



Investor Presentation

June 2024

Disclaimer

With Capital Markets Board (CMB) of Türkiye's bulletin dated 28.12.2023 numbered 2023/81, CMB announced that issuers and capital market institutions shall prepare their annual financial statements ending on 31.12.2023 or later, in accordance with IAS29 inflationary accounting provisions. Accordingly, this presentation is related to the first quarter 2024 financial results containing the Company's financial information prepared according to Turkish Accounting / Financial Reporting Standards by application of IAS29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023.

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.

Logo at a glance



**Enterprise
Application
Software (EAS)
Company**



**Local leader in
Turkey and
Romania**



**Active in India
through a JV**



101 mn \$
2023
revenues



3 bn TL
2023
revenues



67%
Recurring
revenue
base



31%
SaaS
revenue
share



**Dedicated
R&D
spending**



1.600+
employees



45%
women
employees








5.000+
people in
ecosystem



200.000+
Customers

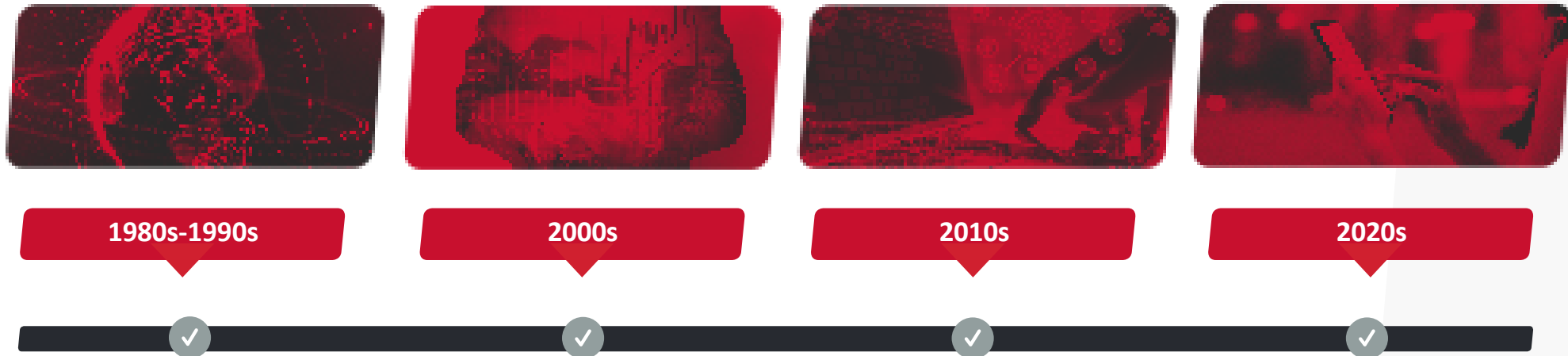
Strong SaaS footprint

On-track in the journey of becoming a global SaaS company

	Solutions and services	# of customers/users	ARR
	eService platform and leader in digital transformation	170,000+ customers	21 mio USD
	SaaS solution for reliable and sustainable retail operations	136 customers 10,300+ user locations	2.6 mio USD
	SaaS solution for recruitment, on-boarding and talent engagement needs of enterprises	181 customers	0.83 mio USD
	SaaS solution for MicroSMEs: basic accounting software and e-invoicing services	57,000+ users	1.3 mio USD
	SaaS solution for MicroSMEs: Pre-accounting and e-invoicing services with in-built GSTN compliance	12,300+ users	0.34 mio USD



Logo milestones



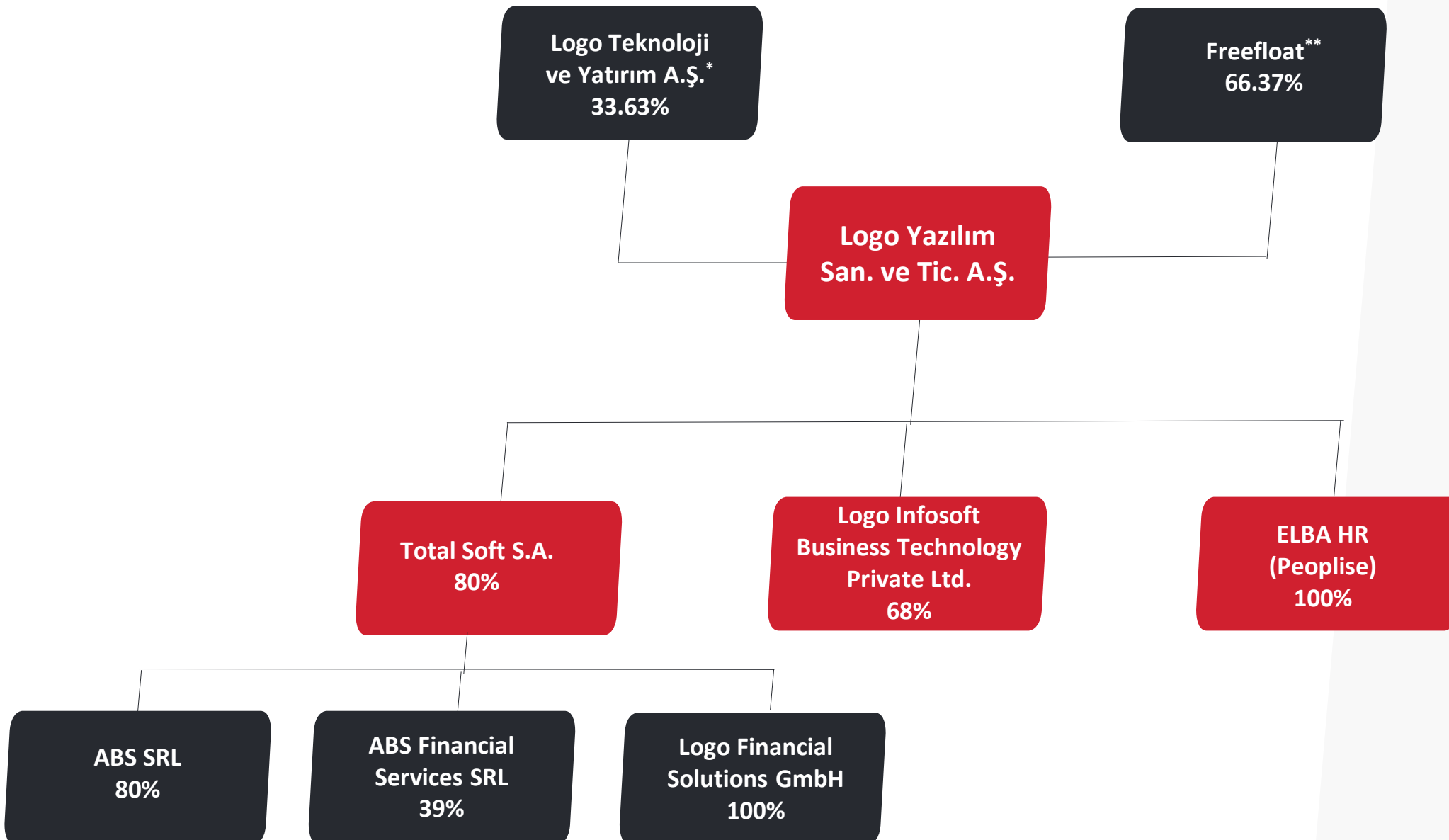
- ✓ 1984; establishment
- ✓ Enterprise Applications-DOS
- ✓ Enterprise Applications-Windows
- ✓ Logo ERP

- ✓ 2000; First-ever software company IPO in Turkey
- ✓ Software Development Center @ Gebze
- ✓ Competitive java-based product
- ✓ R&D leadership in software market
- ✓ Market leadership in terms of number of customers and users

- ✓ Local acquisitions; Coretech (2011), Netsis (2013), WorldBI (LogoBI, 2011), Intermat (CRM, 2015), Sempa (SCM, 2015), Vardar (Document Management, 2015)
- ✓ International acquisitions; Total Soft (Romania, 2016), ABS (Romania, 2018)
- ✓ Joint Venture in India (2016)
- ✓ Private Equity investment (2013) and exit (2016-2019)
- ✓ FMO to institutional investors increasing free float (2016)
- ✓ Establishment of Logo Ventures
- ✓ Turquality® inclusion

- ✓ Specialized acquisitions; Peoplise (Elba HR, 2020), Nexia (Romania, 2020)
- ✓ Establishment of Logo Ventures II
- ✓ Cloud ERP and Cloud HR

Shareholder structure



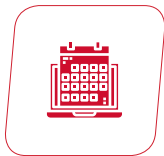
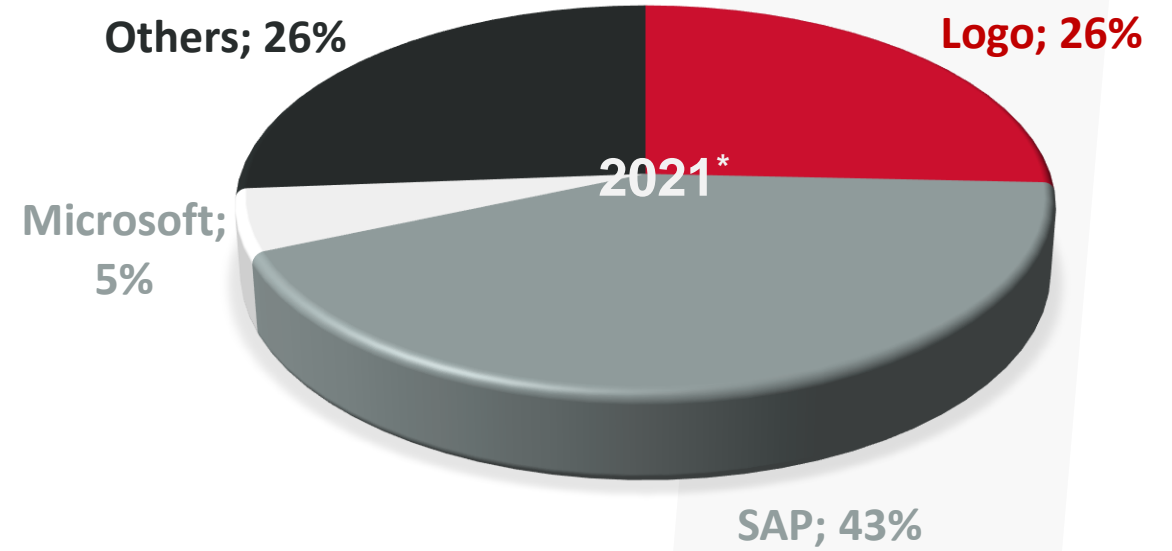
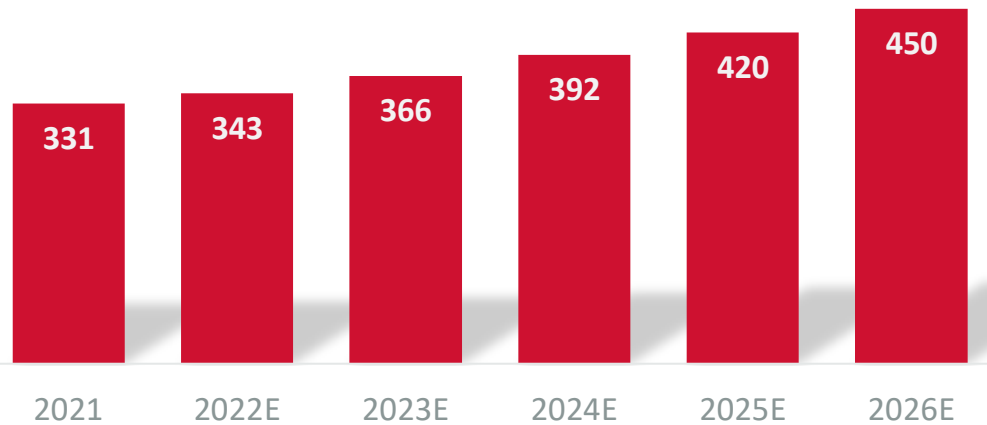
* 32,32% belongs to M. Tuğrul Tekbulut. Other; 1,31%.

** Includes the treasury shares of 6,20%.

Turkish EAS market and Logo market share

Turkish EAS market growth expectation* (\$mn)

← CAGR 6.4% →



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

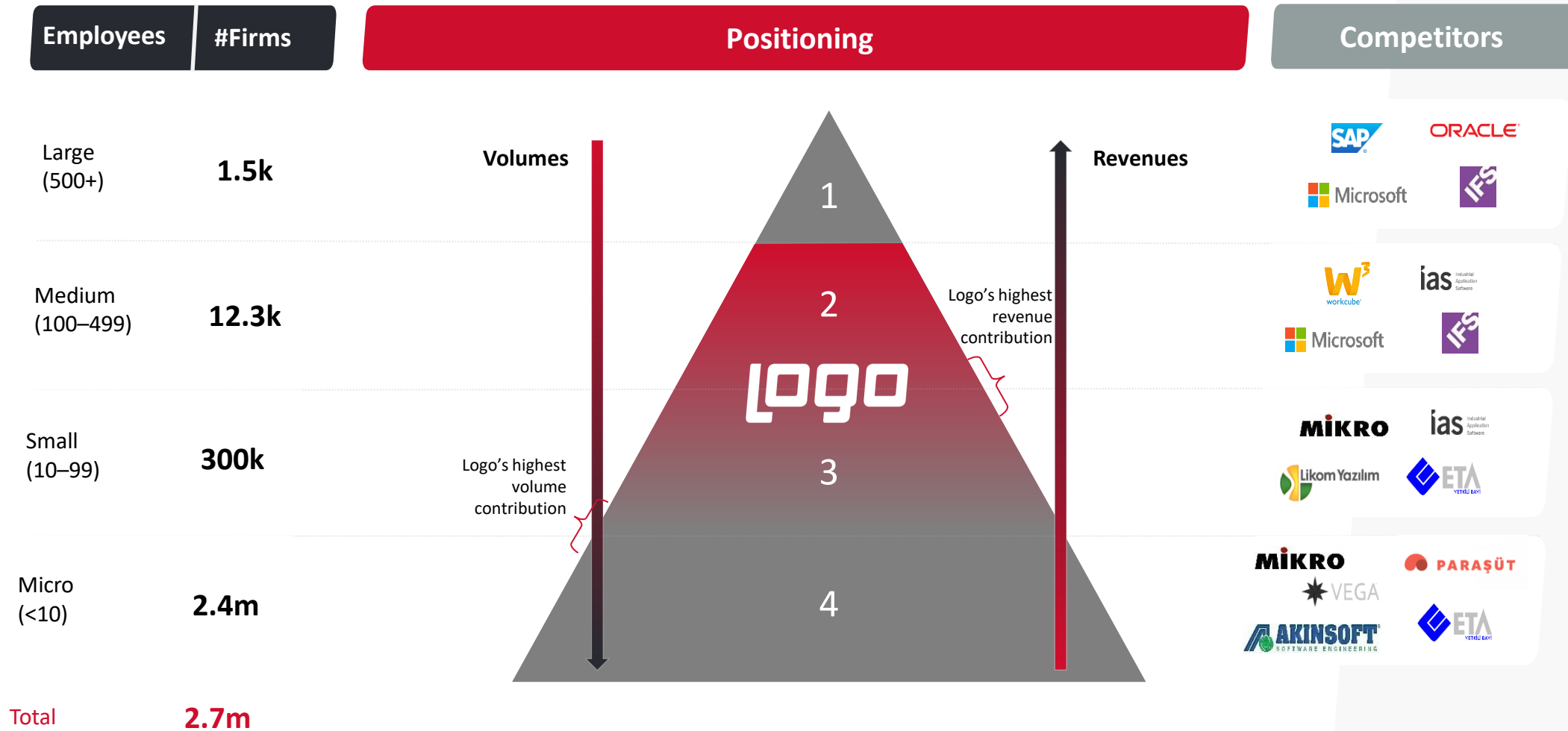


Potential pricing upside



Digitalization becoming more of an obligation than choice post Covid

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

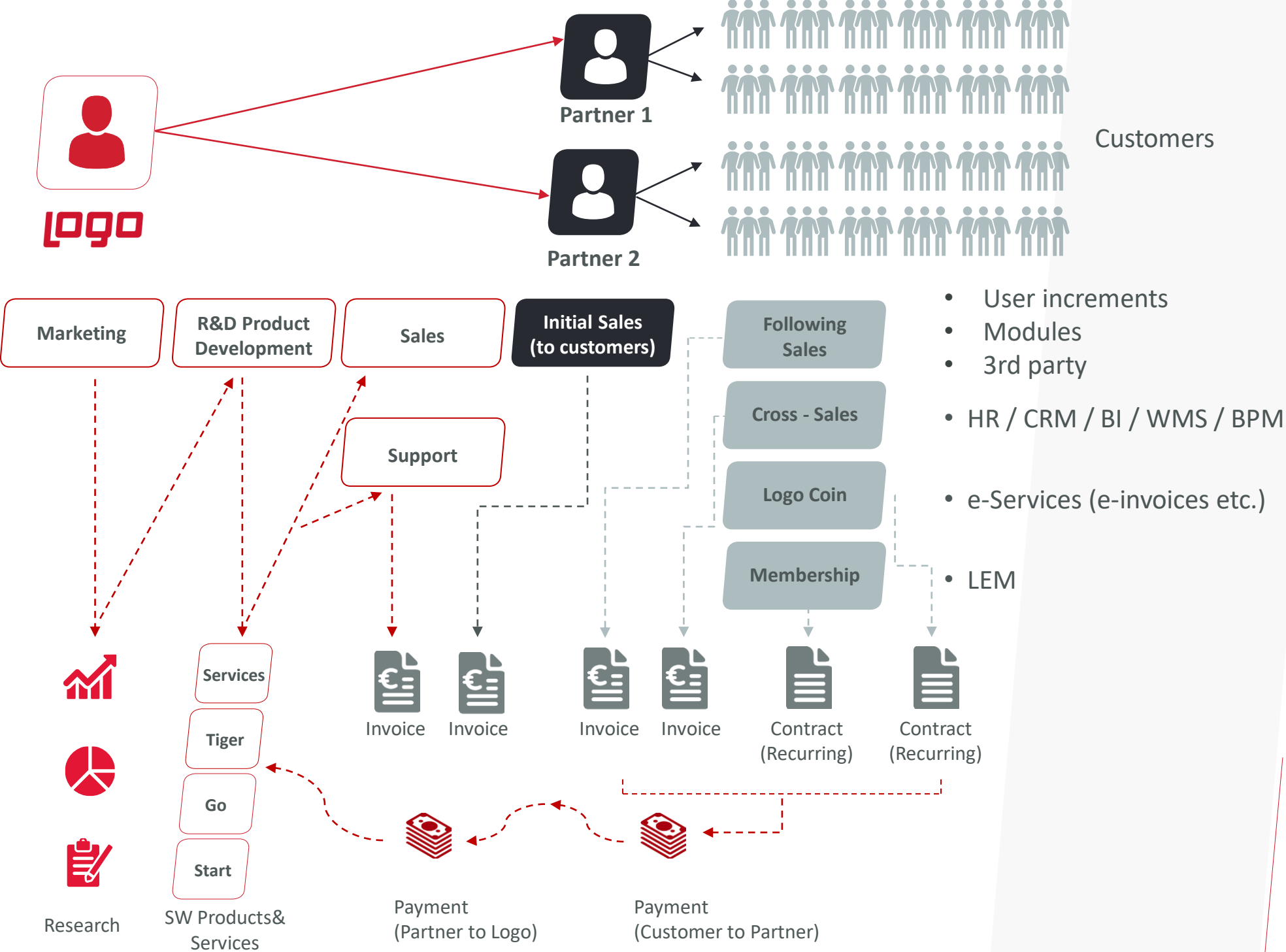
2-3

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

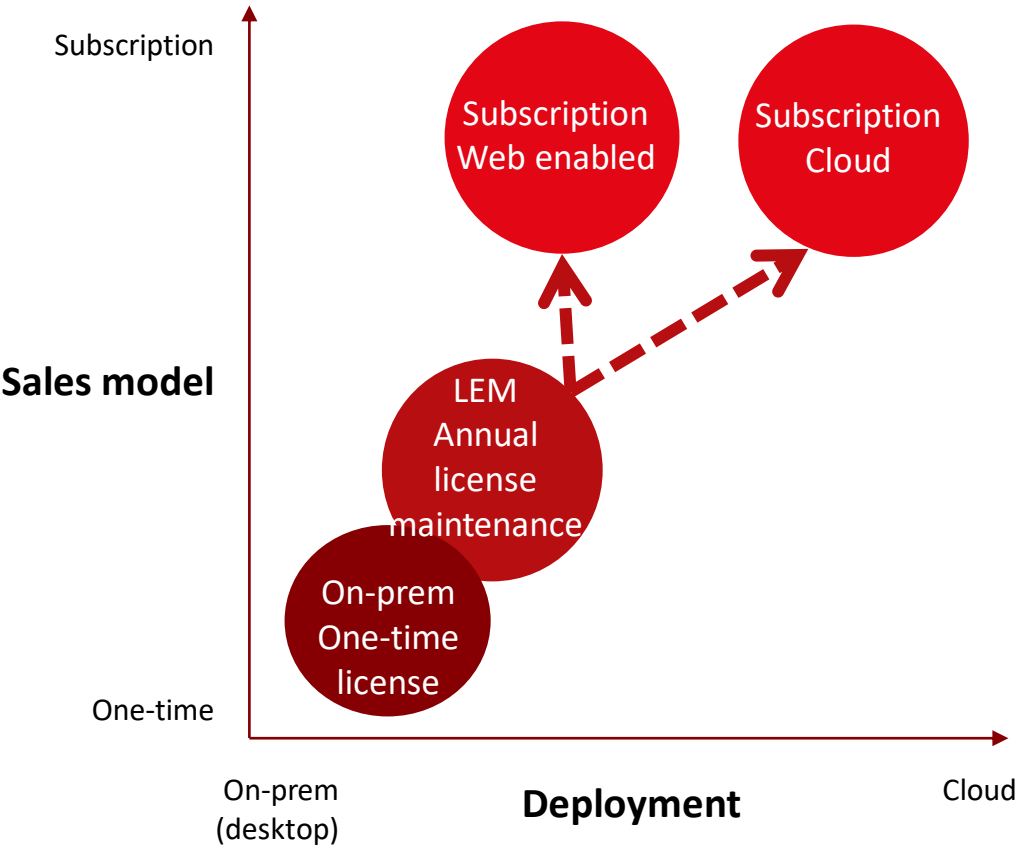
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- High growth potential area
- Next largest competitor is a local Turkish player with c. 1/5th of Logo's market share by revenue

Logo Turkey sales cycle



Our servitization strategy



Subscription	
<u>2023</u> 1.600+ Small segment customers	<u>2026e</u> 36.000+ Small segment customers

Cloud ERP	
<u>2023</u> 700+ customers	<u>2026e</u> 4.000+ customers



Our ESG performance



logo



**Refinitiv
ESG score A-**



**Corporate
Governance rating
9.5/10.0**



**BIST
Sustainability
Index
since 2017**



**BIST
Corporate
Governance Index
since 2009**

Dividend track record

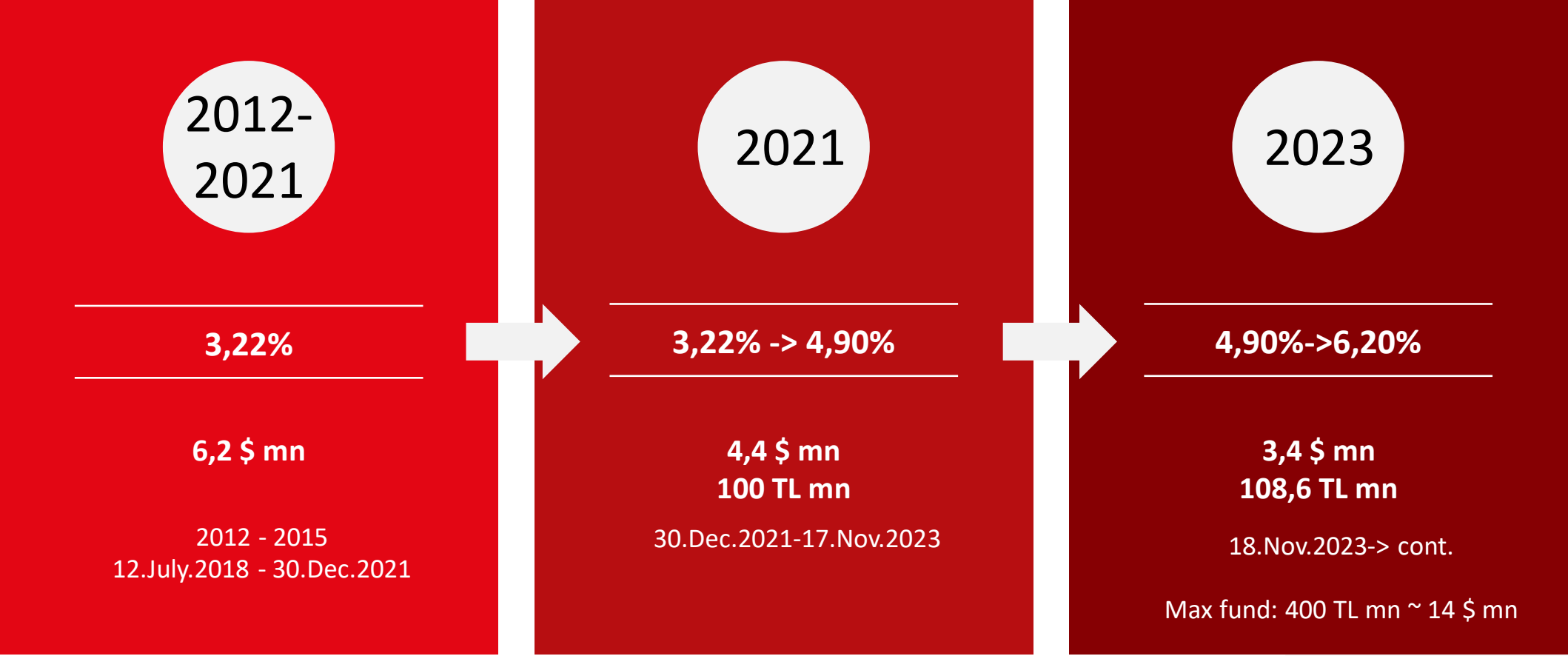
	2020	2021	2022	2023
Pay-out ratio	26%	34%	36%	35%*
Yield	0,75%	2,20%	2,85%	4,51%**
Gross amount	4,1 \$ mn 30 TL mn	6,9 \$ mn 90 TL mn	8,0 \$ mn 150 TL mn	13,6 \$ mn 400 TL mn
		300% bonus issue		



*Based on statutory records.




**Based on PDP disclosure date.

Share buy-back programs



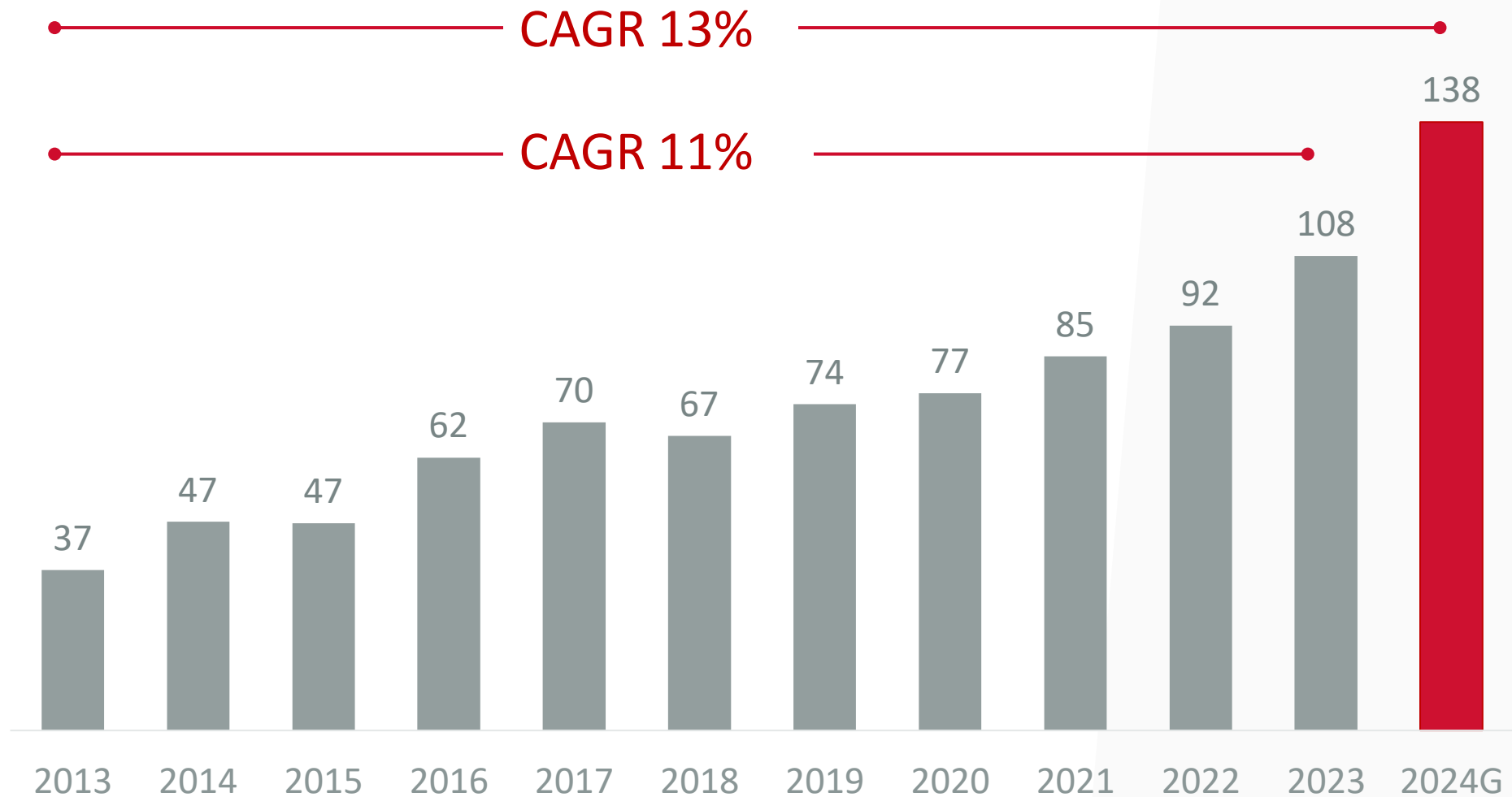
Logo Total Soft - Romania



- 
30 years of experience
- 
Over 800 clients
- 
Expertise in business application software development & implementation across various industries

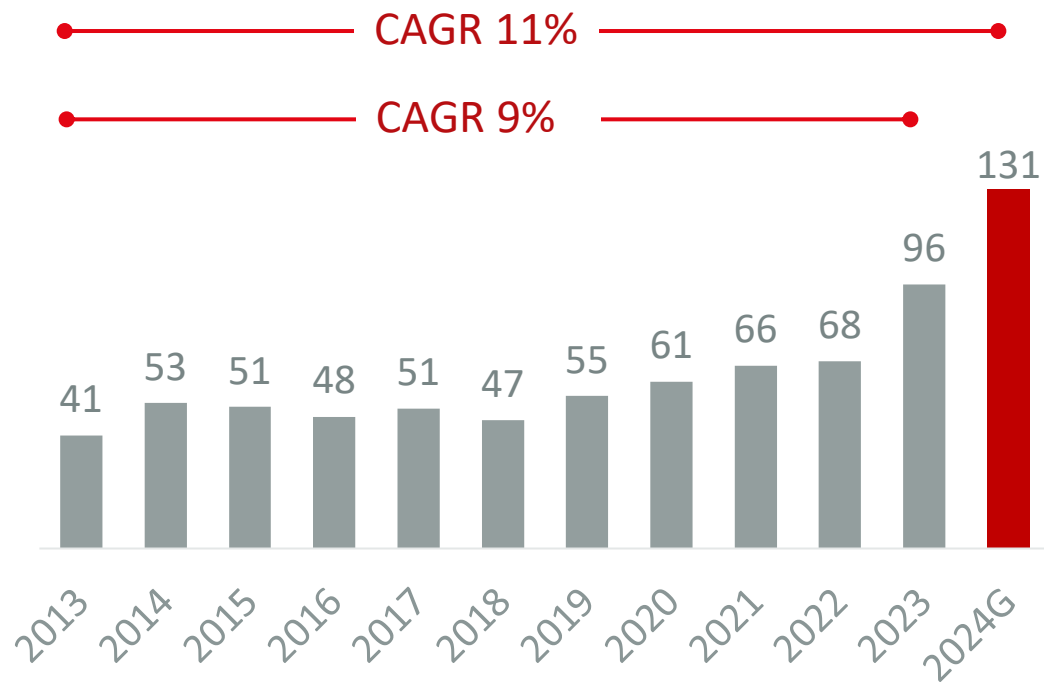
Strong growth: double digit USD based growth

Consolidated
IFRS revenues mn \$

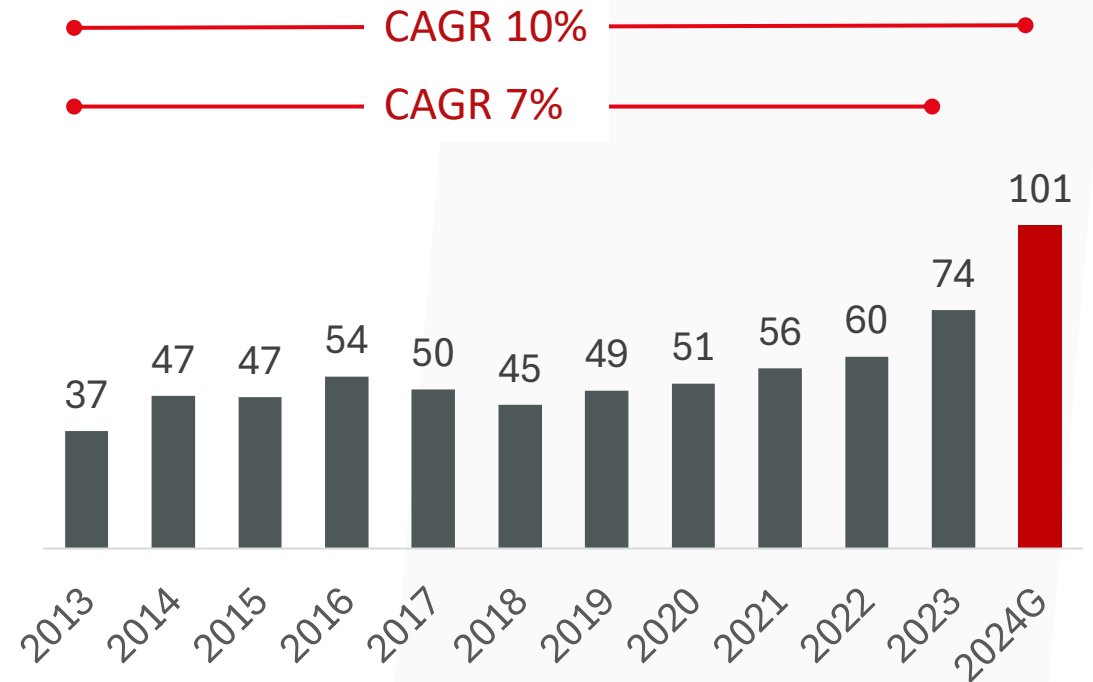


Strong growth: double digit USD based growth

Türkiye
Invoiced revenues mn \$



Türkiye
IFRS revenues mn \$





LOGO

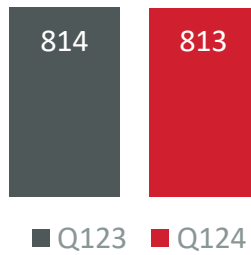
Q1 2024 results

Q124 consolidated figures

Invoiced revenues

TL mn

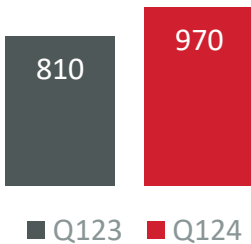
0% y/y
growth



IFRS Revenues

TL mn

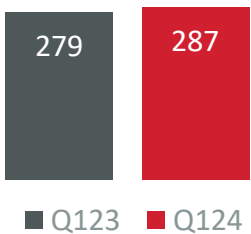
20% y/y
growth



EBITDA

TL mn

3% y/y
growth

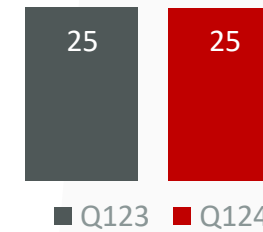


USD based

Invoiced Revenues

USD mn

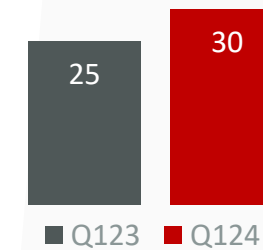
0% y/y
growth



IFRS Revenues

USD mn

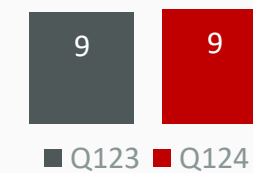
20% y/y
growth



EBITDA

USD mn

3% y/y
growth



IAS29 impact on Balance Sheet

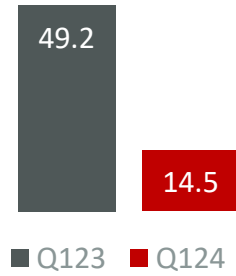
Non-monetary assets and liabilities, and equity is indexed with inflation

Asset	Liabilities
Current Assets +7,058,230 TL Major impact is from prepaid expenses	Short and long-term Liabilities -170,208,714 TL Major impact is from contract liabilities (LEM, eService coins and projects)
Non-Current Assets +210,126,946 TL Major impact is from tangible and intangible assets	Equity -243,585,347 TL Major impact is from retained earnings and paid-in capital

196,608,886 TL net monetary loss impact of IAS29 from balance sheet on income statement

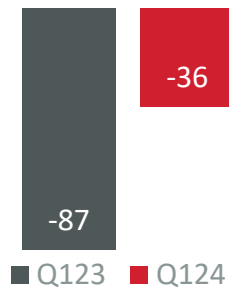
Q124 consolidated figures

EBT
TL mn
-71% y/y
growth



IAS29 impact on EBT from Balance Sheet (Monetary Loss of 197 TL mn in Q124, 177 TL mn in Q123) due to strong shareholder's equity ratio

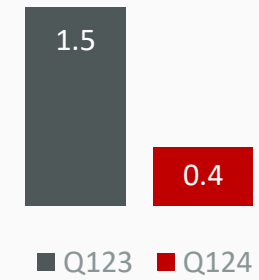
Net income
TL mn
59% y/y
growth



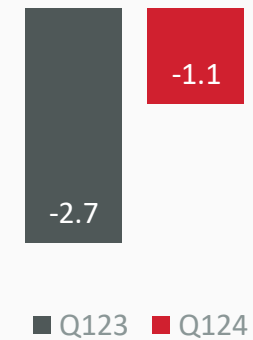
Monetary Loss impact due to IAS29 adjustment
Tax expense is lower in Q124 due to a one-time earthquake tax expense impact in Q123 in Türkiye

USD based

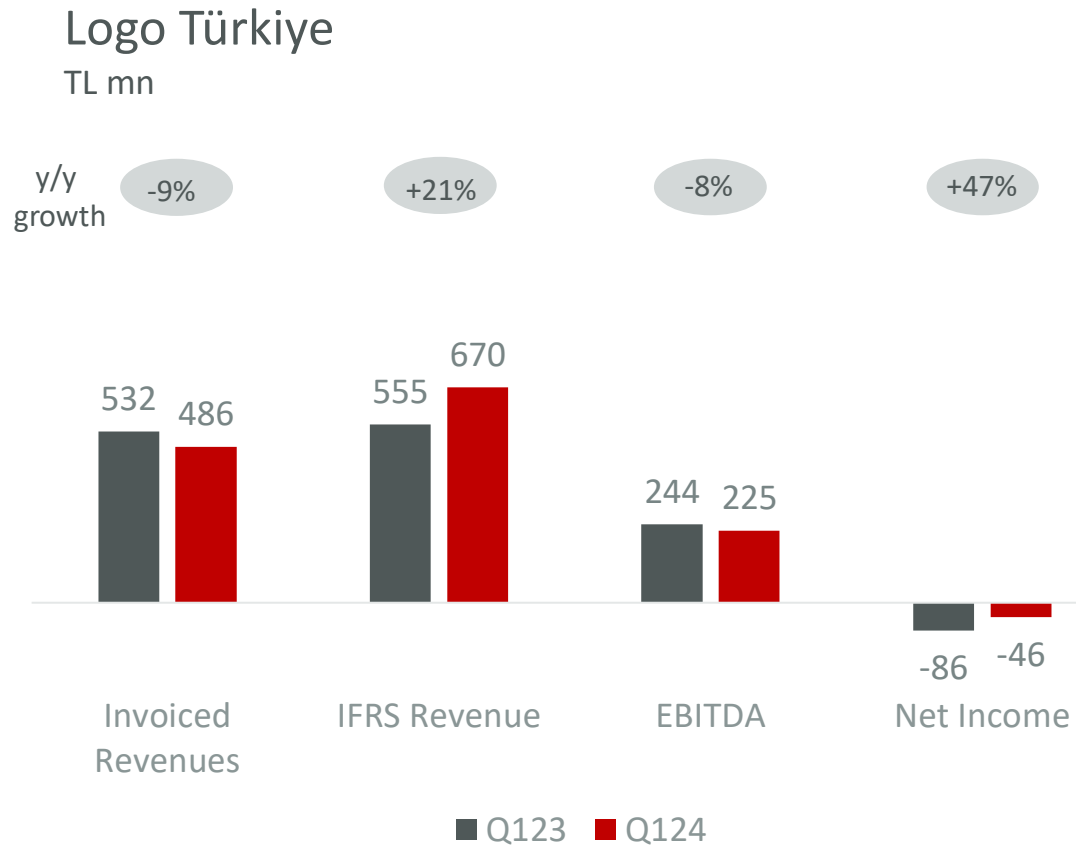
EBT
USD mn
-71% y/y
growth



Net income
USD mn
59% y/y
growth



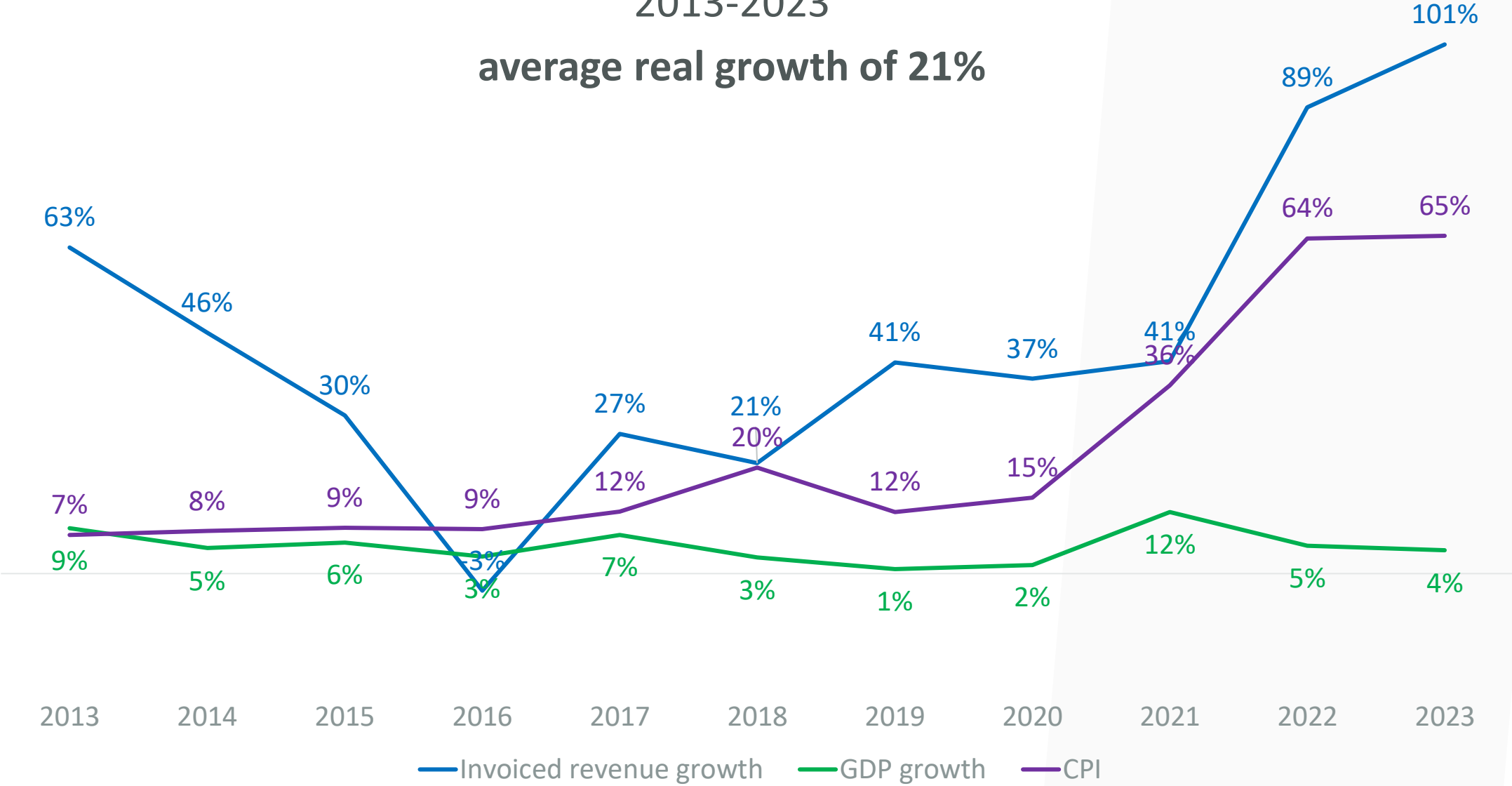
Logo Türkiye: resilient performance



- **Healthy revenue growth** amid macro difficulties thanks to **solid recurring revenue** contribution
- **Invoiced revenue is expected to grow in coming periods** as **Turkish macro improves**, past records show that subdued software demand has always been followed by strong demand recovery as companies' need for digitalisation and efficiency continues
- **Solid SaaS revenue growth**
- **Strong customer base expanded with new customer acquisitions**
- **New customer acquisition** in EAS and e-Services remained at a healthy level of 1,8 thousand
- **EBITDA margin** realized at 34%
- **Q124 net income affected by IAS29 adjustment** with 189 TL mn net monetary loss (Q123: 178 TL mn)

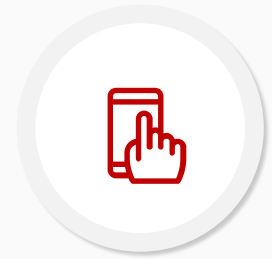
Real growth in Türkiye operations

2013-2023
average real growth of 21%



Invoiced revenue figures do not include IAS29 adjustments.

Our SaaS offerings



e-Service SaaS

eService platform and leader in digital transformation

Retail SaaS

SaaS solution for reliable and sustainable retail operations

HR SaaS

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

MicroSME SaaS

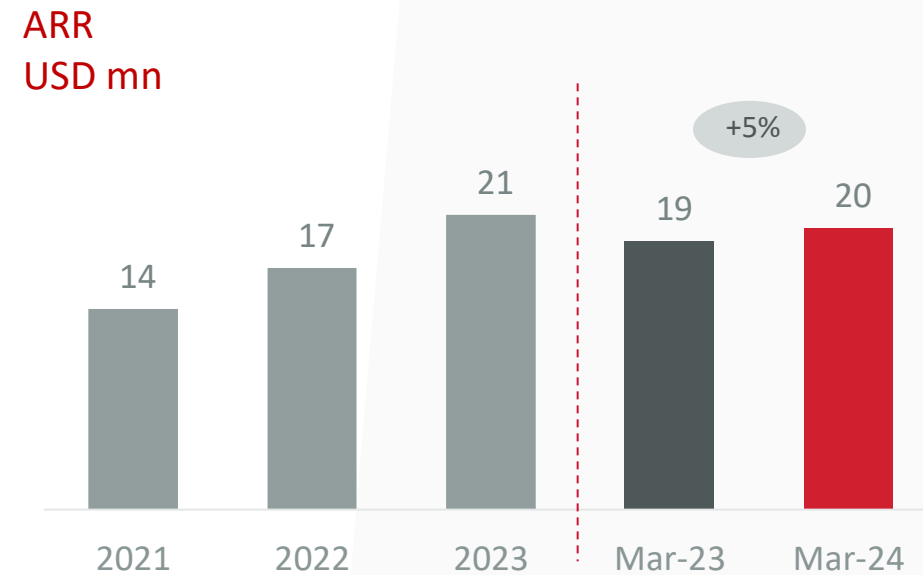
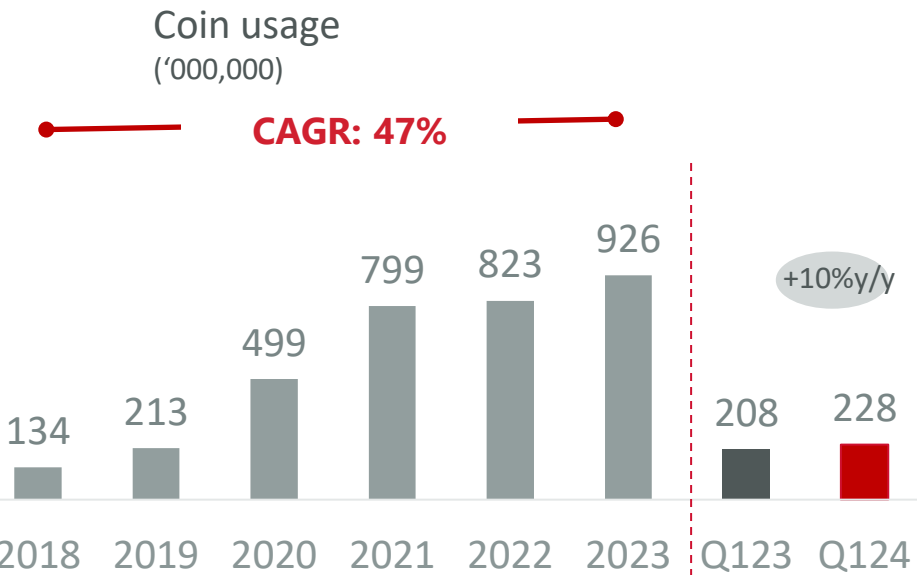
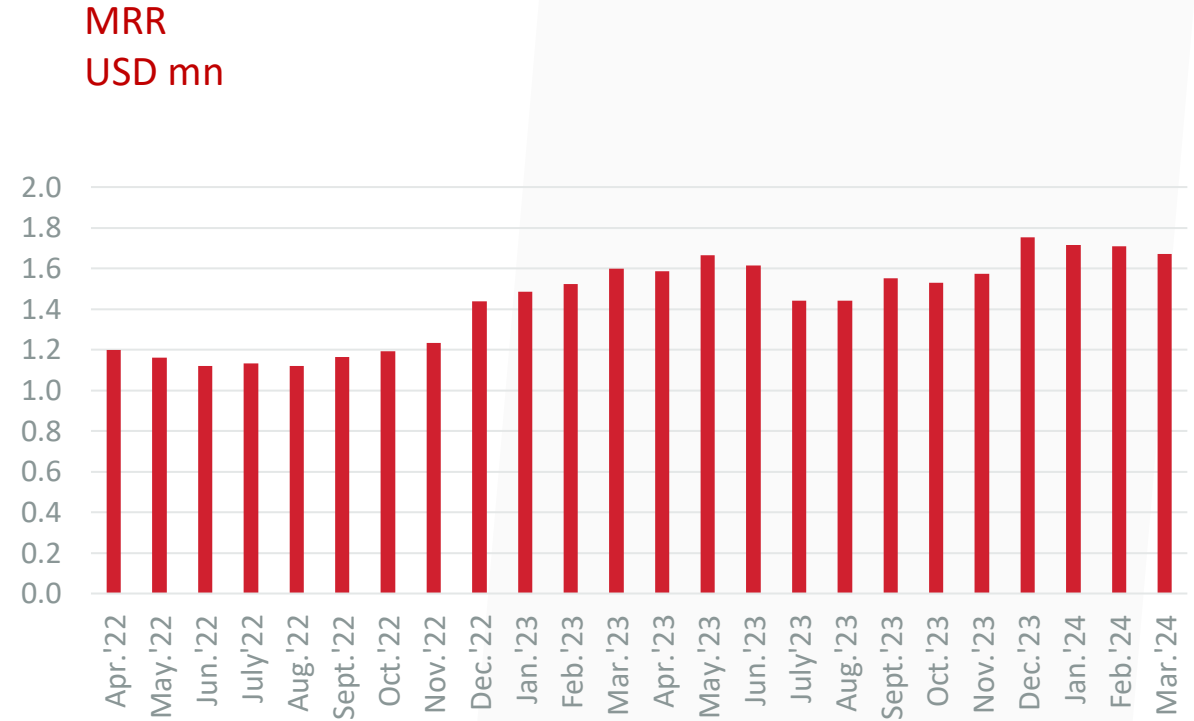
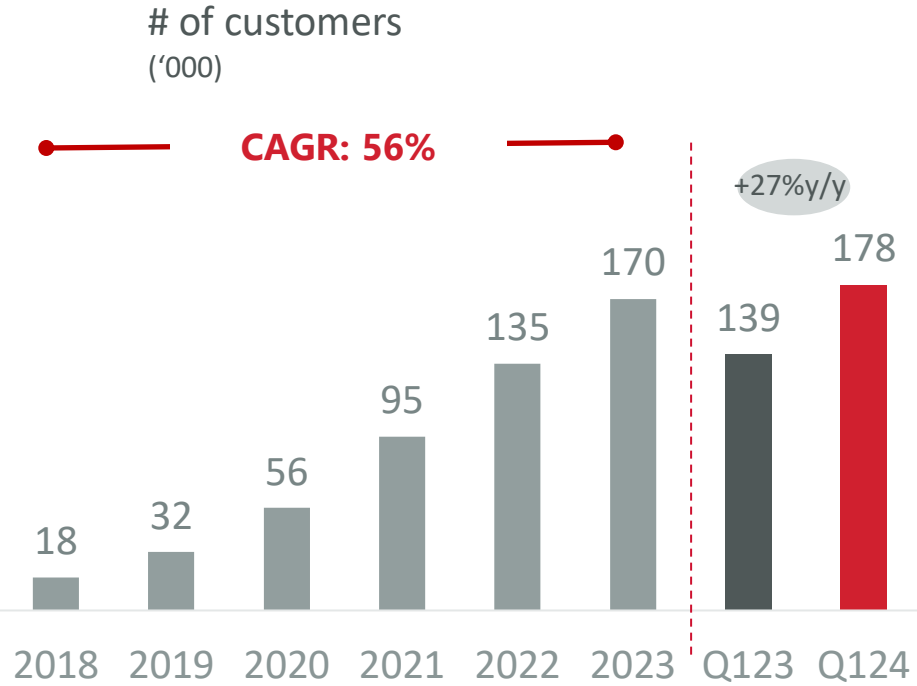
SaaS solution for MicroSMEs: basic accounting software and e-invoicing services

MicroSME SaaS

SaaS solution for MicroSMEs: Pre-accounting and e-invoicing services with in-built GSTN compliance

eLogo: e-Service platform and leader in digital transformation

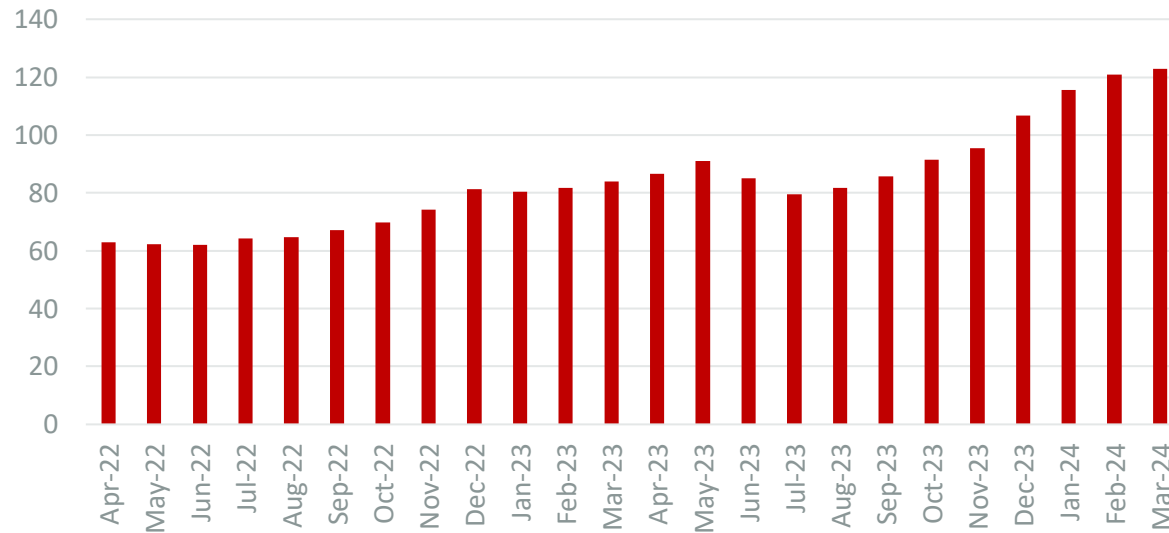
Market leader in e-government solutions; e-Invoice, e-Archive, e-Ledger, e-Dispatch with 178K customers



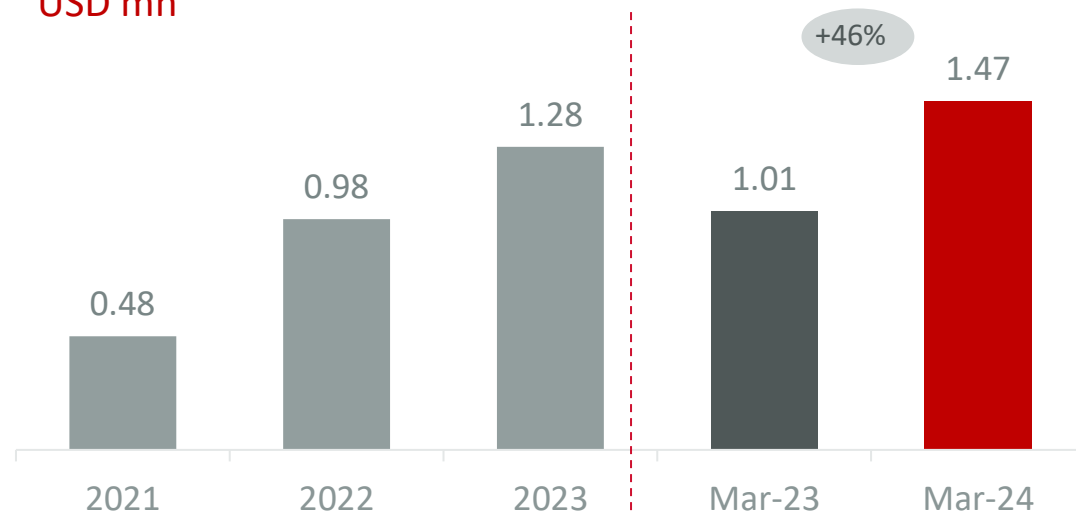
Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering basic accounting software and e-invoicing services

MRR
USD '000



ARR
USD mn

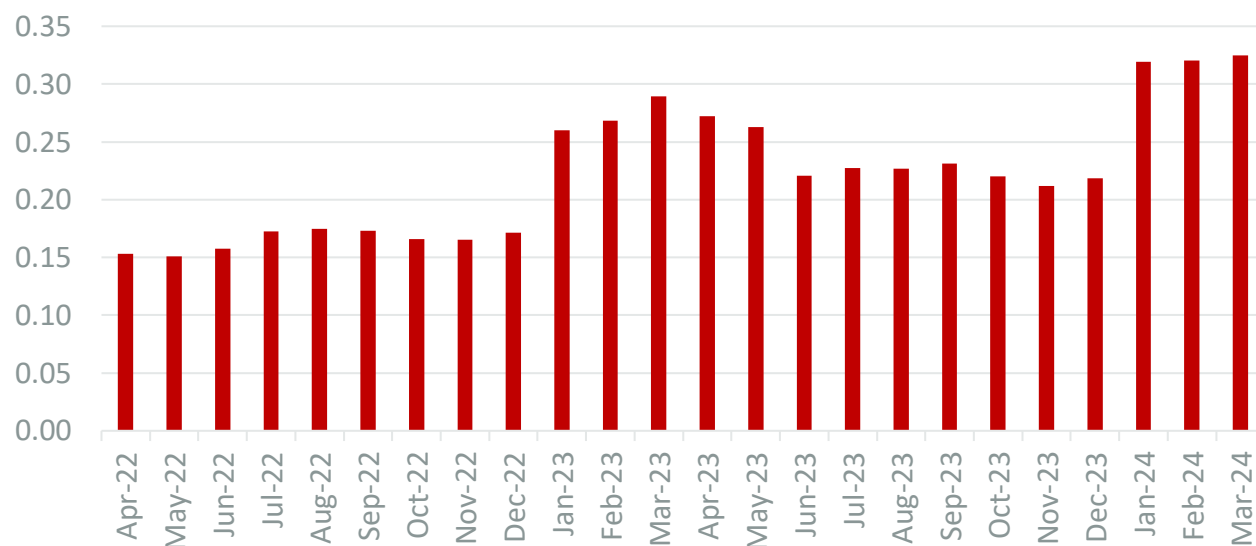


- **Total users** reached 62 thousand
- **ARPU*** is at \$24, up from \$22 at 2023-end

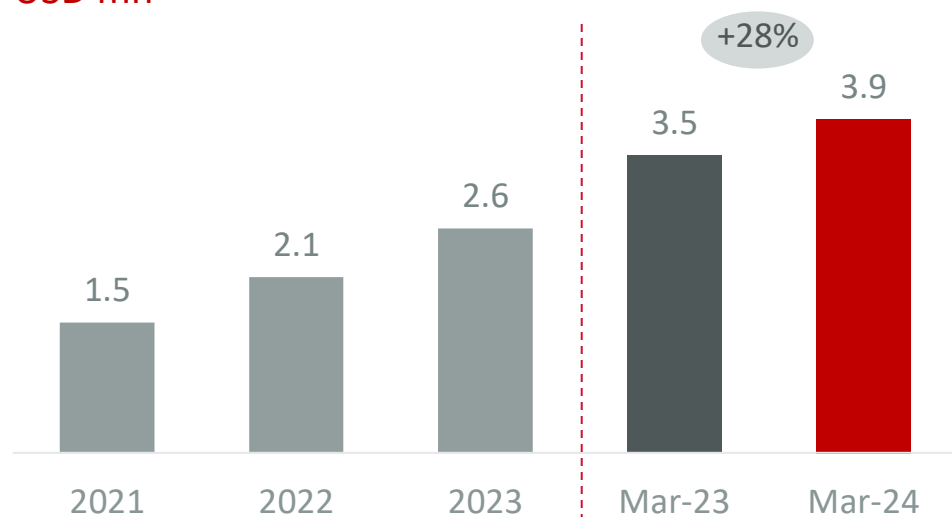
Logo Diva Retail

SaaS solutions for reliable and sustainable retail operations: a new generation CX in retail

MRR
USD mn



ARR
USD mn



- **Total customers** is at 136, with 10,3K user locations.
- **ARPU**** is at \$380, up from \$252 at 2023-end

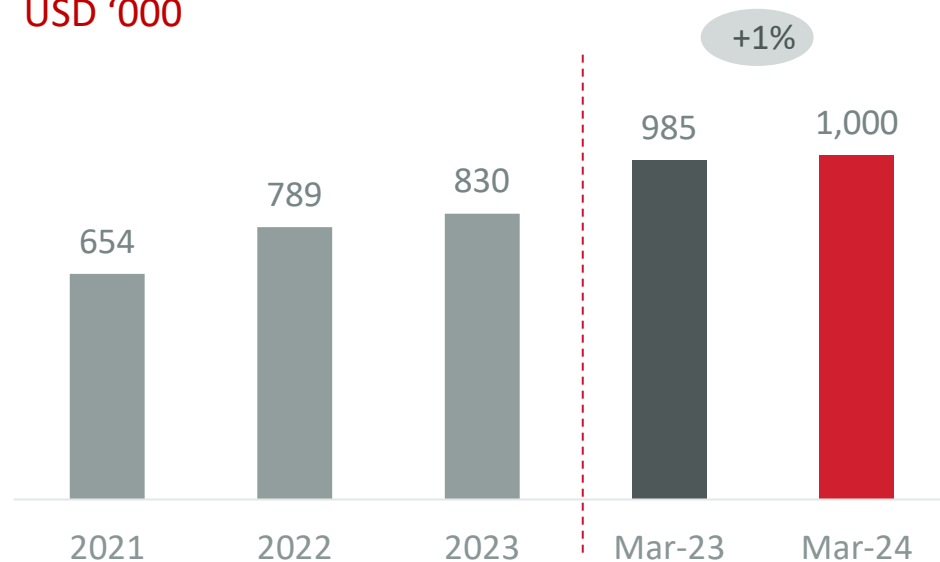
Peoplise

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

MRR
USD '000



ARR
USD '000



- **Total customers** is at 180
- **ARPU** is at \$5.6K, up from \$4.6K at 2023-end
- 7 out of 10 most powerful brands* in Türkiye use Peoplise's solutions.



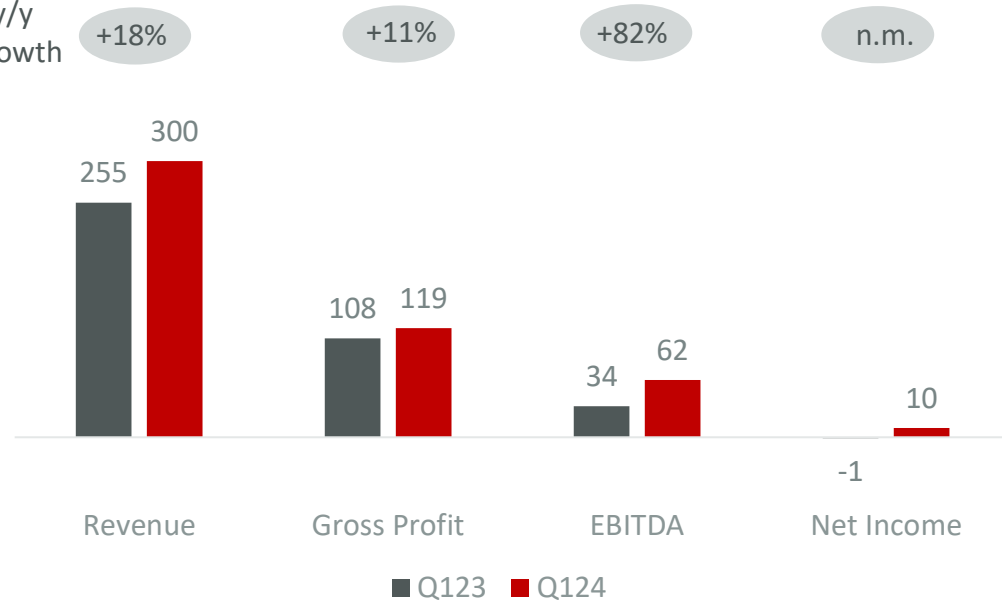
* 10 most powerful brands according to Brand Finance Turkey 100 2023 report dated June 2023.
MRR = Monthly recurring revenues. ARR (Annual run rate) = MRR x 12.
ARPU = ARR / # of customers at the end of the period.

Total Soft: a strong start to the year

Total Soft

TL mn

y/y growth

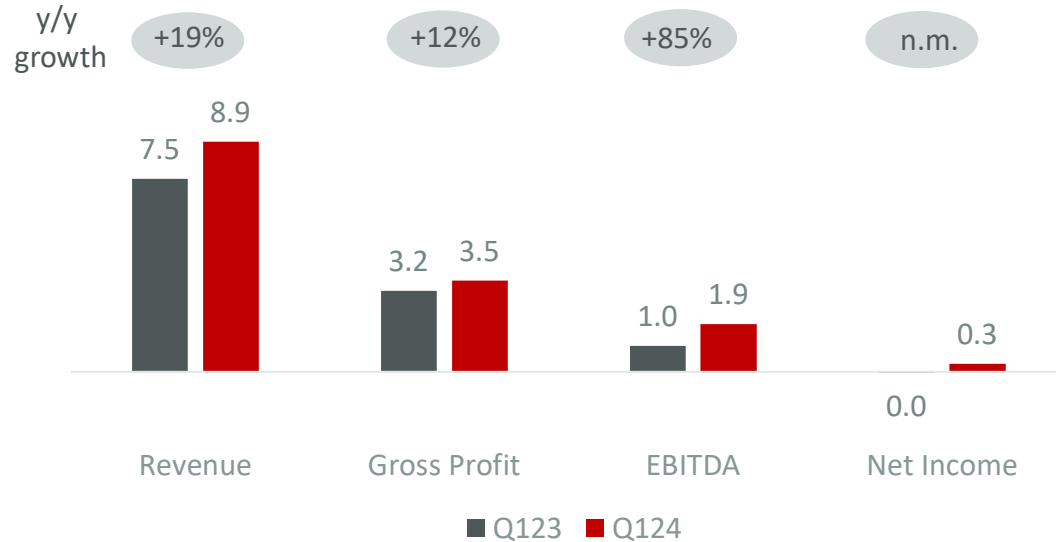


- Increased demand resulted in revenue growth
- Optimization in operating expenses inline with project backlog improved profitability
- EBITDA margin is at 21%, increased from 13%

Total Soft

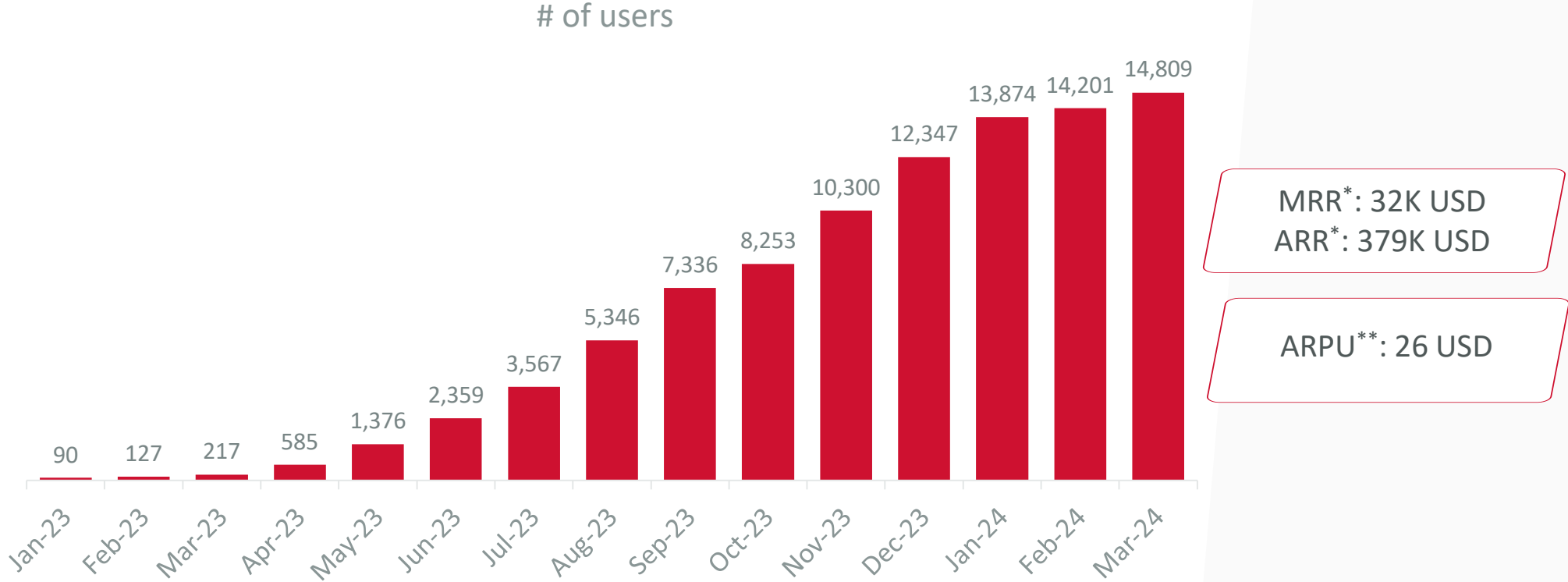
Euro mn

y/y growth



Logo CaptainBiz: SaaS solution for MicroSMEs in India

Pre-accounting and e-invoicing services with in-built GSTN compliance



- Ready-to-use software
- User-friendly design
- Mobile accessibility

Effortless digitalization experience

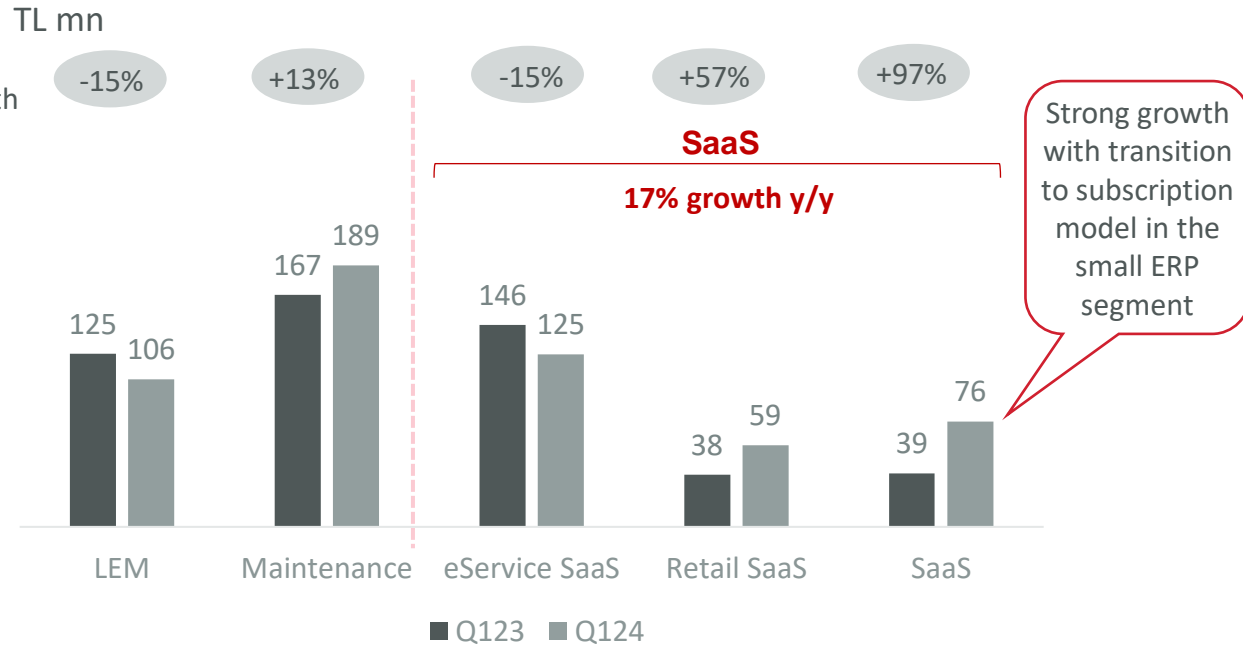


*MRR = Monthly recurring revenues. ARR (Annual run rate) = MRR x 12.
**ARPU = ARR / # users at the end of the period.

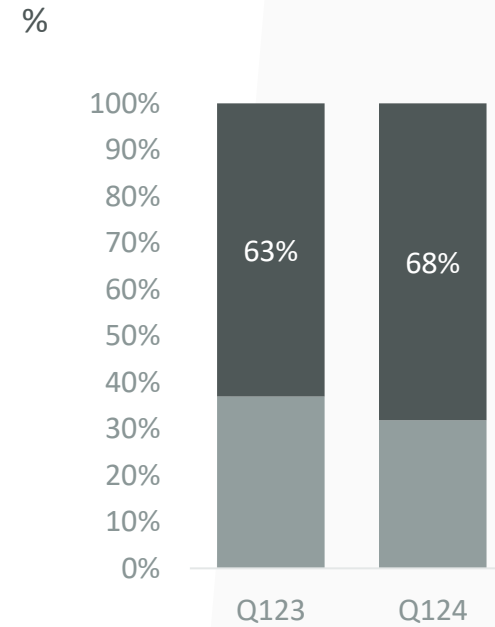
Recurring Revenue Growth Ensuring Predictability

Sustainable revenue growth supported by SaaS transition

Recurring Invoices

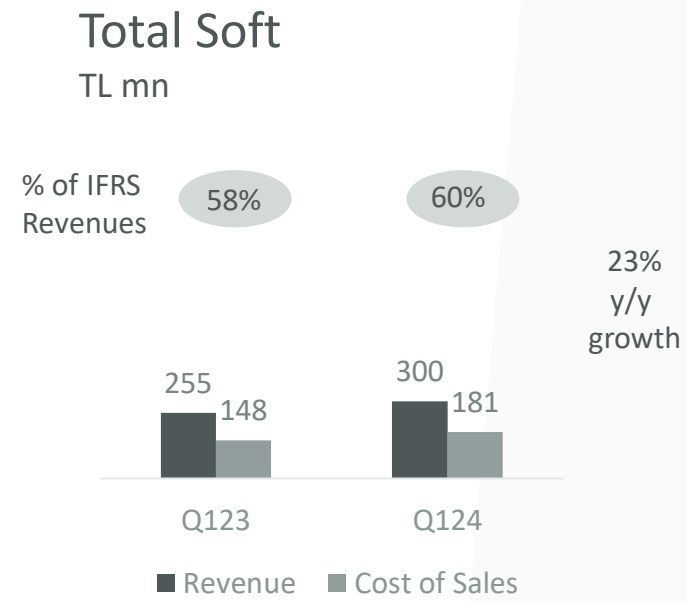
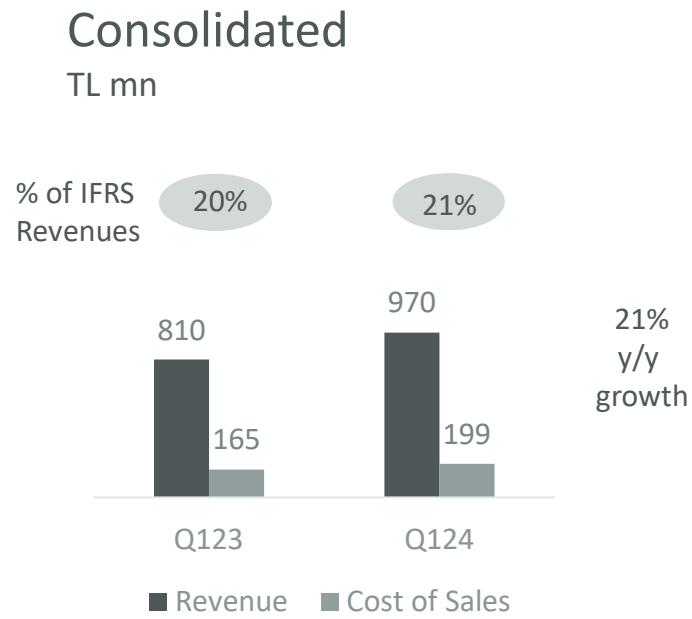


Recurring Invoices/Invoices

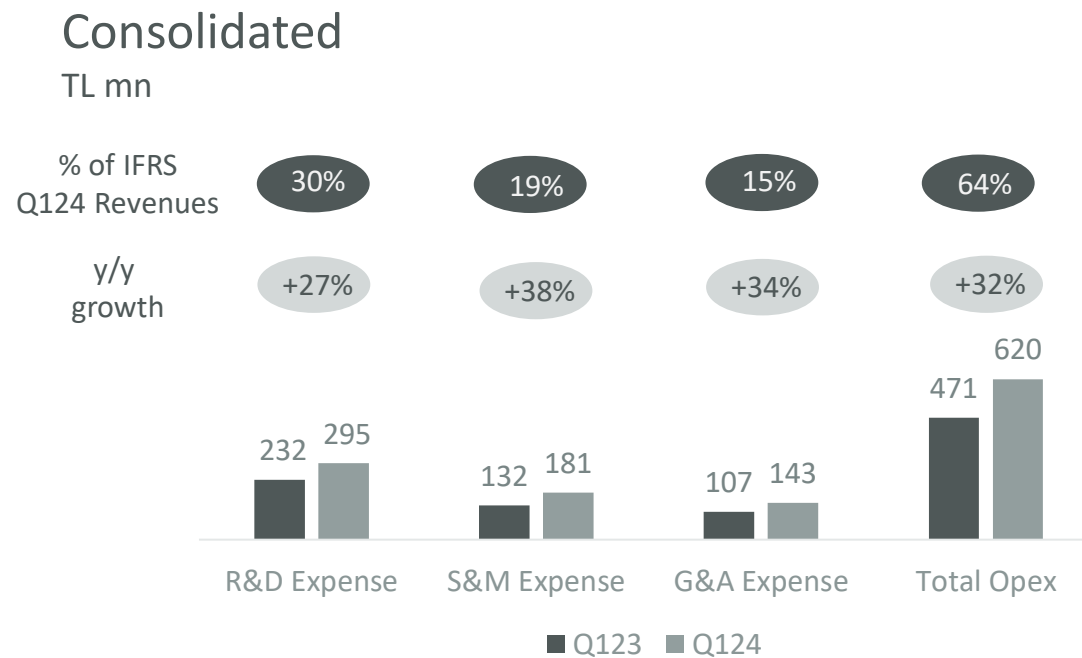


- **Recurring revenues** up by 8% y/y, and has 68% share in total invoiced revenue
- SaaS revenues include eService's coin revenues, Retail SaaS, İşbaşı, Peoplise and other SaaS sales from Türkiye and Romania
- SaaS revenues grew by 17% y/y in Q124, share in total revenues reached 32% in Q124 from 27% in Q123

Cost of Sales

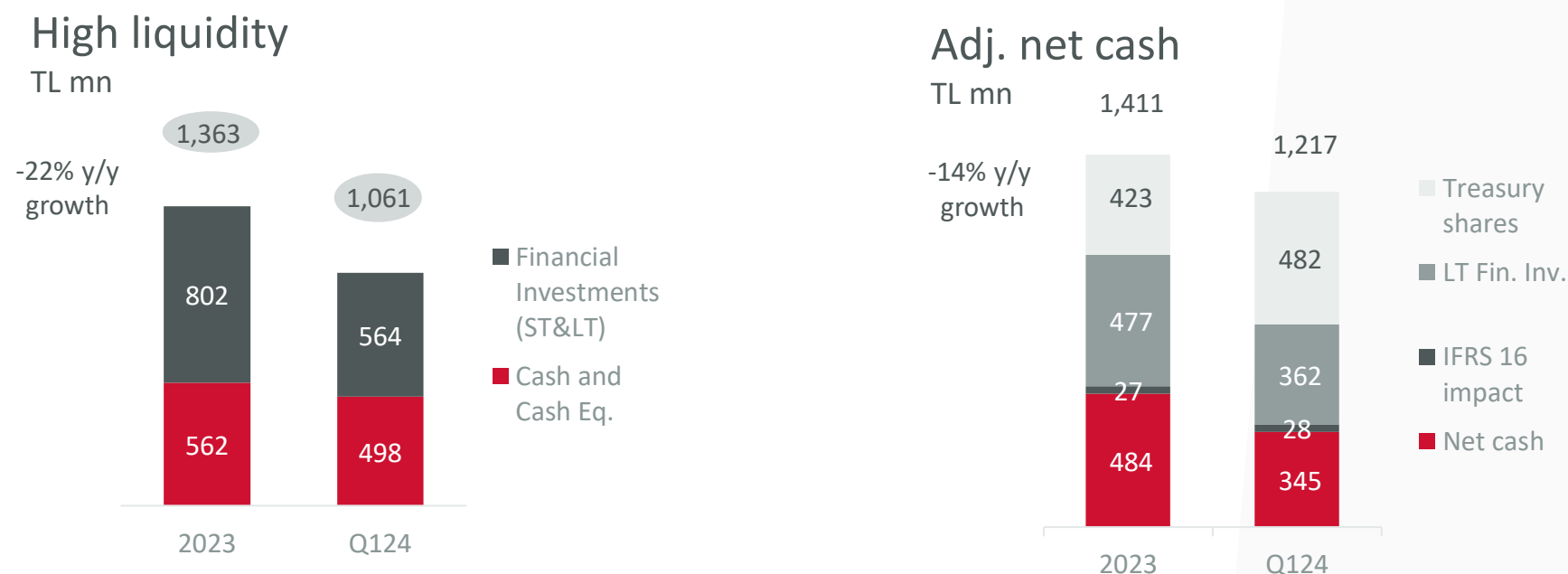


Operating Expenses



Effective financial management and strong balance sheet

Consolidated



Balance sheet highlights

TL mn

	2023	Q124	Δ
Cash & Cash Eq.	561.7	497.5	-11%
Trade Receivables	938.5	547.4	-42%
Tangible Assets	327.0	317.6	-3%
Intangible Assets*	2,824.2	2,787.1	-1%
Other Assets	1,291.8	1,246.7	-3%
Total Assets	6,147.9	5,396.3	-12%
Total Liabilities	3,498.3	2,866.1	-18%
Total Shareholders' Equity	2,649.6	2,530.2	-5%
Total Liabilities and Equity	6,147.9	5,396.3	-12%
Shareholders Equity Ratio	0.43	0.47	9%
Current Ratio	0.66	0.59	-11%

2024 Guidance

Logo Türkiye expectations:

- 30% invoiced revenue growth
- 34% IFRS revenue growth
- EBITDA growth of ~ 15%
- EBITDA margin of ~ 25%

Total Soft expectations:

- 11% Euro revenue growth
- 24% EBITDA margin

Economic indicator expectations:

- 2024 year-end inflation is 45%
- Average USD/TL rate for 2024 is 36.6
- Average Euro/TL rate for 2024 is 40.0
- Year-end USD/TL rate for 2024 is 43.0
- Year-end Euro/TL rate for 2024 is 47.3

Software company valuations

	EV/Sales 2024e	EV/EBITDA 2024e
International SaaS companies*	7.0x	22.0x
International peers SAP, Totvs, Sage, Asseco Poland	3.8x	15.7x
Logo	1.8x	7.3x
Logo's discount <i>(compared to int.'l peers)</i>	-52%	-53%



*BVP Nasdaq cloud index, SaaS Capital, SaaS Rise-Aventis Advisors

LOGO

Thank you

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