

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 a stylized four-leaf clover symbol integrated into the letter 'O'.

KOTON

A woman with long, wavy brown hair is the central figure, sitting on a stone ledge. She is wearing a vibrant red dress with a white floral and leaf pattern. The dress has a V-neckline and long, flowing sleeves. She is looking directly at the camera with a neutral expression. The background shows palm trees and a clear sky, suggesting a tropical or coastal setting.

Investor  
*Presentation*

MAY 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.



# Koton – Leading Fashion Brand

## Trendy & Affordable Premium & Local Global

 # 1

Awarded  
Women's Brand<sup>(1)</sup>

 36

Türkiye's Most  
Valuable Brand <sup>(2)</sup>  
**Brand Finance**

 **One-Stop  
Shop**

Among  
Top 3 Market Players  
in Every Category<sup>(3)</sup>

 70


Countries We Serve In  
including E-commerce

 464 stores

in 35 Countries<sup>(4)</sup>

 507K m<sup>2</sup>

Total Store Area<sup>(4)</sup>

 <b>Consolidated Sales</b> (Q1 2026- LTM)	36.1	Billion TRY
 <b>Consolidated Gross Profit And Margin</b> (Q1 2026- LTM)	20.2 56.0%	Billion TRY
 <b>Consolidated EBITDA And Margin</b> (Q1 2026- LTM)	9.0 24.8%	Billion TRY
 <b>Free Cash Flow<sup>(5)</sup></b> (Q1 2026- LTM)	4.5	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): According to the OC&C Market Study Report, dated January 2024, included in the IPO prospectus.

(4): As of March 31, 2026.

(5): 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

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**2** - Profitability Focused Growth Potential via Multichannel Platform

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**3** - Leading Fashion Brand with a Broad Customer Reach

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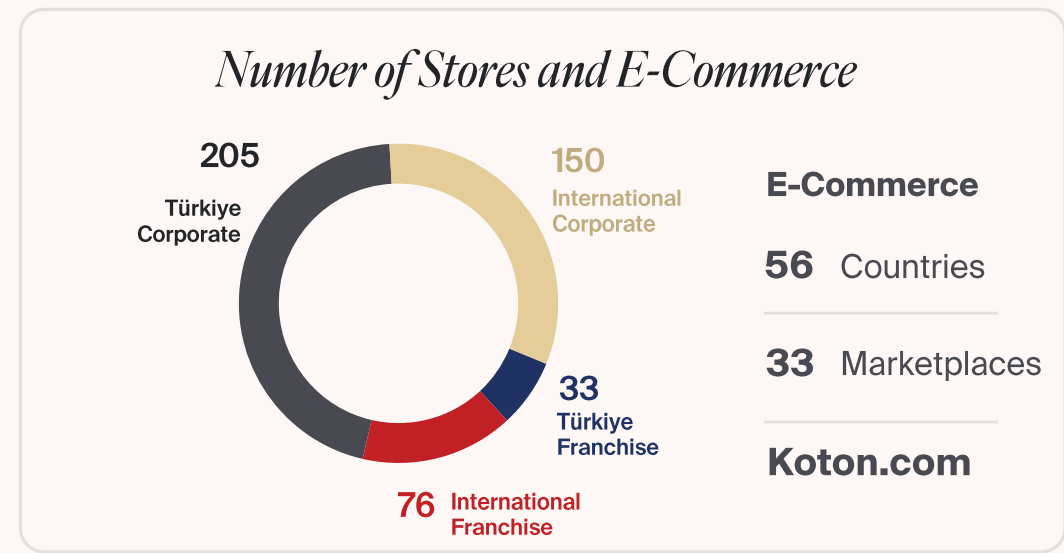
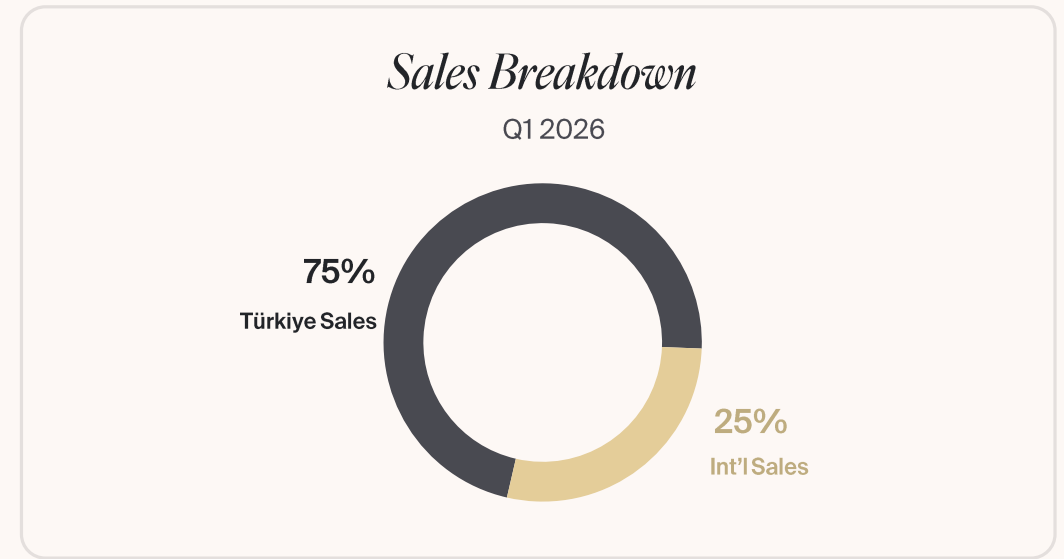
**4** - Competitive, Flexible and Resilient Business Model

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**5** - Promising Financial Results with a Focus on Profitable Growth



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



Note: : Map as of March 31, 2026 both stores and e-commerce. Sales figures for Q1 2026. Store count and e-commerce data are as of March 31, 2026.  
(1): Brunei, India, Indonesia, Malaysia, Filipins, Singapore, Tajikistan, Uzbekistan and Taiwan

# Profitability Focused Growth Potential *Via Multichannel Platform*

## Retail Stores

### Corporate



### Franchise



**355 Stores**

Türkiye: 205 Stores

Int'l: 150 Stores

**109 Stores**

Türkiye: 33 Stores

Int'l: 76 Stores

35 Countries

**Share in Consolidated Sales<sup>(1)</sup>**

Türkiye Stores: **64%**

Int'l Stores: **20%**

## E-Commerce



**Koton.com/Mobile app / marketplaces**

56 Countries

33 Marketplaces

Koton.com

Türkiye E-Commerce: **5%**

Int'l E-Commerce: **4%**

## Wholesale



**Wholesale**

~ 400 Point of Sale

Türkiye Wholesale: **6%**

Int'l Wholesale: **1%**

Note: Store and e-commerce footprint as of March 31, 2026..

(1): Based on Q1 2026 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

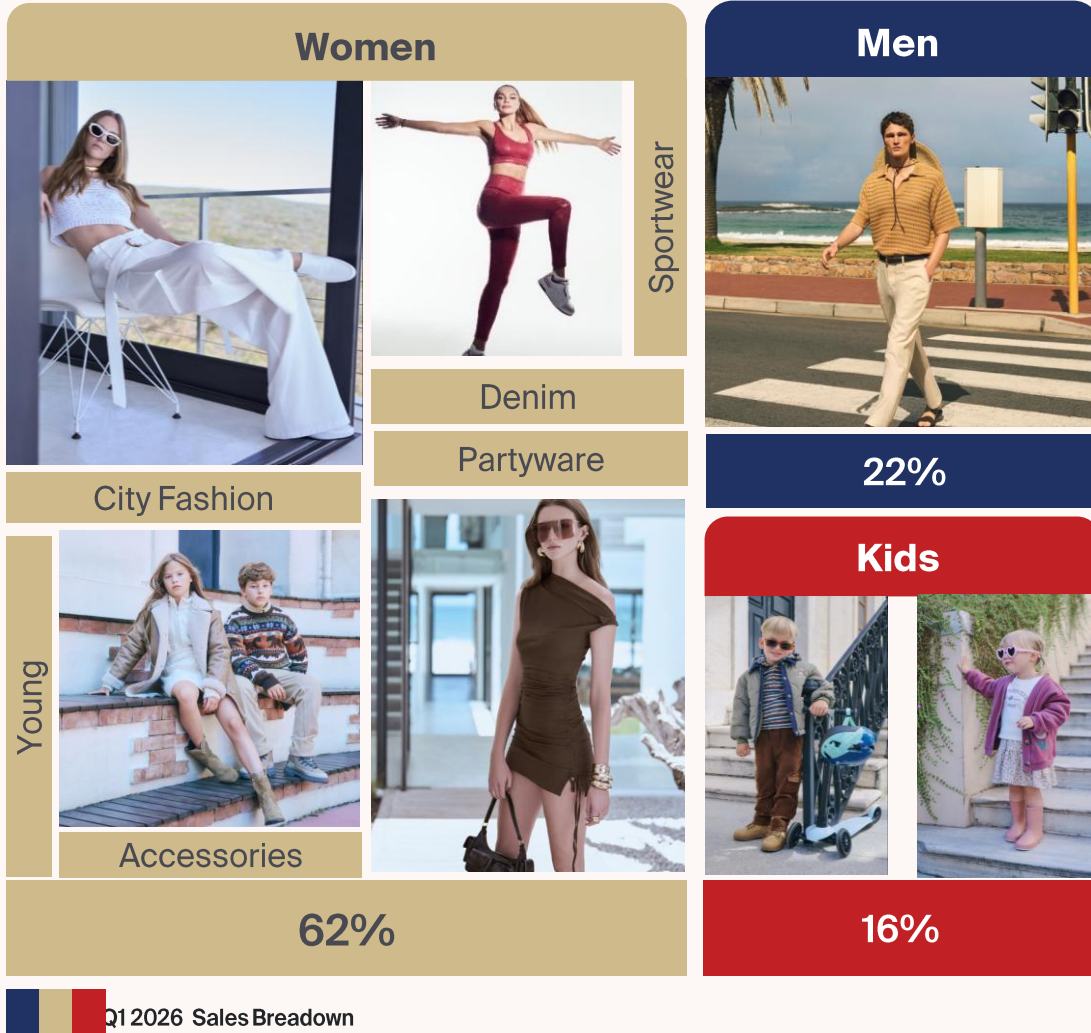


### Marketplaces with Ongoing Integration Process



# 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<sup>(1)</sup>**



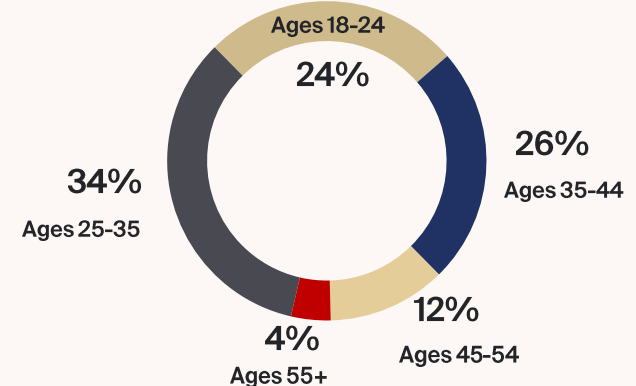
T.R. Ministry of Commerce  
Turququality Award  
**Turququality Champion with the Highest Number of Stores Abroad<sup>(3)</sup>**

Brand Finance  
**Türkiye's 36th Most Valuable Brand<sup>(2)</sup>**



*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 - Turququality 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<sup>(1,2)</sup>

	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<sup>(3)</sup> among modern apparel category<sup>(4)</sup>.



Recognized and awarded by sector's leading organizations.



Active social media presence via influencer collaborations.

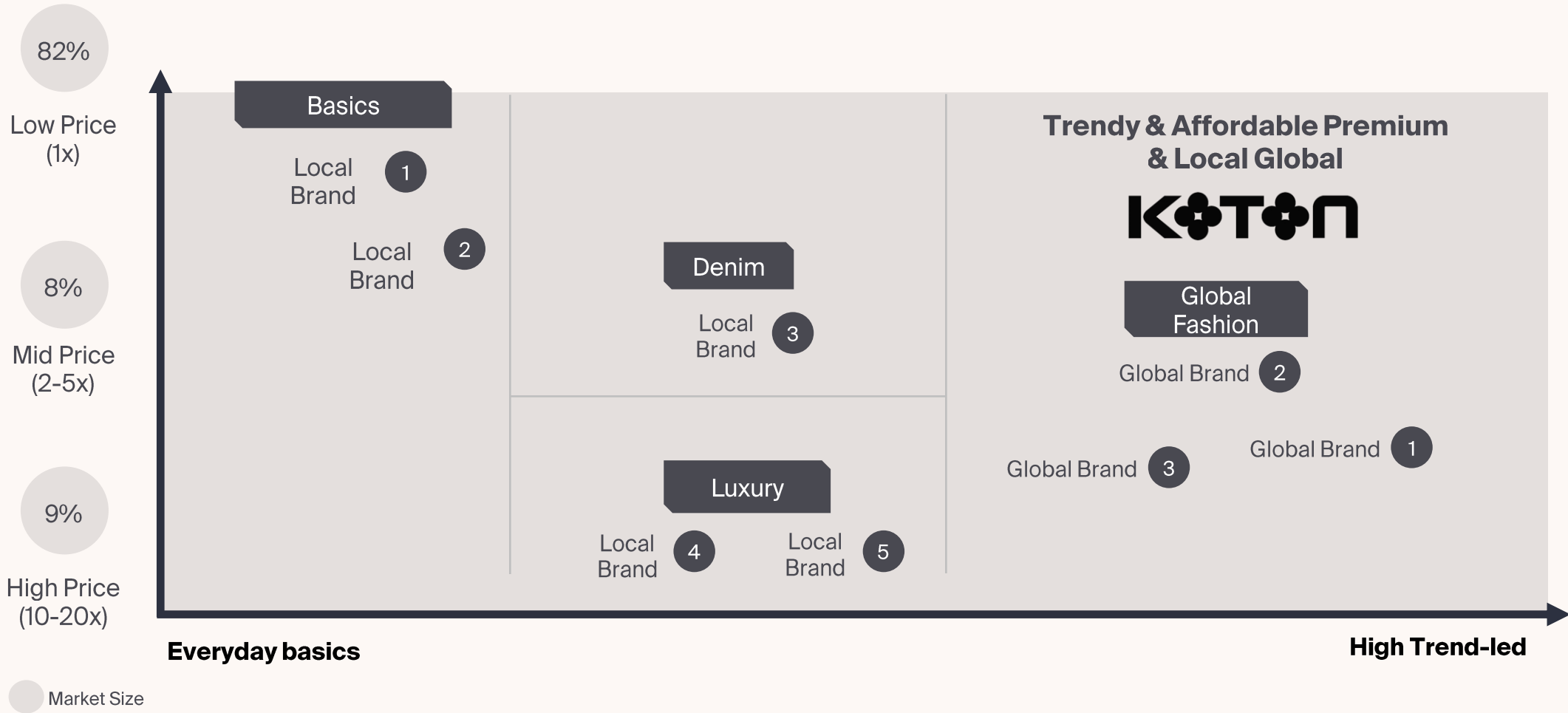
Source: OC&C Analysis, OC&C Market Survey 2023

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

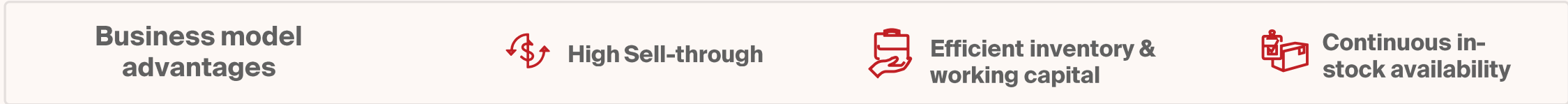
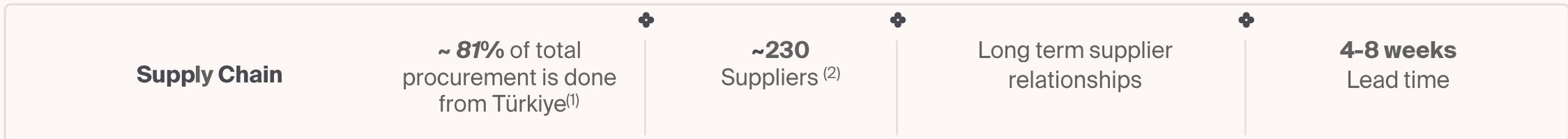
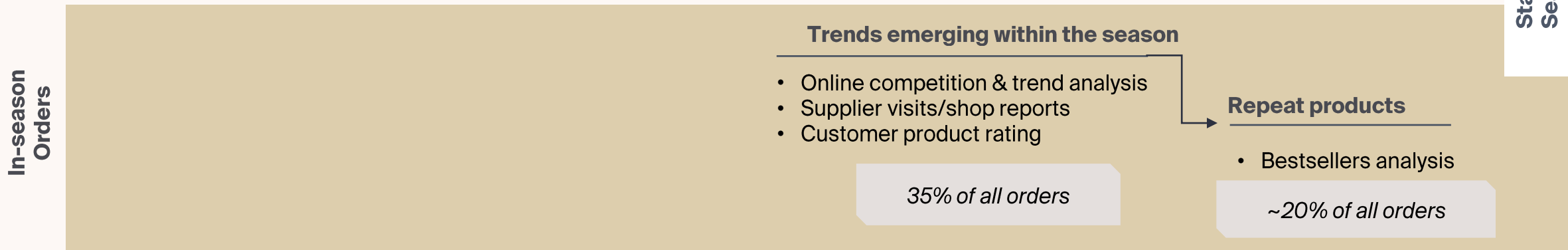
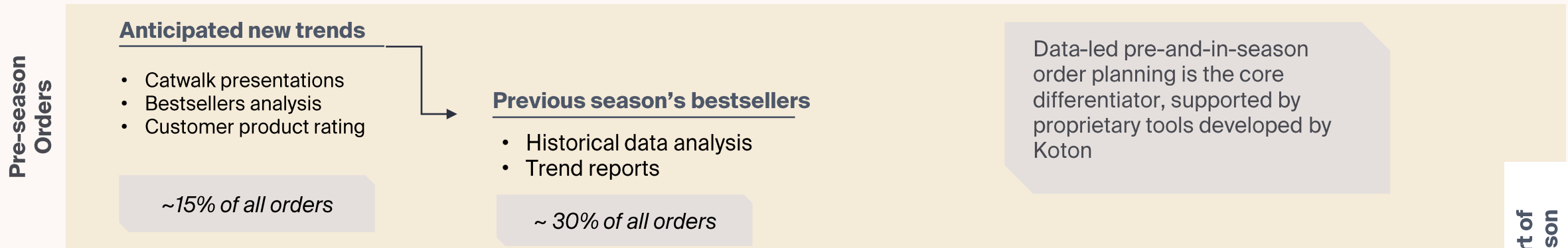


## Domestic Market Brand Positioning



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

# Efficient Operations and Flexible Supply Management







(1) Share in total procurement, excluding imports for Q1 2026.



(2) As of Q1 2026.

# Focus on Profitable Growth *with Stronger Financials*

## Sustainable Sales Growth



 **17.0 %**   
International Sales  
(in USD)



 **106.5 %**   
GCC Region  
LFL Sales  
(in USD)

 **34 %**   
Türkiye Sales in  
Nominal Terms<sup>(1)</sup>  
(April'26)



## Operational Efficiency

**m<sup>2</sup>** **11.1 %**   
Türkiye Sales  
Area Efficiency  
(in USD)

 **19.4 %**   
International Sales  
Area Efficiency  
(in USD)

 **4.6 pp**   
Decrease in  
**Opex/Sales**<sup>(2)</sup>

## Increase in Profitability


 **8.0 pp**   
Increase in  
**Gross Profit Margin**

 **4.7 pp**   
Increase in  
**EBITDA Margin**<sup>(3)</sup>

 **859** Million TRY  
**Free Cash Flow**<sup>(4)</sup>

## Healthy Balance Sheet

 **15.3 %**  
Decrease in  
**Inventory**  
(yoy)

 **6.9 pp**  
Decrease in  
**Net Working Capital/  
Sales**

 **0.4x**  
**Net Financial Debt/  
EBITDA**  
(exc. IFRS 16)

Note: All data represent Q1 2026 figures, unless otherwise stated. Growth rates are on a yearly basis.

(1): Sales growth in Türkiye in nominal terms, excluding IAS 29 (inflation accounting) for April 2026.

(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 Koton logo is in the top left corner.

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 <sup>(1)</sup>	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 9.6 million members in Türkiye and reached approximately 360 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 continued its real growth trend that started in Q3 2025. 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, despite the tension in the area, sales recorded 106% YoY growth in USD terms in Q1 2026 and 73% yoy growth in April 2026, thanks to store transition and newly opened stores in the region.
- ✦ 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





Q1 2026

# Financial Results

KOTON



# 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.

# Resilient to Challenging Conditions *Profitability Focused Sales Performance*

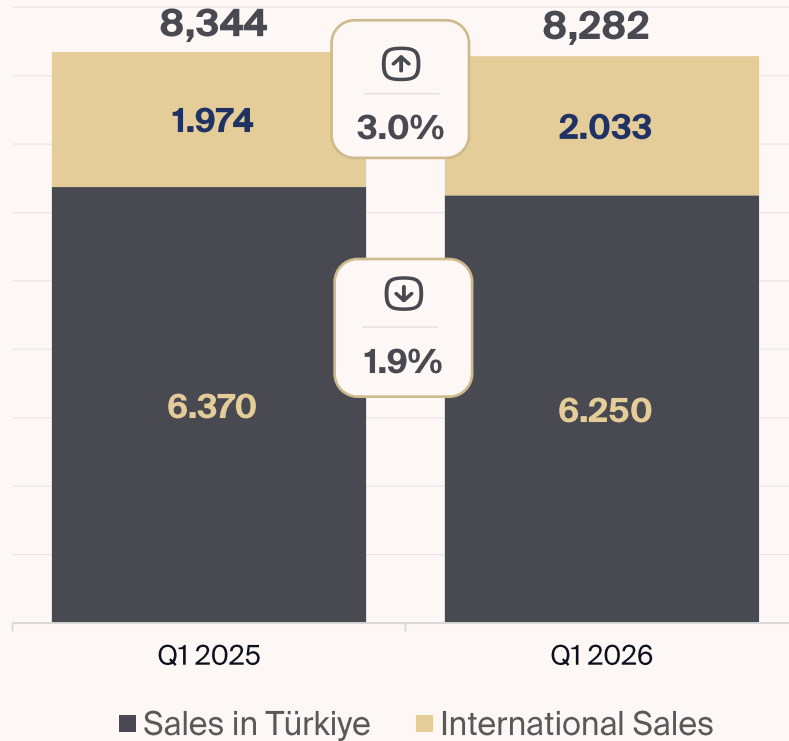
## Consolidated Sales

(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*



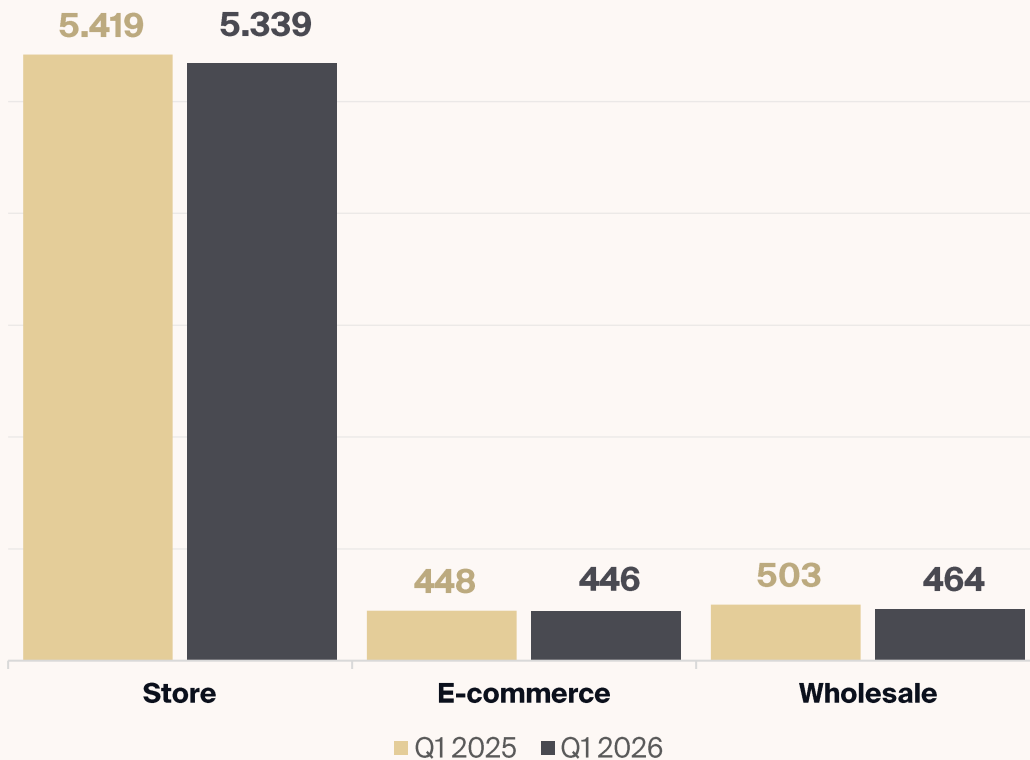
## Sales in Türkiye

(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.

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

# Real Growth in *International Sales*

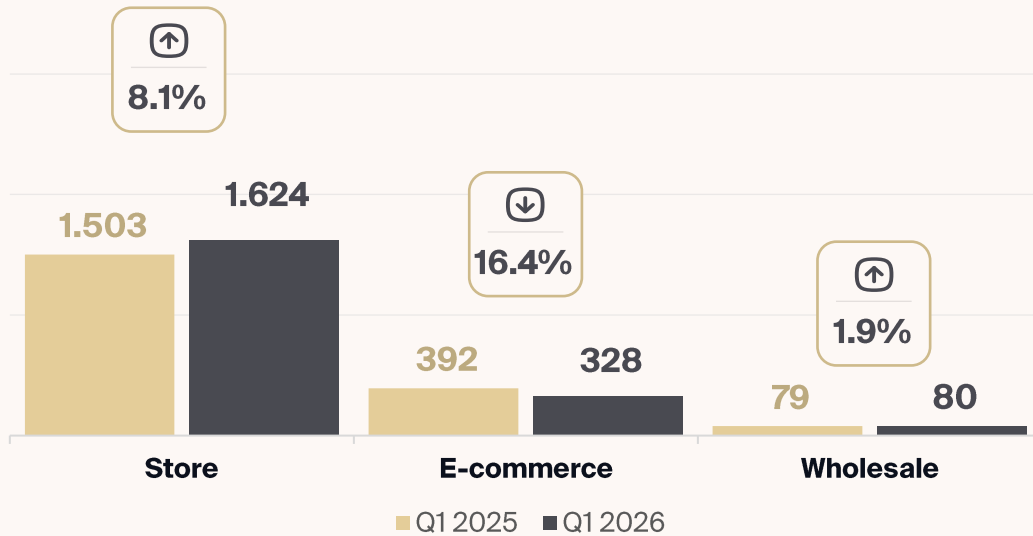
## International Sales

(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.

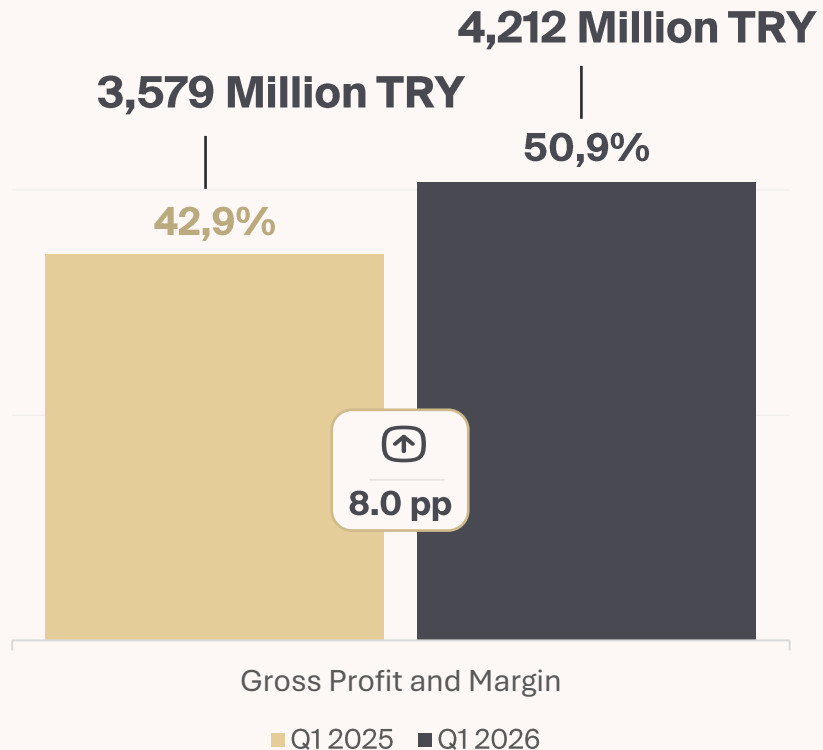
# Increased Gross Profit Margin *through Effective Cost Management and Dynamic Planning*

## 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**.



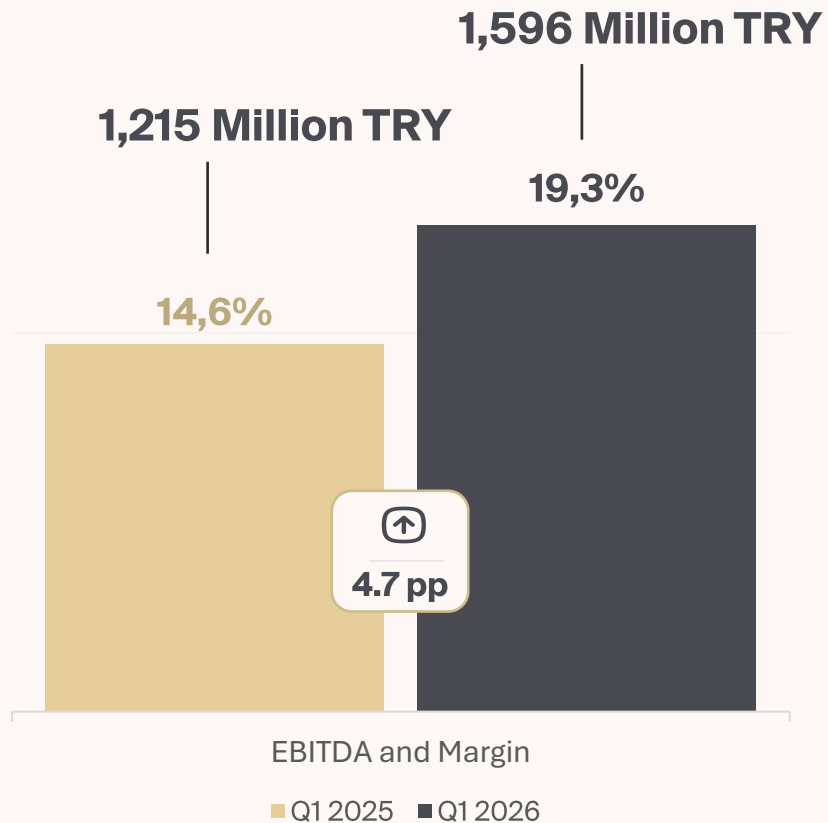
Despite the contracting consumer demand in **Türkiye**, the **gross profit margin** realized at **52.1%** with a **7.4 point increase yoy** in Q1 2026 thanks to effective cost management.



**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**.

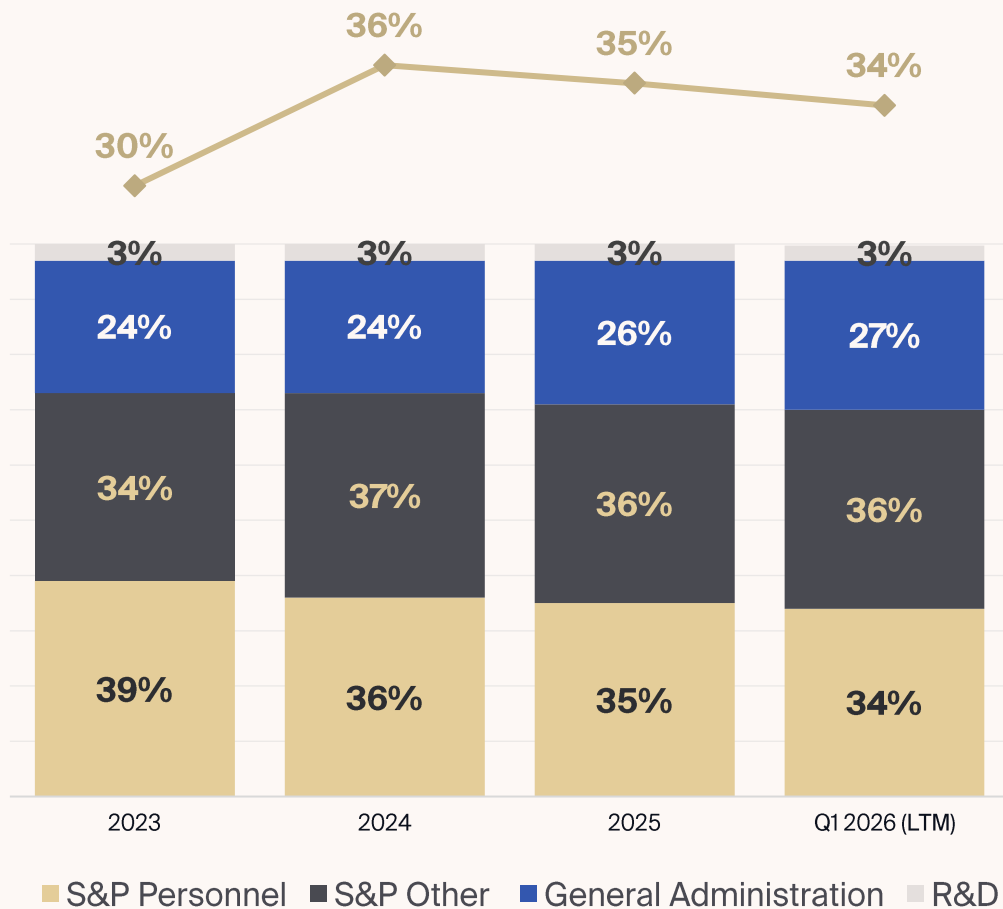
(\*) EBITDA calculation method used in financial reports: profit (loss) before tax + financial income (expenses) + maturity difference expenses related to merchandise purchases (net) + income (expenses) from investing activities + depreciation and amortization expenses - net monetary position.

# 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

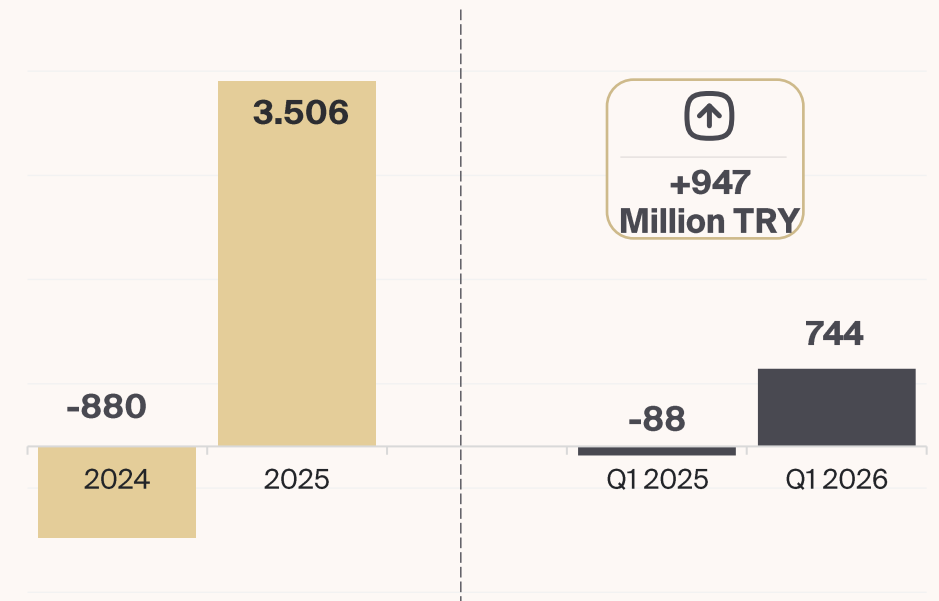
(Million TRY)

	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.

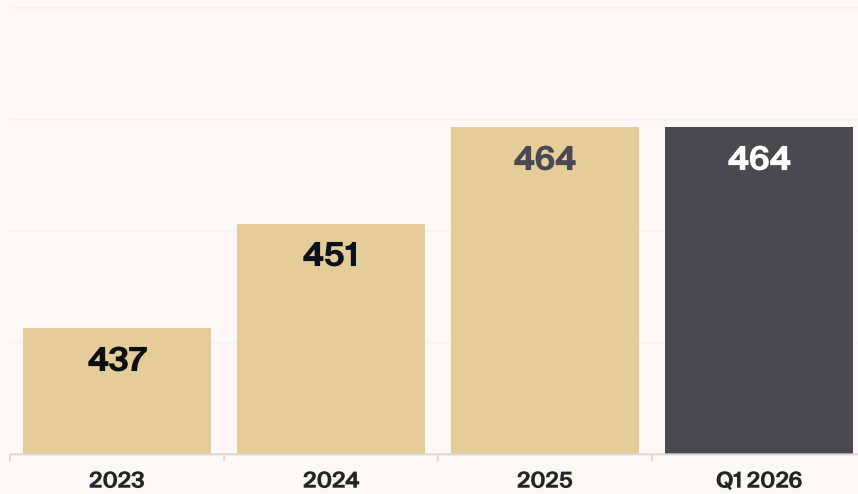
Q1 2026

# Operational *Results*

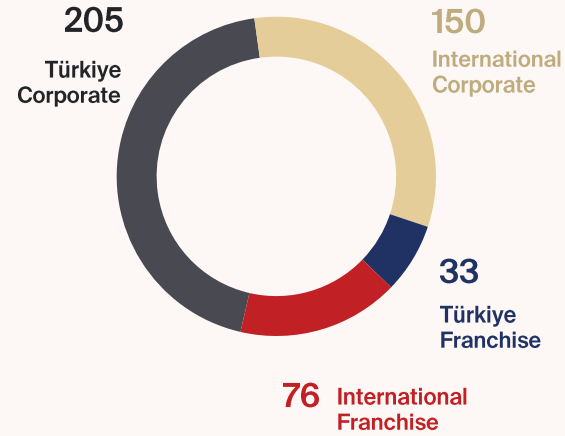
**KOTON**

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

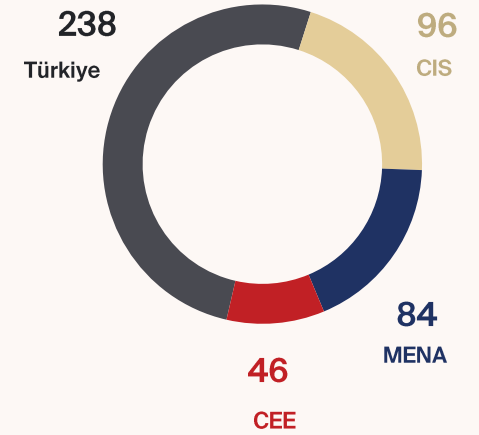
## Number of Stores



## 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)

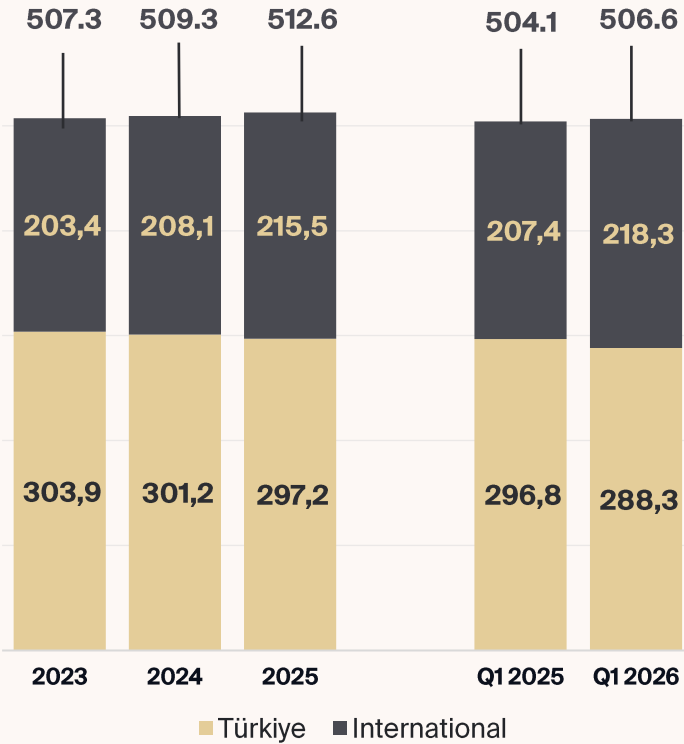
437 stores

451 stores

464 stores

449 stores

464 stores

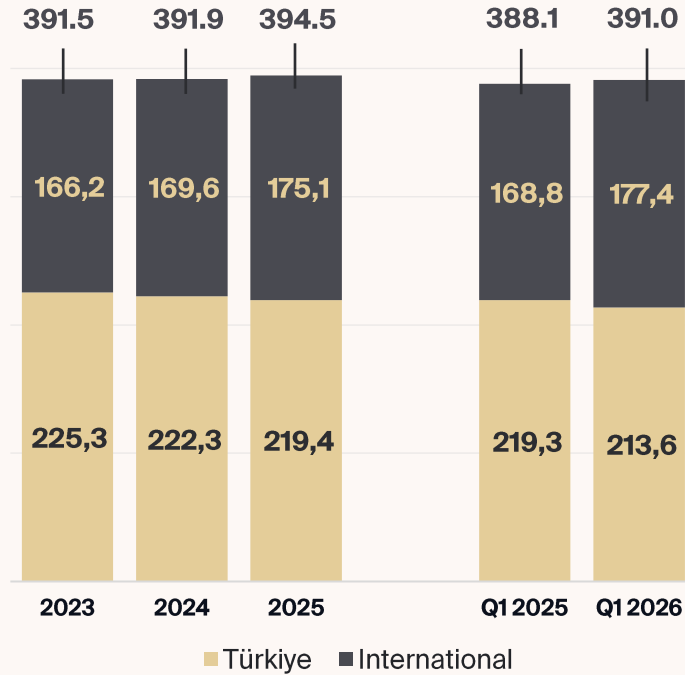


## Total Sales Area

(thousand sqm)

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

↑ ~19% m<sup>2</sup> efficiency internationally  
(Q1 2026 - in USD terms)



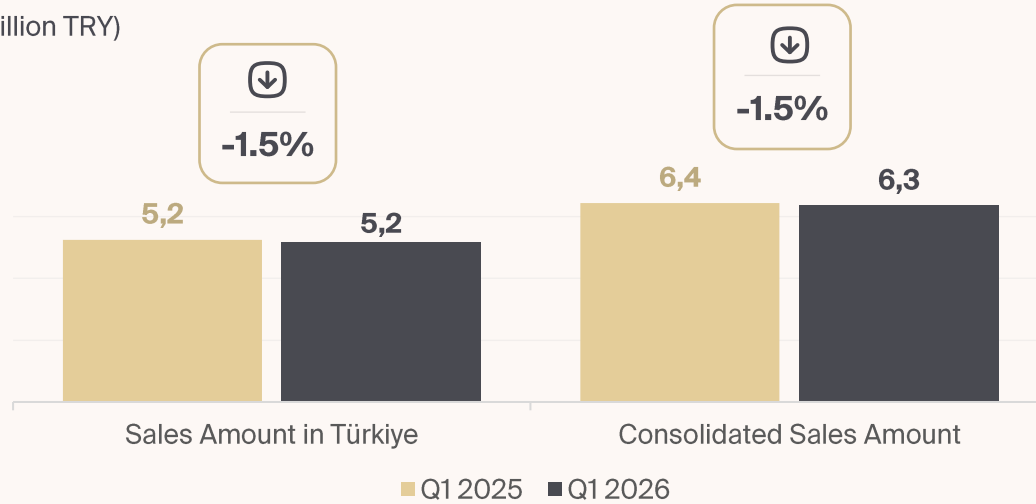
While the total number of stores increased yoy with a focus on m<sup>2</sup> efficiency, the total sales area remained at similar levels.



# Increase in LFL Store Gross Profit Margin

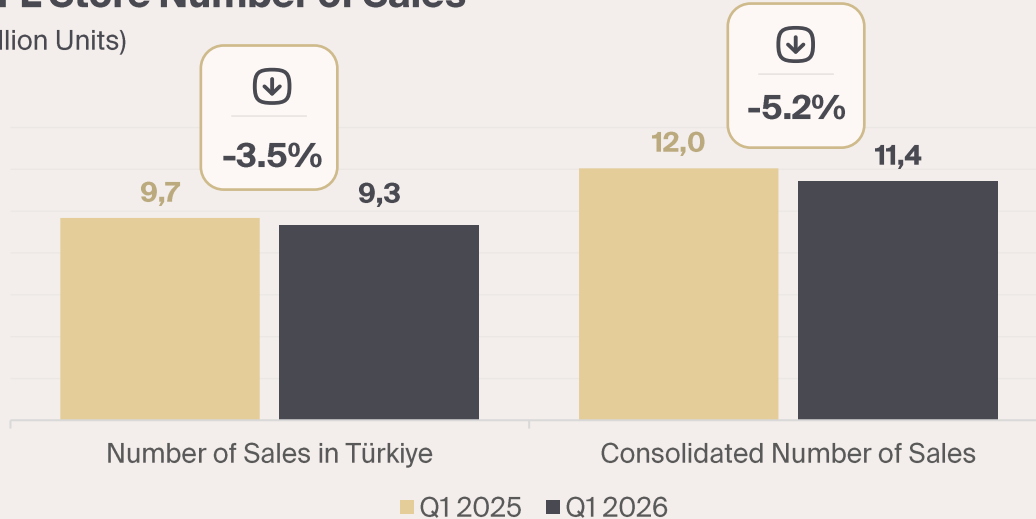
## LFL Store Sales Amount

(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%**.

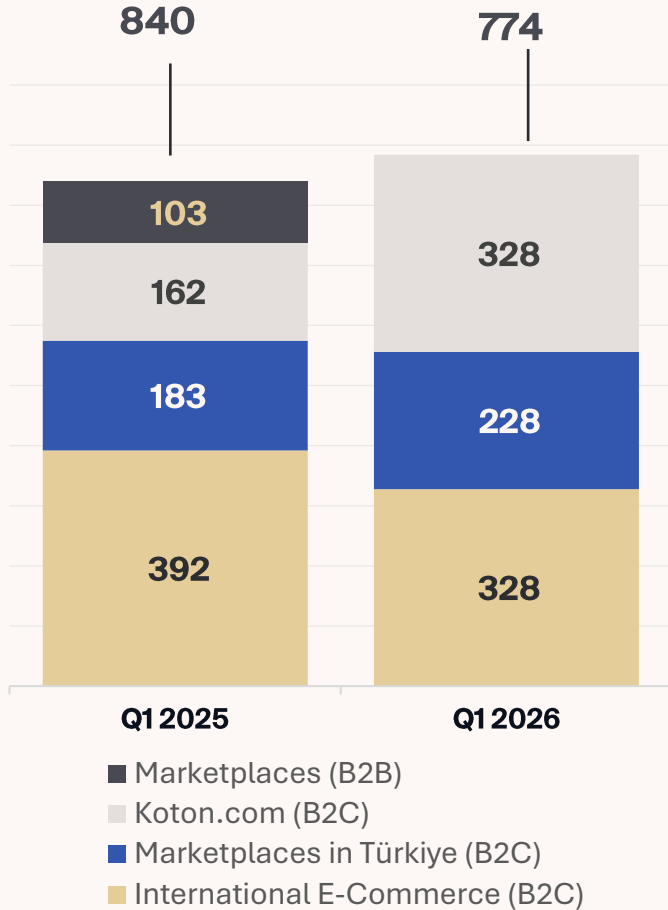
In the GCC Region, **April 2026, total sales increased by 73%** year-on-year in USD terms.

(\*): 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**.





# 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

# 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>

INVESTOR PRESENTATION



# 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.