



INVESTOR PRESENTATION

JANUARY 2025

Disclaimer Regarding IAS 29

The Company's forward-looking expectations for the year-end 2023 financial results, which were previously disclosed to public on December 1, 2023, have not been subject to inflation accounting in accordance with “Financial Reporting in Hyperinflationary Economies Standard” (IAS 29). On the other hand, the Company's financial statements dated 31.12.2023 and thereafter, have been subject to inflation accounting within the framework of the provisions of IAS 29. For this reason, certain financial figures in the financial report is not comparable with the forward-looking expectations that were previously disclosed to public.

In order to ensure accurate review and interpretation of the financial figures by the investors and market participants in comparison to the estimates and expectations regarding the year-end 2023 financial results that were previously disclosed to public, certain financial figures are also presented without adjusting for inflation accounting through investor presentations and earnings releases on the Company's corporate website as well as via the Public Disclosure Platform. In addition, selected financial figures used in investor information materials in the previous period may also be included in these works in order for investors and analysts to conduct a full-fledged analysis.

The financial figures that are not subject to inflation adjustment, have not been independently audited and are not included in the Company's audited financial reports dated 31.12.2023 and thereafter. Such financial figures have been prepared and disclosed to public for enabling 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.

TEKNO SA

Overview & Way to Teknosa of New Generation



Türkiye's Most Widespread and Reliable Technology Partner



Providing digital technologies 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

Reaching Millions of Customers with Value Oriented Businesses

5 major brands reaching our customers

				
<p>Türkiye's most comprehensive technology private label brand</p>	<p>End-to-end services</p>	<p>Rapidly growing Loyalty Program</p>	<p>Türkiye's virtual network operator & home internet service</p>	<p>Heating-Cooling & Solar Energy Systems</p>
<p>With +1000 SKUs, product sales exceeding 2 million units in 2024</p>	<p>With a comprehensive service portfolio, service sales exceeding 3 million units in 2024</p>	<p>TeknoClub membership reaching ~4.5 million in 2024 (~6 million active customers¹)</p>	<p>~500K TeknosaCell subscribers in 2024 Launch of Teknosa.net in Sep'24</p>	<p>5 Brands +200 Models Heating-cooling and solar energy systems portfolio</p>



5 1. Number of active customers in the CRM system who purchased at least one item in the last 24 months

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



A traditional retailer with average operational performance

An omnichannel retailer with healthy operational performance

A digital-first, omnichannel retailer with a strong operational capabilities



Store-focused retailing



Omnichannel retailing



Omnichannel retailing and supporting **tech-focused marketplace**



Mainly **focused on selling primary products**



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



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



Weaknesses in operational performance



Strong and sustainable operational performance



Even stronger and sustainable operational performance



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



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



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



Customer experience with multiple improvement opportunities



Improved omnichannel customer experience




Seamless **data-driven omnichannel customer experience**

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

Becoming an omnichannel retailer with healthy operational performance

Becoming digital-first company with strong operational capabilities


1



Financial & Operational Transformation
Through end-to-end transformation in five main pillars, **Teknosa has been brought back to a profitable and operationally robust level**

Completed in 2020

2



Service & Private Label Transformation
By transforming the service and private brand, **two significant sources of sustainable and profitable customer satisfaction** were created for Teknosa

Completed in 2021


3



Marketplace Transformation
By adding **marketplace capabilities to Teknosa's online channels**, a much broader range of products is now offered to customers under the assurance of Teknosa

Completed in 2023

4



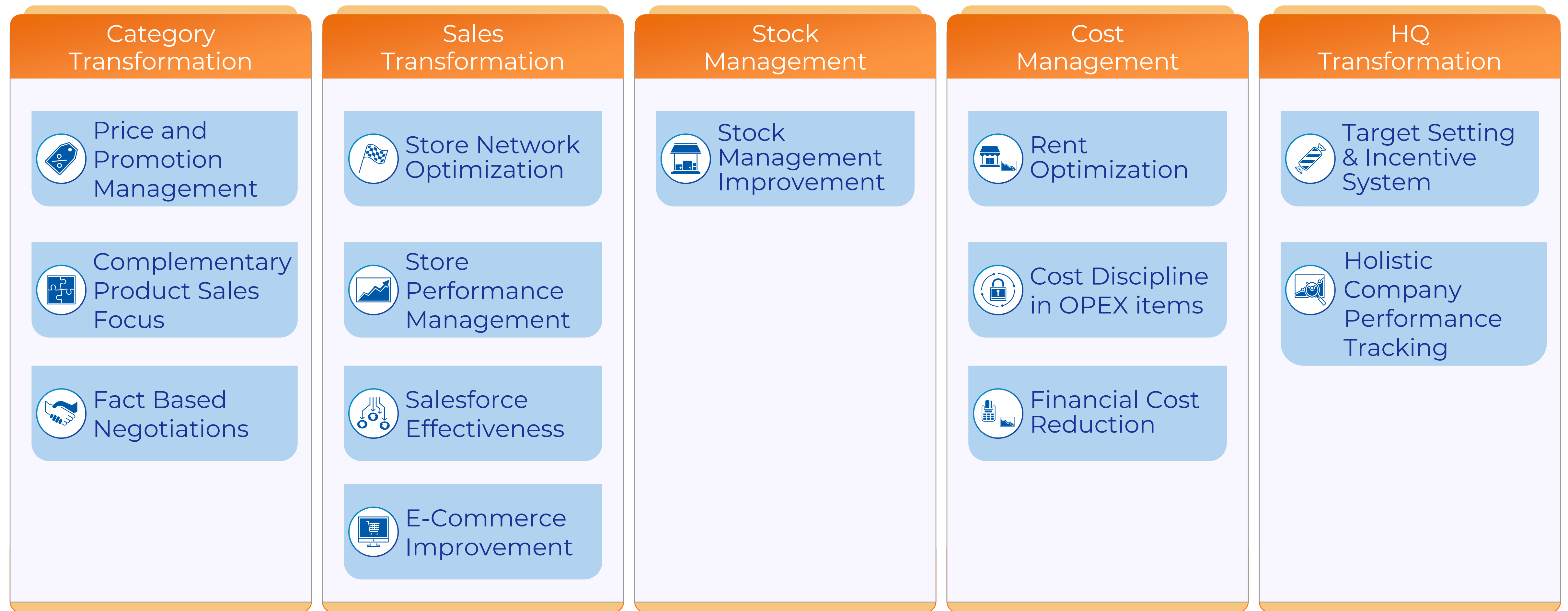
Digital-First Company
Further strengthening Teknosa's competitive edge, the new phase of transformation for best customer experience and digital & operational excellence

First Phase Completed - Ongoing

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







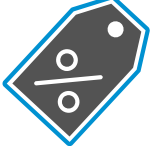



Financial & Operational Transformation



Service & Private Label Transformation



Türkiye's Most Comprehensive Fully Digitalized Electronic Service Portfolio

 Installation Services	 Repair	 TeknoGaranti (in-store & online)	 Service Membership Packages
 Rental	 Technology Support Packages	 TeknosaCell	 Teknosanet



Comprehensive Support Packages developed from remote support to installation reaching **~400k sales volume**



Teknosa assurance is continuously delivered to our customers through TeknoGaranti



On **Teknosa.com**, our customers can track the **end-to-end service process**



Teknosacell has reached **~500k members**, and efforts for **new alternative services** are ongoing



Technology Exclusive Brand with Türkiye's Widest Product Portfolio

 Accessories	 SDA	 TV
 PC Equipment	 Personal Care	 Other Categories



Preo has become Türkiye's most comprehensive technology private brand with **+1000 SKUs**



Given today's economic conditions, Preo as private label brand is becoming **more appealing to the customers**



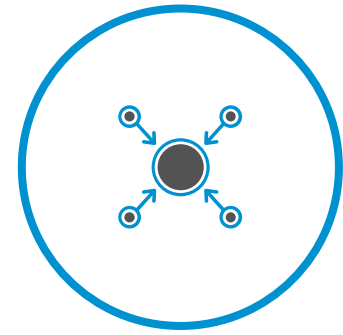
The portfolio is dynamically updated to align with customer needs, ensuring a **balance between quality and price sensitivity**



According to the results of an independent customer satisfaction survey², **94% of customers have indicated satisfaction**



Teknosa: Türkiye's First Tech-Focused Marketplace!



Owens the “technology concept” with a **wide product and service range**



Features only the **highest quality merchants**



Leveraging all customers as an influencer through **"Social Commerce"**

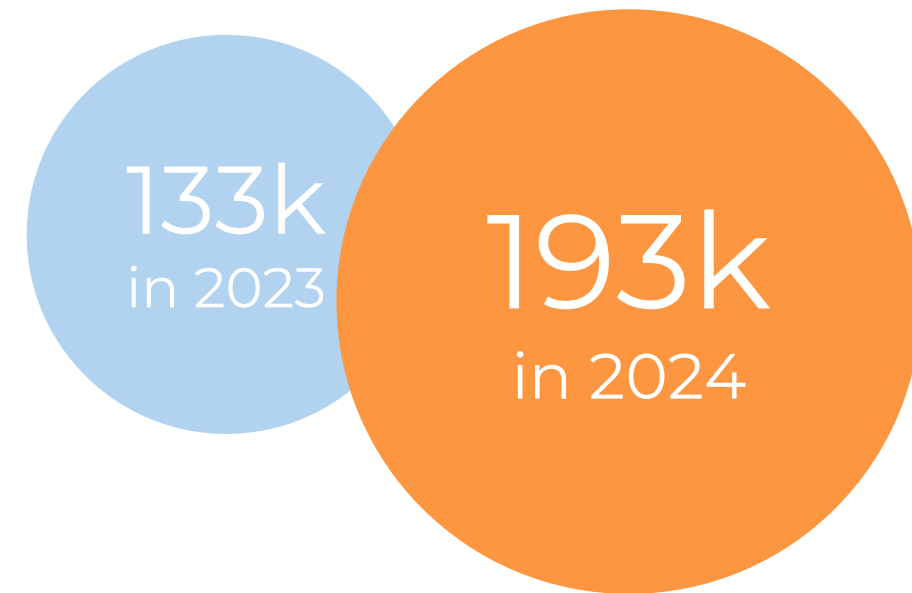


Supports its sellers through **Partner Solutions**



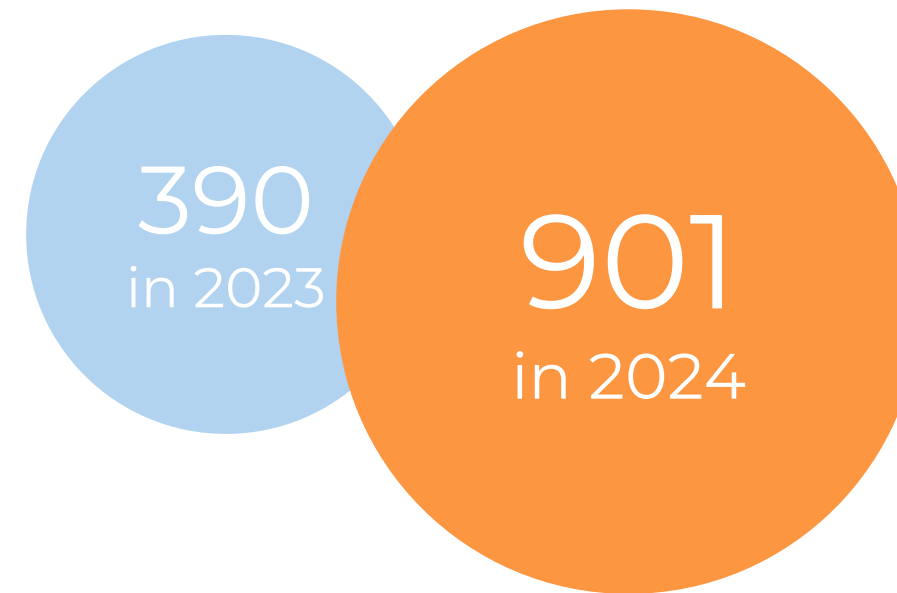
Teknosa Marketplace has shown a very strong development in just its first years

Number of SKUs¹



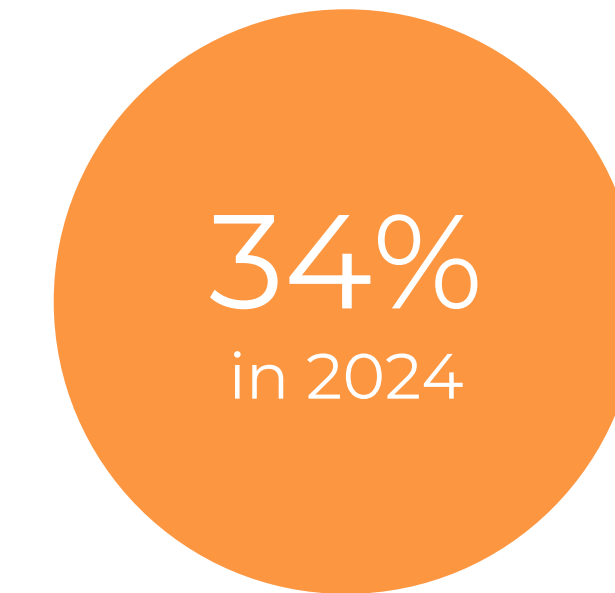
In addition to electronic categories, it also includes non-electronic adjacent categories.

Merchants¹



Türkiye's best electronic sellers

MP share in e-commerce²



Significantly above global benchmarks¹

Digital-First Transformation Program Consists of 6 Main Layers

Elevate our customer service to superstar status



1 Transformation of the Store Network



2 E-Commerce Development & Marketplace Expansion



3 Omnichannel Excellence

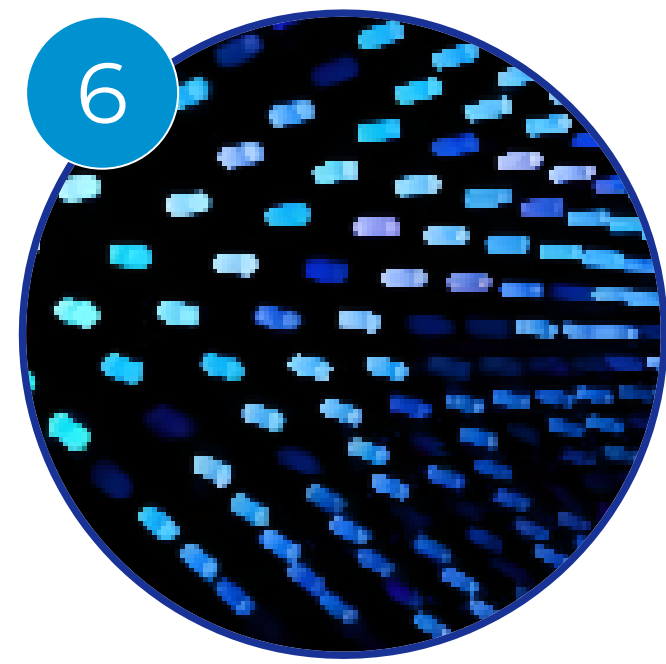
Increase company performance by making our operations more efficient



4 Supply Chain Transformation



5 Next Generation Digital Applications



6 Information Technology & Data Transformation

Continuous Transformation of Our Store Network into an Experience-Driven One as Part of the Transformation Program

Investing in the Future of Retail with New Concept Stores

We embrace the globally rising trend of **'Experience-focused retail'** with **our new digital store concept**

Stores with Increasing Shared Spaces

We are expanding **shared spaces in our stores**, maximizing brand exposure and value for Teknosa and our suppliers

Continuing to Optimize Our Network

Parallel to our strategy, we are opening new high sqm digital stores and **relocating or closing stores with lower potential**, aligned with our strategy on elevated experience, product variety and improved store performance

So far **58 stores** have been transformed into new digital concept



Experience Areas



Enlarged Display Areas



Dedicated Sections for Disabled Customers



Self-Service Kiosk



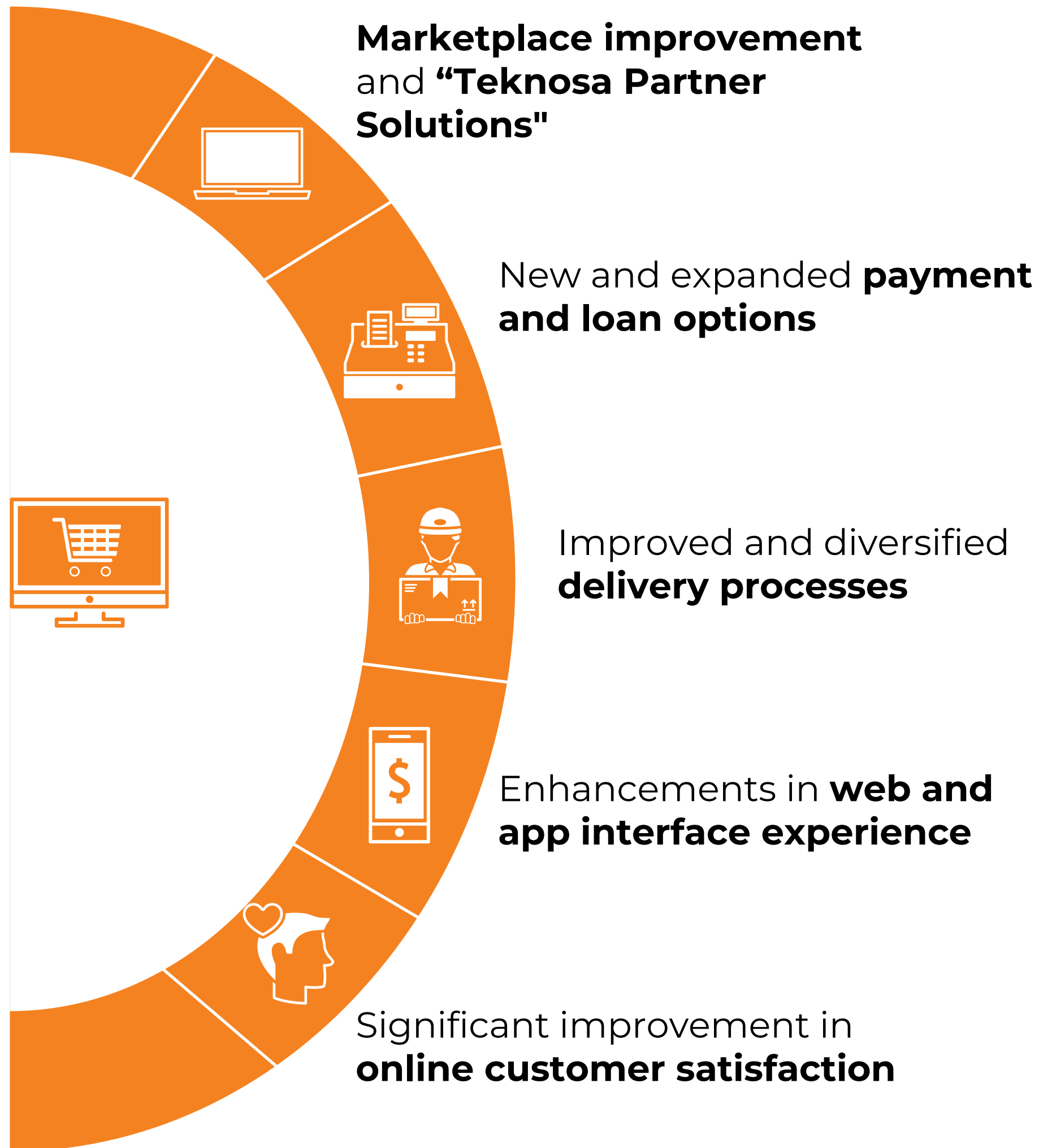
Hero Area



Sustainability Wall

E-commerce Will Continue to Be a Strategic Focus & Investment Area

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



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



E-commerce channel will continue to be a **strategic focus and investment** area to strengthen:

- Alignment with global customer demand pattern
- Product variety that we provide to our customers
- Enabling new growth opportunities (e.g. Retail media)
- Complementing role for omnichannel customer journey



Ensuring a Seamless Omnichannel Customer Journey across All Channels

We are committed to offer a seamless cross-channel experience for our customers under 4 main objectives


Selected examples


Bringing online best-practices to offline channels

 Online sales from stores

 Browsing & adding products to the cart via kiosks


 Display of best-seller products

 Mobile checkout via handheld terminals

 Location-based communications (e.g., sending SMS/push notifs. when customers are near stores)

 Enhanced experiential spaces for customers


Enabling store experience in online-channels


 Strengthened linkage with stores in online (e.g., promotion of store-based campaigns through online channels)

 Replicating the in-store experience in online (e.g., AR features)

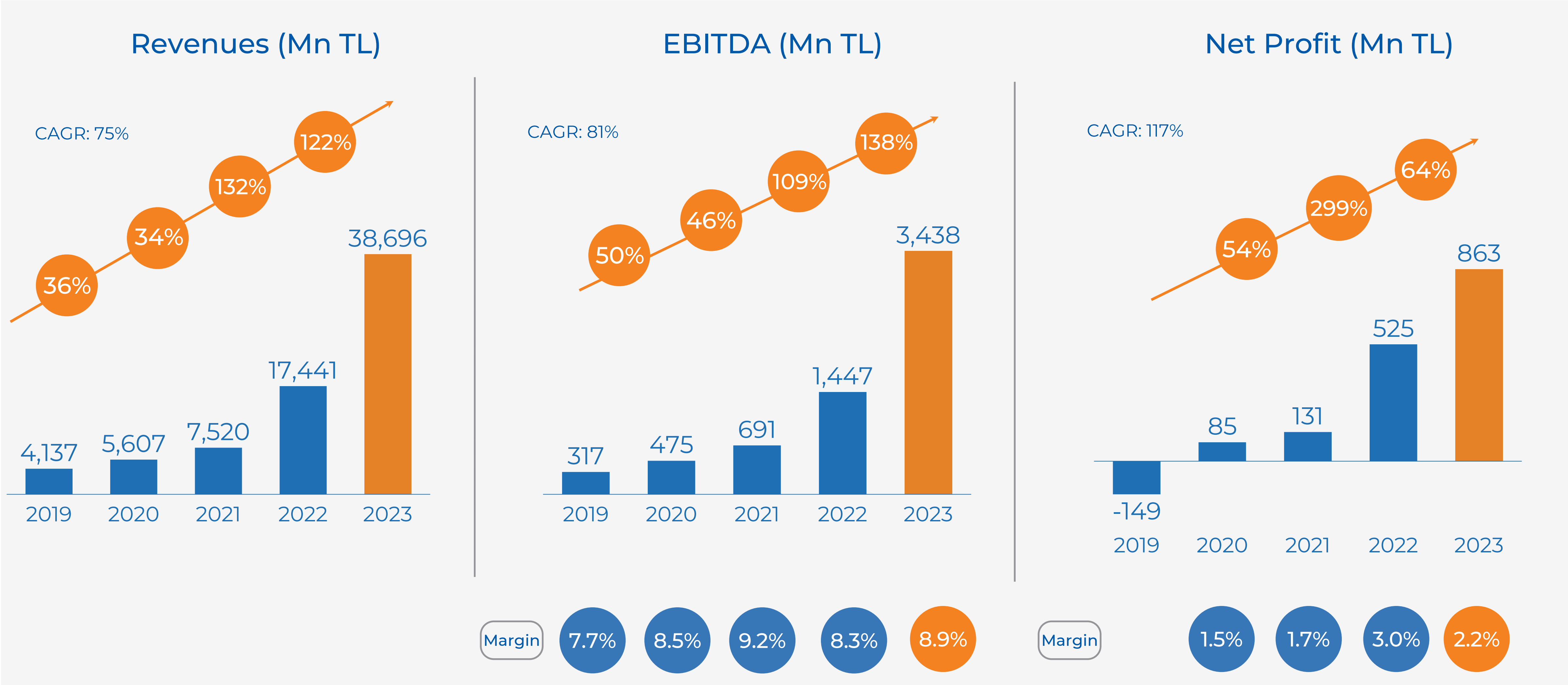
 Direct connection to stores through video sales with sales advisors

Singularization of customer journey across channels

 Online-to-offline convergence (e.g., viewing store orders on online channels¹, initiating and tracking the service process online, returning a product purchased on online at a physical store²)

 Offering omnichannel experience (e.g., displaying previously added online products on handheld terminals, sales advisors hosting live broadcasts where users can shop through links)

With Transformation Programs, We Have Achieved a Growing & Sustainable Profitability (w/o IAS 29)

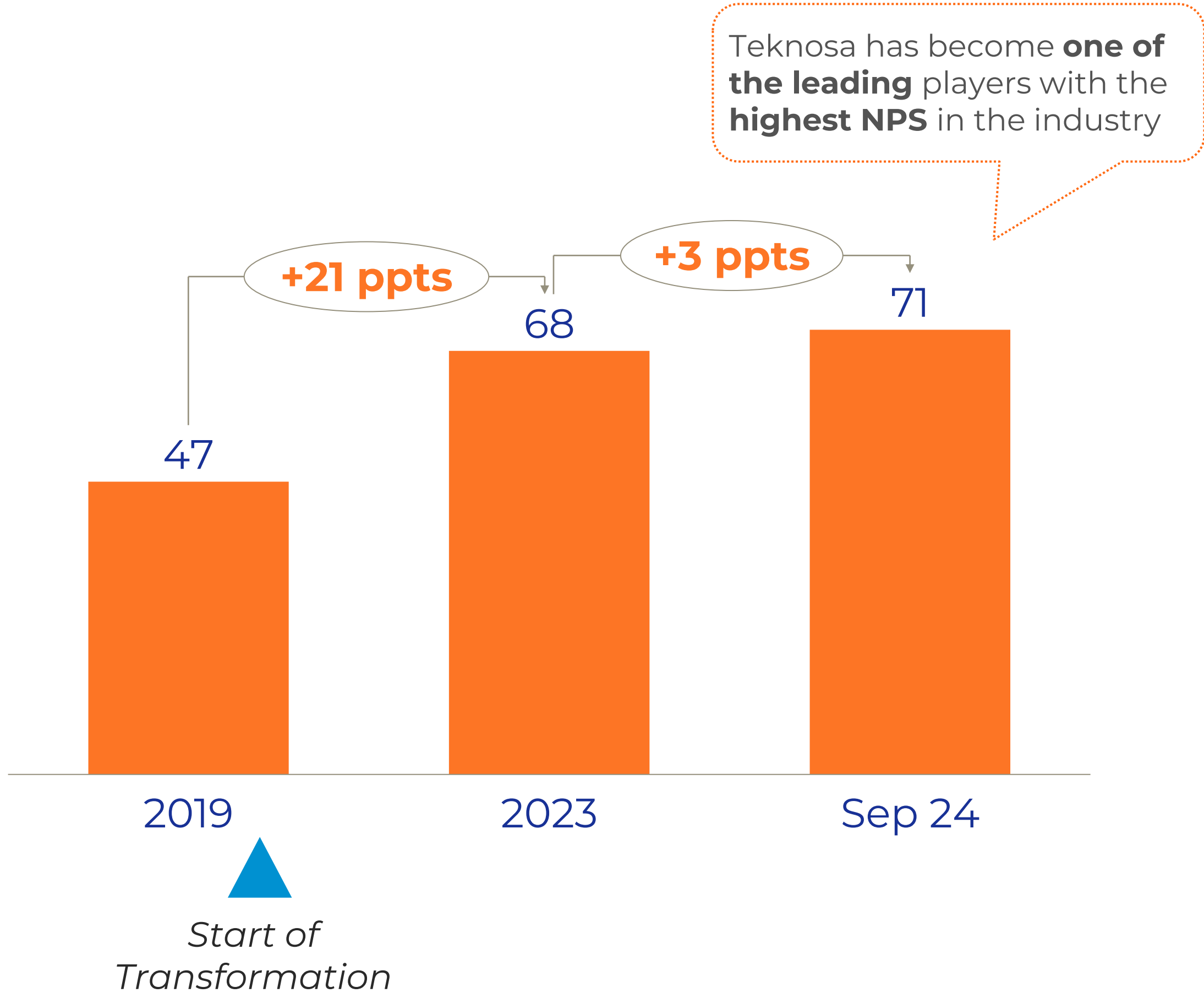


With This, We Have Achieved Significant and Robust Improvement in Our Performance in All Metrics

From 2019 to 2023...



Teknosa overall NPS



NPS: Net Promoter Score

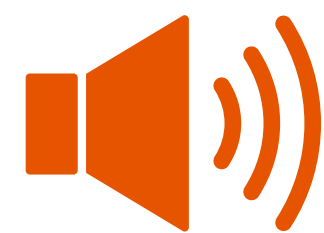


We Developed Türkiye's First and Most comprehensive AI-based Sales Field Management Tool- 'Bilge' with ~40 Features



Digitally Enabled Salesforce

Our new AI-supported sales assistant "Bilge" **playing a crucial role in executing our company strategy**, analyzes sales performance and sends AI-based personalized messages whole sales organization incl. sales advisors, store & regional managers



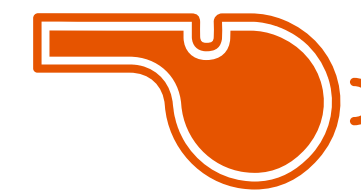
Inform

Comprehensive info on KPIs (e.g., TRRs¹, NPS, sales metrics)



Guide

Guide to opportunities parallel to company strategy (e.g., campaigns, cross sell)



Motivate

Motivate higher performance (e.g., awards, motivating communication)



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



Supporting **1800+** active sales advisors



Recent launch of **Phase II - Sales wizard** with new AI features to support salesforce in real-time

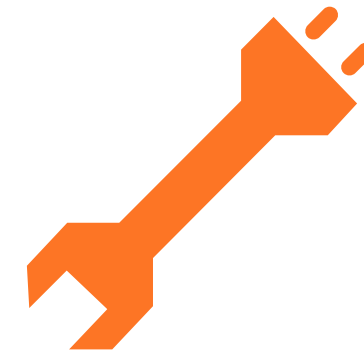
The impact of Bilge on KPIs is encouraging, giving signals for future success



Higher Conversion Rates



Larger Basket Size



Higher complementary product & service sales



More Profitable Retail Mix



Increased Revenue Achieved



We Are Elevating Our Information Technology and Data Competencies to Build a Stronger Infrastructure for Transformation



ERP Transformation

- **Comprehensive overhaul of the technical infrastructure**, marking a **pioneering move** in Türkiye's e-commerce sector
- Setting the stage for **future digital transformation** resulting in **improved efficiency, capabilities and customer satisfaction**



Data Management Transformation

- Focusing on improving **data quality, usability, and revenue generation** through better **governance** and consolidation of data platforms
- Accelerating our **decision-making processes** and **operational efficiency**



Business Architectural Transformation

- **Roadmap 2025** Business Architecture transformation created **providing a clear direction for strategic goals**
- Aiming to **streamline and align the organization** and enhanced **efficiency**, and **agility** and sustained **growth**

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 Türkiye

72
Cities

+500
Sales &
Service
Points

40
Years
Expertise

We have been in operation since 2022

While enhancing our existing strengths, we are also expanding our offerings at İklimsa



1

Air Conditioning

- Providing **end-to-end climate solutions** for both residential & commercial customers
- A wide product range, **A+++ energy efficiency, inverter technology, and advanced equipment** under global and own Sigma brands

SIGMA



FUJITSU

SHARP



SAMSUNG



2

Solar Energy Systems Solutions

- A solid business plan focused on centralizing the **regional network of ~90 dealers** in Solar Energy Systems (SES)
- **Continuing investments** in a sustainable future, reaching **75 SES** projects with **27 MW¹** in less than 2 years (129% y-o-y growth in 2024)



3

B2B Sales

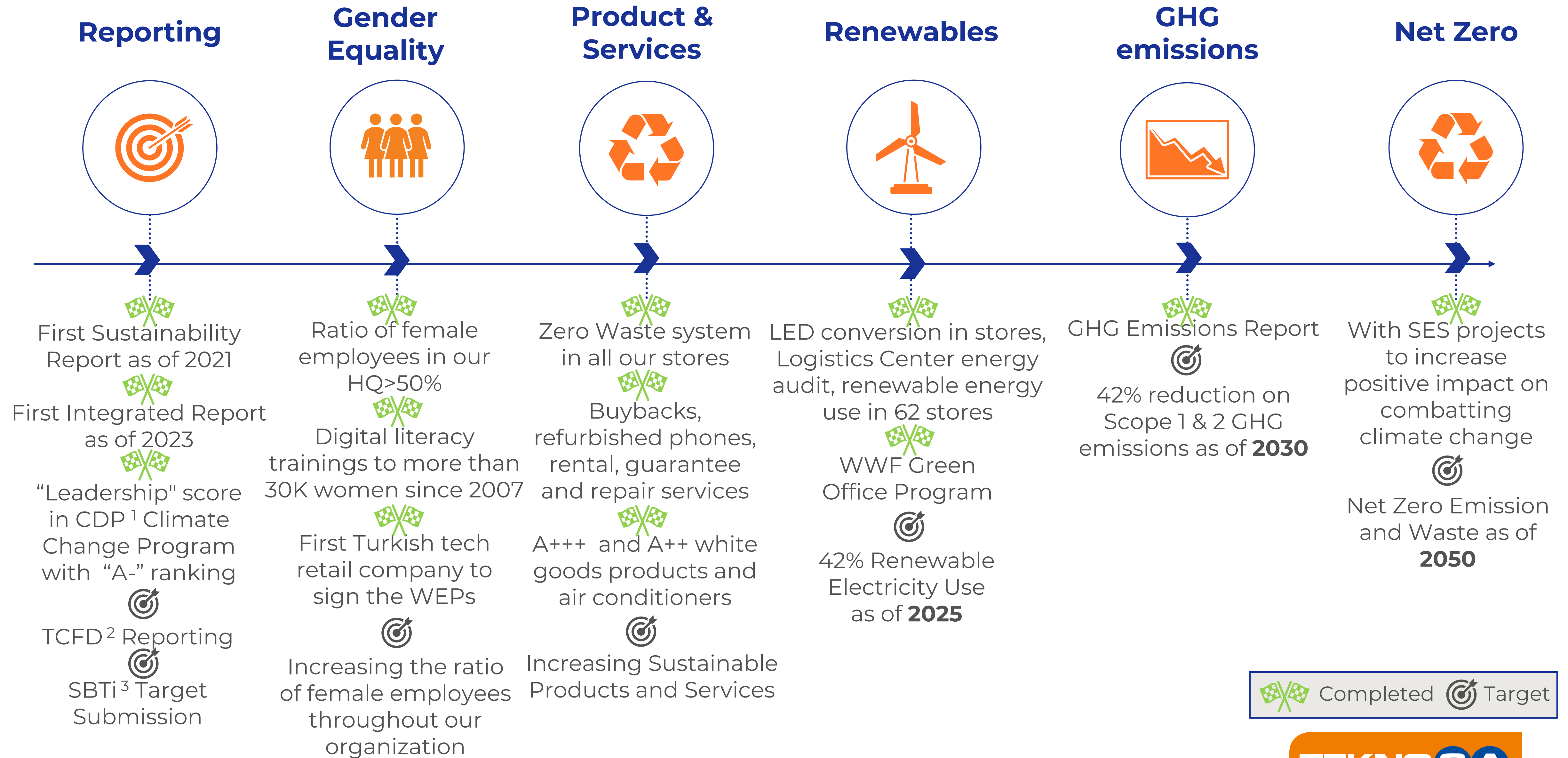
- Providing corporates with a **wide range of electronic products** of Teknosa, including
- **Electronic product supply**
 - **After-sales services**
 - **Product rental services**

TEKNOSA

Sustainability Focus



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



TEKNOSA

9M24 Market Overview & Financial Results



Distribution Channel Structure in the 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)

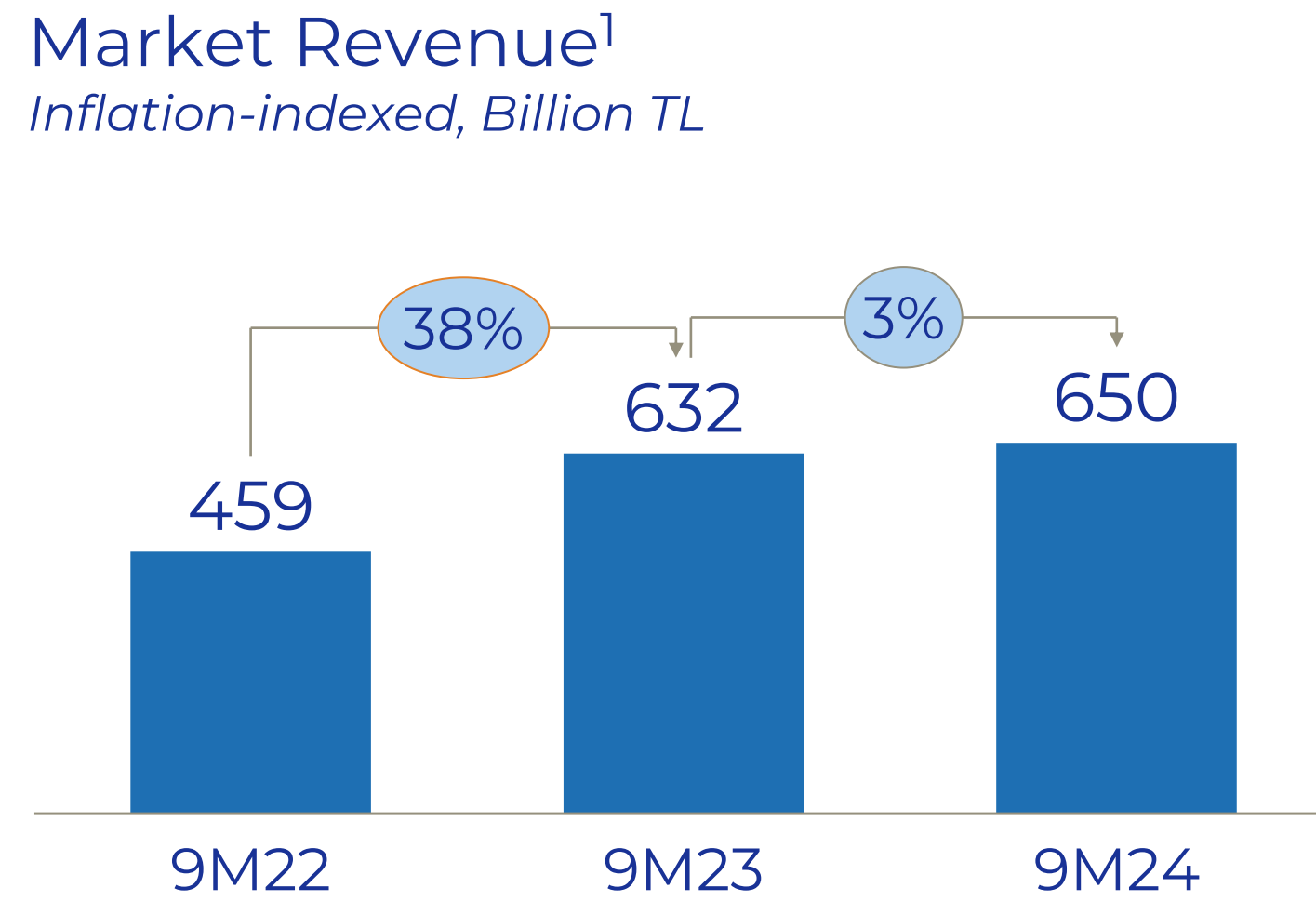
- ▶ Mobile Phone Dealers

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

Despite a slowdown in fast-paced market growth, the total market reached 3% real growth in the first nine months of 2024...

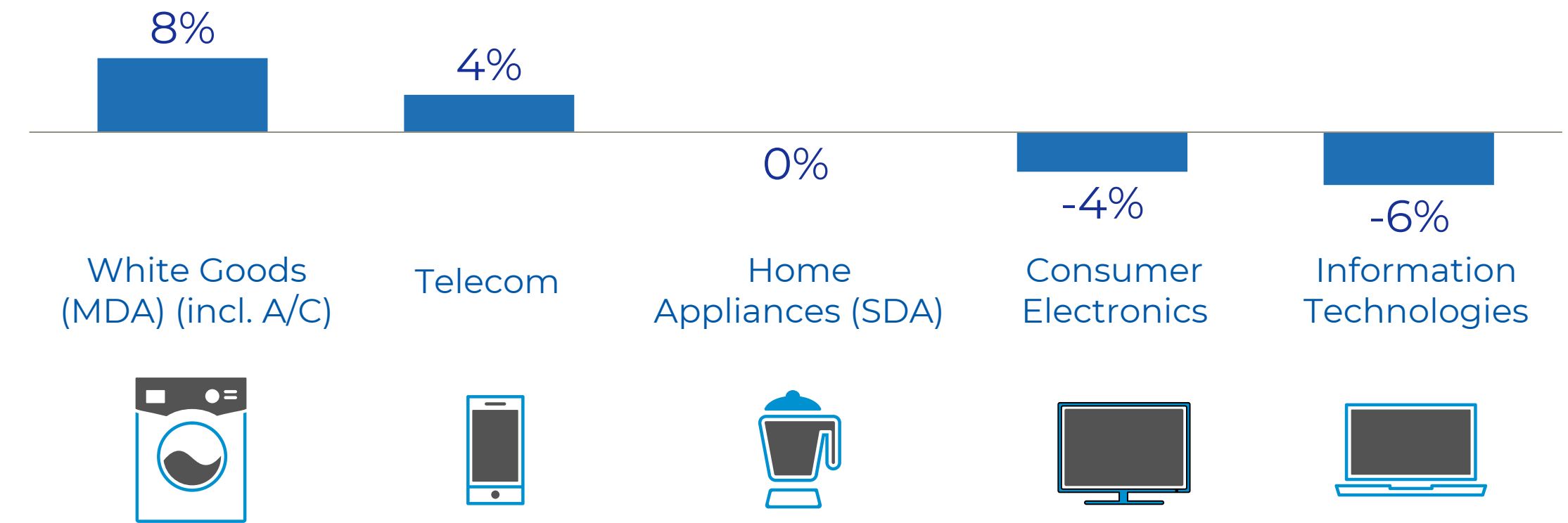
Figures are shown w/ IAS 29

Total Market

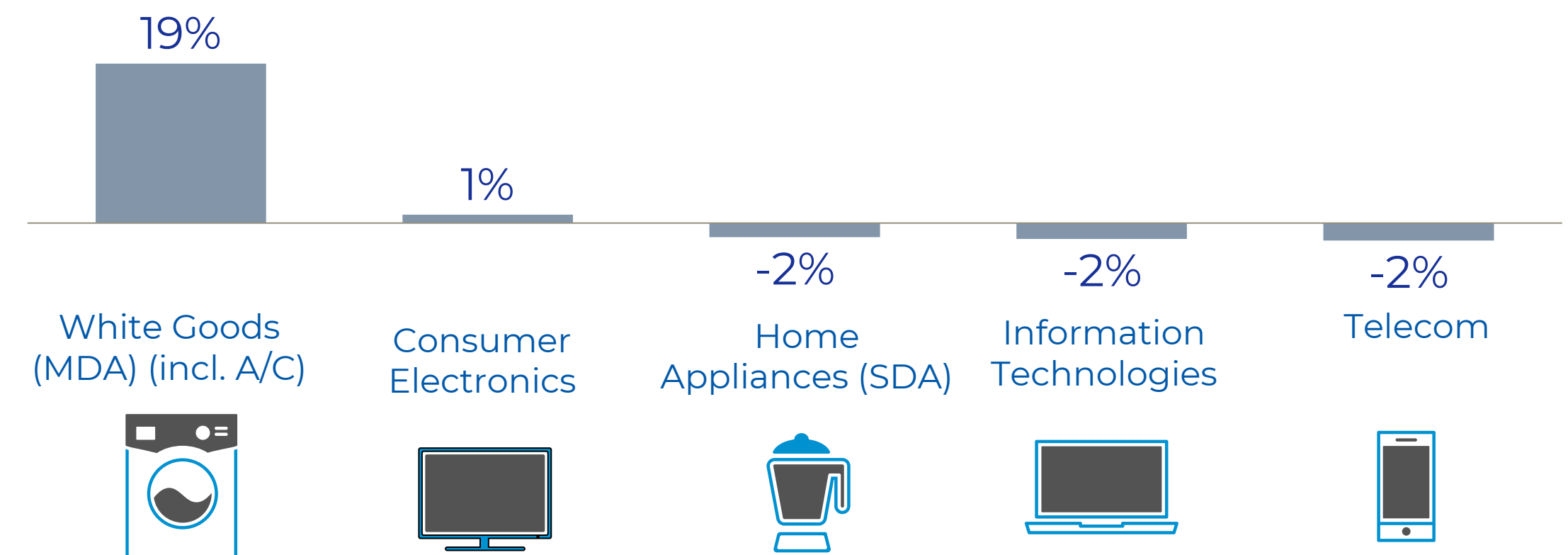
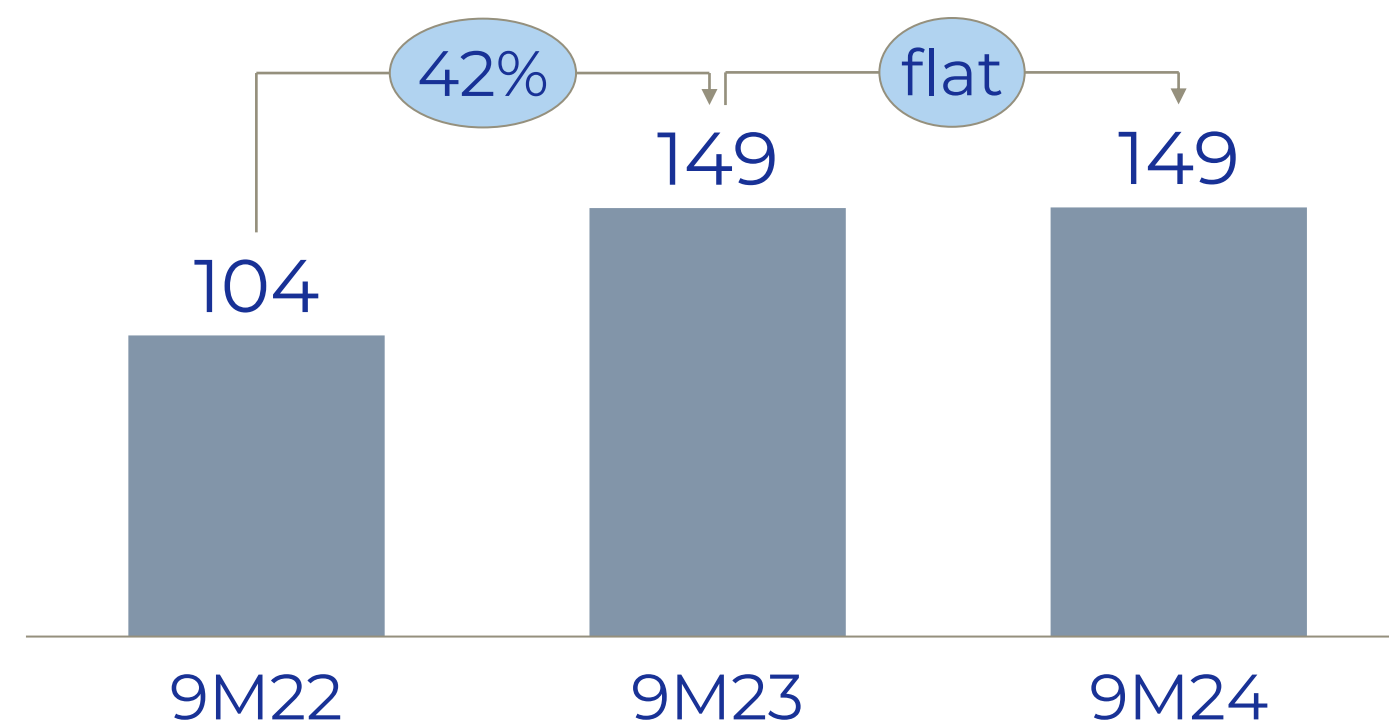


Demand Growth by Categories¹

Real, Y-o-y%



Techonline Market²



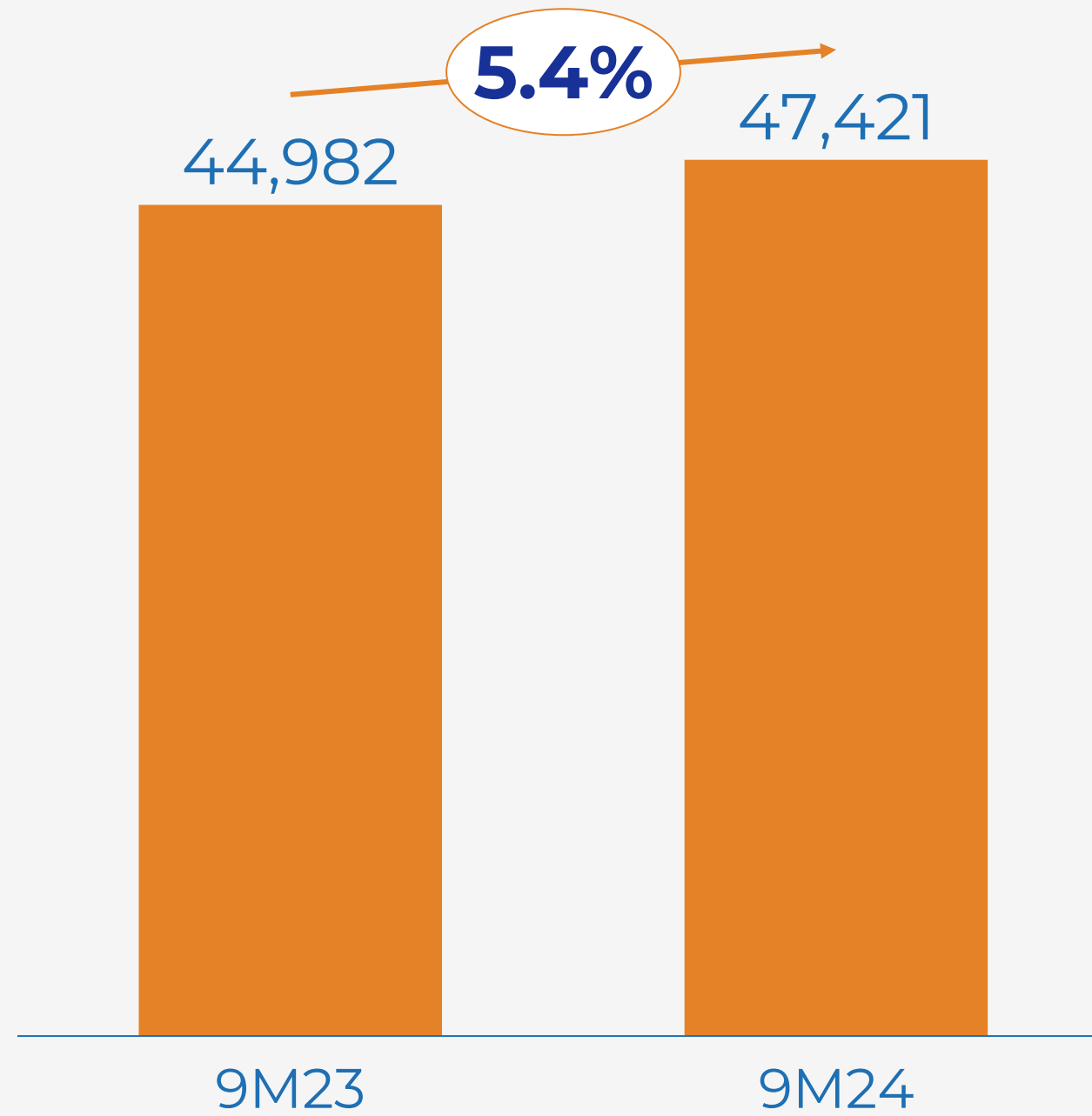
25 1. Source: GFK, YoY%
2. Online sales of all channels in the Panelmarket constitute the Techonline market

...while we achieved growth above the panel market with a continued controlled approach for e-commerce expansion

Figures are shown w/ IAS 29

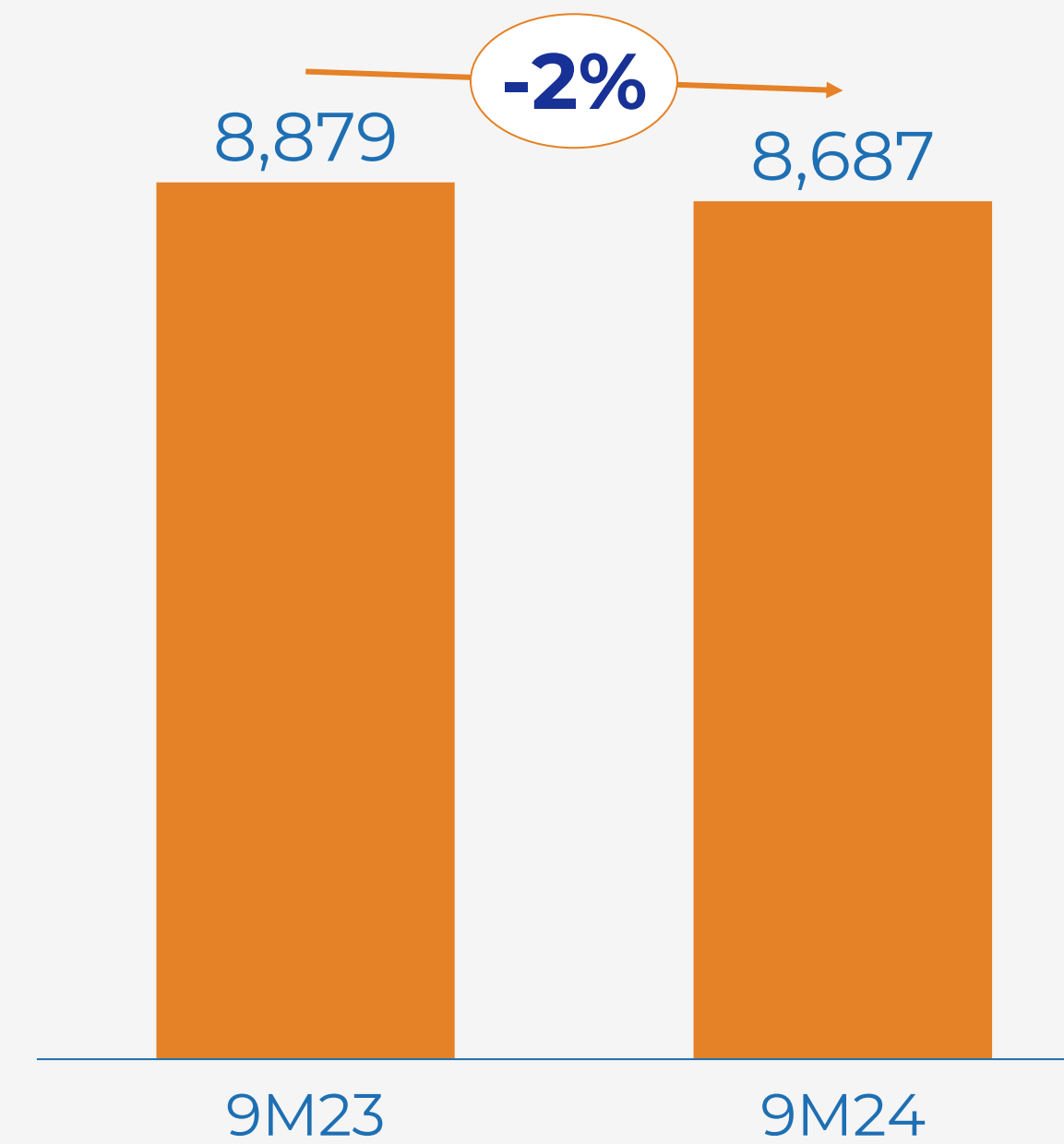
Teknosa Total Revenues* (Mn TL)

Teknosa has shown a higher growth than the total market (2.9%)



E-Commerce GMV (Mn TL)

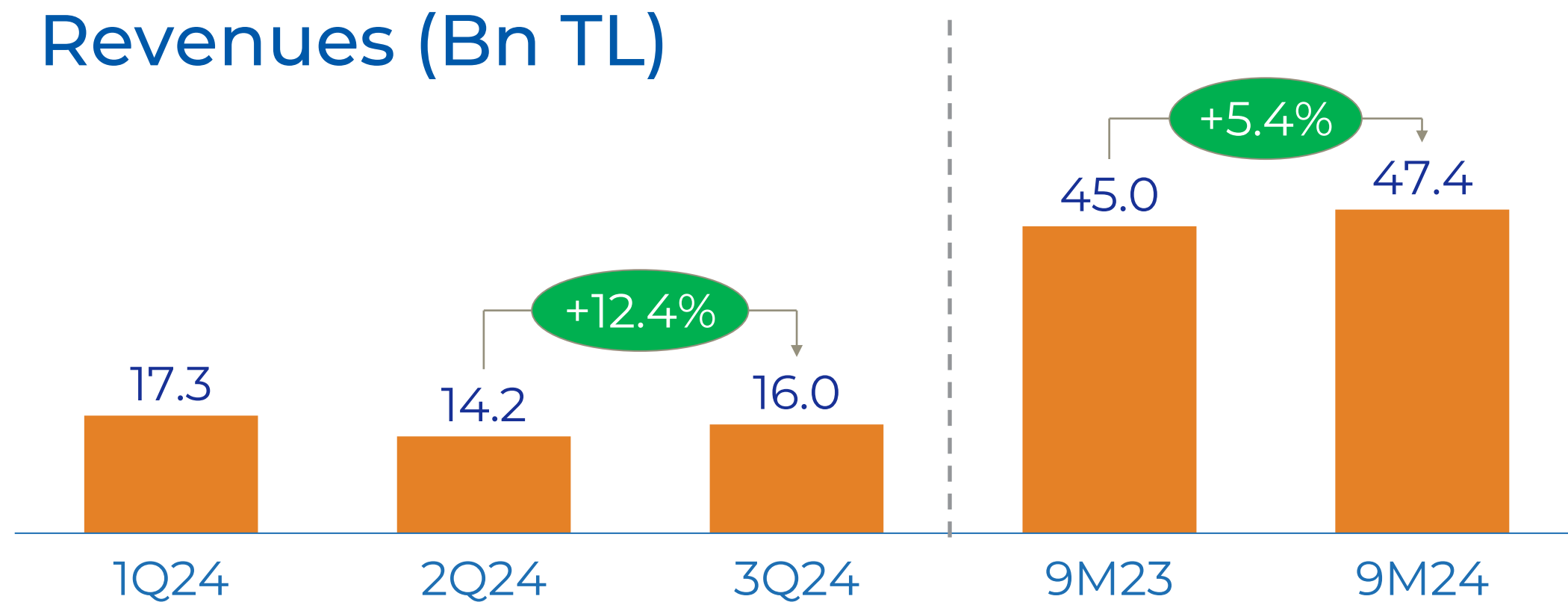
Due to controlled growth strategy, e-commerce growth is below the flat realized market



Significant improvement in Gross Profit in Q3 attributable to better stock turnover ratio and FBN; also, OPEX realized better compared to Q2

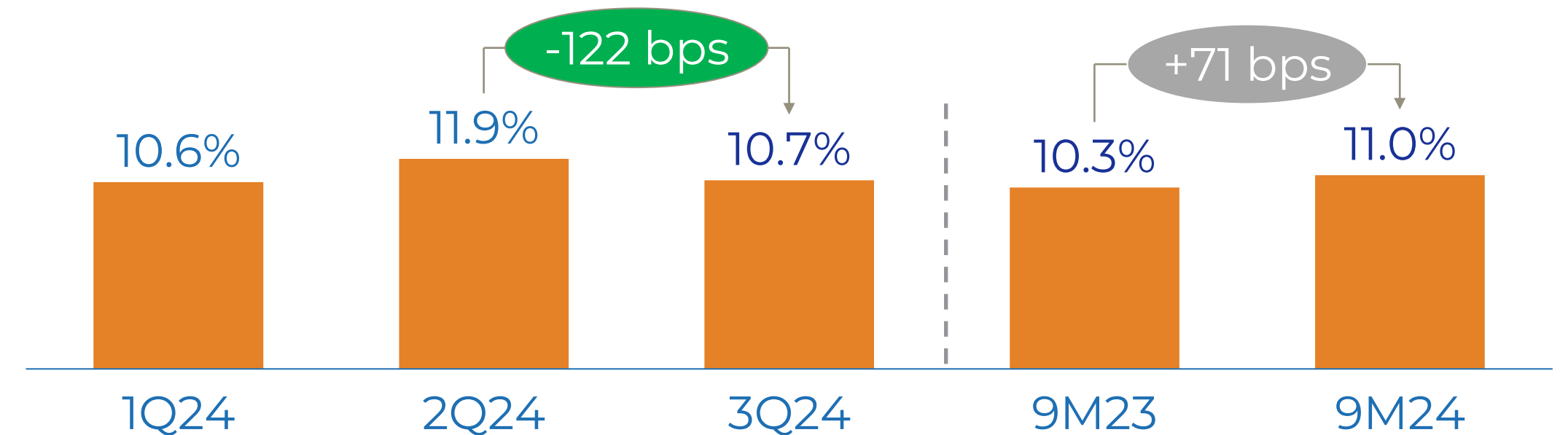
Figures are shown w/ IAS 29

Revenues (Bn TL)



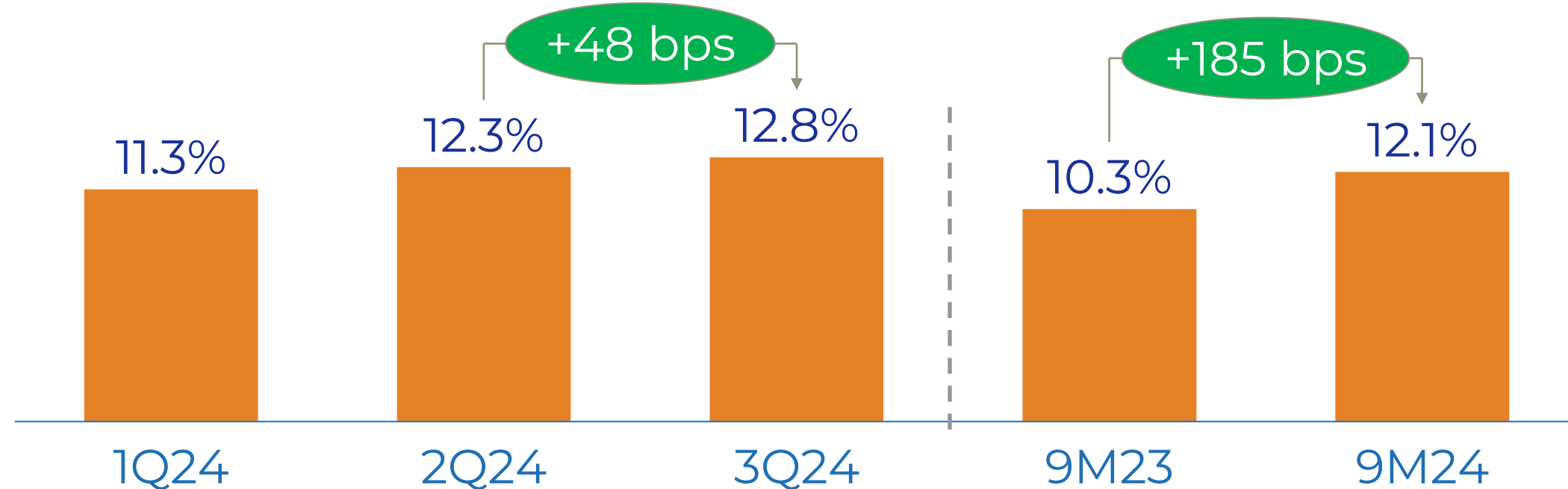
+ Revenues grew compared to the previous quarter, with revenue growth actions and normalized demand

OPEX margin



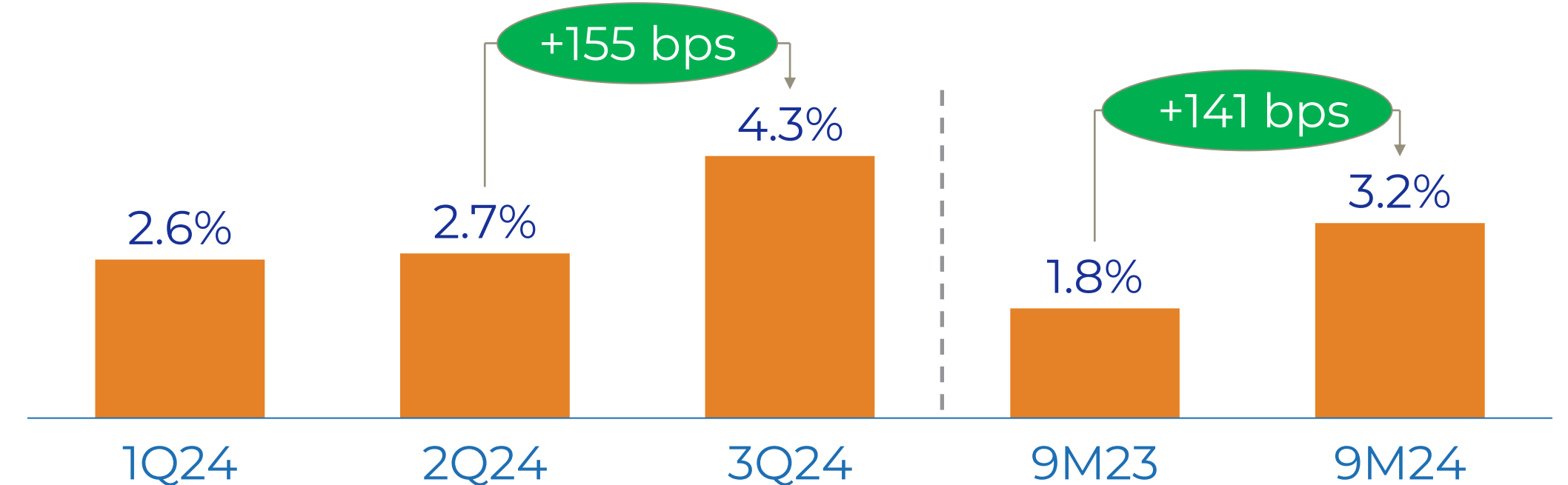
+ Returned to its normal levels thanks to strict measures to reduce OPEX such as renegotiations in lease & logistics agreements and growing retail media income

Gross Profit margin



+ GPM improvement with stock turnover ratio reaching best historic levels as well as well as impact of fact-based negotiations

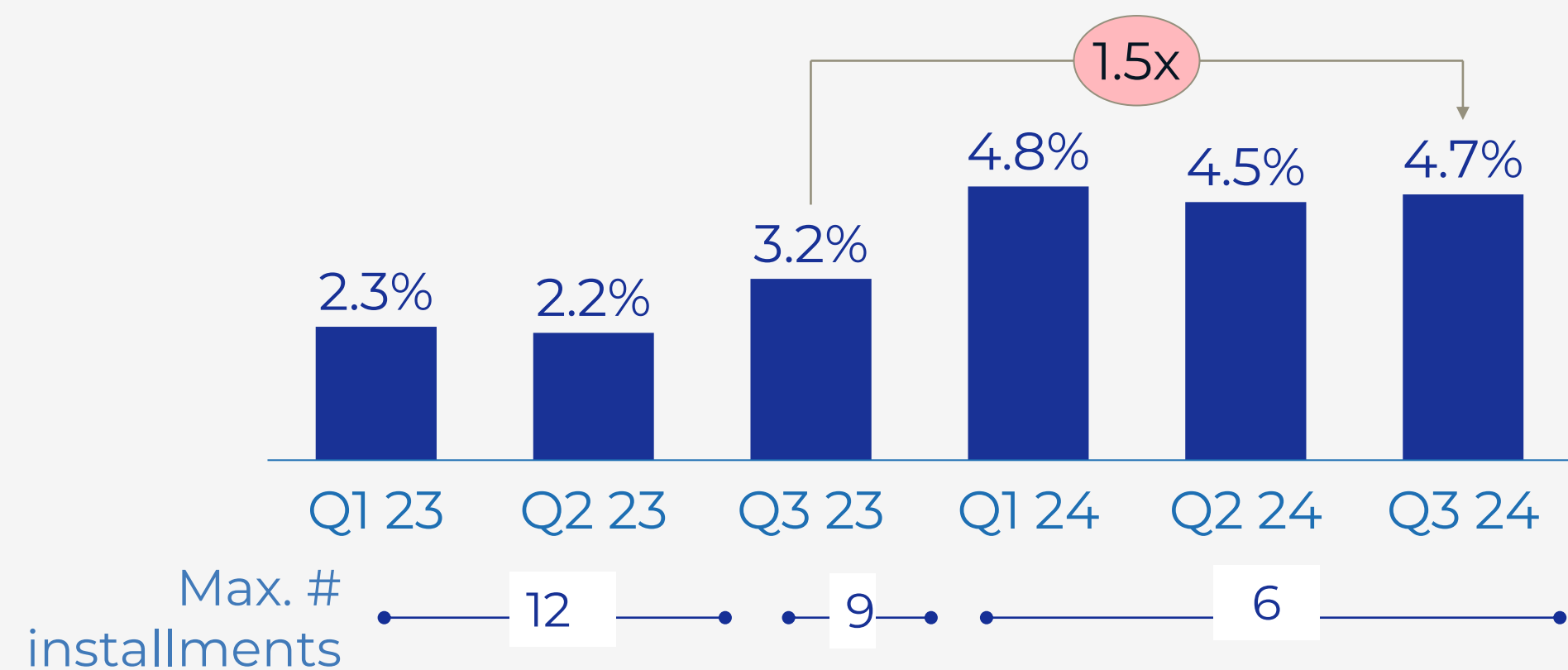
EBITDA margin



Credit card costs due to high interest rates continue to be the primary driver of increased financial expenses, yet mitigating measures are impactful

Increasing interest rates & credit commission rates have increased the financial pressure on profitability

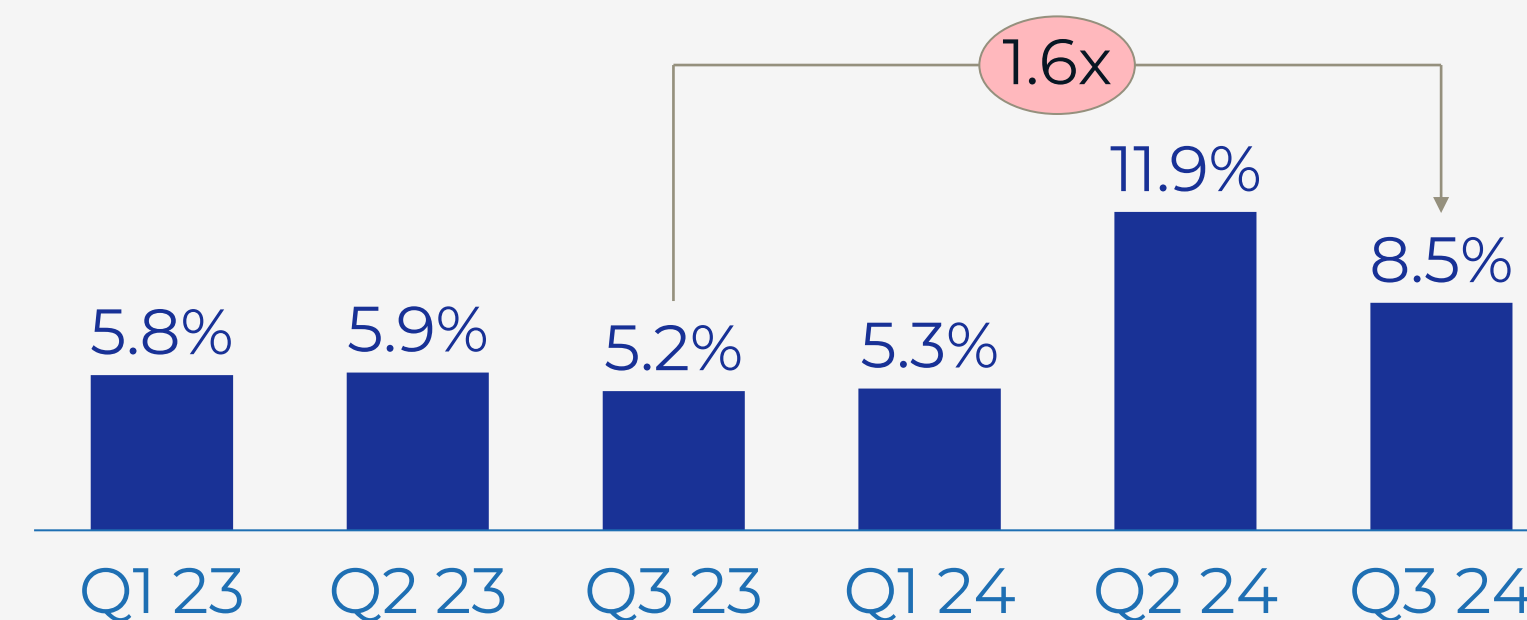
CC Commissions to Revenue Ratio



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

...yet measures are being taken...

Share of Consumer Loans in Store Revenues



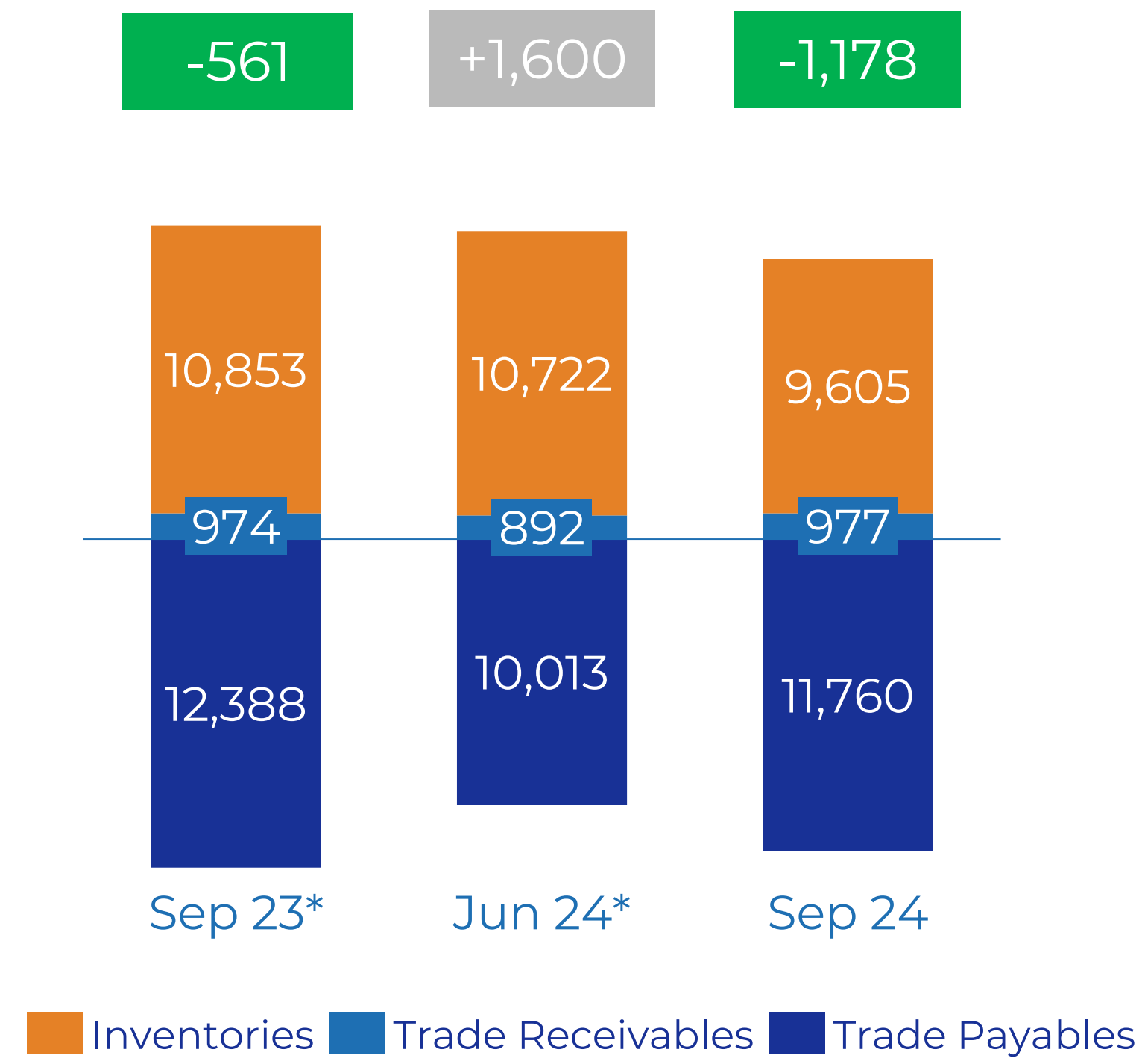
- In order to reduce credit card transactions, we have promoted the usage of consumer loans
- Furthermore, we have also managed to decrease our costs by reflecting interest costs on to customers, mostly subsidizing them through suppliers

NWC returned to negative territory thanks to strict purchase and stock management optimization actions, resulting in net Cash

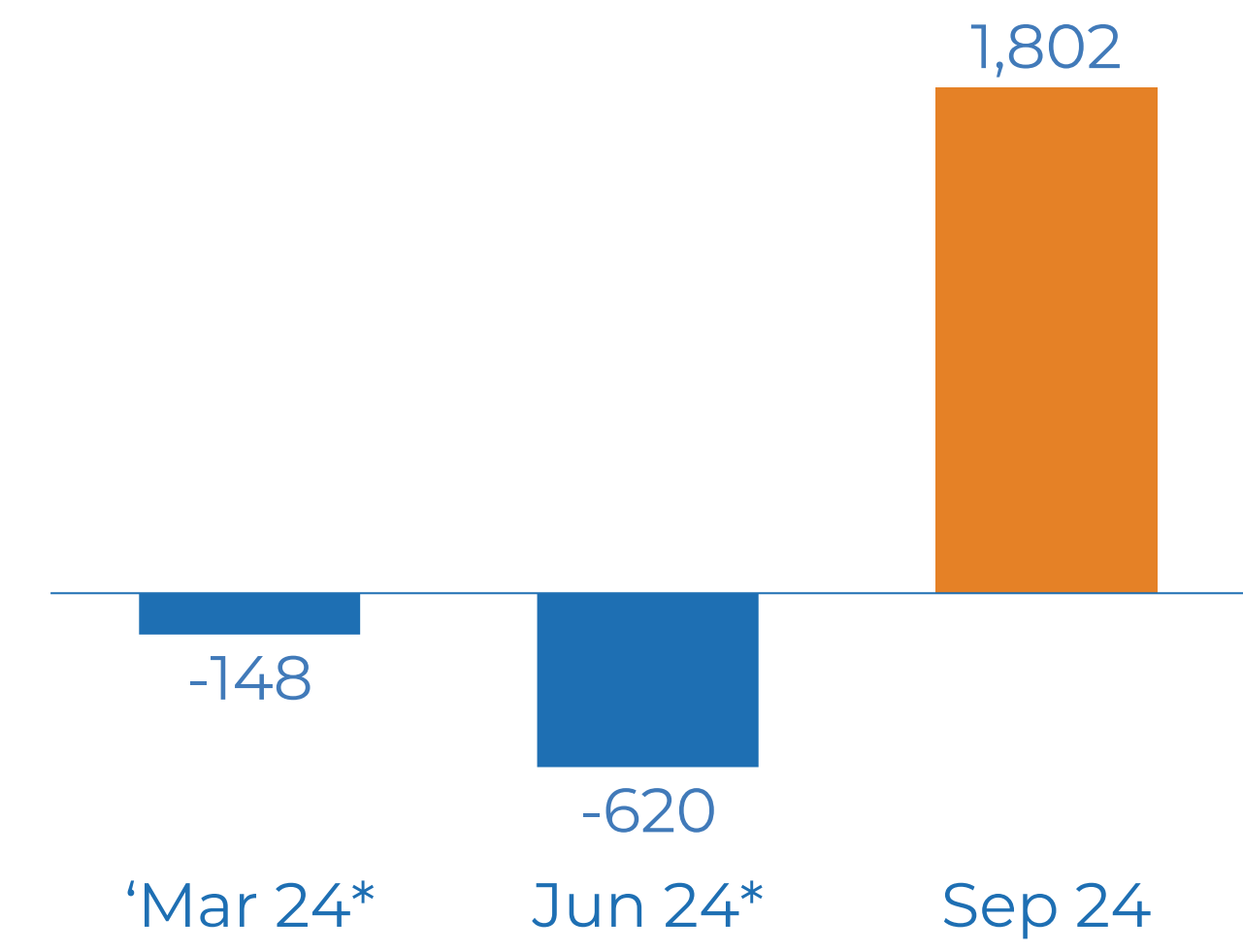
ACTIONS TAKEN 

-  **Efficient inventory management**
-  **Negotiated better payment terms**
-  **Focus on cash management**

Net Working Capital (TL Mn)



Net Cash (TL Mn)**, excl. IFRS 16

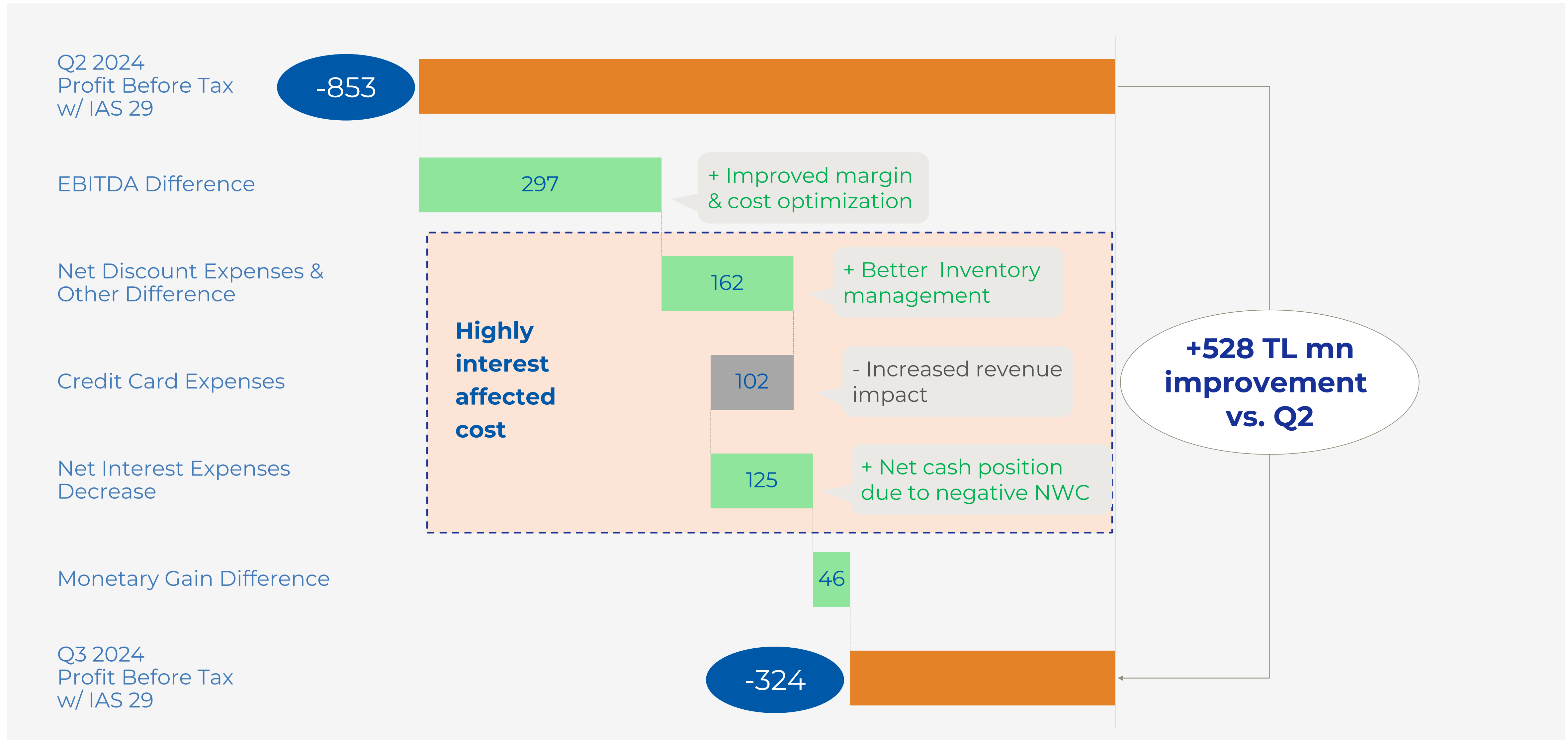


****Including Bond issuance amounted to 340 TL Mn**

Teknosa continues its strategic CAPEX investments.

- 73% of total CAPEX of 596 TL Mn in the first nine months of 2024 were related to IT & efficiency projects.

Profit Before Tax increased by more than 60% q-o-q



Despite headwinds, we are **proactively taking measures** and maintaining strong focus on enhancing our operational performance, **in line with our main strategy**



Focusing on **sustaining growth** and further **improving operational performance** KPIs through comprehensive transformation initiatives



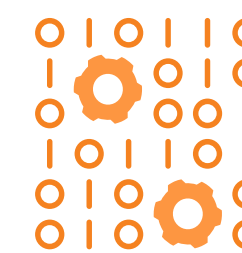
Aiming to **create increased value** through transformation into '**Digital-First**' company



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



Perfecting our unique customer experience with a solid omnichannel strategy



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

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

THANK YOU!

TEKNO **SA**

APPENDIX

TEKNOSA

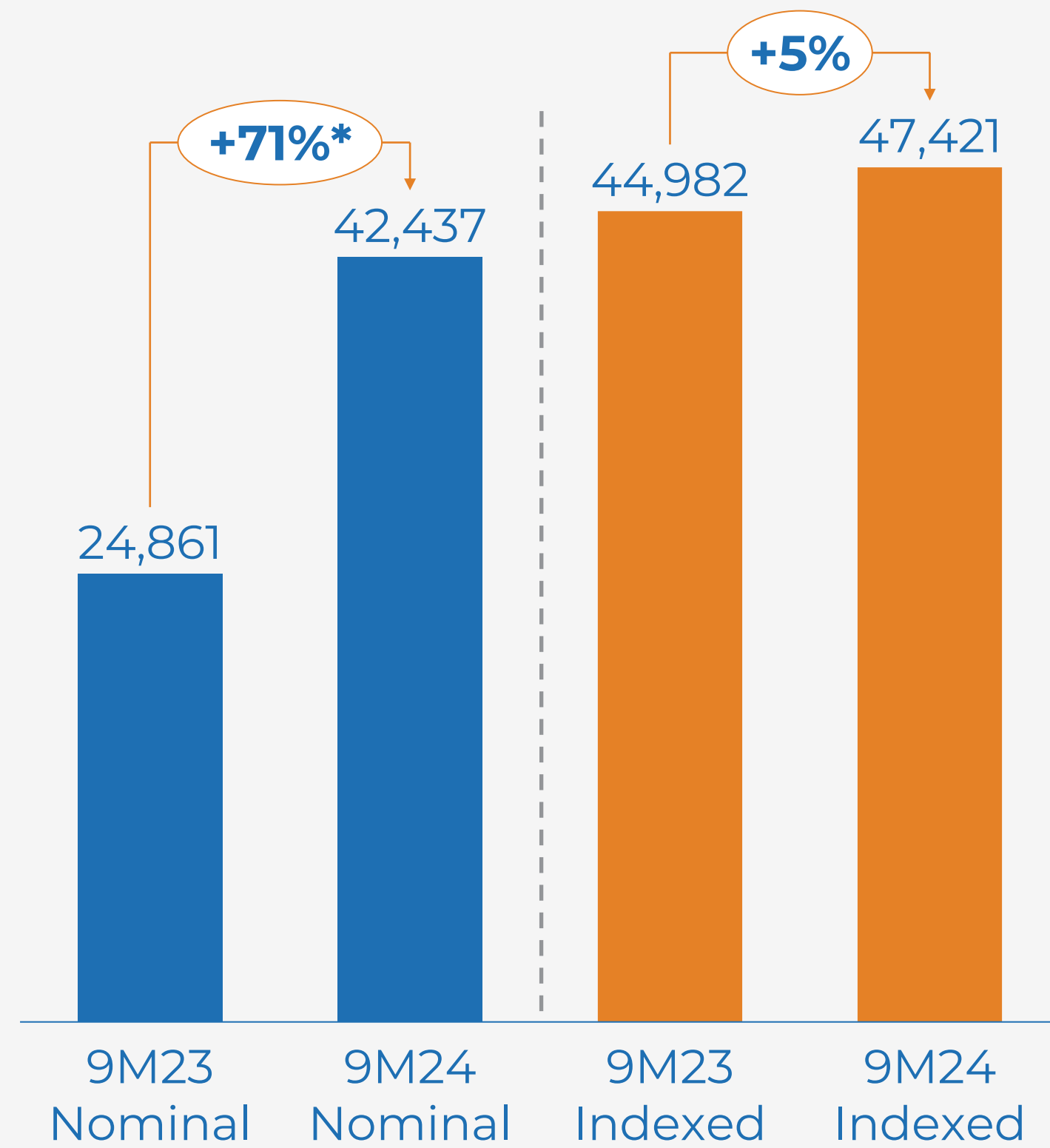
Milestones



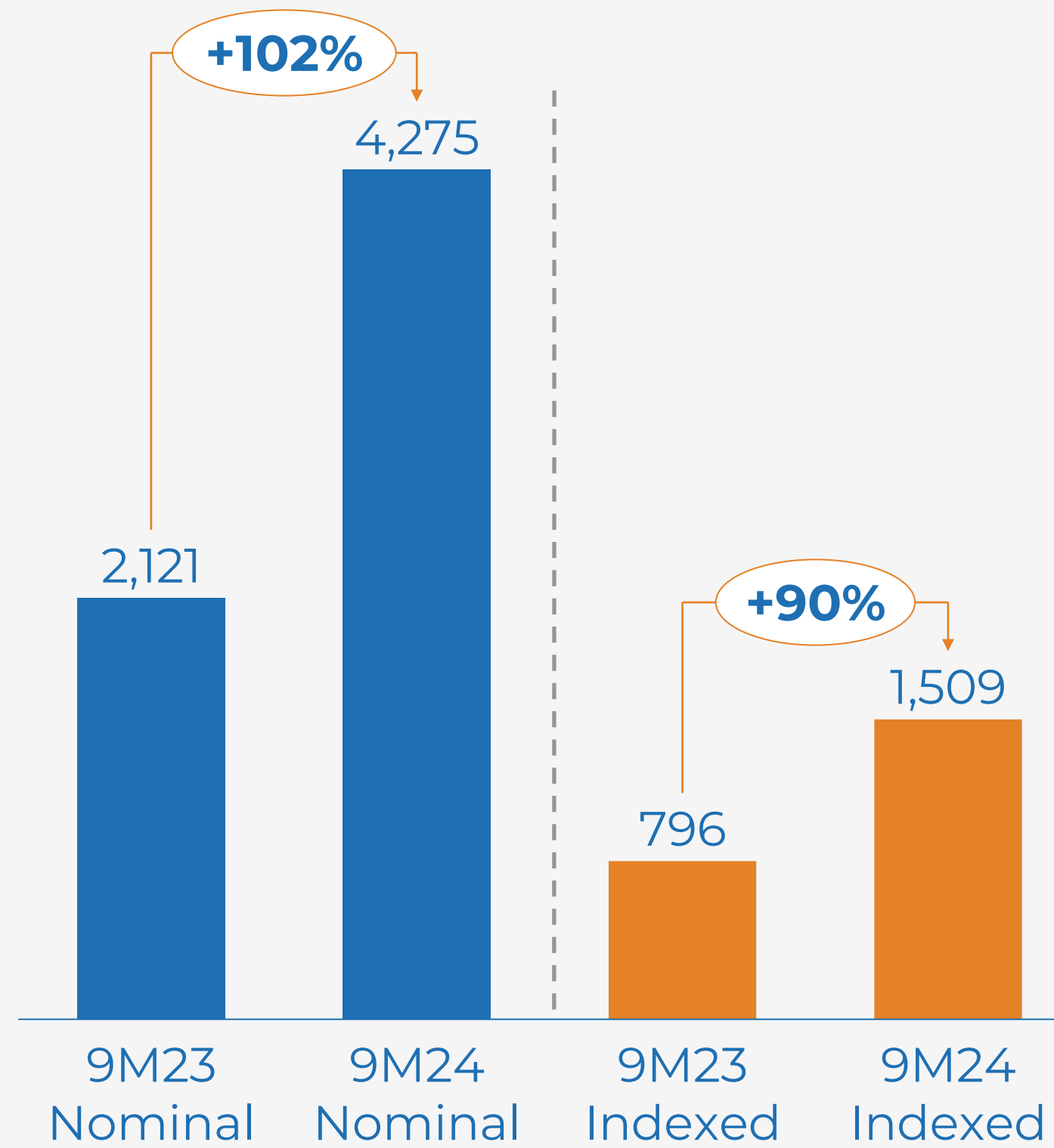
Key Financials w/o IAS 29

Revenues (Mn TL)

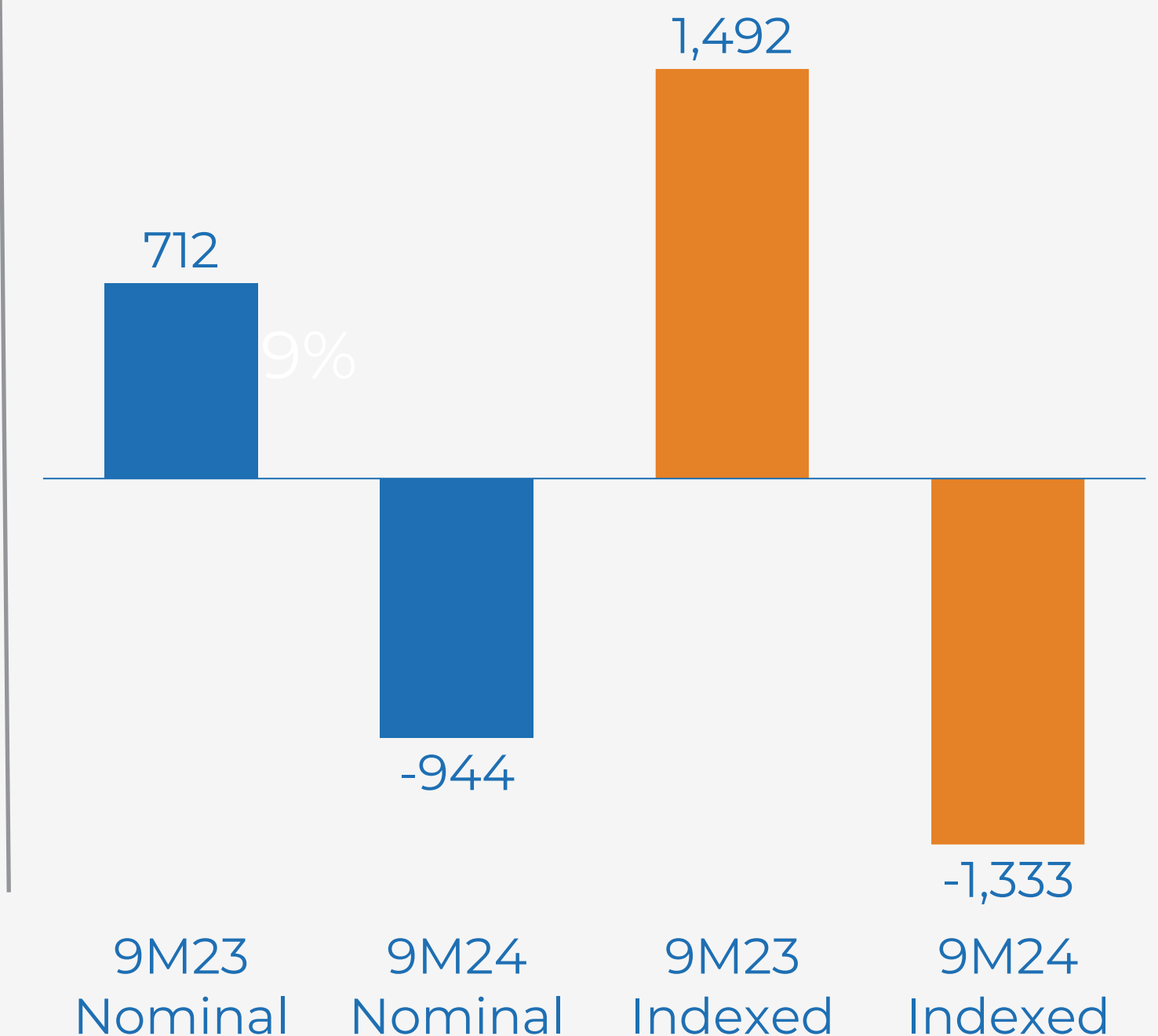
Teknosa has shown a higher nominal growth than panel market (67%*)



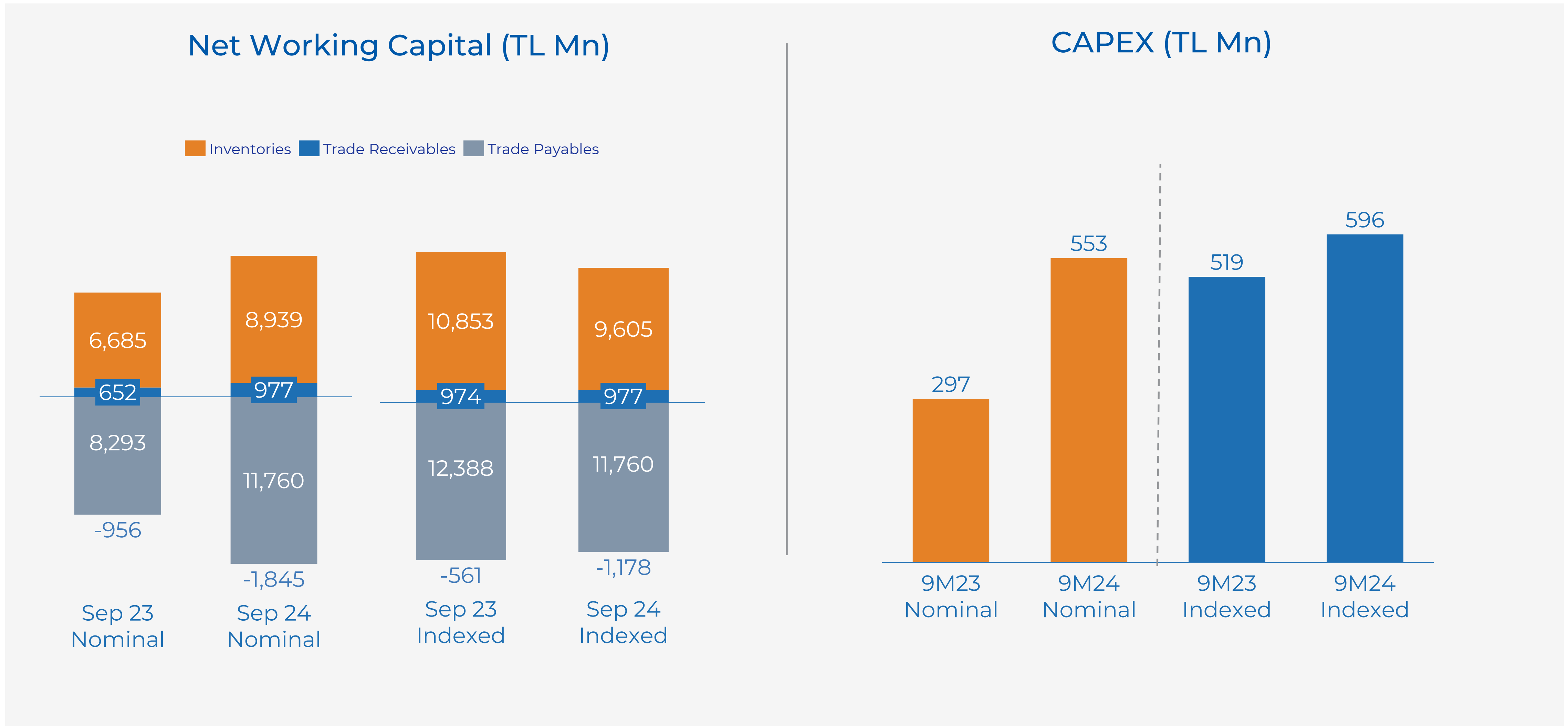
EBITDA (Mn TL)



Profit Before Tax (Mn TL)



NWC & CAPEX w/o IAS 29




Full-Year 2024 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.

Income Statement w/ IAS 29

	3Q24	3Q23	Change (%)	9M24	9M23	Change (%)
Net Sales (Mn TL)	15,961	16,477	-3%	47,421	44,982	5%
Gross Profit (Mn TL)	2,045	1,149	78%	5,739	4,612	24%
Gross Profit Margin (%)	12.8%	7.0%	5.8%	12.1%	10.3%	1.8%
Opex/Sales (%)	10.7%	10.2%	0.5%	11.0%	10.3%	0.7%
EBITDA (Mn TL)	684	-249	n.m.	1,509	796	90%
EBITDA Margin (%)	4.3%	-1.5%	5.8%	3.2%	1.8%	1.4%
Other Income (Expense) (Mn TL)	-612	-168	-265%	-2,223	-711	-213%
Financing Income (Expense) (Mn TL)	-982	-592	66%	-3,030	-1,312	131%
Net Monetary Gain (Loss) (Mn TL)	933	2,075	-55%	3,413	3,548	-4%
Profit Before Tax (Mn TL)	-324	785	n.m.	-1,333	1,492	n.m.
Tax (Mn TL)	-45	-367	-88%	241	-561	n.m.
Net Profit (Mn TL)	-369	418	n.m.	-1,092	931	n.m.
Net Profit Margin (%)	-2.3%	2.5%	-4.9%	-2.3%	2.1%	-4.4%

Balance Sheet w/ IAS 29

	Sep 24	Dec 23
Assets (Mn TL)		
Current Assets	12,972	16,883
Cash and Cash Equivalents	2,148	3,721
Trade Receivables	977	1,266
Inventories	9,605	11,362
Other Current Assets	242	535
Non-current Assets	3,342	3,075
Property, Plant and Equipment	1,291	1,022
Intangible Assets	351	334
Investment Property	250	250
Right of Use Assets	1,256	1,422
Other Non-current Assets	194	47
Total Assets	16,314	19,958
Liabilities (Mn TL)		
Current Liabilities	13,365	15,684
Short-term Loans and Borrowings	346	737
Short-term Portion of Long-term Finance Lease Liabilities	372	397
Trade Payables	11,760	13,469
Deferred Income	426	461
Other Current Liabilities	461	620
Long Term Liabilities	557	786
Long-term Lease Liabilities	458	592
Other Long Term Liabilities	99	194
Equity (Mn TL)	2,392	3,488
Total Liabilities and Equity (Mn TL)	16,314	19,958

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