

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

**31 March 2025 Interim Condensed Consolidated
Financial Statements As At and
For The Three Months Period Ended 31 March 2025**

7 May 2025

This report contains 1 pages of “Independent Auditor’s Report” and 41 pages of financial statements and explanatory notes.

(Convenience translation of a report and financial statements originally issued in Turkish)

**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM
CONDENSED CONSOLIDATED STATEMENT AS AT AND FOR THE THREE MONTHS PERIOD
ENDED 31 MARCH 2025**

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

	Notes	Current period	Prior period
		Unaudited	Audited
		31 March 2025	31 December 2024
Assets			
Total current assets		53.210.973	65.455.586
Cash and cash equivalents	6	7.915.173	8.290.199
Financial investments	15	953.063	11.599.428
Trade receivables			
- Trade receivables due from related parties	8	925.314	1.257.167
- Trade receivables due from unrelated parties	9	22.678.696	22.799.868
Receivables from finance sector activities			
- Receivables from finance sector activities due from unrelated parties		181.473	140.580
Other receivables			
- Other receivables due from related parties		—	45
- Other receivables due from unrelated parties		306.770	3.155.983
Contract assets			
- Contract assets from sale of goods and service contracts	9	8.707.353	8.371.450
Derivative financial assets			
- Derivative financial assets held for trading	14	1.234.879	144.554
- Derivative financial assets held for hedging	14	709.106	1.150.262
Inventories		2.617.242	3.023.404
Prepayments			
- Prepayments to unrelated parties		3.904.836	1.344.368
Current tax assets		190.550	176.917
Other current assets			
- Other current assets due from unrelated parties		2.157.714	3.272.557
Subtotal		52.482.169	64.726.782
Non-current assets classified as held for sale		728.804	728.804
Total non-current assets		232.185.130	231.996.632
Financial investments			
- Other financial investments	15	448.326	442.059
Trade receivables			
- Trade receivables due from unrelated parties	9	79.396	67.085
Receivables from finance sector activities			
- Receivables from finance sector activities due from unrelated parties		195.138	143.139
Other receivables			
- Other receivables due from unrelated parties		87.430	166.196
Contract assets			
- Contract assets from sale of goods and service contracts	9	44.921	56.675
Right of use assets		10.608.428	9.741.433
Investment property		159.802	160.332
Property, plant and equipment			
- Land and premises		40.349.220	40.348.840
- Buildings		4.677.810	4.778.253
- Machinery and equipments		62.105.654	64.548.961
- Other property, plant and equipment		18.494.220	15.371.687
Intangible assets			
- Goodwill		773.218	773.218
- Rights regarding concession agreements		39.490.118	39.503.252
- Concession agreements assets		5.199.285	4.796.224
- Licences		13.295.438	14.338.920
- Other intangible assets		33.294.260	33.253.170
Prepayments			
- Prepayments to unrelated parties		611.006	167.229
Deferred tax asset	17	2.270.881	3.339.889
Other non-current assets			
- Other non-current assets due from unrelated parties		579	70
Total assets		285.396.103	297.452.218

The accompanying notes form an integral part of these consolidated financial statements.

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

		Current period	Prior period
		Unaudited	Audited
	<i>Notes</i>	31 March 2025	31 December 2024
Liabilities			
Total current liabilities		50.650.717	71.095.504
Financial liabilities			
Financial liabilities from related parties			
- Bank loans	7,8	49.750	686.517
Financial liabilities from unrelated parties			
- Bank loans	7	3.098.214	12.171.008
- Lease liabilities	7	74.029	81.478
- Issued debt instruments	7	2.196.002	294.762
Current portion of long term financial liabilities			
Current portion of long term financial liabilities from unrelated parties			
- Bank loans	7	6.776.067	6.973.839
- Lease liabilities	7	1.985.492	1.671.607
- Issued debt instruments	7	515.911	7.421.751
Trade payables			
- Trade payables to related parties	8	415.669	132.962
- Trade payables to unrelated parties	9	19.127.038	23.995.757
Payables from finance sector activities			
- Payables from finance sector activities due from unrelated parties		158.320	41.750
Employee benefit obligations		3.082.697	2.232.705
Other payables			
- Other payables to unrelated parties		6.506.972	6.344.165
Derivative financial liabilities			
- Derivative financial liabilities held for trading	14	78.443	735.330
Contract liabilities			
- Contract liabilities from sale of goods and service contracts		3.488.976	3.910.767
Current tax liabilities	17	1.114.745	512.616
Current provisions			
- Current provisions for employee benefits	11	977.201	2.813.639
- Other current provisions	11	270.843	282.232
Other current liabilities			
- Other current liabilities to unrelated parties		734.348	792.619
Total non-current liabilities		69.524.634	65.564.290
Long term financial liabilities			
Long term financial liabilities from unrelated parties			
- Bank loans	7	28.033.485	26.178.077
- Lease liabilities	7	3.445.067	2.824.630
- Issued debt instruments	7	18.791.072	19.320.922
Other payables			
- Other payables to unrelated parties		355.763	175.692
Contract liabilities			
- Contract liabilities from sale of goods and service contracts		3.156.052	3.259.395
Non-current provisions			
- Non-current provisions for employee benefits	11	8.305.132	7.919.628
- Other non-current provisions		10.627	11.696
Deferred tax liabilities	17	7.427.436	5.874.250
Total liabilities		120.175.351	136.659.794

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

	Current period	Prior period
	Unaudited	Audited
<i>Notes</i>	31 March 2025	31 December 2024
Equity	165.220.752	160.792.424
Equity attributable to equity holders of the parent		
Issued capital	3.500.000	3.500.000
Inflation adjustments on capital	81.104.094	81.104.094
Repurchased shares (-)	(23.189)	(23.189)
Other accumulated comprehensive income/ (loss) that will not be reclassified in profit or loss		
(Losses) / gains on revaluation and remeasurement		
- Losses on remeasurements of defined benefit plans	(6.161.173)	(5.982.679)
- Increases on revaluation of property, plant and equipment	7.912.629	7.912.629
Gains / (losses) on hedges		
- Gains on cash flow hedges	521.266	526.891
- Losses on hedges of net investment in foreign operations	(9.956.570)	(9.499.857)
Change in value of time value of options	(245.655)	(239.290)
Exchange differences on translation	3.157.518	3.243.779
Restricted reserves appropriated from profits	4.641.141	4.641.141
Retained earnings	75.636.495	66.301.838
Profit for the year	5.134.196	9.307.067
Total liabilities and equity	285.396.103	297.452.218

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

	Notes	Current Period	Restated Prior Period
		Unaudited 1 January - 31 March 2025	Unaudited 1 January - 31 March 2024
Revenue	5	45.596.373	38.544.584
Cost of sales (-)	2.3	(27.048.050)	(25.124.085)
Gross profit		18.548.323	13.420.499
General administrative expenses (-)	2.3	(5.659.444)	(5.236.046)
Marketing, sales and distribution expenses (-)	2.3	(4.157.437)	(4.154.021)
Research and development expenses (-)	2.3	(643.712)	(665.130)
Other operating income		808.573	1.336.579
Other operating expense (-)		(1.490.839)	(1.266.699)
Operating profit / (loss)		7.405.464	3.435.182
Impairment gains / (losses) and reversal of impairment losses determined in accordance with IFRS 9, net		(212.750)	(125.313)
Investment activity income		811.936	1.442.649
Investment activity expenses (-)		(9.822)	(182)
Profit before financing income		7.994.828	4.752.336
Finance income		2.491.341	1.251.433
Finance costs (-)		(7.767.789)	(9.530.406)
Monetary gain/loss	18	5.924.640	10.605.088
Profit from continuing operations, before tax	5	8.643.020	7.078.451
Tax (expense) / income, continuing operations			
- Current period tax expense		(681.307)	(109.117)
- Deferred tax expense	2.3	(2.827.517)	(3.433.577)
Profit for the year	2.3	5.134.196	3.535.757
Earnings per shares attributable to equity holders of the parent from (in full kuruş)	4	1,4671	1,0104
Earnings per diluted shares attributable to equity holders of the parent from (in full kuruş)	4	1,4671	1,0104

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**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM
CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE
THREE MONTHS PERIOD ENDED 31 MARCH 2025**

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

	Current Period	Restated Prior Period
	Unaudited	Unaudited
Notes	1 January - 31 March 2025	1 January - 31 March 2024
Profit for the period	5.134.196	3.535.757
Other comprehensive income / (loss):		
Other comprehensive income that will not be reclassified to profit or loss	(178.494)	(9.862)
Losses on remeasurements of defined benefit plans	(237.992)	(145.465)
Change in fair value of financial liability attributable to change in credit risk of liability	-	132.316
Tax effect of other comprehensive income items not to be reclassified to profit or loss		
-Taxes relating to remeasurements of defined benefit plans	59.498	36.366
-Taxes relating to change in fair value of financial liability attributable to change in credit risk of liability	-	(33.079)
Other comprehensive income that will be reclassified to profit or loss	(527.374)	(814.583)
Exchange differences on translation	(86.261)	(599.521)
Gains / (losses) on cash flow hedges	6.561	(184.342)
(Losses) on hedges of net investments in foreign operations	(608.951)	(478.093)
Gains on change in value of time value of options	14.239	375.687
Tax effect on other comprehensive income items to be reclassified to profit or loss		
-Taxes relating to loss / (gains) cash flow hedges	(1.640)	46.085
-Taxes relating to gains on hedges of net investments in foreign operations	152.238	119.523
-Taxes relating to change in value of time value of options of other comprehensive (loss)	(3.560)	(93.922)
Other comprehensive loss	(705.868)	(824.445)
Total comprehensive income	4.428.328	2.711.312

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

				Other accumulated comprehensive income / (loss) that will not be reclassified in profit or loss			Other accumulated comprehensive income / (loss) that will be reclassified in profit or loss				Retained earnings / (losses)			Total equity
	Issued capital	Inflation adjustments on capital	Repurchased shares (-)	Gains / (losses) on revaluation and remeasurement		Gains / (losses) due to change in fair value of financial liability attributable to change in credit risk of liability	Gains / (losses) on hedge			Exchange differences on translation	Restricted reserves appropriated from profits	Retained earnings	Profit for the year	
				Increases on revaluation of property, plant and equipment	Gains / (losses) on remeasurements of defined benefit plans		Gains / (losses) on hedges of net investment in foreign operations	Gains / (losses) on cash flow hedges	Change in value of time value of options					
Balance at 1 January 2024	3.500.000	81.104.094	(23.189)	9.218.107	(4.181.810)	44.149	(8.862.228)	5.450.924	(12.369.399)	5.121.955	4.641.141	46.451.511	26.095.040	156.190.295
Transfers	-	-	-	-	-	-	-	-	-	-	-	26.095.040	(26.095.040)	-
Total comprehensive income	-	-	-	-	(109.099)	99.237	(358.570)	(138.257)	281.765	(599.521)	-	-	3.535.757	2.711.312
Profit for period	-	-	-	-	-	-	-	-	-	-	-	-	3.535.757	3.535.757
Other comprehensive income	-	-	-	-	(109.099)	99.237	(358.570)	(138.257)	281.765	(599.521)	-	-	-	(824.445)
Balance at 31 March 2024	3.500.000	81.104.094	(23.189)	9.218.107	(4.290.909)	143.386	(9.220.798)	5.312.667	(12.087.634)	4.522.434	4.641.141	72.546.551	3.535.757	158.901.607
Balance at 1 January 2025	3.500.000	81.104.094	(23.189)	7.912.629	(5.982.679)	-	(9.499.857)	526.891	(239.290)	3.243.779	4.641.141	66.301.838	9.307.067	160.792.424
Transfers	-	-	-	-	-	-	-	-	-	-	-	9.307.067	(9.307.067)	-
Total comprehensive income	-	-	-	-	(178.494)	-	(456.713)	4.921	10.679	(86.261)	-	-	5.134.196	4.428.328
Profit for period	-	-	-	-	-	-	-	-	-	-	-	-	5.134.196	5.134.196
Other comprehensive income	-	-	-	-	(178.494)	-	(456.713)	4.921	10.679	(86.261)	-	-	-	(705.868)
Increase / (decrease) due to other changes (*)	-	-	-	-	-	-	-	(10.546)	(17.044)	-	-	27.590	-	-
Balance at 31 March 2025	3.500.000	81.104.094	(23.189)	7.912.629	(6.161.173)	-	(9.956.570)	521.266	(245.655)	3.157.518	4.641.141	75.636.495	5.134.196	165.220.752

(*) Differences between the transactions reflected in the profit or loss statement based on nominal amounts and the amounts carried in the funds and valued on the basis of purchasing power are transferred to previous years' profits or losses at the end of maturity.

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

	Current Period		Restated Prior Period		
	Notes	Unaudited		Unaudited	
		1 January - 31 March 2025	1 January - 31 March 2024		
Net profit for the period:		5.134.196	3.535.757		
Adjustments to reconcile profit:					
Adjustments for depreciation and amortisation expense		9.678.815	9.882.854		
Adjustments for impairment loss / (reversal of impairment loss)					
- Adjustments for impairment loss of receivables		213.353	94.666		
- Adjustments for impairment loss of inventories		7.963	(496)		
- Other adjustments for impairment loss (reversal of impairment loss)		(1.275)	29.960		
Adjustments for provisions					
- Adjustments for (reversal of) provisions related with employee benefits		1.803.080	1.760.890		
- Adjustments for (reversal of) lawsuit and/or penalty provisions		29.862	43.909		
Adjustments for interest expenses and income					
- Adjustments for interest income		(882.403)	(1.145.310)		
- Adjustments for interest expense		2.571.214	2.711.997		
- Deferred financial expenses from credit purchases		(32.712)	78.704		
Adjustments for unrealised foreign exchange losses		3.889.219	6.145.663		
Adjustments for fair value losses / (gains)					
- Adjustments for fair value gains on derivative financial instruments		131.328	101.477		
- Adjustments for fair value gains of issued financial instruments		959	205.138		
- Adjustments for fair value losses of financial assets		(671.948)	(1.323.895)		
Adjustments for tax income		3.508.824	3.542.694		
Adjustments for losses on disposal of tangible assets					
- Adjustments for losses arises from sale of tangible assets	10	(109.603)	(105.000)		
Adjustments for losses arising from the disposal of subsidiaries and financial investments or changes in their shares		(20.569)	-		
Other adjustments for which cash effects are investing or financing cash flow		330.492	242.197		
Monetary loss		(6.557.539)	(9.243.389)		
Other adjustments for non-cash items		(164.700)	(863.443)		
Operating profit before working capital changes		18.858.556	15.694.373		
Changes in working capital:					
Adjustments for (increase) / decrease in trade receivables					
- (Increase) / decrease in trade receivables from related parties		(331.853)	286.291		
- Decrease / (Increase) in trade receivables from unrelated parties		730.786	(532.380)		
Adjustments for increase / (decrease) in inventories		398.199	(1.083.987)		
Increase in receivables and payables from financial sector activities, net		75.677	-		
Adjustments for (decrease) / increase in trade payable					
- (Decrease) / increase in trade payables to related parties		(110.819)	332.828		
- Decrease in trade payables to unrelated parties		(3.767.578)	(6.533.825)		
Adjustments for (increase) / decrease in other receivables related with operations					
- (Increase) / decrease in other unrelated party receivables related with operations		1.042.299	(479.753)		
Adjustments for increase in other operating payables related with operations					
- Increase in other payables related with operations to unrelated parties		275.903	312.445		
Cash flow from operations:					
Interest received		234.867	145.727		
Payments related with provisions for employee benefits		(2.589.654)	(1.973.468)		
Payments related with other provisions		(15.115)	(184.208)		
Income taxes paid		(92.811)	(65.515)		
Other outflows of cash	16	(699.284)	(61.928)		
Net cash generated from operating activities		14.009.173	5.856.600		

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in terms of purchasing power of Turkish Lira as of 31 March 2025 unless otherwise stated.)

		Current Period	Restated Prior Period
		Unaudited	Unaudited
	<i>Notes</i>	1 January - 31 March 2025	1 January - 31 March 2024
Cash flows used in investing activities:			
Proceeds from sale of property, plant, equipment and intangible assets			
- <i>Proceeds from sales of property, plant and equipment</i>	10	174.394	113.781
Purchases of property, plant, equipment and intangible assets			
- <i>Purchase of property, plant and equipment</i>		(4.926.959)	(3.252.159)
- <i>Purchase of intangible assets</i>		(4.043.466)	(2.921.951)
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		-	(10.016.273)
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds		10.392.048	10.035.266
Net cash used in investing activities		1.596.017	(6.041.336)
Cash flows from financing activities:			
Proceed from borrowings			
- <i>Proceeds from loans</i>		2.447.907	17.423.538
- <i>Cash inflows from issued debt instruments</i>		2.518.413	-
Repayments of borrowings			
- <i>Loan repayments</i>		(7.576.795)	(11.537.855)
- <i>Payment of issued of debt instruments</i>		(8.059.438)	(3.017.632)
Payments of lease liabilities		(1.475.966)	(1.268.339)
Cash inflows / (outflows) from derivative instruments, net		(591.344)	428.277
Interest paid		(3.753.331)	(3.155.873)
Interest received		647.536	999.181
Other cash inflows	16	(351.054)	27.654
Net cash used in financing activities		(16.194.072)	(101.049)
NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		(588.882)	(285.785)
IMPACT OF MONETARY GAIN/LOSS ON CASH AND CASH EQUIVALENTS		(593.913)	(1.788.376)
IMPACT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		108.487	243.414
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		6.816.381	16.762.341
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	5.742.073	14.931.594

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT AS AT AND FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

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1. REPORTING ENTITY

Türk Telekomünikasyon Anonim Şirketi (“Türk Telekom” or “the Company”) is a joint stock company incorporated in Turkey. The Company has its history in the Posthane-i Amirane (Department of Post Office) which was originally established as a Ministry on 23 October 1840. On 4 February 1924, under the Telephone and Telegraph, the authorization to install and operate telephone networks throughout Turkey was given to the General Directorate of Post, Telegraph and Telephone (“PTT”). The Company was founded on 24 April 1995 as a result of the split of the telecommunication and postal services formerly carried out by the PTT. All of the personnel, assets and obligations of the PTT pertaining to telecommunication services were transferred to the Company, the shares of which were fully owned by the Republic of Turkey Ministry of Treasury and Finance (“the Treasury”).

On 24 August 2005, Oger Telekomünikasyon A.Ş. (“OTAŞ”), entered into a Share Sale Agreement with the Turkey’s Privatization Authority for the purchase of a 55% stake in the Company. A Shareholders Agreement and a Share Pledge Agreement for the block sale of the Company were signed on 14 November 2005 and then after, OTAŞ became the parent company of the Company.

Out of TL 3.500.000 nominal amount of capital, 15% of the Company’s shares owned by the Treasury corresponding to a nominal amount of TL 525.000 have been issued to the public through an initial public offering with the permission of Directorate of Istanbul Stock Exchange on 15 May 2008. Since then Company shares are traded in Borsa İstanbul with the name of TTKOM.

As per the regulatory disclosure made by Türk Telekom on 15 August 2018, within the scope of the process, which is carried out in relation to takeover of OTAŞ’s 55% shares in our Company, Türk Telekom, by a special purpose vehicle (“SPV”), which the creditor banks of OTAŞ will be shareholders, a notification was made to our company by some of the creditor banks.

The SPV mentioned in the said statements, LYY Telekomünikasyon A.Ş. (“LYY”) has informed the Company that in accordance with Article 198 of the Turkish Commercial Code, all of the Group A shares, which constitute 55% of the Company's capital, have been transferred to LYY as of December 21, 2018. Based on this notification, LYY has been registered as a shareholder in the Company’s share book pursuant to Article 499 of the Turkish Commercial Code.

In the material event statement dated 10 March 2022 made by the company, LYY Telekomünikasyon A.Ş. (LYY), 55% owned by Türk Telekomünikasyon A.Ş. (Türk Telekom) share to the Turkey Wealth Fund (TWF), a share transfer agreement was signed between the parties, after the necessary approvals were obtained and the closing conditions were fulfilled, in the material event statement dated 31 March 2022, the transfer of the shares was completed, after the transfer, on 31 March 2022. It has been reported that the Turkish Wealth Fund (TWF) is the largest shareholder of Türk Telekom with 61,68% shareholding as of date.

Following the signing of the share transfer agreement stated in the aforementioned explanations, the Company was informed that as of 31 December 2023, all of the A Group shares, which constitute 55% of the Company's capital, were transferred to TWF in accordance with Article 198 of the Turkish Commercial Code. Based on this notification, TWF was registered as a new shareholder in the Company’s share book in accordance with Article 499 of the Turkish Commercial Code.

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1. REPORTING ENTITY (CONTINUED)

As at 31 March 2025, the parent company and controlling party of the Company is Turkish Wealth Fund.

A concession agreement (“the Concession Agreement”) was signed by the Company and Turkish Telecommunication Authority (now named the Information and Communication Technologies Authority (“ICTA”) as at 14 November 2005. The Concession Agreement covers the provision of all kinds of telecommunication services, establishment of necessary telecommunications facilities and the use of such facilities by other licensed operators and the marketing and supply of telecommunication services for 25 years starting from 28 February 2001. The Concession Agreement will terminate on 28 February 2026 and in the conditions where the Concession Agreement is expired or not renewed, the Company shall transfer all equipment that affects the operation of its systems in full working order and the real estates in its use where these equipment are deployed to the ICTA or to an institution designated by the ICTA.

The Concession Agreement will expire at the end of its time period. However, the Company may apply to the ICTA and request for extension thereof no later than 1 year prior to the expiry of the duration of the Concession Agreement. The ICTA may decide to renew the Concession Agreement at the latest before 180 days of the date of expiration taking into account new conditions and within the scope of the legislation and the regulations of the ICTA. On 3 January 2023, the Company applied to the ICTA for the extension of the concession agreement for the execution of telecommunication services.

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1. REPORTING ENTITY (CONTINUED)

The details of the Company's subsidiaries as at 31 March 2025 and 31 December 2024 are as follows:

Name of Subsidiary	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				31 March 2025	31 December 2024
TTNet Anonim Şirketi ("TTNet")	Turkey	Internet service provider	Turkish Lira	100	100
TT Mobil İletişim Hizmetleri A.Ş. ("TT Mobil")	Turkey	GSM operator	Turkish Lira	100	100
Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret Anonim Şirketi ("Argela")	Turkey	Telecommunication solutions	Turkish Lira	100	100
Innova Bilişim Çözümleri Anonim Şirketi ("Innova")	Turkey	Telecommunication solutions	Turkish Lira	100	100
Assist Rehberlik ve Müşteri Hizmetleri Anonim Şirketi ("AssisTT")	Turkey	Call center and customer relations	Turkish Lira	100	100
Sebit Eğitim ve Bilgi Teknolojileri A.Ş. ("Sebit")	Turkey	Web Based Learning	Turkish Lira	100	100
NETSIA Inc.	USA	Telecommunications solutions	U.S. Dollar	100	100
Sebit LLC.	USA	Web based learning	U.S. Dollar	100	100
TT International Holding B.V. ("TT International") (*)	Netherlands	Holding company	Euro	100	100
Türk Telekom International AT GmbH (*)	Austria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Hu Kft (TTINT Hungary) (*)	Hungary	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
S.C. Euroweb Romania S.A. ("TTINT Romania") (*)	Romania	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Bulgaria EODD ("TTINT Bulgaria") (*)	Bulgaria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International CZ s.r.o. ("TTINT Czech Republic") (*)	Czech Republic	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SRB d.o.o. ("TTINT Serbia") (*)	Serbia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT Telekomunikacije d.o.o. ("TTINT Slovenia") (*)	Slovenia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SK s.r.o. ("TTINT Slovakia") (*)	Slovakia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TT International Telekomünikasyon Sanayi ve Ticaret Limited Şirketi ("TTINT Turkey") (*)	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International UA LLC ("TTINT Ukraine") (*)	Ukraine	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Italy S.R.L. (TTINT Italy) (*)	Italy	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT International MK DOOEL ("TTINT Macedonia") (*)	Macedonia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International RU LLC ("TTINT Russia") (*)	Russia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International d.o.o. (*)	Croatia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International HK Limited (*)	Hong Kong	Internet/data services, infrastructure and wholesale voice services provider	H.K. Dollar	100	100
Net Ekran TV ve Medya Hiz. A.Ş. ("Net Ekran")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
TTES Elektrik Tedarik Satış A.Ş. ("TTES")	Turkey	Electrical energy trading	Turkish Lira	100	100
TT Ödeme ve Elektronik Para Hizmetleri A.Ş.	Turkey	Mobile finance	Turkish Lira	100	100
Net Ekran1 TV ve Medya Hiz. A.Ş. ("Net Ekran1")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran2 TV ve Medya Hiz. A.Ş. ("Net Ekran2")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran3 TV ve Medya Hiz. A.Ş. ("Net Ekran3")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran4 TV ve Medya Hiz. A.Ş. ("Net Ekran4")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran6 TV ve Medya Hiz. A.Ş. ("Net Ekran6")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran10 TV ve Medya Hiz. A.Ş. ("Net Ekran10")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran11 TV ve Medya Hiz. A.Ş. ("Net Ekran11")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
TT Satış ve Dağıtım Hizmetleri Anonim Şirketi	Turkey	Selling and distribution services	Turkish Lira	100	100
TT Ventures Proje Geliştirme A.Ş.	Turkey	Corporate venture capital	Turkish Lira	100	100
TT Destek Hizmetleri A.Ş.	Turkey	Provider of combined facilities support activities	Turkish Lira	100	100
APPYAP Teknoloji ve Bilişim A.Ş.	Turkey	Web portal and computer programming activities	Turkish Lira	100	100
TTG Finansal Teknolojiler A.Ş.	Turkey	Financial advisory services	Turkish Lira	100	100
TTG Ventures Marketing Inc.	USA	Retail and wholesale trade of software programs	U.S. Dollar	100	100
Assist Holland B.V.	Netherlands	Call center activities	Euro	100	100
TT Finansman A.Ş.	Turkey	Consumer finance company activities	Turkish Lira	100	100

(*) Hereinafter, will be referred as TTINT Group.

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1. REPORTING ENTITY (CONTINUED)

The details of the Company’s joint operation as at 31 March 2025 and 31 December 2024 are as follows:

Name of Joint Operation	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				31 March 2025	31 December 2024
TT Mobil-Vodafone Evrensel İş Ortaklığı	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Turkish Lira	51	51

Affiliate	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				31 March 2025	31 December 2024
TT Ventures Girişim Sermayesi Yatırım Fonu	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Turkish Lira	100	100

The Group indirectly holds investment in its affiliates, which has a significant influence, through its contribution payments to the established Venture Capital Investment Fund. The Group has chosen to measure this investment at fair value through profit or loss in accordance with TFRS 9.

Hereinafter, Türk Telekom and its subsidiaries, affiliate and joint operations together will be referred to as “the Group”.

The Group’s principal activities include the provision of local, national, international and mobile telecommunication services, internet products and services, as well as call center and customer relationship management, technology and information management.

The Company’s registered office address is Turgut Özal Bulvarı, 06103 Aydınlıkevler, Ankara.

The number of personnel subjects to collective agreement as at 31 March 2025 is 8.686 (31 December 2024: 8.689) and the number of personnel not subject to collective agreement as at 31 March 2025 is 27.368 (31 December 2024: 27.918). The total number of personnel as at 31 March 2025 and 31 December 2024 are 36.054 and 36.607, respectively.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation of the interim condensed consolidated financial statements

a) Statement of compliance with TFRS

The accompanying interim condensed consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) as set out in the Communiqué numbered II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The interim condensed consolidated financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on July 3, 2024 and in the Financial Statement Samples and User Guide published by the CMB.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Group preferred to present its interim condensed consolidated financial statements as of 31 March 2025. The Group’s interim condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore, the interim condensed consolidated financial statements should be examined together with the 31 December 2024 year-end financial statements.

Approval of the financial statements:

The interim condensed consolidated financial statements are approved by the Company’s Board of Directors on 7 May 2025. General Assembly has the right to change the interim condensed consolidated financial statements.

b) Correction of financial statements during the hyperinflationary periods

All comparative amounts of the financial statements in question and those of previous periods were adjusted according to the changes in the general purchasing power of the Turkish lira in accordance with IAS 29 and were finally expressed in terms of the purchasing power of the Turkish lira on 31 March 2025.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TURKSTAT). The indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Index	Index (%)	Conversion Factor
2023	1859,38	64,77	1,58907
2024-March	2139,47	15,06	1,38104
2024	2684,55	44,38	1,10063
2025-March	2954,69	10,06	1,00000

Assets and liabilities were separated into those that were monetary and non-monetary, with non-monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 March 2025. Nonmonetary items which are not expressed in terms of measuring unit as of 31 March 2025 were restated by applying the conversion factors. The restated amount of a nonmonetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders’ equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

All items in the comprehensive income statement of non-monetary items in the Statement of Financial Position that have a general income statement impact are indexed with coefficients calculated based on the periods in which the financial statements of income and expense accounts are first reflected.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation of the interim condensed consolidated financial statements (continued)

b) Correction of financial statements during the hyperinflationary periods (continued)

The application of TAS 29 necessitated adjustments presented in the Net Monetary Position Gains/(Losses) item in the profit or loss section of the statement of profit or loss and other comprehensive income, arising from the decrease in the purchasing power of the Turkish lira. As long as the value of monetary assets or liabilities does not depend on changes in the index, the purchasing power of enterprises with a higher amount of monetary assets than monetary liabilities decreases during the inflation period, while the purchasing power of enterprises with a higher amount of monetary liabilities than monetary assets increases. The net monetary position gain or loss is obtained from the adjustment differences of non-monetary items, equity, items in the statement of profit or loss and other comprehensive income and monetary assets and liabilities related to the index.

In addition, in the reporting period in which TAS 29 was first applied, the provisions of the Standard were applied assuming that there was always high inflation in the relevant economy. Therefore, in order to form the basis for subsequent reporting periods, the financial position statement dated January 1, 2023 was adjusted for inflation. The inflation-adjusted amount of the retained earnings/losses item in the financial position statement dated January 1, 2023 was obtained from the balance sheet balance that should have been obtained after adjusting the other items of the said table for inflation. On the other hand, the financial statements of the enterprises whose functional currency does not belong to the economy with high inflation are not subject to inflation adjustment and are translated in accordance with TAS 21. However, in the indexation of comparative financial statements for presentation purposes, the amounts belonging to these subsidiaries were also indexed and their effects were shown in the foreign currency translation differences item. Exchange rate differences arising from the translation were recognized in the "Foreign Currency Translation Differences" item in other comprehensive income in accordance with the TAS 21 Effects of Exchange Rate Changes standard.

c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the property, plant and equipment other than lands and investment property acquisitions prior to 1 January 2000 for which the deemed cost method was applied in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies", lands, financial investments, derivative financial instruments, issued debt instruments which have been measured at fair value through profit or loss. Investment properties and tangible assets other than lands which are recognized with deemed cost method are valued with fair values as of 1 January 2000, lands accounted as property, plant and equipment, derivative financial instruments and issued debt instruments which have been measured at fair value through profit or loss, are valued with fair values as of balance sheet date.

d) Functional and presentation currency

Excluding the subsidiaries incorporated outside of Turkey, functional currency of all entities' included in consolidation is Turkish Lira ("TL") and they maintain their books of account in TL in accordance with Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

Functional currencies of the subsidiaries and Company's joint operation are presented in Note 1.

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Turkish Accounting Standards published by the POA and are presented in TL.

Additional paragraph for convenience translation to English:

The accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosures requirement of the POA.

e) Significant accounting assessments, estimates and assumptions

In order to prepare financial statements in accordance with TFRS, certain assumptions affecting notes to the financial statements and critical accounting estimations related to assets, liabilities, contingent assets and contingent liabilities are required to be used. Although these estimations are made upon the best afford of the management by interpreting the cyclical circumstances, actual results may differ from the forecasts. Issues that are complex and needs further interpretation, which might have a critical impact on financial statements.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation of the interim condensed consolidated financial statements (continued)

e) Significant accounting assessments, estimates and assumptions (continued)

Taxes

The Company and its subsidiaries located in Turkey are subject to the tax legislation and practices in force in Turkey. In accordance with the tax legislation, corporate tax is paid for the first three quarters by calculating a provisional tax of 25% on the earnings generated quarterly, and the amounts paid in this way are offset from the tax calculated on annual earnings.

Deferred tax charge is calculated in accordance with the enacted tax laws. The accounting policies used by the Group in calculating deferred tax are the same as those used in the independently audited consolidated financial statements prepared as of 31 December 2024.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. This fair value is determined at initial recognition and at the end of each reporting period for disclosure purposes.

ii) Forward contracts and interest rate swaps

The fair value of interest rate swaps and forward exchange contracts are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

iii) Issued debt instruments

The fair values of issued debt instruments are measured by using quoted market price at the date of valuation.

iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Determination of fair values (continued)

v) Lands

Lands accounted as property, plant and equipment are measured at revalued amount. Revalued amount is the value found by deducting the subsequent impairment loss from the fair value determined based on the transaction prices of lands of similar nature and location using the comparable method on the date of revaluation. The revalued amounts of the land were calculated by CMB licensed valuation experts in the fourth quarter of 2024 and carried into the financial statements dated 31 December 2024 by the Group management.

vi) Foreign Currency Protected TL Deposit

Foreign currency protected TL Deposits are a financial asset with cash flows that include principal and interest, but they also feature a derivative product, as these cash flows may change depending on the change in exchange rates. Therefore, Currency Foreign currency protected TL Deposits are considered as hybrid contracts and accounted as financial assets whose fair value is recognized in profit or loss in line with the directions of TFRS 9 regarding hybrid contracts. Changes in the fair value of Foreign currency protected TL Deposits are accounted in the "Income/Expense from Investing Activities" Item in the Statement of Profit or Loss and Other Comprehensive Income." The fair value of the exchange rate protected deposit is calculated based on the fair value of the derivative products it contains and the discounted cash flows using the market interest rates valid as of the balance sheet date.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Summary of significant accounting policies

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 March 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of 1 January 2025 are as follows:

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

I In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after 1 January 2026 with the announcement made by the POA.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Company / the Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Summary of significant accounting policies (continued)

The new standards, amendments and interpretations (continued)

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- IAS 7 Statement of Cash Flows – Cost Method: The amendments remove the term of “cost method” following the prior deletion of the definition of 'cost method'.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the “own use” requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The Group does not expect a significant impact on the financial statements.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Summary of significant accounting policies (continued)

The new standards, amendments and interpretations (continued)

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

2.3 Comparative information and restatement of prior period consolidated financial statements

Due to the tangible progress made in the negotiations with official institutions regarding the extension of the fixed line concession agreement, the Group has made changes in the remaining useful lives of the tangible and intangible fixed assets within the scope of the concession as of 1 January 2024, after receiving confirmation from the relevant authority regarding compliance with the accounting standards. In this context, depreciation expenses and tax effects in the past period have been rearranged:

	1 January -31 March 2024	
	Unaudited	Restated Unaudited
Cost of sales (-)	(27.286.781)	(25.124.085)
General administrative expenses (-)	(5.830.254)	(5.236.046)
Marketing, sales and distribution expenses (-)	(4.187.991)	(4.154.021)
Research and development expenses (-)	(669.501)	(665.130)
Deferred tax expense	(2.734.766)	(3.433.577)
Net profit	1.439.323	3.535.757
	31 March 2024	
Property, plant and equipment	119.571.532	122.366.777
Deferred tax expense	11.724.622	11.025.811

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3. SEASONAL CHANGES IN THE OPERATIONS

The operations of the Group are not subject to seasonal fluctuations.

4. EARNINGS PER SHARE

	1 January - 31 March 2025	1 January - 31 March 2024
Weighted average number of ordinary shares outstanding during the year	349.950.000.000	349.950.000.000
Net profit for the period attributable to equity holders of the Company	5.134.196	3.535.757
Basic and earnings per share (in full kuruş)	1,4671	1,0104

5. SEGMENT REPORTING

The Group has two main segments; fixed line and mobile. Fixed line services are provided by Türk Telekom, TTNNet, Argela, Innova, Sebit, AssisTT, TTES, TT Ventures, TT Destek Hizmetleri and TTINT Group whereas mobile service is provided by TT Mobil. Group management assesses segment performance over earnings before interest, tax, depreciation and amortisation (“Adjusted EBITDA”). Adjusted EBITDA is calculated by adjusting the operating income by i) adding income/expense from investing activities, depreciation, amortization and impairment expenses and ii) deducting exchange gains/losses, interest and rediscount income/ expenses on current accounts presented in other operating income and expense. Group management uses adjusted EBITDA as it is comparable with other companies in the sector. EBITDA is not a measure of financial performance indicator defined in TFRS and may not be comparable to similar indicators defined by other companies. As Group management does not monitor Group’s performance over geographical segments, geographical segment reporting is not presented. The segment results and balance sheet items are presented below:

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5. SEGMENT REPORTING (CONTINUED)

	Fixed line		Mobile		Intra-group eliminations and consolidated adjustments		Consolidated	
	1 January - 31 March 2025	1 January - 31 March 2024	1 January - 31 March 2025	1 January - 31 March 2024	1 January - 31 March 2025	1 January - 31 March 2024	1 January - 31 March 2025	1 January - 31 March 2024
Revenue	27.518.585	23.993.553	19.888.736	16.033.912	(1.810.948)	(1.482.881)	45.596.373	38.544.584
International revenue	1.787.363	1.959.209	–	–	–	–	1.787.363	1.959.209
Contributive revenue (*)	25.776.070	22.579.259	19.820.303	15.965.325	–	–	45.596.373	38.544.584
EBITDA	8.352.303	7.244.212	9.564.412	6.918.764	(4.483)	(4.715)	17.912.232	14.158.261
Contributive adjusted EBITDA (**)	7.616.763	6.616.811	10.295.469	7.541.450	–	–	17.912.232	14.158.261
Capital expenditures (***)	5.559.385	4.382.367	2.475.652	1.906.822	(3.828)	(924)	8.031.209	6.288.265
Impairments losses, net	(78.809)	(54.748)	(141.232)	(69.382)	–	–	(220.041)	(124.130)
Depreciation and amortisation	(4.928.303)	(4.637.846)	(4.750.512)	(5.245.008)	–	–	(9.678.815)	(9.882.854)

(*) “Contributive revenue” represents operating segments’ revenues from companies other than those included in the consolidated financial statements. Group management still monitors financial performance of the segments based on their separate financial statements and because of this there is no change at the segment information disclosed. However, contribution of operating segments on the Group’s revenue is presented to give additional information to the readers of the financial statements.

(**) “Contributive EBITDA” represents operating segments’ EBITDA arose from transactions with companies other than those included in the consolidated financial statements and revised by allocation of intra-group charges for shared costs. Group management still monitors financial performance of the segments based on their separate financial statements and because of this there is no change at the segment information disclosed. However, contribution of operating segments on the Group’s revenue is presented to give additional information to the readers of the financial statements.

(***) Capital expenditures do not include TL 164.700 (31 March 2024: TL 114.920) amounted profit margin which is capitalized on intangible assets that are accounted within the scope of TFRS Interpretation 12.

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5. SEGMENT REPORTING (CONTINUED)

	1 January - 31 March 2025	1 January - 31 March 2024
Fixed line contributive EBITDA	7.616.763	6.616.811
Mobile contributive EBITDA	10.295.469	7.541.450
EBITDA	17.912.232	14.158.261
Foreign exchange gains, interest income, discount income on current accounts presented in other operating income	458.768	286.973
Foreign exchange losses, interest income, discount income on current accounts presented in other operating expense (-)	(1.369.305)	(1.133.939)
Exchange rate protected deposit fair value gains presented in income from investment activities	671.948	1.323.895
Financial income	2.491.341	1.251.433
Financial expense (-)	(7.767.789)	(9.530.406)
Depreciation, amortisation and impairment	(9.678.815)	(9.882.854)
Monetary gain / (loss)	5.924.640	10.605.088
Consolidated profit before tax	8.643.020	7.078.451

31 March 2025	Fixed Line	Mobile	Eliminations	Consolidated
Total segment assets	211.818.055	110.426.100	(36.848.052)	285.396.103
Total segment liabilities	(137.989.687)	(19.033.716)	36.848.052	(120.175.351)
Goodwill	226.368	546.850	-	773.218
Assets held for sale	-	728.804	-	728.804
31 December 2024	Fixed Line	Mobile	Eliminations	Consolidated
Total segment assets	194.773.729	118.226.333	(15.547.844)	297.452.218
Total segment liabilities	(122.655.865)	(29.551.773)	15.547.844	(136.659.794)
Goodwill	226.368	546.850	-	773.218
Assets held for sale	-	728.804	-	728.804

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6. CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash on hand	6.008	5.974
Cash at banks - demand deposit	3.008.444	2.429.261
Cash at banks - time deposit	4.521.674	4.428.815
Liquid fund (*)	379.047	1.426.149
	7.915.173	8.290.199

(*) Consists of a highly liquid, short-term liquid fund with immaterial risk of change in fair value.

As of 31 March 2025, time deposits are all short-term, maturing within one month and denominated in both foreign currencies and TL. The interest rates are between 5,50% and 44,95% for TL deposits, between 0,25% and 5,70% for USD deposits and between 2% and 3,60% for EUR deposits (31 December 2024: for 5,50% and 55% for TL deposits, between 1% and 5,70% for USD deposits and between 2,85% and 3% for EUR deposits).

Reconciliation of cash and cash equivalents to the statement of cash flows is as follows:

	31 March 2025	31 March 2024
Cash and cash equivalents	7.915.173	19.149.802
Less: restricted amounts		
- Collection protocols and ATM collection	(2.173.100)	(1.466.804)
- Other	–	(2.751.404)
Unrestricted cash	5.742.073	14.931.594

The Group classifies liquid fund amounts under cash and cash equivalents as they are easily convertible into cash and highly liquid assets that are not exposed to impairment loss.

As of 31 March 2025, demand deposits amounting to TL 2.173.100 is restricted due to collection protocols signed with banks for receipts from the subscribers, under which proceeds are made available to the Group a certain number of days after the cash is collected. As of 31 March 2025, Other restricted amounts consist of blocked deposits related to Group's derivative financial instruments.

As of 31 March 2025, the Group maintains available credit line amounting to USD 46.083 until 1 June 2026 and EUR 99.773 until 19 August 2027, EUR 35.356 until 15 May 2027, which in total amounted to EUR 135.129.

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7. FINANCIAL LIABILITIES

Bank loans

	31 March 2025			31 December 2024		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
Short-term bank loans:						
Unsecured TL bank loans with fixed interest rates	56,07	729.531	729.531	45,05	8.002.695	8.002.695
EUR bank loans with fixed interest rates	7,25	50.000	2.035.095	7,25	50.000	2.021.644
EUR bank loans with variable interest rates	–	–	–	–	–	–
Interest accruals:						
Unsecured TL bank loans with fixed interest rates		360.387	360.387		2.809.572	2.809.572
Unsecured EUR bank loans with fixed interest rates		564	22.951		584	23.614
Unsecured EUR bank loans with variable interest rates		–	–		–	–
Short-term bank loans		3.147.964			12.857.525	
Short-term portion of long-term bank loans:						
Unsecured USD bank loans with variable interest rates (*)	5,81	51.538	1.946.375	5,64	58.357	2.266.017
Unsecured EUR bank loans with variable interest rates (**)	3,75	111.528	4.539.385	3,96	111.004	4.488.202
Interest accruals of long-term bank loans:						
Unsecured USD bank loans with variable interest rates (*)		1.631	61.593		1.885	73.205
Unsecured EUR bank loans with variable interest rates (**)		5.619	228.714		3.621	146.415
Current portion of long-term bank loans		6.776.067			6.973.839	
Total short-term bank loans		9.924.031			19.831.364	
Long-term bank loans:						
Unsecured USD bank loans with variable interest rates (*)	5,81	230.970	8.722.736	6,01	222.570	8.642.491
Unsecured EUR bank loans with variable interest rates (**)	3,56	474.443	19.310.749	3,85	433.696	17.535.586
Total long-term bank loans		28.033.485			26.178.077	
Total bank loans		37.957.516			46.009.441	

(*) As at 31 March 2025, interest rate varies between SOFR + 0,54% and 2,73% (31 December 2024: SOFR + 0,54% and 2,73%).

(**) As at 31 March 2025, interest rate varies between Euribor + 0,25% and 2,00% (31 December 2024: Euribor + 0,25% and 2,00%).

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7. FINANCIAL LIABILITIES (CONTINUED)

Bank loans (continued)

The details of the TL equivalents of bank loans according to their remaining maturities are as follows:

	31 March 2025					Total	31 December 2024					Total
	Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years		Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years	
Unsecured TL bank loans with fixed interest rates	1.021.208	68.710	—	—	—	1.089.918	9.746.994	1.065.273	—	—	—	10.812.267
Unsecured USD bank loans with variable interest rates	745.661	1.262.307	4.835.813	2.904.228	982.695	10.730.704	630.795	1.708.428	5.017.215	2.806.512	818.764	10.981.714
Unsecured EUR bank loans with fixed interest rates	22.951	2.035.095	—	—	—	2.058.046	23.613	2.021.644	—	—	—	2.045.257
Unsecured EUR bank loans with variable interest rates	1.233.743	3.534.356	5.255.889	13.366.158	688.702	24.078.848	327.945	4.306.672	5.161.300	11.458.031	916.255	22.170.203
	3.023.563	6.900.468	10.091.702	16.270.386	1.671.397	37.957.516	10.729.347	9.102.017	10.178.515	14.264.543	1.735.019	46.009.441

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7. FINANCIAL LIABILITIES (CONTINUED)

Issued debt instruments

	31 March 2025			31 December 2024		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
Short-term issued debt instruments:						
TL bills, bonds and notes issued	42,35	2.124.000	2.124.000	45,00	275.157	275.157
Interest accruals:						
TL bills, bonds and notes issued		72.002	72.002		19.605	19.605
The short-term portion of long-term issued debt instruments:						
USD issued debt instruments with fixed interest rates	–	–	–	6,88	186.655	7.247.900
Interest accruals of short-term portion of long-term issued debt instruments:						
USD issued debt instruments with fixed interest rates		13.661	515.911		4.477	173.851
Short-term issued debt instruments			2.711.913			7.716.513
Long-term issued debt instruments:						
USD issued debt instruments with fixed interest rates	7,38	497.571	18.791.072	7,38	497.571	19.320.922
Long-term issued debt instruments			18.791.072			19.320.922
Total issued debt instruments			21.502.985			27.037.435

The sales process of the bond issuances amounted to USD 500.000 with 6 years of maturity, and 6,875% coupon rate based on 7% reoffer yield was completed on 28 February 2019. The bonds are now quoted at Irish Stock Exchange. The part of the bond amounting to USD 17.500 was repurchased in 2022, the related amount was accounted for by deducting the amortized cost using the effective interest rate and the total bond amount. The USD 300,000 portion of the relevant bond was redeemed on 22 May 2024, and the remaining portion was redeemed in its entirety on 28 February 2026.

On 20 May 2024, a USD 500,000, 5-year, 7.375% coupon rate bond was issued priced at a 7.5% resale yield. The bond was listed on the Irish Stock Exchange.

On 5 November 2024, a sukuk issuance of TL 250.000, 93 days maturity, priced at 45% annual simple interest yield was carried out. Emlak Varlık Kiralama A.Ş. mediated the issuance of the bond in question.

A sukuk issuance of TL 2.474.000, with a maturity of 70-180 days and priced at a simple interest yield of 40%-44% was carried out between 17 January 2025 and 28 March 2025. Emlak Varlık Kiralama A.Ş. mediated the issuance of the bond in question.

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7. FINANCIAL LIABILITIES (CONTINUED)

Issued debt instruments (continued)

The contractual maturities of issued long term bills, bonds and notes in equivalent of TL are as follows:

	31 March 2025				31 December 2024			
	Up to 3 months	3 months to 1 year	4 year to 5 years	Total	Up to 3 months	3 months to 1 year	1 year to 2 years	Total
TL issued debt instruments with fixed interest rates	72.002	2.124.000	-	2.196.002	294.762	-	-	294.762
USD issued debt instruments with fixed interest rates	515.911	-	18.791.072	19.306.983	7.421.751	-	19.320.922	26.742.673
	587.913	2.124.000	18.791.072	21.502.985	7.716.513	-	19.320.922	27.037.435

Lease liabilities

As at 31 March 2025, obligation under leases detail are as follows:

	31 March 2025			31 December 2024		
	Currency	Interest rate type	Nominal interest rate	Carrying amount	Nominal interest rate	Carrying amount
Lease liabilities	TL	Fixed	9% - 46%	5.281.918	9% - 50%	4.351.910
Lease liabilities	EUR	Fixed	2,5% - 4,5%	147.620	2,5% - 4,5%	155.069
Lease liabilities	USD	Fixed	7,8%	64.921	7,8%	59.677
Lease liabilities	Other	Fixed	3,3%	10.129	3,3%	11.059
				5.504.588		4.577.715

8. DUE FROM AND DUE TO RELATED PARTIES

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated for consolidation purposes and are not disclosed in this note.

Institutions under state control are defined as related parties due to 25% ownership and the golden share of the Treasury and 61,68% ownership of Turkey Wealth Fund (“TWF”). State controlled entities are defined as related parties but in accordance with the exemption provided by the TAS 24 disclosure requirements, state controlled entities are excluded from general reporting requirements.

The Group carries out transactions with many of these institutions in line with its peers. Banking transactions such as loans and deposits with banks under the control of the Turkey Wealth Fund or in which it has significant influence are also carried out in accordance with their peers. Other transactions consist of corporate tax, value added tax, special communication tax, treasury share and regulatory fees such as fees.

Details of balances and transactions between the Group and other related parties as at 31 March 2025 and 31 December 2024 are disclosed below:

	31 March 2025	31 December 2024
Short-term due from related parties (Trade receivables)		
Other	925.314	1.257.167
	925.314	1.257.167

	31 March 2025	31 December 2024
Short-Term due to from related parties (Trade payables)		
Other	415.669	132.962
	415.669	132.962

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8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)

Deposits held by related parties	31 March 2025	31 December 2024
Time Deposit		
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	786.539	1.352.802
Türkiye Halk Bankası A.Ş.	679.752	135.973
T.C. Ziraat Bankası A.Ş.	638.469	549.333
Ziraat Katılım Bankası A.Ş.	–	192.032
Demand Deposit		
Türkiye Halk Bankası A.Ş.	133.562	96.381
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	115.297	54.470
T.C. Ziraat Bankası A.Ş.	53.782	52.919
Other	1.446	699
	2.408.847	2.434.609
Bank loans from related parties	31 March 2025	31 December 2024
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	49.750	49.253
Ziraat Katılım Bankası A.Ş.	–	637.264
	49.750	686.517
Currency Protected Time Deposit from related parties	31 March 2025	31 December 2024
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	–	1.153.781
Ziraat Katılım Bankası A.Ş.	–	637.411
	–	1.791.192

The amount of the guarantee given to the related companies for the financing of the device purchases by the distributor companies and sold to the Group customers within the scope of the committed campaigns is disclosed in Note 12.

Transactions with shareholders:

TT Mobil is required under the terms of the TT Mobil Concession Agreement, to pay 15% share to the Treasury (the Treasury Share) of its monthly gross revenue. Besides, the Company and its other subsidiaries that are operating in the telecommunications sector are required to pay universal service fund at 1% of their net revenues of each year and ICTA share at 0,35% of revenues to the Ministry of Transport, Maritime Affairs and Communications under the law Global Service Act numbered 5369. Also, according to Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation, TT Mobil is required to pay 5% share (radio fee) of its monthly net revenue to ICTA.

As of 31 March 2025, unpaid portion of Treasury Share, universal service fund and ICTA share are recorded under other short term payables and these expenses are accounted in cost of sales account.

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8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)

Transactions with related parties:

	1 January - 31 March 2025	1 January - 31 March 2024
Interest income from related parties		
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	67.772	313.178
Türkiye Halk Bankası A.Ş.	30.330	51.655
T.C. Ziraat Bankası A.Ş.	28.716	120.385
Ziraat Katılım Bankası A.Ş.	582	65.483
	127.400	550.701
Interest expense from related parties		
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	239.668	174.225
T.C. Ziraat Bankası A.Ş.	39.316	14.941
Ziraat Katılım Bankası A.Ş.	28.354	68.730
Türkiye Halk Bankası A.Ş.	11.303	–
	318.641	257.896

	1 January - 31 March 2025	1 January - 31 March 2024
Income from related parties		
Superonline İletişim Hizmetleri A.Ş.	571.036	573.255
Turkcell İletişim Hizmetleri A.Ş.	348.238	336.052
THY A.O.	274.989	505.907
Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş.	264.353	203.176
Enerji Piyasaları İşletme A.Ş.	119.288	104.125
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	66.660	77.699
T.C. Ziraat Bankası A.Ş.	51.014	35.118
Türkiye Halk Bankası A.Ş.	47.961	52.013
Botaş Boru Hatları ile Petrol Taşıma A.Ş.	13.523	–
Other	143.068	98.275
	1.900.130	1.985.620

	1 January - 31 March 2025	1 January - 31 March 2024
Expenses from related parties		
Turkcell İletişim Hizmetleri A.Ş.	316.944	301.869
PTT A.Ş.	168.813	262.432
Enerji Piyasaları İşletme A.Ş.	147.871	84.735
Kule Hizmet ve İşletmecilik A.Ş.	72.051	37.860
THY A.O.	58.454	56.088
Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş.	54.409	65.572
Other	96.926	72.605
	915.468	881.161

The Group generates revenues from related parties by providing fixed voice, corporate data, mobile and internet services. The Group's related party expenses consist of energy, call termination, billing and content, satellite frequency-base services.

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8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)

Compensation of key management personnel

The remuneration of board of directors and other members of key management were as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Short-term benefits	234.339	239.123
Long-term benefits	4.805	4.900
	239.144	244.023

Key management personnel comprise the Group's members of Board of Directors and top managers.

9. TRADE RECEIVABLES FROM AND PAYABLES TO UNRELATED PARTIES

Trade receivables

	31 March 2025	31 December 2024
Short-term		
Receivables from subscribers	25.637.860	25.979.218
Other trade receivables (*)	1.013.113	937.439
Allowance for doubtful receivables (-)	(3.972.277)	(4.116.789)
Total short-term trade receivables	22.678.696	22.799.868
Long-term		
Receivables from subscribers	79.396	67.085
Total long-term trade receivables	79.396	67.085

(*) Other trade receivables mainly consist of corporate project receivables.

Trade receivables generally have a maturity term of 60 days on average (31 December 2024: 60 days).

The movement of the allowance for doubtful receivables is as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
At January 1	(4.116.790)	(4.894.379)
Provision for the year	(220.920)	(81.519)
Receivables written off	—	6.284
Change in currency translation differences	(12.508)	(8.155)
Inflation effect	377.941	615.853
At 31 March	(3.972.277)	(4.361.916)

The Group waits up to 90 days before initiating legal action for overdue receivables. Based on its previous collection performance from overdue receivables, the Company expects to make significant collections from its overdue receivables.

Receivables guaranteed of the Group are amounted to TL 1.235.235 (31 December 2024: TL 664.515).

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9. TRADE RECEIVABLES FROM AND PAYABLES TO UNRELATED PARTIES (CONTINUED)

Contract assets from unrelated parties

	31 March 2025	31 December 2024
Short-term		
Contract assets from sale of goods and service contracts	8.707.353	8.371.450
	8.707.353	8.371.450
Long-term		
Contract assets from sale of goods and service contracts	44.921	56.675
	44.921	56.675

The contract assets represent contract assets from subscribers. Due to the high volume of subscribers, different billing period are available, an accrual is made at the end of each reporting period to accrue revenue for services rendered but not billed. In addition, income an accrual is made for the not billed of the contributions services.

As of the reporting period, the portion of the accrued income to be invoiced one year later is presented in the long term contract assets.

Trade payables from unrelated parties

	31 March 2025	31 December 2024
Short-term		
Trade payables	13.154.755	18.525.429
Expense accruals	5.972.283	5.470.328
Total short-term trade payables	19.127.038	23.995.757

The average maturity term of trade payables is between 30 and 150 days (31 December 2024: 30 and 150 days).

As of 31 March 2025, there is no short term trade payables consist of payables within scope of supplier finance (31 December 2024: TL 435.592).

10. TANGIBLE AND INTANGIBLE ASSETS

The amount of tangible and intangible assets purchased during the three months period ended 31 March 2025 is TL 8.031.209 (31 March 2024: TL 6.288.265).

Net book value of tangible and intangible assets sold during the three months period ended 31 March 2025 amounted to TL (64.791) (31 March 2024: TL (8.781)).

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11. PROVISIONS

Other current provisions

Provisions for short-term debt for the years 31 March 2025 and 31 December 2024 are as follows:

	31 March 2025	31 December 2024
Litigation, ICTA penalty and customer return provisions (*)	249.193	258.234
Provision for expected credit losses on loan commitments (**)	21.650	23.998
	270.843	282.232

(*) TT Mobil tax inspection consists of the Ministry of Commerce fine, ICTA fines, refunds and other litigation provisions required by ICTA decisions. Detailed explanations are given in Footnote 12.

(**) Consists of expected credit losses are recognized for the guarantees given for borrowings of distributors which are utilized in financing of equipment purchases that will be sold to Group's customers as part of commitment sales.

Current provisions for employee benefits

	31 March 2025	31 December 2024
Short term provisions for employee benefits		
Personnel bonus provision	977.201	2.813.639
	977.201	2.813.639

Non-current provisions for employee benefits

	31 March 2025	31 December 2024
Long term provisions for employee benefits		
Defined benefit obligation	6.562.445	6.547.347
Unused vacation provisions	1.742.687	1.372.281
	8.305.132	7.919.628

In accordance with existing social legislation in Turkey, companies are required to make lump-sum payments to employees whose employment has ended due to retirement or for reasons other than resignation or misconduct. The liability is not funded and accordingly there are no plan assets for the defined benefits as there is no funding requirement.

The retirement pay liability as at 31 March 2025 is subject to a ceiling of full TL 46.655,43 (31 December 2024: full TL 46.655,43) per monthly salary for each service year.

The Group also has some other long-term taxes such as employment, duty, compensation and anniversary gifts.

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12. COMMITMENTS AND CONTINGENCIES

Guarantees received and given by the Group are summarized below:

		31 March 2025		31 December 2024	
		Original currency	TL	Original currency	TL
Guarantees received	USD	142.051	5.364.626	139.833	5.429.772
	TL	3.939.483	3.939.483	3.892.885	3.892.885
	EUR	36.725	1.494.767	31.079	1.256.603
	Sterlin	11	553	11	551
		10.799.429		10.579.811	
Guarantees given (*)	USD	200.535	7.573.307	196.600	7.634.082
	TL	2.673.354	2.673.354	2.501.117	2.501.117
	EUR	72.145	2.936.419	71.962	2.909.644
		13.183.080		13.044.843	

(*) Guarantees given amounting to USD 151.500 (31 December 2024: USD 151.500) is related to the guarantee provided to the ICTA by TT Mobil with respect to the TT Mobil Concession Agreement, guarantees given amounting to EUR 12.840 (31 December 2024: EUR 12.840) is related with the guarantee provided for 3G license and guarantees given amounting to EUR 57.281 (31 December 2024: EUR 57.281) is related with the guarantee provided for 4.5G license.

The Company's guarantee, pledge and mortgage (GPM) position as at 31 March 2025 and 31 December 2024 is as follows:

	31 March 2025	31 December 2024
A. GPMs given on behalf of the Company's legal personality	13.183.080	13.044.843
B. GPMs given in favour of subsidiaries included in full consolidation	3.457.149	3.447.443
C. GPMS given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	–	67.529
Total	16.640.229	16.559.815

Based on law 128/1 of Turkish Code of Obligations, the Group becomes a guarantor for the loans to be used by distributor companies to finance the purchase of devices to be purchased by distributor companies within the scope of committed campaigns and sold to Group customers. There is no amount guaranteed as of March 31, 2025 (31 December 2024: TL 67.529).

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12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other commitments

The Group has purchase commitments for sponsorships, advertising and insurance services at the equivalent to TL 658.925 (31 December 2024: TL 775.570) as at 31 March 2025. Payments for these commitments are going to be made in a 2-year period.

The Group has purchase commitments for fixed assets amounting to USD 131.850, EUR 29.065, and TL 2.235.226 equivalent to TL 8.397.640 (31 December 2024: TL 3.778.917) as at 31 March 2025.

Legal proceedings of Türk Telekom Disputes between the Group and the ICTA

The Company has filed various lawsuits against ICTA. These lawsuits are related with the sector-specific and tariff legislations and legislations with respect to the other operators in the market. The sector-specific disputes generally stem from the objections with respect to the provisions of interconnection legislation, legislation with respect to telecommunication services and infrastructure.

According to the Article 99 of the Law numbered 7061 “Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation” which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the sub-article 9 added to the Article 60 of the Law numbered 5809; customer returns that are not repaid to the customers within the 2-year period, shall be transferred to the Ministry of Transport and Infrastructure of the Republic of Turkey as revenue under the name of “Revenues for Universal Service”. As of 31 March 2025, TL 98.528 provision provided for ICTA penalties and amounts to be repaid to customers or to the Ministry of Transport and Infrastructure of the Republic of Turkey due to ICTA resolutions (31 December 2024: TL 106.647).

Other issues

Provision has been provided in the consolidated financial statements for the probable court cases against the Group based on the lawyers’ assessments. The provision for such court cases is amounting to TL 150.665 as at 31 March 2025 (31 December 2024: TL 151.587). For the rest of the cases, Group lawyers commented that basis of those cases are not realistic and should be appealed. Therefore, no provision has been provided for these cases.

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13. FINANCIAL RISK MANAGEMENT AND POLICIES

Market risk

Foreign currency risk

	31 March 2025				31 December 2024			
	Total TL Equivalent	USD	EUR	Other	Total TL Equivalent	USD	EUR	Other
1. Trade receivables	2.886.038	60.222	13.070	79.744	3.182.129	71.991	15.590	69.548
2a. Monetary financial assets (Cash and banks accounts included)	2.782.231	65.480	3.052	185.086	2.054.313	49.694	5.502	98.971
2b. Financial Investments (*)	953.046	–	–	–	11.599.454	–	–	–
2c. Non-monetary financial assets	–	–	–	–	–	–	–	–
3. Other	–	–	–	–	–	–	–	–
4. Current assets (1+2+3)	6.621.315	125.702	16.122	264.830	16.835.896	121.685	21.092	168.519
5. Trade receivables	–	–	–	–	–	–	–	–
6a. Monetary financial assets	–	–	–	–	–	–	–	–
6b. Non-monetary financial assets	–	–	–	–	–	–	–	–
7. Other	4.471	15	96	–	–	–	–	–
8. Non-current assets (5+6+7)	4.471	15	96	–	–	–	–	–
9. Total assets (4+8)	6.625.786	125.717	16.218	264.830	16.835.896	121.685	21.092	168.519
10. Trade payables	10.979.397	192.736	89.839	43.979	13.739.246	274.233	109.220	51.896
11. Financial liabilities	9.511.136	68.549	169.307	31.215	16.587.334	278.361	183.355	30.908
12a. Monetary other liabilities	–	–	–	–	–	–	–	–
12b. Non-monetary other liabilities	839.767	22.230	6	–	863.630	24.473	6	(5)
13. Short-term liabilities (10+11+12)	21.330.300	283.515	259.152	75.194	31.190.210	577.067	292.581	82.799
14. Trade payables	–	–	–	–	–	–	–	–
15. Financial liabilities	46.887.237	728.542	475.510	19.276	45.575.817	792.607	478.799	23.148
16a. Monetary other liabilities	–	–	–	–	–	–	–	–
16b. Non-monetary other liabilities	–	–	–	–	–	–	–	–
17. Long-term liabilities (14+15+16)	46.887.237	728.542	475.510	19.276	45.575.817	792.607	478.799	23.148
18. Total liabilities (13+17)	68.217.537	1.012.057	734.662	94.470	76.766.027	1.369.674	771.380	105.947
19. Net asset / (liability) position of off balance sheet derivative instruments (19a-19b)	48.950.195	731.597	523.833	–	49.365.797	848.706	528.722	(42)
19a. Total asset amount hedged	–	–	–	–	–	–	–	–
19b. Total liability amount hedged	(48.950.195)	(731.597)	(523.833)	–	(49.365.797)	(848.706)	(528.722)	42
20. Loans defined as hedging instruments (**)	6.105.285	–	150.000	–	6.064.932	–	165.094	6
21. Net foreign currency asset / (liability) position (9-18+19+20)	(6.536.271)	(154.743)	(44.611)	170.360	(4.499.402)	(399.283)	(56.472)	62.536
22. Net asset / (liability) position of foreign currency monetary items (IFRS 7.B23) (=1+2a+2b+5+6a-10-11-12a-14-15-16a)	(60.756.455)	(864.125)	(718.534)	170.360	(59.066.501)	(1.223.516)	(750.282)	62.567

(*) Financial Investments include currency protected time deposits with 90 and 360 days maturity by Group's USD 20.000 of foreign currency deposits.

(**) The Company utilized a loan amounting to EUR 150.000 in order to hedge its net investment in a foreign operation with a EUR functional currency. Foreign exchange gain and/or loss resulting from the subsidiary's net investment portion of this loan is reclassified to reserve for hedge of net investment in a foreign operation under equity.

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

The Group has transactional currency exposures mainly with respect to the bank borrowings and trade payables. Foreign currency denominated borrowings are stated in Note 7.

The following table demonstrates the sensitivity to a reasonably possible change in the USD and EUR exchange rate, with all other variables held constant, of the Group's profit before tax for the year (due to changes in the fair value of monetary assets and liabilities):

31 March 2025	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Appreciation of USD against TL by 10%:				
1- USD net asset/liability	(3.347.317)	3.347.317	–	–
2- Hedged portion of USD risk (-)	2.673.804	(2.673.804)	1.431	(1.367)
3- USD net effect (1+2)	(673.513)	673.513	1.431	(1.367)
Appreciation of EUR against TL by 10%:				
4- EUR net asset/liability	(2.924.199)	2.924.199	–	–
5- Hedged portion of EUR risk (-)	2.531.195	(2.492.194)	17.171	30.015
6- EUR net effect (4+5)	(393.004)	432.005	17.171	30.015
Appreciation of other foreign currencies against TL by 10%:				
7- Other foreign currency net asset/liability	17.036	(17.036)	–	–
8- Hedged portion of other foreign currency (-)	–	–	–	–
9- Other foreign currency net effect (7+8)	17.036	(17.036)	–	–
Total (3+6+9)	(1.049.481)	1.088.482	18.602	28.648
31 December 2024	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Appreciation of USD against TL by 10%:				
1- USD net asset/liability	(4.402.944)	4.402.944	–	–
2- Hedged portion of USD risk (-)	3.653.300	(3.456.636)	(30.638)	(176.949)
3- USD net effect (1+2)	(749.644)	946.308	(30.638)	(176.949)
Appreciation of EUR against TL by 10%:				
4- EUR net asset/liability	(2.756.275)	2.756.275	–	–
5- Hedged portion of EUR risk (-)	2.333.302	(2.154.023)	(7.322)	(201.674)
6- EUR net effect (4+5)	(422.973)	602.252	(7.322)	(201.674)
Appreciation of other foreign currencies against TL by 10%:				
7- Other foreign currency net asset/liability	5.577	(5.577)	–	–
8- Hedged portion of other foreign currency (-)	–	–	–	–
9- Other foreign currency net effect (7+8)	5.577	(5.577)	–	–
Total (3+6+9)	(1.167.040)	1.542.983	(37.960)	(378.623)

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Explanation on the presentation of financial assets and liabilities at their fair values

The below table summarizes the carrying amounts and fair values of financial asset and liabilities in the Group's consolidated financial statements.

Due to their short-term nature, the fair value of trade and other receivables represents their book value. The fair value of borrowings with fixed interests is obtained by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of foreign currency denominated borrowings with variable interests is obtained by discounting the projected cash flows using estimated market interest rates.

	Carrying amount		Fair value	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Financial assets				
Cash and cash equivalents	7.915.173	8.290.199	7.915.173	8.290.199
Trade and other receivables (including related parties)	33.206.491	36.017.607	33.206.491	36.017.607
Financial investments	1.401.389	12.041.487	1.401.389(*)	12.041.487(*)
Derivative financial assets	1.943.985	1.294.816	1.943.985	1.294.816
Financial liabilities				
Bank borrowings	37.957.516	46.009.441	37.983.082	46.304.732
Issued debt instruments	21.502.985	27.037.435	21.671.938	26.980.619
Trade payables and other liabilities (including related parties) (**)	26.405.442	30.648.576	26.405.442	30.648.576
Derivative financial liabilities	78.443	735.330	78.443	735.330

(*) Group's share of equity-based financial investments are carried at cost. Information on fair value of share in these investments are not available.

(**) Trade payables and other liabilities item includes trade and other payables, employee benefit obligations and other liabilities contained within other current liabilities. Taxes and other payables contained within employee benefit obligations and advances contained within other current liabilities are excluded.

Fair value hierarchy table

The group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contain observable market inputs

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Fair value hierarchy table (continued)

Fair value hierarchy table as at 31 March 2025 is as follows:

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets measured at fair value:					
<u>Derivative Financial Assets:</u>					
Cross currency swaps (*)	31 March 2025	1.943.071	–	1.943.071	–
Commodity derivative (Copper)	31 March 2025	914	–	914	–
Currency protected time deposit	31 March 2025	953.063	–	953.063	–
Liquid fund	31 March 2025	379.047	379.047	–	–
Financial liabilities measured at fair value:					
<u>Derivative Financial Liabilities:</u>					
Cross currency swaps (*)	31 March 2025	78.443	–	78.443	–
Other financial liabilities not measured at fair value:					
Bank loans	31 March 2025	37.983.082	–	37.983.082	–
Issued debt instruments	31 March 2025	21.671.938	21.671.938	–	–

(*) Cross currency swaps consist of forwards and foreign currency swaps.

The Group specifies the fair value measurement of futures according to the forward exchange rates at the balance sheet date, whereas fair values of cross currency swaps are measured according to the net present value of the estimated future cash flows based on observable yield curves, measurement methods of fair value for derivative financial instruments and issued debt instruments are explained in Note 2.1.

Fair value hierarchy table as at 31 December 2024 is as follows:

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets measured at fair value:					
<u>Derivative Financial Assets:</u>					
Cross currency swaps (*)	31 December 2024	1.287.701	–	1.287.701	–
Commodity derivative (Copper)	31 December 2024	7.115	–	7.115	–
Currency protected time deposit	31 December 2024	11.599.428	–	11.599.428	–
Liquid fund	31 December 2024	1.426.149	1.426.149	–	–
Financial liabilities measured at fair value:					
<u>Derivative Financial Liabilities:</u>					
Cross currency swaps (*)	31 December 2024	735.330	–	735.330	–
Other financial liabilities not measured at fair value:					
Bank loans	31 December 2024	46.304.732	–	46.304.732	–
Issued debt instruments	31 December 2024	26.980.619	26.980.619	–	–

(*) Cross currency swaps consist of forwards and foreign currency swaps.

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Capital management policies

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes during the years 2025 and 2024.

14. DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 March 2025 and 31 December 2024, the fair values of derivative instruments are as follows:

	31 March 2025		31 December 2024	
	Asset	Liability	Asset	Liability
Derivative transactions which are not designated as cash flow hedge	1.234.879	78.443	144.554	735.330
Derivative transactions which are designated as cash flow hedge	709.106	-	1.150.262	-
Total	1.943.985	78.443	1.294.816	735.330

Derivative transactions which are designated as cash flow hedge

In the periods in which the cash flows related to the hedged item affect profit or loss, accumulated gain/loss of related hedged instruments in equity are reclassified in profit or loss. As of the three months period ended 31 March 2025, TL 124.654, including tax effect, are reclassified to financial expenses in the statement of profit or loss from gain on cash flow hedges in equity.

As of 31 March 2025, fair value of participating cross currency transactions amounting to TL 708.191 has been recognized under short term derivative financial assets (31 December 2024: TL 1.143.149 short term derivative financial assets).

Currency	Maturity	31 March 2025		31 December 2024		
		Nominal contract amount (original currency)	Fair Value	Nominal contract amount (original currency)	Fair Value	
<i>Cross currency transactions</i>						
US Dolar	April 2019 - December 2025	16.930	82.595	April 2019 - December 2025	226.111	680.359
Euro	April 2019 - December 2025	93.842	625.596	April 2019 - December 2025	93.842	462.790
		708.191			1.143.149	

Copper hedge transactions

As of 31 March 2025 fair value of participating copper hedge transactions amounting to TL 915 has been recognized under short term derivative financial assets (31 December 2024: TL 7.113 recognized under short term derivative financial asset).

Currency	Maturity	31 March 2025		31 December 2024		
		Nominal contract amount (tonnes)	Fair Value	Nominal contract amount (tonnes)	Fair Value	
Copper	April 2025	480	915	January 2025	212	7.113
			915			7.113

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Derivative transactions which are not designated as cash flow hedge

As of 31 March 2025, fair value of cross currency transactions amounting to TL 115.911 is recognized under short term derivative financial assets (31 December 2024: TL 144.554 is recognized under short term derivative financial assets).

As of 31 March 2025, fair value of forward transactions amounting to TL 1.118.968 is recognized under short term derivative financial assets and TL 78.443 is recognized under short terms financial liabilities (31 December 2024: TL 735.330 is recognized under short term derivative financial liabilities).

Currency	Maturity	31 March 2025		31 December 2024		
		Nominal contract amount (original currency)	Fair Value	Nominal contract amount (original currency)	Fair Value	
<i>Cross currency transactions</i>						
US Dolar	December 2016 - June 2026	10.000	27.950	June 2026	10.000	41.413
Euro	September 2021 - March 2026	13.891	87.961	March 2026	15.390	103.141
<i>Forward transactions</i>						
US Dolar	May 2025	708.000	394.802	February 2025	535.000	(284.785)
Euro	May 2025	422.000	645.723	February 2025	380.000	(450.545)
		1.156.436				(590.776)

Hedge of net investment in a foreign operation

The Company utilized a loan amounting to EUR 150.000 in order to hedge its net investment in a foreign operation with a Euro functional currency. Foreign exchange gain and/or loss resulting from the subsidiary's net investment portion of this loan is reclassified to reserve for hedge of net investment in a foreign operation under equity.

15. FINANCIAL INVESTMENTS

	31 March 2025	31 December 2024
Short term financial assets		
Currency protected time deposit (*)	953.063	11.599.428
Long term financial assets		
Investment funds (**)	249.110	256.188
Other (***)	199.216	185.871
	1.401.389	12.041.487

(*) Currency protected time deposit accounts are classified as financial assets at fair value through profit or loss.

The Group has converted its foreign currency deposit accounts amounting to USD 20.000 (31 December 2024: USD 244.215 and EUR 20.000) into "Currency Protected TL Time Deposit Accounts". Maturity of currency protected time deposit accounts is between 90-360 days (31 December 2024: 90-360 Days).

(**) It consists of TT Ventures Venture Capital Investment Fund investments of group companies. The fund aims to invest in innovative technology start-ups with global growth potential and to provide financial returns to its investors.

The Group indirectly holds its investment in its subsidiary, which has a significant influence, through its contribution payments to the established Venture Capital Investment Fund. The Group measure this investment at fair value through profit or loss in accordance with TFRS 9.

(***) The amounting to TL 67.713 in other consists of growth equity private equity fund investment.

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16. SUPPLEMENTARY CASH FLOW INFORMATION

Other explanations

“Other inflows of cash” in net cash used in operating activities amounting to TL 699.284 (31 March 2024: TL 61.928) represents change in restricted cash (Note 6). “Other outflows of cash, net” in net cash used in financial activities amounting to TL (351.054) (31 March 2024: TL 27.654) represents change in other financial payment. “Other adjustment for non-cash items” in adjustments to reconcile net profit to cash provided by operating activities amounting to TL 164.700 (31 March 2024: TL 114.920) represents change in TFRS Interpretation 12 of intangible assets.

17. TAX ASSETS AND LIABILITIES

	31 March 2025	31 December 2024
Corporate tax payable:		
Current corporate tax provision	1.313.412	748.531
Prepaid taxes and funds (-)	(198.667)	(235.915)
Tax payable	1.114.745	512.616
Deferred tax assets	2.270.881	3.339.889
Deferred tax liabilities	(7.427.436)	(5.874.250)
Deferred tax assets, net	(5.156.555)	(2.534.361)

Tax Advantages Obtained within the Scope of Investment Incentive System

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis.

In Turkey, the corporate tax rate is 25% as of 31 March 2025.

Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate, and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TL 2.741.117 (31 December 2024: TL 2.559.794) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of 31 March 2025. TL 76.264 (December - March difference current period effect) of deferred tax income is recognized in the consolidated profit or loss statement for the period between 1 January-31 March 2025 from accounting of such deferred tax assets.

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets.

The Group expects to recover such deferred tax assets within 2 years from the balance sheet date. In the sensitivity analysis performed as of 31 March 2025, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 2-year recovery periods of deferred tax assets related to investment incentives.

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18. EXPLANATIONS REGARDING NET MONETARY POSITION GAINS/(LOSES)

	1 January - 31 March 2025
Non-monetary items	
Statement of financial position items	6.216.650
Inventories	915.591
Prepaid expenses	290.890
Other current assets	436.392
Property, plant and equipment	11.231.626
Intangible assets	8.229.492
Right of use assets	1.047.037
Deferred tax assets, liability	(311.579)
Contract liabilities from sale of goods and service contracts	(1.204.096)
Paid-in capital	(7.735.143)
Repurchased shares	2.120
Other accumulated comprehensive income and expense not to be reclassified to profit or loss	(180.662)
Other accumulated comprehensive income and expense to be reclassified to profit or loss	832.045
Restricted reserves	(424.328)
Retained earnings	(6.912.735)
Profit / (loss) statement items	(292.010)
Revenue	(1.059.552)
Cost of sales	451.041
Research and development expenses	13.078
Marketing expenses	73.750
General and administrative expenses	108.830
Other income/expenses from operating activities	20.798
Income/expenses from investment activities	(18.639)
Finance income/expenses	122.612
Tax expense for the period	(3.928)
Net Monetary Position Gains / (Losses)	5.924.640

19. SUBSEQUENT EVENTS

None.