TÜRK TELEKOM GROUP

2022 FIRST QUARTER

FINANCIAL AND OPERATIONAL RESULTS

April 27, 2022

A SOLID OPERATIONAL AND FINANCIAL PERFORMANCE IN A TOUGH QUARTER

Türk Telekom Group announced its financial and operational results. Overall, the Group started the year with a solid performance. Consolidated revenues increased by 24.8% YoY to TL 9.5 billion. EBITDA rose to TL 4.1 billion with an EBITDA margin of 43.5%. Net income of TL 561 million contracted by 58.6% YoY. The Group closed the first quarter with a USD 389 million long position. Net Debt/EBITDA slightly increased to 1.24x from the previous quarter amid continued rise in FX rates.

Türk Telekom CEO Ümit Önal said: *"Q1'22 has been marked by the share purchase transaction between LYY Telekomunikasyon A.Ş. and the Türkiye Wealth Fund where the former sold its 55% stake in the Company. Accordingly, TWF has become the majority shareholder of Türk Telekom. With the new shareholder and the BoD, we unite under one common goal of meeting our responsibility to all our stakeholders without compromise. Going forward, we will stick to the best practices that have supported our Company's operational and financial well-being while persistently seeking for opportunities that will further strengthen its robust position in telco space, generate sustainable growth at global standards and improve its investment case. It is hard to think that 2022 will remain shy of further challenges, but we will stay focused on unleashing opportunities that arise at tough times through our strengths, know-how and powerful human capital. Our solid foundation, agility in adapting ourselves to new circumstances and passion for technological progress are there to assure our customers, society and stakeholders of our ability to provide top-notch services with sound and successful execution of our strategies."*

1st Quarter 2022 Financial Highlights

Consolidated revenues increased to TL 9.5 bn, up by 24.8% YoY. Excluding the IFRIC 12 accounting impact, revenue growth was 25.6% YoY.

Consolidated EBITDA grew by 8.2% YoY to TL 4.1 bn with an EBITDA margin of 43.5%, down 670 bps YoY due to last year's high base and expectedly higher growth in opex compared to revenues. Excluding the IFRIC 12 impact, EBITDA margin was 44.9%.

TL 2.3 bn operating profit was recorded with a slight 2.2% YoY decrease.

Net income was TL 561 mn, 58.6% lower YoY, due to larger net financial expenses recorded amid another 9% average rise in USDTRY and EURTRY and volatile interest rates. TL 270 mn of tax income has mitigated the negative impact of currency and interest rate movements to some extent.

Capex was realised at TL 1.5 bn in Q1'22.

Unlevered free cash flow[1] was negative TL 456 mn in Q1'22 vs TL 750 mn in Q1'21.

[1] *Unlevered free cash flow defined as net cash provided by operating and investing activities from operations.*

Our long FX position[2] increased to USD 389 mn by the end of Q1'22 vs USD 242 mn by the end of Q4'21.

1st Quarter 2022 Operational Highlights

Total number of Türk Telekom subscribers reached 52.2 mn with 350K net additions in Q1'22. Net subscriber additions were 1.6 mn during the last twelve months.

Fixed broadband subscribers rose to 14.5 mn with net additions of 151K in Q1'22, only a tad behind our expectation. Broadband ARPU growth of 14.5% was slightly higher compared to both Q4'21 and Q1'21 levels.

Fibre subscribers reached 10.3 mn with 729K quarterly net additions. The number of FTTC subscribers reached 7.3 mn, while the number of FTTH/B subscribers increased to 3.0 mn. The share of fibre customers in our fixed broadband base increased to 71.2% from 53.8% a year ago.

Fibre cable network length increased to 372K km as of Q1'22 from 366K km as of 2021 and 336K km as of Q1'21. Fibre network covers 30.6 mn households as of Q1'22 compared to 30.2 mn as of 2021, reflecting the continued focus on fibre rollouts. FTTC homepass increased to 21.6 mn while FTTH/B homepass reached 9.0 mn.

Mobile subscriber portfolio reached 24.4 mn with 334K of net additions during the quarter. Postpaid and prepaid segments grew by respective 300K and 35K with higher than expected net add performance on the postpaid side amid our effective postpaidisation strategy.

Share of LTE subscribers[3] in mobile subscriber base increased to 68% in Q1'22 from 64% in Q1'21. Average monthly data usage per LTE user increased by 18.0% to 10.5GB in Q1'22 from 8.9GB in Q1'21.

Number of fixed voice subscribers declined by 107K during the quarter. Including nDSL, the number of total fixed access lines increased to 17.0 mn.

In Q1'22, the number of TV Home subscribers remained flat QoQ at 1.5 mn.

Self-service online transactions app 'Online İşlemler', has been downloaded almost 59 million times by the end of Q1'22. The number of unique subscribers[4] using the application peaked to 17 million.

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[2] *Net FX position is calculated as FX based financial debt (including FX based lease obligations) plus FX based net trade payables less FX financial debt hedging less FX net trade payables hedging less currency protected time deposits less net investment hedging less FX based cash and cash equivalents.*

[3] *Mobile subscribers who registered for LTE and have LTE compatible device and sim card.*

[4] *3-Month active user*

Türk Telekom CEO Ümit Önal's comments on 2022 first quarter results:

A head start to 2022

In its third year, the pressures of Covid-19 pandemic are still upon us. While the resurgence of number of cases in China threatens world economic growth, surging global inflation exacerbated by the unforeseen Russia-Ukraine war, remains a single big problem for all. In Turkey, the businesses and the consumer heavily felt the heightened unpredictability posed by a deteriorating macroeconomic environment as well as the geopolitical tension at global scale. On the bright side, the easing of pandemic measures and the significant drop in number of cases have come as reliefs to encourage mobility and pave the path for faster normalisation.

Lira stability secured at the beginning of the year was disturbed by the Russia-Ukraine conflict. Markets responded quickly to the unfolded crisis with a swift rise in interest rates. We saw inflation climbing up to 61% as of March; its highest in the last 20 years. High inflation and sharp increase in energy prices affected all industries and revoked earlier business forecasts. Consumers tried to adapt themselves to these developments through reconsidering their purchases and reshuffling their baskets.

Demand for telco products remained rather resilient though. Although we feel that the consumers need more time to absorb accumulating price revisions across the board, the negative impact of the macro picture on demand has been limited so far compared to our expectations. Besides, the persistent change in need for digitalisation, speed and data by the pandemic, presents us opportunities to offer the finest blend of pricing and upselling to our customers.

On this backdrop, we made a good start to 2022, with results beating our expectations in some areas and mostly meeting them in others. We added 151K subscribers to our fixed broadband base, almost in line with our target. 334K net additions in mobile on the other hand, surpassed our expectation. Although some aggressive short-term campaigns took stage in the mobile market from time to time, it would be fair to say the operators' commitment to catching up with inflationary pricing was at its highest. Fixed broadband market decoupled in that sense, with other ISPs following the price revisions led by Türk Telekom in December with a longer than usual lag. As such, fixed broadband depicted a limited ARPU progression, while there was a visible leap in mobile ARPU growth.

Recent macroeconomic developments affected our financial performance. While high inflation led to a swollen opex base, another round of currency volatility amid geopolitical tension, put further pressure on the bottom-line through financial expenses. Still, both the operating performance and the net income came in stronger compared to our first quarter budget, thanks to our adaptive measures and well-timed actions on revenue, cost and FX risk management.

A new era for Türk Telekom has begun

Q1’22 has made it to a special place in our Company’s history. It has been marked by the share purchase transaction between LYY Telekomünikasyon A.Ş. (LYY) and the Türkiye Wealth Fund (TWF) where the former sold its 55% stake in the Company. The deal has been closed on March 31, the same day our Company’s 2021 Ordinary General Assembly meeting has been held and the new Board of Directors (BoD) has been appointed. Accordingly, TWF has become the majority shareholder of Türk Telekom with a 61.68%[5] stake owned.

With the new shareholder and the BoD, we unite under one common goal of meeting our responsibility to all our stakeholders without compromise. Going forward, we will stick to the best practices that have supported our Company’s operational and financial well-being while persistently seeking for opportunities that will further strengthen its robust position in telco space, generate sustainable growth at global standards and improve its investment case.

In line with our commitment to remunerating our shareholders, it has been resolved by the General Assembly that a cash dividend of TL 4.95 billion will be paid to our shareholders starting from April 28.

It is hard to think that 2022 will remain shy of further challenges, but we will stay focused on unleashing opportunities that arise at tough times through our strengths, know-how and powerful human capital. We are determined to empower our ecosystem to lead digitalisation in Turkey, pioneer 5G and beyond technologies and capture value accretive tech-related ventures.

Solid Q1 performance keeps us on track with our guidance

We completed the first quarter with strong revenue growth. Consolidated revenues increased by 24.8% YoY in Q1’22 while operational revenues rose by 25.6%, slightly ahead of our guidance that sees 23% - 25% growth for the full year.

Fixed broadband revenue grew by 22.3% on last year’s highest base of 34.3% along with the ongoing subscriber growth and early pricing actions in December and January[6]. Mobile revenue growth reached a new peak of 23.4%[7] YoY thanks to the expanding subscriber base and consecutive price revisions as well as our strategy around postpaidisation and premiumisation paying off. Growth in corporate data revenue also accelerated to 17.7%, while the 74.5% increase in other revenue was predominantly led by equipment sales, ICT project revenues and call centre revenues.

Consolidated EBITDA rose by 8.2% YoY to TL 4.1 billion with an EBITDA margin of 43.5%, flat QoQ but lower YoY. Even though we managed to deliver solid revenue growth, the immediate

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[5] 1.68% of which is in publicly trading shares

[6] In December for new acquisitions, in January for existing cusmomers’ recontracting

[7] Highest since Q4’09

effect of inflation on costs resulted in contraction of the EBITDA margin annually. Still, the EBITDA margin came in slightly ahead of our expectation.

It seems revenue growth could be driven higher by inflation compared to our guidance, but we will be taking prudent steps towards guidance revision mainly because we see the same upside risk on the cost side. Hence, we stick to our earlier guidance for the time being as it will be more plausible to monitor the macroeconomic developments and come up with healthier forecasts in a more stable financial conjuncture.

The USDTRY and EURTRY rates moved 10% and 8% higher respectively QoQ. As implied by the FX sensitivity analysis reported in Q4'21 financials, we incurred FX losses in the first quarter as more hedges have become ineffective. Moreover, the Russia-Ukraine war caused another wave of instability, leading into significant volatility in interest rates. As a result, our financial costs went up significantly over last year's particularly low base and suppressed the bottom-line YoY. On the positive side, we have started restructuring our PCCS portfolio, but the frequent volatility in the markets oblige a gradual and cautious approach in order to optimise the cost of the whole exercise. We aim to resume our FX-neutral position as markets restore stability.

We ended the year with USD 389 million long position in hand. Net Debt/EBITDA slightly increased to 1.24x from 1.11x a quarter ago amid recent FX volatility, but remained within our comfort range. Q1'22 net income declined by 58.6% YoY along with the rise in financial expense, which was partly mitigated by TL 270 mn of tax income.

A well-managed fixed broadband business in a tough quarter

Competition got stiffer in the fixed broadband market after we introduced our price revisions on December 1. Other ISPs did not follow us right away, leading the widened parities in the market. As a result, we have seen our wholesale net additions growing faster in the first quarter. Competitors' pricing actions started in January and continued into March, realigning the price gaps at prior levels by the end of Q1, and suggesting that we will see a more rationalised and balanced market in Q2. A robust recontracting performance throughout the first quarter on this backdrop was a remarkable success that underlines our valued differences from competition.

An important development to share is the regulator's approval of our proposal to raise wholesale prices amid significant pick-up in costs with rising inflation. As such, wholesale port prices will be increased by around 67% starting from June 1. We have made our preparations to adjust our wholesale and retail tariffs accordingly. As the leader of the market in fixed internet, owning the largest subscriber base, our main motivation is to manage our portfolio with highest delicacy in order to optimise price revisions and subscriber evolution.

Demand in fixed internet remained reasonably resilient relative to macroeconomic environment and price revisions. We finished the quarter with 151K subscriber additions expanding the total subscriber base to 14.5 mn. 24 Mbps and above packages made 55.6%[8] of new acquisitions. As a result, Q1'22 ARPA[9] was 8.5%[10] higher QoQ.

Having cycled last year's highest base, fixed broadband revenue grew by 22.3% YoY, in line with our expectation. ARPU growth came in at 14.5% YoY with some gradual pick-up QoQ. Our pricing and upselling strategy which we apply through customised offers should be supportive of ARPU growth in the remainder of the year.

Türk Telekom is Turkey's fibre powerhouse

As Turkey's fibre powerhouse, having expanded our fibre network to 81 cities to ensure accessibility of technology for all walks of life, we are committed to further fiberise our country. Accordingly, we grew our fibre network to 372K km by the end of first quarter (366K km as of Q4'21), which corresponds to a 22.3% growth since end-2019.

Our homepass increased to 30.6 mn compared to 30.2 mn as of Q4'21. FTTC homepass reached 21.6 mn, while FTTH/B is 9.0 mn. Total number of fibre subscribers grew to 10.3 mn making up 71.2% of our total base, up by 17.4 points YoY and by 34.2 points since end-2019.

Accelerated momentum in mobile

Pricing motivation remained generally high in mobile during the first quarter. Some aggressive campaigns took their turns, but overall, we saw a rational market with pricing actions aiming to catch up with inflation. Both prepaid and postpaid segments introduced new tariffs in March following the revisions in November and December last year. The upcoming inflation data will be crucial on operators' pricing behaviour in the following quarters. A dynamic pricing environment coupled with the adverse effect of weather on customer traffic led to a contracting MNP (Mobile Number Portability) market both YoY and QoQ.

We recorded a total of 334K net subscriber additions in Q1'22, in excess of our expectation, with lowest churn rates both in the prepaid and postpaid segments. Subscriber growth was predominantly led by 300K postpaid additions, followed by 35K increase in prepaid. The portion of postpaid subscribers in our mobile base touched its highest level of 65.3%. Our prime base reached 5.2 mn[11] subscribers with 48.7% YoY growth. The success of our mobile strategy around postpaidisation and premiumisation revealed itself in a well-balanced subscriber and ARPU increase.

Annual blended ARPU growth came in at 17.5% with 3.5 points leap QoQ, thanks to our effective pricing strategy and segmented offers. Postpaid ARPU increased by 14.9% YoY, while prepaid ARPU recorded a 22.3% jump. Accordingly, mobile revenues grew by 23.4%, in excess of our expectation for the first quarter.

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[8] *For consumer segment*
[9] *Average revenue per acquisition*
[10] *For consumer segment, excluding penetration campaign*
[11] *Both consumer and corporate segment*

Financial Review

(TL mn)	Q1'21	Q4'21	Q1'22	QoQ Change	YoY Change
Revenue	**7,587**	**9,864**	**9,471**	**(4.0)%**	**24.8%**
Revenue (Exc. IFRIC 12)	**7,222**	**8,703**	**9,072**	**4.2%**	**25.6%**
EBITDA	**3,803**	**4,301**	**4,115**	**(4.3)%**	**8.2%**
Margin	*50.1%*	*43.6%*	*43.5%*		
Depreciation and Amortisation	**(1,452)**	**(1,678)**	**(1,817)**	**8.3%**	**25.1%**
Operating Profit	**2,351**	**2,623**	**2,298**	**(12.4)%**	**(2.2)%**
Margin	*31.0%*	*26.6%*	*24.3%*		
Financial Income / (Expense)	**(661)**	**(2,176)**	**(2,008)**	**(7.7)%**	**203.9%**
FX & Hedging Gain / (Loss)	(189)	(1,592)	(1,426)	(10.5)%	654.1%
Interest Income / (Expense)	(410)	(536)	(565)	5.3%	37.9%
Other Financial Income / (Expense)	(62)	(47)	(17)	(62.5)%	(71.8)%
Tax Income / (Expense)	**(334)**	**636**	**270**	**(57.5)%**	**n.m.**
Net Income	**1,356**	**1,084**	**561**	**(48.3)%**	**(58.6)%**
Margin	*17.9%*	*11.0%*	*5.9%*		
CAPEX	**1,253**	**4,487**	**1,467**	**(67.3)%**	**17.1%**

Revenues

In Q1’22, consolidated revenues increased by 24.8% YoY to TL 9.5 bn. Excluding IFRIC 12, top line growth was 25.6% YoY with 22.3% increase in fixed broadband, 23.4% increase in mobile, 59.3% increase in international, 17.7% increase in corporate data and 74.5% increase in other revenues.

Operating Expenses Excluding Depreciation and Amortisation (OPEX)

In Q1’22, operating expenses increased by 41.6% YoY to TL 5.4 bn. Excluding IFRIC 12 cost, growth in operating expenses was 44.6% YoY.

- Interconnection costs increased by 21.2% YoY along with weaker lira and increased traffic but also some decline in per unit costs.

- Tax expense increased by 21.8% YoY.
- Provision for doubtful receivables is up by mere 13.1% YoY with a healthy pick-up on the collection side.
- Cost of equipment and technology sales grew by 14.4% YoY, along with weaker lira but slower broadband additions.
- Other direct costs grew by 45.5% YoY, with the pick-up in shared revenues and VAS revenues.
- Commercial cost increased by 40.1% YoY along with inflation and normalisation after pandemic.
- Network and technology expenses rose 93.2% YoY mainly due to increased energy prices, maintenance works and weaker lira.
- Personnel expense increased by 44.5% YoY, with the effect of minimum wage and inflation adjusted salary increase.

Operating Profit Before Depreciation and Amortisation (EBITDA)

In Q1’22, consolidated EBITDA increased by 8.2% YoY to TL 4.1 bn with an EBITDA margin of 43.5%, which contracted 670 bps YoY due to an inflated opex base mainly by personnel, energy and commercial costs. Excluding the IFRIC 12 accounting impact, EBITDA margin was 44.9%, down 720 bps YoY.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 25.1% YoY to TL 1.8 bn in Q1’22.

Operating Profit

The Group recorded TL 2.3 bn operating profit with a slight 2.2% YoY decrease in Q1’22. Operating profit margin declined to 24.3% in Q1’22 from 31.0% in Q1’21.

Net Financial Income/Expense

Net financial expense was TL 2.0 bn in Q1’22 compared to TL 2.2 bn in Q4’21 and TL 0.7 bn in Q1’21. As implied by the sensitivity analysis in Q4’21 financial statements, we incurred further FX losses amid a 9% average increase in FX rates QoQ. A volatile interest rate environment throughout the quarter also affected the swap costs. As a result, net FX & hedging loss declined to TL 1.4 bn in Q1’22 from TL 1.6 bn in Q4’21, but compared unfavourably to TL 0.2 bn in Q1’21.

According to the sensitivity of P&L statement to FX movements, 10% depreciation of TL has negative TL 1,133 mn impact on P&L as of Q1’22 assuming all else constant (negative TL 1,238 mn impact as of Q4’21 and negative TL 13 mn impact as of Q1’21). We aim to go back to FX-neutral position, as the financial markets turn calmer in the coming period.

Tax Income/Expense

In Q1’22, the Group reported TL 270 mn of tax income versus TL 334 mn of tax expense in Q1’21 due to further deferred tax gain driven by revaluation of fixed assets and investment incentives where high inflation has been a supporting factor.

Net Income

Q1’22 net income was TL 561 mn compared to TL 1,356 mn in Q1’21 due to larger net financial expenses recorded amid volatile FX and interest rates.

Capital Expenditures

Capex was TL 1.5 bn in Q1’22 compared to TL 1.3 bn in Q1’21.

Cash Flow and Leverage

In Q1’22, unlevered free cash flow was negative TL 456 mn vs. TL 750 mn in Q1’21.

Net debt[12] increased to TL 20.9 bn as of Q1’22 compared to TL 16.2 bn as of Q1’21 along with weaker lira. Excluding the IFRS 16 impact, net debt was TL 19.4 bn.

Net Debt/EBITDA[13] ratio increased to 1.24x in Q1’22 from 1.11x as of Q4’21, affected by the currency fluctuations.

Net debt (excluding the IFRS 16 impact) increased to USD 1,328 mn equivalent as of Q1’22, up by USD 61 mn QoQ (Q4’21: USD 1,267 mn; Q1’21: USD 1,775 mn).

As of Q1’22, FX based financial debt (excluding the IFRS 16 impact) declined YoY to USD 2,115 mn equivalent (Q4’21: USD 2,102 mn; Q1’21: USD 2,234 mn). The share of TL financing was 11.7% as of Q1’22, up from 1.2% in Q4’21.

Including the FX based cash of USD 501 mn, the net FX exposure was USD 389 mn long position as of Q1’22 (USD 242 mn long position as of Q4’21).

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[12] *Net debt includes MTM from FX to TRY Currency Swaps and FV of Currency Protected Time Deposits.*
[13] *Net debt includes MTM from FX to TRY Currency Swaps and FV of Currency Protected Time Deposits. Net Debt/EBITDA calculation excludes extraordinary claims on EBITDA calculation.*

Operational Performance

	Q1'21	Q4'21	Q1'22	QoQ Change	YoY Change
Total Access Lines (mn) [14]	**16.4**	**16.9**	**17.0**	**0.6%**	**3.8%**
Fixed Voice Subscribers (mn)	10.6	10.5	10.4	(1.0)%	(1.7)%
Naked Broadband Subscribers (mn)	5.8	6.4	6.6	3.2%	13.9%
Fixed Voice ARPU (TL)	**21.3**	**21.7**	**22.1**	**2.0%**	**3.7%**
Total Broadband Subscribers (mn)	**13.6**	**14.3**	**14.5**	**1.1%**	**6.4%**
Total Fibre Subscribers (mn)	**7.3**	**9.6**	**10.3**	**7.6%**	**40.7%**
FTTH/B (mn)	2.4	2.8	3.0	5.0%	24.0%
FTTC (mn)	4.9	6.8	7.3	8.7%	48.8%
Broadband ARPU (TL)	**61.0**	**67.7**	**69.9**	**3.2%**	**14.5%**
Total TV Subscribers (mn) [15]	**3.1**	**2.9**	**2.9**	**(1.0)%**	**(5.1)%**
Tivibu Home (IPTV + DTH) Subscribers (mn)	1.5	1.5	1.5	(1.1)%	(2.6)%
TV ARPU (TL)	**20.8**	**23.0**	**24.3**	**5.4%**	**16.8%**
Mobile Total Subscribers (mn)	**23.3**	**24.0**	**24.4**	**1.4%**	**4.6%**
Mobile Postpaid Subscribers (mn)	15.0	15.6	15.9	1.9%	6.2%
Mobile Prepaid Subscribers (mn)	8.3	8.4	8.5	0.4%	1.8%
Mobile Blended ARPU (TL)	**36.4**	**42.1**	**42.8**	**1.6%**	**17.5%**
Mobile Postpaid ARPU (TL)	43.6	49.5	50.1	1.3%	14.9%
Mobile Prepaid ARPU (TL)	23.1	27.3	28.2	3.1%	22.3%

[14] *PSTN and WLR Subscribers*

[15] *Tivibu Home (IPTV, DTH) and Tivibu GO subscribers*

Notes:

EBITDA is a non-GAAP financial measure. The EBITDA definition used in this press release 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, amortisation and impairment expenses, financial income/(expense) presented in other operating income/(expense) (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Operating profit includes revenues, cost of sales, depreciation, amortisation and impairment expenses, marketing, sales and distribution expenses, general administrative expenses, research and development expenses, other operating income/(expense), and income/(expense) from investing activities, but excludes financial income/(expense) presented in other operating income/(expense) on CMB financial statements (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Net financial income/(expense) includes financial income/(expense) and FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings which are presented in other operating income/(expense) on CMB financial statements.

*Net FX Position used to be calculated by subtracting the sum of **i)** the hedge transactions and **ii)** FX-denominated cash and cash equivalents from **(iii)** FX-denominated financial debt. As per the resolution taken by the Board of Directors dated 03.02.2021, in order to carry out a currency risk management which takes into account all of the items that affect the consolidated profit / loss statement through exchange rate risk in the Net FX Position calculation, as of Q1 2021, in addition to the aforementioned items, Net FX Position includes **(iv)** FX denominated lease obligations **(v)** FX denominated net trade payables and **(vi)** the net investment hedge. Net investment hedge is the hedge amount against the financial risk of the net investment in the off-shore subsidiaries (Türk Telekom International) as per the Effects of Changes in FX Rate standard (TAS 21) of the Turkish Accounting Principles and has been used in the Group accounting reporting since 2011. Net FX Position is a non-GAAP financial measure. and the revision made in the calculation of the Net FX Position does not cause a change in the accounting reporting of the Group.*

About Türk Telekom Group

Türk Telekom, with more than 180 years of history, is the first integrated telecommunications operator in Turkey. In 2015, Türk Telekomünikasyon A.Ş. adopted a “customer-oriented” and integrated structure in order to respond to the rapidly changing communication and technology needs of customers in the most powerful and accurate way, while maintaining the legal entities of TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş. intact and adhering to the rules and regulations to which they are subject. Having a wide service network and product range in the fields of individual and corporate services, Türk Telekom unified its mobile, internet, phone and TV products and services under the single “Türk Telekom” brand as of January 2016.

“Turkey’s Multiplay Provider” Türk Telekom has 17.0 million fixed access lines, 14.5 million broadband, 2.9 million TV and 24.4 million mobile subscribers as of March 31, 2022. Türk Telekom Group Companies provide services in all 81 cities of Turkey with 36,292 employees with the vision of introducing new technologies to Turkey and accelerating Turkey’s transformation into an information society.

Türk Telekomünikasyon A.Ş., providing PSTN and wholesale broadband services, directly owns 100% of mobile operator TT Mobil İletişim Hizmetleri A.Ş., retail internet services, IPTV, satellite TV, Web TV, Mobile TV, Smart TV services provider TTNET A.Ş., convergence technologies company Argela Yazılım ve Bilişim Teknolojileri A.Ş., IT solution provider İnnova Bilişim Çözümleri A.Ş., online education software company SEBİT Eğitim ve Bilgi Teknolojileri A.Ş., call centre company AssisTT Rehberlik ve Müşteri Hizmetleri A.Ş., project development and corporate venture capital company TT Ventures Proje Geliştirme A.Ş, Electric Supply and Sales Company TTES Elektrik Tedarik Satış A.Ş., provider of combined facilities support activities TT Destek Hizmetleri A.Ş. with TT International Holding BV, wholesale data and capacity service provider TT International Telekomünikasyon Sanayi ve Ticaret Ltd.Şti., and financial technology company TTG Finansal Teknolojileri A.Ş. and indirectly owns 100% of subsidiaries of TT International Holding BV, TV Broadcasting and VOD services provider Net Ekran Companies, telecommunications devices sales company TT Satış ve Dağıtım Hizmetleri A.Ş and payment and e-money services company TT Ödeme ve Elektronik Para Hizmetleri A.Ş., and web portal and computer programming company APPYAP Teknoloji ve Bilişim A.Ş.

Disclaimer

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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)

Türk Telekom Group Consolidated Financial Statements are available on
https://www.ttyatirimciiliskileri.com.tr/en-us/financial-operational-information/pages/quarterly-results