

MAVİ GİYİM SANAYİ VE TİCARET A.Ş. Non-current Financial Asset Acquisition

Summary Info

Purchase of 25% shares of Mavi Jeans Inc. (Mavi Canada)

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	18/05/2018
Were Majority of Independent Board Members' Approved the Board Decision for Acquisition	YES
Title of Non-current Financial Asset Acquired	Mavi Jeans Inc. (Mavi Canada)
Field of Activity of Non-current Financial Asset whose Shares were being Acquired	Sale, marketing and distribution of apparel products
Capital of Noncurrent Financial Asset	1,800,200 CAD
Acquirement Way	Satın Alma (Purchase)
Date on which the Transaction was/will be Completed	21/05/2018
Acquisition Conditions	Peşin (Cash)
Detailed Conditions if it is a Timed Payment	-
Nominal Value of Shares Acquired	450,050 CAD
Purchase Price Per Share	8.83 CAD
Total Purchasing Value	3,975,000 CAD
Ratio of New Shares Acquired to Capital of Non-current Financial Asset (%)	25%
Total Ratio of Shares Owned in Capital of Non-current Financial Asset After Transaction (%)	63.25%
Total Voting Right Ratio Owned in Non-current Financial Asset After Transaction (%)	63.25%
Ratio of Non-current Financial Asset Acquired to Total Assets in Latest Disclosed Financial Statements of Company (%)	1.3%
Ratio of Transaction Value to Sales in Latest Annual Financial Statements of Company (%)	0.8%
Effects on Company Operations	It will increase the impact and efficiency of management of current Canada operations
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	Kitsch Apparel Inc.
Is Counter Party a Related Party According to CMB Regulations?	Evet (Yes)
Relation with Counter Party if any	The Seller is the minority shareholder of Mavi Jeans Inc. which is a subsidiary of Mavi Giyim. The major shareholder of the Seller, Arkun Durmaz is the general manager of Mavi Jeans Inc. Canada
Agreement Signing Date if Exists	-
Value Determination Method of Non-current Financial Asset	DCF analysis and comparable company analysis
Did Valuation Report be Prepared?	Düzenlendi (Prepared)
Reason for not Preparing Valuation Report if it was not Prepared	-
Date and Number of Valuation Report	10 April 2018
Title of Valuation Company Prepared Report	PwC Yönetim Danışmanlığı A.Ş. (PwC Management Consulting Turkey)
Value Determined in Valuation Report if Exists	3.7 mn CAD - 4.2 mn CAD
Reasons if Transaction wasn't/will not be performed in Accordance with Valuation Report	The transaction is in accordance with the valuation report
Explanations	

Our Company's Board of Directors has resolved to ;

- Purchasing of shares representing 25% of the capital of Mavi Jeans Inc. ("Mavi Canada") which is a subsidiary of the Company, from the Company's related party Kitsch Apparel Inc.,
- Paying to Kitsch Apparel Inc. CAD 3,975,000 as sales price,
- Carrying out all necessary transactions for the resolution of the Board of Directors, including the signing of the share transfer agreement.

The sales price of CAD 3,975,000 was determined taking into account the Appraisal Report dated April 10, 2018, prepared by the PwC Yönetim Danışmanlığı A.Ş.

As per the Related Party Transactions Policy the content of which was disclosed through the public offering prospectus and by taking into account the fact that the amount of the transaction corresponds to 1.5% of the gross revenues under the preceding year's income statement and to 1.3% of the preceding year's balance sheet, the transaction is approved by the Board of Directors by taking the opinion of the Audit Committee and through the affirmative votes of all Independent Board Members.

Following the planned share transfer, the Company will directly control 25% of the shares of Mavi Canada and together with the current 38.25 indirect shareholding The effective shareholding ratio of the Company in Mavi Canada will rise to 63.25 % .

This statement has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this disclosure statement, the Turkish version shall prevail.

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.