



2023 Q3

Financial Results Release

FINANCIAL SUMMARY

Million TL	Q3'22	Q3'23	%Chg	9M'22	9M'23	%Chg
Revenues	140,3	331,4	136%	331,5	712,6	115%
Gross Profit	74,8	154,2	106%	166,4	347,0	109%
Operating Profit	20,7	68,0	229%	54,6	135,0	147%
EBITDA	30,5	85,4	180%	78,5	183,7	134%
Net Income	36,1	77,6	115%	85,3	181,7	113%

Financial Highlights - Q3 2023

- Revenue has increased by 136% annually, reaching 331.4 million Turkish Lira.
- Gross Profit has risen by 106% annually, reaching 154.2 million Turkish Lira.
- Operating Profit has grown by 229%, reaching 68.0 million Turkish Lira.
- EBITDA has increased by 180%, reaching 85.4 million Turkish Lira.
- Net Income has surged by 115%, reaching 77.6 million Turkish Lira.

Financial Highlights – 9M 2023

- Revenue has increased by 115% annually, reaching 712.6 million Turkish Lira.
- Gross Profit has risen by 109% annually, reaching 347.0 million Turkish Lira.
- Operating Profit has grown by 147%, reaching 135.0 million Turkish Lira.
- EBITDA has increased by 134%, reaching 183.7 million Turkish Lira.
- Net Income has surged by 113%, reaching 181.7 million Turkish Lira.

MESSAGE FROM ÜMİT CİNALİ, CEO OF ATP

We are pleased to share the results achieved in the third quarter and the first nine months of 2023 as ATP. With our diversified business model and the strong performance of our team, we have exceeded expectations, achieving outstanding results. Our revenue reached 712.6 million TL, showing a 115% increase compared to the same period last year. Our EBITDA increased by 134% to 183.7 million TL annually, and our Net Profit reached 181.7 million TL, marking a 113% increase. Our balanced international business model and revenue distribution continues to yield positive results, constituting 33.2% of our total revenue.

During the nine-month period, all our brands and subsidiaries contributed to revenue growth and profitability. Our global brand Zenia in the hospitality solutions sector achieved a 117.8% growth, representing 60.4% of our total revenue. ATP Digital and Tradesoft grew by 118.7% and 100.6%, contributing 23% and 16.6% to our total revenue, respectively. All brands made significant contributions at the EBITDA level, with Zenia holding a 51.3% share, followed by Tradesoft and ATP Digital with 27.9% and 20.8%, respectively.

Monthly Recurring Revenues (ATG), a crucial part of our sustainable business model, increased by 90.3% to 340.7 million TL in the first nine months of 2023. The widespread deployment of kiosks generating ATG revenue gained momentum in the third quarter. Businesses using our technologically advanced kiosks experienced operational savings, and based on kiosk usage data, we observe increased consumer spending and higher levels of customer satisfaction.

We completed the digital infrastructure solutions for the new customer experience service model, 'King's Journey' designed by Restaurant Brands International (RBI) for Burger King, in the third quarter. Restaurant Brands International (RBI) owns Burger King, Popeyes, and Tim Hortons international brands. We are eagerly continuing our efforts to become the first global end-to-end solution provider by completing RBI's global certification processes with our new technology solutions.

Our new venture, ATP GreenX, plans to enter the global energy certificate market with a digital green energy solution from the fourth quarter of 2023. GreenX will contribute to our growth by initially capturing a share of the rapidly expanding Turkish green energy certification market. ATP GSYO (Capital) investment plans to launch the new marketplace model with Tıkla Gelsin which is one of the companies under ATA Express in the fourth quarter. Thus, leveraging the 5.3 million members and 1.2 million active users of Tıkla Gelsin. ATA Express's Fiyuu operation continues to grow by optimizing delivery options with AI-driven enhancements. We plan to evaluate our option to acquire an additional stake in ATP Capital, which holds 1% of ATA Express, in the fourth quarter of 2023.

As we approach the year-end, we aim to enhance our performance and develop new initiatives. Based on our achievements in the nine-month period and the evaluation of market conditions, we anticipate achieving a 100% growth in both revenue and EBITDA for the year 2023.

HIGHLIGHTS FROM OUR BUSINESS AREAS

ZENIA

- Zenia gained 95 new customers in the first nine months of 2023, increasing the total customer count to 705.
- Zenia's revenue increased by 117.8% to 430.8 million TL in the first nine months compared to the same period last year, and in the third quarter alone, it grew by 169.0% to 201.2 million TL.
- Zenia's EBITDA increased by 176.6% to 94.2 million TL in the first nine months compared to the same period of the previous year. In the third quarter, EBITDA saw a 201.2% increase compared to the same period of the previous year, reaching 51.5 million TL.

- Completed the digital infrastructure development for Restaurant Brands International's 'King's Journey' brand and our solution was implemented at a significant Burger King location in Istanbul.
- We aim to become the first global supplier to provide end-to-end solutions for Restaurant Brands International (RBI) by completing the certification process for King's Journey.
- ATP China continues to expand its technology portfolio, solidifying its role as a reliable provider of IT solutions and services to Burger King China and other clients in the Chinese market.

TRADESOFIT

- Market dynamics and implemented economic measures have accelerated initial public offerings and increased investor participation in the capital markets. The number of investors has surged from 1.2 million before the pandemic to 8 million.
- As a leading technology provider, Tradesoft is actively evaluating emerging opportunities. While providing support for the expanding operations of existing clients, Tradesoft continues to offer services to new market entrants with digital business models, as well as to brokerages and banks seeking integration.
- Our third-generation mobile application is now available for our customers. Our micro-application is presented as an open platform with its integration capabilities for business solutions. These micro-applications have become a significant meeting point for investors.
- With the new mobile application, investors now have the opportunity to access real-time information and execute transactions at any time and from anywhere, ensuring they stay informed and engaged with the latest updates.
- Tradesoft's revenue increased by 100.6% to 118.2 million TL in the first nine months compared to the same period last year. In the third quarter, revenues increased by 101.0% compared to the same period last year, amounting to 45.4 million TL.
- Tradesoft's EBITDA increased by 86.6% to 51.2 million TL in the first nine months compared to the same period last year. In the third quarter, EBITDA increased by 153.4% compared to the same period last year, amounting to 19.6 million TL.

ATP DIGITAL

- ATP Digital, which forms the foundation of our comprehensive IT services, continues to serve a robust customer base consisting of around 70 medium and large-scale companies.
- ATP Digital increased its revenue by 118.7% to 163.6 million TL in the first nine months compared to the same period last year. In the third quarter, revenue increased by 97.7% compared to the same period last year, totaling 84.8 million TL.

- ATP Digital's EBITDA increased by 125.3% to 38.2 million TL in the first nine months compared to the same period last year. In the third quarter alone, EBITDA increased by 151.1% compared to the previous year, reaching 14.3 million TL.

ATP GREENX

- The global green energy certificate market is expected to reach 111 billion USD by 2030, with an annual average growth rate (CAGR) exceeding 27%. For the Turkish market, it is estimated to reach 116 million USD by 2030 with a projected CAGR of 41% over the next 7 years (*based on estimates from www.fnfresearch.com).
- Global environmental sustainability measures and upcoming regulations support the timing of the investment in the sector. The regulations set to commence in 2023, along with the border carbon tax that will become mandatory for all industries until 2027, emphasize the necessity of ATP's focus in this direction.
- ATP GreenX, which is expected to commence operations in the fourth quarter of 2023, aims to provide a global Green Energy Digital Market solution. In doing so, its goal is to encompass the entire spectrum of renewable energy and carbon certificates.
- Designing a user-friendly platform utilizing the latest technologies, ATP GreenX aims to bring together renewable energy producers and buyers in a secure environment.

MONTHLY RECURRING REVENUES (MRRs)

- In the third quarter of 2023, Monthly Recurring Revenues (MRRs) constituted 39.1% of total revenues, while for the first nine months, it represented 47.8%.
- MRRs increased by 90.3% to 340.7 million TL in the first nine months compared to the same period last year. Similarly, our MRRs showed an increase of 95.6% in the third quarter compared to the same period last year, reaching 129.5 million TL.
- A significant portion of our monthly recurring revenues comes from Zenia's cloud-based software services, representing 50% of total revenue.
- On the other hand, Tradesoft's MRRs constitute the highest proportion within their total revenues, with a share of 62%

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 90% increase in revenue and a 85% 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 100% revenue growth and an 100% EBITDA growth."

FINANCIAL SUMMARY

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

Profit & Loss Statement (Million TL)	Quarter			Annual		
	Q3'22	Q3'23	y/y%	9M'22	9M'23	y/y%
Revenue	140,3	331,4	136,2%	331,5	712,6	114,9%
Cost of sales	-65,5	-177,2	170,6%	-165,1	-365,5	121,4%
Cost of sales/Revenue	-46,7%	-53,5%	-6,8%	-49,8%	-51,3%	-1,5%
Gross Profit	74,8	154,2	106,1%	166,4	347,0	108,5%
General Administrative Expenses	-50,4	-64,6	28,2%	-112,5	-155,6	38,4%
General Administrative Expenses/Revenue	-35,9%	-19,5%	16,4%	-33,9%	-21,8%	12,1%
Selling and marketing expenses	0,0	-2,7	0,0%	0,0	-7,4	0,0
Selling and marketing expenses/Revenue	0,0%	-0,8%	-0,8%	0,0%	-1,0%	-1,0%
Research and development expense	-5,4	-12,5	132,6%	-14,4	-39,9	176,8%
Research and development expense/Revenue	-3,83%	-3,77%	0,1%	-4,35%	-5,61%	-1,3%
Other Income (Expenses) from Operating Activities	1,6	-6,4	-490,5%	15,0	-9,0	-160,1%
Profit (Loss) From Operating Activities	20,7	68,0	229,1%	54,6	135,0	147,4%
Investment activity Income / (expense)	0,3	1,8	603,5%	0,8	7,5	804,5%
Net finance income / (expense)	17,2	14,3	-17,0%	33,7	45,4	34,8%
Finance income	17,3	15,2	-11,9%	35,2	47,4	34,6%
Finance costs	-0,1	-0,93	1290,8%	-1,5	-1,93	29,3%
Tax (Expense) Income, Continuing Operations	-2,1	-6,5	215,1%	-3,8	-6,3	66,6%
Net Income	36,1	77,6	115,0%	85,3	181,7	112,9%

Revenue Breakdown (TL, USD, RMB)

Million TL	Q3 '22	Q3 '23	%CHG	9M'22	9M'23	%CHG
Domestic Revenues	98,9	220,4	122,7%	227,4	475,8	109,2%
International Revenues	41,4	111,1	168,5%	104,1	236,7	127,5%
Total Revenues	140,3	331,4	136,2%	331,5	712,6	114,9%

Million TL	Q3 '23	%	9M'23	%
TL	109,2	44,3%	280,7	39,4%
USD Domestic	115,3	22,0%	204,1	28,6%
USD/ RMB International	106,9	33,7%	227,7	32,0%
Total	331,4	100%	712,6	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 114.9% to 712.6 million TL in the third quarter of 2023 compared to the same period last year.

Zenia, with a revenue of 430,8 million TL and a 60.4% share, generated the largest portion of our revenues from our business areas, while ATP Digital and Tradesoft contributed 163.6 million TL 23.0% and 118.2 million TL 16.6%, respectively.

Our international revenues increased by 127.5% to 236,7 million TL compared to the same period last year.

Looking at the revenue distribution, 39.4% of our revenues were in Turkish Lira, while the remaining 60.6% were in foreign currencies. Of these revenues, 32.0% were from software exports, while 28.6% were from transactions in US dollars in Turkey.

EBITDA

EBITDA growth was realized in parallel with our business plan, increasing by 134% compared to the same period of the previous year and reaching 183,7 million TL. Our EBITDA margin increased by 2.1 points on a quarterly basis to reach 28% during the period. Looking at the business areas, Zenia achieved the largest EBITDA contribution with 94.2 million TL and a share of 51.3%, parallel to the revenue it generated. ATP Digital contributed 38.2 million TL with a share of 20.8%, and Tradesoft contributed 51.2 million TL with a share of 27.9%.

Net Income

Our net profit increased by 113% to 181.7 million TL with the contribution of our financial income, which amounted to 47.4 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 third quarter, an increase of 115% with the contribution of 15.2 M TL of financing income and amounted to 77.6 Million TL.

Financial Summary

Million TL	30.09.2023	2022	%CHG
Cash & Cash Equivalents	220,5	197,4	11.7%
Trade Receivables	318,1	226,2	40.6%
Inventories	35,8	12,5	186.0%
Tangible Assets	6,9	5,4	27.8%
Non-Tangible Assets	230,4	107,1	115.0%
Other Assets	58,4	42,1	38.7%
Total Assets	870,1	590,9	47.3%
Trade Payables	187,6	113,8	64.8%
Other Liabilities	65,0	54,2	19.8%
Equity	617,6	422,9	46.1%
Total Liabilities	870,1	590,9	47.3%

Looking at the comparative consolidated balance sheet data for the end of 2022, it can be seen that the total assets increased by 47.3% to 870,1 million TL, while equity increased by 46.1% to 617,6 million TL.

Cash and cash equivalents increased by 11.7% to 220,5 million TL in the first nine months of 2023. Due to our strong cash position, we have no outstanding debt. Despite an 115% increase in group revenue, the increase in trade receivables were 40.6%, while our trade payables increased by 64.8% 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.