

2023 Q2

Financial Results Release



ATP

FINANCIAL SUMMARY

Million TL	Q2 '22	Q2 '23	% CHG	6M'22	6M '23	% CHG
Revenues	102,8	218,8	113%	191,2	381,1	99%
Gross Profit	46,5	106,4	129%	91,6	192,8	110%
EBITDA	20,5	55,4	170%	47,9	98,2	105%
Operating Profit	14,0	36,7	161%	33,9	67,0	98%
Net Income	21,7	62,6	188%	49,3	104,2	111%

2nd Quarter 2023 Highlights

- Revenue has increased by 113% annually, reaching 218.8 million Turkish Lira.
- Gross Profit has risen by 129% annually, reaching 106.4 million Turkish Lira.
- EBITDA has increased by 170%, reaching 55.4 million Turkish Lira.
- Operating Profit has grown by 161%, reaching 36.7 million Turkish Lira.
- Net Profit has surged by 188%, reaching 62.6 million Turkish Lira.

First Half 2023 Highlights

- Revenue has increased by 99% annually, reaching 381.1 million Turkish Lira.
- Gross Profit has risen by 110% annually, reaching 192.8 million Turkish Lira.
- EBITDA has increased by 105%, reaching 98.2 million Turkish Lira.
- Operating Profit has grown by 98%, reaching 67.0 million Turkish Lira.
- Net Profit has surged by 111%, reaching 104.2 million Turkish Lira.

COMMENTS BY ÜMİT CİNALI, CEO OF ATP

We have successfully completed the first half as ATP. Despite the global economic challenges and uncertainties brought by high inflation, we achieved a substantial growth rate and maintained our profitability. In the first half of 2023, our revenue reached 381 million Turkish Lira, marking a remarkable 99% increase compared to the same period of the previous year. Our gross profit surged by 110% to reach 193 million Turkish Lira in the first half. Leveraging the impact of robust revenue growth, we achieved a net profit of 104 million Turkish Lira, representing an impressive 111% growth. Based on our strong operational and financial performance, we are pleased to announce an upward revision of our year-end projections.

All of our brands and subsidiaries contributed to revenue growth and profitability. Our hospitality sector brand, Zenia, accounted for 60.2% of our revenues, generating 230 million Turkish Lira in revenue. ATP Digital achieved the highest growth in the first half with a remarkable 147%, contributing 21% to our total revenue. Our capital markets solutions provider, Tradesoft, exhibited 100% growth, comprising 19% of our revenues. All of our brands made valuable contributions to EBITDA as well. In the first half, Zenia held a 44% share in our EBITDA, while Tradesoft and ATP Digital held shares of 32% and 24%, respectively.

In the first half of 2023, we once again witnessed the positive effects of our diversified robust business model and balanced revenue distribution across Turkish Lira and foreign currencies. 55% of our revenues were in foreign currency. Monthly Recurring Revenues (MRR) continued to grow, reaching 55.4% of our total revenue in the first half. We continue to consider MRR as a significant factor contributing to the sustainability of our business model.

As we focus on the second half of the year, we are carefully managing our existing operations and exploring new business opportunities. Tradesoft is producing innovative solutions for capital markets, a sector that has seen a significant increase in investor numbers and the establishment of new digital brokerages. Zenia is leveraging kiosks to enhance customer acquisitions. We are finalizing developments for the certification for Burger King Global's King's Journey system.

Our ATP China operations, having left the pandemic behind early in the first half, are expanding their solution portfolio and contributions through collaborations with Chinese technology firms and our R&D investments. In the second half, we plan to launch GreenX, our green certificate trading platform with global potential.

We anticipate that ATP Capital's investment, ATA Express, will accelerate its growth in the second half with the launch of a new marketplace model through Tikla Gelsin. ATA Express's Fiyuu courier operation continues to deliver efficient and profitable results in order fulfillment through deployment of artificial intelligence and other technologies. We remain committed to evaluating strategic technology investment opportunities with ATP Capital, including electronic wallets, payment solutions, and the smart farming sector."

HIGHLIGHTS FROM OUR BUSINESS AREAS

ZENIA

- Our global venture, Zenia, continues to provide solutions to 4 out of the top 20 quick-service restaurant brands worldwide.
- Zenia gained 62 new customers in the first half of 2023, increasing the total customer count to 672.
- In the first half of the year, Zenia's revenues reached 229.6 million Turkish Lira, marking an 86% increase compared to the same period of the previous year. In the second quarter, revenues surged by 101.8% year-on-year to reach 131.6 million Turkish Lira.
- Zenia's EBITDA increased by 151.9% in the first half compared to the same period of the previous year, reaching 42.7 million Turkish Lira. In the second quarter, EBITDA witnessed a 247.1% growth year-on-year, reaching 25.2 million Turkish Lira
- We are finalizing developments to gain certification for our technological solutions aimed at the next-generation restaurant experience under Burger King Global's 'King's Journey' brand.

- If we achieve such certification, we will become the first global service provider for King's Journey, serving the restaurants of Restaurant Brands International (RBI), the 8th largest quick-service restaurant chain in the world.
- Zenia's new kiosks are generating significant interest in the hospitality and retail sectors. Our solution not only provides a new personalized ordering channel for restaurant customers but also increases the average order value and enhances customer satisfaction. Additionally, it contributes to our customers' revenue growth, improves efficiency for businesses we serve by reducing front-counter traffic, and adds value.
- Our China operations, a significant part of Zenia's revenue, gained momentum in the first half through ATP China, a period when pandemic concerns were no longer prevailing. Through ATP China, we anticipate our operations to strengthen and continue, thanks to collaborations with Chinese technology companies.

TRADESOFIT

- Continuing to maintain its leadership position with an innovative business model, Tradesoft is producing reliable and effective solutions for the capital markets.
- Our next-generation Mobile Trading Platform has rapidly captured the attention of our customers, and it has been adopted by numerous brokerage firms so far.
- In the first half of the year, Tradesoft's revenues reached 72.7 million Turkish Lira, representing a 100.4% increase compared to the same period of the previous year. In the second quarter, revenues surged by 112.5% year-on-year to reach 42.4 million Turkish Lira.
- Tradesoft's EBITDA ratio increased by 60.4% in the first half compared to the same period of the previous year, reaching 31.6 million Turkish Lira. In the second quarter, EBITDA witnessed a 131.7% growth year-on-year, reaching 19.5 million Turkish Lira.

ATP DIGITAL

- ATP Digital, forming the cornerstone of our comprehensive IT services, boasts a robust customer base of around 70 medium and large-scale companies.
- Continuously expanding its solution portfolio through value-added collaborations, ATP Digital offers its customers increasingly broader opportunities every day, sustaining its growth.
- ATP Digital aims to keep its solution portfolio up-to-date by adapting new technologies such as AI, Robotics, and Machine Learning to existing and new solutions.
- In the first half of the year, ATP Digital increased its revenues by 147% compared to the same period of the previous year, reaching 78.8 million Turkish Lira. In the second quarter, revenues surged by 154.9% year-on-year to reach 44.7 million Turkish Lira.

- In the first half of the year, ATP Digital's EBITDA increased by 112.2% compared to the same period of the previous year, reaching 23.9 million Turkish Lira. In the second quarter, EBITDA witnessed a 114.1% growth year-on-year, reaching 10.3 million Turkish Lira.

MONTHLY RECURRING REVENUES (MRR)

- In the second quarter of 2023, Monthly Recurring Revenues (MRR) comprised 52.3% of our total revenues. For the first half of the year, this ratio was recorded at 55.4%.
- Our MRRs increased by 87.2% in the first half of the year compared to the same period of the previous year, reaching 211.2 million Turkish Lira. Similarly, in the second quarter, our MRRs witnessed a 94.8% growth year-on-year, reaching 114.5 million Turkish Lira
- A significant portion of our Monthly Recurring Revenues stems from Zenia's cloud-based software services, representing 51% of our total revenue.
- On the other hand, Tradesoft's MRRs constitute the highest proportion within their total revenues, with a share of 61%

ATP'S FINANCIAL GUIDANCE

In our forecasts as of the end of 2022, we emphasized our determination to overcome macroeconomic challenges and shared our growth targets for 2023. Compared to our previous projection, by the end of 2023, we had anticipated an 85% increase in revenue and a 75% growth in EBITDA from the previous year. Considering the developments in our operations and market conditions, our assessment for the year 2023 leads us to expect approximately a 90% revenue growth and an 85% EBITDA growth."

DIVIDEND DISTRIBUTION

As per our dividend policy and upon the recommendation of our Board of Directors, the distribution of 30% of the distributable Net Profit to ATP shareholders was approved by the General Assembly and the dividend distribution took place on June 14, 2023."

FINANCIAL SUMMARY

The following tables provide a summary of financial position, income, core operations, and financial data prepared in accordance with IFRS as of June 30, 2023, and June 30, 2022.

Profit & Loss Statement (Million TL)	Quarter			Annual		
	Q2'22	Q2'23	y/y%	6M'22	6M'23	y/y%
Revenue	102,8	218,7	112,8%	191,2	381,1	99,3%
Cost of sales	-56,3	-112,3	99,5%	-99,6	-188,3	89,1%
Cost of sales/Revenue	-54,8%	-51,4%	3,4%	-52,1%	-49,4%	2,7%
Gross Profit	46,5	106,4	129,0%	91,6	192,8	110,5%
General Administrative Expenses	-34,4	-48,4	40,6%	-62,0	-91,0	46,7%
General Administrative Expenses/Revenue	-33,5%	-22,1%	11,4%	-32,4%	-23,9%	8,6%
Selling and marketing expenses	0,0	-2,8	0,0%	0,0	-4,7	0,0
Selling and marketing expenses/Revenue	0,0%	-1,3%	-1,3%	0,0%	-1,2%	-1,2%
Research and development expense	-5,7	-13,9	142,5%	-9,1	-27,4	203,1%
Research and development expense/Revenue	-5,57%	-6,35%	-0,8%	-4,73%	-7,20%	-2,5%
Other Income (Expenses) from Operating Activities	7,7	-4,6	-159,8%	13,4	-2,7	-119,8%
Profit (Loss) From Operating Activities	14,0	36,7	161,4%	33,9	67,0	97,6%
Investment activity Income / (expense)	0,6	4,9	762,2%	0,6	5,8	890,9%
Net finance income / (expense)	7,3	22,2	203,3%	16,4	31,1	89,1%
Finance income	8,4	22,8	171,3%	17,9	32,1	79,6%
Finance costs	-1,1	-0,58	-45,8%	-1,4	-1,01	-29,5%
Tax (Expense) Income, Continuing Operations	-0,2	-1,1	546,5%	-1,1	0,3	-124,7%
Net Income	21,7	62,6	188,1%	49,3	104,2	111,3%

Revenue Breakdown (TL, USD, RMB)

Million TL	Q2 '22	Q2 '23	%CHG	6M'22	6M'23	%CHG
Domestic Revenues	72,8	146,0	100,7%	128,5	255,4	98,8%
International Revenues	30,0	72,7	142,2%	62,7	125,7	100,4%
Total Revenues	102,8	218,7	112,8%	191,2	331,5	99,3%

Million TL	Q2 '23	%	6M'23	%
TL	97,0	44,3%	171,5	45,0%
USD Domestic	48,2	22,0%	88,8	23,3%
USD/ RMB International	73,5	33,7%	120,8	31,7%
Total	218,7	100%	381,1	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 99.3% to 381.1 million TL in the first quarter of 2023 compared to the same period last year.

Zenia, with a revenue of 229,6 million TL and a 60.2% share, generated the largest portion of our revenues from our business areas, while ATP Digital and Tradesoft contributed 78.8 million TL 20.7% and 72.7 million TL 19.1%, respectively.

Our international revenues increased by 100.4% to 125.7 million TL compared to the same period last year.

Looking at the revenue distribution, 45% of our revenues were in Turkish Lira, while the remaining 55% were in foreign currencies. Of these revenues, 30% 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 170% compared to the same period of the previous year and reaching 55.4 million TL. Our EBITDA margin increased by 5.4 points on a quarterly basis to reach 25.3% during the period. Looking at the business areas, Zenia achieved the largest EBITDA contribution with 47.2 million TL and a share of 43.6%, parallel to the revenue it generated. ATP Digital contributed 23.9 million TL with a share of 24.3%, and Tradesoft contributed 31.6 million TL with a share of 32.1%.

Net Income

Our net profit increased by 111.3% to 104.2 million TL with the contribution of our financial income, which amounted to 32.1 million TL.

Our net profit increased by 111.3% in the first half year, with the contribution of our financing income of 32.1 M TL, to 104.2 million TL. In the second quarter, an increase of 188.1% with the contribution of 22.8 M TL of financing income. and amounted to 62.6 Million TL.

Financial Summary

Million TL	30.06.2023	2022	%CHG
Cash & Cash Equivalents	243.5	197,4	23,3%
Accounts Receivable	270.0	226,2	19.3%
Inventories	22.4	12,5	78.7%
Tangible Assets	6.1	5,4	12.1%
Non-Tangible Assets	185.3	107,1	73.0%
Other Assets	55.4	42,1	31.6%
Total Assets	782.7	590,9	32.5%
Accounts Payable	188.9	113,8	66,0%
Other Liabilities	64.4	54,2	18.8%
Equity	529.3	422,9	25.2%
Total Liabilities	782.7	590,9	32.5%

Looking at the comparative consolidated balance sheet data for the end of 2022, it can be seen that the total assets increased by 32.5% to 782.7 million TL, while equity increased by 25.2% to 529.3 million TL.

Cash and cash equivalents increased by 23.3% to 243.5 million TL in the first six months of 2023. Due to our strong cash position, we have no outstanding debt. Despite an 113% increase in group revenue, the increase in accounts receivable was 19.3%, while our trade payables increased by 66.0% 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.