

**Mavi Giyim Sanayi ve Ticaret Anonim Őirketi  
and Its Subsidiaries**

**Condensed Consolidated Interim Financial Statements  
As At and For The Three Months Period Ended  
30 April 2024**

(Convenience Translation of Financial Statements Originally Issued in  
Turkish)

13 June 2024

This report contains 41 pages of condensed consolidated financial statements and explanatory notes to the consolidated financial statements.

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**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Financial Position**  
**As at 30 April 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

		<b>Unaudited</b>	<b>Audited</b>
	<i>Notes</i>	<b>30 April 2024</b>	<b>31 January 2024</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	6,527,238	5,401,051
Financial investments		68,061	69,971
Trade receivables		2,249,759	1,460,015
<i>Due from third parties</i>	8	2,249,759	1,460,015
Other receivables		40,236	13,851
<i>Due from third parties</i>		40,236	13,851
Inventories	9	3,748,663	4,015,901
Derivative instruments	23	--	3,061
Prepaid expenses		369,313	242,956
<i>Due from related parties</i>	7	147,152	132,810
<i>Due from third parties</i>		222,161	110,146
Current tax assets		35,657	57,833
Other current assets		27,140	23,688
<b>Total current assets</b>		<b>13,066,067</b>	<b>11,288,327</b>
<b>Non-current assets</b>			
Other receivables		17,606	15,232
<i>Due from third parties</i>		17,606	15,232
Property, plant and equipment		1,374,629	1,349,524
Right-of-use assets	12	1,540,264	1,507,072
Intangible assets		1,234,043	1,237,449
<i>Other intangible assets</i>		395,811	362,971
<i>Goodwill</i>	11	838,232	874,478
Deferred tax assets		22,840	65,649
<b>Total non-current assets</b>		<b>4,189,382</b>	<b>4,174,926</b>
<b>TOTAL ASSETS</b>		<b>17,255,449</b>	<b>15,463,253</b>

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

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Financial Position**  
**As at 30 April 2024**

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

		<b>Unaudited</b>	<b>Audited</b>
	<i>Notes</i>	<b>30 April 2024</b>	<b>31 January 2024</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowings	6	124,689	115,992
Short-term lease liabilities	6	620,306	555,283
- Due to related parties	7	3,570	297
- Due to third parties		616,736	554,986
Short-term portion of long-term borrowings	6	130,239	82,155
Short-term issued debt instruments	6	724,580	807,169
Trade payables		4,438,441	3,780,945
- Due to related parties	7-8	557,324	428,431
- Due to third parties	8	3,881,117	3,352,514
Payables related to employee benefits		437,328	576,284
Other payables		380,721	163,871
- Due to related parties	7	41	46
- Due to third parties		380,680	163,825
Deferred income		181,234	174,292
Short term provisions		250,108	216,155
- Short-term provisions for employee benefits	13	43,368	38,080
- Other short-term provisions	13	206,740	178,075
Derivative instruments	23	8,255	--
Current tax liabilities		478,276	256,615
Other current liabilities		90,357	87,298
<b>Total current liabilities</b>		<b>7,864,534</b>	<b>6,816,059</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	6,828	9,054
Long-term issued debt instruments	6	343,137	382,282
Long-term lease liabilities	6	626,806	642,290
- Due to related parties	7	9,432	--
- Due to third parties		617,374	642,290
Deferred income		24	15,147
Payables related to employee benefits		59,726	45,480
Long-term provisions		105,436	112,887
- Long-term provisions for employee benefits	13	105,436	112,887
Deferred tax liabilities		19,993	20,907
<b>Total non-current liabilities</b>		<b>1,161,950</b>	<b>1,228,047</b>
<b>TOTAL LIABILITIES</b>		<b>9,026,484</b>	<b>8,044,106</b>

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**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Financial Position**  
**As at 30 April 2024**

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

		<b>Unaudited</b>	<b>Audited</b>
	<i>Notes</i>	<b>30 April 2024</b>	<b>31 January 2024</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>		<b>7,883,623</b>	<b>7,017,574</b>
Paid-in share capital	15	397,256	198,628
Adjustment to share capital	15	818,594	812,279
Share based payment fund		13,270	11,828
Other comprehensive expense not to be reclassified to profit or loss		(28,370)	(28,370)
<i>Defined benefit plans remeasurement losses</i>		(28,370)	(28,370)
Other comprehensive income or expenses to be reclassified to profit or loss		289,808	385,421
<i>Foreign currency translation differences</i>		295,999	383,125
<i>Hedging gains / (losses)</i>		(6,191)	2,296
Restricted reserves appropriated from profit	15	194,130	194,130
Retained earnings		5,238,715	3,458,828
Net profit for the period		960,220	1,984,830
<b>Non-controlling interests</b>		<b>345,342</b>	<b>401,573</b>
<b>Total equity</b>		<b>8,228,965</b>	<b>7,419,147</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,255,449</b>	<b>15,463,253</b>

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

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Profit or Loss and Other**  
**Comprehensive Income For the Three Months Period Ended 30 April 2024**  
*(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)*

		<b>Unaudited</b>	<b>Unaudited</b>
<b>Profit or loss</b>	<i>Notes</i>	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Revenue		8,273,107	6,917,677
Cost of sales (-)		(3,932,016)	(3,736,682)
<b>Gross profit</b>		<b>4,341,091</b>	<b>3,180,995</b>
Administrative expenses (-)		(481,633)	(400,056)
Selling, marketing and distribution expenses (-)	16	(2,238,734)	(1,827,808)
Research and development expenses (-)		(92,628)	(67,837)
Other operating income	17	150,674	21,503
Other operating expenses (-)	17	(22,087)	(29,833)
<b>Operating profit</b>		<b>1,656,683</b>	<b>876,964</b>
Income from investment activities	18	6,732	2,370
Expenses from investment activities (-)	18	--	(1,022)
<b>Operating profit before financial income</b>		<b>1,663,415</b>	<b>878,312</b>
Finance income	19	383,907	229,998
Finance costs (-)	20	(671,506)	(419,378)
<b>Finance expenses, net</b>		<b>(287,599)</b>	<b>(189,380)</b>
<b>Monetary gain / (loss)</b>		<b>74,909</b>	<b>(4,206)</b>
<b>Profit before tax</b>		<b>1,450,725</b>	<b>684,726</b>
<b>Tax expense</b>		<b>(481,442)</b>	<b>(257,964)</b>
- Tax expense for the period		(441,105)	(217,294)
- Deferred tax income		(40,337)	(40,670)
<b>Net profit</b>		<b>969,283</b>	<b>426,762</b>
<b>Distribution of profit for the period</b>		<b>969,283</b>	<b>426,762</b>
Non-controlling interests		9,063	5,306
Owners of the company		960,220	421,456
<b>Earnings per share</b>	<b>22</b>	<b>2.4171</b>	<b>1.0609</b>

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

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Profit or Loss and Other**  
**Comprehensive Income**

**For the Three Months Period Ended 30 April 2024**

*(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)*

	<b>Unaudited</b>	<b>Unaudited</b>
<i>Notes</i>	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified to profit or loss</b>		
Foreign currency translation differences	(155,907)	29,975
Cash flow hedging gains	(11,316)	83,098
Deferred tax expenses	2,829	(20,774)
<b>Other comprehensive income</b>	<b>(164,394)</b>	<b>92,299</b>
<b>Total comprehensive income</b>	<b>804,889</b>	<b>519,061</b>
<b>Distribution of total comprehensive income</b>		
Non-controlling interests	(59,718)	12,527
Owners of the Company	864,607	506,534

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## Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

### Condensed Consolidated Interim Statement of Changes In Equity

As at and for the Three Months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

	Share capital	Legal reserves	Adjustment to share capital	Share based payment fund	Other comprehensive income that will not reclassified to profit or loss	Other comprehensive income that will reclassified to profit or loss		Retained earnings		Attributable to owners of the Company	Attributable to non-controlling interest	Total equity
					Remeasurement of defined benefit liability	Foreign currency translation reserve	Hedging reserve	Retained earnings	Net profit			
<b>Balance as at 1 February 2023</b>	<b>99,314</b>	<b>743,027</b>	<b>194,130</b>	<b>1,734</b>	--	<b>336,153</b>	<b>(25,970)</b>	<b>2,232,100</b>	<b>2,120,369</b>	<b>5,700,857</b>	<b>328,634</b>	<b>6,029,491</b>
Transfers	--	--	--	--	--	--	--	2,120,369	(2,120,369)	--	--	--
Dividend payment	--	--	--	--	--	--	--	(729,223)	--	(729,223)	--	(729,223)
Increase (decrease) due to share-based transactions	--	--	--	2,385	--	--	--	--	--	2,385	2,616	5,001
Total comprehensive income	--	--	--	--	--	22,754	62,323	--	421,457	506,534	12,527	519,061
<b>Total balance as of 30 April 2023</b>	<b>99,314</b>	<b>743,027</b>	<b>194,130</b>	<b>4,119</b>	--	<b>358,907</b>	<b>36,353</b>	<b>3,623,246</b>	<b>421,457</b>	<b>5,480,553</b>	<b>343,777</b>	<b>5,824,330</b>
<b>Balance as of 1 February 2024</b>	<b>198,628</b>	<b>812,279</b>	<b>194,130</b>	<b>11,828</b>	<b>(28,370)</b>	<b>383,125</b>	<b>2,296</b>	<b>3,458,828</b>	<b>1,984,830</b>	<b>7,017,574</b>	<b>401,573</b>	<b>7,419,147</b>
Transfers	198,628	6,315	--	--	--	--	--	1,779,887	(1,984,830)	--	--	--
Dividend payment	--	--	--	--	--	--	--	--	--	--	--	--
Increase (decrease) due to share-based transactions	--	--	--	1,442	--	--	--	--	--	1,442	3,487	4,929
Total comprehensive income	--	--	--	--	--	(87,126)	(8,487)	--	960,220	864,607	(59,718)	804,889
<b>Total balance as of 30 April 2024</b>	<b>397,256</b>	<b>818,594</b>	<b>194,130</b>	<b>13,270</b>	<b>(28,370)</b>	<b>295,999</b>	<b>(6,191)</b>	<b>5,238,715</b>	<b>960,220</b>	<b>7,883,623</b>	<b>345,342</b>	<b>8,228,965</b>

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



# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Condensed Consolidated Interim Statement of Cash Flows

### As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

		<b>Unaudited</b>	<b>Unaudited</b>
		<b>1 February –</b>	<b>1 February –</b>
		<b>30 April 2024</b>	<b>30 April 2023</b>
<b>Cash flow from operating activities</b>			
<b>Net profit for the period</b>		<b>969,283</b>	<b>426,762</b>
<b>Adjustments for:</b>			
Adjustments for depreciation and amortization expense	10,12	451,745	438,159
Adjustments for interest income	19	(369,815)	(218,861)
Adjustments for interest expense	20	670,765	417,132
Adjustments for provision for vacation	13	10,005	10,542
Adjustments for fair value losses / (gains) of financial assets	18	(6,202)	(2,171)
Adjustments for provision for employment termination benefit	13	18,153	27,815
Adjustments for impairment losses on trade receivables		(89)	(2,819)
Adjustments for rediscount interest expense/ (income) on trade payables	17	(123,377)	(3,491)
Adjustments for share-based payments		4,929	5,001
Adjustments for monetary gain/loss		369,795	230,476
Adjustments for expected credit losses	17	104	(3,425)
Adjustments for inventory impairment	9	57,947	38,119
Adjustments for provisions for payables short-term and long-term	13	46,703	19,496
Adjustments for loss on disposal of property and equipment	18	(530)	823
Adjustments for tax expense		151,920	257,963
Adjustments for unrealized foreign currency translation differences		(209,858)	(10,050)
		<b>2,041,478</b>	<b>1,631,471</b>
<b>Changes in working capital:</b>			
Change in trade receivables		(942,726)	(719,475)
Change in inventories		(116,342)	(338,526)
Change in prepaid expenses		(153,946)	(19,514)
Change in other receivables of related parties		--	10,023
Change in other receivables		(31,700)	4,281
Change in other current and non-current assets		(5,851)	(39,678)
Change in employee benefits liabilities		(61,766)	19,571
Change in trade payables		991,378	195,500
Change in payables to related parties		172,265	(74,039)
Change in deferred income		10,997	4,681
Change in other payables		233,440	60,079
Change in short-term and long-term provisions		(975)	(462)
Change in other liabilities		11,895	26,290
<b>Cash flows used in operating activities</b>		<b>2,148,147</b>	<b>760,202</b>
Employment termination benefits paid	13	(14,771)	(40,729)
Tax payments		164,335	38,338
<b>A. Net cash from operating activities</b>		<b>2,297,711</b>	<b>757,811</b>
<b>Cash flows from investing activities</b>			
Cash outflows from purchases of property, plant, and equipment	10	(124,447)	(104,968)
Cash inflows from the sale of property, plant and equipment and intangible asset	10,18	567	1,050
Cash outflows from purchases of intangible asset	10	(95,722)	(28,644)
Other investing activities		8,040	(63,850)
Interest received		311,621	213,441
<b>B. Net cash used in investing activities</b>		<b>100,059</b>	<b>17,029</b>
Cash inflows from borrowings		140,814	643,125
Cash outflows from repayments of borrowings		(73,019)	(693,312)
Cash outflows from payments of lease contracts		(253,579)	(241,154)
Other financial cash outflows		(468,028)	(213,799)
Interest paid		(129,184)	(131,335)
<b>C. Net cash flow generated from / (used in) financing activities</b>		<b>(782,996)</b>	<b>(636,475)</b>
<b>Net change in cash and cash equivalent (A+B+C)</b>		<b>1,614,774</b>	<b>138,365</b>
<b>Adjustments of monetary gain loss</b>		<b>(546,781)</b>	<b>(442,020)</b>
<b>D. Cash and cash equivalents at the beginning of the period</b>	5	<b>5,377,061</b>	<b>5,912,001</b>
<b>Cash and cash equivalents at the end of the period (A+B+C+D)</b>	5	<b>6,445,054</b>	<b>5,608,346</b>

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

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

### 1 Organization and operations of the Group

Mavi Giyim Sanayi ve Ticaret A.Ş. (the “Company” or “Mavi Giyim”), established in 1991, engages in wholesale and retail sales of ready-to-wear denim apparel. The product range includes knit and woven shirts, t-shirts, sweaters, jackets, skirts, dresses, accessories and denim bottoms for men, women and children.

The Company’s registered office is Sultan Selim Mahallesi, Eski Büyükdere Caddesi, No. 53/2, 34418 Kağıthane İstanbul/Türkiye.

Export sales operations started in 1994. Mavi Giyim has offices and showrooms in New York, Vancouver, Moscow, New Jersey, Los Angeles, Atlanta, Dallas, Toronto, Montreal, Düsseldorf, Munich, Hamburg, Leipzig, Heusenstamm, Zurich, Salzburg, Prague, and Almere.

Shares of the Company has been traded at Borsa İstanbul (“BIST”) since 15 June 2017. As of 30 April 2024, the Company’s main shareholders are Blue International Holding B.V., which owns 0.22% of the Company’s share capital, and Fatma Elif Akarlılar, Hayriye Fethiye Akarlılar and Seyhan Akarlılar, each of whom own 9.062% of the Company’s share capital (31 January 2024: Blue International Holding B.V., which owns 0.22% of the Company’s share capital, and Fatma Elif Akarlılar, Hayriye Fethiye Akarlılar and Seyhan Akarlılar, each of whom own 9.062% of the Company’s share capital). Blue International Holding B.V. is controlled by Fatma Elif Akarlılar, Hayriye Fethiye Akarlılar and Seyhan Akarlılar.

The condensed consolidated interim financial statements for the three months period ended as at 30 April 2024 include financial position and the results of Mavi Giyim, Mavi Europe AG (“Mavi Europe”) and Mavi Jeans LLC (“Mavi Russia”), Eflatun Giyim Yatırım Ticaret Anonim Şirketi (“Eflatun Giyim”), Mavi Jeans Incorporated (“Mavi Canada”) and Mavi Jeans Incorporated (“Mavi United States of America (“USA”). Mavi Giyim and its subsidiaries are referred here as the “Group” and individually “the Group entity” in this report.

The ownership interest and voting rights of the subsidiaries as of 30 April 2024 and 31 January 2024 are as follows:

Subsidiaries	Place of Incorporation	Principal Activities	Effective Shareholding %	
			30 April 2024	31 January 2024
Mavi Europe	Germany	Wholesale and retail sales of apparel	100,00	100,00
Mavi Russia	Russia	Wholesale and retail sales of apparel	100,00	100,00
Eflatun Giyim	Türkiye	Holding company	51,00	51,00
Mavi USA	USA	Wholesale and retail sales of apparel	47,69	47,69
Mavi Canada	Canada	Wholesale and retail sales of apparel	63,25	63,25
Mavi Kazakhstan <sup>(1)</sup>	Kazakhstan	Retail sales of apparel	100,00	100,00

<sup>(1)</sup> Mavi Kazakhstan is in the liquidation process and does no longer proceed any operations as of 31 October 2015. Mavi Kazakhstan financials have not been consolidated since its operations insignificant in terms of condensed consolidated interim financial statements, as of 30 April 2024.

As of 30 April 2024, Group’s total number of employees is 6,427 (31 January 2024: 6,201).

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2024

*(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)*

### 2 Basis of presentation of financial statements

#### 2.1 Basis for the presentation of interim condensed consolidated financial statements

##### (a) Statement of compliance to TFRS

The accompanying consolidated financial statements have been prepared in line with Capital Markets Board (“CMB”), Communiqué Serial: II, No. 14.1 on “Principles on Financial Reporting in Capital Market” (“the Communiqué”), promulgated in Official Gazette No. 28676 dated 13 June 2013. TFRSs include Standards and Interpretations published by POA under the names of Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, TAS Interpretations and TFRS Interpretations.

The consolidated financial statements are presented in accordance with TFRS Taxonomy developed based on the “Financial Statement Examples and User Guide” announced by the POA published in the Official Gazette dated 7 June 2019 and numbered 30794.

Approval of consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors of the Company on 13 June 2024. The General Assembly of the Company has the right to amend and the related regulatory authorities have the right to demand the amendment of these consolidated financial statements.

##### (b) Preparation of financial statements

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 8 June 2023. The General Assembly has the authority to modify the condensed consolidated interim financial statements.

##### (c) Functional and presentation currency

Except for subsidiaries established abroad, functional currency of the companies included in the consolidation is Turkish Lira (“TL”) and companies keep their accounting records in TL in accordance with the commercial legislation, financial legislation and the Uniform Chart of Accounts published by the Ministry of Finance.

Consolidated financial statements and footnotes are based on the legal records of the Group companies and are presented in thousands of TL unless otherwise stated, and have been prepared, subject to some corrections and classification changes, to adequately present the status of the Group in accordance with the Turkish Accounting Standards published by Public Oversight Accounting and Auditing Standards Authority (the “POA”). All other foreign currency amounts are shown in Thousand Turkish Lira (“TL”) unless otherwise stated.

The table below summarizes functional currencies of the Group entities.

<b>Company</b>	<b>Functional currency</b>
Mavi Giyim	TL
Mavi Europe	Euro (“EUR”)
Mavi Russia	Rouble (“RUB”)
Mavi USA	US Dollars (“USD”)
Mavi Canada	Canada Dollars (“CAD”)
Eflatun Giyim	TL

# **Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**

## **Notes to the Condensed Consolidated Interim Financial Statements**

### **As at and for the three months period ended 30 April 2024**

*(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)*

## **2 Basis of presentation of financial statements (continued)**

### **2.1 Basis for the presentation of interim condensed consolidated financial statements (continued)**

#### **(d) Basis of measurement**

Interim condensed consolidated financial statements have been prepared at historical costs, excluding derivative financial instruments, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given for goods and services. The methods used in fair value measurement are specified in note 2.1 (f).

#### **(e) Significant accounting judgments, estimates and assumptions**

Preparation of condensed consolidated financial statements requires the usage of management estimations and assumptions that affects the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recorded in the period when the revision is made and in the future periods affected by these revisions.

Although these estimates are based on management's best estimates based on current events and actions, actual results may differ from estimates. Assumptions and estimates that are complex and require further interpretation may have a significant impact on the financial statements. As of 30 April 2024, the assumptions and significant accounting estimates used in the preparation of the three-months interim condensed consolidated financial statements have not changed compared to those used in the prior year.

#### **(f) Measurement of fair values**

The Group's various accounting policies and disclosures require determining the fair values of both financial and non-financial assets and liabilities. Fair values are determined by the following methods for measurement and disclosure purposes. If applicable, additional information on the assumptions used in determining fair values is presented in the asset or notes specific for liabilities.

##### **(i) Trade and other receivables**

Short-term trade and other receivables are measured at the original invoice amount since the promised amount of consideration for the effects of a significant financing component is not material and the period between the entity transfers a promised good or service to a customer and the customer pays for that good or service is less than one year. This fair value is determined at the initial recognition and the end of each reporting period for disclosure purposes.

##### **(ii) Forward exchange contracts**

The fair value of forward contracts and exchange transactions is determined based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair value represents the credit risk of the instrument and includes adjustments related to the credit risk of both the Group and the counterparty.

##### **(iii) Other non-derivative financial liabilities**

Fair value of other non-derivative financial liabilities is determined during the initial recognition and for disclosure purposes at the end of each period. Fair values are calculated as reduction of present values of prospective principal and interest cash flows with market interest rate at the measurement date. Fair values of current non-derivative financial liabilities are accepted as their carrying values.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

### 2 Basis of presentation of financial statements (continued)

#### 2.1 Basis for the presentation of interim condensed consolidated financial statements (continued)

##### (f) Measurement of fair values (continued)

##### (iv) Property, plant and equipment

The fair value of the property, plant and equipment resulting from business combinations is the price that would arise when a willing buyer and a voluntary seller acted with knowledge, prudence and without any pressure on the date of purchase, in a transaction under market conditions. The fair values of plant, equipment and fixtures are determined based on the market price and replacement cost of similar items, if any. The amortized replacement cost reflects adjustments for functional and economic obsolescence as well as physical deterioration.

##### (v) Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets. The fair value of customer relationships acquired in a business combination is determined according to the excess earnings methods and replacement cost approach.

#### Restatement of financial statements during periods of high inflation

In accordance with the CMB's decision dated 17 March 2005 and numbered 11/367, for companies operating in Türkiye and preparing financial statements in accordance with Turkish Financial Reporting Standards, the application of inflation accounting has been terminated as of 1 January 2005. Accordingly, as of 1 January 2005, the Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") has not been applied.

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2022 within the scope of TAS 29 "Financial Reporting in High Inflation Economies".

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period. As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 January 2024, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

## 2 Basis of presentation of financial statements (continued)

### 2.1 Basis for the presentation of interim condensed consolidated financial statements (continued)

#### Restatement of financial statements during periods of high inflation (continued)

POA made a announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 January 2024 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 30 April 2024.

In this framework, while preparing the consolidated financial statements dated 30 April 2024, 31 January 2024 and 30 April 2023, inflation adjustment has been made in accordance with TAS 29.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
30 April 2024	2.207,50	1,00000	315%
31 January 2024	1.984,02	1,11264	287%
30 April 2023	1300,04	1,69802	186%

The main lines of TAS 29 indexation transactions 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.

# **Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**

## **Notes to the Condensed Consolidated Interim Financial Statements**

### **As at and for the three months period ended 30 April 2024**

*(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)*

## **2 Basis of presentation of financial statements (continued)**

### **2.1 Basis for the presentation of interim condensed consolidated financial statements (continued)**

#### **Restatement of financial statements during periods of high inflation (continued)**

- 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 recognised in the financial statements.
- 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 summarised below:

#### **Restatement of the Statement of Financial Position**

Amounts in the 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 recognised 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 amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

# **Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**

## **Notes to the Condensed Consolidated Interim Financial Statements**

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*(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)*

### **2 Basis of presentation of financial statements (continued)**

#### **2.1 Basis for the presentation of interim condensed consolidated financial statements (continued)**

##### **Restatement of financial statements during periods of high inflation (continued)**

##### **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 translated to the purchasing power of 30 April 2024 according to the following principles.

As of 30 April 2024, the consolidated statement of financial position for the period ended 30 April 2024 has been translated into Turkish Lira at the closing rate of 30 April 2024. 1 February 2024 – 30 April 2024 consolidated statement of income has been translated into Turkish Lira at the average monthly exchange rates and indexed to the purchasing power of 30 April 2024 from the translation date and the relevant months. The consolidated statement of financial position for the period ended 31 January 2024 has been translated into Turkish Lira at the closing rate of 31 January 2024 and indexed to the purchasing power of 30 April 2024. The income statement for the period 1 February 2023 - 30 April 2023 has been translated into Turkish Lira at the average monthly exchange rates and indexed to the purchasing power of 30 April 2024.

##### **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.



# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

### 2 Basis of presentation of financial statements (continued)

#### 2.2 New and Amended Turkish Financial Reporting Standards

##### (a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to TAS 7 and TFRS 7	<i>Supplier Finance Arrangements</i>
TSRS 1	<i>General Requirements for Disclosure of Sustainability-related Financial Information</i>
TSRS 2	<i>Climate-related Disclosures</i>

##### **Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

##### **Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback***

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

##### **Amendments to TAS 1 *Non-current Liabilities with Covenants***

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Amendments are effective from annual reporting periods beginning on or after 1 January 2024. The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

##### **Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements***

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

## 2 Basis of presentation of financial statements (continued)

### 2.2 New and Amended Turkish Financial Reporting Standards (continued)

#### (a) Amendments that are mandatorily effective from 2024 (continued)

##### **TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information**

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

##### **TSRS 2 Climate-related Disclosures**

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

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

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

TFRS 17

Amendments to TFRS 17

*Insurance Contracts*

*Initial Application of TFRS 17 and TFRS 9 —  
Comparative Information (Amendment to TFRS 17)*

##### **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 2025.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

### 2 Basis of presentation of financial statements (continued)

#### 2.2 New and Amended Turkish Financial Reporting Standards (continued)

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

#### **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.

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

#### 2.3 Significant accounting policies

Condensed consolidated financial statements as of and for the three months interim period ended 30 April 2024 have been prepared by the Group by applying the accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 January 2024.

The financial statements in the condensed consolidated interim financial statements for the three-months period ended on 30 April 2024 must be evaluated together with the consolidated financial statements for the year ended 31 January 2024.

#### **TFRS 16 Leases**

##### **Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

# **Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**

## **Notes to the Condensed Consolidated Interim Financial Statements**

**As at and for the three months period ended 30 April 2024**

*(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)*

### **2 Basis of presentation of financial statements (continued)**

#### **2.3 Significant accounting policies(continued)**

##### **IFRS 16 Leases (continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has not recognised a right of use asset and liability for lease contracts where rent amount is solely dependent on a performance obligation. In case such contracts include a minimum guaranteed rent payment along with a sales performance obligation, the Group has recognized a right of use asset and liability based on minimum guaranteed rent amount.

##### **Right-of-use assets**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The right of use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

##### **Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured if there is a change in these payments as a result of a change in the lease term and index or rate.

### **3 Seasonality of operations**

The condensed consolidated interim financial statements of the Group also comprise the effects of seasonality. Therefore, the three months operating results for the period ended 30 April 2024 are not indicative of the results for the financial year.

## Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

### Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

#### 4 Segment reporting

	1 February - 30 April 2024			1 February - 30 April 2023		
	Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total
<b>Segment revenue</b> <sup>(1)</sup>	<b>7,352,430</b>	<b>920,677</b>	<b>8,273,107</b>	<b>5,916,554</b>	<b>1,001,123</b>	<b>6,917,677</b>
-Retail	5,290,850	98,868	5,389,718	4,198,989	119,054	4,318,043
-Wholesale	1,455,068	643,788	2,098,856	1,226,026	673,355	1,899,381
-E-commerce	606,512	178,021	784,533	491,539	208,714	700,253
<b>Segment profit before tax</b>	<b>1,432,814</b>	<b>17,911</b>	<b>1,450,725</b>	<b>637,798</b>	<b>46,928</b>	<b>684,726</b>

	30 April 2024			31 January 2024		
	Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total
<b>Total segment assets</b>	<b>15,520,199</b>	<b>1,735,250</b>	<b>17,255,449</b>	<b>13,557,617</b>	<b>1,905,636</b>	<b>15,463,253</b>
<b>Total segment liabilities</b>	<b>8,022,305</b>	<b>1,004,179</b>	<b>9,026,484</b>	<b>6,924,433</b>	<b>1,119,673</b>	<b>8,044,106</b>

The Group applies TFRS 8 and operating segments are determined based on internal reports that are regularly reviewed by the Group's decision maker. The Group has 2 strategic operating segments as Türkiye and International based on the geographical areas where sales are generated. These divisions are managed separately because they require different trading and marketing strategies. International segment comprises Europe, USA, Canada, Russia and rest of the world.

<sup>(1)</sup> Segment revenue comprised of third-party sales after elimination between consolidated subsidiaries.

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

### 5 Cash and cash equivalents

As at 30 April 2024 and 31 January 2024, cash and cash equivalents comprises the following:

	<b>30 April 2024</b>	<b>31 January 2024</b>
Cash on hand	12,512	6,846
Cash at banks	5,055,316	4,139,635
-Demand deposits	216,113	389,179
-Time deposits	4,839,203	3,750,456
Other cash and cash equivalents	1,377,226	1,230,580
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>6,445,054</b>	<b>5,377,061</b>
Time deposit interest accrual	82,184	23,990
	<b>6,527,238</b>	<b>5,401,051</b>

As at 30 April 2024 and 31 January 2024, other cash and cash equivalents consist of credit card receivables with maturities less than three months.

As at 30 April 2024 and 31 January 2024, the details of the maturity dates and interest rates of the Group's time deposits are as follows:

	<b>Maturity</b>	<b>Interest rate</b>	<b>30 April 2024</b>
TL	2 May -3 June 2024	45.00-58.50%	4,705,690
USD	2 May 2024	0.75%	119,654
EUR	2 May 2024	0.75%	13,859
			<b>4,839,203</b>

	<b>Maturity</b>	<b>Interest rate</b>	<b>31 January 2024</b>
TL	1 February -4 March 2024	40-43%	3,524,877
USD	1 February 2024	0.75%	225,579
			<b>3,750,456</b>

As at 30 April 2024 and 31 January 2024, there is no restriction or blockage on cash and cash equivalents. The Group's currency risk and sensitivity analyses are disclosed in Note 24.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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### 6 Financial borrowings

As at 30 April 2024 and 31 January 2024, financial borrowings comprise the following:

	30 April 2024	31 January 2024
<b>Current liabilities</b>		
Unsecured bank loans	124,689	115,992
Current portion of unsecured bank loans	130,239	82,155
Issued debt instruments	724,580	807,169
Lease liabilities	620,306	555,283
	<b>1,599,814</b>	<b>1,560,599</b>
<b>Non-current liabilities</b>		
Unsecured bank loans	6,828	9,054
Issued debt instruments	343,137	382,282
Lease liabilities	626,806	642,290
	<b>976,771</b>	<b>1,033,626</b>

As of 30 April 2024, and 31 January 2024, the Group's total bank loans are as follows:

	30 April 2024	31 January 2024
Bank loans <sup>(1)</sup>	261,756	207,201
Issued debt instruments	1,067,717	1,189,451
Lease liabilities	1,247,112	1,197,573
	<b>2,576,585</b>	<b>2,594,225</b>

As of 30 April 2024, and 31 January 2024, the repayments of loan agreements according to the original maturities are as follows:

	30 April 2024	31 January 2024
Less than one year	979,508	1,005,316
One to two years	349,796	389,689
Two to three years	169	1,647
	<b>1,329,473</b>	<b>1,396,652</b>

As of 30 April 2024, and 31 January 2024, maturities and conditions of outstanding loans comprised the following:

30 April 2024					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	RUB	20.50%	2025	127,979	130,239
Unsecured bank loans	CAD	7.30-7.45%	2024-2026	131,517	131,517
Issued debt instruments	TL	45.00-47.00%	2024-2025	1,000,000	1,067,717
				<b>1,259,496</b>	<b>1,329,473</b>
31 January 2024					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	RUB	21.00%	2024	79,827	82,155
Unsecured bank loans	CAD	7.30-7.45%	2024-2026	125,045	125,045
Issued debt instruments	TL	45.00-47.0%	2024-2025	1,112,641	1,189,452
				<b>1,317,513</b>	<b>1,396,652</b>

Currency risk and sensitivity analysis regarding the Group's financial liabilities are presented in note 24.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 30 April 2024, unless otherwise indicated.)

### 6 Financial borrowings (continued)

Short-term portion of long-term liabilities	30 April 2024	31 January 2024
Lease liabilities	803,552	696,154
Deferred lease borrowing cost (-)	(183,246)	(140,871)
	<b>620,306</b>	<b>555,283</b>
<b>Long-term lease liabilities</b>		
Lease liabilities	1,019,199	1,088,639
Deferred lease borrowing costs (-)	(392,393)	(446,349)
	<b>626,806</b>	<b>642,290</b>
<b>Total lease liabilities</b>	<b>1,247,112</b>	<b>1,197,573</b>

### 7 Related party disclosures

Related parties in condensed consolidated interim financial statements are determined as key management personnel, board of directors, family members, subsidiaries controlled by the Company. Several related party transactions are carried out during ordinary course of the business.

As of 30 April 2024, the members of the Akarlılar Family (Fatma Elif Akarlılar, Hayriye Fethiye Akarlılar and Seyhan Akarlılar) are the controlling shareholders of the Group with a total ownership interest of 27.41% where 27.19% is the direct ownership interest and 0.22% is the indirect ownership interest through Blue International Holding B.V.

#### (a) Related party balances

Advances given to related parties as of 30 April 2024 and 31 January 2024 are as follows:

	30 April 2024	31 January 2024
Erak Giyim Sanayi Tic. A.Ş. ("Erak") <sup>(1)</sup>	147,152	132,810
	<b>147,152</b>	<b>132,810</b>

<sup>(1)</sup> Advances given to Erak is related to fabric purchases and are tracked in prepaid expenses.

The balance of trade payables to related parties for the periods ended 30 April 2024 and 31 January 2024 is as follows:

	30 April 2024	31 January 2024
<b>Due to related parties</b>		
Erak <sup>(1)</sup>	498,531	376,372
Akay Lelmalabis Elgazhizah LLC ("Akay") <sup>(2)</sup>	58,793	52,059
	<b>557,324</b>	<b>428,431</b>

<sup>(1)</sup> Amounts due to Erak, a company controlled by immediate family members of the shareholder of the parent company, are for purchases of inventory. The amounts are without guarantee and non-interest bearing. Purchases from Erak have 90 days repayment date.

<sup>(2)</sup> Payables to Akay, Erak's subsidiary located in Egypt, are due to inventory purchases. The amounts are non-interest bearing and have 90 days repayment date.



# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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### 7 Related party disclosures (continued)

#### (a) Related party balances (continued)

As of 30 April 2024, and 31 January 2024, other short-term payables to related parties are as follows:

	<u>30 April 2024</u>	<u>31 January 2024</u>
<b>Other payables to related parties</b>		
Eflatun Giyim shareholders	41	46
	<b>41</b>	<b>46</b>
	<u>30 April 2024</u>	<u>31 January 2024</u>
<b>Short-term lease liabilities to related parties</b>		
Sylvia House Inc.	3,570	297
	<b>3,570</b>	<b>297</b>
	<u>30 April 2024</u>	<u>31 January 2024</u>
<b>Long-term lease liabilities to related parties</b>		
Sylvia House Inc.	9,432	--
	<b>9,432</b>	<b>--</b>

#### (b) Related party transactions

For the three months period ended 30 April 2024 and 2023, product purchases from related parties of the Group are as follows:

	<u>1 February – 30 April 2024</u>	<u>1 February – 30 April 2023</u>
<b>Purchase from related parties</b>		
Erak	1,365,131	914,660
Akay	96,269	136,518
	<b>1,461,400</b>	<b>1,051,178</b>

For the three months period ended 30 April 2024 and 2023, the services from related parties of the Group are as follows:

	<u>1 February – 30 April 2024</u>	<u>1 February – 30 April 2023</u>
<b>Services from related parties</b>		
Erak <sup>(1)</sup>	3,639	1,714
Mavi Jeans Holding Inc. <sup>(2)</sup>	--	810
Sylvia House Inc. <sup>(3)</sup>	1,272	1,202
	<b>4,911</b>	<b>3,726</b>

<sup>(1)</sup> The Group rented Çerkezköy and Bayrampaşa retail stores from Erak.

<sup>(2)</sup> Mavi Canada rented its office and warehouse from Mavi Jeans Holding Inc.

<sup>(3)</sup> Mavi Canada rented its office in Yaletown, Vancouver from Sylvia House Inc.

#### (c) Information regarding benefits provided to the Group's key management

For the three months period ended 30 April 2024, short-term and long-term benefits (salaries and wages, attendance fee, bonus, holiday overtime, severance payment, premium and other benefits) provided to senior management and board of directors amounted to TL 193,118 (30 April 2023: TL 159,747).

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### 8 Trade receivables and payables

#### Short-term trade receivables

As at 30 April 2024 and 31 January 2024, short-term trade receivables are as follows:

	<u>30 April 2024</u>	<u>31 January 2024</u>
Trade receivables from third parties	2,249,759	1,460,015
	<b>2,249,759</b>	<b>1,460,015</b>

As at 30 April 2024 and 31 January 2024, short-term trade receivables from third parties are as follows:

	<u>30 April 2024</u>	<u>31 January 2024</u>
Receivables	1,841,739	1,244,254
Notes receivables	301,929	242,804
Post-dated cheques	104,165	15,258
Endorsed cheques	88,205	48,630
Expected credit losses (-)	(2,314)	(2,664)
Allowance for doubtful receivables (-)	(83,965)	(88,267)
	<b>2,249,759</b>	<b>1,460,015</b>

The provision for doubtful receivables is determined based on past experience of non-collection of receivables.

The details of the exchange rate risk and sensitivity analysis of the Group's short-term trade receivables are disclosed in Note 24.

#### Short-term trade payables

As at 30 April 2024 and 31 January 2024, short-term trade payables of the Group are as follows:

	<u>30 April 2024</u>	<u>31 January 2024</u>
Trade payables to third parties	3,881,117	3,352,514
Trade payables to related parties (Note 7)	557,324	428,431
	<b>4,438,441</b>	<b>3,780,945</b>

Trade payables mainly consist of unpaid amounts of trade purchases and ongoing expenditures.

Details related to Group's exposure to foreign currency risk for short-term trade payables is disclosed in Note 24.

As of 30 April 2024 and 31 January 2024, short-term trade payables to third parties are as follows:

	<u>30 April 2024</u>	<u>31 January 2024</u>
Trade payables <sup>(1)</sup>	3,759,721	3,243,298
Expense accruals	121,396	109,216
	<b>3,881,117</b>	<b>3,352,514</b>

<sup>(1)</sup> Trade payables to third parties comprise supplier financing payables amounting TL 1,275,664 (31 January 2024: TL 1,025,701). The Company performs import factoring for the purchases of good from abroad. Within the scope of import factoring, foreign suppliers transfer their receivables from the Company to the financial institutions where the Company works with confirmation of assignment. Within the scope of supplier financing, domestic suppliers transfer their receivables from the Company to the financial institutions where the Company works with confirmation of assignment.

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### As at and for the three months period ended 30 April 2024

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#### 9 Inventories

As of 30 April 2024 and 31 January 2024, inventories are as follows:

	<b>30 April 2024</b>	<b>31 January 2024</b>
Trade goods	3,691,848	3,920,272
Consignment trade goods	197,092	220,365
Goods in transit	13,404	40,501
Provision for impairment on inventory (-)	(153,681)	(165,237)
	<b>3,748,663</b>	<b>4,015,901</b>

As of 30 April 2024 there is no restriction/ pledge on inventories (31 January 2024: nil).

As of 30 April 2024 and 2023, the provision for impairment on inventory is as follows:

	<b>30 April 2024</b>	<b>30 April 2023</b>
<b>Opening balance</b>	<b>165,237</b>	<b>198,444</b>
Provision for the period	57,947	38,119
Foreign currency translation effect	(69,503)	(4,059)
<b>Closing balance</b>	<b>153,681</b>	<b>232,504</b>

In the interim period ended on 30 April 2024, inventories of TL 57,947 (30 April 2023: TL 38,119) were recognised as an expense for slow moving inventory and net realizable value assessment in accordance with Group policies of provision for impairment on inventory during the period and included in "cost of sales".

#### 10 Property, plant and equipment and intangible assets

The amount of tangible and intangible assets purchased during the three months period ended 30 April 2024 is TL 220,169 (30 April 2023: TL 133,612).

Net book value of tangible and intangible assets sold during the three months period ended 30 April 2024 amounted to TL 571 (30 April 2023: TL 3,226).

The depreciation charge for the three months period ended 30 April 2024 is TL 150,574 (30 April 2023: TL 133,566). The depreciation charge of TL 27 for the three months period ended 30 April 2024 is capitalized in accordance with incentive program. (30 April 2023: TL 410).

#### 11 Goodwill

As of 30 April 2024, and 31 January 2024, the carrying amount of goodwill allocated to each cash generating unit is as follows:

	<b>30 April 2024</b>	<b>31 January 2024</b>
Mavi USA	742,364	774,044
Mavi Canada	71,188	75,603
Other	24,680	24,831
	<b>838,232</b>	<b>874,478</b>

As of 30 April 2024, the increase in goodwill is related to foreign currency translation differences on goodwill recognized at foreign subsidiaries. Goodwill is primarily attributable to the synergies expected to be derived from the integration of Mavi America and Mavi Canada into the Group's existing business.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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### 12 Right-of-use assets

For the period ended 30 April 2024 and 2023 the movement of Right-of-use assets is as follows:

Cost	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2024 balance</b>	<b>648,622</b>	<b>5,783,078</b>	<b>197,492</b>	<b>171,250</b>	<b>6,800,442</b>
Additions	23,081	26,718	4,202	--	<b>54,001</b>
Modification	46,415	241,928	9,115	--	<b>297,458</b>
Disposals	(4,461)	(705)	(976)	(15,605)	<b>(21,747)</b>
Currency translation differences	9,827	7,922	738	8,772	<b>27,259</b>
Inflation effect	(19,793)	(26,738)	(1,844)	(16,024)	<b>(64,399)</b>
<b>Balance as of 30 April 2024</b>	<b>703,691</b>	<b>6,032,203</b>	<b>208,727</b>	<b>148,393</b>	<b>7,093,014</b>

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2024 balance</b>	<b>428,675</b>	<b>4,761,399</b>	<b>45,969</b>	<b>57,327</b>	<b>5,293,370</b>
Charge for the period	23,127	252,142	14,994	10,908	<b>301,171</b>
Disposals	(4,461)	5,427	(977)	(15,605)	<b>(15,616)</b>
Currency translation differences	9,436	4,945	502	2,893	<b>17,776</b>
Inflation effect	(19,085)	(18,248)	(1,233)	(5,385)	<b>(43,951)</b>
<b>Balance as of 30 April 2024</b>	<b>437,692</b>	<b>5,005,665</b>	<b>59,255</b>	<b>50,138</b>	<b>5,552,750</b>

<b>Net book value as of 30 April 2024</b>	<b>265,999</b>	<b>1,026,538</b>	<b>149,472</b>	<b>98,255</b>	<b>1,540,264</b>
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Cost	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2023 balance</b>	<b>414,981</b>	<b>5,043,536</b>	<b>114,339</b>	<b>200,554</b>	<b>5,773,410</b>
Additions	--	12,793	4,956	--	<b>17,749</b>
Modification	24,616	245,074	336	--	<b>270,026</b>
Disposals	--	(27,752)	(1,744)	(20,434)	<b>(49,930)</b>
Currency translation differences	4,705	(18,772)	(60)	4,264	<b>(9,863)</b>
Inflation effect	(14,341)	(22,804)	(1,525)	(14,087)	<b>(52,757)</b>
<b>Balance as of 30 April 2023</b>	<b>429,961</b>	<b>5,232,075</b>	<b>116,302</b>	<b>170,297</b>	<b>5,948,635</b>

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2023 balance</b>	<b>343,129</b>	<b>3,821,234</b>	<b>51,110</b>	<b>41,952</b>	<b>4,257,425</b>
Charge for the period	19,600	263,164	10,911	10,918	<b>304,593</b>
Disposals	--	(24,874)	(1,744)	(20,434)	<b>(47,052)</b>
Currency translation differences	145,838	44,422	10,581	38,278	<b>239,119</b>
Inflation effect	(155,537)	(75,051)	(11,628)	(40,246)	<b>(282,462)</b>
<b>Balance as of 30 April 2023</b>	<b>353,030</b>	<b>4,028,895</b>	<b>59,230</b>	<b>30,468</b>	<b>4,471,623</b>

<b>Net book value as of 30 April 2023</b>	<b>76,931</b>	<b>1,203,180</b>	<b>57,072</b>	<b>139,829</b>	<b>1,477,012</b>
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For the three months period ended 30 April 2024, TL 22,393 (30 April 2023: TL 13,548) of amortisation expenses are included under general administrative expenses and TL 276,524 (30 April 2023: TL 289,655) under selling and marketing expenses, and TL 2,254 (30 April 2023: TL 1,390) under research and development expenses.

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### 13 Provisions, contingent assets and liabilities

#### Short-term provisions

As at 30 April 2024 and 31 January 2024, short-term provisions are as follows:

	<b>30 April 2024</b>	<b>31 January 2024</b>
Short-term provisions for employee benefits	43,368	38,080
Other short-term provisions	206,740	178,075
	<b>250,108</b>	<b>216,155</b>

Short-term provision for employee benefits consists of provision for vacation pay liability. The movement of provision for vacation liability for the three-months period ending on 30 April 2024 and 2023 is as follows:

	<b>2024</b>	<b>2023</b>
<b>1 February balance</b>	<b>38,080</b>	<b>34,537</b>
Current period provision	10,005	10,542
Currency translation differences	919	(348)
Payments	(1,289)	(6,500)
Inflation correction effect	(4,347)	(2,909)
<b>30 April balance</b>	<b>43,368</b>	<b>35,322</b>

#### *Provision for vacation pay liability*

Vacation pay liability is calculated by remaining number of unused vacation days and average daily salary.

Vacation pay liability if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term vacation pay liability if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

In accordance with the existing labour law in Türkiye, the Company is required to pay to the employee, whose employment is terminated due to any reasons, the wage of the deserved and unused vacation days over the gross prevailing wage and other benefits subject to contract at the date the contract is terminated. Vacation pay liability is the total undiscounted liability of the deserved and unused vacation days of all employees. Vacation pay liability is calculated by remaining number of unused vacation days and average daily salary.

As at 30 April 2024 and 31 January 2024, details of other short-term provisions are as follows:

	<b>30 April 2024</b>	<b>31 January 2024</b>
Sales return provision	180,505	148,027
Legal provision <sup>(1)</sup>	12,867	13,058
Other provisions	13,368	16,990
	<b>206,740</b>	<b>178,075</b>

<sup>(1)</sup> Legal provision mainly comprised of labour lawsuits.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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### 13 Provisions, contingent assets and liabilities (continued)

#### Short-term provisions (continued)

The movement of provisions for the three-months interim period ending on 30 April 2024 and 2023 is as follows:

	Legal provision <sup>(1)</sup>	Return provisions	Other provisions	Total
<b>1 February 2024 balance</b>	<b>13,058</b>	<b>148,027</b>	<b>16,990</b>	<b>178,075</b>
Current year provision	2,421	46,840	2,248	51,509
Currency translation differences	--	2,867	301	3,168
Provisions used	(974)	--	--	(974)
Provisions cancelled	(263)	--	(4,543)	(4,806)
Inflation correction effect	(1,375)	(17,229)	(1,628)	(20,232)
<b>30 April 2024 balance</b>	<b>12,867</b>	<b>180,505</b>	<b>13,368</b>	<b>206,740</b>
<b>1 February 2023 balance</b>	<b>10,549</b>	<b>168,102</b>	<b>14,888</b>	<b>193,539</b>
Current year provision	2,012	18,257	1,703	21,972
Currency translation differences	--	849	581	1,430
Provisions used	(462)	--	--	(462)
Provisions cancelled	(91)	--	(2,385)	(2,476)
Inflation correction effect	(833)	(13,130)	(1,101)	(15,064)
<b>30 April 2023 balance</b>	<b>11,175</b>	<b>174,078</b>	<b>13,686</b>	<b>198,939</b>

<sup>(1)</sup> Legal provision mainly comprised of labour lawsuits.

#### Long-term provisions

As at 30 April 2024 and 31 January 2024, long-term provisions which consist of severance pay liabilities are as follows:

	30 April 2024	31 January 2024
Long-term provisions for employee benefits	105,436	112,887
	<b>105,436</b>	<b>112,887</b>

For the period ended 30 April 2024 and 2023 the movement of provision for termination benefits is as follows:

	1 February – 30 April 2024	1 February – 30 April 2023
<b>As of February 1</b>	<b>112,887</b>	<b>112,113</b>
Interest cost	2,524	2,285
Service cost	15,629	25,530
Paid benefits	(13,482)	(34,229)
Currency translation differences	131	(643)
Inflation correction effect	(12,253)	(9,244)
<b>As of the end of the period</b>	<b>105,436</b>	<b>95,812</b>

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### 14 Commitments

#### (a) Guaranties, pledges and mortgages

As of 30 April 2024 and 31 January 2024, the Group's guarantee / pledge / mortgage ("GPM") position statement is as follows:

	30 April 2024				
	TL Equivalent	TL	EUR	RUB	USD
<b>A. On behalf of its own legal personality of the total amount of GPMs</b>	<b>223,166</b>	<b>165,076</b>	<b>980</b>	<b>13,098</b>	<b>606</b>
Guarantee	223,166	165,076	980	13,098	606
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries</b>	<b>5,086</b>	<b>--</b>	<b>53</b>	<b>--</b>	<b>100</b>
Guarantee	5,086	--	53	--	100
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>C. Total amount of GPM given to conduct other 3<sup>rd</sup> parties to guarantee the depts.</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>D. Total amount of other GPM</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
i. Total amount of GPM given on behalf of the main partners	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
ii. Total amount of GPM given on behalf of other group companies which are not in the scope of B and C section	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
iii. Total amount of GPM given on behalf of other group companies which are not in the scope of C section	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>Total GPM</b>	<b>228,252</b>	<b>165,076</b>	<b>1,033</b>	<b>13,098</b>	<b>706</b>

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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### 14 Commitments (continued)

#### (a) Guaranties, pledges and mortgages (continued)

	31 January 2024				
	TL Equivalent	TL	EUR	RUB	USD
<b>A. On behalf of its own legal personality of the total amount of GPMs</b>	<b>233,707</b>	<b>164,921</b>	<b>1,324</b>	<b>15,055</b>	<b>669</b>
Guarantee	233,707	164,921	1,324	15,055	669
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries</b>	<b>4,480</b>	<b>--</b>	<b>59</b>	<b>--</b>	<b>83</b>
Guarantee	4,480	--	59	--	83
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>C. Total amount of GPM given to conduct other 3<sup>rd</sup> parties to guarantee the depts.</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>D. Total amount of other GPM</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
i. Total amount of GPM given on behalf of the main partners	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
ii. Total amount of GPM given on behalf of other group companies which are not in the scope of B and C section	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
iii. Total amount of GPM given on behalf of other group companies which are not in the scope of C section	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
<b>Total GPM</b>	<b>238,187</b>	<b>164,921</b>	<b>1,383</b>	<b>15,055</b>	<b>752</b>



**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
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**14 Commitments (continued)**

**(a) Guaranties, pledges and mortgages (continued)**

As of 30 April 2024, ratio of other GPM given by the Group to equity was 0% (31 January 2024: 0%).

The Group has purchase commitments related to inventory amounting to TL 9,182,528 as of 30 April 2024 (31 January 2024: TL 7,712,244).

**(b) Guarantees received**

As of 30 April 2024, the Group has received letter of guarantees for the amount of TL 498,618 as in the form of security from wholesale customers (31 January 2024: TL 442,942).

**15 Share capital, reserves and other equity items**

**Paid-in capital**

The capital structure as of 30 April 2024 and 31 January 2024 is as follows:

	%	30 April 2024	%	31 January 2024
Akarlılar Family	27.19	108,000	27.19	54,000
Blue International	0.22	864	0.22	432
Publicly held	72.60	288,392	72.60	144,196
<b>Capital stock</b>	<b>100.00</b>	<b>397,256</b>	<b>100.00</b>	<b>198,628</b>
Adjustment of inflation		818,594		812,279
<b>Adjusted capital</b>		<b>1,215,850</b>		<b>1,010,907</b>

As of 30 April 2024 paid-in capital of the Company comprises 397,256,000 shares issued of TL 1 each (31 January 2024: 198,628,000 shares issued of TL 1 each).

**Legal reserves**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s historical paid-in share capital. The second legal reserve is appropriated at the rate of 1/10 of all cash dividend distributions exceeding 5% of the company's capital in cases where profit distribution is made according to CMB regulations, and in cases where dividends are distributed according to legal records, it is appropriated at the rate of 1/11 per annum of all cash distributis in excess of 5% of the historical paid-in share capital. The legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. As of 30 April 2024 the Group's total legal reserves are TL 194,130 (31 January 2024: TL 194,130).

**Hedging reserve**

The hedging reserve consists of the effective portion of the cumulative net change in fair value of the hedged item until the hedging instrument is subsequently accounted for.

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**16 Selling, marketing and distribution expenses**

For the three months periods ended 30 April 2024 and 2023, selling, marketing and distribution expenses comprised the following:

	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Personnel expenses	839,024	650,372
Rent expenses <sup>(1)</sup>	372,403	315,200
Depreciation and amortization expenses	358,822	364,280
Freight-out expenses	151,378	118,250
Outsourced logistics expenses	145,057	102,126
Advertising expenses	87,775	64,616
Consultancy expenses	51,599	26,104
Shopping bags expenses	19,965	17,668
Travel expenses	14,890	11,562
Other	197,821	157,630
	<b>2,238,734</b>	<b>1,827,808</b>

<sup>(1)</sup> Rent expenses covers rent payments calculated on turnover, building management and utilities.

**17 Other operating income and expenses**

Other operating income for the three-months interim periods ended on 30 April 2024 and 2023 is as follows:

	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Interest income on trade payables, net	123,377	3,491
Foreign exchange gain, net	16,863	163
Salary protocol income	5,264	8,855
Investment support income	621	--
Reversal of expected credit loss	80	3,425
Other	4,469	5,569
	<b>150,674</b>	<b>21,503</b>

Other operating expenses for the three-months interim periods ended on 30 April 2024 and 2023 are as follows:

	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Foreign exchange loss, net	15,766	24,090
Expected credit loss	184	--
Other	6,137	5,743
	<b>22,087</b>	<b>29,833</b>

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**18 Gains and losses from investment activities**

As of 30 April 2024 and 2023, gains from investment activities comprised the following:

	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Fx protected deposit income	6,202	2,171
Gains on sale of fixed assets	530	199
	<b>6,732</b>	<b>2,370</b>

As of 30 April 2024 and 2023, losses from investment activities comprised the following:

	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Losses on sale of fixed assets	--	1,022
	--	<b>1,022</b>

**19 Finance income**

Finance income for the three-months interim periods ending on 30 April 2024 and 2023 is as follows:

	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Interest income on time deposits	369,815	218,861
Foreign exchange gain	14,092	11,137
	<b>383,907</b>	<b>229,998</b>

**20 Finance expenses**

Finance expenses for the three-months interim periods ending on 30 April 2024 and 2023 are as follows:

	<b>1 February – 30 April 2024</b>	<b>1 February – 30 April 2023</b>
Interest expenses on purchases	349,532	117,114
Financial liabilities measured at amortized cost	127,976	154,591
Credit card commission expenses	116,015	48,633
Interest expenses on contractual lease liabilities	74,761	48,742
Import financing expenses	--	43,529
Foreign exchange loss	741	2,246
Other	2,481	4,523
	<b>671,506</b>	<b>419,378</b>

**21 Income taxes**

Corporate tax rate of Türkiye is 25% (30 April 2023: 25%). For the three months interim period ended 30 April 2024, the Group's effective tax rate is 33% (30 April 2023: 38%).

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**22 Earnings per share**

The amount of earnings per share is calculated by dividing the net period profit attributable to the owners of the Company shares by the weighted average share of the company's shares during the period. Earnings per share for the three months interim periods ending on 30 April 2024 and 2023 are as follows:

	<b>30 April 2024</b>	<b>Restated 30 April 2023</b>
Net profit for the year attributable to owners of the Company	960,220	421,456
Weighted average number of ordinary shares (basic)	397,256	397,256
<b>Earnings per ordinary/ diluted share (full TL)</b>	<b>2.4171</b>	<b>1.0609</b>

**23 Derivative Instruments**

As at 30 April 2024 and 31 January 2024, short-term derivative liabilities are as follows:

	<b>30 April 2024</b>	<b>31 January 2024</b>
Liability from the forward exchange contracts	(8,255)	--
Assets from the forward exchange contracts	--	3,061
	<b>(8,255)</b>	<b>3,061</b>

As of 30 April 2024, the Group has open forward exchange contracts to hedge the foreign currency risk on inventory purchases in amount of USD 18,580 thousand and EUR 50 thousand in equivalent of TL 675,826. By applying hedge accounting, the fair value difference of TL 8,255, resulting from such forward transactions, is recognized in other comprehensive income.

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### 24 Nature and level of risks related to financial instruments

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### Currency risk

The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The main currencies used in these transactions are EUR, USD, CAD and RUB.

The Group uses derivative financial instruments such as short-term forward foreign exchange contracts to hedge currency risk.

#### Interest rate risk

Since the Group does not use floating interest loans, it is not exposed to the risk of fluctuations in interest rates

#### Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence; to sustain future development of the business and to maintain an optimal capital structure in order to reduce the cost of capital.

#### Currency Risk

The foreign currency exchange rates are as follows as of the end of the reporting period:

	<u>30 April 2024</u>	<u>31 January 2024</u>
TL / EUR	34.6487	32.8144
TL / USD	32.3389	30.3053
TL / RUB	0.3459	0.3376
TL / CAD	23.6494	22.5737

The average of foreign exchange rates as of the end of the reporting period is as follows:

	<u>1 February – 30 April 2024</u>	<u>1 February – 30 April 2023</u>
TL / EUR	34.1729	20.5405
TL / USD	31.6315	19.0356
TL / RUB	0.3416	0.2469
TL / CAD	23.3029	14.0406

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### 24 Nature and level of risks related to financial instruments (continued)

Market risk (continued)

Currency risk (continued)

As of 30 April 2024, the Group's foreign currency position specified in the following table arises from foreign currency denominated assets and liabilities.

	TL Equivalent	USD	EUR	Other (TL Equivalent)
1. Trade receivables	40,097	965	--	8,890
2a. Monetary financial assets (including cash banks)	131,695	2,403	519	36,002
2b. Non-monetary financial assets	--	--	--	--
3. Other	65,245	2,032	--	--
<b>4. Current assets (1+2+3)</b>	<b>237,037</b>	<b>5,400</b>	<b>519</b>	<b>44,892</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-current assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total assets (4+8)</b>	<b>237,037</b>	<b>5,400</b>	<b>519</b>	<b>44,892</b>
10. Trade payables	69,182	1,556	529	545
11. Financial liabilities	12,422	282	95	--
12a. Monetary other liabilities	--	--	--	--
12b. Non-monetary other liabilities	--	--	--	--
<b>13. Short-term liabilities (10+11+12)</b>	<b>81,604</b>	<b>1,838</b>	<b>624</b>	<b>545</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	5,701	23	143	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
<b>17. Long-term liabilities (14+15+16)</b>	<b>5,700</b>	<b>23</b>	<b>143</b>	<b>--</b>
<b>18. Total liabilities (13+17)</b>	<b>87,304</b>	<b>1,861</b>	<b>767</b>	<b>545</b>
<b>19. Net Asset/(Liability) Position of derivative instruments (19a-19b)</b>	<b>602,609</b>	<b>18,580</b>	<b>51</b>	<b>--</b>
<b>19a. Hedged total asset</b>	<b>602,609</b>	<b>18,580</b>	<b>51</b>	<b>--</b>
<b>19b. Hedged total liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>20. Position of net foreign currency assets/liabilities (9-18+19)</b>	<b>752,342</b>	<b>22,119</b>	<b>(197)</b>	<b>44,347</b>
<b>21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>84,487</b>	<b>1,507</b>	<b>(248)</b>	<b>44,347</b>

As at 30 April 2024, Mavi Türkiye has trade receivables amounting to TL 47,987 from consolidated subsidiaries which comprise CAD 427 thousand, USD 345 thousand, RUB 246,235 thousand and has trade payable amounting EUR 1,687 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 84,488. The Group has fx protected deposits amounting to USD 2,000 thousand as of the balance sheet date.

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### 24 Nature and level of risks related to financial instruments (continued)

**Market risk** (continued)

**Currency risk** (continued)

As of 31 January 2024 the Group's foreign currency position specified in the following table arises from foreign currency denominated assets and liabilities.

	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade receivables	39,708	1,041	--	8,147
2a. Monetary financial assets (including cash, banks)	303,044	8,110	103	53,871
2b. Non-monetary financial assets	--	--	--	--
3. Other	139,970	4,494	115	--
<b>4. Current assets (1+2+3)</b>	<b>482,722</b>	<b>13,645</b>	<b>218</b>	<b>62,018</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-current assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total assets (4+8)</b>	<b>482,722</b>	<b>13,645</b>	<b>218</b>	<b>62,018</b>
10. Trade payables	69,947	1,395	828	513
11. Financial liabilities	13,491	327	109	--
12a. Monetary other liabilities	--	--	--	12
12b. Non-monetary other liabilities	--	--	--	--
<b>13. Short-term liabilities (10+11+12)</b>	<b>83,438</b>	<b>1,722</b>	<b>937</b>	<b>525</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	6,192	27	164	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
<b>17. Long-term liabilities (14+15+16)</b>	<b>6,192</b>	<b>27</b>	<b>164</b>	<b>--</b>
<b>18. Total liabilities (13+17)</b>	<b>89,630</b>	<b>1,749</b>	<b>1,101</b>	<b>525</b>
<b>19. Net Asset/(Liability) Position of derivative instruments (19a-19b)</b>	<b>632,602</b>	<b>18,641</b>	<b>111</b>	<b>--</b>
19a. Hedged total asset	--	--	111	--
19b. Hedged total liabilities	--	--	--	--
<b>20. Position of net foreign currency assets/liabilities (9+18-19)</b>	<b>1,025,694</b>	<b>30,537</b>	<b>(772)</b>	<b>61,493</b>
<b>21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>253,122</b>	<b>7,402</b>	<b>(998)</b>	<b>61,493</b>

As at 31 January 2024, Mavi Türkiye has trade receivables amounting to TL 77,731 from consolidated subsidiaries which comprise; USD 256 thousand, CAD 546 thousand, EUR 1,105 thousand and RUB 278,088 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 253,122. The Group has fx protected deposits amounting to USD 2,000 thousand as of the balance sheet date.

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**24 Nature and level of risks related to financial instruments (continued)**

**Market risk (continued)**

**Currency risk (continued)**

Sensitivity analysis

The Group's foreign exchange risk consists of movements of TL against Euro, US Dollar and Rouble and Canada Dollar.

The basis for performing sensitivity analysis to measure foreign exchange risk is to disclose total currency position of the Company. Total foreign currency position consists of all purchase/sales agreements in foreign currency and all assets and liabilities. Analysis does not include net foreign currency investments.

The Group's short-term and long-term borrowings are carried out in balance under pooling/portfolio model.

<b>Foreign Currency Sensitivity Analysis</b>				
<b>30 April 2024</b>				
	<b>Profit/Loss</b>		<b>Equity</b>	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
<b>10% change of the USD against TL</b>				
1- Net USD denominated asset/liability	4,875	(4,875)	4,875	(4,875)
2- Hedged portion of TL against USD risk(-)	--	--	60,085	(60,085)
<b>3- Net effect of USD (1+2)</b>	<b>4,875</b>	<b>(4,875)</b>	<b>64,960</b>	<b>(64,960)</b>
<b>10% change of the EURO against TL</b>				
4- Net EURO denominated asset/liability	(860)	860	(860)	860
5- Hedged portion of TL against EURO risk(-)	--	--	176	(176)
<b>6- Net effect of EURO (4+5)</b>	<b>(860)</b>	<b>860</b>	<b>(684)</b>	<b>684</b>
<b>10% change of other against TL</b>				
7- Net other denominated asset/liability	4,434	(4,434)	4,434	(4,434)
8- Hedged portion of TL against other risk(-)	--	--	--	--
<b>9- Net effect of other (7+8)</b>	<b>4,434</b>	<b>(4,434)</b>	<b>4,434</b>	<b>(4,434)</b>
<b>Total (3+6+9)</b>	<b>8,449</b>	<b>(8,449)</b>	<b>68,710</b>	<b>(68,710)</b>



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**24 Nature and level of risks related to financial instruments (continued)**

**Market risk (continued)**

**Currency risk (continued)**

**Sensitivity analysis (continued)**

<b>Foreign Currency Sensitivity Analysis</b>				
<b>31 January 2024</b>				
	<b>Profit/Loss</b>		<b>Equity</b>	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
<b>10% change of the USD against TL</b>				
1- Net USD denominated asset/liability	22,436	(22,436)	22,436	(22,436)
2- Hedged portion of TL against USD risk(-)	--	--	50,774	(50,774)
<b>3- Net effect of USD (1+2)</b>	<b>22,436</b>	<b>(22,436)</b>	<b>73,210</b>	<b>(73,210)</b>
<b>10% change of the EURO against TL</b>				
4- Net EURO denominated asset/liability	(3,273)	3,273	(3,273)	3,273
5- Hedged portion of TL against EURO risk(-)	--	--	326	(326)
<b>6- Net effect of EURO (4+5)</b>	<b>(3,273)</b>	<b>3,273</b>	<b>(2,947)</b>	<b>2,947</b>
<b>10% change of other against TL</b>				
7- Net other denominated asset/liability	6,149	(6,149)	6,149	(6,149)
8- Hedged portion of TL against other risk(-)	--	--	--	--
<b>9- Net effect of other (7+8)</b>	<b>6,149</b>	<b>(6,149)</b>	<b>6,149</b>	<b>(6,149)</b>
<b>Total (3+6+9)</b>	<b>25,312</b>	<b>(25,312)</b>	<b>76,412</b>	<b>(76,412)</b>

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### 25 Financial instruments (fair value disclosures and disclosures under hedge accounting)

#### Fair values

The table below presents fair values and carrying amounts of financial assets and liabilities along with their amounts measured at fair value. If the carrying amount is an approximate assumption of the fair value, the table below does not include the fair value information of assets and liabilities not measured at fair value.

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>30 April 2024</b>							
<b>Financial assets measured at fair value</b>							
Derivative financial instruments	3.061	--	3.061	--	3.061	--	3.061
<b>Total</b>	<b>3.061</b>	<b>--</b>	<b>3.061</b>	<b>--</b>	<b>3.061</b>	<b>--</b>	<b>3.061</b>

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>31 January 2024</b>							
<b>Financial liabilities measured at fair value</b>							
Derivative financial instruments	(8.255)	--	(8.255)	--	(8.255)	--	(8.255)
<b>Total</b>	<b>(8.255)</b>	<b>--</b>	<b>(8.255)</b>	<b>--</b>	<b>(8.255)</b>	<b>--</b>	<b>(8.255)</b>

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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### 25 Financial instruments (fair value disclosures and disclosures under hedge accounting) (continued)

#### Fair value disclosures

The Group estimates the fair values of financial instruments based on market information readily available and proper valuation approaches. The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

When measuring fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

#### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable	Intra-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts	Forward pricing: the fair value is determined using quoted forward Exchange rate and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.	Not applicable.

#### Financial instruments not measured at fair value

Other financial liabilities <sup>(1)</sup>	Discounted cash flows: the valuation model considers the present value of expected payment, discounted using a risk-adjusted discounted rate.		
--	---	--	--

<sup>(1)</sup> Other financial liabilities include bank loans.

### 26 Subsequent events

None.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Unaudited supplementary information

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### APPENDIX 1 EBITDA reconciliation

EBITDA is not a defined performance measure in TFRS. EBITDA reconciliation for the three months period ended 30 April 2024 and 2023 are as follows:

	Note	30 April 2024	30 April 2023
Profit		969,283	426,762
Tax expense		481,442	257,964
<b>Profit before tax</b>		<b>1,450,725</b>	<b>684,726</b>
-Fx protected deposit income		(6,202)	(2,172)
-Net monetary gain (loss)		(74,909)	4,206
-Net finance costs		287,599	189,380
-Receivables and payables, interest net		(123,377)	(3,491)
-Receivables and payables, foreign exchange net		(1,097)	23,927
-Depreciation and amortization	10,12	451,745	437,750
<b>EBITDA</b>		<b>1,984,484</b>	<b>1,334,326</b>

As of 30 April 2024, TFRS 16 has an impact of TL 256.799 on EBITDA (30 April 2023: TL 244.669).

### APPENDIX 2 Effect of TFRS 16 on Financial Statements

The effects of TFRS 16 lease standard on the Group's financial statements are presented below:

	30 April 2024	TFRS 16 Effect	After TFRS 16
Current assets	13,114,788	(48,721)	13,066,067
Non-current assets	2,722,336	1,467,046	4,189,382
Current liabilities	7,244,228	620,306	7,864,534
Non-current liabilities	535,144	626,806	1,161,950
Equity	8,057,752	171,213	8,228,965

	1 February – 30 April 2024	TFRS 16 Effect	After TFRS 16
Operating profit	1,701,056	(44,373)	1,656,683
Operating profit before finance costs	1,707,788	(44,373)	1,663,415
Finance income	383,907	--	383,907
Finance expense	(594,535)	(76,971)	(671,506)
Monetary gain / (loss)	(22,553)	97,462	74,909
Profit before tax	1,474,607	(23,882)	1,450,725
Net profit	986,915	(17,632)	969,283
EBITDA	1,727,685	256,799	1,984,484