

GLOBAL INVESTMENT HOLDINGS ANNOUNCEMENT

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SUBJECT : Share Purchase Agreement (“SPA”) to sell real estate investments

Global Investment Holdings (GLYHO) divests its real estate business...

Global Investment Holdings (“GIH”) has signed a Share Purchase Agreement (“SPA”) to sell GIH’s real estate investments (excluding the historic headquarters building in Karaköy, İstanbul). Enterprise Value of the real estate portfolio subject to the sale has been determined as TL298mn...

GIH signed an SPA with Cem Okullu and Cengiz Okullu to sell all outstanding shares of its 100% subsidiary Arduş Gayrimenkul Yatırımları A.S. (Arduş Real Estate Investments, the sub-holding company which was established in December 2016 to consolidate GIH’s real estate portfolio under one roof), and all other real estate investments. The assets which are not subject to the aforementioned SPA are the historic headquarters building in Karaköy, İstanbul, and the 29.500m² land in Bilecik, Turkey. The enterprise value for the entire real estate investments subject to sale has been determined as TL298mn; while there will be a price adjustment according to the foreign exchange rate and the net debt position on the closing day. US\$10.3mn plus any additional closing price adjustment will be paid in cash on the day of the share transfer. The balance of the proceeds will be converted to US\$ based on the fx rate of the closing day and collateralised, while the collections will be in instalments. Arduş’s (and Arduş group companies’) bank loans and leasing payables will be transferred to the buyer with all guarantees (provided by GIH) to be lifted on the closing day.

The SPA is subject to the Competition Board’s approval and fulfilment of the conditions precedent. The share transfer between GIH and Okullu Gıda A.S. is expected to be completed until April 30, 2018, following the fulfilment of the conditions precedent.

Mehmet Kutman, the Chairman of GIH commented, “The transaction is totally in line with our strategy to focus mainly on the prioritized businesses, which are infrastructure (ports), clean energy (biomass, solar, co-generation), and asset management. The transaction will also help us achieve a healthier balance sheet as it will inject US\$44.3mn cash, while decreasing the Group’s gross debt by US\$38.1mn based on 2017 year-end financials, thus improving

the leverage position. Accordingly, it will also have a positive impact on the net interest expenses. This transaction will also result in a non-cash write-off according to IFRS Book Value adjustments. We plan to use the proceeds from the transaction to grow our biomass based power generation business.”

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