

The KOTON logo is positioned in the top right corner of the image. It features the brand name in a bold, white, sans-serif font, with stylized floral motifs integrated into the letter 'O's.

Q1 2026 PERIOD

# *Analyst Presentation*

MAY 8, 2026

# Disclaimer





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With the Capital Markets Board Bulletin dated December 28, 2023, and numbered 2023/81, it was publicly announced that issuers and capital market institutions subject to the financial reporting regulations of the Capital Markets Board are required to apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending on or after December 31, 2023. Unless otherwise stated in this presentation prepared regarding the financial results for the accounting period of January 1, 2026 - March 31, 2026, the financial data of our Company, which applies the Turkish Accounting/Financial Reporting Standards in accordance with the Decision of the Capital Markets Board dated December 28, 2023, restated for inflation accounting in accordance with the provisions of TAS 29, have been used as a basis.

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 material factors that are beyond the Company's control or over which it has limited control. These factors may cause the Company's future results, performance, or achievements to differ materially from the results, performance, or achievements expressed in the "forward-looking statements". The "forward-looking statements" contained in this presentation reflect the Company's views as of the date the presentation was prepared. The Company, the Company's Management or its employees, or other related parties cannot be held liable for any direct or indirect loss or damage that may arise from the use of such statements.



# Despite Geopolitical Tensions and Macroeconomic Challenges In Q1 2026, Operational Profitability Improved

	<b>Consolidated Sales</b> Q1 2026	<b>8.3</b> Billion TRY
	<b>Consolidated Gross Profit Margin</b>	<b>50.9%</b> ↑ <b>8.0</b> pp YoY
	<b>Türkiye Gross Profit Margin</b>	<b>52.1%</b> ↑ <b>7.4</b> pp YoY
	<b>Consolidated EBITDA Margin<sup>(*)</sup></b>	<b>19.3%</b> ↑ <b>4.7</b> pp YoY
	<b>Free Cash Flow<sup>(**)</sup></b>	<b>859</b> Million TRY

**Q1 2026** was a period where increasing **geopolitical tensions** at the global level, conflicts in the Middle East, and fluctuations in raw material and energy prices **heightened inflationary pressure**. In this challenging period, **consolidated sales** amounted to **TRY 8.3 billion** with a limited contraction.

In Q1 2026, Koton **outperformed** the apparel industry<sup>(\*\*\*)</sup>, which contracted due to weak consumer demand. **Sales in Türkiye**, which recorded strong growth in Q1 2025 with heavy discounts offered within the scope of inventory management, **contracted marginally in Q1 2026 due to the high base effect**. Although growth was compromised in this period, thanks to the increase in inventory efficiency, **profitability increased**.

International sales, on the other hand, **recorded a real growth of 3%** driven by operational improvements, despite the EUR/USD falling to 1.14 levels. As of April, **the rise in parity is expected to reflect positively on the financial statements**.

Despite the slowdown in sales, **gross profit margin increased by 8.0 points and EBITDA margin by 4.7 points** thanks to procurement costs below inflation and disciplined opex management.

With operational improvements and effective inventory management, a **cash flow of 859 million TRY** was realized in Q1 2026.

(\*) EBITDA calculation method used in financial reports: profit (loss) before tax + financial income (expenses) + interest expenses on credit purchases (net) + income (expenses) from investing activities + depreciation and amortization expenses - net monetary position.

(\*\*) Free cash flow is calculated by deducting the cash flows used in investing activities from the cash flows generated from operating activities included in the consolidated cash flow statements.

(\*\*\*) Source: AYD - Council of Shopping Centers - <https://www.ayd.org.tr/>, based on monthly shopping center apparel turnover index data.

# In Q1 2026, Improvement in Operational Efficiency and Cash Flow

m<sup>2</sup> % 11.1 ↑

Türkiye  
**sqm efficiency**  
(in USD terms)

🌐 % 19.4 ↑

International  
**sqm efficiency**  
(in USD terms)

🔄 % 17.0 ↑

**International  
Sales Growth**  
(in USD terms)

🌐 % 106.5 ↑

**GCC Region  
Store Sales**  
(in USD terms)

🏪 4.6 pp ↓

**Operating Expenses /  
Sales Ratio**  
Decrease (\*)

📦 % 15.3 ↓

**Inventory  
Decrease (\*\*)**

📦 6.9 pp ↓

**Net Working Capital  
/ Sales**  
Ratio Decrease (\*\*)

📦 0.4x ↓

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

35 Countries

464 Stores We Serve In (\*\*)

70

Countries with Store  
sales and E-  
commerce.

9.6M+

Koton Club Exceed 9.6  
Million Members (\*\*\*)

(\*) Q1 2025 and Q1 2026 periods are compared excluding depreciation and amortization.

(\*\*) The end-of-period balance of March 31, 2026 and the end-of-period balance of March 31, 2025 are compared.

(\*\*\*) As of April 30, 2026.

Q1 2026 ANALYST PRESENTATION

# Financial Results

**KOTON**



# Resilient to Challenging Conditions *Profitability Focused Sales Performance*

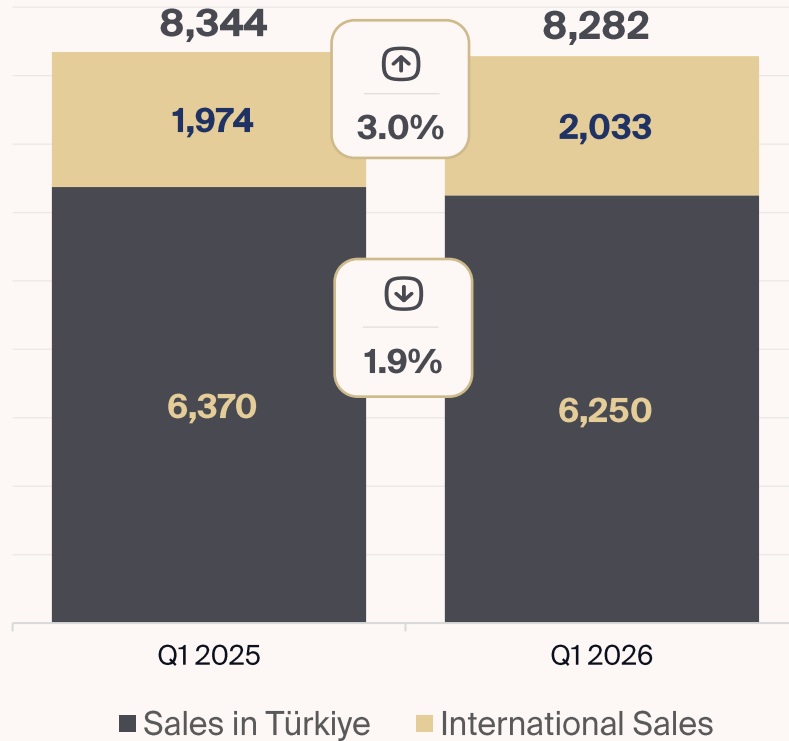
## Consolidated Sales

(Million TRY)

### Consolidated Sales Q1 2026

**8.3** Billion TRY

**0.7%** YoY ↓



**Consolidated sales** completed **Q1 2026** with a **0.7% contraction** on a YoY basis, driven by the increasing uncertainty environment with global geopolitical tensions and the impact of domestic inflationary pressure and the strong TRY policy. By prioritizing profitability in this period, the **gross profit margin increased by 8 points to 50.9%**.



**Sales in Türkiye**, which grew by 12% in Q1 2025 supported by intensive discounts within the scope of inventory management, **contracted by 1.9% in Q1 2026** due to the high base effect and focus on profitability, while the gross profit margin in Türkiye increased by 7.4 points year-on-year.



**International sales continued their real growth trend in Q1 2026**, despite exchange rate pressure against high inflation and the negative effects of geopolitical tensions. Supported by the base effect of the previous year, total international sales grew **3%** and accounted for 25% of consolidated sales **in Q1 2026**.



**International sales** recorded **17% growth YoY in USD terms in Q1 2026** driven by operational improvement.

# Sales in Türkiye *Contraction Due to High Base Effect*



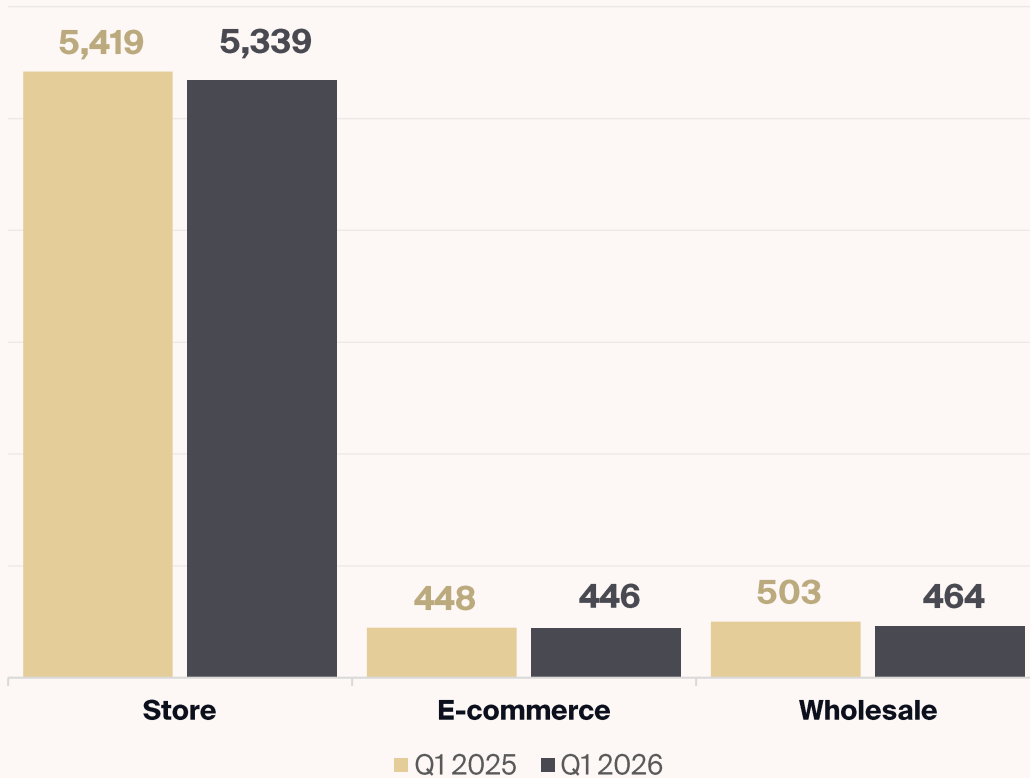
## Sales in Türkiye

(Million TRY)

Q1 2026

6.3 Billion TRY

1.9% YoY ↓



**Sales in Türkiye**, which grew by 12% in Q1 2025 supported by intensive discounts within the scope of effective inventory management, **contracted by 1.9%** in Q1 2026 due to the high base effect and focus on profitability, while the **gross profit margin in Türkiye increased by 7.4 points** yoy.

**Store sales**, which account for 85% of total sales in **Türkiye**, **contracted by 1.5%** year-on-year due to the high base effect of Q1 2025 (18% real growth) and contracting consumer demand driven by increasing inflationary pressures.

Driven by store optimization efforts in Türkiye, **m<sup>2</sup> efficiency grew by approximately 11%** year-on-year in USD terms in Q1 2026.

While **e-commerce sales** in Türkiye **remained flat** following a strategic decision made in line with the focus on profitability, the **gross profit margin increased by 6.8 percentage points** yoy.

Wholesale sales in Türkiye continued to be managed by considering market conditions and the maturities required by the business model and contracted marginally in Q1 2026 in line with the focus on profitability.

# Real Growth in *International Sales*

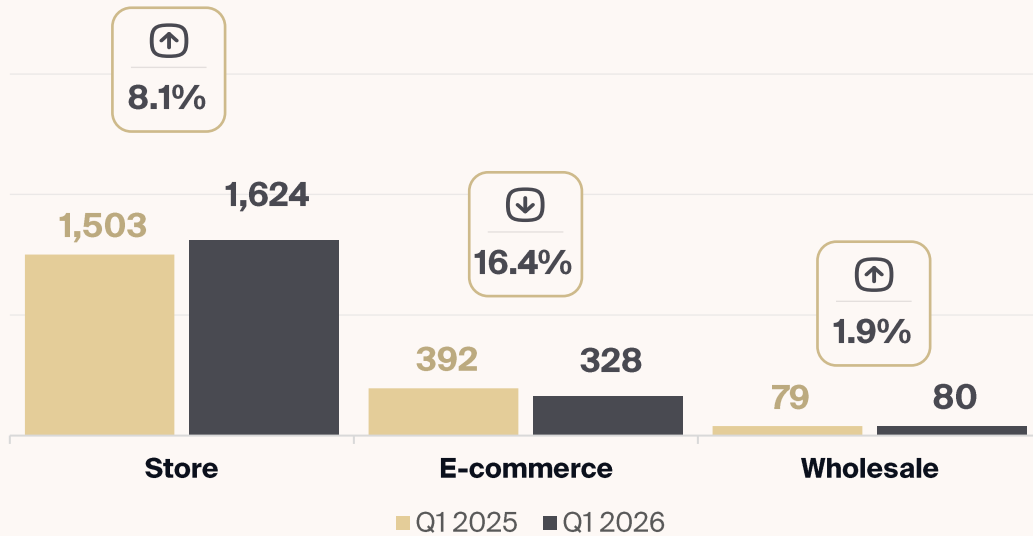
## International Sales

(Million TRY)

Q1 2026

2.0 Billion TRY

3.0% YoY ↑



Despite the EUR/USD falling to 1.14, **international sales continued real growth in Q1 2026** driven by operational improvements.

**Total international sales recorded 3% growth year-on-year in Q1 2026**, also supported by the low base effect of the previous year, and accounted for **25%** of consolidated sales. Positive forward-looking signals regarding the easing of exchange rate pressure are being observed.

**International store sales grew by 8% year-on-year in Q1 2026** driven by continued strong performance, despite the negative impact of tensions in the GCC Region.

Due to the high base effect created by the 65% growth in Q1 2025, **international e-commerce sales contracted by 16%** in Q1 2026.

Thanks to the positive impact of the transformation and newly opened stores, despite the tensions in the **GCC Region**, **total sales** increased by %97 yoy in USD terms in March, when the tension started, and **by 106% yoy** in Q1 2026.

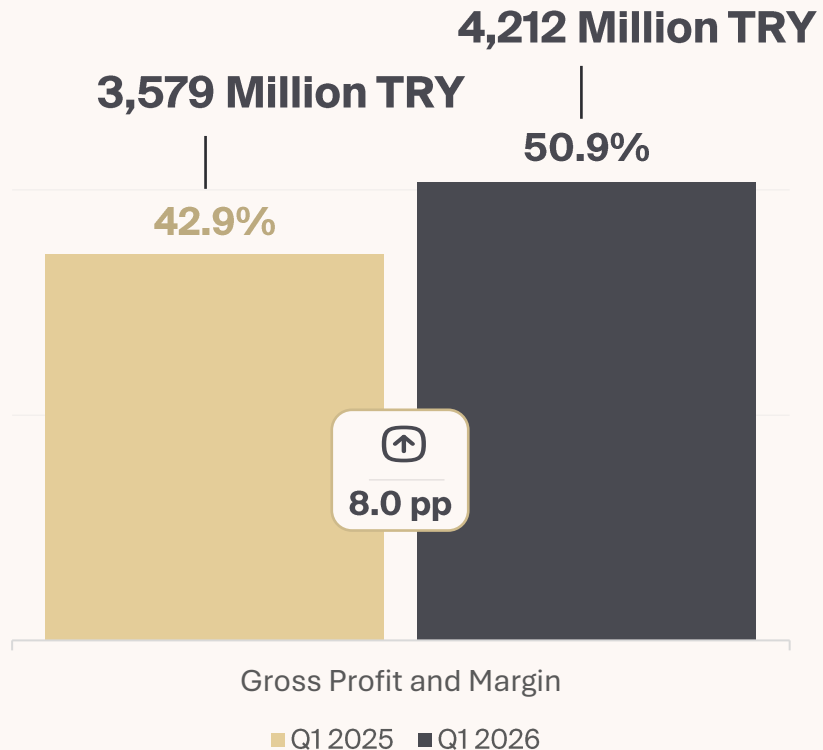
# Increased Gross Profit Margin *through Effective Cost Management and Dynamic Planning*

## Consolidated Gross Profit and Margin

GP Margin in Türkiye

52.1%

↑ 7.4 pp YoY



In Q1 2026, despite the slowdown in demand, consolidated gross profit margin reached **50.9%** with an **8.0 point increase yoy**, thanks to **procurement cost increases kept below inflation** in the SS'26 season and **effective inventory management**.



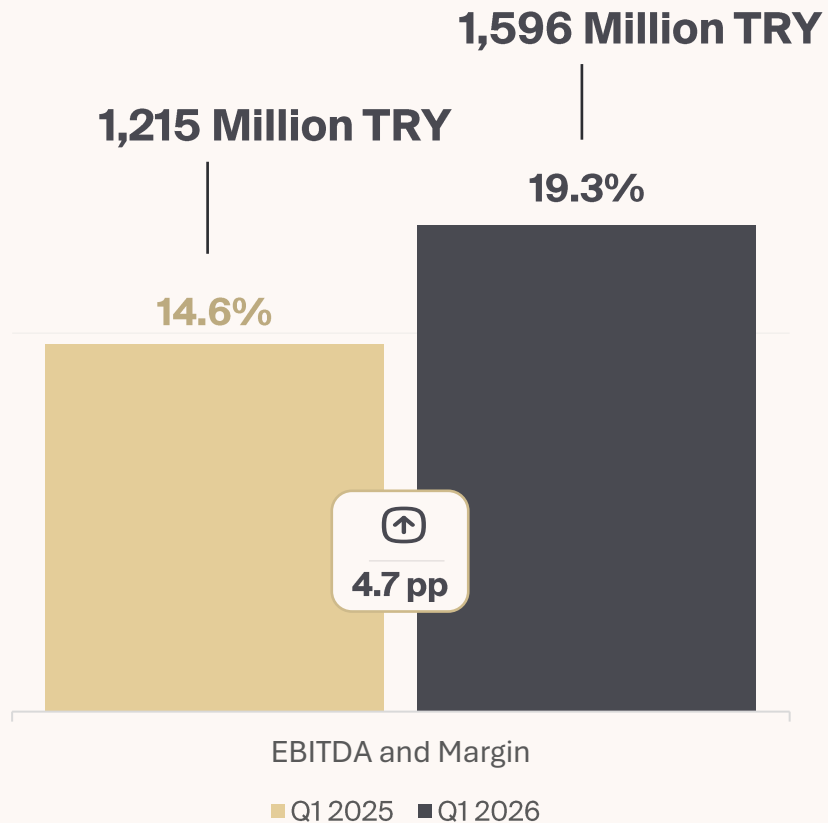
Despite the contracting consumer demand in **Türkiye**, the **gross profit margin** realized at **52.1%** with a **7.4 point increase yoy** in Q1 2026 thanks to effective cost management.



**Internationally**, despite the geopolitical tensions, **gross profit margin** realized at **47.1%** with a **9.9 point increase yoy** in Q1 2026 thanks to the dynamic product planning and pricing policy.

# Increased EBITDA Margin *through Prudent Expense Management*

## Consolidated EBITDA\* and Margin



Despite lower foreign exchange gains, **consolidated EBITDA margin** realized at **19.3%** with a **4.7 point increase yoy** in Q1 2026, thanks to the increase in gross profit margin and prudent expense management.

**Consolidated EBITDA** reached approximately **1.6 billion TRY** in Q1 2026 with a **31% increase yoy**.

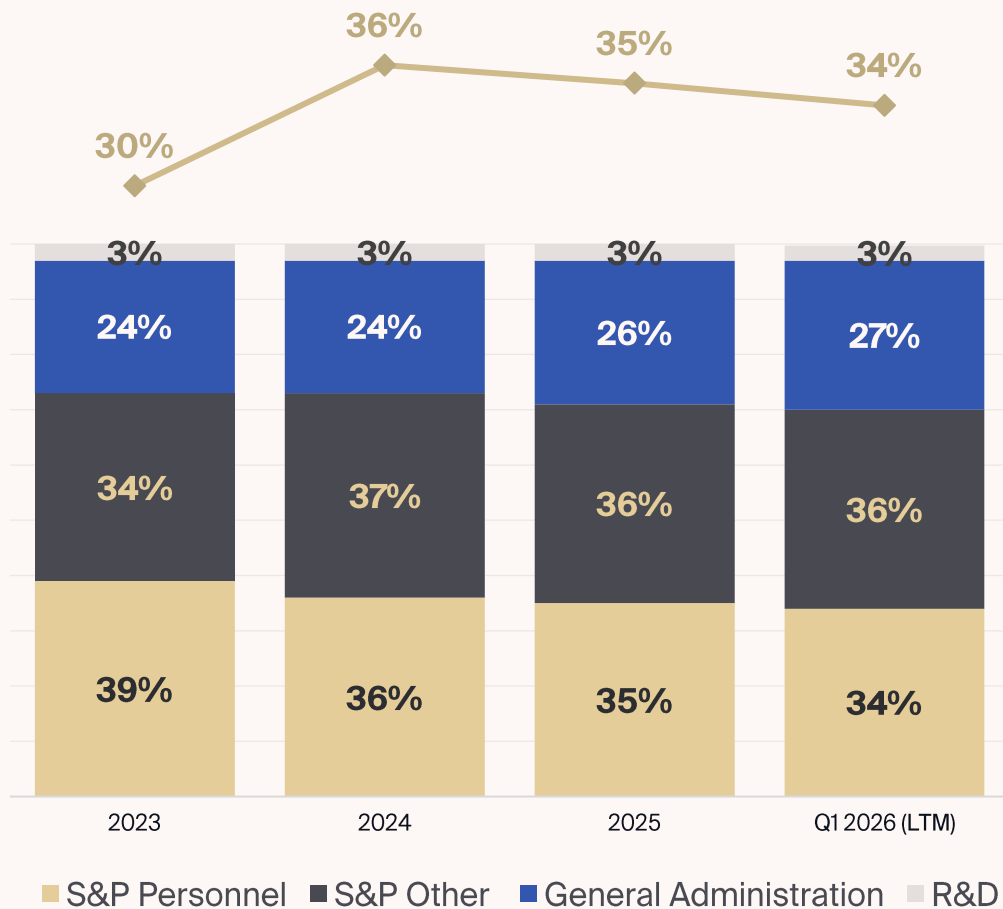
(\*) EBITDA calculation method used in financial reports: profit (loss) before tax + financial income (expenses) + maturity difference expenses related to merchandise purchases (net) + income (expenses) from investing activities + depreciation and amortization expenses - net monetary position.

# Disciplined Operating Expenses Management



## Operating Expenses/ Sales

(%)



In Q1 2026, **total operating expenses** (excluding depreciation) **decreased by 13% yoy**, despite rent expenses increasing above inflation. **Opex/sales** in Q1 2026 **decreased by 4.6 points** yoy to %32.6.



While the opex/sales ratio was 35% in 2025, it **decreased to 34% in the last twelve months as of Q1 2026** due to the projects implemented within the scope of controlled operating expenses management.

# Positive Free Cash Flow through Operational Acceleration

## Working Capital

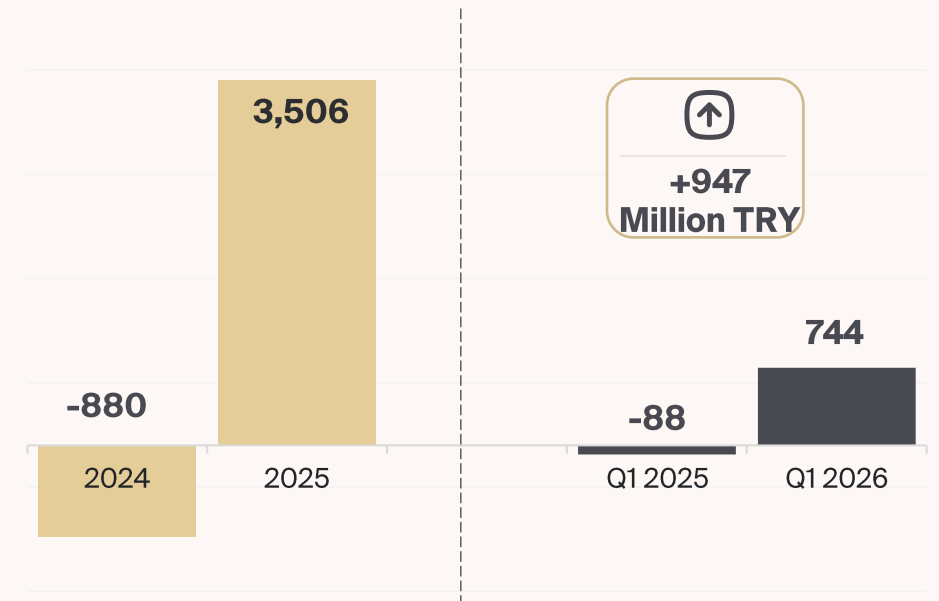
(Million TRY)

	Q1 2025	2025	Q1 2026
Trade and Other Current Receivables	2,335	1,676	1,496
<i>Ratio to Sales</i>	6.4%	4.6%	4.1%
Inventory	11,787	10,220	9,982
<i>Ratio to COGS</i>	68.2%	61.6%	62.8%
Trade and Other Current Payables	6,864	6,861	6,748
<i>Ratio to COGS</i>	39.7%	41.4%	42.5%
<b>Net Working Capital</b>	<b>7,259</b>	<b>5,035</b>	<b>4,814</b>
<b><i>Ratio to Sales</i></b>	<b>20.0%</b>	<b>13.9%</b>	<b>13.1%</b>

Thanks to dynamic pricing, effective product planning, and flexible supply chain practices, a **6.9 point improvement was achieved in the net working capital to sales ratio**, primarily driven by a **15% yoy decrease in inventory**.

## Free Cash Flow

(Million TRY)



Thanks to the improvement in working capital through operational acceleration, a **total free cash flow of 859 million TRY was generated** in Q1 2026.

Notes: Free cash flow is calculated by deducting the cash flows used in investing activities from the cash flows generated from operating activities included in the consolidated cash flow statements.

# Decrease in *Net Financial Debt / EBITDA Ratio*

## Net Financial Debt

(Million TRY)

	Q1 2025	2025	Q1 2026
Cash and Cash Equivalents	1,342	1,588	1,513
Bank Loans	(6,235)	(5,614)	(5,338)
Lease Obligations	(4,931)	(4,531)	(4,366)
Net Financial Debt	(9,824)	(8,557)	(8,191)
Net Financial Debt / EBITDA	1.4x	1.0x	0.9x
Net Financial Debt (excl. IFRS 16)	(4,893)	(4,025)	(3,825)
<b>Net Financial Debt / EBITDA (excl. IFRS 16)</b>	<b>0.7x</b>	<b>0.5x</b>	<b>0.4x</b>

**Ratio of net financial debt** position to **EBITDA** decreased from 1.4x in Q1 2025 to **0.9x in Q1 2026**, and from 0.7x to **0.4x** excluding lease obligations (IFRS 16).



While **bank loans decreased** with improvements in net working capital, the fact that foreign currency loans were predominantly in Euro and **the decrease in the EUR/USD parity** in Q1 2026 supported **the decrease** in net indebtedness.



In Q1 2026, the **ratio of capital expenditures to sales** realized at **3.6%**, in line with previous periods.



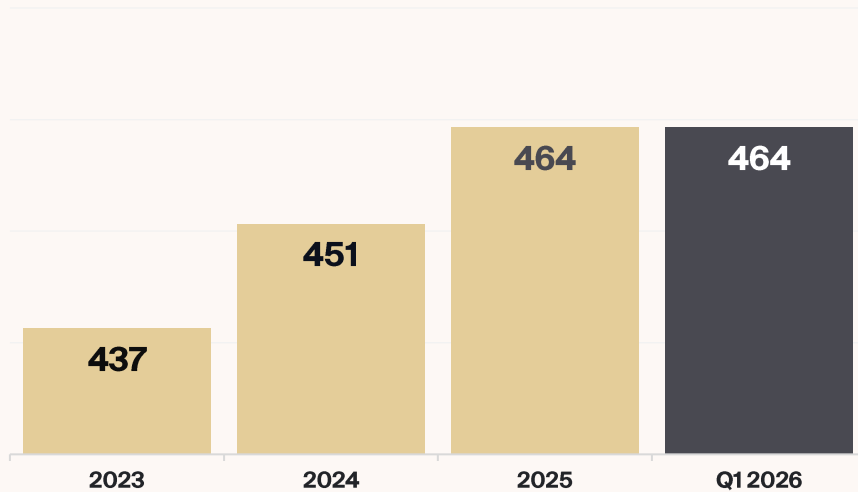
Q1 2026 ANALYST PRESENTATION

# Operational *Results*

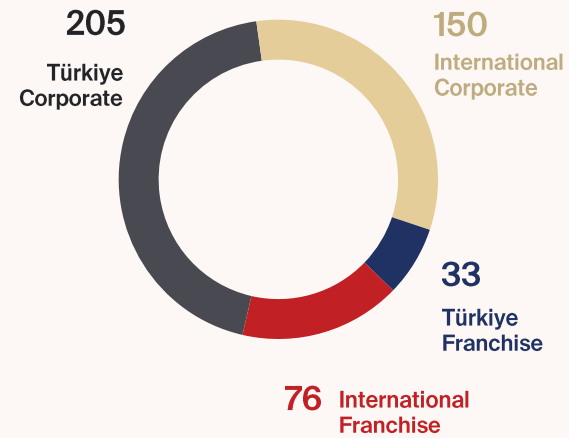
**KOTON**

# Total of 464 Stores as of the End of Q1 2026

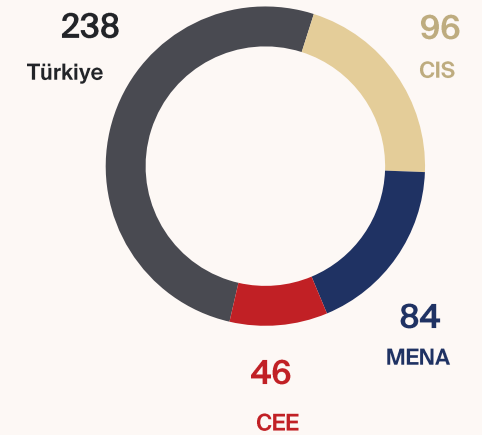
## Number of Stores



## Store-Based Breakdown



## Regional Breakdown



In **Q1 2026**, there were 6 store openings and 1 store closure internationally. In Türkiye, there was 1 store opening and 6 store closures.

In **Q1 2026**, while **1 store was closed in Ukraine**, **2 stores were opened in KSA and Qatar in the GCC Region**.

# Increase in Store Square Meter Efficiency

## Total Store Area

(thousand sqm)

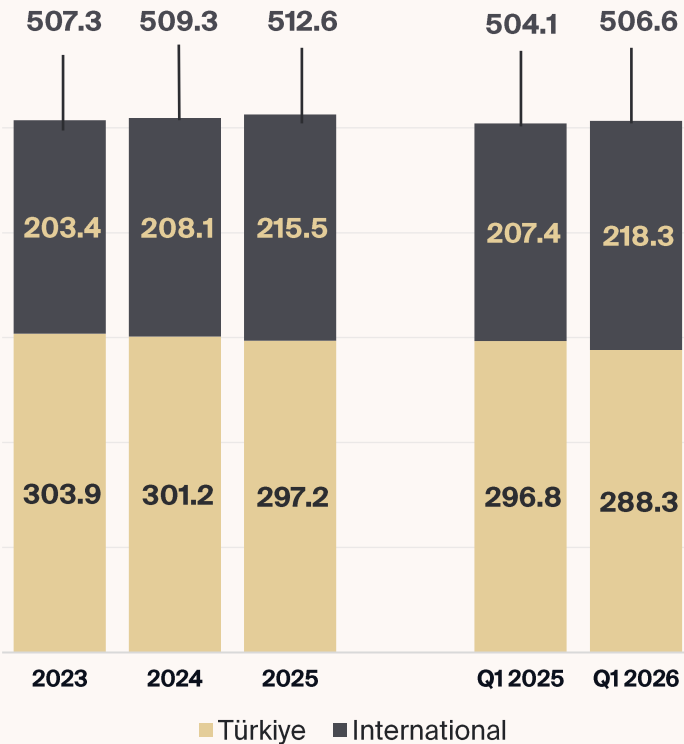
437 stores

451 stores

464 stores

449 stores

464 stores



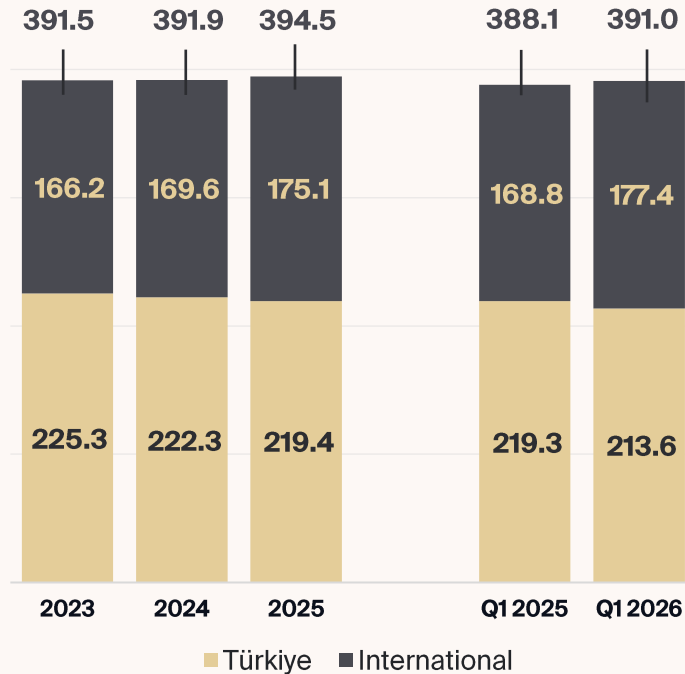
## Total Sales Area

(thousand sqm)

↑ ~11% m<sup>2</sup> efficiency in Türkiye

↑ ~19% m<sup>2</sup> efficiency internationally

(Q1 2026 - in USD terms)



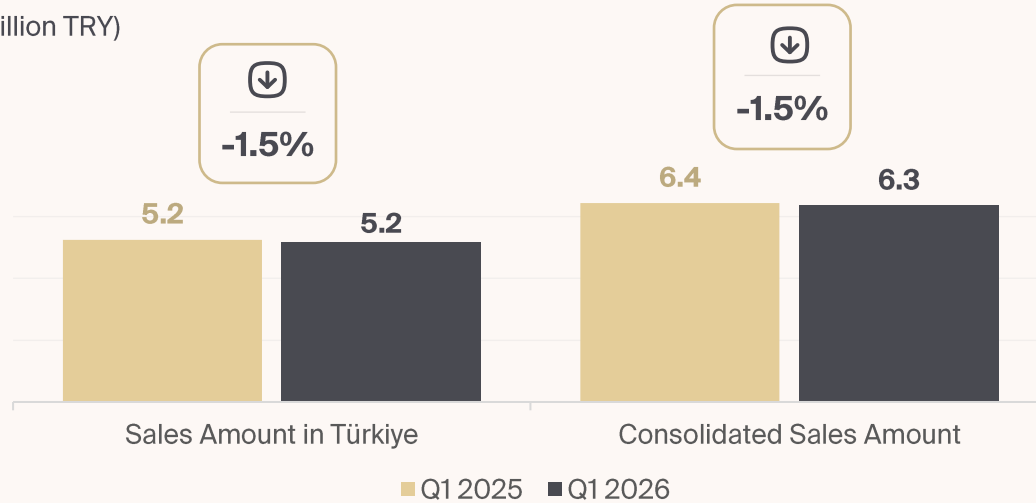
While the total number of stores increased year with a focus on m<sup>2</sup> efficiency, the total sales area remained at similar levels.



# Increase in LFL Store Gross Profit Margin

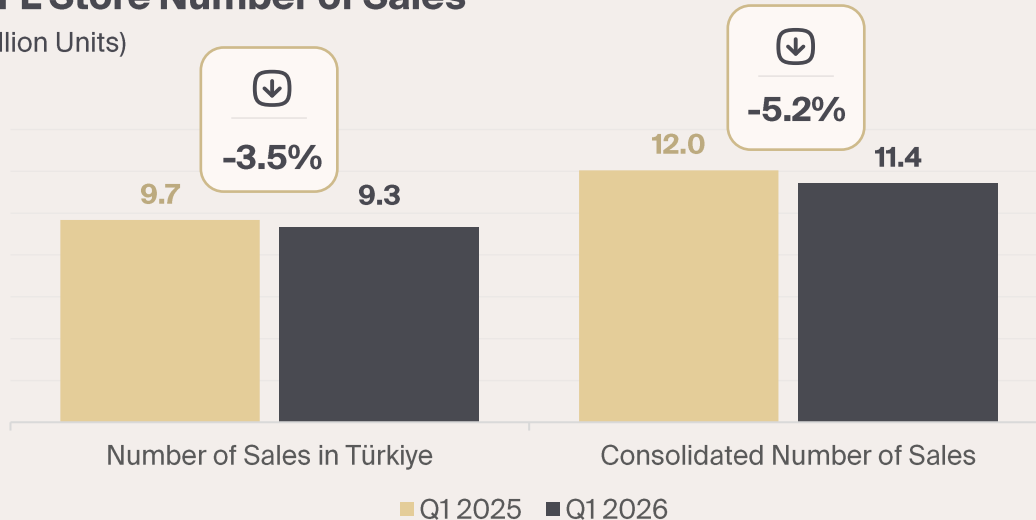
## LFL Store Sales Amount

(Billion TRY)



## LFL Store Number of Sales

(Million Units)



While LFL store sales volume and number of sales in Türkiye and international markets decreased in Q1 2026, a **12% increase was realized in consolidated LFL gross profit margin** thanks to product purchase cost and pricing strategy.



While the **LFL store sales amount in Türkiye** decreased in Q1 2026 due to the high base effect of the previous year, it **outperformed the market** compared to the shopping center apparel turnover index announced by AYD<sup>(\*)</sup>.



**In April 2026, total store sales in Türkiye** grew by **37%** nominally, while **international store sales grew by 30%**.



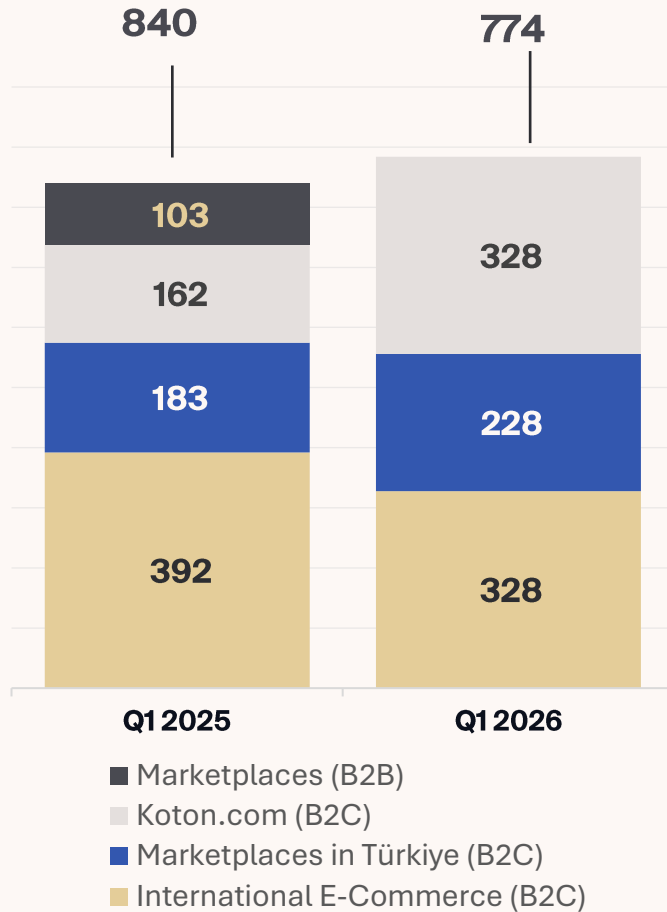
In the GCC Region, **April 2026, total sales increased by 73%** year-on-year in USD terms.

(\*): AYD: Council of Shopping Centers - <https://www.ayd.org.tr/>, based on monthly shopping center apparel turnover index data.

# Profitability-Oriented *E-Commerce Operations*

## E-Commerce Sales

(Million TRY)



Integration of store inventory into e-commerce inventory continues rapidly within the scope of **omnichannel focus**. An increase in inventory efficiency is targeted by **closing the e-commerce warehouse** in July.



While **Koton.com** sales **increased by 34% yoy**, **accounting for 49%** of the B2C channel in Türkiye. **Sales of the B2B channel**, whose profitability contribution is limited, **ended** in Q1 2026.



While the **Koton.com** mobile app **number of active users increased by 17%** compared to the same quarter of the previous year, the total **number of app downloads** reached **5.6 million** with a 38% increase.



In the **international e-commerce** channel, which provided significant support to inventory management and cash flow in Q1 2025, profitability was prioritized thanks to the decrease in inventory, and it **contracted by 16%** due to the high base effect of the previous year.



While preparations are underway to **enter the US market** in the second half of 2026, **trial sales have started**.



# Koton Club

*Reached 9.6 Million Members<sup>(1)</sup>  
in Türkiye*

⊕ ~70% Sales Share of Koton Club Members<sup>(2)</sup>

⊕ ~60% Active Members<sup>(2)</sup>

⊕ +2.2M New members<sup>(2)</sup>

⊕ +68% Shopping Frequency<sup>(3)</sup>



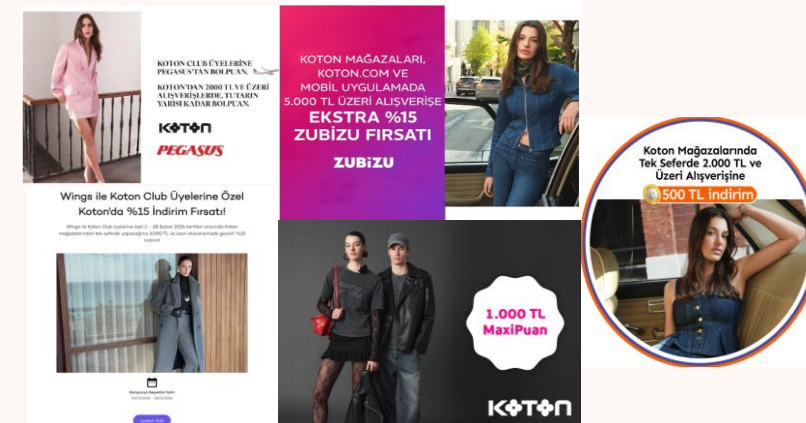
Purchase conversion rates are increasing through personalized communications for customers in different segments.

Koton Club has approximately 360 thousand members **in the CIS Region and Serbia**<sup>(1)</sup>.

Koton Club is planned to be launched **in Georgia and Morocco** in the second half of 2026.

In the **GCC Region**, privileges under the loyalty program are provided through **Apparel Club** which has 14 million members<sup>(1)</sup>.

Special collaborations were established for members with **Zubizu, Pegasus, Migros, Akbank, and İş Bankası**.









(1) Number of members as of April 30, 2026.

(2) Data for the last twelve months ending April 30, 2026.

(3) Compared with customers who are not Koton Club members during the last twelve months ending April 30, 2026.

# 2026 Guidance Maintained

Including TAS 29

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

In the second quarter with relatively stronger performance due to the seasonality of our business, contribution of Mother's Day and Eid period, as well as positive developments anticipated in the GCC Region, are expected to support our performance in the upcoming period.



(\*) EBITDA calculation method used in financial reports: profit (loss) before tax + financial income (expenses) + interest expenses on credit purchases (net) + income (expenses) from investing activities + depreciation and amortization expenses - net monetary position.

Q1 2026 ANALYST PRESENTATION

Q&A

KOTON



Q1 2026 ANALYST PRESENTATION

# Presentation *Appendices*

**KOTON**

# Summary Balance Sheet



Total Assets	March 31, 2026	December 31, 2025
Cash and Cash Equivalents	1,512,570,901	1,587,898,925
Trade Receivables	1,405,727,489	1,622,253,381
Other Receivables	90,379,674	54,091,497
Inventory	9,982,285,430	10,220,382,380
Current Period Tax Related Assets	82,756,805	92,647,820
Prepaid Expenses	2,097,364,629	2,092,392,199
Other Current Assets	526,658,867	534,161,074
<b>TOTAL CURRENT ASSETS</b>	<b>15,697,743,795</b>	<b>16,203,827,276</b>
Other Receivables	203,956,807	229,376,275
Financial Investments	10,030,524	9,308,658
Property, Plant and Equipment	2,777,205,167	2,934,740,031
Intangible Assets	1,014,877,080	1,004,445,537
Right-of-Use Assets	5,474,765,197	5,660,292,599
Prepaid Expenses	-	4,413,575
Deferred Tax Asset	517,931,938	537,044,150
Other Non-Current Assets	5,903,894	7,085,474
<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,004,670,607</b>	<b>10,386,706,299</b>
<b>TOTAL ASSETS</b>	<b>25,702,414,402</b>	<b>26,590,533,575</b>

Total Liabilities and Equity	March 31, 2026	December 31, 2025
Short-Term Borrowings	4,954,094,130	5,230,200,199
Short-Term Portions of Long-Term Borrowings	340,069,552	334,092,145
Right-of-Use Assets Obligations	1,854,684,895	1,969,853,102
Trade Payables	6,701,391,793	6,824,321,831
Payables Related to Employee Benefits	532,276,420	436,611,504
Other Payables	46,847,432	37,038,382
Deferred Income	328,915,776	257,664,693
Short-Term Provisions	301,209,193	339,579,047
Other Current Liabilities	325,302,391	345,142,130
<b>TOTAL CURRENT LIABILITIES</b>	<b>15.384.791.582</b>	<b>15.774.503.033</b>
Long-Term Borrowings	43,948,692	49,315,851
Other Payables	39,407,074	43,101,178
Deferred Income	45,865,729	17,870,468
Long-Term Provisions	171,731,122	160,787,662
Right-of-Use Assets Obligations	2,510,912,393	2,561,252,485
Deferred Tax Liability	672,109,898	612,652,230
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,483,974,908</b>	<b>3,444,979,873</b>
<b>TOTAL EQUITY</b>	<b>6,833,647,912</b>	<b>7,371,050,668</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>25,702,414,402</b>	<b>26,590,533,575</b>



# Income Statement and *Margins*

	Q1 2026	Q1 2025
<b>Revenue</b>	<b>8,282,124,736</b>	<b>8,344,048,065</b>
Cost of sales (-)	(4,070,447,232)	(4,765,207,786)
<b>Gross Profit</b>	<b>4,211,677,504</b>	<b>3,578,840,279</b>
<b>Gross Profit Margin</b>	<b>50.9%</b>	<b>42.9%</b>
General administrative expenses (-)	(691,343,310)	(781,746,200)
Marketing expenses (-)	(3,015,810,890)	(3,132,462,603)
Research and development expenses (-)	(82,008,145)	(101,059,518)
Other operating income	314,462,962	893,609,822
Other operating expenses (-)	(832,971,904)	(744,970,774)
<b>Operating Profit (Loss)</b>	<b>(95,993,783)</b>	<b>(287,788,994)</b>
Income from investing activities	2,315,729	2,243,461
Expenses from investing activities	(1,435,097)	(612,125)
<b>Operating Profit Before Financial Expenses</b>	<b>(95,113,151)</b>	<b>(286,157,658)</b>
Financial expenses, net	(725,308,461)	(828,015,792)
monetary position gain (loss)	571,230,802	561,132,962
<b>Profit Before Tax</b>	<b>(249,190,810)</b>	<b>(553,040,488)</b>
Current period tax income/(expense)	-	(320,842)
Deferred tax income/(expense)	(16,281,690)	56,912,095
<b>Net Profit (Loss) for the Period</b>	<b>(265,472,500)</b>	<b>(496,449,235)</b>
<b>EBITDA</b>	<b>1,596,281,082</b>	<b>1,215,438,700</b>
<b>EBITDA Margin</b>	<b>19.3%</b>	<b>14.6%</b>

EBITDA calculation method used by the Company in financial reports: profit (loss) before tax + financial income (expenses) + maturity difference expenses related to merchandise purchases (net) + income (expenses) from investing activities + depreciation and amortization expenses - net monetary position gains.