

TEKNO SA

TRANSFORMATION JOURNEY

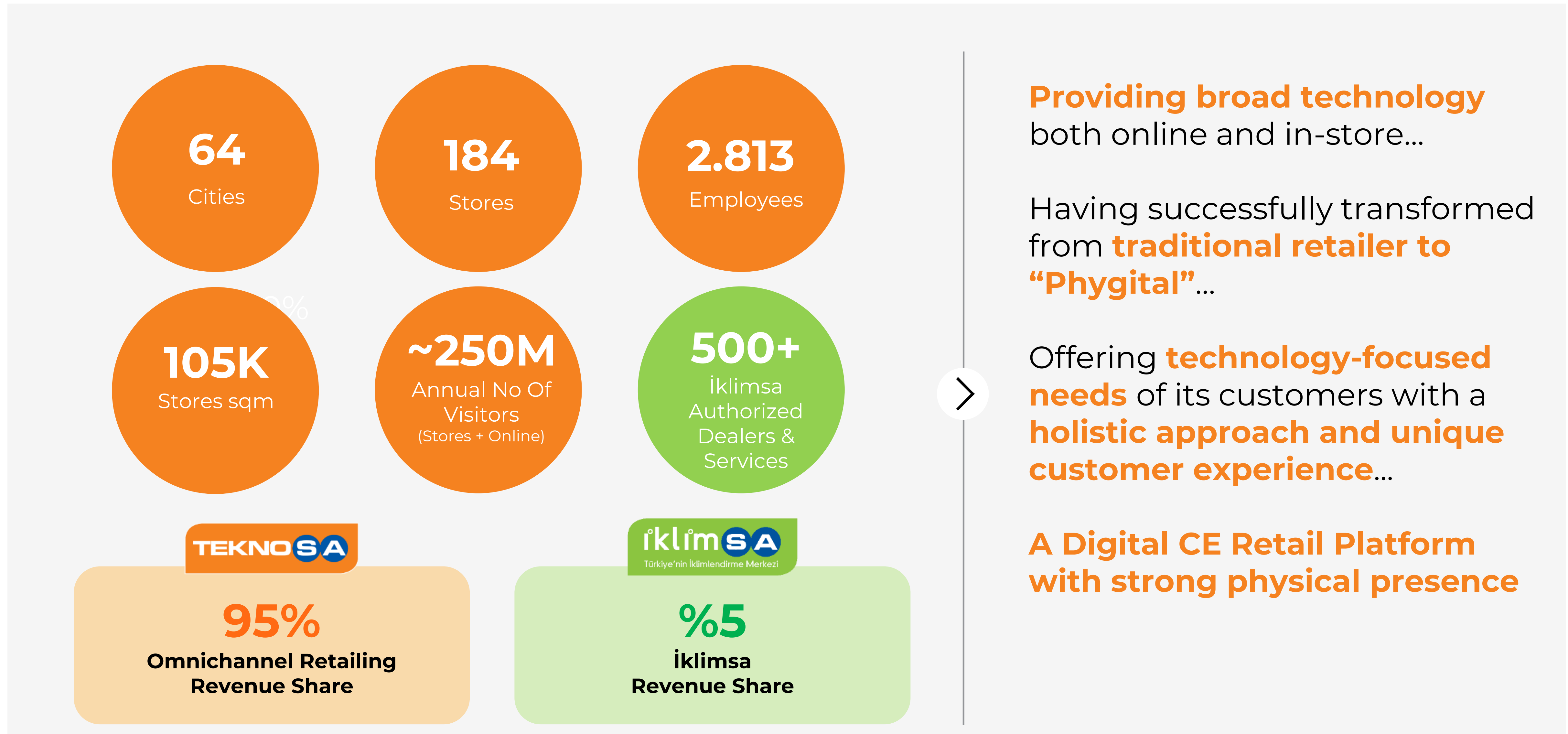
DECEMBER 2023



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Turkey's Most Widespread and Reliable Technology Partner



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

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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Teknosa Started a Comprehensive Transformation Journey at the End of 2019



Average financial performance
traditional retailer

1



An omnichannel retailer with healthy financials

2



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 point of sale** 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 point of sale **at the level of global best practices**

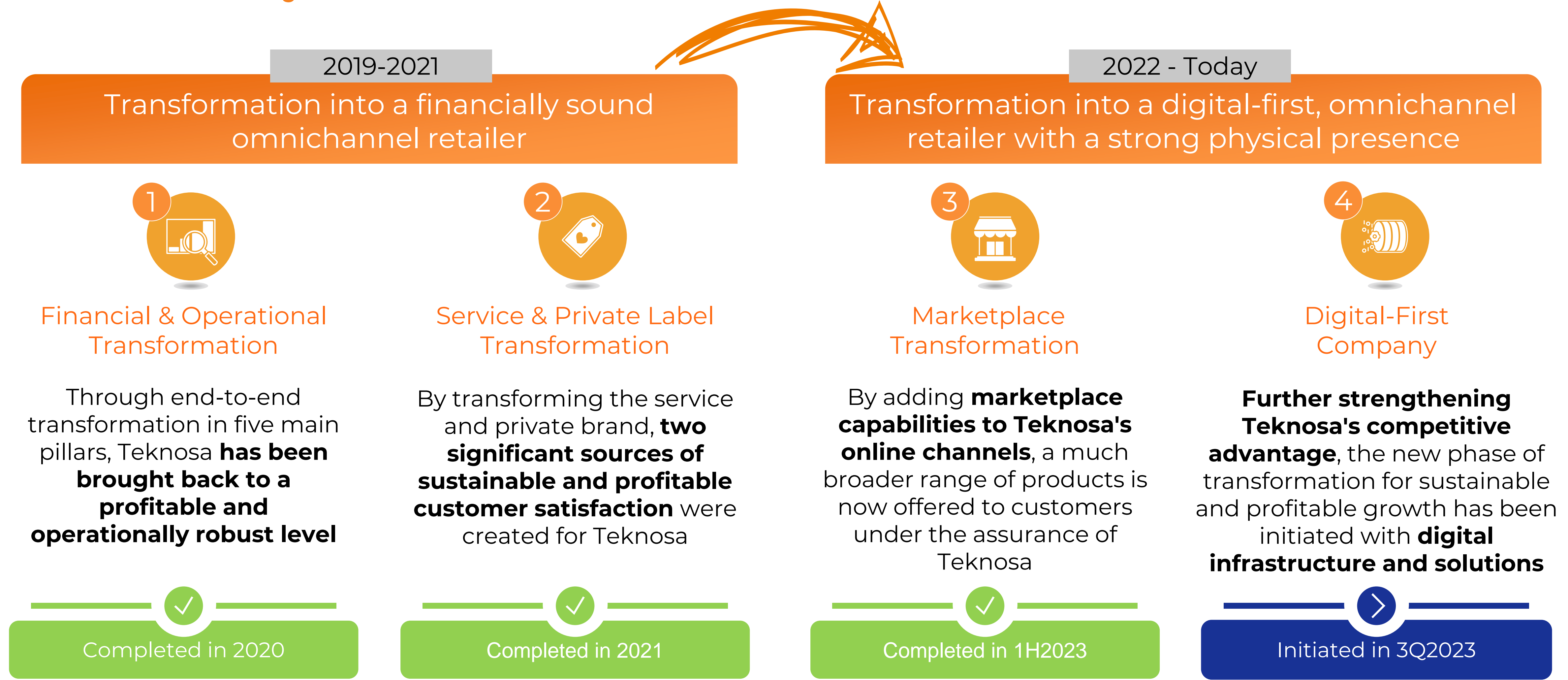


Even stronger and sustainable financial performance

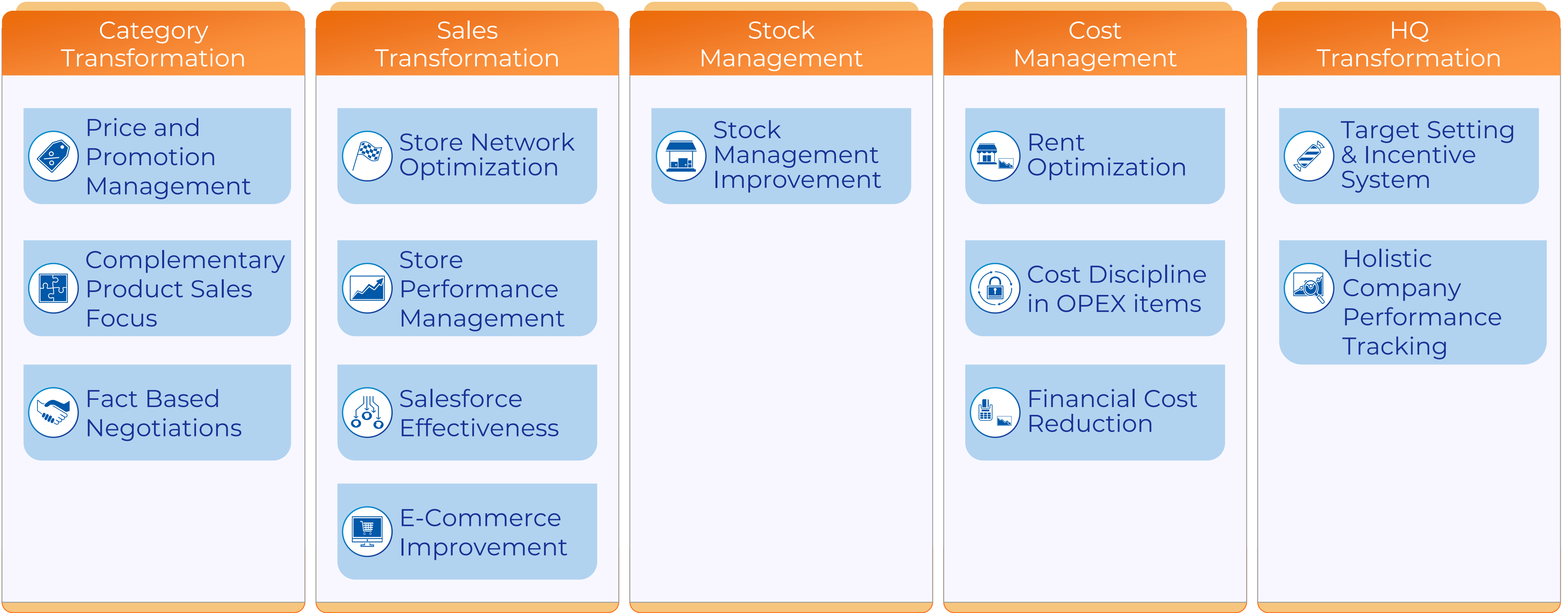


Digital technology, data infrastructure, and solutions at a level that will create a competitive advantage

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



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!



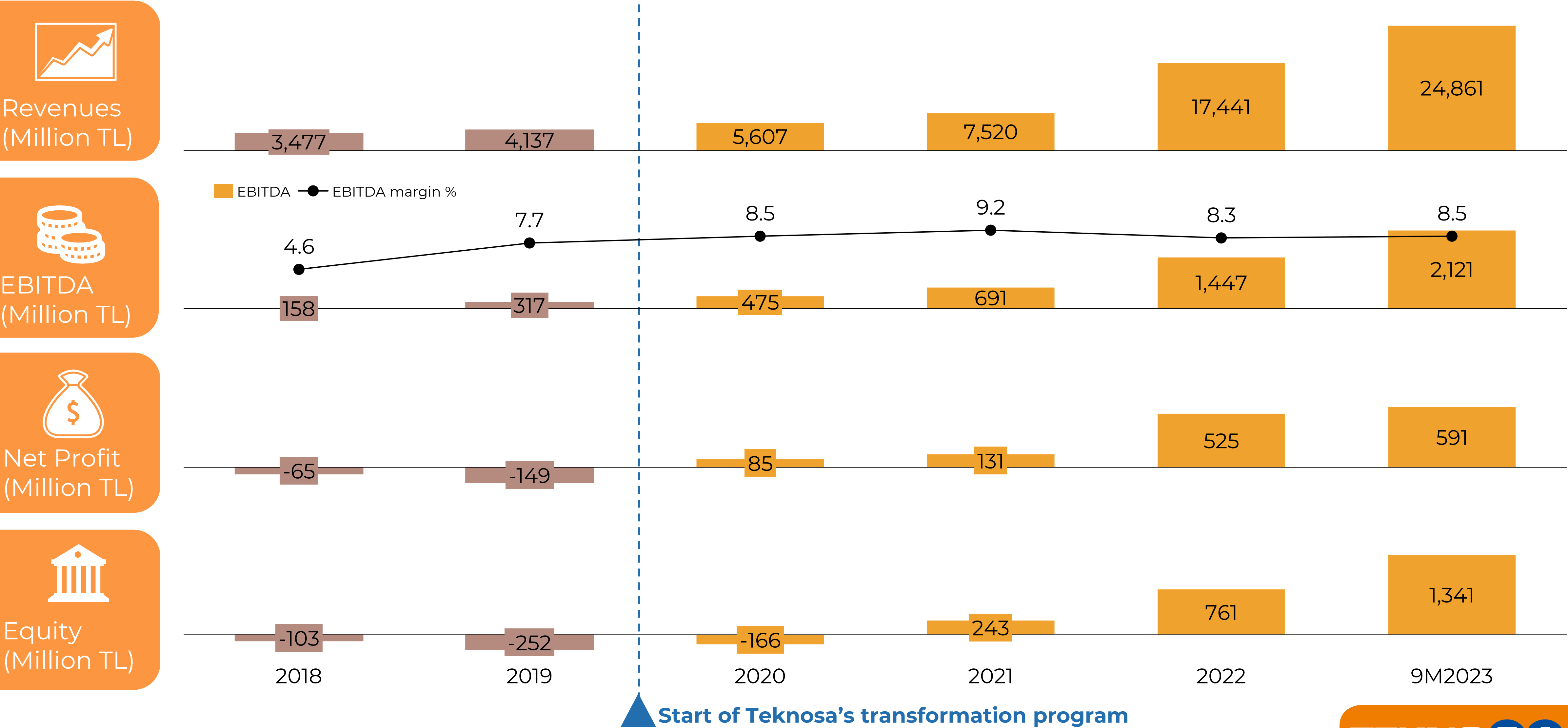
Teknosa Marketplace has shown a very strong development in just its second year



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

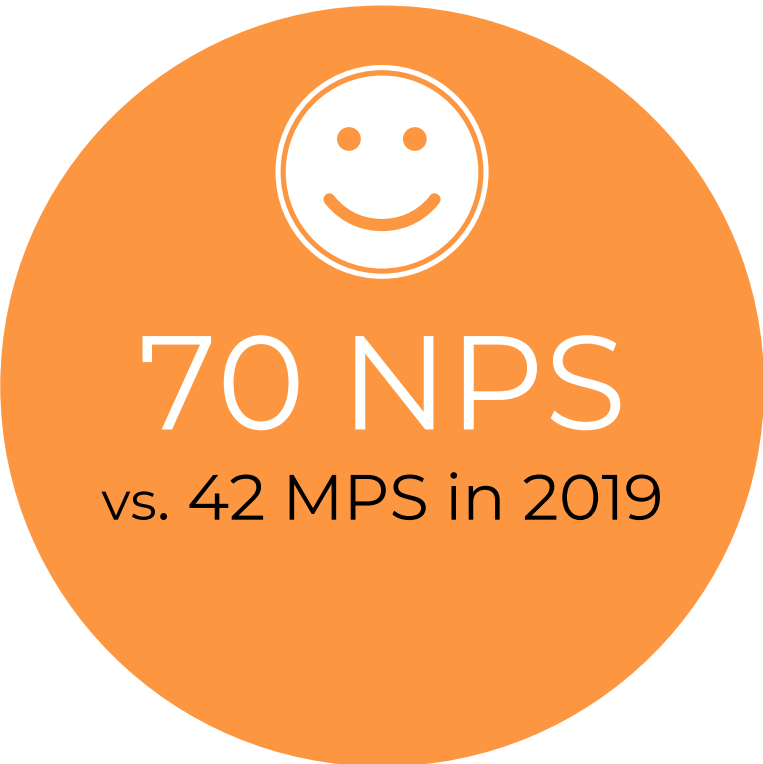
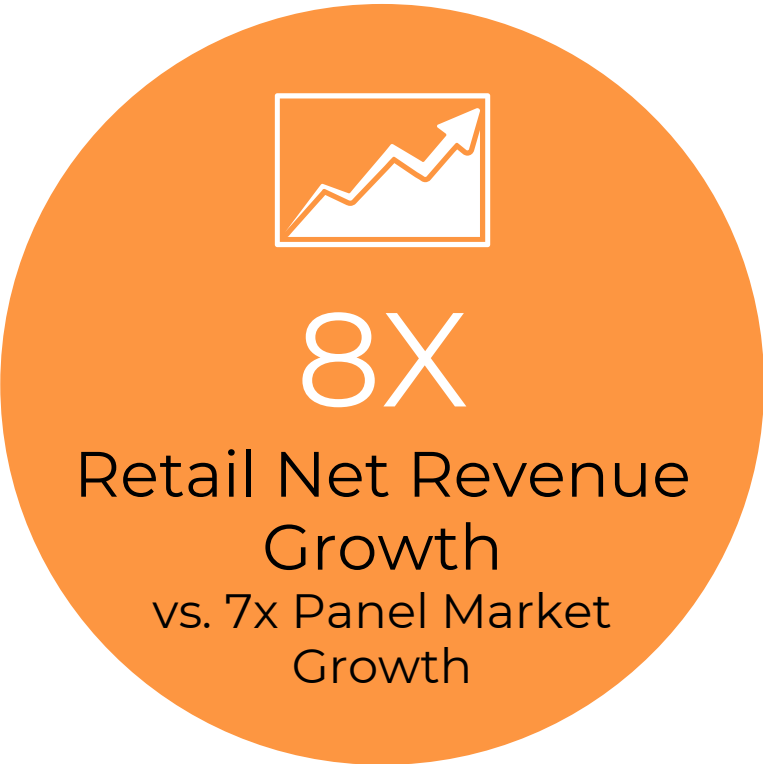
*As of September 2023.

With Transformation Programs, We Have Achieved a Growing & Sustainable Profitability



With This, We Have Achieved Significant and Robust Improvement in Our Performance in All Metrics

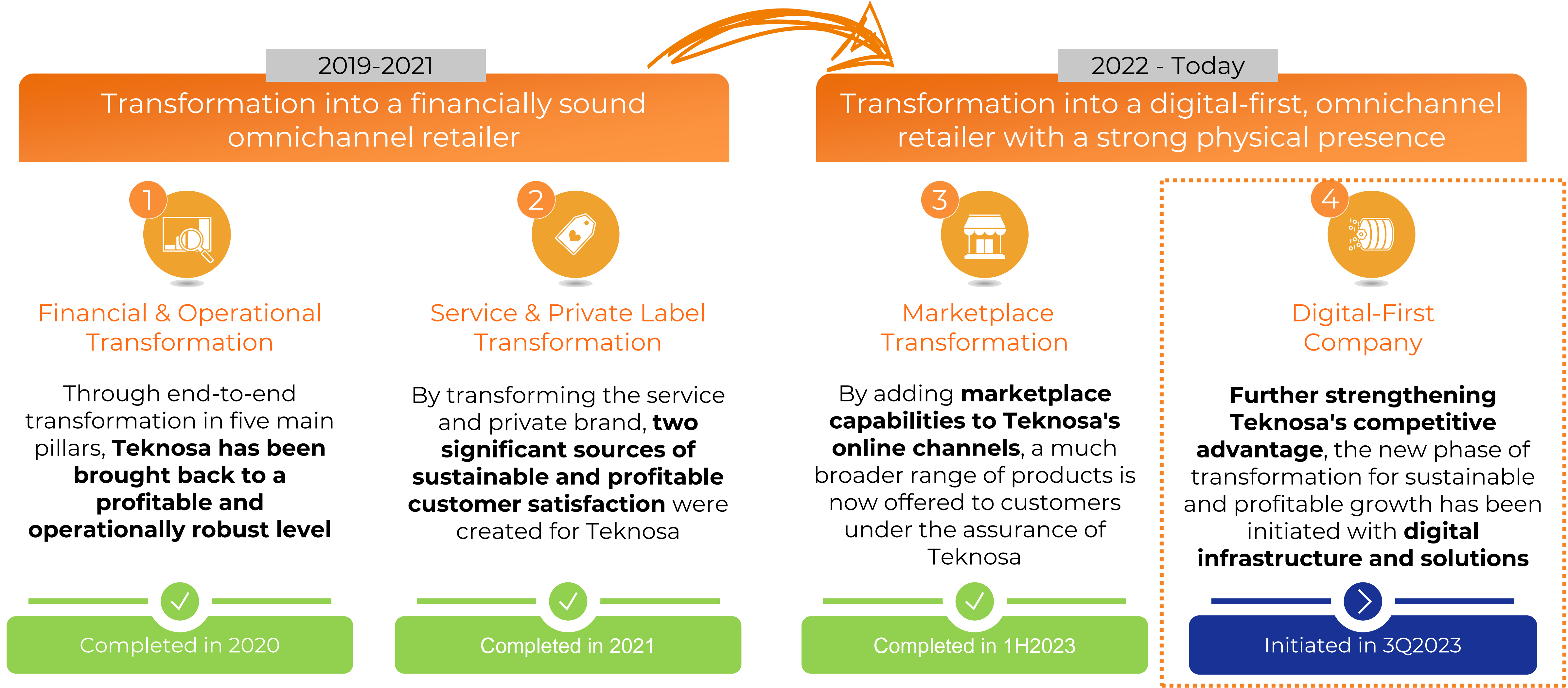
From
2019 to
2023...



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

NPS:Net Promoter Score

What's Next? A Digital-Focused Transformation...





With the 4th Transformation Program, Our Goals are...

- ... elevating the service we provide to our customers to the highest level
- ... enhancing our operations to increase company performance
- ... transforming Teknosa into Digital-First company

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

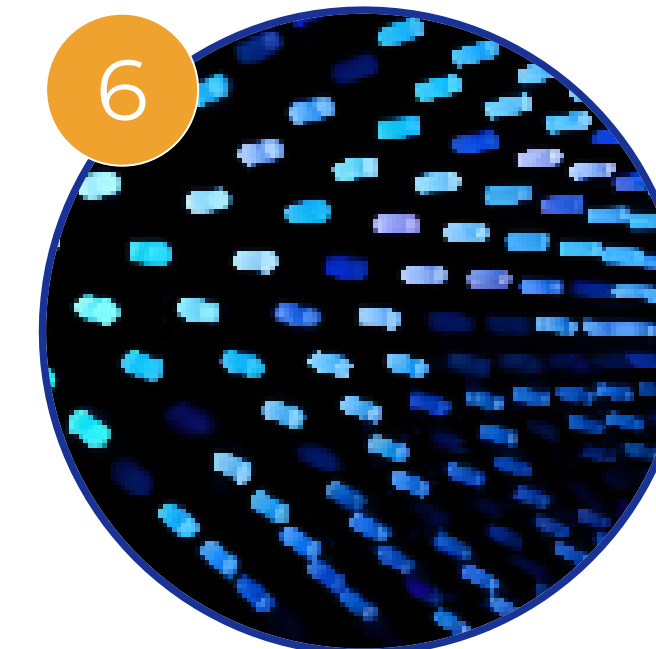
Increase
company
performance by
making our
operations more
efficient



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...

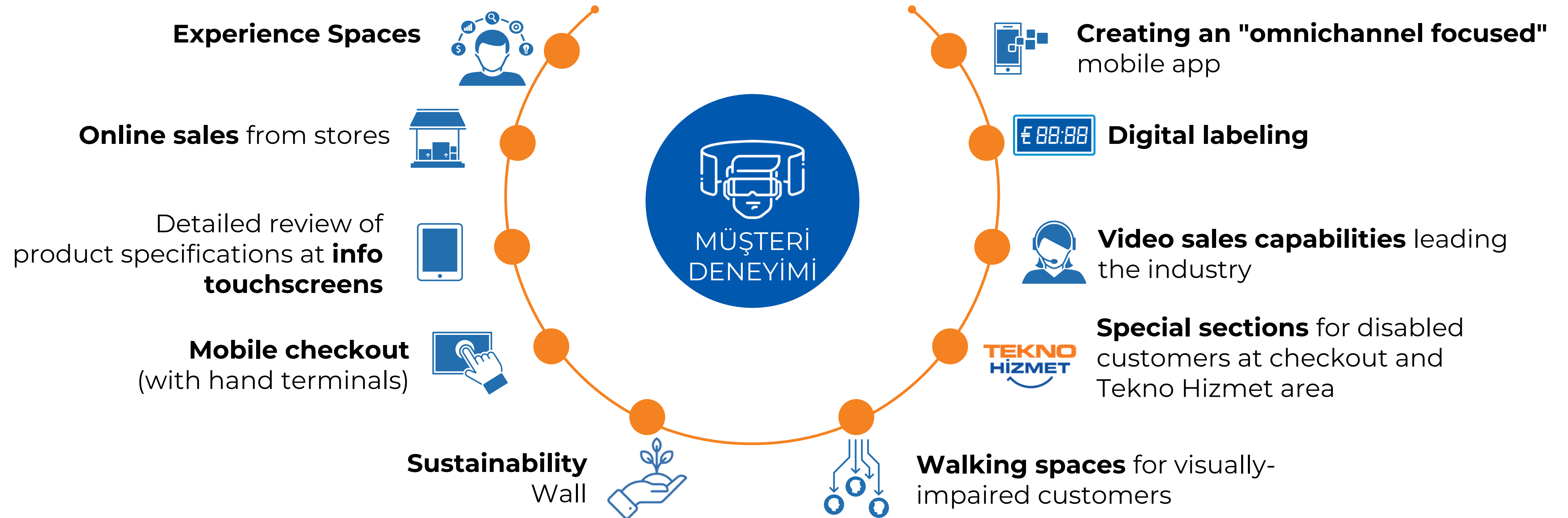


..We will continue to expand with the same focus in the upcoming period."



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

Redesigning the Omnichannel Customer Journey



While advancing omnichannel improvement, the shared experience between stores and digital channels will make channel transitions much more effective

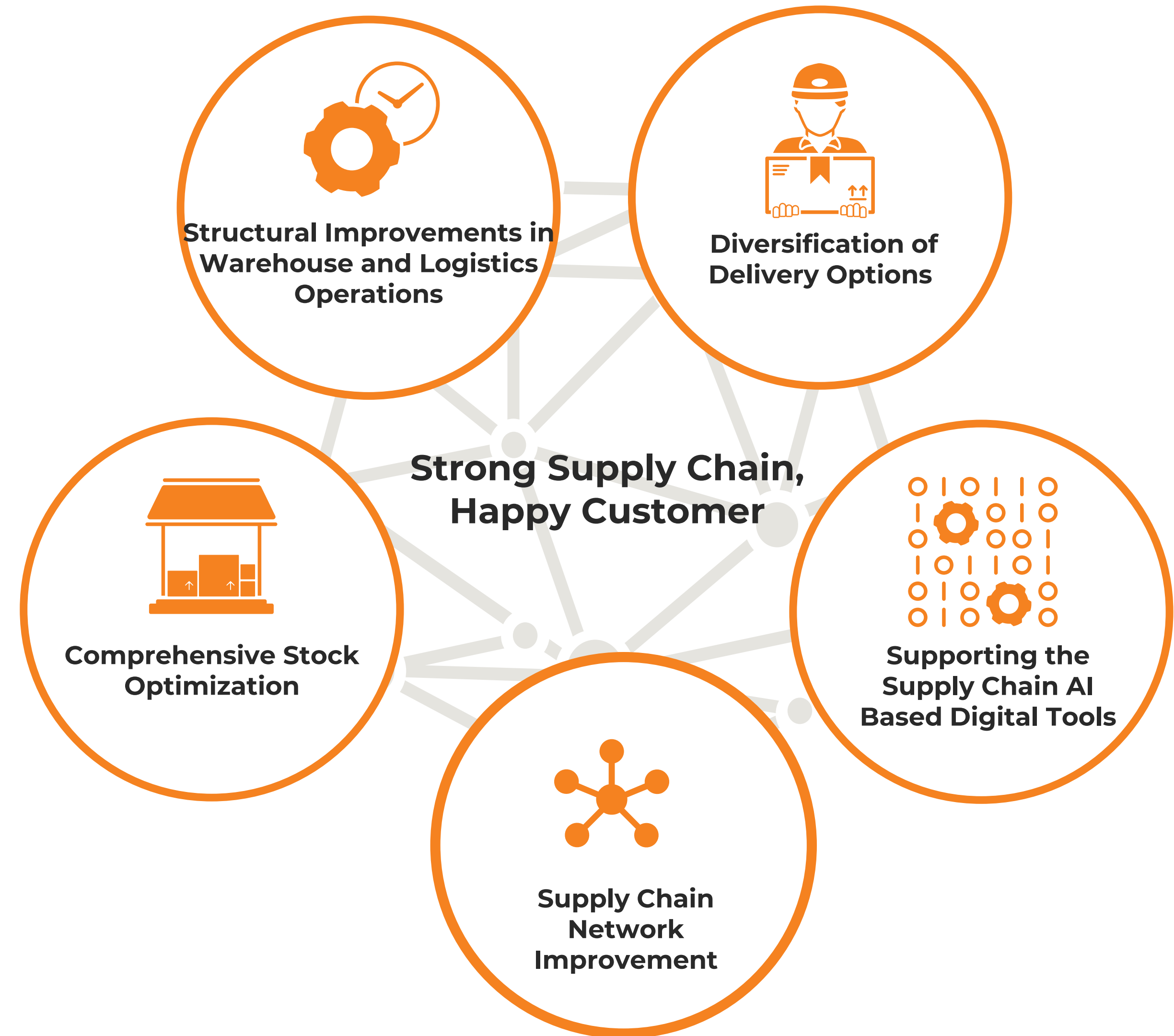
Transforming Our Supply Chain End-to-end to Provide the Best-in-class Service to Our Customers



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



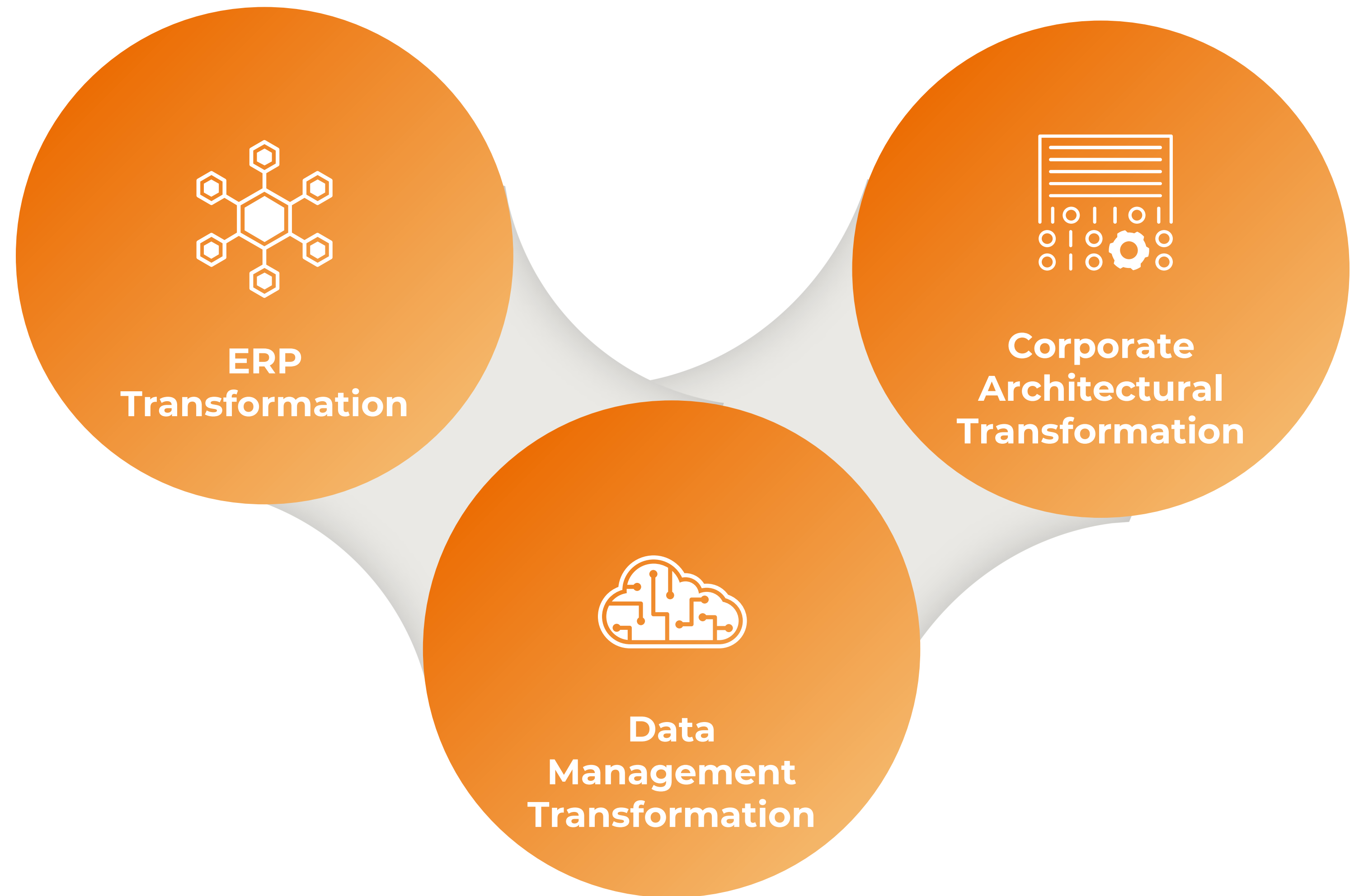
GenAI Capabilities



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**



iklimSA

Türkiye'nin İklimlendirme Merkezi



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

- We have developed 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

We have been in operation since the first half of 2022



3 B2B Sales

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

TEKNOSA

Sustainability Focus



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

Environmental

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

- We continue our investments in line with our **2050 Net Zero Emission** and **Net Zero Waste Goal**
- We have installed a **175,000 kWh capacity SEPP** on the roof of our Adana Sabancı Business Center store, preventing the emission of 94 tons of CO2e
- We have completed the conversion to **energy-efficient LED lighting** in 176 of our stores
- Additionally, we supply the energy consumption of our Logistics Center and 80 stores entirely from **renewable energy sources** using Renewable Energy Supply Certificates (I-REC)
- With these efforts, we aim to increase **renewable electricity consumption to 42% by the year 2025**
- Furthermore, our **Old for New, Bring in Your Old, refurbished phone**, and **electronic product rental** services contribute to **reducing greenhouse gas emissions and electronic waste**

Social

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

- **Since 2007**, within the scope of the **Women in Technology** project in collaboration with Habitat Association, we have contributed to providing **digital literacy training to more than 28,000 women**
- In 2023, we **increased the ratio of female employees in our headquarters to 52%**
- We are **the first Turkish technology retail company** to sign the Women's Empowerment Principles (WEPs), a joint initiative of UN Global Compact and UN Women
- We are corporate members of the **Yanındayız Derneği** and **Lead Network**
- With our project "Yarının Farkında", we conducted activities to **raise awareness in the community**, esp. among young people, on **environmental consciousness, digital carbon footprint, waste, and e-waste**



Governance

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

- We have published our **2022 Sustainability Report** to share our strategies and CSR performance with our stakeholders
- With our **Solar Energy Systems activities**, we aim to **increase positive impact** on the world in the fight against climate change
- Through collaboration with the World Wide Fund for Nature (WWF) Turkey for our headquarters, we received the **Green Office Certificate**
- We are continuing to develop strategies for the **Science-Based Targets Initiative (SBTi)** to commit to reducing our emissions
- We have completed data entries for the **Refinitiv ESG Index and EcoVadis Sustainability Rating**. **REFINITIV** **ecovadis**
- The first meeting of the **Sustainability Committee** was held in 2023

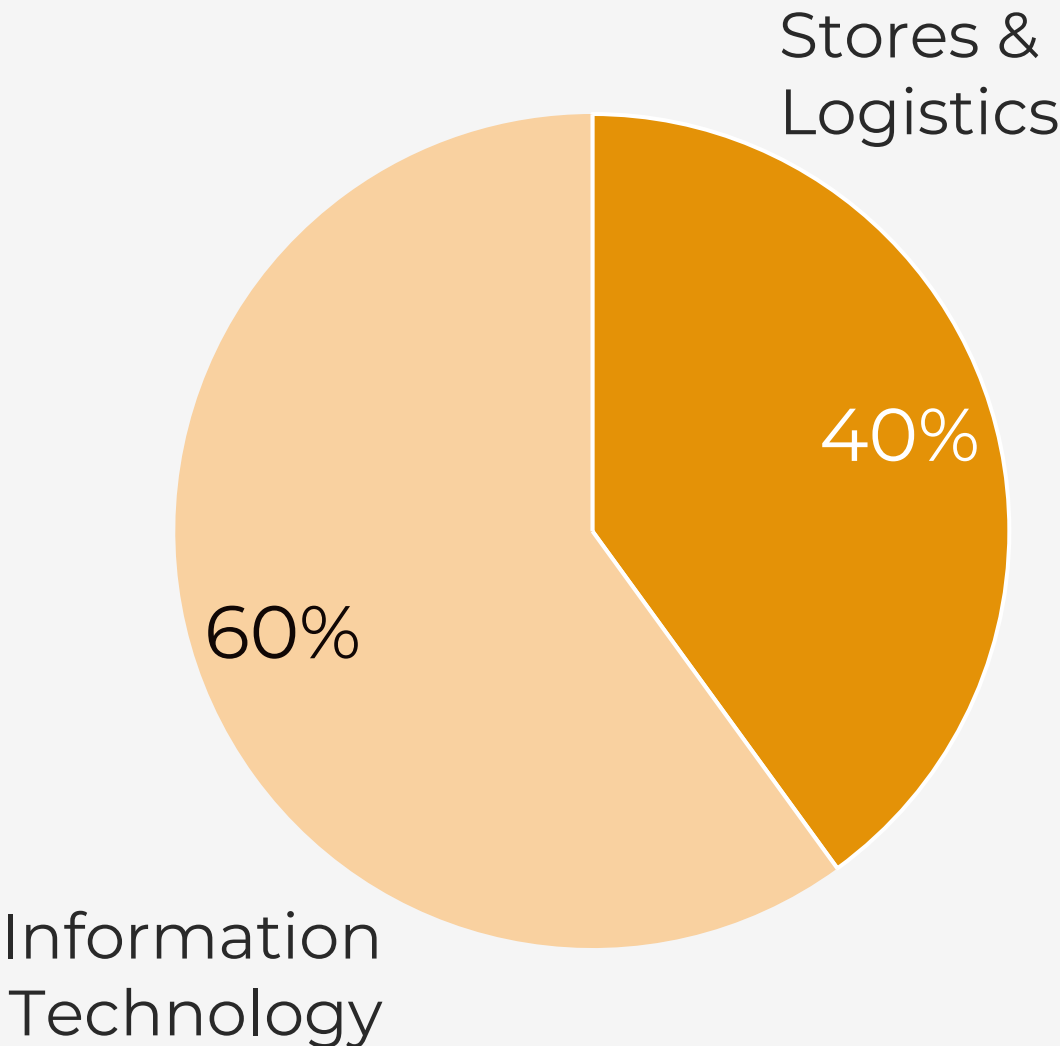
2023 & 2024 Guidance



Accelerating Our Investments In Alignment With Our Revenue Growth

We continue to invest in becoming 'phygital'

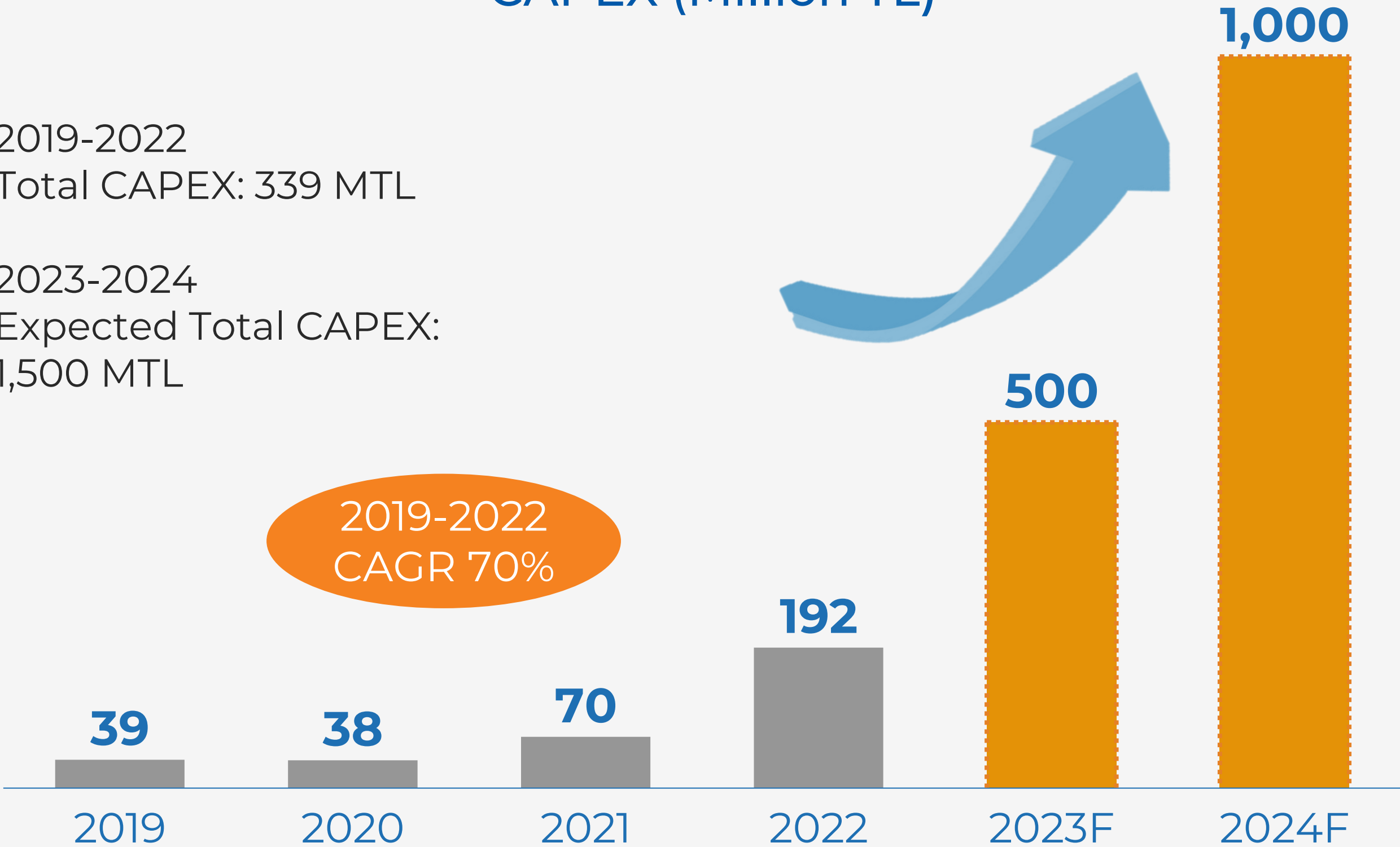
CAPEX
Breakdown (2023F)



CAPEX (Million TL)

2019-2022
Total CAPEX: 339 MTL

2023-2024
Expected Total CAPEX:
1,500 MTL

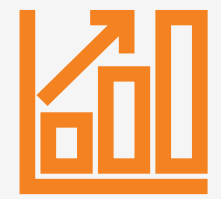


Sustainable Profitable Growth is Expected to Continue in 2024

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.

Key Takeaways



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



Implementing our transformation strategy from a traditional retailer to a '**digital platform with physical presence**'



Perfecting our **unique customer experience** within our '**omnichannel**' structure



Continuing to increase our **digitalization** and **technology-focused strategic investments**



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

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