TÜRK TELEKOM GROUP
2024 FIRST QUARTER
FINANCIAL AND OPERATIONAL RESULTS

June 5, 2024

A HEAD START TO 2024 WITH SOLID TOP-LINE AND OPERATIONAL PERFORMANCE IN THE SEASONALLY LOW QUARTER

Türk Telekom Group announces its first quarter 2024 financial and operational results. In continuation of robust growth in businesses, consolidated revenues increased by 6% YoY to TL 28 billion. EBITDA grew 23% to TL 10.3 billion with 36.6% margin. Net income was TL 1 billion. Net Debt/EBITDA[1] multiple inched down to 1.13x.

Türk Telekom CEO Ümit Önal said: *"We made a fulfilling start to the year with continued momentum in our leading businesses. In comparison to Q1'24 targets, revenue growth came in line with our expectation while EBITDA margin scored higher. The performance of a seasonally low quarter reinforces our confidence in the full year guidance bearing in mind that the acceleration in quarterly inflation, fully in line with our base case, is expected to reverse course starting from the late second quarter. Mobile was once again at the helm of top-line growth with stunning results, although competition remained rather intense. Fixed broadband on the other hand has extended its contribution with ARPU growth ramping-up as foreseen and is clearly loaded-up with more of it. In general, the subscriber evolution was ruled by seasonal trends but was particularly subdued during Ramadan."*

1st Quarter Financial Highlights

Consolidated revenues increased to TL 28 billion from TL 26.4 billion a year ago with 6% growth. Mobile, fixed internet, ICT solutions and call centre were the main contributors to annual growth. Excluding the IFRIC 12 accounting impact, Q1'24 revenue was TL 27.3 billion, up 9% YoY with increases of 7.4% in fixed broadband, 20.9% in mobile, 4.6% in TV and 8.6% in other revenue in addition to contractions of 16.5% in fixed voice, 11% in corporate data and 5.6% in international revenues. A relatively wider gap between consolidated and operational (ex-IFRIC 12) revenue growth this quarter was largely owing to low capex spending in the period.

Fixed internet and mobile together made 72.6% of operating revenue. The two lines of business made significant contribution to growth with TL 2.6 billion higher revenues in total YoY. The 11% contraction in corporate data revenue was largely driven by the high base from last year and pending pricing actions which were implemented earlier in the year in 2023. While the 8.6% growth in other revenues was supported by ICT solutions and call centre, decline in international business was driven by a minor slide in voice revenues in EUR terms as data revenues continued growing.

The 7.4% annual increase in fixed internet revenue was driven by respective 2.5% average subscriber growth and 4.7% ARPU growth. The 20.9% increase in mobile segment can also be decomposed into similar 2.6% average subscriber growth but higher 15.7% ARPU growth.

---

[1] *Net debt includes MTM from FX to TRY Currency Swaps and FV of Currency Protected Time Deposits. Net Debt/EBITDA calculation excludes extraordinary items in EBITDA calculation.*

Consolidated EBITDA rose 23% annually to TL 10.3 billion from TL 8.3 billion in Q1’23 with EBITDA margin expanding by 510 bps YoY to 36.6%. Excluding the IFRIC 12 accounting impact, EBITDA margin was 37.3%. Personnel cost grew 14% YoY amid the annual wage hike effective from the beginning of the year. As such, personnel cost to revenue ratio moved up to 26.6% from 24.7% a year ago. Commercial costs also grew by 28.1% YoY due to last year’s low base on contained spending in the aftermath of the twin earthquakes. Still, opex to sales ratio of 63.4% compared favourably to 68.4% in Q1’23 thanks mainly to declining network, interconnection and other costs YoY. Lower energy cost in lack of electricity tariff increases together with lower maintenance cost incurred in the period took network expenses substantially down. Interconnection cost came down alongside the aforementioned contraction in international revenues and the predetermined regulatory cut in MTRs taking effect at the beginning of the year. Finally, taking a partial reserve for the compensation of earthquake damages which are covered by our insurance policy has pushed other costs lower YoY.

Operating profit was TL 1.1 billion in Q1’24 compared to TL 1.7 billion operating loss in Q1’23. There has been a change in the calculation of depreciation starting from 2024 as we make concrete progress on the potential extension of the fixed line concession agreement. Accordingly, we will be amortising the related fixed line tangible assets either throughout their remaining useful life or throughout the extended period of concession agreement; whichever shorter. This compares favourably to earlier methodology that used to amortise these assets until 2026, the current expiry of the concession agreement.

Net financial expense increased by 87.3% YoY to TL 5.6 billion from TL 3 billion a year ago due to extraordinarily low base in the same period last year. USDTRY and EURTRY rates increased by respective 68.6% and 67% YoY, 9.7% and 6.8% QoQ. Similarly, market interest rates in Q1’24 were significantly higher compared to a year ago and kept climbing QoQ as the CBRT further hiked its policy rate by 500 bps in March. The widely known shift in monetary policy is the obvious reason behind the sizeable variance in net financial expense YoY. It would be reasonable to expect a normalised delta in the next quarter.

According to the sensitivity of the P&L statement to exchange rate movements, a 10% depreciation of TL would have negative TL 1.1 billion impact on Q1’24 PBT assuming all else constant. Similarly, a 10% appreciation of TL would have positive TL 1.1 billion impact. Though relatively contained, the quarterly increase in FX rates limited the improvement in Net Debt/EBITDA which has inched down to 1.13x from 1.17x a quarter ago.

Finally, we recorded TL 2.1 billion of tax expense. The deviation of effective tax rate from the usual corporate tax rate was largely driven by the indexation of last year’s tax assets to Q1’24 as per the inflation accounting principles. The related amount, which does not have any impact on cash flow and net profit, is offset at the monetary gain/loss line, again as per the inflation accounting methodology. As a result, we generated TL 1 billion of net income for the period.

Investment activity was slow during the quarter due to seasonality and Ramadan with the TL 4.6 billion capex spending comparing 22% lower YoY.

Unlevered free cash flow[2] was TL 1.9 billion compared to negative TL 3.6 billion in Q1'23, underlining strong operational performance and relatively lower capex spending in the period. Also, earthquake and macro volatility had put some pressure on Q1'23 performance.

Net debt[3] decreased to TL 46.9 billion as of Q1'24 compared to TL 54.6 billion as of Q1'23. Excluding the IFRS 16 impact, net debt was TL 43.5 billion. As of Q1'24, FX based financial debt (excluding the IFRS 16 impact) declined YoY but increased QoQ to USD 1,862 million equivalent (Q4'23: USD 1,778 million; Q1'23: USD 1,865 million). The share of TL financing was 14.7% as of Q1'24.

Our long FX position[4] was USD 432 million by the end of Q1'24. Excluding the ineffective portion of the hedge portfolio, namely the PCCS contracts, foreign currency exposure was USD 338 million short FX position.

Table 1: ARPU by Line of Business

TL	Q1'24	Q1'23	YoY Change
Fixed Voice	53.9	57.3	(5.9)%
Fixed Broadband	179.7	171.6	4.7%
Home TV	57.5	57.2	0.4%
Mobile	142.4	123.1	15.7%
Postpaid	*152.2*	*135.4*	*12.4%*
Prepaid	*113.7*	*94.6*	*20.2%*

Table 2: Consolidated Summary Financials

TL mn	Q1'24	Q1'23	YoY Change
Revenue	28,024	26,448	6.0%
Revenue (Exc IFRIC 12)	27,299	25,047	9.0%
EBITDA	10,265	8,345	23.0%
Margin	36.6%	31.6%	
Depreciation & Amortisation	(9,197)	(10,087)	(8.8)%
Operating Profit	1,068	(1,742)	n.m.
Margin	3.8%	(6.6)%	
Financial Income/(Expense)	(5,649)	(3,017)	87.3%
Monetary Gain/(Loss)	7,679	6,998	9.7%
Profit Before Tax	3,098	2,239	38.4%
Tax Income/(Expense)	(2,055)	(1,000)	105.5%
Net Income	1,043	1,239	(15.8)%
Capex *Intensity*	16.2%	22.1%	

[2] *Unlevered free cash flow defined as net cash provided by operating and investing activities from operations.*
[3] *Net debt includes MTM from FX to TRY Currency Swaps and FV of Currency Protected Time Deposits.*
[4] *Net FX position is calculated as FX based financial debt (including FX based lease obligations) plus FX based net trade payables less FX financial debt hedging less FX net trade payables hedging less currency protected time deposits less net investment hedging less FX based cash and cash equivalents.*

1st Quarter Operational Highlights

We closed Q1’24 with 52.8 million subscribers in total, down 188K from prior quarter-end. Excluding the 266K loss in the fixed voice segment, the subscriber portfolios were more or less stable thanks to well-managed activation and churn dynamics evolving under the combined effect of seasonality, Ramadan and price revisions during the first quarter.

Fixed broadband base remained flat around 15.2 million with mere 9K net additions in Q1’24, slightly behind our expectation. The revisions in retail tariff prices at the beginning of December for new customers and in January for existing customers affected Q1’24 performance. It would be fair to say that Ramadan also had a more visible impact on the first quarter performance this year with a greater number of days falling into the period as the number of activations and churn remained below Q1’23 and Q4’23 levels both in the retail and wholesale segments. The YoY decline in the number of churning customers can largely be attributable to last year’s earthquakes but slower activations pointed to subdued subscriber activity in general during the quarter.

Fibre base expanded to 13.0 million subscribers with 165K of quarterly net additions. The number of FTTC subscribers was 8.6 million, while the number of FTTH/B subscribers increased to 4.5 million. The share of fibre subscribers in our total fixed broadband base increased to 85.7% from 79.8% a year ago.

Fibre cable network length increased to 441K km as of Q1’24 from 437K km as of the year-end and 410K km as of Q1’23. Fibre network covered 32.2 million households by the end of Q1’24 compared to 32.2 million as of the year-end and 31.6 million as of Q1’23. FTTC homepass was 20.3 million, while FTTH/B homepass increased to 11.9 million.

Mobile segment lost 16K subscribers on net basis closing the quarter with a stable base of 26.2 million in total. The slower than expected performance was driven by continued weakness in the prepaid segment, while postpaid performance once again surprised to the upside. Postpaid base maintained its healthy growth with 398K net additions and prepaid base its contraction with 414K net loss. As such, postpaid net adds in the LTM remained extremely strong around 1.7 million. We now have 72.3% of our mobile customers on postpaid packages. Average monthly data usage per LTE user increased by 23.7% to 16.2 GB in Q1’24 from 13.1 GB in Q1’23.

TV Home recorded 3K net gains, maintaining a subscriber base around 1.5 million compared to end-2023.

Table 3: Number of Subscribers by Line of Business

Mn	Q1'24	Q1'23	YoY Change
Fixed Voice	8.2	9.2	(10.9)%
Fixed Broadband	15.2	14.8	2.7%
Retail	*10.9*	*10.8*	*1.6%*
Wholesale	*4.3*	*4.0*	*5.5%*
TV	3.1	2.9	7.5%
Mobile	26.2	25.6	2.3%
Postpaid	*19.0*	*17.2*	*10.0%*
Prepaid	*7.3*	*8.4*	*(13.4)%*
Total	**52.8**	**52.5**	**0.4%**

Türk Telekom CEO Ümit Önal's comments on Q1'24 results:

First quarter performance keeps us on track with our guidance

Global focus turned more onto economic data as the geopolitical headlines took the back seat. Strong data from the US and sticky inflation both prevailed, advocating the view for "higher for longer interest rates" across the board. At home, markets held up well with broadening conviction around the competence of the current policy set to tackle inflation. The CBRT stayed put in its April and May meetings after moving the policy rate up to 50% in March arguing that the monetary policy was tight enough and had to be accompanied by restrictive fiscal measures to succeed in providing price stability. S&P's Türkiye rating upgrade to B+ from B with positive outlook in May further improved the sentiment in general. Annual inflation is considered to have peaked in May to 75% and expected to come off thereafter; hence, June CPI print will likely be one of the most critical data points for markets and outlook in general.

We successfully managed a challenging period. Firstly, quarterly inflation accelerated to 15.1% in Q1'24 from 10% in Q4'23. This affected our financial performance presented under TAS29. That said, monthly inflation falling to 3.2% in April and 3.4% in May from 6.7% in January bodes well with our budget assumptions and coming quarters' performance. Secondly, first quarter bears some seasonally restrictive features both for the operational and financial KPIs. While a subdued subscriber activity in winter months which was further slowed by the Ramadan impact had implications on the operational performance, a broad-based wage hike took effect from the beginning of the year. Thirdly, we took several pricing actions during the quarter but also diligently managed customer sentiment and churn with utmost care in a highly competitive business environment.

In mobile we initiated the first price revisions of 2024 in early January but also observed that it took competitors longer than prior quarters to follow suit. Promotional activity was rather heavy during the quarter with operators' elevated motivation for higher net additions as Türk Telekom's market share gains continued over 2023. In this environment we preferred a balancing act between subscriber acquisitions, churn and ARPU growth. We will be carefully watching the competitive landscape in the coming periods.

In fixed broadband, following the retail tariff price revisions for new customers in December we introduced a similar adjustment to existing subscriber offers in January. Competitors' reaction was mixed in aligning their prices but it would be fair to say we have seen several ISPs taking due action by February/March. More importantly though, the regulator has approved this year's wholesale price adjustment which will become effective starting from July 2024. We plan to revise our retail prices in June accordingly and we expect a sector-wide adjustment to retail prices by other ISPs.

Data consumption preserved its strength. Usage per LTE subscriber grew by 24% in mobile[5] and stayed flattish in fixed internet[6] YoY. Both mobile and fixed internet data consumption

[5] *Average monthly data usage per LTE user*
[6] *Average monthly data consumption per user*

picked-up by 4% from the prior quarter. Upsell performance also remained intact despite continued price hikes.

We made a promising start to 2024 assuring our full year guidance. Q1’24 top-line performance was in line with our expectation of 11-13% growth in full year operating revenue as we anticipated a slower real growth earlier in the year based on a favourable inflation outlook starting in June alongside improving revenue evolution over the coming quarters. With 15.1% quarterly inflation, we believe we left the most challenging period in inflation management behind. Fixed broadband ARPU growth is climbing nicely as we continue to reprice the existing base and June/July price hikes will further boost the momentum. Mobile has been maintaining its fabulous performance for quarters now and we expect this trend to find further support in the upcoming high season. A 510bps improvement in EBITDA margin YoY in a seasonally low quarter gives us meaningful headroom to achieve our full year target.

Fixed broadband nicely ramping up

Fixed internet went through a highly competitive period after we introduced retail price hikes in December which has been followed by other ISPs in a slow fashion and in some cases in smaller magnitudes similar to earlier instances when we went ahead with retail-only price revisions. Nevertheless, we have seen price parities more or less normalising towards late Q1’24. Yet, online channel and bundle offers remained pretty aggressive.

Revising retail tariff prices in early December for new customers and in January for existing customers affected Q1’24 performance. Seasonality and Ramadan also had a more visible impact on the first quarter performance this year as the number of activations and churn remained below Q1’23 and Q4’23 levels both in the retail and wholesale segments. The spike in churn rates observed in Q1’23 amid the south eastern earthquakes faded over the quarters and Q1’24 rates compared very similar to Q1’22 levels. In quarterly comparison, churn rates also trended slightly downward with slow activity, rebalancing of price parities and customers getting used to new price levels. Slower activations on the other hand pointed to subdued subscriber activity in general during winter months and Ramadan.

Re-contracting and upsell numbers were affected by price revisions but still strong with performances in line with our expectations. We foresee that the upcoming wholesale and retail price adjustments will affect activation and churn dynamics in the coming months but we also believe that a price hike at the wholesale level in current market conditions should support balanced competition in the fragmented fixed internet market. Therefore, we expect fixed internet ARPU to find significant support from these price adjustments while absorption of new price levels by customers should improve towards summer months and back to school period. Finally, we plan to further shorten our retail contracts to fifteen months through a 3+12 structure in June from 9+9 at the same time we will be launching our revised tariff prices.

We added 9K subscribers on net basis with wholesale outperforming retail and closed the period with a flat subscriber base of 15.2 million.

Customers’ preference for higher speed packages stayed intact with 50 Mbps+ packages making nearly 54%[7] of new sales in the first quarter. 35 Mbps+ packages made 64%[8] in re-contracting, the highest quarterly level attained historically. Raising the entry speed to 50 Mbps in December for new sales and raising the minimum speed to 35 Mbps for existing customers in January[9] significantly helped us achieve these levels. We expect these actions to positively support ARPU evolution in the coming periods as well.

Average package speed of our subscriber base[10] increased by 43% YoY to 50 Mbps as of Q1’24. 55% of our subscribers[11] are now on 35 Mbps+ packages compared to 51% a quarter ago and 40% a year ago.

We generated 4.7% ARPU growth in the first quarter and remain confident that it will trend north of this figure in the coming periods with the help of ongoing re-contracting, upcoming wholesale and retail price adjustments and upselling our customers to higher speed levels. A 2.5% expansion in average subscriber base annually carried the increase in FBB revenue to 7.4% YoY, in line with our target for the quarter.

Mobile shows off amid increased competition

Mobile delivered a fantastic performance in Q1’24 showcasing its strength against elevated competition. Mounting focus on subscriber acquisition in the final quarter of last year infiltrated into the early months of 2024. Although our mobile strategy attributes higher priority to ARPU evolution, subscriber market share gains continued over 2022 and 2023. This might have catalysed intense competition we think. Still, we achieved our activation target for the quarter with postpaid beating our expectation but prepaid missing it. This was in continuation of trends we observed in general over 2023. Similarly, we stayed close to our budget in postpaid churn but slightly deviated away in prepaid churn.

Once again, we took the lead in mobile sector to kick-start this year’s price revisions in early January. However, other operators have not followed in a short period of time unlike in several preceding quarters. In this environment we supported subscriber dynamics by keeping the old portfolio open until late-January/mid-February when competition finally launched their new tariffs; yet, this time in smaller increases distorting the price parities in the market. With continued preference of customers for postpaid tariffs over prepaid alternatives in new sales, promotional activity once again remained heavier on the postpaid side. Several regional campaigns also prevailed in the market.

The MNP market contracted QoQ owing to seasonality but grew YoY in stiff race for acquisitions. In this environment we prioritised ARPU over gains in the MNP market, ending a

[7] *For retail segment*
[8] *For retail segment*
[9] *For FTTH tariffs*
[10] *Total retail base including DSL and fibre subscribers*
[11] *Total retail base including DSL and fibre subscribers*

streak of leadership in this domain for nine quarters in reluctance to proactively take part in a disrupted market.

In this landscape we lost 16K net subscribers in Q1'24. A repeatedly robust activation performance in postpaid was offset by the ongoing weakness on the prepaid side. Overall churn rate was lower QoQ with seasonality but higher YoY due to extraordinarily low churn in the same period of last year driven by the earthquakes. In fact, we managed churn extremely well thanks to our advanced CRM capabilities despite aggressive offerings from competitors as well as meaningful price revisions in our existing customer tariffs in January. A solid upsell performance over and above that was another positive surprise. As such, the postpaid base increased by 398K subscribers in the quarter securing 1.7 million net subscriber additions over the LTM or 10% growth in proportion. The prepaid base on the other hand contracted by 414K on net basis. The ratio of postpaid customers in our mobile portfolio climbed to its highest level of 72.3%.

As a result of the above dynamics we recorded an extraordinarily strong 15.7% blended ARPU growth with respective 20.2% and 12.4% increases in the prepaid and postpaid segments. That, combined with a 2.6% average subscriber growth led to an impressive 20.9% expansion in mobile revenues annually.

Mobile has started 2024 on a strong footing. A growing strength in the market driven by our customers and superior asset quality in addition to quarters of superb performance encourage us to think that mobile has a lot more to deliver. Continued repricing of the subscriber base, solid trends in data usage and strong seasonality ahead will be the prime drivers of future performance.

A funding strategy aligned with the SDGs

We recognise the growing importance of sustainability for our customers, suppliers, employees, and our investors. We have recently shared our inaugural Sustainable Finance Framework with our stakeholders. The framework demonstrates our dedication to our sustainability agenda consistent with Türk Telekom's long-term vision. This strategic financing framework enables us to provide clear and transparent information regarding our commitment to green and social investments. We believe green, social and sustainable finance instruments are effective tools to channel investments to projects that have demonstrated climate and social benefits and thereby contribute to the achievement of the SDGs. Our goal is to empower our community in order to create a digitally advanced and connected society, thereby fostering Türk Telekom's sustainable growth.

The framework outlines the classification and eligibility criteria of the projects as well as the environmental and social considerations. It also details the principles and requirements for an effective reporting around sustainable financing instruments. The framework has been independently reviewed by S&P Global, which has certified it as compliant with widely recognised international principles and guidelines. S&P assessed the eligible green project categories using Cicero’s Shades of Green Methodology. The Sustainable Finance Framework and the SPO Report are published on Türk Telekom’s Investor Relations website.

We are proud to have completed the issuance of our debut Sustainability Bond recently. As the first non-financial corporate in Türkiye to have issued an international Sustainability Bond under our Sustainable Finance Framework we continue to lead by example. By issuing a sustainable finance instrument, Türk Telekom has aligned its funding strategy with its sustainability roadmap and targets.

Financial Review

(TL mn)	Q1'23	Q1'24	YoY Change
Revenue	**26,448**	**28,024**	**6.0%**
Revenue (Exc. IFRIC 12)	**25,047**	**27,299**	**9.0%**
EBITDA	**8,345**	**10,265**	**23.0%**
Margin	*31.6%*	*36.6%*	
Depreciation and Amortisation	**(10,087)**	**(9,197)**	**(8.8)%**
Operating Profit	**(1,742)**	**1,068**	**n.m.**
Margin	*(6.6)%*	*3.8%*	
Financial Income / (Expense)	**(3,017)**	**(5,649)**	**87.3%**
FX & Hedging Gain / (Loss)	(1,026)	(3,949)	284.8%
Interest Income / (Expense)	(1,536)	(1,143)	(25.5)%
Other Financial Income / (Expense)	(455)	(557)	22.4%
Monetary Gain / (Loss)	**6,998**	**7,679**	**9.7%**
Tax Income / (Expense)	**(1,000)**	**(2,055)**	**105.5%**
Net Income	**1,239**	**1,043**	**(15.8)%**
Margin	*4.7%*	*3.7%*	
CAPEX	**5,836**	**4,553**	**(22.0)%**

Subscriber Data

(mn, EoP)	Q1'23	Q1'24	YoY Change
Total Access Lines [12]	**17.2**	**17.4**	**1.2%**
Fixed Voice Subscribers	9.2	8.2	(10.9)%
Naked Broadband Subscribers	8.0	9.2	15.1%
Total Broadband Subscribers	**14.8**	**15.2**	**2.7%**
Total Fibre Subscribers	**11.8**	**13.0**	**10.3%**
FTTH/B	3.6	4.5	22.6%
FTTC	8.2	8.6	4.8%
Total TV Subscribers [13]	**2.9**	**3.1**	**7.5%**
Tivibu Home (IPTV + DTH) Subscribers	1.4	1.5	2.5%
Mobile Total Subscribers	**25.6**	**26.2**	**2.3%**
Mobile Postpaid Subscribers	17.2	19.0	10.0%
Mobile Prepaid Subscribers	8.4	7.3	(13.4)%

[12] PSTN and WLR Subscribers

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

ARPU Performance

TL	Q1'23	Q1'24	YoY Change
Fixed Voice ARPU	**57.3**	**53.9**	**(5.9)%**
Broadband ARPU	**171.6**	**179.7**	**4.7%**
Home TV ARPU	**57.2**	**57.5**	**0.4%**
Mobile Blended ARPU	**123.1**	**142.4**	**15.7%**
Mobile Postpaid ARPU	135.4	152.2	12.4%
Mobile Prepaid ARPU	94.6	113.7	20.2%

Disclaimer

Pursuant to the resolution of the Capital Markets Board ("CMB") dated 28.12.2023 and numbered 81/1820; it has been resolved that the provisions of TAS 29 (Financial Reporting in Hyperinflationary Economies) be implemented starting from the annual financial reports of issuers and capital market institutions that apply Turkish Accounting/Financial Reporting Standards and are subject to financial reporting regulations for the accounting periods starting from 31.12.2023.

Türk Telekomünikasyon A.Ş. (the "Company") has published its financial results in accordance with TAS 29 standards.

The information contained herein has been prepared by Türk Telekomünikasyon A.Ş. in connection with the operations of Türk Telekom Group companies. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. This press release or any information contained herein cannot be used without the written consent of the Company.

This press release is intended to provide information about the Company's operations and financial results and includes certain forward-looking statements, opinions, assumptions and estimated figures. Accordingly, it includes data and estimates for which inflation accounting has not been applied for informational purposes as opposed to data and estimates for which inflation accounting has been applied, and reflects the management's current views and assumptions regarding the Company's future prospects. The information provided by the Company is collected from sources believed to be reliable, but the accuracy and completeness of this information are not guaranteed. Although it is believed that the expectations reflected in these statements are reasonable, realisations may vary depending on the development and realisation of the variables and assumptions that constitute forward-looking expectations and estimated figures.

The Company and its shareholders, board members, directors, employees of Türk Telekomünikasyon A.Ş. or any other person may not be held liable for any damages that may arise from the use of the contents of this press release.

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

Notes:

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

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

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

Net FX Position is calculated by subtracting the sum of **i)** the hedge transactions, **ii)** FX-denominated cash and cash equivalents and **iii)** the net investment hedge from the sum of **iv)** FX-denominated financial debt (including FX-denominated lease obligations) and **v)** FX denominated net trade payables. Net investment hedge is the hedge amount against the financial risk of the net investment in the off-shore subsidiaries (Türk Telekom International) as per the Effects of Changes in FX Rate standard (TAS 21) of the Turkish Accounting Principles.

About Türk Telekom Group

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

"Türkiye's Multiplay Provider" Türk Telekom has 17.4 million fixed access lines, 15.2 million fixed broadband, 26.2 million mobile and 3.1 million TV subscribers as of March 31, 2024. Türk Telekom Group Companies provide services in all 81 cities of Türkiye with 36,190 employees with the vision of introducing new technologies to Türkiye and accelerating Türkiye's transformation into an information society.

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