



KOTON

Investor
Presentation

MARCH 2026

Disclaimer

In the Capital Markets Board (CMB) Bulletin dated December 28, 2023 (No. 2023/81), it was publicly announced that issuers and capital market institutions subject to CMB financial reporting regulations are required to implement inflation accounting. This implementation, applying the provisions of IAS 29, begins with the annual financial reports for accounting periods ending on or after December 31, 2023. Unless otherwise stated, this presentation regarding the interim financial results for the period January 1, 2025, to December 31, 2025, is based on the financial data of our Company prepared in accordance with IAS 29 (inflation accounting). The Company applies Turkish Accounting/Financial Reporting Standards in accordance with the Capital Markets Board's Decision dated December 28, 2023.

This presentation has been prepared for informational purposes only and is not intended to constitute a basis for any investment decision. This presentation contains "forward-looking statements". "Forward-looking statements" are subject to the effects of risks, uncertainties and other important factors over which the Company has limited or no control. These factors could cause the Company's future results, performance or achievements to differ materially from the results, performance or achievements described in the "forward-looking statements". "Forward-looking statements" in this presentation include the Company's views as of the date of this presentation. The Company, the Company's Management or employees or other related persons shall not be held liable for any direct or indirect loss or damage arising from the use of such expressions.



Koton – Leading Fashion Brand

Trendy & Affordable Premium & Local Global

 # 1

Awarded
Women's Brand⁽¹⁾

 36

Türkiye's Most
Valuable Brand⁽²⁾
Brand Finance

 One-Stop
Shop

Among
Top 3 Market Players
in Every Category

 ~ 70





Countries Reached
including E-commerce

 464 stores

in 35 Countries⁽³⁾

 513K m²

Total Store Area⁽³⁾

 Consolidated Sales (2025)	32.9	Billion TRY
 Consolidated Gross Profit And Margin (2025)	17.8 %54.1	Billion TRY
 Consolidated EBITDA And Margin (2025)	7.8 %23.7	Billion TRY
 Free Cash Flow⁽⁴⁾ (2025)	3.5	Billion TRY

(1): Koton was selected as "Türkiye's Most Admired Women's Brand" for the 12th time in 2025 by the Association of Shopping Centers and Investors.

(2): Brand Finance 2025 report.

(3): As of December 31, 2025.

(4): Free cash flow is calculated by subtracting cash flows used in investing activities from cash flows from operating activities, as presented in the consolidated cash flow statements.

Investment Highlights

1 - Strong Local and Int'l Presence with Future Growth Potential

2 - Profitability Focused Growth Potential via Multichannel Platform

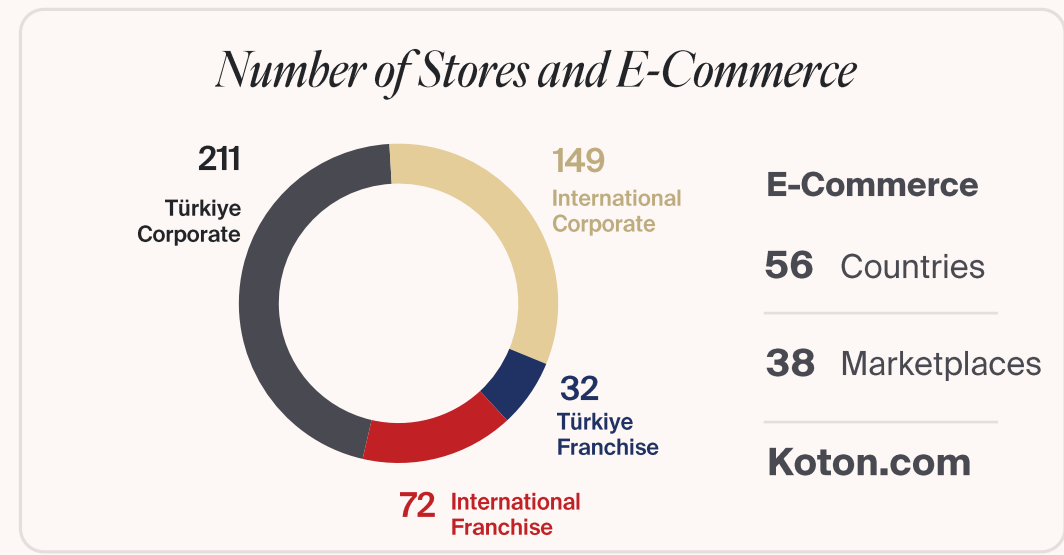
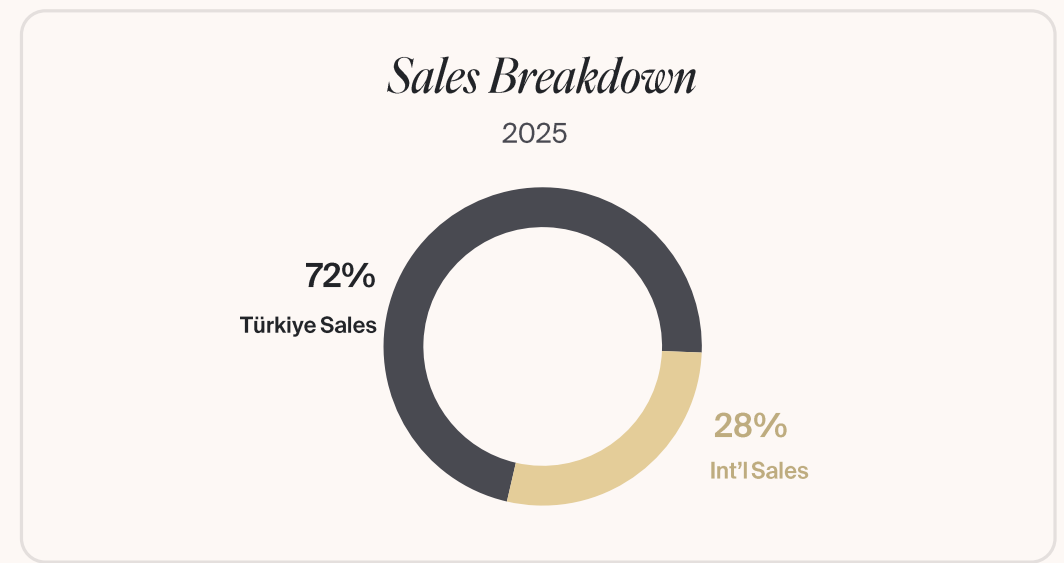
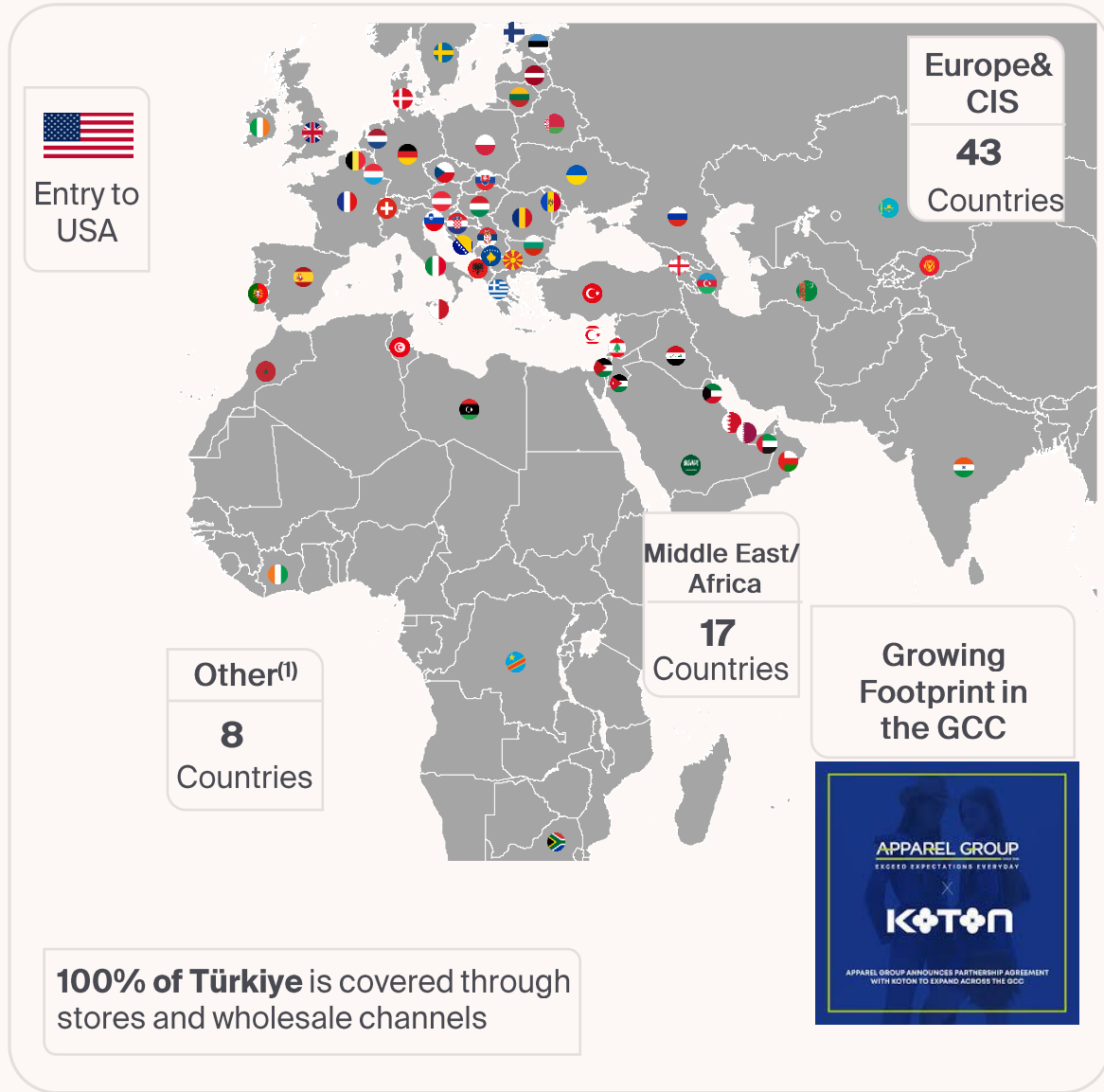
3 - Leading Fashion Brand with a Broad Customer Reach

4 - Competitive, Flexible and Resilient Business Model

5 - Promising Financial Results with a Focus on Profitable Growth



Strong Local and Int'l Presence *with Future Growth Potential*



Note: : Map as of December 31, 2025 both stores and e-commerce. Sales figures for 2025. Store count and e-commerce data are as of December 31, 2025.
 (1): Brunei, India, Indonesia, Malaysia, Filipins, Singapore, Tajikistan, Uzbekistan and Taiwan

INVESTOR PRESENTATION

Profitability Focused Growth Potential *Via Multichannel Platform*

Retail Stores

Corporate



Franchise



360 Stores

Türkiye: 211 Stores

Int'l: 149 Stores

104 Stores

Türkiye: 32 Stores

Int'l: 72 Stores

35 Countries

Share in Consolidated Sales⁽¹⁾

Türkiye Stores: **62%**

Int'l Stores: **21%**

E-Commerce



Koton.com/Mobile app / marketplaces

56 Countries

38 Marketplaces

Türkiye E-Commerce: **6%**

Int'l E-Commerce: **6%**

Wholesale



Wholesale

600+ Point of Sale

Türkiye Wholesale: **4%**

Int'l Wholesale: **1%**

Note: Store and e-commerce footprint as of December 31, 2025..

(1): Based on 2025 annual financials..

Profitability Focused Growth Potential *Via Retail Stores*

Türkiye Stores

Growth driven by dynamic pricing and operational ramp-up

- ✦ Sales area optimization
- ✦ New store concepts improving customer experience
- ✦ Traffic driving window displays
- ✦ Through omnichannel focus, further integration with e-commerce

International Stores



Further growth in the GCC region with Apparel Group

- ✦ Faster operations enabled by AI-driven regional assortment planning and global supply and logistics optimization
- ✦ Launching Koton Club in the CIS and CEE regions, and driving feedback-based operational improvements through brand awareness, exit surveys, and rating applications
- ✦ Franchise store openings in Africa
- ✦ Optimization through store renovations and transition projects
- ✦ Improving int'l competitiveness on the back of normalization of TRY and local inflation

Optimal resource & risk management

Franchise
Corporate

Disciplined store openings

≤ 2.5 years payback target

Profitability Focused Growth Potential *Via E-Commerce*

Türkiye:

Focus on margins and koton.com

Expanding koton.com's share in e-commerce

- ✦ Integrating store inventories to e-commerce
- ✦ Increasing sales through omnichannel customers
- ✦ Higher conversion rates and basket size with Koton Club
- ✦ Shrinking lower margin B2B segment

International E-Commerce:

Growing existing markets and adding new ones

Expanding into new markets in GCC Region and India with selected partners

- ✦ Expanding Koton.com and Koton Club internationally
- ✦ Further growth momentum in Russia and EU
- ✦ Entering into the US market

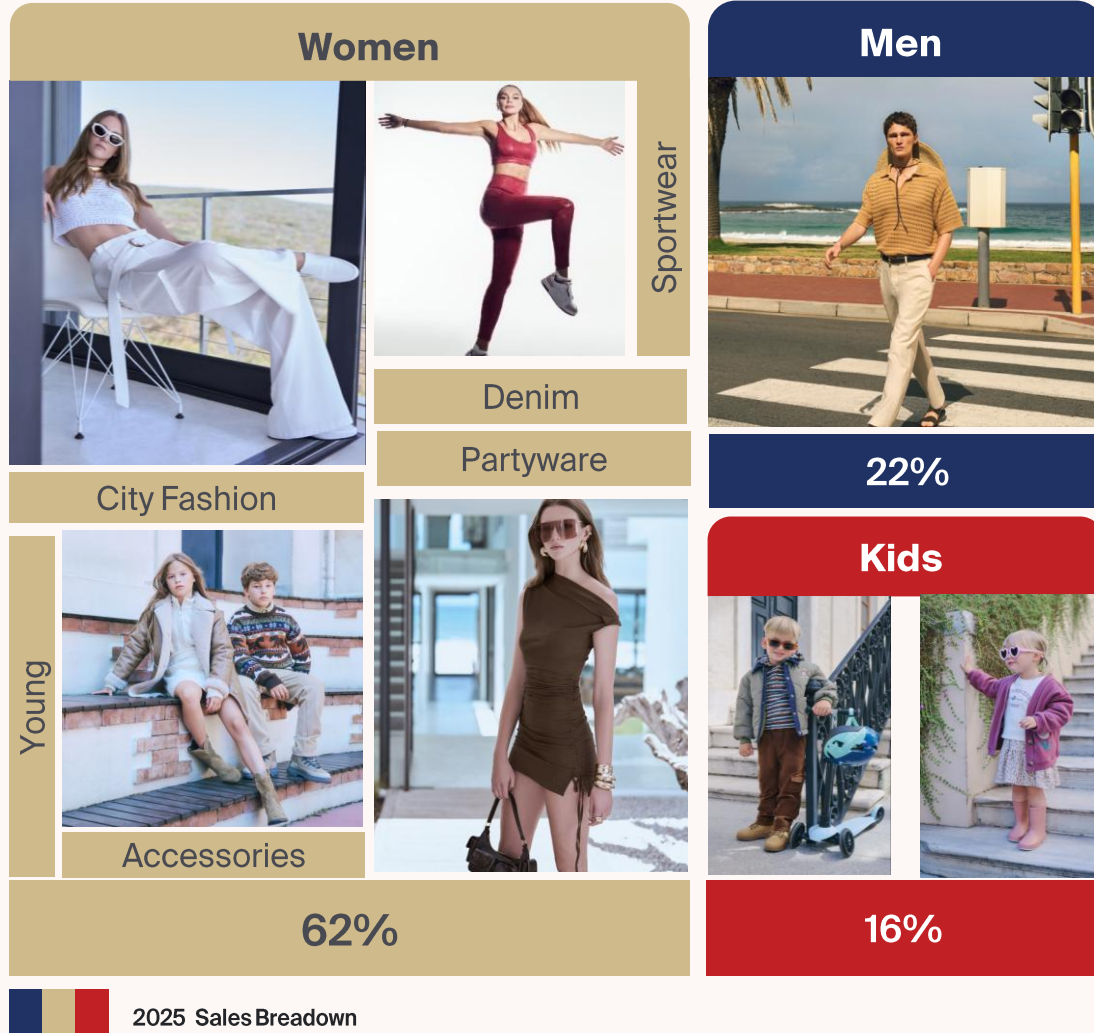


Marketplaces with Ongoing Integration Process



Leading Fashion Brand *With a Broad Customer Reach*

**"One-stop shop"
for all ages and genders**



Koton is a Leading Apparel Brand



Most Admired Women's Brand for the 12th Time⁽¹⁾



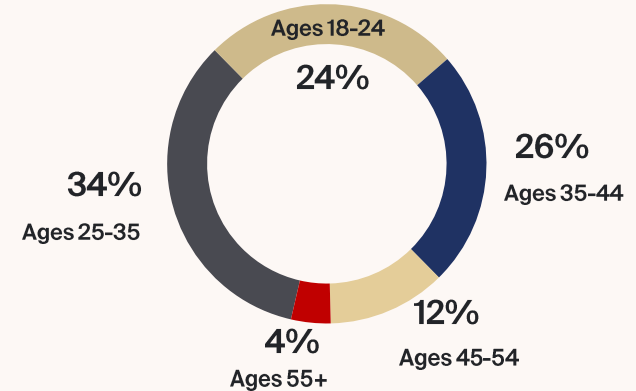
T.R. Ministry of Commerce
Turquality Award
Turquality Champion with the Highest Number of Stores Abroad⁽³⁾

Brand Finance
Türkiye's 36th Most Valuable Brand⁽²⁾



Diverse Customer Base

Customer age distribution



(1) Koton was selected as "Türkiye's Most Admired Women's Brand" for the 12th time in 2025 by the Association of Shopping Centers and Investors
 (2) Brand Finance 2025 report
 (3) Koton received the "Company with the Highest Number of Stores Abroad" award at the T,R, Ministry of Commerce - Turquality 20th Anniversary Awards Ceremony

Strong Brand Positioning *Vision*

Trendy



A collection that reflects fast fashion and current trends, appealing to every taste

- ✦ AI-supported design processes deliver innovative solutions through trend and customer demand analysis, along with special collections tailored to different lifestyles
- ✦ A fashion approach that respects nature through sustainable production standards

Affordable Premium



Offering fashion at accessible prices while emphasizing high quality

- ✦ A store concept developed around a premium perception, with new stores designed in line with this concept
- ✦ Building a supply ecosystem with over 300 suppliers, creating speed and quality advantages in global competition

Local Global



Becoming a global fashion brand that can localize global trends the fastest and offer special collections through regional focus

- ✦ Establishing an organizational structure and corporate culture centered on local relevance
- ✦ Enhancing global sourcing capabilities with qualified suppliers and global logistics planning

Leading Fashion Brand *With a Broad Customer Reach*

Consistently strong performance across top 5 KPCs...

Koton performance against KPCs^(1,2)

	High Quality	Value for Money	Breadth of Choice	Good Fit	New Products/Innovation
#1	KOTON	KOTON	KOTON	KOTON	KOTON
#2	Local Brand 2	Local Brand 1	Local Brand 1	Local Brand 2	Local Brand 1
#3	Local Brand 1	Local Brand 2	Local Brand 2	Local Brand 1	Local Brand 2

How do our customers define us?



Variety

Modern and Trendy

Quality for Price

Yerli Marka 1

Family Brand

Quality for Price

Variety

Yerli Marka 2

Quality for Price

Casual

Family Brand

Uluslararası Marka 1

Modern Woman

Prestigious

New Products

First three words that come to women respondents' minds

Koton enjoys the highest recognition in womenware⁽³⁾ among modern apparel category⁽⁴⁾.



Recognized and awarded by sector's leading organizations.



Active social media presence via influencer collaborations.

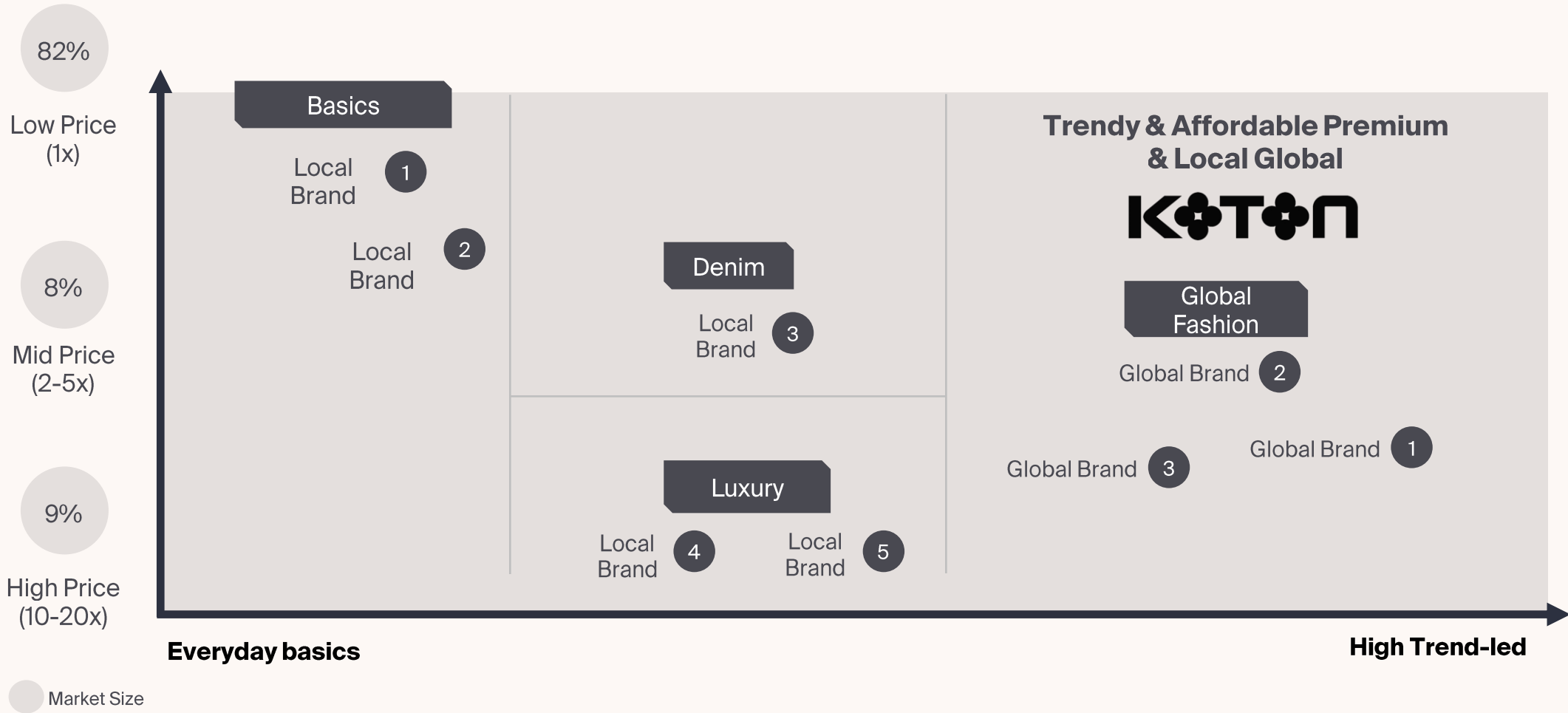
Source: OC&C Analysis, OC&C Market Survey 2023

Notes: (1) Q: How would you rate [brand] on the following criteria? Where 1 is 'very poor' and 5 is 'very good'; (2) Q: In general, when purchasing clothes for yourself, how important are the following criteria when deciding which brands to shop? (3) women that define their fashion style as "trendy". (4): Q: which brands comes to mind when you shop for yourself?

Differentiating Market Positioning

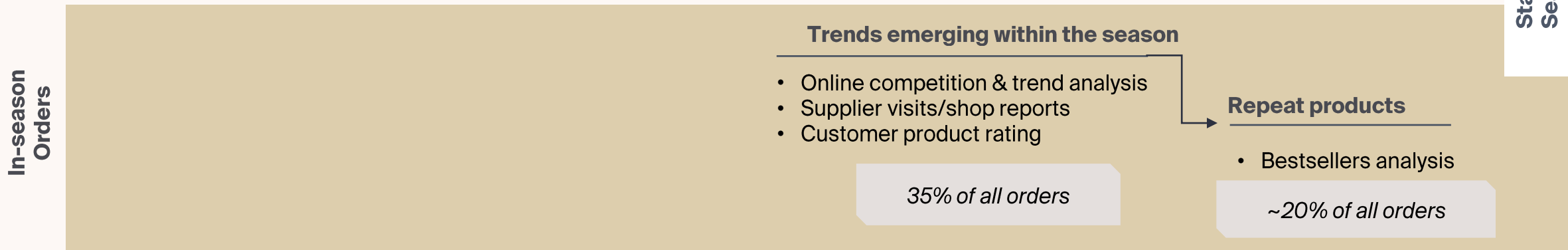
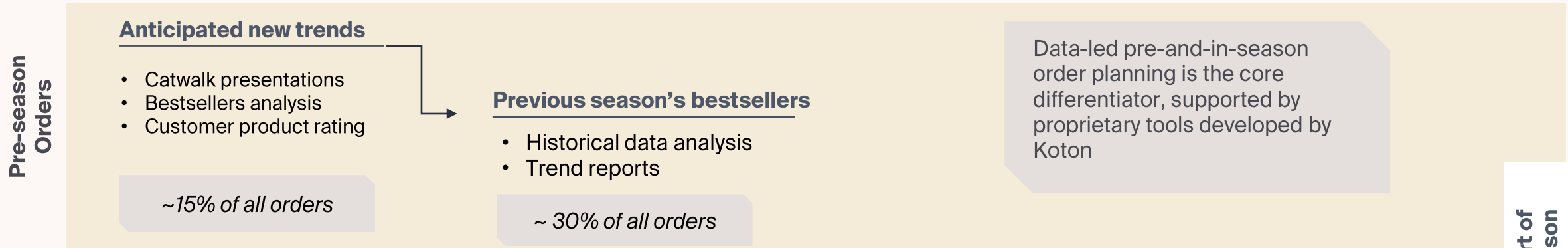


Domestic Market Brand Positioning



Source: OC&C analysis 2023 (based on but not limited to Euromonitor), OC&C Consumer Survey, Company Information.

Efficient Operations and Flexible Supply Management



Supply Chain	~ 83% of total procurement is done from Türkiye ⁽¹⁾	~360 Suppliers ⁽²⁾	Long term supplier relationships	4-8 weeks Lead time
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Business model advantages	High Sell-through	Efficient inventory & working capital	Continuous in-stock availability
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(1) Share in total procurement, excluding imports.
 (2) As of 31.12.2025.

Focus on Profitable Growth *with Stronger Financials*

Sustainable Sales Growth

 **5.7 %** ↑

Store Sales
in Türkiye

 **39 %** ↑

Store LFL Sales
in Türkiye⁽¹⁾
(Jan'26)

 **14.9 %** ↑

International Sales
(in USD)

 **60.7 %** ↑

International
E-Commerce Sales

Operational Efficiency

 **11.6 %** ↑

Türkiye Stores LFL
Sales Volume

m² **21.9 %** ↑

Türkiye Sales
Area Efficiency
(in USD)

 **5.2 %** ↑

International Sales
Area Efficiency
(in USD)

 **27.5 %** ↑

GCC Region^(*)
LFL Sales
(in USD)

Increase in Profitability

 **1.7** Billion TRY ↑

Operating Profit

 **54.1 %** ↑

Consolidated
Gross Profit Margin

 **23.7 %** ↑

Consolidated
EBITDA Margin⁽²⁾

 **3.5** Billion TRY ↑

Free Cash Flow⁽³⁾

Healthy Balance Sheet

 **11.1 %**

Decrease in
Inventory
(yıllık bazda)

 **4.2 pp**

Decrease in
**Net Working Capital/
Sales**

 **0.5x**

**Net Financial Debt/
EBITDA**
(exc. IFRS 16)

Note: All data represent annual 2025 figures, unless otherwise stated. Growth rates are on a yearly basis.

(1): Store LFL Sales in Türkiye in nominal terms, excluding IAS 29 (inflation accounting).

(2): EBITDA calculation method used in financial reports: Profit (loss) before tax + financial income (expense) + credit finance income (expense) on purchase of trade goods (net) + income (expense) from investing activities + depreciation and amortization expense - net monetary position gain (loss).

(3): Based on cash flow table of financial report as cash flow from operating activities - cash flow used in investing activities.

A man and a woman are walking in a modern, industrial-style interior. The man is on the left, wearing sunglasses and a dark denim jacket. The woman is on the right, wearing a dark denim jacket and looking towards the camera. The background features large windows and a colorful, abstract mural. The overall aesthetic is contemporary and urban.

KOTON

Strategic Foundations
of the Future

Strategic Foundations of the Future *Product Development and Communication*

Brand & Product Development

Koton differentiates itself positively in the sector by offering trendy, high-quality products through the right pricing strategy.

- By combining original designs with trend-focused solutions, it develops collections that appeal to different customer segments.
- Market dynamics, customer expectations, and purchasing habits are analyzed in detail for each region to create collections tailored to regional needs and special occasions.
- Customer engagement is strengthened through various collaborations with celebrities and influencers.



Customer Priority and Communication

Brand awareness studies, in-store exit surveys, and competitive analyses are regularly monitored, and both the product offering and communication language are continuously updated.

- With its fast time to market, Koton keeps pace with global competitors in trend speed while differentiating itself in the Türkiye market with a premium, more up-to-date and dynamic product structure.

Survey Results ⁽¹⁾	The Most Trendy Brand	The Most Frequently Shopped Brand	The First Brand Visited
#1	KOTON	KOTON	KOTON
#2	Global Brand 1	Türkiye Brand 1	Türkiye Brand 1
#3	Türkiye Brand 1	Global Brand 1	Türkiye Brand 2

(1) Source: Ipsos Exit Survey – December 2025 - The survey was conducted among 1,309 customers leaving 40 Koton stores in 10 provinces in Winter 2025.

Strategic Foundations of the Future *Customer Experience and CRM*

In-Store Customer Experience: A new store concept and Koton Club privileges designed to strengthen the customer experience and premium perception

✦ **Online Customer Experience:** Ongoing UI/UX projects; personalization; data analytics and AI-based enhancements; and a refreshed Koton.com homepage and mobile app interface

✦ **Loyalty Program:** 

Koton Club surpassed 9.2 million members in Türkiye and reached approximately 270 thousand members abroad, continuing to grow.

Exclusive collaborations with various brands offer members discounts and point-based rewards.

Members who redeem points shop 4 times more frequently than non-members.

**3 Awards
in the CX
field (1)**



Data-Driven Personalization:

Members are managed across 10 main segments based on shopping behavior using AI-based analytics applications.

Through a WhatsApp communication line designed specifically for Koton Club members, personalized communications are delivered across hundreds of micro-segments, positively impacting conversion to purchases.

Customer expectations and product/brand experience are measured through surveys integrated with CRM.

✦ **AI Assisted and Omnichannel Customer Communication:**

Customer requests are received through 10 different channels, and 93% of call center inquiries were resolved at first contact.

Service is provided via an AI-supported, 24/7, bilingual WhatsApp communication line, With CRM integration, members are informed about their Koton Club points.

On marketplaces, customer questions are answered by AI, and customer reviews are analyzed with AI Support.

✦ **AI initiatives implemented enhance data-driven decision-making across sales forecasting, inventory optimization, product planning, and customer behavior analytics.**

(1) Business Honors Awards / "Customer Satisfaction and Loyalty Award" for "Koton Club Loyalty Program and Data Analytics"

Business Honors Awards / "Customer Satisfaction and Loyalty Award" for the "Comment Analysis of Koton Products on Marketplaces with Artificial Intelligence" project

CX Awards Turkey Customer Experience Awards / "Best Digital Customer Experience" category, Good Idea Award in the Retail Segment for the "AI Voiceover for Call Center Scores, Exclusive to Koton Club Members" project

Growth Through Omni-Channel



Koton Club aims to increase cart size and conversion rates.

- ✦ While the activity rate of Koton Club members is 60%, members who redeem points shop 4 times more frequently than non-members.
- ✦ As part of the single stock management project, the integration of e-commerce inventory with store inventory is ongoing.
- ✦ In-store return/exchange options are offered for products purchased online.

Increasing Contribution of Int'l Operations



International sales, which entered a real growth trend in Q3 2025, accelerated in Q4 2025 and grew by 53%. The diminishing impact of the strong TRY policy in the coming periods signals that the contribution of international operations will increase.

- ✦ In the GCC Region, there was a net increase of 8 stores in 2025 and a 28% YoY sales growth in USD terms, In January 2026, sales increased by 121% in USD terms.
- ✦ While the international e-commerce grew by 61% yoy in 2025, in the stores channel, projects are undergoing to transform a limited number of underperforming stores and transition of suitable ones to the franchise model.

Sustainability Initiatives

As a member of the UN Global Compact, the "**Respect for Life**" principle is embraced.



It is targeted that the share of **sustainable products** in total sales will increase by 10% each year.
(In 2025, 37% of total revenue came from sustainable products)



Responsible farming practices in cotton products are supported within the scope of **Better Cotton** membership.



As part of **circular economy initiatives**, hangers were produced from fabric waste for use in stores.



Efforts continue under the Science-Based Targets initiative (SBTi) and the Carbon Disclosure Project (CDP).



At the 2025 **Social Benefit Awards**, our "Respect for Water" project received an award in the "Projects Supporting the UN Sustainable Development Goals" category.



People-Centered Culture

Membership in the UN Target Gender Equality Program and the UN Women's Empowerment Principles (WEPs) continues.



Women make up 74% of the workforce and 56% of the management team, The commitment to **gender diversity and inclusion** is being strengthened.



By embedding the values into every stage of operations, a simpler, more agile, and future-ready **organizational structure** has been established.



Koton EDGE, which offers all training and development activities, has been launched, **The career process** has been renewed, Through the **Koton Look Campus Program**, the brand engaged with young talents.



Social projects supporting the empowerment of women and youth are continued to be supported.

- "A Woman Can Change the World" Impact and Solidarity Fund
- Housewives Project
- Handicraft Project

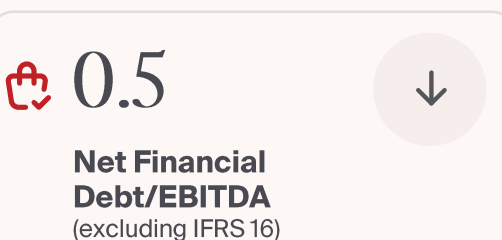
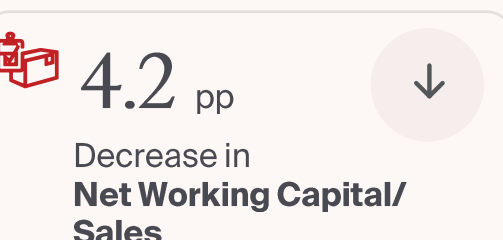
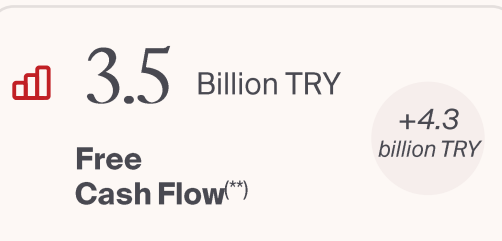
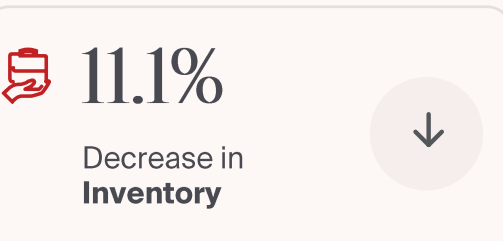
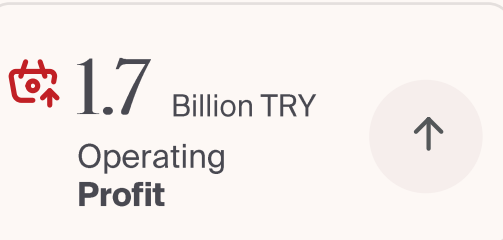
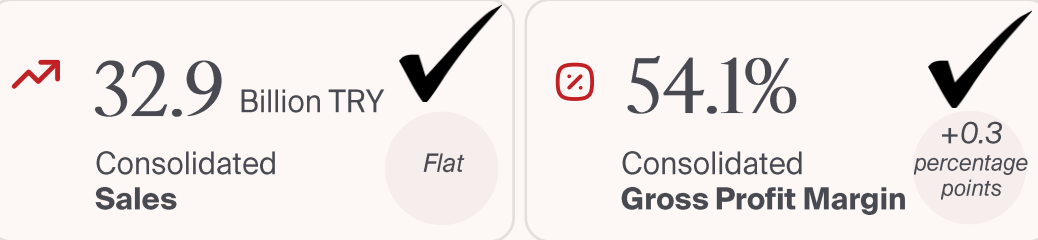
KOTON

Q4/2025 PERIOD ANALYST PRESENTATION

Financial *Results*



Despite Macroeconomic Challenges in 2025 Continued Strong Financial Performance



Consolidated sales remained stable YoY, despite challenging macroeconomic conditions, continued strong TRY policy, and unfavorable geopolitical factors.

✦ **Sales in Türkiye** increased **in line with inflation**, supported by rising store sales despite weakening consumer demand, while **international sales** recorded **real growth** thanks to operational improvements and expansion in the e-commerce channel.

✦ **The gross profit margin** increased YoY thanks to below-inflation purchasing, operational acceleration, and effective inventory management to 54,1% in 2025.

✦ In 2025, **an operating profit of 1,7 billion TRY** was achieved, and the **EBITDA margin** increased by **4,3 percentage points** compared to the previous year, driven by a strong gross profit margin and disciplined cost management despite a highly inflationary environment.

✦ Due to operational improvements and an **11,1% YoY decrease in inventories**, **free cash flow reached 3,5 billion TRY** in 2025.

✦ **Net debt/EBITDA ratio** decreased YoY despite the higher Euro/TRY exchange rate increasing the debt burden.

(*) EBITDA calculation method used in financial reports: Profit (loss) before tax + financial income (expense) + credit finance income (expense) on purchase of trade goods (net) + income (expense) from investing activities + depreciation and amortization expense - net monetary position gain (loss).

(**) Free cash flow is calculated by subtracting cash flows used in investing activities from cash flows from operating activities, as presented in the consolidated cash flow statements.

2025 Highlights

Operational Ramp-up and Improvement

 **5.7 %**

Store Sales
in Türkiye



 **11.6 %**

LFL Number of
Store Sales in Türkiye



 **54.7 %**

Koton.com's
Share in Türkiye E-commerce



m² **21.9 %**

Türkiye
m² efficiency
(in USD)



 **14.9 %**

International
Sales Growth
(in USD)



 **27.5 %**

GCC Region
Store Sales
(in USD)



 **60.7%**

International
E-Commerce Sales



 **5.2 %**

International
m² efficiency
(in USD)



Reached **464** Stores(**) with net increase of **13** stores
Reached **35** Countries in stores with entry into **2** new countries.



**KOTON
CLUB**

+9.2M Koton Club Reached 9,2 Million
Members in Türkiye (***)

(*) Excluding B2B marketplaces.

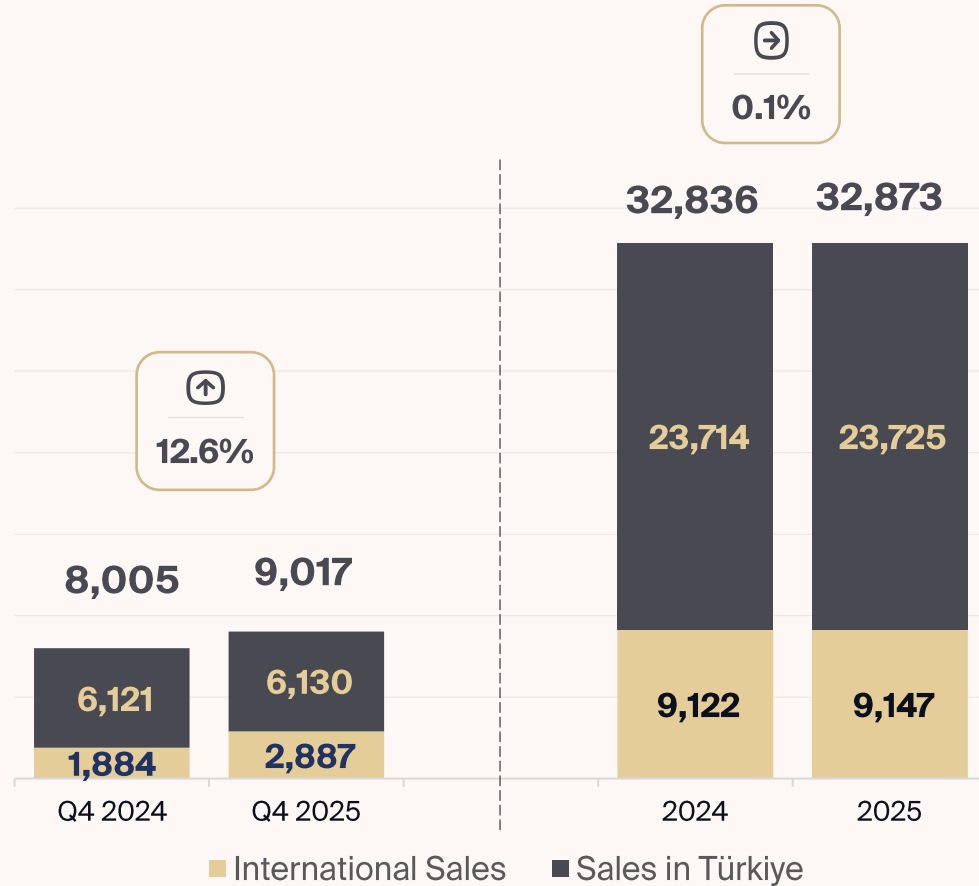
(**) As of 31.12.2025

(***) As of 20.02.2026



Consolidated Sales

(Million TRY)



Consolidated Sales grew by approximately **13%** in **Q4 2025** with the increasing contribution from international operations **and remained flat YoY in 2025**, despite the ongoing inflationary environment in Türkiye, the impact of the strong TRY policy, and adverse geopolitical factors abroad.

Sales in Türkiye grew in line with inflation during the period, driven by strong growth in store sales, which accounted for 86% of sales in Türkiye in 2025, while the e-commerce and wholesale channels were narrowed with a focus on profitability.

International sales continued the normalization trend that began in Q3 2025 and accelerated in Q4 2025, despite exchange rate pressure against high inflation, Supported by the base effect from the previous year, total international sales **grew by 53% in real terms in Q4 2025, and closed 2025 with real growth.**

International sales grew by **15% YoY in 2025 in USD terms**, driven by operational improvement.

Stores in Türkiye: *Strong Growth Continues*

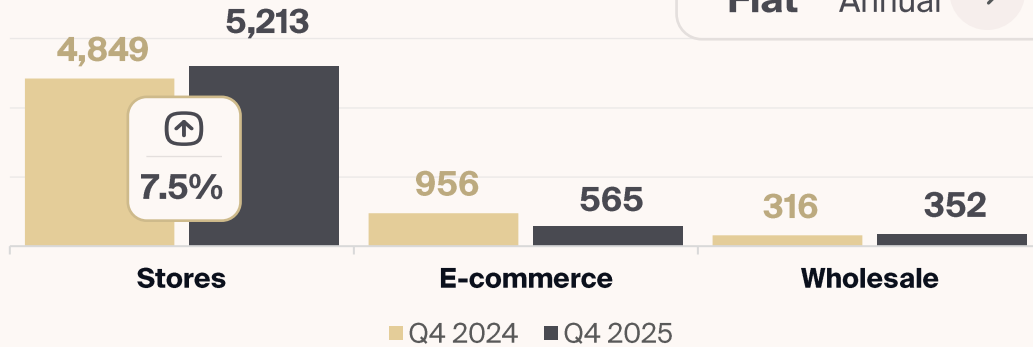
Sales in Türkiye

(Million TRY)

Q4 2025

6.1 Billion TRY

Flat Annual →



In Q4 2025, store sales in Türkiye grew by 7.5% YoY on the back of disciplined supply management, dynamic pricing policy, and operational acceleration.

In 2025, while the sector contracted due to weakening consumer demand compared to 2024(*), Koton's store sales in Türkiye outperformed the sector, delivering real growth of 5.7%. As the e-commerce and wholesale channels were narrowed in line with a profitability focus, total sales in Türkiye grew in line with inflation.

In Türkiye, the impact of store optimization efforts led to a YoY increase in m² efficiency of approximately 22% in USD terms in 2025.

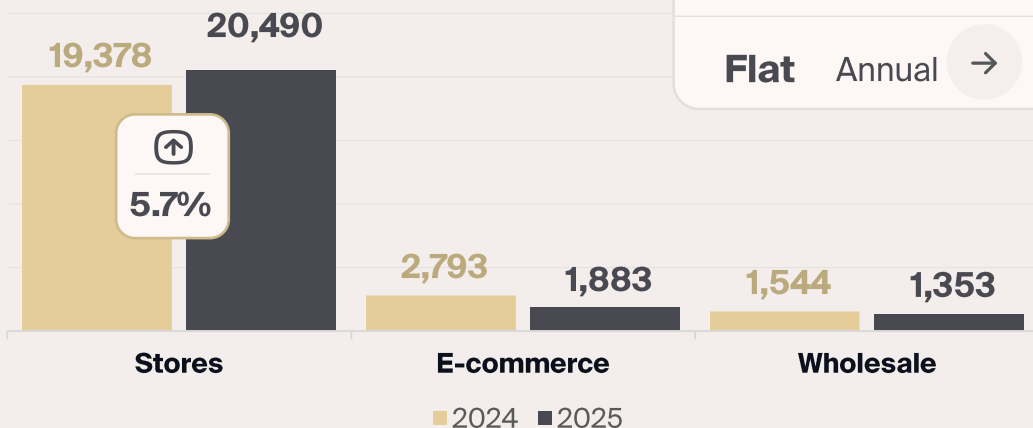
E-commerce sales in Türkiye contracted slightly due to the strategic decision taken in line with the focus on profitability, while gross profit margin increased by 6.5 percentage points YoY.

Wholesale sales in Türkiye were managed taking into account the market conditions and the maturities required by the business model; in 2025, sales contracted slightly in line with the focus on profitability.

2025

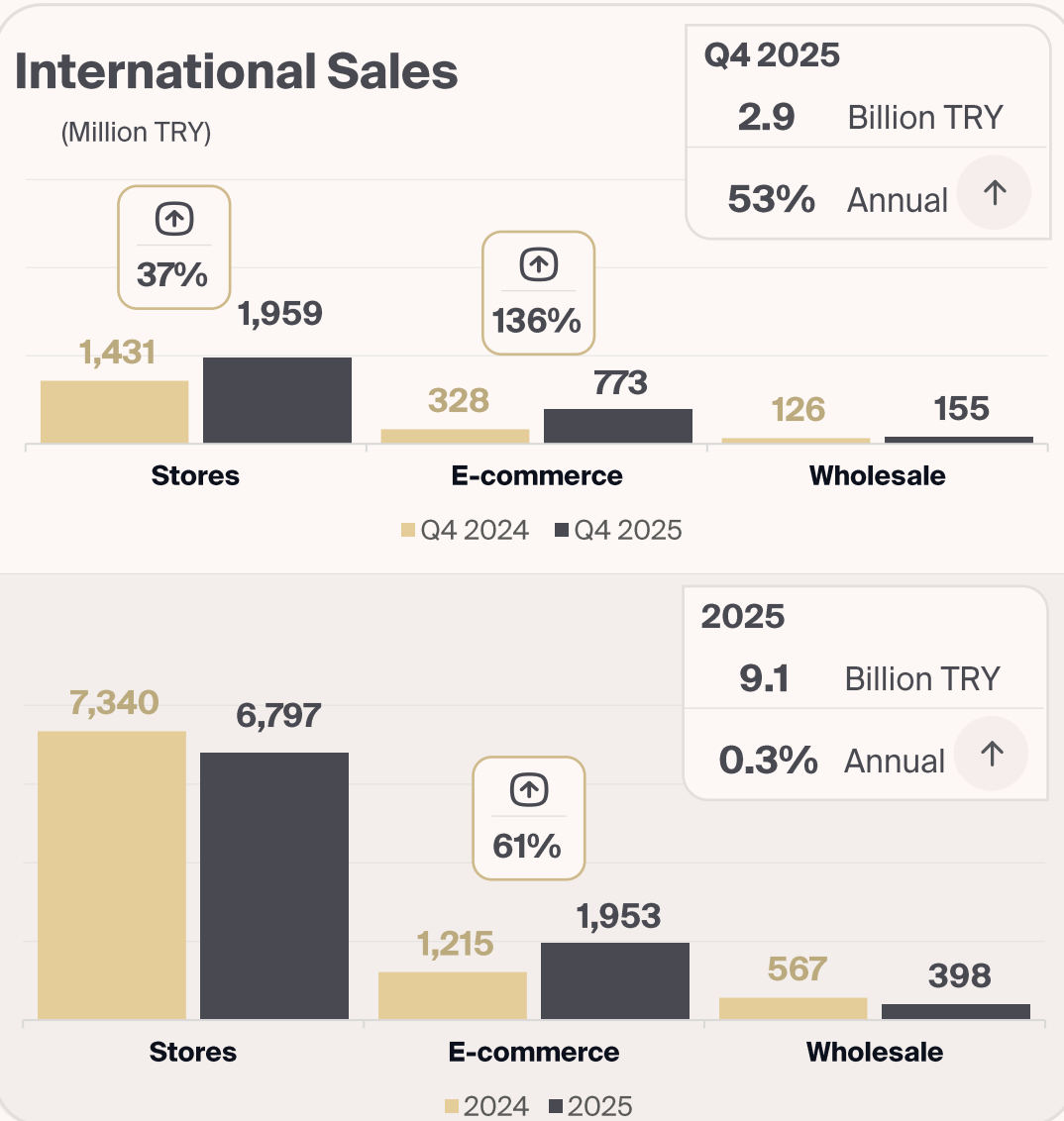
23.7 Billion TRY

Flat Annual →



(*) Source: AYD - Shopping Centers and Investors Association - <https://www.ayd.org.tr/>, according to monthly shopping center turnover index data,

Increasing Contribution of International Sales



In addition to the operational improvements made in **international markets**, supported by the narrowing of the exchange rate–inflation gap, the real growth trend that began in Q3 2025 continued with **increasing momentum in Q4 2025**.

Total international sales in Q4 2025 recorded **53% growth** YoY, supported by the base effect from the prior year and accounted for 32% of total sales. The easing of exchange rate pressure is providing positive signals going forward.

In Q4 2025, international store sales increased by 37% YoY driven primarily by the strong performance of the GCC Region, **while e-commerce sales increased by 136% YoY** in **Q4 2025**, mainly in the CIS Region and Europe.

In **2025**, supported by **61% growth in international e-commerce sales**, **total international sales** recorded **real growth** YoY.

With the positive impact of the transformation in the **GCC Region**, **total sales in USD terms in 2025 in this region increased by 28% YoY**.

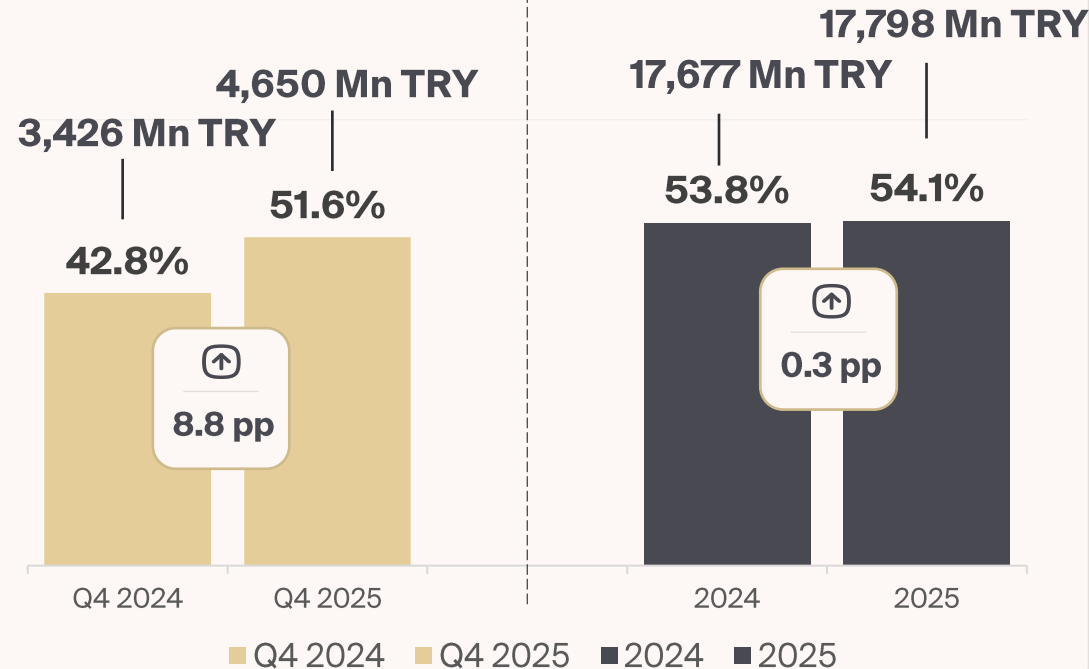
In the **CIS Region**, **total sales in Q4 2025 grew by 15%**, supported by a 145% increase in e-commerce sales, Operational efforts to increase efficiency in the store channel continue.

Rise in Gross Profit Margin *Through Effective Cost Management and Dynamic Planning*

Consolidated Gross Profit and Margin

GP Margin in Türkiye

2025: **58.9%**



The consolidated gross profit margin increased by 8.8 percentage points YoY, reaching approximately 51.6% thanks to dynamic product planning and effective cost management in Q4 2025. The **gross profit margin in Türkiye increased by 9.7 percentage points YoY, and internationally by 8.7 percentage points.**

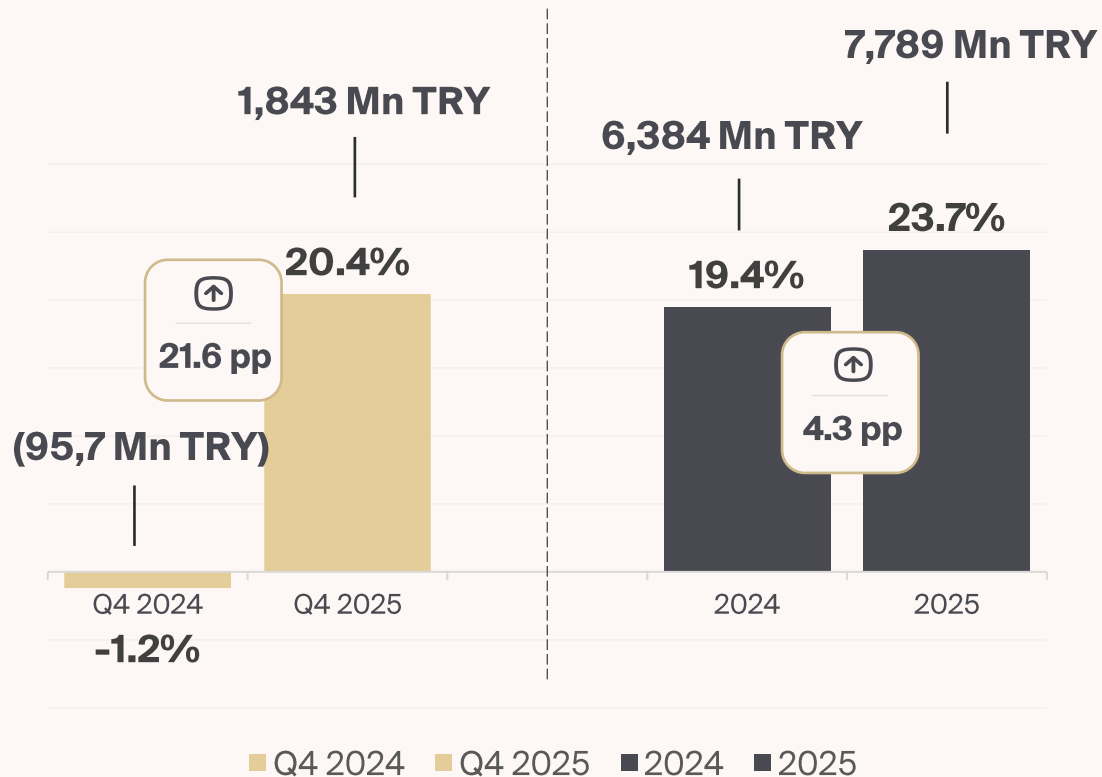
In 2025, despite the increased discounts compared to the last year, the gross profit margin came in at **54.1%**, meeting our guidance, supported by **below-inflation cost increases** in the SS'25 and AW'25 seasons and **effective inventory management.**

Despite shrinking consumer demand **in Türkiye in 2025**, the implemented discount strategy and dynamic pricing policy enabled the achievement of a **gross profit margin of 58.9%**

Increasing EBITDA Margin *Through Prudent Expense Management*



Consolidated EBITDA(*) and Margin



In 2025, supported by the increase in gross profit margin, prudent expense management, and foreign exchange income, **operating profit reached 1.7 billion TRY.**

The **EBITDA margin** increased **4.3 percentage points** on a consolidated basis to **23.7%**.

Despite rent expenses increasing above inflation, disciplined cost management enabled **EBITDA to grow by 22%** in 2025, reaching approximately **7.8 billion TRY.**

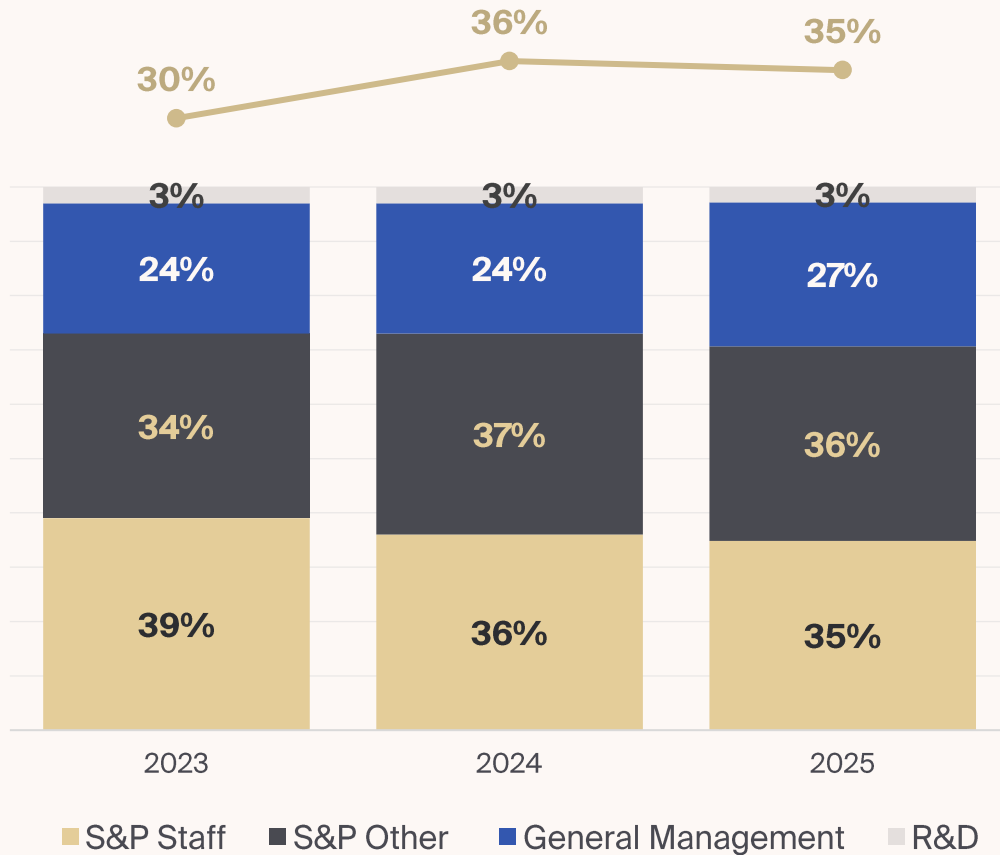
(*) EBITDA calculation method used in financial reports: Profit (loss) before tax + financial income (expense) + credit finance income (expense) on purchase of trade goods (net) + income (expense) from investing activities + depreciation and amortization expense - net monetary position gain (loss),

Disciplined Operating Expenses Management



Ratio of Operating Expenses to Sales

(%)



Operating expenses as a percentage of sales was 36% in 2024 and **declined to 35% in 2025**, driven by projects implemented within the scope of prudent operating expense management.



In 2025, despite rent expenses increasing above inflation, **total operating expenses declined by 1.3% YoY**, driven by the reduction in total personnel expenses.

Notes: The operating expenses to sales ratio is calculated excluding depreciation and other operating income/expenses,

Positive Free Cash Flow *with Operational Acceleration*

Working Capital

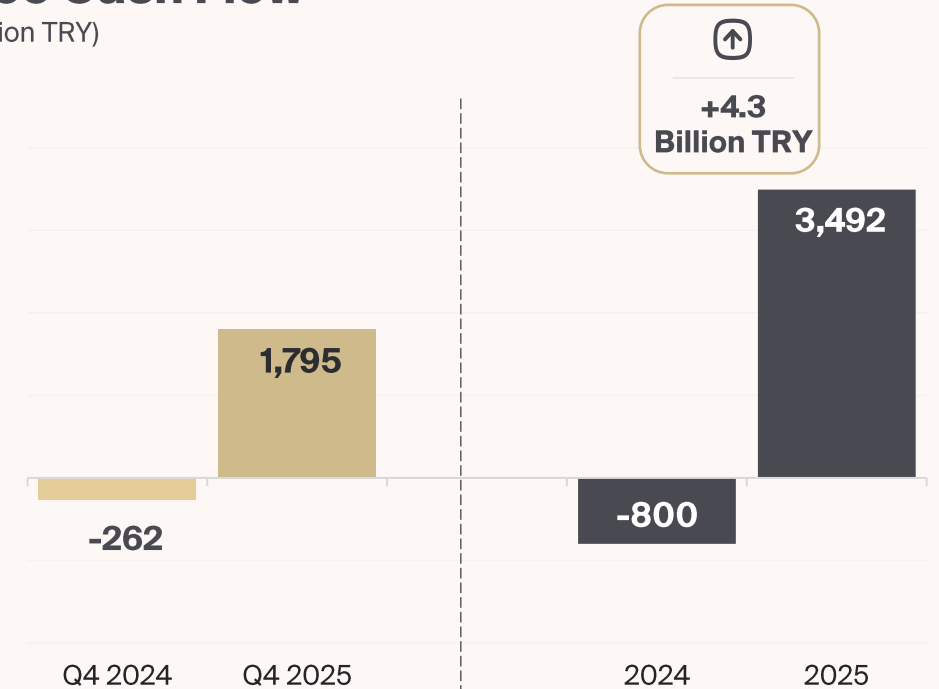
(Million TRY)

	2024	2025	Change
Trade and Other Short-Term Receivables	2,339	1,523	-35%
<i>Ratio to Sales</i>	7.1%	4.6%	-2.5pp
Stocks	10,442	9,288	-11%
<i>Ratio to COGS</i>	68.9%	61.6%	-7.3pp
Trade and Other Short-Term Payables	6,843	6,235	-9%
<i>Ratio to COGS</i>	45.1%	41.4%	-3.8pp
Net Working Capital	5,937	4,576	-23%
<i>Ratio to Sales</i>	18.1%	13.9%	-4.2pp

Improvements in working capital were achieved, mainly driven by an **11% YoY reduction in inventories**, supported by dynamic pricing, effective product planning, and flexible supply chain practices.

Free Cash Flow

(Million TRY)



Supported by operational acceleration and the resulting improvement in working capital, **a total free cash flow of 3.5 billion TRY was generated in 2025.**

Notes: Free cash flow is calculated by subtracting cash flows used in investing activities from cash flows achieved from operating activities, as presented in the consolidated cash flow statements,

Decrease in the Net Financial Debt / EBITDA Ratio

Net Financial Debt

(Million TRY)

	2024	2025	Change
Cash and cash equivalents	766	1,443	88%
Bank Loans	(4,293)	(5,101)	19%
Lease Obligations	(4,149)	(4,118)	(1%)
Net Financial Debt	(7,676)	(7,776)	1%
Net Financial Debt/EBITDA	1.2x	1.0x	
Net Financial Debt (excluding IFRS 16)	(3,527)	(3,658)	4%
Net Financial Debt/EBITDA (excluding IFRS 16)	0.6x	0.5x	

In 2025, the ratio of net financial debt to EBITDA declined to 1.0x and **excluding IFRS 16**, the ratio declined to **0.5x**.



The **increase in bank loans** is because the majority of foreign currency loans are in Euros, and the **Euro exchange rate** has risen.



In 2025, the **capital expenditures to sales ratio** stood at **3.4%**.

The KOTON logo is positioned in the top left corner. It features the brand name in a bold, sans-serif font, with a stylized four-leaf clover symbol integrated into the letter 'O'.

KOTON

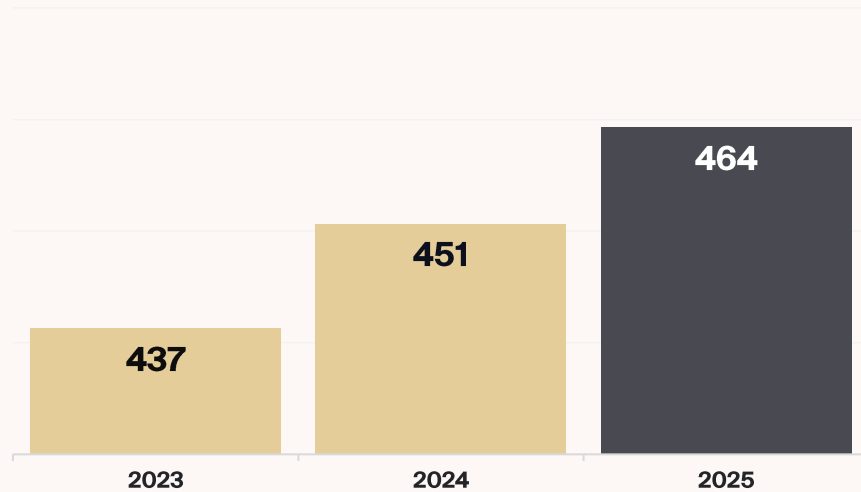
Q4/2025 PERIOD ANALYST PRESENTATION

Operational *Results*

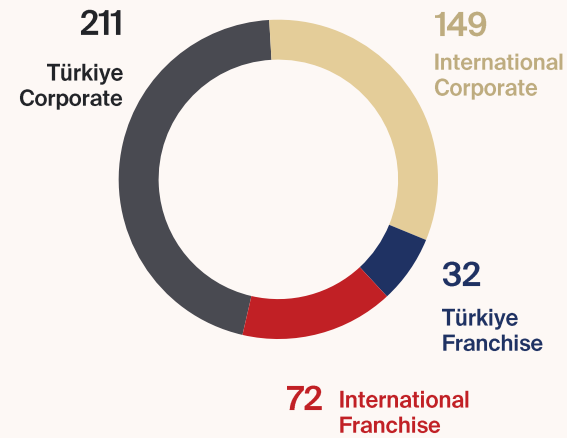


464 Stores in Total by the End of 2025

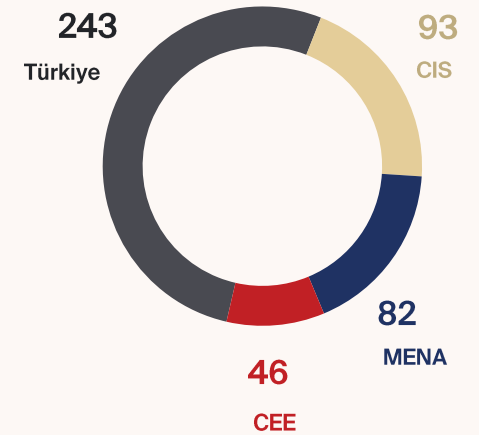
Number of Stores



Store Distribution



Regional Distribution



In **2025**, there was a **net increase of 13 stores** in total, with 14 net openings internationally and a net decrease of 1 store in Türkiye

During **Q4 25**, there was **1 additional franchise store** in Türkiye and **5 additional corporate stores** internationally

📍 In 2026, entry into the **Kuwait market within the GCC Region** and into an additional **African** market is planned

In 2025, Net 8 Store Openings in the GCC Region

Growth Focus in the GCC Region

In the GCC Region, there was a **net increase of 8 stores** in 2025, with 13 openings and 5 closures, The Dubai Mall store was **renovated**.



In addition to the KSA, UAE, and Bahrain markets, the brand **entered the Oman and Qatar markets** in 2025.



Total GCC Region **sales** in January 2026 **increased by 121%** in USD terms YoY, supported by newly opened stores.



In 2026, international store openings are planned to be primarily concentrated in the GCC Region, with entry into the **Kuwait market** targeted for the second half of the year.

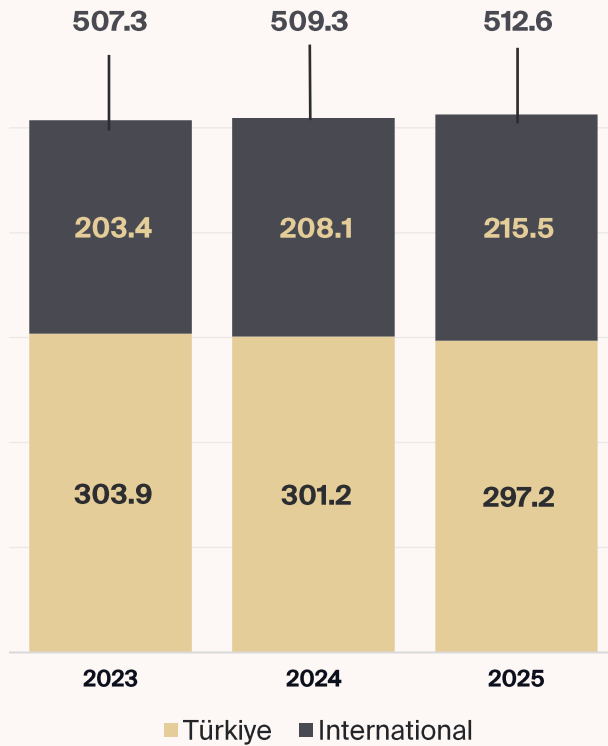


Kuwait
Upcoming...

Increase in Store Square Meter Efficiency

Total Store Area

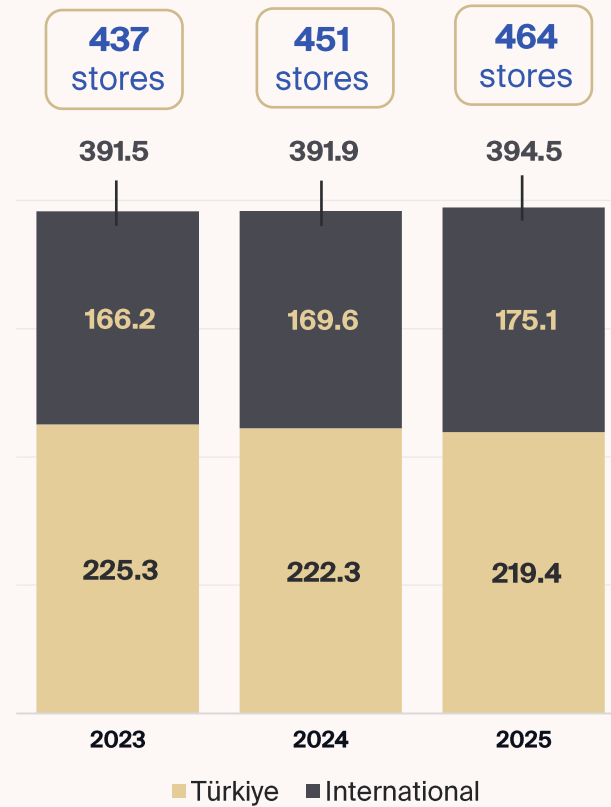
(thousand m²)



Total Sales Area

(thousand m²)

↑ **~22%**
m²
Efficiency in
Türkiye
2025
(in USD terms)



While the total number of stores increased with a focus on square meter efficiency, the total sales area remained at a similar level



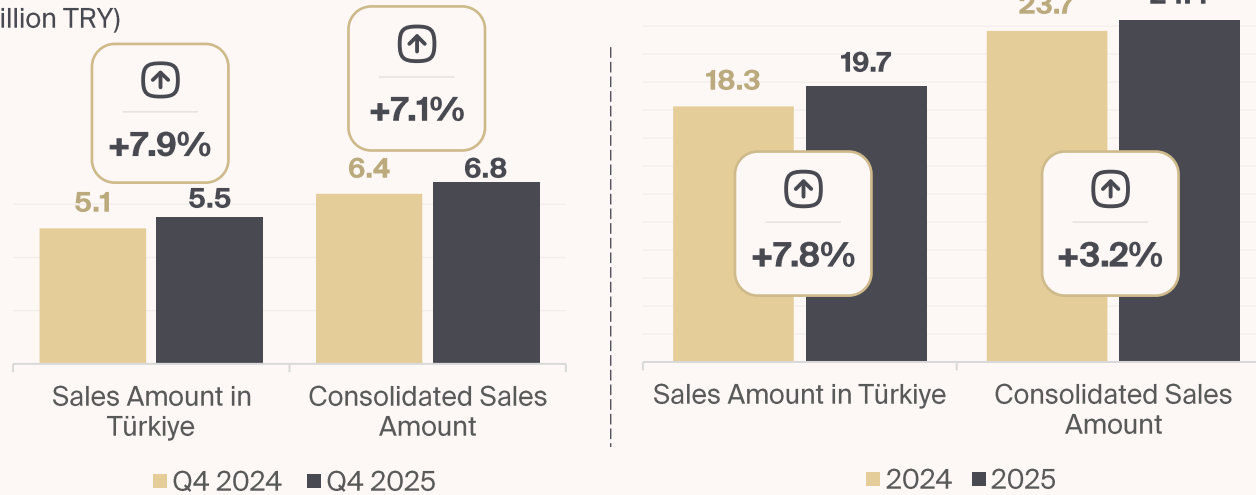
Capitol Shopping Center Store



LFL Growth in Both Sales and Units *in Stores*

LFL Store Sales Amount

(Billion TRY)



Stores in Türkiye **achieved strong LFL unit growth** in both Q4 2025 and full-year 2025. **Sales amount growth** exceeded the **increase in the shopping center turnover index** announced by AYD^(*)



International Store LFL number of sales and sales amount **increased by 1.7% and 3.9%**, respectively in Q4 2025.



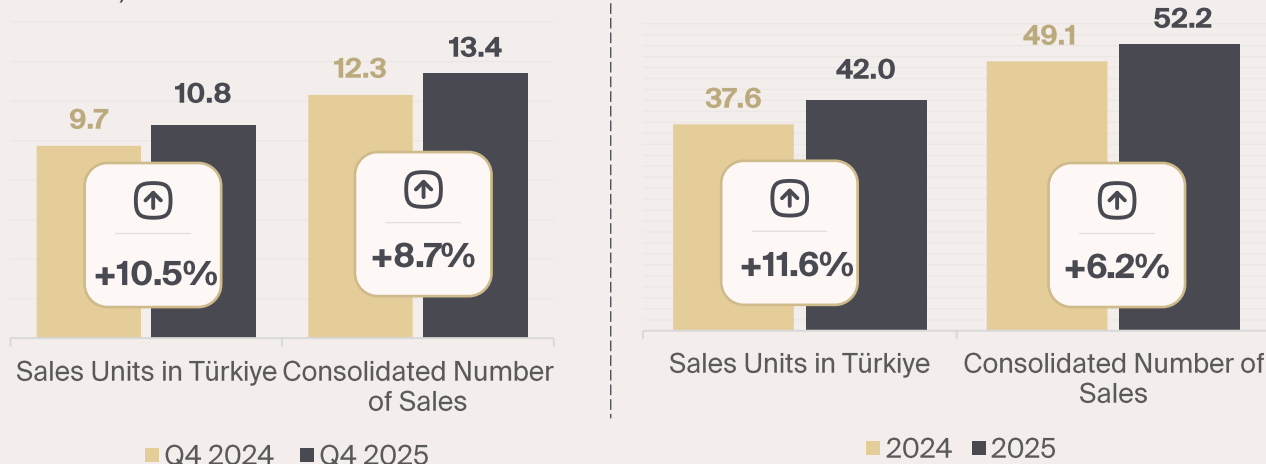
Store LFL sales amount in Türkiye increased by **39%** in nominal terms and **33%** in international stores in **January 2026**.



In the GCC Region, total **sales in January 2026 increased by 121% YoY**, supported by newly opened stores

LFL Store Number of Sales

(Million Units)



(*) AYD: Association of Shopping Centers and Investors - <https://www.ayd.org.tr/>, according to monthly shopping center turnover index data

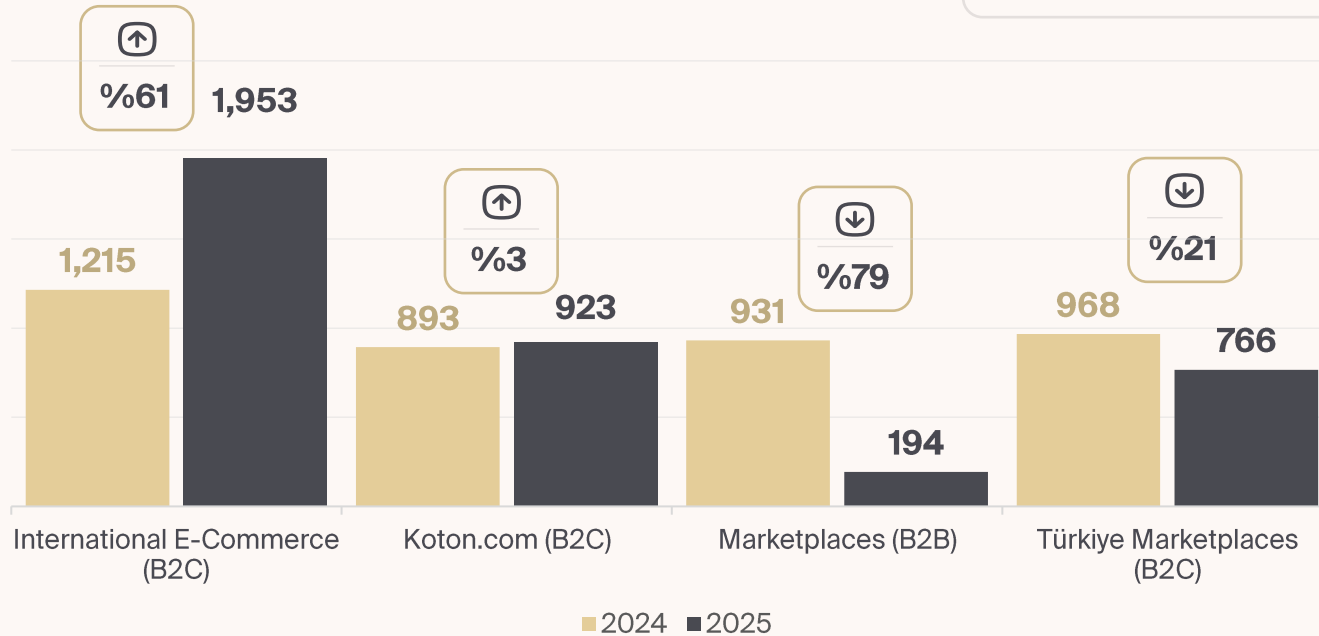
Profitability Driven *E-Commerce Operations*

E-Commerce Sales

(Million TRY)

E-Commerce Sales

2025: **3.8** Billion TRY



The share of international e-commerce in total e-commerce sales increased from 30% in 2024 to **51%** in 2025.

The international e-commerce channel grew by **61% in real terms**, providing significant support to international sales, inventory management, and cash flow.

Koton.com sales increased by 3% YoY, while its share within the B2C channel in Türkiye rose by **7 percentage points YoY to 55%** in 2025.

With the strategic decision focusing on profitability and effective inventory management, the **sales of marketplaces with relatively low profitability contracted.**

Increased focus on Koton.com with profitability priority in the e-commerce channel, **Koton.com** was launched in **Serbia** as well as the CIS Region and Romania.

Preparations are ongoing for entry into the US market in the second half of 2026.


In Türkiye, Koton Club Has 9.2 Million Members ⁽¹⁾

 +2.8M New members⁽²⁾




 ~60% Activation Rate



 +76% Shopping Frequency⁽³⁾



 4.4x Shopping frequency of members who redeem points⁽⁴⁾



Koton Club has been launched in **Serbia**, following the **CIS region**, It has approximately 300 thousand members⁽¹⁾ in these countries.

In the GCC Region, loyalty program privileges are provided through **Apparel Club**, which has 13 million members.⁽¹⁾



Exclusive collaborations were carried out with **Zubizu and Pegasus** for members.



Personalized communications are increasing **conversion to purchases**.

(1) Number of members as of February 20, 2025

(2) Number of new members joined between January 1, 2025, and February 20, 2026

(3) Compared to customers who are not Koton Club members

(4) Koton Club members who redeemed points were compared to non-members

2025

Expectations and Actuals

Including TAS 29

Expectations

Actual



Sales Growth

Flat –
Slight contraction

0.1% Annual



Gross Profit Margin

>50%

54.1%



Net Number of New Stores

>14 stores

13 stores



2026 Guidance

Including TAS 29

 <p>Sales Growth</p>	 <p>Gross Profit Margin</p>	 <p>EBITDA Margin^(*)</p>	 <p>Net Financial Debt/ EBITDA (exc. IFRS 16)</p>	 <p>Capex/ Sales</p>	 <p>Net Number of New Stores</p>
<p>~5% - 7%</p>	<p>~ 54%</p>	<p>~ 24%</p>	<p>~0.5x</p>	<p>~3.5%</p>	<p>10+ stores</p>



^(*) EBITDA calculation method used in financial reports: Profit (loss) before tax + financial income (expense) + credit finance income (expense) on purchase of trade goods (net) + income (expense) from investing activities + depreciation and amortization expense - net monetary position gain (loss),

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Q4/2025 PERIOD ANALYST PRESENTATION

Appendix



Balance Sheet *Summary*

ASSETS	31 December 2025	31 December 2024
Cash and Cash Equivalents	1,442,990,839	765,729,192
Trade Receivables	1,474,210,145	2,329,956,807
Other Receivables	49,155,229	8,569,417
Inventories	9,287,693,259	10,442,131,510
Current Tax Assets	84,192,988	81,947,039
Prepaid Expenses	1,901,445,191	1,787,944,687
Other Current Assets	485,414,753	610,864,282
Current Assets	14,725,102,404	16,027,142,934
Other Receivables	208,443,912	190,794,986
Financial Investments	8,459,171	5,202,970
Property & Plant and Equipment	2,666,922,253	2,488,407,185
Intangible Assets	912,782,095	832,024,048
Right-of-Use Assets	5,143,747,021	5,428,465,527
Prepaid Expenses	4,010,802	5,098,703
Deferred Tax Asset	488,034,708	335,429,990
Other Non-Current Assets	6,438,870	9,604,287
Other Non-Current Assets	9,438,838,832	9,295,027,696
TOTAL ASSETS	24,163,941,236	25,322,170,630

Toplam Kaynaklar	31 December 2025	31 December 2024
Short-term Borrowings	4,752,903,886	3,890,934,402
Short-term Portion of Long-term Borrowings	303,603,647	370,363,217
Lease Liabilities	1,790,088,736	1,753,915,194
Trade Payables	6,201,549,561	6,807,738,637
Payables Related to Employee Benefits	396,767,320	402,664,077
Other Payables	33,658,352	35,646,433
Deferred Income	234,150,792	151,483,753
Short-term Provisions	308,589,827	298,959,075
Other Current Liabilities	313,645,236	216,823,619
Current Liabilities	14,334,957,357	13,928,528,407
Long-term Borrowings	44,815,397	31,896,845
Other Payables	39,167,828	34,594,876
Deferred Income	16,239,649	83,458,826
Long-term Provisions	146,114,541	145,461,702
Lease Liabilities	2,327,518,341	2,395,154,998
Deferred Tax Liability	556,742,965	620,086,698
Non-Current Liabilities	3,130,598,721	3,310,653,945
Equity	6,698,385,156	8,082,988,278
TOTAL LIABILITIES AND EQUITY	24,163,941,235	25,322,170,630

Income Statement and *Margins*

	Q4 2025	Q4 2024	2025	2024
Revenue	9,017,443,195	8,005,114,777	32,872,814,234	32,836,034,854
Cost of Sales (-)	(4,367,709,639)	(4,578,923,787)	(15,074,637,252)	(15,158,621,346)
Gross Profit	4,649,733,556	3,426,190,990	17,798,176,982	17,677,413,508
Gross Profit Margin	51.6%	42.8%	54.1%	53.8%
General Administrative Expenses (-)	(850,174,303)	(955,041,660)	(3,257,887,982)	(3,043,871,606)
Marketing Expenses (-)	(3,117,550,767)	(2,958,784,978)	(11,804,318,405)	(11,600,108,484)
Research and Development Expenses (-)	(113,429,019)	(172,702,751)	(397,281,714)	(490,418,571)
Other income from operating activities	388,108,948	126,729,558	2,040,479,366	1,150,985,898
Other operating expenses (-)	(609,382,504)	(1,131,742,288)	(2,688,421,616)	(3,538,945,399)
Operating Profit (Loss)	347,305,912	(1,665,351,129)	1,690,746,631	155,055,346
Income from investing activities	5,354,010	1,696,198	12,382,066	5,014,933
Expenses from investing activities	(8,592,557)	(10,739,323)	(9,053,215)	(12,146,152)
Operating profit before financial expenses	344,067,365	(1,674,394,253)	1,694,075,482	147,924,127
Financial expenses, net	(908,608,619)	(656,005,425)	(3,346,273,632)	(2,109,139,814)
Monetary Gain (Loss)	(471,935,483)	148,821,491	596,523,719	1,240,426,482
Profit Before Tax	(1,036,476,737)	(2,181,578,187)	(1,055,674,431)	(720,789,205)
Current tax income/(expense)	-	-	-	-
Deferred tax income/(expense)	153,800,315	334,688,294	97,001,102	203,895,689
Net Profit (Loss) for the Period	(882,676,422)	(1,846,889,893)	(958,673,329)	(516,893,516)
EBITDA	1,843,297,650	(95,674,569)	7,789,156,149	6,384,430,314
EBITDA margin	20.4%	-1.2%	23.7%	19.4%

EBITDA calculation method used in financial reports: Profit (loss) before tax + financial income (expense) + credit finance income (expense) on purchase of trade goods (net) + income (expense) from investing activities + depreciation and amortization expense - net monetary position gain (loss).