

**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 2022

9 June 2022

This report contains 40 pages of financial statement  
explanatory notes.

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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 2022**

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

		<b>Unaudited</b>	<b>Audited</b>
	<i>Notes</i>	<b>30 April 2022</b>	<b>31 January 2022</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,539,947	1,508,641
Trade receivables		590,313	394,487
- <i>Due from third parties</i>	8	590,313	394,487
Other receivables		41,258	33,211
- <i>Due from third parties</i>		41,258	33,211
Inventories	9	1,004,407	751,398
Derivatives		38,542	28,882
Prepayments		157,057	120,666
- <i>Due from related parties</i>	7	100,285	86,982
- <i>Due from third parties</i>		56,772	33,684
Current tax assets		12,967	7,453
Other current assets		15,201	11,445
<b>Total current assets</b>		<b>3,399,692</b>	<b>2,856,183</b>
<b>Non-current assets</b>			
Other receivables		6,535	6,354
- <i>Due from third parties</i>		6,535	6,354
Property and equipment		289,522	258,987
Right of use assets	12	476,919	450,505
Intangible assets		520,764	473,907
- <i>Other intangible assets</i>		142,746	130,889
- <i>Goodwill</i>	11	378,018	343,018
Prepayments		--	7
- <i>Due from third parties</i>		--	7
Deferred tax assets		52,705	49,361
<b>Total non-current assets</b>		<b>1,346,445</b>	<b>1,239,121</b>
<b>TOTAL ASSETS</b>		<b>4,746,137</b>	<b>4,095,304</b>

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

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Financial Position**  
**As at 30 April 2022**

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

		<b>Unaudited</b>	<b>Audited</b>
	<i>Notes</i>	<b>30 April 2022</b>	<b>31 January 2022</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short term borrowings	6	785,401	644,828
Short term contractual lease liabilities	6	256,928	229,295
- Due to related parties	7	3,590	3,872
- Due to third parties		253,338	225,423
Short portion of long term borrowings	6	191,834	245,780
Trade payables		1,321,328	1,188,646
- Due to related parties	7	228,823	212,803
- Due to third parties	8	1,092,505	975,843
Payables to employees		90,364	100,056
Other payables		134,763	19,019
- Due to related parties	7	108,427	41
- Due to third parties		26,336	18,978
Deferred revenue		29,284	29,826
Provisions		54,009	43,303
- Provisions for employee benefits	13	13,490	8,773
- Other provisions	13	40,519	34,530
Current tax liabilities		101,435	51,501
Other current liabilities		20,719	18,119
<b>Total current liabilities</b>		<b>2,986,065</b>	<b>2,570,373</b>
<b>Non-current liabilities</b>			
Long term contractual lease liabilities	6	272,120	276,630
- Due to related parties	7	--	330
- Due to third parties		272,120	276,300
Deferred revenue		139	730
Payables to employees		16,826	19,921
Provisions		25,037	23,176
- Provisions for employee benefits	13	25,037	23,176
Deferred tax liabilities		13,411	11,117
<b>Total non-current liabilities</b>		<b>327,533</b>	<b>331,574</b>
<b>TOTAL LIABILITIES</b>		<b>3,313,598</b>	<b>2,901,947</b>

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**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Financial Position**  
**As at 30 April 2022**

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

	<i>Notes</i>	<b>Unaudited</b> <b>30 April 2022</b>	<b>Audited</b> <b>31 January 2022</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>		<b>1,332,193</b>	<b>1,114,503</b>
Paid in share capital	<i>15</i>	49,657	49,657
Purchase of share of entities under common control		(35,757)	(35,757)
Other comprehensive income/expense not to be reclassified to profit or loss		(12,293)	(12,293)
<i>Remeasurement of defined benefit liability</i>		(12,293)	(12,293)
Other comprehensive income/expense to be reclassified to profit or loss		424,767	375,518
<i>Foreign currency translation reserve</i>		395,090	353,279
<i>Hedging reserve</i>		29,677	22,239
Legal reserves		19,771	19,771
Retained earnings		597,178	317,166
Net income		288,870	400,441
<b>Non-controlling interests</b>		<b>100,346</b>	<b>78,854</b>
<b>Total equity</b>		<b>1,432,539</b>	<b>1,193,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,746,137</b>	<b>4,095,304</b>

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

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Profit or Loss**  
**For the three months period ended 30 April 2022**

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

		<b>Unaudited</b>	<b>Unaudited</b>
	<i>Notes</i>	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
Revenue		1,887,250	758,756
Cost of sales		(821,006)	(383,691)
<b>Gross profit</b>		<b>1,066,244</b>	<b>375,065</b>
Administrative expenses		(106,082)	(49,941)
Selling, marketing and distribution expenses	<i>16</i>	(498,362)	(256,694)
Research and development expenses		(14,844)	(10,441)
Other operating income	<i>17</i>	18,108	9,200
Other operating expenses	<i>17</i>	(3,510)	(1,273)
<b>Operating profit</b>		<b>461,554</b>	<b>65,916</b>
Losses from investment activities	<i>18</i>	(677)	(98)
<b>Operating profit before financial income</b>		<b>460,877</b>	<b>65,818</b>
Finance income	<i>19</i>	45,600	44,943
Finance costs	<i>20</i>	(112,793)	(65,969)
<b>Net finance costs</b>		<b>(67,193)</b>	<b>(21,026)</b>
<b>Profit before tax</b>		<b>393,684</b>	<b>44,792</b>
<b>Income tax expense</b>		<b>(91,793)</b>	<b>(8,314)</b>
- Tax expense		(97,018)	(16,068)
- Deferred tax income		5,225	7,754
<b>Net income</b>		<b>301,891</b>	<b>36,478</b>
Non-controlling interests		13,021	5,477
Owners of the Company		288,870	31,001
<b>Earnings per share</b>	<i>22</i>	<b>5.8173</b>	<b>0.6243</b>

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

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Profit or Loss**  
**For the three months period ended 30 April 2022**

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

	<b>Unaudited</b>	<b>Unaudited</b>
<i>Notes</i>	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit liability	--	(572)
- Related tax	--	255
<b>Items that are or may be reclassified to profit or loss</b>		
Foreign operations - foreign currency translation differences	50,282	33,572
Cash flow hedging reserves	9,660	18,104
- Related tax	(2,222)	(4,096)
<b>Other comprehensive income net of tax</b>	<b>57,720</b>	<b>47,263</b>
<b>Total comprehensive income</b>	<b>359,611</b>	<b>83,741</b>
<b>Total comprehensive income attributable to:</b>		
Non-controlling interests	21,492	8,827
Owners of the Company	338,119	74,914

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

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

### Condensed Consolidated Interim Statement of Changes In Equity

As at and for the three months period ended 30 April 2022

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

	Share capital	Legal reserves	Purchase of share of entities under common control	Other comprehensive income/expense not to be reclassified to profit or loss	Other comprehensive income/expense to be 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 / (loss)			
<b>Balance as at 1 February 2021</b>	<b>49,657</b>	<b>19,771</b>	<b>(35,757)</b>	<b>(6,245)</b>	<b>141,733</b>	<b>(6,880)</b>	<b>342,930</b>	<b>4,583</b>	<b>509,792</b>	<b>24,217</b>	<b>534,009</b>
Transfers	--	--	--	--	--	--	4,583	(4,583)	--	--	--
Total comprehensive income	--	--	--	(317)	30,222	14,008	--	31,001	74,914	8,827	83,741
<b>Total balance as at 30 April 2021</b>	<b>49,657</b>	<b>19,771</b>	<b>(35,757)</b>	<b>(6,562)</b>	<b>171,955</b>	<b>7,128</b>	<b>347,513</b>	<b>31,001</b>	<b>584,706</b>	<b>33,044</b>	<b>617,750</b>
<b>Balance as at 1 February 2022</b>	<b>49,657</b>	<b>19,771</b>	<b>(35,757)</b>	<b>(12,293)</b>	<b>353,279</b>	<b>22,239</b>	<b>317,166</b>	<b>400,441</b>	<b>1,114,503</b>	<b>78,854</b>	<b>1,193,357</b>
Transfers	--	--	--	--	--	--	400,441	(400,441)	--	--	--
Dividend	--	--	--	--	--	--	(120,429)	--	(120,429)	--	(120,429)
Total comprehensive income	--	--	--	--	41,811	7,438	--	288,870	338,119	21,492	359,611
<b>Total balance as at 30 April 2022</b>	<b>49,657</b>	<b>19,771</b>	<b>(35,757)</b>	<b>(12,293)</b>	<b>395,090</b>	<b>29,677</b>	<b>597,178</b>	<b>288,870</b>	<b>1,332,193</b>	<b>100,346</b>	<b>1,432,539</b>

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

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**As at and for the three months period ended 30 April 2022**  
*(Amounts are expressed in thousands of Turkish Lira (“TL”), unless otherwise stated.)*

	<i>Notes</i>	<b>Unaudited 1 February – 30 April 2022</b>	<b>Unaudited 1 February – 30 April 2021</b>
<b>Cash flow from operating activities</b>			
<b>Net profit for the period</b>		<b>301,891</b>	<b>36,478</b>
<i>Adjustments for:</i>			
Depreciation and amortization expense	10,12	103,232	81,548
Finance income	19	(39,352)	(44,589)
Finance cost	20	106,067	63,814
Provision for unused vacation	13	4,684	1,968
Provision for employee severance indemnity	13	5,310	1,485
Impairment loss on receivables		(154)	(254)
Interest (Income)/expense on trade payables	17	(589)	(2,144)
Expected credit losses	17	(302)	(444)
Inventory obsolescence, reversals	9	7,909	4,961
Short term and long term provisions	13	4,179	2,627
Loss on disposal of property and equipment, net	18	677	98
Tax expense		91,793	8,314
Unrealized currency translation difference		33,581	27,531
		<b>618,926</b>	<b>181,393</b>
<b>Changes in:</b>			
Change in trade receivables		(198,375)	(102,682)
Change in inventory		(261,740)	(105,367)
Change in prepaid expenses		(36,385)	(10,569)
Change in other receivables		(8,229)	1,576
Change in other current and non-current assets		(3,755)	(3,122)
Change in employee benefits liabilities		(12,790)	(1,694)
Change in trade payables		156,857	(5,801)
Change in payables to related parties		(23,585)	107,310
Change in deferred revenue		(1,133)	664
Change in other payables		(4,684)	(1,005)
Change in short term and long term provisions		(106)	(618)
Change in other liabilities		1,554	4,662
<b>Cash flows used in operating activities</b>		<b>226,555</b>	<b>64,747</b>
Employee benefits paid	13	(4,642)	(1,361)
Income tax paid		(52,860)	(1,098)
<b>Net cash from operating activities</b>		<b>169,053</b>	<b>62,288</b>
<b>Cash flows from investing activities</b>			
Acquisition of tangible assets	10	(45,184)	(23,042)
Proceeds from sale of tangible assets	10	581	24
Acquisition of intangible assets	10	(15,916)	(9,867)
Interest received		39,700	20,616
<b>Net cash flow used in investing activities</b>		<b>(20,819)</b>	<b>(12,269)</b>
Proceeds from loans and borrowings		296,630	208,184
Repayment of loans and borrowings		(256,021)	(279,726)
Payments of contractual lease liabilities		(91,661)	(49,304)
Other financial payments		(46,062)	(24,393)
Interest paid		(19,466)	(24,919)
<b>Net cash flow used in financing activities</b>		<b>(116,580)</b>	<b>(170,158)</b>
<b>Net change in cash and cash equivalent</b>		<b>31,654</b>	<b>(120,139)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	5	<b>1,505,633</b>	<b>889,875</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>1,537,287</b>	<b>769,736</b>

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

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

As at and for the three months period ended 30 April 2022

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

### 1 Reporting entity

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, 34418 Kağıthane Istanbul/Turkey.

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 Istanbul ("BIST") since 15 June 2017. As of 30 April 2022, 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 2022: 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 as at 30 April 2022 include financial position and the results of Mavi Giyim, Mavi Europe AG ("Mavi Europe"), Mavi Nederland BV ("Mavi Nederland") 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.

The ownership interest of and voting power held by the Company as at and for the periods ended 30 April 2022 and 31 January 2022 are as follows:

Subsidiaries	Place of Incorporation	Principal Activities	Effective Shareholding %	
			30 April 2022	31 January 2022
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	Turkey	Holding company	51.00	51.00
Mavi USA	USA	Wholesale and retail sales of apparel	51.00	51.00
Mavi Canada	Canada	Wholesale and retail sales of apparel	63.25	63.25
Mavi Kazakhstan <sup>(1)</sup>	Kazakhstan	Retail sales of apparel	100.00	100.00

<sup>(1)</sup> Mavi Kazakhstan is in the liquidation process and does no longer proceed any operations as of 31 October 2015. Mavi Kazakhstan financials have not been consolidated since its operations insignificant in terms of consolidated financial statements, as of 30 April 2022.

As of 30 April 2022, Group's total number of employees is 5,267 (31 January 2022: 5,111).

# 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 2022

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

### 2 Basis of presentation of financial statements

#### 2.1 Basis of accounting

##### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 April 2022 ('last annual financial statements'). They do not include all of the information required to be a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of changes in the Group's financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 9 June 2022. General Assembly has the authority to modify the condensed consolidated interim financial statements.

##### (b) 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 condensed consolidated interim 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 2.1 (e).

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

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira ("TL") which is the Company's functional currency. The foreign subsidiaries maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered.

These accompanying condensed consolidated interim financial statements are presented in thousands of TL which is the Company's functional currency except when the otherwise indicated. All other currencies are indicated in full unless otherwise indicated.

The table below summarizes functional currencies of the Group entities.

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

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

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

**2.1 Basis of accounting (continued)**

**(d) Use of judgements and estimates**

In preparing these condensed consolidated interim 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.

The significant judgements made by the management in applying the Groups accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 January 2022.

**(e) Measurement of fair values**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**(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) 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) 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 2022**  
*(Amounts are expressed in thousands of Turkish Lira ("TL"), unless otherwise stated.)*

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

**2.1 Basis of accounting (continued)**

**(e) Measurement of fair values (continued)**

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

The fair value of property and equipment recognized as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between 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.

**(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 2021 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 2022**

Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1, TFRS 9 and TAS 41</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

**Amendments to TFRS 3 Reference to the Conceptual Framework**

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

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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 2022** *(continued)*

**Amendments to TAS 16 Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

**Amendments to TAS 37 Onerous Contracts – Cost of Fulfilling a Contract**

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

**Annual Improvements to TFRS Standards 2018-2020 Cycle**

Amendments to TFRS 1 *First time adoption of International Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to TFRSs.

Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in TFRS 13.

The amendments to TFRS 1, TFRS 9, and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early 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 2022 (continued)**

**Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021**

Public Oversight Accounting and Auditing Standards Authority ("POA") has published Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

The Group assessed that the adoption of these amendments that are effective from 2022 do not have any effect on the Group's consolidated financial statements.

**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 2023.

**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 2023 and earlier application is permitted.

**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 entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

**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)*

**(b) New and revised TFRS's in issue but not yet effective** *(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.

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

**2.3 Significant accounting policies**

Except as described below (IFRS 9 and IFRS 15), the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 January 2022.

The financial statements in the condensed consolidated financial statements for the three-months period ended on 30 April 2022 must be evaluated together with the financial statements in the consolidated financial statements for the year ended 31 January 2022.

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

**2.3 Significant accounting policies (continued)**

**IFRS 16 Leases**

The Group has initially adopted IFRS 16-Leases from 1 February 2019. At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at initial recognition date.

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 February 2019. Accordingly, the comparative information presented for 2018 has not been restated, under IAS 17 and related interpretations.

**Practical expedient**

- The Group has applied a single discount rate to a reasonably similar portfolio of lease contracts,
- Group rely on its assessment of whether leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options
- Group rely on its assessment of whether leases are onerous applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.
- Office equipment which have insignificant contract value are not included under the scope of IFRS 16.
- Initial direct costs incurred as at 1 February 2019 are not associated with the right of use assets.

**Leases**

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.

# **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 2022**

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

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

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

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

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

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

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

###### **Lease liability**

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

### **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 2022 are not indicative of the results for the financial year.

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

### Notes to the Condensed Consolidated Interim Financial Statements

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#### 4 Operating segments

	1 February 2022- 30 April 2022			1 February 2021- 30 April 2021		
	Reportable segment			Reportable segment		
	Turkey	International	Total	Turkey	International	Total
<b>Segment revenue <sup>(1)</sup></b>	<b>1,507,780</b>	<b>379,470</b>	<b>1,887,250</b>	<b>572,738</b>	<b>186,018</b>	<b>758,756</b>
-Retail	1,095,250	39,361	1,134,611	364,507	15,146	379,653
-Wholesale	258,516	268,140	526,656	130,967	137,671	268,638
-E-commerce	154,014	71,969	225,983	77,264	33,201	110,465
<b>Segment profit before tax</b>	<b>335,174</b>	<b>58,510</b>	<b>393,684</b>	<b>22,168</b>	<b>22,624</b>	<b>44,792</b>
	30 April 2022			31 January 2022		
	Reportable segment			Reportable segment		
	Turkey	International	Total	Turkey	International	Total
<b>Total segment assets</b>	<b>3,705,736</b>	<b>1,040,401</b>	<b>4,746,137</b>	<b>3,185,132</b>	<b>910,172</b>	<b>4,095,304</b>
<b>Total segment liabilities</b>	<b>2,819,112</b>	<b>494,486</b>	<b>3,313,598</b>	<b>2,455,586</b>	<b>446,361</b>	<b>2,901,947</b>

The Group has 2 strategic operating segments 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.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

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### 5 Cash and cash equivalents

As at 30 April 2022 and 31 January 2022, cash and cash equivalents comprises the following:

	30 April 2022	31 January 2022
Cash on hand	18,727	2,974
Cash at banks	1,000,124	1,237,997
<i>Demand deposits</i>	149,182	91,449
<i>Time deposits</i>	850,942	1,146,548
Other cash and cash equivalents	518,436	264,662
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>1,537,287</b>	<b>1,505,633</b>
Time deposit interest accrual	2,660	3,008
<b>Cash and cash equivalents in the statement of consolidated financial statement</b>	<b>1,539,947</b>	<b>1,508,641</b>

As at 30 April 2022 and 31 January 2022, other cash and cash equivalents consist of credit card receivables with maturities less than three months.

As at 30 April 2022 and 31 January 2022, the details of time deposits based on maturity dates and interest rates of the Group are as below:

	Maturity	Interest rate	30 April 2022
TL	5 May-1 August 2022	12.5%-21.25%	793,649
USD	5 May 2022	0.50%	57,293
			<b>850,942</b>

	Maturity	Interest rate	31 January 2022
TL	1 February -1 August 2022	14.5%-21.25%	1,092,959
USD	1 February 2022	0.50%	33,132
EUR	1 February 2022	0.25%	20,457
			<b>1,146,548</b>

As at 30 April 2022 and 31 January 2022, there is no restriction or blockage on cash and cash equivalents. The Group’s exposure to foreign currency risk and sensitivity analyses are disclosed in Note 24.

### 6 Loans and borrowings

As at 30 April 2022 and 31 January 2022, financial borrowings comprise the following:

	30 April 2022	31 January 2022
<b><u>Current liabilities</u></b>		
Unsecured bank loans	785,401	644,828
Current portion of unsecured bank loans	191,834	245,780
Contractual lease liabilities	256,928	229,295
	<b>1,234,163</b>	<b>1,119,903</b>
<b><u>Non-current liabilities</u></b>		
Contractual lease liabilities	272,120	276,630
	<b>272,120</b>	<b>276,630</b>

# 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 2022

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### 6 Loans and borrowings (continued)

As at 30 April 2022 and 31 January 2022, loan and borrowings comprised the following:

	30 April 2022	31 January 2022
Bank loans <sup>(1)</sup>	977,235	890,608
Contractual lease liabilities	529,048	505,925
	<b>1,506,283</b>	<b>1,396,533</b>

<sup>(1)</sup> Bank loans comprise financial liabilities to participation banks amounting to TL 198,287 (31 January 2022: TL 86,846).

As at 30 April 2022 and 31 January 2022, the repayments of loan agreements according to the original maturities comprised the following:

	30 April 2022	31 January 2022
Less than one year	977,235	890,608
	<b>977,235</b>	<b>890,608</b>

As at 30 April 2022 and 31 January 2022, maturities and conditions of outstanding loans comprised the following:

30 April 2022					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	TL	9.87%-25.20%	2022-2023	798,506	831,102
Unsecured bank loans	USD	2.00%	2022	36,963	37,285
Unsecured bank loans	RUB	9.50%-29.64%	2022-2023	98,765	100,907
Unsecured bank loans	CAD	2.95%	2022	7,913	7,941
				<b>942,147</b>	<b>977,235</b>

31 January 2022					
	Currency	Nominal interest rate%	Maturity	Face value	Carrying amount
Unsecured bank loans	EUR	0.70%	2022	60,614	60,828
Unsecured bank loans	TL	8.72%-25.20%	2022-2023	682,234	692,835
Unsecured bank loans	USD	2.00%-3.26%	2022	40,205	40,524
Unsecured bank loans	RUB	9.50%-12.00%	2022-2023	91,134	91,891
Unsecured bank loans	CAD	2.95%	2022	4,530	4,530
				<b>878,717</b>	<b>890,608</b>

The Group’s exposure to foreign currency and sensitivity analyses for financial liabilities are disclosed in Note 24.

Short term portion of long term liabilities	30 April 2022	31 January 2022
Lease liabilities	303,188	273,248
Deferred lease borrowing cost (-)	(46,260)	(43,953)
	<b>256,928</b>	<b>229,295</b>
Long term lease liabilities		
Lease liabilities	324,736	334,258
Deferred lease borrowing costs (-)	(52,616)	(57,628)
	<b>272,120</b>	<b>276,630</b>
Total contractual lease liabilities	<b>529,048</b>	<b>505,925</b>

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

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### 7 Related party

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 30 April 2022, 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

As at 30 April 2022 and 31 January 2022, short term prepayments given to related parties comprised the following:

<b>Prepayments given to related parties</b>	<b>30 April 2022</b>	<b>31 January 2022</b>
Erak Giyim Sanayi Tic. A.Ş. (“Erak”) <sup>(1)</sup>	100,285	86,982
	<b>100,285</b>	<b>86,982</b>

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

<b>Due to related parties</b>	<b>30 April 2022</b>	<b>31 January 2022</b>
Erak <sup>(1)</sup>	171,940	144,281
Akay Lelmalabis Elgazhizah LLC (“Akay”) <sup>(2)</sup>	56,883	68,522
	<b>228,823</b>	<b>212,803</b>

<sup>(1)</sup> Amounts due to Erak, a company controlled by immediate family members of the shareholder of the parent company, are for purchases of inventory. Amounts are non-interest bearing and have 90 days repayment date.

<sup>(2)</sup> Amount comprise of inventory purchases to subsidiary Akay situated in Egypt. Amounts are non-interest bearing and have 90 days repayment date.

<b>Other payables to related parties</b>	<b>30 April 2022</b>	<b>31 January 2022</b>
Mavi Giyim shareholders <sup>(1)</sup>	108,386	--
Eflatun Giyim shareholders	41	41
<b>Short term other payables to related parties</b>	<b>108,427</b>	<b>41</b>

<sup>(1)</sup> Consists of dividend payables.

<b>Short term contractual lease liabilities to related parties</b>	<b>30 April 2022</b>	<b>31 January 2022</b>
Sylvia House Inc.	1,363	1,464
Mavi Jeans Holding Inc.	2,227	2,408
	<b>3,590</b>	<b>3,872</b>

<b>Long term contractual lease liabilities to related parties</b>	<b>30 April 2022</b>	<b>31 January 2022</b>
Sylvia House Inc.	--	133
Mavi Jeans Holding Inc.	--	197
	--	<b>330</b>

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

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

### 7 Related party (continued)

#### (b) Related party transactions

For the three months period ended 30 April 2022 and 2021, purchases from related parties of the Group comprised the following:

	<u>1 February 2022 – 30 April 2022</u>	<u>1 February 2021 – 30 April 2021</u>
<b>Purchase from related parties</b>		
Erak	338,535	158,867
Akay	55,780	18,307
	<b>394,315</b>	<b>177,174</b>

For the three months period ended 30 April 2022 and 2021, the services from related parties of the Group comprised the following:

	<u>1 February 2022 – 30 April 2022</u>	<u>1 February 2021 – 30 April 2021</u>
<b>Services from related parties</b>		
Erak <sup>(1)</sup>	360	284
Mavi Jeans Holding Inc. <sup>(2)</sup>	706	398
Sylvia House Inc. <sup>(3)</sup>	547	942
	<b>1,613</b>	<b>1,624</b>

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

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

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

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

For the three months period ended 30 April 2022, 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 56,117 (30 April 2021: TL 16,480).

For the three months period ended 30 April 2022, the Group does not have any payables to any board of director or key management personnel of the Group.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

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### 8 Trade receivables and payables

#### Short term trade receivables

As at 30 April 2022 and 31 January 2022, short term trade receivables are as follows:

	<u>30 April 2022</u>	<u>31 January 2022</u>
Trade receivables from third parties	590,313	394,487
	<b>590,313</b>	<b>394,487</b>

As at 30 April 2022 and 31 January 2022, short term trade receivables from others are as follows:

	<u>30 April 2022</u>	<u>31 January 2022</u>
Trade receivables	497,294	344,531
Post-dated cheques	10,859	5,322
Endorsed cheques	20,849	6,179
Notes receivables	63,326	40,622
Expected credit losses (-)	(2,015)	(2,167)
Doubtful receivables	39,994	37,265
Allowance for doubtful receivables (-)	(39,994)	(37,265)
	<b>590,313</b>	<b>394,487</b>

Details related to Group’s exposure to foreign currency risk for short term trade receivables is disclosed in Note 24.

#### Short term trade payables

As at 30 April 2022 and 31 January 2022, short term trade payables of the Group are as follows:

	<u>30 April 2022</u>	<u>31 January 2022</u>
Trade payables to third parties	1,092,505	975,843
Trade payables to related parties (Note 7)	228,823	212,803
	<b>1,321,328</b>	<b>1,188,646</b>

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

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

As at 30 April 2022 and 31 January 2022, short term trade payables due to others are as follows:

	<u>30 April 2022</u>	<u>31 January 2022</u>
Trade payables to third parties <sup>(1)</sup>	1,042,299	932,373
Expense accruals	50,206	43,470
	<b>1,092,505</b>	<b>975,843</b>

<sup>(1)</sup>Trade payables to third parties comprise factoring payables amounting TL 75,173 (31 January 2022: TL 243,372) and supplier financing payables amounting TL 352,439 (31 January 2022: TL 278,358). 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.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

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### 9 Inventories

As at 30 April 2022 and 31 January 2022, inventories are as follows:

	<b>30 April 2022</b>	<b>31 January 2022</b>
Trade goods	989,932	737,768
Consignment trade goods	53,860	41,290
Goods in transit	2,272	5,265
Provision for impairment on inventory (-)	(41,657)	(32,925)
	<b>1,004,407</b>	<b>751,398</b>

As at 30 April 2022 there is no restriction/ pledge on inventories (31 January 2022: nil).

As at 30 April 2022 and 2021, the provision for impairment on inventory is as follows:

	<b>30 April 2022</b>	<b>30 April 2021</b>
<b>Opening balance</b>	<b>32,925</b>	<b>26,222</b>
Provision for the year	7,909	4,961
Effect of movements in exchange rates	823	1,241
<b>Closing balance</b>	<b>41,657</b>	<b>32,424</b>

As of the period ending on 30 April 2022, inventories of TL 7,909 (30 April 2021: TL 4,961) 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 current period and included in “cost of sales”.

### 10 Property and equipment and intangible assets

The amount of tangible and intangible assets purchased during the three months period ended 30 April 2022 is TL 61,158 (30 April 2021: TL 32,921).

Net book value of tangible and intangible assets sold during the three months period ended 30 April 2022 amounted to TL 1,258 (30 April 2021: TL 122).

The depreciation charge for the three months period ended 30 April 2022 is TL 31,489 (30 April 2021: TL 23,025). The depreciation charge of TL 58 for the three months period ended 30 April 2022 is capitalized in accordance with incentive program. (30 April 2021: TL 12).

### 11 Goodwill

As at 30 April 2022 and 31 January 2022, the carrying amount of goodwill allocated to each cash generating unit is as follows;

	<b>30 April 2022</b>	<b>31 January 2022</b>
Mavi America	339,405	307,641
Mavi Canada	34,880	31,644
Other	3,733	3,733
	<b>378,018</b>	<b>343,018</b>

As of 30 April 2022, the increase in goodwill is related to foreign currency translation differences on goodwill recognized at foreign subsidiaries.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

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### 12 Right of use assets

The movement of right of use assets for the three months period ended as of 30 April 2022 and 2021 is as follows;

Cost	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2022 balance</b>	<b>113,923</b>	<b>947,587</b>	<b>27,107</b>	<b>47,476</b>	<b>1,136,093</b>
Additions	--	9,537	621	--	<b>10,158</b>
Modification	6,200	72,272	67	--	<b>78,539</b>
Disposals	(142)	(12,545)	(597)	--	<b>(13,284)</b>
Effect of movements in exchange rates	6,501	20,139	701	4,804	<b>32,145</b>
<b>Closing balance as of 30 April 2022</b>	<b>126,482</b>	<b>1,036,990</b>	<b>27,899</b>	<b>52,280</b>	<b>1,243,651</b>

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2022 balance</b>	<b>70,333</b>	<b>591,648</b>	<b>13,667</b>	<b>9,940</b>	<b>685,588</b>
Charge for the year	7,618	61,175	1,994	1,014	<b>71,801</b>
Disposals	(142)	(7,250)	(597)	--	<b>(7,989)</b>
Effect of movements in exchange rates	4,399	11,497	449	987	<b>17,332</b>
<b>Closing balance as of 30 April 2022</b>	<b>82,208</b>	<b>657,070</b>	<b>15,513</b>	<b>11,941</b>	<b>766,732</b>

<b>Carrying value as of 30 April 2022</b>	<b>44,274</b>	<b>379,920</b>	<b>12,386</b>	<b>40,339</b>	<b>476,919</b>
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Cost	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2021 balance</b>	<b>78,936</b>	<b>716,742</b>	<b>18,115</b>	<b>26,217</b>	<b>840,010</b>
Additions	--	6,389	235	--	<b>6,624</b>
Modification	3,206	29,470	--	--	<b>32,676</b>
Disposals	--	(5,868)	(539)	--	<b>(6,407)</b>
Effect of movements in exchange rates	5,148	8,248	494	3,143	<b>17,033</b>
<b>Closing balance as of 30 April 2021</b>	<b>87,290</b>	<b>754,981</b>	<b>18,305</b>	<b>29,360</b>	<b>889,936</b>

Accumulated depreciation	Buildings	Store	Vehicles	Warehouse	Total
<b>1 February 2021 balance</b>	<b>31,629</b>	<b>363,050</b>	<b>7,545</b>	<b>2,767</b>	<b>404,991</b>
Charge for the year	3,824	52,143	1,387	1,181	<b>58,535</b>
Disposals	--	(5,191)	(540)	--	<b>(5,731)</b>
Effect of movements in exchange rates	2,387	3,875	361	404	<b>7,027</b>
<b>Closing balance as of 30 April 2021</b>	<b>37,840</b>	<b>413,877</b>	<b>8,753</b>	<b>4,352</b>	<b>464,822</b>

<b>Carrying value as of 30 April 2021</b>	<b>49,450</b>	<b>341,104</b>	<b>9,552</b>	<b>25,008</b>	<b>425,114</b>
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For the three months period ended 30 April 2022, TL 3,298 (30 April 2021: TL 3,947) of amortisation expenses are included under general administrative expenses and TL 68,346 (30 April 2021: TL 54,448) under selling and marketing expenses, and TL 157 (30 April 2021: TL 140) under research and development expenses.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

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

### 13 Provisions, contingent assets and liabilities

#### Short term provisions

As of 30 April 2022 and 31 January 2022, short term provisions are as follows:

	<b>30 April 2022</b>	<b>31 January 2022</b>
Provision for employee benefits	13,490	8,773
Other short term provisions	40,519	34,530
	<b>54,009</b>	<b>43,303</b>

Short term provision for employee benefits consists of provision for vacation pay liability. For the periods ended 30 April, the movement of provision for vacation liability is as follows:

	<b>2022</b>	<b>2021</b>
<b>1 February balance</b>	<b>8,773</b>	<b>4,144</b>
Current period provision	4,684	1,968
Effect of movements in exchange rates	941	360
Payments	(908)	(196)
<b>30 April balance</b>	<b>13,490</b>	<b>6,276</b>

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 In accordance with the existing labour law in Turkey, 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.

As at 30 April 2022 and 31 January 2022, details of other short term provisions are as follows:

	<b>30 April 2022</b>	<b>31 January 2022</b>
Sales return provision	32,272	27,183
Legal provision <sup>(1)</sup>	4,640	4,098
Other provisions	3,607	3,249
	<b>40,519</b>	<b>34,530</b>

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

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

#### Short term provisions (continued)

For the three months ended 30 April 2022 and 2021, the movement of short term provision is as follows:

	Legal Provision <sup>(1)</sup>	Return Provisions	Other provisions	Total
<b>1 February 2022 balance</b>	<b>4,098</b>	<b>27,183</b>	<b>3,249</b>	<b>34,530</b>
Current year provision	723	3,413	1,154	5,290
Effect of movements in exchange rates	--	1,676	241	1,917
Provisions used during year	(106)	--	--	(106)
Provisions cancelled during year	(75)	--	(1,037)	(1,112)
<b>30 April 2022 balance</b>	<b>4,640</b>	<b>32,272</b>	<b>3,607</b>	<b>40,519</b>

	Legal Provision	Return provisions	Other provisions	Total
<b>1 February 2021 balance</b>	<b>2,843</b>	<b>10,947</b>	<b>1,879</b>	<b>15,669</b>
Current year provision	299	1,610	1,254	3,163
Effect of movements in exchange rates	--	1,207	302	1,509
Provisions used during year	(217)	(401)	--	(618)
Provisions cancelled during year	(115)	(228)	(193)	(536)
<b>30 April 2021 balance</b>	<b>2,810</b>	<b>13,135</b>	<b>3,242</b>	<b>19,187</b>

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

#### Long term provisions

As of 30 April 2022 and 31 January 2022, long term provisions which consist of severance pay liabilities are as follows:

	30 April 2022	31 January 2022
Long term provisions for employee benefits	25,037	23,176
	<b>25,037</b>	<b>23,176</b>

For the years ended 30 April 2022 and 2021 the movement of provision for severance pay liability is as follows:

	1 February 2022 – 30 April 2022	1 February 2021 – 30 April 2021
<b>Opening balance</b>	<b>23,176</b>	<b>9,081</b>
Interest cost	543	228
Service cost	4,767	1,257
Paid benefits	(3,734)	(1,165)
Effect of movements in exchange rates	285	123
Actuarial difference	--	572
<b>Ending balance</b>	<b>25,037</b>	<b>10,096</b>

## 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 2022

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#### 14 Commitments

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

As of 30 April 2022 and 31 January 2022, the Group's guarantee / pledge / mortgage ("GPM") position statement is as follows:

	30 April 2022					
	TL Equivalent	TL	EUR	RUB	USD	CAD
<b>A. On behalf of its own legal personality of the total amount of GPMs</b>	<b>134,568</b>	<b>52,751</b>	<b>4,200</b>	--	<b>1,098</b>	--
Guarantee	134,568	52,751	4,200	--	1,098	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries</b>	<b>53,158</b>	--	<b>156</b>	<b>15,876</b>	<b>75</b>	<b>4,000</b>
Guarantee	53,158	--	156	15,876	75	4,000
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>C. Total amount of GPM given to conduct other 3<sup>rd</sup> parties to guarantee the depts.</b>	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>D. Total amount of other GPM</b>	--	--	--	--	--	--
i. Total amount of GPM given on behalf of the main partners	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
ii. Total amount of GPM given on behalf of other group companies which are not in the scope of B and C section	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
iii. Total amount of GPM given on behalf of other group companies which are not in the scope of C section	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>Total GPM</b>	<b>187,726</b>	<b>52,751</b>	<b>4,356</b>	<b>15,876</b>	<b>1,173</b>	<b>4,000</b>

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

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

14

#### Commitments (continued)

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

	31 January 2022					
	TL Equivalent	TL	EUR	RUB	USD	CAD
<b>A. On behalf of its own legal personality of the total amount of GPMs</b>	<b>190,152</b>	<b>51,842</b>	<b>8,122</b>	--	<b>1,249</b>	--
Guarantee	190,152	51,842	8,122	--	1,249	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>B. Total amount of GPM included in the scope of consolidation given on behalf of subsidiaries</b>	<b>47,644</b>	--	<b>156</b>	<b>13,131</b>	<b>75</b>	<b>4,000</b>
Guarantee	47,644	--	156	13,131	75	4,000
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>C. Total amount of GPM given to conduct other 3<sup>rd</sup> parties to guarantee the depts.</b>	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>D. Total amount of other GPM</b>	--	--	--	--	--	--
i. Total amount of GPM given on behalf of the main partners	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
ii. Total amount of GPM given on behalf of other group companies which are not in the scope of B and C section	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
iii. Total amount of GPM given on behalf of other group companies which are not in the scope of C section	--	--	--	--	--	--
Guarantee	--	--	--	--	--	--
Pledge	--	--	--	--	--	--
Mortgage	--	--	--	--	--	--
<b>Total GPM</b>	<b>237,796</b>	<b>51,842</b>	<b>8,278</b>	<b>13,131</b>	<b>1,324</b>	<b>4,000</b>

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**14 Commitments (continued)**

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

As of 30 April 2022, ratio of other GPM given by the Group to equity was 0% (31 January 2022: 0%).

As of 30 April 2022, there is no letter of guarantees given to Eximbank. (31 January 2022: TL 67,349).

The Group has purchase commitments related to inventory amounting to TL 2,456,361 as of 30 April 2022 (31 January 2022: TL 1,852,521).

**(b) Guarantees received**

As of 30 April 2022, Group has received letter of guarantees for an amount of TL 26,244 as in the form of security (31 January 2022: TL 16,827).

**15 Capital, reserves and other capital reserves**

**Paid-in capital**

As of 30 April 2022 and 31 January 2022, paid capital is as follows:

	%	30 April 2022	%	31 January 2022
Akarlılar Ailesi	27.19	13,500	27.19	13,500
Blue International	0.22	108	0.22	108
Publicly held	72.60	36,049	72.60	36,049
	<b>100.00</b>	<b>49,657</b>	<b>100.00</b>	<b>49,657</b>

As of 30 April 2022 paid-in capital of the Company comprises 49,657,000 shares issued of TL 1 each (31 January 2022: 49,657,000 shares issued of TL1 each).

**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 at 30 April 2022, the Company’s legal reserves are amounting to TL 19,771 (31 January 2022: 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**

At the Ordinary General Assembly meeting held at 14 March 2022, dividend distribution of TL 120,429 (dividend per gross share : TL2.43) from 2021 and previous years distributable net income was approved unanimously. Dividend payment will be started on 16 August 2022.

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**16 Selling, marketing and distribution expenses**

For the three months periods ended 30 April 2022 and 2021, selling, marketing and distribution expenses comprised the following:

	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
Personnel expenses	167,167	78,295
Depreciation and amortization expenses	86,152	68,742
Rent expenses <sup>(1)</sup>	75,859	29,263
Freight-out expenses	35,956	15,675
Outsourced logistics expenses	30,573	15,312
Advertising expenses	28,554	12,009
Shopping bags expenses	8,123	2,522
Consultancy expenses	7,581	6,159
Travel expenses	4,207	1,580
Other	54,190	27,137
	<b>498,362</b>	<b>256,694</b>

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

**17 Other operating income and expense**

For the three months periods ended 30 April 2022 and 2021, other operating income comprised the following:

	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
Foreign exchange gain, net	9,225	4,692
Covid 19 incentive	3,079	--
Interest income on trade payables, net	589	2,144
Investment support income	500	--
Salary protocol income	494	494
Reversal of expected credit loss	395	615
Other	3,826	1,255
	<b>18,108</b>	<b>9,200</b>

For the three months periods ended 30 April 2022 and 2021, other expenses comprised the following:

	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
Foreign exchange loss, net	1,688	1,012
Expected credit loss	93	171
Other	1,729	90
	<b>3,510</b>	<b>1,273</b>

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**18 Losses from investment activities**

For the three months periods ended 30 April 2022 and 2021, losses from investment activities comprised the following:

	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
Losses on sale of fixed assets	677	98
	<b>677</b>	<b>98</b>

**19 Finance income**

For the three months periods ended 30 April 2022 and 2021, finance income comprised the following:

	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
Interest income on time deposits	39,352	19,376
Foreign exchange gain	6,248	353
Other <sup>(1)</sup>	--	25,214
	<b>45,600</b>	<b>44,943</b>

<sup>(1)</sup>Other finance income mainly consists of discounts related with rent payments due to Covid-19 pandemic.

**20 Finance costs**

For the three months periods ended 30 April 2022 and 2021, finance costs comprised the following:

	<b>1 February – 30 April 2022</b>	<b>1 February – 30 April 2021</b>
<b>Interest expense on:</b>		
Financial liabilities measured at amortised cost	42,281	21,603
Interest expenses on purchases	29,205	14,899
Interest expenses on contractual lease liabilities	17,724	17,818
	<b>89,210</b>	<b>54,320</b>
Import financing expenses	9,154	5,703
Foreign exchange loss	6,726	2,155
Credit card commission expenses	6,218	2,454
Other	1,485	1,337
	<b>112,793</b>	<b>65,969</b>

**21 Income taxes**

Corporate tax rate of Turkey is 23% (30 April 2021 : 25%). For the three months period ended 30 April 2022, Group’s effective tax rate is 23% (30 April 2021 : 19%).

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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. The calculation of earnings per share for the periods ended 30 April 2022 and 2021 is as follows:

	<b>30 April 2022</b>	<b>30 April 2021</b>
Net profit for the year attributable to owners of the Company	288,870	31,001
Weighted average number of ordinary shares (basic)	49,657,000	49,657,000
<b>Earnings per ordinary/ diluted share (full TL)</b>	<b>5.8173</b>	<b>0.6243</b>

**23 Derivatives**

As at 30 April 2022 and 31 January 2022, short term derivative assets are as follows:

	<b>30 April 2022</b>	<b>31 January 2022</b>
Assets from the forward exchange contracts	38,542	28,882
	<b>38,542</b>	<b>28,882</b>

As of 30 April 2022, the Group has open forward exchange contracts to hedge the foreign currency risk on inventory purchases in amount of USD 37,655 thousand in equivalent of TL 541,624. By applying hedge accounting, the fair value difference of TL 38,542, 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 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.

Interest rates of the loans are determined on the currency of the loan. Currency of loans, are mainly used in TL, match the cash flow generated from operations of the Group. In such way, Group protects itself from financial risks without using derivative instruments.

#### Interest rate risk

Group is not exposed to risk of interest rate fluctuations since the total amount of floating interest rate loans and borrowings are insignificant.

#### 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 as at balance sheet date of the related periods are as follows:

	<u>30 April 2022</u>	<u>31 January 2022</u>
TL / EUR	15.6139	14.9676
TL / USD	14.7852	13.4015
TL / RUB	0.2058	0.1719
TL / CAD	11.5873	10.5121

The foreign currency average exchange rates for the three months period ended 30 April 2022 and 2021 are as follows:

	<u>1 February – 30 April 2022</u>	<u>1 February – 30 April 2021</u>
EUR / TL	15.8374	9.1343
USD / TL	14.3219	7.6287
RUB / TL	0.1641	0.1010
CAD / TL	11.2955	6.0481

# 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 2022

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

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

#### Market risk

#### Currency risk

As of 30 April 2022, the Group's foreign currency position specified in the following table arises from foreign currency denominated assets and liabilities.

	TL Equivalent	USD	Euro	Other
1. Trade receivables	20,961	981	--	6,458
2a. Monetary financial assets (including cash banks)	77,971	4,096	134	15,318
2b. Non-monetary financial assets	--	--	--	--
3. Other	10,556	579	128	--
<b>4. Current assets (1+2+3)</b>	<b>109,488</b>	<b>5,656</b>	<b>262</b>	<b>21,776</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-current assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total assets (4+8)</b>	<b>109,488</b>	<b>5,656</b>	<b>262</b>	<b>21,776</b>
10. Trade payables	16,680	91	974	115
11. Financial liabilities	7,462	317	178	--
12a. Monetary other liabilities	--	--	(6,942)	108,386
12b. Non-monetary other liabilities	--	--	--	--
<b>13. Short term liabilities (10+11+12)</b>	<b>24,142</b>	<b>408</b>	<b>(5,790)</b>	<b>108,501</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	11,398	427	326	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>11,398</b>	<b>427</b>	<b>326</b>	<b>--</b>
<b>18. Total liabilities (13+17)</b>	<b>35,540</b>	<b>835</b>	<b>(5,464)</b>	<b>108,501</b>
<b>19. Net Asset/(Liability) Position of derivative instruments (19a-19b)</b>	<b>(556,746)</b>	<b>(37,656)</b>	<b>--</b>	<b>--</b>
<b>19a. Hedged total asset</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19b. Hedged total liabilities</b>	<b>556,746</b>	<b>37,656</b>	<b>--</b>	<b>--</b>
<b>20. Position of net foreign currency assets/liabilities (9-18+19)</b>	<b>(482,798)</b>	<b>(32,835)</b>	<b>5,726</b>	<b>(86,725)</b>
<b>21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>63,392</b>	<b>4,242</b>	<b>5,598</b>	<b>(86,725)</b>

As at 30 April 2022, Mavi Turkey has trade receivables amounting to TL 74,808 from consolidated subsidiaries which comprise; CAD 83 thousand , EUR 1,433 thousand , RUB 250,334 thousand and has trade payables amounting to USD 2 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 138.201.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

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

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

**Market risk** (continued)

**Currency risk** (continued)

As of 31 January 2022 the Group's foreign currency position specified in the following table arises from foreign currency denominated assets and liabilities.

	<b>TL Equivalent</b>	<b>USD</b>	<b>Euro</b>	<b>Other</b>
1. Trade receivables	12,962	582	--	5,162
2a. Monetary financial assets (including cash. banks)	65,150	2,645	1,511	7,087
2b. Non-monetary financial assets	--	--	--	--
3. Other	13,924	1,039	--	--
<b>4. Current assets (1+2+3)</b>	<b>92,036</b>	<b>4,266</b>	<b>1,511</b>	<b>12,249</b>
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-current assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total assets (4+8)</b>	<b>92,036</b>	<b>4,266</b>	<b>1,511</b>	<b>12,249</b>
10. Trade payables	21,264	1,001	509	239
11. Financial liabilities	67,751	340	4,222	--
12a. Monetary other liabilities	--	--	--	--
12b. Non-monetary other liabilities	--	--	--	--
<b>13. Short term liabilities (10+11+12)</b>	<b>89,015</b>	<b>1,341</b>	<b>4,731</b>	<b>239</b>
14. Trade payables	--	--	--	--
15. Financial liabilities	12,373	505	376	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
<b>17. Long term liabilities (14+15+16)</b>	<b>12,373</b>	<b>505</b>	<b>376</b>	<b>--</b>
<b>18. Total liabilities (13+17)</b>	<b>101,388</b>	<b>1,846</b>	<b>5,107</b>	<b>239</b>
<b>19. Net Asset/(Liability) Position of derivative instruments (19a-19b)</b>	<b>(134,385)</b>	<b>(10,028)</b>	<b>--</b>	<b>--</b>
<b>19a. Hedged total asset</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19b. Hedged total liabilities</b>	<b>134,385</b>	<b>10,028</b>	<b>--</b>	<b>--</b>
<b>20. Position of net foreign currency assets/liabilities (9-18+19)</b>	<b>(143,737)</b>	<b>(7,608)</b>	<b>(3,596)</b>	<b>12,010</b>
<b>21. Position of net foreign currency monetary assets/liabilities (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(23,276)</b>	<b>1,381</b>	<b>(3,596)</b>	<b>12,010</b>

As at 31 January 2022, Mavi Turkey has trade receivables amounting to TL 23,261 from consolidated subsidiaries which comprise; USD 81 thousand , CAD 143 thousand , and RUB 127,618 thousand , has trade payables amounting to EUR 112 thousand. These amounts have been eliminated in consolidation. Considering these receivables, the Group's net foreign currency monetary assets position amounts to TL 16.

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

<b>Foreign Currency Sensitivity Analysis</b>				
<b>30 April 2022</b>				
	<b>Profit/Loss</b>		<b>Equity</b>	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
<b>10% change of the USD against TL</b>				
1- Net USD denominated asset/liability	6,272	(6,272)	6,272	(6,272)
2- Hedged portion of TL against USD risk(-)	--	--	55,675	(55,675)
<b>3- Net effect of USD (1+2)</b>	<b>6,272</b>	<b>(6,272)</b>	<b>61,947</b>	<b>(61,947)</b>
<b>10% change of the EURO against TL</b>				
4- Net EURO denominated asset/liability	8,740	(8,740)	8,740	(8,740)
5- Hedged portion of TL against EURO risk(-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	<b>8,740</b>	<b>(8,740)</b>	<b>8,740</b>	<b>(8,740)</b>
<b>10% change of other against TL</b>				
7- Net other denominated asset/liability	(8,673)	8,673	(8,673)	8,673
8- Hedged portion of TL against other risk(-)	--	--	--	--
<b>9- Net effect of other (7+8)</b>	<b>(8,673)</b>	<b>8,673</b>	<b>(8,673)</b>	<b>8,673</b>
<b>Total (3+6+9)</b>	<b>6,339</b>	<b>(6,339)</b>	<b>62,014</b>	<b>(62,014)</b>

# 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 2022

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

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

Market risk (continued)

Currency risk (continued)

Foreign Currency Sensitivity Analysis				
31 January 2022				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
<b>10% change of the USD against TL</b>				
1- Net USD denominated asset/liability	1,851	(1,851)	1,851	(1,851)
2- Hedged portion of TL against USD risk(-)	--	--	13,439	(13,439)
<b>3- Net effect of USD (1+2)</b>	<b>1,851</b>	<b>(1,851)</b>	<b>15,290</b>	<b>(15,290)</b>
<b>10% change of the EURO against TL</b>				
4- Net EURO denominated asset/liability	(5,380)	5,380	(5,380)	5,380
5- Hedged portion of TL against EURO risk(-)	--	--	--	--
<b>6- Net effect of EURO (4+5)</b>	<b>(5,380)</b>	<b>5,380</b>	<b>(5,380)</b>	<b>5,380</b>
<b>10% change of other against TL</b>				
7- Net other denominated asset/liability	1,201	(1,201)	1,201	(1,201)
8- Hedged portion of TL against other risk(-)	--	--	--	--
<b>9- Net effect of other (7+8)</b>	<b>1,201</b>	<b>(1,201)</b>	<b>1,201</b>	<b>(1,201)</b>
<b>Total (3+6+9)</b>	<b>(2,328)</b>	<b>2,328</b>	<b>11,111</b>	<b>(11,111)</b>

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

### Notes to the Condensed Consolidated Interim Financial Statements

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#### 25 Financial risk management

##### Fair values

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

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>30 April 2022</b>							
<b>Financial assets measured at fair value</b>							
Derivatives	38,542	--	38,542	--	38,542	--	38,542
<b>Total</b>	<b>38,542</b>	<b>--</b>	<b>38,542</b>	<b>--</b>	<b>38,542</b>	<b>--</b>	<b>38,542</b>
	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>31 January 2022</b>							
<b>Financial assets measured at fair value</b>							
Derivatives	28,882	--	28,882	--	28,882	--	28,882
<b>Total</b>	<b>28,882</b>	<b>--</b>	<b>28,882</b>	<b>--</b>	<b>28,882</b>	<b>--</b>	<b>28,882</b>

# 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 2022

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

### 25 Financial risk management (continued)

#### Fair value disclosures

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

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

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

#### Financial instruments measured at fair value

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

#### Financial instruments not measured at fair value

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

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

As the financial assets and liabilities have short term in nature, the carrying amounts approximate their fair values.

**Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
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**26 Important developments related to the current period**

Challenges brought forward by the Covid-19 pandemic are being managed. All measures recommended by the local and global health authorities have been adopted in all our markets.

Mavi’s agile product planning and speed to shelf capabilities played an important role in delivering increased units per transaction, enabling to continuously keep fresh and relevant inventory across stores and other sales channels.

In preparing 30 April 2022 consolidated financial statements, management has assessed the potential impacts of Covid-19 pandemic on financial statements and reviewed estimates and assumptions used in the preparation of these financial statements.

In this context, the Group tested financial assets, inventories, tangible assets, and goodwill for potential impairment loss and resulted in no impairment loss to be recorded.

Russia’s invasion of Ukraine started on 24 February 2022. Mavi does not have any monobrand stores or active operations in Ukraine. On the other hand, the Group's operations in Russia cover 36 stores, 19 owned and 17 franchise stores, mainly located in and around Moscow and St. Petersburg. Sales in Russia constitute 2.3% of total consolidated sales. The Group does not expect any material impact on its business due to the latest developments in the region.

**27 Subsequent events**

None.

# Mavi Giyim Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries

## 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 IFRS. EBITDA reconciliation for the three month period ended 30 April 2022 and 2021 are as follows:

	Note	30 April 2022	30 April 2021
Profit		301,891	36,478
Tax expense		91,793	8,314
<b>Profit before tax</b>		<b>393,684</b>	<b>44,792</b>
Adjustment for:			
-Net finance costs		67,193	21,026
-Receivables and payables, interest net		(589)	(2,144)
-Receivables and payables, foreign exchange net		(7,537)	(3,680)
-Depreciation and amortisation	10,12	103,232	81,548
<b>EBITDA</b>		<b>555,983</b>	<b>141,542</b>

As of 30 April 2022, IFRS 16 has an impact of TL 91,315 on EBITDA. (30 April 2021: TL 47,245)

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

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

	30 April 2022	IFRS 16 Effect	After IFRS 16
Current assets	3,402,993	(3,301)	3,399,692
Non-current assets	858,384	488,061	1,346,445
Current liabilities	2,729,137	256,928	2,986,065
Non-current liabilities	55,413	272,120	327,533
Equity	1,476,827	(44,288)	1,432,539

	1 February – 30 April 2022	IFRS 16 Effect	After IFRS 16
Operating profit	442,036	19,518	461,554
Operating profit before finance costs	441,359	19,518	460,877
Finance income	45,600	--	45,600
Finance expense	(95,707)	(17,086)	(112,793)
Profit before tax	391,252	2,432	393,684
Net profit	300,166	1,725	301,891
EBITDA	464,668	91,315	555,983