

KOTON

Q3/9M 2026 PERIOD

Analyst *Presentation*

NOVEMBER 6, 2026

Disclaimer

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, this presentation on the financial results for the accounting period from January 1 to September 30, 2026 is based on the Company's financial data restated for inflation in accordance with TAS 29. The Company applies Turkish Accounting/Financial Reporting Standards in accordance with the Capital Markets Board's decision dated December 28, 2023.

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Resilient Performance

Despite Continuing Challenges in Q3 2026

Consolidated Sales
Q3 2026

9.3 Billion TRY

Consolidated Gross Profit Margin

55.0%

Consolidated EBITDA Margin(*)

20.6%

Free Cash Flow(**)

198 Million TRY

Q3 2026 was marked by a further intensification of long-standing global geopolitical uncertainty, limited exchange rate increases relative to high inflation in Türkiye, and a pronounced weakening of consumer demand. Developments in capital markets in September further weighed on consumer spending. In this challenging period, **consolidated sales amounted to 9.3 billion TRY**.

Despite rising costs due to geopolitical tensions, **purchasing cost increases were kept below inflation**, and the **gross profit margin stood at 55.0%**.

While rising energy and logistics costs and lower foreign exchange gains put pressure on margins, disciplined operating expense management supported an **EBITDA margin of 20.6%**.

Operational acceleration and effective inventory management supported continued positive free cash flow generation in Q3 2026, with **198 million TRY generated** despite challenging operating conditions.

(*) 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.

In 9M 2026

Operational Efficiency and Financial Discipline

5.9 % ↑
International Store Sales Growth
(in TRY terms)

7.4 % ↑
International Sales Growth
(in USD terms)

6.8 % ↑
International **sqm efficiency**
(in USD terms)

7.0 % ↑
Türkiye **sqm efficiency**
(in USD terms)

18.0 % ↓
Decrease in **Inventory** (*)

8.0 pp ↓
Decrease in **Net Working Capital / Sales** (*)

0.6x
Net Financial Debt / EBITDA (excl. IFRS 16)

26.7 % ↓
Decrease in **Financial Expenses** (*)

34 Countries
470 Stores(**)

~70 Countries with Store and E-commerce Operations
E-Commerce sales in the USA.

11 M+ Koton Club Members(***)

(*) The end-of-period balances as of September 30, 2026 and September 30, 2025 are compared.
(**) As of October 31, 2026.
(***) As of October 31, 2026: Total number of Koton Club members in Türkiye and international markets.



Q3/9M 2026 ANALYST PRESENTATION

Financial *Results*

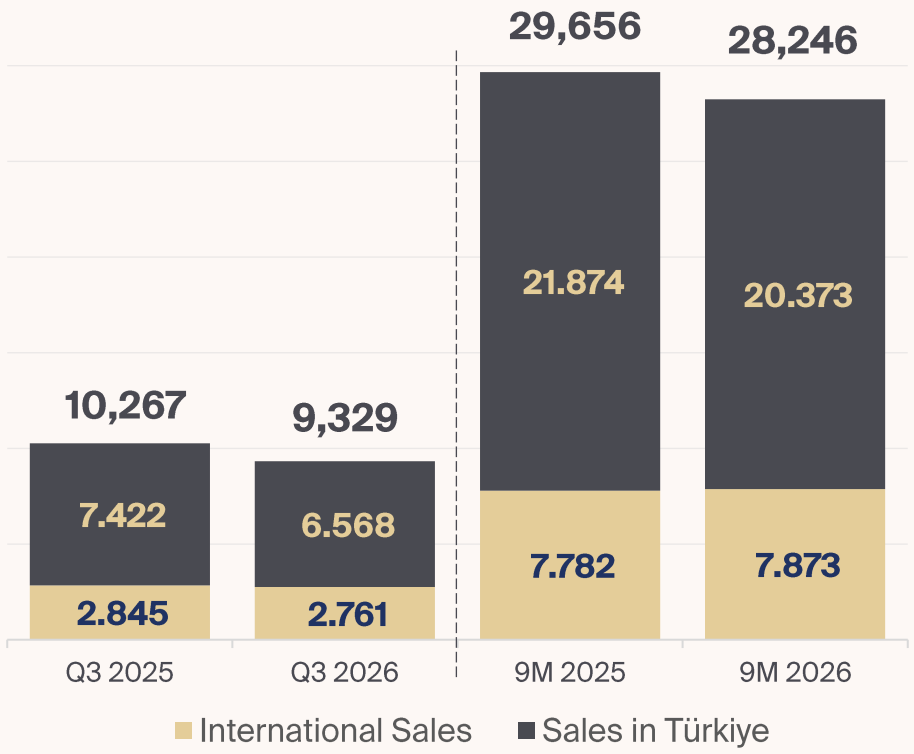
KOTON

Sales Performance Under Pressure in Challenging Market Conditions

Consolidated Sales

(Million TRY)

9M 2026	
28.2	Billion TRY
4.8%	YoY ↓



- **Consolidated sales totaled 28.2 billion TRY in 9M 2026**, amid uncertainty from ongoing global conflicts, inflationary pressures in Türkiye, and a strong TRY policy. In this challenging period, purchasing cost increases were kept below inflation, preserving profitability with a **gross profit margin of 54.8%**.
- The pronounced weakening of consumer demand in Türkiye and the adverse impact on spending of September's capital market developments further exacerbated the sector's challenging operating conditions. **Sales in Türkiye** declined by 6.9% yoy in 9M 2026 due to the high base effect and weak demand.
- **International** sales recorded **1.2% real growth in 9M 2026** and accounted for 28% of consolidated sales, despite exchange rate increases remaining well below inflation.
- Sales in the **GCC Region** increased by **93%** yoy **in USD terms** in 9M 2026, supported by the transformation and new store openings despite ongoing tensions in the region.
- **Total international sales** recorded **7.4% yoy growth in USD terms** in 9M 2026, driven by operational improvements.

Contracting Demand in Türkiye, *Real Growth* Internationally

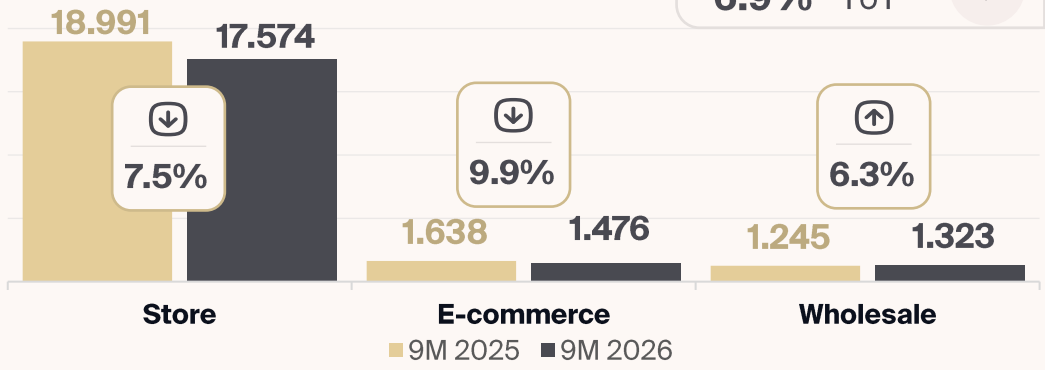
Sales in Türkiye

(Million TRY)

9M 2026

20.4 Billion TRY

6.9% YoY ↓



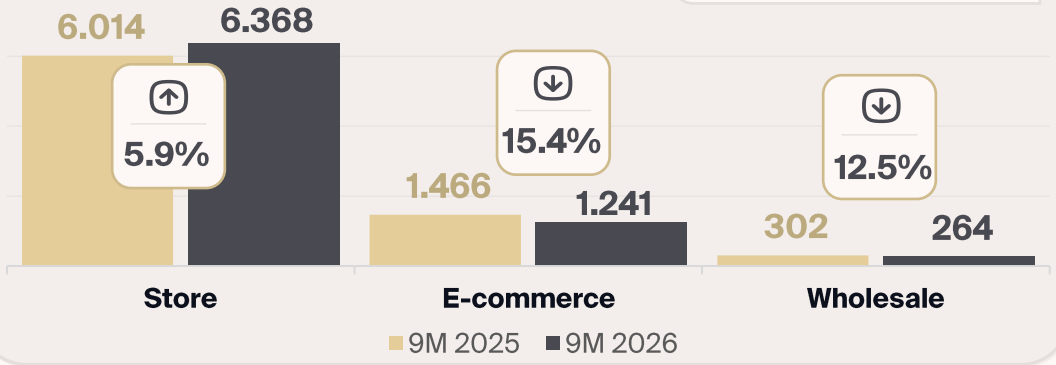
International Sales

(Million TRY)

9M 2026

7.9 Billion TRY

1.2% YoY ↑

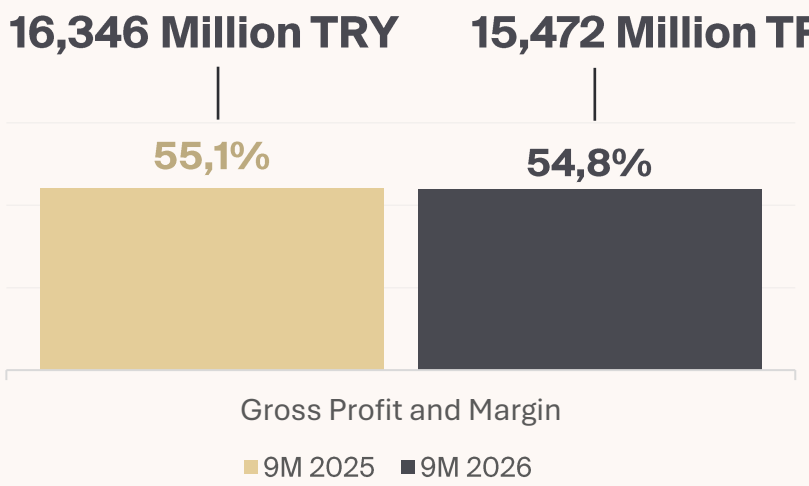


- **Sales in Türkiye** contracted **by 6.9% yoy to 20.4 billion TRY** in 9M 2026, reflecting the pronounced slowdown in consumer demand.
- **Store sales**, which account for 86% of sales **in Türkiye**, **contracted by 7.5%** yoy due to the high base effect of 9M 2025 (5.1% real growth) and weak market demand. During this period, **the apparel sector also contracted in real terms**(*).
- **International sales** delivered a **positive performance**, achieving **real growth** supported by operational improvements despite pressures from the FX-inflation spread and geopolitical developments.
- **International store sales grew by 5.9% in 9M 2026**, supported by sustained strong performance despite the adverse effects of tensions, particularly in the GCC Region.
- **E-commerce sales** in Türkiye contracted due to a strategic decision to prioritize profitability and declining consumer demand. International e-commerce sales contracted due to the high base effect and incidents at marketplaces in the CIS Region.
- **Wholesale sales in Türkiye** recorded **6.3% real growth** yoy **in 9M 2026**.

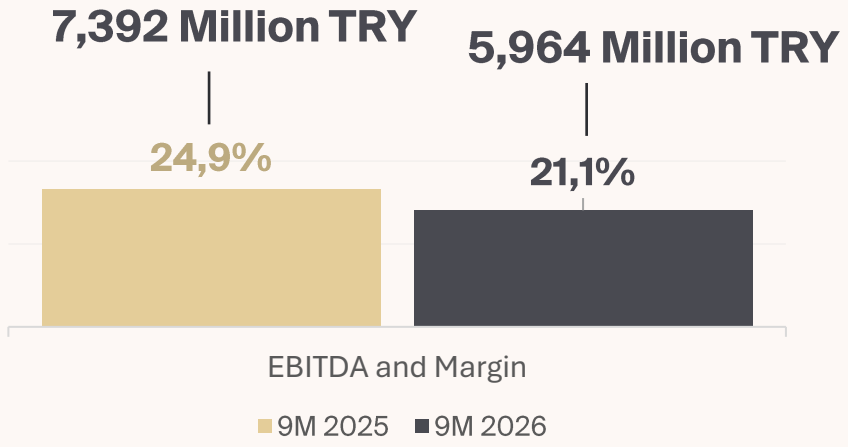
(*) Source: AYD - Council of Shopping Centers - https://www.ayd.org.tr/, based on monthly shopping center turnover index data.

Gross Profit and EBITDA Margins Maintained *Despite Rising Costs and Exchange Rate Dynamics*

Consolidated Gross Profit and Margin



Consolidated EBITDA* and Margin



In 9M 2026, the consolidated **gross profit margin was maintained at 54.8%** by keeping purchasing cost increases below inflation, despite challenging demand and pricing conditions and cost pressures arising from geopolitical developments.

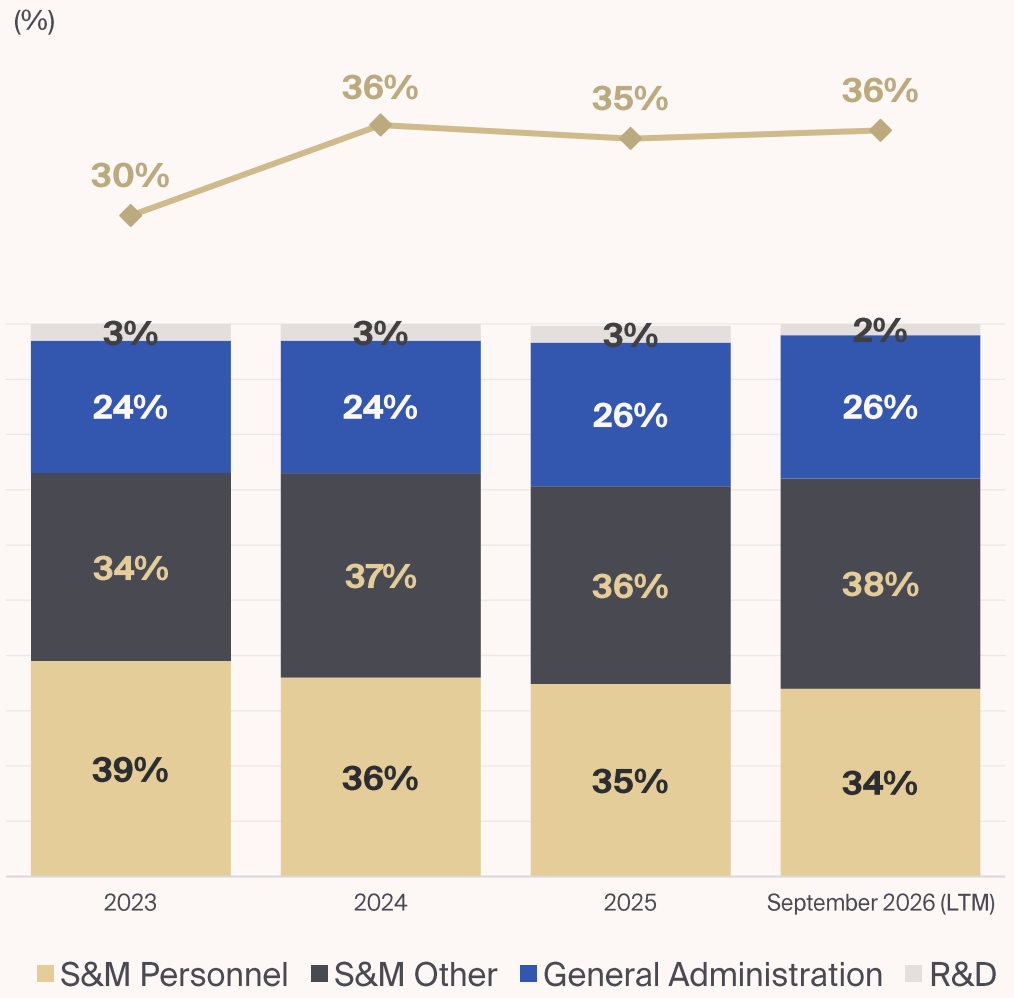
Despite rising energy prices driven by global geopolitical tensions, disciplined expense management enabled a **2% yoy decrease in operating expenses** in 9M 2026.

Foreign exchange gains declined as exchange rate increases lagged behind inflation, while the consolidated **EBITDA margin stood at 21.1%**.

(*) 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.

Disciplined Operating Expense Management

Ratio of Operating Expenses to Sales



Despite cost increases driven by persistent inflationary pressures amid geopolitical uncertainty, **total operating expenses in 9M 2026** decreased by **2%** yoy.

In 9M 2026, sales and marketing personnel expenses decreased by 4% year-on-year, general administrative expenses by 6%, and R&D expenses by 29%. Other sales and marketing expenses increased by 9%, reflecting the impact of war-driven oil price increases on logistics costs, as well as higher marketing expenses.

For the twelve months ended September 30, 2026, the ratio of operating expenses to sales **stood at 36%,** reflecting pressure on sales.

Notes: While calculating the ratio of operating expenses to sales, depreciation and other operating income/expenses were excluded.

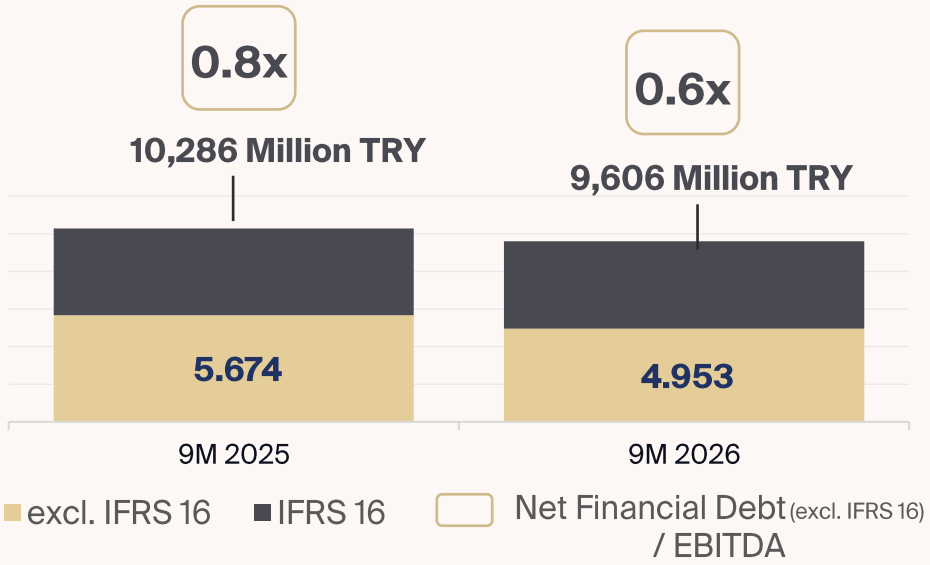
Lower *Net Financial Debt* through Improved *Net Working Capital*

Working Capital

(Million TRY)	September 30, 2025	December 31, 2025	September 30,2026
Trade and Other Current Receivables	2,083	1,894	1,415
Ratio to Sales	5.3%	4.6%	3.6%
Inventory	13,336	11,546	10,941
Ratio to COGS	70.2%	61.6%	60.1%
Trade and Other Current Payables	8,400	7,751	8,538
Ratio to COGS	44.2%	41.4%	46.9%
Net Working Capital	**7,019**	**5,689**	**3,817**
Ratio to Sales	**17.7%**	**13.9%**	**9.7%**

Net Financial Debt

(Million TRY)



Operational acceleration led to an **8.0 percentage-point improvement in the net working capital-to-sales ratio**, primarily driven by an **18% yoy decrease in inventory**.

Net financial debt decreased from 104 million USD in Q3 2025 to **99 million USD in Q3 2026**.

Approximately **2 billion TRY in free cash flow** was generated in 9M 2026.

The ratio of capital expenditures to sales in 9M 2026 decreased from 3% in 9M 2025 to **2.6%**.

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.



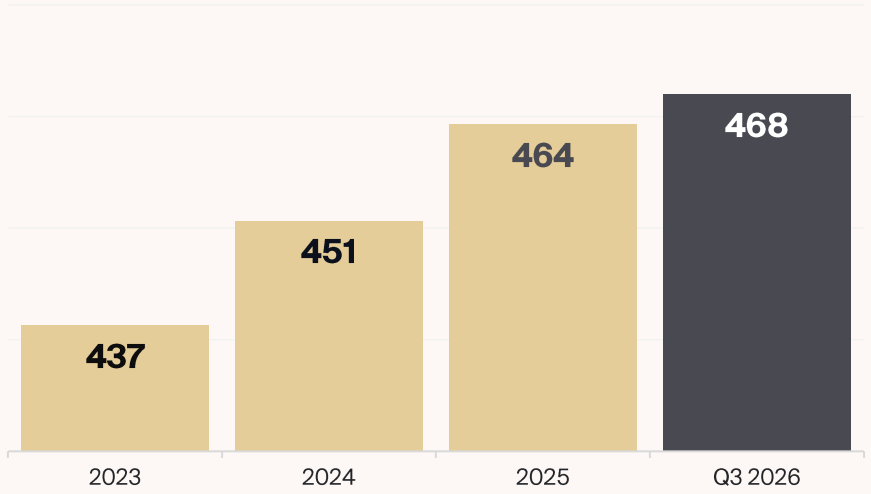
Q3/9M 2026 ANALYST PRESENTATION

Operational *Results*

KOTON

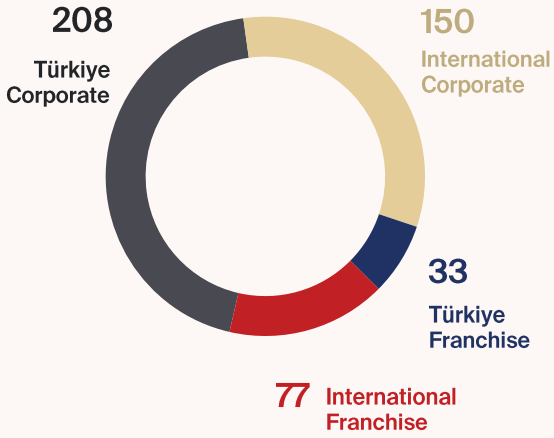
Total of 470 Stores *Following Post Q3 2026 Openings*

Number of Stores



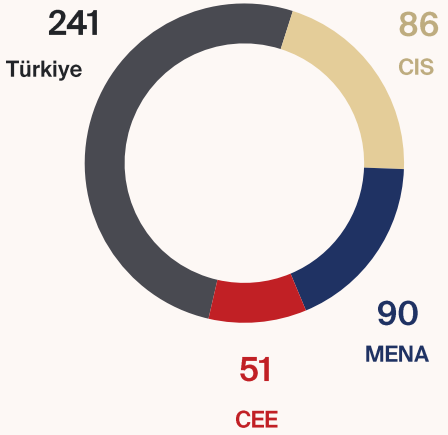
Store Breakdown

(Q3 2026)



Regional Breakdown

(Q3 2026)



In Q3 2026, 4 stores opened and 2 closed **internationally**. **In Türkiye**, 3 stores opened and 1 closed.

With new store openings in **KSA and Bahrain in Q3 2026,** total stores opened in the GCC Region reached **7** year-to-date.

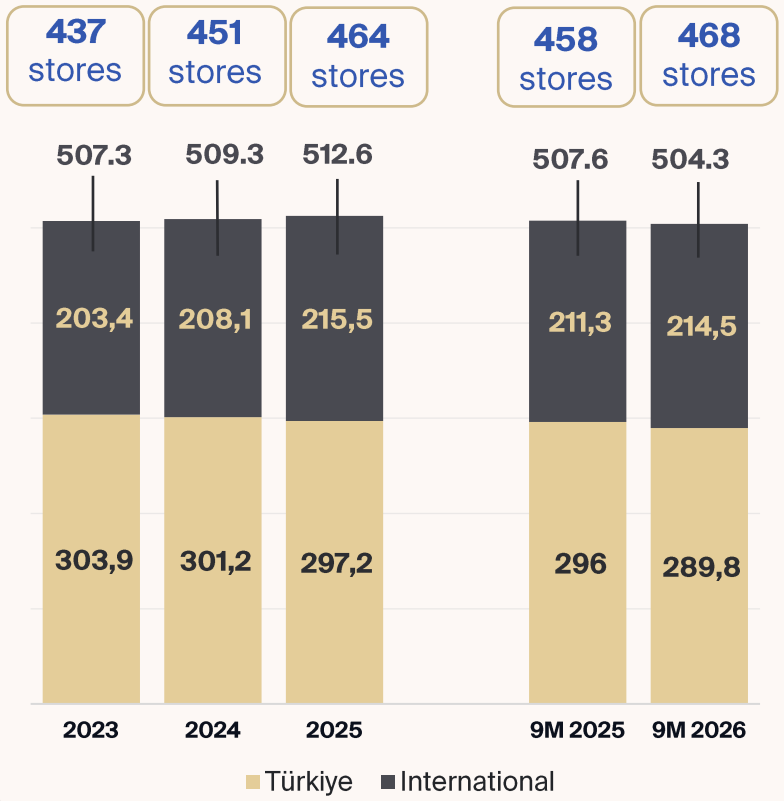
In October, a total of **two stores opened** in Istanbul and Egypt.

By the end of October, the total store count had reached 470, a net increase of 6 stores year-to-date.

Increase in Store Square Meter Efficiency

Total Store Area

(thousand sqm)



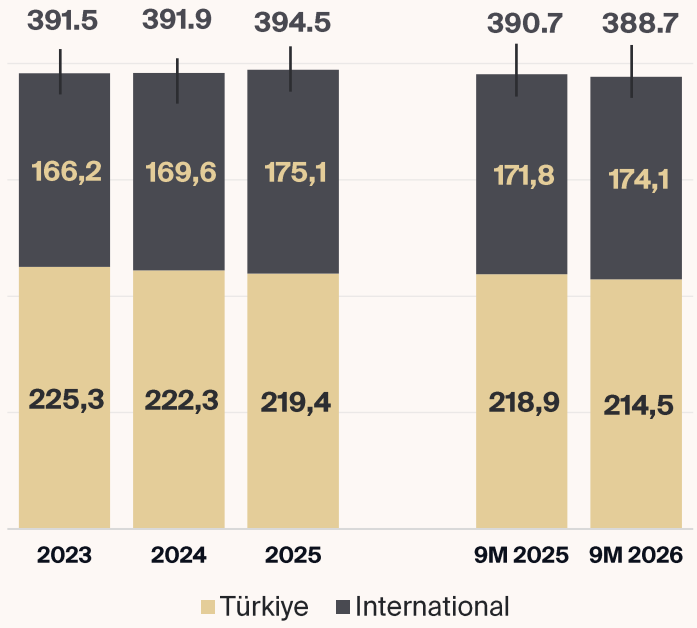
Total Sales Area

(thousand sqm)

↑ ~7% sqm efficiency in Türkiye

↑ ~7% International sqm efficiency

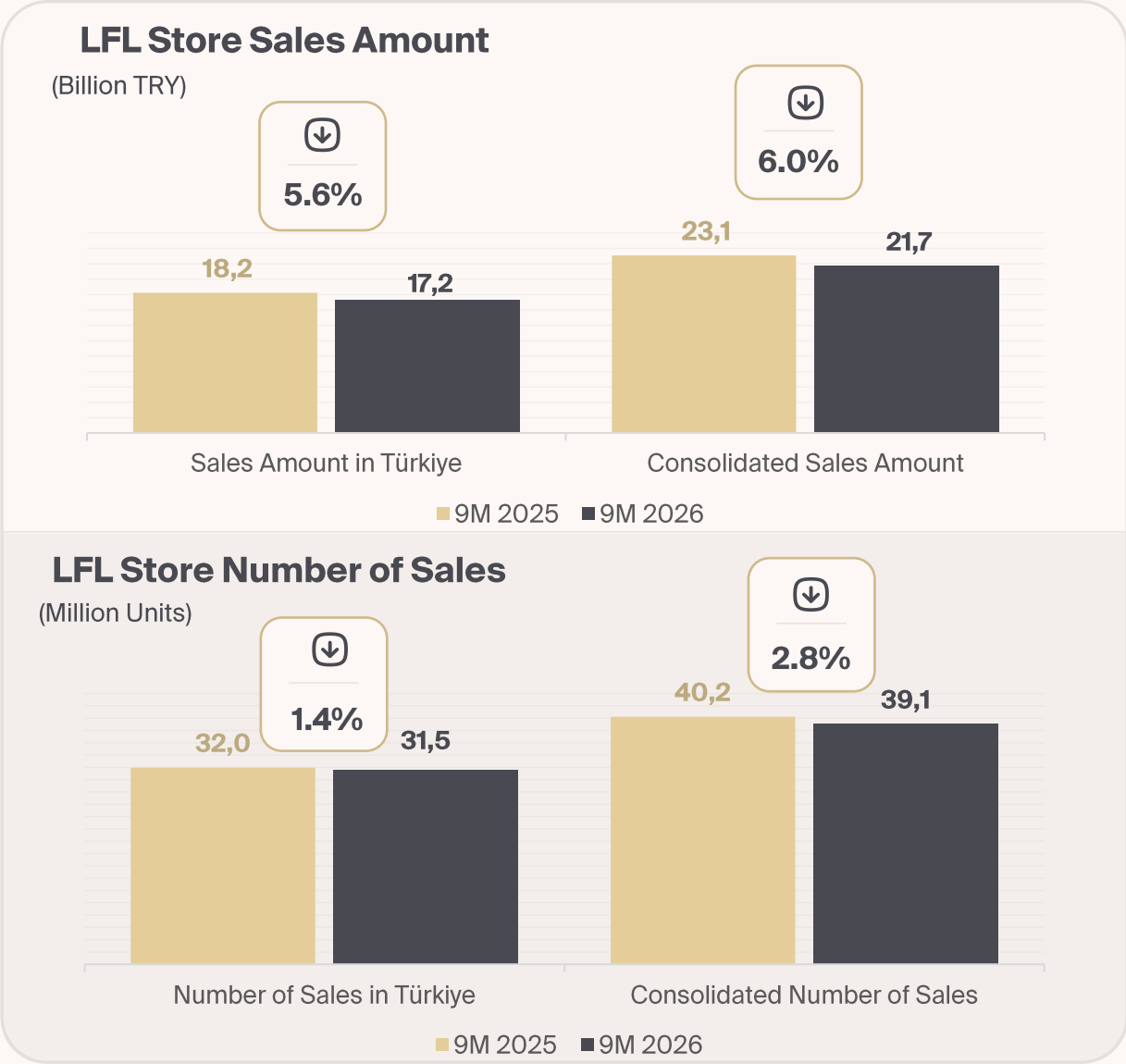
(9M 2026 – in USD terms)



The total store count increased year-on-year, while total sales area decreased slightly in line with the focus on square meter efficiency.



LFL Store Conversion Rate *Maintained*

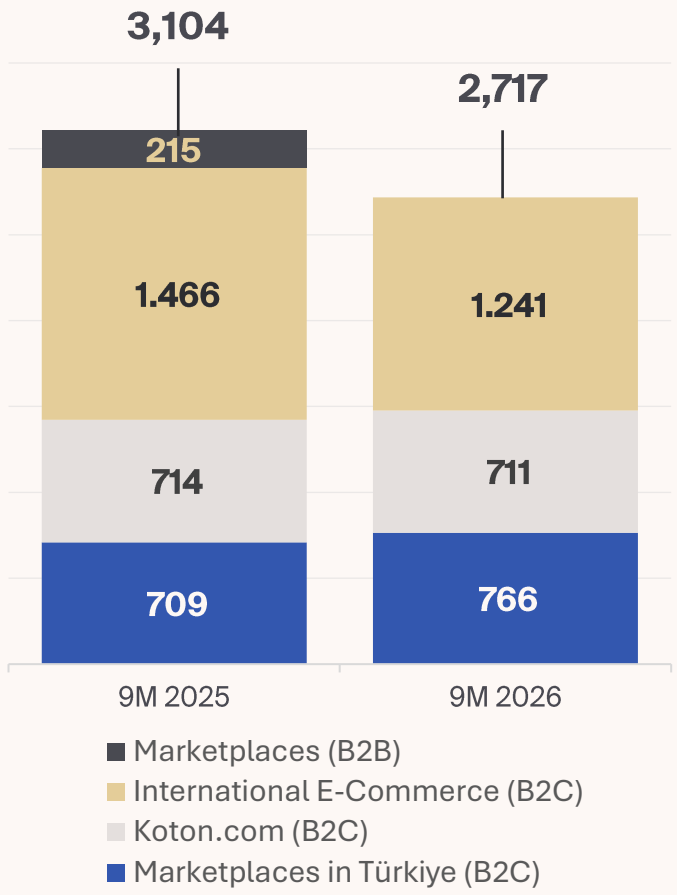


- The consolidated **LFL unit sales and sales amount declined** in 9M 2026 due to weakening consumer demand in Türkiye and geopolitical conflicts in international markets.
- Despite the contraction in the apparel sector and the pronounced decline in consumption volumes in Türkiye, **LFL unit sales decreased only slightly.**
- Internationally, LFL unit sales declined less sharply in Q3 2026 than in earlier quarters of the year, despite uncertainty caused by ongoing conflicts.
- In 9M 2026, **LFL visitor numbers decreased** both internationally and in Türkiye, while **the LFL store conversion rate was maintained.**

Profitability-Oriented *E-Commerce Operations*

E-Commerce Sales

(Million TRY)



Within the omnichannel focus, the integration of store stock into e-commerce stock was completed, and the **e-commerce warehouse was closed in July.**

Koton.com sales **remained flat** yoy, while its share of the e-commerce channel in Türkiye **increased by 5 percentage points yoy to 48%.**

In 9M 2026, **marketplace sales in Türkiye increased by 8%** yoy, while **international e-commerce sales contracted by 15%** due to the previous year's high base effect and incidents at the marketplaces in the CIS Region.

NORDSTROM

Sales growth is being supported by expanding selection on **Nordstrom's** e-commerce channel in the US market.



Koton Club Surpassed
11 Million Members (1)

~72% Sales Share of Koton Club Members(2)

~51% Member Activity Rate(2)

2.4M New members(3)

~69% Shopping Frequency(4)



Koton Club **in the CIS Region and Serbia** has approximately 700K members as of October-end.

Koton Club was launched in **Georgia** in September 2026. Launches in **Morocco and Hungary** are also planned in the upcoming period.

Apparel Club, the loyalty program in the **GCC Region**, was relaunched as **Club AIVI** with a new app.

Member communications and **partnerships** offering exclusive **member benefits** continue to expand.

(1) Number of Koton Club members in Türkiye and internationally as of the end of October 2026.
(2) Data for the twelve months ended October 31, 2026.
(3) Number of new members joined the program in Türkiye and internationallu as of October 31, 2026.
(4) Comparison with customers who are not Koton Club Türkiye members, based on data for the twelve months ended October 31, 2026.

We Are Updating Our 2026 Guidance

Including TAS 29

	Sales Growth	Gross Profit Margin	EBITDA Margin(*)	Net Financial Debt / EBITDA (excl. IFRS 16)	Capital Expenditures / Sales	Net Number of New Stores
Initial Guidance	~5% - 7%	~54%	~24%	~0.5x	~3.5%	10+ stores
1st Revised Guidance	Flat – Low Single-Digit Growth	~54%	~24%	~0.5x	~3.5%	5+ stores
2nd Revised Guidance	Low Single-Digit Decline	~52%	~21%	~0.6x	~3.0%	5+ stores

(*) 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.



Q3/9M 2026 ANALYST PRESENTATION

Q&A

KOTON



Q3/9M 2026 ANALYST PRESENTATION

Presentation *Appendices*

KOTON

Summary *Balance Sheet*

Total Assets	September 30, 2026	December 31, 2025
	1,279,599,757	1,793,887,945
Trade Receivables	1,311,279,702	1,832,699,007
Other Receivables	103,498,579	61,108,477
Inventory	10,940,669,265	11,546,213,960
Current Period Tax Related Assets	67,069,843	104,666,490
Prepaid Expenses	2,110,195,242	2,363,826,237
Other Current Assets	1,114,118,527	603,454,728
TOTAL CURRENT ASSETS	**16,926,430,915**	**18,305,856,844**
Other Receivables	227,559,666	259,131,944
Financial Investments	9,085,875	10,516,217
Property, Plant and Equipment	3,145,359,340	3,315,447,019
Intangible Assets	1,107,910,922	1,134,746,495
Right-of-Use Assets	5,650,072,067	6,394,569,890
Prepaid Expenses	-	4,986,123
Deferred Tax Asset	580,227,897	606,711,807
Other Non-Current Assets	8,144,322	8,004,632
TOTAL NON-CURRENT ASSETS	**10,728,360,089**	**11,734,114,127**
TOTAL ASSETS	**27,654,791,004**	**30,039,970,971**

Total Liabilities and Equity	September 30, 2026	December 31, 2025
Short-Term Borrowings	5,817,553,620	5,908,684,069
Short-Term Portions of Long-Term Borrowings	320,817,910	377,432,003
Lease Liabilities	2,035,260,678	2,225,390,845
Trade Payables	8,502,506,772	7,709,601,957
Payables Related to Employee Benefits	380,288,201	493,250,614
Other Payables	35,908,555	41,843,161
Deferred Income	264,767,817	291,090,055
Short-Term Provisions	275,498,721	383,630,689
Other Current Liabilities	306,200,428	389,915,439
TOTAL CURRENT LIABILITIES	**17,938,802,702**	**17,820,838,832**
Long-Term Borrowings	94,633,223	55,713,313
Other Payables	29,580,007	48,692,442
Deferred Income	-	20,188,701
Long-Term Provisions	197,814,523	181,645,723
Lease Liabilities	2,617,194,888	2,893,509,078
Deferred Tax Liability	720,489,752	692,128,090
TOTAL NON-CURRENT LIABILITIES	**3,659,712,393**	**3,891,877,347**
TOTAL EQUITY	**6,056,275,909**	**8,327,254,792**
TOTAL LIABILITIES AND EQUITY	**27,654,791,004**	**30,039,970,971**

Income Statement and *Margins*

	Q3 2026	Q3 2025	9M 2026	9M 2025
Revenue	9,329,491,916	10,266,825,221	28,246,448,712	29,656,364,657
Cost of sales (-)	(4,199,895,804)	(4,432,873,922)	(12,774,734,571)	(13,310,568,473)
Gross Profit	**5,129,596,112**	**5,833,951,299**	**15,471,714,141**	**16,345,796,184**
Gross Profit Margin	***55.0%***	***56.8%***	***54.8%***	***55.1%***
General administrative expenses (-)	(1,015,431,389)	(1,047,716,223)	(2,860,251,460)	(2,993,205,796)
Marketing expenses (-)	(3,470,965,122)	(3,683,805,557)	(10,752,783,072)	(10,799,159,164)
Research and development expenses (-)	(51,832,214)	(118,463,620)	(285,417,455)	(352,878,143)
Other operating income	417,309,139)	340,073,878	1,294,498,725	2,054,183,084
Other operating expenses (-)	(985,889,946)	(876,820,349)	(2,578,607,923)	(2,584,606,290)
Operating Profit (Loss)	**22,786,580**	**447,219,428**	**289,152,956**	**1,670,129,875**
Income from investing activities	6,151,775	4,614,310	10,330,748	8,737,093
Expenses from investing activities	(5,840,278)	94,174	(10,185,487)	(572,678)
Operating Profit Before Financial Expenses	**23,098,077**	**451,927,912**	**289,298,217**	**1,678,294,290**
Financial expenses, net	(748,769,561)	(998,317,915)	(2,222,703,343)	(3,030,440,500)
monetary position gain (loss)	112,732,811	484,069,395	992,482,973	1,328,280,145
Profit Before Tax	**(612,938,673)**	**(62,320,605)**	**(940,922,153)**	**(23,866,064)**
Current period tax income/(expense)	(29,580,841)	362,463	(29,580,841)	-
Deferred tax income/(expense)	32,884,426	64,418,942	30,199,932	(70,611,276)
Net Profit (Loss) for the Period	**(609,635,088)**	**2,460,800**	**(940,303,062)**	**(94,477,340)**
EBITDA	**1,921,357,833**	**2,349,392,861**	**5,964,071,901**	**7,391,733,609**
EBITDA Margin	***20.6%***	***22.9%***	***21.1%***	***24.9%***

EBITDA calculation method used by the Company 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 gains.