



TÜRK TELEKOM GROUP
2024 SECOND QUARTER
FINANCIAL AND OPERATIONAL
RESULTS

September 16, 2024

SOLID OPERATIONAL PROFITABILITY AND CASH FLOW IN THE SECOND QUARTER

Türk Telekom Group announces its second quarter 2024 financial and operational results. Consolidated revenues increased by 4.4% YoY to TL 33 billion in Q2'24 and 5% to TL 63.2 billion in H1'24. Ex-IFRIC revenue growth was 7.1% in Q2'24 and 7.8% in H1'24. EBITDA grew 21.6% in Q2'24 to TL 12.8 billion with 38.8% margin moving the H1'24 EBITDA to TL 23.9 billion, up 22.2% YoY with 37.8% margin. Net income was TL 1.4 billion in Q2'24 and TL 2.5 billion in H1'24. Net Debt/EBITDA¹ multiple inched down to 1.08x as of H1'24.

Türk Telekom CEO Ümit Önal said: *"We are extremely pleased to see significant improvements in our operating profitability and cash flow in the second quarter affirming the precision of the measures we have put into effect over the past few quarters. Even more pleasing is to have the confidence that our performance will excel in the second half of the year to help us comfortably achieve our full year targets. The awaited downward trend in inflation has shown itself in July/August and will support the acceleration in revenue growth in the coming months together with the meaningful price revisions we have introduced in June/July both in fixed and mobile segments. Hovering around the high-end of our guidance range in the first half, EBITDA margin has outperformed our expectations so far. Cash flow has reinstated its strength with progressive EBITDA generation and is set to enjoy the high season ahead. We managed to secure the momentum we have been looking for in our businesses this year and we will make every effort to maintain this trend over the coming years both in the core and adjacent areas we operate in."*

2nd Quarter Financial Highlights

Consolidated revenues increased to TL 33 billion from TL 31.6 billion a year ago with 4.4% growth. Mobile was once again the top contributor followed by fixed internet and call centre segments. Excluding the IFRIC 12 accounting impact, Q2'24 revenue was TL 31.4 billion, up 7.1% YoY including increases of 8.2% in fixed broadband and 20% in mobile vs contractions of 15.6% in fixed voice, 3.4% in corporate data, and 13.3% in international revenues. The gap between consolidated and operational (ex-IFRIC 12) revenue growth within the quarter was once again owing to low IFRIC 12 revenues.

Fixed internet and mobile together made 74.7% of operating revenue. The two lines of business made significant contribution to growth with TL 3.1 billion higher revenues in total YoY. Corporate data revenue improved 11% QoQ, but still the growth rate stayed in negative territory in YoY comparison. The decline in international revenue YoY was mainly driven by the change in EURTRY exchange rate remaining well below inflation in the period. Contraction in voice revenue also continued into the second quarter slightly offsetting the growth in data revenue.

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

The 8.2% annual increase in fixed internet revenue was driven by respective 2.3% average subscriber growth and 5.7% ARPU growth. The 20% impressive increase in mobile segment revenue can also be decomposed into similar 2.4% average subscriber growth but higher 14.8% ARPU growth.

On the opex side, direct costs declined 6.7% YoY with contractions of 29.5% in interconnection and 22.1% in equipment & technology sales cost whereas commercial costs and other costs rose 6% and merely 1% respectively. Drop in interconnection cost was largely owing to lower international revenues YoY explained above and the predetermined regulatory cut in MTRs (mobile termination rates) which took effect at the beginning of the year. While commercial costs continued its upward trend annually in Q2, the pace of growth significantly slowed from 28% in Q1. Flattish look in other costs YoY was driven by personnel and network costs. The 12.5% YoY increase in personnel cost was largely mitigated by 17.3% decline in network cost. As such, opex to sales ratio dropped to 61.2% compared to 66.7% in the same period of last year.

As a result, consolidated EBITDA rose 21.6% annually to TL 12.8 billion from TL 10.5 billion in Q2'23 with EBITDA margin expanding by 550 bps YoY to 38.8%. Excluding the IFRIC 12 accounting impact, EBITDA margin was 40.2%. Operating profit was TL 2.6 billion in Q2'24 comparing favourably to TL 0.4 billion operating loss in Q2'23.

TL 6 billion of net financial expense dropped 33.4% YoY in Q2 swinging from an increase of 87.3% in Q1, but remained more or less stable QoQ as expected. While Q1 felt the negative impact of last year's low base in the same period, Q2 conversely enjoyed the positive impact of a high base. The widely known shift in monetary policy was the obvious reason behind the large swing in Q1 and Q2 rates of change annually.

According to the sensitivity of the P&L statement to exchange rate movements, a 10% depreciation of TL would have negative TL 0.7 billion impact on Q2'24 PBT assuming all else constant. Similarly, a 10% appreciation of TL would have positive TL 0.8 billion impact. Net Debt/EBITDA has inched down to 1.08x from 1.13x a quarter ago and 1.17x as of the end of 2023.

Finally, we recorded TL 0.3 billion of tax expense pointing to an 18.4% effective tax rate and taking the net profit for the period to TL 1.4 billion.

Capex spending normalised from prior quarter's low level which was driven by seasonality and Ramadan and materialised at TL 7.1 billion, increasing by 7.4% YoY.

Unlevered free cash flow² was TL 3.2 billion compared to TL 2 billion in Q1'24 and TL 4.4 billion in Q2'23 underlining an improving trend QoQ.

Net debt³ decreased to TL 51 billion as of Q2'24 compared to TL 60.9 billion as of Q2'23. We issued a 5-year USD 500 million Sustainability Bond with 2029 maturity through an extremely

² Unlevered free cash flow defined as net cash provided by operating and investing activities from operations.

³ Net debt includes MTM from FX to TRY Currency Swaps and FV of Currency Protected Time Deposits.

successful transaction in May. At the same time, we tendered USD 300 million of the February 2025 Notes. That means the outstanding 2025 Notes is now USD 200 million. Also, we secured two separate long term ECA facilities for respective USD 121 million from Citibank and EUR 83 million from Exim Bank of China in April and May. As such, we attained a more balanced debt maturity profile as of the second quarter. Excluding the IFRS 16 impact, net debt was TL 46.9 billion. As of Q2'24, FX based financial debt (excluding the IFRS 16 impact) declined YoY and QoQ to USD 1,550 million equivalent (Q1'24: USD 1,862 million; Q2'23: USD 1,808 million). The share of TL financing was 19.4% as of Q2'24.

Our short FX position⁴ was USD 67 million by the end of Q2'24. Excluding the ineffective portion of the hedge portfolio, namely the PCCS contracts, foreign currency exposure was USD 260 million short FX position. As expected, the PCCS portfolio significantly contracted following the maturity of June 2024 Notes as several transactions expired together with the hedged bond.

Table 1: Q2'24 ARPU by Line of Business

TL	Q2'24	Q2'23	YoY Change
Fixed Voice	57.5	60.7	(5.2)%
Fixed Broadband	202.4	191.5	5.7%
Home TV	63.1	63.5	(0.7)%
Mobile	174.5	152.0	14.8%
<i>Postpaid</i>	189.6	166.0	14.2%
<i>Prepaid</i>	125.3	115.3	8.7%

Table 2: Q2'24 Consolidated Summary Financials

TL mn	Q2'24	Q2'23	YoY Change
Revenue	32,977	31,574	4.4%
Revenue (Exc IFRIC 12)	31,378	29,309	7.1%
EBITDA	12,795	10,519	21.6%
<i>Margin</i>	38.8%	33.3%	
Depreciation & Amortisation	(10,194)	(10,920)	(6.6)%
Operating Profit	2,601	(401)	n.m.
<i>Margin</i>	7.9%	(1.3)%	
Financial Income/(Expense)	(6,001)	(9,015)	(33.4)%
Monetary Gain/(Loss)	5,139	3,908	31.5%
Profit Before Tax	1,739	(5,508)	n.m.
Tax Income/(Expense)	(319)	1,885	n.m.
Net Income	1,419	(3,623)	n.m.
<i>Capex Intensity</i>	21.5%	20.9%	

⁴ Net FX position is calculated as FX based financial debt (including FX based lease obligations) plus FX based net trade payables less FX financial debt hedging less FX net trade payables hedging less currency protected time deposits less net investment hedging less FX based cash and cash equivalents.

1st Half Financial Highlights

Consolidated revenues increased to TL 63.2 billion from TL 60.2 billion a year ago with 5% growth. Excluding the IFRIC 12 accounting impact, H1'24 revenue was TL 60.8 billion, up 7.8% YoY including increases of 7.8% in fixed broadband and 20.4% in mobile vs contractions of 16.1% in fixed voice, 7.2% in corporate data, and 13% in international revenues. The gap between consolidated and operational (ex-IFRIC 12) revenue growth in the first half was owing to low IFRIC 12 revenues, down 37% YoY. Although 7.8% increase in ex-IFRIC 12 revenue compares low to our FY'24 guidance range of 11-13%, the first half performance was broadly in line with our expectation. As such, we maintain our target taking into consideration the expected continuation of disinflation in the period ahead as well as the price revisions we introduced both in fixed and mobile in June/July.

Fixed internet and mobile together made 73.8% of operating revenue. The two lines of business made significant contribution to growth with TL 5.9 billion higher revenues in total YoY.

On the cost side, opex to sales ratio dropped to 62.2% compared to 67.5% in the same period of last year, paving the way for a 530 bps improvement in EBITDA margin YoY to 37.8%. First half EBITDA picked-up by 22.2% YoY to TL 23.9 billion. Excluding the IFRIC 12 accounting impact, EBITDA margin was 38.8%. Although EBITDA and EBITDA margin evolution have been stronger than our expectations so far, we maintain our guidance unchanged mainly because of the personnel salary adjustment that we implemented effective from August. The move was driven by recent market practices and our motivation to remain competitive in talent management. Although the decision comes as a deviation from our earlier plans, it is well manageable within our existing budget thanks to the EBITDA outperformance so far. In addition, although network expenses remained subdued so far thanks to lower energy cost in lack of electricity tariff increases as well as to lower maintenance cost, it would be fair to assume some pick-up in this cost item starting from Q3 following an expected electricity tariff hike introduced in July. Nevertheless, we feel rather comfortable with our FY'24 EBITDA margin guidance range of 36-38% as the first half performance hovered around the high end of our target.

Operating profit was TL 3.8 billion in H1'24 comparing favourably to TL 2.3 billion operating loss in H1'23.

Net financial expense dropped 1.3% to TL 12.1 billion thanks to a stabilising financial market in annual comparison and successful management of financial risks in this environment.

Net profit for the period came to TL 2.5 billion after recording TL 2.6 billion of tax expense, comparing favourably to TL 2.3 billion of net loss in the same period of last year.

At TL 12 billion, first half investment spending pointed to 19% capex intensity ratio for the period; well behind our FY'24 guidance range of 27-28%. Typically, our capex spending picks-up in the second half, with particular acceleration in the final quarter of the year. Therefore, our capex intensity guidance also remains unchanged.

Unlevered free cash flow was TL 5.2 billion compared to TL 0.5 billion in H1'23 underlining strong operational performance. Also, earthquake and macro volatility had put some pressure on H1'23 performance.

Table 3: H1'24 Consolidated Summary Financials

TL mn	H1'24	H1'23	YoY Change
Revenue	63,233	60,245	5.0%
Revenue (Exc IFRIC 12)	60,848	56,461	7.8%
EBITDA	23,909	19,565	22.2%
<i>Margin</i>	37.8%	32.5%	
Depreciation & Amortisation	(20,146)	(21,854)	(7.8)%
Operating Profit	3,763	(2,290)	n.m.
<i>Margin</i>	6.0%	(3.8)%	
Financial Income/(Expense)	(12,125)	(12,285)	(1.3)%
Monetary Gain/(Loss)	13,463	11,494	17.1%
Profit Before Tax	5,101	(3,081)	n.m.
Tax Income/(Expense)	(2,552)	801	n.m.
Net Income	2,549	(2,280)	n.m.
<i>Capex Intensity</i>	19.0%	21.5%	

Table 4: H1'24 Performance vs FY'24 Guidance

	H1'24	FY'24 Guidance
Revenue (Exc IFRIC 12)	7.8%	11-13%
EBITDA margin	37.8%	36-38%
Capex Intensity	19.0%	27-28%

2nd Quarter Operational Highlights

We closed Q2'24 with 52.6 million subscribers in total, down 110K from prior quarter-end. Excluding the 213K loss in the fixed voice segment, the subscriber portfolios were broadly stable in a quarter that included two long national holidays.

Fixed broadband base remained flat around 15.2 million with mere 20K net additions in Q2'24. Our retail tariff price revisions in December 2023 and June 2024 versus competitors' late and unmatching actions affected H1'24 activation and churn performances. Seasonality and long holidays in Q2'24 also had an impact we believe, and aim to mitigate the slower than expected net add performance so far with a strong back to school season.

Fibre base expanded to 13.2 million subscribers with 176K of quarterly net additions. The number of FTTC subscribers was 8.6 million, while the number of FTTH/B subscribers increased to 4.7 million. The share of fibre subscribers in our total fixed broadband base increased to 86.8% from 81.9% a year ago.

Fibre cable network length increased to 449K km as of Q2'24 from 441K km as of Q1'24 and 419K km as of Q2'23. Fibre network covered 32.4 million households by the end of Q2'24 compared to 32.2 million as of Q1'24 and 32 million as of Q2'23. FTTC homepass was 20.1 million, while FTTH/B homepass increased to 12.3 million.

Mobile segment added 125K subscribers on net basis closing the quarter with 26.3 million customers in total. Postpaid segment stayed on a rising trend with 438K net additions, beating prior quarter's strong performance of 398K. Accordingly, in excess of 1.9 million, postpaid net adds in the LTM touched a new historic record. Prepaid segment on the other hand maintained a declining trend, albeit with a lower net loss of 313K compared to 414K of Q1'24. As a result, the ratio of postpaid subscribers in total portfolio reached its highest level of 73.6% compared to 72.3% in Q1'24 and 68.2% in Q2'23.

TV Home recorded 17K net loss and maintained its subscriber base around 1.5 million.

Table 5: Number of Subscribers by Line of Business

End of period, Mn	Q2'24	Q2'23	YoY Change
Fixed Voice	8.0	9.0	(10.9)%
Fixed Broadband	15.2	15.0	1.8%
<i>Retail</i>	10.9	10.9	0.1%
<i>Wholesale</i>	4.3	4.1	6.6%
TV	3.1	2.9	6.2%
Mobile	26.3	25.6	2.8%
<i>Postpaid</i>	19.4	17.5	11.0%
<i>Prepaid</i>	6.9	8.1	(14.6)%
Total	52.6	52.4	0.4%

Türk Telekom CEO Ümit Önal's comments on Q2'24 and H1'24 results:

A safely sealed first half signals a stronger period ahead

Statements from large central banks and economic data as well as either complete or upcoming elections have been in close watch of financial markets. Varying macroeconomic data triggered risk-on and risk-off moods several times as markets struggled to calculate the probability of hard landing in developed and emerging economies. At home, the CBRT kept its policy rate at 50% since the last hike in March and maintained year-end inflation forecast at 38%. The year-end inflation expectation was 43.1% in the latest survey though. Nevertheless, the long-awaited disinflation process has started and the CPI dropped to 71.6% in June, 61.8% in July and 52% in August after peaking at 75.4% in May. The pace of decline in the next couple of months will likely be critical in reshaping 2024 and 2025 inflation expectations.

Although recent signs have been encouraging, inflation environment remained challenging in the second quarter. Still we have secured a performance that broadly mimicked our revenue target, but run ahead of our EBITDA margin target for the first half. Operating revenue growth has lagged our full year guidance so far but this is in line with our YTD forecasts which take into account the implications of both the TAS29 accounting and the timing of our price adjustments. Indeed, we expect a significant improvement in revenue growth performance starting from July, the first month annual inflation has depicted a meaningful improvement.

Subscriber acquisition remained in centre focus for mobile operators as the sector entered its high season, which was further stimulated by a rich variety of tariffs and summer activities in lack of any price revisions until late June/early July. Overall, we had a magnificent quarter in mobile by tactically designing our competitive responses and carefully managing churn. Mobile's first half performance is not simply about strong numbers but full of qualitatively assuring features in competency, resilience and customer-engagement, which grant us a flexible structure and a large room for manoeuvre in managing our business and shaping the sector, we believe. Surely, this is a result of long years of investments and know-how accumulation in this area, which we will continue to leverage in further growing our mobile business.

In fixed broadband, we revised our retail prices around mid-June and wholesale prices at the beginning of July as planned. We continued to feel the impact of widening price parities in our retail acquisition and churn dynamics over the second quarter. Although we see more alignment from other ISPs following our wholesale pricing action upon regulator's approval, price parities still seem far from where they were in mid-2023. Nevertheless, we believe seasonality will prove more supportive for the net add performance in coming months.

Data consumption moved with routine seasonal factors but stayed generally strong across the board, confirming robust usage trends in subscriber behaviour. Usage per LTE subscriber grew by 22% in mobile⁵ and contracted slightly in fixed internet⁶ YoY, the latter due to higher mobility YoY in the quarter which included two long national holidays, we think. While mobile

⁵ Average monthly data usage per LTE user

⁶ Average monthly data consumption per user

data usage picked-up by 8% QoQ, it dropped by 7% in fixed internet, both depicting the typical trends of summer months.

We delivered a robust set of financial results in the second quarter lending us a lot of comfort in meeting our annual targets. Performance in certain KPIs do not only stand out for the period but reveal further strength for the coming quarters. A 530 bps improvement in EBITDA margin and 22.2% real growth in EBITDA YoY along with TL 5.2 billion of free cash flow generation in the first half compared to TL 0.5 billion a year ago reveal the fantastic progress in our businesses.

Fixed broadband gently improved but H2 is the period for real performance

Fixed internet subscriber activity was quiet in Q2 due to low seasonality, the impact of which was amplified by two long national holidays. Activations remained short of our expectations both in the retail and wholesale segments. Churn rate declined both annually and quarterly. The YoY decline in the number of churning customers can largely be attributable to last year's earthquakes, and the QoQ decline to seasonality and lack of new price revisions in existing customer tariffs since January.

We revised our retail prices in mid-June and wholesale prices at the beginning of July as planned. We also modified the retail contracts to 3+12 structure for new acquisitions from 9+9, which was introduced in December 2023. We observed other ISPs updating their prices in July and August but typically large price gaps that emerged since mid-2023 have persisted. Nevertheless, the sector has more or less completed its price revisions ahead of the back to school period. We aim to take advantage of the high season and make up for the lower than expected net add performance in the first half.

Re-contracting and upsell performances were in line with our expectations with re-contracting higher both YoY and QoQ thanks to powerful churn management. We added 20K subscribers on net basis with wholesale once again outperforming retail and closed the period with 15.2 million subscribers in total.

50 Mbps+ packages made more than 60%⁷ of new sales in the second quarter compared to 54% in Q1'24 and 35Mbps+ packages made 66% of re-contracting compared to 64% in Q1'24, both confirming the strong trend in demand for high speed packages. Average package speed of our subscriber base⁸ increased by 43% YoY to 55 Mbps as of Q2'24. 59% of our subscribers⁹ are now on 35 Mbps+ packages compared to 55% a quarter ago and 44% a year ago. A similar comparison shows that 41% of our subscribers now use 50 Mbps+ packages compared to 28% a year ago.

ARPU growth moved up to 5.7% in Q2'24 from 4.7% in the prior quarter in an anticipated trend. We expect to see a visible leap up in Q3'24 fixed internet ARPU growth following June/July price revisions. It is important to note that the new prices become effective for new and re-

⁷ For retail segment

⁸ Total retail base including DSL and fibre subscribers

⁹ Total retail base including DSL and fibre subscribers

contracted customers in retail segment but they become effective immediately for the wholesale base. Revenue growth moved up to 8.2% in Q2'24 with a 2.3% expansion in average subscriber base annually.

Mobile is only getting stronger

Mobile continued its relentless ride with another set of very strong numbers. Q2'24 has been the third quarter in a row we observed a fierce race for subscriber acquisition, this time fuelled by the high season. Similar to Q1'24 we pursued a balancing act between ARPU and subscriber growth in an environment of all-quarter-round promotional activity.

After we initiated 2024 price revisions in January it took mobile sector to complete the first round of pricing till mid-February. And it was not before end-June/early-July the second round of pricing has kicked-in. This time, all operators completed their tariff revisions in a short period of time though. Additionally, the widely distorted price parities have more or less converged back to levels that prevailed by the end of 2023.

Postpaidisation continued to be the trend with both customers' preference and operators' focus heavier for postpaid tariffs. Although most of the campaigns were short-lived and tactical, one followed the other with regional, thematic and seasonal alternatives throughout the quarter. Though attracting less interest, varying prepaid tariffs also hit the market to further enrich offerings in mobile's high season. In this environment, we successfully managed churn with a flat performance YoY and only a seasonal pick-up QoQ, but more importantly without diluting the ARPU.

The MNP market slightly contracted YoY from a relatively high base but stayed near-flat QoQ. Following a one-quarter pause, we reclaimed our leadership in the MNP market as the price parities have resettled on more meaningful levels.

In this backdrop we gained 125K net subscribers in Q2'24, broadly meeting our expectation with similar postpaid and prepaid dynamics observed in prior quarters. The postpaid base secured 438K net additions, beating prior quarter's strong performance of 398K. This was thanks to a visibly stronger than expected activation performance. Accordingly, in excess of 1.9 million, postpaid net adds in the LTM touched a new historic record. Though staying on a declining trend, prepaid base lost 313K subscribers on net basis, lower than prior quarter's 414K but still a tad higher than we expected. As a result, the ratio of postpaid subscribers in total portfolio touched its highest level of 73.6% compared to 72.3% in Q1'24 and 68.2% in Q2'23. Average monthly data usage per LTE user increased by 21.5% to 17.4 GB in Q2'24 from 14.3 GB in Q2'23 thanks to continued robust demand for data.

Mobile blended ARPU secured a hefty 14.8% growth with respective 8.7% and 14.2% increases in the prepaid and postpaid segments. That, combined with a 2.4% average subscriber growth paved the way to 20% mobile revenue growth YoY.

Financial Review

(TL mn)	H1'23	H1'24	YoY Change	Q2'23	Q2'24	YoY Change
Revenue	60,245	63,233	5.0%	31,574	32,977	4.4%
Revenue (Exc. IFRIC 12)	56,461	60,848	7.8%	29,309	31,378	7.1%
EBITDA	19,565	23,909	22.2%	10,519	12,795	21.6%
<i>Margin</i>	32.5%	37.8%		33.3%	38.8%	
Depreciation and Amortisation	(21,854)	(20,146)	(7.8)%	(10,920)	(10,194)	(6.6)%
Operating Profit	(2,290)	3,763	n.m.	(401)	2,601	n.m.
<i>Margin</i>	(3.8)%	6.0%		(1.3)%	7.9%	
Financial Income / (Expense)	(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 Income / (Expense)	(3,364)	(2,923)	(13.1)%	(1,699)	(1,684)	(0.9)%
Other Financial Income / (Expense)	(575)	(1,339)	132.8%	(82)	(735)	794.1%
Monetary Gain / (Loss)	11,494	13,463	17.1%	3,908	5,139	31.5%
Tax Income / (Expense)	801	(2,552)	n.m.	1,885	(319)	n.m.
Net Income	(2,280)	2,549	n.m.	(3,623)	1,419	n.m.
<i>Margin</i>	(3.8)%	4.0%		(11.5)%	4.3%	
CAPEX	12,927	12,026	(7.0)%	6,601	7,090	7.4%

Subscriber Data

(mn, EoP)	Q2'23	Q2'24	YoY Change
Total Access Lines ¹⁰	17.3	17.4	0.6%
Fixed Voice Subscribers	9.0	8.0	(10.9)%
Naked Broadband Subscribers	8.3	9.4	13.0%
Total Broadband Subscribers	15.0	15.2	1.8%
Total Fibre Subscribers	12.2	13.2	7.9%
FTTH/B	3.8	4.7	21.5%
FTTC	8.4	8.6	1.7%
Total TV Subscribers ¹¹	2.9	3.1	6.2%
Tivibu Home (IPTV + DTH) Subscribers	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)%

¹⁰ PSTN and WLR Subscribers

¹¹ Tivibu Home (IPTV, DTH) and Tivibu GO 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%
Home TV 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%

Disclaimer

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

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

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

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

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

Notes:

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

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

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

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

About Türk Telekom Group

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

“Türkiye’s Multiplay Provider” Türk Telekom has 17.4 million fixed access lines, 15.2 million fixed broadband, 26.3 million mobile and 3.1 million TV subscribers as of June 30, 2024. Türk Telekom Group Companies provide services in all 81 cities of Türkiye with 35,750 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.