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Mavi Giyim Sanayi ve Ticaret A.Ş.

Interim Report for the Three Months Period

February 1 – April 30, 2025

TABLE of CONTENTS

01 Corporate Information

02 Operational and Financial Information

03 Market Information

04 Future Expectations

05 Other Developments

06 Summary Financial Tables

Corporate Information

01

1 - Corporate Information

This Interim Report is the Report of the Board of Directors, prepared according to CMB Communique II, Numbered 14.1; related to the first three months of 2025, ended April 30, 2025. Throughout this report, the Company (Mavi Giyim Sanayi ve Tic. A.Ş.) and its subsidiaries will be defined as "Mavi", "Company" or "Group"

› **About Mavi**

Mavi Giyim San. ve Tic. A.Ş. was established in 1991 in Turkey. The registered address of the Company is Sultan Selim Mahallesi Eski Büyükdere Caddesi No:53 34418, Kağıthane, İstanbul.

Mavi engages in wholesale and retail sales of ready-to-wear denim apparel to local and international customers. The product range includes, denim products, knit and woven shirts, t-shirts, jackets, skirts, dresses and accessories for men, women and children. International sales operations started in 1994 and today has offices in Turkiye, USA, Canada, Germany and Russia. The company now has offices and showrooms in İstanbul, New York, Vancouver, Moscow, New Jersey, Los Angeles, Atlanta, Dallas, Toronto, Montreal, Düsseldorf, Munich, Hamburg, Leipzig, Heusenstamm, Zurich, Salzburg, Prague and Almere.

The Company is a member of Büyük Mükellefler Tax Office with tax id number 613 002 7985, and registered under Istanbul Trade Registry with registration number 309315.

Fiscal year of the Company is between February 1 – January 31 in line with the fashion apparel business seasons; and this interim report is regarding the first three months ending April 30, 2025.

Official company websites are www.mavi.com and www.mavicompany.com

› **Capital Structure**

Company's shared capital consist of 397,256,000 shares, all of which are issued, fully paid and have a nominal value of TRY 1.00 each at the date of April 30, 2025. Authorized share capital limit is TRY 4,000,000,000.

Capital structure of the Group as of April 30, 2025 is as follows;

	%	30.04.2025
Fatma Elif Akarlılar	9.06	36,000,000
Seyhan Akarlılar	9.06	36,000,000
Hayriye Fethiye Akarlılar	9.06	36,000,000
Blue International Holding B.V.	0.22	866,344
Public	72.60	288,389,656
	100.00	**397,256,000**

Blue International Holding B.V. whose 100% ownership is the Akarlılar Family has the Group A shares that are attributed with special rights by the Articles of Association of the Company. The effect of Akarlılar family members on the management of the Company remains through indirect shareholding.

Direct and Indirect Subsidiaries

Direct and indirect subsidiaries of the Company as at April 30, 2025 are as follows;

Subsidiary	Country	Share
Mavi Europe AG	Germany	100.00%
Mavi Jeans LLC Limited	Russia	100.00%
Mavi Kazakhstan LLP	Kazakhstan	100.00%
Eflatun Giyim Yatırım Tic. A.Ş.	Turkey	51.00%
Mavi Jeans Canada	Canada	63.25%
Mavi Jeans Inc.	USA	47.69%

› **Structure and Composition of the Board of Directors**

As of April 30, 2025 the Board of Directors is as follows:

Director	Role	Executive/Independent
Ragıp Ersin Akarlılar	Chairman	Non-Executive
Ebru Dildar Edin	Vice Chairman	Independent
Fatma Elif Akarlılar	Member	Executive
Ahmet Cüneyt Yavuz	Member	Executive
Rina Onur Şirinoğlu	Member	Independent
Nedim Nahmias	Member	Independent

Short biographical information about the board members can be found on the company website www.mavicompany.com.

Independent board members Ebru Dildar Edin and Nedim Nahmias are members of the Audit Committee; Chairman of the board Ragıp Ersin Akarlılar, independent board member Rina Onur Şirinoğlu and Investor Relations Director Duygu Inceoz are members of the Corporate Governance Committee; Chairman of the board Ragıp Ersin Akarlılar, independent board member Ebru Dildar Edin and CFO Bige İşcan Aksaray are members of the Early Identification of Risks Committee.

› Organization

As of April 30, 2025 Group's total number of employees is 5,896 (5,540 in Turkiye, 356 in International offices.

› Management Team

As of April 30, 2025 Group's management team is as follows:

.

	Position	Starting Date
Cüneyt Yavuz	CEO	2008
Bige İşcan Aksaray	CFO	2019
Elif Akarlılar	Chief Brand Officer	1991
Okan Gürsan	Chief Operations Officer, TR, Exports, Russia, Europe	2018
Can Yılmaz	CHRO	2008
Serpil Berkan	CMO	2017
Sinan Sefai	Chief Sourcing & Supply Chain Officer	2016
Ekrem Güney Oktar	Chief Design Officer	2017
Barış Akyürek	Chief E-com Officer	2017
Bülent Dursun	Chief Information Officer	2019
Onur Karnabat	Chief Category & Planning Officer	2019
Tuba Pekin	Chief Legal & Compliance Officer	2008
Burak Övünç	CEO Mavi NA	2023

Operational and Financial Information

02

2 - Operational and Financial Information

This report on the financial results of the special accounting period February 1, 2025 – April 30, 2025 (Q1 2025) contain the Company's financial information prepared according to Turkish Accounting/Financial Reporting Standards **by application of IAS29 inflation accounting provisions, in accordance with CMB's decision dated 28.12.2023.**

› **Operational Developments**

In the first three months of 2025, Mavi opened one store and closed three stores and expanded sales area of four stores in Turkiye. Including 350 monobrand retail stores, 70 franchise stores in Turkiye, and 61 stores internationally Mavi meets its customers in 481 mono-brand stores and close to 4.000 sales points globally.

Due to the slowdown in economy in Turkiye, In the first three months of 2025, Turkiye retail sales contracted 14% and Turkiye like-for-like sales contracted 16% on the very high base of same quarter 2024.

In the reporting period, international sales also contracted 14% in inflation adjusted TRY terms constant currency.

Online sales comprising of Mavi.com and marketplace channels recorded 11% decline in Turkiye and 16% contraction in the international markets in the three months to April 30, 2025. Global e-commerce sales decreased by 12% and constituted 10% of total sales in the reporting period.

› **Financial Developments**

In the first three months of 2025, total consolidated sales decreased 14% year over year to 9 billion 777 million TRYm. Despite the softness in demand, sales were realised with a strong 52.2% gross margin, and 20.6% EBITDA margin.

In the reporting period, the company's net income realized at 810 million TL with a net income margin of 8.3%.

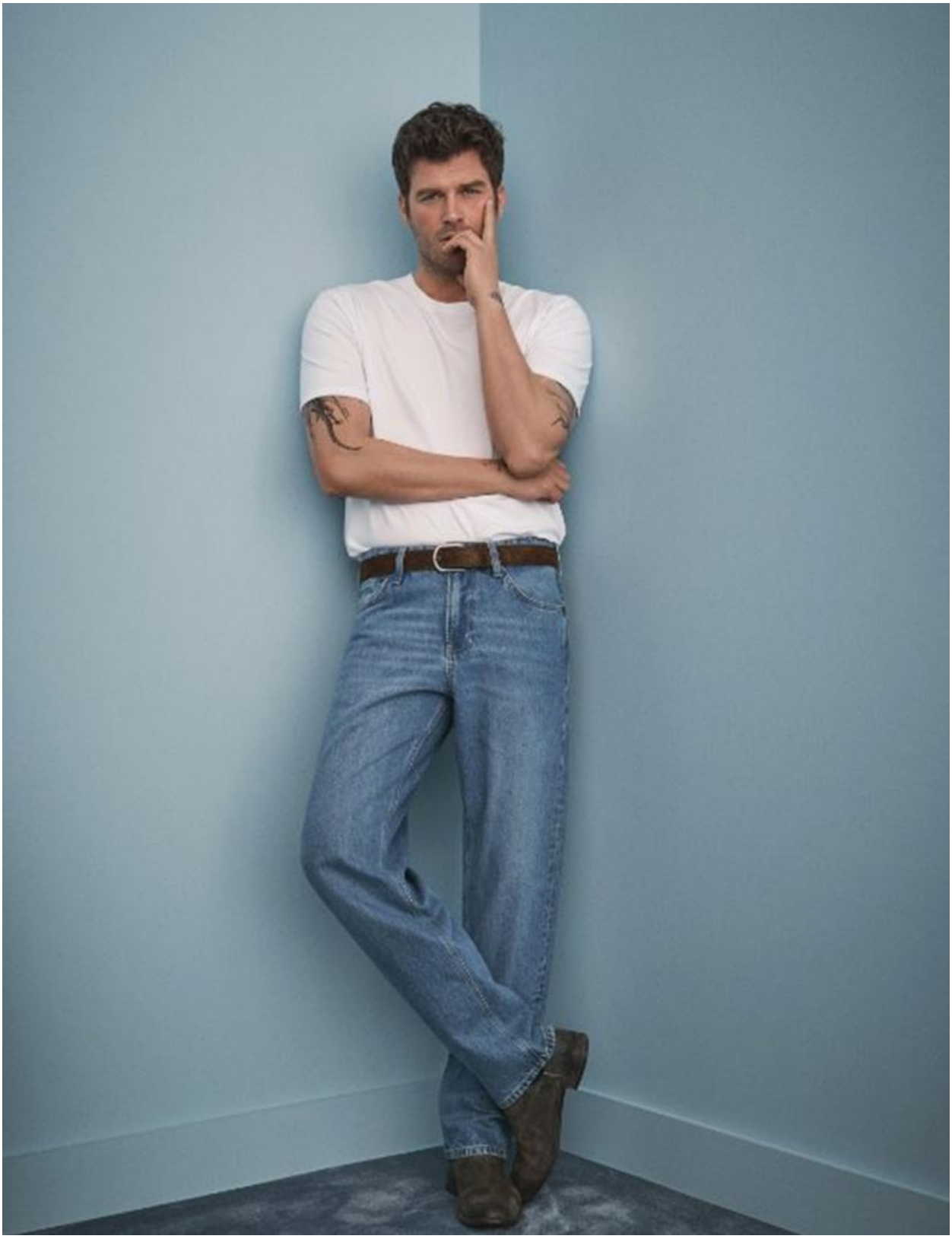
Throughout the period, the company continued to generate cash resulting with a balance sheet net cash position of 6 billion 71 million TL. In the first three months to April 30, 2025, 428 million TL capex spending was made.

› **Managements Discussion and Analysis**

Despite these macroeconomic headwinds, Mavi is effectively navigating the landscape through a robust brand strategy, agile product and pricing positioning, flexible sourcing capabilities, and disciplined inventory and working capital management. These efforts are enabling the company to protect healthy margins and maintain a strong, resilient balance sheet.

Market Information

03



3 - Market Information

Turkiye's young population is a positive catalyst in realising Mavi's long term sustainable groeth targets considering Mavi's loyal customer base whose core segment consists of young, fashion-conscious men and women under the age of 35.

The Turkish apparel market includes a mix of local and international players. According to Ipsos Mavi is the market leader with 25% market share in 14+ age denim market and is among the top three apparel brands in both men and women.

Mavi globally is a brand focused on core to premium segments and positioned as a lifestyle aspirational brand with a product strategy built around the pillars of Perfect Fit approach, high quality for the price and customer-centric products.

In the "Fortune 500" survey, Mavi is ranked 80th among the largest 500 enterprises in Turkiye, and the first among apparel, underwear, and sportswear brands. Some of the recent recognitions for the brand is as follows:

- Mavi was ranked 8th on TIME Magazine's "World's Best Companies – Sustainable Growth 2025" list, developed in partnership with Statista, and 1st in the Apparel, Footwear & Sporting Goods industry.
- Ranked 25th in "Türkiye 125 - Türkiye's Most Valuable Brands" survey and 6th on "Türkiye's Top 10 Powerful Brands" list by Brand Finance.
- Named the most reputable brand in the casualwear category at The ONE Award Integrated Marketing Awards presented by Marketing Türkiye.
- Ranked 1st in the apparel and retail category in Capital's "Most Admired Companies" survey.

Future Expectations

04

4 - Future Expectations

The management announced its official guidance for 2025 on the public disclosure platform on March 18, 2025 as follows:

	With IAS29	Without IAS29
Revenue Growth	Low to Mid Single Digit Growth	35% +
Retail Stores	20 net new stores in Türkiye 15 store expansions in Türkiye 8 new stores in North America	
EBITDA Margin	17.5% +	20.0% + (17.0% + exc. IFRS16)
Cash Position	Net cash position maintained	
CAPEX	5% of consolidated sales (including new HQ investments + NA retail investments)	

Other Developments

05

5 - Other Developments

In January 2025, a Capital Markets Board application was made regarding the increase of the issued capital of our Company from TRY 397,256,000 (three hundred ninety-seven million two hundred and fifty-six thousand Turkish Liras)to 794,512,000 (seven hundred ninety-four million five hundred twelve thousand Turkish Liras), within the registered capital ceiling of TRY 4,000,000,000 (four billion Turkish Liras), by converting the amounts in the "Retained Earnings" account. The application was approved on 18.04.2025, the capital increase was realised on 22.04.2025 and registered in May 2025.

Ordinary General Assembly Meeting for the financial period of 1 February 2024 – 31 January 2025 was held on May 22, 2025. The general assembly resolutions have been registered under the Istanbul Trade Registry and published on the Turkish trade Registry Gazette on May 29, 2025.

In the Ordinary General Assembly Meeting it was resolved to elect Ragıp Ersin Akarlılar, Ahmet Cüneyt Yavuz and Fatma Elif Akarlılar as members of the Board of Directors; and Ebru Dildar Edin, Nedim Nahmias and Rina Azaduhi Onur Şirinoğlu as independent members of Board of Directors to serve for a term of 3 (three) years.

In the Ordinary General Assembly Meeting held on 22 May 2025, it was resolved to approve the Board of Directors' dividend payment proposal on distribution of TRY 931,183,728 gross dividend to shareholders in cash starting from 26 May 2025 and the distribution has been made as of the date of this report.

Pursuant to the Company's global growth strategy and in order to strengthen the operational capabilities in the United States, it has been resolved to establish a Limited Liability Company (LLC) under the name "Mavi US Retail LLC" as a wholly owned subsidiary headquartered in New York, USA. The incorporation procedures were completed in 13 May 2025. The new company is expected to support the commercial operations carried out in the US by Mavi Jeans, Inc. by engaging in leasing, decoration and marketing activities.

On 30 May 2025, JCR Eurasia Rating has evaluated our Company in the very high investment level category and affirmed the Long-Term National Issuer Credit Rating as "AA+ (tr)" and the Short-Term National Issuer Credit Rating as "J1+ (tr) with "Stable" outlook. The Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable' as parallel to international ratings and outlooks of the Republic of Turkey.

Summary Financial Tables

06

6 - Summary Financial Tables

› Summary Balance Sheet

TRYm	31 January 2025	30 April 2025	Change (%)
Assets			
Current Assets			
Cash and Cash Equivalents	6,833	7,198	5%
Financial Investments	5	5	(1%)
Trade Receivables	2,217	2,794	26%
Inventories	5,518	6,223	13%
Other Current Assets	708	820	16%
Total Current Assets	**15,280**	**17,040**	**12%**
Property and Equipment	2,431	2,550	5%
Right of Use Assets	1,833	2,085	14%
Intangible Assets	1,533	1,597	4%
Other Non-Current Assets	59	166	180%
Total Non-Current Assets	**5,856**	**6,398**	**9%**
Total Assets	**21,137**	**23,438**	**11%**
Short-Term Financial Liabilities	990	1,131	14%
Short-Term Contractual Lease Liabilities	797	1,028	29%
Trade Payables	5,204	6,288	21%
Other Current Liabilities	1,895	1,913	1%
Total Current Liabilities	**8,886**	**10,360**	**17%**
Long-Term Financial Liabilities	2	0	(89%)
Long-Term Contractual Lease Liabilities	778	828	6%
Other Non-Current Liabilities	224	180	(20%)
Total Non-Current Liabilities	**1,004**	**1,009**	**0%**
Total Liabilities	**9,890**	**11,369**	**15%**
Total Equity	**11,246**	**12,069**	**7%**
Total Equity & Liabilities	**21,137**	**23,438**	**11%**

› **Summary P&L**

TRYm	Q1 2024	Q1 2025	Change (%)
Revenue	11,405	9,777	(14%)
Cost of Sales	(5,421)	(4,674)	(14%)
Gross Profit	**5,985**	**5,103**	**(15%)**
Gross Margin	**52.5%**	**52.2%**	
Administrative Expenses	(664)	(666)	0%
Selling and Marketing Expenses	(3,086)	(2,941)	(5%)
R&D Expenses	(128)	(166)	30%
Other Income / (Expenses), net	177	182	3%
Operating Profit	**2,284**	**1,512**	**(34%)**
Profit/(Loss) from Investment Activities	9	(4)	n.m.
Operating Profit before Financial Income	2,293	1,508	(34%)
Operating Margin	20.1%	15.4%	
Financial Expenses, Net	(396)	(306)	(23%)
Monetary Gain/(Loss), Net	103	(93)	n.m.
Profit Before Tax	2,000	1,110	(45%)
Income Tax Expense	(664)	(300)	(55%)
Profit	**1,336**	**810**	**(39%)**
Profit Margin	**11.7%**	**8.3%**	
EBITDA	**2,736**	**2,014**	**(26%)**
EBITDA Margin	**24.0%**	**20.6%**	

› Summary Cash Flow Statement

TRYm	Q1 2024	Q1 2025
Profit[1]	1,336	810
Adjustments	1,478	1,726
Cash Flow from Operating Activities	**2,814**	**2,536**
Δ in Net Working Capital[2]	127	(679)
Income Tax Paid	227	(85)
Net Cash from Operating Activities	**3,168**	**1,771**
Capex	(304)	(428)
Other Investing Cash Flow[3]	441	485
Net Cash Flow Used in Investing Activities	**138**	**57**
Debt Issued / (Repaid)	93	129
Payment of Contractual Lease Liabilities	(350)	(405)
Other Financial Payments[4]	(645)	(558)
Interest Paid	(178)	(80)
Net Cash Flows Used in Financing Activities	**(1,079)**	**(914)**
Net Cash Flow	**2,226**	**915**
Adjustments for Monetary Gain/Loss	(754)	(502)
Cash and Cash Equivalents at the Beginning of the Period[5]	7,413	6,743
Cash and Cash Equivalents at the End of the Period[5]	8,885	7,156

1Pre non-controlling interest. 2 Working Capital includes main working capital items and employee benefits paid as well as deferred revenues. 3 Other Investing Cash Flow includes proceeds from sale of tangible assets and interest received. 4 Other Financial Payments include proceeds from derivatives, imputed interest and financial commissions. 5Cash and Cash Equivalents in the Balance Sheet includes interest income accruals as cash. Excluding interest income accruals net cash at the end of the period is equal to Cash and Cash Equivalents on the Balance Sheet for the same fiscal year..

Disclaimer on Market Data and Forward Looking Statements

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