

LOGO

FY2020 Results Presentation

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Chief Financial Officer

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Disclaimer

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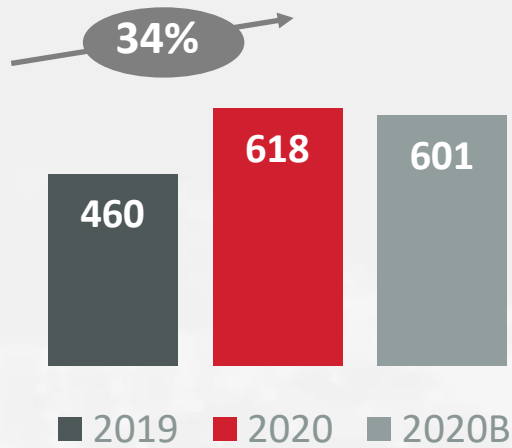
2020 at a glance

- Concluded a year like no other with a **strong final quarter**
- Achieved high **double-digit top-line growth** in all business units
- Successfully became a **key player** in the accelerated **digital transformation** of companies
 - higher demand from customers prioritizing their digital transformation
 - market growth driven by the new communique
- **New customer acquisitions** remained strong ensuring future resilience and growth
- **Recurring revenue** grows in all categories reaching **62%** of invoiced sales
- Continued investments:
 - **Logo İşbaşı**: successful performance following product launch to micro-SMEs
 - **Strategic acquisition**: cloud-based talent acquisition platform **Peoplise**
 - **Logo Infosoft (India)**: final product with enhanced features rebranded and launched
 - Acquired **Nexia CRG in Romania**- offering accounting, taxation, payroll and personnel administration services to small customer segment-an addition to Total Soft's traditional mid to large size customer base

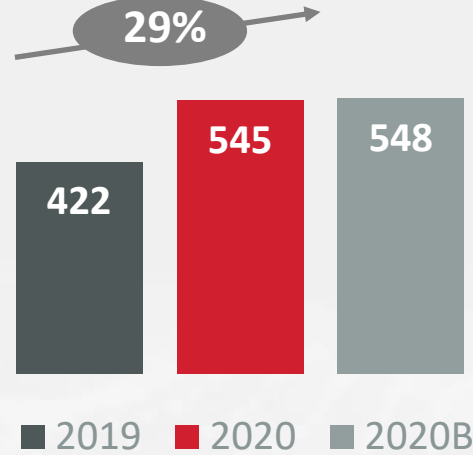
High budget realization amid Covid-19

Consolidated

Invoiced Revenues (TL mn)

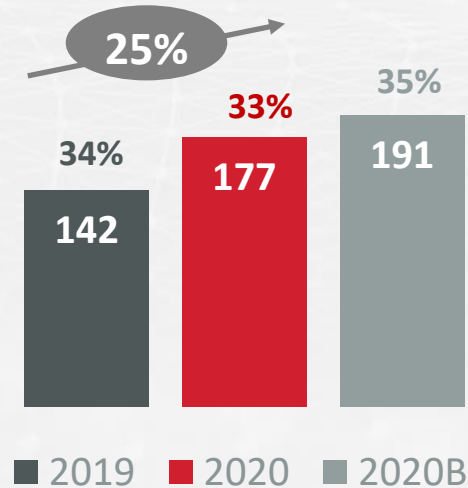


Revenues (TL mn)

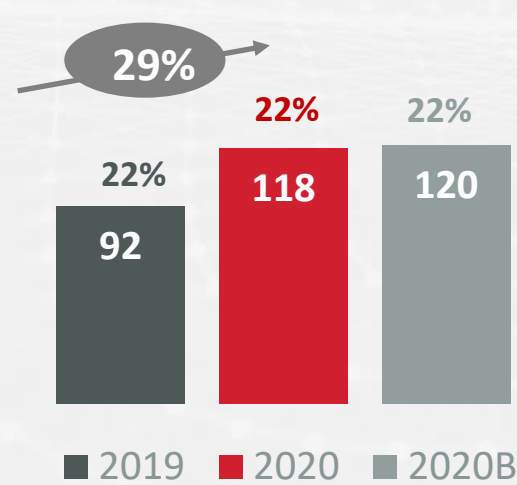


- **Strong top-bottom line growth** across the board
- Further **growth in recurring revenue**, bringing share in total to **62%** - supporting Logo's sustainable growth and profitability

EBITDA (TL mn)



EBT (TL mn)



2020B = 2020 Budget

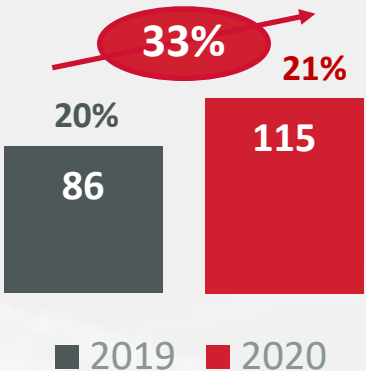
IFRS 16 impact: EBITDA +11.1 TL mn (2019: 8.87 mn TL) / EBIT +1.97 TL mn (2019: 1,36 mn TL) / EBT -115 TL thou (2019: -260 TL thou)

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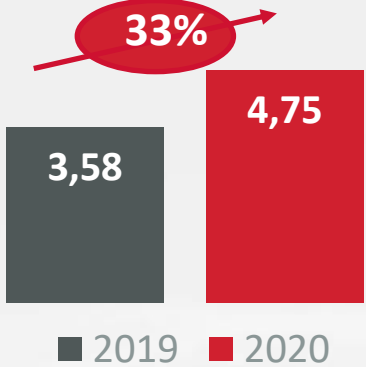
Effective financial management

Consolidated

Net Income (TL mn)

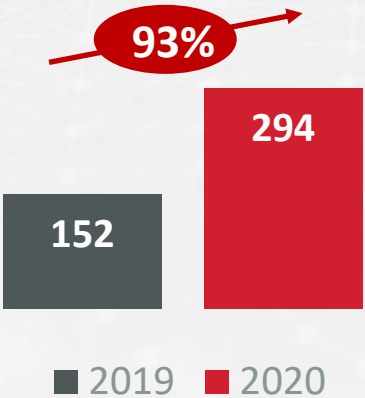


EPS* growth

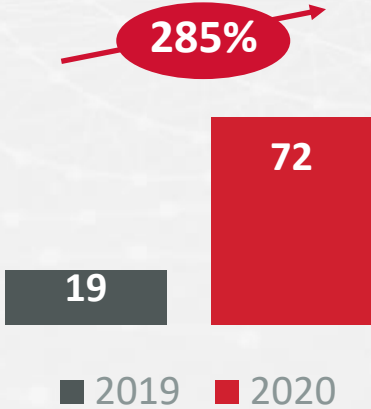


**Adjusted by 3.48% treasury shares*

Cash & Financial Investments (TL mn)



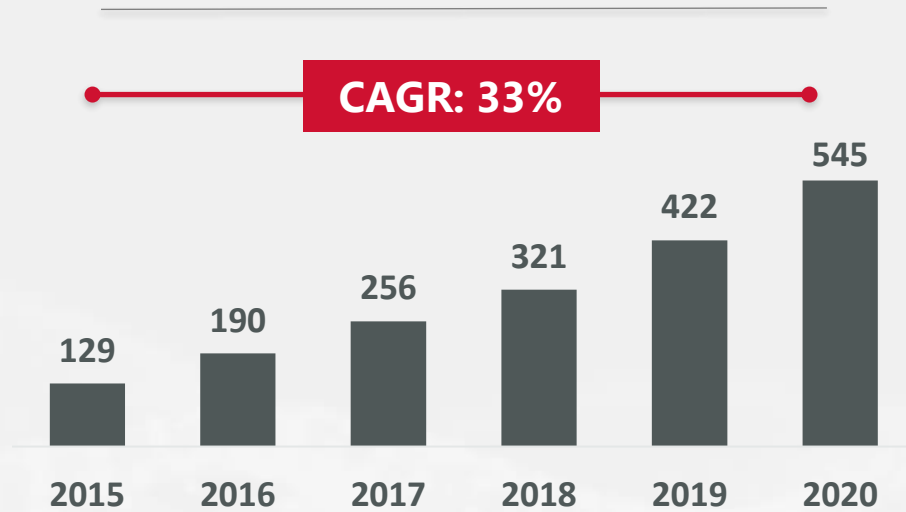
Strong FCF (TL mn)



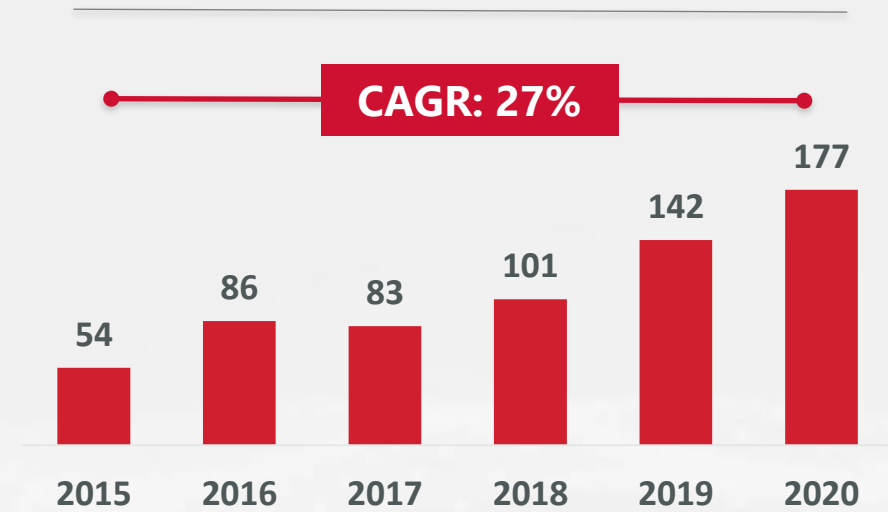
Sustainable growth

Consolidated

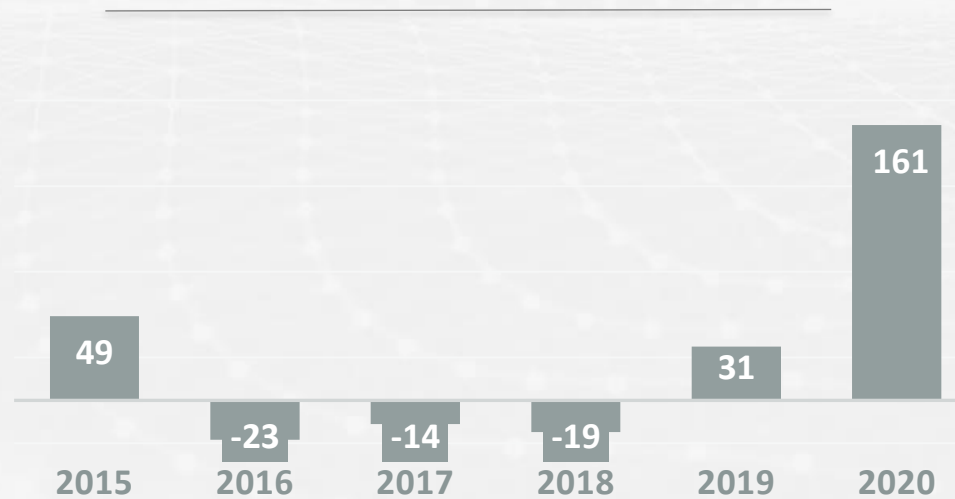
Revenues (TL mn)



EBITDA (TL mn)



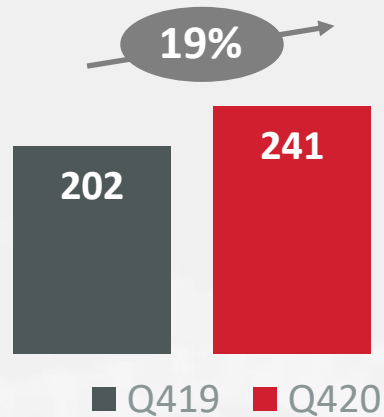
Net Cash* (TL mn)



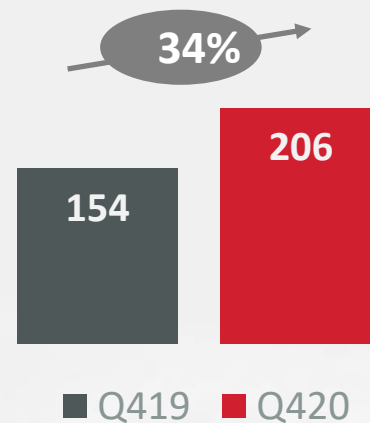
Strong performance in Q420

Consolidated

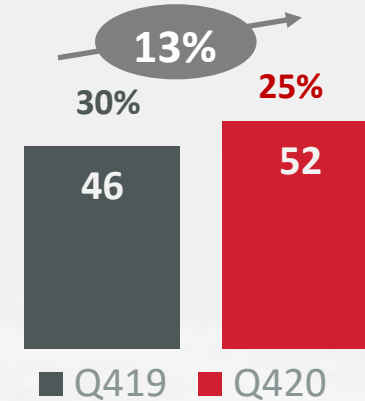
Invoiced Revenues (TL mn)



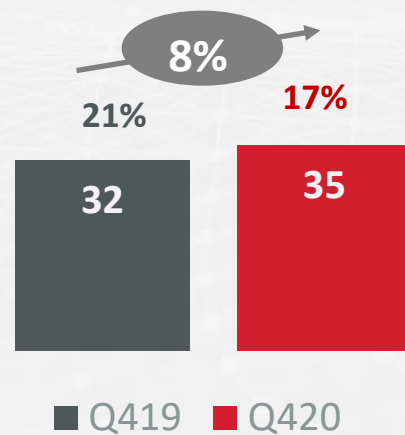
Revenues (TL mn)



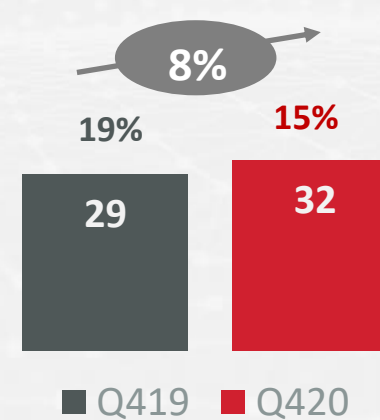
EBITDA (TL mn)



EBIT (TL mn)

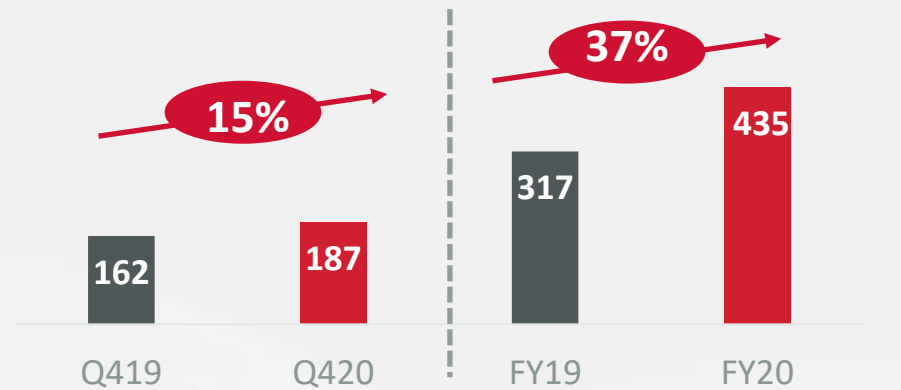


Net Income (TL mn)

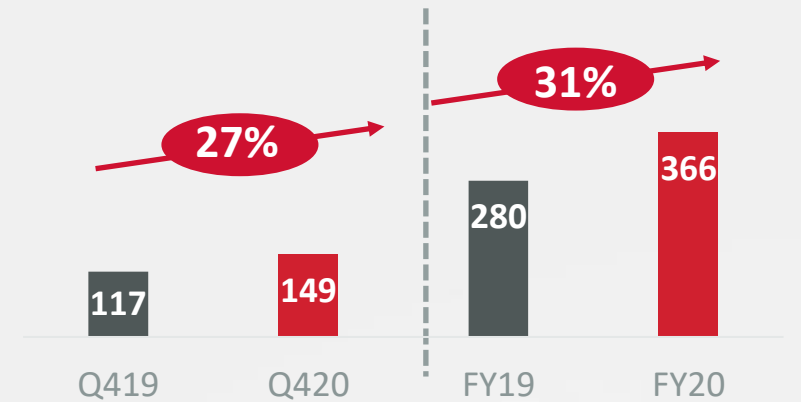


Strong results in Turkey

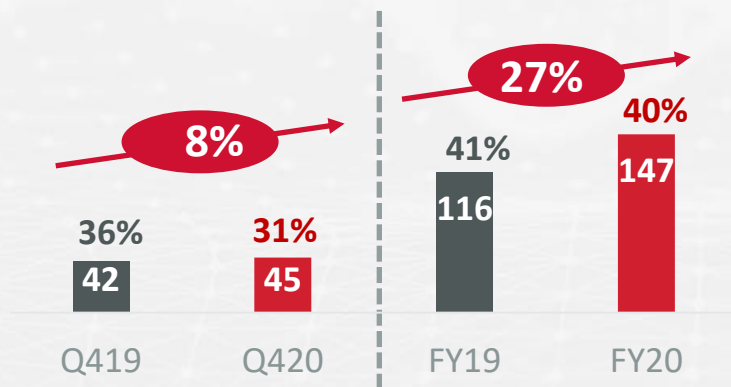
Logo Turkey – Invoiced Revenues (TL mn)



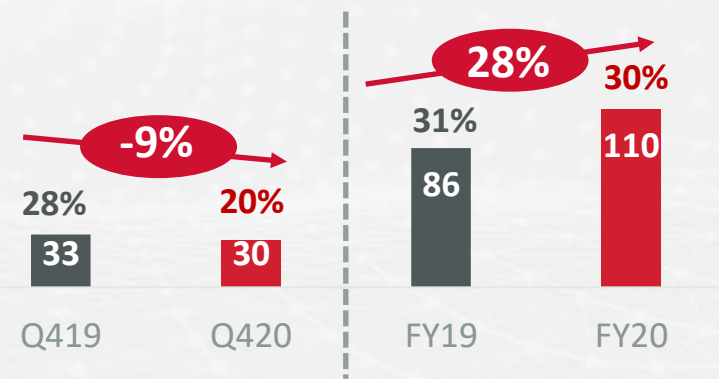
Logo Turkey – Revenues (TL mn)



Logo Turkey – EBITDA (TL mn)



Logo Turkey - Net Income (TL mn)



- Strong top and bottom line **growth**
- Profitability impacted temporarily due to;
 - High base effect of Q419 where e-services module sales surged after Oct.19's regulation change
 - Sales expenses related to deferred revenue remain in 2020
 - Marketing and people investments postponed from Q220 and Q320 concentrated in Q420,

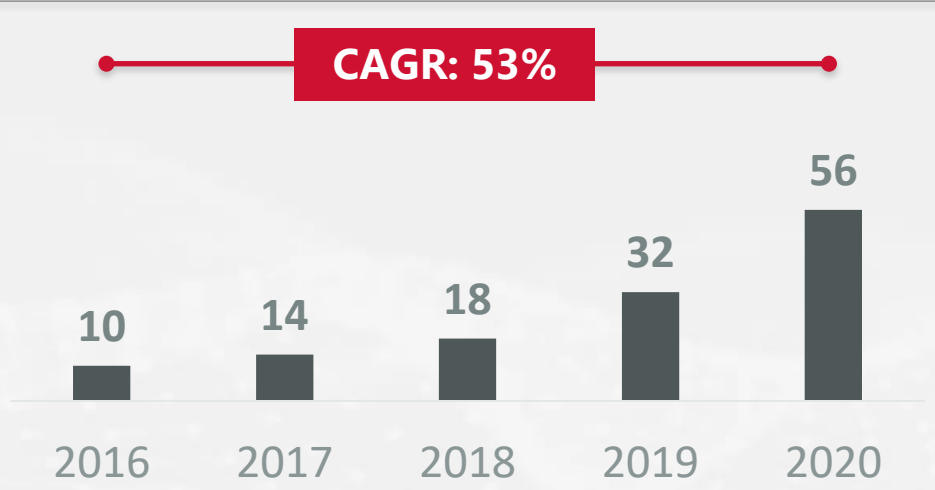


*IFRS 16 impact on FY20: EBITDA +6.8 TL mn (FY19: +5.03 TL mn) / EBIT +1.55 TL mn (FY19: +1.48 TL mn) / EBT -115 TL thou (FY19: -403 TL thou)

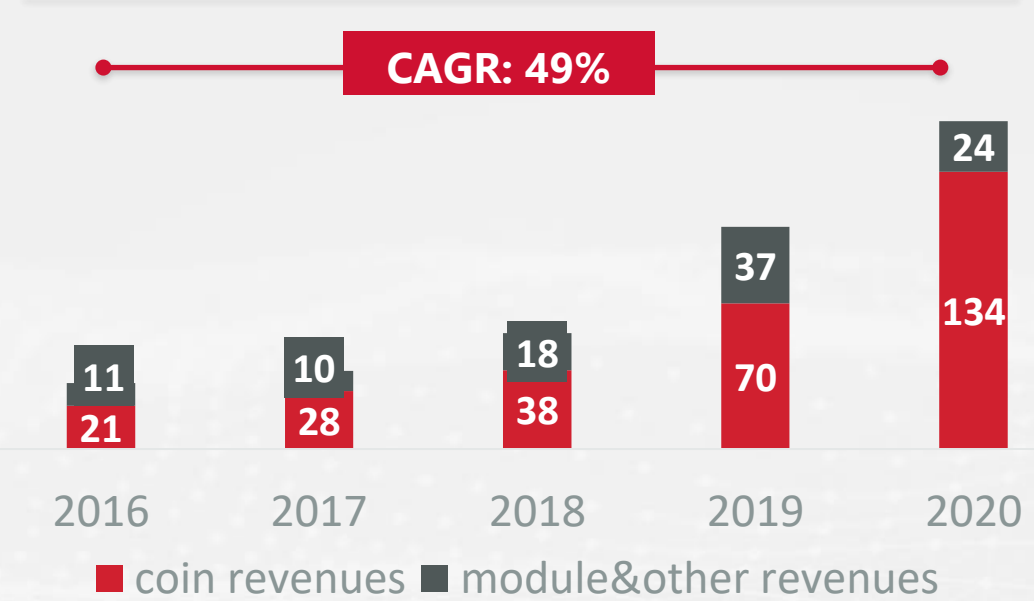
eLogo: e-services platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 56K customers

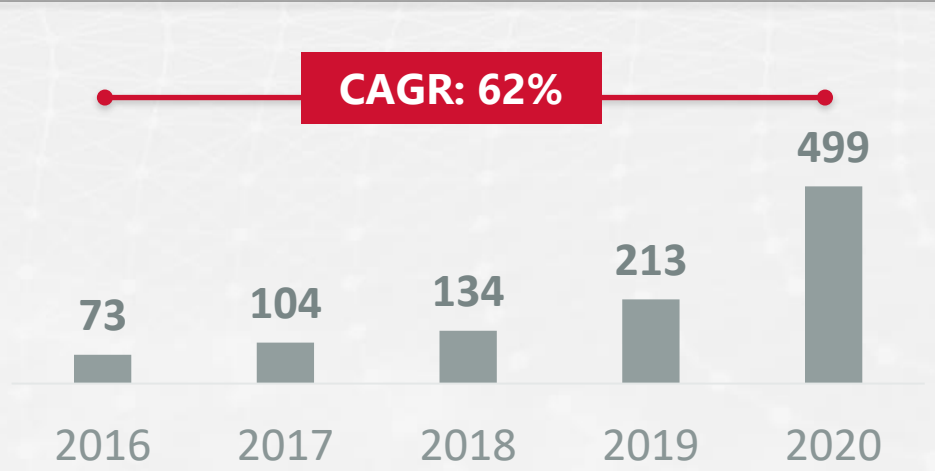
of customers ('000)



eLogo invoiced revenues (TL mn)



coin usage (mn)



- ✓ As the leader of the market, eLogo capitalized on the market growth driven by the new communique announced in October 2019.
- ✓ eLogo invoiced revenues (modules and coins) recorded significant growth rate since 2016.
- ✓ Coin revenues comprises 85% of eLogo's invoiced revenues in 2020 signaling strong recurring revenue growth potential going forward

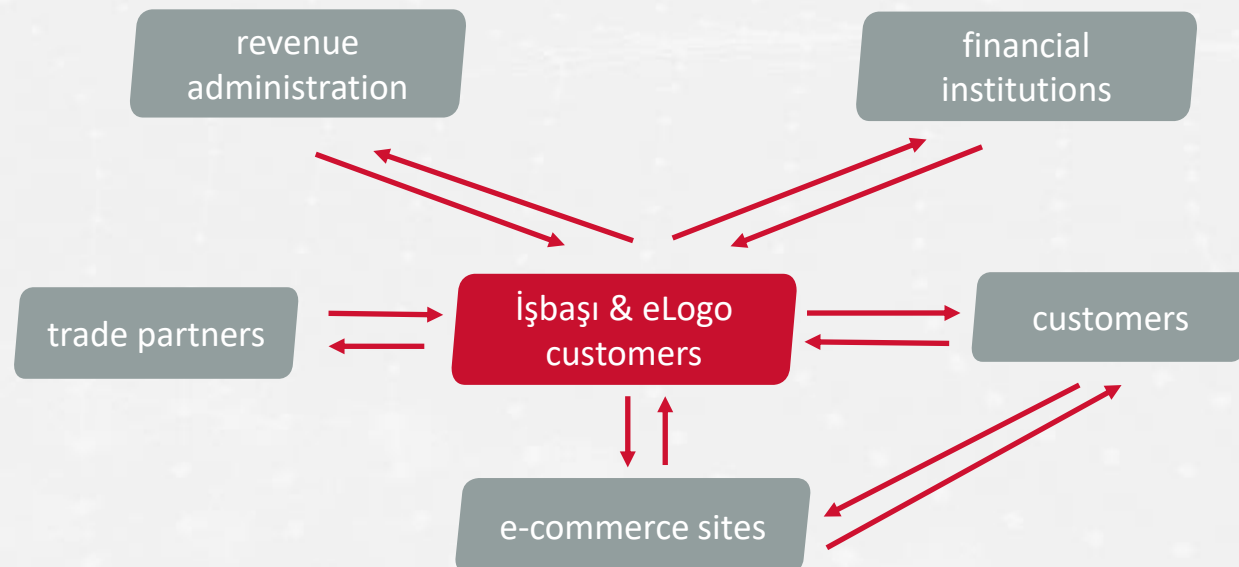


MicroSME digitalization

Turkey

- ✓ SaaS solution **Logo İşbaşı**'s paying users reached **10K** from a non-existent base at end-2019 in a very competitive MicroSME segment
- ✓ Logo as the leading e-invoice provider, differentiates itself with high service quality
- ✓ Quick and easy upgradability to a larger ERP solution
- ✓ Value creation on digital platform: connecting revenue administration, financial institutions, customers, trade partners and e-commerce sites

value creation on digital platform



India

Logo CaptainBiz is GSTN approved

Only 8 solutions are approved by the Goods and Services Tax Network (GSTN) of India

1K users at end-2020

Basic functionality is free for 1 user until March 2021 - when thru GSTN

Logo CaptainBiz is a mobile solution

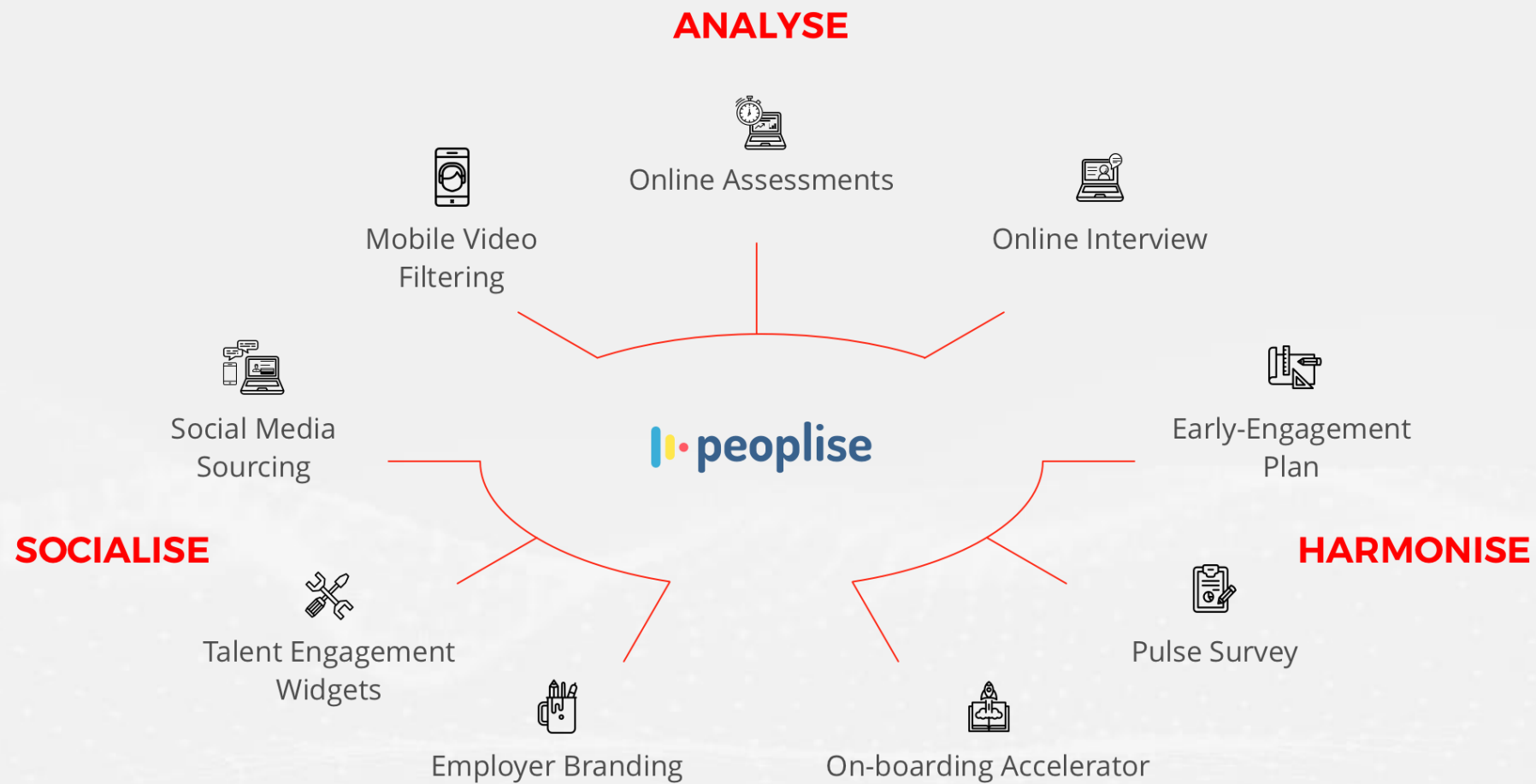
Only 4 solutions are mobile among the 8-GSTN-approved solutions

Same source-code with Logo İşbaşı

Aligned R&D effort

- ✓ SaaS solution **Logo CaptainBiz** (formerly Vyapari): final product with enhanced features rebranded and launched
- ✓ Total **investment** by Logo is **\$4 million** since JV's foundation at end-2016;
 - \$1 mn equity
 - \$3 mn long-term equity convertible

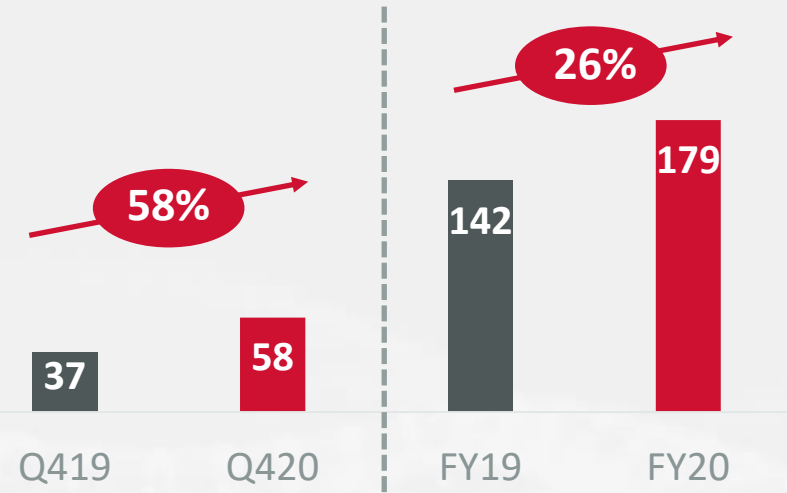
Peoplise: Next Generation Talent Acquisition



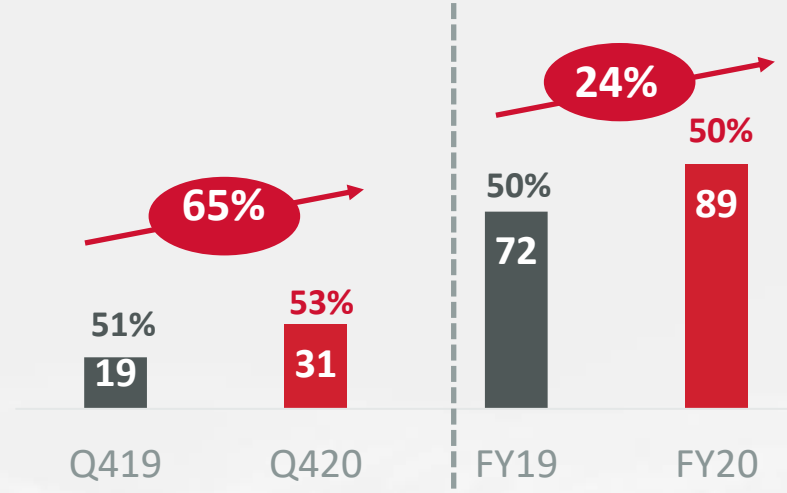
- ✓ **Remote onboarding** and **chat bot** assisted recruitment were the fastest growing modules of the platform
- ✓ **Reached 100+ customers, ranking #1 in Turkey**
- ✓ **Solid recurring revenue growth provider**
- ✓ Peoplise capitalized on the post-Covid remote working environment; **achieving revenue and customer growth** even though recruitment market overall was shrinking worldwide.
- ✓ Serving clients in **8** different countries in **14** languages

Total Soft proved its resilience

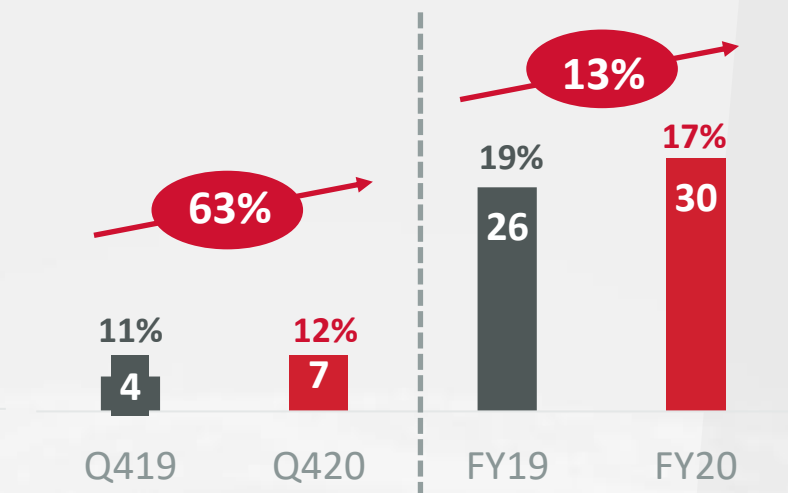
Total Soft – Revenues (TL mn)



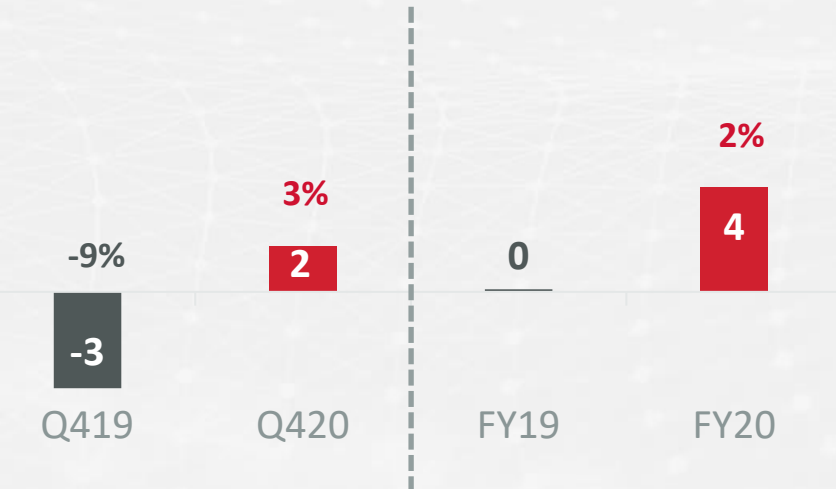
Total Soft – Gross Profit (TL mn)



Total Soft – EBITDA (TL mn)



Total Soft - Net Income (TL mn)



- Logo Total Soft proved **resilient** in COVID related challenging market conditions
- **New project additions** were **stronger in Q4**. Team concentrated on project delivery to compensate for slower new project additions in Q2 and Q3.
- **Euro revenue** remained flat in **FY20** at 22.3 mn due to slower than expected new project additions in COVID environment
- **Maintenance revenues (recurring)** share reached 52% of Total Soft's invoiced revenues due to wider scope and better pricing
- **EBITDA margin** was softer in FY due to flat revenues

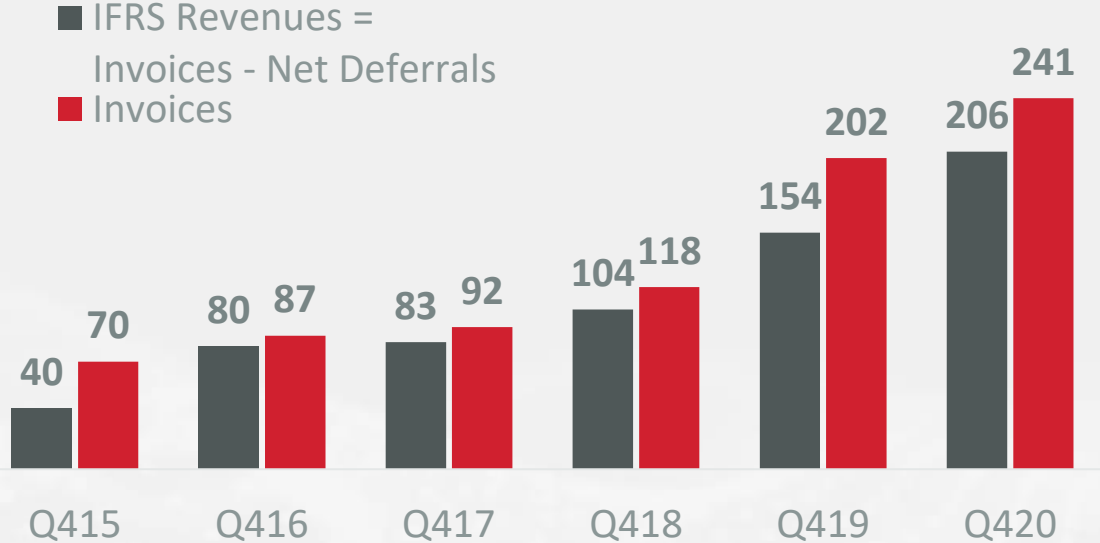


*IFRS 16 impact on FY20: EBITDA +4.4 TL mn (FY19: +3.8 TL mn) / EBIT 425 TL thou (FY19: -115 TL thou) / EBT 0 TL (FY19: +143 TL thou)

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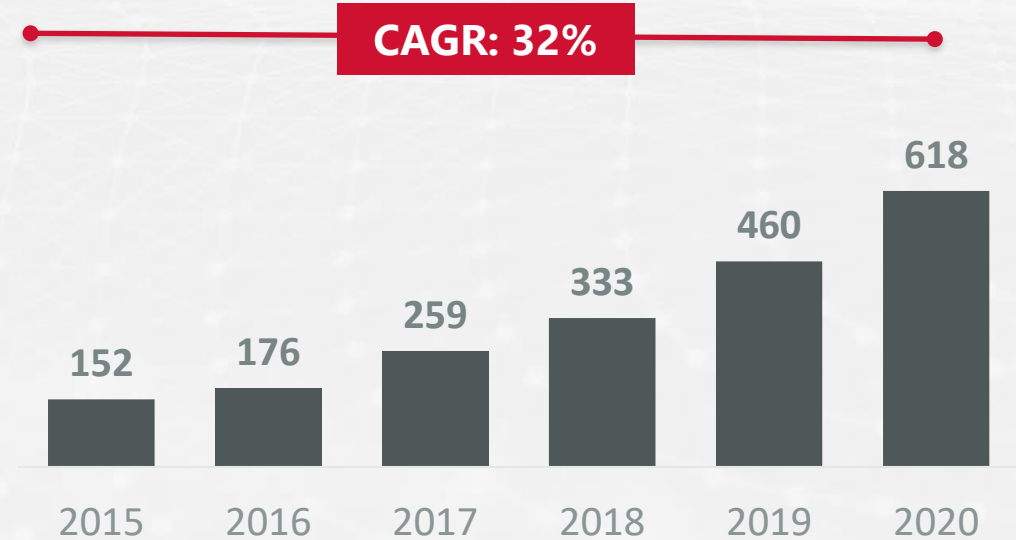
Invoiced revenues vs IFRS revenues (Consolidated)

Fourth Quarter Invoices & IFRS Revenues (TL mn)



- 4Q sales invoice growth was 19% y/y
- IFRS Revenue growth was 34% y/y in 4Q

Invoiced Revenues (TL mn)

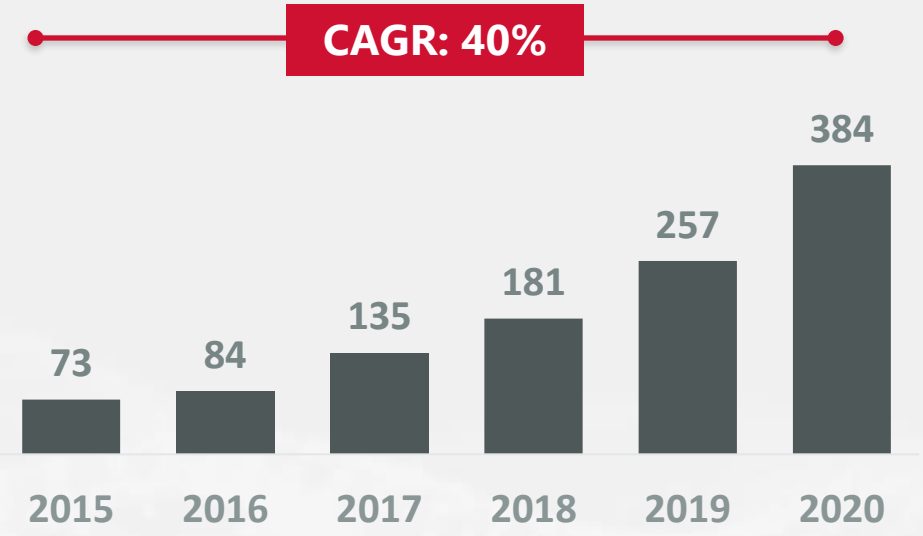


- In Turkey, invoiced revenue was 435 TL mn with 37% increase
- Total Soft's invoiced revenue increased by 27% and reached 183 TL mn
- Recurring revenues make up 62% of invoices



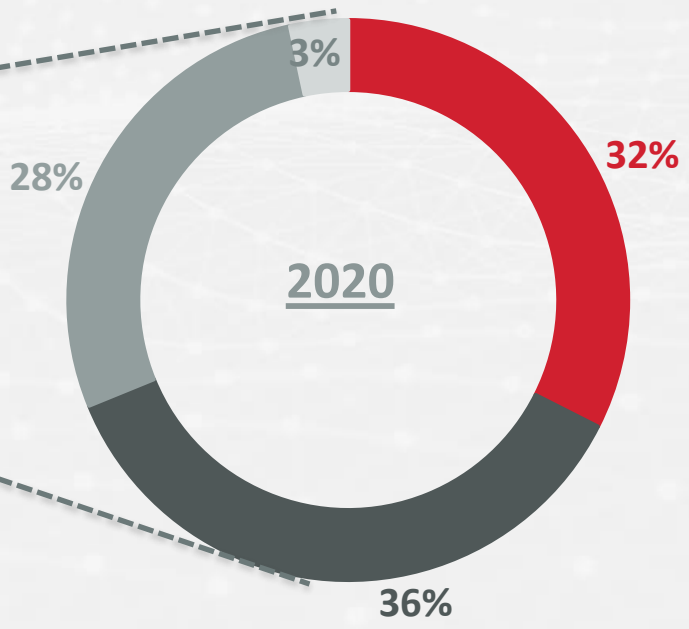
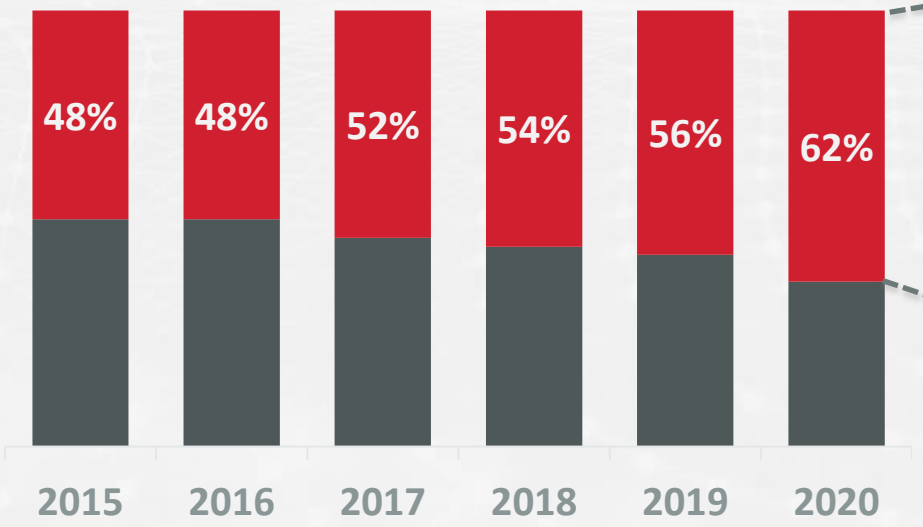
Recurring revenue growth ensuring predictability

Consolidated Recurring Invoices (TL mn)



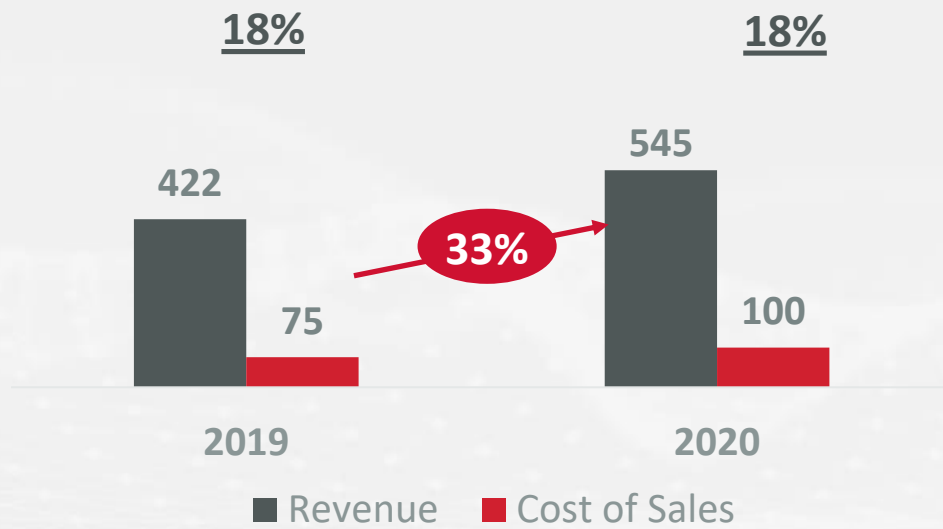
- **LEM** revenues increased by 29% y/y in FY20
- **Pay as you go** revenues increased by 92% y/y with very strong coin sales.
- **Maintenance** revenues increased by 39% y/y with significant contribution from Romania operations
- **Retail SaaS** revenues increased by 25%

Recurring Invoices/Total Invoices (%)

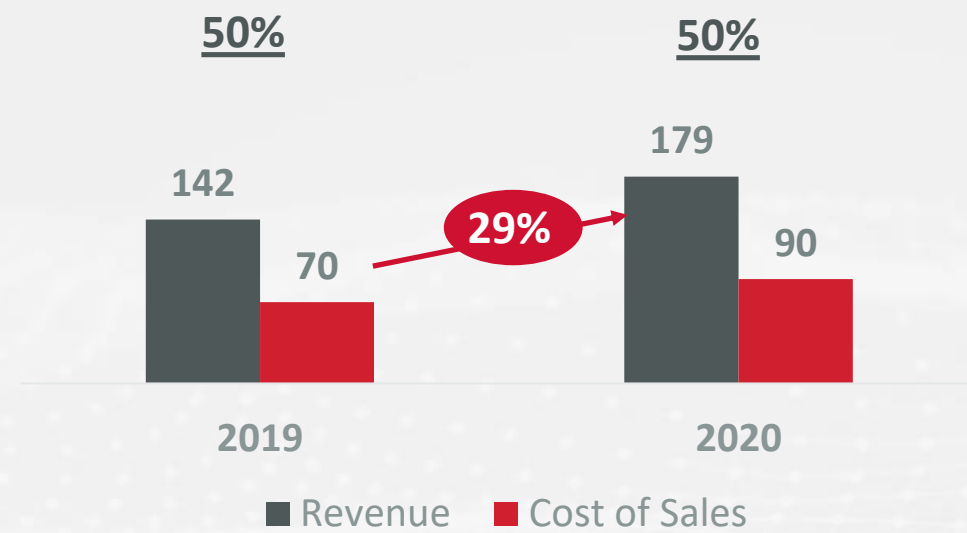


Cost of sales

Consolidated (TL mn) – As % of IFRS Revenue

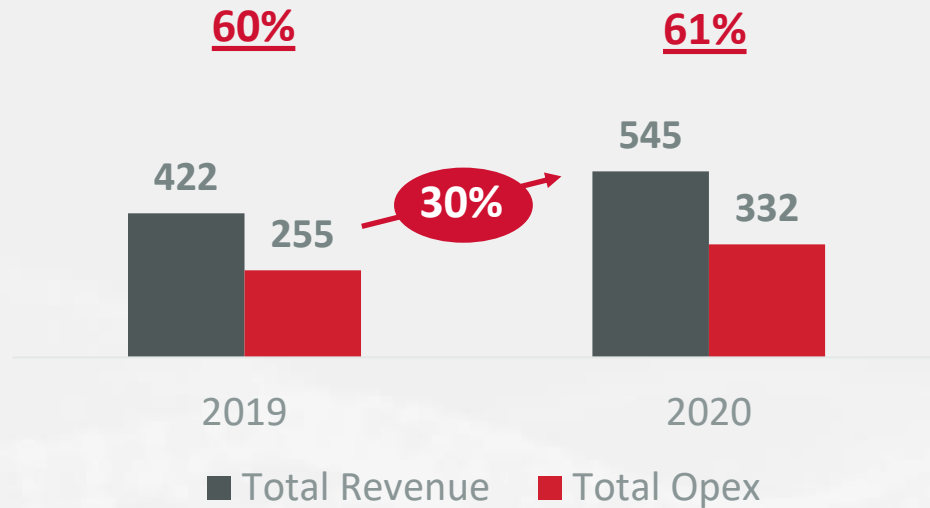


Total Soft (TL mn) – As % of IFRS Revenue

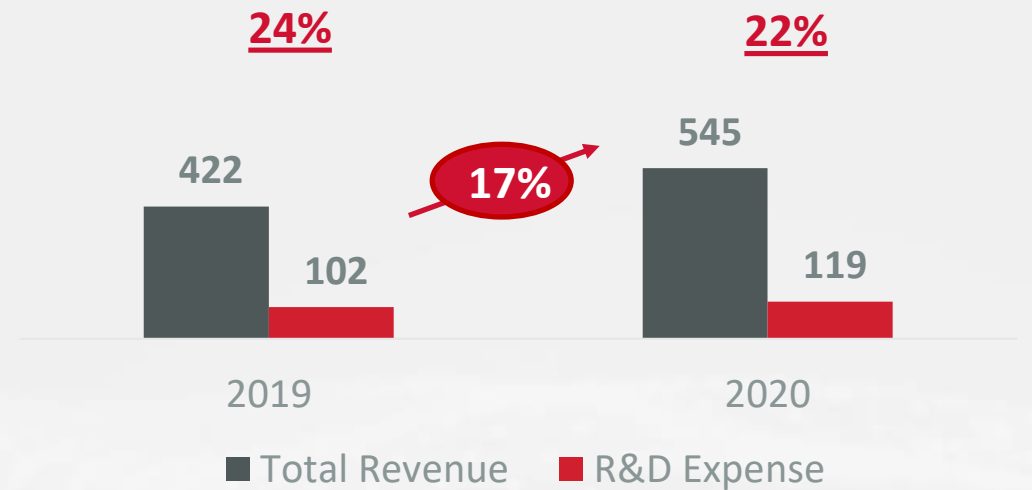


Operating expenses

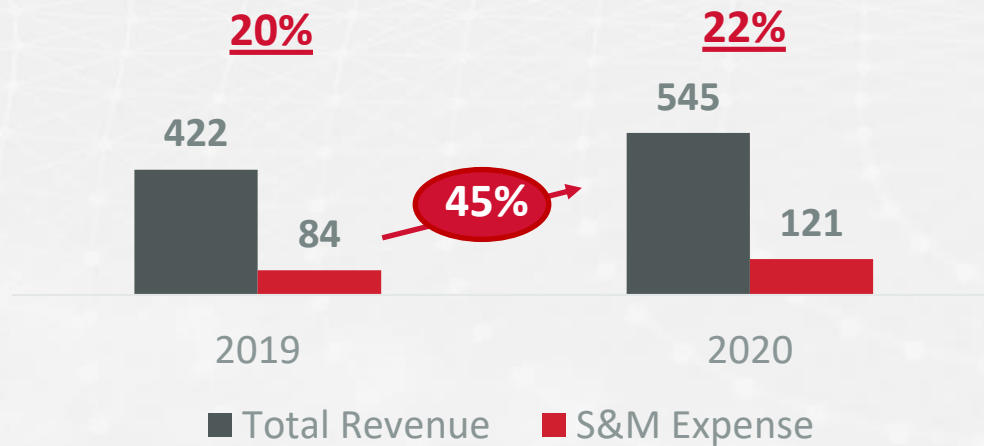
OpEx (TL mn) – As % of IFRS Revenue



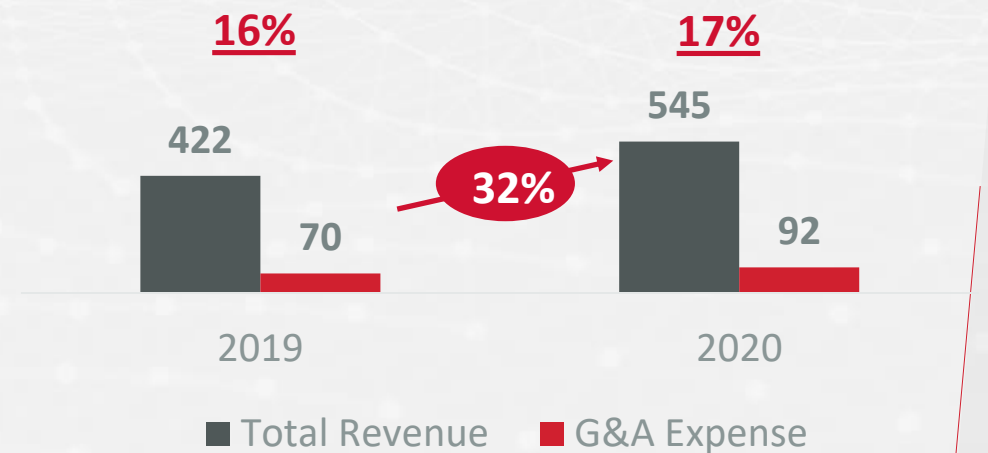
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

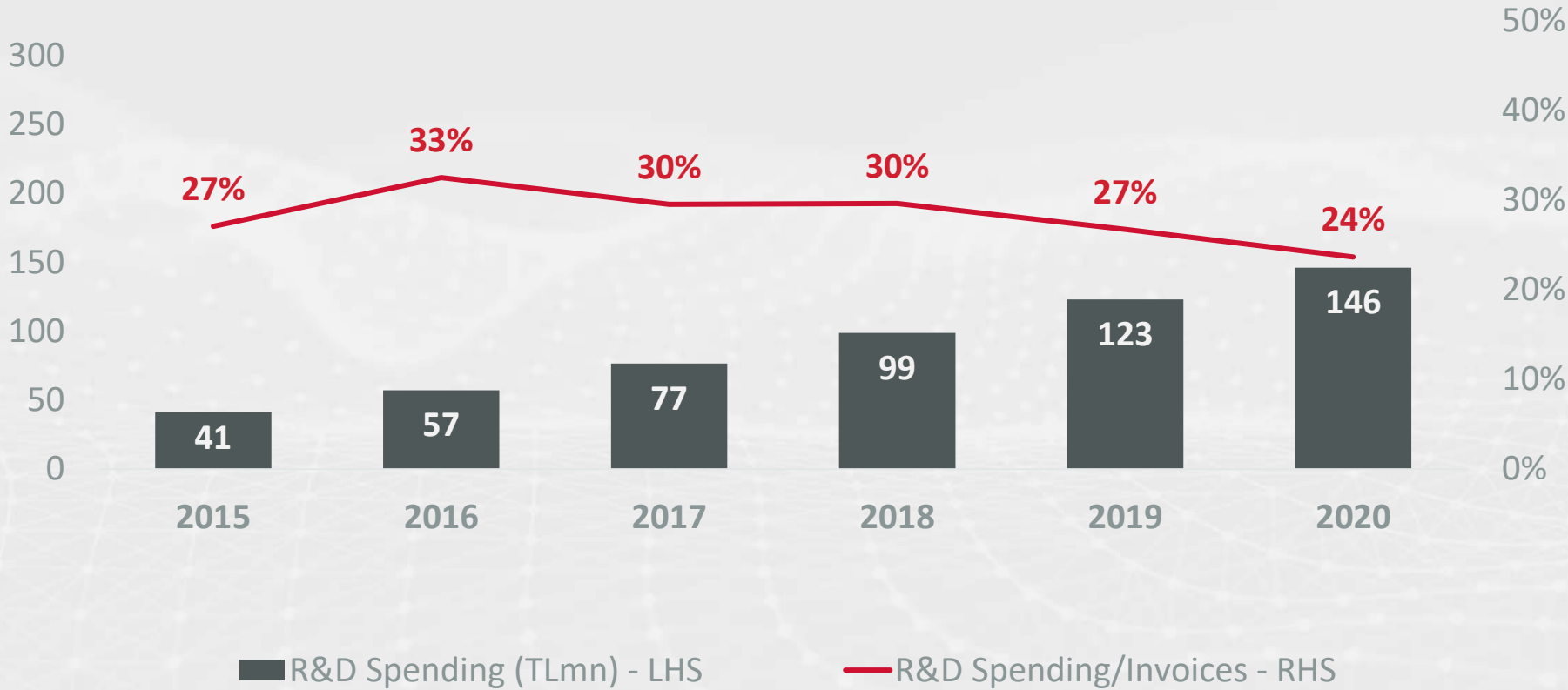


G&A (TL mn) – As % of IFRS Revenue



Dedicated investment in technology

R&D Spending (TL mn) – As % of Invoices



Strong balance sheet

Balance Sheet Highlights (TL mn)

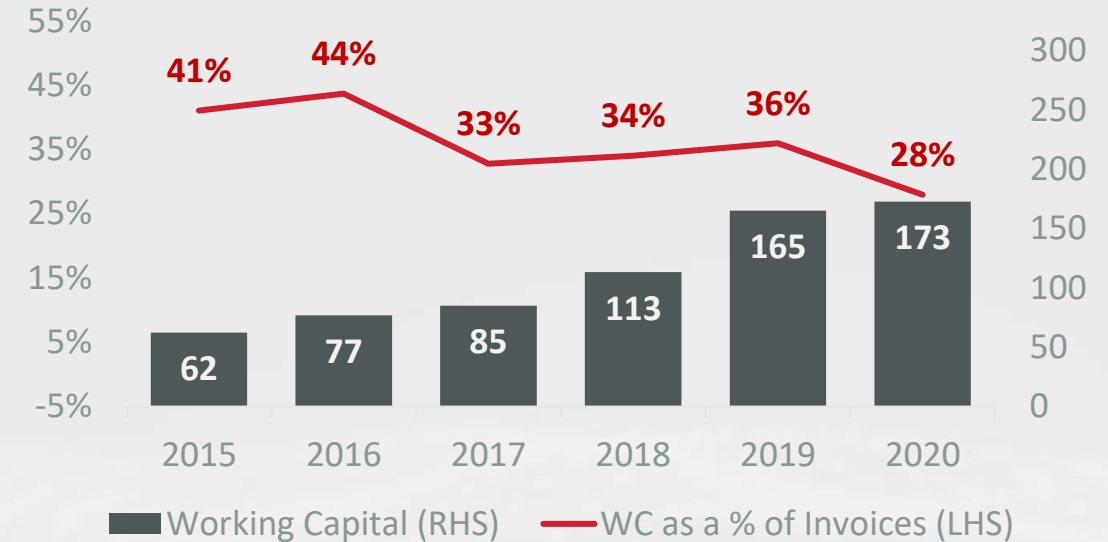
	2019	2020	Δ
Cash & Cash Eq.	152,2	293,7	93%
Trade Receivables	211,2	235,7	12%
Tangible Assets	20,0	19,3	-4%
Intangible Assets*	342,2	470,2	37%
Other Assets	50,2	78,6	57%
Total Assets	775,7	1.097,5	41%
Total Liabilities	381,1	559,8	47%
Total Shareholders' Equity	394,6	537,8	36%
Total Liabilities and Equity	775,7	1.097,5	41%
Shareholders Equity Ratio	0,51	0,49	-4%
Current Ratio	1,55	1,34	-14%
EPS**	3,58	4,75	33%

* Includes goodwill

** Adjusted by 3.48% treasury shares

- Net cash of 160.1 TL mn at end-2020 (excluding 19.2 TL mn IFRS 16 impact) vs net cash of 31 TL mn at end-2019. Net cash of 269.8 TL mn together with 3.48% treasury shares @Mcap at end-2020.
- Working capital/Invoices ratio improved from 36% to 28%.

Working Capital (TL mn)

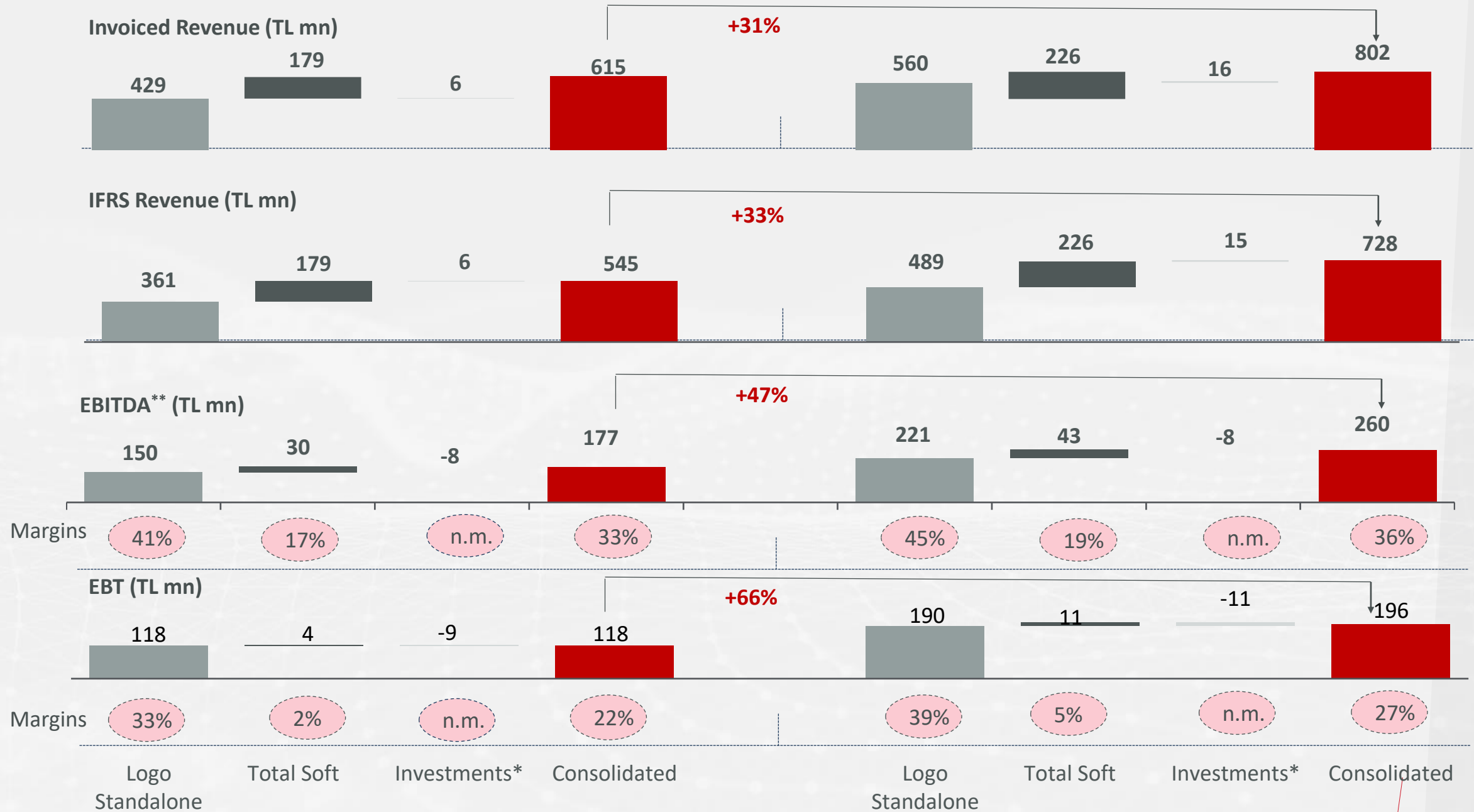


Working capital: Trade receivables + Inventories – Trade payables
WC/Invoices figures are based on 12-mth trailing invoices

Guidance

2020

2021 guidance



*Investments = Logo Infosoft (India), Logo Kobi Digital (Turkey) and ELBA HR (Peoplise). Logo Infosoft (India) is recognized with equity method and does not have expense impact on consolidated figures.






** IFRS 16 impact on consolidated EBITDA: +11.1 TL mn for 2020 and 9 TL mn for 2021 guidance.



Appendix

eLogo: e-services platform and leader in digital transformation

New communique's details (October 19th, 2019)

	<u>BEFORE</u>	<u>AFTER (eff. as of July 1st, 2020)</u>
 e-invoice	Companies w/sales 10mio₺+	Companies w/sales 5mio₺+, specific sectors
 e-archive	Companies w/sales 5mio₺+ and online sales	All e-invoice issuers and invoices above 5K and 30K
 e-ledger	Required to safekeep on in-house server	Required to safekeep on in-house server, e-invoice integrator, GIB
 e-dispatch	Not mandatory	Companies w/sales 25mio₺+, specific sectors
 e-selfemp. invoice	Not mandatory	All self-employed professionals (doctors, lawyers, etc.)



Questions & Answers

Thank you for joining us today

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