

# **Türk Telekom** **Fixed Line** **Concession** **Renewal**

**August 2025**



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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, amortisation 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)*



## A Clear Path for Long-Term Value

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## Strong Track Record, Proven Capabilities

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## Unlocking the Next Chapter

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# Agenda





# A Clear Path for Long-Term Value

Agreement Details



# Concession Renewal Improves Long-Term Visibility

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Fixed Line Services Concession extended till 2050 on flexible/manageable financial terms

► **Contract Value:** \$ 2.5 billion + VAT payable over 10 years

► **Scope of the Contract includes;**

- development of the fixed telco infrastructure, operation of the fixed telco network
- provision of wholesale and/or retail telco services through the network using the fixed telecom infrastructure and marketing of them
- new infrastructure development with technology advancement and provision of telco services related to them
- cyber security services, digital products, etc.

## Concession fee payment schedule (\$ mn)<sup>1</sup>

2026-2027	2028-2034	2035	Total
\$1,000 (\$500 pa)	\$1,400 (\$200 pa)	\$100 (Final payment)	\$2,500

## \$ 17 billion investment till 2050

For all capex<sup>2</sup> including;

- **Expansion, development and upgrading** of the fixed telco network
- **infrastructure** (access, core, capacity, IT systems, etc)
- **new technologies**

(1) Excluding VAT. All payments are due on the last business day of the related year.

(2) Including those undertaken by related subsidiaries.





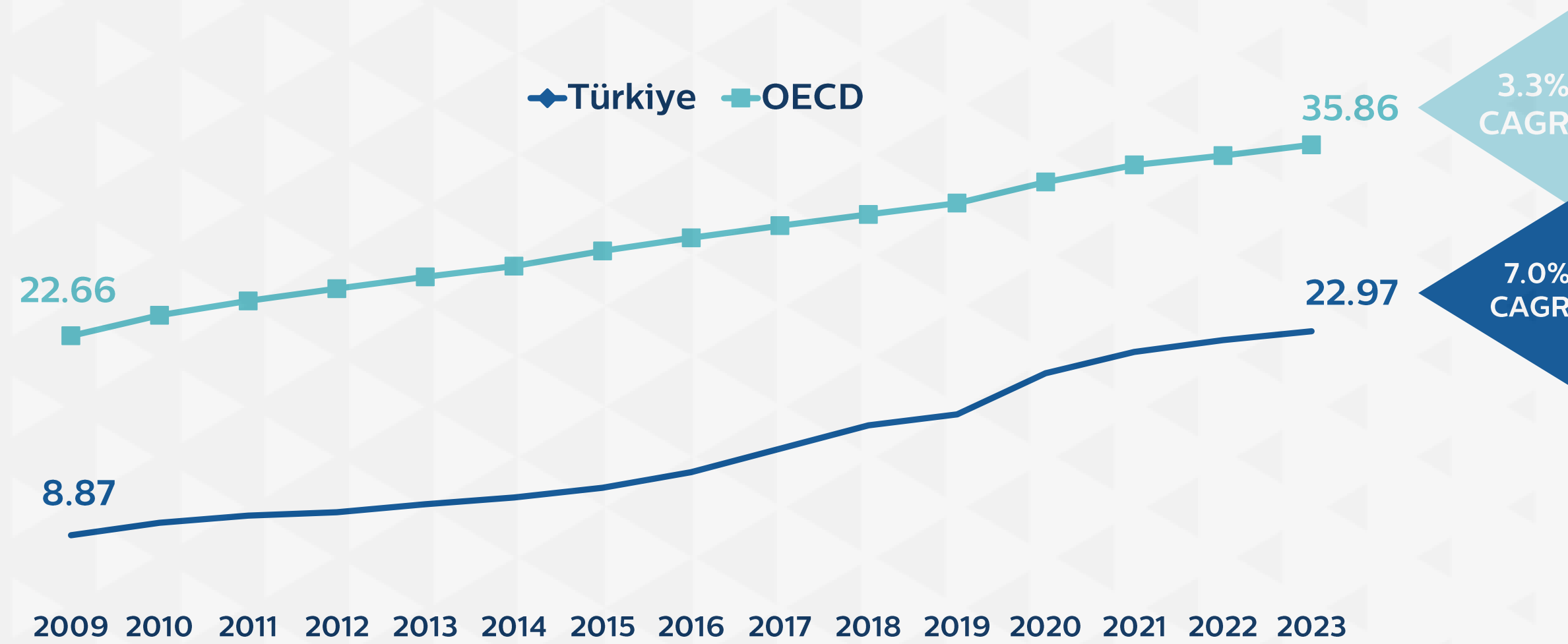
**Strong Track Record,  
Proven Capabilities**



# Rapid internet adoption

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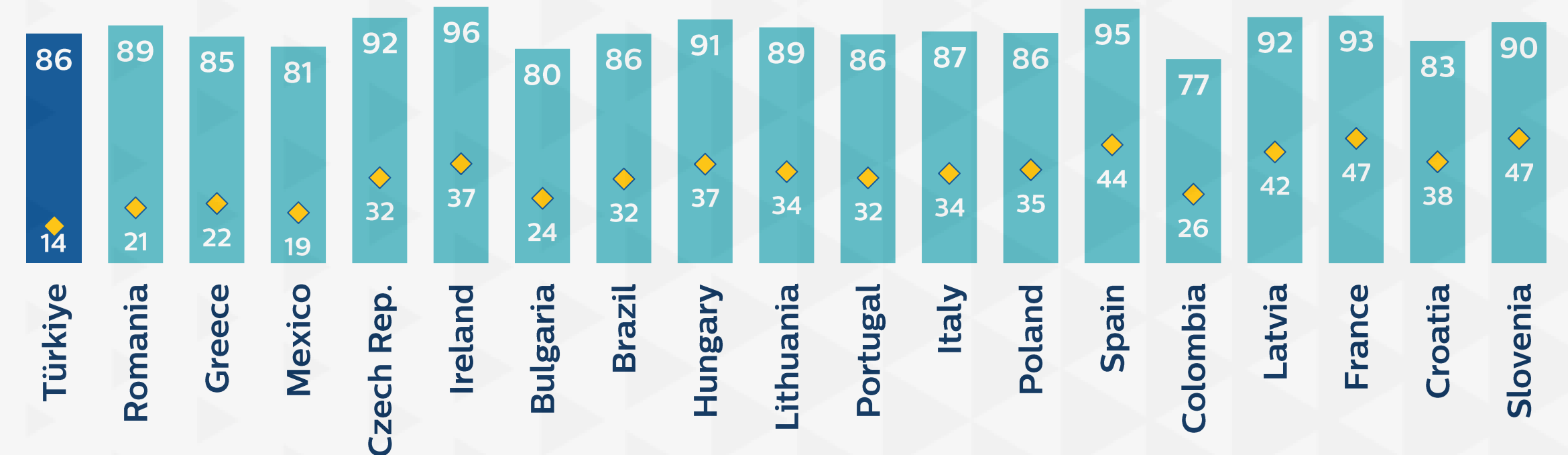
## FBB<sup>1</sup> Subscribers (per 100 habitants)



**Türkiye**  
has been rapidly  
closing the digital gap

## Internet Adoption (%)

■ 2023 (or most recent) ◆ 2005 (or earliest)



Türkiye achieved the largest increase in internet usage<sup>2</sup> across OECD countries, rising from just 14% in 2005 to 86% in 2023 (+72 pp)

(1) Fixed Broadband

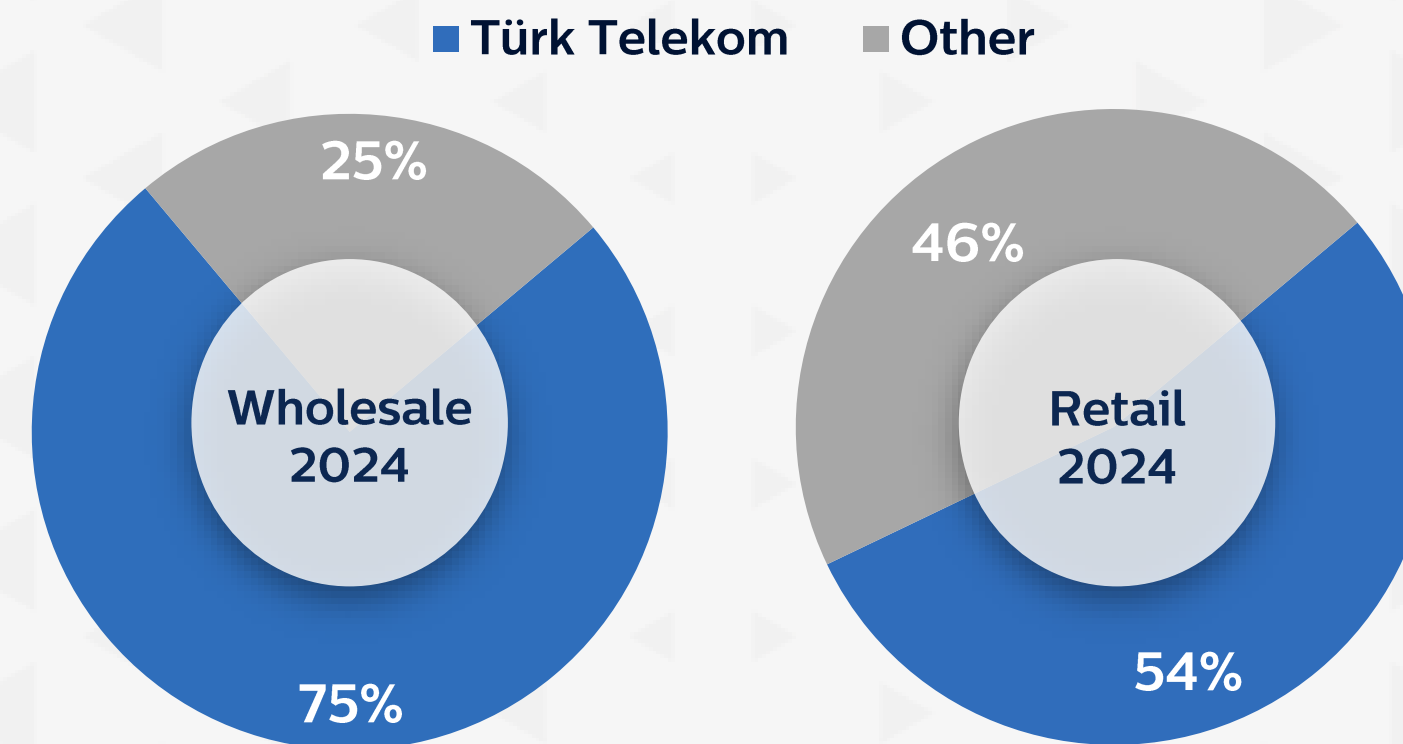
(2) Among adults aged 16-74

# Leading Türkiye's Fixed Broadband Transformation

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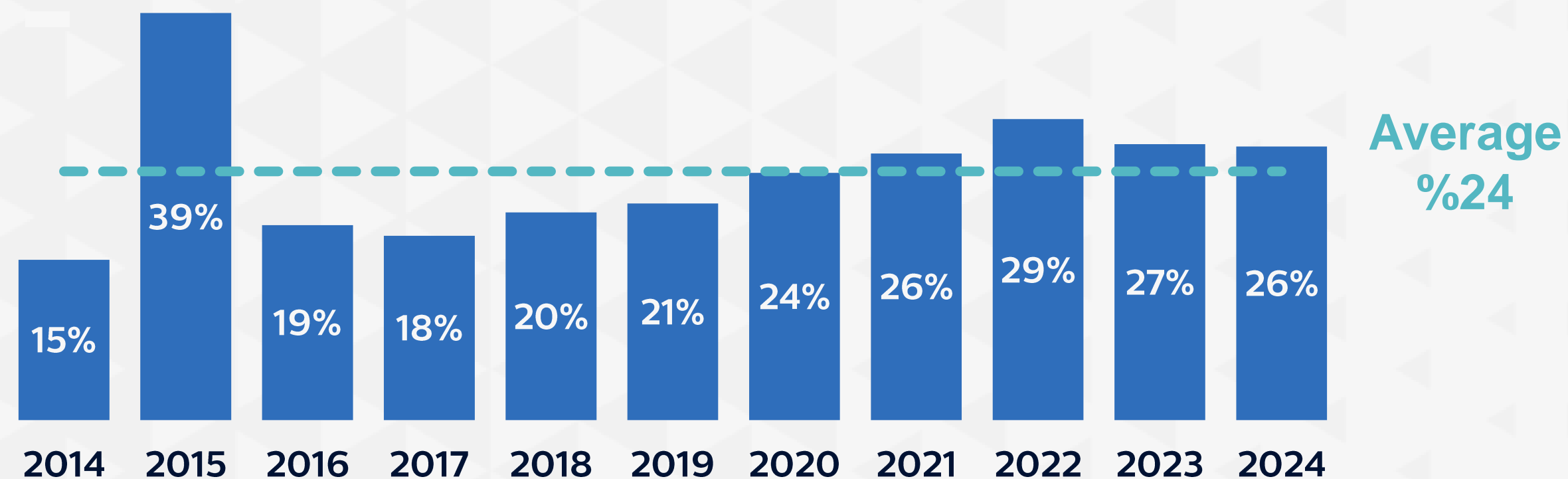
Through dedicated investments and ownership of fixed line domain TT remains the largest fixed line operator in Türkiye

## Türk Telekom's FBB Market Share (%)



Majority of our Capex has been dedicated to fixed line investments laying the ground for Türkiye's digital transformation

## Türk Telekom's Overall Capex/Sales Ratio (%)



## Türk Telekom's Fixed Line Investments (\$ bn)

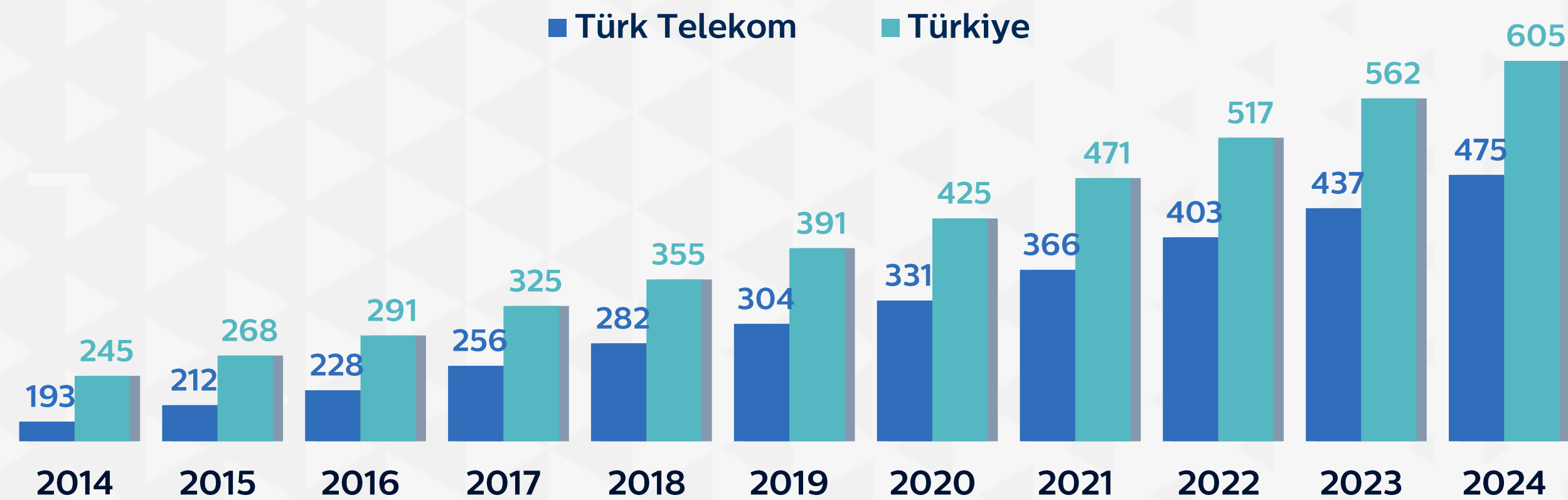




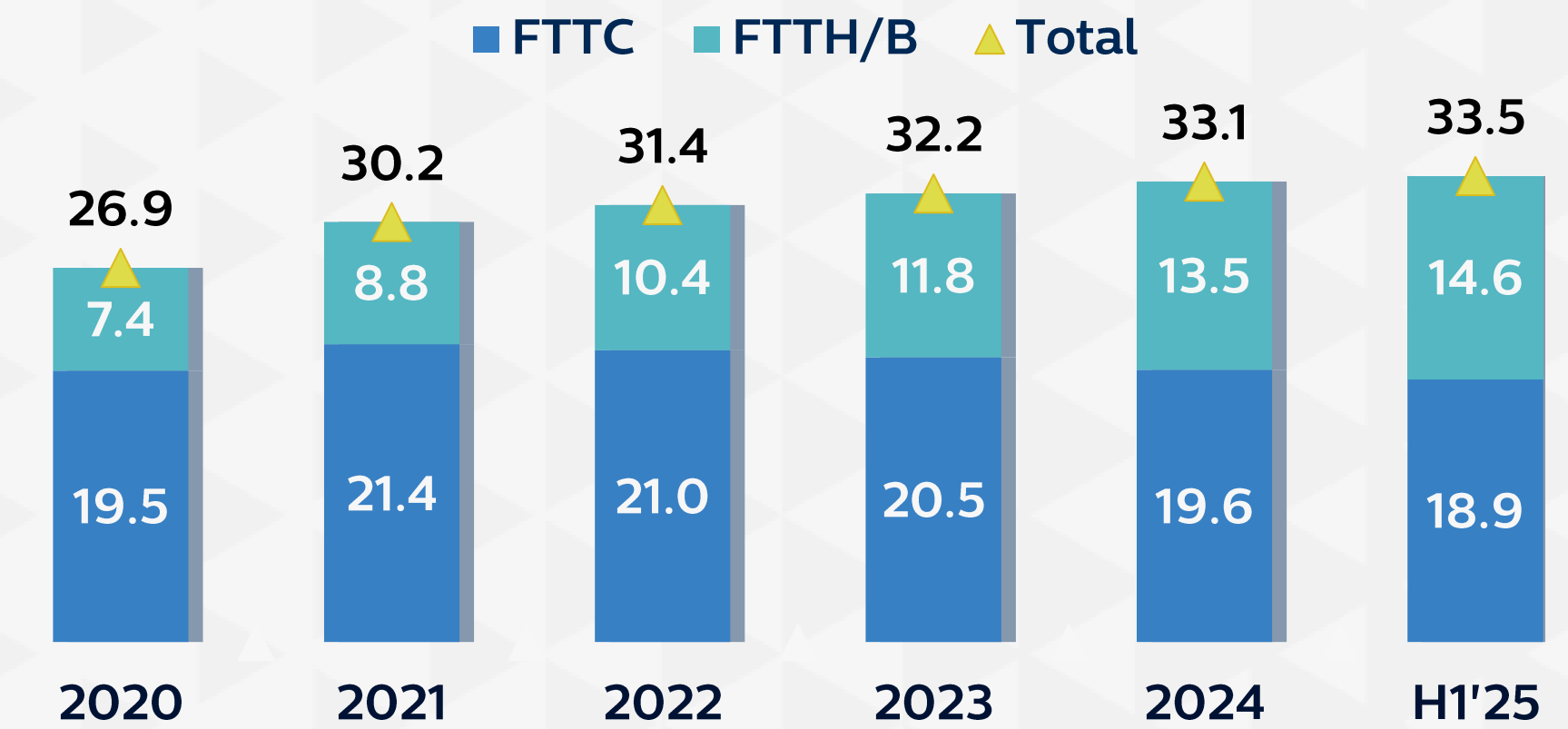
# Nationwide Fibre Expansion: Building Türkiye's Digital Backbone

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## Total Fibre ('000 km)

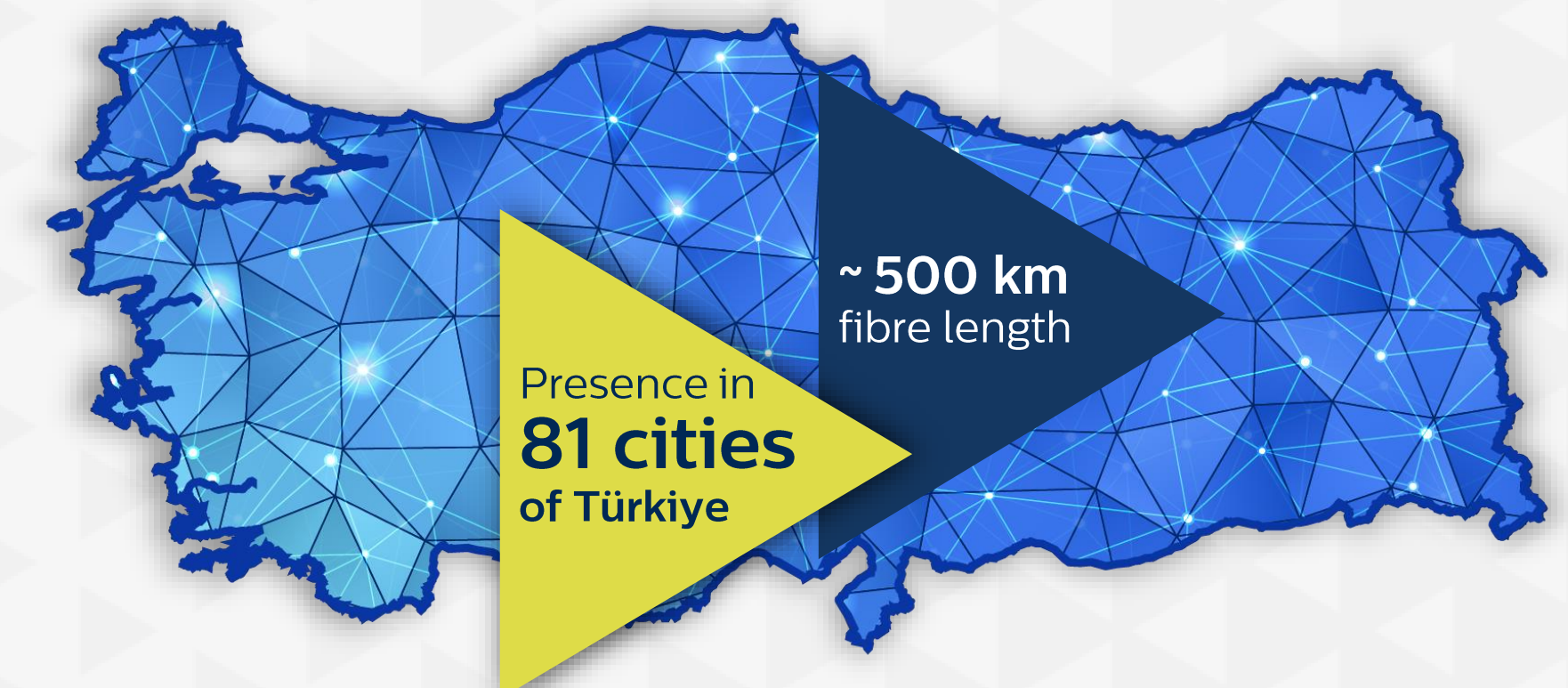


## Türk Telekom Fibre Homepass (million)



- ▶ A decade of fibre transformation: Türkiye's fibre length more than doubled.
- ▶ As of H1 2025, Türk Telekom alone operates almost 500k km fibre, ensuring presence in all 81 provinces

## Türk Telekom Fibre Network (as of H1 2025)

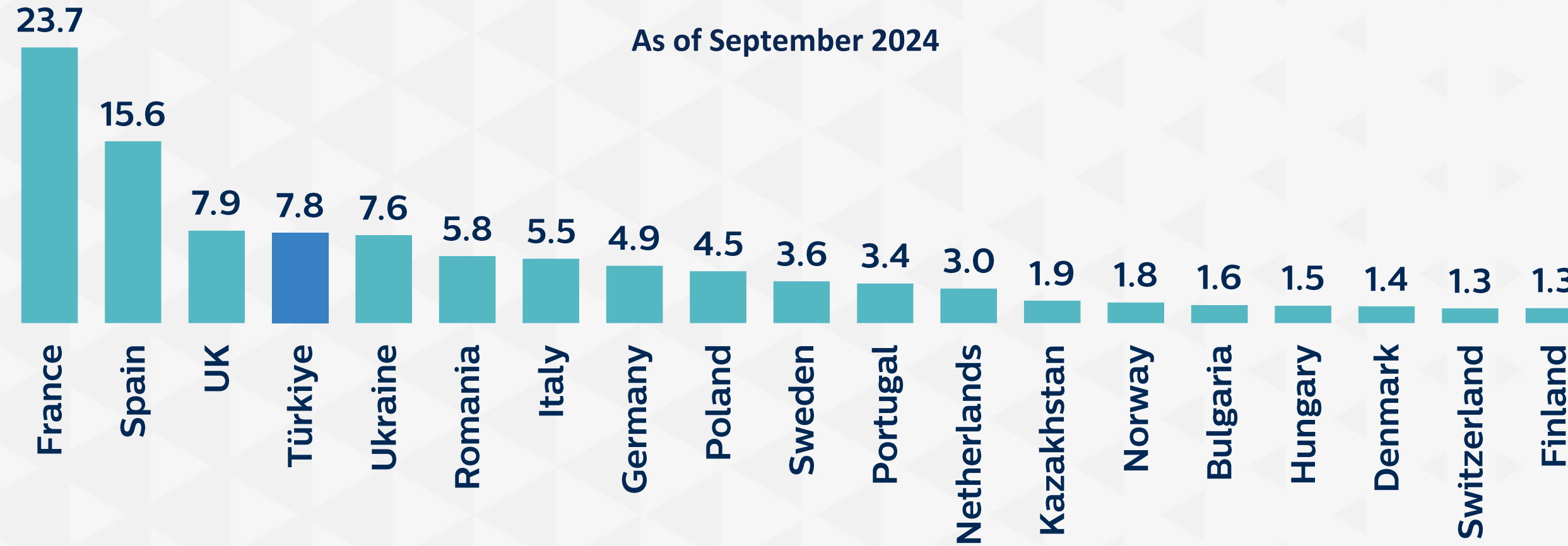




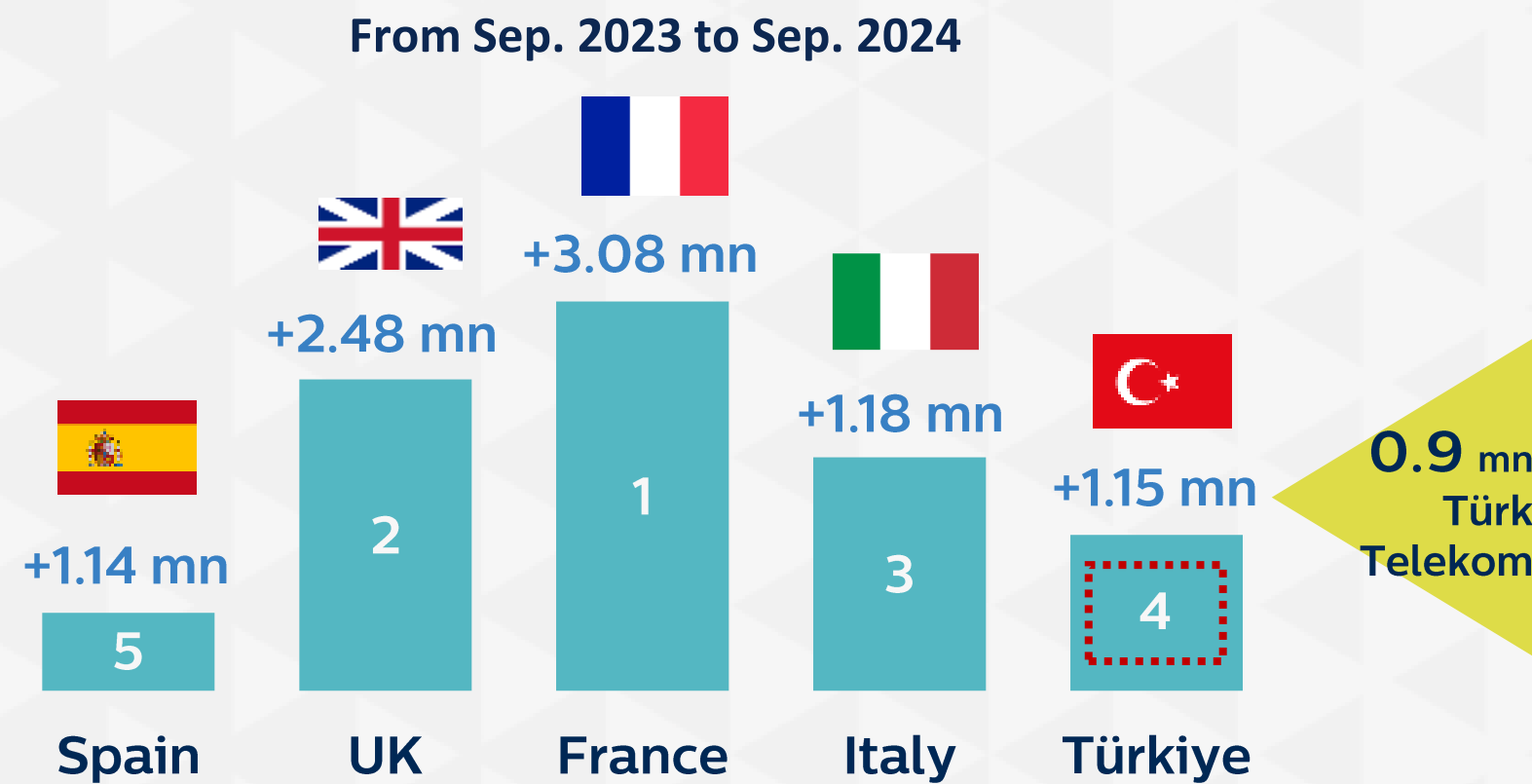
# Türk Telekom Powering Türkiye's Fibre Growth

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## EU39 FTTH/B Subscribers (million)

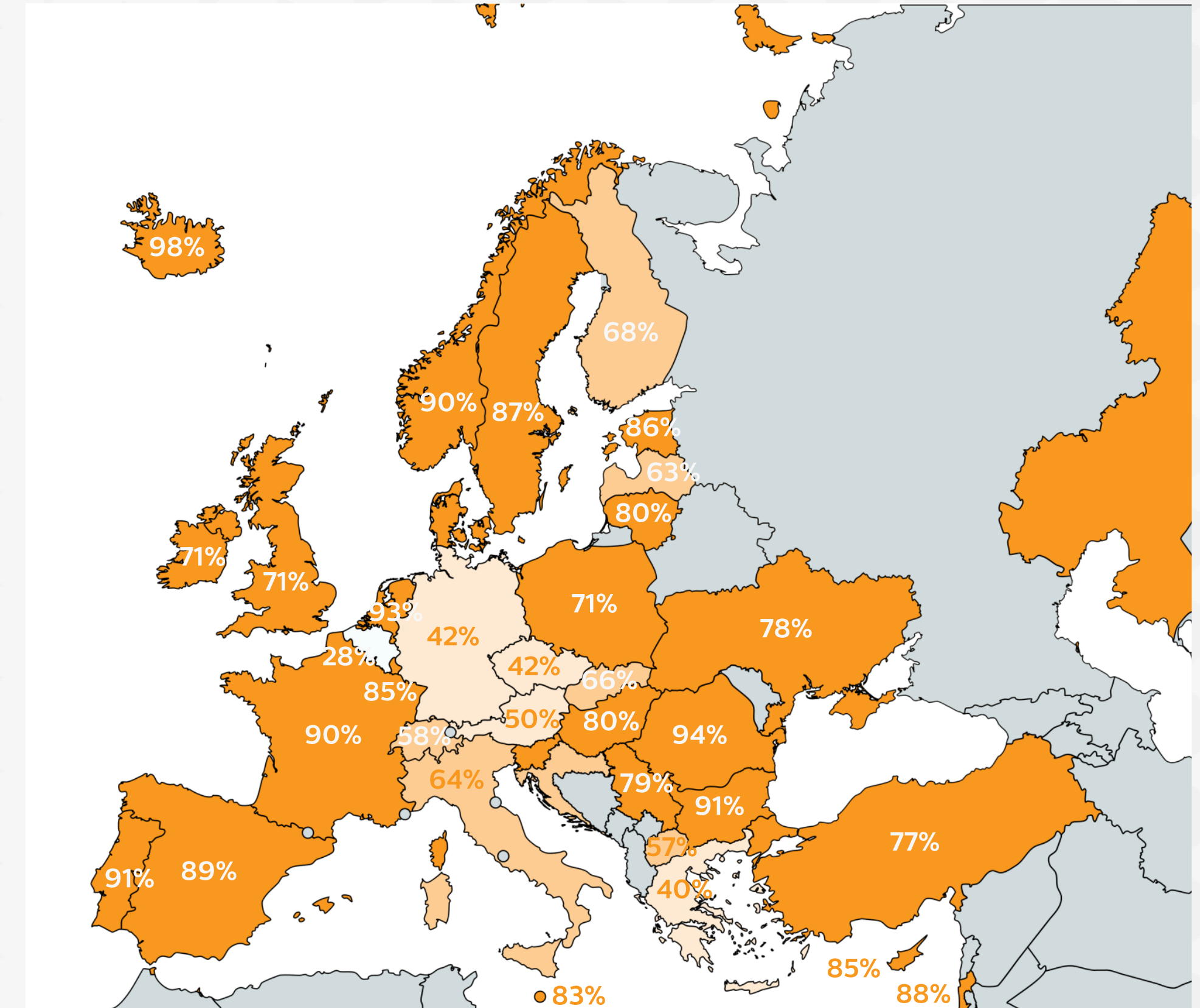


## 5 Fastest Growing Markets (FTTH/B Subscriber Additions)



With 0.9 million new FTTH/B subscriber additions, Türk Telekom has been the main force carrying Türkiye into Europe's 4<sup>th</sup> fastest growing markets

## EU39 FTTH/B Coverage Rate (%)



EU 27 + UK: 69.13%  
EU 39: 74.61%

Türkiye: 77%

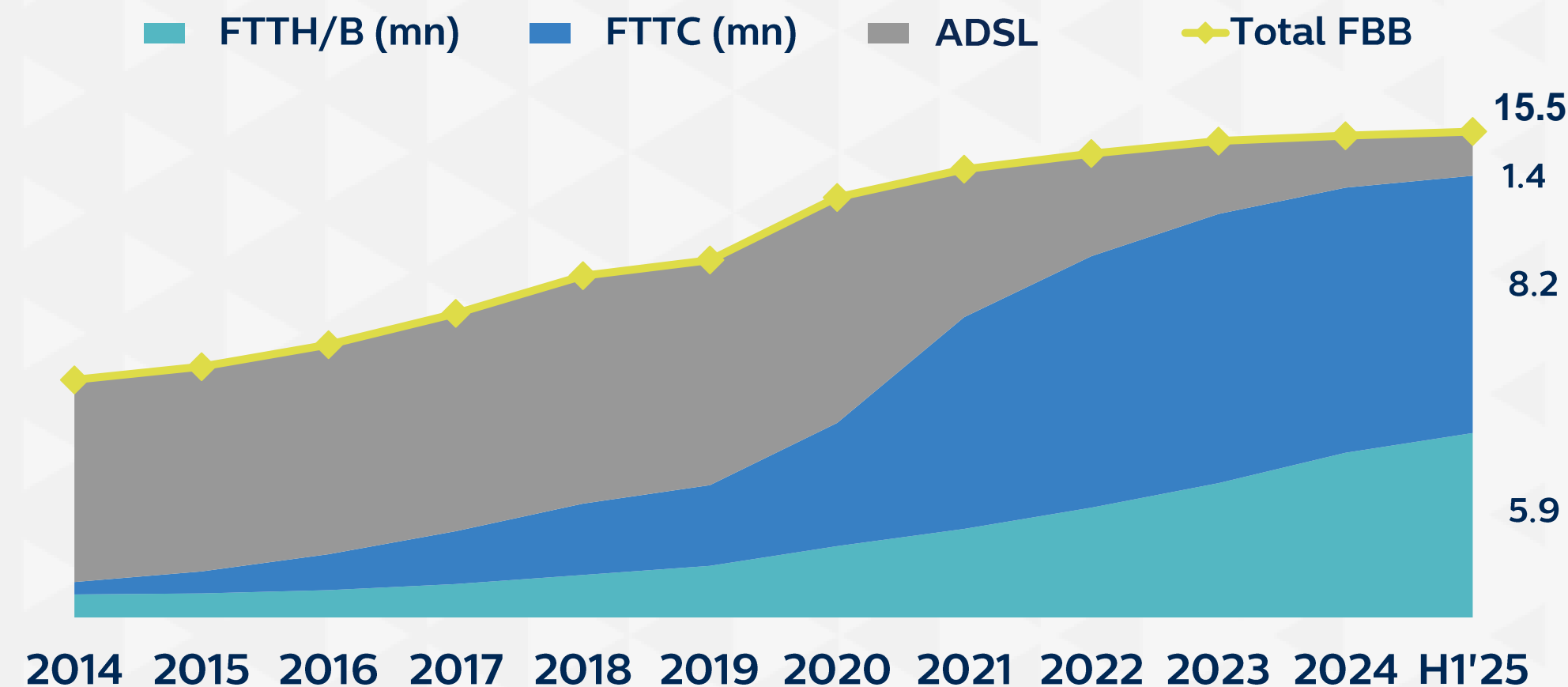


# Fibre Driven Progress:

More Homes, Higher Speeds, Improving Customer Experience, Healthy ARPU Evolution

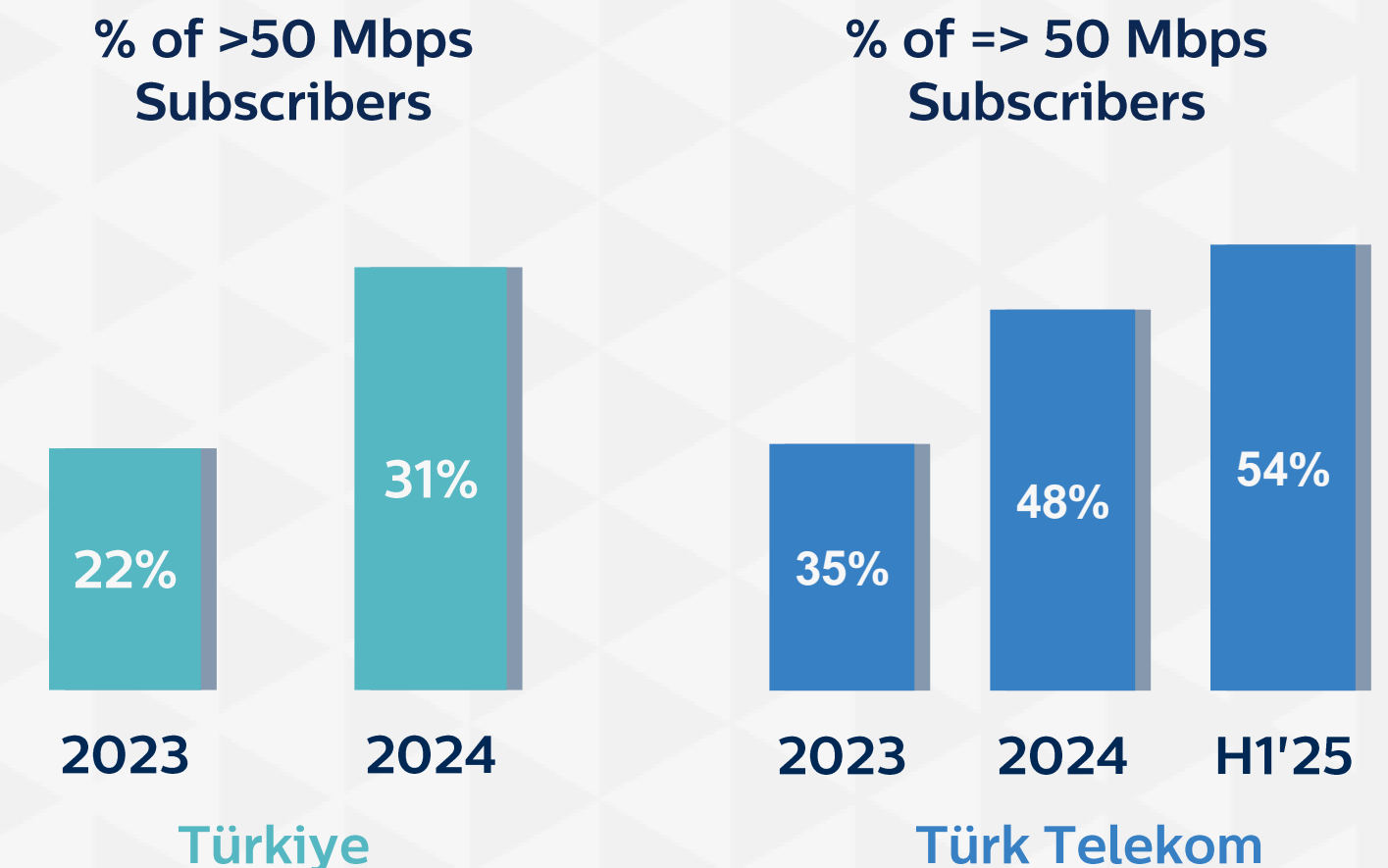
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## Türk Telekom FBB Subscribers (million)



- ▶ 9 out of 10 Türk Telekom subscribers are on fibre
- ▶ A meaningful pool of FTTC to be transformed into FTTH/B
- ▶ FTTH/B growing faster with brownfield and greenfield investments: 25% 2018-24 CAGR

## FBB Subscriber Package Breakdown



## FBB Churn Rate (%)



(1) includes FTTC & FTTH/B

33.5mn

Fibre homepass<sup>1</sup>

as of H1'25

## FBB Real ARPU Growth Rate (%)





# Fiberised Mobile Network: The Cornerstone of 5G

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## Ahead of Global Targets

Already surpassed worldwide 2030 projections in fibre-connected base stations



## 5G Ready Infrastructure

Dense fibre backbone ensures low latency & high capacity for next-gen mobile



## Sustainable Competitive Edge

Efficiency, quality of services, and monetisation opportunities

55%



**Fibre connected**  
LTE base stations

*Türk Telekom's early and extensive fibre investments will not only continue to transform FBB, but also unlock new opportunities in mobile, positioning us as a key player in 5G and future technologies.*





# Unlocking the Next Chapter



# A New Era Starts with Major Gains

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***Türk Telekom has successfully run a holistic process around the fixed line services concession agreement renewal and achieved major wins***



Opportunity to remain as the leading operator in fixed line services for the foreseeable future



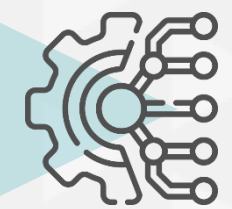
Continue to actively build and run an end-to-end fixed line telco ecosystem, operate in scale, and extract major cross-segmental synergies



End of duplicate infrastructure investments



Formulated wholesale pricing mechanism – through a separate regulation enacted by ICTA



Expand into new ventures in digital technologies, AI, IoT, data centres, cloud, big data, cyber security, and more

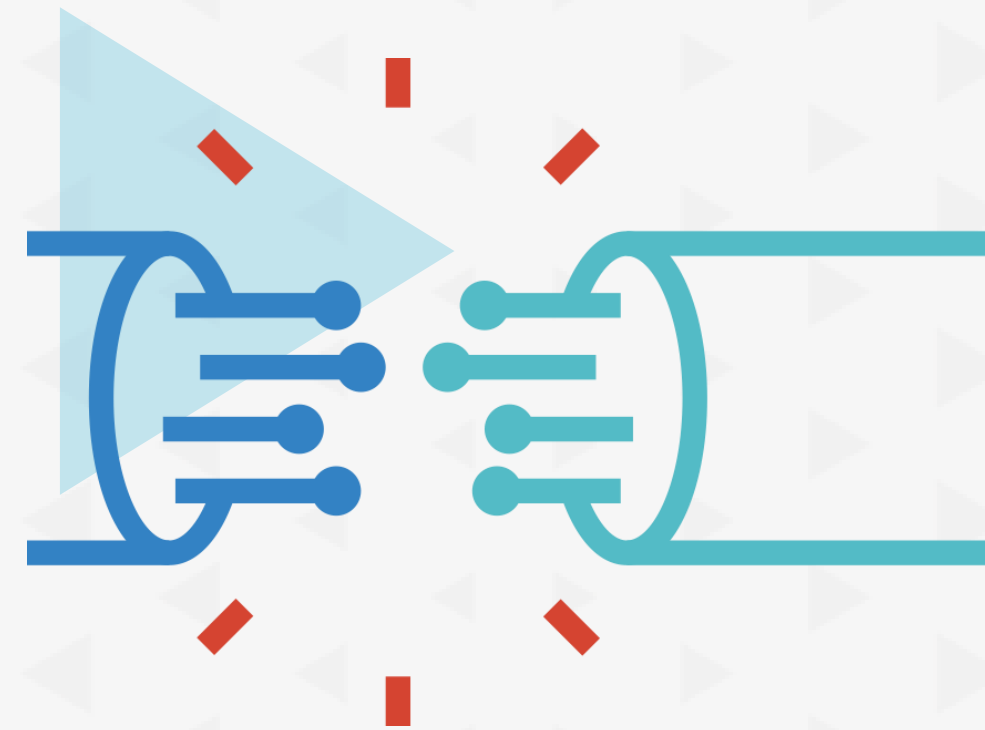
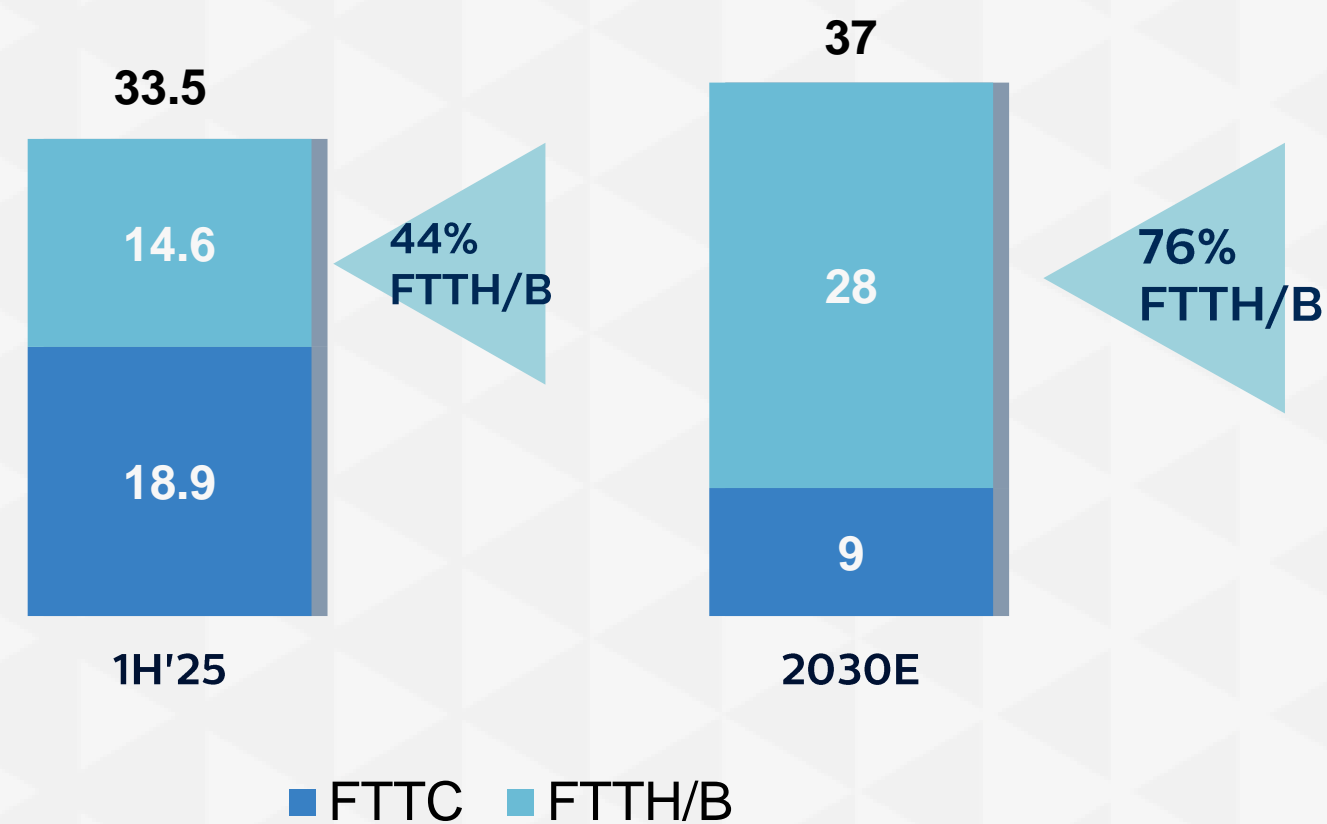


Maximise ROI through flexibility

# Targeting 2030: Faster, Broader, Stronger

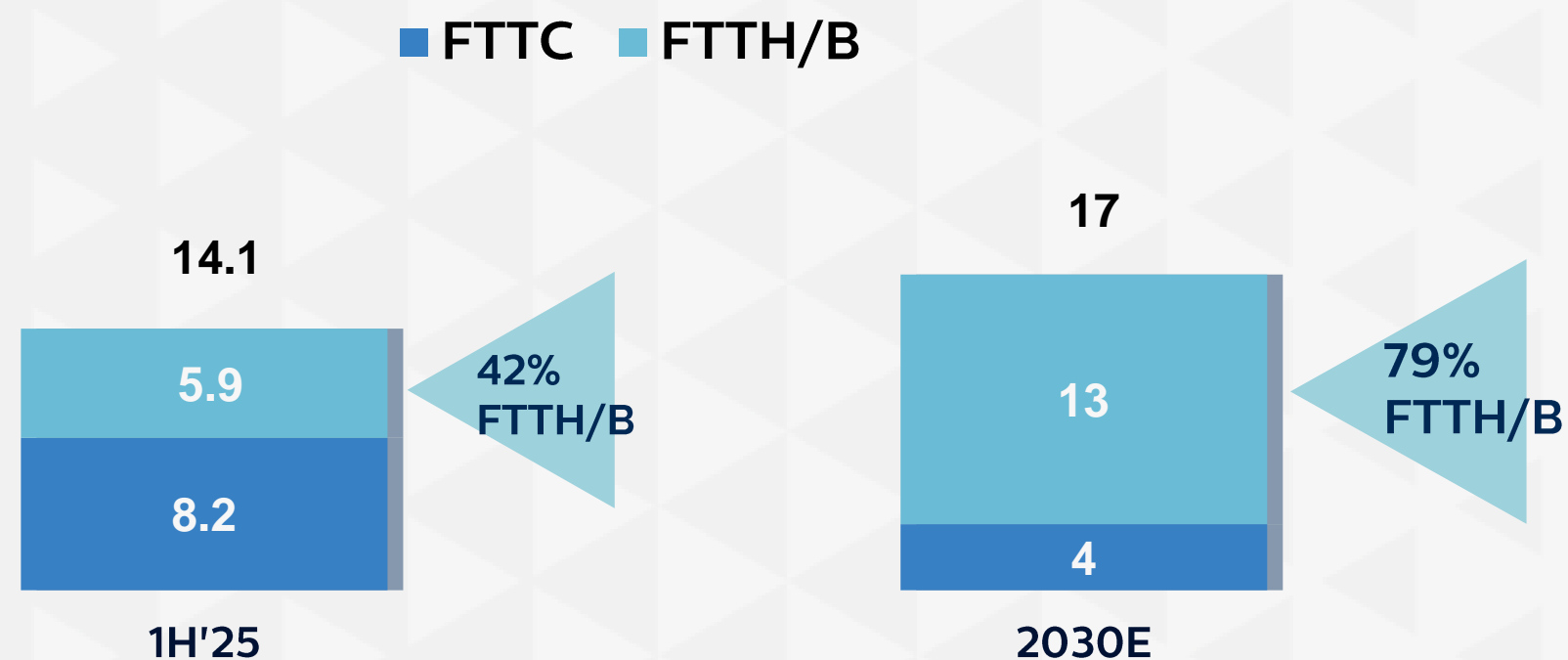
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## Fibre Homepass (million)

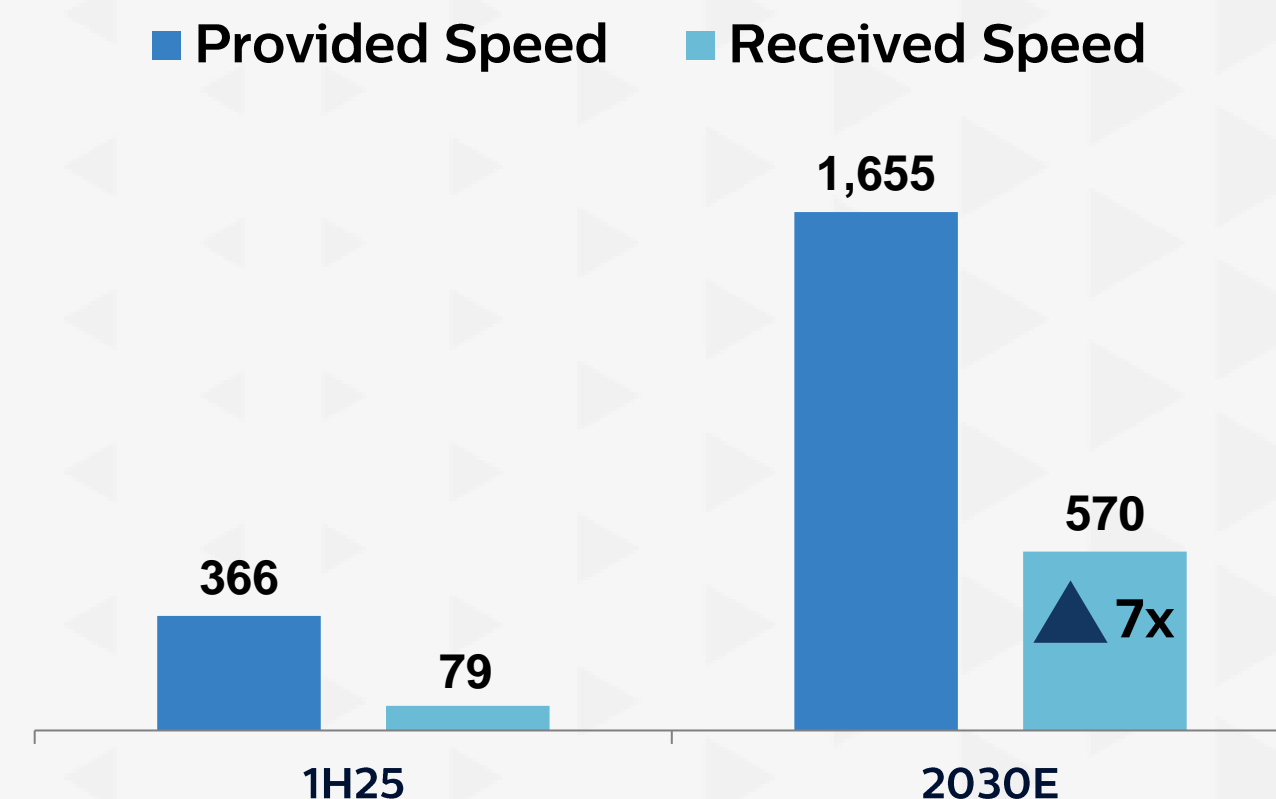


- ▶ The concession renewal and our fibre backbone give us the long-term visibility to generate sustainable growth

## Fibre Subscribers (million)



## FBB Subscribers' Average Speed (Mbps)



- ▶ Taking Türkiye's digital ecosystem to the next level: by 2030, we aim to deliver faster speeds, broader fibre coverage and serve more subscribers

E: Estimate

Note: The 2030 figures presented in this slide are not intended to constitute guidance. They present our estimates to give an indication of the potential scale of our transformation. These figures will not be subject to regular updates and should not be regarded as forward-looking guidance



# Fibre Investments: The Backbone of the Digital Ecosystem

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*Our fibre investments not only drive broadband growth, but also form the backbone of the digital ecosystem - virtual networks, data centres, cloud tech, cybersecurity, AI, IoT, etc*



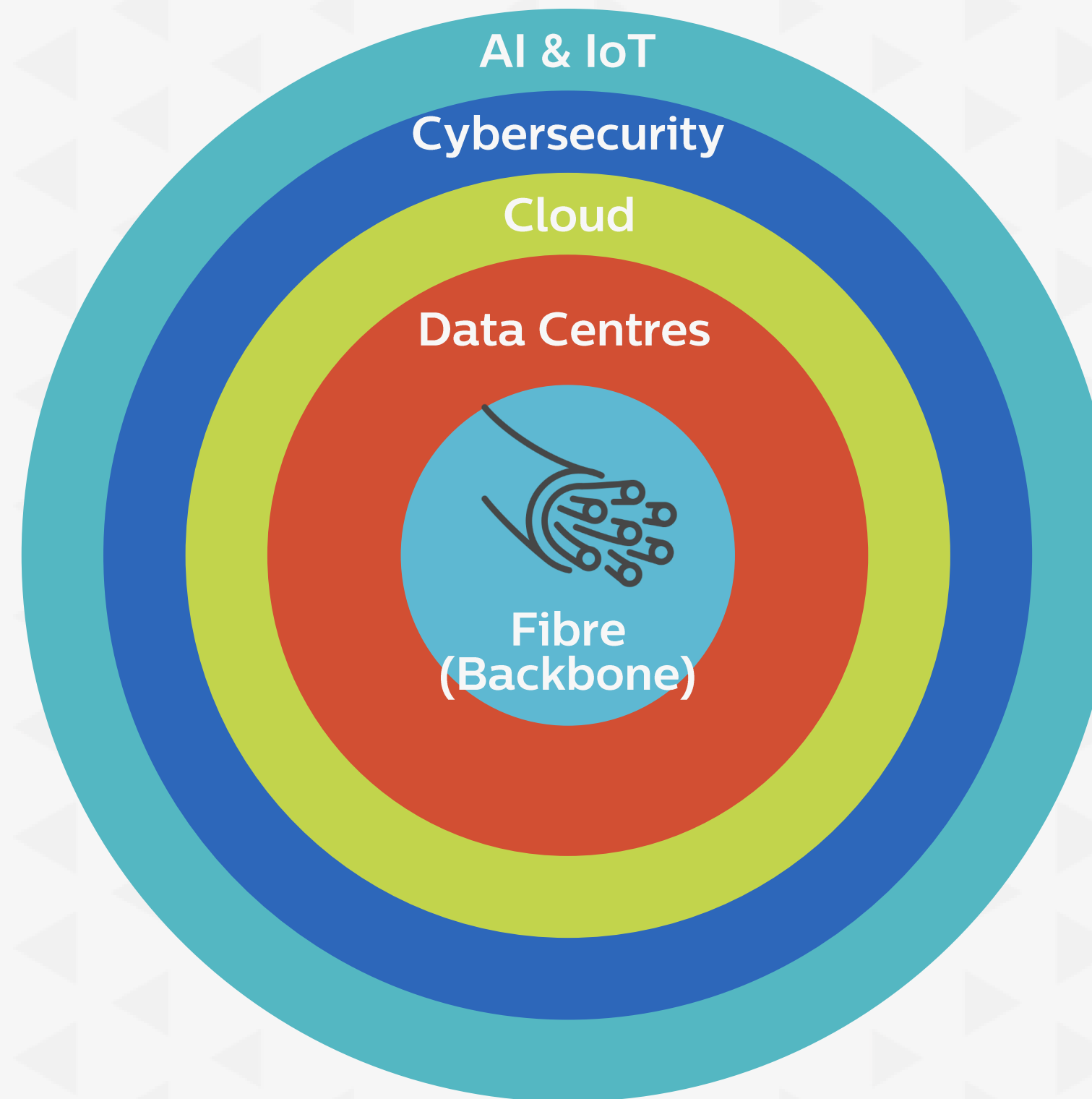
## Data Centres

- ▶ First Mover and 2nd largest capacity in Türkiye
- ▶ Competitive ARPU growth
- ▶ Strategically positioned to capture growing demand



## Cloud

- ▶ International Certifications
- ▶ Supporting enterprises' digital transformation journey



## Cybersecurity

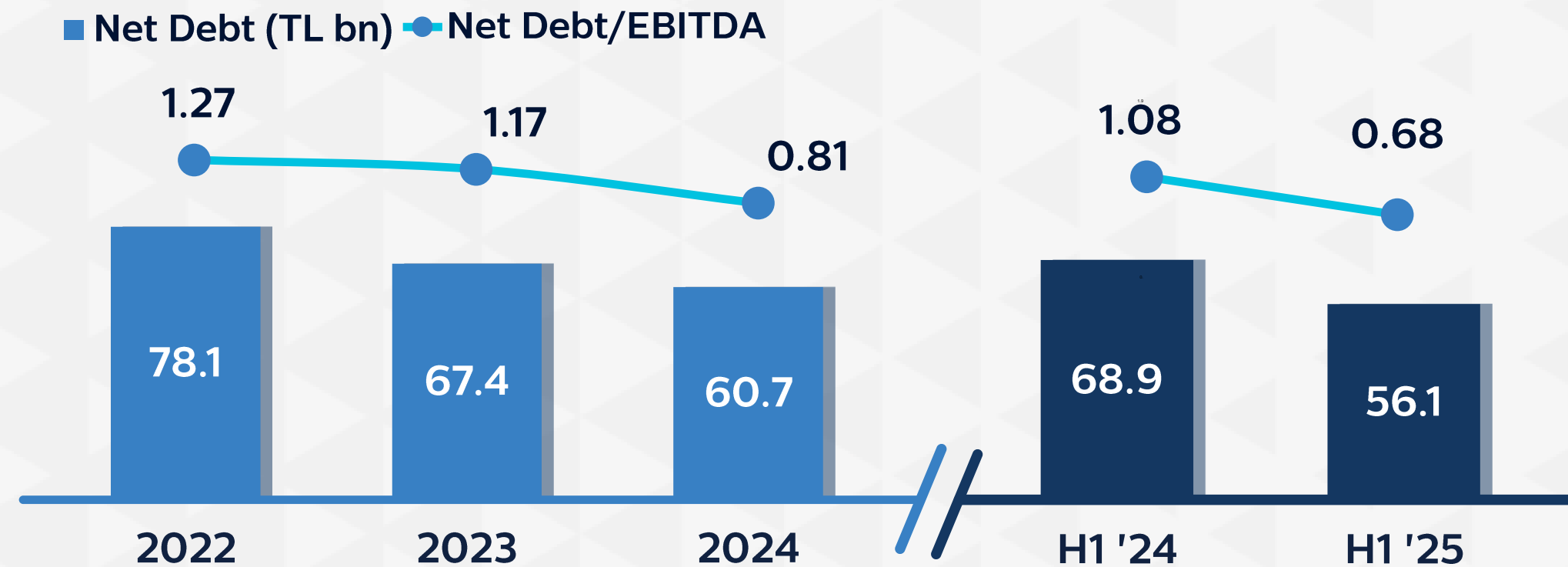
- ▶ Market leader for 5 consecutive years
- ▶ Largest capacity protection infrastructure
- ▶ Broadest cybersecurity portfolio in Türkiye

*As the sole owner and operator of Türkiye's fixed line infrastructure, Türk Telekom is strongly positioned to capture high growth opportunities in the coming years*

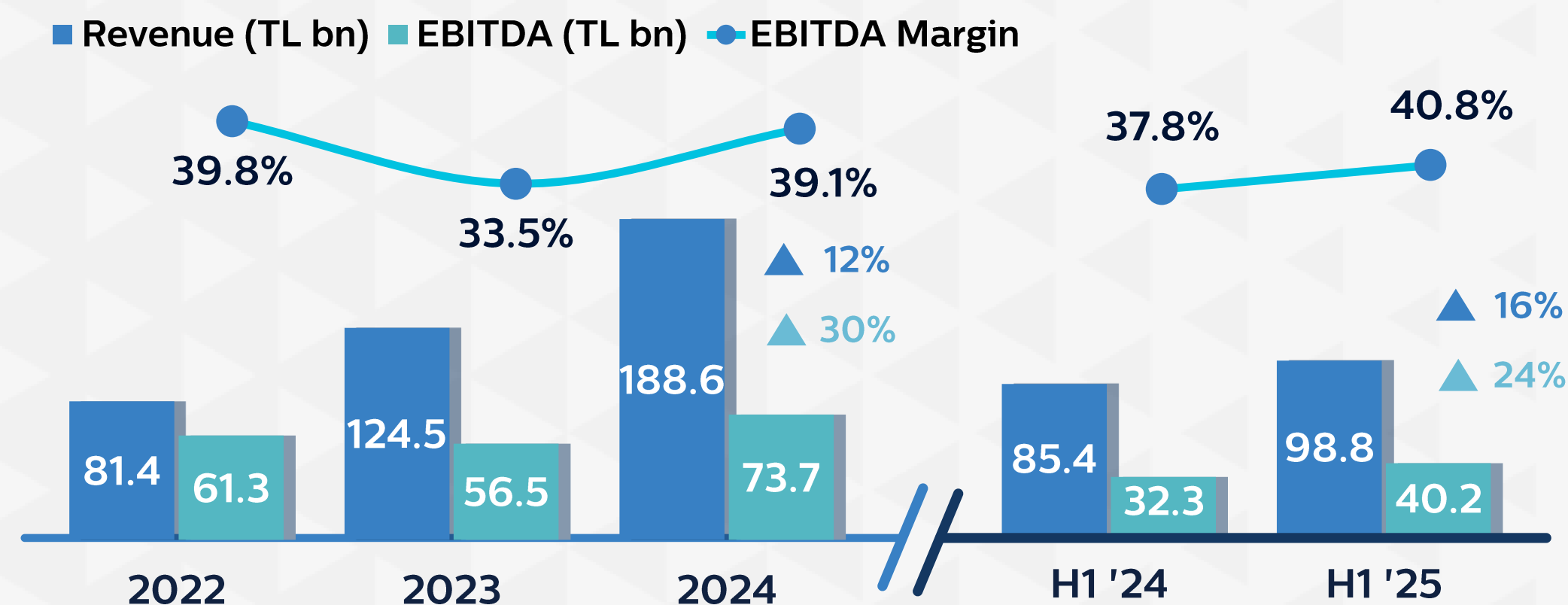
# Strong Financial Position, Broad Funding Flexibility

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## Continued Deleveraging



## Robust Operational Performance



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.

### ► Healthy financials

Solid revenue and EBITDA growth supporting cash generation

Net Debt/EBITDA maintained at conservative levels

Comfortable headroom

### ► Diversified Funding Sources

Debt issuances (in the form of sukuk, green or sustainable)

ECA loans, bilateral credit facilities

### ► Robust appetite for Turk Telekom credit driven by execution and performance

Strong access to both domestic and international capital markets

Financing strategy aligned with long-term growth and sustainability



# Türk Telekom Investor Relations



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