

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş
REPORT ON USE OF PROCEEDS FROM CAPITAL INCREASE

1. Purpose of the Report:

The purpose of this Report, which is prepared in accordance with Article 33 titled “Explanations on Use of Proceeds Obtained From Capital Increases” Paragraph 1 of Capital Markets Board's Communiqué of Shares numbered VII-128.1, is to determine how the proceeds to be obtained from capital increase, as per our Company’s Board Resolution dated 25.08.2020 and numbered 1855, will be used.

2. General Information:

Title	: Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.
Headquarters	: CarrefourSA Plaza, Cevizli Mahallesi, Tugay Yolu Caddesi No: 67 A, Blok: B, Maltepe/İstanbul
Website	: www.carrefoursa.com
Registered Capital	: TRY 1,500,000,000
Issued Capital	: TRY 700,000,000
Tax Office	: Directorate of Large Taxpayers Tax Office
Tax Number	: 2030017071
Trade Registry	: Istanbul Trade Registry Directorate
Trade Registry Number	: 278724
Incorporation Date	: 12.09.1991
Stock Exchange / Market	: Borsa İstanbul A.Ş. / Main Market

3. Shareholding Structure

Our Company’s shareholding structure¹ as of 08.09.2020 is as follows:

Title	Share Value (TRY)	Share Ratio (%)
Hacı Ömer Sabancı Holding A.Ş.	354,239,052.79	50.61
Carrefour Nederland BV	322,129,074.29	46.02
Other	23,631,872.92	3.37
Total	700,000,000.00	100.00

4. Use of Proceeds From Capital Increase

As per our Company’s Board of Directors meeting dated 25.08.2020 and numbered 1855 it has been resolved, among others, (i) to reduce current issued capital of TRY 700,000,000.00 to TRY 104,244,353.96 by reducing TRY 595,755,646.04, and to simultaneously increase the share capital by TRY 23,529,411.76 in cash based on the nominal value of 1 Kuruş to increase the issued share capital to TRY 127,773,765.72, which will result in total issued share capital amounting to TRY 127,773,765.72; (ii) not to restrict pre-emptive rights of current shareholders for the capital increase and to allow the use of pre-emptive rights for a consideration of TRY 17 for each batch of shares with TRY 1 nominal value in total.

¹ Based on Central Registry Agency’s (Merkezi Kayıt Kuruluşu) data posted on www.kap.org.tr.

Based on the assumption that our shareholders will fully exercise their pre-emptive rights, an approximate of TRY 400,000,000 (four hundred million) gross proceeds will be generated from capital increase, the payments indicated in Table.2 and Table.3 below are planned to be made from the estimated net proceeds amounting TRY 399,000,000 (three hundred ninety nine million) to be calculated by deducting estimated flotation costs amounting TRY 1,000,000 (one million) as detailed in Table.1.

TABLE 1

Estimated Flotation Costs	TRY
CMB Board Registration Fee (0.2%)	800,000
Stock Exchange Quotation Fee (0.03% + BITT)	7,412
CRA Issuer Service Fee (0,005% + BITT)	1,760
Brokerage Commission Fee (Incl. BITT)	157,500
Competition Authority Expense Due to Share Capital Increase (0.04%)	9,412
Registration and other Expenses (Estimated)	23,916
Total Cost	1,000,000
Total of Shares with TRY 1 Nominal Value	23,529,411.76
Cost per Share	0.0425

TABLE 2

Plan for Use of Proceeds (Estimated)	TRY
Bank loans' principal installment and interest repayments all in TRY	410,425,149
- <i>Principal</i>	395,000,000
- <i>Interest + Tax</i>	15,425,149
TOTAL	410,425,149

TABLE 3

Loans	Maturity Date	Interest Rate	Principal Amount	Interest + Tax
Loan - 1	30.11.2020	7.75%	75,000,000	2,848,125
Loan - 2	30.11.2020	7.75%	75,000,000	2,729,453
Loan - 3	31.12.2020	8.75%	70,000,000	2,911,927
Loan - 4	31.12.2020	7.85%	50,000,000	1,774,427
Loan - 5	05.01.2021	8.29%	100,000,000	4,086,279
Loan - 6	15.01.2021	7.80%	25,000,000	1,074,938
TOTAL			395,000,000	15,425,149

5. Conclusion

In this context, the estimated net proceeds amounting TRY 399,000,000, which is expected to be obtained from simultaneous capital increase and decrease that is planned to be carried out for the purpose of reducing the effect of the current capital loss and the financing expenses caused by bank loans and to strengthen the capital structure of our Company, will be used for repayments of principal installments (TRY 395,000,000) and interest payments (TRY 15,425,149) of bank loans, all in Turkish Lira with an average of 8.1% interest cost.

In the event that the net proceeds to be obtained from issuance would not cover the principal installment and interest payments amounting to total of TRY 410,425,149, the remaining amount will be covered by other sources of our Company; and if the net proceeds to be generated from the issuance would be more than the mentioned amount, such funds will be used for repayments of other financial debts of our Company.

As a result, the total of proceeds from capital increase will be used for the payments of financial debts in order to strengthen the capital structure of our Company and to achieve a robust financial structure by reducing our Company's debt level.