KOTON MAĞAZACILIK TEKSTİL
SANAYİ VE TİCARET A.Ş.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD
1 JANUARY - 30 SEPTEMBER 2026
TOGETHER WITH THE AUDITOR'S REVIEW REPORT

(CONVENIENCE TRANSLATION OF THE REPORT AND THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

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	Notes	Reviewed 30 September 2026	Audited 31 December 2025
ASSETS			
Cash and cash equivalents	4	1,279,599,757	1,793,887,945
Trade receivables	5	1,311,279,702	1,832,699,007
- Trade receivable from third parties		*1,311,279,702*	*1,832,699,007*
Other receivables		103,498,579	61,108,477
- Other receivable from third parties		*103,498,579*	*61,108,477*
Inventories	6	10,940,669,265	11,546,213,960
Prepaid expenses	7	2,110,195,242	2,363,826,237
Current tax assets	21	67,069,843	104,666,490
Other current assets	15	1,114,118,527	603,454,728
Total current assets		**16,926,430,915**	**18,305,856,844**
Financial investments		9,085,875	10,516,217
Other receivables		227,559,666	259,131,944
- Other receivable from third parties		*227,559,666*	*259,131,944*
Property, plant and equipment	8	3,145,359,340	3,315,447,019
Intangible assets	9	1,107,910,922	1,134,746,495
Right of use assets	10	5,650,072,067	6,394,569,890
Prepaid expenses		-	4,986,123
Deferred tax assets	21	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**

	Notes	Reviewed 30 September 2026	Audited 31 December 2025
LIABILITIES			
Short-term borrowings	11	8,173,632,208	8,511,506,917
Short-term borrowings	11	*5,817,553,620*	*5,908,684,069*
Short-term Portion of Long-term Borrowings	11	*320,817,910*	*377,432,003*
Lease liabilities	11	*2,035,260,678*	*2,225,390,845*
Trade payables		8,502,506,772	7,709,601,957
Trade payables to related parties	*5*	*1,053,717*	*875,407*
Trade payables to third parties	*5*	*8,501,453,055*	*7,708,726,550*
Payables related to employee benefits	14	380,288,201	493,250,614
Other payables		35,908,555	41,843,161
Other payable to third parties		*35,908,555*	*41,843,161*
Deferred income	7	264,767,817	291,090,055
Short-term provisions		275,498,721	383,630,689
Provisions for employee benefits	*14*	*250,239,210*	*353,820,073*
Other short-term provisions	*12*	*25,259,511*	*29,810,616*
Other current short-term liabilities	15	306,200,428	389,915,439
Total current liabilities		**17,938,802,702**	**17,820,838,832**
Long-term borrowings	11	2,711,828,111	2,949,222,391
Long-term borrowings	*11*	*94,633,223*	*55,713,313*
Lease liabilities	*11*	*2,617,194,888*	*2,893,509,078*
Other payables		29,580,007	48,692,442
Other payables to third parties		*29,580,007*	*48,692,442*
Deferred income			-
20,188,701			
Long term provisions	14	197,814,523	181,645,723
Long-term provisions for employee benefits	*14*	*197,814,523*	*181,645,723*
Deffered tax liabilities	21	720,489,752	692,128,090
Total non-current liabilities		**3,659,712,393**	**3,891,877,347**
TOTAL LIABILITIES		**21,598,515,095**	**21,712,716,179**
Paid-in share capital	16	829,650,000	829,650,000
Capital adjustment differences	16	8,675,784,660	8,675,784,660
Share issued premium/discount	16	1,763,989,346	1,763,989,346
Accumulated other comprehensive expenses not to be reclassified to profit or loss	16	(275,612,038)	(236,500,980)
- Loss on remeasurement of defined benefit plans		*(275,612,038)*	*(236,500,980)*
Accumulated other comprehensive income to be reclassified to profit or loss		(5,780,331,164)	(4,488,766,401)
- Foreign currency translation differences	*16*	*(5,650,897,141)*	*(4,340,993,198)*
- Loss on cash flow hedge	*16*	*(129,434,023)*	*(147,773,203)*
Restricted reserves appropriated from profit	16	284,400,818	284,400,818
Retained earnings prior year’s profit / (losses)		1,489,591,558	2,687,605,435
Net loss for the period		(969,807,895)	(1,198,013,877)
Equity of the parent company		6,017,665,285	8,318,149,001
Non-Controlling Interests		38,610,624	9,105,791
TOTAL EQUITY		**6,056,275,909**	**8,327,254,792**
TOTAL LIABILITIES AND EQUITY		**27,654,791,004**	**30,039,970,971**

KOTON MAĞAZACILIK TEKSTİL SANAYİ VE TİCARET A.Ş.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 1 JANUARY - 30 SEPTEMBER 2026 AND 2025

(Amounts expressed in Turkish Lira (”TL”) in terms of the purchasing power of Turkish Lira ("TL") as of 30 September 2026, unless otherwise stated.)

	Notes	Reviewed 1 January - 30 September 2026	Reviewed 1 January - 30 September 2025	Not Reviewed 1 July- 30 September 2026	Not Reviewed 1 July - 30 September 2025
Revenue	17	28,246,448,712	29,656,364,657	9,329,491,916	10,266,825,221
Cost of sales (-)		(12,774,734,571)	(13,310,568,473)	(4,199,895,804)	(4,432,873,922)
GROSS PROFIT		**15,471,714,141**	**16,345,796,184**	**5,129,596,112**	**5,833,951,299**
General administrative expenses (-)		(2,860,251,460)	(2,993,205,796)	(1,015,431,389)	(1,047,716,223)
Marketing expenses (-)		(10,752,783,072)	(10,799,159,164)	(3,470,965,122)	(3,683,805,557)
Research and development expenses (-)		(285,417,455)	(352,878,143)	(51,832,214)	(118,463,620)
Other operating income19		1,294,498,725	2,054,183,084	417,309,139	340,073,878
Other operating expenses (-)	19	(2,578,607,923)	(2,584,606,290)	(985,889,946)	(876,820,349)
OPERATING PROFIT		**289,152,956**	**1,670,129,875**	**22,786,580**	**447,219,428**
Income from investment activities		10,330,748	8,737,093	6,151,775	4,614,310
Losses from investment activities (-)		(10,185,487)	(572,678)	(5,840,278)	94,174
OPERATING PROFIT BEFORE FINANCE EXPENSES		**289,298,217**	**1,678,294,290**	**23,098,077**	**451,927,912**
Finance income	20	235,635,748	150,456,319	42,708,787	27,012,030
Finance expenses (-)	20	(2,458,339,091)	(3,180,896,818)	(791,478,348)	(1,025,329,945)
Net monetary position gains		992,482,973	1,328,280,145	112,732,811	484,069,398
BEFORE TAX (LOSS) / PROFIT		**(940,922,153)**	**(23,866,064)**	**(612,938,673)**	**(62,320,605)**
Tax income	21	619,091	(70,611,276)	3,303,585	64,781,405
Current tax expense	21	(29,580,841)	-	(29,580,841)	362,463
Deffered tax expense	21	*30,199,932*	*(70,611,276)*	*32,884,426*	*64,418,942*
NET PERIOD (LOSS) / PROFIT		**(940,303,062)**	**(94,477,340)**	**(609,635,088)**	**2,460,800**
Distrubution of Profit/ (Loss) for the period					
Non-Controlling Interests		29,504,833	3,325,571	(5,662,876)	(1,230,485)
Equity of the parent company		(969,807,895)	(97,802,911)	(603,972,212)	3,691,285
(Loss)/Earning per share (“TRY”)	**23**	**(0,169)**	**(0,118)**	**(0,728)**	**0,004**
OTHER COMPREHENSIVE (EXPENSE)/INCOME					
Items not to be reclassified to profit or loss		**(39,111,058)**	**(32,569,861)**	**(14,513,185)**	**16,036,667**
Defined benefit plans remeasurement losses	*14*	(52,148,078)	(43,426,483)	(19,350,914)	21,382,223
Taxes related to components of other comprehensive ıncome that will not be reclassified to other profit or loss					
Deffered tax income / (expense)	21	13,037,020	10,856,622	4,837,729	(5,345,556)
Items that will be reclassified to profit or loss		**(1,291,564,763)**	**(1,072,046,159)**	**(788,605,118)**	**(763,472,455)**
Foreing currency translation differences		(1,309,903,943)	(831,452,839)	(770,359,747)	(816,621,853)
Cash flow hedge gains		24,452,240	(320,791,093)	(24,327,161)	70,865,864
Taxes related to other comprehensive ıncome that will be reclassified to profit or loss					
Deffered tax (expense) / income	21	(6,113,060)	80,197,773	6,081,790	(17,716,466)
OTHER COMPREHENSIVE EXPENSE		**(1,330,675,821)**	**(1,104,616,020)**	**(803,118,303)**	**(747,435,788)**
TOTAL COMPREHENSIVE (EXPENSE) / INCOME		**(2,270,978,883)**	**(1,199,093,360)**	**(1,412,753,391)**	**(744,974,988)**
Distribution of Total Comprehensive Income					
Minority shareholders		29,504,833	3,325,571	(5,662,876)	(1,230,485)
Equity of the parent company		(2,300,483,716)	(1,202,418,931)	(1,407,090,515)	(743,744,503)

The accompanying notes form an integral part of these interim condensed financial statements.

KOTON MAĞAZACILIK TEKSTİL SANAYİ VE TİCARET A.Ş.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 1 JANUARY - 30 SEPTEMBER 2026 AND 2025

(Amounts expressed in Turkish Lira (”TL”) in terms of the purchasing power of Turkish Lira ("TL") as of 30 September 2026, unless otherwise stated)

				Items to be reclassified to profit or loss	Items to be reclassified to profit or loss						
	Pain in share capital	Capital adjustment diffrences	Share premiums discounts	Loss on remeasurement of defined benefit plans	Foreign currency translation diffrences	Loss on cash flow hedge	Restiricted Reserves appropriated	Retained earnings	Minority Shareholders	Net Profit/(Loss) for the period	Total equity
Balances as of 1 January 2025	**829,650,000**	**8,675,784,660**	**1,763,989,346**	**(222,396,776)**	**(3,918,506,983)**	**(54,858,999)**	**284,400,818**	**3,333,082,924**	**2,889,174**	**(645,477,489)**	**10,048,556,675**
Transfers	-	-	-	-	-	-	-	(645,477,489)	-	645,477,489	-
Capital Increase	-	-	-	-	-	-	-		-	-	-
Increase (Decrease) Due to Share-Based Transactions	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense	**-**	**-**	**-**	**(32,569,861)**	**(831,452,839)**	**(240,593,320)**	**-**	**-**	**3,325,571**	**(97,802,911)**	**(1,199,093,360)**
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	3,325,571	(97,802,911)	(94,477,340)
Cash flow hedge gains	-	-	-	-	-	(240,593,320)	-	-	-	-	(240,593,320)
Foreing currency translation diffrences	-	-	-	-	(831,452,839)	-	-	-	-	-	(831,452,839)
Actuarial loss	-	-	-	(32,569,861)	-	-	-	-	-	-	(32,569,861)
Balances as of 30 September 2025	**829,650,000**	**8,675,784,660**	**1,763,989,346**	**(254,966,637)**	**(4,749,959,822)**	**(295,452,319)**	**284,400,818**	**2,687,605,435**	**6,214,745**	**(97,802,911)**	**8,849,463,315**
Balances as of 1 January 2026	**829,650,000**	**8,675,784,660**	**1,763,989,346**	**(236,500,980)**	**(4,340,993,198)**	**(147,773,203)**	**284,400,818**	**2,687,605,435**	**9,105,791**	**(1,198,013,877)**	**8,327,254,792**
Transfers	-	-	-	-	-	-	-	(1,198,013,877)	-	1,198,013,877	-
Total comprehensive income	**-**	**-**	**-**	**(39,111,058)**	**(1,309,903,943)**	**18,339,180**	**-**	**-**	**29,504,833**	**(969,807,895)**	**(2,270,978,883)**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	-	29,504,833	(969,807,895)	(940,303,062)
Cash flow hedge gains	-	-	-	-	-	18,339,180	-	-	-	-	18,339,180
Foreing currency translation diffrences	-	-	-	-	(1,309,903,943)	-	-	-	-	-	(1,309,903,943)
Actuarial loss	-	-	-	(39,111,058)	-	-	-	-	-	-	(39,111,058)
Balances as of 30 September 2026	**829,650,000**	**8,675,784,660**	**1,763,989,346**	**(275,612,038)**	**(5,650,897,141)**	**(129,434,023)**	**284,400,818**	**1,489,591,558**	**38,610,624**	**(969,807,895)**	**6,056,275,909**

The accompanying notes form an integral part of these interim condensed financial statements.

	Notes	Reviewed 1 January - 30 September 2026	Reviewed 1 January - 30 September 2025
A. Cash Flows From Operating Activities		**2,698,741,283**	**2,990,934,295**
Net (Loss)/Profit For The Period		**(940,303,062)**	**(94,477,340)**
Adjustments Related To Reconciliation of net Profit Of The Year		**2,858,149,552**	**4,203,047,775**
Adjustments related to deprecation and amortization expense	8,9,10	3,508,590,706	3,646,243,424
Adjustments related to impairment		19,475,758	17,544,096
Adjustments related to impairment / (reversals) on inventory	6	*12,458,587*	*10,350,563*
Adjustments related to impairment loss recognised on receivables	5	*7,017,171*	*7,193,533*
Adjustments related to provisions		226,170,375	270,447,732
Adjustments Related to for Employee Benefits	*14*	*218,768,879*	*260,339,604*
Adjustments Related to Provisions for Legal Claims	*12*	*7,401,496*	*10,108,128*
Adjustments Related to Other Provisions		-	-
Adjustments Related to Interest (Income) and Expense		3,380,358,560	3,661,967,039
Adjustments Related to Interest Income	*20*	*(235,635,748)*	*(150,456,319)*
Adjustments Related to Interest Expense	*20*	*1,520,724,747*	*1,970,405,732*
Deferred Financing Expense from Forward Purchases		*2,095,269,561*	*1,842,017,626*
Adjustments Related to Income From Government Grants	15	(97,669,871)	(129,228,730)
Adjustments Related to Unrealised Currency Tranlation Differences		103,044,280	(501,937,670)
Other Adjustments Related to Non-Cash Items		(78,266,460)	218,208,543
Adjustments Related to Tax Expense	21	(619,091)	70,611,275
Adjustments Related to Losses/(Gains) on Disposal of Non-Current Assets		(145,261)	(8,164,415)
Other Adjustments Related to Net Profit /(Loss)		(50,431,656)	64,593,424
Adjustments Related toTo Monetary Loss / Gain		(4,152,357,788)	(3,107,236,943)
Changes in Working Capital		**780,894,793**	**(1,117,636,140)**
Changes Related to Increase in Inventories		710,851,216	(87,802,195)
Changes Related to Increase in Trade Receivables		189,618,206	284,019,120
Change in Prepaid Expenses		(267,889,059)	(1,006,267,388)
Changes Related to Decrease (Increase) in Other Operating Receivables		(87,110,026)	46,217,059
Changes Related to Increase (Decrease) in Trade Payables		205,690,010	(230,891,489)
Changes Related to Increase (Decrease) in Employee Benefits		58,520,881	66,395,348
Changes Related to Increase (Decrease) in Other Operating Payables		35,649,362	1,872,429
Cash Inflows from Government Incentives		24,788,809	-
Related to Increase (Decrease) in Deferred Income		31,755,521	(36,532,920)
Payments Related to Employee Benefits		(182,097,014)	(171,761,701)
Tax Returns (Payments)	21	67,177,488	24,349,753
ther Cash Inflows (Outflows)		(6,060,601)	(7,234,156)
B. Cash Flows Used in Investing Activities		**(747,240,928)**	**(882,035,007)**
Cash İnflows from sale of Property Plant and Equıpment and intagible assest		47,534,366	76,851,948
-Proceeds from Sale of Property, Plant and Equipment	*8*	*47,534,366*	*76,831,044*
- Proceeds from Sale of Intangible Assets	*9*	-	*20,904*
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets		(794,775,294)	(958,886,955)
-Cash Outflows from Purchase Property, Plant and Equipment	*8*	*(617,982,262)*	*(774,465,628)*
-Cash Outflows from Purchase Intangible Assets	*9*	*(176,793,032)*	*(184,421,327)*
C. Cash Flows Generated from/(Used in) Financing Activities		**(2,111,786,904)**	**(1,790,467,324)**
Proceeds from Borrowings	11	6,796,291,337	6,028,560,142
Cash Outflows Repayment of Borrowings	11	(6,168,926,382)	(4,491,907,143)
Cash Outflows Repayment of Borrowings Arising from Lease Agreements	11	(2,414,969,638)	(2,289,120,841)
Cash Inflows from the Issuance of Shares and Other Equity-Based Instruments		-	-
Cash Inflows from the Issuance of Shares		-	-
Interest Received	5,20	244,524,444	157,426,909
Interest Paid	5,20	(568,706,665)	(1,195,426,391)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**(160,286,549)**	**318,431,964**
D. EFFECT OF MONETARY LOSSES AND GAINS ON CASH AND CASH EQUIVALENTS		**(350,897,104)**	**(192,995,091)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**(511,183,653)**	**125,436,873**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4**	**1,788,103,784**	**947,652,591**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	**4**	**1,276,920,131**	**1,073,089,464**

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Koton Mağazacılık Tekstil Sanayi ve Ticaret Anonim Şirketi ("Koton Mağazacılık" or "the Company") started its activities in 1988 and was registered under the Turkish Commercial Code on 25 March 2005. The main field of activity of the Company is to design and manufacture all kinds of textile products under the trade name of "Koton Mağazacılık" and to sell them wholesale or retail through its own retail network.

The registered address of the Company is Ayağaza Mah. Maslak Ayazağa Cad. No: 3 İç Kapı No:5, Sarıyer, İstanbul

As explained in Note 16, as of 30 September 2026, the main partner of the Company is the Netherlands-based Nemo Apparel BV owned by Turkven Private Equity and Yılmaz family.

The Company's shares commenced trading on Borsa İstanbul as of 10 May 2024.

As of 30 September 2026 the Company's subsidiaries are shown below. The Company and its subsidiaries will be referred to as the "Group" in the consolidated financial statements.

Subsidiaries	**Registered Country**	**Field of Activity**
Koton Textile Group Gmbh ("Koton Germany") (*)	Germany	Retailing
Koton Textile Limited Doo Sarajevo ("Koton Bosnia and Herzegovina")	Bosnia and Herzegovina	Retailing
Koton Textile Limited Llc ("Koton Georgia")	Georgia	Retailing
Koton Textile D.O.O Zagreb ("Koton Crotia") (*)	Croatia	Retailing
TOO "Koton Textile" Limited ("Koton Kazakhstan")	Kazakhstan	Retailing
Koton Mağazacılık Doo El Skopje ("Koton Macedonia")	Macedonia	Retailing
Koton Textile Retail Srl ("Koton Romania")	Romania	Retailing
Ooo Koton Textile Llc ("Koton Russia")	Russia	Retailing
Koton Textile Limited Doo Beograd ("Koton Serbia")	Serbia	Retailing
Koton Textile Limited S.R.O ("Koton Slovakia") (*)	Slovakia	Retailing
Koton Tekstil Emboria Endimaton Monoprosopi Epe ("Koton Greece") (*)	Greece	Retailing
Koton Mağazacılık Sarl Au ("Koton Morocco")	Morocco	Retailing
Koton Mağazacılık Sasu ("Koton France") (*)	France	Retailing
LLC Koton Textile ("Koton Belarus") (*)	Belarus	Retailing
Limited Liability Company Koton Textile ("Koton Ukraine") (*)	Ukraine	Retailing
Koton Textil Limited ("Koton Hong Kong") (*)	Hong Kong	Retailing
Koton Mağazacılık Limited ("Koton Azerbaijan") (*)	Azerbaijan	Retailing
Koton Textil Korlátolt Felelősségű Társaság ("Koton Hungary")	Hungary	Retailing
Koton A.G. Tradıng L.L.C. ("Koton UAE")	UAE	Retailing
Koton India Private Limited ("Koton India") (*)	India	Retailing
Koton Tradıng LLC ("Koton KSA")	Saudi Arabia	Retailing
Koton Bahrain Trading W.L.L ("Koton Bahreyn")	Bahrain	Retailing
Koton Fashıon Trading L.L.C ("Koton Umman")	Oman	Retailing
Koton Trading L.L.C ("Koton Katar")	Qatar	Retailing
Koton I.N.C ("Koton U.S.A") (*)	U.S.A	Retailing

(*) As of 30 September 2026 there are active no store.

1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

The Company and its subsidiaries together will be referred as "the Group"

As of 30 September 2026, the total number of stores of the Group is 468 (31 December 2025: 464). 241 of these stores (31 December 2025: 243) has been operating in Türkiye. The Group has 241 stores in Türkiye, 33 of which are franchise stores (31 December 2025: 32). The Group has 227 stores abroad (31 December 2025: 221). 77 of these stores are franchise stores (31 December 2025: 72), the Group's average number of employees is 7,881 (31 December 2025: 7,880).

The condensed consolidated financial statements were approved for publication by the Company's Board of Directors on 5 November 2026. The General Assembly and certain regular meetings have the authority to make changes to the statutory financial statements after they are published.

2. BASIS OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Basis of preperation and presentation of financial statements

The Group's companies operating in Turkey prepare their accounting records and statutory financial statements in Turkish Lira in accordance with the accounting and financial reporting standards ("CMB Financial Reporting Standards") adopted by the Capital Markets Board ("CMB"), the provisions of the Turkish Commercial Code ("TCC") and Tax Legislation, and the requirements of the Uniform Chart of Accounts published by the Ministry of Finance. Subsidiaries operating abroad have prepared their statutory financial statements in accordance with the laws and regulations applicable in the countries in which they operate.

The interim condensed consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and presented in Turkish Lira in accordance with the CMB financial reporting standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets carried from their fair values and assets and liabilities, financial statements are prepared on historical cost basis.

The interim condensed consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board's Communiqué Series II, No. 14.1 "Principles of Financial Reporting in the Capital Markets" ("Communiqué") published in the Official Gazette dated 13 September 2013 and numbered 28676. Pursuant to Article 5, the Turkish Financial Reporting Standards, which were put into effect by the Public Oversight, Accounting and Auditing Standards Authority, and their annexes and comments are taken as basis.

The Group has prepared its condensed interim consolidated financial statements for the interim period ended 30 September 2026, in accordance with the CMB's Communiqué Series: II, No. 14.1 and the announcements clarifying this Communiqué, in accordance with TAS 34, "Interim Financial Reporting."

The interim condensed consolidated financial statements and notes are presented in accordance with the formats recommended by the CMB and include the required information. Entities are free to prepare their interim financial statements in full or in summary form in accordance with TAS 34.

Within this framework, the Group has chosen to prepare condensed interim consolidated financial statements. The significant accounting policies used in preparing the condensed consolidated financial statements are consistent with the accounting policies detailed in the consolidated financial statements as of 31 December 2025.

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of Presentation (cont’d)

2.1.1 Basis of preperation and presentation of financial statements (cont’d)

Therefore, the interim consolidated financial statements should be evaluated together with the financial statements for the year ending December 31, 2025.

Furthermore, in accordance with the Communiqué and its accompanying announcements, the collateral and mortgage table, foreign exchange position table, total import amounts, and the hedged portion of the total foreign exchange liability are presented in the footnotes to the summary financial statements.

2.1.2 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when it is necessary and significant differences are disclosed.

2.1.3 Changes in the accounting policies, estimates and errors

In case of changes and errors in accounting policies and accounting estimates, significant changes and significant accounting errors are applied retrospectively and the previous period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made for only one period, and both in the period when the change is made and prospectively if it is related to future periods.

2.1.4 Functional and reporting currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in TRY, which is the functional currency the reporting currency of the Group.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions),
- All resulting exchange differences are recognised in other comprehensive income

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Financial reporting in hyperinflationary economy

The Group prepared its consolidated financial statements as at and for the period ended 30 September 2026 by applying TAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by POA on 23 November 2023 and the "Application Guidance on Financial Reporting in Hyperinflationary Economies". TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. Therefore, the Group has presented its consolidated financial statements as of 30 September 2025 and 31 December 2025 on a purchasing power basis as of 30 September 2026.

Pursuant to the decision of the Capital Markets Board (CMB) dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on 31 December 2023

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TSI). As of 30 September 2026, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Coefficeient	Three – year cumulavite inflation rates
30 September 2026	4,368.35	1.00000	158%
31 December 2025	3,513.87	1.24317	211%
30 September 2025	3,367.22	1.29732	222%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.2 Financial reporting in hyperinflationary economy(cont'd)

- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 "Inflation Accounting" is summarized below:

Restatement of the Statement of Financial Position

Amounts in the consolidated statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognized in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company.

Subsidiaries of the Group whose functional currency is other than Turkish Lira have been restated to 30 September 2026 purchasing power according to the following principles.

For the year ended 30 September 2026, the consolidated statement of financial position is translated into Turkish Lira at the closing rate of 30 September 2026. The consolidated income statement for the period 1 January 2026 – 30 September 2026 has been translated into Turkish Lira at the average monthly exchange rates and indexed to the purchasing power of 30 September 2026. For the year ended 31 December 2025, the consolidated statement of financial position is translated into Turkish Lira at the closing rate of 31 December 2025 and indexed to the purchasing power of 30 September 2026. For the period

1 January 2025 – 30 September 2025, the income statement is translated into Turkish Lira at the average monthly exchange rates and indexed to the purchasing power of 30 September 2026.

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.2 Financial reporting in hyperinflationary economy (cont’d)

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

2.3 Going concern assumption

The consolidated financial statements have been prepared on the basis of going concern, assuming that the Company and its subsidiaries subject to consolidation will benefit from its assets and fulfill its obligations in the next year and within the natural flow of its operations.

2.4 Basis for Consolidation

The consolidated financial statements include the Group’s accounts prepared on the basis determined in the following items. During the preparation of the financial statements of the companies included in the consolidation, necessary adjustments and classifications were made in terms of compliance with the Turkish Financial Reporting Standards and the accounting policies and presentation styles applied by the Group. The results of operations of the subsidiaries are included or excluded on the effective dates of the related transactions in accordance with the acquisition or disposal transactions.

The control is achieved by having control over the financial and operational policies of an entity to obtain benefits from its activities.

Subsidiaries are businesses controlled by the Company. The company controls the business when it is exposed to variable returns due to its relationship with a business or is entitled to these returns, and also has the opportunity to influence these returns with its power over the business. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control occurs until the date control disappears. The accounting policies of the subsidiaries are changed in order to comply with the Group's policies when needed.

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Basis for Consolidation (cont'd)

All of the subsidiaries included in the consolidation were established by the Company, and the table below shows the ownership rates as of 30 September 2026 and 31 December 2025:

Subsidiaries	30 September 2026 Effective partnership rate (%)	31 December 2025 Effective partnership oranı (%)
Koton Germany (*)	100.00	100.00
Koton Azerbaijan (*)	100.00	100.00
Koton Bosnia and Herzegovina	100.00	100.00
Koton Georgia	100.00	100.00
Koton Croatia (*)	100.00	100.00
Koton Hong Kong (*)	100.00	100.00
Koton Kazakhstan	100.00	100.00
Koton Macedonia	100.00	100.00
Koton Romania	100.00	100.00
Koton Russia	100.00	100.00
Koton Slovakia (*)	100.00	100.00
Koton Greece (*)	100.00	100.00
Koton France (*)	100.00	100.00
Koton Morocco	100.00	100.00
Koton Belarus (*)	100.00	100.00
Koton Ukraine (*)	100.00	100.00
Koton Serbia	100.00	100.00
Koton Hungary	100.00	100.00
Koton United Arab Emirates	51.00	51.00
Koton India(*)	100.00	100.00
Koton Saudi Arabia	51.00	51.00
Koton Bahrain	51.00	51.00
Koton Oman	51.00	51.00
Koton Qatar	51.00	51.00
Koton U.S.A(*)	100.00	100.00

(*) There is no activity as of the balance sheet date.

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.4 Basis for Consolidation (cont'd)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date that control ceases. Accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

The result of operations of subsidiaries acquired or sold during the year are included in the consolidated statement of comprehensive income from the date of acquisition or until the date of sale.

The balance sheets and statements of income of the subsidiaries are consolidated and the carrying value of the investment held by the Company and its subsidiaries is netted off against the related shareholders' equity. Intercompany transactions and balances between the Company and its Subsidiaries are netted off during the consolidation. The cost of and the dividends arising from, shares held by the Group in its subsidiaries are netted off from shareholders' equity and other comprehensive income, respectively.

2.5 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2026

Amendments to TFRS 9 and TFRS 7	*Classification and Measurement of Financial Instruments*
Amendments to TFRS 9 and TFRS 7	*Power Purchase Arrangements*
Annual Improvements	*Annual Improvements to TFRSs – Volume 11*

Amendments to TFRS 9 and TFRS 7 *Classification and Measurement of Financial Instruments*

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of TFRS 9 *Financial Instruments*. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Amendments to TFRS 9 and TFRS 7 *Power Purchase Arrangements*

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Annual Improvements to TFRSs – Volume 11

The pronouncement comprises the following amendments:

- TFRS 1: Hedge accounting by a first-time adopter
- TFRS 7: Gain or loss on derecognition
- TFRS 7: Disclosure of deferred difference between fair value and transaction price
- TFRS 7: Introduction and credit risk disclosures
- TFRS 9: Lessee derecognition of lease liabilities
- TFRS 9: Transaction price
- TFRS 10: Determination of a 'de facto agent'
- TAS 7: Cost method

Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 New and Amended Turkish Financial Reporting Standards (cont'd)

The aforementioned standard, amendments and improvements do not have any significant effect on Group's consolidated financial position and performance.

b) New and revised TFRSs in issue but not yet effective

Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information*
TFRS 18	*Presentation and Disclosures in Financial Statements*
TFRS 19	*Subsidiaries without Public Accountability: Disclosures*
Amendments to TFRS 19	*Subsidiaries without Public Accountability: Disclosures*
Amendments to TAS 21	*Translation to a Hyperinflationary Presentation Currency*
Amendments to IAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint*

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2027.

Amendments to TFRS 17 *Insurance Contracts* and *Initial Application of TFRS 17 and TFRS 9 – Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

TFRS 18 *Presentation and Disclosures in Financial Statements*

TFRS 18 includes requirements for all entities applying TFRS for the presentation and disclosure of information in financial statements. This standard is effective from annual reporting periods beginning on or after 1 January 2027.

2. BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 New and Amended Turkish Financial Reporting Standards (cont'd)

TFRS 19 *Subsidiaries without Public Accountability: Disclosures*

TFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. This standard is effective from annual reporting periods beginning on or after 1 January 2027.

Amendments to TFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The amendments cover new or amended Turkish Financial Reporting Standards that were not considered when TFRS 19 was first issued. Amendments are effective from annual reporting periods beginning on or after 1 January 2027.

Amendments to TAS 21 *Translation to a Hyperinflationary Presentation Currency*

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one. Annual reporting periods beginning on or after 1 January 2027.

Amendments to TAS 28 *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*

The amendments provide clarity about which entities are eligible to measure investments using the fair value option in TAS 28. Annual reporting periods beginning on or after 1 January 2027.

Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

3. SEGMENT REPORTING

The Group's operating segments are identified based on the information provided to and analyzed by the Board of Directors, which represents the chief operating decision maker (CODM), as a result of the performance and resource allocation assessments made by the management responsible for monitoring the day-to-day operations of the Group.

The information reported includes information used by the Board of Directors to evaluate the performance of operating segments and to make decisions about resource allocation. In measuring and reporting segment income from transactions between the Group's operating segments and other segments, intersegment transfers are recognized at normal market prices and terms. Information regarding the segment reporting of the Group's domestic and foreign subsidiaries is as follows:

1 January - 30 September 2026

	Türkiye	CIS Countries(*)	Other International Countries(**)	Total
-Retail	17,573,836,889	3,023,018,680	3,345,047,040	23,941,902,609
-E-Commerce	1,476,229,166	966,048,312	275,070,806	2,717,348,284
-Wholesale	1,322,984,354	25,278,010	238,935,455	1,587,197,819
Total sales	**20,373,050,409**	**4,014,345,002**	**3,859,053,301**	**28,246,448,712**
Cost of sales	**(8,329,684,943)**	**(2,509,659,807)**	**(1,935,389,821)**	**(12,774,734,571)**
Gross profit	**12,043,365,466**	**1,504,685,195**	**1,923,663,480**	**15,471,714,141**
EBITDA	**5,027,938,443**	**127,937,971**	**808,195,488**	**5,964,071,902**
Adjusted EBITDA	**3,313,734,284**	**(230,848,165)**	**466,216,145**	**3,549,102,264**
Profit / (loss) for the period	**(106,079,110)**	**(851,260,357)**	**17,036,405**	**(940,303,062)**

The Group Management utilizes Earnings Before Interest, Depreciation, Tax and Amortization (EBITDA) values to measure the financial performance of the Group on a consolidated basis. EBITDA is calculated by adding finance income/(expenses), discount interest expenses on purchases of goods, income/(expense) from investing activities and depreciation and amortization expenses and other one-off provisions to profit before tax and deducting gains from net monetary position.

The Chief Operating Decision Maker (CODM) relies primarily on EBITDA and Adjusted EBITDA to assess the performance of the segment and to make decisions about resources to be allocated to the segment.

(*) The Commonwealth of Independent States (CIS) consists of the countries Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Turkmenistan.

(**) The foreign subsidiaries of the Group operating in different countries are aggregated as "Other" due to their similar economic characteristics and individual revenues, profits and losses, or asset sizes not exceeding 10% of the total revenues, profits and losses, or asset amounts, respectively.

3. SEGMENT REPORTING (cont'd)

The reconciliation of Adjusted EBITDA to consolidated Operating Profit Before Finance Income/Expense and the components of Adjusted EBITDA are as follows:

1 January - 30 September 2026 (cont'd)

	Türkiye	CIS Countries (*)	Other International Countries(**)	Total
Profit/(loss) before tax	**(55,146,270)**	**(921,549,299)**	**35,773,416**	**(940,922,153)**
Finance expense, net	(1,938,830,771)	(204,576,336)	(79,296,236)	(2,222,703,343)
Monetary loss/gain	992,482,973	-	-	992,482,973
Operating loss before finance income / (expense)	**891,201,528**	**(716,972,963)**	**115,069,652**	**289,298,217**
Income from investing activities	10,330,748	-	-	10,330,748
Expenses from investing activities	(10,185,487)	-	-	(10,185,487)
Operating profit/(loss)	**891,056,267**	**(716,972,963)**	**115,069,652**	**289,152,956**
Depreciation and amortization expenses (Note 18)	(2,581,057,608)	(459,290,105)	(468,242,993)	(3,508,590,706)
Discount interest expense on purchases of goods (Note 19)	(1,555,824,568)	(385,620,829)	(224,882,839)	(2,166,328,236)
EBITDA	**5,027,938,443**	**127,937,971**	**808,195,484**	**5,964,071,898**
Cash outflows related to debt payments arising from lease agreements (Note 11)	(1,714,204,159)	(358,786,136)	(341,979,343)	(2,414,969,638)
Adjusted EBITDA	**3,313,734,284**	**(230,848,165)**	**466,216,141**	**3,549,102,260**

1 January - 30 September 2025

	Türkiye	CIS Countries (*)	Other International Countries(**)	Total
-Retail	18,991,472,762	3,203,693,451	2,810,422,595	25,005,588,808
-E-Commerce	1,637,961,866	1,056,229,058	410,094,599	3,104,285,523
-Wholesale	1,244,610,017	22,639,570	279,240,739	1,546,490,326
Total sales	**21,874,044,645**	**4,282,562,079**	**3,499,757,933**	**29,656,364,657**
Cost of sales	**(8,628,872,395)**	**(2,895,054,270)**	**(1,786,641,808)**	**(13,310,568,473)**
Gross profit	**13,245,172,250**	**1,387,507,809**	**1,713,116,125**	**16,345,796,184**
EBITDA	**6,592,580,460**	**257,261,631**	**541,891,522**	**7,391,733,613**
Adjusted EBITDA	**5,001,993,455**	**(155,167,556)**	**255,786,869**	**5,102,612,768**
Profit / (loss) for the period	**704,918,432**	**(765,892,962)**	**(33,502,810)**	**(94,477,340)**

3. SEGMENT REPORTING (cont'd)

The reconciliation of Adjusted EBITDA to consolidated Operating Profit Before Finance Income/Expense and the components of Adjusted EBITDA are as follows:

1 January - 30 September 2025 (cont'd)

	Türkiye	CIS Countries (*)	Other International Countries(**)	Total
Profit before tax	**829,873,848**	**(817,020,553)**	**(36,719,359)**	**(23,866,064)**
Finance expense, net	(2,786,107,753)	(216,307,221)	(28,025,525)	(3,030,440,499)
Monetary loss/gain	1,328,280,145	-	-	1,328,280,145
Operating loss before finance income / (expense)	**2,287,701,456**	**(600,713,332)**	**(8,693,834)**	**1,678,294,290**
Income from investing activities	8,737,093	-	-	8,737,093
Expenses from investing activities	(572,678)	-	-	(572,678)
Operating profit/(loss)	**2,279,537,041**	**(600,713,332)**	**(8,693,834)**	**1,670,129,875**
Depreciation and amortization expenses (Note 18)	(2,812,789,309)	(474,148,771)	(359,305,344)	(3,646,243,424)
Discount interest expense on purchases of goods (Note 19)	(1,500,254,110)	(383,826,192)	(191,280,012)	(2,075,360,314)
EBITDA	**6,592,580,460**	**257,261,631**	**541,891,522**	**7,391,733,613**
Cash outflows related to debt payments arising from lease agreements (Note 11)	(1,590,587,005)	(412,429,187)	(286,104,654)	(2,289,120,841)
Adjusted EBITDA	**5,001,993,455**	**(155,167,556)**	**255,786,869**	**5,102,612,768**

(*) The Commonwealth of Independent States (CIS) consists of the countries Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Turkmenistan.

(**) The foreign subsidiaries of the Group operating in different countries are aggregated as "Other" due to their similar economic characteristics and individual revenues, profits and losses, or asset sizes not exceeding 10% of the total revenues, profits and losses, or asset amounts, respectively.

Information regarding the Group's domestic and international subsidiaries, including segment reporting is as follows:

1 July - 30 September 2026

	Türkiye	CIS Countries (*)	Other International Countries(**)	Total
-Retail	5,827,623,923	1,199,917,896	1,130,475,212	8,158,017,031
-E-Commerce	381,988,597	287,802,327	35,418,665	705,209,589
-Wholesale	358,404,869	8,161,134	99,699,293	466,265,296
Total sales	**6,568,017,389**	**1,495,881,357**	**1,265,593,170**	**9,329,491,916**
Cost of sales	**(2,199,518,526)**	**(1,146,153,793)**	**(854,223,485)**	**(4,199,895,804)**
Gross profit	**4,368,498,863**	**349,727,564**	**411,369,685**	**5,129,596,112**
EBITDA	**2,009,199,856**	**(87,197,404)**	**(644,618)**	**1,921,357,834**
Adjusted EBITDA	**1,465,909,711**	**(192,455,313)**	**(96,607,031)**	**1,176,847,367**
Profit / (loss) for the period	**188,355,043**	**(484,318,490)**	**(313,671,641)**	**(609,635,088)**

3. SEGMENT REPORTING (cont'd)

The reconciliation of Adjusted EBITDA to consolidated Operating Profit Before Finance Income/Expense and the components of Adjusted EBITDA are as follows:

1 July - 30 September 2026 (cont'd)

	Türkiye	CIS Countries (*)	Other International Countries(**)	Total
Profit before tax	**154,093,391**	**(485,484,134)**	**(281,547,930)**	**(612,938,673)**
Finance expense, net	(629,990,225)	(74,083,067)	(44,696,269)	(748.769.561)
Monetary loss/gain	112,732,811	-	-	112,732,811
Operating profit / loss before finance income / (expense)	**671,350,805**	**(411,401,067)**	**(236,851,661)**	**23,098,077**
Income from investing activities	6,151,775	-	-	6,151,775
Expenses from investing activities	(5,840,278)	-	-	(5,840,278)
Operating profit/(loss)	**671,039,308**	**(411,401,067)**	**(236,851,661)**	**22,786,580**
Depreciation and amortization expenses (Note 18)	(727,824,657)	(155,368,548)	(145,584,601)	(1,028,777,806)
Discount interest expense on purchases of goods (Note 19)	(610,335,891)	(168,835,114)	(90,622,443)	(869,793,448)
EBITDA	**2,009,199,856**	**(87,197,405)**	**(644,617)**	**1,921,357,834**
Cash outflows related to debt payments arising from lease agreements	(543,290,145)	(105,257,908)	(95,962,414)	(744,510,467)
Adjusted EBITDA	**1,465,909,711**	**(192,455,313)**	**(96,607,031)**	**1,176,847,367**

Information regarding the Group's domestic and international subsidiaries, including segment reporting is as follows:

1 July - 30 September 2025

	Türkiye	CIS Countries (*)	Other International Countries(**)	Total
-Retail	6,524,208,430	1,262,727,283	1,078,145,181	8,865,080,894
- E-Commerce	508,848,426	317,118,156	38,070,141	864,036,723
-Wholesale	388,886,199	10,056,362	138,765,043	537,707,604
Total sales	**7,421,943,055**	**1,589,901,801**	**1,254,980,365**	**10,266,825,221**
Cost of sales	**(2,659,521,268)**	**(1,103,035,966)**	**(670,316,688)**	**(4,432,873,922)**
Gross profit	**4,762,421,787**	**486,865,835**	**584,663,677**	**5,833,951,299**
EBITDA	**2,362,907,126**	**(62,832,560)**	**49,318,288**	**2,349,392,854**
Adjusted ABITDA	**1,754,694,391**	**(192,090,548)**	**(29,827,252)**	**1,532,776,591**
Profit / (loss) for the period	**549,336,542**	**(410,641,054)**	**(136,234,688)**	**2,460,800**

3. SEGMENT REPORTING (cont'd)

The reconciliation of Adjusted EBITDA to consolidated Operating Profit Before Finance Income/Expense and the components of Adjusted EBITDA are as follows:

1 July - 30 September 2025 (cont'd)

	Türkiye	CIS Countries (*)	Other International Countries(**)	Total
Profit before tax	**525,244,085**	**(450,828,608)**	**(136,736,082)**	**(62,320,605)**
Finance expense, net	(925,856,250)	(92,204,326)	19,742,661	(998,317,915)
Monetary loss/gain	484,069,398	--	--	484,069,398
Operating loss before finance income / (expense)	**967,030,937**	**(358,624,282)**	**(156,478,743)**	**451,927,912**
Income from investing activities	4,691,017	--	(76,707)	4,614,310
Expenses from investing activities	17,467	--	76,707	94,174
Operating Profit / (Loss)	**962,322,453**	**(358,624,282)**	**(156,478,743)**	**447,219,428**
Depreciation and amortization expenses (Note 18)	(875,521,415)	(158,668,968)	(124,804,696)	(1,158,995,079)
Discount interest expense on purchases of goods (Note 19)	(525,063,258)	(137,122,754)	(80,992,335)	(743,178,347)
EBITDA	**2,362,907,126**	**(62,832,560)**	**49,318,288**	**2,349,392,854**
Cash outflows related to debt payments arising from lease agreements	(608,212,735)	(129,257,988)	(79,145,540)	(816,616,263)
Adjusted EBITDA	**1,754,694,391**	**(192,090,548)**	**(29,827,252)**	**1,532,776,591**

4. CASH AND CASH EQUIVALENTS

	30 September 2026	31 December 2025
Cash	21,211,229	35,015,192
Cash at banks	1,184,992,096	1,638,861,884
-Time deposits	*667,171,081*	*900,992,772*
- Demand deposits	*517,821,015*	*737,869,112*
Credit card receivables (*)	70,716,806	114,226,708
Cash And Cash Equıvalents In Statement Of Cash	**1,276,920,131**	**1,788,103,784**
Interest income accruals	2,679,626	5,784,161
	1,279,599,757	**1,793,887,945**

(*) The maturity of credit card receivables is less than 1 day.

4. CASH AND CASH EQUIVALENTS(cont'd)

As of 30 September 2026 and 31 December 2025 the details of time deposits, maturity dates and interest rates of the Group are as follows:

	Maturity	Interest Rate	30 September 2026
TL	30 September 2026 - 1 October 2026	38%	667,086,539
Tenge	30 September 2026 - 1 October 2026	14%	84,542
			667,171,081

	Maturity	Interest Rate	31 December 2025
TL	31 December 2025 - 1 January 2026	39%-41%	624,294,528
Euro	31 December 2025 - 1 January 2026	1%	266,568,841
Tenge	31 December 2025 - 1 January 2026	12%	10,129,403
			900,992,772

5. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As of reporting date, details of the Group's trade receivables are as follows:

	30 September 2026	31 December 2025
Short-term trade receivables		
Trade receivables	1,185,018,941	1,754,253,586
Notes receivable	225,097,200	199,416,625
Provision for doubtful trade receivables (-)	(98,836,439)	(120,971,204)
	1,311,279,702	**1,832,699,007**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. The average maturity of trade receivables is 40 days (31 December 2025: 58 days).

Movement of doubtful trade receivables during the period are as follows:

	2026	2025
Opening balance 1 January	**120,971,204**	**107,633,751**
Expense for the period (Note 19)	7,017,171	7,193,533
Collections	(128,399)	(719,010)
Translation gain	918,992	877,640
Inflation effect	(29,942,529)	(23,221,309)
Closing balance 30 September	**98,836,439**	**91,764,605**

5. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Payables:

The Group's trade payables are as follows as of the reporting date:

	30 September 2026	31 December 2025
Short-term trade payables		
Trade payables (*)	3,694,051,815	4,147,252,332
Trade Payables to Related Parties	1,053,717	875,407
Notes payable	5,548,564,265	4,396,445,171
Less: Deferred finance income from forward purchases	(741,163,025)	(834,970,953)
	8,502,506,772	**7,709,601,957**

(*) A total of TL 486,863,433 (31 December 2025: TL 322,326,642) of trade payables consist of supplier financing payables. The Group's payment terms do not change after supplier financing

The average payment maturity for the purchase of trade goods is 162 days (31 December 2025: 111 days).

6. INVENTORIES

	30 September 2026	31 December 2025
Raw materials and supplies	2,367,585,421	2,157,921,135
Semi-finished goods	15,497,609	23,786,352
Finished goods	445,950,026	495,558,776
Trade goods	8,122,378,055	8,892,488,991
Other inventories	97,538,107	71,714,543
Provision for impairment in inventory (-)	(108,279,953)	(95,255,837)
	10,940,669,265	**11,546,213,960**

In the current year, the Group has identified inventory items where the net realizable values were below the cost of the related inventory. Consequently, the Group has written down TL 108,279,953 (31 December 2025: TL 95,255,837) of inventory,

6. INVENTORIES (cont'd)

Movement table of provision for impairment on inventories for the years ended 30 September 2026 and 30 September 2025 is as follows:

	2026	2025
Opening balance 1 January	**95,255,837**	**118,182,105**
Charge for the period	25,766,422	119,470,776
Reversed provision	(13,307,835)	(109,120,213)
Translation gain	565,529	(4,933,007)
Closing balance 30 September	**108,279,953**	**123,599,661**

As of 30 September 2026, there is no pledge/mortgage on inventories (31 December 2025: None)

7. PREPAID EXPENSES AND DEFERRED INCOME

Short-Term Prepaid Expenses	30 September 2026	31 December 2025
Inventory advances given	1,970,943,725	2,099,557,036
Prepaid expenses (*)	139,058,188	264,005,366
Other	193,329	263,835
	2,110,195,242	**2,363,826,237**

(*) Consists of prepaid insurance and transportation expenses for the following months and years.

Short-Term Deferred Income	30 September 2026	31 December 2025
Order advances received (*)	203,437,977	151,493,755
Deferred income (**)	61,329,840	139,596,300
	264,767,817	**291,090,055**

(*)TL 97,815,002 of the order advances received (31 December 2025: TL 97,268,041) consists of unused and unexpired gift and return checks.

(**) Deferred income consists of lease incentives. Lease incentives received are the result of the lessor paying this construction cost to the Group in advance, in cases where the Group has completed the interior decoration construction of new stores rented by the Group in certain shopping centers. This amount paid in advance to the Group is recorded as deferred income and transferred proportionally to profit or loss during the lease period.

8. PROPERTY, PLANT AND EQUIPMENT

	Plant, machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in progress(*)	Total
Cost Value						
Opening balance as of 1 January 2026	**203,706,853**	**27,275,934**	**9,750,005,598**	**7,703,573,609**	**172,181,888**	**17,856,743,882**
Foreign currency translation differences	(9,218,585)	(467,088)	(99,678,677)	(214,221,755)	(12,361,176)	(335,947,281)
Additions	13,843,315	10,817,044	340,929,830	249,249,851	118,445,377	733,285,417
Transfers	-	-	53,988,389	14,525,570	(114,043,156)	(45,529,197)
Disposals	(184,311)	(18,944,958)	(137,186,262)	(233,308,278)	-	(389,623,809)
Closing balance as of 30 September 2026	**208,147,272**	**18,680,932**	**9,908,058,878**	**7,519,818,997**	**164,222,933**	**17,818,929,012**
Accumulated Depreciation						
Opening balance as of 1 January 2026	(114,407,097)	(24,402,766)	(8,418,289,091)	(5,984,197,909)	-	(14,541,296,863)
Foreign currency translation differences	9,366,033	221,998	116,902,935	87,944,338	-	214,435,304
Charge for the period	(8,053,711)	(1,566,843)	(300,750,449)	(378,571,814)	-	(688,942,817)
Disposals	-	18,944,958	115,360,851	207,928,895	-	342,234,704
Closing balance as of 30 September 2026	**(113,094,775)**	**(6,802,653)**	**(8,486,775,754)**	**(6,066,896,490)**	**-**	**(14,673,569,672)**
Net book value as of 30 September 2026	**95,052,497**	**11,878,279**	**1,421,283,124**	**1,452,922,507**	**164,222,933**	**3,145,359,340**

(*) Amounts transferred from ongoing investments to rights and licenses consist of projects capitalized by the design center.

8. PROPERTY, PLANT AND EQUIPMENT (cont’d)

	Plant, machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in progress(*)	Total
Cost Value						
Opening balance as of 1 January 2025	**195,237,021**	**28,271,376**	**9,201,470,605**	**7,145,493,798**	**63.836.881**	**16,634,309,681**
Foreign currency translation differences	(37,477,285)	(264,943)	113,835,996	96,871,981	(352,373)	172,613,376
Additions	57,328,978	-	277,529,157	305,516,570	134,090,923	774,465,628
Transfers	-	-	-	-	(60,715,413)	(60,715,413)
Disposals	(26,578,311)	-	(52,400,084)	(59,339,554)	-	(138,317,949)
Closing balance as of 30 September 2025	**188,510,403**	**28,006,433**	**9,540,435,674**	**7,488,542,795**	**136,860,018**	**17,382,355,323**
Accumulated Depreciation						
Opening balance as of 1 January 2025	**(100,689,361)**	**(24,594,125)**	**(8,000,074,054)**	**(5,415,430,318)**	**-**	**(13,540,787,858)**
Foreign currency translation differences	6,693,252	(88,694)	(6,377,053)	(94,025,346)	-	(93,797,841)
Charge for the period	(12,695,725)	(424,033)	(323,771,899)	(348,628,038)	-	(685,519,695)
Disposals	3,749,027	-	42,335,355	23,566,938	-	69,651,320
Closing balance as of 30 September 2025	**(102,942,807)**	**(25,106,852)**	**(8,287,887,651)**	**(5,834,516,764)**	**-**	**(14,250,454,074)**
Net book value as of 30 September 2025	**85,567,596**	**2,899,581**	**1,252,548,023**	**1,654,026,031**	**136,860,018**	**3,131,901,249**

TL 14,129,246 (30 September 2025: TL 10,529,513) of depreciation expenses are included in research and development expenses, TL 633,713,775 (30 September 2025: TL 641,268,089) in marketing expenses and TL 41,099,796 (30 September 2025: TL 33,722,093) in general administrative expenses.

As of 30 September 2026, the Company has capitalized personnel expenses amounting to TL 109,906,431 within the scope of design center activities. (30 September 2025: TL 95,501,561)

As of 30 September 2026 and 30 September 2025, there are no guarantees, pledges and mortgages on property, plant and equipment.

9. INTANGIBLE ASSETS

Cost Value	**Rights and Licenses**
Opening balance as of 1 January 2026	**3,050,048,093**
Foreign currency translation differences	(10,985,312)
Additions	176,793,032
Transfers	45,529,199
Disposals	-
Closing balance as of 30 September 2026	**3,261,385,012**
Accumulated Amortization	
Opening balance as of 1 January 2026	**(1,915,301,598)**
Foreign currency translation differences	21,633,368
Charge for the period	(259,805,860)
Disposals	-
Closing balance as of 30 September 2026	**(2,153,474,090)**
Net book value as of 30 September 2026	**1,107,910,922**

Cost Value	**Rights and Licenses**
Opening balance as of 1 January 2025	**2,654,188,970**
Foreign currency translation differences	(12,876,562)
Additions	184,421,327
Transfers	60,715,413
Disposals	(659,682)
Closing balance as of 30 September 2025	**2,885,789,466**
Accumulated Amortization	
Opening balance as of 1 January 2025	**(1,619,838,737)**
Foreign currency translation differences	(29,080,279)
Charge for the period	(210,815,582)
Disposals	638,778
Closing balance as of 30 September 2025	**(1,859,095,820)**
Net book value as of 30 September 2025	**1,026,693,646**

TL 5,328,252 (30 September 2025: TL 3,238,106) of depreciation expenses are included in research and development expenses, TL 238,978,545 (30 September 2025: TL 197,207,033) in marketing expenses and TL 15,499,063 (30 September 2025: TL 10,370,443) in general administrative expenses.

10. RIGHT-OF-USE ASSETS

The details of the items recognized in the consolidated profit and loss statement related to right-of-use assets for the periods 1 January – 30 September 2026 and 1 January – 30 September 2025 are as follows:

Cost Value	**Building**	**Motor vehicles**	**Total**
Opening balance as of 1 January 2026	**22,633,538,631**	**156,808,691**	**22,790,347,322**
Additions	625,977,990	-	625,977,990
Rent change	1,760,890,765	-	1,760,890,765
Disposals	(1,619,702,121)	-	(1,619,702,121)
Foreign currency translation differences	(516,236,128)	-	(516,236,128)
Closing balance as of 30 September 2026	**22,884,469,137**	**156,808,691**	**23,041,277,828**
Accumulated Depreciation			
Opening balance as of 1 January 2026	**(16,364,444,276)**	**(31,333,156)**	**(16,395,777,432)**
Charge for the period	(2,520,782,932)	(39,059,097)	(2,559,842,029)
Disposals	1,439,941,736	-	1,439,941,736
Foreign currency translation differences	124,471,964	-	124,471,964
Closing balance as of 30 September 2026	**(17,320,813,508)**	**(70,392,253)**	**(17,391,205,761)**
Net book value as of 30 September 2026	**5,563,655,629**	**86,416,438**	**5,650,072,067**

Cost Value	**Buildings**	**Motor vehicles**	**Total**
Opening balance as of 1 January 2025	**19,489,749,806**	**140,778,460**	**19,630,528,266**
Additions	512,552,730	66,828,443	579,381,173
Rent change	1,646,730,816	-	1,646,730,816
Disposals	(792,735,733)	(140,778,467)	(933,514,200)
Foreign currency translation differences	161,142,218	-	161,142,218
Closing balance as of 30 September 2025	**21,017,439,837**	**66,828,436**	**21,084,268,273**
Accumulated Depreciation			
Opening balance as of 1 January 2025	**(12,742,000,805)**	**(140,003,075)**	**(12,882,003,880)**
Charge for the period	(2,744,459,250)	(5,448,897)	(2,749,908,147)
Disposals	775,525,301	124,818,550	900,343,851
Foreign currency translation differences	(324,872,842)	-	(324,872,842)
Closing balance as of 30 September 2025	**(15,035,807,596)**	**(20,633,422)**	**(15,056,441,018)**
Net book value as of 30 September 2025	**5,981,632,241**	**46,195,014**	**6,027,827,255**

The average useful lives of right-of-use assets is between 2-7 years.

Depreciation expenses amounting to TL 2,341,607,495 (30 September 2025 TL 2,572,396,323) are included in marketing expenses.

10. RIGHT OF USE ASSETS (cont'd)

Depreciation expenses:

	30 September 2026	30 September 2025
Buildings	2,520,782,932	2,744,459,250
Motor vehicles	39,059,097	5,448,897
	2,559,842,029	**2,749,908,147**

Profit or loss statement items related to leasing transactions

	30 September 2026	30 September 2025
Depreciation and amortization expenses	2,559,842,029	2,749,908,147
Interest expenses	467,351,738	465,267,735
Foreign exchange expenses	2,922,194	(62,203,963)
	3,030,115,961	**3,152,971,919**

11. BORROWINGS

Financial Borrowings

Details of borrowings at amortized cost are as follows:

Financial Borrowings	30 September 2026	31 December 2025
Short-term bank loans	5,817,553,620	5,908,684,069
Short-term portion of long-term financial borrowings	274,287,299	361,152,349
Short-term financial leasing transactions	46,530,611	16,279,654
Short-term lease liabilities	2,035,260,678	2,225,390.845
Long-term bank loans	-	17,441,572
Long-term financial leasing transactions	94,633,223	38,271,741
Long-term lease liabilities	2,617,194,888	2,893,509,078
	10,885,460,319	**11,460,729,308**

Bank Loans

As of 30 September 2026 and 31 December 2025 bank loan details are as followed:

	30 September 2026	31 December 2025
To be paid within 1 year	6,091,840,919	6,269,836,418
To be paid within 1 - 2 years	-	17,441,572
	6,091,840,919	**6,287,277,990**

11. BORROWINGS (cont'd)

Bank Loans (cont'd)

Short-Term Financial Borrowings as of 30 September 2026

Currency	Effective intereset rate(%)	Nominal value (*)	Carrying value
TL	19% - 49%	3,998,236,605	3,398,649,375
Euro	6% - 8%	2,160,455,910	2,122,409,294
US Dollar	4% - 8%	97,380,905	90,890,689
Georgian Lari	16%	117,624,980	115,791,155
Kazakhstan Tenge	21% - 23%	104,270,867	98,345,101
Other	19% - 26%	282,138,424	265,755,305
		6,760,107,691	**6,091,840,919**

Short-Term Financial Borrowings as of 31 December 2025

Currency	Effective intereset rate(%)	Nominal value (*)	Carrying value
TL	39% - 53%	3,479,628,861	2,923,876,649
EUR	6% - 9%	2,818,866,441	2,699,653,420
US Dollar	8% - 11%	131,173,590	129,758,169
Georgian Lari	16%	123,435,082	121,691,102
Kazakhstan Tenge	14% - 20%	88,291,564	81,999,667
Other	20% - 27%	332,766,200	312,857,411
		6,974,161,738	**6,269,836,418**

(*) Financial debts consist of principal and interest payments based on nominal amounts.

Long-Term Financial Borrowings as of 30 September 2026

None.

11. BORROWINGS (cont'd)

Bank Loans (cont'd)

Long-Term Financial Borrowings as of 31 December 2025

Currency	Effective intereset rate(%)	Nominal value (*)	Carrying value
EUR	6%	18,057,658	17,441,572
		18,057,658	**17,441,572**

(*) Financial debts consist of principal and interest payments based on nominal amounts.

Financial Lease Liabilities

As of 30 September 2026 and 31 December 2025, details of finance lease payables are as follows:

Financial Borrowings	30 September 2026	31 December 2025
Short-term lease liabilities	2,035,260,678	2,225,390,845
Long-term lease liabilities	2,617,194,888	2,893,509,078
	4,652,455,566	**5,118,899,923**

Liabilities Arising from Financial Leasing Transactions

As of 30 September 2026 and 31 December 2025 financial lease liabilities details are as followed:

Financial Leasing	30 September 2026	31 December 2025
Short-term lease liabilities	46,530,611	16,279,654
Long-term lease liabilities	94,633,223	38,271,741
	141,163,834	**54,551,395**

Liabilities Arising from Financial Leasing Transactions

Short-Term Financial Borrowings as of 30 September 2026

Currency	Interest rate (%)	Nominal value (*)	Carrying value
TL	39%-%40	39,622,280	9,117,045
US Dollar	%8	14,228,635	10,101,795
EUR	%7	32,891,619	27,311,771
		86,742,534	**46,530,611**

11. BORROWINGS (cont'd)

Long-Term Financial Borrowings as of 30 September 2026

Currency	Interest rate (%)	Nominal value (*)	Carrying value
TL	%40	149,675,036	58,288,074
US Dollar	%8	21,856,547	17,113,822
EUR	%7	27,307,884	25,231,327
		198,839,467	**94,633,223**

Borrowings Arising from Financial Leasing Transactions as of 31 December 2025

Currency	Interest rate (%)	Nominal value (*)	Carrying value
TL	39%	28,355,011	28,355,011
EUR	6%	26,196,384	26,196,384
		54,551,395	**54,551,395**

Net Financial Debt Reconciliation	30 September 2026	31 December 2025
Cash and cash equivalents	1,279,599,757	1,793,887,945
Bank loans	(6,091,840,919)	(6,287,277,990)
Lease liabilities	(4,652,455,566)	(5,118,899,923)
Financial Lease liabilities	(141,163,834)	(54,551,395)
Total borrowings	**(9,605,860,562)**	**(9,666,841,363)**

11. BORROWINGS (cont’d)

	Bank loans	Lease liabilities	Financial lease liabilities	Net borrowings
1 January 2026	**6,287,277,990**	**5,118,899,923**	**54,551,395**	**11,460,729,308**
Cash inflows from borrowings	6,796,291,337	-	115,303,155	6,911,594,492
Cash outflows related to debt payments	(6,145,653,227)	(2,414,969,638)	(23,273,155)	(8,583,896,020)
Effect of contract changes/reversals	-	2,215,533,840	-	2,215,533,840
Change in foreign exchange differences	246,126,149	144,098,635	5,253,076	395,477,860
Change in interest accruals	70,203,084	404,920,380	-	475,123,464
Foreign currency translation differences	67,431,401	185,265,273		252,696,674
Inflation effect	(1,229,835,815)	(1,001,292,847)	(10,607,637)	(2,241,799,299)
30 September 2026	**6,091,840,919**	**4,652,455,566**	**141,163,834**	**10,885,460,319**

	Bank loans	Lease liabilities	Financial lease liabilities	Net borrowings
1 January 2025	**5,337,185,508**	**5,158,014,033**	**-**	**10,495,199,541**
Cash inflows from borrowings	6,028,560,142	-	-	6,028,560,142
Cash outflows related to debt payments	(4,491,907,143)	(2,289,120,841)	-	(6,781,027,984)
Effect of contract changes/reversals	-	1,803,440,344	-	1,803,440,344
Change in foreign exchange differences	942,785,856	88,309,346		1,031,095,202
Change in interest accruals	58,440,583	440,149,524	-	498,590,107
Foreign currency translation differences	(44,222,721)	456,761,573	-	412,538,852
Inflation effect	(1,082,060,699)	(1,045,735,486)	-	(2,127,796,185)
30 September 2025	**6,748,781,526**	**4,611,818,493**	**-**	**11,360,600,019**

12. PROVISIONS

Short-term provisions	30 September 2026	31 December 2025
Provision for litigation	25,259,511	29,810,616
	25,259,511	**29,810,616**

As of 30 September 2026 and 30 September 2025, the movement of provisions for litigation is as follows:

	2026	2025
As of 1 January	**29,810,616**	**40,651,673**
Provision recognised in the period	7,596,513	11,226,700
Payments	(6,189,043)	(7,953,166)
Provision used in the period	(195,017)	(1,118,572)
Inflation effect	(5,763,558)	(10,490,186)
As of 30 September	**25,259,511**	**32,316,449**

Significant litigations

In 2012, the Company became a party to damage compensation lawsuits concerning a fire that occurred in a shopping center where it had leased a store to a third party, with whom it had a franchise relationship through a sublease agreement. The claim asserted that the Company is strictly liable for the damage arising from the sub-tenant's fault. The Company has been named as a party in the damage compensation lawsuits, some of which have been notified to the Company, and has intervened in the criminal case.

The first-instance court where the criminal case, in which the Company intervened, was heard found the Company's sub-tenant, who was the operational manager, to be at fault, and the criminal case resulted against the individual in question. The Company appealed the decision in the criminal case in which it intervened. The Court of Cassation completed its review of the appeal, and the decision of the first-instance court was overturned by the Court of Cassation on the grounds of insufficient evidence. The first-instance court, Kocaeli 8th Criminal Court of First Instance, complied with the Court of Cassation's decision, and the defendant was acquitted. Subsequently, the acquittal decision was appealed by the parties involved, and following the appellate review, on 25 June 2019, the decision confirmed that the appeal objections indicating the fire originated from the Koton Store were rejected, affirming the acquittal decision for the sub-tenant and the franchise's store manager.

However, in the compensation lawsuit filed by Iss Management Services Inc. through the file numbered 2020/40 E. of Istanbul 18th Commercial Court, imputed due to the fire, the court ruled in favor of the Company by rejecting the lawsuit, stating that the fire originated from the cleaning room.

12. PROVISIONS (cont’d)

Significant litigations (cont’d)

Following the appeal to the Supreme Court of Appeals against the decision, the decision of the Local Court in favor of the Company was approved as a result of the appeal review carried out by the Supreme Court of Appeals. A request for correction of decision has been made against the approval decision given by the Supreme Court of Appeals and the file is at the Court of Cassation for revision review. Since the dismissal decision—based on an expert report stating that the company bore no liability for the fire—was upheld by the Court of Cassation and became final, the expert report in question has been characterized as strong evidence by the appellate courts reviewing other cases.

The Group management, in the opinion of the Group management and lawyers, has not recognized any provision amount in the consolidated financial statements for the liabilities that may arise in relation to these lawsuits, taking into account the defenses that the building owner has the primary responsibility because of the fact that Koton cannot be held legally liable even if the sub-lessee and its employee are at fault, since there is no service or auxiliary person/employee relationship between the sub-lessee and Koton even if the fire started in the Koton store and that there is no primary fault; at the same time, that the fate of these cases is directly related to the final outcome of the criminal case, that in some of the existing compensation cases, it was decided that the finalization of the decision given in this criminal case should be made as a matter of waiting, and that the proceedings should be suspended, and in some of them, although the proceedings continue, it has been decided to wait for the finalization of the decision given in the criminal case; the store was not a defendant in some of these compensation cases, but only a reported one; the verdict of the court of first instance acquitting the accused employee in the criminal case was upheld by the relevant criminal chamber of the Court of Cassation “rejecting the grounds of appeal that the fire originated from the Koton store”; the high probability that the lawsuits filed on behalf of our group would have been rejected due to the fact that the aforementioned acquittal decision would have affected the fault examinations in the damage compensation lawsuits and the shopping mall is a defective building built in violation of the building license and does not have a fire report.

13. COMMITMENTS

Guarantee-Pledge-Mortgages ("GPM")

The Group's guarantees/pledges/mortgage position ("GPM") as of 30 September 2026 and 31 December 2025 are as follows:

30 September 2026

	Original currency			
	TL	**US Dollar**	**Euro**	**TL Equivalents**
A. GPMs Given for Company's Own Legal Personality	278,092,947	748,942	911,531	366,990,690
-Guarantee	278,092,947	748,942	911,531	366,990,690
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. GPMs Given on Behalf of Fully Consolidated Companies	-	177,296	1,215,920	76,168,226
-Guarantee	-	177,296	1,215,920	76,168,226
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
C. GPMs Given in the Normal Course of Business Activities on Behalf of Third Parties	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total Amount of Other GPMs	-	-	-	-
i. Total GPM given in favour of parent entity	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
ii. Total GPM given in favour of other Group companies	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
iii. Total GPM given in favour of other 3rd parties out of the scope of clause C	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
Total	**278,092,947**	**926,238**	**2,157,451**	**443,158,916**

Guarantees, pledges and mortgages given to the equity ratio of the Group is 0% as of 30 September 2026.

13. COMMITMENTS (cont'd)

Guarantee-Pledge-Mortgages ("GPM") (cont'd)

31 December 2025

	Original currency			
	TL	**US Dollar (*)**	**Euro(*)**	**TL Equivalents**
A. GPMs Given for Company's Own Legal Personality	341,279,456	852,452	1,741,799	495,951,852
-Guarantee	341,279,456	852,452	1,741,799	495,951,852
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. GPMs Given on Behalf of Fully Consolidated Companies	-	97,970	1,289,223	86,083,072
-Guarantee	-	97,970	1,289,223	86,083,072
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
C. GPMs Given in the Normal Course of Business Activities on Behalf of Third Parties	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total Amount of Other GPMs	-	-	-	-
i.Total GPM given in favour of parent entity	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
ii. Total GPM given in favour of other Group Companies	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
iii. Total GPM given in favour of other 3rd parties out of the scope of clause C	-	-	-	-
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
Total	**341,279,456**	**950,422**	**3,031,022**	**582,034,924**

Guarantees, pledges and mortgages given to the equity ratio of the Group is 0% as of 31 December 2025.

(*) The related amounts are presented in original currency and TL equivalents are expressed in terms of the purchasing power of 30 September 2026.

13. COMMITMENTS (cont'd)

Guarantee-Pledge-Mortgages ("GPM") (cont'd)

Guarantees given in relation to the loans obtained from Eximbank are included in the guarantees given on behalf of the Company's legal entity. Loans related to these guarantees are recognized in the financial liabilities note (Note 11) and the Group's liabilities are limited to the amounts disclosed in Note 11.

The financial liabilities of the Group's subsidiaries are recognized on a line-by-line basis in the consolidated financial statements and disclosed in the financial liabilities note (Note 11). Koton Mağazacılık has given guarantees to the financial institutions as a guarantor for the use of these loans. The Group's liabilities are limited to the amounts disclosed in Note 11. As at 30 September 2026, the total amount of these loans, for which the Company is a guarantor and which are already recognized as financial liabilities in the consolidated financial statements due to full consolidation method of accounting, is GEL 6 million (TL 113,065,200) , RUB 439 million (TL 253,043,021) and KZT 890 million (TL 98,345,100), respectively. (As at 31 December 2025, the total amount of these loans, for which the Company is a guarantor and which are already recognized as financial liabilities in the consolidated financial statements due to full consolidation method of accounting, is 6 million GEL (TL 95,583,000), 461 million RUB (TL 250,927,201) and 776 million KZT (TL 65,809,073) .

14. EMPLOYEE BENEFITS

Payables related to employee benefits

	30 September 2026	31 December 2025
Payables to personnel	232,534,712	351,412,414
Social security premiums payable	147,753,489	141,838,200
	380,288,201	**493,250,614**

Short-term provisions for employee benefits

	30 September 2026	31 December 2025
Unused vacation provision	230,619,913	333,050,759
Bonus provisions	19,619,297	20,769,314
	250,239,210	**353,820,073**

The Group provides reserve for the vacation pay liability due to the earned and unused vacation rights of its employees in accordance with the labor laws of the respective countries where the Group operates since the Group has to make payments for unused vacation days when the employment agreement was discharged for any reason. Vacation pay liability is the undiscounted amount calculated over the unused vacation days of the employee as of the reporting date.

14. EMPLOYEE BENEFITS (cont’d)

Short-term provisions for employee benefits (cont’d)

Movement of unused vacation provisions:

	2026	2025
As of 1 January	**333,050,759**	**307,220,375**
Period expense / Used (Net)	98,550,474	129,349,011
Vacation provision paid	(64,343,122)	(57,361,285)
Foreign currency translation differences	5,499,373	7,134,427
Inflation effect	(142,137,571)	(65,181,030)
As of 30 September	**230,619,913**	**321,161,498**

Movement of provisions for bonuses:

	2026	2025
As of 1 January	**20,769,314**	**23,785,946**
Provision made during the period	19,619,297	23,739,044
Bonus provision paid	(16,706,690)	(18,963,585)
Inflation effect	(4,062,624)	(4,822,361)
As of 30 September	**19,619,297**	**23,739,044**

Long-term provisions for employee benefits

Provision for employment termination benefits:

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month’s salary limited to a maximum of TL 73,729.87 for each period of service as of 30 September 2026 (30 September 2025: TL 46,655.43).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 *Employee Benefits* stipulates the development of Group’s liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

14. EMPLOYEE BENEFITS (cont'd)

Long-term provisions for employee benefits (cont'd)

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 30 September 2026, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated with the assumption of 28.53% real discount rate (31 December 2025: 22.28%) calculated by using 22.28% annual inflation rate and 5.11% discount rate. Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 2.44% (31 December 2025: 4.14%). The maximum amount of TL 73,729.87 effective from 1 July 2026 has been taken into account in the calculation of the severance pay provision of the Group (1 July 2025: TL 53,919.68 TL).

Significant assumptions used in the calculation of employee termination benefit is likely to leave the job depends on the discount rate and demand.

	2026	**2025**
As of January 1	**181,645,723**	**180,834,130**
Service cost	44,181,367	49,316,522
Interest cost	56,417,741	57,935,027
Employment termination benefit paid	(101,047,202)	(95,436,831)
Actuarial loss	52,148,078	43,426,483
Foreign currency translation differences	-	653,687
Inflation effect	(35,531,184)	(47,013,206)
As of 30 September	**197,814,523**	**189,715,812**

15. OTHER ASSETS AND LIABILITIES

As of 30 September 2026, and 31 December 2025, other current assets and short-term liabilities are as follows:

Movements of Turquality income accruals

	30 September 2026	**31 December 2025**
Deferred VAT	216,176,822	410,833,363
Turquality income accruals (*)	352,688,700	125,241,022
Other	545,253,005	67,380,343
	1,114,118,527	**603,454,728**

15. OTHER ASSETS AND LIABILITIES (cont'd)

	2026	2025
As of 1 January	**125,241,022**	**2,145,675**
Period Income (Note 19)	97,669,871	129,228,730
Collections	(24,788,809)	(1,710,661)
Inflation effect	18,054,738	(435,014)
As of 30 September	**216,176,822**	**129,228,730**

(*) Koton Mağazacılık is entitled to receive a government incentive calculated periodically for investments made abroad under a branding program called "Turquality" conducted by the Ministry of Economy of the Republic of Turkey. Turquality income accruals consist of the portion of the incentive amount calculated based on the investment costs and certain expenses applied for under this branding program that has not yet been paid.

	30 September 2026	31 December 2025
Taxes and funds payable	181,543,320	328,209,970
Other	124,657,108	61,705,469
	306,200,428	**389,915,439**

16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Paid-in capital

As of 30 September 2026 and 31 December 2025, the structure of paid in capital is as follows:

	%	30 September 2026	%	31 December 2025
Nemo Apparel BV	39.6%	328,508,456	39.6%	328,508,456
Yılmaz Yılmaz	23.6%	195,902,787	23.6%	195,902,787
Şükriye Gülden Yılmaz	23.6%	195,902,787	23.6%	195,902,787
Shares publicly held	13.2%	109,335,970	13.2%	109,335,970
	100.0%	**829,650,000**	**100.0%**	**829,650,000**
Capital adjustment differences (*)		8,675,784,660		8,675,784,660
Adjusted capital		9,505,434,660		9,505,434,660

16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

(*) Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital in accordance with CMB Financial Reporting Standards. Adjustment to share capital is not available for any other use except to be added to share capital.

On 30 September 2026, at the extraordinary general assembly meeting held, it was decided to divide the Company's paid-in capital amounting consists Group A and Group B shares to TL 829,650,000 into 829,650,000 registered nominal shares with a unit nominal share value of TL 1. (As of 31 December 2025, the Company's paid-in capital amounting to TL 829,650,000 consists of registered nominal shares with a unit nominal share value of TL 1).

In addition, inflation adjustment differences arising from reserves, on which there is no record preventing profit distribution, can be used in profit distribution.

Restricted reserves appropriated from profit

Restricted reserves are reserves which are reserved for specific purposes from previous period profit other than due to law or contractual obligations or dividend payments. These reserves are presented as the same amount in Company's statutory books and differences arising preparing the financial statements in accordance with TFRS are associated with prior years' profit or losses.

In accordance with the Turkish Commercial Code TCC numbered 519, the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital.

As of 30 September 2026, the Group have allocated reserves amounting to TL 284,400,818 (31 December 2025: TL 284,400,818) in the restricted reserves in the consolidated financial statements for the treasury shares of the Group.

Share issuance premiums / discounts

The Company increased its paid-in capital from TL 795,500,000 to TL 829,650,000 through the public offering method, and the public offering income obtained above the nominal capital increase amount was recognized in the share premiums account after the public offering expenses were deducted.

The share issuance premiums is as follows:

	30 September 2026
Share issuance premiums / discounts	1,910,935,418
Capital increase	(34,150,000)
Public share expenses	(156,841,515)
Inflation effect	44,045,443
	1,763,989,346

16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Additional Information on Capital, Reserves and Other Equity Items

The reserve items such as "Capital Adjustment Differences", "Premiums (discounts) Relating to Shares" (Emission Premiums) and "Legal Reserves" and "Other Reserves", including status reserves and special reserves, etc. in the financial statements prepared in accordance with the CMB legislation, have been shown in terms of CPI starting from the TFRS balance sheets for the reporting period ending in 2024, and in terms of PPI in the TPL financial statements.

30 September 2026	PPI Indexed Legal records	CPI Indexed amounts	Differences to be followed in Retained Earnings
Capital adjustment differences	6,990,970,050	8,675,784,660	(1,684,814,610)
Legal reserve inflation adjustment differences	263,025,794	284,400,818	(21,375,024)
Premiums related to shares	1,098,476,641	1,763,989,346	(665,512,705)
	8,352,472,485	**10,724,174,824**	**(2,371,702,339)**

Other accumulated comprehensive income or expenses that will be reclassified in profit or loss

Foreign currency translation differences

Foreign currency translation differences consist of foreign currency exchange differences arising from the translation of the Group's financial statements from the functional currency to the reporting currency. As of 30 September 2026, the Group has foreign currency translation differences amounting to TL (5,650,897,141), 31 December 2025: TL (4,340,993,198) in the accompanying consolidated financial statements.

Other accumulated comprehensive income or expenses that will not be reclassified in profit or loss

Defined benefit plans remeasurement losses

As of 30 September 2026, actuarial losses amounting to TL (275,612,038) (31 December 2025: TL 236,500,980) consist of actuarial losses recognized as other comprehensive expense related to provision for employment termination benefits.
Other accumulated comprehensive income or expenses that will not be reclassified in profit or loss

Profit Distribution:

Listed companies processes their profit distributions according to the II-19.1 numbered CMB profit distribution declaration become effective on or after 1 February 2014.

Companies distributes dividends within the frame of dividend distribution policies determined by general assembly and according to the related declaration by the approval of general assembly. Within the mentioned declaration, minimum rate of distribution is not determined. Companies distribute their dividends according to the predetermined terms in their articles of incorporation or dividend distribution policies.

16. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

Resources that may be subject to profit distribution:

As of the reporting date, the Group has no resources that can be subject to profit distribution in the financial statements prepared in accordance with the Tax Procedure Law (31 December 2025: None).

Analysis of other comprehensive expense items

	30 September 2026	31 December 2025
Defined Benefit Plans Remeasurement Losses	(275,612,038)	(236,500,980)
Hedge Fund	(129,434,023)	(147,773,203)
Foreign Currency Translation Fund	(5,650,897,141)	(4,340,993,198)
	(6,055,943,202)	**(4,725,267,381)**

17. REVENUE AND COST OF SALES

a) Sales

Sales of goods and services	1 January-30 September 2026	1 January-30 September 2025	1 July-30 September 2026	1 July-30 September 2025
-Retail	23,941,902,609	25,005,588,808	8,158,017,031	8,865,080,894
-E-Commerce	2,717,348,284	3,104,285,523	705,209,589	864,036,723
-Wholesale	1,587,197,819	1,546,490,326	466,265,296	537,707,604
	28,246,448,712	**29,656,364,657**	**9,329,491,916**	**10,266,825,221**

The Group fulfills its performance obligations by transferring goods and services at a certain point in time.

b) Cost of sales

	1 January-30 September 2026	1 January-30 September 2025	1 July-30 September 2026	1 July-30 September 2025
Cost of trade goods sold	(11,581,379,871)	(12,309,548,676)	(3,833,757,411)	(4,085,420,420)
Cost of goods sold	(1,193,354,700)	(1,001,019,797)	(366,138,393)	(347,453,502)
	(12,774,734,571)	**(13,310,568,473)**	**(4,199,895,804)**	**(4,432,873,922)**

18. EXPENSES BY NATURE

The details of depreciation and amortization expenses for the periods ended 30 September 2026, 30 September 2025 are as follows:

Depreciation and amortization expenses

	1 January-30 September 2026	1 January-30 September 2025	1 July-30 September 2026	1 July-30 September 2025
Research and development expense	75,288,441	56,005,927	24,859,955	19,639,911
Marketing expenses	3,214,299,815	3,410,871,446	931,254,434	1,082,787,990
General administrative expenses	219,002,450	179,366,051	72,663,417	56,567,179
	3,508,590,706	**3,646,243,424**	**1,028,777,806**	**1,158,995,080**

The details of personnel expenses for the periods ended 30 September 2026, 30 September 2025 are as follows:

Personnel expenses	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Research and development expenses	167,729,061	246,515,150	21,588,729	79,773,569
Marketing expenses	3,649,876,697	3,810,023,048	1,180,428,577	1,233,203,906
General administrative expenses	1,953,342,371	1,943,263,097	737,687,353	698,230,926
	5,770,948,129	**5,999,801,295**	**1,939,704,659**	**2,011,208,401**

19. OTHER INCOME/(EXPENSES) FROM OPERATING ACTIVITIES

Other Income From Operating Activities	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September2025
Foreign exchange gains from operating activities	576,597,377	1,445,143,489	134,389,792	81,221,132
Discont interest income from trade transactions	71,058,675	233,342,689	(159,216,030)	96,558,811
Turquality income	97,669,871	129,228,730	32,910,178	18,296,570
Other income	549,172,802	246,468,176	409,225,199	143,997,365
	1,294,498,725	**2,054,183,084**	**417,309,139**	**340,073,878**

Other Expense From Operating Activities	1 January - 30 September 2026	January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September2025
Discount interest expense on purchases of goods	2,166,328,236	2,075,360,314	869,793,448	743,178,347
Foreign exchange losses from operating activities	240,383,759	373,643,730	71,205,962	117,695,974
Provision for doubtful trade receivables (Note 5)	7,017,171	7,193,533	6,485,795	645,641
Litigation provision expenses	7,596,513	11,226,700	(423,011)	936,833
Other	157,282,244	117,182,013	38,827,752	14,363,554
	2,578,607,923	**2,584,606,290**	**985,889,947**	**876,820,349**

20. FINANCE INCOME AND EXPENSES

The details of finance income for the years ended 30 September 2026 and 30 September 2025 are as follows:

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Interest income	235,635,748	150,456,319	42,708,787	27,012,030
	235,635,748	**150,456,319**	**42,708,787**	**27,012,030**

The details of finance expenses for the years ended 30 September 2026 and 30 September 2025 are as follows:

	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Interest expenses	1,053,373,009	1,505,137,997	350,366,080	482,718,238
Credit card commissions	499,035,381	631,479,886	130,238,904	206,624,396
Interest expense on lease liabilities	467,351,738	465,267,735	151,140,167	122,615,395
Foreign exchange losses (net)	342,015,371	480,836,143	117,219,300	189,961,070
Banking and guarantee expenses	51,809,384	56,521,695	15,157,936	20,831,363
Other	44,754,208	41,653,362	27,355,961	2,579,483
	2,458,339,091	**3,180,896,818**	**791,478,348**	**1,025,329,945**

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current Period Tax Assets	**1 January - 30 September 2026**	**1 January - 31 December 2025**
Corporate tax and income tax payable	29,580,841	-
Less: prepaid taxes (-)	(67,069,843)	(104,666,490)
Inflationary effect	(29,580,841)	-
	(67,069,843)	**(104,666,490)**

	1 January - 30 September 2026	**1 January - 30 September 2025**
Current period corporate tax expense (-)	(29,580,841)	-
Deferred tax (expense) / income	30,199,932	(70,611,276)
	619,091	**(70,611,276)**

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate Tax

Türkiye

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting tax-exempt earnings, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

The effective tax rate in 2026 is 25% in Türkiye (2025: 25%).

The Law numbered 7061 on Amendment of Certain Taxes and Laws and Other Acts was published on the Official Gazette dated 5 December 2017 and numbered 30261. Article 5 entitled "Exceptions" of the Corporate Tax Law has been amended in Article 89 of the Law. In accordance with (a) clause in the first paragraph of the Article, the exemption of 75% applied to gains from the sales of lands and buildings held by the entities for two full years has been reduced to rate of 50%. This regulation has been effective from 5 December 2017.

There is also a withholding tax on the dividends paid and is accrued only at the time of such payments. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Türkiye through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their corporate tax returns within four months following the close of the related fiscal year. Returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

In Türkiye, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes shown in the consolidated financial statements reflects the total amount of taxes calculated on each entity that are included in the consolidation.

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Transfer pricing regulations

In Türkiye, the transfer pricing provisions have been stated under Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

Russia

The taxation system in the Russia is relatively new and is characterized by frequent changes in legislation, official pronouncements and court decisions. The applicable tax rate for current and deferred tax is 25% (31 December 2025: 25%). Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russia suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation. Tax losses can be carried forward to be offset against future taxable income for the next ten taxable years after the year when this loss appeared.

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

The Group recognizes deferred tax assets and liabilities on the temporary timing differences between the legal books and the financial statements prepared in accordance with TFRS. Such differences generally arise from timing differences of some revenue and expense balances in legal books and financial statements prepared in accordance with TFRS and are explained below.

21. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	30 September 2026	**31 December 2025**	**30 September 2026**	**31 December 2025**
Inventories	2,680,765,506	2,830,972,144	(670,380,182)	(707,923,949)
Property, plant and equipment and intangible assets	1,080,692,578	947,031,767	(270,173,145)	(236,757,941)
Provision for vacation	(230,482,662)	(317,713,863)	57,516,498	79,428,466
Provision for employment termination benefits	(197,814,523)	(181,645,723)	49,453,631	45,411,430
Litigation provision	(25,259,511)	(29,810,616)	6,314,878	7,452,655
Cash capital deduction	(317,226,105)	(332,359,685)	79,306,526	83,089,921
Adjustments related to trade payables	740,240,938	828,756,743	(184,935,784)	(207,105,209)
Adjustments related to trade receivables	88,919,275	(521,077,326)	(22,229,818)	130,269,331
Prior years' losses	(3,948,012,609)	(4,553,949,903)	987,003,162	1,138,487,476
Adjustments related to financial liabilities	139,317,261	125,272,952	(34,829,315)	(31,318,238)
Right-of-use asset and liability	962,304,642	1,209,831,740	(240,881,774)	(306,752,299)
Hedge accounting	(172,578,697)	(197,030,938)	43,144,674	49,257,734
Premium accrual	(19,476,820)	(11,846,906)	4,869,205	2,961,727
Return provisions	55,515,874	12,643,451	(13,878,969)	(3,160,864)
Design centre discount	(304,623,951)	(242,066,383)	76,155,988	60,516,596
Other	26,869,720	757,092,424	(6,717,430)	(189,273,119)
Deferred Tax Asset Net	**559,150,916**	**324,099,878**	**(140,261,855)**	**(85,416,283)**

The tax rate used in the calculation of deferred tax assets and liabilities is 25% on temporary timing difterince expected to reverse in 2026 and beyond (2025 : 25%).

Deferred Tax (cont'd):

The movement of deferred tax (assets) / liabilities for the years ended 30 September 2026, 30 September 2025 is given below:

	2026	**2025**
Opening balance as of 1 January	**(85,416,283)**	**(353,877,672)**
Tax (expense)/income for the period	619,091	(70,611,276)
Recognized in other comprehensive income	6,923,960	91,054,395
Translation (gain) / loss	277,707,168	188,528,921
Monetary loss gain	(340,095,791)	(116,504,518)
Closing balance as of 30 September	**(140,261,855)**	**(261,410,150)**

22. RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Payables due to related parties generally arise from lease transactions and have approximate maturities of one month.

As of 30 September 2026 and 31 December 2025, there are no trade receivables to related parties.

The trade payables to related parties consist of lease payments for the stores leased by Gülyılmaz Yatırım, Geliştirme, İşletme ve Ticaret A.Ş.

Transactions with related parties	1 January- 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 Septembe2025
Gülyılmaz Gayrimenkul Yatırım Geliştirme İşletme ve Ticaret A.Ş.	22,154,130	24,981,898	7,486,791	7,046,658
	22,154,130	**24,981,898**	**7,486,791**	**7,046,658**

Compensation of key management personnel:

	1 January- 30 September 2026	1 January- 30 September 2025
Salaries and other short-term benefits	221,639,360	190,869,200
	221,639,360	**190,869,200**

Key management personnel consists of Company’s Senior Management and members of Board of Directors. The key management personnel consists of the General Manager, Deputy General Managers and Directors. The compensation of key management personnel includes salaries, bonus, health insurance and transportation.

23. EARNINGS PER SHARE

Earnings per share disclosed in the consolidated statements of income are determined by dividing net income by the weighted average number of shares in existence during the period concerned.

Companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, such bonus shares are regarded as issued shares. Accordingly, the weighted average number of shares used in the computation of earnings per share is derived by giving retroactive effect to the bonus issue of shares.

Earnings per share	1 January - 30 September 2026	1 January - 30 September 2025	1 July - 30 September 2026	1 July - 30 September 2025
Number of shares as of end of the period (full value)	829,650,000	829,650,000	829,650,000	829,650,000
Weighted Average number (full value) of shares outstanding during the period	829,650,000	829,650,000	829,650,000	829,650,000
Net (loss) /profit	(940,303,062)	(94,477,340)	(609,635,088)	2,460,799
Less: Minority shareholders	29,504,833	3,325,571	(5,662,876)	(1,230,485)
Net profit / (loss) for the period attributable to the parent company	(969,807,895)	(97,802,911)	(603,972,212)	3,691,285
Earnings per share (TL)	(1,169)	(0,118)	(0,728)	0,004

On May 10, 2024, the Company’s shares began trading on the stock exchange. With this public offering, the Company's capital was increased from TL 795,500,000 to TL 829,650,000, and the additional TL 34,150,000 in nominal value shares were added to the capital. It was decided to divide the Company’s paid-in capital of TL 829,650,000 into 829,650,000 registered nominal shares, each with a nominal value of TL 1.

There have been no other transactions involving shares or potential shares between the balance sheet date and the date of approval of these financial statements.

24. EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION

Foreign currency risk

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risks are also evaluated with sensitivity analyzes and stress scenarios.

In the current period, there has been no change in the market risk that the Group is exposed to or in the risk management and measurement methods compared to the previous year.

24. EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (cont’d)

Foreign currency risk management

	30 September 2026			
	TL Equivalent (Functional Currency)	**US Dollar**	**Euro**	**GBP**
1. Trade Receivables	994,394,422	10,257,810	8,874,986	-
2a. Monetary Financial Assets	309,387,664	4,164,462	1,898,819	4,439
2b. Non-Monetary Financial Assets	-	-	-	-
3. Other	13,420,321	238,007	32,042	-
4. Current Assets (1+2+3)	**1,317,202,407**	**14,660,279**	**10,805,847**	**4,439**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)				
9. Total Assets (4+8	**1,317,202,407**	**14,660,279**	**10,805,847**	**4,439**
10. Trade Payables	1,042,844,013	20,510,363	706,512	6,187
11. Financial Liabilities	2,259,563,173	1,858,208	39,067,929	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	**3,302,407,186**	**22,368,571**	**39,774,441**	**6,187**
14. Trade Payables				
15. Financial Liabilities	8,529,537	(372,370)	481,772	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**8,529,537**	**(372,370)**	**481,772**	**-**
18. Total Liabilities(13+17)	**3,310,936,723**	**21,996,201**	**40,256,213**	**6,187**
19. Net asset/(liability) position of off balance sheet derivative instruments (19a-19b)	**(129,434,033)**	**-**	**(2,331,712)**	**-**
19a. Amount of foreign currency derivative products out of statement of financial position with active character	**-**	**-**	**-**	**-**
19b. Amount of foreign currency derivative products excluded from the financial position statement with liable character	**129,434,033**	**-**	**2,331,712**	**-**
20. Net foreign currency asset/(liability) position (9-18+19)	**(2,123,168,349)**	**(7,335,922)**	**(31,782,078)**	**(1,748)**
21. Monetary items net foreign currency liability position (1+2a+5+6a-10-11-12a-14-15-16a)	**(2,007,154,638)**	**(7,573,929)**	**(29,482,408)**	**(1,748)**
22. . Financial instruments used for currency hedging total fair value	**-**	**-**	**-**	**-**
23. The amount of the hedged portion of foreign currency assets	**-**	**-**	**-**	**-**
24. The amount of the hedged portion of foreign currency liabilities	**-**	**-**	**-**	**-**
23. Export	**6,196,022,825**	**47,281,506**	**134,392,503**	**-**
24. Import	**1,969,680,747**	**42,724,160**	**9,963**	**-**

24. EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (cont’d)

Foreign currency risk management

	31 December 2025			
	TL Equivalent (Functional Currency)	**US Dollar**	**Euro**	**GBP**
1. Trade Receivables	1,193,355,468	13,232,250	8,087,768	-
2a. Monetary Financial Assets	421,153,181	918,764	6,176,919	2,716
2b. Non-Monetary Financial	-	-	-	-
3. Other	2,662,927	51,617	-	-
4. Current Assets (1+2+3)	**1,617,171,576**	**14,202,631**	**14,264,687**	**2,716**
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)				
9. Total Assets (4+8)	**1,617,171,576**	**14,202,631**	**14,264,687**	**2,716**
10. Trade Payables	1,652,381,611	30,868,493	984,002	5,412
11. Financial Liabilities	2,740,930,812	2,435,160	43,244,009	-
12a. Other Monetary Liabilities	-	-	-	-
12b. Other Non-Monetary Liabilities	60,102	1,165	-	-
13. Current Liabilities (10+11+12)	**4,393,372,525**	**33,304,818**	**44,228,011**	**5,412**
14. Trade Payables				
15. Financial Liabilities	30,293,878	-	500,909	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	**30,293,878**	**-**	**500,909**	**-**
18. Total Liabilities(13+17)	**4,423,666,403**	**33,304,818**	**44,728,920**	**5,412**
19. Net asset/(liability) position of off balance sheet derivative instruments (19a-19b)	**(142,485,631)**	**-**	**(2,356,000)**	**-**
19a. Amount of foreign currency derivative products out of statement of financial position with active character	**-**	**-**	**-**	**-**
19b. Amount of foreign currency derivative products excluded from the financial position statement with liable character	**142,485,631**	**-**	**2,356,000**	**-**
20. Net foreign currency asset/(liability) position (9-18+19)	**(2,948,980,458)**	**(19,102,187)**	**(32,820,233)**	**(2,696)**
21. Monetary items net foreign currency liability position (1+2a+5+6a-10-11-12a-14-15-16a)	**(2,809,097,652)**	**(19,152,639)**	**(30,464,233)**	**(2,696)**
22. Financial instruments used for currency hedging total fair value	**-**	**-**	**-**	**-**
23. The amount of the hedged portion of foreign currency assets	**-**	**-**	**-**	**-**
24.The amount of the hedged portion of foreign currency liabilities	**-**	**-**	**-**	**-**
23. Export	**7,799,160,031**	**50,333,135**	**145,822,269**	**-**
24. Import	**2,709,687,273**	**55,408,007**	**39,196**	**-**

24. EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (cont'd)

Foreign currency risk management (cont'd)

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Group's sensitivity to a 20% appreciation and depreciation in US Dollar and Euro against TL. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit/loss or equity.

30 September 2026

	Profit/Loss		Equity(*)	
	Appreciation of Foreign Currency	**Depreciation of Foreign Currency**	**Appreciation of Foreign Currency**	**Depreciation of Foreign Currency**
In case of US Dollar appreciation by 20 % against TL				
1 - US Dollar net asset / liability	(71,764,535)	71,764,535	(71,764,535)	71,764,535
2- The portion hedged from US Dollar risk (-)	229,015	(229,015)	(1,616,340)	1,616,340
3- Net effect of US Dollar	**(71,535,520)**	**71,535,520**	**(73,380,875)**	**73,380,875**
In case of Euro appreciation by 20 % against TL				
4 - Euro net asset / liability	(352,846,537)	352,846,537	(352,846,537)	352,846,537
5 - The portion hedged from Euro risk (-)	3,438,821	(3,438,821)	(24,270,465)	24,270,465
6- Net effect of Euro	**(349,407,716)**	**349,407,716**	**(377,117,002)**	**377,117,002**
TOTAL (3+6)	**(420,943,236)**	**420,943,236**	**(450,497,876)**	**450,497,876**

24. EXCHANGE RATE RISK AND FOREIGN CURRENCY POSITION (cont'd)

Foreign currency risk management (cont'd)

Foreign currency sensitivity (cont'd)

31 December 2025

If the US Dollar appreciates by 20% against the Turkish Lira;

	Profit/Loss		Equity(*)	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case of US Dollar appreciation by 20 % against TL				
1 - US Dollar net asset / liability	(197,095,259)	197,095,259	(197,095,259)	197,095,259
2- The portion hedged from US Dollar risk (-)	(1,160,289)	1,160,289	(1,845,355)	1,845,355
3- Net effect of US Dollar	**(198,255,548)**	**198,255,548**	**(198,940,614)**	**198,940,614**
In case of Euro appreciation by 20 % against TL				
4 - Euro net asset / liability	(396,978,961)	396,978,961	(396,978,961)	396,978,961
5 - The portion hedged from Euro risk (-)	(17,422,551)	17,422,551	(27,709,286)	27,709,286
6- Net effect of Euro	**(441,401,512)**	**414,401,512**	**(424,688,247)**	**424,688,247**
TOTAL (3+6)	**(612,657,060)**	**612,657,060**	**(623,628,861)**	**623,628,861**

25. MONETARY GAIN/(LOSSES)

The monetary position gains / losses for the period of 30 September 2026 and 2025 are as follows:

Non Monetary Items	**30 September 2026**	**30 September 2025**
Balance Sheet Items		
Subsidiaries	131,164,866	176,839,343
Deffered Income	4,737,052	(10,188,815)
Property, Plant and Equipment	(24,070,666)	30,415,285
Intangable Assets	(28,484,415)	(61,957,573)
Right of use Assets	(334,121,112)	(196,847,958)
Prepaid Expenses	(56,310,947)	171,051,212
Inventories	(99,871,576)	398,827,636
Capital Adjustments Differences	(444,518,600)	(603,057,866)
Accumulated other comprehensive expenses not to be reclassified to profit or loss	21,412,128	32,304,842
Retained Earnings	(343,937,149)	(569,540,588)
Total Balance Sheet Items	**(1,174,000,419)**	**(632,154,482)**

25. MONETARY GAIN/(LOSSES) (cont’d)

	30 September 2026	30 September 2025
Income Statement Items	**2,166,483,392**	**1,960,434,626**
Revenue	(1,888,270,737)	(2,503,062,512)
Cost of Sales	1,973,080,909	2,106,483,801
Research and Development Expenses	51,160,293	51,552,740
Marketing Expenses	1,485,611,865	1,662,976,848
General Administrative Expenses	247,022,264	262,943,664
Other Income from operating activities	(119,983,904)	(211,537,576)
Other Expenses from operating activities	229,262,255	277,560,177
Income from investing activities	(712,277)	(760,832)
Expense from investing activites	670,289	49,869
Financial expenses	137,729,738	226,639,248
Deffered tax Expense/Income	50,912,697	87,589,198
	992,482,973	**1,328,280,145**

26. EVENTS AFTER THE REPORTING PERIOD

In October 2026, one new store was opened domestically and one internationally. Consequently, as of the date of the Audit Report, the total number of stores stands at 470.