

mavi

2024

ANNUAL
REPORT



mavi

2024

ANNUAL
REPORT

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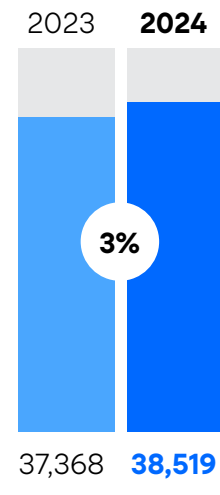
/01

KEY FINANCIAL METRICS

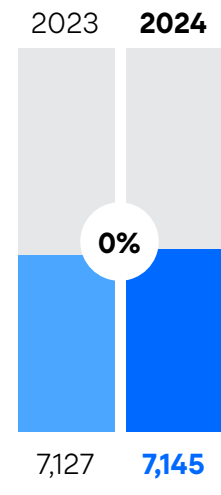


Financial Performance

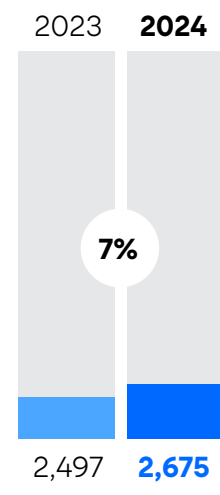
REVENUE (Million TL)



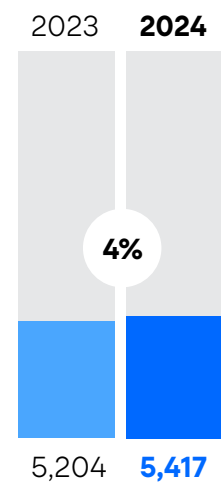
EBITDA (Million TL)



NET INCOME (Million TL)

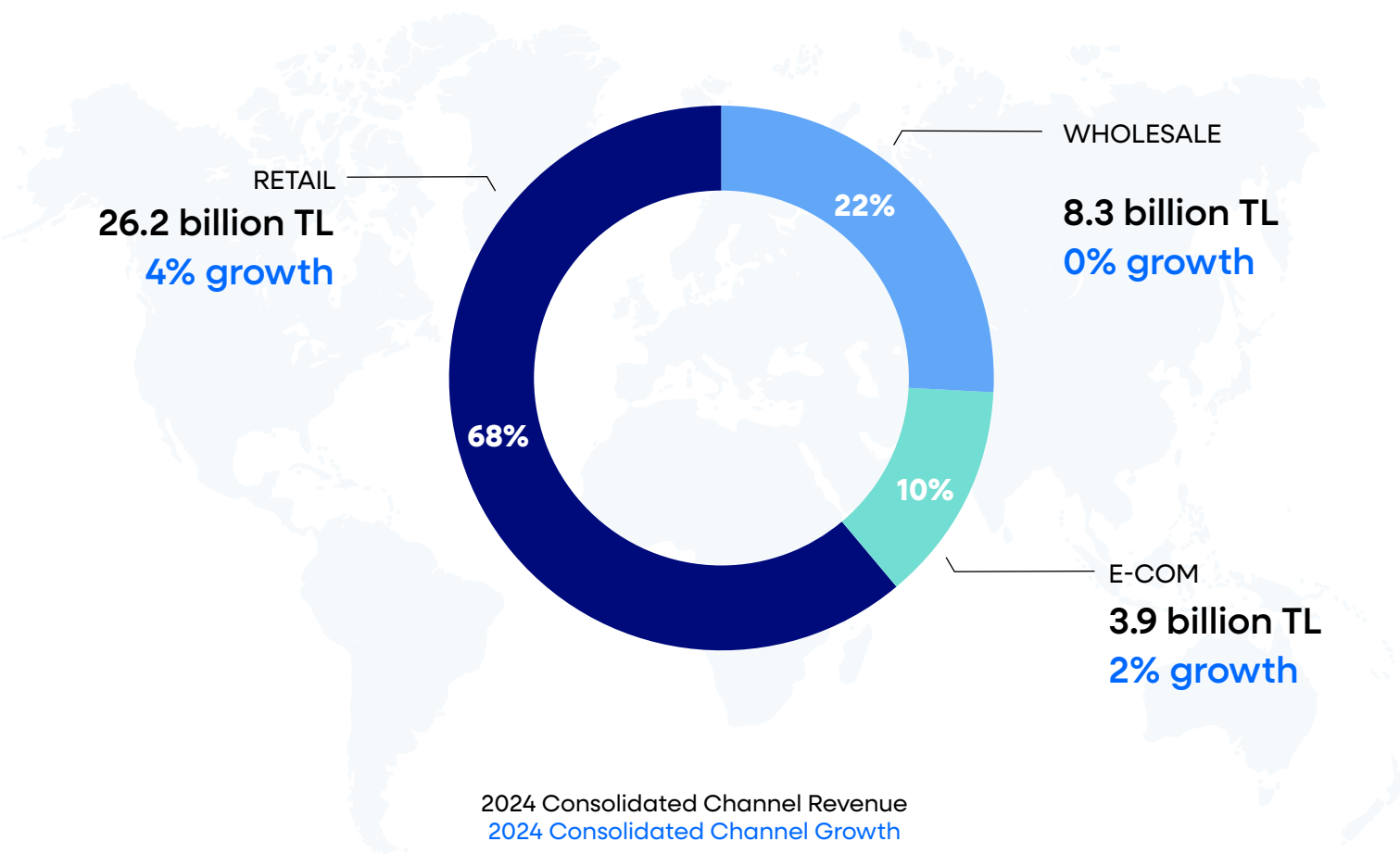


NET CASH (Million TL)



Audited financial information prepared according to Turkish Accounting/Financial Reporting Standards by application of IAS29 inflation accounting provisions.

Consolidated Global Figures



MONO-BRAND STORES
GLOBAL

485

POINTS OF SALE
GLOBAL

~4,000

MONO-BRAND
STORES TÜRKİYE

422

MONO-BRAND
STORES INTERNATIONAL

63



TÜRKİYE

Retail stores	: 352
Average store size (sqm)	: 535
Franchise stores	: 70
Wholesale doors	: 570
HQ and showroom	: 1
Warehouse	: (3rd party)
Employees	: 5,504



USA

Wholesale doors	: ~1,320
HQ	: 1
Showroom	: 4
Warehouse	: 1
Employees	: 97



RUSSIA

Retail stores	: 16
Franchise stores	: 17
Wholesale doors	: 105
HQ and showroom	: 1
Warehouse	: (3rd party)
Employees	: 131



EUROPE

Wholesale doors	: ~730
HQ	: 1
Showroom	: 9
Warehouse	: (3rd party)
Employees	: 48



CANADA

Retail stores:	: 4
Wholesale doors	: ~640
HQ	: 1
Showroom	: 4
Warehouse	: 1
Employees	: 92



REST OF THE WORLD

Franchise stores	: 26
Wholesale doors	: 28

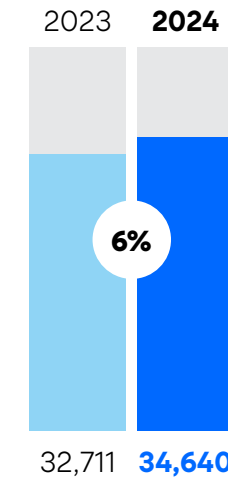
Mavi At A Glance

/ Global

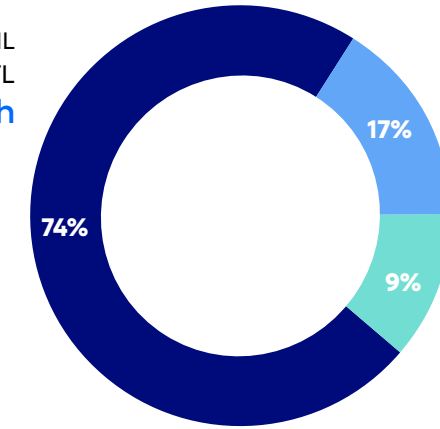
TOTAL REVENUES	38.5 Billion TL revenue	90% Türkiye revenue	10% International revenue
GLOBAL MARKET	34 Countries	485 Mono-brand stores	~4,000 Points of sale
RETAIL	4% Retail revenue growth	16 Net new store openings	
ONLINE	~11% E-com share in sales		
VOLUME	57+ Million (Total)	14.4 Million (Jeans)	
EMPLOYEES	5,872 Employees		
SUPPLIERS	~88%* Local sourcing	130+ Global suppliers	

/ Türkiye

REVENUE (Million TL)



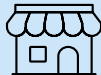

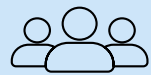
RETAIL
25.8 billion TL
5% Growth



WHOLESALE
5.8 billion TL
10% Growth

E-COM
3 billion TL
8% Growth

2024 TR Channel Revenue
2024 TR Channel Growth

<p>RETAIL </p> <p>352 Retail stores</p> <p>70 Franchise stores 570 Wholesale doors</p> <p>16 Net store openings 15 Retail store expansions</p> <p>188.5 thousand m² Total retail space</p> <p>535 m² Average space per store</p>	<p>PRODUCT SALES DISTRIBUTION* </p> <p>38% Women 62% Men</p> <hr/> <p>38% Denim 62% Lifestyle</p>	<p>CUSTOMERS </p> <p>~10 million Customers</p> <p>~8 million Active for the last two years</p> <p>~25%+¹ Türkiye's leading jeans brand with a market share of</p> <p>~70%+² Top-of-mind jeans brand</p> <p>Among top three brands in women's and men's apparel market</p>
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* Turkish retail figures
¹ According to IPSOS data
² According to Future Bright data

*Unit-based ratios.

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CHAIRMAN & CEO LETTERS



01 2024 KEY FINANCIAL METRICS

02 CHAIRMAN & CEO LETTERS

03 BRAND HIGHLIGHTS

04 MAVI'S SUSTAINABILITY EVOLUTION

05 CORPORATE GOVERNANCE

06 INDEPENDENT AUDITORS REPORT & CONSOLIDATED FINANCIAL STATEMENTS

07 DIVIDEND DISTRIBUTION

Letter from The Chairman

We are delighted to be ranked 8th among the world's best 500 companies in Sustainable Growth and 1st in the fashion industry according to TIME and Statista's global survey evaluating revenue growth, financial stability, and environmental impact over the past three years.

Guided by our brand culture, core values, and leadership expertise, we advanced confidently along our strategic path in 2024, delivering steady growth aligned with our long-term vision. Amid ongoing global and local uncertainties, we upheld our strong balance sheet through effective, forward-looking strategies. Although inflation-curbng policies placed pressure on consumer demand, we succeeded in growing our net profit, generating strong operational cash flow. We accelerated our digital transformation by incorporating advanced data analytics and artificial intelligence into our processes. With fresh, innovative products, we sustained high customer interest and became one of the top brands - growing market share in the Turkish apparel market. As a people-oriented company, we remained committed to supporting employee well-being while maintaining disciplined control over operating expenses.

Mavi, the leader of the global apparel industry in sustainable growth

The forward-looking brand approach we have embraced for many years has led us to be ranked 8th among the world's best 500 companies in sustainable growth in 2024. In this global ranking, developed by TIME and Statista, we placed first in the apparel industry. The survey evaluated companies that disclosed their environmental data transparently and scored them according to their revenue growth, financial stability, and environmental impact over the past three years. I extend my congratulations to all my teammates who contributed to this achievement and express my gratitude to our shareholders and business partners for their continued support.

An apparel brand in the top three with over 25% market share in jeans and a strong identity as the casual wear destination

We captured a market share exceeding 25% in the Turkish denim market. Today, Mavi is the top-of-mind jeans brand for 70% of Turkish consumers. In recent years, we have built on our undisputed leadership in denim by establishing a strong identity as the go-to destination for casual wear. We have shaped the Mavi brand around jeans, expanded into non-denim categories, and reinforced our position with premium segments.



Ersin Akarlılar
Chairman

With an ever-growing womenswear and menswear collection, we continue to cater to a wide range of customer segments. Staying true to our strategy of offering the right product at the right price with premium quality, we maintained our industry leadership regardless of market conditions and gained 1.5 million new customers in 2024. Year after year, we have successfully strengthened our position among the top three brands in both women's and men's apparel.

New investments fueling profitable growth

In line with our new customer experience strategy to guide our brand into the future, we began last year with a series of investment goals aimed at driving efficiency and profitability. While expanding our sales space, we also strengthened our retail presence with a new store concept. Our omnichannel investments continue to contribute to overall revenue growth, as we successfully manage our online channels. Our CRM, data-driven transformation, and artificial intelligence investments enable us to anticipate customer needs and market trends. With predictive data analytics, we continue to improve our performance across many areas from product development to supply chain processes. Additionally, our sourcing network, which is largely based in Türkiye, gives us a significant advantage in maintaining speed and quality as we advance with confidence.

At the heart of everything we do lies our commitment to creating long-term value for all our stakeholders. As we look to 2025, we will maintain our disciplined approach to managing uncertainties, uphold the strength of our balance sheet, and remain focused on delivering sustainable, profitable growth. We are particularly excited about our plans to grow our footprint in North America with new store openings. I extend my heartfelt thanks to all our colleagues, business partners, customers, and investors who have played a part in Mavi's success so far. May 2025 bring health, peace, and stability to all.

Letter from The CEO

Our brand, our place in the heart of the customer, and our “right product, right price, and premium quality” strategy enable us to continuously stay resilient in the face of uncertainty and rapidly changing macroeconomic conditions.

Fueled by our brand strength, the deep connections we have built with our customers, and a clear focus on effective strategies aligned with our long-term goals, we delivered a resilient performance in 2024, maintaining a robust balance sheet throughout the year. Adjusted for inflation, our consolidated revenues reached TL 38 billion 519 million, marking a 3% increase year over year. While the macroeconomic policies to battle inflation negatively impacted consumer demand, we continued to generate operational cash and increased net profit by 7% to TL 2 billion 675 million. We closed the year with an EBITDA of TL 7 billion 145 million, reflecting an EBITDA margin of 18.5%. Through dynamic and flexible inventory management, supported by data analytics and artificial intelligence tools, and disciplined control of operating expenses, we increased our net cash position to TL 5 billion 417 million. Thanks to this strong performance in a challenging environment, Mavi was among the top apparel brands that increased its market share in Türkiye.

1.5 million new customers acquired; annual active customer base reached 6 million

We began 2024 with a clear goal: to grow in retail in Türkiye. With 16 net new store openings and expansions in 15 existing locations, our total retail space reached 188,500 square meters. Total retail sales grew by 5% in value and 8.5% in volume. Online sales grew 8% in 2024 with the share of e-commerce revenues reaching 9%. The number of Mavi App users grew significantly, from 5.7 million to 8 million within a year.

We acquired 1.5 million new customers in 2024, bringing our total annual active customer base to 6 million. Notably, 40% of these new customers were young people. As we always emphasize, youth is the driving force behind Mavi's growth. In 2025, we will further advance our journey to becoming a brand for youth through our Kartuş Genç program, developed specifically for individuals under the age of 25.

Embracing the “right product, right price, premium quality” approach, we sold 57 million products, including 14.4 million pairs of jeans.

Our strategy of offering the right product at the right price with premium quality has consistently enabled us to stay resilient in the face of uncertainty and rapidly changing macroeconomic

Cüneyt Yavuz
CEO



conditions. With 70% top-of-mind awareness, Mavi remains the leading denim brand in Türkiye and the go-to destination for casualwear. Alongside our leadership in jeans, we maintained our position among the top three brands in both the menswear and womenswear markets and solidified our role as the first choice for casualwear. Throughout the year, we sold a total of 57 million products, including 14.4 million pairs of jeans, further securing our place in our customers' wardrobes.

We keep consumer interest high through product variety and continue to elevate our denim expertise each season. We expanded our premium portfolio of high-performance, innovative products—including the Lux Black, Mavi Icon, Pro, and Mavi Black lines—with the addition of the Mavi Edition menswear collection. This growth in both denim and non-denim premium segments helped reinforce our brand positioning. In womenswear, we supported our market share gains with the “Let's Talk About Jeans” campaign, which highlighted our diverse denim offering. Our street-style-inspired Wunder X Mavi collaboration also played a key role in attracting younger customers.

CRM and digitalization at the core of our strategy

Our technology investments enable us to build a powerful and emotional bond with our customers, starting with data and capturing the heart. By enhancing our technological infrastructure, we tripled the number of personalized CRM campaigns. These initiatives not only contributed to incremental sales and larger basket sizes but also deepened customer loyalty. We continued to support our data-driven transformation through the use of artificial intelligence. Investments such as our data analytics platform and AI-powered trend forecasting engine significantly increased our agility and competitive edge.

Omnichannel investments triple online sales in retail stores

In 2024, we took a significant step forward in enhancing the customer experience through strategic investments. As part of our omnichannel initiatives—designed to give customers seamless access to products and deliver the happiest shopping experience anytime, anywhere—we increased online sales generated in retail stores by 190% before inflation accounting adjustment compared to the previous year.

Letter from The CEO

The world's best apparel brand in sustainable growth

The strides we have made over the years as a brand shaping the future earned us the leading position among the world's best apparel companies in sustainable growth, as recognized in the "World's Best Companies – Sustainable Growth" survey by the renowned global media brand TIME Magazine and Statista, a leading data analytics platform. We ranked 8th on the global list of the top 500 companies from all industries demonstrating outstanding success in environmental impact and responsibility, while maintaining strong financial performance. This year, we once again became the first and only Turkish apparel company to make the CDP's Global A List, earning a double A rating for our Climate Change and Water Security reporting. The share of our All Blue collection, expanded with the Mavi Regenerative Jeans line, and our products under the Better Cotton initiative rose to 27% of total revenues* and accounted for 58% of total denim sales.

*Calculated according to specific criteria for products constituting 95% of revenues.

People- and community-oriented cultural approach

As a people-oriented company, we continued to take important steps that positively impact both our employees and society. With women making up the majority of our workforce and management team, we increased the representation of women on our Board of Directors to 50% this year. Through our Mavi NextGen initiatives, we are dedicated to attracting and training the next generation of leaders. Embracing our responsibility as a leading brand, we actively support projects that mobilize communities. Our scholarship program for female university students, ongoing psychosocial support for children in earthquake-affected regions, and initiatives focused on sheltering and adopting stray animals are all part of this commitment. From the Indigo Turtles Volunteer Camp—now in its 11th year—to music festivals and campus events, we remain committed to engaging and growing together with young people through a wide range of projects.

Mavi projects growth for 2025

We will continue moving forward with a focus on long-term, sustainable, and profitable growth. For 2025, we project low-mid single-digit real consolidated revenue growth and EBITDA margins above 17.5%. In Türkiye, we plan to grow our retail presence with 20 new store openings and expansions in 15 existing locations. At the same time, we will focus on expanding our footprint in North America with the opening of eight new retail stores.

At Mavi, doing our best under all circumstances is at the core of how we operate. I would like to thank my entire team for their dedication and contributions to our performance, and our business partners, investors, and customers for their continued trust and support.

/03

MAVI BRAND HIGHLIGHTS

- 3.1 | About Mavi
- 3.2 | Sustainable Growth Strategy
- 3.3 | Growth In Each Category
- 3.4 | Diversified and Reliable Sourcing Model
- 3.5 | Multi-Channel Execution with Retail, International Markets and Online
- 3.6 | Brand Priorities and Cornerstones of the Future



3.1 About Mavi

Mavi, incorporated in 1991 in Istanbul, is recognized as a highly successful global lifestyle brand, rooted in 33 years of denim expertise. The company has been publicly traded since 2017 and has a presence in 34 countries, including Türkiye, USA, Canada, Germany, and Russia, selling its products through approximately ~4,000 points, including 485 Mavi shops, wholesalers, and online channels.

Mavi, recognized as a trusted brand with high quality and right price positioning, is established in the apparel market between the high-end and premium segments. Perfect Fit philosophy guides Mavi in designing jeans that perfectly fit its customers' lifestyles, body types, and quality expectations. Mavi ranks among the world's leading premium denim brands and stands apart as the preferred lifestyle brand across female and male consumer segments.

The loyalty program Kartuş, recognized as Türkiye's best-in-class with ~10 million members, serves as a key tool for Mavi to analyze and leverage customer data. Mavi has a unique brand position with fashion-savvy young adults and continues to gain 1.5 million new customers in a year with its vision of creating the Happiest Mavi Customers.

As part of its All Blue strategy, Mavi continues to integrate sustainability into its corporate culture, vision, products, and growth targets. In early 2025, Time and Statista announced that Mavi has been ranked as the world's 8th best company in sustainable growth and the 1st in the apparel category. A global team of 5,872 employees, whose hearts beat with denim, work passionately to develop the world's best and most innovative jeans, driving Mavi to the future on a path focused on people, planet, denim, and community.



3.2 Mavi's People-Oriented Sustainable Growth Strategy

01

Aspirational denim-centric lifestyle brand positioning, inspiring the customers, employees, and business partners.

06

Creative collaborations differentiating the brand, communications and growing market share driven by innovative products and projects. Effective and leading marketing activities, associated with Mavi, and lasting brand recognition through best-in-class loyalty program.

02

Strong brand commitment to superior quality, the Happiest Mavi Customer, and sustainability, maintaining the customer's trust across all touchpoints, from product and service approach to marketing and communications.

07

Strong retail network in Türkiye, wide presence in international markets, sustained profitable growth through the global e-commerce and omnichannel sales organization. Digital strategy supporting online experience in all markets.

03

Global Perfect Fit strategy and right product, right price, premium quality management to address different customer groups and maintain growth. Brand and product strategy driving price positioning and category expansion.

08

Strong and sustainable financial performance.

04

Organizational structure that manages innovation and profitability with digital data, consumer insights and market knowledge.

09

Mavi All Blue strategy built on 'sustainable growth through quality' and incorporated into the global brand culture, product structure, and company goals.

05

Managing the quality and efficiency with a focus on sustainability and innovation as a priority. Effective supply chain and flexible product planning, leveraging proximity to local manufacturers.

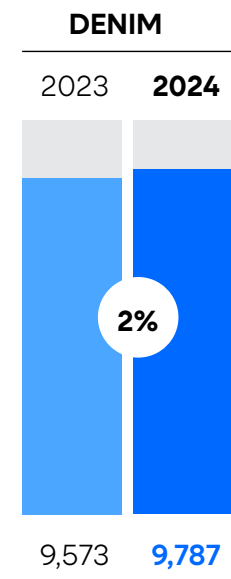
10

Experienced management team, agile and result-oriented organizational structure. Corporate culture, focused on reaching common goals, embracing diversity, and responding to change while earning the trust of the customers and business partners.

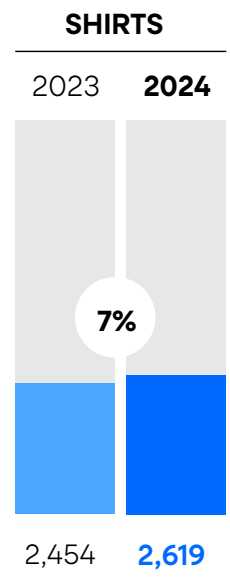
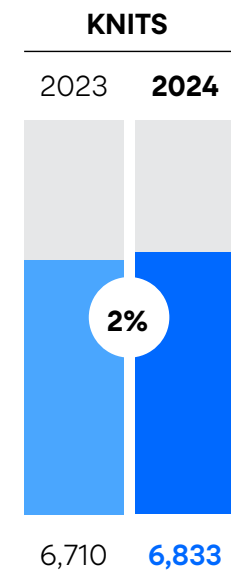
3.3 Growth in Each Category



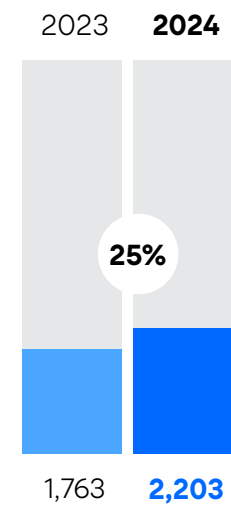
Denim Products (Million TL)



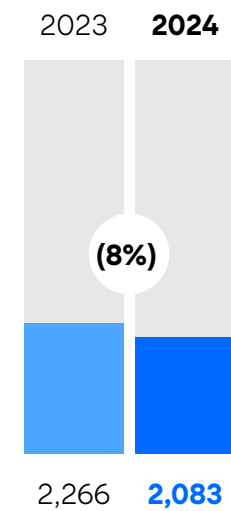
Lifestyle Products (Million TL)



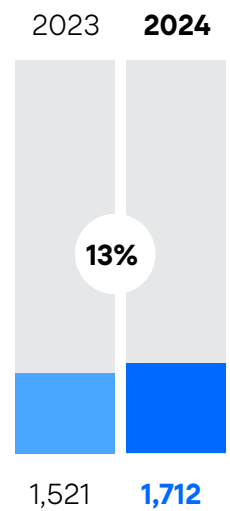
NON-DENIM BOTTOMS



JACKETS

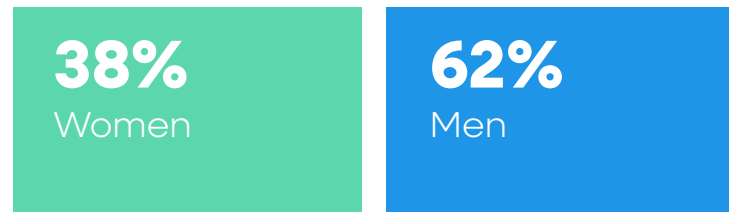


ACCESSORIES



Product Portfolio and Category Shares

Türkiye Retail Net Sales



Product Category Shares in Sales



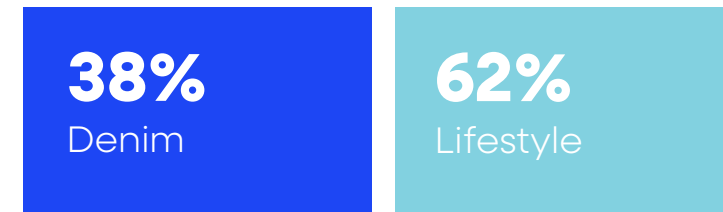
WOMEN



MEN



Türkiye Retail Net Sales



Product Category Shares in Sales

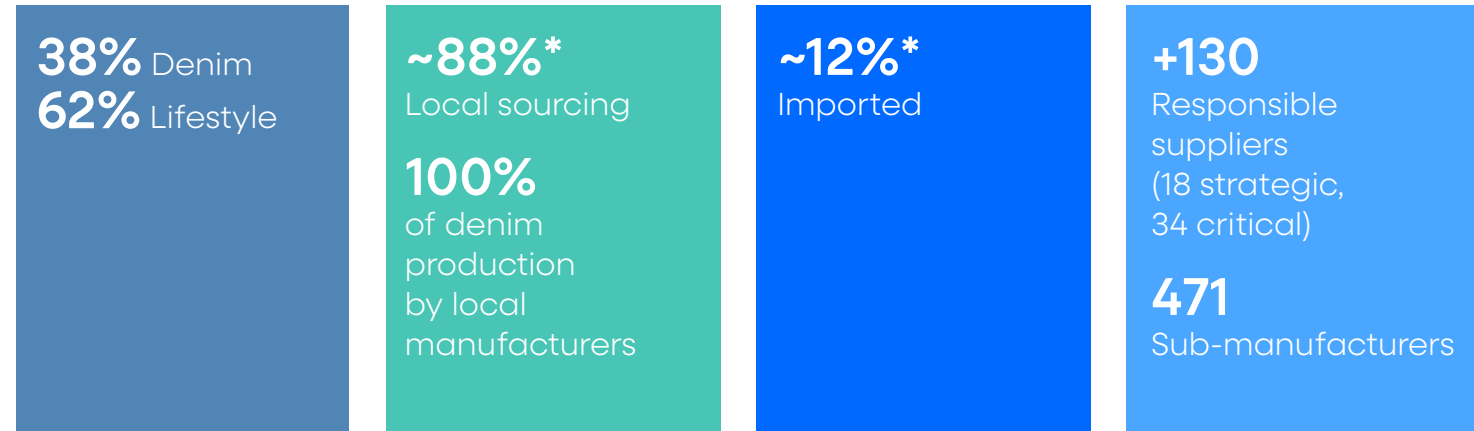


Share in 2024 Türkiye retail net sales amount.
Remaining 3% consists of kids, skirts, dresses, active wear.

3.4 Diversified and Reliable Sourcing Model

As a denim-centric apparel company, Mavi does not engage directly in any production activities. Mavi works with over 130 suppliers that manufacture at world standards through its global purchasing network.

Quality-Driven Efficient Sourcing Structure



- Türkiye Retail Net Sales Split
- Denim-lifestyle balance of sales

- Quality textile ecosystem
- Proximity improving speed and RFT

- Mainly outerwear and accessories
- 31 suppliers in 9 countries

- Well-established, long term relationships
- Internal audit team monitoring social compliance

*Unit-based ratios.

Mavi Denim Business

50% of Product Cost

Owned by Mavi	Controlled by Mavi
<p>Design & Development</p> <ul style="list-style-type: none"> • Multinational denim design & development team • Fit blocks are created and owned by Mavi • Wash recipes and development managed by Mavi 	<p>Fabric & Raw Materials</p> <ul style="list-style-type: none"> • Direct relationships with denim fabric mills handled by Mavi teams • Working with top-quality mills in Türkiye that manufacture for premium global denim brands • Working with top-quality mills in Türkiye that manufacture for premium global denim brands • Fabric R&D, exclusive development and innovation bring distinguished quality and look
<p>Manufacturing Processes</p> <ul style="list-style-type: none"> • Cutting, sewing & washing • ~55% from ERAK • Data-driven comparisons and sourcing decisions based on best price, quality and production time to select five manufacturers • Sustainable and traceable manufacturing processes 	

- ERAK
- Best-in-class production facility
- Sourcing to top global brands
- Advantage on delivery times and manufacturing capacity
- Competent cooperation in sustainability and innovation projects
- Improved energy & water efficiency

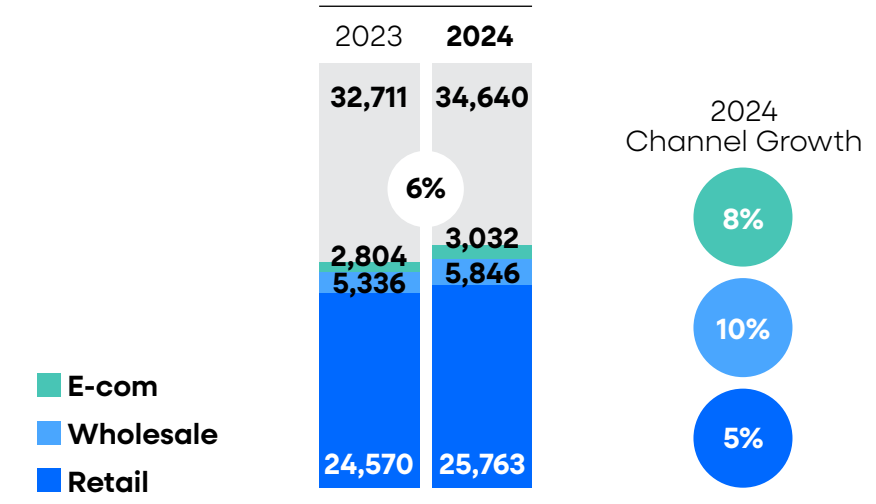


3.5 Multi-Channel Execution With Retail, International Markets And Online

Sustainable and Efficient Growth in Türkiye

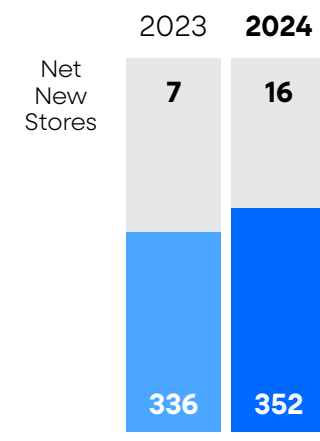
Mavi's sales operations in Türkiye consist of 74% retail, 17% wholesale, and 9% e-commerce.

Türkiye Revenue (Million TL)

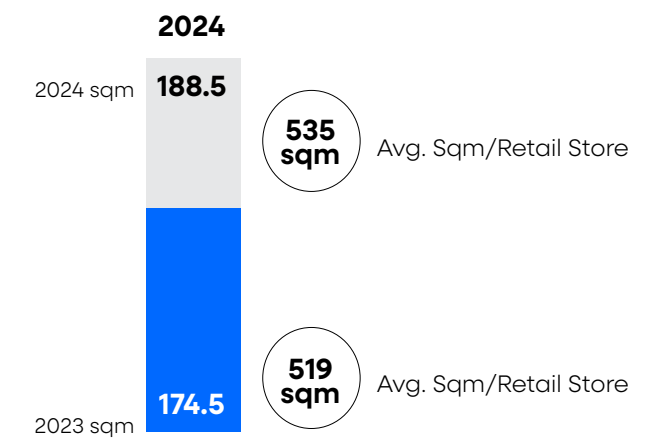


Expanding Retail and New Stores

Retail Stores



Gross Selling Space in Türkiye (K Sqm)



Complementary Wholesale Growth and Growing Multi-Channel Execution



Investing in Online Platform and Growth Strategy

Mavi maintains its strong growth potential in Türkiye and global markets. Mavi's e-commerce revenues from mavi.com sites in Türkiye, USA, Canada, Germany and Russia, and the marketplaces constituted 10.2% of total sales. Combined with wholesale e-commerce channels, the online revenues' share in total sales stood at 11.1%. In addition to demonstrating consistent growth, Mavi also continued to steadily enhance the online infrastructure and made further investments in marketplace integrations to create an even better user experience.

In the reporting period, mavi.com Türkiye, combined with direct marketplace sales to the customers, grew by 8.1% year-on-year, accounting for 8.8% of Turkish revenues. Investments in the Mavi app, which also includes the Kartuş loyalty program, steadily increased. As a result, total mobile application downloads reached 8 million. Meanwhile, the share of online sales via the Mavi app rose to 61%.

Mavi continues to make investments for a more seamless customer experience online. With a flexible and robust infrastructure, the company focuses on omnichannel projects to enhance its capabilities. Aiming to accelerate and facilitate the return experience, the option to return items purchased online at the stores was further enhanced. Jeans Finder has been introduced as an advanced and personalized search functionality to help the customers find their perfect fits more easily. The scope of the AI-based automated WhatsApp chatbot service was expanded to respond instantly to customer requests 24/7. The gift card offering, a part of the customer relationship management system (CRM), was integrated into all sales channels. This experience was further enhanced with digital gift cards designed for special days and occasions. The shopping experience was elevated using AI to respond faster and in more detail to customer questions in marketplaces. The e-invoice system was deployed for corporate customers to improve this relationship further. In addition to the Mavi.com e-commerce sites in five countries, more marketplaces were added to the sales channels as part of the growth strategy of expanding into new markets in the MENA region.

8%

Online sales growth in Türkiye

10.2%

Global consolidated online revenues' share in total sales

8.8%

Online revenues share in total sales in Türkiye

International Growth and Profitability

Mavi's international operations are focused on the United States, Canada, European countries, with Germany as base, and Russia. The global distribution network spanning 33 countries consists of 63 mono-brand stores, nearly 3,000 doors and mavi.com as well as wholesale and e-commerce partners, including the likes of Bloomingdale's, Nordstrom, Zappos.com, Amazon, Simons, and Zalando.com.

In addition to the four main international markets, Mavi also operates in the neighboring regions and in 26 mono-brand and through 28 multi-brand franchise stores in 23 countries. The operations in these countries, mainly in the Middle East, North Africa, Balkan and Caucasus countries, are managed as wholesale channels completely from the Istanbul head office.

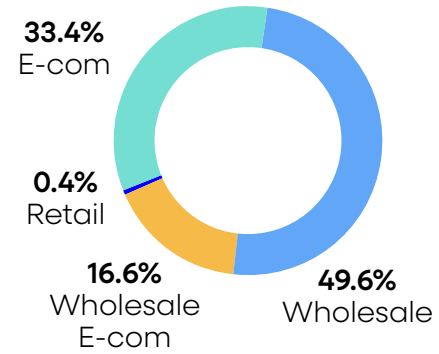
33
countries
~3,000
doors in

63
mono-brand
(20 own-operated,
43 franchise)

Online channels' share in global
32%*

*Wholesale online included

USA Operation



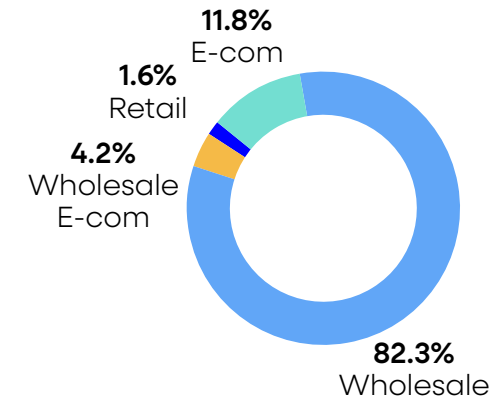
Channel share

~**1,320** wholesale multi-brand doors

Wholesale:
Nordstrom,
Bloomingdale's
Von Maur
Patrick James
Tom James
Dillard's
Orvis

Online business partners:
Stitchfix
Nordstrom

Europe Operation



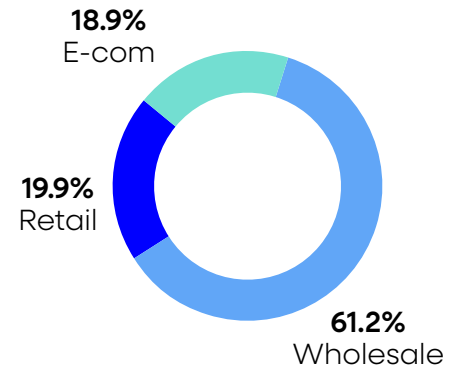
Channel share

~**730** wholesale multi-brand doors

Wholesale:
Galeria Sarl
ModeparkRötherGmbh
Breuninger
Sinn Gmbh
Retail Active S.R.O.
Wöhrl
Beutin
Maratex

Online business partners:
About You
Amazon

Canada Operation



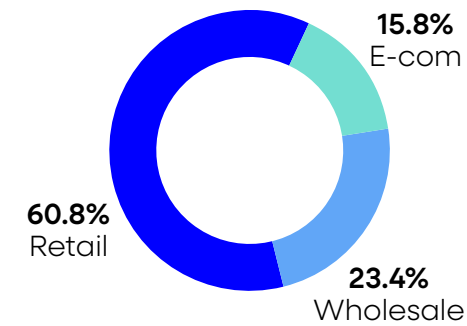
Channel share

Mono-brand retail stores: **4**
 ~**640** wholesale multi-brand doors

Wholesale:
Simons
Ernest

Online business partners:
Simons

Russia Operation



Channel share

Mono-brand retail stores: **16**

Franchise retail stores: **17**

105 wholesale multi-brand doors

3.6

BRAND PRIORITIES AND CORNERSTONES OF THE FUTURE



Elevated Brand Positioning and Focus on Customer Attraction



Premium Quality, Right Product, Right Price

- **Investing in premium product segments** to elevate brand positioning & attract new customers via diversification of portfolio
- **Mavi Edition** collection successfully launched in 2024, on top of the current Premium Portfolio: **Mavi Black Lux Black, Pro, Mavi Icon**

Denim-Centric Casual Brand

- **"The Jean is Mavi" positioning. Market leader.** Wide-range fit and style matrix covering all customer segments. Core to premium pricing
- **Celebrity marketing campaigns** blending Mavi's jean expertise with fashion styles
- **Destination for Casual Lifestyle** with Basics, Logo & Polo t-shirts, sweatshirt & non-denim bottoms collections as hero sub-categories

Lifestyle Brand Appeal

- Collaborative collections with **Wunder, Marche** attracting young and new customers
- **Maviterreanean collection** strengthens the "total look" perception and creates a unique brand story

Increased market share denim & non-denim

1.5 million new customers acquired

Jean TOM increased to 70%+*

*Future Bright

Seamless Customer Experience

CX @ Retail

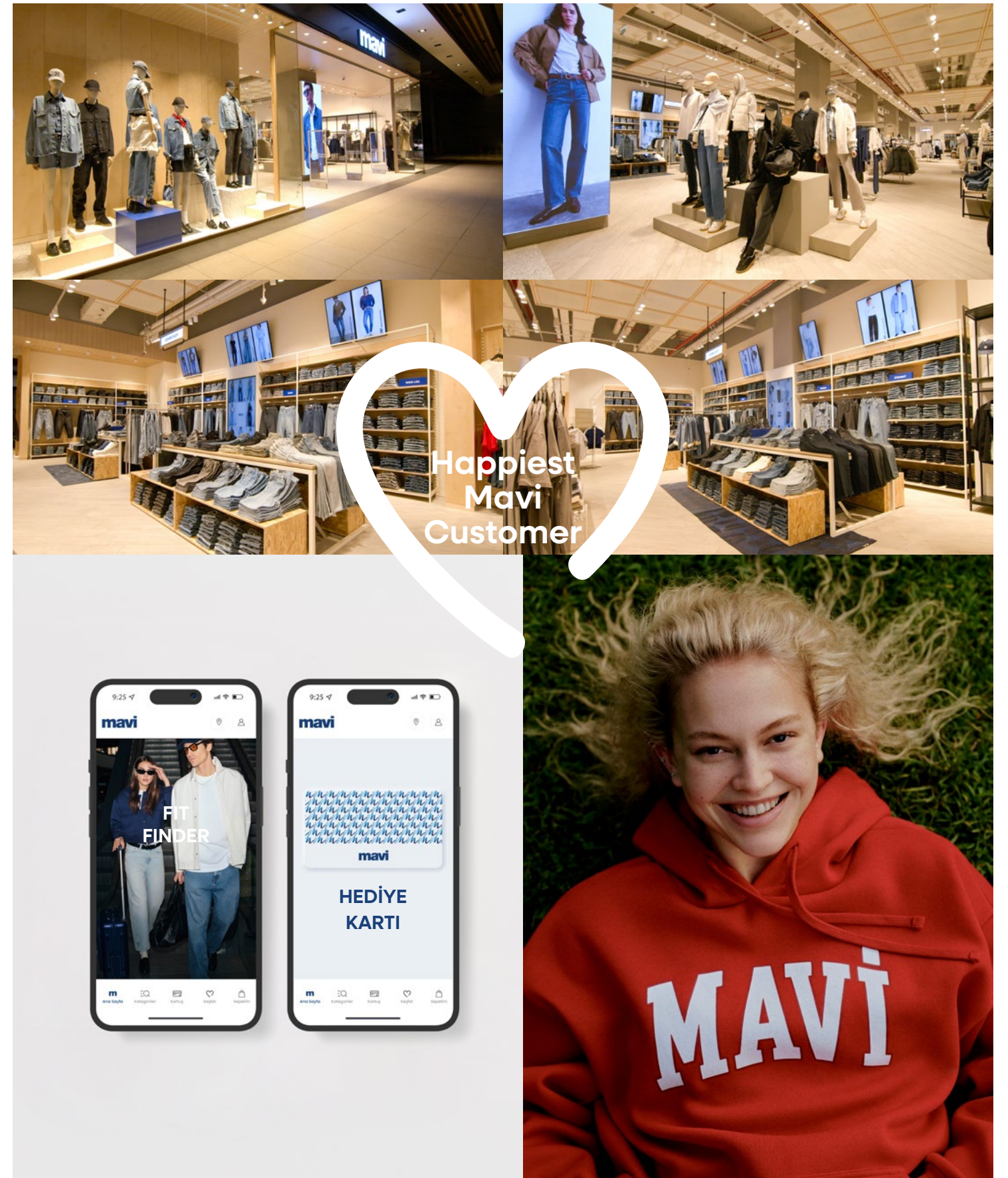
- **New Retail Store Concept:** Physical store experience is upgraded to strengthen premium perception
- Organization and field operation model revisited in line with **new service model**

CX @ Online

- **Mavi.com UI/UX projects continue:** Jean Finder, Digital Gift Card, enhanced & personalised search results, expanded shipping and payment options, AI based Whatsapp chat option
- Utilizing data analytics and AI based tools

CX Culture

- Transitioning the customer experience approach to total **Customer Journey & Life-cycle experience**
- Started **360 degree customer monitoring and analysis**
- Won the **Gold Award** in the ready-to-wear category at the 10th **A.C.E. Awards** which recognizes exceptional customer experiences through 1.5 m customer feedback



Growing Retail, Online and Omnichannel

Growing Retail

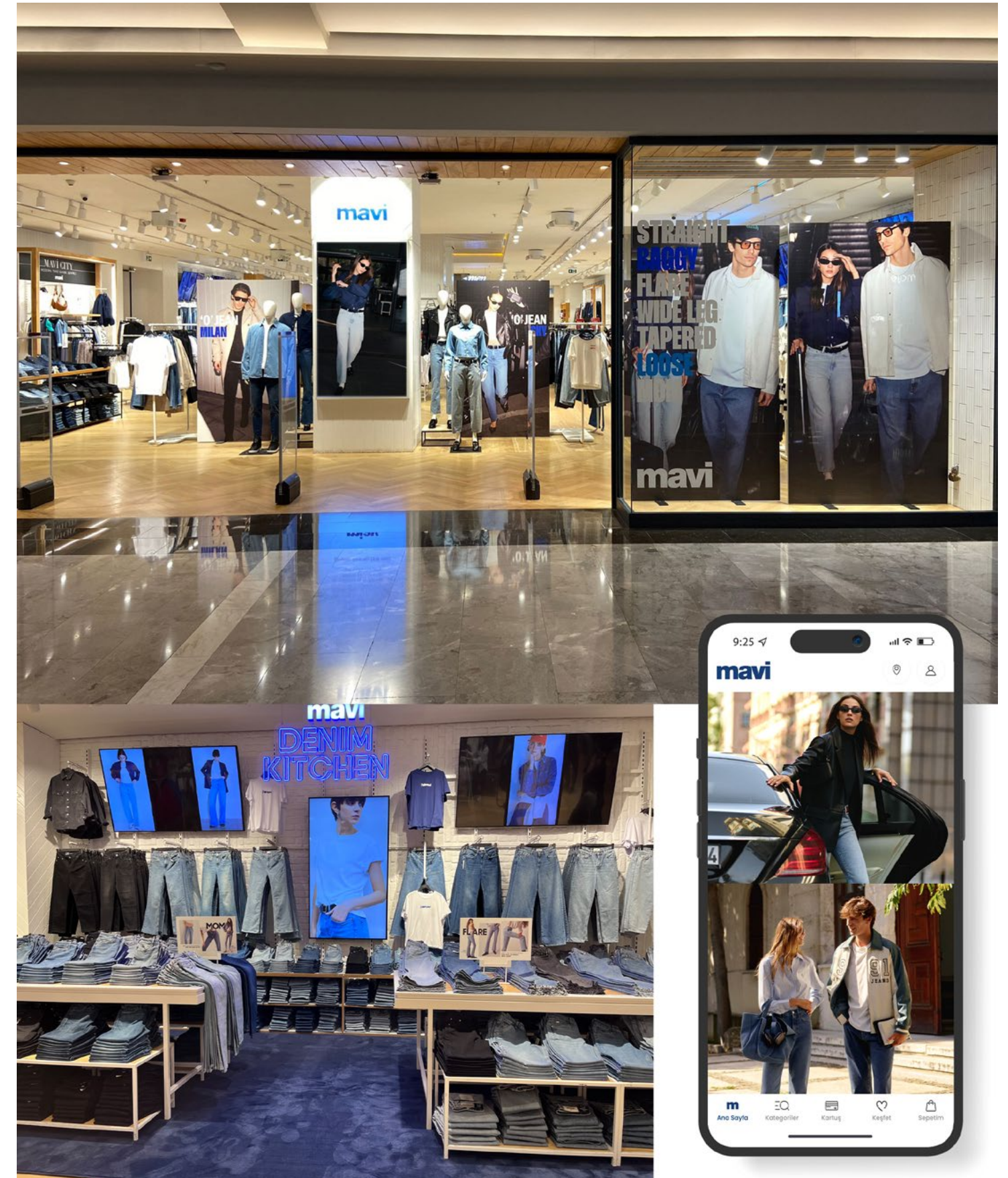
- **8% retail space growth:**
16 net new store openings
15 existing stores sqm expansions

Growing Mavi Online

- **8 million Mavi App users** (up from 5.7 million in 2023)
- 92% of traffic, 83% of sales from mobile
- Mavi.com Türkiye expanding sales to GCC and Europe

Omnichannel project upgrades continue to deliver integrated shopping experience

- **In-store online sales** grew 190%* yoy reaching close to 2% of store revenue
- Close to **600 million TL* incremental revenue** from omni-channel initiatives
- Click&Collect share increased to 10% of mavi.com purchases
- In store returns available for online purchases



*Nominal figures without IAS 29.

CRM and Digitalization at the Core of Strategy

CRM Strategy is upgraded with the new segment management approach

- Customers are tracked and targeted according to 8 segmentation models and 18 priority segments
- Designed and implemented over **300 targeted & personalized campaigns** in 2024 (vs 100 in 2023)
- Customer Acquisition & Lifecycle Analytics: Discovering loyal customer paths to lead customers to become loyal customers

Data driven transformation is accelerated, utilizing AI-powered solutions

- A data analytics platform is created for **right pricing strategy**, utilizing price elasticity calculations and predictive analytics
- Investments focusing on **product analytics to better understand and respond to customer** and market expectations
- GEN AI-powered solutions to increase productivity of support functions like finance, legal and HR



People & Community Oriented Culture

Mavi is Strong with its Employees

- Women constitute 60% of workforce, 52% of management team, and 50% of board of directors, reinforcing strong **commitment to gender diversity and inclusion**
- Launched **360-Degree Feedback** & Competency Assessment
- Developed the 9-Box Talent Framework to strengthen leadership capacity and to design effective **succession planning** for critical positions
- **Mavi Young Talent & Mavi NextGen** initiatives continue to attract and train future leaders

Mavi Builds Communities - #1 Brand of Youth

- **Community building projects:** Mavi Edition Talks, Indigo Turtles Volunteer Camp, Mardin Bienal, music festivals, campus activities, social media communities
- **"TEAM MAVI" Community** - The idols of youth
- **Social impact projects:** SosyalBen Skill Development Center, Turkish Education Foundation (TEV) Scholarship, Blindlook, Encander, Miav & Hav (Supporting Stray Animals)



20%*
Most favorite
brand of youth

In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office



Network Turkey

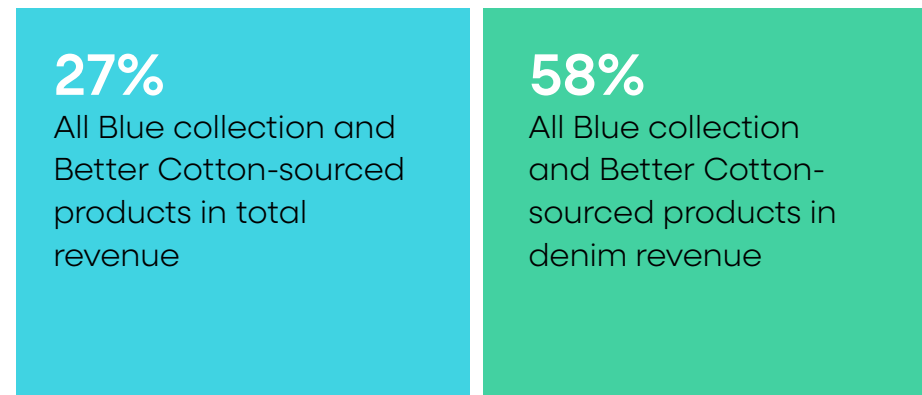
**TARGET
GENDER
EQUALITY**



*2024 Future Bright – Understanding Youth Survey Report

All Blue. Timeless Quality. For All.

- Ranked **8th** on **TIME & Statista's List of the World's Best 500 Companies in Sustainable Growth**, leading the apparel industry
- All Blue collection and Better Cotton-sourced product sales reached **27% of total revenue*** and **58% of total denim revenue** in 2024
- Two new additions to the innovative Mavi All Blue Collection: **The Regenerative Jean Collection**, made from cotton sourced through regenerative farming practices, **The MT1012 R3-IMAGINED for Mavi Upcycle Collection**, created in collaboration with Murat Türkili, extending the lifecycle of denim
- Conducted its **first double materiality analysis**
- Continues to work towards its **net-zero goals** prepared in accordance with the SBTi criteria
- Started Circularity in Fashion project in partnership with Nivogo, Europe's leading circular economy initiative
- In collaboration with Ecoding, **supported reforestation** efforts contributing 50,000 seed balls to nature

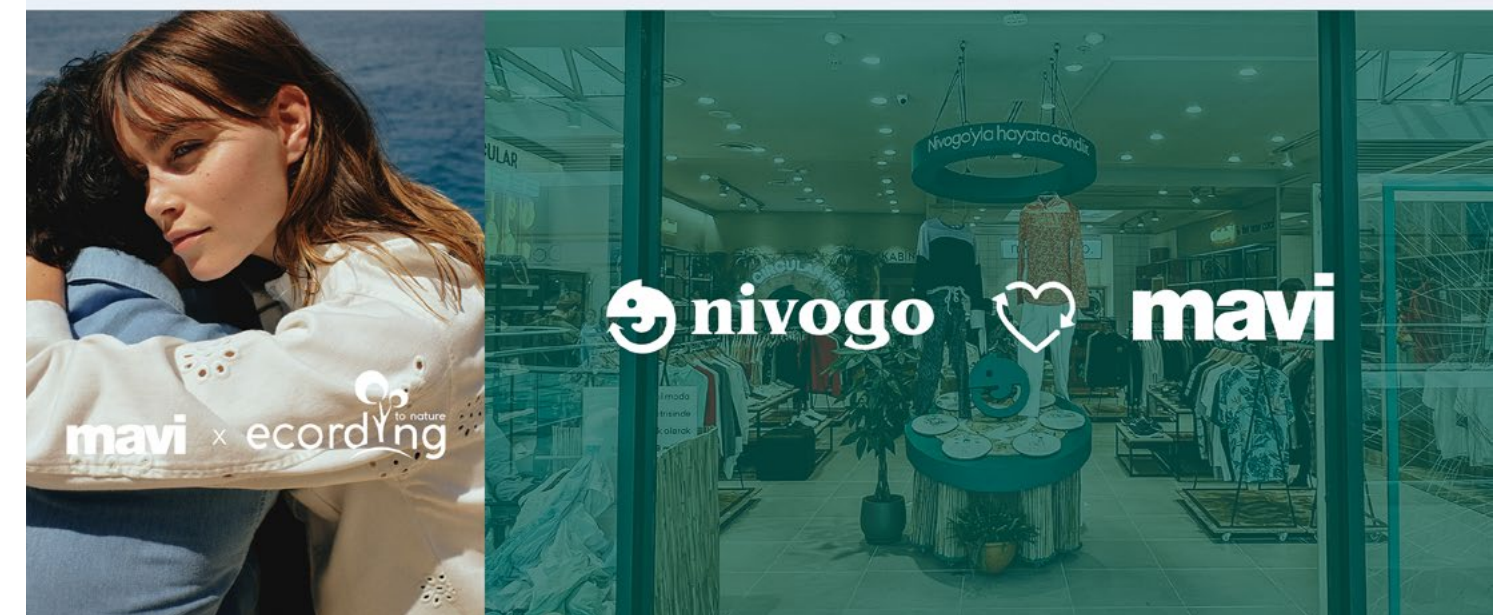


*Calculated according to specific criteria for products constituting 95% of revenues.



Mavi Once Again Named a Global Climate Leader!

Mavi remains the first and only Turkish apparel company on CDP's Global A List with a Double A Rating in Climate Change and Water Security.



Marketing Communications 2024 – Ad Campaigns



“Çok Olmak Lazım Bazen” with Kivanç Tatlıtuğ

Ad Campaign / SS24&FW24

- Mavi launched the “Çok Olmak Lazım Bazen (The Jean is Mavi strategy)” ad campaign featuring Kivanç Tatlıtuğ with a powerful commercial that highlighted the strength and bold spirit of the Classic Denim series.
- Reflecting Mavi’s denim expertise and blending the timeless appeal of classic jeans with modern fits, the collection offered a versatile and contemporary style for all ages.
- The campaign emphasized themes of freedom and self-empowerment, and shared a story inviting the viewer “to be more.” Kivanç appeared in the commercial wearing a signature “A Mavi Classic” look with classic jeans, a white T-shirt, and a bomber jacket.



“Biraz Jean mi Konuşsak?” with Serenay Sarıkaya

Ad Campaign / SS24&FW24

- The “Biraz Jean mi Konuşsak? (The Jean is Mavi strategy)” ad campaign, featuring Serenay Sarıkaya, captured the attention of denim lovers with her unique energy and style, contributing to an increase in Mavi’s female customer base. The campaign resonated strongly with a fashion-conscious younger audience after going viral on TikTok, attracting a new generation of jeans fans. The campaign’s strong digital engagement translated directly into increased store traffic and sales, supporting new customer acquisition
- The film highlighted the season’s most popular fits-wide leg, straight, baggy, and flare-and featured Serenay’s memorable line: “First it embraces you, then you embrace it.” This message reflected the confidence Mavi jeans inspire through their perfect fits and the brand’s deep-rooted connection to denim.

Marketing Communications 2024 – Designer Collaborations and Exclusive Collections



Mavi Edition / FW24 & SS24

- The new Mavi Edition collection was launched with the aim of deepening the brand's presence in the premium menswear segment. The collection attracted strong interest, driving new customer acquisition, and increasing average basket size by reaching a new audience.
- More than a product line, Mavi Edition was positioned as a community-building project. The launch was supported by the YouTube series "A New Edition of You," featuring campaign face Kivanç Tatlıtuğ alongside nine men representing different lifestyles.
- "A New Edition of You," which aired across YouTube, Instagram, TikTok, and Spotify, achieved record results with more than 71 million views.
- Kivanç Tatlıtuğ also graced the cover of Vogue Men with outfits from the Edition collection, showcasing the modern and premium look of the Mavi man. The highly praised campaign visuals were shot by world-renowned photographer Charlie Gray, known for capturing iconic portraits of Hollywood stars.



Iconic / FW24

- Mavi and Serenay Sarıkaya, icons of denim fashion, continued to strengthen Mavi's fashion-forward image with the launch of the Iconic Collection for FW 24.
- This strong and contemporary denim collection was complemented with statement pieces such as bold trench coats, structured blazer jackets, a key trend of the season, and timeless outerwear.

Marketing Communications 2024 – Designer Collaborations And Exclusive Collections



Wunder X Mavi / SS24

- Defining originality with freedom, the Wunder X Mavi collaboration introduced a unisex collection that reflected the style and collective power of global streetwear. Inspired by the balance of life and the energy of urban culture, the collection brought together diverse influences—much like Istanbul, the birthplace of both brands.
- Turning every street corner into a fashion stage, the collection stood out with its heavyweight, durable fabrics that offered functionality and comfort. Carpenter and worker pants, utility jackets and vests emphasized practicality and functionality, while vibrant tattoo-style graphics on T-shirts and sweatshirts, drawn from skateboarding and motorcycle culture, captured the spirit of this bold, youthful community.
- The collection was launched simultaneously in Mavi stores, on Mavi.com and the Mavi app, as well as Wunder's stores and website. Offering the collection in popular youth hubs reinforced its dynamic and trend-driven identity. A launch party drew a cool, stylish crowd to Mavi.
- The collaboration delivered impressive results, contributing to a new customer gain of over 20%.



Marché X Mavi / SS24

- Following the strong success of the Spring/Summer 2023 season, the MARCHÉ X Mavi collaboration returned for a second season with a fresh collection. Inspired by the elegance and energy of the French Riviera, the bags were designed with vibrant colors, textures, and patterns that reflect Mavi's Mediterranean spirit. The bags were positioned to complement any look, whether in the city or by the sea.
- The collection especially resonated with fashion-forward women aged 25–35, attracting them to Mavi.

Marketing Communications 2024 – Designer Collaborations And Exclusive Collections



Regenerative Jeans Collection / FW24

- Mavi added the Regenerative Jeans Collection to its innovative All Blue line.
- The jeans in this collection, which aligns with Mavi's mission of conserving and restoring nature, are made with regenerative cotton, sourced through sustainable and restorative agricultural practices.
- The regenagri-certified fabrics used in the collection are produced using methods that enhance soil health, improve biodiversity, and reduce greenhouse gas emissions.



MT1012 R3-IMAGINED for Mavi / SS24

- Developed in collaboration with fashion creative Murat Türkili, the MT1012 for Mavi Collection reimagined denim through a unique upcycling approach, blending the past, present, and future of fashion.
- The collection pieces were inspired by the idea of blending jeans from the Mavi archive with sustainable fashion and focused on extending the life cycle of denim.
- The ten-piece collection of deconstructed jeans designs brought past and future together. A pair of jeans from a previous life cycle became a contemporary skirt; men's jeans found new life as women's shorts, shirts, or corsets.

Mavi - #1 Brand of the Young People

According to recent survey results*, Mavi remains the #1 brand young people associate with quality, style, and coolness. By continuing to collaborate with inspiring figures, Mavi reinforces its role as the brand that understands and connects with youth across all areas of life.



Ebrar Karakurt Story / SS24

- Mavi partnered with Ebrar Karakurt, the star player of the Turkish National Women's Volleyball Team, in a special collaboration during the Paris Olympics. Born and raised in Türkiye, Ebrar's journey to the top of international sports, was captured in a short archival documentary produced in collaboration with Socrates, a leading sports media outlet.
- During the Paris Olympics, the short documentary was featured in Madame Figaro, one of France's most respected fashion publications, under the "National Heroes" segment, drawing attention to our national volleyball team.

*2024 Future Bright – Understanding Youth Survey Report



Indigo Turtles / SS24

- With the Indigo Turtles project, which aims to contribute to a sustainable nature, Mavi shapes its community building efforts around volunteering awareness. Mavi continues to protect endangered sea turtles through the Indigo Turtles project by supporting Ecological Research Society (EKAD).
- In the SS24 season, a team of 30 volunteers from Mavi's Head Office and stores joined EKAD's field camp in Belek in the project's 11th year.
- Working across the country to increase the number of volunteers, Mavi hosted influencers such as Oğuzhan Uğur, Nilay Örnek, and Aysu Türkoğlu at the camp. These activities contribute to fostering a community created through experience sharing. They also support Mavi's mission of conserving nature and raising social awareness to reach wider audiences.
- Indigo Turtles, one of Mavi's long-term social responsibility projects, continues to grow with the participation of more volunteers every year. Young people from around the world join the Indigo Turtles camp in Belek to experience volunteering.



Mardin Biennial / SS24

- As part of its ongoing commitment to supporting the arts, Mavi continued its sponsorship of the Mardin Biennial in its third year. The visit to the biennial with Serenay Sarıkaya drew significant media attention, helping to promote the event wider.
- Aiming to engage with communities wherever it goes, Mavi was everywhere across the city during the biennial. The young staff carried the Mavi logo in different points of the city and every corner of the biennial. As a result, Mavi was represented in the region with both its products and quality and its brand culture of sharing life.



Customer Loyalty Program: Kartuş

~8 million
members active for
the last two years

~6 million
members active for
the past year

81%
of retail revenues

~8 million
mobile app
downloads

1.5 million
new Kartuş loyalty
card members
in 2024

Young Generation Driving Rapid Growth

68%
of new customers
under 35

37%
of new customers
under 25

Customer data and product strategy form the cornerstone of the brand's communication activities, supported by the loyalty program (Kartuş) currently boasting 10 million members, including 1.5 million new customers acquired in 2024. The Kartuş loyalty program, with 6 million members actively shopping in the past one year, is a card and a mobile app, with ~8 million downloads and used extensively in retail transactions in Türkiye.

Customer data derived largely from Mavi's best-in-class loyalty program (Kartuş) since 2007 is central to the brand strategy. The loyalty card/program is widely used in shopping, accounting for 81% of retail revenues and serving as an exceptional tool to provide the marketing team with invaluable data and insights for in-depth analysis of Mavi customers.

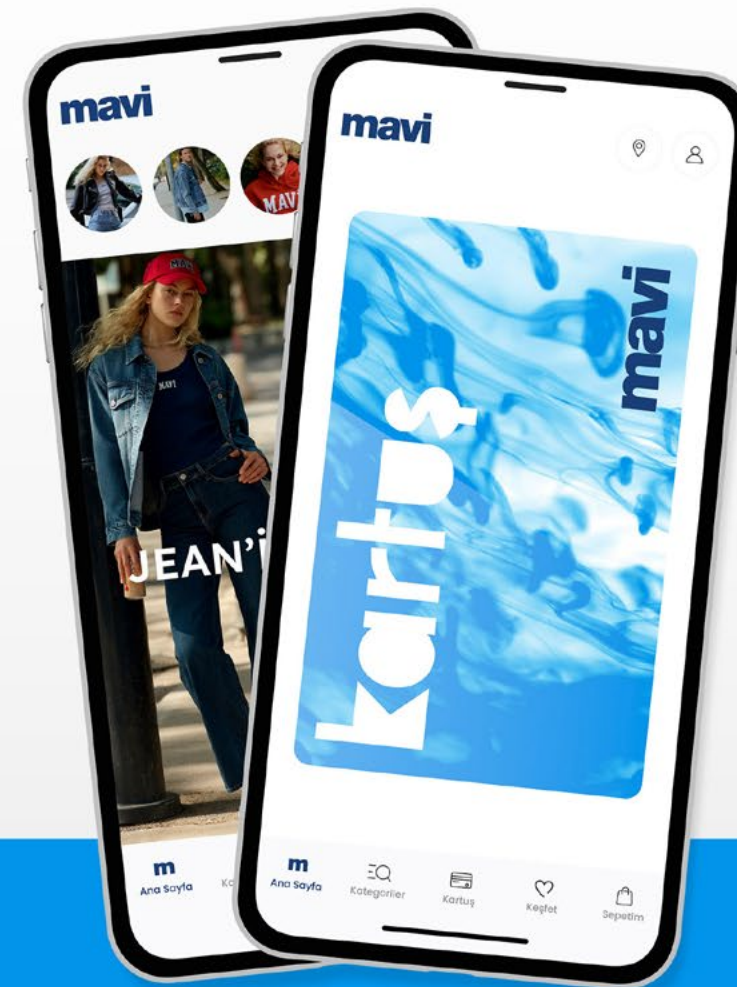
Mavi utilizes CRM data effectively to tailor offers and promotions in response to customer expectations and needs, and runs personalized campaigns and communications to drive customer frequency, basket size, and lifetime value. Comprehensive analyses of all Mavi customers' purchases from a holistic perspective alongside segmentations based on behavior, value and product preference criteria inform segment-specific roadmaps for marketing strategies. A complete 360-degree view of customer insights, including shopping data derived from all channels, is key to the success of these CRM applications.

Mavi continues to deepen its CRM-driven strategy, bolstered by new projects for marketing automation, advanced data analytics, and sophisticated campaign management. The technical and process enhancements in CRM applications lend to a sustainable and continuously learning system. Through all these efforts, Mavi aims to design its marketing communications with a personalized approach throughout the customer lifecycle and to improve the customer experience across all touchpoints.

Effective CRM analyses guide the brand and product strategies. Mavi draws from customer insights and leverages technology to create innovative products. CRM data offers significant advantages in new product development through analysis of customer profiles and by matching products to identify potential areas.

As part of CRM efforts, Mavi also plans and runs brand collaboration campaigns each season to drive new customer acquisition and traffic, while reaching diverse potential target audiences and increasing Mavi's customer penetration.

Mavi App Take your Mavi store anywhere!



Download and start shopping now.



With young people forming 37% of the recently acquired customer base, Mavi sees a strong potential to increase its penetration among the population under the age of 25. As such, Mavi plans to diversify Kartuş by creating a new youth loyalty program in 2025. Through Kartuş Genç, Mavi intends to deliver a unique shopping experience enhanced with exclusive deals and dedicated campaigns by fostering stronger connections with young customers.

Customer segmentation lies at the heart of Mavi's loyalty program management strategy. Mavi customers are categorized into 18 main segments built on 8 segmentation models. Individual segments are managed with customized primary and secondary strategies, each informed by specific KPIs, lifecycle patterns (migration) and growth potential. Segment characteristics and monthly migration routes among segments guide the strategy actions and tactics.

Mavi's segment management aims to develop highly targeted and multi-channel marketing initiatives that speak directly to the needs and interests of each segment. Mavi designs and runs over 300 micro-segmented campaigns every year: targeting frequency, basket and retention, preventing churn, promoting products and categories, and location-specific deals, cross-channel and omni channel offerings. These campaigns help to unlock upselling and cross-selling potential, leading to incremental sales growth and increased revenue and profitability, while also enhancing Mavi's competitive advantage in the market.

Awards



Mavi was ranked 8th on TIME Magazine's "World's Best Companies – Sustainable Growth 2025" list, developed in partnership with **Statista**, and **1st in the Apparel, Footwear & Sporting Goods industry.**



Became the first and only Turkish apparel company to enter the A list of CDP with a double A score for its Climate Change and Water Security reporting.



Ranked 80th among Türkiye's largest 500 enterprises and 1st among apparel, underwear and sportswear brands in the Fortune 500 survey.



Ranked 25th in "Türkiye 125 - Türkiye's Most Valuable Brands" survey and **6th on "Türkiye's Top 10 Powerful Brands"** list by **Brand Finance**.



Named **the most reputable brand in the casualwear category** at The ONE Award Integrated Marketing Awards presented by **Marketing Türkiye**.



Ranked 1st in the apparel and retail category in Capital's "Most Admired Companies" survey.



Ranked 2nd among the top textile brands with successful international operations according to **Marketing Türkiye's** "Flag-Waving Brands" survey.



Ranked 26th among brands with outstanding corporate cultures according to **Fast Company Magazine's** "Culture100" survey.



Ranked 2nd in menswear and 5th in womenswear according to "Türkiye's Quality Brands" survey conducted by **Marketing Türkiye**.



Ranked among the top 3 casualwear and womenswear brands in "Türkiye's NPS Champions" survey conducted by **Marketing Türkiye**.



Ranked 3rd among apparel brands according to **Mediacat Magazine's** "Aspirational Companies for Gen Alpha" survey.



Won Bronze Apple for the commercial "Çok Olmak Lazım Bazen" starring Kivanç Tatlıtuğ at the Crystal Apple Awards.



Won the Most Admired Female Brand Face title for the commercial starring Serenay Sarıkaya at "Türkiye's Number One Brands Awards" presented by **the Council of Shopping Centers – Türkiye (AYD)**.



According to **Arede Piar's** jeans survey, **top-of-mind brand faces in jeans:** Mavi's long-term brand faces, Kivanç Tatlıtuğ (14 years), and Serenay Sarıkaya (10 years).



Ranked 7th among female-executive-friendly companies in **Capital's** "Women-Friendly Companies" survey.



It is the favourite brand of young people for its quality, experience and style, according to **Future Bright Youth Research**.



Won silver award in the retail employer of choice and best commercial categories at the Youth Awards.



Won silver award in the casualwear category in SocialBrands Data Analytics at **Marketing Türkiye's** Brandverse Awards.



Won silver award in the apparel category at the A.C.E. Awards presented by **Şikayetvar**.



Won the **"Digital Transformation Leadership"** award for the **Connect Assist project** at the "Valuing People Awards" presented by the **Turkish People Management Association (PERYÖN)**.

/04

MAVI'S SUSTAINABILITY EVOLUTION

- 4.1 | Strategy: Mavi All Blue. All Better. For All.
- 4.2 | Sustainability Goals and Progress in 2024
- 4.3 | Sustainability Management
- 4.4 | Material Sustainability Topics
- 4.5 | People–Better.Empower
- 4.6 | Planet–Better.Protect
- 4.7 | Denim–Better.Transform
- 4.8 | Community–Better.Mobilize
- 4.9 | Sustainability Journey
- 4.10 | Performance Indicators, GRI Index and Tables



About the Sustainability Section

The Sustainability Section in the Mavi 2024 Annual Report is based on the sustainability performance data of Mavi Giyim Sanayi ve Ticaret A.Ş. in the fiscal year from February 1, 2024 to January 31, 2025. This section provides information on the company's environmental, social, and governance activities in alignment with Mavi's sustainability strategy "All Blue" and the progress achieved in these areas. The section has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. It also outlines the company's contributions to the United Nations (UN) Sustainable Development Goals (SDGs) and covers Mavi's efforts aligned with the principles of the United Nations Global Compact (UNGC) and the Women's Empowerment Principles (WEPs), to which the company is a signatory. Unless otherwise stated, all information provided in the Report, including disclosures regarding risks and opportunities, covers Mavi's global operations.

The Sustainability Section of the Mavi Annual Report 2024 does not qualify as a sustainability report, as required by the Turkish Sustainability Reporting Standards (TSRS). Pursuant to the exemption granted through the Public Oversight, Accounting and Auditing Authority's Board Decision No. 01/21634 dated 27.12.2023, subparagraph (a) under Provisional Article 2, a Sustainability Report prepared in accordance with the TSRS will be disclosed on the same date the six-month interim financial statements will be announced. Our stakeholders are kindly advised to take this into consideration regarding the Sustainability Section of the Mavi Annual Report 2024.

For all your questions, comments, and suggestions related to this section, please contact us at: sustainability@mavi.com.

Mavi's Sustainability Evolution

As Türkiye's leading jeans and apparel brand, Mavi has accelerated its sustainability efforts starting from 2020 and published its first Sustainability Report in 2021. Grounded in strategic priorities and material topics, Mavi's sustainability strategy has been developed to respond to the global trends that guide the textiles industry and to contribute to the United Nations Sustainable Development Goals (SDGs), and disclosed transparently with its stakeholders for the first time. The company's All Blue sustainability strategy defines the areas where Mavi creates value and its related goals. Since 2021, Mavi has regularly shared its target progress and sustainability performance within the Annual Report.



4.1 The All Blue Strategy: Mavi All Blue. All Better. For All.

The company believes that a better world is possible with a better Mavi. Keeping the Mavi quality at the heart of all its activities, the company always aspires for the better. Empowered by every individual touched in the process, starting with its employees, Mavi recognizes that each step and action will bring about massive transformations and commits to explore and innovate for a brighter future.

Mavi cares about today and takes action for tomorrow now.

The company grows with people who inspire each other and share similar aspirations.

**All Blue.
All Better.
For All.**

As part of its sustainability strategy and driven by its core values focused on people, planet, denim, and community, Mavi will: **Better.Empower, Better.Protect, Better.Transform and Better.Mobilize.**

PEOPLE

- People-oriented Mavi culture
- Inclusive business model and responsible value chain

PLANET

- Tackling climate crisis
- Ecosystem restoration



COMMUNITY

Mavi's impact-driven transformative power

DENIM

- Quality first
- Denim innovation and partnerships
- Responsible material sourcing

BETTER.EMPOWER

Driven by the people-oriented Mavi culture, transformation for a better future starts with the value chain. Mavi fulfills its responsibility to provide fair living and working conditions for its employees, suppliers and business partners, and strengthens with them by supporting their development.

PEOPLE-ORIENTED MAVI CULTURE

Mavi has built a strong and inclusive work culture focused on people. In the company culture, Mavi upholds human rights, respects the diversity and differences of its employees, and promotes gender equality. Accordingly, practices are implemented to support the professional development of the employees across their career journey at Mavi.

INCLUSIVE BUSINESS MODEL AND RESPONSIBLE VALUE CHAIN

Mavi develops practices for an equitable, accessible and inclusive business model to make sure its products and services are available to all. Ensuring that environmental, social, and governance principles and standards are applied across the value chain is important to Mavi. Therefore, the company has adopted an inclusive business model focused on continuous development to improve sustainability performances of all suppliers and support their development. The company conducts supplier audits to achieve full traceability and conformity with applicable standards across the entire supply chain.





BETTER.PROTECT

As a denim-centric brand, Mavi views the conservation and restoration of what nature offers as a fundamental responsibility. Accordingly, Mavi promotes a net-zero business model by tackling climate crisis to conserve natural resources and restore the ecosystem.

TACKLING CLIMATE CRISIS

The textile industry is responsible for generating significant greenhouse gas emissions across the value chain, from cotton grown in the fields to the end products purchased by the consumers. Mavi focuses on reducing its carbon footprint along the entire value chain to tackle global climate crisis. For this purpose, the company brings its suppliers into the process and encourages them to reduce their environmental impact caused by production. In addition to designing collections featuring innovative products, Mavi also aims to gradually increase the share of those products within the entire lineup. As more investment is made in sourcing renewable energy, Mavi continues to launch pioneering projects such as energy efficient M30 and eco-stores to pave the way for the industry.

ECOSYSTEM RESTORATION

Reducing its impact on nature is among Mavi's key priorities. Therefore, the company focuses on areas such as effective use of water resources, controlled use of chemicals, and biodiversity across the supply chain. To protect the health of manufacturers and consumers, and minimize environmental impact, Mavi strives to reduce the consumption of chemicals and comply with the Zero Discharge of Hazardous Chemicals (ZDHC) criteria. Furthermore, the company aims to use only FSC-certified (Forest Stewardship Council) packaging, making sure that all packaging materials are recycled. Adopting the circular economy approach to waste management, the company works to reintroduce the scraps and other excess materials into the system. Mavi also develops and launches projects to raise social awareness about conserving biodiversity.

BETTER.TRANSFORM

Mavi transforms denim with unique, innovative ideas and the power of technology. The customers are included in the sustainability transformation with high quality and sustainable products. Mavi designs products that observe the principles of circular economy and have a lower environmental impact than conventional products. This perspective is nurtured through innovation collaborations and partnerships aimed at shaping the future of sustainable and circular fashion. With All Blue products, certifications, and sustainable material initiatives, this transformation extends to every part of the value chain, from the raw material producer in the field to the end consumer.

QUALITY FIRST

Since the very beginning, the "Perfect Fit" philosophy has guided Mavi in meeting customer expectations with the right price-quality balance. Taking this ethos further, Mavi now aims to make quality products accessible to all its customers.

DENIM INNOVATION

As the company's R&D and product development investments steadily rise, Mavi continues to lead the industry in denim innovation, driven by its All Blue collection.

INNOVATION PARTNERSHIPS

Partnerships play a key role in the industry's sustainability transformation and driving innovation. Recognizing this, Mavi engages in innovative partnerships with various denim fabric manufacturers and producers, other brands, designers, and universities to expand its positive impact and inspire the industry.

RESPONSIBLE MATERIAL SOURCING

Mavi monitors the sustainable alternative material* ratios to continuously increase their share within the components that make up Mavi products.

*Regenerative, organic, recycled and Better Cotton certified cotton, recycled metal, etc.





BETTER.MOBILIZE

Aiming to create awareness and shared values in society, Mavi uses its transformative and mobilizing brand power to achieve better. Therefore, the company particularly focuses on empowering young people and women for social development so that no one is left behind. Mavi employees striving for the better, customers who choose Mavi, and other stakeholders are also included in the mobilization efforts.

MAVI'S IMPACT-DRIVEN TRANSFORMATIVE POWER

Mavi intends to mobilize its stakeholders, starting with the customers, by leveraging its brand power. Therefore, medium/long-term, impact-driven and measurable social projects that involve customers, employees, suppliers, universities, and non-governmental organizations (NGOs) are launched.

4.2 Sustainability Targets and Progress in 2024



PEOPLE BETTER.EMPOWER



Increased progress



Achieved interim target



Achieved yearly target



Target achieved



Progress maintained



New



Revised



MAVI'S SUSTAINABILITY TARGETS

Having a fully inclusive and responsible value chain by 2030.

MONITORED TARGETS

PROGRESS IN 2024

STATUS

RELATED MATERIAL ISSUE

<p>Keeping employee satisfaction and engagement scores over 70% every year.</p>	<p>▶ Employee satisfaction is measured through surveys conducted every other year. According to the results of the 2023 survey, employee satisfaction was measured at 87% among store staff and 79% among head office employees. The survey will be repeated in 2025 with the head office and store teams. The company will continue to work toward enhancing employee satisfaction and loyalty through focus group studies in 2025.</p>	<p>▶ </p>	<p>▶ Employee Satisfaction and Wellbeing</p>
<p>Maintaining female employment ratios: - 50%+ female employees in total workforce - 50% female representation on the Board of Directors - 50%+ female managers on all management levels - 50%+ female managers in revenue-generating positions - 45%+ female employees in STEM roles</p>	<p>▶ Female employment ratios in 2024 were: - Female employees in total workforce: 60% - Female representation on the Board of Directors: 50% - Female managers on all management levels: 52% - Female managers in revenue-generating positions: 44% - Female employees in STEM roles: 46%</p>	<p>▶ </p>	<p>▶ Diversity, Equity and Inclusion (Mavi employees)</p>
<p>Reducing lost time injury frequency rate (LTIFR) by 20% by 2027.</p>	<p>▶ In 2024, lost time injury frequency rate (LTIFR) was recorded at 4.82, demonstrating an 8.3% decrease compared to the previous year. The company continues to implement measures to further improve occupational health and safety.</p>	<p>▶ </p>	<p>▶ Health and Safety (Mavi employees)</p>
<p>Ensuring compliance of all major suppliers and their subcontractors with the Global Sourcing Principles and Supplier Code of Conduct.</p>	<p>▶ Environmental and social compliance audits are conducted to ensure the suppliers' compliance with the principles. The suppliers are advised about any non-compliance identified during the audits and asked to implement the necessary improvements.</p>	<p>▶ </p>	<p>▶ Human Rights and Fair Working Conditions (Supply Chain employees) Health and Safety (Supply Chain employees) Diversity, Equity and Inclusion (Supply Chain employees) Training and Skills Development (Supply Chain employees)</p>
<p>Ensuring that all suppliers that are socially and environmentally audited are included in the sustainability performance score-based grading system by 2030 and that improvement programs are implemented for these suppliers.</p>	<p>▶ The company is in the process of developing a grading system to assess the suppliers' economic, social and environmental performance based on audit findings.</p>	<p>▶ </p>	<p>▶ Human Rights and Fair Working Conditions (Supply Chain employees) Chemicals Management Climate Change Water and Wastewater Management Pollution</p>
<p>Having a 100% traceable supply chain by 2030.</p>	<p>▶ Traceability initiatives, supported by audits and digital solutions, continued in 2024. The logistics, foreign trade and product testing modules on the Supplier Portal Quartz were expanded with the deployment of supplier and sub-manufacturer approval and audit monitoring screens and production tracking screens to achieve end-to-end traceability across the supply chain.</p>	<p>▶ </p>	<p>▶ Human Rights and Fair Working Conditions (Supply Chain employees) Chemicals Management Climate Change Water and Wastewater Management Pollution Material Sourcing and Efficiency</p>



**PLANET
BETTER.PROTECT**

Increased progress

Achieved interim target

Achieved yearly target

Target achieved

Progress maintained

New

Revised



MAVI'S SUSTAINABILITY TARGETS

Becoming a climate-positive company by 2050.

MONITORED TARGETS

PROGRESS IN 2024

STATUS

RELATED MATERIAL ISSUE

Reducing and maintaining Scope 1 + 2 GHG emissions by 70% by 2030 (vs. 2019 baseline).	▶ Scope 1 + 2 GHG emissions were reduced by 75% in 2024 (vs. 2019 baseline).	▶	▶ Climate change
Reducing Scope 1 + 2 GHG emissions by 90% by 2050 (vs. 2019 baseline).	▶ Scope 1 + 2 GHG emissions were reduced by 75% in 2024 (vs. 2019 baseline).	▶	▶ Climate change
Reducing and maintaining Scope 3 GHG emissions from purchased goods and services by 55% per TL value added by 2030 (vs. 2019 baseline).	▶ Scope 3 GHG emissions from purchased goods and services were reduced by 89% per TL value added in 2024 (vs. 2019 baseline).	▶	▶ Climate change / Material Sourcing and Efficiency
Reducing and maintaining Scope 3 GHG emissions from purchased goods and services by 97% per TL value added by 2050 (vs. 2019 baseline).	▶ Scope 3 GHG emissions - from purchased goods and services, fuel and energy-related activities - were reduced by 89% per TL value added in 2024 (vs. 2019 baseline).	▶	▶ Climate change / Material Sourcing and Efficiency
Becoming carbon neutral by 2040.	▶ Mavi continues to work toward reducing greenhouse gas emissions. Guided by standards, carbon neutrality will be achieved in the long term using quality carbon offsetting tools.	▶	▶ Climate change / Material Sourcing and Efficiency
Reaching net-zero GHG in the value chain by 2050.	▶ Mavi continues to work toward reducing greenhouse gas emissions. The net-zero target has been set in alignment with the Science Based Targets initiative (SBTi) criteria, and work is ongoing to reach these targets.	▶	▶ Climate change / Material Sourcing and Efficiency
Procuring 100% renewable electricity for Mavi operations by 2030.	▶ Renewable energy is used at Mavi head office and all street stores (109 stores) with controlled electricity meters. Mavi procures 97% of its electricity from renewable energy resources.	▶	▶ Climate change / Energy
Mapping and monitoring the water consumption of all critical suppliers and wet process sub-manufacturers by 2026.	▶ Based on the results of the environmental audits, the water consumption figures of critical suppliers and wet process sub-manufacturers, have been identified. The suppliers' water consumption will be mapped by considering water scarcity in their locations.	▶	▶ Water and Wastewater Management
Conducting two environmental audits at all critical suppliers and wet process sub-manufacturers by 2030.	▶ Since the start of audits in late 2022, all critical suppliers and wet process sub-manufacturers have undergone environmental audits. The plans is to conduct at least two environmental audits at suppliers within the same scope by 2030.	▶	▶ Climate change / Chemicals Management / Water and Wastewater Management / Pollution / Material Sourcing and Efficiency
Ensuring that all strategic suppliers and wet process sub-manufacturers comply with the ZDHC MRSL by 2030.	▶ As part of the environmental audits in 2023 and 2024, situation analyses were performed in accordance with the Zero Discharge Roadmap guidelines. Based on the analysis results, work is ongoing toward the targets.	▶	▶ Chemicals Management / Water and Wastewater Management / Pollution
Using only FSC-certified labels, cardboard and paper packaging materials by 2025.	▶ The ratio of label, cardboard, and paper packaging certified as FSC rose from 86% in 2023 to 91% in 2024.	▶	▶ Material Sourcing and Efficiency / Biodiversity / Climate change



DENIM
BETTER.TRANSFORM

Increased progress
 Achieved interim target
 Achieved yearly target
 Target achieved
 Progress maintained
 New
 Revised



MAVI'S SUSTAINABILITY TARGETS

Ensuring that the entire denim collection consists of All Blue and Better Cotton-sourced products by 2030.

MONITORED TARGETS

PROGRESS IN 2024

STATUS

RELATED MATERIAL ISSUE

Ensuring that 100% of the cotton used in denim products is sourced from Preferred Materials and Better Cotton by 2030.

▶ In 2024, 81% of the cotton used in denim products was sourced from Preferred Materials and Better Cotton.

▶ ▶

Material Sourcing and Efficiency / Sustainable Products / Circular Economy

Increasing the share of the All Blue products and those containing Better Cotton in total revenues to at least 30% by 2026.

▶ The share of the All Blue products and those containing Better Cotton in total revenues* rose from 25% to 27%, with actions taken toward the target by adding exclusive product collections like the Regenerative Jeans Collection to the All Blue Collection in 2024.

▶ ▶

Material Sourcing and Efficiency / Sustainable Products / Circular Economy

Increasing the share of denim in the All Blue Collection and products containing Better Cotton in total denim sales to at least 65% by 2026.

▶ The share of denim in the All Blue Collection and products containing Better Cotton in total denim sales rose from 51% to 58%.

▶ ▶

Material Sourcing and Efficiency / Sustainable Products / Circular Economy

*Calculated according to specific criteria for products constituting 95% of revenues.



COMMUNITY
BETTER.MOBILIZE

Increased progress
 Achieved interim target
 Achieved yearly target
 Target achieved
 Progress maintained
 New
 Revised



MAVI'S SUSTAINABILITY TARGETS

Driving impact-focused and measurable social change.

MONITORED TARGETS	PROGRESS IN 2024	STATUS	RELATED MATERIAL ISSUE
Keeping the social return of social investment programs at SROI>1 levels.	▶ After joining the Hope Truck initiative for disaster recovery efforts, in 2024 Mavi contributed to creativity development and psychosocial support activities for children affected by the earthquake as a sponsor of the painting workshop at the Skills Development Centers in Hatay and Adiyaman, where SosyalBen Foundation has been involved in permanent activities in the region. The social return on investment (SROI) of these efforts was calculated as 34.2 by SosyalBen.	▶	▶ Affected Communities / Business Model Flexibility and Brand Management
Allocating 1% of EBITDA for social investments from 2025 onward.	▶ Social investment spending in 2024 amounted to TL 16.5 million, which corresponds to 0.23% of EBITDA.	▶	▶ Affected Communities / Business Model Flexibility and Brand Management
Reaching 10 million people every year through sustainability awareness projects.	▶ With projects implemented in areas such as sustainability, women's empowerment, inclusion, innovation and partnerships, circular economy, and biodiversity, the awards received, and all the awareness raising activities, including leadership communications, Mavi's digital reach exceeded 17 million engagements in 2024.	▶	▶ Affected Communities / Business Model Flexibility and Brand Management

Updated Sustainability Goals

In 2024, Mavi updated its sustainability goals covering global operations. Under BETTER.EMPOWER, the scopes of employee satisfaction and female employment rates were expanded and a new target was set for the lost time injury frequency rate under the occupational safety metrics. Under BETTER.PROTECT, long-term goals with a view to 2050, water consumption mapping in the supply chain, and new environmental audit goals were added to the greenhouse gas emission targets to comply with the Science Based Targets initiative's (SBTi) Net-Zero Standard. Under BETTER.TRANSFORM, a target was set to increase the revenues from products using preferred materials and within the scope of Better Cotton membership. Mavi will continue to review and update its goals in 2025.

Highlights of 2024

Mavi ranked 8th on TIME's List of the World's Best 500 Companies in Sustainable Growth, leading the apparel Industry!

The "World's Best Companies - Sustainable Growth 2025" list, a ranking developed by TIME, a renowned global media brand, and Statista, a leading data analytics platform, names 500 companies pairing growth with environmental stewardship. In addition to ranking 8th on the list, Mavi is also the leader in the global Apparel, Footwear & Sporting Goods industry with 91.46 points. The survey evaluated companies that disclosed their environmental data transparently and scored them according to their revenue growth, financial stability, and environmental impact.

GLOBAL BRAND IN SUSTAINABLE GROWTH

**Mavi ranks 8th on TIME's list
of the world's best companies
in sustainable growth,*
leading the apparel Industry!**



*The survey, developed by TIME and Statista, evaluated companies that disclosed their environmental data transparently and scored them according to their revenue growth, financial stability, and environmental impact.



[READ MORE](#)

Highlights of 2024



BETTER.EMPOWER

60% **52%**

Female employment ratio

Female manager ratio

58% **58%**

Ratio of C-Level female executives

Ratio of women among promoted employees

88% **100%**

Local sourcing rate

Ratio of suppliers audited or assessed for social compliance*



BETTER.PROTECT

A

Score in CDP's Climate Change and Water Security Programs

B

Score in CDP's Forests Program

SBTi ✓

Short-term GHG emission reduction targets verified by Science Based Targets initiative (since 2022)

18%

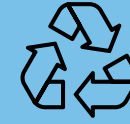
of suppliers audited for environmental performance among total suppliers

108

Stores use renewable energy

48%

of the vehicle fleet in Türkiye consists of hybrid vehicles



BETTER.TRANSFORM

27%

Share of All Blue products and those containing Better Cotton* in total revenues**

17%

Share of products in the All Blue Collection and those containing Better Cotton in total sales volume

58%

Share of denim products in the All Blue Collection and those containing Better Cotton in total denim sales

81%

Ratio of preferred materials and cotton sourced as Better Cotton in denim products

42%

Ratio of cotton in preferred materials and cotton sourced as Better Cotton members in total cotton consumption



BETTER.MOBILIZE

120,000

Hatchlings reached the sea with the help of the Indigo Turtles project, supported by Mavi

34

Female university students benefit from the TEV (Turkish Education Foundation) and Koç University Mavi Scholarship

2,280

Children reached through the SosyalBen Skills Development Center (BEGEM) project

34.2

SROI of social investments through the SosyalBen Skills Development Center (BEGEM)

1,300

The number of stray animals cared for in Kurtaran Ev (The Rescue House Charity) temporary living spaces.

*All active Tier 1 suppliers and Tier 1 sub-manufacturers of Mavi are subject to social compliance assessment. Social compliance assessment is performed through on-site audits or documentation audits. On-site audits were conducted in 66% of active Tier 1 supplier and sub-manufacturer facilities. Documentation audits were conducted in the remaining facilities. Mavi will not partner with Tier 1 suppliers and sub-manufacturers whose social compliance assessments do not deliver positive results.

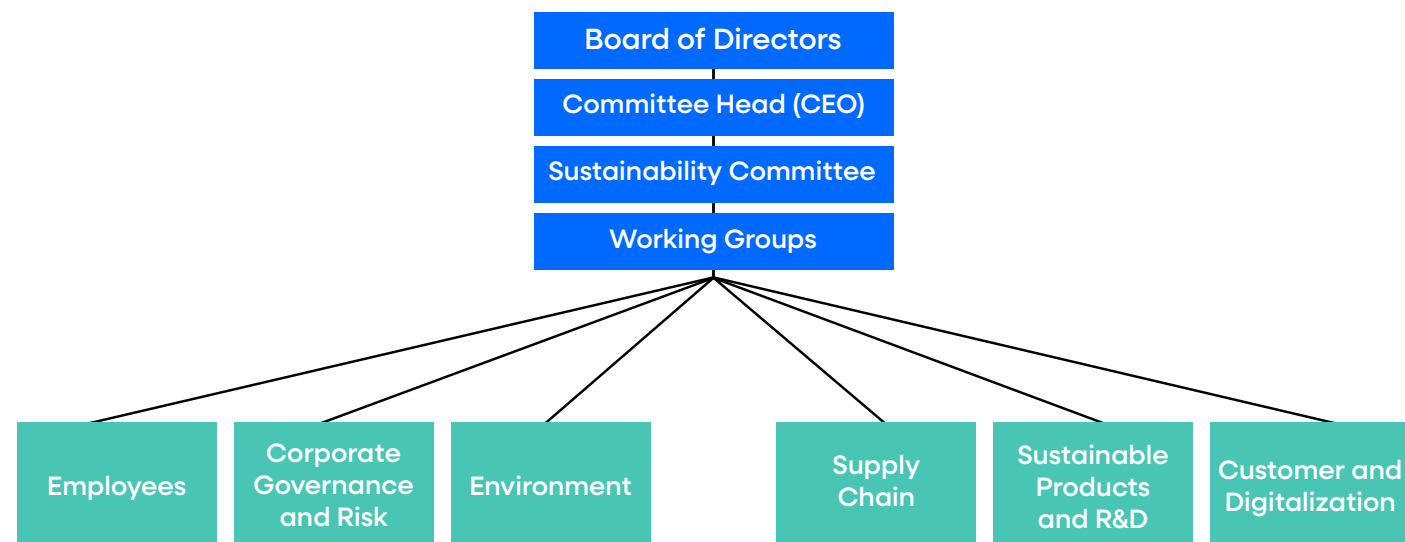
*Better Cotton is sourced through a supply chain model called mass balance. Therefore, cotton fibers are not physically traceable to products in stores. Mavi assigns the quantity of cotton sourced through the Better Cotton system to specific products and includes the revenue from these products in calculations.

**Calculated according to specific criteria for products constituting 95% of revenues.

4.3 Sustainability Management

The Sustainability Committee under the Board of Directors is tasked with managing Mavi's sustainability efforts in integration with the company's business strategy and objectives. The Committee consists of 14 members, including the Chief Executive Officer (CEO), Chief Brand Officer (CBO), Chief Marketing Officer (CMO), Chief Purchasing and Supply Chain Officer, Chief HR Officer (CHRO), Chief Finance Officer (CFO), Country Director - Türkiye and Foreign Markets, Chief E-Commerce Officer (CECO), Chief IT Officer (CIO), Chief Product and Data Officer (CPDO), Chief Design Officer(CDO), Investor Relations Senior Director, Corporate Communications Director, and Sustainability Consultant.

The Committee, headed by the CEO, has formed six working groups –Employees, Corporate Governance and Risk, Environment, Supply Chain, Sustainable Products and R&D, and Customer and Digitalization - to report to the senior management. Over 60 people from relevant functions are members in these working groups, each following a detailed roadmap to assist with setting and realizing Mavi's sustainability targets. Since 2021, these groups have proceeded along their roadmaps, regularly updating their actions to align with the changes in the company's future plans and global developments.



Employees Working Group: Develops strategies to elevate employee satisfaction and works on gender equality, inclusion, diversity, training, wages, and work-life balance, etc.

Corporate Governance and Risk Working Group: This group is responsible for maintaining a management approach in alignment with Mavi's code of ethics and managing the potential risks that the company may face. The group also determines strategies to promote transparency, reinforce compliance, and assess the risks in business processes.

Environmental Working Group: The mission of this group is to align the company's operations with more sustainable environmental practices. The group promotes environmentally friendly practices to achieve energy efficiency, waste management, circularity, water savings, and carbon emission reductions and develops strategies to reduce environmental impact.

Supply Chain Working Group: This group is tasked with developing sustainability-focused practices

across Mavi's supply chain, determining strategies related to supplier assessments, monitoring environmental and social impact, implementing ethical standards, and ensuring transparency and traceability.

Sustainable Products and R&D Working Group: This group's work is focused on enhancing Mavi's product range with more environmentally and socially sustainable products. The group provides direction for research and development on topics such as the use of innovative materials, product designs for circular economy, and sustainable manufacturing methods.

Customer and Digitalization Working Group: This group is tasked with elevating the mavi.com experience and customer satisfaction to create the Happiest Mavi Customers. The group works on projects to enhance Mavi's customer loyalty, acquire new customers, improve feedback systems, and increase consumer awareness about sustainability.

The Sustainability Committee convenes at least once a year and when needed. The Approval Committee, under the Sustainability Committee, consists of 6 members: Chief Executive Officer (CEO), Chief Brand Officer (CBO), Chief Marketing Officer (CMO), Chief Purchasing and Supply Chain Officer, Chief HR Officer (CHRO), and Chief Finance Officer (CFO). The Approval Committee reviews the projects submitted by the sustainability working groups and gives the final approval to proceed. Committee decisions that may provide direction for Mavi's sustainability strategy are submitted to the Board of Directors for approval.

Sustainable Risk Management

Mavi has embedded risk management processes into its organizational structure to anticipate, assess and effectively manage sustainability-related risks and opportunities. Sustainability risks are identified with a systematic approach in alignment with the company's strategic and operational goals by considering stakeholder expectations, regulatory changes, climate scenarios, and industry trends.

The Early Detection of Risk Committee and the Corporate Risk Management Department work in coordination to assess and manage Mavi's sustainability risks. The Committee submits its reports on the early detection of sustainability-related risks and the planning of necessary actions to the Board of Directors. The teams managing corporate risks and opportunities are highly qualified with technical know-how and analytical skills and benefit from scientific data and industry analyses in decision-making processes.

For more on the Early Detection of Risk Committee, please see page 276.

For more on Corporate Risk Management, please see page 286.

Sustainability risks are integrated into Mavi's general risk management strategy and addressed across all risk categories, including strategic, compliance, reputation, financial and operational risks. As part of the company's risk inventory, these risks are assessed using gross and net risk scores and action plans are created according to the defined risk appetite. Mavi also uses scenario analyses and quantitative assessment methodologies to identify risks, analyze impact areas, and strengthen strategic planning.

In terms of sustainability risks, physical and transition risks due to climate change, supply chain risks and regulatory compliance risks are among the material topics. Therefore, Mavi uses internationally accepted tools such as WRI Aqueduct and climate scenarios to measure and assess climate risks

in particular. Moreover, social and environmental risks are closely monitored through supplier audits to achieve compliance with applicable regulations. Mavi proactively monitors emerging risks such as regulatory changes, long-term impact of climate change, and supply chain vulnerabilities, and updates its risk management strategies accordingly.

For more on corporate and emerging risks, please see page 112.
For more on the applied scenario analyses, please see page 164.

Sustainability-Linked Incentives

To ensure that the sustainability strategy is effectively implemented and executed, Mavi has integrated sustainability KPIs, determined according to the company’s material issues, into the performance appraisal reports of C-level executives.

These KPIs:

- Are associated with salaries and bonuses as part of long-term incentive programs.
- Support the managers in focusing on sustainability goals.
- Make up 15% of the total incentive program, extending the performance assessments over a 3-year incentive period.

For more on long-term incentive payments, please see page 130.

Sustainability KPIs:

KPI	Responsibility	Weight in long-term incentive program	Related sustainability areas
Keeping employee satisfaction and loyalty scores above 70% every year.	All C-Level executives	5%	Social
Completing the actions in the risk inventory	All C-Level executives	5%	Environmental Social Governance
Creating succession plans	All C-Level executives	5%	Social

Mavi in Sustainability Networks and Indices

As a company that aspires to lead the industry’s sustainability transformation, Mavi recognizes the importance of participating in international sustainability platforms. Accordingly, Mavi has become a signatory to United Nations Global Compact (UNGC), the world’s largest corporate sustainability initiative. With this signature, Mavi has declared its commitment to aligning its strategies, ways of doing business, and operations with the ten UNGC principles on human rights, labor, environment, and anti-corruption. Mavi is also a signatory to the UN Women’s Empowerment Principles (WEPs), and a member of the 30% Club and the Yanındayız Association, confirming its dedication to promoting gender equality.

Mavi’s global success in sustainability is confirmed by international independent ratings. Mavi ranked 8th on TIME’s “World’s Best Companies - Sustainable Growth 2025” list. The ranking, developed by TIME, a renowned global media brand, and Statista, a leading data analytics platform, names 500 companies pairing growth with environmental stewardship. The survey evaluated companies that disclosed their environmental data transparently and scored them according to their revenue growth, financial stability, and environmental impact. Mavi is also the leader in the global Apparel, Footwear & Sporting Goods industry with 91.46 points. As TIME emphasized, despite a widespread belief that there are major trade-offs between sustainability and growth, businesses like Mavi can see big growth while embracing sustainability.

Mavi ranked among global climate leaders with its first Climate Change reporting in 2022. Building on this performance, Mavi became the first and only Turkish apparel company to earn a rating of A in both the Climate Change and Water Security programs of CDP in 2023. Mavi maintained this success in 2024, again earning a score of A in both programs. Mavi also received a score of B in the Forests program, outperforming the industry average.

Since signing the CEO Water Mandate, a UNGC initiative, and marking another first in the Turkish apparel industry, Mavi has continued to support the global efforts to find sustainable solutions to the water issue. Furthermore, the company has joined the Climate Ambition Accelerator, a program led by the UNGC, aiming to achieve progress toward setting science-based emission targets. The emission reduction targets set by the company were verified by the Science-Based Targets Initiative (SBTi) in 2022, and Mavi became the first and only Turkish apparel brand to have its targets approved. Mavi continues to work toward its net-zero SBTi targets.

In 2024, Mavi maintained its position in the Borsa Istanbul Sustainability Index in recognition of its sustainability performance in 2024 and was also included in the BIST 25 Sustainability Index, whose constituents are companies with high liquidity and successful ESG efforts. Borsa Istanbul uses the LSEG ESG Score as the Sustainability Index criterion. According to the 2024 operating year data, Mavi ranks among the leaders of the “Specialty Retailers” category with 87 points.

For all awards, please see page 66.

Index	2023	2024	Program score scale
CDP Climate	A	A	Leadership (A-/A) Management (B-/B) Awareness (C-/C) Declaration (D-/D) Did not respond (F)
CDP Water	A	A	
CDP Forests	B	B	
S&P CSA	52	62	Industry average: 25 Highest industry score: 90
LSEG	82.92	86.48	Poor (0-25), Satisfactory (25-50), Good (50-75), Excellent (75-100)
Sustainalytics	-	12.5	Negligible Risk (0-10), Low Risk (10-20), Medium Risk (20-30), High Risk (30-40), Severe Risk (40+)

4.4 Material Sustainability Topics

In 2024, Mavi conducted its first double materiality assessment to better define its sustainability targets and integrate potential impacts, risks, and opportunities into its sustainability strategy. This assessment examined the short-, medium-, and long-term impacts Mavi may generate from a multi-dimensional perspective. The company's material sustainability topics were evaluated based on their level of impact, informed by engagements with various stakeholder groups.

Mavi integrated its materiality study into the Enterprise Risk Management (ERM) process in 2023. Identifying material topics involves assessing potential impacts and opportunities across the value chain. By incorporating materiality into the ERM framework, Mavi has aligned its sustainability targets with its risk management strategies. The 2024 double materiality assessment also involved active participation from the Risk Management teams, reinforcing a risk-based approach to material topics and ensuring alignment with emerging reporting standards.

The assessment process leveraged various sources, including financial indices and key industry trends, while also incorporating Mavi's financial growth in recent years. This comprehensive approach enabled Mavi to reassess its strategic targets and refine its sustainability roadmap to more effectively address material sustainability topics.

Methodology and Process

The double materiality assessment was conducted in alignment with international sustainability standards, including the Sustainability Accounting Standards Board (SASB) and the European Sustainability Reporting Standards (ESRS). A tailored methodology was developed by integrating these standards with Mavi's internal priorities and strategic needs. This year, in addition to previous studies, a stakeholder weighting analysis was carried out. The assessment followed a two-stage approach, evaluating both impact and financial dimensions.

1. Creating the Topic Pool

The assessment process began with extensive desk top research to identify material topics, using the following sources:

- World Economic Forum's (WEF) Global Risks Report
- Sustainability Accounting Standards Board (SASB) industry-specific material topics
- European Sustainability Reporting Standards (ESRS) topics
- Sustainability standards and frameworks
- United Nations Sustainable Development Goals (SDGs)
- Industry leaders' strategies and statements
- Media and trend reports
- Financial indices, rankings and ratings

Mavi re-evaluated the topics from its initial materiality assessments, expanding and refining the list, which previously included 27 topics. In particular, supply chain-related topics were examined in greater depth. Areas such as diversity, equity, and inclusion; human rights and fair working conditions;

occupational health and safety; and training and skills development were assessed separately for Mavi employees and the supply chain.

Additionally, data privacy is now addressed as a distinct topic for both Mavi employees and consumers. Throughout the process, financial and risk perspectives were integrated, resulting in a final list of 30 topics that impact the environment, society, and the economy, while also presenting potential risks and opportunities for the company. All topics were named in accordance with widely accepted guidelines, with descriptions and subcategories added for clarity.

Mavi's Material Sustainability Topics

Topics	Impact's position in the value chain
Climate change	Mavi operations Upstream Downstream
Energy	Mavi operations Upstream
Pollution	Mavi operations Upstream Downstream
Water and wastewater management	Mavi operations Upstream
Chemical management	Upstream
Biodiversity and ecosystems	Upstream
Material sourcing and efficiency	Upstream
Circular economy	Mavi operations Upstream Downstream
Sustainable products	Mavi operations Upstream Downstream
Waste management	Mavi operations Upstream Downstream
Human rights and fair working conditions (Mavi employees)	Mavi operations
Human rights and fair working conditions (Supply chain employees)	Upstream
Employee satisfaction and well-being	Mavi operations
Health and safety (Mavi employees)	Mavi operations

Topics	Impact's position in the value chain
Health and safety (Supply chain employees)	Upstream
Diversity, equality and inclusion (Mavi employees)	Mavi operations
Diversity, equality and inclusion (Supply chain employees)	Upstream
Education and skills development (Mavi employees)	Mavi operations
Education and skills development (Supply chain employees)	Upstream
Privacy (Mavi employees)	Mavi operations
Privacy (Consumers)	Downstream
Impacted communities	Mavi operations Upstream Downstream
Health and safety (Consumers)	Downstream
Customer satisfaction and experience	Downstream
Responsible marketing practices	Mavi operations Downstream
Corporate culture	Mavi operations
Managing relationships with suppliers, including payment practices	Upstream
Corruption and bribery	Mavi operations
Corporate advocacy and industry collaboration	Mavi operations
Business model flexibility and brand management	Mavi operations
Systematic risk management	Mavi operations

2. Methodology-based materiality

After defining the topic pool, the double materiality assessment was conducted across two dimensions: impact and financial. Impact materiality focused on understanding Mavi's actual or potential effects on the environment and society, while financial materiality assessed how these effects influence the company's financial performance.

The double materiality assessment strengthens Mavi's comprehensive risk management and strategic decision-making processes by identifying both the financial implications of sustainability topics for the company and their broader impact on the environment and society. This approach allows Mavi to address both internal and external stakeholder expectations and respond effectively.

During the impact materiality assessment, stakeholder engagement was primarily conducted through online surveys, in line with the AA1000 Stakeholder Engagement Standard. The collected

data underwent detailed analysis. In the evaluation phase, conducted with 12 stakeholder groups, key factors such as the scope, scale, and irreversibility of impacts were carefully considered.

The role and impact of each stakeholder group in the analysis were assessed using the stakeholder weighting method based on the Saliience Model. Under this model, weight coefficients were assigned based on stakeholders' power, urgency, and legitimacy in relation to the company. The final impact materiality scores were calculated by multiplying stakeholder evaluations by these coefficients.

Stakeholder groups by impact	Stakeholders	Methods
Direct economic impact	Senior management Employees Suppliers Franchisees Business partners Shareholder sand investors Customers	Online surveys E-Mail
Indirect economic impact	Analysts and brokerage firms Financial institutions Media NGOs	Online surveys
New opportunity, knowledge, and approach drivers	Opinion leaders and universities	Online surveys

Based on stakeholder survey results, the initial list of 30 topics was refined to 22 by eliminating those with low materiality and aligning with industry dynamics. This process aimed to enhance the effectiveness of Mavi's sustainability strategy by focusing on the most critical topics. Each topic underwent a detailed assessment to evaluate both its positive and negative impacts across the value chain.

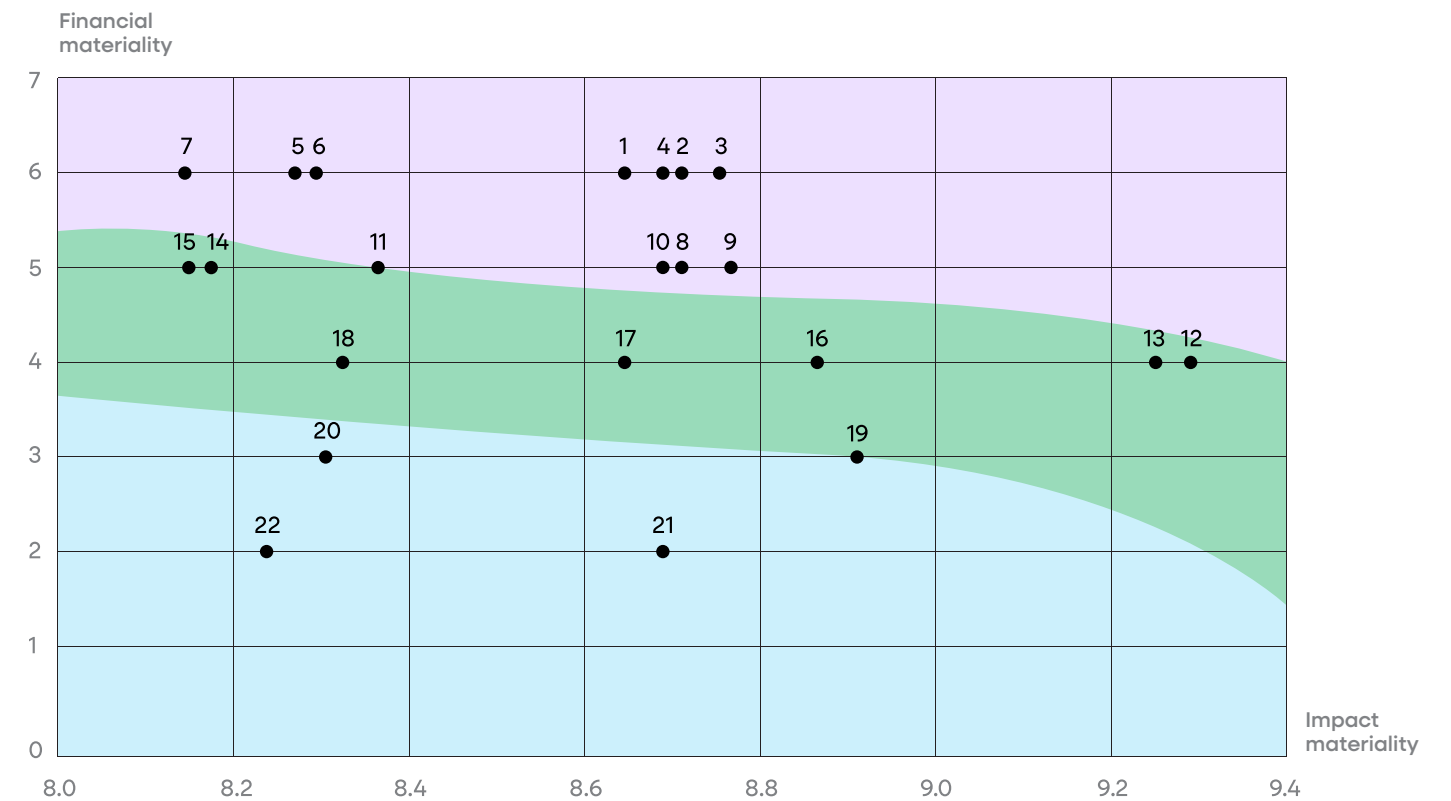
Next, the financial materiality phase was initiated to assess the potential financial implications of the company's activities. This phase was carried out through a collaborative effort between senior management and the risk management team, involving one-on-one interviews. Topics were evaluated and ranked based on financial magnitude and probability thresholds.

3. Evaluating the results

Scoring factors	
Impact materiality	Financial materiality
Factors used to assess positive/negative impacts Probability Scope Scale Irreversibility	Factors used in risk/opportunity assessment Probability Magnitude

Using the double materiality approach, a matrix was created with impact materiality on the X-axis and financial materiality on the Y-axis, and all results were visualized on this matrix. The analysis results were approved by Mavi's senior management. The analysis is planned to be repeated every three years to maintain its relevance.

Materiality Matrix



Very High Priority

1. Climate Change
2. Human Rights and Fair Working Conditions (Supply Chain Employees)
3. Waste Management
4. Health and Safety (Supply Chain Employees)
5. Material Sourcing and Efficiency
6. Privacy (Consumers)
7. Privacy (Mavi Employees)
8. Employee Satisfaction and Well-being
9. Health and Safety (Mavi Employees)
10. Corruption and Bribery
11. Customer Satisfaction and Experience

High Priority

12. Water and Wastewater Management
13. Pollution
14. Corporate Culture
15. Training and Skills Development (Mavi employees)
16. Chemicals Management
17. Energy
18. Sustainable Products

Medium Priority

19. Human Rights and Fair Working Conditions (Mavi employees)
20. Circular Economy
21. Health and Safety (Consumers)
22. Diversity, Equality and Inclusion (Mavi employees)

Evolution of Material Topics

While the previous list of Material Topics adopted a broader perspective, the revision in 2024 brought more specificity and focus to the material topics. Very high priority topics now include climate change, waste management, human rights and fair working conditions, health and safety, while the materiality of digital and operational risks such as material supply efficiency and privacy has increased.

Employee Engagement and Satisfaction: This topic was elevated from medium to very high priority in 2024. Considering the direct impact of employee engagement on company performance, the target for this topic was determined as a KPI within the scope of long-term incentives of C-Suite executives.

Occupational Health and Safety: As of 2024, this topic is evaluated separately for Mavi employees and supply chain employees, with both topics ranked as very high priority.

Data Privacy and Security: This topic has been evaluated separately for Mavi employees and consumers, with both ranked as very high priority. Given the heightened digitalization and data security risks, this distinction has placed the company's information security strategy on a more solid foundation.

Corruption and Bribery: This topic, addressed under "Business Ethics" last year, has been made more specific this year and addressed as very high priority.

Water and Wastewater Management: While this topic remains material, Mavi's water consumption across its operations is quite limited. The impacts related to water management are more pronounced at the supply chain level. Since its scope is narrower compared to other topics, it has been moved from very high priority to high priority.

Chemicals Management: Considering Mavi's progress in chemicals management and attainment of current targets, this topic has been moved from very high priority to high priority. Having an established management process has not diminished the priority of the topic, however it has called for a change in priority level.

Circular Economy: This topic's priority was revised from high in 2023 down to medium in 2024. While Mavi continues to expand its circular economy strategies, the transformation process in this area is largely dependent on supply chain partnerships. Mavi adopts a long-term approach to its circular economy targets.

New Topics












Pollution: Added to high priority topics. The impact of air, water and soil pollution on the company's operations has been examined in more detail and integrated into the sustainability strategy.











Health and Safety (Consumers): Added to medium priority topics. Product safety, using materials that do not harm health and health-focused processes for consumers have been addressed as a new topic, supporting Mavi's responsible production approach.









Mavi's High Priority Topics

To enhance the effectiveness of its sustainability strategy, Mavi prioritizes topics classified as “Very High Priority” in the assessment process. This approach enables a deeper analysis of the most critical risks and opportunities, helping to shape the company’s long-term strategies accordingly.

Material topic	Material impact on the business	Impact area	Impacted external stakeholders	Potential impacts	How is it managed?	Related SDGs	Place in report
Climate change	Both positive and negative / Actual impact	Entire value chain	Environment	Climate change imposes the risk of impacting several stages across Mavi’s value chain and may trigger capacity loss in raw material and product sourcing with its chronic and acute physical impact, and also lead to price increases. Failure to take the necessary precautions may result in reputation and market share loss. Regulations and laws that will be introduced to address climate risks may also affect Mavi’s business model.	Mavi has committed to reduce its carbon footprint and increase energy efficiency. This policy contributes to the conservation of natural resources, plays an effective role in combating climate change and reflects the goal of leaving a healthier world for future generations by supporting environmental sustainability. Mavi reduces its direct emissions by procuring renewable energy and working to improve energy efficiency. A material sourcing strategy has been developed for the emissions in the purchased goods and services category, which makes up the majority of indirect emissions, and GHG emissions of the suppliers are inquired during the audits.	 	Better Protect - Tackling Climate Crisis
Human rights and fair working conditions (supply chain employees)	Both positive and negative / Actual impact	Supply Chain	Community Supply Chain	The multi-layered and multi-stakeholder textile industry is highly exposed to risks such as human rights violations and poor working conditions. These risks also come with potential negative social and economic impact.	Mavi provides fair work environments where human rights are respected for the employees in its value chain. Related policies are addressed in the Human Rights Policy, Mavi's People and Its Principles , and Supplier Code of Conduct . Social compliance audits are conducted of all new suppliers joining the supply chain and only the suppliers that pass the audits are selected for partnership.	   	Better.Empower – Inclusive Business Model and Responsible Value Chain
Waste management	Both positive and negative / Actual impact	Entire value chain	Environment	Failure to manage waste properly may lead to adverse environmental and economic consequences. Specific to the textile industry, products with short lives and linear production models fuel the waste problem. When waste is seen as a resource, it may be reintroduced to the economy and its impact may be reduced.	Mavi adopts a circular economy approach to managing wastes effectively. The wastes generated during and after production are utilized to develop sustainable products. Mavi also engages in ecosystem collaborations for this purpose. The goal is to increase the content of recycled materials in the products. Mavi holds Recycled Claim Standard (RCS) certification.	 	Better.Protect – Ecosystem Restoration
Health and safety (supply chain employees)	Both positive and negative / Actual impact	Supply Chain	Community Supply Chain	Poor working conditions, inadequate occupational health and safety measures, long working hours, and unsafe environments in the supply chain can lead to an increased risk of workplace accidents and occupational diseases. Chemical substances used in production may have adverse effects on employee health. In global supply chains, occupational health and safety violations pose significant reputational risks for brands, potentially undermining consumer and investor trust. Detecting such non-compliance can damage a company’s social responsibility commitments and limit market access. Additionally, regulatory violations may result in legal sanctions, financial losses, and severe disruptions in supply chain management.	Mavi requires all suppliers to comply with international occupational health and safety standards in accordance with the Supplier Code of Conduct to ensure safe and fair working conditions across the supply chain. Social compliance audits are conducted in the supply chain, and chemicals management and occupational safety practices are monitored. When violations are detected, improvement plans are implemented, and if not corrected, the business relationship is terminated.	  	Better.Empower – Occupational Health and Safety in Supply Chain

Material topic	Material impact on the business	Impact area	Impacted external stakeholders	Potential impacts	How is it managed?	Related SDGs	Place in report
Material sourcing and efficiency	Both positive and negative / Actual impact	Supply Chain	Environment Suppliers	Material management is directly related to Mavi's financial, environmental and social performance. Inefficient material use in the supply chain, material sourcing with high environmental impact and material choices that may cause social injustice may have negative consequences. However, effective management of these processes can also provide a significant competitive advantage.	Mavi's policies on material management are set out in its Environment and Energy Policy , Animal Welfare Policy , and Forest and Paper Products Policy . Mavi constantly strives to increase the ratio of preferred materials in the composition of its products and packaging. Mavi is a member of Better Cotton and holds Recycled Claim Standard (RCS) and Organic Content Standard (OCS) certifications.	   	Better.Transform – Responsible Raw Material Sourcing
Privacy (Consumers)	Negative / Actual impact	Customers	Customers	The exposure of consumers' personal data to unauthorized access or breaches due to cyberattacks can erode customer trust and severely damage brand reputation. Such breaches may result in legal sanctions, substantial fines, and disruptions to operational processes. As digitalization and e-commerce continue to expand, companies face greater responsibility in ensuring data privacy. Failure to comply with evolving data protection regulations could hinder the company's ability to process customer data, leading to disruptions in commercial activities.	Mavi implements data security policies in compliance with the Personal Data Protection Law (KVKK) and the General Data Protection Regulation (GDPR) to safeguard consumers' personal data. Customer information is secured through strong encryption techniques and access control mechanisms. The Information Security Policy and Information Systems Security Policy serve as key guidelines for data processing and storage. In the event of a breach, the Information Security Incident Breach Management Procedure is immediately activated to ensure a swift and effective response. Mavi also conducts regular penetration tests to assess the resilience of its cybersecurity systems and continuously works on enhancements to strengthen data protection measures.	 	Better.Transform – Customer Satisfaction and Communications
Privacy (Mavi employees)	Negative / Actual impact	Mavi operations	-	The unauthorized exposure of employee data, the rise in cybersecurity threats, and the potential for legal sanctions or reputational damage pose significant risks. As digitalization accelerates, data breaches within internal processes can undermine employee trust and harm corporate reputation.	Mavi implements comprehensive information security policies and procedures to safeguard employee data. Regulations such as the Information Security Policy , Employee Security Policy , and Information Systems Security Policy ensure data privacy and protection. In the event of a breach or security incident, the protocols outlined in the Information Security Incident Breach Management Procedure are followed, and the relevant units are notified immediately. To assess the effectiveness of cybersecurity measures, penetration tests are conducted annually. Additionally, continuous improvement initiatives are carried out to enhance the protection of employees' personal data.	 	Better.Transform - Information Security and Customer Privacy
Employee satisfaction and well-being	Both positive and negative / Actual impact	Mavi operations	Customers	Low employee engagement may lead to challenges in talent management, higher turnover rates, and reduced operational efficiency. An imbalance between work and personal life can lower employee motivation, resulting in declines in job performance. Additionally, inadequate diversity and inclusion policies can weaken employees' sense of belonging, ultimately affecting company culture.	Mavi implements long-term strategies to enhance employee engagement and satisfaction. The company has set an employee satisfaction target of 70% and integrated it into the C-level long-term incentive program to reinforce this goal. To support progress, 5% of the management team's long-term incentive packages are linked to employee satisfaction performance. Employee satisfaction surveys are conducted biennially, with improvement plans developed based on the results. This approach enables Mavi to better understand employee needs and expectations while continuously enhancing the work environment.	 	Better.Empower – Employee Engagement

Material topic	Material impact on the business	Impact area	Impacted external stakeholders	Potential impacts	How is it managed?	Related SDGs	Place in report
Health and safety (Mavi employees)	Both positive and negative / Actual impact	Mavi operations	-	Inadequate occupational health and safety measures can lead to workplace accidents, occupational diseases and operational disruptions. In addition, stress, burnout syndrome and ergonomic problems can negatively affect employee productivity and cause loss of workforce in the long term.	To mitigate these risks, Mavi conducts regular occupational health and safety training to raise employee awareness. Health screenings are carried out within the company, and ergonomic improvements are made to support employees' physical well-being. To further enhance employee well-being, psychological support programs and stress management guidance services are provided. Additionally, potential workplace hazards are regularly analyzed, and preventive measures are implemented to ensure a safer work environment.	 	Better.Empower – Health and Safe Working Environment
Corruption and bribery	Negative / Actual impact	Mavi operations Supply Chain	Community	For Mavi, ethical business management and transparency are fundamental to sustainable growth. Cases of corruption can lead to significant risks, including financial losses, legal sanctions, and reputational damage. Ethical non-compliance may also hinder access to international markets and undermine investor confidence. As global regulations become more stringent, companies that fail to uphold transparency may lose their competitive advantage and fall behind in the industry.	Mavi upholds business ethics by adopting a zero-tolerance policy against bribery and corruption. The company has established an Anti-Bribery and Anti-Corruption Policy , which is publicly available to employees and stakeholders through the corporate website and internal communication platforms. This policy applies to all managers, employees, subsidiaries, and business partners, ensuring full compliance with anti-corruption laws and ethical standards in all countries where Mavi operates. The fight against bribery and corruption is outlined within the framework of Mavi and Its Principles , with strict control mechanisms implemented across all business processes.	 	Corporate Governance
Customer satisfaction and experience	Both positive and negative / Actual impact	Customers	Customers	Customer satisfaction is a key factor that directly influences Mavi's financial performance. Failure to meet customer expectations can negatively impact sales and brand loyalty, ultimately leading to a decline in financial results. Conversely, proactively responding to evolving customer needs and expectations enhances competitive advantage and strengthens the brand's market position.	Mavi strives to meet customer expectations by ensuring the optimal price-quality balance and providing exceptional after-sales service through its "Happiest Mavi Customers" approach. The company's customer satisfaction strategies are outlined in its Customer Satisfaction Policy . Since 2007, the Kartuş loyalty program has been a central element of Mavi's marketing strategy, serving as a key driver of customer retention. As of 2024, Mavi has ~10 million customers and has gained 1.5 million new customers, continuously enhancing the customer experience across both offline and online channels.	 	Better.Transform – Quality First

Actual impact: If a topic has a risk or impact that needs to be monitored, regulated and managed right now, it is considered current.

Potential impact: Even if a topic does not impose an active risk for the company yet, it could be an emerging risk.

Positive impact: If a topic drives positive change in economic, environmental or social aspects and contributes to sustainable development, it has a positive impact.

Negative impact: If a topic is harmful and poses a risk to the environment, society or business processes, it has a negative impact.

Mavi's Corporate Risks

Mavi has matched its material topics with sustainability-related risks and opportunities to analyze their potential risks and opportunities. These topics have been assessed based on their identified financial impacts. Risks categorized as corporate and emerging risks have been evaluated in collaboration with the risk management team and integrated into Mavi's overall Enterprise Risk Management (ERM) system. Risks are prioritized based on their impact and likelihood and are managed accordingly. This report identifies and addresses Mavi's climate-related risks.

Risk	Impact type	Position in Mavi value chain	Related material topic	Risk description	Measures and Actions
Cost increase due to carbon pricing	Cost-Risk (Climate Transition Risk)	Mavi operations	Climate Change	Failure to adequately prepare for international and local sustainability regulations—such as the Carbon Border Adjustment Mechanism, emission controls, or national Emissions Trading Systems (ETS)—may lead to increased financial burdens when these regulations take effect, creating a need for additional financing and potentially limiting access to funding.	Mavi takes a proactive approach to mitigating future costs related to carbon emissions by setting strategic goals and closely monitoring regulatory developments. The company ensures compliance with relevant laws and regulations while leveraging consultancy services on sustainability. Regulatory monitoring is carried out through the Legal and Compliance Department to stay ahead of emerging requirements.
Negative impact of climate change on operations	Risk [Climate Transition and Physical (Acute-Chronic) Risk]	Mavi operations Supply Chain	Waste Management Climate Change	If Mavi falls short in addressing climate change, which impacts multiple stages of the value chain, it may face capacity losses, rising costs in raw material and product sourcing, and adverse operational, strategic, and financial consequences.	Mavi collects and calculates data for Scope 1, 2, and 3 emission inventories, conducts environmental audits to assess climate change effects in the supply chain, and integrates this information into its supplier environmental grading system. The company identifies climate risks through a structured risk management system, evaluates them via CDP surveys with consultancy support, and implements emission reduction measures based on the impact of its operations. Additionally, Mavi provides climate change training to employees and incorporates climate considerations into collection planning and store shipment processes.
Disruption in or loss of access to water in production processes	Risk (Climate Physical - Acute Risk)	Supply Chain	Water and Wastewater Management Climate Change Material Sourcing and Efficiency	Water depletion or irresponsible consumption by Mavi or its suppliers could negatively impact production, the supply chain, and washing operations.	Mavi has identified that its largest denim suppliers, ERAK and TAYEKS, employ advanced water control methods and has begun monitoring suppliers' water management data through environmental audits. Suppliers' water consumption will be mapped by also assessing the water scarcity levels in their respective locations.

Emerging Risks

Mavi continuously analyzes emerging risks to anticipate rapidly evolving sustainability dynamics and potential impacts on its operations, supply chain, and market conditions. While these risks have not yet fully materialized, they are shaped by regulatory developments, shifting consumer expectations, and environmental changes. Mavi addresses them as an integral part of its long-term risk management strategy.

Risk	Impact type	Position in Mavi value chain	Related material topic	Risk description	Measures and Actions
The negative impact of climate change on access to water and therefore cotton production	Climate physical - Acute risk	Mavi operations Supply Chain	Climate Change Water and Wastewater Management Material Sourcing and Efficiency	Climate change impacts—such as rising temperatures, drought, extreme weather events, and water scarcity—are decreasing cotton cultivation efficiency and leading to instability in raw material supply. Due to cotton's high water dependency, these adverse conditions in cotton farming result in increased production costs, disruptions across the supply chain, and fluctuations in final product prices.	Mavi mitigates environmental and social impacts by prioritizing Better Cotton, regenerative cotton, organic cotton, and recycled cotton in its supply chain. In 2024, 42% of the total cotton purchased consisted of these sustainable alternatives, with plans to further increase this share in the coming years.
Sourcing risk and cost volatilities of recycled polyester	Economic	Mavi operations Supply Chain	Climate Change Material Sourcing and Efficiency	The supply of recycled polyester is directly linked to the recycling capacity of plastic waste, making it susceptible to price fluctuations due to increasing demand and variations in raw material availability.	As conventional polyester production relies on fossil fuels and non-renewable resources, Mavi prioritizes increasing the use of recycled polyester in its sourcing strategy. By repurposing plastic waste, recycled polyester reduces dependence on new fossil fuels and helps lower carbon emissions. To mitigate cost fluctuation risks, Mavi actively explores alternative material options and conducts market analyses to ensure a balanced and sustainable sourcing approach.

/4.5

PEOPLE
BETTER.EMPOWER



People-Oriented Mavi Culture

Driven by the people-oriented Mavi culture, transformation for a better future starts in the value chain. Recognizing this, Mavi fulfills its responsibility for providing fair living and working conditions for its employees, suppliers, and business partners. Mavi is empowered by its employees and suppliers who share the company's responsibilities on the journey toward becoming better and supports their development.

Mavi upholds human rights, respects the differences of its employees, and promotes gender equality by embracing a positive corporate culture. Furthermore, various practices are introduced to support the employees' professional development throughout their careers at Mavi.

The human resources approach is built on Mavi's People and Its Principles. Embracing mutual respect as the foundation of all relationships, Mavi strives to uphold human rights in its relations with its employees, customers, business partners, competitors, and communities, and also encourages them to exercise sensitivity in this matter to prevent human rights violations.

Mavi creates a work environment where human rights are respected in conformity with the Universal Declaration of Human Rights, United Nations Global Compact (UNGC), UN Convention on the Rights of the Child, International Labor Organization (ILO) conventions, Organization for Economic and Development Cooperation (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and applicable laws.

Mavi's human rights policy provides a framework for addressing a broad range of issues, including discrimination, the right to collective bargaining and freedom of association, freedom of expression, occupational health and safety, forced labor, child labor, violence and harassment, working hours, salaries, personnel rights, and human trafficking. The continuous audit mechanism established within the organization ensures the effective implementation of this policy. Regular inspections are performed during the recruitment process and sensitive issues such as child labor are diligently checked. The objective of this continuous audit approach is to provide assurance about the company's sensitivity to human rights and the execution of the relevant policies.

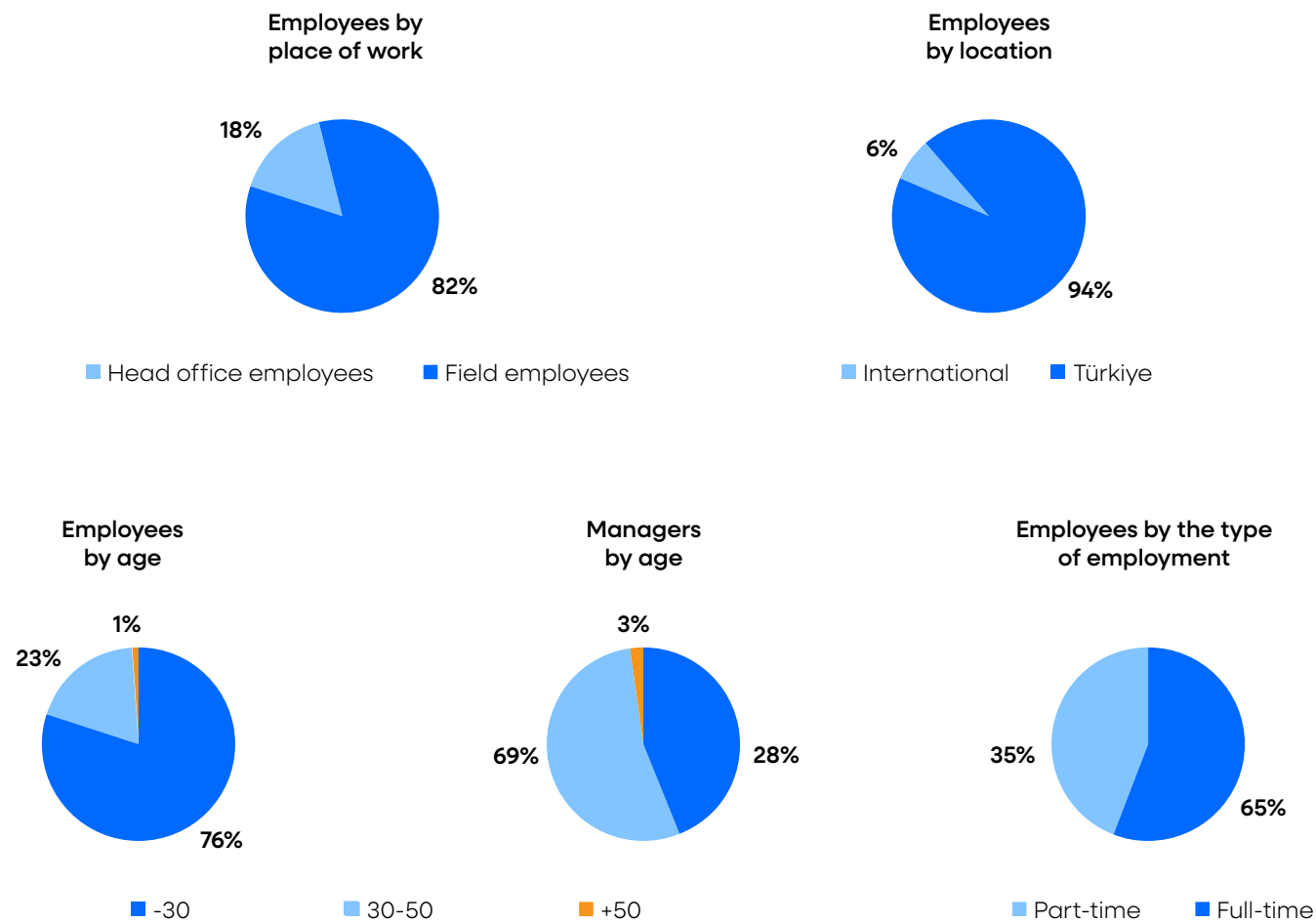
Mavi's senior management along with the Chief HR Officer (CHRO) and C-Suite executives are responsible for the effective implementation of the policy. Furthermore, the Mavi Board of Directors provides high-level oversight for determining and executing the whistleblowing, investigation, and sanction mechanisms to be utilized if the provisions of the Human Rights Policy are violated.

As part of risk management, the potential risks pertaining to human rights are systematically reviewed across Mavi's own operations, value chain, and new business connections. Mavi remains committed to addressing and preventing human rights violations through planned actions in the years to come.



Equal Opportunity and Diversity

Mavi's workforce of 5,872 people consists of 94% located in Türkiye and 6% in the other markets of operation. Head office employees account for 18% of the total workforce and the field employees for 82%. Mavi offers employment opportunities to the youth and taps into the country's young and dynamic workforce potential. At Mavi, the average employee age is 26, with 76% under 30. Employees with disabilities constitute 2.6% of the total workforce.



Mavi provides a work environment where each individual is respected and inclusive practices are implemented. Therefore, cultural diversity and equal opportunity are promoted. In all human resources processes, including recruitment, training and development, performance and talent management, career management, and remuneration, Mavi acts without any discrimination against gender, race, skin color, religious belief, spiritual or political ideology, ethnicity, economic status, sexual orientation, health condition, disability, age, or physical appearance, and all employees are treated equally in line with the [Diversity and Inclusion Policy](#).

Mavi extends its equality approach to the career development and remuneration of all the employees, with performance being the only factor to affect differences in remuneration. Base salaries and compensation packages are reviewed regularly to ensure remuneration is not gender biased. Accordingly, the gender pay gap in 2024 was 4.50% in favor of women among all employees (excluding the CEO).

	Gender pay gap (%)*
Mean gender pay gap	-4.50
Median gender pay gap	0
Mean bonus gap	-2.65
Median bonus gap	-3.89

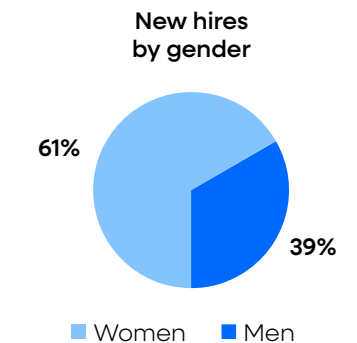
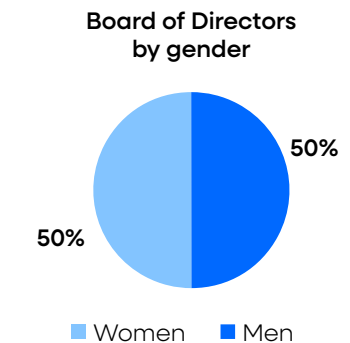
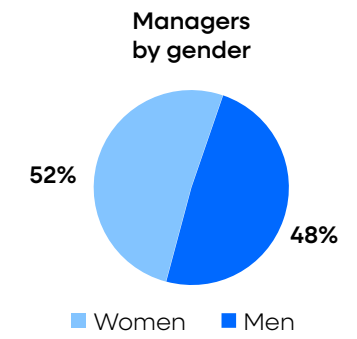
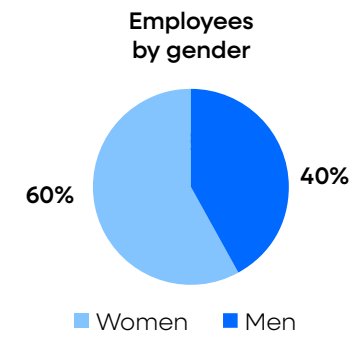
*Gender pay gap (%) = (male employee salary / female employee salary) - 100

Gender Equality

At Mavi, women constitute 60% of the total workforce and approximately 52% of the managers, a testament to the company's efforts to maintain a balanced male/female employment ratio both at the head office and in the stores. At the head office, they account for 62% of the employees and 60% of the managers, while these ratios stand at 60% and 46%, respectively, at the stores alone. At the head office, 62% of the employees promoted to upper positions were women.

According to Mavi's Career Management Procedure, the description of a Maviolog, a store job level, includes enhancing product knowledge of the team members, ensuring customers leave with the right products and combinations, and creating an excellent shopping experience. In 2024, 64% of the employees promoted to Maviolog status were women.

Share of women in total workforce (as % of total workforce)	60%
Share of women in all management positions, including junior, executive and senior management	52%
Share of female junior managers (first level of management)	60%
Share of female executives	58%
Share of women in C-suite	29%
Share of female managers in revenue-generating functions	44%
Share of women in STEM-related positions	46%



Gender Equality Training

Mavi recognizes the importance of promoting a culture of diversity and inclusion and therefore focuses on training and development to raise awareness. Aiming to ensure that all employees embrace the company’s equitable approach of achieving a balance between women and men, confront implicit biases and address false assumptions from the diversity, equity and inclusion perspective, the gender equality trainings are delivered in a physical setting six months after each employee starts to work at Mavi. The company also offers workshops with Ebru Nihan Celkan, a project consultant and trainer known for her work on spreading gender equality awareness. The scope of the workshops, which started with the C-suite and directors, has been extended to all head office employees. To date, 130 employees have taken a total of 390 person x hours of training in gender equality workshops.

In addition to the workshops, “Gender Equality” video trainings prepared in collaboration with the “Eşitliğe Değer” (Valuing Equality) platform, an initiative of AÇEV (Mother Child Education Foundation), and Enocta are offered to all employees via MaviPusula and MaviConnect portals. Supporting Mavi’s gender equality commitments, this training aims to raise awareness among employees. The training consists of five key topics: “What is Gender?”, “What is Equality? Obstacles and Opportunities”, “How are Gender-Based Roles Formed?”, “Gender Equality in the Workplace”, and “Let’s Take Action for Gender Equality”.

Multi-Stakeholder Dialogues

As part of its sustainability efforts, Mavi has focused on women’s empowerment and become a signatory of the UN Women’s Empowerment Principles (WEPs) in early 2021. Mavi has also joined the 30% Club, a global platform that takes action to increase gender diversity at board and senior management levels to 50%. Mavi promotes the active participation of men in addressing all kinds of challenges and biases that cause gender-based discrimination. To serve this purpose, Mavi is an active member of the Yanındayız (We Stand By You) Association, whose mission is to contribute to the transformation of social life to achieve gender equality. Mavi stands with every endeavor that



empowers women in professional and social life. For instance, Mavi is a participant in the Target Gender Equality program, launched by UN Women to foster the representation and leadership of women in the business world and a member of UN Women’s WEPs from Words to Action project. In 2024, Mavi was among the brands selected for the WEPs from Words to Action program that aims to encourage experience sharing between the participants and raising funds for UN Women Center of Excellence for Gender Equality. Additionally, Mavi participated in the workshops of INAN Inclusion Awareness Network, a global community of people that aspires to build a more inclusive and equitable business world for all. Through these workshops, INAN aims to develop a comprehensive and holistic perspective, deliver diversity and inclusion projects, measure the impact of such projects, and spread best practices.

Through the Mavi Scholarship Fund, granted in partnership with the Turkish Education Foundation (TEV) since 2014, Mavi supports female university students throughout their higher education. Participating in such international platforms is a testament to Mavi’s commitment to promoting gender equality across all levels.

Women-Friendly Practices at Mavi

To encourage women’s participation in the workforce and help them achieve work/life balance, all female employees with children in the 1-6 age group are offered daycare support, shuttle, and breakfast. In 2024, Mavi partnered with the Dünya Children’s Academy for daycare services, and 36 women and their children benefited from this support. In 2024, 91 head office employees took maternity leave and 53% returned to work later. As of 2023, paternity leave at Mavi has been extended to 10 days, longer than the legal period.

Private health insurance, which offers wide coverage and extra child coverage at discounted premiums after birth, is available for female employees. Annual check-up is an added benefit offered to women aged 40 and over. The nursing rooms for female employees who return to work after maternity leave to spend their nursing time in the early period of motherhood were recently renovated to provide a private, calm and comfortable space. The “Maternity Support Program,” moderated by a psychologist and created to support women’s swift adjustment to work life after maternity leave, completed its third year with 45 people taking the program. Through the program, Mavi aims to help its female employees adapt to work life after maternity leave, gain awareness about the emotional changes and challenges of motherhood, and make sense of this process by sharing their experiences with other mothers with children in similar age groups.

Mavi also hosted parenting seminars – Real Parenting –on the occasion of Mother’s and Father’s Days with Polat Dođru, an educator, counselor, TV show host and author, who discusses relationship management and guidance and suggests new methods.

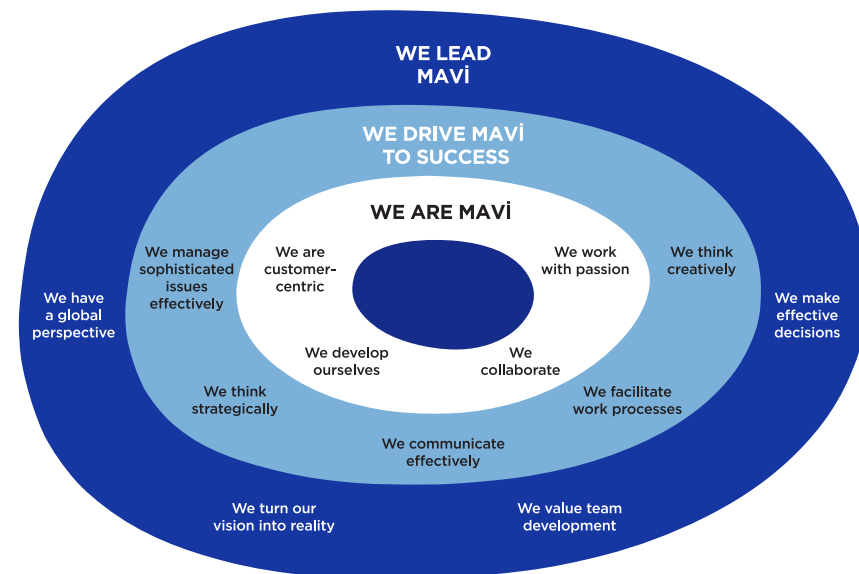
	Female employees
Eligible for maternity leave	112
Took maternity leave	91
Returned to work after maternity leave	74
Returned to work after maternity leave and stayed in the company for at least 12 months	2
Benefited from daycare service/allowance	36

Talent Management

Mavi strives to attract and hire the talent required for sustainable corporate success. The company also aims to tap into the talent within the organization, help them unlock their potential, enhance the employee experience and engagement with corporate culture to retain them, and train the leaders of the future.

The Human Resources Policy and practices are designed to support Mavi's strategic goals and the performance needed for sustainable growth. The objective of all the investments in human resources is to reinforce Mavi's mission to become an employer of choice. Mavi's most important asset is its human resource. Therefore, ensuring that employees deliver high effectiveness and efficiency and creating ultimate satisfaction, loyalty and motivation are among the key corporate objectives.

The Mavi Competency Model, a part of talent management, defines the competencies and skills that each employee needs to have and the path they should follow to succeed in the growing and evolving Mavi world. This model outlines the behaviours expected at different levels for each role, enabling employees to succeed and effectively lead their teams towards the company's vision.



Talent Acquisition and Retention

Mavi aims to acquire young talent through an effectively planned talent attraction and recruitment process. For this purpose, the company works in close cooperation with employer brand agencies and student bodies and clubs at universities, joining them on digital platforms, which bring together university students from various provinces across Türkiye. As part of these efforts, the company organizes a range of activities, including career talks, training sessions, company tours, fairs, and case studies. Such activities allow the company to introduce its culture and values to prospective new talent and offer a closer look into working at Mavi. In 2024, the company hosted in 41 events at 38 universities and connected with 5,801 students while engaging more than 15,000 people. The company also held interview simulations with 133 young talent, helping them gain experience as they prepare for professional careers.

In 2024, Mavi won second prize in the Retail & Textile category of the "TOP100 Talent Program" competition organized by Toptalent, the leading career platform, with its "NextGen Young Talent

Program." Mavi also won Silver prizes in the "Most Admired Commercial by Youth (Kıvanç ve Mavi ile Çok Olmak Lazım Bazen #BiMaviKlasığı)" and "Retail Employer of Choice" categories at the Youthall Youth Awards.

Taking part in these platforms allows Mavi to introduce the company's retail units and business practices to prospective new talent.

"Mavi NextGen" was launched in 2022 as a young talent program to train the managers of the future. The objective of the Mavi NextGen program is to offer seniors from universities and/or new graduates opportunities to experience different functions through rotations and learn about various business models in the retail industry. The program participants are seen as future Mavi employees, and their experiences throughout the process are monitored. They are also offered training programs to foster their development. In 2024, 23 young professionals participated in this program, and 15 joined the Mavi family.

As part of talent attraction efforts, the Young Talent Internship Program has been offered since 2016 for third- and fourth-year students at universities. This summer program provides students with the opportunity to observe the dynamics of retail. The objective of this process is to ensure that students have a pleasant and productive internship experience. At the end of the program, successful participants are offered career opportunities such as part-time internship, participation in the NextGen program or assistant positions to encourage them to join the Mavi family. In 2024, 50 students interned at the company and 9 joined the NextGen Talent Program.

The employees' career progress is supported through an internal job application system, which prioritizes in-house applications. All vacancies at Mavi are announced on the intranet, which allows the company to give the employees a chance to move between departments and/or stores and the head office. In 2024, 9 employees changed departments, 20 store employees transferred to head office roles, and 512 store positions were filled through internal promotions.

Mavi also has an International Assignment Program for employees who aspire to continue their careers in another country. Through this program, Mavi aims to transfer the essential know-how of the head office employees to different cultures to build a wealth of experience and support their career development in the international arena. Since 2016, 15 employees have benefited from this program and found the opportunity to work for Mavi's international operations. In 2024, activities were organized to attract Turkish talent for vacancies in the international offices and 7 people were hired for Mavi's international operations.

"The Candidate Recommendation Program" was launched in 2024 with the goal of accelerating the recruitment process, expanding the company's talent pool, and improving overall efficiency. The program encourages Mavi head office employees to recommend qualified talent from their professional networks. Employees can view open positions and submit the résumés of suitable candidates to the Talent Attraction team. If the recruitment process is successfully completed, the referring employee receives a reward. As candidates recommended by employees are generally more aligned with the company culture, the likelihood of a successful hire increases. Involving employees in the recruitment process is an innovative approach that fosters a stronger sense of belonging and team spirit.

In 2024, the average recruitment cost was calculated at TL 6,945. This figure does not include the recruitment costs for seasonal part-time or part-time employees.

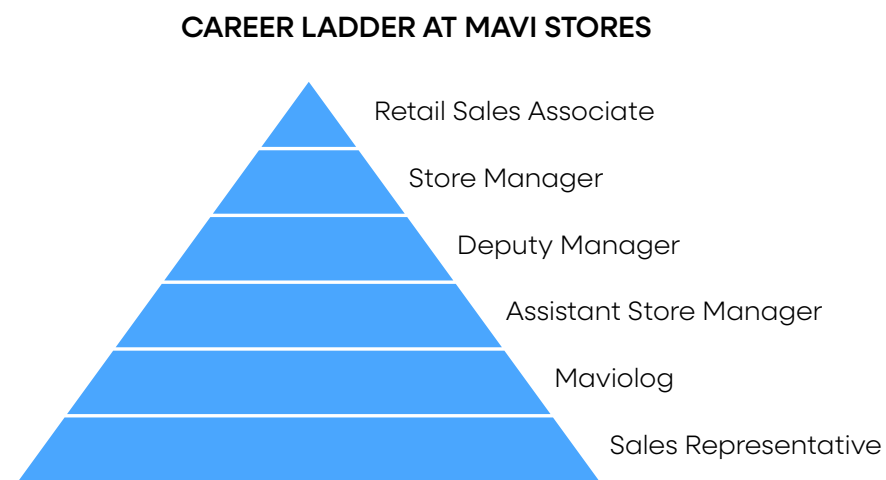
Performance Management

Talent management at Mavi involves a systematic assessment of the employees. Accordingly, a performance management system based on objective criteria is applied during the annual performance assessments to guide career planning. As part of the annual performance assessments, all employees receive feedback on their development and career plans. All head office employees go through the performance assessment process once a year. The performance assessment period starts in February with the goal setting stage, continues with check-ins in August to review the targets, and culminates with end-of-year assessments in January after the feedback meetings of the managers with their teams. The managers enter the performance assessment scores of their teams into the Mavi Pusula system. The Human Resources department ensures that the performance targets are set according to SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) criteria and the process calendar is monitored. The results obtained through the performance management system are taken into consideration in career planning, identifying development needs and establishing performance-based remuneration processes.

The Mavi Pusula performance system has been updated to align Mavi's sustainability strategy and long-term goals with the priorities and targets of all employees and ensure that they are embraced. With the update, "Encouraging Progress in Mavi Sustainability Goals" was included among the company's material issues. This has enabled the department- and topic-specific secondary sustainability goals to be monitored and reported. Accordingly, sustainability goals were integrated into the employee performance system.

In 2024, mutual feedback meetings were included in the Performance Calendar to reinforce feedback exchange between employees and managers. During these meetings, employees and managers record their mutual notes and follow-up action plans for development in the system.

Furthermore a 360-Degree Feedback - Competency Assessment system, focused on continuous development, has been implemented. The feedback process includes assessments of managers, teammates, subordinates, and individuals themselves. This method provides a deeper understanding of strengths and development areas with a multi-faceted approach. The development report, accessible through the MaviPusula system, can be reviewed mutually with managers during the "Performance-Feedback-Follow-up" period and used as development roadmap.



As part of career planning, 713 people, including 549 store employees (262 Maviolog employees, 82 deputy store managers, 32 store managers, and 2 sales associates) were promoted to a higher position. The employee turnover rates were 21% (9% voluntary) at the head office and 110% (90% voluntary) in the stores.

Designing Future Proof Career Framework

Mavi employees' title- and role-specific progress and promotion plans are followed as part of the performance management system. Annually, norm staff studies and career management plans are created for managers and higher positions. For this purpose, a Job Evaluation project was launched with Korn Ferry in 2024.

The primary objectives of this project is to define the role requirements to provide a clarity for employees while planning their career journeys. It is also designed to ensure that the right leader is placed in the right position based on growth roles, create self-assessment and awareness opportunities for leaders, and identify development areas.

As part of the Job Evaluation Project, 9-Box talent network was developed to define a sustainable talent grid for Mavi leaders, strengthen leadership capabilities, and design an effective succession plan for critical positions. Accordingly, positions that could significantly disrupt Mavi's business processes and outcomes were identified, and critical roles were defined based on the nature of the job and the required expertise and skills.

Once the critical roles were determined, a 9-Box matrix was created to comprehensively assess the performance and growth potential of employees at the manager level and above, while minimizing unconscious bias. To validate success profile alligned with Mavi Competency Model, KF Assess Online survey (self-assessment) was conducted for a total of 147 senior managers. Clear role requirements via Korn Ferry -Success Profiles- will help;

- Employees to navigate the requirements for the next steps
- Managers to have structured career conversations with their employees and to analyze leaders in critical positions in detail and identify their development areas.

The assessments have been completed, and by integrating the results with 360-degree competency assessment data, a 9-Box-based in-depth development planning process has been initiated within the framework of talent management.

Total Compensation

Mavi continuously strives to improve the compensation and benefits offered to foster the employees' positive performance and ensure their satisfaction and loyalty.

Total Remuneration and Benefits

Mavi supports its employees with competitive remuneration and benefits that reward high performance. At Mavi, remunerations are aligned with the company's ethical values, internal balances and strategic goals and the employees are compensated in the highest standards for their performance and the value they create. Mavi aims to ensure that a remuneration policy

of similar pay for equal work is applied and individual differences are based on performance. Therefore, different remunerations are not applied for male and female employees. On the other hand, the company regularly monitors the economic conditions to ensure that the employees maintain their positions in the job market and keeps the compensation packages balanced and competitive. Furthermore, Mavi strives to meet the employees' social needs and raise their working and living standards by offering a variety of fringe benefits, including personnel shuttles, lunch, private health insurance, company car, Kartuş discounts, breakfast, and daycare support, marriage and birth allowances, etc. Depending on the position and job categories, private health insurance, family benefits and annual check-ups may also be offered. A workplace physician is available to employees at the head office two days a week and a nurse every weekday.

The monthly salaries are determined on the basis of market and/or industry conditions, inflation rates, the employee's position, tenure in the company, qualifications and individual performance. Base salaries are revised and determined annually following the recommendations of the Corporate Governance Committee. Salary surveys conducted by independent consulting firms are also taken into account in every pay raise period.

Monthly Sales Commissions

Monthly sales commissions are an integral part of Mavi's compensation system, which rewards the store employees' performance by specific criteria, including customer satisfaction (Happiest Mavi Customer), product reviews, store coordination, new customer acquisition, sales targets and sales with Kartuş.

Annual Bonuses

The objective of bonus payments is to improve the efficiency of the executives to reach the corporate targets, maintain sustainable performance, distinguish successful executives by emphasizing individual performance and reward the executives who create added value for the company. Bonuses are paid if the EBITDA target set for the calendar year and approved by the Board of Directors is exceeded and in proportion to the extent that individual executives meet their own key performance indicators (KPIs). Some of the top executive level KPIs include net indebtedness, opex management, inventory turnover, sell-through and mark-down ratios, new customer acquisition, new store ROI and rampup management and capex management along with the risk actions identified within the scope of corporate risk management activities and the secondary annual targets for long-term sustainability goals.

Long-term Incentives

The Board of Directors may grant executives with administrative responsibilities a performance-based long-term incentive by taking into account the net profit and share price targets set for a period of three years (incentive period) in accordance with the principles defined by the Board itself. In 2021, Mavi publicly disclosed its short-, medium- and long-term environmental, social, governance (ESG) targets, which are integrated into the performance criteria of the long-term incentive allowances for all senior management positions and revised according to the company's performance over the years. On the other hand, the success criteria for the variable performance-based payments to the CEO include net profit for the year, share price and key sustainability goals.

Benefits offered to the HQ employees in Türkiye

- Free open buffet breakfast
- Pluxee meal card
- Private health insurance
- Shuttle opportunity, company car depending on title and position
- Employee discount on Mavi products
- Workplace physician and nurse
- Marriage and birth allowance
- Memberships in social clubs
- Work from home option
- Company phone and line depending on position

Benefits offered to the store employees in Türkiye

- Meal card
- Private health insurance depending on position
- Public transportation allowance
- Employee discount on Mavi products
- Marriage and birth allowance



Employee Well-being

Mavi is committed to fostering the employees' sense of belonging and team spirit, adding variety to professional life through internal communications, and offering new experiences. The social clubs under the GoSocial umbrella bring together employees and encourage them to share their interests, while supporting social interactions. Employees are encouraged to join yoga, volleyball, basketball, cycling, rowing, music, drama and DIY clubs, which aim for the members to pursue their interests and acquire new hobbies, so that they can get away from the daily hustle and engage in club activities.

Cycling Club: The team competed in races in various cities throughout the year, finishing the Veloturk Granfondo Çeşme race in second place in the overall classification. The team also finished the Granfondo İzmir 2024 race third in its age category.

Volleyball Team: Formed in 2023, the Mavi volleyball team represented the company in the Fonex Corporate Volleyball League in 2024.

Basketball Club: The team competed in the Corporate Basketball League in the 2024-2025 season. The team continues to prepare for the matches with regular training sessions.

Music Club: Mavi's first music group, Indigo Band, was formed in 2023. Indigo Band delivered an impressive performance in the elimination round of the 12th Office to Stage music competition. Turning team spirit into melodies, the band qualified for the finals and finished the competition in third place with its successful performance. The band also performed during the company's New Year's party, delighting the Mavi team with a night full of music and entertainment.

Drama Club: Mavi Drama Club, currently preparing to take the stage after a long hiatus, continues to take a series of theater and drama training.

Yoga Club: Yoga classes, which started six years ago and were held once a week, continued online in 2024.

Rowing Club: Club members received 8 hours of basic rowing training in teams of four. Employees who complete the basic rowing course continue training and experiencing the dynamics and energy of being a team on the water.

DIY Club: The club meets with a different workshop theme every month. In 2024, the club members participated in sculpture, painting, ceramics, abstract art with waste jeans, and snow globe workshops and crafted their own creations.

Managing Workplace Stress

In 2024, Mavi subscribed to a Meditopia Premium corporate membership to support workplace stress management. The system was made available to all Mavi employees through the mobile app of the company's internal communication platform, Maviletişim. Designed to promote the mental and physical well-being of Mavi employees, the membership provides easy access to services such as stress management, mental relaxation, meditation, yoga, and personal counseling via the Meditopia app.

The program offers a broad range of resources, including psychological counseling, personal training, dietician support, and a digital library focused on mental and physical health. Additionally, with the Meditopia Yoga Premium membership, employees can access yoga videos and face yoga content. As part of the corporate membership, employees may schedule up to three online sessions per year with a psychologist matched to their needs and also receive personalized support from a personal trainer and a dietician.

Work from Home and Family Support

In addition to supporting the employees with sports-wellness initiatives, Mavi also provides flexible work conditions such as working from home. The family advantages available at Mavi include child care assistance and nursing rooms for mothers and paid parental leave for new parents and other care leaves. Parent-friendly practices such as daycare assistance and the “Mother Support Program” are also available. Mavi fosters a healthy work environment by supporting its employees for their needs in various aspects of life.

Employee Communication Channels

The internal communications portals - Maviletişim and Maviconnect - are utilized to communicate and share information with the head office and store employees in Türkiye.

Mavi employees may access all kinds of information such as the latest developments, policies and procedures, and HR announcements via the intranet platform Maviletişim. The communication platform has been enhanced with instant notifications and new features, becoming more aligned with today's world.

In addition to the internal communication portal and mobile app, Mavi also sends daily or weekly “Merhaba Mavi” newsletters and monthly Maviletişim newsletters, regularly updating the employees about the latest developments within the organization.

Each year, Human Resources practices are renewed in line with changing expectations and emerging trends. In this context, newly implemented initiatives are shared with all employees through the monthly Maviletişim HR news section. Additionally, at the beginning of each year, a special HR edition of Mavi'de Yaşam is published, summarizing the new HR practices implemented in the previous year.

In addition to these practices, communication-focused meetings that are independent of performance evaluations -such as GoTalk, MassMavi, and coffee breaks with the CEO- are also held to foster open dialogue and engagement.

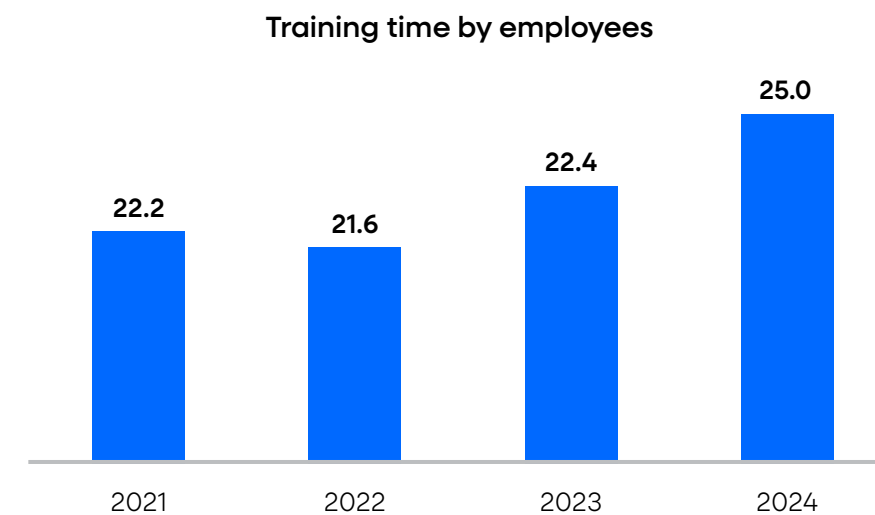
Employee Development

Mavi's brand identity as an industry leader is driven by its strong human resource, which continually helps the company move forward and keeps pace with change and innovations. Accordingly, the employees are offered various learning and development opportunities to improve their skills throughout their careers.

The company's approach to in-house training has evolved from basic to personalized and targeted training programs. The requirements for training and development programs are identified according

to the performance system results and by conducting needs analyses via one-on-one interviews with all department managers. Accordingly, individual development plans consisting of professional, technical and personal development training modules are designed for all employees in alignment with the Mavi Competency Model. The employees are provided with opportunities to attend conferences, seminars and summits on a range of subjects in Türkiye and abroad and also offered foreign language learning support.

Various tools are developed to leverage digital resources in training programs. Accordingly, the company has compiled a Digital Training Library, created video training programs and designed development programs tailored to different positions in hybrid formats. In 2024, total training time was 136.989 hours, with an average of 25 hours of training per employee. Total training spending amounted to TL 28,804,000, corresponding to TL 5,259 per employee.*



*Figures only refer to the head office and store employees in Türkiye. Head office figures exclude orientation, video tutorials, and procedural training.

Development of Head Office Employees

Mavi offers training opportunities to the head office employees for their professional, technical and personal development and supports them with classroom sessions, while planning and encouraging their participation in events such as summits, seminars and conferences. In addition, some employees may be encouraged to take open classroom training to support their professional qualifications as needed and included in the Foreign Language Support Program. The training programs are designed for individual development based on basic and functional competencies to help the learners understand the behaviors expected of the employee, display the behaviors required for the role and prepare for the next role. Trainings are planned based on the training needs analysis conducted at the beginning of the reporting year. Employees submit training requests for their own development through their managers by selecting the programs in the MaviPusula system. Additionally, the Human Resources Department assigns mandatory trainings to specific positions and creates individual development plans accordingly. In 2024, 712 head office employees in Türkiye took 15,894 person x hours of training, corresponding to 22.3 hours of training per person.

The Mavi Competency-Based Training Catalog—aligned with the Mavi Competency Model -was designed to support all Mavi employees in reaching their goals and developing key competencies throughout their career journeys. The catalog is structured to promote both personal and

professional growth. Organized into categories of Basic, Functional, and Leadership Competencies, the content includes personal development, professional and technical training programs, seminars, conferences, gender equality workshops, and open class sessions, as well as personalized development plans. In 2024, 361 employees submitted requests for 54 different training programs from the catalog.

Onboarding programs are delivered to help newly recruited employees become familiar with the corporate culture, company operations, organizational structure, and practices, enabling them to more easily adapt to their new responsibilities. As part of the orientation process, Mavi Code of Conduct Training and Information Security video training are offered as mandatory components. These trainings play a critical role in promoting the company culture and ensuring a secure working environment. Procedure trainings are provided to new employees each year under the Ongoing program and are repeated for both new and previously trained employees to reinforce knowledge and share updates. In 2024, training sessions were held on Corporate Ethics and Ethics Line, Corporate Risk Management, Competition Law, and Sustainability Strategy, with a total of 15 sessions conducted. Additionally, Mavi offers the Code of Conduct Training and Information Security Video Training in an interactive format via the MaviPusula online HR platform. Completion of these trainings during the orientation period is closely monitored.

In addition, Denim Training, Email Techniques Training, and Value Equality Training—developed in collaboration with AÇEV—were shared on the platform to support employee development as part of the MaviOngoing program. All video trainings provided in 2024 reached a total of 325 hours of viewing time. Mandatory trainings were made accessible through the MaviPusula LMS system with interactive content. With the renewal of the Mavi Competency Model, next-generation leadership competencies and the criteria for employee success were identified and communicated to employees. As a continuation of this process, the “360 Degree Feedback – Competency Assessment” process, which was piloted last year, began to be implemented for all head office employees as of 2024. The evaluation results were reviewed in training needs analysis meetings with team managers, based on competency behavior indicators. In line with the insights gained from these analyses, new content is added to the training plan to further support development opportunities.

Journey Application

In 2024, the Journey application was launched to digitalize recruitment processes and manage the preboarding and onboarding stages more effectively. This application ensures that new employees receive all necessary information before their first day, become familiar with the company culture, and start their roles better prepared. Journey enhances the process by offering personalized onboarding plans tailored to each employee's role, making the experience more streamlined and efficient. Supported by interactive modules, video content, and articles, the application helps employees quickly embrace the company's vision, mission, and values. Additionally, the advanced tracking and feedback system allows managers to monitor employees' adaptation process and provide timely support when needed. The effectiveness of the program is regularly evaluated through data analytics and improvement tools, ensuring each stage is continuously optimized. By accelerating employee adaptation and making recruitment more efficient and engaging, the Journey application significantly enhances the overall onboarding experience.

For more statistical data on the development of Head Office employees, please see page 241.

Mavi Sustainability Training Programs

Mavi launched the Sustainability Training Program to explain in detail the key concepts of sustainability and the company's sustainability practices in environmental, social, and governance areas. In 2023, more than 50 employees attended the training sessions on topics such as Fundamentals of Sustainability and Institutional Approaches, Systems Thinking and Integrated Approach, Choice Architecture, and Beyond Sustainability: Restoration. This training program aims to strengthen Mavi's commitment to and awareness of sustainability and spread the culture of sustainability among employees. The next term of the biannual training will take place in 2025.

In addition to these trainings, Sustainability Strategy Training is organized for head office employees at regular intervals. Designed to communicate the company's sustainability approach and goals, the training provides detailed information on the core principles of the All Blue strategy and Mavi's material topics in this area. The session, enriched with examples from actual projects, aims to raise awareness about integrating sustainability into business practices. Delivered face-to-face by Mavi's Corporate Communications Director, the training offers participants a comprehensive view of Mavi's sustainability vision and the opportunity to gain deeper insight into the company's future goals.

Mentoring Program

A mentoring program is carried out to reinforce Mavi's corporate culture and pass on knowledge and experiences to new generation employees. The program provides personal and professional development opportunities through interaction between the mentor and mentee.

The mentoring program was revised in 2024 based on feedback from employees, and graduates of the Mavi Kampüs Leadership Development Program were included as mentors. In this way, employees who have developed their leadership skills contribute to the mentoring process, and experience sharing is further enhanced.

The program was announced to all head office employees on a voluntary basis, and applications were received. During the application process, mentees were invited to interviews with the Human Resources team, informed about the purpose of the program, and guided on how to best benefit from the development opportunities it offers. An introductory meeting was held prior to the mentor-mentee matching process, where participants had the chance to get to know one another through interactive activities. Mentees then submitted their top three mentor preferences, and matches were made in line with the expectations of both mentors and mentees.

In addition to accelerating employees' professional development, the program also strengthens employee engagement by promoting knowledge sharing across the company. While mentors guide mentees through their experience and expertise, mentees are encouraged to focus on their own growth with the support of their mentors. Throughout the eight-month mutual development journey, sessions are monitored by the Human Resources team, and the effectiveness of the process is regularly assessed and improved. In 2024, 14 mentees and 14 mentors participated in the program.



Mavi Kampus Development Programs

The Mavi Kampüs program, designed to support the personal and professional development of the managers that will drive Mavi's strategic goals further, has been regularly offered since 2016. Moreover, a Leadership Development program was created with Koç University, and a Talent program with Yenibirlider Association and Boğaziçi University Lifelong Education Center. The Mavi Kampüs programs aim to equip the participants with the knowledge, skills and experience to become market-driven leaders with global awareness and social responsibility in an evolving and developing world, able to make informed decisions for strategic targets.

The leadership development program is offered to the senior managers and higher roles, while potential talents in supervisor and manager roles are included in the Mavi Kampüs Talent program. At the end of the leadership development program, one-to-one coaching sessions are held to reinforce the training.

In the 2023–2024 term, 20 participants from the Mavi Kampüs Leadership Development Program and 30 participants from the Mavi Kampüs Talent Program completed their training and celebrated their graduation. Of the 50 participants, 15 were promoted, resulting in a promotion rate of 30%. For the 2024–2025 term, the Mavi Kampüs Leadership Development Program began in collaboration with Koç University, while the Mavi Kampüs Talent Program was launched in partnership with Sabancı University and the Yenibirlider Association. A total of 22 participants were admitted to the Mavi Kampüs Talent Program, which began in November 2024, and 20 participants joined the Mavi Kampüs Leadership Development Program, which began in October 2024.

Technology and Product Development Training Program

The Technology and Product Development Training Program is designed in collaboration with university textile engineering departments to enhance the technical know-how and creativity of the Global Design and Product Development teams, as well as the Global Purchasing teams. In 2024, technical training sessions covering five topics were offered online in collaboration with Marmara University. Throughout the program, participants engaged with academics, explored current developments and applications, and had the opportunity to refresh their technical expertise. In 2024, a total of 135 employees benefited from the program.

UnSchool Training Program

The cognitive flexibility approach, regarded as a valuable behavioral skill, proposes unlearning the previously acquired knowledge and thought patterns and making room for new learning areas (unlearning) as a key competency. Drawing from this concept, Mavi aims to enrich the UnSchool Training Program to keep the continuous learning environment alive and passing on the Mavi knowledge and experience to new employees.

An Internal trainer Development Program was organized to add more trainers to Mavi's internal training ecosystem and to equip them with the necessary competencies. By the end of the program, which aimed to train the participants as internal trainers capable of giving online classroom trainings, conferences or shorter subject-specific orientation sessions, they gained trainer qualifications needed to effectively impart their knowledge. The program trained 24 internal trainers within the year. In 2024, the program gave 161 employees the opportunity to listen to digital training content delivered by internal trainers. The comprehensive training topics include: Denim Washing

Processes, Cybersecurity in the Digital World, E-Commerce and Performance Marketing Techniques, Finance for Non-Financial Professionals, Business Intelligence, Private and Corporate Cloud Technology Usage, Collection Creation and Design Thinking, AI at Mavi, Quality and Product Security at Mavi, Retailing at Mavi, Personnel Rights at Mavi, Projects at Mavi, Sales Channels at Mavi, Design Process at Mavi, Retail Planning Fundamentals, Inventory Management, Product Life Cycle from Design to Store, Textile Terminology and Basic Textile, Introduction to Data Analytics, What is Data Science and Data Science at Mavi. The objective of these trainings is to elevate the technical competencies of employees and enhance their effectiveness in business processes.

Mavi continues to reinforce its internal trainer ecosystem. As of 2024, 12 employees have gained internal trainer competencies and joined the ecosystem. Internal trainers play a key role in supporting Mavi's culture as a learning organization.

The UnSchool Training Program and Internal Trainer Development Program form the foundation of Mavi's experiential learning process. These programs support the individual development of employees and play a vital role in transferring retail terminology and Mavi's business dynamics to new team members. Through the program, employees gain a broader perspective beyond their job descriptions and develop a clearer understanding of how their roles contribute to overall business processes.

Working with Data Training Program

The Working with Data Training Program enables participants to learn how to create value from data by building their own datasets and reports. Employing advanced data analytics techniques, participants develop practical solutions for reporting processes and gain cognitive competencies that support business intelligence, data design methodology, data visualization, and data interpretation.

The Working with Data training programme, which was implemented in 2022 to support Mavi's digital transformation and data-driven management, continued to expand in 2024, with 63 employees benefiting from the programme. By the end of the program—centered on how to extract value from data—participants had acquired the skills to create their own datasets and reports. Covering key topics such as business intelligence, data design methodology, data visualization, and interpreting data, the training provided hands-on opportunities to apply advanced data analytics in real-world reporting scenarios.

Foreign Language Support Program

In 2024, 43 employees benefited from the Foreign Language Support Program, designed to support the professional development of employees. The courses within the scope of this program are offered to employees in the form of online and offline group and private lessons by partnering with English language education providers, based on the participants' proficiency levels and learning preferences. Mavi covers 50% of the course fees in this program.

Go Mavi Culture

At Mavi, regular meetings are an integral part of the Go culture to drive employee participation and guide the entire organization toward shared targets.

MassMavi Meetings: Held quarterly in a hybrid format, these meetings bring together speakers from each department to share their business agendas and project updates with all head office employees.

Coffee Break with the CEO: All new employees starting at the head office meet with the CEO in these events.

Marketing Direction Meetings: These are seasonal meetings where brand strategy and priorities are evaluated together with customer, market, product, and competition analyses and results are shared with the management teams, particularly the sales and category departments.

Mavi Next: As of 2024, Go Meetings have been rebranded and redesigned as Mavi Next Meetings, held on March 27–28, to support turning Mavi's growth strategy into a concrete action plan. At the Mavi Next meetings, goals are defined to shape the future of the company. Rooted in a passion for excellence, a growth mindset, and a sustainable culture, the Mavi Next strategy aims to build a strong ecosystem. These meetings provide a platform for teamwork to transform multidisciplinary strategies into shared goals between departments and to design the journey to a better Mavi. Following the meetings, these goals are cascaded into departmental and individual targets to ensure alignment across the organization.

Field Strategy and Goal Meetings: Outdoor meetings for store managers and assistant store managers. Through presentations by directors about the company's strategies, common goals are set and a common culture is built across Mavi.

GoTalk Seminar Series: The GoTalk seminar series on creating value from data was launched in 2024. Technological advances and digital transformation deeply affect how we do business today while also creating new opportunities. With these advancements, AI continues to gain more ground in business. The GoTalk seminars, delivered under a new theme every month, offer insights into how transformation is embraced and how artificial intelligence is adapted to operations as well as new perspectives with inspiring examples.

Development of Store Employees

Creating the 'Happiest Mavi Customer' is the foremost priority of the field teams. An intensive training program is delivered throughout the year to ensure that store employees provide worldclass service to Mavi customers. In 2024, a total of 121,095 hours of training was provided to 4,765 employees in Türkiye's key stores. Field employees received 25.4 hours of training per person.

Store managers take classroom training on onboarding, store responsibilities, and team management as well as on-the-job training, digital training, and function-specific training to develop their leadership skills.

During the reporting period, 22 mentors selected from mostly non-sales functions and 22 mentees selected from employees with high potential joined the Store Mentoring Program.

The Store Manager Development Program offers the store managers an opportunity to improve their knowledge, leadership skills, and technical competencies in line with strategic priorities. Managers who participate in the development programs gain new skills and expertise for the next level. 21% of the 28 store managers and deputy managers who participated in the Store Manager Development Program were promoted to head office roles.

Furthermore, assistant store managers, Maviolog employees, sales associates, cashiers, and warehouse workers receive orientation, classroom, on-the-job and digital training throughout the year. To date, 187 different training contents were delivered via Mavi Connect, the digital training and communication platform, to enhance the employees' technical and behavioral skills.

For more statistical data on the development of store employees, please see page 242.

Maviolog

The job of a Maviolog is to enhance the product knowledge of the teammates in the store where they serve, ensure every customer leaves the store with the right product and combination, and create an excellent shopping experience for the customer. The employees to serve as Maviologs are trained specifically to provide customers with product and style advice in line with Mavi's identity as a denim specialist and fashion brand. Three applications in the concepts "The Art of Styling," "Maviolog as a Trainer", and "Collection Training?" are used to reinforce theory with practice. As part of the program running since 2012, the number of Maviolog employees working at Mavi stands at 361 as of year-end 2024.

Secret Customer Surveys and Field Development

Secret customer surveys are conducted 12 times a year to assess the performance of the field teams and the results are regularly monitored by the sales, marketing, training, and HR teams. In 2024, a total of 4,005 secret customer visits took place across 442 stores in 77 cities. In all the visits, Net Promoter Scores (NPS) were measured in objective and subjective standards. Accordingly, the development areas and the stores that have room for improvement were identified and training was planned. In 2024, the NPS score of the Mavi stores reached 68, far above the retail average.



Employee Engagement

Mavi has developed a suggestion system to encourage the active participation of the employees in the decision-making mechanisms and to benefit from innovative ideas. All the suggestions submitted to the suggestion/comment section on the Maviletişim platform are collected and evaluated systematically. The field team may also submit their suggestions and complaints via the “Jean Fikir” (“Jean-ious”) section on the Mavi Connect app.

According to the results of the employee satisfaction survey conducted among Mavi employees in 2023, the employee satisfaction score was 87% in the stores and 79% in the head office. The employee engagement scores, another output of the same survey, were 86% and 80% among store and head office employees, respectively. These surveys, previously conducted every two years, will be conducted annually from now on as part of the goal to “Maintain employee satisfaction above 70% each year.” As part of the double materiality assessment carried out in 2024, employee satisfaction and well-being—identified as “Very High Priority”—have also been included as a KPI in the long-term incentive planning for senior management.

For more information on double materiality assessment, please see page 98.

For more information on the senior management long-term incentive plan, please see page 96.

The employee satisfaction survey is conducted in a wide scope and with a focus on various categories to identify the overall perception of Mavi. Corporate image, job satisfaction, corporate climate, department/regional management, junior manager, leadership team, communication, collaboration and teamwork, workload and stress, innovation, training - development - career, performance management, and benefits are some of the topics queried in the survey. These metrics are used to provide detailed feedback to employees by assessing job satisfaction, employee motivation, happiness levels, and job stress.

After the survey responses are analyzed, a detailed report is generated, and the results are used to create action plans.

At Mavi, any situation or suspicion believed to be in violation of laws and regulations, ethical values and principles, or company policies and procedures is reported through the Ethics Line, in accordance with the [Whistleblower Policy](#). The Ethics Line is a 24/7 support service operated by independent expert firms and is entirely separate from Mavi. It allows individuals to report non-compliance observed in Türkiye or other countries, voice concerns, either verbally or in writing, or ask questions. The Ethics Line can be accessed at mavietikhat.com.

For more information Ethics Line, please see page 277.



Healthy And Safe Work Environment

Mavi's top priority is to create and provide a secure, healthy and peaceful workplace that complies with environmental and occupational health and safety standards. Therefore, activities are designed to foster a culture of occupational health and safety (OHS) beyond legal requirements and manage the process with a systematic and proactive approach. As a result of the double materiality assessment conducted in 2024, occupational health and safety was identified as "Very High Priority" for both Mavi employees and supply chain workers. The processes related to the regular review of OHS topics and practices, development of improvement and dissemination recommendations, and full compliance with legal regulations are managed by the Mavi Occupational Health and Safety Committee. The Committee convenes four times a year to make decisions on OHS processes concerning employees and the office environment. The committee consists of 1 chairperson, 1 secretary, 1 occupational safety specialist, 2 workplace health professionals, 5 principal employee representatives, and 5 alternate representatives. In total, 10 employee representatives serve on the OHS Committee. The senior executive responsible for OHS is the CHRO (Global Human Resources Director), who reports directly to the CEO. In stores, Occupational Health and Safety Committees are established in 6 locations with more than 50 employees. These committees consist of 1 occupational safety specialist, 1 workplace physician, 1 secretary, 1 employer representative responsible for OHS legislation, and 4 employee representatives. Across Mavi's operations in Türkiye and Russia, a total of 8 Occupational Health and Safety Committees have been established, with 24 representatives serving on behalf of 5,635 employees.

Risk analyses are conducted and emergency action plans are made by OHS specialists at the head office and stores, and preventive measures are implemented based on the findings. OHS performance is monitored regularly. Using the Fine-Kinney risk analysis method, existing hazards and risks are identified, followed by a diligent risk assessment. Risk analyses is regularly updated as needed or when new risks emerge.

OHG Risks	
<p>Risks identified for Mavi include:</p> <p>Risks related to the pandemic (Covid-19), ergonomic conditions, using devices with screens, unstable equipment (cabinets, shelving systems, etc.), lack of basic OHS training, lack of trained emergency teams, insufficient periodic checks of work equipment (electrical and grounding installations, elevators, HVAC systems, power generators) and ambient temperature measurements, unsuitable or slippery surfaces, risks associated with using electrical and electronic devices, risk of using a portable ladder, risks of using cutting tools (box cutters, scissors, etc.), emergencies (pandemics, fires, earthquakes, flash floods, sabotage, terrorism, workplace accidents, etc.), improper stacking, unsuitable emergency exit doors and escape routes, and unsuitable emergency exit signage.</p>	<p>Risks identified for subcontractor employees include:</p> <p>Risks related to the pandemic (Covid-19), insufficient use of personal protective equipment (PPE), inadequacies in hood extinguishing systems, risks associated with fryer use, the risk of hot beverage spills, slippery surfaces, potential gas leaks, and lack of occupational health and safety (OHS) training have all been thoroughly assessed.</p>

At Ekol, one of Mavi's logistics suppliers, third-party audits are conducted to monitor OHS risks. Efforts are underway to address risks identified during these audits related to storage and operational conditions.

Mavi's risk mitigation strategies by order of priority:

- 1- Eliminating risks at the source.
- 2- Replacing the dangerous with the less dangerous.
- 3- Implementing engineering measures.
- 4- Taking administrative measures. (Signage, warnings, working hours).
- 5- Providing personal protective equipment.

In 2024, no fatal incidents occurred at Mavi, and all reported accidents were minor in nature, such as falls, collisions, bruises, sprains, needle pricks, hand and finger pinches, and fainting or loss of consciousness due to health issues.

Tasks with injury risks (such as impact, falling, cutting tools, stacking, using ladders, lifting heavy loads, etc.) are identified according to the Risk Analysis Reports and the reports kept in workplace accidents.

Mavi is categorized as a workplace in the Less Dangerous class, and therefore is not subject to certain occupational disease risk groups. Jobs that pose an occupational disease risk for the employees of Mavi and subcontractors are typically associated with conditions such as allergic reactions due to exposure to textile dust or environmental dust, and ergonomic health problems that may arise as a result of heavy lifting or intense standing work. To prevent such risks, regular measurements are performed in all work environments, while the employees are provided training on this topic.

The Mavi OHS checklist is used to check all OHS risk factors in stores twice a year. With this practice, regional managers measure the OHS performance of the stores using a checklist of 47 questions during store visits. Thanks to these visits made 4 times in 2024, OHS risk factor checks are performed above legal obligations and potential non-compliances are eliminated. If an employee avoids work due to health reasons, this situation is evaluated by the relevant managers, the occupational safety specialist, and the workplace physician and then actions are taken to benefit the employee.

Occupational Health and Safety Performance

Occupational health and safety performance - Employees	2020	2021	2022	2023	2024
Lost-time injuries frequency rate (LTIFR)*	0,09	3,88	4,52	5,29	4,81
Occupational disease rate (ODR)	0	0	0	0	1
Lost workday rate (LDW)**	1,30	3,69	6,39	3,29	3,98
Data coverage	95%	95%	95%	95%	94%

Occupational health and safety performance - Contractors	2020	2021	2022	2023	2024
Lost-time injuries frequency rate (LTIFR)*	0	0	0	6	4,88
Occupational disease rate (ODR)	0	0	0	0	0
Lost workday rate (LWD)**	0	0	0	3	0,98
Data coverage	95%	95%	95%	95%	94%

*Lost-time injuries frequency rate (LTIFR) is computed with the formula: (Number of lost-time injuries) / (Total hours worked in accounting period) x 1,000,000

**Lost workday rate (LWD) is computed with the formula: (Total number of lost days) x 200,000 / (Total hours worked in accounting period)

Mavi follows a specific procedure to collect all pertinent information on workplace accidents in the stores and the head office. The employee who has a work accident prepares a workplace accident report containing information about the accident details and witnesses. Based on this information, a workplace accident report is submitted to the Social Security Institution (SSI) within three business days at the latest from the date of the accident. Furthermore, the date and cause of the accident, the details of the employee involved, and the date of notification to SSI are recorded by the relevant department.

During the recruitment process, the candidates are asked to provide health information and health reports confirming their suitability for the job. A workplace physician and OHS specialists are available to provide assistance to employees when needed. All head office employees, store managers and deputy store managers are entitled to private health insurance at the time they start their jobs.

In 2024, a series of important projects were launched to enhance employee safety, strengthen emergency response management, and generate social benefit.

To improve emergency management in stores, new evacuation plans were prepared in compliance with regulations. Developed through on-site inspections by expert teams, these plans clearly mark emergency exit routes, fire extinguisher locations, and designated assembly points. Additionally, the inclusion of information about employees trained in first aid and fire safety aims to ensure quick and accurate responses during emergencies.

To raise awareness of occupational health and safety, a comprehensive training package was developed on Mavi Connect. Covering topics such as ergonomic risks, workplace accident reporting, and fire response procedures, the training is supported with audiovisual materials and interactive exercises.

Moreover, to ensure the safety of generator fuel refilling processes and prevent environmental risks, chemical spill kits were distributed to all street stores. These kits—containing absorbent cleaning materials, protective equipment, and hazardous waste management tools—enable employees to handle fuel safely. Awareness was further increased through online training sessions provided to store supervisors.

Finally, efforts have been initiated to establish the Mavi Search and Rescue Team to enable effective action in disaster situations and contribute to public well-being. In seminars held in collaboration with SAR Search and Rescue Association, employees were informed about search and rescue operations, volunteering processes, and the requirements for forming a team. For the volunteer team that completed first aid training, additional training in psychosocial support, navigation, and search and rescue is planned.

OHS Trainings

Trainings sessions are held to reinforce and raise occupational health and safety awareness. Training content also includes information on specific occupational health and safety issues such as workplace accidents, occupational diseases, infectious diseases, first aid, fires, earthquakes, and ergonomics. In 2024, 4,926 head office and store employees received a total of 42,984 person x hours of OHS training, corresponding to 8.7 hours per employee. Meanwhile, 137 subcontractor employees took 1,114 person x hours of training, averaging 8.1 hours per person. The training sessions are repeated at regular intervals. The effect of OHS training is measured by tests at the end of the training. The goal is to have the employees who have not previously received basic OHS training complete this process with face-to-face sessions.

To enhance workplace ergonomics, Mavi performs ambient measurements and periodic checks to improve lighting and indoor air quality, optimize noise, humidity and heat levels, and upgrade equipment.

Inclusive Business Model and Responsible Value Chain

As a denim-centric apparel brand, Mavi does not engage in any direct production activities. However, the company works with 133 responsible suppliers with world-class production capabilities through its global sourcing network and 471 sub-manufacturers through these suppliers.

In addition to using general parameters such as product and service quality and capacity, Mavi applies various performance criteria, including quantity and revenue volume, speed and flexibility, contribution to collections, unique product creation capability, risk level, scope, compliance, and cooperation to evaluate and select strategic and critical suppliers. As of 2024, Mavi works with 18 strategic and 34 critical suppliers. The critical suppliers account for 51% of Mavi's production and strategic suppliers for 42% by volume.

Total Tier-1 suppliers	133
Total number of suppliers other than Tier-1 suppliers	471
Total critical Tier-1 suppliers	34
Total strategic Tier-1 suppliers	18
% of total spend on critical Tier-1 suppliers	61
Total critical non-Tier-1 suppliers	0
Total critical suppliers (Tier-1 and non-Tier-1)	34

Mavi expects its entire value chain to comply with and contribute to its sustainability goals and objectives. Accordingly, the company adopts an inclusive business model to improve the sustainability performance of all suppliers and foster their development. The suppliers are audited to achieve traceability across the supply chain. The Chief Sourcing and Supply Chain Officer is the most senior executive responsible for the oversight of these processes. Responsible purchasing strategies and actions are a critical part of the sustainable value chain management.



MAVI VALUE CHAIN

The financial stakeholders impacting Mavi's value chain

Upstream				Mavi		Downstream	
Suppliers of the traded products and other suppliers (service providers and semi-finished goods)				Mavi management, employees, business partners, investors		Customers	
Sourcing				Operations		Use	Wastes/End-Of-Life
Suppliers - Raw material manufacturers (Tier 4)	Suppliers - Raw material processors (Tier 3)	Sub-Manufacturers (Tier 2)	Main suppliers (Tier 1)	OPERATIONS	SALES	CUSTOMERS	WASTES
Suppliers of raw materials used in production or other production processes	Suppliers that process raw materials into semi-finished goods such as yarn	471 sub-manufacturers that produce and process apparel materials	+130 main suppliers that produce and finish end-products	5 global offices including the head office in Türkiye Design Purchasing R&D Quality Control and Product Testing Marketing & CRM Sales Logistics Management Corporate Communications Customer Relations Human Resources Accounting Finance Investor Relations Legal IT	Omnichannel sales network active in 34 countries 485 monobrand stores, including 422 in Türkiye ~4,000 doors globally Online sales channels: mavi.com and Mavi App	People who purchase Mavi products online or offline and use them	Post-consumer products that no longer meet the quality or other expectations of the customers and discarded packaging materials
Products or processes sourced from suppliers Cotton Polymers Recycling processes (e.g., polyester) Wood, rubber Metal Livestock (cattle, sheep, etc.) Other natural fibers	Products or processes sourced from suppliers Yarn production Production of dyes, chemicals Production of plastics and metal alloys Paper pulp production Leather preparation processes, including tanning	Products or processes sourced from suppliers Knitted and woven fabrics Bleaching, dyeing, treatment, finishing processes Production of zippers, buttons and rivets Paper and cardboard production	Products or processes sourced from suppliers Cutting, sewing, and embroidery Washing, garment dyeing, laser washing Ironing Printing Packaging Packaging materials	Logistics - Product Deliveries Logistics and customs processes, carried out with business partners to deliver the products from the manufacturers to the warehouses Central warehouse in Türkiye, 3PL warehouses in Russia and Germany and managed (in-house) logistics warehouses in USA and Canada	Logistics - Sales Network & E-Commerce Transportation activities, carried out with business partners to deliver the products from the warehouses to stores Shipping activities, carried out with business partners to deliver mavi.com and Mavi App orders to the customers		CIRCULARITY Products and packaging materials reintroduced to previous stages of the value chain through models such as recycling, upcycling, reuse, and reselling

Sustainability in The Supply Chain

In all its activities, Mavi aims to offer quality and innovative products by considering ESG responsibilities through effective supply chain management. The relations with suppliers are governed by the Supplier Code of Conduct and Global Purchasing Principles. These guidelines, used to monitor the ESG performance of the suppliers, are in conformity with the Universal Declaration of Human Rights, the International Labor Organization (ILO) conventions, and the 10 Principles of the United Nations Global Compact (UNGC). Mavi only works with suppliers that meet the high standards defined for supply chain management and supports their continuous development. By volume, 88% of Mavi's production takes place in Türkiye. The company also supports the socio-economic development of the country by making 83% of its total payments to local suppliers.

Social Compliance Audits

Mavi conducts social compliance assessments for all the new suppliers that join the supply chain and only works with those that pass the inspections. In addition to the Supplier Code of Conduct and Global Purchasing Principles, field and documentation audits have been conducted with suppliers and their sub-manufacturers in all production categories since 2017. The Social Compliance Department under the Quality Assurance Department conducts inspections to determine social compliance in suppliers. These inspections focus on identifying the extent that the suppliers apply and comply with restrictions and regulations in areas such as child labor, health, safety, the environment, working hours and payments, forced labor, the right to association and collective bargaining, discrimination, discipline, and management responsibility as required by international standards. Adherence to the Social Compliance Criteria, determined in alignment with the ILO conventions, local legislation, and internationally accepted reporting standards (such as ISO 31000, SA80000, SMETA, Amfori, SLCP, ICS, WRAP), including environmental criteria defined according to local legislation, management systems, operational efficiency, product safety and risk assessment, is verified through an integrated audit structure. Mavi's social compliance audits are conducted in strict adherence to the methods and stages defined for specific procedures. If critical non-compliances are detected during the audits, the business relationship is terminated and blocked for a specific period of time. When non-compliances are identified, an action plan is created based on the audit report and these actions are tracked by assigning deadlines. If the actions are not completed within these deadlines, production approval is put on hold.

In 2024, 61 suppliers underwent social compliance audits. The audits were conducted at the main plants of suppliers with direct production activities and in the sub-manufacturer facilities of suppliers who work with subcontractors. Of the 471 active sub-manufacturers as of year-end 2024, 66% were audited and 34% were included in the audit plan.



<p>Mavi supplier and sub-manufacturer social compliance audit criteria</p> <ul style="list-style-type: none"> Child labor Forced labor Health, Safety and Environment Freedom of Association and Right to Collective Bargaining Discrimination Disciplinary Sanctions and Ethics Working Hours, Compensation and Payments Management Systems Operational Effectiveness and Quality Control
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Potential Human Rights Risks in the Supply Chain and Measures

Main topic	Number of main suppliers and sub-manufacturers audited	Cases detected	Cases resolved	Number of suppliers terminated	Mitigation actions taken
Child labor	373	6	0	6	Suppliers and sub-manufacturers who are determined to actually or potentially employ child labor are terminated. These determinations are made during desktop evaluations and extensive field inspections before any supplier and sub-manufacturer is included in the supply chain or during regular action and follow-up audits throughout the production process. As a result of the audits in 2024, six manufacturers were terminated due to their non-compliances.*
Forced or compulsory labor	373	0	0	0	Suppliers and sub-manufacturers where critical non-compliance with forced labor provisions is detected are warned and asked to remedy the situation. If no remedial action is taken, the supplier is terminated. These determinations are made during desktop evaluations and extensive field inspections before any supplier and sub-manufacturer is included in the supply chain or during regular action and follow-up audits throughout the production process. Based on the audits in 2024, we have not detected any non-compliances.

Violation of freedom of association and right to collective agreement	373	54	38	16	If freedom of association and the right to collective are determined to be violated during field inspections, Mavi assigns actions to the audited company. This determination is communicated to the supplier in a detailed report and a specific action is required to remedy the violation. If the situation is not remedied within the deadline, a warning is served to the company. Based on the inspections in 2024, non-compliances were found at 54 sub-manufacturers, who are currently monitored for remedial actions. While 16 sub-manufacturers were terminated, 38 sub-manufacturers were re-added to the supplier list after resolving the non-compliances.
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*In some cases one main supplier or sub-manufacturer has been terminated for multiple reasons.

For more statistical information on supplier audits, please see page 245.

In 2024, Mavi delivered extensive training programs for suppliers and sub-manufacturers. During interviews with new supplier candidates, the processes and requirements regarding social compliance and the environment were shared in detail. Moreover, regular briefings were held for the teams in charge of the new relationship established. Main suppliers and new suppliers within the supply chain receive dedicated training on social and environmental criteria. Beyond serving just as audits, field inspections also function as training sessions where the applied procedures are explained. During the social audits in 2024, 204 hours of training was provided to 102 main suppliers. Furthermore, 84 main suppliers received a total of 168 hours of environmental training.

ERAK and TAYEKS, the two major manufacturers of Mavi in Türkiye in terms of production volume and revenues, both hold BSCI and Sedex certificates. The purpose of these certifications and audits is to minimize environmental impact by prioritizing the health and social security of the employees across all production processes. Mavi accepts such certificates only if the audits of institutions like Sedex and BSCI are valid for at least one year and their results are favorable. ERAK and TAYEKS, which account for the majority of Mavi’s denim sourcing, are also included in the Higg Index, developed by SAC (Sustainable Apparel Coalition) to provide the tools for measuring the sustainability performance of a company or product.

More information on environmental compliance audits in the supply chain is provided under [Ecosystem Restoration](#).

Occupational Health and Safety in the Supply Chain

In the double materiality assessment conducted in 2024, occupational health and safety for supply chain employees was identified as one of the highest materiality topics. Occupational health and safety criteria are a core component of audits conducted at both Tier-1 suppliers and sub-manufacturers. Business partners are required to provide a safe and healthy work environment for their employees, contractors, and visitors, and are expected to fully comply with all applicable regulations in. Employing production techniques that may pose risks to human health and safety are strictly prohibited. Business partners must uphold occupational health and safety standards across all business processes, including work environments, machinery and equipment, and the handling of chemical and biological substances. Additionally, regular employee training is essential to enhance awareness and promote a strong culture of occupational health and safety.

In 2024, a new system was implemented to improve warehouse processes at ERAK, one of Mavi's largest suppliers. Processes were streamlined through the introduction of horizontal and vertical addressing via a barcode system, while occupational health and safety measures were reinforced with the adoption of a fixed shelf system and the use of reach trucks. To further enhance fire safety across all ERAK plants and warehouses, a sprinkler system was installed in 2024. Automatically activated in the event of a fire, this system enables rapid response, improves employee safety, and eliminates risks associated with human error.

For more information on the double materiality assessment, please see page 98.

Mavi Supplier Day 2024: Sustainable Supply Chain

Mavi Supplier Day 2024, hosted by Mavi CEO Cüneyt Yavuz and Mavi CSSCO Sinan Sefai, aimed to strengthen sustainability-focused collaboration with suppliers. The event, attended by nearly 200 suppliers from across Türkiye, served as a platform to discuss shared expectations and long-term goals in supply chain management, and to evaluate mutual priorities.

Moderated by HBR Türkiye Editor-in-Chief Serdar Turan, the event covered key topics including the future of Türkiye's apparel and textile industry, its role in global competition, Mavi's Sourcing Strategy, sustainability in the fashion industry, and Mavi's Sourcing and Category Evaluations. In the panel discussion titled "The Future of the Apparel and Textile Industry in Türkiye and Its Place in Global Competition," moderated by Cüneyt Yavuz, Kipaş Holding Vice Chairman and President of the Istanbul Textile and Raw Materials Exporters' Association (İTHİB) Ahmet Öksüz, Orta Anadolu General Manager Turgut Bozkurt, and Taypa General Manager Burak Karaarslan shared their insights and experiences. The panel, which evaluated the current state and future of the textile industry while highlighting best practices, served as a valuable source of inspiration and motivation for all participants.

Additionally, economist Mahfi Eğilmez's commentary on the Turkish economy and sector dynamics helped suppliers better analyze current risks and opportunities. Long-term partnerships remain a cornerstone of Mavi's sustainable growth approach. At the end of the event, awards were presented to 57 suppliers—most notably Erak, Denim Kumaşçılık, Bossa, Orta Anadolu, and YKK—who have collaborated with Mavi for 10 years or more. The event underscored Mavi's commitment to a trust-based, quality-driven approach in its supply chain.





/4.6

PLANET
BETTER.PROTECT

Better.Protect

As a denim-centric brand, Mavi views the conservation and restoration of nature's bounties as a fundamental responsibility. Accordingly, the company promotes a net-zero business model by tackling climate crisis to protect natural resources and restore the ecosystem, while minimizing its impact. The majority of the impact that the apparel industry has on the environment is created in the raw material sourcing and textile production stages. However, the scale that the climate crisis, environmental pollution, and biodiversity loss reached calls for all to take action, regardless of their operational capacities. Mavi takes steps and develops projects and applications to improve its environmental performance related to water, waste, chemicals, and in particular climate change. The company also complies with environmental laws and other applicable regulations and discloses its compliance efforts. The company's endeavors to combat climate change, effective management of natural resources, and conservation of biodiversity involves environmental investments and expenditures. Accordingly, Mavi has invested TL 66.3 million in these initiatives in 2024. Mavi has not been subjected to any environmental fines in the last four years.

A

CDP Climate Change Program and
Water Security Program scores

B

CDP Forests
Program score

66.3 million

TL investment

5,264.33 tons

CO₂ eq. emission reduction

Tackling Climate Crisis

The textile industry is responsible for generating significant amounts of greenhouse gas emissions across the value chain, from growing cotton in the field to the final product sold to the consumer. In tackling global climate crisis, Mavi keeps its focus on reducing its carbon footprint along the entire value chain. For this purpose, the company involves its suppliers in the process to encourage the reduction of the environmental impact of their production, designs collections featuring innovative and sustainable products, and works to steadily increase the share of these products in total sales revenues. In line with its sustainability vision, Mavi accelerated its efforts to contribute to a circular economy. Aiming to create a circular business model, the company strives to reduce waste and use it as a resource. For this purpose, the company continued its partnership with Nivogo from 2023 into 2024, upcycling the deadstock products and selling them at Nivogo stores. With products finding new life, Mavi remains committed to contributing to a circular economy. In addition to investing more in renewable energy, Mavi also launches industry-leading projects such as M30 and the eco-store with a focus on energy efficiency. In 2022, Mavi was granted ISO 14001 Environmental Management System certification for its head office building in Türkiye. Globally, 20% of the offices are within the scope of this certification.

Climate Resilience

The past decade has been the warmest on record globally, and 2024 is expected to become the first year in which global temperatures exceed 1.5°C above pre-industrial levels.* At the same time, extreme weather events are becoming increasingly frequent and severe. In response, businesses are enhancing their climate risk assessments to strengthen long-term resilience. In 2024, Mavi partnered with external consultants to conduct a comprehensive study assessing the physical impacts of climate change on its operations.

As part of this analysis, key assets—including Mavi's head office and the facilities of its two largest suppliers, ERAK and TAYEKS—were evaluated for exposure to climate-related risks under various warming scenarios. The study was based on the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCPs) and employed customized scenarios that considered both physical and transition risks. Physical risks include extreme weather events such as floods, droughts, and heatwaves, while transition risks cover areas such as carbon pricing, regulatory shifts, and changes in raw material supply.

For more information on Mavi's corporate risks, please see page 112.

Mavi's climate scenario analysis includes short-, medium-, and long-term projections for each scenario. These projections allow the company to evaluate potential impacts on its supply chain, operations, financial structure, and brand reputation, supporting the development of effective risk management strategies.

*European Commission, Copernicus: 2024 is the first year to exceed 1.5°C above pre-industrial level, 2025

Scenario	Timeframe	Temperature Alignment	Scope	Projections	Risks
RCP 8.5	2030-2050-2100	4°C+	Across Mavi operations	<p>Uncontrolled increase in emissions, continued use of fossil fuels</p> <p>Global temperature increase exceeding 4°C by 2100</p> <p>Increase in frequency and intensity of extreme weather events (severe storms, heat waves, floods)</p> <p>Significant rise in sea levels due to melting glaciers</p>	<p>Negative impact of climate change on access to water and therefore cotton production</p> <p>Negative impact of climate change on operations (chronic and acute physical risks)</p> <p>Sourcing Risk and Cost Volatilities of Recycled Polyester</p> <p>Disruption in or loss of access to water in production processes</p>
RCP 4.5	2030-2050-2100	2-3°C	Across Mavi operations	<p>Emissions could peak around 2040 and then decline</p> <p>Global temperature increase of 2-3°C by 2100</p> <p>Introduction of moderate climate policies, carbon taxes, and emission trading systems</p>	<p>Negative impact of climate change on access to water and therefore cotton production</p> <p>Negative impact of climate change on operations (chronic and acute physical risks)</p> <p>Disruption in or loss of access to water in production processes</p> <p>Sourcing Risk and Cost Volatilities of Recycled Polyester</p>
RCP 2.6	2030-2050-2100	1.5-2°C	Across Mavi operations	<p>Emissions may peak sooner and then fall sharply</p> <p>Global temperature rise could be limited to 1.5-2°C by 2100</p> <p>Significant increase in the use of renewable energy sources, phasing out fossil fuels</p>	<p>Cost increase due to carbon pricing</p> <p>Negative impact of climate change on access to water and therefore cotton production</p> <p>Negative impact of climate change on operations (chronic and acute physical risks)</p> <p>Sourcing Risk and Cost Volatilities of Recycled Polyester</p> <p>Disruption in or loss of access to water in production processes</p>

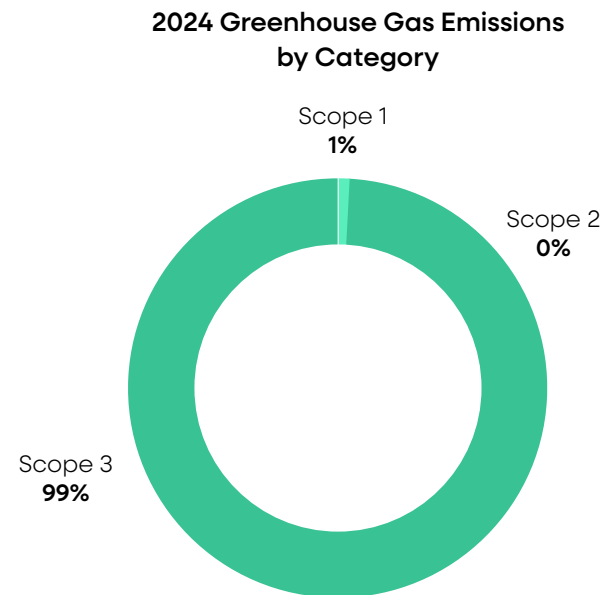
Scenario	Timeframe	Temperature Alignment	Scope	Projections	Risks
Customized Transition Scenario: 1.5° Aligned Carbon Pricing	2030-2050	1.5°C	Across Mavi operations	<p>Enforcement of National Carbon Pricing, gradual increases in carbon prices by 2030, high carbon costs</p> <p>Strict climate policies and regulations, mandatory emission reduction targets</p>	<p>Cost increase due to carbon pricing</p>
Customized Physical Scenario: SBTi Physical Risk Scenario (1.5°C)	2030-2050	1.5°C	Across Mavi operations	<p>Extreme weather events continuing in frequency even with a 1.5°C warming target</p> <p>Ongoing water stress and drought risks in certain regions</p> <p>Regional declines in the production of water-dependent agricultural products</p>	<p>Negative impact of climate change on access to water and therefore cotton production</p> <p>Negative impact of climate change on operations (chronic and acute physical risks)</p> <p>Sourcing Risk and Cost Volatilities of Recycled Polyester</p> <p>Disruption in or loss of access to water in production processes</p>
WRI Aqueduct	2030	-	Supply Chain	<p>Water scarcity spreading across several regions</p> <p>Depletion of water resources as water demand increases</p> <p>Operational risks and cost increases, particularly for water-intensive industries (textiles, energy, agriculture)</p> <p>Longer-lasting droughts in some regions due to climate change</p>	<p>Disruption in or loss of access to water in production processes</p> <p>Negative impact of climate change on access to water and therefore cotton production</p>

Reducing Carbon Footprint

Mavi is the first and only Turkish apparel brand to make the CDP's A list with a double A score for its Climate Change and Water Security reporting.

In 2022, Mavi became the first and only Turkish apparel company to make the A list of CDP, the world's largest environmental disclosure platform. Building on this success, Mavi earned a double A score for its Climate Change and Water Security reporting in 2023 and 2024, ranking among the global climate leaders. Mavi also earned a score of B in the Forests program, outperforming the industry average. Through the renewable energy purchasing projects implemented in 2024, Mavi prevented 5,023.43 tons of CO₂ eq. emissions annually.

In 2024, Scope 1 emissions, the greenhouse gas emissions from directly owned or controlled sources, such as fuel consumed by vehicles or heating buildings, were measured as 1,709.27 tons of CO₂ eq. Meanwhile, Scope 2 greenhouse gas emissions from the consumption of purchased electricity amounted to 68.66 tons of CO₂ eq. (market-based). Scope 3 refers to the other indirect greenhouse gas emissions from employee shuttles and business trips, waste management, and purchased goods. The Scope 3 emissions, which make up 99% of Mavi's total emissions, were measured as 284,991.30 tons of CO₂ eq.



AA! PROUD TO EARN TOP SCORES!



Mavi is the first and only Turkish apparel company to make the CDP's* 2023 and 2024 A list, earning a double A score with its Climate Change and Water Security reporting.





Internal Carbon Pricing

Mavi employs a shadow pricing mechanism to support low-carbon investments and manage the financial risks associated with climate change. The internal carbon price is determined based on European Union Emissions Trading System (EU ETS) prices and scenario analyses.

Primarily covering Scope 1 and Scope 2 emissions, this mechanism is used to assess the carbon impact of investment projects, identify low-carbon opportunities, and inform strategic decision-making. While not mandatory in decision processes, it serves as a valuable tool for managing climate-related risks and opportunities. The internal carbon price is reviewed and updated regularly in line with EU ETS trends.

Mavi’s direct water consumption is negligible compared to the water consumed in the supply chain. Mavi collaborates with its strategic partners ERAK and TAYEKS to use the E-flow technology to reduce water, energy, and chemicals consumption. Furthermore, applying laser technology enables the company to guarantee product standards, decrease the use of chemicals, and protect the health of the employees. Additionally, an automated dosing system eliminates faulty and excessive use of chemicals in washing due to manual processes.

Science Based Targets Initiative (SBTi)

The Science Based Targets Initiative (SBTi) drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets. By guiding companies in aligning with climate science, the SBTi helps ensure that efforts remain focused on limiting global warming to below pre-industrial levels, as outlined in the Paris Agreement. In 2022, Mavi revised its emission reduction targets in accordance with the SBTi’s target-setting criteria. Following a rigorous validation process, which included verification of greenhouse gas (GHG) inventories and the assumptions used in calculating emissions and reduction rates, Mavi’s targets were officially approved by the SBTi and aligned with the goals of the Paris Agreement “to keep global warming below 1.5 °C.” Accordingly, Mavi became the first and only Turkish apparel brand to make the list of companies whose science-based targets have been approved. Mavi will continue to report its progress toward the targets to the CDP Climate Change Program and disclose its performance publicly as it has for the last four years. In 2024, Mavi set new net-zero targets aligned with SBTi criteria, including a 90% reduction in Scope 1 and 2 GHG emissions by 2050, relative to a 2019 baseline, and a 97% reduction in Scope 3 emissions per TL added value, specifically in the categories of purchased goods and services, and fuel- and energy-related activities, by 2050. Mavi will initiate the formal approval process for these targets through the SBTi platform. Additionally, in 2024, the company expanded the scope of its emission inventory to further strengthen alignment with SBTi requirements.

WE’VE HAD OUR SCIENCE-BASED TARGET APPROVED



CDP Forests Program

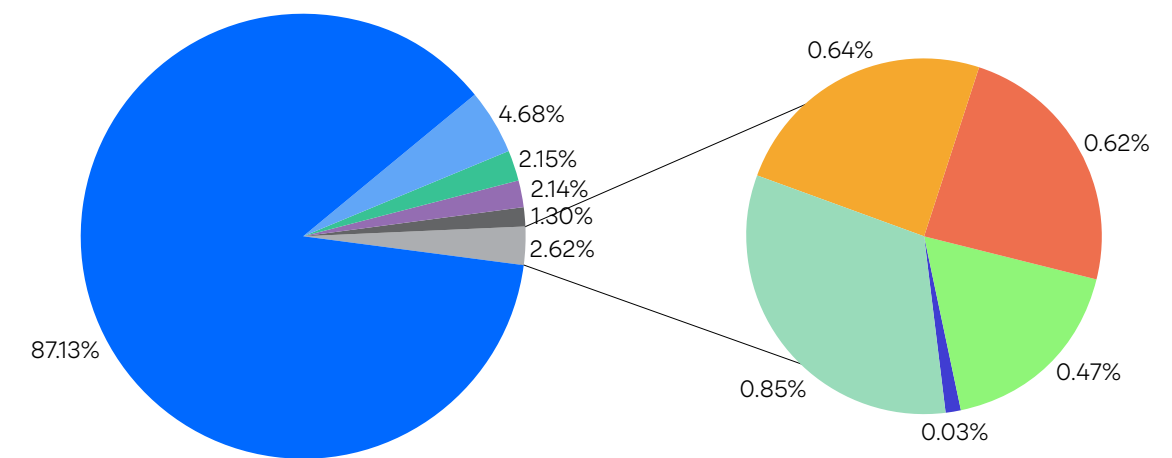
In addition to the CDP Climate Change and Water Security Programs, Mavi has also started to respond to the Forests Program in 2021 and quickly improved its score, receiving B and outperforming the global industry averages, repeating its performance of the previous year. As the first Turkish company to respond to the Forests Program, Mavi has focused on raw material consumption across the supply chain and identified its risks in this area. The company also aims to engage in partnerships for mapping risks and reducing its environmental impact through increased efficiency in raw materials. Using the CDP methodology, Mavi has also updated its [Environment and Energy](#), and [Forestry and Paper Products](#) policies, eliminating the gaps and lacking best practices.

As part of the program, Mavi mapped its approximate material/raw material footprint. Accordingly, around 76% of Mavi's footprint consists of polyester and cotton alone. Mavi aims to concentrate on these fibers, expand the scope of mapping with more details, and achieve progress toward its sustainable raw material target. Every year, Mavi continues to increase the use of FSC-certified packaging materials, ensuring that the products come from responsibly managed forests. The company is in the process of obtaining raw material origin information as a critical data on deforestation for all its packaging materials.

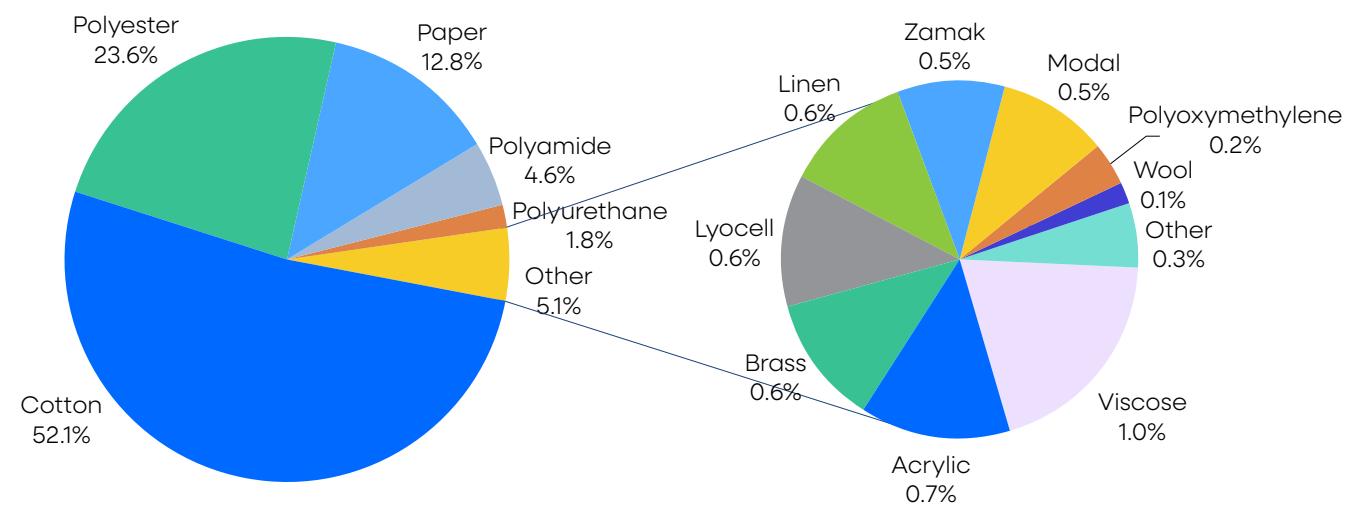
For more information on cotton and polyester usage, please see page 199.

Products constitute the majority of Mavi's carbon footprint. In the reporting submitted to the 2024 CDP Climate Change Program, greenhouse gas emissions from material footprint were again included within Scope 3 reporting. In 2023, Mavi received its first assurance of its emission data in this category.

Mavi's Scope 3 Emissions



Material Footprint



- Purchased products and services
- End of life treatment of sold products
- Upstream transportation and distribution
- Upstream leased assets
- Capital goods
- Fuel and energy related activities
- Business travel
- Employee commuting
- Franchises
- Waste generated in operations

Renewable Energy and Energy Efficiency

Mavi continues to make strides toward procuring renewable energy to reduce carbon emissions from electricity consumption. Accordingly, a renewable energy purchasing agreement is in place with Selenka Energy to use electricity from renewable sources where possible. As of January 2024, the head office building and 109 stores with controlled meters are powered by renewable energy. With the company's guidance, ten franchisees have also voluntarily chosen to procure renewable energy. To reduce the fuel consumption of the leased vehicles, the rental agreements were renewed. In 2024, the number of mild hybrid vehicles in the Mavi Türkiye fleet rose to 106. With the mild hybrid models now constituting 48% of the fleet, this change provides more fuel savings, while also contributing to Mavi's greenhouse gas reduction targets.

Since 2019, Mavi has achieved a 20% improvement in energy consumption per square meter across its stores, demonstrating significant progress toward its energy efficiency goals. In 2024, energy management processes were further enhanced to allow for more in-depth analysis. Store types such as street and shopping mall locations are now categorized separately, with energy consumption monitored and reported monthly.

In addition, Mavi introduced a sustainability-focused initiative for store lighting systems. Instead of replacing entire lighting fixtures, components such as chips and drivers are renewed when fixtures reach the end of their economic life. The first pilot of this approach was implemented in the Gaziantep Anpa Gross Shopping Mall in 2024. This initiative not only reduces costs but also helps minimize electronic waste. The company plans to extend this model to more stores in the coming years.

Remote Energy Management System

Mavi partnered with Reengen, an IoT (Internet of Things) platform for integrated energy, in 2019 to conduct an energy efficiency and management study in 10 pilot stores. With the pilot study delivering positive results, the scope of the agreement was expanded in August 2020 to cover all Mavi stores and the head office, resulting in eliminating unnecessary energy consumption. With the Reengen system and deployment of alert devices along with increased user awareness, energy consumption in the stores decreased by 2.05% in 2024. The installation of the Reengen system also allows the company to monitor the energy consumption in the shopping mall stores that do not have electricity meters controlled by Mavi and to report full energy consumption with actual values.

Mavi M30 and Eco Store Concept

To reduce the environmental impact, starting with the carbon footprint of its stores, Mavi designed a sustainable store concept and opened its first eco-store at the Zorlu Shopping Mall in Istanbul. The store, featuring an architectural design focused on consuming less energy and using less raw material, was built with materials with sustainability and greenhouse gas emission certifications.

LED lighting and environmentally friendly materials with natural textures were used throughout the interior to create a space that is both aesthetically pleasing and eco-conscious. The architectural design prioritized simplicity and efficiency, avoiding unnecessary consumption and significantly reducing the store's carbon footprint.

Compared to standard stores, this innovative concept achieves: 30% less material usage, 25% lower energy consumption, and 20% reduction in water consumption

- Aisle systems are redesigned to reduce the total quantity of materials used in the construction of the eco-store. The new design features lacquered MDF panels, cabinet style product aisles, raw OSB, and natural coated walls instead of plaster primer and paint, as well as naturally painted cork wall tiles and two-dimensional aisle and column systems.

- In the design process of the eco-store, the life cycle assessment reports of the selected products, required to have international sustainability certifications, were studied and the locally produced options were prioritized.

- With a new industrial ceiling design, many systems and materials used in the old store design are eliminated, reducing resource consumption. The ventilated air is released directly into the store through the open ceiling system, preventing capacity loss in the process.

The open ceiling concept used in the eco-store was also adopted for Mavi's energy-efficiency-focused M30 concept. More efficient lighting fixtures were installed, reducing both electricity use and the amount of waste heat generated. Materials used in the store were selected for both durability and environmental sustainability. While ceramic floors are long-lasting and recyclable, oak, birch and pine coatings require minimal chemical treatment thanks to their natural structure and can be recycled at the end of their service life. Venetian plaster, with its low VOC content, supports indoor air quality, requires minimal maintenance, and reduces material waste. In 2024, Mavi opened 23 new stores, renovated 8, and expanded 17. Open ceiling systems were installed in 12 stores with suitable infrastructure.

Thanks to the implementation of an energy monitoring system in 2019 and the replacement of traditional lighting with LEDs, stores monitored in the following years recorded an average 30% improvement in energy consumption.

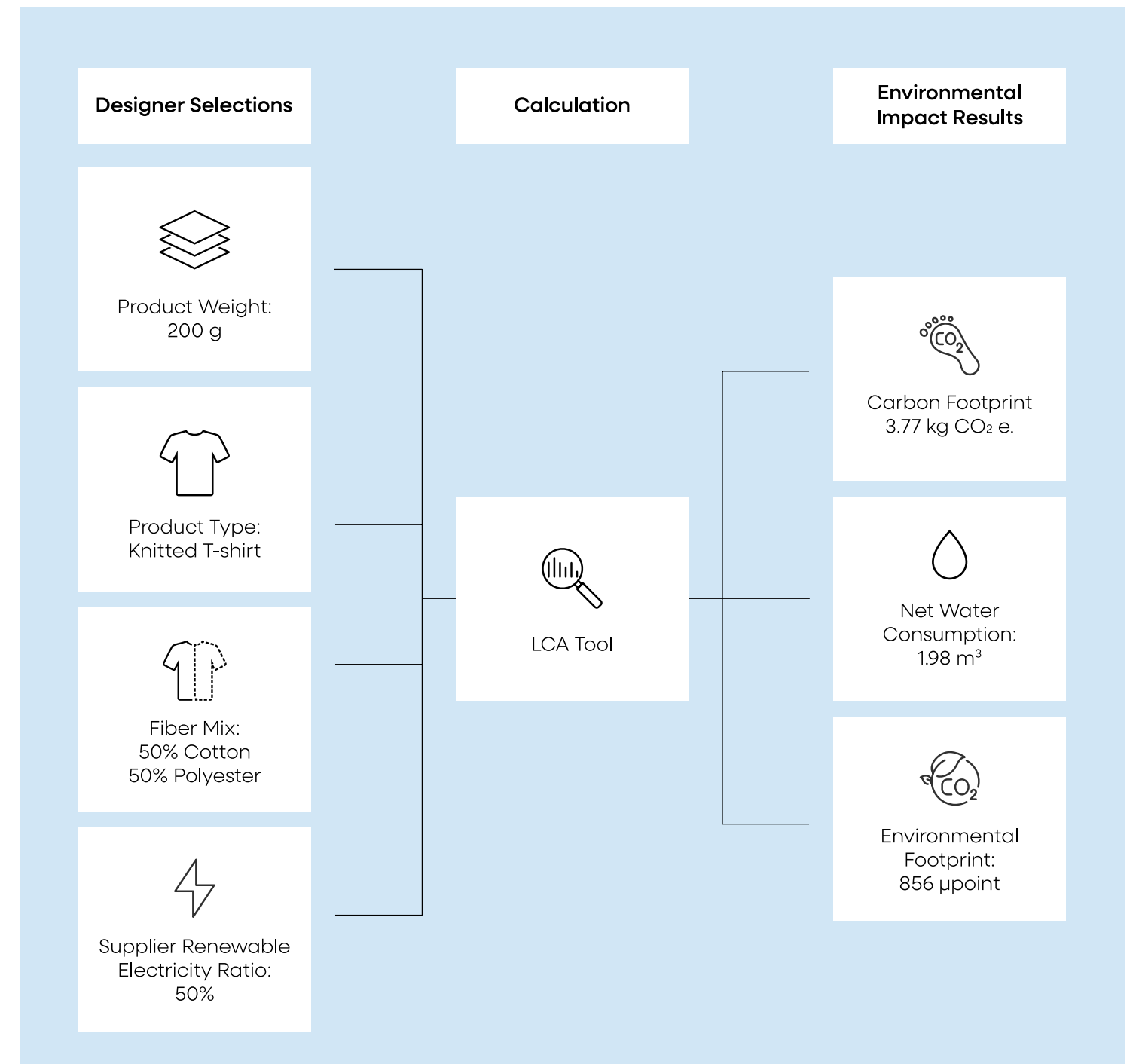


Life Cycle Assessment - LCA

Mavi continues to conduct Life Cycle Assessments (LCA) to identify the environmental impact of its products. Life Cycle Assessment uses a specific methodology to calculate and report how a product, service, process, or activity affects the environment throughout its life. This enables scientific calculation and reporting of the products' environmental impact across all the related production, shipping, consumer use, and waste disposal processes. This approach also facilitates the decision-making process by considering sustainability starting from the design stage of the product.

Using LCA, the environmental impact, and in particular the carbon footprint, water consumption and environmental footprint of the products have been analyzed in detail, drilled down to production stages. In addition to offering a roadmap, these results also provide direction to the denim design and product development teams to consider reducing environmental impact in their decision-making processes. This inventory now enables Mavi to compare the environmental impact of fabric suppliers and their different fabrics.

Thanks to the LCA tool developed for internal use, the scope of LCA studies expanded with the addition of non-denim hero product groups. The life cycle assessments conducted on non-denim products such as knitted T-shirts, woven dresses and shirts, and knitted pants are also used to build a more detailed carbon footprint inventory and calculate relevant values more precisely. This LCA tool differentiates the fiber consumption of different fabric types, including knitted, woven, and denim, and the loss rates during the conversion of different fibers into fabric, accurately showing the Mavi design team how their raw material decisions translate into environmental impact. The LCA tool is also capable of showing how the suppliers' use of renewable electricity reflects on the results, specifically for Tier 1 suppliers of non-denim and Tier 2 suppliers. As a result, the designers may observe the positive impact of sourcing from suppliers that use renewable electricity.

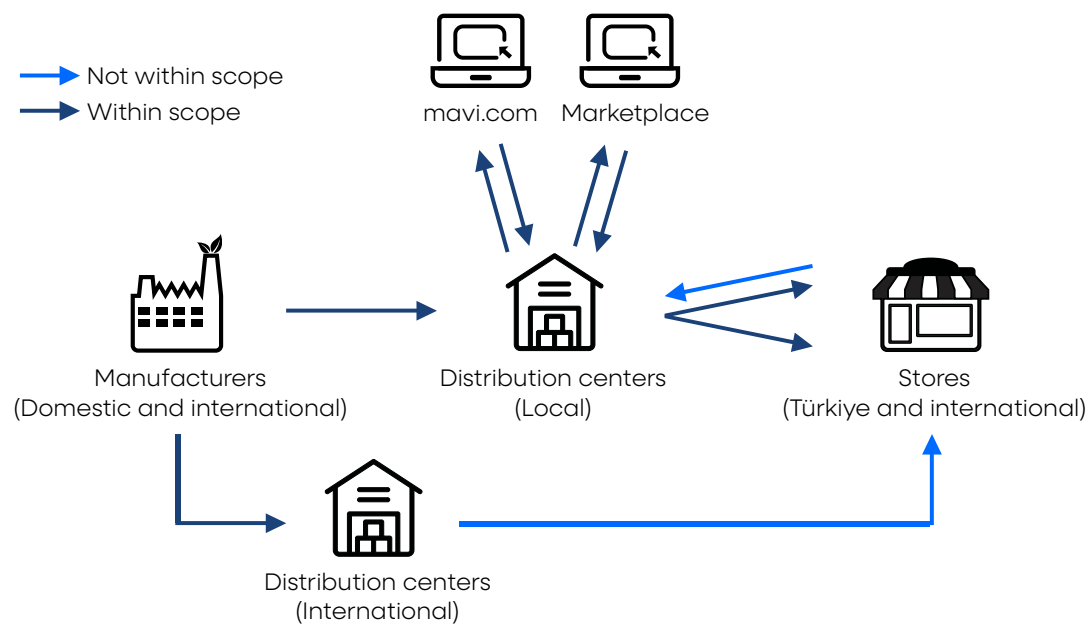


Logistics Operations

To calculate its logistics-related greenhouse gas emissions, Mavi has mapped its logistics network based on supplier data such as shipping volume, departure and destinations, and engine classes. Greenhouse gas emissions of the logistics activities from manufacturers to distribution centers to stores, marketplaces, and mavi.com customers have been calculated.

In 2024, Mavi continued to optimize shelf systems to use the storage areas in the stores more efficiently. With the renovation in the Mall of Istanbul store, the storage capacity grew by 42% by increasing the height of the shelves and the number of section, allowing for more product storage.

Logistics activities included within the scope of emission calculations



Corporate Water Footprint

Although Mavi's own operations involve limited water consumption, given that the company does not carry out production in-house, water use across the supply chain remains significant due to the water-intensive nature of apparel manufacturing. To better understand and manage this impact in the supply chain, Mavi conducted a comprehensive corporate water footprint study.

The assessment followed the Life Cycle Assessment (LCA) methodology to evaluate both water consumption and its effects on water quality. Hydrological data was analyzed in relation to regional water scarcity, eutrophication, and the environmental impacts of freshwater use. Mavi's Water Footprint Inventory was developed using OpenLCA 2.2 software and the Ecoinvent 3.10 database. The inventory included not only direct water use and discharges, but also all inputs with potential water-related impacts, such as energy and material consumption.

Water use in Mavi's offices, stores, and warehouses, where utility bills are paid directly by the company, was classified as "direct" water consumption. All other water use was categorized as "indirect." The impacts of water consumption on human health, ecosystems, and resource depletion were calculated using the Pfister et al. 2010 (ReCiPe) method. These three impacts were then aggregated into a single result using ReCiPe normalization and weighting sets. This allowed for the creation of a Water Footprint Profile capable of evaluating all three impacts simultaneously. As a result, a comprehensive Water Footprint Assessment was completed, offering a holistic view of Mavi's water-related environmental impacts across its operations.

According to the findings, the materials used in products make up the majority of the Water Footprint Profile. Cotton consumption alone accounts for more than 85% of the total impact. However, the study has some limitations. The water consumption of the sourced materials was not differentiated based on production regions. Additionally, water used during manufacturing was not specified by product type or supplier; instead, a lower bound value of 200 liters/kg, as suggested by Mikucioniene et al.*, was applied. Services purchased such as consultancy and legal support, as well as capital goods expenditures, were not included in the study. In the coming years, improvements in data quality are planned to address these gaps and enhance the overall quality of the assessment.

Water Footprint Profile

Item	Amount	Unit	%
Mavi water footprint profile	1,404,365,760	Points	100%
Indirect total	1,403,873,463	Points	100%
Indirect - Material use for products and packaging	1,228,968,682	Points	87.5%
Indirect - Manufacturing of products	92,345,871	Points	6.58%
Indirect - Use of sold products	77,576,446	Points	5.52%
Indirect - Food service and stipends	4,313,171	Points	0.31%
Indirect - Electricity use	399,127	Points	0.03%
Indirect - Employee travel and commuting	191,362	Points	0.01%
Indirect - Product transport	68,268	Points	0.00%
Indirect - Waste and end-of-life treatment of products	9,684	Points	0.00%
Indirect - Fuel use	762	Points	0.00%
Indirect - Non-product material use	91	Points	0.00%
Direct total	492,298	Points	0.04%
Direct - Electricity use	272,284	Points	0.02%
Direct - Water use	206,575	Points	0.01%
Direct - Fuel use	13,439	Points	0.00%

*Understanding and addressing the water footprint in the textile sector: A review (Mikucioniene et al. 2024)



Ecosystem Restoration

Reducing the stress on nature and protecting the fragile ecosystem is a material issue for Mavi. Therefore, the company focuses on using water resources effectively, controlling the use of chemicals, and managing packaging materials and waste across the supply chain. Accordingly, efforts such as making more sustainable products that require less water compared to conventional Mavi products and recycling water in production processes are encouraged. To protect the health of manufacturers and consumers and minimize environmental impact, Mavi aims to reduce the use of chemicals, which should comply with the ZDHC criteria. Mavi recognizes the importance of using recycled materials in paper and plans to use only FSC-certified paper and cardboard packaging. Furthermore, the company adopts a circular approach to waste management and works to reintroduce textile waste and other wastes into the system. Mavi also develops projects to raise social awareness about protecting biodiversity.

Environmental Compliance Audits

Mavi started to conduct environmental audits at select supplier facilities in 2022 toward its 2025 target of having all critical suppliers and wet process sub-manufacturers undergo environmental audits. A 143 question checklist, created with Mavi's feedback, is used during the field inspections conducted by a third-party environmental audit expert. During the audits, the suppliers' environmental performance is questioned on a number of topics, including their environmental management systems, legal compliance, water and wastewater data, use of chemicals, wastes, air and noise emissions, energy management, and greenhouse gas management. As of year-end 2023, audits have been conducted at all wet process supplier and sub-manufacturer facilities, followed by seven more sub-manufacturers in 2024. The audit reports provide key data for measuring Mavi's environmental sustainability performance. Additionally, an environmental scoring system has been designed for internal use. The plan for the years ahead is to develop an environmental assessment and score card system, which will be used to design a supplier award program. Following the assessments, the suppliers that fail to achieve the required scores will receive improvement recommendations and then they will be monitored with control audits. If the required improvements are not completed within the deadlines, the production approvals could be suspended as a sanction.

As part of these efforts, 84 employees received environmental training, which amounted to 168 person x hours in 2024.

Mavi supplier and sub-manufacturer environmental compliance audit criteria

- Regulatory compliance
- Environmental management system
- Water and wastewater
- Energy and greenhouse gas emissions
- Chemical management system
- Air and noise emissions
- Solid waste management
- Animal welfare and biodiversity
- Sustainable product and responsible production

Water, Energy and Chemicals Management with the Suppliers

Mavi focuses on more efficient energy and water use and reducing environmental impact both in its own operations and across the supply chain. In addition to conducting inspections, the company also develops various projects, collaborations, and applications for this purpose. ERAK and TAYEKS, the two major suppliers of Mavi that account for nearly 77% of the denim production, have practices in place to improve energy efficiency and water use. The heat, hot water, and steam generated during the production process (especially in washing and drying machines) are reused in the facility, ensuring efficient energy use in production. Furthermore, the majority of the electricity that ERAK uses comes from natural gas cogeneration. With the solar panels installed in the factory, TAYEKS now uses renewable energy.

Both ERAK and TAYEKS are working toward setting science-based targets in their respective sectors in alignment with the Science Based Targets initiative, while remaining committed to further strengthening their sustainability efforts. The GHG emission targets of TAYEKS were approved by SBTi in 2024, while ERAK also submitted its commitments in this area.

All the chemicals that these two major suppliers use are ZDHC (Zero Discharge of Hazardous Chemicals) certified. These chemicals undergo tests and controls and are used only after approval. In line with international and local regulations, the companies work to minimize the employees' contact with these chemicals, and only safe chemicals that are not harmful to humans are preferred. Furthermore, the dosage system applied during the stage where washing chemicals are added to the machines eliminate using excessive chemicals. In addition to ERAK and TAYEKS, FSC-certified cardboard packaging suppliers were also included in ZDHC's Roadmap to Zero Programme and successfully passed the ZDHC analyses. Mavi takes utmost care to keep the discharged water from production below the legal limits. Mechanical, chemical, and biological membrane treatment systems are used at the manufacturing sites. With the enhancements implemented, fewer chemicals, less water, and less energy are used in the processes. Starting with the All Blue collection, Mavi has started to focus on using e-flow technology more to reduce water consumption.

2024 Developments at ERAK

In 2024, ERAK implemented a range of efficiency- and sustainability-focused improvements, leading to significant optimizations in water, energy, and operational processes. To reduce environmental impact in washing operations, the Green Ball Washing method was adopted in place of traditional pumice stones. This transition has led to lower water and chemical consumption, minimized mud and sieve waste, and improved production quality by reducing the occurrence of second-quality products and the need for repairs caused by washing stones.

To enhance energy efficiency, the Smart Wash system was introduced, allowing for real-time monitoring of washing machine movements and consumption. Factory-wide energy savings were achieved through a shift to LED lighting, with consumption optimized across all areas, including dressing rooms and offices. Additionally, ultrasonic air leakage measurements were conducted regularly to prevent air losses, and condensate measurements helped reduce natural gas consumption, resulting in financial savings. Digitalization efforts also advanced significantly. Manual inline and final inspection reports were transitioned to digital platforms, reducing paper waste, accelerating data entry, and improving employee productivity. A barcode tablet system was introduced to track fabric roll colors, minimizing color inconsistencies and lowering waste rates. To further improve operational efficiency, washing units previously located in two separate areas were consolidated into a single location. This change reduced energy use related to internal transportation and streamlined production processes, making them faster and more efficient.

Waste Management

In 2024, Mavi's operations generated 4,811 tons of non-hazardous waste, including the packaging waste subject to Recycling Participation Share (GEKAP)*, and 2.06 tons of hazardous waste. With a circular economy approach, 12% of this waste was delivered to recycling, while 6.6% was incinerated at a licensed facility. In logistics, all of the cardboard boxes that manufacturers use for delivery of Mavi products are reused. All packaging waste is delivered to licensed waste collectors for recycling. The deadstock items may create hazardous or non-hazardous waste depending on product type. Licensed waste management companies are used to dispose of these wastes.

Mavi aims to reduce the consumption of single-use plastics and paper at its offices and to sort waste for recycling. Accordingly, single-use plastics and paper cups have been phased out. Furthermore, personal garbage bins are removed to encourage the employees to use the recycling units on each floor.

Reusable cloth bags have been introduced to replace the plastic bags for the shipment of samples between the manufacturers and Mavi. This effort to reduce plastics in consumption by opting for environmentally friendly alternatives resulted in eliminating about 200 plastic bags every day.

In the double materiality assessment conducted in 2024, waste was identified as a "Very High Priority" topic. As a result, Mavi intensified its focus on this area and began developing new projects to address waste-related impacts more effectively.

In 2024, Mavi launched an initiative aimed at reducing electronic waste through a more sustainable approach to store lighting systems. Rather than fully replacing standard fixtures at the end of their service life, only the internal components—such as chips—are renewed and reused. This practice minimizes electronic waste generation and reduces overall resource consumption. Currently implemented in two stores, the initiative is expected to be scaled up significantly in the coming years, contributing meaningfully to Mavi's waste reduction goals. Additionally, Mavi prioritized circularity in other operational areas by opting for hangers made from 95% recycled content in 2024, further supporting the company's commitment to sustainable material use.

*Packaging materials placed on the market, as reported under the GEKAP declaration, have also been included in the waste items. The GEKAP declaration is prepared based on the calendar year, which may differ from the fiscal year. The data has been included accordingly.



Cardboard and Paper Packaging Materials

The ratio of FSC-certified paper in the indirectly procured cardboard and paper materials rose from 81% (in mass units - tons) in 2023 to 91% in 2024. For gift and courier pouches, cardboard boxes, shopping bags, thermal cash register POS paper rolls, and printed materials, FSC-certified alternatives are preferred. Furthermore, Mavi has started to request information about the origins of the raw materials used in cardboard and paper packaging. As part of its sustainability efforts, Mavi encourages cloth shopping bags instead of plastic alternatives in the stores.

Biodiversity

The rapidly increasing urbanization, deforestation, and evolving consumer habits are affecting natural life more than ever. To address the impact on biodiversity, programs and projects should be developed to prevent the endangered species from extinction and protect the species in their natural habitats.

Indigo Turtles Project

As a Mediterranean fashion brand, Mavi has supported the activities of the Ecological Research Society (EKAD) with the Indigo Turtles project since 2014, helping to protect the endangered sea turtles and aiming to promote volunteering for a sustainable nature. The objective of the project, which raises awareness about biodiversity, is to protect and ensure continuity of the *Caretta caretta* and *Chelonia mydas*, two species of sea turtles native to the Mediterranean for 120 million years.

EKAD, which focuses its activities on Belek, the largest nesting area in the Mediterranean, has helped over 1.3 million *Caretta caretta* make it to the sea in the last 25 years. The number of nests rose from 350 when the activities started in the region to 3,500 in 2024, the year 120,000 hatchlings made it to the sea.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of nests	1,998	2,111	2,478	2,283	2,069	2,165	3,191	3,850	1,652	2,350	3,500
Number of adult turtle eggs	149,850	151,992	183,372	157,527	144,830	155,880	232,943	300,300	120,000	183,000	262,500
Number of hatchlings	75,824	75,540	106,172	81,284	79,512	77,472	130,914	168,000	75,500	100,000	157,000
Number of hatchlings that reach the sea	56,643	64,901	92,236	69,942	63,291	66,561	114,375	150,800	56,500	83,000	120,000

Mavi x ecording

In 2024, Mavi launched a new collaboration with social startup ecording to support afforestation and share its commitment to nature with its customers. As part of its All Blue sustainability strategy, Mavi contributed 50,000 seed balls to nature, reinforcing both its environmental and social responsibilities. Through this project, customers purchasing selected items from the Mavi Mediterranean Collection support reforestation efforts powered by ecoDrone technology, an unmanned aerial vehicle capable of dispersing 6,000 seed balls in just 10 minutes. By mimicking nature's own regenerative processes, ecoDrone helps accelerate ecosystem restoration with minimal human intervention.

Mavi customers can actively participate in this initiative by scanning the QR codes on product labels to select the type of tree they wish to support and track their seed's journey to the forest. This transparent, traceable system offers customers a meaningful and engaging way to contribute to a sustainable future.

Seed balls are crafted by encasing seeds in a protective mix of clay, humus-rich soil, and minerals, enhancing their resilience against harsh environmental conditions such as cold, heat, wind, and wildlife. This method increases germination rates by enabling the seeds to be placed in soil with minimal disruption. Importantly, the seed balls used in the project are produced by women living in rural areas directly affected by the global climate crisis and income inequality. By supporting women's employment, the project creates a sustainable income source and contributes to reducing economic disparities in vulnerable regions.



/4.7

DENIM BETTER.TRANSFORM



Better.Transform

Mavi transforms denim with unique, innovative ideas and the power of technology. Involving its customers in the sustainability transformation process with quality and sustainable products, Mavi helps change their consumption habits. Mavi also aims to inspire the industry with innovative products with low environmental impact by embracing the circular economy model. This approach is supported with innovative partnerships to shape the future of sustainable fashion. With responsible raw material sourcing and production, this transformation extends to every aspect of the value chain, from the farmer to the end-consumer.

Quality First

The Perfect Fit philosophy that has guided Mavi since the very beginning allows the company to meet customer expectations with the right price-quality balance. Taking this one step further, Mavi aims to make quality and sustainable products accessible to all its customers using preferred materials. With the sustainable All Blue collection, Mavi plays a role in helping consumers make more informed choices.

Product Quality and Safety

Mavi aims to bring quality and safe products to its customers by ensuring the highest standards across the value chain. The quality control team of experts under the Global Purchasing Directorate is responsible for product quality and assurance, conducting regular quality checks in all processes from production to distribution. The interim controls during production and final checks of the finished products are performed by Mavi's quality control team and accredited independent inspectors.

Mavi performs regular inspections to measure and rate quality at the companies in the supply chain. This assurance process enables the manufacturers to produce according to the specified quality and safety standards and procedures. The Mavi Manufacturer Handbook, where these standards are explained in procedures, is shared with the suppliers. These standards include Global Purchasing Principles, Fabric Performance Standards, Ecological and Physical Test Matrices, Audit Procedure, Wash and Dye Machine Approval Procedure, Error Definitions, Error Examples, and Measurement Guide.

At the sample stage, technical product refinements are performed for fit, performance, and functionality. Furthermore, customer feedback is carefully evaluated to achieve the highest product quality and ultimate customer satisfaction through the work of the product development and procurement teams and improvements made with manufacturers.

Mavi tests each fabric, model, and related options in international test laboratories and follows the world standards defined by global organizations to the letter. Mavi also requires chemical analyses and quality performance tests from the manufacturers to check that the products are manufactured in the declared standards. Starting from the sample stage, the products are tested by third-party laboratories for levels of chemicals. Furthermore, raw materials are tested under the manufacturers' responsibility in alignment with the EU legislation (REACH -Registration, Evaluation, Authorization, and Restriction of Chemicals) for other chemicals. The tests are conducted according to specified criteria

by accredited laboratories, the results are evaluated, and only the approved products are shipped. Each item is tested, and the products that fail to conform are canceled and not purchased.

Consumer Information and Labeling Standards

Mavi strictly conforms to the requirements of the EU 1007/2011 directive and ISO 3758 standard to inform the consumers about its textile products and accessories. Accordingly, the fiber compositions and care instructions are stated on the product labels in alignment with the ISO 3758 standard. Pursuant to the Consumer Protection Law No. 6502 and the Price Label Regulation, which are part of the consumer protection legislation in Türkiye, the distinguishing features and where the products are made are clearly stated on the labels. These regulations aim to ensure a safe shopping experience by providing transparent and accurate information for the consumers. Mavi adheres to these information and labeling standards to maintain customer satisfaction and trust.

Number of fines imposed for non-compliance with regulations on the impact of product labeling and providing information: **0**

Number of notices issued for non-compliance with regulations on the impact of product and service labeling and providing information: **0**

Number of notices issued and/or fines imposed for noncompliance with regulations on the impact of product and service marketing communications (advertisements, sponsorships, promotional activities, etc.): **3**

Perfect Fit Strategy

Mavi's Perfect Fit approach is grounded in understanding and monitoring customer needs and meeting expectations with the right quality-price balance. Following the latest fashion trends in the global markets to identify the target consumers' requirements and offer the optimal options to meet their needs enables Mavi to position itself as a high-end and premium menswear and womenswear brand. Mavi embraces people of all ages, sizes, and lifestyles no matter what they wear, connects with its customers every moment of their lives, and aims to build long-term relationships. These attributes bring global recognition to Mavi as a denim-centric lifestyle brand that offers world-class quality products.

Aiming to reinforce its sustainable fashion vision, the Mavi Regenerative collection, containing regenagri-certified cotton grown with regenerative agricultural practices, and MT1012 R3-IMAGINED for Mavi, the collaborative collection of Mavi x Murat Türkili, contributing to conscious fashion by extending the life cycle of denim pieces, were launched in 2024. With a wide lineup of jeans and casualwear, Mavi continued to stand apart in the market by understanding and responding to the needs of all types of customers at a time when shopping behavior is evolving and smart-casual is becoming the style choice.

Mavi is the pioneering brand of the Turkish denim market, ranking among the top three womenswear and menswear brands in the apparel market. In addition to ranking first in top-of-mind jeans brand awareness and powerful brand recognition in Türkiye, Mavi also stands as the preferred jeans brand across both male and female consumer segments. Empowered by a diverse design team that feels the market and an R&D team with strong technical expertise, the brand's broad denim assortment for all markets includes nearly 400 fits and approximately 2,000 model options. The CRM applications used in analyzing matrices of denim fits and customer demographics serve as a key tool in differentiating the brand. In 2024, Mavi has remained focused on doing what it does best, interpreting change from a jeans culture perspective and maintaining its leadership with denim innovations.



Customer Satisfaction and Communications

Creating the “Happiest Mavi Customers” is a top priority for the company. To extend the approach of ultimate customer happiness across the field, Mavi has formed dedicated working groups. Employees from the marketing, e-com, HR, sales, and training departments actively participate in these groups, which work throughout the year to deliver an excellent shopping experience to the customer with premium products and excellent service quality.

Mavi’s best-in-class loyalty program – Kartuş – has grown to 10 million members since its launch in 2007, including ~8 million active customers in the last two years. Kartuş data is used effectively to develop offers and deals that respond to customer expectations and needs and personalized campaigns and communications are run to drive customer frequency, basket size, and lifetime value. With personalized offers and deals, Kartuş is used in 81% of the shopping at 422 Mavi stores and on mavi.com. As of 2024, 18% of the active Kartuş members consist of omnichannel customers who shop both online and offline. In 2024, the 1.5 million new customers joined the program, with a demographic profile of 47% male and 53% female, 37% under 25, and 68% under 35. In terms of active members, male and female customers are distributed as 51% and 49%, respectively, while 16% are younger than 24 and 48% are younger than 35.

21%

Ratio of customers shopping in online channels

10.2%

Ratio of online sales revenues to total revenues

Responding to the evolving needs and expectations of the consumers creates a significant competitive advantage. Therefore, companies that focus their skills and assets from human resources to data-driven tools on understanding the changing consumer behaviors are able to adapt to the evolving conditions faster. Mavi adapts to the rapidly changing dynamics of the fashion industry without compromising quality and brand reputation in the eyes of the customer and continues to create the 'Happiest Mavi Customers'. In 2024, Mavi’s efforts in this area were recognized with the gold award in the Brand with the Best Customer Satisfaction category at the A.C.E. (Achievement in Customer Excellence) Awards.

Projects for Enhancing the Customer Experience

Mavi diversifies and enriches the shopping and feedback channels through digitalization to always provide better experiences for its consumers and enhance customer satisfaction:

- Managing the customer experience through a single platform with an omnichannel CRM approach has made it possible to monitor the campaign and loyalty processes in integration with cash registers, mavi.com, Mavi App, and all potential future channels.
- Customer segments have been redefined using all of the increasing data sources to create more personalized interactions. This segmentation is supported with AI-driven predictive models, enabling the company to develop a system for one-to-one communication with the customers.
- In 2024, a segment-based campaign management project was launched by developing strategies specific to customer segments. Segments were defined to align with customer values, shopping habits, and channel preferences, while customer experience was strengthened with personalized campaigns and automated scenarios. The objective of this project is to achieve sustainable growth across core KPIs, including new customer acquisition, shopping frequency, and customer lifetime value.
- In 2024, Mavi introduced the “Loyal Customer Journeys – New Customer Life Cycle Assessment” project with the aim of analyzing the customer journey end-to-end from first-time shoppers to loyal customers. The project, which examines product and channel preferences based on gender and age, uses scenarios designed to support the transformation into loyal customers. Actionable insights derived from analysis results were integrated into campaign plans to guide new shoppers along the journey to loyal customers.
- Projects developed with the aim of further improving the digital sales channels to enable Mavi to sell store inventory on mavi.com and customers to shop online at the stores are deployed wider. The 2-hour delivery option continues for purchases on mavi.com and Mavi App in select districts in Istanbul, Ankara, Izmir, and Bursa.
- To streamline the return and refund experience, further improvements were introduced, offering the customers the option to return items purchased online at the stores. In this option, customers can bring the products they purchased online to any Mavi store and receive an instant refund using the same method of payment. This practice eliminates the waiting time for return shipping, while stores are used as return points, reducing packaging consumption and contributing to sustainability. Since the returned items can be instantly added to the store inventory, efficiency is increased and the products can be resold.
- The scope of the WhatsApp chatbot has been expanded to serve customers 24/7 with automated and fast solutions. Chatbot usage rose from 21% to 70%, while instant resolution time dropped from an average of 23 minutes to less than 1 minute. The AI-assisted system understands customer messages in Turkish and English, matches them with the correct answers, and uses an advanced category tree to resolve problems without the need for a communicating with a customer representative.
- Aiming to respond faster with automated answers to customer questions on marketplaces such as Trendyol and Hepsiburada, Mavi launched an AI-assisted project in 2024. The AI-assisted system

developed with Dot Assist has reduced response time from 8 hours to 4 hours, resulting in a 50% performance increase. AI offers suggestions to representatives by generating answers from past questions and product features, while the hybrid model makes it possible to provide automated replies to specific questions. The project has enhanced customer experience and online store performance.

- Recognizing that people have different sizes, ages, lifestyles, and clothing preferences, menswear and womenswear categories are featured with different images for diverse customer types, emphasizing that there is a pair of Mavi jeans for everyone. The newly added Jeans Guide helps customers find their ideal pair.
- Mavi leverages machine learning to facilitate the selection process for the users by recommending the most suitable fits according to the details they enter, reduce returns due to mismatched sizes, and enhance customer satisfaction. Additionally, different customer reviews regarding sizes are used to inform the shopper with size recommendations before they add the product to the cart.
- Various digital gift cards have been designed for special occasions to create a more personal and meaningful gift shopping experience. The project also offers a more sustainable gift alternative by reducing the environmental impact of physical cards.
- The "Accessible Video Call" line was established to respond to the needs and questions of hearing-impaired customers in sign language.
- In collaboration with BlindLook, which generates technological solutions for an accessible world, mavi.com and Mavi App have been enhanced for vision-impaired users.

Customer Relations Management

Channels such as phone, email, social media, and stores are available for the customers to communicate feedback regarding Mavi's products or services and express their opinions, ideas, and recommendations. Mavi signed an agreement with Global Bilgi, outsourcing its call center operations, which were managed in-house until then, to the experts. In this new system, the customer relations teams continue to provide service at the head office, while Global Bilgi has a dedicated team of 65 at its call center to serve only Mavi, aiming to continuously enhance service quality. With the new system that integrates the customer call center processes in stores and e-commerce, Mavi now serves customers from 8:00 a.m. to 12:00 a.m. seven days a week, answering the calls in Turkish, English, and Arabic as well as video chats in sign language for hearing-impaired customers. Furthermore, WhatsApp line and Voice Response System (VRS), featuring automation and chatbots, enable faster and more effective service to cater to customer requests. The call center team manages the flow of communications and responds to customers by taking the necessary actions. Customer management is supported by AI tool Speech Analytics, and an average of 20,000 calls per month are analyzed by AI, providing valuable insights into customer feedback and optimizing business processes. According to the surveys conducted by the call center, 99% of the calls were taken, and 88% of the calls were connected to customer representatives within 20 second. Based on random call listening and evaluations, the quality score was measured at 92, while the satisfaction rate was 94 points according to post-call surveys.

Mavi manages customer relations according to the EN 15838-Customer Contact Centers-Requirements for Service Provision and ISO 10002 Customer Satisfaction Management System

certifications. The sales associates and managers at Mavi stores have received training on a wide range of topics: competency, preparation, and digital competency along with feedback workshop, gender equality workshop, next-generation leadership, handling customer objections and conflict management. Furthermore, trainings such as data management and workshop, storytelling in speech, creativity and persuasion in writing, strategic planning and system thinking have been provided to enhance the participants' analytical thinking and communication skills. 692 employees took a total of 668 person x hours of training sessions that aim to improve customer experience and contribute to the professional development of the employees.

The company procures services from a third-party to monitor all customer posts and engagements on social media about Mavi. This service delivers valuable insights about Mavi, enabling swift response to the issues that require action.

The company commissions regular surveys to collect information on the brand's perception among customers and consumers' shopping habits in relation to the Mavi brand, products, and ad campaigns. The secret customer surveys at Mavi stores and franchisees enable inspection of every single sales point and monitoring and reporting on their service quality. Net Promoter Score (NPS) is monitored with secret customer surveys. In 2024, Mavi captured an NPS of 68 according to the results of the secret customer survey.

According to the results of the double materiality assessment in 2024, Customer Satisfaction and Experience has been identified as a "Very High Priority" topic, leading Mavi to intensify its Customer Experience (CX) efforts. To analyze customer satisfaction in depth, new measurement methods like "Store Satisfaction Survey" and "Web Shopping Satisfaction Survey" will be introduced. All customer feedback, including data from the ongoing Secret Customer project, will be analyzed in detail and consolidated. Drawing from these insights, enhancements will be planned for the identified development areas.

For more information on double materiality assessment, please see page 98.

Mavi's "To the Field" program was restructured and relaunched in 2024 with the participation of denim teams. The program involved studies on young customer profile, premium product perception, and potential product categories in pilot stores. 30 employees from the head office visited different stores for personal observations to enhance the customer experience and support field teams. The program will continue with the participation of different departments.

Information Security and Customer Data Privacy

Privacy is a top concern for consumers, and the protection of personal data directly impacts brand loyalty and customer experience. According to the double materiality assessment in 2024, ensuring the privacy of customer data has been identified as a "Very High Priority" topic. Information security strategies have been strengthened accordingly.

The [Information Security Policy](#) defines the actions required for implementing, running, monitoring, reviewing, maintaining, and enhancing information security. Furthermore, the customers may access the Privacy Notice for Protection of Personal Data at the stores, on the website, the Mavi mobile app or via the call center at all times.

Mavi manages its information security and cyber security strategies effectively with the active

participation of the Board of Directors and senior management and discloses the processes transparently through monthly reports. The Information Security Policy has been implemented upon the approval of the Board of Directors, and all processes are managed with a strategic approach. The CIO brings strong experience into his role as the highest-level executive overseeing Mavi's information security/cybersecurity strategies and provides strategic direction.

Training programs as well as policies and procedures are utilized to create awareness across the organization about the potential threats. There is also a procedure and escalation process in place for the employees to report suspicious incidents via destek@mavi.com. Information security and cybersecurity are also a part of employee performance appraisals, promoting security awareness and emphasizing responsibilities. Business continuity and emergency plans are tested annually, while the IT infrastructure and information security management systems are regularly inspected by external auditors, and third-party vulnerability analyses are used for hacking simulations. Penetration tests are conducted at least once a year, with the latest penetration test completed in December 2024.

The Information Systems Department has established alarm systems to detect privacy violation incidents and possible data leaks. Complaints of individuals whose privacy may have been breached are also addressed instantly. The sources of the detected incidents are investigated thoroughly. If a violation is detected, the departments responsible for the relevant data immediately take all necessary technical measures to stop the breach and prevent its recurrence. The information technologies and other relevant departments follow the processes to resolution.

In 2024, Mavi did not experience any information security incidents.

Denim Innovation

As a company that believes the best denim is sustainable denim, Mavi remains committed to investing more in R&D and product development. Mavi continues to innovate denim in the sector with the All Blue collection, which is developed with innovative methods and contains recycled, upcycled, and organic materials that consume less water, chemicals, and energy compared to conventional methods in Mavi production.

Türkiye maintains an unrivalled position worldwide in terms of R&D investments, innovation, and technology development in denim fabric and jeans production, giving Mavi a competitive edge in shaping the industry. The company combines its denim expertise with its strong product development team, optimally leveraging Türkiye's high quality supply ecosystem. As a denim innovator, Mavi has become a force to contend with in setting quality and price benchmarks in the market. For the design and product teams, accurate interpretation of fashion trends for the brand and the customer with their technical expertise is a key priority. To ensure the softness, comfort, and wearability that Mavi aims to deliver to the customer, the R&D activities focus on detailed fabric research, product trials, and wearability tests together with suppliers.

In 2024, the budget allocated to R&D corresponded to 1.40% of revenues. The R&D employees constitute 2.2% of the white-collar workforce in Türkiye.



Responsible Material Sourcing

Mavi encourages manufacturers to make responsible material choices and helps them transform their production processes. Accordingly, Mavi traces and steadily increases the sustainable material content (organic, recycled, upcycled and Better Cotton-certified cotton, recycled metal, etc.) in its products.

In 2021, Mavi received OCS and RCS certificates, earning the right to sell products with proven organic and recycled content across the supply chain. Recycled Claim Standard (RCS) certification verifies recycled content, while Organic Content Standard (OCS) certification verifies organically grown content, ensuring that these materials can be traced from their origins to the final product. In addition to Mavi's two major suppliers, ERAK and TAYEKS, Rimaks is also a manufacturer with international Global Organic Textile Standard (GOTS) and OCS certifications.

In 2022, Mavi became a member of Better Cotton and began to support the world's leading sustainability initiative for cotton by using Better Cotton-certified cotton. Better Cotton addresses cotton production with its environmental, social, and economic impacts, trains farmers with the necessary knowledge, skills, and tools, and aims to continuously improve agricultural practices. As a result, farmers who grow cotton by following factors such as mitigating the harmful effects of plant protection practices, managing and using water resources effectively, ensuring soil health, protecting and enriching biodiversity, maintaining fiber quality, and improving the welfare of agricultural workers, attain an internationally recognized standard. Mavi remains focused on more responsible material sourcing by purchasing cotton from such sustainable sources. In 2024, the sustainable alternatives monitored for various fibers were used in the ratios shown in the table below.

Fiber	Sustainable alternative	Sustainable alternative usage ratio
Cotton	Organic and recycled cotton, Better Cotton	42%
Polyester	Recycled polyester and Repreve®	1%
Lyocell	TENCEL™ lyocell	83%
Modal	TENCEL™ modal	76%

Priority and Preferred Materials

Starting in 2024, Mavi has classified priority and preferred materials by referencing Textile Exchange's* Preferred Fiber and Materials Matrix (PFMM) tool, which is also referenced in the Industry-Specific Guide of the Turkish Sustainability Reporting Standards (TSRS), to guide its material choices for more responsible and sustainable sourcing.

*Textile Exchange is a global non-profit driving beneficial impacts on climate and nature across the fashion, textile, and apparel industry. The organization has developed a set of robust industry standards. Textile Exchange gathers and publishes critical industry data and insights, enabling brands and retailers to measure, manage and monitor their use of preferred fibers and materials.

Priority Materials

Mavi's two priority materials for material sourcing are cotton and polyester. The company uses the methodology outlined in the Textile Exchange Materials Terminology Guide - Priority Materials to identify priority materials. According to the Textile Exchange Material Terminology Guide, materials are evaluated based on three criteria: Scale, Risk, and Opportunity. Scale refers to whether a raw material accounts for more than 10% of the company's total fiber consumption. Risk assesses whether the material poses significant environmental, social, or reputational concerns. Opportunity evaluates the company's strategic efforts to improve the sustainability of the material. Based on these criteria, Mavi has identified cotton and polyester as its preferred fibers.

Cotton accounts for 52% of Mavi's total fiber consumption. As one of the most widely used natural fibers globally, cotton requires careful consideration of its environmental and social impacts, such as water use, chemical inputs, and labor conditions, within a sustainable sourcing strategy. Mavi aims to minimize these impacts by prioritizing certified cotton alternatives, including regenerative cotton, organic cotton, recycled cotton, and Better Cotton. In 2024, 42% of the cotton sourced by Mavi was certified under recognized sustainability standards, and the company aims to further increase this share in the coming years. Mavi has set a goal to source 100% of the cotton used in its denim products from Preferred Materials through its Better Cotton membership, by 2030.

Polyester, which represents 24% of Mavi's total material use, is another key priority material due to its versatility. However, conventional polyester is derived from fossil fuels. To reduce environmental impact, Mavi is shifting its sourcing strategy toward recycled polyester, which is made from post-consumer plastic waste and helps lower fossil fuel dependency and carbon emissions. In 2024, 1% of the polyester purchased by Mavi came from recycled sources. The company continues to build new supplier partnerships to increase this ratio over time.

Mavi tracks its procurement of cotton and polyester in metric tons and reports on the volume of certified materials sourced.

Priority material	Total procurement (Metric tons)	Certified fiber procurement (Metric tons)	Origin*
Cotton	15,118.93	6,363.72	Türkiye, USA, Australia, Brazil, Egypt
Polyester	6,835.80	82.51	Türkiye, China, South Korea, India

*This data does not cover 100% of all fabric suppliers. The figures were obtained through interviews with suppliers, who are sufficiently representative for us to perform modeling.

Other Considerations Regarding Priority Materials

Cotton

Cotton production is particularly vulnerable to the impacts of climate change. Reduced water availability due to drought or irregular rainfall can drive up production costs and threaten supply continuity. To mitigate these risks, Mavi prioritizes cotton certifications that support agricultural practices with lower water usage.

Cotton farming also contributes to greenhouse gas emissions through land use, fuel consumption by agricultural machinery, irrigation, and fertilizer application.

To reduce its carbon footprint, Mavi favors lower-emission cotton alternatives such as organic cotton and recycled cotton, and promotes sustainable farming practices through its Better Cotton sourcing. The company references academic research, life cycle assessment reports, and recognized databases to evaluate and compare the GHG emissions of different cotton fiber options.

From a social perspective, cotton production carries significant risks related to labor conditions and human rights. In regions where cotton is cultivated, especially in developing countries, unethical practices such as child labor and unsafe or exploitative working conditions may occur. Increasing traceability within the cotton supply chain is essential to help address and prevent such violations. This aligns with Mavi's commitment to enhancing supply chain traceability by 2030. Mavi classifies cotton producers as Tier 4 suppliers and currently does not engage in direct communication with this tier. However, through its Better Cotton membership, Mavi indirectly supports cotton farmers both economically and socially, while also contributing to compliance with labor and social responsibility standards.

Better Cotton

Better Cotton is the world's leading sustainability initiative for cotton, operating with the mission of educating cotton farmers to use water more efficiently, caring for natural habitats, reducing the use of harmful chemicals, and promoting respect for workers' rights. As a member of this initiative, Mavi sources Better Cotton-supported cotton.

Cotton sourced from Better Cotton farms may be used in combination with conventional cotton; therefore, cotton fibers are not physically traceable to products in stores. Accordingly, Better Cotton labels may not be placed on the products. The absence of these labels should not mean that Better Cotton-certified cotton fibers are not used in those products.

Website: <https://bettercotton.org/>

Since cotton production is an agricultural activity that requires intensive water use, cotton grown in water-stressed regions poses significant risks in terms of both ecological sustainability and supply continuity. Climate change, diminishing water resources and variable weather conditions can directly affect cotton yield and production costs, leading to price volatilities.

Mavi is evaluating alternative sustainable cotton sources due to the possibility of sourcing cotton from regions with high water stress.

Polyester

Conventional polyester is a fossil fuel-based synthetic fiber. To reduce reliance on virgin fossil resources and lower greenhouse gas emissions, Mavi prioritizes the use of recycled polyester. Incorporating recycled polyester into its products is part of Mavi's broader climate strategy and contributes to both energy and material savings across the supply chain.

For a detailed description of material risks, please see page 114.

Challenges and Limitations

Mavi's supply chain has a complex, multi-tiered structure, with limited traceability, particularly at the Tier 4 level, where fiber producers are located. This lack of visibility makes achieving full transparency a challenge. While traceability is enhanced through the use of certified sources such as Better Cotton, current certification systems do not yet offer complete supply chain transparency.

Further obstacles include inadequate recycling infrastructure, the relatively high cost of sustainable fiber alternatives, and operational challenges in sourcing processes. To address these barriers, Mavi is strengthening collaborations with suppliers, exploring technological solutions to improve traceability, and expanding initiatives to scale up the use of sustainable fibers.

Preferred Materials

Preferred materials are defined as fibers or raw materials produced using holistic approaches that aim to transform production systems while delivering consistently lower environmental and social impacts compared to conventional options. Mavi uses Textile Exchange's Preferred Fiber and Materials Matrix (PFMM) to evaluate and select preferred materials. The PFMM assesses each material based on more than 80 indicators related to environmental and social performance. For materials not yet covered by Textile Exchange, Mavi conducts independent assessments, relying on academic research and supplier-provided data. When such evaluations confirm a material has a lower environmental impact than conventional alternatives, it is designated as a Preferred Material within Mavi's sourcing strategy.

Mavi's preferred materials table***:

Raw material	Variations
Cotton	Recycled cotton - RCS
	Recycled cotton
	Regenerative cotton - Regenagri
	Regenerative cotton
	Organic cotton - OCS
	Organic cotton
Man-made Cellulosic Fibers	Tencel lyocell
	Tencel modal
	Tencel refibra
Polyester	Recycled polyester - RCS
	Recycled polyester
Paper	Recycled paper - FSC
	Recycled paper
	FSC certified paper (MIX)
Other	Upcycled fabrics

***The Preferred Materials Table, based on Textile Exchange's definitions, is regularly updated to reflect the latest scientific developments, best practices, and up-to-date information. While innovative fibers and materials are essential for achieving material targets, they must be clearly defined and validated before inclusion. Materials not yet assessed by Textile Exchange are incorporated into the matrix based on Mavi's independent evaluations. Mavi designates materials as "Preferred Materials" when academic research and/or supplier statements confirm they have a lower environmental impact than conventional alternatives.

Mavi All Blue Collection

The All Blue collection, a manifestation of Mavi's All Blue sustainability strategy, consists of products made with responsibly sourced materials. The products in this collection feature one or more of the "preferred materials" that contribute to reducing environmental impact. The sustainable fiber content in fabrics is shaped around Mavi's quality first focus, design approach, and product performance specifications. The products - true, unfiltered versions of denim - are 100% vegan and the labels are made from recycled paper.

For more information on Mavi All Blue collection, please [click the link](#).

Mavi collaborates with its strategic partners ERAK and TAYEKS to use the E-flow technology to reduce water, energy, and chemicals consumption; utilizes laser technology which guarantees product standards, reduces the use of chemicals, and protects the health of the employees; uses driers and photovoltaic rooftop panels (TAYEKS) for energy savings; and also uses an automated dosing system that eliminates inaccurate and excessive use of chemicals in washing due to manual processes. Environmental impact measurement methods such as EIM Score and LCA are used to assess these processes.

The pioneering role Mavi plays in sustainability resonates with the customers and is recognized on international platforms. In 2023, Mavi won the "Best Sustainable Collection" category for the fifth time at the "The Rivet Awards", which recognize the brands bringing newness and creativity to the global denim market. Rivet, affiliated with the Sourcing Journal, one of the world's most important sectoral publications, evaluated the participating brands' 2023/24 Fall/Winter collections during the Las Vegas fair. Mavi once again stood out with its innovations in denim fashion and sustainability, clinching the title for best sustainable collection. Mavi previously received the same award for its sustainable All Blue collection in February 2019, 2021, 2022 and 2023.

27%

Share of revenue generated from products in the All Blue collection and Better Cotton membership in total revenues

17%

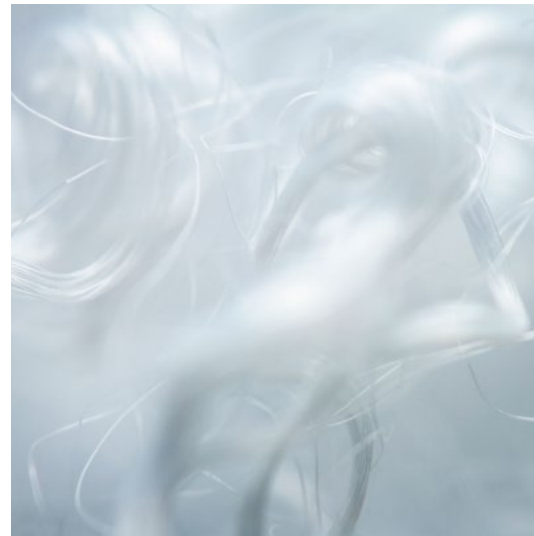
Share of products in the All Blue collection and Better Cotton membership in total sales

58%

Share of revenue generated from jeans in the All Blue collection and Better Cotton membership in total denim sales

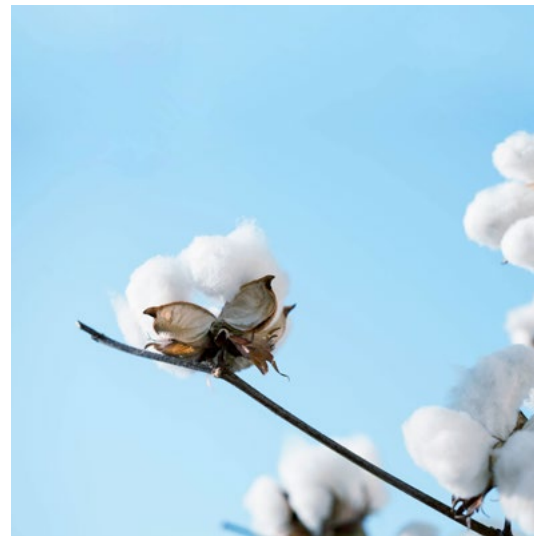
Calculated according to specific criteria for products constituting 95% of revenues.

Preferred Materials



Recycled Cotton

Post-consumer textiles and textile waste are converted into fibers, and new fabrics are produced from the new yarn made from these fibers. This method reduces the use of unprocessed raw materials and prevents the material from going to waste.



Organic Cotton

Organic cotton consumes less water than traditional cotton. Furthermore, organic cotton is grown without the use of chemical pesticides or fertilizers, and it does not contain genetically modified organisms (GMOs). These practices enhance the soil, reduce greenhouse gas emissions, conserve biodiversity, and protect the health of cotton growers.



TENCEL™ Cellulosic Fibers (Modal and Lyocell)

TENCEL™ Lyocell and Modal cellulosic fibers are made from natural raw material wood obtained from sustainably managed forests, using production processes refined to minimize environmental impact. TENCEL™ Lyocell fibers are regenerated from a combination of cellulosic fibers, delivering quality, performance, and versatility. Their unique physical properties lead to their high tenacity profile, gentleness on skin, and good moisture management.

TENCEL™ Modal fibers are regenerated cellulosic fibers known for being exquisitely soft and pleasant to the skin. Brilliant in color and luster, TENCEL™ Modal fibers exhibit high flexibility, resulting in a naturally soft and long-lasting quality to the textile. For more information, please [click here](#).



Upcycled Materials

Upcycling refers to transforming a material to create higher value than its original state and reusing it. Through upcycling, deadstock or waste materials find new life as products. Upcycled materials contribute to circular economy since they prevent the consumption of new materials and reduce waste generation.

Recycled Polyester

Recycled polyester made from petroleum-based waste is a more sustainable option compared to traditional polyester production. Since polyester from previously produced materials can be recycled, it reduces plastic waste, preventing it from going to landfills.



Sustainability features of product accessories



All Vegan

Mavi does not use any animal-derived materials in its denim products.

Bio-based Olive Seed Back Labels

The back labels, made from olive industry by-products, stand apart from conventional synthetic labels due to the high bio-based content of the coating materials. This feature also indicates that no synthetic materials or petrochemicals are used in production. While 52% of the labels' coating is derived from olive pits, the backing fabric is made from 100% recycled polyester.



Innovative materials developed for exclusive collections

Hazelnut Shell Blend Buttons

These buttons are made from hazelnut shells, the by-products of the hazelnut industry in the Ordu-Giresun region. The buttons' composition includes hazelnut shells, polyester, and dyes. By utilizing materials that would otherwise become waste, they contribute to circular economy.



Sustainability features of packaging materials



FSC- Certified Papers

FSC-certified papers are solely made with wood from renewable forests where trees are grown specifically for papermaking. In 2024, 91% of all labels, cardboard, and paper packaging materials sourced by Mavi were FSC-certified.

There are three FSC-certified label types: FSC 100%, FSC Mix, and FSC Recycled..

For more information, please refer to [“FSC Labels Explained”](#) in the link.

Mavi Regenerative Jeans Collection

Mavi expanded its sustainable and innovative All Blue collection with the addition of the Regenerative Jeans Collection. Aligned with Mavi's mission to conserve and restore nature, this collection features pieces made from regenerative cotton grown through sustainable and regenerative agriculture practices. The regenagri-certified fabrics used in the collection are derived from cotton cultivated using regenerative agricultural methods that enhance soil health, promote biodiversity, and reduce greenhouse gas emissions. Reflecting Mavi's commitment to nature, the Regenerative Jeans Collection features 10 models for women and men, including jeans, shirts, jackets, and vests.

The regenerative cotton used in the Mavi Regenerative Jeans Collection is grown with holistic agricultural methods that enhance soil fertility and foster balanced and interconnected ecosystems—unlike conventional farming systems. The regenerative agriculture approach aims to reduce carbon footprint by sequestering carbon from the atmosphere, minimize soil erosion, and foster biodiversity. These practices contribute to nature's restoration by promoting the sustainable use of natural resources.

The fabrics used in the Mavi Regenerative Jeans Collection are certified by Regenagri, a regenerative agriculture initiative dedicated to securing the health of the land and the wealth of those who live on it. This certification guarantees that the raw materials, such as cotton, are sourced from farms following regenerative agriculture principles, thanks to traceable supply chains and agricultural standards.

The regenerative cotton content in regenagri-certified products can be traced across the entire supply chain from the field to the store. Regenerative cotton grown in Söke, Aydın and Harran Plain is spun into yarn and woven into fabric at the Kayseri plant of Orta Anadolu and the Kahramanmaraş plant of Maritaş. These fabrics are then cut, sewn, and washed at ERAK's Tekirdağ plant, completing their journey as part of the Mavi Regenerative Jeans Collection.

MT1012 R3-IMAGINED for Mavi Collection

MT1012 R3-IMAGINED for Mavi is a collaborative collection between Mavi and Murat Türkili that reimagines recycled denim through a conscious fashion lens. Rooted in the principles of circularity and upcycling, the collection gives new life to pre-loved denim by transforming iconic designs into modern, one-of-a-kind pieces. This creative partnership blends Mavi's signature styles with stories from the past, reinterpreted through contemporary forms and thoughtful design touches.

Each piece is handcrafted using an upcycling approach, resulting in unique garments with renewed purpose. Denim pants from a previous cycle are transformed into skirts, shorts, jackets, or belts. Men's jeans are reworked into women's shirts or shorts, while inventive designs—like overalls made from combined jackets and pants—highlight the collection's experimental spirit.

From oversized jackets to crop tops, belts to cutout details, every element of the collection showcases the sustainable transformation of denim and the artistry of repurposed design. Through this collection, Mavi demonstrates how fashion can be both aesthetically powerful and environmentally conscious.



Innovation Partnerships and Circular Economy

Partnerships play a key role in the sustainability transformation of the industry and driving innovation. Mavi engages in innovation partnerships with various other brands, designers, and universities to expand its positive impact and inspire the industry.

Mavi x Nivogo partnership

In partnership with Nivogo, recognized as Europe's leading Circular Economy initiative, Mavi is committed to reducing waste by giving new life to deadstock or unsellable products due to returns and end-of-season cycles. Through this collaboration, Mavi products undergo a six-stage process at Türkiye's first and largest Renewal Center before being made available for sale at Nivogo's circular stores, enriching the lives of new users and adding value to the products. By adhering to circular economy principles, this initiative ensures that deadstock products are repurposed and reused, effectively minimizing waste generation. In 2024, 16,554 products, with denim constituting 85%, found new life through Nivogo.



Producing insulation panels from textile waste

At the end of a 1.5-year R&D process, denim waste donated by ERAK was transformed into fiber without any additives and turned into flame retardant panels with recycled binders. In total, 2,400 insulation panels were produced and started to be used in four stores: İzmir Gazimir, Metroway, Düzce Krempark and Bergama. The panels were designed to be used not only on the exterior but also in interior acoustic insulation.



/4.8

COMMUNITY
BETTER.MOBILIZE

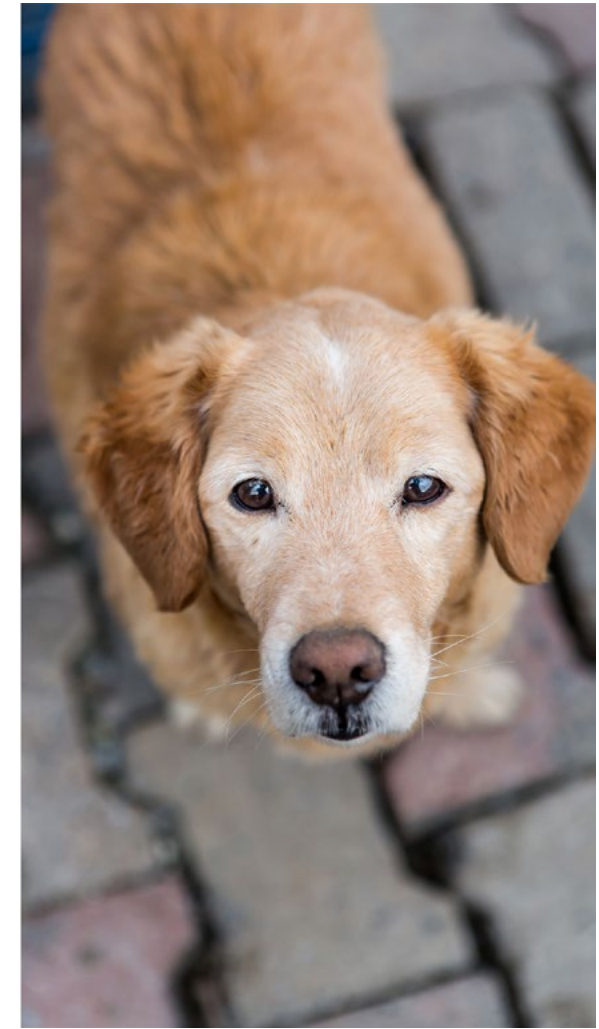


#SolutionLetLive!

At **Kurtaran Ev**, we extend our heartfelt thanks to **Mavi**, our corporate supporter, for covering the annual rent of our temporary shelters in **Hadımköy, Küçükçekmece, and Beşiktaş**, where we provide treatment, shelter, food, and adoption support for thousands of stray animals.

You too can support them by choosing to adopt, not shop.

mavi



Better.Mobilize

Mavi aims to create shared values in the community and use its transformative and mobilizing brand power to achieve better things. The company is particularly focused on empowering young people and women for social development so that no one is left behind. Customers who choose Mavi and other stakeholders are also included in this movement.

Mavi's Impact-Driven Transformative Power

Mavi intends to mobilize its stakeholders, starting with the customers, by leveraging its brand power to contribute to social transformation. Therefore, impact-driven and measurable social projects that involve customers, employees, suppliers, universities, and non-governmental organizations (NGOs) are launched.

As of 2024, Mavi's primary focus in corporate social responsibility centered on empowering women, youth and children experiencing inequality of opportunity, improving the living conditions of stray animals, conserving biodiversity, and mitigating the impact of climate crisis. Beyond offering short-term solutions, projects aim to create sustainable solution models that will strengthen social solidarity and make a long-term difference in the lives of society and individuals.

Solution is to Let Live: Mavi advocates for stray animals

Kurtaran Ev (The Rescue House Charity) Partnership

Mavi continues to advance sustainable solutions for the welfare of stray animals, upholding the belief that every living being has the right to life. As a corporate supporter of the Kurtaran Ev Association, Mavi has committed to covering rental costs for temporary shelters located in Hadımköy, Küçükçekmece, and Beşiktaş. Kurtaran Ev plays an active role in the rescue, treatment, sheltering, nourishment, and adoption of stray animals.

In honor of World Animal Day on October 4, Mavi amplified Kurtaran Ev's awareness and adoption efforts through a dedicated communication campaign across social media and visual displays in 61 stores.

Later in the year, Mavi Volunteers visited the temporary shelter in Hadımköy, delivering several cat and dog houses crafted by the Visual Merchandising team using repurposed shelves and tables from Mavi stores. Sharing moments of affection with hundreds of dogs awaiting adoption, Mavi employees experienced the joy of spreading compassion and kindness, together.

ENCANDER Partnership

With the proceeds from the sales of Miav jeans and t-shirts, designed with the “Miav” logo, a word play on the brand name to mean the meows of cats, the company continues to support ENCANDER (Association for Protecting Animals with Disabilities and in Need), the association that works to meet the needs of stray and disabled animals and takes care of animals in need.

Taking responsibility as a leading brand, Mavi will continue to partner with NGOs to improve the living conditions of stray animals and raise awareness.

SosyalBen Skill Development Centers (BEGEM)

The partnership between Mavi and the SosyalBen Foundation, which began with the Hope Truck project, became a long-term initiative with the launch of Skill Development Centers (BEGEM). These centers were established to support the psychosocial well-being of children affected by the earthquake and to help prevent the loss of physical and social skills. Located in Hatay and Adiyaman, BEGEM provides a safe and supportive environment where children can continue their development through long-term, expert-led workshops.

The centers offer psychosocial support through diverse workshops in fields such as painting, music, sports, agriculture, games, and invention. These activities help children express themselves, build problem-solving skills, and develop self-confidence. Beyond individual growth, the centers also foster social cohesion and community resilience, while generating employment opportunities for expert instructors who are otherwise unable to secure work.

Last year, through the Hope Truck project, Mavi reached 9,270 children across nine cities. This year, as a supporter of BEGEM's painting workshops, Mavi connected with an additional 2,280 children. An impact assessment showed a social return on investment (SROI) of 34.2 for Mavi's contribution in this area.

Mavi Volunteers joined the opening of the Hatay BEGEM during April 23 National Sovereignty and Children's Day week, and later visited the Adiyaman BEGEM on World Children's Day (November 20). Together with illustrator Gökçe İrten, they explored the healing power of art and experienced the joy of creating side by side with children.

Indigo Turtles

Mavi has supported the activities of the Ecological Research Society (EKAD) with the Indigo Turtles project since 2014, helping to protect the endangered *Caretta caretta* and *Chelonia mydas*, two species of sea turtles native to the Mediterranean for 110 million years. EKAD, which focuses its activities on Belek, the largest nesting area in the Mediterranean, has helped over 1.3 million *Caretta caretta* make it to the sea in the last 25 years. The number of nests rose from 350 when the activities started in the region to 3,500 by 2024, while the number of hatchlings that made it to the sea exceeded 120 thousand last year. Facing many difficulties, only 40% of hatchling turtles reach the water and only one in a thousand survives. This is why the Indigo Turtles project raises awareness about supporting the survival efforts of the sea turtles, supports protection of biodiversity, and promotes the importance of volunteering.

Young volunteers join the Indigo Turtles project and set up camp on the 30km-long beaches for four months, working every day to protect the mature female turtles' eggs from external factors and help hatchlings climbing out of their nests to reach the water. Along with hundreds of university volunteers from Türkiye and around the world, customers, scholars, social media followers, brand ambassadors, and employees of Mavi also join the project voluntarily. Supported by the awareness seminars hosted at universities, the project gains more recognition as the applications to volunteer increase every year. In 2024, nearly 100 university students volunteered for the program, while the camp event was promoted with challenges for social media followers and influencer partnerships.

In its 11th year, Mavi's Indigo Turtles collection has expanded with new products such as sweatshirts, shorts, hats, and terry kaftans, inviting Mavi customers to join the movement. Customers who purchase the products in this collection become voluntary supporters of the project, which aims to bring life to the Mediterranean, and help care for five sea turtles. Designed for women, men and children and made with organic cotton in line with the All Blue strategy, Indigo Turtles products are sold across Türkiye and in Mavi's online stores in the US, Canada and Germany.



Mavi Scholarship Fund

Since 2016, Mavi has granted annual scholarships to female students in a number that corresponds to the age of the company through the Turkish Education Foundation. For the 2023–2024 academic year, 33 students received grants under the Mavi Scholarship project, which supports them throughout their university education. Mavi has also supported the education of one student as part of Koç University's Anatolian Scholars program, which gives a second chance to successful students that achieve scores in the top 1% in the university exams despite limited education privileges but are unable to qualify for scholarships.

Mavi's powerful message to women who are "Too Much": "We are too much at work and in life"

To celebrate March 8, International Women's Day, Mavi launched a creative initiative that celebrated the multifaceted identities of its female employees—both at work and in life. With the powerful message, "When it comes to women, we are too much at work and in life," the campaign highlighted that women are more than just their job titles. As part of the project, Mavi organized a special design workshop for its female employees, where they collaborated with designers and calligraphers to customize LinkedIn profile t-shirts.

Each participant added meaningful personal attributes to their professional titles—ranging from traveler to photographer, mother to best friend, dancer to marathon runner, turtle rescuer to gourmet. They then posed for new profile photos wearing their personalized shirts and updated their LinkedIn accounts to reflect their full selves—not just their roles at work, but the passions and identities that define them. What began as an internal awareness initiative quickly gained traction on social media, sparking broader engagement across the business world and reinforcing the message that women should never be asked to be less.



“

Mavi is one of the rare brands that I have shopped online and not regretted. Unlike other experiences, where sizing, fabric or print may disappoint you upon arrival, Mavi provides accurate and informative descriptions. These are essential for someone like me who relies on image descriptions due to visual impairment. Thank you for your sensitivity to accessibility, Mavi. Never change.”

Visually Impaired User



BlindLook Partnership

Mavi partnered with BlindLook, the startup that develops technological solutions for a visually accessible world, to make mavi.com and Mavi App accessible to people with visual impairment. Mavi became the first blind-friendly fashion brand to join BlindLook's global EyeBrand network, committing to an accessible and inclusive life. Thanks to this partnership, 285 million visually impaired people may have an inclusive fashion and shopping experience on mavi.com and the Mavi App. The application enables the visually impaired users to complete their online shopping with Mavi by using voice commands without the support of anyone else and easily access all information and content.

Throughout the year, Mavi' averaged an accessibility score of 84.2%, which corresponds to level AA in WCAG standards and remains above the industry average.

Mavi's Other Activities for Social Benefit

- This year, on Mother's Day and Father's Day, Mavi contributed to AÇEV (Mother Child Education Foundation) projects to support parents in the earthquake-affected region, and to the Foundation's efforts to raise awareness about parenting and the training program to empower mothers.
- To mark the arrival of 2024, Mavi supported UNICEF's "Leader Girls of the Future" program, which aims to empower girls and promote gender equality, encouraging both Mavi employees and other stakeholders to contribute to the program.
- In the 46th Istanbul Marathon, the Mavi Running Team ran for charity, raising funds for the "Before It Starts – Wildfire Training and Awareness" project of TEMA Foundation.
- Mavi continues to advance the projects launched to promote accessible and inclusive communication. The video call center continues to respond quickly and effectively to the requests of hearing-impaired customers. The service is accessed from the home page of mavi.com and the "Accessible Video Call" section in the Mavi app. Individuals who wish to receive support from this line connect to Mavi representatives, who are trained in sign language, via the "Accessible Video Call" link.

4.9 Mavi's Sustainability Evolution

2006

- » Mavi became one of the first brands worldwide to start the organic cotton movement with the Mavi Organic collection made with 100% organic Aegean cotton.

2010

- » Innovative and sustainable materials such as TENCEL™ and Modal were introduced in the Mavi Premium line.
- » Mavi Kids T-shirt collection made with 100% organic cotton was launched.

2014

- » Indigo Turtles project was launched in partnership with the Ecological Research Society (EKAD) to protect the endangered sea turtles.
- » Indigo Turtles T-shirt collection was created with 100% organic cotton. Mavi customers began to support the efforts to protect baby sea turtles with each T-shirt they purchased.

2017

- » Mavi replaced the light bulbs in the stores with energy-saving LED luminaires.
- » [Social compliance guidelines were shared with the suppliers and social compliance audits started.](#)
- » [Mavi started trading on Borsa Istanbul following the IPO.](#)

2018

- » Mavi partnered with the eco-friendly material producer Lenzing and started using TENCEL™ Lyocell and Modal fibers.
- » [Mavi's social compliance statement was added to the agreements, which the suppliers were asked to sign.](#)

2019

- » Mavi's sustainable, eco-friendly products were grouped under the All Blue collection.
- » Leather was completely eliminated from back labels of jeans, which became all vegan.
- » Paper used in all product labels was reduced by half, shifting to recycled materials.
- » Packaging materials used in shipments of online orders dropped from three to one, both in number and type.
- » Remote Energy Management System based on instant monitoring was launched in partnership with Reengen in 10 pilot stores.
- » Lighting fixtures in stores were replaced with LED luminaires for energy savings.
- » Mavi All Blue named the "Best Sustainable Collection" at the Rivet x Project Awards.
- » [Supplier Code of Conduct was published.](#)

2020

- » Mavi became the first Turkish apparel brand to disclose its carbon footprint transparently. With the first report submitted to the CDP's Climate Change Program, Mavi received a score of B, outperforming the global industry average.
- » Mavi earned A- in the Supplier Engagement Rating (SER) by the CDP platform, outperforming its peers.
- » The sustainable All Blue collection doubled in scope and variety.
- » All Blue collection was expanded with 100% organic cotton, eco-friendly T-shirts.
- » Mavi collaborated with Coca-Cola for an exclusive collection made with organic cotton and sustainable recycled materials.
- » Life Cycle Assessments (LCA) started.
- » Mavi switched to renewable energy at the head office and the stores with controlled meters.

- » First eco store of Mavi opened at the Zorlu Shopping Mall.
- » [Mavi signed the UN Global Compact.](#)
- » [Materiality assessment was completed.](#)
- » [Sustainability Committee and working groups were formed.](#)
- » [Activities began for determining the sustainability strategy and goals.](#)

2021

- » First reports were submitted to the CDP Water Security and Forests Programs. Mavi became the first and only Turkish company to report to the CDP Forests Program. With the 2021 report submitted to CDP's Climate Change Program, Mavi received a score of B, outperforming the global industry average, and an A- in the Supplier Engagement Rating (SER) by the CDP platform, outperforming its peers.
- » All Blue named the "Best Sustainable Collection" at the Rivet x Project Awards for the second time.
- » Jeans made from recycled plastic bottles were introduced with the Mavi Pro Sport Repreve® collection and the "Mavi Transformation Launched" ad campaign was launched.
- » The sustainable Les Benjamins x Mavi collection was designed and produced with organic, recycled, and eco-friendly materials in collaboration with the luxury streetwear brand Les Benjamins.
- » The use of sustainable fibers was extended further with a global partnership with TENCEL™.
- » Better Cotton-certified cotton was used in the special 30th anniversary Maviterranean collection.
- » OCS (Organic Content Standard) and RCS (Recycled Claim Standard) certifications were obtained.
- » The Remote Energy Management System with Reengen was deployed in all Mavi stores.
- » M30, a more sustainable store concept, was opened at the Marmara Forum Shopping Mall.
- » [Women's Empowerment Principles \(WEPs\), the joint initiative of UNGC and UN Women, was signed.](#)
- » [Mavi joined the 30% Club, the initiative that aims for diversity on the boards.](#)

- » CEO Water Mandate was signed.
- » Mavi CEO Cüneyt Yavuz entered the Fast Company Sustainability Leaders 50 Survey list at 18th place.
- » Board Diversity, Human Rights, Diversity and Inclusion, Biodiversity, Environment and Energy, Forest and Paper Products, and Animal Welfare policies were published.
- » Mavi included in the Borsa İstanbul Sustainability Index.

2022

- » Mavi became the first and only apparel brand from Türkiye to make the 2022 Climate Change A List by CDP, the world's largest environmental disclosure platform, and received a score of B in the 2022 CDP Forests Program and CDP Water Security Program.
- » Mavi increased its score to "A" in Supplier Engagement Rating (SER).
- » Mavi became a member of the Better Cotton program.
- » Mavi Hemp Denim, the most sustainable jeans collection of Mavi, was created with hemp fibers that consume minimum water, recycled cotton, seams and trims, and bio-based nutshell buttons.
- » Esra Gülmen X Mavi, a collaborative collection with the artist Esra Gülmen, was launched using production methods that consume less water and energy and designed with vegan and recycled labels.
- » The collaborative collection by Mavi and Freedom of Space was created with sustainable Better Cotton fabrics, innovative printing techniques and sustainable components.
- » Hemp and Natural Clay Dye named the "Best Sustainable Collection" at the Rivet x Project Awards, marking the fourth recognition in this category.
- » Mavi Pro Sport Repeve collection won the Special Recognition Award at "Unifi Repeve Champions of Sustainability."
- » Mavi Hemp Denim recognized with the "Climate Friendly Collection" award at the Elle Green Awards.
- » ISO 14001 Environmental Management System certification received for the Türkiye head office building.
- » Environmental audits in the supply chain started at critical suppliers and wet process sub-manufacturers.

- » Partnership with BlindLook launched to enable visually impaired users to complete their online shopping with Mavi on their own by using voice commands.
- » Mavi published its first sustainability report, disclosing its sustainability performance, strategy, and goals.
- » Mavi was included in the BIST Sustainability 25 Index, whose constituents are publicly traded companies with high corporate sustainability performance.
- » Mavi CEO Cüneyt Yavuz moved up to 16th place in the Fast Company Sustainability Leaders 50 Survey list.

2023

- » Mavi became the first and only Turkish apparel company to achieve a double A score for Climate Change and Water Security by CDP, the world's largest environmental disclosure platform. Mavi also earned a score of B in the 2023 CDP Forests program.
- » Mavi received a score of A- in Supplier Engagement Rating (SER) in 2023.
- » Mavi's greenhouse gas reduction targets were approved by the Science Based Targets initiative (SBTi).
- » All Blue Natural Dye, Mavi Upcycle, and Recycled Blue collections were launched.
- » Recycled Blue and Pro Dark Tech products were named the "Best Sustainable Collection" at the Rivet x Project Awards, bringing Mavi its fifth title.
- » Environmental audits across the supply chain continued with analyses and scoring.
- » Mavi partnered with Nivogo, spearheading circular transformation in fashion.
- » New practices were introduced to reduce the use of plastics and paper for a more environment-conscious Mavi office.
- » Mavi became a member of the Business Council for Sustainable Development (BCSD Türkiye).
- » A detailed study was conducted to identify material sustainability risks

2024

- » Mavi was ranked 8th on TIME's "World's Best Companies - Sustainable Growth 2025" list and as the leader in the Apparel, Footwear & Sporting Goods industry with 91.46 points. The ranking, developed by TIME and leading data analytics platform Statista, names 500 companies pairing growth with environmental stewardship.
- » Mavi once again earned an A rating in both the Climate Change and Water Security programs of CDP, the world's leading environmental disclosure platform, maintaining its position as the first and only Turkish apparel company on CDP's Global A List. Mavi also received a B score in the Forests program.
- » New emission reduction targets were set toward the net-zero ambition. Mavi will seek to receive SBTi approval in 2025.
- » The All Blue collection was redefined with a focus on raw materials that take up the largest share in the products' environmental and social impacts.
- » The Regenerative Jean Collection and MT1012 R3-IMAGINED for Mavi Collection were launched.
- » Mavi partnered with Ecording to support reforestation efforts with 50 thousand seed balls. Ecording uses the ecoDrone technology to shoot seed balls in hard-to-reach areas. Mavi offered customers an opportunity to promote sustainability and support employment of women in rural areas.
- » The first double materiality assessment was conducted and sustainability targets were updated according to the results.
- » A long-term incentive program was designed for senior management with relevant targets and their percentages within the incentives defined.
- » Sustainability targets were readjusted based on Mavi's improved performance

4.10 Performance Indicators, GRI Index and Other Indices

Memberships

- United Nations Global Compact (UNGC)
- UN Women's Empowerment Principles (WEPs)
- CEO Water Mandate
- Better Cotton
- 30% Club
- Yanındayız Association
- United Brands Association of Türkiye (BMD)
- Ethics and Reputation Society (TEİD)
- Turkish Investor Relations Society (TÜYİD)
- Corporate Governance Association of Türkiye (TKYD)
- The Institute of Internal Auditing - Türkiye (TİDE)
- Istanbul Chamber of Commerce
- Business Council for Sustainable Development Türkiye (BCSD Türkiye)

Stakeholder Engagement

Stakeholder group	Communication methods
Employees	Maviletişim and Maviconnect internal communication portals, digital channels (website and social media platforms), internal meetings (Massmavi, Management Forum, Go meetings, etc.), info mailings, employee engagement and satisfaction surveys, campaign impact surveys, volunteering activities, social clubs, field visits, annual reports, and sustainability reports.
Customers	Sales points (stores, mavi.com, and marketplaces), digital channels, call center, satisfaction surveys, annual reports and sustainability reports, media coverage.
Suppliers	Supplier meetings, field visits, audits, innovation projects, annual reports and sustainability reports, digital channels.
Franchisees	Franchisee meetings, field visits, one-on-one meetings, annual reports and sustainability reports, digital channels.
Shareholders and Investors	General Assembly meetings, material event disclosures, press releases, one-on-one meetings and correspondence, broker and bank reports, quarterly earnings calls, annual reports and sustainability reports, digital channels.
Analysts and Brokers	General Assembly meetings, material event disclosures, press releases, one-on-one meetings and correspondence, broker and bank reports, quarterly earnings calls, annual reports and sustainability reports, digital channels.
Financial Institutions	General Assembly meetings, material event disclosures, press releases, one-on-one meetings and correspondence, broker and bank reports, quarterly earnings calls, annual reports and sustainability reports, digital channels.
Non-governmental organizations (NGOs)	Social responsibility projects, one-on-one meetings, participation in meetings and working groups, seminars and conferences annual reports and sustainability reports, digital channels.
Opinion leaders and universities	Training programs, internship programs, career days, conferences, Mavi Scholarship Fund, industry-specific projects, channels, annual reports, and sustainability reports.
Media	Press conferences and launch events, special features and interviews, press releases, digital channels, annual reports, and sustainability reports.

Performance Indicators

Social Performance Indicators

Employees by gender and category	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Total employees	2,211	1,849	2,976	2,135	3,316	2,354	3,747	2,454	3,546	2,326
Head office employees	418	296	477	324	558	365	605	371	664	411
Head office employees	1,793	1,553	2,499	1,811	2,758	1,989	3,143	2,082	2,882	1,915
Employees with disabilities	16	73	24	78	32	104	40	104	40	114
Under 30 years old	1,727	1,281	2,450	1,555	2,742	1,789	3,112	1,840	2,827	1,658
30 to 50 years old	466	543	507	553	552	540	612	580	698	630
Over 50 years old	18	25	19	27	22	25	24	33	21	38
Employees in revenue generating functions	1,834	1,629	2,541	1,885	2,813	2,063	3,197	2,155	2,837	1,981
Employees in STEM and related positions	12	14	14	19	14	26	18	34	31	37
Total employees	4,060		5,111		5,670		6,201		5,872	

Employees by type of employment	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Full time	1,422	1,368	1,650	1,404	1,840	1,528	1,930	1,556	2,172	1,657
Part time	789	481	1,326	731	1,476	826	1,815	900	1,374	669

Employees by location	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
United States of America	37	28	42	29	51	29	45	25	60	37
Canada	43	23	50	24	55	26	55	25	65	27
Russia	97	44	101	45	100	45	100	39	102	29
Europe	33	26	34	28	32	20	33	18	29	19
Türkiye	2,001	1,728	2,749	2,009	3,078	2,234	3,514	2,347	3,290	2,214

Subcontractor employees by gender	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Subcontractor employees by gender - total	18	91	12	104	24	96	24	97	27	126

Subcontractor employees by type of employment	2020		2021		2022		2023		2024	
	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time	Full time	Part time
Subcontractor employees by type of employment - total	97	12	43	73	41	79	109	12	53	100

Employees by tenure	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
0-5 years	1,715	1,338	2,423	1,615	2,739	1,843	3,257	2,038	3,027	1,913
5-10 years	377	395	427	389	116	114	363	303	382	277
10+ years	119	116	126	131	461	397	128	112	137	136

Managers and executives by gender and age	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Under 30 years old	215	222	296	248	361	290	380	291	183	152
30 to 50 years old	244	307	349	378	368	390	414	414	425	408
Over 50 years old	4	12	8	12	11	11	15	14	12	19
All employees with manager titles	463	541	653	638	740	691	809	719	620	579
Junior manager	338	414	421	433	469	463	494	479	272	183
Mid-level manager	62	33	73	49	57	38	68	47	288	341
Senior manager*	51	34	57	44	61	50	80	61	54	39
Head Office managers	107	58	200	149	230	178	297	190	308	209
Store managers	123	216	133	209	169	226	512	529	312	370
Board of directors	1	5	2	4	2	4	2	4	3	3

*Senior manager: director and higher positions (positions that are at maximum 2 levels away from the CEO)

Employee Management

Filled positions and promotions	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Employees promoted	104	78	112	147	341	269	369	282	393	283
Filled positions	786	624	2,492	1,609	2,984	2,111	3,401	2,156	3,453	2,378
Positions filled with internal candidates	87	76	81	114	300	244	274	244	236	307
Percentage of vacancies filled by internal candidates	11.6%		4.8%		10.7%		9.3%		9.3%	
Data coverage	95.0%		95.0%		95.0%		95.0%		100.0%	

Newly hired employees	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Newly hired employees	485	371	1402	923	1461	1080	3231	1953	3158	2054
Under 30 years old	466	341	1350	867	1406	1029	3,150	1,865	3,026	1,912
30 to 50 years old	19	30	51	56	54	50	81	87	129	138
Over 50 years old	0	0	1	0	1	1	0	1	3	4
Data coverage	95.0%		95.0%		95.0%		95.0%		100.0%	

Head office promotions	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Promoted to junior level manager position	-	-	-	-	-	-	33	8	30	20
Promoted to senior-level manager positions	-	-	-	-	-	-	27	16	9	3
Promoted to C level positions	-	-	-	-	-	-	0	0	0	0
Data coverage	95.0%		95.0%		95.0%		95.0%		100.0%	

Store promotions	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Promoted to Maviolog	28	26	147	104	163	118	142	112	167	95
Promoted to assistant store manager	37	29	37	36	91	68	74	64	100	71
Promoted to 2nd manager	11	5	19	41	27	31	38	42	40	42
Promoted to store manager	1	7	13	29	5	10	10	15	14	18
Promoted to regional manager	1	2	0	5	2	3	2	5	2	0
Data coverage	95.0%		95.0%		95.0%		95.0%		100.0%	

Employee turnover	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Total employee turnover	662	557	1,666	1,190	2,432	1,685	2,810	1,849	3,349	2,165
Voluntary employee turnover	586	499	1,311	839	2,209	1,503	2,607	1,637	2,762	1,684
Head office employees	39	31	71	22	116	58	113	71	164	61
Store employees	623	526	1,595	1,168	2,316	1,627	2697	1778	3185	2104
Under 30 years old	618	519	1,564	1,061	2,320	1,560	2715	1720	3173	2004
30 to 50 years old	44	37	102	129	111	124	93	127	169	156
Over 50 years old	0	1	0	0	1	1	2	2	7	5
Data coverage	95.0%		95.0%		95.0%		95.0%			

Employee turnover rates	2020	2021	2022	2023	2024
Employee Turnover rate	33%	60%	78%	79%	94%
Voluntary Employee Turnover rate	29%	45%	70%	72%	76%
Female	33%	61%	79%	80%	94%
Male	32%	59%	75%	79%	93%
Head office employees	10%	12%	19%	19%	21%
Store Employees	34%	64%	83%	86%	110%
Under 30 Years old	38%	66%	86%	90%	115%
30 To 50 Years old	8%	22%	22%	18%	24%
Over 50 Years old	2%	0%	4%	7%	20%
Data coverage	95.0%	95.0%	95.0%	95.0%	100.0%

Manager Turnover	2023			2024		
	Female	Male	Total	Female	Male	Total
Manager turnover	196	169	365	136	151	287
Junior-level manager	196	167	363	130	150	280
Mid-level manager	0	2	2	5	0	5
C-level executives	0	0	0	1	1	2
Under 30 years old	129	85	214	61	70	131
30 To 50 years old	66	84	150	72	81	153
Over 50 years old	1	0	1	3	0	3
Data coverage	95,0%			100,0%		

Performance management	2020		2021		2022		2023		2024
	Female	Male	Female	Male	Female	Male	Female	Male	Total
Employees subjected to regular performance and career development reviews	294	185	307	210	333	200	364	226	703
Employees assessed according to measurable goal realization	294	185	307	210	333	200	364	226	703

Diversity and Inclusion

Employees by Gender and Category	Female Employee Rates				
	2020	2021	2022	2023	2024
Total employees	54%	58%	58%	60%	60%
Head office employees	59%	60%	60%	62%	62%
Head office employees	54%	58%	58%	60%	60%
Employees with disabilities	18%	24%	24%	28%	26%
Under 30 years old	57%	61%	61%	63%	63%
30 to 50 years old	46%	48%	51%	51%	53%
Over 50 years old	42%	41%	47%	42%	36%
Employees in revenue generating functions	53%	57%	58%	60%	59%
Employees in STEM and related positions	46%	42%	35%	35%	46%
Data coverage	100.0%	100.0%	100.0%	100.0%	100.0%

Managers and executives by gender and age	Female Manager Rates				
	2020	2021	2022	2023	2024
Under 30 years old	49%	54%	55%	57%	55%
30 to 50 years old	44%	48%	49%	50%	51%
Over 50 years old	25%	40%	50%	52%	39%
All employees with manager titles	46%	51%	52%	53%	52%
Junior-level manager	45%	49%	50%	51%	60%
Mid-level manager	65%	60%	60%	59%	46%
Senior-level manager*	60%	56%	55%	57%	58%
Head Office administrator	65%	57%	56%	61%	60%
Store manager	36%	39%	43%	49%	46%
Board of directors	17%	33%	33%	33%	50%

*Senior manager: director and higher positions (positions that are at most 2 levels away from the CEO)

Parental leave*	2020		2021		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Employees that were entitled to parental leave	42	0	68	0	91	0	91	29	112	62
Employees that took parental leave	42	0	68	0	91	0	91	29	91	43
Employees benefiting from paid parental leave beyond legal period	-	-	-	-	-	-	4	0	2	0
Employees that returned to work in the reporting period after parental leave ended	38	0	65	0	80	0	69	0	74	0
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	-	-	-	-	-	-	26	0	2	1
Employees benefiting from daycare services/ receiving financial support	-	-	-	-	-	-	21	0	36	0
Parental leave (in weeks)	16		16		16		16		16	
Parental leave - for fathers (in weeks)	1.5		1.5		1.5		1.5		1.5	

Salary	2023			2024		
	Average female salary (TL)	Average male salary (TL)	% (Female/male salary)	Average female salary (TL)	Average male salary (TL)	% (Female/male salary)
Base salary	18,000	18,000		30,000	30,000	
Management level (base salary only)	41,312	31,567	131%	62,193	48,575	128%
Management level (base salary + other cash incentives)	127,792	83,735	153%	181,294	131,370	138%
Non-management level (base salary only)	17,520	17,443	100%	24,098	23,789	101%

*Data on salaries covers only Türkiye operations.

Compensation	2023	2024
Mean employee compensation	23,277.77	36,626.20
Median employee compensation	17,002.13	22,104.67

*Data on compensation covers only Türkiye operations.

Trainings

Data on training hours represent at least 95% of all operations.

Training times - head office	2020		2021		2022		2023			2024		
	Total		Female	Male	Female	Male	Female	Male	Female	Female	Male	Total
Total training hours	2,157		7,492	3,900	11,176	5,758	12,405	6,998	10,492.50	5,401.50	15,894	15.894
Number of employees	-	-	477	324	558	365	443	250	482	230	712	712
Average hours of training per employee	-	-	15.7	12.0	20.0	15.8	28	28	22	23	22	22
Average hours of training per employee under 30 years old	-	-	-	-	-	-	28	23	24.3	24.5	24	24
Average hours of training per employee between 30 and 50 years old	-	-	-	-	-	-	29	31	20.1	23.1	22	22
Average hours of training per employee over 50 years old	-	-	-	-	-	-	10	22.5	4.8	18.8	12	12

*This data excludes orientation, video trainings and procedural trainings.

Training times - stores	2020		2021		2022		2023			2024		
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Erkek	Total
Total training hours	28,451	25,897	57,036	45,226	61,202	44,405	58,044	49,415	65,184	55,911	121,095	121,095
Average hours of training per employee	16.25	16.25	26.72	26.72	22.68	22.68	21.58	21.58	25.4	25.4	25.4	25,4
Average hours of training per employee under 30 years old	-	-	-	-	-	-	10.3	10.9	11.3	13.1	10.53	10,53
Average hours of training per employee between 30 and 50 years old	-	-	-	-	-	-	22.2	33.5	30.1	38.5	28.64	28,64
Average hours of training per employee over 50 years old	-	-	-	-	-	-	21.3	11.3	2	6	16.3	16,3

Training times total	2023		2024	
	Total		Total	
Total training hours	126,862		136,989	
Number of employees	5673		5477	
Average hours of training per employee	22.4		25.0	

OHS training*	2020	2021	2022		2023		2024	
	Total	Total	Female	Male	Female	Male	Female	Male
Total training time	4,984	27,576	21,080	13,056	27,816	16,776	23,272	15,488
Average training time per employee	8	8	8	8	9	9	8	8

*Training time covers only Türkiye and Russia operations.

OHS training - subcontractors*	2020	2021	2022		2023		2024	
	Total	Total	Female	Male	Female	Male	Female	Male
Total training time	4,524	736	32	592	100	1,008	21	116
Average training time per employee	8	8	8	8	9	9	8	8

*Training time covers only Türkiye and Russia operations.

Occupational Health and Safety

Occupational Health and Safety data represents at least 95% of all operations.

Occupational health and safety	2020	2021	2022	2023	2024
Injury cases (employees)	1	25	83	58	8
Injury cases (contractors)	0	0	0	1	0
Injury cases (total)	1	25	83	59	8
Lost time accidents (employees)	1	25	34	35	37
Lost time accidents (contractors)	0	0	0	1	1
Lost time accidents (total)	1	25	34	36	38
Fatalities (employees)	1	0	0	0	0
Fatalities (contractors)	0	0	0	0	0
Fatalities (total)	1	0	0	0	0
Accidents (employees)	48	72	107	140	200
Accidents (contractors)	22	1	0	1	1
Accidents (total)	70	73	107	141	201
Lost time injury frequency rate (LTIFR) (employees)	0.09	3.88	4.52	5.29	4.81
Lost time injury frequency rate (LTIFR) (contractors)	0	0	0	6	4.88
Lost time injury frequency rate (LTIFR) (total)	0.08	3.10	4.42	5.29	4.82
Lost days (employees)	71	119	240	109	153
Lost days (contractors)	0	0	0	3	1
Lost days (total)	71	119	240	112	154
Lost workday rate (LWD) (employees)	1.30	3.69	6.39	3.29	3.98
Lost workday rate (LWD) (contractors)	0	0	0	3	0.98
Lost workday rate (LWD) (total)	1.18	2.95	6.25	3.29	3.90
Occupational disease cases (employees)	0	0	0	0	1
Occupational disease cases (contractors)	0	0	0	0	0
Occupational disease cases (total)	0	0	0	0	1

Supplier Audit Statistics

Supplier audit statistics 2023	Main supplier	Sub suppliers	Local main supplier	Local sub suppliers	Critical main supplier	Strategic main supplier	Wet Process sub-Manufacturers of critical Main suppliers	Wet process sub-down-stream manufacturers of strategic main suppliers
Number of suppliers	129	489	103	411	38	18	48	40
Number of suppliers subjected to social audit	105	365	105	365	15	4	7	1
Number of suppliers subjected to environmental audits	17	34	17	34	2	5	48	40
Number of suppliers with potential negative social impacts identified	5	26	5	26	0	0	0	0
Number of suppliers with potential negative environmental impacts identified	0	0	0	0	0	0	0	0
Number of suppliers which their relationships were terminated after social audit	5	26	5	26	0	0	0	0
Number of suppliers which their relationships were terminated after environmental audits	0	0	0	0	0	0	0	0

Supplier audit statistics 2024	Main supplier	Sub-suppliers	Local main supplier	Local sub-suppliers	Critical main supplier	Strategic main supplier	Wet Process sub-Manufacturers of critical main suppliers	Wet process sub-downstream manufacturers of strategic main suppliers
Number of suppliers	133	471	102	397	34	18	52	44
Number of suppliers subjected to social audit	12	125	12	125	1	1	13	13
Number of suppliers subjected to environmental audits	0	7	0	7	0	0	0	0
Number of suppliers with potential negative social impacts identified	1	18	1	18	0	0	0	0
Number of suppliers with potential negative environmental impacts identified	0	0	0	0	0	0	0	0
Number of suppliers which their relationships were terminated after social audit	0	18	0	0	0	0	0	0
Number of suppliers which their relationships were terminated after environmental audits	0	0	0	0	0	0	0	0

Environmental Performance Indicators

GHG emissions were calculated according to GHG Protocol.

GHG emissions	Unit	2019	2021	2022	2023	2024
Scope 1 ¹	ton CO ₂ e.	2,469,80	2,449,81	1,810,05	2,004,51	1,709,27
Scope 2 ¹ (market-based)	ton CO ₂ e.	4,609,78	37,05	42,10	71,47	68,66
Scope 3	ton CO ₂ e.	188,287,13	188,947,23	250,317,28	254,346,68	284,991,30
Total	ton CO ₂ e.	195,366,70	191,434,10	252,169,44	256,422,66	286,769,23
Emissions within the scope of approved SBTi target (Scope 1 + 2)	ton CO ₂ e.	7,079,58	2,486,86	1,852,16	2,075,98	1,777,93
Emissions within the scope of approved SBTi target (Scope 3)	ton CO ₂ e.	161,594,03	159,777,68	217,982,39	223,998,48	248,299,35
GHG emission reduction rate compared to the base year 2019 (Scope 1 + 2)	%	-	64,87%	73,84%	70,65%	74,89%
GHG emission reduction rate compared to the base year 2019 (Scope 3 - Purchased Goods and Services only, per TL value added)	%	-	41,44%	81,71%	89,19%	88,86%
Scope 3 - Purchased products and services	ton CO ₂ e.	161,594,03	159,777,68	217,982,39	223,998,48	248,299,35
Scope 3 - Capital Goods	ton CO ₂ e.	316,27	2,530,63	1,991,51	1,457,82	3,691,27
Scope 3 - Fuel and energy related activities	ton CO ₂ e.	2,061,01	2,057,84	2,230,09	2,310,33	2,415,73
Scope 3 - Upstream transportation and distribution	ton CO ₂ e.	5,442,90	5,730,37	5,820,41	5,271,16	6,125,09
Scope 3 - Waste generated in operations	ton CO ₂ e.	59,17	60,39	66,23	80,33	98,98
Scope 3 - Business travel	ton CO ₂ e.	657,63	457,37	910,01	1,263,27	1,836,88
Scope 3 - Employee commuting	ton CO ₂ e.	1,295,24	1,459,57	1,649,58	1,847,96	1,766,50
Scope 3 - Upstream leased assets	ton CO ₂ e.	8,184,29	8,184,29	8,385,84	6,330,17	6,092,26
Scope 3 - Franchises	ton CO ₂ e.	1,765,84	1,406,12	1,291,03	1,767,39	1,341,73
Scope 3 - End of life treatment of sold products	ton CO ₂ e.	6,910,75	7,282,97	9,990,18	10,019,78	13,323,52
GHG intensity, (Scope 1+2 per revenues in mio TL)	ton CO ₂ eq. / mio TL	5,04	1,05	0,18	0,12	0,09

¹ Mavi uses the "Operational Control" approach to measure its greenhouse gas emissions. This method covers all operations over which Mavi has direct operational control, including those in Türkiye, USA, Canada, Europe, and Russia.

The global warming potential (GWP) factors used in emission calculations are sourced from the UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024), Türkiye's Electricity Generation and Electricity Consumption Emission Factors Information Form, EPA Emission Factors 24, Canada's Federal Greenhouse Gas Offset System Emission Factors, and UNFCCC - Harmonized IFI Default Grid Factors 2021. Scope 1 emissions consist of natural gas use, fuel consumption from vehicles, and refrigerant gas leaks, while Scope 2 emissions arise from electricity consumption at all locations under operational control.

Mavi's Scope 1 and Scope 2 emissions are reported to cover all direct operations in Türkiye, USA, Canada, Europe, and Russia. For Scope 2 emissions, both location-based and market-based approaches have been used. The location-based method includes electricity consumption across all locations under operational control, while the market-based method takes into account renewable energy purchases in Türkiye.

As part of Scope 3 emissions, Mavi evaluates the following categories: purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, franchises, investments, and the end-of-life treatment of sold products.

The "purchased goods and services" category includes emissions originating from the supply chain. The "capital goods" category covers expenses related to fixtures, licenses, vehicles, and specific costs such as construction. In the "fuel- and energy-related activities" category, grid losses and indirect emissions from purchased fuels are calculated. "Upstream transportation and distribution" includes the transport of products from suppliers to logistics centers and stores, between Mavi stores, and to end customers in online sales. The "waste generated in operations" category includes the disposal of office waste, packaging waste, and textile waste. The "business travel" category considers emissions from air travel and hotel stays, while the "employee commuting" category includes transportation via shuttle services and public transportation. The "upstream leased assets" category includes emissions from heating and electricity consumption in locations that are not under Mavi's operational control. The "end-of-life treatment of sold products" category includes emissions resulting from the disposal of Mavi's products after their useful life. Electricity consumption by Mavi's franchise stores in Türkiye is also included in Scope 3 emissions. This year, the scope of the emissions inventory has been expanded, and hotel expenses, consultancy services, employee commuting via public transportation, and data center usage have been added to Scope 3 emission calculations. As Mavi has not financed any company or external project for profit during the year, emissions under the "investments" category (Scope 3 - Category 15) have been determined as zero.

Energy ¹	Unit	2019	2021	2022	2023	2024
Non renewable fuel consumption	MWh	3,849.20	3,749.16	4,344.17	4,932.95	5,893.82
Renewable electricity consumption	MWh	-	10,392.55	11,327.55	11,347.96	11,416.89
Non renewable electricity consumption	MWh	10,493.17	100.62	114.33	196.67	410.60
Total energy consumption	MWh	14,342.37	14,242.33	15,786.05	16,477.58	17,721.30
Energy intensity (per revenue)	MWh / mio TL	5.01	3.08	0.75	0.44	0.46

¹Energy consumption table only covers energy use related to Scope 1 and 2 GHG emissions. The figures for 2023 and 2024 have been revised based on inflation accounting.

Raw materials and other materials used in packaging (Tons)	2020	2021	2022	2023	2024
Paper	1,895.57	2,544.13	3,051.69	3,332.92	4,200.21
Plastic	131	178.33	65.94	151.52	137.26
Glass	23.02	62.03	58.97	148.81	134.06

Waste quantity (Tons)	2020	2021	2022	2023	2024
Total non-hazardous waste	2,308.39	3,010.41	3,311.49	4,014.40	4,811.0
Total hazardous waste	1.24	0.33	0.53	2.2	2.06
Recycled waste	370.65	608.68	382.5	587	594
Burned waste	260.04	226.25	124.94	370.66	312.09

*Packaging materials placed on the market, as reported under the GEKAP declaration, have also been included in the waste items. The GEKAP declaration is prepared based on the calendar year, which may differ from the fiscal year. The data has been included accordingly.

Water withdrawal quantity (m ³)	2020	2021	2022	2023	2024
Municipal water	9,422	6,338	10,368	11,007	12,517
Water discharge (m ³)	-	-	-	10,835	12,331
Water consumption (m ³)	-	-	-	173	186

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UNGC References

Impact area	Principles	Place in report
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Better.Empower – People-oriented Mavi Culture & Inclusive Business Model and Responsible Value Chain
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Better.Empower - People-oriented Mavi Culture & Inclusive Business Model and Responsible Value Chain
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	
	Principle 5: Businesses should uphold the effective abolition of child labor.	
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Better.Protect - Tackling Climate Crisis & Ecosystem Restoration
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance - Business Ethics

WEPs References

Principles	Place in report
Principle 1: Establish high-level corporate leadership for gender equality.	Better.Empower - Equal Opportunity and Diversity
Principle 2: Treat all women and men fairly at work - respect and support human rights and nondiscrimination.	
Principle 3: Ensure the health, safety and well-being of all women and men workers.	
Principle 4: Promote education, training, and professional development for women.	
Principle 5: Implement enterprise development, supply chain, and marketing practices that empower women.	
Principle 6: Promote equality through community initiatives and advocacy.	
Principle 7: Measure and publicly report on progress to achieve gender equality.	

GRI Content Index

The information is reported in accordance with the GRI Standards for the period from February 1, 2024 to January 31, 2025. GRI: Foundation 2021 is used as GRI 1

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GRI 2-11	Chair of the highest governance body	281-282	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Duties and Working Principles of The Sustainability Committee	
GRI 2-13	Delegation of responsibility for managing impacts	273-276	
GRI 2-14	Role of the highest governance body in sustainability reporting	Duties and Working Principles of The Sustainability Committee	
GRI 2-15	Conflicts of interest	Mavi Code of Conduct	

GRI 2-16	Communication of critical concerns	277-280	
GRI 2-17	Collective knowledge of the highest governance body	282-286	
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GRI 2-19	Remuneration policies	Remuneration Policy	
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GRI 2-21	Annual total compensation ratio		
Strategy, policies and practices			
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GRI 3: MATERIAL TOPICS 2021			
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Sustainability Principles Compliance Framework

Sustainability Principles Compliance Outline		COMPLIANCE STATUS				EXPLANATION	ANNUAL REPORT WHERE RELATED INFORMATION IS DISCLOSED PUBLICLY (PAGE NO./LINK)
		YES	NO	PARTIAL	N/A		
A. General Principles							
A1. Strategy, Policy and Goals							
A.1.1	The Board of Directors should determine ESG-priority issues, risks and opportunities, and form ESG policies in accordance with them.	X				4.3 Sustainability Management -Sustainability Risk Management	
	For the sake of effective implementation of the aforesaid policies, internal directives, work procedures, etc. may be prepared for the corporation. For these policies, a decision of the Board of Directors should be taken and made public.	X				Mavi - Policies	
A1.2	Should determine and publicly disclose its short and long-term goals in line with its ESG policies.	X				4.2 Sustainability Goals and 2024 Target Progress	
A2. Implementation / Monitoring							
A2.1	Should appoint and publicly disclose its committees/units in charge of implementation of ESG policies	X				Duties and Working Principles of The Sustainability Committee	
	Committees/units in charge should report the activities carried out under the policies to the Board of Directors at least once a year and in any case, within the maximum periods of time stipulated for disclosure of annual reports in the regulations of the Board pertaining thereto.	X				4.3 Sustainability Management	

A2.2	Should formulate and publicly disclose the implementation and action plans in line with the short- and long-term goals determined as above.	X					4.2 Sustainability Goals and 2024 Target Progress
A2.3	Should determine ESG Key Performance Indicators (KPIs) and declare them comparatively on an annual basis	X					4.2 Sustainability Goals and 2024 Target Progress Performance Indicators
A2.4	Should declare innovation activities aimed to improve the sustainability performance in relation with business processes or products and services.	X					4.5 People – Better. Empower 4.6 Planet – Better. Protect 4.7 Denim – Better. Transform 4.8 Community – Better. Mobilize
A3. Reporting							
A3.1	Should report and publicly disclose its sustainability performance, goals and actions at least once a year. Should provide information about its sustainability activities within its annual report.	X					4.2 Sustainability Goals and 2024 Target Progress
A3.2	It should provide information as to with which of the United Nations (UN) 2030 Sustainability Development Goals its activities are related.	X					4.2 Sustainability Goals and 2024 Target Progress
A3.3	It should disclose information about lawsuits filed and/or completed against it in environmental, social and corporate governance issues.	X					4.6 Planet – Better. Protect 5.7 Legal Disclosures
A4. Verification							
A4.1	If verified by independent third parties (independent sustainability assurance providers), it should disclose its sustainability performance measures, and should endeavor to increase said verification actions.	X					External assurance process in place for GHG emissions. CDP Climate Change 2024 External Assurance

B. Environmental Principles							
B1	Should declare its policies and practices, action plans, and environmental management systems (known as ISO 14001 standard) and programs.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis
B2	Should disclose limitations to the environmental report that will be prepared under the Sustainability Principles, reporting period, reporting date, data collection process and restrictions in reporting conditions.	X					About The Sustainability Section
B3	Provided in A2.1.	X					
B4	Should disclose the incentives it offers for management of environmental issues, including the achievement of goals.	X					4.3 Sustainability Management - Sustainability-Linked Incentives
B5	Should disclose how environmental issues are integrated into business objectives and strategies.	X					4.4 Material Sustainability Issues
B6	Provided in A2.4	X					
B7	Should disclose how it manages environmental issues and integrates suppliers and customers into its strategies, not only in terms of direct operations, but also along the corporation value chain.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis
B8	Should disclose whether it is included in the (sectoral, regional, national and international) policy formulating processes on environmental issues or not, as well as associations it is a member of, its environmental cooperation initiatives entered into with related institutions and non-governmental organizations, and its duties and functions, if any, assumed thereon, and the activities supported by it.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis
B9	Should periodically report in a comparable manner, information about environmental effects in the light of environmental indicators [Greenhouse gas emissions [Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)], air quality, energy management, water and waste water management, waste management, biodiversity effects].	X					4.6 Planet – Better. Protect 4.10 Performance Indicators, GRI Index and Tables
B10	Should disclose details in relation to standards, protocols, methodologies and base year employed for collection and calculation of its data.	X					4.6 Planet – Better. Protect 4.10 Performance Indicators, GRI Index and Tables

B11	Should declare the status of environmental indicators for the reporting year in comparison with past years (increase or decrease).	X					4.6 Planet – Better. Protect 4.10 Performance Indicators, GRI Index and Tables
B12	Should determine and disclose short and long-term goals for reduction of its environmental impact. If an improvement is detected in the reporting year over the previously determined goals, it should provide information thereabout.	X					4.2 Sustainability Goals and 2024 Target Progress 4.6 Planet – Better. Protect 4.10 Performance Indicators, GRI Index and Tables
B13	Should disclose its strategy and actions for fight against climate crisis.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis
B14	Should disclose its programs or procedures aiming to prevent or minimize the potential negative effects of its products and/or services.	X					4.7 Denim – Better. Transform
	Should also declare the actions of third parties aiming to reduce greenhouse gas emissions.	X					4.6 Planet – Better. Protect - Ecosystem Restoration
B15	Should declare the total number of actions taken, projects implemented and initiatives entered into for reduction of its environmental impact, as well as their environmental benefits and cost savings.	X					4.6 Planet – Better. Protect - Ecosystem Restoration
B16	Should report total energy consumption data (with the exception of raw materials), and disclose its energy consumptions as Scope-1 and Scope-2.	X					4.6 Planet – Better. Protect 4.10 Performance Indicators, GRI Index and Tables
B17	Should provide information about electricity, heat, steam and cooling generated and consumed in the reporting year.	X					4.6 Planet – Better. Protect 4.10 Performance Indicators, GRI Index and Tables
B18	Should carry out and disclose works on increasing the use of renewable energy sources, and transition to zero or low carbon electricity.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis

B19	Should disclose its renewable energy generation and consumption data.	X					4.10 Performance Indicators, GRI Index and Tables
B20	Should conduct energy efficiency projects, and disclose the resulting reduction in energy consumption and emission due to its projects.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis
B21	Should report quantities, sources and procedures of water extracted from underground or ground waters, used, recycled and discharged.	X					4.10 Performance Indicators, GRI Index and Tables
B22	Should disclose whether its operations or activities are included in any carbon pricing system or not (Emission Trade System, Cap & Trade or Carbon Tax).	X				Mavi is not included in any carbon pricing schemes. Developments are monitored.	Mavi CDP Report 2024
B23	Should disclose its carbon credit data accumulated or bought in the reporting period.	X				There is no accumulated or purchased carbon credit.	Mavi CDP Report 2024
B24	If carbon pricing is applied in the corporation, it should disclose details relating thereto.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis Mavi CDP Report 2024
B25	Should disclose all mandatory and voluntary platforms where its environmental data are disclosed.	X					4.6 Planet – Better. Protect-Tackling Climate Crisis
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	Should establish a Corporate Human Rights and Employee Rights Policy covering its commitment of full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye, and legal framework and legislation regulating human rights and labor issues in Türkiye. Should disclose the aforesaid policy and the roles played and responsibilities assumed in the implementation of the policy	X					Human Rights Policy 4.5 People – Better. Empower-People-Oriented Mavi Culture

C1.2	Should provide equal opportunities in recruitment processes. Includes fair labor, improvement of working standards, employment of women and social inclusion issues (such as nondiscrimination towards women, men, religious beliefs, language, race, ethnical origin, age, disablement, refugees, etc.) in its policies by also considering the supply and value chain effects.	X					Diversity and Inclusion Policy Supplier Code of Conduct 4.5 People – Better. Empower - Equal Opportunity and Diversity
C1.3	Should disclose measures taken along the value chain for the sake of supervision and protection of rights/ equal opportunities for minorities or certain population segments vulnerable to particular economic, environmental and social factors (lowincome segments, women, etc.).	X					4.5 People – Better. Empower - Equal Opportunity and Diversity 4.5 People – Better. Empower -Inclusive Business Model and Responsible Value Chain
C1.4	Should report developments relating to applications aiming to prevent and correct discrimination, inequality, breaches of human rights and forced labor, and disclose its regulations and measures aiming to prevent employment of child labor.	X					4.5 People – Better. Empower - Equal Opportunity and Diversity 4.5 People – Better. Empower -Inclusive Business Model and Responsible Value Chain
C1.5	Should disclose its policies regarding investments in employees (training and development policies), compensations, fringe benefits, unionization rights, work/life balance solutions and talent management.	X					Mavi's People and Its Principles Remuneration Policy Compensation Policy
C1.5	Should determine dispute resolution processes through the establishment of mechanisms for resolution of employee complaints and disputes, and determine its dispute resolution processes.	X					Mavi's People and Its Principles
C1.5	Regularly declares its activities aimed at employee satisfaction.	X					Mavi's People and Its Principles

C1.6	Should disclose actions and measures taken for protection of health and against occupational accidents, and occupational accident statistics.	X					4.5 People – Better. Empower-Healthy And Safe Work Environment
	Should disclose measures taken to prevent occupational accidents and protect health and accident statistics.	X					4.5 People – Better. Empower-Healthy And Safe Work Environment 4.10 Performance Indicators, GRI Index and Tables
C1.7	Should formulate and disclose to public its personal data protection and data security policies.	X					Data Protection Policy Privacy Notice
C1.8	Should formulate and disclose its ethics policy	X					Mavi's People and Its Principles Supplier Code of Conduct
C1.9	Should disclose initiatives focused on social investment, social responsibility, financial inclusion and access to finance.	X					4.8 Community – Better. Mobilize
C1.10	Should organize information meetings and training programs for employees with respect to ESG policies and applications.	X					4.5 People – Better. Empower - Employee Development
C2. Stakeholders, International Standards and Initiatives							
C2.1	Should formulate and disclose its customer satisfaction policy dealing with management and resolution of customer complaints	X					Customer Satisfaction Policy 4.7 Denim – Better. Transform - Customer Satisfaction and Communications
C2.2	Should handle stakeholder communications continuously and transparently, and disclose with which stakeholders, for which purposes, on which issues and in which frequency it communicates.	X					4.10 Performance Indicators, GRI Index and Tables - Stakeholder Engagement
C2.3	Should disclose international reporting standards it has adopted.	X					About The Sustainability Section

C2.4	Should disclose the international organizations or principles it has signed or enrolled in and the international principles it has adopted.	X					4.10 Performance Indicators, GRI Index and Tables
C2.5	Should concretely endeavor to be included in the Borsa Istanbul Sustainability Index and international sustainability indices.	X					4.3 Sustainability Management - Mavi in Sustainability Networks and Indices
D. Corporate Governance Principles							
D1	Should consult with stakeholders in determination of measures and strategies in sustainability field.	X					4.4 Material Sustainability Issues 5. Corporate Governance
D2	Should endeavor to raise awareness on sustainability and the importance thereof through social responsibility projects, awareness activities and trainings.	X					4.8 Community – Better. Mobilize

/05

CORPORATE GOVERNANCE

- 5.1 | Declaration of Compliance with Corporate Governance Principles
- 5.2 | Explanations Regarding Corporate Governance
- 5.3 | Board of Directors
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- 5.10 | Corporate Governance Compliance Report and Information Form



Corporate Governance

Mavi's corporate culture is defined by remaining close to its customers, being passionate for its product quality, earning the trust of its employees, and building long-term partnerships. Mavi conducts its operations with a corporate governance and sustainability approach based on the principles of transparency, fairness, responsibility, and accountability. Mavi continues to design its corporate governance processes to enable transparency for both internal and external shareholders.

5.1 Declaration Of Compliance With Corporate Governance Principles

Since starting to trade on Borsa Istanbul on June 15, 2017, Mavi has been subject to CMB regulations. Per policy, Mavi fully complies with the mandatory principles set out in the Corporate Governance Communiqué No. II-17.1. Mavi also aims to achieve full compliance with non-mandatory corporate governance principles and currently works on the principles that have yet to be implemented.

The Corporate Governance Compliance Report ("URF") and Corporate Governance Information Form ("KYBF") pertaining to the Company's special accounting period of February 1, 2024-January 31, 2025 have been prepared in accordance with the presentation principles laid out by the CMB's resolution no. 2/49 dated January 10, 2019, published in the CMB Weekly Bulletin, and Corporate Governance Communiqué No. II-17.1, and duly approved by the Board of Directors.

The non-mandatory Corporate Governance principles - marked "partial" or "no" in the above mentioned Corporate Governance Compliance Report (URF) published on the Public Disclosure Platform - that Mavi has yet to implement are indicated below, along with their respective descriptions. Mavi has not been exposed to any conflicts of interest due to lack of full compliance with the non-mandatory principles.

Article 1.5.2. Under the Articles of Association, minority rights are not granted to shareholders who hold less than one twentieth of the capital and in line with general practices, minority shareholders hold rights accorded by the general provisions of law.

Article 3.1.3. Policies that address stakeholders' rights are published on the corporate website, while other procedures are provided on the internal communication platform, Maviletişim.

Article 4.4.7. The Board members are made sure to allocate sufficient time to company business and are not restricted in terms of assuming other positions outside the company. Considering the professional and sector-specific experience that the members bring to the Board of Directors, imposing restrictions on their external duties is not deemed necessary. The Board members' résumés and the external duties they hold are presented to the shareholders before the General Assembly Meeting.

Article 4.5.5. Considering various factors such as the volume of operations and administrative needs, Mavi has determined the number of independent members to serve on the Board of Directors as three. Currently, the Board has three committees. Given that the committee chairs are required to be independent members according to the relevant principle, these independent directors serve on

multiple committees. These committee assignments do not give rise to any conflicts of interest within the Company.

Article 4.6.1. A specific performance appraisal has not been conducted on Board level.

Article 4.6.5. The remunerations of the Board members are determined by the General Assembly. Furthermore, remunerations of Board members and senior executives are disclosed to the public in the Company's financial table notes as a total figure in line with general practices.

In 2024, all corporate governance practices, the Ordinary General Assembly process, and the Board committees' activities were carried out in accordance with the Capital Markets Law, which includes the CMB's corporate governance principles and the communiqués based on this Law.

5.2 Explanations Regarding Corporate Governance

Shareholders

The Investor Relations Department is responsible for informing the local and foreign investors in an accurate, consistent, and timely manner (while protecting trade secrets and confidential information and avoiding asymmetrical dissemination of information), elevating the Company's profile and credibility, and ensuring two-way communication and information flow between the Board of Directors and the capital markets regulators and participants. The Department's responsibilities also include complying with legislation and the Articles of Association related to shareholder rights, and fulfilling the public disclosure obligations in accordance with applicable legislation and the Company's Disclosure Policy. The Investor Relations Department reports directly to the CFO.

No discrimination is made among shareholders in terms of exercising the right to view and request information. Therefore, all information, other than those considered trade secrets, is disseminated to shareholders in accordance with the company's Disclosure Policy to avoid inequality in obtaining information.

The Investor Relations Department promptly responds to shareholders' and other stakeholders' information requests and questions via various channels and the most effective means of communication. Furthermore, in order to enable shareholders to exercise their right to information in the most efficient manner, the Department maintains an Investor Relations tab on the corporate website (mavicompany.com) - also linked from the official website (www.mavi.com).

The website, available in English and Turkish, provides the investors and other stakeholders with all publicly available financial and operational data, all the company's material event disclosures, and public announcements and notifications. Additionally, individuals or institutions may subscribe to the Investor Relations Department's mailing list to receive emails about the company's latest operational and financial announcements.

In the special accounting period from February 1, 2024 to January 31, 2025, the Investor Relations Department attended 10 online and in-person investor conferences to share Mavi's financial, operational, and strategic developments with investors and analysts. At these events and in further meetings, the company engaged with close to 300 investors and analysts from 132 distinct local or

international institutions and funds. Furthermore, throughout the year, the Department held four webcasts to present the quarterly earnings releases to the investors and analysts. The recordings and transcriptions of the webcasts, presentations, and the questions addressed to the management as well as the answers were duly posted on the corporate website for the investors and analysts who were unable to participate in the events on the announced days and times.

All the requests for information received by phone or email in the special accounting period from February 1, 2024 to January 31, 2025 were answered in accordance with the company's Disclosure Policy and in line with the publicly available information. In this period, the department also responded to nearly 600 information requests by local private investors.

The Investor Relations Department submits monthly and quarterly reports to the Board of Directors on Mavi's stock performance and the macroeconomic and industry developments and also presents an annual report to the Corporate Governance Committee on investor relations activities throughout the year.

Contact details of the Investor Relations Department:

Duygu İnceöz,
Senior Director, Investor Relations
Email: Duygu.inceoz@mavi.com, yatirimciiliskileri@mavi.com

Board of Directors

The Board of Directors is primarily responsible for defining the company's strategic targets, determining the workforce and financial resources needed, and overseeing the performance of the executive management. The Board of Directors consists of two types of members: executive members and non-executive members. Non-executive members, free of any other administrative duties at the company, will constitute the majority of Board members.

The company is governed and represented by a Board of Directors consisting of six members. Half of Mavi's Board members are elected from among candidates nominated by Group A shareholders. The Chairperson of the Board of Directors is elected from among the Board members nominated by Group A shareholders.

A sufficient number of independent members are appointed to the Board of Directors by the General Assembly, in line with the principles concerning independence of the members of Boards of Directors, as set out in the CMB's Corporate Governance Principles. Within the special accounting period from February 1, 2024 to January 31, 2025, no instances disqualifying the independent members have occurred.

In line with Mavi's Board Diversity Policy, the company has aimed to increase the female membership ratio in its Board of Directors to one-third by 2024 and committed to maintain this ratio thereafter. At the General Assembly Meeting on April 25, 2024, three women were elected to the Board of Directors, reaching equal representation and exceeding the target.

The agenda topics of the Board meetings are determined by the Chairperson, or the Vice Chairperson in the absence of the Chairperson, by considering the executive management's suggestions. The Board convenes and/or passes resolutions as and when the company's affairs necessitate upon the

request of the Chairperson or the Vice Chairperson in the absence of the Chairperson. In the special accounting period from February 1, 2024 to January 31, 2025, the Board of Directors convened 4 times and passed 83 resolutions. All members generally attend the Board meetings held in accordance with Article 390/1 of the Turkish Commercial Code. In February 2024, an amendment was made to the Internal Directive on the Board of Directors' Working Principles and Procedures, further to the recommendation of the Corporate Governance Committee and upon the approval of the Board of Directors. The added provision now requires all Board members to attend at least 75% of the regularly scheduled Board meetings, duly called in accordance with the Internal Directive, and to provide a valid excuse if they are unable to attend. Mavi's Articles of Association does not include any provisions granting Board members weighted vote or veto rights in Board meetings. In the 2024 reporting period, no related party transactions or material transactions, which were disapproved by the independent members and therefore required presentation to the General Assembly for approval, took place.

The Company holds an executive liability insurance with a coverage of USD 7.5 million, extending to all members of the Board of Directors and the senior management of Mavi and its affiliates/ subsidiaries.

Currently, the Board of Directors of Mavi consists of six members whose positions are detailed below.

Name	Position	Other Positions Within the Group and Name of the Relevant Company	External Positions and Name of the Relevant Company
Ragıp Ersin Akarlılar	Chairman Non-executive	President - Mavi USA Head of Supervisory Board - Mavi Germany Company Secretary - Mavi Canada	-
Betül Ebru Edin	Vice Chair Independent Board Member Non-executive	-	Chair of Advisory Board of Business Council for Sustainable Development Türkiye (BCSD), Board Member of Istanbul Foundation for Culture and Arts (İKSV), Board Member of 30% Club, Board Member of Fibabanka AŞ
Ahmet Cüneyt Yavuz	Board Member Executive CEO	Supervisory Board Member - Mavi Germany	-
Fatma Elif Akarlılar	Board Member Executive Chief Brand Officer	Supervisory Board Member - Mavi Germany	-
Nedim Nahmias	Independent Board Member Non-executive	-	COO (Chief Operating Officer) at Yemeksepeti (Delivery Hero)
Rina A. Onur Şirinoğlu	Independent Director Non-executive	-	CEO, Spyke Games

Board Committees and the Board of Directors' Review of the Committees' Effectiveness

The Board of Directors has established an Audit Committee, a Corporate Governance Committee, and an Early Identification of Risks Committee to ensure that the Board fulfills its duties and responsibilities in a safe and sound manner. The committees carry out their duties in accordance with the specified operating principles, which are also available on the corporate website.

The Board of Directors appointed members to these committees on April 25, 2024 and announced the resolution on the Public Disclosure Platform (PDP).

As of 2024, the company has not formed a Nomination Committee or a Remuneration Committee and the relevant functions are delegated to the Corporate Governance Committee. The Board of Directors provides all resources and extends full support to the committees for performance of their assigned duties.

Executive members are not eligible for appointment to these committees. The heads of the three Board committees and the Audit Committee members are Independent Directors.

Audit Committee

Name	Title on the Committee	Independent/Non-executive
Betül Ebru Edin	Head	Independent, Non-executive
Nedim Nahmias	Member	Independent, Non-executive

The Audit Committee oversees the company's accounting system, public disclosure of financial information, and functioning and effectiveness of the internal control system and the Internal Audit department. Accordingly, the Committee ensures that financial and operational activities are supervised, and all internal and independent audits are carried out in a healthy manner. The Committee also offers its opinion on the accuracy of financial statements and recommendations to the Board of Directors about the selection of the independent auditor, and reviews company policies related to investigations about legal compliance, ethical codes, conflicts of interest, poor management and fraudulent transactions, as well as suitability of corporate governance policies through the internal audit department.

The Audit Committee convenes at least four times a year and at least every three months at the company's head office or another location upon the Committee head's invitation. The Committee may also hold meetings with the auditors and executives to address a specific agenda. The Audit Committee convened four times during the fiscal year 2024 and passed eight resolutions and submitted them to the Board of Directors in writing, expressing its observations regarding the factualness, accuracy, and compliance of the annual and interim financial statements prepared for public disclosure with the company's accounting principles along with its evaluations about the execution of the Company's related party transactions in accordance with the relevant resolution passed at the beginning of the year. The Audit Committee also reviewed and approved internal audit reports twice in the year.

Corporate Governance Committee

Name	Title on the Committee	Independent/Non-executive
Rina A. Onur Şirinoğlu	Head	Independent, Non-executive
Ragıp Ersin Akarlılar	Member	Non-independent, Non-executive
Duygu İnceöz	Member	-

The Corporate Governance Committee was established to monitor the company's compliance with corporate governance principles, examine the reasons for non-implementation of the principles that have yet to be implemented, and submit recommendations to the Board of Directors to improve corporate governance practices. The Committee also works in coordination with the Investor Relations department to review the requests and opinions communicated to the company by investors and shareholders, ensuring that they are resolved, and develops proposals to make sure that public disclosures and analyst presentations are made in compliance with the laws and regulations and particularly in accordance with the company's public disclosure policy.

Since Nomination and Remuneration Committees are not yet established within Mavi, it has been accepted as a principle that the Corporate Governance Committee should fulfill the duties and responsibilities of these committees. The Committee submits reports regarding its activities and recommendations to the Board of Directors in writing.

In the fiscal year 2024, the Committee assessed the company's corporate governance practices and the Corporate Governance Compliance Report and monitored the activities of the Investor Relations department, while also serving as the nomination committee for the election of independent directors to the positions vacated within the year. The Committee also submitted its opinion on the attendance fees to be paid to the non-executive directors on the Board.

Early Identification of Risks Committee

Name	Title on the Committee	Independent/Non-executive
Betül Ebru Edin	Head	Independent, non-executive
Ragıp Ersin Akarlılar	Member	Non-independent, non-executive
Bige İşcan Aksaray	Member	-

The Early Identification of Risks Committee was established to identify the risks that pose a threat to the company's existence, development and continuity ahead of time, implement risk mitigation and risk management measures, and manage the risks. The Committee submits opinions to the Board of Directors about identifying the risks that might affect the company's stakeholders, starting with the shareholders, and establishing the internal control mechanisms, including risk management and information systems processes to minimize the impact.

The Early Identification of Risks Committee is required to convene at least six times a year and report to the Board of Directors. In the fiscal year 2024, the Committee submitted six written reports to the Board of Directors, highlighting the detection of risks, the steps and actions to avoid or mitigate risks, and the progress made as part of corporate risk management.

The Board of Directors is of the opinion that the Board committees' activities have delivered the expected benefits.

Business Ethics

As a brand that elicits confidence from the consumer and a reputable business partner for suppliers, Mavi offers its employees a career open to development as it nurtures a strong sense of belonging and loyalty. These attributes are rooted in principles that the Company embraces and practices in all its business affairs. Since its founding, Mavi's core principles, which ensure the sustainability of its corporate direction, have been uncompromising integrity, fairness and full compliance with laws and codes of conduct. Working under the Mavi umbrella demands professionalism and integrity under all conditions and identifying one's personal reputation with that of the brand and the organizational structure. Accordingly, Mavi expects each employee to respect all living creatures and the environment, to maintain a sense of social responsibility, and to internalize all aspects of the business code of conduct. Mavi secures its brand image by ensuring that the employees put the brand's interests above their own and avoid any behavior to the detriment of the company and its reputation.

The code of conduct is detailed in the booklet, Mavi's People and Its Principles, and published on the corporate website for all stakeholders and the intranet (Maviletişim) for all the employees. With Mavi's People and Its Principles, the company aims to ensure that employees embrace business ethics and comply with the codes of conduct and relevant procedures. The principles that govern key aspects such as protecting brand interests, preserving company assets, privacy and information security, nondiscrimination, and anti-bribery and anti-corruption lay out the responsibilities with which the employees and executives are required to comply.

The Legal and Compliance Division delivers training on Corporate Compliance and Ethics as part of the topics included in Mavi's People and Its Principles. Ethical Processes training is provided by the Retail Ethical Processes Division. In 2024, 282 head office employees and 760 store management staff took the Code of Conduct training for an average of one hour per employee as part of the efforts to ensure that the ethical principles are understood and embraced by all the employees. In line with the renewed Mavi Ethics Line and the updated Mavi's People and Its Principles, a training program titled Mavi Business Ethics and Code of Conduct Training was prepared to help all employees embrace the ethical work culture and refresh their knowledge. The interactive video training was open to everyone in the company and shared via MaviPusula for the head office teams and maviconnect for the store teams. In 2024, 95% of the head office employees and 91% of the store staff completed the training via the intranet. At the end of 2024, an interactive video-based training content titled 'Ethical Processes Training' was prepared for store staff, including test questions. This training outlines the scope of the company's ethical processes and how employees should adhere to these rules. The content covers unethical behaviors such as discrimination, favoritism, non-compliance with labor laws, and bullying, providing employees with guidance on how to act when encountering such situations. The training published on December 2024 and was completed by 4.678 store employees by the end of the fiscal year.

The Mavi Ethics Line began to operate on a new independent international system in 2022 and

became accessible to the employees of all subsidiaries as well. Information regarding the ethics line is provided via the intranet and with posters placed in all stores.

Please click to access [Mavi's People and Its Principles](#).

The Mavi Compliance Project that the Board of Directors launched to review the existing ethics and compliance policies, procedures and activities and to respond to all stakeholder expectations with best practices by elevating the compliance maturity levels was completed in 2022. During the project, the internal regulations, related documentation, and all relevant processes, including Mavi's People and Its Principles, the Company's code of conduct, the Anti-bribery and Anti-corruption Policy and Ethics Line, were revised and updated. Furthermore, the Compliance Policy, which includes all of these processes and provides a framework for Mavi's approach to the best corporate governance practices and ethical codes and defines where Mavi stands and how Mavi addresses compliance topics, was published and made available on the corporate website in the "Policies & Ethics" section under the "Ethics" heading for all stakeholders and the intranet (Maviletişim) for the employees. To disseminate these policies, procedures and practices across the organization, regular training is provided to all employees of Mavi and its subsidiaries.

The Mavi Compliance Program serves to ensure compliance with the code of conduct and relevant internal policies and procedures. The components of this program strengthen the compliance culture at Mavi, enabling the employees and all business partners to act appropriately. The compliance program is executed by the Ethics Committee and the compliance unit. In line with the Compliance Policy, the Ethics Committee and the compliance unit regularly monitor the relevant practices and periodically submit reports to the Mavi Management and Audit Committee.

At Mavi, incidents deemed to violate laws and regulations, internal policies and procedures, good corporate governance practices, and ethical principles (starting with the code of conduct stipulated in Mavi's People and Its Principles) should be immediately reported truthfully and by respecting the personal rights of the individuals involved. The Ethics Line is a 24/7 support system managed by a third party (parties), completely independently from the company management, and enables the Mavi employees in Türkiye and other countries to report the non-compliances they detect or witness, voice their concerns, or ask questions.

Ethic Line website: www.mavietikhat.com / www.maviethicsline.com

The Ethics Line is a channel where every employee can communicate verbally in their native language and voice their complaints without having to disclose their identity. Mavi assures that the identity of the individual who reports a violation will be protected. In the reports submitted via the Ethics Line channels, individuals are not obligated to disclose their identity, and anonymous reporting option is available.

The Ethics Committee, consisting of two permanent members and headed by the CEO, is responsible for investigating and resolving complaints and reports of code of conduct infractions. In the 2024 fiscal year, 10 inquiries and 905 reports were received via the Ethics Line channels, and it was determined that 14 of these reports were invalid, and investigations on all reports were completed. During 2024 fiscal year, 423 violations were identified and addressed; 4 of these were harassment cases, and there were no incidents of corruption or bribery, discrimination, violation of customer confidentiality data, conflict of interest and money laundering or insider trading. The distribution of substantiated reports by incident types is summarized below:

Incident Type	Number of Substantiated Reports
Working Conditions and Respect in the Workplace	276
Business Ethics Practices	138
Theft, Abuse and Misuse of Assets	1
Others	2

*Investigation reports concerning potentially fraudulent transactions under TL 20,000 as part of the Loss Prevention Department's duties are also entered into the central incident registration system where the ethics notifications are managed. The number of such reports is not included in the total number of ethics notifications.

Once the compliance project was completed, interactive video and face-to-face training programs were provided to all company employees to raise awareness across the organization. The training was supported with additional information regularly communicated via the intranet systems. As a result, the number of reports received from the employees increased.

The employees who violated the code of conduct either received verbal feedback/training, verbal warning, written warning or termination sanctions depending on the nature of incident. Due to the substantiated cases in the 2024 fiscal year, it was decided to impose "termination of the employment contract" sanction to 22 employees.

The Supplier Code of Conduct includes a complaint procedure to report ethics violations or irregularities. As of the last quarter of 2023, the work needed to open the renewed Ethics Line to suppliers has been completed and the necessary announcements have been communicated as of the 2024 fiscal year.

Complaints or reports may be communicated via the Ethics Line website at all times with the option of remaining anonymous. The customers may also report irregular and unethical transactions by phone or email.

Please click here for [Mavi's Supplier Code of Conduct](#).

Anti-Bribery and Anti-Corruption

Mavi does not tolerate any form of bribery and corruption. Mavi has an Anti-Bribery and Anti-Corruption Policy, which lays out the company's stance against bribery and corruption. This policy is available on the corporate website for all stakeholders and the intranet (Maviletişim) for the employees. The policy aims to achieve compliance with the anti-bribery and anti-corruption laws and regulations in all the countries where the company operates, as well as ethical and professional principles and universal codes. The policy applies to Mavi's Board members, managers and employees, Mavi's subsidiaries, affiliates, and their Board members, managers and employees, and all types of entities ("Business Partners") providing goods and services to Mavi, including suppliers, manufacturers, subcontractors, franchisees, consultants, etc., and their employees. The company's anti-bribery and anti-corruption practices are addressed in Mavi's People and Its Principles and defined in the Anti-Bribery and Anti-Corruption Policy.

- Bribery or corruption will not be tolerated under any circumstances.
- Job-related financial favors, so-called commission or by any other name, will not be accepted or offered.
- Direct or indirect propositions to public or private persons or entities to secure any preference or favors, whether related to the business or not, as well as written or verbal agreements for such purposes are strictly prohibited.
- Relationships with third parties will not be abused to secure favors against the promise of preferential treatment, and any propositions for such must be rejected.
- Utmost care must be taken to ensure that no act or behavior, whatever the intention may be, creates even the slightest suspicion or impression of a favor.

The Supplier Code of Conduct stipulates that all business partners and their employees are obligated to act ethically and morally to avoid any personal dependence, obligation, or influence in all their business dealings in line with anti-bribery and anti-corruption principles. All employees and business partners are expected to behave professionally with a sense of fairness and in full compliance with all applicable national and international laws and regulations.

Relationships with suppliers, and official institutions, payment processes, human resources processes, accounting, and procurement processes are assessed within the scope of fraud risk. Each year, an internal audit schedule, including fraud risks, is prepared with the approval of the Audit Committee, which consists of independent Board of Directors members.

Any suspicions that involve employees or persons acting on behalf of Mavi to be in violation of the Anti-bribery and Anti-corruption Policy must be reported to the Mavi Ethics Line or the relevant compliance manager. In cases that violate the Procedure, the issue is investigated by the Mavi Ethics Committee without endangering the safety and reputation of the reporting individual and sanctions are imposed if impropriety or irregularity is determined.

The Corporate Compliance and Ethics training for head office employees is designed to cover two topics included in the Anti-bribery and Anticorruption Policy and its Annex, the Implementation Guidelines for Accepting Gifts and Hospitality. In 2024, 241 employees took the training for an average of half an hour per employee. Mavi Business Ethics and Code of Conduct Training is designed to cover the Anti-bribery and Anticorruption Policy.

In 2024, the Ethics Line did not receive any reports or notifications of bribery or corruption.

Political Influence

Mavi has not made any contributions to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups.

5.3 Board Of Directors



Ersin Akarlılar / Chairman



Betül Ebru Edin / Vice Chair / Independent Member



Cüneyt Yavuz / Member



Elif Akarlılar / Member



Nedim Nahmias / Independent Member



Rina A. Onur Şirinoğlu / Independent Member

Board of Directors Résumés

Ersin Akarlılar | Chair of the Board

Ersin Akarlılar earned his bachelor's degree in Economics from Boğaziçi University and an MBA in Finance and International Business from the Leonard N. Stern School of Business at New York University. He joined Mavi in 1991 and has been a member of the Board of Directors since August 2018. Akarlılar founded Mavi USA in 1996 in New York City and led the company as President until 2023. He has served as Chairman of Mavi since July 2017.

Betül Ebru Edin | Independent Member

Betül Ebru Edin earned her civil engineering degree from Boğaziçi University in 1993 and MBA from Işık University. Edin, who started her professional career in banking in 1993, joined Garanti Bankası A.Ş. in 1997, initially serving in the Corporate Banking department. She was appointed Executive Vice President - Project and Acquisition Finance in 2009, later assuming responsibility as the Head of Corporate, Investment Banking and Sustainability from 2017 to 2022.

Betül Ebru Edin currently holds esteemed positions in various organizations. In addition to her role as the Chairperson of the Advisory Board of the Business Council for Sustainable Development Türkiye (BCSD), she also contributes her expertise as a Board member at the Istanbul Foundation for Culture and Arts (İKSV) and the 30% Club. Since September 2023, Edin is a Board member at Fibabanka A.Ş.

Cüneyt Yavuz | Member

Cüneyt Yavuz, who holds a bachelor's degree in Political Science from Boğaziçi University and a graduate degree in International Relations from Johns Hopkins University, started his professional career in 1992 at Procter & Gamble where he held various senior sales and marketing management positions. During his tenure, he was appointed Country Manager for Poland in 2003 and lived in Warsaw for five years. Cüneyt Yavuz joined Mavi in 2008 as Chief Executive Officer and has served as a member of the Board of Directors since March 2017.

Elif Akarlılar | Member

Elif Akarlılar, who holds an undergraduate degree in International Politics from the University of Vienna and an MA in Visual Culture and History of Design from New York University, joined Mavi in 1991. Prior to her appointment as global brand director, she held various product development and brand management positions within the Mavi organizations in Istanbul and New York City. Elif Akarlılar continues to serve as a member of the Board of Directors since August 2008.

Nedim Nahmias | Independent Member

Nedim Nahmias holds bachelor's degrees in Business Administration and Industrial Relations & Economics from Anadolu University and a master's degree in Strategic Marketing and Brand Management from Bahçeşehir University. He has also studied and earned certificates in Innovation & Growth at Stanford University and Marketing and Product Management at the University of California, Irvine. His professional experience includes various roles at Yemeksepeti. After serving as Project Manager, Graphic Designer, and in the Call Center (2004-2015), he was appointed Product Manager. From January 2015 to February 2020, he served as the COO (Chief Operating Officer) at Yemeksepeti (Delivery Hero). During his term in this position, he worked on the e-commerce model for online

grocery shopping and played an important role in transforming the company into a data - driven mindset. He also contributed to the incorporation of a payment company by launching a payment method called Cüzdan. Additionally, he assumed responsibility for expanding his own product to two new markets and helping the acquired companies in terms of product vision.

From March 2020 to October 2022, he served as the CPO (Chief Product Officer) at Yemeksepeti (Delivery Hero), managing a large team during the transformation of a local product into a global product. He also introduced the neighborhood category and created a marketplace for all the sellers, while conducting tests with an expanded experimental footprint of various product groups. Nedim Nahmias has also led data projects with machine learning and big data and contributed to the rollout of the Joker product in more than 30 countries. Since November 2022, he is the COO at Yemeksepeti (Delivery Hero), leading the logistics and business development teams and guiding the product vision by understanding customer needs.

Rina A. Onur Şirinoğlu | Independent Member

Rina Onur Şirinoğlu is the CEO and co-founder of Spyke Games, a leading Turkish mobile game company. Already in its first year, Spyke Games secured USD 55 million in seed funding, led by Griffin Gaming Partners, one of the world's leading venture capital funds focused exclusively on gaming. Spyke Games, founded with a team comprising former Peak Games employees and managers, focuses on developing social games for mobile platforms.

Rina Onur co-founded Peak Games, one of the world's largest mobile game companies, in November 2010 and successfully raised USD 35 million in funding from foreign venture capital funds within two years. Peak Games was acquired by Zynga for USD 1.8 billion in 2020, marking a significant milestone as Türkiye's first unicorn.

Rina Onur is also the founding and managing partner of 500 Istanbul. This micro VC fund is focused on the Turkic region and the Turkish diaspora, operating with the mission of backing early-stage startups that have a goal of dominating the region or have a global vision.

Before entering the Turkish internet ecosystem, Rina Onur gained valuable experience in venture capital at Türkven Private Equity and investment banking at Morgan Stanley's London office. She holds a bachelor's degree in economics from Harvard University. Additionally, Rina Onur contributes her expertise as a founding member of the Global Shapers Istanbul, an initiative of the World Economic Forum.

Executive Management Résumés

Cüneyt Yavuz | Chief Executive Officer (CEO)

Cüneyt Yavuz, who holds a bachelor's degree in Political Science from Boğaziçi University and a graduate degree in International Relations from Johns Hopkins University, started his professional career in 1992 at Procter & Gamble where he held various senior sales and marketing management positions. During his tenure, he was appointed Country Manager for Poland in 2003 and lived in Warsaw for five years. Cüneyt Yavuz joined Mavi in 2008 as Chief Executive Officer and has served as a member of the Board of Directors since March 2017.

Elif Akarlılar | CBO

Elif Akarlılar, who holds an undergraduate degree in International Politics from the University of Vienna and an MA in Visual Culture and History of Design from New York University, joined Mavi in 1991. Prior to her appointment as global brand director, she held various product development and brand management positions within the Mavi organizations in Istanbul and New York City. Elif Akarlılar continues to serve as a member of the Board of Directors since August 2008.

Bige İşcan Aksaray | CFO

Bige İşcan Aksaray holds a bachelor's degree in Economics from Boğaziçi University and an MBA from Boston University. She started her professional career at EY's Istanbul office (1991) and later joined Procter & Gamble (Gillette) as a financial analyst (1993), serving in various management positions in the company's Istanbul and London offices, and finally as Regional Finance & Treasury Manager, Türkiye, the Balkans and the Mediterranean Hub. She then joined Avon Türkiye (2005) as Finance Director, later serving as Executive Finance Director - Türkiye, North Africa & Middle East. She was appointed CFO at Mavi in 2019.

Okan Gürsan | COO

Okan Gürsan holds a bachelor's degree in Economics (in English) from Dokuz Eylül University, and graduate degrees in Business Administration from the Georgia Tech and Bilgi Universities. Mr. Gürsan started his career in 2001 at Ernst & Young and went on to work in various audit, finance, and sales and marketing roles from 2004 onward for 11 years at Coca-Cola America, Türkiye and Azerbaijan. After joining Boyner Group in 2015 and serving in senior management positions at Beymen and Boyner, Okan Gürsan became part of the Mavi family in 2018 as Chief Commercial Officer (Türkiye & Export Markets). In addition to his current duties, he has served also served as General Manager - Russia since March 2020 and General Manager - Europe since February 2024.

Can Yılmaz | CHRO

A graduate of Istanbul Technical University's Physics Engineering Department, Can Yılmaz began his professional career as Regional Manager at HI-Tec SPOR. He later served as General Manager at Vepa Group—home to brands such as Nike and New Balance—between 2004 and 2007. Joining Mavi in 2008 as Chief Human Resources Officer (CHRO), he has since overseen HR operations across Mavi Türkiye, Europe, Russia, and North America. Over the past 17 years, he has gone beyond core HR functions—such as talent acquisition, organizational development, training, and compensation management—to lead the structuring of Mavi Retail's HR systems. Can Yılmaz has spearheaded numerous innovative initiatives, beginning with the digitalization of HR, and continues to play a leading, solution-oriented role in cross-functional workshops, development programs, and people-focused projects that enrich Mavi's culture.

Serpil Berkan | CMO

Serpil Berkan holds a bachelor's degree in Communications from Istanbul University. She started her professional career at A&B Communications Consultancy and later worked for Manajans Thompson. Joining Mavi in 1997 as Public Relations Manager, Serpil Berkan went on to take the roles of Marketing Manager and Marketing Director, respectively. She has served as Chief Marketing Officer (CMO) since 2017.

Sinan Sefai | CSSCO

Sinan Sefai holds a bachelor's degree in Industrial Engineering from Sakarya University and a master's degree in Supply Chain Management from Bahçeşehir University. He started his career in 2001 in the Supply Chain department at Perfetti van Melle. He went on to serve as Planning Manager at Artsana-Chicco (2006) and later as Merchandise Planning Manager at LC Waikiki (2009). He joined Aydınli Group as Brand Director in 2011, holding senior positions in brand, sales and product management in Türkiye and Russia. Joining Mavi as Chief Supply Chain Officer in 2016, Sinan Sefai has served as Chief Sourcing & Supply Chain Officer since 2019.

Ekrem Güney Oktar | CDO

Ekrem Güney Oktar holds a bachelor's degree in Civil Engineering from Istanbul Technical University, an associate degree in Fashion Design from Lasalle College Istanbul, and a master's degree in Cinema-Television from Yeditepe University. He began his career in 1998 as a designer at Park Bravo Group. In 2001, he joined Mavi as a designer and over the years worked in positions such as Türkiye Non-Denim Design Manager and Global Design Director. Since 2017, he has served as Chief Design Officer at Mavi.

Barış Akyürek | CECO

Barış Akyürek holds a bachelor's degree in International Relations from Koç University and a master's degree in Managerial Finance from Kültür University. Barış Akyürek started his career in 2002 at the Citigroup Istanbul office. He joined Boyner Group in 2008 and served in senior management roles at Boyner Holding, Morhipo, Beymen and finally as General Manager of Morhipo & Boyner Online, respectively. After his role as the Managing Partner of Hızlıal.com, Barış Akyürek has served as Chief E-commerce Officer at Mavi since November 1, 2017.

Bülent Dursun | CIO

Bülent Ali Dursun previously worked at Mavi in managerial positions in the Information Technologies, Logistics and Planning functions (1990 - 2013). In 2014, he joined Penti Giyim, where he led the company's digital transformation as Senior IT Director. Returning to Mavi in 2019, Bülent Dursun has served as CIO since then.

Onur Karnabat | CPDO

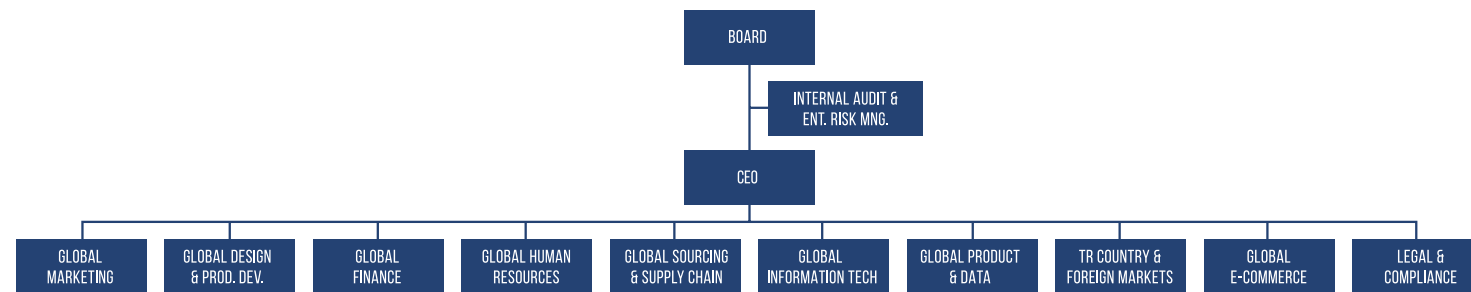
Onur Karnabat holds an Industrial Engineering degree from Boğaziçi University and a master's degree from Texas A&M University. He started his professional career in 2005 at Unilever, where he worked for the local and regional supply chain, planning, manufacturing and logistics functions, and went on to serve as Factory Director and Planning Director, Türkiye. Onur Karnabat joined Mavi in 2019 as Chief Category & Planning Officer and has served as Chief Product & Data Officer since 2023.

Burak Ovunc | CEO, Mavi NA

Burak Ovunc holds a Mechanical Engineering degree from Boğaziçi University. He started his professional career in 1996 at Ford Otosan. In 2000, he joined Procter & Gamble (Gillette) as Customer Services Manager and went on to work in various Supply Chain Management positions in the Istanbul, London and Warsaw offices. Upon his return to Türkiye, Ovunc led the sales and operational planning processes as Customer Services Director at Cadbury-Kent Gıda (2006-2009).

Joining Mavi in 2009 as Sales & Category Director, Burak Ovunc later served as Country Director, Türkiye (2013-2014) and then as General Manager, Türkiye. Starting in December 2014, he worked at FLO Magazacılık ve Pazarlama as CEO for eight years. Returning to Mavi in late 2022, Burak Ovunc was appointed CEO, Mavi North America.

Organizational Chart And Changes During The Reporting Period



5.4 Risk Management

The Early Identification of Risks Committee identifies the risks that may jeopardize Mavi's existence, development and continuity ahead of time, thereby supporting the Board of Directors' implementation of risk-mitigation and management measures. The Committee reports to the Board of Directors at each meeting of the Board, and these reports are duly forwarded to the independent audit firm. The Board of Directors regularly assesses the risks that the company faces based on the information provided by the Early Identification of Risks Committee.

The corporate risk management processes are coordinated and reported by the Internal Audit and Corporate Risk Management Director as the lead in collaboration with the other relevant functions. A corporate risk management project, executed within the organization in 2023, involved the identification and assessment of the company's risks, risk management decisions, and reporting processes. At the end of the project, the company's risks were defined in a detailed risk inventory.

The objectives of corporate risk management include: identifying, assessing, and effectively managing the uncertainties with potential internal and external threats or opportunities that may affect the company in terms of meeting its strategic and operational targets, and ensuring reasonable assurance thereof; eliminating dependence on individuals in risk management; and managing risks proactively by aligning with the company's shared risk perception.

After the risks are identified with a systematic approach and their effects are defined, a comprehensive 'Risk Inventory' is created, including threat factors that may jeopardize the attainment of strategic goals. The probability and impact of each risk is measured, using predetermined criteria. First, the risks are assessed in terms of gross impact and gross probability, without taking into account any ongoing control activities. Then, risks are addressed for their net impact and net probability based on the current control activities, and a residual risk score is obtained.

Possible options are then determined and evaluated to respond to the identified risks, and action plans are created. Risk responses are determined under the coordination of the Internal Audit

and Enterprise Risk Management Department, taking into account the "Risk Appetite" for the risks prioritized by the relevant risk owners. The alignment between the risk responses and the company's risk appetite is reviewed by executive management. Risk appetite refers to the amount of risk an organization would be willing to take to achieve its objectives.

At Mavi, risks are continually assessed, and the key risks that the company may be exposed to are categorized into financial, operational, strategic, reputation and compliance risks.

Financial Risks

The rising costs of purchased materials due to economic volatility, FX spikes, disruptions in operations due to force majeure (natural disasters, etc.) reasons leading to failure to work with suppliers, and third party receivables risks are among the key financial risks. To keep the financial risks under control, various financial indicators, including net financial debt/EBITDA and liquidity ratios, FX position, and maturity and distribution of debt are monitored, ensuring that they are maintained within specified limits. Various actions are taken to mitigate the risk of lower product profitability due to cost increases. The actions include updating prices seasonally with the manufacturers, opting for early production or purchasing to the extent allowed in capacity plans, replacing manufacturers or production sites, and buying at fixed FX rates and additional discounts against advance payments. In managing FX risks, natural hedges are preferred, while financial hedge instruments related to commodity imports are also utilized regularly and systematically. To manage the risks related to working with suppliers due to force majeure, we make sure not to source from a single region and utilize alternative suppliers. A direct debit system is applied against the receivables risks and the wholesalers' financial standings are reviewed. The finance and wholesale departments perform regular risk assessments and monitor the financial standing of the clients every six months in line with the strategic decision to minimize open positions.

Operational and Strategic Risks

The strategic risks include: failure to maintain sustainable growth and profitability because of critical external and internal factors; the inability to determine and implement effective strategies in target markets; failing to attract and retain the right talent and to place them in the right positions; misalignment between the IT strategies and business objectives; lacking effective coordination and execution in sustainability efforts; and not anticipating the evolving stakeholder expectations and consumer preferences. To address these risks, the company organizes strategy workshops with the executive management in attendance and creates three-year strategic roadmaps, which are reviewed and updated annually in light of the latest developments. The strategic initiatives are defined during annual Next meetings and project teams are formed. The executive management monitors the implementation of initiatives throughout the year. Some other actions include: close monitoring of economic and political developments along with monthly evaluations of strategic priority markets; effective execution of the budget and planning process; reporting the evolution of FX risks using the financial strategy document; preserving brand value through constant monitoring of KPIs; and addressing the issue of increasing store capacities during Next meetings. Furthermore, we regularly work with a third party to assess the need for warehouse capacity increases and utilize warehouse expansion plans to address the requirements. The talent management processes involve monitoring wage surveys and market conditions; defining role-specific competencies; performance management; identifying personal development and technical training requirements based on needs analyses for employees in different functions; and organizing development programs

tailored to Mavi in collaboration with universities for managers and above positions. As part of talent management, opportunities such as transfers from the stores to the head office functions, vertical or horizontal movements within the head office positions, and international appointments are offered to the employees. The IT strategies are determined in alignment with the company strategies and the requirements are evaluated in meetings with the relevant functions. Then a 3-year project list is created and enhancements are introduced based on IT requirements. Regarding sustainability management, each director in executive management is a member of the Sustainability Committee and heads the working groups related to their expertise. Factors such as extreme weather events, biodiversity loss and ecosystem collapse, critical change to Earth systems, natural resources shortages, pollution, adverse outcomes of AI technologies, and cyber espionage and warfare, listed among the highest possible risks over the next 10 years according to the World Economic Forum's 2025 Global Risks Report, are also addressed within this risk group.

Among the operational risks are the ineffective management of store operations, failure to complete product development processes in alignment with sales calendars, lack of effective evaluations during the integration of new products into the collection, bottlenecks in shipments during special occasions, and the ineffective design of data modeling and management processes. There are measurement, evaluation, and bonus systems in place regarding store operations, and store performance is closely monitored. In terms of product development processes, sub-calendars are shared with suppliers on a country basis, samples are managed by assigning deadlines to manufacturers, and technical datasheets are shared with manufacturers for each sample. In cases where samples are not suitable, communication is established with the manufacturers and necessary actions are taken. During the integration of new products into the collection, detailed analyses of the previous year's sales are conducted based on product characteristics. Shipments related to special occasions are planned in advance and dispatching is initiated early. Regarding the risk associated with the data modeling and management process, work is underway on structuring the data warehouse, and a master data team has been established.

Operational risks include potential information security vulnerabilities, data accuracy, inadequacy of technical systems, dependency on critical suppliers, disruptions in IT services and business operations. Establishing an information security organization, authorization checks, using security systems, and securing supplier NDAs are among the controls implemented for ensuring information security. Actions for these purposes include: using master data and developing new data models for data accuracy; launching projects for enhancing technical systems; working with redundant suppliers in critical operations to mitigate supplier dependency risks; and conducting supplier audits. Furthermore, Business Impact Analysis, Mavi Service Catalog, and Scheduled Operation Calendar for critical activities are monitored and updated against the risk of disruptions in IT services and business operations,

The impact of climate change on operations, compliance of suppliers with ESG criteria, waste and water management, sustainable product, occupational safety culture, and risks related to human rights are factors that are evaluated with regard to sustainability / ESG (Environmental, Social and Governance) risks. Therefore, regular social and environmental audits are conducted at the suppliers. The social audits involve inspections on critical issues such as child labor and fire safety, and their findings are utilized to create action plans. The Manufacturer Handbook, which defines the restricted substances for production, is shared with the manufacturers. Mavi procures climate risk consultancy and analyzes the CDP surveys to identify the potential risks and to create the necessary action plans. In addition, employees take training on climate change as part of the sustainability training program.

The evolution of customer habits due to climate change and seasonal variations is considered during the collection design process and when determining the distribution of products by the stores.

Sustainability-focused laws and regulations are followed and a budget is allocated for compliance.

Reputation Risks

Reputation risks include employees' failure to adhere to the corporate culture at Mavi; lacking suppliers that uphold Mavi's brand value, and damage to brand recognition due to ineffective management of corporate communications. Accordingly, relevant provisions imposing various obligations on all parties have been added to supplier agreements. Compliance controls and audit processes have been established. In accordance with the ISO 9001 Quality Management System standard, implemented within the organization since 2020, the products and services are provided in the quality that the customers have come to expect from Mavi.

A continuous training process is defined for the employees, and its implementation is monitored and measured. Customer complaints are communicated to the Customer Relations Department, where they are addressed in detail and passed on to the Human Resources Unit as needed. In complaints related to ethics violations, the Ethics Line procedures are followed and investigations are initiated. Mavi maintains an approved supplier list, assesses the performance of suppliers regularly, and conducts social and environmental audits at the suppliers. An annual corporate communications plan is prepared and implemented, while a highly qualified team manages the communications and the relations with the partner agencies effectively. The company also has a communication plan in place for crisis management.

Compliance Risks

Compliance risks include failure to adhere to external and internal legislation in the company's operations, ineffective monitoring of compliance with the legislation, major legislative changes that may materially affect the trade with or operations in other countries, and non-compliance with the occupational health and safety, protection of personal data, e-commerce, and environmental legislation. The Legal and Compliance Division follows the latest legal developments and advises the relevant teams via weekly and monthly bulletins. The division also provides legal advice on the operational processes as well as on labor law, trademark, copyright, tax, etc. legislation. Risky compliance issues are regularly reported and monitored, while the compliance legislation and relevant practices are evaluated monthly to ensure that they are up-to-date. OHS training is provided and monitored regularly, while OHS audits are conducted by the internal audit, loss prevention, and field management teams utilizing checklists. Furthermore, the Legal and Compliance Division works in coordination with the IT Department to monitor the practices related to the protection of personal data. On the other hand, e-commerce systems are designed to enable notifications from the Legal and Compliance Division, and compliance is reviewed monthly using checklists. Legal compliance at the suppliers is assured through environmental audits.

As part of the efforts toward full compliance with the Information Systems Management Communiqué, the ISO 27001 Information Security Management System certification has been obtained, confirming that all processes align with the ISO standard.

5.5 Internal Control System And Internal Audit

Standard definitions, job descriptions, authorization system, and policies and operating procedures included in the workflows are all part of the internal control system. The internal control system is regularly reviewed and audited by the Internal Audit Department for effectiveness, while the senior management of the company and its subsidiaries are responsible for the execution of the relevant mechanisms in place. The audit results are submitted to the Audit Committee, which consists of independent Board members, and the company management, and the planned actions are continuously monitored.

Within the organizational structure of the company, the Internal Audit Department reports directly to the Audit Committee, which consists of independent Board members, in accordance with the principle of independence.

The Internal Audit Department's duties include checking the reliability and accuracy of the financial statements of the company and its subsidiaries, ensuring that the activities are carried out in accordance with applicable laws and accepted ethical codes of the company, analyzing processes and identifying current and potential risks to improve the effectiveness and efficiency of operations, and contributing to finding solutions to minimize such risks. The Audit Committee is regularly briefed about the Internal Audit Department's activities.

The Board of Directors is of the opinion that the internal control system is functioning effectively and the internal audit activities are executed independently.

5.6 Board Of Directors' Discussion And Analysis

Management's Discussion and Analysis of Financial Condition and Results of Operations in 2024

In 2024, despite the impact of weakening consumer demand due to the economic slowdown in Türkiye, Mavi successfully outperformed the market in both revenue and volume growth. Thanks to its strong brand positioning, reliable pricing strategy, high-quality standards, continuous innovation, and positive customer experience, the company increased its market share in store and online sales across women's, men's, and jeans categories. As one of the top three strongest brands in Türkiye's apparel market, Mavi maintained its leading position in the denim category.

Following its financial results for the first nine months, Mavi made a slight downward revision to its year-end expectations. The company closed 2024 in line with these revised forecasts, achieving 3% reel consolidated sales growth, 18.5% EBITDA margin, 6.9% net profit margin. In terms of sales area expansion, Mavi completed the year with 16 new store openings and expanded the square footage of 15 existing stores.

In 2024, Mavi continued to focus on sustainable profitable growth and its long-term goals. Despite market challenges, the company maintained its strong balance sheet by leveraging a flexible supply chain, effective planning, and efficient inventory and working capital management. As a result, Mavi successfully increased its net cash position to 5 billion 417 million TL by year end.

Management's Discussion and Analysis on ESG Integration

In line with the All Blue approach, focused on People, Planet, Community, and Denim, several innovations were introduced to integrate sustainability into the company culture, vision, business processes, products, and growth targets.

Mavi's successful sustainability efforts were also confirmed globally. Mavi ranked 8th on TIME's "World's Best Companies - Sustainable Growth 2025" list, developed in collaboration with Statista, and as the leader of the Apparel, Footwear & Sporting Goods industry.

Building on its success of the previous year, Mavi once again earned a rating of A in both the Climate Change and Water Security programs of CDP, the world's foremost environmental disclosure platform, and became the first and only Turkish apparel company to make the CDP's Global A list in 2024. In addition to the Climate Change and Water Security programs, Mavi also responds to the Forests program, where it earned a score of B, demonstrating its commitment. Mavi is also the first Turkish apparel brand to join the CEO Water Mandate. The near-term greenhouse gas reduction targets set by Mavi, Türkiye's leading jeans and apparel brand, as part of its sustainability efforts were recently approved by the Science Based Targets initiative (SBTi). Accordingly, the company has committed to reduce its Scope 1 and 2 emissions by 70% from the base year 2019 to 2030, and Scope 3 emissions by 55% (per TL added value) in the purchased goods and services category, in line with the goals of the Paris Agreement "to keep global warming below 1.5 °C." In 2024, Mavi set further net-zero targets according to the SBTi criteria, aiming to reduce Scope 1 and 2 greenhouse gas emissions by 90% compared to the 2019 base year, and Scope 3 emissions by 97% (per TL added value) in the purchased goods and services, and fuel and energy-related activities categories by 2050. Mavi will initiate the approval process for these targets on the SBTi platform in 2025. Mavi conducted its first double materiality assessment in 2024, reviewing and updating its material topics based on the analysis results.

The All Blue collection, all vegan and made with one or more of the 'preferred materials'* that contribute to mitigating environmental impact in line with the All Blue sustainability strategy, continued to grow. Mavi also partnered with Nivogo with the aim of contributing to the circular economy. As a result of the successful corporate sustainability efforts and stock performance, Mavi maintained its place in the BIST Sustainability and BIST Sustainability 25 indices of Borsa Istanbul.

*Please see page 202 for more information on preferred materials.

5.7 Legal Disclosures

Company Information and Shareholding Structure

Trade Name	: Mavi Giyim Sanayi Ve Ticaret A.Ş.
Address	: Sultan Selim Mah. Eski Büyükdere Cad. No:53/2 34415 Kağıthane/İSTANBUL
Trade Registry and number	: Istanbul Trade Registry Directorate / 309315
Web address	: www.mavi.com, www.mavicompany.com, www.maviyatirimciliskileri.com

Registered Capital Ceiling	: TL 4,000,000,000
Issued Capital	: TL 397.256.000*
BIST Code	: MAVI

*With the decision of the Board of Directors of our Company dated 14.01.2025, it has been decided to increase the issued capital of our Company from TL 397,256,000 to TL 794,512,000 by covering the entire amount from the amounts in the "Previous Year's Profits" account, and the legal processes regarding the completion of the capital increase are ongoing.

Information On Extraordinary General Assembly Meetings During The Year, If Any

No Extraordinary General Assembly Meeting was held during the year.

Subsidiaries Report

Pursuant to Article 199, paragraphs (1) through (3) of the Turkish Commercial Code No. 6102, within the first three months of the fiscal year, the Board of Directors of Mavi is obligated to issue a report regarding the relations of Mavi during the previous fiscal year with the controlling shareholders of Mavi and the subsidiaries of such controlling shareholders.

As stated in the Subsidiaries Report, issued by Mavi's Board of Directors on March 31, 2025, it has been concluded that with respect to all transactions carried out between Mavi on one side and Mavi's controlling shareholders and their subsidiaries on the other side during the accounting period of February 1, 2024 - January 31, 2025, the consideration received in each transaction was appropriate under the conditions and circumstances then known to Mavi, there were no measures that should have been taken or avoided that could give rise to damages to be suffered by Mavi, and accordingly, there were no measures or actions to be taken for the purpose of compensation.

Information on Lawsuits Filed Against Mavi that Could Materially Affect the Financial Standing and Activities of the Company and Potential Outcomes of Such Lawsuits

No lawsuit has been filed against Mavi that could materially affect the company's financial standing or activities.

Disclosures Regarding Administrative and Judicial Sanctions Imposed on the Company and its Board Members Due to Acts Violating Applicable Legislation

No administrative or judicial sanctions were imposed on Board Members due to acts violating the applicable legislation.

Administrative fines imposed on the company due to practices contrary to the provisions of the legislation are listed below:

Total of 24 administrative fines were imposed due to the lack of a price tag, differences between the tag and the case price, and the lack of elements that should be on the tag, and the total amount paid was 98,349.00 TL.

Information on the Amendments to the Articles of Association in the Reporting Period

Within the scope of the transactions regarding the increase of our company's issued capital from TL 198,628,000 to TL 397,256,000 by covering all of the amounts in the "Previous Years' Profits" account, Article 6 of our company's articles of association titled "Capital and Shares" was amended, the amended articles of association were registered by the Istanbul Trade Registry Directorate on 22.03.2024 and published in the Turkish Trade Registry Gazette dated 22.03.2024 and numbered 11049.

The transactions regarding the increase of our company's issued capital from TL 397,256,000 to TL 794,512,000 by covering all of the amounts in the "Previous Years' Profits" account were initiated with the decision of our company's Board of Directors dated 14.01.2025, and the capital increase transactions and legal Following the completion of the approval processes, Article 6 of our Company's articles of association titled "Capital and Shares" will be amended again.

Disclosures Regarding the Private And Public Audits Conducted In the Reporting Period

Regular audits have been conducted by the public authorities in the special accounting period from February 1, 2024 - January 31, 2025 and no official notification of a material nature has been communicated to Mavi.

Information Regarding the Company Shares Acquired

The Company has not bought back any of its own shares in the special accounting period of February 1, 2024 - January 31, 2025.

Review Under Article 376 of the Turkish Commercial Code

Upon review of whether Mavi's capital was preserved and not lost as per Article 376 of the Turkish Commercial Code, it has been ascertained that as of January 31, 2025, Mavi Giyim San. ve Tic. A.Ş.'s issued capital was well preserved, with the main shareholder having a shareholder's equity of TL 10.213.724 and with a net cash position, the company's indebtedness level was adequate for the continuation of its activities in a sound and safe manner.

5.8 Responsibility Statements

RESPONSIBILITY STATEMENT FOR FINANCIAL STATEMENTS

RESPONSIBILITY STATEMENT PURSUANT TO CAPITAL MARKET BOARD'S COMMUNIQUÉ ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1) ARTICLE 9

Regarding the financial statements pertaining to the special accounting period from February 1, 2024 to January 31, 2025, which were prepared by the company and independently audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in compliance with the Turkish Accounting Standards/Turkish Financial Reporting Standards and formats determined by the Capital Markets Board (CMB) in accordance with CMB's Communiqué on Principles of Financial Reporting in Capital Markets ("Financial Reporting Communiqué") II.14.1, and that include the consolidated

statement of financial position, comprehensive income statement, statement of cash flow and statement of changes in equity as well as notes to year-end financial statements, we hereby declare our responsibility for the following:

- We have examined the financial statements,
- Within the frame of information that we hold in our fields of duty and responsibility in the Company, the financial statements do not contain any untrue statement on material events or any deficiency, which may make them misleading as of the date of statement,
- Within the frame of information that we hold in our fields of duty and responsibility in the Company, the financial statements prepared pursuant to the Financial Reporting Communiqué - together with those covered by consolidation - fairly reflect the truth relating to assets, liabilities, financial statements, profits and losses of the Company.

Sincerely,
Mavi Giyim San. ve Tic. A.Ş.
Audit Committee

RESPONSIBILITY STATEMENT FOR THE ANNUAL REPORT

RESPONSIBILITY STATEMENT FOR THE ANNUAL REPORT PURSUANT TO CAPITAL MARKET BOARD'S COMMUNIQUÉ ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1) ARTICLE 9

Regarding the Annual Report prepared by the company for the special accounting period from February 1, 2024 to January 31, 2025 and independently audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., including the Corporate Governance Compliance Report and Corporate Governance Information Form and the company's disclosures in line with the CMB's Sustainability Principles Compliance Framework and in compliance with the Turkish Commercial Code and Capital Markets Board's (CMB) "Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué") II.14.1, we hereby declare our responsibility for the following:

- We have examined the Annual Report,
- Within the frame of the information that we hold in our fields of duty and responsibility in the Company, the Annual Report does not contain any untrue statement on material events or any deficiency, which may make them misleading as of the date of the statement,
- Within the frame of the information that we hold in our fields of duty and responsibility in the Company, the Annual Report fairly reflects the progress and performance of the business and the financial situation of the entity - together with the financial situation of the consolidated entities - along with material risks and uncertainties encountered by the Company.

Sincerely,
Mavi Giyim San ve Tic. A.Ş.
Audit Committee

5.9 Related Party Transactions Report

Related Party Transactions Report Submitted to the Board Of Directors of Mavi Giyim Sanayi ve Ticaret Anonim Şirketi

Pursuant to the internal regulations - "Principles on Related Party Transactions" and "Audit Committee Working Principles" - of Mavi Giyim San. ve Tic. A.Ş. ("Company"), in its meetings following the release of the quarterly financial statements within the fiscal year, the Audit Committee is required to review the related party transactions, which are frequent and continuous and annually approved by the Board of Directors, that have taken place in the respective period.

Based on the above mentioned internal regulations, we have reviewed and analyzed the "Management Report on the Frequent and Continuous Related Party Transactions in the Special Accounting Period of 01.02.2024 - 31.01.2025" ("Management Report") and the table annexed to the report about the actual implementations and practices during the period of 01.02.2023- 31.01.2024 with regard to the "Frequent and Continuous Related Party Transactions Planned for the Special Accounting Period of 01.02.2024 - 31.01.2025" approved by the Board of Directors Resolution no. 2023/20 dated March 14, 2024 ("General Resolution of the Board of Directors"). As a result of the analyses, we have ascertained that:

(1) there were some differences between the "estimated transaction volumes" stated in the General Resolution of the Board of Directors and the "actual transaction volumes" of the frequent and continuous related party transactions in the period from 01.02.2024 to 31.01.2025, and that the explanations and the justifications for such differences were satisfactory, and

(2) the terms and conditions governing the frequent and continuous related party transactions, as well as the methods and procedures, indicated to be used for determining whether they were arm's length transactions, were all implemented in the period from 01.02.2024 to 31.01.2025.

To the extent of the information and documents provided to us, we have not identified any material issue during the period of 01.02.2024 - 31.01.2025 that might be in violation of the General Resolution of the Board of Directors.

5.10 Corporate Governance Compliance Report And Information Form

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the Board of Directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There was no notification made regarding such a transaction.
1.3.8 - Members of the Board of Directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	No cross ownerships exist that are associated with a controlling relationship within our Company.

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not vested by the Articles of Association in shareholders holding less than one twentieth of the capital and rights are vested within the general framework of the regulations
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	Dividend distribution has been made.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1 - The Board of Directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.		X				Policies that address stakeholders' rights are published on the company's website, other procedures are published via the internal disclosure platform Maviletişim.
3.1.4 - A whistleblowing program is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The Board of Directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.1.2 - The agenda and minutes of board meetings indicate that the Board of Directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The Board of Directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the Board of Directors are disclosed in the annual report.	X					
4.2.3 - The Board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The Board of Directors ensures that the Investor Relations department and the corporate governance committee work effectively. The Board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The Board of Directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The Board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meetings in person.	X					
4.4.2 - The Board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although there is the possibility to present an opinion in such a case, there has not been any notification made by the BoD members who could not attend the meetings.
4.4.4 - Each member of the Board has one vote.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.4.5 - The Board has a charter/written internal rules defining the meeting procedures of the Board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				While board members are required to pay sufficient time to the Company's affairs, there is no restriction on their duties outside of the Company. Considering the significant contribution board members make to Mavi's Board of Directors with their professional and sector specific experience, imposing restrictions on their external duties is not deemed necessary. Prior to each General Assembly, the curricula vitae of the board members and their duties external to the Company are submitted for the attention of shareholders.

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Mavi has determined the number of its independent board members at three. In so doing, the Company considered various factors such as the volume of its operations and its administrative needs. Currently, the Board has three committees. In respect of the principle requiring committee chairs to be independent members, it is necessary to delegate multiple committee chairs to the independent members. This does not give rise to any conflict of interest within the Company.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.					X	In accordance with the working principles of the committees, the committees may make use of the opinions of the independent experts. During the past year, no such request was brought up by the committees.
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	There has not been any external consultancy services used.

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The Board of Directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			No specific study was conducted at board level regarding performance evaluation.
4.6.4 - The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			The General Assembly determines remuneration rates payable to members of Mavi's Board of Directors. In line with general practice, total amount of remunerations of board members and senior executives are disclosed to the public in the Company's financial table footnotes.

Corporate Governance Information Form

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/ etc.) organised by the company during the year	Investor Relations Department attended 10 virtual investor conferences meeting local and international investors and held over 110 meetings and teleconferences. At these events and meetings, the Company had contact with 300 investors and analysts from 132 local or international institutions.
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1.2. Right to Obtain and Examine Information

The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1263982
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such transaction.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1258964
The name of the section on the corporate website that demonstrates the donation policy of the company	Corporate Governance - Policies and Ethics
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/680430

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 10-e
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	According to the General Assembly internal directive article 5, press members, guests that have been invited by the management and other persons for whom the Meeting Chairman permits can attend the General Meetings.

1.4. Voting Rights

Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	9,06%

1.5. Minority Rights

If yes, specify the relevant provision of the articles of association.	No
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1.6. Dividend Right

The name of the section on the corporate website that describes the dividend distribution policy	Corporate Governance - Policies and Ethics
Minutes of the relevant agenda item in case the Board of Directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	-
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

GENERAL ASSEMBLY MEETINGS

General Meeting Date	25/04/2024
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	55.9%

Corporate Governance Information Form

GENERAL ASSEMBLY MEETINGS

Percentage of shares directly present at the GSM	0.00%
Percentage of shares represented by proxy	55.9%
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Corporate Governance / General Assembly
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Corporate Governance / General Assembly
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	-
The number of declarations by insiders received by the board of directors	0
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/tr/Bildirim/1276840

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Financial Reports and Presentations, Annual Report, Announcements, Corporate Governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Corporate Governance -Shareholder Structure and Subsidiaries
List of languages for which the website is available	Turkish, English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the Board of Directors and executives conducted out of the company and declarations on independence of board members	Annual Report - Corporate Governance Section, Statements of Independence
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report Corporate Governance Section
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report Corporate Governance Section
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Annual Report Corporate Governance Section
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report Corporate Governance Section
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	There is no such case
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Annual Report Corporate Governance Section
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report Sustainability Section

Corporate Governance Information Form

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Corporate Governance - Policies and Ethics
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics Board
The contact detail of the company alert mechanism	www.mavietikhat.com / www.maviethicsline.com

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Internal regulation does not have a public link on company website
Corporate bodies where employees are actually represented	Mavi Next, Masmavi, Management Forum, Occupational Health and Safety Board

3.3. Human Resources Policy

The role of the Board on developing and ensuring that the company has a succession plan for the key management positions	Within Mavi Succession Policy the Board of Directors approve the succession plan for top level management.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Corporate Governance - Policies and Ethics - Diversity and Inclusion Policy
Whether the company provides an employee stock ownership program	There isn't an employee stock ownership program
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Corporate Governance - Policies and Ethics - Mavi Code of Conduct, Human Rights Policy, Diversity and Inclusion Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	-

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the Code of Ethics	Corporate Governance - Policies and Ethics
The name of the section on the company website that demonstrates the Corporate Social Responsibility Report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	https://www.mavi.com/sustainability/index-en.html
Any measures combating any kind of corruption including embezzlement and bribery	Corporate Governance - Policies And Ethics, Anti-Bribery and Anti-Corruption Policy

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last Board evaluation conducted	-
Whether the Board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegation was made among the board members
Number of reports presented by internal auditors to the Audit Committee or any relevant committee to the Board	8
Specify the name of the section or page number of the Annual Report that provides the summary of the review of the effectiveness of internal controls	Annual Report Corporate Governance Section
Name of the Chairman	Ragıp Ersin Akarlılar
Name of the CEO	Ahmet Cüneyt Yavuz
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the Board of Directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/1267526
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	3 women board members - 50%

Corporate Governance Information Form

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/ Or Finance Or Not
Ragıp Ersin Akarlılar	Non executive	Not independent director	12/01/1994	-	Not applicable	Not applicable	Not applicable
Ahmet Cüneyt Yavuz	Executive	Not independent director	22/03/2017	-	Not applicable	Not applicable	Not applicable
Fatma Elif Akarlılar	Executive	Not independent director	12/01/1994	-	Not applicable	Not applicable	Not applicable
Betül Ebru Edin	Non executive	independent director	25/04/2024	https://www.kap.org.tr/tr/Bildirim/1263982	Considered	No	Yes
Nedim Nahmias	Non executive	independent director	17/07/2023	https://www.kap.org.tr/tr/Bildirim/1173559	Considered	No	No
Rina Azaduhi Onur Şirinoğlu	Non executive	independent director	25/04/2024	https://www.kap.org.tr/tr/Bildirim/1263982	Considered	No	No

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	100%
Whether the Board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	5 working days
The name of the section on the corporate website that demonstrates information about the board charter	There is no public link available for the internal board charter document

Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors

There is no such policy

4.5. Board Committees

Page numbers or section names of the Annual Report where information about the board committees are presented	Annual Report Corporate Governance Section
Link(s) to the PDP announcement(s) with the Board Committee charters	https://www.kap.org.tr/tr/Bildirim/627118

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Betül Ebru Edin	Yes	Board member
Audit Committee		Nedim Nahmias	No	Board member
Committee of Early Detection of Risk		Betül Ebru Edin	Yes	Board member
Committee of Early Detection of Risk		Ragıp Ersin Akarlılar	No	Board member
Committee of Early Detection of Risk		Bigge İşcan Aksaray	No	Not board member
Corporate Governance Committee		Rina Azaduhi Onur Şirinoğlu	Yes	Board member
Corporate Governance Committee		Ragıp Ersin Akarlılar	No	Board member
Corporate Governance Committee		Duygu İnceöz	No	Not board member

Corporate Governance Information Form

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the Audit Committee are presented in your annual report or website (Page number or section name in the Annual Report/website)

Annual Report Corporate Governance Section

Specify where the activities of the Corporate Governance Committee are presented in your annual report or website (Page number or section name in the Annual Report/website)

Annual Report Corporate Governance Section

Specify where the activities of the Nomination Committee are presented in your annual report or website (Page number or section name in the Annual Report/website)

Annual Report Corporate Governance Section

Specify where the activities of the Early Detection of Risk Committee are presented in your Annual Report or website (Page number or section name in the annual report/website)

Annual Report Corporate Governance Section

Specify where the activities of the Remuneration Committee are presented in your Annual Report or website (Page number or section name in the Annual Report/website)

Annual Report Corporate Governance Section

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your Annual Report (Page number or section name in the Annual Report)

Annual Report Corporate Governance Section

Specify the section of website where Remuneration Policy for executive and non-executive directors are presented.

Corporate Governance - Policies and Ethics

Specify where the individual remuneration for board members and senior executives are presented in your Annual Report (Page number or section name in the Annual Report)

Annual Report Corporate Governance Section

Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	Percentage Of Non-executive Directors	Percentage Of Independent Directors In The Committee	Number Of Meetings Held In Person	Number Of Reports On Its Activities Submitted To The Board
Audit Committee		100%	100%	4	10
Committee of Early Detection of Risk		66,6%	33,3%	4	6
Corporate Governance Committee		66,6%	33,3%	1	3

/06

INDEPENDENT AUDITORS REPORT & CONSOLIDATED FINANCIAL STATEMENTS



AUDITORS REPORT & CONSOLIDATED FINANCIAL STATEMENTS

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

Consolidated Financial Statements
As At and For The Year Ended
31 January 2025 and Independent Auditor's Report

(Convenience Translation of
the Report and the Consolidated
Financial Statements Originally Issued in Turkish)

Deloitte.

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(Convenience Translation of
the Report and the Consolidated
Financial Statements Originally Issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Mavi Giyim Sanayi ve Ticaret Anonim Şirketi A.Ş.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mavi Giyim Sanayi ve Ticaret Anonim Şirketi A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 January 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 January 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRSs).

Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

18 March 2025

This report includes 5 pages of independent auditor's report and 90 pages of consolidated financial statements together with their explanatory notes.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p>The Group's inventories include a risk of impairment due to changes in consumer demands and fashion trends.</p> <p>Calculation of the provision for inventory impairment involves significant management estimates and assumptions. These estimates and assumptions include determining the provision for the expected impairment in the value of non-moving inventories due to the decrease in customer demand and changing fashion trends.</p> <p>The provision for the impairment of inventories has been identified as one of the key audit matters since the inventory balance is significant in the consolidated financial statements and computation of inventory impairment provision involves management judgments and estimates.</p>	<p>Our audit procedures for testing the impairment on inventories included the following:</p> <p>Understanding and evaluating the reasonableness of the provisioning policy and the assessment of its compliance,</p> <p>Inquiry with the Group management about the risk of impairment as a result of changes in customer demands and fashion trends,</p> <p>Evaluation of adequacy of the provision for impairment on inventories through comparing with prior periods,</p> <p>Evaluation of the accuracy and completeness of the inventory reports which are used to calculate the provision for inventories,</p> <p>Testing the net selling prices used in the calculation of the net realizable value of inventories on a sample basis,</p> <p>Observation of obsolete, damaged and write off inventories during the inventory counts.</p> <p>The disclosures in the consolidated financial statements in relation to the inventory impairment provision is tested and the adequacy of such disclosures are evaluated.</p>



Other Matters

Management is responsible for the other information. The other information comprises the Appendix I and Appendix 2 disclosed as "Other information" at the notes to the condensed consolidated interim financial statements but are not part of the condensed consolidated interim financial statements and of our auditor's report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 18 March 2025.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 February 2024-31 January 2025 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Tolga Sirkecioglu.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Tolga Sirkecioglu
Partner

İstanbul, 18 March 2025

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Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

Consolidated Statements of Financial Position

As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

	Note	Audited 31 January 2025	Audited 31 January 2024
ASSETS			
Current assets			
Cash and cash equivalents	4	6,331,083	6,898,786
Financial investments		4,206	89,374
Trade receivables		2,054,338	1,864,884
- Due from third parties	7	2,054,338	1,864,884
Other receivables		46,411	17,692
- Due from third parties	8	46,411	17,692
Inventories	9	5,112,339	5,129,528
Derivative instruments	33	--	3,910
Prepaid expenses	10	472,137	310,329
- Due from related parties	6	130,995	169,639
- Due from third parties		341,142	140,690
Current tax assets	31	134,949	73,870
Other current assets	19	2,207	30,258
Total current assets		14,157,670	14,418,631
Non-current assets			
Other receivables		18,399	19,456
- Due from third parties	8	18,399	19,456
Property, plant and equipment	11	2,252,107	1,723,753
Right-of-use assets	14	1,698,174	1,924,990
Intangible assets		1,420,826	1,580,599
- Other intangible asset	12	495,183	463,624
- Goodwill	13	925,643	1,116,975
Deferred tax asset	31	36,605	83,854
Total non-current assets		5,426,111	5,332,652
TOTAL ASSETS		19,583,781	19,751,283

The accompanying notes from an integral part of these consolidated financial statements.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Consolidated Statements of Financial Position
As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

	Note	Audited 31 January 2025	Audited 31 January 2024
LIABILITIES			
Current liabilities			
Short-term borrowings	5	171,899	148,157
Short-term lease liabilities	5	738,592	709,265
- Due to related parties	6	3,738	379
- Due to third parties		734,854	708,886
Short-term portion of long-term borrowings	5	208,671	104,937
Short-term issued debt instruments	5	536,423	1,031,000
Trade payables		4,821,907	4,829,418
- Due to related parties	6	732,692	547,237
- Due to third parties	7	4,089,215	4,282,181
Payables related to employee benefits	18	723,762	736,090
Other payables		235,377	209,313
- Due to related parties	6	891	58
- Due to third parties	8	234,486	209,255
Deferred income	10	217,038	222,624
-Liabilities arising from customer contracts	10	201,598	174,447
-Liabilities not arising from customer contracts	10	15,440	48,177
Short-term provisions		294,794	276,095
- Short-term provisions for employee benefits	15	37,599	48,640
- Other short-term provisions	15	257,195	227,455
Current tax liabilities	31	166,464	327,775
Other current liabilities	19	118,380	111,505
Total current liabilities		8,233,307	8,706,179
Non-current liabilities			
Long-term borrowings	5	1,623	11,564
Long term issued debt instruments	5	--	488,291
Long-term lease liabilities	5	720,911	820,400
Due to related parties	6	7,643	--
Due to third parties		713,268	820,400
Deferred income	10	--	19,348
Payables related to employee benefits		39,376	58,092
Long-term provisions		151,256	144,192
Long-term provisions for employee benefits	15,17	151,256	144,192
Deferred tax liabilities	31	17,320	26,704
Total non-current liabilities		930,486	1,568,591
TOTAL LIABILITIES		9,163,793	10,274,770

The accompanying notes from an integral part of these consolidated financial statements.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Consolidated Statements of Financial Position
As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

	Note	Audited 31 January 2025	Audited 31 January 2024
EQUITY			
Equity attributable to owners of the Company			
Paid-in share capital	20	397,256	198,628
Adjustment to share capital	20	1,155,755	1,092,608
Share based payment fund		25,124	15,109
Other comprehensive income or expenses not to be reclassified to profit or loss		(54,329)	(36,237)
Defined benefit plans remeasurement losses		(54,329)	(36,237)
Other comprehensive income or expenses to be reclassified to profit or loss		70,660	492,299
Foreign currency translation differences		70,660	489,366
Hedging gain / (losses)		--	2,933
Restricted reserves appropriated from profit	20	435,823	247,963
Retained earnings		5,459,483	4,417,977
Net profit for the period		2,723,952	2,535,235
Non-controlling interests		206,264	512,931
Total equity		10,419,988	9,476,513
TOTAL EQUITY AND LIABILITIES		19,583,781	19,751,283

The accompanying notes from an integral part of these consolidated financial statements.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Consolidated Statements of Profit or Loss and Other Comprehensive Income
As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

	Note	Audited 1 February 2024– 31 January 2025	Audited 1 February 2023– 31 January 2024
Profit or loss			
Revenue	21	38,519,107	37,367,501
Cost of sales (-)	22	(19,148,213)	(19,356,032)
Gross profit		19,370,894	18,011,469
Administrative expenses (-)	23	(2,576,952)	(2,462,420)
Selling, marketing and distribution expenses (-)	23	(11,628,572)	(10,521,487)
Research and development expenses (-)	24	(500,114)	(417,213)
Other operating income	25	237,813	531,129
Other operating expenses (-)	25	(62,711)	(159,633)
Operating profit		4,840,358	4,981,845
Income from investment activities	26	12,137	46,866
Expenses from investment activities (-)	26	(4,850)	(3,442)
Operating profit before finance expense		4,847,645	5,025,269
Finance income	28	1,841,717	1,481,474
Finance costs (-)	29	(3,055,113)	(2,520,238)
Finance expenses, net		(1,213,396)	(1,038,764)
Monetary losses /(gains)	30	35,626	(192,690)
Profit before tax		3,669,875	3,793,815
Tax expense	31	(995,276)	(1,297,097)
- Tax expense for the period	31	(950,611)	(1,223,653)
- Deferred tax income	31	(44,665)	(73,444)
Net profit		2,674,599	2,496,718
Distribution of profit for the period			
Non-controlling interests		(49,353)	(38,517)
Owners of the Company		2,723,952	2,535,235
Earnings per share	32	6.8569	6.3819

The accompanying notes from an integral part of these consolidated financial statements.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Consolidated Statements of Profit or Loss and Other Comprehensive Income
As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

	Note	Audited 1 February 2024– 31 January 2025	Audited 1 February 2023– 31 January 2024
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement (losses) of defined benefit plans	17	(24,121)	(41,773)
Deferred tax income	31	6,029	10,443
Items that will be reclassified to profit or loss			
Foreign currency translation differences		(689,355)	177,535
Cash flow hedging gains		(3,911)	45,375
Deferred tax income/(expense)	31	978	(9,270)
Other comprehensive income		(710,380)	182,310
Total comprehensive income		1,964,219	2,679,028
Distribution of total comprehensive income			
Non-controlling interests		(320,002)	79,020
Owners of the Company		2,284,221	2,600,008

The accompanying notes from an integral part of these consolidated financial statements.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

Consolidated Statement of Changes in Equity

As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

	Other comprehensive income that will not be reclassified to profit or loss		Other comprehensive income that will be reclassified to profit or loss		Retained earnings		Attributable to owners of the Company	Attributable to non-controlling interest	Total equity			
	Share capital	Capital adjustment difference	Legal reserves	Share based payment fund	Remeasurement of defined benefit liability	Foreign currency translation reserve				Hedging reserve	Retained earnings	Net profit
Balance as at 1 February 2023	99,314	976,612	247,963	2,220	(4,907)	429,368	(33,172)	2,855,976	2,708,361	7,281,735	419,764	7,701,499
Transfers	99,314	115,996	--	--	--	--	--	2,493,051	(2,708,361)	--	--	--
Dividend payment	--	--	--	--	--	--	--	(931,050)	--	(931,050)	--	(931,050)
Increase (decrease) due to share-based transactions	--	--	--	12,889	--	--	--	--	--	12,889	14,147	27,036
Total comprehensive income	--	--	--	--	(31,330)	59,998	36,105	--	2,535,235	2,600,008	79,020	2,679,028
Total balance as at 31 January 2024	198,628	1,092,608	247,963	15,109	(36,237)	489,366	2,933	4,417,977	2,535,235	8,963,582	512,931	9,476,513
Balance as at 1 February 2024	198,628	1,092,608	247,963	15,109	(36,237)	489,366	2,933	4,417,977	2,535,235	8,963,582	512,931	9,476,513
Transfers	198,628	63,147	187,860	--	--	--	--	2,085,600	(2,535,235)	--	--	--
Dividend payment	--	--	--	--	--	--	--	(1,044,094)	--	(1,044,094)	--	(1,044,094)
Increase (decrease) due to share-based transactions	--	--	--	10,015	--	--	--	--	--	10,015	13,335	23,350
Total comprehensive income	--	--	--	--	(18,092)	(418,706)	(2,933)	--	2,723,952	2,284,221	(320,002)	1,964,219
Total balance as at 31 January 2025	397,256	1,155,755	435,823	25,124	(54,329)	70,660	--	5,459,483	2,723,952	10,213,724	206,264	10,419,988

The accompanying notes from an integral part of these consolidated financial statements.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

Notes to the Consolidated Statement of Cash Flow

As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

	Note	Audited 1 January 2024- 31 January 2025	Audited 1 January 2023- 31 January 2024
Cash flows from operating activities			
Net profit for the period		2,674,599	2,496,718
Adjustments for:			
Adjustments for depreciation and amortization expense	11,12,14, 27	2,347,217	2,288,065
Adjustments for interest income	28	(1,819,605)	(1,246,719)
Adjustments for interest expense	29	3,052,691	2,513,061
Adjustments for provision for vacation	15	9,032	33,791
Adjustments for fair value losses / (gains) of financial assets		(8,753)	(46,187)
Adjustments for provision for employment termination benefit	17	105,734	119,808
Adjustments for impairment losses on trade receivables	35	153	(2,705)
Adjustments for rediscount interest expense/(income) on trade payables	25	(66,513)	(215,484)
Adjustments for share-based payments		23,350	27,036
Adjustments for monetary losses /(gains)		1,539,051	1,065,685
Adjustments for expected credit losses	25	(328)	(6,714)
Adjustments for inventory impairment	9	(11,783)	(21,102)
Adjustments for provisions for short-term and long-term payables	15	108,884	61,908
Adjustments for (gains) / losses on disposal of property, plant and equipment	26	1,466	2,763
Adjustments for tax expense	31	995,276	1,297,097
Adjustments for unrealized foreign currency translation differences		(779,617)	(126,513)
		8,170,854	8,240,508
Changes in working capital:			
Change in trade receivables		(754,396)	(679,603)
Change in inventories		(1,566,252)	(1,490,679)
Change in prepaid expenses		(255,897)	(22,077)
Change in other receivables		(38,669)	22,517
Change in other current and non-current assets		19,085	31,139
Change in employee benefits liabilities		204,319	409,752
Change in trade payables		1,115,181	905,334
Change in payables to related parties		348,485	(67,867)
Change in deferred income		46,777	77,572
Change in other payables		87,247	152,802
Change in short-term and long-term provisions		(2,983)	(1,566)
Change in other liabilities		39,128	48,612
Cash flows used in operating activities		7,412,879	7,626,444
Employment termination benefits paid	15,17	(82,229)	(87,939)
Tax payments	31	(1,115,073)	(1,021,176)
A. Net cash from operating activities		6,215,577	6,517,329
Cash flows from investing activities			
Cash outflows from purchase of property, plant and equipment	11	(1,101,937)	(718,287)
Cash inflows from sale of property, plant and equipment and intangible assets		11,198	16,008
Cash outflows from purchase of intangible assets	12	(327,808)	(128,480)
Other investing activities		93,920	93,052
Interest received		1,766,997	1,266,448
B. Net cash flow used in investing activities		442,370	528,741
Cash inflows from borrowings	5	675,018	1,931,253
Cash outflows from payment of borrowings	5	(1,006,972)	(2,473,197)
Cash outflows from payments of lease contracts	5	(1,175,041)	(1,028,006)
Other financial cash outflows	29	(2,144,461)	(1,397,426)
Dividend paid	20	(1,044,094)	(931,050)
Interest paid		(538,191)	(840,219)
C. Net cash flow generated from/(used in) financing activities		(5,233,741)	(4,738,645)
Net increase in cash and cash equivalent (A+B+C)		1,424,206	2,307,425
Monetary losses /(gains)		(2,044,517)	(2,990,756)
Cash and cash equivalents at the beginning of the period		6,868,142	7,551,473
Cash and cash equivalents at the end of the period (A+B+C+D)	4	6,247,831	6,868,142

The accompanying notes from an integral part of these consolidated financial statements.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

Notes to the Consolidated Financial Statements

As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

1 Organization and Operations of the Group

Mavi Giyim Sanayi ve Ticaret A.Ş. (the “Company” or “Mavi Giyim”), established in 1991, engages in wholesale and retail sales of ready-to-wear denim apparel. The product range includes knit and woven shirts, t-shirts, sweaters, jackets, skirts, dresses, accessories and denim bottoms for men, women and children. The Company’s registered office is Sultan Selim Mahallesi, Eski Büyükdere Caddesi, No. 53/2, 34418 Kağıthane İstanbul/Türkiye.

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

Shares of the Company has been traded at Borsa İstanbul (“BIST”) since 15 June 2017. As of 31 January 2025, 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 consolidated financial statements as at 31 January 2025 include financial position and the results of Mavi Giyim, Mavi Europe AG (“Mavi Europe”) and Mavi LLC (“Mavi Russia”), Eflatun Giyim Yatırım Ticaret Anonim Şirketi (“Eflatun Giyim”), Mavi Jeans Incorporated (“Mavi Canada”), Mavi Jeans Incorporated (“Mavi United States of America (“USA”), Mavi Kazakhstan LLP and its subsidiaries are referred here as the “Group” and individually “the Group entity” in this report.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

1 Organization and Operations of the Group (continued)

The ownership interest of and voting power held by the Company as at and for the years ended 31 January 2025 and 31 January 2024 are as follows:

Subsidiaries	Place of Incorporation	Principal Activities	Ownership interest and voting rights	
			31 January 2025	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	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. Financial statements of Mavi Kazakhstan have not been consolidated since its operations insignificant in terms of consolidated financial statements, as of 31 January 2025.

As of 31 January 2025, Group’s total number of employees is 5,872 (31 January 2024: 6,201).

2 Basis of presentation of financial statements

2.1 Basis of presentation of consolidated financial statements

(a) Statement of compliance to Turkish Financial Reporting Standarts (“TFRSs”)

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board (“CMB”) Communiqué Serial II, No: 14.1 “Basis of Financial Reporting in Capital Markets,” which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards (“TFRS”) that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”) under Article 5 of the Communiqué.

In addition, the condensed consolidated financial statements are presented in accordance with the “TFRS Taxonomy” published by POA on 4 July 2024 and the formats specified in the Financial Statement Examples and User Guide published by CMB, based on the CMB’s financial statement and note formats.

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Notes to the Consolidated Financial Statements
As of 31 January 2025

(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

2 Basis of presentation of financial statements (continued)

2.1 Basis of presentation of consolidated financial statements (continued)

(a) Statement of compliance to Turkish Financial Reporting Standards (“TFRSs”) (continued)

Approval of consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors of the Company on 18 March 2025. 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) Functional and presentation currency

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

Consolidated financial statements and notes are based on the legal records of the Group companies and are presented in TL unless otherwise stated and it has been prepared by subjecting some adjustments and classification changes in order to present adequately the status of the Group in accordance with the Turkish Accounting Standards published by KGK. All other foreign currency amounts are shown in Thousand Turkish Lira (“TL”) unless otherwise stated.

The table below summarises functional currencies of the Group entities.

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

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2 Basis of presentation of financial statements (continued)

2.1 Basis of presentation of consolidated financial statements (continued)

(c) Basis of measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

The methods used to measure fair values are discussed further in Note 2.5(q).

Restatement of financial statements during periods of high inflation

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

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period. As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 January 2025, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index (“CPI”) is more than 100%.

POA made an 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 January 2024.

In this framework, while preparing the consolidated financial statements dated 31 January 2025 inflation adjustment has been made in accordance with TAS 29.

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

2 Basis of presentation of financial statements (continued)

2.1 Basis of presentation of consolidated financial statements (continued)

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

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31 January 2025	2,819.65	1	269%
31 January 2024	1,984.02	1.42118	287%
31 January 2023	1,203.48	2.34291	170%

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.
- 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.

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Notes to the Consolidated Financial Statements
As of 31 January 2025

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2 Basis of presentation of financial statements (continued)

2.1 Basis of presentation of consolidated financial statements (continued)

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

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.

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 January 2025 according to the following principles.

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Notes to the Consolidated Financial Statements
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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

2 Basis of presentation of financial statements (continued)

2.1 Basis of presentation of consolidated financial statements (continued)

Consolidated financial statements (continued)

As of 31 January 2025, the consolidated statement of financial position for the year ended 31 January 2025 has been translated into Turkish Lira at the closing rate of 31 January 2025. 1 February 2024 - 31 January 2025 consolidated statement of income for the period 1 February 2024 - 31 January 2025 has been translated into Turkish Lira at the average monthly exchange rates and indexed to the purchasing power of 31 January 2025 from the translation date and the relevant months. As of 31 January 2024, the consolidated statement of financial position for the year 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 January 2025. The income statement for the period 1 February 2023 - 31 January 2024 has been translated into Turkish Lira at the average monthly exchange rates and indexed to the purchasing power of 31 January 2025.

Comparative figures

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

2.2 Basis of consolidation

Consolidated financial statements include the financial statements of the Company and its subsidiaries controlled by the Company. Control is exercised by an entity having power over its financial and operational policies in order to derive benefits from its activities. The financial statements of the companies included in the consolidation have been prepared as of the same date as the consolidated financial statements.

(a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 2.5 (f)). Transactions costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 January 2025, unless otherwise indicated.)

2 Basis of presentation of financial statements (continued)

2.2 Basis of consolidation (continued)

(a) Business combinations (continued)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service. The list of subsidiaries is presented in note 1.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(c) Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's share in subsidiaries that do not result in loss of control are accounted for as equity transactions.

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

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2 Basis of presentation of financial statements (continued)

2.2 Basis of consolidation (continued)

(e) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparative periods are restated. The restatement does not extend to periods during which the entities were not under common control. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Company's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Company equity and any gain/loss arising is recognised directly in equity.

(f) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

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2 Basis of presentation of financial statements (continued)

2.2 Basis of consolidation (continued)

(f) Foreign currency (continued)

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into TL at exchange rates at the reporting date. The income and expenses of foreign operations are translated via monthly average exchange rates. Foreign currency differences are recognised in other comprehensive income and accumulated into the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes off only part of its investment in an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

The Group and subsidiaries use either TL, EUR, RUB, USD or CAD as functional currencies since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group and subsidiaries and reflect the economic substance of the underlying events and circumstances relevant to these entities. All currencies other than the currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been re-measured to the related functional currencies. The Group uses TL as the reporting currency.

The foreign currency exchange rates as at balance sheet date of the related periods are as follows:

	31 January 2025	31 January 2024
TL / EUR	37.1844	32.8144
TL / USD	35.7210	30.3053
TL / RUB	0.3619	0.3376
TL / CAD	24.7461	22.5737

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2 Basis of presentation of financial statements (continued)

2.2 Basis of consolidation (continued)

(f) Foreign currency (continued)

ii) Foreign operations (continued)

The foreign average currency exchange rates for the related periods are as follows:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
TL / EUR	35.8119	26.7516
TL / USD	33.2437	24.7022
TL / RUB	0.3532	0.2811
TL / CAD	24.0945	18.2890

2.3 Change in significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements. Material changes in accounting policies and material accounting errors are adjusted retrospectively and prior period's consolidated financial statements are restated.

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.

2.5 Summary of significant accounting policies

Accounting policies have been applied consistently by the Group in all periods presented in the consolidated financial statements. If changes in accounting estimates and errors are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following years prospectively.

There has been no significant change in the accounting estimates of the Company as of 31 January 2025.

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Notes to the Consolidated Financial Statements
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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(a) Leases

The Group has applied TFRS 16 as of 1 February 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under TAS 17 and TFRS Interpretation 4. The details of accounting policies under TAS 17 and TFRS Interpretation 4 are disclosed separately.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16. This policy is applied to contracts entered into, on or after 1 February 2019.

As a lessee

At the actual commencement date of the lease or at the date of the change in the contract containing the lease component, the Group allocates to each lease component based on the relative stand-alone price of the lease component and the total stand-alone price of the non-lease components.

The Group has chosen not to separate the non-lease components from the lease components, but instead to account for each lease component and its associated non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right to use asset is first recognized by the cost method and includes the following:

- The initial measurement amount of the lease obligation,
- The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease,
- All initial direct costs incurred by the Group
- An estimate of costs to be incurred by the Group in restoring the underlying asset to the condition required by the terms and conditions of the lease

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(a) Leases (continued)

As a lessee (continued)

The right-of-use asset is subsequently depreciated from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In other circumstances, the right of use asset is subjected to depreciation according to the shorter of the useful life of the aforementioned asset or the leasing period, starting from the date when the leasing has actually started. In addition, the value of the right of use asset is periodically reduced by also deducting the impairment losses if any and adjusted in accordance with the re-measurement of the leasing liability. 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 determines the alternative borrowing interest rate by taking into account the interest rates it will pay for the debts to be used from various external financing sources and makes some adjustments to reflect the lease terms and the type of the leased asset.

The lease payments which are included in the measurement of the leasing liability, consist of the following:

- Fixed payments (including the fixed payments by their essence);
- Amounts expected to be paid by the lessee within the scope of residual value undertakings

Right-of-use asset is initially measured at cost and after the lease actually commenced, it is measured at fair value in accordance with the Group's accounting policies.

Leasing liability is measured by reducing the lease payments with a discount rate. In case, as a result of a change in an index or rate used in determination of the lease payments in the future, a change occurs in these payments and in the amounts expected to be paid within the scope of residual value undertaking, the Group considers the options of renewal, termination and purchasing.

In case the leasing liability is remeasured, it is reflected into the financial statements as an adjustment in the right of use asset in accordance with the newly determined debt. However, in case the book value of the right of use asset is reduced down to zero and the measurement of the leasing liability involves more reduction, the remaining re-measurement amount is reflected into profit or loss.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(a) Leases (continued)

As a lessee (continued)

Right-of-use assets or liabilities related to performance-based contracts have not been created with all of the rent. Rental prices are created by taking into account the minimum payment amount and the right-of-use asset and lease liability minimum values for rental agreements based on sales performance.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost including borrowing costs-less accumulated depreciation and any accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss and presented under "gains/(losses) from investment activities".

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Property, plant and equipment are depreciated from the date they are available for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of lease term. Land is not subject to depreciation.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

- Vehicles (5) years
- Furniture and fixtures (3–15) years
- Leasehold improvements shorter of (1–10) years or lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated [statement of profit or loss/ statement of profit or loss and other comprehensive income]. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets recognised in a business combination

Customer relationships arising from the business acquisitions were recognized at their fair values.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(c) Intangible assets and goodwill (continued)

(ii) Subsequent expenditures

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Trademark (15) years
- Licenses (3–5) years
- Customer relationships (9-15) years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Inventories

Inventories are measured at the lower of cost or net realizable value.

The cost of inventories is based on first-in first-out principle, and includes expenditure incurred for the purchase and bringing the items to their current condition. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs of completion and estimated costs to sell. Net realizable value write-downs are evaluated in product groups and for particular seasons such as fall/winter and spring/summer.

(e) Financial instruments

(i) Recognition and initial measurement

The Group's trade receivables and debt instruments are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets–Evaluation of the business model

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets–Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets—Assessment whether contractual cash flows are solely payments of principal and interest (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets—Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. For derivatives identified as a hedging tool, see section (v) below.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities—Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. For derivatives identified as a hedging tool, see section (v) below.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting of financial asset and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(v) Derivative financial instrument and hedge accounting

The Group uses derivative financial instruments for the purpose of hedging foreign currency and interest rate risk.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(v) Derivative financial instrument and hedge accounting (continued)

Derivatives are initially recognized at fair value. Subsequent to initial recognition of derivative instruments, changes in fair value are recognized in profit or loss.

The Group defines certain derivatives as hedging instruments in order to maintain the variability in the cash flows related to the high probability of realization arising from the changes in exchange rates and interest rates. The Group defines certain derivatives and non-derivative financial liabilities as hedging instruments for net investment in foreign operations.

At the beginning of the hedge relationship, the Group makes a certification regarding the risk management purpose and strategy that causes the hedging relationship and the operation of the enterprise. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and the hedging means are expected to offset each other.

Hedge accounting

If a derivative instrument is designed as a cash flow hedge hedging instrument, the effective portion of the change in the fair value of the derivative instrument is recognized in other comprehensive income and presented under equity in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognized directly in profit or loss. The effective portion of the change in the fair value of the derivative instrument determined on the present value basis from the beginning of the hedging relationship recognized in other comprehensive income is limited to the cumulative effect of the change in the fair value of the hedging instrument.

The Group identifies only the change in value in the spot element of the forward contract as the hedging instrument in the cash flow hedging relationship.

The Group enters into forward contracts in order to hedge the foreign currency risk on product imports arising from the foreign currency differences between the purchase order date and arrival date. The change in the FV of the forward value of forward foreign currency contracts (“forward element”) is accounted for as a hedge fund as a separate component in equity as the cost of hedging.

If a hedged forecast transaction results in the subsequent recognition of a non-financial asset or liability, the amount accumulated in the hedge fund and the cost of the hedge are included directly in the initial cost of the non-financial asset or liability.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(e) Financial instruments (continued)

(v) Derivative financial instrument and hedge accounting (continued)

Hedge accounting (continued)

For all other hedge transactions, the hedging reserve and the hedging cost are classified in profit or loss in the hedging reserve in the period or periods when the estimated future cash flows are affected by profit or loss.

The hedge accounting is discontinued in case the hedging relationship (or part of it) no longer meets the required criteria, the hedging instrument is expired or sold, terminated or used.

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(f) Impairment of assets

Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime ECL.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(f) Impairment of assets (continued)

Non-derivative financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

12-month expected credit losses are that result from possible default events within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset. For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses prescribed in TFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables (TFRS 9 requires lifetime expected credit losses to be used for all trade receivables). The Group performed the calculation of ECL rates separately for individual, corporate, public and wholesale customers. The ECLs were calculated based on actual credit loss experience over the past years.

ECLs are a probability-weighted estimate of credit losses. In other words, it is the credit losses that are measured on the present value of all the cash deficits (for example, the difference between the cash inflows to the entity and the cash flows expected by the entity to be collected based on the contract).

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(f) Impairment of assets (continued)

Non-derivative financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (“Cash Generating Unit”). Goodwill arising from a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(f) Impairment of assets (continued)

Non-financial assets (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset of CGU.

An impairment loss is recognised if the carrying amount of an asset of CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits

(i) Long term employee benefits

Provision for employee termination benefits

In accordance with existing social legislation in Türkiye, the Company is required to make lump-sum payments to employees whose employment is terminated without due cause, called up for military service, death or retirement. TAS 19 “Employee Benefits” requires actuarial valuation method to be developed to estimate the enterprise’s obligation under defined benefit plans. Consequently, in the accompanying consolidated financial statements, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employee. Severance payment provisions are not subject to legal funding.

In accordance with the Russian Labor Law (the Article 178 “Dismissal allowances”, Chapter 27, Section VII “Guarantees and compensations”), when the Group company unilaterally terminates the employment agreement, employer should inform the employee two months before position cancelling date. After two months, at the date of dismissal, employer is required to pay the employee a dismissal compensation at the amount of one-month average wage. In case the employee can not find an employment during two preceding months after the dismissal date, employee has right to request.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(g) Employee benefits (continued)

(i) Long term employee benefits (continued)

Provision for employee termination benefits (continued)

The Group has not recorded any reserve for employee severance payments for its employees in foreign subsidiaries, except Russia since only under very specific circumstances a company is liable to pay a severance according to labour laws of the foreign entities.

(ii) Short term employee benefits

Short-term employee benefit obligations are consisting of reserve for the vacation pay liability due to the earned and unused vacation rights of its employees. The Group is obliged to make payments for unused vacation days in the amount of the employment contract is terminated on the date of the daily gross wage and contract related interests on the total payment. The Group provides reserve for the vacation pay liability due to the earned and unused vacation rights of its employees. Vacation pay liability is measured on an undiscounted basis and is recognised in profit or loss as the related service is provided.

(h) Provisions; contingent liabilities and contingent assets

In cases where there is a present legal or contractual obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will arise to settle the obligation, and the amount of the obligation can be reliably estimated, Group management allocates a provision for the amount of the obligation in the accompanying consolidated financial statements. Provisions are calculated based on the Group management's best estimate of the expenditure to be made to settle the obligation as of the balance sheet date and are discounted to present value where the effect of time value of money is material. It is defined as a current liability that will result in an outflow of resources resulting from past events and which, in case of fulfillment, will contain economic benefits.

Contingent liabilities are reviewed to determine if there is a possibility that the outflow of economic benefits will be required to settle the obligation. Except for the economic benefit outflow possibility is remote such contingent liabilities are disclosed in the notes to the consolidated financial statements.

If the entry of the economic benefit to the Group is possible, explanations are included in the disclosures of the consolidated financial statements about the contingent asset if the entry of economic benefit is certain, the asset and its related income changes are included in the consolidated financial statements at the date that they occurred.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(i) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

a) A person or a close member of that person's family is related to a reporting entity if that person:

- i. has control or joint control of the reporting entity;
- ii. has significant influence over the reporting entity; or
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(j) Revenue

(i) General model for accounting of revenue

In accordance with TFRS 15, a five-step model is followed in recognizing revenue for all contacts with customers.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(j) Revenue (continued)

(i) General model for accounting of revenue (continued)

Step 1: Identify the contract

A contract exists only if it is legally enforceable, the collection of the consideration is probable, the rights to goods and services and payment terms can be identified, the contract has commercial substance; and the contract is approved and the parties are committed to their obligations.

If either contracts were negotiated as a single commercial package, or consideration in one contract depends on the other contract or goods or services (or some of the goods or services) are a single performance obligation the Group accounts the contracts as a single contract.

Step 2: Identify the performance obligations

The Group defines ‘performance obligation’ as a unit of account for revenue recognition. The Group assesses the goods or services promised in a contract with a customer and identifies as:

- (a) a performance obligation either a good or service that is distinct; or
- (b) or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

The Group describes a good or service specified in the contract as a different good or service, if it can describe them separately from the other undertakings in the contract and ensures that the customer can use the said good or service solely or together with other resources made available to it. A contract may contain an undertaking to provide a series of different goods or services which are essentially the same. At the beginning of the contract, a business determines whether a series of goods or services is a single performance obligation.

Step 3: Determine the transaction price

In order to determine the transaction price, the Group assesses how much consideration it expects to be entitled to by fulfilling the contract. In arriving at the assessment, the Group considers variable elements of consideration, as well as the existence of a significant financing component.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(j) Revenue (continued)

(i) General model for accounting of revenue (continued)

Significant financing component

The Group revises the promised amount of consideration for the effect of a significant financing component to the amount that reflects what the cash selling price of the promised good or service. As a practical expedient, the Group does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the entity expects the period between customer payment and the transfer of goods or services to be one year or less. In cases where advance for the services are received and the payment scheme is broadly aligned with the Group’s performance throughout the period, the Group concludes that the period between performance and payment is never more than 12 months, therefore the expedient is applied.

Variable cost

The Group identifies items such as price concessions, incentives, performance bonuses, completion bonuses, price adjustment clauses, penalties, discounts, credits, or similar items may result in variable consideration if there is any in a customer contract.

Step 4: Allocate the transaction price

If distinct goods or services are delivered under a single arrangement, then the consideration is allocated based on relative stand-alone selling prices of the distinct goods or services (performance obligations). If directly observable stand-alone selling prices are not available, the total consideration in the service contracts is allocated based on their expected cost plus a margin.

Stage 5: Revenue recognition

The Group recognizes revenue over-time if any of the following conditions is met:

- Customer simultaneously receives and consumes the benefits as the entity performs, or
- The customer controls the asset as the entity creates or enhances it, or
- Group’s performance does not create an asset for which the entity has an use; and alternative there is a right to payment for performance to date.

For each performance obligation that is satisfied over time, an entity selects a single measure of progress, which depicts the transfer of control of the goods or services to the customer. The Group uses a method that measures the work performed reliably.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(j) Revenue (continued)

(i) General model for accounting of revenue (continued)

Variable cost (continued)

Stage 5: Revenue recognition (continued)

If a performance obligation is not satisfied over time, then the Group recognize revenue at the point in time at which it transfers control of the good or service to the customer.

The Group recognizes a provision in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits.

Goods sold

In overall, the Group has wholesale, retail and e-commerce business. Retail sales represent sales to consumers at mono-brand Mavi stores that the Group operates. Revenue is recognized when the control is transferred to the buyer. Revenue from the sale of goods through retail business in the course of ordinary activities is measured at the fair value of the consideration received in cash or credit card. The discount is recognized as a reduction of revenue as the sales are recognized.

Wholesale sales are to third-party retailers that then on-sell to consumers. The wholesale channel includes Mavi mono-brand stores operated by franchisees, department store chains, corner shops, and third-party online channels. The Group signs franchise agreements with franchises. However, the Group does not send consignment inventory to these franchises nor does the Group earn franchise fees on these agreements. The Group recognizes revenues from franchisees on a principal basis as gross when the control has been transferred to the franchisees.

In addition, the Group has consignments in certain department stores. Revenue from these consignments is recognized only after they are sold to the end customer as defined above. E-commerce represents direct sales that the Group makes to consumers on own mavi.com websites. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement that the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If a rebate is likely to be granted and the amount can be reliably measured, the deduction amount is deducted from revenue at the time revenue is recorded.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(j) Revenue (continued)

Goods sold (continued)

The Group also generates revenue in the form of royalty fees.

Corporate cards given to customers during the reporting period are valid until a specific maturity date. Unused balance of the corporate cards are recognized as revenue following the expiration date.

Loyalty programme

For customer loyalty programmes, the fair value of the consideration receivable in respect of the initial sale is allocated to the “Kartuş Card Points”. The present fair value of the Kartuş Card Points, which can be redeemed as discount against future purchases by customers, is estimated by taking into account the expected redemption rate and the timing of such expected redemptions. Such amount is deferred and revenue is recognized only when the points are redeemed and the Group has fulfilled its obligations to supply the discounted products. The amount of revenue recognized in those circumstances is based on the number of points that have been redeemed in exchange for discounted products, relative to the total number of points that is expected to be redeemed.

(k) Income from investing activities and expenses from investing activities

Income from investment activities includes income from sales of property, plant and equipment and scrap.

Expenses from investment activities include expenses incurred by sales of property, plant and equipment.

(l) Earnings per share

Earnings per shares is calculated by dividing the consolidated profit/(loss) for the period attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the period.

(m) Research and development expenses

The Group has a separate department which operates to research and develop new fabric and design. As a result of these operations of the department, sample productions are made including new collections’ desgins. Costs incurred on development projects are recognised as intangible assets only if the cost can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs that have been capitalised are amortised on a straight-line basis over their estimated useful lives (1 year).

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(n) Finance income and finance cost

Finance costs comprise interest expense on borrowings, impairment losses recognised on financial assets, (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities (other than trade receivables and payables) are reported on a gross basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position. Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group’s right to receive payment is established.

(o) Tax

Tax expense comprises of current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

(ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases which is used in the computation of taxable profit. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit,
- differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future,
- taxable temporary differences related to initial recognition of goodwill.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(o) Tax (continued)

(ii) Deferred tax (continued)

Deferred tax assets are recognized if it is probable that taxable profits will be sufficient to offset unused prior year tax losses, tax benefits and deductible temporary differences in the future. Taxable profit is determined according to the business plans of each subsidiary in the Group. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that is probable that future taxable profits will available against which they can be utilised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company and its consolidated subsidiaries have reflected their deferred tax assets and liabilities in their financial statements, but there has been no netting on a consolidated basis.

(iii) Tax risk

The Group takes into account whether the Group has the uncertain tax position and the surcharge has to be paid and the tax liability while it determines the current tax expense and delayed tax expense. The assessment might include judgments about future events and is based on estimates and assumptions. In case there exists new information about the adequacy of the Group’s current tax liability which will cause a change in the professional judgment; this change will affect the period which the situation emerges.

(iv) Transfer pricing

The transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via transfer pricing dated 18 November 2007 sets details about implementation. If a tax payer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm’s length basis, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as a tax deductible for corporate income tax purposes.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(p) Government grants

The Group obtains government incentives under the Turquality program from Turkish Republic Ministry of Economy. The Group is initially recognises government grants related to trade mark developments in international markets in profit or loss as deduction of relevant selling, marketing and distribution expenses at fair value when there is reasonable assurance that the incentives will be received.

(q) Measurement of fair value

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(a) Measurement of fair value (continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a 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.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(i) Financial assets

Cash and cash equivalents are presented on cost basis and are assumed to reflect their fair values as they are liquid and classified as current assets.

Trade receivables are presented netted off related doubtful portion of the receivable and are assumed to reflect their fair value.

Derivative financial instruments reflect their fair value as they include hedging transactions. The classification of derivative financial instruments for fair value measurement is Level 2.

(ii) Other non-derivative financial liabilities

Forward exchange contracts

The fair values of forward exchange contracts are 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 values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(iii) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between

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2 Basis of presentation of financial statements (continued)

2.5 Summary of significant accounting policies (continued)

(a) Measurement of fair value (continued)

(iii) Property, plant and equipment (continued)

a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(iv) 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 are determined according to the income approach.

2.6 Use of accounting judgements and estimates

In preparing these consolidated financial statements management has made judgements, estimates, 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 to estimates are recognized prospectively.

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment is included in the following notes:

- Note 7 Trade receivables: Allowance for doubtful receivables, Expected credit losses.
- Note 9 Inventory: Allowance for inventory impairment.
- Note 10 Deferred income: Estimation of loyalty credits that can be redeemed in the next years.
- Note 11 and 12 Property equipment and and intangibles: Useful lives.
- Note 12 and 13 Impairment of intangible assets including goodwill: Key assumptions, underlying recoverable amounts.
- Note 15 and 17 Provision for employee termination benefits: Key actuarial assumptions.
- Note 15 Provisions for sales returns: Estimation of return, provision for upcoming months using the historical data.
- Note 30 Deferred tax asset: Estimation of recoverability.

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2 Basis of presentation of financial statements (continued)

2.7 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:

- Overdue payment income amounting to TL 80,335 which was accounted as finance income in the consolidated statement of profit or loss for the accounting period ending on 31 January 2024, is reclassified to "other operating income" in comparative financial statements.

The reclassification has no impact on the profit for the period ended on 31 January 2024.

2.8 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.

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2 Basis of presentation of financial statements (continued)

2.8 New and Amended Turkish Financial Reporting Standards (continued)

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

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 the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 Climate-related Disclosures

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and the Board Decision dated 16 December 2024 amending this announcement. Other entities may voluntarily report in accordance with TSRS

The Group will disclose the Sustainability report by April within the deadlines determined by the Public Oversight, Accounting and Auditing Standards Authority (KGK). As of the balance sheet date, the Group's analysis of existing and potential risks and opportunities related to sustainability is ongoing.

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2 Basis of presentation of financial statements (continued)

2.8 New and Amended Turkish Financial Reporting Standards (continued)

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</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 2026.

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.

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.

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3 Segment reporting

	1 February 2024- 31 January 2025			1 February 2023- 31 January 2024		
	Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total
Segment revenue⁽¹⁾	34,640,450	3,878,657	38,519,107	32,710,643	4,656,858	37,367,501
-Retail	25,762,582	479,331	26,241,913	24,570,487	612,387	25,182,874
-Wholesale	5,846,229	2,502,723	8,348,952	5,335,947	2,985,373	8,321,320
-E-commerce	3,031,639	896,603	3,928,242	2,804,209	1,059,098	3,863,307
Segment profit/(loss) before tax	3,803,068	(133,193)	3,669,875	3,791,915	1,900	3,793,815
	31 January 2025			31 January 2024		
	Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total
Total segment assets	17,723,888	1,859,893	19,583,781	17,317,205	2,434,078	19,751,283
Total segment liabilities	7,877,640	1,286,153	9,163,793	8,844,609	1,430,161	10,274,770

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 entities.

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4 Cash and cash equivalents

As of 31 January 2025 and 31 January 2024 cash and cash equivalents comprises the following:

	31 January 2025	31 January 2024
Cash on hand	15,485	8,745
Cash at banks	4,928,010	5,287,574
Demand deposits	295,840	497,100
Time deposits	4,632,170	4,790,474
Other cash and cash equivalents	1,304,336	1,571,823
Cash and cash equivalents in the statement of cash flow	6,247,831	6,868,142
Time deposit interest accrual	83,252	30,644
	6,331,083	6,898,786

As at 31 January 2025 and 31 January 2024, other cash and cash equivalents consist of credit card receivables with maturities less than 3 months.

As at 31 January 2025 and 31 January 2024, the details of time deposits based on maturity dates and interest rates of the Groups are as below:

	Maturity	Interest rate	31 January 2025
TL	3 February-10 March 2025	45,50%-49,75%	4,632,170
			4,632,170
	Maturity	Interest rate	31 January 2024
TL	1 February-4 March 2024	35%-44%	4,502,341
USD	1 February 2024	0.75%	288,133
			4,790,474

As of 31 January 2025 and 31 January 2024, there is no restriction or blockage on cash and cash equivalents. The Group's exposure to foreign currency credit risk, interest rate risk and related sensitivity analyses are disclosed in Note 35.

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5 Financial borrowings

As at 31 January 2025 and 31 January 2024, financial borrowings comprise the following:

	31 January 2025	31 January 2024
Current liabilities		
Unsecured bank loans	171,899	148,157
Current portion of unsecured bank loans	208,671	104,937
Issued debt instruments	536,423	1,031,000
Lease liabilities	738,592	709,265
	1,655,585	1,993,359
Non-current liabilities		
Unsecured bank loans	1,623	11,564
Long term issued debt instruments	--	488,291
Lease liabilities	720,911	820,400
	722,534	1,320,255

As of 31 January 2025 and 31 January 2024, the Group's total bank borrowings and lease payables are as follows:

	31 January 2025	31 January 2024
Bank loans	382,193	264,658
Issued debt instruments	536,423	1,519,291
Lease liabilities	1,459,503	1,529,665
	2,378,119	3,313,614

As of 31 January 2025 and 31 January 2024 the repayments of bank loan agreements according to the original maturities comprised the following:

	31 January 2025	31 January 2024
Less than one year	916,993	1,284,094
One to two years	1,623	497,751
Two to three years	--	2,104
	918,616	1,783,949

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5 Financial borrowings (continued)

As of 31 January 2025 and 31 January 2024 maturities and conditions of outstanding bank loans comprised the following:

	31 January 2025				Carrying amount
	Currency	Nominal interest rate%	Maturity	Face value	
Unsecured bank loans	RUB	25.50%-26.00%	2025-2026	204,491	208.671
Unsecured bank loans	CAD	5.70-7.30%	2025-2026	173,522	173.522
Issued debt instruments	TL	47.00%	2025	500,000	536.423
				878,024	918.616

	31 January 2024				Carrying amount
	Currency	Nominal interest rate%	Maturity	Face value	
Unsecured bank loans	RUB	21.00%	2024	101,964	104,937
Unsecured bank loans	CAD	7.30-7.45%	2024-2026	159,721	159,721
Issued debt instruments	TL	45.00 %-47.00%	2024-2025	1,421,180	1,519,291
				1,682,865	1,783,949

The Group's exposure to liquidity, foreign currency and interest rate risk as well as related sensitivity analyses for financial liabilities are disclosed in Note 35.

The movement of borrowings for the year ended 31 January 2025 and 31 January 2024 is as follows:

	31 January 2025	31 January 2024
1 February balance	1,783,949	3,609,296
Proceeds from borrowings	675,018	1,931,253
Repayment of borrowings	(1,006,972)	(2,473,197)
Interest accrual	(30,527)	7,458
Currency translation differences	25,837	129,086
Inflation differences	(528,689)	(1,419,947)
31 January balance	918,616	1,783,949

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5 Financial borrowings (continued)

The movement of lease liabilities for the year ended 31 January 2025 and 31 January 2024 is as follows:

	31 January 2025	31 January 2024
1 February balance	1,529,665	1,499,608
Payments of lease liabilities	(1,175,041)	(1,028,006)
Lease modifications	1,083,792	1,129,318
Interest on lease liabilities	400,566	267,958
New lease contracts	288,703	485,396
Currency translation differences	(54,491)	(74,372)
Change in exchange rates	5,161	10,916
Inflation differences	(614,094)	(757,637)
Terminations	(4,758)	(3,516)
31 January balance	1,459,503	1,529,665

	31 January 2025	31 January 2024
Short-term portion of long-term liabilities		
Lease liabilities	941,020	889,201
Deferred lease borrowing cost (-)	(202,428)	(179,936)
	738,592	709,265
Long-term lease liabilities		
Leases liabilities	1,103,432	1,390,524
Deferred lease borrowing costs (-)	(382,521)	(570,124)
	720,911	820,400
Total contractual lease liabilities	1,459,503	1,529,665

6 Related party disclosures

Related parties in consolidated 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 January 2025, 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.

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6 Related party disclosures (continued)

(a) Related party balances

As of 31 January 2025, there are no short-term trade receivables from related parties (31 January 2024: None).

The balance of advances given to related parties for the periods ended 31 January 2025 and 31 January 2024 is as follows:

	31 January 2025	31 January 2024
Advances given to related parties		
Erak Giyim Sanayi Ticaret A.Ş. ("Erak") ⁽¹⁾	130,995	169,639
	130,995	169,639

⁽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 January 2025 and 31 January 2024 is as follows.

	31 January 2025	31 January 2024
Trade payables to related parties		
Erak ⁽¹⁾	554,918	480,741
Akay Lelmalabis Elgazhizah LLC ("Akay") ⁽²⁾	177,774	66,496
	732,692	547,237

⁽¹⁾ Amounts due to Erak, a company controlled by immediate family members of the shareholder of the parent company, are for purchases of inventory. Amounts are non-interest bearing and have 90 days repayment date.

⁽²⁾ Amount comprise of inventory purchases to subsidiary Akay situated in Egypt. Amounts are non-interest bearing and have 90 days repayment date.

As at 31 January 2025 and 31 January 2024, other short-term payables to related parties comprised the following:

	31 January 2025	31 January 2024
Other payables to related parties		
Eflatun Giyim shareholders	891	58
	891	58

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6 Related party disclosures (continued)

(a) Related party balances (continued)

As at 31 January 2025 and 31 January 2024, lease liabilities to related parties comprised the following:

	31 January 2025	31 January 2024
Short-term lease liabilities to related parties		
Sylvia House Inc.	3,738	379
	3,738	379
	31 January 2025	31 January 2024
Long-term lease liabilities to related parties		
Sylvia House Inc.	7,643	--
	7,643	--

(b) Related party transactions

For the years ended 31 January 2025 and 2024, purchases from related parties of the Group comprised the following:

	1 February 2024–31 January 2025	1 February 2023–31 January 2024
Product purchase from related parties		
Erak	5,213,240	4,933,929
Akay	545,552	962,457
	5,758,792	5,896,386

Purchases from related parties comprise approximately one third of total purchases.

As of 31 January 2025 and 31 January 2024, the services from related parties of the Group comprised the following:

	1 February 2024–31 January 2025	1 February 2023–31 January 2024
Services from related parties		
Erak ⁽¹⁾	16,369	15,086
Mavi Jeans Holding Inc. ⁽²⁾	--	1,035
Sylvia House Inc. ⁽³⁾	6,025	6,580
	22,394	22,701

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

⁽²⁾ Mavi Canada rented its Office and warehouse from Mavi Jeans Holding Inc.

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

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6 Related party disclosures (continued)

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

For the year ended 31 January 2025, short-term (salaries and wages, attendance fee, bonus, holiday overtime, severance payment, premium, and other benefits) and long-term benefits provided to senior management and board of directors amounted to TL 1,066,227 (31 January 2024: TL 767,906).

7 Trade receivables and payables

Short-term trade receivables

As at 31 January 2025 and 31 January 2024, short-term trade receivables are as follows:

	31 January 2025	31 January 2024
Trade receivables from third parties	2,054,338	1,864,884
	2,054,338	1,864,884

As at 31 January 2025 and 31 January 2024, trade receivables from third parties are as follows:

	31 January 2025	31 January 2024
Receivables	1,756,381	1,589,291
Post-dated cheques	83,140	19,489
Endorsed cheques	64,706	62,116
Notes receivables	244,103	310,134
Expected credit losses (-)	(2,516)	(3,402)
Allowance for doubtful receivables (-)	(91,476)	(112,744)
	2,054,338	1,864,884

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

Details related to Group's exposure to credit and foreign currency risk and impairment losses for short-term trade receivables is disclosed in Note 35.

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7 Trade receivables and payables (continued)

Short-term trade payables

As at 31 January 2025 and 31 January 2024, short-term trade payables of the Group are as follows:

	31 January 2025	31 January 2024
Trade payables to third parties	4,089,215	4,282,181
Trade payables to related parties (Note 6)	732,692	547,237
	4,821,907	4,829,418

Trade payables mainly include outstanding amounts arising from trade purchases and ongoing expenditures. Currency and liquidity risk related to the Group's short-term trade payables are explained in Note 35. As of 31 January 2025 and 31 January 2024, the Group's short-term trade payables to third parties are as follows:

	31 January 2025	31 January 2024
Trade payables ⁽¹⁾	3,970,953	4,142,679
Expense accruals	118,262	139,502
	4,089,215	4,282,181

⁽¹⁾The Company has TL 217,270 import factoring payables as of 31 January 2025 (31 January 2024: nil). Trade payables consists TL 1,009,527 consists of supplier financing payables (31 January 2024: TL 1,310,132). The Company carries out import factoring for its goods purchases from abroad. Within the scope of import factoring, foreign suppliers transfer their receivables from the Company to the financial institutions they work with, with the Company's confirmation of assignment. Within the scope of supplier financing, domestic suppliers transfer their receivables from the Company to the financial institutions with which the Company works with confirmation of assignment.

8 Other receivables and payables

Other short-term trade receivables

As at 31 January 2025 and 31 January 2024, short-term other receivables of the Group are as follows:

	31 January 2025	31 January 2024
Other receivables from third parties	46,411	17,692
	46,411	17,692

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8 Other receivables and payables (continued)

Other short-term trade receivables (continued)

As at 31 January 2025 and 31 January 2024, short-term other receivables from third parties of the Group are as follows:

	31 January 2025	31 January 2024
Receivables from public institutions ⁽¹⁾	17,112	7,265
Other short-term receivables	29,299	10,427
	46,411	17,692

⁽¹⁾ Receivables from public institutions consist value added tax receivables amounting to TL 17,112 (31 January 2024: TL 7,265).

The Group's exposure to credit and foreign currency risk for short-term other receivables are disclosed in Note 35.

Long-term other receivables

As at 31 January 2025 and 2024, long-term other receivables of the Group are as follows:

	31 January 2025	31 January 2024
Other receivables from third parties	18,399	19,456
	18,399	19,456

The Group's exposure to credit and foreign currency risk for long-term other receivables are disclosed in Note 35.

Short term other payables

As at 31 January 2025 and 31 January 2024, short-term other payables of the Group are as follows:

	31 January 2025	31 January 2024
Other payables to third parties	234,486	209,255
Other payables to related parties (Note 6)	891	58
	235,377	209,313

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8 Other receivables and payables (continued)

Short term other payables (continued)

As at 31 January 2025 and 31 January 2024, other payables to third parties of the Group are as follows:

	31 January 2025	31 January 2024
Taxes and duties payable	185,497	168,740
Other payables	48,989	40,515
	234,486	209,255

The Group's exposure to foreign currency and liquidity risk for other short-term payables is disclosed in Note 35.

9 Inventories

As at 31 January 2025 and 2024, inventories are as follows:

	31 January 2025	31 January 2024
Trade goods	4,942,998	5,007,381
Consignment trade goods	324,423	281,472
Goods in transit	28,347	51,733
Provision for impairment on inventory (-)	(183,429)	(211,058)
	5,112,339	5,129,528

As at 31 January 2025 there is no restriction/ pledge on inventories (31 January 2024: none),

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9 Inventories (continued)

As at 31 January 2025 and 31 January 2024, movement of the provision for inventory impairment is as follows:

	31 January 2025	31 January 2024
Opening balance	211,058	261,200
Provision for the year	161,735	254,982
Foreign currency translation effect	(15,846)	(29,040)
Write-off	(173,518)	(276,084)
Closing balance	183,429	211,058

As of the year ending on 31 January 2025, inventories of TL 161,735 (31 January 2024: TL 254,982) 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 year and included in "cost of sales". In addition, for the year ended on 31 January 2025, inventories of TL 175,518 (31 January 2024; TL 276,084) were disposed and written off.

10 Prepaid expenses and deferred incomes

Short and long-term prepaid expenses

As at 31 January 2025 and 31 January 2024, the remaining balance of prepaid expenses under current and non-current assets is as follows:

	31 January 2025	31 January 2024
Advances given	324,496	193,296
Prepaid sales marketing and advertising expenses	28,547	35,360
Prepaid license expenses	23,909	13,861
Prepaid general administrative expenses	13,862	13,105
Prepaid insurance expenses	8,920	10,194
Prepaid rent expenses	5,204	6,445
Prepaid stamp tax and duties expenses	4,663	2,363
Other prepaid expenses	62,536	35,705
Total prepaid expenses	472,137	310,329

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10 Prepaid expenses and deferred incomes (continued)

Deferred income

As at 31 January 2025 and 31 January 2024, deferred income of the Group are as follows:

	31 January 2025	31 January 2024
Liabilities arising from customer contracts	201.598	193.717
Customer loyalty programme ⁽¹⁾	157,819	143,082
Corporate sales ⁽²⁾	43,779	50,635
Liabilities not arising from customer contracts	15.440	48.255
Salary protocol	13,559	48,175
Rental support income	1,881	80
Total deferred income	217,038	241,972
Short-term deferred income	217,038	222,624
Long-term deferred income	--	19,348

⁽¹⁾ The deferred income related to loyalty credits granted has been estimated with reference to the past usage rates.

⁽²⁾ Corporate sales consist of prepaid cards which are given to corporate firms.

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11 Property, plant and equipment

The movement of property, plant and equipment for the year ended 31 January 2025 and 31 January 2024 is as follows:

	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost					
1 February 2024 opening balance	1,556	3,840,151	2,857,533	41,634	6,740,874
Additions	13,729	443,252	341,080	303,876	1,101,937
Disposals	(1,459)	(31,872)	(103,357)	(1,442)	(138,130)
Foreign currency translation effect	--	(69,547)	(34,349)	(4,773)	(108,669)
Transfers ⁽¹⁾	--	60,610	62,563	(123,213)	(40)
31 January 2025 closing balance	13,826	4,242,594	3,123,470	216,082	7,595,972
Accumulated Depreciation					
1 February 2024 opening balance	1,556	2,792,356	2,223,209	--	5,017,121
Foreign currency translation effect	--	(61,518)	(20,577)	--	(82,095)
Depreciation for the year	1,203	298,807	234,437	--	534,447
Disposals	(1,459)	(28,296)	(95,853)	--	(125,608)
31 January 2025 closing balance	1,300	3,001,349	2,341,216	--	5,343,865
Net book value	12.526	1.241.245	782.254	216.082	2.252.107

⁽¹⁾ Transfers of TL 40 as of 31 January 2025 are related to transfers to intangible assets. There is no transfers to intangible assets as of 31 January 2024.

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11 Property, plant and equipment (continued)

The movement of property and equipment for the year ended 31 January 2025 and 2024 is as follows:

	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Cost					
1 February 2023 opening balance	1,556	3,584,297	2,634,916	13,957	6,234,726
Additions	--	363,298	225,808	129,181	718,287
Disposals	--	(107,339)	(48,380)	--	(155,719)
Foreign currency translation effect	--	(50,007)	(6,413)	--	(56,420)
Transfers(1)	--	49,902	51,602	(101,504)	--
31 January 2024 closing balance	1,556	3,840,151	2,857,533	41,634	6,740,874
Accumulated Depreciation					
1 February 2023 opening balance	1,556	2,680,442	2,058,532	--	4,740,530
Foreign currency translation effect	--	(37,374)	(4,390)	--	(41,764)
Depreciation for the year	--	248,424	206,896	--	455,320
Disposals	--	(99,136)	(37,829)	--	(136,965)
31 January 2024 closing balance	1,556	2,792,356	2,223,209	--	5,017,121
Net book value	--	1,047,795	634.324	41.634	1,723.753

For the year ended 31 January 2025, TL 116,486 (31 January 2024: TL 58,810) of depreciation expenses are included under administrative expenses, TL 304,095 (31 January 2024: TL 365,455) under selling, marketing and distribution expenses and TL 113,866 (31 January 2024: TL 31,055)

As of 31 January 2025, there is no pledge on property, plant and equipment (31 January 2024: nil).

As at 31 January 2025 the amount of insurance on property, plant and equipment is TL 3,070,120 (31 January 2024: TL 2,823,159).

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12 Intangible assets

The movement of intangible assets as of 31 January 2025 and 31 January 2024 are as follows:

	Licenses	Customer relationships	Brand	Development Costs ⁽¹⁾	Total
Cost					
1 February 2024 balance	1,209,595	448,089	9,224	389,056	2,055,964
Additions	53,685	--	--	274,123	327,808
Transfer from property, plant and equipment	40	--	--	--	40
Foreign currency translation effect	(43,577)	(74,786)	--	--	(118,363)
Disposals	(159)	--	--	--	(159)
31 January 2025 balance	1,219,584	373,303	9,224	663,179	2,265,290
Amortisation					
1 February 2024 balance	918,307	361,337	5,494	307,202	1,592,340
Foreign currency translation effect	(18,858)	(69,793)	--	--	(88,651)
Current year amortization	103,443	43,858	367	118,767	266,435
Disposals	(17)	--	--	--	(17)
31 January 2025 balance	1,002,875	335,402	5,861	425,969	1,770,107
Net book value	216,709	37,901	3,363	237,210	495,183

⁽¹⁾ Consists of capitalized design and development expenses in accordance with the incentive programme.

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12 Intangible assets (continued)

	Licenses	Customer relationships	Brand	Development Costs ⁽¹⁾	Total
Cost					
1 February 2023 balance	1,129,846	470,858	9,224	347,859	1,957,787
Additions	87,283	--	--	41,197	128,480
Foreign currency translation effect	(6,033)	(22,769)	--	--	(28,802)
Disposals	(1,501)	--	--	--	(1,501)
31 January 2024 balance	1,209,595	448,089	9,224	389,056	2,055,964
Amortisation					
1 February 2023 balance	811,152	322,931	5,002	236,631	1,375,716
Foreign currency translation effect	(8,456)	(12,640)	--	--	(21,096)
Current year amortization	117,095	51,046	492	70,571	239,204
Disposals	(1,484)	--	--	--	(1,484)
31 January 2024 balance	918,307	361,337	5,494	307,202	1,592,340
Net book value	291,288	86,752	3,730	81,854	463,624

For the year ended 31 January 2025, TL 58,071 (31 January 2024: TL 30,895) of amortisation expenses are included under general administrative expenses and TL 151,599 (31 January 2024: TL 191,994) under selling, marketing and distribution expenses, and TL 56,765 (31 January 2024: TL 16,315) under research and development expenses.

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13 Goodwill

The movement of goodwill as at 31 January 2025 and 2024 is as follows:

	31 January 2025	31 January 2024
Cost		
As of 1 February	1,132,865	1,158,549
Foreign currency translation effect	(191,332)	(25,684)
As of 31 January	941,533	1,132,865
Impairment loss		
As of 1 February	(15,890)	(15,890)
Impairment loss	--	--
As of 31 January	(15,890)	(15,890)
Net book value		
As of 31 January	925,643	1,116,975

Impairment test for cash generating units with allocated goodwill

Goodwill is allocated to cash generating units for impairment test purposes. As of 31 January 2025 and 31 January 2024, details of cash generating units related to goodwill are as follows. The carrying amount of goodwill allocated to each cash generating unit are as follows;

	31 January 2025	31 January 2024
Mavi USA	819,436	988,689
Mavi Canada	74,490	96,569
Other	31,717	31,717
	925,643	1,116,975

As of 31 January 2025, the increase in goodwill is related to foreign currency translation differences on goodwill recognized at foreign subsidiaries.

Goodwill is primarily attributable to the synergies expected to be derived from the integration of Mavi America and Mavi Canada into the Group's existing business.

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13 Goodwill (continued)

Impairment testing for CGUs containing goodwill

A valuation of the fair value of CGU of Mavi USA and Mavi Canada as two separate CGU's was performed by the Company management. As of 31 January 2025 and 2024, the income approach (discounted cash flow method) is used to determine the fair value of CGUs of Mavi USA and Mavi Canada.

The Group used 5 years business plans prepared by the Company management for the valuation of CGUs. The growth of business plans of Mavi USA and Mavi Canada is associated with an increase in the number of customers and growth in the market.

As of 31 January 2025, the impairment test performed on CGU based is resulted with no impairment loss to be recorded for Mavi USA and Mavi Canada. The discount rate and the final growth rate, which are two important assumptions used in the impairment test, were taken as 10% above or below the management estimates, and sensitivity analysis is performed and no impairment is detected.

Key assumptions used in discounted cash flow projections

Key assumptions used in the calculation of the recoverable amount of Mavi USA are discount rates, terminal value growth rates and EBITDA margin at terminal value. These assumptions are 12.6%, 2.2%, 12.1% (31 January 2024: 11.2%, 1.8%, 13%) respectively. The values assigned to the key assumptions represent management's assessment of future trends in ground handling industry and are based on both external sources and internal sources.

Key assumptions used in the calculation of the recoverable amount of Mavi Canada are discount rates, terminal value growth rates, and EBITDA margin at terminal value. These assumptions are 9.1%, 2.1%, 7.8% (31 January 2024: 10.3%, 1.6%, 7.3%) respectively. The values assigned to the key assumptions represent management's assessment of future trends in ground handling industry and are based on both external sources and internal sources.

Discount Rate

The discount rate is for Mavi USA estimated based on the company specific weighted cost of capital, Value in use is determined by applying post tax discount rate of 12.6% (31 January 2024:11.2%). The discount rate is for Mavi Canada estimated based on the company specific average weighted cost of capital, Value in use is determined by applying post tax discount rate of 9.1% (31 January 2024:10.3%).

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13 Goodwill (continued)

Growth rate

The discounted cash flow models of Mavi USA and Mavi Canada are based on the cash flows projected for the following five years. A long-term growth rate has been determined as the lower of nominal GDP rates for USA and Canada and long-term compound annual growth rate in EBITDA estimated by management.

Income approach

Discounted cash flow methodology is used under the income approach. In this method, the cash flow available for distribution after funding internal needs of the Company is forecasted for the determined period of years. Beyond such determined period, a terminal value is developed by capitalizing an assumed stabilized cash flow figure. Then, the determined period cash flows and terminal value are discounted to present value.

14 Right-of-use assets

The movement of right-of-use assets for the years ended 31 January 2025 and 31 January 2024 is as follows:

Cost	Buildings	Store	Vehicles	Warehouse	Total
1 February 2024 balance	828,488	7,386,751	252,257	218,738	8,686,234
Additions	174,416	85,857	28,430	--	288,703
Modification	65,296	1,002,014	14,307	2,175	1,083,792
Disposals	(81,393)	(93,774)	(13,711)	(17,299)	(206,177)
Foreign currency translation effect	(54,339)	(79,907)	(5,154)	(37,563)	(176,963)
31 January 2025 balance	932,468	8,300,941	276,129	166,051	9,675,589
Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
1 February 2024 balance	547,548	6,081,758	58,716	73,222	6,761,244
Charge for the year	126,250	1,289,026	76,435	54,624	1,546,335
Disposals	(81,393)	(87,057)	(13,665)	(17,299)	(199,414)
Foreign currency translation effect	(49,751)	(59,675)	(3,781)	(17,543)	(130,750)
31 January 2025 balance	542,654	7,224,052	117,705	93,004	7,977,415
31 January 2025 net book value	389,814	1,076,889	158,424	73,047	1,698,174

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14 Right-of-use assets (continued)

Cost	Buildings	Store	Vehicles	Warehouse	Total
1 February 2023 balance	530,058	6,442,130	146,046	256,168	7,374,402
Additions	273,007	42,525	169,864	--	485,396
Modification	61,062	1,062,029	3,581	2,646	1,129,318
Disposals	(26,036)	(92,687)	(65,406)	(36,362)	(220,491)
Foreign currency translation effect	(9,603)	(67,246)	(1,828)	(3,714)	(82,391)
31 January 2024 balance	828,488	7,386,751	252,257	218,738	8,686,234

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
1 February 2023 balance	438,281	4,880,879	65,283	53,586	5,438,029
Charge for the year	148,486	1,329,022	58,059	57,974	1,593,541
Disposals	(26,036)	(87,333)	(63,437)	(36,362)	(213,168)
Foreign currency translation effect	(13,183)	(40,810)	(1,189)	(1,976)	(57,158)
31 January 2024 balance	547,548	6,081,758	58,716	73,222	6,761,244
31 January 2024 net book value	280,940	1,304,993	193,541	145,516	1,924,990

For the year ended 31 January 2025 TL 103,586 (31 January 2024 : TL 205,822) of amortisation expenses are included under general administrative expenses and TL 1,431,972 (31 January 2024 : TL 1,279,031) under selling, marketing and distribution expenses, and TL 10,777 (31 January 2024 : TL 108,688) under research and development expenses.

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15 Provisions, contingent assets and liabilities

Short-term provisions

As at 31 January 2025 and 31 January 2024, short-term provisions are as follows:

	31 January 2025	31 January 2024
Short-term provisions for employee benefits	37,599	48,640
Other short-term provisions	257,195	227,455
	294,794	276,095

Short-term provision for employee benefits consists of provision for vacation pay liability.

For the years ended 31 January 2025 and 2024, the movement of provision for vacation liability is as follows:

	31 January 2025	31 January 2024
1 February balance	48,640	44,115
Current period provision	9,032	33,791
Foreign currency translation differences	1,190	6,296
Payments	(6,255)	(9,238)
Inflation effect	(15,008)	(26,324)
31 January balance	37,599	48,640

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 recognised for the amount expected to be paid under short-term 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.

In accordance with the existing labour law in Group, 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.

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15 Provisions, contingent assets and liabilities (continued)

Short-term provisions (continued)

Short-term employee benefits (continued)

For the years ended 31 January 2025 and 31 January 2024, the movement of other short-term provisions is as follows:

	31 January 2025	31 January 2024
Sales return provision	212,156	189,075
Legal provision ⁽¹⁾	20,893	16,679
Other provisions	24,146	21,701
	257,195	227,455

⁽¹⁾Legal provisions mainly comprise of labor lawsuits.

For the years ended 31 January 2025 and 31 January 2024, the movement of short-term provisions is as follows:

	Legal provision ⁽¹⁾	Return provisions	Other provision	Total
1 February 2023 balance	13,474	214,719	19,018	247,211
Current year provision	13,308	45,317	11,574	70,199
Foreign currency translation differences	--	30,469	9,030	39,499
Provisions used during year	(1,567)	--	--	(1,567)
Provisions reversed	(782)	--	(7,509)	(8,291)
Inflation effect	(7,754)	(101,430)	(10,412)	(119,596)
31 January 2024 balance	16,679	189,075	21,701	227,455
1 February 2024 balance	16,679	189,075	21,701	227,455
Current year provision	14,464	92,026	10,548	117,038
Foreign currency translation differences	--	5,400	2,937	8,337
Provisions used during year	(2,982)	--	--	(2,982)
Provisions reversed	(714)	(4,393)	(3,047)	(8,154)
Inflation effect	(6,554)	(69,952)	(7,993)	(84,499)
31 January 2025 balance	20,893	212,156	24,146	257,195

⁽¹⁾Litigation provisions mainly consist of workers' lawsuits.

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15 Provisions, contingent assets and liabilities (continued)

Long-term provisions

As of 31 January 2025 and 31 January 2024, the movement of long-term provisions is as follows:

	31 January 2025	31 January 2024
Long-term provisions for employee benefits	151,256	144,192
	151,256	144,192

Long-term employee benefits consist of severance pay liabilities. The details of severance pay liability are disclosed in Note 17.

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16 Commitments

(a) Guarantees, pledges and mortgages

As of 31 January 2025 and 2024, the Group's guarantee / pledge / mortgage ("GPM") position statement is as follows:

	31 January 2025				
	TL Equivalent	TL	EUR	RUB	USD
A. On behalf of its own legal personality of the total amount of GPMs	353,612	288,021	1,079	13,098	580
Guarantee	353,612	288,021	1,079	13,098	580
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries	11,090	--	53	--	255
Guarantee	11,090	--	53	--	255
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	364,702	288,021	1,132	13,098	835

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16 Commitments (continued)

(a) Guarantees, 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	298,515	210,654	1,190	13,531	601
Guarantee	298,515	210,654	1,190	13,531	601
Pledge	--	--	--	--	--
Mortgage	--	--	--	--	--
B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries	5,723	--	53	--	75
Guarantee	5,723	--	53	--	75
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	304,238	210,654	1,243	13,531	676

As of 31 January 2025, 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 8,512,801 as of 31 January 2025 (31 January 2024: TL 9,851,237).

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16 Commitments (continued)

(b) Guarantees received

As of 31 January 2025, Group has received letter of guarantees for the amount of TL 700,128 as in the form of security (31 January 2024: TL 565,792).

17 Employee benefits

Provision for employment termination benefits

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men). Due to changes in legislation as of 8 September 1999, there are certain transitional obligations related to the retirement age.

Severance payments are calculated on the basis of 30 days' pay, limited to a maximum of TL 46,655 at 31 January 2025 (31 January 2024: TL 35,059) per year of employment at the rate of pay applicable at the date of retirement or termination. Reserve for retirement pay is computed and reflected in the accompanying financial statements on a current basis. This provision is calculated by expecting the present value of the future liability which will be paid for the retired personnel. The calculation was based upon the retirement pay ceiling announced by the Government.

The liability is calculated by estimating the present value of the future probable obligation of the Company arising from retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans.

As basic assumption, maximum liability is correspondingly increased with inflation for every year. Therefore, discounted rate refers to estimated real interest rate after correction of the effects of future inflation. To conclude, as at 31 January 2025 and 2024, liabilities in integral part of consolidated financial statements, are calculated by the way of estimating the fair value of the liability caused by possible retirement of employees. Accordingly, the liability is calculated using the following actuarial assumptions.

	31 January 2025	31 January 2024
Discount rate (%)	3.28	3.12
Estimated inflation (%)	22.00	23.20

All actuarial gain and losses are recognized in other comprehensive income.

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17 Employee benefits (continued)

Provision for employment termination benefits (continued)

For the years ended 31 January 2025 and 31 January 2024 the movement of provision for severance pay liability is as follows:

	1 February 2024 – 31 January 2025	1 February 2023 – 31 January 2024
As of 1 February	144,192	143,204
Interest cost	30,120	21,018
Service cost	75,614	98,790
Paid benefits	(75,974)	(78,701)
Effect of movements in exchange rates	433	1,613
Actuarial difference	24,121	41,773
Inflation effect	(47,250)	(83,505)
As of the end of the period	151,256	144,192

18 Payables related to employee benefits

As at 31 January 2025 and 31 January 2024 payable to employees are as follows:

	31 January 2025	31 January 2024
Payables to personnel ⁽¹⁾	619,916	643,894
Social security premiums payable	103,846	92,196
	723,762	736,090

⁽¹⁾ Payables to personnel consist of the salary and wages to be paid in the following month.

19 Other asset and liabilities

Other current assets

As at 31 January 2025 and 31 January 2024, other current assets are as follows:

	31 January 2025	31 January 2024
Transferred and deducted value added tax ("VAT")	2,207	30,258
	2,207	30,258

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19 Other asset and liabilities (continued)

Other current liabilities

As at 31 January 2025 and 31 January 2024, other current liabilities are as follows:

	31 January 2025	31 January 2024
Advances received	99,577	91,714
VAT payable	18,803	19,791
	118,380	111,505

20 Capital, reserves and other capital reserves

Paid-in capital

As at 31 January 2025 and 31 January 2024, paid capital is as follows:

	%	31 January 2025	%	31 January 2024
Akarlılar Ailesi	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
Face Value capital	100	397,256	100	198,628
Inflation Effect		1,155,755		1,092,608
Restated Capital		1,553,011		1,291,236

With the Board of Directors' Resolutions dated 14 January 2025 and 20 January 2025, the company's paid-in capital is being increased from TL 397,256 to TL 794,512 by utilizing the amounts in the "Retained Earnings" account. The application process is ongoing with the Capital Markets Board. The company shares are classified into Class A and Class B shares.

The Company comprises of A and B group shares.

-As long as Blue International Holding B.V., its shareholders and/or affiliates and subsidiaries hold at least 20% of the capital or voting rights of the Company (aggregate Class A and Class B shares), half of the members of the Company's Board of Directors shall be elected from among the persons to be nominated by Class A shareholders. The Board of Directors members to be elected from among the nominees of the Class A shareholders shall be members other than the independent members stipulated under the Corporate Governance Principles of the Capital Markets Board.

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20 Capital, reserves and other capital reserves (continued)

Paid-in capital (continued)

-Provided that the quorums stipulated under the Capital Markets Law and the Turkish Commercial Code are reserved, in order for the Company's General Assembly to pass a resolution on the matters listed below and on amendments to these Articles of Association on any of such matters ("Matters Requiring Increased General Assembly Resolution Quorum"), the affirmative votes of all of the Class A Shareholders shall also be required:

- Changing the Company's field of operation, entering into new lines of business or abandoning existing lines of business.
- Capital increases of the Company other than those to be effected within the registered capital system, liquidation or dissolution of the Company, any capital decrease, change of legal form of the Company.
- Filings for bankruptcy, concordat, financial restructuring, adjournment of bankruptcy.
- Transfer of all or a substantial part of the Company's commercial enterprise.
- Changes to the privilege of Class A Shareholders to nominate Board Members, or to the structure of the Board of Directors.
- Changes to the meeting and resolution quorums of the Board of Directors and committees of the Company.
- Approval of the annual activity report, the profit and loss statement and the balance sheet, and release of the Board members from liability.

If, following the public offering, Blue International Holding B.V., its shareholders and/or affiliates and subsidiaries do not hold at least 20% of the capital or voting rights of the Company (aggregate Class A and Class B shares), the increased quorum stated above for the Matters Requiring Increased General Assembly Resolution Quorum shall automatically cease to be effective, without the possibility of being rejuvenated at a later date. The Company has adopted the registered capital system under the provisions of the Capital Markets Law, and has initiated the registered capital system based on the permission of the Capital Markets Board dated 3 March 2017 No,9/332. The upper limit of the Company's registered capital is TL 4,000,000 which is divided into 4,000,000 registered shares, each with a nominal value of TL 1 (one Turkish lira). It was registered on 22 May 2024, regarding the increase in the registered capital ceiling from TL 500,000 to TL 4,000,000 which was approved at the Ordinary General Assembly Meeting held on 25 April 2024.

Remeasurement loss on defined benefit plans

Amounts include actuarial gains and losses recognized in other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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20 Capital, reserves and other capital reserves (continued)

Legal reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code, the first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital but may be used to absorb losses in the event that the general reserve is exhausted. As of 31 January 2025, the Company's legal reserves are amounting to TL 435,823 (31 January 2024: TL 247,963).

Dividend distribution

At the Ordinary General Assembly meeting held at 25 April 2024, dividend distribution of TL 844,945 (Dividend payment expressed in terms of the purchasing power of TL at 31 January 2025 TL is 1,044,094) from 2023 and previous years' distributable net income was approved unanimously, Entire dividend payment has been completed as of reporting date.

Financial hedging reserve

The hedging reserve consists of the effective part of the accumulated net change in its fair value from cash flow hedging to the subsequent recognition of instruments for hedging purposes.

Additional Information Regarding Capital, Reserves, and Other Equity Items

In accordance with the Capital Markets Board (CMB) regulations, the "Capital Adjustment Differences", "Legal Reserves", and "Other Reserves" which are classified as statutory reserves, special reserves, etc., in the financial statements prepared under the CMB framework, have been presented starting from the 2024 reporting period onwards in TFRS (Turkish Financial Reporting Standards) balance sheets based on the CPI (Consumer Price Index) and in VUK (Turkish Tax Procedure Law) financial statements based on the PPI (Producer Price Index).

31 January 2025	PPI indexed legal adjustments	CPI indexed adjustments	Amounts followed in retained earnings
Share capital adjustment differences	1,349,701	1,155,755	193,946
Other reserves	369,227	264,024	105,203
	1,718,928	1,419,779	299,149

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21 Revenue

For the years ended 31 January 2025 and 2024, revenue comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Goods and service revenue		
-Retail	26,241,913	25,182,874
-Wholesale	8,348,952	8,321,320
-E-commerce	3,928,242	3,863,307
	38,519,107	37,367,501

The Group derives its revenue from the transfer of goods and services over time and at a point in time, this is consistent with the revenue information that is disclosed for each reportable segment under TFRS 8 (Note 3).

22 Cost of sales

For the years ending 31 January 2025 and 31 January 2024, cost of sales comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Cost of trade goods sold	19,148,213	19,356,032
	19,148,213	19,356,032

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23 Administrative expenses, selling, marketing and distribution expenses

For the years ending 31 January 2025 and 31 January 2024, administrative expenses comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Personnel expenses	1,623,595	1,573,329
Depreciation and amortization expenses (Note 11, 12,14)	278,143	295,527
Consultancy expenses	223,360	201,580
Office materials expenses	140,239	100,836
General office expenses	57,553	51,344
Travel expenses	26,763	29,057
Rent expenses ⁽¹⁾	10,605	14,620
Other	216,694	196,127
	2,576,952	2,462,420

For the years ended 31 January 2025 and 31 January 2024, selling, marketing and distribution expenses comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Personnel expenses	4,353,656	3,672,065
Depreciation and amortization expenses (Note 11, 12,14)	1,887,666	1,836,480
Rent expenses ⁽¹⁾	1,857,264	1,819,318
Outsourced logistics expenses	724,584	586,701
Freight-out expenses	707,282	718,381
Advertising expenses	551,649	455,353
Consultancy expenses	266,320	163,454
Shopping bag expenses	98,233	95,608
Travel expenses	89,635	69,861
Other	1,092,283	1,104,266
	11,628,572	10,521,487

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

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24 Research and development expenses

For the years ended 31 January 2025 and 2024, research and development expenses comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Personnel expenses	284,281	237,449
Depreciation and amortization expenses (Note 11, 12, 14)	181,408	156,058
Travel expenses	11,163	9,196
Other	23,262	14,510
	500,114	417,213

25 Other operating income and expense

For the years ended 31 January 2025 and 31 January 2024, the other operating income comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Deferred payment income	88,260	80,335
Rediscount interest income on trade payables, net	66,513	215,484
Foreign exchange gain on trade receivables and payables, net	22,976	52,859
Salary protocol income	22,675	36,112
Investment support income	1,784	39,007
Reversal of expected credit loss	622	6,748
Other	34,983	100,584
	237,813	531,129

For the years ended 31 January 2025 and 31 January 2024, other expenses comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Foreign exchange gain and loss, net	48,518	128,571
Expected credit losses	294	34
Other	13,899	31,028
	62,711	159,633

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26 Gains and losses from investment activities

As of 31 January 2025, and 31 January 2024, gains from investment activities comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Fx protected deposit income	8,753	46,187
Gains on sale of fixed assets	3,384	679
	12,137	46,866

As of 31 January 2025, and 31 January 2024, losses from investment activities comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Losses on sale of fixed assets	4,850	3,442
	4,850	3,442

27 Expenses by nature

For the years ended 31 January 2025 and 31 January 2024, expenses by nature are as follows:

Depreciation and amortization expenses

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Selling, marketing expenses (Note 23)	1,887,666	1,836,480
Administrative expenses (Note 23)	278,143	295,527
Research and development expenses (Note 24)	181,408	156,058
	2,347,217	2,288,065

Expenses related to personnel

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Selling, marketing and distribution expenses (Note 23)	4,353,656	3,672,065
Administrative expense (Note 23)	1,623,595	1,573,329
Research and development expenses (Note 24)	284,281	237,449
	6,261,532	5,482,843

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27 Expenses by nature (continued)

Expenses related to personnel (continued)

As of 31 January 2025, and 31 January 2024, the details of expenses related to personnel are as follows:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Wages and salaries	3,152,911	2,661,114
Bonus expense	1,354,570	1,284,180
Social security premiums	656,509	539,038
Meal expenses	542,495	430,018
Employment termination benefit expenses	152,698	201,515
Overtime expenses	134,449	108,922
Personnel travel expenses	52,725	53,115
Other	215,175	204,941
	6,261,532	5,482,843

Fees for services received from independent auditor / independent audit firm

The Group's explanation regarding the fees for the services received from the independent auditor, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board decision published at official gazette on 30 March 2021, are as follows :

	2024	2023
Independent audit fee for the reporting period	4,586	2,914
Other assurance services fee	83	28
Other service fees other than independent audit service	90	--
	4,759	2,942

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28 Finance income

For the years ended 31 January 2025 and 31 January 2024, finance income comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Interest income on time deposits	1,819,605	1,246,719
Foreign exchange gain	22,112	234,755
	1,841,717	1,481,474

29 Finance expenses

For the years ending 31 January 2025 and 31 January 2024, finance costs comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Discount interest on purchases of goods	1,495,608	913,201
Credit card commission expenses	620,946	388,590
Interest in expense on financial liabilities	507,664	847,677
Interest expenses on lease liabilities	400,566	267,958
Import financing expenses	15,746	80,754
Foreign exchange loss	2,422	7,177
Other	12,161	14,881
	3,055,113	2,520,238

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30 Explanations regarding net monetary position gains/(losses)

As of 31 January 2025, net monetary position gains in accordance with TAS 29 comprised the following:

Balance Sheet Statement Items	1 February 2024 – 31 January 2025
Inventories	(83,535)
Prepaid expenses	(4,935)
Property, plant and equipment & Intangible assets	120,521
Right-of-use assets	(87,021)
Investments	47,310
Deferred tax asset	(9,905)
Paid-in share capital	(83,657)
Defined benefit plans remeasurement losses	15,345
Restricted reserves appropriated from profit	(8,327)
Retained earnings	(1,246,385)
	1 February 2024 – 31 January 2025
Profit or Loss Statement Items	1 February 2024 – 31 January 2025
Revenue	(5,404,655)
Cost of sales (-)	4,010,245
General administrative expenses (-)	373,861
Selling, marketing and distribution expenses (-)	2,025,813
Research and development expenses (-)	135,623
Other operating income	(61,035)
Other operating expenses (-)	23,695
Gains from investment activities	(2,977)
Losses from investment activities (-)	500
Finance income	(300,891)
Finance expenses (-)	449,660
Deferred tax income / (expense)	126,376
Monetary gain / (loss)	35,626

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31 Income taxes

Corporate tax

The Group is subject to Turkish corporate taxes, Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods, Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return, Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In Türkiye, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2024 is 25% (31 January 2024: 25%).

Tax rate used in the calculation of deferred tax assets and liabilities was %25 over temporary timing differences expected to be reversed in 2024 (31 January 2024: 25%).

As of 31 January 2025, and 31 January 2024 tax rates used in deferred tax calculation according to the tax laws of the countries except Türkiye is as follows:

Country	31 January 2025	31 January 2024
Russia	%25	%20
Germany	%28.60	%28.90
America	%21	%21
Canada	%26.88	%26.88

Provision is made in the accompanying consolidated financial statements for the estimated charge based on the each of the Group entities' results for the year.

In Türkiye, advance tax returns are filed on a quarterly basis. Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate (Between 1st -25th days of the fourth month following the closing of the period for those with special accounting periods). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

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31 Income taxes (continued)

Corporate tax (continued)

Foreign subsidiaries are subject to tax legislation in the respective countries and necessary provisions for tax expense have been reflected in the financial statements.

Under the Turkish taxation system, 75% of profit gained from sale of property, plant and equipment of subsidiaries owned at least 2 years can be recognized as exempt income on condition that would be added to equity in following five years. The remaining 50% is subject to corporate tax.

The tax legislation in Türkiye does not allow the parent company and its subsidiaries to issue a consolidated tax declaration, for this reason, the tax provisions reflected in the consolidated financial statements are separately calculated for each company subject to consolidation.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based and may issue re-assessments based on their findings.

USA

The United States imposes a tax on the profits of US resident corporation at a rate of 21%. Taxable corporate profits are equal to a corporation's receipts less allowable deductions including the cost of goods sold, wages and other employee compensation expenses, interest, nonfederal taxes, depreciation, and advertising, US-based corporations owned by foreign multinational companies generally face the same US corporate tax rules on their profits from US business activities, as do US-owned corporations. In addition to the federal taxes, US income can be taxed at the state and local government levels as well, State tax rates vary from 0% to 13%, and the state income tax paid is deductible for federal income tax purposes. U.S.-based companies owned by foreign multinational corporations are generally subject to the same U.S. corporate tax rules regarding earnings from U.S. business activities as U.S. corporations. In addition to federal taxes, U.S. income can be taxed at the state and local government levels.

State tax rates range from 0% to 13%, and state income tax paid is deductible from federal income tax.

Russia

In Russia, the tax system has a legislative nature that is often changed by the authorities, 25%. Tax authorities and "delay penalties" may be subject to investigation and investigation by competent authorities. A tax year is the primary consolidation that follows up to be examined by tax authorities. The recent events in Russia show that they are more stable in the interpretation and implementation of tax legislation. Financial losses can be carried out for a period of three years to be deducted from the profit of the institution.

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31 Income taxes (continued)

Corporate tax (continued)

Germany

Germany's effective corporate tax rate, including trade tax and solidarity tax is about 28.6%, Germany's overall income tax rate for corporations includes corporate income tax at a rate of 15%, solidarity surcharge at a rate of 0.825% and municipal trade tax which varies between 7% and 17.64%. Losses can be carried forward for offset against future taxable income indefinitely.

However, the offset is limited: losses may be offset against profits up to EUR 1,000 thousand without restriction, but only 60% of income exceeding EUR 1,000 thousand may be offset against loss carry forwards.

Canada

Canada's federal-provincial general corporate income tax rate is 26,88%. Tax losses can be carried forward for 20 years.

Withholding income tax

Except for the dividends paid to non-resident corporations which have a representative office in Türkiye or resident corporations, dividends are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Tax expense/(income)

For the years ended 31 January 2025 and 31 January 2024, tax expense recognized in profit loss comprised the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Tax expense:		
Current year tax expense	(950,611)	(1,219,407)
Revaluation tax expense	--	(4,246)
	(950,611)	(1,223,653)
Deferred tax income:		
Deferred tax income/(expense) on temporary differences	(44,665)	(73,444)
Total tax expense	(995,276)	(1,297,097)

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31 Income taxes (continued)

Tax expense/(income)(continued)

For the years ended 31 January 2025 and 31 January 2024, tax income recognized in other comprehensive income the following:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Tax income/(expense), net:		
Deferred tax income/(expense) on remeasurement of the defined benefit liability, net	6,029	10,443
Deferred tax income/(expense) on cash flow hedge gains, net	978	(9,270)

As of 31 January, the details of the current tax assets/liabilities is as follows:

	1 February 2024– 31 January 2025	1 February 2023– 31 January 2024
Related to prior year's tax (receivables)/payables	253,905	115,279
Tax expense	950,611	1,223,653
Inflation effect	(57,928)	(63,851)
Corporate taxes paid	(1,115,073)	(1,021,176)
Total tax (asset)/liability, net	31,515	253,905
Current tax asset	(134,949)	(73,870)
Current tax liabilities	166,464	327,775

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31 Income taxes (continued)

Reconciliation of effective tax rate

The reported taxation charge For the years ended 31 January 2025 and 31 January 2024 are different than the amounts computed by applying the statutory tax rate to profit before tax as shown in the following reconciliation:

		1 February 2024–		1 February 2023–	
	%	31 January 2025	%	31 January 2024	
Profit for the year		2,674,599		2,496,718	
Total income tax expense		(995,276)		(1,297,097)	
Profit before tax		3,669,875		3,793,815	
Tax calculated with the Company's statutory tax rate	(25.0)	(917,470)	(25.0)	(948,453)	
Effect of tax rates in foreign jurisdictions	(0.1)	(2,901)	(0.0)	(1,381)	
Non-deductible expenses ⁽¹⁾	(1.1)	(41,496)	(1.2)	(44,861)	
Tax effect of exempt income	1.4	50,658	1.2	45,782	
Impact of change in tax rate	--	--	1.9	70,964	
Adjustments on which no deferred tax is calculated	(11.7)	(430,721)	(16.3)	(619,317)	
Impact of legal inflation accounting	9.2	338,234	2.1	79,462	
Impact of revaluation reserve ⁽²⁾	--	--	3.0	114,989	
Impact of previously unrecognized tax	--	--	(0.1)	(4,928)	
Effect of other adjustments	0.2	8,420	0.3	10,646	
Current tax expense	(27.1)	(995,276)	(34.2)	(1,297,097)	

⁽¹⁾For the year ended 31 January 2025 tax effect of non-deductible expenses mainly consists of inventory counting differences amounting to TL 101,986 (31 January 2024: TL 98,800).

⁽²⁾Provisional Article 32 of the Tax Procedure Law and repeated Article 298-ç; taxpayers are allowed to revalue their depreciable economic assets and immovables with tax as of 31 January 2025 and tax-free in the following period, respectively. In this framework, a revaluation has been made in the legal financial statements, and as a result of the revaluation, a deferred tax asset of TL 80,911 has been recorded in the consolidated financial statements as of 31 January 2024. As of 31 January 2025 there is no revaluation assessment.

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31 Income taxes (continued)

Recognized deferred tax assets and liabilities

As of 31 January 2025 and 31 January 2024, the items attributable to deferred tax assets and deferred tax liabilities consist of the following:

	31 January 2025		
	Assets	Liabilities	Net amount
Property, plant and equipment	31,438	(125,554)	(94,116)
Intangible assets	23,981	(16,856)	7,125
Right-of-use asstes	227	(345,260)	(345,033)
Inventories	78,697	(54,566)	24,131
Due from related parties	--	(8,377)	(8,377)
Trade and other receivables	7,431	(1,214)	6,217
Trade and other payables	57,166	(1,219)	55,947
Lease liabilities	276,476	--	276,476
Provisions	50,191	(5,285)	44,906
Employee benefits	42,289	--	42,289
Financial borrowings	--	(230)	(230)
Other temporary differences	10,394	(444)	9,950
Total	578,290	(559,005)	19,285
Offset	(541,685)	541,685	
	36,605	(17,320)	

	31 January 2024		
	Assets	Liabilities	Net amount
Property, plant and equipment	28,416	(4,036)	24,380
Intangible assets	19,532	(31,567)	(12,035)
Right-of-use asstes	206	(416,757)	(416,551)
Inventories	8,367	(5,794)	2,573
Due from related parties	--	(4,175)	(4,175)
Trade and other receivables	23,882	(2,844)	21,038
Derivative instruments	--	(978)	(978)
Trade and other payables	53,442	(1,707)	51,735
Lease liabilities	306,892	--	306,892
Provisions	40,977	(4,318)	36,659
Employee benefits	40,667	--	40,667
Financial borrowings	--	(547)	(547)
Other temporary differences	11,467	(3,975)	7,492
Total	533,848	(476,698)	57,150
Offset	(449,994)	449,994	
	83,854	(26,704)	

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31 Income taxes (continued)

Deferred tax assets and deferred tax liabilities are attributable to the items detailed in the table below:

	1 February 2024	Current period deferred tax income/ (expense)	Recognised in comprehensive income	Foreign currency translation differences	31 January 2025
Property, plant and equipment	24,380	(118,132)	--	(364)	(94,116)
Intangible assets	(12,035)	22,481	--	(3,321)	7,125
Inventories	2,574	18,858	--	2,699	24,131
Due from related parties	(4,175)	(4,145)	--	(56)	(8,376)
Trade and other receivables	21,038	(15,389)	--	568	6,217
Derivative instruments	(978)	--	978	--	--
Right-of-use assets	(416,551)	71,503	--	14	(345,034)
Trade and other payables	51,735	4,298	--	(86)	55,947
Lease liabilities	306,892	(30,417)	--	--	276,475
Provisions	36,659	8,465	--	(219)	44,905
Employee benefits	40,667	(4,870)	6,029	462	42,288
Financial borrowings	(547)	318	--	--	(229)
Other temporary differences	7,491	2,365	--	96	9,952
	57,150	(44,665)	7,007	(207)	19,285

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31 Income taxes (continued)

	1 February 2023	Current period deferred tax income/ (expense)	Recognised in comprehensive income	Foreign currency translation differences	31 January 2024
Property, plant and equipment	65,195	(38,129)	--	(2,686)	24,380
Intangible assets	4,334	(3,020)	--	(13,349)	(12,035)
Inventories	20,818	(24,113)	--	5,869	2,574
Due from related parties	(6,634)	2,686	--	(227)	(4,175)
Trade and other receivables	28,956	(9,737)	--	1,819	21,038
Derivative instruments	8,292	--	(9,270)	--	(978)
Right-of-use assets	(311,456)	(105,088)	--	(7)	(416,551)
Trade and other payables	48,717	3,397	--	(379)	51,735
Lease liabilities	213,937	92,955	--	--	306,892
Provisions	30,609	6,483	--	(433)	36,659
Employee benefits	32,088	(3,208)	10,443	1,344	40,667
Financial borrowings	(2,707)	2,160	--	--	(547)
Other temporary differences	6,931	2,170	--	(1,610)	7,491
	139,080	(73,444)	1,173	(9,659)	57,150

32 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. The calculation of earnings per share for the years ended 31 January 2025 and 31 January 2024 is as follows:

	31 January 2025	Restated 31 January 2024
Net profit for the year attributable to owners of the Company	2,723,952	2,535,235
Weighted average number of ordinary shares	397,256	397,256
Earnings per share	6.8569	6.3819

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33 Derivative instruments

As at 31 January 2025 and 31 January 2024, short-term derivatives are as follows:

	31 January 2025	31 January 2024
Financial assets arising from forward contracts for hedging purposes	--	3,910
	--	3,910

As of 31 January 2025, the Group does not have any forward contracts for hedging purposes.

34 Financial instruments

Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management of framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

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34 Financial instruments (continued)

Financial risk management(continued)

Credit risk (continued)

The companies operating under these segments have set a credit policy under which each new customer is analysed individually for the creditworthiness before each company's standard payment and delivery terms and conditions are offered.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of accounts receivable. The allowance is provided for receivables that are legally insolvent, The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The Group exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. The Group closely monitors its customers and the risks are monitored by limiting the aggregate risk to any individual counterparty. The Group secures a portion of its receivables through the use of the Direct Debiting System ("DDS") and the use of credit cards by customers. In Türkiye, the banks provide credit limits for the Group's customers through DDS and credit cards and the Group collects its receivables from the banks when due. As of 31 January 2025, the DDS limit of the Company is amounting TL 2,119,855 (31 January 2024: 1,141,778). The Company also obtains guarantees from its customers as another means of securing its receivables.

Management believes that the unimpaired amounts that are pass due by more than 30 days are still collectable in full, based on the historical behavior and analysis of customer credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

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.

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34 Financial instruments (continued)

Financial risk management (continued)

Market risk (continued)

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 functional currencies of Group entities are CAD, USD, EUR and RUB, The Group uses derivative financial instruments such as short-term forward foreign exchange contracts to hedge currency risk.

The interest on the loans received is based on the exchange rate of the loan, Loans received are mainly in TL, and are generally at rates that match the cash flows generated as a result of the group's operations. This provides economic hedging from financial risk without the need for derivative transactions.

Interest rate risk

The Group is not exposed to the risk of interest rates since the Group does not have any variable interest rate borrowings.

Capital management

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

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35 Nature and level of risks related to financial instruments

Credit risk

The carrying amounts of financial assets shows the maximum credit risk exposure. As of the reporting date, the maximum exposure to credit risk is as follows:

	Receivables				Cash and cash equivalents ⁽²⁾
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other ⁽¹⁾	
31 January 2025					
The maximum exposure to credit risk as financial instruments (A+B+C+D)	--	2,054,338	--	64,810	6,315,598
- Portion of maximum risk covered by guarantees	--	--	--	--	--
A. Net book value of financial assets that are neither past due not impaired	--	1,927,839	--	64,810	6,315,598
B. Net book value of financial assets which are overdue, but not impaired	--	126,499	--	--	--
C. Net book value of impaired assets	--	--	--	--	--
- Overdue (gross book value)	--	91,476	--	--	--
- Impairment (-)	--	(91,476)	--	--	--
-Secured portion of net amount by guarantees	--	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Secured portion of net amount by guarantees	--	--	--	--	--
D. Elements including credit risk on off consolidated statement of financial position	--	--	--	--	--

31 January 2025	Receivables	
	Trade receivables	Other receivables
Past due between 1-30 days	78,047	--
Past due between 1-3 months	48,452	--
Past due between 3-12 months	--	--
Total past due	126,499	--

⁽¹⁾ Other receivables from third parties excludes deposits and guarantees given.

⁽²⁾ Cash and cash equivalents exclude cash on hand

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

Credit risk (continued)

31 January 2024	Receivables				Cash and cash equivalents ⁽²⁾
	Trade receivables		Other receivables		
	Related party	Other	Related party	Other ⁽¹⁾	
The maximum exposure to credit risk as financial instruments (A+B+C+D)	--	1,864,884	--	37,148	6,890,041
- Portion of maximum risk covered by guarantees	--	--	--	--	--
A. Net book value of financial assets that are neither past due not impaired	--	1,837,479	--	37,148	6,890,041
B. Net book value of financial assets which are overdue, but not impaired	--	27,405	--	--	--
C. Net book value of impaired assets	--	--	--	--	--
- Overdue (gross book value)	--	112,744	--	--	--
- Impairment (-)	--	(112,744)	--	--	--
-Secured portion of net amount by guarantees	--	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Secured portion of net amount by guarantees	--	--	--	--	--
D. Elements including credit risk on off consolidated statement of financial position	--	--	--	--	--

31 January 2024	Receivables	
	Trade receivables	Other receivables
Past due between 1-30 days	21,825	--
Past due between 1-3 months	5,570	--
Past due between 3-12 months	10	--
Total past due	27,405	--

⁽¹⁾ Other receivables from third parties excludes deposits and guarantees given.

⁽²⁾ Cash and cash equivalents exclude cash on hand.

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

Credit risk (continued)

Impairment

For the years ended 31 January 2025 and 31 January 2024, movement of the provision for doubtful receivables is as follows:

	1 February 2024- 31 January 2025	1 February 2023- 31 January 2024
Balance as of the beginning of the period	112,744	124,788
Current year provision	1,731	6,857
Provisions released	(1,578)	(9,562)
Write-offs	(465)	(382)
Effect of exchange rates	14,011	50,813
Inflation effect	(34,967)	(59,770)
Balance as of the end of the period	91,476	112,744

The Group monitors the collectability of its trade receivables periodically and records provision for potential losses on doubtful receivables based on historical collection rates. Subsequent to recognition of allowance for doubtful receivables, partial or full recovery of doubtful receivables will be recorded under profit or loss with an offset to provision for doubtful receivables.

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

Liquidity risk

As at 31 January 2025 and 31 January 2024, maturities of financial liabilities including estimated interest payments based on repayment schedules are included below:

31 January 2025	Note	Carrying amount	Contractual cash flow	3 month or less	3-12 months	1-5 year	More than 5 years
Non-derivative financial liabilities							
Bank loans	5	918,616	1,355,413	230,488	1,123,303	1,622	--
Lease liabilities	5	1,459,503	2,044,452	433,357	507,663	853,315	250,117
Trade payables to third parties	7	4,089,215	4,326,070	2,760,755	1,565,311	4	--
Trade payables to related parties	6	732,692	674,955	99,023	575,932	--	--
Other payables to related parties	6	891	891	891	--	--	--
Total		7,200,917	8,401,781	3,524,514	3,772,209	854,941	250,117

31 January 2024	Note	Carrying amount	Contractual cash flow	3 month or less	3-12 months	1-5 year	More than 5 years
Non-derivative financial liabilities							
Bank loans	5	1,783,949	2,516,026	148,158	2,356,304	11,564	--
Lease liabilities	5	1,529,665	2,279,725	383,228	505,973	1,000,576	389,948
Trade payables to third parties	7	4,282,181	4,349,668	2,197,113	2,152,360	195	--
Trade payables to related parties	6	547,237	669,434	272,312	397,122	--	--
Other payables to related parties	6	58	58	58	--	--	--
Total		8,143,090	9,814,911	3,000,869	5,411,759	1,012,335	389,948

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

Market risk

Currency risk

As of 31 January 2025 the Group's foreign currency position specified in the following table arises from foreign currency is denominated as assets and liabilities.

	TL Equivalent	USD	Euro	Other
1. Trade receivables	35,463	905	--	3,136
2a. Monetary financial assets (including cash, banks)	18,665	364	92	2,241
2b. Non-monetary financial assets	--	--	--	--
3. Other	122,591	3,432	--	--
4. Current assets (1+2+3)	176,719	4,701	92	5,377
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)	176,719	4,701	92	5,377
10. Trade payables	98,747	1,679	1,027	623
11. Financial liabilities	6,981	--	188	--
12a. Monetary other liabilities	--	--	(24)	857
12b. Non-monetary other liabilities	--	--	--	--
13. Current liabilities (10+11+12)	105,728	1,679	1,191	1,480
14. Trade payables	--	--	--	--
15. Financial liabilities	1,700	--	45	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	1,700	--	45	--
18. Total liabilities (13+17)	107,428	1,679	1,236	1,480
19. Net asset/(liability) position of derivative instruments (19a-19b)	665,577	18,580	51	--
19a. Hedged total asset	665,577	18,580	51	--
19b. Hedged total liabilities	--	--	--	--
20. Position of net foreign currency assets/liabilities (9-18+19)	734,868	21,602	(1,093)	3,897
21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)	(53,300)	(410)	(1,144)	3,897

As at 31 January 2025, Mavi Türkiye has trade receivables amounting to TL 64,592 from consolidated subsidiaries which comprise; USD 84 thousand, CAD 232 thousand EUR 945 thousand and RUB 57,054 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 53,300 thousand.

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35 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 is denominated as assets and liabilities,

	TL Equivalent	USD	Euro	Other
1. Trade receivables	50,719	1,330	--	10,406
2a. Monetary financial assets (including cash, banks)	387,079	10,359	132	68,810
2b. Non-monetary financial assets	--	--	--	--
3. Other	178,785	5,740	147	--
4. Current assets (1+2+3)	616,583	17,429	279	79,216
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)	616,583	17,429	279	79,216
10. Trade payables	89,344	1,782	1,057	656
11. Financial liabilities	17,232	417	141	--
12a. Monetary other liabilities	--	--	--	--
12b. Non-monetary other liabilities	--	--	--	--
13. Current liabilities (10+11+12)	106,576	2,199	1,198	656
14. Trade payables	--	--	--	--
15. Financial liabilities	7,909	34	210	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	7,909	34	210	--
18. Total liabilities (13+17)	114,485	2,233	1,408	656
19. Net asset/(liability) position of derivative instruments (19a-19b)	726,224	23,811	141	--
19a. Hedged total asset	726,224	23,811	141	--
19b. Hedged total liabilities	--	--	--	--
20. Position of net foreign currency assets/liabilities (9-18+19)	1,228,322	39,007	(988)	78,560
21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)	323,313	9,456	(1,276)	78,560

As at 31 January 2024, Mavi Türkiye has trade receivables amounting to TL 99,286 from consolidated subsidiaries which comprise; USD 409 thousand, CAD 491 thousand EUR 993 thousand and RUB 249,750 thousand. These amounts have been eliminated in consolidation, Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 323,314. The Group has fx protected deposits amounting to USD 2,000 thousand as of the balance sheet date.

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

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

The Group's foreign exchange risk consists of movements of TL against Euro, US Dollar and Rouble and Australia 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 January 2025				
	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation/depreciation of US Dollar				
1- USD net asset/liability	(1,464)	1,464	(1,464)	1,464
2- Hedged portion of USD (-)	--	--	66,369	(66,369)
3- Net effect of USD (1+2)	(1,464)	1,464	64,905	(64,905)
In case of 10% appreciation/depreciation of EUR				
4- EURO net asset/liability	(4,256)	4,256	(4,255)	4,255
5- Hedged portion of EURO (-)	--	--	188	(188)
6- Net effect of EURO (4+5)	(4,256)	4,256	(4,067)	4,067
In case of 10% appreciation/depreciation of other				
7- Other currency net asset/liability	390	(390)	390	(390)
8- Hedged portion of TL against other risk(-)	--	--	--	--
9- Net effect of other (7+8)	390	(390)	390	(390)
Total (3+6+9)	(5,330)	5,330	61,228	(61,228)

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

Market risk (continued)

Currency risk (continued)

Foreign Currency Sensitivity Analysis				
31 January 2024				
	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case of 10% appreciation/depreciation of US Dollar				
1- USD net asset/liability	28,658	(28,658)	28,658	(28,658)
2- Hedged portion of USD (-)	--	--	72,159	(72,159)
3- Net effect of USD (1+2)	28,658	(28,658)	100,817	(100,817)
In case of 10% appreciation/depreciation of EUR				
4- EURO net asset/liability	(4,182)	4,182	(4,182)	4,182
5- Hedged portion of EURO (-)	--	--	464	(464)
6- Net effect of EURO (4+5)	(4,182)	4,182	(3,718)	3,718
In case of 10% appreciation/depreciation of other				
7- Other currency net asset/liability	7,855	(7,855)	7,855	(7,855)
8- Hedged portion of TL against other risk(-)	--	--	--	--
9- Net effect of other (7+8)	7,855	(7,855)	7,855	(7,855)
Total (3+6+9)	32,331	(32,331)	104,954	(104,954)

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

Market risk (continued)

Interest rate risk

Profile

The interest rate profile of the Group's interest-bearing financial instruments is:

Fixed interest rate items	31 January 2025	31 January 2024
Financial assets	4,715,422	4,821,118
Financial liabilities	(2,378,119)	(3,313,614)

The fair value of fixed rate instruments risk:

The Group does not have any derivative instruments (interest rate swaps) accounted under fair value hedge accounting model or financial assets or liabilities for which fair values are recorded in profit or loss. Therefore, any changes in interest rates during the reporting period will not have an impact on profit or loss.

The fair value of variable rate instruments risk:

As the Group does not have any variable rate borrowings, changes in interest rates as of the reporting period will not have an impact on profit or loss.

Capital risk management

The Group's objectives when managing capital are to safeguard and provide benefits to other stakeholders to reduce the cost of capital in order to maintain and protect the optimal capital structure of the Group.

To maintain or adjust the capital structure, the Group determines the number of dividends paid to shareholders, issue new shares or may sell assets to reduce debt.

Group capital and net financial debt/equity ratio is followed using net financial debt less cash and cash equivalents; total financial debt is calculated by deducting from that amount.

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

Capital risk management (continued)

As at 31 January 2025 and 31 January 2024, net debt / equity ratios are as follows:

	31 January 2025	31 January 2024
Loans and borrowings (Note 5) ⁽¹⁾	(2,378,119)	(3,313,614)
Cash and cash equivalents (Note 4)	6,331,083	6,898,786
Net cash	3,952,964	3,585,172
Equity	10,419,988	9,476,513
Loans and borrowings (Note 5) ⁽¹⁾	0.38	0.38

⁽¹⁾Lease liabilities are included arising from TFRS 16.

36 Financial instruments (fair value disclosures and disclosures under hedge accounting)

Fair values

The table below shows the fair value and book value of financial assets and liabilities, including their fair value levels, If the carrying amount is a reasonable estimate of fair value, the following table does not contain fair value information about financial receivables and liabilities that are not measured at fair value:

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 January 2025							
Financial asset measured at fair value	--	--	--	--	--	--	--
Derivative financial instrument	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--
31 January 2024							
Financial assets measured at fair value							
Derivative financial instrument	3,910	--	3,910	--	3,910	--	3,910
Total	3,910	--	3,910	--	3,910	--	3,910

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36 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 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 categorised 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.

37 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 under TFRS, Reconciliation of EBITDA For the years ended 31 January 2025 and 31 January 2024 are as follows:

	Note	31 January 2025	31 January 2024
Profit		2,674,599	2,496,718
Tax expense	31	995,276	1,297,097
Profit before tax		3,669,875	3,793,815
-Fx protected deposit income		(8,753)	(46,187)
-Monetary loss / (gain)	30	(35,626)	192,690
-Net finance costs		1,213,396	1,038,764
-Rediscount interest on trade payables, net		(66,513)	(215,484)
-Exchange difference on trade receivables and payables, net		25,542	75,712
-Depreciation and amortisation	27	2,347,217	2,288,065
EBITDA		7,145,138	7,127,375

As of 31 January 2025, TFRS 16 has an impact of TL 1,380,002 (31 January 2024: TL: 1,274,991) on EBITDA.

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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 January 2025	TFRS 16 Effect	After TFRS 16
Current assets	14,194,868	(37,198)	14,157,670
Non-current assets	3,787,653	1,638,458	5,426,111
Short-term liabilities	7,494,710	738,597	8,233,307
Long-term liabilities	209,574	720,912	930,486
Equity	10,278,237	141,751	10,419,988
	1 February 2024 – 31 January 2025	TFRS 16 Effect	After TFRS 16
Operating profit	5,006,690	(166,332)	4,840,358
Operating profit before finance costs	5,013,977	(166,332)	4,847,645
Finance income	1,841,717	--	1,841,717
Finance expense	(2,648,220)	(406,893)	(3,055,113)
Monetary gain / loss	(360,247)	395,873	35,626
Profit before tax	3,847,227	(177,352)	3,669,875
Net profit	2,804,543	(129,944)	2,674,599
EBITDA	5,765,136	1,380,002	7,145,138

/07

DIVIDEND DISTRIBUTION

- 7.1 | Dividend Distribution Policy
- 7.2 | Dividend Distribution Proposal



7.1 Dividend Distribution Policy

The purpose of the dividend distribution policy is to ensure that a balanced and consistent policy is implemented pursuant to the applicable legislation in relation to the interests of the investors and the Company, inform the investors sufficiently and maintain a transparent policy toward the investors.

The general assembly of the Company shall, resolve on the distribution of dividends and the timing and manner of such distribution upon the proposal of the Board of Directors.

To the extent allowed by applicable regulations and financial resources, and taking into account market expectations, long term strategies of the Company, needs of the subsidiaries and affiliates, investment and financing policies and profitability and cash reserves, the Company aims to distribute to the shareholders and other persons sharing the profit at least 30% of the distributable net profit calculated for the relevant period pursuant to the Articles of Association, TCC, CMB's Dividend Distribution Communiqué No. II-19.1 and tax legislation. Dividends may be distributed in cash and/or bonus shares and/or as a combination of both in certain ratios.

Dividends are distributed equally to all shares in existing at the time of distribution, pro rata to their respective ratios, regardless of their date of issuance or their date of acquisition of such shares.

Payment of dividends may also be made in equal or differing instalments, provided that this is resolved upon during the general assembly meeting where the general assembly has resolved to make dividend distribution.

The dividend distribution will commence on the date determined by the General Assembly, provided that the distribution is initiated before the end of the accounting period within which that General Assembly meeting takes place.

The General Assembly's dividend distribution resolution, passed in accordance with the Articles of Association, may not be revoked unless permitted by applicable law.

Should the Board of Directors propose not to distribute dividends, the reasons for this proposal and the manner in which the retained profit would be used will be explained under the agenda item concerning dividend distribution, and this information will be submitted to the shareholders during the General Assembly.

The Board of Directors' dividend distribution proposal or the Board resolutions relating to the distribution of advance dividends will be announced to the public in accordance with the relevant regulations, with the form and content of the relevant proposal/resolution, and the tables showing the dividend distribution or the advance dividend distribution, as applicable. Furthermore, to the extent any amendments to this dividend distribution policy are to be introduced, the Board resolution regarding such amendments shall be announced to the public with the reasons of amendment.

7.2 The Board Of Directors' Dividend Distribution Proposal For The Special Accounting Period Dated 1 February 2024–31 January 2025

The legal processes regarding the increase of our Company's issued capital from TL 397,256,000 to TL 794,512,000, by covering all of it from the amounts in the "Previous Years' Profits" account, have not been completed as of the date of this activity report, and our Company's profit distribution proposal for the special accounting period of February 1, 2024 - January 31, 2025 will be decided upon by our Board of Directors and announced to the public following the completion of the said legal processes.



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**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of Mavi Giyim Sanayi ve Ticaret A.Ş.

1) Opinion

As we have audited the full set consolidated financial statements of Mavi Giyim Sanayi ve Ticaret A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/02/2024–31/1/2025, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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3) Auditor's Opinion for the Full Set Consolidated Financial Statements

We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/02/2024–31/1/2025 in our Auditor's Report dated 18 March 2025.

4) Management's Responsibility for the Annual Report

The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
 - The significant events occurred in the Group's activities subsequent to the financial year ends,
 - The Group's research and development activities,
 - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulations of the Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

The engagement partner on the audit resulting in this independent auditor's report is Tolga Sirkecioğlu.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Tolga Sirkecioğlu
Partner

İstanbul, 11 April 2025

DISCLAIMER

This Annual Report is prepared in accordance with the legal requirements to be presented to the Ordinary General Assembly, for the special accounting period of 1 February 2024-31 January 2025 Report is prepared only to provide information to the shareholders, and it is not intended to form the basis of any investment decision.

To the extent available, the industry, market and competitive position data contained in this Report come from independent official or third party sources. Although the Company believes that these information are provided by reliable sources, it has not, however, independently verified accuracy and completeness of the information contained therein. In addition, some of the market and competitive position data contained in this Report come from the internal research and estimates based on the knowledge and experience of the Company's management in the markets that the Company operates. Although, the Company believes that the internal research and estimates are reasonable, accuracy and completeness of these research and estimates and methodologies and assumptions relevant with these research and estimates have not verified by independent third parties. The Company, its management and/or its employees and/or other related persons may not be held responsible for any direct or indirect loss that could arise from the use of the data stated in this Report.

Forward-looking statements included in this Report are subject to risks, uncertainties and other important factors which are known or unknown to the Company or which cannot be controlled or which can be controlled in a limited manner by the Company. These risks, uncertainties and other important factors may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such statements. Changes in customer expectations and spending patterns; changes in customer traffic; difficulties that can be observed in retail fashion and fragility that can be observed in customer loyalty; competitive factors in retail fashion; impact of extreme unseasonal weather conditions on retail fashion; circumstances affecting relationships with major suppliers and distributors; currency and interest rate risks and fluctuations and other changes in financial markets and macro economic conditions; changes in tax rates, applicable laws and government policies and operational disruptions, natural disasters, wars, terrorist activities, work stoppages, slowdowns or strikes are, without any limitation of the foregoing, among these risks, uncertainties and other important factors. Explanations regarding risks, uncertainties and other important factors that may affect forward looking statements can be found in the explanatory notes of financial statements and in the "Risk Management and Internal Control System" section of this Report. Forward-looking statements included in this Report are based on a number of assumptions relevant to the current and future business strategies of the Company and the business environment in which the Company operates. Forward-looking statements speak only as at the date on which they are made. The Company warns addressees of this Report that forward -looking statements does not constitute a guarantee as to the future performance and results of the Company and that actual results as to Company's financial position, expectations, growth, business strategy, plans and future operations may differ materially from forward-looking statements stated in this Report. In addition, even if the actual results and achievements as to Company's financial position, expectations, growth, business strategy, plans and future operations will be consistent with the forward-looking statements included in this Report, this consistency cannot be considered as an indicator as to any further future results and achievements. The Company, its management and/or its employees and/or other related persons may not be held responsible for any direct or indirect loss that could arise from the use of the forward-looking statements stated in this Report. The Report and the accompanying disclaimer are provided both in Turkish and English languages. In case of any discrepancy between Turkish and English version of Zthe Report and the accompanying disclaimer, Turkish version shall prevail. The Company believes that the information included in this Report is accurate as of the date of the Report and accepts no responsibility for any spelling or printing errors that may occur during the Report's preparation.