

TAT GIDA SANAYİ A.Ş.

Partial or Complete Suspension or Impossibility of Operations

14.03.2021 22:45

Summary Information

Completing the Transfer of Activities in the Milk and Dairy Products Business Line

Partial or Complete Suspension or Impossibility of Operations	
Is this an update disclosure?	Yes
Is this a correction disclosure?	No
Date of the Disclosure Made Previously With This Regard	6.01.2021
Is this a postponed disclosure?	No
Announcement Content	
Nature of the Disclosed Case	Transfer of activities in the milk and dairy products sector
Information on the Suspended/Impossible Operations	All the activities in the milk and dairy products sector
Reason for Suspension/Impossibility of the Operations	The decision to focus on the paste and canned products sector, which constitutes our main field of activity and which has a higher share in our total profitability, and to sell of all the assets in the milk and dairy products sector within the framework of long-term business plans of the company.
Decision Date of the Competent Body, if any	6.01.2021
Validity Date for Suspension/Impossibility of Operations	As all the conditions set forth in the contract for closure are met, transfer of the assets of our production plants in the milk and dairy products sector along with our brand was consummated on 12.03.2021; and with the consummation of sale, all our activities ceased in the milk and dairy products sector.
Impact on Suspension/Impossibility of Operations on Total Production of the Company	The company's production activities will cease in the milk and dairy products sector; while the production activities in the paste and canned products sector, which is the main field of activity, will continue.
Impact on Suspension/Impossibility of Operations on Total Sales of the Company	The milk and dairy products sector constitutes approximately half of the company's proceeds from sales.
In Case of Partial Suspension, Share of the Suspended Operations in Total Production and Sales of the Company	-
Number of People, Whose Contracts of Employment are/will be Terminated	The contracts of employment of total 361 employees in the milk and dairy products sector with our company were terminated, including the contracts transferred over to the Purchaser along with all the rights and liabilities contained therein.
Total Severance and Notice Pays Paid/Payable	The amount of the liabilities pertaining to the employees incurred as of the date of transfer due to cease of activities in the respective sector is TRY 30 million.
Measures Taken by the Company Management	-
Conditions for the Operation to Restart	-
If the Operations are to Restart, the Anticipated Date	-
Impact on the Continuity of the Company as a Going Concern	There will be no impact on the continuity of the company as a going concern as the Company will continue activities in the paste and canned products sector, which has a much higher share in the Company's profitability.
Disclosures	

Preliminary conditions as set forth in the contract of transfer have been met in relation with the transfer of the property owned by our milk enterprises operating in the milk and dairy products sector, i.e., Mustafakemalpaşa Production Plant in Bursa and Söke Production Plant in Aydın and the real estates, where such plants are located, and the machinery and equipment found in such plants, all the intellectual property rights, including the trademark Sek, domain names and social media accounts and stocks that are related to the milk and dairy products sector, contracts with the employees in the relevant sector, the relevant certificates of incentive and certain supplier contracts and subcontracts relating to the said sector as publicly disclosed by our material disclosures dated 11.06.2020 and 06.01.2021; and TRY 218,3 million + VAT, which is the amount found after setting off the rights and benefits of the employees from the sale price set forth in the contract and after making due adjustments, was collected; and as of 12.03.2021, transactions for registering the transfer of title deeds were consummated before the land registry office. Sale of the assets in question is expected to yield a profit of approximately TRY 89 million, excluding the severance pays to the employees and stocks, in our financial reports issued under the TFRS.

During closure, it was agreed that a portion of the stocks qualifying as finished products worth approximately TRY 20 million would not be transferred to the Purchaser, as we can sell the said stocks for a better price. The final difference between the estimated stock values given in the contract and the actual values of the stocks transferred as of the closure date will be paid to the purchaser by our company.

Important developments in this matter will be shared with our shareholders.

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.