2024 Q2
Investor Presentation









Türk Telekom
Değerli Hissettirir

Disclaimer

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 presentation 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 presentation.

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

Agenda


Overview 4


2024 Q2 Highlights 9


Business Lines 15


Investing in Future 28


Financials 32


Sustainability 40


Group Companies 46


Appendix 49

Overview



Türk Telekom Highlights

Leading

Operator in Türkiye

Integrated telecom services

Serving

52.6mn

Subscribers

99.7%

LTE

Population coverage

52%

Fibre connected

LTE base stations

449K km

Fibre network in

81 cities

32.4mn

Fibre homepass*

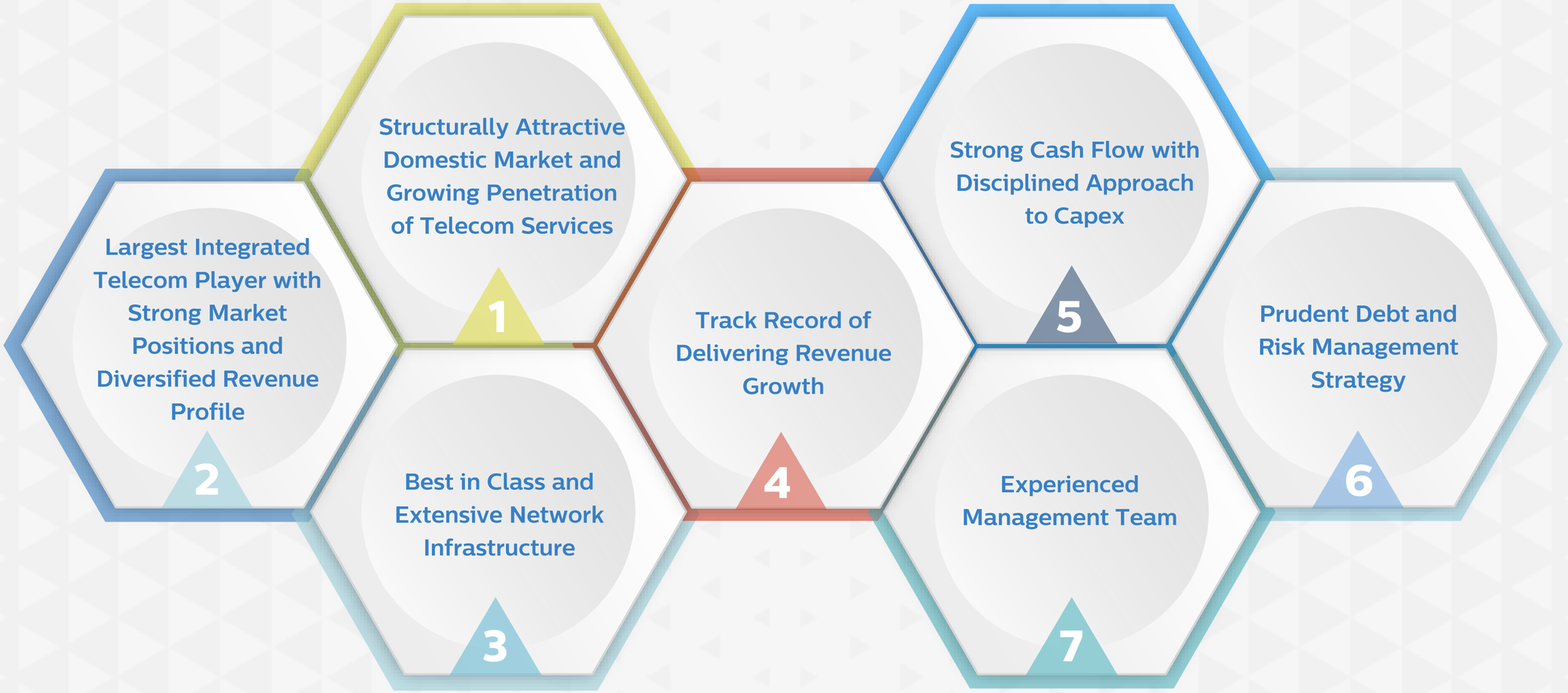
* includes FTTC & FTTH/B

35,750

Number of employees

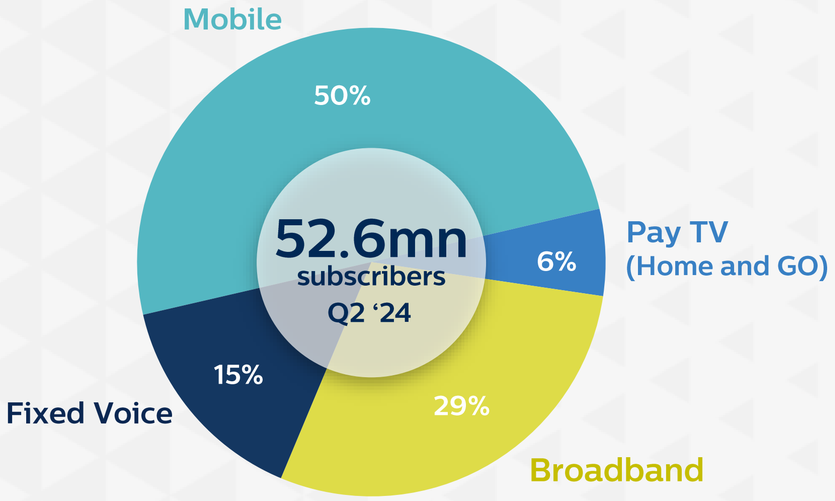
Türk Telekom
Değerli Hissettirir

Creating More Value

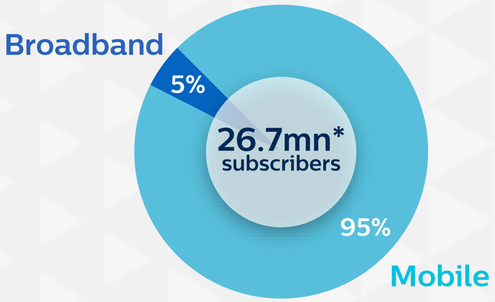


Diversified Portfolio & Strong Market Position

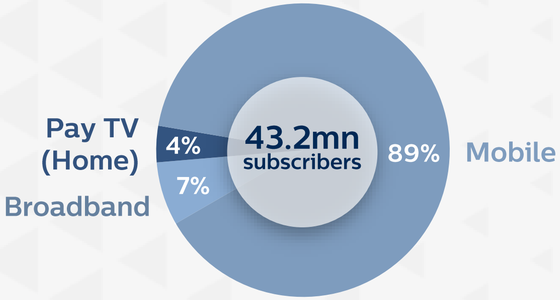
Diversified Subscriber Base



Vodafone



Turkcell



Turkcell and Vodafone data are from their own publications as of Q2 '24.
* Excludes M2M subscribers

Mobile
#3
26.3 mn subs

Broadband
#1
15.2 mn subs

Fixed Voice
#1
8.0 mn subs

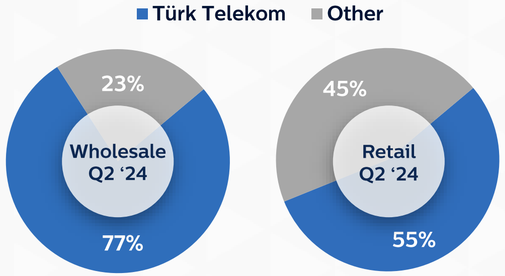
Pay TV
(Home and GO)
#3
3.1 mn subs

Market share ranks are from the Q2 '24 ICTA report.

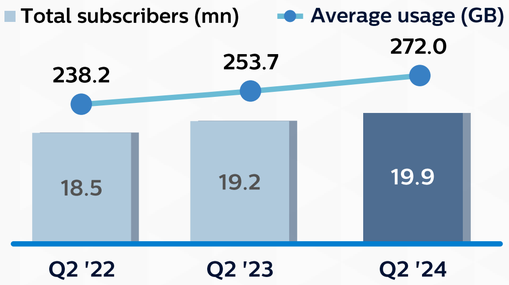
Türk Telekom
Değerli Hissettirir

Built on Solid Foundations

Fixed Broadband
(market share)



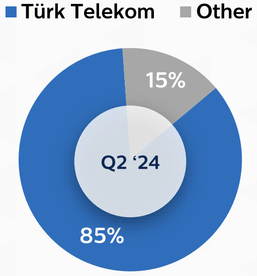
Subscribers* & Avg. Monthly Data Usage



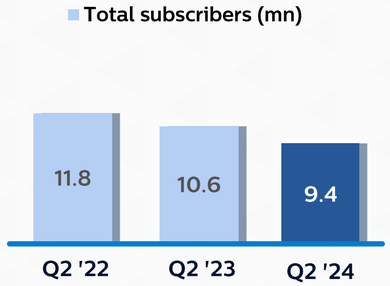
Household penetration in Europe	Household penetration in Türkiye	Average household size in Türkiye
81%	76%	3.1 People

* Dial-up and other methods are included

Fixed Voice
(market share)

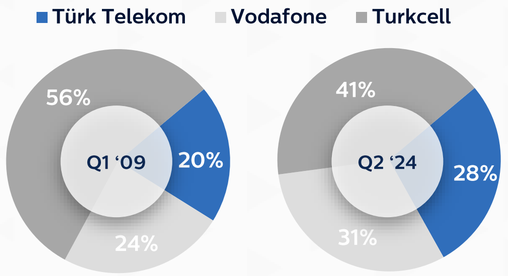


Total Subscribers

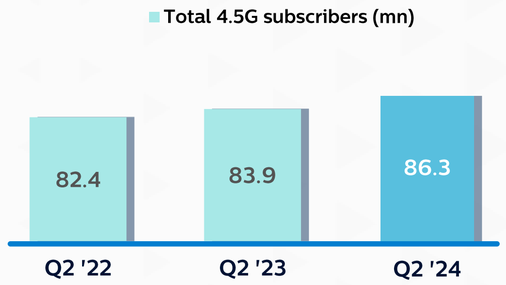


Population penetration in Türkiye
11%

Mobile
(market share)

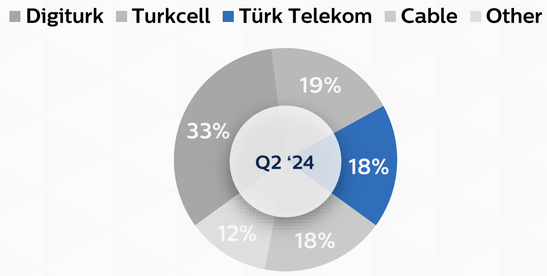


4.5G Subscribers

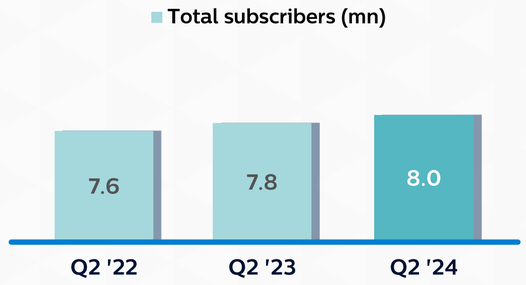


Population penetration in Europe	Population penetration in Türkiye	Mobile broadband population penetration in Europe	Mobile broadband population penetration in Türkiye
133%	109%	134%	85%

Pay TV
(market share)*



Total Subscribers*
(IPTV, DTH, Cable TV)



Household penetration in Europe	Household penetration in Türkiye*
88%	30%

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

Fixed broadband and Pay TV Türkiye household penetration is based on our calculation.
Fixed broadband and Pay TV markets include 27 European countries and the UK.
Mobile market includes 14 European countries and the UK.
Source: Analysys Mason, ICTA

Türk Telekom
Değerli Hissettirir

2024 Q2 Highlights



Financial & Operational Overview

2024 Q2 Highlights

Total Subscribers
52.6 mn
▲0.4% YoY

Revenue
TL 33.0 bn
▲4% YoY
TL 31.4 bn (Exc. IFRIC 12)
▲7% YoY

EBITDA
TL 12.8 bn
▲22% YoY

EBITDA Margin
38.8%
▲550bps YoY

Net Income
TL 1.4 bn
▲Q2 ’23 -TL 3.6 bn

Free Cash Flow*
TL 3.2 bn
▼27% YoY

CAPEX
TL 7.1 bn
▲7% YoY

Net Leverage
1.08x
▼Q4 ‘23 1.17x

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

Net Subscriber Additions

Fixed Broadband

20K
1.4% monthly churn rate
Q2 ‘24

276K
LTM

Mobile

125K
1.9% monthly churn rate
Q2 ‘24

729K
LTM

Fixed Voice

-213K
Q2 ‘24

-980K
LTM

52.6mn
Subscribers

Net additions*

-110K
in Q2 ‘24

207K
in LTM







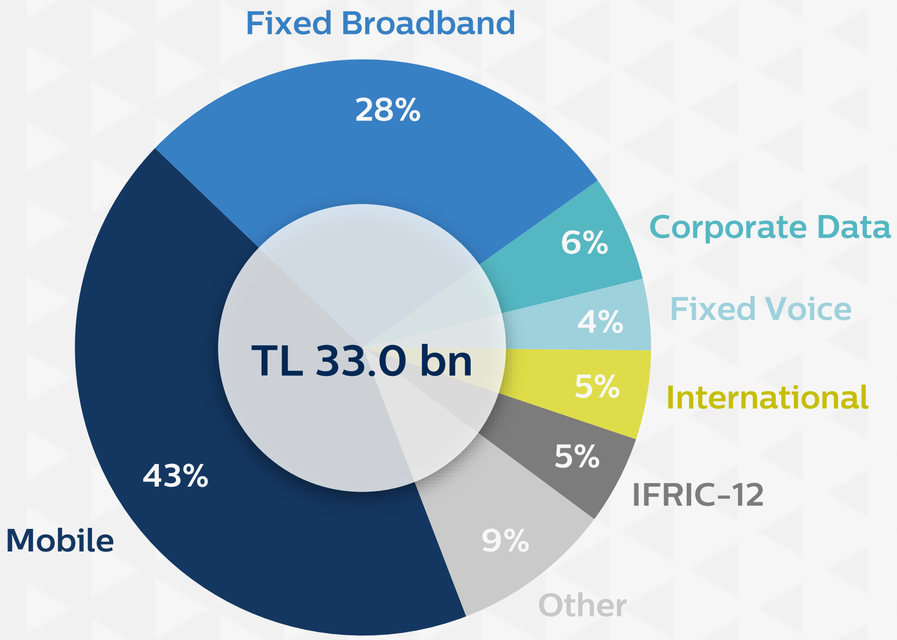


* Includes Tivibu

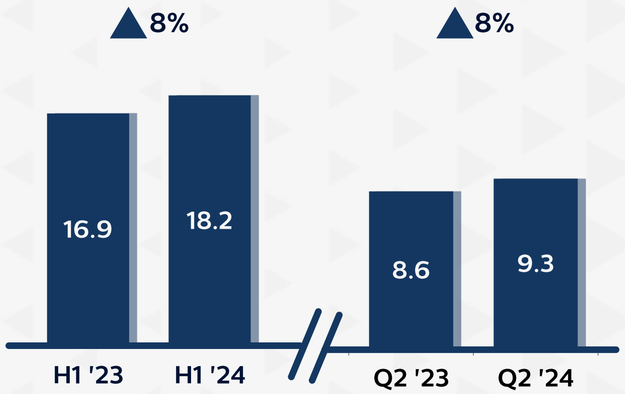
Türk Telekom
Değerli Hissettirir

Business Segments

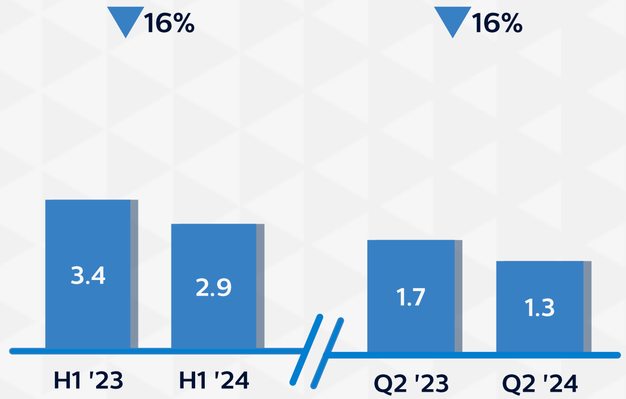
Q2 '24 Revenue Breakdown
(% of Consolidated Revenue)



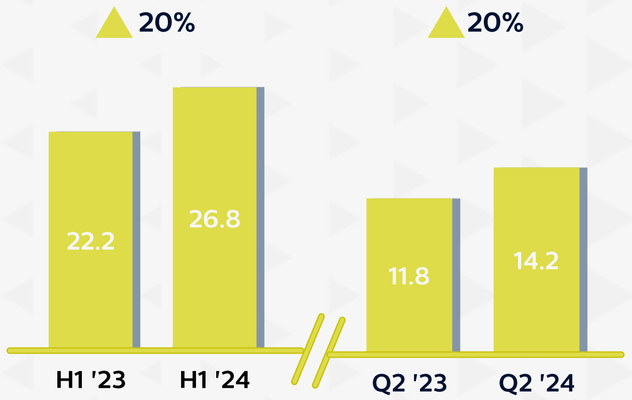
Fixed Broadband
(TL bn)



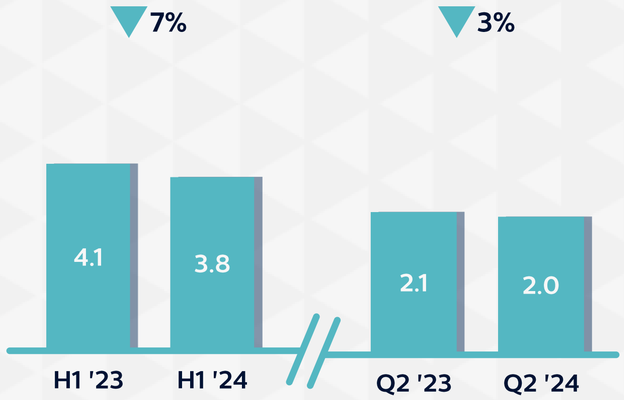
Fixed Voice
(TL bn)



Mobile
(TL bn)



Corporate Data
(TL bn)

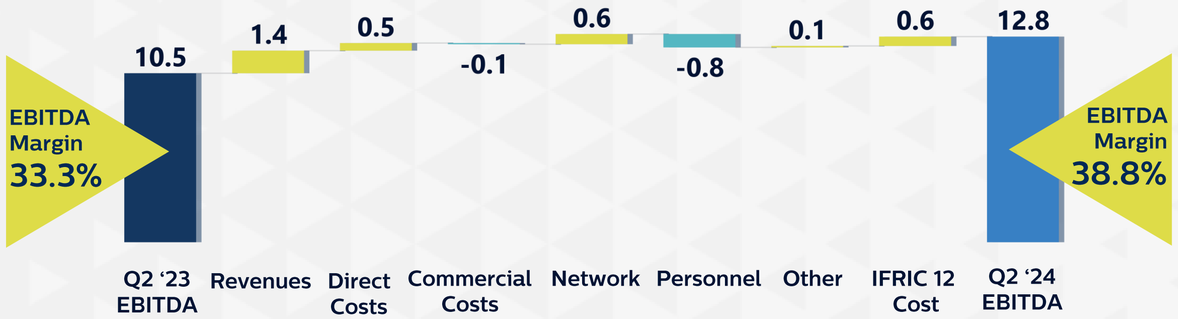


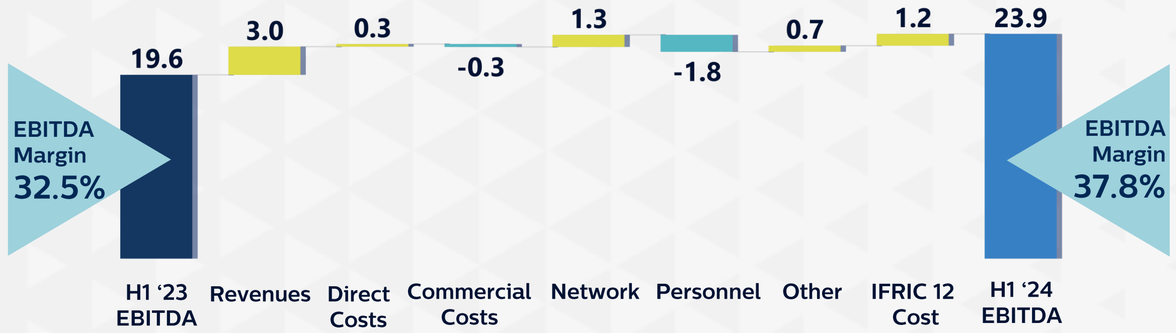
All figures presented at their values as of Q2 '24

Proactive Margin Management

Consolidated EBITDA Development

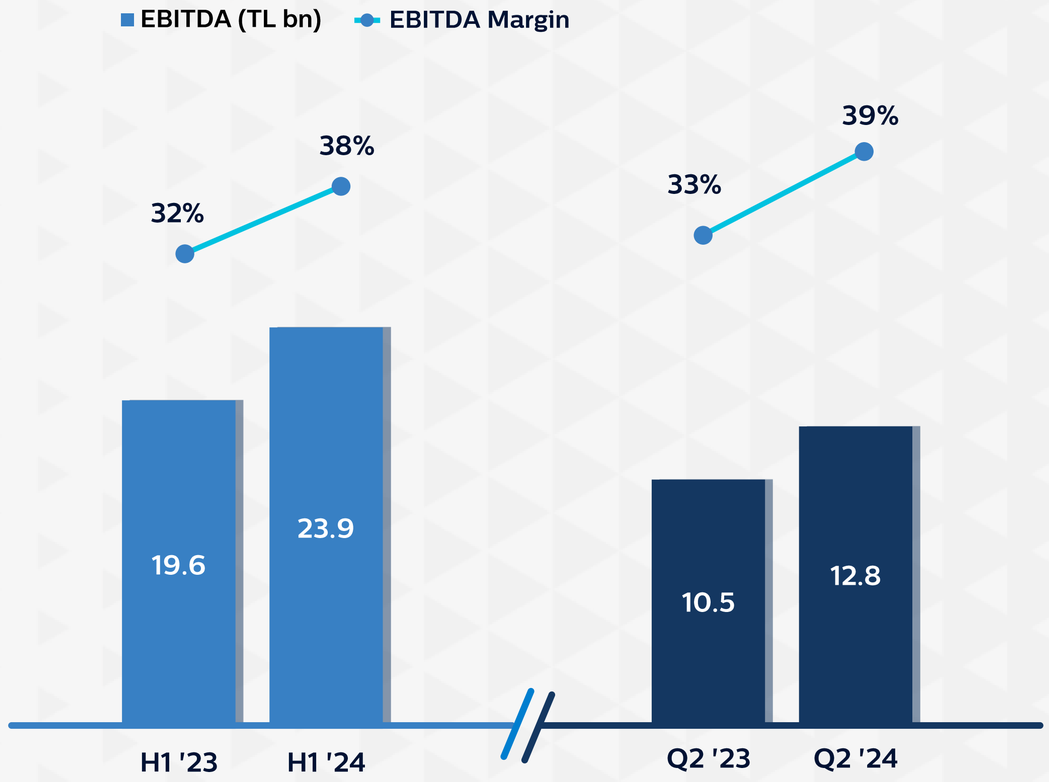
(TL bn)





EBITDA & EBITDA Margin

(TL bn)

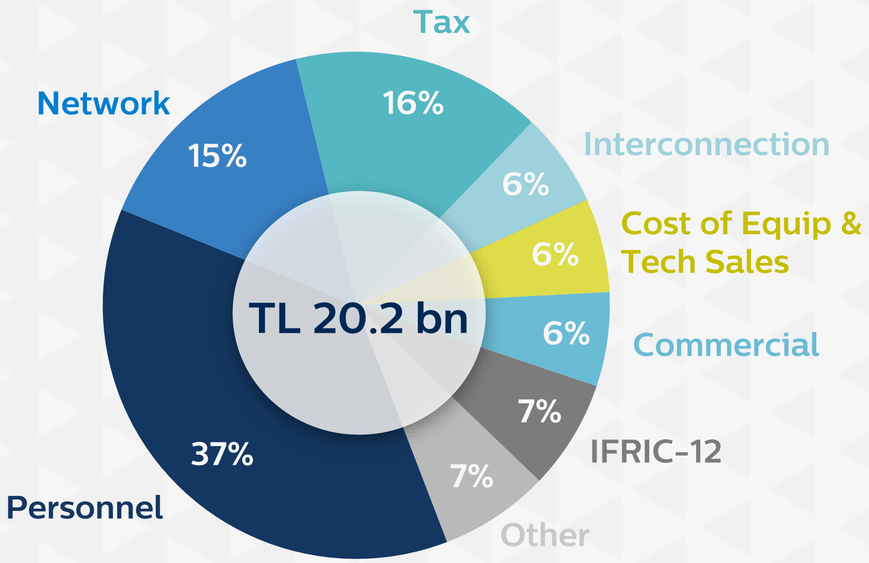


Türk Telekom adopted IFRS 15 and IFRS 16 accounting standards starting from 1 January 2018 and 1 January 2019, respectively. For further details please refer to ''Financial Footnotes'' & ''Summary Financial and Operational xls'' on our website.

All figures presented at their values as of Q2 '24

Focus on Efficiency

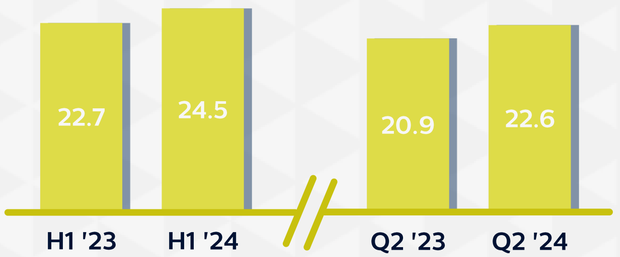
Q2 ‘24 Opex Breakdown
(% of Consolidated Opex)



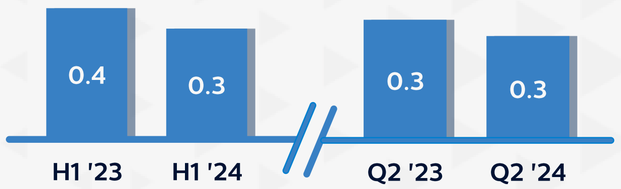
Network Expense to Sales (%)



Personnel Expense to Sales (%)



Provision for Doubtful Receivables to Sales (%)



Commercial Cost to Sales (%)

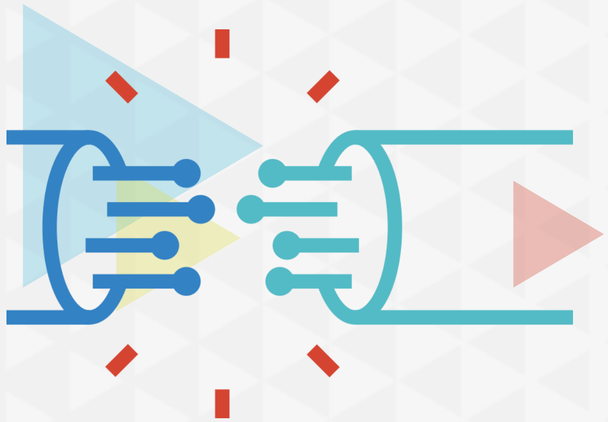


All figures presented at their values as of Q2 '24

Business Lines

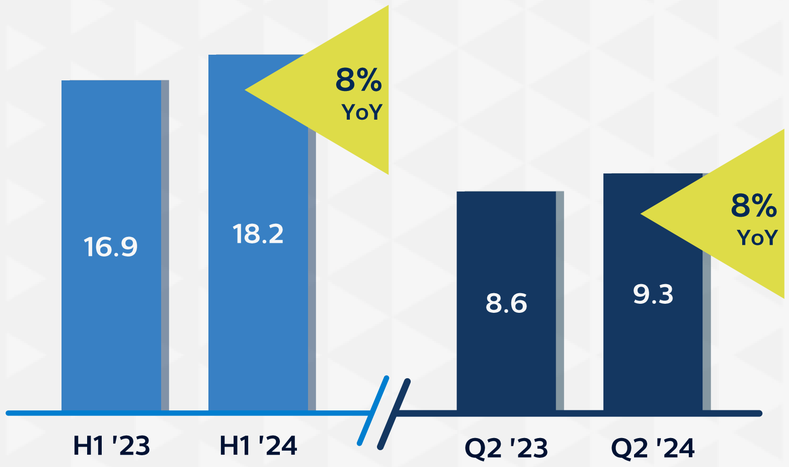


Fixed Broadband Performance

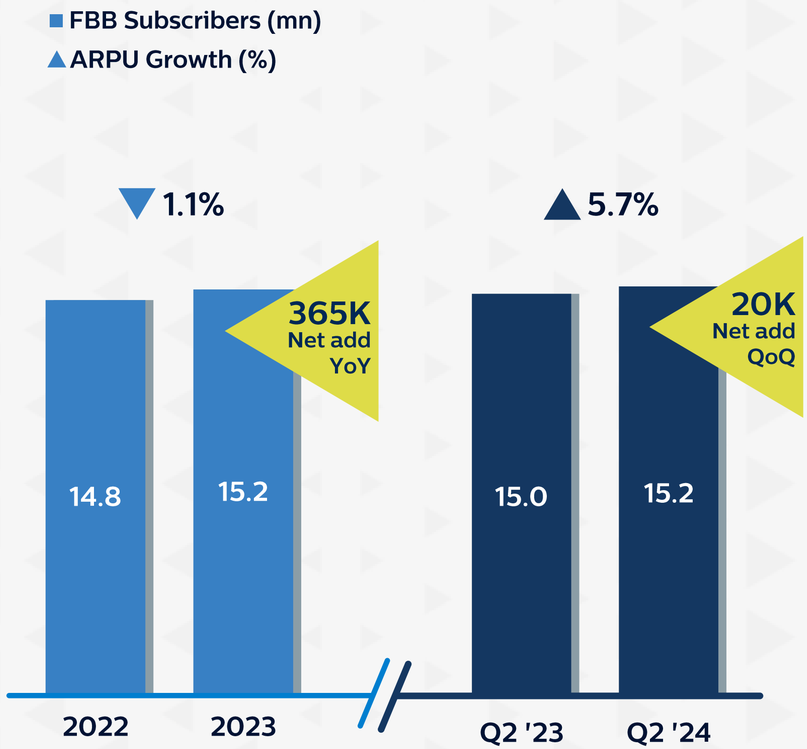


Fixed Broadband Revenue

(TL bn)

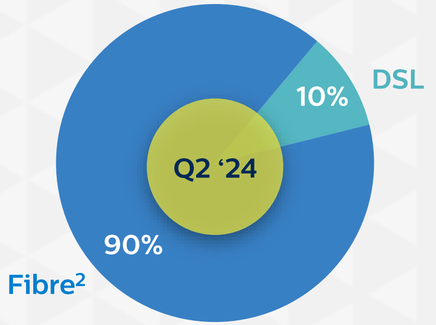


Subscribers & ARPU Growth



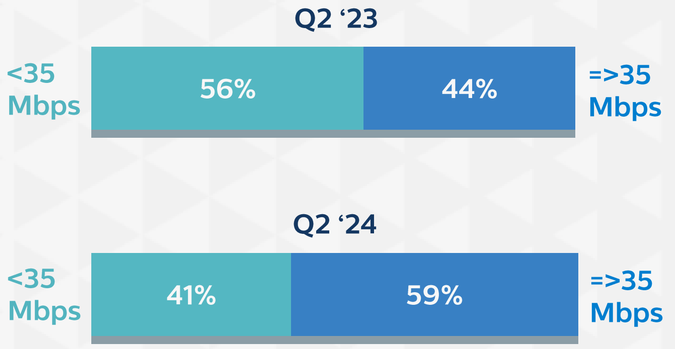
Subscriber Breakdown[1]

(% of Subscribers)



Subscriber Package Breakdown[1]

(% of Subscribers)



(1) Retail only
(2) Fibre subscribers include FTTH/B & FTTC subscribers

All figures presented at their values as of Q2'24

Türk Telekom
Değerli Hissettirir

Extensive Fibre Network

Türk Telekom Fibre Network



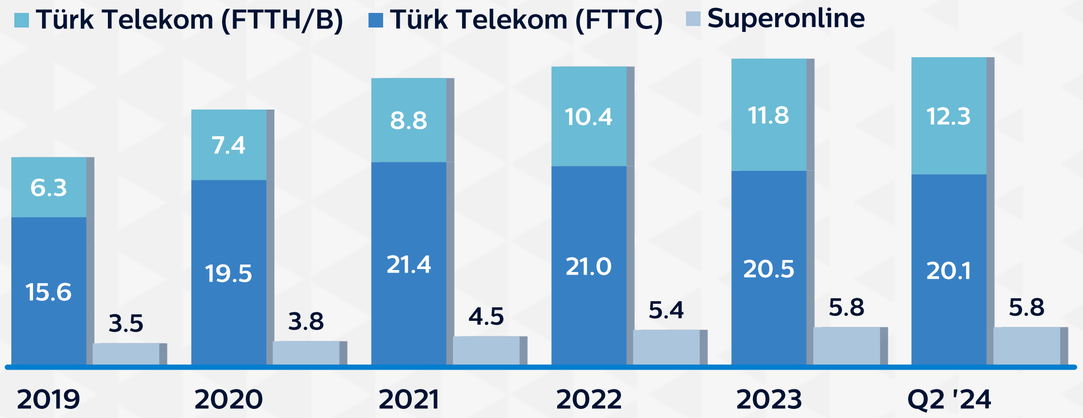
Superonline Fibre Network



- Presence in 28 cities of Türkiye
- 63K fibre km rollouts
- Wholesale customer of Türk Telekom

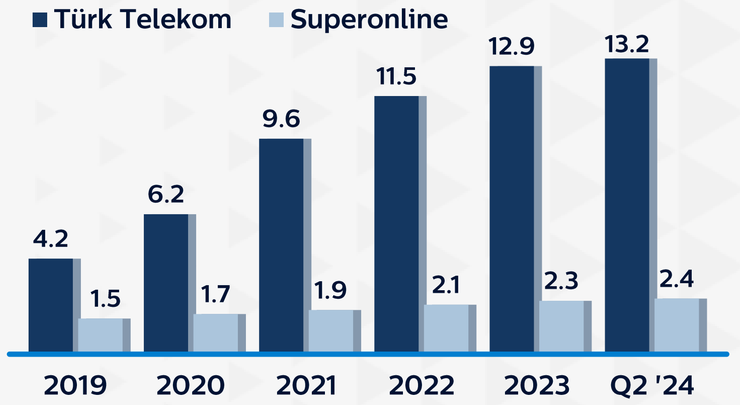
As of Q1 '24

Fibre Homepass (mn)



Turkcell data is based on Turkcell's own publications.

Fibre Subscribers (mn)



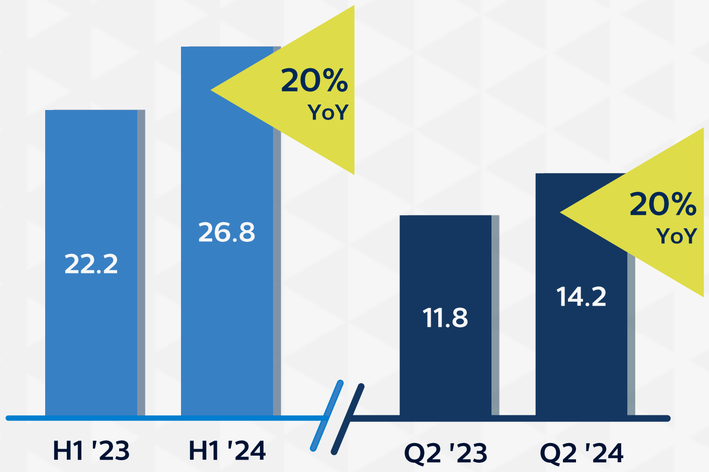
- Unrivalled fibre network
- Strong prospects for monetisation
- Best placed to benefit from move towards higher connection speeds
- Well-equipped to support 5G/small-cell deployment

Fibre subscribers include FTTH/B & FTTC subscribers.

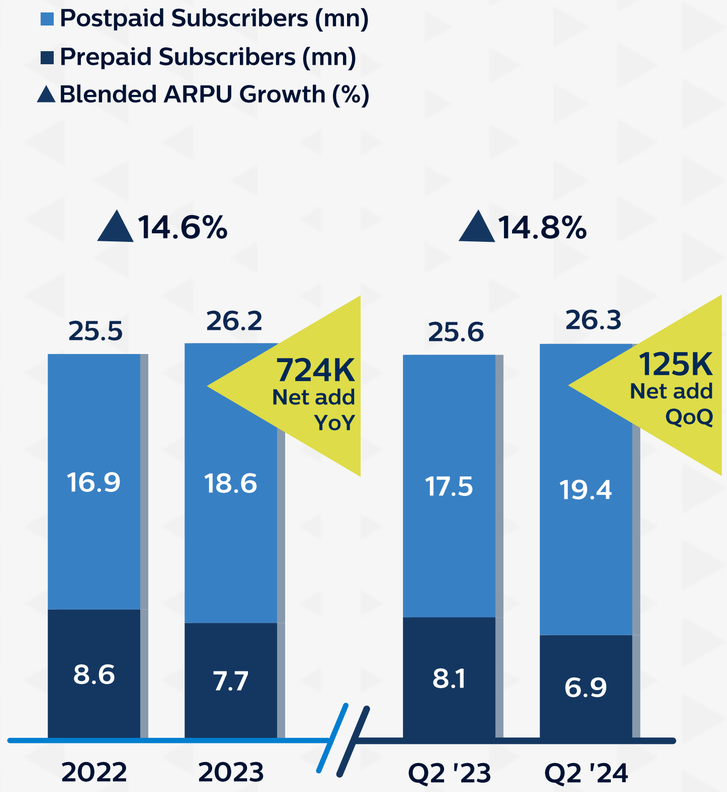
Mobile Performance



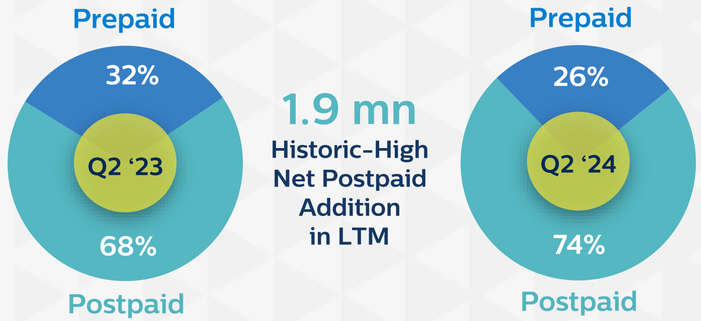
Mobile Revenue
(TL bn)



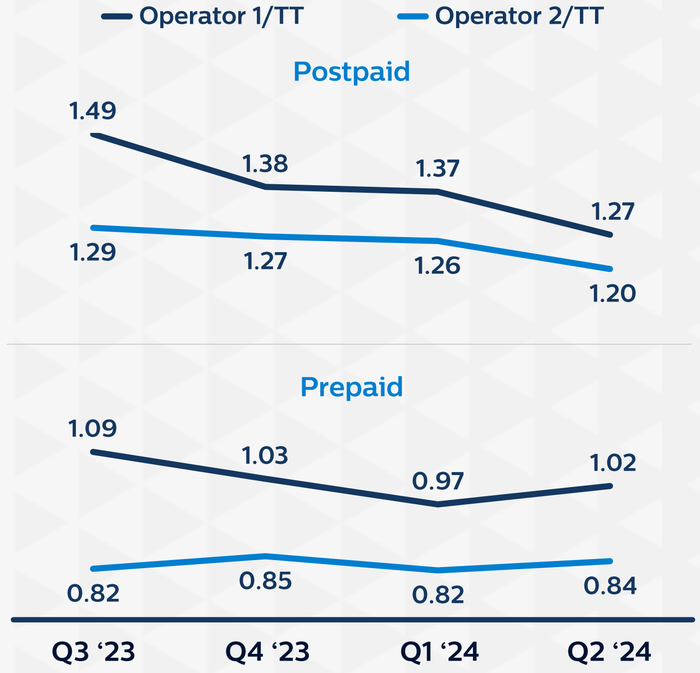
Subscribers & ARPU Growth



Mobile Subscribers Ratios



Mobile ARPU Multiples*



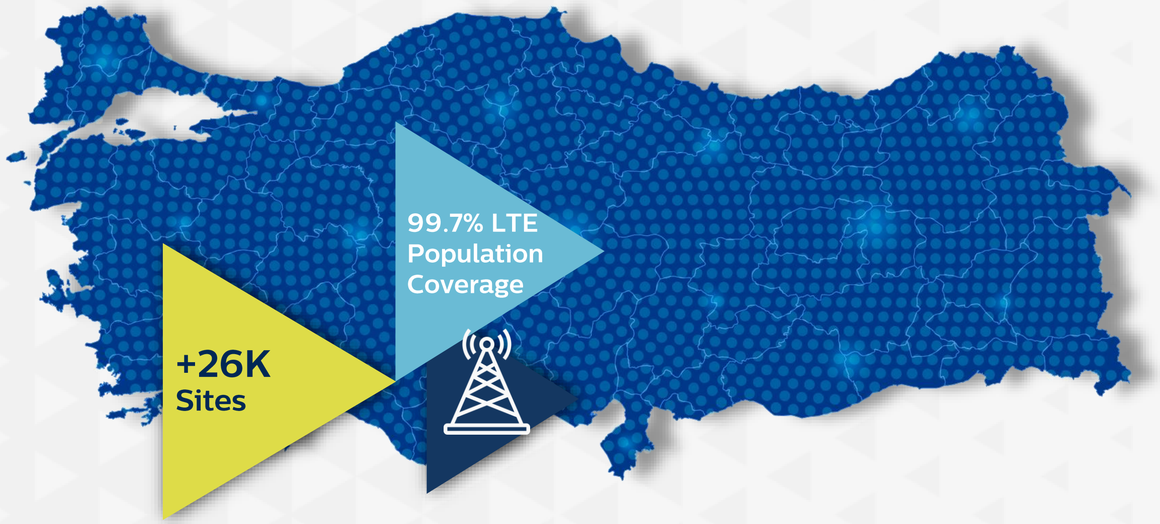
All figures presented at their values as of Q2'24

* Based on unadjusted historic ARPU values from quarterly company disclosures.

Türk Telekom
Değerli Hissettirir

Mobile Network

Extensive Network Coverage

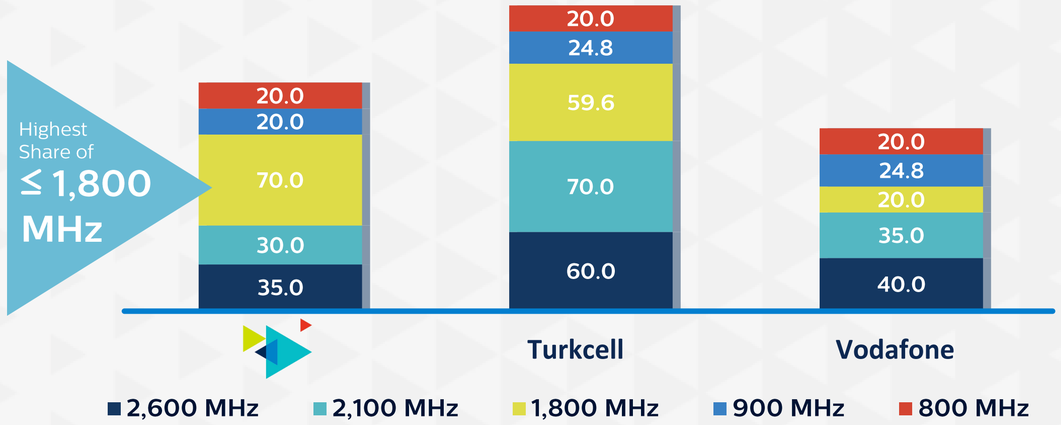


97.6%
coverage

99.7%
coverage

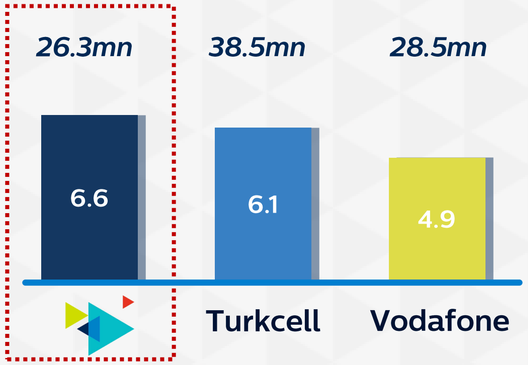
Getting ready for 5G
via ongoing studies on 5G network functions, next generation network architectures and measuring customer experience

Superior Spectrum Allocation



Highest Spectrum Capacity Per Subscriber

(MHz/Mn Subscriber)

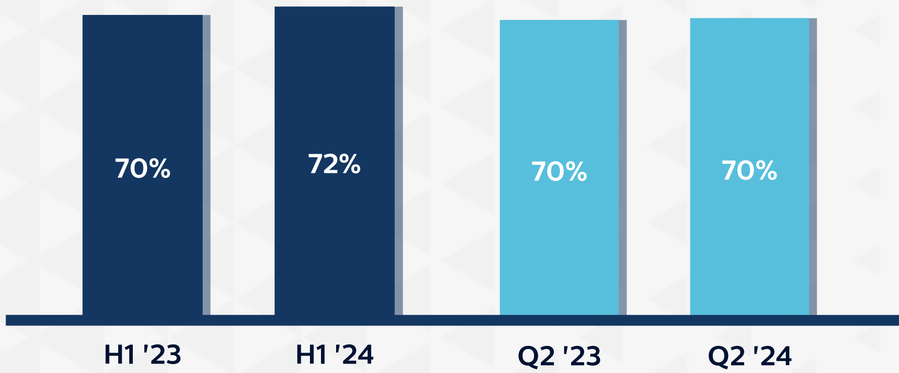


Mobile subscriber numbers are from the Q2 '24 ICTA report.

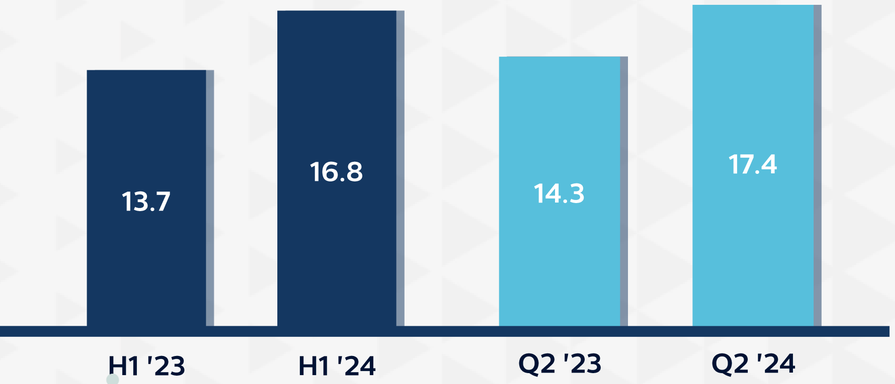
Türk Telekom
Değerli Hissettirir

Mobile Data

Data Revenue
(Mobile service revenue share)



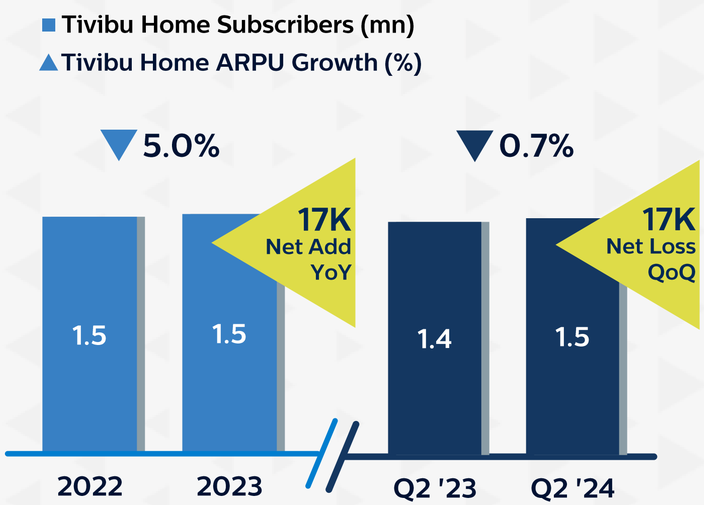
Avg. Monthly Mobile Data Usage
(GB per LTE user)



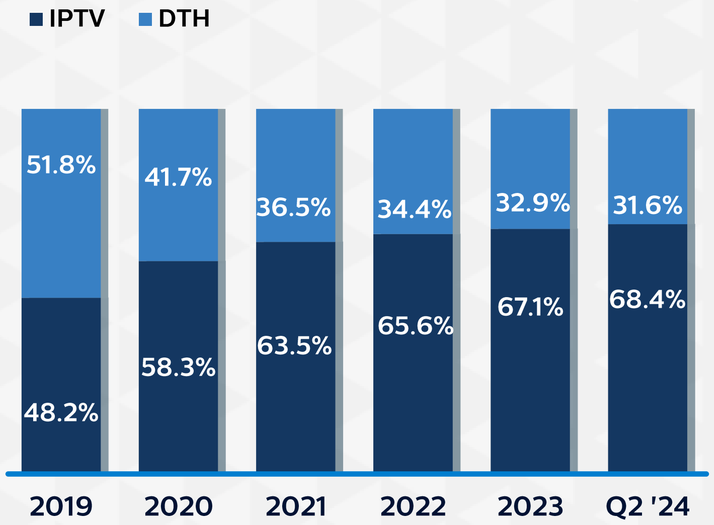


TV Performance

Tivibu Home Subscribers & ARPU

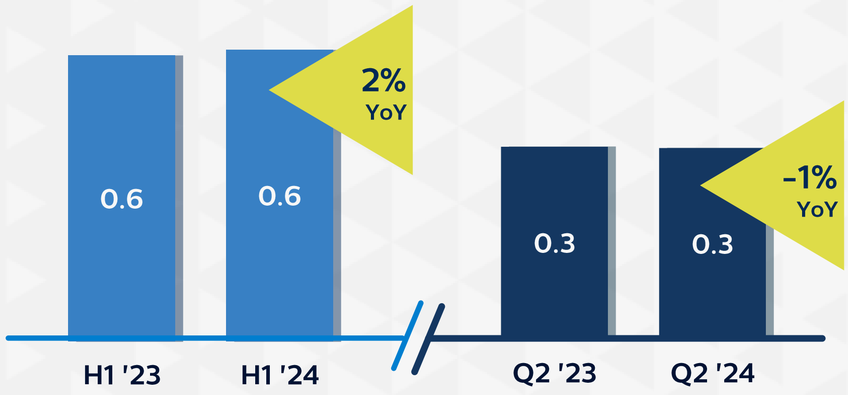


IPTV and DTH Subscriber Shares in Tivibu Home Base



TV Revenue

(TL bn)



Platform

- IPTV
- DTH
- Web TV
- Smart TV
- Mobile TV

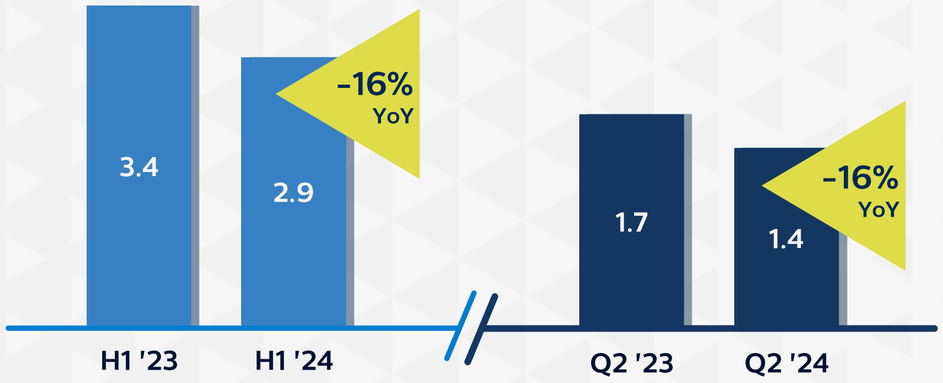
Content

- La Liga
- Serie A
- Bundesliga & Bundesliga 2
- Spanish King's & Super Cup
- FA Cup
- TFF E-Super League & Blast Premiere
- NBA
- Euroleague
- Basketball Champions League
- CEV Women's Champions League
- Grand Slam Tennis Tournaments
- S Sport Channels
- Eurosport Channels
- Tivilife
- Habitat TV
- Kids, Movie, TV Series, Documentary, Life and Sports Channels
- +15,000 on demand assets

All figures presented at their values as of Q2 '24

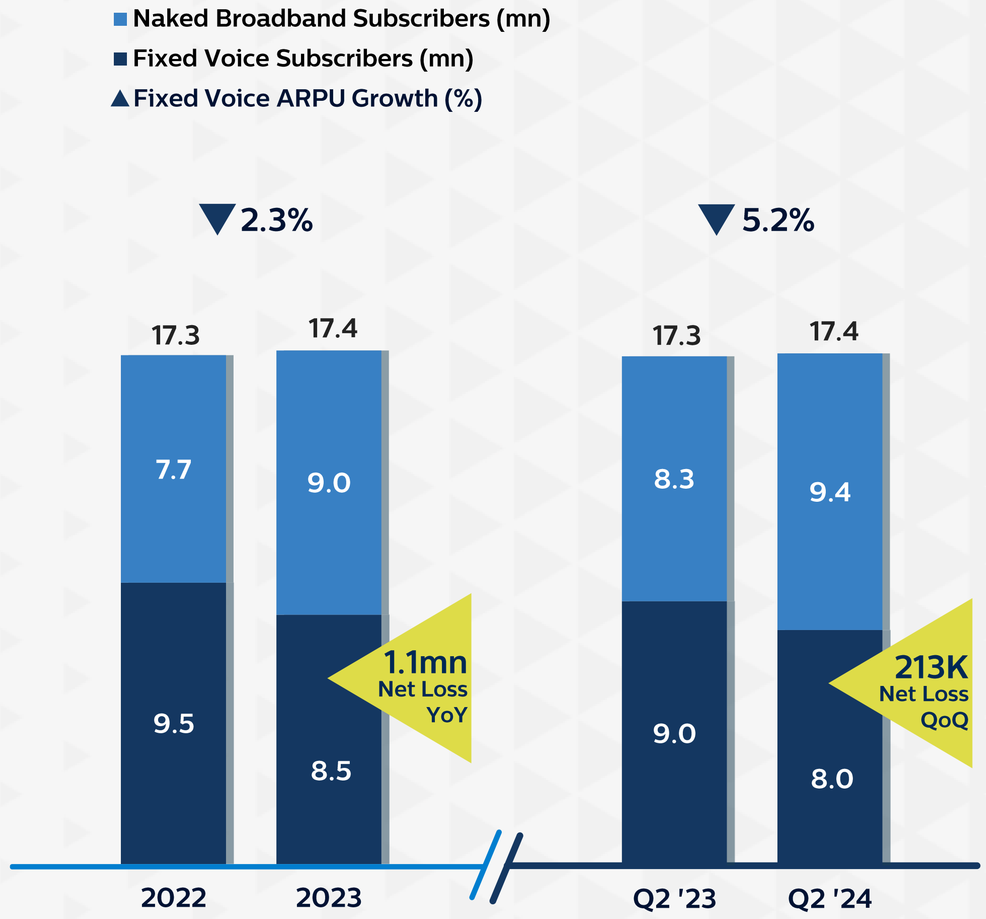
Fixed Voice Performance

Fixed Voice Revenue
(TL bn)



All figures presented at their values as of Q2 '24

Access Lines & ARPU



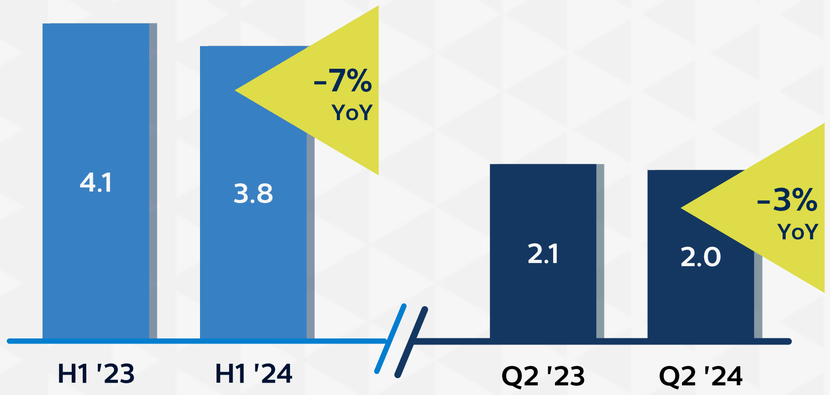
Türk Telekom
Değerli Hissettirir

Corporate Data



Corporate Data Revenue

(TL bn)



All figures presented at their values as of Q2 '24

Corporate Data in Numbers, 2023

Türk Telekom Professional Services

End-to-End Integrated Solution Provider for Institutions

114% Revenue Growth
- 138% Service Revenue Growth
- 107% Non-Service Revenue Growth
- 32% Increase in Contract Wins
- Focus on Industrial Automation, Next-Generation Cities, and Smart Transportation

Türk Telekom Security

Türkiye's Market Leader in Cybersecurity Services

153% Revenue Growth
- Reference Project Sales in Turkic Republics
- 3x Cyber Security Centre Customer Base
- Globalisation with CREST and Pentest Certifications

Türk Telekom Data Centre & Cloud

Environmentally Conscious Data Centre and Cloud Transformation Service Provider with International Certifications

210% and 156% Revenue Growth in Cloud and DC
- 3x Cloud Services Customer Base
- First Environmentally Conscious Data Centre in Türkiye with Certification (TS EN 50600)

Türk Telekom Corporate Data Services

Türkiye's Largest IP/MPLS Backbone and Fibre Infrastructure Provider Offering End-to-End and Integrated Access

71% Revenue Growth
- +150K Circuits
- 30% Increase in Number of WiFi User to 21 mn

w/o TAS29

Türk Telekom Group Financial Technologies

TTPayment[1]
A licensed payment and e-money institution that provides services since 2013

Mobile Payment

- Payment method services exclusive to mobile customers
- Contracted merchant payments are reflected to the mobile invoice or deducted from the balance

Institutional Bill Payment

- Fast and secure payments of all utility and other bills at Türk Telekom stores/application

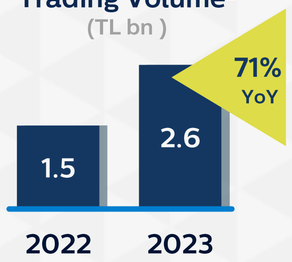
E-Money App & Prepaid Card: Pokus

- E-money App: payments like a credit or debit card, banking and financial transactions, integrated to Mastercard and Troy

TT Finansman
BRSA licensed financing company

- A fast and easy fintech experience with entirely digital financing

Trading Volume[2]
(TL bn)



Revenue[2]
(TL bn)



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

2016
TTPayment became a member of ÖDED*

2017
TTPayment acquired payment services license from BRSA

2019
TTPayment got e-money institution license from BRSA

2020
TTPayment started collection services for all corporate invoices from dealers

2021
Launched prepaid card and mobile wallet products

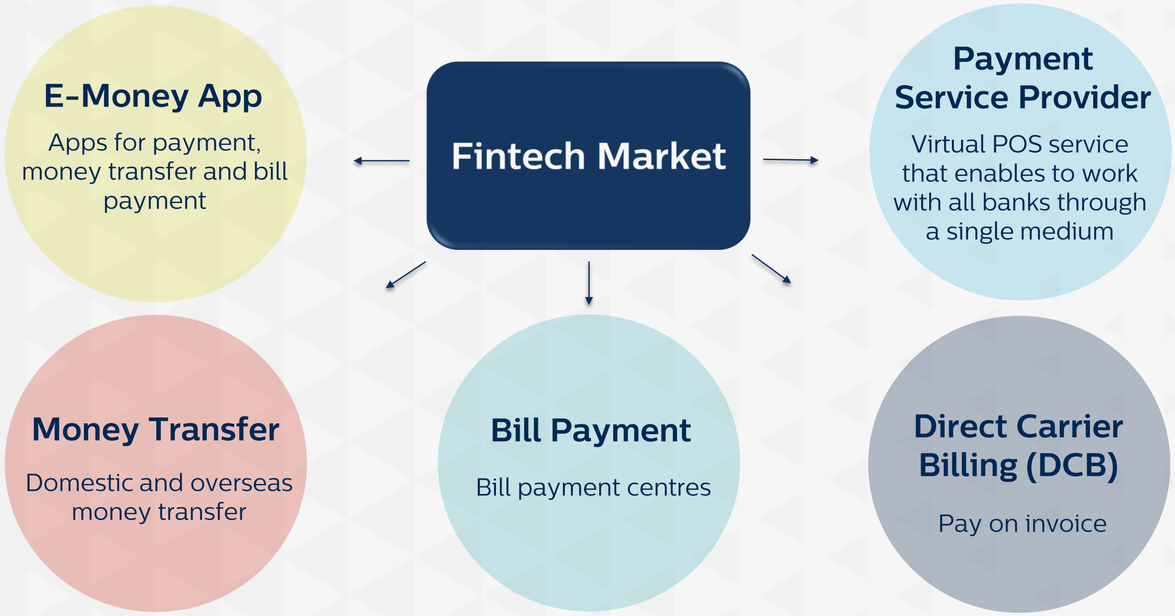
2022
TT Finansman obtained operational authorisation from BRSA in December

2023
TT Finansman issued its first commercial loan in November and its first personel loan in December

* Payment and Electronic Money Association

(1) Türk Telekom Ödeme ve Elektronik Para Hizmetleri A.Ş. (TTÖHAŞ), TTÖdeme in short, stands for TTPayment in English
(2) w/o TAS29

Turkish Fintech Market

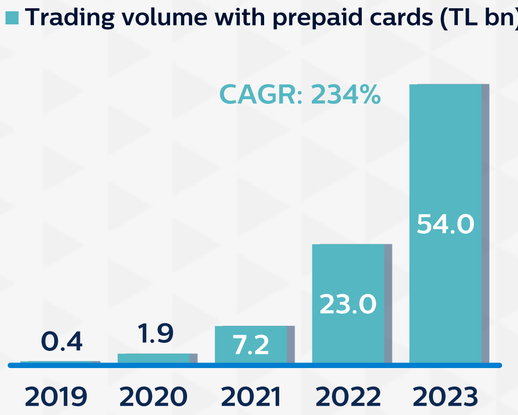


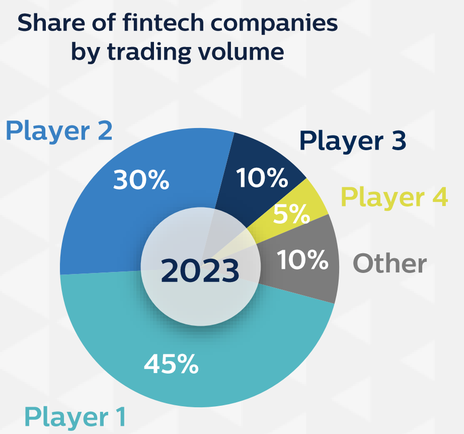
Prepaid Card & Financing Company Market – 2023

- Europe's largest card market
- Prepiad cards made up 23% of total cards
- The prepaid cards market grew 26% YoY
- The share of Fintechs in prepaid cards is 50%
- 78% of transaction volume (TL) generated by fintechs' prepaid cards

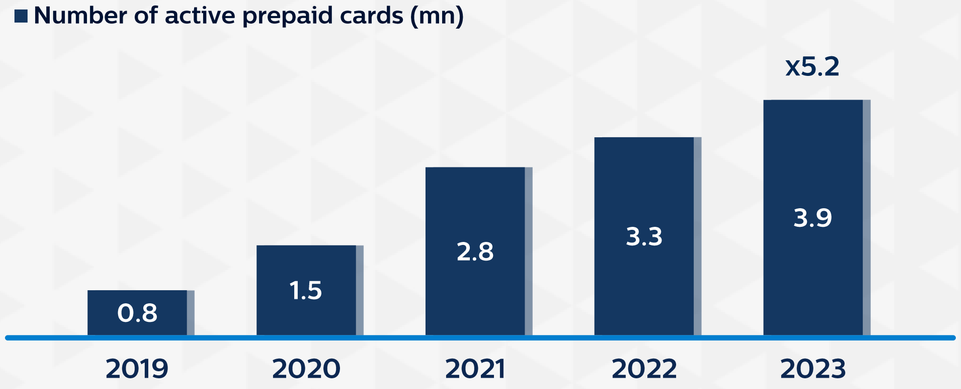
Source: BKM (Interbank Card Centre)

Turkish Fintech Companies' Trading Volume





Top 5 Players (by number of prepaid cards)



Türk Telekom
Değerli Hissettirir

Mobile Payment and E-Money App & Prepaid Card

Mobile Payment

Türk Telekom Mobil Ödeme

Easy payment at contracted member stores

Prepaid: deduct from the TL balance,
Postpaid: collect through the invoice

No subscription is required

Mobile Payment in Numbers, 2023

Revenue* up **93%**

Number of transactions up **20%**

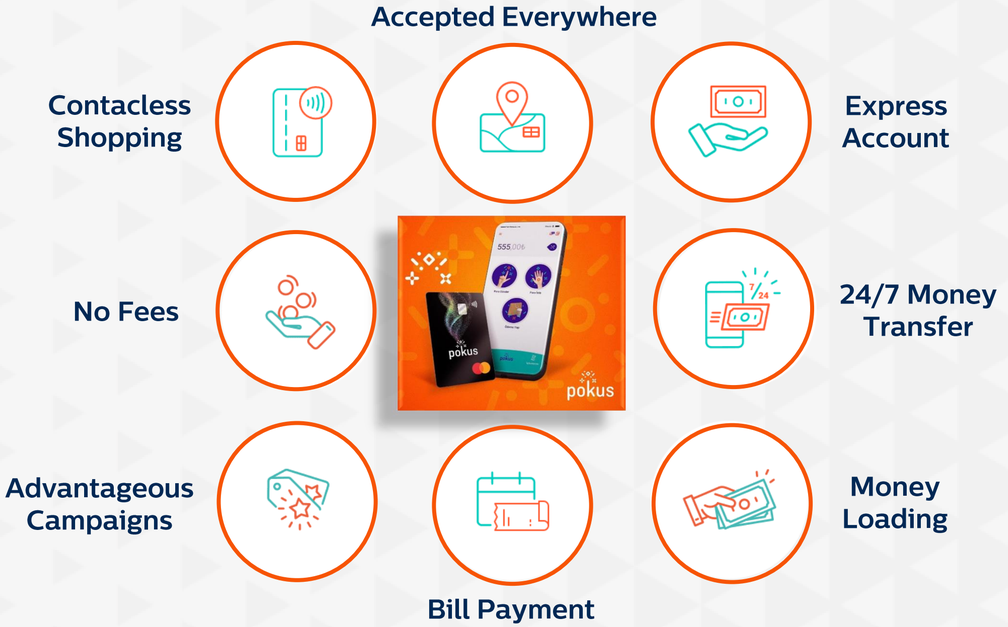
Transaction volüme* up **91%**

Number of unique users up **24%**

Features

- **E-money application** of TTPayment **+ prepaid card**
- Load-spend; no overdraft, **no subscription fee**
- Valid all over the world with **Mastercard** assurance
- **Easy, fast financial services** without cumbersome procedures
- App-linked, **contactless card**
- **Operator independent**

E-Money App & Prepaid Card: Pokus



Strategy

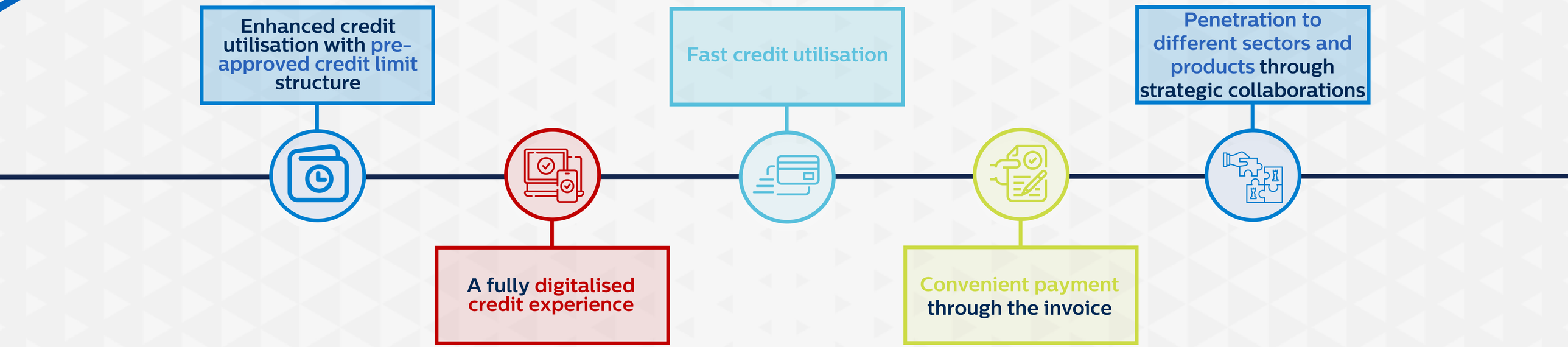
- Simple/digital customer experience
- Access to financial services through one application

Synergy

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

* w/o TAS29

TT Finansman: Financing Company



Roadmap

Strategy

- Individual and commercial financing aligned with changing purchasing and payment habits driven by digitalisation
- Financing consumer electronics with a fast and friendly fintech experience
- Rapid growth with differentiated customer experience through innovation and improvement

Synergy

- Wide customer base through Türk Telekom's extensive network of authorised dealers
- Multi-product services available to Türk Telekom subscribers

Investing in Future



New Technologies

Türk Telekom actively participates in...

ONF Open Networking Foundation

O-RAN ALLIANCE

broadband forum

THE LINUX FOUNDATION

ONAP OPEN NETWORK AUTOMATION PLATFORM

Collaborations in next-G tech

vRAN

Software-Based and Sliceable Virtualised Radio Access Network

Product partnership and revenue sharing with Juniper

JUNIPER NETWORKS

5G Time Synchronisation

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

netinsight



- Leading largest smart city projects in Türkiye with next generation projects
- Working with Argela for SDN & NFV based cybersecurity solutions
- 52% of LTE base stations connected with fibre
- Work to manage the 5G network with AI technology
- Netsia's AI-powered SEBA solution for managing next-gen fibre networks surpassed 100K homepass in Türk Telekom network. The first sale of SEBA was in German market and it is beeing tested by leading operators in several other markets.



- Preparations at pilot 5G test networks
- First Industry 4.0 5G test in Türkiye
- Türk Telekom, Arçelik and Nokia collaboration to establish Türkiye's first private future-proof 5G wireless network
- Mobile network IT provisioning processes on the 5G path optimised using the Ericsson Dynamic Activation (EDA) platform

Digital Channels

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

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

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

21 mn
Unique users in Q2 '24[1]

92%
The share of collections through digital channels in Q2 '24

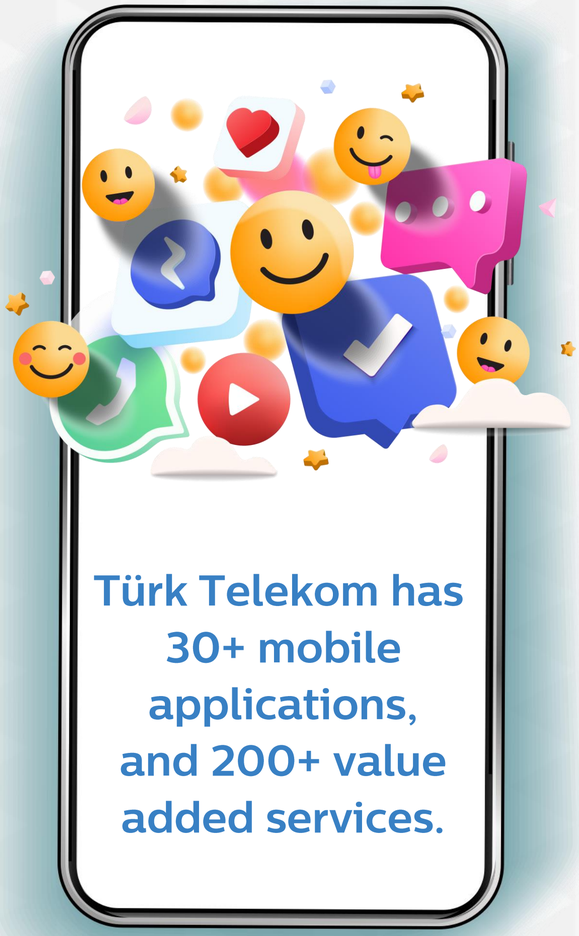
85 mn
Downloads as of Q2 '24

35%
YoY growth of the number of cards registered in the Türk Telekom App in Q2 '24



(1) Türk Telekom Application & Online Transaction Web Application 3-month active user
(2) Share in the consumer segment

Digital Service Portfolio



Türk Telekom has 30+ mobile applications, and 200+ value added services.

Türkiye's new generation TV platform
Tivibu GO – Launch: 2010
Türk Telekom's all-in-one, multi-screen support TV platform which provides national and exclusive linear channels, thousands of movies, documentaries, series and catchup programs

Türkiye's enriched digital music platform
Muud – Launch: 2008
Türkiye's most preferred digital music platform to listen and download millions of songs and watch videos

Türkiye's leader digital gaming platform
Playstore – Launch: 2011
Türkiye's first and leader digital gaming, e-pin, console games and pyscical gaming accessory sales platform platform

Türk Telekom's employee development platform
Türk Telekom Academy – Launch: 2018
Education platform for Türk Telekom employees has been relaunched and now available to all Türk Telekom internet subscribers

Türkiye's interactive education platforms
Vitamin & Raunt – Launch: 2008
Türkiye's biggest online education platforms: Vitamin for pre-school to high grades students, Raunt for universiy preparation

Award-winning application for people with visual disabilities
EyeSense – Launch: 2018
People with visual disabilities can take pictures with the voice warning system using both selfie and the front and rear cameras of the phone.

Türkiye's popular online reading platform
e-dergi – Launch: 2017
Türkiye's online magazine and newspaper reading platform with advantageous campaigns for Türk Telekom mobile users

Türkiye's most comprehensive security platform
Türk Telekom Security – Launch: 2009
Türkiye's most comprehensive and secure anti-virus and family protection service

Türkiye's widest WiFi broadband network
Türk Telekom WiFi – Launch: 2006
Türkiye's widest WiFi hotspot coverage and services for Turkish Airlines flights

Türkiye's advantageous integrated cloud platform
Dijital Depo – Launch: 2018
Türk Telekom's operator free new cloud storage application Digital Depo enables users to safely store photos, videos, music and all files with user-friendly design

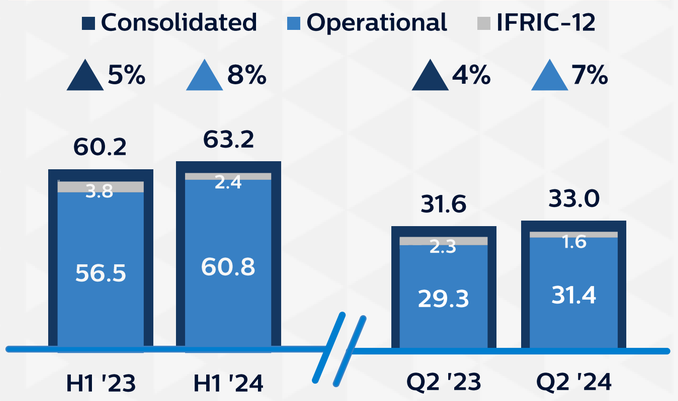
E-payment solution
Pokus – Launch: 2021
Türk Telekom's simple / digital platform that provides access to financial services through one application

Financials

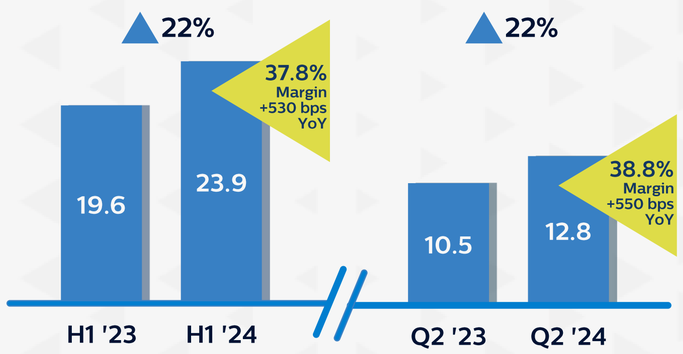


Financial Performance

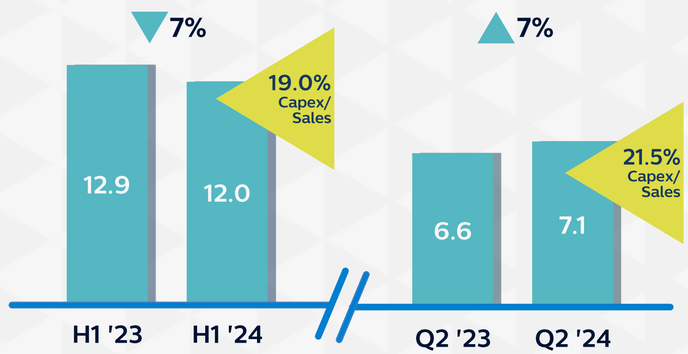
Revenue
(TL bn)



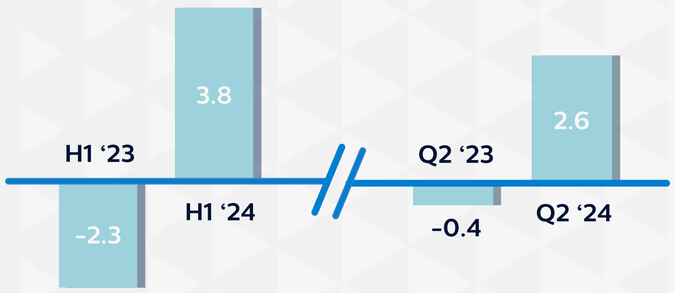
EBITDA
(TL bn)



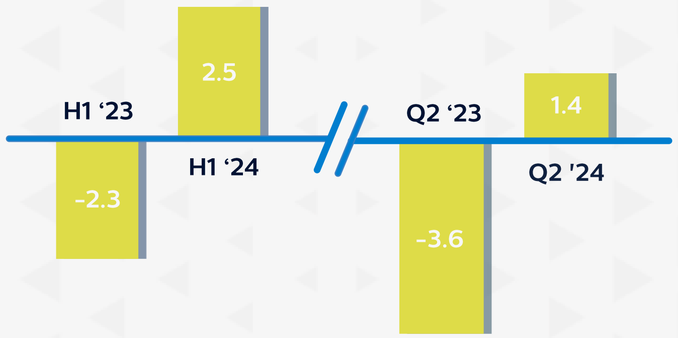
CAPEX
(TL bn)



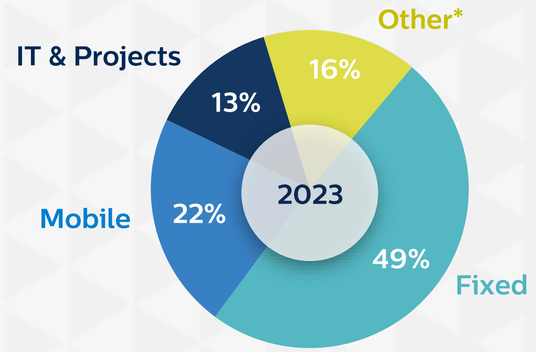
Operating Profit
(TL bn)



Net Income
(TL bn)



Capex Breakdown
(2023, %)

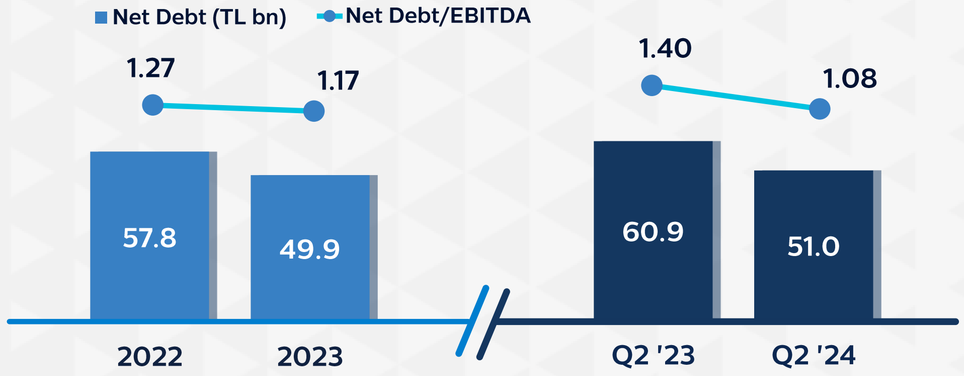


* Other Capex includes capex for subsidiaries (excl TTI), new revenue streams, IFRS 15 capitalisation, etc.

All figures presented at their values as of Q2 '24

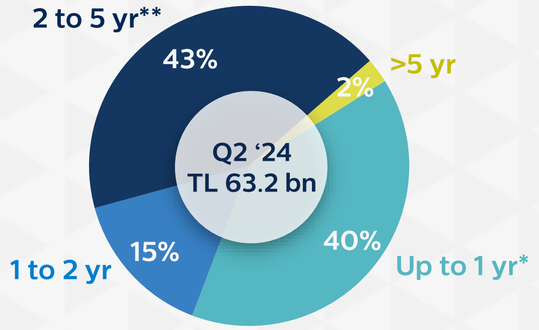
Debt Profile

Net Debt



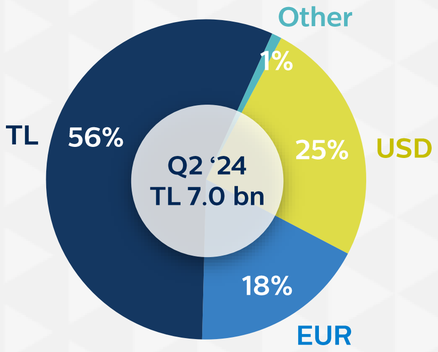
Note: Net Debt calculation includes market valuation (MTM) of Foreign Currency TL money swap transactions. Net Debt/EBITDA calculation does not include extraordinary provisions in EBITDA calculation Net Debt/EBITDA calculation includes fair value of Currency Protected Time Deposit included in Financial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

Maturity Profile



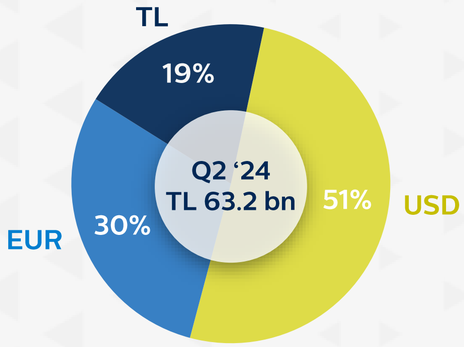
All loans are senior unsecured.
* including 2025 maturity bond (USD 200 mn)
** including 2029 maturity bond (USD 500 mn)

Cash – Currency Breakdown*

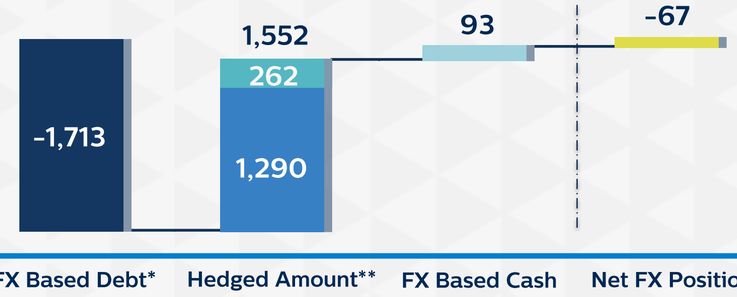


* TL 9.3 bn worth currency protected time deposit is not included in cash.

Gross Debt – Currency Breakdown



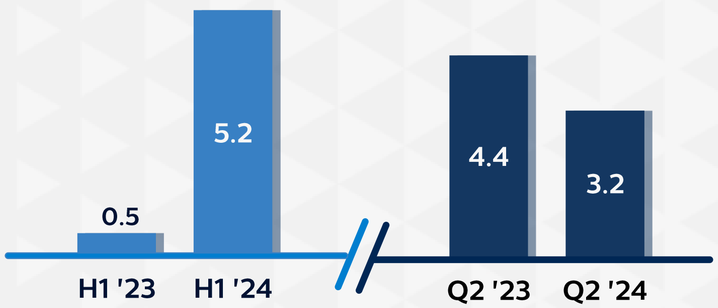
Hedge – Composition of FX Position (USD mn)



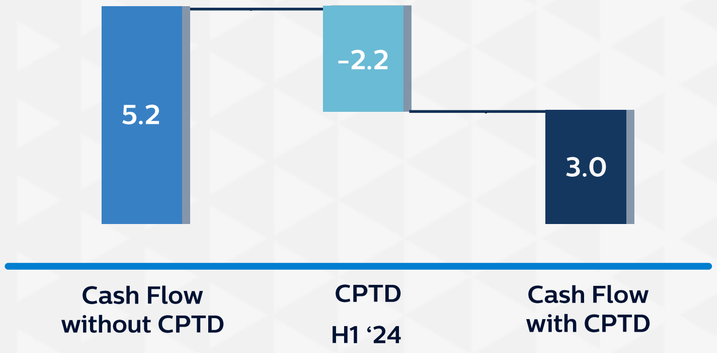
* FX Debt calculation includes FX financial debt (including FX lease obligations) and FX net trade payables. Hedged amount includes hedging of FX financial debt, currency protected time deposit, hedging of FX net trade payables and net investment hedge.
** Currency protected time deposit included in hedged amount is worth USD 262 mn.
*** Excluding the ineffective portion of the hedge portfolio, mainly the existing PCCS contracts, net FX exposure would be USD 260 mn short position.

Prudent Balance Sheet Management

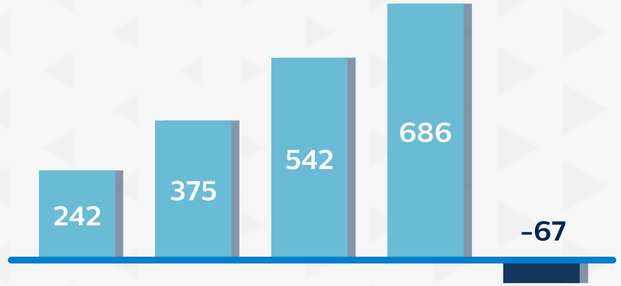
Cash Flow*
(TL bn)

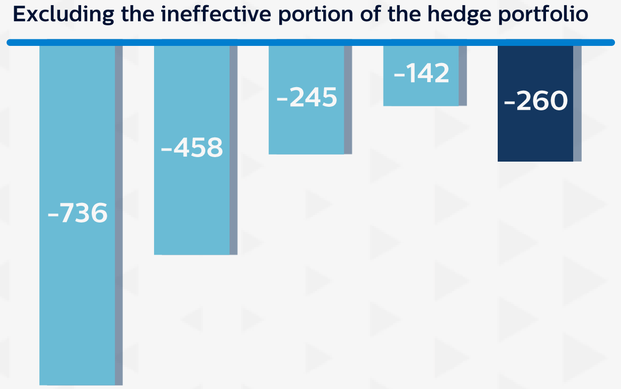


The Effect of CPTD** on Cash Flow
(TL bn)

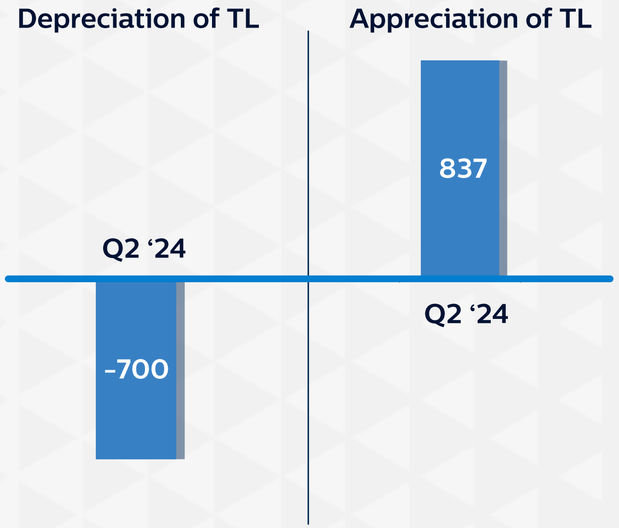


Net FX Exposure*
(USD mn equivalent)





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



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

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

2024 Guidance

	2023 Actuals	2024 Guidance[1]
Revenue Growth (exc. IFRIC 12)[2]	10.5%	11-13%
EBITDA Margin	33.5%	36-38%
Adjusted CAPEX Intensity	25.7%	27-28%

We assumed an inflation trajectory leading annual CPI to 42% by the end of 2024.

(1) 2024 guidance expectations represent approximate values.
(2) IFRIC 12 adjustment is a non-operational revenue line booked in conjunction with upgrades to our fixed line infrastructure such as the upgrade from copper to fibre based network.

Corporate Credit Ratings

	Fitch	S&P Global
Long Term Rating	BB-	BB-
Outlook	Stable	Positive
National Long Term Rating	AAA (tur)	
Last Update	18 September 2024	23 May 2024

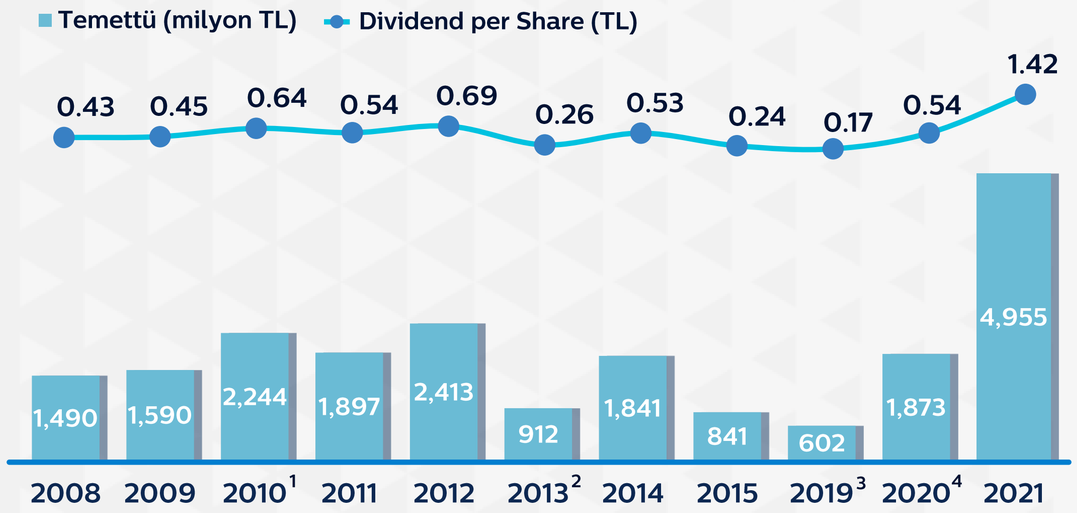
Rating Drivers

- Limited churn and good revenue growth in a difficult economic environment
- Prudent management of the financial policy with an effective hedging strategy, which allows for maintaining ample leverage headroom
- Strong market position as the country's incumbent integrated telecoms operator
- The issuance of the Sustainability Bond strengthened the liquidity position and extended the weighted average debt maturity profile
- Liquidity supported by solid banking relationships in Türkiye and a solid standing in the local capital market
- Uncertainty relating to the expiry of the fixed-line concession agreement with the government in 2026 is gradually diminishing

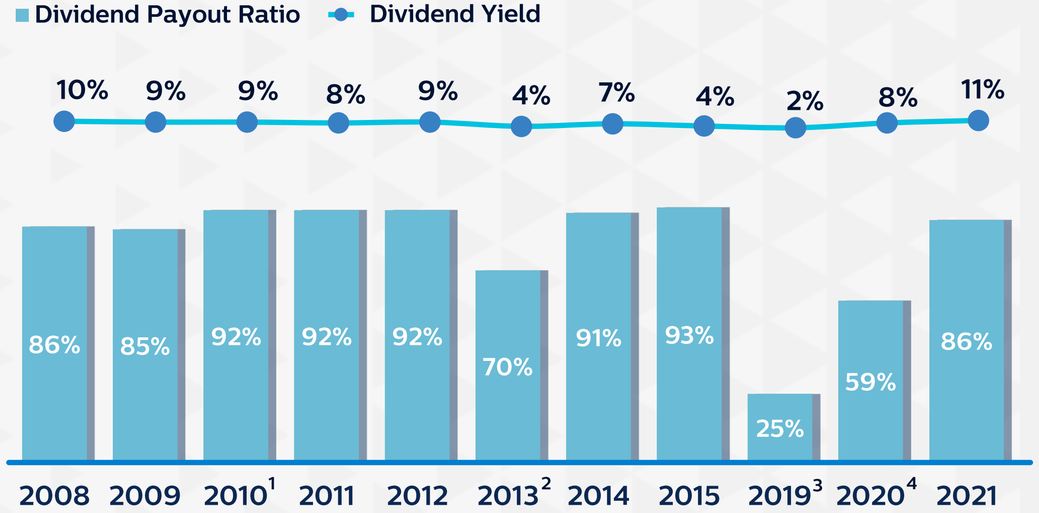
Shareholder Remuneration

- Dividend policy is to distribute the maximum amount of distributable profit subject to relevant articles of the Company's Articles of Association
- In the 2023 Ordinary General Meeting, it was resolved that no dividends would be distributed from Türk Telekom's 2023 net income. The decision considers our Company's debt maturity profile, liquidity and investment requirements along with need for caution in a year of macroeconomic re-balancing.

Dividend Distribution



Dividend Yield & Payout Ratio



(1) The cap in the first legal reserve was reached in 2010.
(2) 2013 dividend payout ratio was revised to 70% with the BoD decision. This is a decision taken in order to implement the plan to integrate Türk Telekom Group companies and to prepare for potential transactions related to the integration.
(3) 2019 dividend payout ratio was decided as 25% according to the temporary CMB regulation which capped dividend payout from 2019 earnings to 25%.
(4) 2020 dividend distribution was made in three installments. Dividend yield was calculated based on the distribution dates.
Note: Based on the General Assembly decisions, Türk Telekom paid no dividends out of 2016, 2017, 2018, 2022 and 2023 earnings.

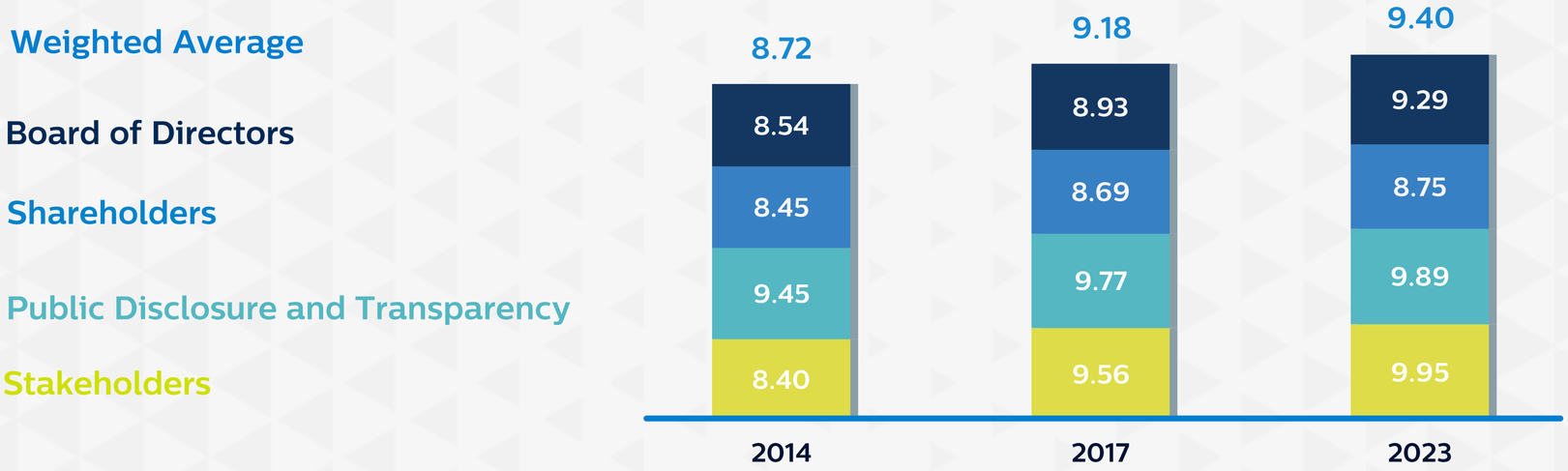
Robust Corporate Governance

- 9 Board Members, 3 of which are independent
- Only telecom company in the BIST Corporate Governance Index since 2009
- Among companies with the highest score in the category of "Stakeholders" and "Public Disclosure & Transparency"



- Separate Chairman and CEO
- Sustainability Committee reporting to the Board of Directors
- Audit Committee comprising of Independent Board Members

Corporate Governance Rating




Sustainability

Sustainability Strategy

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

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

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

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

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

Our SDG Aligned Targets

- 45% reduction in Türk Telekom Group's Scope 1 & 2 emissions in total by 2030*
- Net Zero by 2050
- Supporting our employees' development
- Access to quality network, digital inclusion and equal opportunities
- Encouraging women's participation in workforce

* Relative to base year 2020

Our Contribution to the UN SDG's



Sustainability Governance

Environmental Sustainability

- **Products and services with low carbon emissions** reduce greenhouse gas emissions
- **ISO 14001** Environmental Management System

Effective Sustainability Management

- **Sustainability Policy** sets forth our sustainability vision and focus areas
- **The Sustainability Committee** comprising of 11 executive members reports to the BoD
- 2024 **Sustainability Program** created to set the near term action plan and effectively monitor progress
- Clear **Sustainability Goals** are important KPIs in employee remuneration

Our Employees*

- **42%** female, **58%** male Türk Telekom Group employee distribution; **60%** female, **40%** male Türk Telekom subsidiaries employee distribution
- Freedom of association and right to collective bargaining
- Average hours of training per employee: **24.98****
  Education satisfaction: **4.63** out of 5

* As of 2023
** Includes the average of in-class, virtual class and E-education hours

Occupational Health and Safety

- Occupational Health and Safety Boards
- **ISO 45001** Occupational Health and Safety Management System Certificate
- Occupational Health and Safety legislation training for over **20 thousand** employees
- **ISO 9001** Quality Management System

Data Security

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

Our Suppliers

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

Concrete Progress on Our Sustainability Agenda

In its first meeting of 2024, our Sustainability Committee agreed upon:

- Targeting a **45% reduction in Türk Telekom Group's Scope 1 & 2 emissions in total by 2030***
- **Net Zero by 2050**

We have also **submitted a commitment letter to the SBTi for our near-term targets.**

- We are smoothly progressing on our roadmap to get the near term targets approved by the SBTi.

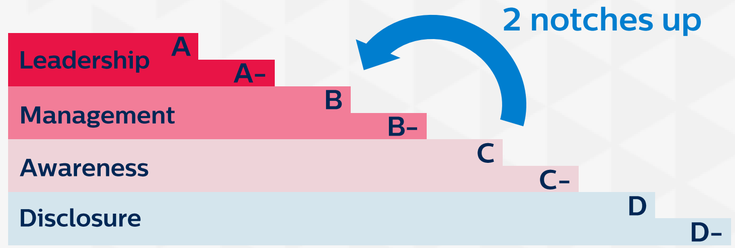
We take important steps together with our stakeholders to control our environmental impact and lower our carbon footprint. Focusing on:

- **Energy Efficiency**
- **Diversification of Energy Sources**
- **Renewable Energy**
- **Clean Transportation**
- **Waste Management**

* Relative to base year 2020

We moved our 2023 CDP score up by two notches to **B (Management)** from the previous year.

- We secured the highest A rank in both of the **"Emissions reductions initiatives and low carbon products"** and **"Scope 1 & 2 emissions (including verification)"** categories.
- We will remain devoted to raising our overall CDP score to **A (Leadership)** in the coming periods.



Türk Telekom issues **5 years USD 500 mn inaugural sustainability bond**

- ~5x oversubscribed
- 23 meeting with 56 investors
- Diverse interest from high-quality EM investors spanning across the UK, US, Europe and Asia
- 38% of allocation to dedicated ESG Funds (including green, Article 8 & Article 9 funds)

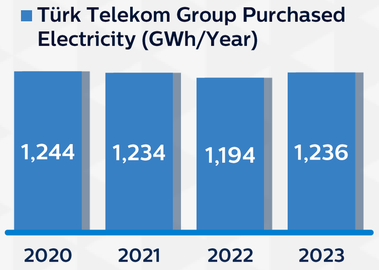
Investing in a Sustainable Future

Renewable Energy

- Total installed solar power **4.3MW**
- The group has been allocated **405.8 MWe of installation capacity corresponding to nearly 65%* of Türk Telekom Group's 2023 electricity consumption**; an important milestone for the Group's SPP investment plans of which the first phase is expected to start in 2H'24

Energy Efficiency

- **Smart Energy Management Platform**
- Selecting and deploying more energy-efficient telecommunication network equipment, **Gigabit Passive Optical Network (GPON) investments, 5G Investments**
- **More efficient colling solutions** (e.g. CRAC, free cooling, etc.)
- Improve power usage effectiveness (PUE) in data centres
- **I-REC (Renewable Energy Certificate)** and **ISO50001 Energy Management System Certificate** for our data centers
- **Energy efficiency installations** including more efficient network equipment, heating, ventilation, air conditioning units, refrigeration, lighting and electrical equipment



Clean Transportation

- **Electric vehicles with zero direct emissions**
- **Electric transportation infrastructure**

Pollution Prevention and Control

- Reducing rapid consumption of natural resources with **waste management**
- Leaving a livable environment for future generations with the **Zero Waste** project
- Customer electronic device waste recovery and recycling programs
- More than **38 tonnes of domestic electronic waste** were collected and recycled between 2017 and 2023
- **Recovery and reutilisation of refrigerant gases** during repair and maintenance and from decommissioned AC equipment
- Switching of refrigerant gases to lower GWP refrigerant gases

ZERO WASTE

Transparent Reporting

- 2022 Sustainability Report published, 2023 Integrated Activity Report in progress
- The first Turkish telecommunications company participating in CDP
- Scope 3 emission across all 15 categories reported
- ESG ratings above global telco sector averages



Sustainability Organisations & Indices that We Are Included

SUSTAINALYTICS

Türk Telekom Risk Score: **19.4 – Low Risk**

Negligible 0-10	Low 10-20	Medium 20-30	High 30-40	Severe 40+

MSCI

Türk Telekom ESG Score: **A**

CCC	B	BB	BBB	A	AA	AAA

vigeo eiris

SUSTAINABLE DEVELOPMENT GOALS

BORSA İSTANBUL SUSTAINABILITY

WE SUPPORT UN GLOBAL COMPACT

S&P Global

FTSE4Good

REFINITIV™

Group Companies



Group Companies

ARGELA

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

- Netsia BB Suite: Broadband access technology for fixed networks
- vRAN (RIC): SDN-Based Radio Access Network technology for LTE and 5G with numerous international patents
- NCA Suite: Telecom Network Performance Monitoring and Customer Experience Management (NPM/CEM) solutions
- ULAK: Türkiye's first and only 4.5G (LTE-A) base station development project
- DEFİNE: Türkiye's first domestic DPI device development project under the roof of OTAK Technology
- MILAT: SDN & NFV-Based Secure Network Infrastructure Virtualisation and Orchestration
- UTM: Drone/UAV Tracking and Traffic Management System
- 5G and Beyond Networks Cloud Infrastructure End-to-End Orchestration System
- Member of BBF, member of ONF and ONAP with its subsidiary Netsia
- Collaboration with global producers for R&D and solution provision

INNOVA

Türkiye's leading software developer company & system integrator

- Fintech Products and Solutions
- IoT Platform and Solutions
- Digital Signage Products and Services
- Cloud Technologies
- RPA (Robotic Process Automation)
- Network Management an Monitoring Solutions
- E-Transformation Solutions
- Health Technology Solutions
- Healthcare Solutions
- Smart City and Smart Store Solutions
- System Integration Solutions
- SAP, Business Intelligence, CRM, Project Management Services
- Managed Services and Consultancy Services

Türk Telekom International

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

- 49.5 thousand kilometres fibre network covering Central and Eastern Europe, Türkiye and the Middle East
- More than 135 points of presence (PoP) in 24 countries
- Billions of minutes of transit voice traffic annually, close to 800 mobile roaming agreements and over 400 LTE mobile roaming agreements with more than 200 business partners
- Unique value-added solutions
- AMEERS and AMEER2: Routes connecting Western Europe to the Middle East
- SEA-ME-WE-5: Submarine cable system connecting Europe to Africa, the Middle East and Asia
- KAFOS: Submarine cable system extending from Black Sea to Europe
- MEDTÜRK: Submarine cable system connecting Middle East, Türkiye and Europe

assisTT

Customer experience company that supports growth through end-to-end omnichannel and innovative solutions

- With its competent human resources, 16 years of experience and strong infrastructure, end to end customer experience service 24/7 to customers in different sectors from telecommunications to media, from healthcare to finance, from logistics to e-commerce
- 21 customer experience centres
- Exporting services with AssisTT International, established in the Netherlands
- Communication centre solutions
- Digital services and technology solutions
- Customer experience and quality solutions
- Outsource management solutions
- Compatibility with PCI DSS, the world's most important data security standard

Group Companies

Türkiye's leading and long-established education technologies company

- Artificial intelligence-supported digital and printed educational solutions for elementary, middle, and high school levels
- SebitVCloud, a corporate education solution for private schools
- Raunt, a university entrance exam preparation product
- Vitamin LGS for the preparation of the National High School Entrance Exam (LGS)
- Vitamin Books for middle school level
- Vitamin Elementary for elementary school level
- Hızlıgo, a speed reading product for students in grades 5-12 and adults
- Turkish Telekom Academy for professional and personal development digital trainings
- Content and platform provider for e-education transformation projects in Türkiye and Northern Cyprus

Corporate venture capital company

- Focus on investments which contribute to the growth of early-stage startups with high scaling potential in the areas of artificial intelligence, digital solutions, healthcare, education, cybersecurity and financial technologies
- Healthcare & Wellnes: Virasoft, Visutate DoctorTurkey, Kidolog and
- Education: MentalUP
- Energy: Eltemtek
- Social Media: APPYAP
- Digital Marketing: Earnado, Cloud4Feed
- Artificial Intelligence: Syntonym B2Metric, Optiyol, QuantWiFi, MythAI, Arcanor, Cameralyze

Payment services and electronic money company

- Value-adding products and services for both customers and the industry with innovative and reliable payment solutions
- CBRT license for payment an electronic Money services
- Strong position in mobile payments with its everexpanding network of merchant members
- Innovative fintech solutions with Pokus
- Growth in other payment services and products (Corporate Bill Payment, Bill Analytics, Virtual POS, Android POS etc.)

Türk Telekom's BRSA licensed financing company

- Individual and commercial financing compatible with digitalisation-led changing purchasing and payment habits
- Reaching a broad customer base through Türk Telekom's extensive dealer channel, contributing to the growth of the financial sector and increasing access to financing
- Easy and fast fintech experience in addition to financing support for customers' technological needs
- Rapid growth differentiated with focus on customer experience and continuous improvement

Appendix



Financial & Operational Overview

2024 H1 Highlights

Total Subscribers
52.6 mn
▲0.4% YoY

Revenue
TL 63.2 bn
▲5% YoY

TL 60.8 bn (Exc. IFRIC 12)
▲8% YoY

EBITDA
TL 23.9 bn
▲22% YoY

EBITDA Margin
37.8%
▲530bps YoY

Net Income
TL 2.5 bn
▲ H1 ’23 -TL 2.3 bn

Free Cash Flow*
TL 5.2 bn
▲ H1 ’23 TL 0.5 bn

CAPEX
TL 12.0 bn
▼7% YoY

Net Leverage
1.08x
▼Q4 ‘23 1.17x

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

Business Lines Performance

	Fixed Broadband	Mobile	Fixed Voice	TV (Tivibu Home)
Revenue (TL mn)	8,553 → 9,256	11,813 → 14,178	1,652 → 1,395	296 → 294
Growth	*8.2%*	*20.0%*	*-15.6%*	*-0.7%*
ARPU (TL)	191.5 → 202.4	152.0 → 174.5	60.7 → 57.5	63.5 → 63.1
Growth	*5.7%*	*14.8%*	*-5.2%*	*-0.7%*
Subscriber (mn)	DSL: 12.2 → 13.2; Fibre: 2.7 → 2.0	Prepaid: 17.5 → 8.1; Postpaid: 19.4 → 6.9	Fixed Voice: 8.3 → 9.0; Naked DSL: 9.4 → 8.0	Tivibu Go: 1.4 → 1.5; Tivibu Home: 1.5 → 1.6
Growth	*1.8%*	*2.8%*	*0.6%*	*6.2%*
	Q2 '23 Q2 '24	Q2 '23 Q2 '24	Q2 '23 Q2 '24	Q2 '23 Q2 '24

Income Statement

(TL mn)	H1 '23	H1 '24	YoY Change	Q2 '23	Q2 '24	YoY Change
Revenues	**60,245**	**63,233**	**5.0%**	**31,574**	**32,977**	**4.4%**
EBITDA	**19,565**	**23,909**	**22.2%**	**10,519**	**12,795**	**21.6%**
Margin	**32.5%**	**37.8%**		**33.3%**	**38.8%**	
Operating Profit	**(2,290)**	**3,763**	**n.m.**	**(401)**	**2,601**	**n.m.**
Margin	**(3.8)%**	**6.0%**		**(1.3)%**	**7.9%**	
Financial Inc. / (Exp.)	**(12,285)**	**(12,125)**	**(1.3)%**	**(9,015)**	**(6,001)**	**(33.4)%**
FX & Hedging Gain / (Loss)	(8,346)	(7,863)	(5.8)%	(7,233)	(3,582)	(50.5)%
Interest Inc./(Exp.)	(3,364)	(2,923)	(13.1)%	(1,699)	(1,684)	(0.9)%
Other Financial Inc./(Exp.)	(575)	(1,339)	132.8%	(82)	(735)	794.1%
Monetary Gain/Loss, net	**11,494**	**13,463**	**17.1%**	**3,908**	**5,139**	**31.5%**
Tax Inc./(Exp.)	**801**	**(2,552)**	**n.m.**	**1,885**	**(319)**	**n.m.**
Net Income	**(2,280)**	**2,549**	**n.m.**	**(3,623)**	**1,419**	**n.m.**
Margin	**(3.8)%**	**4.0%**		**(11.5)%**	**4.3%**	

Balance Sheet

(TL mn)	31.12.2023	30.06.2024
Total Assets	**242,884**	**225,200**
Cash and Cash Equivalents	16,953	7,015
Tangible Assets[1]	94,911	94,961
Intangible Assets	69,040	62,509
Right of Use Assets	6,964	8,446
Other Assets[2]	55,016	52,268
Total Equities and Liabilities	**242,884**	**225,200**
Share Capital	66,410	66,410
Reserves, Retained Earnings and Other Equity Items	56,192	56,890
Interest Bearing Liabilities[3]	82,174	67,309
Bank Borrowings and Bonds	*79,827*	*63,158*
Lease Liabilities	*2,347*	*4,151*
Other Liabilities[4]	38,108	34,590

(1) Tangible assets include property, building or plant and equipment and investment property
(2) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset, tax assets and other current assets.
(3) Includes short-term and long-term borrowings and lease obligations
(4) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities and provisions for employee termination benefits

Revenue Breakdown

(TL mn)	H1 '23	H1 '24	YoY Change	Q2 '23	Q2 '24	YoY Change
Fixed Voice	3,399	2,853	(16.1)%	1,652	1,395	(15.6)%
Broadband	16,853	18,169	7.8%	8,553	9,256	8.2%
Mobile	22,220	26,763	20.4%	11,813	14,178	20.0%
TV	583	594	1.9%	296	294	(0.7)%
Corporate Data	4,067	3,775	(7.2)%	2,056	1,986	(3.4)%
International Revenues	3,496	3,043	(13.0)%	1,736	1,505	(13.3)%
Other[1]	5,928	5,715	(3.6)%	3,225	2,780	(13.8)%
Eliminations	(86)	(64)	(25.4)%	(22)	(15)	(32.3)%
Revenue w/o IFRIC	**56,461**	**60,848**	**7.8%**	**29,309**	**31,378**	**7.1%**
IFRIC-12	3,784	2,384	(37.0)%	2,265	1,599	(29.4)%
Total Revenue	**60,245**	**63,233**	**5.0%**	**31,574**	**32,977**	**4.4%**

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

Opex Breakdown

(TL mn)	H1 '23	H1 '24	YoY Change	Q2 '23	Q2 '24	YoY Change
Direct Costs	**13,039**	**12,764**	**(2.1)%**	**6,953**	**6,488**	**(6.7)%**
Interconnection	3,491	2,570	(26.4)%	1,760	1,241	(29.5)%
Tax	5,431	6,191	14.0%	2,850	3,244	13.8%
Provisions for Doubtful Receivables	216	192	(11.1)%	104	94	(9.5)%
Cost of Equipment and Technology Sales	2,630	2,428	(7.7)%	1,560	1,215	(22.1)%
Other Direct Costs	1,270	1,383	8.9%	679	693	2.1%
Commercial Costs	**1,960**	**2,264**	**15.5%**	**1,117**	**1,184**	**6.0%**
Other Costs	**22,332**	**22,186**	**(0.7)%**	**10,980**	**11,095**	**1.0%**
Network & Technology	7,216	5,928	(17.9)%	3,635	3,005	(17.3)%
Personnel	13,695	15,500	13.2%	6,614	7,443	12.5%
Other	1,421	758	(46.7)%	731	647	(11.6)%
Sub Total	**37,331**	**37,214**	**(0.3)%**	**19,051**	**18,767**	**(1.5)%**
IFRIC-12	3,349	2,110	(37.0)%	2,004	1,415	(29.4)%
Total OPEX	**40,680**	**39,324**	**(3.3)%**	**21,055**	**20,182**	**(4.1)%**

Subscriber Data

(mn)	Q2 '23	Q2 '24	YoY Change
Total Access Line	**17.3**	**17.4**	**0.6%**
Fixed Voice Subscribers[1]	9.0	8.0	(10.9)%
Naked Broadband Subscribers	8.3	9.4	13.0%
Broadband Total Subscribers	**15.0**	**15.2**	**1.8%**
Fibre Subscribers	**12.2**	**13.2**	**7.9%**
FTTH/B Subscribers	3.8	4.7	21.5%
FTTC Subscribers	8.4	8.6	1.7%
Total Tivibu Subscribers[2]	**2.9**	**3.1**	**6.2%**
Tivibu Home Subscribers[3]	1.4	1.5	1.6%
Mobile Total Subscribers	**25.6**	**26.3**	**2.8%**
Mobile Postpaid Subscribers	17.5	19.4	11.0%
Mobile Prepaid Subscribers	8.1	6.9	(14.6)%

(1) Includes PSTN and WLR Subscribers
(2) Includes IPTV, DTH, and Tivibu GO subscribers
(3) Includes IPTV and DTH subscribers

ARPU Performance

(TL)	Q2 '23	Q2 '24	YoY Change
Fixed Voice ARPU	**60.7**	**57.5**	**(5.2)%**
Broadband ARPU	**191.5**	**202.4**	**5.7%**
Tivibu Home ARPU	**63.5**	**63.1**	**(0.7)%**
Mobile Blended ARPU	**152.0**	**174.5**	**14.8%**
Mobile Postpaid ARPU	166.0	189.6	14.2%
Mobile Prepaid ARPU	115.3	125.3	8.7%

Shareholder Structure

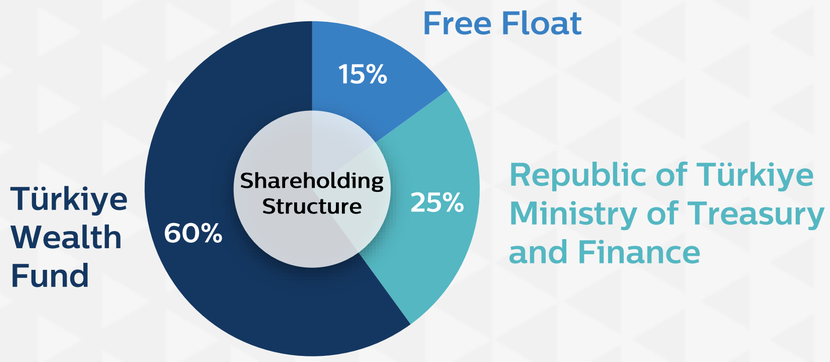
Ownership and Corporate Structure

60% of shares
owned by Türkiye Wealth Fund.

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

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

Shareholding Structure



TTMOBİL — 100% — Türk Telekom Değerli Hissettirir — 100% — TTNET

- 100% — innova — Türkiye's leading software developer company and system Integrator
- 100% — ARGELA — 5G and beyond next-generation telecommunication technologies R&D company and solution provider
- 100% — Türk Telekom International — International arm of the Group that opens up to the world in wholesale data, voice, SMS and mobile roaming services
- 100% — assistt — Customer experience company offering end-to-end omnichannel solutions
- 100% — SEBİT — Türkiye's leading and long-established education technologies provider
- 100% — TÜRK TELEKOM VENTURES — Corporate venture capital company
- 100% — Türk Telekom Ödeme ve Elektronik Para Hizmetleri — A payment services and electronic money company
- 100% — Türk Telekom Finansal — Türk Telekom's BRSA licensed financing company

Regulatory Actions

2008

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

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

2009

January
- About 50%-55% reduction in MTRs on SMS

March
- Reduction in SCT rate (25% to 5%) on internet services

April
- On-net price floor for TCELL

May
- About 29% reduction in MTRs
- MVNO regulation in place

July
- 3G service launch

September
- Fixed number portability introduced
- Local call liberalisation

2010

April
- About 52% reduction in MTRs
- 17% cut in double tandem FTR
- 38% decrease in GSM to GSM retail price cap
- TL per minute pricing introduced

December
- Naked Broadband services started

2011

April
- Mobile off-net price cap was increased by 4%
- SMS price cap was decreased by 48%

September
- Deregulation on MTRs on international calls and liberalisation on their pricing

October
- ICTA's fibre decision: FTTH/B will be excluded from the market analysis process until 25% fibre market share or for 5 years

2012

January
- WLR was introduced

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

2013

March
- Mobile on-net price floor for TCELL formulated by Mobile Termination Rate 1.7x

April
- 75% reduction in MTRs on SMS

July
- 20% reduction in MTRs

September
- Duct Sharing officially started

2014

July
- Calls over fixed line infrastructure was deregulated. Accordingly, Türk Telekom is no longer designated as having SMP (significant market power) in fixed voice market

2015

August
- LTE tender was held

2016

April
- LTE Service launch

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

October
- The deadline to shift Port Transmission Model

2018

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

2019

January
- Fair usage quota was lifted

2021

January
- SCT rates for mobile voice, fixed voice, mobile data, and fixed data was unified at 10%

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

2022

February
- TT Mobil is once again obligated to adhere to the 'Mobile Price Cap Tariff'

2023

January
- Türk Telekom submitted its application to ICTA for the extension of the concession agreement regulating the execution of telecommunication services, which is valid until 28.02.2026

July
- The general VAT rate icreased from 18% to 20%, while the reduced VAT rate of 8% icreased to 10%

2024

January
- Following the copper to fibre migration, Türk Telekom will be able to terminate services provided over the copper infrastructure

History

1995
Separation from Post Office
Türk Telekom separated from the Post Office

2001
Aycell Established
Türk Telekom's GSM operator, Aycell established (Aycell later named as AVEA after merging with Aria in 2004)

2004
Aycell Merger with Aria
Aycell merged with İŞ-TİM's Aria and officially named "Avea İletişim Hizmetleri A.Ş"

2005
Privatisation
Privatised through a 55% stake sale to Oger Telecom

2006
Avea Share Transaction
Acquisition of İŞ-TİM's 40.55% stake in Avea, raising total stake in Avea to 81.12%

2008
Public Offering
IPO with a listing on the Istanbul Stock Exchange and the sale of 15% stake owned by the Treasury to the public

3G
3G tender

2010
Invitel Acquisition
Acquired Pantel (rebranded as Türk Telekom International), the leading wholesale capacity and data services provider in Central and Eastern Europe to complement its international carrier business and infrastructure

2013
Integration Project Initiated
Integration project towards a customer oriented organisation

2014
Bond Issuance
Türk Telekom issued USD 1 bn bond in two tranches of USD 500 mn each, with maturities of 5 and 10 years

2015
Avea Share Transaction
Avea share transfer completed; Türk Telekom has become the sole owner of Avea İletişim Hizmetleri A.Ş

LTE
LTE tender

2016
Brand Unification
Türk Telekom unified mobile, fixed voice, fixed broadband and TV brands under single "Türk Telekom" brand, while keeping Türk Telekomünikasyon A.Ş., TTNET A.Ş., and Avea İletişim Hizmetleri A.Ş. legal entities intact

2018
Establishment of CVC
The Corporate Venture Capital Company was established under "TT Ventures Proje Geliştirme A.Ş."

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

2019
Bond Issuance
Türk Telekom successfully completed its USD 500 mn bond offering with 6 year maturity

2020
Bond Issuance
Türk Telekom issued its first domestic bond of TL 150 mn with a maturity of 402 days

2022
Shareholder Change
Share Purchase Agreement between LYY and TWF has been completed. LYY sold its 55% stake in TTKOM to TWF.

Establishment of a Consumer Finance Company
Consumer Finance company TT Finansman A.Ş. was established.

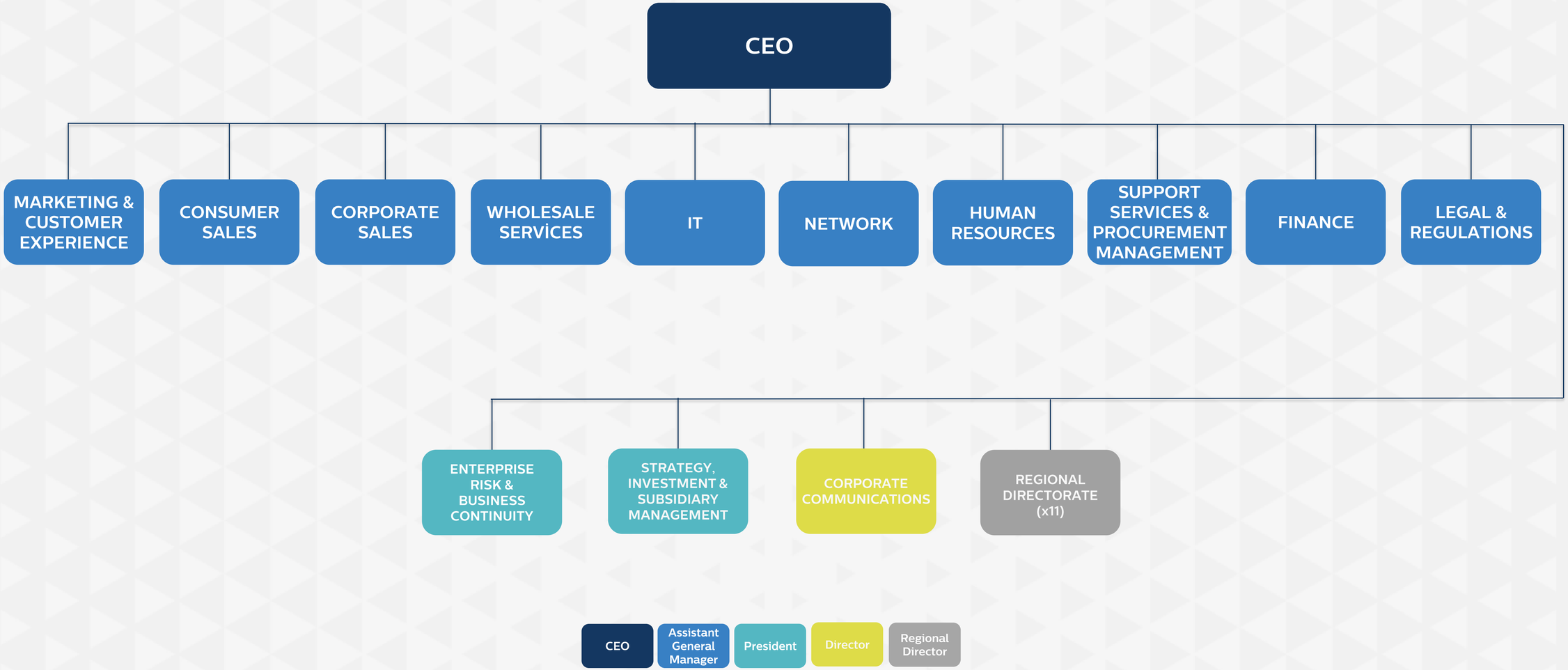
2023
Establishment of Sustainability Committee
Türk Telekom established a Sustainability Committee to strenghten its ESG governance

Renewable Energy Investments
405.8 MWe of SPP installed capacity has been allocated to Türk Telekom

2024
Commitment to Reducing Carbon Emission
Targeting a 45% reduction in Türk Telekom Group's Scope 1 & 2 emissions in total by 2030 and Net Zero by 2050

Sustainability Bond Issuance
Türk Telekom issued its first sustainability bond of USD 500 mn with a maturity of 5 years

Organisational Structure





Türk Telekom Investor Relations

ttinvestorrelations.com

investorrelations@turktelekom.com.tr

twitter.com/ttkomir

+90 212 309 96 30

Türk Telekom
Değerli Hissettirir