

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

**Condensed Consolidated Interim Financial Statements
As At and For The Nine Months Period Ended
31 October 2024**

(Convenience Translation of Financial Statements Originally Issued in
Turkish)

9 December 2024

This report contains 42 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 31 October 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 October 2024, unless otherwise indicated.)

		Unaudited	Audited
	<i>Notes</i>	31 October 2024	31 January 2024
ASSETS			
Current assets			
Cash and cash equivalents	5	4,175,407	6,358,700
Financial investments		4,025	82,377
Trade receivables		2,616,702	1,718,888
<i>Due from third parties</i>	8	2,616,702	1,718,888
Other receivables		36,134	16,307
<i>Due from third parties</i>		36,134	16,307
Inventories	9	6,204,394	4,727,952
Derivative instruments	24	--	3,604
Prepaid expenses		366,217	286,035
<i>Due from related parties</i>	7	146,007	156,359
<i>Due from third parties</i>		220,210	129,676
Current tax assets		98,367	68,087
Other current assets		103,691	27,890
Total current assets		13,604,937	13,289,840
Non-current assets			
Other receivables		17,683	17,933
<i>Due from third parties</i>		17,683	17,933
Property, plant and equipment		1,799,547	1,588,806
Right-of-use assets	12	1,654,819	1,774,288
Intangible assets		1,342,946	1,456,859
<i>Other intangible assets</i>		454,932	427,329
<i>Goodwill</i>	11	888,014	1,029,530
Deferred tax assets		92,016	77,289
Total non-current assets		4,907,011	4,915,175
TOTAL ASSETS		18,511,948	18,205,015

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 31 October 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 October 2024, unless otherwise indicated.)

		Unaudited	Audited
	<i>Notes</i>	31 October 2024	31 January 2024
LIABILITIES			
Current liabilities			
Short-term borrowings	6	154,063	136,558
Short-term lease liabilities	6	708,728	653,739
- Due to related parties	7	3,707	350
- Due to third parties		705,021	653,389
Short-term portion of long-term borrowings	6	167,509	96,722
Short-term portion of long-term issued debt instruments	6	535,807	950,286
Trade payables		4,559,482	4,451,337
- Due to related parties	7-8	795,299	504,395
- Due to third parties	8	3,764,183	3,946,942
Payables related to employee benefits		635,158	678,464
Other payables		164,779	192,926
- Due to related parties	7	791	54
- Due to third parties		163,988	192,872
Deferred income		204,759	205,195
Short term provisions		297,962	254,481
- Short-term provisions for employee benefits	13	51,352	44,832
- Other short-term provisions	13	246,610	209,649
Current tax liabilities		347,433	302,115
Other current liabilities		107,539	102,775
Total current liabilities		7,883,219	8,024,598
Non-current liabilities			
Long-term borrowings	6	3,470	10,659
Long-term issued debt instruments	6	--	450,064
Long-term lease liabilities	6	705,983	756,174
- Due to related parties	7	8,331	--
- Due to third parties		697,652	756,174
Deferred income		--	17,833
Payables related to employee benefits		107,883	53,544
Long-term provisions		134,544	132,903
- Long-term provisions for employee benefits	13	134,544	132,903
Deferred tax liabilities		17,319	24,613
Total non-current liabilities		969,199	1,445,790
TOTAL LIABILITIES		8,852,418	9,470,388

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Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Financial Position
As at 31 October 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 October 2024, unless otherwise indicated.)

		Unaudited	Audited
	<i>Notes</i>	31 October 2024	31 January 2024
EQUITY			
Equity attributable to owners of the Company		9,412,723	8,261,852
Paid-in share capital	15	397,256	198,628
Adjustment to share capital	15	1,034,175	991,521
Share based payment fund		20,753	13,926
Other comprehensive expense not to be reclassified to profit or loss		(42,363)	(33,400)
<i>Defined benefit plans remeasurement losses</i>		(42,363)	(33,400)
Other comprehensive income or expenses to be reclassified to profit or loss		145,591	453,761
<i>Foreign currency translation differences</i>		145,591	451,057
<i>Hedging gains / (losses)</i>		--	2,704
Restricted reserves appropriated from profit	15	401,703	228,551
Retained earnings		5,032,078	4,072,106
Net profit for the period		2,423,530	2,336,759
Non-controlling interests		246,807	472,775
Total equity		9,659,530	8,734,627
TOTAL EQUITY AND LIABILITIES		18,511,948	18,205,015

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 Nine Months Period Ended 31 October 2024
(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 October 2024, unless otherwise indicated.)

		Unaudited	Unaudited	Unaudited	Unaudited
	<i>Notes</i>	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Profit or loss					
Revenue		27,072,290	9,269,834	25,924,639	9,139,860
Cost of sales (-)		(13,143,994)	(4,567,650)	(13,187,585)	(4,377,483)
Gross profit		13,928,296	4,702,184	12,737,054	4,762,377
General administrative expenses (-)	<i>16</i>	(1,750,764)	(606,058)	(1,583,803)	(512,603)
Selling, marketing and distribution expenses (-)	<i>16</i>	(8,048,768)	(2,728,046)	(7,115,548)	(2,472,359)
Research and development expenses (-)	<i>17</i>	(350,155)	(126,746)	(258,489)	(87,285)
Other operating income	<i>18</i>	220,846	34,895	316,576	170,544
Other operating expenses (-)	<i>18</i>	(59,045)	(31,393)	(96,160)	(2,714)
Operating profit		3,940,410	1,244,836	3,999,630	1,857,960
Gains from investment activities	<i>19</i>	10,872	376	39,166	9,247
Losses from investment activities (-)	<i>19</i>	(8,271)	(3,069)	(1,486)	(125)
Operating profit before financial expense		3,943,011	1,242,143	4,037,310	1,867,082
Finance income	<i>20</i>	1,371,782	353,967	946,180	283,414
Finance expenses (-)	<i>21</i>	(2,190,148)	(673,258)	(1,625,012)	(634,349)
Finance expenses, net		(818,366)	(319,291)	(678,832)	(350,935)
Monetary gain / (loss)		87,401	19,262	71,105	42,498
Profit before tax from continuing operations		3,212,046	942,114	3,429,583	1,558,645
Tax income / (expense) from continuing operations		(822,112)	(200,862)	(1,138,345)	(534,412)
Tax expense for the period		(857,933)	(246,380)	(1,029,828)	(401,420)
Deferred tax income / (expense)		35,821	45,518	(108,517)	(132,992)
Profit for the period from continuing operations		2,389,934	741,252	2,291,238	1,024,233
Net income		2,389,934	741,252	2,291,238	1,024,233
Non-controlling interests		(33,596)	3,563	(7,677)	22,944
Owners of the Company		2,423,530	737,689	2,298,915	1,001,289
Earnings per share	<i>23</i>	6.1007	1.8570	5.7870	2.5205

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 Nine Months Period Ended 31 October 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 October 2024, unless otherwise indicated.)

	Unaudited	Unaudited	Unaudited	Unaudited
<i>Notes</i>	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement losses of defined benefit plans	(11,950)	--	--	--
Deferred tax income	2,987	--	--	--
Items that will not be reclassified to profit or loss				
Foreign currency translation differences	(507,569)	(136,090)	234,707	(245,605)
Cash flow hedging gains / (losses)	(3,605)	--	96,953	(327,664)
Deferred tax income / (expense)	901	--	(24,238)	81,916
Other comprehensive income	(519,236)	(136,090)	307,422	(491,353)
Total comprehensive income	1,870,698	605,162	2,598,660	532,880
Total comprehensive income attributable to:				
Non-controlling interests	(235,699)	(52,465)	91,236	18,424
Owners of the Company	2,106,397	657,627	2,507,424	514,456

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 Changes In Equity

As at and for the Nine Months period ended 31 October 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 October 2024, unless otherwise indicated.)

					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
	Share capital	Adjustment to share capital	Legal reserves	Share based payment fund	Remeasurement of defined benefit liability	Foreign currency translation reserve	Hedging reserve	Retained earnings	Net profit				
Balance as of 1 February 2023	99,314	892,380	228,551	2,041	(4,523)	395,756	(30,575)	2,632,393	2,496,327	6,711,664	386,904	7,098,568	
Transfers	99,314	99,140	--	--	--	--	--	2,297,873	(2,496,327)	--	--	--	
Dividend payment	--	--	--	--	--	--	--	(858,047)	--	(858,047)	--	(858,047)	
Increase (decrease) due to share-based transactions	--	--	--	18,825	--	--	--	--	--	18,825	--	18,825	
Total comprehensive income	--	--	--	--	--	135,794	72,715	--	2,298,915	2,507,424	91,236	2,598,660	
Balance as of 31 October 2023	198,628	991,520	228,551	20,866	(4,523)	531,550	42,140	4,072,219	2,298,915	8,379,866	478,140	8,858,006	
Balance as of 1 February 2024	198,628	991,521	228,551	13,926	(33,400)	451,057	2,704	4,072,106	2,336,759	8,261,852	472,775	8,734,627	
Transfers	198,628	42,654	173,152	--	--	--	--	1,922,325	(2,336,759)	--	--	--	
Dividend payment	--	--	--	--	--	--	--	(962,353)	--	(962,353)	--	(962,353)	
Increase (decrease) due to share-based transactions	--	--	--	6,827	--	--	--	--	--	6,827	9,731	16,558	
Total comprehensive income	--	--	--	--	(8,963)	(305,466)	(2,704)	--	2,423,530	2,106,397	(235,699)	1,870,698	
Balance as of 31 October 2024	397,256	1,034,175	401,703	20,753	(42,363)	145,591	--	5,032,078	2,423,530	9,412,723	246,807	9,659,530	

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 nine months period ended 31 October 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 October 2024, unless otherwise indicated.)

		Unaudited 1 February – 31 October 2024	Unaudited 1 February – 31 October 2023
Cash flow from operating activities			
Net profit for the period		2,389,934	2,291,238
<i>Adjustments for:</i>			
Adjustments for depreciation and amortization expense	10,12	1,604,849	1,566,780
Adjustments for interest income	20	(1,352,670)	(769,703)
Adjustments for interest expense	21	2,188,711	1,618,865
Adjustments for provision for vacation	13	22,925	27,989
Adjustments for fair value losses / (gains) of financial assets	19	(8,068)	(36,831)
Adjustments for provision for employment termination benefit	13	75,700	89,274
Adjustments for impairment losses on trade receivables		31	(5,239)
Adjustments for rediscount interest expense/ (income) on trade payables	18	(106,735)	(152,206)
Adjustments for share-based payments		16,558	18,825
Adjustments for monetary gain/loss		972,996	282,456
Adjustments for expected credit losses	18	401	(4,905)
Adjustments for inventory impairment	9	37,171	15,286
Adjustments for provisions for payables short-term and long-term	13	93,524	83,320
Adjustments for loss on disposal of property and equipment	19	5,467	(849)
Adjustments for tax expense		822,112	1,138,345
Adjustments for unrealized foreign currency translation differences		(586,631)	15,958
		6,176,275	6,178,603
Changes in working capital:			
Change in trade receivables		(1,314,640)	(982,928)
Change in inventories		(2,507,177)	(1,475,118)
Change in prepaid expenses		(151,451)	(119,661)
Change in other receivables		(27,676)	18,685
Change in other current and non-current assets		(82,400)	4,636
Change in employee benefits liabilities		184,222	236,891
Change in trade payables		838,226	(147,399)
Change in payables to related parties		410,991	1,248
Change in deferred income		34,498	48,566
Change in other payables		16,748	146,292
Change in short-term and long-term provisions		(2,435)	(1,256)
Change in other liabilities		28,992	40,761
Cash flows used in operating activities		3,604,173	3,949,320
Employment termination benefits paid	13	(49,459)	(66,117)
Tax payments		(753,904)	(444,339)
A. Net cash from operating activities		2,800,810	3,438,864
Cash flows from investing activities			
Cash outflows from purchases of property, plant, and equipment	10	(606,146)	(440,295)
Cash inflows from the sale of property, plant and equipment and intangible asset	10,19	2,936	16,176
Cash outflows from purchases of intangible asset	10	(220,622)	(110,012)
Other investing activities		86,335	(50,572)
Interest received		1,341,197	763,727
B. Net cash used in investing activities		603,700	179,024
Cash inflows from borrowings		206,659	2,117,051
Cash outflows from repayments of borrowings		(592,723)	(1,425,856)
Cash outflows from payments of lease contracts		(810,980)	(714,888)
Other financial cash outflows		(1,519,163)	(895,782)
Dividend paid		(962,353)	(858,047)
Interest paid		(416,285)	(317,770)
C. Net cash flow generated from / (used in) financing activities		(4,094,845)	(2,095,292)
Net change in cash and cash equivalent (A+B+C)		(690,335)	1,522,596
The effect of inflation on cash and cash equivalents		(1,504,431)	(2,185,748)
D. Cash and cash equivalents at the beginning of the period	5	6,330,456	6,960,326
Cash and cash equivalents at the end of the period (A+B+C+D)	5	4,135,690	6,297,174

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 nine months period ended 31 October 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 October 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: 52/3, 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 31 October 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 nine-months period ended as at 31 October 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 31 October 2024 and 31 January 2024 are as follows:

Subsidiaries	Place of Incorporation	Principal Activities	Effective Shareholding %	
			31 October 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 ⁽¹⁾	Kazakhstan	Retail sales of apparel	100.00	100.00

⁽¹⁾ 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 31 October 2024.

As of 31 October 2024, Group’s total number of employees is 6,232 (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 nine months period ended 31 October 2024

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 October 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 9 December 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 9 December 2024. 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.

Company	Functional currency
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 nine months period ended 31 October 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 October 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 31 October 2024, the assumptions and significant accounting estimates used in the preparation of the nine-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.

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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") was not 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 six 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 December 2023, as the cumulative change in the general purchasing power of the last six years based on the Consumer Price Index ("CPI") is more than 100%.

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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 31 October 2024.

In this framework, while preparing the consolidated financial statements dated 31 October 2024, 31 January 2024 and 31 October 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	Six-year cumulative inflation rates
31 October 2024	2,598.91	1.00000	345%
31 January 2024	1,984.02	1.30992	287%
31 October 2023	1,749.11	1.48585	259%

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.

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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.

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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 31 October 2024 according to the following principles.

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

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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 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 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 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.

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.

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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 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	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>
Amendments to TAS 21	<i>Lack of Exchangeability</i>

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.

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.

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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 TAS 21 Lack of Exchangeability

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

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 nine-months interim period ended 31 October 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 nine-months period ended on 31 October 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.

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.

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2 Basis of presentation of financial statements (continued)

2.3 Significant accounting policies (continued)

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.

2.4 Changes in accounting estimates and errors

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the previous periods are restated. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes effect the following periods, changes are applied both on the current and following years prospectively. When a significant accounting error is identified, it is corrected retrospectively and the prior year consolidated financial statements are restated.

Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared in comparison with the prior period in order to allow the determination of financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary. In the current period, the Group has made some reclassifications in its prior period financial statements. The nature, reason and amounts of the classifications are explained below:

-Deferred payment income amounting to TL 42,396 which was accounted as finance income in the consolidated statement of profit or loss for the accounting period ending on 31 October 2023, is reclassified to "other operating income" in comparative financial statements.

The reclassification has no impact on the profit for the period ended on 31 October 2023.

3 Seasonality of operations

The condensed consolidated interim financial statements of the Group also comprise the effects of seasonality. Therefore, the nine-months operating results for the period ended 31 October 2024 are not indicative of the results for the financial year.

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4 Segment reporting

	1 February- 31 October 2024			1 August - 31 October 2024			1 February- 31 October 2023			1 August- 31 October 2023		
	Reportable segment			Reportable segment			Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total	Türkiye	International	Total	Türkiye	International	Total
Segment revenue ⁽¹⁾	24,286,287	2,786,003	27,072,290	8,293,425	976,409	9,269,834	22,565,180	3,359,459	25,924,639	7,959,909	1,179,951	9,139,860
- Retail	18,066,928	353,100	18,420,028	5,963,117	109,893	6,073,010	16,886,733	451,052	17,337,785	5,957,021	145,591	6,102,612
- Wholesale	4,292,358	1,869,466	6,161,824	1,682,830	684,588	2,367,418	3,906,882	2,238,398	6,145,280	1,395,723	806,471	2,202,194
- E-commerce	1,927,001	563,437	2,490,438	647,478	181,928	829,406	1,771,565	670,009	2,441,574	607,165	227,889	835,054
Segment profit before tax	3,312,855	(100,809)	3,212,046	940,504	1,610	942,114	3,326,235	103,348	3,429,583	1,464,416	94,229	1,558,645

	31 October 2024			31 January 2024		
	Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total
Total segment assets	16,611,821	1,900,127	18,511,948	15,961,492	2,243,523	18,205,015
Total segment liabilities	7,552,312	1,300,106	8,852,418	8,152,190	1,318,198	9,470,388

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.

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

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5 Cash and cash equivalents

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

	31 October 2024	31 January 2024
Cash on hand	24,285	8,060
Cash at banks	2,769,164	4,873,625
-Time deposits	2,560,768	4,415,442
-Demand deposits	208,396	458,183
Other cash and cash equivalents	1,342,241	1,448,771
Cash and cash equivalents in the statement of cash flow	4,135,690	6,330,456
Time deposit interest accrual	39,717	28,244
	4,175,407	6,358,700

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

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

	Maturity	Interest rate	31 October 2024
TL	1 November 2024 – 13 January 2025	46%-50.50%	2,550,580
EUR	1 November 2024	1.50%	10,188
			2,560,768

	Maturity	Interest rate	31 January 2024
TL	1 February - 4 March 2024	35%-44%	4,149,866
USD	1 February 2024	0.75%	265,576
			4,415,442

As at 31 October 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 25.

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6 Financial borrowings

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

	31 October 2024	31 January 2024
Current liabilities		
Unsecured bank loans	154,063	136,558
Current portion of unsecured bank loans	167,509	96,722
Issued debt instruments	535,807	950,286
Lease liabilities	708,728	653,739
	1,566,107	1,837,305
Non-current liabilities		
Unsecured bank loans	3,470	10,659
Issued debt instruments	--	450,064
Lease liabilities	705,983	756,174
	709,453	1,216,897

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

	31 October 2024	31 January 2024
Bank loans	325,042	243,939
Issued debt instruments	535,807	1,400,350
Lease liabilities	1,414,711	1,409,913
	2,275,560	3,054,202

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

	31 October 2024	31 January 2024
Less than one year	857,379	1,183,566
One to two years	3,470	458,784
Two to three years	--	1,939
	860,849	1,644,289

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

31 October 2024					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	RUB	%25.50	2024-2025	161,331	167,509
Unsecured bank loans	CAD	%5.85-%7.30	2025-2026	157,533	157,533
Issued debt instruments	TL	%47.00	2025	500,000	535,807
				818,864	860,849
31 January 2024					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	RUB	21.00%	2024	93,982	96,722
Unsecured bank loans	CAD	7.30%-7.45%	2024-2026	147,217	147,217
Issued debt instruments	TL	%45.00-47.00%	2024-2025	1,309,920	1,400,350
				1,551,119	1,644,289

Currency risk and sensitivity analysis regarding the Group's financial liabilities are presented in note 25.

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6 Financial borrowings (continued)

Short-term portion of long-term liabilities	31 October 2024	31 January 2024
Lease liabilities	896,452	819,588
Deferred lease borrowing cost (-)	(187,724)	(165,849)
	708,728	653,739
Long-term lease liabilities		
Lease liabilities	1,091,914	1,281,664
Deferred lease borrowing costs (-)	(385,931)	(525,490)
	705,983	756,174
Total lease liabilities	1,414,711	1,409,913

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 31 October 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 31 October 2024 and 31 January 2024 are as follows:

	31 October 2024	31 January 2024
Erak Giyim Sanayi Tic. A.Ş. ("Erak") ⁽¹⁾	146,007	156,359
	146,007	156,359

⁽¹⁾ 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 31 October 2024 and 31 January 2024 is as follows:

	31 October 2024	31 January 2024
Due to related parties		
Erak ⁽¹⁾	678,267	443,105
Akay Lelmalabis Elgazhizah LLC ("Akay") ⁽²⁾	117,032	61,290
	795,299	504,395

⁽¹⁾ 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.

⁽²⁾ 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.

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7 Related party disclosures (continued)

(a) Related party balances (continued)

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

	<u>31 October 2024</u>	<u>31 January 2024</u>
Other payables to related parties		
Eflatun Giyim shareholders	791	54
	791	54
	<u>31 October 2024</u>	<u>31 January 2024</u>
Short-term lease liabilities to related parties		
Sylvia House Inc.	3,707	350
	3,707	350
	<u>31 October 2024</u>	<u>31 January 2024</u>
Long-term lease liabilities to related parties		
Sylvia House Inc.	8,331	--
	8,331	--

(b) Related party transactions

For the nine-months period ended 31 October 2024 and 2023, product purchases from related parties of the Group are as follows:

	<u>1 February – 31 October 2024</u>	<u>1 August – 31 October 2024</u>	<u>1 February – 31 October 2023</u>	<u>1 August – 31 October 2023</u>
Product purchase from related parties				
Erak	4,069,089	1,404,476	3,501,177	1,102,890
Akay	527,279	259,590	658,660	282,916
	4,596,368	1,664,066	4,159,837	1,385,806

For the nine-months period ended 31 October 2024 and 2023, the services from related parties of the Group are as follows:

	<u>1 February – 31 October 2024</u>	<u>1 August – 31 October 2024</u>	<u>1 February – 31 October 2023</u>	<u>1 August – 31 October 2023</u>
Services from related parties				
Erak ⁽¹⁾	11,805	3,295	10,238	2,709
Sylvia House Inc. ⁽²⁾	4,258	1,364	4,586	1,403
Mavi Jeans Holding Inc. ⁽³⁾	--	--	954	--
	16,063	4,659	15,778	4,112

⁽¹⁾ The Group rented Çerkezköy and Bayrampaşa retail stores from Erak.

⁽²⁾ Mavi Canada rented its office in Yaletown, Vancouver from Sylvia House Inc.

⁽³⁾ Mavi Canada rented its office and warehouse from Mavi Jeans Holding Inc.

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

For the nine-months period ended 31 October 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 661,235 (31 October 2023: TL 596,540).

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8 Trade receivables and payables

Short-term trade receivables

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

	<u>31 October 2024</u>	<u>31 January 2024</u>
Trade receivables from third parties	2,616,702	1,718,888
	<u>2,616,702</u>	<u>1,718,888</u>

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

	<u>31 October 2024</u>	<u>31 January 2024</u>
Receivables	2,179,063	1,464,870
Notes receivables	349,218	285,855
Post-dated cheques	94,750	17,963
Endorsed cheques	85,483	57,253
Expected credit losses (-)	(2,733)	(3,136)
Allowance for doubtful receivables (-)	(89,079)	(103,917)
	<u>2,616,702</u>	<u>1,718,888</u>

The provision for doubtful receivables is determined based on 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 25.

Short-term trade payables

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

	<u>31 October 2024</u>	<u>31 January 2024</u>
Trade payables to third parties	3,764,183	3,946,942
Trade payables to related parties (Note 7)	795,299	504,395
	<u>4,559,482</u>	<u>4,451,337</u>

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 25.

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

	<u>31 October 2024</u>	<u>31 January 2024</u>
Trade payables ⁽¹⁾	3,659,989	3,818,360
Expense accruals	104,194	128,582
	<u>3,764,183</u>	<u>3,946,942</u>

⁽¹⁾ Trade payables to third parties comprise supplier financing payables amounting TL 832,123 (31 January 2024: TL 1,207,565). 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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9 Inventories

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

	31 October 2024	31 January 2024
Trade goods	6,004,599	4,615,368
Consignment trade goods	337,499	259,437
Goods in transit	82,889	47,682
Provision for impairment on inventory (-)	(220,593)	(194,535)
	6,204,394	4,727,952

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

As of 31 October 2024 and 2023, the provision for impairment on inventory is as follows:

	31 October 2024	31 October 2023
Opening balance	194,535	233,635
Provision for the period	136,358	132,153
Foreign currency translation effect	11,113	3,513
Disposals	(99,187)	(116,867)
Closing balance	220,593	245,408

In the interim period ended on 31 October 2024, inventories of TL 136,358 (31 October 2023: TL 132,153) 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 nine-months period ended 31 October 2024 is TL 826,768 (31 October 2023: TL 550,307).

Net book value of tangible and intangible assets sold during the nine-months period ended 31 October 2024 amounted to TL 8,403 (31 October 2023: TL 15,327).

The depreciation charge for the nine-months period ended 31 October 2024 is TL 541,583 (31 October 2023: TL 476,248). The depreciation charge of TL 914 for the nine-months period ended 31 October 2024 is capitalized in accordance with incentive program (31 October 2023: TL 1,557).

11 Goodwill

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

	31 October 2024	31 January 2024
Mavi USA	784,889	911,288
Mavi Canada	73,892	89,009
Other	29,233	29,233
	888,014	1,029,530

As of 31 October 2024, the decrease in goodwill recognized at foreign subsidiaries is related with the increase in previous year goodwill is higher than the foreign currency rate increase as a result of the application of inflation accounting. 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.

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12 Right-of-use assets

For the period ended 31 October 2024 and 2023 the movement of right-of-use assets is as follows:

Cost	Buildings	Store	Vehicles	Warehouse	Total
1 February 2024 balance	763,628	6,808,464	232,509	201,614	8,006,215
Additions	167,359	53,725	26,271	--	247,355
Modification	37,826	685,019	10,608	--	733,453
Disposals	(74,535)	(42,227)	(12,947)	(16,755)	(146,464)
Currency translation differences	(37,491)	(57,633)	(3,359)	(27,107)	(125,590)
Balance as of 31 October 2024	856,787	7,447,348	253,082	157,752	8,714,969

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
1 February 2024 balance	504,682	5,605,634	54,119	67,492	6,231,927
Charge for the period	87,179	884,945	52,628	38,514	1,063,266
Disposals	(74,535)	(41,328)	(12,934)	(16,755)	(145,552)
Currency translation differences	(32,849)	(42,654)	(2,421)	(11,567)	(89,491)
Balance as of 31 October 2024	484,477	6,406,597	91,392	77,684	7,060,150

Net book value as of 31 October 2024	372,310	1,040,751	161,690	80,068	1,654,819
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Cost	Buildings	Store	Vehicles	Warehouse	Total
1 February 2023 balance	488,561	5,937,795	134,613	236,113	6,797,082
Additions	--	26,206	17,747	--	43,953
Modification	50,046	722,760	1,199	--	774,005
Disposals	--	(85,108)	(8,049)	(33,865)	(127,022)
Currency translation differences	149	(55,414)	(943)	4,667	(51,541)
Balance as of 31 October 2023	538,756	6,546,239	144,567	206,915	7,436,477

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
1 February 2023 balance	403,969	4,498,770	60,172	49,391	5,012,302
Charge for the period	97,504	911,958	40,876	40,194	1,090,532
Disposals	--	(80,902)	(8,004)	(33,779)	(122,685)
Currency translation differences	(4,173)	(33,753)	(703)	1,081	(37,548)
Balance as of 31 October 2023	497,300	5,296,073	92,341	56,887	5,942,601

Net book value as of 31 October 2023	41,456	1,250,166	52,226	150,028	1,493,876
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For the nine-months period ended 31 October 2024, TL 81,754 (31 October 2023: TL 48,782) of amortisation expenses are included under general administrative expenses and TL 974,100 (31 October 2023: TL 1,036,414) under selling and marketing expenses, and TL 7,412 (31 October 2023: TL 5,336) under research and development expenses.

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13 Provisions, contingent assets and liabilities

Short-term provisions

As of 31 October 2024, and 31 January 2024, short-term provisions are as follows:

	31 October 2024	31 January 2024
Short-term provisions for employee benefits	51,352	44,832
Other short-term provisions	246,610	209,649
	297,962	254,481

Short-term provision for employee benefits consists of provision for vacation pay liability. The movement of provision for vacation liability for the nine-months period ending on 31 October 2024 and 2023 is as follows:

	2024	2023
1 February balance	44,832	40,662
Current period provision	22,925	27,989
Currency translation differences	1,164	4,331
Payments	(4,228)	(8,139)
Inflation correction effect	(13,341)	(17,361)
31 October balance	51,352	47,482

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 of 31 October 2024 and 31 January 2024, details of other short-term provisions are as follows:

	31 October 2024	31 January 2024
Sales return provision	208,632	174,273
Legal provision ⁽¹⁾	17,930	15,373
Other provisions	20,048	20,003
	246,610	209,649

⁽¹⁾ Legal provision mainly comprised of labour lawsuits.

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13 Provisions, contingent assets and liabilities (continued)

Short-term provisions (continued)

The movement of provisions for the nine-months interim period ending on 31 October 2024 and 2023 is as follows:

	Legal provision⁽¹⁾	Return provisions	Other provisions	Total
1 February 2024 balance	15,373	174,273	20,003	209,649
Current year provision	9,970	86,762	6,463	103,195
Currency translation differences	--	3,464	3,088	6,552
Provisions used	(2,434)	--	--	(2,434)
Provisions cancelled	(549)	(4,961)	(4,161)	(9,671)
Inflation correction effect	(4,430)	(50,906)	(5,345)	(60,681)
31 October 2024 balance	17,930	208,632	20,048	246,610
1 February 2023 balance	12,419	197,910	17,529	227,858
Current year provision	7,934	72,221	8,189	88,344
Currency translation differences	--	21,962	7,456	29,418
Provisions used	(1,257)	--	--	(1,257)
Provisions cancelled	(281)	--	(4,743)	(5,024)
Inflation correction effect	(4,799)	(75,361)	(7,044)	(87,204)
31 October 2023 balance	14,016	216,732	21,387	252,135

⁽¹⁾ Legal provision mainly comprised of labour lawsuits.

Long-term provisions

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

	31 October 2024	31 January 2024
Long-term provisions for employee benefits	134,544	132,903
	134,544	132,903

For the period ended 31 October 2024 and 2023 the movement of provision for termination benefits is as follows:

	1 February – 31 October 2024	1 February – 31 October 2023
As of February 1	132,903	131,993
Interest cost	13,501	2,258
Service cost	62,199	87,016
Payment of employment termination benefits	(45,231)	(57,978)
Currency translation differences	223	712
Actuarial differences	11,950	--
Inflation correction effect	(41,001)	(54,191)
As of the end of the period	134,544	109,810

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14 Commitments

(a) Guaranties, pledges and mortgages

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

	31 October 2024				
	TL Equivalent	TL	EUR	RUB	USD
A. On behalf of its own legal personality of the total amount of GPMs	292,544	231,458	966	13,098	606
Guarantee	292,544	231,458	966	13,098	606
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries	5,401	--	53	--	100
Guarantee	5,401	--	53	--	100
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
C. Total amount of GPM given to conduct other 3rd parties to guarantee the depts.	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
D. Total amount of other GPM	--	--	--	--	--
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	--	--	--	--	--
Total GPM	297,945	231,458	1,019	13,098	706

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14

Commitments (continued)

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

	31 January 2024				
	TL Equivalent	TL	EUR	RUB	USD
A. On behalf of its own legal personality of the total amount of GPMs	275,145	194,163	1,559	17,725	788
Guarantee	275,145	194,163	1,559	17,725	788
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries	5,275	--	69	--	98
Guarantee	5,275	--	69	--	98
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
C. Total amount of GPM given to conduct other 3rd parties to guarantee the depts.	--	--	--	--	--
Guarantee	--	--	--	--	--
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
D. Total amount of other GPM	--	--	--	--	--
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	--	--	--	--	--
Total GPM	280,420	194,163	1,628	17,725	886

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14 Commitments (continued)

(a) Guaranties, pledges and mortgages (continued)

As of 31 October 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 6,790,635 as of 31 October 2024 (31 January 2024: TL 9,080,013).

(b) Guarantees received

As of 31 October 2024, the Group has received letter of guarantees for the amount of TL 329,412 as in the form of security from wholesale customers (31 January 2024: TL 521,497).

15 Share capital, reserves and other equity items

Paid-in capital

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

	%	31 October 2024	%	31 January 2024
Akarlılar Family	27.19	108,000	27.19	54,000
Blue International	0.22	866	0.22	433
Publicly held	72.60	288,390	72.60	144,195
Capital stock	100	397,256	100	198,628
Adjustment of inflation		1,034,175		991,521
Adjusted capital		1,431,431		1,190,149

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

The transactions regarding the change of the main agreement's 6th article titled "Capital and Shares" with the increase of Company's entire issued capital from 198,628,000 TL to 397,256,000 by covering whole amount from the "Retained Earnings" account were registered on 22 March 2024 and published in the Turkish Trade Registry Gazette with the issue number 11049.

At the Ordinary General Assembly Meeting held on 25 April 2024, the increase of registered capital from TL 500,000 to TL 4,000,000 was approved and relevant procedures registered on 22 May 2024.

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 distributes 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 31 October 2024 the Group's total legal reserves are TL 401,703 (31 January 2024: TL 228,551).

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 Administrative expenses, selling, marketing and distribution expenses

For the nine-months periods ended 31 October 2024 and 2023, administrative expenses comprised the following:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Personnel expenses	1,094,343	367,214	1,013,516	306,311
Depreciation and amortization expenses	204,886	70,981	187,607	61,083
Consultancy expenses	153,074	55,571	127,765	47,266
Office materials expenses	90,653	32,107	67,691	23,178
General office expenses	38,447	14,862	35,468	11,745
Travel expenses	21,026	8,695	16,476	7,193
Rent expenses	7,623	2,334	10,241	2,708
Other	140,712	54,294	125,039	53,119
	1,750,764	606,058	1,583,803	512,603

For the nine-months periods ended 31 October 2024 and 2023, selling, marketing and distribution expenses comprised the following:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Personnel expenses	3,056,594	1,058,175	2,525,192	853,505
Depreciation and amortization expenses	1,282,270	425,279	1,303,588	444,245
Rent expenses ⁽¹⁾	1,276,991	424,234	1,245,573	433,403
Outsourced logistics expenses	527,338	184,332	394,103	137,232
Freight-out expenses	492,378	162,368	459,774	179,466
Advertising expenses	368,405	130,215	294,491	129,491
Consultancy expenses	183,306	60,706	103,593	36,406
Shopping bag expenses	67,309	22,673	65,019	22,092
Travel expenses	63,938	23,861	48,479	15,631
Other	730,239	236,203	675,736	220,888
	8,048,768	2,728,046	7,115,548	2,472,359

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

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17 Research and development expenses

For the nine-months 31 October 2024 and 2023, research and development expenses comprised the following:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Personnel expenses	209,572	75,281	169,659	56,375
Depreciation and amortization expenses	117,693	37,607	75,585	24,549
Travel expenses	7,511	2,882	6,368	2,476
Other	15,379	10,976	6,877	3,885
	350,155	126,746	258,489	87,285

18 Other operating income and expenses

Other operating income for the nine-months interim periods ended on 31 October 2024 and 2023 is as follows:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Rediscount interest income on trade payables, net	106,735	8,006	152,206	118,683
Deferred payment income	46,636	4,965	42,396	13,854
Foreign exchange gain, net	30,393	6,766	9,275	(1,835)
Salary protocol income	16,775	5,481	27,310	8,008
Investment support income	731	--	30,322	19,645
Reversal of expected credit loss	3	(172)	4,939	246
Other	19,573	9,849	50,128	11,943
	220,846	34,895	316,576	170,544

Other operating expenses for the nine-months interim periods ended on 31 October 2024 and 2023 are as follows:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Foreign exchange loss related with receivables and payables, net	46,998	28,662	83,792	22
Expected credit loss	404	343	34	(56)
Other	11,643	2,388	12,334	2,748
	59,045	31,393	96,160	2,714

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19 Gains and losses from investment activities

As of 31 October 2024 and 2023, gains from investment activities comprised the following:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Fx protected deposit income	8,068	--	36,831	8,336
Gain on sale of fixed assets	2,804	376	2,335	911
	10,872	376	39,166	9,247

As of 31 October 2024 and 2023, losses from investment activities comprised the following:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Losses on sale of fixed assets	8,271	3,069	1,486	125
	8,271	3,069	1,486	125

20 Finance income

Finance income for the nine-months interim periods ending on 31 October 2024 and 2023 is as follows:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Interest income on time deposits	1,352,670	354,426	769,703	247,094
Foreign exchange gain	19,112	(459)	176,477	36,320
	1,371,782	353,967	946,180	283,414

21 Finance expenses

Finance expenses for the nine-months interim periods ending on 31 October 2024 and 2023 are as follows:

	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Discount interest on purchases of goods	1,088,536	333,038	574,953	245,991
Credit card commission expenses	422,455	142,716	231,317	103,352
Interest expenses on financial liabilities	394,066	100,280	550,348	221,771
Interest expenses on lease liabilities	275,482	94,091	172,735	53,839
Import financing expenses	--	--	74,428	2,122
Foreign exchange loss	1,437	480	6,147	2,595
Other	8,172	2,653	15,084	4,679
	2,190,148	673,258	1,625,012	634,349

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22 Income taxes

Corporate tax rate of Türkiye is 25% (31 October 2023: 25%). For the nine-months interim period ended 31 October 2024, the Group's effective tax rate is 26% (31 October 2023: 33%).

23 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 nine-months interim periods ending on 31 October 2024 and 2023 are as follows:

			Restated	Restated
	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Net profit for the year attributable to owners of the Company	2,423,530	737,689	2,298,915	1,001,289
Weighted average number of ordinary shares	397,256	397,256	397,256	397,256
Earnings per share	6.1007	1.8570	5.7870	2.5205

24 Derivative Instruments

As at 31 October 2024 and 31 January 2024, short-term derivative assets are as follows:

	31 October 2024	31 January 2024
Assets from the forward exchange contracts	--	3,604
	--	3,604

As of 31 October 2024, the Group has no open forward exchange contracts to hedge the foreign currency risk on inventory purchases.

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25 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 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>31 October 2024</u>	<u>31 January 2024</u>
TL / EUR	37.0474	32.8144
TL / USD	34.2095	30.3053
TL / RUB	0.3507	0.3376
TL / CAD	24.5475	22.5737

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

	<u>1 February – 31 October 2024</u>	<u>1 February – 31 October 2023</u>
TL / EUR	35.5427	25.0603
TL / USD	32.6857	23.1832
TL / RUB	0.3574	0.2673
TL / CAD	23.9411	17.1787

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

Market risk (continued)

Currency risk (continued)

As of 31 October 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	47,066	1,177	--	6,801
2a. Monetary financial assets (including cash banks)	45,348	648	398	8,436
2b. Non-monetary financial assets	--	--	--	--
3. Other	310,308	8,926	134	--
4. Current assets (1+2+3)	402,722	10,751	532	15,237
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--
9. Total assets (4+8)	402,722	10,751	532	15,237
10. Trade payables	236,826	6,226	615	1,114
11. Financial liabilities	12,596	270	90	-
12a. Monetary other liabilities	--	--	(21)	757
12b. Non-monetary other liabilities	--	--	--	--
13. Short-term liabilities (10+11+12)	249,422	6,496	684	1,871
14. Trade payables	--	--	--	--
15. Financial liabilities	5,780	22	136	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Long-term liabilities (14+15+16)	5,780	22	136	--
18. Total liabilities (13+17)	255,202	6,518	820	1,871
19. Net Asset/(Liability) Position of derivative instruments (19a-19b)	637,487	18,580	51	--
19a. Hedged total asset	637,487	18,580	51	--
19b. Hedged total liabilities	--	--	--	--
20. Position of net foreign currency assets/liabilities (9-18+19)	785,007	22,813	(237)	13,366
21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)	(162,788)	(4,693)	(422)	13,366

As at 31 October 2024, Mavi Türkiye has trade receivables amounting to TL 82,446 from consolidated subsidiaries which comprise CAD 312 thousand, USD 453 thousand, RUB 268,931 thousand and has trade payable amounting EUR 945 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 162,787.

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25 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	46,748	1,226	--	9,591
2a. Monetary financial assets (including cash, banks)	356,776	9,548	122	63,424
2b. Non-monetary financial assets	--	--	--	--
3. Other	164,788	5,290	135	--
4. Current assets (1+2+3)	568,312	16,064	257	73,015
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-current assets (5+6+7)	--	--	--	--
9. Total assets (4+8)	568,312	16,064	257	73,015
10. Trade payables	82,349	1,642	975	604
11. Financial liabilities	15,884	385	129	--
12a. Monetary other liabilities	--	--	--	15
12b. Non-monetary other liabilities	--	--	--	--
13. Short-term liabilities (10+11+12)	98,233	2,027	1,104	619
14. Trade payables	--	--	--	--
15. Financial liabilities	7,290	31	193	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Long-term liabilities (14+15+16)	7,290	31	193	--
18. Total liabilities (13+17)	105,523	2,058	1,297	619
19. Net Asset/(Liability) Position of derivative instruments (19a-19b)	876,821	21,946	130	--
19a. Hedged total asset	--	--	130	--
19b. Hedged total liabilities	--	--	--	--
20. Position of net foreign currency assets/liabilities (9+18-19)	1,339,610	35,952	(910)	72,396
21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)	298,001	8,716	(1,175)	72,396

As at 31 January 2024, Mavi Türkiye has trade receivables amounting to TL 91,514 from consolidated subsidiaries which comprise; USD 409 thousand, CAD 491 thousand, RUB 249,750 thousand and EUR 993 thousand amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 298,003. The Group has fx protected deposits amounting to USD 2,000 thousand as of the balance sheet date.

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25 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, ABD 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.

Foreign Currency Sensitivity Analysis				
31 October 2024				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
10% change of the USD against TL				
1- Net USD denominated asset/liability	(16,053)	16,053	(16,053)	16,053
2- Hedged portion of TL against USD risk(-)	--	--	63,561	(63,561)
3- Net effect of USD (1+2)	(16,053)	16,053	47,508	(47,508)
10% change of the EURO against TL				
4- Net EURO denominated asset/liability	(1,562)	1,562	(1,562)	1,562
5- Hedged portion of TL against EURO risk(-)	--	--	188	(188)
6- Net effect of EURO (4+5)	(1,562)	1,562	(1,374)	1,374
10% change of other against TL				
7- Net other denominated asset/liability	1,336	(1,336)	1,336	(1,336)
8- Hedged portion of TL against other risk(-)	--	--	--	--
9- Net effect of other (7+8)	1,336	(1,336)	1,336	(1,336)
Total (3+6+9)	(16,279)	16,279	47,470	(47,470)

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

Market risk (continued)

Currency risk (continued)

Sensitivity analysis (continued)

Foreign Currency Sensitivity Analysis				
31 January 2024				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
10% change of the USD against TL				
1- Net USD denominated asset/liability	26,414	(26,414)	26,414	(26,414)
2- Hedged portion of TL against USD risk(-)	--	--	50,773	(50,773)
3- Net effect of USD (1+2)	26,414	(26,414)	77,187	(77,187)
10% change of the EURO against TL				
4- Net EURO denominated asset/liability	(3,853)	3,853	(3,853)	3,853
5- Hedged portion of TL against EURO risk(-)	--	--	326	(326)
6- Net effect of EURO (4+5)	(3,853)	3,853	(3,527)	3,527
10% change of other against TL				
7- Net other denominated asset/liability	7,239	(7,239)	7,239	(7,239)
8- Hedged portion of TL against other risk(-)	--	--	--	--
9- Net effect of other (7+8)	7,239	(7,239)	7,239	(7,239)
Total (3+6+9)	29,800	(29,800)	80,899	(80,899)

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26 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
31 October 2024							
Financial assets measured at fair value							
Derivative financial instruments	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--
	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 January 2024							
Financial assets measured at fair value							
Derivative financial instruments	3,604	--	3,604	--	3,604	--	3,604
Total	3,604	--	3,604	--	3,604	--	3,604

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26 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 ⁽¹⁾	Discounted cash flows: the valuation model considers the present value of expected payment, discounted using a risk-adjusted discounted rate.		
--	---	--	--

⁽¹⁾ Other financial liabilities include bank loans.

27 Subsequent events

None.

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Unaudited supplementary information

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APPENDIX 1 EBITDA reconciliation

EBITDA is not a defined performance measure in TFRS, EBITDA reconciliation for the nine-months period ended 31 October 2024 and 2023 are as follows:

	Note	1 February – 31 October 2024	1 August – 31 October 2024	1 February – 31 October 2023	1 August – 31 October 2023
Profit		2,389,934	741,252	2,291,238	1,024,233
Tax (income) / expense		822,112	200,862	1,138,345	534,412
Profit before tax		3,212,046	942,114	3,429,583	1,558,645
- Fx protected deposit income	19	(8,068)	--	(36,831)	(8,336)
- Net finance costs		(87,401)	(19,170)	(71,104)	(42,593)
- Net monetary gain/ (loss)		818,366	319,291	678,832	350,935
- Rediscount interest on trade receivables and payables, net	18	(106,735)	(8,006)	(152,206)	(118,683)
- Currency translation differences on trade receivables and payables, net	18	16,605	21,896	74,517	1,857
- Depreciation and amortization	10-12	1,604,849	533,888	1,566,780	529,857
EBITDA		5,449,662	1,790,013	5,489,571	2,271,682

As of 31 October 2024, TFRS 16 has an impact of TL 936,749 on EBITDA (31 October 2023: TL 881,835).

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:

	31 October 2024	TFRS 16 Effect	After TFRS 16
Current assets	13,625,171	(20,234)	13,604,937
Non-current assets	3,312,087	1,594,924	4,907,011
Current liabilities	7,174,488	708,731	7,883,219
Non-current liabilities	263,216	705,983	969,199
Equity	9,499,554	159,976	9,659,530

	1 February – 31 October 2024	TFRS 16 Effect	After TFRS 16
Operating profit	4,066,926	(126,516)	3,940,410
Operating profit before finance costs	4,069,527	(126,516)	3,943,011
Finance income	1,371,782	--	1,371,782
Finance expense	(1,909,370)	(280,778)	(2,190,148)
Monetary gain /loss	(200,785)	288,186	87,401
Profit before tax	3,331,154	(119,108)	3,212,046
Net profit	2,489,965	(100,031)	2,389,934
EBITDA	4,512,913	936,749	5,449,662