4Q2024 Analyst Presentation

KOTON IN BRIEF

#1

Awarded women's brand [1]

58%

Women's share in sales...
Men 25% and kids17%

451

Stores in 32 countries, reaching 70+ countries including e-commerce

25.1 Bn TL

2024 consolidated sales

28%

Share of international sales

82%

Sales generated in stores, E-commerce 12%, wholesale 6%

53.8%

2024 gross profit margin

19.4%

2024 EBITDA margin

1.2

Net financial debt /EBITDA

0.6

(Excluding IRFS-16)

Notes: unless stated otherwise, based on inflation accounting applied FY2024 figures. [1]For eleven years between 2012-2024 in Türkiye according to the Association of Shopping Malls and Shopping Mall Investors; Company EBITDA calculation method as stated in the IPO prospectus and following financial reports: EBITDA: Profit before tax + net interest expense + net imputed interest + net investment income + amortization + IPO related expenses – monetary gain.

4Q2024 HIGHLIGHTS

+36%
Real sales growth in Türkiye

+ 50%
Koton.com real sales growth

28%
Consolidated e-commerce real sales growth

+3.5%
Consolidated gross profit

+7
New stores

6.5 mn
Koton Club members

- Türkiye sales rose by **36%** in real terms
- **50%** real sales growth in **Koton.com** supported **28%** consolidated e-commerce sales growth
- Consolidated gross profit rose **3.5%** in real terms while 42.8% gross margin resulted in market share gains in Türkiye
- Opened 7 new stores of which 6 were international stores
- Koton Club member count reached **6.5mn**

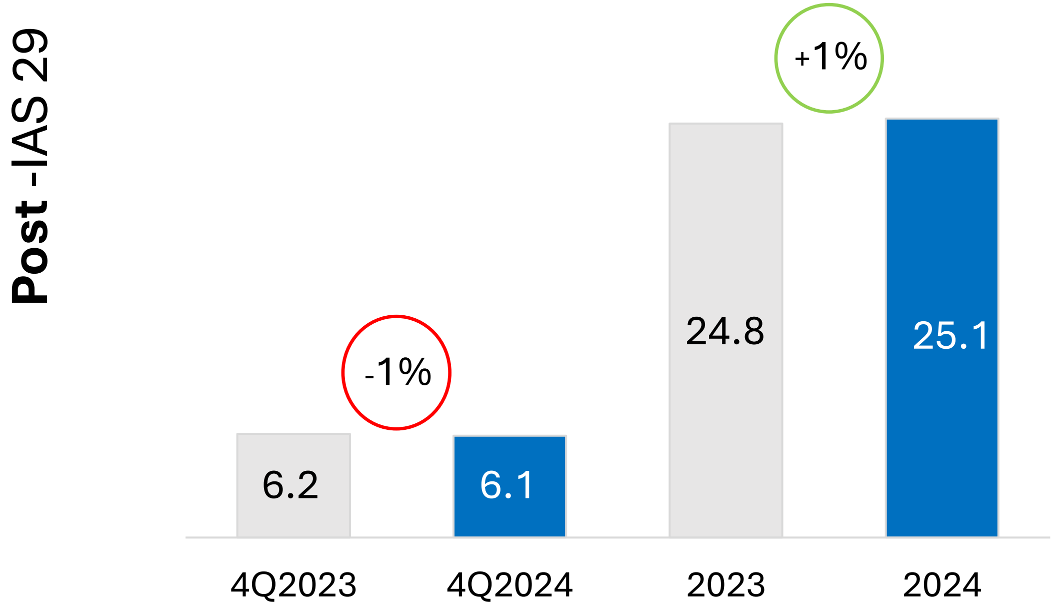
Notes: unless stated otherwise, based on inflation accounting applied 4Q2024 figures. New stores in net terms.

Financial Performance

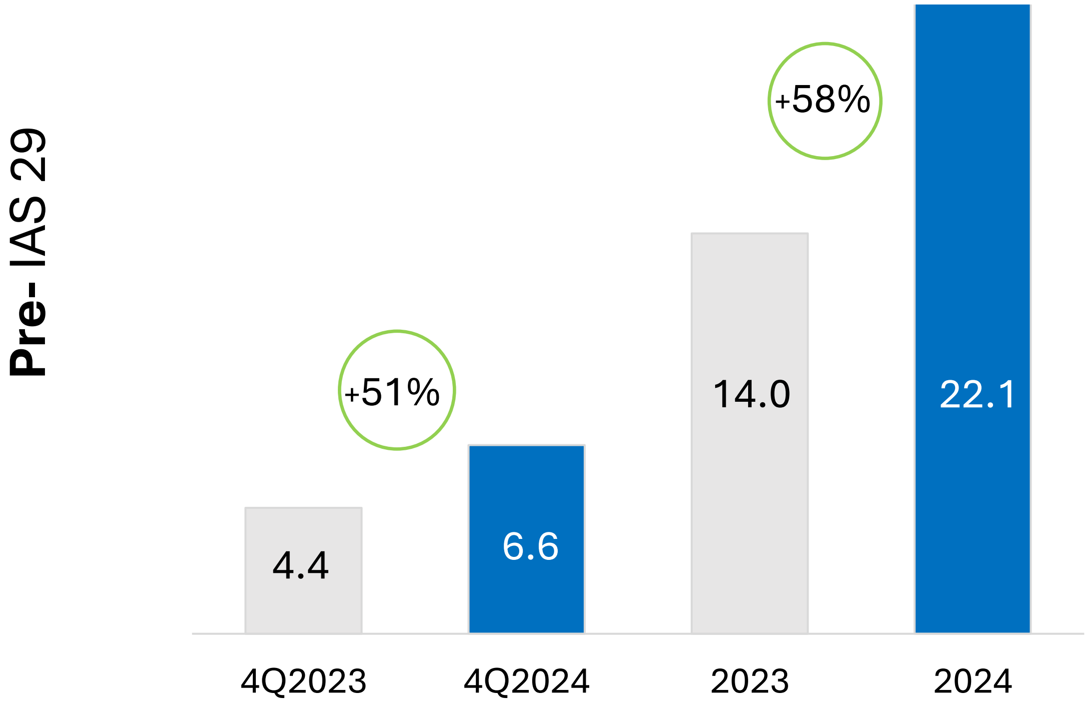
2024 SALES SURPASSED 25BN TL

Robust Sales Growth in Türkiye Compensated Weakness in Int’l Sales

Consolidated Sales (TL, Bn)



Consolidated Sales (TL, Bn)

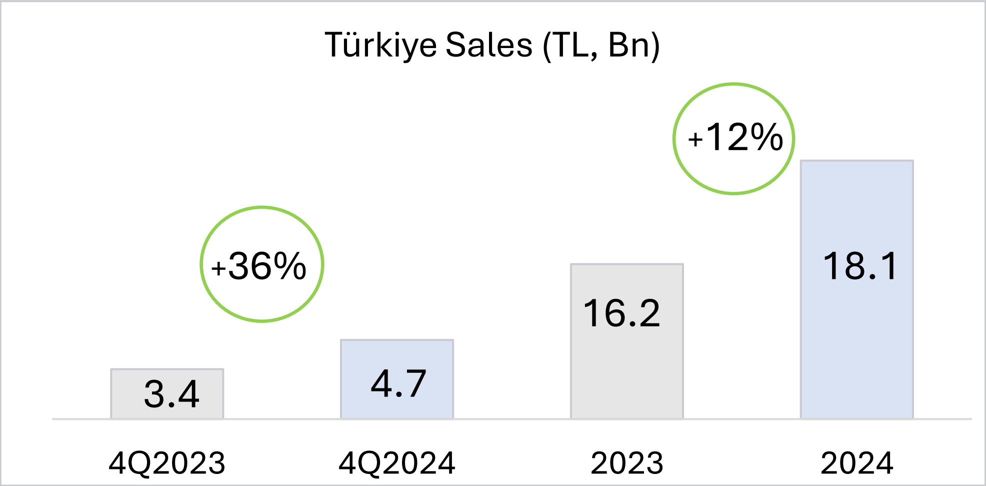


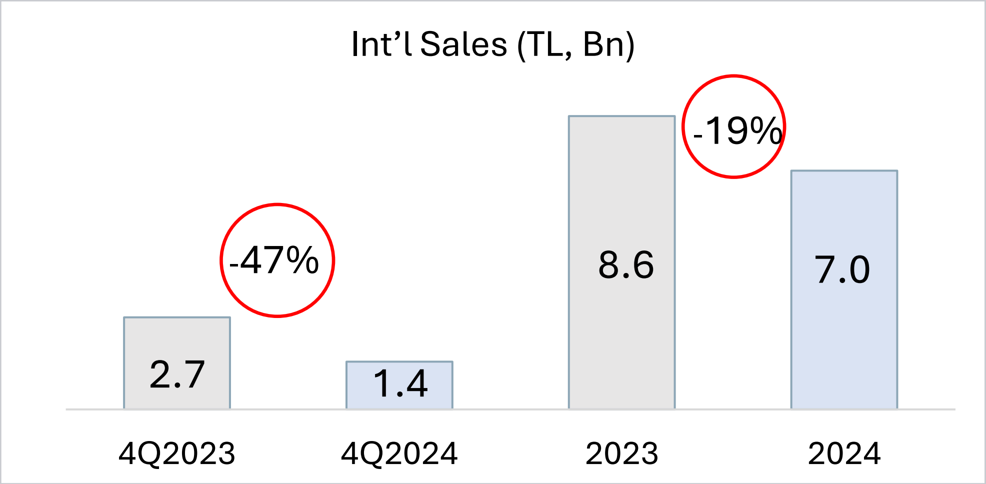
Deviation from the latest sales guidance is largely due to sharper than expected contraction in international revenues and e-commerce underperforming its targets.

Notes: Pre-IAS 29 figures are provided for informational purposes and are based on unaudited internal reports

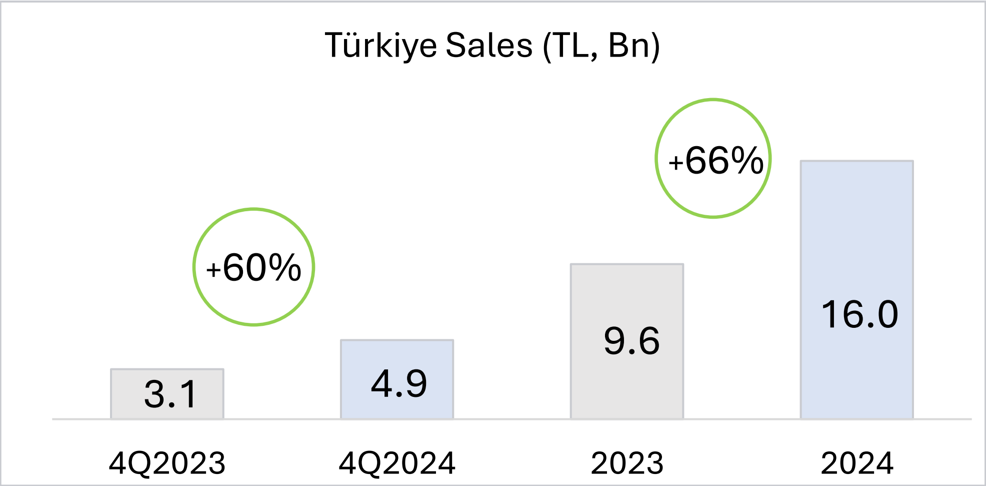
SALES BREAKDOWN

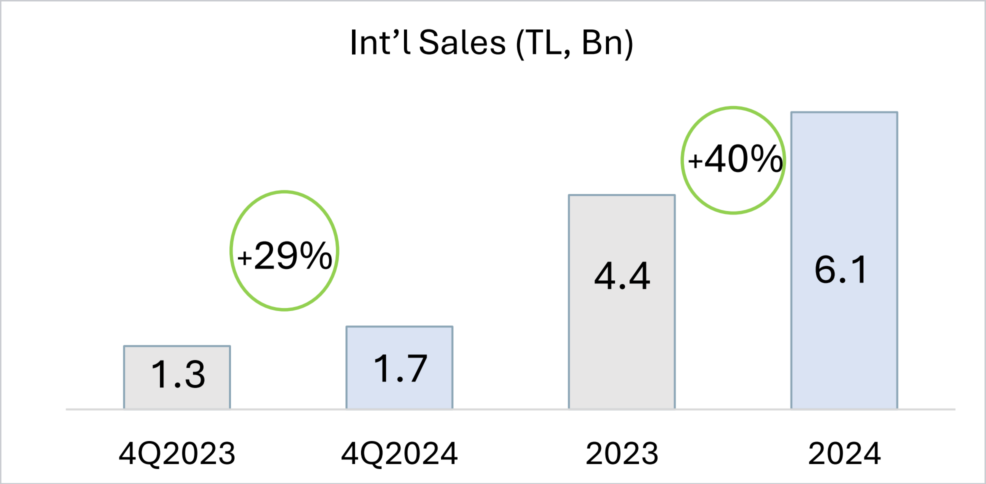
Post -IAS 29





Pre- IAS 29



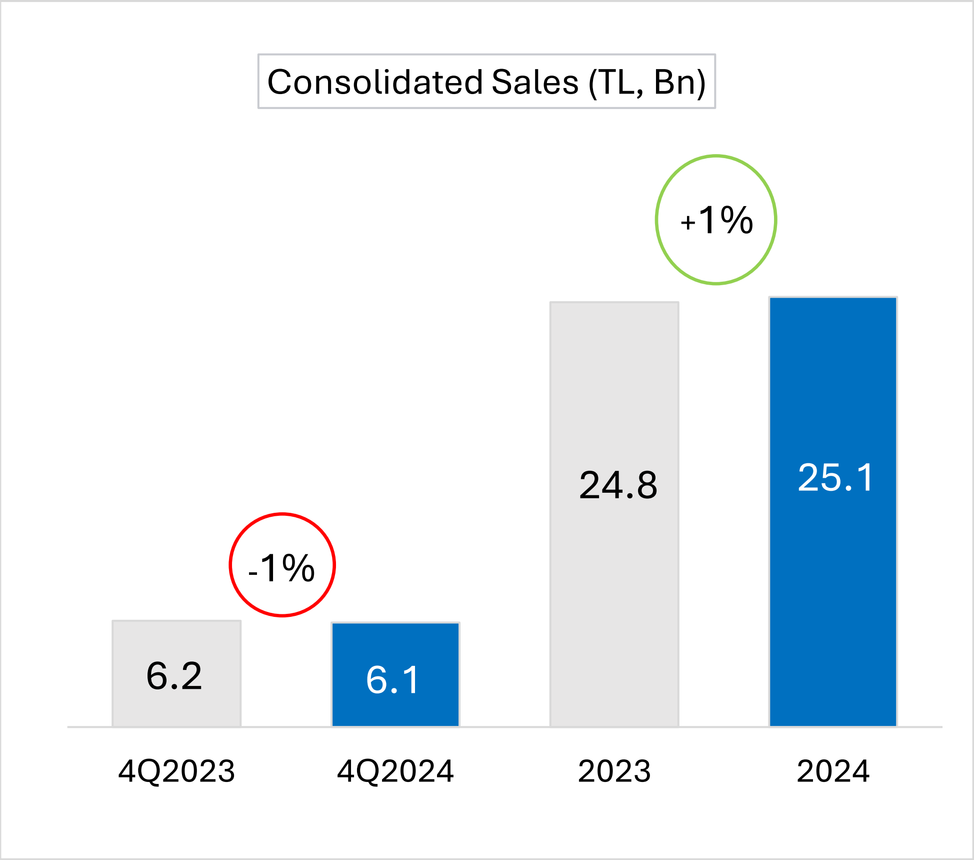


Notes: Pre-IAS 29 figures are provided for informational purposes and are based on unaudited internal reports

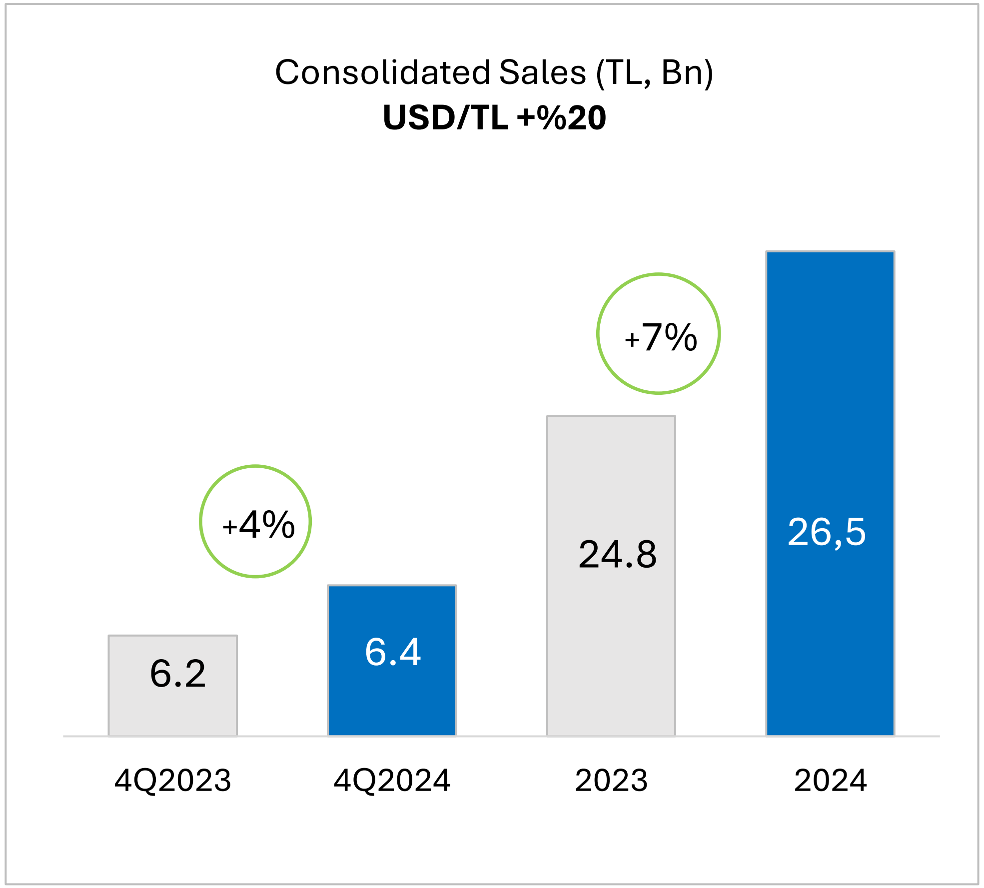
IMPACT OF STRONG TL

SIMULATION REGARDING IMPACT OF REAL APPRECIATION OF TL ON CONSOLIDATED SALES

Post -IAS 29



USD/TL
+%20



Notes: Simulation is provided for informational purposes

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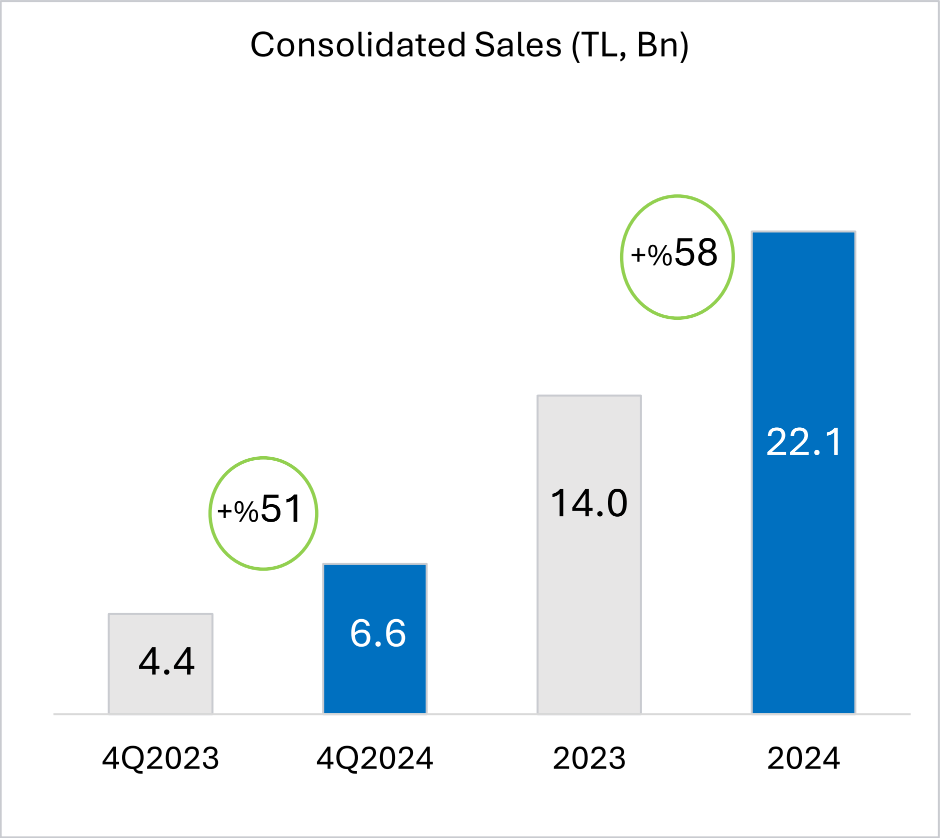
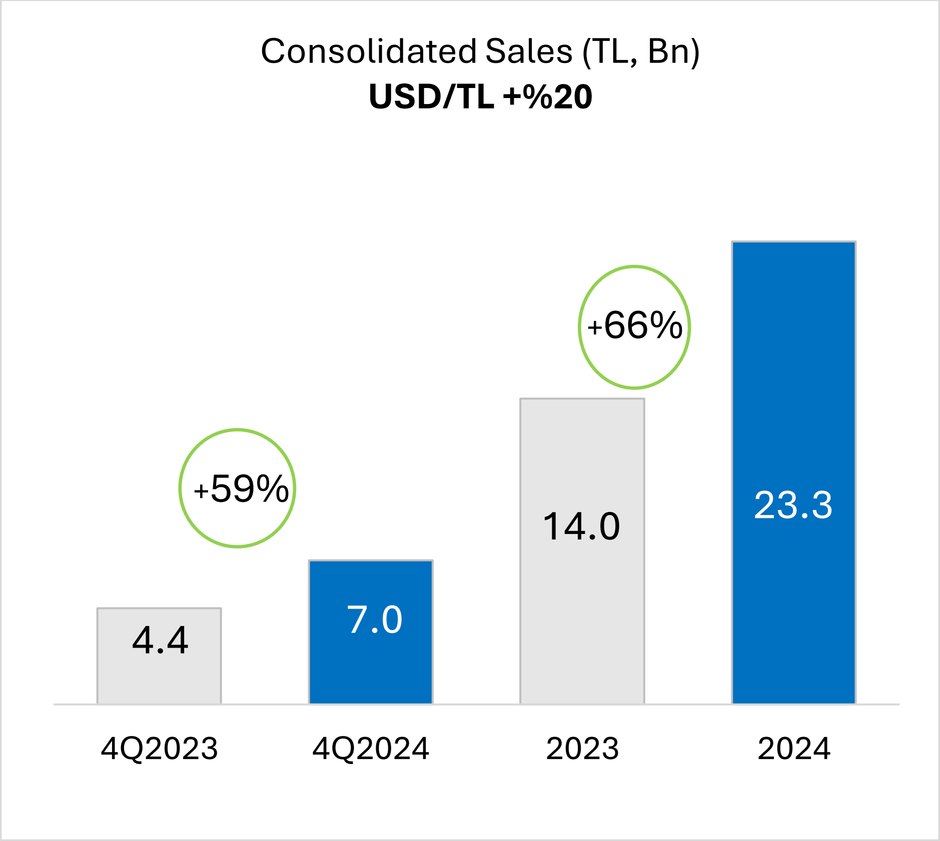


USD/TL
+%20



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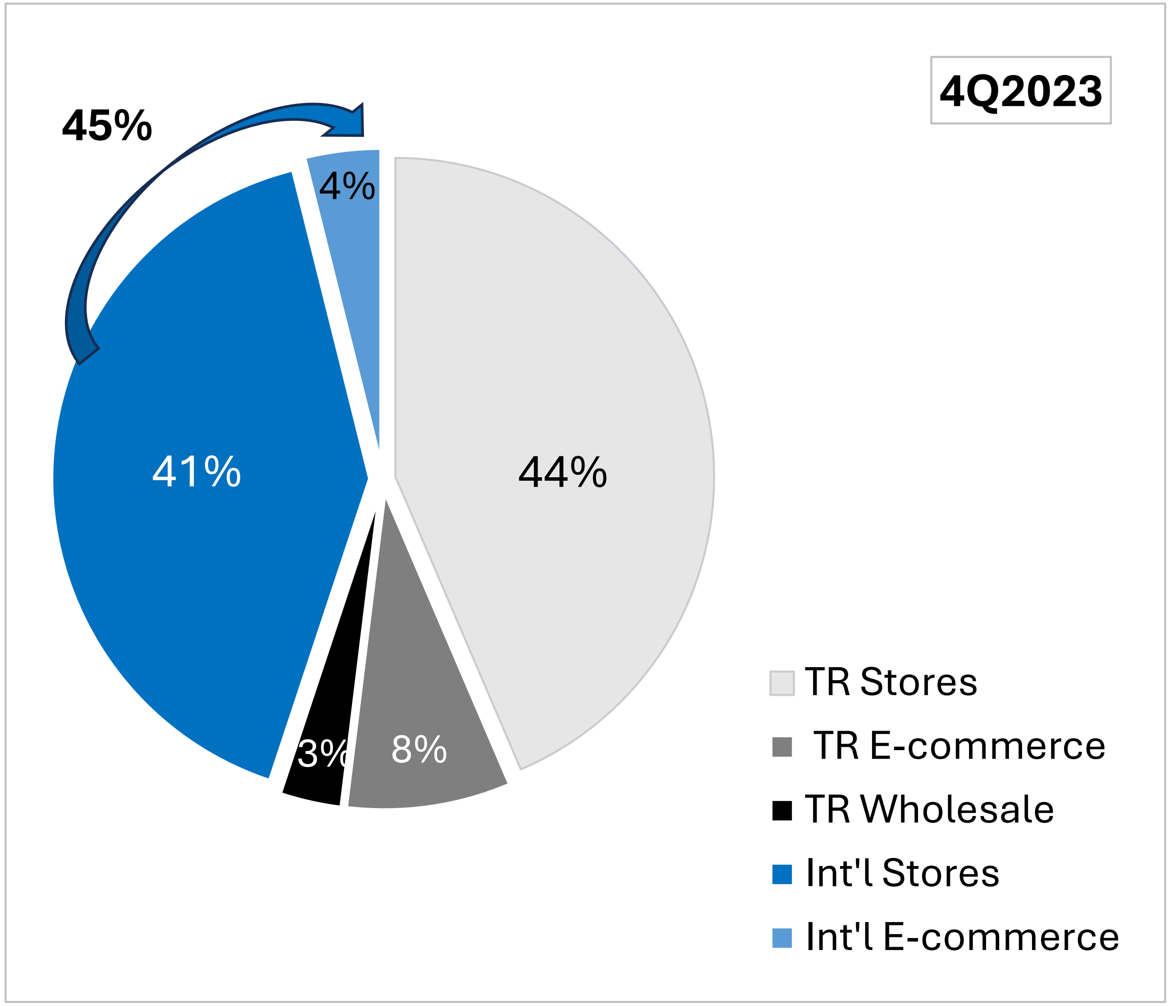
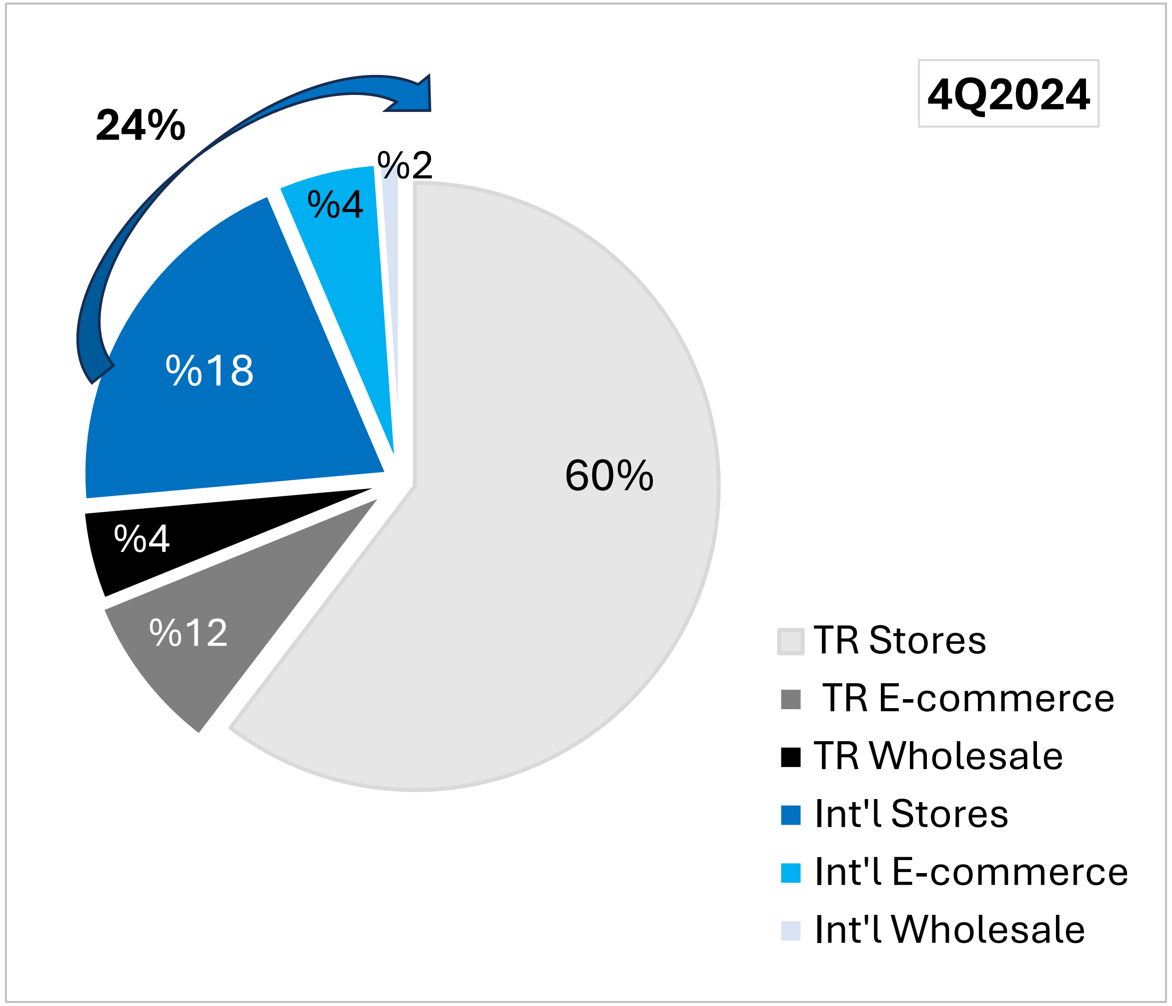
IMPACT OF STRONG TL ON SALES COMPOSITION

Share of Int’l Sales Retreated From 45% in 4Q2023 To 24% in 4Q2024



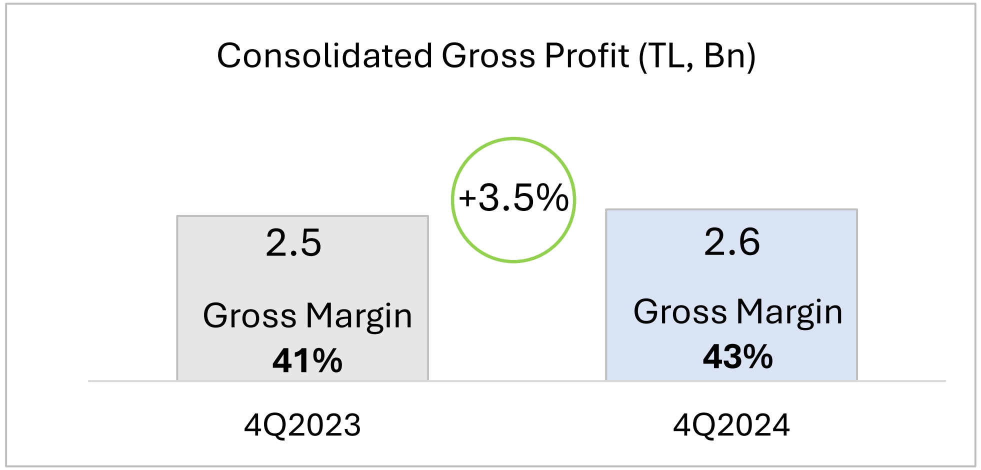


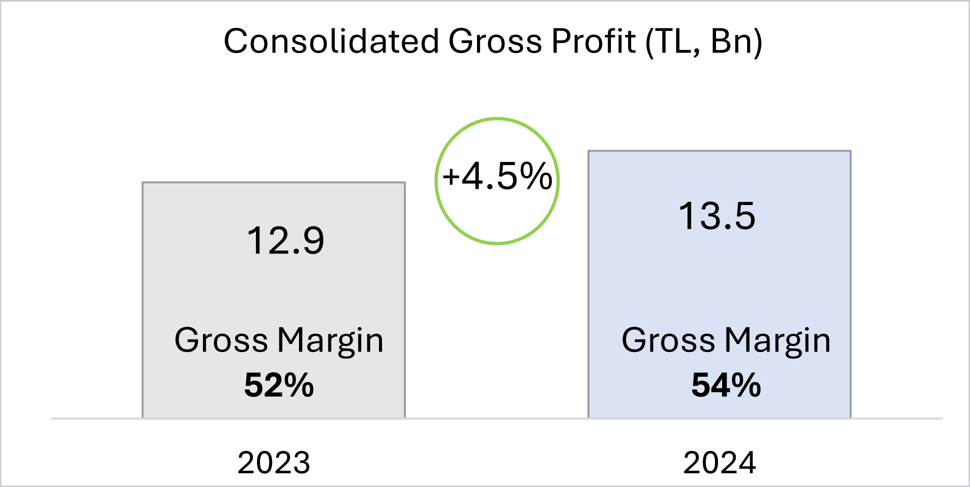
Notes: unless stated otherwise, based on inflation accounting applied figures

GROSS MARGIN ROSE TO 54% IN 2024

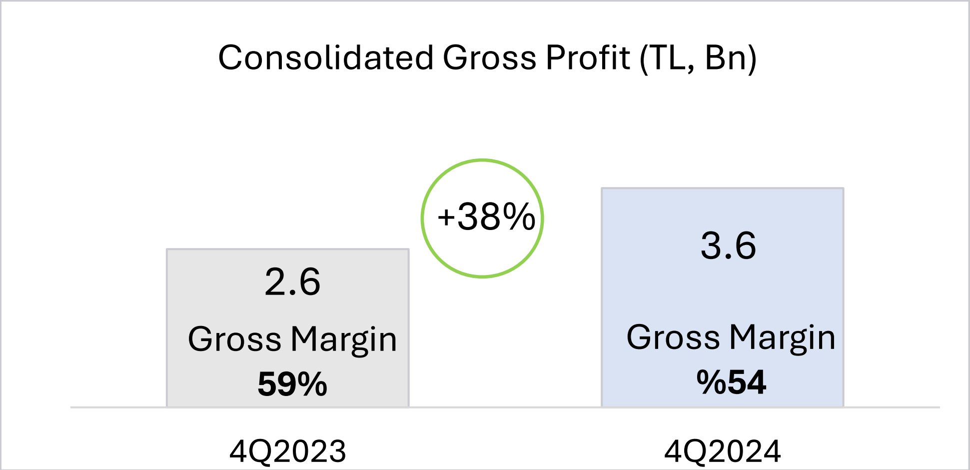
Trendy Product Offering and Flexible Procurement Resulted in Higher Gross Margins

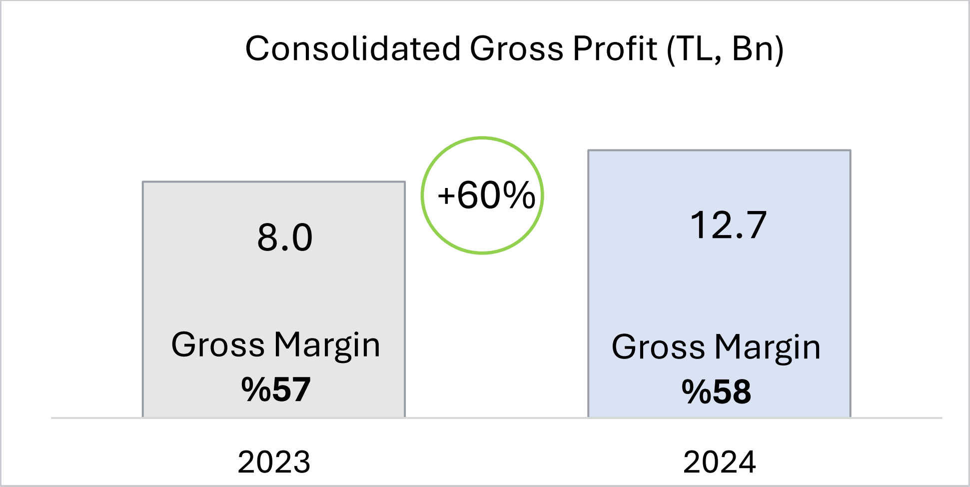
Post- IAS 29





Pre- IAS 29



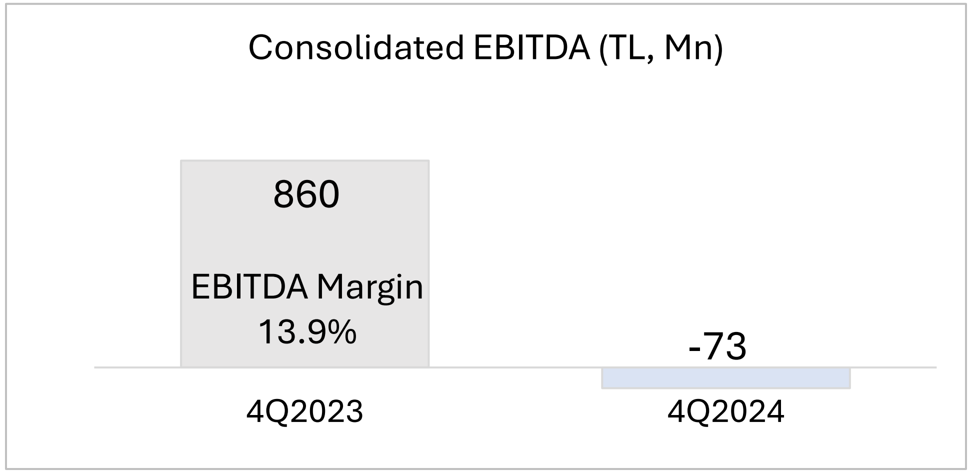


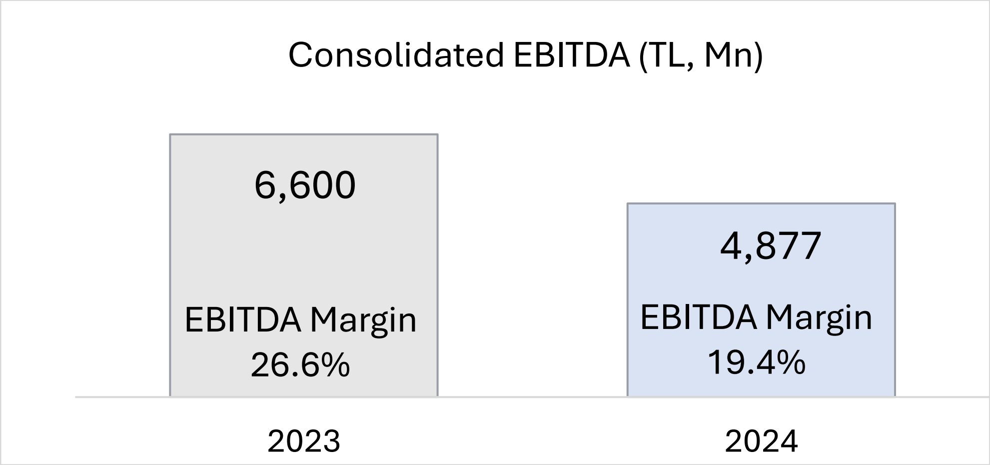
Notes: Pre-IAS 29 figures are provided for informational purposes and are based on unaudited internal reports

2024 EBITDA MARGIN REALIZED AT 19.4%

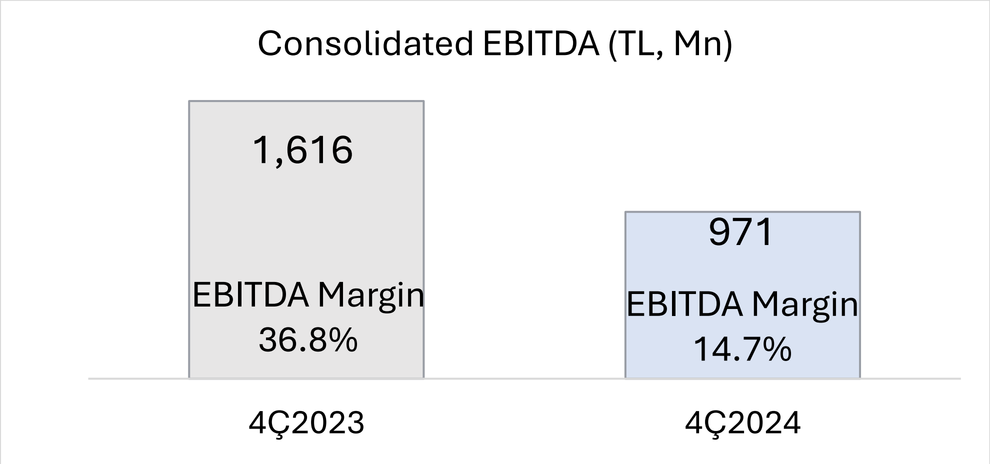
Wage Support, Rise in Other Operational Expenses and Limited FX Gains Weighed on 4Q EBITDA Margin

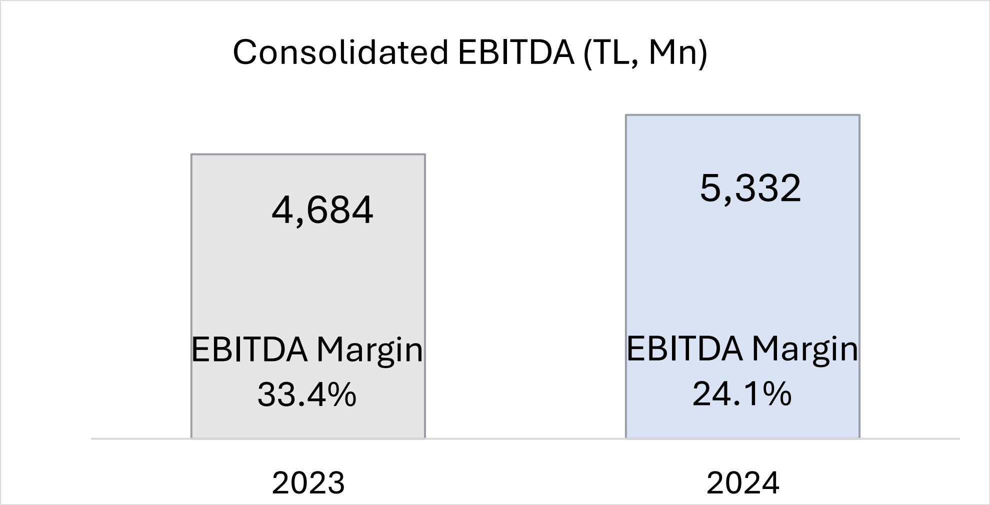
Post- IAS 29





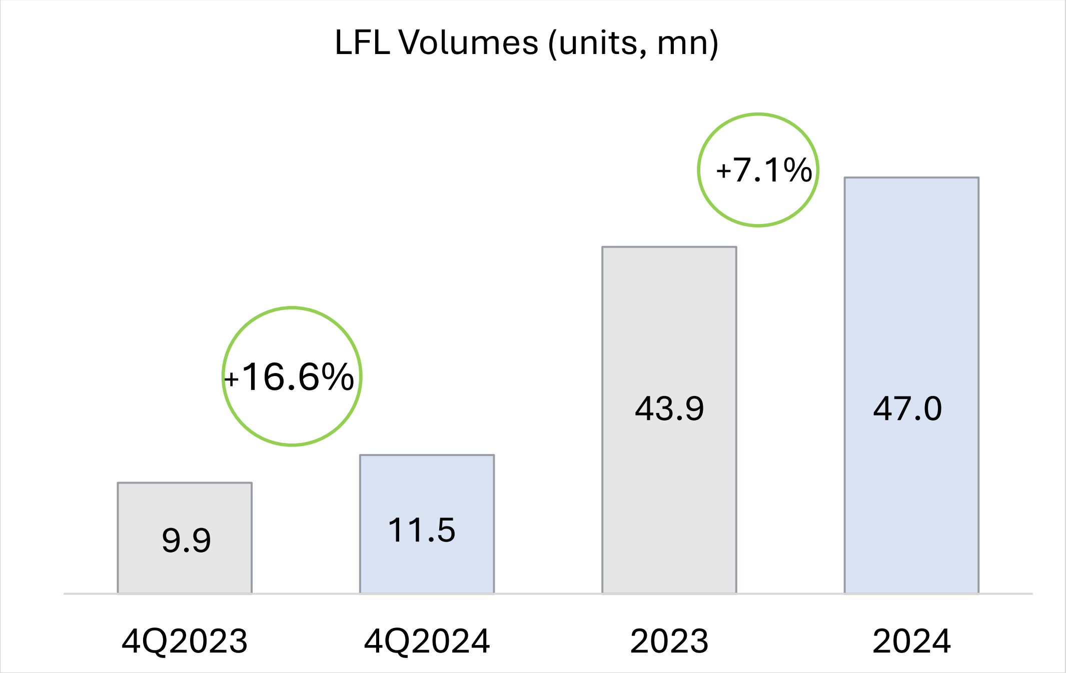
Pre- IAS 29

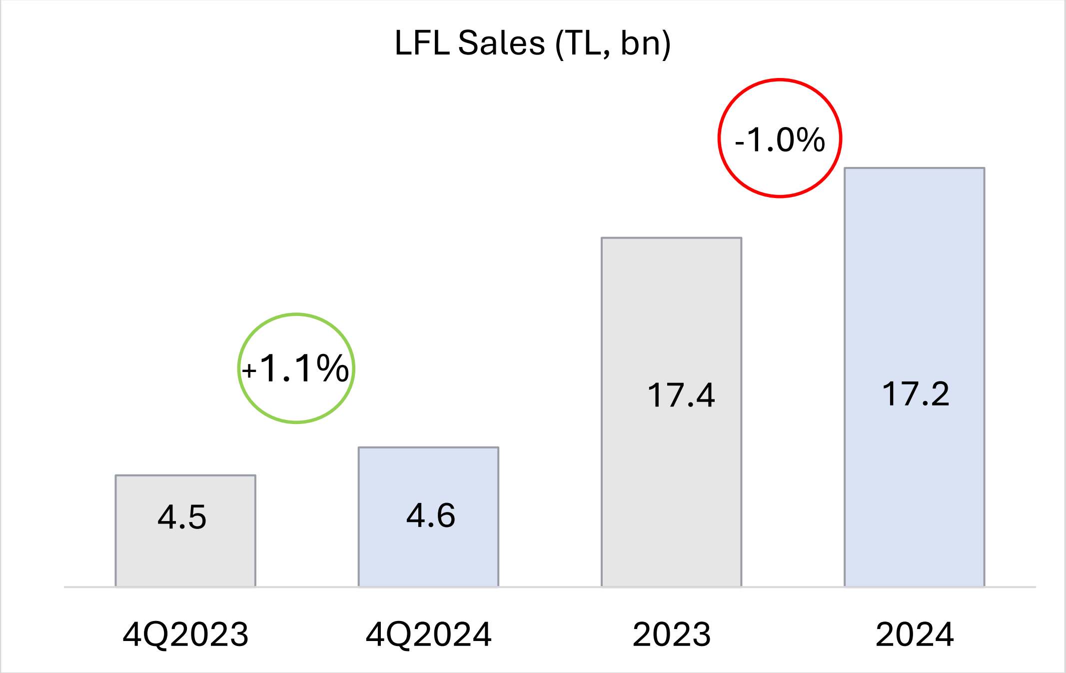




Notes: Company EBITDA calculation method as stated in the IPO prospectus and following financial reports: EBITDA: Profit before tax + net interest expense + net imputed interest + net investment income + amortization + IPO related expenses – monetary gain. Pre-IAS 29 figures are provided for informational purposes and are based on unaudited internal reports

4Q LFL VOLUMES AND SALES GREW DOUBLE DIGIT IN TÜRKİYE





- **Türkiye LFL volumes**
  4Q24: +30% 2024: +12.4%
- **Int'l LFL volumes**
  4Q24: -14.6% 2024: -6.2%
- **Türkiye LFL sales**
  4Q24: +12,0% 2024: +6.6%
- **Int'l LFL sales**
  4Q24: -25.8% 2024: -19.1%

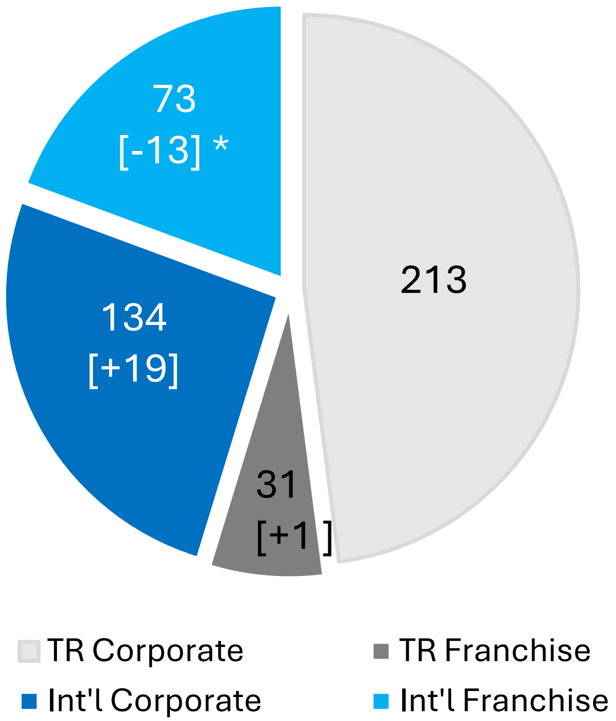
Notes: LFL figures do not include international franchise stores. Sales figures are Post-IAS29

Operational Performance

STORE OPENINGS CONTINUED REACHING 451 STORES

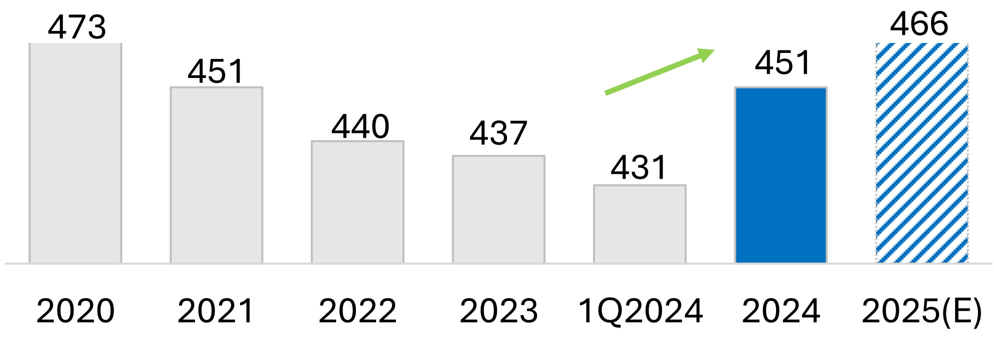
7 new stores opened in the fourth quarter **6** of which were international stores

[X] Number of Stores Opened in 4Q2024



* 14 franchise stores in the GCC region have been converted to corporate stores in partnership with Apparel Group

Store Breakdown	Türkiye: 244 CIS: 92	CEE: 41 MENA&Africa : 74



Türkiye Sales Growth Per Square Meter*

2023
58.170TL

2024
66.595TL

+%14.5
(vs. Türkiye store sales growth 12.8%)

31 Dec 2023	30 Sept 2024	31 Dec 2024
Total store area **508,191 m2**	Total store area **505,451 m2**	Total store area **509,294 m2**
Total sales area **391,908 m2**	Total sales area **388, 379 m2**	Total sales area **391,938 m2**

Notes: New stores in net terms. * Calculated using Post-AIS29 Türkiye store sales figures and Türkiye sales area.

E-COMMERCE SALES ROSE BY 28% IN THE FOURTH QUARTER

Koton.com Sales Increased by 50% in the 4Q2024 and 30% in 2024

Sales (Mn, TL)	**4Q2023**	**4Q2024**	**Change**	**2023**	**2024**	**Change**
E-Commerce (Consolidated)	**767,558,413**	**980,761,974**	**27.8%**	**2,665,399,726**	**3,061,861,063**	**14.9%**
Koton.com (B2C)	154,568,990	232,296,862	**50.3%**	522,642,092	682,221,316	**30.5%**
Local Marketplaces (B2C)	199,228,832	191,801,182	**-3.7%**	593,792,277	739,741,436	**24.6%**
Int’l Marketplaces (B2C)	243,932,153	250,646,205	**2.8%**	751,827,933	928,408,121	**23.5%**
Marketplaces (B2B)	169,828,438	306,017,724	**80.2%**	797,137,424	711,490,189	**-10.7%**

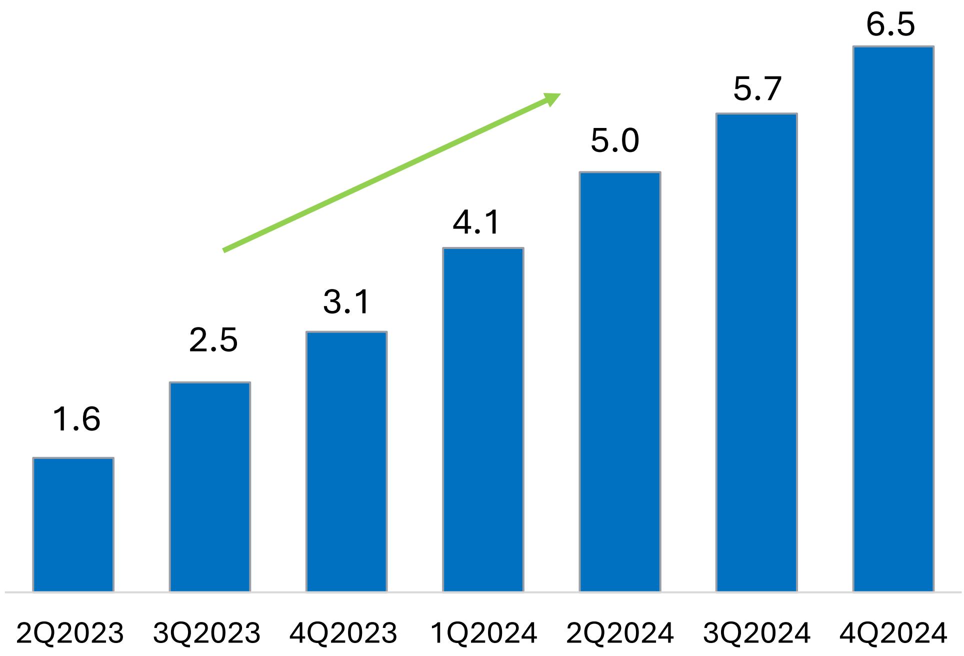
- Koton.com is expanding internationally on the back of suburb performance in Türkiye. Encouraging initial results from the test market Romania. More to come with Russia, Kazakhstan and GCC.
- Koton.com traffic grew by 14% and reached 67.5 million in 2024 while Koton mobile app active user count increased 190% and reached 7 million*.

Notes: Post IAS29 sales figures. *Based on internal reporting

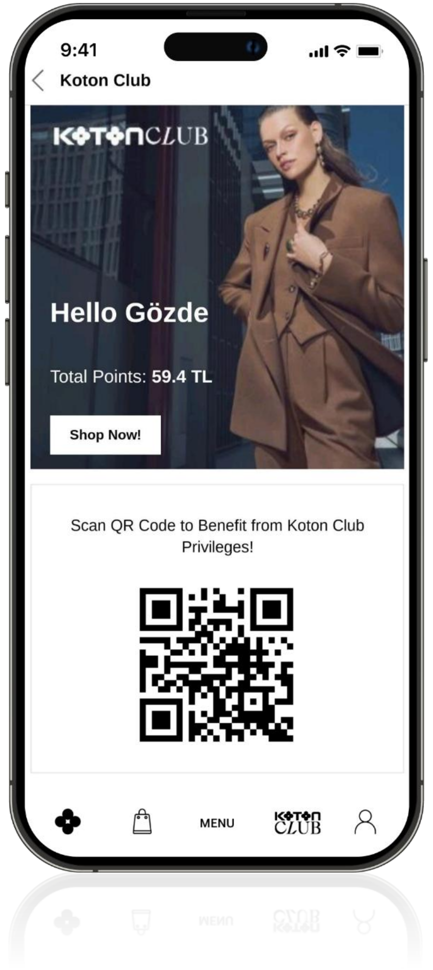
KOTON CLUB MEMBER COUNT REACHED 6.5 MILLION !

Koton Club 2025 target is 9mn members

Koton Club Members (mn)



Koton Club supports online and offline sales



6.5 mn members

+7% larger basket size compared to non-members

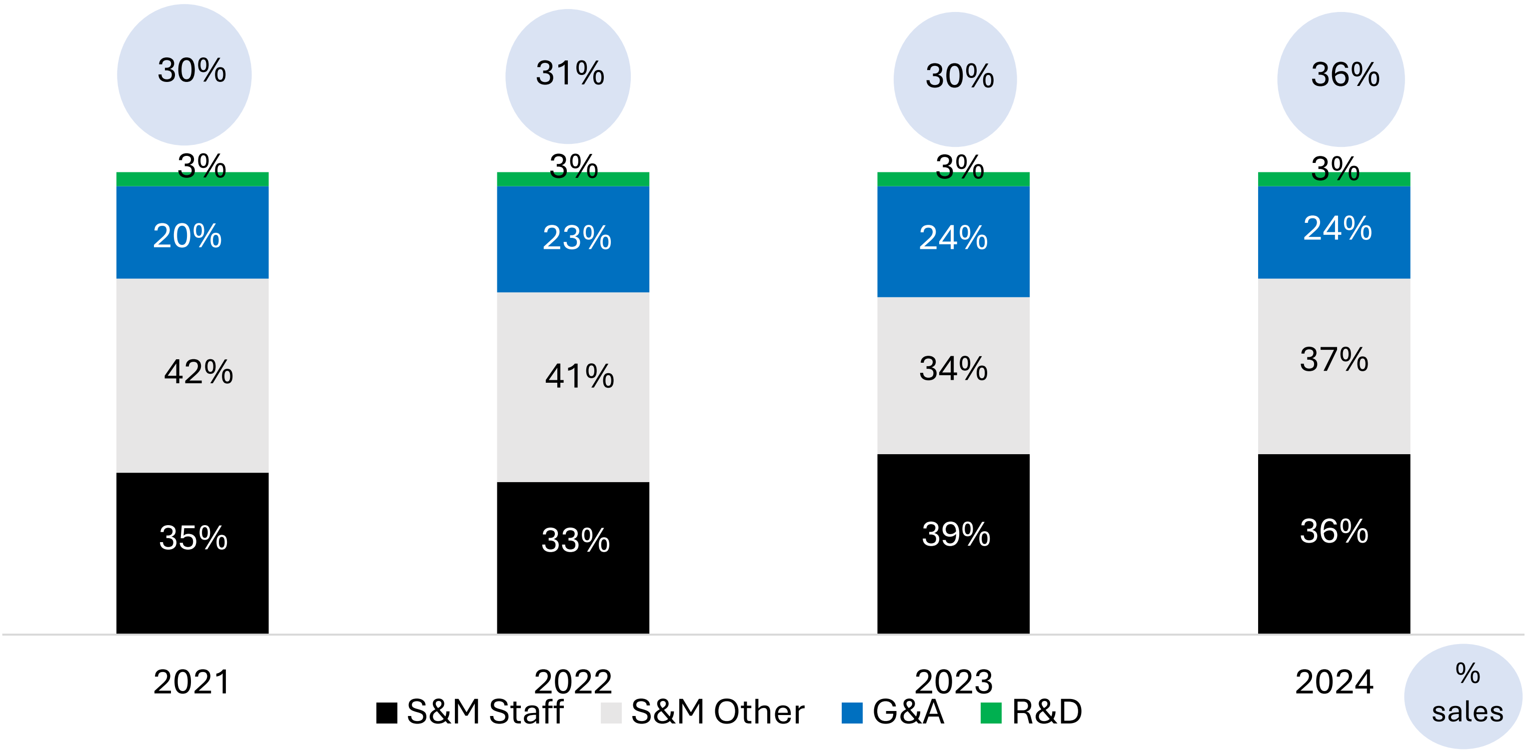
+8% higher number of items per invoice

+56% higher visit frequency

Notes: Based on internal reports.

OPEX TRENDS

Opex to Sales Ratio Rose in 2024



Higher wages, logistic and marketing related costs accompanied by TL related sub-potential sales growth resulted in higher opex/sales ratio

Notes: Opex excluding D&A and other income/expense. Post IAS29 figures

ONGOING EFFICIENCY RELATED PROJECTS

Continuation of disciplined and flexible procurement

- SS25 procurement cost inflation below 30%

Further improvement in sales area efficiency

Restructuring in the GCC region

- LFL sales (YTD) +%20*

Slow selling products to be sold in other regions and channels

Boosting operational efficiency

Net working Capital related improvements

- Utilizing letters of credit more often in import procurement
- Improving supply chain management

Notes: USD figures

2025 Outlook
(Pre-IAS29)

Sales Growth

~%40

Net New Stores

>14

Gross Profit Margin

>50%

Appendix

FINANCIAL TABLES & RATIOS

Balance Sheet Summary	31 December 2024	31 December 2023
Total current assets	12.244.524.297	10.597.930.932
Total non-current assets	7.078.818.887	7.143.094.631
Total Assets	19.345.801.977	17.741.025.563
Total S/T liabilities	10.641.210.677	9.000.669.419
Total L/T liabilities	2.529.295.634	2.914.020.496
Total Liabilities	13.170.506.311	11.914.689.915
Total Equity	6.175.295.666	5.826.335.648
Total Equity & Liabilities	19.345.801.977	17.741.025.563

	31 December 2024	31 December 2023
Cash & Cash Equivalents	585.006.930	518.436.830
Bank Loans	3.279.943.538	2.172.568.450
Lease Obligations	3.169.834.508	3.192.913.780
Net Financial Debt	-5.864.771.116	-4.847.045.400
Net Financial Debt (*USD**)	165.952.776	137.154.652
Net Financial Debt /EBITDA	1.2	0.7
Net Financial Debt (excl. lease obligations)	-2.694.936.608	-1.654.131.620
Net Financial Debt /EBITDA (excl. lease obligations)	0.6	0.3

Notes: Company EBITDA calculation method as stated in the IPO prospectus and following financial reports: EBITDA: Profit before tax + net interest expense + net imputed interest + net investment income + amortization + IPO related expenses – monetary gain. *USD conversion based on 31 December 2024 CBT rate of 35,34

FINANCIAL TABLES & RATIOS

	4Q2024	4Q2023	2024	2023
Revenue	**6.115.799.706**	**6.178.413.249**	**25.086.294.418**	**24.824.204.132**
Cost of Sales	(3.498.236.247)	(3.649.745.538)	(11.580.985.334)	(12.918.519.879)
Gross Profit	**2.617.563.459**	**2.528.667.711**	**13.505.309.084**	**12.918.519.879**
Gross Profit Margin	42.8%	40.9%	53.8%	52.0%
Administrative Expenses	(729.639.003)	(626.965.505)	(2.325.477.471)	(2.027.686.969)
Selling and Marketing Expenses	(2.260.471.846)	(2.160.676.875)	(8.862.328.780)	(8.148.778.029)
R&D Expenses	(131.942.587)	(90.879.383)	(374.673.273)	(311.408.909)
Other Income	96.819.632	232.723.355	879.337.936	1.849.897.955
Other Expenses	(864.635.915)	(93.740.047)	(2.703.707.272)	(1.989.537.538)
Operating Profit	**(1.272.306.260)**	**(210.870.743)**	**118.460.224**	**2.291.006.390**
Investment Income	1.295.873	(2.589.986)	3.831.342	4.968.267
Investment Loss	(8.204.700)	3.176.778	(9.279.499)	(14.803.017)
Operating Profit Before Financial Expenses	**(1.277.754.417)**	**(210.283.951)**	**113.012.067**	**2.281.171.640**
Interest Expense, net	(501.179.334)	(484.036.854)	(1.611.354.799)	(1.685.014.704)
Monetary Gain/(loss)	113.697.568	687.262.525	947.669.352	2.637.717.575
Profit Before Tax	**(1.666.696.853)**	**(7.058.279)**	**(550.673.380)**	**3.233.874.511**
Current Tax Expense	99.923.821	(33.619.584)	-	(407.402.109)
Deferred Tax Expense	155.773.598	170.476.210	155.773.598	(221.049.481)
Profit	**(1.410.999.434)**	**129.798.346**	**(394.899.782)**	**2.605.422.921**
EBITDA	(73.094.100)	859.382.897	4.877.619.946	6.600.675.224
EBITDA Margin	-1.2%	14%	19.4%	26.6%

Notes: Company EBITDA calculation method as stated in the IPO prospectus and following financial reports: EBITDA: Profit before tax + net interest expense + net imputed interest + net investment income + amortization + IPO related expenses – monetary gain

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