



INVESTOR PRESENTATION

MARCH 2024

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, which were disclosed to public on March 20, 2024 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. 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 & Teknosa of New Generation



Turkey's Most Widespread and Reliable Technology Partner

64
Cities

181
Stores

2.868
Employees

105K
Stores sqm

~260M
Annual No Of
Visitors
(Stores + Online)

500+
İklimsa
Authorized
Dealers &
Services

TEKNOSA

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 provided as of December 31, 2023

TEKNOSA

Reaching Millions of Customers with Value Oriented Businesses

2023

5 major brands reaching our customers



1.9 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

5 Million
active customers

With 1500 SKUs, product sales exceeding **2 million** in 2023

With a comprehensive service portfolio, service sales exceeding **3 million** in 2023

TeknoClub membership reaching **3.2 million** in 2 years

500K TeknosaCell subscribers

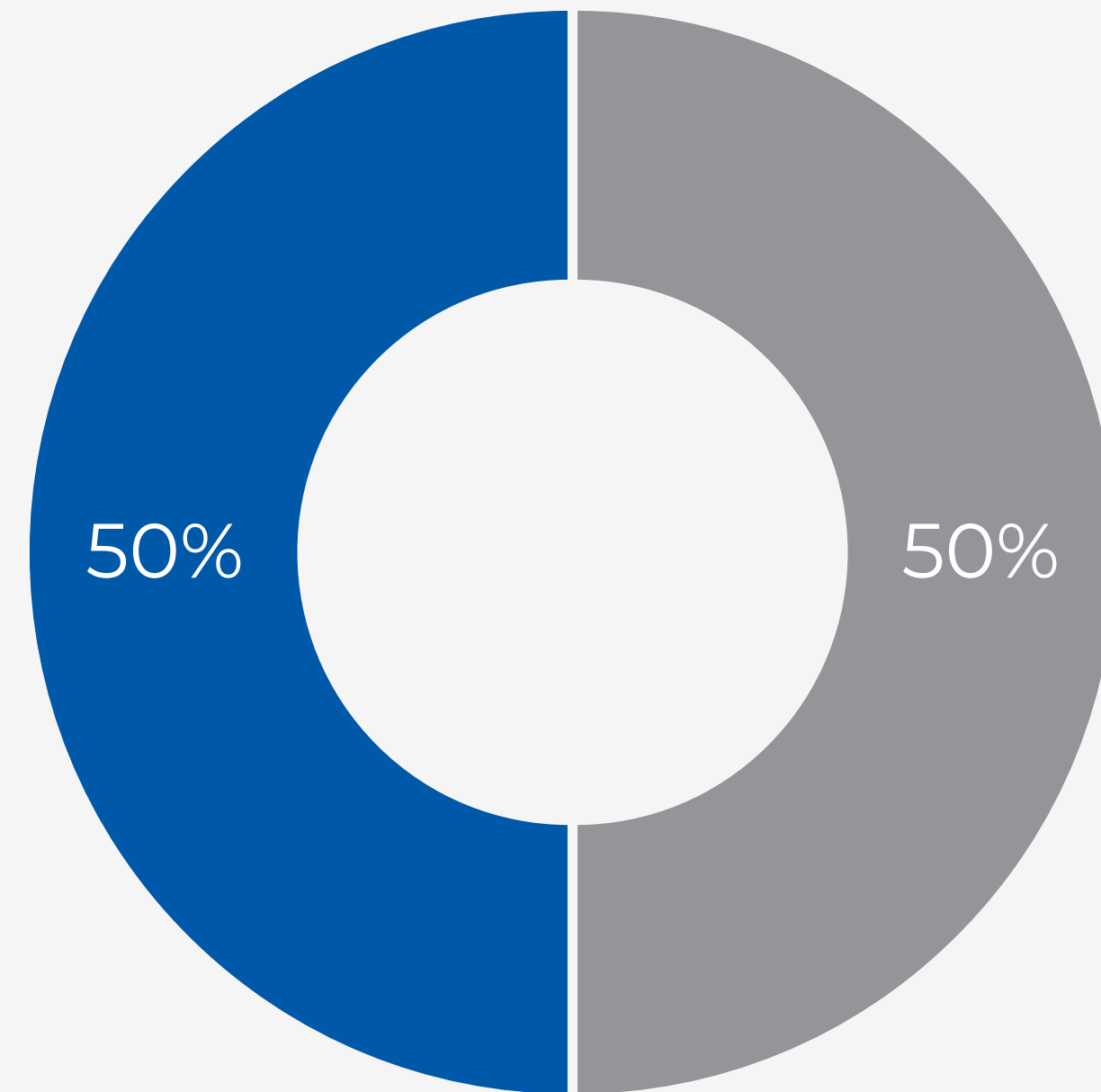
5 Brands
>200 Models
Heating-cooling and solar energy systems portfolio

The above numbers have been given as of December 31, 2023



Strong Positioning in Main Shareholder

High Free Float
Supporting Liquidity



■ Hac1 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



Omnichannel retailing



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



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**



Average financial performance



Strong and sustainable financial performance



Even stronger and sustainable financial 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



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

Teknosa's Strategy House

Protect & Grow the Core

Grow into Adjacencies

Transform



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



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



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



First Phase Completed - Ongoing



Digital-First Company

Further strengthening Teknosa's competitive advantage, the new phase of transformation for sustainable and profitable growth has been initiated with **digital infrastructure and solutions**



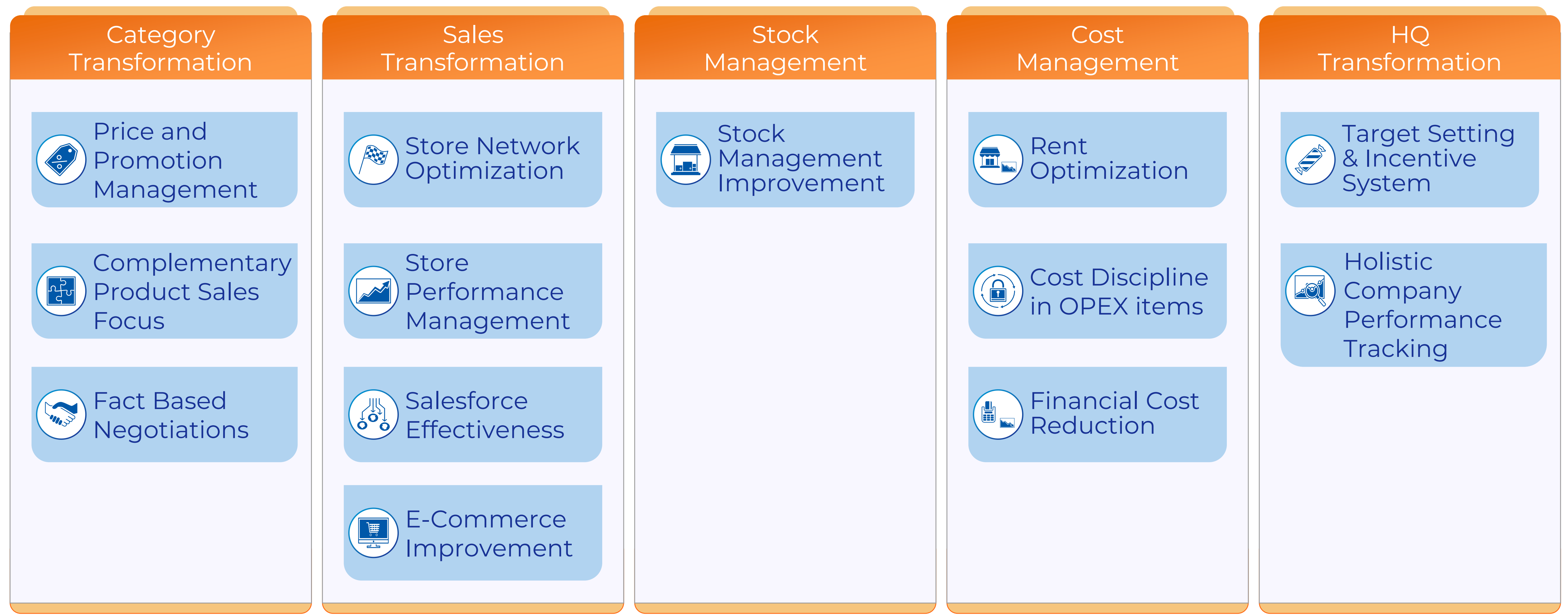
Initiated in 3Q2023

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

Transformation Journey



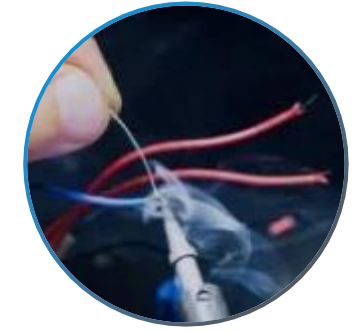
With End-to-end Efforts, a Much Stronger & Sustainable Teknosa!



Teknosa Prevails With Its Service and Private Label!



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 close to **500,000 members**, and efforts for **new alternative services** are ongoing



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 **1500 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, **94% of customers have indicated satisfaction**

(1) The information is obtained from the 'Preo, and After Sales Services Research' report conducted with GFK Research Services in December 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

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

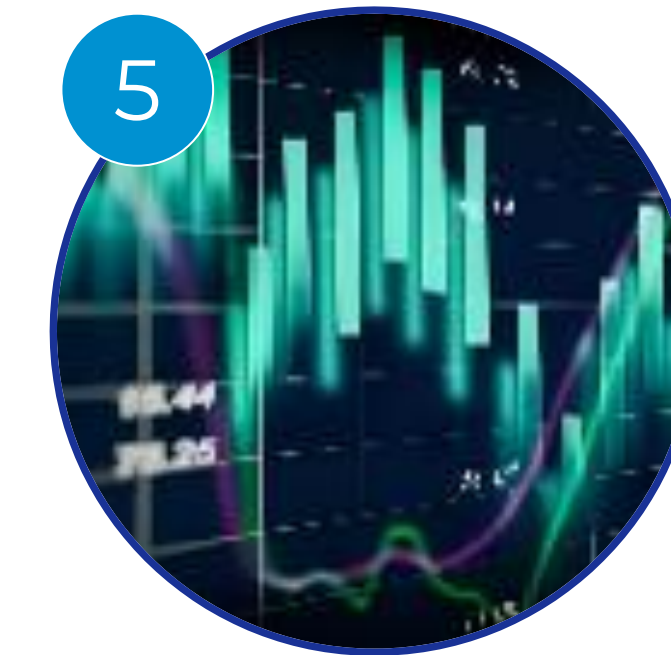


Omnichannel Excellence

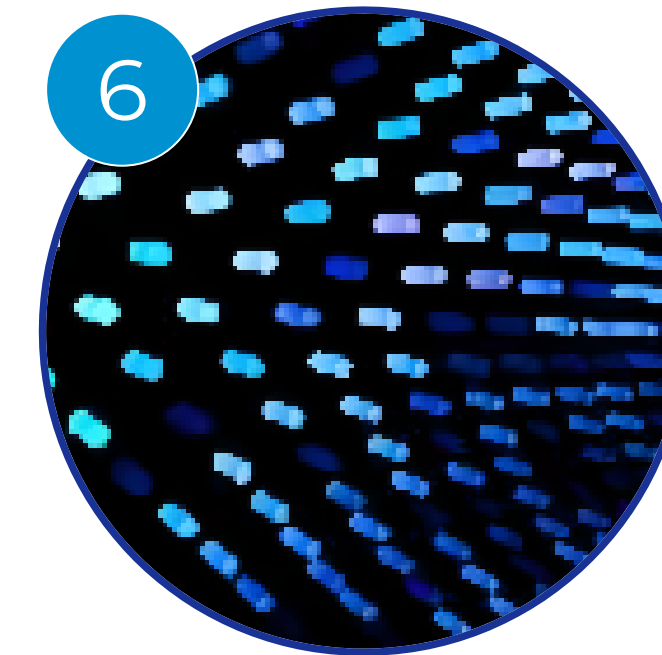
Increase company performance by making our operations more efficient



Supply Chain Transformation



Next Generation Digital Applications



Information Technology & Data Transformation

Renewing Our Store Network As Part of the Transformation Program



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

In 2023, 17 stores have been transformed into new digital concept



Experience Areas



Dedicated Sections for Disabled Customers



Informative Screens



Hero Area



Sustainability Wall

The Development of E-Commerce Will Continue To Strengthen

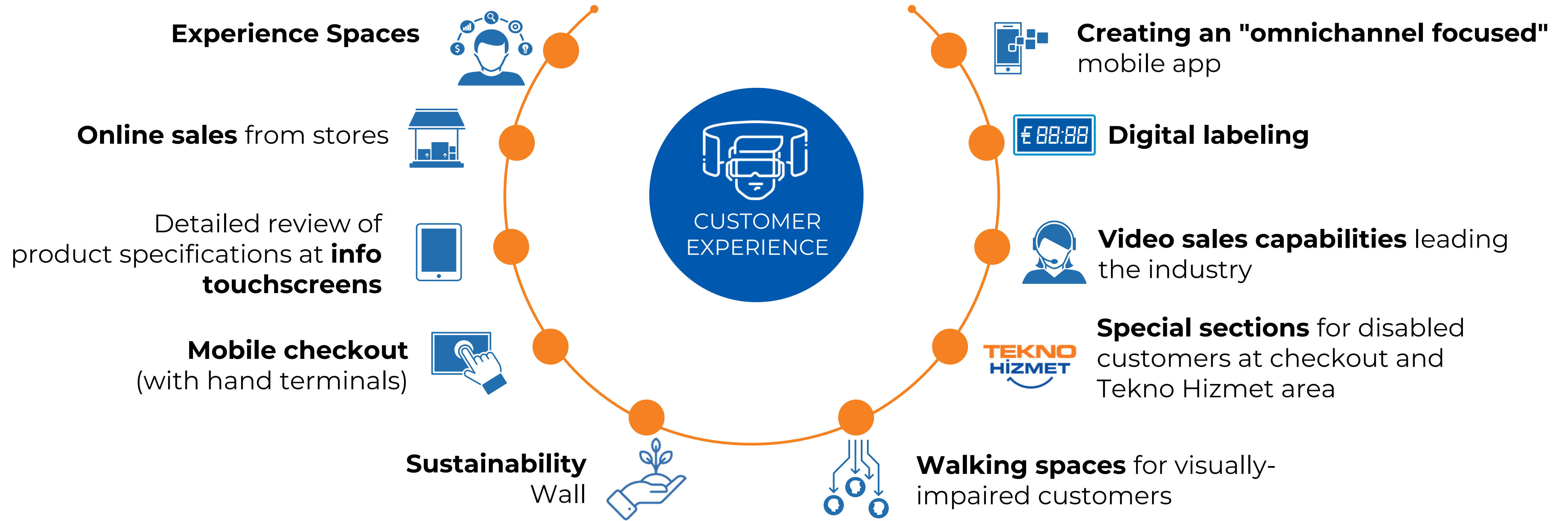
We are expanding our online channel with new developments every day...

..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

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



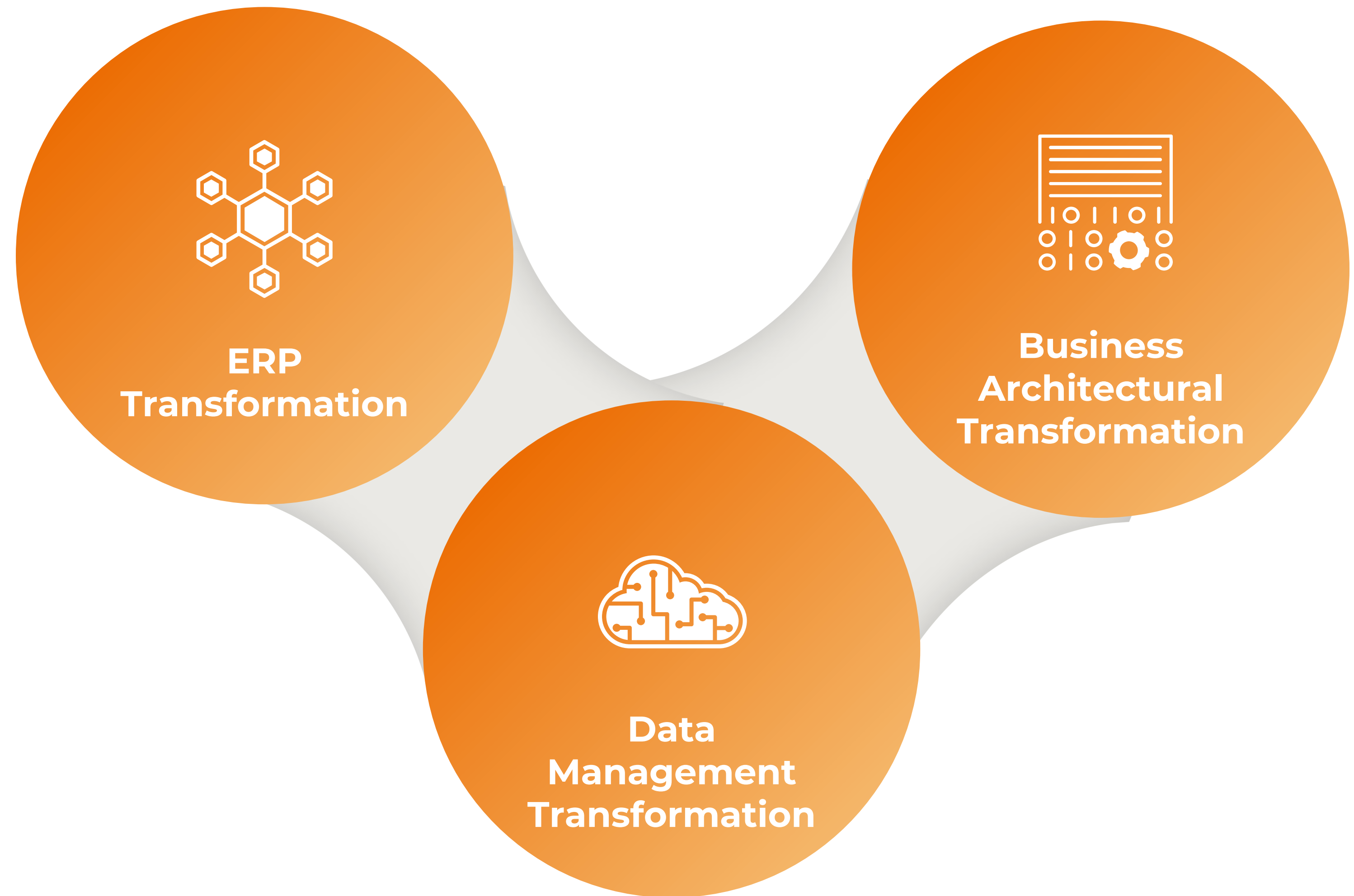
GenAI Capabilities



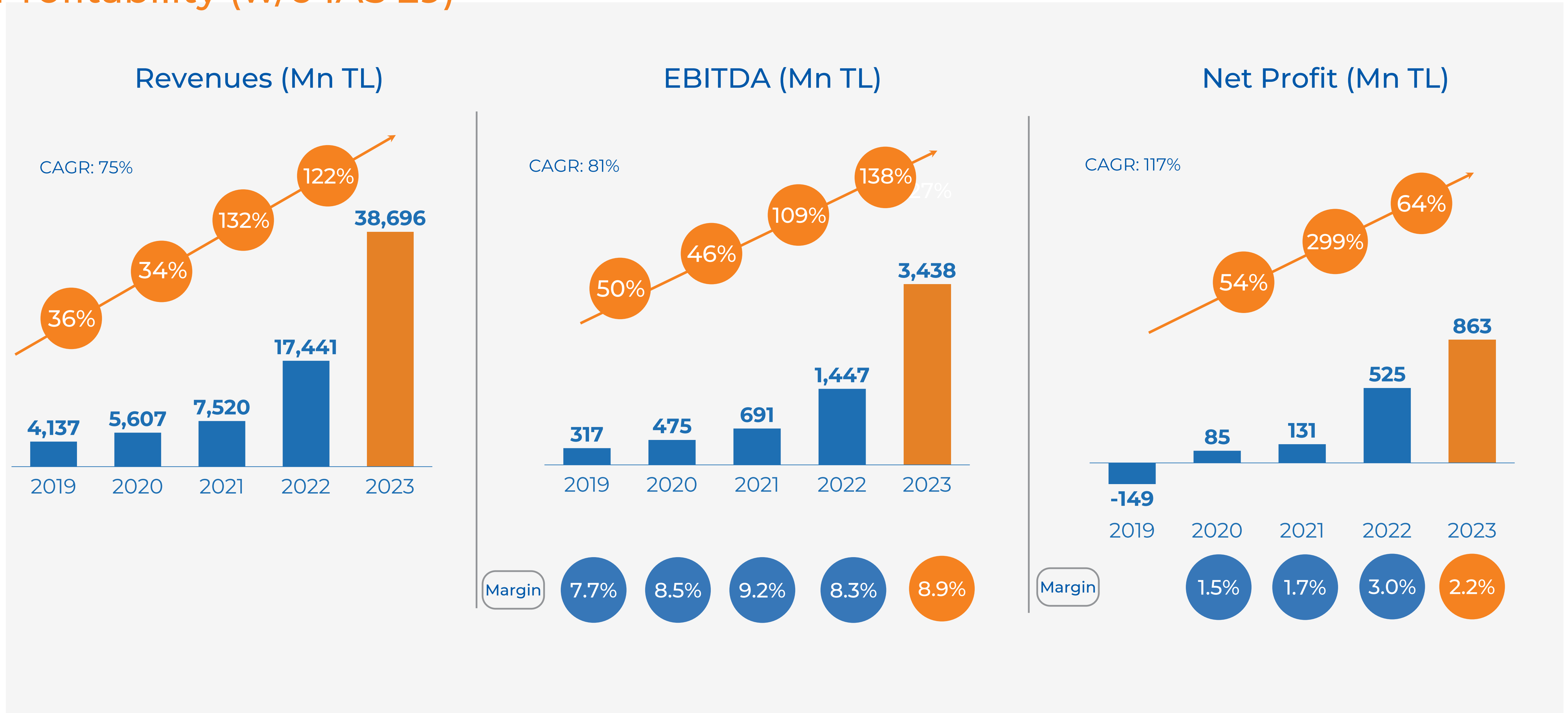
Digitally Enabled Backoffice

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



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

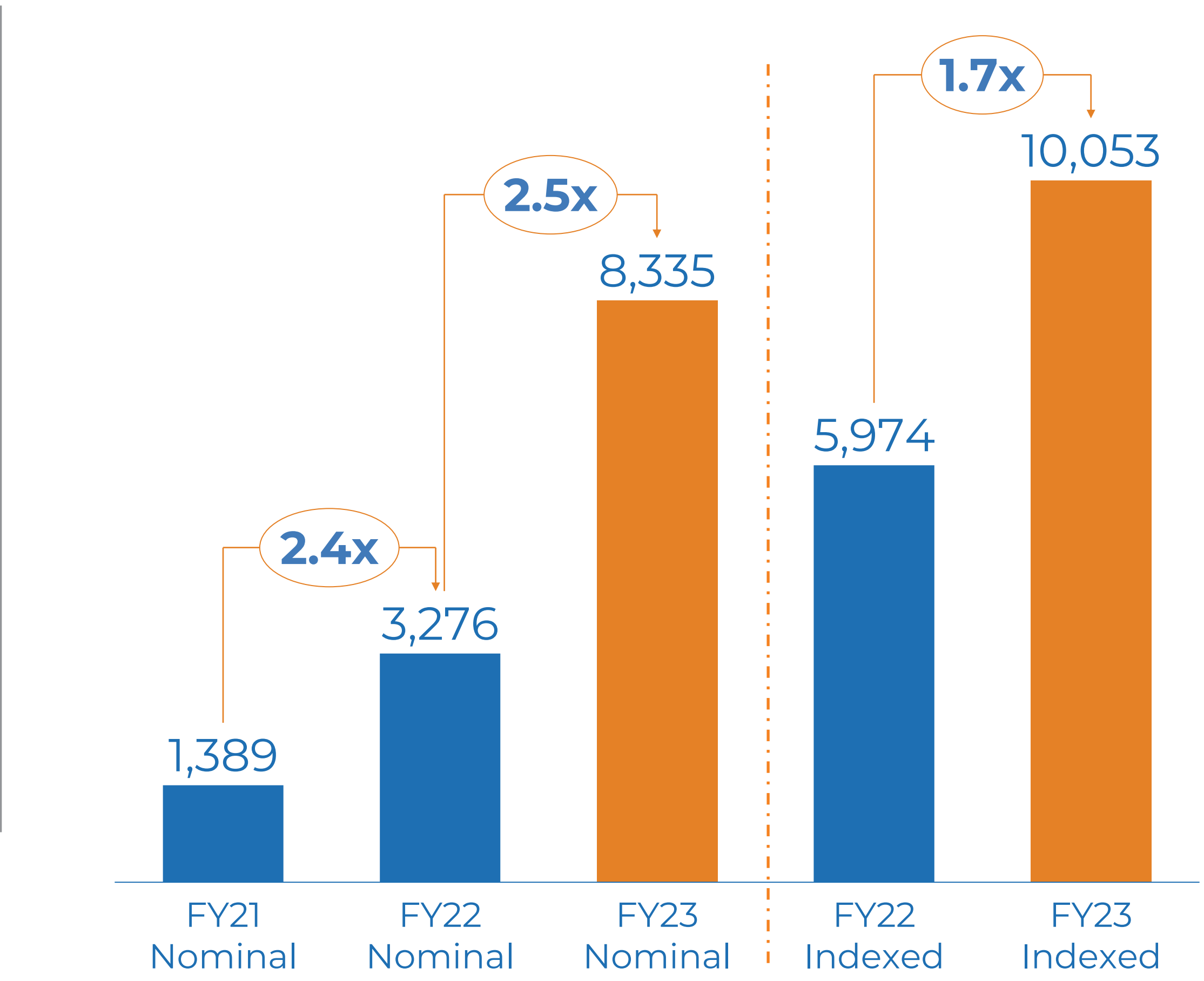


With This, We Have Achieved Significant and Robust Improvement in Our Performance in All Metrics

From 2019 to 2023...

- 10X** Retail Net Revenue Growth vs. 8x Panel Market Growth
- 18X** E-Commerce NMV Growth
- 16.4%** E-Commerce Share in Total Retail vs. %7 in 2019
- 70 NPS** vs. 42 MPS in 2019
- ~2X** Total Traffic Increase
- ~4ppt** OPEX / Sales Improvement

Accelerating Gross Merchandise Value (GMV)



NPS: Net Promoter Score

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**



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



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**

- ✓ **175,000 kWh capacity SEPP** on the roof of our Adana Sabancı Business Center
- ✓ Transitioned to **highly energy-efficient LED lighting** in all 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

- ✓ 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 >50%**
- ✓ **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**

- ✓ We were awarded the **"Leadership"** score in **CDP Climate Change Program** with **"A-" ranking**
- ✓ 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 HQs
- ✓ **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

TEKNO SA

FY23 Market Overview & Financial Results & Outlook



Distribution Channel Structure in the 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

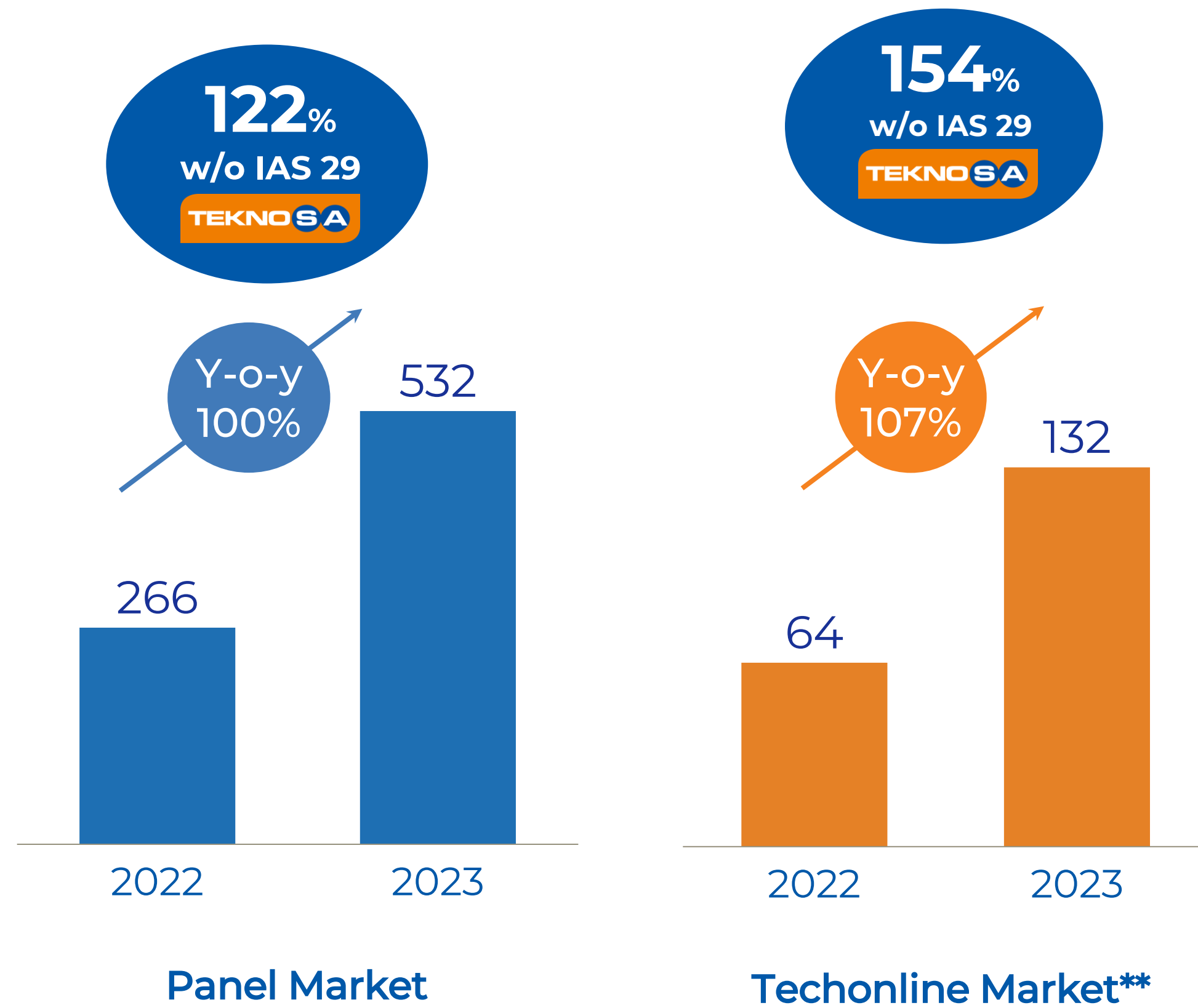
Telecom Dealers (TCR)

- ▶ Mobile Phone Dealers

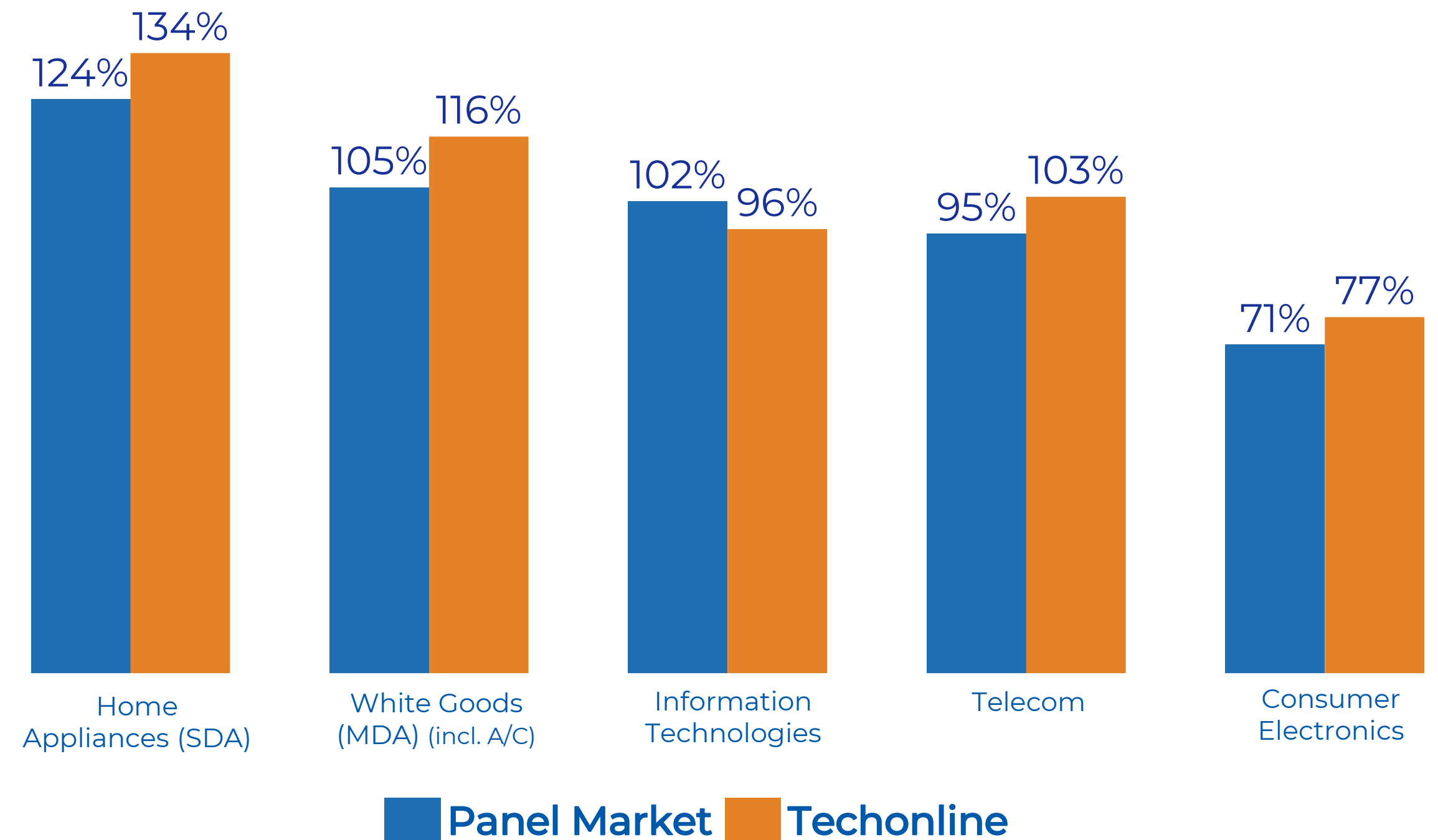
Online sales of all channels in the Panelmarket constitute the techonline market

Strong Market Growth Continued Despite Macro Uncertainties

Market Revenue Growth*
Billion TL

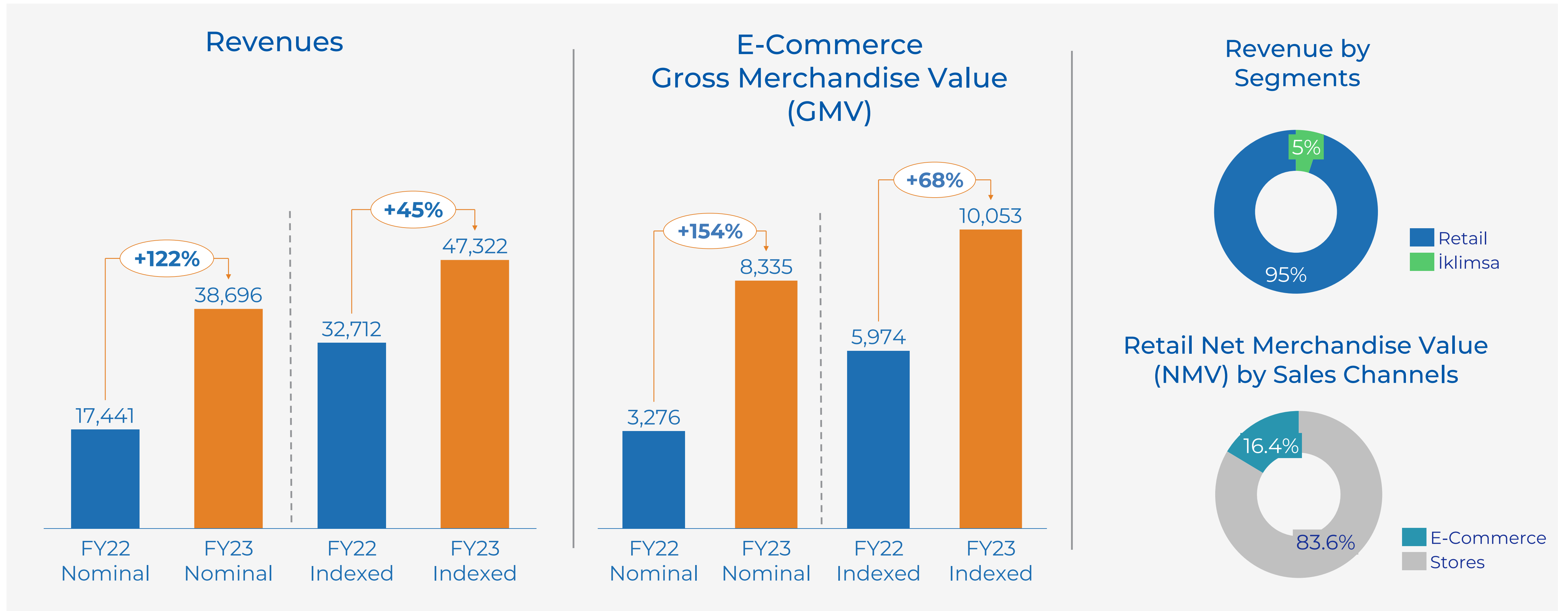


Demand Growth by Categories*
YTD 2023, Y-o-y%



Revenues outpaced inflation significantly as demand continues to grow

(Million TL)

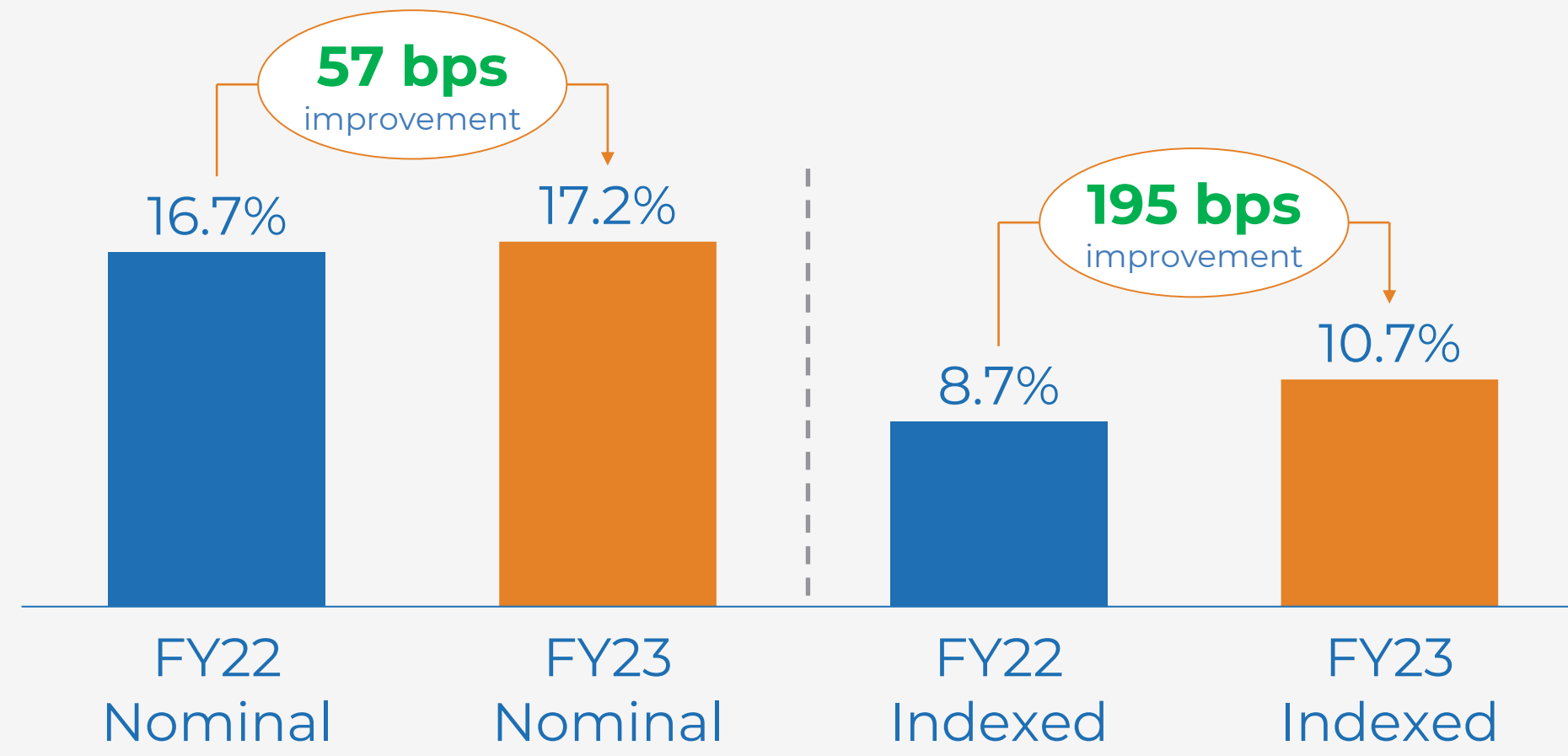


- Strong demand especially driven by mobile sales, PC and SDA
- Omnichannel strength
- Wide product range and new customers
- High growth in e-commerce sales and traffic
- Value-added services

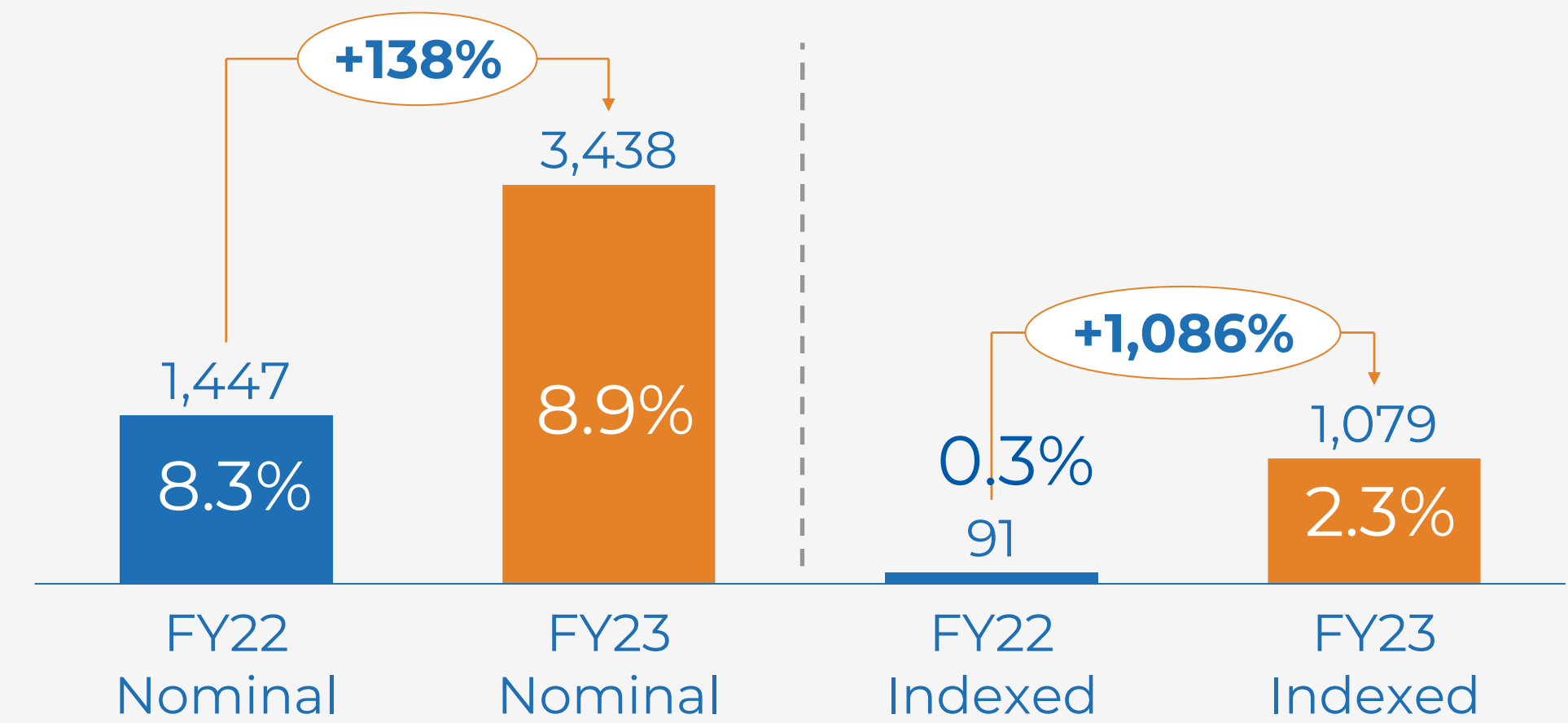
Better Gross Profitability & controlled OpEx significantly improved operational profitability

(Million TL)

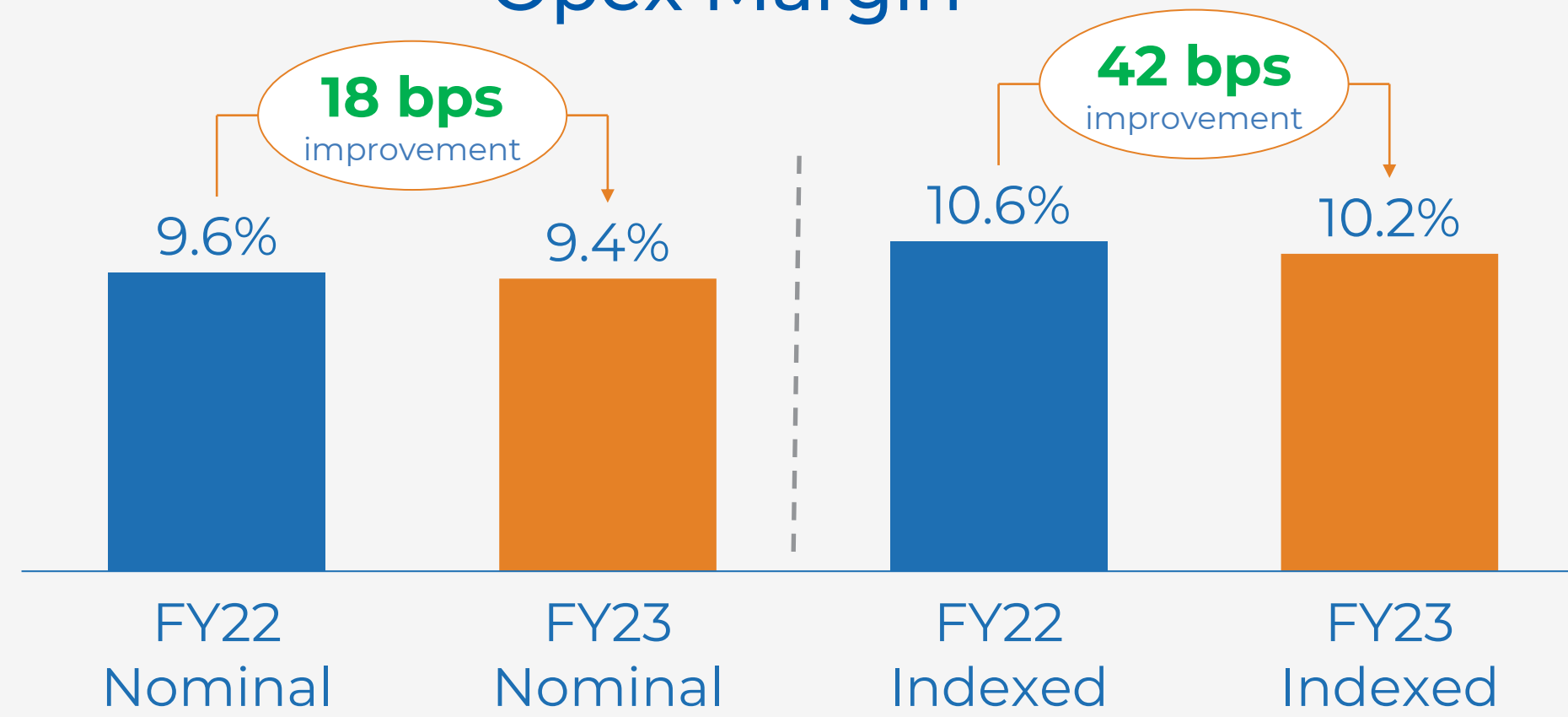
Gross Profit Margin



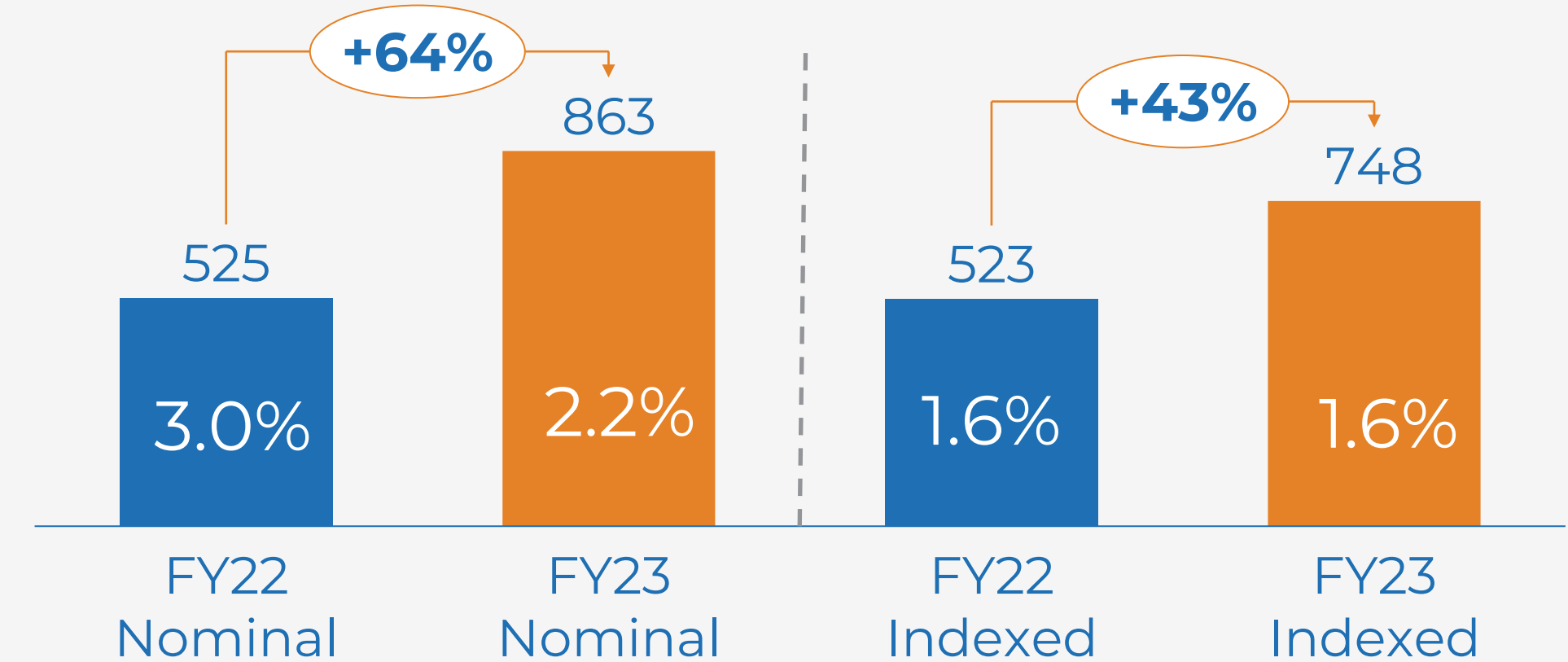
EBITDA & EBITDA margin



Opex Margin

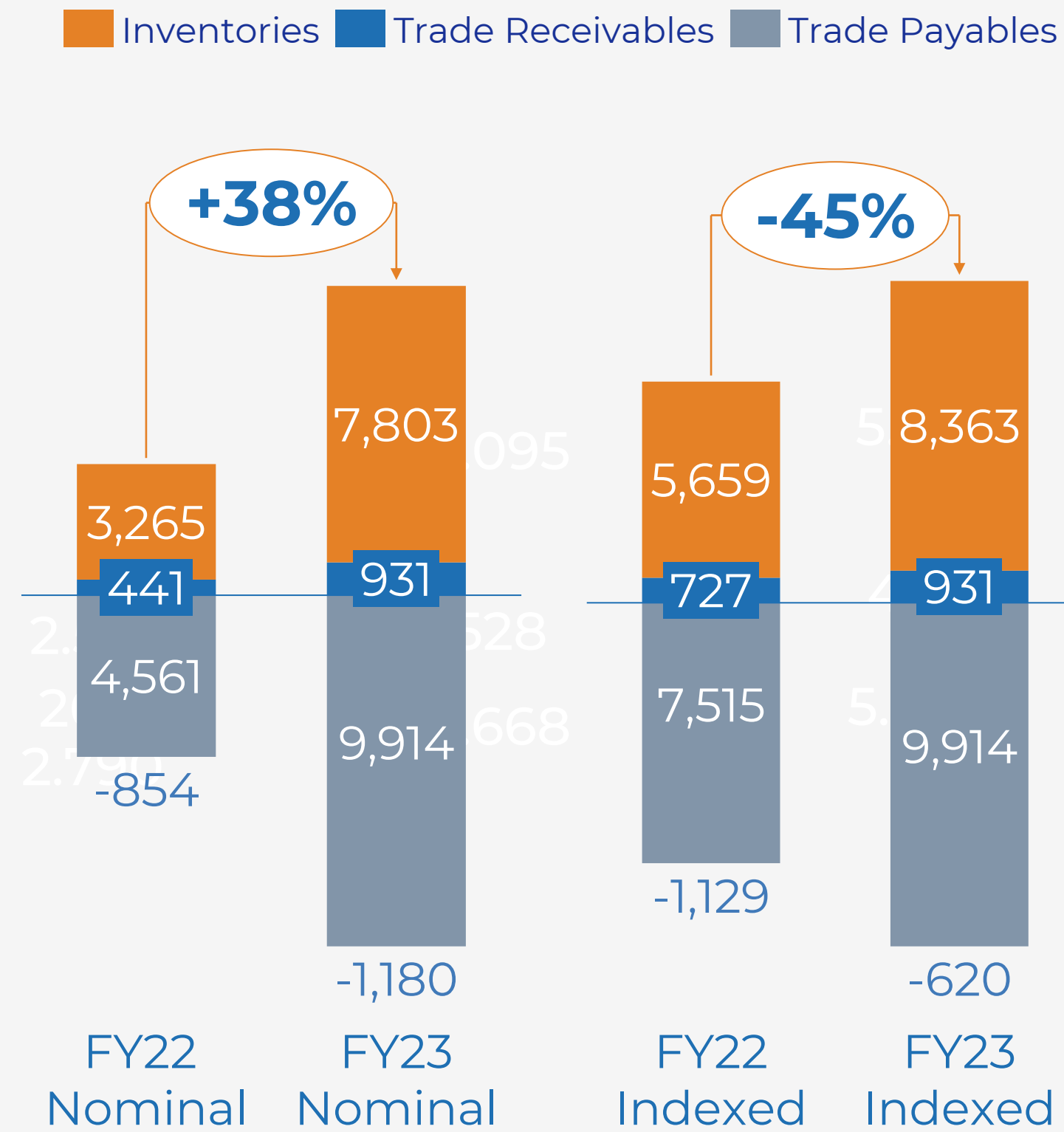


Net Profit & Net Profit Margin

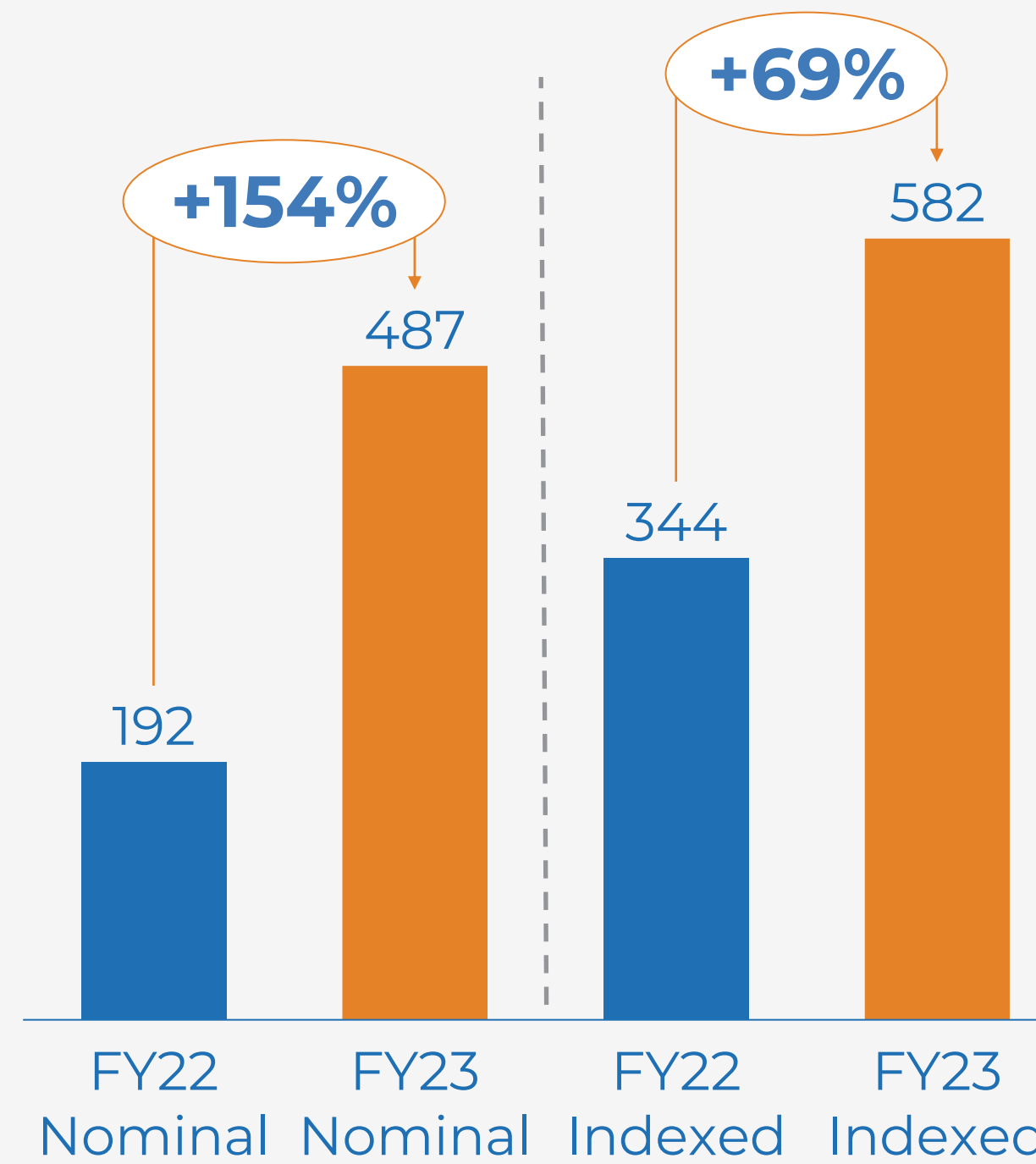


Strong Free Flow Generation Despite CAPEX Hike

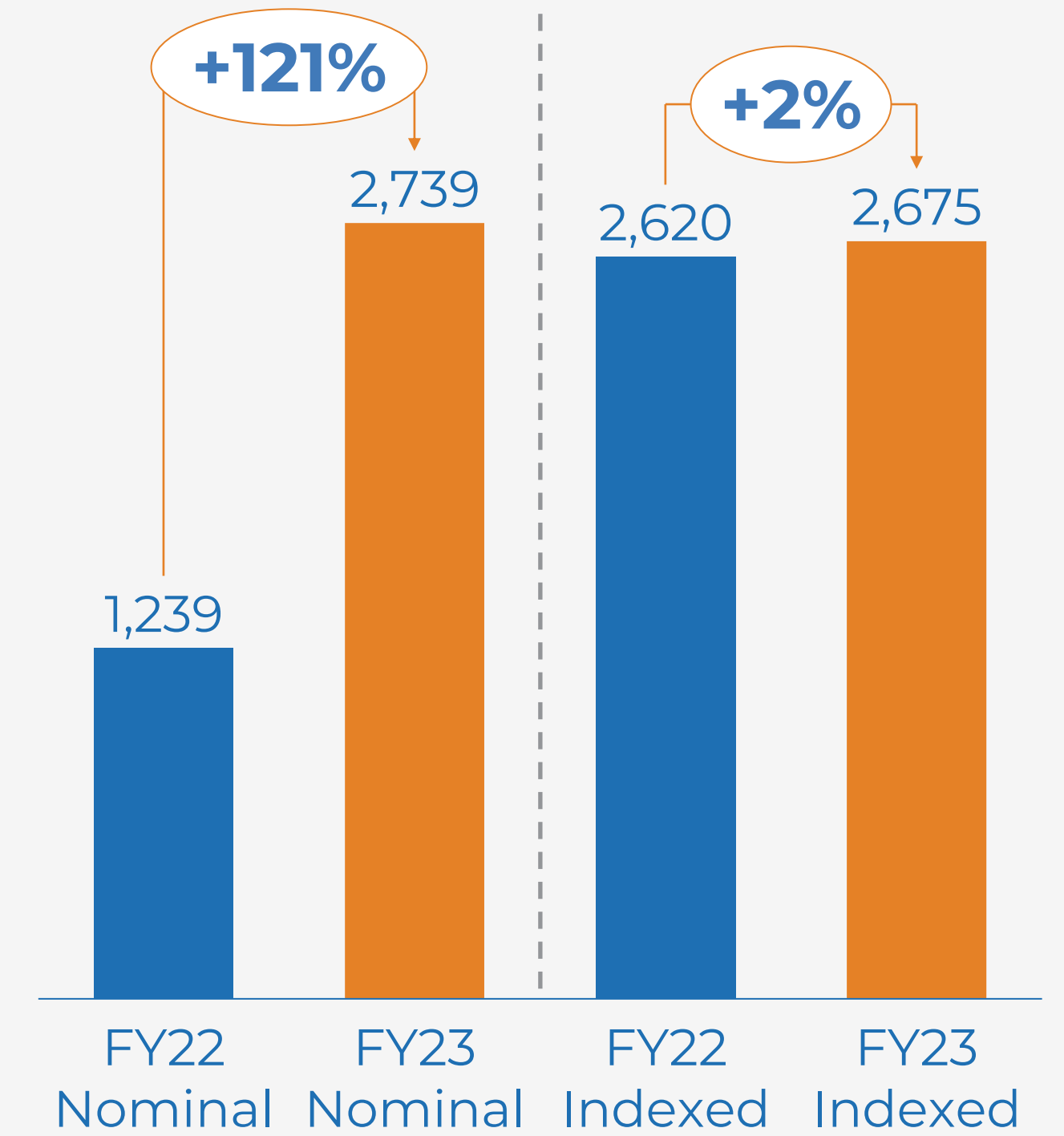
Net Working Capital (TL Mn)



CAPEX (TL Mn)



Free Cash Flow (TL Mn)



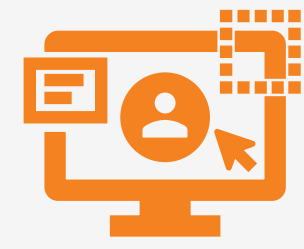
2023 Expectations Exceeded and 2024 Outlook Maintained

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>Double 2023 Level</u>
CAPEX	500 mln TL	487 mln TL	<u>Double 2023 Level</u>
EBITDA Margin (%)	High single digit	8.9%	<u>Target to maintain</u>
E-Commerce NMV / Retail Total Merchandise Value (%)*	16.4%	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.

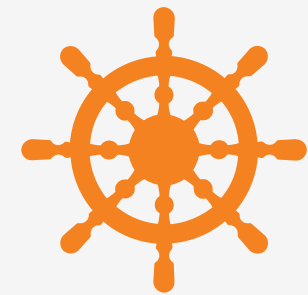
Investment Theme



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**



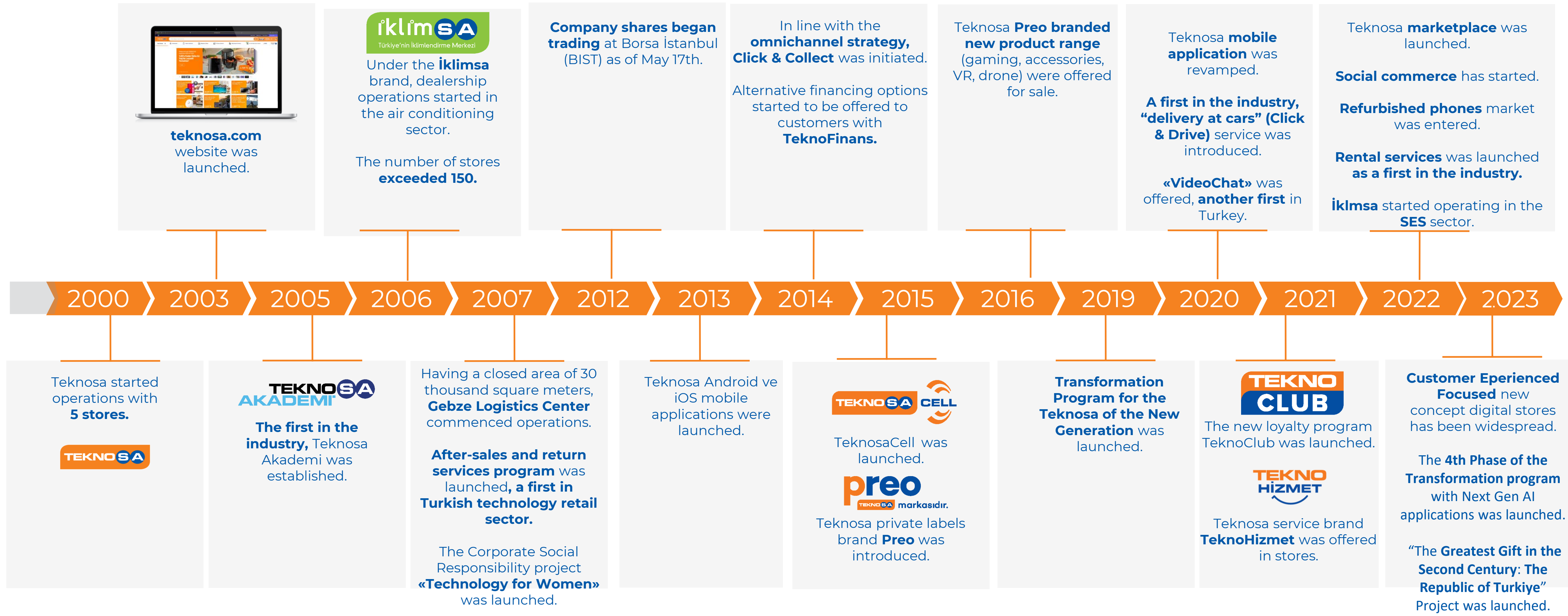
Aiming to **create increased value** through transformation into **'Digital-First'** company

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

Appendix




Milestones



Balance Sheet w/ IAS 29

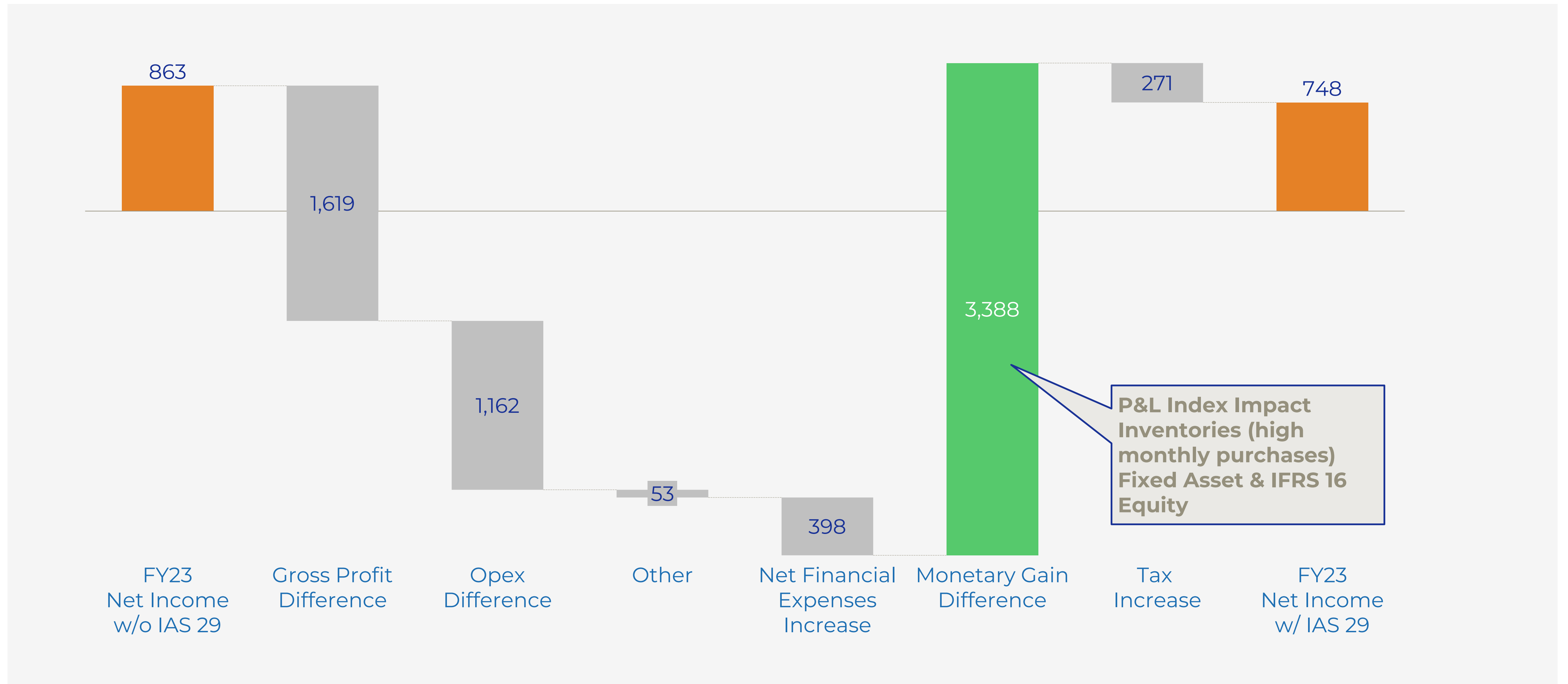
TEKNO SA	2023	2022
Assets (Mn TL)		
Current Assets	12,427	9,240
Cash and Cash Equivalents	2,739	2,643
Trade Receivables	931	727
Inventories	8,363	5,659
Other Current Assets	394	211
Non-current Assets	2,263	1,741
Property, Plant and Equipment	752	447
Intangible Assets	246	214
Right of Use Assets	1,047	899
Other Non-current Assets	219	181
Total Assets	14,690	10,981
Liabilities (Mn TL)		
Current Liabilities	11,545	8,575
Short-term Loans and Borrowings	542	333
Short-term Portion of Long-term Finance Lease Liabilities	292	254
Trade Payables	9,914	7,515
Derivative Instruments	0	4
Other Current Liabilities	796	468
Long Term Liabilities	578	564
Long-term Lease Liabilities	436	434
Other Long Term Liabilities	143	130
Equity (Mn TL)	2,567	1,842
Total Liabilities and Equity (Mn TL)	14,690	10,981

Income Statement w/ IAS 29

	2023	2022	Change (%)
Net Sales (Mn TL)	47,322	32,712	45%
Gross Profit (Mn TL)	5,045	2,848	77%
Gross Profit Margin (%)	10.7%	8.7%	+195 bps
Opex/Sales (%)	10.2%	10.6%	-42 bps
EBITDA (Mn TL)	1,079	91	1087%
EBITDA Margin (%)	2.3%	0.3%	+200 bps
Other Income (Expense) (Mn TL)	-1,266	-520	-144%
EBIT (Mn TL)	-1,026	-1,132	9%
EBIT Margin (%)	-2.2%	-3.5%	+129 bps
Financing Income (Expense) (Mn TL)	1,636	864	89%
Net Monetary Gain (Loss) (Mn TL)	3,388	2,500	36%
Profit Before Tax (Mn TL)	1,053	659	60%
Tax (Mn TL)	305	136	124%
Net Profit (Mn TL)	748	523	43%
Net Profit Margin (%)	1.6%	1.6%	-2 bps

FY2023: Inflation Accounting (IAS 29) Impact on Net Income

(Million TL)



Investor Relations Contact

Investor Relations web page

<http://yatirimci.teknosa.com/homepage>

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