Maintains Its Strong Balance Sheet Structure DESA Reports TL 205Million Net Profit in H1 2026, Raises Net Cash Position to TL 1.86 Billion, Maintaining a Strong Balance Sheet

Despite macroeconomic uncertainty in both global and domestic markets and ongoing cost inflation, DESA maintained its operational discipline and efficiency-driven approach, closing the first half of 2026 with a net profit of TL 205 million. Continuing its proactive cash management strategy, the Company preserved its net cash position at TL 1.86 billion (approximately USD 40 million), once again demonstrating the resilience of its balance sheet against external shocks and its financial flexibility to support future growth.

Strong Momentum in Retail and Digitalization: E-Commerce Grows 82%

Successfully executing its omnichannel sales strategy, DESA raised the combined share of retail and e-commerce channels to 73% of total revenue. Building on the infrastructure and digitalization investments made in 2025, the e-commerce channel delivered strong growth of 82% year-on-year.

Exports Up 28.3% in USD Terms

Despite the cyclical contraction in the global luxury consumption market, DESA continued to strengthen its international presence. Export volume, which stood at USD 2.7 million in the second quarter of 2025, rose 28.3% year-on-year in USD terms to reach USD 3.47 million in the same period of 2026.

A Strategic Investment in the Technology of the Future: Nuera A.Ş. Established

Advancing its sustainability and biotechnology investments to a new stage, DESA completed the incorporation of its wholly owned subsidiary "Nuera Sürdürülebilir Biyofabrikasyon Teknolojileri Sanayi ve Ticaret A.Ş." on August 11, 2026. The new entity will focus on the research, development, production, and commercialization of next-generation biomaterials.

TL 115 Million Dividend Distribution Schedule

In line with the resolution adopted at DESA's General Assembly, a total cash dividend of TL 115 million from 2025 net distributable profit has been finalized. Dividend payments will be made to shareholders in three installments, according to the following schedule:

- September 30, 2026: net TL 35 million
- October 30, 2026: net TL 40 million
- November 30, 2026: net TL 40 million

DESA

CEO Burak Çelet: "We Are Placing Innovation and Sustainability at the Core of Our Growth Strategy"

Commenting on the results, DESA CEO Burak Çelet said: "Despite challenging macroeconomic conditions and the effects of cost inflation, our disciplined financial management, strong cash position, and omnichannel growth strategy enabled us to deliver a solid performance in the first half of 2026. Alongside the strong momentum in our retail and e-commerce channels, and with the contribution of our production facility in Italy, we continue to grow our customer portfolio in a contracting market. The 28.3% year-on-year growth we achieved in our export volume in USD terms during the second quarter is a clear indicator of our competitiveness in global markets. In line with our vision to shape the future, the completion of our wholly owned subsidiary Nuera A.Ş. marks a pioneering step for our sector in biomaterials and sustainable biofabrication. Drawing confidence from our strong balance sheet, we will continue to preserve our operational efficiency while remaining committed to creating long-term, sustainable value for our investors."

High Value-Added Product Mix and Strong Pricing Power

A summary of the Company's H1 2026 financial results is as follows:

- **Consolidated Sales Revenue:** TL 2,353 million, supported by strong retail and e-commerce performance.
- **Gross Profit and Margin:** Gross profit of TL 1,353 million, with a gross margin of 57.5%, driven by a high value-added product mix, uncompromising quality standards, and the pricing power afforded by strong brand equity.
- **EBITDA and Margin:** EBITDA of TL 576 million, with an EBITDA margin of 24.5%, reflecting disciplined management of operating expenses.
- **Net Cash Position:** Net cash of TL 1.86 billion (USD 40 million) at period end, strengthening the Company's balance sheet and providing a solid platform for investment in technology, sustainability, and global expansion.

DESA

About DESA

Established in 1972, DESA has achieved tremendous success as the leading producer of leather and leather products in Turkey. With its unique business model which is entirely vertically integrated, DESA is the leading exporter of leather products to Italy, accounting for 70% of Turkey's leather product exports to the country. Managing retail operations with 115 stores nationwide, DESA produces and sells both wholesale and retail leather clothing for both men and women, leather bags and leather accessories. The brand also operates e-commerce through desa.com.tr and 1972desa.com and delivers DESA-branded products to European consumers in 5 countries through the Zalando platform. Serving international customers with its refined elegance under the brand 1972 DESA, the brand brings its leather clothing products to customers in more than 100 international sales points. As a publicly traded company listed on the Borsa Istanbul since May 2004, DESA operates with a leather production facility in Çorlu, Tekirdağ and two factories in Düzce and Sefaköy, Istanbul. The R&D and production facility in Italy which DESA started investing in 2022, recently entered operation.

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