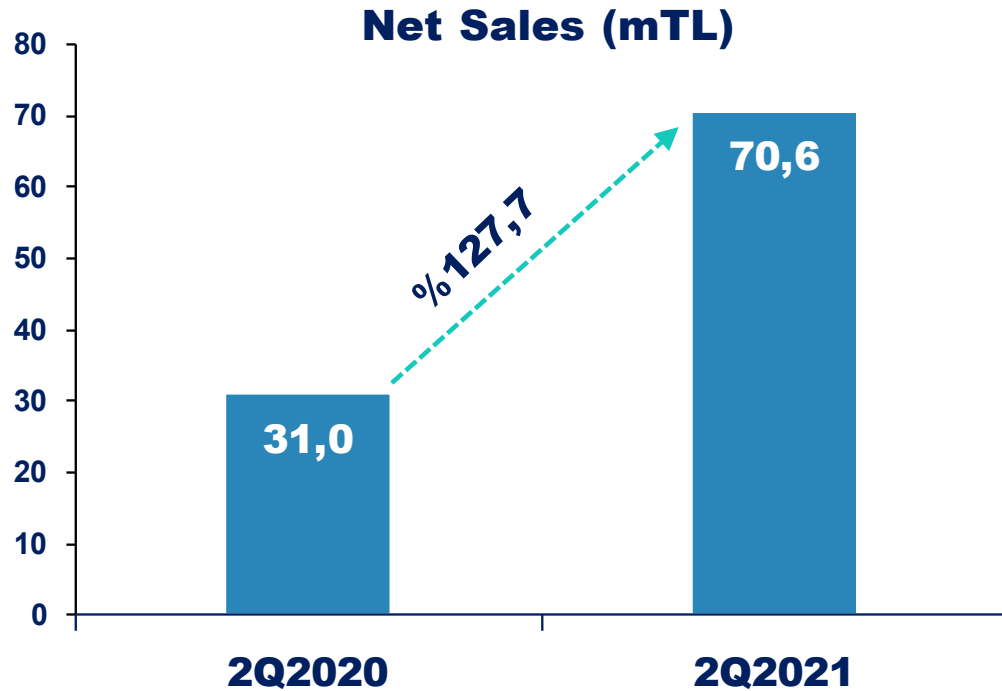
**Other Income / Expense from Operating Activities are included in EBITDA*

2Q 2021 RESULTS

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Highest Sales of All Periods on a Quarterly Basis

QUARTERLY FIGURES



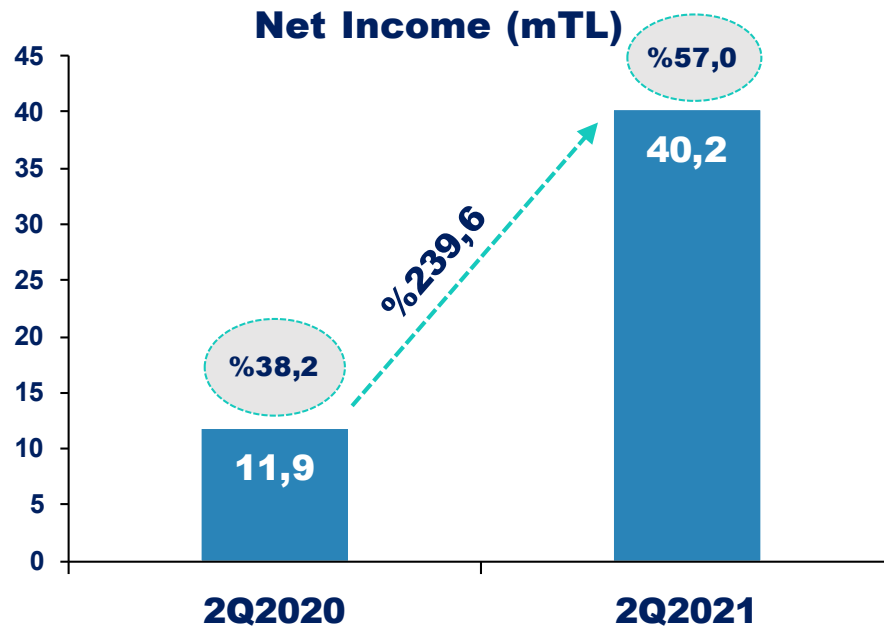
- Net sales raised by 127.7% on a quarterly basis compared to the same period of the previous year and amounted to 70.6 m TL.
- Compared to the previous quarter, net sales increased by 114.1% and the sales record for all periods was broken.
- Despite the sales growth, maintaining the profit margin is seen as an important development.

2Q 2021 RESULTS

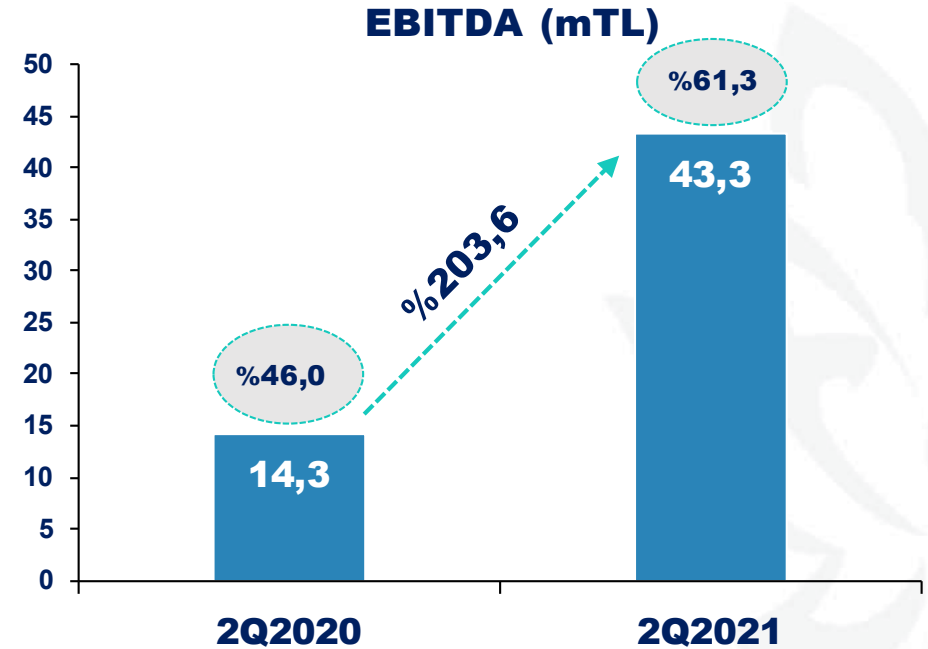
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R&D Incentives and Value Added Projects Supported Profitability

QUARTERLY FIGURES



- Net income improved by 239.6% QoQ to 40.2 mTL. Strong stance in operating profitability was the most important factor supporting the net profit for the period.



- EBITDA grew by 203.6% QoQ to 43.3 mTL. Rising income with value-added projects emerged as the main parameter behind EBITDA Growth.

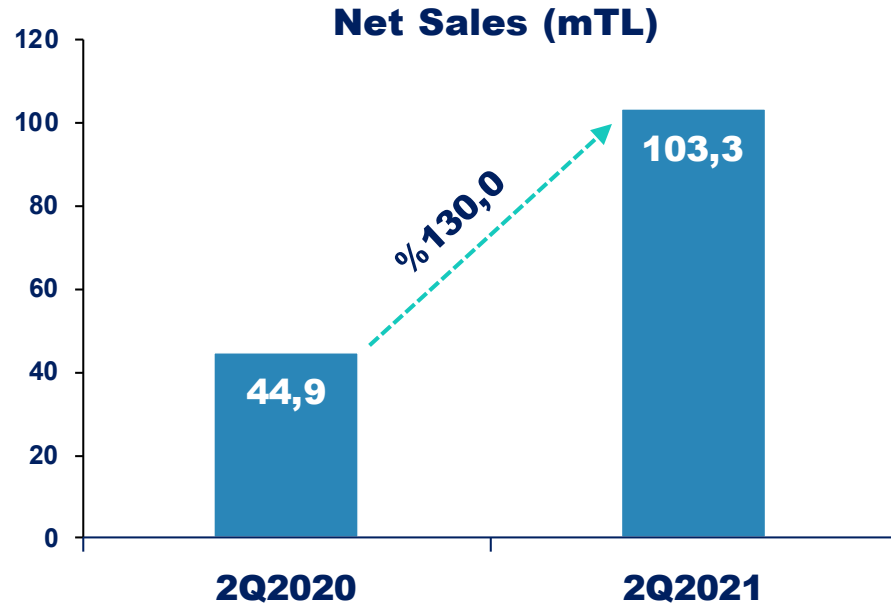
 *EBITDA and Net Income Margin*

2Q 2021 RESULTS

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The Growth in Sales Continued During the Pandemic

PERIODICAL FIGURES



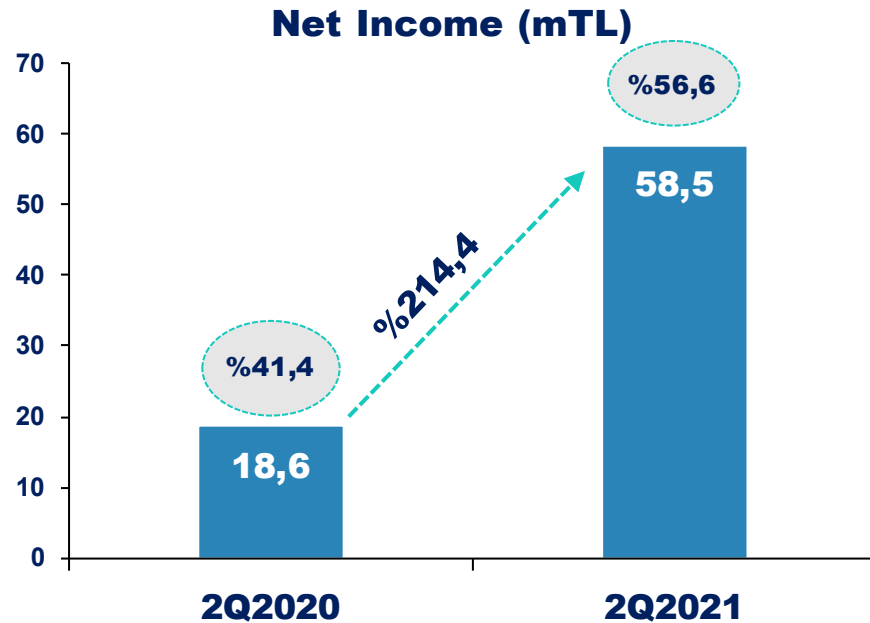
- Periodic net sales increased by 130.0% in 2021/06 compared to the same period of the previous year and amounted to 103.3 mTL.
- High-value-added projects were instrumental in the strong increase in revenues.
- Topline is stemmed from domestic operations.
- The pandemic process increased customers' spending on software and technology, contributing positively to the Company's revenues.

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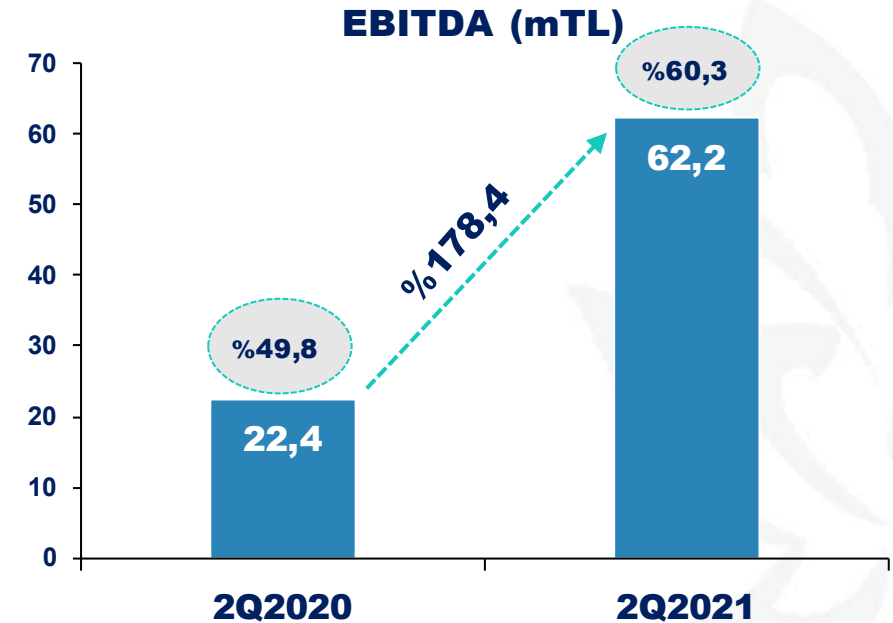
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Impressive Improvement in Profit Margins

PERIODICAL FIGURES



- Net profit augmented by 214.4% on a quarterly basis and reached 58.5 mTL.



- EBITDA increased by 178.4% on a quarterly basis to 62.2 mTL.

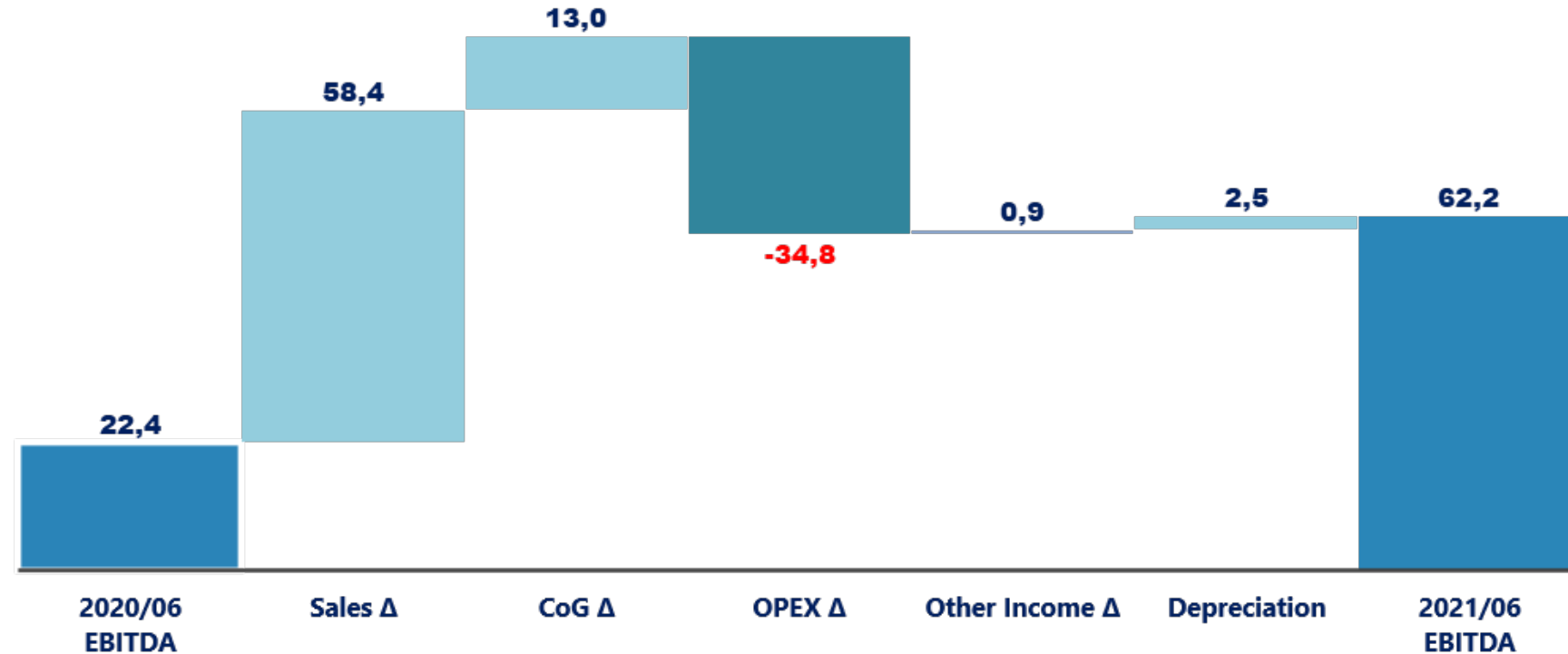
 **EBITDA and Net Income Margin**

2Q 2021 RESULTS

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The Weight of Commercial Products in Portfolio Decreased

EBITDA Bridge (mTL)



Δ : Change

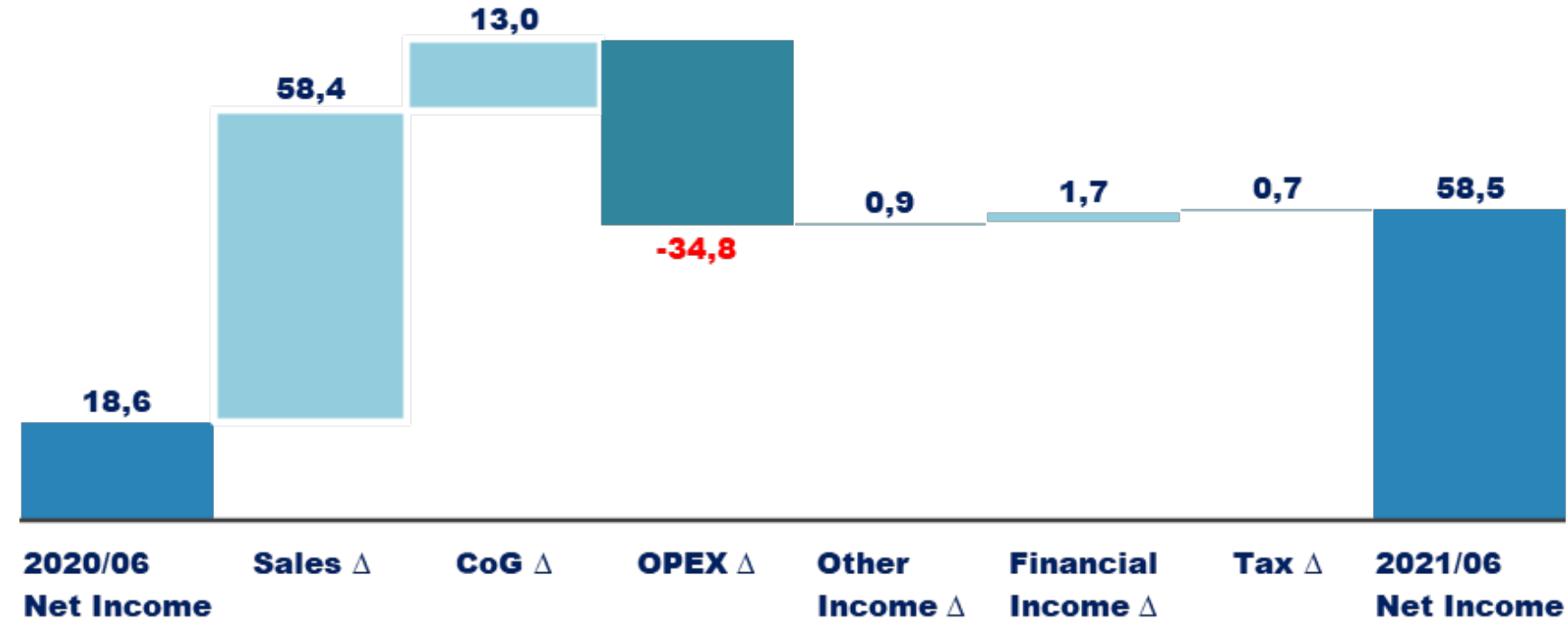
- Strong sales growth was recorded as the main parameter in EBITDA growth.
- Significant decrease in the sales of commercial goods with low profit margins in this period brought about a decrease in the cost of goods sold and supporting EBITDA growth.
- The increase in the weight of high value-added projects in the portfolio was instrumental in EBITDA growth.
- The high increase in operating expenses due to R&D expenditures partially offset EBITDA growth and margin growth.
- R&D expenditures create expectations for EBITDA growth in the coming period.

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Cash Position Supported Net Profit for the Period

Net Income Bridge (mTL)



- EBITDA growth continued to grow strongly in net profit for the period due to supporting factors.
- The generated cash position generated increased net profit by generating financing revenue.
- In addition to all these effects, the tax advantage and deferred tax income supported the net profit for the period compared to the same period of the previous year.

Δ : Change

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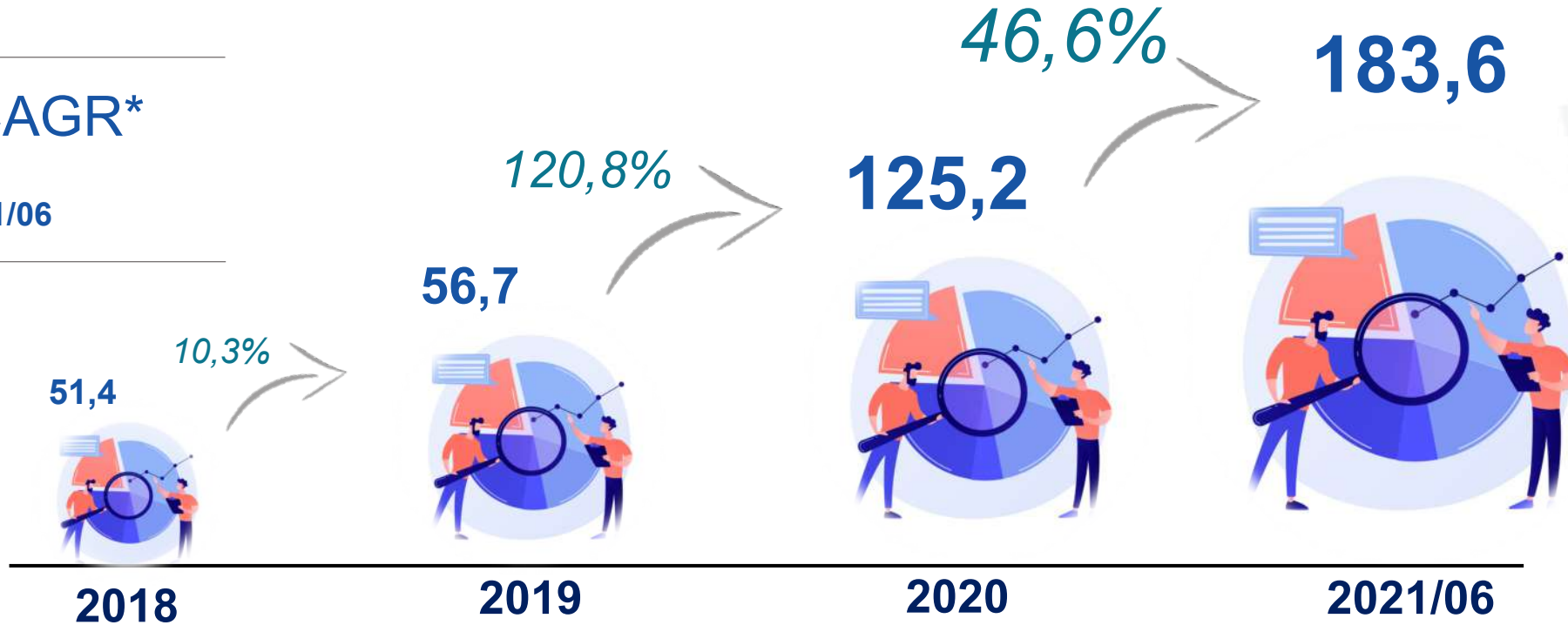
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Spectacular Growth Continues

ANNUAL NET SALES DEVELOPMENT (mTL)

66% CAGR*

2018– 2021/06



*CAGR : Compounded Annual Growth Rate

Total Sales TL M

2Q 2021 RESULTS

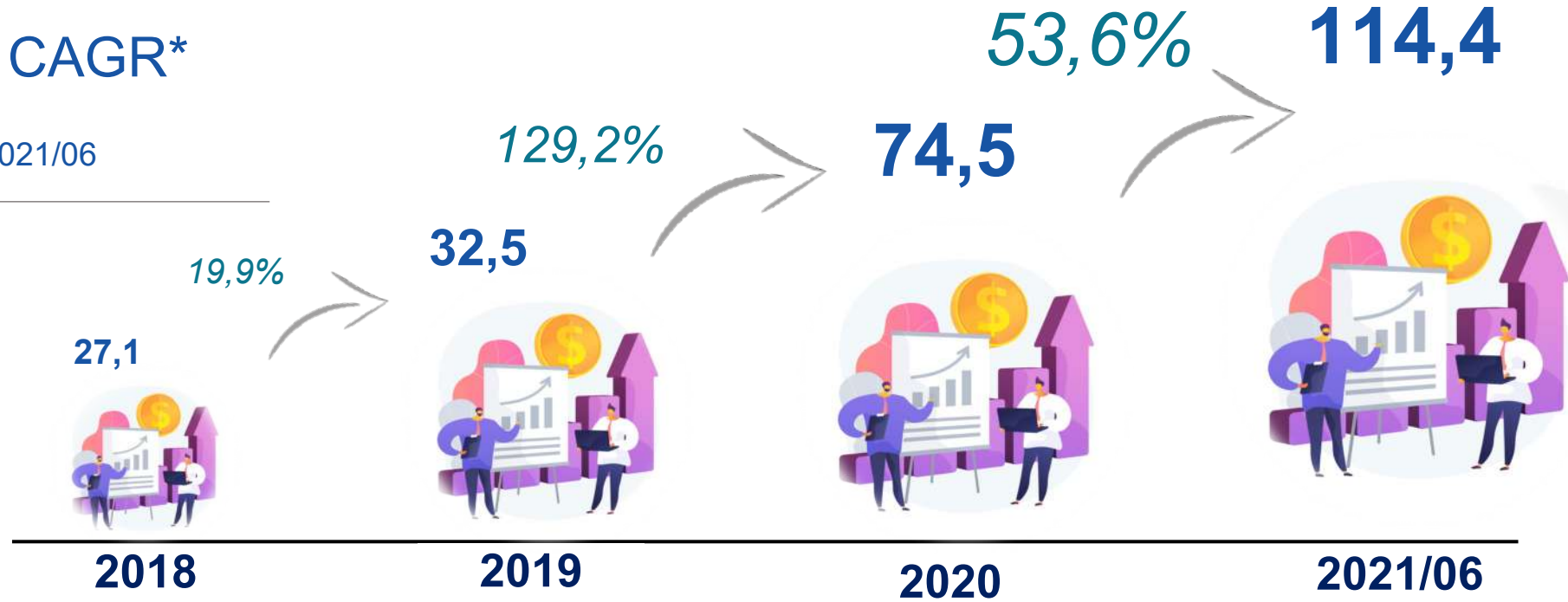
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Spectacular Growth Continues

ANNUAL EBITDA DEVELOPMENT (mTL)

78% CAGR*

2018– 2021/06



*CAGR: Compounded Annual Growth Rate

EBITDA TL M

2Q 2021 RESULTS

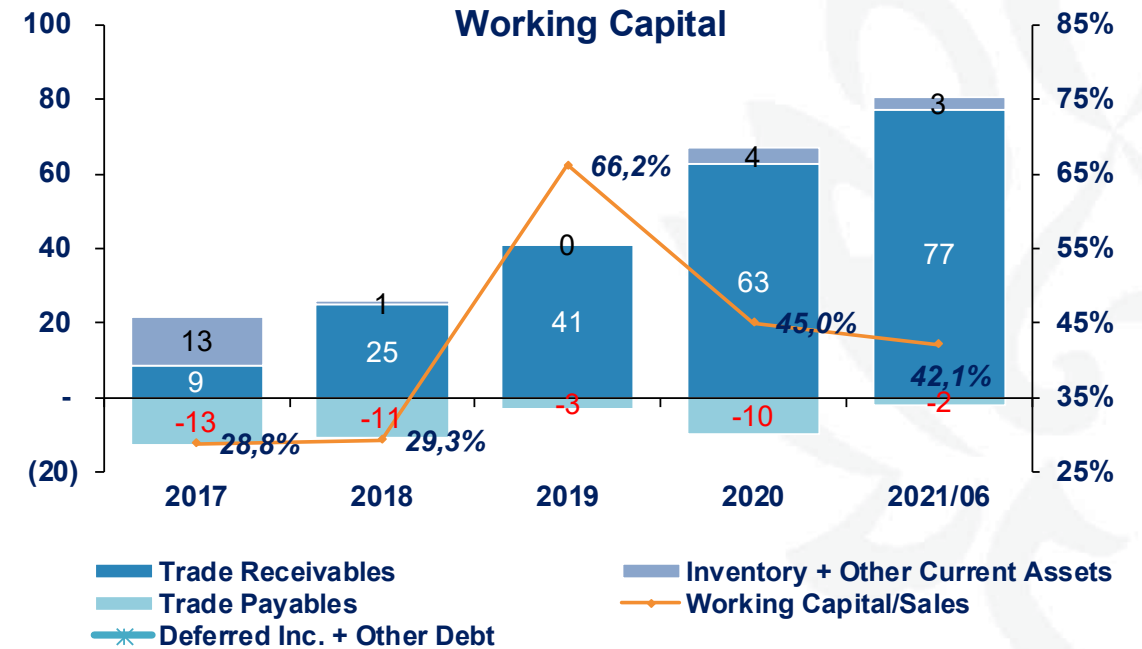
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Improvement in Working Capital Continued Despite Rising Revenue

Working Capital

Working Capital Analysis					
TLm	2017	2018	2019	2020	2021/06
Trade Receivables	8,8	25,0	40,9	62,6	77,3
Inventory + Other Current Ass	13,0	0,8	0,4	4,4	3,2
Trade Payables	(12,8)	(10,7)	(3,2)	(9,6)	(1,9)
Deferred Inc. + Other Debt	(0,1)	(0,1)	(0,5)	(1,0)	(1,4)
Working Capital/Sales	28,8%	29,3%	66,2%	45,0%	42,1%
Net Sales*	30,8	51,4	56,8	125,2	183,6

*As of 2021/06 trailing net sales has been considered

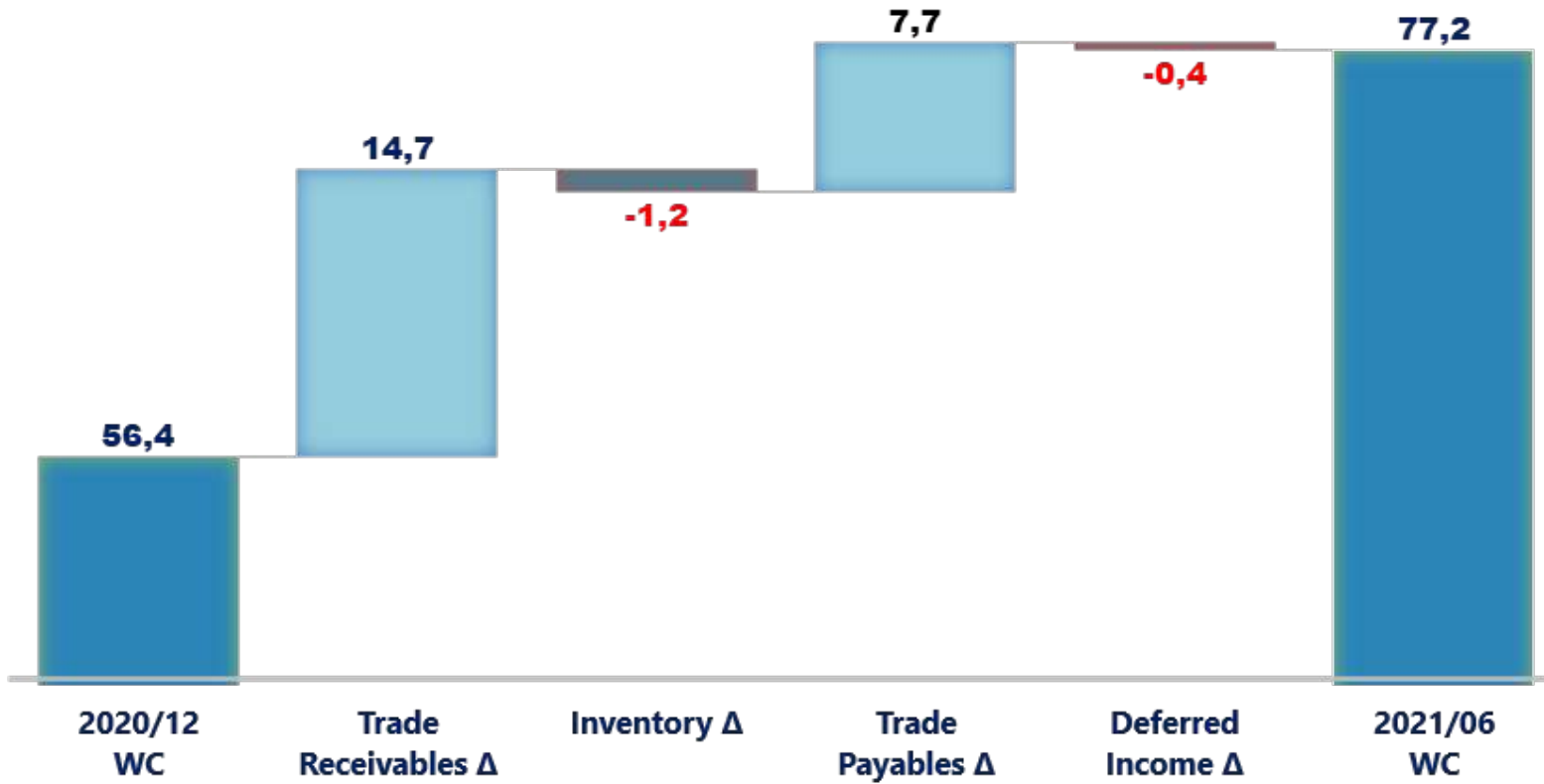


2Q 2021 RESULTS

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Convergence 2018 Level in Working Capital to Sales Continue

WORKING CAPITAL BRIDGE (MTL)



Δ : Change

- While the rise in receivables affected working capital negatively, low stock capability continued to affect positively.
- The enhancement in commercial debts in the last quarter has been normalized in the current period.
- Working capital, which was 56.4 mTL at the end of 2020, augmented to 77.2 mTL in 2021/06.

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Increased Profitability Continued to Strengthen Cash Position

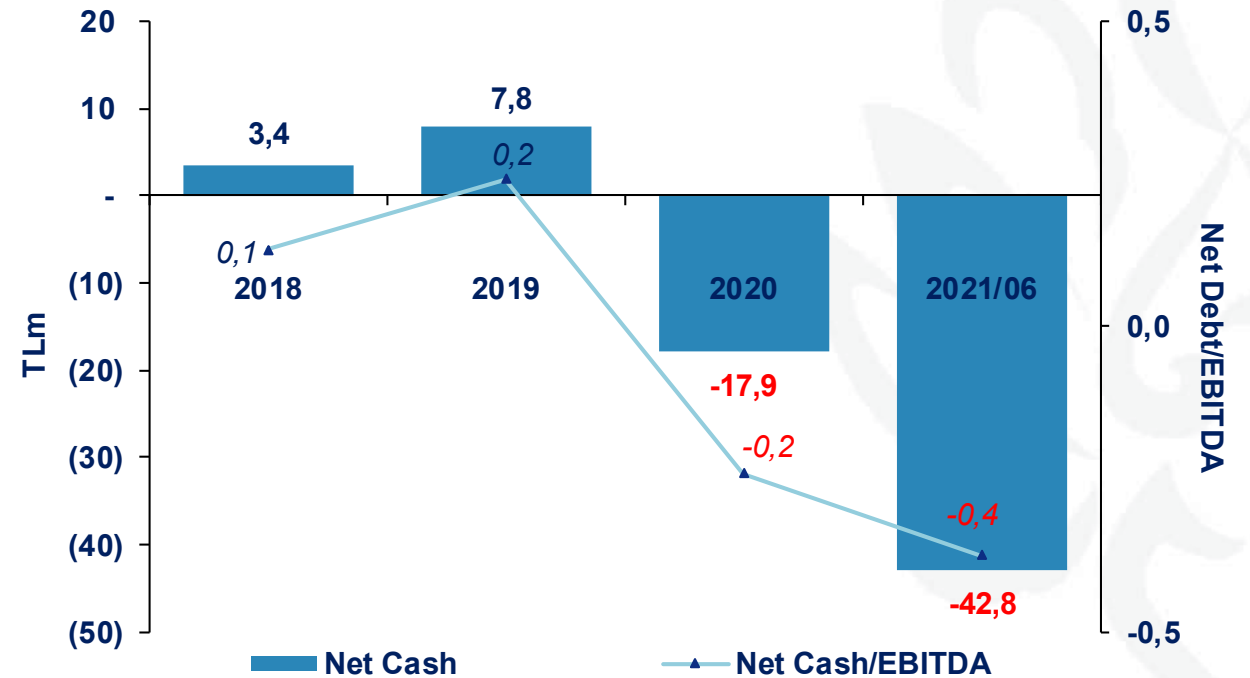
Net Cash Position

Net Cash & Equity & Financial Leverage

TLm	2018	2019	2020	2021/06
Cash and Cash Equivalents	0,1	1,7	27,3	51,4
Other Receivables	4,4	-	-	0,0
Short-Term Financial Debt	5,7	7,4	4,7	5,5
Other Debt	0,0	-	0,1	0,2
Long-Term Financial Debt	2,2	2,1	4,6	2,9
Net Cash	3,4	7,8	(17,9)	(42,8)
Equity	46,1	72,5	173,5	232,0
Net Cash/Equity	7,4%	10,8%	-10,3%	-18,5%
Net Cash/EBITDA	0,1	0,2	-0,2	-0,4
EBITDA	27,1	32,5	74,5	114,4

*As of 2021/06 EBITDA is annualized

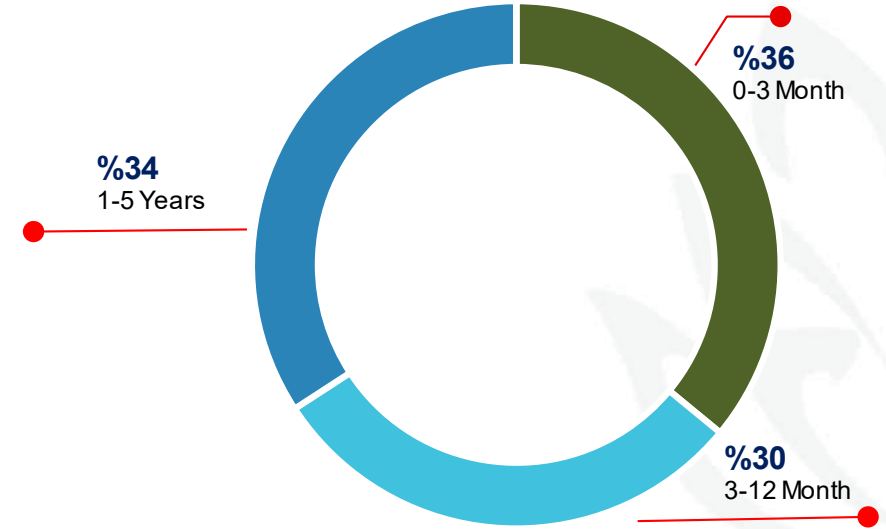
Net Cash/EBITDA



Foreign Exchange Position



Credit Maturity Breakdown

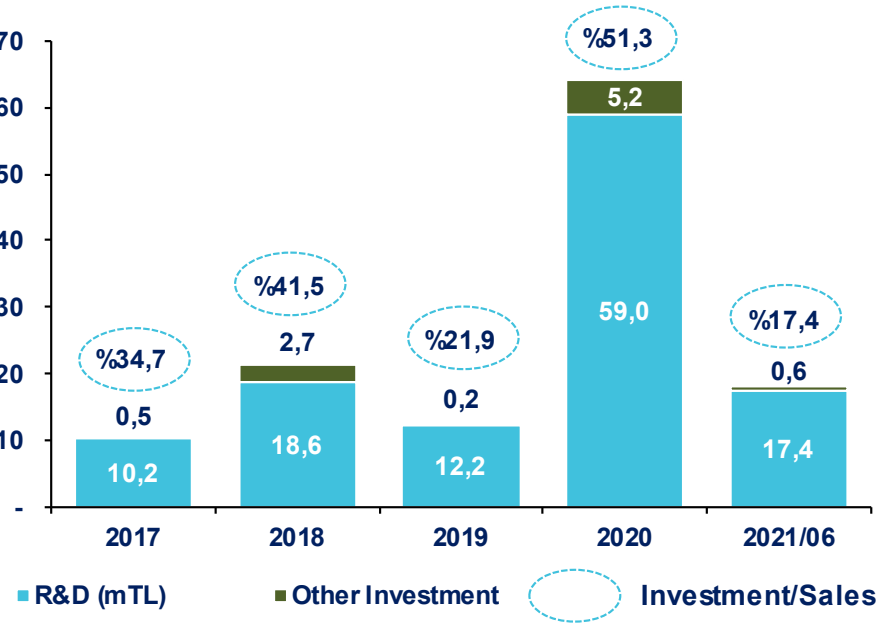


- As of 2021/06, the Company has a foreign exchange surplus. As of the end of the period, all loans are in TL and the effective interest rate fluctuates in the 10-26% band.

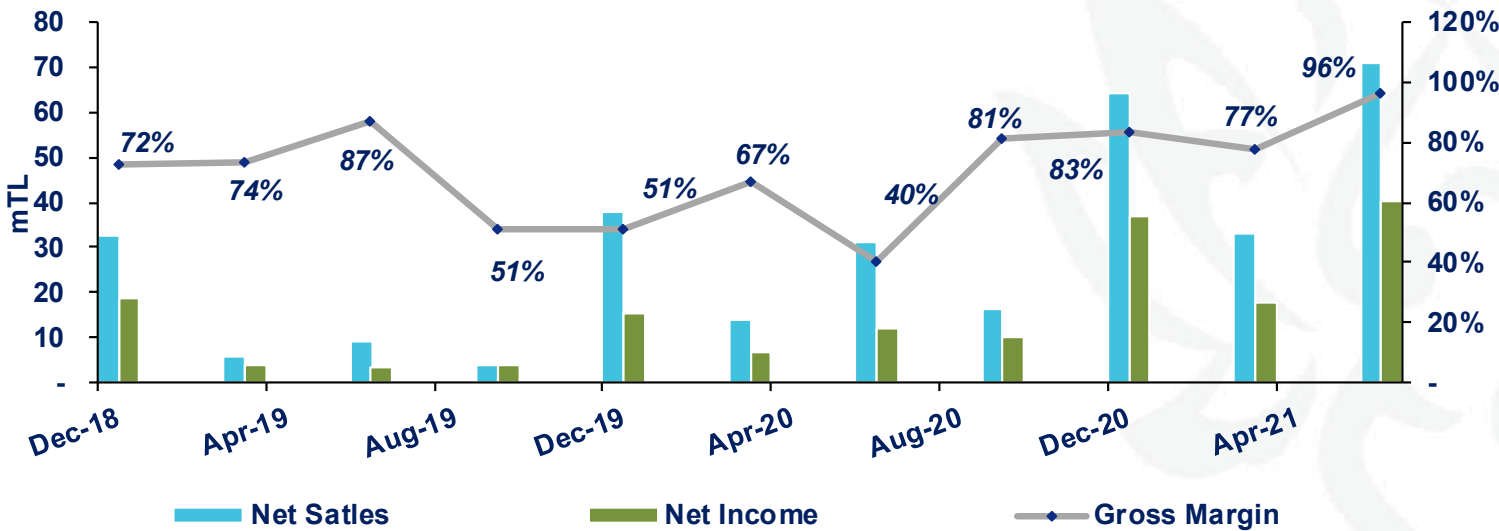
2Q 2021 RESULTS

Gross Margin Record of All Times

Investments (mTL)



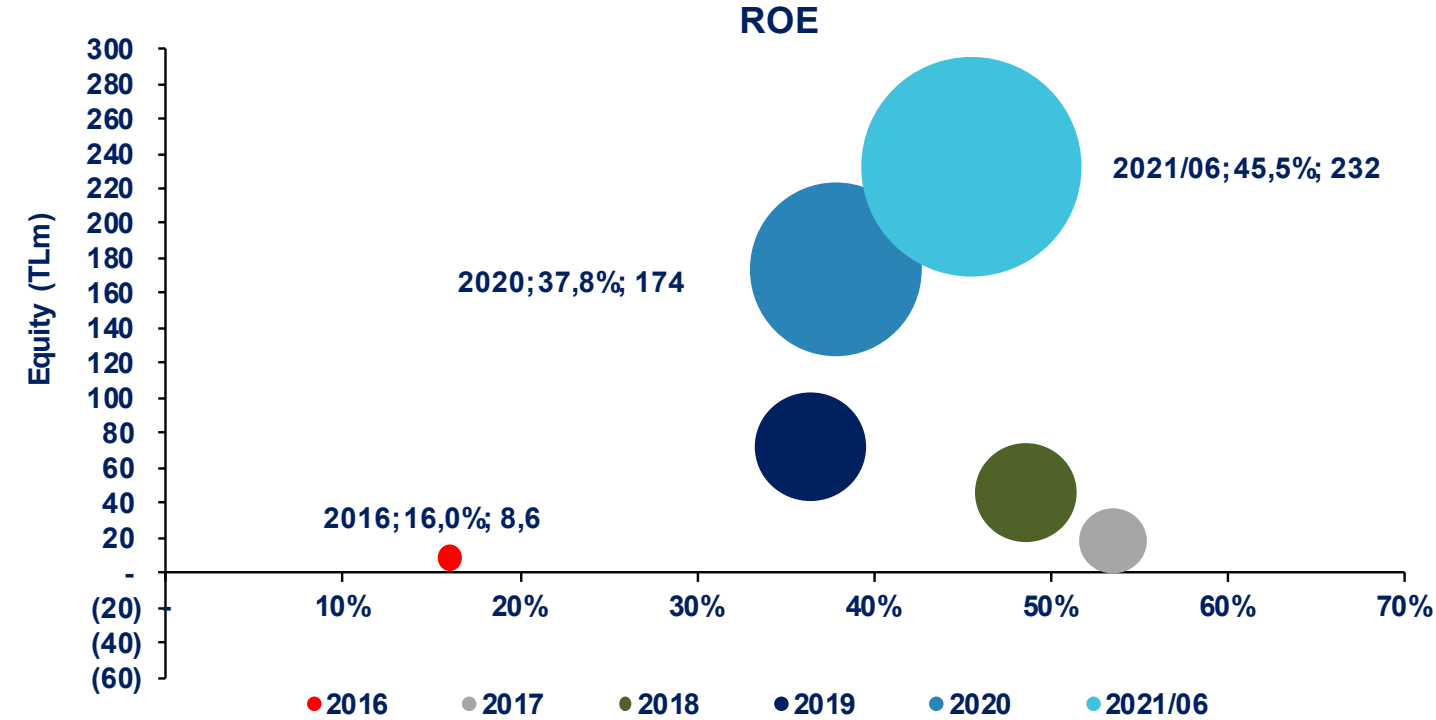
Seasonality



2Q 2021 RESULTS

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45.5% ROE



- The degree of liquidation of the balance sheet continued to increase with each passing period.
- The return on equity is above the bond yield, indicating that the capital is being used efficiently.
- Low indebtedness means that the Company has high borrowing capacity, and the coverage ratio and Net Debt/EBITDA ratios indicate investment grade.

Financial Ratios

Liquidity Ratios	2021/06	2020/12	2019/12	Reference
Current Ratio	14,93	6,17	3,86	1,0-1,5
Liquidity Ratios	14,71	5,94	3,83	0,8-1,0
Investment Ratios (12M Trailing)	2021/06	2020/12	2019/12	Reference
Investment/Depreciation	599,8%	850,3%	282,8%	>%100
Investment/Net Sales	17,4%	51,3%	21,9%	Sector
Ticari Alacak/Aktif	31,7%	32,2%	47,3%	Sector
EVA-TL	46.304.286	25.803.144	8.178.159	>0
ROIC	41,6%	33,6%	27,1%	>%18,5
CRR	102,5%	124,2%	142,2%	<%100

Financial Ratios

Debt Ratios	2021/06	2020/12	2019/12	Reference
Total Debt/Total Assets	5,0%	10,6%	16,0%	<%40
Short-Term Fin. Debt/Equity	2,4%	2,7%	10,3%	<100%
Coverage Ratio	-42,8	78,2	18,4	>3
Net Debt/EBITDA	-0,4	-0,2	0,2	<4
Short-Term Liabilities/Assets	3,6%	7,9%	12,9%	Sector
Long-Term Liabilities/Assets	1,4%	2,8%	3,1%	Sector
Equity/Assets	95,0%	89,4%	84,0%	>%60
Total Liabilities/Equity	5,3%	11,9%	19,1%	Sector
Financial Debt/Total Liabilities	69,1%	45,0%	69,2%	Sector

**As of 2021/06 Net Debt/EBITDA and Coverage Ratio are calculated negatively because of net cash position and net financial income*

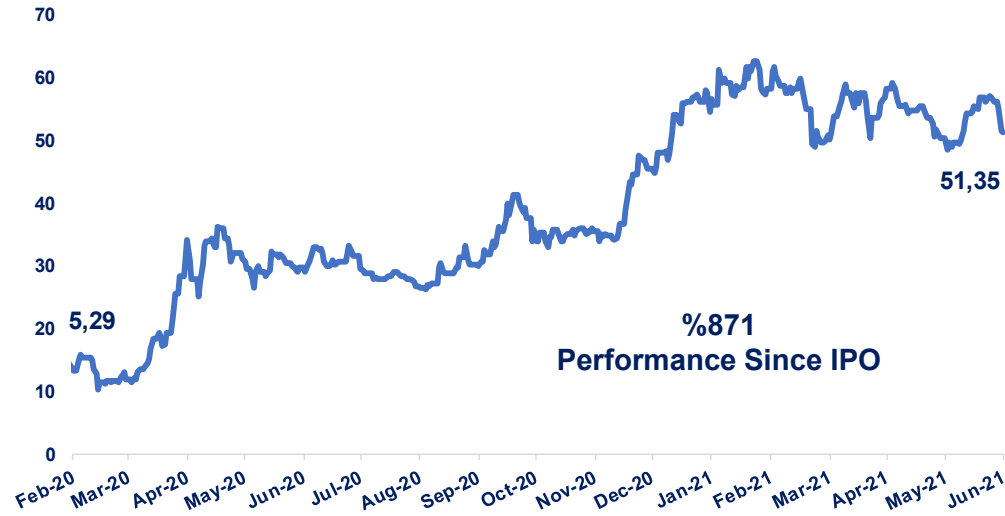
Financial Ratios

Profitability Ratios (12M Trailing)	2021/06	2020/12	2019/12	Reference
Gross Margin	86,8%	70,3%	59,2%	Sector
EBIT Margin	56,9%	53,5%	49,5%	Sector
EBITDA Margin	62,3%	59,5%	57,2%	Sector
Net Margin	57,5%	52,5%	46,5%	Sector
ROE	45,5%	37,8%	36,4%	>Bond Yield
ROA	57,0%	34,5%	32,5%	Sector
Financial Exp./Net Sales	-1,5%	0,8%	3,1%	<%3
OPEX/Net Sales	30,5%	17,0%	8,2%	Sector

2Q 2021 RESULTS

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Share Performance



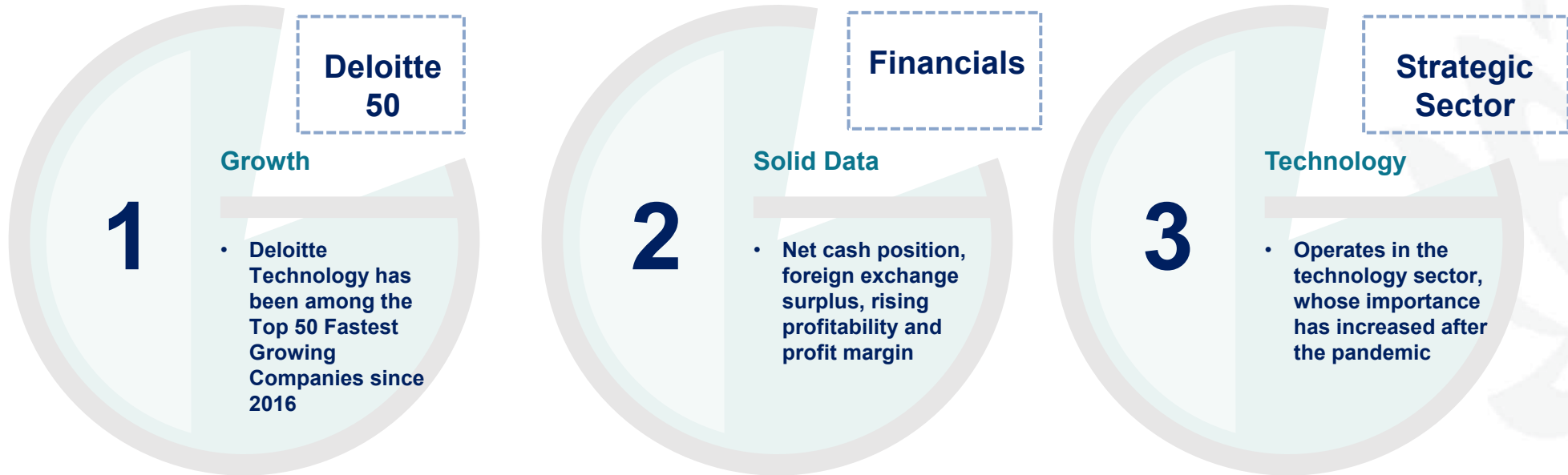
Market Capitalisation



- Return of 871% from the date of the public offering until the end of June.
- Strong financial figures and corporate governance principles supported 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 2021/06; 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



2Q 2021 RESULTS

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Balance Sheet (TL)	2020/12 Audited	2021/06 Audited
Assets	194.182.794	244.212.790
Cash & Cash Equivalent	27.282.062	51.426.799
Trade Receivables	62.550.745	77.299.663
Other Current Assets	853.786	1.338.895
Inventories	3.572.036	1.901.612
Current Assets	94.258.629	131.966.969
Investment Property	26.200	26.200
Tangible Assets	6.192.120	5.918.983
Intangible Assets	93.705.845	106.300.638
Fixed Assets	99.924.165	112.245.821
Equity and Liabilities	194.182.794	244.212.790
Short-Term Debt	4.674.158	5.545.341
Trade Payables	9.562.520	1.864.777
Other Debt	115.021	173.843
Other Short-Term Liabilities	919.596	1.257.353
Short-Term Liabilities	15.271.295	8.841.314
Long-Term Debt	4.624.358	2.880.428
Other Long-Term Liabilities	766.164	465.357
Long-Term Liabilities	5.390.522	3.345.785
Paid-In Capital	23.875.000	23.875.000
Emission Premium	30.961.672	30.961.672
Other Comprehensive Inc.	24.532	59.045
Profit Reserves	1.340.006	1.340.006
Retained Earning	51.650.507	117.319.767
Net Income	65.669.260	58.470.201
Equity	173.520.977	232.025.691

Income Statements (TL)	2020/06 Audited	2021/06 Audited	2021-2020 Change (%)
Net Sales	44.884.750	103.251.322	130,0%
Change		130,0%	
CoGS	(23.212.237)	(10.240.197)	-55,9%
Gross Profit	21.672.513	93.011.125	329,2%
Gross Msrgrin	48,3%	90,1%	
General Administrative Exp.	(1.865.116)	(2.853.865)	53,0%
Change		53,0%	
R&D	(2.195.490)	(35.999.438)	1539,7%
Change		1539,7%	
Other Income	3.207.364	3.070.554	-4,3%
Other Expenses	(1.574.576)	(565.859)	-64,1%
EBITDA	22.361.739	62.247.753	178,4%
Change		178,4%	
EBITDA Margin	49,8%	60,3%	
Depreciation	(3.117.044)	(5.585.236)	79,2%
EBIT	19.244.695	56.662.517	194,4%
Change		194,4%	
EBIT Margin	42,9%	54,9%	
Income from Investment Activities	-	23.832	
Net Financial Income	(200.272)	1.522.114	
Profit Before Tax	19.044.423	58.208.463	
Tax	(446.558)	261.738	
Net Income	18.597.865	58.470.201	214,4%
Margin	41,4%	56,6%	

MILESTONES OF ARD GROUP

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