



**LOGO**

**Investor Presentation**

# Disclaimer

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



**38%**  
IFRS revenue  
CAGR  
in 2011-2021



**767 mn TL**  
2021  
revenues



**62%**  
Recurring  
revenue base



Growing SaaS  
business



Dedicated R&D  
spending



**1.300+**  
employees



**43%**  
women  
employees



**5.000+**  
people in  
ecosystem



**150.000+**  
Customers\*

# Key investment highlights



Solid growth



Leading provider of EAS solutions



High profitability

Extensive Solutions & Services suit



Latest technology

Largest business partner network in Turkey / 800+



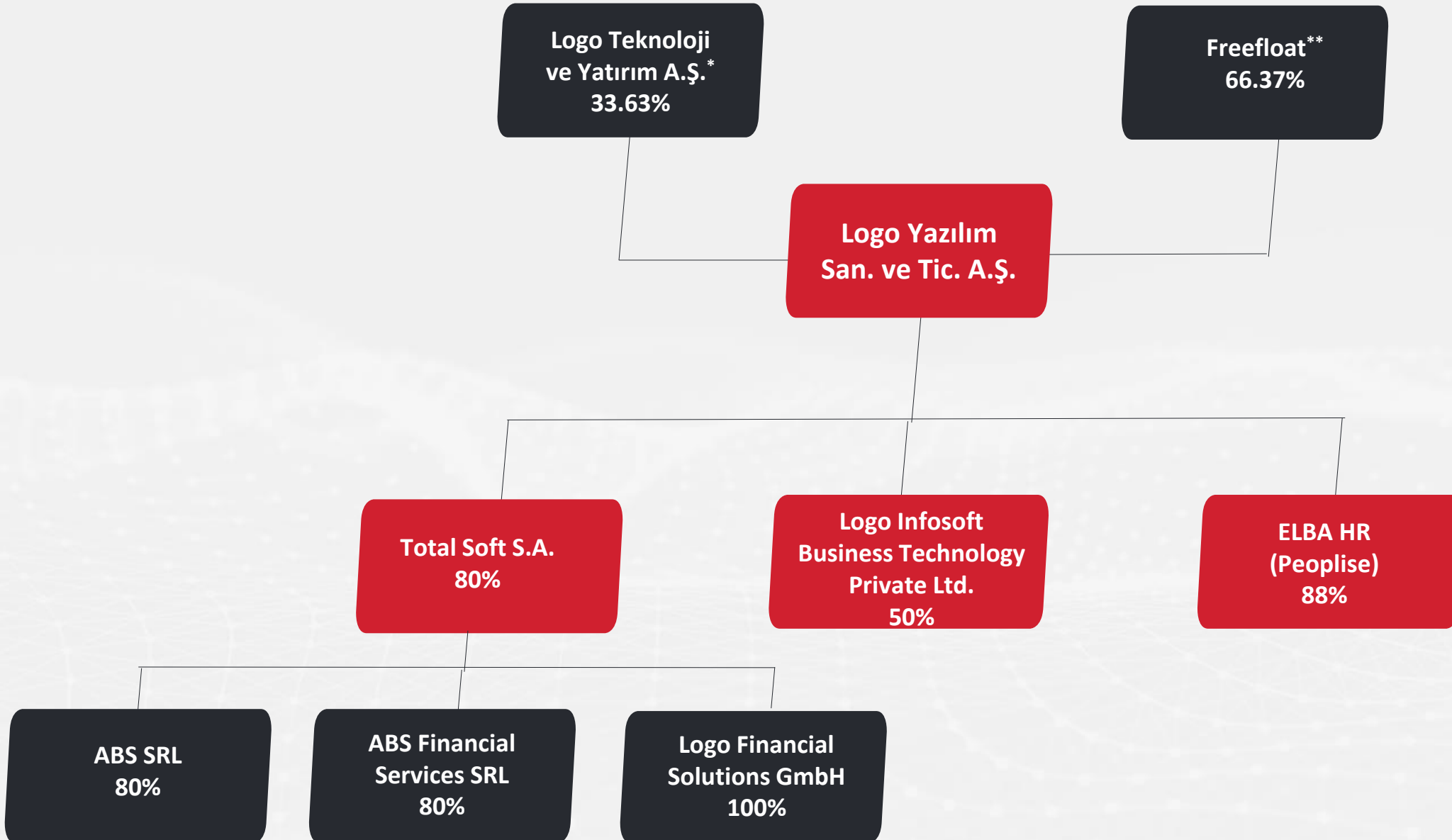
International expansion in emerging markets



Most valuable IT brand\*



# Shareholder structure



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

\*\* Includes the treasury shares of 3.61%.

[www.logo.com.tr](http://www.logo.com.tr)

# Logo milestones



1980s-1990s

2000s

2010s

2020s

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

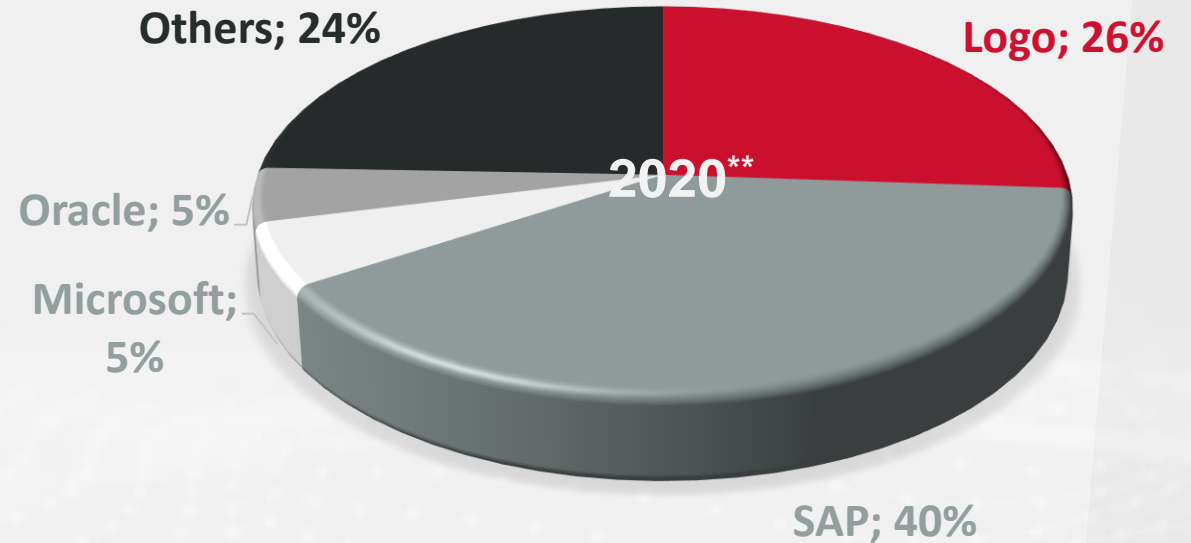
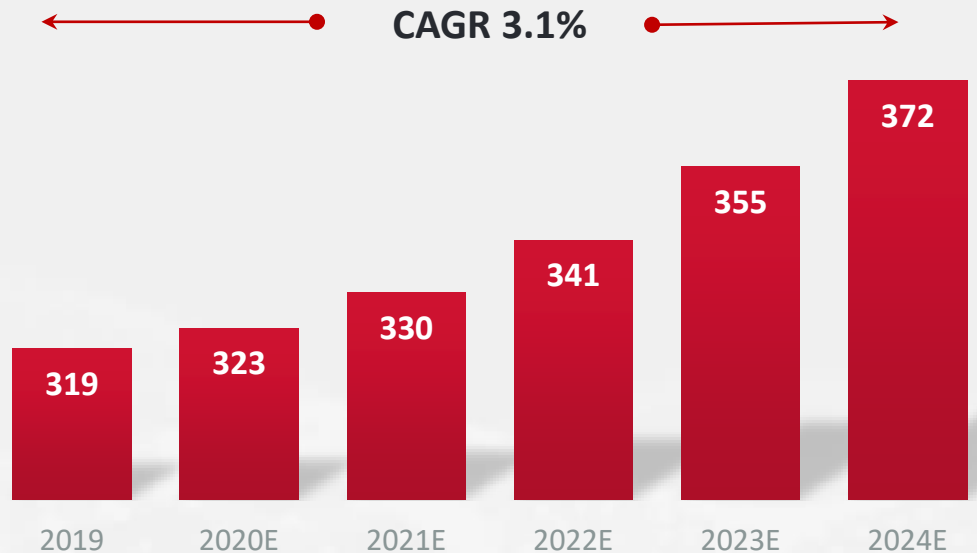
- ✓ 2000; First-ever software company IPO in Turkey
- ✓ Software Development Center @ Gebze
- ✓ Competitive java-based product
- ✓ R&D leadership in software market
- ✓ Market leadership in terms of number of customers and users

- ✓ 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

# 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

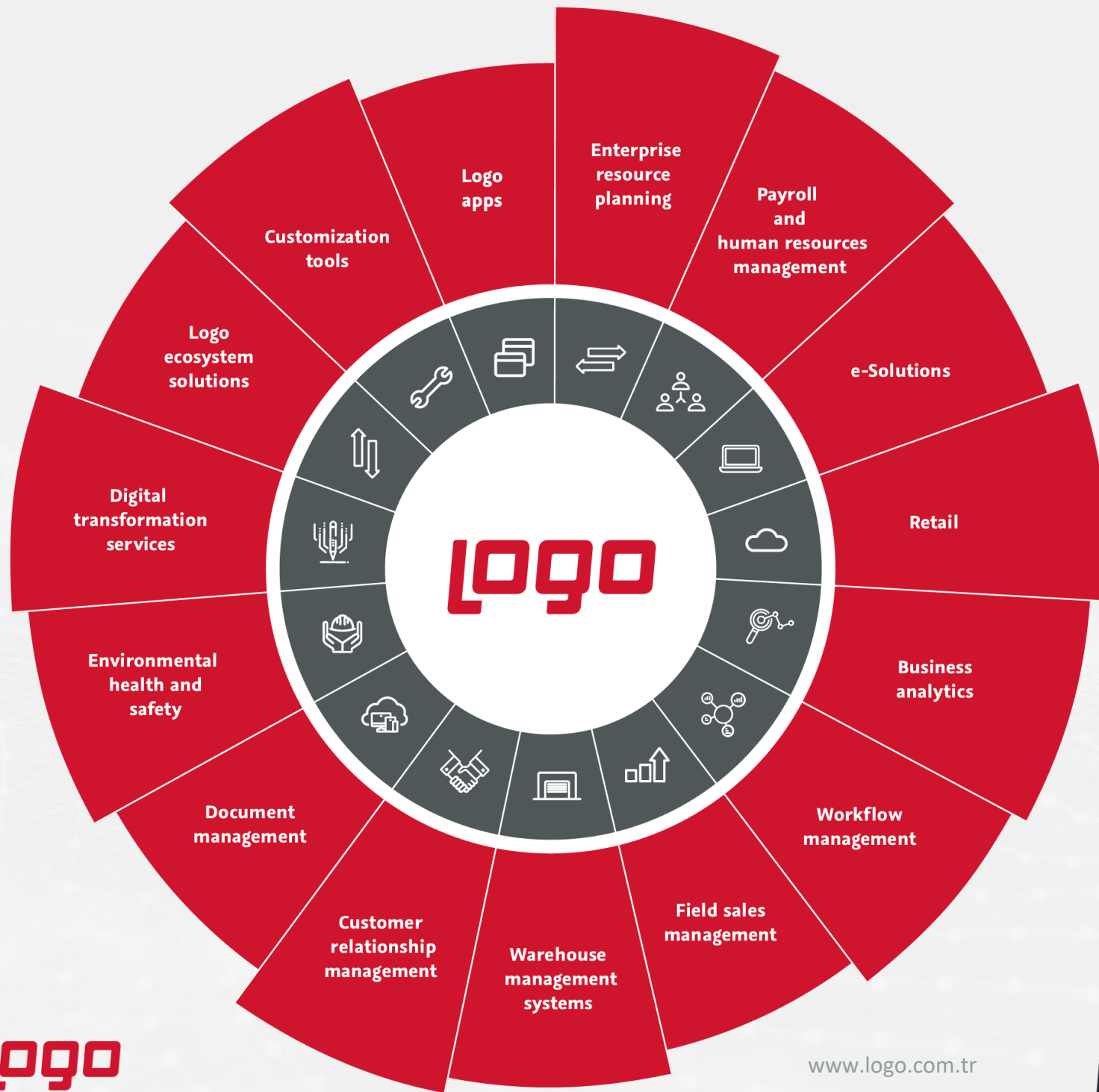


Potential pricing upside



Digitalization becoming more of an obligation than choice post Covid

# Extensive product suite



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60+ solutions



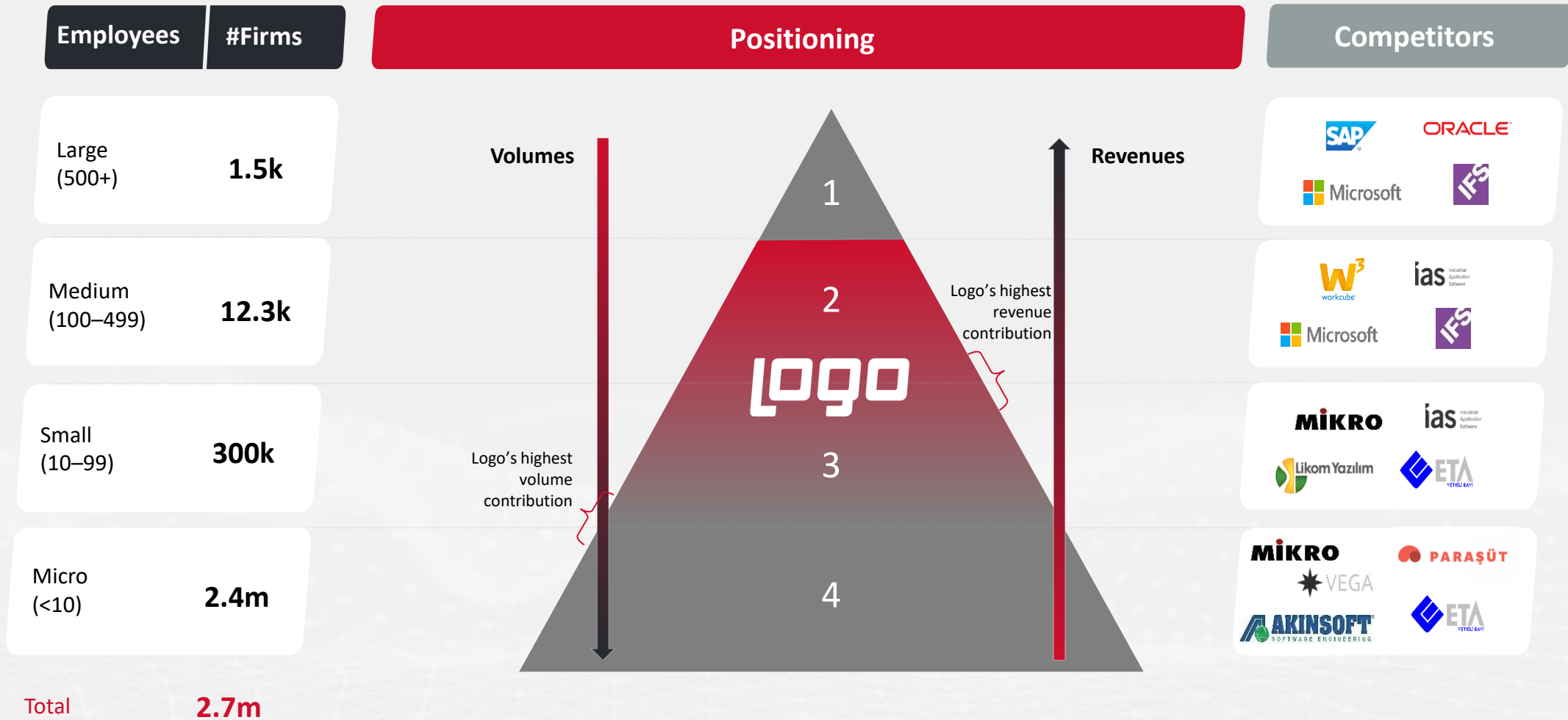
One-stop-shop for companies of all sizes



35+ years of experience



# Logo Turkey's product portfolio from micro to large corporates

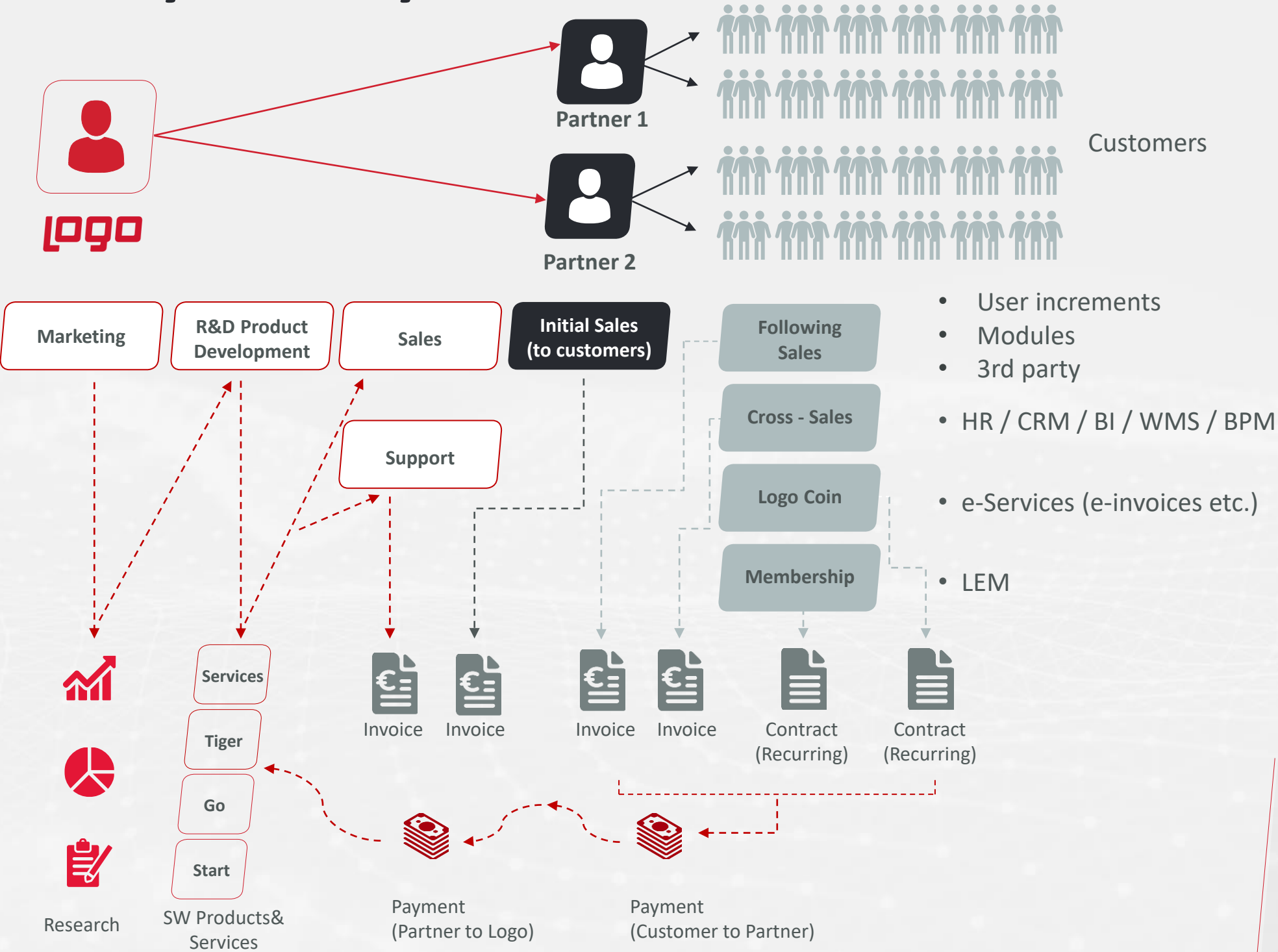


- 1**
- Higher presence of large incumbents that do not have SME tailored products
  - Low volume, high penetration region

- 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 800+ 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
- Upsell opportunities to large passive customer base of c. 100k
- 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



3,996  
new features  
added in 2021

28%

Revenue  
CAGR in 2016-  
2021



Version  
releases



New features



Regulatory  
changes

30%

share in  
recurring  
revenues in  
2021



7 version  
releases in  
2021

## Pay as you go – Logo coins

Market  
leader in  
e-government  
solutions



95,000  
Customers



e-invoice  
e-archive  
e-ledger  
e-dispatch

56%

Logo coin  
revenue  
CAGR in  
2016-2021

37%

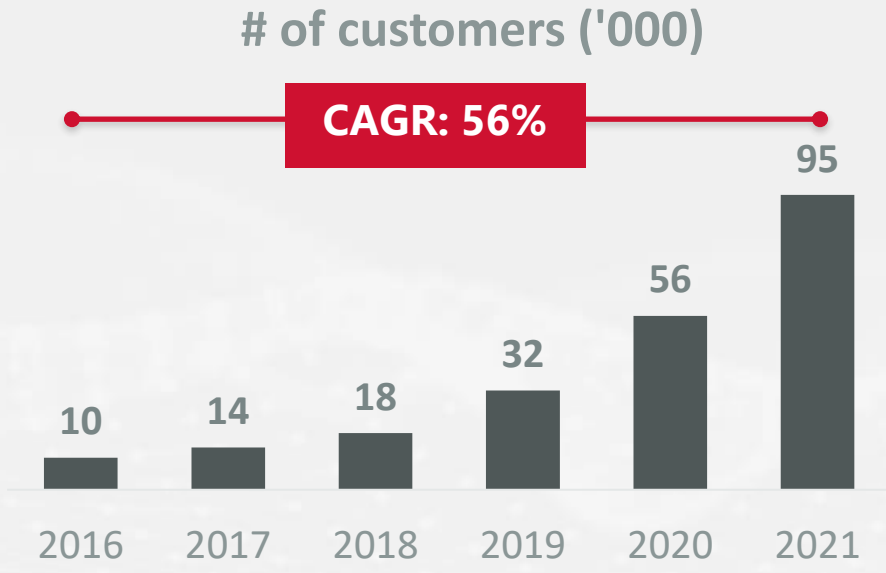
share in  
recurring  
revenues in  
2021

39%

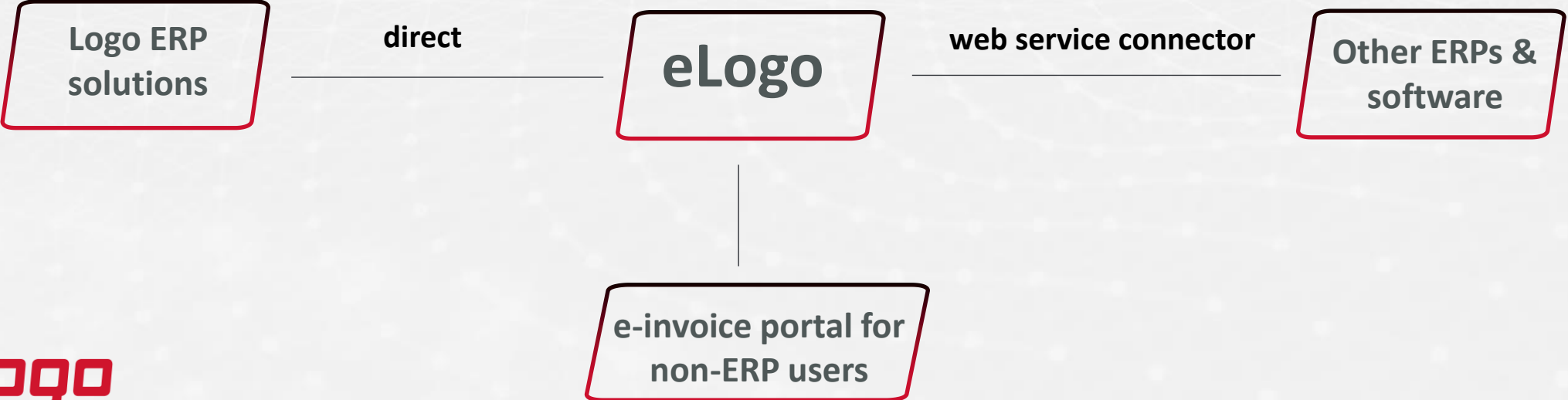
increase in  
coin sales  
in 2021

# eLogo: e-services platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 95K customers



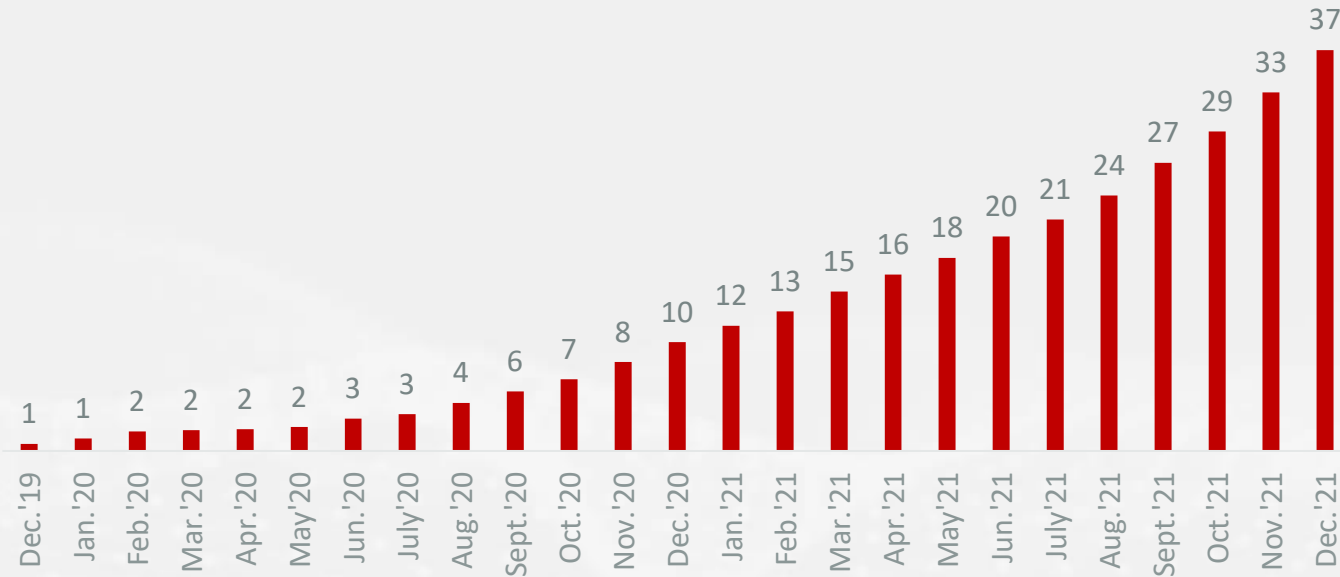
- ✓ **High-quality customer service** in addition to **superior tech infrastructure** differentiates eLogo in a very competitive market
- ✓ **Recurring revenues** (coins) make up **89%** of e-service division's invoiced revenues in 2021, and the remaining 11% is one-time revenues and comprises of module and other sales
- ✓ **56% coin revenue CAGR** between 2016-2021
- ✓ **Coin revenues** has a **37% share** in consolidated recurring revenues in 2021



# Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering *basic accounting software and e-invoicing services*

# of users ('000)



User growth:  
269% y/y

ARPU\*: 326 TL

LTV/CAC\*\*: 28

## Competitive advantages:

- ✓ Quick and easy **upgradability** to a larger ERP solution
- ✓ 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

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



\*ARPU (Average revenue per user) is based on total invoiced revenues (LTM) and average # of users (LTM).

\*\*LTV/CAC: Lifetime value/Customer acquisition cost

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# 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

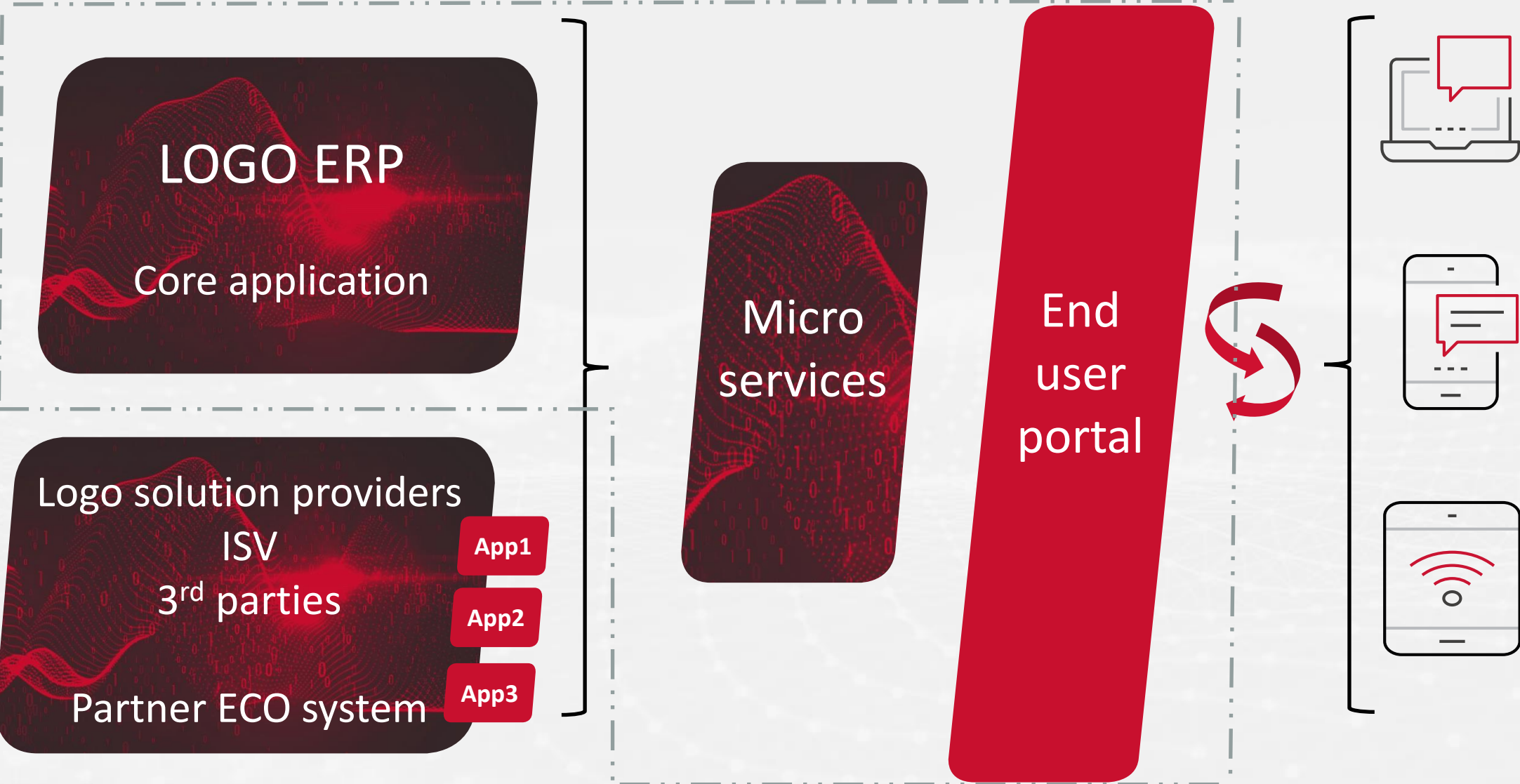
aPaaS for ERP Services

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

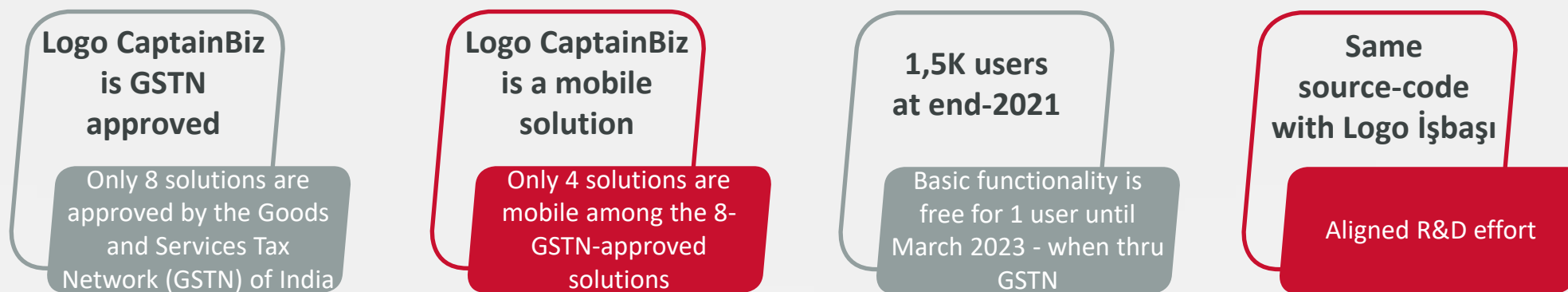
Competitive positioning in home market

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 2022/H1 is **\$5.7 million** since JV's foundation at end-2016;
  - \$1.0 mn equity
  - \$4.7 mn long-term equity convertible

# ESG in numbers



**1,315**

Employees



**43%**

Women  
employees



**50%**

Women in  
executive  
management



**35**

Average age  
of employees



**27%**

R&D spending/  
invoiced  
revenues



**50%**

of Board is  
independent



**9.28/10**

Corporate  
Governance  
Rating



**100%**

of e-waste  
recycled in TR



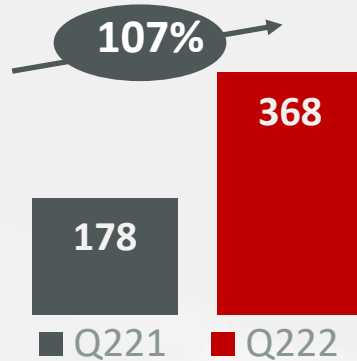
LOGO

Q2 2022 results

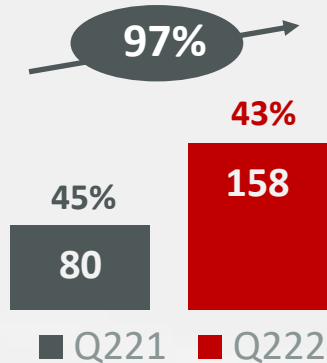
# Solid performance continues in Q222

Consolidated

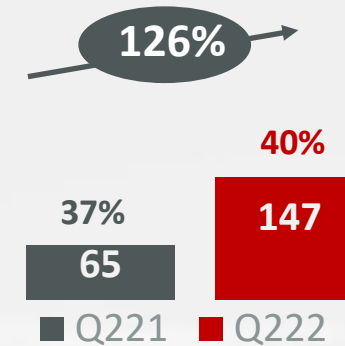
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)

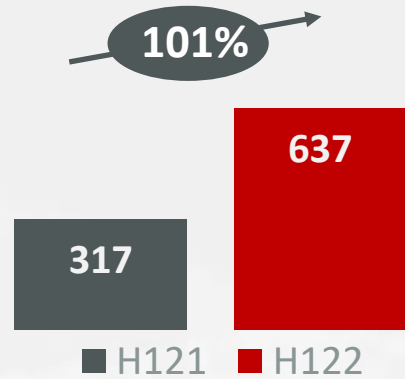


- **Strong revenue growth and solid operational profitability** continued in Q2 despite macro uncertainties
- **Recurring revenues** were **62%** of invoiced sales with growth in all categories
- **In Turkey**; revenues grew **by 102%** in H1 with increased spending from existing customers and healthy new customer acquisitions;
  - Logo Turkey's **new customer additions** in ERP segment grew by **30% y/y**
  - e-services' **new customer additions** grew by **46% y/y**
  - MicroSME SaaS solution **İşbaşı's** users reached **48 thousand** with **141% growth y/y**
  - **Peoplise** active customers up by **23% y/y** reaching **134** at end-H122
- **Romania**; strong Euro **sales and profitability growth** continued in Q222
- **India**; reviewing pricing and go-to-market strategy of microSME SaaS solution CaptainBiz, and working on building strategic partnerships to ensure customer traction

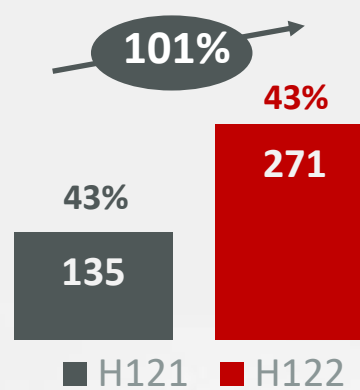
# Strong results in H122

Consolidated

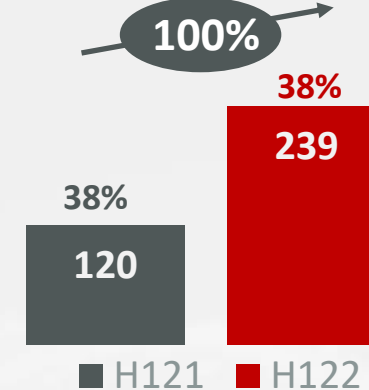
Revenues (TL mn)



EBITDA (TL mn)



Net Income (TL mn)



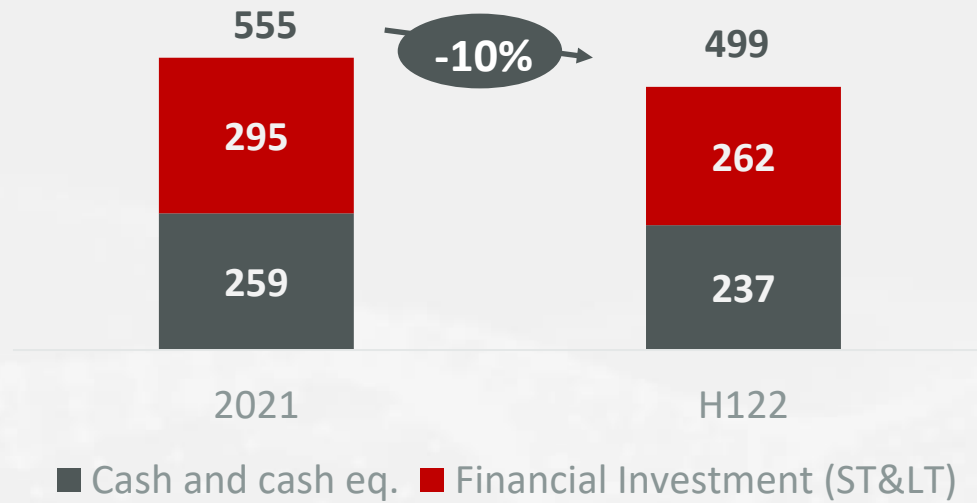
- **Revenues** up by 101%, reaching 637 TL mn, with Turkey and Romania operations contributing 67% and 33% respectively
- **EBITDA** up by 101%, reaching 271 TL mn yielding 43% margin
- **Sales/employee** up by 82% y/y (2010-2021 CAGR; 15%), **EBITDA/employee** up by 82% y/y (2010-2021 CAGR; 20%)
- **Net income** up by 100%, reaching 239 TL mn yielding 38% margin



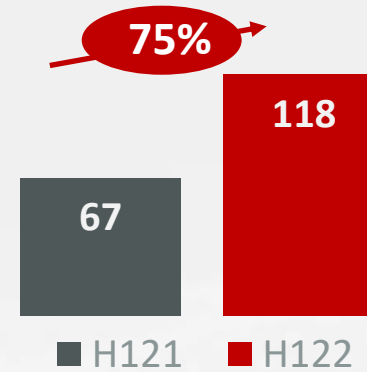
# Effective financial management

Consolidated

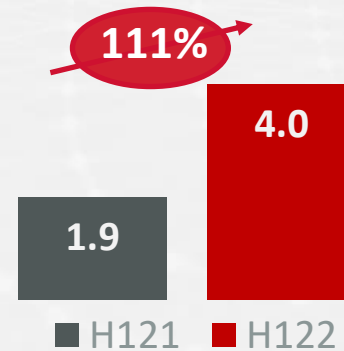
### Cash and Financial Investments (TL mn)



### Strong FCF – LTM (TL mn)



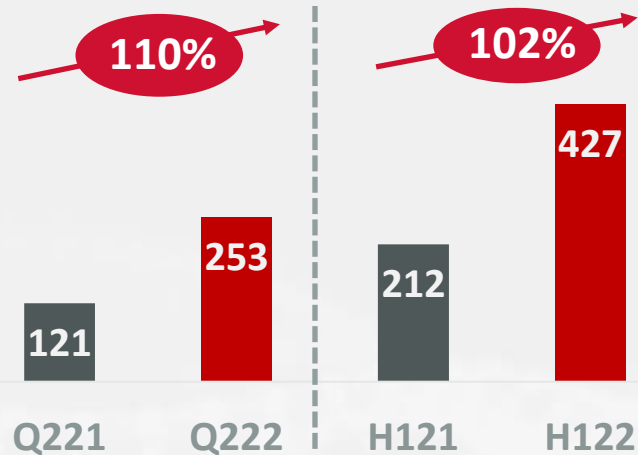
### EPS\* growth (LTM)



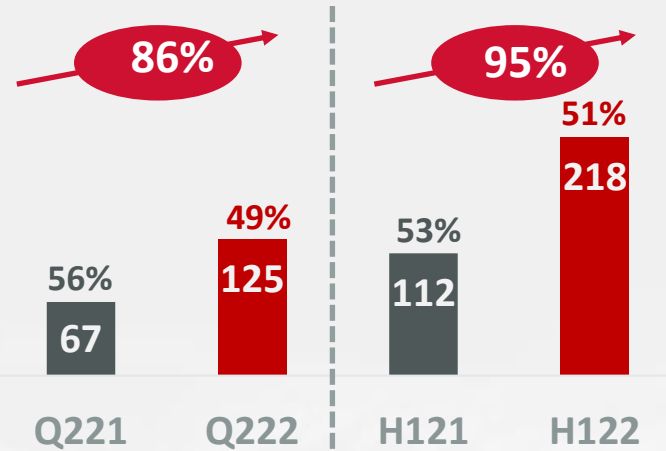
\*Adjusted by 3.61% treasury shares (H121: 3.22%)

# Strong performance in Turkey

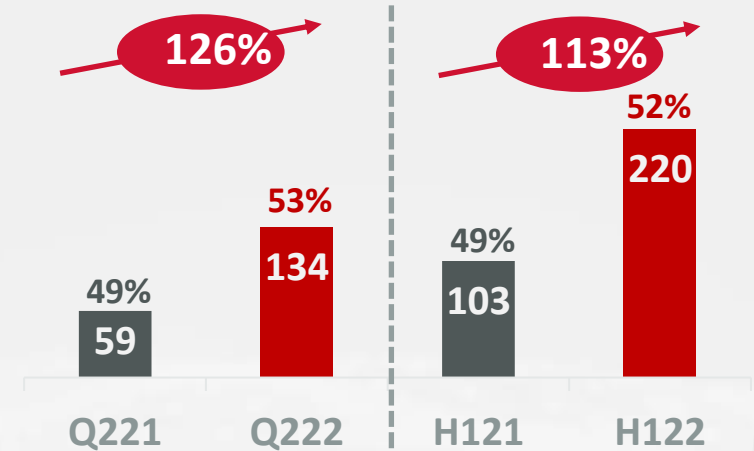
Logo Turkey-Revenues (TL mn)



Logo Turkey-EBITDA (TL mn)



Logo Turkey-Net Income (TL mn)

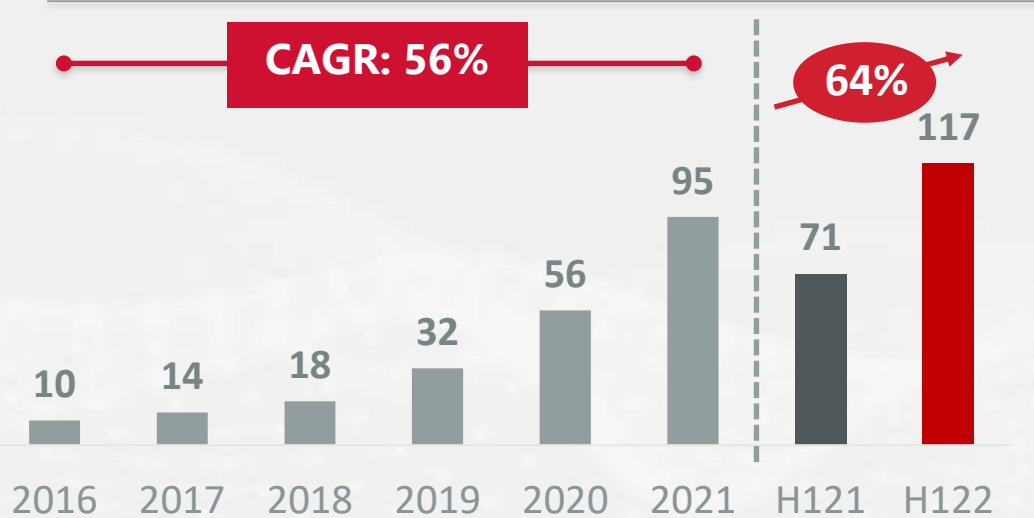


- **Revenues in H1** increased by 102% with healthy new customer acquisitions and increased spending from existing customers
- **EBITDA** grew by 95% with 51% margin
- **Net income** positively affected by net financial gains with margin reaching 52%

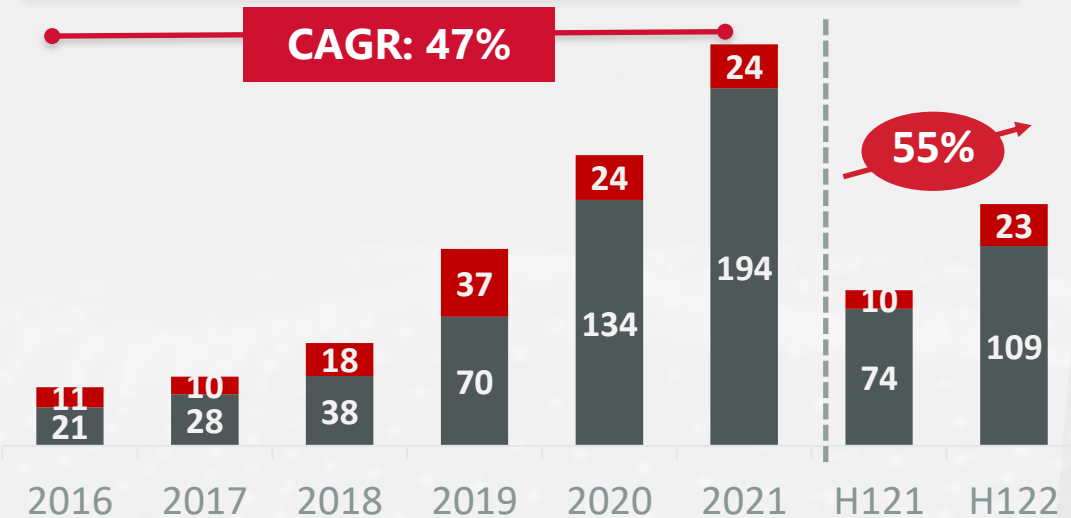
# eLogo: e-services platform and leader in digital transformation

Market leader in e-government solutions; e-invoice, e-archive, e-ledger, e-dispatch with 117K customers

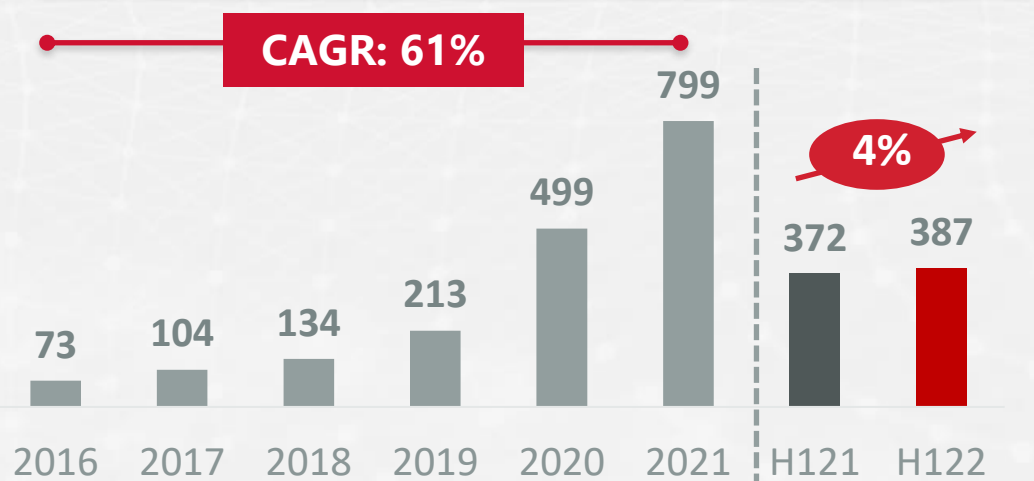
# of customers ('000)



eLogo invoiced revenues (TL mn)



coin usage (mn)



■ coin revenues ■ module&other revenues

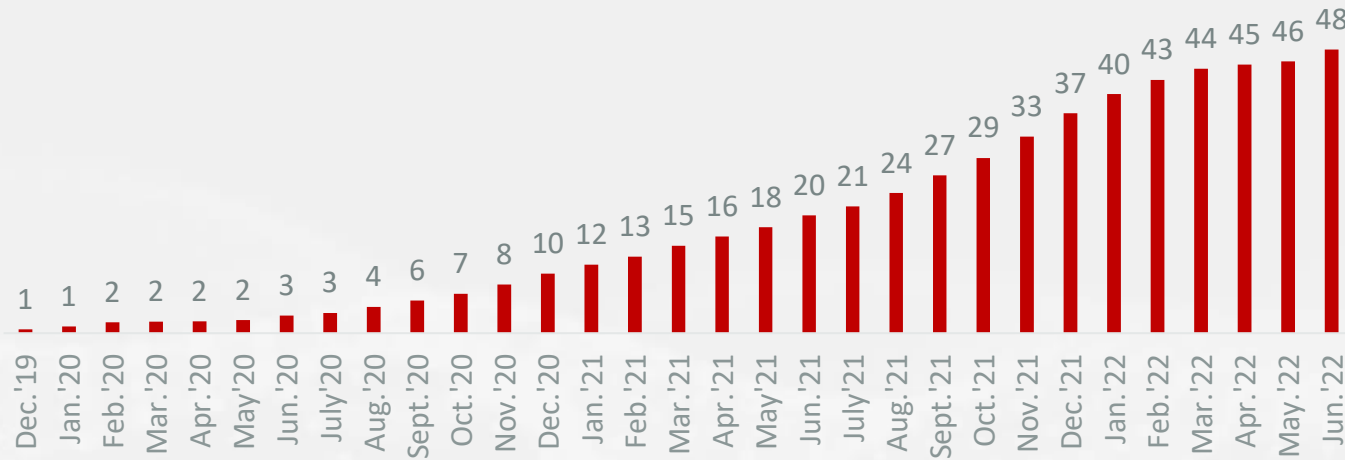
- ✓ New customer additions increased by 46% y/y
- ✓ Coin revenues comprises 83% of eLogo's invoiced revenues in H122 signaling strong recurring revenue growth potential going forward



# Logo İşbaşı: SaaS solution for MicroSME digitalization

Offering *basic accounting software and e-invoicing services*

# of users ('000)



User growth:  
141% y/y

ARPU\*: 333 TL

LTV/CAC\*\*: 22

## 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



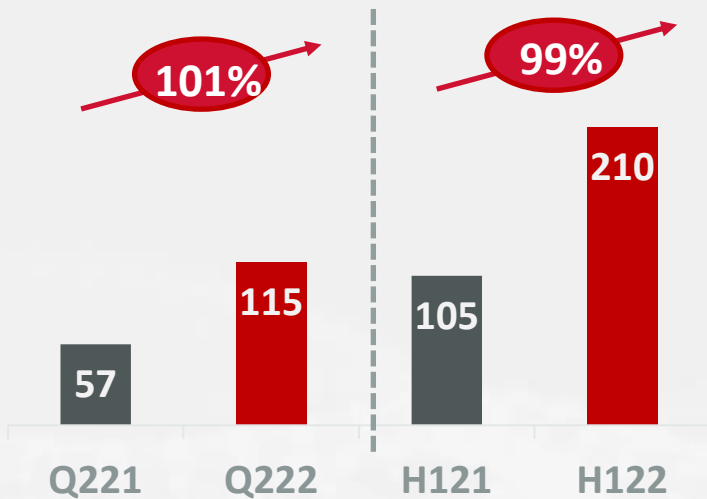
\*ARPU (Average revenue per user) is based on total invoiced revenues (LTM) and average # of users (LTM).

\*\*LTV/CAC: Lifetime value/Customer acquisition cost

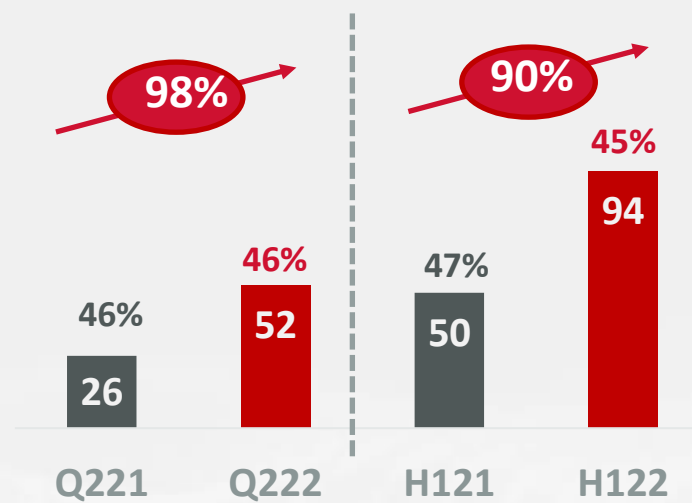
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# Solid performance at Total Soft

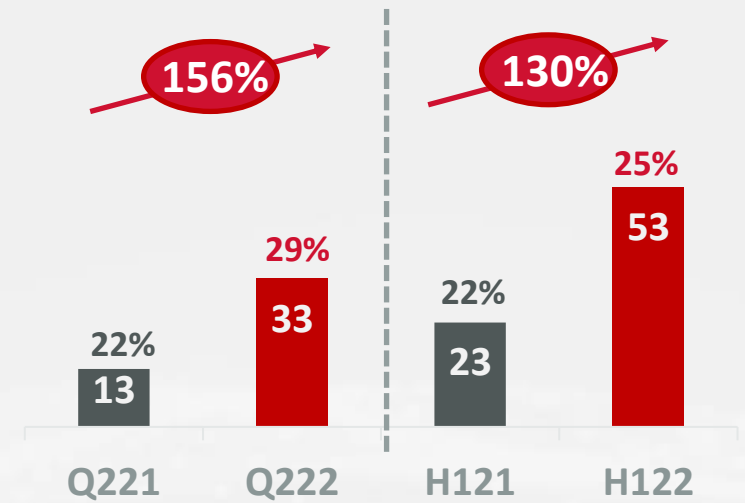
Total Soft–Revenues (TL mn)



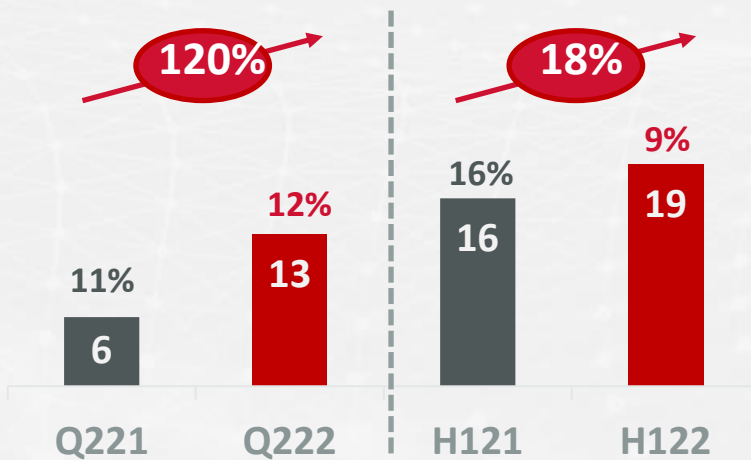
Total Soft–Gross profit (TL mn)



Total Soft–EBITDA (TL mn)



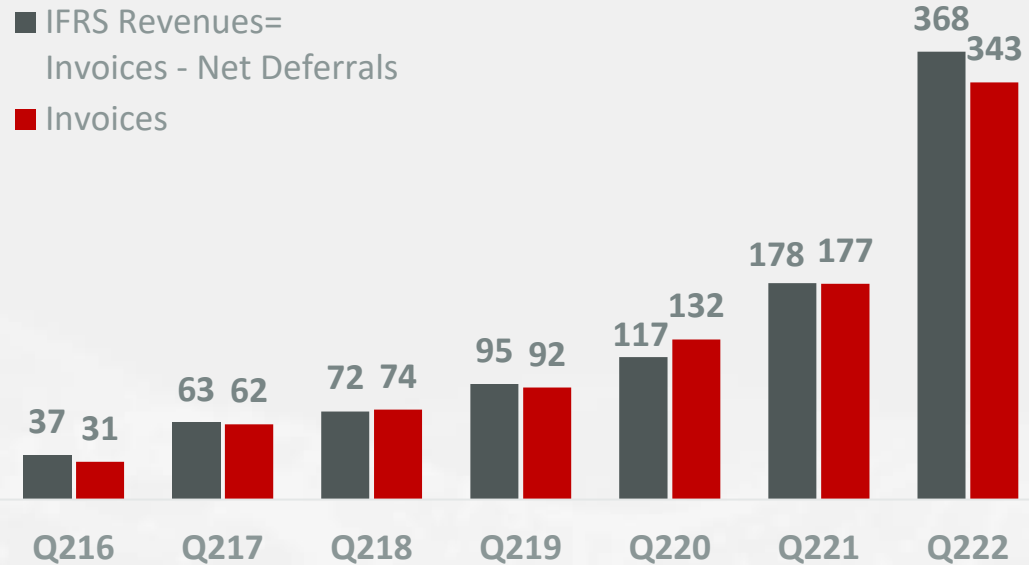
Total Soft–Net Income (TL mn)



- **Revenues** grew by 99% y/y and revenue growth in Euros was 16% y/y
- Gross profit is up by 90% yielding a 45% gross margin
- **EBITDA** went up by 130%, yielding 25% margin
- H122 **net income margin** was 9%. H121 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 2<sup>nd</sup>, 2016.

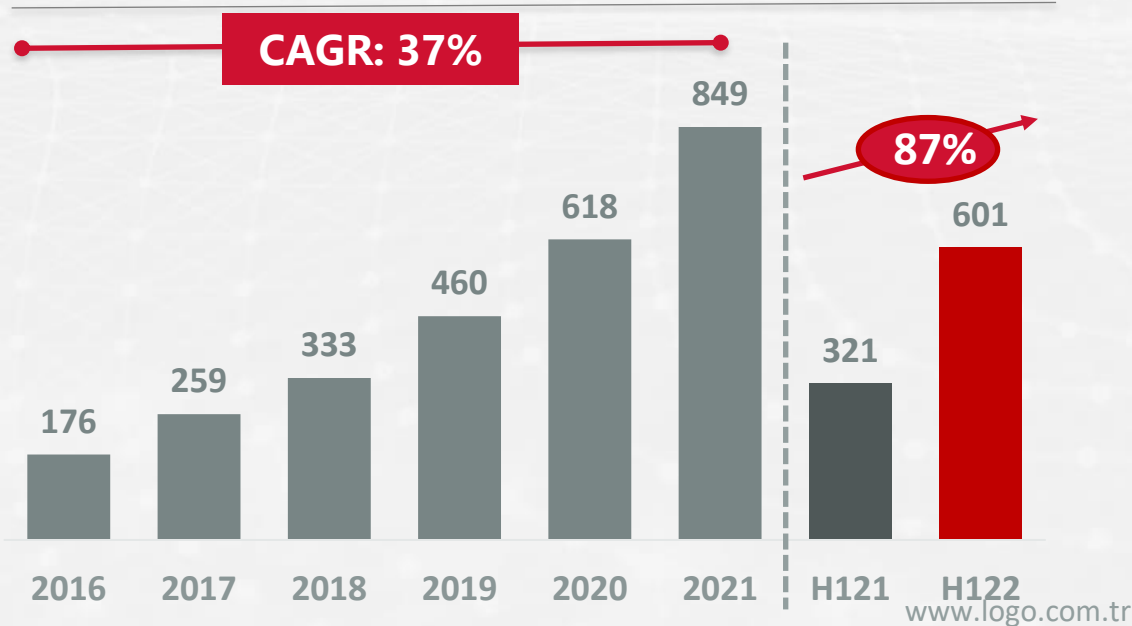
# Invoiced Revenue vs IFRS Revenue (Consolidated)

Second Quarter Invoices & IFRS Revenues (TL mn)



- Q2 sales invoice **growth** was **93% y/y**
- IFRS Revenue **growth** was **107%y/y** in Q2

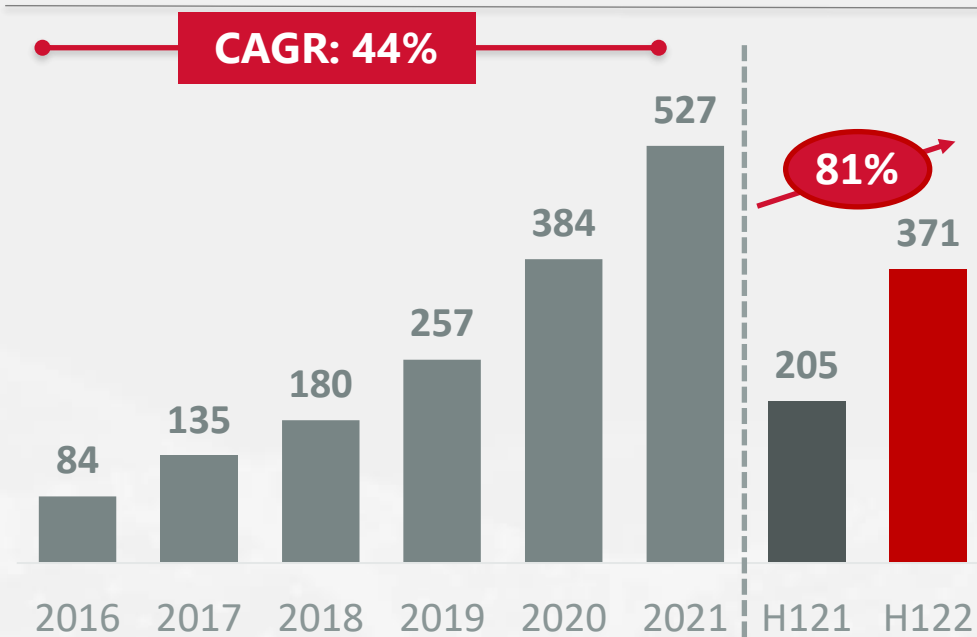
Invoiced Revenues (TL mn)



- In **Turkey**, invoiced revenue was **391,5 TL mn** with 75% increase
- **Total Soft's** invoiced revenue increased by 114% and reached **209,8 TL mn**
- **Recurring** revenues make up **62%** of invoices

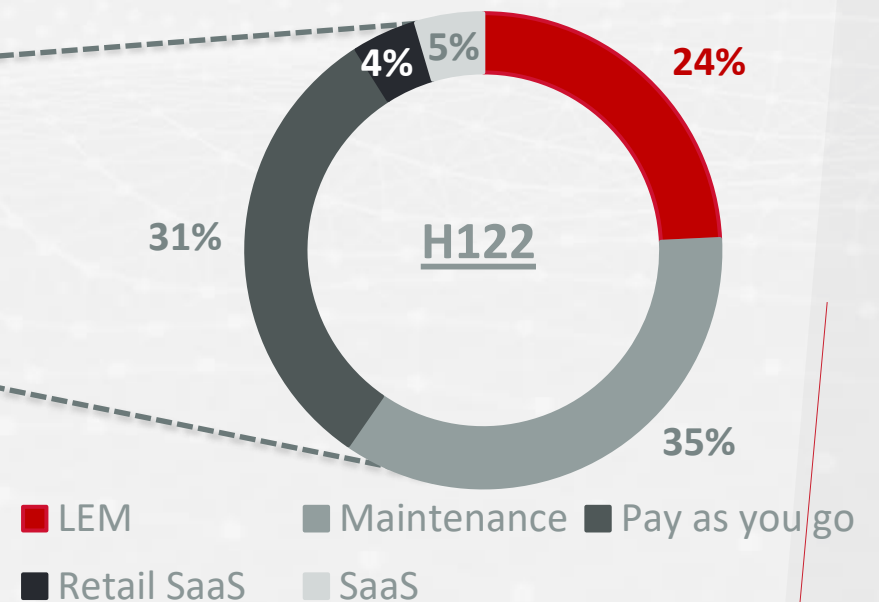
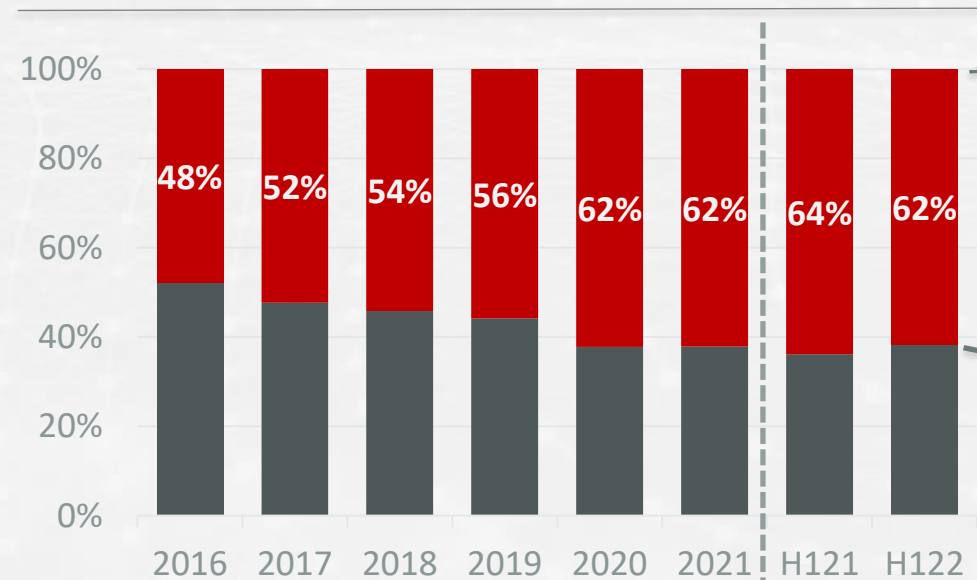
# Recurring Revenue Growth Ensuring Predictability

Consolidated Recurring Invoices (TL mn)



- LEM revenues increased by 83% y/y
- Pay as you go revenues increased by 50% y/y
- Maintenance revenues increased by 108% y/y with significant contribution from Total Soft
- Retail SaaS revenues increased by 119%
- SaaS revenues increased by 223%
- Retail SaaS and SaaS revenues make up 9% of recurring revenues in H122 compared to 6% in H121

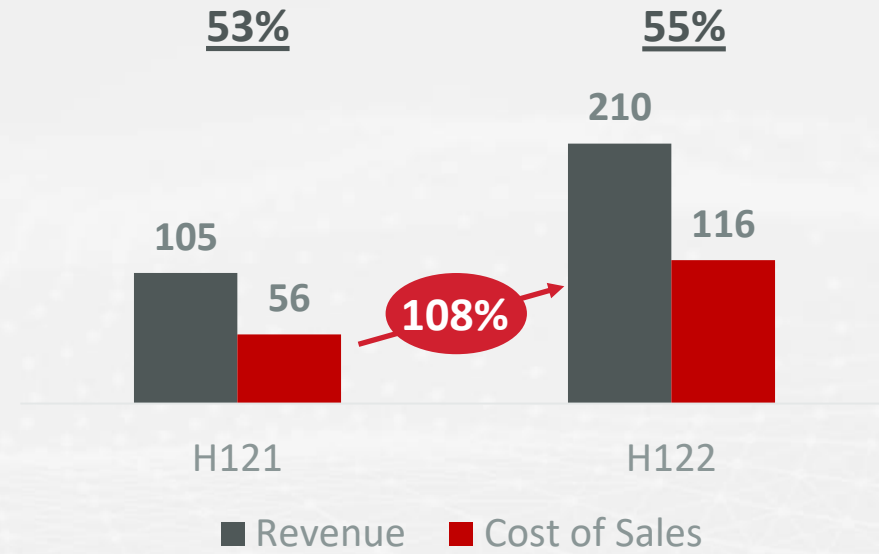
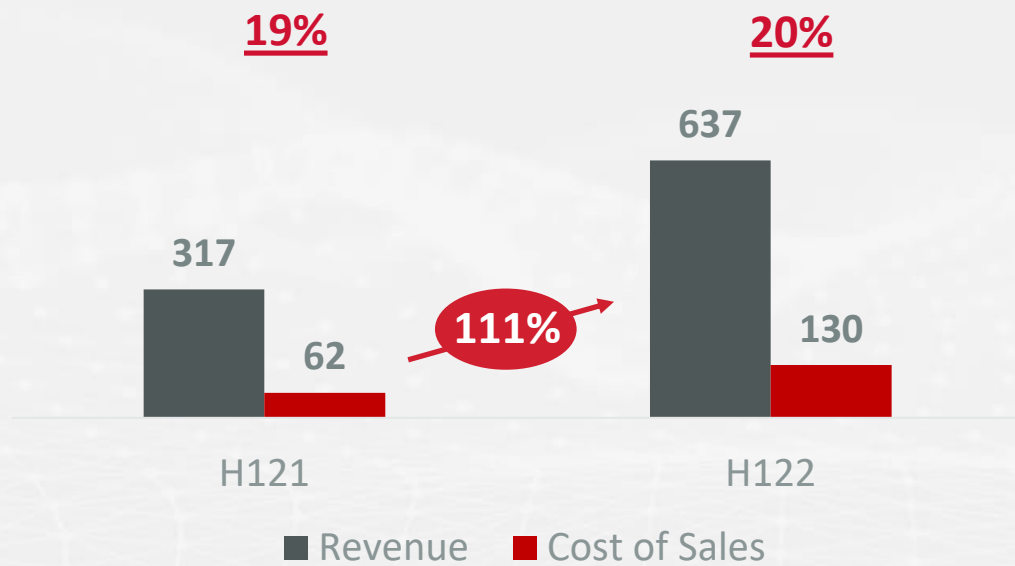
Recurring Invoices/Total Invoices (%)



# Cost of Sales

Consolidated (TL mn) – As % of IFRS Revenue

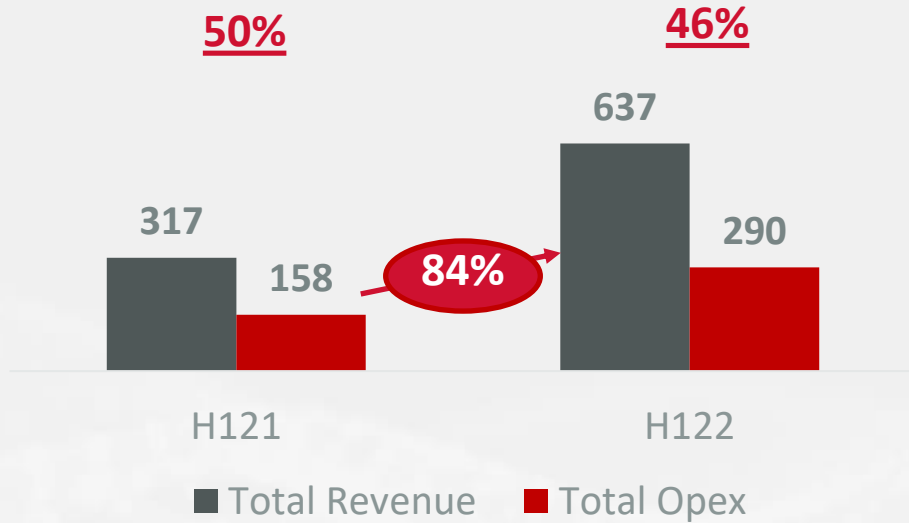
Total Soft (TL mn) – As % of IFRS Revenue



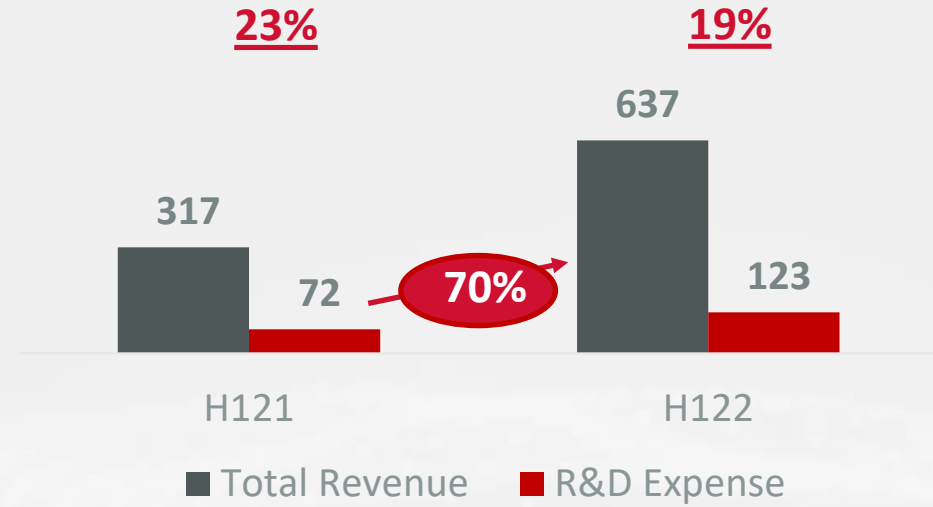


# Operating Expenses

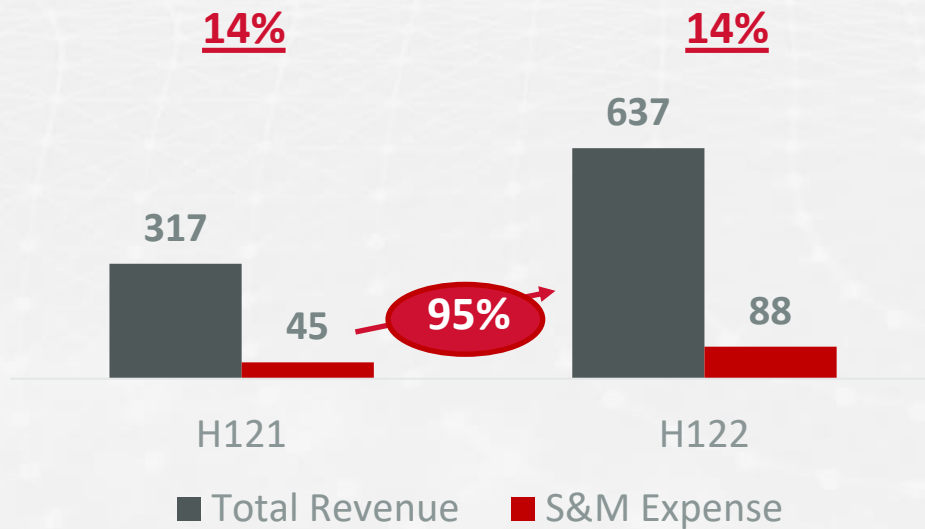
OpEx (TL mn) – As % of IFRS Revenue



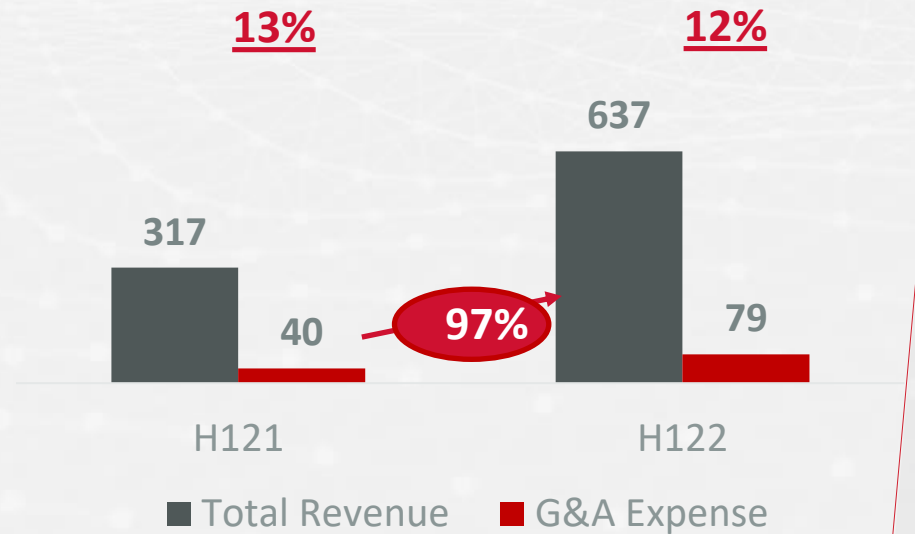
R&D Expenses (TL mn) – As % of IFRS Revenue



S&M (TL mn) – As % of IFRS Revenue

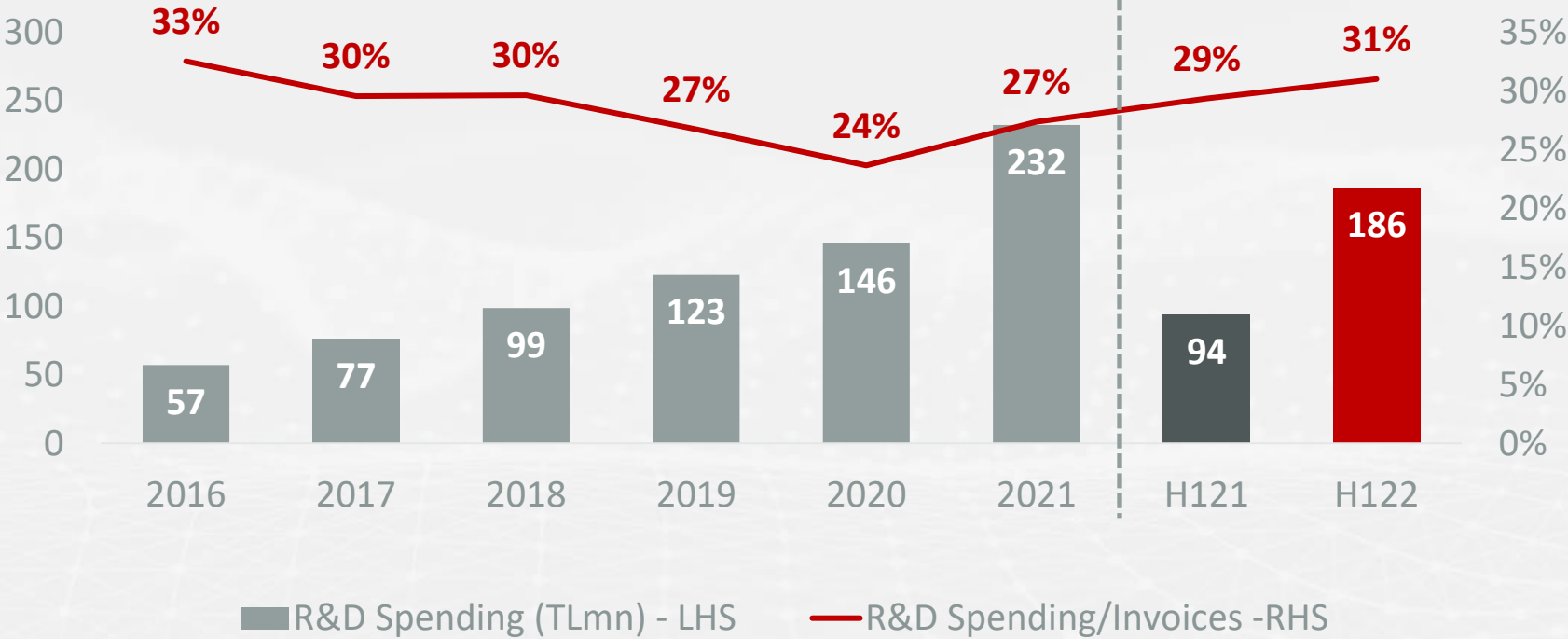


G&A (TL mn) – As % of IFRS Revenue



# Dedicated Investment in Technology

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



# Strong Balance Sheet

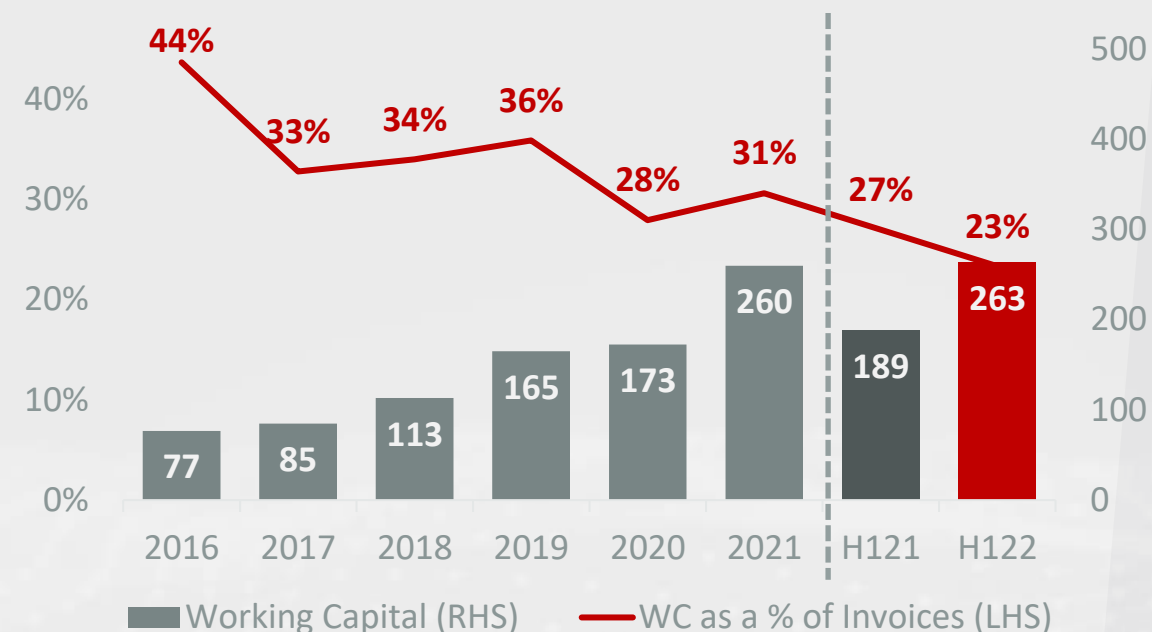
## Balance Sheet Highlights (TL mn)

	2021	H122	Δ
Cash & Cash Eq.	259.4	236.5	-9%
Trade Receivables	332.8	326.3	-2%
Tangible Assets	21.0	22.2	6%
Intangible Assets*	759.2	910.1	20%
Other Assets	435.1	482.0	11%
<b>Total Assets</b>	<b>1,807.5</b>	<b>1,977.2</b>	<b>9%</b>
Total Liabilities	974.0	992.5	2%
Total Shareholders' Equity	833.5	984.8	18%
<b>Total Liabilities and Equity</b>	<b>1,807.5</b>	<b>1,977.2</b>	<b>9%</b>
Shareholders Equity Ratio	0.46	0.50	8%
Current Ratio	1.07	1.02	-5%
EPS (LTM)**	2.73	3.99	46%

\* Includes goodwill

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

## Working Capital (TL mn)



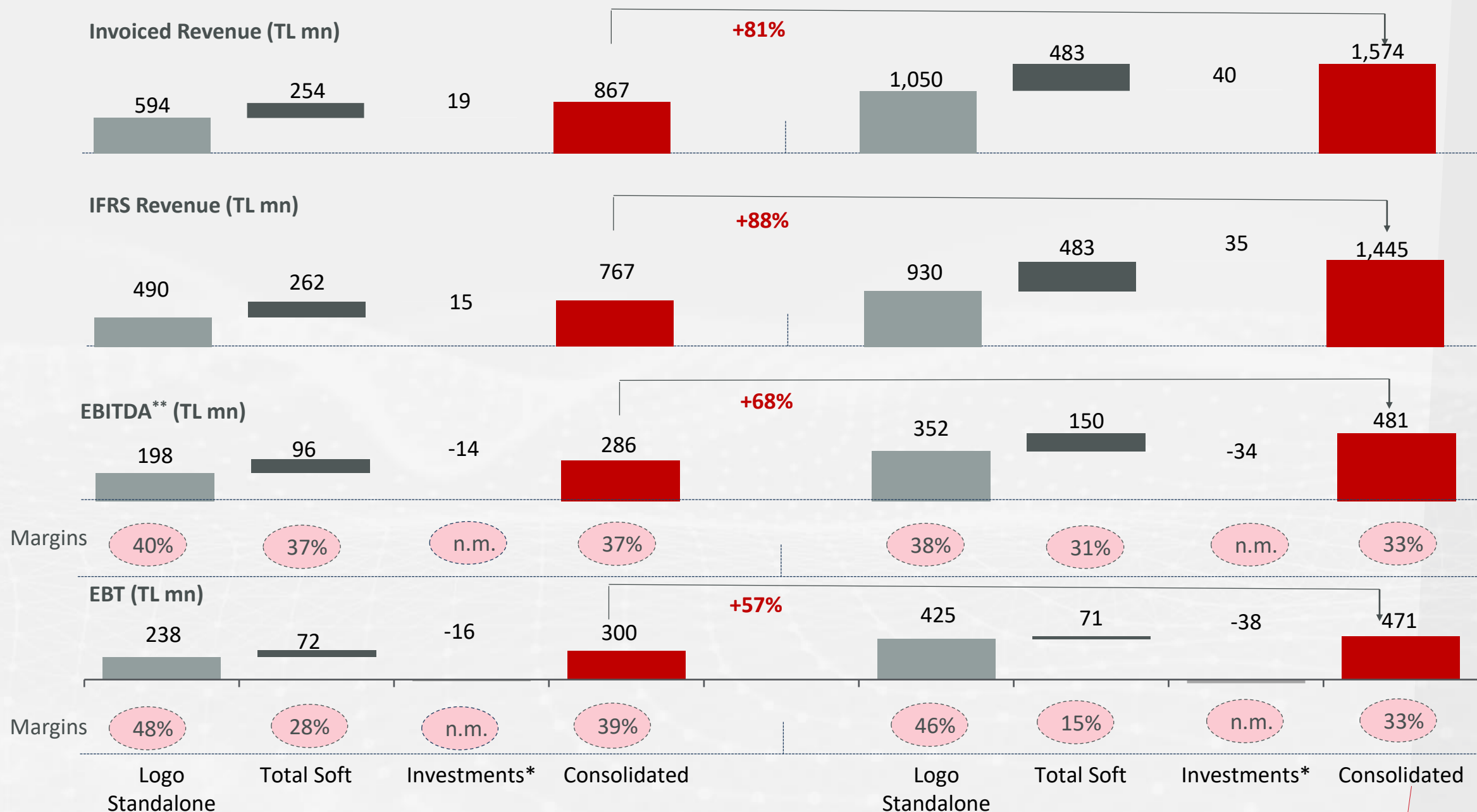
Working capital: Trade receivables + Inventories – Trade payables  
WC/Invoices figures are based on 12-mnth trailing invoices

- **Net cash is 106 TL mn at end-Q222** (excluding 19 TL mn IFRS 16 impact) vs 186.8 TL mn at end-2021 (excluding 19.9 TL mn IFRS 16 impact). Net cash of 383 TL mn together with 3.61% treasury shares @Mcap at end-Q222 and long-term financial investments (2021: 442 TL mn).
- WC is 23% of invoiced revenues at end-H122, improving from 27% at end-H121.

# Revised Guidance

2021

2022 revised 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.



# Appendix

# eLogo: e-services platform and leader in digital transformation

*New communique's details (January 22<sup>nd</sup>, 2022)*

	<u>BEFORE</u>	<u>AFTER (eff. as of July 1<sup>st</sup>, 2022)</u>
 e-invoice	Companies w/sales 5mio₺+, Specific sectors with no sales threshold	Companies w/sales 4mio₺+, Companies in some sectors w/sales 1mio ₺+, 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 GİB**	No change
 e-dispatch	Companies w/sales 25mio₺+, specific sectors	Companies w/sales 10mio₺+, specific sectors
 e-selfemp. invoice	All self-employed professionals (doctors, lawyers, etc.)	No change



\*Effective as of January 1<sup>st</sup>, 2022  
\*\*Revenue Administration

# Invoiced Revenue Growth and Breakdown

	2016*	2017	2018	2019	2020	2021	4-yr-CAGR
<b>Invoiced revenues (TL mn)</b>	<b>175,8</b>	<b>259,1</b>	<b>333,0</b>	<b>460,1</b>	<b>617,7</b>	<b>848,6</b>	<b>35%</b>
One-time - TR	70,3	83,4	95,0	130,1	145,6	207,2	26%
<i>share in total</i>	40%	32%	29%	28%	24%	24%	
One-time - RO	21,3	40,2	57,5	72,9	87,9	114,2	30%
<i>share in total</i>	12%	16%	17%	16%	14%	13%	
Recurring - TR	76,4	102,6	130,4	186,6	289,4	405,1	41%
<i>share in total</i>	43%	40%	39%	41%	47%	48%	
Recurring - RO**	7,8	32,9	50,1	70,5	94,8	122,2	39%
<i>share in total</i>	4%	13%	15%	15%	15%	14%	
<b>Recurring invoice revenues (TL mn)</b>							
LEM	46,2	61,4	75,7	97,0	124,7	158,3	27%
<i>share in recurring</i>	55%	45%	42%	38%	32%	30%	
Pay-as-you-go	21,7	29,1	39,5	72,7	139,7	201,8	62%
<i>share in recurring</i>	26%	21%	22%	28%	36%	38%	
Maintenance	11,3	38,5	57,4	77,1	106,9	132,7	36%
<i>share in recurring</i>	13%	28%	32%	30%	28%	25%	
Retail SaaS	5,0	6,5	7,9	10,3	12,8	19,9	33%
<i>share in recurring</i>	6%	5%	4%	4%	3%	4%	
SaaS (İşbaşı + Peoplise)	0,0	0,0	0,0	0,0	0,0	14,6	n/a
<i>share in recurring</i>	0%	0%	0%	0%	0%	3%	

\*Includes the performance of Romania for the last four months of 2016.

\*\*Recurring revenues in Romania comprises of maintenance revenues only.

# 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