

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

**Condensed Consolidated Interim Financial Statements
As At and For The Three Months Period Ended
30 April 2023**

(Convenience Translation of Financial Statements Originally Issued in
Turkish)

8 June 2023

This report contains 38 pages of condensed consolidated financial statements and explanatory notes to the consolidated financial statements.

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Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Financial Position
As at 30 April 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”), unless otherwise stated.)

		Unaudited	Audited
	<i>Notes</i>	30 April 2023	31 January 2023
ASSETS			
Current assets			
Cash and cash equivalents	5	3,329,285	3,244,612
Financial investments		39,269	58,150
Trade receivables		1,294,026	870,657
- <i>Due from third parties</i>	8	1,294,026	870,657
Other receivables		23,325	31,410
- <i>Due from related parties</i>		6,314	12,216
- <i>Due from third parties</i>		17,011	19,194
Inventories	9	2,486,892	2,307,586
Derivative instruments	23	26,762	--
Prepaid expenses		207,634	196,142
- <i>Due from related parties</i>	7	89,741	82,365
- <i>Due from third parties</i>		117,893	113,777
Current tax assets		26,980	32,987
Other current assets		66,569	43,204
Total current assets		7,500,742	6,784,748
Non-current assets			
Other receivables		10,237	10,575
- <i>Due from third parties</i>		10,237	10,575
Property, plant and equipment		425,244	395,452
Right-of-use assets	12	617,337	576,392
Intangible assets		684,879	662,644
- <i>Other intangible assets</i>		192,407	185,268
- <i>Goodwill</i>	11	492,472	477,376
Deferred tax assets		223,785	212,933
Total non-current assets		1,961,482	1,857,996
TOTAL ASSETS		9,462,224	8,642,744

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

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Financial Position
As at 30 April 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”), unless otherwise stated.)

	<i>Notes</i>	Unaudited	Audited
		30 April 2023	31 January 2023
LIABILITIES			
Current liabilities			
Short-term borrowings	6	617,558	813,247
Short-term lease liabilities	6	398,680	350,245
- Due to related parties	7	1,656	459
- Due to third parties		397,024	349,786
Short-term portion of long-term borrowings	6	301,810	217,297
Short-term issued debt instruments	6	547,113	509,972
Trade payables		3,029,997	2,960,521
- Due to related parties	7-8	389,209	323,941
- Due to third parties	8	2,640,788	2,636,580
Payables related to employee benefits		249,824	203,020
Other payables		504,600	39,762
- Due to related parties	7	386,550	41
- Due to third parties		118,050	39,721
Deferred income		89,528	81,668
Short term provisions		137,961	124,343
- Short-term provisions for employee benefits	13	20,802	18,829
- Other short-term provisions	13	117,159	105,514
Derivative instruments	23	--	17,698
Current tax liabilities		204,819	82,191
Other current liabilities		58,609	43,633
Total current liabilities		6,140,499	5,443,597
Non-current liabilities			
Long-term borrowings	6	5,936	--
Long-term lease liabilities	6	290,505	289,816
- Due to third parties		290,505	289,816
Deferred income		28,906	34,009
Payables related to employee benefits		32,203	67,480
Long-term provisions		56,426	61,122
- Long-term provisions for employee benefits	13	56,426	61,122
Deferred tax liabilities		14,779	14,772
Total non-current liabilities		428,755	467,199
TOTAL LIABILITIES		6,569,254	5,910,796

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Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Financial Position
As at 30 April 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”), unless otherwise stated.)

		Unaudited	Audited
	<i>Notes</i>	30 April 2023	31 January 2023
EQUITY			
Equity attributable to owners of the Company		2,745,358	2,591,537
Paid-in share capital	15	99,314	99,314
The effect of mergers involving entities under common control		(35,757)	(35,757)
Share based payment fund		3,822	945
Other comprehensive expense not to be reclassified to profit or loss		(14,388)	(14,388)
<i>Defined benefit plans remeasurement losses</i>		(14,388)	(14,388)
Other comprehensive income or expenses to be reclassified to profit or loss		598,273	529,961
<i>Foreign currency translation differences</i>		576,863	544,118
<i>Hedging gains / (losses)</i>		21,410	(14,157)
Restricted reserves appropriated from profit	15	19,771	19,771
Retained earnings		1,562,236	552,316
Net profit for the period		512,087	1,439,375
Non-controlling interests		147,612	140,411
Total equity		2,892,970	2,731,948
TOTAL EQUITY AND LIABILITIES		9,462,224	8,642,744

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

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

For the Three Months Period Ended 30 April 2023

(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)

Profit or loss	<i>Notes</i>	Unaudited	Unaudited
		1 February – 30 April 2023	1 February – 30 April 2022
Revenue		3,946,553	1,887,250
Cost of sales (-)		(1,984,643)	(821,006)
Gross profit		1,961,910	1,066,244
Administrative expenses (-)		(220,438)	(106,082)
Selling, marketing and distribution expenses (-)	<i>16</i>	(973,916)	(498,362)
Research and development expenses (-)		(33,166)	(14,844)
Other operating income	<i>17</i>	12,400	18,108
Other operating expenses (-)	<i>17</i>	(16,720)	(3,510)
Operating profit		730,070	461,554
Income from investment activities	<i>18</i>	1,362	--
Expenses from investment activities (-)	<i>18</i>	(587)	(677)
Operating profit before financial income		730,845	460,877
Finance income	<i>19</i>	130,800	45,600
Finance costs (-)	<i>20</i>	(238,500)	(112,793)
Finance expenses, net		(107,700)	(67,193)
Profit before tax		623,145	393,684
Tax expense		(108,111)	(91,793)
- Tax expense for the period		(127,710)	(97,018)
- Deferred tax income		19,599	5,225
Net profit		515,034	301,891
Distribution of profit for the period			
Non-controlling interests		2,947	13,021
Owners of the Company		512,087	288,870
Earnings per share	<i>22</i>	5.1562	2.9087

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

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

For the Three Months Period Ended 30 April 2023

(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)

	Unaudited	Unaudited
<i>Notes</i>	1 February – 30 April 2023	1 February – 30 April 2022
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Foreign currency translation differences	36,999	50,282
Cash flow hedging gains	44,459	9,660
Deferred tax expenses	(8,892)	(2,222)
Other comprehensive income	72,566	57,720
Total comprehensive income	587,600	359,611
Distribution of total comprehensive income		
Non-controlling interests	7,201	21,492
Owners of the Company	580,399	338,119

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Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Changes In Equity

As at and for the Three Months period ended 30 April 2023

(Amounts are expressed in thousands of Turkish Lira (“TL”), unless otherwise stated.)

	Share capital	Legal reserves	Purchase of share of entities under common control	Share based payment fund	Other comprehensive income that will not reclassified to profit or loss	Other comprehensive income that will reclassified to profit or loss		Retained earnings		Attributable to owners of the Company	Attributable to non-controlling interest	Total equity
					Remeasurement of defined benefit liability	Foreign currency translation reserve	Hedging reserve	Retained earnings	Net profit			
Balance as at 1 February 2022	49,657	19,771	(35,757)	--	(12,293)	353,279	22,239	317,166	400,441	1,114,503	78,854	1,193,357
Transfers	--	--	--	--	--	--	--	400,441	(400,441)	--	--	--
Dividend payment	--	--	--	--	--	--	--	(120,429)	--	(120,429)	--	(120,429)
Total comprehensive income	--	--	--	--	--	41,811	7,438	--	288,870	338,119	21,492	359,611
Total balance as at 30 April 2022	49,657	19,771	(35,757)	--	(12,293)	395,090	29,677	597,178	288,870	1,332,193	100,346	1,432,539
Balance as at 1 February 2023	99,314	19,771	(35,757)	945	(14,388)	544,118	(14,157)	552,316	1,439,375	2,591,537	140,411	2,731,948
Transfers	--	--	--	--	--	--	--	1,439,375	(1,439,375)	--	--	--
Dividend payment	--	--	--	--	--	--	--	(429,455)	--	(429,455)	--	(429,455)
Increase (decrease) due to share-based transactions	--	--	--	2,877	--	--	--	--	--	2,877	--	2,877
Total comprehensive income	--	--	--	--	--	32,745	35,567	--	512,087	580,399	7,201	587,600
Total balance as at 30 April 2023	99,314	19,771	(35,757)	3,822	(14,388)	576,863	21,410	1,562,236	512,087	2,745,358	147,612	2,892,970

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

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Cash Flows
As at and for the three months period ended 30 April 2023
(Amounts are expressed in thousands of Turkish Lira (“TL”), unless otherwise stated.)

		Unaudited	Unaudited
		1 February –	1 February –
		30 April 2023	30 April 2022
Cash flow from operating activities			
Net profit for the period		515,034	301,891
<i>Adjustments for:</i>			
Adjustments for depreciation and amortization expense	10,12	170,503	103,232
Adjustments for interest income	19	(124,283)	(39,352)
Adjustments for interest expense	20	237,094	106,067
Adjustments for provision for vacation	13	5,999	4,684
Adjustments for fair value losses / (gains) of financial assets	18	(1,248)	--
Adjustments for provision for employment termination benefit	13	15,828	5,310
Adjustments for impairment losses on trade receivables		(1,462)	(154)
Adjustments for rediscount interest expense/ (income) on trade payables	17	(2,032)	(589)
Adjustments for share-based payments		2,877	--
Adjustments for expected credit losses	17	(1,989)	(302)
Adjustments for inventory impairment	9	22,118	7,909
Adjustments for provisions for payables short-term and long-term	13	11,094	4,179
Adjustments for loss on disposal of property and equipment	18	473	677
Adjustments for tax expense		108,111	91,793
Adjustments for unrealized foreign currency translation differences		22,736	33,581
		980,853	618,926
Changes in working capital:			
Change in trade receivables		(421,329)	(198,375)
Change in inventories		(202,680)	(261,740)
Change in prepaid expenses		(11,492)	(36,385)
Change in other receivables		8,424	(8,229)
Change in other current and non-current assets		(23,367)	(3,755)
Change in employee benefits liabilities		11,527	(12,790)
Change in trade payables		115,110	156,857
Change in payables to related parties		(43,602)	(23,585)
Change in deferred income		2,757	(1,133)
Change in other payables		35,382	(4,684)
Change in short-term and long-term provisions		(263)	(106)
Change in other liabilities		15,512	1,554
Cash flows used in operating activities		466,832	226,555
Employment termination benefits paid	13	(23,986)	(4,642)
Tax payments		923	(52,860)
A. Net cash from operating activities		443,769	169,053
Cash flows from investing activities			
Cash outflows from purchases of property, plant, and equipment	10	(60,448)	(45,184)
Cash inflows from the sale of property, plant and equipment and intangible asset	10,18	57	581
Cash outflows from purchases of intangible asset	10	(25,435)	(15,916)
Other investing activities		20,138	--
Interest received		119,366	39,700
B. Net cash used in investing activities		53,678	(20,819)
Cash inflows from borrowings		328,313	296,630
Cash outflows from repayments of borrowings		(408,306)	(256,021)
Cash outflows from payments of lease contracts		(142,021)	(91,661)
Other financial cash outflows		(121,918)	(46,062)
Interest paid		(73,759)	(19,466)
C. Net cash flow generated from / (used in) financing activities		(417,691)	(116,580)
Net change in cash and cash equivalent (A+B+C)		79,756	31,654
D. Cash and cash equivalents at the beginning of the period	5	3,223,112	1,505,633
Cash and cash equivalents at the end of the period (A+B+C+D)	5	3,302,868	1,537,287

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

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2023

(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)

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, Brussels and Almere.

Shares of the Company has been traded at Borsa İstanbul ("BIST") since 15 June 2017. As of 30 April 2023, 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 2023: Blue International Holding B.V., which owns 0.22% of the Company's share capital, and Fatma Elif Akarlılar, Hayriye Fethiye Akarlılar and Seyhan Akarlılar, each of whom own 9.062% of the Company's share capital). Blue International Holding B.V. is controlled by Fatma Elif Akarlılar, Hayriye Fethiye Akarlılar and Seyhan Akarlılar.

The condensed consolidated interim financial statements for the three months period ended as at 30 April 2023 include financial position and the results of Mavi Giyim, Mavi Europe AG ("Mavi Europe") and Mavi Jeans LLC ("Mavi Russia"), Eflatun Giyim Yatırım Ticaret Anonim Şirketi ("Eflatun Giyim"), Mavi Jeans Incorporated ("Mavi Canada") and Mavi Jeans Incorporated ("Mavi United States of America ("USA"). Mavi Giyim and its subsidiaries are referred here as the "Group" and individually "the Group entity" in this report.

The ownership interest and voting rights of the subsidiaries as of 30 April 2023 and 31 January 2023 are as follows:

Subsidiaries	Place of Incorporation	Principal Activities	Effective Shareholding %	
			30 April 2023	31 January 2023
Mavi Europe	Germany	Wholesale and retail sales of apparel	100.00	100.00
Mavi Russia	Russia	Wholesale and retail sales of apparel	100.00	100.00
Eflatun Giyim	Türkiye	Holding company	51.00	51.00
Mavi USA	USA	Wholesale and retail sales of apparel	47.69	47.69
Mavi Canada	Canada	Wholesale and retail sales of apparel	63.25	63.25
Mavi Kazakhstan ⁽¹⁾	Kazakhstan	Retail sales of apparel	100.00	100.00

⁽¹⁾ Mavi Kazakhstan is in the liquidation process and does no longer proceed any operations as of 31 October 2015. Mavi Kazakhstan financials have not been consolidated since its operations insignificant in terms of condensed consolidated interim financial statements, as of 30 April 2023.

As of 30 April 2023, Group's total number of employees is 5,818 (31 January 2023: 5,670).

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
As at and for the three months period ended 30 April 2023
(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)

2 Basis of presentation of financial statements

2.1 Basis for the presentation of interim condensed consolidated financial statements

(a) Statement of compliance to TFRS

The accompanying condensed 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 and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA"). TFRSs include Standards and Interpretations published by POA under the names of Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS Interpretations and TFRS Interpretations.

POA made an announcement on 20 January 2022 regarding the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") for entities adopting Turkish Financial Reporting Standards ("TFRS") in the 2021 financial reporting period. The announcement stated that, entities that apply TFRS should not adjust financial statements for 2022 in accordance with TAS 29. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements in accordance with TAS 29 as of 30 April 2023.

Condensed consolidated financial statements of the Group for the three-months interim accounting period ending on 30 April 2023 have been prepared in accordance with TAS 34 "Interim Financial Reporting". Interim condensed consolidated financial statements do not contain all the information and explanations required in the annual financial statements and should be read together with the consolidated financial statements of the Group as of 31 January 2023.

(b) Preparation of financial statements

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

(c) Functional and presentation currency

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

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

The table below summarizes functional currencies of the Group entities.

Company	Functional currency
Mavi Giyim	TL
Mavi Europe	Euro ("EUR")
Mavi Russia	Rouble ("RUB")
Mavi USA	US Dollars ("USD")
Mavi Canada	Canada Dollars ("CAD")
Eflatun Giyim	TL

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
As at and for the three months period ended 30 April 2023
(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)

2 Basis of presentation of financial statements (continued)

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

(d) Basis of measurement

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

(e) Significant accounting judgments, estimates and assumptions

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

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

Although these estimates are based on management's best estimates based on current events and actions, actual results may differ from estimates. Assumptions and estimates that are complex and require further interpretation may have a significant impact on the financial statements. As of 30 April 2023, the assumptions and significant accounting estimates used in the preparation of the three-months interim condensed consolidated financial statements have not changed compared to those used in the prior year.

(f) Measurement of fair values

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

(i) Trade and other receivables

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

(ii) Forward exchange contracts

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

(iii) Other non-derivative financial liabilities

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

Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries
Notes to the Condensed Consolidated Interim Financial Statements
As at and for the three months period ended 30 April 2023
(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)

2 Basis of presentation of financial statements (continued)

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

(f) Measurement of fair values (continued)

(iv) Property, plant and equipment

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

(v) Intangible assets

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

Restatement of financial statements during periods of high inflation

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

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

2.2 New and Amended Turkish Financial Reporting Standards

(a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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2 Basis of presentation of financial statements (continued)

2.2 New and Amended Turkish Financial Reporting Standards (continued)

(a) Amendments that are mandatorily effective from 2023 (continued)

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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.

(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 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
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>

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 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

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2 Basis of presentation of financial statements (continued)

2.2 New and Amended Turkish Financial Reporting Standards (continued)

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

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

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

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

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

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

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

2.3 Significant accounting policies

Condensed consolidated financial statements as of and for the three months interim period ended 30 April 2023 have been prepared by the Group by applying the accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 January 2023.

The financial statements in the condensed consolidated interim financial statements for the three-months period ended on 30 April 2023 must be evaluated together with the consolidated financial statements for the year ended 31 January 2023.

TFRS 16 Leases

Leases

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

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2 Basis of presentation of financial statements (continued)

2.3 Significant accounting policies (continued)

IFRS 16 Leases (continued)

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

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

Right-of-use assets

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

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

Lease liability

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

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

3 Seasonality of operations

The condensed consolidated interim financial statements of the Group also comprise the effects of seasonality. Therefore, the three months operating results for the period ended 30 April 2023 are not indicative of the results for the financial year.

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4 Segment reporting

	1 February - 30 April 2023			1 February - 30 April 2022		
	Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total
Segment revenue ⁽¹⁾	3,378,553	568,000	3,946,553	1,507,780	379,470	1,887,250
-Retail	2,400,991	67,851	2,468,842	1,095,250	39,361	1,134,611
-Wholesale	696,911	381,505	1,078,416	258,516	268,140	526,656
-E-commerce	280,651	118,644	399,295	154,014	71,969	225,983
Segment profit before tax	597,386	25,759	623,145	335,174	58,510	393,684

	30 April 2023			31 January 2023		
	Reportable segment			Reportable segment		
	Türkiye	International	Total	Türkiye	International	Total
Total segment assets	7,929,056	1,533,168	9,462,224	7,261,292	1,381,452	8,642,744
Total segment liabilities	5,865,971	703,283	6,569,254	5,301,859	608,937	5,910,796

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 Turkey and International based on the geographical areas where sales are generated. These divisions are managed separately because they require different trading and marketing strategies. International segment comprises Europe, USA, Canada, Russia and rest of the world.

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

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5 Cash and cash equivalents

As at 30 April 2023 and 31 January 2023, cash and cash equivalents comprises the following:

	30 April 2023	31 January 2023
Cash on hand	12,958	6,535
Cash at banks	2,606,389	2,722,275
-Demand deposits	260,482	136,294
-Time deposits	2,345,907	2,585,981
Other cash and cash equivalents	683,521	494,302
Cash and cash equivalents in the statement of cash flow	3,302,868	3,223,112
Time deposit interest accrual	26,417	21,500
	3,329,285	3,244,612

As at 30 April 2023 and 31 January 2023, other cash and cash equivalents consist of credit card receivables with maturities less than three months.

As at 30 April 2023 and 31 January 2023, the details of the maturity dates and interest rates of the Group's time deposits are as follows:

	Maturity	Interest rate	30 April 2023
TL	2 May -16 May 2023	27.50%-32.50%	2,180,330
USD	2 May 2023	0.50%	126,274
EUR	2 May 2023	0.30%	39,303
			2,345,907

	Maturity	Interest rate	31 January 2023
TL	1 February -3 March 2023	11.00%-29.75%	2,506,440
USD	1 February 2023	0.50%	71,769
EUR	1 February 2023	0.50%	7,772
			2,585,981

As at 30 April 2023 and 31 January 2023, there is no restriction or blockage on cash and cash equivalents. The Group's currency risk and sensitivity analyses are disclosed in Note 24.

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As at and for the three months period ended 30 April 2023

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6 Financial borrowings

As at 30 April 2023 and 31 January 2023, financial borrowings comprise the following:

	30 April 2023	31 January 2023
Current liabilities		
Unsecured bank loans	617,558	813,247
Current portion of unsecured bank loans	301,810	217,297
Issued debt instruments	547,113	509,972
Lease liabilities	398,680	350,245
	1,865,161	1,890,761
Non-current liabilities		
Unsecured bank loans	5,936	--
Lease liabilities	290,505	289,816
	296,441	289,816

As of 30 April 2023 and 31 January 2023, the Group's total bank loans are as follows:

	30 April 2023	31 January 2023
Bank loans ⁽¹⁾	925,304	1,030,544
Issued debt instruments	547,113	509,972
Lease liabilities	689,185	640,061
	2,161,602	2,180,577

⁽¹⁾ Bank loans comprise financial liabilities to participation banks amounting to TL 50,315 (31 January 2023 : TL 187,769).

As of 30 April 2023 and 31 January 2023, the repayments of loan agreements according to the original maturities are as follows:

	30 April 2023	31 January 2023
Less than one year	1,466,481	1,540,516
One to two years	3,108	--
Two to three years	2,828	--
	1,472,417	1,540,516

As of 30 April 2023 and 31 January 2023, maturities and conditions of outstanding loans comprised the following:

30 April 2023					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	TL	14.12%-28.00%	2023	696,000	725,889
Unsecured bank loans	RUB	12.50%	2024	95,864	97,502
Unsecured bank loans	CAD	6.95%-7.30%	2023-2026	75,687	75,687
Unsecured bank loans	USD	7.14%	2023	26,226	26,226
Issued debt instruments	TL	35.18%	2024	500,000	547,113
				1,393,777	1,472,417
31 January 2023					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	TL	16.50%-28.00%	2023	894,000	948,588
Unsecured bank loans	USD	6.89%	2023	16,909	16,909
Unsecured bank loans	RUB	13.50%	2023	13,419	13,830
Unsecured bank loans	CAD	7.20%	2023	50,934	51,217
Issued debt instruments	TL	35.18%	2024	500,000	509,972
				1,475,262	1,540,516

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

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6 Financial borrowings (continued)

Short-term portion of long-term liabilities	30 April 2023	31 January 2023
Lease liabilities	464,003	409,849
Deferred lease borrowing cost (-)	(65,323)	(59,604)
	398,680	350,245
Long-term lease liabilities		
Lease liabilities	353,775	346,321
Deferred lease borrowing costs (-)	(63,270)	(56,505)
	290,505	289,816
Total lease liabilities	689,185	640,061

7 Related party disclosures

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

As of 30 April 2023, the members of the Akarlılar Family (Fatma Elif Akarlılar, Hayriye Fethiye Akarlılar and Seyhan Akarlılar) are the controlling shareholders of the Group with a total ownership interest of 27.41% where 27.19% is the direct ownership interest and 0.22% is the indirect ownership interest through Blue International Holding B.V.

(a) Related party balances

Advances given to related parties as of 30 April 2023 and 31 January 2023 are as follows:

	30 April 2023	31 January 2023
Erak Giyim Sanayi Tic. A.Ş. (“Erak”) ⁽¹⁾	89,741	82,365
	89,741	82,365

⁽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 30 April 2023 and 31 January 2023 is as follows:

	30 April 2023	31 January 2023
Due to related parties		
Erak ⁽¹⁾	247,632	193,311
Akay Lelmalabis Elgazhizah LLC (“Akay”) ⁽²⁾	141,577	130,630
	389,209	323,941

⁽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 without guarantee and non-interest bearing. Purchases from Erak have 90 days repayment date.

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

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7 Related party disclosures(continued)

As at 30 April 2023 and 31 January 2023, other receivable to related parties comprised the following:

	<u>30 April 2023</u>	<u>31 January 2023</u>
Other receivables from related parties		
Mavi USA shareholders	6,314	12,216
	6,314	12,216

As of 30 April 2023 and 31 January 2023, other short-term payables to related parties are as follows:

	<u>30 April 2023</u>	<u>31 January 2023</u>
Other payables to related parties		
Mavi Giyim shareholders ⁽¹⁾	386,509	--
Eflatun Giyim shareholders	41	41
Short-term other payables to related parties	386,550	41

⁽¹⁾ Consist of dividend payables.

	<u>30 April 2023</u>	<u>31 January 2023</u>
Short-term lease liabilities to related parties		
Sylvia House Inc.	1,656	184
Mavi Jeans Holding Inc.	--	275
	1,656	459

(b) Related party transactions

For the three months period ended 30 April 2023 and 2022, product purchases from related parties of the Group are as follows:

	<u>1 February – 30 April 2023</u>	<u>1 February – 30 April 2022</u>
Purchase from related parties		
Erak	516,289	338,535
Akay	77,818	55,780
	594,107	394,315

For the three months period ended 30 April 2023 and 2022, the services from related parties of the Group are as follows:

	<u>1 February – 30 April 2023</u>	<u>1 February – 30 April 2022</u>
Services from related parties		
Erak ⁽¹⁾	988	360
Mavi Jeans Holding Inc. ⁽²⁾	448	706
Sylvia House Inc. ⁽³⁾	683	547
	2,119	1,613

⁽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.

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

For the three months period ended 30 April 2023, short-term and long-term benefits (salaries and wages, attendance fee, bonus, holiday overtime, severance payment, premium and other benefits) provided to senior management and board of directors amounted to TL 100,724 (30 April 2022: TL 56,117).

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8 Trade receivables and payables

Short-term trade receivables

As at 30 April 2023 and 31 January 2023, short-term trade receivables are as follows:

	<u>30 April 2023</u>	<u>31 January 2023</u>
Trade receivables from third parties	1,294,026	870,657
	1,294,026	870,657

As at 30 April 2023 and 31 January 2023, short-term trade receivables from third parties are as follows:

	<u>30 April 2023</u>	<u>31 January 2023</u>
Receivables	1,128,789	754,730
Post-dated cheques	65,442	7,483
Endorsed cheques	17,670	20,702
Notes receivables	84,623	91,917
Expected credit losses (-)	(2,498)	(4,175)
Doubtful receivables	53,067	53,262
Allowance for doubtful receivables (-)	(53,067)	(53,262)
	1,294,026	870,657

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

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

Short-term trade payables

As at 30 April 2023 and 31 January 2023, short-term trade payables of the Group are as follows:

	<u>30 April 2023</u>	<u>31 January 2023</u>
Trade payables to third parties	2,640,788	2,636,580
Trade payables to related parties (Note 7)	389,209	323,941
	3,029,997	2,960,521

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

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

As of 30 April 2023 and 31 January 2023, short-term trade payables to third parties are as follows:

	<u>30 April 2023</u>	<u>31 January 2023</u>
Trade payables ⁽¹⁾	2,513,209	2,538,840
Expense accruals	127,579	97,740
	2,640,788	2,636,580

⁽¹⁾ Trade payables to third parties comprise import factoring payables amounting TL 278,743 (31 January 2023: TL 458,511) and supplier financing payables amounting TL 757,510 (31 January 2023: TL 892,744). The Company performs import factoring for the purchases of good from abroad. Within the scope of import factoring, foreign suppliers transfer their receivables from the Company to the financial institutions where the Company works with confirmation of assignment. Within the scope of supplier financing, domestic suppliers transfer their receivables from the Company to the financial institutions where the Company works with confirmation of assignment.

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9 Inventories

As of 30 April 2023 and 31 January 2023, inventories are as follows:

	30 April 2023	31 January 2023
Trade goods	2,449,334	2,257,791
Consignment trade goods	160,306	152,511
Goods in transit	8,814	5,472
Provision for impairment on inventory (-)	(131,562)	(108,188)
	2,486,892	2,307,586

As of 30 April 2023 there is no restriction/ pledge on inventories (31 January 2023: nil).

As of 30 April 2023 and 2022, the provision for impairment on inventory is as follows:

	30 April 2023	30 April 2022
Opening balance	108,188	32,925
Provision for the period	22,118	7,909
Foreign currency translation effect	1,256	823
Closing balance	131,562	41,657

In the interim period ended on 30 April 2023, inventories of TL 22,118 (30 April 2022: TL 7,909) were recognised as an expense for slow moving inventory and net realizable value assessment in accordance with Group policies of provision for impairment on inventory during the period and included in “cost of sales”.

10 Property, plant and equipment and intangible assets

The amount of tangible and intangible assets purchased during the three months period ended 30 April 2023 is TL 86,124 (30 April 2022: TL 61,158).

Net book value of tangible and intangible assets sold during the three months period ended 30 April 2023 amounted to TL 531 (30 April 2022: TL 1,258).

The depreciation charge for the three months period ended 30 April 2023 is TL 48,692 (30 April 2022: TL 31,489). The depreciation charge of TL 241 for the three months period ended 30 April 2023 is capitalized in accordance with incentive program. (30 April 2022: TL 58).

11 Goodwill

As of 30 April 2023, and 31 January 2023, the carrying amount of goodwill allocated to each cash generating unit is as follows;

	30 April 2023	31 January 2023
Mavi USA	445,957	431,283
Mavi Canada	42,782	42,360
Other	3,733	3,733
	492,472	477,376

As of 30 April 2023, 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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12 Right-of-use assets

For the period ended 30 April 2023 and 2022 the movement of Right-of-use assets is as follows:

Cost	Buildings	Store	Vehicles	Warehouse	Total
1 February 2023 balance	151,136	1,320,954	45,212	108,805	1,626,107
Additions	--	7,405	2,799	--	10,204
Modification	14,120	141,129	124	--	155,373
Disposals	--	(8,072)	(1,003)	(11,755)	(20,830)
Currency translation differences	2,870	(10,859)	(32)	2,233	(5,788)
Balance as of 30 April 2023	168,126	1,450,557	47,100	99,283	1,765,066

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
1 February 2023 balance	129,101	881,283	16,711	22,620	1,049,715
Charge for the period	6,477	104,969	4,496	6,110	122,052
Disposals	--	(7,896)	(1,003)	(11,755)	(20,654)
Currency translation differences	2,084	(6,030)	19	543	(3,384)
Balance as of 30 April 2023	137,662	972,326	20,223	17,518	1,147,729

Net book value as of 30 April 2023	30,464	478,231	26,877	81,765	617,337
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Cost	Buildings	Store	Vehicles	Warehouse	Total
1 February 2022 balance	113,923	947,587	27,107	47,476	1,136,093
Additions	--	9,537	621	--	10,158
Modification	6,200	72,272	67	--	78,539
Disposals	(142)	(12,545)	(597)	--	(13,284)
Currency translation differences	6,501	20,139	701	4,804	32,145
Balance as of 30 April 2022	126,482	1,036,990	27,899	52,280	1,243,651

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
1 February 2022 balance	70,333	591,648	13,667	9,940	685,588
Charge for the period	7,618	61,175	1,994	1,014	71,801
Disposals	(142)	(7,250)	(597)	--	(7,989)
Currency translation differences	4,399	11,497	449	987	17,332
Balance as of 30 April 2022	82,208	657,070	15,513	11,941	766,732

Net book value as of 30 April 2022	44,274	379,920	12,386	40,339	476,919
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For the three months period ended 30 April 2023, TL 7,071 (30 April 2022: TL 3,298) of amortisation expenses are included under general administrative expenses and TL 114,461 (30 April 2022: TL 68,346) under selling and marketing expenses, and TL 520 (30 April 2022: TL 157) under research and development expenses.

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13 Provisions, contingent assets and liabilities

Short-term provisions

As at 30 April 2023 and 31 January 2023, short-term provisions are as follows:

	30 April 2023	31 January 2023
Short-term provisions for employee benefits	20,802	18,829
Other short-term provisions	117,159	105,514
	137,961	124,343

Short-term provision for employee benefits consists of provision for vacation pay liability. The movement of provision for vacation liability for the three-months period ending on 30 April 2023 and 2022 is as follows:

	2023	2022
1 February balance	18,829	8,773
Current period provision	5,999	4,684
Currency translation differences	(198)	941
Payments	(3,828)	(908)
30 April balance	20,802	13,490

Provision for vacation pay liability

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

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

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term vacation pay liability if the 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 Türkiye, the Company is required to pay to the employee, whose employment is terminated due to any reasons, the wage of the deserved and unused vacation days over the gross prevailing wage and other benefits subject to contract at the date the contract is terminated. Vacation pay liability is the total undiscounted liability of the deserved and unused vacation days of all employees. Vacation pay liability is calculated by remaining number of unused vacation days and average daily salary.

As at 30 April 2023 and 31 January 2023, details of other short-term provisions are as follows:

	30 April 2023	31 January 2023
Sales return provision	102,518	91,646
Legal provision ⁽¹⁾	6,581	5,751
Other provisions	8,060	8,117
	117,159	105,514

⁽¹⁾ Legal provision mainly comprised of labour lawsuits.

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13 Provisions, contingent assets and liabilities (continued)

Short-term provisions (continued)

The movement of provisions for the three-months interim period ending on 30 April 2023 and 2022 is as follows:

	Legal provision ⁽¹⁾	Return provisions	Other provisions	Total
1 February 2023 balance	5,751	91,646	8,117	105,514
Current year provision	1,145	10,389	969	17,815
Currency translation differences	--	483	331	814
Provisions used	(263)	--	--	(263)
Provisions cancelled	(52)	--	(1,357)	(6,721)
30 April 2023 balance	6,581	102,518	8,060	117,159
1 February 2022 balance	4,098	27,183	3,249	34,530
Current year provision	723	3,413	1,154	5,290
Currency translation differences	--	1,676	241	1,917
Provisions used	(106)	--	--	(106)
Provisions cancelled	(75)	--	(1,037)	(1,112)
30 April 2022 balance	4,640	32,272	3,607	40,519

⁽¹⁾ Legal provision mainly comprised of labour lawsuits.

Long-term provisions

As at 30 April 2023 and 31 January 2023, long-term provisions which consist of severance pay liabilities are as follows:

	30 April 2023	31 January 2023
Long-term provisions for employee benefits	56,426	61,122
	56,426	61,122

For the period ended 30 April 2023 and 2022 the movement of provision for termination benefits is as follows:

	1 February – 30 April 2023	1 February – 30 April 2022
As of February 1	61,122	23,176
Interest cost	1,300	543
Service cost	14,528	4,767
Paid benefits	(20,158)	(3,734)
Currency translation differences	(366)	285
As of the end of the period	56,426	25,037

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14 Commitments

(a) Guaranties, pledges and mortgages

As of 30 April 2023 and 31 January 2023, the Group's guarantee / pledge / mortgage ("GPM") position statement is as follows:

	30 April 2023					
	TL Equivalent	TL	EUR	RUB	USD	CAD
A. On behalf of its own legal personality of the total amount of GPMs	151,903	87,051	2,148	8,060	878	--
Guarantee	151,903	87,051	2,148	8,060	878	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries	61,285	--	53	--	170	4,000
Guarantee	61,285	--	53	--	170	4,000
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	213,188	87,051	2,201	8,060	1,048	4,000

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14 Commitments (continued)

(a) Guaranties, pledges and mortgages (continued)

	31 January 2023					
	TL Equivalent	TL	EUR	RUB	USD	CAD
A. On behalf of its own legal personality of the total amount of GPMs	161,233	75,028	3,218	3,619	1,033	--
Guarantee	161,233	75,028	3,218	3,619	1,033	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries	59,898	--	53	4,159	75	4,000
Guarantee	59,898	--	53	4,159	75	4,000
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	221,131	75,028	3,271	7,778	1,108	4,000

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14 Commitments (continued)

(a) Guaranties, pledges and mortgages (continued)

As of 30 April 2023, ratio of other GPM given by the Group to equity was 0% (31 January 2023: 0%).

The Group has purchase commitments related to inventory amounting to TL 4,193,142 as of 30 April 2023 (31 January 2023: TL 3,618,520).

(b) Guarantees received

As of 30 April 2023, Group has received letter of guarantees for the amount of TL 226,910 as in the form of security from wholesale customers (31 January 2023: TL 176,570).

15 Share capital, reserves and other equity items

Paid-in capital

The capital structure as of 30 April 2023 and 31 January 2023 is as follows:

	%	30 April 2023	%	31 January 2023
Akarlılar Family	27.19	27,000	27.19	27,000
Blue International	0.22	216	0.22	216
Publicly held	72.60	72,098	72.60	72,098
	100.00	99,314	100.00	99,314

As of 30 April 2023 paid-in capital of the Company comprises 99,314,000 shares issued of TL 1 each (31 January 2023: 99,314,000 shares issued of TL 1 each).

Legal reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s historical paid-in share capital. The second legal reserve is appropriated at the rate of 1/10 of all cash dividend distributions exceeding 5% of the company's capital in cases where profit distribution is made according to CMB regulations, and in cases where dividends are distributed according to legal records, it is appropriated at the rate of 1/11 per annum of all cash distributions in excess of 5% of the historical paid-in share capital. The legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. As of 30 April 2023 the Group's total legal reserves are TL 19,771 (31 January 2023: TL 19,771).

Hedging reserve

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

Dividend Payment

At the Ordinary General Assembly meeting held at 27 April 2023, dividend distribution of TL 429,455 (dividend per gross share : TL4.32) from 2022 and previous years’ distributable net income was approved unanimously. The dividend is paid on 10 – 12 May 2023.

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16 Selling, marketing and distribution expenses

For the three months periods ended 30 April 2023 and 2022, selling, marketing and distribution expenses comprised the following:

	1 February – 30 April 2023	1 February – 30 April 2022
Personnel expenses	370,100	167,167
Rent expenses ⁽¹⁾	179,929	75,859
Depreciation and amortization expenses	140,643	86,152
Freight-out expenses	67,159	35,956
Outsourced logistics expenses	58,041	30,573
Advertising expenses	36,794	28,554
Consultancy expenses	14,847	7,581
Shopping bags expenses	10,108	8,123
Travel expenses	6,586	4,207
Other	89,709	54,190
	973,916	498,362

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

17 Other operating income and expenses

Other operating income for the three-months interim periods ended on 30 April 2023 and 2022 is as follows:

	1 February – 30 April 2023	1 February – 30 April 2022
Salary protocol income	5,085	494
Interest income on trade payables, net	2,032	589
Reversal of expected credit loss	1,989	395
Foreign exchange gain, net	91	9,225
Covid 19 incentive	--	3,079
Investment support income	--	500
Other	3,203	3,826
	12,400	18,108

Other operating expenses for the three-months interim periods ended on 30 April 2023 and 2022 are as follows:

	1 February – 30 April 2023	1 February – 30 April 2022
Foreign exchange loss, net	13,421	1,688
Expected credit loss	--	93
Other	3,299	1,729
	16,720	3,510

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18 Gains and losses from investment activities

As of 30 April 2023 and 2022, gains from investment activities comprised the following:

	1 February – 30 April 2023	1 February – 30 April 2022
Fx protected deposit income	1,248	--
Gains on sale of fixed assets	114	--
	1,362	--

As of 30 April 2023 and 2022, losses from investment activities comprised the following:

	1 February – 30 April 2023	1 February – 30 April 2022
Losses on sale of fixed assets	587	677
	587	677

19 Finance income

Finance income for the three-months interim periods ending on 30 April 2023 and 2022 is as follows:

	1 February – 30 April 2023	1 February – 30 April 2022
Interest income on time deposits	124,283	39,352
Foreign exchange gain	6,517	6,248
	130,800	45,600

20 Finance expenses

Finance expenses for the three-months interim periods ending on 30 April 2023 and 2022 are as follows:

	1 February – 30 April 2023	1 February – 30 April 2022
Financial liabilities measured at amortised cost	87,457	42,281
Interest expenses on purchases	66,908	29,205
Credit card commission expenses	27,761	6,218
Interest expenses on contractual lease liabilities	27,719	17,724
Import financing expenses	24,679	9,154
Foreign exchange loss	1,406	6,726
Other	2,570	1,485
	238,500	112,793

21 Income taxes

Corporate tax rate of Türkiye is 20% (30 April 2022 :23%). For the three months interim period ended 30 April 2023, Group’s effective tax rate is 17% (30 April 2022 :23%).

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22 Earnings per share

The amount of earnings per share is calculated by dividing the net period profit attributable to the owners of the Company shares by the weighted average share of the company's shares during the period. Earnings per share for the three months interim periods ending on 30 April 2023 and 2022 are as follows:

	30 April 2023	Restated 30 April 2022
Net profit for the year attributable to owners of the Company	512,087	288,870
Weighted average number of ordinary shares (basic)	99,314,000	99,314,000
Earnings per ordinary/ diluted share (full TL)	5.1562	2.9087

23 Derivative Instruments

As at 30 April 2023 and 31 January 2023, short-term derivative liabilities are as follows:

	30 April 2023	31 January 2023
Assets from the forward exchange contracts	26,762	--
Liability from the forward exchange contracts	--	(17,698)
	26,762	(17,698)

As of 30 April 2023, the Group has open forward exchange contracts to hedge the foreign currency risk on inventory purchases in amount of USD 45,312 thousand in equivalent of TL 963,032. By applying hedge accounting, the fair value difference of TL 26,762, resulting from such forward transactions, is recognized in other comprehensive income.

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24 Nature and level of risks related to financial instruments

Market risk

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

Currency risk

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

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

Interest rate risk

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

Capital Management

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

Currency Risk

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

	<u>30 April 2023</u>	<u>31 January 2023</u>
TL / EUR	21.3604	20.4525
TL / USD	19.4268	18.7876
TL / RUB	0.2397	0.2684
TL / CAD	14.2126	14.0723

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

	<u>1 February – 30 April 2023</u>	<u>1 February – 30 April 2022</u>
TL / EUR	20.5405	15.8374
TL / USD	19.0356	14.3219
TL / RUB	0.2469	0.1641
TL / CAD	14.0406	11.2955

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

Market risk (continued)

Currency risk (continued)

As of 30 April 2023, the Group's foreign currency position specified in the following table arises from foreign currency denominated assets and liabilities.

	TL Equivalent	USD	EUR	Other (TL Equivalent)
1. Trade receivables	29,771	1,142	--	7,585
2a. Monetary financial assets (including cash banks)	203,488	7,051	2,240	18,663
2b. Non-monetary financial assets	--	--	--	--
3. Other	33,157	1,698	8	--
4. Current assets (1+2+3)	266,416	9,891	2,248	26,248
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)	266,416	9,891	2,248	26,248
10. Trade payables	50,521	2,093	452	205
11. Financial liabilities	9,082	320	134	--
12a. Monetary other liabilities	--	--	--	--
12b. Non-monetary other liabilities	--	--	--	--
13. Short-term liabilities (10+11+12)	59,603	2,413	586	205
14. Trade payables	--	--	--	--
15. Financial liabilities	5,867	106	179	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Long-term liabilities (14+15+16)	5,867	106	179	--
18. Total liabilities (13+17)	65,470	2,519	765	205
19. Net Asset/(Liability) Position of derivative instruments (19a-19b)	(880,267)	(45,312)	--	--
19a. Hedged total asset	--	--	--	--
19b. Hedged total liabilities	880,267	45,312	--	--
20. Position of net foreign currency assets/liabilities (9-18+19)	(679,321)	(37,940)	1,483	26,043
21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)	167,789	5,674	1,475	26,043

As at 30 April 2023, Mavi Türkiye has trade receivables amounting to TL 114,548 from consolidated subsidiaries which comprise, CAD 292 thousand, EUR 983 thousand, RUB 323,134 thousand and USD 192 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 279,685. The Group has fx protected deposits amounting USD 2,000 thousand as of the balance sheet date.

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

Market risk (continued)

Currency risk (continued)

As of 31 January 2023 the Group's foreign currency position specified in the following table arises from foreign currency denominated assets and liabilities.

	TL Equivalent	USD	Euro	Other (TL Equivalent)
1. Trade receivables	21,140	781	--	6,467
2a. Monetary financial assets (including cash. banks)	100,737	4,053	548	13,375
2b. Non-monetary financial assets	--	--	--	--
3. Other	29,872	1,581	8	--
4. Current assets (1+2+3)	151,749	6,415	556	19,842
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)	151,749	6,415	556	19,842
10. Trade payables	59,739	2,268	797	823
11. Financial liabilities	8,714	286	164	--
12a. Monetary other liabilities	--	--	--	--
12b. Non-monetary other liabilities	--	--	--	--
13. Short-term liabilities (10+11+12)	68,453	2,554	961	823
14. Trade payables	--	--	--	--
15. Financial liabilities	8,346	242	186	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Long-term liabilities (14+15+16)	8,346	242	186	--
18. Total liabilities (13+17)	76,799	2,796	1,147	823
19. Net Asset/(Liability) Position of derivative instruments (19a-19b)	(799,452)	(42,552)	--	--
19a. Hedged total asset	--	--	--	--
19b. Hedged total liabilities	799,452	42,552	--	--
20. Position of net foreign currency assets/liabilities (9+18-19)	(724,502)	(38,933)	(591)	19,019
21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)	45,078	2,038	(599)	19,019

As at 31 January 2023, Mavi Türkiye has trade receivables amounting to TL 176,719 from consolidated subsidiaries which comprise; USD 554 thousand, CAD 462 thousand EUR 1,598 thousand and RUB 473,714 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 221,798. The Group has fx protected deposits amounting USD 3,000 thousand as of the balance sheet date.

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

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

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

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

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

Foreign Currency Sensitivity Analysis				
30 April 2023				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
10% change of the USD against TL				
1- Net USD denominated asset/liability	11,025	(11,025)	11,025	(11,025)
2- Hedged portion of TL against USD risk(-)	--	--	88,027	(88,027)
3- Net effect of USD (1+2)	11,025	(11,025)	99,052	(99,052)
10% change of the EURO against TL				
4- Net EURO denominated asset/liability	3,150	(3,150)	3,150	(3,150)
5- Hedged portion of TL against EURO risk(-)	--	--	--	--
6- Net effect of EURO (4+5)	3,150	(3,150)	3,150	(3,150)
10% change of other against TL				
7- Net other denominated asset/liability	2,604	(2,604)	2,604	(2,604)
8- Hedged portion of TL against other risk(-)	--	--	--	--
9- Net effect of other (7+8)	2,604	(2,604)	2,604	(2,604)
Total (3+6+9)	16,779	(16,779)	104,806	(104,806)

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

Market risk (continued)

Currency risk (continued)

Foreign Currency Sensitivity Analysis				
31 January 2023				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
10% change of the USD against TL				
1- Net USD denominated asset/liability	3,830	(3,830)	3,830	(3,830)
2- Hedged portion of TL against USD risk(-)	--	--	79,945	(79,945)
3- Net effect of USD (1+2)	3,830	(3,830)	83,775	(83,775)
10% change of the EURO against TL				
4- Net EURO denominated asset/liability	(1,224)	1,224	(1,224)	1,224
5- Hedged portion of TL against EURO risk(-)	--	--	--	--
6- Net effect of EURO (4+5)	(1,224)	1,224	(1,224)	1,224
10% change of other against TL				
7- Net other denominated asset/liability	1,902	(1,902)	1,902	(1,902)
8- Hedged portion of TL against other risk(-)	--	--	--	--
9- Net effect of other (7+8)	1,902	(1,902)	1,902	(1,902)
Total (3+6+9)	4,508	(4,508)	84,453	(84,453)

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

Fair values

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

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 April 2023							
Financial assets measured at fair value							
Derivative financial instruments	26,762	--	26,762	--	26,762	--	26,762
Total	26,762	--	26,762	--	26,762	--	26,762

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 January 2023							
Financial liabilities measured at fair value							
Derivative financial instruments	(17,698)	--	(17,698)	--	(17,698)	--	(17,698)
Total	(17,698)	--	(17,698)	--	(17,698)	--	(17,698)

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(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)

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

Fair value disclosures

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

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

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

Financial instruments measured at fair value

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

Financial instruments not measured at fair value

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

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26 Subsequent events

The dividend is paid on 10 – 12 May 2023.

The application made to the Capital Markets Board within the scope of the transactions regarding the increase of the Company's issued capital from 99,314 TL to 198,628 TL by covering the entire amount from the previous years' distributable net income account was approved by the decision numbered 26/592 and dated 11.05.2023. The right to receive free shares has been started to be exercised as of 16.05.2023. The amendment of the 6th article of the company's articles of association titled "Capital and Shares" was registered by the Istanbul Trade Registry Directorate on 22.05.2023 and published in Türkiye Trade Registry Gazette dated 22.05.2023 and numbered 10835.

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Unaudited supplementary information

(Amounts are expressed in thousands of Turkish Lira (“TL”), unless otherwise stated.)

APPENDIX 1 Ebitda reconciliation

EBITDA is not a defined performance measure in TFRS. EBITDA reconciliation for the three months period ended 30 April 2023 and 2022 are as follows:

	Note	30 April 2023	30 April 2022
Profit		515,034	301,891
Tax expense		108,111	91,793
Profit before tax		623,145	393,684
-Fx protected deposit income		(1,248)	--
-Net finance costs		107,700	67,193
-Receivables and payables, interest net		(2,032)	(589)
-Receivables and payables, foreign exchange net		13,330	(7,537)
-Depreciation and amortisation	10,12	170,503	103,232
EBITDA		911,398	555,983

As of 30 April 2023, TFRS 16 has an impact of TL 138,895 on EBITDA. (30 April 2022: TL 91,315)

APPENDIX 2 Effect of TFRS 16 on Financial Statements

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

	30 April 2023	TFRS 16 Effect	After TFRS 16
Current assets	7,506,779	(6,037)	7,500,742
Non-current assets	1,328,800	632,682	1,961,482
Current liabilities	5,741,819	398,680	6,140,499
Non-current liabilities	138,250	290,505	428,755
Equity	2,955,510	(62,540)	2,892,970

	1 February – 30 April 2023	TFRS 16 Effect	After TFRS 16
Operating profit	713,227	16,843	730,070
Operating profit before finance costs	714,002	16,843	730,845
Finance income	130,800	--	130,800
Finance expense	(210,022)	(28,478)	(238,500)
Profit before tax	634,780	(11,635)	623,145
Net profit	524,991	(9,957)	515,034
EBITDA	772,503	138,895	911,398