

TÜRK TELEKOMÜNİKASYON A.Ş.

**INTERIM ACTIVITY REPORT AS OF 30.09.2023
BASED ON NO:II-14.1 COMMUNIQUE OF CAPITAL MARKETS
BOARD**

November 6, 2023

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1. 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, 15.1 million broadband, 2.9 million TV and 26.1 million mobile subscribers as of September 30, 2023. Türk Telekom Group Companies provide services in all 81 cities of Türkiye with 37,638 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.

2. 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.

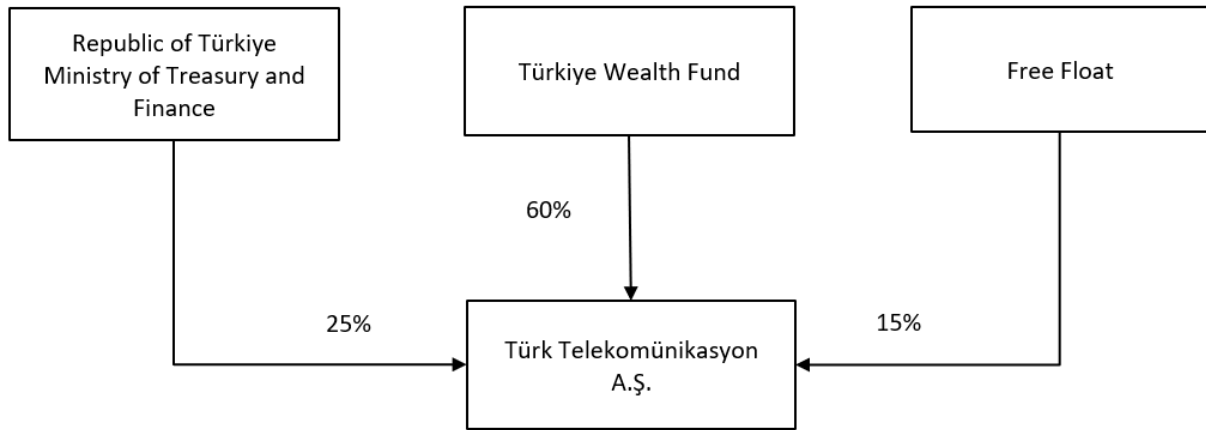
The share transfer between LYY Telekomünikasyon A.Ş. (LYY) and Türkiye Wealth Fund (TWF), for the sale of Türk Telekomünikasyon A.Ş.'s (Türk Telekom) 55% stake owned by LYY to TWF is completed as of March 31, 2022. Accordingly, TWF has become the majority shareholder of Türk Telekom with a 61.68% stake.

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.

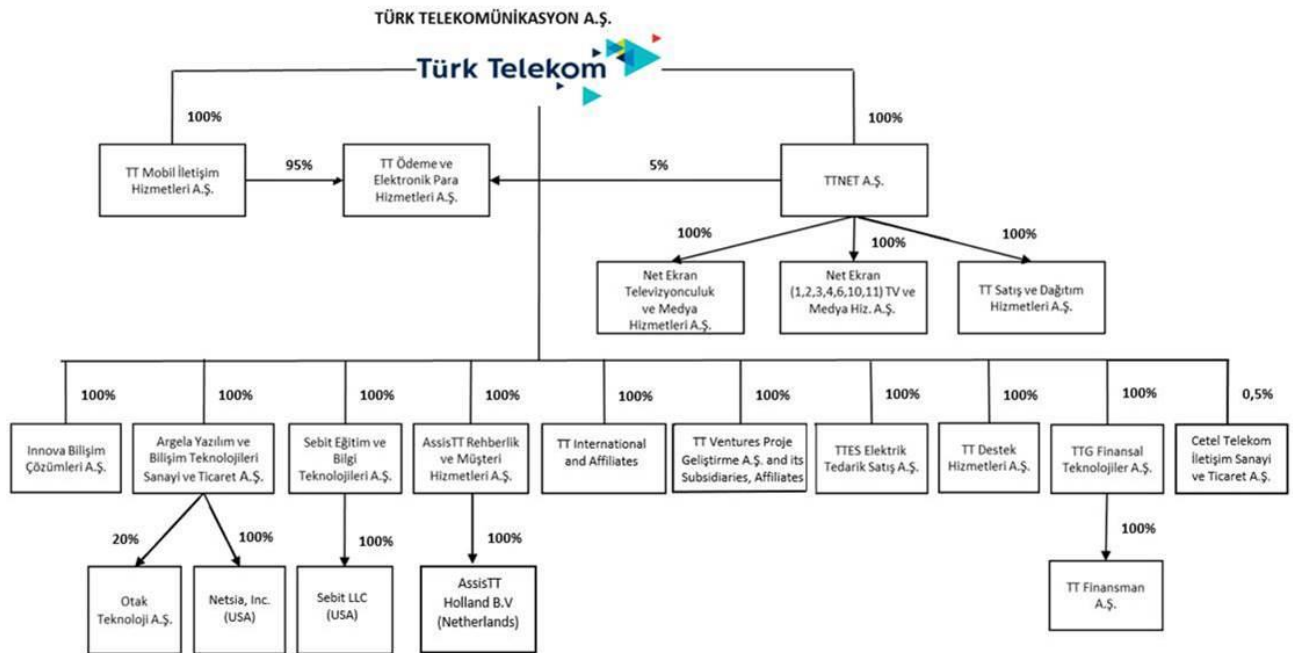
Natural and legal persons owning over 5% of our Company shares, directly or indirectly are stated below:



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

Board of Directors

Dr. Ömer Fatih Sayan	Chairman of the Board of Directors and Member of the Board of Directors
Mehmet Ali Akben	Vice Chairman of the Board of Directors and Member of the Board of Directors
Yiğit Bulut	Independent Member of the Board of Directors
Selim Dursun	Independent Member of the Board of Directors
Enver İskurt	Independent Member of the Board of Directors
Salim Arda Ermut	Member of the Board of Directors
Ümit Önal	Member of the Board of Directors
Metin İlhan	Member of the Board of Directors
Deniz Yılmaz	Member of the Board of Directors

Senior Management

Ümit Önal	CEO - General Manager
Kaan Aktan	Finance Assistant General Manager
Dr. Mehmet Beytur	Support Services and Procurement Management Assistant General Manager
İsmail Bütün	Consumer Sales Assistant General Manager
Mustafa Eser	Corporate Sales Assistant General Manager
Ali Gürsoy	Head of Enterprise Risk and Business Continuity
Tahsin Kaplan	Legal and Regulation Assistant General Manager
Zeynep Özden	Marketing and Customer Experience Assistant General Manager
Mehmet Emre Vural	Human Resources Assistant General Manager
Yavuz Yıldırım	Wholesale Assistant General Manager

3. SIGNIFICANT BOARD RESOLUTIONS

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

4. PERSONNEL MOVEMENTS

Consolidated headcount as of the 30.09.2023 and 31.12.2022 are 37,638 and 39,433 respectively.

5. 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 2,372¹ 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 2,559 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 280 mn.

6. MATERIAL ISSUES DURING THE PERIOD

17 Temmuz 2023 Dated Regulatory Disclosure – 2022 Ordinary General Assembly Meeting

Our Board of Directors has resolved that our Company's Ordinary General Assembly Meeting for the year 2022 shall be held at the address of Türk Telekomünikasyon A.Ş. Head Quarters the Cultural Center, Turgut Özal Bulvarı 06103 Aydınlikevler, Ankara and by electronic means on 09.08.2023 at 11:00 in order to discuss the attached agenda items. Agenda, invitation letter, proxy sample and information note for the 2022 ordinary general assembly meeting are linked below.

<https://www.kap.org.tr/en/Bildirim/1172774>

17 Temmuz 2023 Dated Regulatory Disclosure – Senior Management Change

Emre Şehsuvaroğlu, Head of Internal Audit in our Company, has decided to leave his post.

4 August 2023 Dated Regulatory Disclosure - Conclusion of the Related Party Transactions Report

Common and recurring transactions of asset, service and liability transfer between TTNET A.Ş. and Türk Telekom in 01.01.2022 – 31.12.2022 financial year exceeded 10% of the reported sales revenue of Türk Telekom as stated under its 2022 year-end financial tables and are projected to exceed the 10% level in 2023. These transactions are considered to be made in fair, reasonable and suitable manner in arm's length prices when considered the positive discrimination applied to the operators excluding TTNET A.Ş. through current pricing regulations.

There are no other asset, service and liability transfer transactions that exceed the determined threshold with other related parties and there is no expectation of transactions in such scale to be undertaken in 2023.

In addition, there is no non-recurring asset, service and liability transfers which reached or exceeded or are projected to reach or exceed 5% of the publicly announced sales revenue, total assets or adjusted daily weighted average market capitalization for the 6 months period prior to the related Board Resolution date, as defined by the Article 9 of the Communiqué.

9 August 2023 Dated Regulatory Disclosure - 2022 Ordinary General Assembly Meeting Result

2022 Ordinary General Assembly Meeting was held. Resolutions and List of Attendees are linked below.

<https://www.kap.org.tr/en/Bildirim/1183035>

9 August 2023 Dated Regulatory Disclosure - Ordinary General Assembly Decision for Profit Distribution

It is resolved at our Company's Ordinary General Assembly Meeting for the year 2022 that;

- 1- The Company's net profit calculated according to the independently audited consolidated financial tables prepared in accordance with the provisions of "Capital Markets Board (CMB) Communiqué About Financial Reporting in Capital Markets No.II-14.1" is TL 4,134,846,000 for the fiscal year of 2022,
- 2- Pursuant to the CMB Communiqué on Dividends No: II-19.1, the profit after tax amount of TL 4,134,846,000 shall be the base amount for dividend distribution,
- 3- The Company is not required to take any reserves for 2022 as per the Article 519 of Turkish Commercial Code because it has already reached the general legal reserve limit,
- 4- Accordingly, subject to the provisions of its Articles of Association of our Company, that the net profit amounting to TL 4,134,846,000, which is based on the independently audited consolidated financial statements, shall be recorded as extraordinary reserves.

9 August 2023 Dated Regulatory Disclosure - Appointment of Independent Audit Firm

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst & Young - E & Y) has been appointed as our auditor company for the accounting period of 2023 in the Ordinary General Assembly dated 09.08.2023.

9 August 2023 Dated Regulatory Disclosure – Senior Management Change

Yusuf Kırac, Assistant General Manager of Technology (CTO) at Türk Telekom has left his post.

14 August 2023 Dated Regulatory Disclosure - 2023 2nd Quarter Financial Statements

2023 2nd Quarter financial and operational results are announced.

<https://www.kap.org.tr/en/Bildirim/1185348>

<https://www.kap.org.tr/en/Bildirim/1185351>

14 August 2023 Dated Regulatory Disclosure - 2023 2nd Quarter Activity Report

2023 2nd Quarter Activity Report is linked below.

<https://www.kap.org.tr/en/Bildirim/1185349>

14 August 2023 Dated Regulatory Disclosure - Guidance Revision for 2023 Consolidated Financial Results

We are revisiting our 2023 guidance after both revenue growth and EBITDA exceeded our expectations in H1'23.

While the change in revenue and EBITDA outlook can largely be attributable to expectations of more pricing actions, better operational KPIs and continued high contribution from non-core businesses, the increment to capex reflects the impact of labour cost inflation as well as recent sizeable losses in lira's value. We maintain a cautious view on cost inflation in general.

Our revised guidance for 2023 is as below :

- Consolidated revenue growth (excluding IFRIC 12) to be around 67-70%
- Consolidated EBITDA to be around TL 25-27 billion
- Consolidated CAPEX to be around TL 19-21 billion

14 August 2023 Dated Regulatory Disclosure - JCR Eurasia Rating Annual Review Announcement

JCR Eurasia Rating (JCR), concluded its annual review of 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 and Outlook as "BB" and "Negative", as parallel to international rating outlooks of the Republic of Türkiye.

21 August 2023 Dated Regulatory Disclosure - Financial Bond Issuance

Notification regarding the issuance of a financing bond with a maturity of 177 days and a nominal amount of TL 291,500,000 issued by our Company.

<https://www.kap.org.tr/en/Bildirim/1187476>

21 August 2023 Dated Regulatory Disclosure - The Coupon Payment and Redemption of TRFTTLK82315 ISIN Coded TL Financial Bond

The coupon payment and principal redemption of our Company's financial bond with ISIN code of TRFTTLK82315 was completed on 21.08.2023.

21 August 2023 Dated Regulatory Disclosure - The Registration of 2022 Ordinary General Assembly Resolutions

The resolutions arrived at our Company's 2022 Ordinary General Assembly Meeting held on August 9, 2023 have been registered by Ankara Trade Registry Office on August 11, 2023 and published on the Turkish Trade Registry Gazette on August 11, 2023.

21 August 2023 Dated Regulatory Disclosure - Registration of Independent Auditor Selection

The General Assembly resolution dated August 9, 2023 on the selection of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst & Young) for the auditing of the accounts of our Company for the accounting period of 2023 has been registered by Ankara Trade Registry Office on August 11, 2023 and published on the Turkish Trade Registry Gazette on August 11, 2023.

18 September 2023 Dated Regulatory Disclosure - Fitch Ratings Affirmed Türk Telekomünikasyon A.Ş.'s Corporate Ratings and Revised the Outlooks

On September 8, 2023, Fitch Ratings affirmed Türkiye's Long-Term Foreign-Currency Issuer Default Rating (IDR) at "B", and revised the outlook to "Stable" from "Negative". In accordance, Fitch Ratings affirmed Türk Telekomünikasyon A.Ş.'s (Türk Telekom) Long-Term local and foreign currency IDRs at "B" and revised their outlook from "Negative" to "Stable". The Agency has also affirmed Türk Telekom's National Long-Term Rating at 'AAA(tur)' with a 'Stable' Outlook and the senior unsecured instrument ratings at 'B'/'RR4'.

19 September 2023 Dated Regulatory Disclosure - CMB Approval of the Domestic Debt Securities Issuance Certificate

Within the scope of our regulatory disclosure dated on March 22, 2023; our application to Capital Markets Board (CMB) regarding the issuance of 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 5,000,000,000 (Five Billion Turkish Lira) in total, has been approved by the CMB on 14.09.2023, with decision number 53/1106. Application form, the issuance certificate and the issuance certificate annex are linked below.

<https://www.kap.org.tr/en/Bildirim/1196302>

7. MATERIAL ISSUES AFTER THE END OF THE PERIOD

4 October 2023 Dated Regulatory Disclosure - S&P Global Ratings Credit Rating Announcement

On September 29, 2023, S&P Global Ratings (S&P) affirmed its unsolicited sovereign credit ratings on Türkiye and its transfer and convertibility (T&C) assessment as "B", and revised its outlook from "Negative" to "Stable".

S&P's ratings on Türk Telekom are capped by its T&C assessment on Türkiye. Accordingly, the agency has affirmed our Company's credit rating as "B", and revised the outlook from "Negative" to "Stable".

20 October 2023 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. on 21.10.2023 for the renewal of our "Rating for Compliance with Corporate Governance Principles". SAHA is authorised to conduct corporate governance rating in Türkiye in compliance with Corporate Governance Principals of Turkish Capital Markets Board.

8. SUMMARY FINANCIAL RESULTS

Consolidated Summary P&L Statement

(TL mn)	Q3'22	Q2'23	Q3'23	QoQ Change	YoY Change
Revenue	12,552	17,947	22,362	24.6%	78.2%
Revenue (Exc. IFRIC 12)	11,749	16,660	21,025	26.2%	78.9%
EBITDA	5,035	6,036	7,979	32.2%	58.5%
Margin	40.1%	33.6%	35.7%		
Depreciation and Amortisation	(2,031)	(2,667)	(2,931)	9.9%	44.3%
Operating Profit	3,003	3,369	5,048	49.9%	68.1%
Margin	23.9%	18.8%	22.6%		
Financial Income / (Expense)	(2,606)	(5,190)	(2,998)	(42.2)%	15.1%
FX & Hedging Gain / (Loss)	(1,895)	(4,184)	(1,756)	(58.0)%	(7.3)%
Interest Income / (Expense)	(700)	(963)	(761)	(20.9)%	8.8%
Other Financial Income / (Expense)	(11)	(43)	(480)	1,007.8%	4,189.2%
Tax Income / (Expense)	774	1,221	2,453	100.9%	217.1%
Net Income / Loss	1,171	(601)	4,504	n.m.	284.5%
Margin	9.3%	(3.3)%	20.1%		
CAPEX	3,128	3,680	5,639	53.2%	80.3%

Consolidated Summary Balance Sheet

(TL mn)	31.12.2022	30.09.2023
Total Assets	80,732	119,706
Cash and Cash Equivalents	5,125	11,969
Tangible Assets ^(a)	29,964	44,752
Intangible Assets	17,774	21,501
Right of Use Assets	1,801	2,155
Other Assets ^(b)	26,069	39,329
Total Equities and Liabilities	80,732	119,706
Share Capital	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	16,710	29,193
Interest Bearing Liabilities ^(c)	41,920	62,296
<i>Bank Borrowings and Bonds</i>	<i>40,401</i>	<i>60,354</i>
<i>Lease Liabilities</i>	<i>1,520</i>	<i>1,942</i>
Other Liabilities ^(d)	18,841	24,957

(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

Operational Performance

	Q3'22	Q2'23	Q3'23	QoQ Change	YoY Change
Total Access Lines (mn) ^(a)	17.2	17.3	17.4	0.7%	0.8%
Fixed Voice Subscribers (mn)	9.9	9.0	8.7	(2.6)%	(11.6)%
Naked Broadband Subscribers (mn)	7.4	8.3	8.7	4.3%	17.5%
Fixed Voice ARPU (TL)	26.3	34.4	40.5	17.8%	54.1%
Total Broadband Subscribers (mn)	14.8	15.0	15.1	1.1%	2.4%
Total Fibre Subscribers (mn)	11.2	12.2	12.6	2.9%	12.9%
FTTH/B (mn)	3.3	3.8	4.1	6.0%	23.8%
FTTC (mn)	7.9	8.4	8.5	1.5%	8.3%
Broadband ARPU (TL)	84.8	106.9	134.1	25.4%	58.1%
Total TV Subscribers (mn) ^(b)	2.9	2.9	2.9	1.1%	2.1%
Tivibu Home (IPTV + DTH) Subscribers (mn)	1.5	1.4	1.5	0.5%	(1.6)%
TV ARPU (TL)	28.1	36.2	41.5	14.4%	47.7%
Mobile Total Subscribers (mn)	25.3	25.6	26.1	2.1%	3.4%
Mobile Postpaid Subscribers (mn)	16.6	17.5	17.9	2.7%	8.3%
Mobile Prepaid Subscribers (mn)	8.7	8.1	8.2	0.8%	(6.0)%
Mobile Blended ARPU (TL)	59.1	86.3	105.2	21.9%	78.0%
Mobile Postpaid ARPU (TL)	65.4	94.3	111.3	18.0%	70.2%
Mobile Prepaid ARPU (TL)	42.9	65.3	82.7	26.6%	92.6%

(a) Includes PSTN and WLR lines

(b) Includes IPTV, DTH and Tivibu GO subscribers