

ARÇELİK A.Ş.

Non-current Financial Asset Acquisition

Summary Info

Non-current financial asset acquisition to operate in Bangladesh

Noncurrent Financial Asset Acquisition

Related Companies []

Related Funds []

Noncurrent Financial Asset Acquisition	
Update Notification Flag	Hayır (No)
Correction Notification Flag	Hayır (No)
Date Of The Previous Notification About The Same Subject	-
Postponed Notification Flag	Hayır (No)
Announcement Content	
Board Decision Date for Acquisition	22/03/2019
Were Majority of Independent Board Members' Approved the Board Decision for Acquisition	The Board Decision was taken on 22.03.2019 by our fully owned subsidiary Ardutch B.V.
Title of Non-current Financial Asset Acquired	Retail Holdings Bhold B.V.
Field of Activity of Non-current Financial Asset whose Shares were being Acquired	Owns 56.99% of Singer Bangladesh Limited shares.
Capital of Noncurrent Financial Asset	EUR 45,000
Acquirement Way	Satin Alma (Purchase)
Date on which the Transaction was/will be Completed	Transaction is expected to be completed in April 2019.
Acquisition Conditions	Peşin (Cash)
Detailed Conditions if it is a Timed Payment	-
Nominal Value of Shares Acquired	EUR 45,000
Purchase Price Per Share	-
Total Purchasing Value	USD 75,000,000
Ratio of New Shares Acquired to Capital of Non-current Financial Asset (%)	100%
Total Ratio of Shares Owned in Capital of Non-current Financial Asset After Transaction (%)	100%
Total Voting Right Ratio Owned in Non-current Financial Asset After Transaction (%)	100%
Ratio of Non-current Financial Asset Acquired to Total Assets in Latest Disclosed Financial Statements of Company (%)	1.4%
Ratio of Transaction Value to Sales in Latest Annual Financial Statements of Company (%)	1.5%
Effects on Company Operations	It is expected to support our strategy to grow in the emerging markets.
Did Takeover Bid Obligation Arised?	Hayır (No)

Will Exemption Application be Made, if Takeover Bid Obligation Arised?	Hayır (No)
Title/ Name-Surname of Counter Party	Retail Holdings Asia B.V.
Is Counter Party a Related Party According to CMB Regulations?	Hayır (No)
Relation with Counter Party if any	There is no shareholding and/or managerial relationship.
Agreement Signing Date if Exists	22/03/2019
Value Determination Method of Non-current Financial Asset	Negotiation
Did Valuation Report be Prepared?	Düzenlenmedi (Not Prepared)
Reason for not Preparing Valuation Report if it was not Prepared	Not an obligation.
Date and Number of Valuation Report	-
Title of Valuation Company Prepared Report	-
Value Determined in Valuation Report if Exists	-
Reasons if Transaction wasn't/will not be performed in Accordance with Valuation Report	-
Explanations	

In line with our growth strategy in the emerging markets and with the purpose of acquiring Singer Bangladesh Ltd., a Purchase Agreement as of 22.03.2019 have been signed between Arçelik's subsidiary Ardutch B.V., located in the Netherlands, and Retail Holdings Asia B.V., located in the Netherlands, to acquire all of the shares of Retail Holdings Bhold B.V., located in the Netherlands. Retail Holdings Bhold B.V. holds approximately 57% shares of Singer Bangladesh Ltd.'s which operates with the Singer brand in Bangladesh.

According to the Agreement, the shares will be acquired for a consideration of USD 75 million which will be paid in cash at the time of Closing. The consideration will be subject to a price adjustment mechanism as per the net working capital and net debt levels of Retail Holdings Bhold B.V. and Singer Bangladesh Ltd.

Subject to the fulfilment of the conditions stated in the Agreement, such as taking all of the required approvals and signing with Singer Group 10-year Distribution Agreement and extendable 10-year Brand Licence Agreement for Bangladesh market, the share transfer is expected to be completed in April 2019.

Singer Bangladesh is one of the leading players in Bangladeshi home appliance market and manufactures refrigerators, TV, AC's and furniture with Singer brand in its 2 manufacturing facilities in Bangladesh. Being a publicly listed company in Bangladesh Stock Exchanges, Singer Bangladesh Ltd. has consolidated revenue of approximately USD 164 million, EBITDA of approximately USD 20 million and net income of approximately USD 11 million in 2018. The company has more than 1,500 employees.

The transaction is not expected to trigger the enforcement of a mandatory takeover bid in Bangladesh Stock Exchange. However, either party may terminate the Agreement if such an obligation arises before Closing.

ABOUT SINGER BANGLADESH

Singer Bangladesh is the largest retailers of consumer durables in Bangladesh, with its 385 stores. Singer commenced operations in the region in 1905. Today Singer sells all categories of household consumer durables under the Singer and third-party brands. The Company is among top two players in major product categories and also has over 700 wholesale dealers. Singer Bangladesh is 57% owned by Retail Holdings Bhold B.V. in the Netherlands and the remainder of shares of the company are publicly traded in DSE and CSE. www.singerbd.com

We proclaim that our above disclosure is in conformity with the principles set down in “Material Events Communiqué” of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we’re personally liable for the disclosures.