

Q1 2023

FINANCIAL RESULTS
PRESS RELEASE



ATP

FINANCIAL SUMMARY

Million TL	Q1 '23	Q1 '22	% CHG
Revenues	162,4	88,4	84%
Gross Profit	86,4	45,2	91%
EBITDA	42,9	27,5	56%
Operating Profit	30,3	19,9	53%
Net Income	41,6	27,5	51%

Financial Highlights – Q1 2023

- Revenues reached 162.4 Million TL; an increase of 84% compared to the same period of previous year
- Gross Profit increased by 91% to 86.4 Million TL and Gross Profit margin up 4 points QoQ to 53.2%
- EBITDA increased by 56% to 42.9 Million TL and EBITDA margin up 2.2 points QoQ to 26.4%
- Earnings Before Interest and Taxes (EBIT) increased by 53%, reaching 30.3 million TL and EBIT margin was realized as 18.7%.
- Net Profit increased by 51% to 41.6 Million TL and Net Income margin up 2.2 point QoQ to 25.6 %

MESSAGE FROM ÜMİT CİNALİ, CEO OF ATP

During Q1 2023, we continued to perform consistently and create value for our customers despite global & local economic challenges. The uncertainties associated with the upcoming general elections and the effects of major earthquakes in Türkiye have further impacted the business environment. We were pleased with a strong start to the year; performing better than planned for the quarter.

In Q1 2023, our revenues increased by 84.3% compared to the same period previous year, reaching 162.4 M TL. We achieved significant real growth during the period, where the average inflation rate stood at 50.5%. Similarly, we achieved healthy growth in our Gross Profit, EBITDA and Net Income while recording margin improvements on all indicators on a quarter-over-quarter basis. Gross Profit was up by 91% and Net Income increased by 51% over the previous year reaching 41.6 M TL for the quarter.

In Q1, our diversified business model continued to yield positive results. Our hospitality industry brand Zenia's overseas income was 97.9 M TL, a 69.5% increase despite the US Dollar to TL increase lagging well behind the inflation rate. Our new line of kiosks and kitchen display systems were launched during the period and received significant interest from customers. Number of locations using Zenia's comprehensive software solutions continued to expand and have exceeded 3,000 worldwide. ATP Digital, an exclusive IT partner to customers, achieved 137.4% revenue growth with projects and customer acquisitions, and reached revenues of 34.1 M TL.

Tradesoft, our market leading technology solutions provider to capital markets, grew revenues by 86.2%, reaching 30.3 M TL.

Monthly Recurring Revenues accounted for 59.5% of total revenues, 14 percentage point increase from the previous quarter. Our team's focus on managed services offerings and customers' satisfaction with the services provided made this possible. Steadily increasing MRRs are major contributors to our hisghly sustainable business model.

We have announced ATP GreenX, a green energy certificate trading platform connecting green energy producers and users. As planned, we expect GreenX to generate new revenue streams during the second half of 2023.

As for the investments of our venture arm, ATP Capital, Ata Express brands Tikla Gelsin and Fiyuu continued to grow serving 241 brands at 1,400 locations; providing delivery services in 78 cities with up to 4,500 riders. Fiyuu now handles over 150K deliveries per day, and Tikla Gelsin is preparing to expand its platform beyond that of TAB Gida brands in 2023, while also supporting its growing business with its major customer TAB Gida.

During the remaining parts of 2023, we expect to deliver on our projections while continuing to provide mission-critical technology solutions and services to select verticals. Continued investments into R&D will yield new brands to our portfolio and expanded sales and marketing coverage will accelerate customer acquisition.

Key Developments in Areas of Activity

Zenia

- Zenia's business is expanding and providing solutions to 4 of the top 20 largest QSR brands in the world. Serving 610 customers in 5 countries, solutions set continues to expand and has become very comprehensive.
- New line of kiosks and kitchen display systems are being rolled out and observing significant interest from customers. Servicing 3200 locations in total which 1412 in Turkiye.
- International business is also developed well during quarter, serving in 4 countries besides Turkiye with 1788 locations mainly in China. Through group synergies Zenia is establishing viable presence in international markets using China as a hub to access Asia Pacific and others
- The overseas income from Zenia accounted for 32.6% of total; despite the foreign currency appreciation lagging significantly behind the inflation rate.
- During the quarter, Zenia's revenue increased by 70% compared to the previous year, reaching 98 million TL and accounting for 60% of our total revenue.

Tradesoft

- Tradesoft's technology solutions continue to be crucial for brokerage firms, fund and portfolio management companies.
- The emergence of new fintechs entering the capital markets and banks without brokerage arms presents new opportunities.
- The next-generation mobile app is in its final stages of testing before launch, and the company is continuing its overseas activities in the Turkic republics.
- During the quarter, Tradesoft's revenue increased by 86% YoY to 30 M TL, accounting for 19% of total revenue.
- Tradesoft generated 11.9 M TL of EBITDA during the quarter, representing 27% of the total EBITDA.

ATP Digital

- ATP Digital is consistently expanding both its service portfolio and customer base.
- ATP Digital now serves 68 mid to large size companies with share of revenues and profits consistently rise at a fast pace.
- During the quarter, ATP's revenue increased by 137% YoY to 34 M TL, accounting for 21% of total revenue.
- ATP generated 13.5 M TL of EBITDA during the quarter, representing 31.5% of the total EBITDA.

Montly Recurring Revenues (MRRs)

- MRRs made up of 59.5% of total revenues in Q1; a 8.3 percentage points improvement over the previous quarter
- Significant portion of MRRs are generated by Zenia from cloud based software services. As of Q1, Zenia accounted for 49% of our total MRRs. Second in line was ATP Digital with 30%, followed by Tradesoft with 21%.
- ATP will continue aim to focus on MRRs contribution with additional SaaS offerings and IT services throughout 2023.

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 and.as per General Assembly approval 30% of distributable Net Profit to be distributed to our shareholders on June 14th 2023

Financial Summary

The following tables represent a summary of the audited financials, income, principal activities and financial data, March 31, 2022 through March 31, 2023; prepared in accordance to TMS/TFRS and subject to independent audit.

Profit & Loss Statement (Million TL)	Quarter		
	Q1'23	Q1'22	y/y%
Revenue	162,4	88,4	83,6%
Cost of sales	-76,0	-43,3	75,5%
Cost of sales/Revenue	46,8%	49,0%	-2,2%
Gross Profit	86,4	45,2	91,4%
General Administrative Expenses	-42,6	-27,6	54,3%
General Administrative Expenses/Revenue	26,2%	31,2%	-5,0%
Selling and marketing expenses	-1,9	0,0	-
Selling and marketing expenses/Revenue	1,2%	0,0%	1,2%
Research and development expense	-13,5	-3,3	307,6%
Research and development expense/Revenue	8,34%	3,76%	4,6%
Other Income (Expenses) from Operating Activities	2,0	5,7	-65,2%
Profit (Loss) From Operating Activities	30,3	19,9	52,6%
Investment activity Income / (expense)	0,9	1,7	-45,6%
Net finance income / (expense)	8,9	7,5	19,5%
Finance income	-0,4	-0,4	20,6%
Finance costs	9,3	7,82	19,6%
Tax (Expense) Income, Continuing Operations	1,4	-1,5	-193,4%
Net Income	41,6	27,5	51,2%

Revenue Breakdown (TL, USD, RMB)

Million TL	Q1 '23	Q1 '22	%CHG
Domestic Revenues	109,4	41,6	163%
International Revenues	53,0	46,8	13%
Total Revenues	162,4	88,4	84%

Million TL	Q1 '23	%	Q1 '22	%
TL	74,5	46%	31,4	36%
USD Domestic	40,6	25%	24,4	28%
USD/ RMB International	47,3	29%	32,6	37%
Total	162,4	100%	88,4	100%

Financial Analysis

Revenues

Despite macroeconomic uncertainties, our diversified business model, balanced revenue distribution, and recurring monthly revenue model enabled us to achieve a revenue increase of 84% to 162.4 million TL in the first quarter of 2023 compared to the same period last year. In a quarter when the average inflation rate in Türkiye was 50.5% and the dollar appreciated by around 2.4% against the Turkish Lira, we achieved strong real growth of over 30% in our revenues.

Zenia, with a revenue of 97.9 million TL and a 60.3% share, generated the largest portion of our revenues from our business areas, while ATP Digital and Tradesoft contributed 34.1 million TL 21.0% and 30.3 million TL 18.7%, respectively.

Our international revenues increased by 13% to 53.0 million TL compared to the same period last year.

Looking at the revenue distribution, 46% of our revenues were in Turkish Lira, while the remaining 54% were in foreign currencies. Of these revenues, 29% were from software exports, while 25% were from transactions in US dollars in Turkey.

EBITDA

EBITDA growth was realized in parallel with our first quarter business plan, increasing by 56% compared to the same period of the previous year and reaching 42.9 million TL. Our EBITDA margin increased by 2.2 points on a quarterly basis to reach 26% during the period. Looking at the business areas, Zenia achieved the largest EBITDA contribution with 17.5 million TL and a share of 40.8%, parallel to the revenue it generated. ATP Digital contributed 13.5 million TL with a share of 31.4%, and Tradesoft contributed 11.9 million TL with a share of 27.8%.

Net Income

Our net profit increased by 51.2% to 41.6 million TL with the contribution of our financial income, which amounted to 9.3 million TL.

Financial Summary

Million TL	31.03.2023	2022	%CHG
Cash & Cash Equivalents	200,6	197,4	1,6%
Accounts Receivable	252,1	226,2	11,4%
Inventories	18,4	12,5	46,6%
Tangible Assets	5,8	5,4	6,4%
Non-Tangible Assets	138,2	107,1	29,0%
Other Assets	45,1	42,1	7,0%
Total Assets	660,1	590,9	11,7%
Accounts Payable	143,5	113,8	26,0%
Other Liabilities	49,2	54,2	-9,2%
Equity	467,4	422,8	10,5%
Total Liabilities	660,1	590,9	11,7%

Looking at the comparative consolidated balance sheet data for the end of 2022, it can be seen that the total assets increased by 11.7% to 660.1 million TL, while equity increased by 10.5% to 467.4 million TL.

Cash and cash equivalents increased by 1.6% to 200.6 million TL in the first three months of 2023. Due to our strong cash position, we have no outstanding debt. Despite an 84% increase in group revenue, the increase in accounts receivable was 11.4%, while our trade payables increased by 26.0% according to year-end figures.

We anticipate that our sustainable operations, revenue from sales, strong cash flow management, and healthy balance sheet structure will continue to preserve our working capital and balance sheet in the coming periods.