

The background features a white page with a decorative border of overlapping, multi-colored lines (red, teal, purple) forming a large, irregular shape. Scattered throughout the background are several light blue and purple icons: a magnifying glass, a lightbulb, a shopping basket, a briefcase, a cloud, a smartphone, a person silhouette, and two gears.

LOGO

İş Yatırım **Roadshow Presentation** **Stockholm - Warsaw - London**

Orhan AYANLAR
Board Member

Gülnur ANLAŞ
Chief Financial Officer

December 8-10, 2015

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.

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Logo at a Glance

Turkey: Macro Review and EAS Market

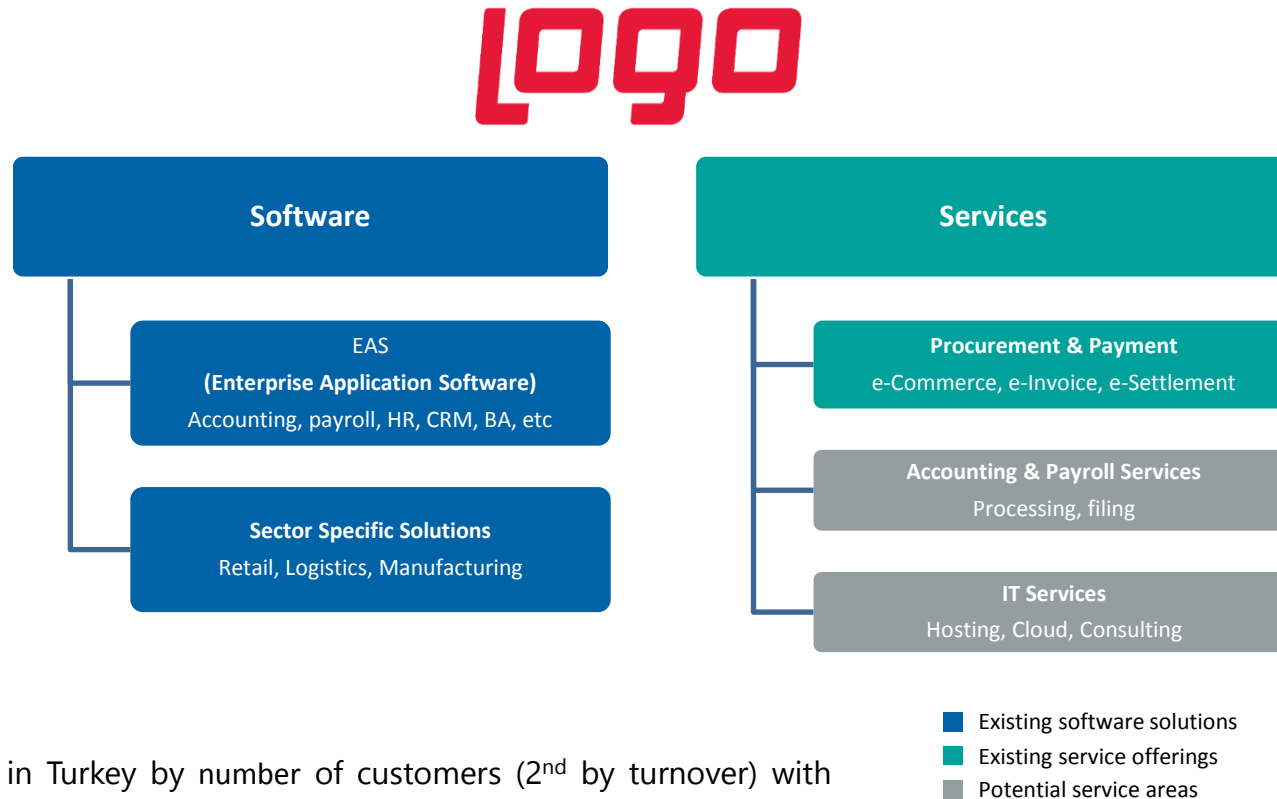
Company Overview

Financial Overview

Questions & Answers



Established in 1984, Logo is the leading provider of Enterprise Application Software for SMEs in Turkey



- Market leader in Turkey by number of customers (2nd by turnover) with more than 85,000 active customers
- Network of 900 business solution partners (largest in the country)
- Served 170,000 companies, 1.3 million + users in 43 countries since establishment
- IPO in May 2000 (the first-ever IPO in the Turkish software industry)

Vision

To become the trusted business partner that enables SME's and mid-sized companies in Turkey to excel in their businesses by providing high value added technology oriented business solutions

Mission

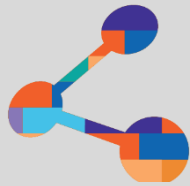
To enable SME's and mid-sized companies to do more business more efficiently through optimal utilization of technological resources

Values

Customer First
Embrace Change and Innovation
Integrity, Passion and Commitment



Largest Small/Mid Cap
client base with
resilient revenue base



Extensive distribution
network



Strong customer
perception & brand
name



Best in-class technology



One stop shop for
SME's

Logo is clearly positioned as the leading EAS player targeting the SME segment

Largest Small/Mid Cap
client base with resilient
revenue base

Extensive distribution
network

- Logo has a strong and sustainable customer & revenue base: 85,000 active users (largest in the country)
- Logo's products are simpler, easier to implement, adapted to local regulations in more timely manner
- Sticky product with wide range of choices for customers, low churn rate
- Logo displayed strong revenue growth across all products (50% CAGR overall) between 2009 and 2014
- Recurring revenue has increased to 47% of sales as of Sept '15 this year and is maintainable at 40-45% of total sales
- Logo's prices and total cost of ownership are considerably lower than international players (SAP at 2.0x price point)
- International benchmark countries have shown a similar battle between local players and international players (SAP/Microsoft), with local players winning out (e.g. TOTVS in Brazil)
- Revenue at risk if Logo's larger customers are lost to SAP or MS is ~8% at most
- Largest business partner network in the country with 900 BPs
- No business partner has a share of sales greater than 1%
- Consistent sales performance in an experienced BP network; 50% of BPs have tenure longer than 10 years

Logo is clearly positioned as the leading EAS player targeting the SME segment

Strong customer perception & brand name

- Trusted and well known brand with 30 years presence. Positive perception of Logo products across the board
- There is potential to vitalize large passive customer base (c. 100,000); there is willingness to buy Logo services
- Most non-users seem content with in-house solutions

Best in-class technology

- Continuously developing R&D department
- Superior technology and proprietary segmented SME database

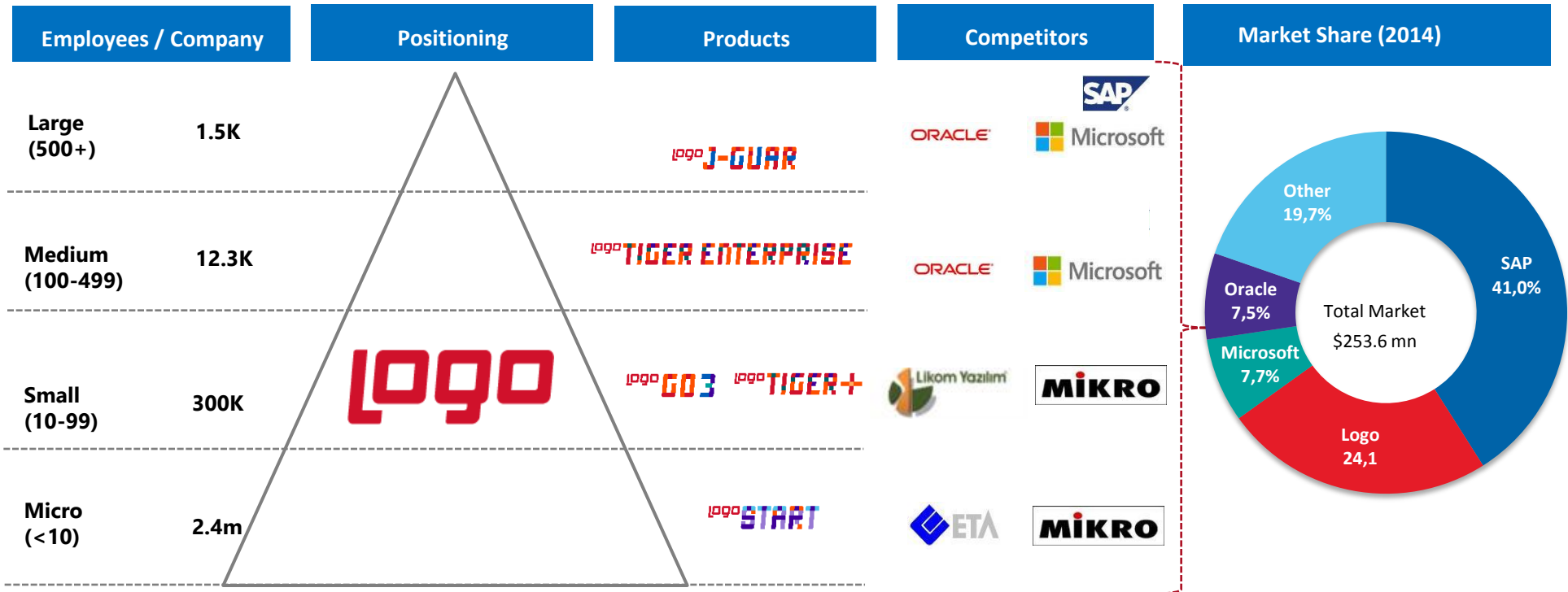
One stop shop for SME's

- Cross sell opportunity
- Entered the services business (scalable services)

Competitive Positioning



Logo is expected to increase its share in the rapidly growing EAS market through the expansion of product range and add-on acquisitions...



- Logo has a wide array of products targeting large – micro market segments. Ability to target Ability to address a large market
- Logo is the sole player consistently growing above market growth rates (6.3%) and increasing market share (from 14,4% in '12 to 24,1% in '14)
- Market leader in terms of the number of customers, Logo is in the second place in terms of turnover following the largest global player

Source: TUIK, IDC, Logo Estimates

- 1 Turkey macro story with secular growth: SME growth & EAS penetration story
- 2 Attractive industry dynamics
- 3 Sustainable competitive advantage
- 4 Captive business solutions for SME's
- 5 Resilient revenue base, sticky product, low churn
- 6 Expanding recurring revenue base through maintenance and service
- 7 Strong margins & cash generation
- 8 Proven expansion strategy with further bolt-on opportunities
- 9 Ample opportunities in global trends such BPO, Mobility and SaaS
- 10 Best-in-class management & governance

- 1 • Continue to capitalize on the SME growth and penetration opportunity
- 2 • Become the local champion in key vertical solutions in selected sectors
- 3 • Take full advantage on the continued E-initiatives of the Government
- 4 • Further improve revenue resilience through product/service diversification & increase in recurring revenues
- 5 • Lead the SaaS transformation in Turkey
- 6 • Provide value-added services to fulfill SMEs' business solutions needs (scalable services, payments)
- 7 • Expand margins further through scale, personel efficiency & synergies
- 8 • Expand regionally in select markets in MENA, CIS & the Balkans mainly through acquisitions

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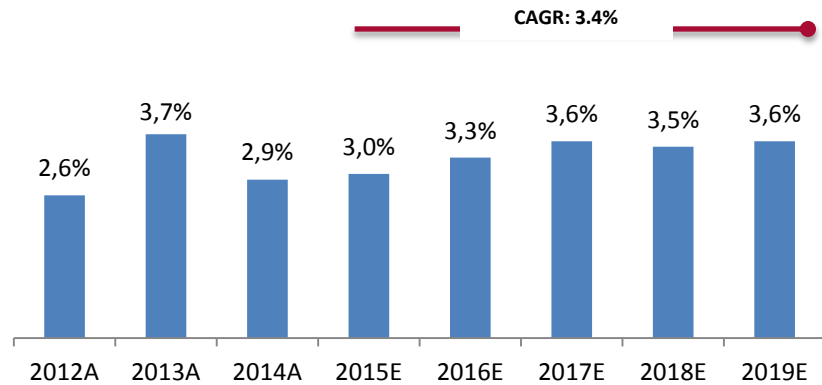
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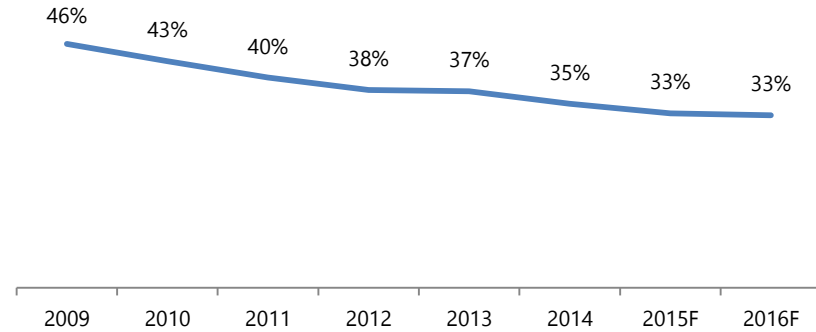


Turkey is the fastest growing Emerging Europe economy with real GDP projected to grow 3.4% CAGR through 2019...

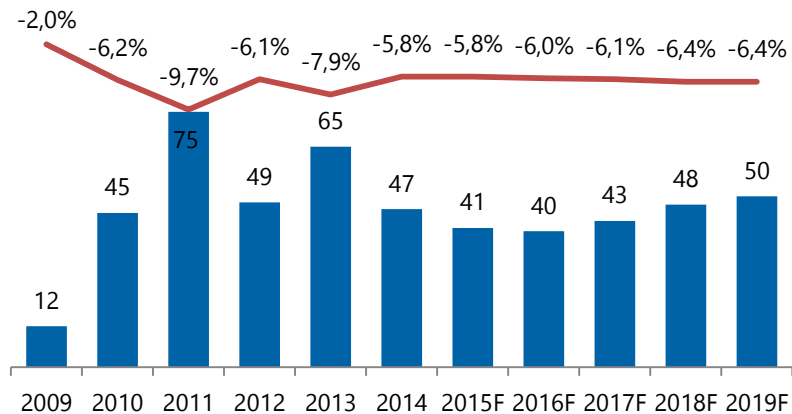
Real GDP Growth (%)



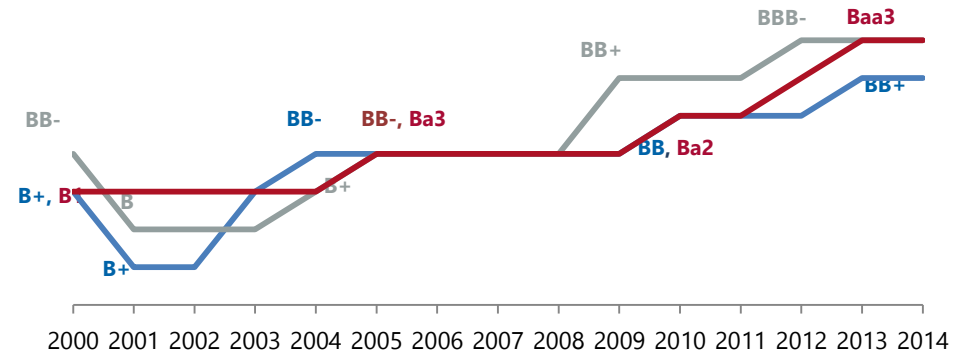
Government Debt (as % of GDP)



Current Account Deficit (US\$ bn)



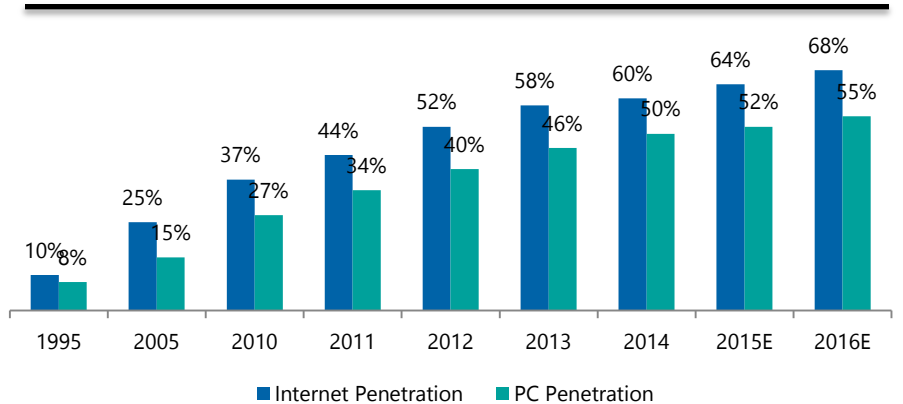
Sovereign Rating Profile



Source: IMF, EIU September Country Report

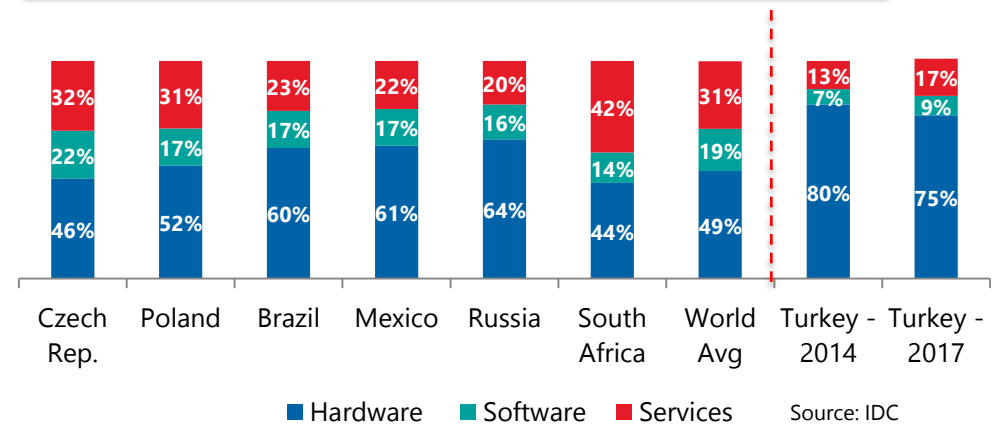
Turkey's IT spending and share of SW spending is one of the lowest among its peers, room for continued growth...

PC and Internet Penetration (2005-2016E)



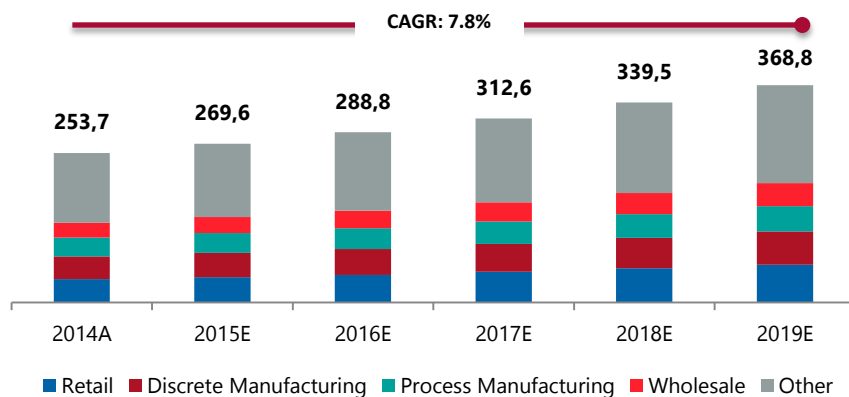
Source: TUIK, IDC

IT Spend Breakdown in Various Countries (2014)



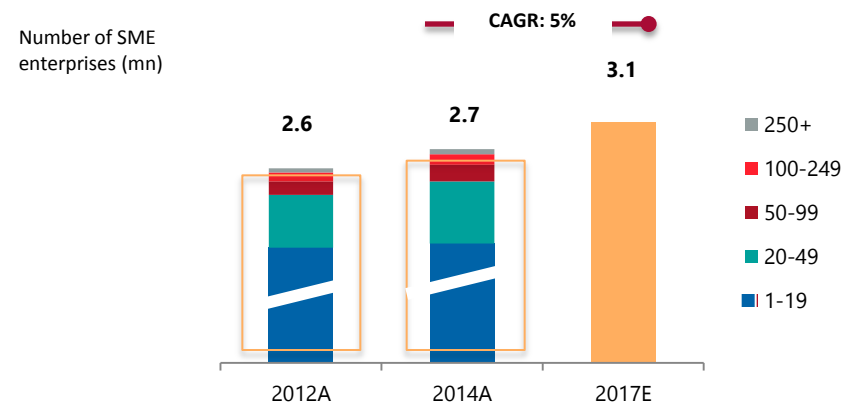
Source: IDC

EAS Spend Breakdown (US\$ mn) - Turkey



Source: IDC

Growth of Turkish SME Enterprise Universe (mn)



SMEs (1-249 employees)

Source: TUIK, Bain & Company Analysis

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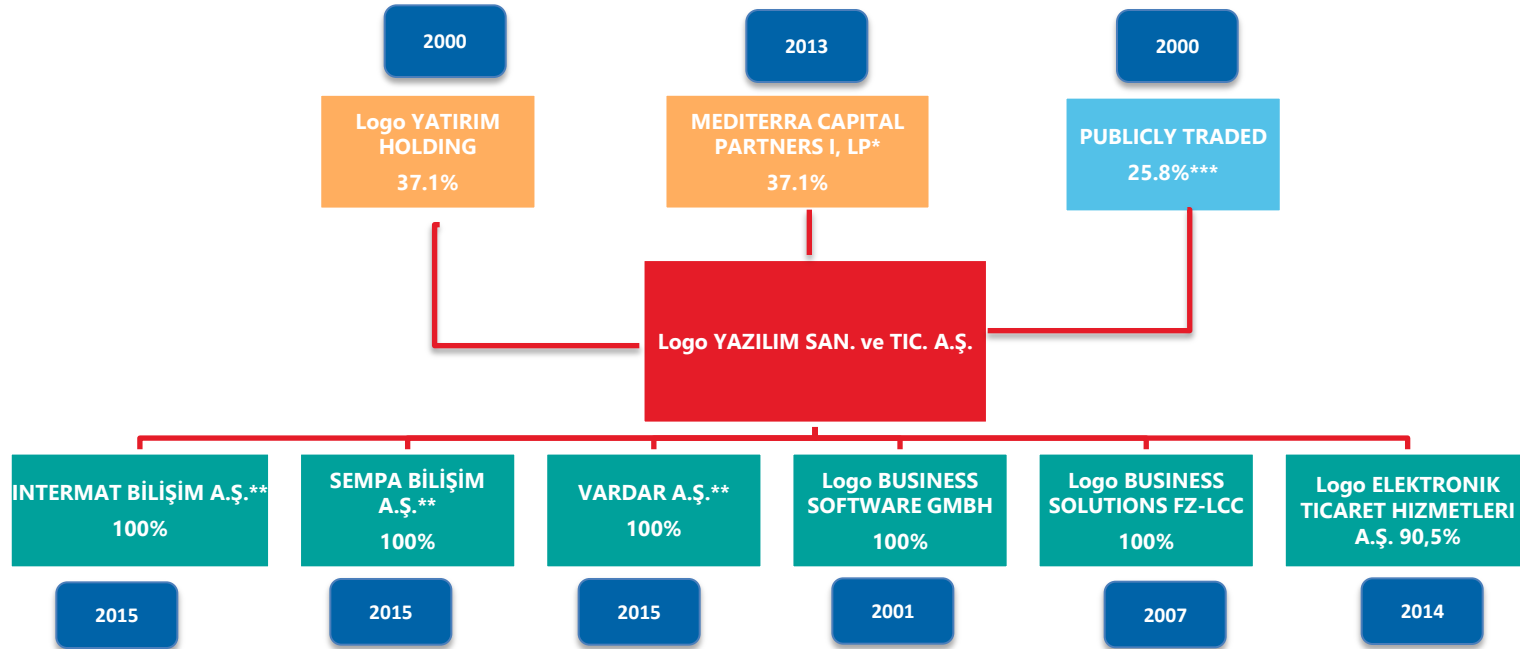
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 Date established or acquired

*Through wholly owned subsidiary, EAS S.a.r.l

**to be merged with Logo Yazılım

***Publicly traded shares at 30.8%, with 5% being owed equally by Logo Yatırım Holding and Mediterra

Share Buy Back Program

- The Company has purchased shares through its Share Buy Back Program from the market and now owns 2.77% of treasury shares

1984

Logo was established by 8 young engineers including Tuğrul Tekbulut

1992

Launch of First multilanguage, multicurrency commercial software
Awarded: Product of the year

1993

Logo achieves market leadership

1999

Logo ERP

2000

The first-ever IPO in Turkey

2001

Logo Germany

2003

Technology cooperation with IBM

2004

e-products
Supply Chain Execution

2007

Sales office – Dubai

2011

Acquisition of Coretech, leading Saas Co.
Acquisition of World BI, Business Analytics Co.

2012

e-State Solutions

2013

Mediterra investment in Logo, IFC financing of Netsis acquisition, second largest local vendor

2014

e-Logo acquisition

2015

Acquisition of Intermat, a CRM software provider
Acquisition of Sempa, a SCM software provider
Acquisition of Vardar Yazılım, a Document Management software provider

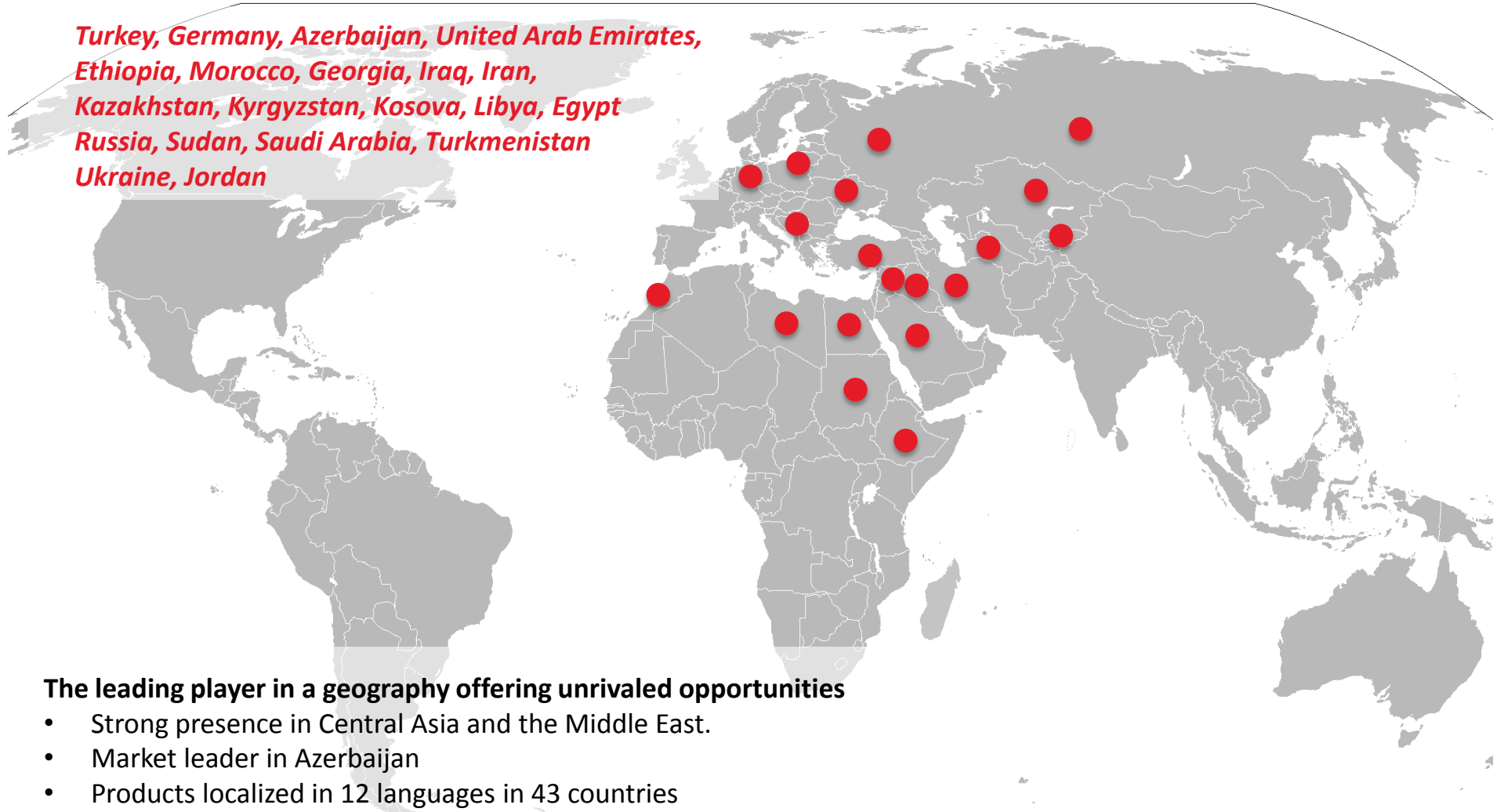
Innovative products that improve company competitiveness

- Developing solutions for the coming decades
- Providing services for a wide range of industries, including among others,
 - Retail
 - Distribution
 - Production
 - Tourism
 - Technology
 - Marine
- Solutions for structuring in line with contemporary management principles
- Increasing efficiency and profitability through
 - SME Solutions
 - ERP Solutions
 - Vertical Solutions
 - Industrial Solutions
 - Integration Products
 - HR Solutions
 - Business Intelligence
 - Mobile Solutions

Further acquisitions with strategic value remain in our investment agenda...

Coretech 2011	<ul style="list-style-type: none"> • Founded in 1995, Coretech is one of the leading technology companies in the field of SaaS application • Introduced SaaS model for the first time in Turkey in 2004 with Diva application • Coretech pursues domestic and international operations within Logo 	Leading SaaS retail after sales service
WorldBi 2011	<ul style="list-style-type: none"> • Founded in 1995, to develop Business Intelligence applications. 	Business Analytics
Netsis 2013	<ul style="list-style-type: none"> • Founded in 1991, to develop ERP solutions in Turkish market. • Netsis was the second largest domestic company in market. 	2nd Largest ERP provider
e-Logo 2014	<ul style="list-style-type: none"> • Founded by the shareholders of Logo as a separate entity in 2008, e-Logo provides B2B and B2I services. • In 2009 e-Logo became the strategic partner of alibaba.com in Turkey. • e-Logo also develops electronic invoicing applications and services in Turkey. 	e-Invoice software & services
Intermat 2015	<ul style="list-style-type: none"> • Intermat develops CRM applications which integrated with Logo's products • The company has a significant market share in CRM applications 	CRM
Sempa 2015	<ul style="list-style-type: none"> • Sempa offers supply chain management solutions to more than 3000 customers and is a leading developer of Logistics and Warehouse applications in Turkey. 	Warehouse & Logistics
Vardar 2015	<ul style="list-style-type: none"> • Vardar offers software solution in the growing document management sector 	Document Management

- Logo is the leading SaaS provider in Turkey
- Acquired major competitors in the market: Diva (Coretech) and Netlite (Netsis)
- Dominant player in certain verticals such as retail and after sales services. Potential for a wide range of vertical add-ons: textile, ready-wear, distribution channels
- Hosting one of Turkey's largest Private Cloud Application for a major global corporate
- CAGR of cloud revenues has been at 28% over the last four years
- Logo's strong position and achievements in cloud computing was highlighted with 3 Euro Cloud Awards in 2013: The Best Cloud Service Product, The Best Cloud Service Customer, The Second Best Cloud Service Product



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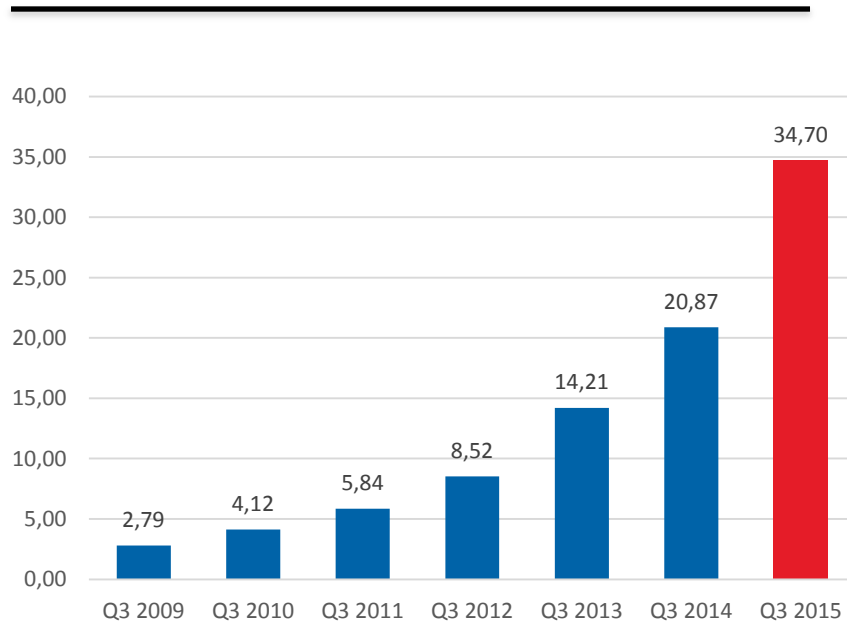


Consistent record of high growth and high profitability

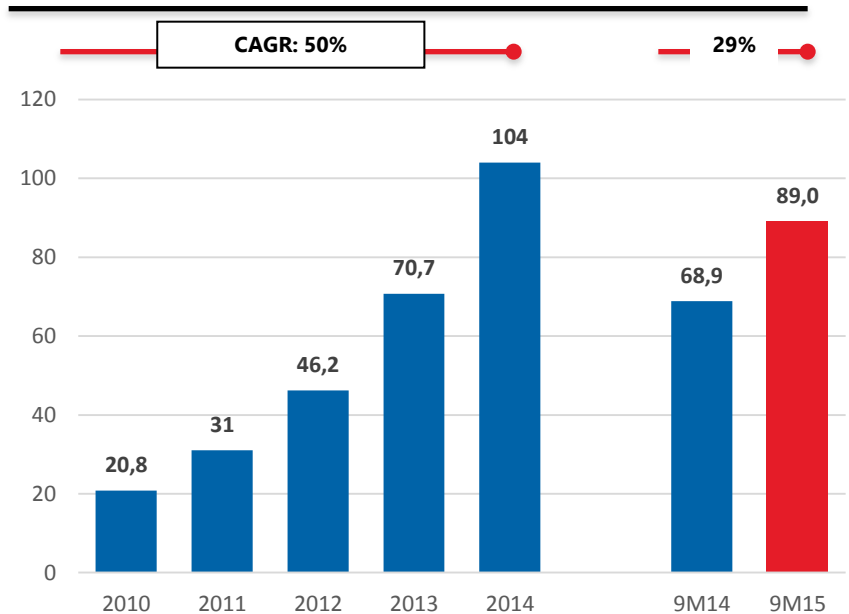
	9M			LFL			Guidance		
	9M 14	9M 15	Δ	9M 14	9M 15	Δ	YE14	YE15	Δ
IFRS (m TL)									
Revenue	68,9	89,0	29%	70,0	89,0	27%	104,0	120,0	15%
EBITDA	30,9	47,6	54%	31,0	47,6	54%	39,6	47,5	20%
EBITDA Margin	45%	54%		44%	54%		38%	40%	
Net Income	21,6	39,6	83%	21,7	39,6	82%	27,7	35,0	26%
Net Income Margin	31%	45%		31%	45%		27%	29%	

- 9 month performance outperformed the budget
- Sales revenue growth 29% in 9/2015 YoY
- Recurring revenue growth of 56% in 9/2015 YoY
- 54% EBITDA growth in 9/2015 YoY
- Higher level of sales and marketing costs are planned in the fourth quarter
- Likely that the guidance figures will be exceeded

Third Quarter Sales(m TL)

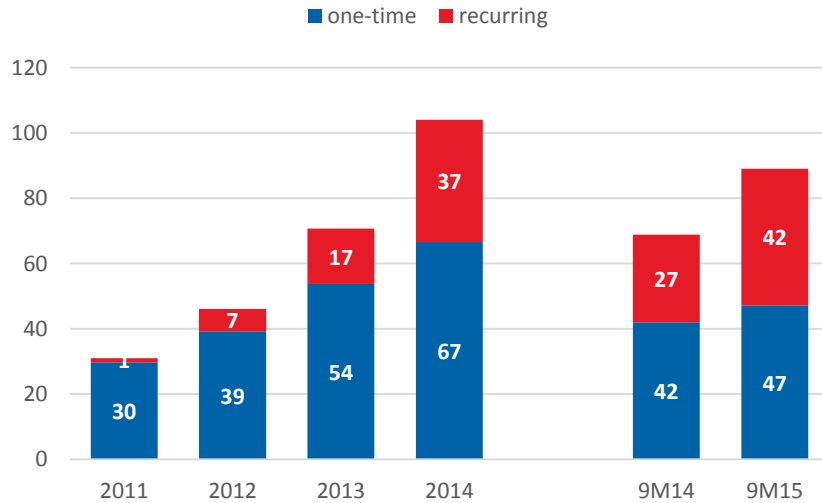


Sales Performance (m TL)

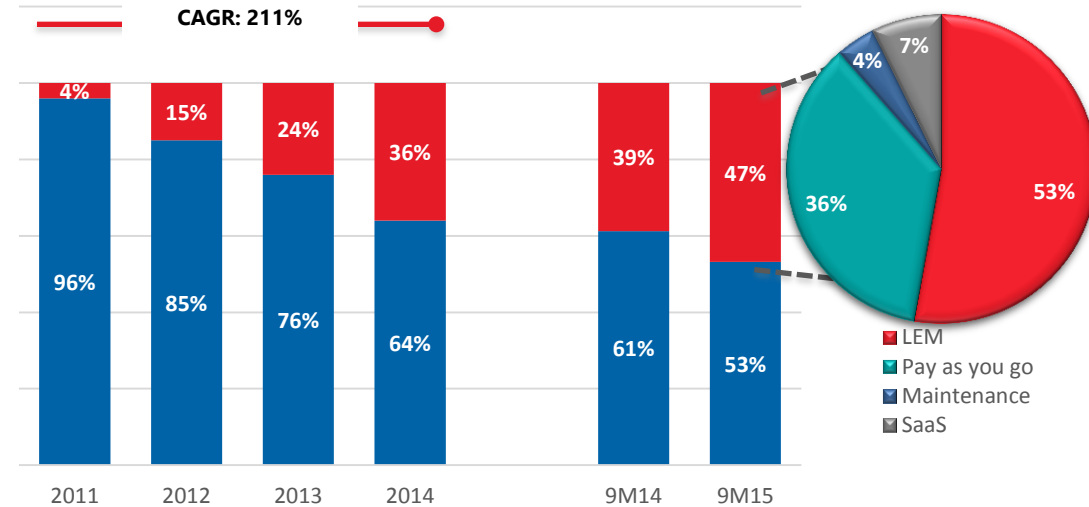


- Best all-time **third quarter** performance marked by **66% sales growth**:
 - share of e-state sales increased from 17% to 37%
 - LEM growth of 69%
 - license sales gained momentum in the third quarter achieving an overall growth of 18%
- **9 month sales growth of 29%** led by:
 - new customer acquisitions – 13% of sales from **new customers**
 - e-state sales growth of 66%, share of e-state sales increased from 19% to 25%
 - LEM growth of 47%
 - SaaS growth of 23% (4 year **CAGR 25%**)

Recurring Sales (m TL)

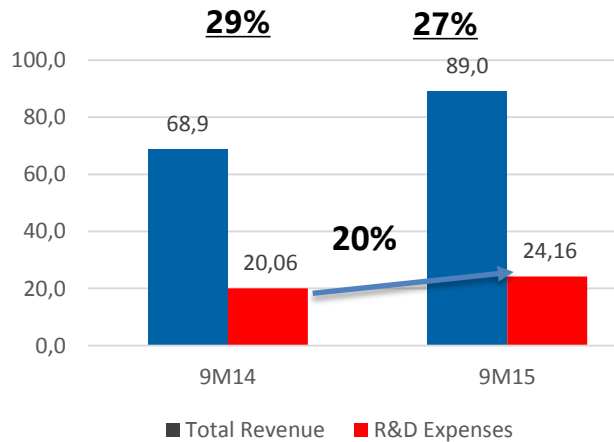


Recurring Sales (%)

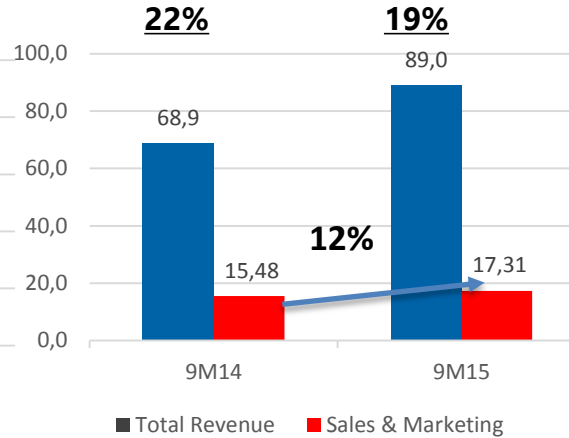


- Exceptional recurring revenue growth with focused strategy and timely product offering
- Recurring revenue share up from 39% in September 2014 to 47% in September 2015 with growing share of LEM, e-invoice services revenue and solid SaaS growth
- Logo now enjoys a 30% market share in the e-invoice servicing business. There has been migration from the GIB portal and other e-invoice service providers. New customer potential pool is 30.000+ companies (on top of existing 20.000).

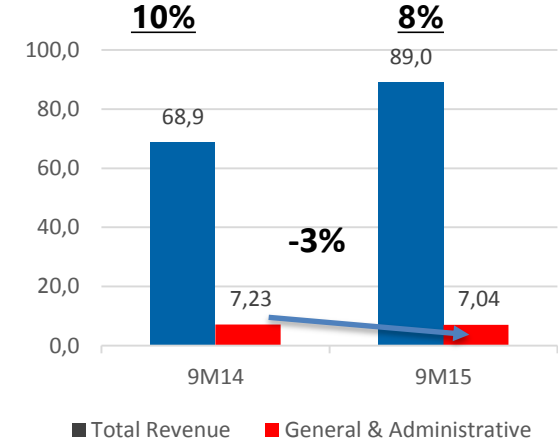
R&D (000 TL) Share in Revenue (%)



S&M (000 TL) Share in Revenue (%)

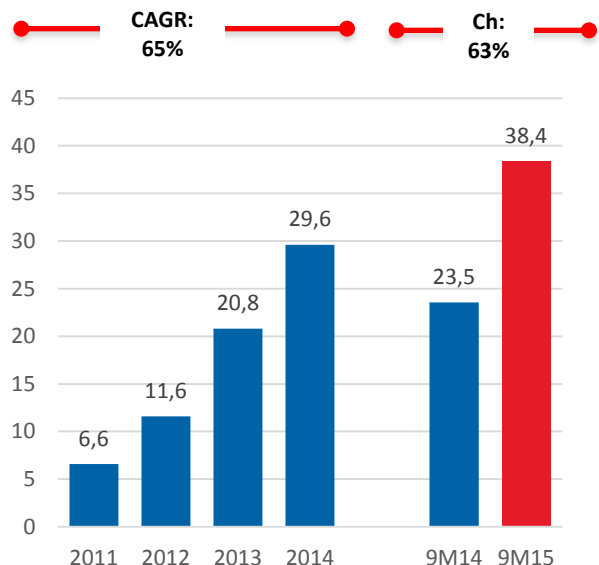


G&A (000 TL) Share in Revenue (%)

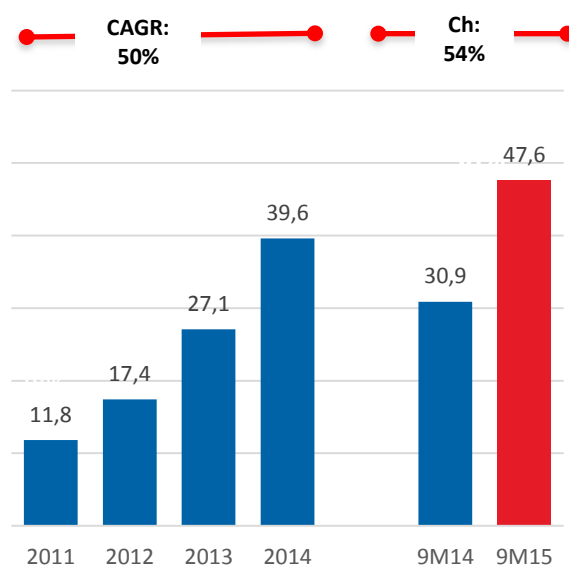


- Following five consecutive years of 50% sales growth **investing in our technology, channel and our personnel** is critical for sustained growth.
- Overall operating expenses increased by 13%
- R&D expenditures increased by 20% and made up 27% of sales.
- Total R&D spending is 31% of sales
- Sales and R&D personnel #'s increased in line with **meeting higher customer satisfaction goals**
- G&A expenses declined as a result of previous years' restructuring efforts and other cost saving measures

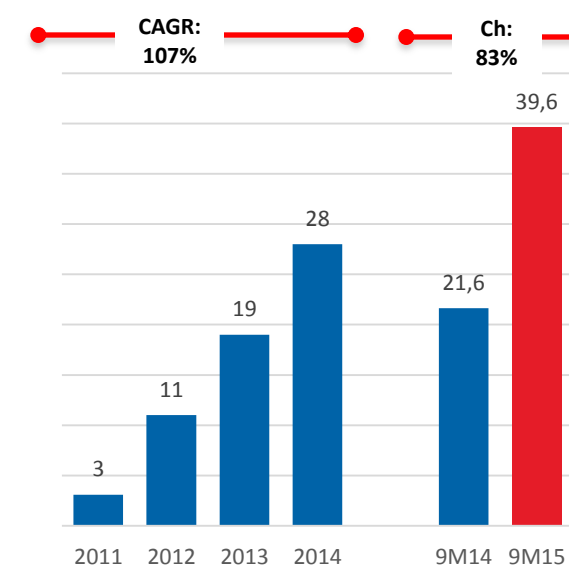
EBIT (m TL)



EBITDA (m TL)



Net Income (m TL)



EBIT: Gross Profit + S&M + G&A + R&D

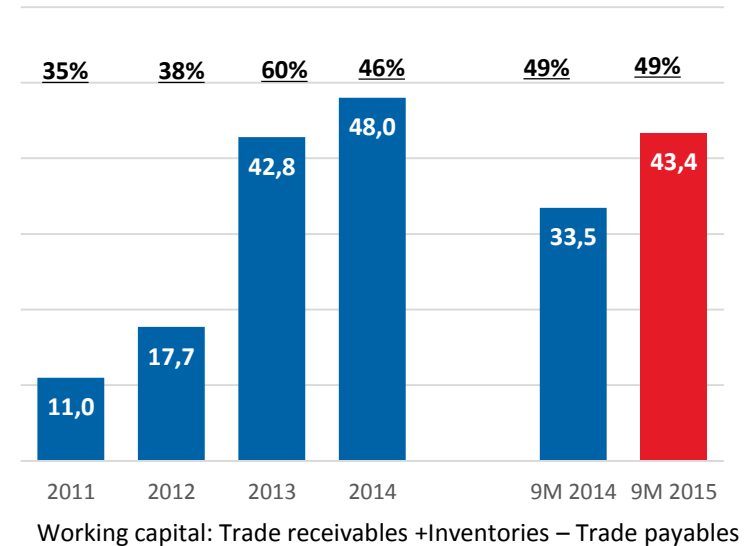
EBITDA: Gross Profit + S&M + G&A + R&D + Amortization

- Profitability at operating and net income level surged as a result of Logo's successful top line growth and our strategy for improved efficiency
- Sales per employee up by 24%, EBITDA per employee up by 48%
- EBIT margin up from 34% in 9M2014 to 43% in 9M2015
- EBITDA margin up from 45% in 9M2014 to 54% in 9M2015
- Net income margin up from 31% in 9M2014 to 45% in 9M2015

Balance Sheet Highlights (m TL)

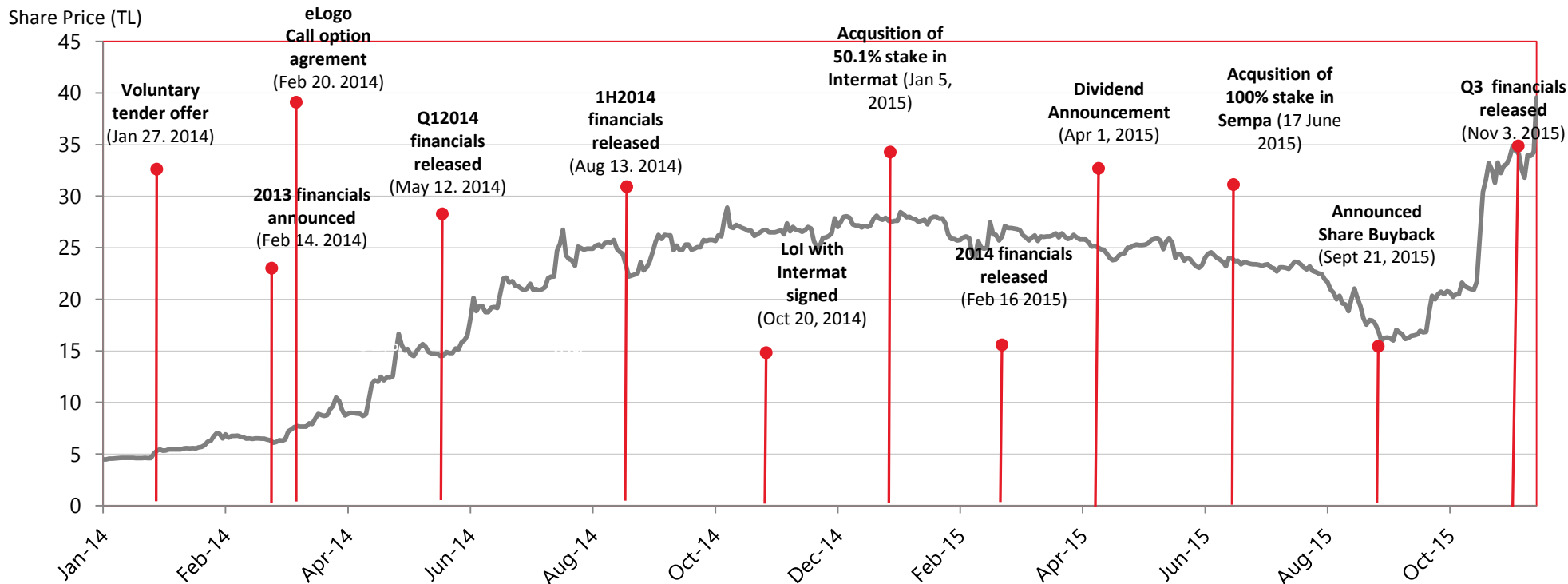
	2014	9M 2015	Δ
Cash & Cash Eq.	48,7	33,7	-31%
Trade Receivables	53,7	46,6	-13%
Tangible Assets	15,1	15,3	1%
Intangible Assets	43,6	57,0	31%
Other Assets	5,1	3,0	-41%
Total Assets	166,1	155,6	-6%
Total Liabilities	78,6	46,1	-41%
Total Shareholders' Equity	87,6	109,5	25%
Total Liabilities and Equity	166,1	155,6	-6%
Shareholders Equity Ratio	0,53	0,70	33%
Current Ratio	1,79	2,25	25%
EPS -LTM(per 1000 shares)	1,10	1,83	66%

Working Capital (m TL) (Share in Revenue %)



- Strong profitability further strengthened the balance sheet
- Strong cash generation from operations continues growing at 9%
- High quality receivables, 31% credit card receivables and shorter days **(-20 days)** outstanding
- Long-term loan pre-paid due to sufficient cash reserves
- Improved liquidity, current ratio up by 25%
- EPS up by 66%

Share Performance



Logo

BIST-100

	Average Price	Price	Average Price	Price
L1M	32.11 TRY	23.1%	80.57 TRY	-6.6%
L3M	22.94 TRY	72.4%	77.53 TRY	-3.0%
L6M	23.07 TRY	71.4%	78.60 TRY	-4.3%
L1Y	24.71 TRY	60.0%	81.58 TRY	-7.8%

Market Capitalization	m TL
Share Price @ Nov 30, 2015	39.5
Shares Outstanding	25M
MCAP @ Price @ Nov 30, 2015	988.5M

Trading Comparables



€ mln Company	Country	LTM	LTM	LTM	EBITDA margin %	Market Cap.	Enterprise Value	EV/Sales			EV/EBITDA			P/E		
		Revenue	EBITDA	Net income				LTM	15E	16E	LTM	15E	16E	LTM	15E	16E
Totvs	Brazil	413	86	62	21%	1,327	1,308	3.2x	2.9x	2.6x	15.2x	12.3x	11.3x	21.6x	19.9x	20.7x
Sage	UK	1,946	527	263	27%	9,015	9,611	4.9x	4.7x	4.4x	18.2x	16.1x	15.1x	34.2x	23.4x	21.5x
SAP	Germany	19,908	6,420	3,092	32%	89,231	94,920	4.8x	4.5x	4.3x	14.8x	13.0x	12.2x	28.9x	19.6x	17.9x
Intuit	US	3,893	1,060	705	27%	25,039	25,395	6.5x	5.8x	5.2x	24.0x	15.9x	13.2x	35.5x	28.4x	22.7x
Oracle	US	33,994	14,094	8,888	41%	157,310	144,589	4.3x	4.1x	4.0x	10.3x	9.1x	8.8x	17.7x	15.0x	13.6x
Average								4.7x	4.4x	4.1x	16.5x	13.3x	12.1x	27.6x	21.2x	19.3x
Logo	Turkey	42	19	16	45%	322	318	7.5x			16.5x			20.6x		

Based on Sep Financials of Logo
Source: CapitalIQ, Company Research Reports

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Thank you for joining us today

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