

PRESS RELEASE / KAP DISCLOSURE

SASA announces its intention to apply to Capital Markets Board's ("CMB") approval for a possible issuance of a Turkish Lira denominated subordinated perpetual contingent convertible debt instrument on a private placement basis, according to the Board of Directors resolution dated 08.06.2023

SASA Polyester Sanayi A.Ş. ("**SASA**"), according to the Board of Directors resolution dated 08.06.2023, intends to issue a Turkish Lira denominated subordinated perpetual contingent convertible debt instrument convertible to Company's ordinary shares tradable on Borsa İstanbul ("**Instrument**") for up to TL 4.000.000.000 (four billion Turkish Lira) to main shareholder Erdemoğlu Holding Anonim Şirketi ("**Erdemoğlu Holding**").

The planned Instrument will be sold to Erdemoğlu Holding on a private placement basis without offering to institutional or public investors. The Instrument will contain certain pre-determined leverage trigger events that will automatically convert the Instrument into newly issued ordinary shares that will be listed and traded on Borsa İstanbul. The first of these leverage trigger events is expected to be following the publication of H1 2024 financial results of SASA. Erdemoğlu Holding or SASA will not hold any voluntary option to convert the Instrument into newly issued ordinary shares outside of these leverage trigger events.

The instrument is expected to be equity accounted with the intention to lower the net leverage of SASA on issuance.

The Board of Directors has resolved to make necessary applications to CMB regarding the issuance of the Instrument. Investors should note that no application to CMB has been made to date and there is no guarantee that approval for the Instrument will be granted.

The Instrument is expected to have the following indicative key terms, however this is subject to CMB's review and investors should note that if the Instrument is granted approval, the final structure could differ:

- Size and Currency: up to 4.000.000.000 Turkish Lira
- Buyer: Sole buyer will be Erdemoğlu Holding
- Maturity: Perpetual with periodic calls, if not converted
- Seniority: Deeply subordinated
- Conversion trigger: Automatic conversion in the event of certain leverage triggers occurring with no optional conversion rights granted to Erdemoğlu Holding or SASA
- Conversion price: To be fixed at issuance between Erdemoğlu Holding and SASA
- Coupon rate: Coupon rate will be determined at a favourable rate for SASA and will contain customary step-ups in the coupon rate on the periodic call dates

IMPORTANT NOTICE

THIS ANNOUNCEMENT IS BEING MADE BY SASA AND MAY CONTAIN INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014.

SASA AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, ADVISORS, OR ANY OTHER PERSON IS NOT UNDER ANY OBLIGATION TO UPDATE OR KEEPING INFORMATIONS

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