



INVESTOR PRESENTATION

DECEMBER 2023

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TEKNO SA

Overview & Transformation Strategy



Turkey's Most Widespread and Reliable Technology Partner

64
Cities

184
Stores

2.813
Employees

105K
Stores sqm

~250M
Annual No Of
Visitors
(Stores + Online)

500+
İklimsa
Authorized
Dealers &
Services

TEKNO SA

95%
Omnichannel Retailing
Revenue Share

İKLİM SA
Türkiye'nin İklimlendirme Merkezi

%5
İklimsa
Revenue Share

Providing broad technology
both online and in-store...

Having successfully transformed
from **traditional retailer to**
“Phygital”...

Offering **technology-focused**
needs of its customers with a
holistic approach and unique
customer experience...

A Digital CE Retail Platform
with strong physical presence

The above data (excluding revenue shares) has been updated on November 20, 2023

TEKNO SA

Reaching Millions of Customers with Value Oriented Businesses

———— 2023 ———— 5 major brands reaching our customers ————



1.5 Million
new customers

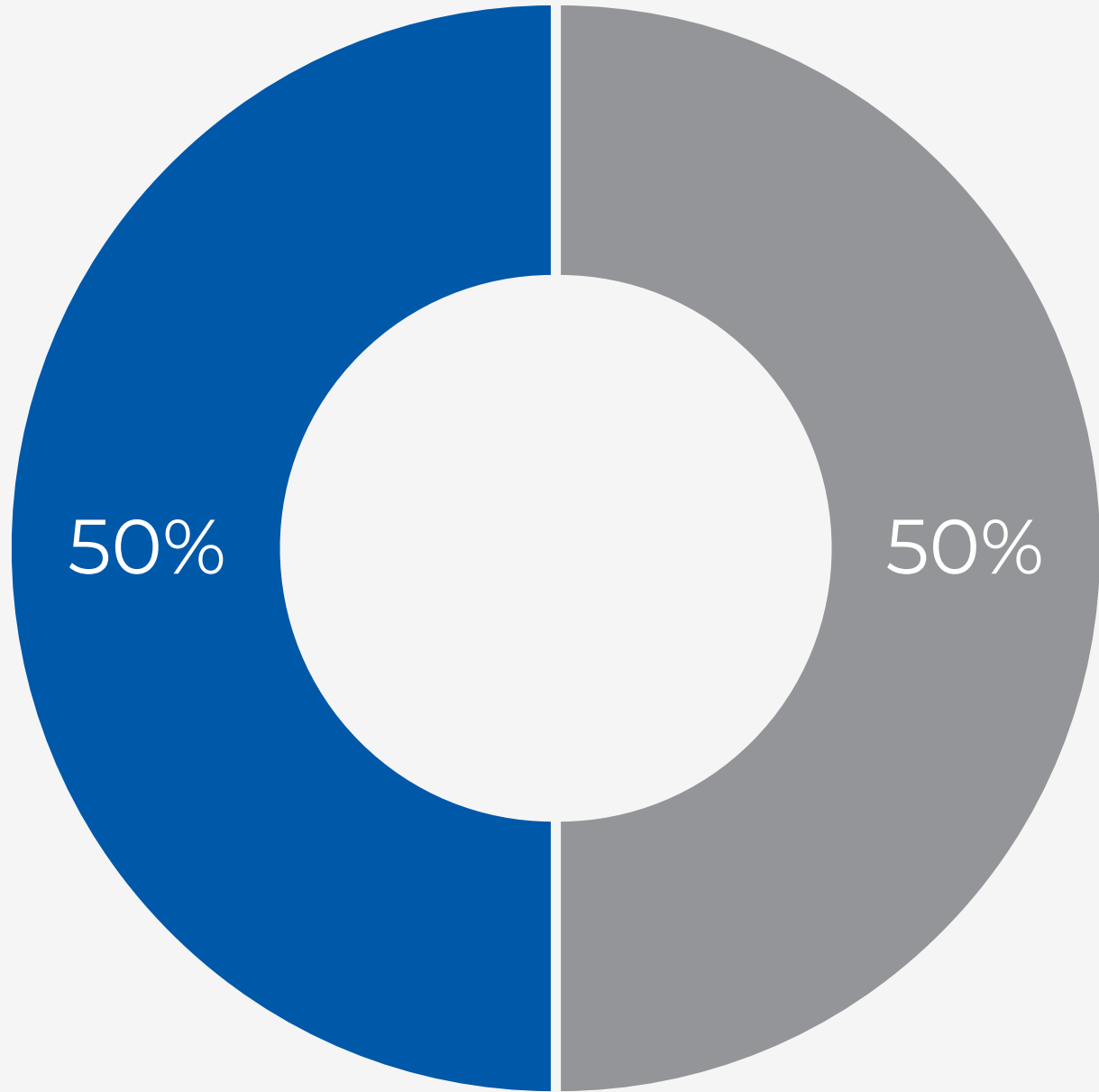
Turkey's most comprehensive technology private label brand	End-to-end services	Rapidly growing Loyalty Program	Turkey's virtual network operator	Heating-Cooling & Solar Energy Systems
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5 Million
active customers

With over 1400 SKUs, product sales exceeding 2 million in 2023	With a comprehensive service portfolio, service sales exceeding 3 million in 2023	TeknoClub membership reaching 3 million in 2 years	>450K TeknosaCell subscribers	5 Brands >200 Models Heating-cooling and solar energy systems portfolio
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Strong Positioning in Main Shareholder

High Free Float
Supporting Liquidity



■ Hacı Ömer Sabancı Holding

■ Free Float

Free Float: %49.98

Well-Positioned in
Sabancı Holding Portfolio

**Energy &
Utilities**



Industrials

Ticks two
strategic focus
areas

**Financial
Services**

**Digital
Businesses**



Our Vision “Teknosa of New Generation” Was Established in 2019



Average financial performance
traditional retailer



An omnichannel retailer with healthy financials



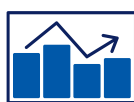
A digital-first, omnichannel retailer with a strong physical presence



Store-focused retailing



Mainly **focused on selling primary products**



Average financial performance



An infrastructure **lacking in terms of technology and data**



Omnichannel retailing



A **robust retail muscle** that can sell products and services together



Strong and sustainable financial performance



Technology and data infrastructure capable of **implementing essential functions**



Omnichannel retailing and a **technology-focused marketplace** supporting this



Retail muscles **at the level of global best practices**

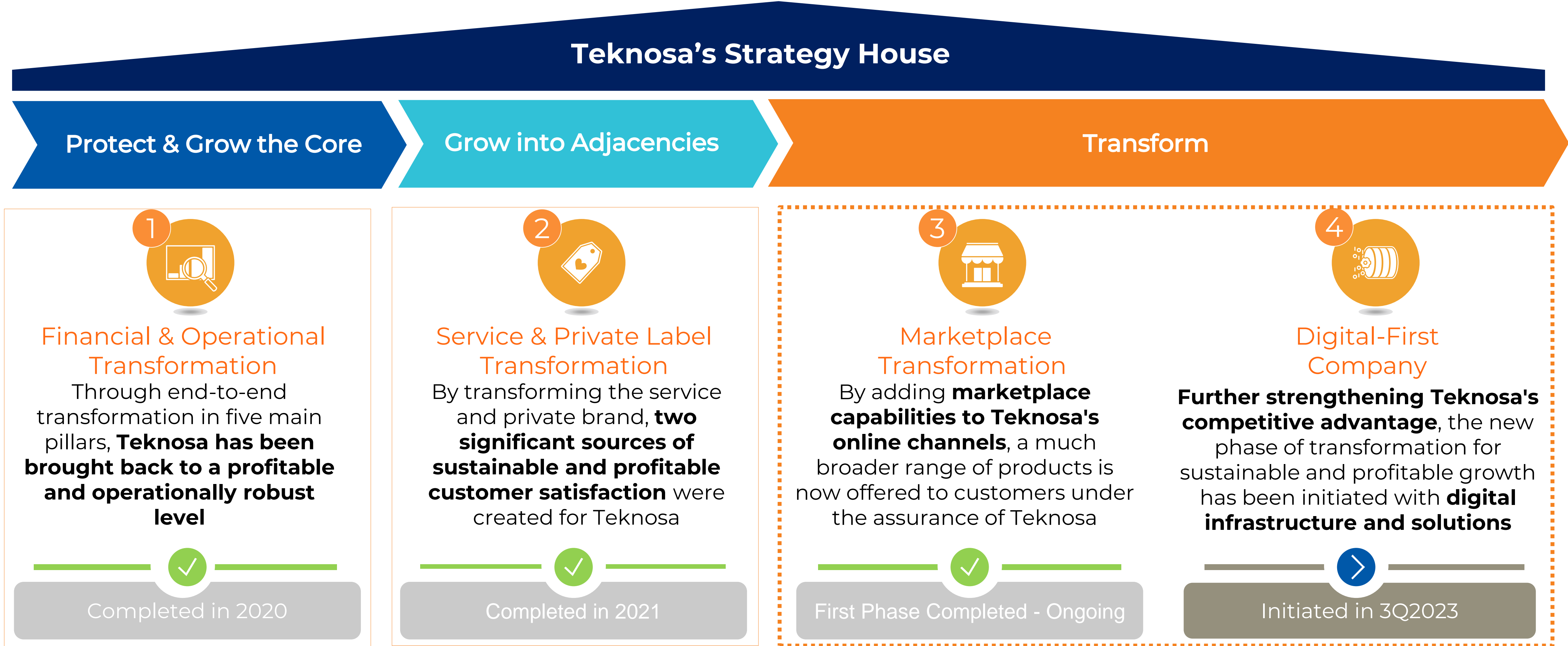


Even stronger and sustainable financial performance



Digital technology, data infrastructure, and solutions at a level that will create a competitive advantage

In This Journey, The First Three Transformation Programs Have Been Successfully Completed!

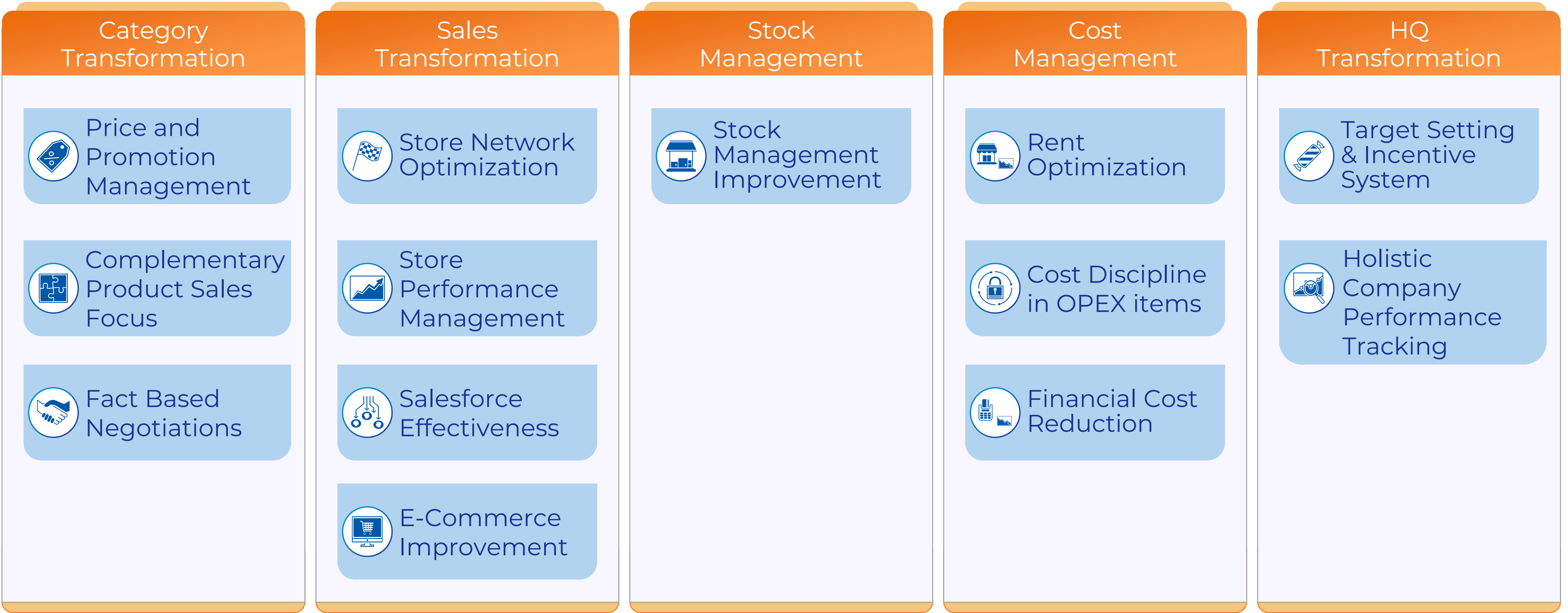


We Exist to Bring Happy Moments by Providing the World's Technology to Everyone

Transformation Programs



With End-to-end Efforts, a Much Stronger & Sustainable Teknosa!



Teknosa Prevails With Its Service and Private Label!

**TEKNO
HİZMET**

Turkey's Most Comprehensive Electronic Service Portfolio



Repair



TeknoGaranti



Service Membership Packages



Rental



Installation Services



Satisfaction Change Application



Technology Support Packages



TeknosaCell



TeknoHizmet brand has been launched, & the **transformation** to TeknoHizmet has been completed in stores



Comprehensive Support Packages have been developed, and we continue to provide **Teknosa assurance** to our customers through **TeknoGaranti**



On **Teknosa.com**, areas have been implemented for **customers to track the end-to-end service process**



Teknosacell has reached **450,000 members**, and efforts for **new alternative services** are ongoing

preo
TEKNO SA markasıdır.

Technology Exclusive Brand with Turkey's Widest Product Portfolio



Personal Care



SDA



TV & Tablet



Other Categories



Preo has become Turkey's most comprehensive technology private brand with **over 1400 SKUs**



The portfolio is dynamically updated in line with the **balance of quality and price** in strategic product groups



According to the results of an independent customer satisfaction survey¹, **92% of customers have indicated satisfaction**

(1) The information is obtained from the 'Preo, SSH Brand Awareness' report conducted with GFK Research Services in January 2023

Teknosa: Turkey's First Technology-Focused Marketplace!



Teknosa Marketplace has shown a very strong development in just its second year



(1) Benchmarks: Magazine Luiza from Brazil, FNAC and Darty from France

*As of September 2023.

Teknosa's 4th Transformation Program Consists of 6 Main Layers

Elevate our
customer
service to
superstar status



Transformation
of the Store
Network



E-Commerce
Development



Omnichannel
Excellence

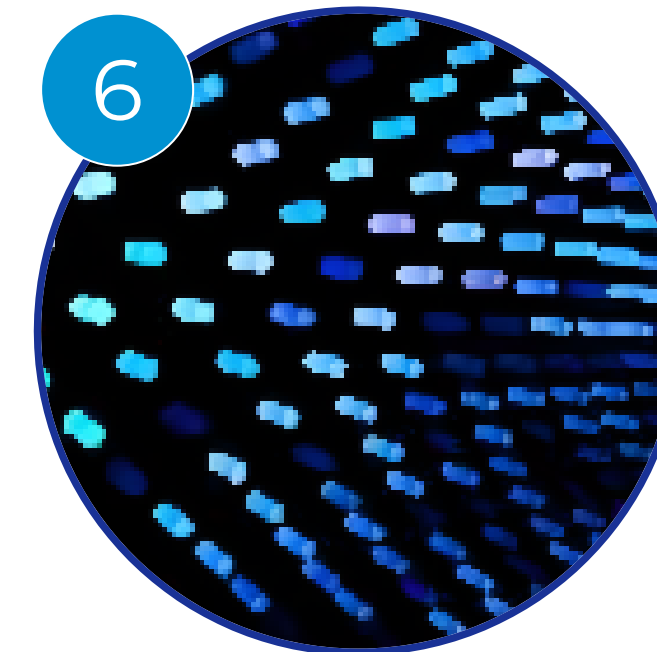
Increase
company
performance by
making our
operations more
efficient



Supply
Chain
Transformation



Next Generation
Digital
Applications



Information
Technology & Data
Transformation

Renewing Our Store Network As Part of the Transformation Program

Since 2022, 12 stores have been transformed into digital concept stores



Investing in the Future of Retail with New Concept Stores

As Teknosa, we embrace the globally rising trend of **'Experience-focused retail'** with **our new digital store concept**



Continuing to optimize our store network

In line with our digital store concept, we are optimizing our store network by **establishing new stores in high square meter areas** and **relocating existing stores**, aligned with our focus on elevated experience and product variety



Experience Areas



Dedicated Sections for Disabled Customers



Informative Screens



Hero Area



Sustainability Wall

The Development of E-Commerce Will Continue To Strengthen

We are expanding our online channel with new developments every day...

Marketplace Improvement and **"Teknosa Partner Solutions"**



New and expanded **payment and loan options**



Improved and diversified **delivery processes**



Enhancements in **web and app interface experience**



..We will continue to expand with the same focus in the upcoming period."

Elevating the **online customer experience** to the next level



Fast and robust **marketplace growth**



Social commerce, retail media & **personalized and value-added services**

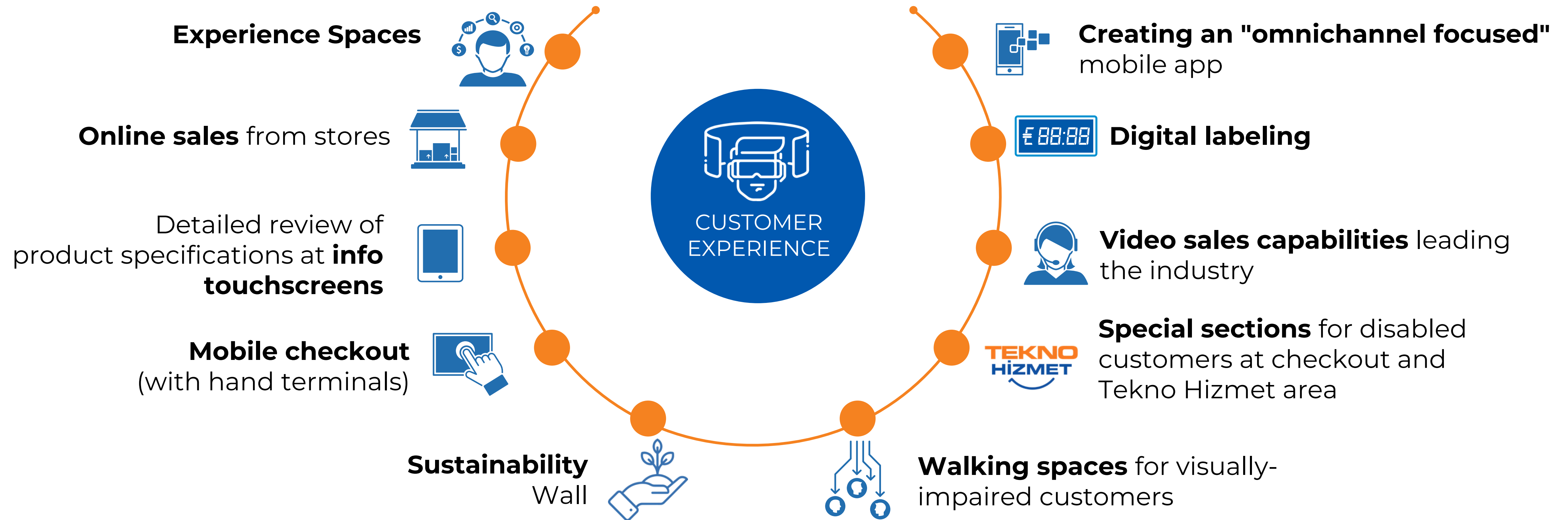


Strengthening the infrastructure to support e-commerce development



The online channel will continue to be one of the most important and powerful growth areas for Teknosa

Ensuring Best Omnichannel Customer Journey Across All Channels



While advancing omnichannel improvement, seamless cross-channel experience between stores and digital channels will allow our customers to engage through their preferred channels

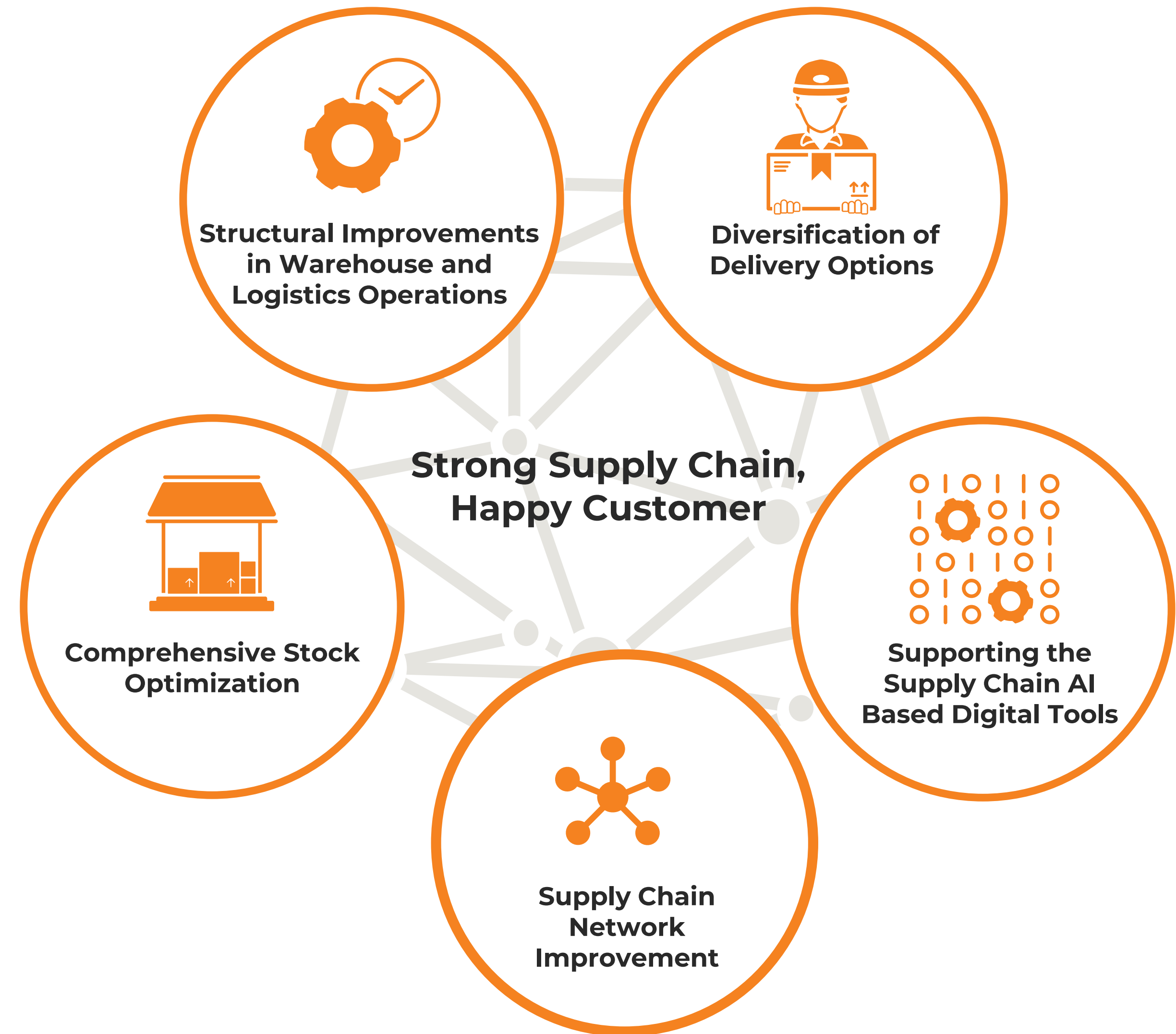
Transforming Our Supply Chain End-to-end to Provide the Best-in-class Service to Our Customers



Delivery time, efficiency and variety of options
All critical for customer



To maximize the potential of our stores **availability of the right product in the right store** has become more critical



AI and Digitalization are Critical in Retail, Particularly in Dynamic and Data-intensive Structures

In the Coming Years, Teknosa Will Transform into 'Digital-First' Company



Digital Enabled FBN



Digitally Enabled Salesforce



Localized Assortment Management



Dynamic Pricing



AI-Powered Markdown Optimization



AI-Powered Promo Effectiveness



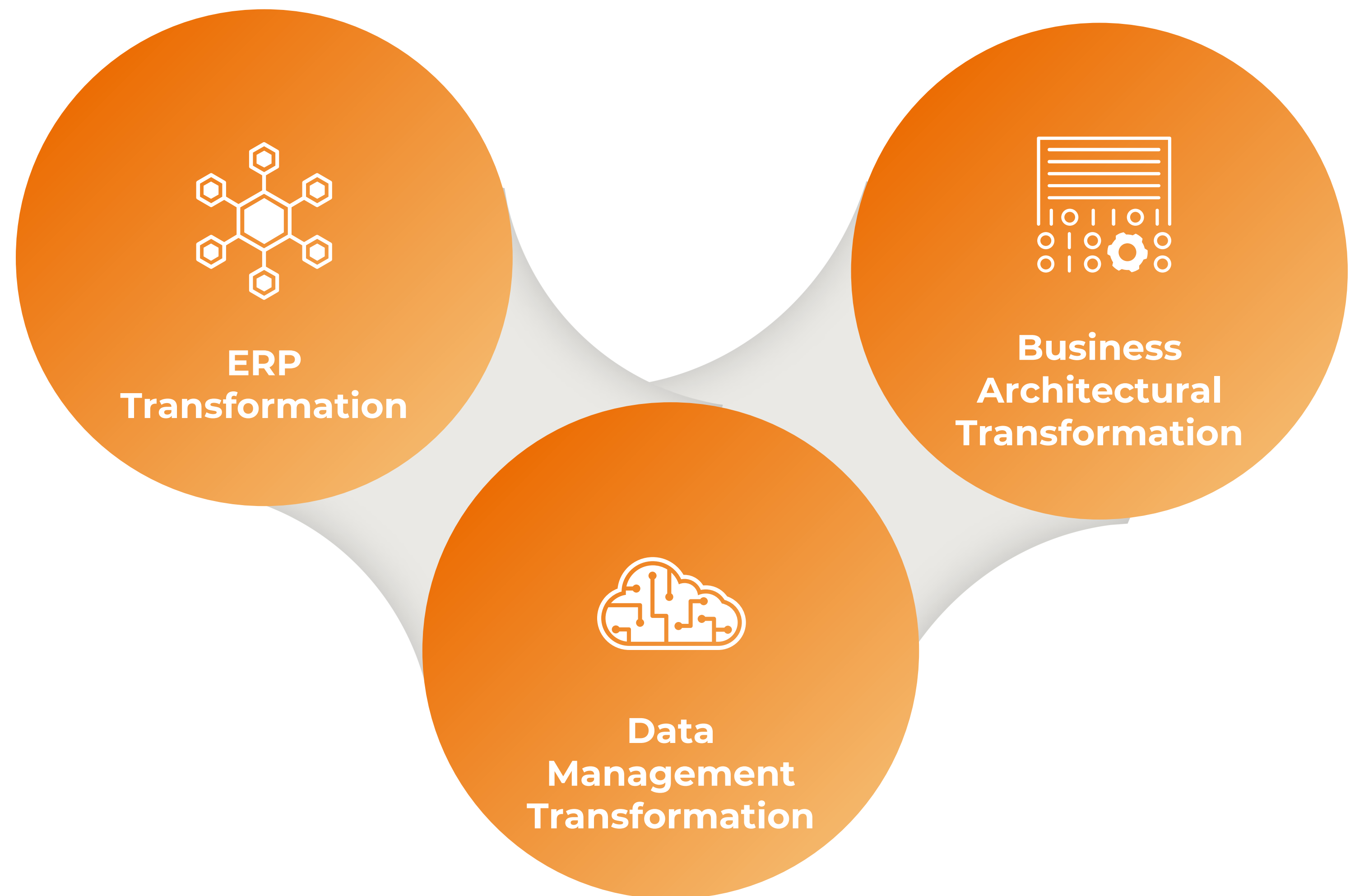
GenAI Capabilities



Digitally Enabled Backoffice

All these solutions will enable Teknosa to leverage its artificial intelligence capabilities to gain a competitive advantage, resulting in significant improvements in sales, profitability, and operational efficiency

**To Prepare
Teknosa for the
Future, We Are
Elevating Our
Information
Technology and
Data
Competencies to
the Level of
Global Best
Practices**



Sustainability Focus



Enhancing Sustainability & B2B Business Through the Synergy Between İklimsa & Teknosa



Operating under the umbrella of Teknosa, İklimSA, the leading brand in the HVAC sector, provides services with the assurance of Sabancı across Turkey through a network of over 500 sales and service points

70
Cities

500+
Sales &
Service
Points

39
Years
Expertise

İklimsa stands out with three main business segments in the fields of air conditioning and sustainability



1 Air Conditioning

- In the air conditioning sector, we offer end-to-end climate solutions with **global brands and our own brand, Sigma**

SIGMA

MITSUBISHI
HEAVY INDUSTRIES, LTD.
KLIMA

FUJITSU

SHARP

GE APPLIANCES

SAMSUNG



2 Solar Energy Systems Solutions

- A strong business plan by centralizing the regional organization and empowering approximately **90 dealers in the field of Renewable Energy Systems (GES)**
- With the **assurance of İklimsa and Sabancı**, we will continue our investments in **the sustainable business model of the future**



3 B2B Sales

- Through authorized dealers of İklimsa, we provide corporates with **a wide range of electronic products** of Teknosa, including
- Electronic product supply,**
 - After-sales services,** and
 - Product rental services**

We have been in operation since the first half of 2022

TEKNOSA

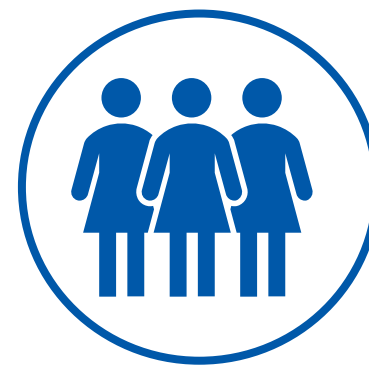
We Add Value to Our World, Society and Employees Through Our Business



We aim to achieve **Net Zero** across all our operations by the year **2050**

Environmental

- ✓ **175,000 kWh capacity SEPP** on the roof of our Adana Sabancı Business Center
- ✓ Transitioned to **highly energy-efficient LED lighting** in 176 of our stores
- ✓ All energy consumption of our Logistics Center and 80 stores is now **sourced from renewable energy**
- ✓ Accordingly, we aim to **increase Renewable energy consumption to 42% by 2025**
- ✓ **Buybacks, refurbished phone and electronic product rental services** to reduce greenhouse gas emissions and e-waste



We continue to **increase women empowerment** in the business life

Social

- ✓ Since 2007, as part of the **Women in Technology** Project, **digital literacy training to more than 28,000 women**
- ✓ Ratio of **female employees in our headquarters increased to 52%**
- ✓ **First Turkish technology retail company** to sign the **Women's Empowerment Principles (WEPs)**
- ✓ Corporate Members of **Yanındayız Derneği** and **Lead Network**
- ✓ Conduct activities to **raise awareness** on **environmental consciousness**, digital carbon footprint, waste, e-waste



We are placing **sustainability at the center of our business processes**

Governance

- ✓ Published **2022 Sustainability Report**
- ✓ With our **Solar Energy Systems**, we aim to increase **positive impact** for the world fighting against climate change
- ✓ Collaboration with **WWF Turkey**, we received the **Green Office Certificate** for our headquarters
- ✓ **Science Based Targets Initiative** evaluation for commitment to reducing our emissions
- ✓ Application for inclusion to **Refinitiv ESG Index** and **EcoVadis Sustainability Rating**
- ✓ Held the first meeting of the **Sustainability Committee** in 2023

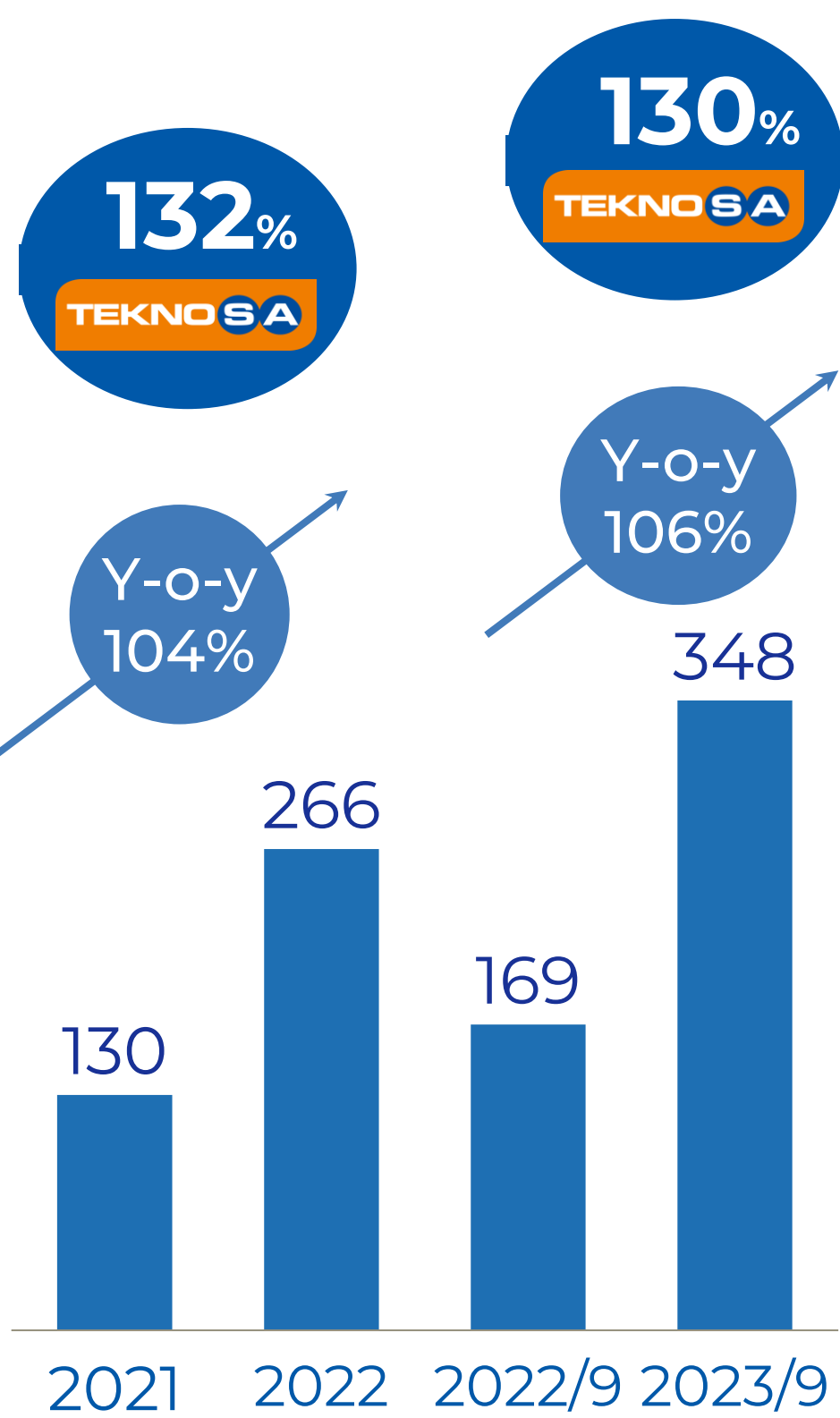
TEKNOSA

Market Overview & Financial Results

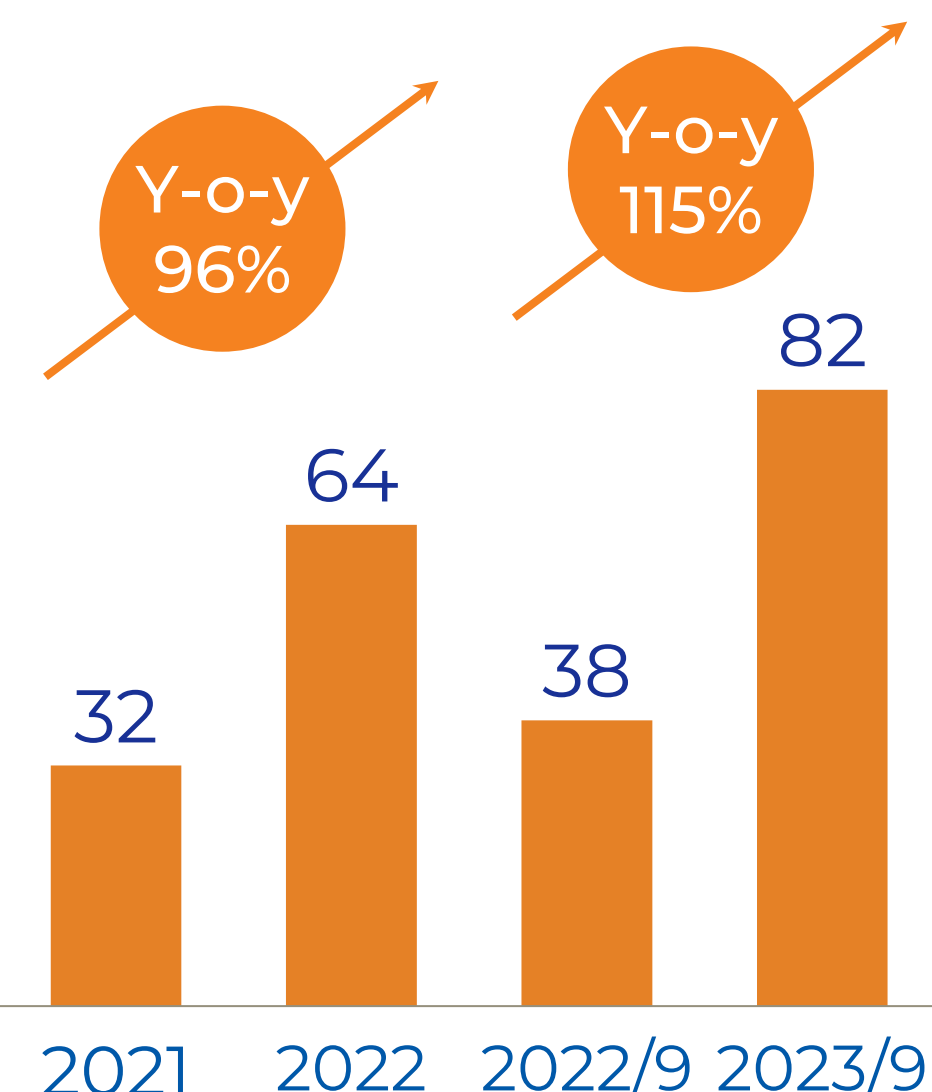


Market Demand Remained Strong Despite Macro Headwinds

Market Revenue Growth*
Billion TL

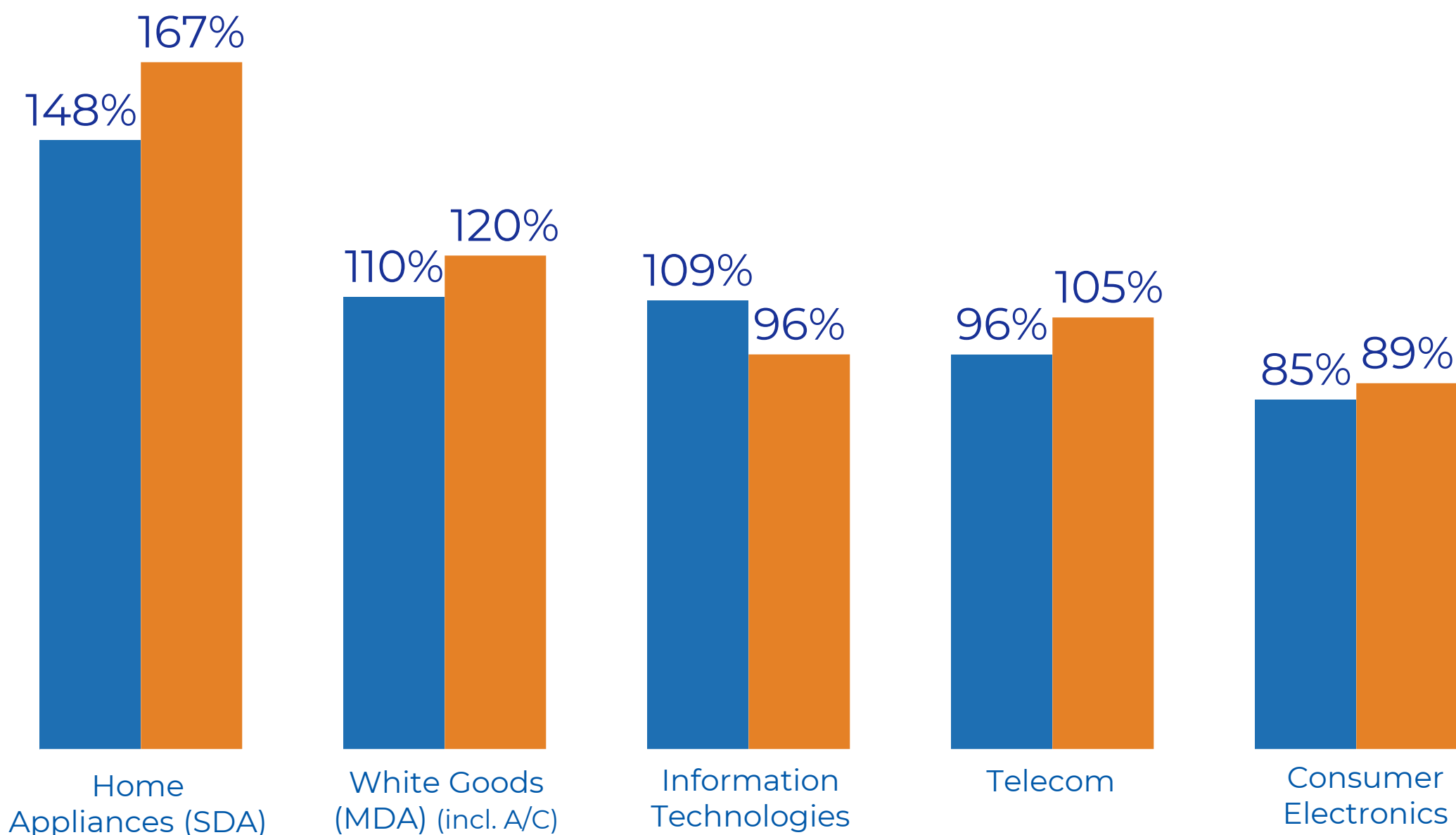


Panel Market



Techonline Market**

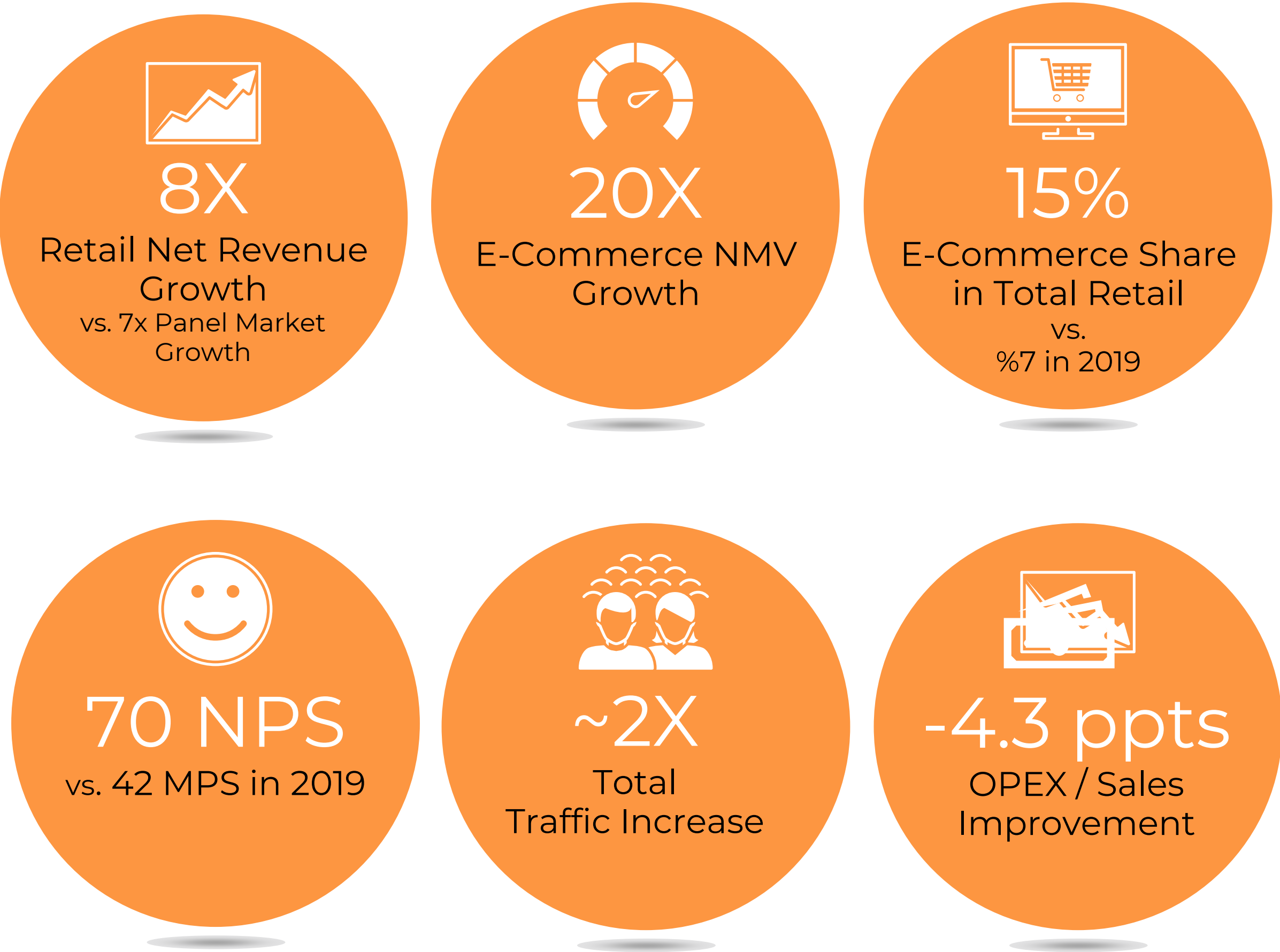
Demand Growth by Categories*
September YTD, Y-o-y%



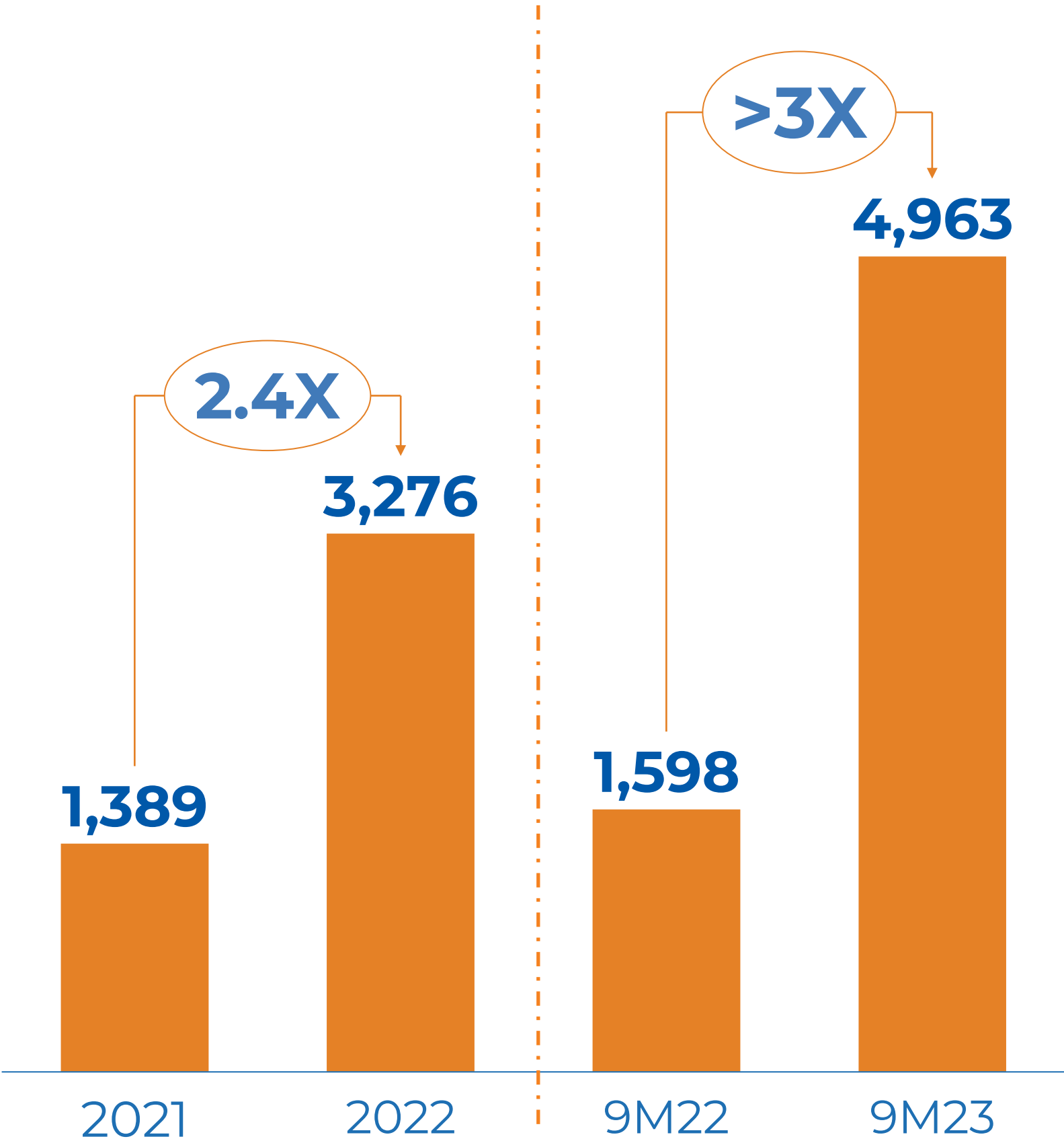
Panel Market Techonline

Achieved Significant and Robust Improvement in Our Performance in All Metrics

From 2019 to 2023...



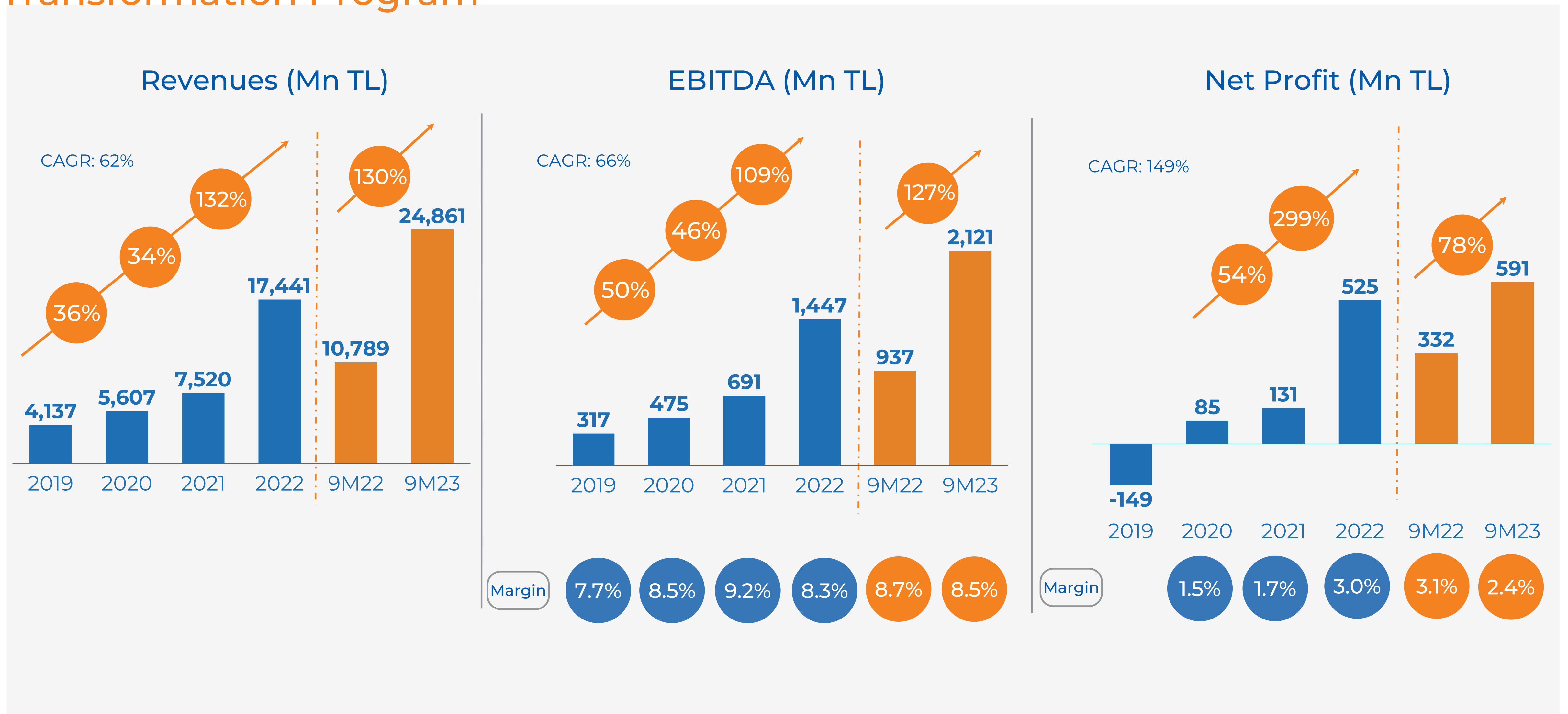
Accelerating Gross Merchandise Value (GMV)



Above, the nine months data of the years 2019 and 2023 has been compared.

NPS:Net Promoter Score

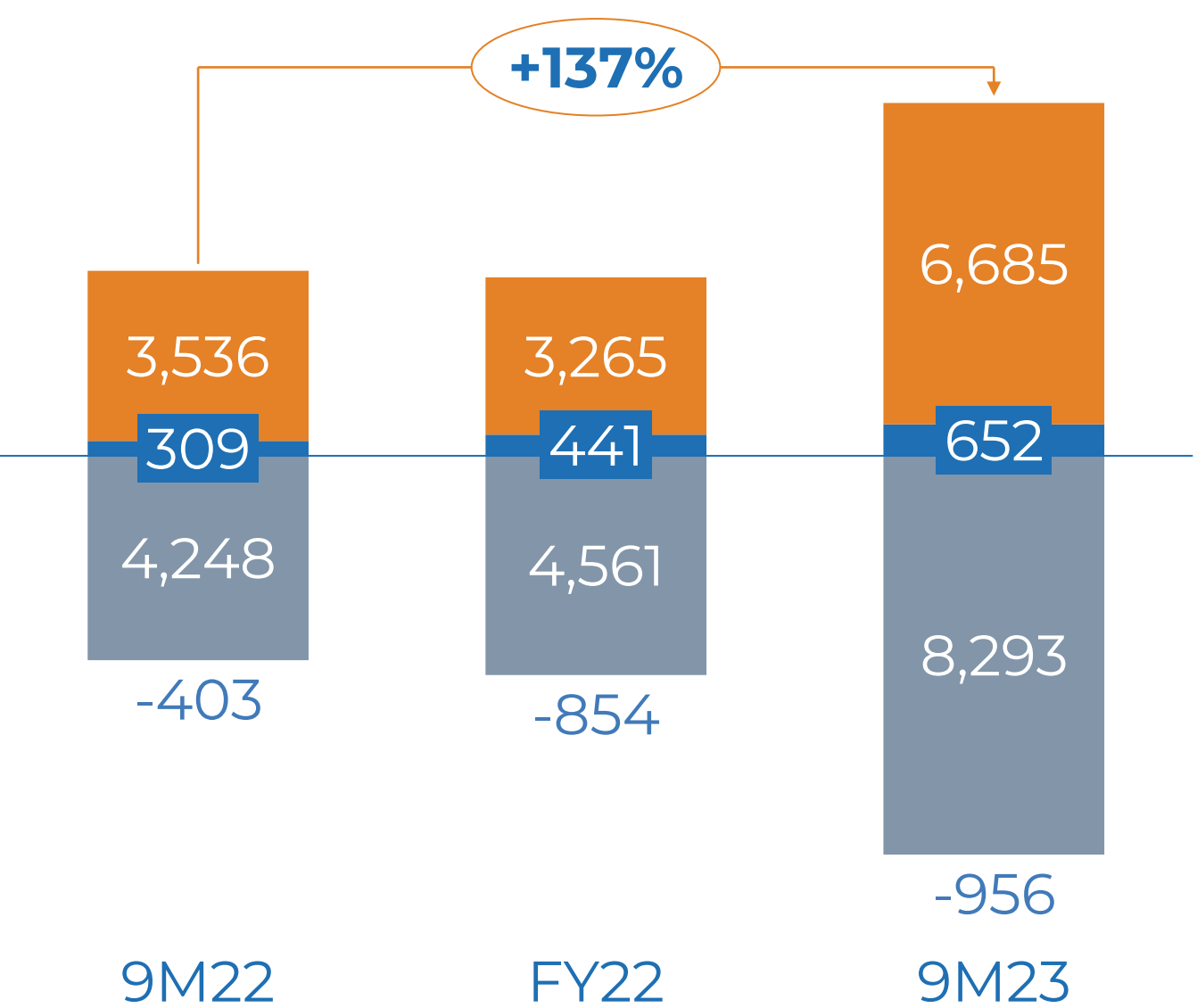
Strong Growth Momentum Continues, Thanks to The Effectiveness of the Transformation Program



Maintained Healthy Balance Sheet & Strong Cash Generation

Net Working Capital (TL Mn)

Inventories Trade Receivables Trade Payables



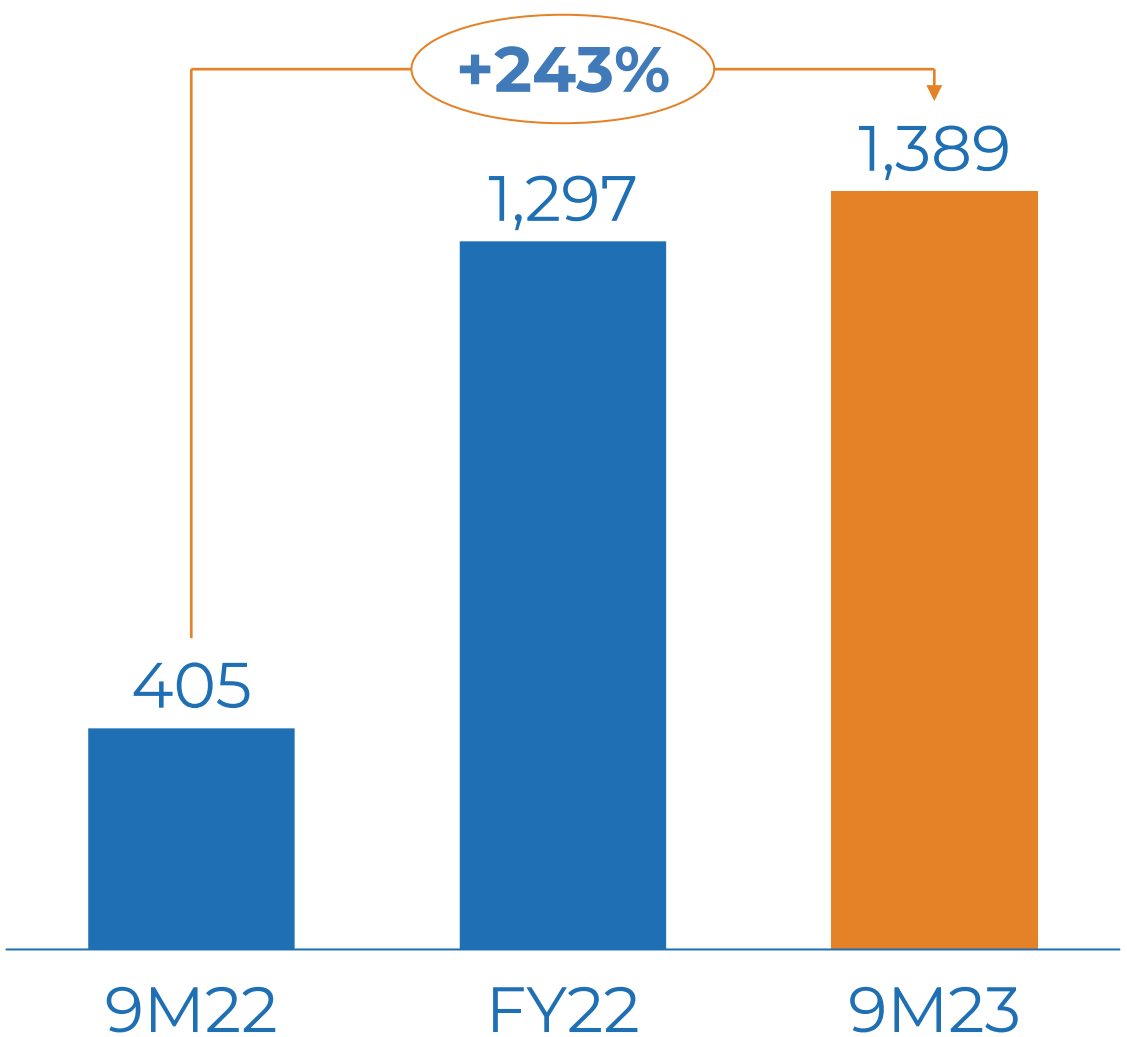
NWC/
Revenues

-3.0%

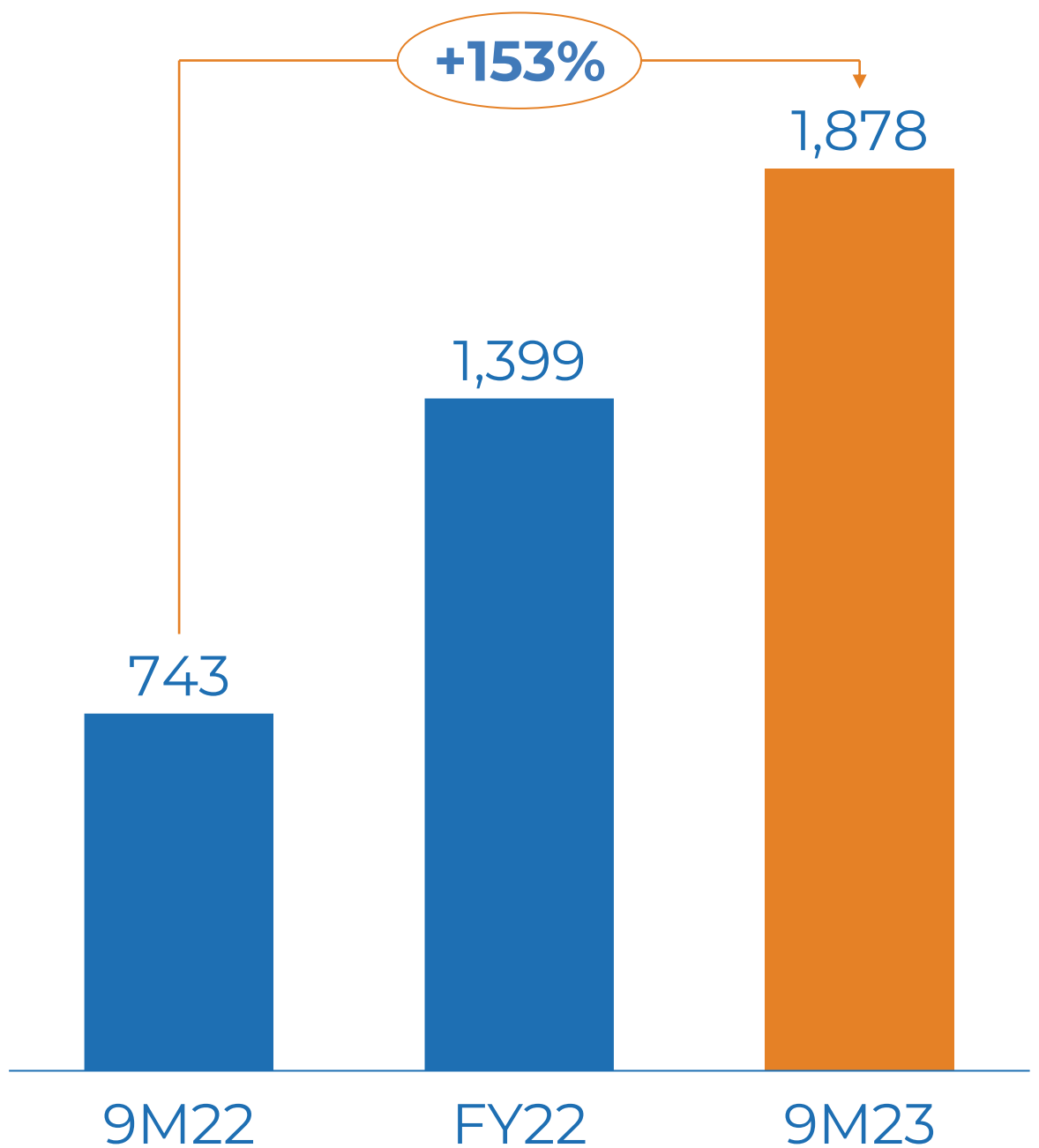
-4.9%

-3.0%

Free Cash Flow
(TL Mn)



Net Cash (TL Mn),
excl. IFRS 16



Sustainable Profitable Growth is Expected to Continue in 2024

Our Guidance	2023F	2024F
E-Commerce Gross Merchandise Value (GMV)	7.5 billion TL	15 billion TL
CAPEX	500 million TL	1 billion TL
EBITDA Margin (%)	High single digit	Target to maintain high single digit
E-Commerce Net Merchandise Value(NMV) / Retail Total Merchandise Value (%)*	Expected to reach around 20% levels in the mid-term	

*While E-Commerce Gross Merchandise Volume (GMV)" includes VAT (Value Added Tax), cancellations, and returns, "Net Merchandise Volume (NMV)" refers to the e-commerce transaction volume excluding these amounts.

Investment Theme



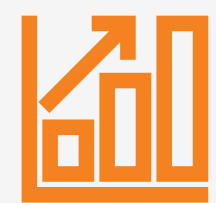
Rising demand for technology products and **favourable demographics**



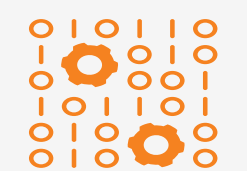
Under the omnichannel strategy **perfecting our unique customer experience** in order to transform Teknosa from a traditional retailer to a '**digital platform with physical presence**'



Highly competent management team with execution power



Committed to focus on **strong, healthy, and sustainable profitable growth**



Increasing **digitalization and technology-focused strategic investments**



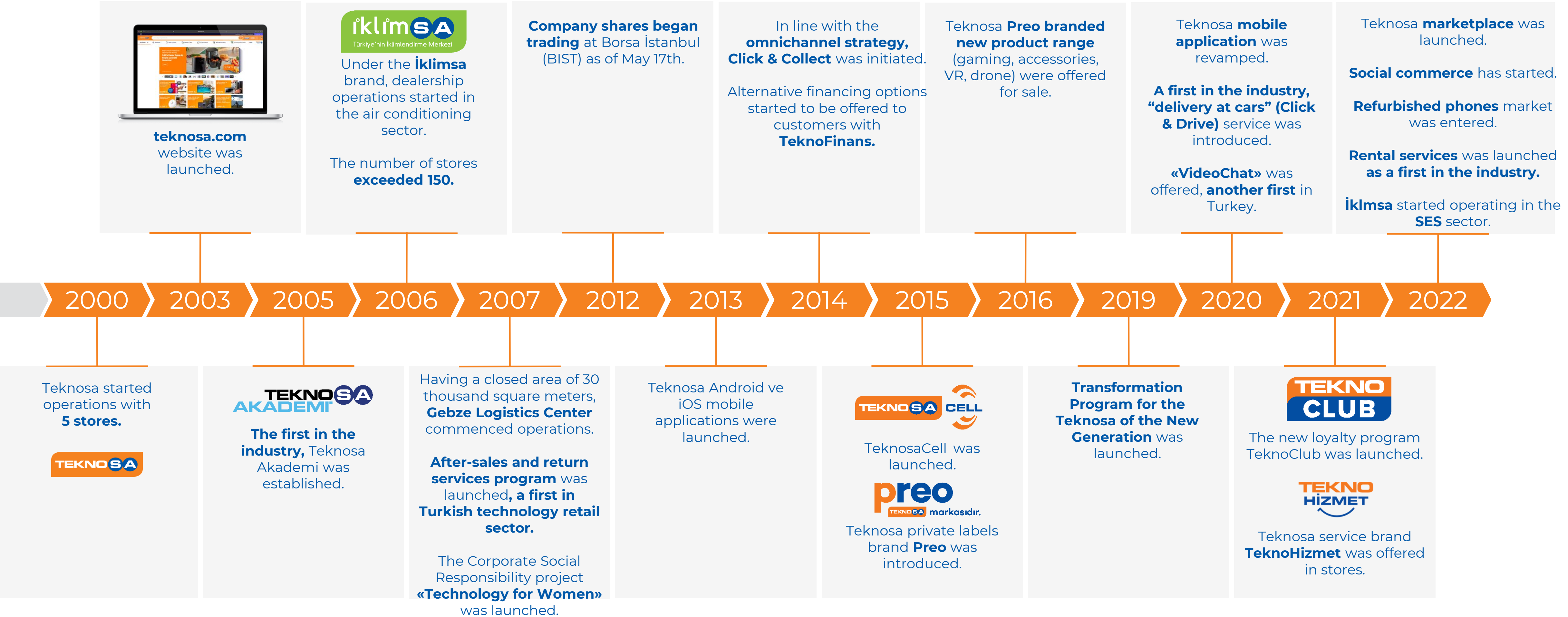
Aiming to **create increased value** through transformation into '**Digital-First**' company

Excellent Proxy to Turkey's Dynamic CE Market
With Its Unique Business Model

Appendix



Milestones



Distribution Channels in the Turkish Consumer Electronics Sector (Panel Market)

Technical Super Stores (TSS)



- ▶ Other TSS Players

MASS

- ▶ Hyper/Super Markets, home improvement stores
- ▶ Cash & Carry
- ▶ DIY
- ▶ Pure Online
- ▶ Department stores
- ▶ Online Marketplaces

Traditional Channel

- ▶ Consumer Electronics
- ▶ White Goods & Small Appliances Dealers
 - ◉ Exclusive
 - ◉ Mixed

Computer Shops (CSS)

- ▶ Mixed Computer Stores

Telecom Dealers (TCR)

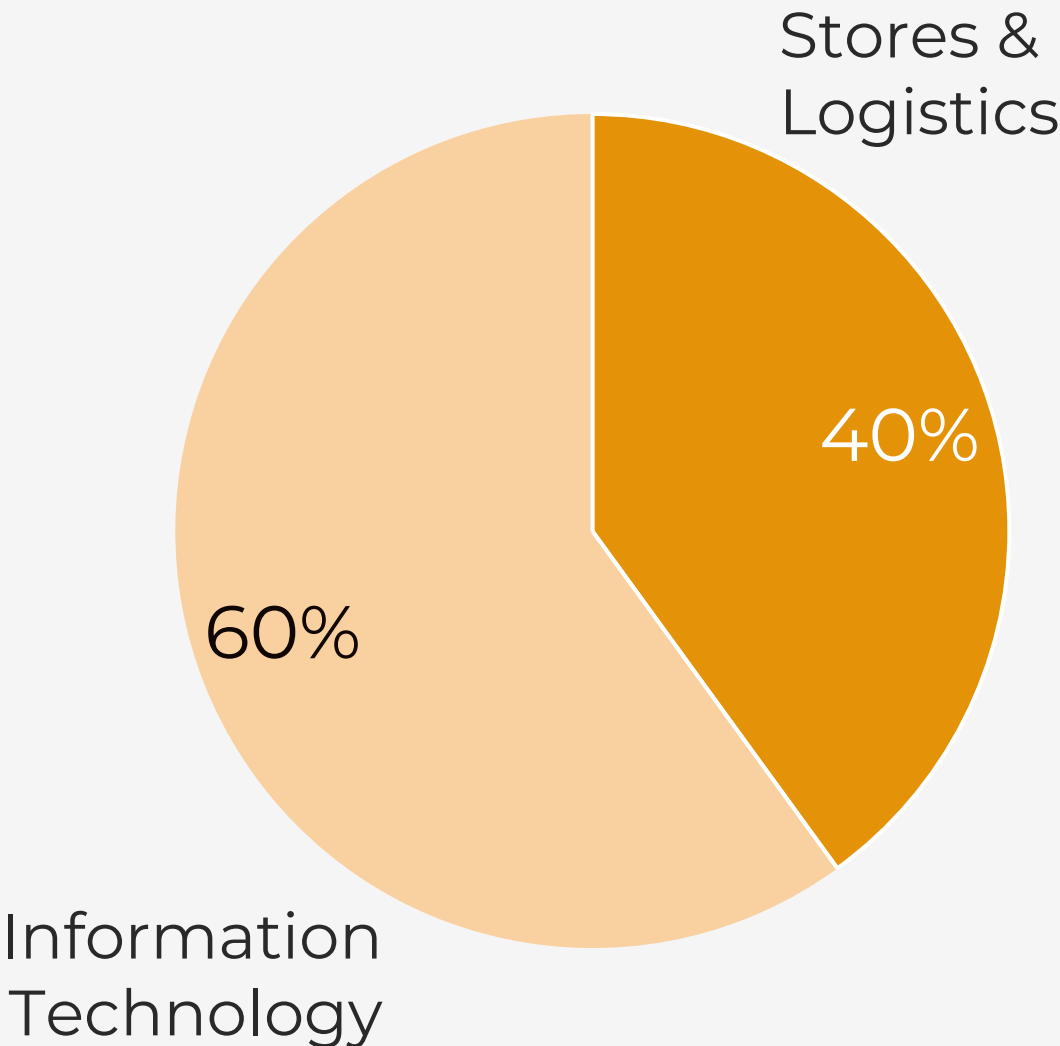
- ▶ Mobile Phone Dealers

Online sales of all channels in the Panelmarket constitute the techonline market

Increasing Investments In Alignment With Revenue Growth

We continue to invest in becoming 'phygital'

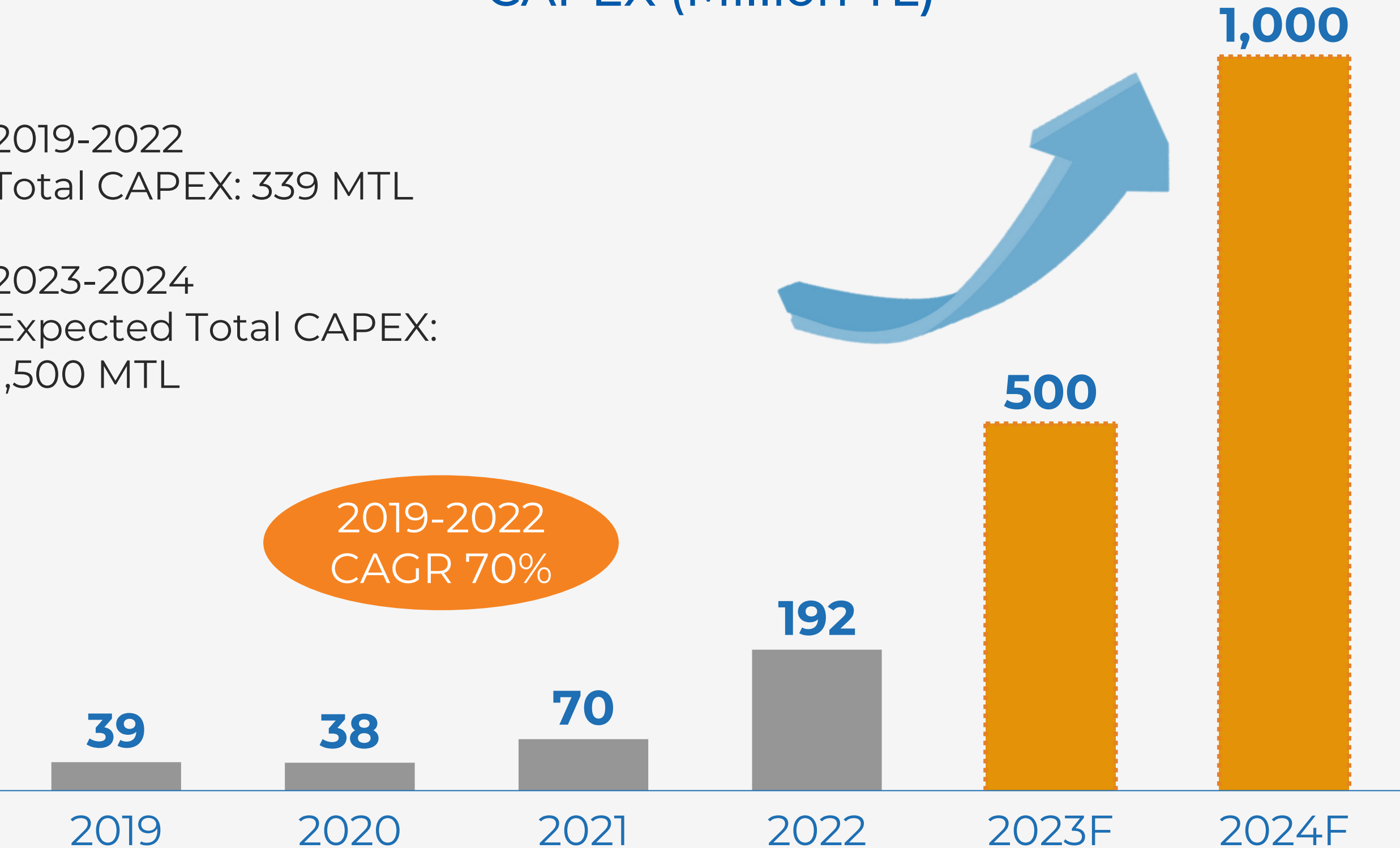
CAPEX
Breakdown (2023F)




CAPEX (Million TL)

2019-2022
Total CAPEX: 339 MTL


2023-2024
Expected Total CAPEX:
1,500 MTL



Income Statement

	2019	2020	2021	2022	2022-2021 Change (%)	9M2022	9M2023	Change (%)
Net Sales (Mn TL)	4,137	5,607	7,520	17,441	132%	10,789	24,861	130%
Gross Profit (Mn TL)	715	931	1,267	2,904	129%	1,883	4,224	124%
Gross Profit Margin (%)	17.3%	16.6%	16.8%	16.7%	-20 bps	17.5%	17.0%	-46 bps
Opex/Sales (%)	13.0%	10.3%	9.7%	9.6%	-9 bps	10.1%	9.6%	-50 bps
EBITDA (Mn TL)	317	475	691	1,447	109%	937	2,121	127%
EBITDA Margin (%)	7.7%	8.5%	9.2%	8.3%	-89 bps	8.7%	8.5%	-15 bps
Other Income (Expense) (Mn TL)	-134	-42	-171	-276	61%	179	506	182%
EBIT (Mn TL)	37	319	387	1,065	175%	644	1,450	125%
EBIT Margin (%)	0.9%	5.7%	5.1%	6.1%	96 bps	6.0%	5.8%	-14 bps
Financing Income (Expense) (Mn TL)	-215	-208	-248	-464	87%	-267	-739	177%
Profit Before Tax (Mn TL)	-178	111	139	601	332%	378	712	88%
Tax (Mn TL)	29	-26	-8	-76	850%	-45	-120	166%
Net Income (Mn TL)	-149	85	131	525	299%	332	591	78%
Net Income Margin (%)	-3.6%	1.5%	1.7%	3.0%	127 bps	3.1%	2.4%	-70 bps

Balance Sheet

	2019	2020	2021	2022	9M2023
Assets (Mn TL)					
Current Assets	994	1,565	2,624	5,439	9,878
Cash and Cash Equivalents	37	392	709	1,604	2,183
Trade Receivables	66	103	156	441	652
Inventories	860	1,057	1,719	3,265	6,685
Derivatives	-	-	1	-	1
Other Current Assets	31	13	38	128	357
Non-current Assets	518	395	378	859	1,312
Property, Plant and Equipment	60	60	84	221	408
Intangible Assets	36	40	50	78	107
Deferred Tax Assets	71	45	37	76	135
Right of Use Assets	322	220	166	374	562
Other Non-current Assets	30	30	39	110	100
Total Assets	1,513	1,961	3,001	6,298	11,191
Liabilities (Mn TL)					
Current Liabilities	1,482	1,944	2,627	5,204	9,396
Short-term Loans and Borrowings	106	370	0	202	304
Short-term Portion of Long-term Finance Lease Liabilities	85	98	96	154	247
Trade Payables	1,233	1,386	2,428	4,561	8,293
Derivative Instruments	-	-	-	3	1
Other Current Liabilities	58	89	103	284	551
Long Term Liabilities	283	182	131	332	453
Long-term Lease Liabilities	273	168	113	264	370
Other Long Term Liabilities	10	14	18	69	83
Equity (Mn TL)	-252	-166	243	761	1,341
Total Liabilities and Equity (Mn TL)	1,513	1,961	3,001	6,298	11,191

Contact

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