

INVESTOR PRESENTATION

4Q 2022 FIGURES

10.04.2023



ARD BİLİŞİM

01**Headlines****Page 3****02****Summary****Page 4****03****Financials****Page 8****04****Investment
Thesis
Sayfa 28****05****Appendix****Page 30**



555 Net Sales
mTL

Annually* %100 Growth

01.01.2022-31.12.2022 financial period



319 EBITDA
mTL

Annually* %97 Growth



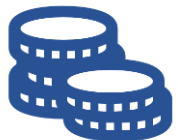
%57 EBITDA
Margin

Annually* 69 Basis Point Drop



2 \$ Long Position
mTL

31.12.2021 → 47 mTL



1,4 Mcap
billion TL

As of 10.04.2023

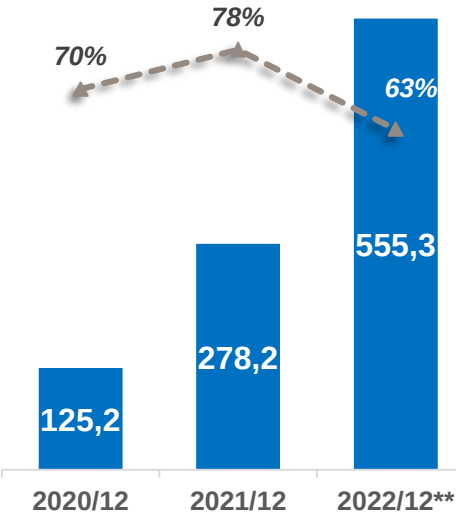


108 # of Staff

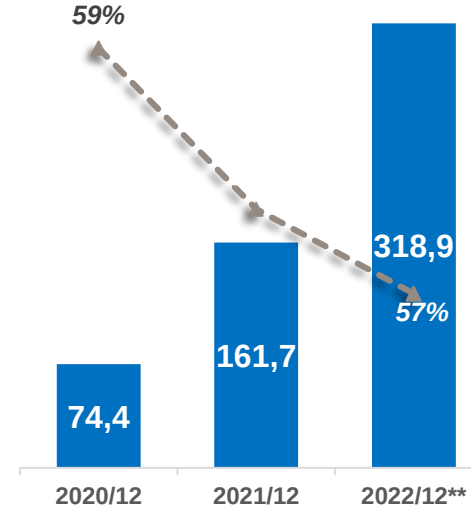
31.12.2021 → 82

* Compared to the same period of the previous year

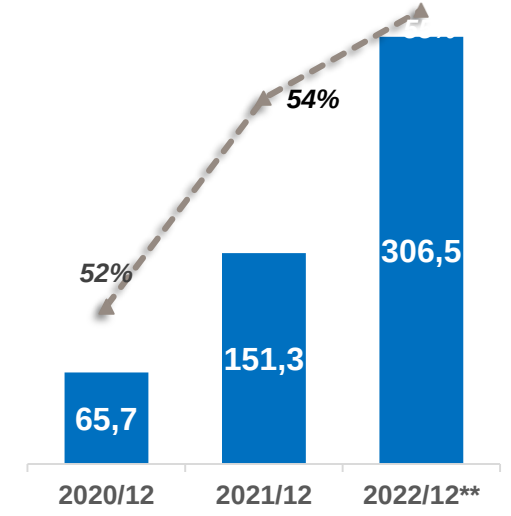
Net Sales,
m₺



EBITDA, m₺

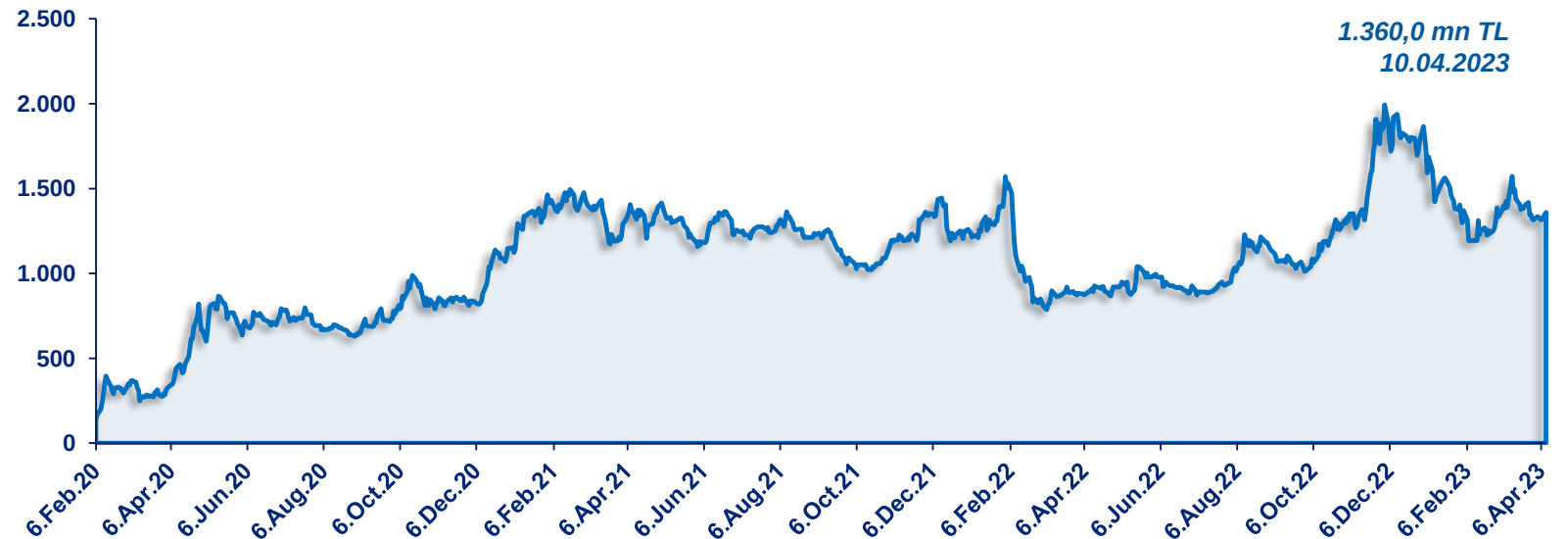


Net Income,
m₺



mTL

Market Cap





Capital Yield: 49% of ROE* Beating Market Interest Rate



Financials: Sustainable Growth Continued



Leverage: Low Indebtedness Creates Significant Borrowing Capacity



Long FX Position: Foreign Exchange Surplus

** Return on Equity*

01

Headlines

Page 3

02

Summary

Page 6

03

Financials

Page 8

04Investment
Thesis
Page 28**05**

Appendix

Page 30

EXECUTIVE SUMMARY

DEBT LEVEL

Despite the rising sales between 2019 and 2021, the decline in the working capital sales share indicates efficiency. However, the relative increase in the need for working capital in the last quarter of 2022 draws attention.

In a period of rising exchange rates, the Company's foreign currency surplus position continued, while its net cash position was realized as TL 0.6 mn.



FINANCIAL ASSET

100% of Signum Technology Promotion and Training AŞ, which develops facility management system software with its own software platform using Big Data Processing, Digital Twin, Internet of Things (IoT), Embedded Business Intelligence, Ontology, Building Information Systems models, was purchased on 28.12.2022. The company is in an effective position in the management and operational processes of campuses such as facilities, campuses, health institutions, public buildings.

MARGINS

While the rise in the revenue share of trade sales with low margin in 2022 will affect the gross profit margin, the net profit margin, which was 54% in 4Q21, increased to 55% in 4Q22.

GROWTH

In 2022, though the gross profit margin declined with the rise in the revenue share of the trade sales, the rising revenue, decreasing operating expenses, increasing stock sales profit and decreasing foreign exchange loss affected the profitability positively. Higher revenues and lower operating expenses were effective in EBITDA growth, which increased by 161.5% QoQ in 4Q22 compared to 4Q21.

01

Headlines

Page 3

02

Summary

Page 6

03

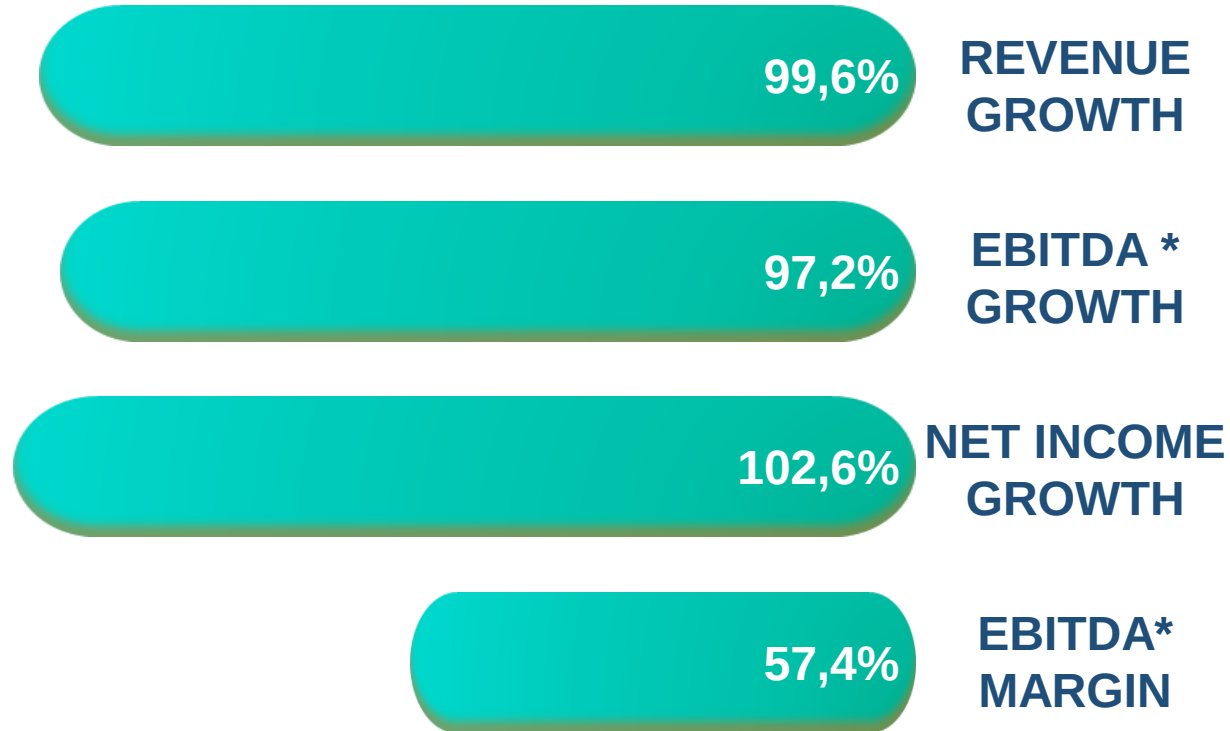
Financials

Page 8

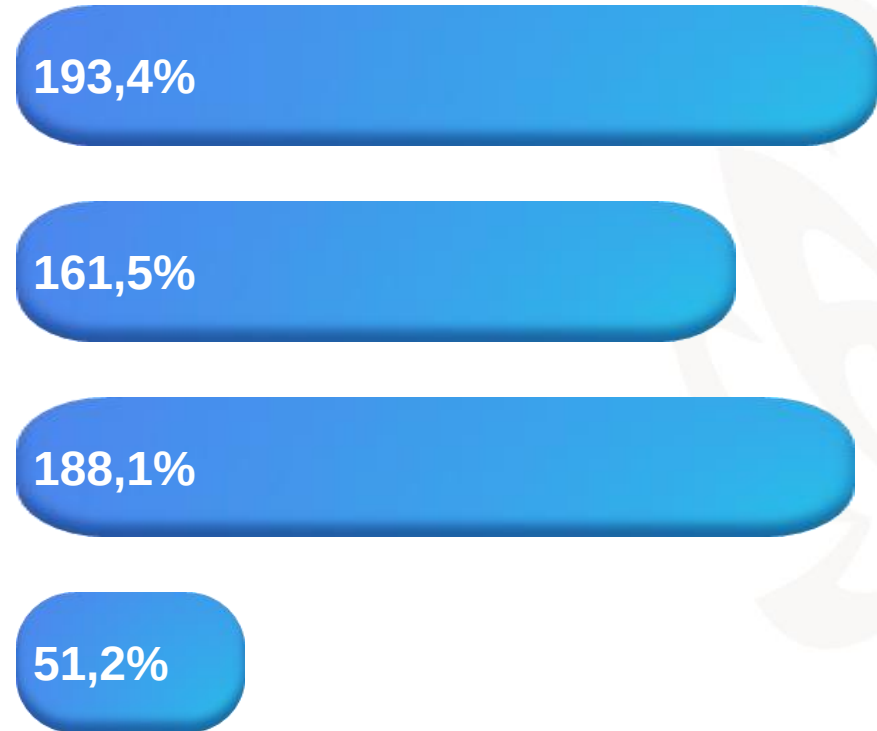
04Investment
Thesis
Page 28**05**Appendix
Page 30

SOLID PERFORMANCE

2022/12 & 2021/12 PERIODICAL



4Q22 & 4Q21 QUARTERLY



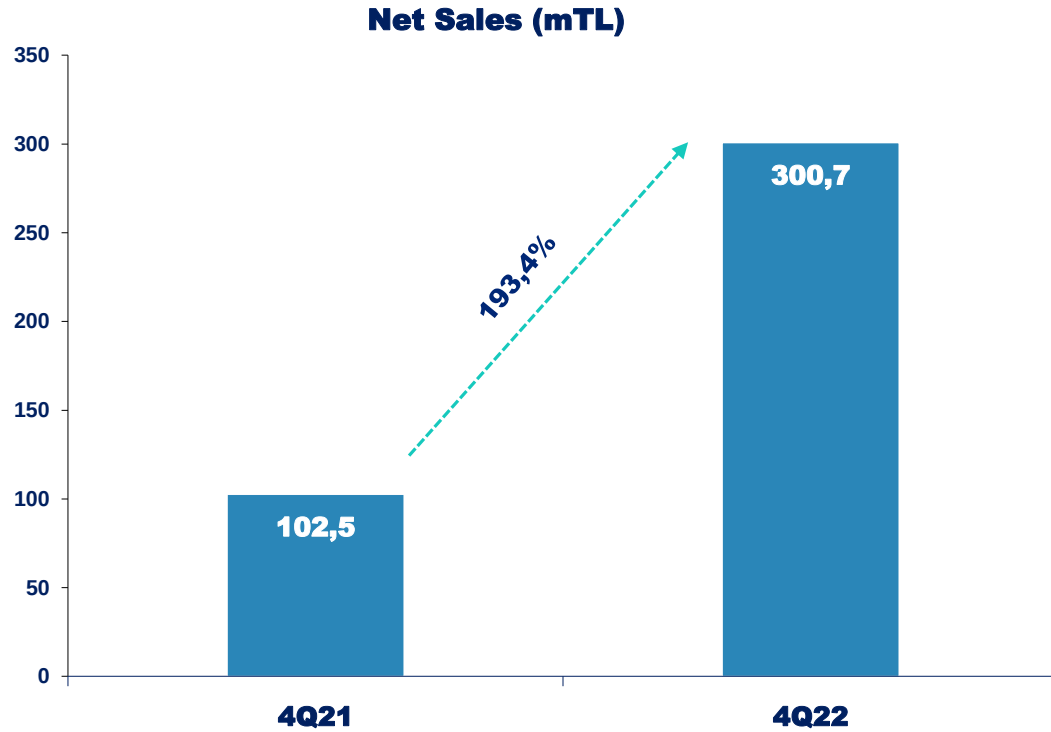
**Other Income / Expense from Operating Activities are included in EBITDA*

4Q 2022 RESULTS

10

Stable Growth in Sales

QUARTERLY FIGURES



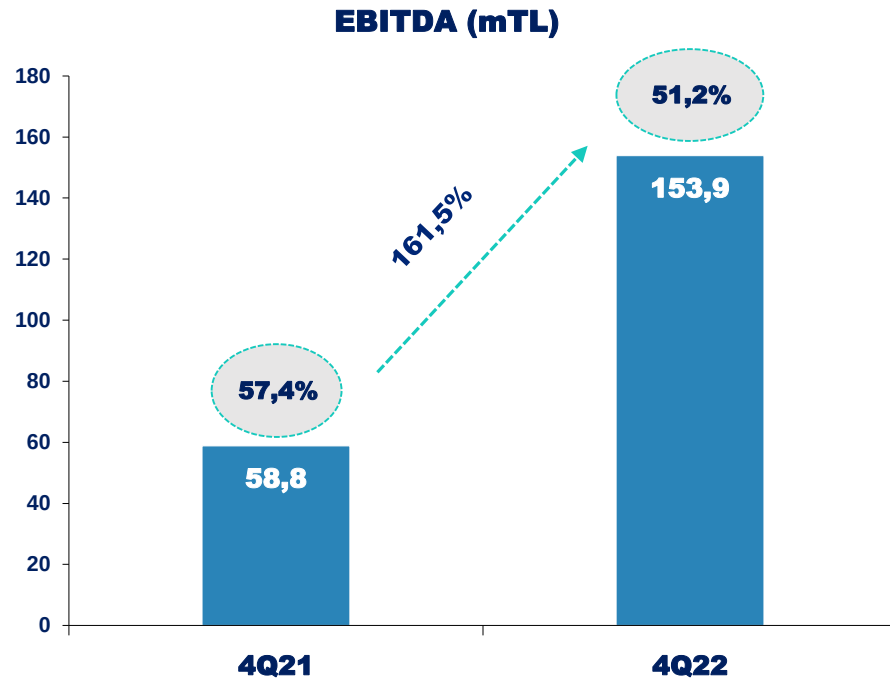
- Net sales raised by 193,4% on a quarterly basis compared to the same period of the previous year and amounted to 300,7 m TL.

4Q 2022 RESULTS

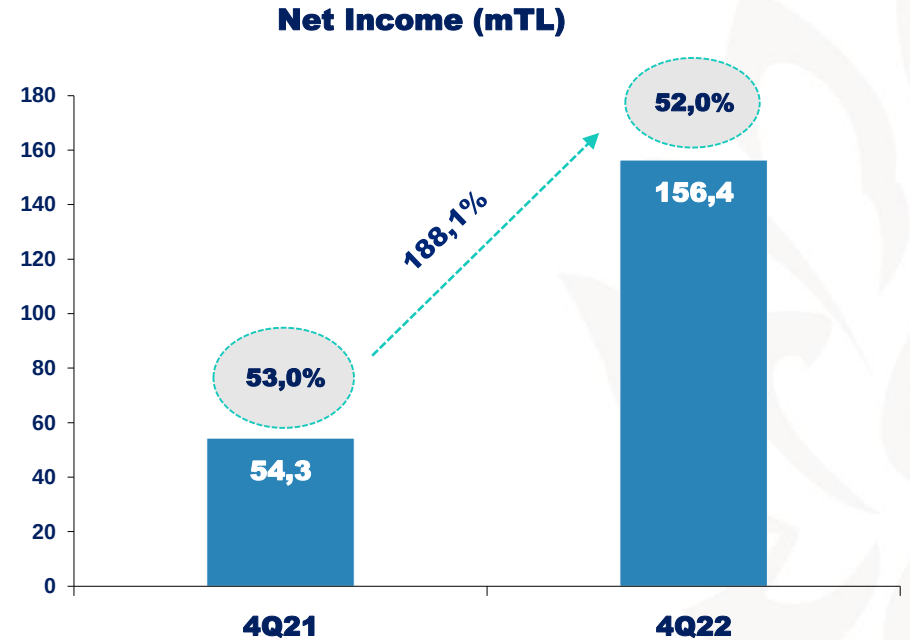
11

Improvement in Sales Supported Profitability

QUARTERLY FIGURES



- EBITDA improved by 161,5% QoQ to 153,9 mTL, while the EBITDA margin increased from 57,4% to 51,2%

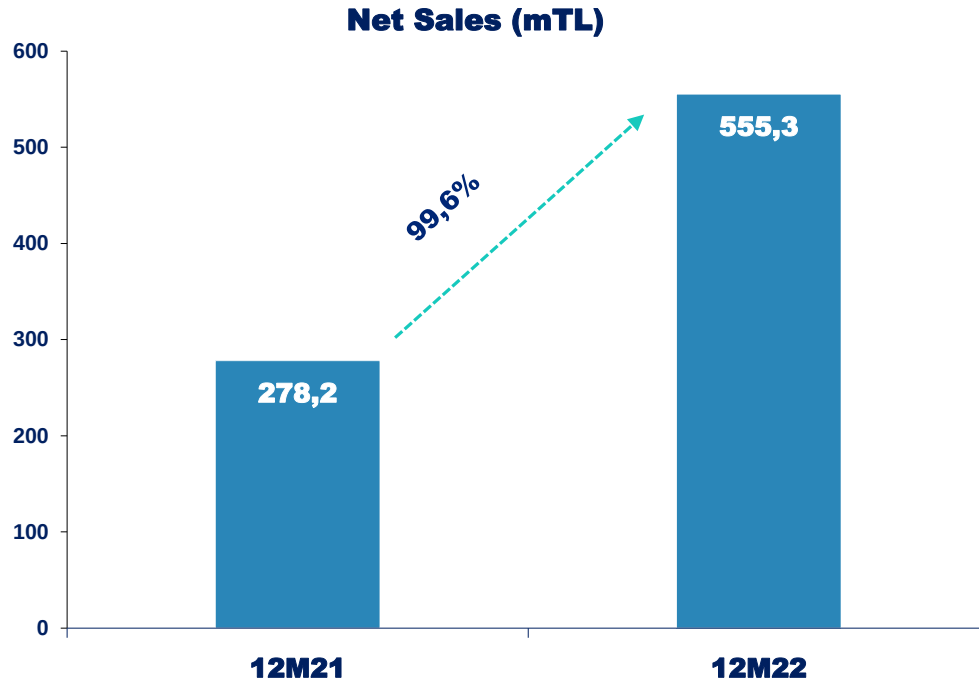


- Net profit increased by 188,1% QoQ to 156,4 mTL. Strong stance in operating profitability was recorded as the most important factor supporting net profit for the period

 EBITDA and Net Margin

Net Sales Maintained Growth Trend in 2022

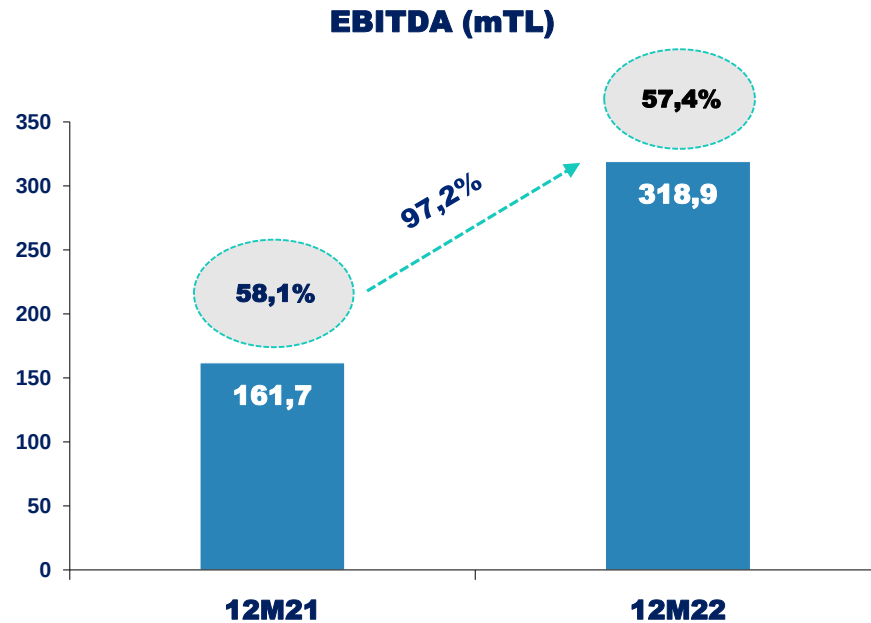
PERIODICAL FIGURES



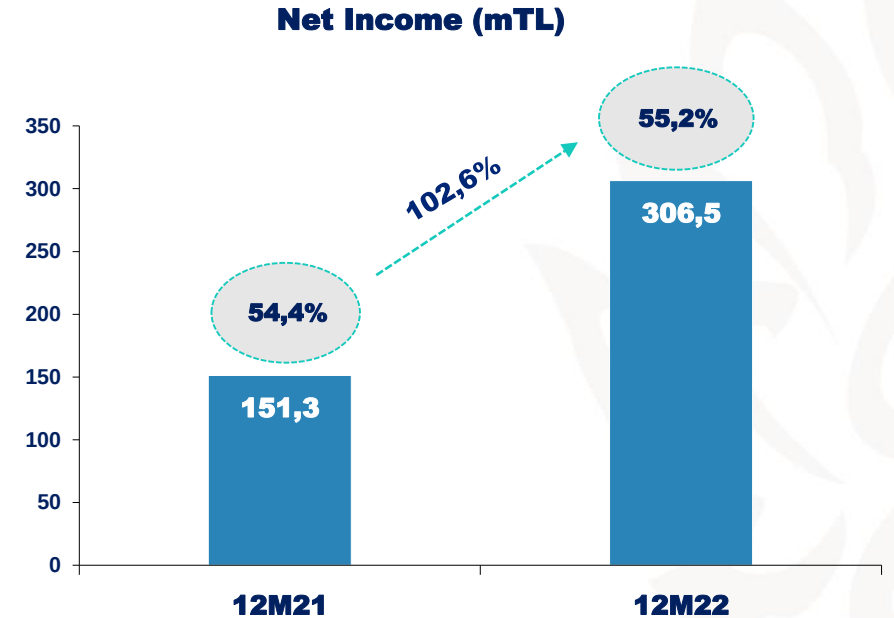
- Periodical net sales increased by 99,6% in 2022/12 compared to the same period of the previous year and amounted to 555,3 mTL.
- The pandemic increased customers' software and technology expenditures and this new normal contributed to the Company's revenues.

Sustainability in Margins Continued

PERIODICAL FIGURES



- Periodical EBITDA augmented by 97,2% and reached 318,9 mTL.



- Periodical Net Income increased by 102,6% and reached to 306,5 mTL periodically.

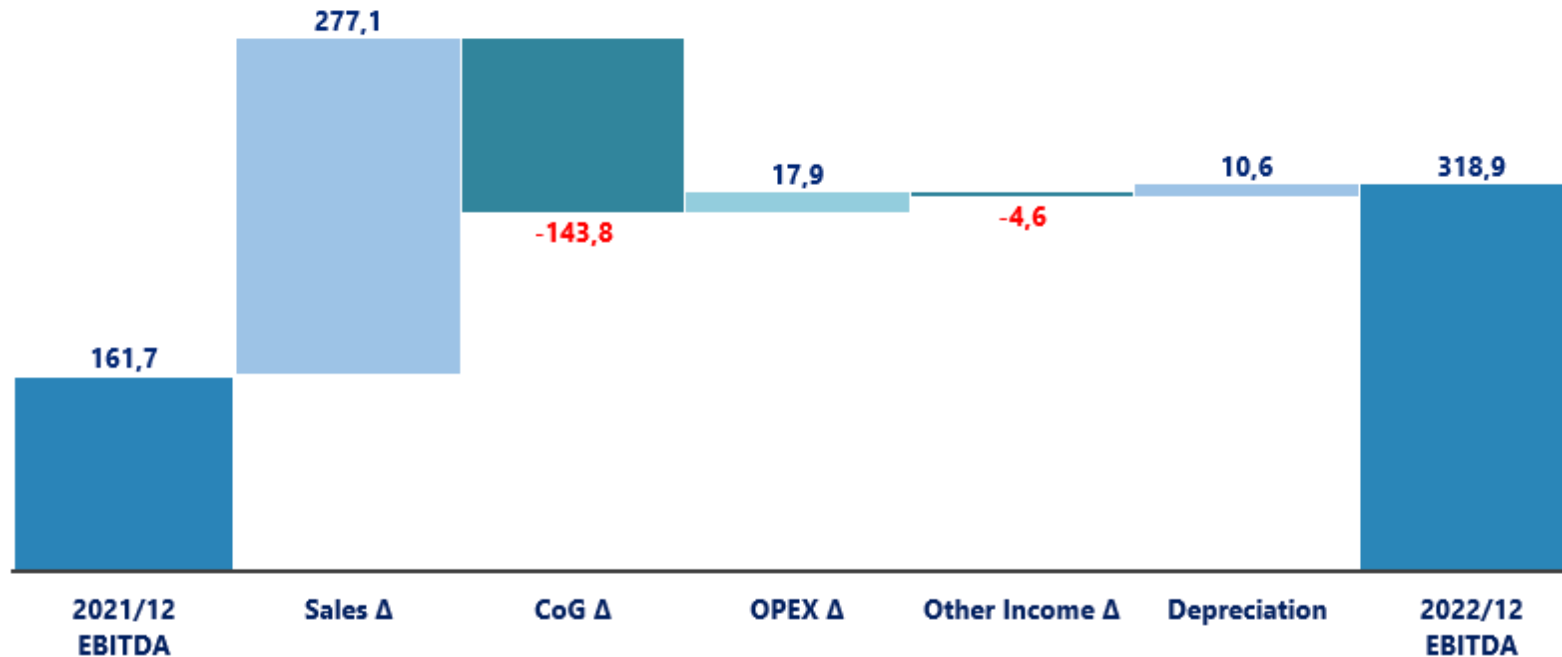
 FAVÖK ve Net Kar Marjı

4Q 2022 RESULTS

14

The Rise in Sales and Low Opex Supported EBITDA

EBITDA Bridge (mTL)



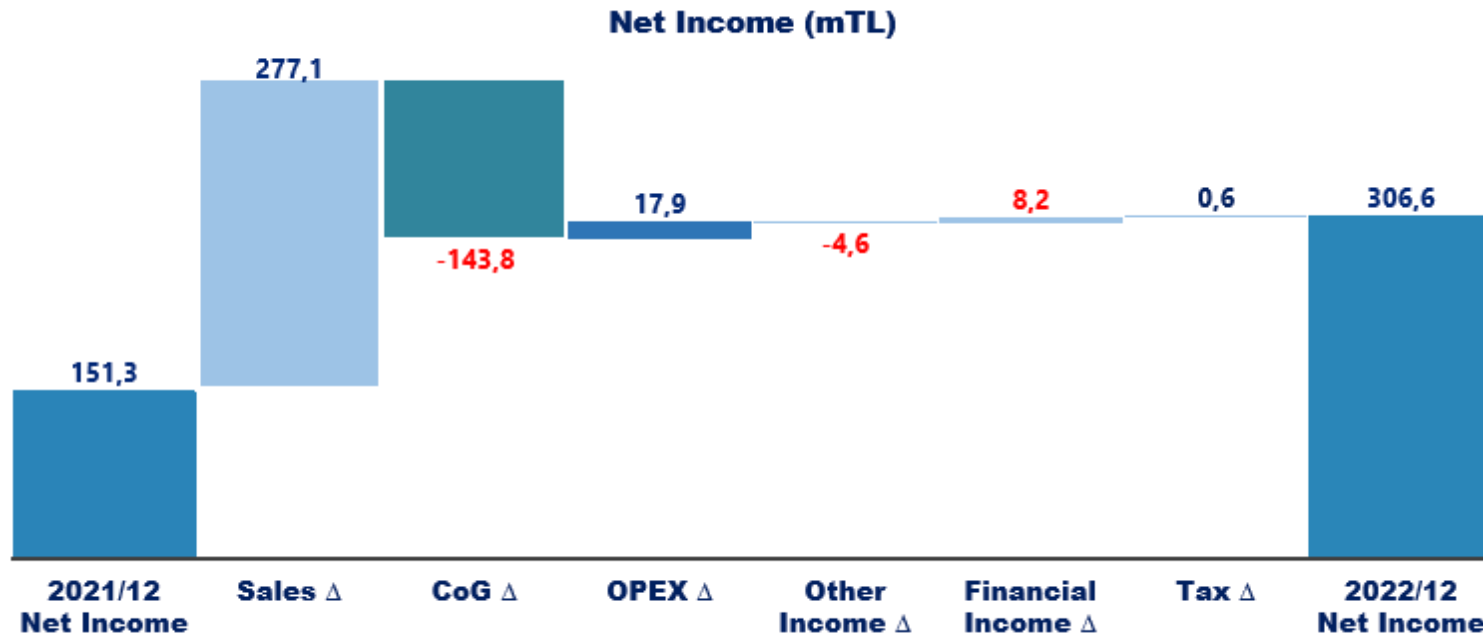
Δ : Change

- The rising revenue and margins and low opex supported EBITDA.
- R&D expenditures create expectations for EBITDA growth in the coming period.

4Q 2022 RESULTS

15

Sustainable Net Income Growth Continued



- The rise in net profit continued thanks to the factors supporting the EBITDA growth.
- Increasing R&D investments and the change in working capital put downward pressure on the cash position. This situation created the net financing cost.
- In addition to all these effects, the tax advantage supported the net profit for the period compared to the same period of the previous year.

Δ : Change

4Q 2022 RESULTS

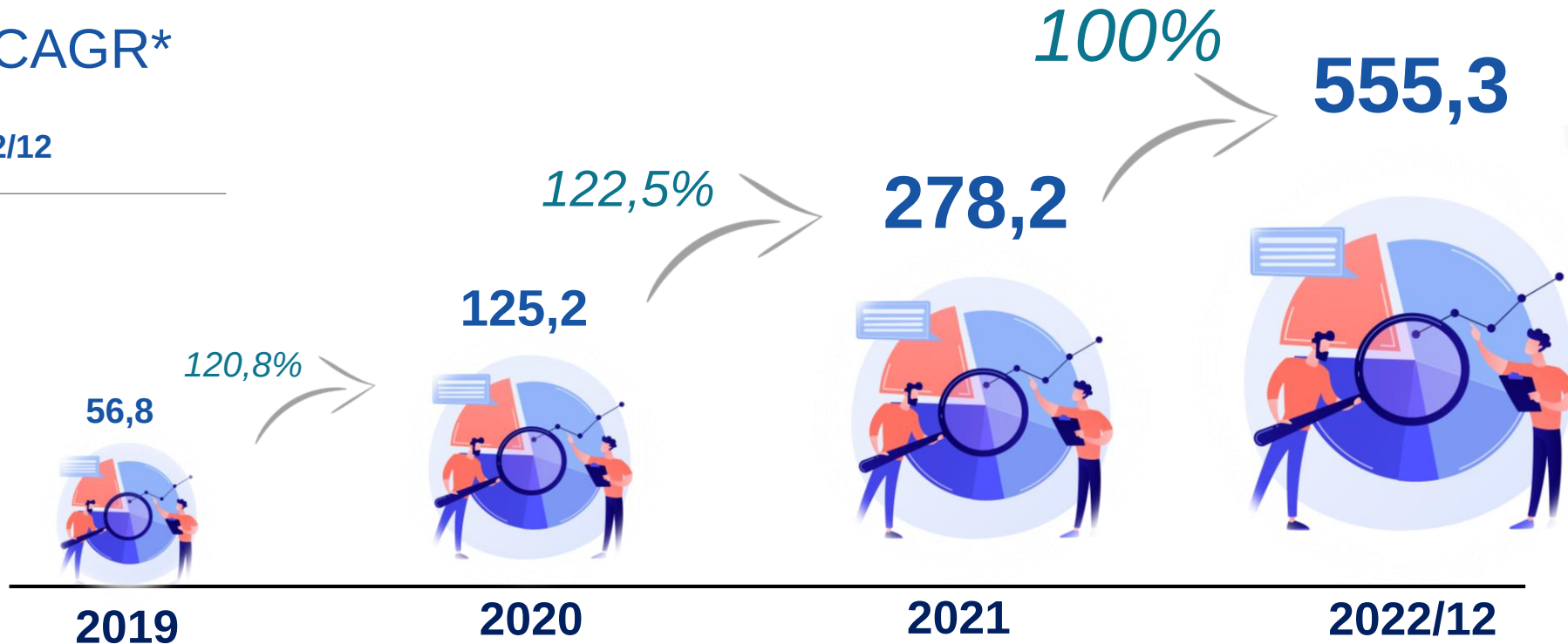
16

555,3 mTL of Annualized Revenue in 2022/12

ANNUAL NET SALES DEVELOPMENT (mTL)

114% CAGR*

2019– 2022/12



*CAGR : Compounded Annual Growth Rate

Total Sales TL M

4Q 2022 RESULTS

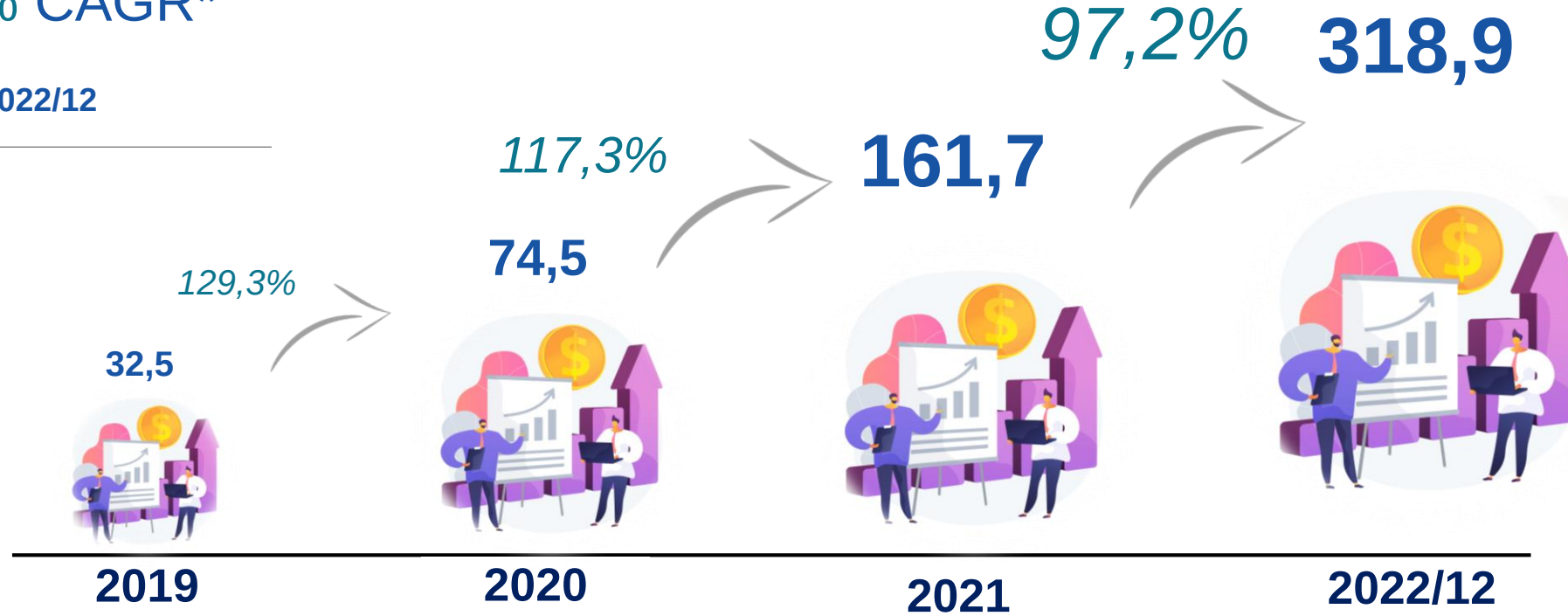
17

318,9 mTL of Annualized EBITDA in 2022/12

ANNUAL EBITDA DEVELOPMENT (mTL)

114% CAGR*

2019– 2022/12



*CAGR: Compounded Annual Growth Rate

EBITDA TL M

4Q 2022 RESULTS

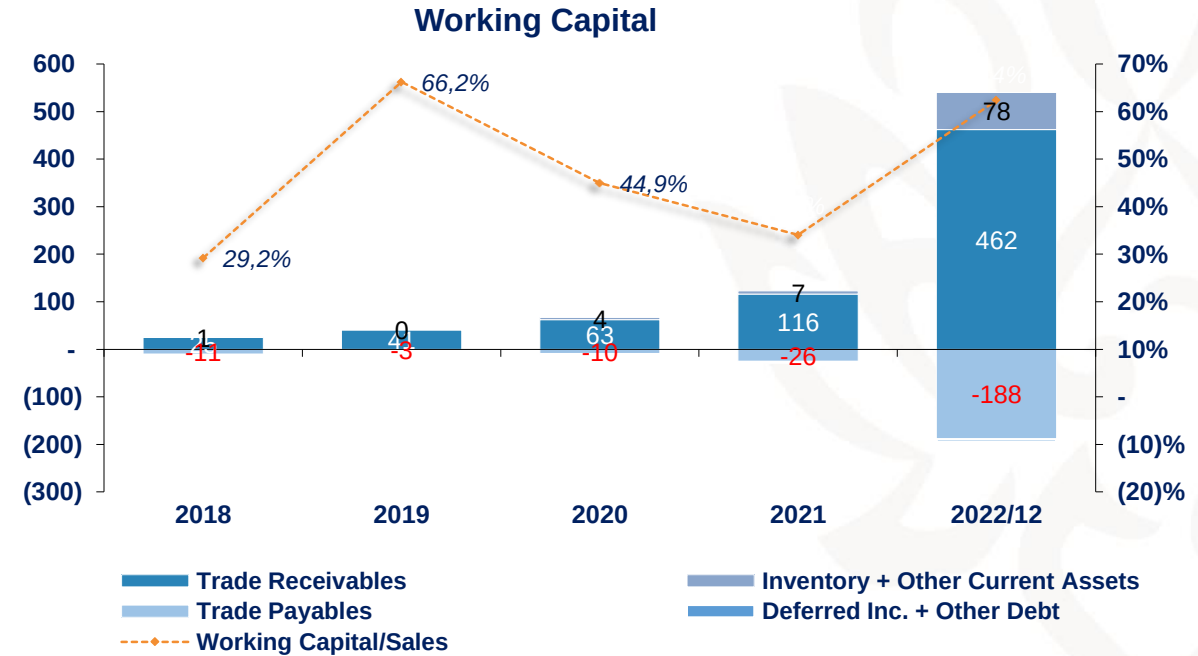
18

The Rising Receivables with Solid Top-Line Augmented Working Capital

Working Capital

Working Capital Analysis

mTL	2018	2019	2020	2021	2022/12
Trade Receivables	25,0	40,9	62,6	116,1	462,1
Inventory + Other Current Assets	0,8	0,4	4,3	7,0	77,9
Trade Payables	(10,7)	(3,2)	(9,6)	(26,0)	(188,5)
Deferred Inc. + Other Debt	(0,1)	(0,5)	(1,0)	(2,3)	(5,3)
İşletme Sermayesi	15,0	37,6	56,3	94,8	346,3
Working Capital/Sales	29,2%	66,2%	44,9%	34,1%	62,4%
Net Sales	51,4	56,8	125,2	278,2	555,3

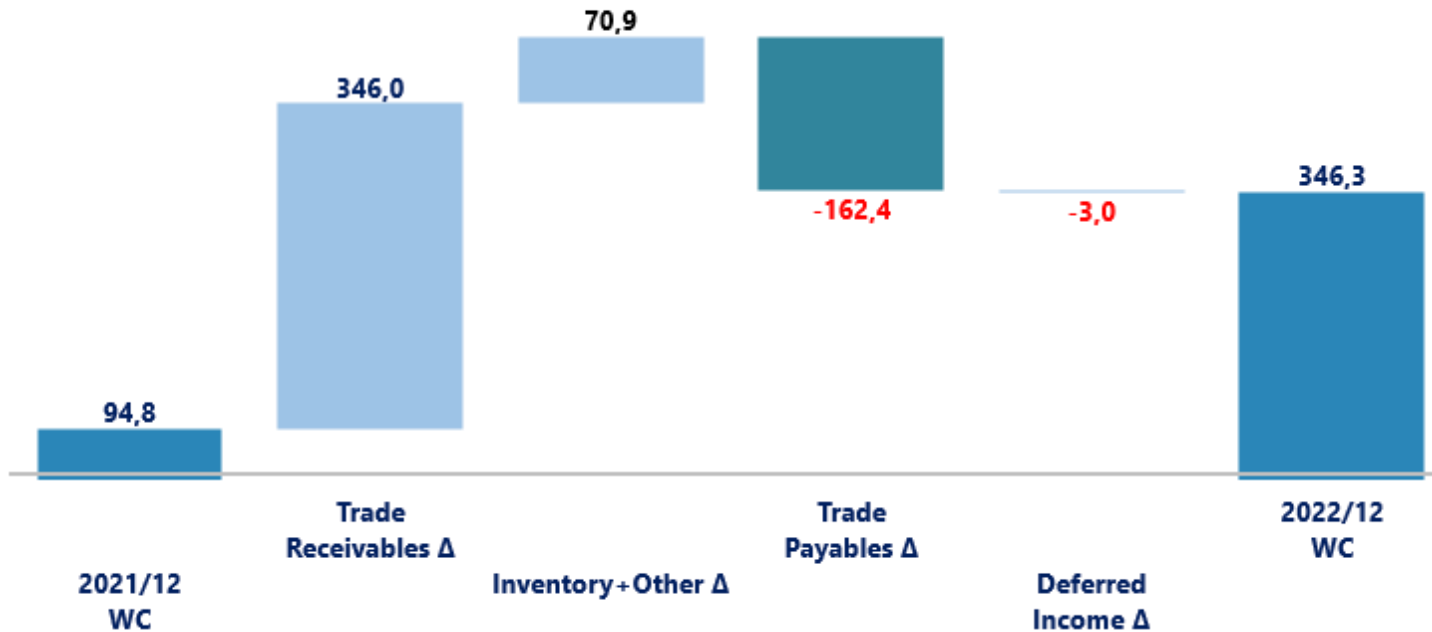


4Q 2022 RESULTS

19

Rising Trade Receivables and Stocks Created Working Capital Need

WORKING CAPITAL BRIDGE (MTL)



- Along with the increase in sales in the first three quarters of the year, there was a significant increase in trade receivables due to project software and EDS projects. This increase increased the working capital requirement.
- Working capital, which was 94,8 mTL at the end of 2021, augmented to 346,3 mTL in 2022/12.
- Working capital to sales ratio, which declined continuously between 2019 and 2021, rose slightly in the last quarter of 2022.

Δ : Change

4Q 2022 RESULTS

20

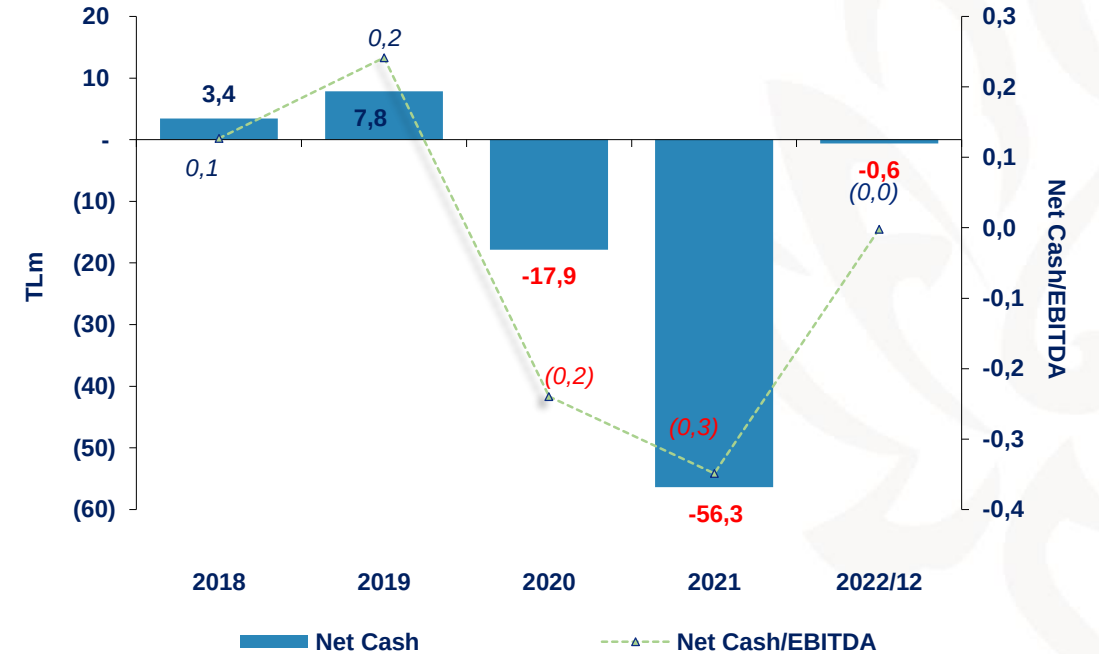
Net Cash Position Continued Despite Rising R&D Investments, Financial Debt and Working Capital

Net Cash Position

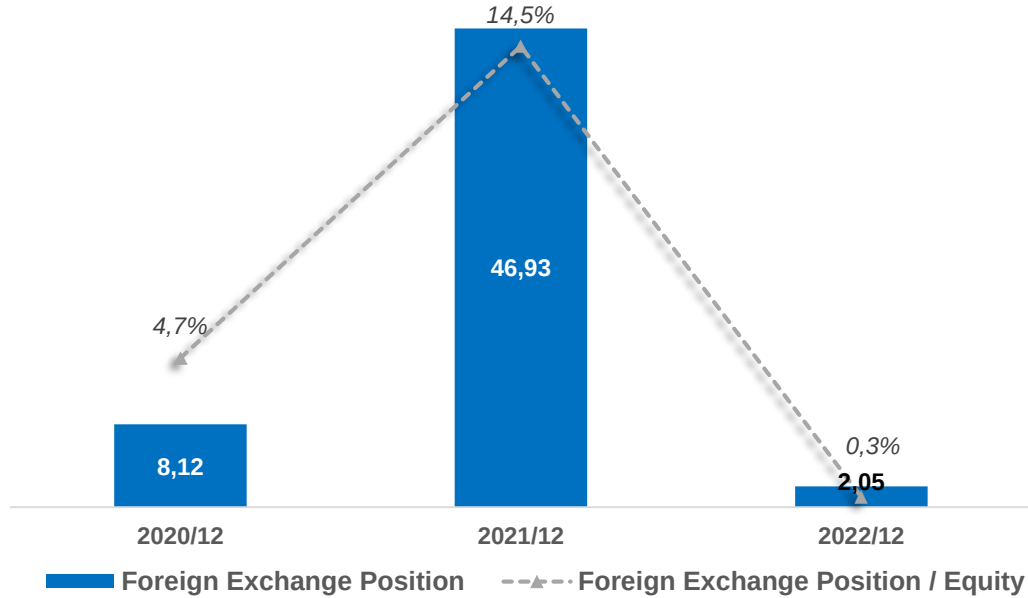
Net Cash & Equity & Financial Leverage

TLm	2018	2019	2020	2021	2022/12
Cash and Cash Equivalents	0,1	1,7	27,3	64,0	24,6
Financial Investments	-	-	-	-	41,2
Other Receivables	4,4	-	-	0,0	1,4
Short-Term Financial Debt	5,7	7,4	4,7	5,5	58,4
Other Debt	0,0	-	0,1	0,7	1,0
Long-Term Financial Debt	2,2	2,1	4,6	1,4	7,2
Net Cash	3,4	7,8	(17,9)	(56,3)	(0,6)
Equity	46,1	72,5	173,5	324,7	629,7
Net Cash/Equity	7,4%	10,8%	-10,3%	-17,4%	-0,1%
Net Cash/EBITDA	0,1	0,2	(0,2)	(0,3)	(0,0)
EBITDA	27,1	32,5	74,4	161,7	318,9

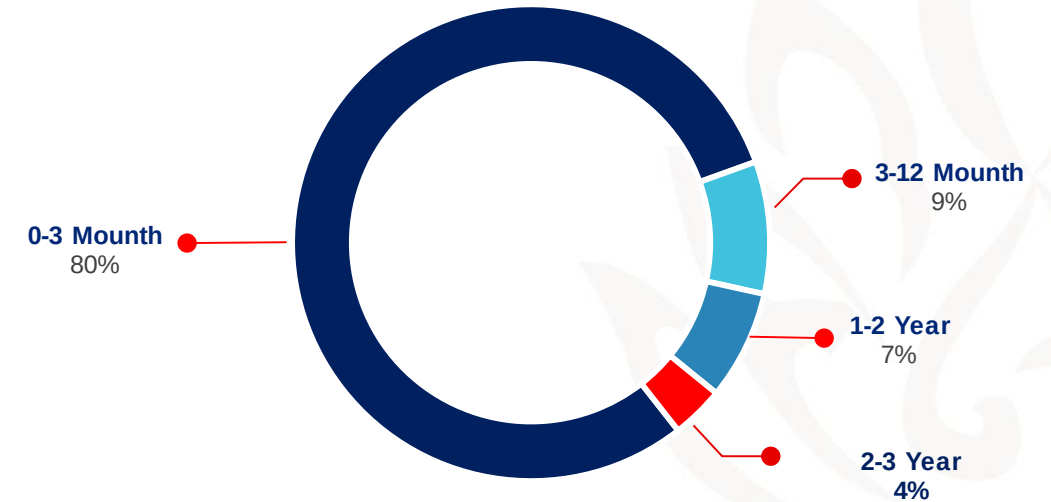
Net Cash/EBITDA



Foreign Exchange Position



Credit Maturity Breakdown



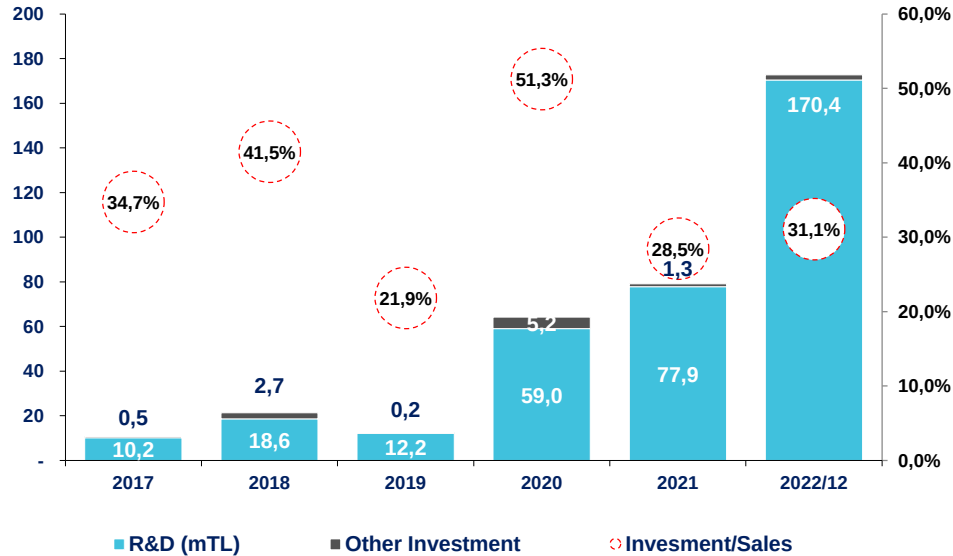
- As of 2022/12 the Company has foreign currency surplus of 2,05 mTL. As of the end of the period, all loans are in TL denominated and the effective interest rate fluctuates in the band of 7,5 - 26%. Although a significant portion of the financial debts are short-term, the Company has a significant borrowing capacity with low financial indebtedness.

4Q 2022 RESULTS

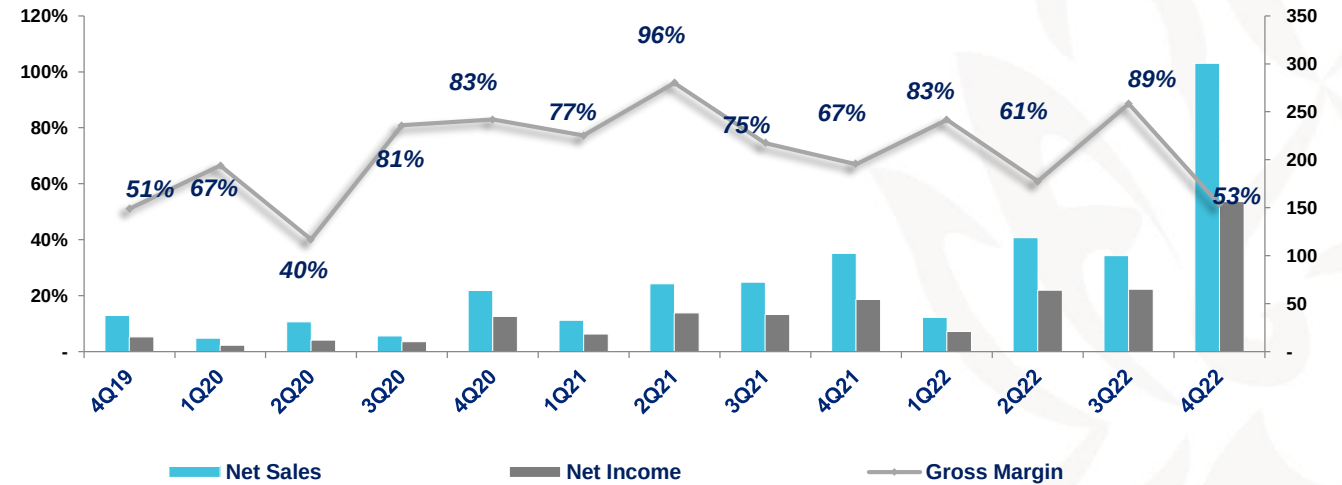
22

R&D Investments Made in Previous Periods Will Be Reflected on Profitability

Investments (mTL)



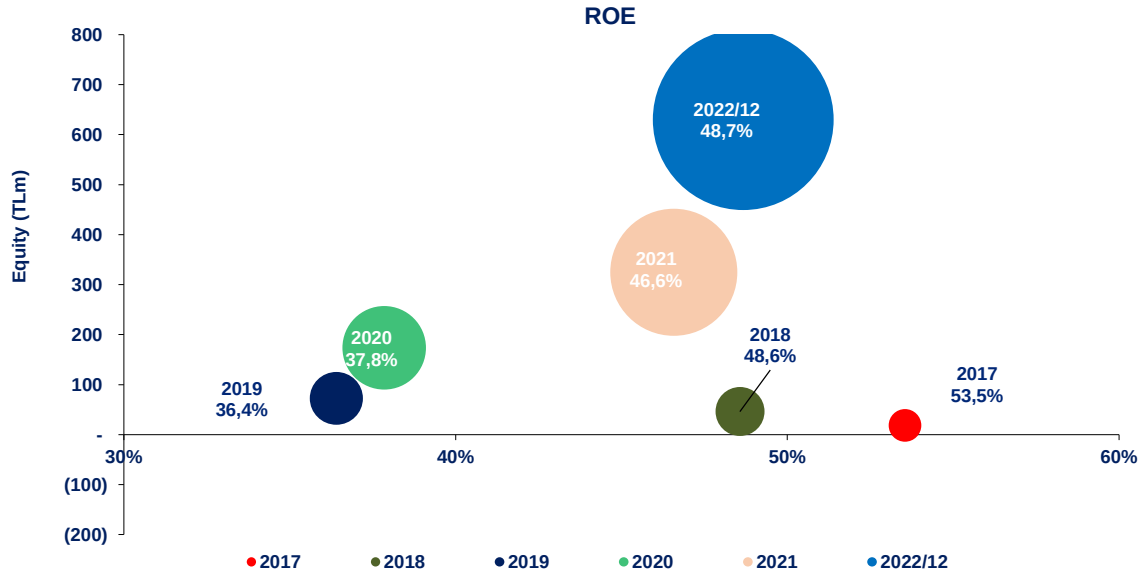
Seasonality (mTL)



4Q 2022 RESULTS

23

49% ROE Well Above Interest Yield



*The size of the bubble represents equity.

- The liquidity level of the balance sheet continued to increase with each 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.

* Return on Equity

Financial Ratios

Liquidity Ratios	2022/12	2021/12	2020/12	Reference
Current Ratio	2,24	5,53	6,17	1,0-1,5
Liquidity Ratios	2,19	5,40	5,94	0,8-1,0
Investment Ratios (12M Trailing)	2022/12	2021/12	2020/12	Reference
Investment/Depreciation	759,3%	653,2%	850,3%	>%100
Investment/Net Sales	31,1%	28,5%	51,3%	Sector
Trade Receivable/Asset	51,8%	32,1%	32,2%	Sector
EVA-TL	119.419.555	71.180.425	25.475.208	>0
ROIC	36,8%	43,6%	33,2%	>WACC
CRR	108,8%	96,2%	125,4%	<%100

CRR (Capital Requirement Ratio): Investment Requirement Ratio shows the investment required by the firm to generate 1 unit of income.

EVA (Economic Value Added): It is the difference between the after-tax cash flow generated by the company on its investments and the cost charged to the capital used in the company. If this ratio is positive, it is interpreted that the firm produces value from its investments. EVA measures whether the company creates an added value from its investments by calculating the portion of the return on investment that exceeds the cost of capital.

Financial Ratios

Debt Ratios	2022/12	2021/12	2020/12	Reference
Total Debt/Total Assets	29,4%	10,1%	10,6%	<%40
Short-Term Fin. Debt/Equity	9,3%	1,7%	2,7%	<100%
Coverage Ratio	241,2	-79,8	78,1	>3
Net Debt/EBITDA	0,0	-0,3	-0,2	<4
Short-Term Liabilities/Assets	28,3%	9,4%	7,9%	Sector
Long-Term Liabilities/Assets	1,1%	0,8%	2,8%	Sector
Equity/Assets	70,6%	89,9%	89,4%	>%60
Total Liabilities/Equity	41,6%	11,3%	11,9%	Sector
Financial Debt/Total Liabilities	25,0%	19,0%	45,0%	Sector

*Coverage Ratio and Net Debt/EBITDA are calculated negative due to the net cash position and positive financial net income as of 2021/12.

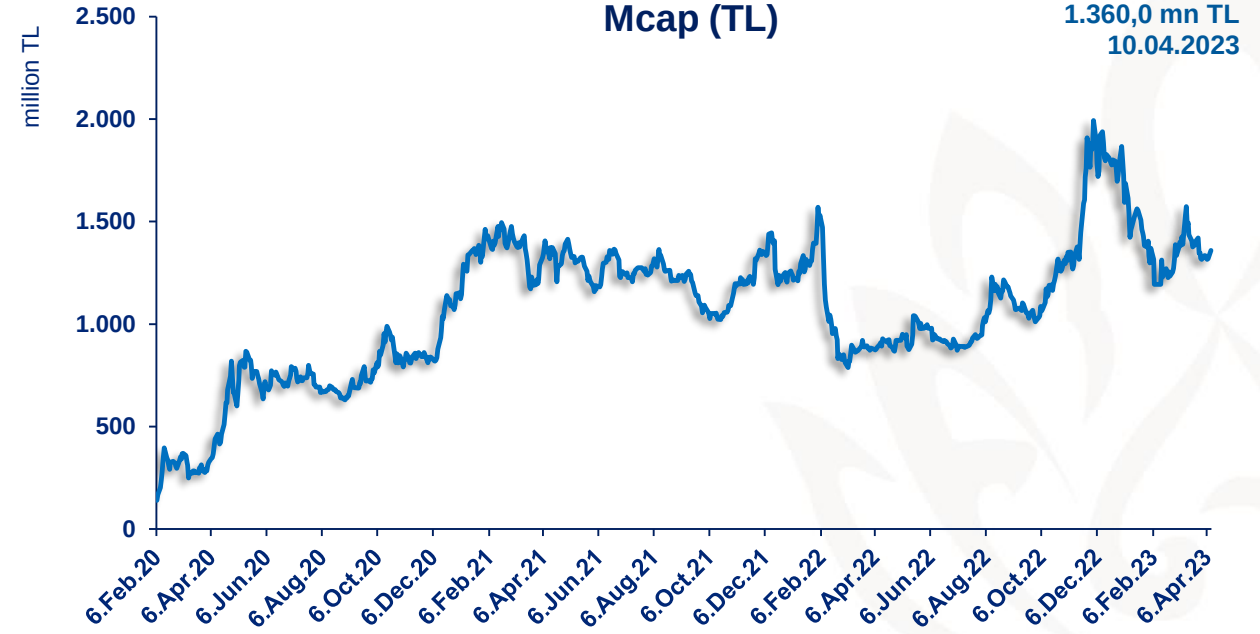
Financial Ratios

Profitability Ratios (12MTrailing)	2022/12	2021/12	2020/12	Reference
Gross Margin	62,8%	77,5%	70,3%	Sector
EBIT Margin	53,3%	53,8%	53,4%	Sector
EBITDA Margin	57,4%	58,1%	59,4%	Sector
Net Margin	55,2%	54,4%	52,5%	Sector
ROE	48,7%	46,6%	37,8%	>Bond Yield
ROA	33,2%	41,4%	34,4%	Sector
Financial Exp./Net Sales	-0,2%	0,7%	-0,8%	<%3
OPEX/Net Sales	8,7%	23,8%	17,0%	Sector

ROA (Return on Assets) is obtained by the Operating Profit / Total Assets.

4Q 2022 RESULTS

27



- Return of 887% from the date of the public offering until the 10th April.
- 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 2022" and was among the fastest growing technology companies in Turkey.

01

Headlines

Page 3

02

Summary

Page 6

03

Financials

Page 8

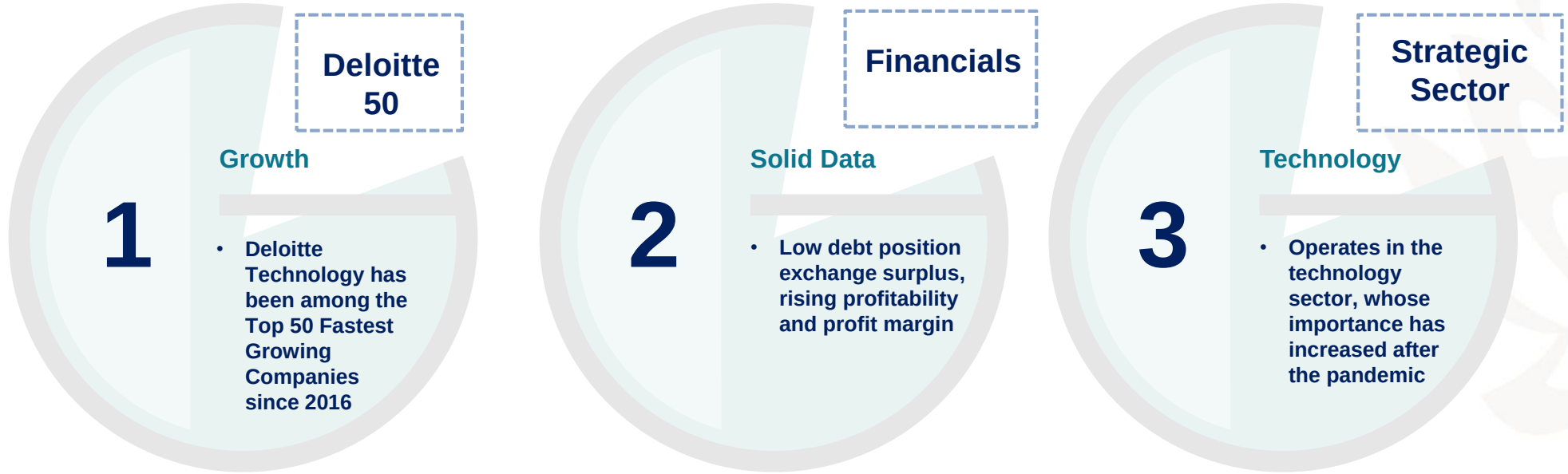
04Investment
Thesis
Page 28**05**

Appendix

Page 30

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 low net debt position and foreign exchange surplus; Strong financials as of 2022/12; 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.

01

Headlines

Page 3

02

Summary

Page 4

03

Financials

Page 8

04Investment
Thesis
Page 28**05**

Appendix

Page 30

APPENDIX



4Q 2022 RESULTS

32

Balance Sheet (TL)	2021/12 Audited	2022/12 Audited
Assets	361.277.523	891.473.629
Cash & Cash Equivalent	64.022.150	24.646.077
Trade Receivables	116.087.883	462.065.365
Other Current Assets	2.626.735	24.509.478
Inventories	4.398.437	12.242.187
Current Assets	187.135.205	564.640.607
Investment Property	26.200	26.200
Tangible Assets	5.259.797	5.509.223
Intangible Assets	168.856.321	318.072.767
Fixed Assets	174.142.318	326.833.022
Equity and Liabilities	361.277.523	891.473.629
Short-Term Debt	5.520.842	58.368.695
Trade Payables	26.046.341	188.467.360
Other Debt	1.531.522	4.218.160
Other Short-Term Liabilities	720.214	1.045.707
Short-Term Liabilities	33.818.919	252.099.922
Long-Term Debt	1.434.849	7.199.352
Other Long-Term Liabilities	1.283.877	2.509.663
Long-Term Liabilities	2.718.726	9.709.015
Paid-In Capital	170.000.000	170.000.000
Other Comprehensive Inc.	(21.279)	(96.280)
Profit Reserves	1.340.006	15.390.634
Retained Earning	2.156.440	137.908.523
Net Income	151.264.711	306.461.815
Equity	324.739.878	629.664.692

Income Statements (TL)	2021/12 Audited	2022/12 Audited
Net Sales	278.196.511	555.321.383
Change	0,0%	99,6%
CoGS	(62.568.359)	(206.403.924)
Gross Profit	215.628.152	348.917.459
Change	0,0%	61,8%
Gross Margin	77,5%	62,8%
General Administrative Exp.	(8.013.672)	(14.343.566)
Change	0,0%	79,0%
R&D	(58.249.092)	(34.025.719)
Change	0,0%	(41,6%)
Other Income	4.516.099	6.177.401
Other Expenses	(4.311.023)	(10.556.950)
EBITDA	161.690.259	318.915.201
Change	0,0%	97,2%
EBITDA Margin	58,1%	57,4%
Depreciation	(12.119.795)	(22.746.576)
EBIT	149.570.464	296.168.625
Change	0,0%	98,0%
EBIT Margin	53,8%	53,3%
Income from Investment Activities	393.675	11.775.927
Net Financial Income	2.026.156	(1.321.974)
Profit Before Tax	151.990.295	306.622.578
Tax	(725.584)	(160.763)
Net Income	151.264.711	306.461.815
Change		102,6%
Margin	54,4%	55,2%

MILESTONES OF ARD GROUP

33

Establishment of
ARD Grup Bilişim in
Hacettepe
Technopark

2011

Obtaining Facility
Security Document
NATO / NATIONAL
CONFIDENTIAL and
SPICE TS ISO/IEC
15504 documents

2017

With the change of type, the
company title was changed to
ARD GROUP BİLİŞİM
TEKNOLOJİLERİ A.Ş.

Opening of ARD Bilişim
London, Dubai and ARDTech
Bahrain offices

2018

Transition to the
registered capital system

2019

Public offering of Ard Grup
Information Technologies on
February 6, 2020

Entry of ARD Grup
Information Technologies
into BIST 100 index and Star
Market

2020

Increasing the capital from 23.875.000
TL to 170.000.000 TL with the internal
resources

Change of head office address to Koç
Towers/ANKARA

Acquisition of the whole of Açılımsoft
Yazılım Teknolojileri A.Ş.

2021

Dellmeier Türkiye Elektronik
San. Tic. AŞ and ARDTECH
LTD in England were
established

100% of Signum Technology
Promotion and Education Inc.
was purchased

2022

ARDTECH
Informatics was
established in
Uzbekistan.

2023

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