

INVESTOR PRESENTATION

2Q 2023 FIGURES

18.09.2023



ARD BİLİŞİM

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254 Net Sales
mTL

Annually* %65 Growth

01.01.2022-30.06.2023 financial period



177 EBITDA
mTL

Annually* %89 Growth



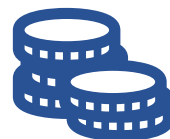
%70 EBITDA
Margin

Annually* 901 Basis Point Drop



0,3 Net Debt
/ EBITDA

31.12.2022 → -0,01x



3,4 Mcap
billion TL

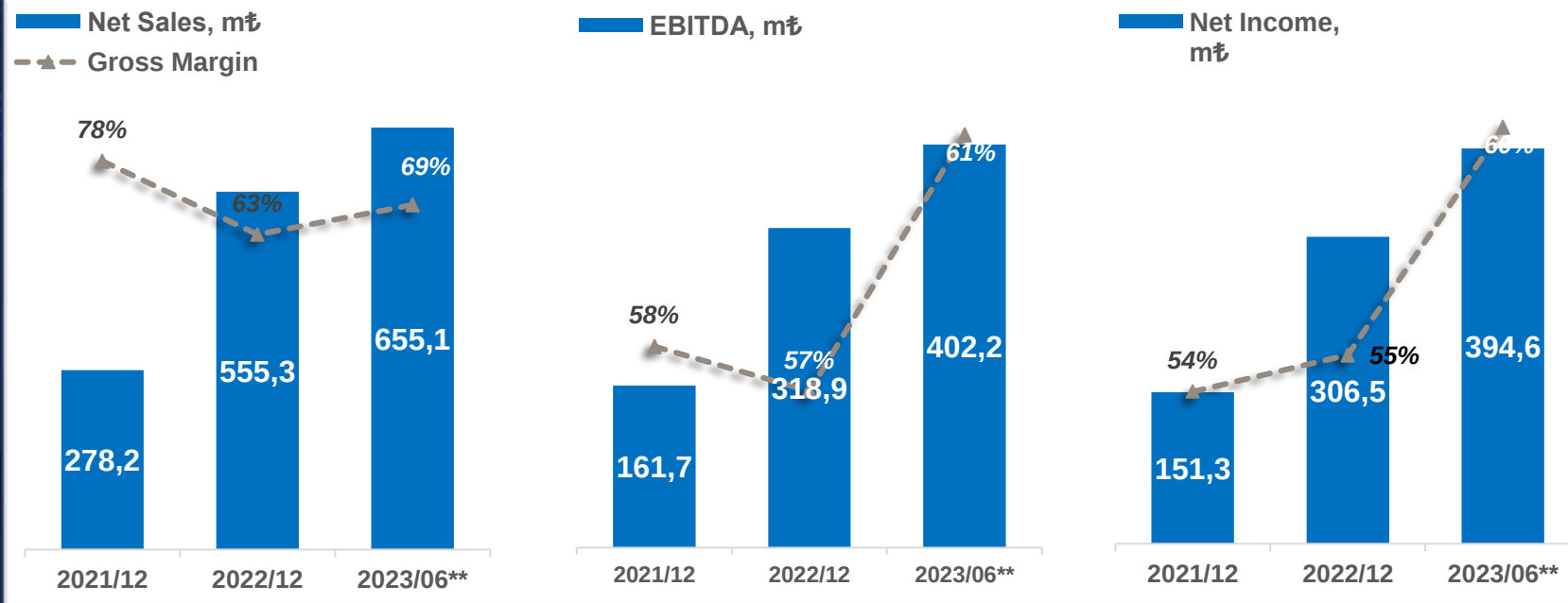
As of 15.09.2023



194 # of Staff

31.12.2022 → 108

* Compared to the same period of the previous year



* **2023/06 period data are annualized data for the last 4 quarters.





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



Financials: Growth Gains Acceleration in Q1



Leverage: Low Indebtedness Creates Significant Borrowing Capacity



Affiliate Acquisition: 60% of Argedor Bilişim acquired for 1.8 mn USD

* Return on Equity

EXECUTIVE SUMMARY

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Leverage



Despite the rising sales between 2019 and 2021, the decline in the working capital to sales indicates efficiency. However, the relative increase in the working capital requirement in 2022 draws attention. However, while the rise in working capital needs is noted in 2023/06, normalization is expected in the last quarter, when collections increase.

Margins



Rising sales in the second quarter of 2023 were accompanied by margins. In parallel with the increase in revenues, the EBITDA margin, which was 61% in 2Q22, increased to 70% in 2Q23; Net profit margin, which was 55% in 1Q22, increased to 68% in 2Q23..

Receiving an Award



The company won awards in a total of three areas in the evaluation of Turkey's top 500 IT Companies: "Turkey-Based Producer Data Warehouse and Business Intelligence Software Category", "Turkey-Based Producer Data Security Software Category" and "Energy Sector Software Category"..

Growth



Strong growth continued in the second quarter of 2023, and in 2023/06, revenue, EBITDA and net profit grew above inflation by 65%, 89% and 104%, respectively compared to 2022/06.

SUBSIDIARIES

Subsidiaries			
Title	Capital	Company's Capital Share	Business Overview
Açılımsoft Yazılım Teknolojileri A.Ş.	3.000.000 TL	100%	Virtual Reality (“VR”) platforms, Artificial Intelligence (“AI”) algorithms, Big Data Processing (“Big Data”) are used in planning, execution, monitoring, forecasting and control processes for companies operating in the production, distribution, sales and after-sales support sectors. To develop end-to-end commercial and mobile application software by using technologies such as software.
Dallmeier Turkey Elektronik Sanayi ve Ticaret A.Ş.	5.000.000 TL	100%	Security systems and software service activities
Signum Teknoloji Tanıtım ve Eğitim A.Ş.	4.300.000 TL	51%	Developing management and operational processes software (Facility Management System) for campuses such as facilities, campuses, health institutions, public buildings, ports, airports and logistics centers in all sectors.
ARDTECH LTD	100.000 GBP	60%	Development and export of Software Products.
Argedor Bilişim Teknolojileri Sanayi ve Ticaret A.Ş.	150.000 TL	60%	Developing software using Blockchain, Metaverse, Artificial Intelligence, Web3 and Game technologies.
ARDTECH Informatics	500.000.000 UZS	100%	System integration projects, development and export of innovative software.

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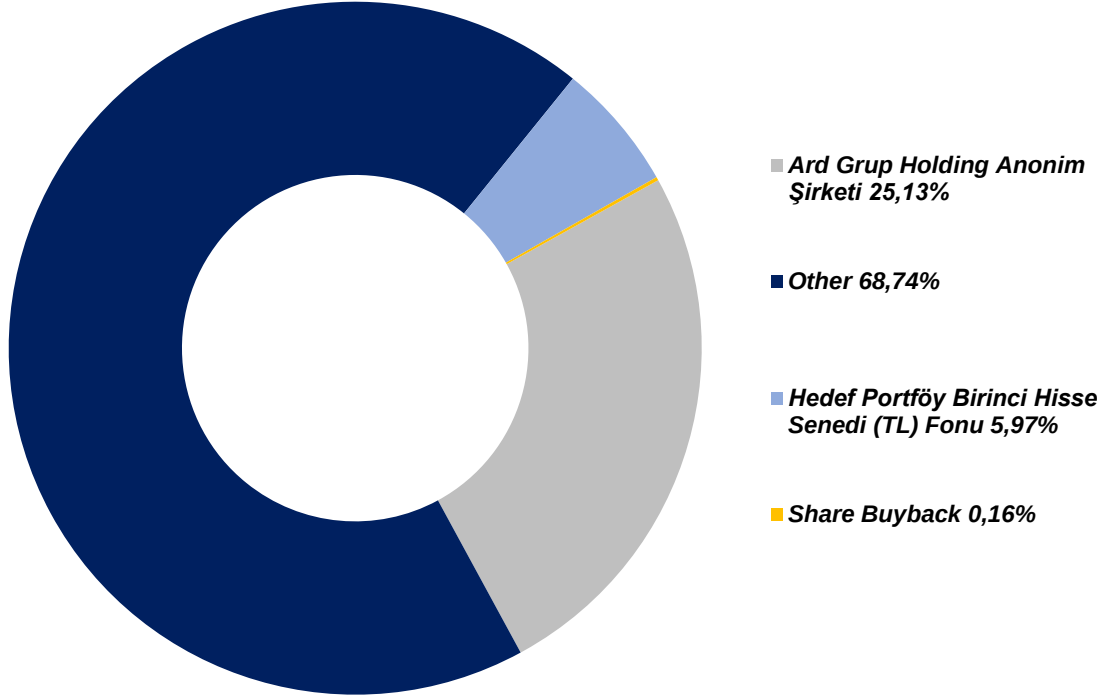
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PARTNERSHIP STRUCTURE

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Board of Directors

Name and Surname	Title
Arda Ödemiş (ARD Grup Holding AŞ Adına)	Chairman of the Board
Doğan Ödemiş	Deputy Chairman of the Board of Directors
Gürkan Bilgin	Board Member
Sabri Çağrı Çakır	Board Member
Nükhet Doğan	Independent Board Member
Aytekin Doğan	Independent Board Member

Personnel Having a Say in Management

Name and Surname	Title
Gürkan Bilgin	Board Member / Deputy GM
Sabri Çağrı Çakır	Board Member / Deputy GM
Bahadır Öztürk	Deputy GM
Sedat Bakırkaya	Deputy GM

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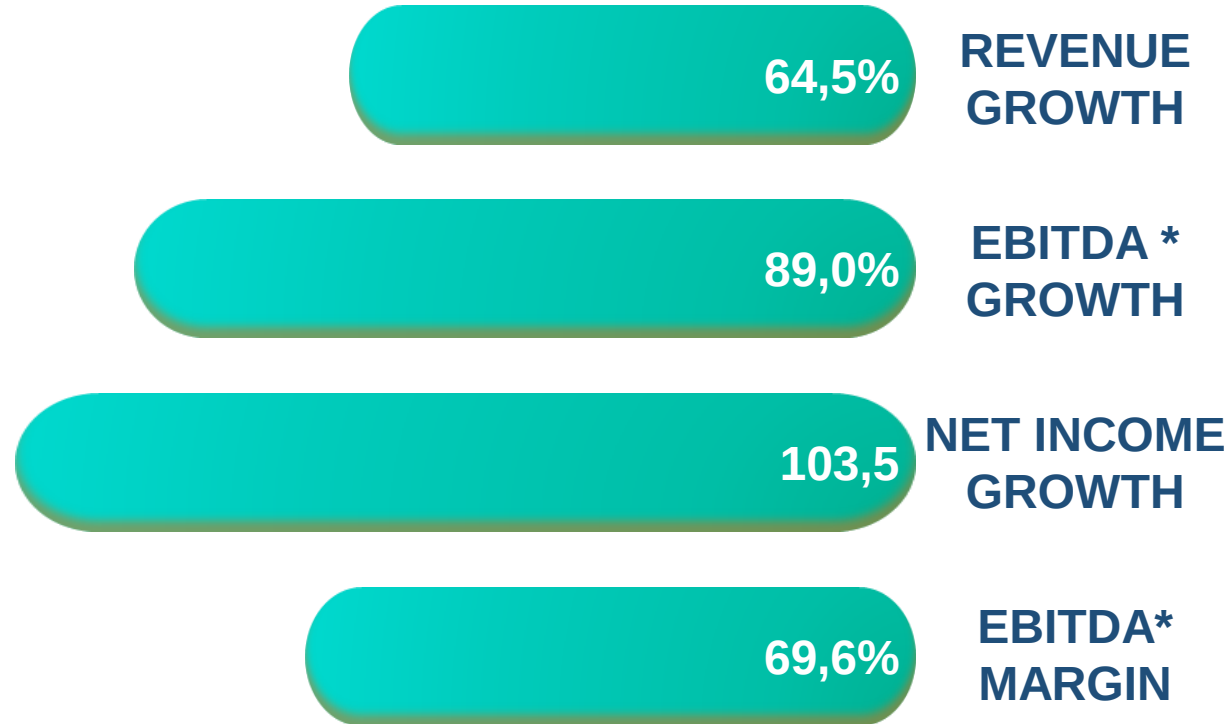
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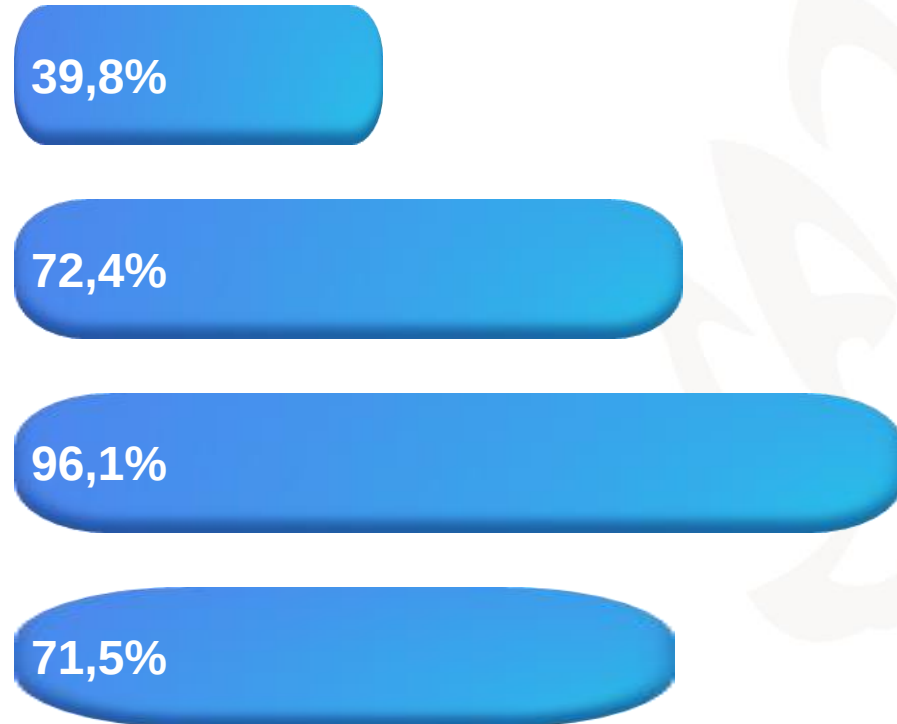
SOLID PERFORMANCE

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2023/06 & 2022/06 PERIODICAL



2Q23 & 2Q22 QUARTERLY



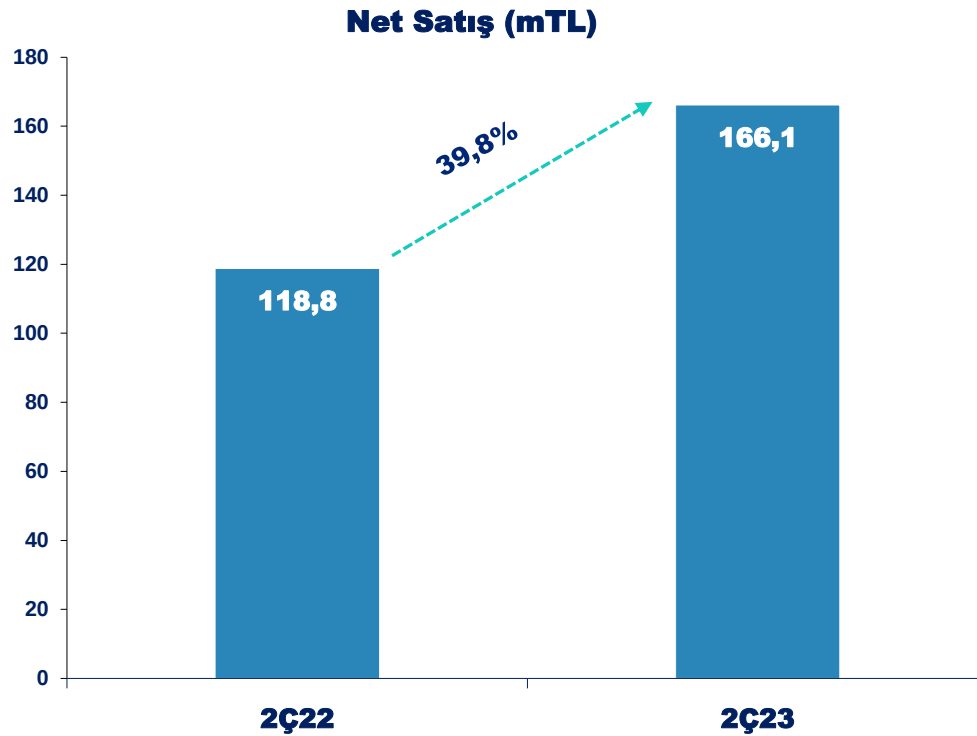
**Other Income / Expense from Operating Activities are included in EBITDA*

2Q 2023 RESULTS

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Sales Gained Momentum in Q2

QUARTERLY FIGURES



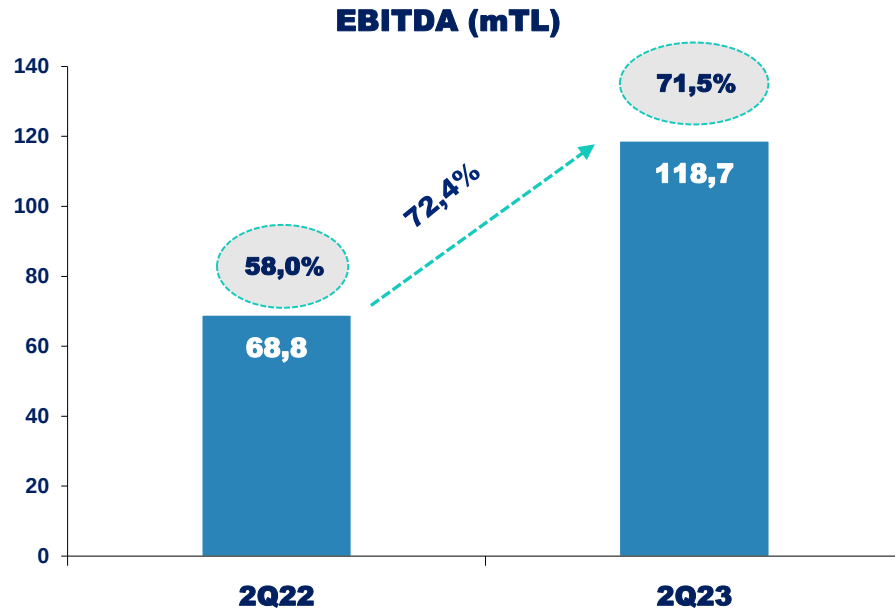
- Net sales raised by 39,8% on a quarterly basis compared to the same period of the previous year and amounted to 166,1 m TL.

2Q 2023 RESULTS

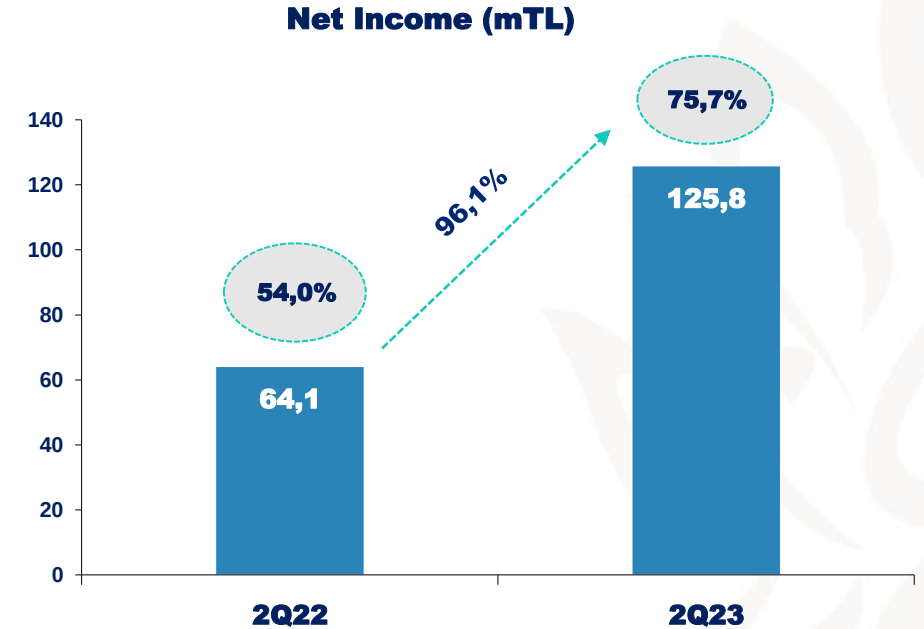
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Improvement in Sales Supported Profitability

QUARTERLY FIGURES



- EBITDA improved by 72,4% QoQ to 118,7 mTL, while the EBITDA margin increased from 58% to 71,5%

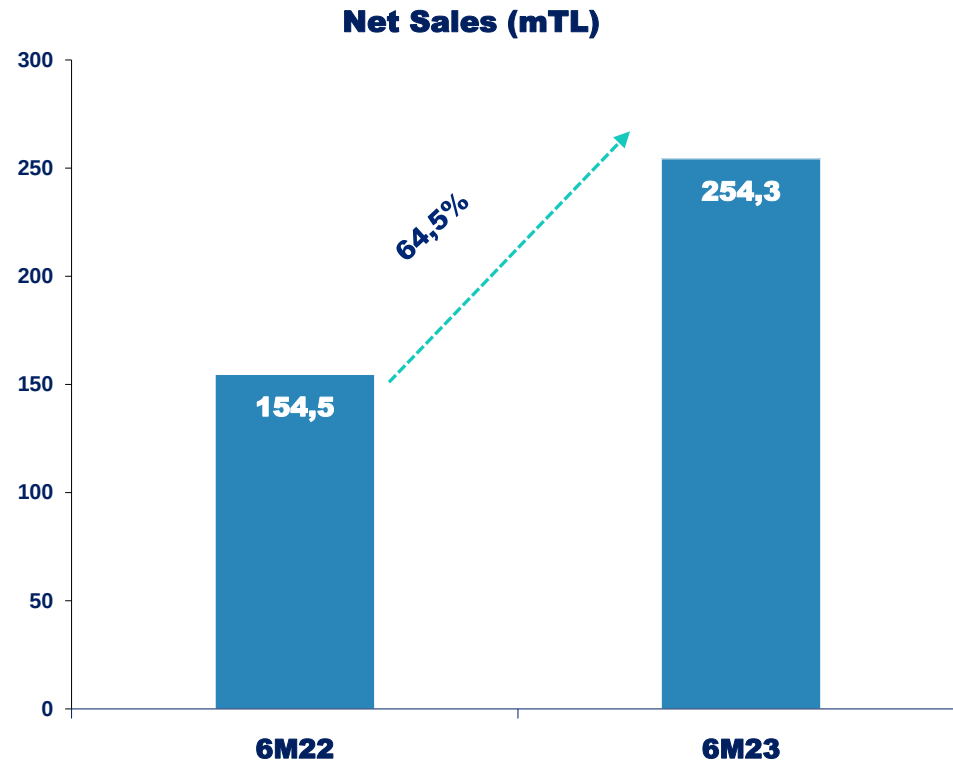


- Net profit increased by 96,1% QoQ to 125,8 mTL. Strong stance in operating profitability was recorded as the most important factor supporting net profit for the period

 **EBITDA and Net Margin**

High Enflation Affects the Sales

PERIODICAL FIGURES



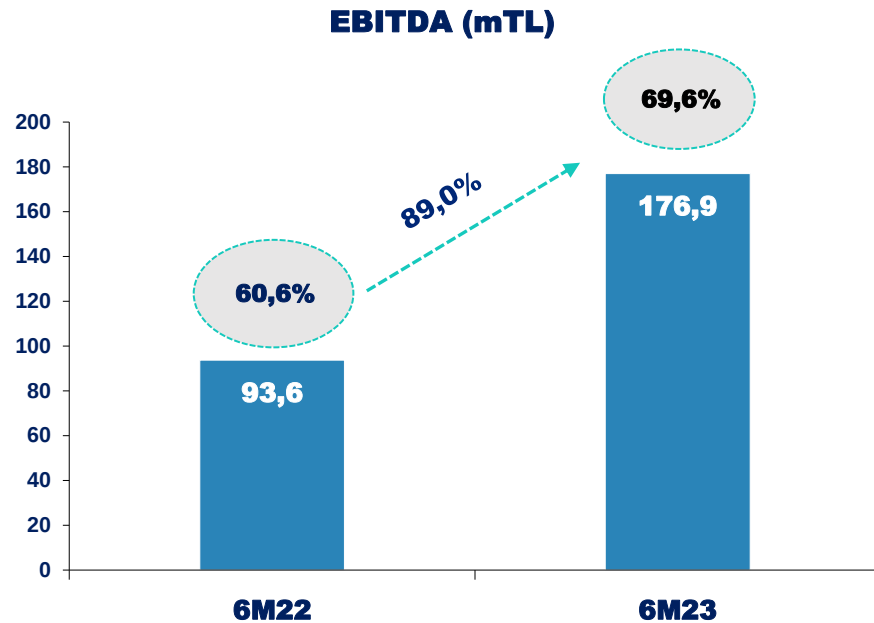
- Net sales raised by 64,5% on a yearly compared to the same period of the previous year and amounted to 254,3 m TL.

2Q 2023 RESULTS

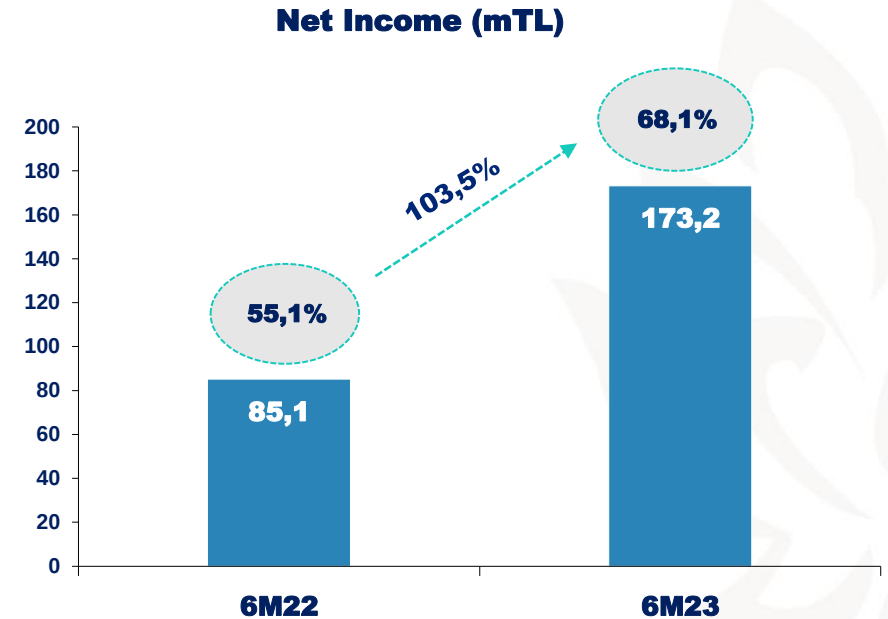
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Improvement in Sales Supported Profitability

PERIODICAL FIGURES



- EBITDA improved by 89,0% YoY to 176,9 mTL, while the EBITDA margin increased from 60,6% to 69,6%



- Net profit increased by 103,5% YoY to 173,2 mTL. Strong stance in operating profitability was recorded as the most important factor supporting net profit for the period

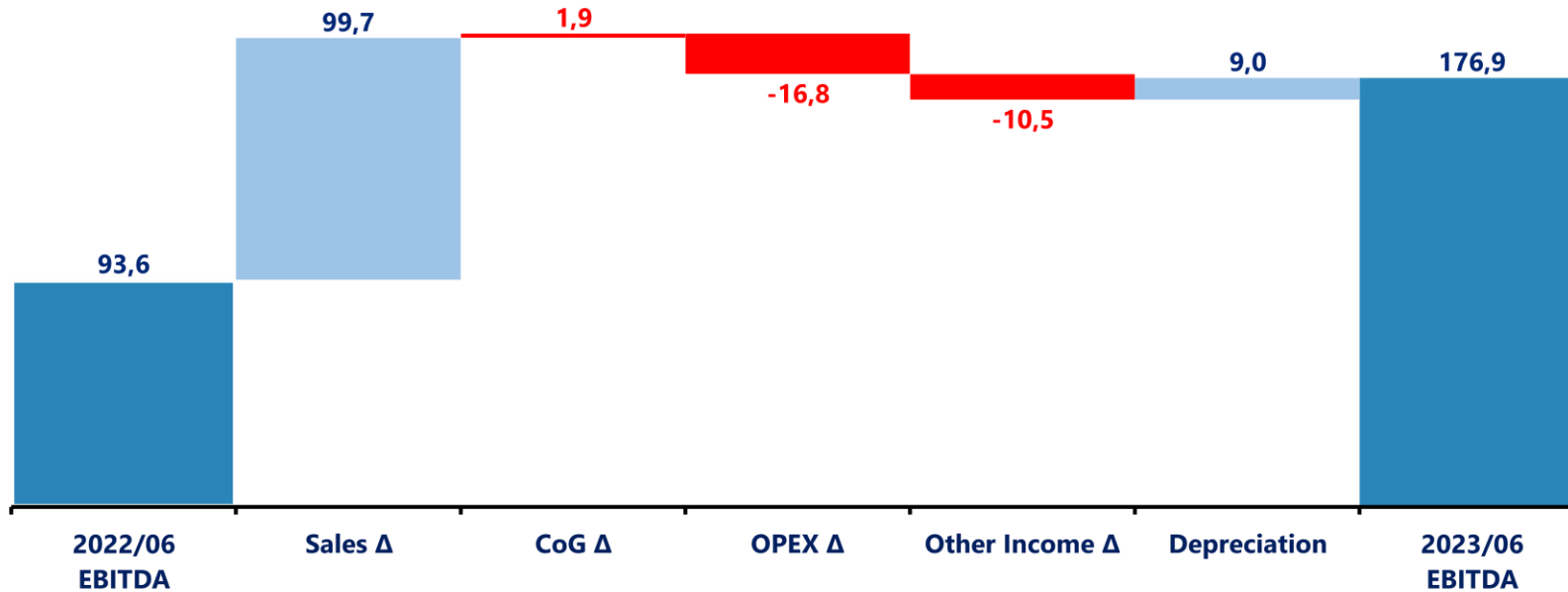
 **EBITDA and Net Margin**

2Q 2023 RESULTS

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The Rise in Sales and Low Opex Supported EBITDA

EBITDA Bridge (mTL)



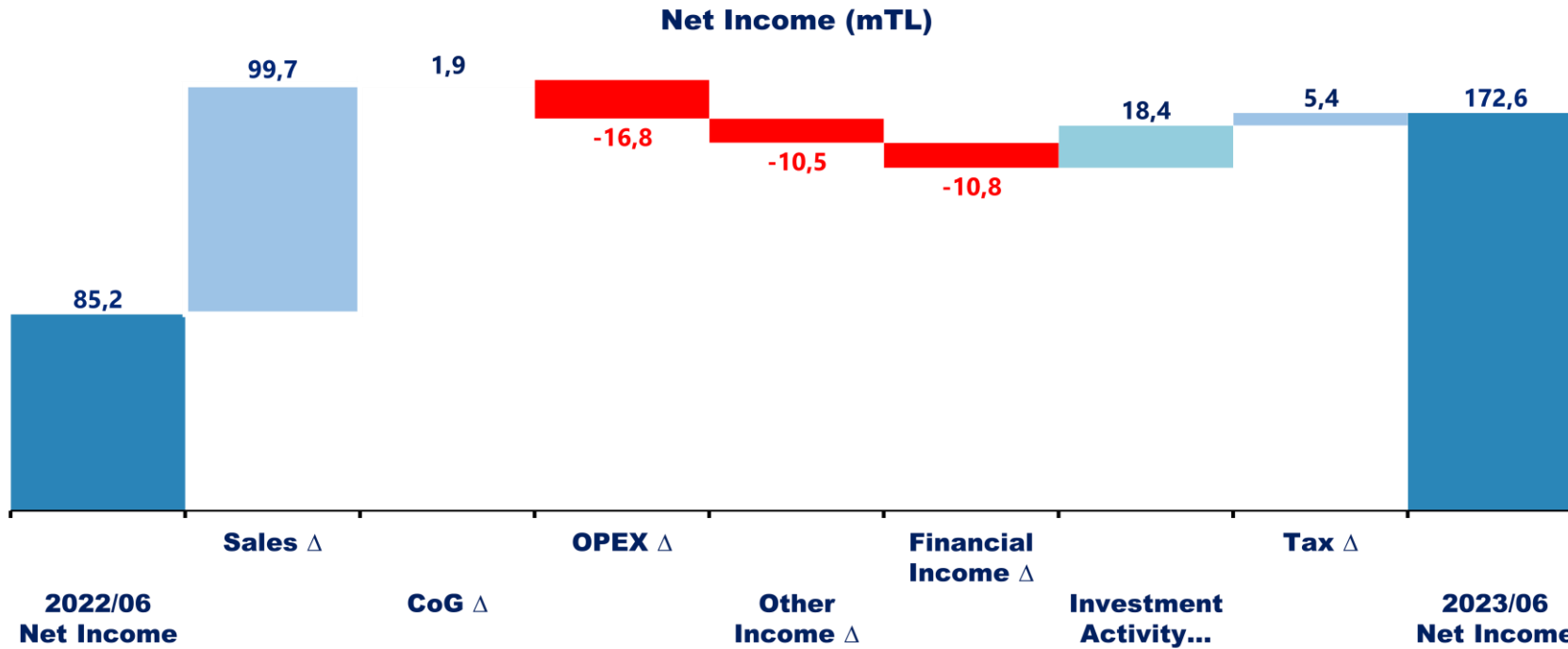
- The rising revenue and margins and low opex supported EBITDA.
- R&D expenditures create expectations for EBITDA growth in the coming period.

Δ : Change

2Q 2023 RESULTS

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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

2Q 2023 RESULTS

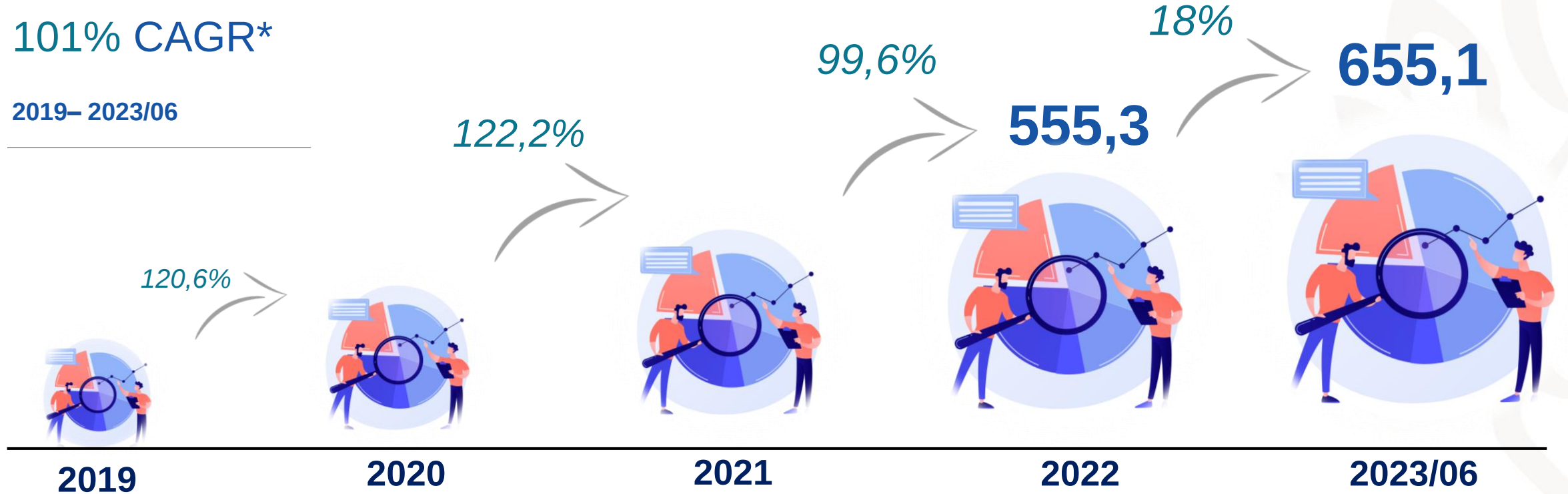
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655,1 mTL of Annualized Revenue in 2023/06

ANNUAL NET SALES DEVELOPMENT (mTL)

101% CAGR*

2019– 2023/06



*CAGR : Compounded Annual Growth Rate

Total Sales TL M

2Q 2023 RESULTS

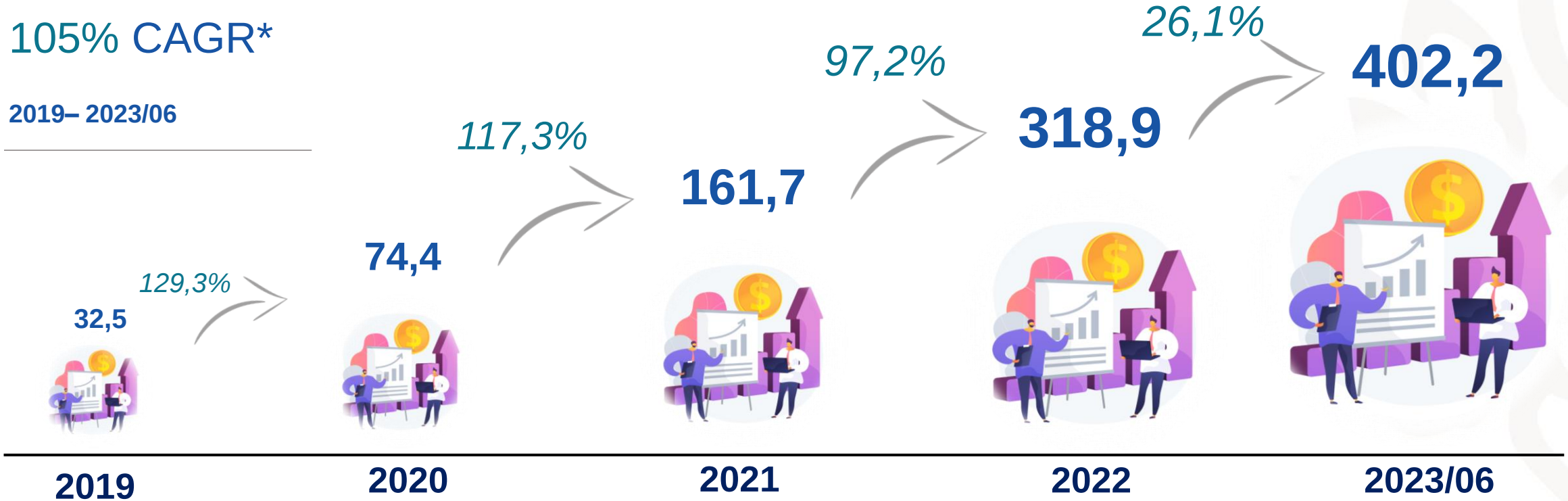
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402,2 mTL of Annualized EBITDA in 2023/06

ANNUAL EBITDA DEVELOPMENT (mTL)

105% CAGR*

2019– 2023/06



*CAGR: Compounded Annual Growth Rate

EBITDA TL M

2Q 2023 RESULTS

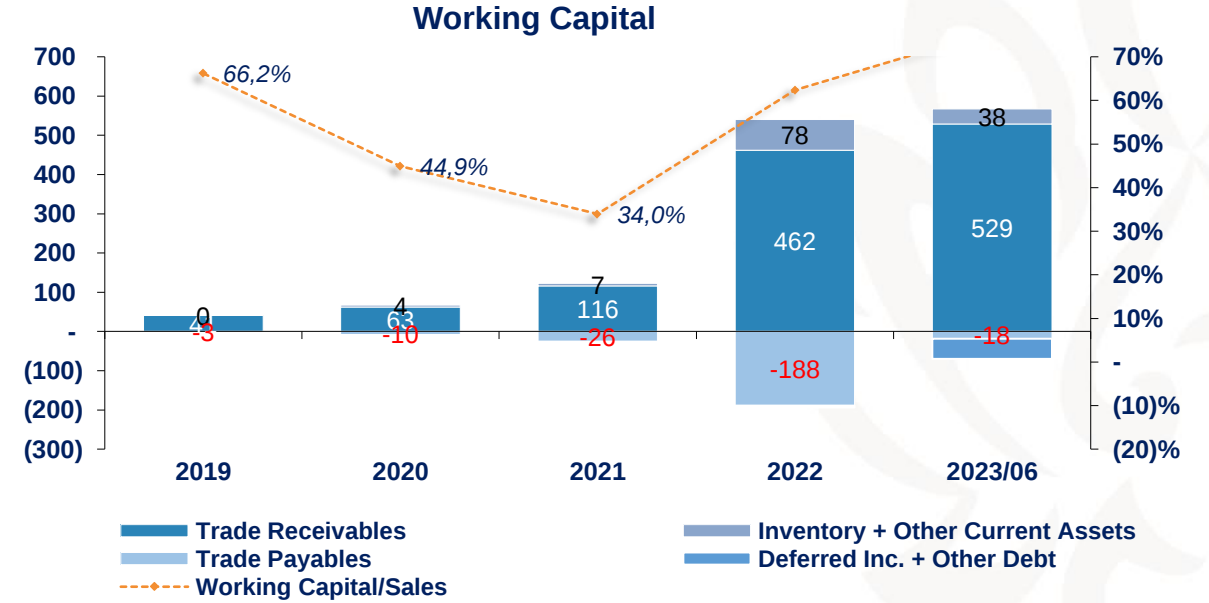
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Working Capital to Sales Will Be Normalised At the End of the Year

Working Capital Analysis

mTL	2019	2020	2021	2022	2023/06
Trade Receivables	40,9	62,6	116,1	462,1	528,8
Inventory + Other Current Assets	0,4	4,3	6,8	77,9	38,1
Trade Payables	(3,2)	(9,6)	(26,0)	(188,5)	(18,2)
Deferred Inc. + Other Debt	(0,5)	(1,0)	(2,3)	(5,3)	(51,6)
İşletme Sermayesi	37,6	56,3	94,6	346,2	497,1
Working Capital/Sales	66,2%	44,9%	34,0%	62,3%	75,9%
Net Sales*	56,8	125,2	278,2	555,3	655,1

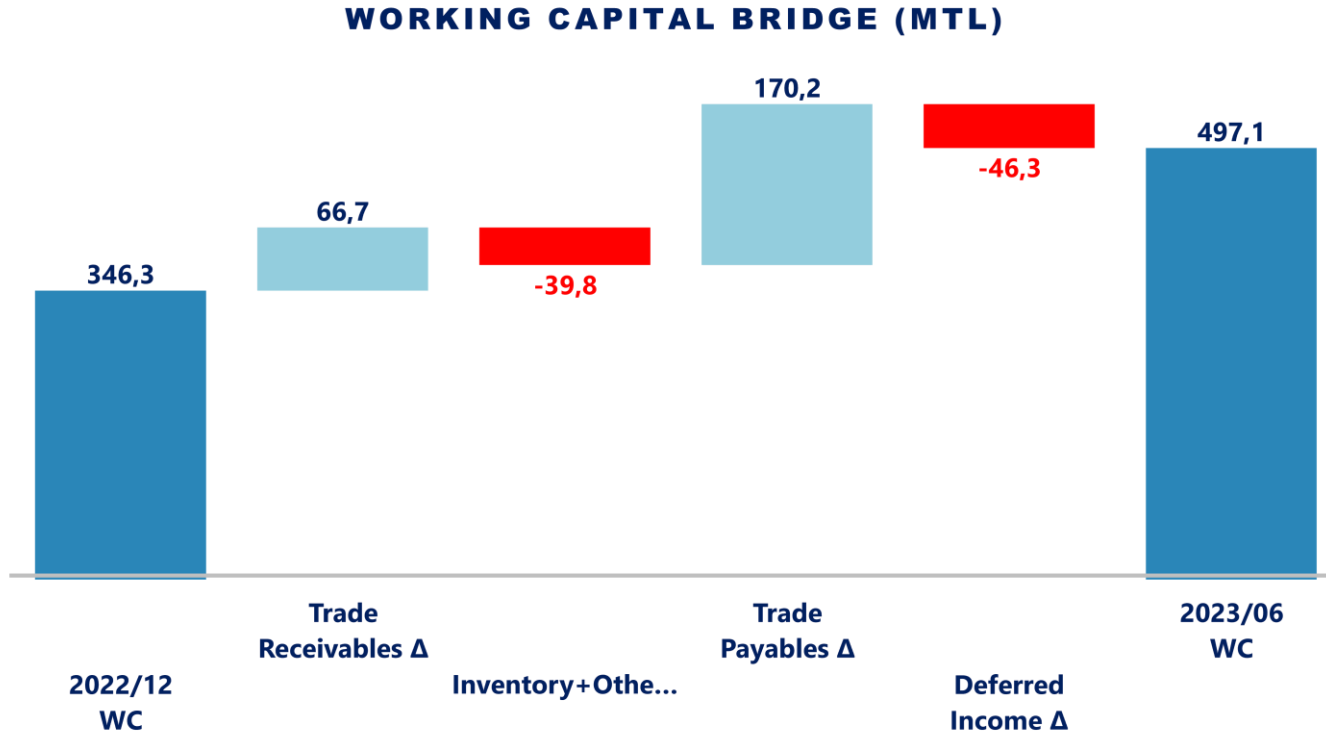
Working Capital



2Q 2023 RESULTS

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Decline in Trade Payables Increased Working Capital



- In the second quarter of 2023, there is an improvement in the working capital with the inventories, while the sharp decline in the commercial debts put an upward pressure on the working capital.
- Working capital increased from TL 346.3 m at the end of 2022 to TL 497.1 m in 2Q2023.
- Working capital to sales, which declined continuously between 2019 and 2021 but 2022. However, in 2023/06, there is a rise in the relevant rate.

Δ : Change

2Q 2023 RESULTS

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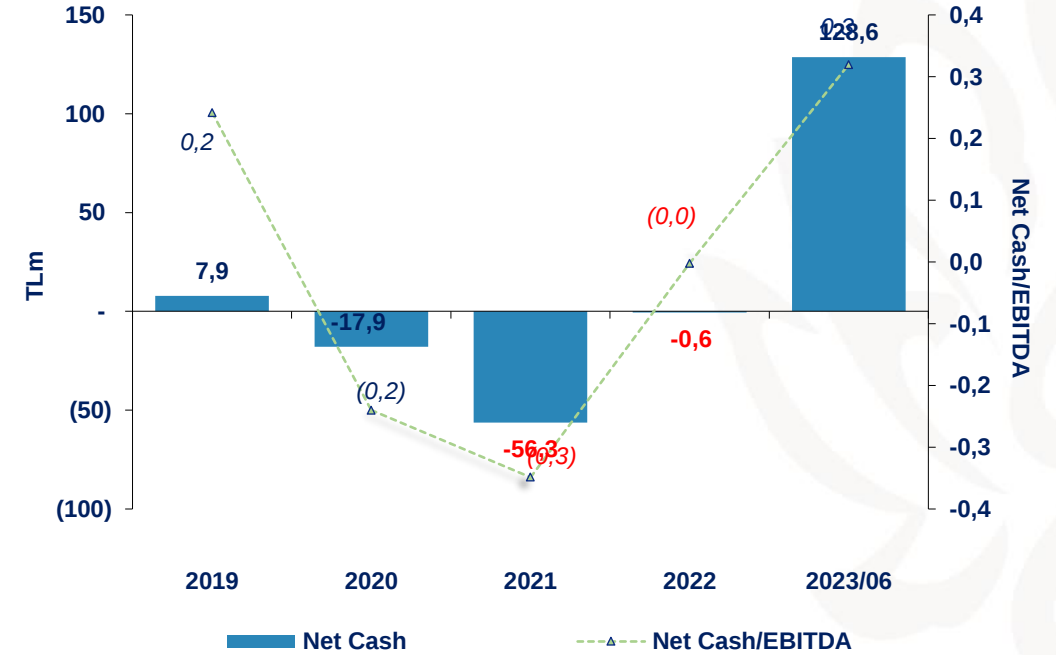
Low Debt Ongoing

Net Cash Position

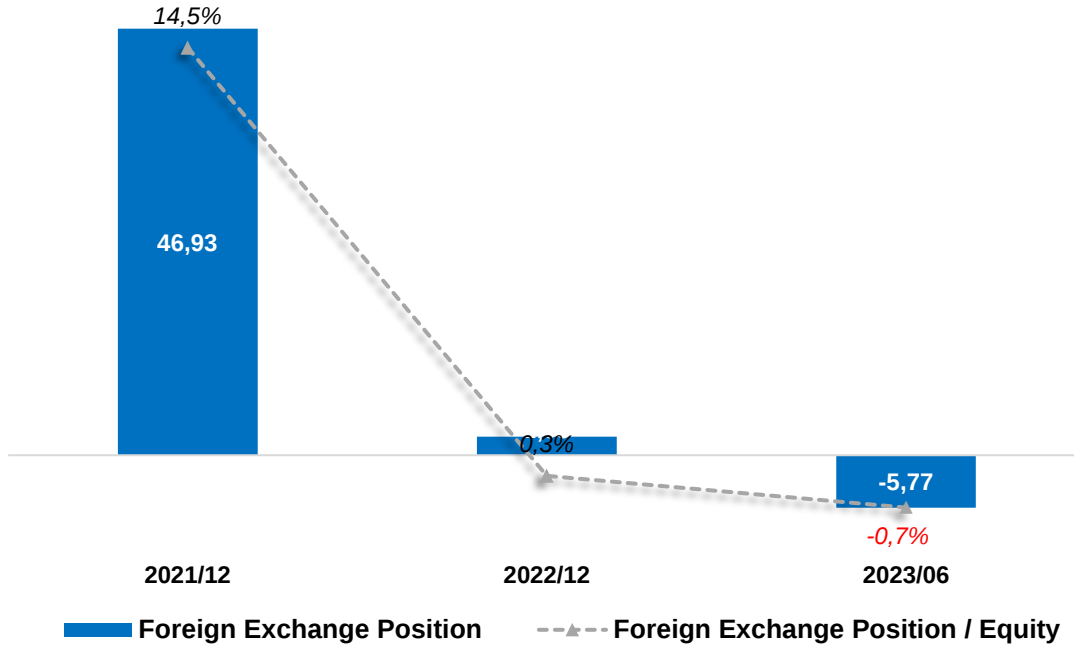
Net Cash & Equity & Financial Leverage

TLm	2019	2020	2021	2022	2023/06
Cash and Cash Equivalents	1,7	27,3	64,0	24,6	22,9
Financial Investments	-	-	-	41,2	0,0
Other Receivables	0,0	-	0,0	1,4	1,5
Short-Term Financial Debt	7,4	4,7	5,5	58,4	122,5
Other Debt	0,0	0,1	0,7	1,0	25,2
Long-Term Financial Debt	2,1	4,6	1,4	7,2	5,4
Net Debt/Cash	7,9	(17,9)	(56,3)	(0,6)	128,6
	-	-	-	-	-
Equity	72,5	173,5	324,7	629,7	812,4
Net Debt/Equity	10,8%	-10,3%	-17,4%	-0,1%	15,8%
Net Debt/EBITDA	0,2	(0,2)	(0,3)	(0,0)	0,3
EBITDA	32,5	74,4	161,7	318,9	402,2

Net Debt/EBITDA



Foreign Exchange Position



Credit Maturity Breakdown

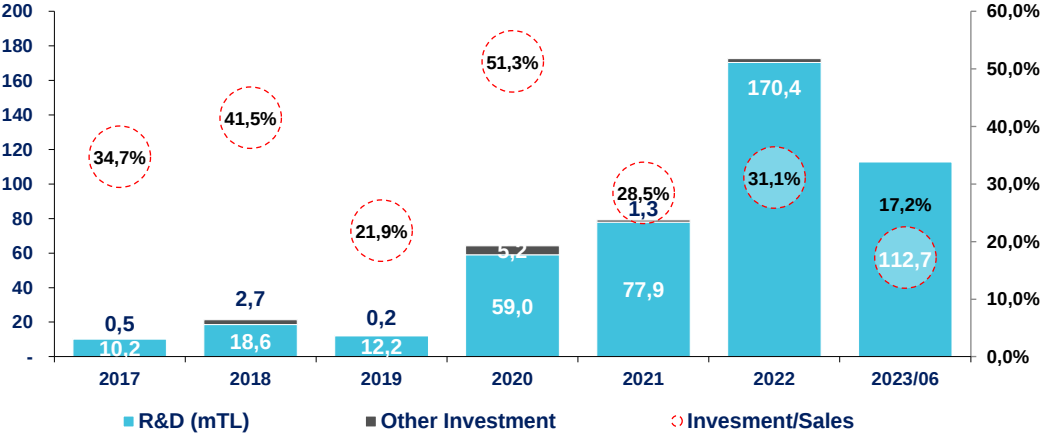


- In the second quarter of 2023, Company has a foreign exchange deficit of TL 5.77 mn. As of the end of the period, all loans are in TL and the effective interest rate fluctuates between 7.5% and 26%. Although a significant portion of the financial debts are short-term, the Company has a significant borrowing capacity with low financial indebtedness.

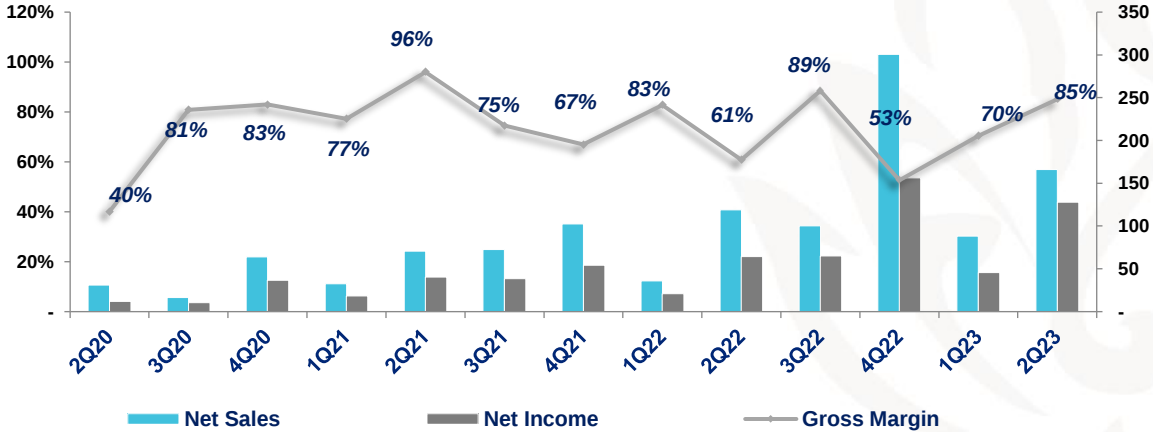
2Q 2023 RESULTS

Most of the Increase in Investments in 2023/06 is Resulting from the Purchase of Subsidiary

Investments (mTL)



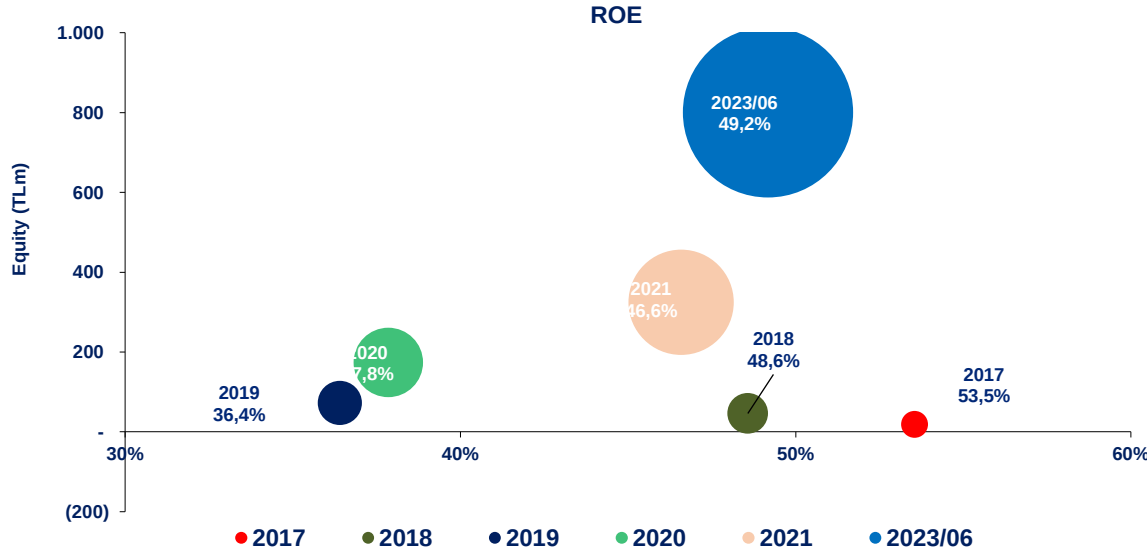
Seasonality (mTL)



2Q 2023 RESULTS

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49,3% 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	2023/06	2021/12	2020/12	Reference
Current Ratio	3,07	2,24	5,53	1,0-1,5
Liquidity Ratios	3,00	2,19	5,40	0,8-1,0

Investment Ratios (12M Trailing)	2023/06	2021/12	2020/12	Reference
Investment/Depreciation	355,0%	759,3%	653,2%	>%100
Investment/Net Sales	31,1%	31,1%	28,5%	Sector
Trade Receivable/Asset	52,2%	51,8%	32,1%	Sector
EVA-TL	127.277.917	128.310.757	71.401.425	>0
ROIC	31,4%	38,2%	43,8%	>WACC
CRR	135,2%	108,8%	95,7%	<%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	2023/06	2021/12	2020/12	Reference
Total Debt/Total Assets	19,7%	29,4%	10,1%	<%40
Short-Term Fin. Debt/Equity	15,3%	9,3%	1,7%	<100%
Coverage Ratio	33,1	241,2	-79,8	>3
Net Debt/EBITDA	0,3	0,0	-0,3	<4
Short-Term Liabilities/Assets	19,0%	28,3%	9,4%	Sector
Long-Term Liabilities/Assets	0,7%	1,1%	0,8%	Sector
Equity/Assets	79,1%	70,6%	89,9%	>%60
Total Liabilities/Equity	25,0%	41,6%	11,3%	Sector
Financial Debt/Total Liabilities	64,0%	25,0%	19,0%	Sector

**Coverage Ratio and Net Debt/EBITDA are calculated negative due to the net cash position and positive financial net income as of 2020/12.*

Financial Ratios

Profitability Ratios (12MTrailing)	2023/03	2021/12	2020/12	Reference
Gross Margin	62,8%	62,8%	77,5%	Sector
EBIT Margin	53,6%	53,3%	53,8%	Sector
EBITDA Margin	58,0%	57,4%	58,1%	Sector
Net Margin	54,5%	55,2%	54,4%	Sector
ROE	49,1%	48,7%	46,6%	>Bond Yield
ROA	34,2%	33,2%	41,4%	Sector
Financial Exp./Net Sales	-0,8%	-0,2%	0,7%	<%3
OPEX/Net Sales	8,1%	8,7%	23,8%	Sector

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

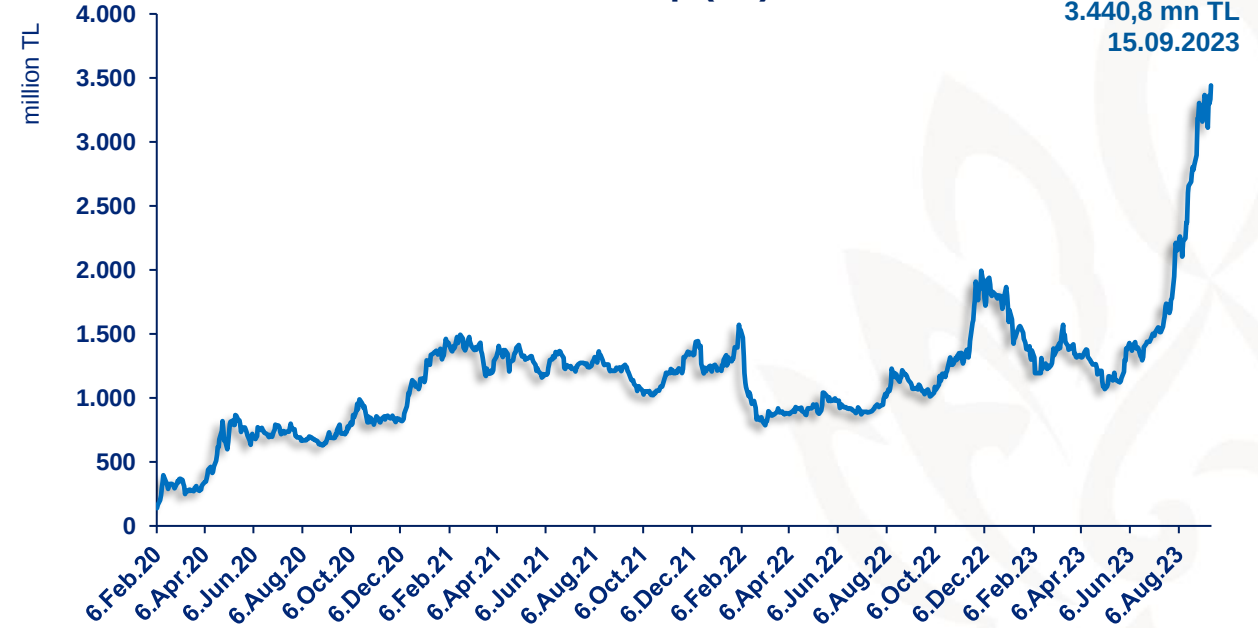
2Q 2023 RESULTS

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Share Performance (TL)



Mcap (TL)



- High share return for the investors from the date of the public offering until today
- 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.

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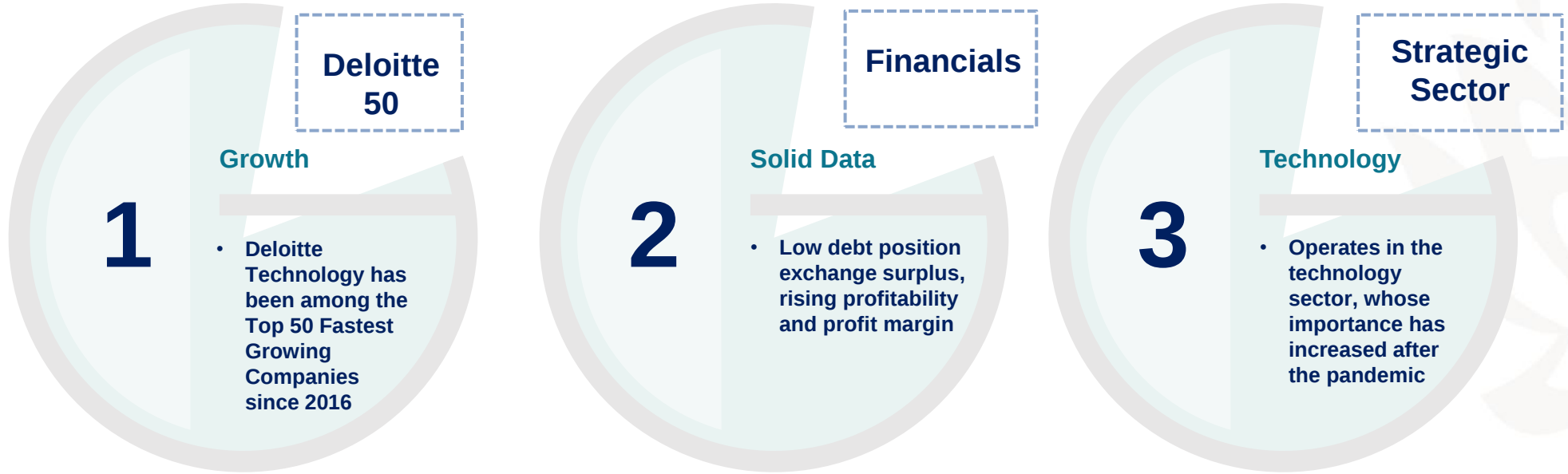
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Investment Thesis

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 2023/06; 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.

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APPENDIX



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Balance Sheet (TL)	2022/12 Audited	2023/06 UnAudited
Assets	891.473.629	1.012.147.763
Cash & Cash Equivalent	24.646.077	22.890.847
Current Financial Investments	41.177.500	1.303
Trade Receivables	462.065.365	528.810.880
Other Current Assets	24.509.478	24.993.864
Inventories	12.242.187	13.101.242
Current Assets	564.640.607	589.798.136
Current Financial Investments	3.224.832	3.470.492
Investment Property	26.200	26.200
Tangible Assets	5.509.223	6.362.208
Intangible Assets And Goodwill	318.072.767	407.445.584
Intangible Assets	-	5.045.143
Fixed Assets	326.833.022	422.349.627
Equity and Liabilities	891.473.629	1.012.147.763
Short-Term Debt	58.368.695	122.450.326
Trade Payables	188.467.360	18.248.695
Other Debt	4.218.160	26.408.227
Other Short-Term Liabilities	1.045.707	25.187.731
Short-Term Liabilities	252.099.922	192.294.979
Long-Term Debt	7.199.352	5.357.352
Other Long-Term Liabilities	2.509.663	2.141.816
Long-Term Liabilities	9.709.015	7.499.168
Paid-In Capital	170.000.000	170.000.000
Treasury Shares	-	(1.974.713)
Other Comprehensive Inc.	(96.280)	(255.747)
Profit Reserves	15.390.634	18.099.335
Retained Earning	137.908.523	441.661.637
Net Income	306.461.815	173.246.129
Non-Controlling Interests	-	11.576.975
Equity	629.664.692	812.353.616

Income Statements (TL)	2022/06 Unaudited	2023/06 Unaudited	2022/09-2021/09 Change (%)
Net Sales	154.549.182	254.287.823	(39,2%)
Change	0,0%	64,5%	
CoGS	(52.667.456)	(50.764.176)	3,7%
Gross Profit	101.881.726	203.523.647	(49,9%)
Change	0,0%	99,8%	
Gross Margin	65,9%	80,0%	
General Administrative Exp.	(5.813.327)	(11.890.984)	(51,1%)
Change	0,0%	104,5%	
R&D	(12.273.867)	(22.957.868)	(46,5%)
Change	0,0%	87,0%	
Other Income	2.257.020	8.889.994	(74,6%)
Other Expenses	(1.461.077)	(18.640.657)	(92,2%)
EBITDA	93.622.620	176.947.765	(47,1%)
Change	0,0%	89,0%	
EBITDA Margin	60,6%	69,6%	
Depreciation	(9.032.145)	(18.023.633)	(49,9%)
EBIT	84.590.475	158.924.132	(46,8%)
Change	0,0%	87,9%	
EBIT Margin	54,7%	62,5%	
Income from Investment Activities	(98.677)	18.325.409	(100,5%)
Net Financial Income	215.856	(10.631.697)	(102,0%)
Profit Before Tax	84.707.654	166.617.844	(49,2%)
Tax	425.534	5.836.458	(92,7%)
Net Income	85.133.188	172.454.302	(50,6%)
Change		102,6%	
Margin	55,1%	67,8%	

MILESTONES OF ARD GROUP

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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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