



Decentralized Travel Technology Platform
to manage the complexity in the travel industry
in the simplest possible way

April 2023

ABSTRACT: WHAT IS IATI

IATI is a progressive Travel Technology company that is managing the complexity in the travel industry by addressing all relevant parties in the simplest possible way, thus increasing the efficiency in the travel related transactions and maximizing the value for the customers and suppliers.

The company was established in 2011 and demonstrated impressive growth in the pre-pandemic period. In the last couple of years the architecture has been restructured to work as a distributed platform, in contrary to the heavily centralized model functioning before 2020.

Business model of the project is backed with growing revenue and EBITDA values generated from transactions of the partners in the network located in more than 85 countries worldwide.

With the innovative IATI token offering the company management is planning to accelerate the growth of the company by implementing mechanism for funding and also creating a loyalty program for the partners that are invested in the business.



Table of Contents

1	Problem and Solution	3
2	IATI Ecosystem.....	4
3	IATI Business Projections	9
4	IATI Token Offering	11
5	IATI Background	13
6	The Team	14
7	Disclaimer	18
8	Supported Documents and Links	19

1



PROBLEM AND SOLUTION

1.1 PROBLEM

The online travel content distribution business in developed countries is under the domain of centralized big players that have access to enormous financial resources and have built high barriers of entry.

These monopolies eliminate the chance for competition, leaving clients, agencies and suppliers with limited options.

1.2 SOLUTION

With IATI, we introduce an asymmetric competition in the market by providing the customers, agents and suppliers with a system to transform the sector by enabling entry to the market facilitating expansion with new participants in the sector operating under their own brand.

The IATI token is designed to be distributed as an instrument for fundraising and a loyalty mechanism to the involved parties.

In addition to being a conventional investment tool, IATI tokens can be distributed to participants as a prepayment for travel services.

IATI tokens can be also exchanged for company shares as an asset tokenization implementation that would further increase the loyalty in the IATI ecosystem.

2

IATI ECOSYSTEM

2.1 OVERVIEW

The architecture of IATI system is highly modular consisting of singleton units referred as CRO s (acronym for Country Representative Office) which can cooperate in a distributed network with each CRO specializing in some travel content (flight, hotels, transfer, car rentals etc) or distribution expertise in a market or channel (B2B, B2C, B2B2C).

A given CRO node is an object that can be created instantly, localized and have the means to receive and distribute travel content with the corresponding interfaces (API, User Interfaces, Mobile Apps etc).

The CRO s can supply unlimited number of other CRO s with any travel content (converting to bookings) and alternatively can receive specific travel content from any CRO in the network.

CRO module can be integrated with number of Product Providers and also register multitude of sub agencies (in case of B2B distribution) in the corresponding market. The travel content flow in that case can be defined as an internal flow or cross border flow in the case when the agency is registered under one CRO and the Provider is registered under another CRO.

The unique system architecture of IATI is simple and extremely scalable.

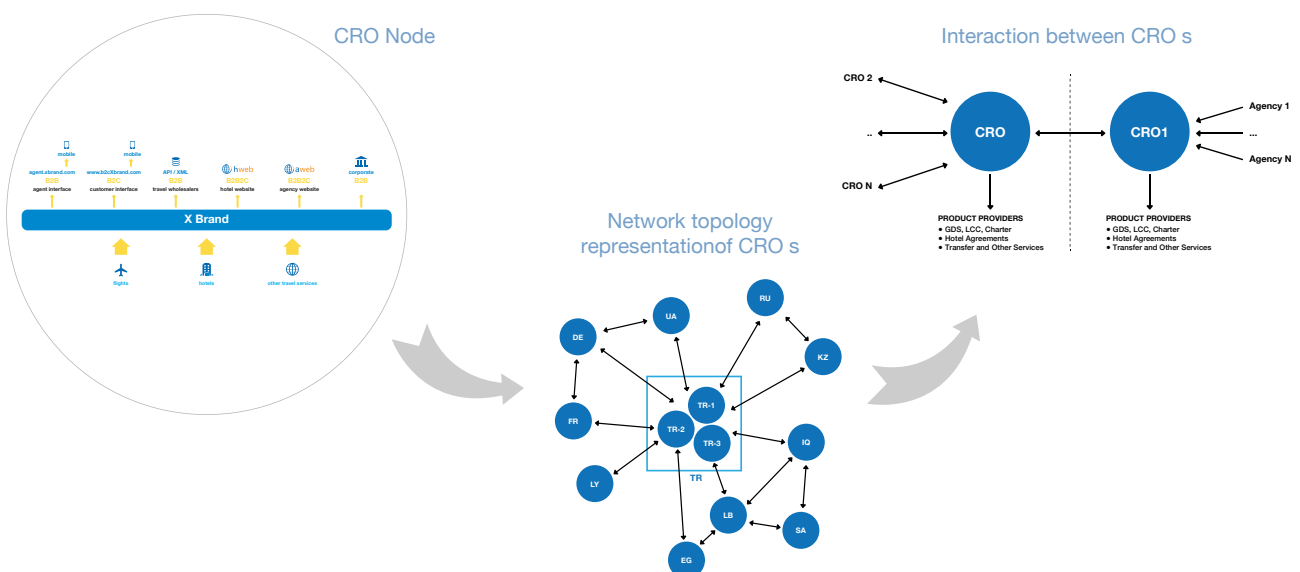


Figure 1. IATI system overview

2.2 THE NETWORK

Most of the travel tech platforms in the industry are specialized only in one product or segment (flight, hotel etc) and based on that, the underlying implementations, processes and architecture allows the user to operate on a limited part of the travel domain.

With IATI we facilitate any kind of travel content flow between the partners in the network in both directions simultaneously.

In that way, our partners can increase their profit by serving their customers from a single interface offering high profit margin products besides the low margin commodity content such as domestic flights.

For example a CRO (A) can sell directly contracted hotels to CRO (B), in turn CRO (B) can simultaneously receive transfer, flight or any other travel content from CRO (A), netting the balance and avoid the need for costly wire transfers.

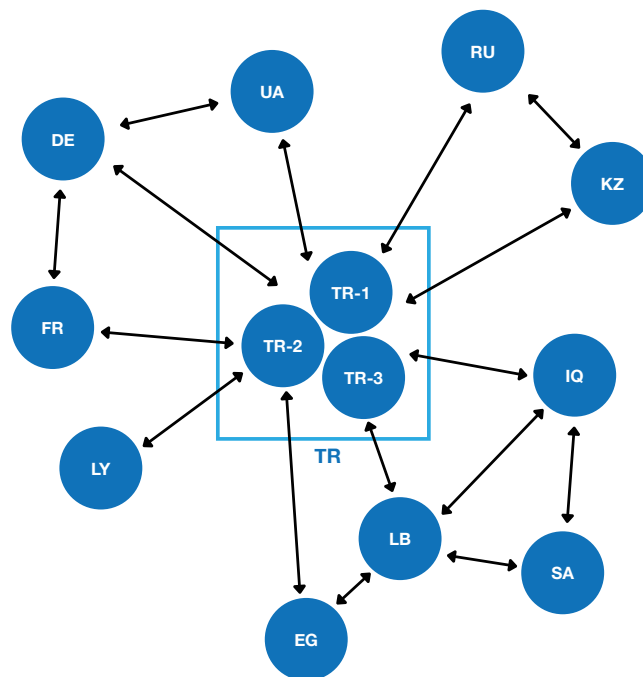


Figure 2 IATI network of CRO s representation

2.3 CROSS BORDER TRANSACTIONS

In general, our partners use the CRO module by localizing the interface and relevant parameters to their business in the local market and directly integrating Providers under their CRO set up.

In that way they can access the content directly from the source benefiting from better rates and incentives. With that model, the financial processes such as payment, reconciliation, credit limit management are performed directly with the locally integrated providers.

However, in many cases a CRO partner might require a travel content that is not frequently demanded on the market and can be obtained from another CRO partner in the network facilitating a cross border transaction.

For example, Turkish domestic flights are requested by the partners in the neighboring countries but it would be costly (or not possible) for a CRO not located in Turkey to have that content integrated directly.

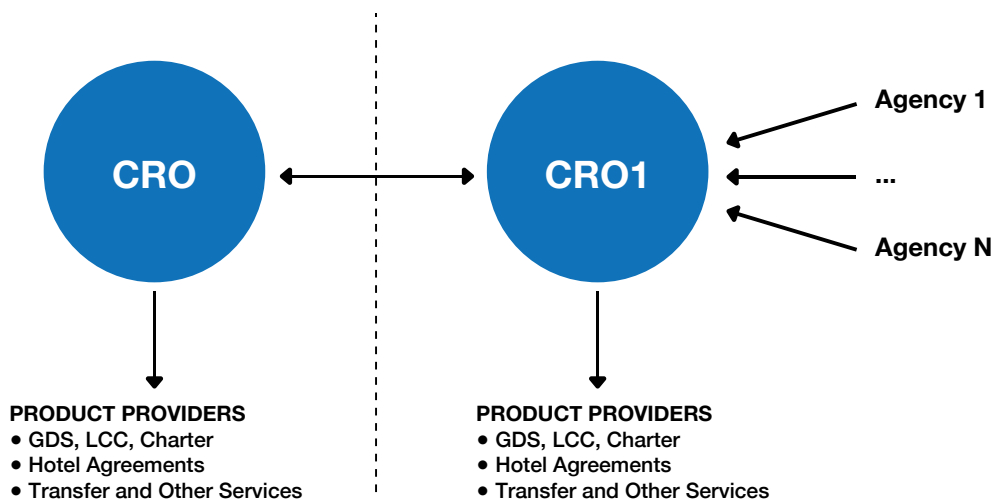


Figure 3. Dual mode transaction flow - internal and cross border

2.4 DOUBLE ENTRY ACCOUNTING

In order to simplify the complexity from the financial, accounting, and integrity standpoints, IATI architecture was designed to be inherently embedded in a Double Entry Accounting system from the very beginning.

Any booking order instantly reflects multiple Debit - Credit transactions to number of accounts in the system that represents an entity in the real world (Bank, Flight Provider, Hotel Provider etc) or some tool to serve the integrity and verifiability of the system (Root Account, Income Account etc).

Double Entry Accounting is extremely simple and powerful that was invented centuries ago but continues to serve us today.

Today any business initiative, be it on Wall Street or in a village in Nepal uses Double Entry Accounting to keep the records and manage the complexity.

A sample view of an account transaction of a flight ticket booking in IATI is attached below:

- Agency - FULLA (Baghdad)
- Agency CRO - Alsafari
- Provider CRO - IK Global (Istanbul)
- Provider - Sabre
- Income Accounts - reflect the accumulated income for the corresponding CRO
- Gate Accounts - reverse mirror accounts to keep track of cross border transactions
- Root Accounts - auxiliary accounts to verify integrity

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Figure 4. Double entry accounting transactions for a sample order

2.5 THE CRO NODE

The CRO node is the fundamental building block of IATI architecture and all our partners in the network are registered CRO s with at least one instance under their management.

That entity can be localized by integrating payment gateways, flight, hotel suppliers and other travel service providers and can be customized according to the brand, style and preferences of the partner.

The Node can receive travel content by various API integrations (flight, hotel and other travel services) and also by custom user interfaces to manually upload uncommon, high value flights and hotels content:

- Flight** - received via API integrations of GDS, LCC, Tour Operator and Charter operators;
- Hotels**- received from BedBank, Channel Manager integrations and Direct Contracts;
- Other** - transfer, bus, tour packages, vacation rentals, insurance etc;

The distribution is performed by 6 separate channels:

- Agent (B2B)** - user interface for travel agents localized accordingly;
- End User (B2C)** - channel for Online Travel Agency (OTA) portal for end user access;
- API / XML (B2B)** - integration channel to the established entities in the market;
- HWEB (B2B2C)** - turnkey solution for Internet Booking Engine (IBE) on hotel web sites;
- AWEB (B2B2C)** - turnkey solution for IBE on travel agency web sites;
- Corporate (B2B)** - user interface for travel agents serving the corporate travel segment;

The CRO module cooperate in a distributed network with each CRO specializing in some travel content (flight, hotels, transfer, car rentals etc) or distribution expertise in a market or channel (B2B, B2C, B2B2C).

In that way, CRO s can also obtain travel services from other CRO s in the network and alternatively supply directly contracted content to other CRO s in the network via the Gate Accounts.

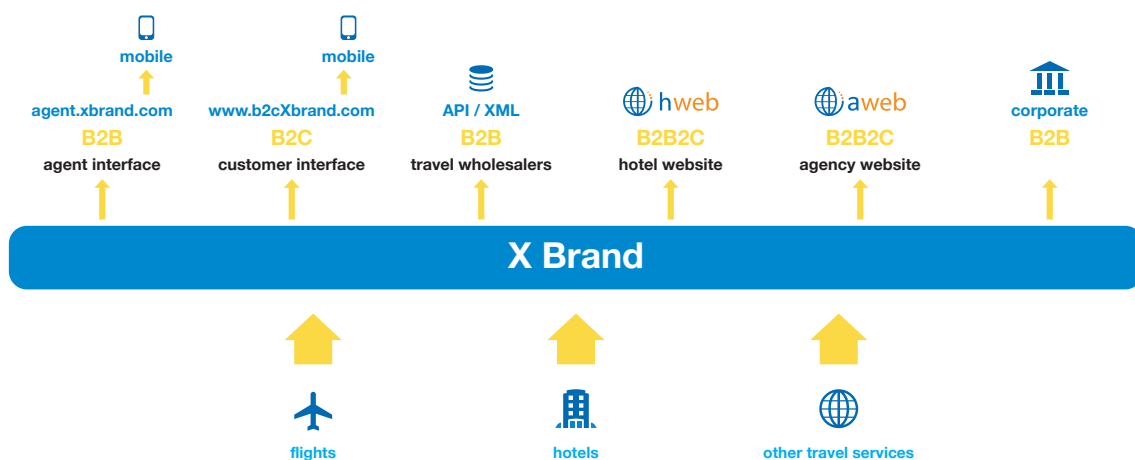


Figure 5. CRO content flow representation

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IATI BUSINESS PROJECTIONS

The major distribution channel for IATI is the B2B segment that is expected to generate %90 of the total turnover for the fiscal year of 2023.

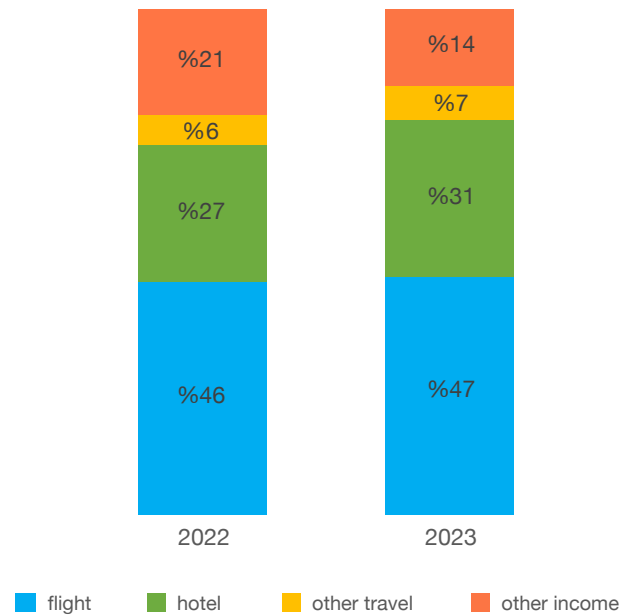
This segment consists of the sales generated of Türkiye based agencies and sales generated from the other countries with a much higher proportion coming from the Non-Turkish agencies in 2023.

Hotel segment is considered to generate higher profit margins than the flight product. More aggressive contracting with the hotels located in Türkiye, improvements in the software interface and more effective promotional activities are expected to increase the hotel gross bookings share in fiscal year of 2023 and beyond.

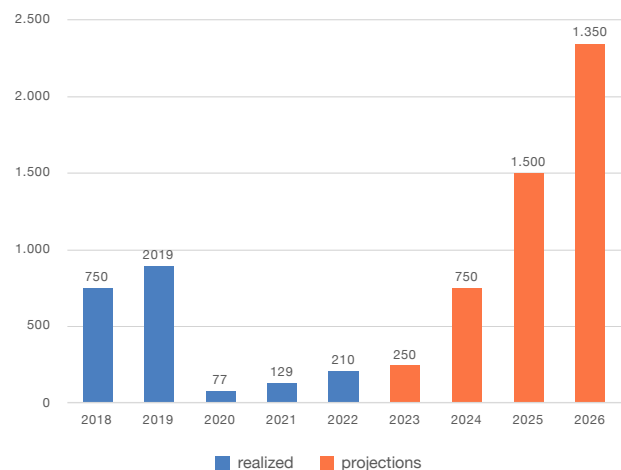
In the pandemic period of 2020 - 2021 the business model of IATI and correspondingly the revenue model was updated to work on commission based approach instead of mark up in the gross bookings.

The total gross bookings for the fiscal year of 2019 exceed \$897 million USD and after the passive years of 2020 - 2021 the growth in the combined gross bookings generated via the CRO is expected to be triple digit numbers for the subsequent years.

Revenue on Segment Basis 2022 - 2023 (Projection)



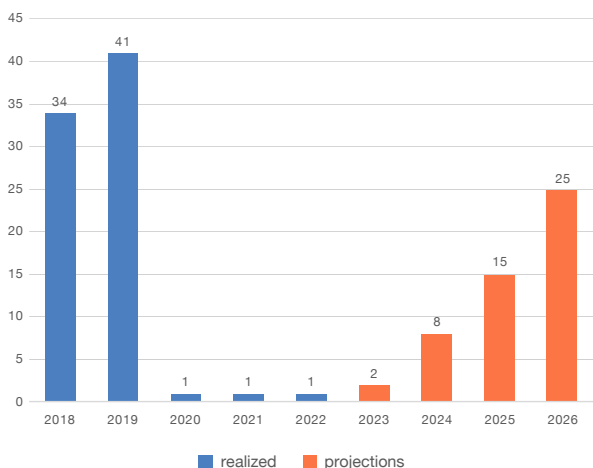
Gross Bookings 2018 - 2026 (USD Mn)



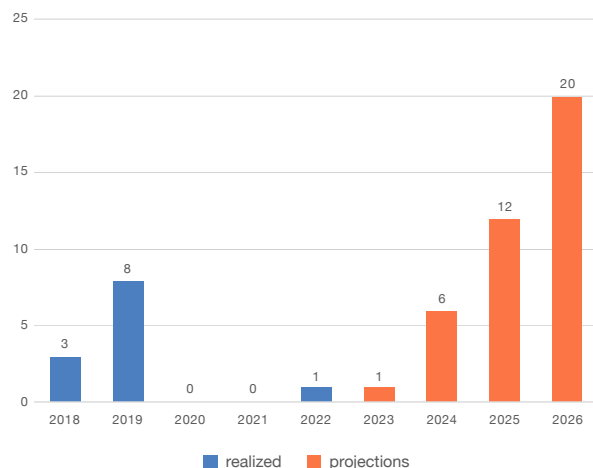
For the fiscal years of 2023 and 2024, the company revenue is projected to be at \$2 mil USD and \$8 mil USD correspondingly, a fourfold increase on a yearly basis.

EBITDA number is expected to grow considerably in the upcoming years and reach \$6 mil USD in fiscal 2024, close to the Pre Pandemic level in 2019.

Revenue 2018 - 2026 (USD Mn)



EBITDA 2018 - 2026 (USD Mn)



Growth of the network will be provided by the distributed nature of the system by optimizing travel content and sale channels of the CRO s in the corresponding markets.

The minimal cost structure of the IATI central office implies high EBITDA ratios relevant to the generated revenue.

4



IATI TOKEN OFFERING

With IATI token offering, we provide the opportunity for potential investors and partners to invest in the growth of our company and realize considerable return on their investment and also become a shareholder of the company.

In order to realize that, we developed an innovative and simplified approach for fundraising that is utilizing the Blockchain technology and Decentralized Finance (DeFi) implementations.

Below we outline our investment vehicle:

- 100 000 000 crypto tokens referred as "IATI" token have been created (ERC20 based on Ethereum Main Net);
- A fraction of these tokens are matched with common Ethereum (ETH) tokens and this pair is used to create a Liquidity Pool on the UNISWAP decentralized exchange (DEX): IATI / ETH Liquidity Pool.
- In that way, by creating the pool the initial value of the IATI token has been set. That initial value was set at \$1.0 USD per IATI token. The size of the IATI / ETH pool will increase over time and the price of the IATI token will depend on the demand / supply dynamics.
- Potential investors can obtain IATI tokens by paying with Ethereum (ETH) tokens to the LP on the UNISWAP platform. Investors that want to exit can sell their IATI tokens to the LP instantly from the current spot value and receive the corresponding ETH.
- Alternatively, an investor that accumulates number of IATI tokens will also have the opportunity to exchange these tokens with common stock (equity) of IATI LTD - the parent company in a one to ten ratio:

1 IATI token = 10 company share of IATI LTD

In that case, IATI LTD board of directors will act as a Custodian (guarantor) for the exchange and will ensure the number of IATI tokens in circulation is reduced which will have a price increase effect for the IATI token.

The value of IATI token will grow in line with IATI LTD company value which is derived from standard Discounted Cash Flow (DCF) and Revenue Multiple valuation methods. So the token and the valuation is backed with solid, real, revenue generating business.

That model is effectively an Asset Tokenization of the IATI LTD company shares.

A visual model of the investment process is provided below:

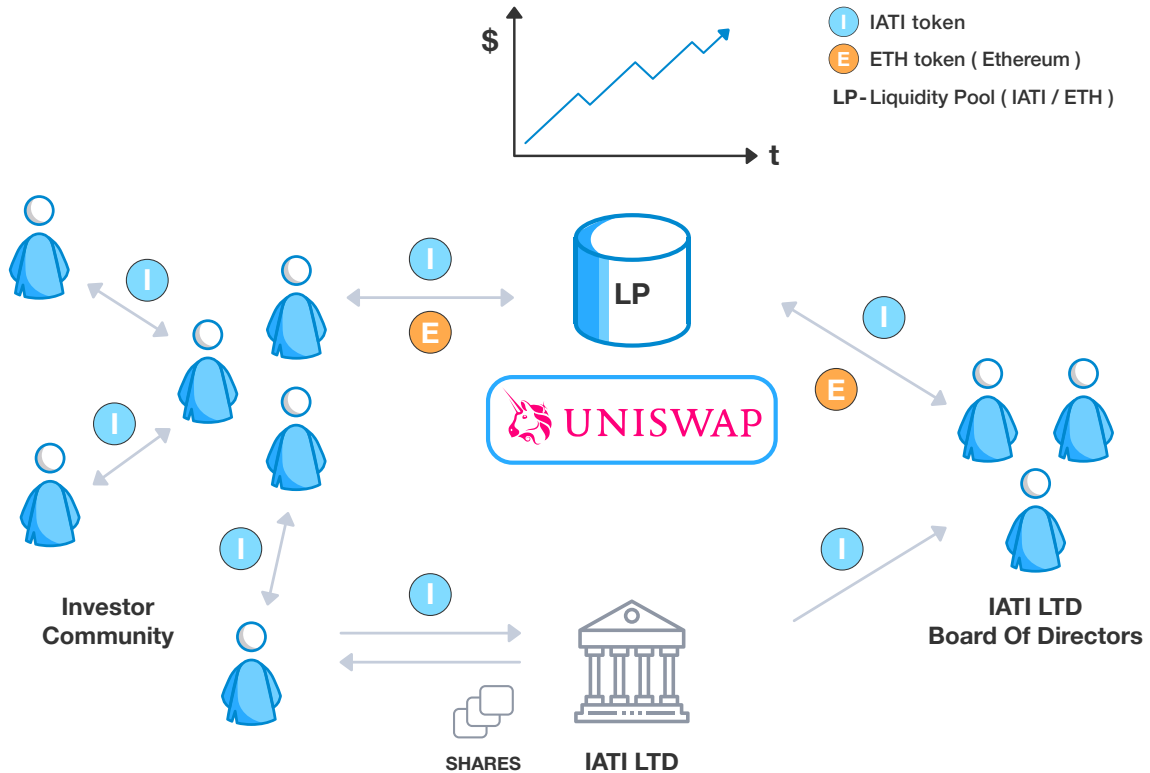


Figure 6. IATI investment vehicle representation

In addition to the decentralized exchange offering, we may consider listing IATI tokens on major centralized exchanges in order to increase visibility and generate traction for the project.

5



IATI BACKGROUND

IATI was founded in 2011 in Antalya, Türkiye by a team of travel professionals and software developers with extensive expertise in the travel industry.

The co-founders of IATI successfully exited the previous business – Tez Tour – which was a Tour Operator active in the CIS countries with Türkiye as a destination base. Tez Tour reached gross bookings of \$2 billion USD in 2012 and operated in 22 countries serving more than 2 million customers that year as an organized travel business.

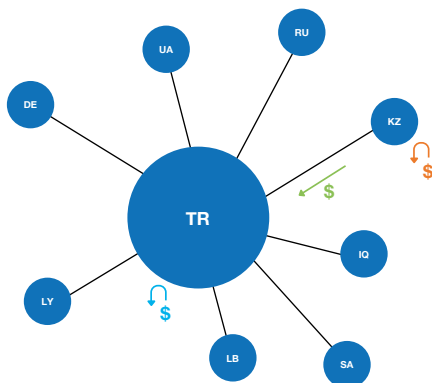
After 2012, IATI started growing domestically and internationally with compounding double digit growth rates in terms of gross bookings, operating as a consolidator generating transactions in numerous countries with multiple distribution channels.

To access the US capital markets to further finance the growth of the company, IATI applied for NASDAQ listing to SEC in 2017, after completing the preparation process with Ernst & Young (auditor), White and Williams (legal counsel) and Ladenburg Thalmann (underwriter). In the first quarter of 2018 the company was ready for an IPO status, however due to the market circumstances and valuation issues of the company it was decided to pause the process and the listing was postponed.

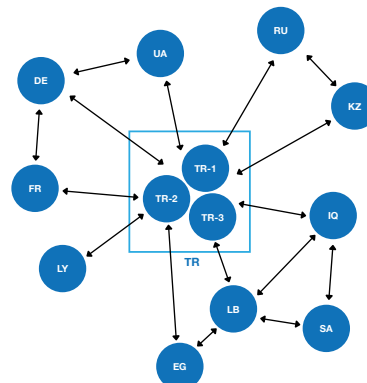
In 2019, the year before the Pandemic, IATI gross booking reached \$1 billion USD and the company was ranked as the 99. largest Turkish company in terms of generated sales according to Fortune Türkiye magazine July 2020 edition.

In 2020, during the Pandemic, IATI changed the architecture from centralized consolidator model that collects the proceeds of travel service bookings to a distributed platform that would facilitate the transactions of the partners and generate revenue from commissions.

Star Topology Model (2011 - 2019)



Distributed Topology Model (2020 - 2023)



6



THE TEAM



Bulent Aydin

CEO



Bulent Aydin is the co-founder and the CEO of IATI, a progressive Travel Technology company active on the Turkish market and globally which was ranked 99 th according to Fortune 500 Turkey magazine in the July 2020 edition. Bulent Aydin graduated, with a degree in Computer Engineering, from Boğaziçi University, one of the top universities in Turkey. He ranked 253rd among approximately 1.5 million candidates in the Turkish nationwide university exam in order to be accepted to the Computer Engineering department of Boğaziçi University in 1994. Mr. Aydin also received a Master of Business Administration from the University of Tampa in 2000. From 2000 to 2003, he was a software engineer at Parametric Technology Corporation in Boston, MA and from 2003 to 2012, he served as Director of Finance, Information Technology and Human Resources at Tez Tour. Mr. Aydin has extensive experience in software development, finance and management.



Burak Akpınar

CCO



Burak Akpınar is currently the Chief Commercial Officer (CCO) of IATI. He has extensive experience in the services industry as well as marketing, management, business planning, e-commerce, sales, and sales management with experience in international business. Mr. Akpınar graduated from Bilkent University (Hotel Management & Tourism) and attended the American Hotel and Lodging Association (AHLA) educational program. From 1998 to 2004 he was the Assistant General Manager of the Royal Resort Hotel in Antalya, Turkey. From 2004 to 2012 he was the General Manager of Eray Tour in Antalya.



Rafi Rafioğlu

COO



Rafi Rafioğlu is currently Chief Operating Officer (COO) at IATI. He studied at Boğaziçi University 1993-1998 and graduated from the Computer Programming department and also has a Master of Business Administration (MBA) degree from Antalya Bilim University that he attended between 2015-2017. Mr. Rafioğlu worked as a Senior Software Engineer at Garanti Bank from 1999 until 2002. From 2002 until 2004, he was a Senior Software Development Engineer at Fintech in Istanbul. After five years of software development he worked more than six years on a key role as the Director of Operations at Tez Tour, which was the leading tour operator serving Russia and the CIS countries and Turkey as the destination country.



Tugay Özdemir

Business Development Director



Tugay Özdemir is currently a Business Development Director at IATI. He graduated from Akdeniz University with a degree in Travel Management in 2016. His work experience before IATI include a role as an Operational Specialist in 2015 at Tatil Sepeti, a leading travel portal in Turkey, and internship at Theodore Roosevelt Medora Foundation (ND, USA) in 2016. Mr. Özdemir gained extensive experience in IATI over the course of four years working in various departments related to operations, digital marketing, planning, hiring etc.



Ivan Kovalenko

Data Scientist



Ivan Kovalenko has been a Digital Marketing Specialist at IATI since 2016. He holds a Bachelor's degree in Business, Management and Marketing from Belerussian Technical National University where he attended from 2000-2005. Ivan has gained expertise in analyzing data sets and optimizing digital marketing channels for multiple brands in various business models such as B2B, B2C and B2B2C through his career in IATI.



Yusuf Taştan

PR Director



Yusuf Taştan has served as Brand Director of Aerobilet.com (the B2C brand of IATI) since 2017. From 2014 to 2017 he was a Business Development Director at IATI and contributed to optimization of the existing departments as well as incorporating new departments such as Fraud Control and Reputation Management. Before his work at IATI, he worked as the Flight Operations Manager at MTS Globe between 2011 and 2013. His education and studies include Business Administration and Management at Anadolu University and Tourism and Travel Services Management at Mersin University. Mr. Taştan is fluent in English and Russian.



Tamer Yılmaz

Designer – Front End Developer



Tamer Yılmaz has worked as a design lead in multiple projects, in e-commerce, and travel tech with a keen interest in blockchain technology. He has been designing and coding digital products for 15 years. His interests are in solving design problems and creating pleasant user experiences. He has served as Design Manager at IATI since 2016 and as Web/UI Designer there from 2012 until 2016. He was Web Designer at Tez Tour from 2010 until 2012. He holds a Bachelor's degree in engineering from Mersin University. Mr. Yılmaz is currently focused on optimizing Food Tech with fast, easy-to-use and scalable blockchain applications.



Ismail Karakaş

Operations Manager



Ismail Karakaş is currently the Operations Manager at IATI where he has worked since 2013. His expertise include managing the call center staff and processes of the organization resolving complex problems on a timely manner as well as providing cross country coordination between IATI partners located in different countries. His education include Public Administration studies at Anadolu University (2012 - 2017) and Travel Management at Akdeniz University (2008 - 2012).



Haluk Yelten

Finance Manager



Halük Yelten has been a Finance Manager at IATI since 2018. His responsibilities at the finance department include coordination with IATI partners in various countries regarding financial matters, cashflow management and receivables management. Before his career at the finance department, he also worked on various operations based projects at IATI that required analytical and quantitative skills. Mr. Yelten received his education at TOBB Ekonomi ve Teknoloji Üniversitesi (2012-2017).

7



DISCLAIMER

This document, referred to herein as a “IATI White Paper” introduces IATI LTD and the IATI token (“IATI”) on the Ethereum platform.

This document is distributed publicly, solely for the purpose of announcing the IATI token on the Ethereum platform project, our current vision for its development (subject to change) and to solicit comments from the developer community. It is not intended to serve as a binding commitment or contract. This document is not an offer to sell tokens, whether deemed securities or otherwise, or a solicitation of an offer to purchase tokens. All statements contained herein are qualified as subject to applicable law.

While we intend to realize this vision, please recognize that it is dependent on quite a number of factors and subject to a number of risks. It is possible that the IATI will not be implemented or adopted, or that only a portion of our vision will be realized. We do not guarantee, represent, or warrant any of the statements in this document, because they are based on our current beliefs, expectations and assumptions, about which there can be no assurance due to various unanticipated events that may occur. Due to the retrospective nature of regulatory action, we can make no guarantees regarding the legality of the platform or token launch in any given jurisdiction.

IATI tokens are not securities and do not hold any rights in the company. We must operate our business in accordance with the laws of relevant jurisdictions. As such, IATI tokens may not be immediately available in certain countries. Please know that we plan to work hard to achieve the vision as described in this document, but there are no guarantees. Blockchain, other aspects of our technology and digital assets markets are still relatively new, and will be subject to many challenges, competition, and a changing environment. We will always endeavor to update our community as IATI evolves to meet these challenges.

8



SUPPORTED DOCUMENTS AND LINKS

Website Links



www.iati.com



www.iati.technology

Community Channels



<https://twitter.com/iatiglobal>



<https://www.linkedin.com/company/iati>



<https://www.instagram.com/iatiglobal/>

