Mavi Giyim Sanayi ve Ticaret A.Ş.

("Mavi", the "Company" or the "Group")

March 15, 2019

Mavi delivers 32% revenue increase in 2018 following solid financial performance and sustained growth

Mavi, Turkey's leading jeans and apparel brand, announced its financial results for the financial year ended 31 January 2019. The company increased its consolidated revenues by 32% to TL 2.353 billion and net profit by 12% to TL 101 million year on year.

Key Group Highlights

- Consolidated revenues increased by 32% to TL 2.353 billion
- EBITDA grew by 46% to TL 367 million resulting in 15.6% EBITDA margin
- Net profit rose 12% to TL 101 million
- Net debt to EBITDA ratio at 0.3 (x)
- Consolidated e-commerce revenues up 103%, and international e-commerce revenues 118%
- Global number of stores reached 427

Key Highlights - Turkey

- Revenues in Turkey grew by 30% to TL 1.471 billion, driven by 22.5% like-for-like growth
- 13 net new stores were opened and 10 stores expanded as retail space reached 149K m^2
- Growth across all product lines with a 24% revenue increase in jeans, 39% in jackets, 35% in shirts, 36% in knits, 32% in accessories
- Mavi acquired 1.1 million new customers through Kartuş, Mavi's industry leading CRM program, reaching a total of 7.3 million customers, with 5.3 million active users

Mavi's focus on effective inventory management and high sell-through performance resulted in an EBITDA increase of 46% and an improved EBITDA margin of 15.6%, up from 14.1% in 2017.

The brand's exceptional awareness levels, the right product mix, effective pricing strategy and excellent service led to 22.5% LFL growth. Moreover, Mavi's reputation as a trusted brand with outstanding product quality attracted over one million new customers to the brand in 2018.

Due to its continued investment in digital platforms, Mavi recorded an increase of 118% in its global e-commerce revenues alongside target-beating growth across all sales channels. With one of the leading customer engagement programs in the industry, Mavi was able to increase the number of active Kartuş users to 5.3 million in the financial year, with 7.3 million registered customers in total.

Mavi further continued to expand its retail footprint in Turkey, reaching a total retail space of 149K square meters following 13 net new store openings and 10 store expansions in its home market. As of the end of the financial year 2018, Mavi operated 427 stores globally.

Cüneyt Yavuz, Chief Executive Officer, Mavi, commented:

"We are delighted with our healthy performance and continued growth which is testament to Mavi's unique brand identity, powerful customer engagement and uncompromising approach to quality. I would like to take this moment to thank the entire Mavi team for their outstanding contribution to the successful financial year.

We were particularly pleased with our strong like-for-like growth of 22.5% and the introduction of one million new customers to the Mavi experience this year. As we continue to create a best-in-class retail experience in our stores, we were proud to bring the total retail space in Turkey to a new Mavi record of 149K square meters. This followed the expansion of 10 stores and the opening of 13 net new ones in our home market in 2018.

We further recorded a 103% increase in e-commerce, one of our priority channels. Our continued investment in digital channels will play an important role in delivering on our target of sustainable profitable growth.

"Our operating cost efficiency strategy proved effective as we delivered on our EBITDA margin guidance with an increase of 150 base points to 15.6%.

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