



ARDINFORMATICS

Investor Presentation

4Q 2020 Figures

23 February 2021



4Q 2020 HEADLINES

Debt Level: Net Cash and Long Foreign Exchange Position

4Q 2020: Solid Financial Figures

Share Performance: Strong Share Performance

EXECUTIVE SUMMARY

Growth

- Growth performance supporting the investment story
- Simultaneous strong growth in net sales, EBITDA and net profit in the last quarter of the year

Margins

- Quarterly gross profit margin, which was 81% in 3Q2020, increased to 83% in 4Q2020
- Quarterly rise in R&D expenses balanced net profit and EBITDA margin

Low Leverage

- Sales share of working capital decreased compared to 2019 and supported low debt level
- While net cash position strengthened, the year was closed with TL 8.1 mn long foreign currency position

Performance

- Strong financials supported share performance
- Economic added value generated with 37.8% return on equity

12M20 vs 12M19

**REVENUE
GROWTH**



120.6%

**EBITDA*
GROWTH**



129.5%

**NET INCOME
GROWTH**



148.7%

**EBITDA*
MARGIN**



59.5%

Solid Performance

68.7%

121.5%

141.2%

60.3%

4Q20 vs 4Q19



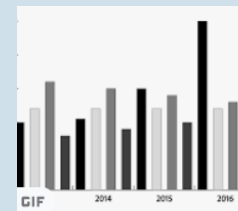
**REVENUE
GROWTH**



**EBITDA*
GROWTH**



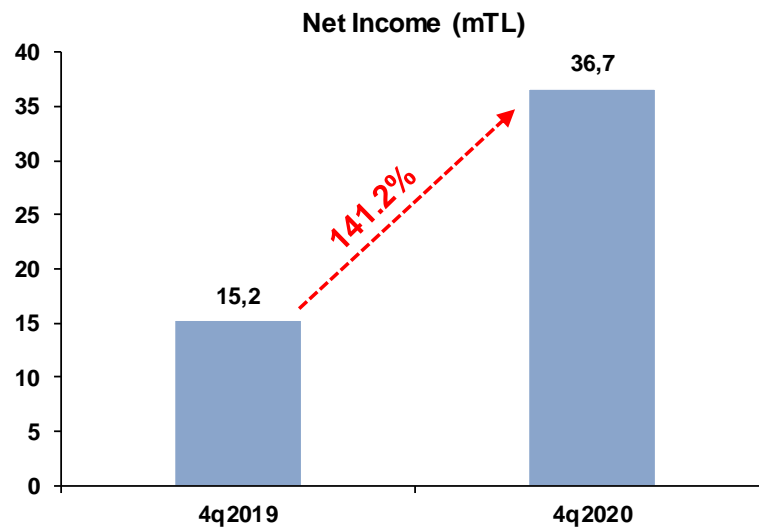
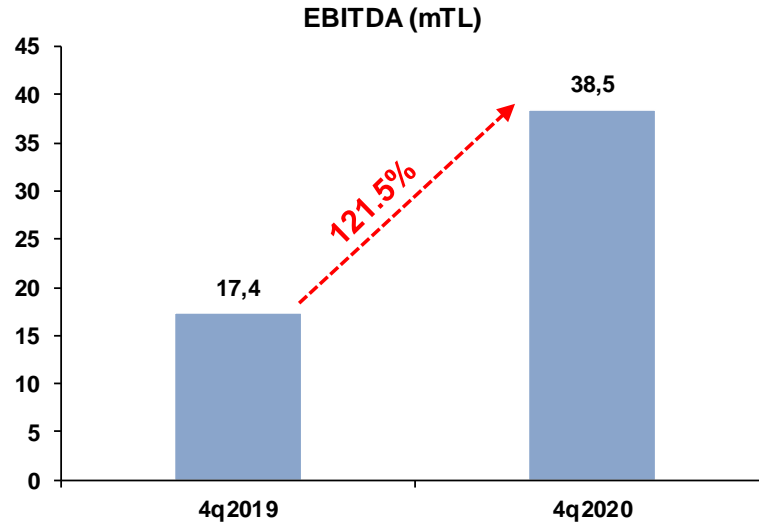
**NET INCOME
GROWTH**



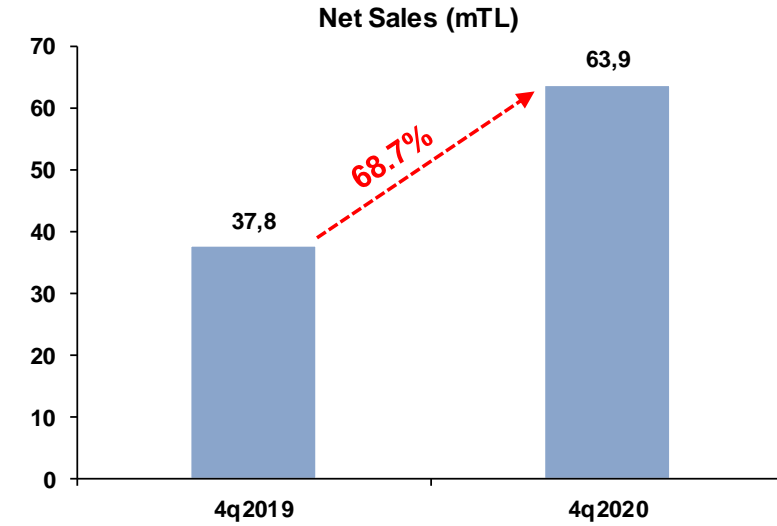
**EBITDA*
MARGIN**

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

Quarterly Financial Data



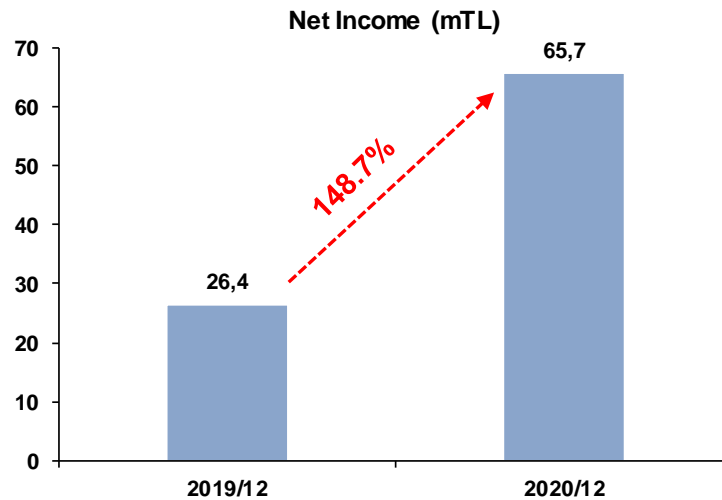
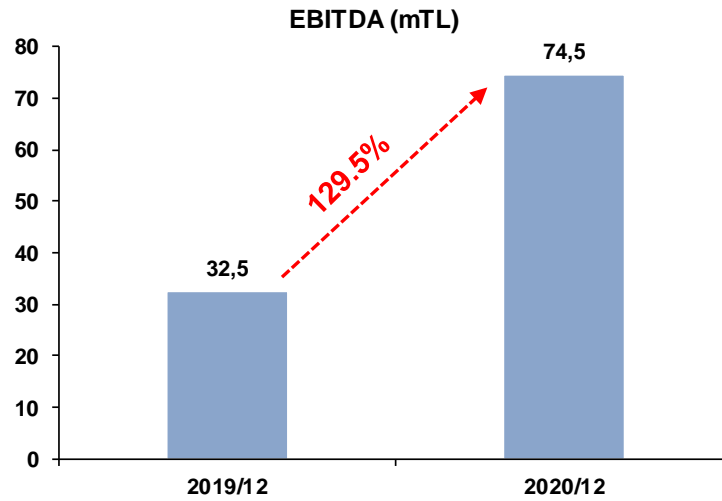
Quarterly Net Sales



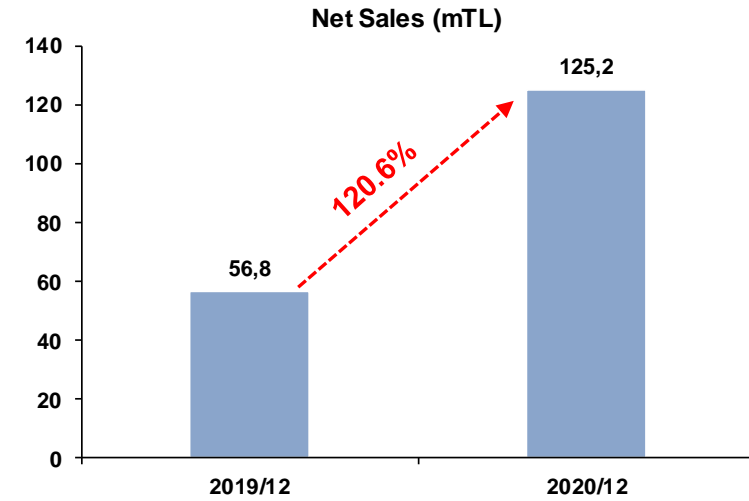
Robust Quarterly Performance

- Net Sales increased by 68.7% on a quarterly basis compared to the same period of previous year and reached TL 63.9 mn.
- EBITDA raised by 121.5% quarter-on-quarter to TL 38.5 mn.
- Net Income ascended by 141.2% on a quarterly basis compared to the same period of last year and reached TL 36.7 mn.

12M Financial Data



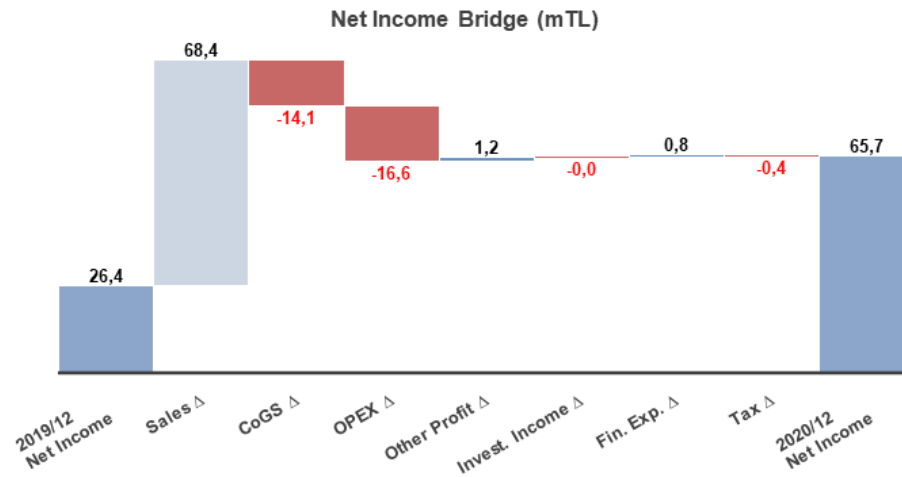
12M Net Sales



Strong 12M Performance

- Net Sales increased by 120.6% in 2020/12 compared to the previous year and reached 125.2 mn TL.
- EBITDA rose by 129.5% compared to the previous year in 2020/12 and reached 74.5 mn TL.
- Net Profit grew by 148.7% in 2020/12 compared to last year and reached 65.7 mn TL.

12A20 Net Income Bridge

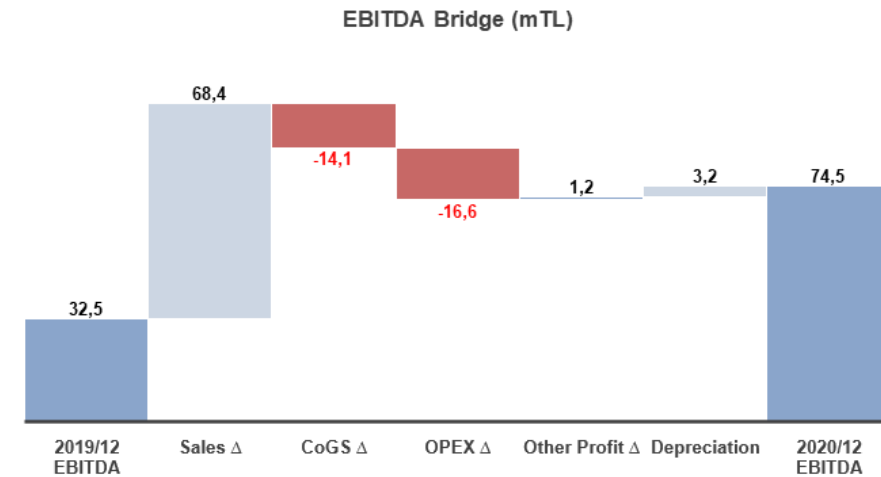


Δ : Changing

Net Income Grew Significantly

- The net income bridge reveals the improvement in net income compared to 2019.
- The biggest source of net income growth is seen as a raise of 68.4 mn TL in sales in 2020.
- While sales increased by TL 68.4 mn, cost of sales and operating expenses increased by TL 14.1 mn and TL 16.6 mn, respectively.

12A20 EBITDA Bridge



Δ : Changing

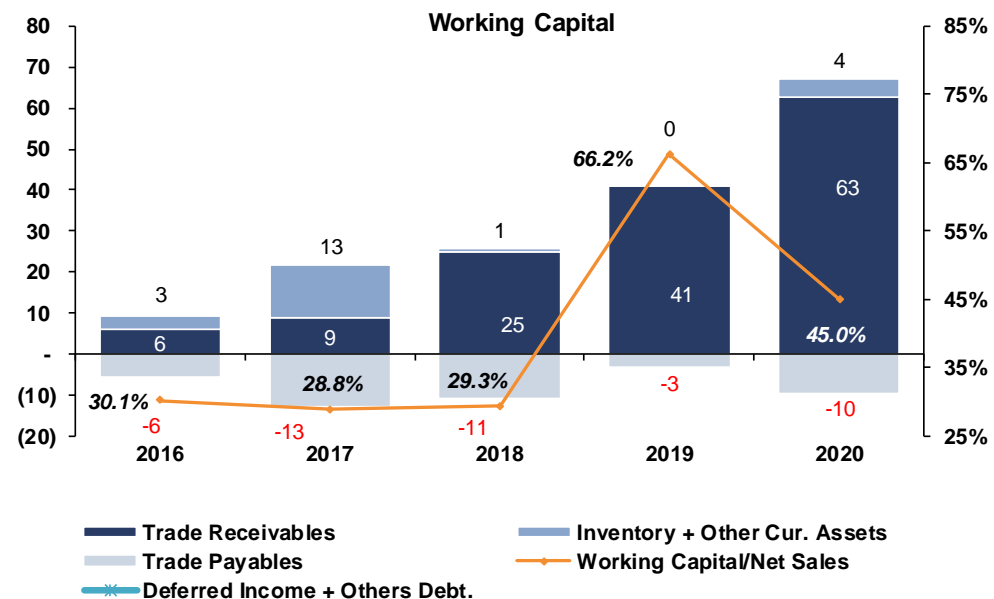
EBITDA Grew Significantly

- The EBITDA bridge reveals the improvement in EBITDA compared to 2019.
- The biggest source of EBITDA growth is seen as an increase of 68.4 mn TL in sales in 2020.
- Despite the high growth in sales, the relatively low increase in total expenses is an important productivity indicator.

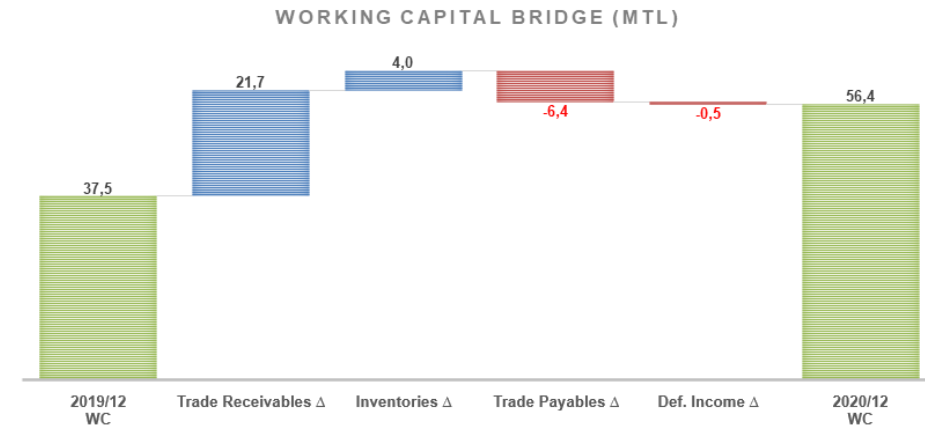
Working Capital

Working Capital Analysis

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



Working Capital Bridge



Δ : Changing

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.
- Though the working capital net sales share touched a high rate of 66.2% at the end of 2019, it is normalised as 45.0% in 2020/12.

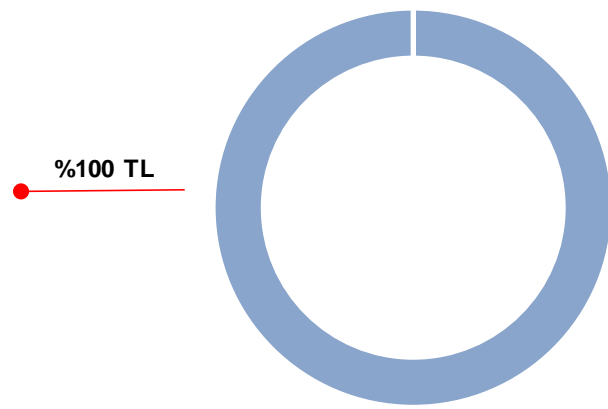
Net Cash Position

Net Cash & Equity & Financial Leverage

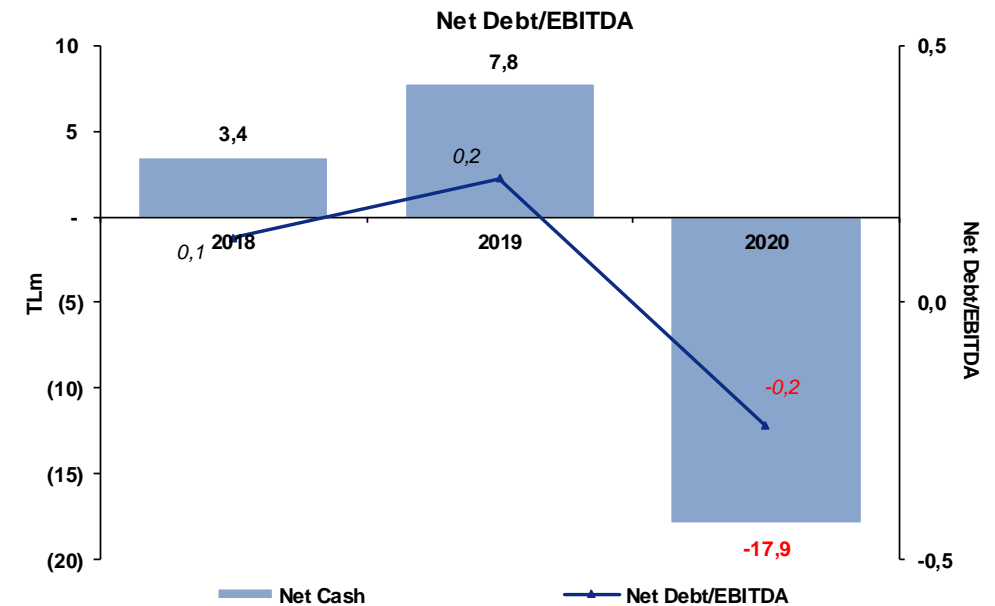
TLm	2018	2019	2020
Cash and Cash Equivalents	0,1	1,7	27,3
Financial Investments	-	-	-
Other Receivables	4,4	-	-
Short Term. Fin. Debt	5,7	7,4	4,7
Other Debt	0,0	-	0,1
Long Term. Fin. Debt	2,2	2,1	4,6
Net Cash	3,4	7,8	(17,9)
Equity	46,1	72,5	173,5
Net Debt/Equity	7,4%	10,8%	-10,3%
Net Debt/EBITDA	0,1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

*EBITDA is annualized for 2020 interim periods.

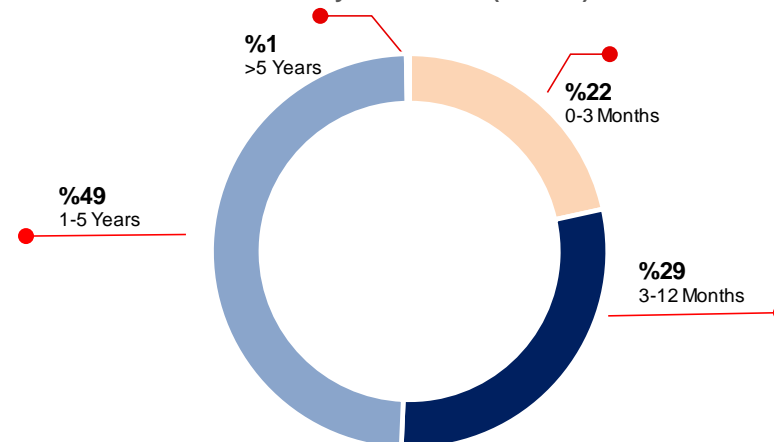
Currency Base Debt Breakdown (2020/12)



Net Debt/EBITDA



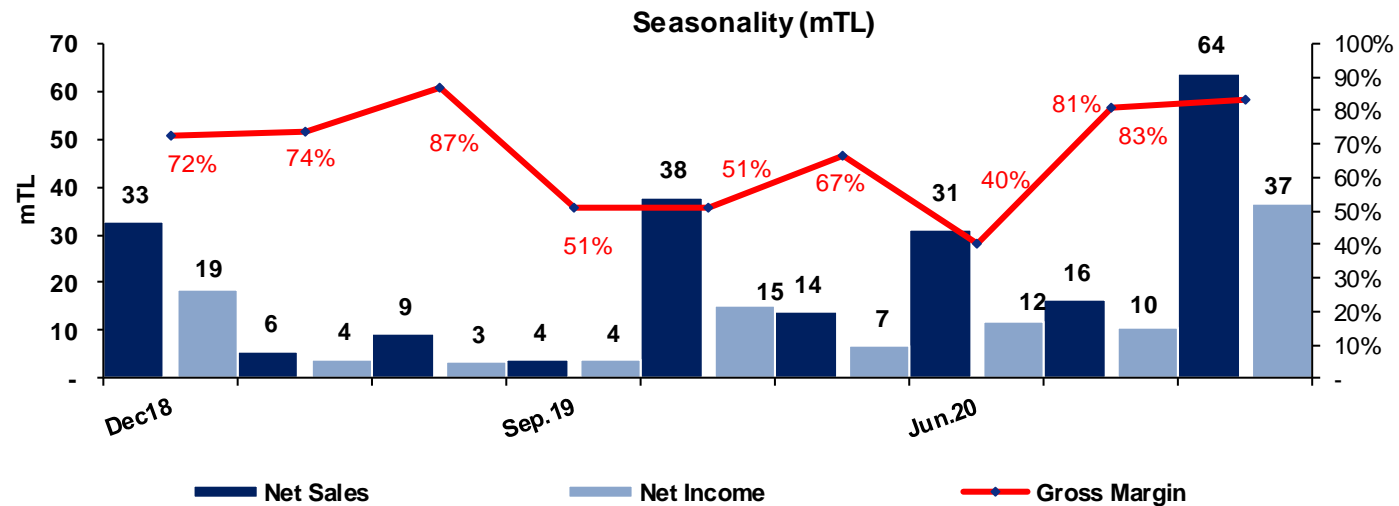
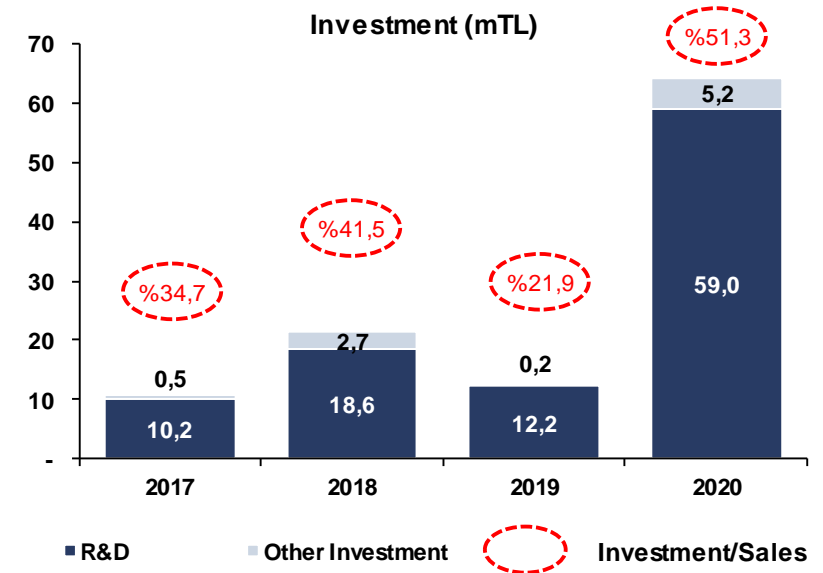
Maturity Breakdown (2020/12)

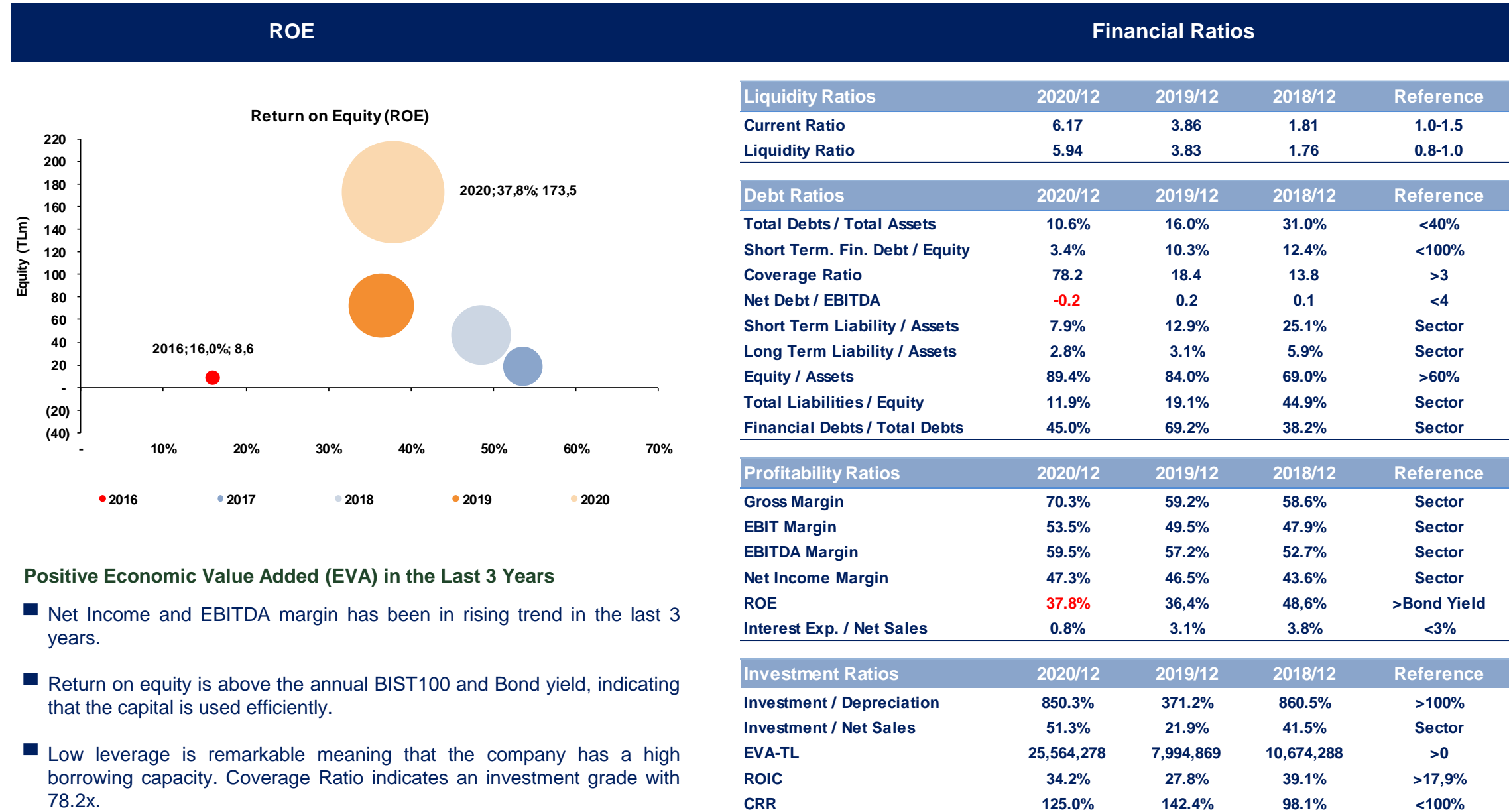


Foreign Exchange Position

As of 2020/12, the company has **TL 8.1 mn long foreign exchange position**

Annual Investments

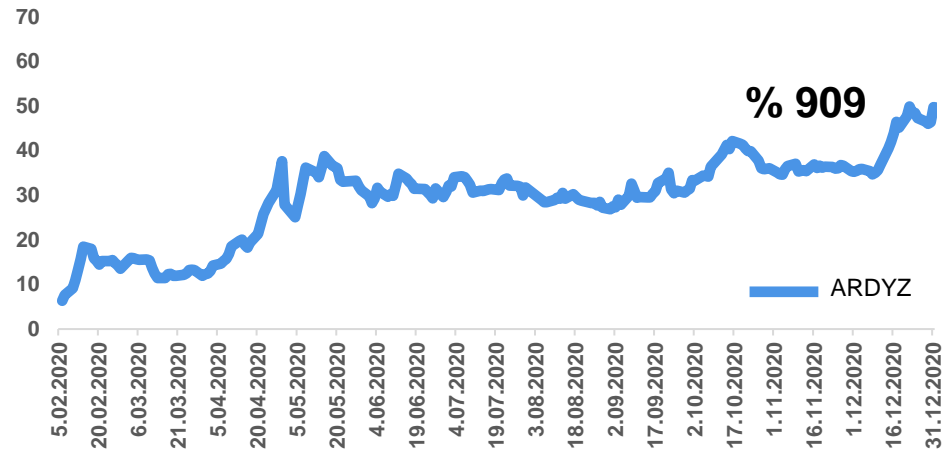




Positive Economic Value Added (EVA) in the Last 3 Years

- Net Income and EBITDA margin has been in rising trend in the last 3 years.
- Return on equity is above the annual BIST100 and Bond yield, indicating that the capital is used efficiently.
- Low leverage is remarkable meaning that the company has a high borrowing capacity. Coverage Ratio indicates an investment grade with 78.2x.

Stock Performance



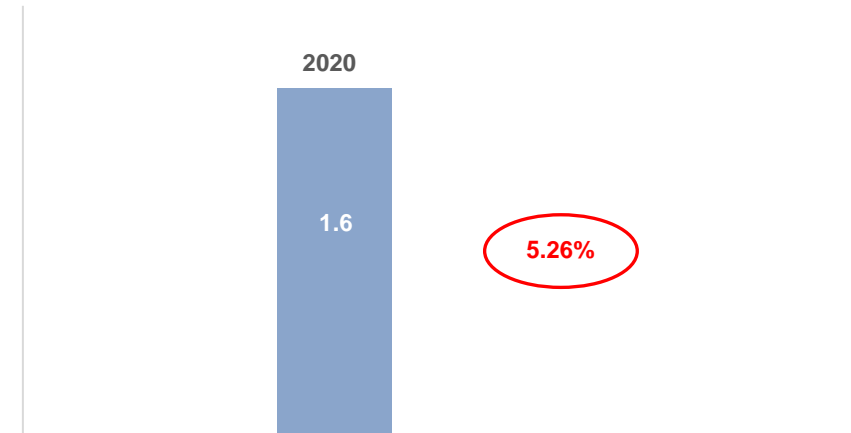
% 909

ARDYZ

Robust Share Performance

- 909% return from the IPO until the end of the year
- Strong financial data and compliance with corporate governance principles supported the performance

Dividend Performance



2020

1.6

5.26%

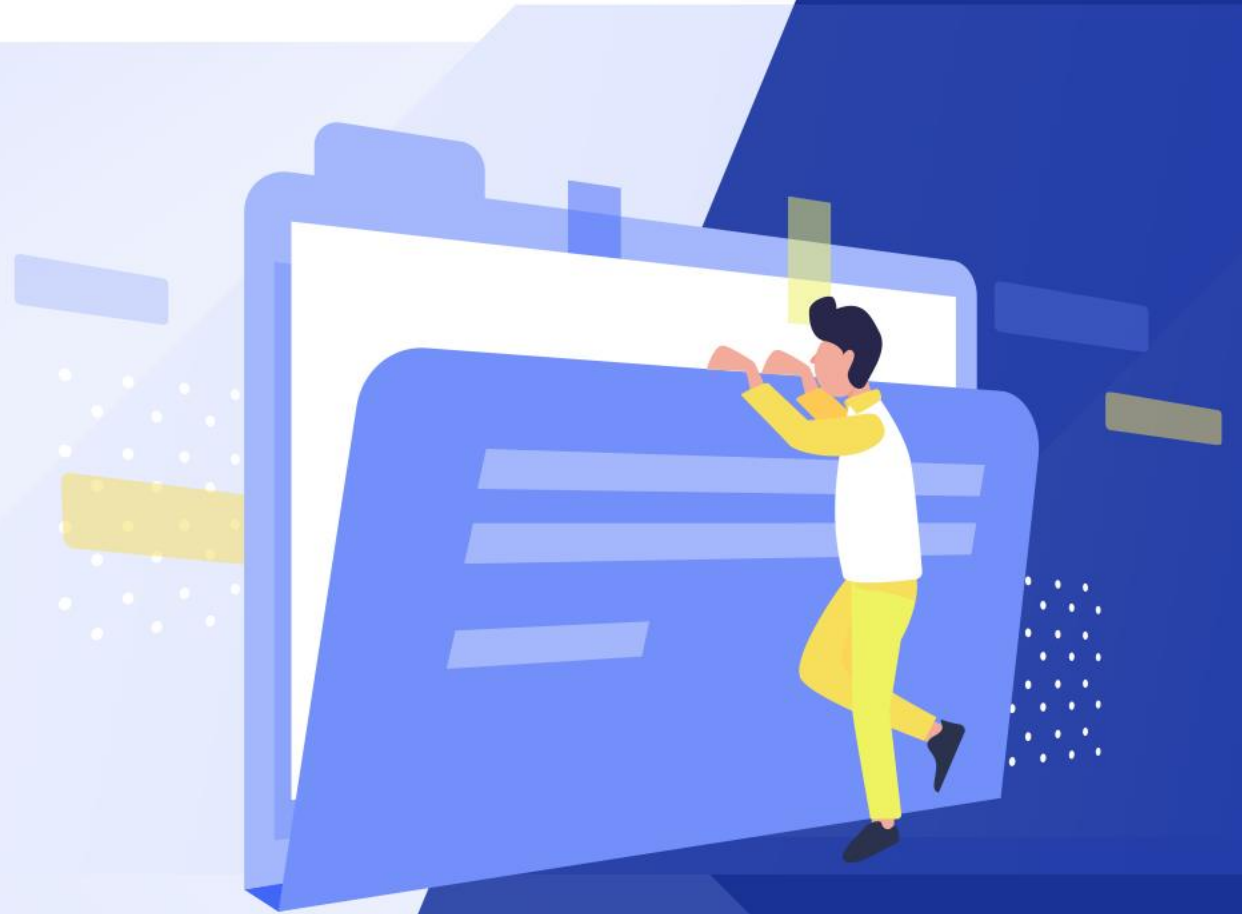
Dividend After the IPO Process

- 1.550.000 TL gross dividend distribution in 2020
- 5.26% of the net income was distributed in cash

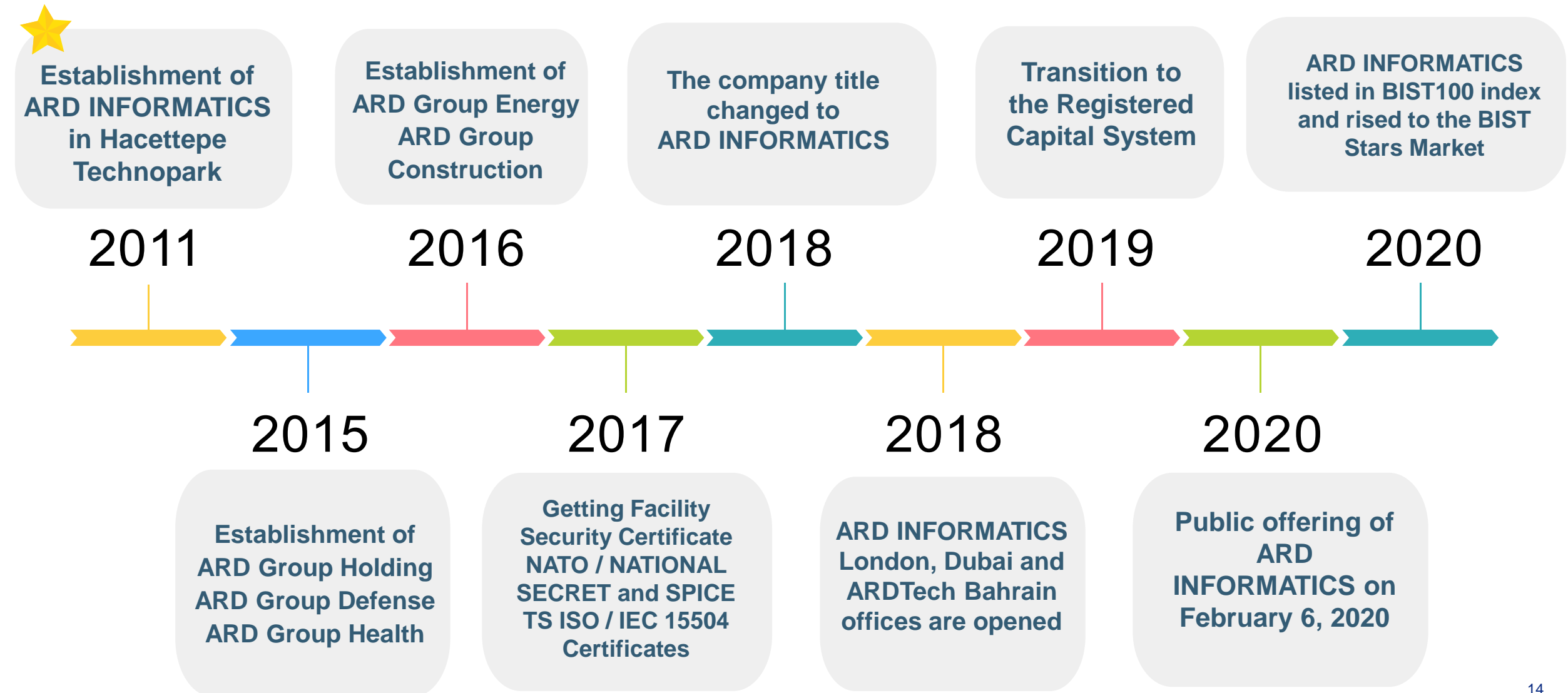


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APPENDIX



MILESTONES OF ARD GROUP



FINANCIALS

Balance Sheet

	2019	2020	
TL			2020/2019
ARD Informatics	Audited	Audited	FUNDING
Assets	86,390,199	194,182,794	
Cash and Equivalents	1,744,656	27,282,062	25.537.406
Trade Receivables	40,856,507	62,550,745	21.694.238
Other Receivables	2,000	0	(2.000)
Other Current Assets	102,719	853,786	751.067
Inventory	280,810	3,572,036	3.291.226
Current Assets	42,986,692	94,258,629	
Investment Property	26,200	26,200	-
Tangible Fixed Assets	2,450,147	6,192,120	3.741.973
Intangible Fixed Assets	40,792,080	93,705,845	52.913.765
Right-of-Use Assets	135,080	0	(135.080)
Fixed Assets	43,403,507	99,924,165	
Equity and Liabilities	86,390,199	194,182,794	
Short Term. Debts	7,436,505	4,674,158	(2.762.347)
Trade Payables	3,172,394	9,562,520	6.390.126
Other Debts	34,759	115,021	80.262
Other Short-Term Liabilities	492,169	919,596	427.427
Short-Term Liabilities	11,135,827	15,271,295	
Long Term Debt	2,141,103	4,624,358	2.483.255
Other Long-Term Liabilities	564,258	766,164	201.906
Long-Term Liabilities	2,705,361	5,390,522	
Paid-in Capital	18,000,000	23,875,000	5.875.000
Emission Premium	0	30,961,672	30.961.672
Other Comprehensive Exp.	8,498	24,532	16.034
Profit Reserves	0	1,340,006	1.340.006
Retained Earning	28,132,753	51,650,507	23.517.754
Net Income	26,407,760	65,669,260	39.261.500
Equity	72,549,011	173,520,977	

Income Statements

	2019	2020	2020-2019
TL			
ARD Informatics	Audited	Audited	Change (%)
Net Sales	56,757,771	125,197,824	120.6%
Change		120.6%	
CoGS	-23,134,792	-37,241,556	61.0%
Gross Profit	33,622,979	87,956,268	161.6%
Gross Margin	59.2%	70.3%	
General & Administrative Exp.	-2,861,879	-5,026,905	75.7%
Change		75.7%	
R&D	-1,769,487	-16,219,008	816.6%
Change		816.6%	
Other Opreating Profit	2,949,286	3,191,798	8.2%
Other Opreating Exp.	-3,864,353	-2,939,278	-23.9%
EBITDA	32,461,313	74,514,538	129.5%
Change		129.5%	
EBITDA Margin	57.2%	59.5%	
Depreciation	-4,384,767	-7,551,663	72.2%
EBIT	28,076,546	66,962,875	138.5%
Change		138.5%	
EBIT Margin	49.5%	53.5%	
Income from Investing Activities	39,676	0	
Net Finance Expense	-1,760,249	-952,498	-45.9%
Pre-tax Profit	26,355,973	66,010,377	
Tax	51,787	-341,117	
Net Income	26,407,760	65,669,260	158.8%
Net Margin	46,5%	52,5%	15

COMPANY FACTSHEET

SHAREHOLDER STRUCTURE

Name/Title of Shareholders	Capital, TL	Share in Capital (%)	Share in Voting Rights(%)
ARD GROUP HOLDING INC.	14.500.000,00	60,73	73,87
FREE FLOAT	9.375.000,00	39,27	26,13
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 Technopark 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 26.13%
- As of 31.12.2020, 59 employees are working within the company.

Type of Quoted Capital Market Instrument	First Trading Date	The County of the Stock Exchange	Name of the Stock Exchange	Name of the Market
Stock	06.02.2020	Turkey	BORSA İSTANBUL	BIST STARS

Financial Data	2020/12
Net Sales	125,2 mTL
Net Income	65,7 mTL
Shareholders Equity	173,5 mTL
Market Cap	1,14 bnTL
EBITDA	74,5 mTL



Preferred Stocks & Subsidiaries

Amount of Preferred Stocks 3.000.000 TL

The company does not have any direct or indirect subsidiaries

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INVESTOR RELATIONS CONTACTS

Damla Mermeroğlu
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



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