



1H 2024 EARNINGS RESULTS PRESENTATION

Disclaimer Regarding IAS 29

The Company's financial statements dated 30.06.2024, which were disclosed to public on 20.08.2024, have been subject to inflation accounting within the framework of the "Financial Reporting in Hyperinflationary Economies Standard" (IAS 29). Financial figures given in this financial report is not comparable with the financial figures that were not subject to inflation adjustment which were disclosed to public by the Company in its financial statements and various investor information materials prepared for the same period in the previous year.

For this reason, selected financial figures are also presented without adjusting for inflation accounting and disclosed through investor presentations on the Company's corporate website, in order for investors and analysts to conduct a full-fledged analysis for the Company's financial performance.

The financial figures that are not subject to inflation adjustment have not been independently audited/reviewed and are not included in the Company's audited/reviewed financial reports dated 30.06.2024. Such financial figures have been prepared and disclosed to public for providing the investors and market participants consistent and comparable assessment of our financial performance, under the responsibility of the Company's Board of Directors and executives who are responsible for financial reporting.

We achieved business growth in key indicators despite two major headwinds; decrease in demand after election especially in Q2 & continuing high interest rates

Growth Across all Key Indicators



38x SKU
Increased to **188K**
w/ **832** merchants¹



MP/Online GMV
reached **33%**²



Inflation-indexed
GMV of
5.3 bn TL



8% YoY
increase
in store visitors



105K m2
Net Sales Area
w/ **178** stores



73 NPS score
for Teknosa
overall



5.4M
Active
Customers



+4M
TeknoClub
members

(1) Since the launch of marketplace

(2) Above Global Benchmarks : Magazine Luiza from Brazil, FNAC and Darty from France

1H'24 Key Highlights

- Despite the market slowdown in Türkiye, we achieved **better revenue growth than the market**
- Gross margin** decreased slightly due to price competition and retail mix
- EBITDA margin** was impacted by lower gross margin & OPEX increase over inflation
- Profitability has still been under pressure due to **higher financial expenses**
- Even with the current challenges, **FY 2024 Guidance** has been maintained

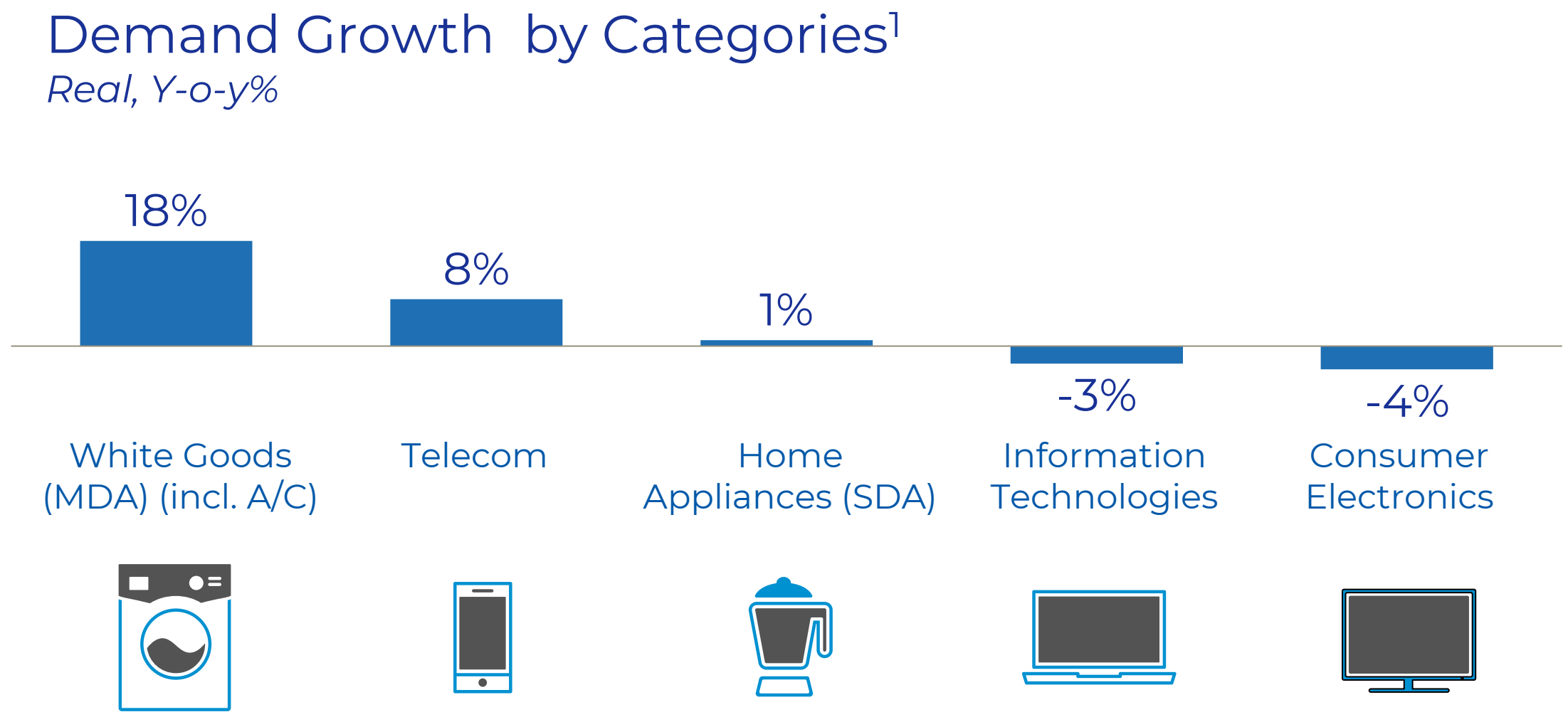
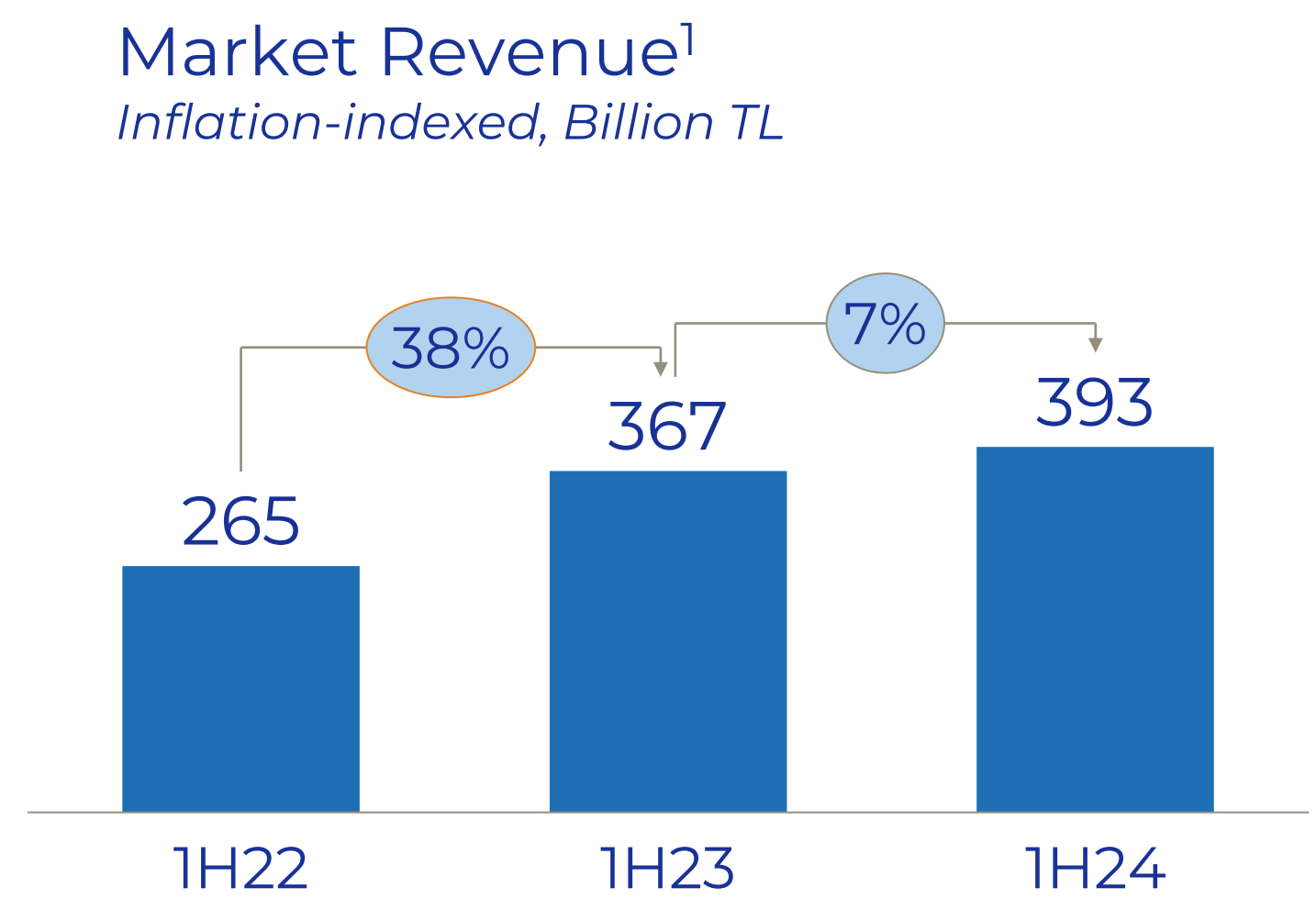
1H 2024 RESULTS

TEKNOSA

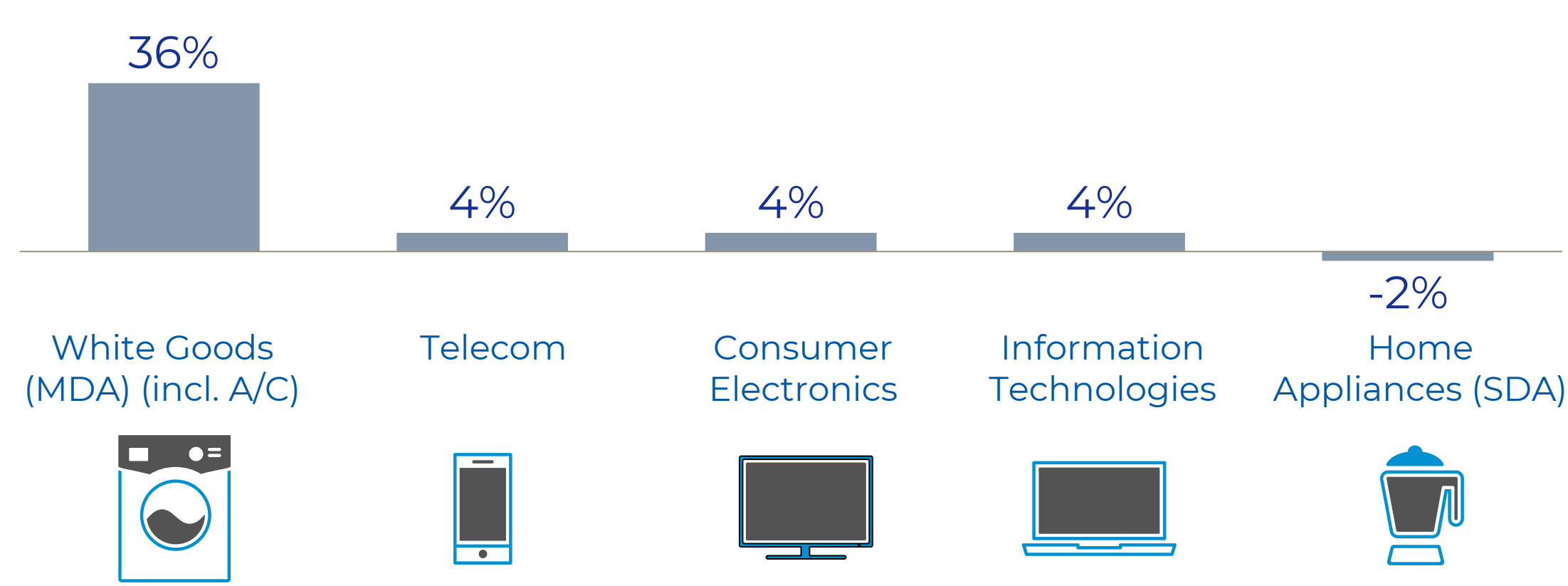
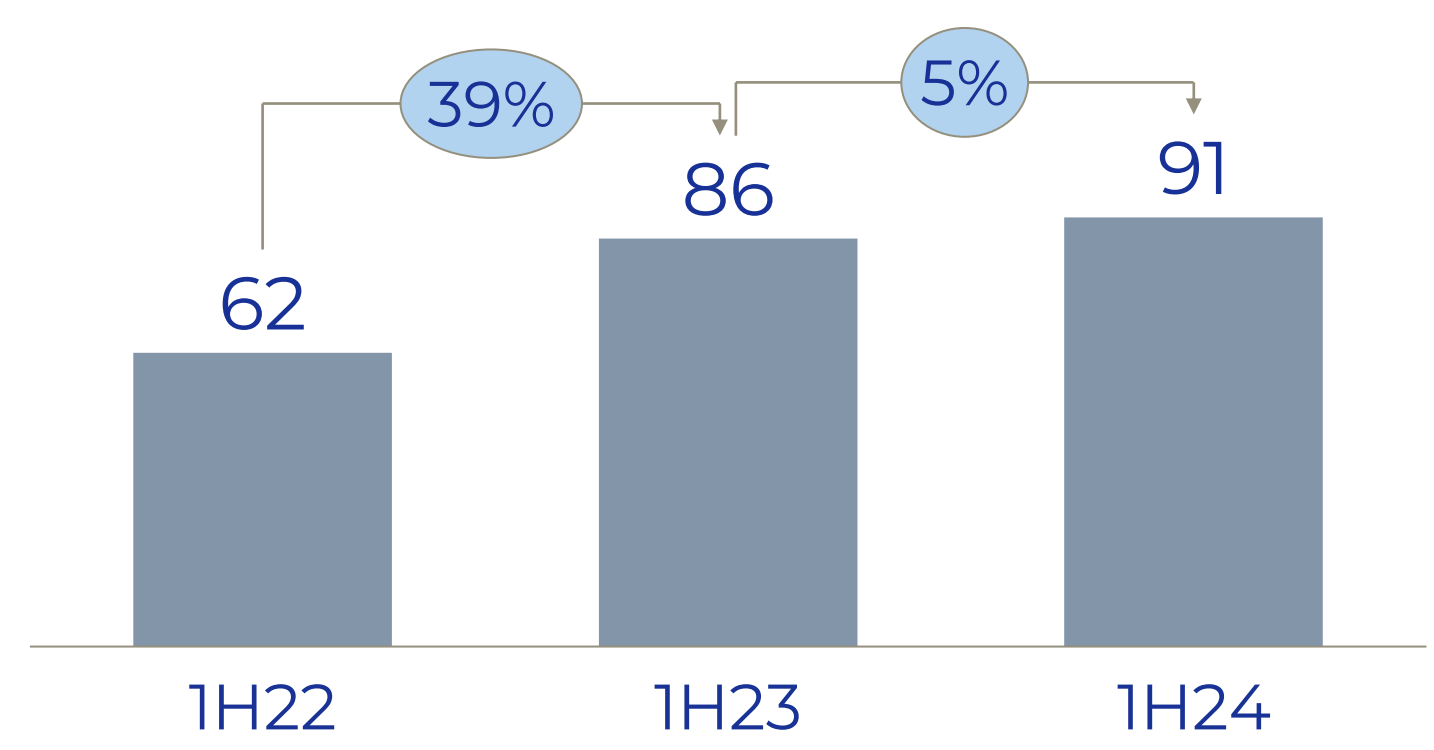


Market overview: Fast-paced market growth has slowed down in 2024, yet still has a 7% real growth in the panel market

Panel Market



Techonline Market²

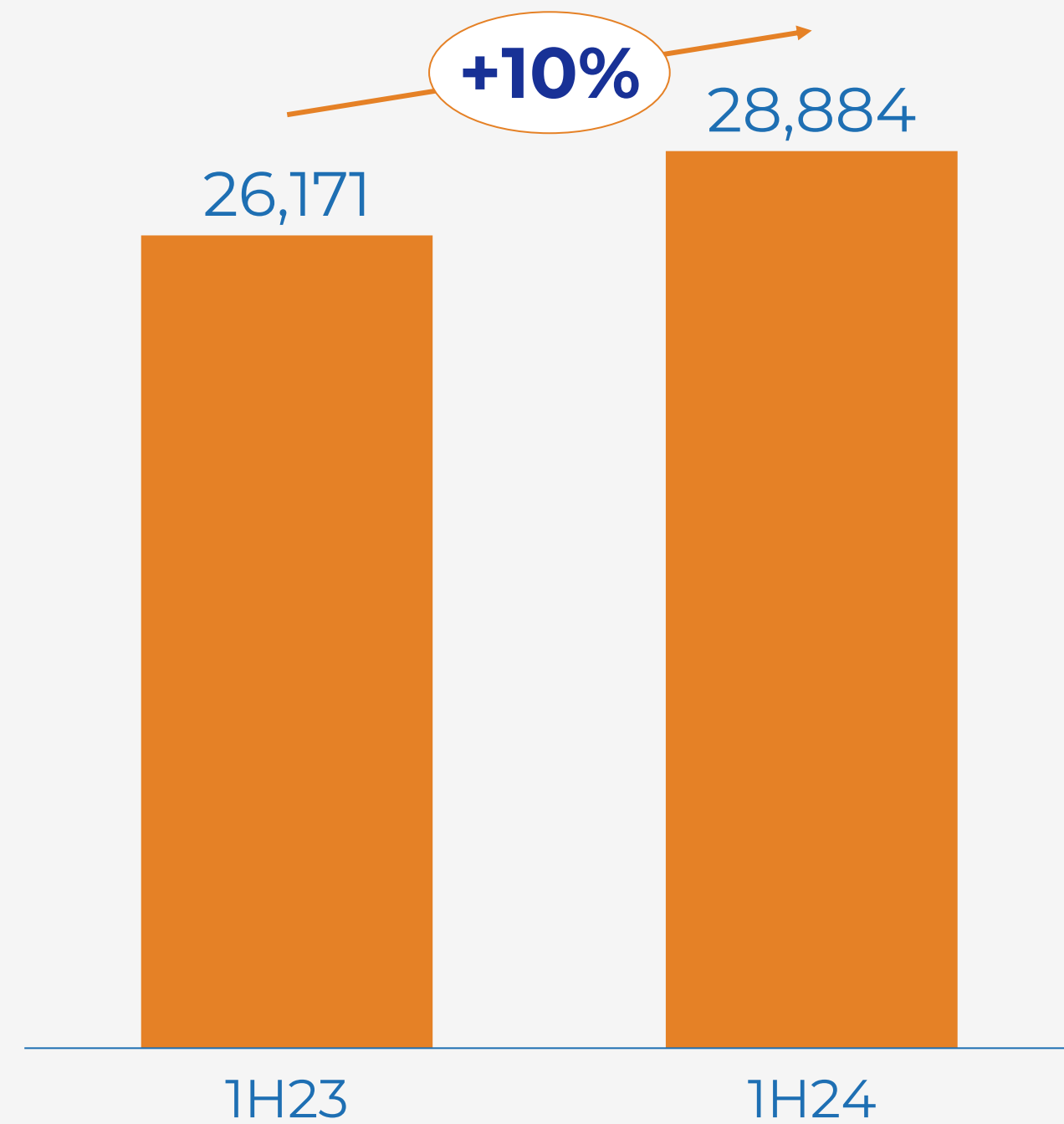


5 1. Source: GFK. YoY%.
2. Online sales of all channels in the Panelmarket constitute the Techonline market

Despite the slowdown in the market, we were able to grow above the panel market, while maintaining a solid growth in e-commerce

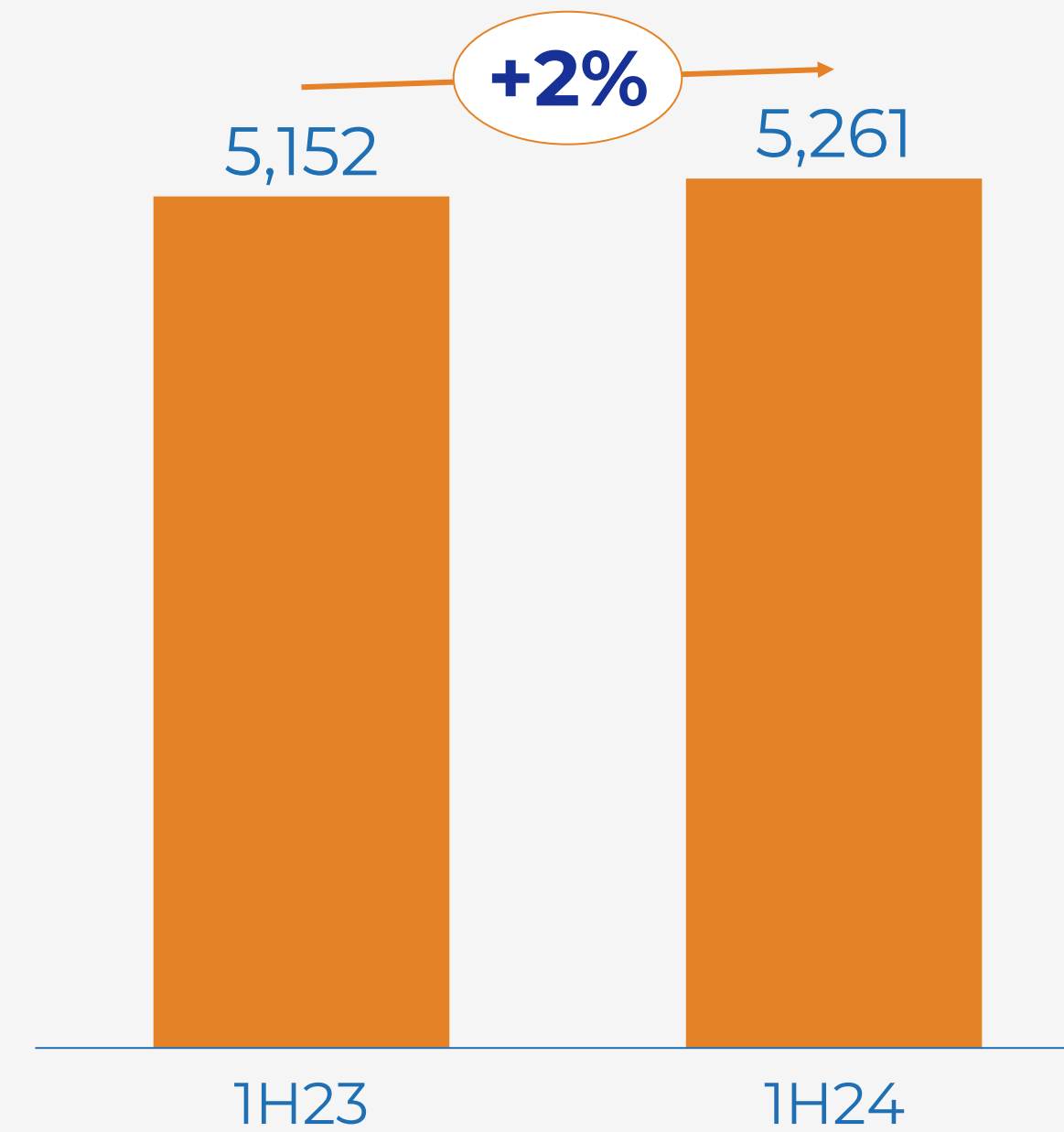
Teknosa Total Revenues* (Mn TL)

Teknosa has shown a higher growth than panel market (7%)



E-Commerce GMV (Mn TL)

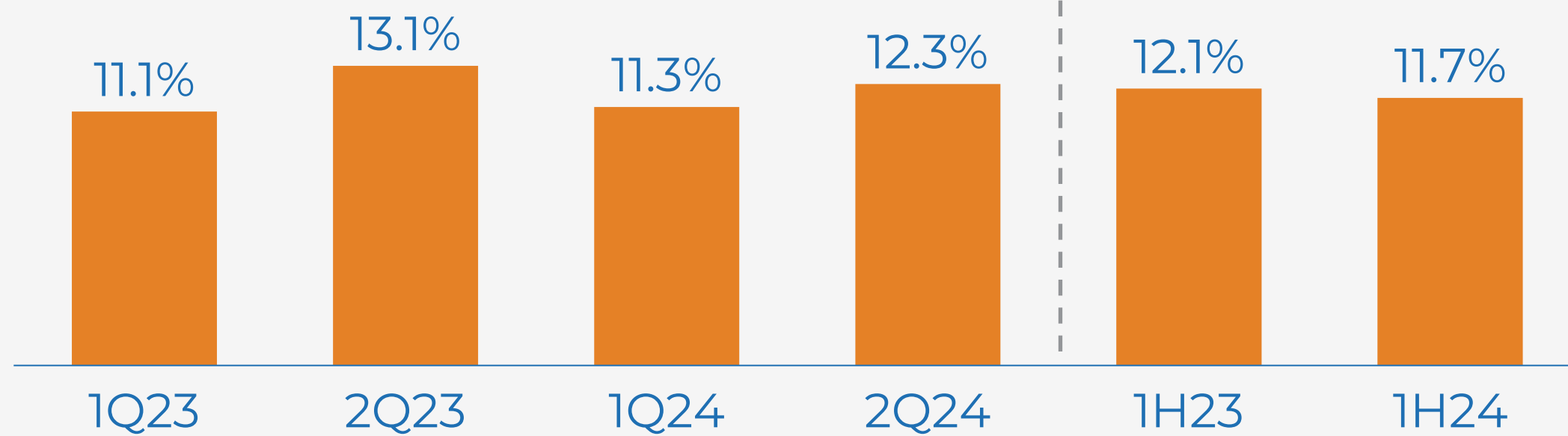
Controlled growth strategy in e-commerce resulted in a rate below the 5% market average



Gross profit was affected by intensified competition, while opex increase was mainly driven by logistics & personnel costs...

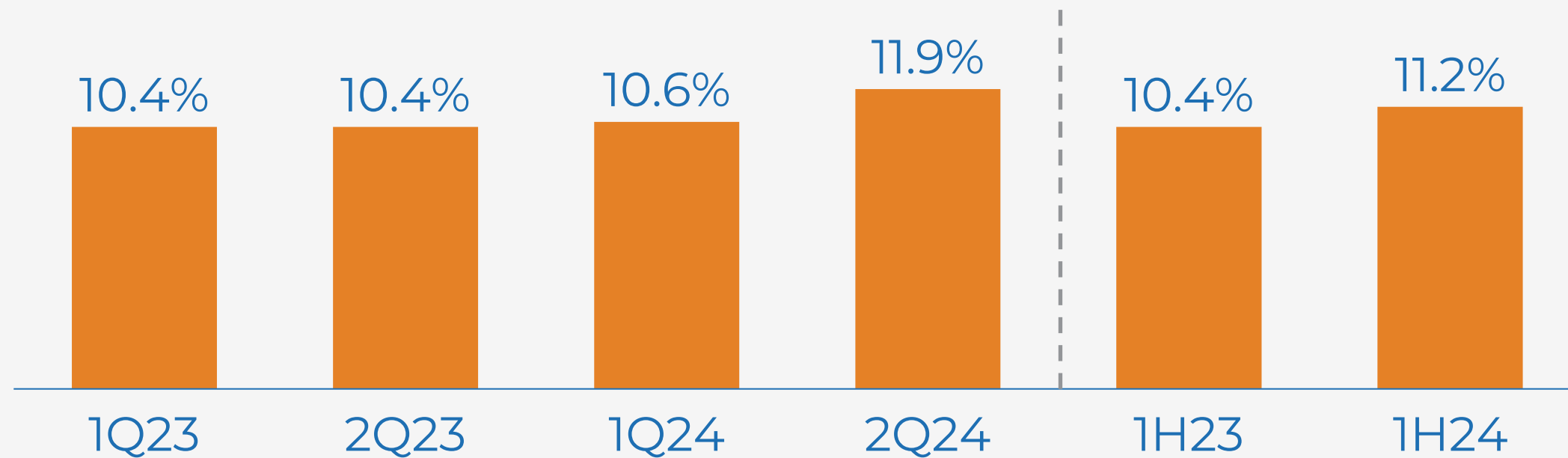
Gross Profit margin

GPM decreased slightly due to price competition & retail mix

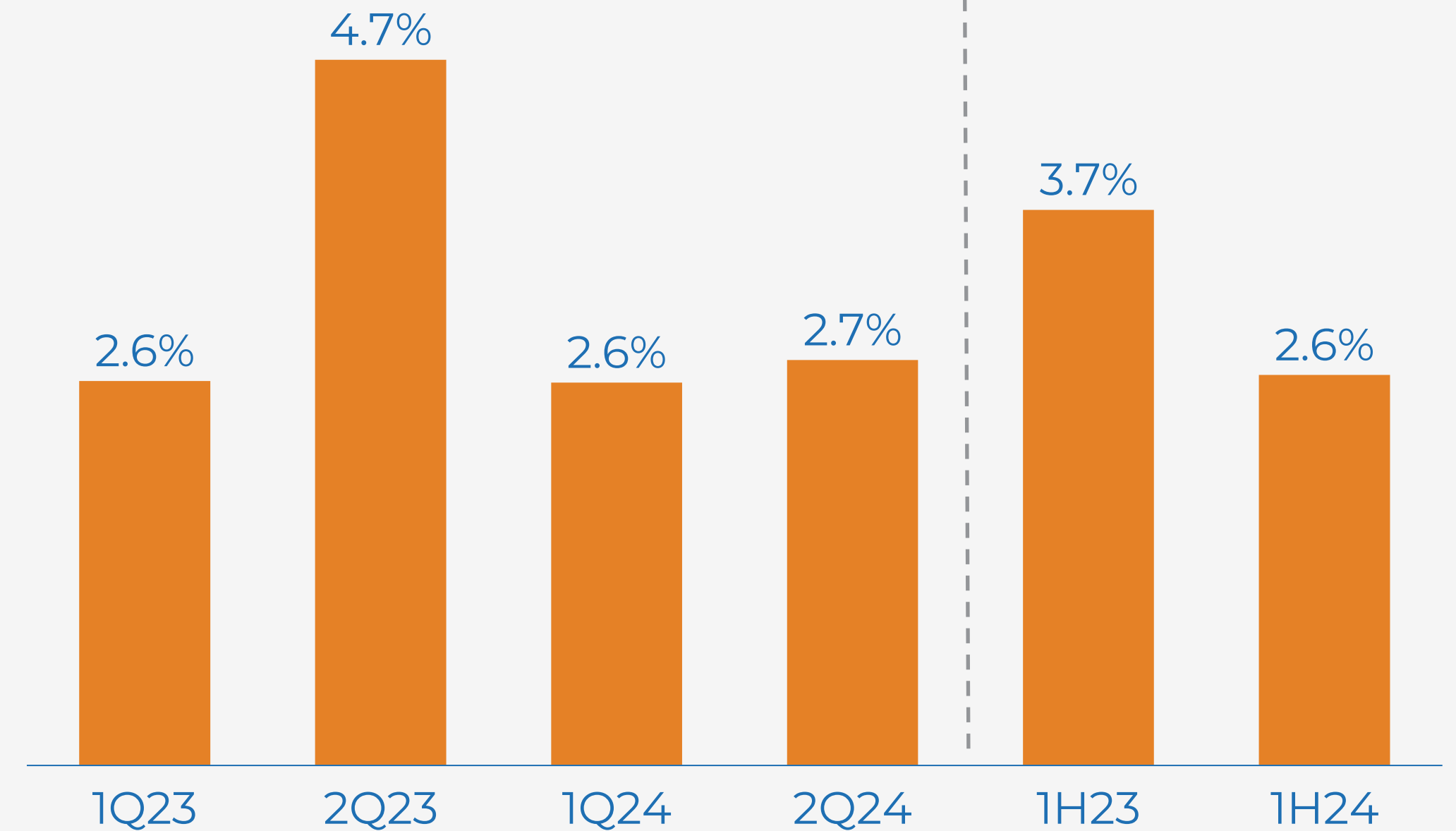


OPEX margin

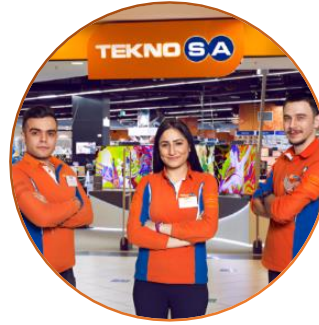
Increase in OPEX is driven by logistics & personnel costs



EBITDA margin

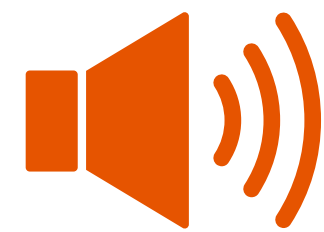


In response, to boost our sales and margins, we developed Türkiye's first and most comprehensive AI-based sales advisor tool



Digitally Enabled Salesforce

Our new AI-supported sales assistant "Bilge" analyzes individual sales performance and sends AI-based personalized messages sales advisors



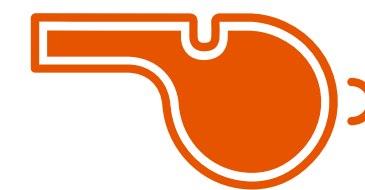
Inform

Comprehensive info on KPIs
(e.g., TRRs, NPS, Revenue)



Guide

Guide to opportunities for bonus
(e.g., campaigns, cross sell)



Motivate

Motivate higher performance
(e.g., awards, medals)



Pilot execution in 30+ stores, currently active in all stores

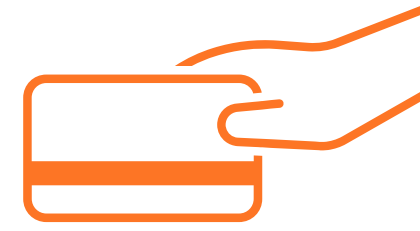


Supporting ~2800 active sales advisors



We are working on v2.0 with new AI features and applications

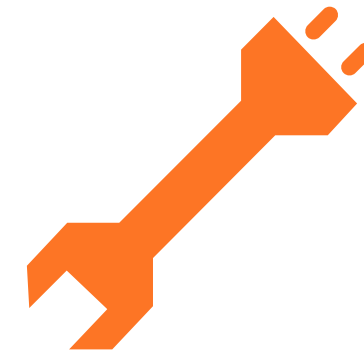
The impact of Bilge on KPIs is encouraging, giving signals for future success



**Higher
Conversion Rates**



**Larger
Basket Size**



**Higher
complementary
product & service sales**



**More
Profitable Mix**



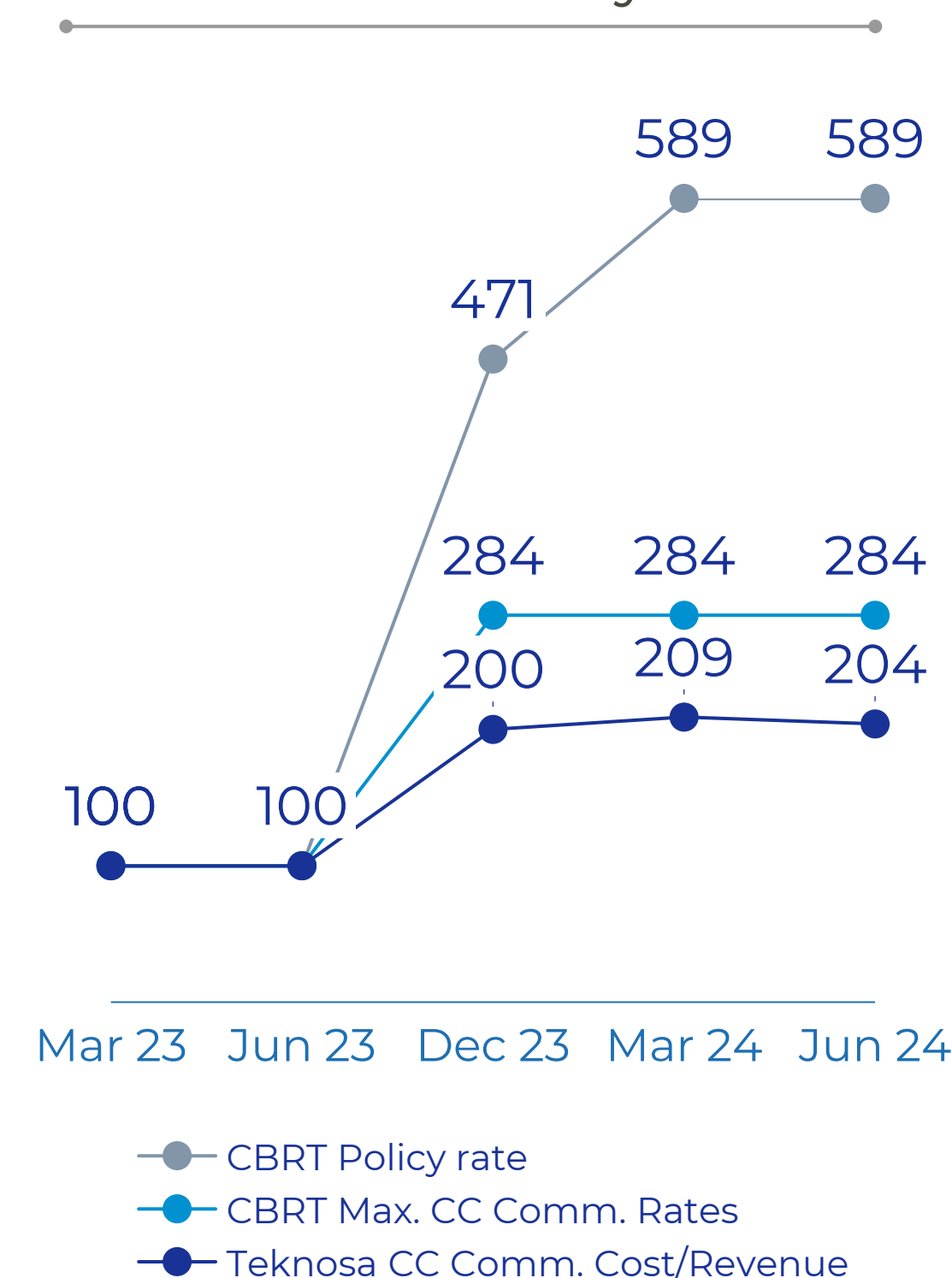
**Best Target
Realization Rate**



Credit card costs with high interest rates is still the main driver for higher financial expenses; yet mitigation actions are being taken...

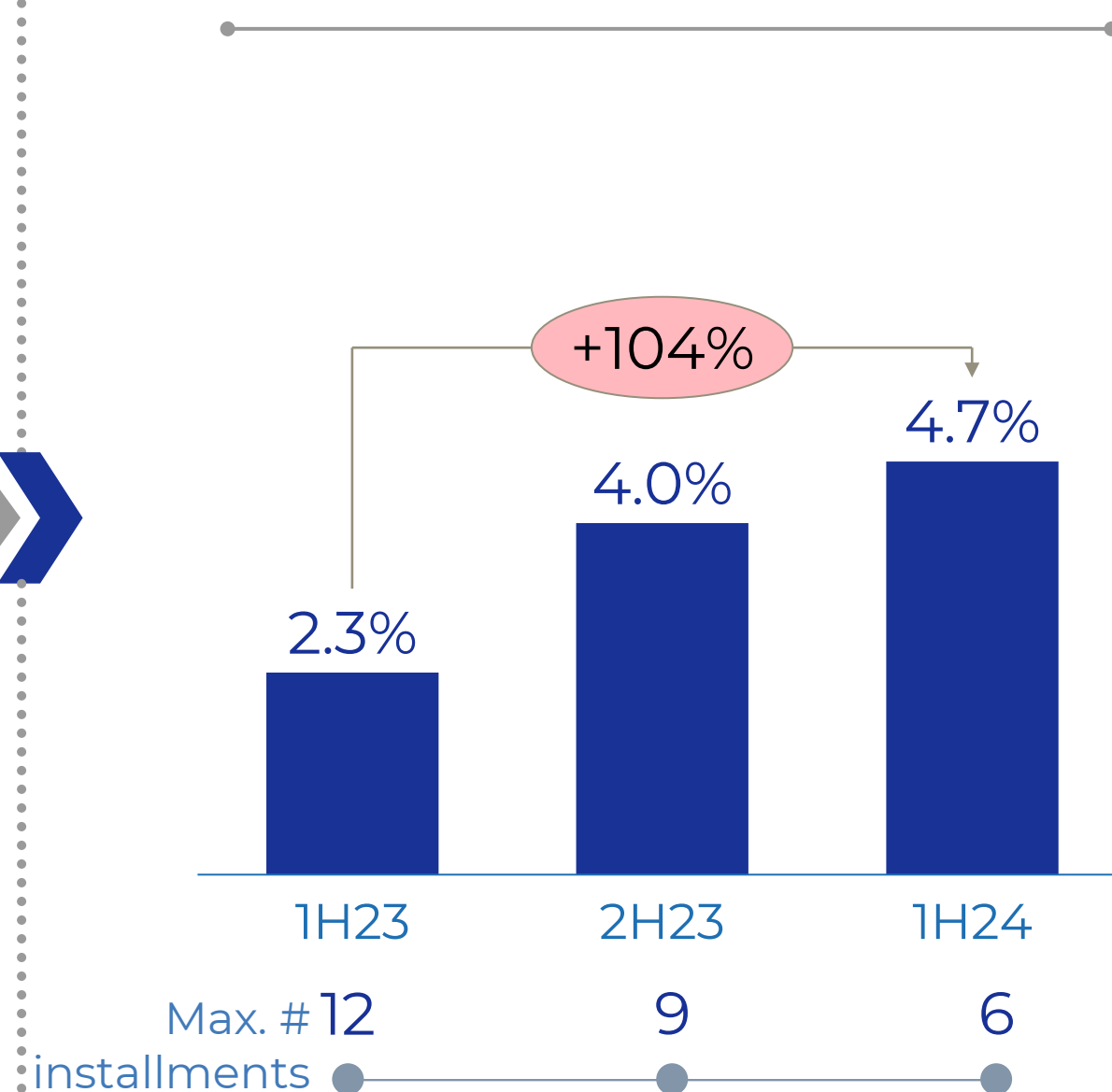
Increasing interest rates & credit commission rates...

Cumulative Credit Card (CC) Comm. vs. Policy Rate¹



...have increased the financial pressure on profitability...

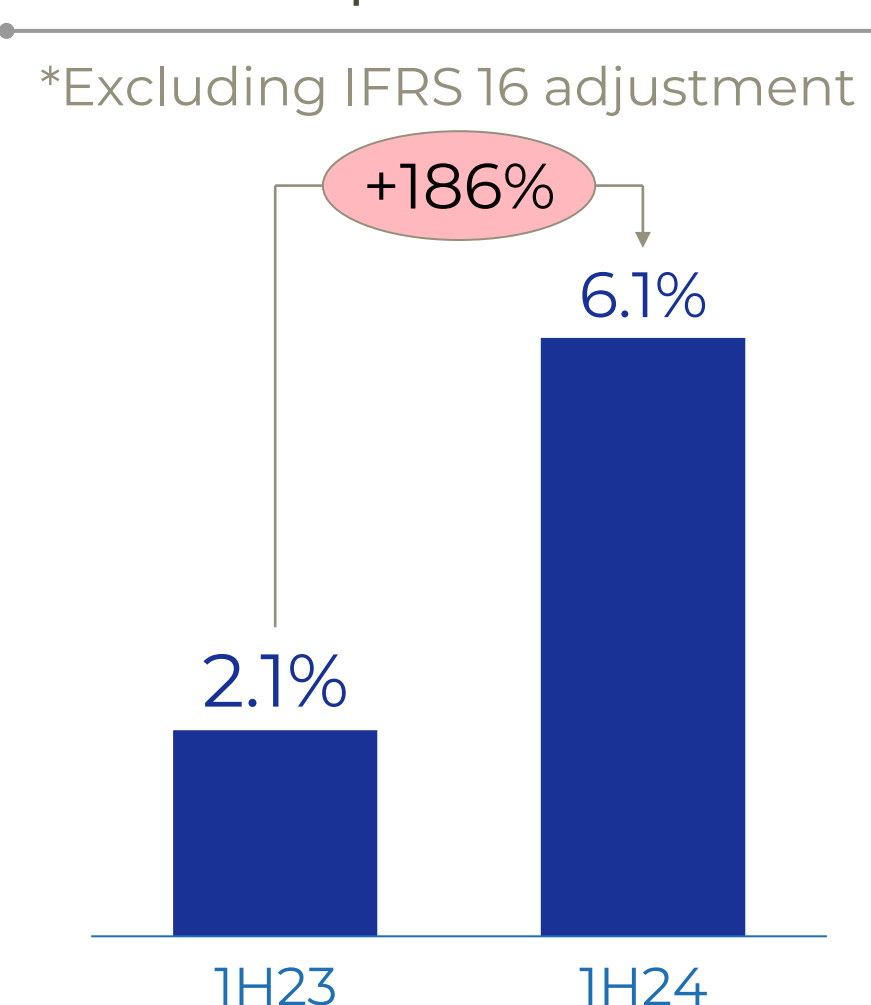
CC Commissions to Revenue Ratio



- Increase in the cost of even single instalment from 1.2% to 3% resulted in a higher commission to revenue ratio

... impacting net profit...

Total Net Financial Expenses*



- Interest expenses / revenues ratio increased to 1.4% due to increase in credit card expenses and temporary shift in cash position due to WC need

... yet measures are being taken



Measures to Limit Credit Card Costs

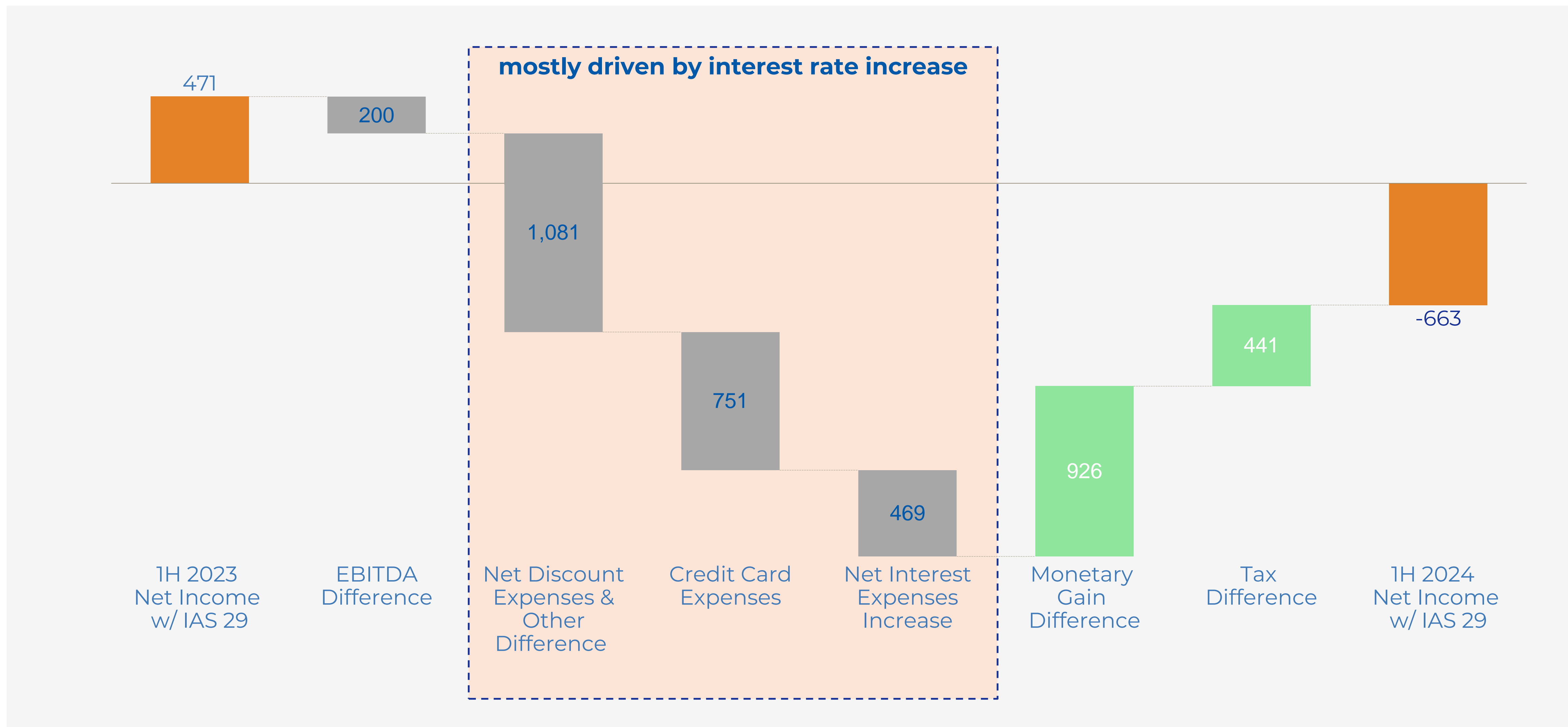
- Increasing consumer loans usage by 1.5x yoy
- Gradually eliminating instalment-at-cash-price consumer loans (implementation started in mid-July for the leading Telecom category)



Measures to Navigate Interest Expenses

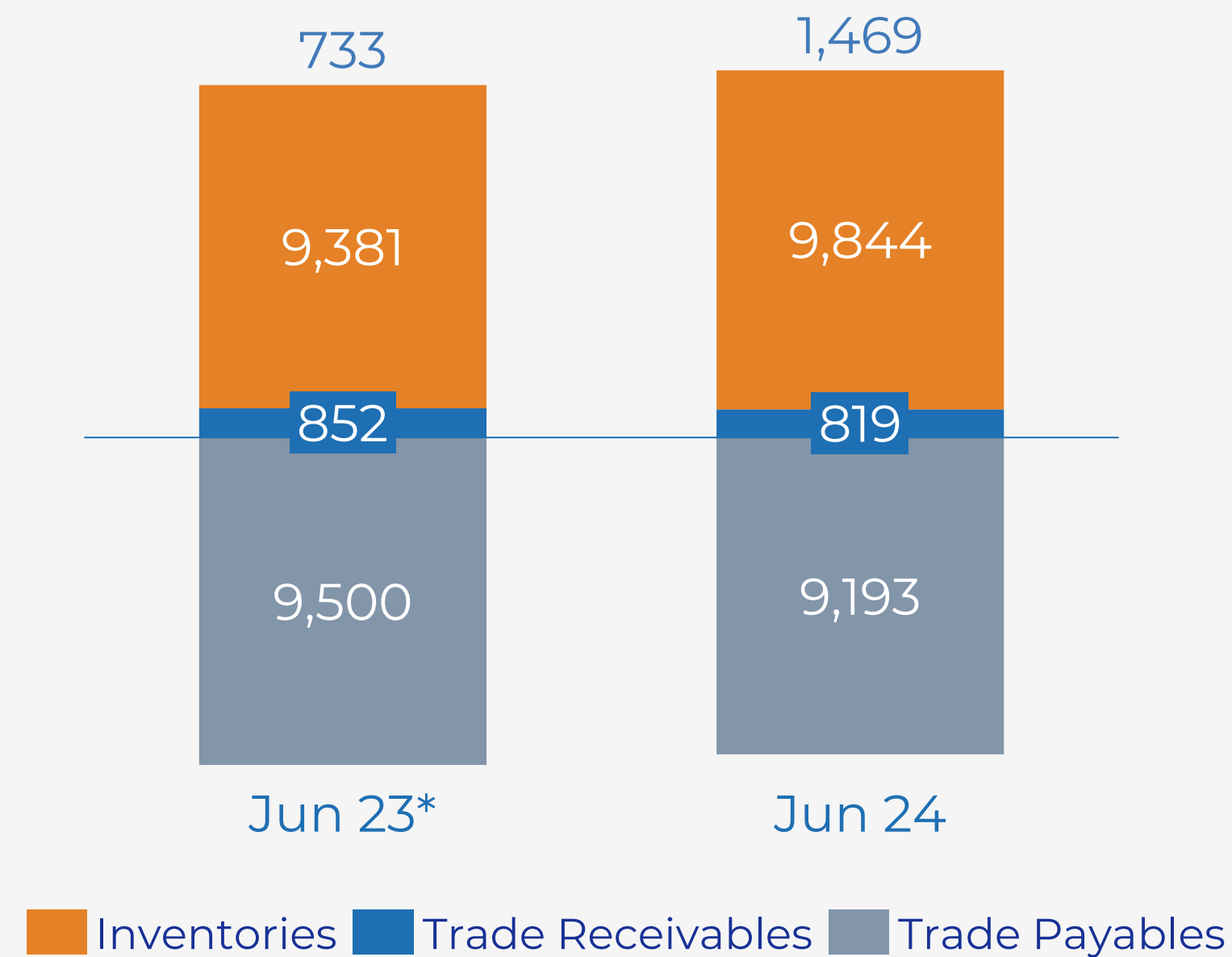
- Executing stock and purchase optimization to balance cash position

Net loss was primarily attributable to higher finance expenses



NWC was affected by frontloading in the Turkish electronics sector in Q1, while mitigation actions are being taken to restore negative level

Net Working Capital (TL Mn)



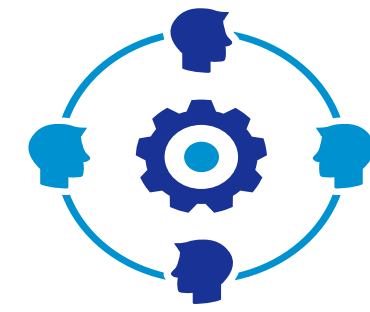
Yet a series of measures are being taken...

- Manage inventory more efficiently & stricter purchase optimization
- Negotiation of payment terms to balance stock turnover and payment cycles
- Significant focus on daily cash management & forecasting

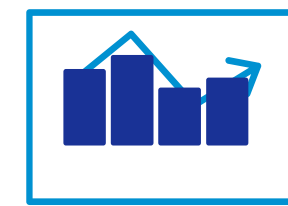
On the other hand, Teknosa continues its strategic CAPEX investments.

- 61% of total CAPEX of 291 TL Mn in the first half were related to IT & efficiency projects.

Closing Remarks



Aiming to sustain growth and improve operational performance KPIs through comprehensive transformation initiatives



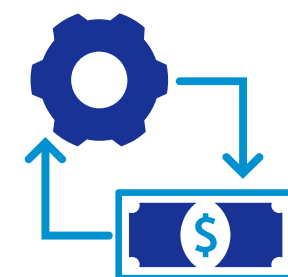
Boosting revenues with AI tool to drive sales & increase complementary products and services while **optimizing COGS and OPEX efficiency**



Focusing on **working capital with a series of actions** to recover even stronger from these temporary headwinds



Decreasing financing costs, while also **enhancing payment & consumer loan options** to support demand



Committed to **long-term growth** and **strategic CAPEX** investments to **become a digital-first company** despite current challenges

Q&A

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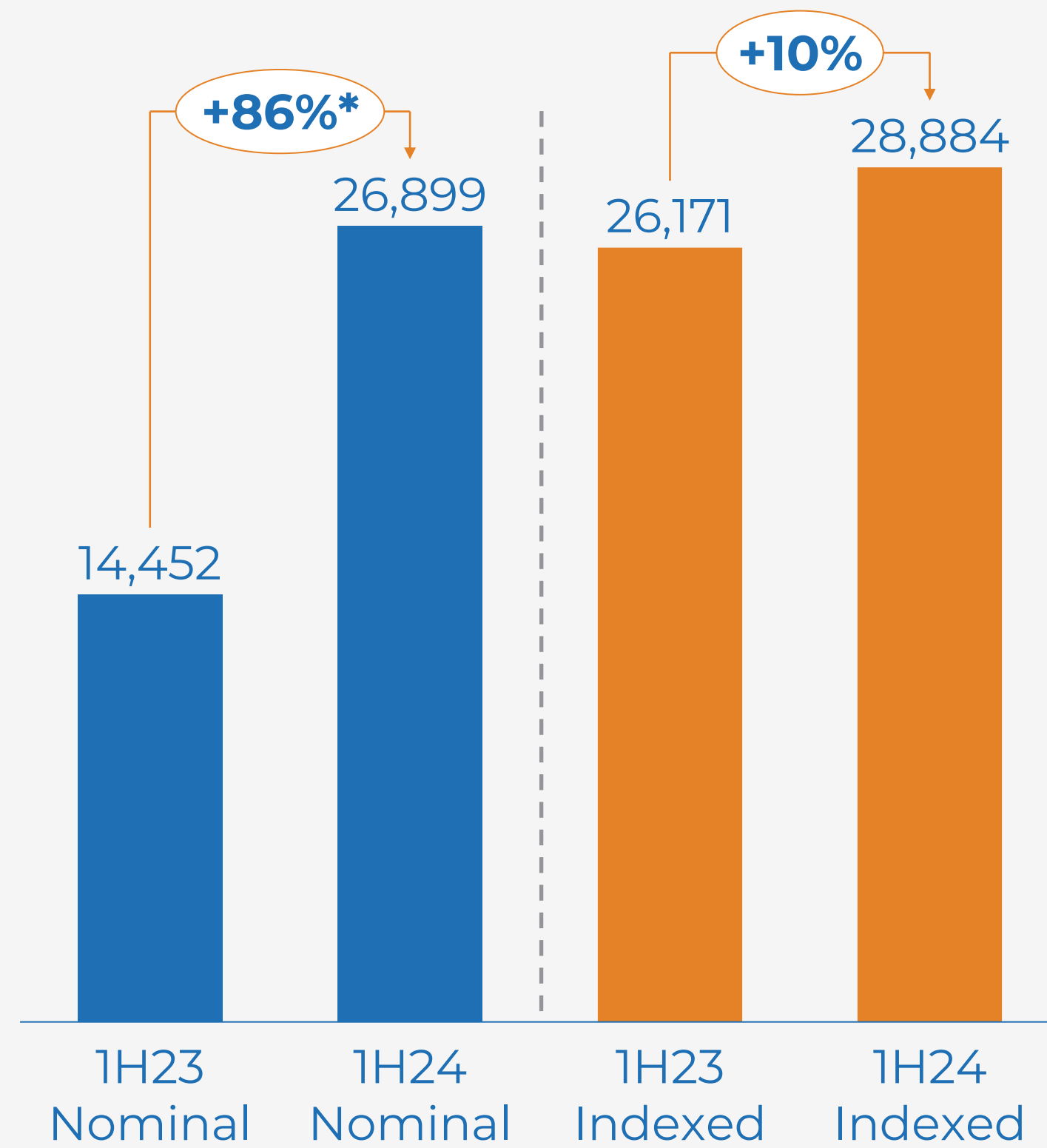
APPENDIX

TEKNOSA

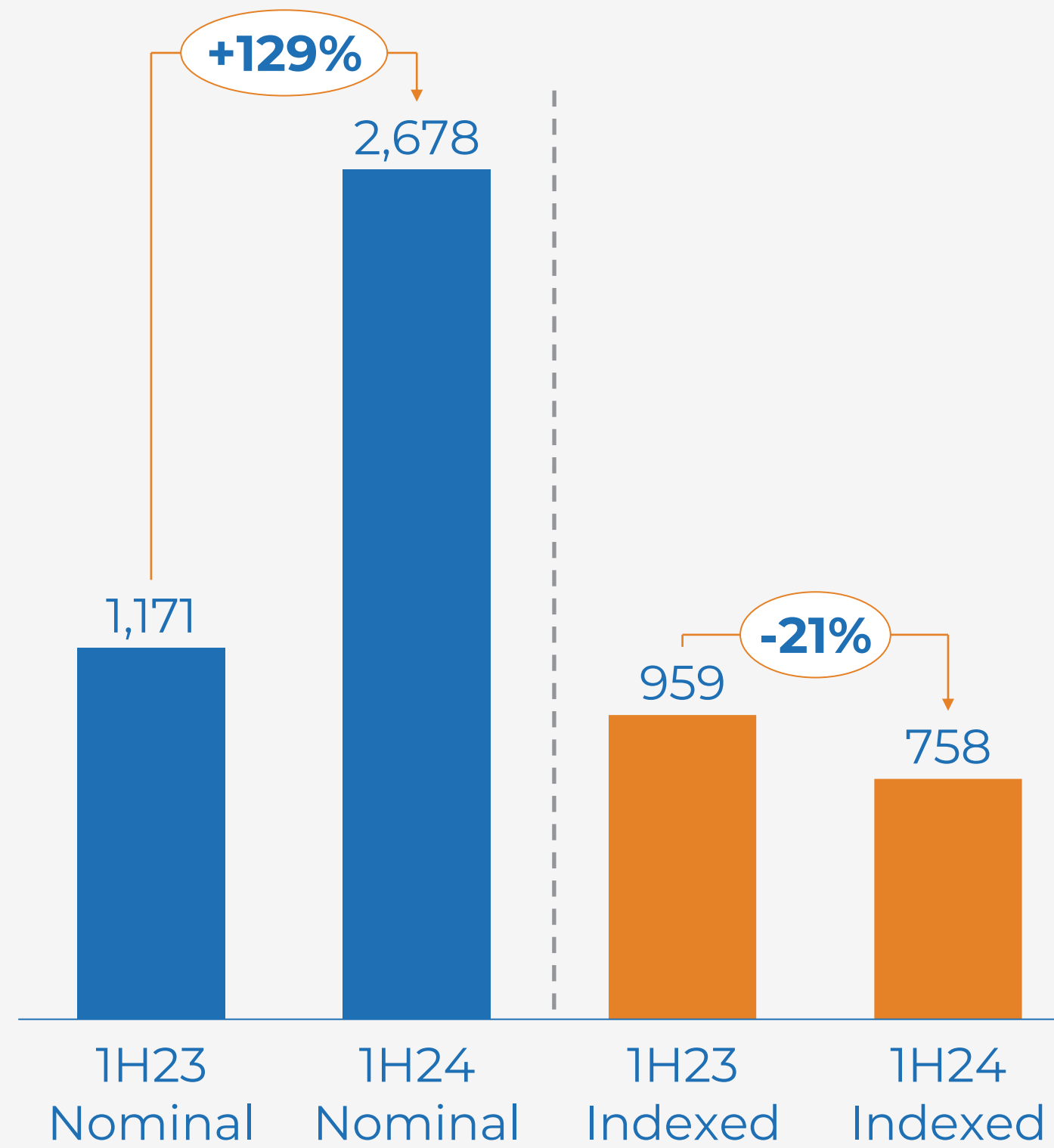
Key Financials w/o IAS 29

Revenues (Mn TL)

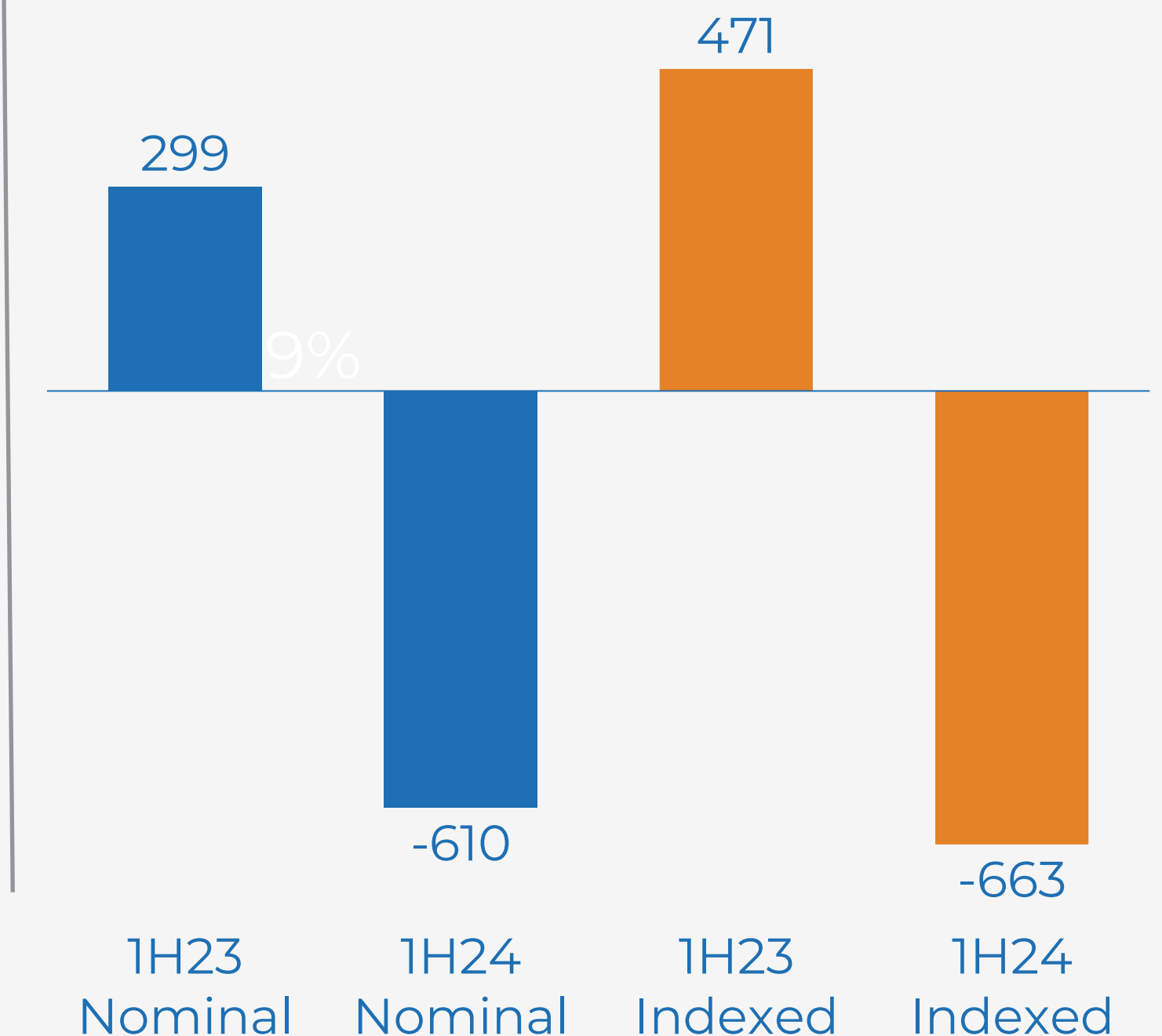
Teknosa has shown a higher nominal growth than panel market (82%*)



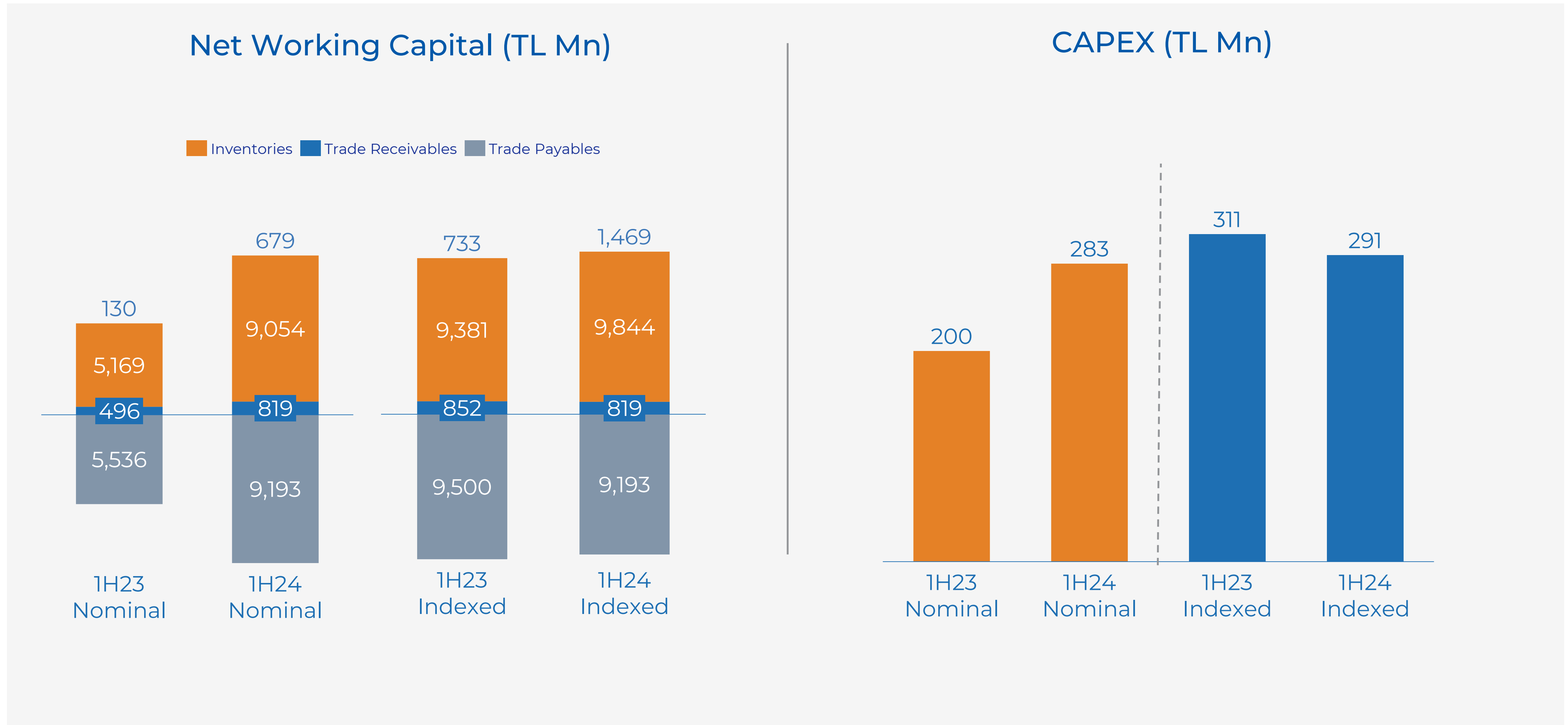
EBITDA (Mn TL)



Net Income (Mn TL)



NWC & CAPEX w/o IAS 29




FY2024 Guidance (w/o IAS 29)

Our Guidance	2023F w/o IAS 29	2023A w/o IAS 29	2024F w/o IAS 29
E-Commerce GMV*	7.5 bln TL	8.3 bln TL	<u>15 bln TL</u>
CAPEX	500 mln TL	487 mln TL	<u>1 bln TL</u>
EBITDA Margin (%)	High single digit	8.9%	<u>Target to maintain at high single digit</u>
E-Commerce NMV / Retail Total Merchandise Value (%)*		16.4%	<u>Expected to reach around 20% levels in the mid-term</u>


*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.

*The above expectations were given as of December 1st, 2023 and excluding the effect of IAS 29.

Income Statement w/ IAS 29

	2Q24	2Q23	Change (%)	1H24	1H23	Change (%)
Net Sales (Mn TL)	13,042	13,792	-5%	28,884	26,171	10%
Gross Profit (Mn TL)	1,608	1,806	-11%	3,392	3,179	7%
Gross Profit Margin (%)	12.3%	13.1%	-6%	11.7%	12.1%	-3%
Opex/Sales (%)	11.9%	10.4%	14%	11.2%	10.4%	8%
EBITDA (Mn TL)	355	642	-45%	758	959	-21%
EBITDA Margin (%)	2.7%	4.7%	-42%	2.6%	3.7%	-28%
Other Income (Expense) (Mn TL)	-775	-423	-83%	-1,596	-606	-163%
Financing Income (Expense) (Mn TL)	-938	-287	-227%	-1,881	-661	-184%
Net Monetary Gain (Loss) (Mn TL)	814	518	57%	2,278	1,352	68%
Profit Before Tax (Mn TL)	-783	217	n.m.	-926	650	n.m.
Tax (Mn TL)	222	-61	n.m.	263	-178	n.m.
Net Profit (Mn TL)	-561	156	n.m.	-663	471	n.m.
Net Profit Margin (%)	-4.3%	1.1%	n.m.	-2.3%	1.8%	n.m.

Balance Sheet w/ IAS 29

	Jun 24	Dec 23
Assets (Mn TL)		
Current Assets	12,749	15,501
Cash and Cash Equivalents	1,704	3,416
Trade Receivables	819	1,162
Inventories	9,844	10,431
Other Current Assets	383	491
Non-current Assets	3,112	2,823
Property, Plant and Equipment	1,034	938
Intangible Assets	315	307
Investment Property	229	229
Right of Use Assets	1,316	1,305
Other Non-current Assets	217	43
Total Assets	15,861	18,324
Liabilities (Mn TL)		
Current Liabilities	12,730	14,400
Short-term Loans and Borrowings	2,273	677
Short-term Portion of Long-term Finance Lease Liabilities	402	364
Trade Payables	9,193	12,366
Derivative Instruments	0	1
Deferred Income	401	423
Other Current Liabilities	462	570
Long Term Liabilities	595	722
Long-term Lease Liabilities	496	544
Other Long Term Liabilities	99	178
Equity (Mn TL)	2,535	3,202
Total Liabilities and Equity (Mn TL)	15,861	18,324

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