

2021 Q1

Türk Telekom

Investor Presentation

Türk Telekom
Değerli Hissettirir



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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses and other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation, amortization and impairment expenses, financial income/(expenses) presented in other operating income/(expenses) (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings)

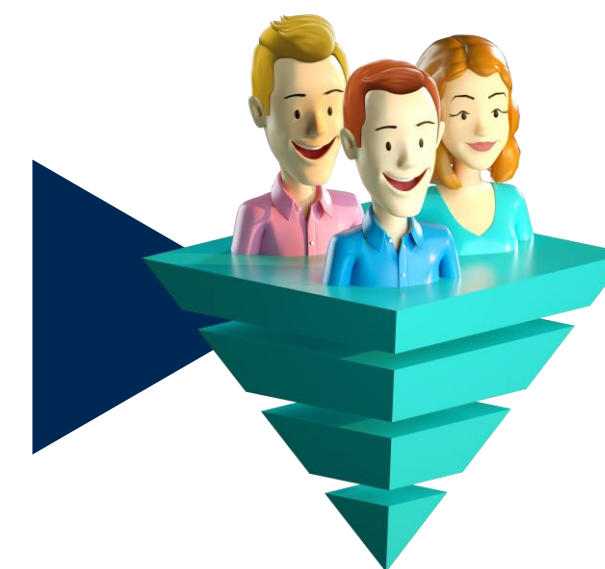
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Overview



Leading
Operator in Turkey
Offering
Integrated telecom
services



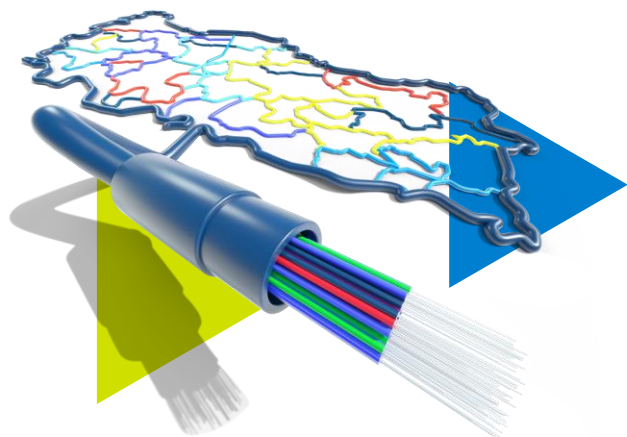
Serving
50.6mn
Subscribers



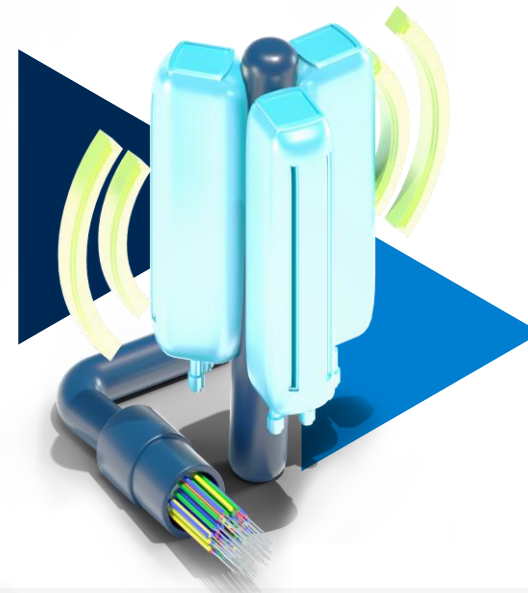
95%
LTE
Population coverage



2nd **player**
in Pay TV market



336k km
Fibre network in
81 cities



45%
Fibre connected
LTE base stations



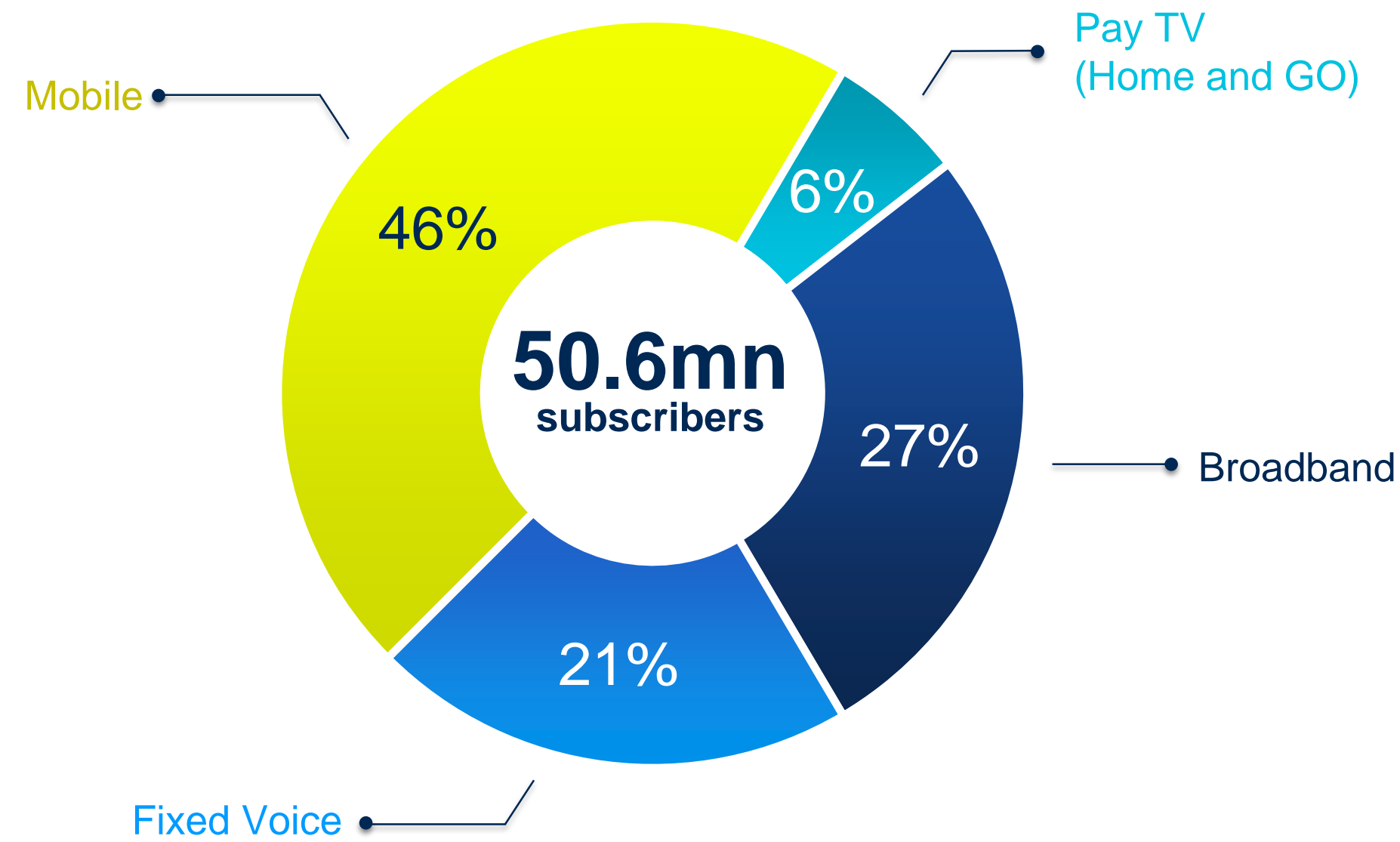
27.1mn
Fibre homepass*
*includes FTTC & FTTH/B



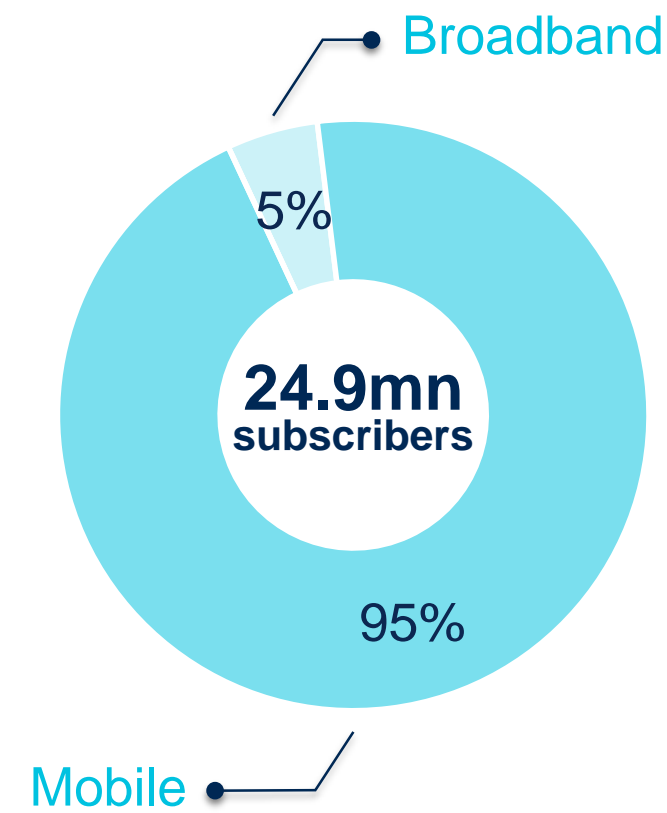
- 1 Structurally Attractive Domestic Market and Growing Penetration of Telecom Services
- 2 Largest Integrated Telecom Player with Strong Market Positions and Diversified Revenue Profile
- 3 Best in Class and Extensive Network Infrastructure
- 4 Proven Ability to Deliver Revenue Growth
- 5 Strong Cash Flows with Increasing Profitability and Disciplined Approach to Capex
- 6 Prudent Debt Management Strategy
- 7 Experienced Management Team

Diversified Subscriber Base

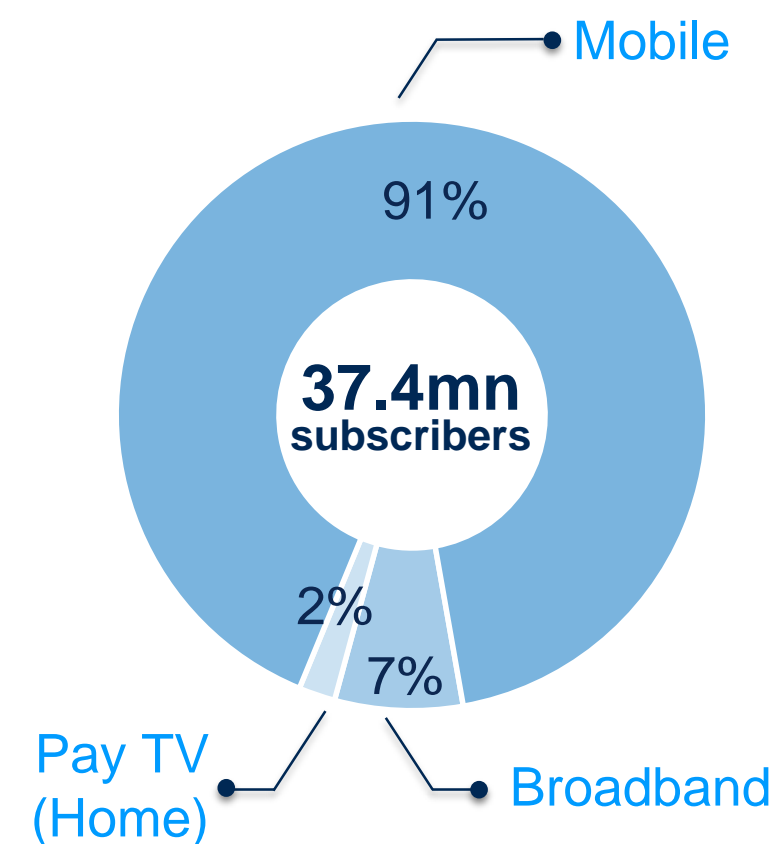
(As of Q1 '21)



Vodafone



Turkcell



Turkcell and Vodafone data are from their own publications as of Q1 '21.

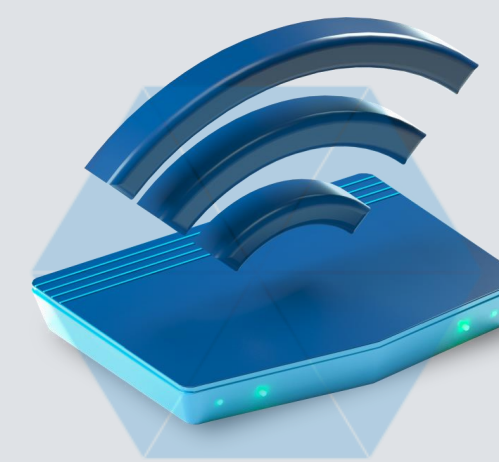
Mobile



#3

23.3 mn
subs

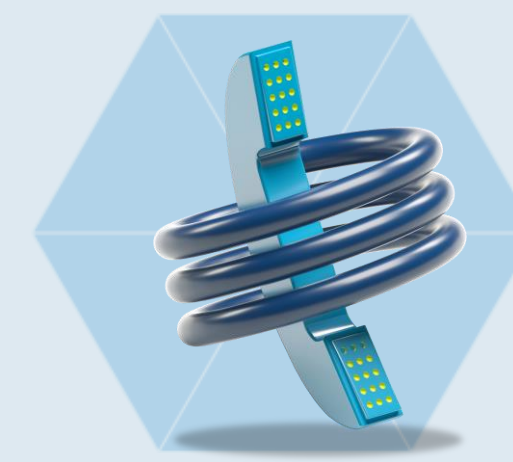
Broadband



#1

13.6 mn
subs

Fixed Voice



#1

10.6 mn
subs

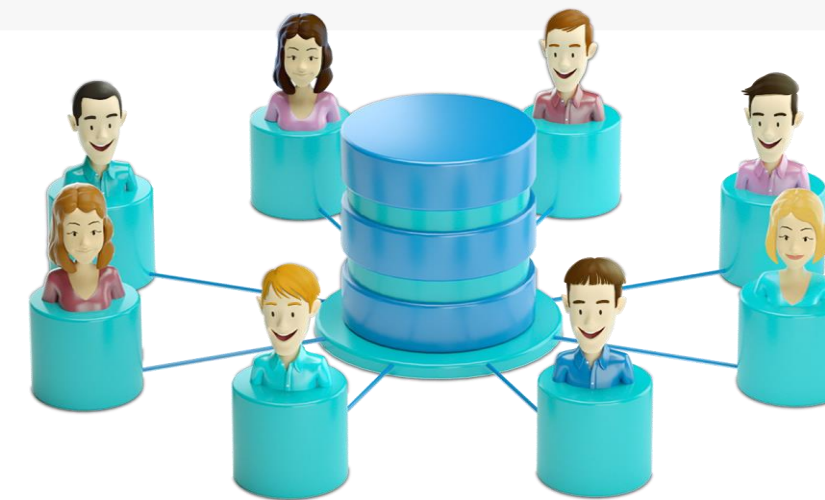
Pay TV (Home and GO)



#2

3.1 mn
subs

Market share ranks are from latest ICTA report.



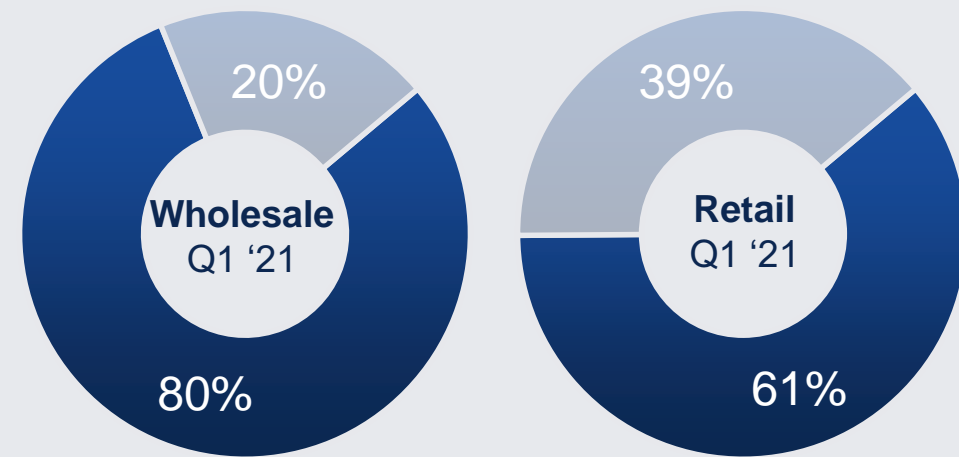
62%* multi product
ownership

*Among constant customer sub-universe that provided consent last year

Fixed Broadband

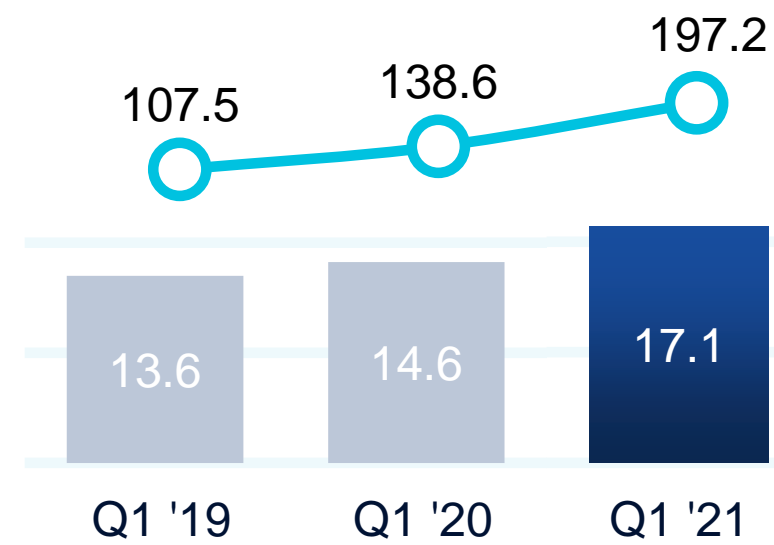
(market share)

■ Türk Telekom ■ Other



Subscribers* & Avg. Monthly Data Usage

■ Total subscribers (mn) ● Average usage (GB)



- ▶ Household penetration in Europe **76%**
- ▶ Household penetration in Turkey **69%****
- ▶ Average household size in Turkey **3.3 people**

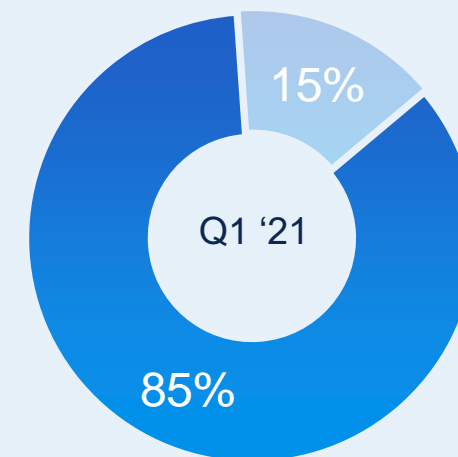
*Dial-up and other methods are included

**Based on our calculation

Fixed Voice

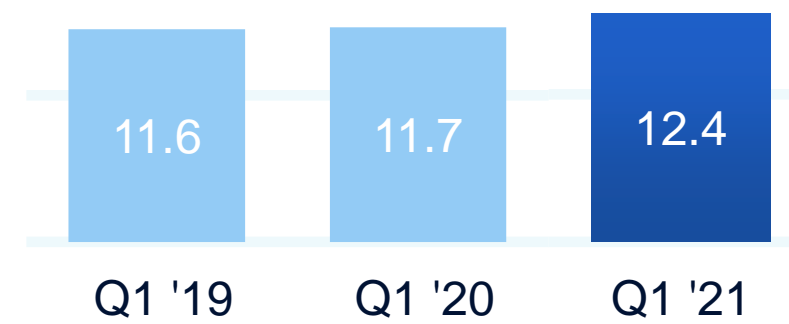
(market share)

■ Türk Telekom ■ Other



Total Subscribers

■ Total subscribers (mn)

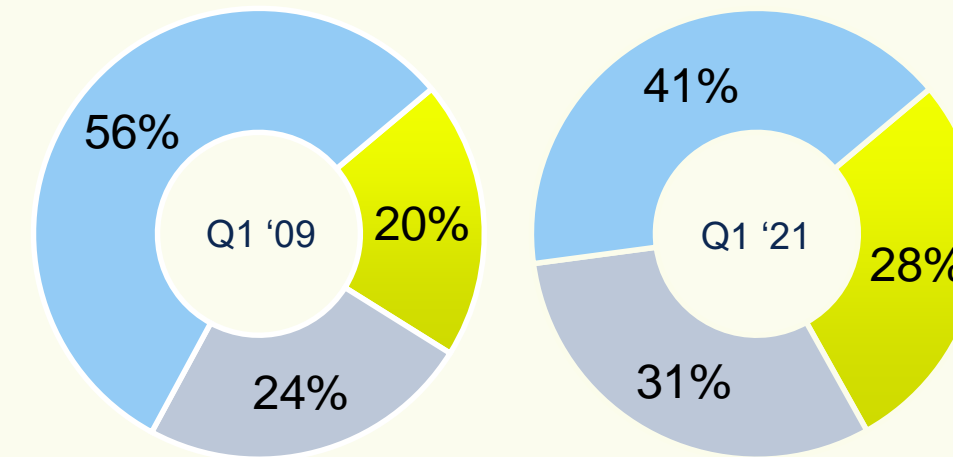


- ▶ Population penetration in Turkey **15%**

Mobile

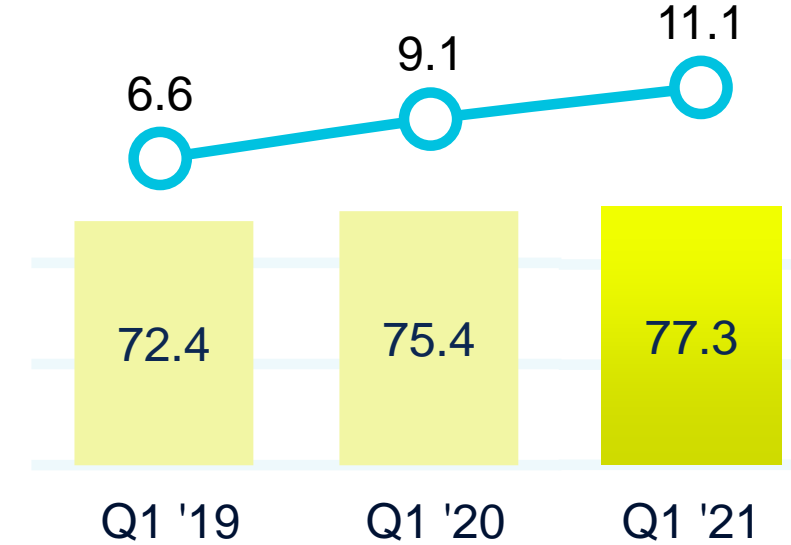
(market share)

■ Türk Telekom ■ Vodafone ■ Turkcell



4.5G Subscribers & Avg. Monthly Data Usage

■ Total 4.5G subscribers (mn) ● Average usage of 4.5G (GB)

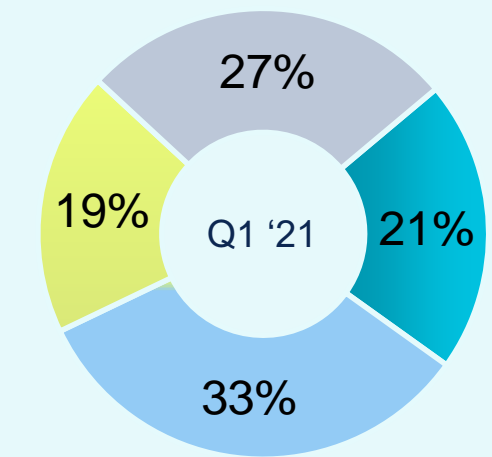


- ▶ Population penetration in Europe **127%**
- ▶ Population penetration in Turkey **100%**
- ▶ Mobile broadband population penetration in Europe **115%**
- ▶ Mobile broadband population penetration in Turkey **80%**

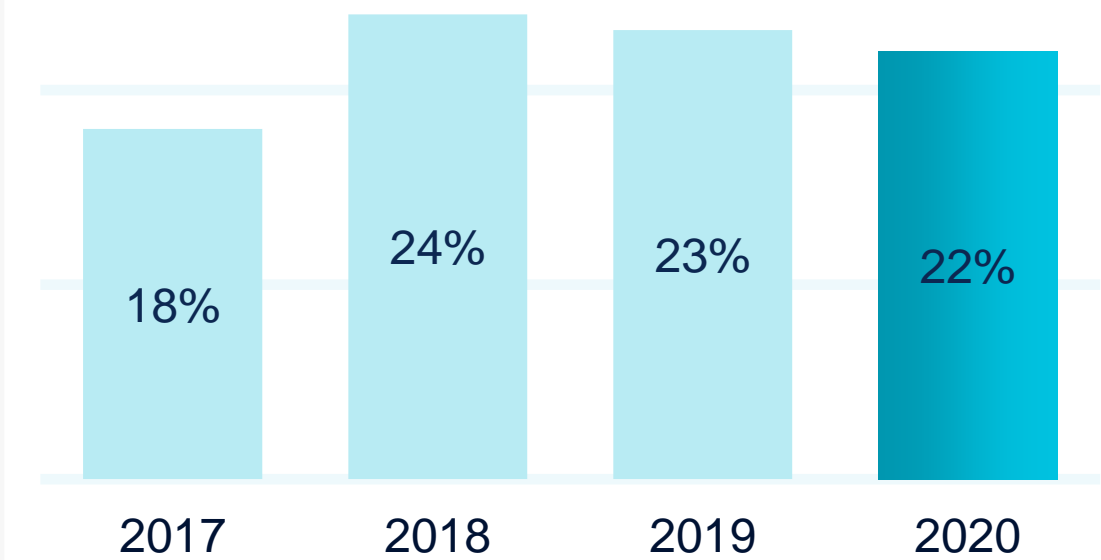
Pay TV (Home and GO)

(market share)

■ Türk Telekom ■ Digiturk
■ Cable ■ Other



Tivibu Home Subscriber Market Share



- ▶ Household penetration in Europe **85%**
- ▶ Household penetration in Turkey **29%****

**Based on our calculation

Fixed broadband and pay TV markets include 27 European countries and the UK

Mobile market includes 14 European countries and the UK

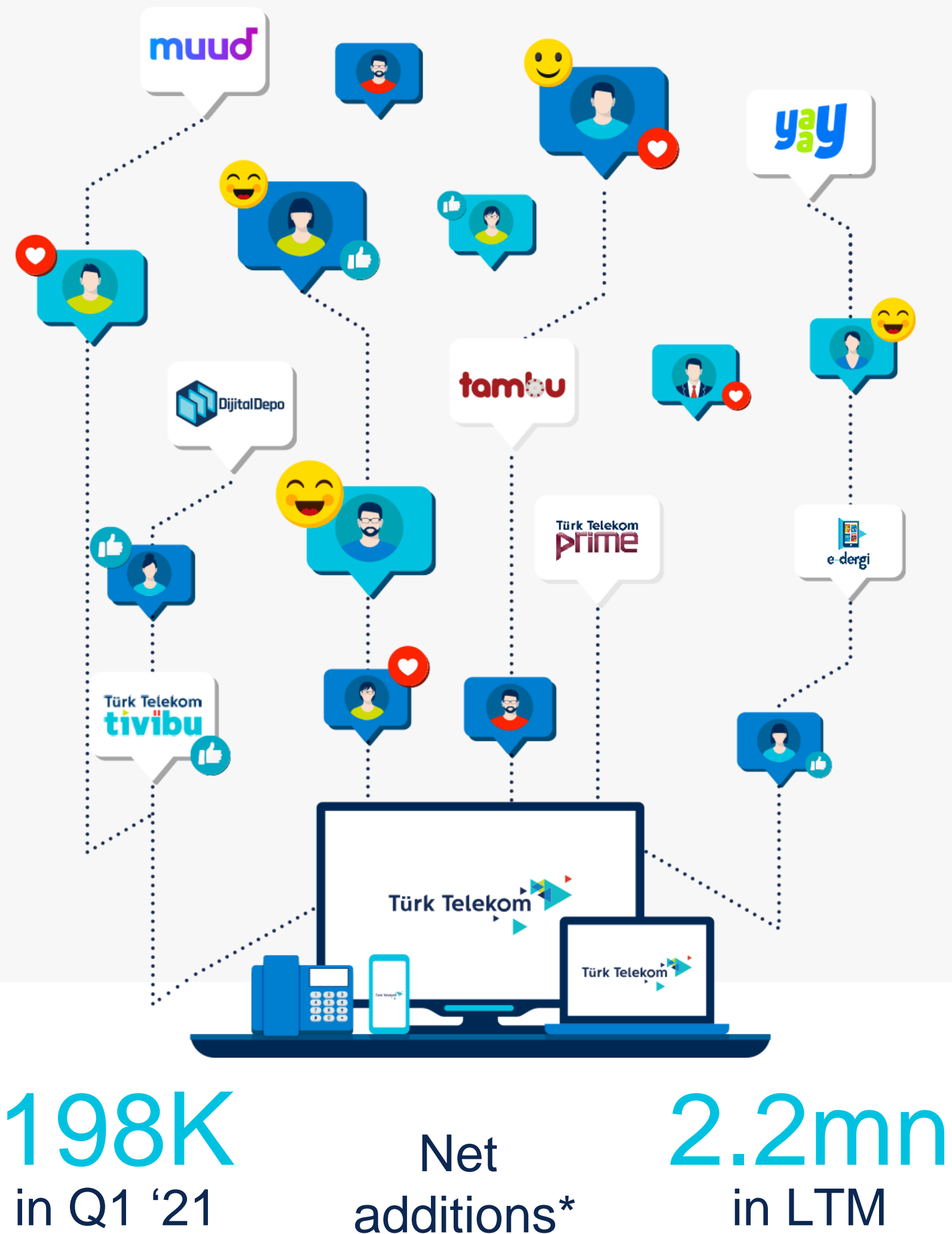
Source: Analysys Mason, ICTA



2021 Q1 Highlights



50.6mn subscribers



*Includes Tivibu

Net Adds



Broadband

204K
Q1 '21

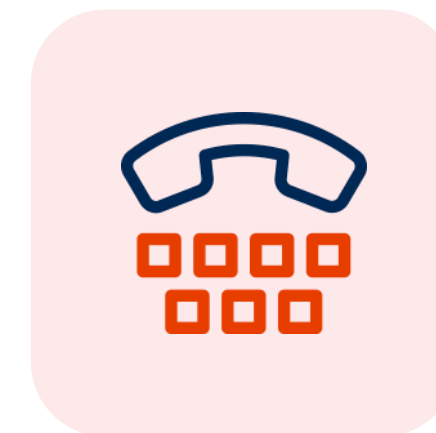
2.0mn
LTM



Mobile

103K
Q1 '21

90K
LTM



Fixed Voice

-52K
Q1 '21

476K
LTM

2021 Q1 Highlights



Total
Subscribers

50.6 mn
Up 5% YoY



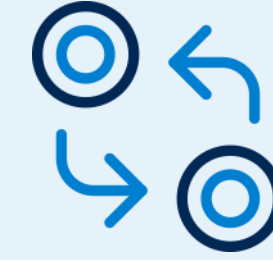
Net
Income

TL 1.4 bn
Up 105% YoY



Revenue

TL 7.6 bn
Up 20% YoY



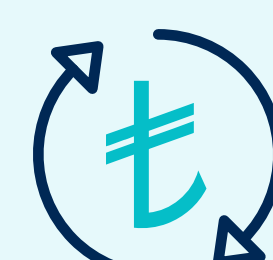
Free Cash
Flow (FCF)

TL 750 mn
Down 53% YoY



EBITDA

TL 3.8 bn
Up 28% YoY



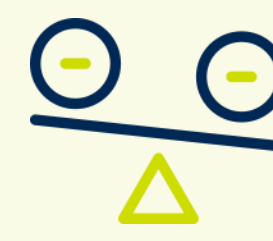
CAPEX

TL 1.3 bn
Up 40% YoY



EBITDA
Margin

50.1%
Up 290bps YoY

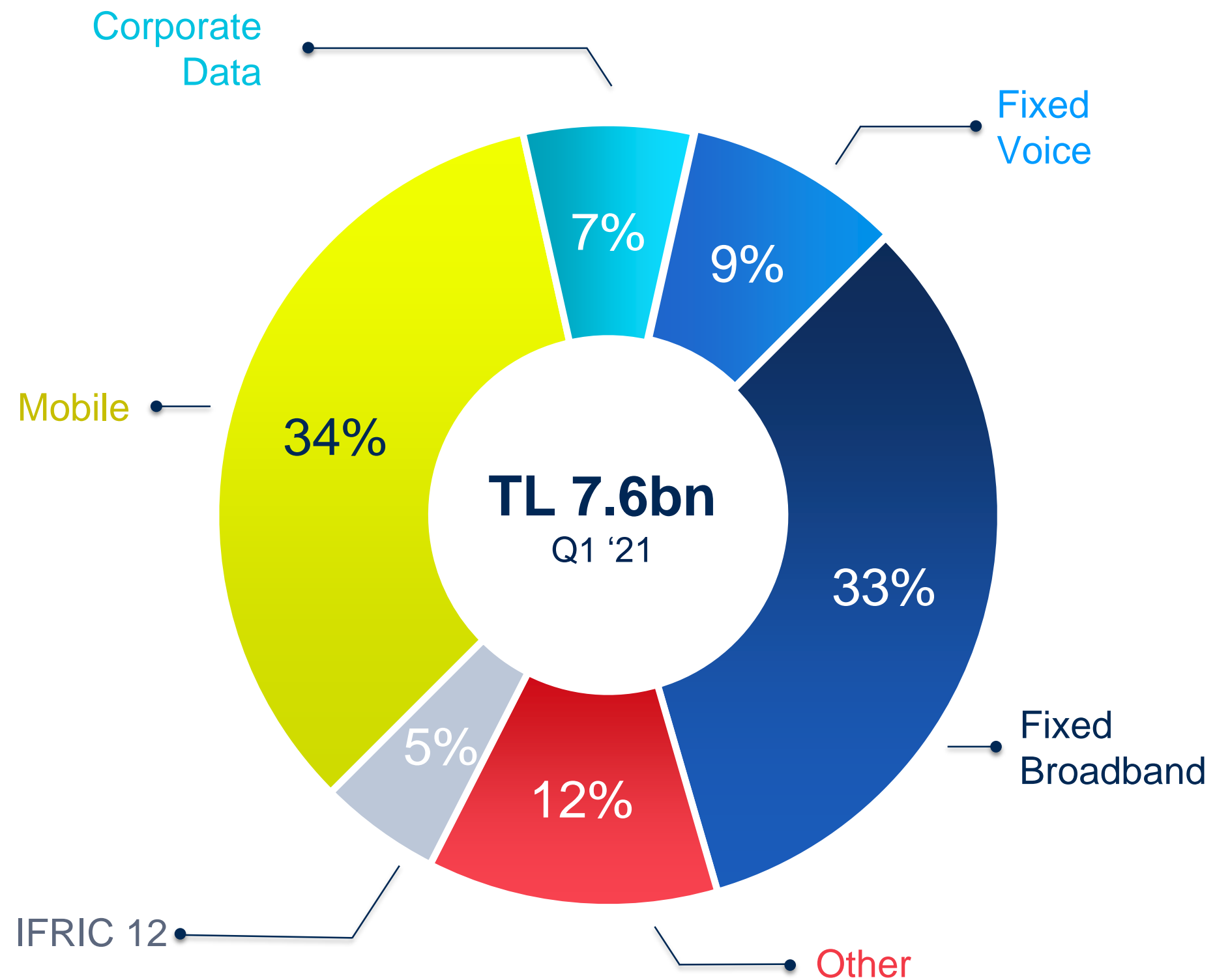


Net
Leverage

1.15x
Q1 '20 1.38x

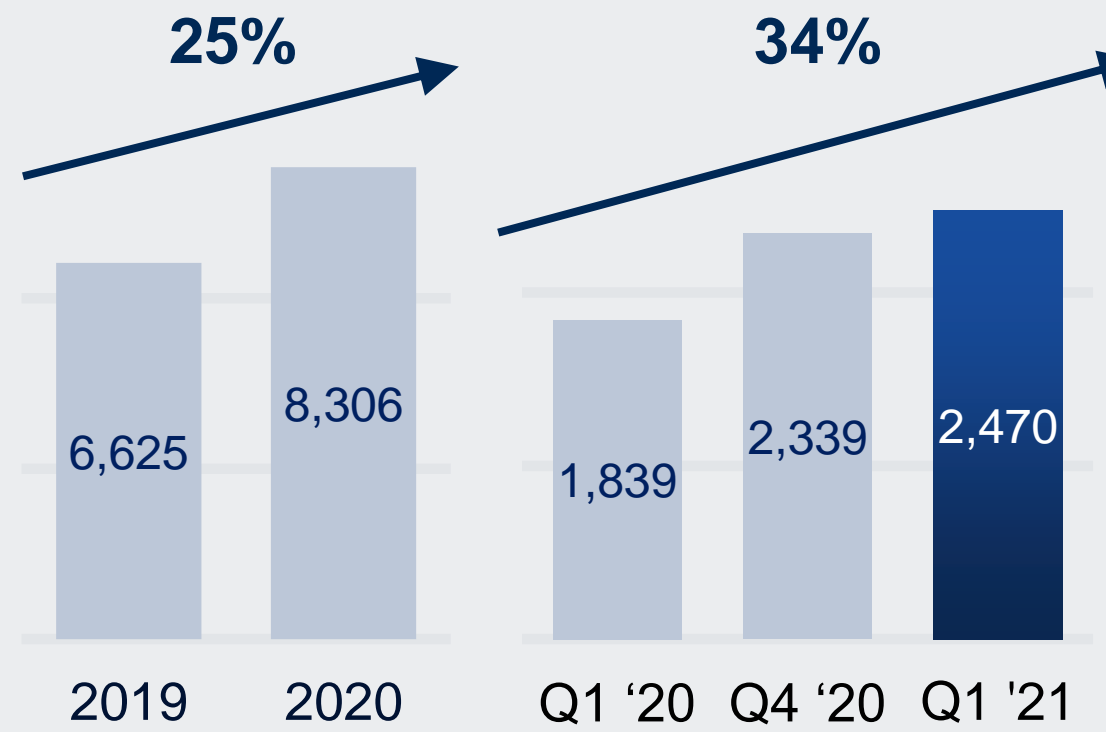
Q1 '21 Revenue Breakdown

(% of Consolidated Revenue)



Fixed Broadband

(TL mn)



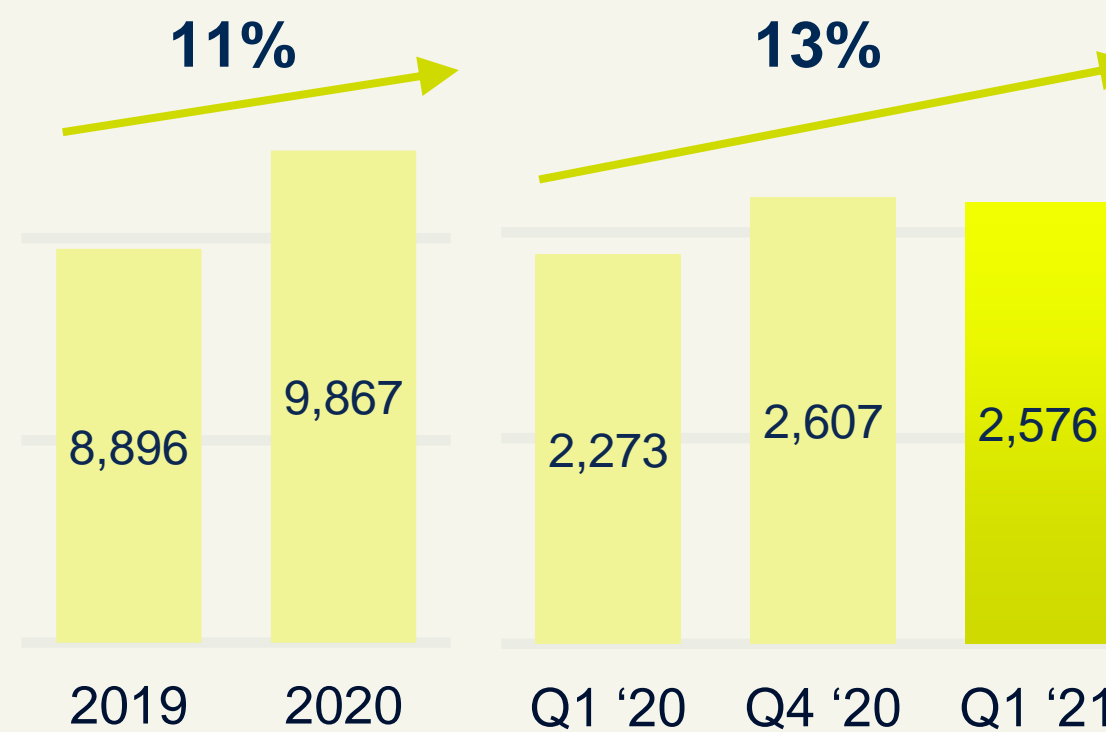
Fixed Voice

(TL mn)



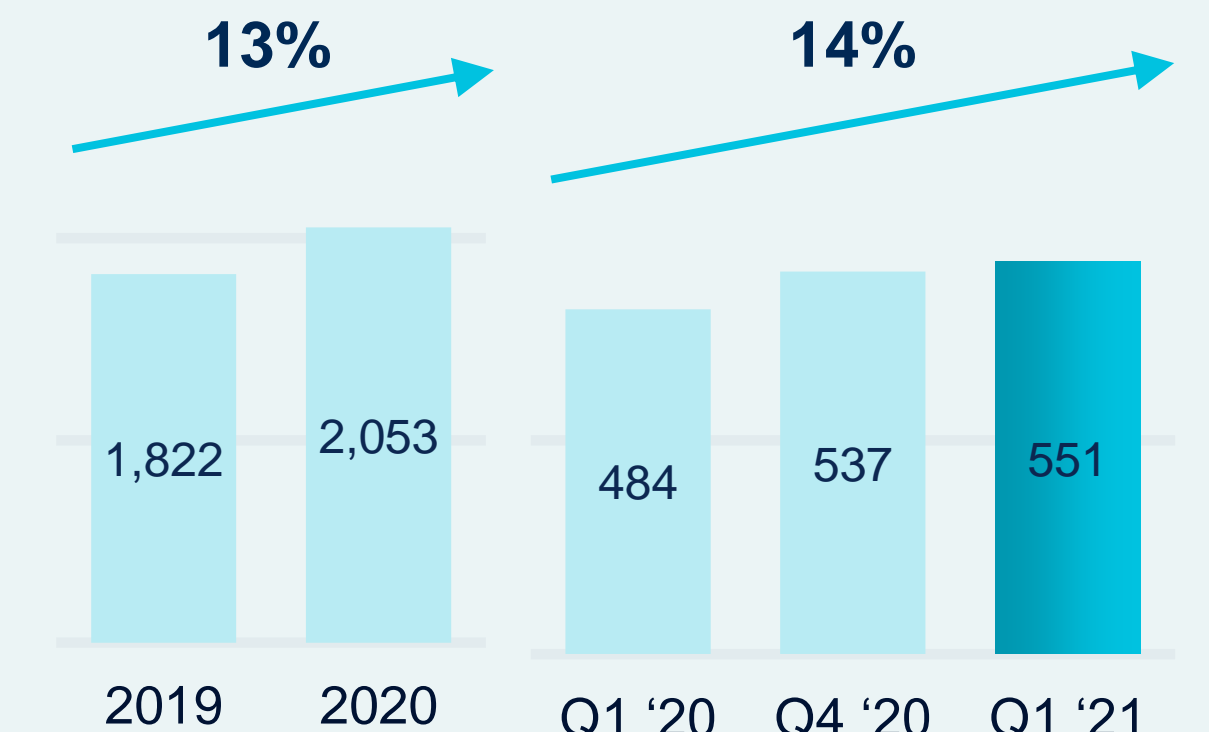
Mobile

(TL mn)



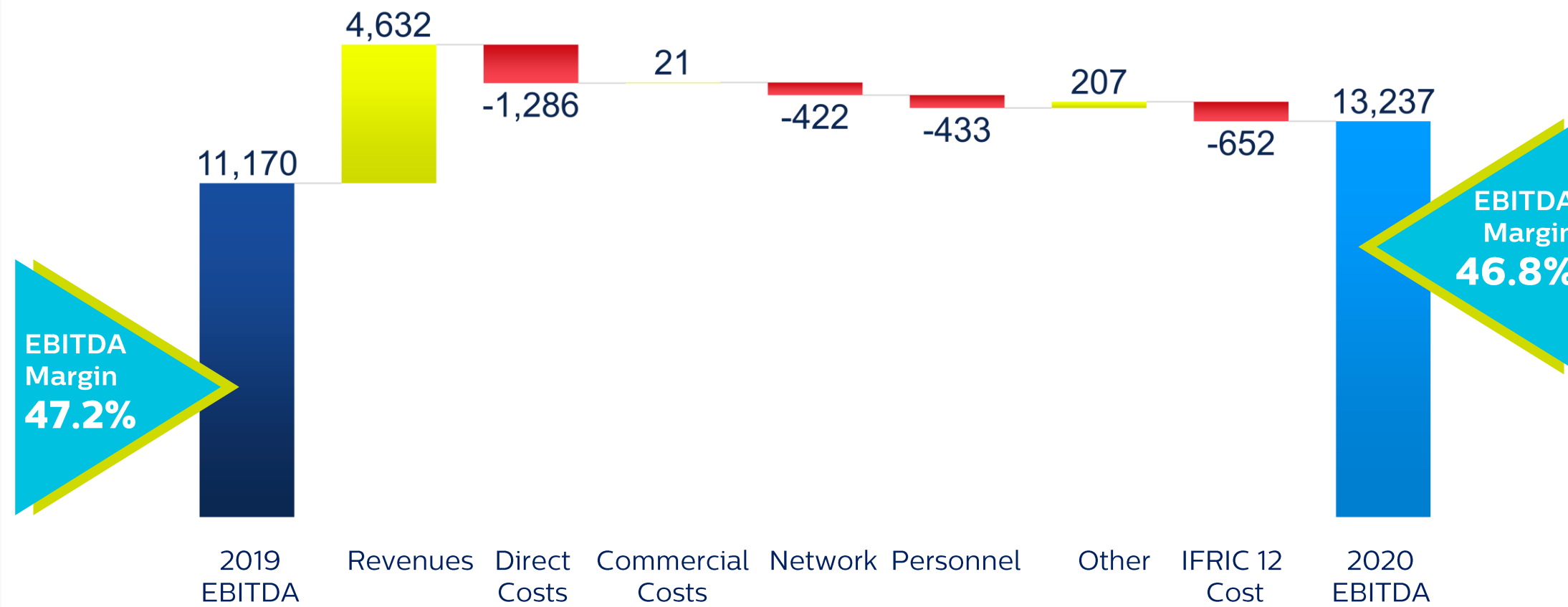
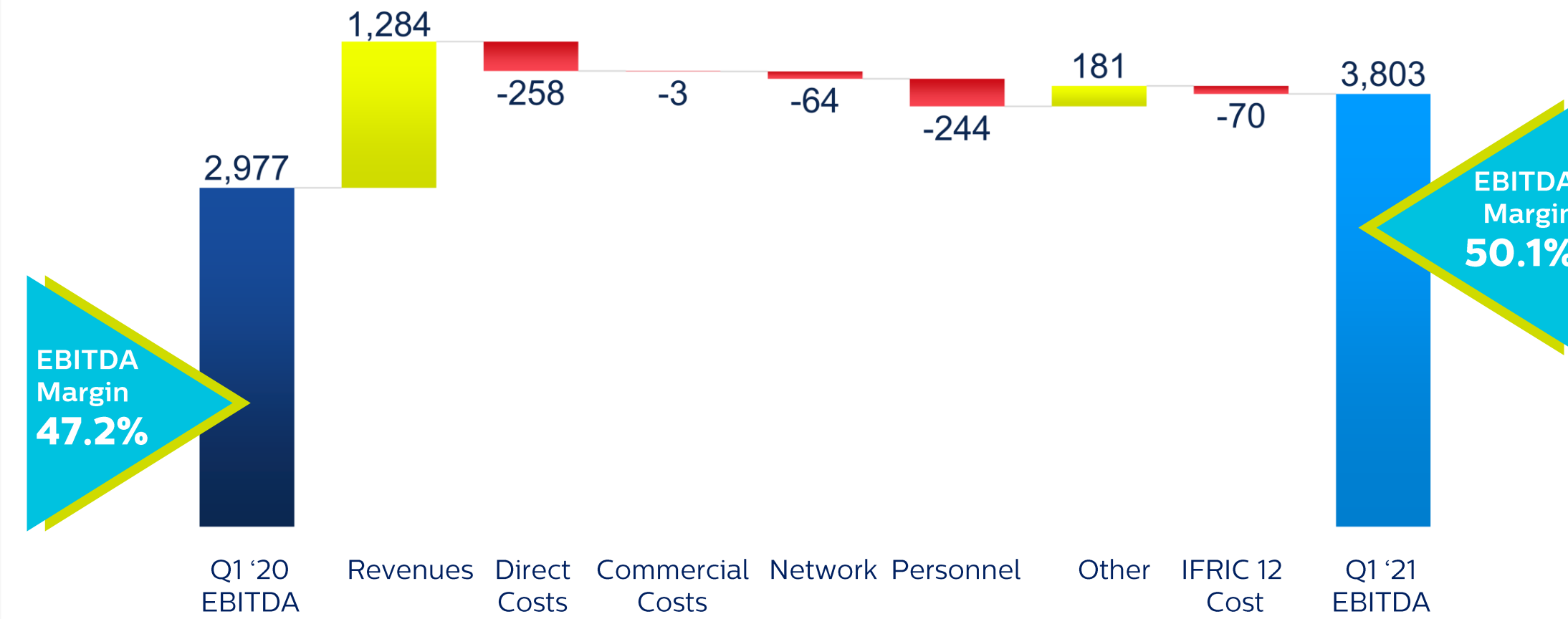
Corporate Data

(TL mn)



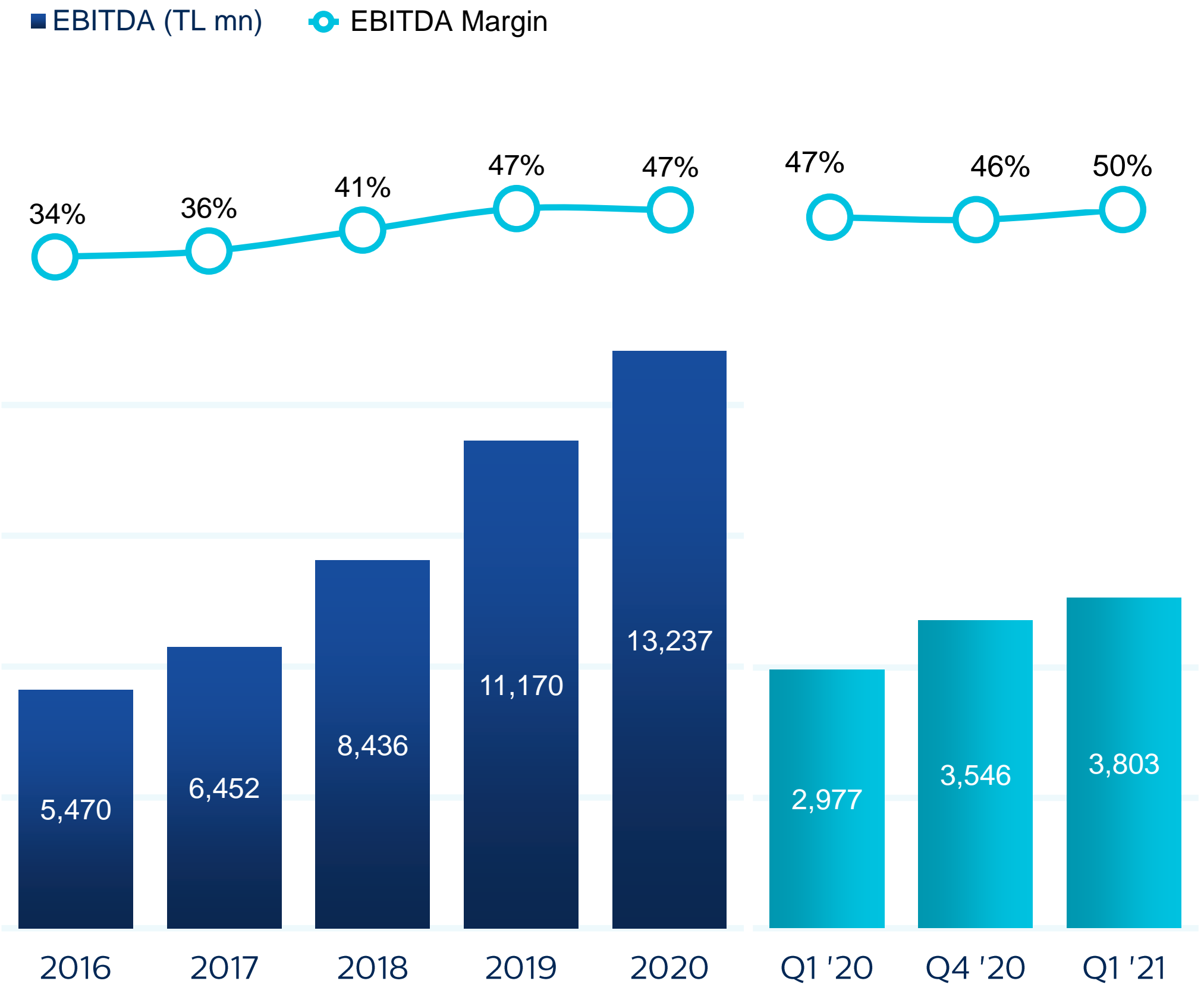
Consolidated EBITDA Development

(TL mn)



EBITDA & EBITDA Margin

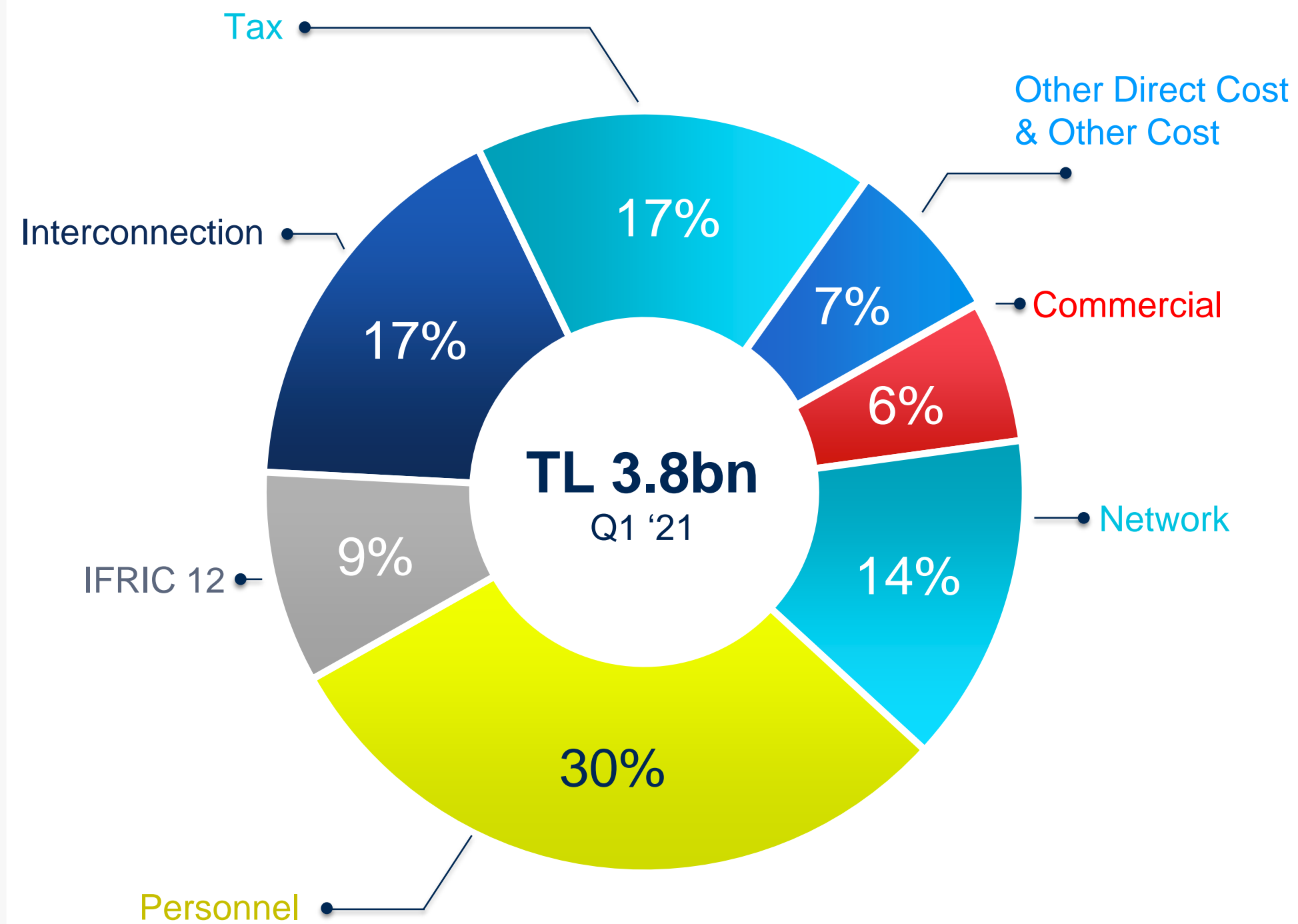
(TL mn)



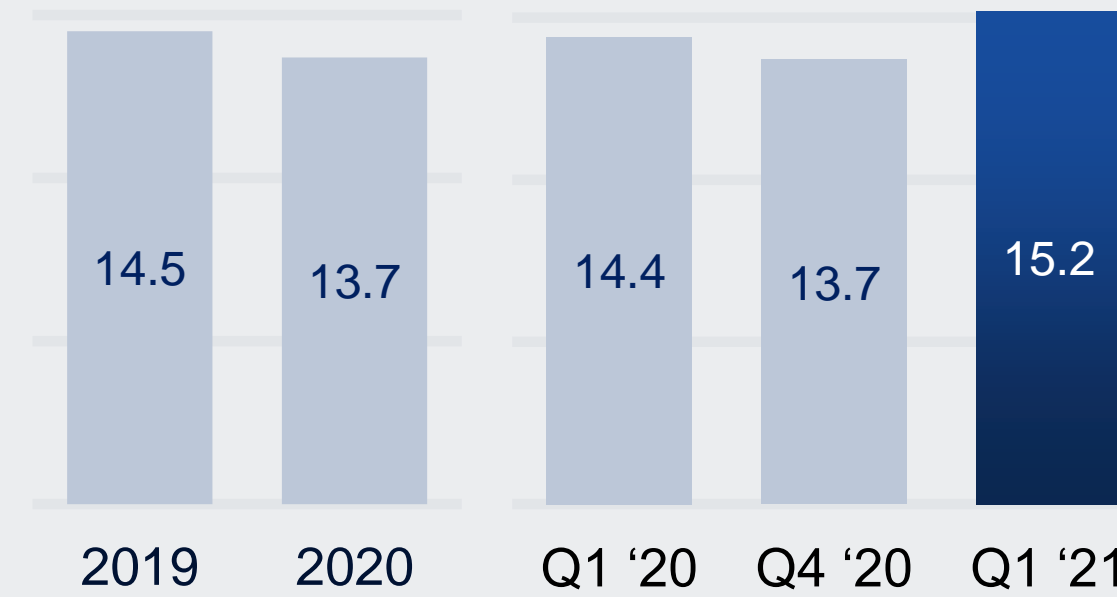
Türk Telekom adopted IFRS 15 and IFRS 16 accounting standards starting from 1 January 2018 and 1 January 2019, respectively. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our web site.

Q1 '21 Opex Breakdown

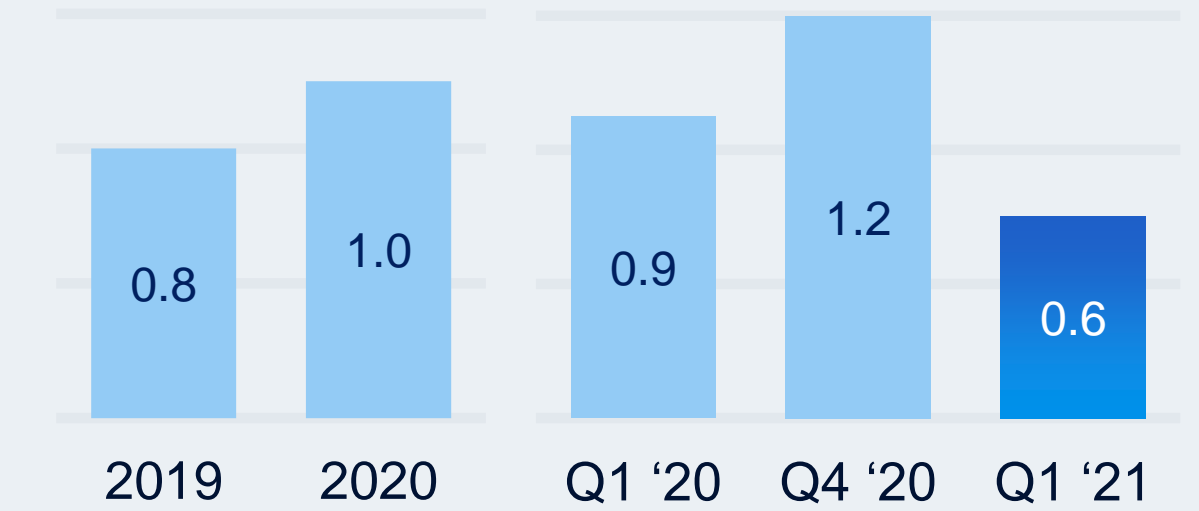
(% of Consolidated Opex)



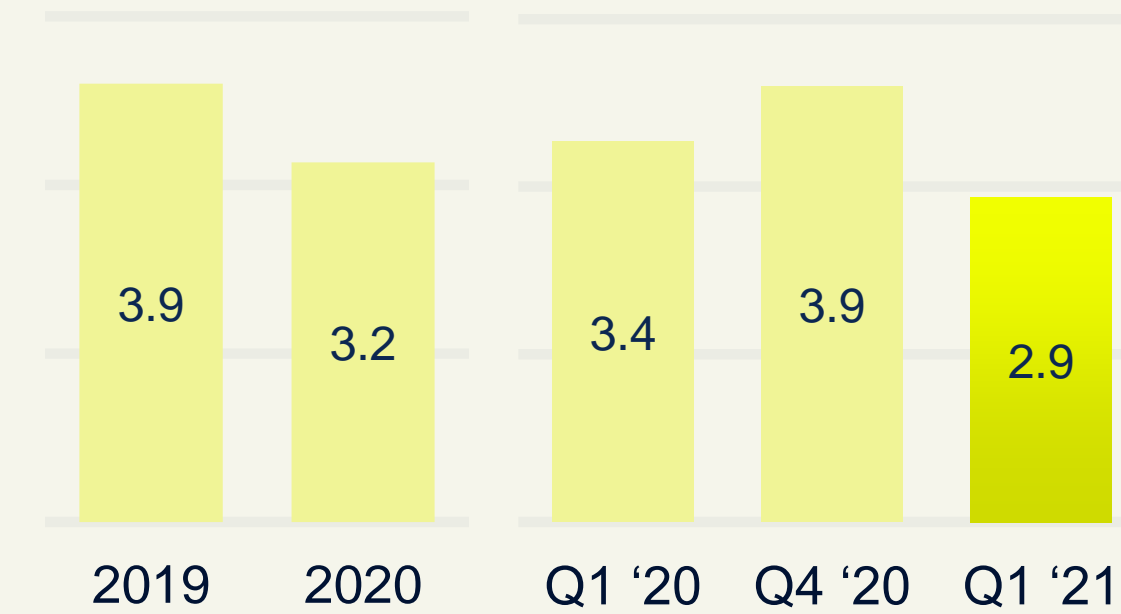
Personnel Expense to Sales (%)



Provision for Doubtful Receivables to Sales (%)



Commercial Cost to Sales (%)



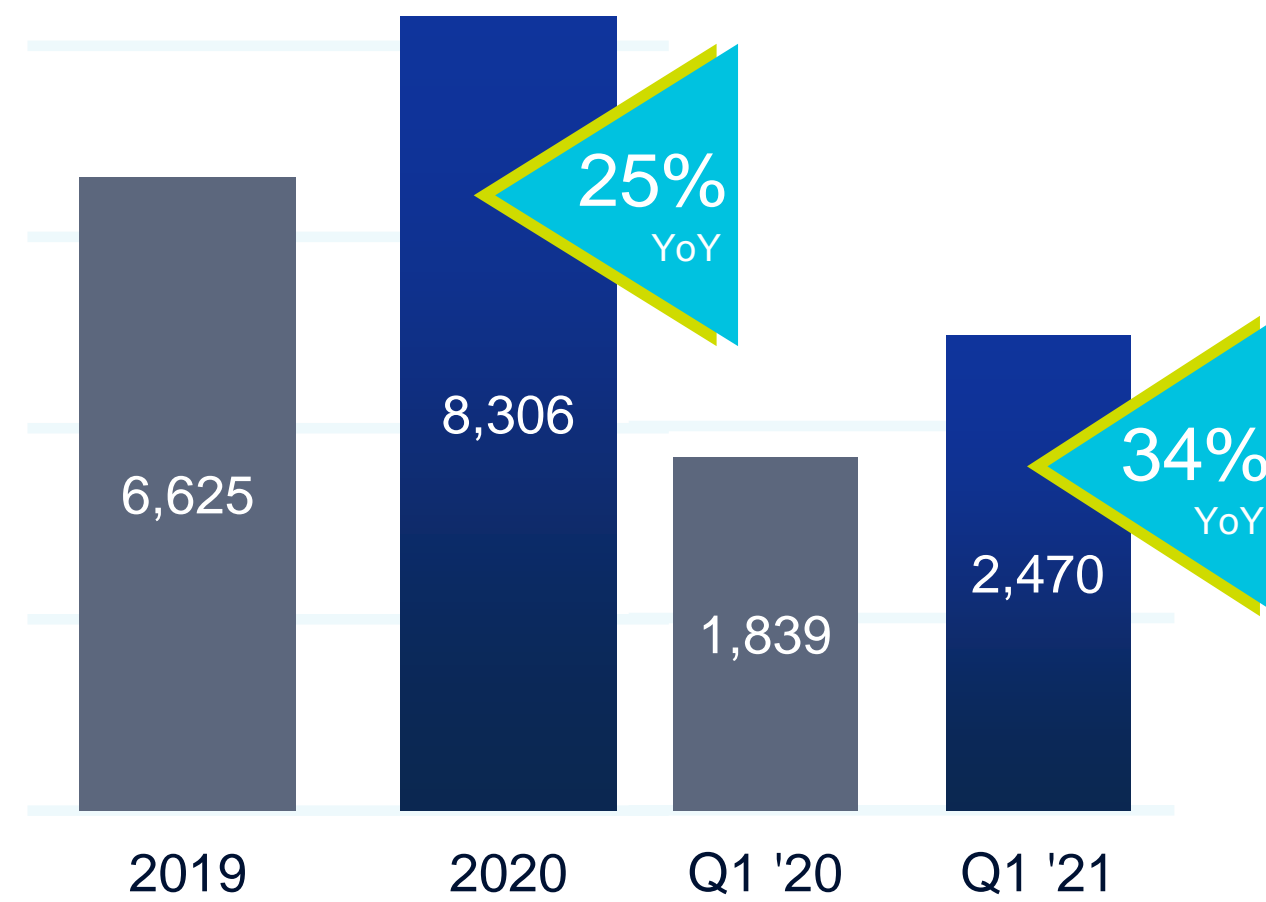


Business Lines



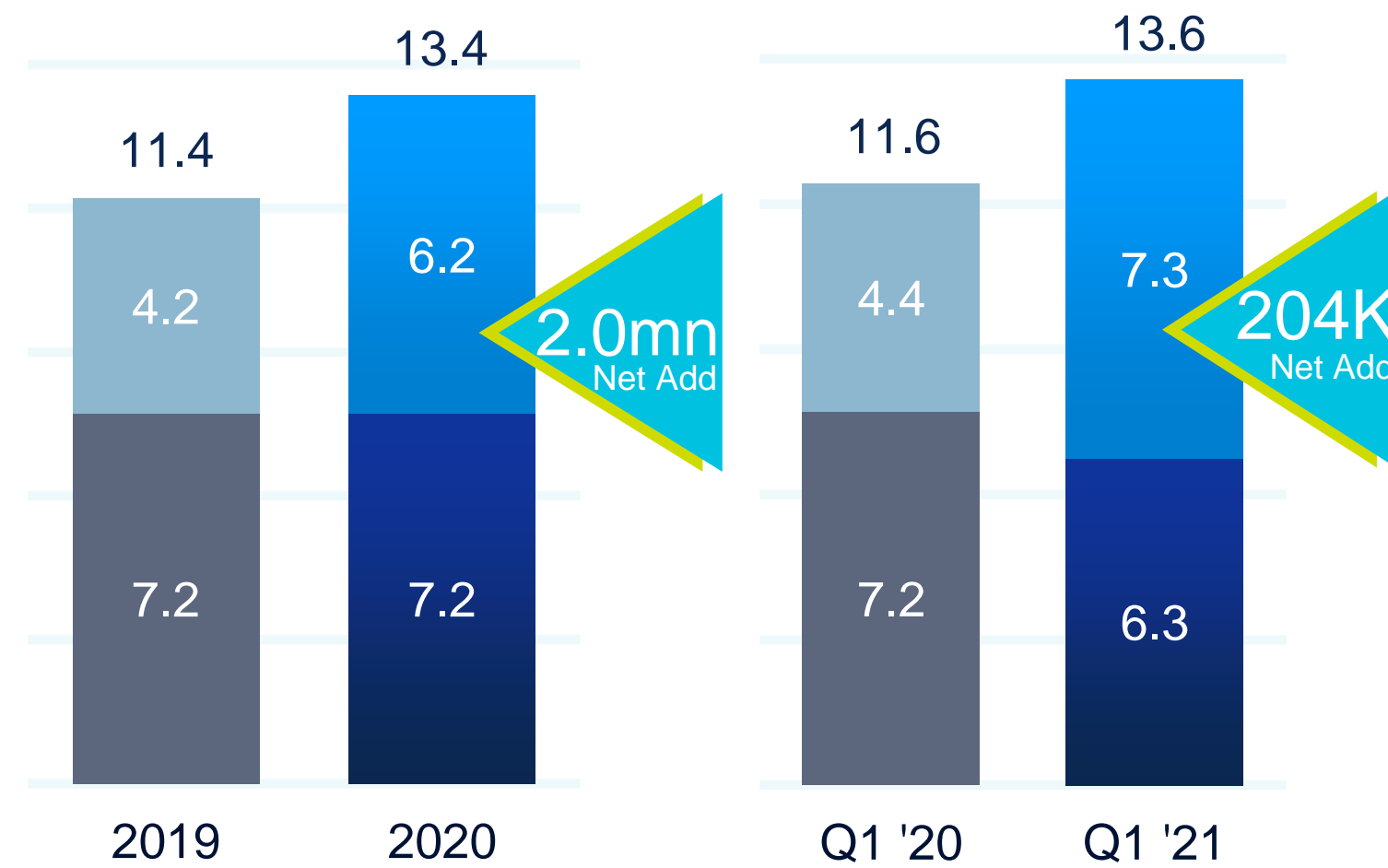
Fixed Broadband Revenue

(TL mn)

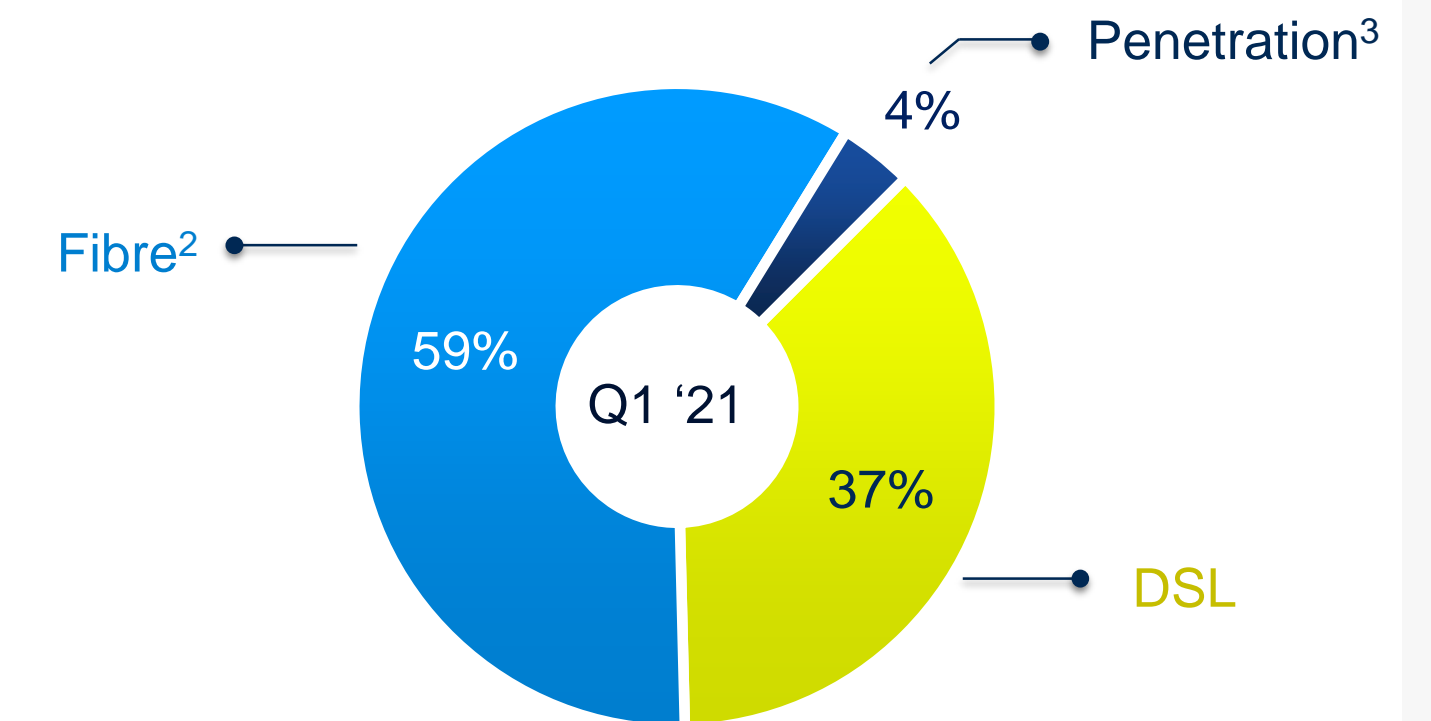
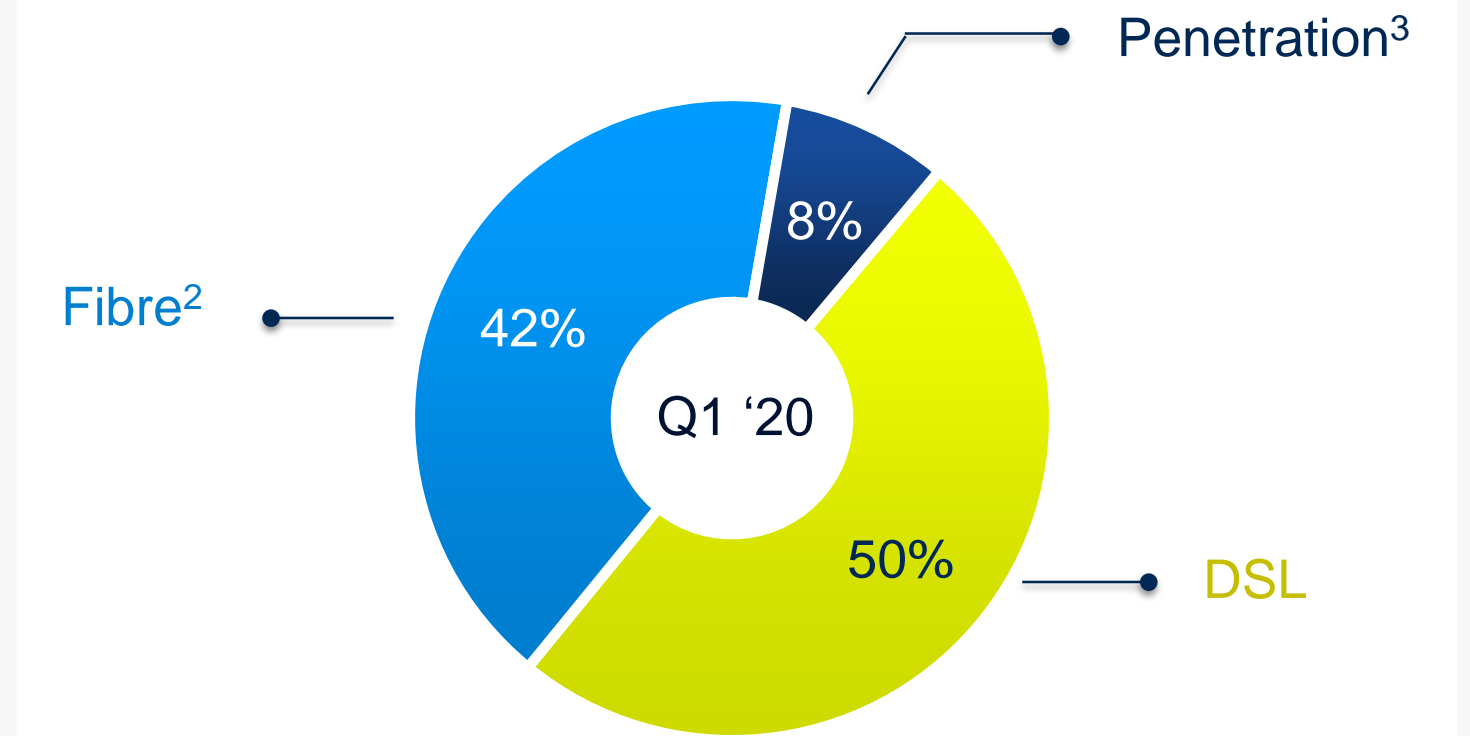


ARPU & Subscribers

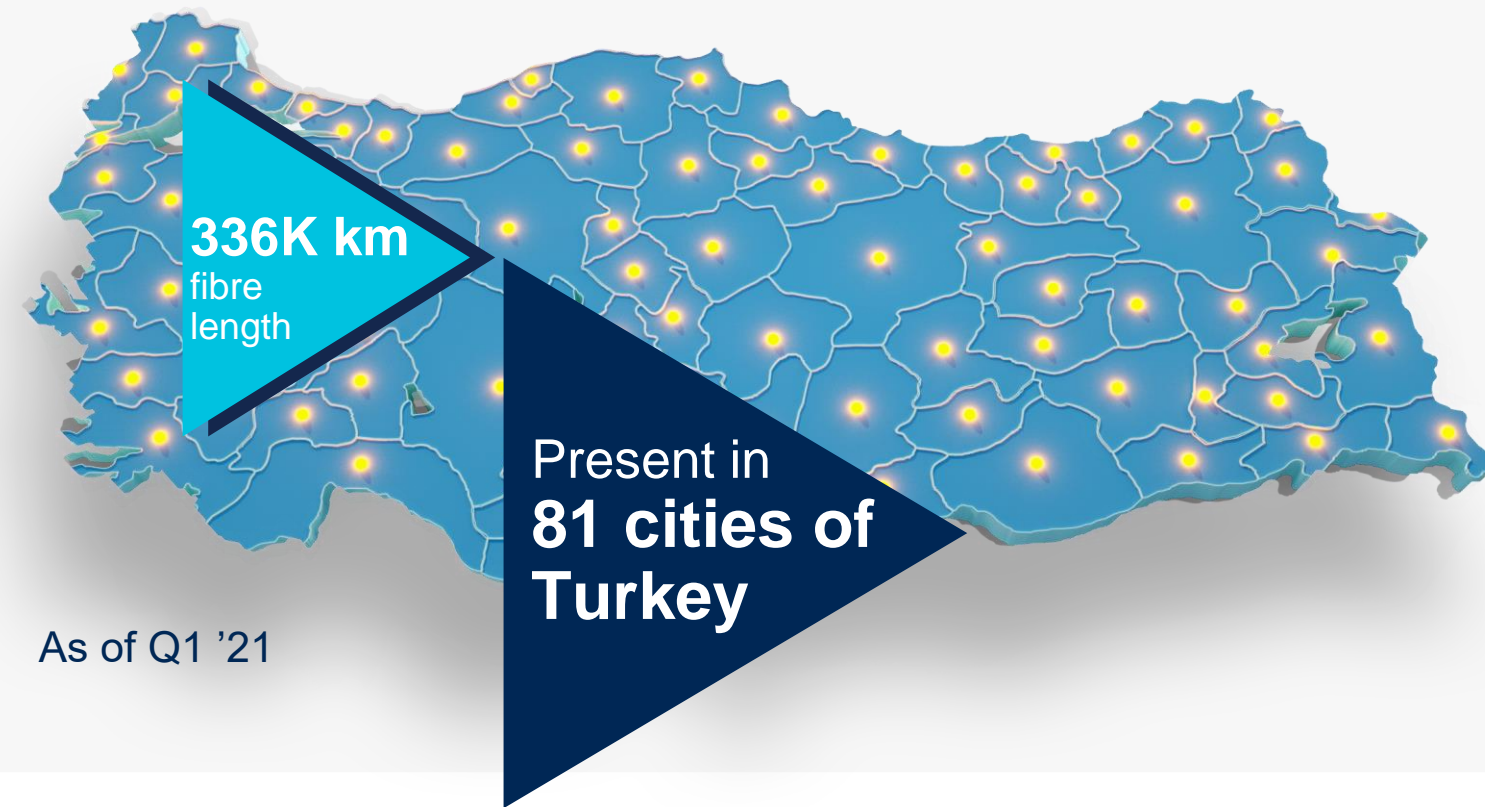
■ Fibre Subscribers (mn)
 ■ DSL Subscribers (mn)
 ○ ARPU (TL)

Subscriber Breakdown¹

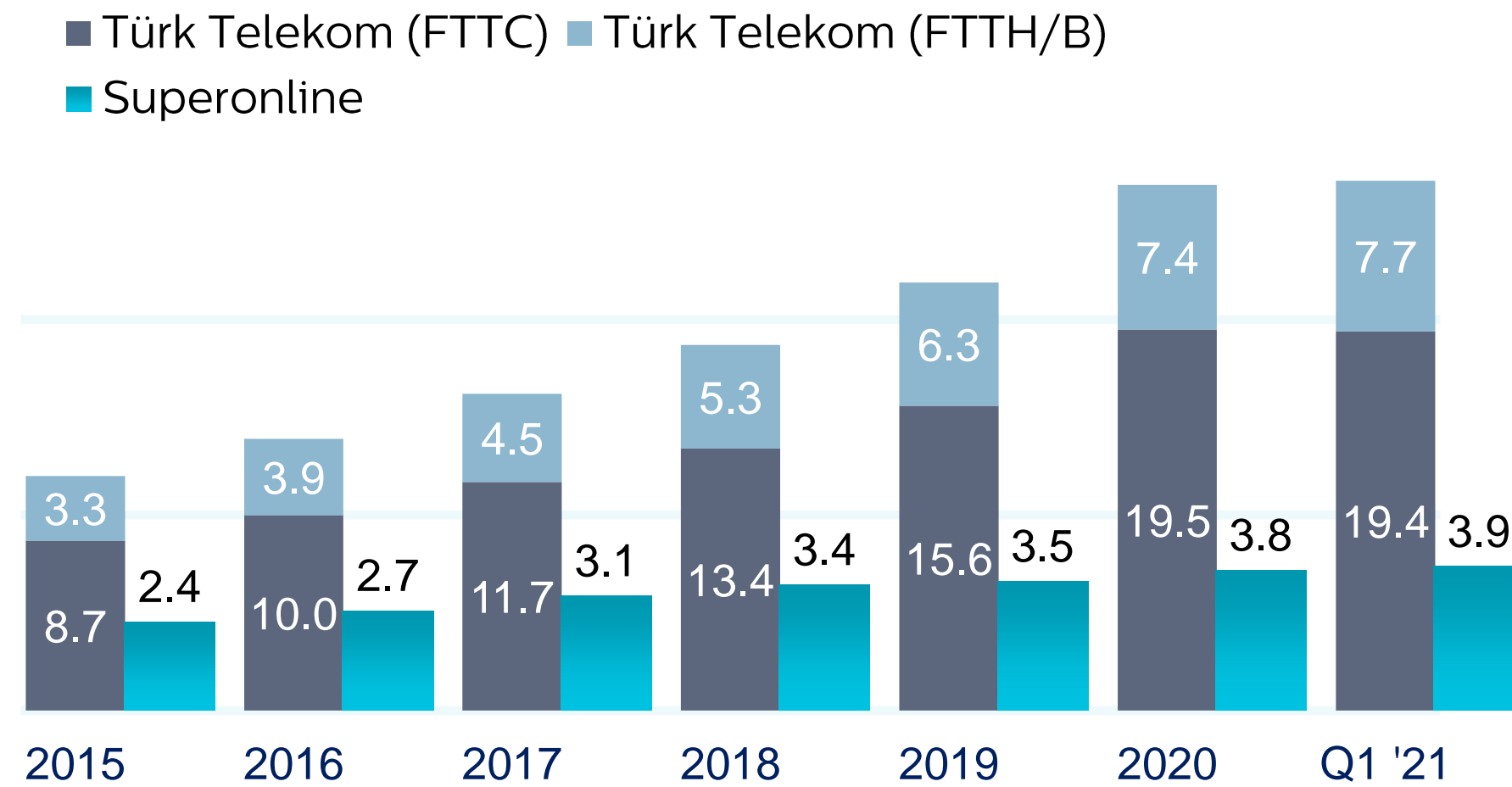
(% of Subscribers)

¹Retail only²Fibre subscribers include FTTH/B & FTTC subscribers³Customers acquired through penetration campaigns

Türk Telekom Fibre Network



Fibre Homepass (mn)



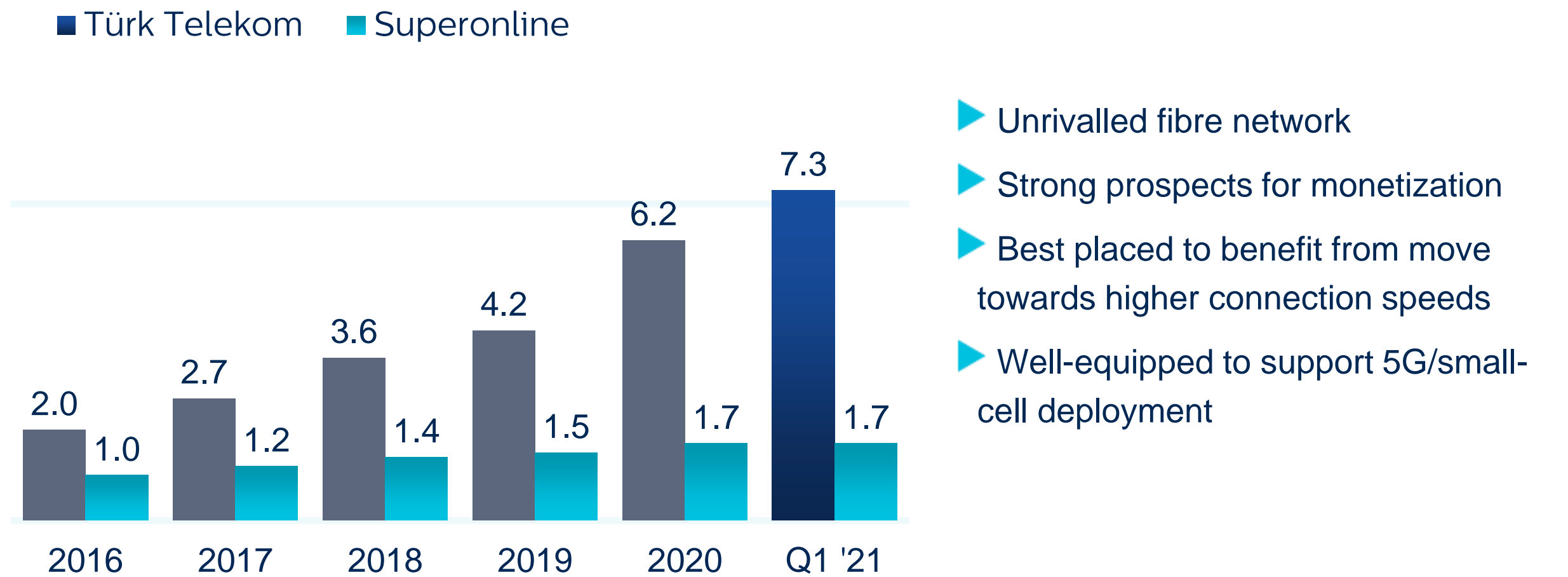
Superonline Fibre Network



- ▶ Presence in 23 cities of Turkey
- ▶ 51K km fibre length
- ▶ Wholesale customer of Türk Telekom

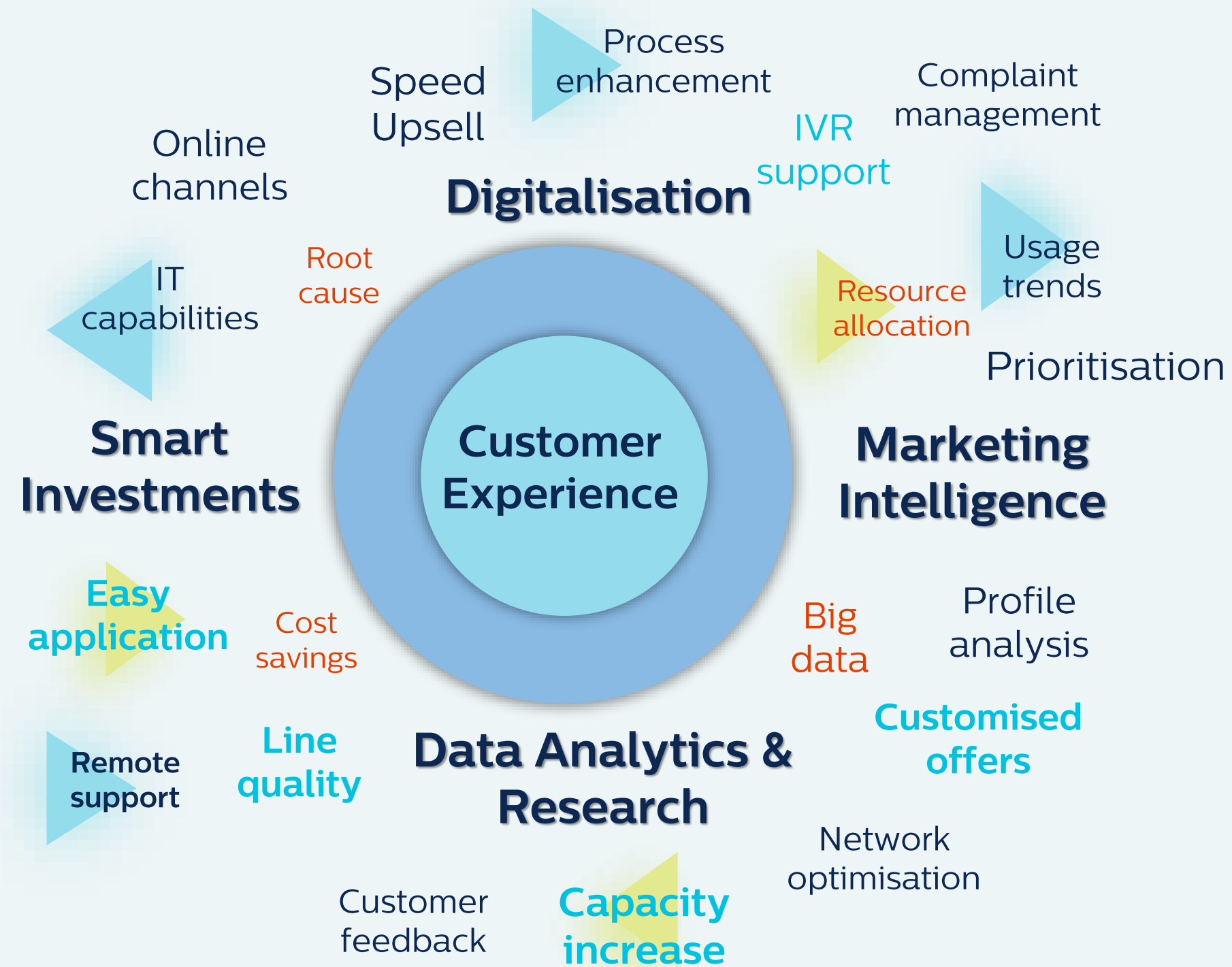
Based on Turkcell's own publications as of Q1 '21

Fibre Subscribers (mn)



Fibre subscribers include FTTH/B & FTTC subscribers

Customer Experience



>2mn new fixed internet subscribers since the Covid-19 outbreak.
Customer retention & customer experience more important than ever

HOW TO APPROACH?

Four main pillars

Data analytics & Research
Marketing intelligence
Digitalisation
Smart investments

WHAT TO DO?

- Manage 13.6mn subscriber base,
- Manage/minimise customer complaints increasing with installation and usage intensity,
- Analyse customers' usage motivations, align investments accordingly, upsell.

Speed Focus

- ADSL to Fibre conversion
- Increased FTTH customers' solutions at first contact from 30% to 55%
- Single system management of FTTH modems
- Ability of field workers to intervene fixed infrastructure remotely

Line Quality Improvement

- "Root cause analysis" on recurring problems
- Remote support
- Improvement in customer breakout and speed experience
- Activation, transfer & deactivation failures reduced by 55% with network system optimisations

Digitalisation

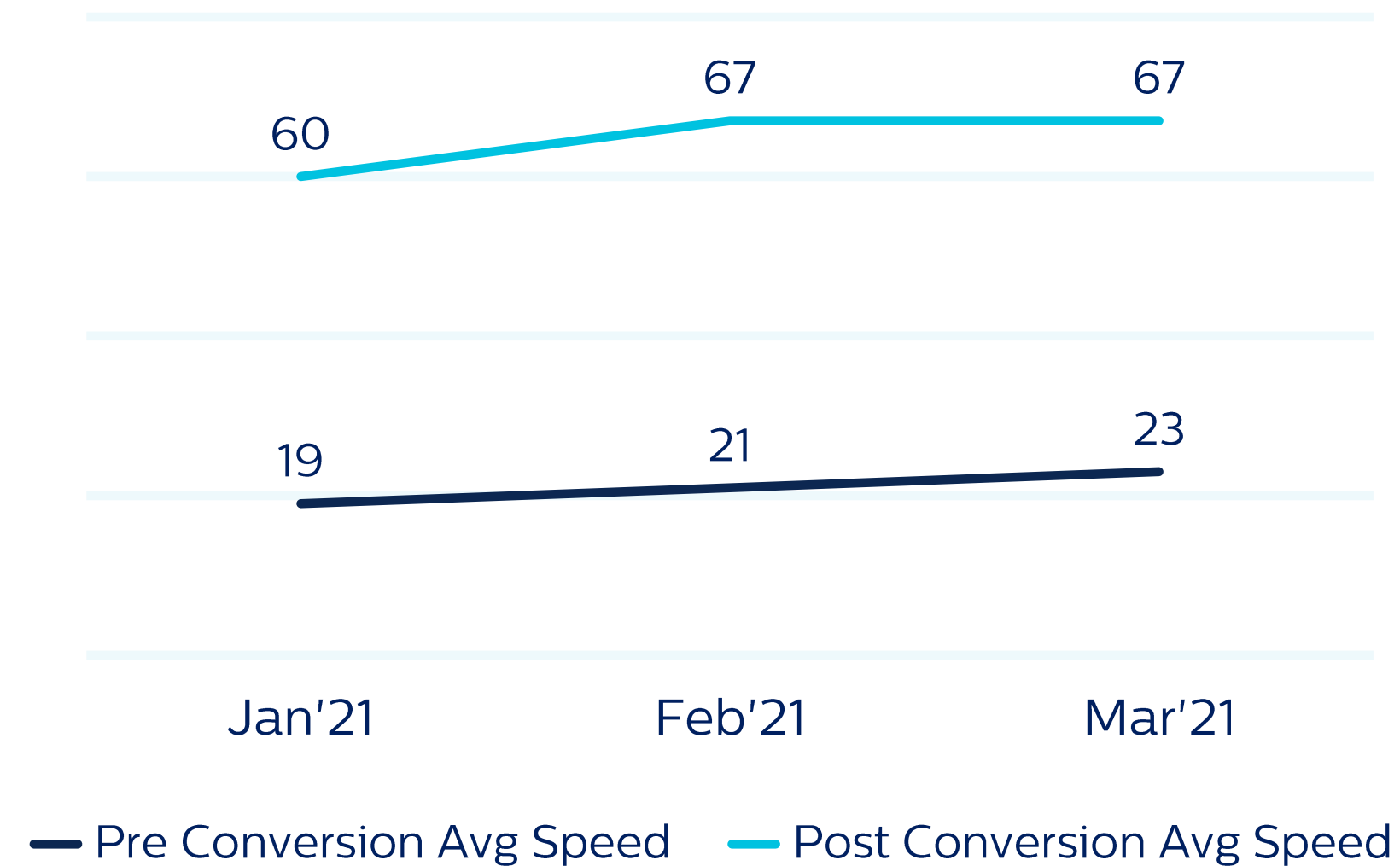
- End-to-end fixed internet application via MOIM*
- Smart IVR support & integration to MOIM
- Integration of the Consumer Complaint Management System with ICTA

* Türk Telekom Mobile Online Transactions Centre

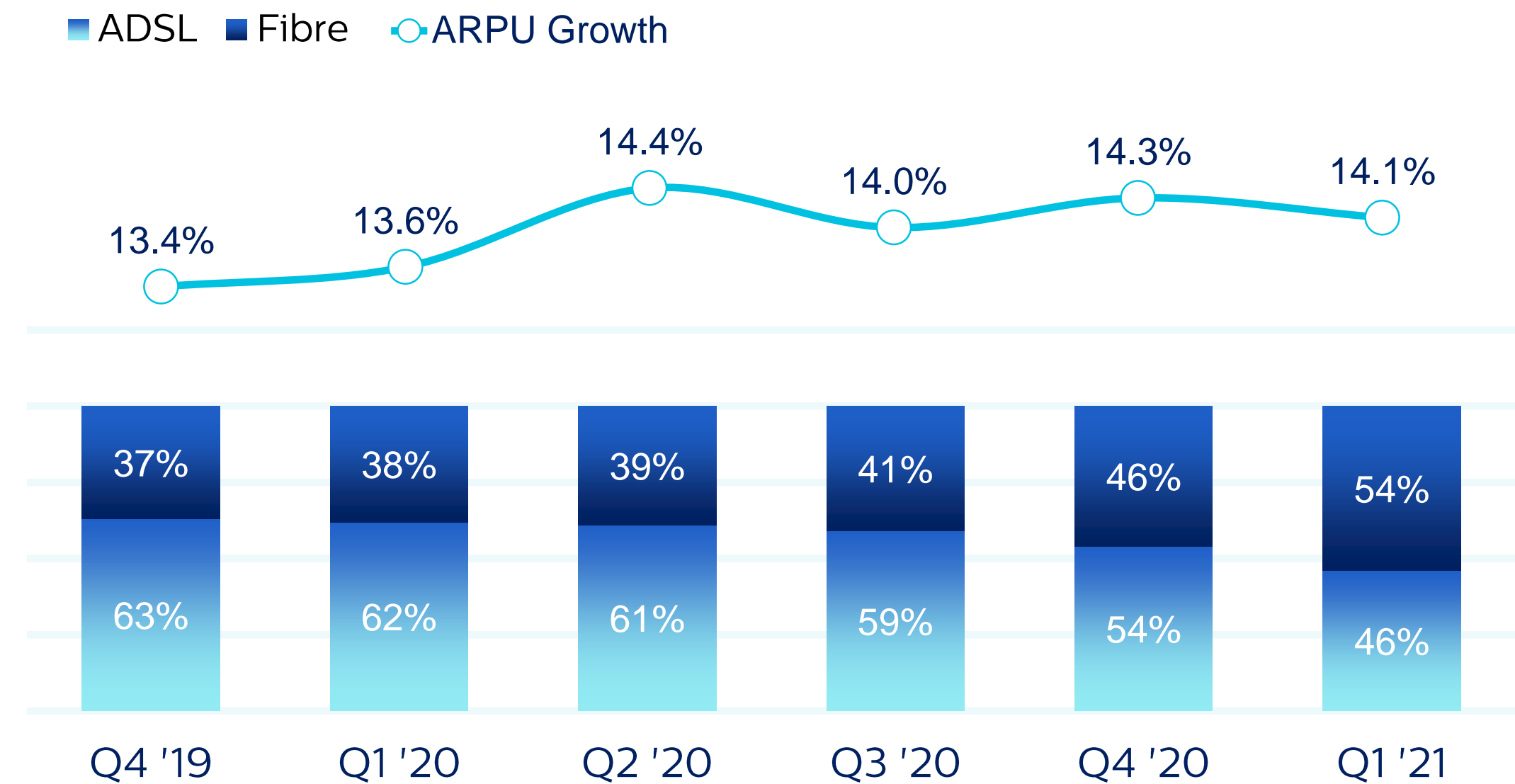
ADSL to Fibre Conversion

- Following our preparations on technology improvements and customer experience, we have started migrating our subscribers from ADSL to fibre packages.
- We converted more than 600K subscribers from ADSL to fibre packages in the first 3 months of 2021.
- Total conversion reached almost 900K over the last couple of quarters.
- Customers can receive up to ~3x higher speeds post-conversion.
- Recently kick started upsell offers to this group of customers and seeing close to 30%* take up rate...
- ... confirming our future upsell opportunities and our ability to create growth possibilities continuously.

**Pre/Post Conversion
Available Speed** (Mbps)**



Subscriber Breakdown

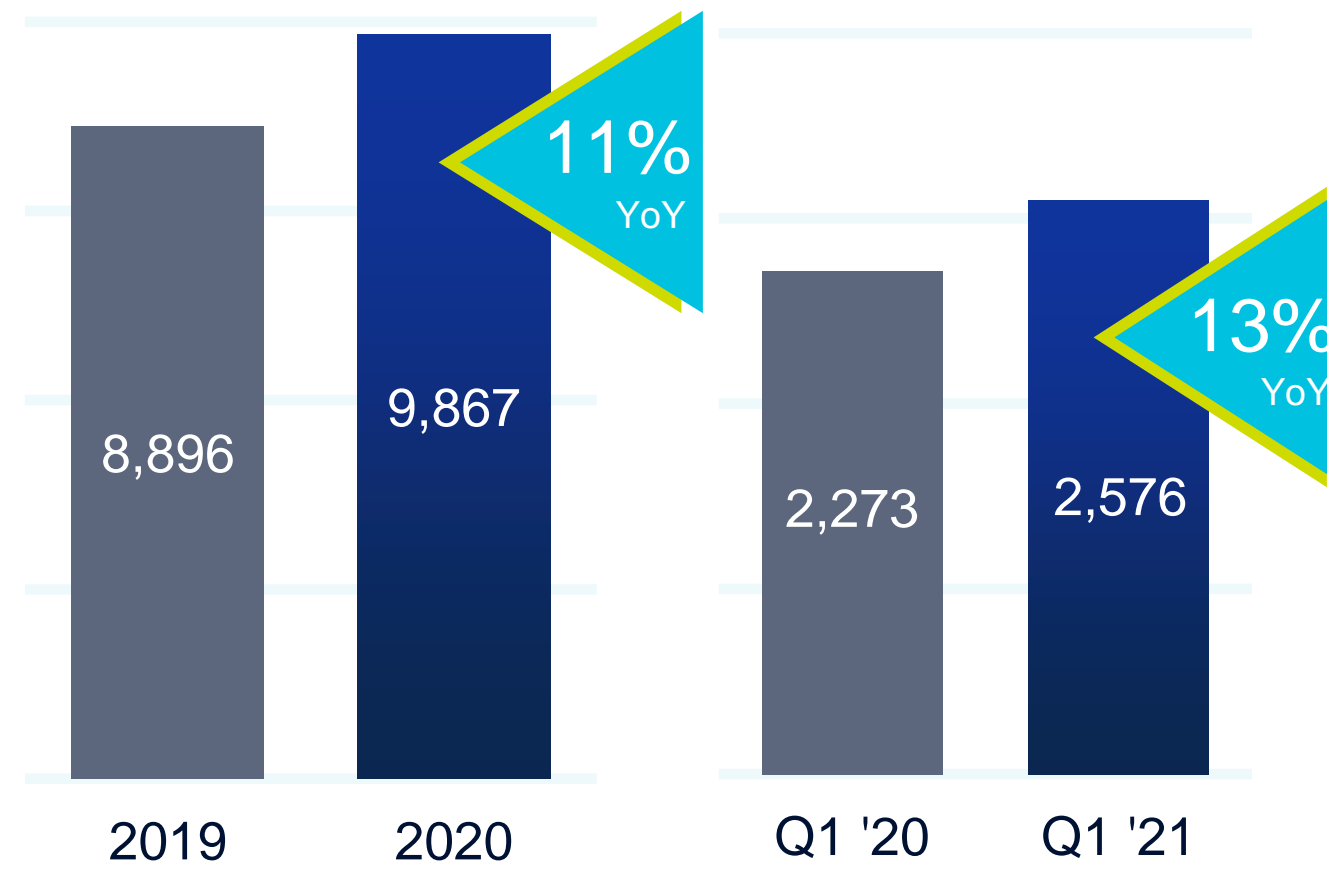


*Percentage of take up by customers who received outbound calls.

**Shows available speeds, not the actual speeds that the subscribers receive.

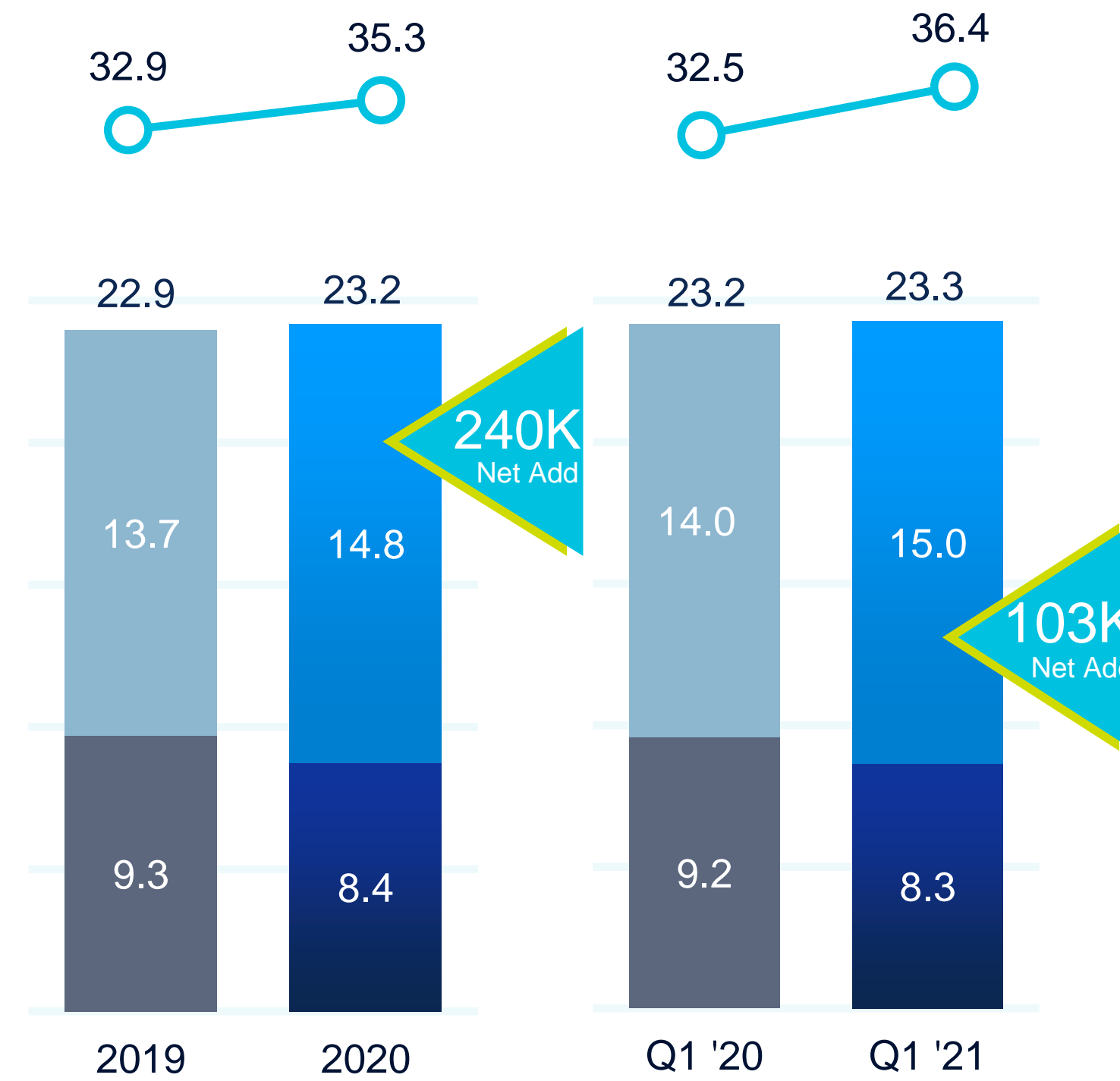
Mobile Revenue

(TL mn)



Growing ARPU & Subscribers

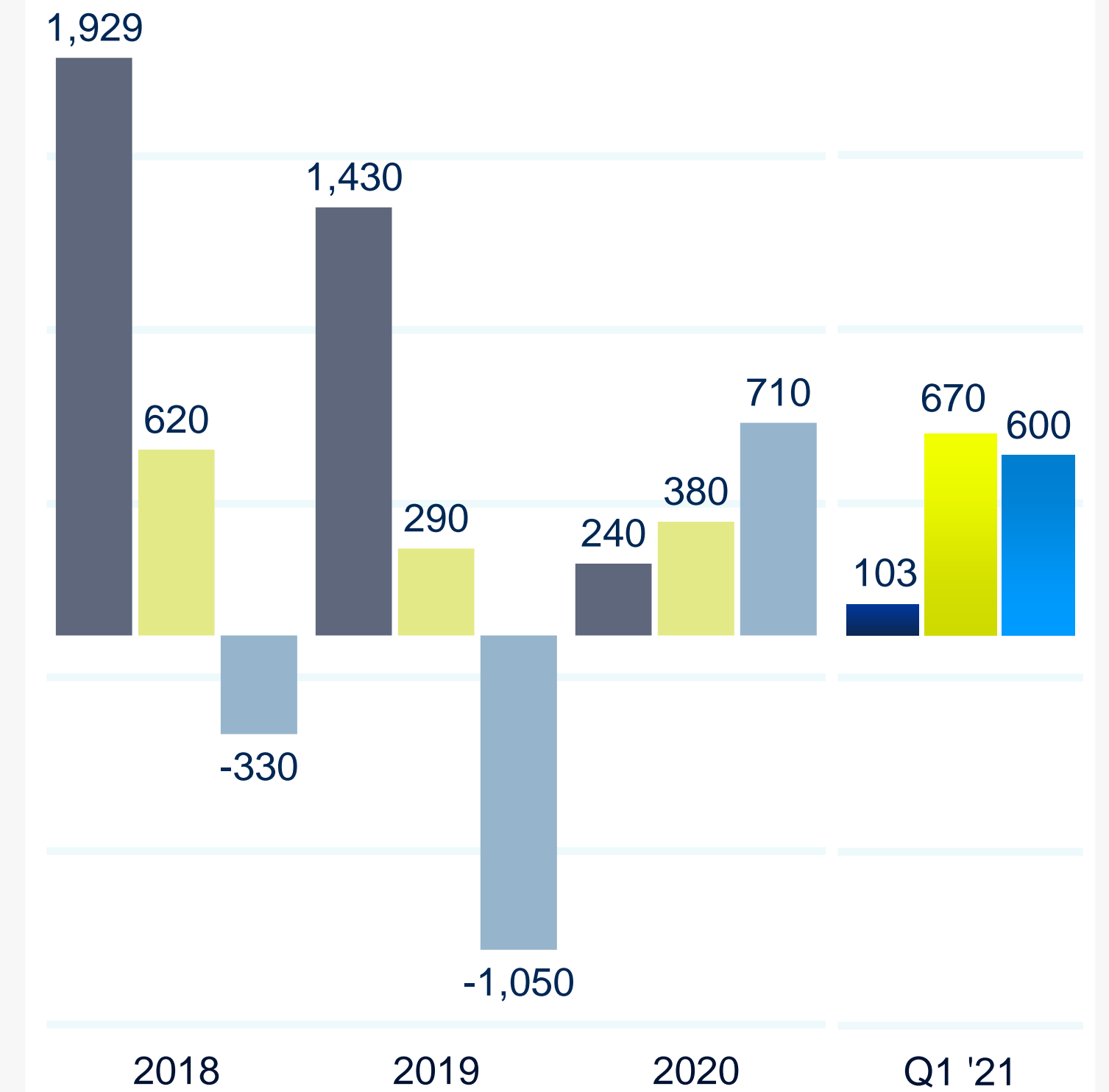
- Postpaid (mn)
- Prepaid (mn)
- Blended ARPU (TL)



Net Subscriber Additions

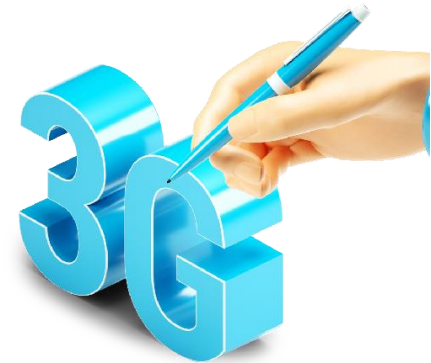
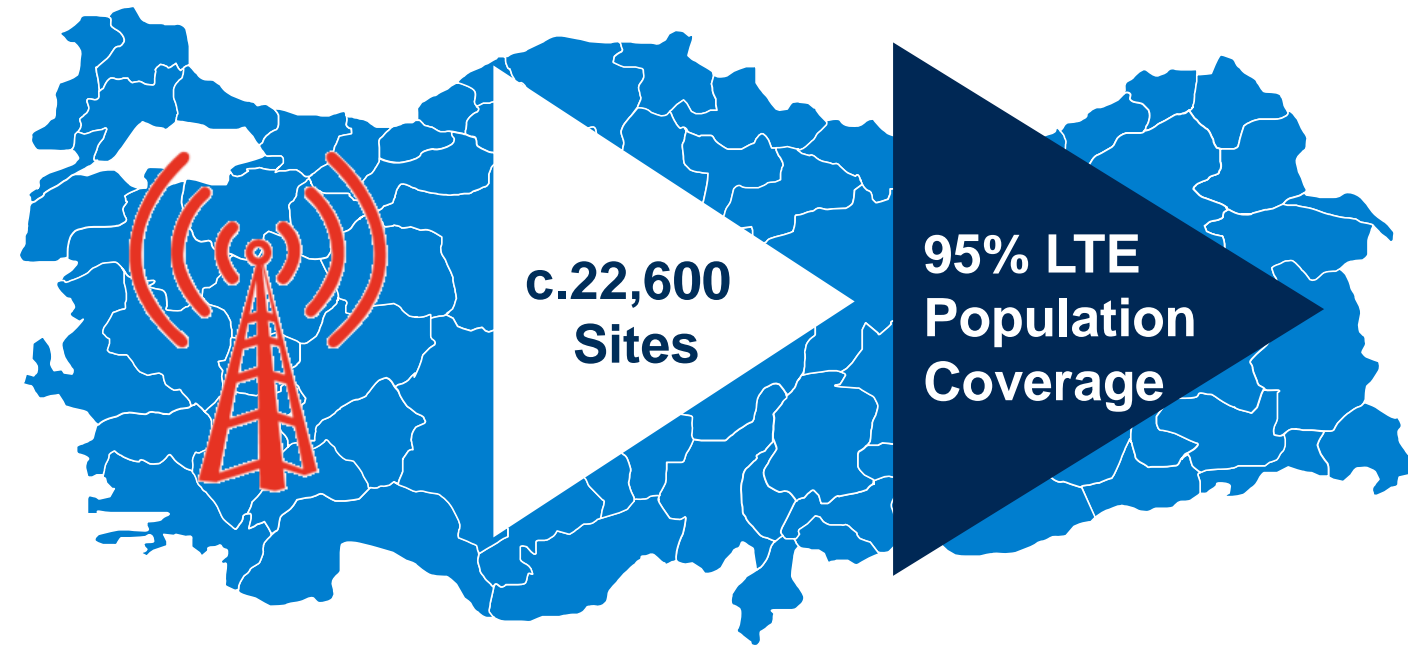
(thousand)

- Türk Telekom
- Vodafone
- Turkcell



Source: ICTA, Türk Telekom

Extensive Network Coverage



97% coverage

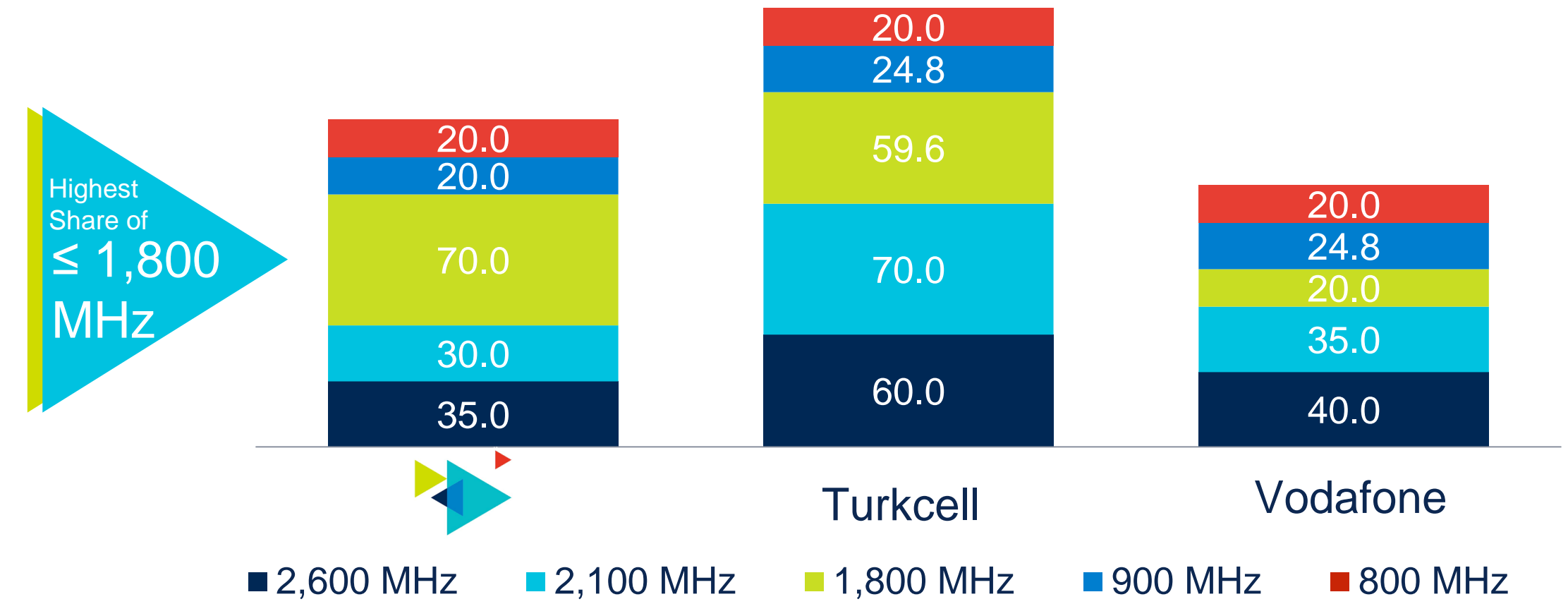


95% coverage

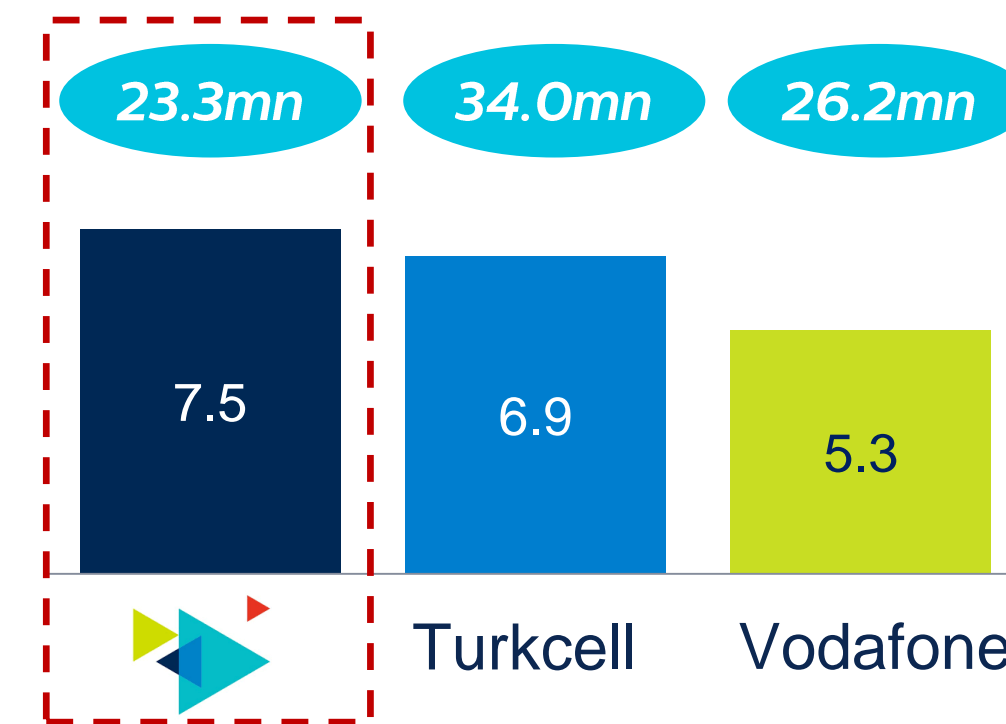


Getting ready for 5G
via ongoing studies by Argela and Türk Telekom on RAN slicing, NFV and SDN

Superior Spectrum Allocation



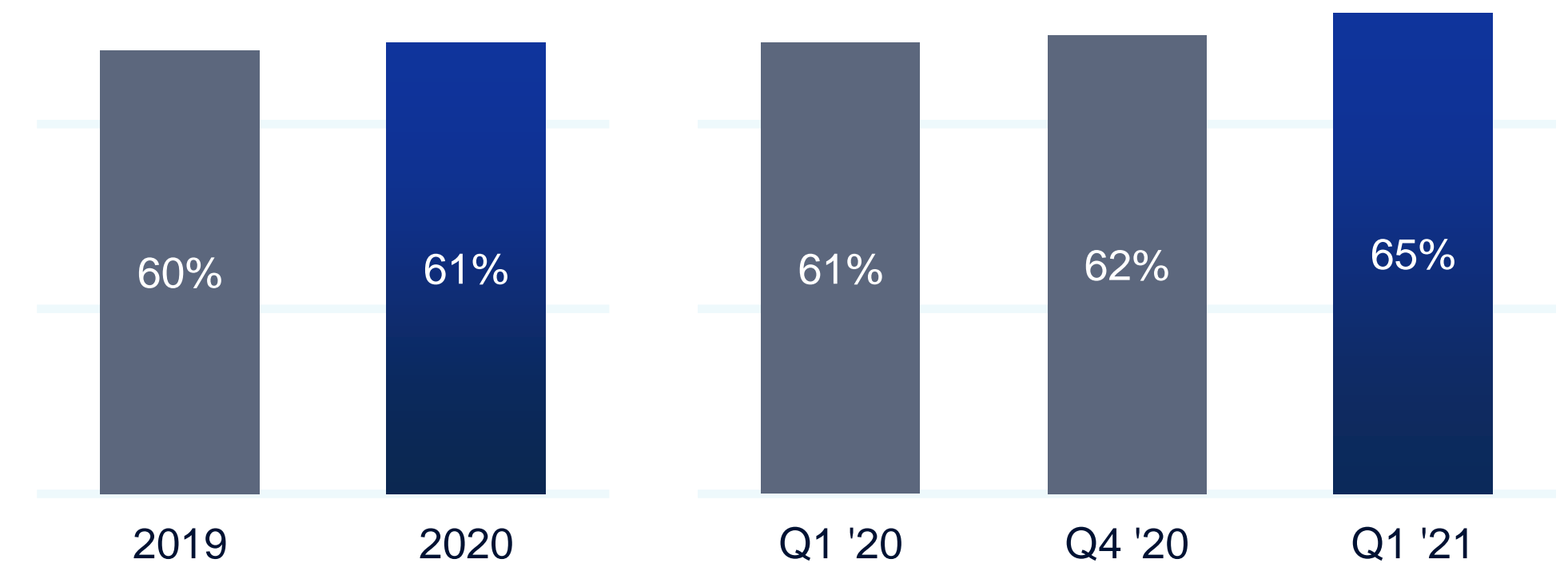
Highest Spectrum Capacity Per Subscriber (MHz/Subscriber)



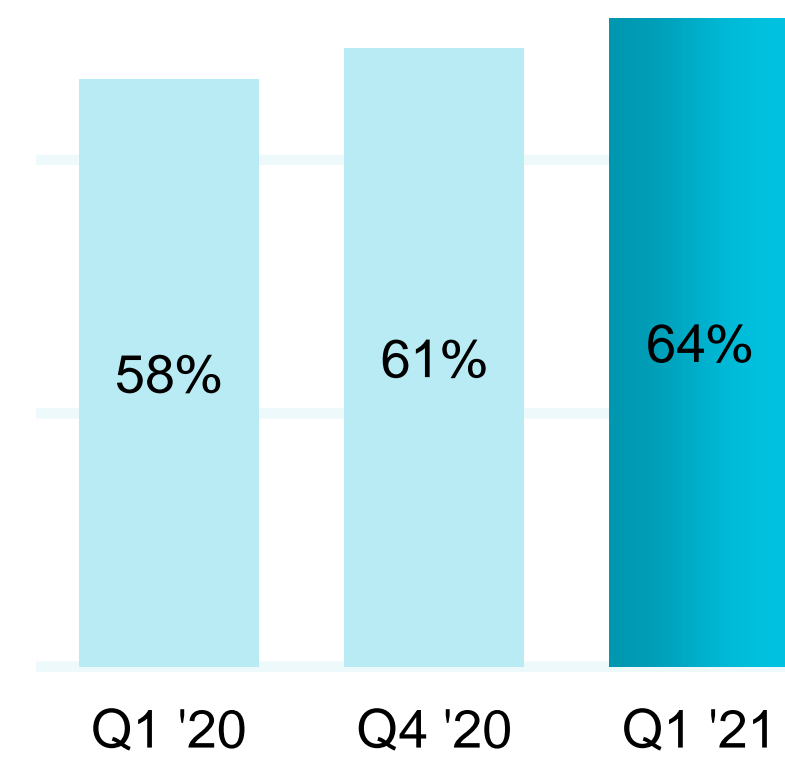
Source: ICTA



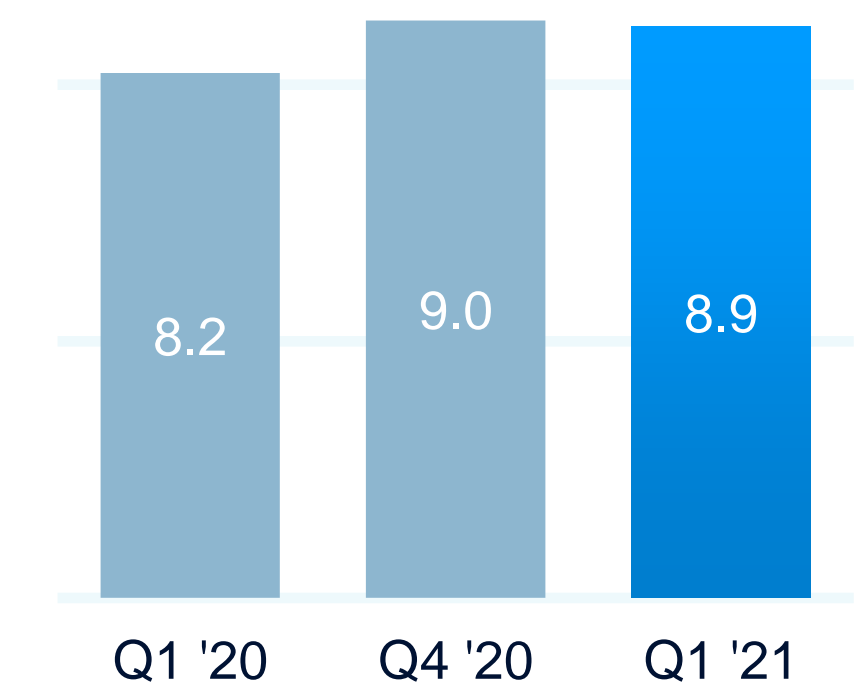
Data Revenue (Mobile service revenue share)



LTE Users* (Total Subscriber share)



Avg. Monthly Mobile Data Usage (GB per LTE user)



*Subscribers who
1) registered for LTE
2) have LTE compatible device and simcard

Global Mobile Network Experience Awards 2021



Opensignal, an independent research and analytics house specialising on customers' true experience on mobile networks listed Türk Telekom amongst **"Global Rising Stars"** and **"Global High Performers"** in its "Global Mobile Network Experience Awards 2021". Türk Telekom was the only operator from Turkey that ranked in a total of 5 categories.



Improvement in Mobile Network Experience*

Türk Telekom

Video Experience

16.0%

Download Speed Experience

49.8%

Upload Speed Experience

32.8%

4G Availability

8.0%

Voice App Experience

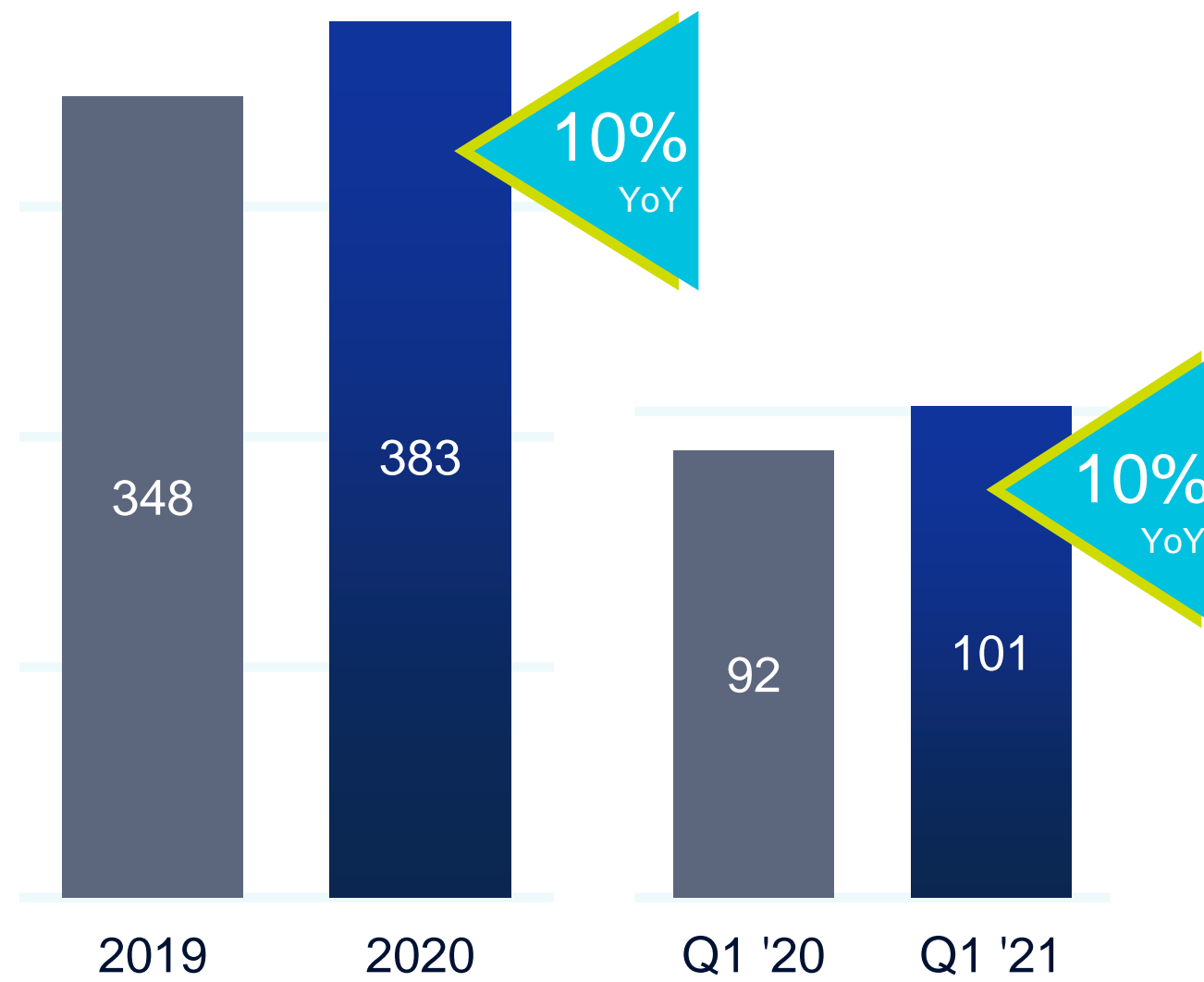
79.6**

*Opensignal Awards – [Global Mobile Network Experience Awards 2021](#) Awards 2021 based on independent analysis of mobile measurements recorded during the period July 1 – December 27, 2019 & 2020. © 2021 Opensignal Limited.

** 79.6 out of 100

TV Revenue

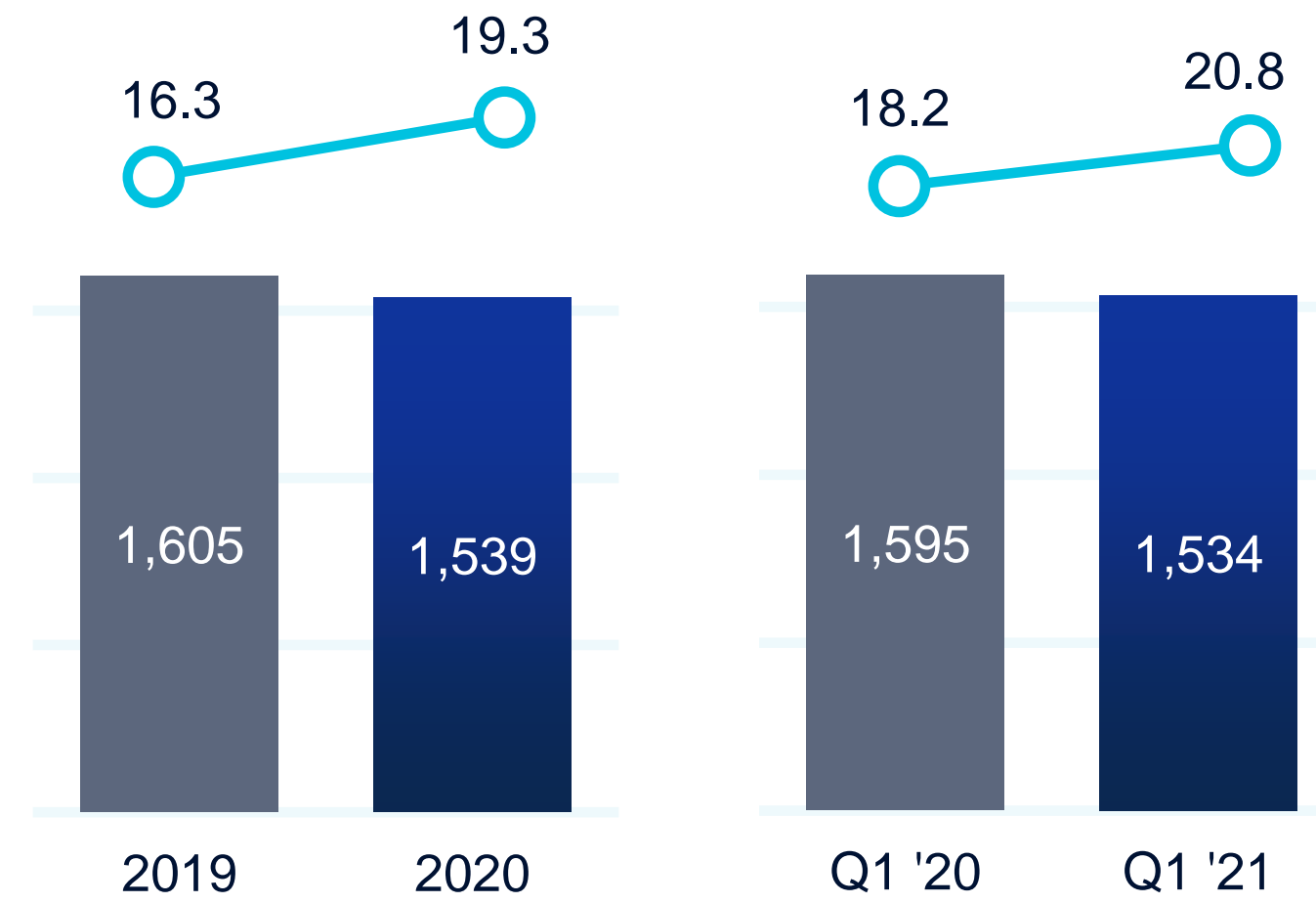
(TL mn)



Tivibu Home Subscribers

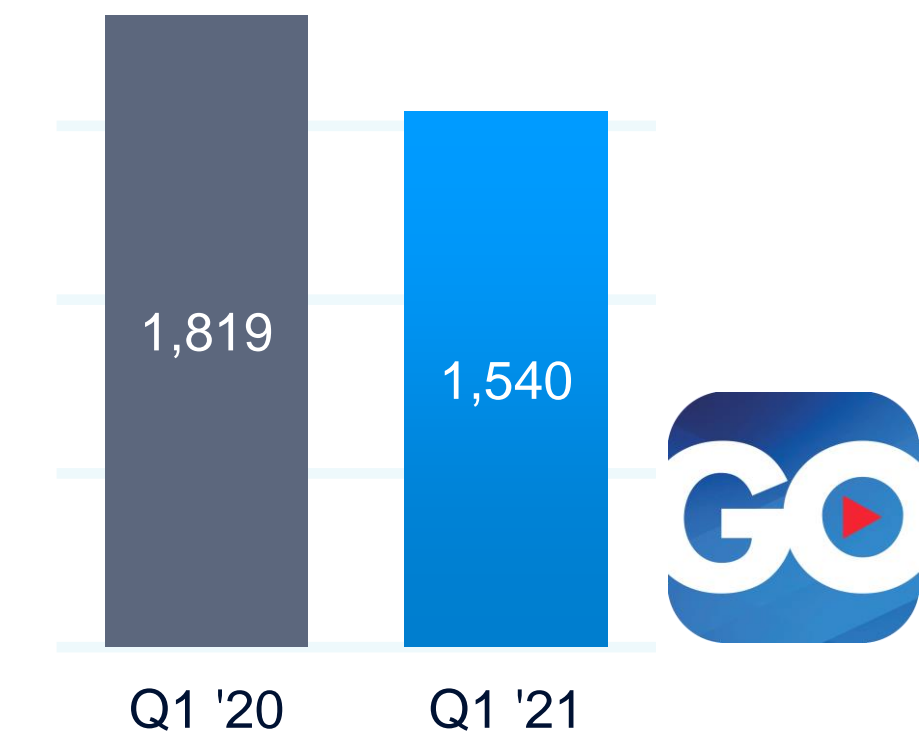
(thousand)

● ARPU (TL)



Tivibu Go Subscribers

(thousand)



Platform

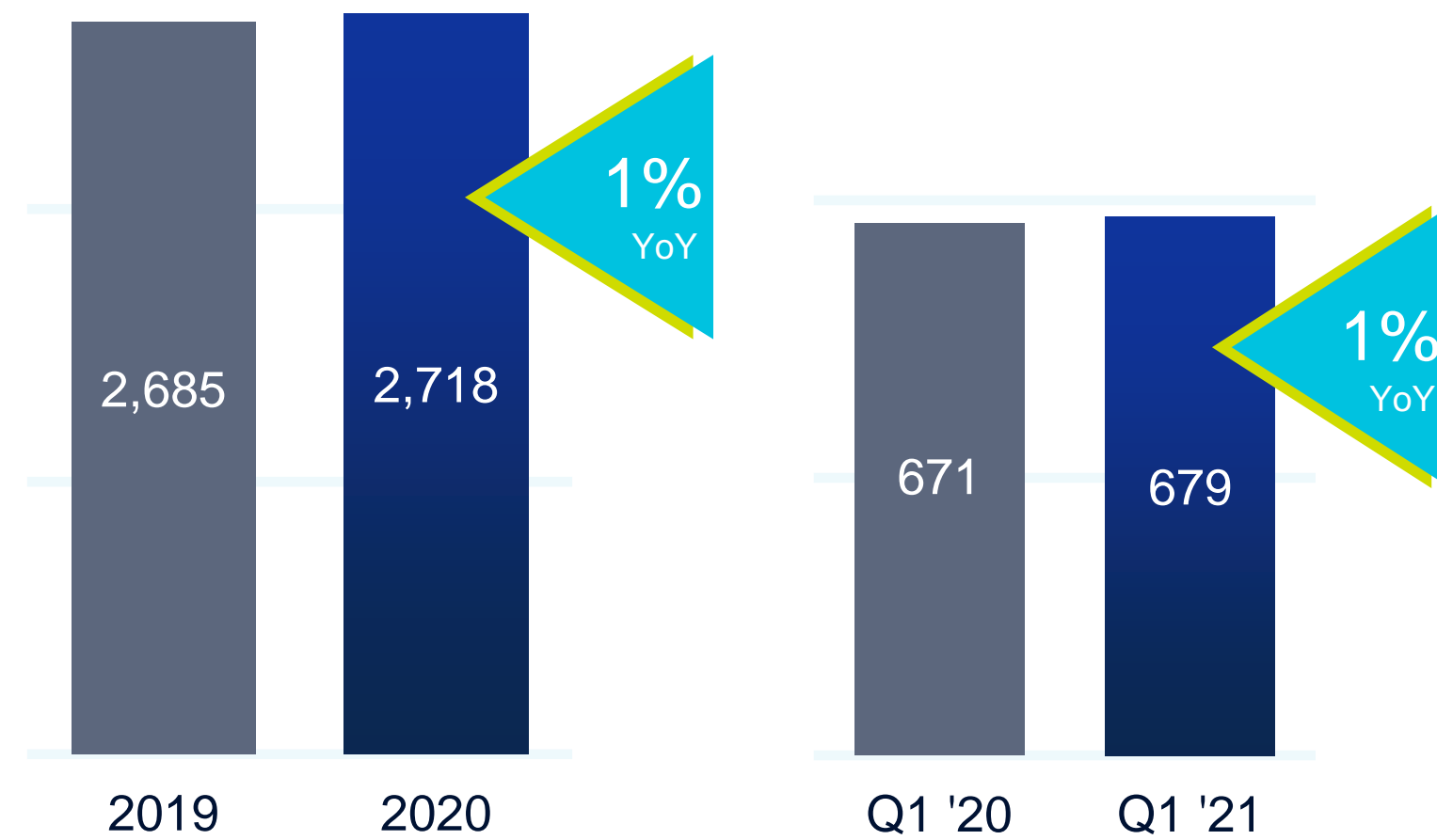
IPTV + DTH + Web TV + Smart TV

Content

- ▶ Turkish Basketball Super League
- ▶ NBA
- ▶ English Premier League
- ▶ Formula 1
- ▶ 4 Inhouse Sports Channels
- ▶ Kids & Documentary Channels
- ▶ 5,800 on demand assets

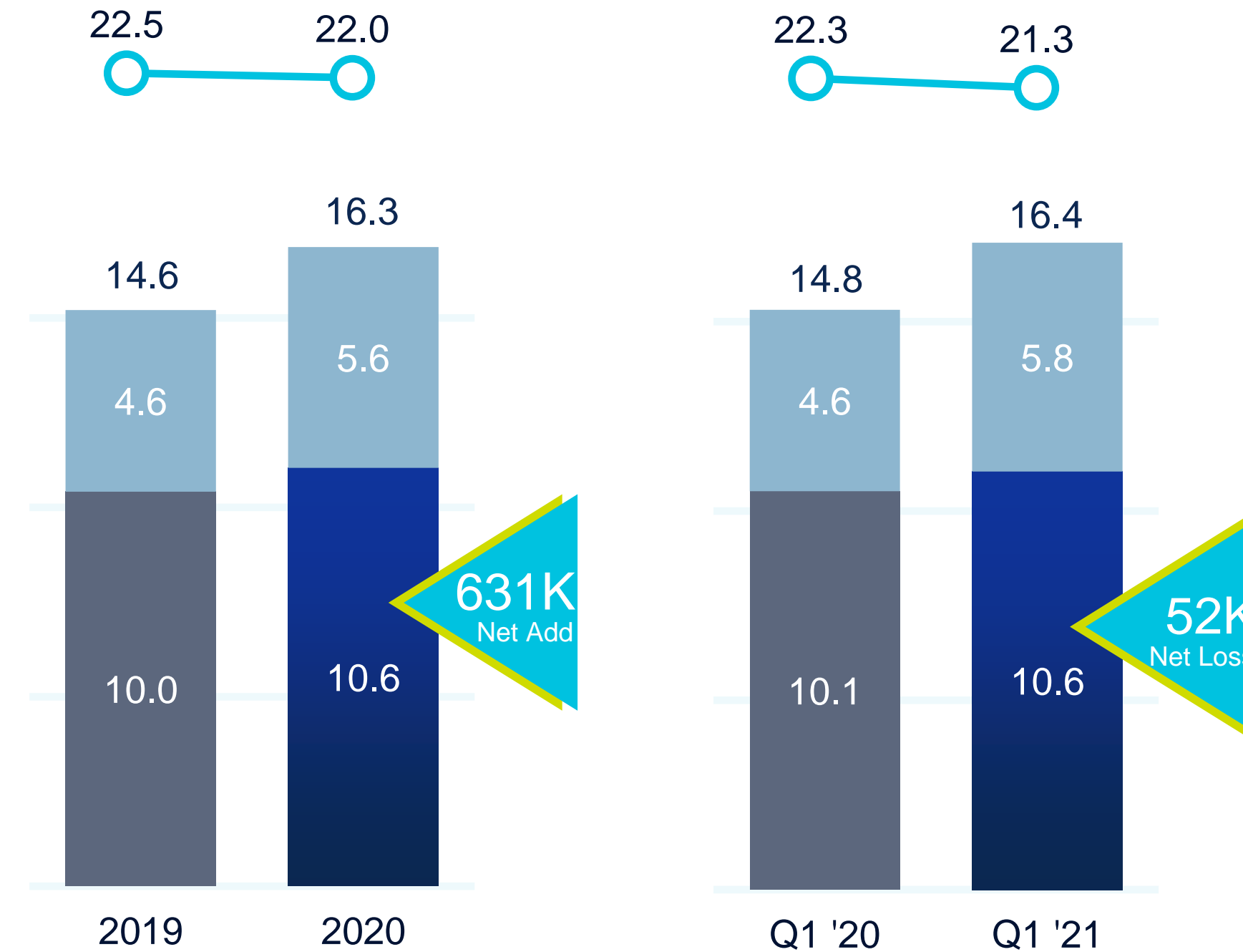
Fixed Voice Revenue

(TL mn)



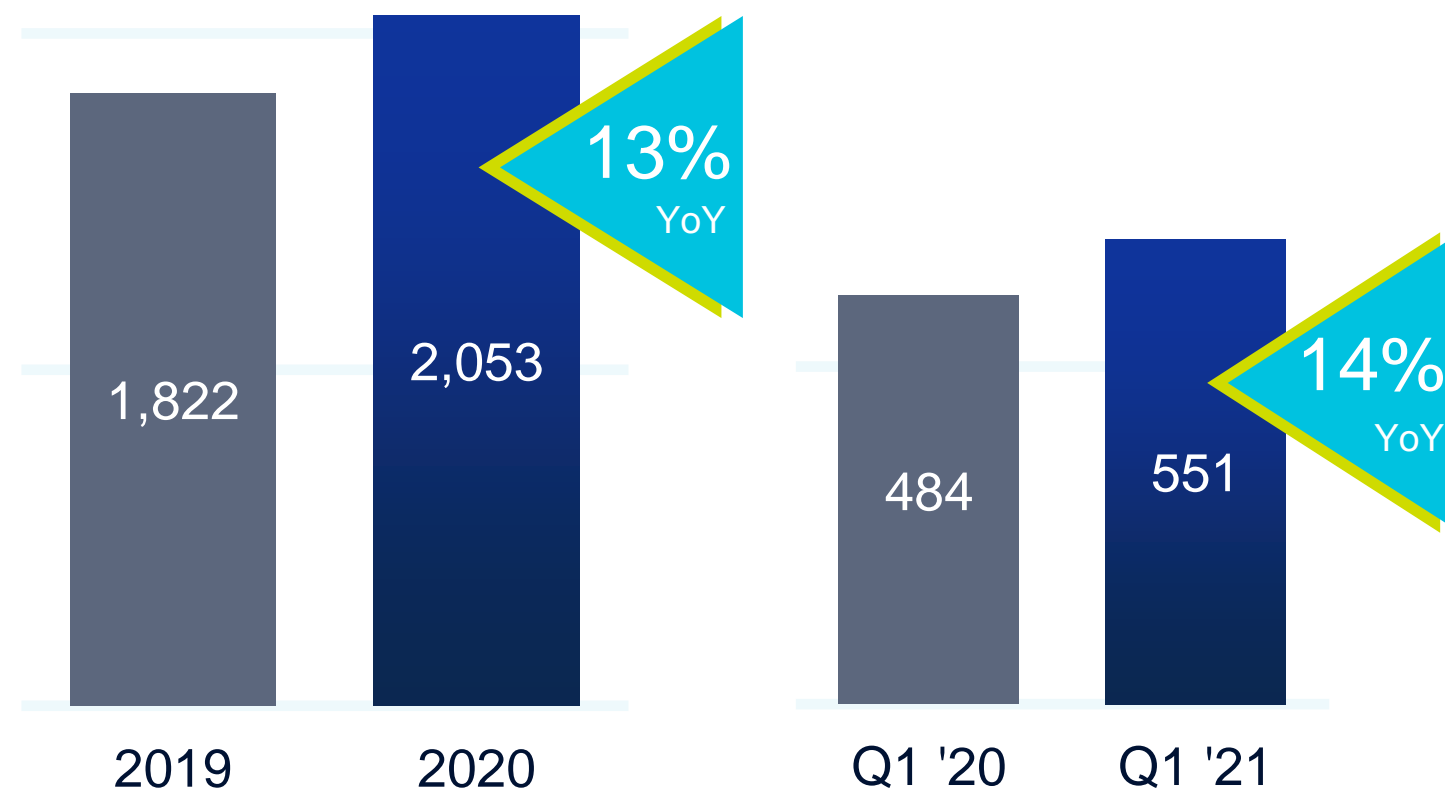
Access Lines and ARPU

- Naked Broadband Subscribers (mn)
- Fixed Voice Subscribers (mn)
- Fixed Voice ARPU (TL)



Corporate Data Revenue

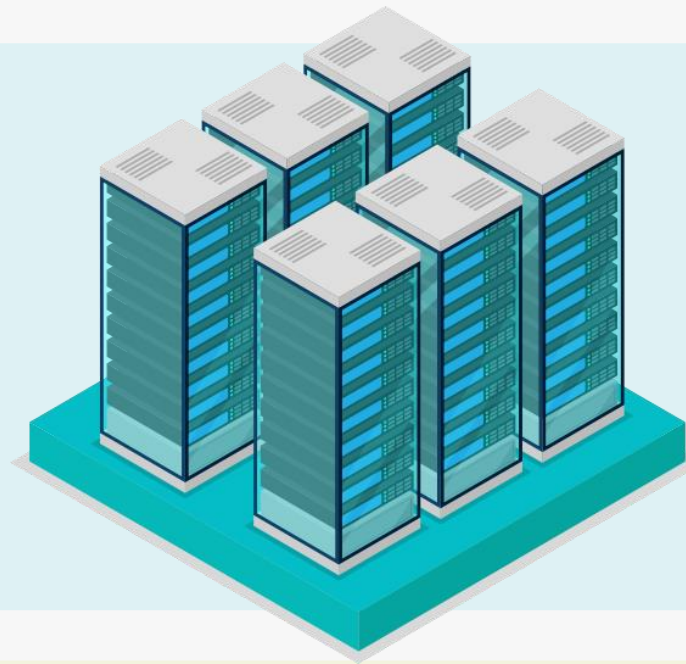
(TL mn)



Conventional Corporate Data Services

Customer-oriented integrated communication solutions

Cloud Services, Metro Ethernet, TT VPN, Leased Line



Data Centre Services

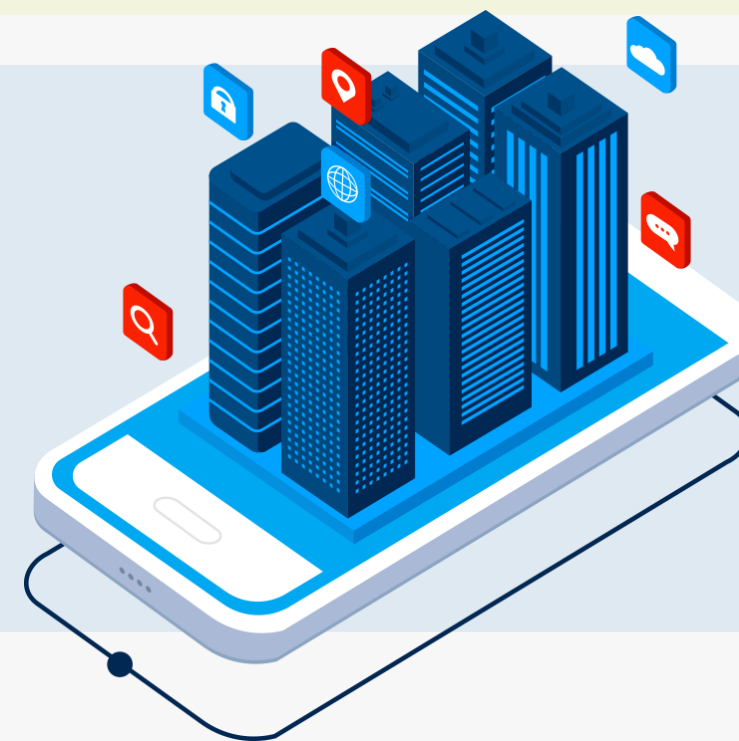
Secure, redundant and accessible data centre services at high speeds

Server hosting, rental, cloud server, storage, backup, cloud replication & backup, traffic forwarding 3 Centres: İstanbul Esenyurt (10K m2 white area), Ankara Ümitköy (2.5K m2 white area) and İstanbul Gayrettepe (1.6K m2 white area)

Cybersecurity Services

Shared security services, dedicated security services, cybersecurity center management services

End-to-End cybersecurity services, DDoS Attack Prevention Services, Türk Telekom Web Application Firewall, UTM (Unified Threat Management) services



New Generation Cities

Offering secured, sustainable and better quality of life

New generation transportation, health, lifestyle, energy, security and environment



Strategy

Strategy Focused on Sustained Profitable Growth

Core Services

Growth and digitalisation in main business lines

- ▶ Strong growth and leadership in retail and wholesale fixed broadband
- ▶ Provide high quality and fast internet access nationwide and lead Turkey's fibre transformation
- ▶ Increase number of access lines and expand household print
- ▶ Achieve fair market share in mobile, focus on value creation
- ▶ Create Turkey's leading digital TV/OTT platform with tech upgrade and attractive content

New Income Areas

Growth in new areas supporting our main business

- ▶ Pursue value accretive TV/OTT and ICT/Cloud investments
- ▶ Consumer/Enterprise focused digitalisation
- ▶ Provide accessible cloud/computing/IoT solutions
- ▶ Large scale ICT projects (smart cities, health campuses, etc.)
- ▶ Additional value creation via subsidiaries and new venture capital initiatives

Customer Focus

Redefining customer experience

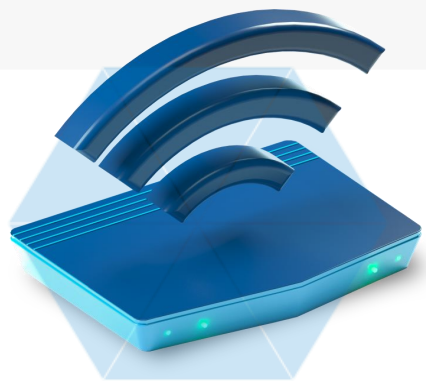
- ▶ Attain best in class digital, end-to-end customer experience
- ▶ Develop customer-oriented, agile working models
- ▶ Provide personalized offers and content, in addition to digital products and services

Efficiency

Improving efficiency with digitalisation and new operational models

- ▶ Increase efficiency with digitalisation, virtualization and new working models
- ▶ Strict cost control and rigorous capex management
- ▶ Lean technology and streamlined organisation
- ▶ Be ready for 5G and next generation technologies

Broadband



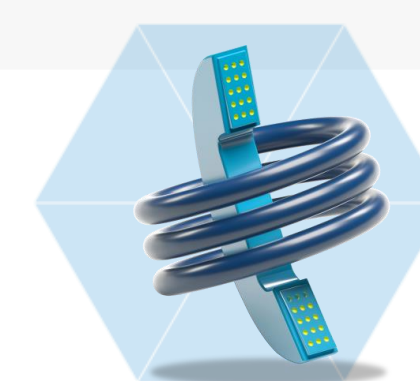
- ▶ Increase fixed broadband penetration
- ▶ Efficient use of diversified sales channels
- ▶ Upsell to higher speeds and capacities

Mobile



- ▶ Gradually increase market share
- ▶ Encourage data usage
- ▶ Maximise value

Fixed Voice



- ▶ Synergy offers & cross-sells
- ▶ Protect fixed voice position via cross-sell offerings

Pay TV (Home and GO)



- ▶ Increase market share
- ▶ Improve customer experience
- ▶ Aim to monetize existing subscriber base

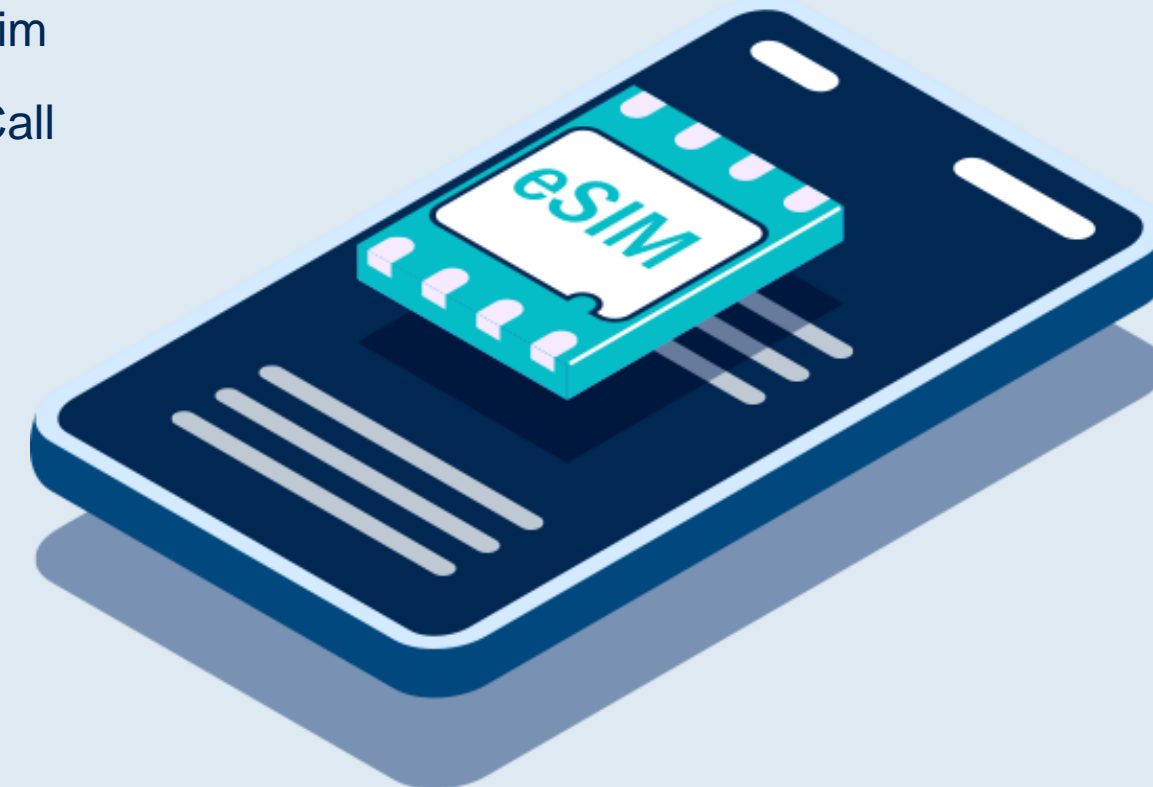
Smart Cities

- ▶ 9 smart cities with Türk Telekom



Vehicle-to-Everything (V2X)

- ▶ E-sim
- ▶ E-Call



E-Health

- ▶ LIGHT
- ▶ Mobile EKG
- ▶ Smart organ carrying units



Media & Entertainment

- ▶ Turkey's first 5G live match via 360 degrees VR technology
- ▶ World record by reaching above 2.92 Gbps speed



Industry 4.0

- ▶ Smart factory solutions to minimize errors in industrial applications and maximize production & efficiency
- ▶ Digitalisation
- ▶ B2B Solutions



Cloud Network

- ▶ SDN (Software-Defined Networking)
- ▶ NFV (Network Function Virtualization)
- ▶ Network Slicing





Preparations for 5G with pilot 5G test networks

45% of LTE base stations connected with fibre

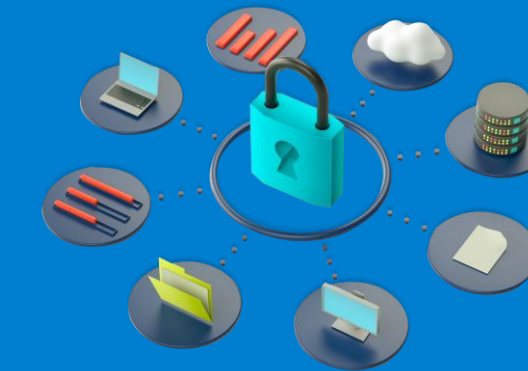
Work to manage the 5G network with AI technology

First Industry 4.0 5G test in Turkey

ARGELA NETSIA



Working on transformation of network ahead of 5G



Working with Argela for SDN& NFV based cybersecurity solutions

Turkey's largest Cyber Security Services Centre in Ankara with wide portfolio of end-to-end solutions



Leading largest smart city projects in Turkey



Best in class cloud computing solutions

Unified telecommunication services to corporates



Six data centres in Istanbul and Ankara; Esenyurt with 10k, Ümitköy with 2.5k and Gayrettepe with 1.6k sqm white area



- ▶ Continuous expansion of digital services for **best in class customer experience**
- ▶ **One login** – accessing all Türk Telekom products from mobile and broadband to fixed voice and TV
- ▶ **Online Transactions Application** – a wide range of services: invoice payments, TL uploads, recontracting, upselling and application for new subscriptions

16 mn

Unique users
in Q1 '21¹



49 mn

Downloads as
of Q1 '21



78%

The share of
collections
through digital
channels²



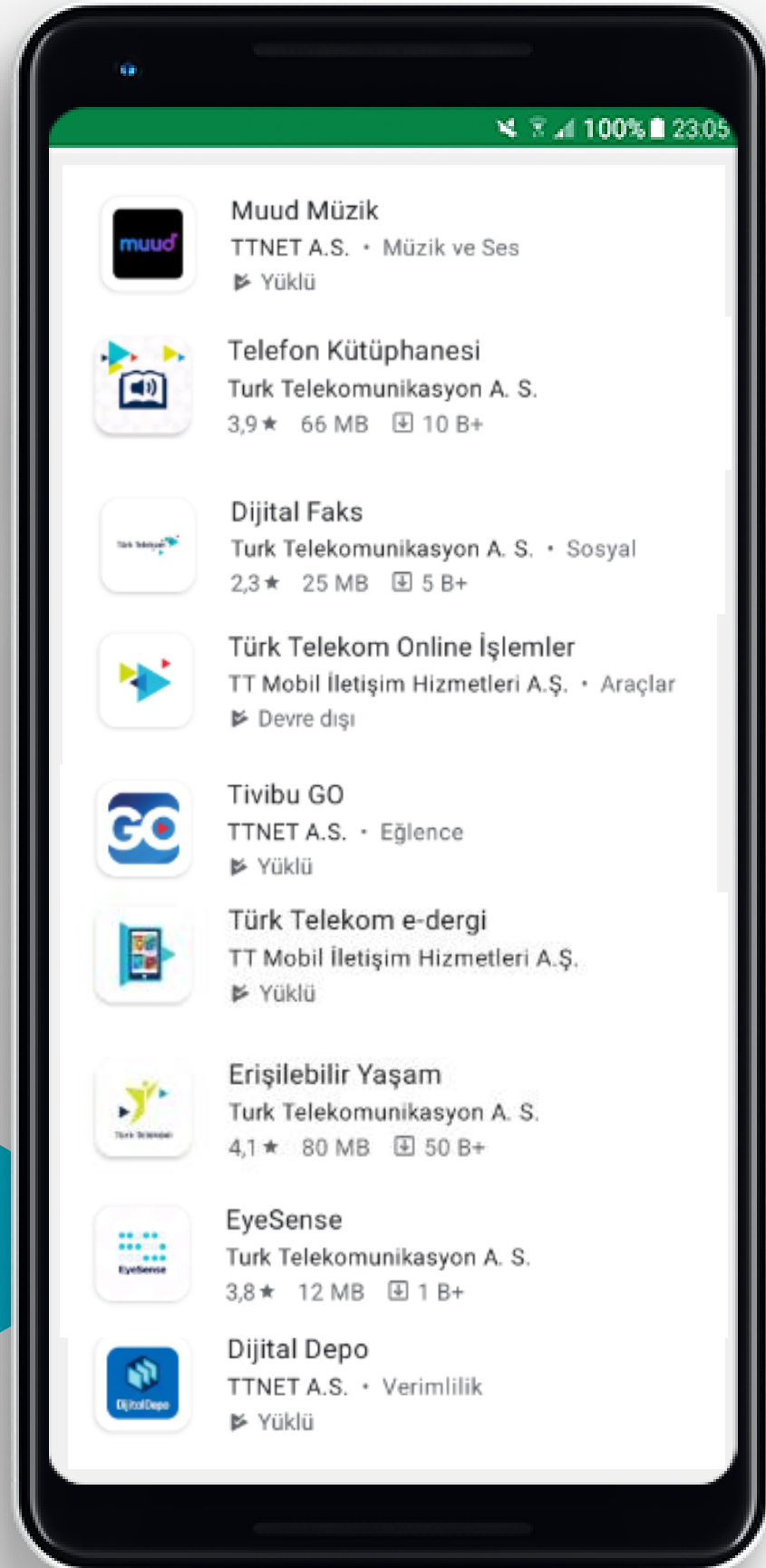
71%
YoY increase

TL uploads and
invoice
payments via
online channels
in Q1 '21



¹ Online Transaction Application 3-Month active user

² Share in the consumer segment



Türk Telekom has 30+ mobile applications, and 200+ value added services.



Turkey's new generation TV platform: Tivibu GO

Launch: 2010

Türk Telekom's all-in-one, multi-screen support TV platform which provides national and exclusive linear channels, thousands of movies, documentaries, series and catchup programs



Turkey's enriched digital music platform: Muud

Launch: 2008

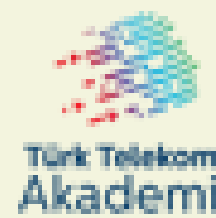
Turkey's most preferred digital music platform to listen and download millions of songs and watch videos



Turkey's leader digital gaming platform: Playstore

Launch: 2011

Turkey's first and leader digital gaming, e-pin, console games and pysical gaming accessory sales platform



Türk Telekom's education platform: Türk Telekom Akademi

Launch: 2018

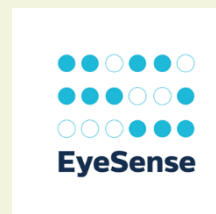
Education platform for Türk Telekom employees has been relaunched and now available to all Turk Telekom internet subscribers



Turkey's interactive education platforms: Vitamin & Raunt

Launch: 2008

Turkey's biggest online education platforms: Vitamin for pre-school to high grades students, Raunt for university preparation



Award-winning application for the people with visual disabilities: EyeSense

Launch: 2018

People with visual disabilities can take pictures with the voice warning system using both selfie and the front and rear cameras of the phone.



Turkey's first smart and hyperlocal digital keyboard: Tambu

Launch: 2017

Turkey's first local and customized smart digital keyboard



Turkey's most comprehensive online reading platform: e-dergi

Launch: 2017

Turkey's online magazine and newspaper reading platform with advantageous campaigns for Türk Telekom mobile users



Turkey's most comprehensive security platform: Türk Telekom Security

Launch: 2009

Turkey's most comprehensive and secure anti-virus and family protection service



Turkey's widest wifi broadband network: Türk Telekom WiFi

Launch: 2006

Turkey's widest WiFi hotspot coverage and services for Turkish Airlines flights



Turkey's advantageous integrated cloud platform: Dijital Depo

Launch: 2018

Türk Telekom's operator free new cloud storage application Digital Depo enables users to safely store photos, videos, music and all files with user-friendly design

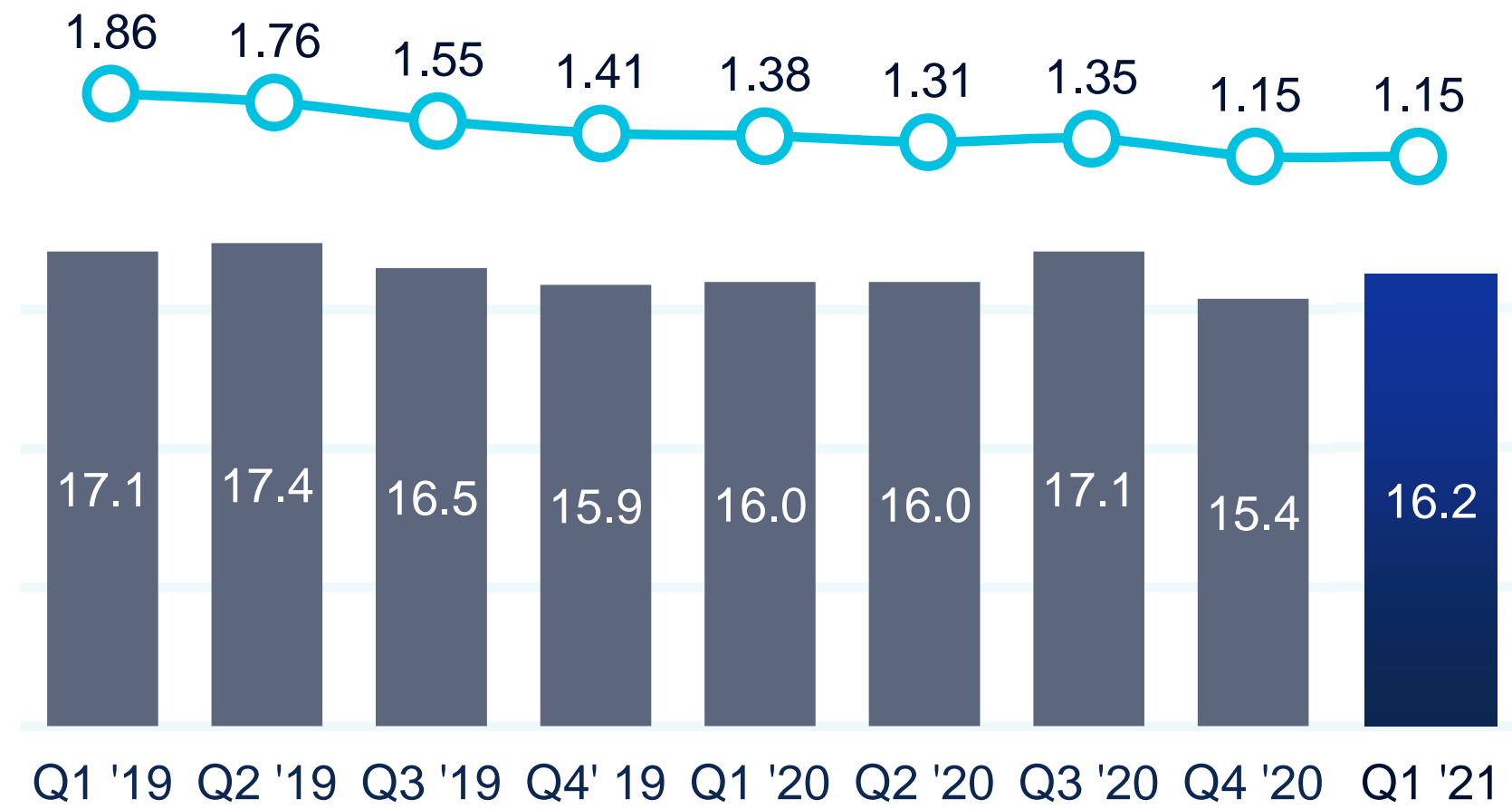


Financial Highlights



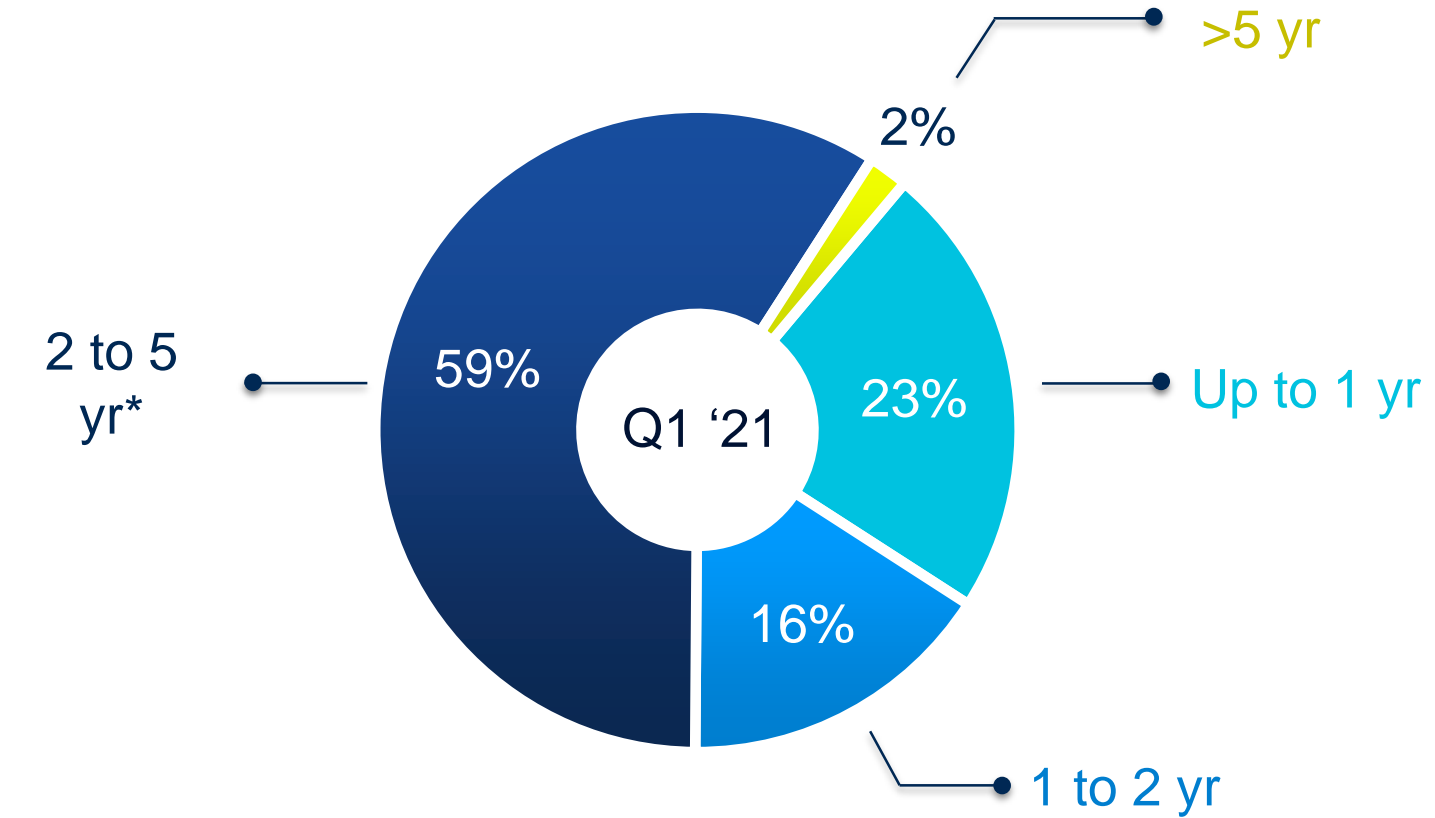
Net Debt

■ Net Debt (TL bn) ● Net Debt/EBITDA



Note: Net Debt calculation includes market valuation (MTM) of Foreign Currency TL money swap transactions. Net Debt/EBITDA calculation does not include extraordinary provisions in EBITDA calculation.

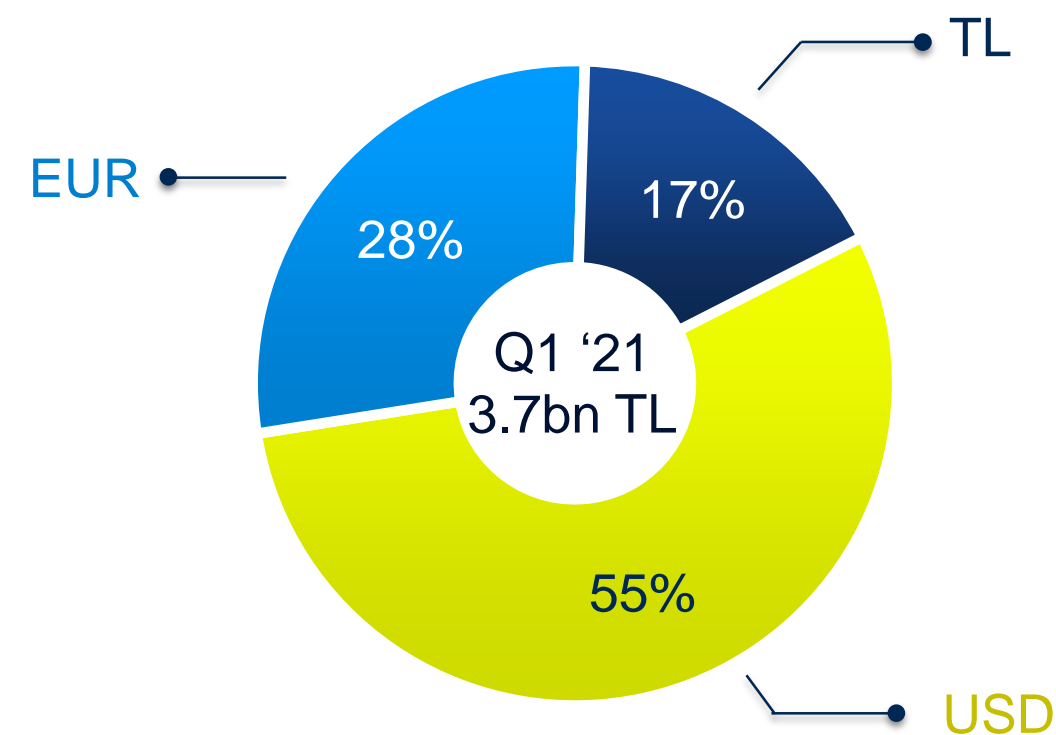
Maturity Profile



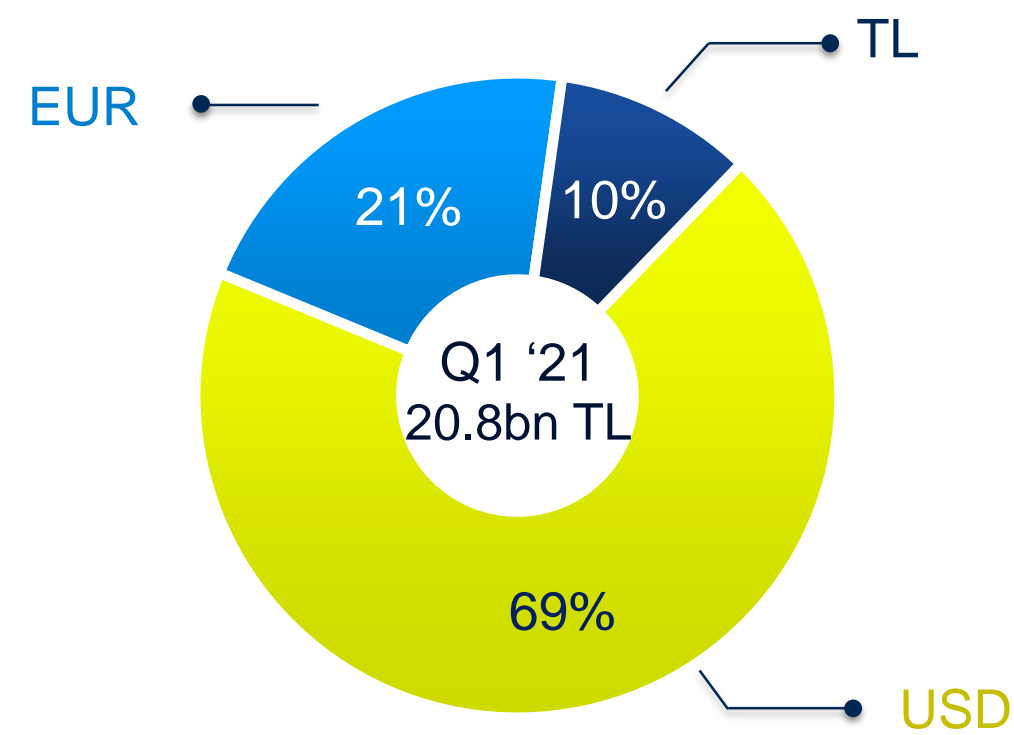
All loans are senior unsecured

* including 2024 & 2025 maturity bonds (USD 500 mn each)

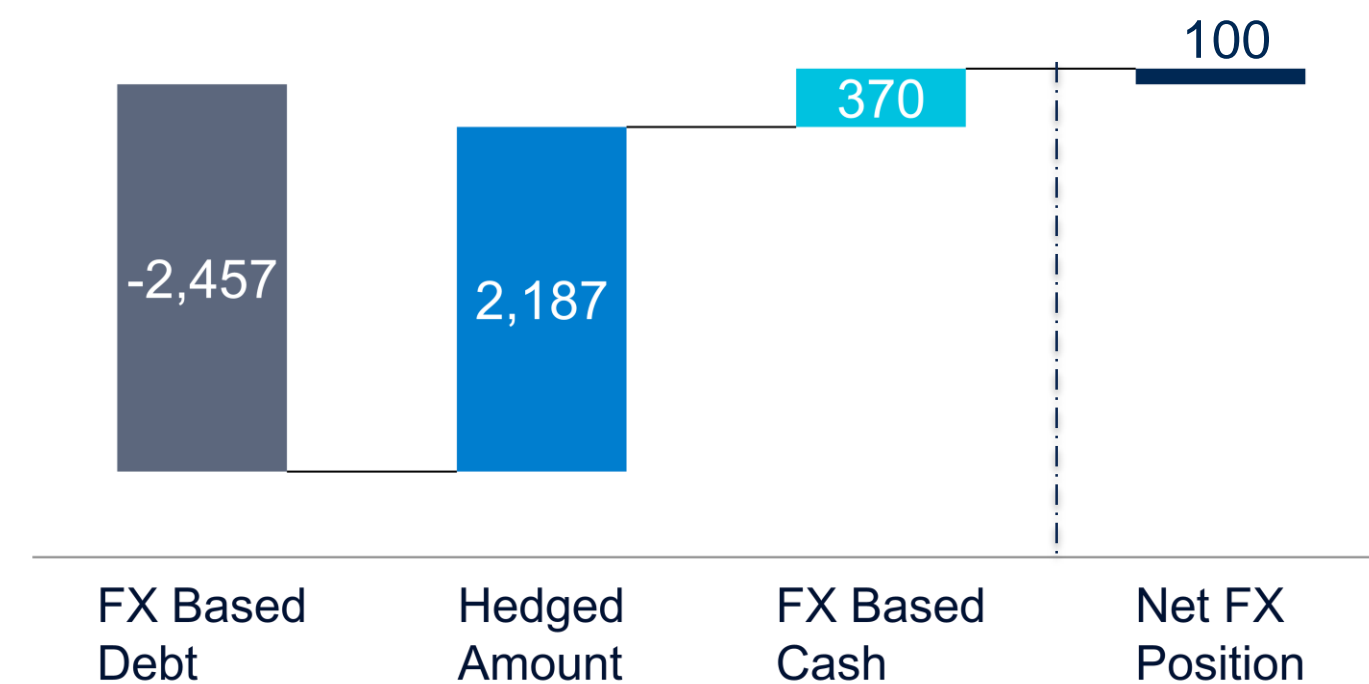
Cash – Currency Breakdown



Gross Debt – Currency Breakdown



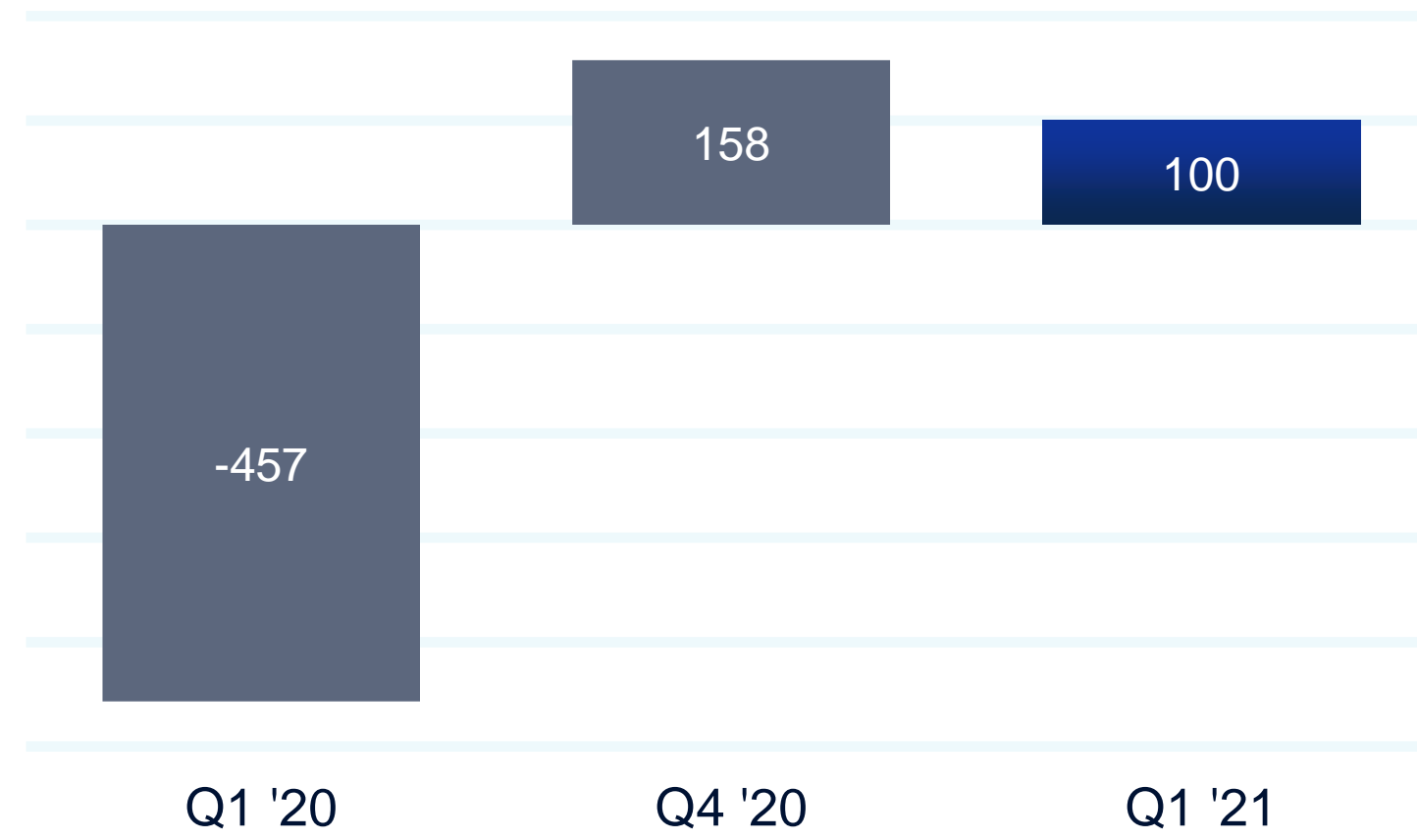
Hedge – Composition of FX Position



*FX Debt calculation includes FX financial debt (including FX lease obligations) and FX net trade payables. Hedged amount includes hedging of FX financial debt, hedging of FX net trade payables and net investment hedge.

Net FX Exposure *

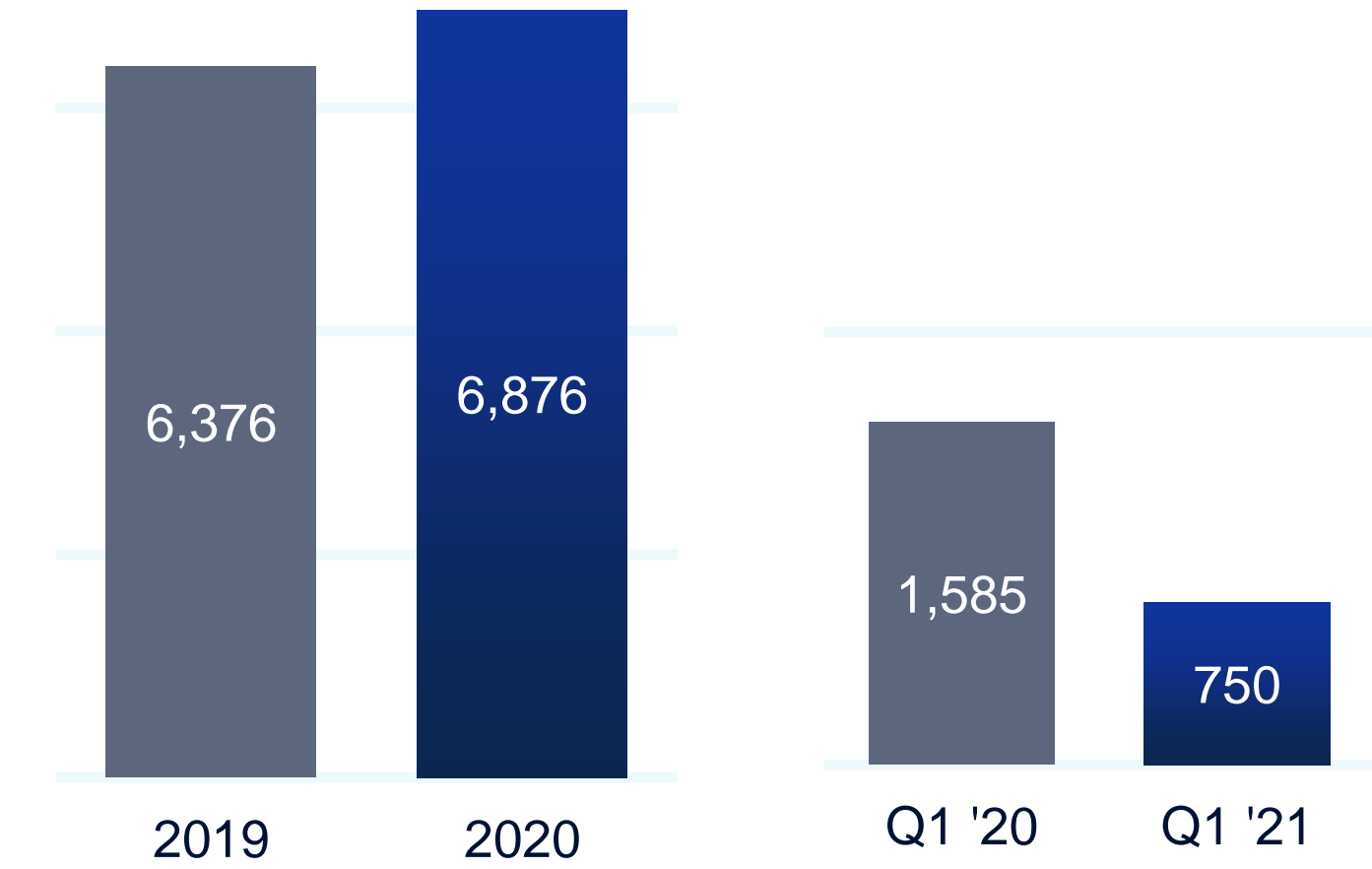
(USD mn equivalent)



*Net FX exposure is calculated as Total FX based Debt, less total Hedged Amount, less Total FX based Cash.

Cash Flow *

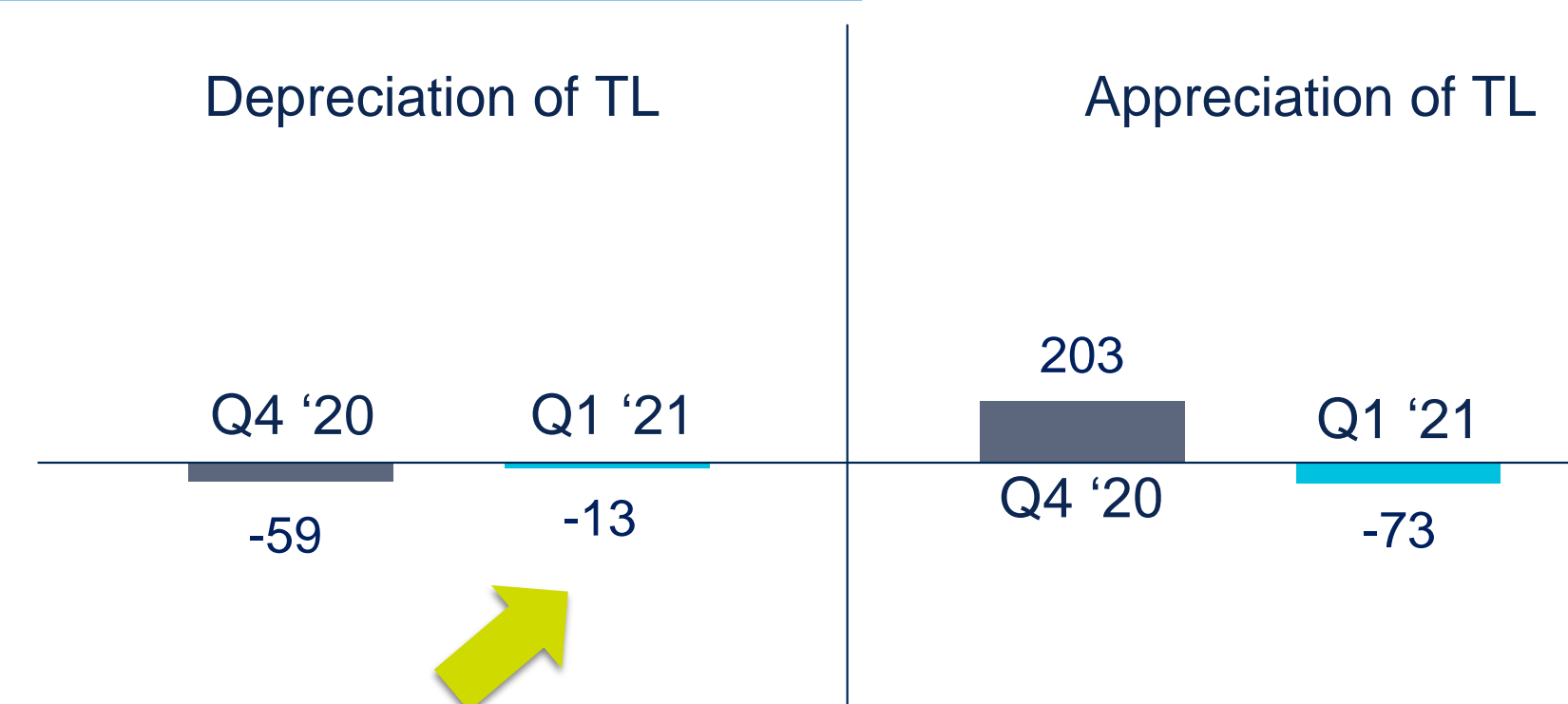
(TL mn)





*Unlevered cash flow is defined as net cash provided by operating and investing activities from operations.

Profit Before Tax Sensitivity




(TL mn, 10% change in FX rates)



	 Fitch	 S&P Global
Long Term Rating	BB-	BB-
Outlook	Stable	Stable
Stand-alone Credit Profile (SACP)		bbb
Last Update	1 March 2021	12 March 2021

Rating Drivers

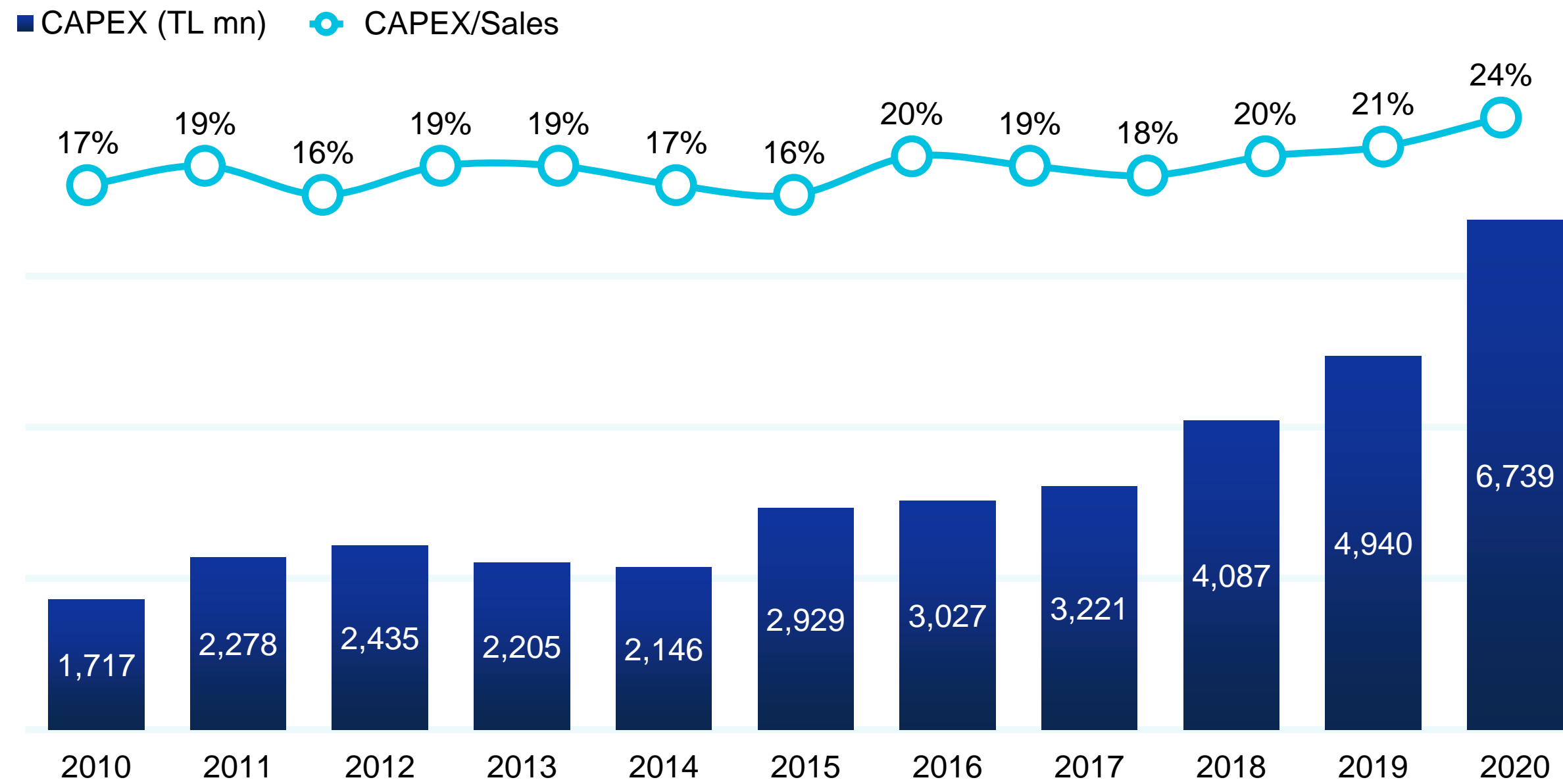
- ▶ Improved ability to withstand a weakening of the macroeconomic environment
- ▶ Reduced exposure to foreign currencies
- ▶ Strong market position as the country's leading converged telecoms operator
- ▶ Focus on cost efficiency translates to better free cash flow generation and debt to EBITDA

		2020 Actuals	2021 Previous Guidance	2021 Revised Guidance
	Revenue (exc. IFRIC 12) ¹	26,519	Around 14% growth	Around 16% growth
	EBITDA	13,237	Around TL 15 bn	Around TL 15.4 bn
	CAPEX	6,739	Around TL 7.7 bn	Around TL 8 bn

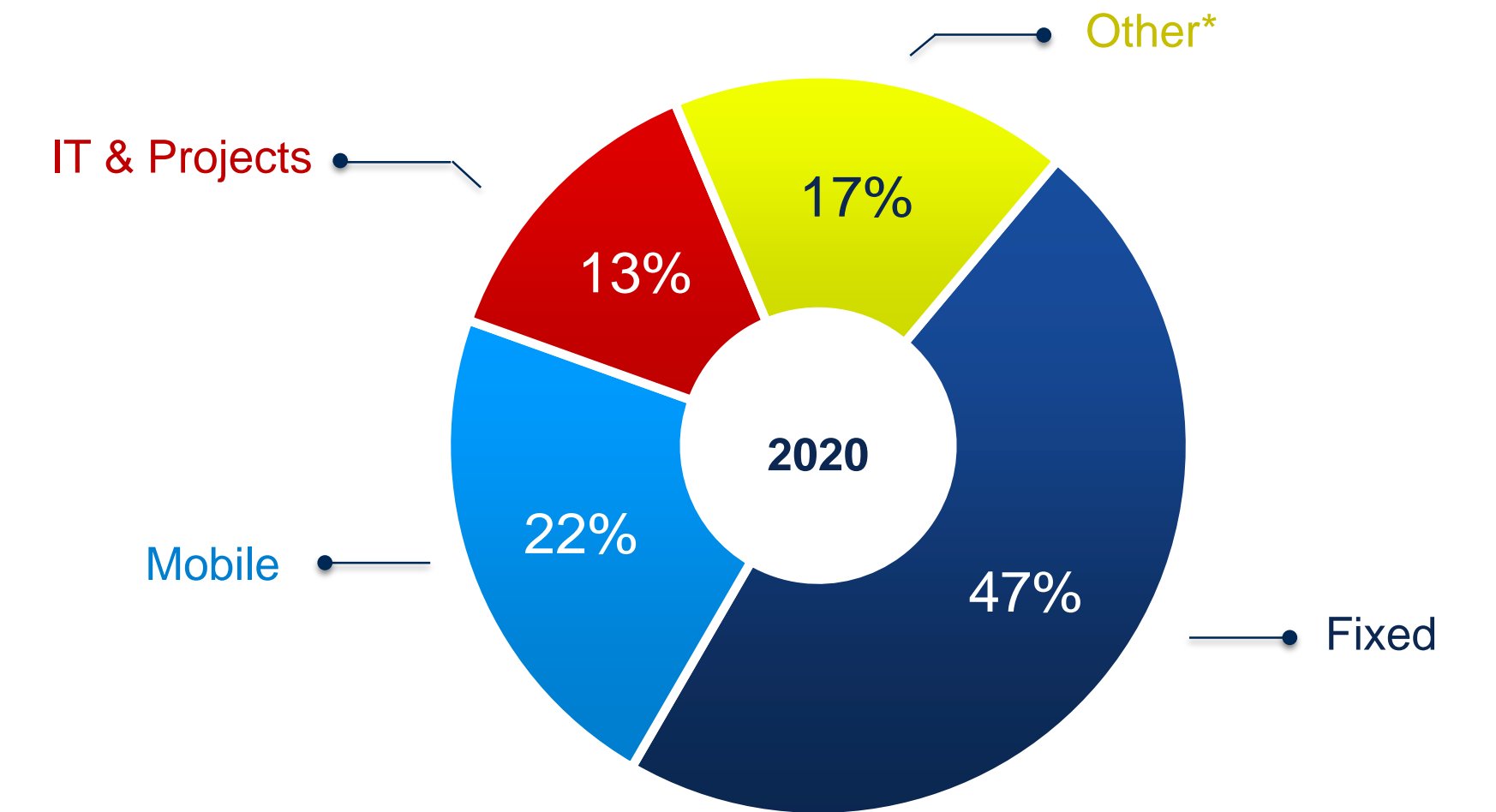
(1)IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure suchas the upgrade from copper to fiber based network

- Major Capex areas are fibre network roll-out in fixed line, network investments in mobile and IT transformation projects

Capex & Capex / Sales



2020 Capex Breakdown (%)



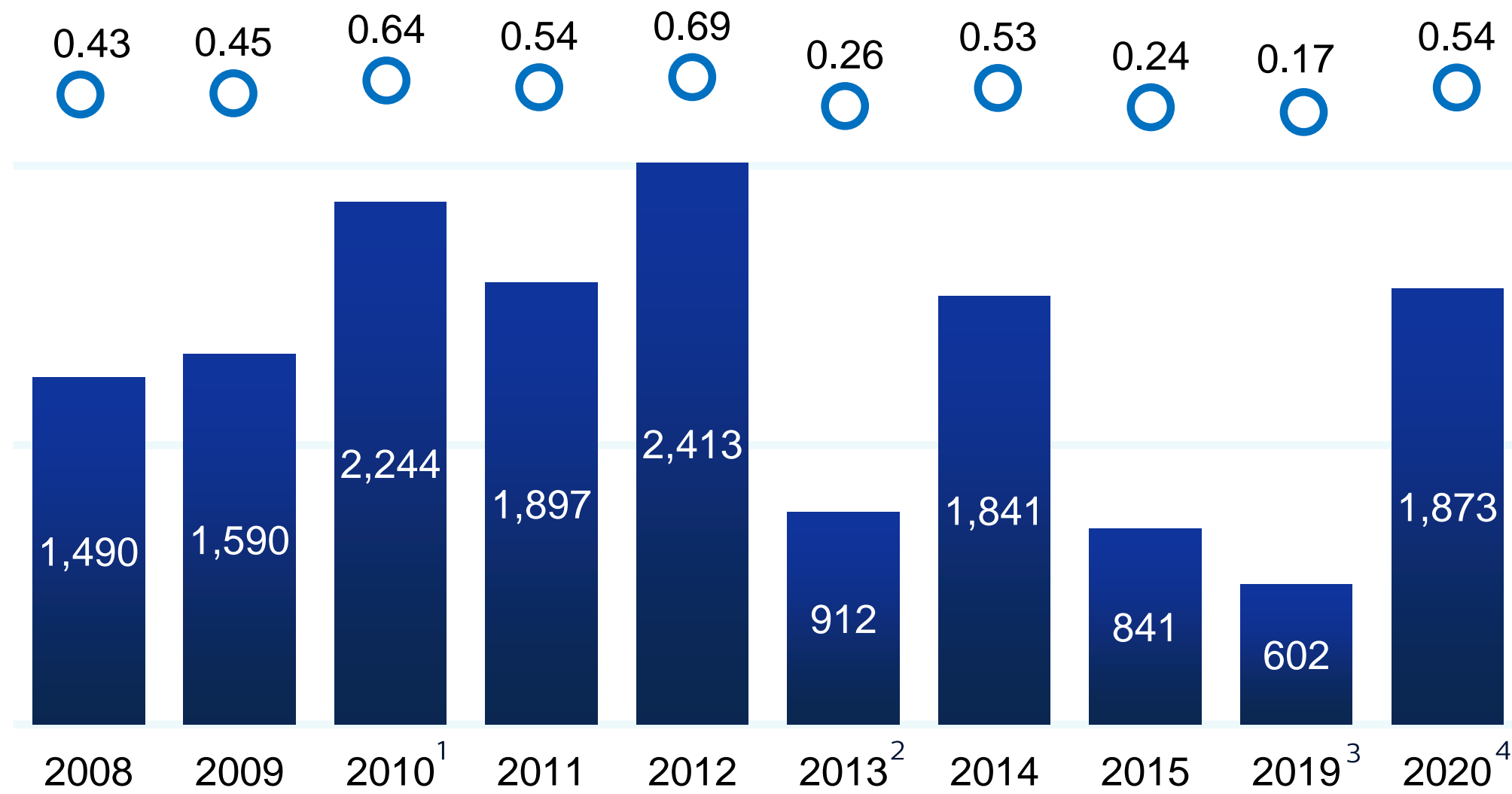
* Other Capex includes capex for subsidiaries (excl TTI), new revenue streams, IFRS 15 capitalization, etc.

Note: Capex figures exclude license fees

- Dividend policy is to distribute the maximum amount of distributable profit subject to relevant articles of the Company's Articles of Association

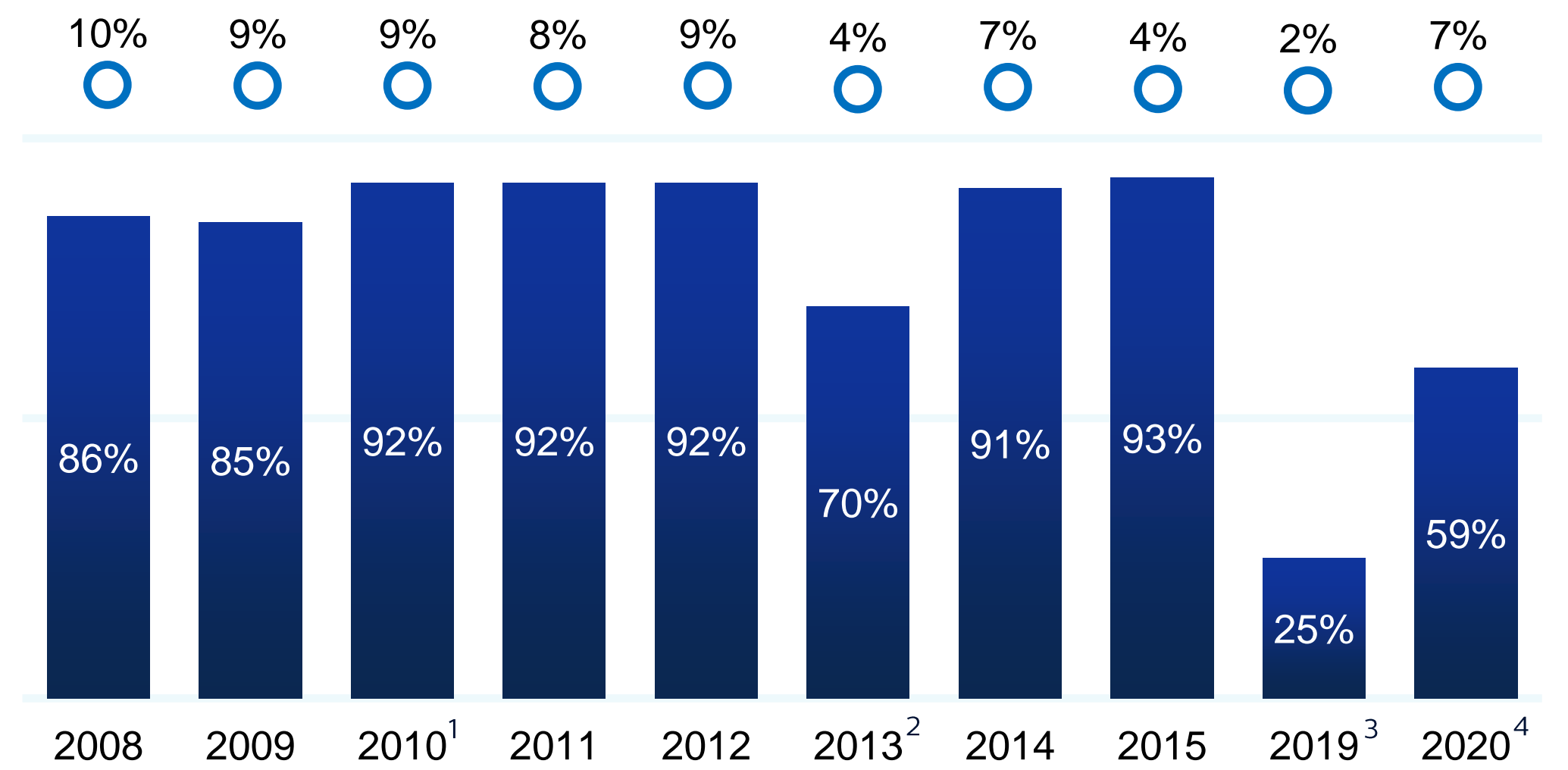
Dividend Distribution

■ Dividend (TL mn) ● Dividend per Share (TL)



Dividend Yield & Payout Ratio

■ Dividend Payout Ratio ● Dividend Yield



1) The cap in the first legal reserve was reached in 2010.

2) 2013 dividend payout ratio was revised to 70% with BoD decision to prepare for any potential transaction for implementation of integration of the Group.

3) 2019 dividend payout ratio was decided as 25% according to the temporary CMB regulation which capped dividend payout from 2019 earnings to 25%.

4) 2020 dividend yield was calculated over the closing price of 19 March 2021, the General Assembly date.

Note: Based on General Assembly decision, no dividends distributed for the activity years 2016 & 2017 & 2018.



Group Companies





The 5G and beyond next generation telecommunication technologies R&D company

- ▶ vRAN: Radio Access Network technology based on SDN (Software Defined Networks) for LTE and 5G with 40 patent applications (24 of which have been accepted)
- ▶ NPM/CEM: Network Performance Monitoring and Customer Experience Management solutions used by telecom operators in Turkey and the world
- ▶ ULAK: Turkey's first and only LTE base station development project
- ▶ DEFINE: Turkey's first domestic DPI (Deep Packet Inspection) solution development project
- ▶ SEBA+: Broadband access technology for fixed networks
- ▶ Commercialisation in R&D studies
- ▶ Member of BBF, member of ONF & ONAP with its subsidiary Netsia (USA)



Turkey's leading software developer company and system integrator

- ▶ System Integration Solutions
- ▶ Fintech Solutions
- ▶ Smart City and Smart Store Solutions
- ▶ Health Solutions
- ▶ E-Transformation Solutions
- ▶ The IoT Platform and Solutions
- ▶ SAP, Business Intelligence, CRM, IT Governance, Project Management Services
- ▶ Managed Services, Outsourcing, Consulting Services



International arm of the Group that opens up to the World in wholesale data, voice and roaming services

- ▶ A fibre network stretching approximately 45K kilometres in Turkey and CEE, Middle East & Caucasus regions
- ▶ >110 points of presence (PoP) in 22 countries
- ▶ Billions of minutes of transit voice traffic per year, >800 mobile roaming agreements and >320 LTE mobile roaming agreements with c.200 business partners
- ▶ Value added unique solutions
- ▶ AMEERS: New route connecting Western Europe to the Middle East
- ▶ SEA-ME-WE-5: Undersea cable system connecting Europe to Africa, the Middle East and Asia
- ▶ KAFOS: Undersea cable system extending from the Black Sea to Europe
- ▶ MEDTÜRK: Undersea cable system connecting the Middle East, Turkey and Europe



Leading customer service solutions company

- ▶ Beyond traditional call centre services, sales-marketing, social media management, face-to-face services, revenue management, quality management, customer experience management, new technologies and digital solutions
- ▶ Customer Experience Centre, offering solutions as a strategic road companion to large-scale private and public institutions with >13K employees



Turkey's leading and long-established education technologies company

- ▶ E-education products covering all levels from pre-school to high school
- ▶ Leading education products: Raunt, SEBİT VCloud and Vitamin
- ▶ Content and platform provider to the Ministry of Education in national e-education transformation projects



The Group's corporate venture capital company

- ▶ Focusing on investments which contribute to the growth of early-stage and scalable-target ventures especially in the areas of health, energy and education
- ▶ The first agreement in the health field vertical: DoctorTurkey
- ▶ The second agreement in the education sector vertical: MentalUP
- ▶ The third agreement in the energy sector vertical: Eltemtek



Appendix

(TL mn)	Q1 '20	Q4 '20	Q1 '21	QoQ Change	YoY Change
Revenues	6,303	7,650	7,587	(0.8)%	20.4%
EBITDA	2,977	3,546	3,803	7.3%	27.7%
Margin	47.2%	46.3%	50.1%		
Operating Profit	1,704	2,089	2,351	12.5%	37.9%
Margin	27.0%	27.3%	31.0%		
Financial Inc. / (Exp.)	(870)	(907)	(661)	(27.1)%	(24.1)%
FX & Hedging Gain / (Loss)	(294)	(337)	(189)	(43.9)%	(35.8)%
Interest Inc./ (Exp.)	(561)	(479)	(410)	(14.4)%	(27.0)%
Other Financial Inc./ (Exp.)	(15)	(91)	(62)	(31.8)%	310.1%
Tax Inc./ (Exp.)	(173)	(78)	(334)	328.9%	93.2%
Net Income	661	1,104	1,356	22.7%	105.2%
Margin	10.5%	14.4%	17.9%		

(TL mn)	31.03.2020	31.12.2020	31.03.2021
Total Assets	42,276	44,723	45,350
Cash and Cash Equivalents	6,484	5,008	3,723
Tangible Assets ¹	14,582	16,083	16,174
Intangible Assets	10,413	12,137	12,186
Right of Use Assets	1,454	1,546	1,588
Other Assets ²	9,343	9,948	11,679
Total Equities and Liabilities	42,276	44,723	45,350
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	6,688	8,777	8,035
Interest Bearing Liabilities ³	22,932	21,235	22,154
<i>Bank Borrowings and Bonds</i>	21,688	19,897	20,773
<i>Lease Liabilities</i>	1,243	1,338	1,380
Other Liabilities ⁴	9,396	11,451	11,901

(1) Tangible assets include property, building or plant and equipment and investment property

(2) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset, tax assets and other current assets.

(3) Includes short-term and long-term borrowings and lease obligations

(4) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities and provisions for employee termination benefits

(TL mn)	Q1 '20	Q4 '20	Q1 '21	QoQ Change	YoY Change
Operating Cash Flow	2,597	5,099	1,679	(67.1)%	(35.3)%
Investing Cash Flow	(1,012)	(2,779)	(929)	(66.6)%	(8.2)%
CAPEX	(918)	(2,913)	(1,158)	(60.2)%	26.1%
Other Investing Activities	(94)	134	229	70.4%	n.m.
Financing Cash Flow ¹	133	(2,947)	(1,805)	(38.8)%	n.m.
Net Change in Cash Position ²	1,718	(627)	(1,055)	68.1%	n.m.

(1) Includes currency translation differences

(2) Blocked deposits are included in operating activities rather than net cash position

(TL mn)	Q1 '20	Q4 '20	Q1 '21	QoQ Change	YoY Change
Fixed Voice	671	686	679	(1.0)%	1.2%
Broadband	1,839	2,339	2,470	5.6%	34.3%
Mobile	2,273	2,607	2,576	(1.2)%	13.4%
TV	92	102	101	(0.7)%	9.8%
Corporate Data	484	537	551	2.6%	13.9%
International Revenues	306	408	464	13.7%	51.6%
Other ¹	371	523	400	(23.5)%	7.7%
Eliminations	(20)	(20)	(20)	(3.8)%	(1.4)%
Revenue w/o IFRIC	6,016	7,181	7,222	0.6%	20.0%
IFRIC-12	286	469	365	(22.2)%	27.6%
Total Revenue	6,303	7,650	7,587	(0.8)%	20.4%

(1) Includes ICT companies, device sales, domestic interconnection and other revenues

(TL mn)	Q1 '20	Q4 '20	Q1 '21	QoQ Change	YoY Change
Direct Costs	1,391	1,795	1,648	(8.2)%	18.5%
Interconnection	515	626	661	5.6%	28.3%
Tax	570	668	643	(3.7)%	12.8%
Provisions for Doubtful Receivables	54	88	44	(50.4)%	(19.5)%
Cost of Equipment and Technology Sales	157	282	185	(34.3)%	17.9%
Other Direct Costs	94	131	115	(12.0)%	22.6%
Commercial Costs	214	295	217	(26.3)%	1.4%
Other Costs	1,467	1,599	1,595	(0.3)%	8.7%
Network & Technology	467	583	531	(8.9)%	13.8%
Personnel	907	1,047	1,151	9.9%	26.9%
Other	93	(31)	(87)	184.0%	n.m.
Sub Total	3,072	3,689	3,460	(6.2)%	12.6%
IFRIC-12	253	415	323	(22.2)%	27.6%
Total OPEX	3,325	4,105	3,784	(7.8)%	13.8%

	Q1 '20	Q4 '20	Q1 '21	QoQ Change	YoY Change
Total Access Line (mn)	14.8	16.3	16.4	0.8%	11.2%
Fixed Voice Subscribers ¹ (mn)	10.1	10.6	10.6	(0.5)%	4.7%
Naked Broadband Subscribers (mn)	4.6	5.6	5.8	3.3%	25.5%
Fixed Voice ARPU (TL)	22.3	21.6	21.3	(1.1)%	(4.2)%
Broadband Total Subscribers (mn)	11.6	13.4	13.6	1.5%	17.0%
Fiber Subscribers (mn)	4.4	6.2	7.3	18.0%	64.7%
FTTH/B Subscribers (mn)	1.7	2.3	2.4	4.9%	37.3%
FTTC Subscribers (mn)	2.7	3.9	4.9	25.6%	82.3%
Broadband ARPU (TL)	53.5	59.4	61.0	2.6%	14.1%
Total Tivibu Subscribers² (mn)	3.4	3.1	3.1	(1.8)%	(10.0)%
Tivibu Home Subscribers ³ (mn)	1.6	1.5	1.5	(0.3)%	(3.8)%
Tivibu ARPU (TL)	18.2	20.8	20.8	(0.2)%	14.2%
Mobile Total Subscribers (mn)	23.2	23.2	23.3	0.4%	0.4%
Mobile Postpaid Subscribers (mn)	14.0	14.8	15.0	1.1%	7.3%
Mobile Prepaid Subscribers (mn)	9.2	8.4	8.3	(0.7)%	(10.1)%
Mobile Blended ARPU (TL)	32.5	36.9	36.4	(1.4)%	12.2%
Mobile Postpaid ARPU (TL)	40.1	44.3	43.6	(1.6)%	8.7%
Mobile Prepaid ARPU (TL)	20.6	23.8	23.1	(3.0)%	11.7%

(1) Includes PSTN and WLR Subscribers

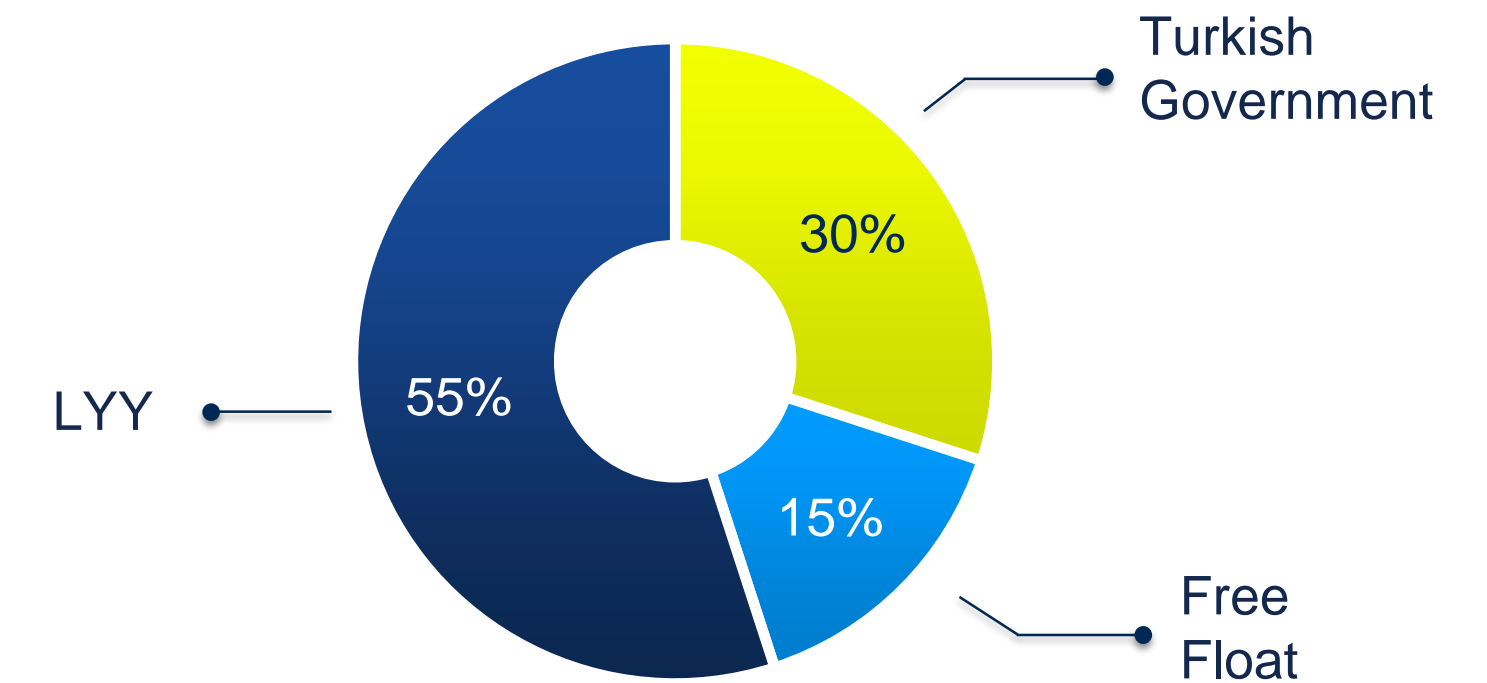
(2) Includes IPTV, DTH, and Tivibu GO subscribers

(3) Includes IPTV and DTH subscribers

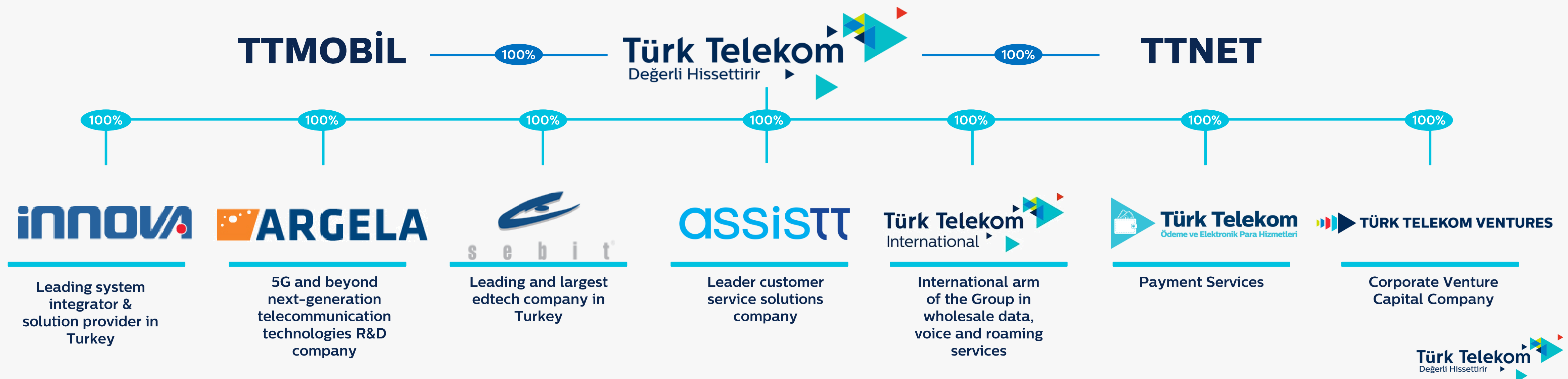
Ownership and Corporate Structure

-  **55% stake** controlled by **LYY (LYY Telekomünikasyon A.Ş.)**, an SPV of Turkish & International Banks
-  **30% owned by Turkish Ministry of Finance and Turkish Wealth Fund** (25% and 5% respectively)
-  **15% publicly traded on Borsa İstanbul since 2008** (of which 1.68% also owned by TWF)

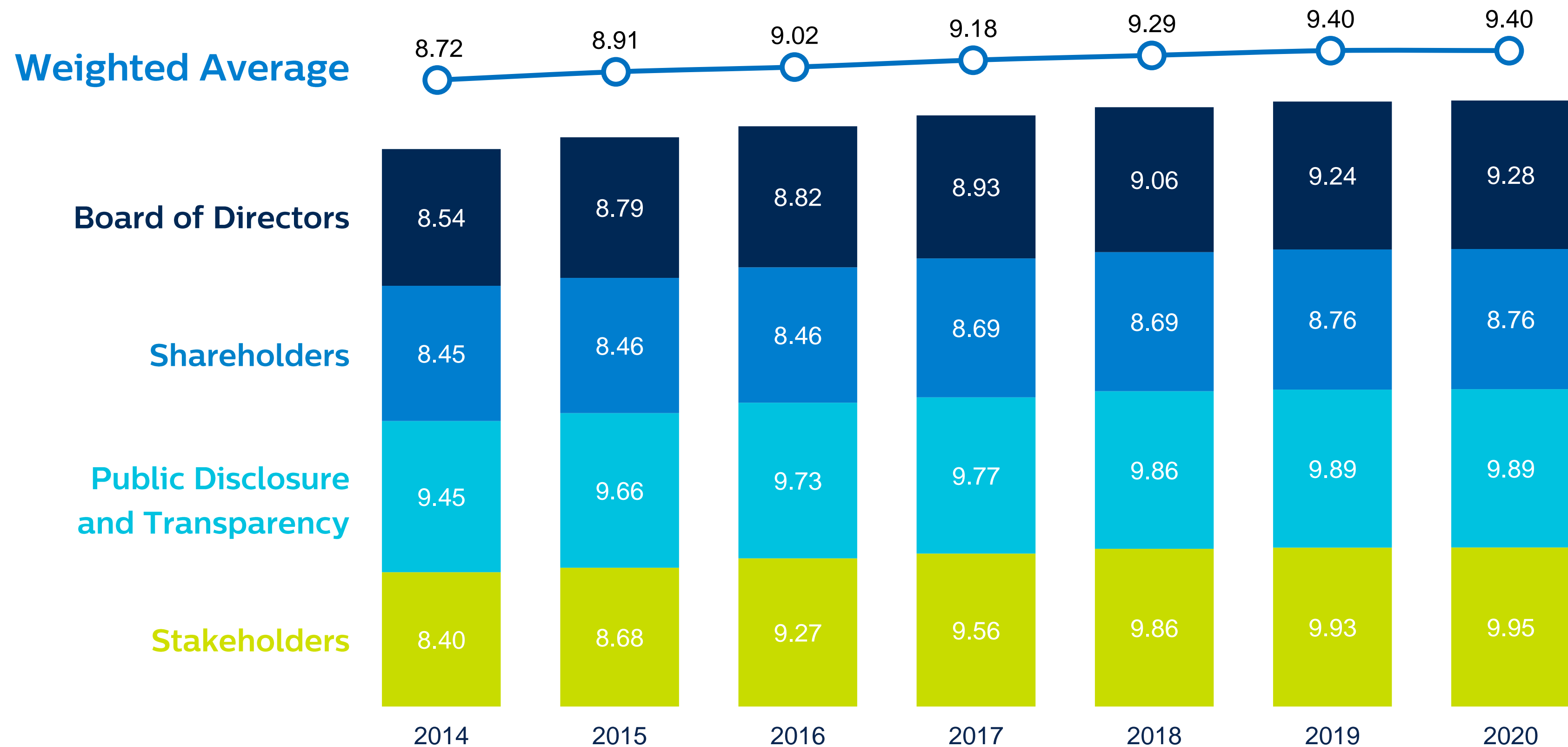
Shareholding Structure



Corporate Structure

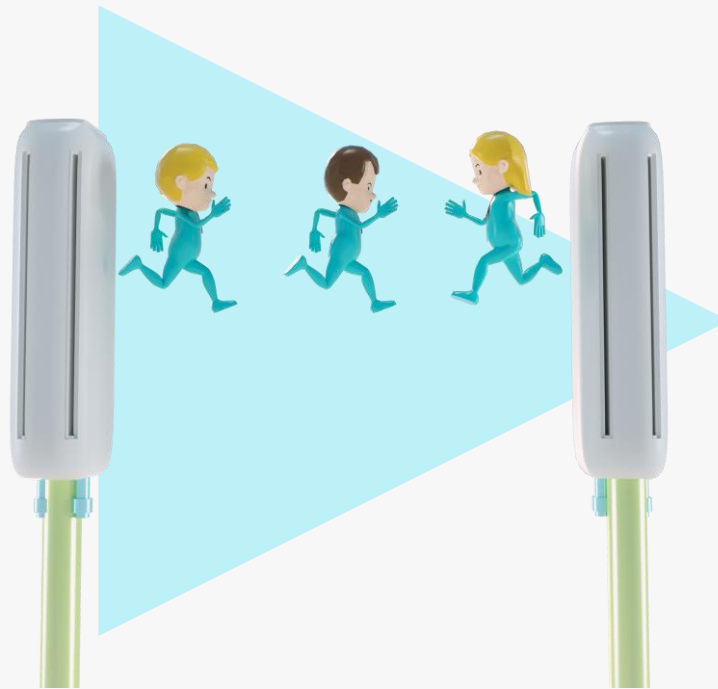


- ▶ Türk Telekom is member of BIST Sustainability Index since creation with its long lasting emphasis on Environmental, Social and Governance policies and exemplary practices.
- ▶ The only telecom company qualified to be included in the BIST Corporate Governance Index since 2009
- ▶ Türk Telekom is a member of FTSE4GOOD Index Series.
- ▶ Türk Telekom, which has carried out exemplary projects in the field of sustainability, became a member of the UN Global Compact platform, which is the largest corporate sustainability initiative in the world.



2008

- ▶ **April**
 - Interconnection rate decrease in Fixed (10%) and Mobile (33%)
- ▶ **November**
 - 3G tender held
 - Mobile Number Portability introduced
 - New Electronic Communications Law passed



2009

- ▶ **January**
 - About 50%-55% reduction in MTRs on SMS
- ▶ **March**
 - Reduction in SCT rate (25% to 5%) on internet services
- ▶ **April**
 - On-net price floor for TCELL
- ▶ **May**
 - About 29% reduction in MTRs
 - MVNO regulation in place
- ▶ **July**
 - 3G service launch
- ▶ **September**
 - Fixed number portability introduced
 - Local call liberalization

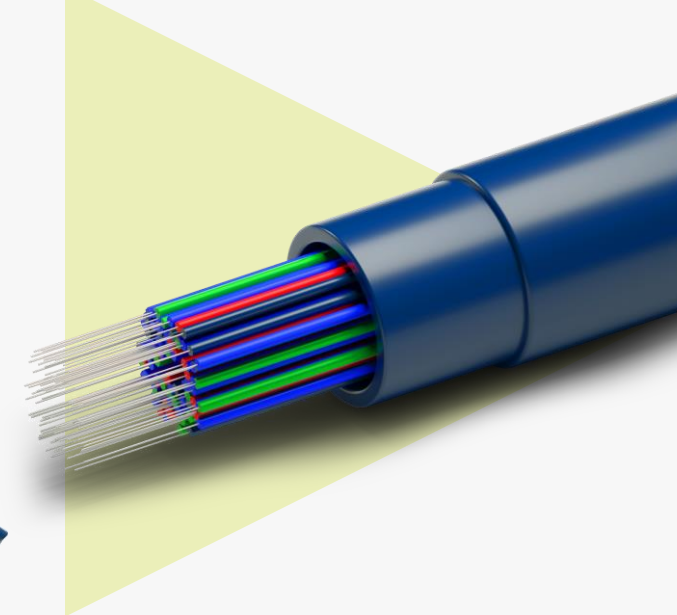
2010

- ▶ **April**
 - About 52% reduction in MTRs
 - 17% cut in double tandem FTR
 - 38% decrease in GSM to GSM retail price cap
 - TL per minute pricing introduced
- ▶ **December**
 - Naked Broadband services started



2011

- ▶ **April**
 - Mobile off-net price cap was increased by 4%
 - SMS price cap was decreased by 48%
- ▶ **September**
 - Deregulation on MTRs on international calls and liberalization on their pricing
- ▶ **October**
 - ICTA's fibre decision: FTTH/B will be excluded from the market analysis process until 25% fibre market share or for 5 years



2012

- ▶ **January**
 - WLR was introduced
- ▶ **November**
 - Deregulation on FTRs on international calls and liberalization on their pricing

2013

- ▶ **March**
 - Mobile on-net price floor for TCELL formulated by Mobile Termination Rate 1.7x
- ▶ **April**
 - 75% reduction in MTRs on SMS
- ▶ **July**
 - 20% reduction in MTRs
- ▶ **September**
 - Duct Sharing officially started



2014

- ▶ **July**
 - Calls over fixed line infrastructure was deregulated. Accordingly, Türk Telekom is no longer designated as having SMP (significant market power) in fixed voice market

2015

- ▶ **August**
 - LTE tender was held

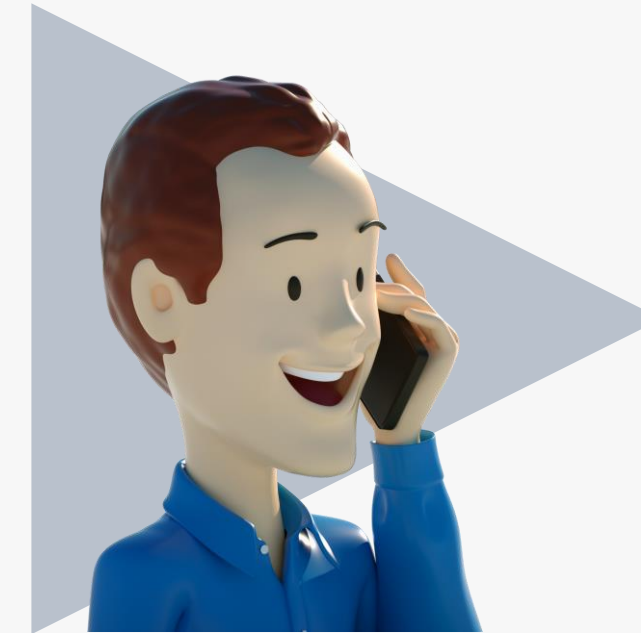


2016

- ▶ **April**
 - LTE Service Launch
- ▶ **August**
 - Mobile on-net price floor regulation for TCELL was lifted
- ▶ **October**
 - The deadline to shift Port Transmission Model

2018

- ▶ **January**
 - SCT rates for mobile voice, fixed voice, mobile data, and fixed data was unified at 7.5%



2019

- ▶ **January**
 - Fair usage quota was lifted

Separation from Post Office

Türk Telekom separated from the Post Office

1995

Aycell Merger with Aria

Aycell merged with İŞ-TİM's Aria and officially named "Avea İletişim Hizmetleri A.Ş."

2004

Avea Share Transaction

Acquisition of İŞ-TİM's 40.55% stake in Avea, raising total stake in Avea to 81.12%

2006

Invitel Acquisition

Acquired Pantel (rebranded as Türk Telekom International), the leading wholesale capacity and data services provider in Central and Eastern Europe to complement its international carrier business and infrastructure

2010

Bond Issuance

Türk Telekom issued USD 1bn bond in tranches, at USD 500mn each, with a maturity of 5 and 10 years

2014

Brand Unification

Türk Telekom unified mobile, fixed voice, fixed broadband and TV brands under single "Türk Telekom" brand, while keeping Türk Telekomünikasyon A.Ş., TTNET A.Ş., and Avea İletişim Hizmetleri A.Ş. legal entities intact

2016

Bond Issuance

Türk Telekom successfully completed its 500 million Dollar bond offering of 6-year maturity

2019

2001

Aycell Established

Türk Telekom's GSM operator, Aycell established (Aycell later named as AVEA after merging with Aria 2004)

2005

Privatization

Privatized through a 55% stake sale to Oger Telecom

2008

Public Offering

IPO with a listing on the Istanbul Stock Exchange and the sale of 15% stake owned by the Treasury to the public

2013

Integration Project Initiated

Integration project for a customer oriented organization

2015

Avea Share Transaction

Avea share transfer transactions were completed and Türk Telekom has become the sole owner of Avea İletişim Hizmetleri A.Ş.

2018

Establishment of CVC Company

The Corporate Venture Capital Company was established under "TT Ventures Proje Geliştirme A.Ş." name

Shareholder Change

55% shares of Türk Telekom was transferred to LYY Telekomünikasyon A.Ş. (LYY) from OTAS

Türk Telekom

Investor Relations



ttinvestorrelations.com



investorrelations@turktelekom.com.tr



twitter.com/ttkomir



+90 212 309 96 30

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Değerli Hissettirir

