

TÜRK TELEKOMÜNİKASYON A.Ş.

INTERIM ACTIVITY REPORT AS OF 30.09.2024

**BASED ON NO:II-14.1 COMMUNIQUE OF
CAPITAL MARKETS BOARD**

November 6, 2024

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OVERVIEW OF TÜRK TELEKOM

Türk Telekom, with more than 180 years of history, is the first integrated telecommunications operator in Türkiye. In 2015, Company 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, 15.3 million broadband, 3.2 million TV and 27 million mobile subscribers as of September 30, 2024. Türk Telekom Group Companies provide services in all 81 cities of Türkiye with 36,323 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 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.

CORPORATE STRUCTURE

Ownership Structure

Group	Shareholder	Paid-in Capital Amount (TL)	Share (%)
A	Türkiye Wealth Fund	1,925,000,000.00	55
B	Türkiye Wealth Fund	174,988,115.015	5
B	Republic of Türkiye Ministry of Treasury and Finance	875,011,884.975	25
C	Republic of Türkiye Ministry of Treasury and Finance	0.01	
D	Free Float	525,000,000.00	15
Total		3,500,000,000.00	100

Note: Türkiye Wealth Fund has 1.68% share in free float.

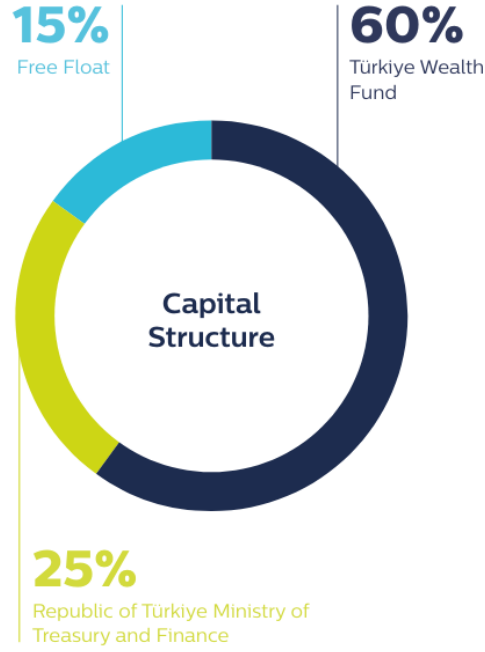
The share transfer between LYY Telekomünikasyon A.Ş. (LYY) and Türkiye Wealth Fund (TWF), for the sale of Türk Telekomünikasyon A.Ş.'s (Türk Telekom) 55% stake owned by LYY to TWF is completed as of March 31, 2022. Accordingly, TWF has become the majority shareholder of Türk Telekom with a 61.68% stake.

The Türk Telekom Shareholders' Agreement and the Articles of Association further state that the Turkish Treasury owns a "golden share" (Class C share). The "golden share" is entitled to nominate a Board Member and has the below rights as per article 6 of the Articles of Association;

"In order to protect Türkiye's national interests relating to national security and the economy, the Class C share's positive vote is required for the following matters regardless of the voting result in the Board or General Assembly, otherwise accepted as null and void."

- Any proposed amendments to the Articles of Association;
- The transfer of any of the Company's registered shares which would result in a change in management control;
- The registration of any transfer of the Company's registered shares in the shareholder ledger.

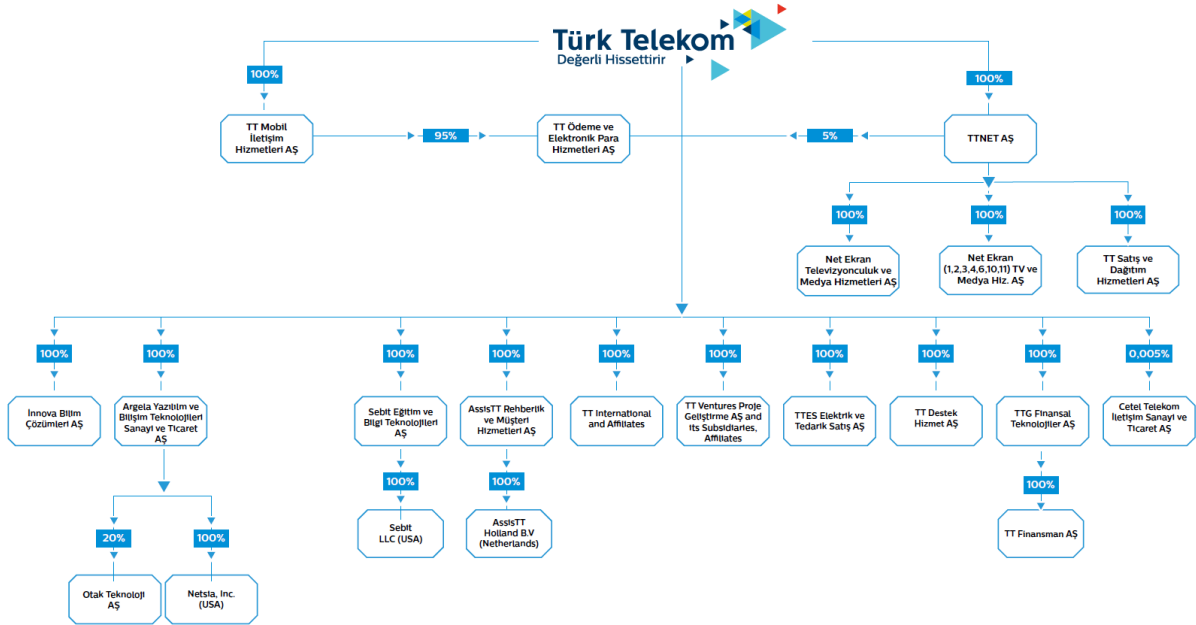
Natural and legal persons owning over 5% of our Company shares, directly or indirectly are stated below:



Note 1: There are no natural or legal persons whose shareholding exceeds 5% except those shown in the shareholder structure.

Note 2: Türkiye Wealth Fund has 1.68% public share ownership.

Subsidiaries and financial investments:



For detailed information on subsidiaries, affiliates and financial investments, you can visit <https://www.kap.org.tr/en/sirket-bilgileri/ozet/1473-turk-telekomunikasyon-a-s> website.

Management and Organisation Structure

Board of Directors

Dr. İsmail İlhan Hatipoğlu	Chairman of the Board of Directors and Member of the Board of Directors
Dr. Ömer Fatih Sayan	Vice Chairman of the Board of Directors
Yiğit Bulut	Independent Member of the Board of Directors
Enver İskurt	Independent Member of the Board of Directors
Selim Dursun	Independent Member of the Board of Directors
Ümit Önal	Member of the Board of Directors
Deniz Yılmaz	Member of the Board of Directors
Yunus Arıncı	Member of the Board of Directors
Mehmet Reşat Bahçeevli	Member of the Board of Directors

Senior Management

Ümit Önal	CEO - General Manager
Kaan Aktan	Finance Assistant General Manager
Dr. Hüseyin Aslan	Human Resources Assistant General Manager
Dr. Mehmet Beytur	Support Services and Procurement Management Assistant General Manager
Mustafa Çavuşoğlu	Head of Internal Audit
Osman Çolak	Consumer Sales Assistant General Manager
Mustafa Eser	Corporate Sales Assistant General Manager
Gökhan Evren	Wholesale Services Assistant General Manager
Ahmet Kamil Gençel	Head of Strategy, Investment and Subsidiary Management
Ali Gürsoy	Head of Enterprise Risk and Business Continuity
Tahsin Kaplan	Legal and Regulation Assistant General Manager
Zafer Orhan	Network Assistant General Manager
Zeynep Özden	Marketing and Customer Experience Assistant General Manager
Durmuş Ali Taşkın	IT Assistant General Manager

SIGNIFICANT BOARD RESOLUTIONS

Significant Board Resolutions taken during the period are presented under Material Issues During the Period section.

PERSONNEL MOVEMENTS

Consolidated headcount as of the 30.09.2024 and 31.12.2023 are 36,323 and 37,265 respectively.

FINANCIAL RISK MANAGEMENT

Türk Telekom can be exposed to financial risks such as liquidity risk, currency risk, interest rate risk, and counterparty risk.

Within the framework of the strategy to minimise the liquidity risk, long-term financial debt is obtained from different geographical regions (the Americas, Canada, Europe, the Gulf, Japan, China, and Türkiye) and from a diversified pool of creditors (commercial banks, international financial institutions, official export credit agencies, and bond markets). This strategy enables the Group to have access to long-term financing on competitive terms, without being dependent on a limited group of funding sources.

With regard to the Eurobonds issued by Türk Telekom, the Group actively monitors the price and return dynamics of these bonds, which are tradeable instruments in the secondary markets in order to ensure optimal cash management strategy on total return and cost basis.

The need to partially procure supplies in relation to capital expenditures from foreign vendors and the need for financing through long-term and diversified funding sources cause Türk Telekom to bear liabilities in foreign currency. Hence, excluding the hedge transactions, Türk Telekom has net liabilities in foreign currency and is exposed to FX risk due to the fluctuations in exchange rates, which may have an impact on the financial statements.

Türk Telekom aims to keep the impact of FX exposure on the financial statements to a minimum with its FX risk management transactions. In this respect, Türk Telekom has a total hedge position of USD 1,723¹ million equivalent, details of which are provided in the footnotes of its audited financial statements. The total hedge position including the cash in hard currency, which provides a natural hedge against FX exposure is USD 1,838 million equivalent.

With regards to its financial assets, Türk Telekom aims to minimise the counterparty risk in accordance with the established counterparty limits and diversification policy. Türk Telekom carries out its hedge transactions regarding financial risks within the framework of the guidance and authorisation set by the Board of Directors.

¹ 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 258 mn.

Our short FX position was USD 8 million by year-end. Excluding the ineffective portion of the hedge portfolio, namely the PCCS contracts, foreign currency exposure was USD 191 million short FX position.

MATERIAL ISSUES DURING THE PERIOD

5 July 2024 dated Regulatory Disclosure – Senior Management Appointment

Zafer Orhan has been appointed as Network Assistant General Manager.

ZAFER ORHAN

He was born in Elazığ in 1973. After graduating from the Department of Electronics of Elazığ Central Technical High School, he completed his undergraduate education at Fırat University, Department of Mechanical Engineering. He has a master's degree with thesis in Business Management from Bahçeşehir University. He started his career in 1993 as Elazığ PTT Network Group Chief Engineer, and in 2000, he worked at Marketing Department of Türk Telekom Elazığ Provincial Directorate. In 2003, he was appointed as the Organization and Process Management Manager of the Strategy Directorate of Türk Telekom General Directorate, and then served as the Organizational Development Manager. Between 2011 and 2016, he worked as Deputy Regional Director of Access and Deputy Regional Manager of Commercial Activities at Türk Telekom Ankara Regional Directorate of Central Anatolia. Between 2016 and 2020, he managed the institutional transformation program of the CBRT as Assistant General Manager at the Central Bank of the Republic of Turkey and later as General Manager of Corporate Transformation. In 2020, he first served as Assistant General Manager of Business Development and then as General Manager at Ulak İletişim A.Ş., a telecommunications company affiliated to the Defense Industry Presidency. In February 2024, he left his position as General Manager of Ulak İletişim A.Ş. and has become the General Manager and Group CEO of Molekül A.Ş., which includes Masttech, Inttow and Numesys companies. He is married and has two children.

13 August 2024 Dated Regulatory Disclosure - 2024 2nd Quarter Financial Calendar

Our Company's financial reports for 01.04.2024 - 30.06.2024 accounting period will be disclosed to public on 16.09.2024.

13 August 2024 Dated Regulatory Disclosure - JCR Eurasia Rating Annual Review Announcement

JCR Eurasia Rating (JCR), concluded its annual review for Türk Telekomünikasyon A.Ş. and considered our Company in the investment grade category. JCR affirmed our Company's Long-Term National Issuer Credit Rating at "AAA (tr)" and the Short-Term National Issuer Credit Rating at "J1+ (tr)" with "Stable" outlooks.

JCR, affirmed our Company's Long Term International Foreign and Local Currency Issuer Credit Rating as "BB" and revised the outlook to "Stable" from "Negative", in line with the international rating outlooks of the Republic of Türkiye.

14 August 2024 Dated Regulatory Disclosure - Resolution on Domestic Debt Securities Issuance and CMB Application

Our Company's Board of Directors resolved that the Company shall apply to Capital Markets Board for the issuance of debt instruments in accordance with the Capital Markets Law No. 6362, the Communiqué on Borrowing Instruments numbered VII-128.8 and other relevant legislation and Article

7 of the Articles of Association of our Company titled "Issue of Debt Securities, Bonds and Similar Securities" provided that the necessary procedures are carried out and completed in accordance with the relevant legislation, in particular the Capital Market Legislation and that the Company shall issue Turkish Lira denominated debt instrument(s) within the domestic market to be sold to qualified investors without public offering, in single or multiple tranches, with different maturities up to maximum 5 (five) years and in the form of bonds and / or bills not exceeding TL 7,500,000,000 (Seven Billion Five Hundred Million Turkish Lira) in total. Accordingly, our Company has applied to the Capital Markets Board for the necessary approvals today.

About the debt instruments issuance(s) mentioned in this disclosure, in order to ensure that the legitimate interests of our Company and our investors are protected and in order to evaluate different possibilities in the issuance process and/or a possible deferral for more appropriate market conditions, until the completion of related studies, the disclosure of insider information was decided to be postponed according to Article 6 of the Material Events Disclosure Communiqué numbered II-15.1 by the Capital Markets Board (CMB). We issue this disclosure pursuant to the relevant legislations as the reasons for postponement no longer exist.

16 September 2024 dated Regulatory Disclosure –2024 2nd Quarter Consolidated Financial and Operational Results

Türk Telekomünikasyon A.Ş.'s 2024 2nd Quarter consolidated financial and operational results earnings release is [linked](#).

More detailed investor presentation will be available on our Company's [Investor Relations website](#).

<https://www.kap.org.tr/en/Bildirim/1335643>

18 September 2024 dated Regulatory Disclosure – Amendment of Financial Statements and - or Notes to Financial Statements

Adjustments have been made between accounts in the Balance Sheet for Türk Telekomünikasyon A.Ş.'s 2024 2nd Quarter consolidated financial and operational results earnings.

<https://www.kap.org.tr/en/Bildirim/1335429>

19 September 2024 Dated Regulatory Disclosure - Fitch Ratings Revised Türk Telekomünikasyon A.Ş.'s Corporate Ratings and Outlooks

On September 6, 2024, Fitch Ratings upgraded Türkiye's Long-Term Foreign-Currency Issuer Default Rating (IDR) from "B+" to "BB-", with a "Stable" outlook. In accordance, Fitch Ratings upgraded Türk Telekom's Long-Term local and foreign currency IDRs from 'B+' to 'BB-' with a "Stable" outlook.

Fitch has also upgraded the Türk Telekom's senior unsecured instrument ratings to 'BB-'/RR4'.

MATERIAL ISSUES AFTER THE END OF THE PERIOD

2 October 2024 dated Regulatory Disclosure - 2024 3rd Quarter Financial Calendar

Our Company's financial reports for 01.07.2024 - 30.09.2024 accounting period will be disclosed to public on 6.11.2024.

21 October 2024 Dated Regulatory Disclosure - Corporate Governance Compliance Rating Agreement Extension

Our company signed a one-year agreement with SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. for the renewal of our "Rating for Compliance with Corporate Governance Principles" effective from 21.10.2024. SAHA is authorised to conduct corporate governance rating in Türkiye in compliance with Corporate Governance Principals of Turkish Capital Markets Board.

SUMMARY FINANCIAL RESULTS

Consolidated Summary P&L Statement

(TL mn)	Q3'23	Q3'24	YoY Change
Revenue	34,828	40,353	15.9%
Revenue (Exc. IFRIC 12)	32,721	37,896	15.8%
EBITDA	12,592	16,469	30.8%
<i>Margin</i>	<i>36.2%</i>	<i>40.8%</i>	
Depreciation and Amortisation	(11,911)	(10,820)	(9.2)%
Operating Profit	681	5,649	729.7%
<i>Margin</i>	<i>2.0%</i>	<i>14.0%</i>	
Financial Income / (Expense)	(4,862)	(6,261)	28.8%
FX & Hedging Gain / (Loss)	(2,891)	(3,680)	27.3%
Interest Income / (Expense)	(1,230)	(2,058)	67.3%
Other Financial Income / (Expense)	(741)	(523)	(29,4)%
Monetary Gain / (Loss)	13,534	3,946	(70.8)%
Tax Income / (Expense)	(6,311)	(2,189)	(65.3)%
Net Income	3,042	1,145	(62.4)%
<i>Margin</i>	<i>8.7%</i>	<i>2.8%</i>	
CAPEX	8,448	9,734	15.2%

Consolidated Summary Balance Sheet

(TL mn)	31.12.2023	30.09.2024
Total Assets	264,548	243,266
Cash and Cash Equivalents	18,465	8,094
Tangible Assets ^(a)	103,376	105,647
Intangible Assets	75,198	66,087
Right of Use Assets	7,585	8,690
Other Assets ^(b)	59,924	54,748
Total Equities and Liabilities	264,548	243,266
Share Capital	72,334	72,334
Reserves, Retained Earnings and Other Equity Items	61,204	62,730
Interest Bearing Liabilities ^(c)	89,504	71,656
<i>Bank Borrowings and Bonds</i>	<i>86,948</i>	<i>67,560</i>
<i>Lease Liabilities</i>	<i>2,557</i>	<i>4,096</i>
Other Liabilities ^(d)	41,507	36,546

(a) Tangible assets include property, building or plant and equipment and investment property

(b) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset and other current assets

(c) Includes short-term and long-term borrowings and lease obligations

(d) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities, provisions for employee termination benefits and minority put option liability

Subscriber Performance

(mn, EoP)	Q3'23	Q3'24	YoY Change
Total Access Lines^a	17.4	17.4	(0.1)%
Fixed Voice Subscribers	8.7	7.7	(11.2)%
Naked Broadband Subscribers	8.7	9.6	11.2%
Total Broadband Subscribers	15.1	15.3	1.1%
Total Fibre Subscribers	12.6	13.4	6.6%
FTTH/B	4.1	4.9	21.4%
FTTC	8.5	8.5	(0.4)%
Total TV Subscribers^b	2.9	3.2	8.1%
Tivibu Home (IPTV + DTH) Subscribers	1.5	1.5	2.4%
Mobile Total Subscribers	26.1	27.0	3.2%
Mobile Postpaid Subscribers	17.9	20.0	11.2%
Mobile Prepaid Subscribers	8.2	7.0	(14.3)%

(a) Includes PSTN and WLR lines

(b) Includes IPTV, DTH and Tivibu GO subscribers

ARPU Performance

TL	Q3'23	Q3'24	YoY Change
Fixed Voice ARPU	64.6	68.1	5.4%
Broadband ARPU	216.2	262.0	21.2%
Home TV ARPU	66.0	74.7	13.2%
Mobile Blended ARPU	167.6	196.8	17.5%
Mobile Postpaid ARPU	176.5	213.1	20.7%
Mobile Prepaid ARPU	133.2	134.6	1.1%