



KAMUYU AYDINLATMA PLATFORMU

TOFAŞ TRK OTOMOBİL FABRİKASI A.Ş. Non-current Financial Asset Acquisition

Summary

Heads of Agreement for the commercial relationship between our Company and the Stellantis Group, acquisition of Stellantis Otomotiv Pazarlama shares and cooperation between Stellantis and Koç



Noncurrent Financial Asset Acquisition

Related Companies [KCHOL]

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	06.06.2022, 04.07.2022
Postponed Notification Flag	Hayır (No)
Announcement Content	
Board Decision Date for Acquisition	01/03/2023
Were Majority of Independent Board Members' Approved the Board Decision for Acquisition	Yes
Title of Non-current Financial Asset Acquired	Stellantis Otomotiv Pazarlama A.Ş.
Field of Activity of Non-current Financial Asset whose Shares were being Acquired	Sale and marketing of Stellantis Group vehicles (Peugeot, Citroen, Opel and DS Automobiles brands)
Capital of Noncurrent Financial Asset	TL 555,403,524.01
Acquirement Way	Satin Alma (Purchase)
Date on which the Transaction was/will be Completed	In the event that the closing conditions have not been satisfied until the lapse of 8 months as of the signing of the Stock Purchase Agreement, the Stock Purchase Agreement will automatically be terminated.
Acquisition Conditions	Diğer (Other)
Detailed Conditions if it is a Timed Payment	Provided that the acquisition price is consistent with the value to be determined in the valuation report that will be prepared in accordance with the CMB regulations on related party transactions, the acquisition price has been determined as (i) €400 million to be paid in cash upon closing of the acquisition, subject to customary net cash and working capital closing adjustments, and (ii) as additional contingent performance consideration, an amount corresponding to 77.5% of the cash flows generated by Stellantis Otomotiv's operations in excess of the reference projections considered for the valuation as specified in the relevant agreement in each of the initial eight financial years following the closing of the acquisition.
Nominal Value of Shares Acquired	TL 555,403,524.01
	Approximately TL 14, for the shares with a nominal value of TL 1, based on the current exchange rate,

Purchase Price Per Share	subject to closing adjustments and the additional contingent consideration.
Total Purchasing Value	Euro 400 million, subject to closing adjustments and the additional contingent consideration.
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 (%)	20%
Ratio of Transaction Value to Sales in Latest Annual Financial Statements of Company (%)	12%
Effects on Company Operations	Contribution to our local market growth objective and determination of the future product range
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	Stellantis N.V.
Is Counter Party a Related Party According to CMB Regulations?	Evet (Yes)
Relation with Counter Party if any	The Seller is the ultimate shareholder of FCA Italy S.P.A, one of Tofaş's parent companies.
Agreement Signing Date if Exists	01/03/2023
Value Determination Method of Non-current Financial Asset	Determined via the negotiations between the parties
Did Valuation Report be Prepared?	Düzenlenmedi (Not Prepared)
Reason for not Preparing Valuation Report if it was not Prepared	The valuation work has been initiated; the ultimate terms will be finalized by the Board upon its completion. The valuation report and developments on the subject matter will further be disclosed.
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	

A Heads of Agreement has been signed for determining the main commercial principles between our Company and the Stellantis Group, as well as the acquisition of the shares of Stellantis Otomotiv Pazarlama A.Ş. ("Stellantis Otomotiv").

According to the Heads of Agreement, which was signed to define the principles regarding our Company's acquisition of 100% of Stellantis Otomotiv shares owned by the Stellantis N.V., to take over Stellantis Otomotiv's operations for the Stellantis brands in Turkey, and to determine the main commercial principles between our Company and the Stellantis Group and also to evaluate the principles of cooperation between Stellantis Group and Koç Group;

- Following the satisfactory completion of due diligence on Stellantis Otomotiv by Tofaş, a Stock Purchase Agreement will be signed between the parties.

- Provided that the acquisition price is consistent with the value to be determined in the valuation report that will be prepared in accordance with the CMB regulations on related party transactions, the acquisition price has been determined as (i) €400 million to be paid in cash upon closing of the acquisition, subject to customary net cash and working capital closing adjustments, and (ii) as additional contingent performance consideration, an amount corresponding to 77.5% of the cash flows generated by Stellantis Otomotiv's operations in excess of the reference projections considered for the valuation as specified in the relevant agreement in each of the initial eight financial years following the closing of the acquisition. The transaction is intended to be financed with the available resources of Tofaş.

- The acquisition will be conditional upon certain conditions precedent to the closing including the relevant merger clearances and other requisite regulatory approvals. Unless agreed otherwise by the parties, the Stock Purchase Agreement will automatically be terminated if the closing conditions have not been satisfied within eight months as of the signing of the Stock Purchase Agreement.

- Subject to completion of the acquisition of Stellantis Otomotiv, Tofaş will be the importer and distributor in Turkey of the Stellantis branded vehicles currently distributed in Turkey by Stellantis Otomotiv (Peugeot, Citroen, Opel and DS Automobiles) and of the relevant spare parts.

- It was resolved to extend the production of the Tipo/Egea model for local distribution and export until 31 December 2025; and to grant Tofaş the exclusive right to manufacture and distribute in Turkey the new vehicle model "K0", light commercial vehicle and "combi" versions, planned for five brands, with target production launch as of 2025 and to start the investments accordingly. Until the beginning of the preparations for the new model, which is expected to take place in July 2023, production of the Doblo model will continue for local distribution, and the agreements related to the manufacturing of the Tipo and Doblo models currently in force will be amended accordingly. Production of the Fiorino model will end on 31 December 2024. The parties have also decided to cooperate in order to develop mutual business areas.

- The main terms of the commercial relationship between Tofaş and Stellantis Group applicable to all vehicles to be produced by Tofaş have been outlined and the parties have started to prepare the detailed implementation agreements accordingly.

- The amendments to the current Shareholder Agreement and the current manufacturing agreements are targeted to be finalized within three months, the import and distribution agreements are targeted to be finalized until the closing date, and the agreement related to the K0 vehicle is targeted to be entered into within five months.

As the acquisition price is above the thresholds defined in Article 9 of CMB's Corporate Governance Communique, an independent valuation report will be prepared as defined above, in accordance with the CMB regulations on related party transactions. A review on the mutually agreed commercial terms for related party transactions will further be disclosed in accordance with Article 10 of CMB's Corporate Governance Communique. The Tofaş Board resolution related to the transaction has been approved unanimously, including the independent members.

Material developments will be disclosed to our investors in due course.

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.