

# Q3 2022

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EARNINGS PRESS  
RELEASE



**ATP**

## FINANCIAL SUMMARY:

TL million	Q3 2021	Q3 2022	Change (%)	9M 2021	9M 2022	Change (%)
Revenues	53,3	140,3	163%	156,5	331,5	112%
Gross Profit	25,3	74,8	196%	66,9	166,4	149%
EBITDA	18,8	30,6	63%	50,3	78,5	56%
Real Operating Profit	12,3	20,7	69%	38,8	54,6	41%
Net Profit	18,0	36,1	101%	45,6	85,3	87%

### Financial Highlights - Q3 2022

- Revenues reached TL 140.3 million with an increase of 163% YoY
- Gross Profit increased by 196% YoY and reached TL 74.8 million
- EBITDA grew by 109% to TL 30.6 million
- Real Operating Profit rose to TL 20.7 million with an increase of 69%
- Net Profit increased by 101% to TL 36.1 million

### Financial Highlights - 9M 2022

- Revenues reached TL 331.5 million with an increase of 112% YoY
- Gross Profit increased by 149% YoY and reached TL 166.4 million
- EBITDA grew by 56% to TL 78.5 million
- Real Operating Profit rose to TL 54.6 million with an increase of 41%
- Net Profit increased by 87% to TL 85.3 million

**A MESSAGE FROM GENERAL MANAGER (CEO) ÜMİT CİNALİ:** Despite the macroeconomic uncertainties that took hold of the world and Turkey in the first nine months of 2022, we continued to deliver a strong performance. We are pleased to note that we captured growth in several metrics. Our revenues increased by 112% in 9M 2022, reaching a record level of TL 331.5 million. The Q3 revenues increased by 163% YoY to TL 140.3 million. Driven by workforce productivity and our focus on costs, we increased our gross profit by 149% in the first 9 months to TL 166.4 million and by 196% to TL 74.8 million in Q3. Even though the effects of the slow post-pandemic recovery in China are felt and our price increases remain below the inflation rates, we successfully improved our net profits by 87%, posting TL 85.3 million in 9M 2022.

Since we apply a diversified and global business model, foreign currencies accounted for 60.5% of our revenues. The diversity of our main areas of operation enabled us to maintain a balanced financial management approach in the face of global and local macroeconomic challenges. Through Tradesoft, Zenia, and ATP Digital, our three major brands, we continue to provide competitive advantages for our customers in different industries while achieving sound growth. Zenia brings quick restaurant solutions to more than 2,900 outlets in five countries. Our strong partnerships also continue to expand with the recent addition of Subway brand, which started

using our solutions in the third quarter. Furthermore, we have plans for Zenia to launch a 'Next Generation' kiosk service to offer the restaurant customers the option to place their own orders. We are confident that our 'Next Generation' kiosks will contribute significantly to the growth of our customers by providing faster service, sales opportunities, and enhanced customer experiences.

At ATP Giriřim Sermayesi Yatırım Ortaklığı (ATP Venture Capital Investment Fund - GSYO), we evaluate startups with the potential to create value for our investors in line with our strategies and global operations. ATA Express, our first investment in this context, has already invested in two businesses - 'Tıkla Gelsin' (the online marketplace platform) and 'Fiyuu' (the courier delivery service) - to increase its share in the rapidly growing online food delivery market in Turkey. After partnering with TFI brands (Burger King, Popeyes, Arby's, Sbarro, Usta Dönerci, Usta Pideci), AtaExpress is currently in the process of adding more brands and expanding its platforms.

I want to thank all our colleagues and partners for their contribution to our success and our customers and shareholders for their continued support and trust.

## **KEY DEVELOPMENTS IN OUR FIELDS OF OPERATION**

**Tradesoft**, built on a service-focused software architecture, continues to offer flexible, scalable business solutions to the capital and financial markets. With an offering of comprehensive platform services for stock brokers, fund and portfolio managers, Tradesoft maintains its strong market share while working on launching new initiatives.

Under the **ATP Digital** brand, we have implemented over 600 comprehensive projects and provided support to medium and large-scale companies for their digital transformation initiatives. We continue to expand our solution set and meet the end-to-end installation, configuration, customization and integration needs of our customers.

As ATP, we lead the transformation of sectors with our technologies in our fields of activity. We are very aware of the importance of identifying new opportunities on time, being innovative, creative and acting fast as entrepreneurs. Based on these needs, we are strengthening our muscles with strategic investments, which we plan to execute under ATP Venture Capital Investment Trust.

We made our first investment under **ATP Venture Capital** by investing in AtaExpress within the second quarter of this year. We are supporting the growth of AtaExpress online food order platform "Tıkla Gelsin", while it distinguishes itself from its competitors with innovative solutions. In addition to quick delivery of the orders received through the "tıkla gelsin" platform, Fiyuu, a part of AtaExpress, also caters to external customers through its own powerful technology platform. Fiyuu, which operates with an efficient and profitable business model, continues to optimize and improve its customer-centric operations.

**ATP Zenia**, which offers comprehensive cloud software solutions for the Quick Service Restaurant (QSR) industry, continues to enhance its offering by considering the evolving needs in the global market.

We are taking steps towards global markets by investing in product development, marketing and sales in line with our strategies. Within the framework we established in the EMEA region and our ATP China investment, we are getting to know the Chinese market better and creating a hub for the Asia Pacific market. We believe these global initiatives with Zenia will turn into further opportunities for our other brands.

Zenia cloud software solutions are already used worldwide in over 2,900 locations. Zenia solutions are used in 11% of the more than 18,000 Burger King restaurants of Restaurant Brands International worldwide. The penetration rate has reached 7.6% for Popeyes restaurants worldwide.

We have also created a solution for Subway within the third quarter; and we are starting to provide end-to-end solutions to 75 Subway restaurants in Türkiye.

We are starting to offer a 'Next Generation' kiosk service to the industry, where restaurant customers are given the opportunity to place order themselves. Our kiosks, operating our software infrastructure runs on the Android operating system, have touch screens that allow customers to review and choose from menus, customize orders and make payments on their own.

While kiosks will provide customers with new advantages, they will provide operators with savings in time and reduce personnel costs through order automation. In addition, industry research predicts that customers who order from touchscreens, instead of ordering at the cash register, are more likely to increase order size. With our new product line, we believe we will contribute more to the overall sales figures of operators while providing faster service, increased convenience and better customer experience.

We established **ATP Girişim Sermayesi Yatırım Ortaklığı** (ATP Venture Capital Investment Fund - GSYO) in April 2022. Our aim is to invest in companies with strategic importance and innovative technologies for us. Our interest is in robotics technologies, artificial intelligence, innovative restaurant solutions and initiatives that will create value for our ecosystem.

With the initiatives under ATP Venture Capital, we will further strengthen our position in the technology world. At the same time, we will have the opportunity to help create new companies with global presence.

Through ATP GSYO, we made our first strategic investment in **“Tıkla Gelsin”** and **“Fiyuu,”** two businesses of ATA Express. We acquired 1% stake in the food delivery and logistics platforms, which have a combined value of TL 713 million. ATP GSYO also has the option to acquire the remaining 99% of these assets in the 18 months following the acquisition.

**AtaExpress** entered the food market with the **TıklaGelsin** and **Fiyuu** businesses and soon partnered with Burger King, Arby's, Popeye's, and Sbarro, the brands owned by TFI, the world's fourth largest fast service restaurant operator, along with other local brands. As of today, AtaExpress creates synergies with its order and delivery platforms and the TFI ecosystem of more than 1,300 restaurants.

Not only Fiyuu makes deliveries in connection with TıklaGelsin in a very efficient and speedy way, it can also provide services to multitude of customers through its own platform backed with a robust technology infrastructure.

While serving around 143 different brands, Fiyuu already makes over 95,000 timely deliveries a day, but also has the capability to increase its carrying capacity with its scalable algorithms and infrastructure. Fiyuu currently provides services in 65 cities with around 4000 couriers.

## FINANCIAL SUMMARY

The tables below, prepared in accordance with TAS/TFRS, provide a summary of the unaudited financial standing, revenues, real operating and unaudited financial data for the quarterly periods ending on September 30, 2022 and September 30, 2021, along with 9M 2022 and 9M 2021 results.

Statement of Profit or Loss and Other Comprehensive Income (million TL)	Quarter			Nine Months		
	Q3'21	Q3'22	y/y%	9M'21	9M'22	y/y%
<b>Revenue</b>	53,3	140,3	163,3%	156,5	331,5	111,9%
Cost of sales	-28,0	-65,5	133,6%	-89,6	-165,1	84,3%
<b>Cost of sales/Revenue</b>	<b>-52,6%</b>	<b>-46,7%</b>	<b>5,9%</b>	<b>-57,2%</b>	<b>-49,8%</b>	<b>7,4%</b>
<b>Gross Profit</b>	<b>25,3</b>	<b>74,8</b>	<b>196,2%</b>	<b>66,9</b>	<b>166,4</b>	<b>148,8%</b>
General Administrative Expenses	-11,6	-50,4	333,9%	-31,3	-112,5	259,2%
<b>General Administrative Expenses/Revenue</b>	<b>-21,8%</b>	<b>-35,9%</b>	<b>-14,1%</b>	<b>-20,0%</b>	<b>-33,9%</b>	<b>-13,9%</b>
Selling and marketing expenses	0,0	0,0	0,0%	0,0	0,0	0,0
<b>Selling and marketing expenses/Revenue</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>
Research and development expense	-4,7	-5,4	14,0%	-11,8	-14,4	22,2%
<b>Research and development expense/Revenue</b>	<b>-8,85%</b>	<b>-3,83%</b>	<b>5,0%</b>	<b>-7,55%</b>	<b>-4,35%</b>	<b>3,2%</b>
Other Income (Expenses) from Operating Activities	3,3	1,6	-51,2%	15,0	15,0	0,3%
<b>Profit (Loss) From Operating Activities</b>	<b>12,3</b>	<b>20,7</b>	<b>68,5%</b>	<b>38,8</b>	<b>54,6</b>	<b>40,8%</b>
Investment activity Income / (expense)	0,0	0,3	0,0%	0,0	0,8	0,0%
Net finance income / (expense)	5,9	17,2	193,4%	8,5	33,7	294,5%
Finance income	6,3	17,3	174,4%	10,3	35,2	242,1%
Finance costs	-0,4	-0,07	-84,6%	-1,7	-1,50	-14,3%
Tax (Expense) Income, Continuing Operations	-0,2	-2,1	1174,5%	-1,8	-3,8	113,3%
<b>Net Income</b>	<b>18,0</b>	<b>36,1</b>	<b>100,7%</b>	<b>45,6</b>	<b>85,3</b>	<b>87,4%</b>

## Revenue Distribution (TL, USD, RMB)

TL million	Q3 2021	Q3 2022	Change (%)	9M 2021	9M 2022	Change (%)
Domestic Sales	31.7	98.9	212%	88.5	227.4	157%
Exports	21.6	41.4	91%	68.0	104.1	53%
Net Sales	53.3	140.3	163%	156.5	331.5	112%

TL million	Q3 2022	%	9M 2022	%
TL	50.3	35.9%	130.8	39%
USD Domestic	48.9	34.9%	98.1	30%
USD/ RMB Exports	41.1	29.3%	102.6	31%
Total	140.3	100%	331.5	100%

## FINANCIAL REVIEW

**Revenues** - Despite the macroeconomic challenges, ATP Group's revenues reached TL 140.3 million in Q3 2022 and captured 163% growth YoY, marking the highest quarterly revenue to date. The strong operational performances of ATP Digital and Zenia were key factors that contributed to the 163% increase.

Another factor that played an important role in this quarterly revenue growth was the increased revenue stream from the two restaurants that Konuk Ağırılama Teknolojileri ve Uygulamaları A.Ş. operates at Galataport Istanbul. This company has been acquired as a subsidiary in November 2021 to introduce the latest innovations in the hospitality industry, showcase the technologies developed by ATP to potential customers in real settings, train the employees, and deploy and test the Zenia end-to-end software solutions in the restaurant environment to accelerate ATP R&D Center's development efforts.

In 9M 2022, the group's revenues increased by 112%, reaching TL 332 million. A key factor driving growth in the nine-month period was the increase in ATP Digital's licensing sales. The increases in Zenia's project sales and equipment sourcing despite the fact that China is still experiencing the impact of the pandemic also contributed to the revenue growth.

**EBITDA** - Year on year, our earnings (EBITDA) increased by 62% in the third quarter and 56% in the first 9 months. However, our EBITDA growth was negatively impacted by factors such as deferring the end-customer price increases, inflation-adjusted pay raises, and the pandemic measures implemented in China. We anticipate that the investments we make, especially for people, and the price increases implemented during the period will bring positive returns in the times to come.

**Profit for the Period** increased by 101% in Q3 2022 to reach TL 36 million and by 87% in 9M 2022 to reach TL 85 million, driven by the operational profitability and the interest and foreign exchange incomes.

## SUMMARY FINANCIAL STANDING

TL million	30.09.2022	31.12.2021	%değ
Cash and Cash Equivalents	183.0	154.2	18.6%
Trade Receivables	233.2	208.1	12.1%
Inventories	9.0	8.1	10.7%
Property, plant and equipment	4.6	2.1	116.5%
Intangible assets	89.8	73.9	21.5%
Other Assets	47.8	14.6	227.1%
<b>Total Assets</b>	<b>567.3</b>	<b>461.1</b>	<b>23.0%</b>
Trade Payables	132.7	105.4	25.9%
Other Liabilities	45.8	53.8	-15.0%
Equity	388.8	301.9	28.8%
<b>Total Liabilities</b>	<b>567.3</b>	<b>461.1</b>	<b>23.0%</b>
Equity/Total Liabilities	0.69	0.65	4.7%

**Total Cash and Liabilities** As of September 30, 2022, total cash and liabilities increased by 18.6% YoY, reaching TL 183 million. Thanks to our strong cash position, we do not carry any outstanding loans. While the group's revenues grew by 163%, our trade receivables increased by 12.1% and trade payables by 25.9%.

We anticipate that our sustainable operations, sales, and sound cash flow management will enable us to maintain our operating capital and robust balance sheet structure in the foreseeable future.