



Ak Investment - Turkey Outlook Virtual Conference 2023 Presentation

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Disclaimer

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Logo at a glance



Enterprise
Application
Software (EAS)
Company



Local leader
in **Turkey** and
Romania



Active in India
through a JV



42%
IFRS revenue
CAGR
in 2012-2022



1.54 bn TL
2022
revenues



61%
Recurring
revenue base



Growing SaaS
business



Dedicated R&D
spending



1.500+
employees



47%
women
employees

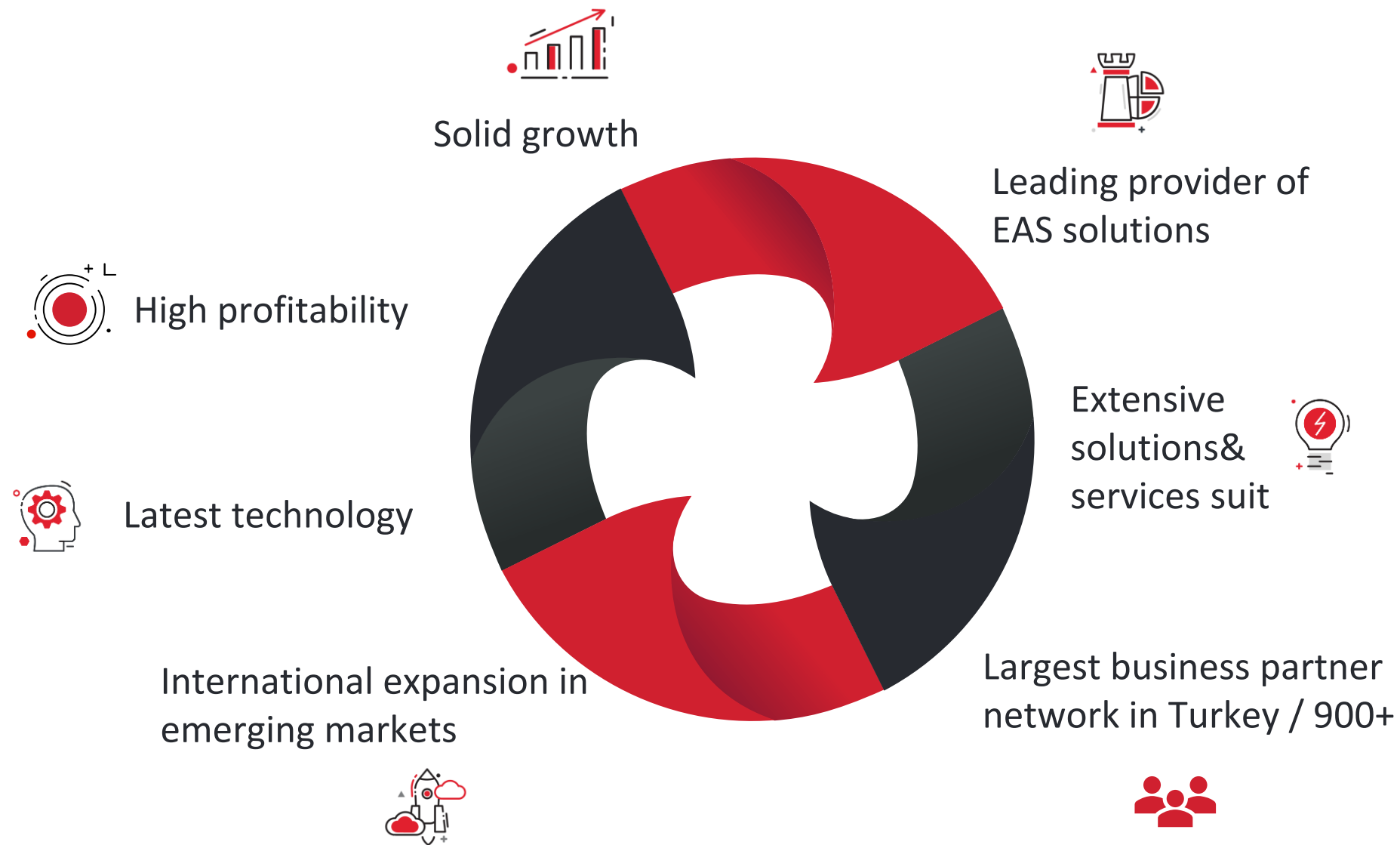


5.000+
people in
ecosystem

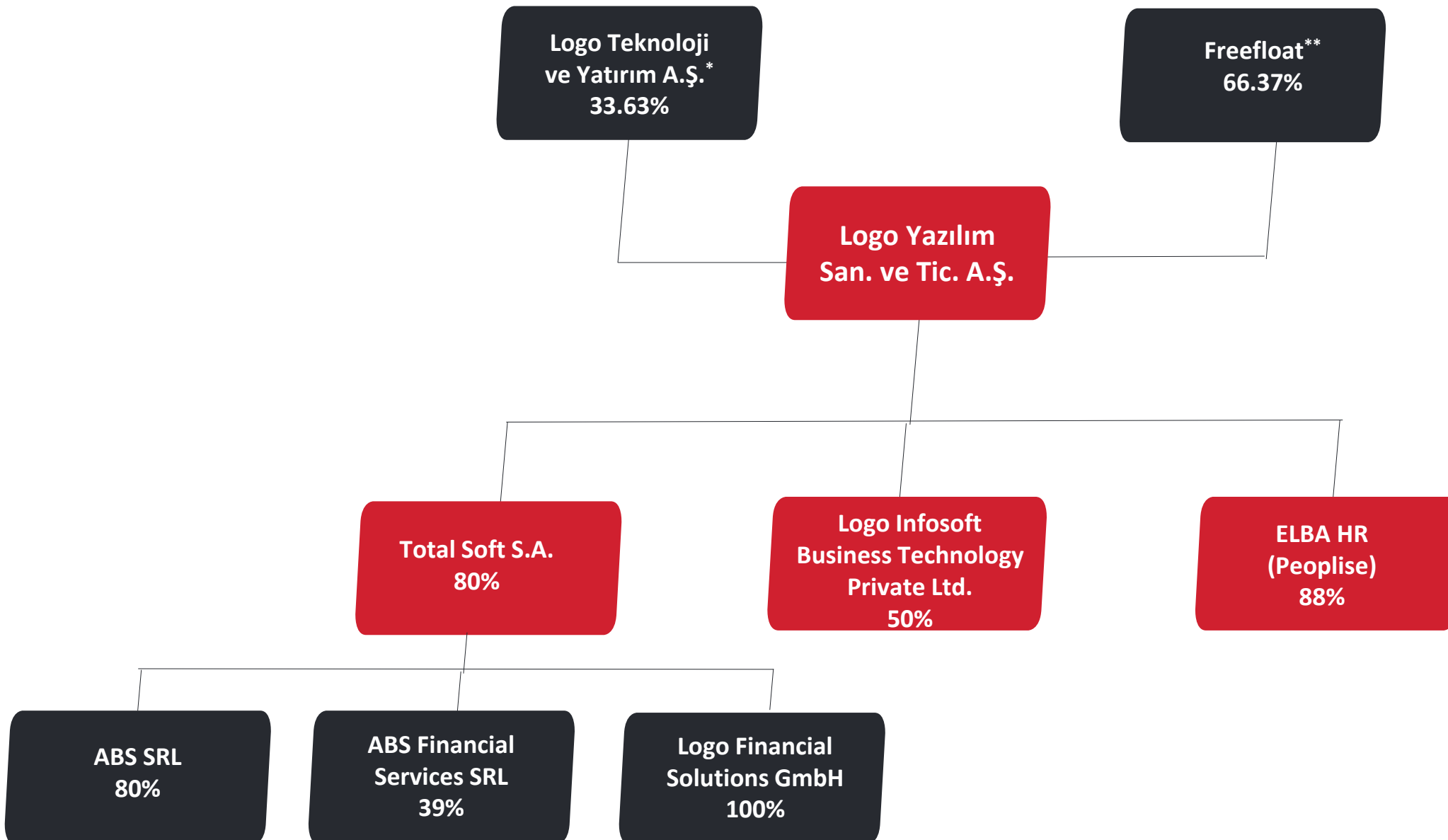


180.000+
Customers*

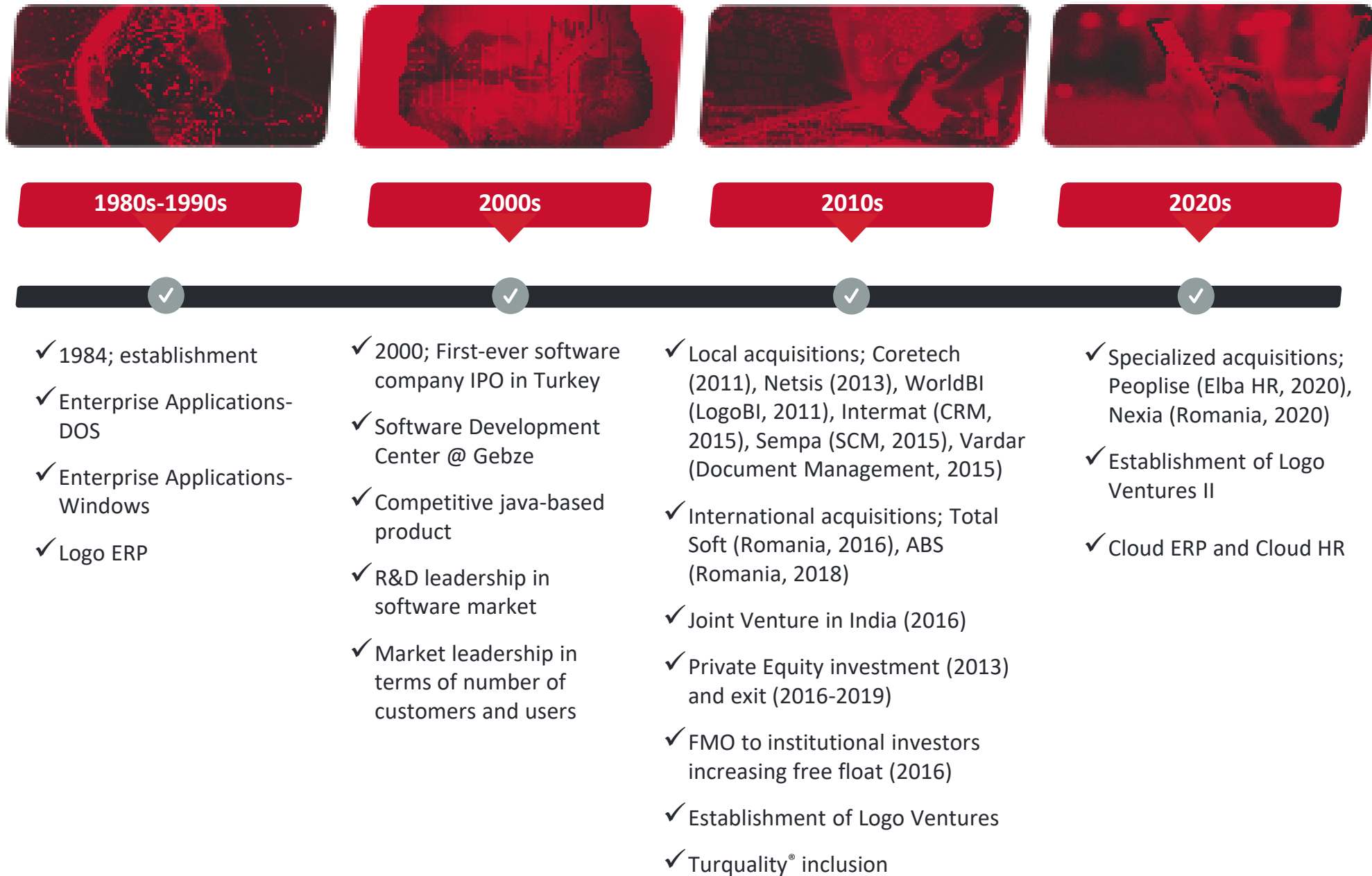
Key investment highlights



Shareholder structure

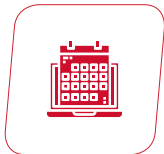
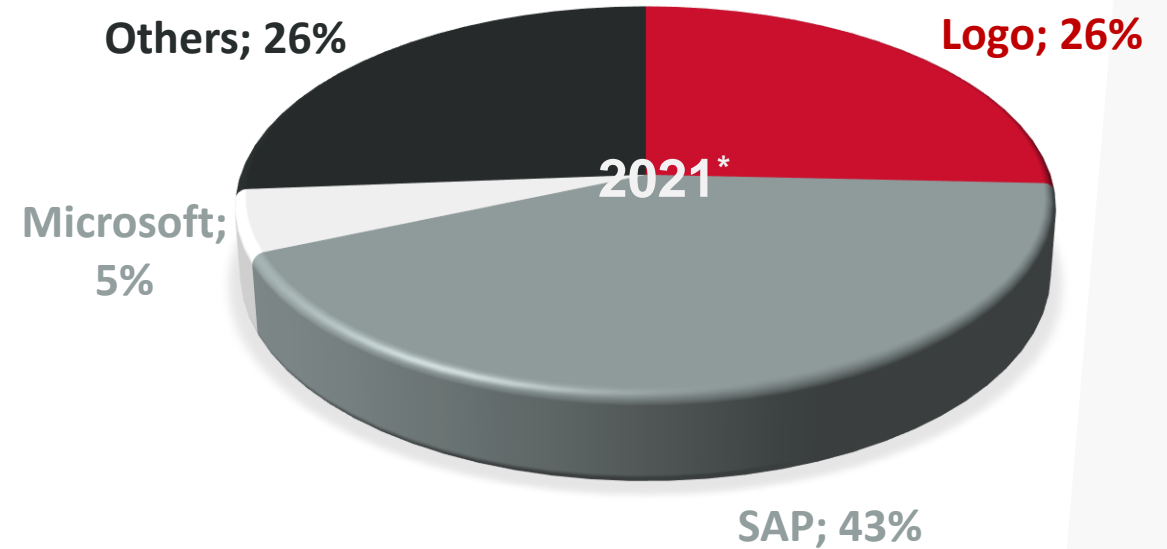
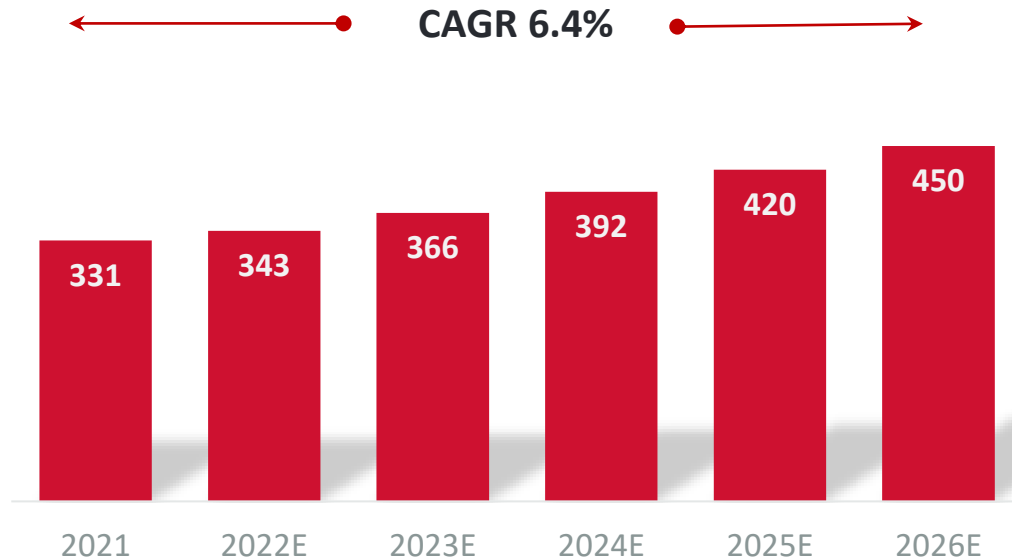


Logo milestones



Turkish EAS market and Logo market share

Turkish EAS market growth expectation* (\$mn)



SMEs lead software market growth



Government push for digitalisation



Lower ERP penetration compared to EU



Enterprise cloud adoption will be on the rise and big data will be one of the fastest growing fields

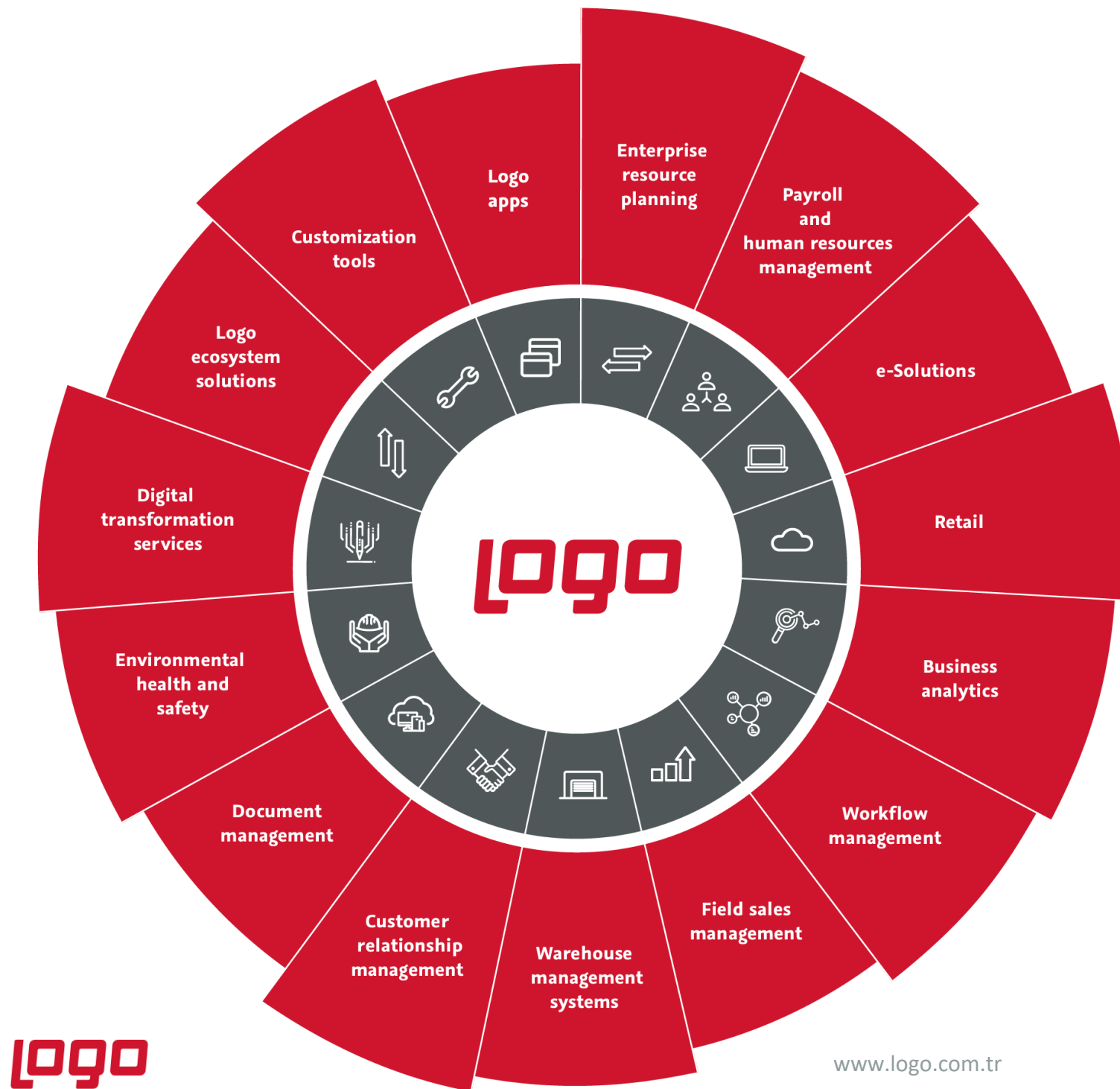


Potential pricing upside



Digitalization becoming more of an obligation than choice post Covid

Extensive product suite



60+ solutions

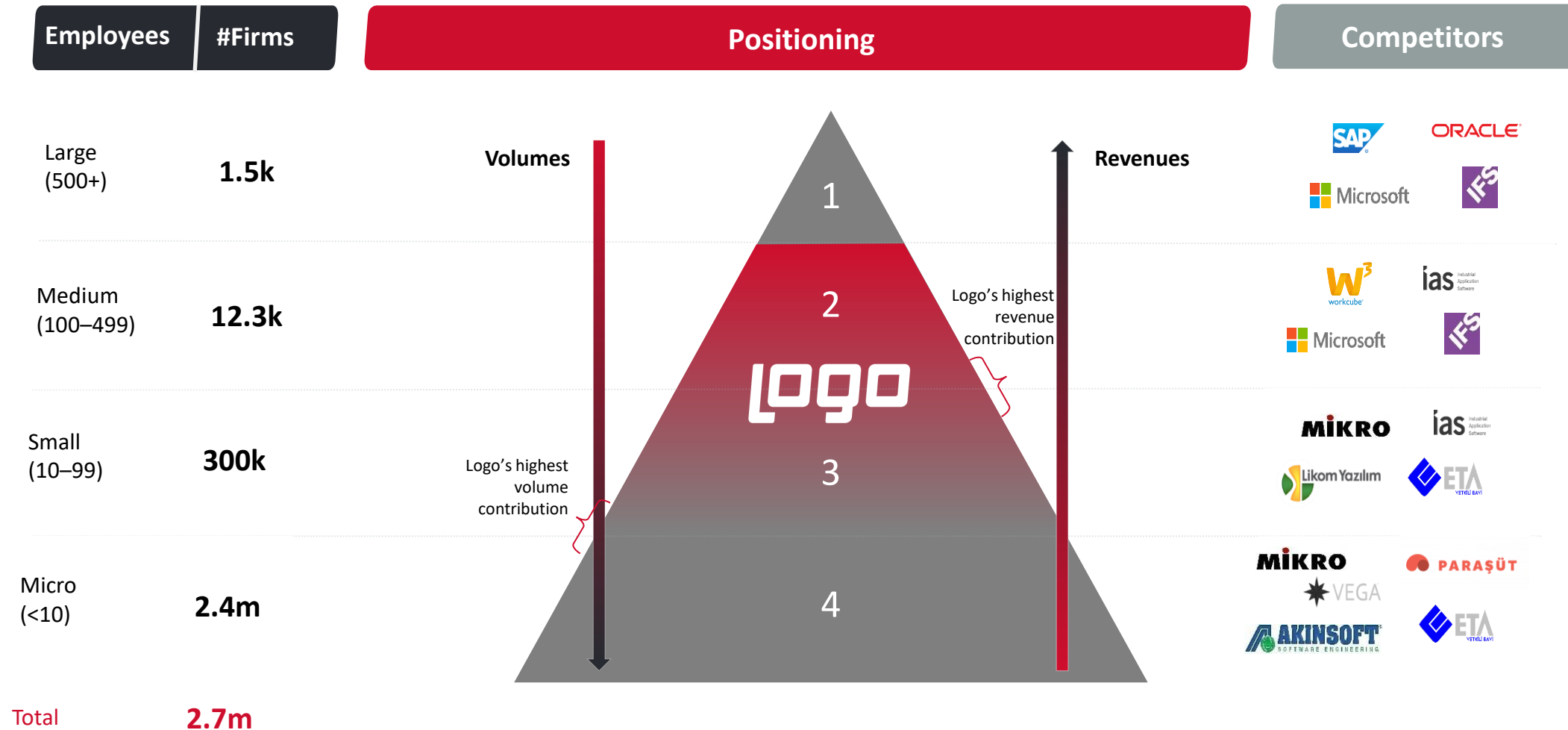


One-stop-shop for
companies of all sizes



35+ years of
experience

Logo Turkey's product portfolio from micro to large corporates



1

- Higher presence of large incumbents that do not have SME tailored products
- Low volume, high penetration region

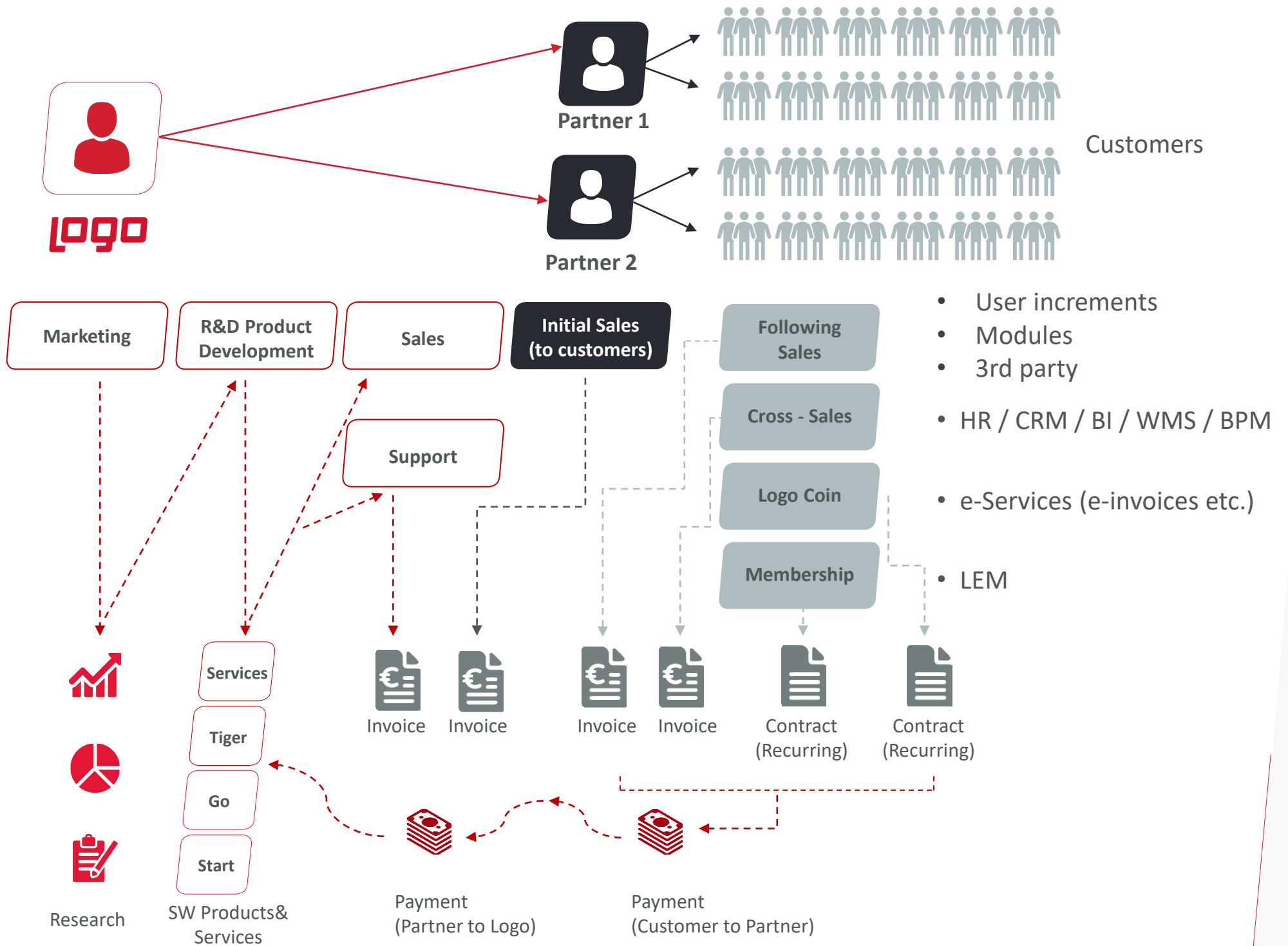
2-3

- Market leadership with highest number of customers in Turkey
- Tailored SME products with local know-how

4

- High growth potential area
- Next largest competitor is a local Turkish player with c. 1/5th of Logo's market share by revenue

Logo Turkey sales cycle



Competitive advantages of Logo Turkey

1

Robust product suite

- Best suited to local market legislations and business practices
- Lower total cost of ownership
- Attractive price point, simple maintenance and easy implementation
- Best-in-class technology and adaptive to trends

2

Extensive distribution network

- Large network of 900+ BPs and c. 5,000 sales and implementation team members
- All BPs exclusively sell Logo software products creating high barriers of entry
- 50% of BPs have tenure longer than 10 years
- No BP with over 1-2% of sales

3

Strong brand

- Trusted brand with > 35yrs of presence
- Positive perception of Logo products across the board
- Cross-sell and upsell opportunities
- Strong advocates of Logo products

Appeals to customer base

Rapid growth in total & recurring revenues

Increased opportunity to cross-sell

Low churn

Economies of scale

Major recurring revenue streams of Logo Turkey

LEM – Logo Enterprise Membership



License
maintenance



4,011
new features
added in 2022

40%
Revenue CAGR
in 2017-2022

 Version
releases
 New features
 Regulatory
changes

33%
share in
recurring
revenues in
2022


7 version
releases in
2022

Pay as you go – Logo coins

Market
leader in
e-government
solutions



135,000
Customers


e-Invoice
e-Archive
e-Ledger
e-Dispatch

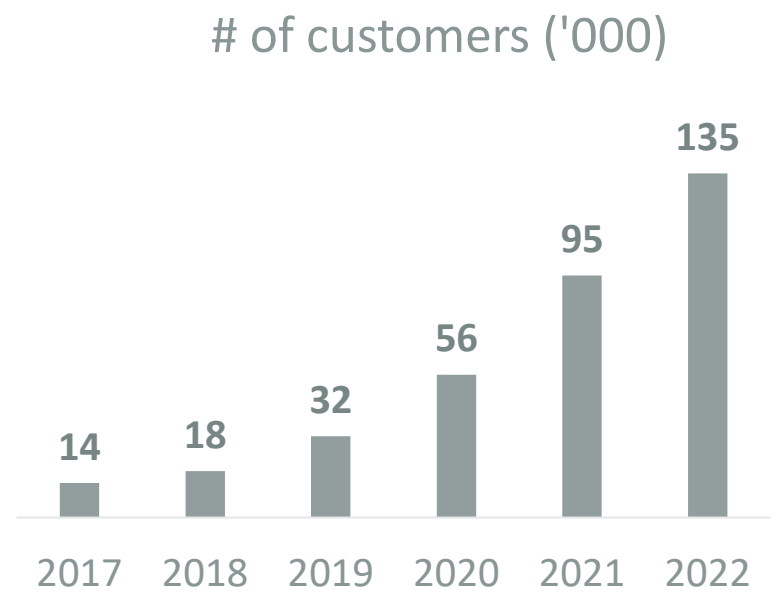
63%
Logo coin
revenue CAGR
in 2017-2022

32%
share in
recurring
revenues in
2022

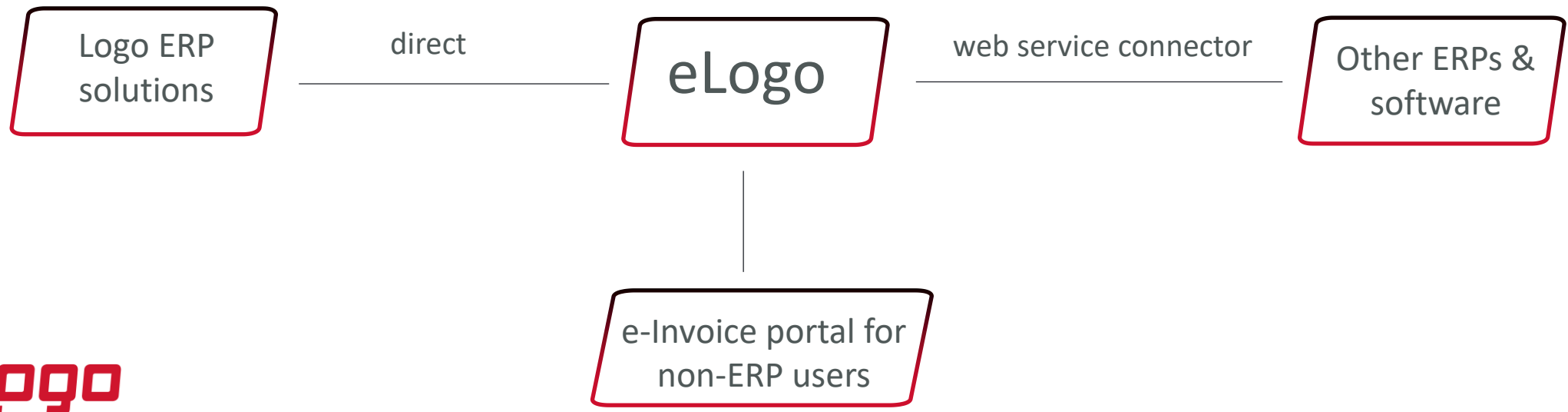
51%
coin usage
CAGR
in 2017-2022

eLogo: e-Services platform and leader in digital transformation

Market leader in e-government solutions; e-Invoice, e-Archive, e-Ledger, e-Dispatch with 135K customers

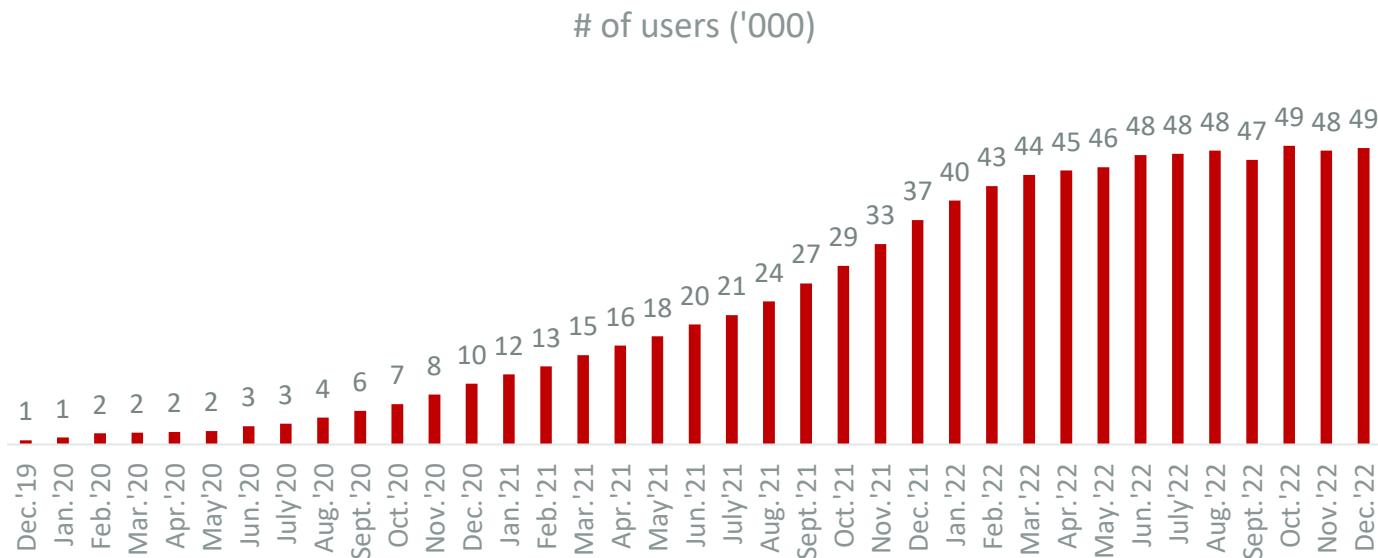


- ✓ **High-quality customer service** in addition to **superior tech infrastructure** differentiates eLogo in a very competitive market
- ✓ **Recurring revenues** (coins) make up **86%** of e-service division's invoiced revenues in 2022, and the remaining 14% is one-time revenues and comprises of module and other sales
- ✓ **63% coin revenue CAGR** between 2017-2022
- ✓ **Coin revenues** has a **32% share** in consolidated recurring revenues in 2022



Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering basic accounting software and e-invoicing services



User growth: 32% y/y

ARPU*: 366 TL

LTV/CAC**: 8

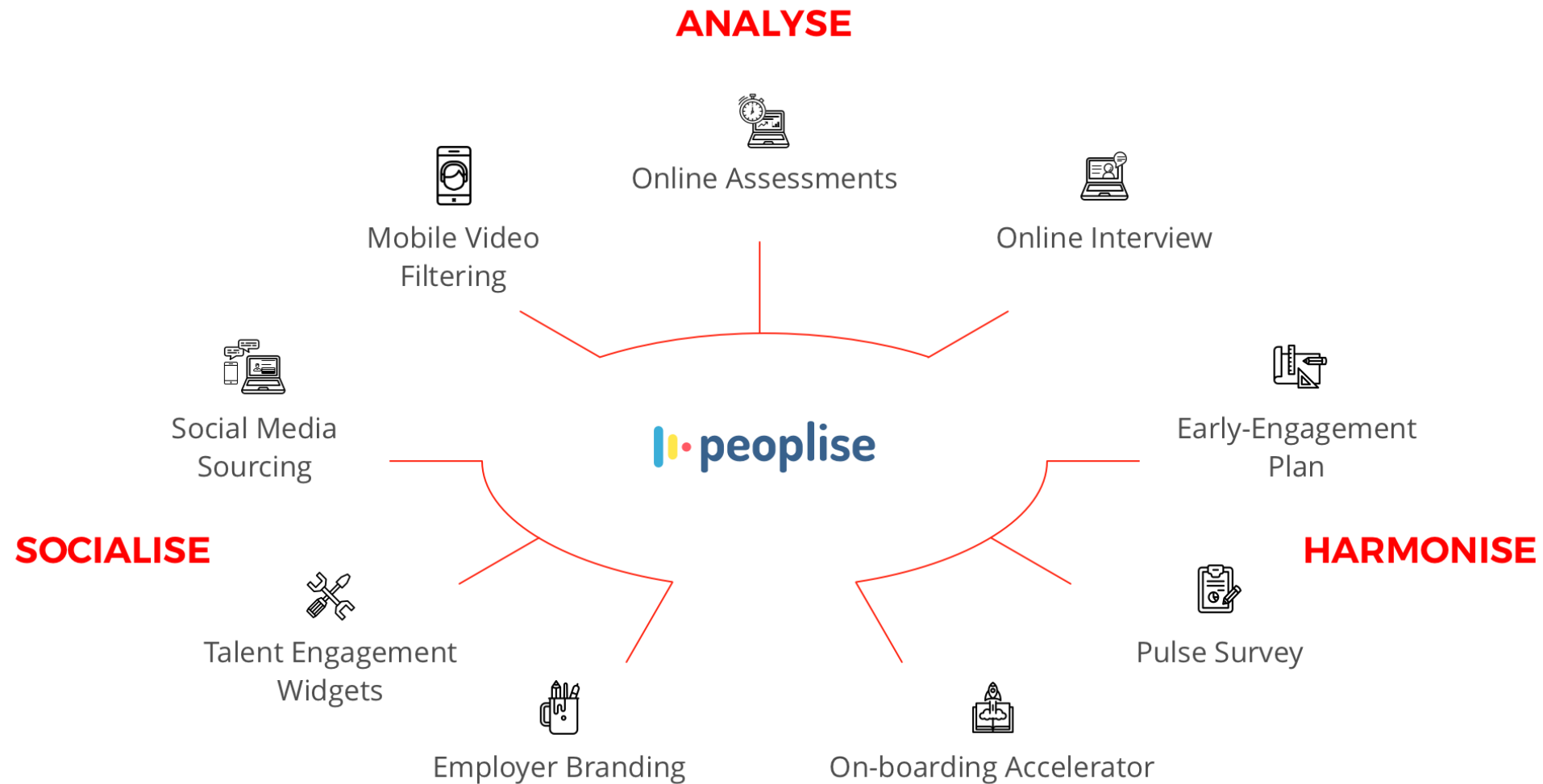
Competitive advantages:

- Logo as the **leading e-invoice provider** of Turkey, differentiates itself with high service quality
- **Value creation on digital platform:** connecting revenue administration, financial institutions, customers, trade partners and e-commerce sites
- Quick and easy upgradability to a larger ERP solution

- Strong brand-name
 - Strategic partnerships
 - Key account management
- high LTV/CAC

Peoplise: next generation talent acquisition

SaaS solution for recruitment, on-boarding and talent engagement needs of enterprises



Research and Development

Meeting new user generation's expectations & Customer centric design

Evolving from content richness approach to usability and accessibility approach

Mobile and web usage

Compliance with e-gov't processes



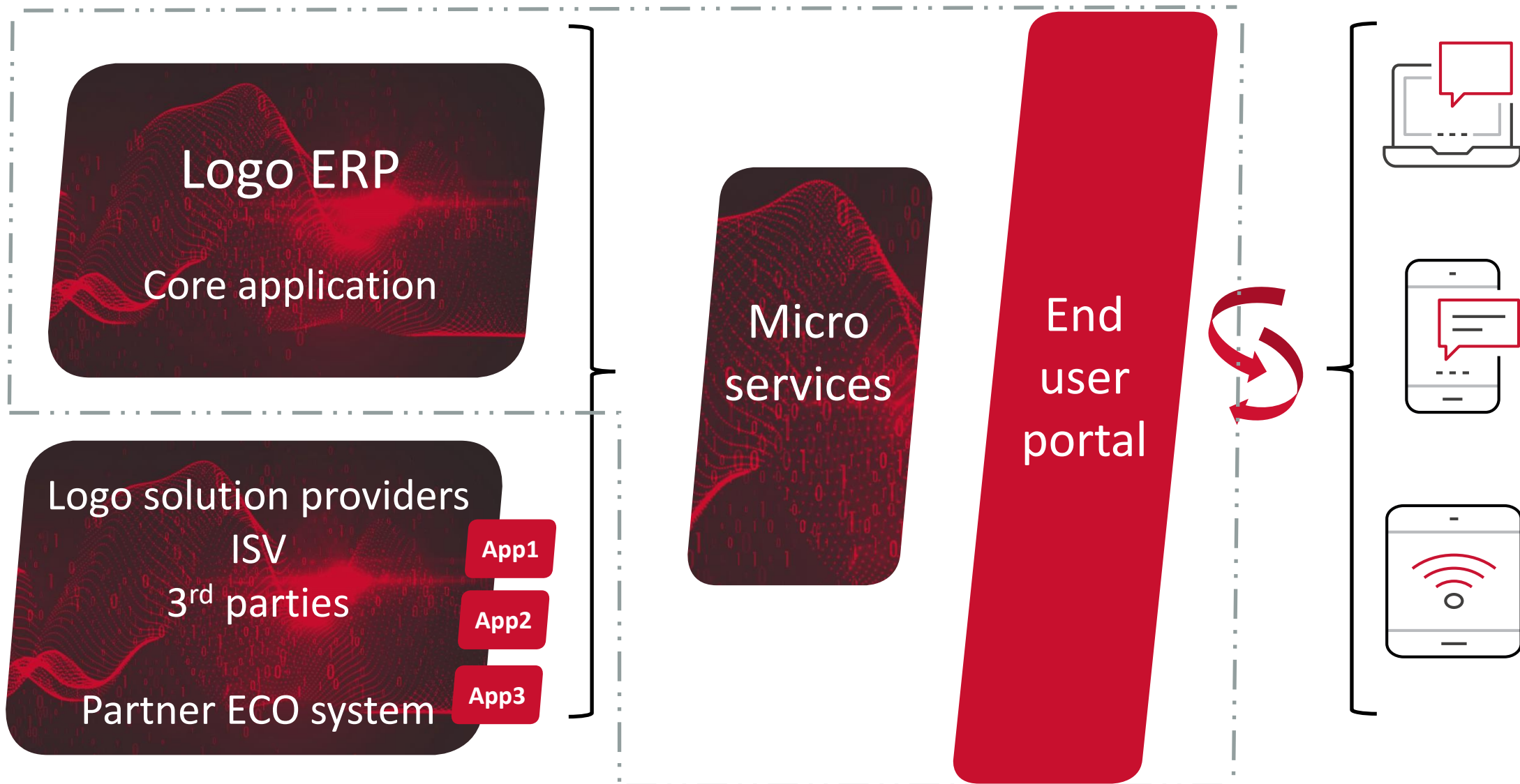
Machine Learning enabled documentation and i18n

aPaas for ERP Services

All products with the same design approach, and on one platform

Logo Cloud Portal


Software ecosystem on cloud infrastructure; enabling all Logo business partners and solutions partners to develop products that work in sync with core ERP





Micro services include data, menu, management, notification, reporting, monitoring, measurement, log, billing services etc.

Logo Total Soft - Romania




25 years of
experience


Over 800 clients


Expertise in business
application software
development &
implementation across various
industries

Competitive advantages of Logo Total Soft

1 Robust product suite & superior service quality

- Charisma Business Suite; core being ERP and Human Capital Management (HCM)
- Focus on 8 verticals at the second layer; Financial Services, Healthcare and Agriculture standing out
- Innovation and technology present in all product and services

2 Strong brand

- Trusted brand with >25 yrs of presence
- 1st place in Romanian ERP providers
- Human Capital and Healthcare solutions expanded through CEE
- One of Top 10 Global Leasing and Credit solutions
- Member Firm of Global Retail Consulting, Ebeltoft

3 Project management know-how

- Development of best of breed solutions together w/ vertical leaders
- Project implementation experience in 35 countries
- Know-how, innovation and project management capabilities strengthened with ABS acquisition in 2018
- High-quality developers dedicated to project development

Appeals to medium and large sized local and international client base

Well-positioned to increase international sales

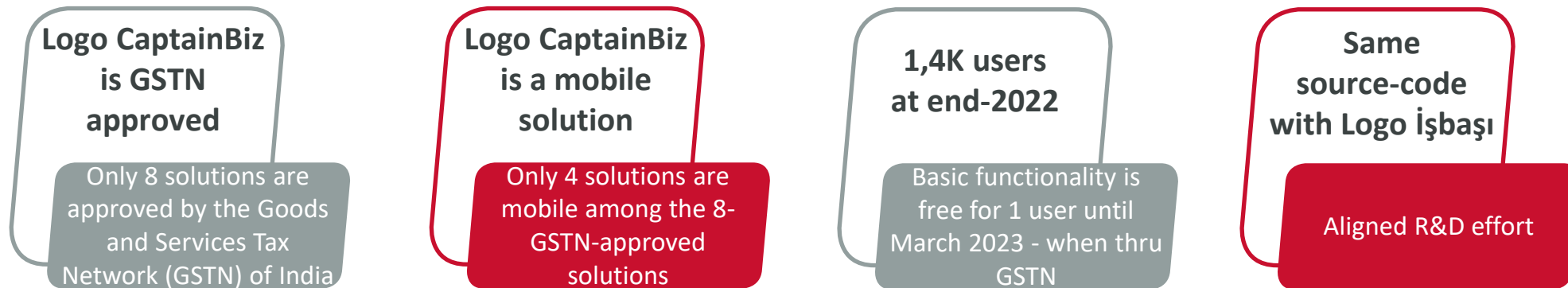
Client centric organization and business model

Competitive positioning in home market

Sustainable competitive advantages in multiple verticals

MicroSME digitalization - India

CaptainBiz: pre-accounting and e-invoicing services with in-built GSTN compliance



- ✓ SaaS solution **Logo** CaptainBiz; final product with enhanced features rebranded and launched in 2020
- ✓ Ready-to-use software combined with user-friendly design and mobile accessibility offers an effortless digitalization experience for microSMEs
- ✓ Total **investment** by Logo as of end-2022 is **\$6.45 million** since JV's foundation at end-2016;
 - \$2.15 mn equity
 - \$4.30 mn long-term equity convertible

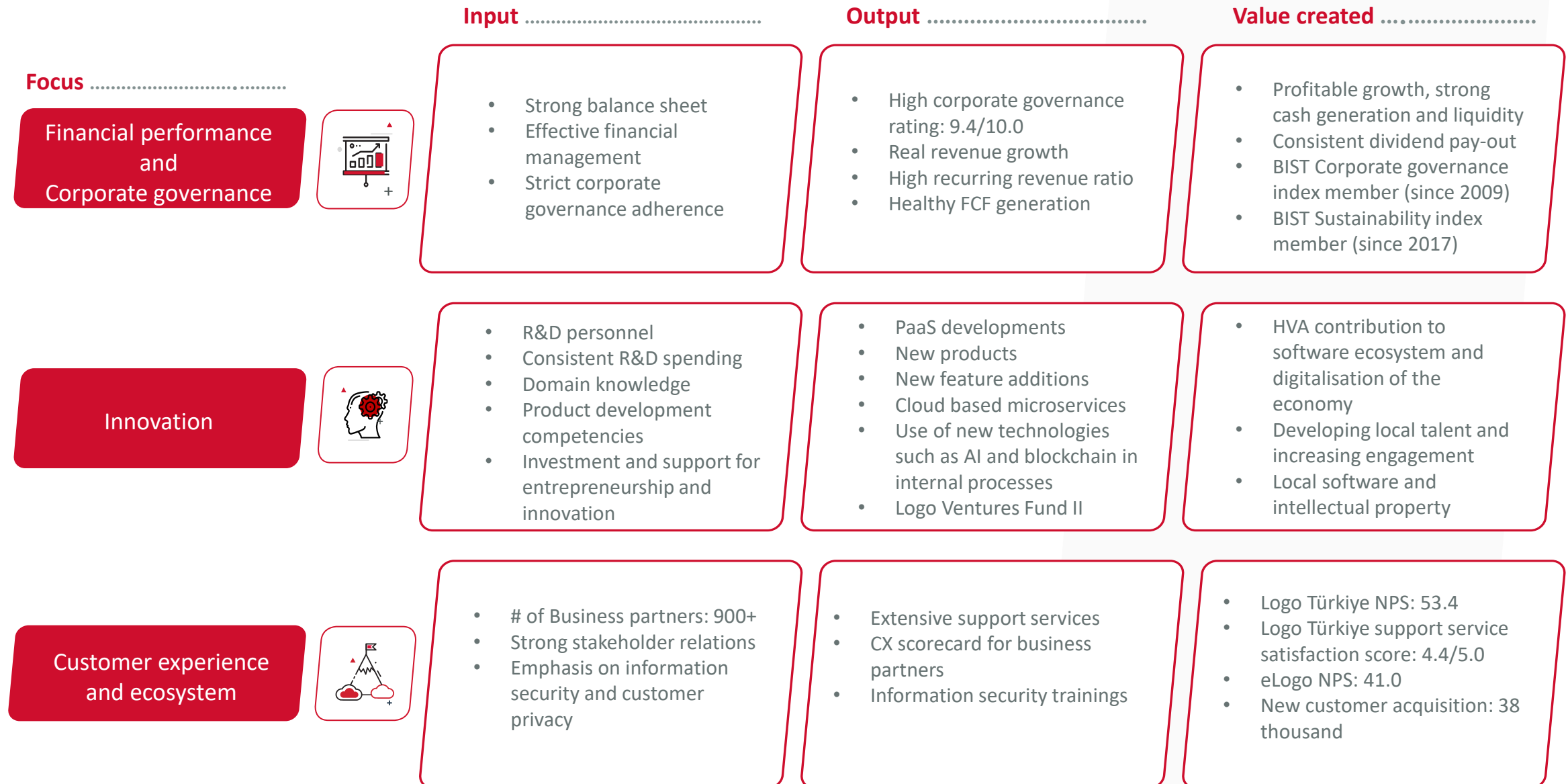


LOGO

2022 results

Logo's value creation

Integrated approach with stakeholder focus



Logo's value creation

Integrated approach with stakeholder focus

Focus

Employee experience



Input

- # of total employees*: 1.507
- Gender equality and women empowerment related projects
- Logo Academy's learning and development activities
- # of interns within LOG-in internship programs: 166

Output

- Women employee* ratio: 47%
- Women in executive management: 50%
- Training hours per employee: 32
- Recruitment from LOG-in internship program: 48 PT and 22FT

Value created

- Logo Türkiye employee engagement score: 83%
- Logo Türkiye winning "great place to work" certificate for 2022
- Loyalty index: 87%
- EVP index: 86%
- Wellbeing index: 88%

Social impact



- Corporate social responsibility investments
- Investment and support for entrepreneurship and innovation
- Logo Academy's product and solutions' investments, and partnerships with universities

- # of students impacted by 'Dream Coders' project: 2,000+
- Donations
- Logo Ventures Fund II
- # of universities using Logo ERP for their curriculum: 133

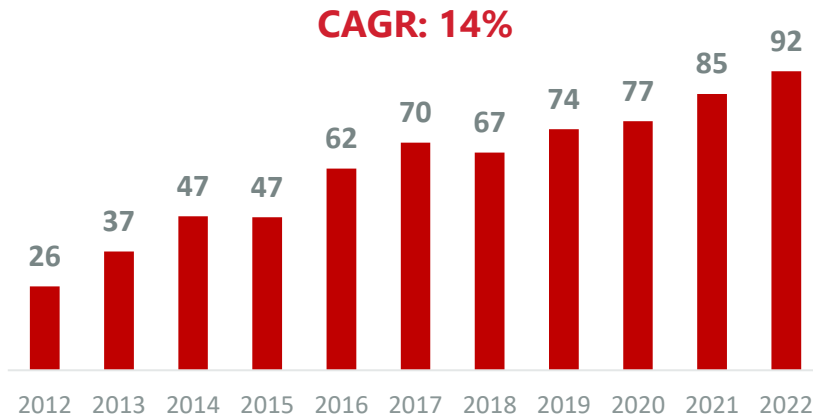
- Contribution to informatics ecosystem
- Developing local talent and increasing engagement
- Contribution to decrease income and digital inequality
- Brand reputation

Sustainable and profitable growth

Consolidated

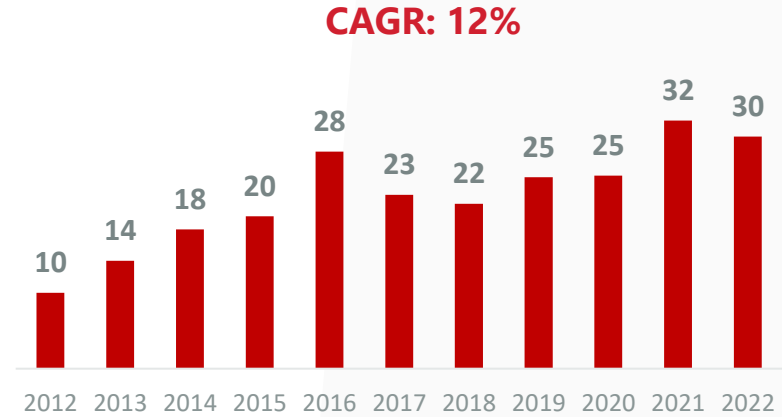
Revenues

USD mn



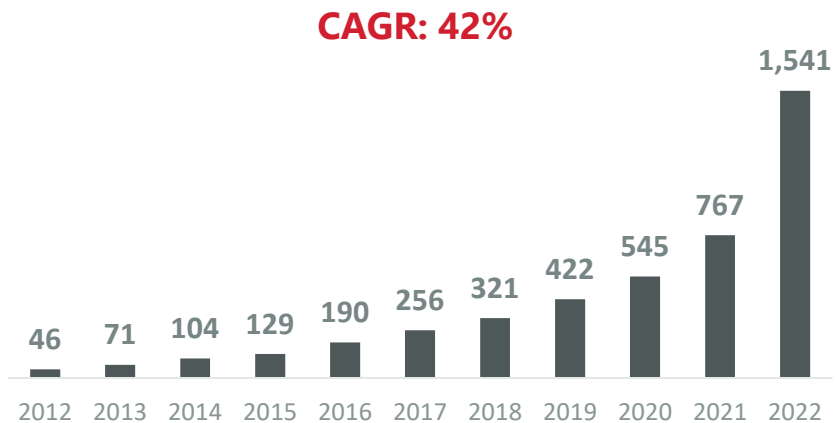
EBITDA

USD mn



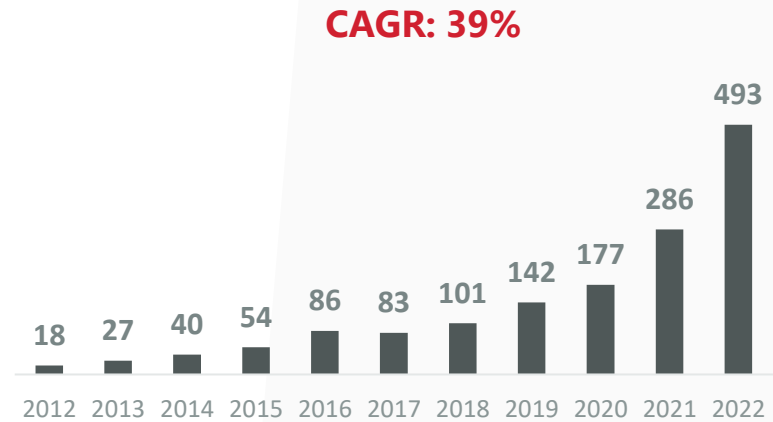
Revenues

TL mn



EBITDA

TL mn



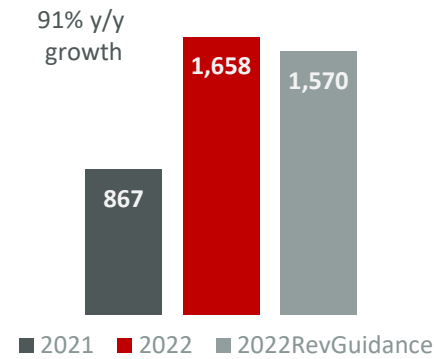
2022: Sustained resilience

Exceeded revised targets

Consolidated

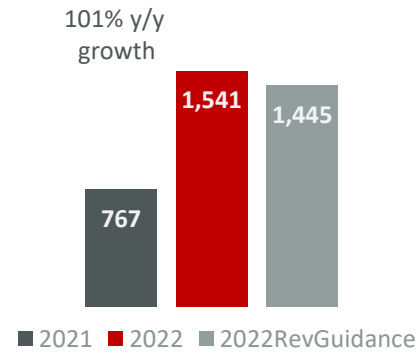
Invoiced revenues

TL mn



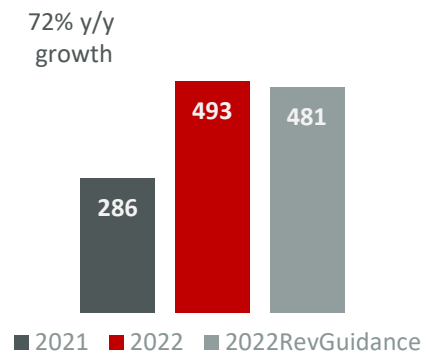
Revenues

TL mn



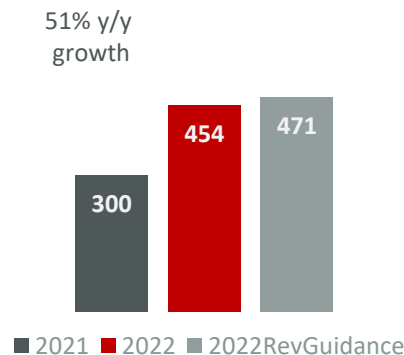
EBITDA

TL mn



EBT

TL mn



Positive business momentum and strong pricing

Logo Türkiye

- Strong IFRS and invoiced revenue growth y/y in TL and USD eqv.
- Strong one-time and recurring revenue growth
- Strong cloud revenue growth
- Large and loyal customer base enhanced with new customer gains

Logo Total Soft (Romania)

- 27% euro- based sales growth y/y
- Very strong one-time license sales and project implementation revenues
- Taking part in the digitization projects of the public sector, offering additional growth avenue for the coming years

Logo Infosoft (India)

- Implementing organizational and marketing strategy changes to ensure paying customer traction in 2023
- Ranked within top software for billing and invoicing applications in major software comparison sites
- Tapping the talent pool to create synergies among cloud offerings

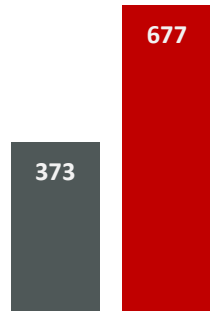
Q422 figures

Consolidated

Invoiced revenues

TL mn

81% y/y
growth

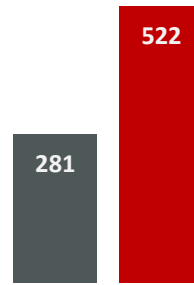


■ Q421 ■ Q422

Revenues

TL mn

86% y/y
growth

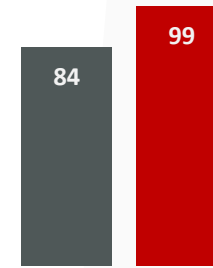


■ Q421 ■ Q422

EBITDA

TL mn

19% y/y
growth

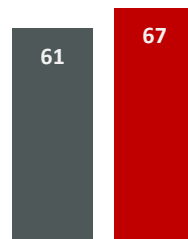


■ Q421 ■ Q422

EBIT

TL mn

10% y/y
growth

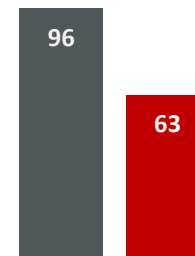


■ Q421 ■ Q422

EBT*

TL mn

-35% y/y
growth



■ Q421 ■ Q422

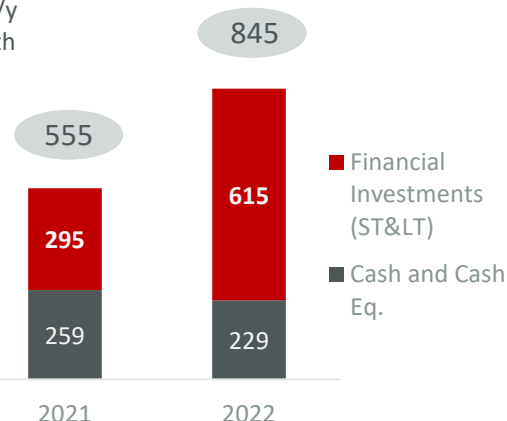
Effective financial management and strong balance sheet

Consolidated

High liquidity

TL mn

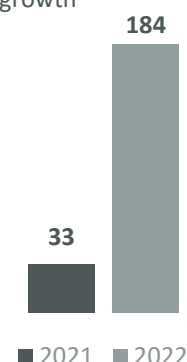
52% y/y growth



Strong FCF

TL mn

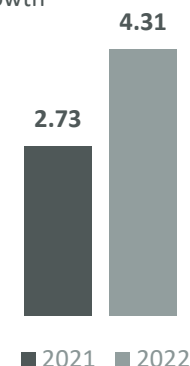
450% y/y growth



EPS* growth

TL mn

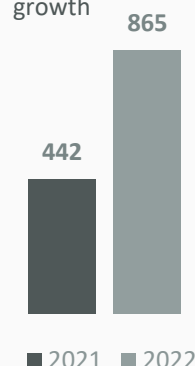
58% y/y growth



Net cash**

TL mn

96% y/y growth



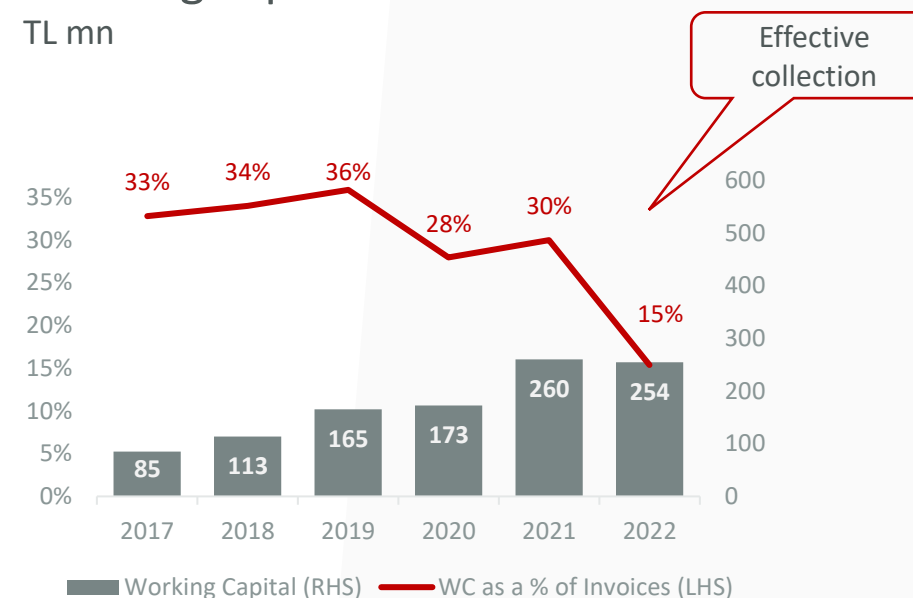
Balance sheet highlights

TL mn

	2021	2022	Δ
Cash & Cash Eq.	259.4	229.2	-12%
Trade Receivables	333.7	387.4	16%
Tangible Assets	21.0	46.5	122%
Intangible Assets ***	759.2	1,102.8	45%
Other Assets	434.2	900.9	107%
Total Assets	1,807.5	2,666.9	48%
Total Liabilities	974.0	1,468.0	51%
Total Shareholders' Equity	833.5	1,198.8	44%
Total Liabilities and Equity	1,807.5	2,666.9	48%
Shareholders Equity Ratio	0.46	0.45	-3%
Current Ratio	1.07	0.91	-15%

Working capital

TL mn



Working capital: Trade receivables + Inventories – Trade payables
WC/Invoices figures are based on 12-mnth trailing invoices

*Adjusted by 3.61% treasury shares (2021: 3.22%).

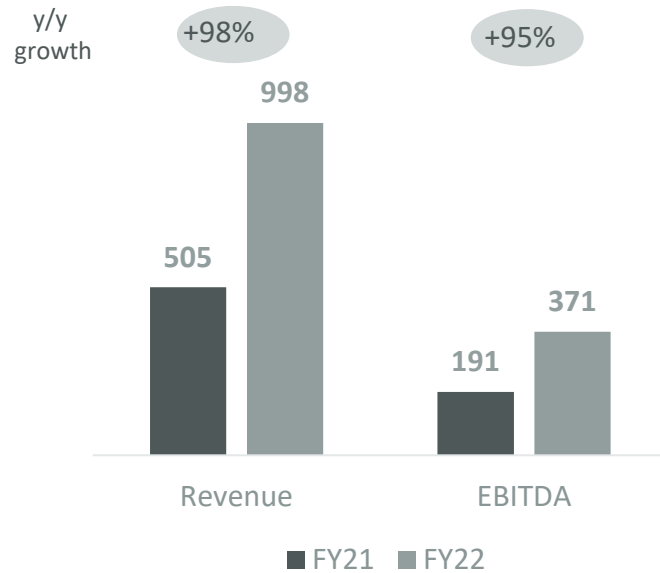
**Net cash excluding IFRS 16 impact of 22.1 TL mn (2021: 19.9 TL mn), including treasury shares @mcap at end of period and long-term financial investments.

*** Includes goodwill.

Logo Türkiye: Strong and profitable real growth

Logo Türkiye

TL mn

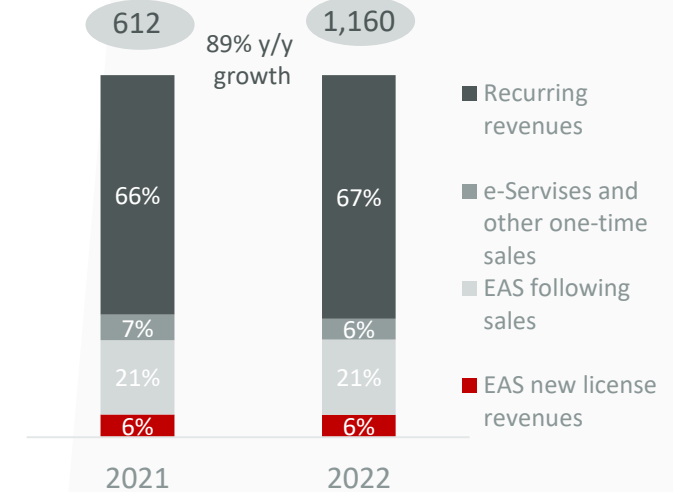


- Strong one-time and recurring revenue growth
- One-time sales driven by new license sales, and following sales to existing customers in EAS* segment with 88% and 91% y/y growth, respectively
- 2022 EBITDA margin: 37%

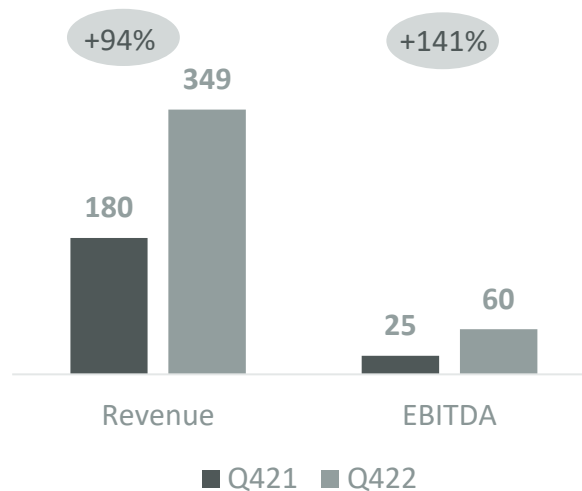
Logo Türkiye

Invoiced revenues

TL mn



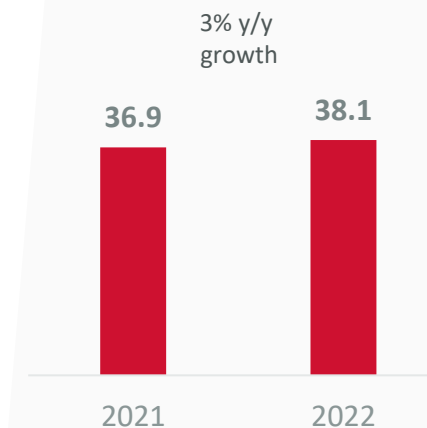
y/y growth



- Large and loyal customer base further strengthened with new customer gains
- 38.1 thousand new customer additions in total

Logo Türkiye

Total new customer acquisition ('000)

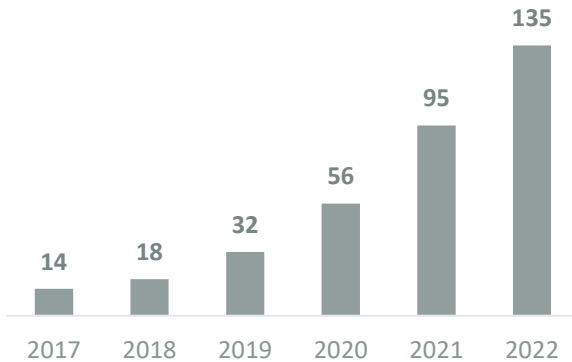


eLogo: e-Service platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 135K customers

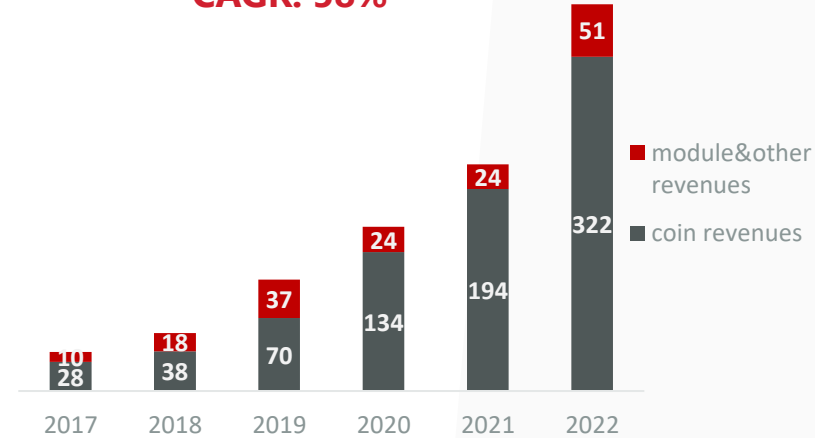
of customers
(‘000)

CAGR: 58%



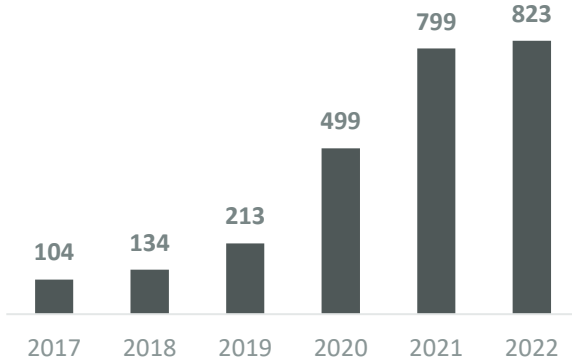
Invoiced revenues
(TL mn)

CAGR: 58%



Coin usage
(‘000,000)

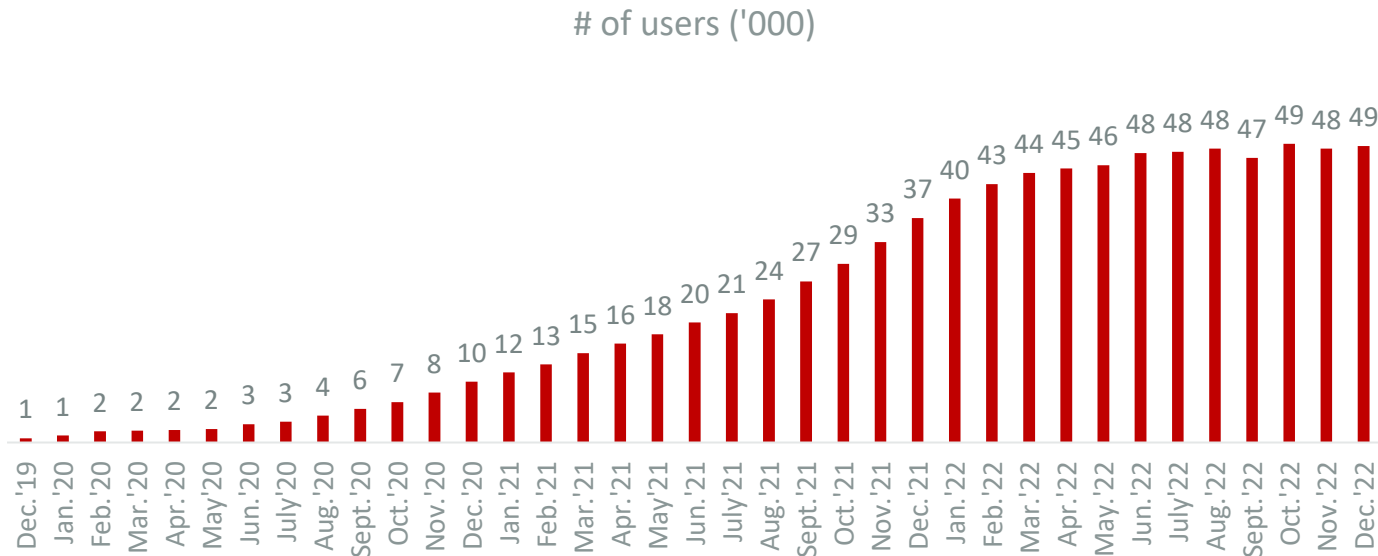
CAGR: 51%



- Active customers reached 135 thousand with 42% y/y growth
- New customer additions reached 40K in 2022 with an increase of 3% y/y
- Recurring revenue growth of 65% y/y with 5yr CAGR of 63%
- 86% recurring revenue base comprising of coin revenues, signaling strong recurring revenue growth potential going forward

Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering basic accounting software and e-invoicing services



User growth: 32% y/y

ARPU*: 366 TL

LTV/CAC**: 8

Competitive advantages:

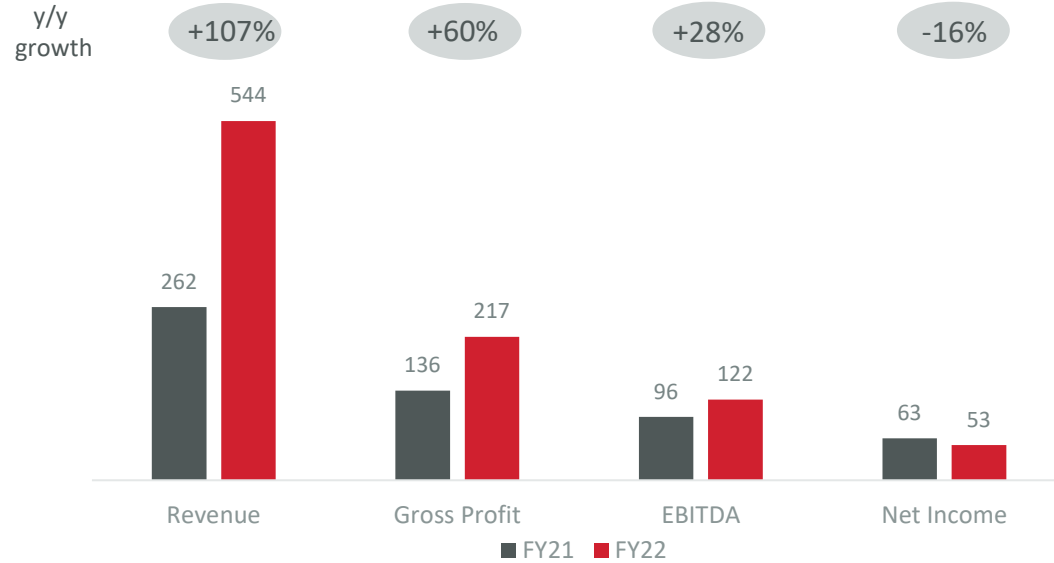
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- Value creation on digital platform:** connecting revenue administration, financial institutions, customers, trade partners and e-commerce sites
- Quick and easy upgradability to a larger ERP solution

- Strong brand-name
 - Strategic partnerships
 - Key account management
- high LTV/CAC

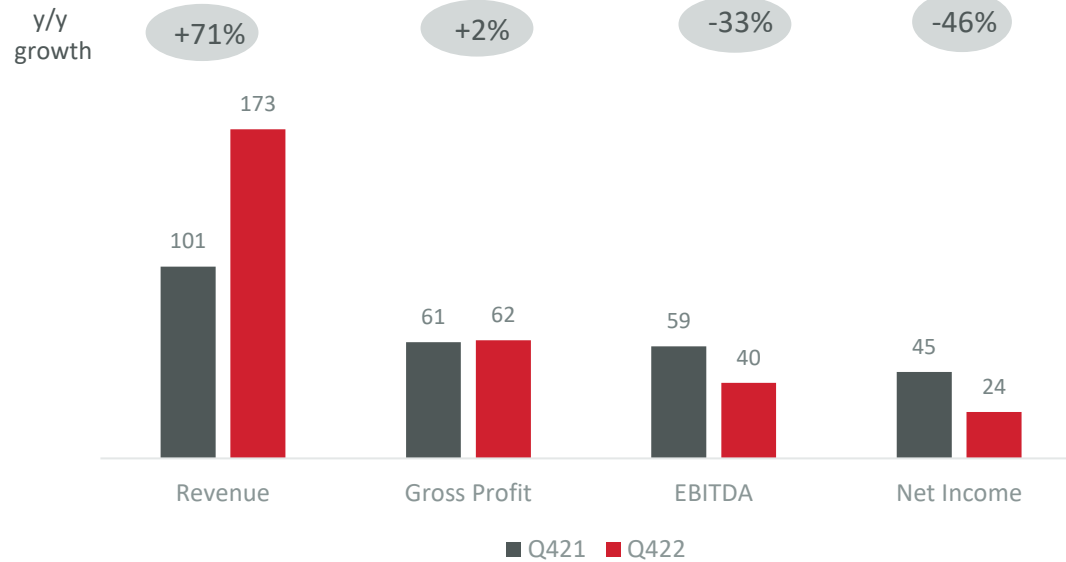
Strong growth and sustainable profitability at Total Soft

Total Soft

TL mn



- 2021 offers a high base across the board due to strong project additions recorded in Q421.
- 2022 margins were impacted negatively by interim wage adjustment due to inflation and the impact of a new large project with low profitability in the initial stage.



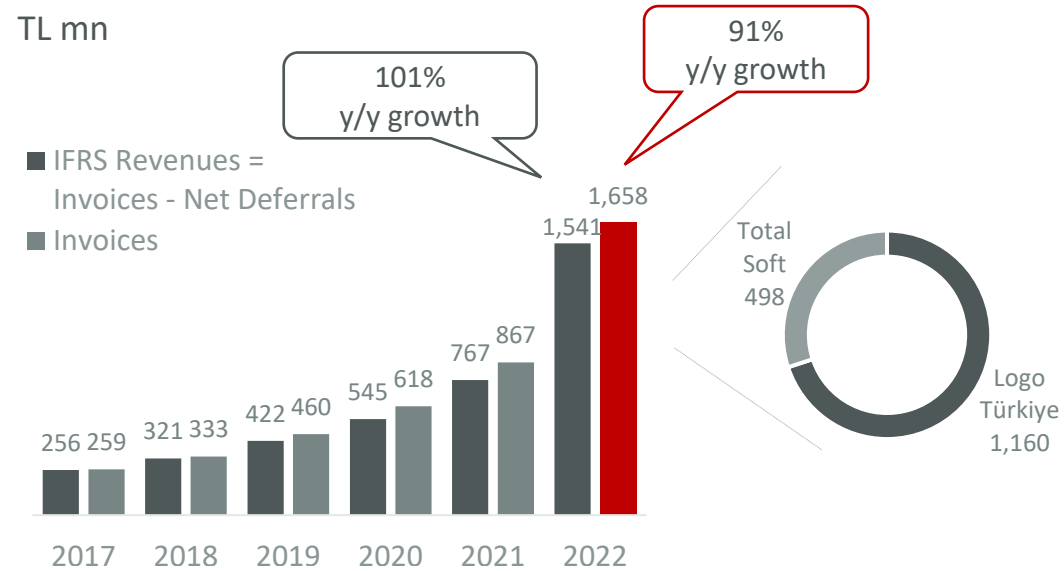
- Euro revenue growth was 27% y/y
- Gross profit is up by 60% yielding a 40% gross margin
- EBITDA went up by 28%, yielding 22% margin.
- 2022 net income margin was 10%. 2021 offers a high-base with 9,2 TL mn one-off income in relation to the payment received as per the share purchase agreement dated September 2nd, 2016

Invoiced Revenue vs IFRS Revenue

Consolidated

Invoices & IFRS Revenues

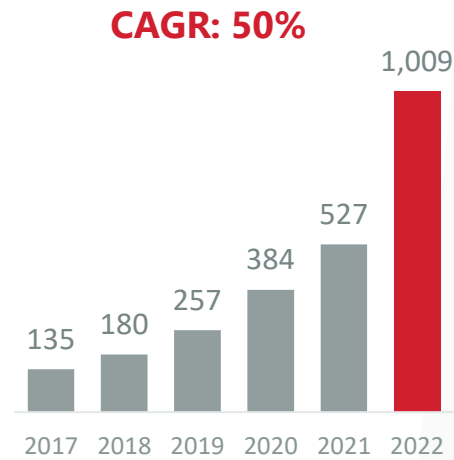
TL mn



Recurring Revenue Growth Ensuring Predictability

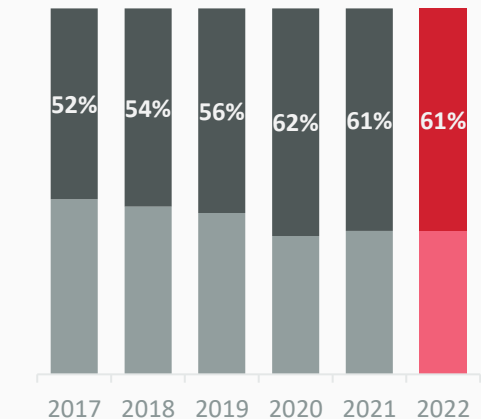
Recurring Invoices

TL mn



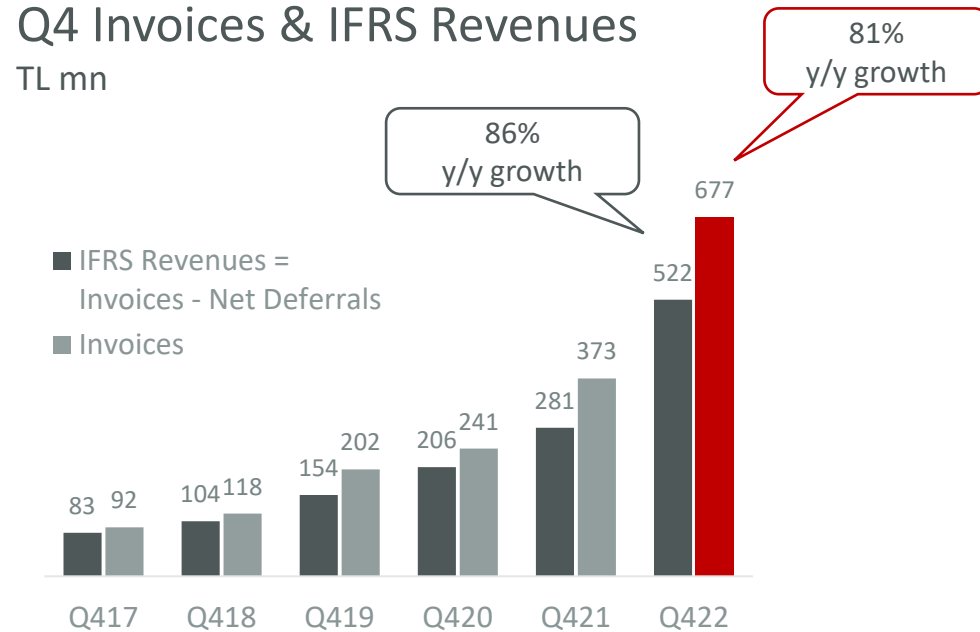
Recurring Invoices/Invoices

%



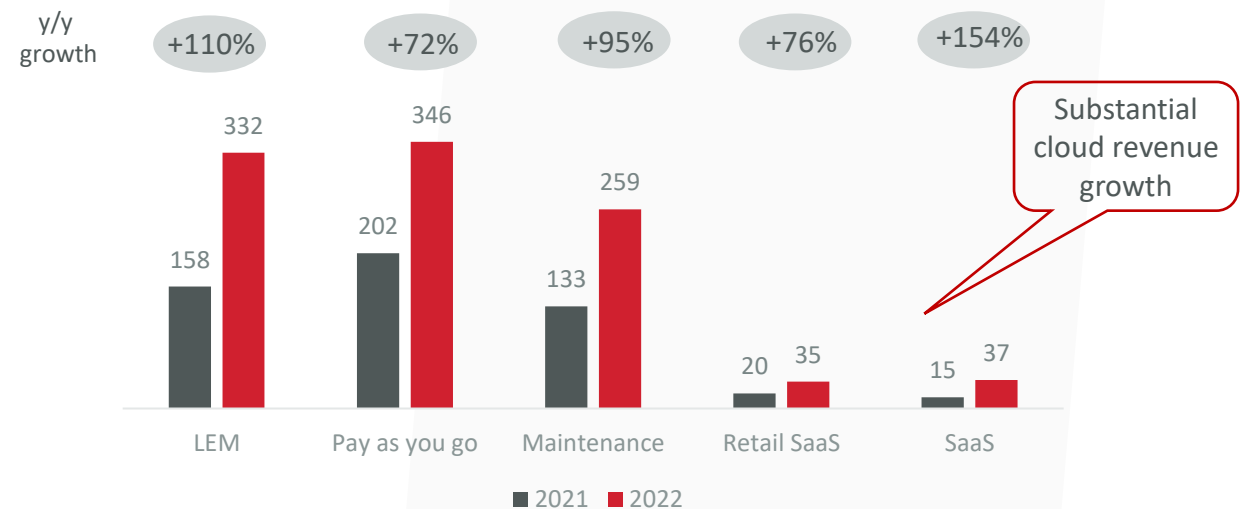
Q4 Invoices & IFRS Revenues

TL mn

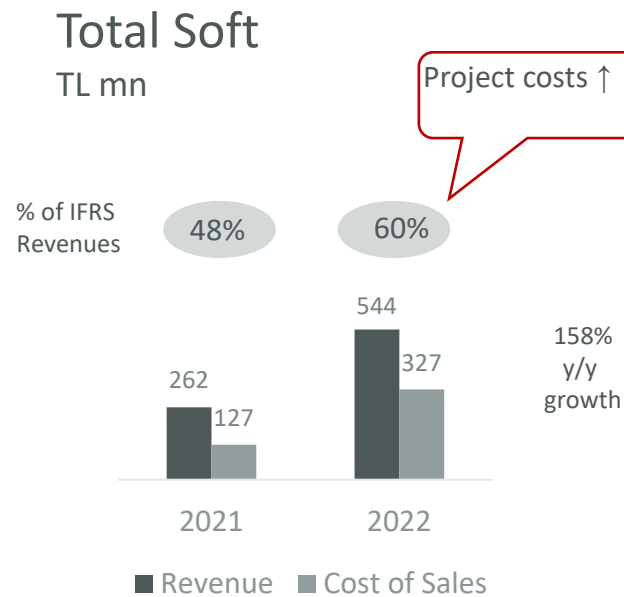
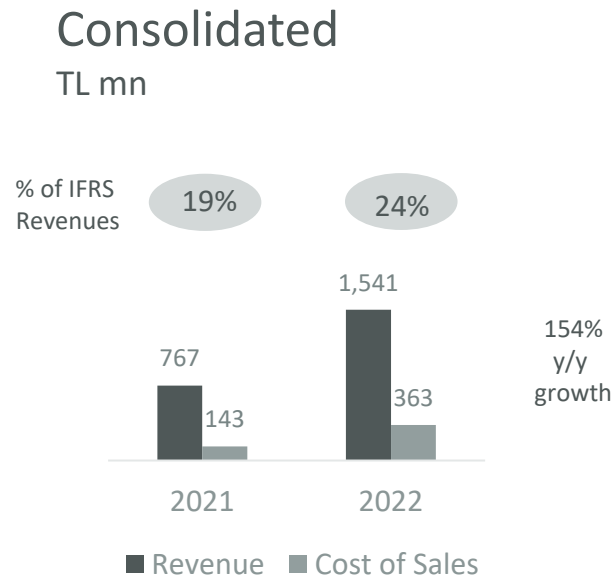


Recurring Invoices

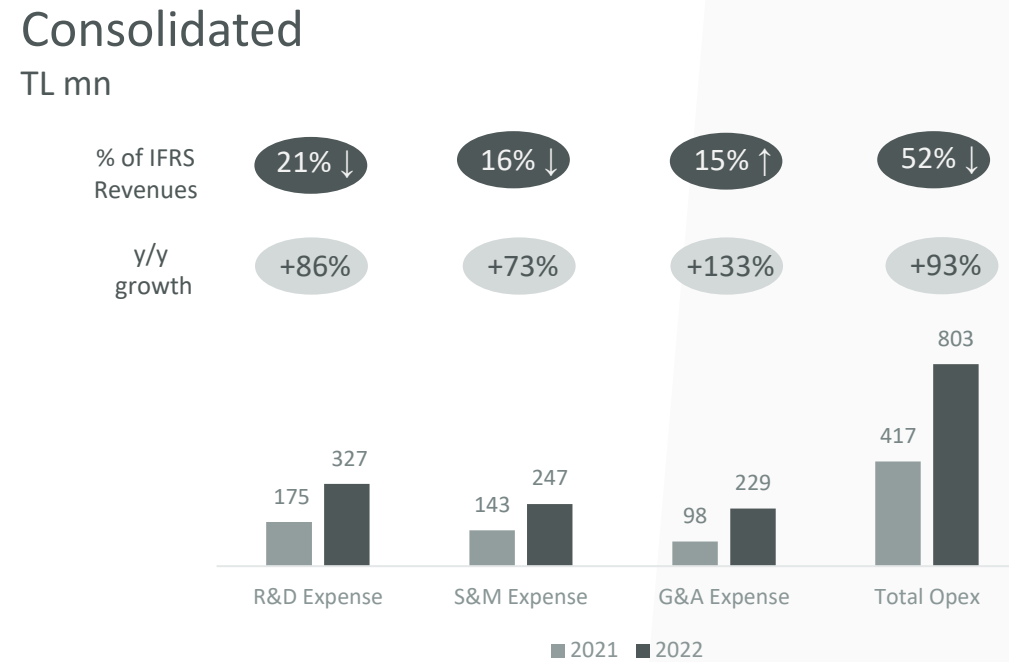
TL mn



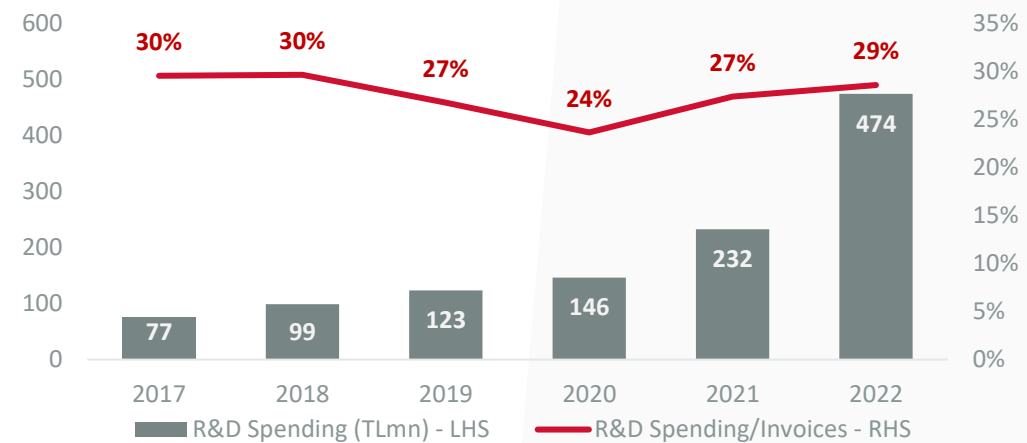
Cost of Sales



Operating Expenses



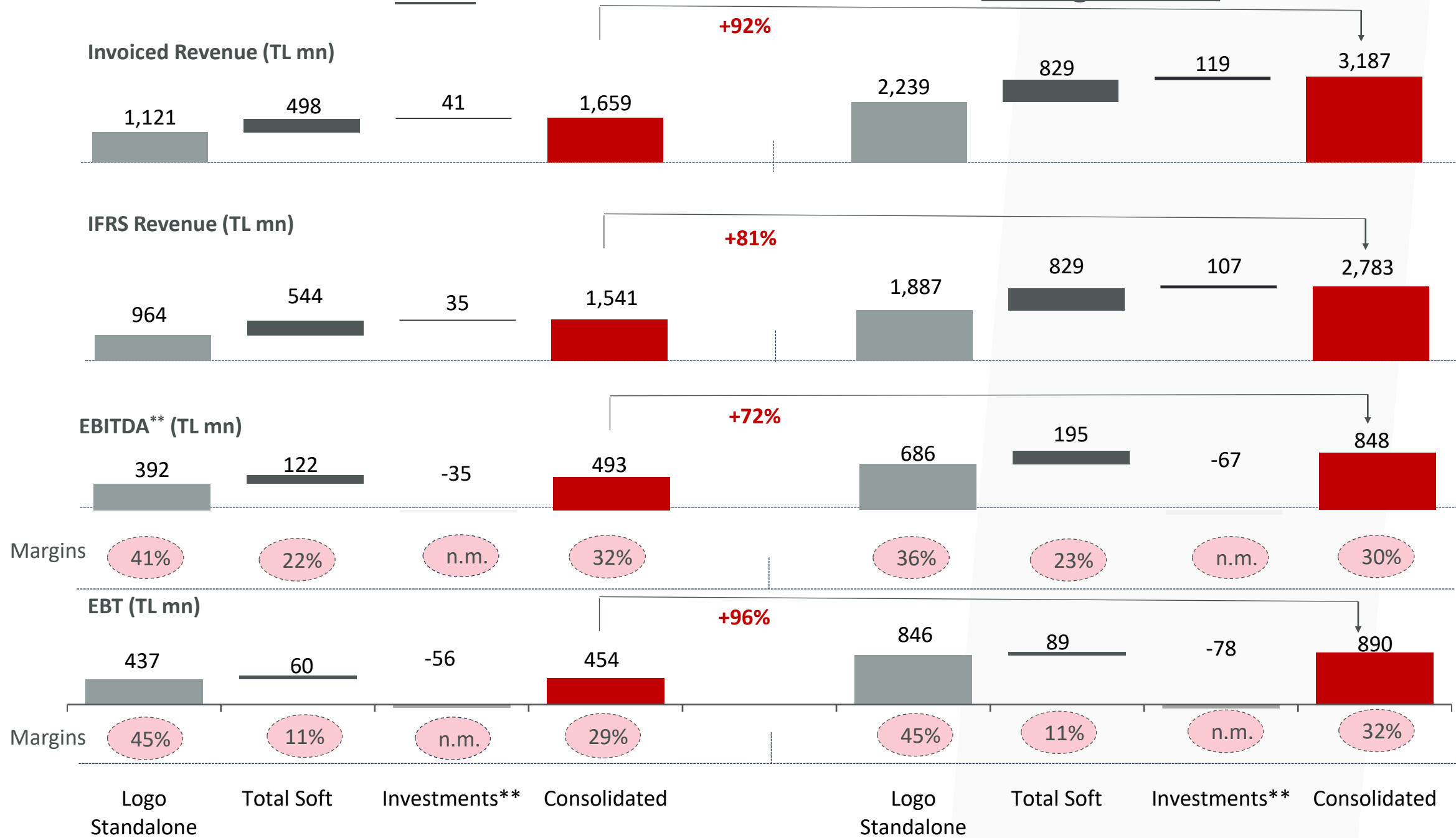
Dedicated Investment in Technology



Guidance

2022

2023 guidance



The background is a solid red color with a subtle, abstract pattern of white dots and lines, resembling a digital or data theme. In the center, there is a faint, dotted outline of a cylinder or a series of concentric ellipses, suggesting a 3D structure or a data flow. The overall aesthetic is modern and technological.






Appendix

Invoiced Revenue Growth and Breakdown

	2017	2018	2019	2020	2021	2022	5-yr-CAGR
Invoiced revenues-consolidated (TL mn)	259.1	333.0	460.1	617.7	866.5	1,657.8	45%
<i>y/y growth</i>	<i>47%</i>	<i>29%</i>	<i>38%</i>	<i>34%</i>	<i>40%</i>	<i>91%</i>	
One-time	123.6	152.5	203.0	233.5	339.3	648.9	39%
One-time - TR	83.4	95.0	130.1	145.6	225.1	379.2	35%
<i>share in total</i>	<i>32%</i>	<i>29%</i>	<i>28%</i>	<i>24%</i>	<i>26%</i>	<i>23%</i>	
One-time - RO	40.2	57.5	72.9	87.9	114.2	269.7	46%
<i>share in total</i>	<i>16%</i>	<i>17%</i>	<i>16%</i>	<i>14%</i>	<i>13%</i>	<i>16%</i>	
Recurring	135.5	180.5	257.2	384.2	527.3	1,009.0	49%
Recurring - TR	102.6	130.4	186.6	289.4	405.1	780.7	50%
<i>share in total</i>	<i>40%</i>	<i>39%</i>	<i>41%</i>	<i>47%</i>	<i>47%</i>	<i>47%</i>	
Recurring - RO*	32.9	50.1	70.5	94.8	122.2	228.2	47%
<i>share in total</i>	<i>13%</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>	<i>14%</i>	<i>14%</i>	
Recurring invoice revenues (TL mn)							
LEM	61.4	75.7	97.0	124.7	158.3	332.0	40%
<i>share in recurring</i>	<i>45%</i>	<i>42%</i>	<i>38%</i>	<i>32%</i>	<i>30%</i>	<i>33%</i>	
Pay-as-you-go	29.1	39.5	72.7	139.7	201.8	346.4	64%
<i>share in recurring</i>	<i>21%</i>	<i>22%</i>	<i>28%</i>	<i>36%</i>	<i>38%</i>	<i>34%</i>	
Maintenance	38.5	57.4	77.1	106.9	132.7	258.6	46%
<i>share in recurring</i>	<i>28%</i>	<i>32%</i>	<i>30%</i>	<i>28%</i>	<i>25%</i>	<i>26%</i>	
Retail SaaS	6.5	7.9	10.3	12.8	19.9	35.0	40%
<i>share in recurring</i>	<i>5%</i>	<i>4%</i>	<i>4%</i>	<i>3%</i>	<i>4%</i>	<i>3%</i>	
SaaS (İşbaşı+Peoplise+Total Soft)	0.0	0.0	0.0	0.0	14.6	37.0	n/m
<i>share in recurring</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>3%</i>	<i>4%</i>	

eLogo: e-Service platform and leader in digital transformation

Latest commune's details (January 22nd, 2022)

	<u>BEFORE</u>	<u>AFTER (eff. as of July 1st, 2022)</u>
 e-invoice	Companies w/sales 5mioŁ+, Specific sectors with no sales threshold	Companies w/sales 4mioŁ*+, Companies in some sectors w/sales 1mio Ł+, Specific sectors with no sales threshold
 e-archive	All e-invoice issuers and invoices above 5K and 30K	All e-invoice issuers and invoices above 10K**
 e-ledger	Required to safekeep on in-house server, e-invoice integrator or GIB***	No change
 e-dispatch	Companies w/sales 25mioŁ+, specific sectors	Companies w/sales 10mioŁ+, specific sectors
 e-selfemp. invoice	All self-employed professionals (doctors, lawyers, etc.)	No change

ERP case study: Pegasus Airlines

Turkey's digital airline is using Logo's solutions since 2008

eLogo

allows Pegasus process e-invoices within its vast supply chain network and with General Revenue Administration (GIB)

Logo Connect

ensures seamless connection between the core ERP and e-gov't solutions



Logo Flow

document flow among various business applications

Logo Treasury Wizard

invoice cross-check with Logo ERP, and integration with banks via two-way automated flow

Case studies for various solutions

Unilever / Consumer Goods

- **Logo j-Platform (ERP)**

Customer's need:

- Managing distributors' sales and distribution activities
- Centralized management
- Cost saving

Logo solutions' benefits:

- Cost saving on server investment, maintenance and support
- Centralized data management
- Sales team of 1,600 people connected and integrated via tablet application

Barilla / Pasta

- **Logo Ocean (warehouse automation)**
- Logo Tiger 3 Enterprise (ERP)
- e-gov't solutions (eLogo)

Customer's need:

- Increasing efficiency in warehouse management
- Quicker response time for customer requests
- Faster and easier inventory counting
- Reducing aged product inventory

Logo solutions' benefits:

- 20% reduction in order preparation duration
- 30% reduction in shipment error rates
- Up to 50% improvement in aged product inventory
- Shortening the inventory counting time

Yaktas / Flooring

- **Logo CRM**
- Logo Netsis 3 Standard (ERP)

Customer's need:

- Meeting customers' changing needs
- Effective management, follow-up and reporting of sales and marketing operations
- Recording all field activities

Logo solutions' benefits:

- Increase in customer satisfaction
- Enhanced performance by sales teams thanks to mobile applications
- More effective communication with prospective clients



logo

Thank you