

2022 Q3 Investor Presentation



Disclaimer

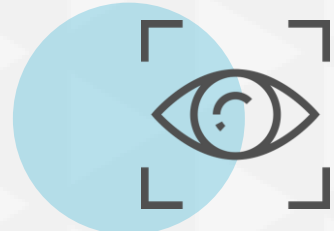







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Note: EBITDA is a non-GAAP financial measure. The EBITDA definition used in this investor presentation includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses 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).

Agenda

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Overview



Türk Telekom Highlights

5



Leading
Operator in Turkey
Integrated telecom
services

Serving

52.8mn
Subscribers



99%
LTE

Population coverage

44%

Fibre connected
LTE base stations



389k km
Fibre network in
81 cities



31.1mn

Fibre homepass*

* includes FTTC & FTTH/B

2nd

player

in Pay TV market

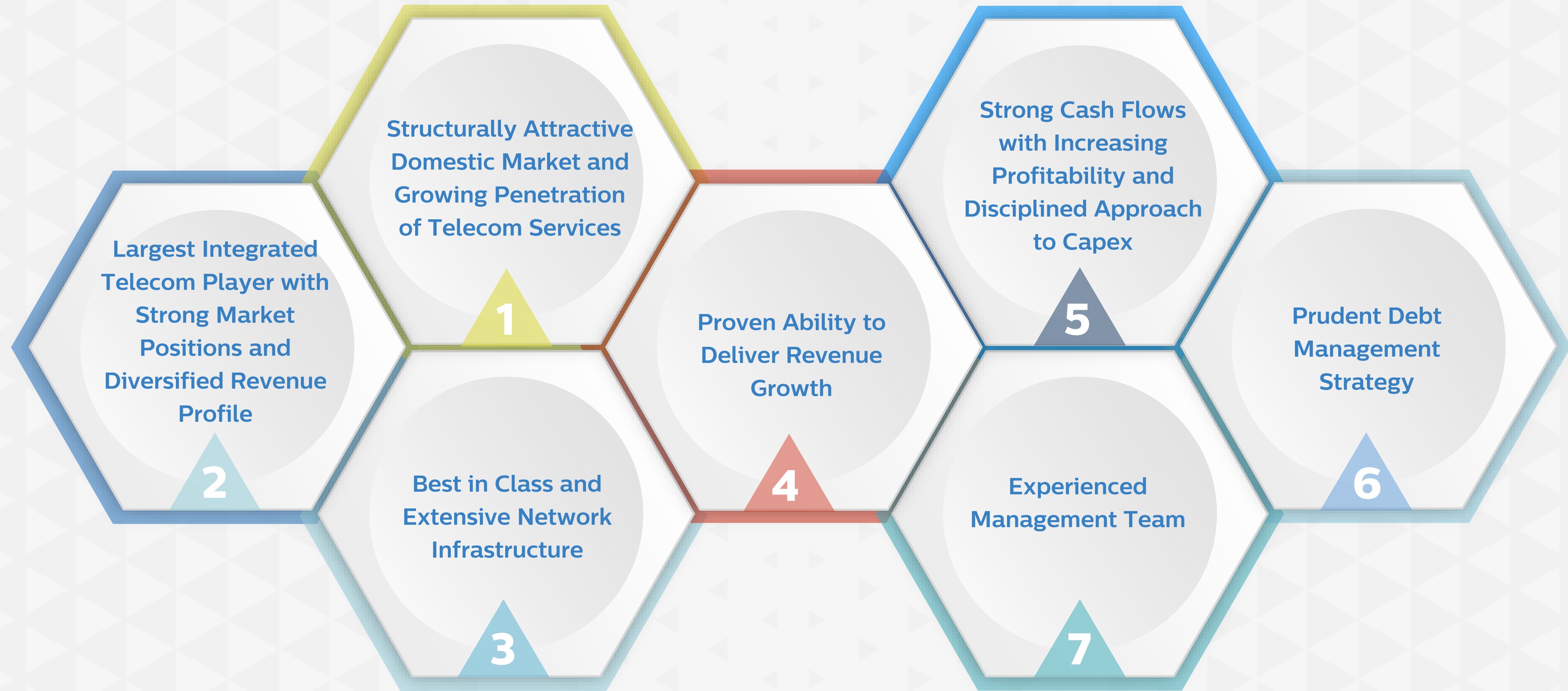


38,953

Number of employees

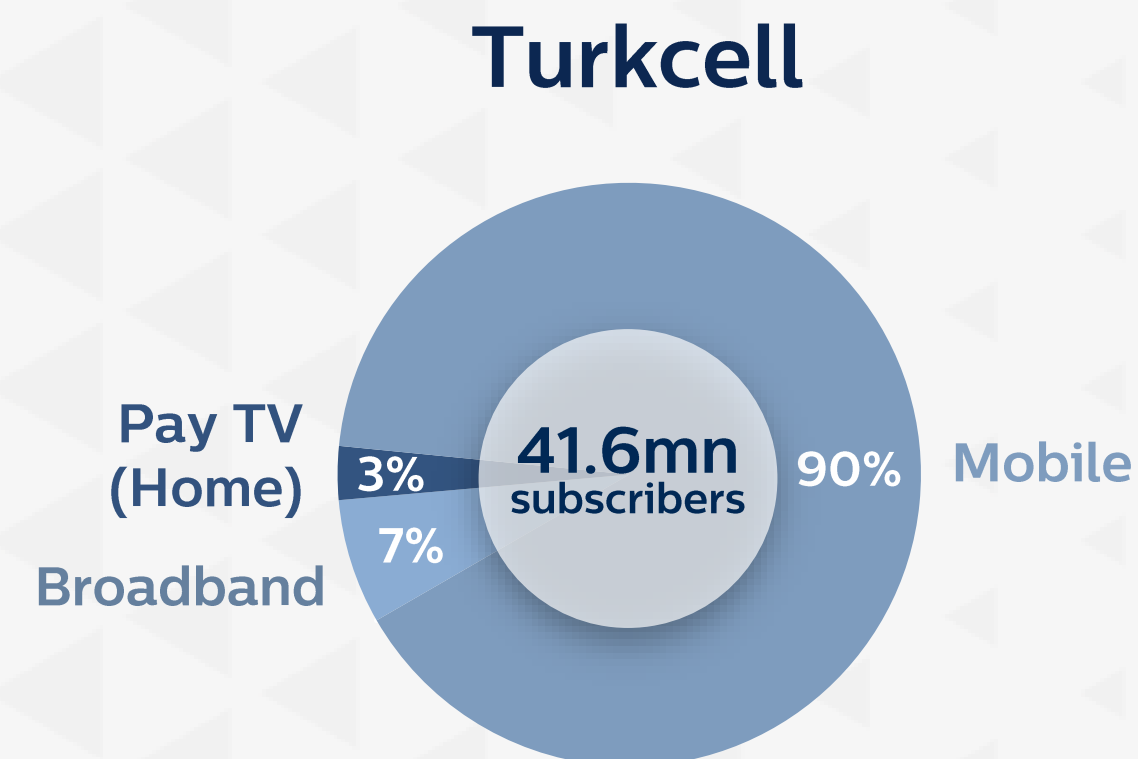
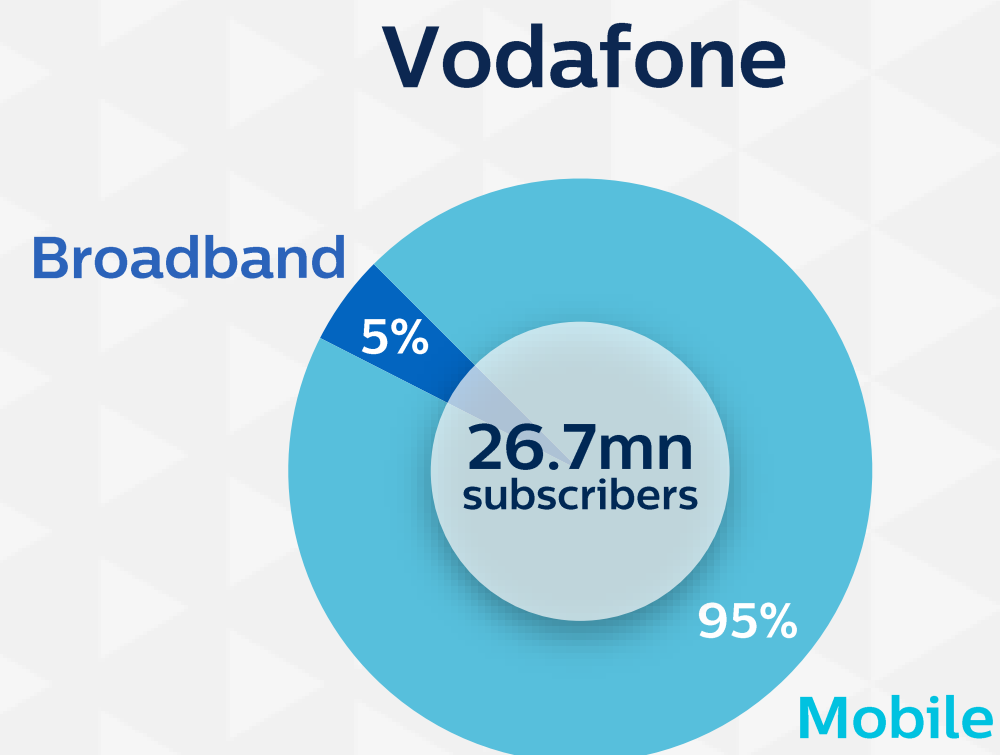
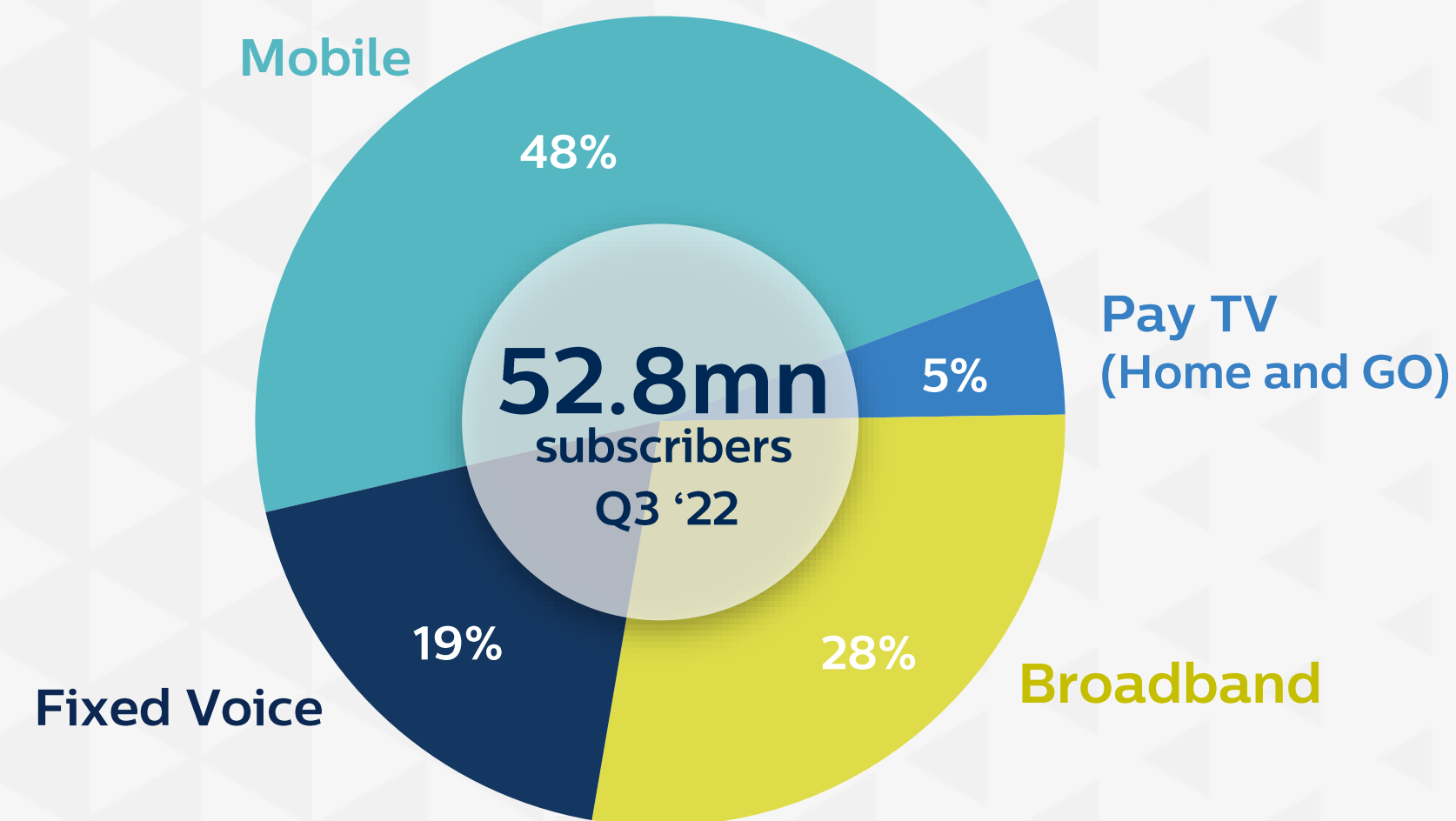
Creating More Value

6



Diversified Portfolio & Strong Market Position

Diversified Subscriber Base



Turkcell and Vodafone data are from their own publications as of Q3'22.



Mobile
#3
25.3 mn
subs



Broadband
#1
14.8 mn
subs



Fixed Voice
#1
9.9 mn
subs



Pay TV
(Home and GO)
#2
2.9 mn
subs

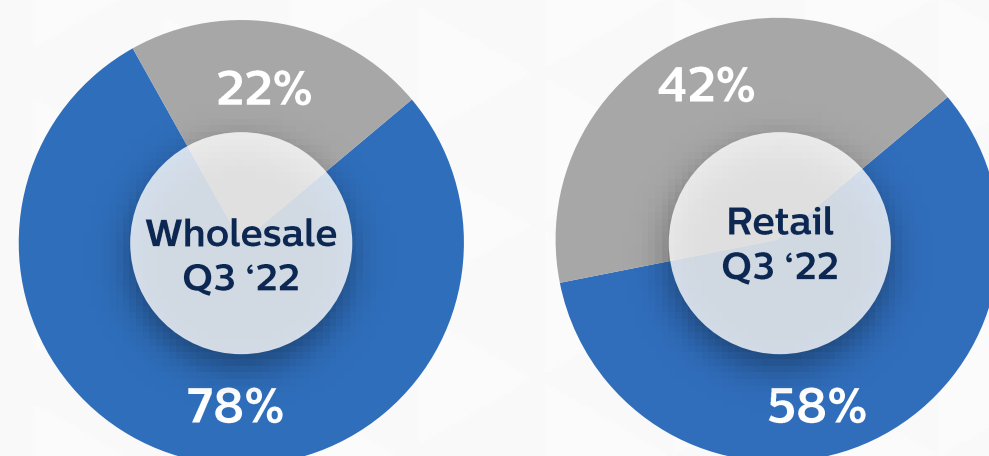
Market share ranks are from the Q3 '22 ICTA report.

Built on Solid Foundations

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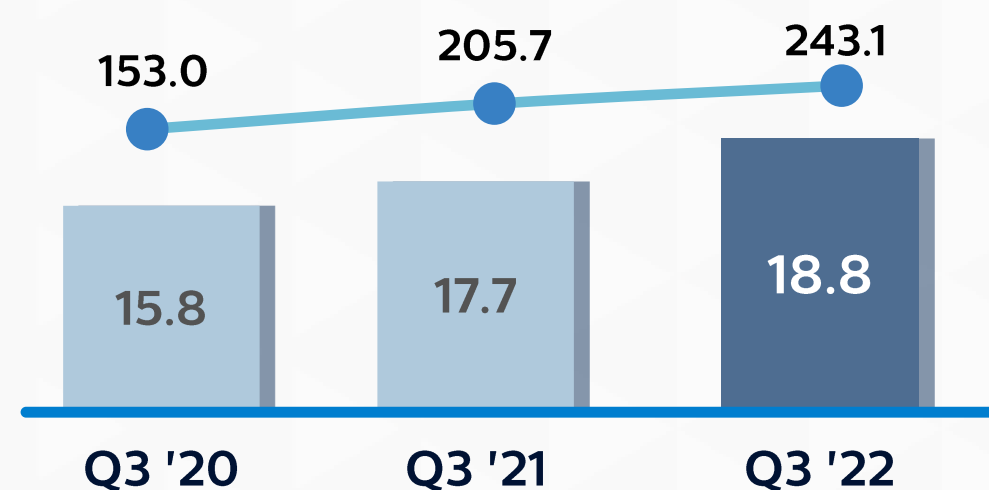
Fixed Broadband (market share)

■ Türk Telekom ■ Other



Subscribers* & Avg. Monthly Data Usage

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



Household penetration in Europe

80%

Household penetration in Turkey

74%

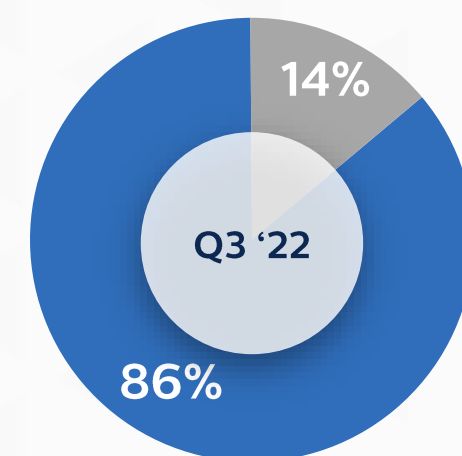
Average household size in Turkey

3.2 People

* Dial-up and other methods are included

Fixed Voice (market share)

■ Türk Telekom ■ Other



Total Subscribers

■ Total subscribers (mn)

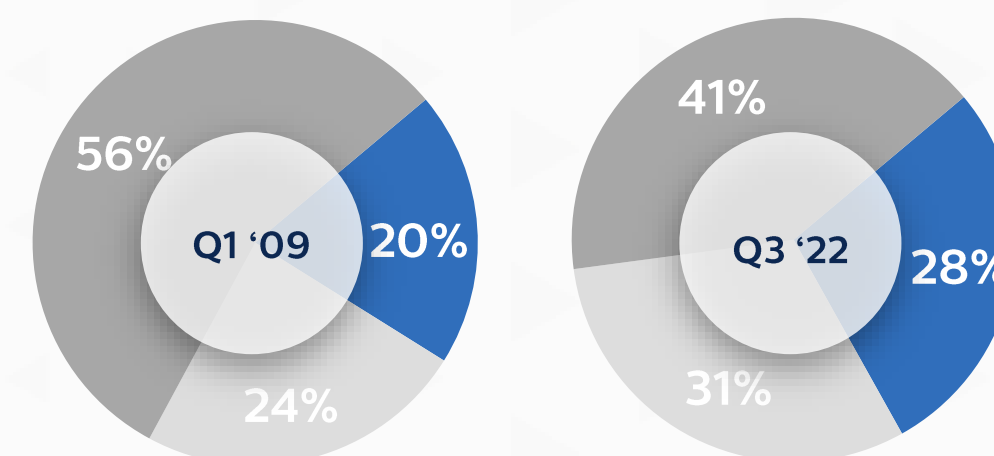


Population penetration in Turkey

14%

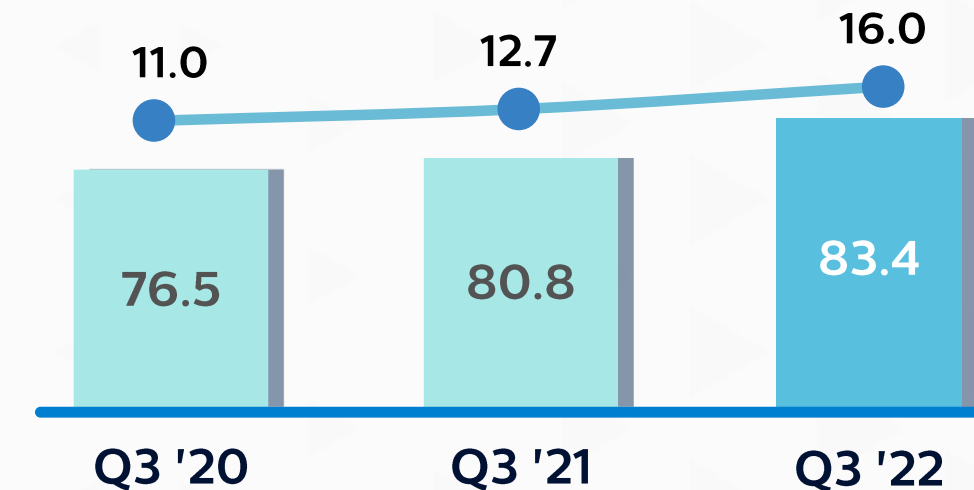
Mobile (market share)

■ 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

134%

Population penetration in Turkey

107%

Mobile broadband population penetration in Europe

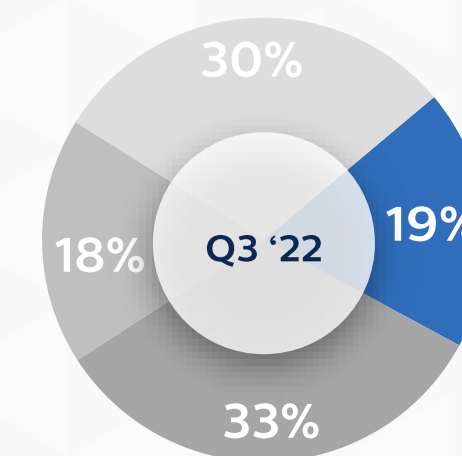
125%

Mobile broadband population penetration in Turkey

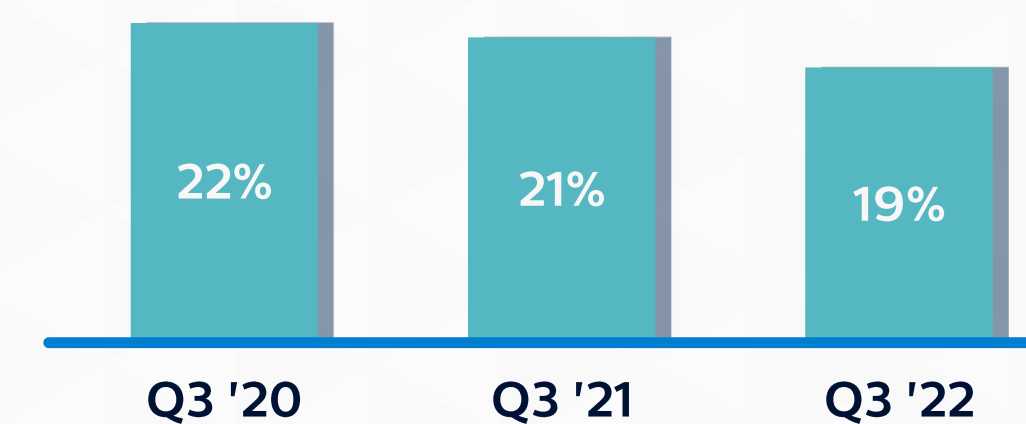
86%

Pay TV (Home and GO) (market share)*

■ Türk Telekom ■ Digiturk ■ Cable ■ Other



Tivibu Home Subscriber Market Share



Household penetration in Europe

87%

Household penetration in Turkey*

31%

* ICTA does not share the number of pay TV subscribers of companies that offer satellite platform services after Q1 '22. Calculations for these companies are based on the "number of users".

Fixed broadband and Pay TV Turkey household penetration is 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.

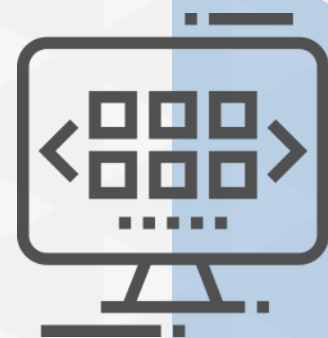
Source: Analysys Mason, ICTA



2022 Q3 Highlights

Net Subscriber Additions

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Broadband

214K

Q3 '22

718K

LTM



Mobile

682K

Q3 '22

1.4mn

LTM



Fixed Voice

-274K

Q3 '22

-660K

LTM

52.8mn

Subscribers

Net
additions*

609K

in Q3 '22

1.4mn

LTM

* Includes Tivibu



Financial & Operational Overview

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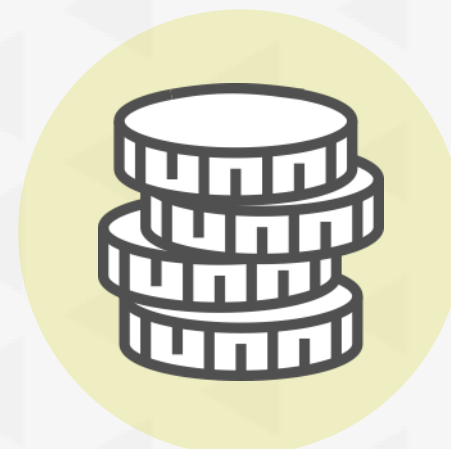
2022 Q3 Highlights



Total Subscribers

52.8 mn

▲ 3% YoY



Revenue

TL 12.6 bn

▲ 45% YoY



EBITDA

TL 5.0 bn

▲ 17% YoY



EBITDA Margin

40.1%

▼ 950bps YoY



Net Income

TL 1.2 bn

▼ 43% YoY



Free Cash Flow

TL 2.2 bn

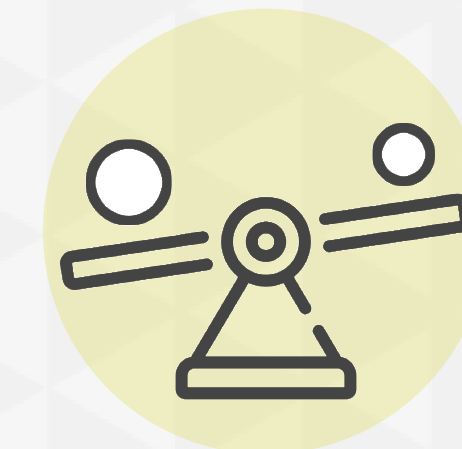
▼ 11% YoY



CAPEX

TL 3.1 bn

▲ 89% YoY



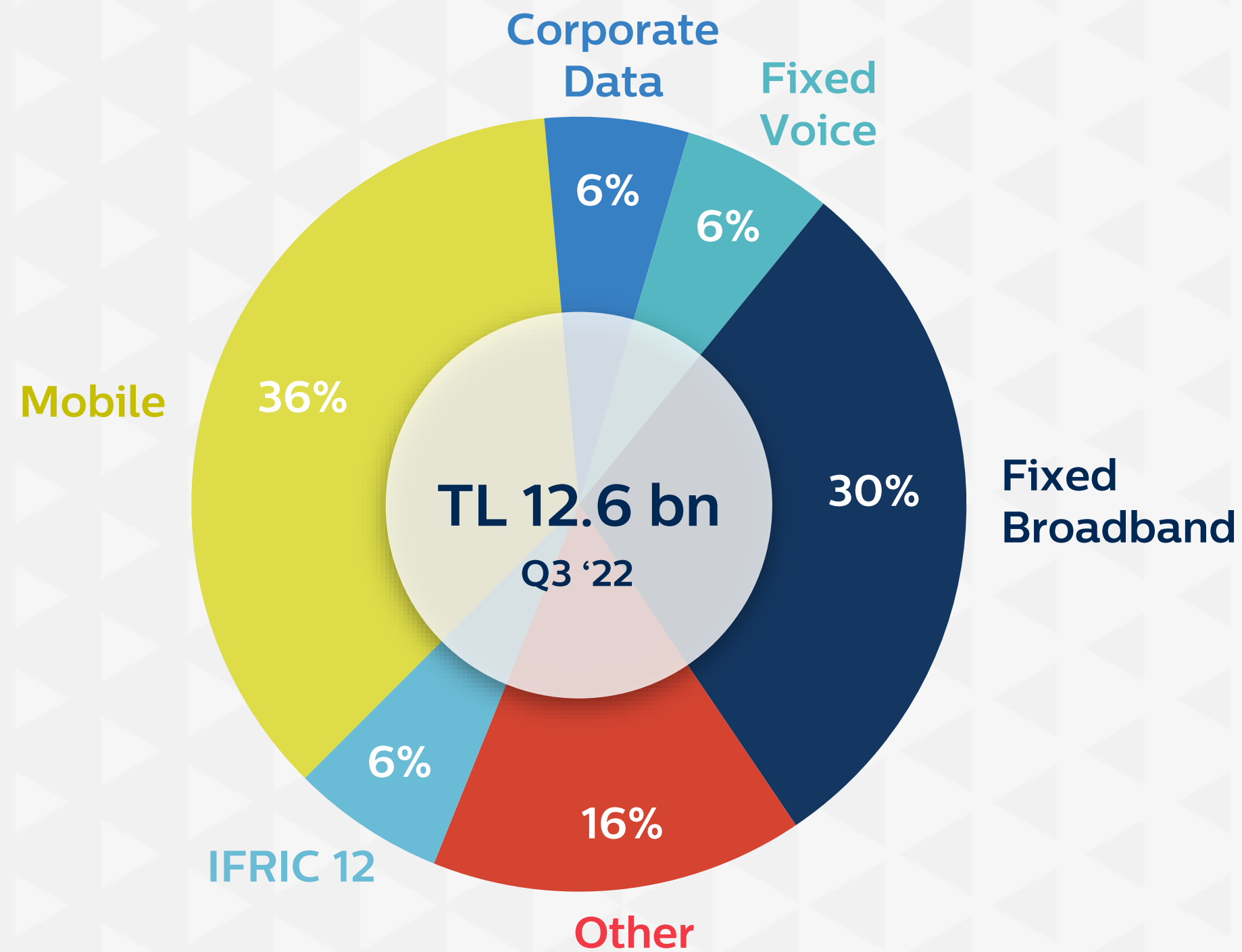
Net Leverage

1.54x

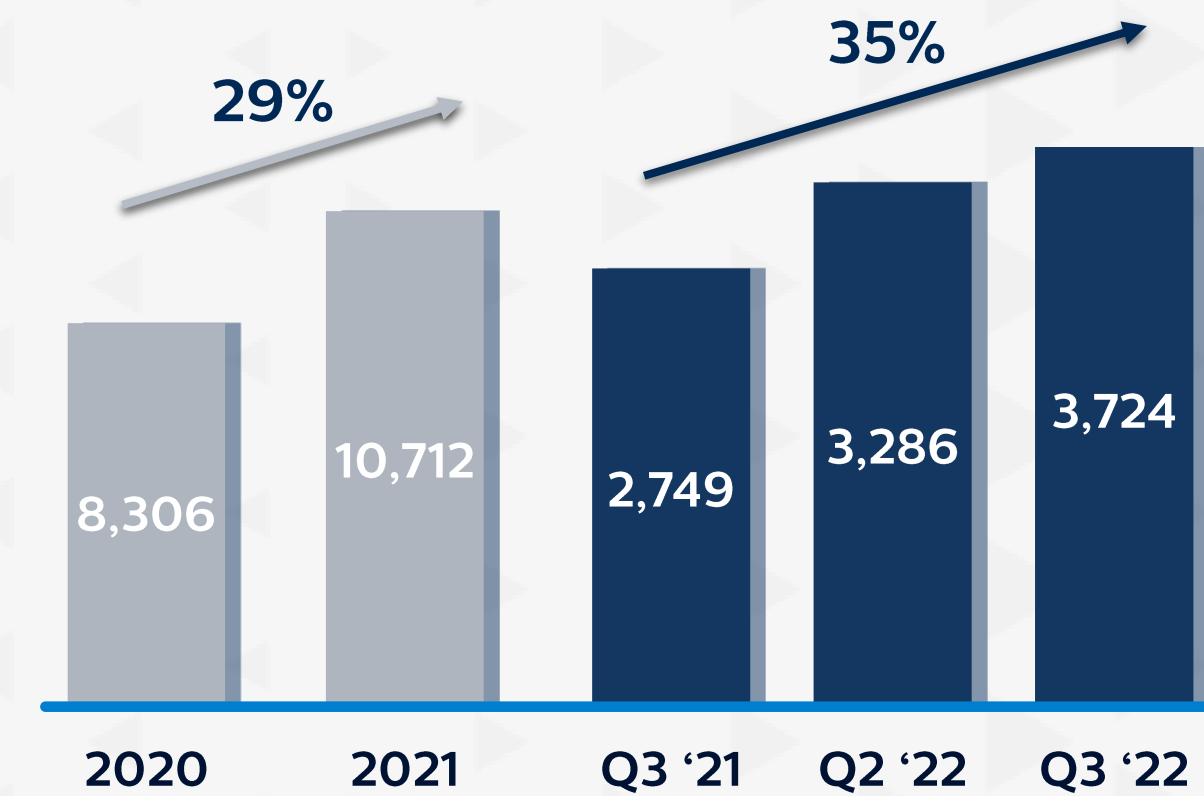
Q3 '21 0.96x

High Growth Areas

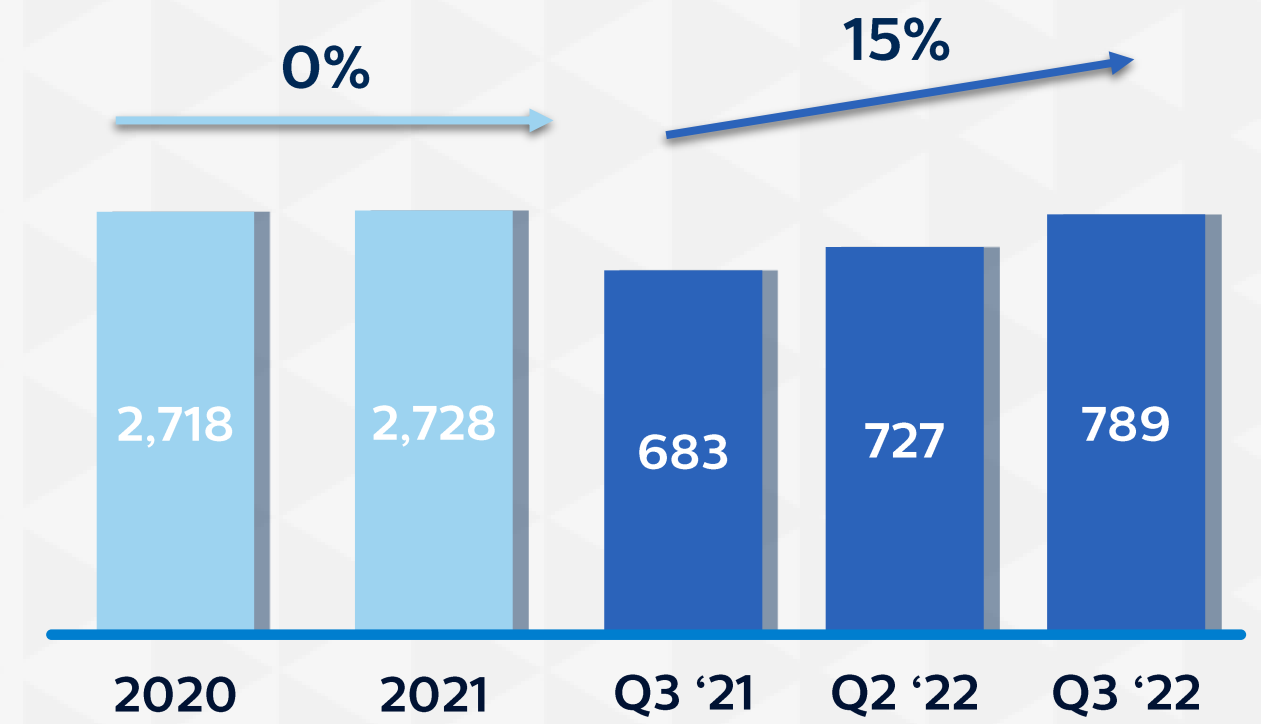
Q3 '22 Revenue Breakdown (% of Consolidated Revenue)



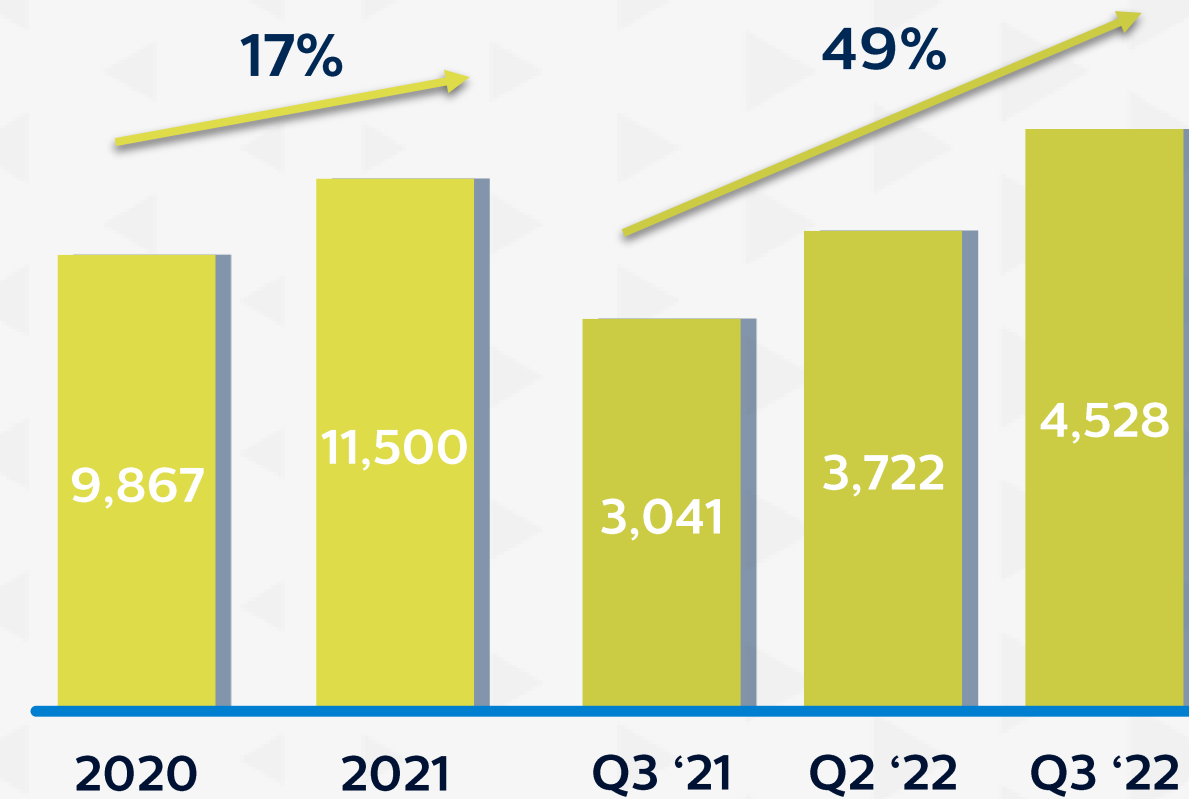
Fixed Broadband (TL mn)



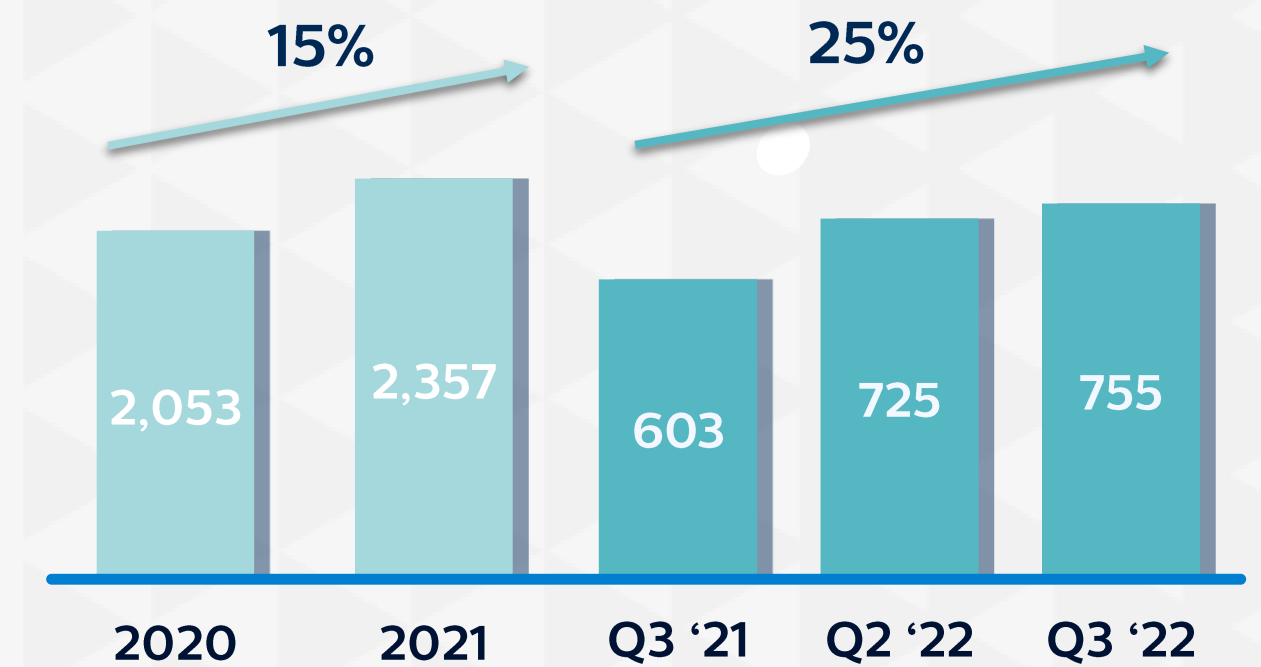
Fixed Voice (TL mn)



Mobile (TL mn)



Corporate Data (TL mn)

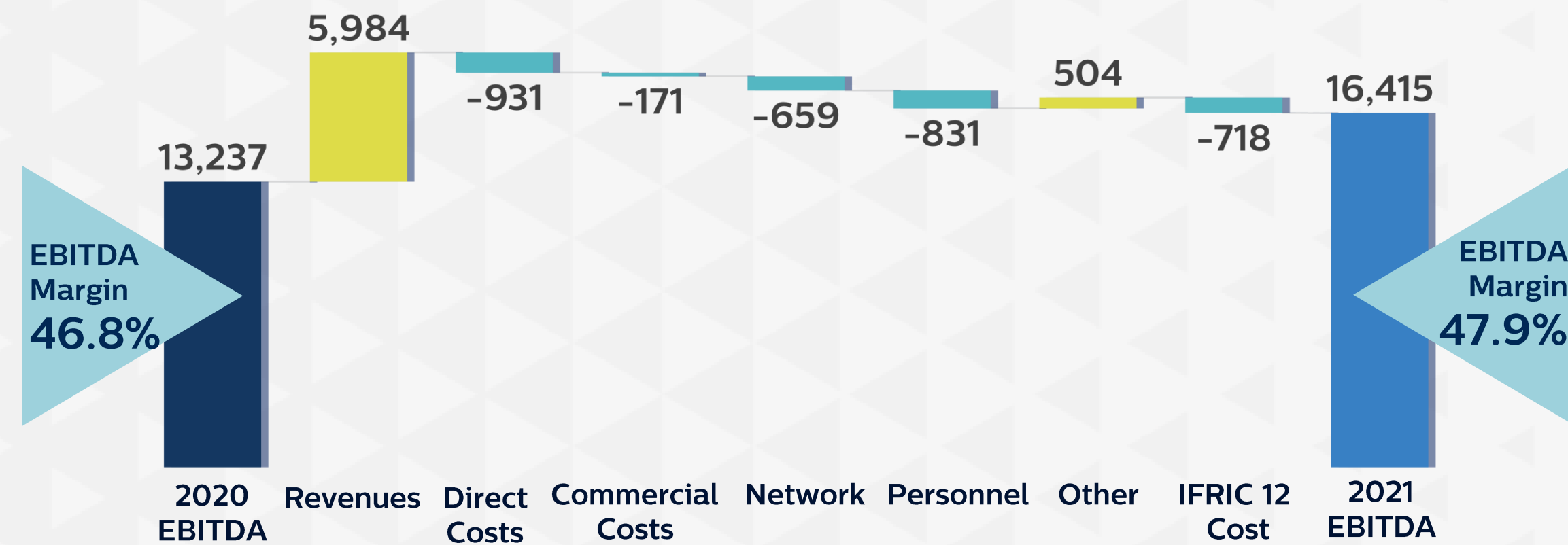
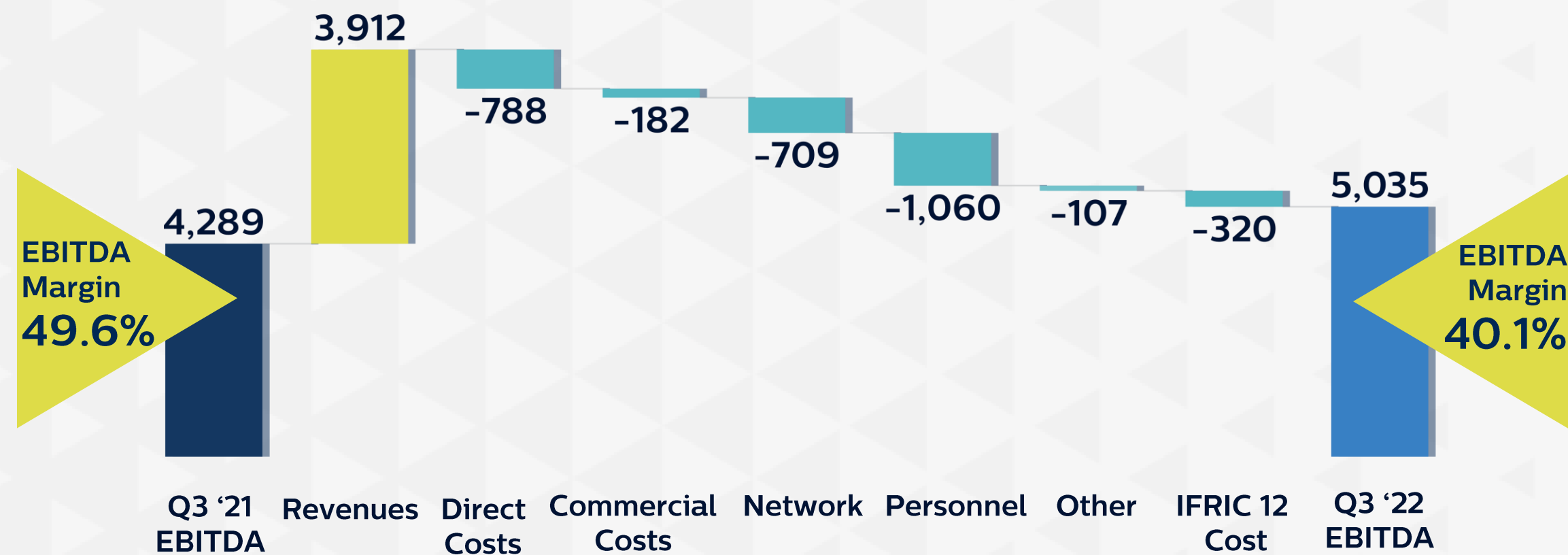


Proactive Margin Management

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Consolidated EBITDA Development

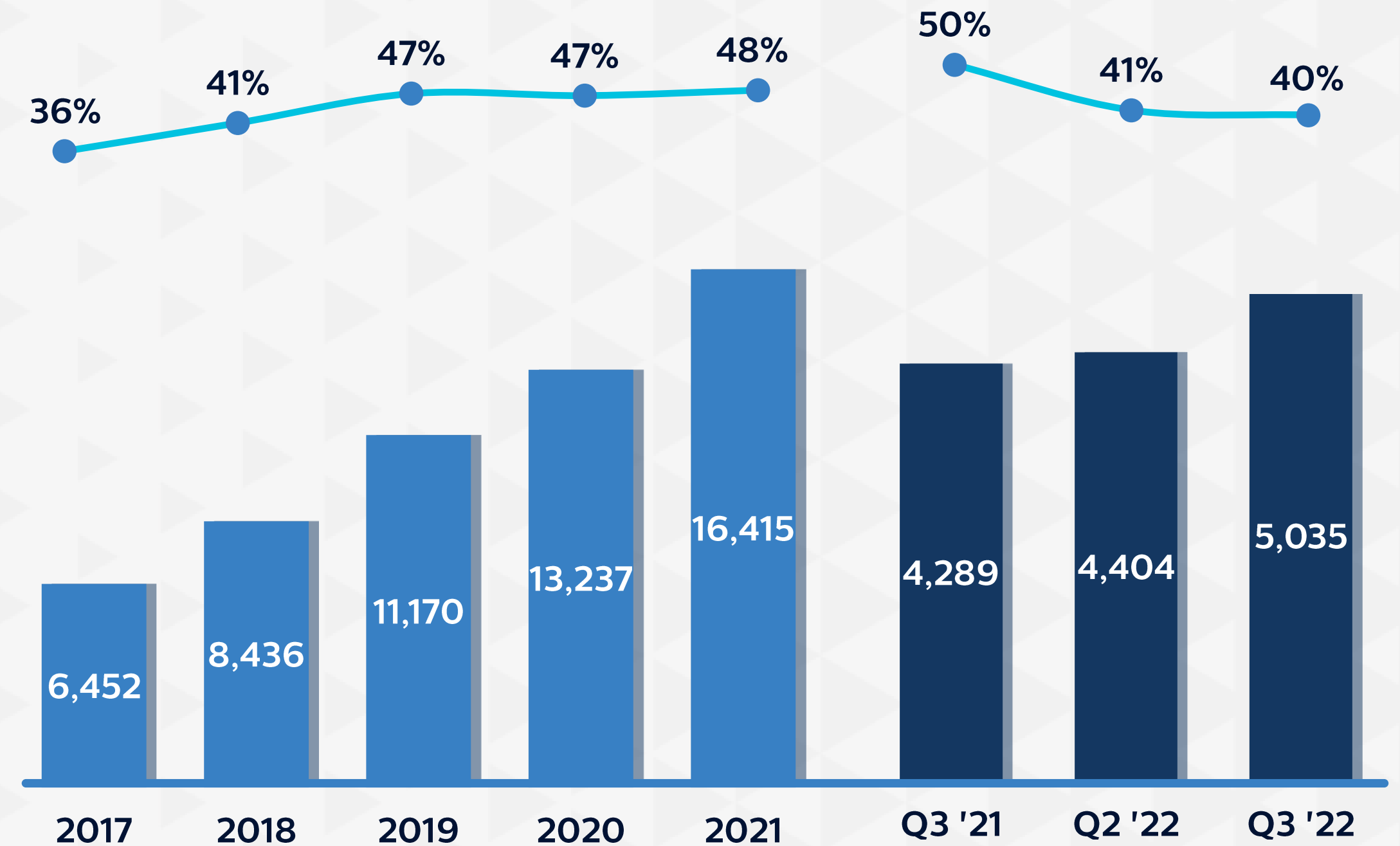
(TL mn)



EBITDA & EBITDA Margin

(TL mn)

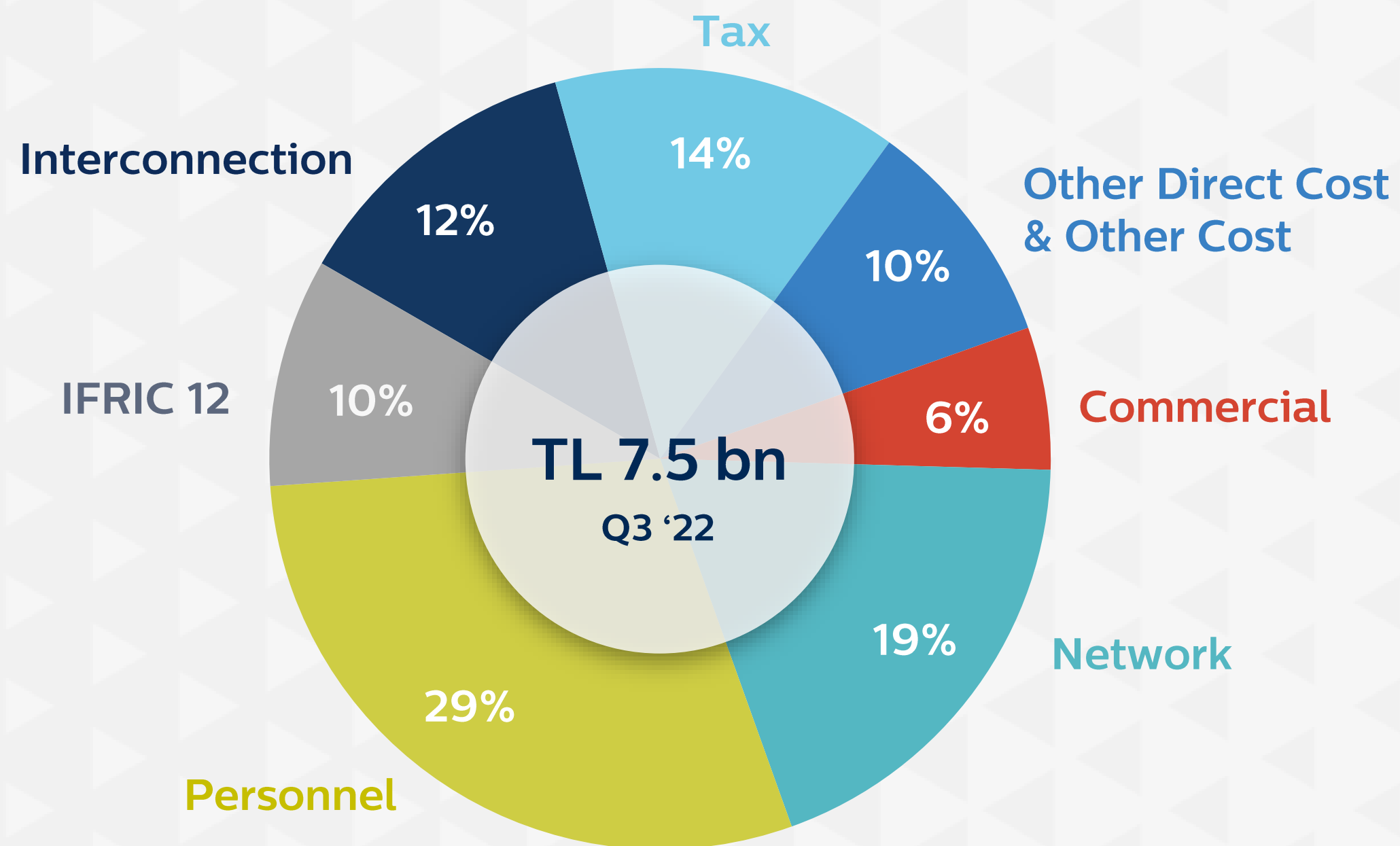
■ EBITDA (TL mn) ● EBITDA Margin



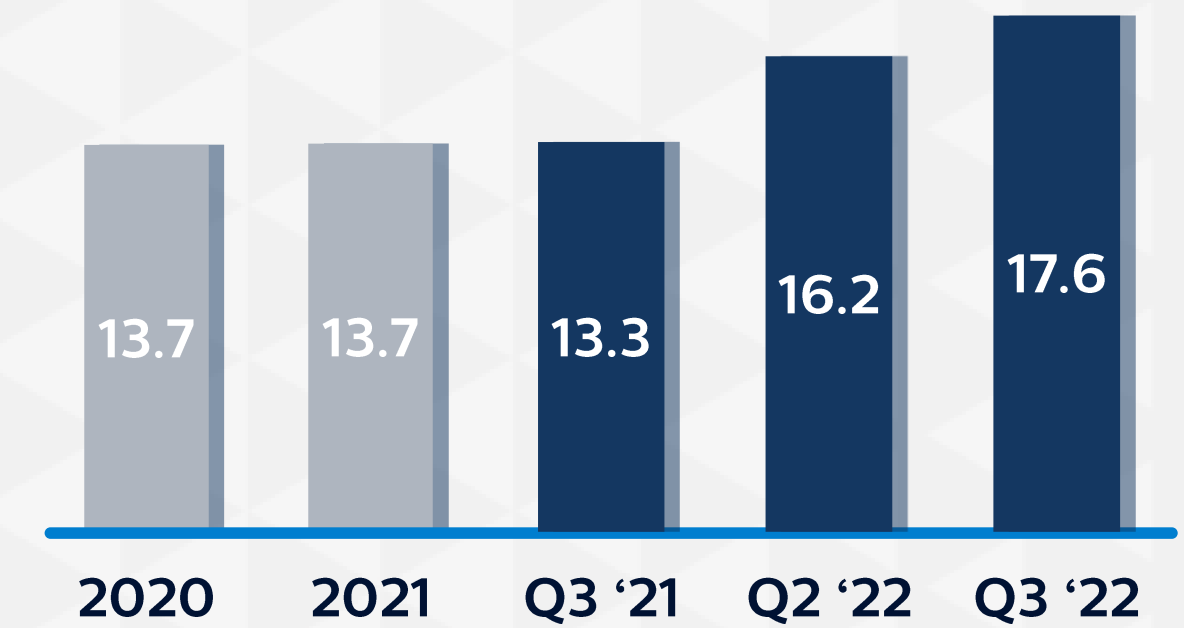
Türk Telekom adopted IFRS 15 and IFRS 16 accounting standards starting from 1 January 2018 and 1 January 2019, respectively. For further details please refer to "Financial Footnotes" & "Summary Financial and Operational xls" on our website.

Focus on Efficiency

Q3 '22 Opex Breakdown (% of Consolidated Opex)



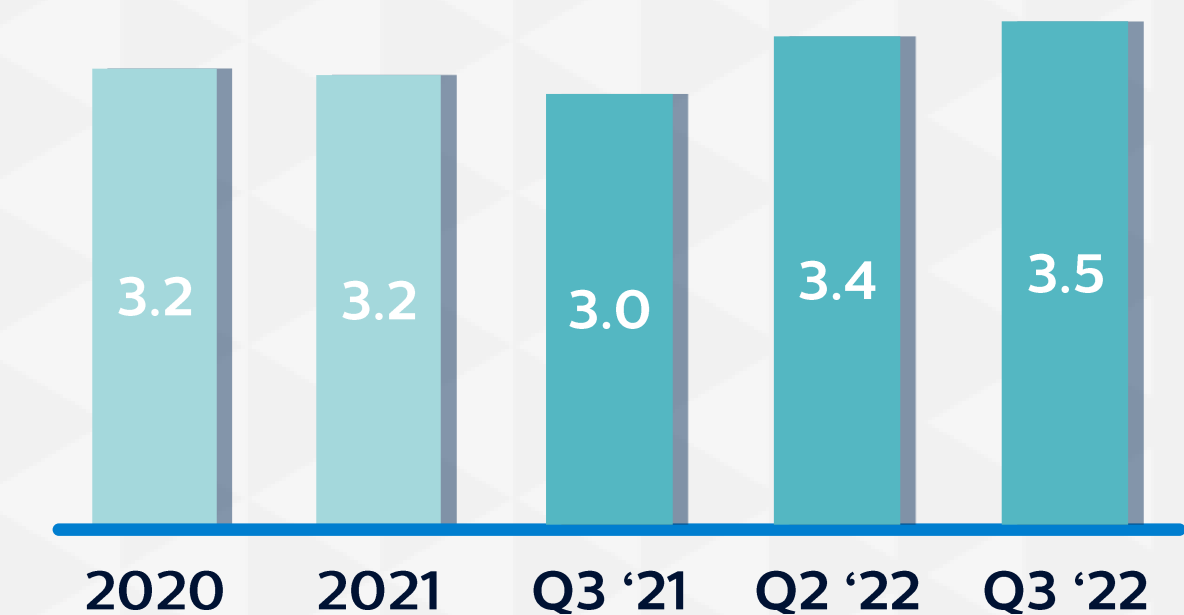
Personnel Expense to Sales (%)



Provision for Doubtful Receivables to Sales (%)



Commercial Cost to Sales (%)

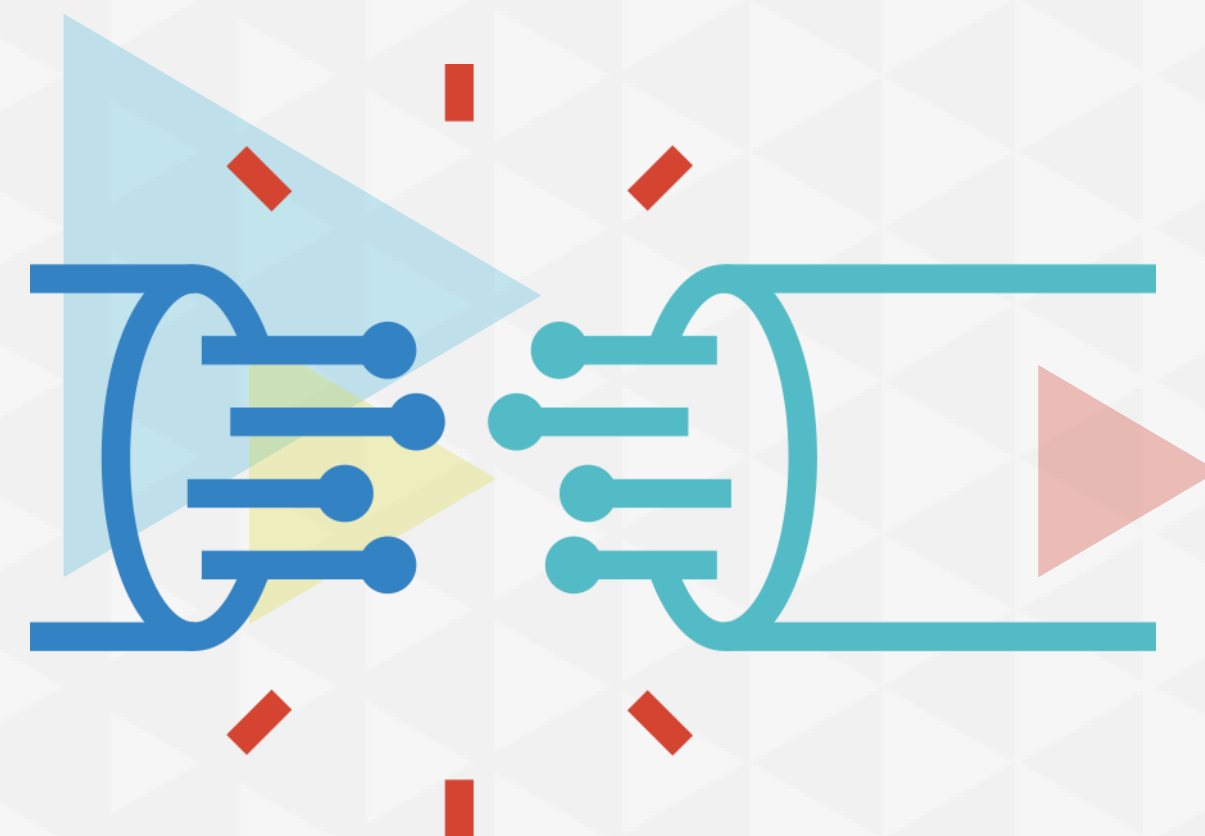


Business Lines

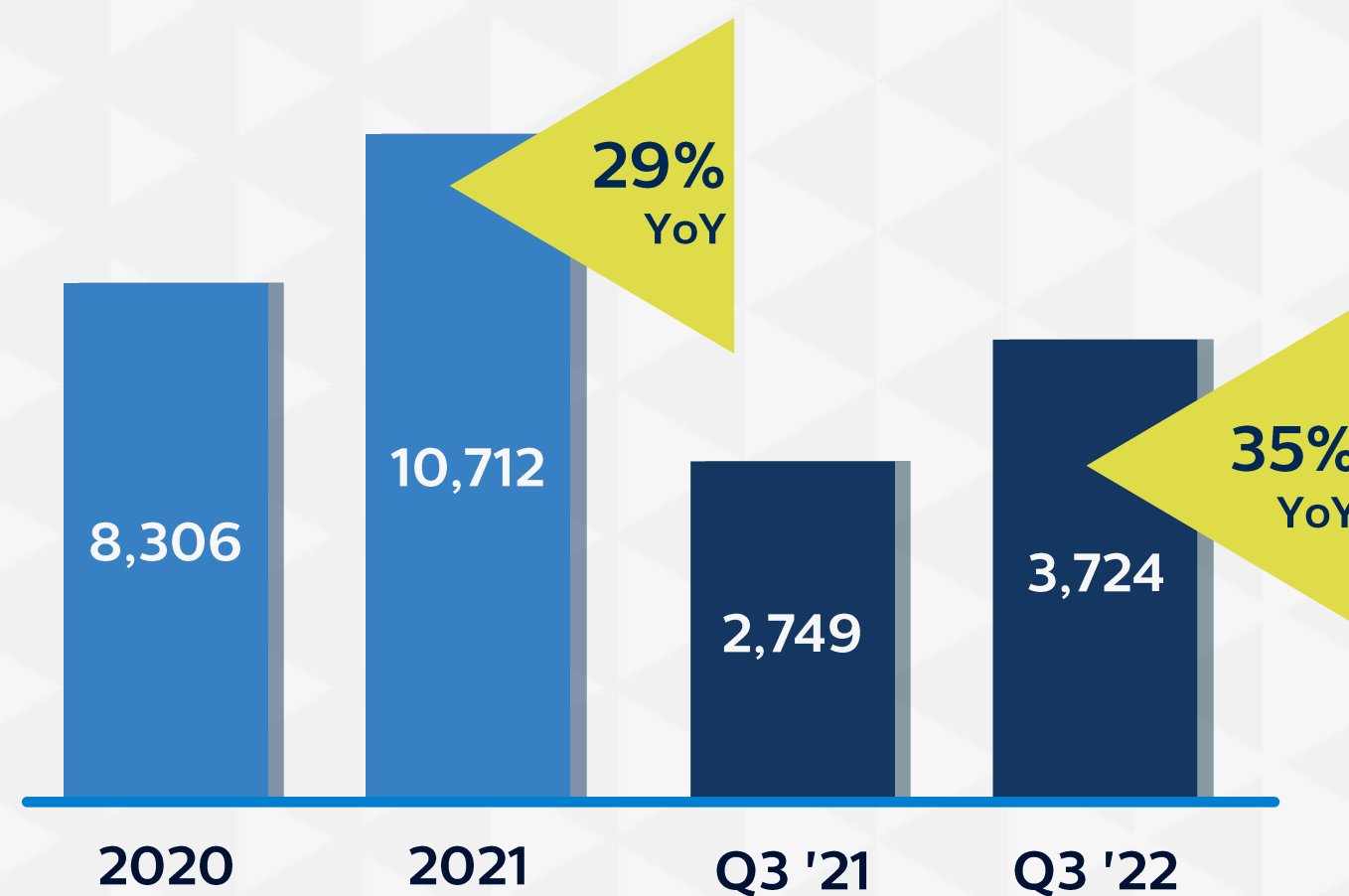


Fixed Broadband Performance

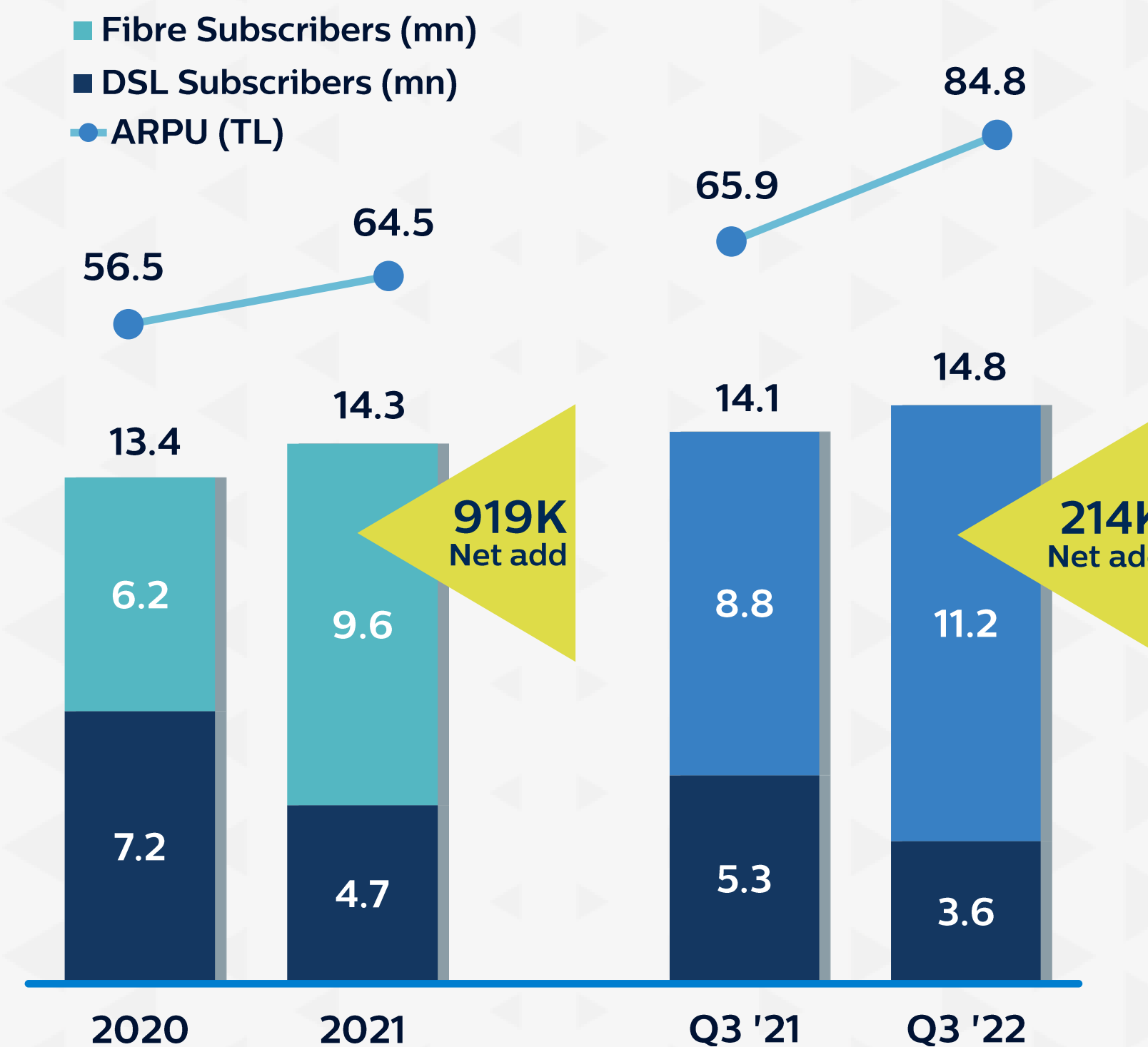
16



Fixed Broadband Revenue (TL mn)

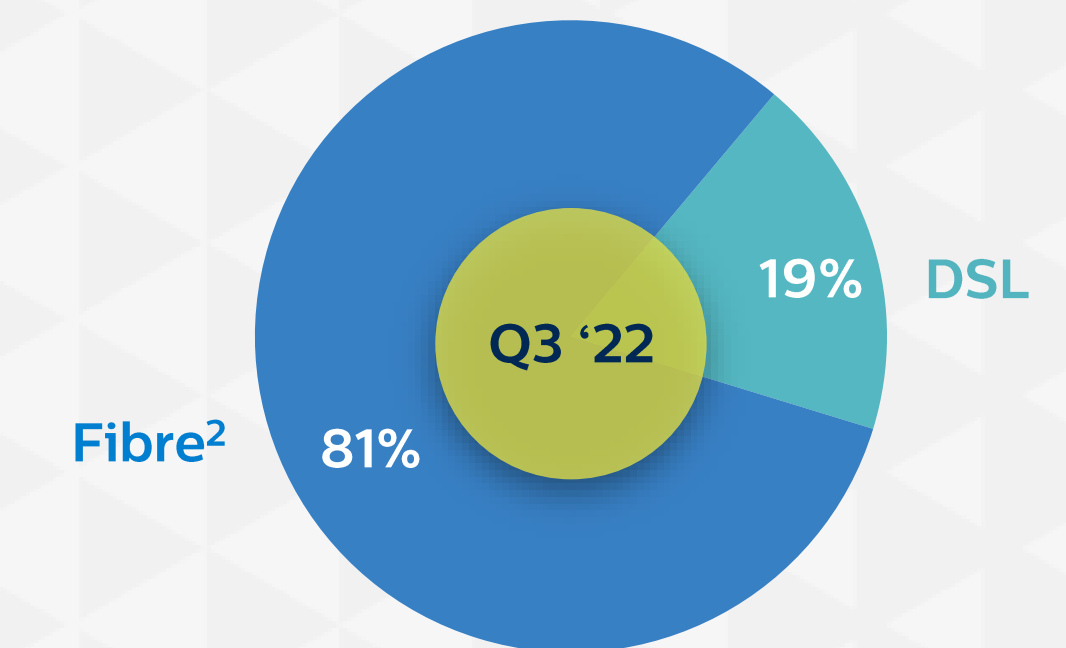
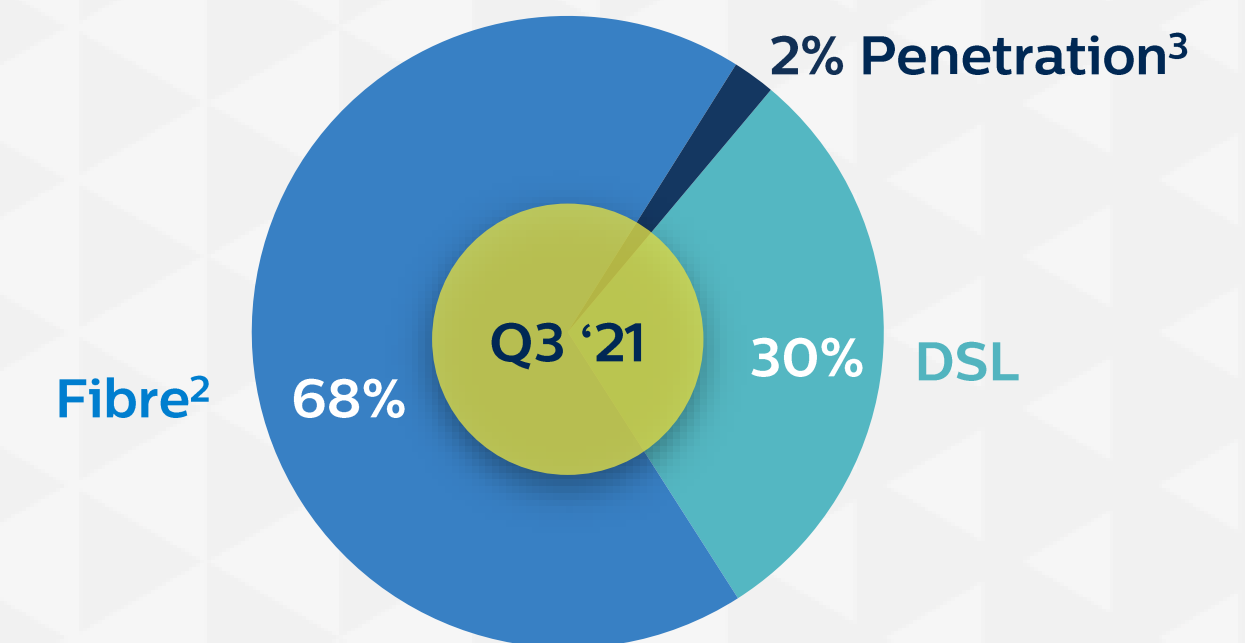


ARPU & Subscribers



Subscriber Breakdown¹

(% of Subscribers)



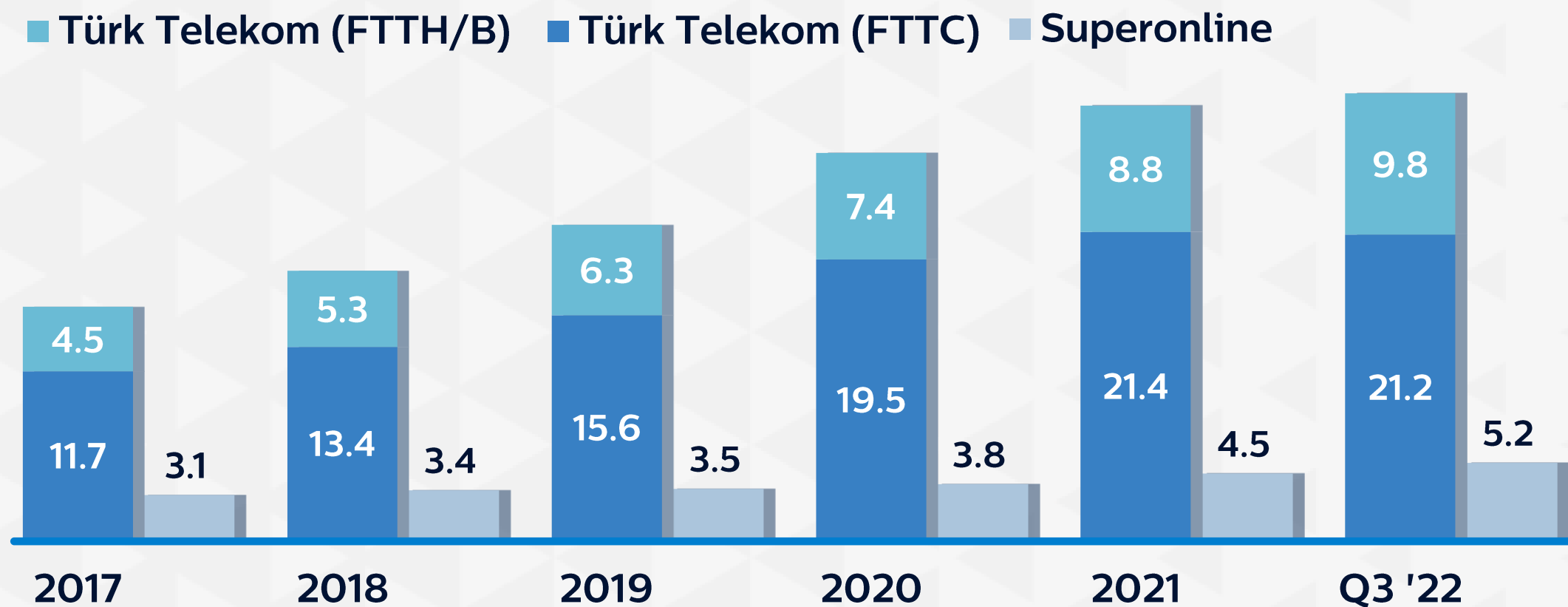
- (1) Retail only
- (2) Fibre subscribers include FTTH/B & FTTC subscribers
- (3) Customers acquired through penetration campaigns

Extensive Fibre Network

Türk Telekom Fibre Network



Fibre Homepass (mn)



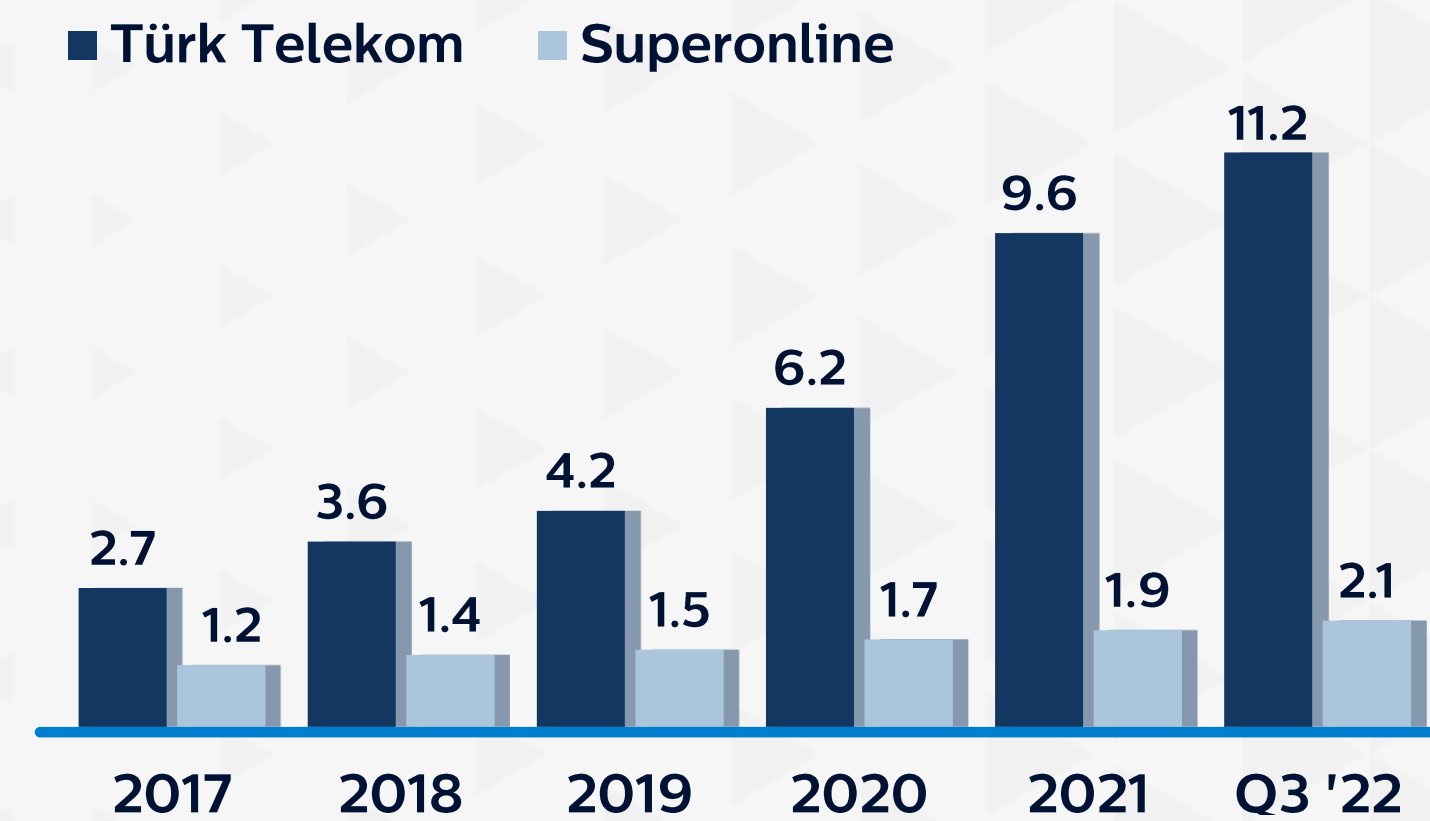
Turkcell data is based on Turkcell's own publications.

Superonline Fibre Network



- ▶ Presence in 28 cities of Turkey
- ▶ 58K fibre km rollouts
- ▶ Wholesale customer of Türk Telekom

Fibre Subscribers (mn)



- ▶ Unrivalled fibre network
- ▶ Strong prospects for monetisation
- ▶ Best placed to benefit from move towards higher connection speeds
- ▶ Well-equipped to support 5G/small-cell deployment

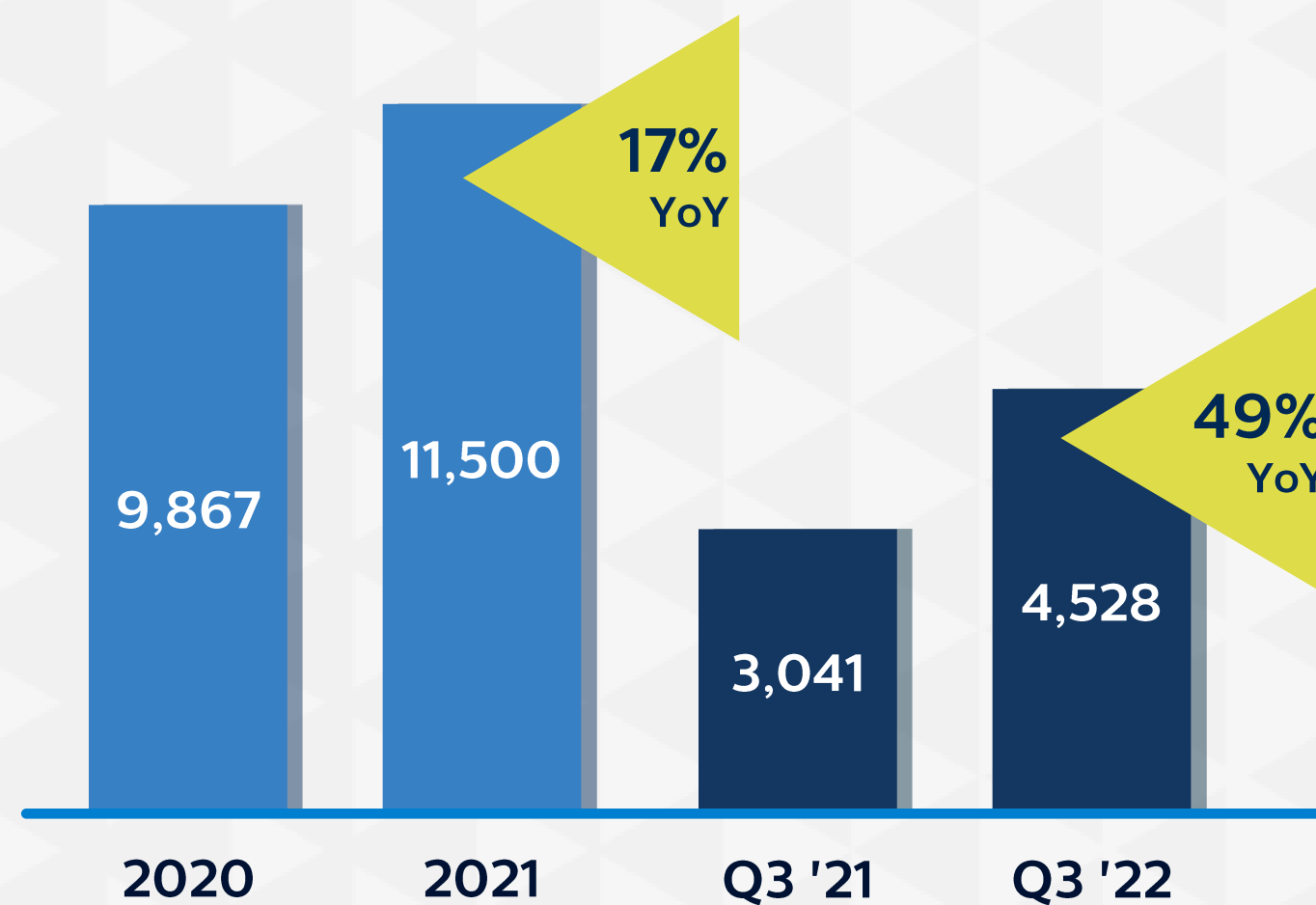
Fibre subscribers include FTTH/B & FTTC subscribers.

Mobile Performance

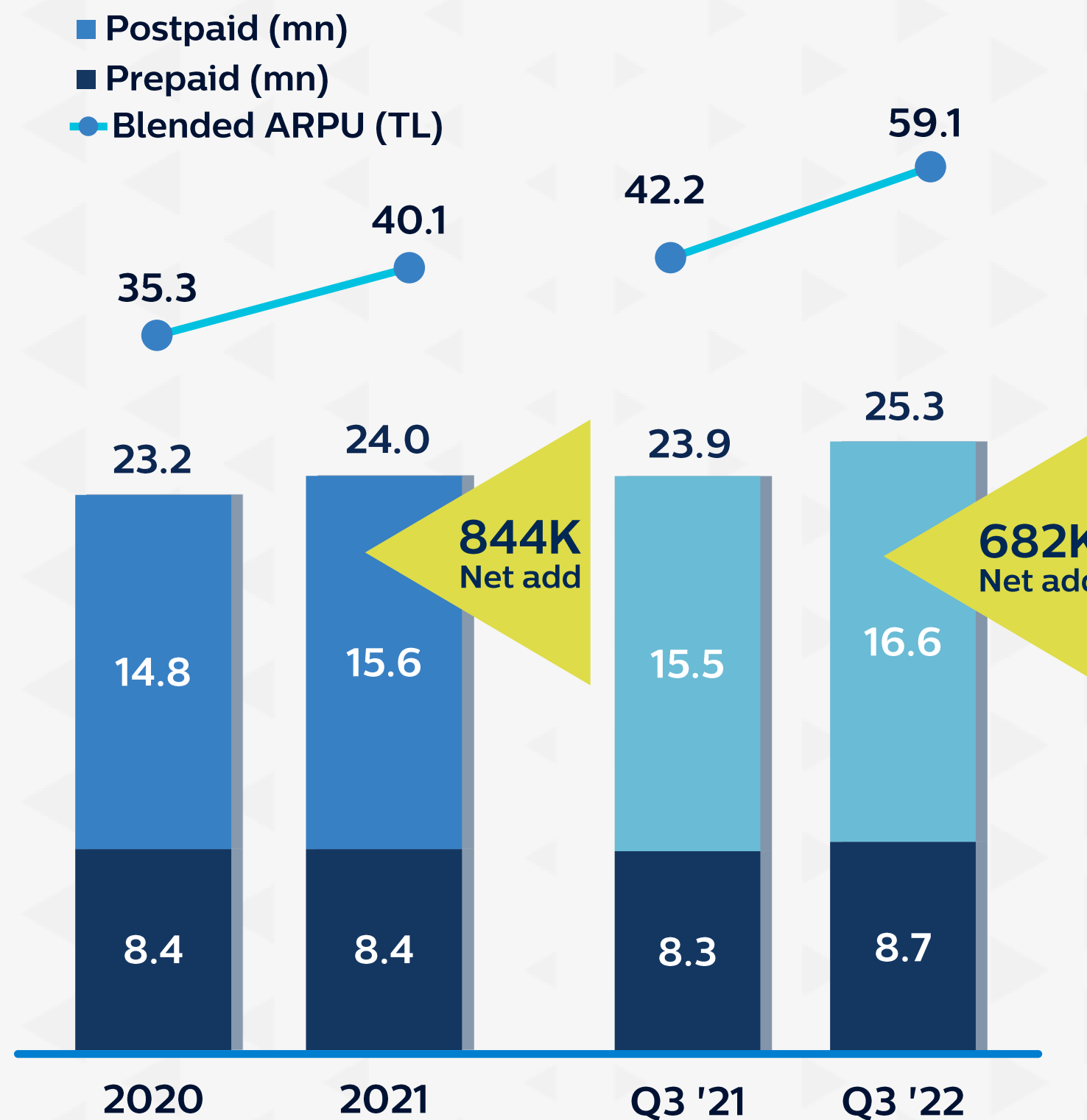
18



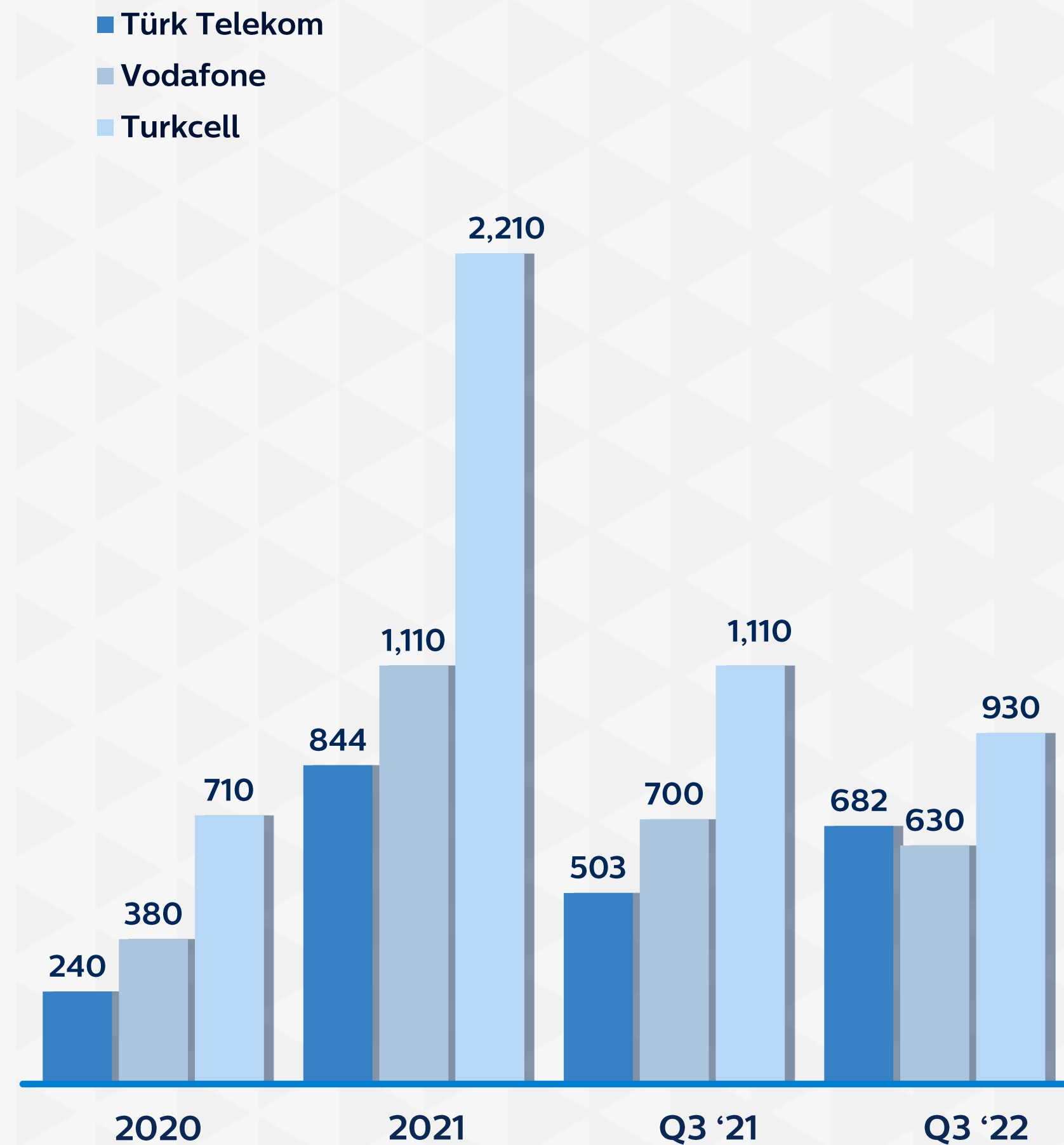
Mobile Revenue (TL mn)



ARPU & Subscribers



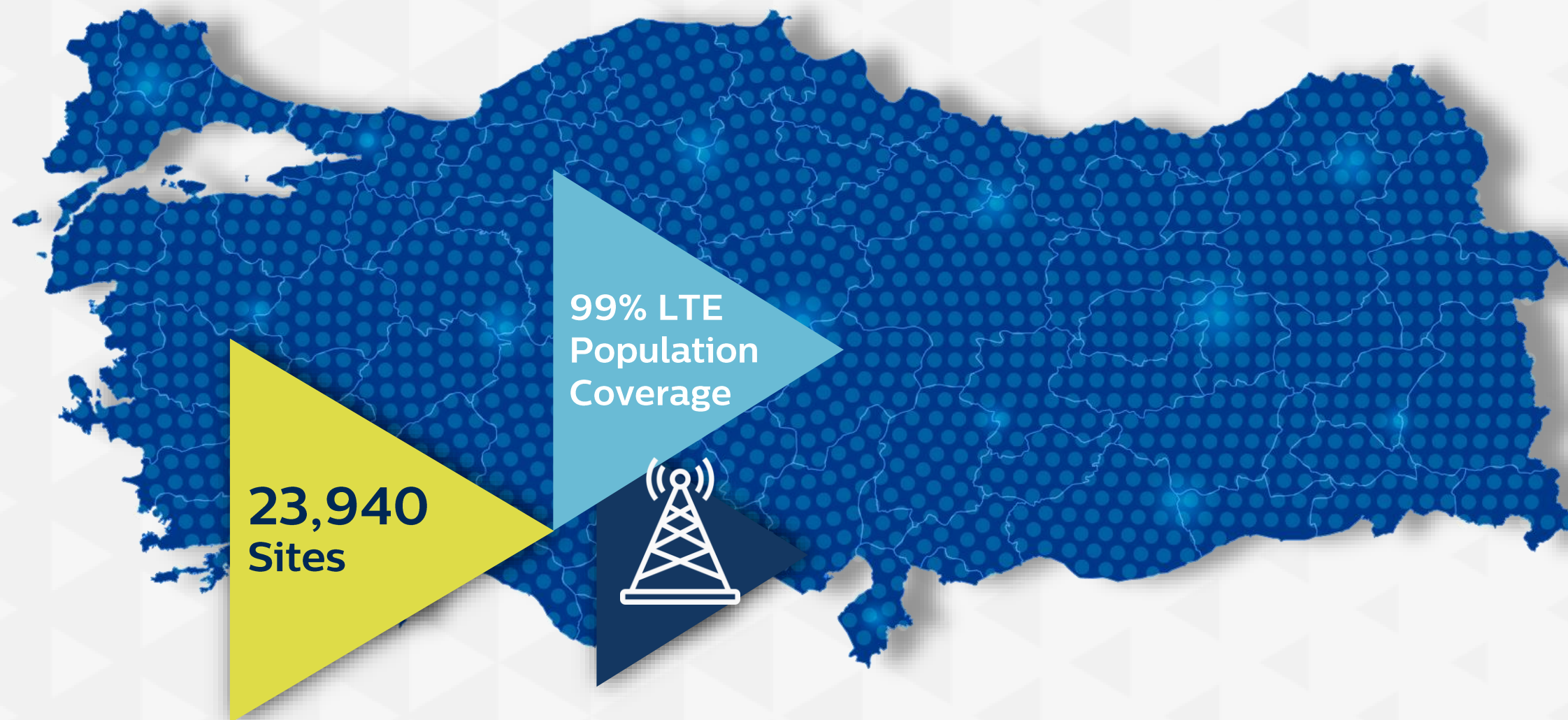
Net Subscriber Additions (thousand)



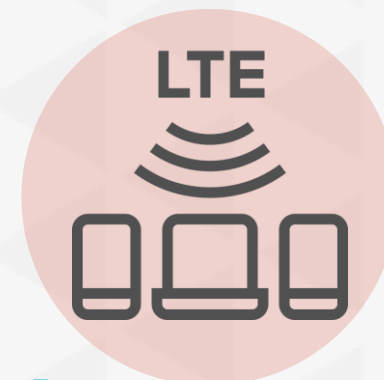
Source: ICTA, Türk Telekom

Mobile Network

Extensive Network Coverage



97%
coverage



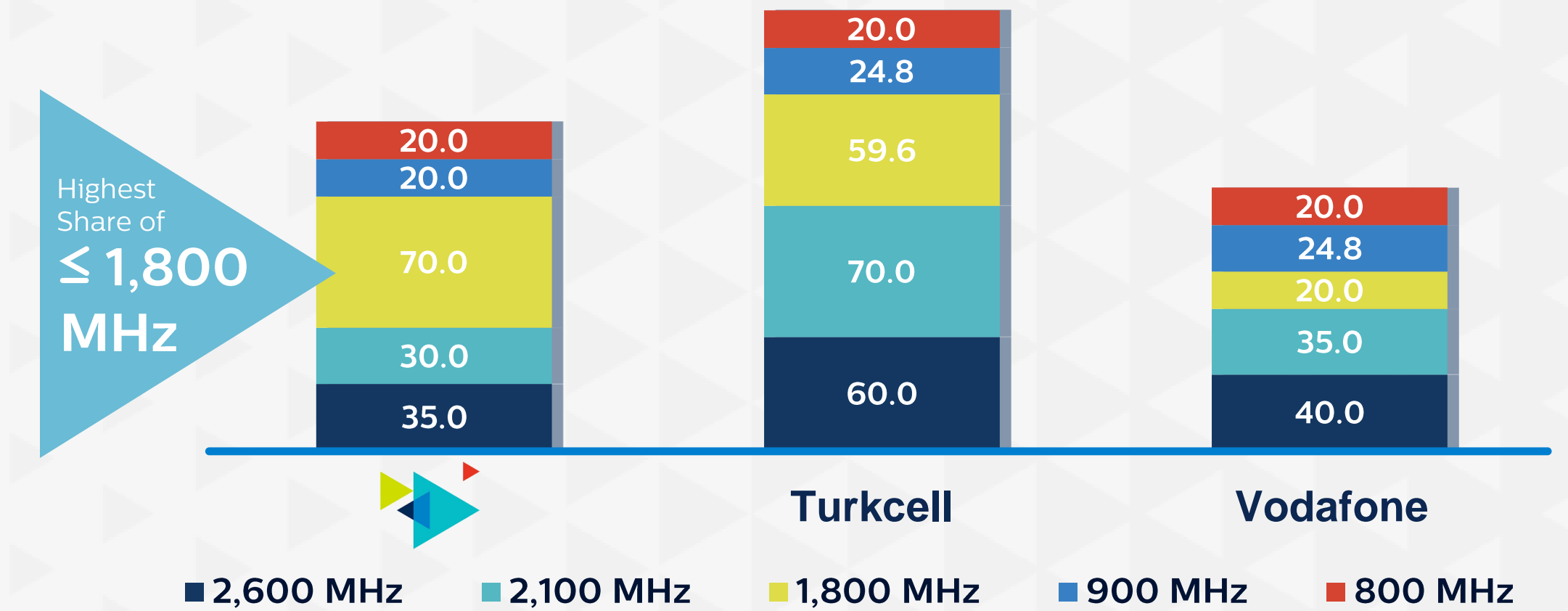
99%
coverage



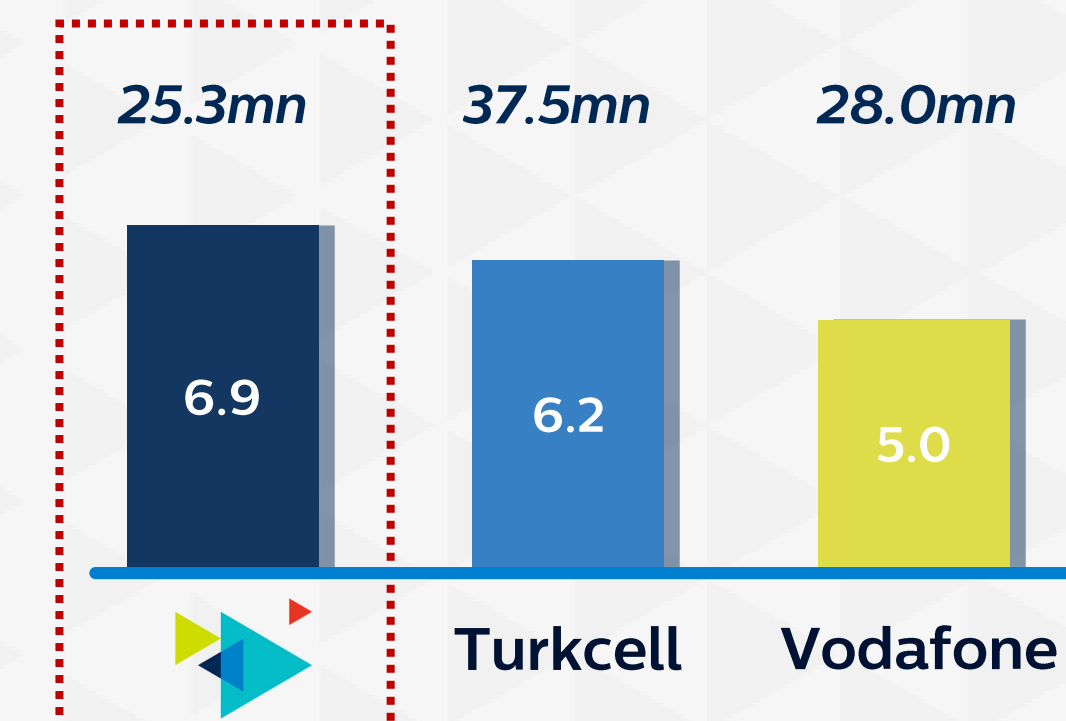
Getting ready for 5G

via ongoing studies by Argela and Türk Telekom on RAN slicing, NFV and SDN

Superior Spectrum Allocation



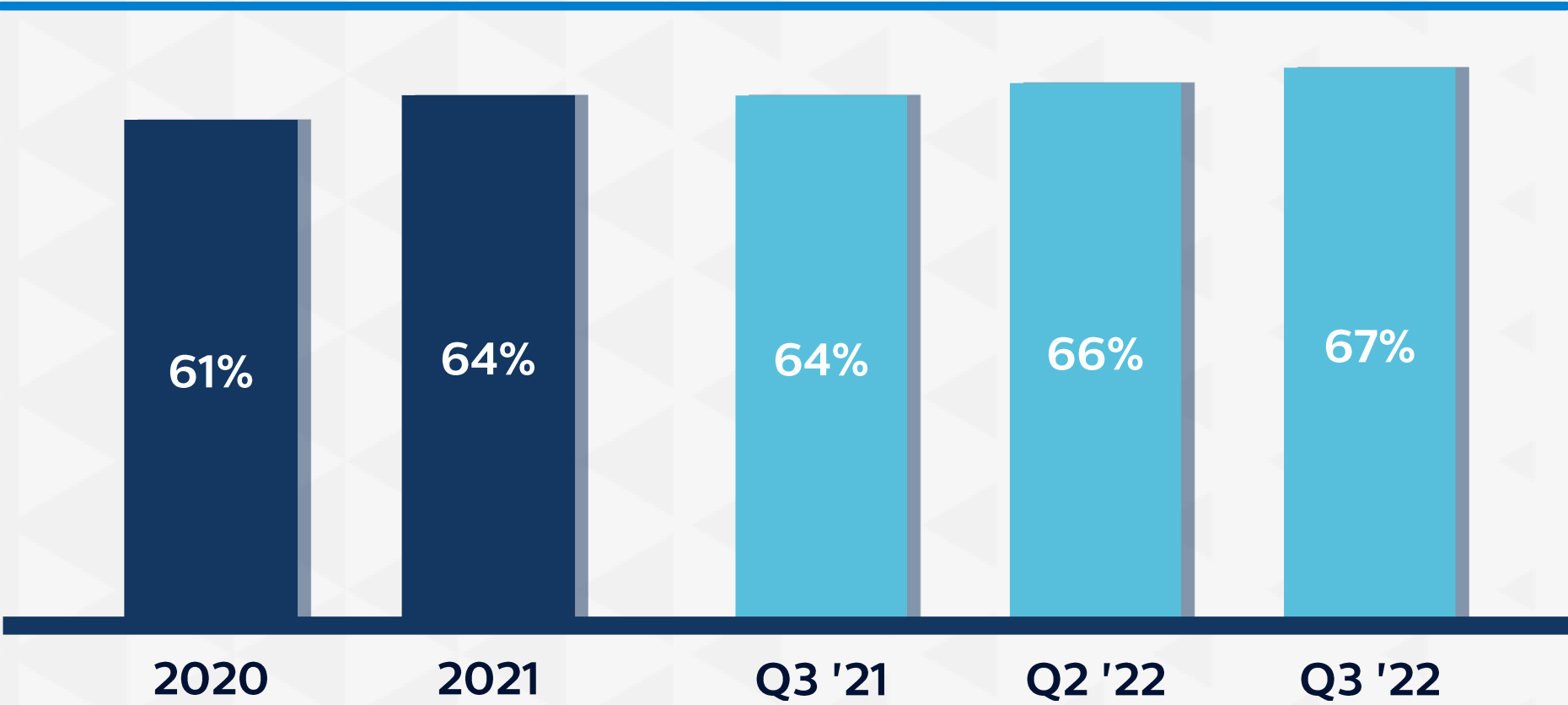
Highest Spectrum Capacity Per Subscriber (MHz/Subscriber)



Mobile subscriber numbers are from the Q3 '22 ICTA report.

Mobile Data

Data Revenue
(Mobile service revenue share)



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



TV Performance



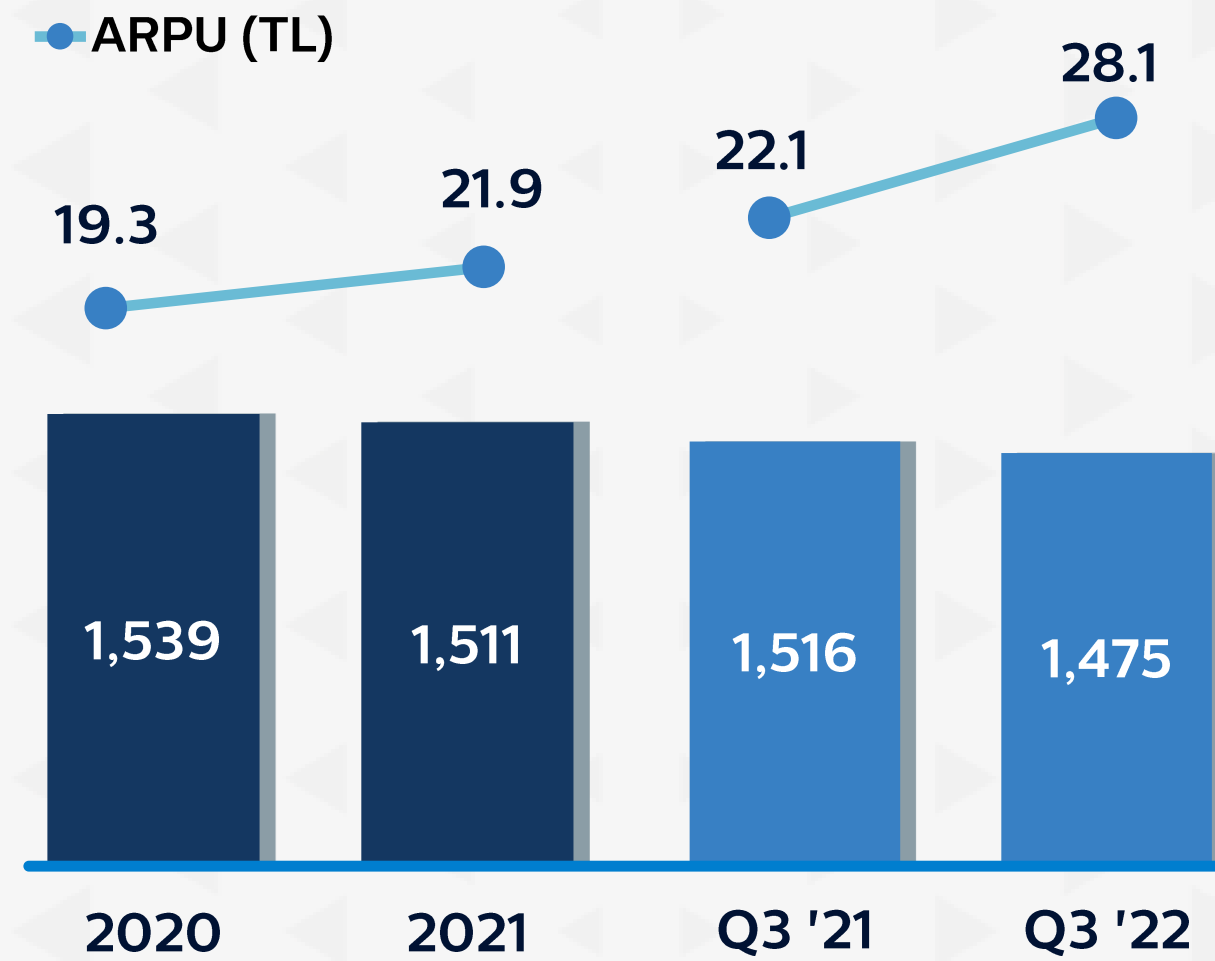
TV Revenue

(TL mn)



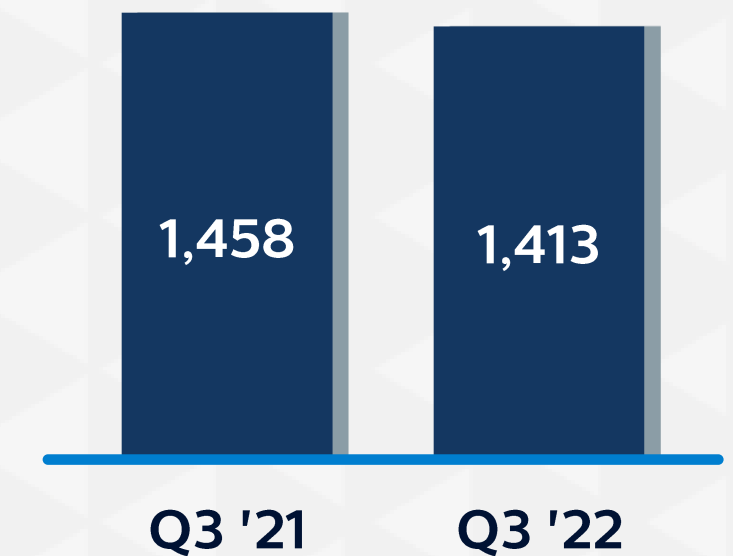
Tivibu Home Subscribers

(‘000)



Tivibu GO Subscribers

(‘000)



Platform

IPTV

DTH

Web TV

Smart TV

Mobile TV

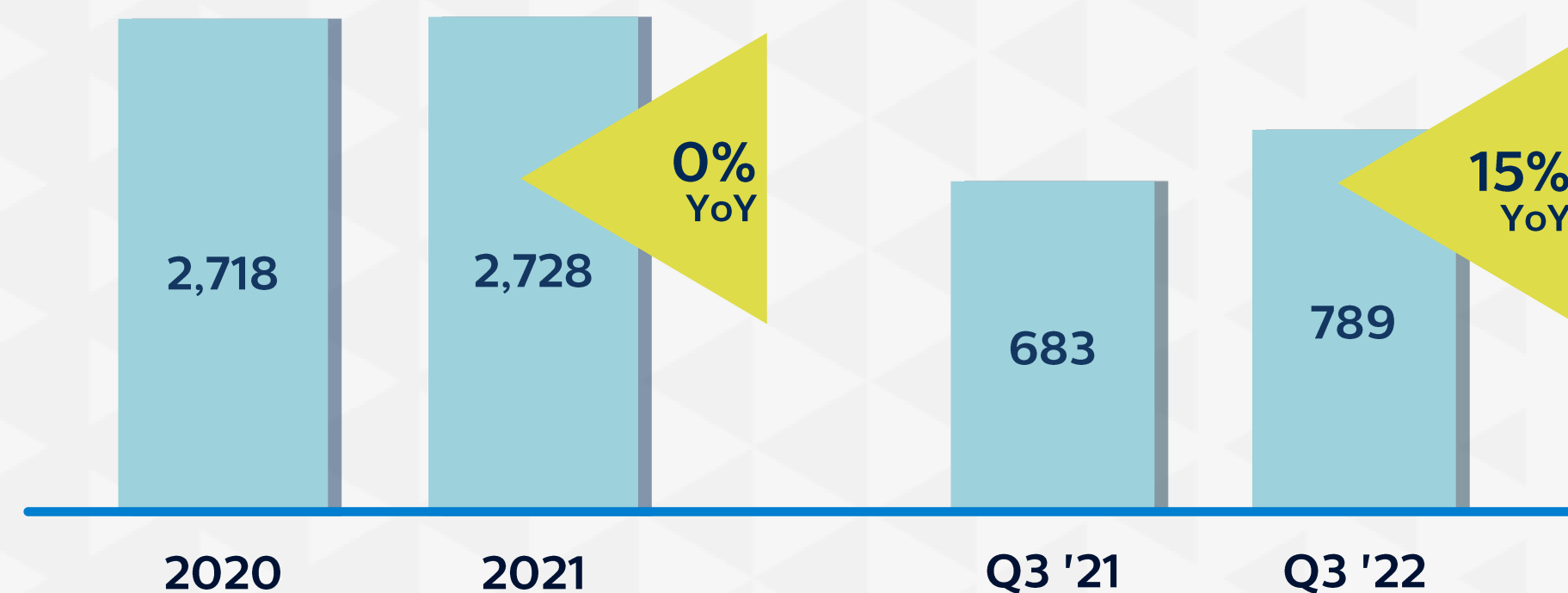
Content

- ▶ NBA
- ▶ Basketball Champions League
- ▶ Euroleague
- ▶ Bundesliga
- ▶ Bundesliga 2
- ▶ La Liga
- ▶ Serie A
- ▶ FA Cup
- ▶ Formula 1
- ▶ MotoGP
- ▶ 5 In-house Sports Channels
- ▶ Kids, Documentary, Movie, TV Series and Sports Channels
- ▶ +9,000 on demand assets

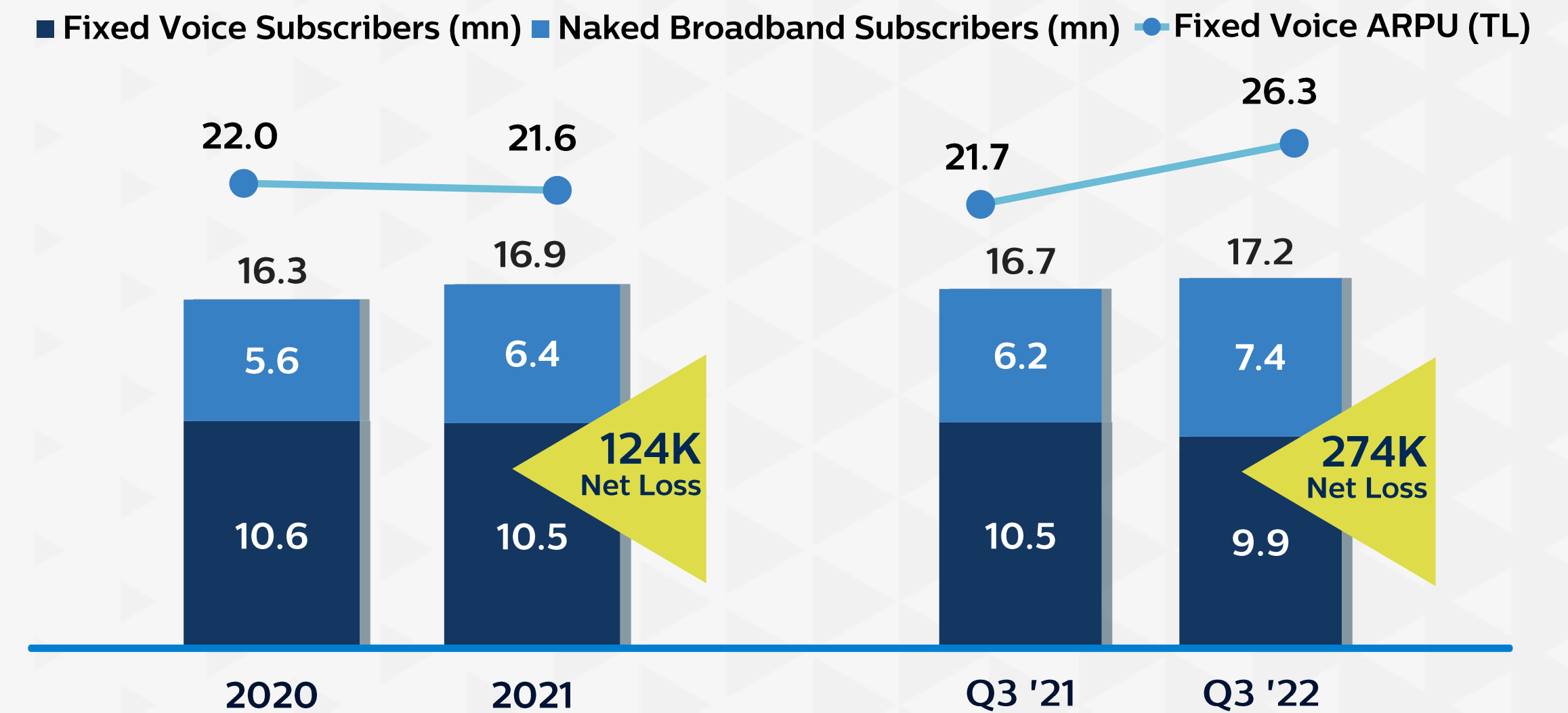
Fixed Voice Performance



Fixed Voice Revenue (TL mn)



Access Lines and ARPU



Sales shifting to nDSL

Focusing on nDSL in new acquisitions: guiding new subscribers to nDSL packages rather than WLR.

With our new strategy;

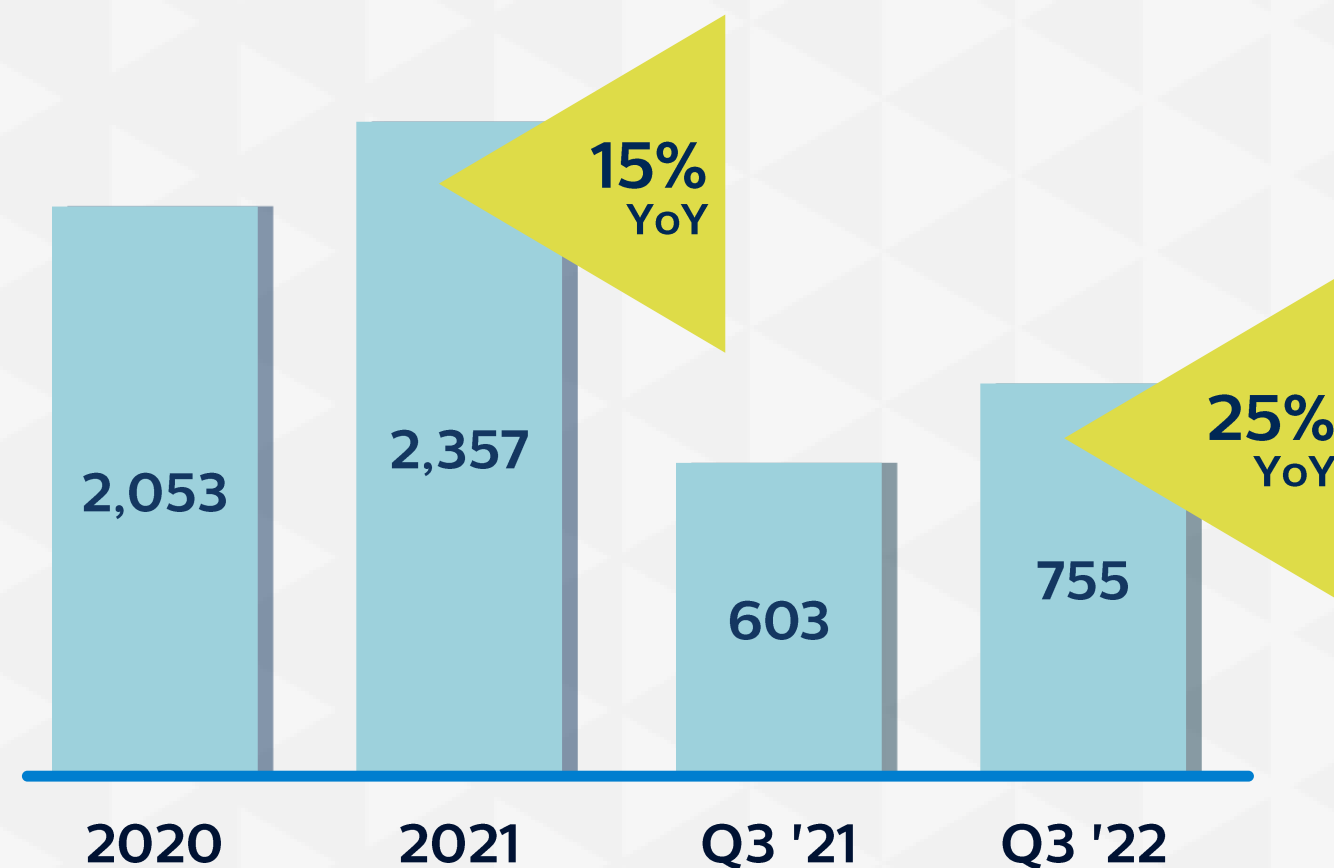
- ▶ Fixed voice subscriber base is expected to contract by 675K in 2022.
- ▶ No impact on consolidated revenues: < TL 25 mn revenue will travel from FV to FBB.
- ▶ Total of TL 190 mn Capex savings expected for a 3 year period.

Corporate Data

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Corporate Data Revenue (TL mn)



Conventional Corporate Data Services



Customer-oriented, integrated communication solutions

Cloud Services, Metro Ethernet, TT VPN, Leased Line

Cyber Security Services



Managed & shared security services, cyber security centre, dedicated security services

DDoS, DDoS7+, Firewall, Active Defense (IPS), Advanced Threat Prevention (APT), Web Firewall (WAF), 24/7 Monitoring/Testing/Advisory, Attack and Phishing Simulations

Data Centre and Cloud Services



Secure, accessible services at high speeds with back up infrastructure in internationally certified data centres

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

Professional Services and New Generation Cities



End-to-end integrator services that support digital transformation journeys
Safe, sustainable and next-generation solutions for smart city projects

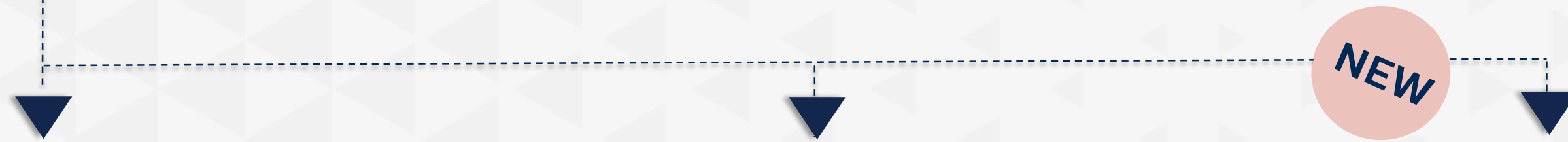
TT Payment & E-Money Services

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TTPayment¹ is a licensed payment and e-money institution that provides services since 2013.

Our vision is to become the biggest solution partner for all payment needs of our customers with safe, easy, fast, innovative products & services that lead digital transformation.



Mobile Payment

- Türk Telekom provides payment method services exclusive to its mobile customers.
- Contracted merchant payments are reflected to the mobile invoice or deducted from the balance without the need for a credit card or cash.
- Both postpaid and prepaid customers benefit.

Institutional Bill Payment

- Fast and secure payments of electricity, water, natural gas, telephone, GSM operator and other bills at Türk Telekom Stores/Application.

E-Wallet & Prepaid Card: Pokus

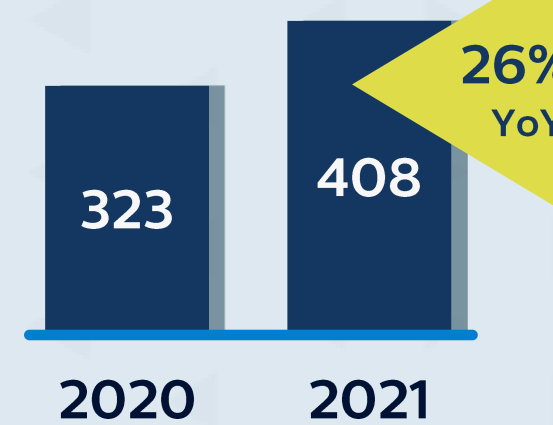
- A fast/easy-to-use digital wallet application with a user-friendly interface that provides banking services.
- App-connected, contactless and worldwide prepaid card with Mastercard scheme.
- Operator independent.

TT Payment in numbers

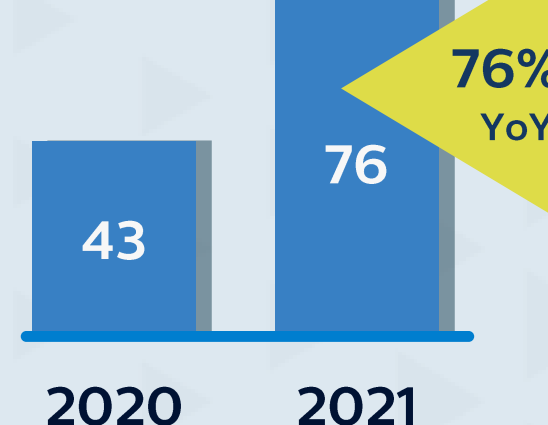
- Number of unique users up 8%
- Transaction volume up 26%,
- Revenue up 76%.

TT Payment revenues are set to expand with Pokus.

Trading Volume
(TL mn)



Revenue
(TL mn)



2016

TT Payment became a member of ÖDED*

2013

TT Payment was established in April 2013 as a 100% subsidiary of TT Mobil and TTNET.

2019

Got e-money institution license from BRSA

2017

Acquired payment services license from BRSA

2021

Launched prepaid card and mobile wallet products

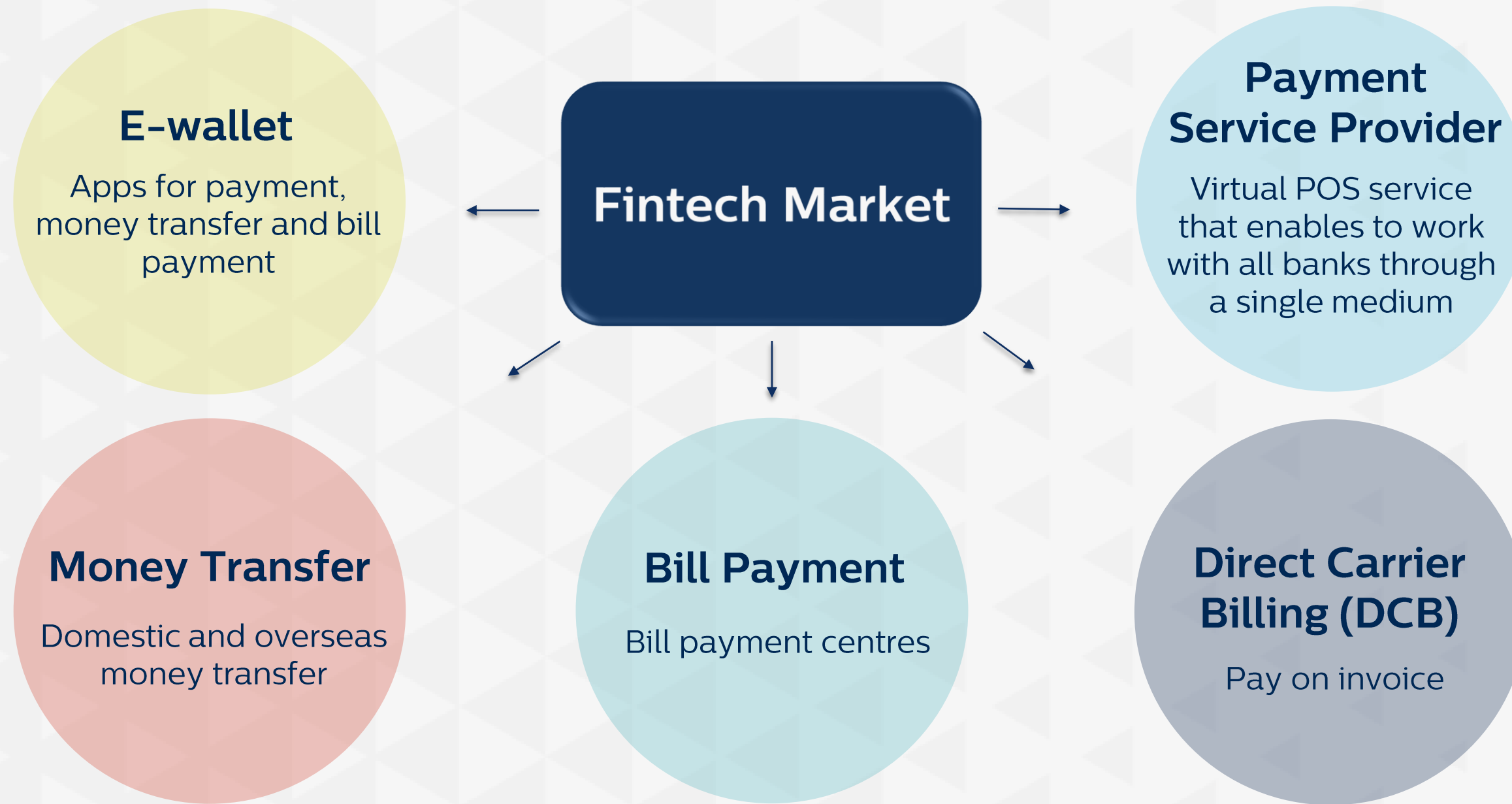
2020

Started collection services for all corporate invoices from dealers

* Payment and Electronic Money Association

(1) Türk Telekom Ödeme ve Elektronik Para Hizmetleri A.Ş. (TTÖHAŞ), TTÖdeme in short, stands for TTPayment in English.

Turkish Fintech Market

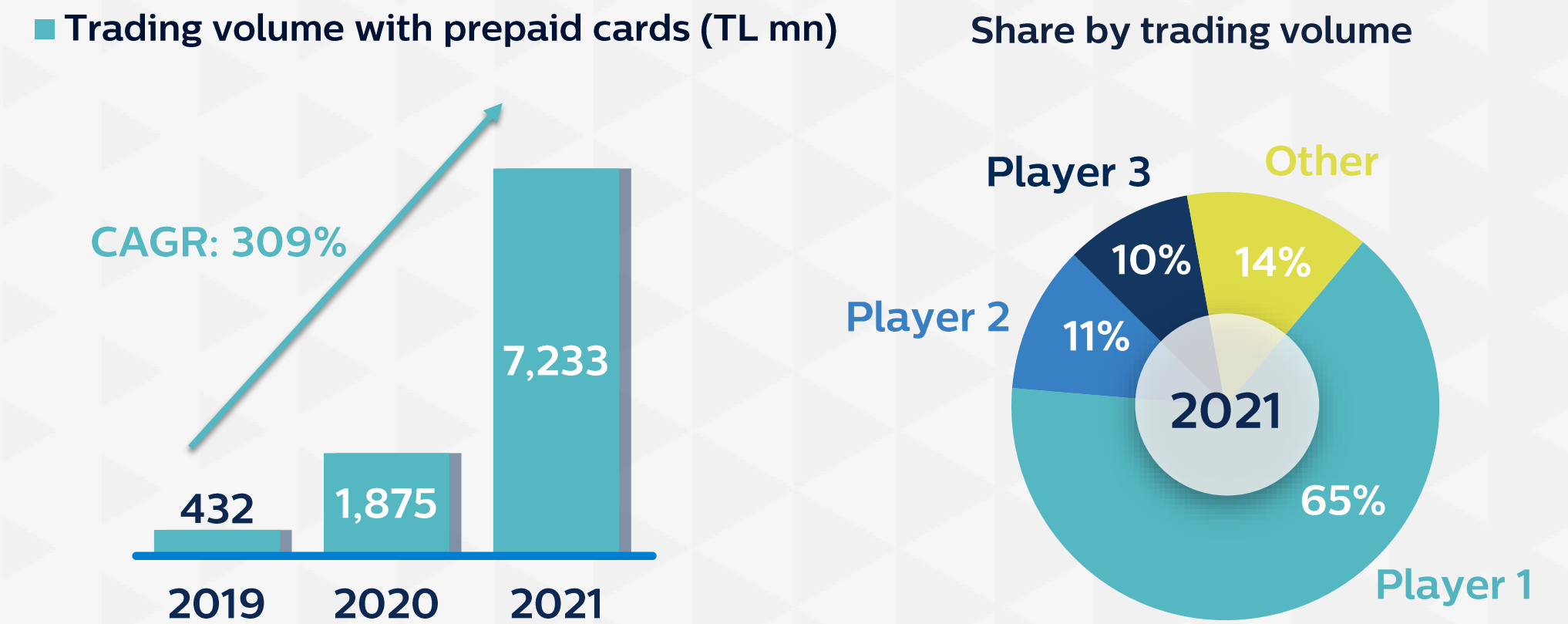


Prepaid Card Market – 2021

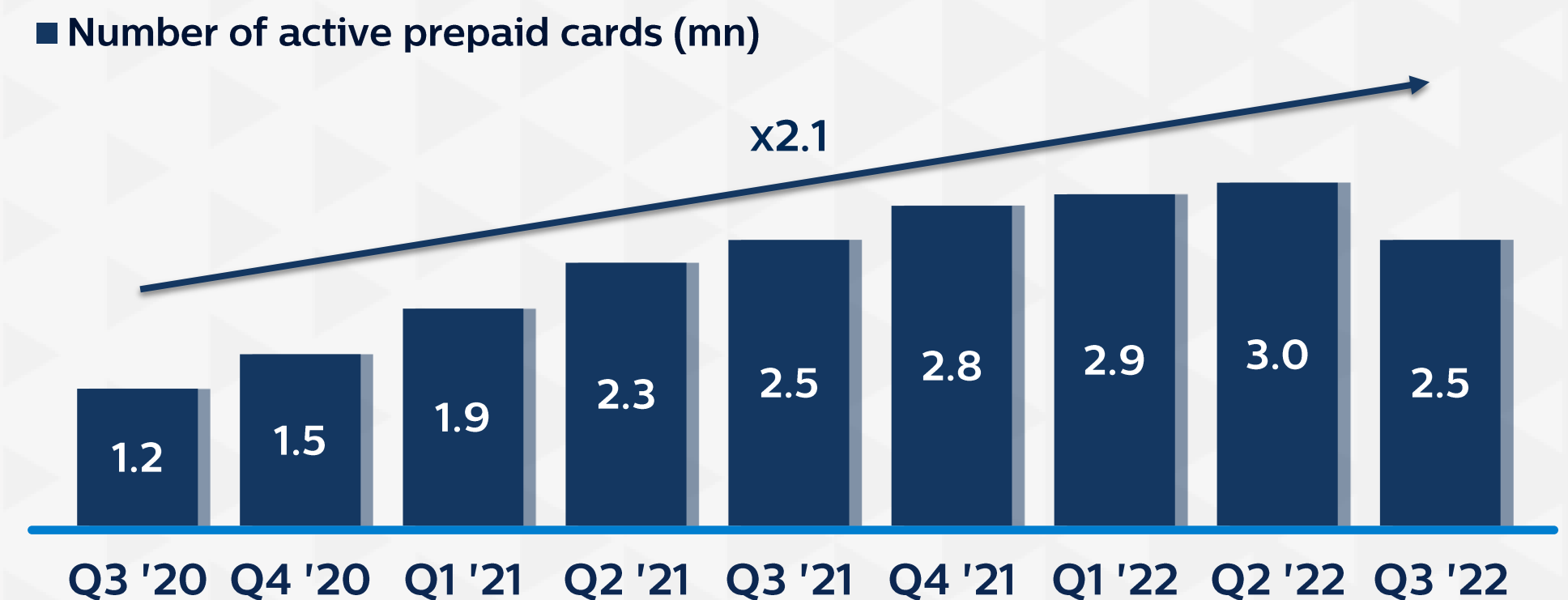
- ▶ Europe's largest card market.
- ▶ Of the total cards, 150 mn was debit cards, 84 mn was credit cards and 57 mn was prepaid cards as of 2021 year-end.
- ▶ The share of Fintechs in prepaid cards is 45% in Q4 '21.
- ▶ The fintech card market grew 32% YoY in total number of cards in Q4 '21.
- ▶ 79% of transaction volume in prepaid cards generated by fintechs in 2021.

Turkish prepaid card market data is from BRSA and BKM.

Turkish Fintech Companies' Trading Volume



Top 5 Players



Pokus: New E-Payment Solution



- ▶ E-wallet application of TTPayment + prepaid card
- ▶ Load-spend; no overdraft, **no subscription fee**
- ▶ Valid all over the world with **Mastercard** assurance
- ▶ **Easy, fast financial services** without cumbersome procedures
- ▶ App-linked, **contactless card**
- ▶ **Operator independent**
- ▶ Money loading/withdrawal, 24/7 domestic and overseas money transfer, bill payments, spend-split transactions, P2P sending/requesting money

Pokus: Roadmap and Targets

Strategy

- ▶ Simple/digital customer experience
- ▶ Access to financial services through one application

Synergy

- ▶ Türk Telekom technology and ecosystem
- ▶ Vast subscriber base and efficient sales channels
- ▶ Campaigns, cross-selling, retention



Number of users by end-2025	5 mn
Transaction volume by end-2025	TL 1.5 bn
EBITDA and FCF by end-2023	Positive



Strategy

Strategy Focused on Sustained Profitable Growth

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Core Services

Growth and digitalisation in main business lines

- Pioneer in Turkey's digital transformation
- Strong growth and leadership in fixed broadband with focus on fiberisation
- High-quality/high-speed internet access
- Priority in gaining revenue market share in mobile
- Intensified subscription relationship with households through increased access lines and inclusive product portfolio
- Leading digital TV/OTT platform

Efficiency

Improving efficiency with digitalisation and new operational models

- Digitalisation and virtualisation
- Effective cost control and disciplined capital management
- Improved organisation and lean technology

Customer Focus

Redefining customer experience

- End-to-end redesigned and digitalised best-in-class customer experience
- Customer-oriented, agile working models
- Personalised offers and content

New Income Areas

Growth in new areas supporting main business lines

- Next-generation 5G solutions and international collaborations
- TV/OTT and ICT/Cloud investments
- Accessible cloud/IT/IoT services
- Large scale IT projects
- Venture capital initiatives
- Fintech solutions



Broadband

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



Fixed Voice

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



Mobile

- ▶ Prioritise revenue market share
- ▶ Encourage data usage
- ▶ Maximise value



Pay TV (Home and GO)

- ▶ Leverage underpenetrated market and increase market share
- ▶ Improve customer experience
- ▶ Monetise existing subscriber base

The Readiest Operator to 5G

29



Smart Cities

9 smart cities with Türk Telekom



Media & Entertainment

Turkey's first 5G live match via 360 degrees VR technology
World record with >2.92 Gbps speed



Vehicle-to-Everything (V2X)

E-sim
E-Call



Industry 4.0

Smart factory solutions to minimise errors in industrial applications and maximise production & efficiency
Digitalisation
B2B Solutions



E-Health

LIGHT
Mobile EKG
Smart Organ Carrying Units



Cloud Network

SDN (Software-Defined Networking)
NFV (Network Function Virtualisation)
Network Slicing

Investing in Future

Türk Telekom actively participates in...



Collaborations in next-G tech

vRAN

Software-Based and
Sliceable Virtualised Radio
Access Network

Product partnership and
revenue sharing with
Juniper



5G Time Synchronisation

Cooperation with Net Insight:
Product partnership,
revenue sharing and
discounted supply advantage



- Working with Argela for SDN & NFV based cybersecurity solutions
- Turkey's largest cyber security service centre: provides 24/7 monitoring, consultancy and incident response services
- Turkey's highest capacity DDoS protection infrastructure
- Best in class cloud computing solutions



- Leading largest smart city projects in Turkey with next generation projects



- 44% of LTE base stations connected with fibre
- Work to manage the 5G network with AI technology
- Preparations at pilot 5G test networks
- First Industry 4.0 5G test in Turkey
- Türk Telekom, Arçelik and Nokia collaboration to establish Turkey's first private future-proof 5G wireless network
- Mobile network IT provisioning processes on the 5G path optimised using the Ericsson Dynamic Activation (EDA) platform

Digital Channels

Continuous expansion of digital services for **best-in-class customer experience**

Wide range of services on the **Online Transactions Application**: invoice payments, TL uploads, recontracting, upselling and application for new subscriptions

One login: accessing all Türk Telekom products; mobile, broadband, fixed voice, TV with single login

19 mn
Unique users
in Q3' 22¹

83%
The share of
collections
through digital
channels²

65 mn
Downloads as
of Q3 '22

41%
YoY increase
TL uploads &
invoice payments
via online
channels



(1) Online Transaction Application 3-Month active user

(2) Share in the consumer segment

Digital Service Portfolio

32

**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 platform



Türk Telekom's employee development platform: Türk Telekom Academy – Launch: 2018

Education platform for Türk Telekom employees has been relaunched and now available to all Türk 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 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 customised smart digital keyboard



Turkey's popular 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



New E-payment solution:

Pokus – Launch: 2021

Türk Telekom's simple / digital platform that provides access to financial services through one application

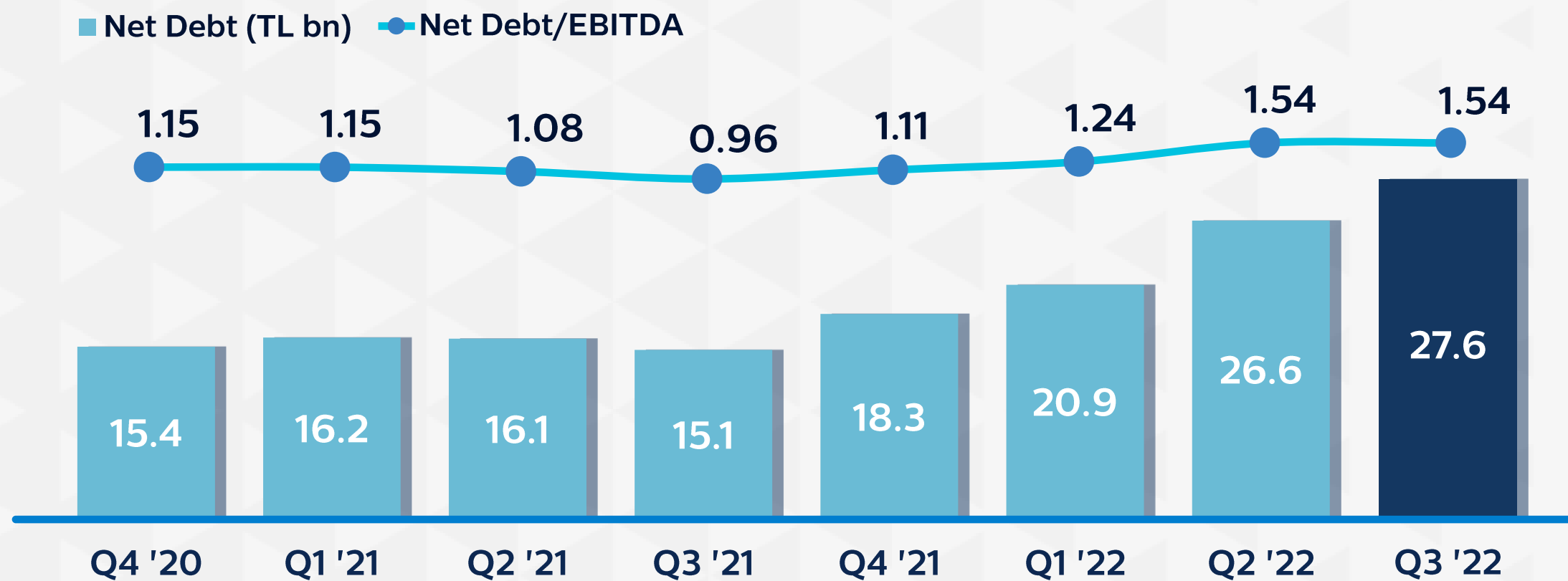
Financials



Debt Profile

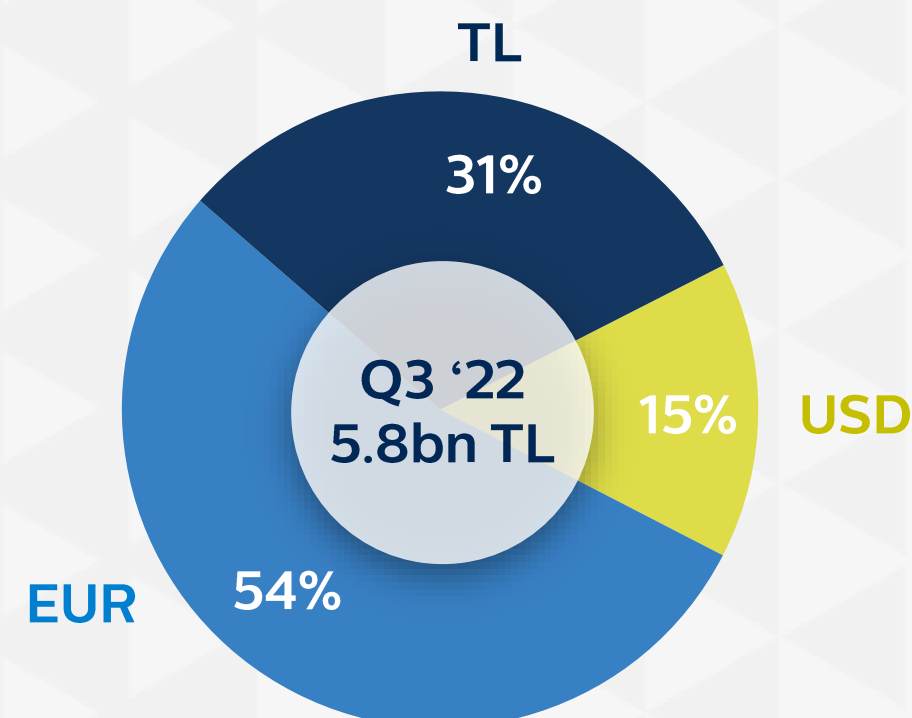
34

Net Debt



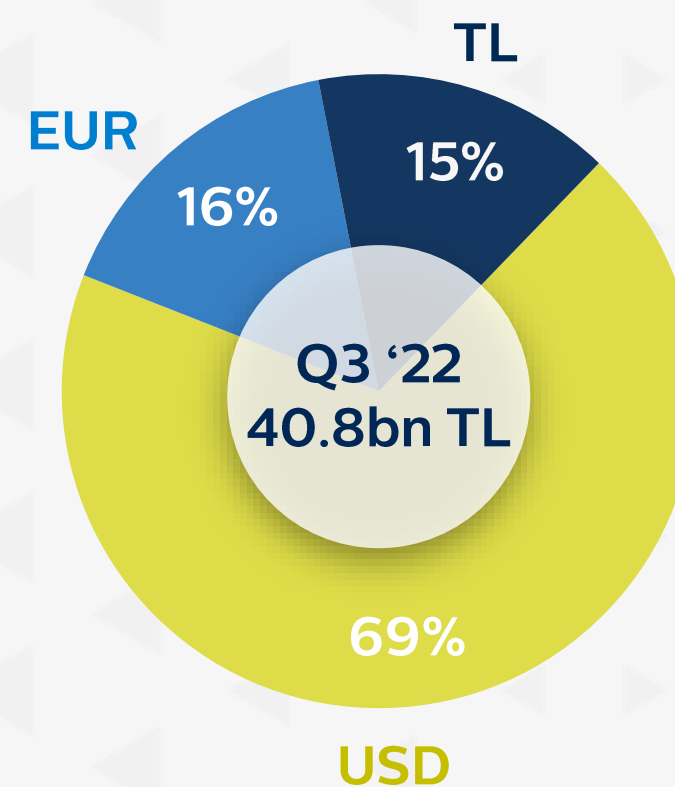
Note: Net Debt calculation includes market valuation (MTM) of Foreign Currency TL money swap transactions.
 Net Debt/EBITDA calculation does not include extraordinary provisions in EBITDA calculation
 Net Debt/EBITDA calculation includes fair value of Currency Protected Time Deposit included in Financial Investments.

Cash – Currency Breakdown*

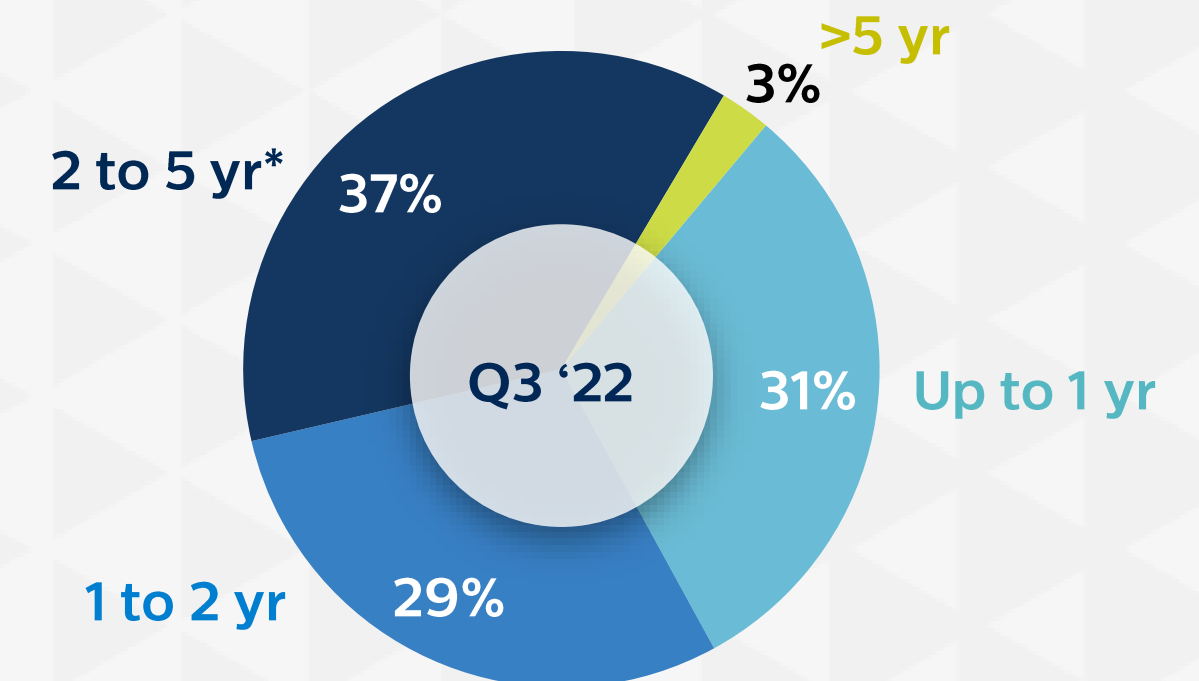


* TL 5.3 bn worth currency protected time deposit is not included in cash.

Gross Debt – Currency Breakdown

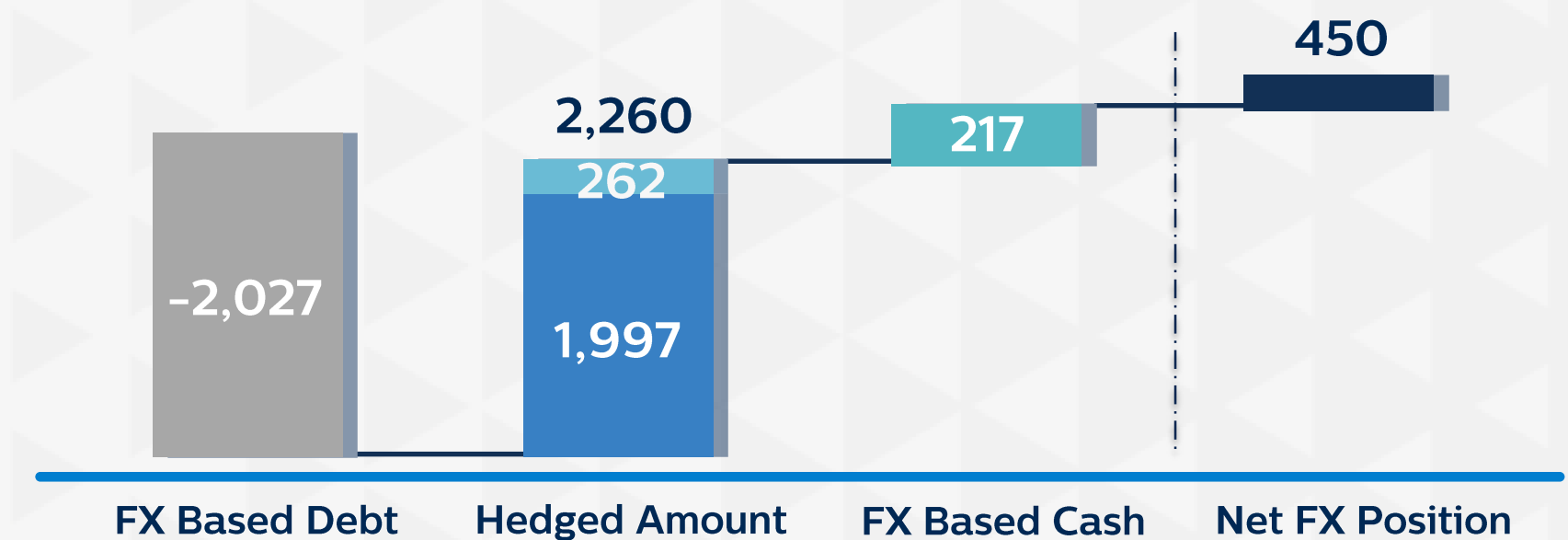


Maturity Profile



All loans are senior unsecured.
 * including 2024 & 2025 maturity bonds (USD 500 mn each)

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, currency protected time deposit, hedging of FX net trade payables and net investment hedge.

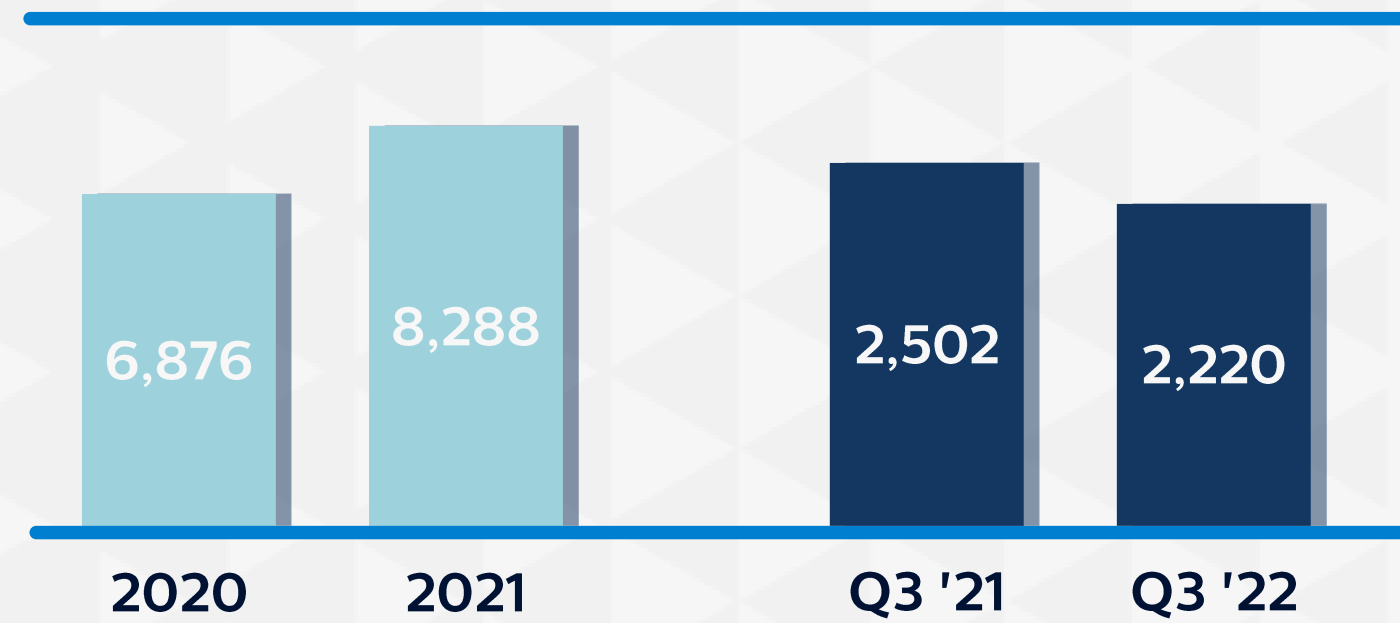
** Currency protected time deposit included in hedged amount is worth USD 262 mn.

*** Excluding the ineffective portion of the hedge portfolio, mainly the existing PCCS contracts, net FX exposure would be USD 521 mn short position.

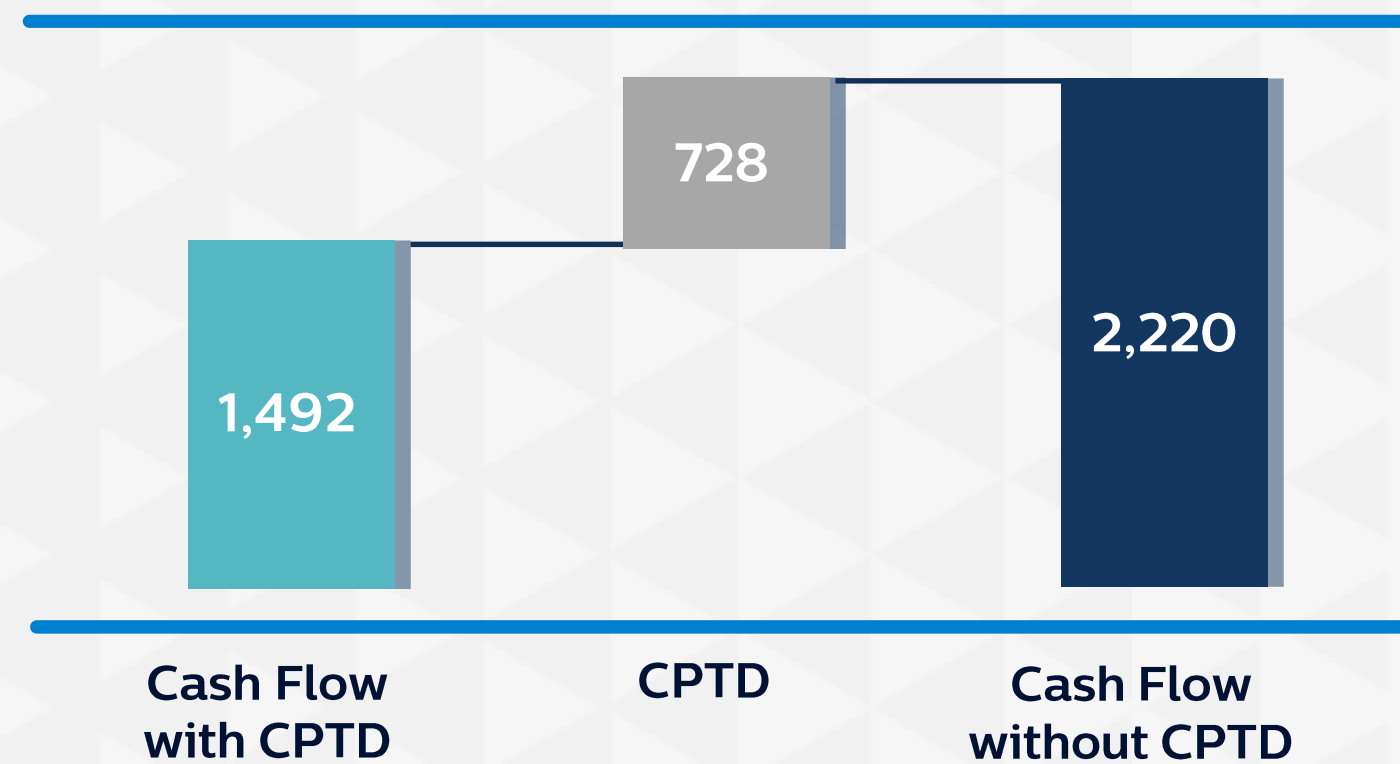
Prudent Balance Sheet Management

35

Cash Flow* (TL mn)



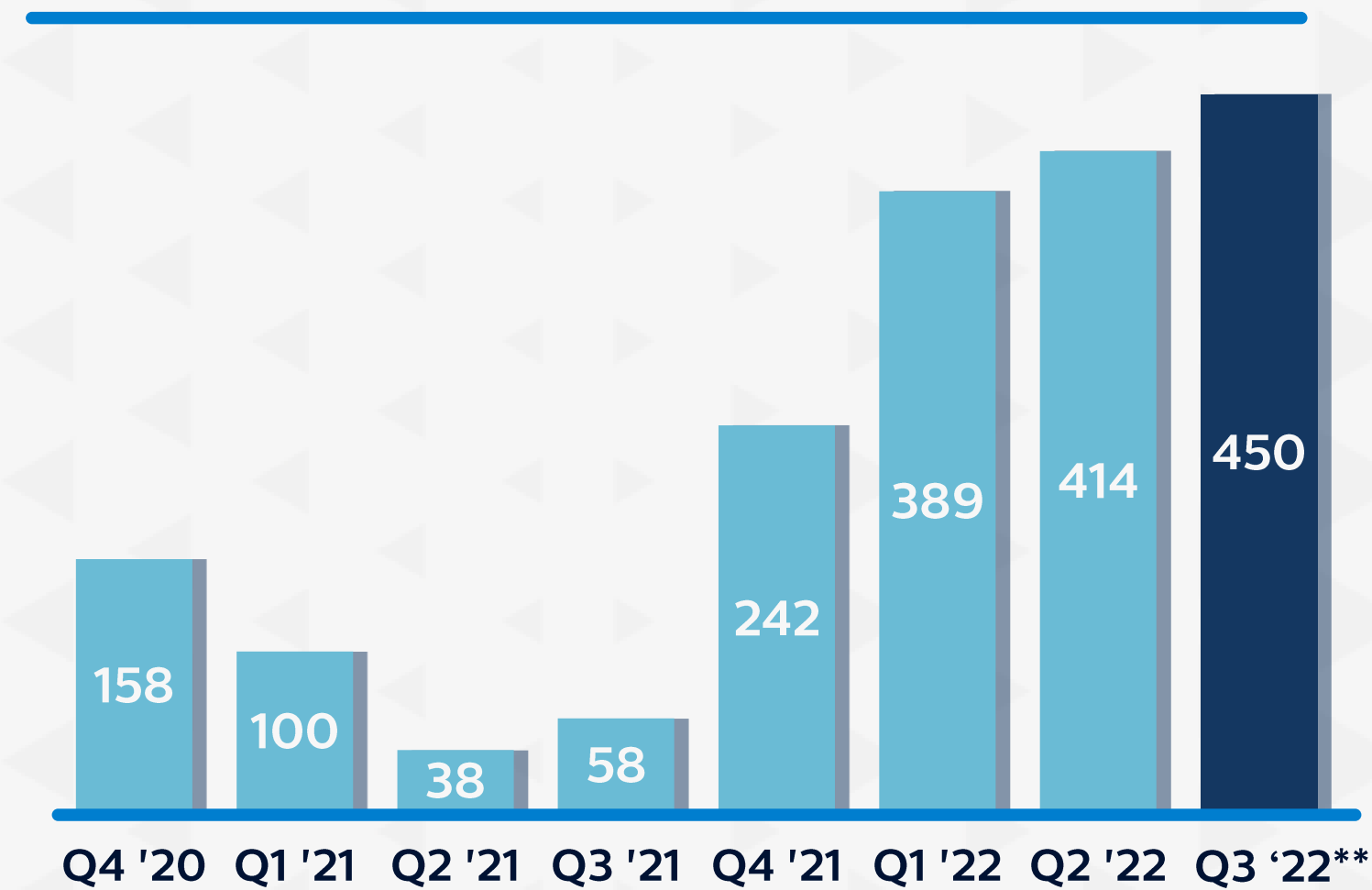
The Effect of CPTD** on Cash Flow (TL mn)



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

** Currency Protected Time Deposit

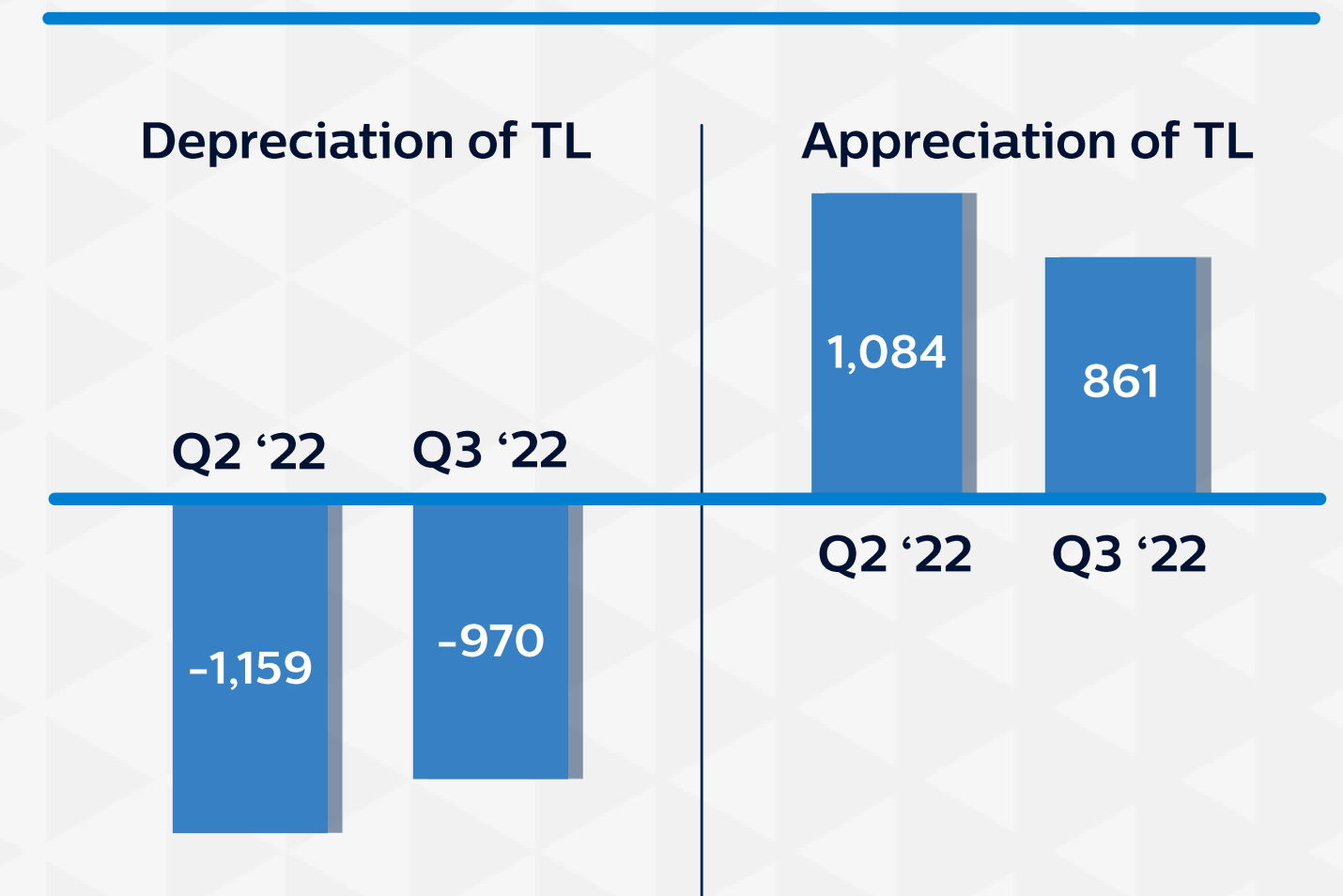
Net FX Exposure* (USD mn equivalent)



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

** Excluding the ineffective portion of the hedge portfolio, mainly the existing PCCS contracts, net FX exposure would be USD 521 mn short position.

Profit Before Tax Sensitivity (TL mn, 10% change in FX rates)



Corporate Credit Ratings

36

	Fitch	S&P Global
Long Term Rating	B	B
Outlook	Negative	Stable
National Long Term Rating	AAA (tur)	
Last Update	10 November 2022	5 October 2022

Rating Drivers

- ▶ Limited churn and good revenue growth in a difficult economic environment
- ▶ Prudent management of the financial policy with an effective hedging strategy, which allows for maintaining ample leverage headroom
- ▶ Strong market position as the country's leading converged telecoms operator
- ▶ EBITDA margin pressure from cost inflation
- ▶ Uncertainty relating to the expiry of the fixed-line concession agreement with the government in 2026
- ▶ High exposure to Turkish economy
- ▶ Foreign-Currency IDRs are affected by Turkey country ceiling

Guidance

	2021 Actuals	2022 Previous Guidance	2022 Revised Guidance
Revenue (exc. IFRIC 12) ¹	19.5% growth	Around 33% growth	Around 37% growth
EBITDA	TL 16.4 bn	Around TL 18.5 bn	Around TL 19.0 bn
CAPEX	TL 8.8 bn	Around TL 13.0 bn	Around TL 14.0 bn

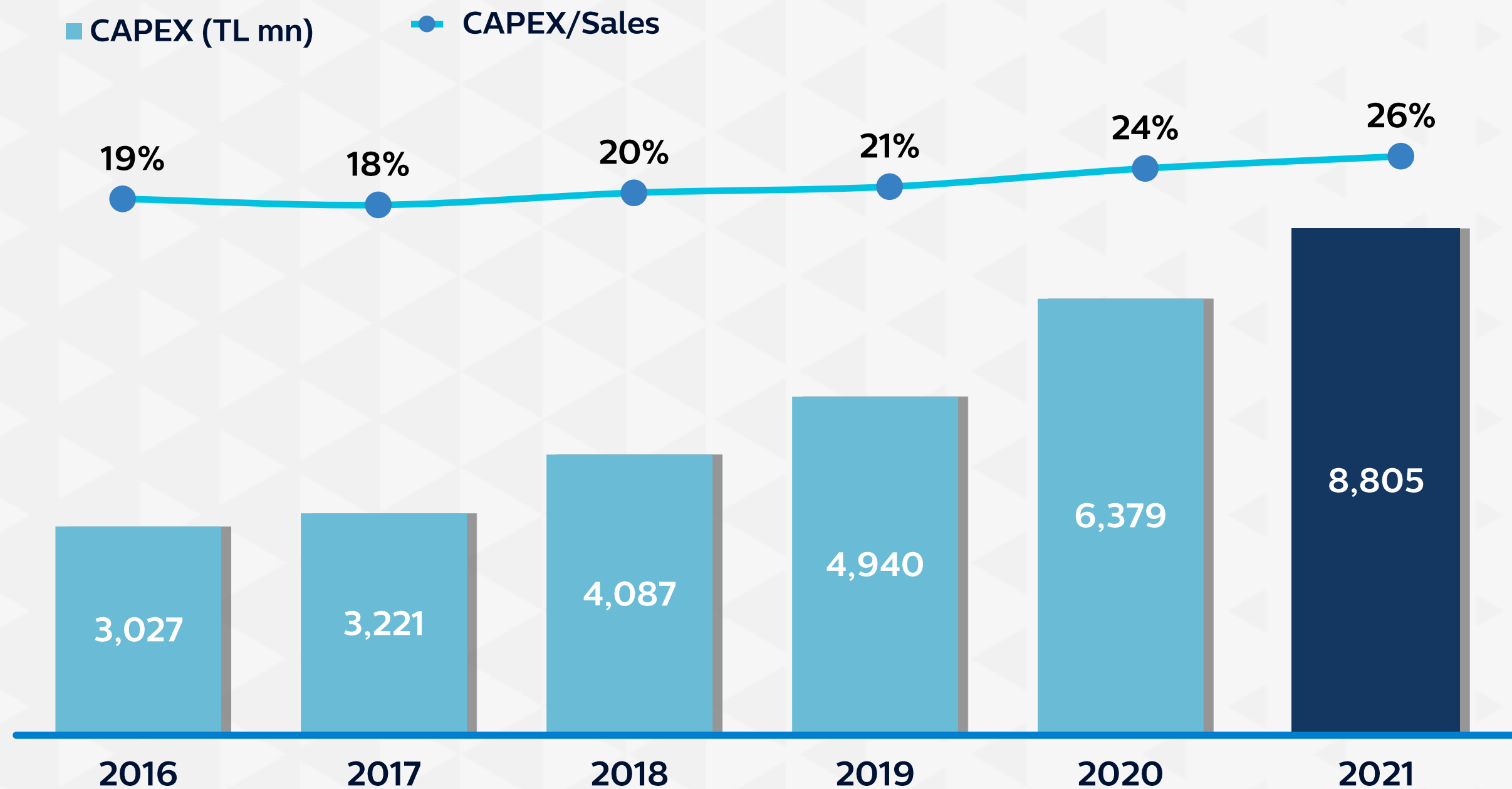
(1) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure such as the upgrade from copper to fibre based network.

CAPEX

38

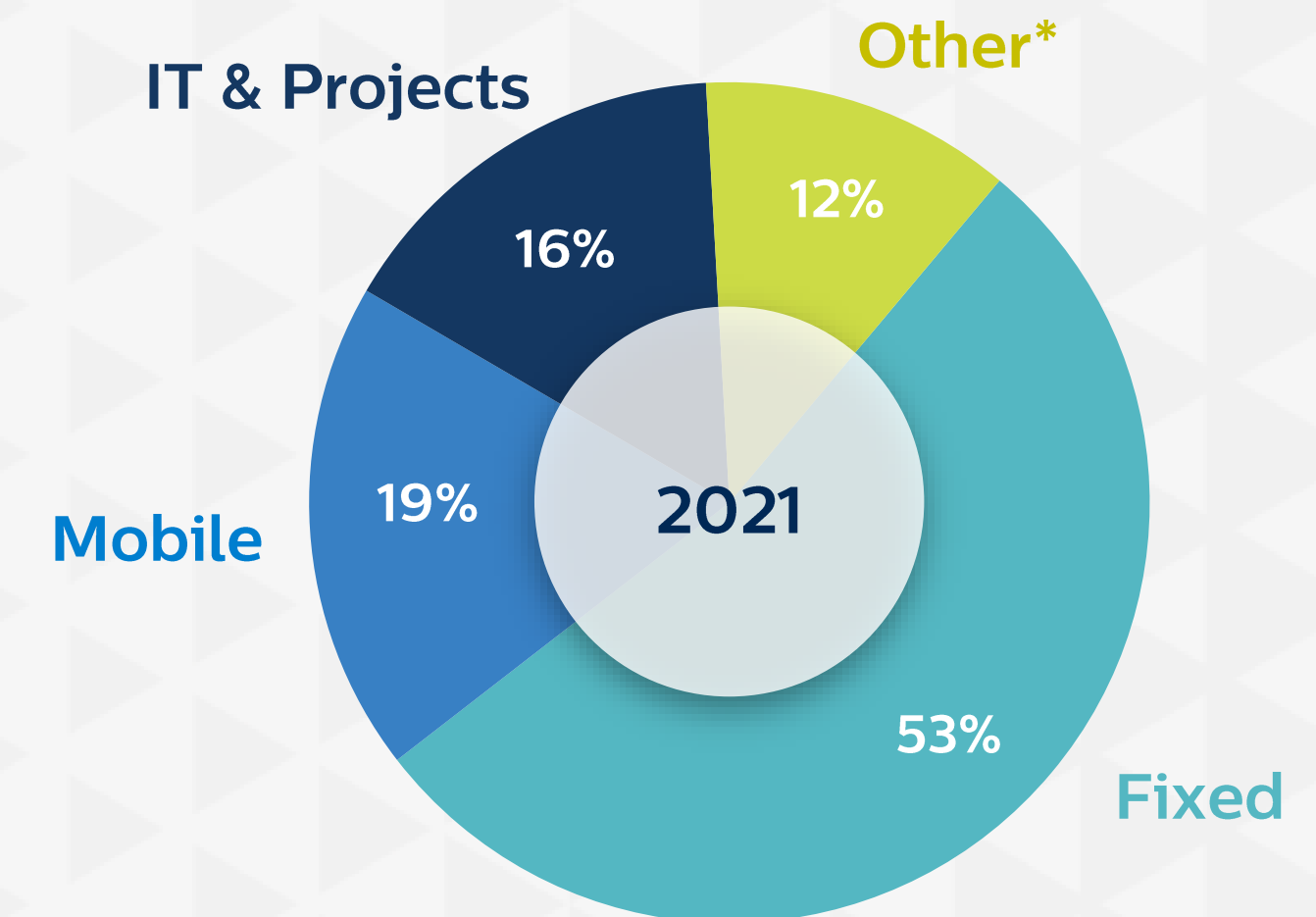
Major Capex areas are fibre network roll-out in fixed line, network investments in mobile and IT transformation projects

Capex & Capex / Sales



Note: Capex figures exclude license fees

2021 Capex Breakdown (%)



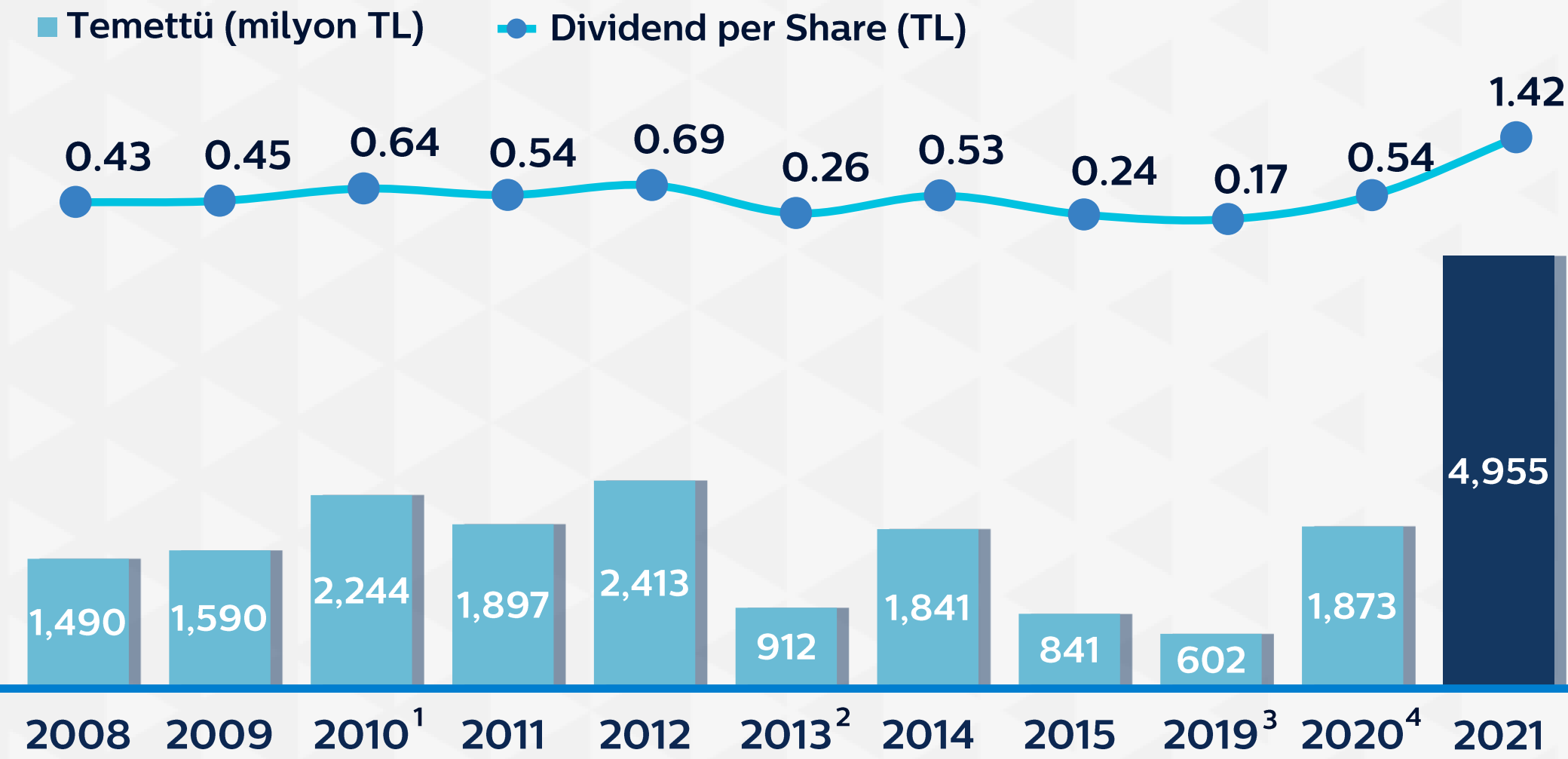
* Other Capex includes capex for subsidiaries (excl TTI), new revenue streams, IFRS 15 capitalisation, etc.

Shareholder Remuneration

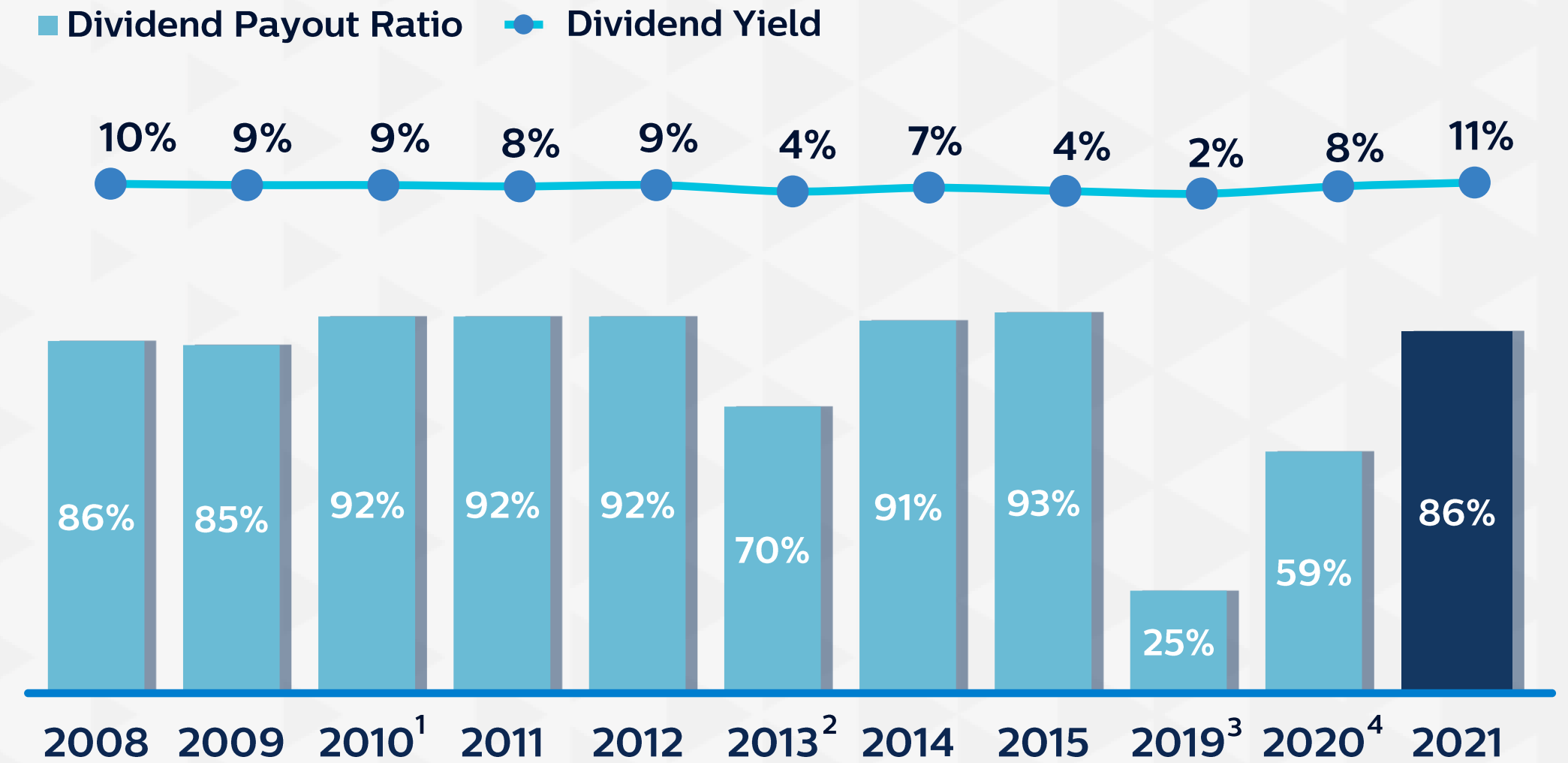
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Dividend policy is to distribute the maximum amount of distributable profit subject to relevant articles of the Company's Articles of Association

Dividend Distribution



Dividend Yield & Payout Ratio



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

(2) 2013 dividend payout ratio was revised to 70% with the BoD decision. This is a decision taken in order to implement the plan to integrate Türk Telekom Group companies and to prepare for potential transactions related to the integration.

(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 distribution was made in three installments. Dividend yield was calculated based on the distribution dates.

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

A man and a woman are seen from behind, holding hands and looking out over a field of wind turbines at sunset. The man is wearing a light blue shirt and the woman is wearing a white t-shirt. The sun is low on the horizon, casting a warm glow over the scene. Several wind turbines are visible in the distance, silhouetted against the orange and yellow sky. The foreground is a grassy field with some small flowers. On the left side of the image, there are three overlapping triangles: a large light blue one, a smaller red one, and a green one. The word "Sustainability" is written in white text across the blue triangle.

Sustainability

Sustainability Strategy and Priorities

41

▶ Customer-oriented

Customer-oriented approach in operations: continuous focus on enriching the customer experience.

▶ Contribution to Society

Offering information technologies, that drive sustainable economic growth and social development.

▶ Responsible Business Approach

Undertaking activities in a reliable, honest, legal and ethical manner.

▶ Climate Change and Environment

Aware of the risks posed by global climate change. Eager to deliver on environmental responsibilities.

▶ Human-oriented

Applying the principle of 'Makes You Feel Valuable' to all human resources policies, systems and processes by putting employees at the centre.

Sustainability Organisations & Indexes that We Are Included

WE SUPPORT



vigeo eiris



BORSA İSTANBUL
SUSTAINABILITY

S&P Global



Our SDG Aligned Targets

- ▶ Reducing carbon emissions by **35%***
- ▶ Increasing energy production from solar energy by **60%**
- ▶ Supporting our employees' development
- ▶ Serving the sustainable society and providing equal opportunity
- ▶ Encouraging women's participation in workforce



* It is aimed to reduce the carbon emissions created during 2020, by 35%.

Sustainability Studies

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Environmental Sustainability

- Products and services with low carbon emissions reduce greenhouse gas emissions
- The first Turkish telecommunications company that participated in CDP (since 2011)
- E-invoice
- Digital document



Energy Efficiency

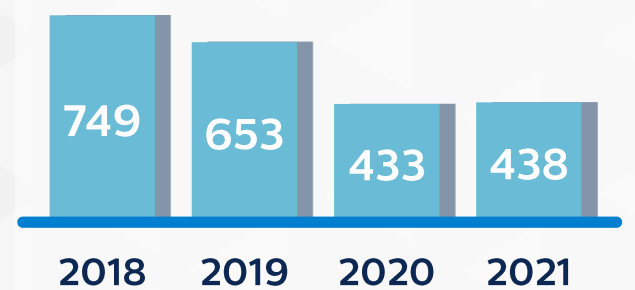
- Efficient use of resources with **Smart City** projects
- Use of **environmentally friendly air conditioners** to reduce greenhouse gas emissions at base stations
- Total power of renewable energy systems increased to **2.5MW**
- **REC (Renewable Energy Certificate)** from **The International REC Standard** for our data centres*



Water & Energy Management

- **Building Centralisation Project** to reduce water consumption
- **Decreased electricity consumption over the years** in line with the targets

■ Water Consumption (thousand m3)



Waste Management

- Reducing rapid consumption of natural resources with **waste management**
- Leaving a livable environment for future generations with the **Zero Waste** project



* The certificate has been obtained for Türk Telekom's three data centres: Gayrettepe, Ümitköy and Esenyurt.

Sustainability Values

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Occupational Health and Safety



- ▶ Occupational Health and Safety Committees
- ▶ **ISO 14001** Environmental Management System Certificate
- ▶ **ISO 45001** Occupational Health and Safety Management System Certificate
- ▶ Occupational Health and Safety legislation training for about **20 thousand** employees
- ▶ Integrated Management System Policy
- ▶ **ISO 9001** Quality Management System
- ▶ TSE Covid-19 Safe Service Certificate

Our Employees



- ▶ **19%** female, **81%** male employee distribution
- ▶ Freedom of association and right to collective bargaining
- ▶ Türk Telekom Academy; an average of **41.1** hours of training per employee
- ▶ Inventor Idea Development System; supporting the participation of women in workforce

Information Security



- ▶ Information Security Policy
- ▶ Awareness and training on Personal Data Protection Law
- ▶ Employee training on data security and privacy
- ▶ Information Security Certifications: ISO 27001 & PCI-DSS Certificates

Our Suppliers



- ▶ Procurement Policy
- ▶ Supplier Performance Evaluation Process
- ▶ Safe working conditions
- ▶ Compliance with Human Rights Policy

Corporate Governance Highlights

44

- ▶ 9 non-executive Board Members, 3 of which are independent
- ▶ Board of Directors Women Membership; aiming to reach target in the next 5 years
- ▶ Among companies with the highest score in the category of "Stakeholders" and "Public Disclosure & Transparency"



- ▶ Separate Chairman and CEO
- ▶ Only telecom company in the BIST Corporate Governance Index since 2009
- ▶ Audit Committee composed entirely of Independent Board Members

Corporate Governance Rating

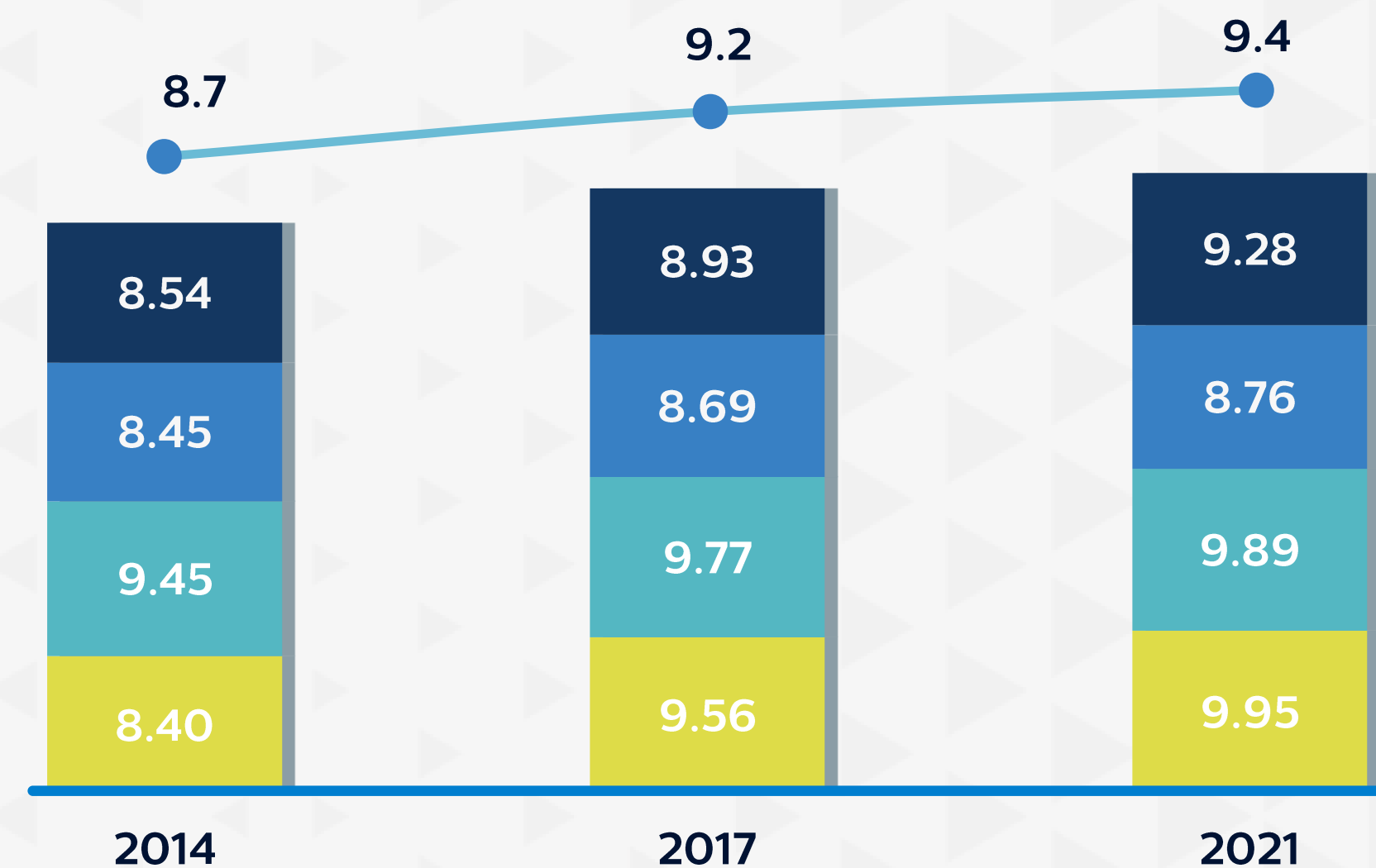
Weighted Average

Board of Directors


Shareholders

Public Disclosure and Transparency

Stakeholders



Group Companies



Group Companies

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5G and beyond next-generation telecommunication technologies R&D company and solution provider

- Netsia BB Suite: Next generation broadband access technology for fixed networks
- vRAN: SDN based Radio Access Network technology for LTE and 5G with numerous international patents
- NCA Suite: Network Performance Monitoring and Customer Experience Management (NPM/CEM) solutions used by telecom operators in Turkey and in the world
- ULAK: Turkey's first and only 4.5G (LTE-A) base station development project
- DEFINE: First domestic DPI solution device development project of Turkey under the roof of OTAK A.Ş.
- Productisation and commercialisation in R&D studies
- Member of BBF, member of ONF and ONAP with its subsidiary Netsia (USA)
- Collaboration with global producers in R&D and solution provision



Turkey's leading software developer company & system integrator

- System Integration Solutions
- Fintech Products and Solutions
- The IoT Platform and Solutions
- Artificial Intelligence and Big Data Solutions
- RPA (Robotic Process Automation)
- E-Business Solutions
- Health Solutions
- Smart City and Smart Store Solutions
- SAP, Business Intelligence, CRM, Project Management Services
- Managed Services, Consultancy Services



International arm of the Group opening up to the World in wholesale data, voice, SMS and mobile roaming services

- A fibre network spreading over approximately 48 thousand kilometres in Central and Eastern Europe (CCE), Turkey, the Middle East and the Caucasus region
- More than 110 points of presence (PoP) in 25 countries
- Billions of minutes of transit voice traffic per year, more than 800 mobile roaming agreements and over 350 LTE mobile roaming agreements with more than 200 business partners
- Value added unique solutions
- AMEERS and AMEER2: Routes connecting Western Europe to the Middle East
- SEA-ME-WE-5: Submarine cable system connecting Europe to Africa, the Middle East and Asia
- KAFOS: Submarine cable system extending from Black Sea to Europe
- MEDTÜRK: Submarine cable system connecting Middle East, Turkey and Europe

Group Companies

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The logo for aSSiSTT, featuring the word in a blue, lowercase, sans-serif font.

**Leading customer service
solutions company**

- Multi-channel solutions in the fields of call centre, sales-marketing, face-to-face services, outsourcing, social media management, customer experience management and revenue management
- 24/7 uninterrupted service to several sectors such as health, telecommunications, finance, transportation, retail, e-commerce, energy, through long years of experience and competent teams

The logo for SEBIT, featuring a stylized blue 'S' above the word 'sebit' in a lowercase, sans-serif font.

**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, SEBIT VCloud and Vitamin
- Content and platform provider to the Ministry of Education in national e-education transformation projects

The logo for Türk Telekom Ventures, featuring a colorful triangle icon followed by the text 'TÜRK TELEKOM VENTURES' in a bold, uppercase, sans-serif font.

**The Group's corporate venture
capital company**

- Focus on investments which contribute to the growth of early-stage initiatives and scalable-target ventures in the areas of artificial intelligence, digital solutions, health, and education
- Health: Virasoft and DoctorTurkey
- Education: MentalUP
- Energy: Eltemtek
- Social Media: Appyap
- Digital Marketing: Earnado
- Artificial Intelligence: Syntonym, B2Metric, Optiyol, QuantWiFi

Appendix



Income Statement

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(TL mn)	Q3 '21	Q2 '22	Q3 '22	QoQ Change	YoY Change
Revenues	8,640	10,732	12,552	17.0%	45.3%
EBITDA	4,289	4,404	5,035	14.3%	17.4%
Margin	49.6%	41.0%	40.1%		
Operating Profit	2,737	2,494	3,003	20.4%	9.7%
Margin	31.7%	23.2%	23.9%		
Financial Inc. / (Exp.)	(862)	(2,321)	(2,606)	12.3%	202.1%
FX & Hedging Gain / (Loss)	(367)	(1,774)	(1,895)	6.8%	416.0%
Interest Inc./ (Exp.)	(457)	(739)	(700)	(5.2)%	53.1%
Other Financial Inc./ (Exp.)	(38)	191	(11)	n.m.	(70.8)%
Tax Inc./ (Exp.)	176	1,219	774	(36.5)%	340.1%
Net Income	2,050	1,392	1,171	(15.9)%	(42.9)%
Margin	23.7%	13.0%	9.3%		

Balance Sheet

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(TL mn)	30.09.2021	30.06.2022	30.09.2022
Total Assets	48,340	65,226	76,341
Cash and Cash Equivalents	4,829	5,231	5,824
Tangible Assets ¹	16,915	19,479	26,765
Intangible Assets	12,561	15,024	15,712
Right of Use Assets	1,562	1,856	1,818
Other Assets ²	12,473	23,636	26,222
Total Equities and Liabilities	48,340	65,226	76,341
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	12,007	8,795	16,192
Interest Bearing Liabilities ³	22,113	39,963	42,443
<i>Bank Borrowings and Bonds</i>	<i>20,765</i>	<i>38,300</i>	<i>40,798</i>
<i>Lease Liabilities</i>	<i>1,348</i>	<i>1,663</i>	<i>1,645</i>
Other Liabilities ⁴	10,959	13,207	14,446

(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

Cash Flow Statement

51

(TL mn)	Q3 '21	Q2 '22	Q3 '22	QoQ Change	YoY Change
Operating Cash Flow	3,885	3,679	4,525	23.0%	16.5%
Investing Cash Flow	(1,383)	(2,192)	(2,305)	5.2%	66.6%
CAPEX	(1,692)	(2,477)	(3,089)	24.7%	82.5%
Other Investing Activities	309	285	784	175.3%	153.9%
Currency Protected Time Deposit	-	(294)	(728)	147.1%	-
Financing Cash Flow ¹	(1,808)	(4,802)	(452)	(90.6)%	(75.0)%
Net Change in Cash Position ²	694	(3,610)	1,040	n.m.	49.9%

(1) Includes currency translation differences

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

Revenue Breakdown

52

(TL mn)	Q3 '21	Q2 '22	Q3 '22	QoQ Change	YoY Change
Fixed Voice	683	727	789	8.4%	15.5%
Broadband	2,749	3,286	3,724	13.3%	35.5%
Mobile	3,041	3,722	4,528	21.7%	48.9%
TV	106	122	131	7.4%	23.1%
Corporate Data	603	725	755	4.1%	25.2%
International Revenues	512	567	859	51.5%	67.7%
Other ¹	532	784	992	26.6%	86.5%
Eliminations	(27)	(22)	(28)	27.3%	4.6%
Revenue w/o IFRIC	8,200	9,910	11,749	18.6%	43.3%
IFRIC-12	440	821	803	(2.3)%	82.3%
Total Revenue	8,640	10,732	12,552	17.0%	45.3%

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

Opex Breakdown

53

(TL mn)	Q3 '21	Q2 '22	Q3 '22	QoQ Change	YoY Change
Direct Costs	1,926	2,171	2,714	25.0%	40.9%
Interconnection	728	660	928	40.5%	27.4%
Tax	745	908	1,075	18.4%	44.4%
Provisions for Doubtful Receivables	47	37	48	29.9%	1.9%
Cost of Equipment and Technology Sales	260	362	412	13.7%	58.2%
Other Direct Costs	146	203	251	23.6%	72.3%
Commercial Costs	261	368	443	20.6%	69.7%
Other Costs	1,774	3,063	3,650	19.2%	105.8%
Network & Technology	725	1,286	1,434	11.5%	97.7%
Personnel	1,147	1,738	2,207	27.0%	92.5%
Other	(98)	39	9	(76.0)%	n.m.
Sub Total	3,961	5,601	6,807	21.5%	71.8%
IFRIC-12	390	727	710	(2.3)%	82.0%
Total OPEX	4,351	6,328	7,517	18.8%	72.8%

Operational Highlights

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	Q3 '21	Q2 '22	Q3 '22	QoQ Change	YoY Change
Total Access Line (mn)	16.7	17.1	17.2	1.0%	3.0%
Fixed Voice Subscribers ¹ (mn)	10.5	10.1	9.9	(2.7)%	(6.3)%
Naked Broadband Subscribers (mn)	6.2	6.9	7.4	6.4%	18.8%
Fixed Voice ARPU (TL)	21.7	23.6	26.3	11.3%	21.3%
Broadband Total Subscribers (mn)	14.1	14.6	14.8	1.5%	5.1%
Fiber Subscribers (mn)	8.8	10.7	11.2	4.4%	27.4%
FTTH/B Subscribers (mn)	2.6	3.1	3.3	6.4%	24.6%
FTTC Subscribers (mn)	6.1	7.6	7.9	3.5%	28.6%
Broadband ARPU (TL)	65.9	75.4	84.8	12.5%	28.8%
Total Tivibu Subscribers² (mn)	3.0	2.9	2.9	(0.4)%	(2.9)%
Tivibu Home Subscribers ³ (mn)	1.5	1.5	1.5	(0.5)%	(2.7)%
Tivibu ARPU (TL)	22.1	25.7	28.1	9.2%	26.9%
Mobile Total Subscribers (mn)	23.9	24.6	25.3	2.8%	6.0%
Mobile Postpaid Subscribers (mn)	15.5	16.3	16.6	2.0%	6.7%
Mobile Prepaid Subscribers (mn)	8.3	8.4	8.7	4.3%	4.7%
Mobile Blended ARPU (TL)	42.2	49.8	59.1	18.6%	40.1%
Mobile Postpaid ARPU (TL)	48.7	56.8	65.4	15.1%	34.2%
Mobile Prepaid ARPU (TL)	28.3	34.7	42.9	23.6%	51.9%

(1) Includes PSTN and WLR Subscribers

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

(3) Includes IPTV and DTH subscribers

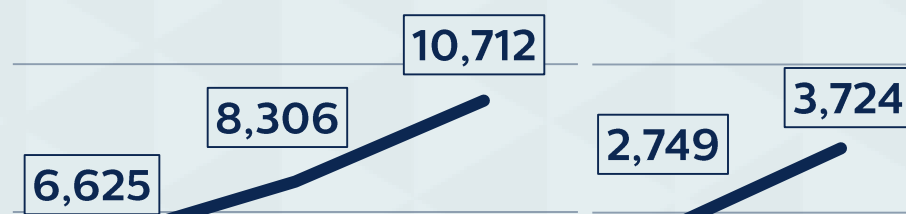
Business Lines Performance

55

Revenue (TL mn)

Growth

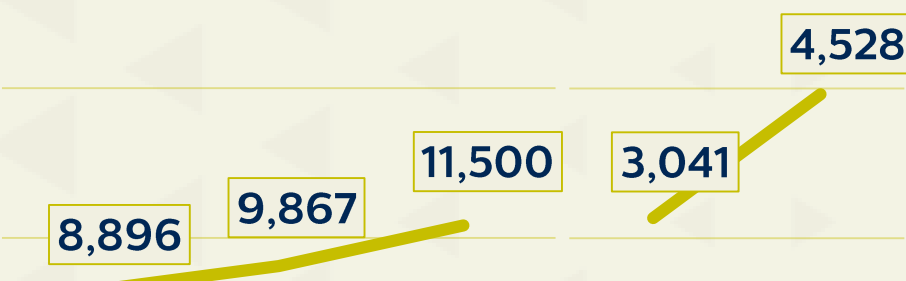
Fixed Broadband



CAGR: 27.2%

35.5%

Mobile



CAGR: 13.7%

48.9%

Fixed Voice



CAGR: 0.8%

15.5%

TV (Tivibu Home)



CAGR: 10.3%

23.1%

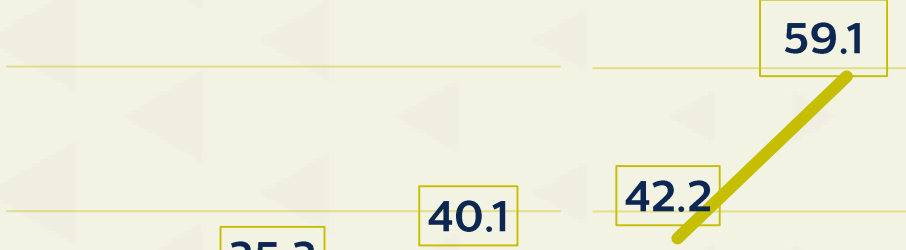
ARPU (TL)

Growth



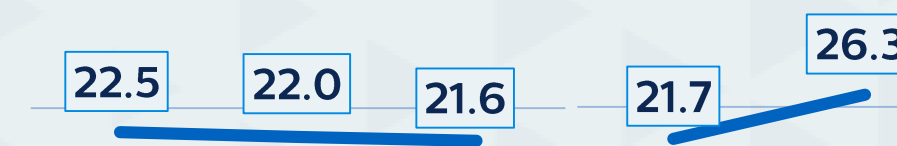
CAGR: 14.2%

28.8%



CAGR: 10.4%

40.1%



CAGR: -2.2%

21.3%

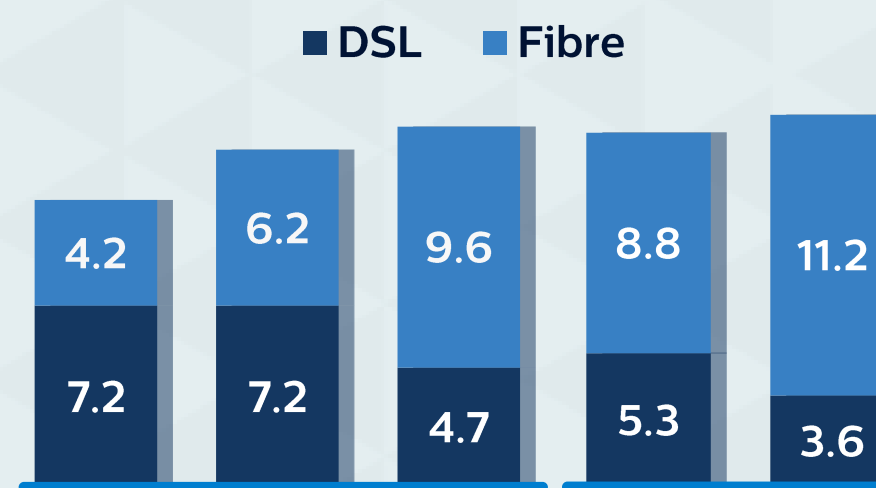


CAGR: 15.7%

26.9%

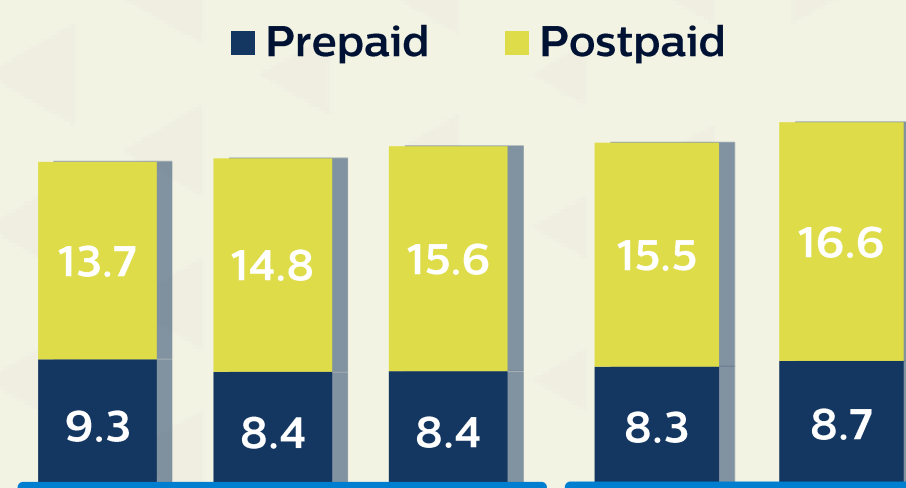
Subscriber (mn)

Growth



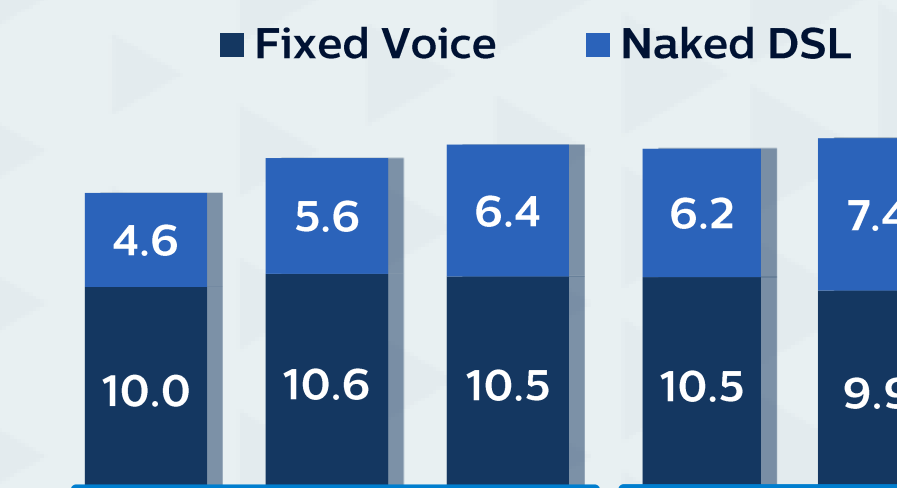
CAGR: 12.2%

5.1%



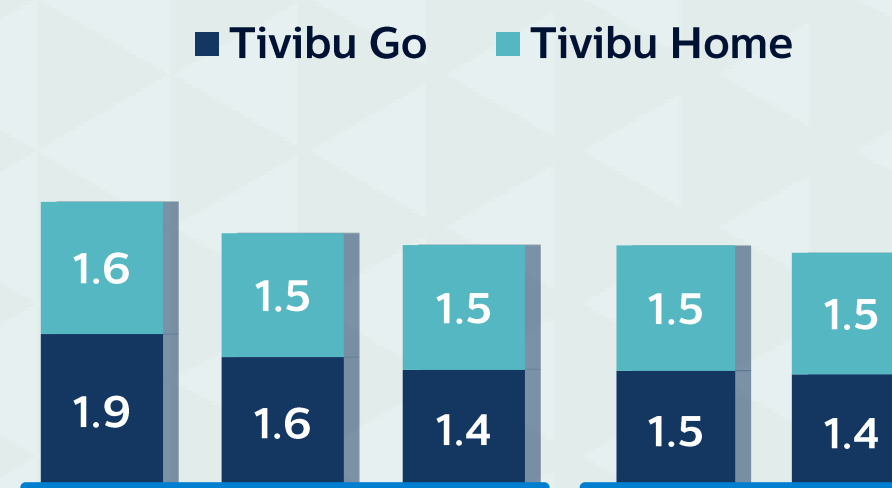
CAGR: 2.3%

6.0%



CAGR: 7.8%

3.0%



CAGR: -7.9%

-2.9%

Shareholder Structure

Ownership and Corporate Structure



60% of shares
owned by Turkey Wealth Fund.

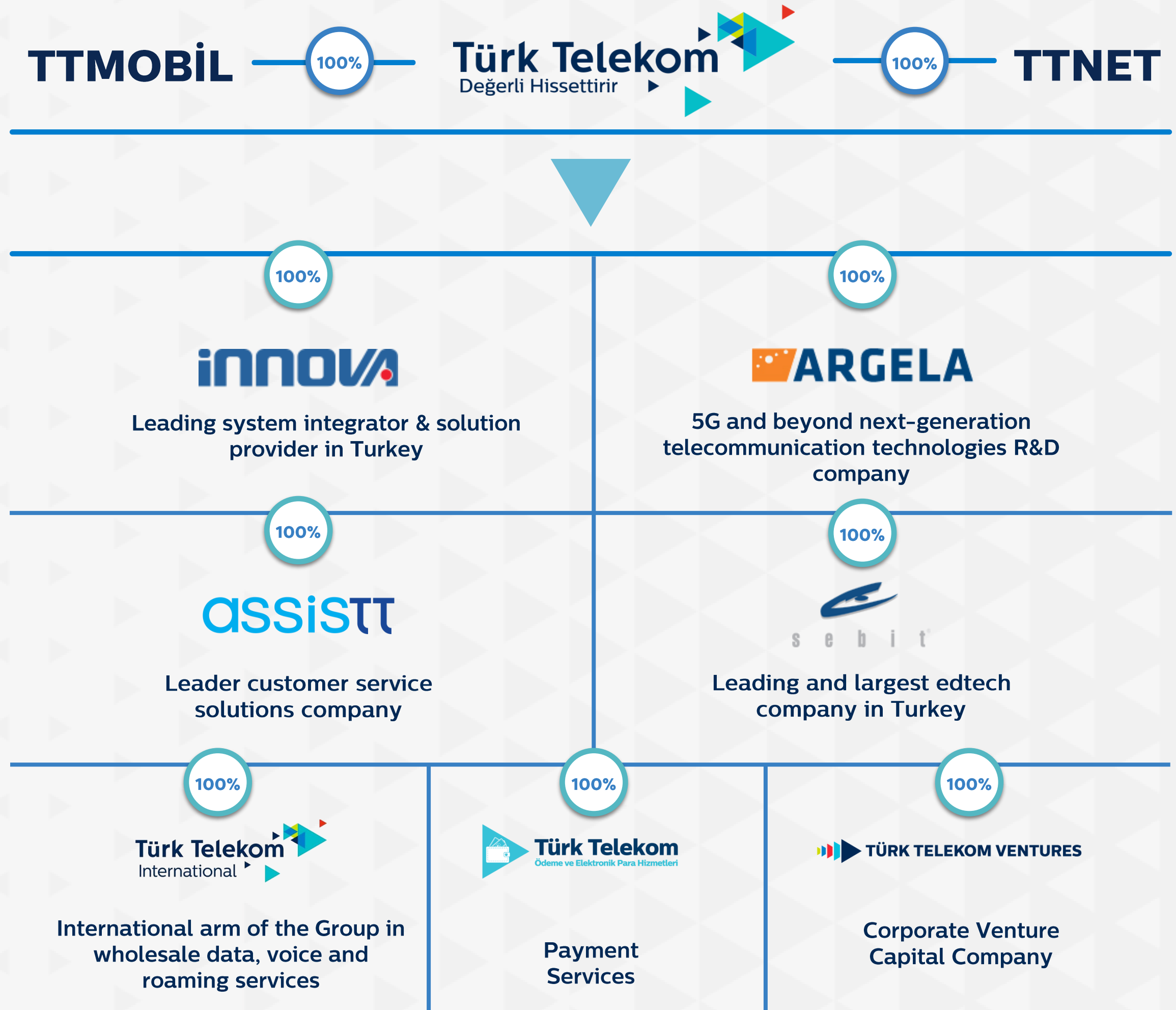
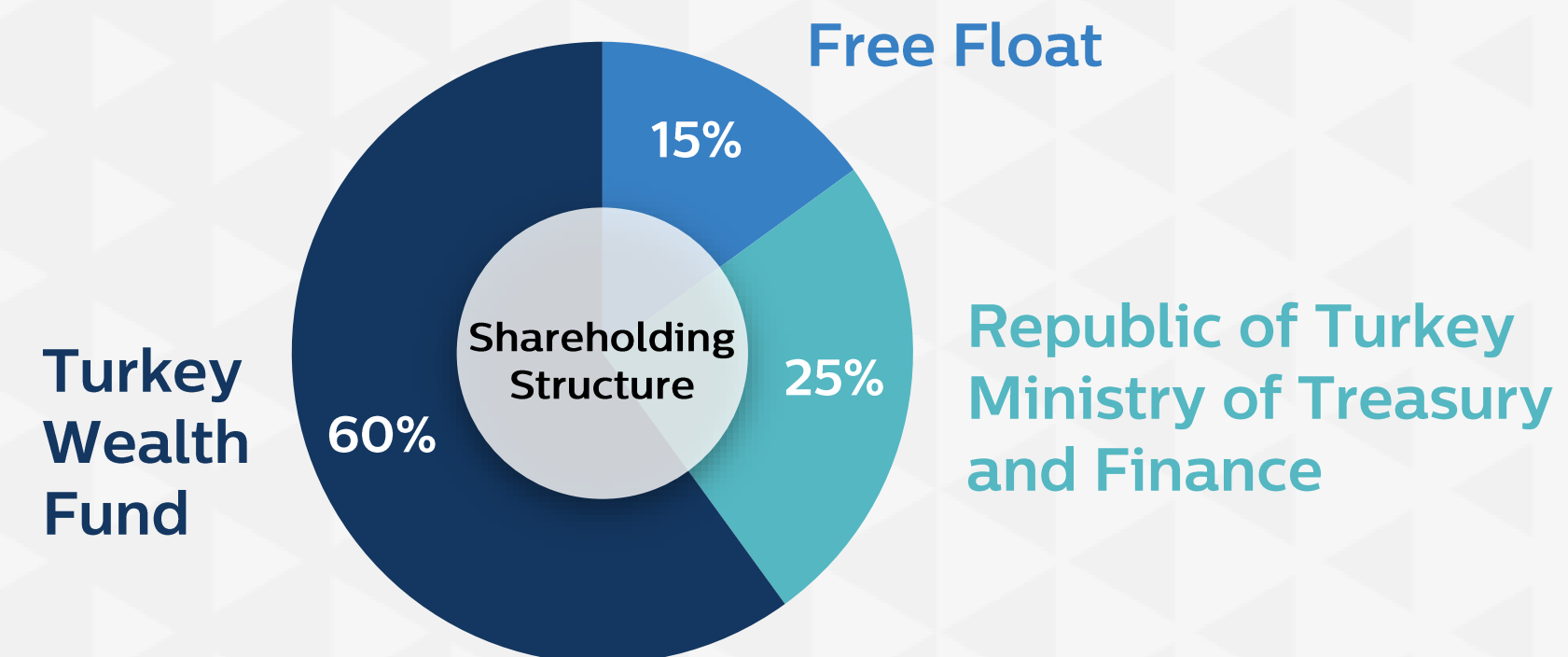


25% of shares
owned by Republic of Turkey Ministry of Treasury and Finance.



15% of shares
publicly traded on Borsa İstanbul since 2008.
(of which 1.68% also owned by Turkey Wealth Fund)

Shareholding Structure



Regulatory Actions

57

April

- Interconnection rate decrease in Fixed (10%) and Mobile (33%)

November

- 3G tender held
- Mobile Number Portability introduced
- New Electronic Communications Law passed

2008

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

2010

January

- WLR was introduced

November

- Deregulation on FTRs on international calls and liberalisation on their pricing

2012

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

2014

April

- LTE Service launch

August

- Mobile on-net price floor regulation for TCELL was lifted

October

- The deadline to shift Port Transmission Model

2016

January

- Fair usage quota was lifted

2019

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 liberalisation

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 liberalisation 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

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

2015

August

- LTE tender was held

2018

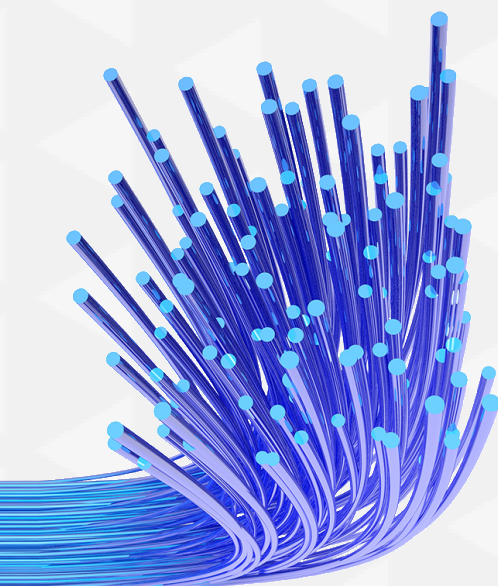
January

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

2021

June

- Within 3 years from January 2022, mobile interconnection fees will be gradually equalised at 2.10 kurus for all operators



History

58

1995

Separation from Post Office

Türk Telekom separated from the Post Office

2004

Aycell Merger with Aria

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

2006

Avea Share Transaction

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

2010

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

2014

Bond Issuance

Türk Telekom issued USD 1 bn bond in two tranches of USD 500 mn each, with maturities of 5 and 10 years

2016

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

2019

Bond Issuance

Türk Telekom successfully completed its USD 500 mn bond offering with 6 year maturity

2022

Shareholder Change

Share Purchase Agreement between LYY and TWF has been completed. LYY sold its 55% stake in TTKOM to TWF.

2001

Aycell Established

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

2005

Privatisation

Privatised 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

3G

3G tender

2013

Integration Project Initiated

Integration project towards a customer oriented organisation

2015

Avea Share Transaction

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

LTE

LTE tender

2018

Establishment of CVC

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

Shareholder Change

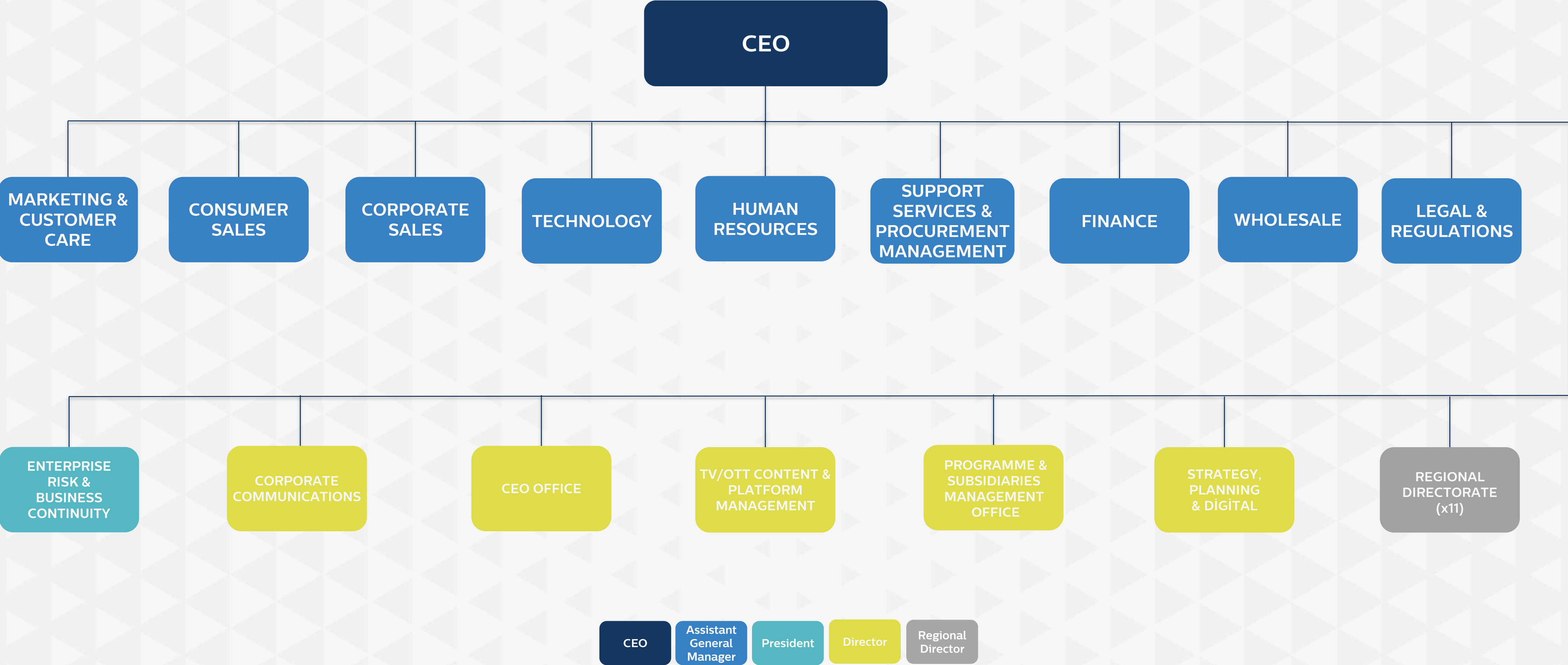
55% shares of Türk Telekom transferred to LYY Telekomünikasyon A.Ş. (LYY) from OTAS

2020

Bond Issuance

Türk Telekom issued the first domestic bond of TL 150 mn with a maturity of 402 days

Organisational Structure



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Türk Telekom
Değerli Hissettirir

