

2022

FINANCIAL RESULTS
PRESS RELEASE



ATP

FINANCIAL SUMMARY

Million TL	Q4 '21	Q4 '22	% CHG	2021	2022	% CHG
Revenues	93.1	166.1	78%	249.5	497.6	99%
Gross Profit	26.3	78.2	197%	93.2	244.6	162%
EBITDA	22.7	42.0	85%	78.5	120.5	65%
Operating Profit	5.3	27.1	410%	5.6	81.7	85%
Net Income	21.7	31.3	44%	85.3	116.7	73%

4th Quarter 2022 Highlights

- Revenues reached 166.1 Million TL; an increase of 78% compared to the same period of previous year
- Gross Profit increased by 197% to 78.2 Million TL
- EBITDA increased by 85% to 42.0 Million TL
- Operating Profit increased by 410% to 27.1 Million TL
- Net Profit increased by 44% to 31.3 Million TL

Fiscal 2022 Highlights

- Revenues increased by 99%, reaching 497.6 Million TL
- Gross Profit increased by 162% to 244.6 Million TL
- EBITDA grew by 65% to 120.5 Million TL
- Operating Profit rose to 81.7 Million TL; an increase of 85%
- Net Income increased by 73%; reaching 116.7 Million TL

MESSAGE FROM ÜMİT CİNALİ, CEO OF ATP

We share the deep sorrow of our entire nation for the citizens who have lost their lives during the devastating earthquakes in our country. As ATP and ATA Group, we have been working in coordination with authorities to provide assistance since the beginning; to, at least, partially heal the wounds. We wish for our country to overcome the pain and suffering caused by this disaster soon.

As ATP, we completed a successful 2022. Despite the global economic challenges and the uncertainties of an high inflation environment, ATP continued to provide customers with technology solutions, new products and services, and create value.

In 2022, our Revenues increased by 99.4% compared to the previous year, reaching 497.6M TL. We achieved real growth above the inflation rate in Turkey, which was 72.3% on average for 2022. We also managed to increase our Gross Profit by 162%. Our EBITDA increased by 65% for the 12-month period reaching 120.5M TL. In the same period, our Net Income increased by 73%, closing the year at 116.7M TL.

Every one of our brands and subsidiaries contributed to revenue growth and profitability. In 2022, highest share of revenues was from our Zenia brand, which focuses on the hospitality sector, with 313.2 M TL (62.9% of our total revenues). While ATP Digital led revenue growth with 160.7%, Zenia and Tradesoft achieved growth of 86.0% and 97.9% respectively during the same period.

In our growth for 2022, we observe the positive impact of a diversified strong business model and a balanced revenue distribution consisting of TL and foreign currencies. Our Monthly Recurring Revenues (MRR) continued to grow and its share of total revenues reached 51.2%. We value MRR as an important factor contributing to the sustainability of our business model.

Through the investment of ATP GSYO (Capital) during the 2. quarter of 2021, we have become part of 'Takla Gelsin' and 'Fiyuu' brands, which possess great potentials.

While Takla Gelsin, an online ordering platform, continues to increase its user base with innovative solutions, 'Fiyuu', the delivery platform, is achieving efficiencies and profitable results with its technologies and effective logistics operation.

We were pleased with the value of AtaExpress, the first investment of ATP Capital, reaching 845M TL by December 2022, according to an independent appraisal.

Key Developments in Areas of Activity

Zenia

- In the second half of 2022, we added Subway, world's second largest quick service restaurant (QSR) brand, to our solutions portfolio. With the addition of Subway, ATP now serves four of the Top 20 QSR chains in the world.
- In the QSR segment, we increased our customer base by 139, reaching over 500 customers in 5 countries; providing solutions at over 3,000 locations by the end of 2022. Our solutions are being used by leading QSR brands in the world, such as Burger King, Subway, Popeyes, Arby's and Sbarro.
- Zenia 2022 revenues were 55.4% from international markets and the remaining 44.6% from Turkey.
- Contributions of China operations continued; the pandemic measures taken by the Chinese government, which continued until the last quarter of the year affected our customers' operations and restaurant openings; and resulted in a performance below expectations. The appreciation of USD and RMB remaining below the inflation rate also affected the results. We left behind a difficult period with 2022.
- We introduced a range of new products and services through our R&D activities, bringing innovation to the sectors; increasing revenues while reducing investment costs. We started to offer our 'Next Generation' Android-based kiosks, giving restaurant customers the ability to place orders themselves. We also reduced the investment needed for new restaurant openings with use of Android technology based kitchen display systems.
- We continued with our global expansion that had started with China. Upon completion of our marketing organization, we participated in overseas events and held sales meetings with potential QSR operators and with the global brands we serve.

Tradesoft

- We continued to offer innovative technology solutions of critical importance to brokerage firms, fund and portfolio management companies in finance sector.
- We renewed our mobile application with features such as micro services architecture, product placements and enhanced user experience.
- We created the organizational structure to follow up on overseas opportunities; we started our activities with the Turkic Republics.
- According to the latest market data in 2022, the BIST trading volume of Tradesoft customers accounted for 51% of the total compared to that of competitive systems.

ATP Digital

- As a Microsoft Gold Partner, we continued to provide licensing, consulting and software services ERP, CRM, Power Platform and Azure projects;
- We have now implemented more than 600 comprehensive projects in Turkey, China, Cyprus and EMEA (Europe, Middle East and Africa), as the customer portfolio expanded from 57 to 68;
- We continued to expand our solutions portfolio through partnerships. We added customers onto the Sencard Flexi flexible benefits platform, created in partnership with BUPA Acibadem Insurance.

ATP GSYO (CAPITAL)

- ATP Capital, established to invest in strategically important companies and innovative technologies, mainly robotics, artificial intelligence and mobile technologies, continues to evaluate solutions and ventures that will add significant value to our ecosystem;
- First investment in AtaExpress (Tıkla Gelsin, Fiyuu) reached 845M TL according the independent valuation in December 2022.
 - AtaExpress was serving 241 brands at 1,388 locations by the end of 2022.
 - Fiyuu was making delivering at 67 cities with 4,500 couriers.
 - Fiyuu's delivery capacity reached to more than 100,000 deliveries per day.

2023 Financial Guidance

Despite the uncertainties stemming from global economic challenges and an environment of high inflation, we expect to maintain our growth in 2023. We expect our income from international markets and our strong leadership in the local market to contribute to this growth.

Based on the estimates, we have made within the current market and economic conditions;

- We expect to increase our Revenues around 85% in 2023 as compared to 2022
- We expect to increase our EBITDA around 75% in 2023 as compared to 2022

Dividend Distribution

Our Board of Directors has decided to distribute %30 of the distributable Net Profit for the year, in line with our dividend policy, to shareholders of ATP. The final decision is subject to the approval of the General Assembly.

Financial Summary

The following tables represent a summary of the audited financials, income, principal activities and financial data, December 31, 2021 through December 31, 2022; prepared in accordance to TMS/TFRS and subject to independent audit.

Profit & Loss Statement (Million TL)	Quarter			Annual		
	Q4'21	Q4'22	y/y%	2021	2022	y/y%
Revenue	93,1	166,1	78,5%	249,5	497,6	99,4%
Cost of sales	-66,7	-87,9	31,7%	-156,3	-253,0	61,8%
Cost of sales/Revenue	-71,7%	-52,9%	18,8%	-62,6%	-50,8%	11,8%
Gross Profit	26,3	78,2	197,1%	93,2	244,6	162,4%
General Administrative Expenses	-27,5	-32,2	17,0%	-58,8	-144,6	146,0%
General Administrative Expenses/Revenue	-29,6%	-19,4%	10,2%	-23,6%	-29,1%	-5,5%
Selling and marketing expenses	0,0	0,0	0,0%	0,0	0,0	0,0
Selling and marketing expenses/Revenue	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Research and development expense	-3,4	-14,8	342,4%	-15,2	-29,3	93,0%
Research and development expense/Revenue	-3,60%	-8,93%	-5,3%	-6,07%	-5,88%	0,2%
Other Income (Expenses) from Operating Activities	9,8	-4,1	-141,5%	24,8	10,9	-55,9%
Profit (Loss) From Operating Activities	5,3	27,1	409,9%	44,1	81,7	85,3%
Investment activity Income / (expense)	9,1	6,7	-26,6%	9,1	7,5	-17,5%
Net finance income / (expense)	10,5	-4,3	-140,9%	19,1	29,4	54,1%
Finance income	13,3	-3,8	-128,3%	23,5	31,4	33,6%
Finance costs	-2,7	-0,55	-79,8%	-4,5	-2,04	-54,2%
Tax (Expense) Income, Continuing Operations	-3,3	1,8	-155,7%	-5,0	-1,9	-61,7%
Net Income	21,7	31,3	44,3%	67,3	116,7	73,5%

Revenue Breakdown (TL, USD, RMB)

Million TL	Q4 '21	Q4 '22	%CHG	2021	2022	%CHG
Domestic Revenues	38.8	88.3	128%	127.3	315,7	148%
International Revenues	54.3	77.8	43%	122.3	181,9	49%
Total Revenues	93.1	166.1	78%	249.6	497,6	99%

Million TL	Q4 '22	%	2022	%
TL	64.4	39%	195.2	39%
USD Domestic	30.7	18%	128.8	26%
USD/ RMB International	71.0	43%	173.6	35%
Total	166.1	100%	497.6	100%

Financial Analysis

Revenues

Despite macroeconomic challenges and uncertainties, ATP Revenues reached 497.6M TL 2022 and recorded a 99% annual growth. In the same 12-month period, while the average inflation rate in Turkey was 72.3%, the exchange rates have remained lower and the price increases to customers were delayed to year end, we achieved strong real growth of around 30% in our revenues.

In our revenue distribution, Zenia accounted for the largest share with 62.9%, followed by ATP Digital with 19.9% and Tradesoft with 17.2%.

In the fourth quarter of 2022, we achieved a healthy revenue growth of 78% to 166.1M TL, despite the effects of the continuing pandemic in China, stable exchange rates and major license renewal revenues shifting back to the third quarter of the year.

Our international revenues increased by 49% annually and 43% quarterly, amounting to 181.9M TL and 77.8M TL respectively, compared to the same period the previous year. Our international revenues come from Zenia Limited in Malta and ATP China; making up 31.4% of our total annual income.

When we look at the income distribution, 39% were realized in Turkish Lira, while 61% were composed of foreign currencies; 35% of which was realized from software exports and 26% were made up of US Dollar transactions in Turkey.

As we start 2023, we believe we will see the positive effects of China abandoning its zero Covid policy and lifting the pandemic measures that have affected our activities.

EBITDA

In the fourth quarter of 2022, our EBITDA increased by 85% as compared to the same period last year; and 65% for the 12-month period, reaching 42.1M TL and 120.5M TL, respectively. The main reasons for the year-end EBITDA growth to remain at inflation levels were the delayed price increases to customers, the salary adjustments that were higher than anticipated at the beginning of the year, and the exchange rates staying below the other increases in the country.

Net Income

During a period where the pandemic related measures in China continued and foreign currency increases stayed below the levels of inflation, profits continued to grow; with the Net Profit increasing 44% in the 4th quarter compared to the same period of last year, reaching 31.3 million TL, and for the 12-month period increasing by 73% to 116.7 million TL.

Financial Summary

Million TL	2022	2021	%CHG
Cash & Cash Equivalents	196.5	154.2	27.4%
Accounts Receivable	226.2	208.1	8.7%
Inventories	12.5	8.1	54.0%
Tangible Assets	5.4	2.1	156.5%
Non-Tangible Assets	107.1	73.9	44.9%
Other Assets	43.0	14.6	194.6%
Total Assets	590.9	461.1	28.1%
Accounts Payable	113.8	105.4	8.0%
Other Liabilities	54.2	53.8	0.8%
Equity	422.8	301.9	40.1%
Total Liabilities	590.9	461.1	28.1%
Equity/Total Liabilities	0.72	0.65	9.3%

Comparing the consolidated balance sheet data for end of 2022 to data at end of 2021, we see that the Total Assets has increased by 28.1% to 590.9M TL, and Equity has increased by 40.1% to 422.8M TL.

Cash and cash equivalents increased by 27.4% to 196.5M TL at the end of 2022. Due to our strong cash position, we did not have credit debt. While Revenues increased by 99%, the increases in trade receivables was 8.7%; trade payables increase was similar at 8.0%.

We expect to maintain a healthy balance sheet and working capital structure in the future based on our sustainable operations, revenues generated from sales and effective cash flow management.