

The background features a white page with several overlapping, irregular polygons in red, teal, and purple. Scattered throughout are various light blue and grey icons: a magnifying glass, a lightbulb, a shopping basket, a briefcase, a cloud, a smartphone, a speech bubble, a person silhouette, and two gears.

LOGO

1H2017 RESULTS PRESENTATION

Gölnur ANLAŞ

CHIEF FINANCIAL OFFICER

August 15th, 2017

This presentation contains information and analysis on financial statements as well as forward-looking statements that reflect Logo management's current views with respect to certain future events. Although it is believed that the information and analysis are correct and expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results to differ materially. Neither Logo nor any of its managers or employees nor any other person shall have any liability whatsoever for any loss arising from the use of this presentation.

Content

1H17 Operating Highlights

Financial Review

Questions & Answers



- **All-time high figures were recorded at all levels.** Logo's invoiced revenue growth in 1H was 89% y/y, where 2Q revenue grew by 99% y/y. The first-time consolidation of TotalSoft and continued double-digit growth of 27% y/y in Turkey contributed to the strong performance.
- LfL growth in 2Q was a record setting 42%.
- **Top-line IFRS growth was 60 % y/y with 7% LfL growth** on the back of a higher 2016 revenue base. Adjusted for the 12mnTL deferred revenue impact of 1H16 and 1.2 mn in 1H17, LfL IFRS sales growth would be 27%.
- **License sales registered double digit growth** thanks to new customer additions, product and user upgrades, and module sales along with successful efforts to increase revenues from complimentary businesses.
- Logo has a **resilient recurring revenue** base further supported by TotalSoft. Recurring invoices represent 50% of the total as of 1H17.
- Logo continued its leadership position with a 26% market share in e-state business and **e-invoice customer pool grew by 32% y/y. Total coins used increased by 40%y/y.** Contribution of coins used for non-mandatory e-services became visible at 4% in 1H17 vs. 2,6% in 1H16. There is further potential to come from international markets in e-government services.

- **Integration of TotalSoft** is on-going: re-organization, restructuring along with new talent acquisitions are underway to create a scalable and profitable business model. New executive appointments are finalized.
- **Logo Infosoft, India:** Deployment of product and team completed. Training sessions with potential channel partners and customers is underway. Logo's DNMS product continued to attract interest from potential new clients. Will initially be targeting companies, who sell via distributors spread thru out the vast geography. These distributors are SMEs that are largely underserved by EAS providers operating in India. GST tax launch of Indian Government became effective as of July 1st, 2017, will be enforced as of October 2017.
- **Paving the way for innovation & R&D:** Logo Yazılım will be participating in Actus Asset Management A.Ş. Logo Ventures Private Equity Investment Fund with an investment amounting to 20% of the outstanding shares of the fund (currently set at 10 mnTL). The fund aims to conduct high-risk venture capital investments in promising technology companies during their incubation period to create long-term value by ensuring these companies to reach their growth targets through strategic support in addition to financial investment. The Fund aims to pave the way for entrepreneurs and encourage the increase of innovation and R&D investments.

Content

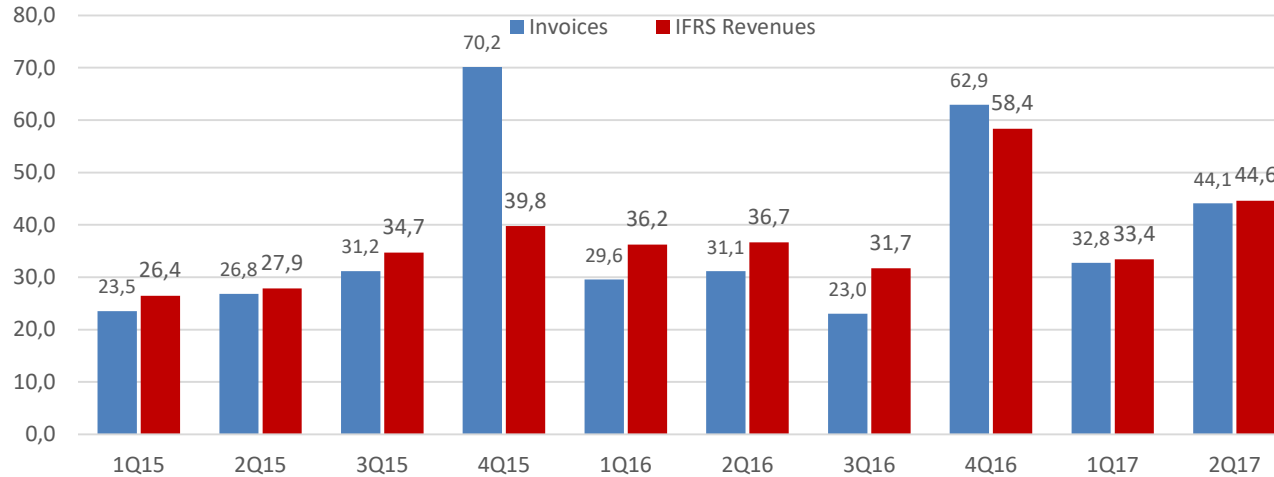
1H17 Operating Highlights

Financial Review

Questions & Answers



Invoices & IFRS Revenues* (TLmn)



*Logo Turkey figures only.

- e-government regulation requiring companies to issue e-invoices first became effective as of 1.4.2014, the scope of the regulation was then broadened effective as of 1.1.2016. Therefore, e-invoice and e-ledger module sales along with e-coin sales surged in 4Q15 prior to this date.
- e-coin sales revenues are recognized when used by the end-user. Therefore coin sales in the last quarter of 2015 were to a large extent deferred. (e-coin sales: TL 10.1mn, deferral: TL 9.8 mn in 4Q15)
- LEM sales in 4Q15 grew by 24% (from 4Q14). These are annual contracts and are deferred on a usage basis. (LEM sales: TL 16.4 mn, deferral: TL 14.9 mn in 4Q15)
- Deferral of e-government sales in 2015 to 2016 created a higher base, resulting in a lower growth in IFRS sales and profitability in 2017. **Financial performance of Logo Turkey's operations can be better assessed bearing this one time impact.**

Financial Summary

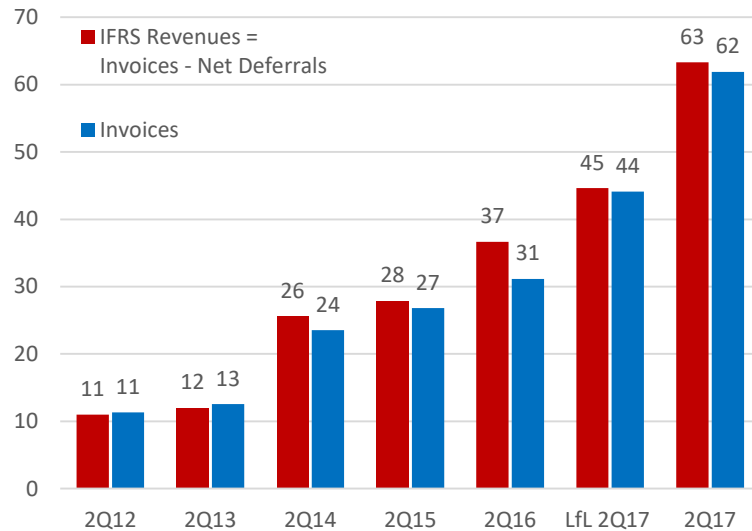


IFRS (mn TL)	1H					2Q					YE Guidance	
	1H 16	1H 17	Δ	LfL* 1H17	Δ	2Q 16	2Q17	Δ	LfL 2Q17	Δ	2017G	Δ
Revenue	72,9	116,9	60%	78,0	7%	36,7	63,3	73%	44,6	22%	278,3	46%
EBITDA	38,7	41,2	7%	40,6	5%	18,4	23,0	25%	24,1	31%	91,5	6%
EBITDA Margin	53%	35%		52%		50%	36%		54%		33%	
EBT	33,9	25,5	-25%	29,9	-12%	16,6	14,3	-14%	18,1	10%	61,8	21%
EBT Margin	46%	22%		38%		45%	23%		41%		22%	
Net Income	30,7	23,6	-23%	28,2	-8%	15,3	13,1	-14%	17,2	13%		
Net Income Margin	42%	20%		36%	-14%	42%	21%		39%			

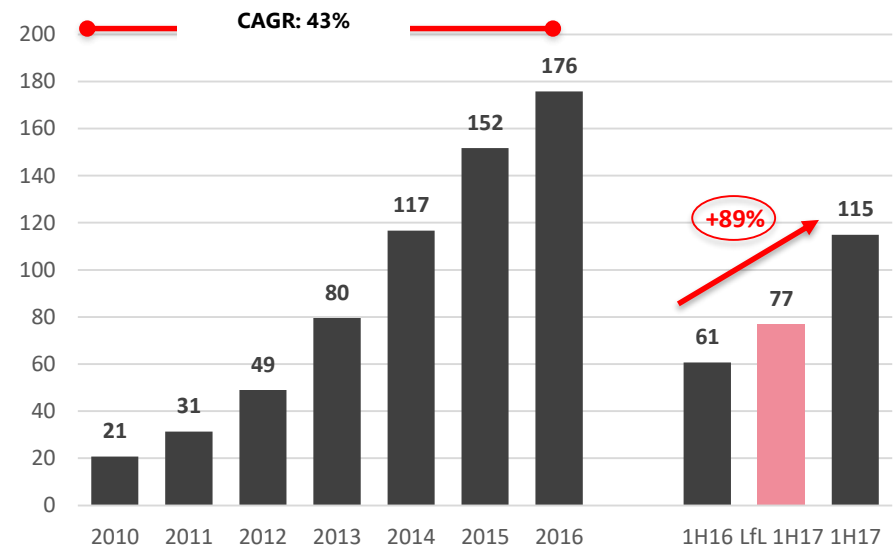
*LfL figures exclude Total Soft, Logo Infosoft (India) & FIGO figures

- IFRS revenues grew by a strong 60% y/y to TL116,9mn in line with our budget.
 - Sales excluding TotalSoft (LfL) were up by 7% y/y and TotalSoft contributed TL38,9mn in 1H17.
 - Adjusted for the deferral impact of e-government sales, LfL sales growth would be 27% y/y
- EBITDA grew by 7%. TotalSoft made a TL1,8mn contribution and together with India's expenses (TL 1.3 mn) diluted the margin to 35.0%.
 - LfL EBITDA grew by 5%, yielding a 52%. Adjusted for the deferral impact of 1H16, EBITDA growth would be around 49%.
- Net income dropped by 23% y/y to TL23,6mn, mostly due to deferral impact and TS. Adjusted for deferral impact net income growth would be around 46%.

2Q Invoices & IFRS Revenues (TLmn)

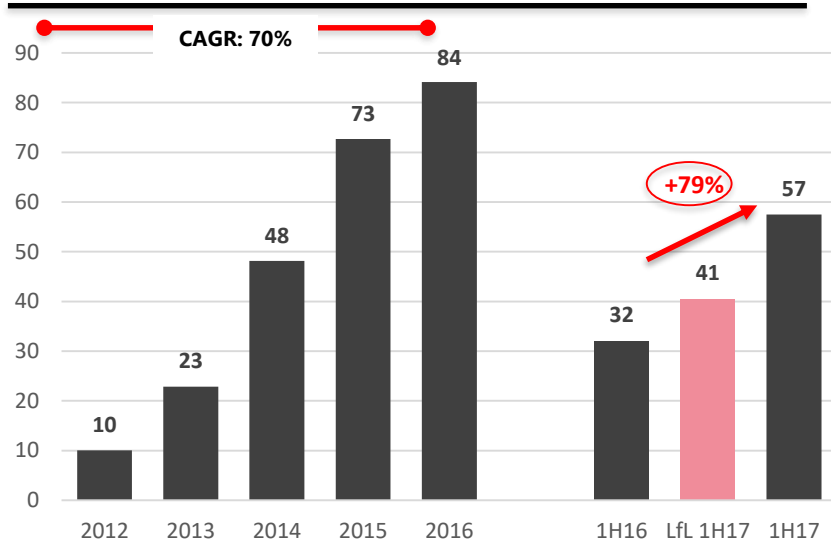


Invoiced Revenues (TLmn)

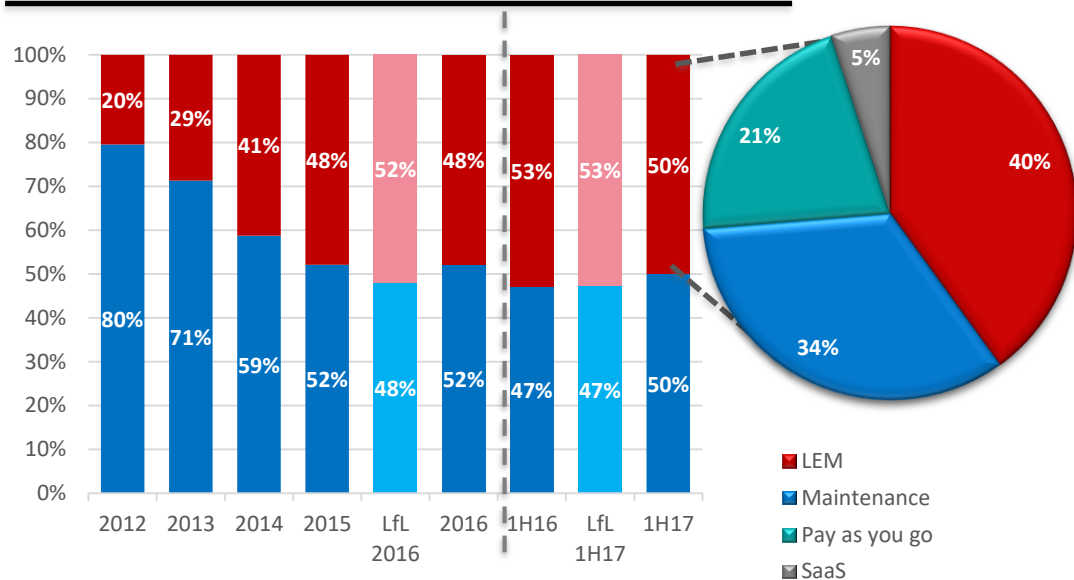


- 2Q invoiced revenues were up by 99% y/y to TL61,9mn; w/o TotalSoft growth was 42% y/y reaching TL44,1mn.
- 1H invoiced revenues were up by 89% y/y to TL114,9mn; w/o TotalSoft growth was 27% y/y reaching TL76,9mn. This marks a significant success in continued new customer additions, product and user upgrades and successful efforts to increase revenues from complementary businesses.
- IFRS revenue recognition throughout 2016 (w/o TotalSoft) was higher due the regulatory boost of 2015, accordingly IFRS revenue grew by 7% y/y.

Recurring Invoices (TLmn)

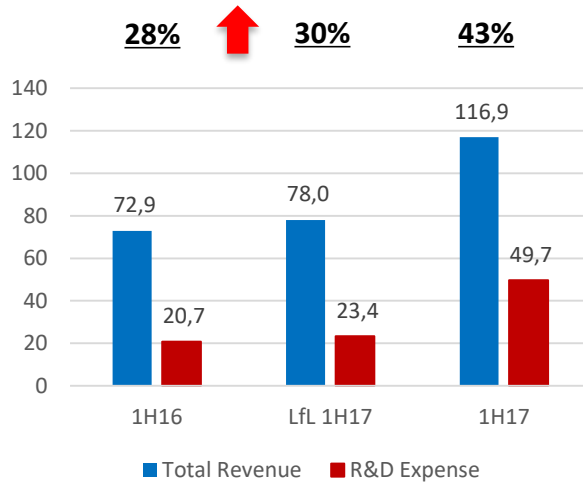


Recurring Invoices/Total Invoices (%)

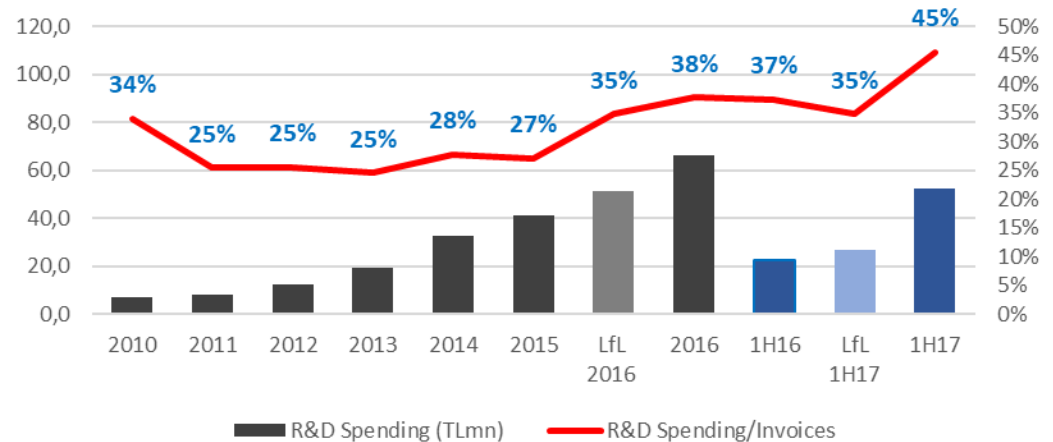


- Strong growth in recurring invoices continued in 1H and yielded a 79%y/y growth, making up 50% of total invoices.
- Recurring part of invoices excluding TotalSoft remained stable at 53%.
- LEM contract sales grew by an impressive 24% y/y and represented 40% of the total.
- Pay as you go revenues grew by 43 % y/y, constituting 21% of the total.
- Maintenance revenues with TotalSoft’s contribution represented 34% of total.
- Recurring SaaS sales represented 5% of total.

R&D Expenses(TLmn) - As % of IFRS Revenue

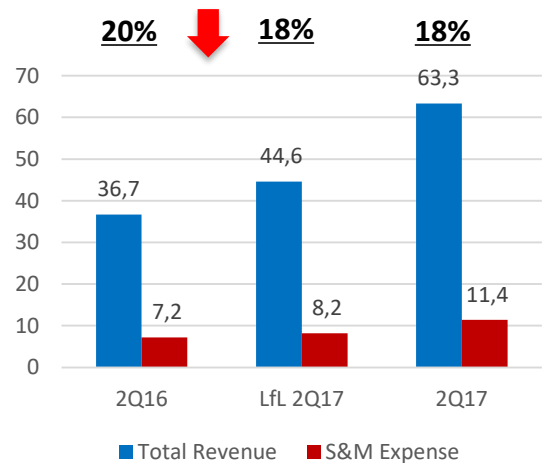


R&D Spending(TLmn) - As % of Invoices

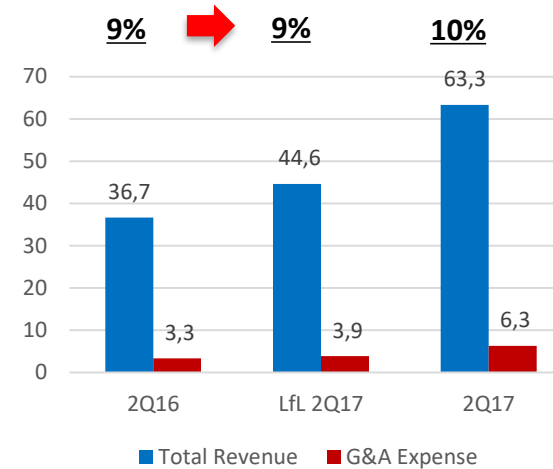


- Overall operating expenses increased by 101% y/y, as a result of the first time consolidation of TotalSoft with opex/IFRS revenue ratio rising from 56% in 1H16 to 70% in 1H17. LfL the increase was modest at 10%, with LfL opex/IFRS revenue ratio remaining stable at 57% (1H16: %56).
- R&D expenses increased by 140%y/y. TS' R&D and implementation team joined Logo's forces with 400 personnel. Thus the first time inclusion in 1H17 is the main reason for the major increase. On a LfL basis the increase is 13%, in line with year-end budget.
- R&D spending grew by %131 and its ratio to invoiced revenue was up from 37% to 45%. LfL R&D spend was up by %18 and its ratio to invoiced revenue went down from 37% to 35%.

S&M (TLmn) - As % of IFRS Revenue



G&A (TLmn) - As % of IFRS Revenue



- S&M expenses increased by 57% y/y, and S&M exp./ IFRS revenue ratio is 18% . TS' sales and marketing team joined Logo's forces with 33, and TS' S&M expenses include mostly personnel costs. On a LfL basis the increase is 13%. Provision reversals from 2016 had an impact on the level of 1H17 S&M expenses.
- G&A expenses increased by 90% y/y, LfL increase is 17%.

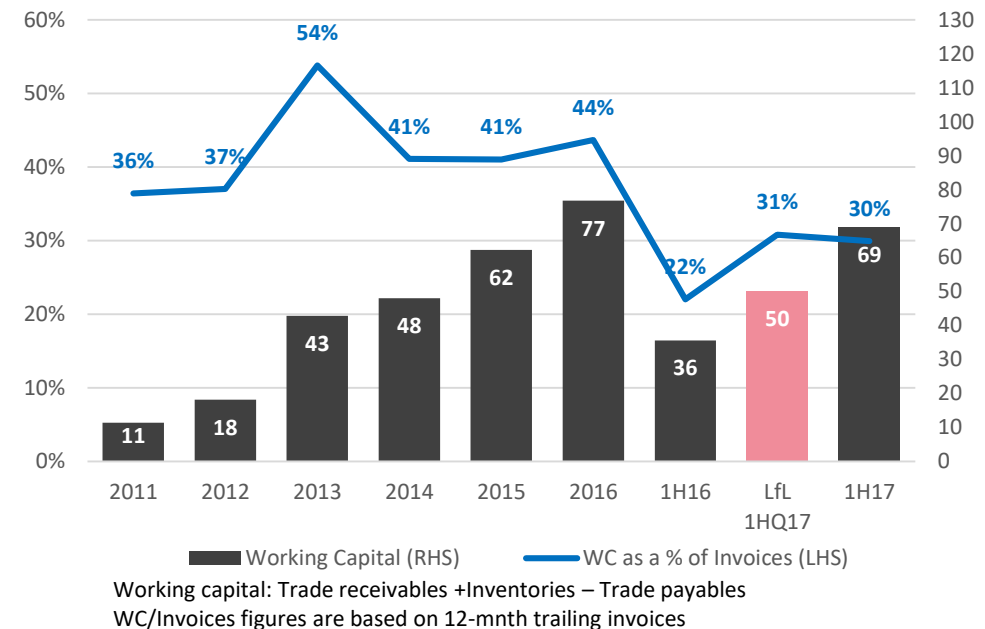
Balance Sheet Highlights (TLmn)

	2016	1H17	Δ
Cash & Cash Eq.	43,8	56,3	29%
Trade Receivables	92,9	81,3	-12%
Tangible Assets	19,0	19,5	3%
Intangible Assets*	161,7	171,0	6%
Other Assets	10,1	12,8	26%
Total Assets	327,5	340,9	4%
Total Liabilities	163,4	160,6	-2%
Total Shareholders' Equity	164,2	180,2	10%
Total Liabilities and Equity	327,5	340,9	4%
Shareholders Equity Ratio	0,50	0,53	6%
Current Ratio	0,94	1,47	57%
EPS**	1,87	1,57	-16%

* Includes goodwill

** Adjusted by the 2.77% Treasury shares

Working Capital (TLmn)



- Asset size grew by 65% from end-1H16 to end-1H17, largely as a result of the acquisition of TotalSoft for €30.2mn on September 2nd, 2016. Liquidity improved with higher cash generation and conversion of short-term debt to long-term. Net debt position of TL23mn at end-2016 is TL20mn as of 1H17 (TL18mn net cash together with 2.77% Treasury shares @Mcap).
- Excluding TotalSoft, working capital rose from 22% at end-1H16 to 31% at end-1H17. Increase in invoice revenue by 40% y/y in 2Q and the increase in credit card terms in Turkey from 9 months to 12 months in September 2016 are the main . Including TotalSoft, working capital stands at 30% of invoices as of end-1Q17.

Content

1H17 Operating Highlights

Financial Review

Questions & Answers



Thank you for joining us today

LOGO Investor Relations Team
T: +90 262 679 8000
E: investor@logo.com.tr

