

Türk Telekom
Değerli Hissettirir



A NEW FUTURE

ANNUAL REPORT 2022



Contents

TÜRK TELEKOM IN BRIEF

04 Türk Telekom in Numbers

06 Türk Telekom at a Glance

08 Capital and Shareholder Structure

09 Subsidiaries, Affiliates and Financial Investments

10 Group Companies

12 Vision and Values

14 Awards

16 History

18 Key Performance Indicators

26 2022 Highlights

MANAGEMENT

34 Chairman Message

36 Assessment of the Board of Directors

42 Board of Directors

46 CEO Message

52 Türk Telekom Senior Management

58 Türk Telekom Group Companies General Managers

61 Organisational Structure

2022 ACTIVITIES

64 Marketing Activities

78 Consumer and Corporate Sales

83 Wholesale Operations

86 Customer Care

90 Investments, Infrastructure, Research and Innovation

97 Human Resources

104 Investor Relations

110 Sustainability and Corporate Social Responsibility

TÜRK TELEKOM GROUP COMPANIES

126 Argela

130 Innova

134 AssisTT

136 Türk Telekom International

139 SEBIT

142 TT Ventures

144 TT Ödeme Hizmetleri

145 TT Finansman

CORPORATE GOVERNANCE

148 Important Developments After the Accounting Period

149 Dividend Distribution Proposal

149 Conclusion of Affiliation Report

150 Corporate Governance Compliance Report

168 Corporate Governance Information Form

174 Sustainability Principles Compliance Report

182 Statement of Independence

FINANCIAL INFORMATION

185 Statement of Responsibility

187 Independent Auditor's Report on the Annual Report of the Board of Directors

189 Consolidated Financial Statements and Independent Auditor's Report

298 Glossary



52.8 million
Subscribers



TL **13.9** billion
CAPEX



TL **19.1** billion
EBITDA



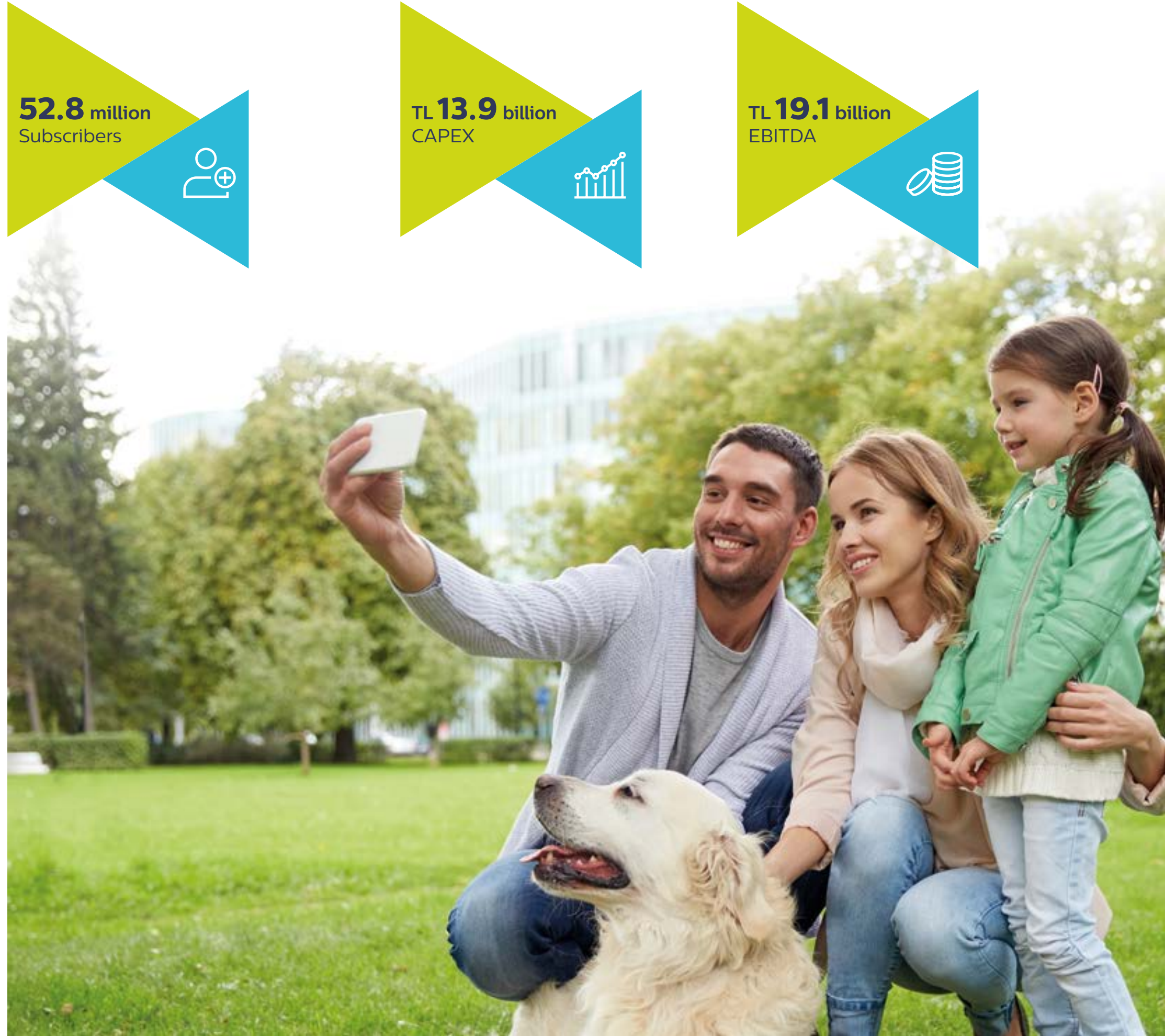
Valuing and being valued...

Life is rapidly digitalising and transforming in Türkiye as it does in the world. As Türk Telekom, we have been at the forefront of this transformation for years.

We have undertaken key tasks during the challenging pandemic and normalisation periods. We have found out that our brand is an indispensable part of daily life, especially at these times.

We will continue to add value to life with our strategy pursuing rapid, healthy and sustainable growth, our diversified products and services, our infrastructure that we have strengthened with sizeable investments, and most importantly, with the trust of our country.

We create value for all our stakeholders by investing in Türkiye's digital future.



Türk Telekom in Numbers

LEADING OPERATOR IN TÜRKİYE INTEGRATED TELECOM SERVICES

Türk Telekom provides high quality service to its customers with its fibre network extending to 403 thousand kilometres in 81 provinces.



▶ **52.8**
million
Subscribers



▶ **403**
thousand km
Fibre Network in
81 Provinces



▶ **39,433**
Employees



▶ **4.1**
billion TL
Net Income



▶ **99%**
LTE
Population
Coverage




▶ **31.4**
million
Fibre
Homepass



▶ **48.0**
billion TL
Revenue



▶ **2nd**
Player
In Pay
TV Market



▶ **50%**
Fibre
Connected
LTE Base Stations

Türk Telekom at a Glance

TÜRKİYE'S LEADING TELECOM OPERATOR

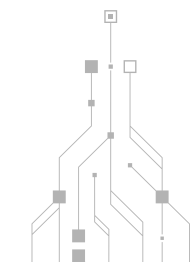
With its customer-oriented and integrated structure, Türk Telekom responds to the rapidly changing communication and technology needs of its customers in the most effective and appropriate way.

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.

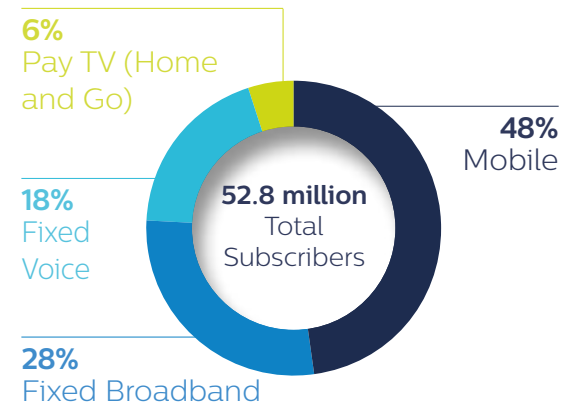
“Türkiye’s Multiplay Provider” Türk Telekom has 17.3 million fixed access lines, 14.8 million broadband, 2.9 million TV and 25.5 million mobile subscribers as of December 31, 2022. Türk Telekom Group Companies provide services in all 81 cities of Türkiye with 39,433 employees with the vision of introducing 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,

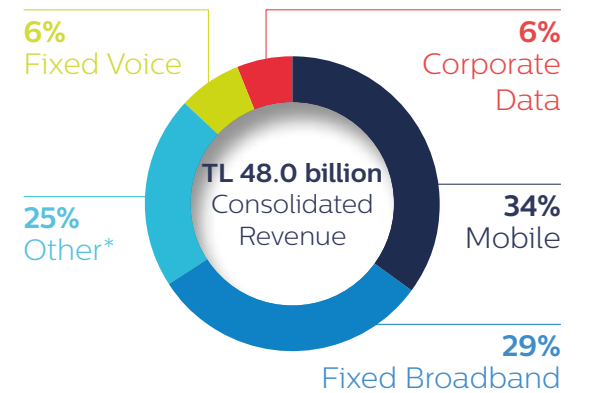
satellite TV, Web TV, Mobile TV, Smart TV services provider TTNET A.Ş., convergence technologies company Argela Yazılım ve Bilişim Teknolojileri A.Ş., IT solution provider Innova Bilişim Çözümleri A.Ş., online education software company SEBIT Eğitim ve Bilgi Teknolojileri A.Ş., call centre company AssisTT 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.



Strongest Position in Multiplay Offers



Balanced Revenue Portfolio



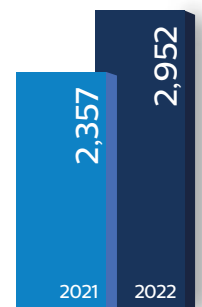
*Other: TV, international sales, interconnection, IFRIC 12 standard, eliminations and other revenue

FOCUSING ON HIGH GROWTH

Fixed Broadband (TL Million)



Corporate Data (TL Million)



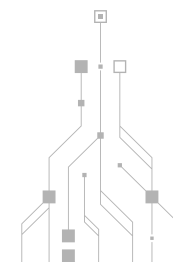
"Türkiye's Multi-Play Provider"

Türk Telekom provides services to 17.3 million fixed access lines, 14.8 million fixed broadband, 2.9 million TV and 25.5 million mobile subscribers as of 2022.

Mobile (TL Million)



Fixed Voice (TL Million)



Capital and Shareholder Structure

STRENGTH DERIVED FROM SOLID SHAREHOLDER STRUCTURE

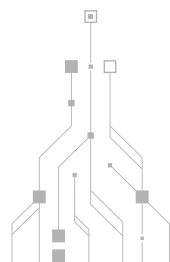
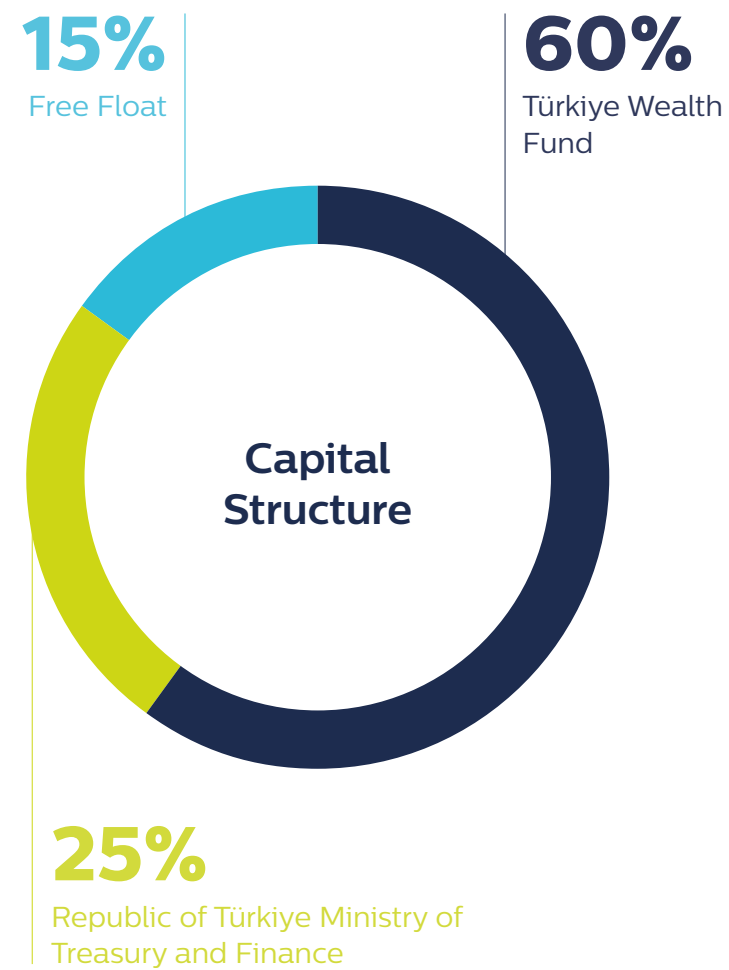
Türk Telekom is one of the leading companies in Türkiye with its strong capital and shareholder structure.

The transfer process of LYY Telekomünikasyon A.Ş.'s (LYY) 55% stake in Türk Telekomünikasyon A.Ş. (Türk Telekom) to the Türkiye Wealth Fund (TWF) was completed on 31 March 2022. Thus, TWF became the largest shareholder of Türk Telekom with 61.68% shareholding (1.68% of which is publicly traded). The Republic of Türkiye Ministry of Treasury and Finance's 25% shareholding and 15% free float are maintained. Türk Telekom is among Türkiye's leading companies with its strong capital structure.

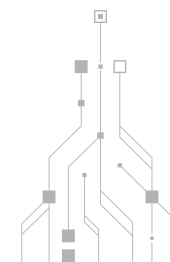
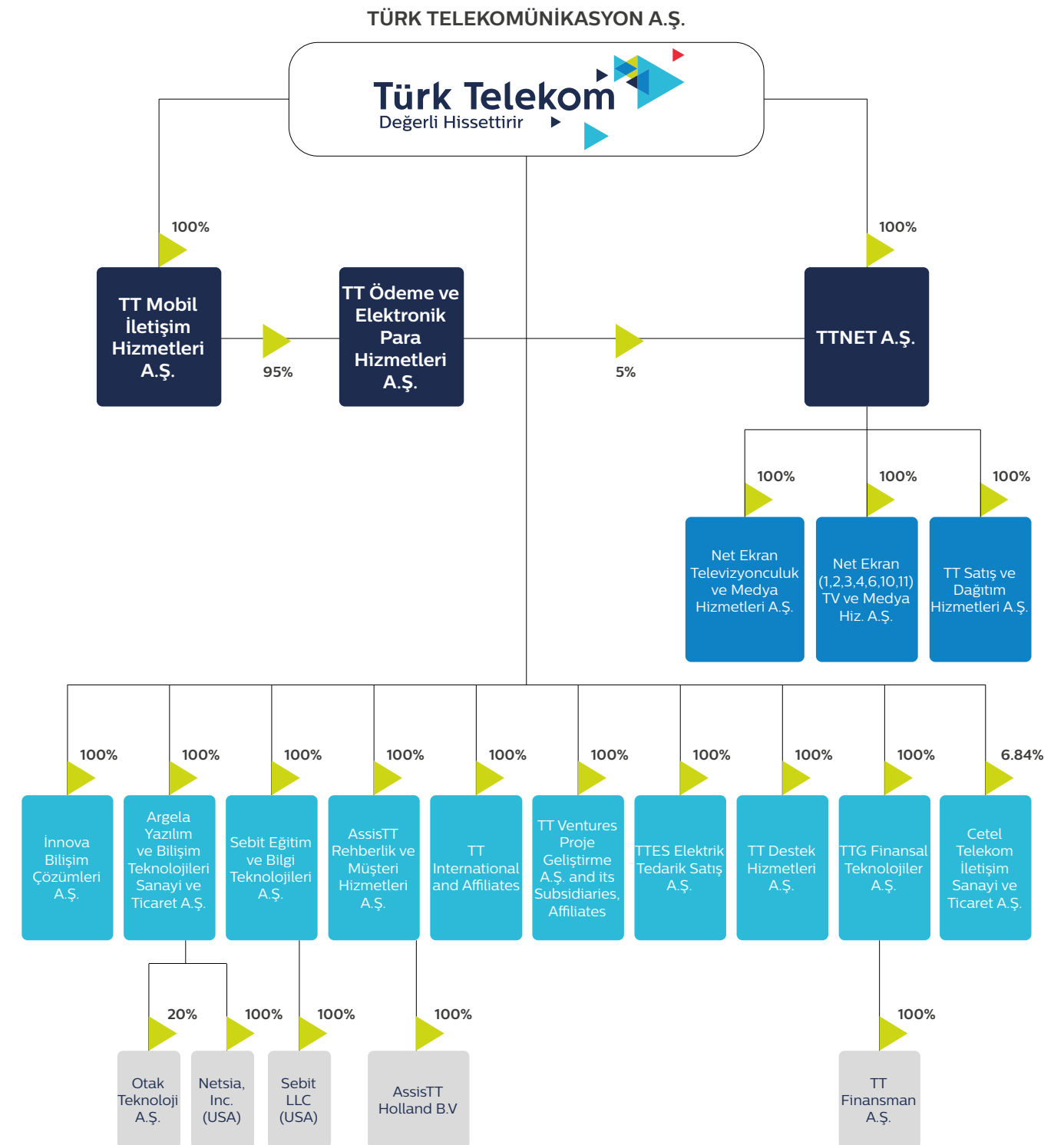
- TWF's (Group A) and (Group B) non-public share ownership is 55% and 5% respectively, in which (Group D) public share ownership is 1.68%.
- The Republic of Türkiye Ministry of Treasury and Finance's (Group B) non-public share ownership is 25%. In addition, the Turkish Treasury owns a (Group C) "Golden Share" with nominal price of TL 0.01.
- Public shares (Group D) constitute 15% of total capital.

Note:

- 1) There is no natural or legal persons whose shareholding exceeds 5% except those shown in the shareholder structure.
- 2) Türkiye Wealth Fund has 1.68% public share ownership.



Subsidiaries, Affiliates and Financial Investments



Group Companies

RISING SYNERGY
WITH GROUP COMPANIES

Türk Telekom aims to achieve its sustainable growth target with the strength of its group companies.



ARGELA

The 5G and Beyond Next Generation Telecommunication Technologies R&D Company and Solution Provider

- Netsia BB Suite: Next generation broadband access technology for fixed networks
- vRAN (RIC): SDN-Based Radio Access Network technology for LTE and 5G with numerous international patents
- NCA Suite: Network Performance Monitoring and Customer Experience Management (NPM/CEM) solutions used by telecom operators in Türkiye and in the world
- ULAK: Türkiye's first and only 4.5G (LTE-A) base station development project
- DEFINE: Türkiye's first domestic DPI device development project under the roof of OTAK Technology
- Productisation and Commercialisation in R&D activities
- 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 and System Integrator

- System Integration Solutions
- Fintech Products and Solutions
- IoT Platform and Solutions
- Artificial Intelligence and Big Data Solutions
- RPA (Robotic Process Automation) and RaaS (RPA as a Service)
- Network Management and Monitoring Solutions
- E-business Solutions
- Healthcare Solutions
- Smart City and Smart Store Solutions
- SAP, Business Intelligence, CRM, Project Management Services
- Managed Services and Consultancy Services



assist

Customer Experience Company Offering End to End Multichannel Solutions

- With its competent human resources, 15 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
- Communication centre solutions
- Digital services and technology solutions
- Customer experience and quality solutions
- Outsource management



Türk Telekom International

International Arm of the Group That Opens Up to the World in Wholesale Data, Voice, SMS and Mobile Roaming Services

- 48 thousand kilometres fibre network covering Central and Eastern Europe, Türkiye and the Middle East
- More than 110 points of presence (PoP) in 25 countries
- Billions of minutes of transit voice traffic annually, more than 800 mobile roaming agreements and over 350 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





SEBIT

Türkiye's Leading and Long-Established Education Technologies Provider

- E-education products for secondary and high school level
- Leading education products: Raunt, SEBIT VCloud and Vitamin Books
- Content and platform provider in e-education transformation projects in Türkiye and Northern Cyprus



Türk Telekom Ventures

The Corporate Venture Capital Company

- Focus on investments which contribute to the growth of early-stage start-ups and scalable-target ventures in the areas of artificial intelligence, digital solutions, healthcare, and education
- Healthcare: Virasoft, DoctorTurkey and Kidolog
- Education: MentalUP
- Energy: Eltemtek
- Social Media: APPYAP
- Digital Marketing: Earnado
- Artificial Intelligence: Syntonym, B2Metric, Optiyol, QuantWiFi, MythAI, Arcanor, Cameralyze



Türk Telekom Finansal

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 and electronic money services
- Strong position in mobile payments with its ever-expanding 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 Finansal

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



Vision and Values

OUR PRIORITY IS TO MAKE YOU FEEL VALUABLE

Working for the future of the country with the strength it derives from its deep-rooted history of more than 180 years, Türk Telekom's priority is to go beyond being a mere technology company and to make everyone it touches "Feel Valuable" in every area it has a presence in.

Türk Telekom is working for the future of our country with the strength it derives from its deep-rooted history of more than 180 years. As the telecom operator leading the country's digital transformation, it is Türk Telekom's primary task to carry Türkiye into the future. Its priority is to go beyond being a mere technology company and making everyone it touches "Feel Valuable" in every area it has a presence in. Türk Telekom aims to realise this vision with 17 values that it accepts as its compass.

Türk Telekom;

1. is human-oriented

With this understanding, it works day and night with the principle of providing the best service to all corners of the country.

2. is brave

It knows no obstacles in running forward and adopts the principle of doing what would be considered impossible.

3. is honest

It stands behind every word, attitude, and behaviour of itself.

4. is sincere

It displays a loving and sincere approach in all of its relationships.

5. is lean

It adopts clarity in business and relationship processes.

6. is a leader

It proudly carries the pioneering qualities of being the driving force of its industry and acts accordingly.

7. is innovative

As a follower and practitioner of innovation brought about by technology, it works with the mission of carrying Türkiye into the future.

8. is agile

Its capability to be flexible and take quick action lies behind its success in all business processes.

9. is young-spirited

It keeps up with the times and today's conditions.

10. is excited

It is excited about the achievements and firsts that mark Türkiye's technology history.

11. works for social good in technology

It acts on the principle of "Accessible Communication for All".

12. understands social responsibility

It takes upon the problems of the country's people with its sensitivity to give back to the society what it takes from it.

13. is at peace with its past

It represents an institutional memory and spirituality that bear witness to Türkiye's history.

14. is domestic and national

In line with Türkiye's goals, it has the consciousness and sense for developing the most advanced technologies with domestic and national resources.

15. cares about its values

It always considers the priorities and sensitivities of the society in which it exists.

16. is productive

It makes a difference with what it produces by working and supporting.

17. is sharing

It is willing to share the values it owns and creates with the whole society.

Türk Telekom adopts these values as its principles in every effort it sets out and every word it tells, both in its approach to handling the internal businesses and outside the organisation, and in communication and relationship management processes. With the power it drives from all these 17 values:

"TÜRK TELEKOM MAKES YOU FEEL VALUABLE."

Awards

ACHIEVEMENTS CROWNED WITH AWARDS

Türk Telekom and its Group Companies crowned the projects and studies they conducted in 2022 with awards.

Türk Telekom Investor Relations

At the 2022 Europe & EMEA Equity Awards, Türk Telekom won the "Best Company in Investor Relations" award in the sectoral category in the EMEA Region and the "Grand Prix in Emerging EMEA" award among all sectors.

AssisTT Human Resources Practices

The company won 1 gold and 3 bronze medals in 4 different categories with its practices in the field of human resources at the Brandon Hall awards.

Türk Telekom Annual Report

Türk Telekom 2021 Annual Report was deemed worthy of 14 awards in total in the "Telecommunication" and "Company Groups, Holdings" categories at the LACP Vision Awards.

İnnova Bilişim 500

The Company won the first prize in the ERP Software, Business Applications, Network Hardware and Consulting sub-categories of the System Integrator and Business Partner main category.

Türk Telekom Human Resources

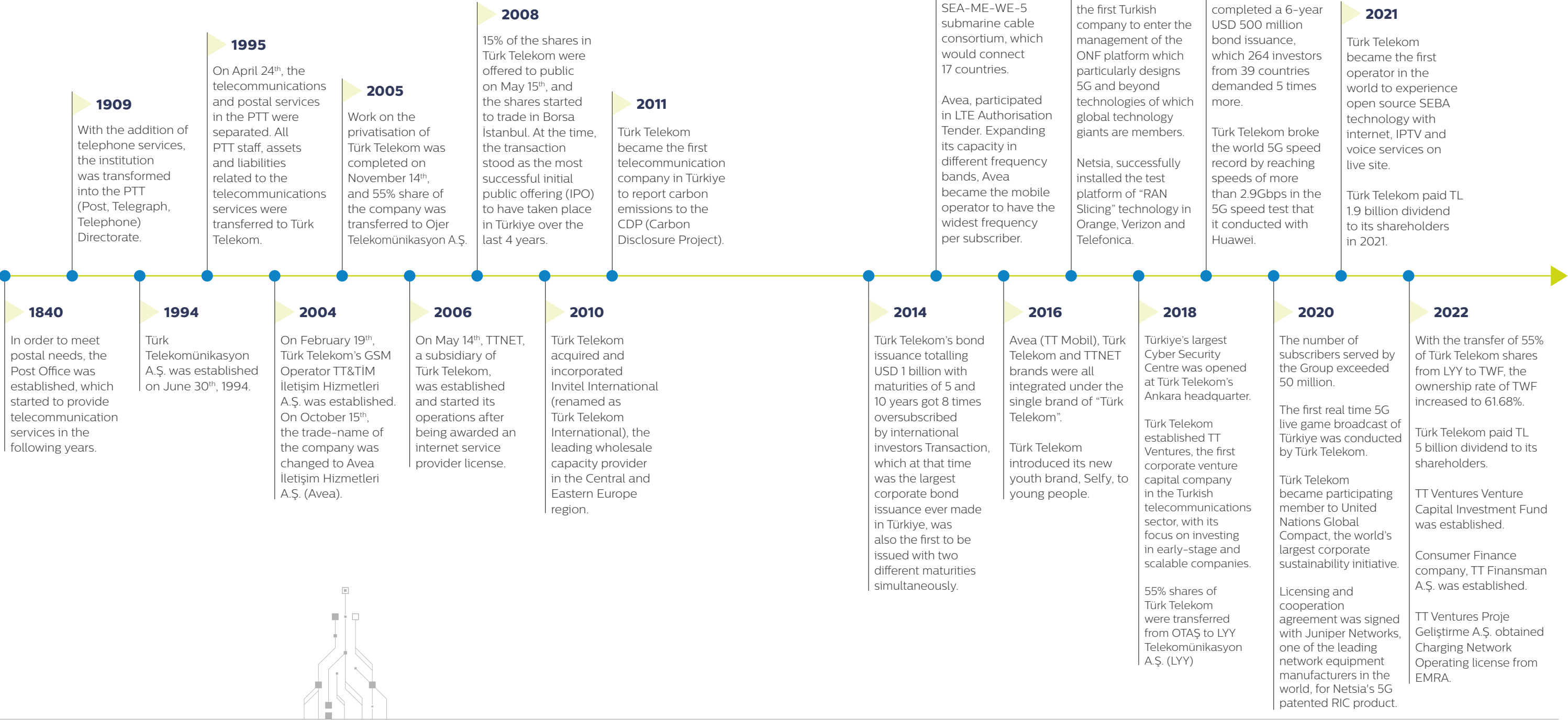
With its tailor-made working model, Türk Telekom won the bronze award in the "Best Human Resources Management Approach in 2022 - Future of Work" category at the Brandon Hall Group Excellence Awards, one of the most prestigious awards in the world.

İnnova Lead Future

The Lead Future project won the gold award in the Brandon Hall Excellence Awards - Best Programme in Improving Individual Development Planning category.

History

A DEEP-ROOTED PAST OF
MORE THAN 180 YEARS



Key Performance Indicators

FINANCIAL PERFORMANCE

IMPROVED EVERY QUARTER IN 2022

Thanks to its proactive and adaptive measures, Türk Telekom managed to put forward a financial performance that improved every quarter in 2022, a year which posed multiple challenges at the same time.

Türk Telekom Group delivered an accelerated growth performance every quarter in 2022. Consolidated revenues increased to TL 48.0 billion up by 40.2% YoY. Consolidated EBITDA was TL 19.1 billion with an EBITDA margin of 39.9%. Net income was TL 4.1 billion.

FINANCIAL INDICATORS

Revenue, EBITDA and Net Income

Consolidated revenues increased to TL 48.0 billion up by 40.2% YoY. Excluding the IFRIC 12¹ accounting impact, revenue growth was 40.1% YoY, ahead of the 2022 guidance of 37%.

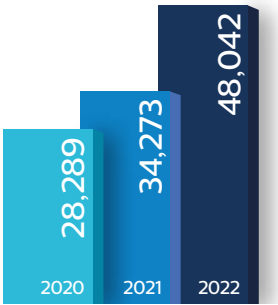
Consolidated EBITDA grew by 16.6% YoY to TL 19.1 billion, slightly ahead of the guidance of TL 19.0 billion. EBITDA margin was 39.9%. Excluding the IFRIC 12 impact, EBITDA margin declined by 870 bps YoY to 42.2%.

Operating profit increased by 8.2% YoY and reached to TL 11.0 billion.

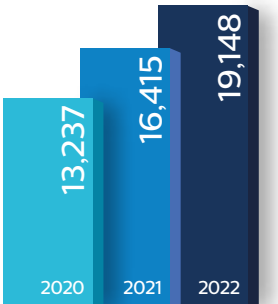
Net income was TL 4.1 billion, with a relatively contained contraction of 28.2% annually despite an average 36.2% increase in USDTRY and EURTRY rates and higher interest rates in YoY terms. The impact of the changes in FX and interest rates on the bottom-line was partly offset by the deferred tax gain recorded throughout the year.

¹ IFRIC 12 is a non-operational revenue line booked in conjunction with upgrades to fixed line infrastructure.

Revenue (TL Million)



EBITDA (TL Million)



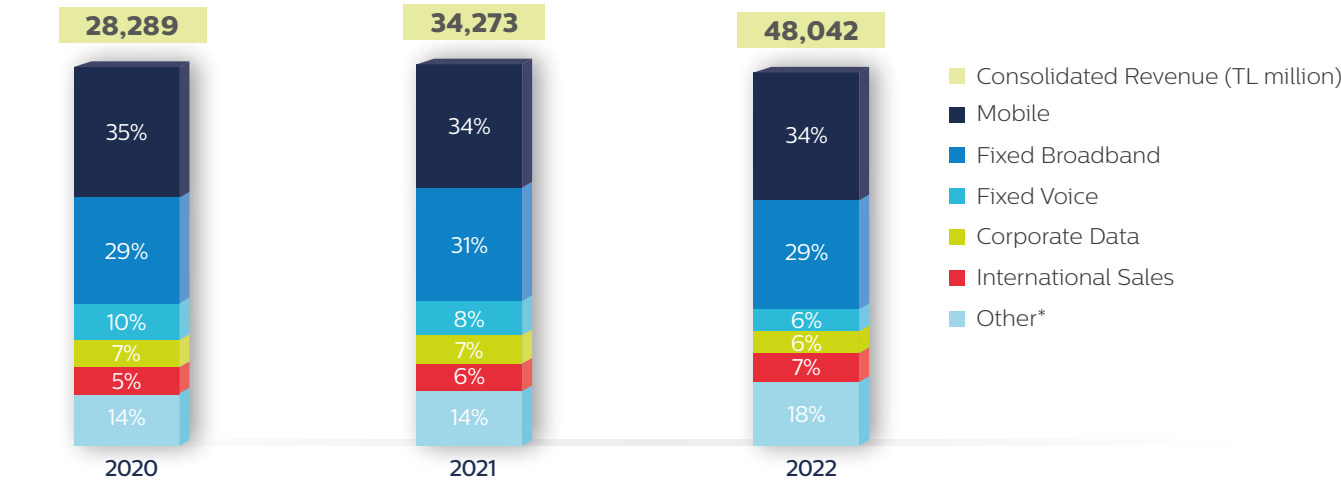
Net Income (TL Million)



Breakdown of Consolidated Revenues

The share of mobile and fixed broadband business lines in consolidated revenues was 63.7% in 2022, in lead of subscriber number and ARPU (Average Revenue Per User) growth in both businesses.

The share of fixed voice and corporate data revenues decreased from 8.0% and 6.9% in 2021 to 6.4% and 6.1% in 2022 respectively, while the share of international sales increased from 5.8% in 2021 to 6.6% in 2022.



* Other: TV, interconnection, IFRIC 12 standard, eliminations and other revenue

Revenues

In 2022, consolidated revenues increased by 40.2% YoY to TL 48.0 billion. Excluding IFRIC 12, operating revenue growth was 40.1% YoY with respective increases of 32.3% in fixed broadband, 42.8% in mobile, 59.0% in international, 25.3% in corporate data and 103.9% in other revenues.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

Consolidated EBITDA increased by 16.6% YoY to TL 19.1 billion in 2022. High base, cost inflation and composition of revenue growth were the main reasons driving EBITDA margin to 39.9%.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 30.6% YoY to TL 8.1 billion in 2022.

Operating Profit

Operating profit grew by 8.2% YoY and reached to TL 11.0 billion in 2022. Operating profit margin declined to 23.0% in 2022 from 29.8% in 2021.

Net Financial Income/Expense

Full year net financial expense climbed to TL 9.2 billion from TL 4.6 billion last year driven mostly by the significant fluctuation in financial markets, 36.2% average increase in USDTRY and EURTRY rates annually and higher interest rates.

According to the sensitivity of P&L statement to FX movements, 10% depreciation of TL has negative TL 832 million impact on P&L as of the end of 2022 assuming all else constant.

Tax Income/Expense

The Group recorded TL 2.3 billion of tax income in 2022 compared to a mere TL 141 million of income in the prior year. The surge in tax income stemming from the revaluation of fixed assets and investment incentives, was largely driven by continued high inflation throughout 2022.

Net Income/Loss

2022 net income was TL 4.1 billion compared to TL 5.8 billion a year ago. A higher net financial loss YoY was partly offset by the tax income recorded in the year.

Key Performance Indicators

Summary Income Statement (TL Million)	2020	2021	2022	2021-2022 Change (%)
Revenues	28,289	34,273	48,042	40.2
Net Operating Expenses Excluding Depreciation and Amortisation	(15,052)	(17,858)	(28,895)	61.8
Earnings Before Interest Tax Depreciation and Amortisation (EBITDA)	13,237	16,415	19,148	16.6
Depreciation and Amortisation	(5,375)	(6,202)	(8,101)	30.6
Operating Profit	7,862	10,213	11,046	8.2
Net Financial Income/(Expense)	(4,060)	(4,592)	(9,210)	100.6
Tax	(624)	141	2,298	1,534.6
Net Income/(Loss)	3,178	5,761	4,135	(28.2)

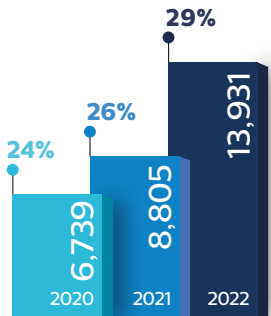
Summary Balance Sheet (TL Million)	2020	2021	2022
Cash and Cash Equivalents	5,008	7,697	5,125
Tangible Assets ^(a)	16,083	18,989	29,964
Intangible Assets	12,137	14,332	17,774
Rights of Use Assets	1,546	1,579	1,801
Other Assets ^(b)	9,948	15,741	26,069
Total Assets	44,723	58,338	80,732
Share Capital	3,260	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	8,777	10,990	16,710
Interest Bearing Liabilities ^(c)	21,235	29,803	41,920
Other Liabilities ^(d)	11,451	14,284	18,841
Total Equity and Liabilities	44,723	58,338	80,732

(a) Tangible assets include property, 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, payables due to related parties, other current liabilities and provisions for employee termination benefits.

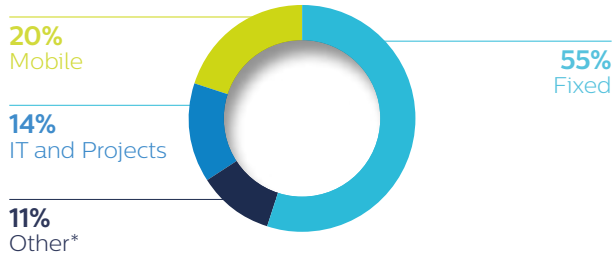
Capital Expenditures (Capex)

Capex reached to TL 13.9 billion in 2022, within the guidance of TL 14.0 billion, compared to TL 8.8 billion in 2021. Fixed and mobile investments made respective 55% and 20% of total expenditures. Capex/Sales ratio increased from 25.7% in 2021 to 29.0% in 2022.

Capex (TL million) and Capex Intensity Ratio



2022 Capex Breakdown



* Other Capex includes IT related capex, Capex for subsidiaries, Capex for new revenue streams, IFRS 15 capitalisation and other expenditures.

BALANCE SHEET AND CASH FLOW

Total Assets

In 2022, total assets rose by 38.4% YoY and reached to TL 80.7 billion. Source of this growth are the increases in; tangible assets stemming from the investments during the year, intangible assets, trade receivables due to growing sales volume, deferred tax assets and currency protected time deposits.

Total Equity and Liabilities

In 2021, total equities and liabilities increased by 38.4% annually and reached to TL 80.7 billion in 2022 together with interest bearing liabilities, revaluation of tangible assets, previous year's profit and loss and trade payables.

At the same time, liabilities from bank loans and issued debt instruments increased by 42.4%, driven by an average increase of 36.2% in USDTRY and EURTRY rates and higher interest rates in 2022.

2022 unlevered free cash flow² was TL 5.1 billion compared to TL 8.3 billion in 2021.

Last year's 1.11x Net Debt/EBITDA ratio was well-contained although it increased to 1.47x due to extreme volatility in FX and interest rates.

Including the FX based cash of USD 148 million, the net FX exposure³ was USD 375 mn long position as of 2022 (USD 242 million long position as of 2021). Excluding the ineffective portion of the hedge portfolio, mainly the existing PCCS contracts, the FX exposure was USD 458 million short position.

² Unlevered free cash flow defined as net cash provided by operating and investing activities from operations.
³ Net FX position is calculated as FX based financial debt (including FX based lease liabilities) 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.

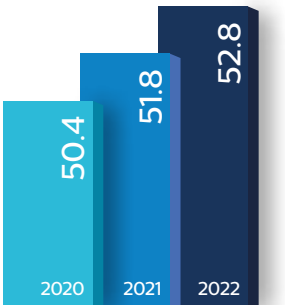
Ratios	2020	2021	2022
Net Debt/EBITDA*	1.15	1.11	1.47
Net Debt/Total Assets*	0.34	0.31	0.35
Debt (Total Liabilities)/Total Equity	2.72	3.09	3.04
Debt (Financial)/Total Equity	1.76	2.09	2.10
Current Ratio	0.93	1.15	0.99

* Net debt calculation used in ratios include MTM from FX to TRY Currency Swaps. Net Debt/EBITDA calculation excludes extraordinary claims on EBITDA calculation.

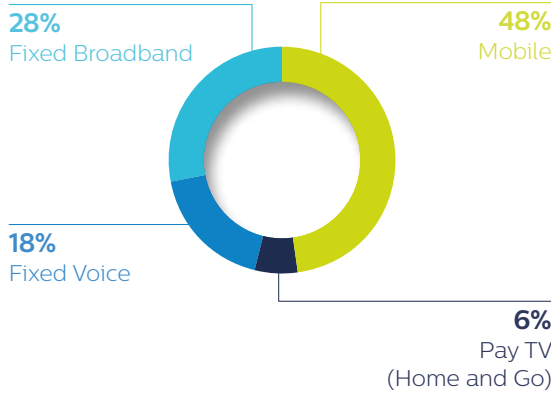
Operational Indicators

The number of Türk Telekom subscribers reached 52.8 million in 2022 with a total net subscriber addition of 1.0 million, including 0.5 million in fixed internet and 1.5 million in mobile.

Türk Telekom Total Subscribers (Million)



Subscribers Breakdown



Key Performance Indicators

Fixed Broadband Operational Data

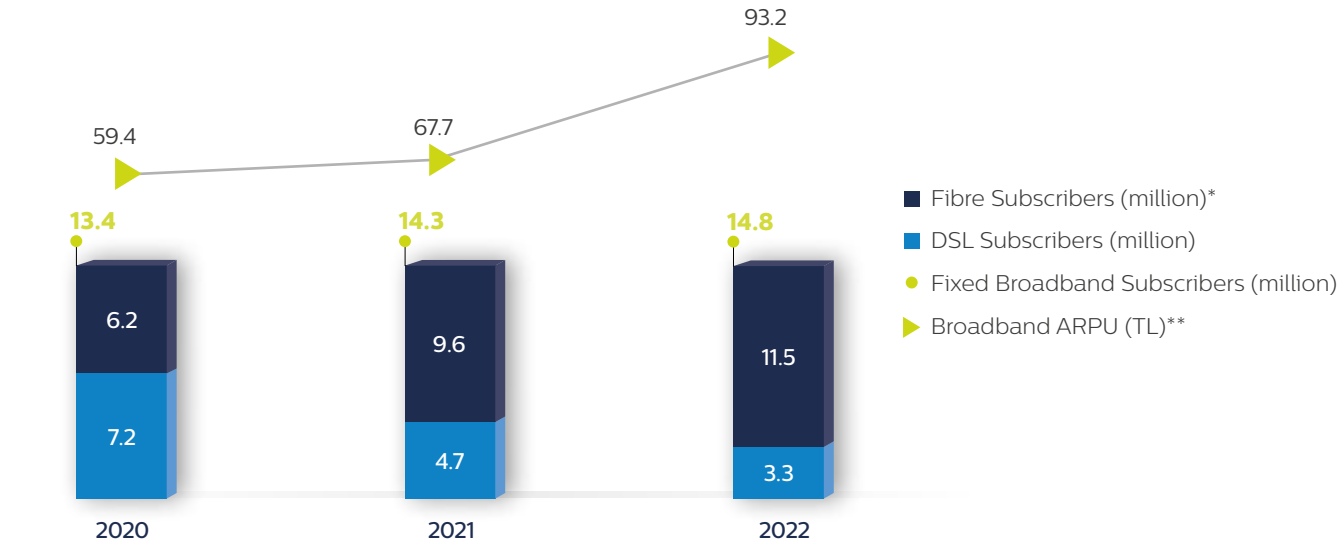
Fixed broadband subscriber base increased to 14.8 million with 517 thousand net subscriber additions in 2022. Fixed broadband ARPU growth continued its upward trend for the fourth consecutive quarter, reaching 37.6% YoY in the fourth quarter.

Fibre subscribers rose to 11.5 million in 2022 with 1.9 million net additions. On the retail side, average monthly data usage per user increased by over 9% YoY in 2022 to a level significantly higher than past averages.

The number of Fibre to the Cabinet (FTTC) subscribers reached 8.0 million, while the number of Fibre to the Home/Building (FTTH/B) subscribers increased to 3.5 million. The share of fibre subscribers in fixed broadband base increased from 66.9% to 77.7% compared to the previous year.

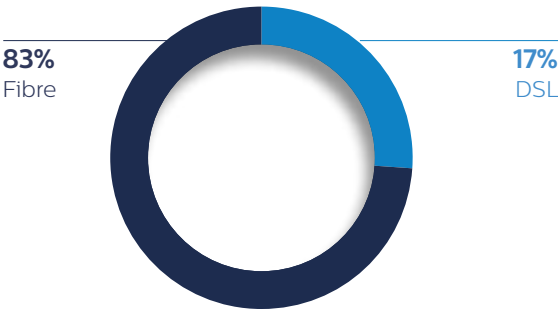
Fibre cable network length increased to 403 thousand km as of 2022 from 366 thousand km as of 2021. Fibre network covered 31.4 million households by the end of 2022 compared to 30.2 million as of 2021, reflecting the ongoing focus on fibre rollouts. FTTC homepass was 21.0 million while FTTH/B homepass increased to 10.4 million.

Total Fixed Broadband Operational Data



* Fibre subscribers include FTTH/B & FTTC subscribers.
** Q4 ARPU figures

Retail Fixed Broadband Subscriber Breakdown

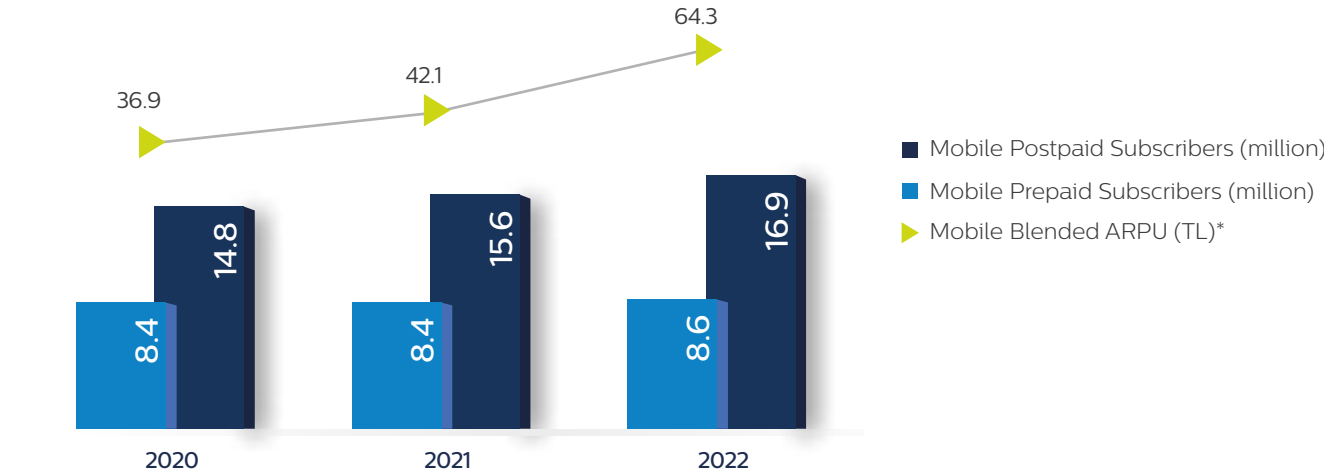


Mobile Operational Data

Mobile subscriber base expanded to 25.5 million by adding 1.5 million subscribers in 2022 on net basis. Postpaid segment grew strongly by 1.3 million while prepaid segment added net 138 thousand subscribers. The mobile subscriber base grew by 6.1% YoY in 2022, with an increase of 8.5% in the postpaid segment and 1.6% in the prepaid segment.

While postpaid made 66.4% of total mobile subscribers, Prime base increased from 4.9 million in 2021 to 5.5 million in 2022. Prime has been a major contributor to ARPU over 2022. 46.2% and 70.8% annual growth respectively in postpaid and prepaid ARPU combined into a 52.7% rise in blended ARPU in the fourth quarter, up from 40.1% in the third quarter.

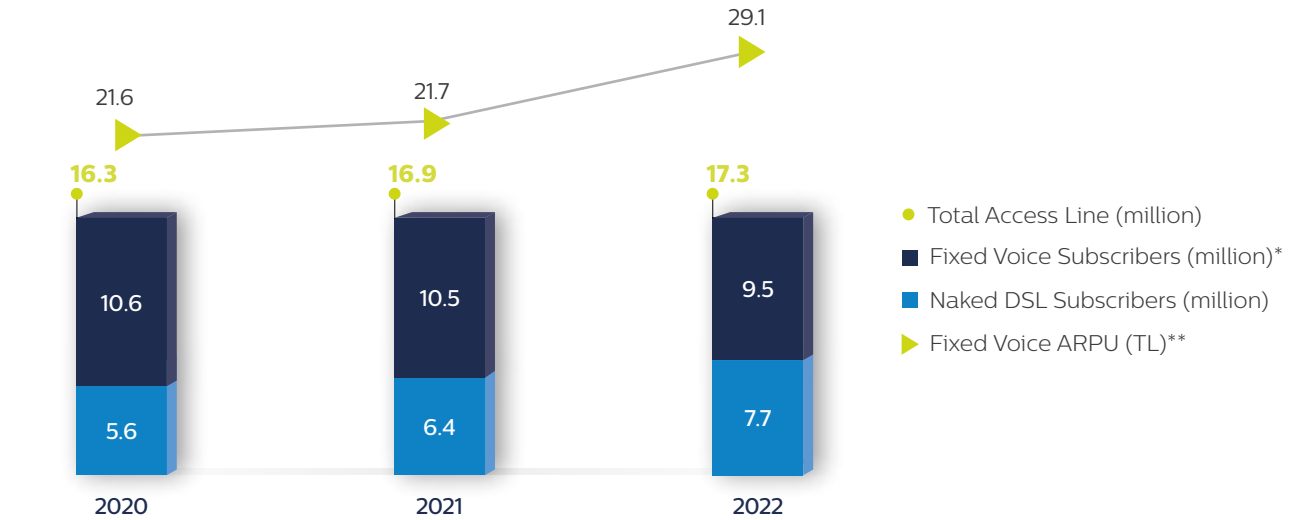
Average monthly data usage per LTE user increased by 22.3% from 9.7 GB in 2021 to 11.9 GB in 2022.



* Q4 ARPU figures

Fixed Voice Operational Data

Number of fixed voice subscribers declined by 974 thousand during the year to 9.5 million in line with the strategy focusing on naked DSL sales in new acquisitions, rather than Wholesale Line Rental (WLR). Including nDSL, the number of total access lines increased to 17.3 million compared to 16.9 million by the end of 2021.



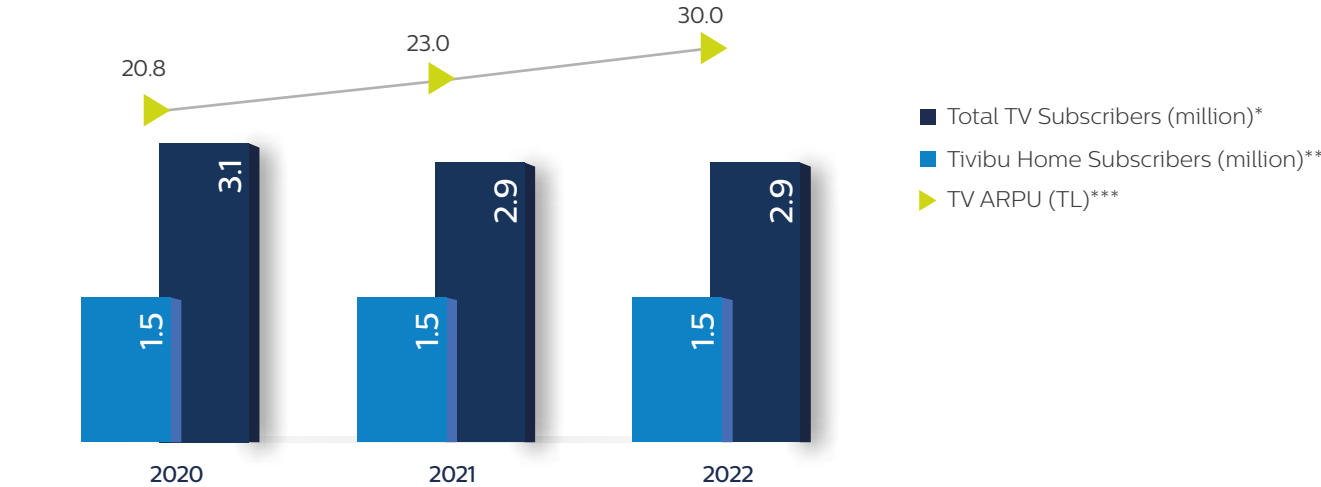
* Includes PSTN and wholesale line rental subscribers
** Q4 ARPU figures

Key Performance Indicators

TV Operational Data

TV Home maintained its flat trend YoY and closed the year with 1.5 million subscribers.

With the strong performance in 2017 and 2018, Tivibu Home moved from the fourth player position in 2016 to the second player position in 2018 in the Pay TV market and maintained its position in 2022.



* Includes IPTV, DTH and Tivibu GO subscribers

** Includes IPTV and DTH subscribers.

*** Q4 ARPU figures

STOCK AND BOND INFORMATION

Stock Information

Corporate Name	Türk Telekomünikasyon A.Ş.
Core Business	Telecommunication and Technology Services
Stock Exchange	Borsa İstanbul (BIST)
Average Daily Trade Volume (03/01/2022-30/12/2022)	TL 797.2 million
Market Capitalisation (30/12/2022)	TL 86.0 billion
End Price (30/12/2022)	TL 24.56
High Price (03/01/2022-30/12/2022)	TL 24.56
Low Price (03/01/2022-30/12/2022)	TL 7.24
Average Price (03/01/2022-30/12/2022)	TL 11.10

Source: Matriks

Bonds Information

Listing	ISIN Code	Issue Amount	Issue Price	Issue Date	Maturity	Redemption Date	Redemption Plan	Interest Rate
Irish Stock Exchange	XS1028951264 Eurobond	USD 500 mn	99.165	19.06.2014	10 Years	19.06.2024	Fixed and semi-annual in each year/ principal amount will be paid at the end of the expiry date	4.875%
Irish Stock Exchange	XS1955059420 Eurobond	USD 500 mn	99.396	28.02.2019	6 Years	28.02.2025	Fixed and semi-annual in each year/ principal amount will be paid at the end of the expiry date	6.875%
Borsa İstanbul	TRFTTLK32310 Financial Bond	TL 500 mn	100	2.09.2022	180 Days	1.03.2023	Coupon and principal amount will be paid at the end of the expiry date	27.00% Simple Interest & 28.8497% Compound Interest
Borsa İstanbul	TRFTTLK32328 Financial Bond	TL 400 mn	100	20.09.2022	178 Days	17.03.2023	Coupon and principal amount will be paid at the end of the expiry date	26.00% Simple Interest & 27.7373% Compound Interest
Borsa İstanbul	TRFTTLK42319 Financial Bond	TL 478.55 mn	100	27.10.2022	180 Days	25.04.2023	Coupon and principal amount will be paid at the end of the expiry date	27.00% Simple Interest & 28.8497% Compound Interest

The fourth coupon payment and principal redemption of financial bond with ISIN code of TRSTTLK12216 was completed on 20.01.2022.

The coupon payment and principal redemption of financial bonds with ISIN codes of TRFTTLK92215, TRFTTLKA2222 and TRFTTLKA2214 were completed on 20.09.2022, 01.12.2022 and 19.12.2022.

Credit Ratings

	Fitch Ratings	S&P Global Ratings
Last Update	10 November 2022	5 October 2022
Long Term Credit Rating	B	B
Outlook	Negative	Stable
National Long Term Rating	AAA (tur)	

2022 Highlights



Türk Telekom has saved 31 million kilowatt hours of energy annually.

JANUARY 2022

Annual energy savings of 31 million kilowatt hours from Türk Telekom

Türk Telekom has reduced its total electricity consumption in fixed and mobile networks by 3% in the last 5 years, with its digital transformation, savings and efficiency projects. The company prevented an average of 15 thousand tons of carbon emissions per year, while saving an average of 31 million kilowatt hours (kWh) of energy annually.

Türk Telekom's young engineer move

Türk Telekom Young Engineers Programme, which was initiated with the vision of carrying Türkiye to the future together with young people, has been completed. Approximately 200 engineers who have successfully completed the evaluation stages of the programme have started working in 81 provinces of Türkiye.

Career opportunities in telecommunications for Vocational High School students

Türk Telekom has completed the 6th year of Telecommunications Certificate from its Master, the programme it has been running to support the career development of Vocational High School students who aim to work in the telecommunications sector and to bring qualified human resources to the sector. Nearly 100 students who graduated from the programme over six years started working at Türk Telekom Regional Directorates.

Domestic lithium battery cooperation with ASPILSAN Energy

With the vision of developing domestic technology solutions, Türk Telekom has gone into an important cooperation with ASPILSAN Energy on the development and commercial use of domestic lithium batteries. Developed by ASPILSAN Energy with the support of Türk Telekom engineers, the lithium battery was first tested in Türk Telekom's live network. The battery is commercially used at Türk Telekom's network.



Türk Telekom introduced its brand GAMEON, to colour up gamers' user experience.

FEBRUARY 2022

The "game" starts with Türk Telekom: GAMEON

Türk Telekom has launched GAMEON, an all-new brand that adds value to users' gaming experience together with special internet campaigns for gamers, collaborations in gaming with world-renowned brands, and many more opportunities.

Big Star Award to Innova at Deloitte Technology Fast 50

Türk Telekom's information technology solutions company Innova won the Big Star award, aka the Big League, in the Deloitte Technology Fast 50 Türkiye Program. Innova has become the most awarded company since 2006 in the Deloitte Technology Fast 50 Türkiye Programme.

Türk Telekom's localisation move at the GSMA Mobile World Congress

Türk Telekom announced the local companies it will work with in its strategic 5G efforts before the GSMA Mobile World Congress. The company made an important collaboration with TARNET, the technology subsidiary of Turkish Agricultural Credit Cooperatives, to develop 5G applications in the field of Smart Agriculture. Türk Telekom also signed an agreement with Odine for cloud computing virtualisation solutions and local software company i2i for its PCRF/PCF (Policy Control Functions) product. With the PCRF / PCF product agreement, Türk Telekom will start localising a 5G core network function commercially for the first time in Türkiye.

SEBA landing at GSMA Mobile World Congress

At the GSMA Mobile World Congress, Türk Telekom presented SEBA (SDN Enabled Broadband Access), created by its Group Company Argela's subsidiary Netsia within the Open Network Foundation (ONF). Türk Telekom introduced SEBA, which was developed on the international ONF platform and will provide strategic superiority in network technologies, to its visitors live together with its subsidiary Netsia.



TWF (Türkiye Wealth Fund) took over 55% of Türk Telekom from LYY for USD 1.65 billion and became the majority shareholder of the Company.

MARCH 2022

A new era in Türk Telekom

A share purchase agreement was signed for the transfer of LYY Telekomünikasyon A.Ş.'s (LYY) 55% stake in Türk Telekom to Türkiye Wealth Fund (TWF) for USD 1.65 billion. The share transfer was completed on March 31, the day the Company's 2021 Ordinary General Assembly meeting was held and the new members of the Board of Directors (BoD) were appointed. Accordingly, TWF became the owner of 61.68% shares of Türk Telekom and has become the majority shareholder of the Company. In line with its commitment to create value for its shareholders, the General Assembly decided to pay a cash dividend of TL 4.95 billion to its shareholders as of April 28.

Strategic collaborations and partnerships at the Mobile World Congress

Türk Telekom signed an agreement at the GSMA Mobile World Congress with Korea Telecom to undertake 5G and Internet of Things (IoT) based application projects. In addition, the Company has collaborated with Huawei to share a strategic vision for the development of 5G-ready networks and high-quality network applications.

The Goodwill Agreement between Türk Telekom, ZTE and Netaş, aiming to develop next generation technologies and applications for the telecommunications sector in Türkiye, was also signed at the GSMA Mobile World Congress.

Performing an Industry 4.0 trial with Nokia by using 5G technology, Türk Telekom announced that it has tested the Telecom Infra Project (TIP) and the Disaggregated Cell Site Gateway solution to enrich its 5G technology and product options.



In the scope of Güneşli (Sunshine) Project, a total of 320 hours of online training was provided to individuals of all ages with visual impairments and educators for 8 months.

Güneşli (Sunshine) becomes the light for everyone with low vision

Türk Telekom included individuals of all ages with visual impairments and educators, particularly veterans and the elderly in the new period of the Güneşli project, a social responsibility project initially developed for children with low vision. In the new period the scope of the project was expanded, and a total of 320 hours of online training was provided to individuals of all ages with visual impairments and educators for 8 months.

Türk Telekom equipped the 1915 Çanakkale Bridge with smart systems

The 1915 Çanakkale Bridge and Highway, the suspension bridge with the largest middle span in the world, which sparked great excitement with its opening, has been equipped with smart technologies by Türk Telekom. Contributing to the digitalisation of Türkiye's transportation investments, Türk Telekom has enabled the megastructure and the 101-kilometre route that covers the Malkara Çanakkale Highway with next generation smart technologies within the scope of the Smart Transportation Systems (STS) project.

2022 Highlights



The content of Türkiye's first audiobook service on the phone, Telefon Kütüphanesi (Books on the Phone) launched by Türk Telekom for the visually impaired, has been enriched with the Kitaplara Ses (Voice to Books) application.

APRIL 2022

Kitaplara Ses (Voice to the Books) application removes barriers

Telefon Kütüphanesi (Books on the Phone), Türkiye's first audio-book service on the phone which was launched by Türk Telekom in 2011 for the visually impaired, has become the voice of books reaching the visually impaired by more than 40 thousand volunteers. The books voiced through the free-of-charge Kitaplara Ses (Voice to Books) application, where anyone can voluntarily voice books for the visually impaired within the scope of the project, reached 43,500 hours and 755 thousand pages in different genres.

Domestic digital storage by Türk Telekom

Türk Telekom launched its Digital Warehouse Corporate product in line with its vision of protecting and storing Türkiye's data; and thanks to this product, institutions had the opportunity to benefit from services such as internal and external file sharing, large file transfer, and simultaneous collaboration.

Increasing efficiency in smart cities with Türk Telekom

Türk Telekom supported the effective use of the country's resources by providing savings of up to 40% in electricity and 30% in irrigation for municipalities in 13 cities as of April 2022, with the services it provides through its next generation urban planning initiative. Türk Telekom's smart city solutions have played an active role in reducing waiting times in traffic, saving fuel consumption and preventing further carbon emissions.

Türk Telekom's consolidated revenue in the first quarter is TL 9.5 billion

Having increased its consolidated revenues to TL 9.5 billion in the first quarter of 2022 with an annual increase of 24.8%, Türk Telekom started the year with a solid performance across the board. The total number of subscribers of Türk Telekom reached 52.2 million with a net subscriber increase of 350 thousand in Q1'22. The net subscriber gain in the last twelve months was 1.6 million. The number of fibre subscribers reached 10.3 million with a net subscriber addition of 729 thousand on a quarterly basis. The share of fibre subscribers in Türk Telekom's fixed broadband base increased from 53.8% to 71.2% compared to the previous year.



Start-up acceleration programme PILOT enjoys support from Türk Telekom Academy Entrepreneurship School.

MAY 2022

Entrepreneurship School by Türk Telekom Academy

Training for PILOT, the start-up acceleration programme of Türk Telekom Ventures, started with the support of Türk Telekom Academy Entrepreneurship School. In this context, PILOT start-ups can benefit from Türk Telekom's experience in many areas including innovations in 5G technologies, artificial intelligence, augmented reality, and strategy management.

Domestic network monitoring platform

Türk Telekom contributed to the development of domestic network monitoring platform GEMS®-FAMAN, which allows proactive monitoring of all network layers in order to improve customer experience. Türk Telekom has started using the GEMS®-FAMAN platform, developed with the support of Türk Telekom engineers by TTG International, one of the Communication Technologies Cluster (CTC) companies, commercially in its network.

Türk Telekom supports special athletes

Türk Telekom continues its investments in Turkish sports as a supporter of the Turkish Special Athletes Sports Federation (TÖSSFED) National Teams, which have thousands of athletes with down syndrome, autism or mental challenges. Special athletes will continue to work for international victories with Türk Telekom's contributions.

A new step towards strengthened cyber security

Türk Telekom launched the Next Generation Endpoint Security with its Shared EDR+ service, which detects threats that conventional security measures would otherwise miss against the ever-changing types of cyber attacks and analyses unusual activity in the system.

Smart energy management platform with artificial intelligence support

Türk Telekom has implemented an artificial intelligence supported smart energy management platform that will save energy and reduce carbon emissions in businesses. Developed with the support of Türk Telekom engineers and in cooperation with the local technology company Netaş and the local software company Servisnet, the platform is commercially live on Türk Telekom network.



Türk Telekom continues making life easier for its customers by strengthening its position in the fintech sector with its e-wallet application Pokus.

JUNE 2022

E-wallet application Pokus continues making life easier

Türk Telekom's e-wallet application Pokus, which is available to users of all operators, continues to facilitate lives with its numerous features. Pokus provides a secure purchasing experience both in stores and on the internet in many areas such as shopping, games, food and entertainment.

5G cooperation by Türkiye's giants for Industry 4.0

Arçelik, Nokia and Türk Telekom, under the auspices of the Ministry of Industry and Technology, and with the support of the Presidential Investment Office, KOSGEB and TÜBİTAK TÜSSİDE, prepared the 5G@EndTech Programme to develop manufacturing industry technology solutions implemented with 5G infrastructure in Türkiye. The programme aims to enable 5G initiatives in Türkiye to develop products and solutions for the manufacturing industry, and to support the commercialisation and globalisation processes of these products.

SMEs go digital with WiFi İşyerim (WiFi Workplace)

Türk Telekom is making the life of tradesmen and SMEs easier with the WiFi İşyerim product added to its rich WiFi product portfolio. WiFi İşyerim provides businesses with the opportunity to connect with their customers through a personalised welcome screen that they can design for their own needs, and offers WiFi usage analysis with advanced reporting tools.

Posts on Yaay turn into NFTs

Social media platform Yaay broke new ground and introduced an innovation that allows its users to produce NFTs (Non-Fungible Tokens). Thanks to the NFT Studio feature added to the application, users can convert their posts directly into NFTs over the platform.



Türk Telekom has fiberised the Historical Peninsula and the Grand Bazaar, the attraction centre of İstanbul.

JULY 2022

Türk Telekom covered the Historical Peninsula with fibre

The pioneer of Türkiye's digital transformation; Türk Telekom continues its efforts to accelerate digitalisation by prioritising fibre investments, to prepare the country for 5G and new generation technologies, and to increase internet penetration. In this respect, Türk Telekom has covered İstanbul's Historical Peninsula with fibre as part of its vision to bring innovative technologies to every corner of our country.

Türkiye's 5G journey started at İstanbul Airport

Türk Telekom, Turkcell and Vodafone Türkiye started testing the 5G technology at İstanbul Airport. In this context, Türkiye's 5G Journey ceremony was held at the airport with the participation of Transport and Infrastructure Minister Adil Karaismailoğlu. After the ceremony, visitors had the opportunity to experience 5G technologies at the Türk Telekom stand.

Türk Telekom's support for Beyoğlu Cultural Road Festival

Türk Telekom Open Air Stage hosted several art and entertainment activities within the scope of Beyoğlu Cultural Road Festival organised by the Ministry of Culture and Tourism. Within the scope of the festival, famous artists met music lovers at Türk Telekom Open Air Stage, which was installed at the open area of Atatürk Cultural Centre. During the festival, the most popular movies of recent times and the classics of Turkish cinema were presented to moviegoers at Türk Telekom Open Air Cinema.

2022 Highlights



Türk Telekom and Korea Telecom cooperate in 5G, TV and early-stage venture capital investments.



Life is Simple on Digital project provides mentorship and grant support to participants selected among the entrepreneurial women who attend the digital marketing training and design-oriented thinking workshop.

AUGUST 2022

Cooperation between Türk Telekom and Korea Telecom

Türk Telekom and Korea Telecom have agreed to a comprehensive cooperation that covers R&D endeavours and commercialisation projects in 5G, evaluation of joint investment opportunities for new ventures and media content exchange for their TV platforms.

Türk Telekom left its mark on Bilişim 500

Türk Telekom and its Group Companies ranked first in the Türkiye-based Manufacturer – Service, Internet Service and Ankara Companies categories in the 23rd Bilişim 500 Survey held this year. Innova, one of the subsidiaries of the Company, won the first place in four categories: Business Applications, ERP Software, Consulting and Network Hardware, while another subsidiary of the Group, AssisTT, was awarded the first prize in the Outsourcing Service of the Year category.

Consolidated revenue of Türk Telekom exceeded TL 20 billion in the first half of the year

In the first half of 2022, Türk Telekom increased its consolidated revenues by 28.1% on an annual basis in excess of TL 20 billion with a balanced growth. As Türkiye's fibre powerhouse, Türk Telekom continued increasing Türkiye's fixed internet speed with its extensive investments and customer-oriented strategy. Average package speed of subscribers increased by 30% in the last twelve months alone, reaching 28 Mbps. The share of fibre subscribers in fixed broadband base surged to 73.5% from 58.5% a year ago. According to the European FTTH Council's European FTTH/B Market Panorama September 2021 report published in May 2022, Türkiye ranked third in the EU39 comparison in the "number of covered FTTH/B households" and fourth in the "5 fastest growing markets" (in terms of volume and percentage).

Mentoring and grant support to women entrepreneurs with Life is Simple on Digital

The new era of the Life is Simple on Digital project, in which Türk Telekom offers training opportunities to entrepreneurial women on digital literacy and digital marketing, has started. The project also provides mentoring and grant support to participants selected among the entrepreneurial women aged 18 and over, who attend the digital marketing training and design-oriented thinking workshop.

PILOT supports 13 start-ups in its new period

The 10th term ventures of PILOT, the start-up acceleration programme run by Türk Telekom subsidiary TT Ventures, have been announced. 13 teams that develop special technology solutions in emerging areas such as artificial intelligence, digital advertising, media services, blockchain-based tokenisation, augmented reality, next generation healthcare applications, autonomous online market application were selected for the programme. One start-up selected for PILOT will receive an investment of USD 100 thousand and three more will get USD 50 thousand each. Other teams will be granted a cash support of TL 150 thousand.



Türk Telekom has become the first operator in the world to use the technology developed jointly by Türk Telekom and Net Insight in its network, which offers time and frequency synchronisation solution, critical in 5G.

SEPTEMBER 2022

Türk Telekom's innovative move in 5G

Türk Telekom has become the first operator in the world to use the technology that provides the critically important time and frequency synchronisation solution in 5G in its network. The technology developed by Türk Telekom engineers and Net Insight, is expected to significantly reduce synchronisation investment costs in 5G and increase service continuity.

Türk Telekom Investor Relations was selected as the best in EMEA

Türk Telekom was deemed worthy of two awards at the 2022 Europe & EMEA Equity Awards organised by Institutional Investor. Selected as the Best Company in Investor Relations in the Europe, Middle East and Africa (EMEA) Region in the sectoral category, Türk Telekom also received the highest score among all companies and sectors and took its place at the top with the Best Company in Investor Relations award in the EMEA Region.

Türk Telekom domestic eSIM technology for smartphones

Türk Telekom introduced the ground-breaking eSIM technology in the mobile world to all smartphones that support this innovation. With eSIM technology, subscribers can create an operator profile without any physical intervention.



Türk Telekom Prime provided a privileged experience to visitors at the İstanbul Coffee Festival.

OCTOBER 2022

Prime privileges at İstanbul Coffee Festival

Organised with the privileges presented by Türk Telekom Prime in Küçük Çiftlik Park İstanbul and attracting great attention of visitors, the İstanbul Coffee Festival offered a pleasant time to coffee lovers by hosting concerts of more than 25 famous artists, as well as special tastings, treats, workshops and barista shows.

Significant cooperation by Türk Telekom on next generation mobile network technologies

Continuing its global collaborations, Türk Telekom reached an agreement with Parallel Wireless and the US Trade and Development Agency on Open RAN trials, which play an important role in strengthening the ecosystem for 5G technologies. With this agreement, the patented RIC technology providing efficiency and flexibility to mobile networks, which has been turned into a product by Juniper Networks in partnership with Türk Telekom's US subsidiary Netsia, will also be integrated into the test network.

EU support for Türk Telekom's 5G project in health

Türk Telekom has participated in the international AlCom4Health project which is engaged in crisis management in health sector through 5G and artificial intelligence technologies. The project has received grant support from the European Union Innovation Programme EUREKA. With the work carried out by nine project partners from four different countries, the aim is to improve public health administration through 5G and artificial intelligence-based next-generation technologies.

Festival spirit in the campus with Selfy

Türk Telekom's youth brand Selfy brought the joy of its free and pleasant world to university campuses. With the concept of Selfy in the Campus, concerts, game tournaments and colourful activities were organised with the participation of nearly 150 thousand students on five campuses between 1-11 November.

2022 Highlights



Going forward, Türk Telekom Ventures will make its investments via the TT Ventures Venture Capital Investment Fund with the support of Türk Telekom Group.

NOVEMBER 2022

Venture Capital Investment Fund from Türk Telekom Ventures

TT Ventures will now start making venture investments under the name of TT Ventures Venture Capital Investment Fund. Accordingly, TT Ventures and İstanbul Portföy Yönetimi A.Ş. have reached an agreement and obtained the approval of the Capital Markets Board for the establishment of the fund. The fund which sets sight on attracting the participation of domestic and foreign investors, aims to provide financial returns to its investors with the strategic support of Türk Telekom Group.

Notable collaboration by Türkiye's technology pioneers

Türk Telekom, Netaş and TÜBİTAK ULAKBİM have joined forces to disseminate domestic solutions. As part of the project implemented under the leadership of Türk Telekom, Türkiye's first and only domestic integrated hardware and operating system solution was developed.

Accessible life for everyone at AKM with Sesli Adımlar (Loud Steps)

Türk Telekom launched the corporate social responsibility project Sesli Adımlar (Loud Steps) application at Atatürk Cultural Centre (AKM) as its main supporter. Thanks to the free-of-charge Sesli Adımlar application of Türk Telekom, which can be downloaded to mobile devices, art lovers with visual and hearing impairments can have a barrier-free experience in the indoor and outdoor spaces of AKM along with the guidance of the application.

Türk Telekom grew strongly in the first 9 months of the year

Türk Telekom achieved a strong growth in the first 9 months of 2022, generating a revenue of TL 33 billion on a consolidated basis. Türk Telekom's total subscriber base reached 52.8 million with a total net addition of 609 thousand, thanks to healthy subscriber acquisitions in both fixed broadband and mobile, with most of the contribution coming from mobile. While the number of fibre subscribers rose to 11.2 million with 468 thousand net additions on a quarterly basis, the share of fibre subscribers in fixed broadband base, on the other hand, increased from 62.3% to 75.6% YoY.



Türk Telekom, Türkiye's fibre power, has welcomed the new year with its fibre network exceeding 400 thousand kilometres.

DECEMBER 2022

Heading out for the "Century of Türkiye" with a fibre infrastructure exceeding 400 thousand kilometres

Türk Telekom continues its fibre infrastructure investments unabatedly. Türk Telekom brings fibre internet infrastructure together with its users in 81 provinces of Türkiye. With its works on the night of December 31, connecting 2022 to 2023, Türk Telekom's fibre network length across the country has exceeded 400 thousand kilometres.

A meaningful concert at AKM by Çağla, who was trained in the Türk Telekom Günüşiği project

Türk Telekom hosted special events at Atatürk Cultural Centre as part of the 3 December International Day of Persons with Disabilities. Çağla Kıcı, who was trained in Türk Telekom's social responsibility project that touches the lives of children with low vision, gave a piano concert under the leadership of İstanbul State Symphony Orchestra Conductor and composer Hasan Niyazi Tura.

The mentoring in Türk Telekom's Life is Simple on Digital project has been completed

The mentoring support in Life is Simple on Digital project, in which Türk Telekom supports women who add value to the economy through their products, has been completed. 10 women entrepreneurs among those who completed the mentoring support phase of the Life is Simple on Digital project which targeted training 10 thousand women in 81 provinces, have been entitled to receive a business development grant from Türk Telekom.

Chairman Message

WE ARE TO CONTINUE OUR LEADERSHIP IN THE “CENTURY OF TÜRKİYE”

We use our superior communication and technology experience by spreading it 360 degrees to every city and every field through our subscriber base diversified with mobile, fixed broadband, TV, entertainment services and fixed voice.

2022 has been a year in which the physical impacts of the Covid-19 pandemic on a global scale diminished rapidly, yet its economic repercussions continued to be felt deeply. In the face of challenges affecting several sectors, accompanied by the energy crisis triggered by regional political and military conflicts, the world economy displayed its weakest growth profile since 2001, excluding the 2008 global financial crisis and the acute period of the Covid pandemic. Türkiye, on the other hand, closed the year with 5.6% growth.

Despite the global risks, almost all sectors continued their digitalisation on the axis of efficiency and value-added in order to keep up with the requirement of the times, while investments in transformation continued unabatedly. The boost in free movement around the world after a two-year lockdown has resulted in a relatively active year for the telecommunications industry.

**USD 19.5
billion digital
transformation
investment**



Türk Telekom family, on the other hand, started 2022 with an extremely important and pleasing development. 55% of our Company's shares were handed over from LYY Telekomünikasyon A.Ş. to Türkiye Wealth Fund (TWF), changing the ownership between two valuable shareholders with the agreement made on March 10, 2022. Transactions regarding this change were completed on March 31, on the date of our Company's Ordinary General Assembly Meeting for 2021, and TWF became the majority shareholder of Türk Telekom as the owner of 61.68% shares. As an important achievement factor for all stakeholders and a door opener to new opportunities and successes in Türk Telekom's regional and global leadership journey, the clarification of the shareholder structure marked the beginning of a brand new era that further strengthens our Company.

In this new era, where we have turned digitalisation into a corporate culture, we are happy to continue our path as Türkiye's digital transformation leader. While increasing the fixed internet speed of our country by expanding fibre, we strengthened our position as Türkiye's multi-play operator in communication with our pioneering work on 5G and

beyond technologies and our wide range of corporate services. In addition to the technologies we have developed with our own engineers, we have resolutely progressed in expanding our ecosystem by supporting high value-added technology initiatives.

We are proud of presenting our stakeholders with stronger financial and operational results in this operating year by successfully reflecting our experience in our business results. We have demonstrated our difference once again by meticulously managing our balance sheet with planned cost management and appropriate capital expenditures. Thus, I am pleased to state that the total investments we have made for the digital transformation of our country since the privatisation in 2005 exceeded 19.5 billion dollars.

As Türk Telekom Group, we distributed TL 4,955 million, 86% of the net income we successfully generated in the 2021 operating period, as dividend on 28.04.2022 to our shareholders and investors, who are among our most important stakeholders.

Throughout our deep-rooted history of more than 180 years, we have witnessed the foundation, past and present of our Republic. We not only witnessed these, but also introduced the latest technologies of the age to our people and our country. We use our superior communication and technology experience by spreading it 360 degrees in every province, in every field, with our diversified subscriber base in mobile, fixed broadband, TV, entertainment services and fixed voice.

We are leading the digital transformation of our country in a journey to become a “country that shapes the era”, and we implement innovative technologies with the local production initiative. With our position that produces technology and exports it to the world, we are determined to continue our leadership in the “Century of Türkiye”.

We support our domestic vendors, which are one of the crucial components of the national development move and focus on developing products and projects that will generate added value for the country's economy and accelerate national development. We are aware that the powerful communication

technology required to achieve these goals is only possible with a strong infrastructure. For this reason, we have accelerated our fibre investments, which we carry on with a very high motivation all over Türkiye. We have brought fiberisation rate in Türkiye's infrastructure to 94% with our fibre network exceeding 400 thousand kilometres.

On the other hand, we make significant contribution to the sector in putting a domestic ecosystem into effect that will carry Türkiye to the top in 5G. We continue to work on the use of domestic products instead of foreign ones in all technologies we use, especially in 5G preparations.

As of 2022, we have increased the number of internationally valid patents that are only on 5G to 62. We are at the forefront of determining global 5G strategies, we use the technologies we developed with domestic resources together with our group companies Argela and Netsia, within our own structure and offer them to the whole world through our global collaborations. In this context, we will continue to grow through strategic business partnerships and investments in a wide network stretching from Silicon Valley to Europe and Asia.

As Türk Telekom, we use the technology we produce to improve the people's quality of life, to contribute to the formation of more habitable cities, and to support the fulfilment of the economic, social, environmental and cultural needs of current and future generations, with an innovative approach by including people, emotions and the environment. We take it as our duty to make all our stakeholders feel the value we give to people at the highest level, starting with our employees, and we mobilise all the possibilities of technology for a more accessible world where the rights of our citizens in disadvantaged groups are also protected while providing services to every corner of Türkiye with the understanding of accessible communication for all. In addition to our cooperation with the select universities of our country, we contribute to the employment of the country by bringing qualified human resources to the sector with Türk Telekom Academy, which offers the widest range of corporate training programmes in its field. With our Development Base Programmes, we transfer our deep-rooted experience in the sector to our youth, and we

train tomorrow's cyber security professionals, IT specialists and software developers.

In addition, we continue our fight against climate change at the highest level and carry out studies to systematically reduce our carbon footprint. In this context, we implement energy efficiency projects to reduce our emissions and increase our solar energy utilisation capacity in line with our targets.

As its main supporter, we transferred our experience in the field of technology to the Atatürk Cultural Centre, which has been renewed and presented to our cultural world and people in 2021. We equipped the venue with technology solutions to cover various areas for visitors. We will continue to mediate the meeting of art and technology by increasing the number of similar examples in the coming period.

In this respect, I would like to offer my sincere and heartfelt thanks to our customers who further strengthened our brand by using our products and services in 2022, to our shareholders and investors who helped us to stand firm even in the toughest conditions with their support, to our business partners for the value they add to our Group, to our employees who have a share in our inspiring achievements with their unmatched efforts, and to all our stakeholders. I am very happy to be a member of this huge and powerful family that has the perspective, sensitivity, cooperation, innovation and social responsibility awareness necessary for change.

Our Company will press ahead with seizing opportunities that will further strengthen its solid position in the telecommunication sector, contribute to its sustainable growth at global standards, and improve its investment profile, while adhering to the best practices that support its operational and financial performance in the 'Century of Türkiye', in which we will continue to lead the technology and transformation.

Best regards,

Dr. Ömer Fatih Sayan
Chairman of the Board of Directors

Assessment of the Board of Directors

INDEPENDENT AND OBJECTIVE
MANAGEMENT APPROACH

While the effects of geopolitical risks, high inflation and slowing global growth continue to be felt, Türk Telekom Group focuses on reducing risks and seizing opportunities.

ASSESSMENT ON THE FINANCIAL
STATUS AND OPERATIONAL
RESULTS

Türk Telekom Group completed 2022 with increasing growth every quarter amid critical agendas such as geopolitical risks, high inflation, slowing global growth and climate change.

Consolidated revenues increased to TL 48.0 billion, up by 40.2% YoY. Excluding the IFRIC 12 accounting impact, revenue growth was 40.1%, ahead of the 2022 guidance of 37%.

Excluding IFRIC 12, operating revenue growth was 40.1% YoY with respective increases of 32.3% in fixed broadband, 42.8% in mobile, 59.0% in international sales, 25.3% in corporate data and 103.9% in other revenues.

Consolidated EBITDA increased by 16.6% YoY and reached TL 19.1 billion in 2022. High base, cost inflation and composition of revenue growth were the main reasons driving EBITDA margin to 39.9%.

Operating profit grew by 8.2% YoY and reached TL 11.0 billion in 2022. Operating profit margin declined to 23.0% in 2022 from 29.8% in 2021.

2022 net income was TL 4.1 billion compared to TL 5.8 billion a year ago. A higher net financial loss YoY was partly offset by the tax income recorded throughout the year.

1.47x Net Debt/EBITDA ratio was well-contained when considered the volatility in FX and interest rates within the year.

Net long FX position, which was USD 242 million at the end of 2021, rose to USD 375 million by the end of 2022. Excluding the ineffective portion of the hedge portfolio, namely the PCCS contracts, foreign currency exposure pointed to a USD 458 million short FX position.

Capex reached TL 13.9 billion in 2022, within the guidance of TL 14.0 billion, compared to TL 8.8 billion in 2021. Fixed and mobile investments made respective 55% and 20% of total expenditures.

2022 Operational Highlights

The number of Türk Telekom subscribers reached 52.8 million in 2022 with a total net subscriber addition of 1.0 million, including 0.5 million in fixed internet and 1.5 million in mobile.

Fixed broadband subscriber base increased to 14.8 million with 517 thousand net subscriber additions in 2022. Fixed broadband ARPU growth continued its upward trend for the fourth consecutive quarter, reaching 37.6% YoY in the fourth quarter.

Fibre subscribers rose to 11.5 million in 2022 with 1.9 million net additions.

The annual growth of 20.3% in the fibre subscriber base was supported by new subscriber additions as well as ADSL to fibre conversions. As a result, the share of fibre subscribers in fixed broadband base increased to 77.7% from 66.9% a year ago. The number of FTTC subscribers reached to 8.0 million, while the number of FTTH/B subscribers increased to 3.5 million.

Fibre network covered 31.4 million households by the end of 2022 compared to 30.2 million as of 2021, reflecting the ongoing focus on fibre rollouts. FTTC homepass was 21.0 million while FTTH/B homepass increased to 10.4 million.

Fibre cable network length increased to 403 thousand km as of 2022 from 366 thousand km as of 2021.

Mobile subscriber base expanded to 25.5 million by adding 1.5 million subscribers in 2022 on net basis. Postpaid segment grew by 1,3 million whilst prepaid segment added net 138 thousand subscribers. Postpaid made 66.4% of total mobile subscribers. 46.2% and 70.8% annual growth respectively in postpaid and prepaid ARPU combined into a 52.7% rise in blended ARPU in the fourth quarter, up from 40.1% in the third quarter.

Average monthly data usage per LTE user increased by 22.3% from 9.7 GB in 2021 to 11.9 GB in 2022.

Number of fixed voice subscribers declined by 974 thousand during the year to 9.5 million in line with the strategy focusing on naked-DSL sales in new acquisitions, rather than WLR. Including nDSL, the number of total access lines increased to 17.3 million compared to 16.9 million by the end of 2021.

Fibre Network Length
exceeding 400
thousand km

The fibre network
spreading to all 81
provinces of the country
reached 403 thousand km
as of the end of 2022.

Effective Risk
Management

Being aware of the
added value created
by risk management,
Türk Telekom adopts
international standards
in Enterprise Risk
Management and handles
risk management activities
in line with the best
practices.

Assessment of Risks and the Board
of Directors

Enterprise Risk Management is a systematic process, shaped and used in determining strategies by the senior management and all other employees and implemented across the entire company, developed in order to define potential events that may have an impact on the company, manage risks in line with the corporate risk appetite and provide a reasonable degree of assurance for the Company to achieve its objectives.

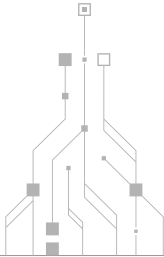
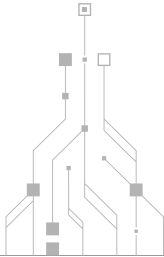
With the awareness of the value added through risk management, Türk Telekom adopts international standards in Enterprise Risk Management and carries out the necessary work to develop risk management activities in line with best practices. The Company follows ISO 31000 standard in establishing the framework that includes the general basis and principles of Enterprise Risk Management and the formation of the risk life cycle process. In this context, the Enterprise Risk Management Process consists of the following phases:

- Communication/opinion exchange,
- Monitoring, reviewing and reporting to be carried out continuously in all the following steps of
- Establishing the framework,
- Risk identification,
- Risk analysis,
- Risk assessment,
- Risk treatment, and

Strategic Goals and Risk
Management

Evaluation of the trends in the sector on both global and national levels, interpretation of the technological developments, review and approval of the strategic plans and annual budgets that include the strategic goals determined on the basis of customer preferences rests with the Board of Directors.

The performance in achieving strategic goals is monitored by the Board of Directors on a monthly basis.



Assessment of the Board of Directors

Risk Management aims to support the Company in achieving its strategic goals with its structure which creates value add and preserves the created value. The Company aims to manage its risks with a comprehensive and holistic approach at all levels, from the long-term strategic goals of the Company to its daily operations. With enterprise risk management integrated into all processes, decision makers will be able to act with risk awareness.

The principal risks faced by Türk Telekom Group are classified in 4 main categories: financial, strategic, operational and sustainability risk management.

Financial Risks

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, 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 to for financing through long-term and diversified funding sources cause Türk Telekom to bear liabilities in foreign currency.

Türk Telekom aims to minimise the impact of FX exposure on the financial statements through FX risk management tools and in this respect, holds a total hedge position of USD 2,307¹ 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 2,455 million equivalent.

In relation to interest rate risk, Türk Telekom carries an interest-rate swap position equivalent to USD 300 million, details of which are provided in the footnotes of the audited financial statements. Türk Telekom manages its exposure to interest rate risk through swap positions and fixed-interest rate transactions such as Eurobond.

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

Strategic Risks

Türk Telekom operates in a sector with high levels of technological innovation, competition and regulatory developments. Türk Telekom meticulously analyses the positions of its competitors and technological developments in the market, as well as changing customer preferences with a comprehensive understanding on the sector.

Taking these factors into consideration, proactive risk management activities are conducted in parallel with the Company's strategic priorities aligned to both increasing the revenues and meeting customer expectations.

In line with its strategic goals, Türk Telekom develops solutions to aid the lives of individuals and the public sector by using information and communication technologies. In order to prepare for the future, the Company turns its competitive advantage in providing infrastructure for high-performance products and technologies, maintaining and improving its market position and brand value into opportunities with a holistic risk management approach.

With its structure strengthened by its subsidiaries, the Company seizes opportunities in both the domestic and foreign markets by substituting the areas where it might lose market share with new products and services, despite the possibility of developments that may cause changes in the legislation and the sector.

Operational Risks

Türk Telekom provides services which are dependent on technological infrastructure. Therefore, it is important to identify the risks to which these services are exposed accurately and to manage them successfully in order to achieve the business targets. Incidents such as malfunctions, power cuts and natural disasters, which may have an impact on Türk Telekom's communication infrastructure and critical systems, may affect the Company's ability to provide services to its subscribers.

Business Continuity Management defines potential threats to be faced and their impact on key activities, if these threats materialise. This study ensures the protection of internal and external stakeholders, the Company's reputation, brand value, products and activities. In this way, a holistic management process that enables corporate flexibility is implemented. Critical products and services are subjected to the Business Impact Analysis and Risk Assessment. Necessary performance improvements are undertaken in light of continuity objectives following performance assessment.

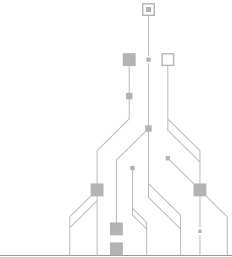
Cyber security risk may arise as a result of a combination of threats and vulnerabilities in the digital environment. It may affect the delivery of strategic goals by disrupting confidentiality, integrity and accessibility of information. Events and their consequences such as interruption of critical systems Denial-of-Service attack (DDoS), disruption of competitive power as a result of the disclosure of strategic data (such as the theft of trade secrets), loss of customer trust and reputation as a result of personal data breach, financial and operational losses due to the destruction of corporate data and systems and penal sanctions which may be faced as a result of failure to comply with the applicable laws and regulations are assessed. All information technologies and network operations are carried out within the framework of security policies. Problems within this context are constantly analysed and monitored within the

scope of early detection mechanisms. Appropriate controls are established for the heightened digital security risk along with accelerated digital transformation and remote working. In addition, training and awareness activities are carried out for employees.

Türk Telekom undertakes extensive efforts to protect itself and its subscribers against business disruptions and security breaches. The Company oversees the implementation of correct practices, standards and policies, and takes significant steps in this regard, including obtaining certificates such as ISO 22301 and ISO 27001. Additionally, the Company holds the PCI-DSS certification for the mobile network.

The nature of the sector involves working with a certain number of high technology suppliers. In this context, realisation of risks pertaining to suppliers and subcontractors could result in loss of reputation due to inefficiency in the value chain that touches the customer, negative customer experience due to reduced quality of products and services, security breach and data leakage or business interruption. For this reason, an effective procurement is targeted by taking into account the main factors such as TCO (Total Cost of Ownership), supply chain risks and sustainability.

The increasing demand for the new generation dynamic and digital workforce with the transformation of working models makes the importance of competent employees more evident. The risks and opportunities, created by the remote and hybrid working model on employee motivation, on the performance and loyalty are monitored. Recruiting, training and retaining the suitable employees that match the requirements of the business are the critical factors in the success of the Company. Türk Telekom implements a number of human resources practices aimed at effectively managing its manpower. The Türk Telekom Academy continues to launch training projects which support the development of its employees.



⁽¹⁾ Hedged amount includes hedging of FX financial debt, currency protected time deposits, hedging of net FX trade payables and net investment hedge. The currency protected time deposit included in the hedged amount is valued at USD 248 million..

Assessment of the Board of Directors

Sustainability Risk

As Türkiye's first integrated telecommunication operator, working for the future of the country, Türk Telekom aims to integrate the universal principles of sustainability into its business model, strategies and corporate decisions with the aim of leaving a liveable world to future generations. The communication sector provides basic solution tools in economy, innovation, health, education and in many other areas to ensure social equality, protect the environment and combat the climate crisis, improve quality of life. Thus, it directly serves the Global Sustainable Development Goals.

Türk Telekom considers the concept of sustainability not only as a risk management element, but also as an opportunity to create value. Within the scope of Türk Telekom sustainability activities, which started to be evaluated comprehensively with the management system formed in 2020, a programme based on the adoption of the sustainability approach is established. The aim of this programme is to effectively manage risks focused on Climate Change and Environment, Contributing to Society and Value for Human.

Risk Appetite

Risk appetite is defined as the extent and type of risk that the Company is willing to take/bear while carrying out its activities. Risk appetite may be defined as a set of boundaries which provide clear guidance to all levels of the organisation setting out the limits of the risks they can take.

Türk Telekom operates in a highly competitive and rapidly changing industry that requires investment. This urges swift and smart strategic decision-making processes. For this reason, it is important that managers have a high awareness of the risks they face and consider these risks when taking decisions.

Risk Appetite, which was created in line with the opinions of the senior management and evaluated by the Early Identification and Management of Risks Committee, was approved by the Board of Directors.

Risk Appetite

Risk Appetite, which was developed in line with the opinions of the senior management and evaluated by the Early Identification and Management of Risks Committee, was approved by the Board of Directors.

The Group aims to integrate the risk appetite framework into its decision-making processes and daily operational activities with an effective staging structure. In this context, activities to establish indicators and concrete limits for risk measurement continue.

ASSESSMENT OF THE COMMITTEES OF THE BOARD OF DIRECTORS

Early Identification and Management of Risks Committee Activities

The Early Identification and Management of Risks Committee has effectively fulfilled the duties assigned to it within the framework of its working principles. In 2022, the Committee convened four times to review the identified risks, to notify the Board of Directors about the significant risks, to provide the necessary resources for the effective fulfilment of the Enterprise Risk Management function, to ensure the coordination of Enterprise Risk Management and Internal Audit and other business units.

Corporate Governance Committee Activities

The Corporate Governance Committee has effectively fulfilled the duties assigned to it within the framework of its working principles. It convened two times in 2022 and monitored and evaluated the Corporate Governance Rating process which is carried out every year and monitored the preparation process of the Corporate Governance Principles Compliance Report, which is part of the Annual Report and presented it to the Board of Directors. It also monitored the developments regarding the position of the company in Sustainability indices.

Audit Committee Activities

The Audit Committee was established with the decision of the Board of Directors dated 16.06.2008. The Committee was established to assist the Board of Directors in meeting its supervisory role related to its oversight requirements regarding the Company's financial reporting process, internal control system, audit process, compliance with laws and regulations and the code of conduct and other matters to

be delegated to the Committee by the Board. Acting in accordance with the authority and responsibility granted to it by the Board, the Committee reports to the Board of Directors.

The Audit Committee consists of at least two independent members elected by the Board from among its members. The Audit Committee carries out its activities within the framework of the Audit Committee Working Principles approved by the Board of Directors. The Committee effectively fulfils the duties assigned to it within the framework of its regulation.

The Audit Committee meets at least once every three months and four of these meetings are held before the financial statements are announced; and the Committee may, if deemed necessary, convene more frequently.

The Audit Committee informs the Board of Directors about its meetings and activities during the year. The Committee convened six times in 2022 to effectively monitor the accounting, finance and auditing processes of the Türk Telekom Group and compliance with the laws and regulations and the code of conduct, and to review and monitor the other issues that are assigned by the Board of Directors from time to time.

Internal Audit Department Activities

Türk Telekom's Internal Audit Department conducts assurance and consultancy activities in Türk Telekom and all Group companies in an independent and objective manner by evaluating the effectiveness of risk management, internal control, and compliance with legislation and governance processes. In order to carry out its activities in an independent and objective manner, the Internal Audit Department works directly with the Audit Committee, which is a part of the Board of Directors, with the authority and responsibility emanating from the principles approved by the Board of Directors.

In the audit activities carried out, the effectiveness of the existing internal controls established to reduce the risks involved in business processes that may hinder the delivery of strategic goals is assessed. Causes and impacts of control weaknesses detected as a result of audits

are analysed and action plans aiming to solve the problems are received from the relevant departments and the Internal Audit Department monitors whether these actions are implemented in a timely manner. In addition to the auditing activities, inspection and investigation activities are carried out where necessary.

The Department carries out its work in accordance with International Standards for the Professional Practice of Internal Auditing. In accordance with these standards, as a result of the quality assessment conducted by an external qualified and independent assessment team, a positive opinion was obtained that the activities of the internal audit department are carried out in accordance with the International Standards for the Professional Practice of Internal Auditing.

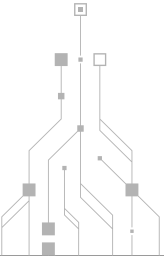
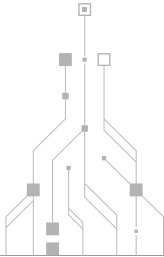
The Department attaches importance to the professional competence and improvement of its employees and encourages auditors to gain internationally recognised certificates in the field of auditing. The majority of the auditors hold nationally and internationally recognised certificates such as CIA (Certified Internal Auditor), CISA (Certified Information Systems Auditor), CFE (Certified Fraud Examiner) and CPA (Certified Public Accountant) certifications. Audit teams carry out financial, operational, information technologies and compliance audits according to their competencies.

Nomination and Remuneration Committee Activities

Nomination Committee" and "Remuneration Committee", which were established to operate under the Board of Directors within the scope of article 4.5.1. of Corporate Governance Principles of Capital Markets Board's Corporate Governance Communique, II-17.1., have been abolished. In order to carry out the current duties of the abolished committees, the "Nomination and Remuneration Committee" is established to operate under the Board of Directors of our Company. Nomination and Remuneration Committee has effectively fulfilled the duties assigned to it within the framework of its working principles and held two meetings in 2022.

Internal Audit Department

In order to carry out its activities in an independent and objective manner, the Internal Audit Department works directly with the Audit Committee, which is a part of the Board of Directors, with the authority and responsibility emanating from the principles approved by the Board of Directors.



Board of Directors



Dr. Ömer Fatih SAYAN
Chairman of Board of Directors

Dr. Ömer Fatih Sayan was born in İstanbul in 1977. He received his Bachelor degree from the Electronics Engineering Department of İstanbul University Faculty of Engineering; Faculty of Law of Bahçeşehir University and Diplomatic Studies of Oxford University – St Antony's School. In addition to these educations, he completed his Master's Degree at Electrical and Electronics Engineering and Communications Engineering Department of Technical University of Munich and at Biomedical Engineering Department of İstanbul University Institute of Science and Technology. Following his mater's degree, Sayan completed his PhD on Biomedical Engineering at the İstanbul University.

Starting his career in İstanbul Metropolitan Municipality in 1995, Mr. Sayan worked in private companies in Türkiye, Germany and USA in the fields of chip manufacturing, cell phone design and R&D after receiving his Bachelor's Degree. He carried out studies in entrepreneurship by working under the initiative of Silicon Valley and he gave lectures on Information Law and New Trends in Informatics in many universities in Türkiye and Germany. Sayan has given many lectures in conferences about research subjects and he has many articles published in scientific journals.

Sayan served as the Prime Ministry Counsellor and Chief Counsellor from 2007 to 2014 and in January 2014, he was appointed as a board member of the Information Technologies and Communication Authority. From August 2015 to July 2018, he served as Chairman of the Information Technologies and Communication Authority. Sayan has been assigning as the Deputy Minister of the Ministry of Transport and Infrastructure on July 21, 2018. Sayan is married and father of 3 children who speaks English, German and French.



Mahmut GÜRCAN
Vice Chairman of Board of Directors

He is originally from Develi district of Kayseri province and was born in 1966 in İstanbul. After completing his education at Zeytinburnu İmam Hatip Secondary School and at Şehremini High School, he graduated from the Department of Economics of Marmara University, Faculty of Economics and Administrative Sciences in 1988. In1990, he studied English at the “Anglo School of English”.

Mahmut Gürçan, who started his business career in 1988, is the founder of family-owned companies operating in the optical and textile sectors. These companies not only conduct trade in the domestic market but also export to many countries.

Mahmut GÜRCAN, who has had a very active political area, joined into the political life in 1992. After taking important positions in the Welfare Party and the Virtue Party, he served as the Founding Member of AK Party Bakırköy District Presidency and Member of the Board of Directors of AK Party Bakırköy District Presidency, , Central Decision Board (MKYK) Member of Ak Party, Consultant in the AK Party Headquarters Organisation Presidency, İstanbul 3rd Region Coordinator of Ak Party, East Anatolia Regional Coordinator of Ak Party, AK Party İstanbul Provincial Vice President who is in charge of financial and administrative affairs, on top of his roles as the Chairman of the election coordination centres of Ağrı, Şanlıurfa and Denmark.

In addition, he is a Member of the İstanbul Chamber of Commerce, İstanbul Chamber of Industry, MUSIAD, Science Dissemination Society, and Ensar Foundation. Mahmut Gürçan was appointed as the Deputy Minister of Treasury and Finance on December 16, 2021 and he is married and father of 3 children.



Yiğit BULUT
Independent Member of Board of Directors

Chief Advisor of President, Economist, Financial Analyst, Banker, Journalist, Columnist. He worked as economy commentator in Kanal 6, Kanal E and CNN Türk and columnist in Radikal, Vatan, Referans and HaberTürk. Bulut who producer and the presenter of Parametre and Finans Analiz TV programs, worked as a lecturer in Doğuş University for a period of time. Between 2009 and 2012, he was the Chief Production Director of HaberTürk TV, economy commentator in Bloomberg TR and columnist in HaberTürk Newspaper. Between 2012 and 2013, he was the Chief Production Director of 24 TV and columnist in Star Newspaper. He continued to present the TV discussion program “Sansürsüz” in 24 TV, transferring from HaberTürk TV. He has served as the Prime Minister's Chief Advisor between July, 2013 and August 2014 and has been serving as Chief Advisor of President since August 2014.

Bulut who graduated from Galatasaray High School and Bilkent University, Faculty of Banking and Finance, and took his master's degree in Sorbonne University. Yiğit Bulut speaks English and French.



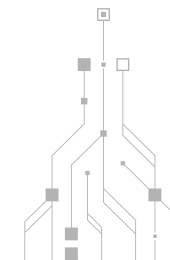
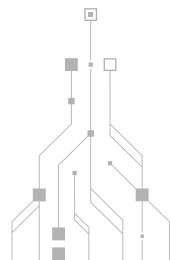
Dr. Cengiz YAVILIOĞLU
Member of Board of Directors

Dr. Cengiz Yavilioğlu was born on August 20, 1970 in Erzurum. Mr. Yavilioğlu is an Economist (PhD) and he graduated from Department of Public Administration of İstanbul University, Faculty of Political Sciences. He completed his postgraduate degree at the Department of International Finance of İstanbul University, Faculty of Political Sciences, and he completed his PhD at the Department of International Economics of Cumhuriyet University, Faculty of Economics and Administrative Sciences. He worked as a Research Assistant in the Department of Economics of the Faculty of Economics and Administrative Sciences of Cumhuriyet University, and also as a Visiting Lecturer in the Faculty of Security Sciences of the Police Academy as well as working as the Deputy Chairman of the Board of Trustees of Rauf Denktaş University.

He worked as the Head of Finance and Fund Management Department of the Prime Ministry Privatization Administration. Moreover he also served either as Board Member or Chairman at Black Sea Copper Enterprises Inc, Türkiye Maritime Organisation Inc, TEDAŞ (Türkiye Electricity Distribution Corporation) Meram Electricity Distribution Inc, TEDAŞ Çamlıbel Distribution Inc, Ankara Natural Electricity Generation and Trade Inc., TÜPRAŞ, Sugar Refineries of Türkiye Inc and Turkish Industrial Development Bank.

Yavilioğlu was elected as the Member of the Parliament as AK Party Erzurum Deputy for the 24th Term. He has articles on foreign capital investments, privatization practices, development economics, and books titled “Efficiency and Performance Analysis of Some Privatized Companies in Türkiye” and “Privatization Practices in the World and in Türkiye” that were published in 2010.

He served as the AK Party Deputy Chairman of Economic Affairs, as a Member of the Planning and Budget Committee of the Turkish Grand National Assembly, and as a Member of the Research Commission for Coups and Memorandums. He served as the Deputy Minister of Finance in the 64th and 65th Governments. He was appointed as the Deputy Minister of Treasury and Finance on January 30, 2021. Dr. Yavilioğlu, is married and has 3 children.



Board of Directors



Selim DURSUN
Independent Member of Board of Directors

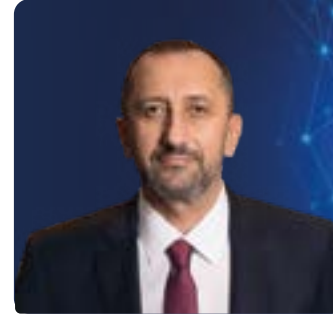
Selim Dursun was born in İstanbul in 1957. He was graduated from Mechanical Engineering Department of İstanbul Yıldız Technical University in 1980. He worked in the private sector as Mechanical Engineer and served in executive positions between the years of 1980-2002. He served as Advisor to Minister in the Ministry of Transport between 2003-2005, as Executive Assistant of Ministry of Transport between 2005-2011, as General Manager and Chairman in TÜDEMSAŞ between 2011-2012 and as Advisor to the Minister in Ministry of Transport between the years of 2012-2015. He was elected as a Member of Parliament from Sivas province in the 25th and 26th Parliaments of Türkiye. In the same period, he worked as the Chair of Peru Friendship Group of Parliament of the Republic of Türkiye. He carried out various social activities in Non-Governmental

Organizations as chairman, manager and member. He served as a Board Member of the Taekwondo Federation between 2004-2007, as the Chairman of Transportation Sports Club Association between 2006-2015 and as the president of Sivas Demirspor Club between the years of 2011-2012. He has been working as the Deputy Minister of the Ministry of Transport and Infrastructure of the Republic of Türkiye since July 2018. Selim Dursun is married and father of 4.



Enver İSKURT
Independent Member of Board of Directors

Enver İskurt was born in 1966 in Trabzon. İskurt graduated from Karadeniz Technical University, Faculty of Engineering and Architecture, Department of Construction. İskurt, who started working as a Survey Team Engineer at the General Directorate of Highways, Van 11th Regional Directorate in 1990, worked as a control engineer, control chief and chief engineer respectively in the regions. After successfully carrying out his duties as the Director of the Highways Bridges Branch and the Head of the Highways Department (Head of the Department of Operations) in the General Directorate of Highways, Enver İskurt assumed the position of the Head of the Inspection Board. He is carrying out the Deputy Minister of Transport and Infrastructure duty. Enver İskurt is married and father of 2.



Ümit ÖNAL
Member of Board of Directors

Ümit Önal, a graduate of İstanbul University Faculty of Communication, started his professional life in media and communication sector. He joined Turkuvaz Media Group in 2007 and served as the General Manager of ATV, Advertising Group President and Executive Board Member, respectively, until 2015. After being appointed as the Board Member and CEO of Digitürk in 2015, he managed Digitürk's sales process to BeIN Media Group. Önal joined Türk Telekom family as the Assistant General Manager responsible for Sales and Customer Services at the end of 2016, and in December 2018, he was appointed as the Assistant General Manager responsible for Marketing and Customer Services, and in August 2019, he was appointed as the CEO of the company. Having more than 20 years of experience in the media and communication sector, Önal has contributed significantly to

the process of radical change in the Turkish media, and he continues to lead the digital and technological transformation of Türkiye in Türk Telekom.

Throughout his career, Ümit Önal has actively taken positions in national and international associations. Önal served as the Chairman of the Board of Mobile Telecommunication Operators Association (m-TOD) in 2020; he is still actively Chairman of TV Monitoring and Research Committee (TİAK A.Ş.); Board Member at Advertisers Association (RVD), member to Foreign Investors Association (YASED), Board Member at Yıldız Teknopark of Yıldız Technical University and US Business Council Member of Foreign Economic Relations Board (DEİK); and he represents Türk Telekom at Association of TV Broadcasters (TVYD).

Önal joined the Türk Telekom family as the Assistant General Manager responsible for Sales and Customer Services at the end of 2016, and was appointed as the Assistant General Manager responsible for Marketing and Customer Services in December 2018. In August 2019, Ümit Önal was appointed as the CEO of the company and has been serving as a member of the Türk Telekom Board of Directors since March 2022.



Salim Arda ERMUT
Member of Board of Directors

Arda Ermut has been the CEO and a member of the Board of Directors of the Türkiye Wealth Fund since March 2021. Previous to his appointment, Mr. Ermut served as the President of the Investment Office of the Presidency of the Republic of Türkiye between 2015-2020 and was a member of the TWF Board of Directors from 2018 to 2020. Mr. Ermut started his career as the Press and Public Relations Consultant to the Prime Minister and later joined the Investment Office of the Presidency, formerly known as the Türkiye Investment Support and Promotion Agency, as a Project Director in 2005. During his time at the Agency, Mr. Ermut held various key managerial positions and was appointed President in 2015. In addition, Mr. Ermut served as a member of the Turkish Airlines Board of Directors and one of three Turkish Airlines Executive Committee members between 2019-2021.

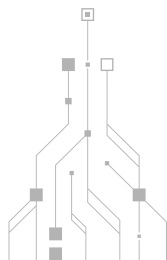
Playing an important role in bringing international direct investments to Türkiye, Mr. Ermut was a member of the Board of Directors of the Vienna Economic Forum and SunExpress between 2015-2019, the Vice-President of the Türkiye Basketball Federation between 2019-2021, and the Chairman to the Board of Directors of the World Association of Investment Agencies (WAIPA) for four years.

Mr. Ermut graduated from Boğaziçi University with a Bachelor's degree in Political Science and International Relations.



Metin İLHAN
Member of Board of Directors

Metin İlhan was born in Mardin in 1981. After graduating from İstanbul University Faculty of Law, he completed his Master's Degree in European Union Law and International Law at Bremen University Faculty of Law. He started working as a lawyer in İstanbul in 2006. He worked as a lawyer in the ATV-Sabah Media Group between 2007-2008. He was in Germany after 2008 and continued to work as a consultant and lawyer for the ATV-Sabah Media Group during this period. He also taught Turkish Law at Frankfurt Goethe University. Between 2013-2016, he served as the General Secretary of the Union of European Turkish Democrats (UETD), headquartered in Köln, Germany. In 2016, he was appointed as a trustee to Zaman Newspaper and its subsidiaries and served as the Chairman of the Board of Directors. He has been working as a founding partner at Jurist Law Firm since 2016. Metin İlhan, who is married and has two children, speaks German and English.



CEO Message

WE WORK FOR A BETTER FUTURE

We have absolute confidence in the future of the telecommunication sector in Türkiye and our Company, which sets the standards in the sector and pioneers change and digitalisation.

2022 has been a year in which several uncertainties coexisted, managing future expectations has gained more prominence, and effective decisions had to be implemented in a skilful and agile manner. In addition to the geopolitical risks that significantly affect our nearby geography, high inflation, decelerating global growth and climate change have had their impact felt on a global scale.

As Türk Telekom, we have increased our focus on reinforcing our strengths that differentiate us from our competitors and enable us to overcome volatile and uncertain times under the challenging conditions experienced all over the world. We maintained our resilience and financial strength. We have invested significant time and energy to further improve our technological competence, customer experience processes and digitalisation agenda.

Thanks to our proactive and adaptive measures, we continued stronger on our path in 2022, achieving

1 million
net subscriber
addition



sustainable and healthy growth with a balanced financial performance. Our biggest source of pride and motivation is our customer base, which has reached 53 million with 1 million net subscriber gain throughout the year.

2022 was a year in which macroeconomic conditions had an impact on subscriber preferences. Nevertheless, customers' need for speed and data maintained its upward trend due to the development of technology, the hike in the spread of digitalisation, the increasing number of online platforms, and the improvement in the quality of data content on the internet. By interpreting the consumer preferences well and proceeding with our customer experience investments, we showed a strong performance in our efforts to move our customers to higher packages in all core business lines in 2022.

Türk Telekom's consolidated revenues increased by 40.2% compared to the previous year and reached TL

48 billion. Excluding the IFRIC 12 accounting impact, revenue growth stood at 40.1% YoY, exceeding our 2022 guidance of 37%. Consolidated EBITDA increased by 16.6% YoY and reached TL 19.1 billion. Net income was TL 4.1 billion as a result of increasing net financial expenses YoY. The Net Debt/EBITDA ratio, which declined to 1.47x in the fourth quarter, was maintained at a reasonable level considering the volatility in exchange rates and interest rates throughout the year. Capital expenditures (Capex) reached TL 13.9 billion in 2022, approaching the guidance of TL 14 billion.

The upward momentum in ARPU and revenue growth confirmed that the actions we took during the year in both pricing and subscriber base management were effective and timely. The increase in revenue growth continued throughout the year with the cumulative effect of price revisions and ongoing contract renewal activities on the current customer base. Subscriber growth, pricing and demand for high-speed boosted fixed broadband revenue by 32.3% YoY. In addition to this, mobile revenue growth rose to 42.8% thanks to our value-oriented strategy. Growth in corporate data revenues and other revenues also accelerated, up 25.3% and 103.9%, respectively. Device sales, ICT projects and call centre revenues were the main sources of the significant surge in other revenue items. Finally, international revenues grew by 59.0% due to the increase in traffic and the exchange rate.

Throughout 2022, our financial performance improved in every quarter. Sticking to dynamic pricing, closely monitoring the behaviour of consumers and corporates, and accurately reading the competitive environment will continue to support us in reaching our 2023 targets. We believe that we are well-equipped to properly manage risks and turn new opportunities into profits with the aim of fulfilling our duties towards our stakeholders. We have absolute confidence in the future of the telecommunication sector in Türkiye and our Company, which sets the standards in the sector and pioneers change and digitalisation.

TL 48 billion
Consolidated
Revenue



Fibre network length
In 2022, we have increased our fibre network length to 403 thousand kilometres, extending to all 81 provinces of the country.

We continued to grow with our pioneering actions in fixed broadband
Fixed broadband subscriber acquisition followed a slower course in 2022 compared to 2021, in line with our expectations, with the effects of post-pandemic normalisation and pricing. Subscriber preferences were shaped by the changing macroeconomic conditions, competitive landscape, pricing, promotional activities and seasonality throughout the year. The increase in the port fee that we put into operation on June 1 in our wholesale business with the approval of the regulatory authority, and the 12+12 contract structure that we put into effect on October 1 were critical developments for sector dynamics and business line performance.

Türk Telekom managed to expand its fixed broadband customer base in 2022, reaching a total of 14.8 million subscribers with a net addition of 0.5 million. We are firm in our view that the fixed broadband household penetration rate, which is still at 74% in Türkiye as of 3Q'22, may reach 80% in the coming years and even have the potential to exceed this level. Our fibre subscribers, which make up 77.7% of the fixed internet base, increased by 20.3% to 11.5 million in 2022. Fixed broadband ARPU growth reached 25.4% YoY in 2022, on the back of pricing, new subscriber acquisitions and upsells.

We have come a long way in the name of our country in building, developing and digitising Türkiye's fixed infrastructure. As Türkiye's fibre powerhouse, we are proud to be the technology carrier of our country, where fiberisation rate is increasing day by day with our high motivation to equip every part of the country with fibre.

Our fibre network has exceeded 400 thousand km

In 2022, we have increased our fibre network length to 403 thousand kilometres, which spans all 81 provinces of the country. We raised the number of fibre homepass, which was 30.2 million by the end of 2021, to 31.4 million by the end of 2022. FTTC household coverage rose to 21.0 million while FTTH/B household coverage increased to 10.4 million. This also means higher speed communication.

CEO Message

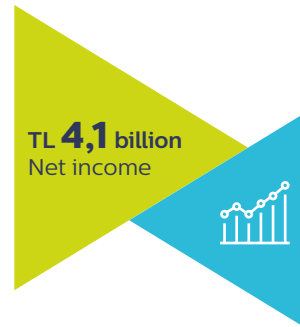
The strong appetite for high-speed packages, both in new customer acquisitions and contract renewals, has helped us ensure a smoother transition for subscribers to new pricing levels. Packages of 24 Mbps and above accounted for 61% of new sales in the consumer segment. As of June 1, we started to provide 1,000 Mbps speed to our customers.

We foresee that our subscribers' tendency to turn to high-speed packages with our widespread infrastructure will continue in the coming periods, and we believe that the contribution of the switch to higher-speed packages will continue to be the driving force of solid and long-term growth in our fixed internet business line. We are happy to see the return of our pioneering investments in this field, and we maintain our high motivation to provide our customers with high-quality and high-speed connections.

We continue to fiberise the Organised Industrial Zones, which are the backbone of industry and commerce, up to the level of 100%. With our Smart Transportation Systems, we equip Türkiye's signature projects such as the 1915 Çanakkale Bridge, the longest suspension bridge in the world, and our highways connecting two continents, with next generation technologies, and digitise the key transit transportation points of our country with our fibre power from end to end.

Smart Transportation Systems

With our Smart Transportation Systems, we equip Türkiye's mega projects such as the 1915 Çanakkale Bridge, the longest suspension bridge in the world, and our highways connecting two continents, with next generation technologies, and digitise the important transit transportation points of our country with our fibre power from end to end.



Accelerating performance on mobile gives strong signals for the future

We continue to achieve the results we want with our value-oriented strategy that we have implemented since 2020 in the mobile business line. We made significant investments in order to increase our network quality and brand perception among subscribers, and we exerted efforts to improve our processes. Thanks to these efforts, despite the high inflation in 2022, we managed to offer quality service at the right price and achieved 1.5 million net subscriber acquisitions, above our expectations.

Although the operators competed to get a bigger share from the accelerated growth in the mobile market thanks to the post-pandemic mobility and strong tourism season, they maintained their pricing discipline throughout the year. The MNP (Mobile Number Portability) market grew for the first time after a year on a quarterly basis, thanks to the subscribers who try to find the most advantageous packages among the intense end-of-year campaigns. As Türk Telekom, we remained at the top of the market in net port numbers for five consecutive quarters.

While the number of mobile subscribers rose to 25.5 million, post-paid subscribers accounted for 66.4% of the total. Our Prime base reached 5.5 million subscribers. We expect Prime, which made a significant contribution to ARPU in 2022, to maintain a similar performance in 2023 as well.

Data usage, which remained strong throughout the year, showed that demand was resilient to macroeconomic conditions. Mobile data usage* increased 24.1% YoY to 12.7 GB in Q4'22.

* Average monthly data usage per LTE user

Accelerating quarterly growth in postpaid and prepaid ARPU brought the mixed ARPU growth to 35.1% on an annual basis. Rapid growth of 42.8% in mobile revenue was strongly supported by careful ARPU management and strong net subscriber acquisition.

We are at the centre of the domestic 5G ecosystem

As Türk Telekom, we are at the centre of efforts in establishing and developing the 'domestic 5G ecosystem'. The 5G studies we carry out with local companies in the sectors like industry, agriculture, gaming, health and education form an important part of our vision to produce domestic technology.

In addition to our innovative projects and practices, in which we broke new ground with our domestic and global business partners, we maintain our leadership in this field with our extensive trials. Our cooperation with TARNET, the technology subsidiary of Turkish Agricultural Credit Cooperatives, is among our prominent operations. With the "Autonomous Tractor", the 5G application that will increase productivity in arable farming areas, we broke another fresh ground in Türkiye in the field of smart agriculture.

With our mission to be the most prepared operator to 5G, our priority is to make the industries 5G ready. So far, we have completed several important studies on "Industrial Networks and 5G Vertical Sector Implementations", including Türkiye's first Industry 4.0 trial. We continued to accelerate the development of local companies in the ecosystem by providing support to start-ups with 5G technology through programmes such as 5G@EndTech, which we carried out during the year and implemented in cooperation with Arçelik and Nokia.

We are ready for 5G

We have completed numerous key studies on "Industrial Networks and 5G Vertical Sector Implementations", including Türkiye's first Industry 4.0 trial.

We attach great importance to our international collaborations on 5G technologies

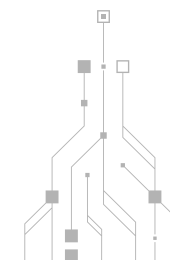
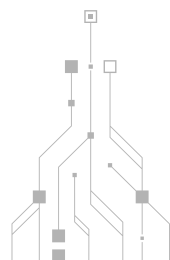
2022 was a productive year in which we developed our existing international collaborations and added new ones. Together with our group company Argela and its subsidiary Netsia in Silicon Valley, we have reached the level to produce VRAN and SEBA technologies for the world, which will facilitate the lives of all operators globally. We make significant contribution to the development of the domestic and foreign ecosystem with our efforts and global collaborations that play an active role in setting 5G standards.

With the US-based Juniper Networks and Sweden-based Net Insight, we completed our work on productising the 5G technologies we developed. We are proving the success of Turkish engineering to the world with these products, which have started to be sold in the global market. We agreed with Parallel Wireless, one of the leading companies in cloud-based wireless networks, to test the Open RAN solution at pilot sites. The support of the US Trade and Development Agency (USTDA) also proves the global importance of this project. Within the scope of this work, we will also use the RIC technology, which has been productised in cooperation with Netsia and Juniper.

Türk Telekom continues to make win-win cooperations with global players on technology development and commercialisation of their products, and continues to make a significant contribution to the domestic technology move to make Türkiye not only a country that consumes the technology but also a country that produces and exports it.

We provide users with different experiences via our digital services

We maintain our goal of doing our best to transform Türkiye into a digital society. We produce technological solutions that meet the needs of our current and potential customers, even anticipate their needs and make investments accordingly. Our priority is to provide the best customer experience to our 52.8 million subscribers.



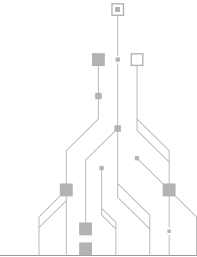
CEO Message

With Tivibu, our next generation digital television platform, we strengthen our position in the pay TV market, while providing different experiences to users with our innovative services in the digitalising world, and helping them spend quality time. We continued to meet the interests and expectations of our subscribers with more than 30 mobile applications such as Muud, e-dergi (e-magazine), Yaay, Vitamin, Raunt, Dijital Depo (Digital Warehouse), Sesli Adımlar (Loud Steps), EyeSense, and more than 200 value-added digital services. We strengthened our position in the fintech market with our e-cüzdan (e-wallet) application and prepaid card solution Pokus, which we developed in 2021. The 'Online Transactions' application, our online self-service platform that we offer to our subscribers, was downloaded 67.9 million times as of the end of 2022. The number of unique subscribers using the application continued to rise and reached a new peak of 27 million.

We store Türkiye's data inside the country with our cyber security solutions

As the service provider that owns Türkiye's largest Cyber Security Centre, we ensure the security of our country's fixed communication infrastructure, while making our customers' lives easier with the security services we offer. 2022 has been a year in which we have provided our customers with more comfortable business processes thanks to our cyber security services that do not require any technological investment and installation and can be put into use quickly, and we have taken important steps to increase the localisation rate of our products and services in this field.

In parallel with the digital transformation trends, we will continue our investments and projects that will build Türkiye's future with our domestic technologies in different fields such as defence, health, education, energy, industry and cyber security.



Cyber security solutions

As the service provider with the largest Cyber Security Centre in Türkiye, we make our customers' lives easier with the security services we offer while ensuring the security of the fixed communication infrastructure of our country.

We add value to entrepreneurs

With the TT Ventures Office we opened in San Francisco during the year we aim to serve as a bridge that connect start-ups to the world.

We continue to strengthen the start-up ecosystem

We care about the efforts that will reduce foreign dependency in technology, and we work unabatedly for a self-sufficient Türkiye in a changing and developing world. The support we have provided to the entrepreneurship ecosystem, which we have carefully embraced by implementing Türkiye's first corporate venture acceleration programme in order to move our country forward in the technology race, has grown exponentially over the past ten years.

With the TT Ventures Office, we opened in San Francisco during the year, we aim to become a bridge that connects start-ups to the world. Thanks to the TT Ventures Venture Capital Investment Fund, which we launched in November to add value to entrepreneurs and investors, we will have the opportunity to invest in more start-ups. Our goal is to bring the valuable ideas from our country to the world through Silicon Valley, where the heart of technology and innovation beats, and to ensure that new world brands emerge from Türkiye.

With our start-up acceleration programme PILOT, tenth term of which is completed in 2022, we have provided approximately TL 30 million cash support to 104 start-ups so far, and we have increased the number of those we invested in with TT Ventures to 14. The total investment amount received by our PILOT graduates, who operate in almost all countries in Asia, Europe, America and Africa and who are a source of pride for our country, has approached 20 million US dollars.

The number of our environment friendly green switchboards is increasing rapidly

As Türk Telekom Group, we continue our fight against climate change at the highest level. While systematically reducing our carbon footprint, we continue our investments and optimisation efforts in energy efficiency uninterruptedly.

While contributing to the digitalisation processes of local administrations with our smart products and services, we provide efficiency by offering the best environmentally friendly solutions in many areas such as transportation, life, health, environment, energy and security. In order to contribute to the construction of sustainable and safe cities of the future designed for a high quality of life, we have increased the number of smart solutions implemented within the scope of the Next Generation City Platform to 55. The number of local administrations using these solutions has also risen to 14.

We strengthen the link between art and technology

We see art as one of the fundamental elements that will carry the strong Türkiye of today and tomorrow even further, and we consider strengthening the bond between art and technology among our basic social responsibilities. With this awareness, we became the main supporter of the renewed Atatürk Cultural Centre (AKM) and named the 'heart' of this valuable building as the Türk Telekom Opera Hall. With its structure that embraces, integrates and unites all segments of the society, AKM also fully overlaps with our understanding of accessible communication for all.

As the leader of Türkiye's digital transformation, we continued to convey our technology and transformation experience to AKM visitors in many different areas throughout the year.

We hosted approximately 1.5 million visitors at AKM, which we equipped with our free Wi-Fi service, 5G and high technology, in our Robotcafe, Türk Telekom Open Air Stage and Türk Telekom Lounge area in addition to the Türk Telekom Opera Hall. We will continue to make our presence felt at every point where art meets technology, as was the case with AKM, which we made accessible for everyone with our Sesli Adımlar (Loud Steps) application.

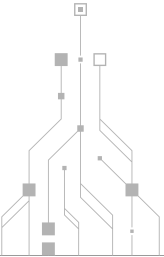
With the 'Life is Simple in Digital' project, which we have been running since September 2019, we continue

Digital transformation leadership

As the leader of Türkiye's digital transformation, we continued to convey our experience in technology and transformation onto various areas for AKM visitors throughout the year.

We add value to human life

With our experience in high technology and our human-centred approach, we stand behind every technology that values life.



to support women's participation in the workforce and employment, which is one of the most important elements of sustainable development. Within the scope of the project, digital literacy and digital marketing trainings were provided to 6 thousand women in 2022.

We are ready for the "Century of Türkiye" with our position that guides the technologies required by the age

In 2023, which will mark the century of Türkiye, we will maintain our presence all over the country and continue to focus on the opportunities that arise with our strengths, knowledge and effective human resources. Our solid foundations, our agility to adapt to new circumstances and our passion for technological progress sharpen our ability to deliver superior services to our society and all our stakeholders by effectively and successfully implementing our strategies.

With our experience in the field of high technology and our human-centred approach, we stand behind every technology that makes life valuable. As Türk Telekom, we will continue to make people "feel valuable" for a Türkiye that has completed its digital transformation, produces and exports its own technology in every field such as defence, industry, agriculture and energy, and is prepared for 5G and the opportunities it will bring, with our investments that transform technology into benefit in the 100th anniversary of our Republic.

As we leave behind another year of operation in which we worked with faith, passion and determination with the high energy we receive from our stakeholders, I would like to express my sincere thanks to all our teammates, our esteemed Board of Directors, shareholders, investors, business partners and each of our nearly 53 million customers who feel the unifying power of Türk Telekom, spread and support it.

Best regards,

Ümit Önal
CEO – General Manager

Türk Telekom Senior Management



Ümit ÖNAL
CEO – General Manager

Ümit Önal, a graduate of Istanbul University Faculty of Communication, started his professional life in media and communication sector. He joined Turkuvaz Media Group in 2007 and served as the General Manager of ATV, Advertising Group President and Executive Board Member, respectively, until 2015. After being appointed as the Board Member and CEO of Digitürk in 2015, he managed Digitürk's sales process to BeIN Media Group. Önal joined Türk Telekom family as the Assistant General Manager responsible for Sales and Customer Services at the end of 2016, and in December 2018, he was appointed as the Assistant General Manager responsible for Marketing and Customer Services, and in August 2019, he was appointed as the CEO of the company. Having more than 20 years of experience in the media and communication sector, Önal has contributed significantly to

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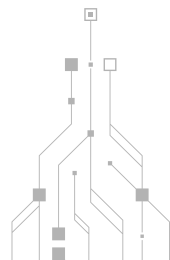
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Kaan AKTAN
Finance Assistant General Manager

Kaan Aktan, after Galatasaray High School, graduated from Boğaziçi University, Economics in 1995. He started his career at Anadolu Group. He worked in PepsiCo Türkiye Operation in 2002 and afterwards he worked at Texas Pacific Group Investment Fund Türkiye Asset Management companies as finance manager since 2007. He joined Türk Telekom in 2010 as Director of Financial Projects. He was appointed as TTNET CFO in March 2013. During his successful term of employment, he has also taken on several management roles at Türk Telekom and Turk Telekom Group Companies. Mr. Aktan is serving as Finance Assistant General Manager since December 2016.



Dr. Mehmet BEYTUR
Support Services and Procurement Management Assistant General Manager

Dr. Mehmet Beytur, after receiving bachelor's degree in Electronics and Communication Engineering from Istanbul Technical University, he completed his Master's Degree in Economics at Marmara University with his thesis on 'Energy Resources and Cooperation Opportunities of Islamic Countries'. In 2008, he received doctorate degree in Gebze Institute of Technology with his thesis on "Utilization of Outsourcing" in the field of Business Administration.

He started his career as an access engineer at Türk Telekom (at that time PTT) in 1991 and after serving as chief engineer, manager, assistant region manager and provincial manager, he has served as Istanbul Region Manager for more than 10 years. In this role, he carried out technical, commercial and all support functions.

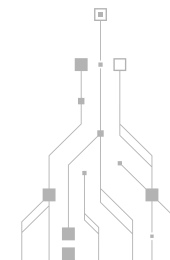
He has worked in technology, customer, system and management based transformation projects in the company and the sector. Dr. Mehmet Beytur is the Chairman of the Board of Directors of the Türk Telekom SYS (Health and Social Aid Foundation) as well as serving as a member of the Board of Directors in Türk Telekom Group Companies. Mehmet Beytur (PhD) is serving as Support Services and Procurement Management Assistant General Manager since September 2019.



İsmail BÜTÜN
Consumer Sales Assistant General Manager

Upon graduating from Business Administration Department of Boğaziçi University in 1996, İsmail Bütün started his professional career at Çuhadaroglu Holding Moscow Office. Between 1997 and 2000, Mr. Bütün worked at Enka Group within Foreign Trade department in Moscow as Sales and Business Development Manager. After joining the team of Nestle Türkiye in 2000, he worked at Nestle as CPW Türkiye Country Manager, Regional Marketing Director for Central Asia based in Uzbekistan, and as Head of National Key Accounts for Nestle Türkiye respectively. After 2011, he served at Nestle's Global Headquarters in Switzerland, first as Business Excellence Manager at the Global Customer and Sales Management Unit and then he led global marketing projects as Marketing Manager at the NESCAFE Strategic Business Unit. Mr. Bütün returned to Türkiye in 2015 and was appointed as the General Manager of NESCAFE and also as a Board Member of Nestle Türkiye.

In January 2016, he joined Turkcell as "Senior Vice President of Retail Sales" in charge of Consumer Sales and also appointed as an Executive Committee Member. Between July 2016 and January 2019, he served as the Chief Marketing Officer and Executive Committee member. In January 2020, Mr. Bütün joined Türk Telekom International as Chief Commercial Officer. He completed "New Frontiers" programme at MIT (Massachusetts Institute of Technology) in 2017; and "Innovative Marketing for Strategic Advantage" programme at Stanford University in 2018. İsmail Bütün is serving as Consumer Sales Assistant General Manager since May 2020.



Türk Telekom Senior Management



Mustafa ESER
Corporate Sales Assistant General Manager

Mustafa Eser graduated from the Department of Physics of Hacettepe University in 1996. Between 1996 and 1998, he conducted his master's degree studies at the University of Cologne and Heinrich Heine University in Düsseldorf. Since 1998, he has been taking part in Information and Education sectors as an entrepreneur and a manager. Between 2007 and 2014, he worked at Türksat A.Ş. as Director. Between 2014 and 2017, he worked as the Manager responsible from Public Sector Relations and Regulation at Digitürk. Since May 2017, he served as the Public Sales Director at Türk Telekom. Mustafa Eser, is the Chairman of the Board of Directors of Sebit A.Ş., a subsidiary of Türk Telekom and Türkiye's leading educational technology company, also serves as a member of the Board of Directors of Türk Telekom Sports Club and is responsible for the basketball branch.

Mustafa Eser is serving as Corporate Sales Assistant General Manager of Türk Telekom since April 2020.



Ali GÜRSOY
Head of Enterprise Risk and Business Continuity

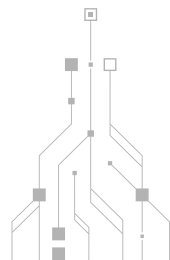
Ali Gürsoy graduated in Faculty of Management from Bilkent University in 1993. He started to work for Şişecam Group as Assistant Specialist in 1995 and continued his professional life at Esbank T.A.Ş. as Specialist in marketing department. In 1997, he relocated to the United States and worked as a Financial Analyst at ATB Consulting (New York) followed by a role as a Financial Risk Manager at Aragon Asset Management (Chicago).

In addition to his professional life, Ali Gürsoy continued his education and graduated from Pace University-M.S. in Investment Management (2001), Columbia University-Graduate Diploma in Computer Science (2003) and University of Chicago-M.S. in Financial Mathematics (2005) in the United States and Sabancı University-M.S. in Data Analytics

(2021) in Türkiye, respectively.

After his return to Türkiye in 2006, Ali Gürsoy worked as Assistant General Manager at Risk Türk Financial Software Company for five years. During this period, Ali Gürsoy led the team that provided software and consulting services related to market risk, credit risk, asset-liability management, and portfolio management within the company. He managed a portfolio of clients consisting of Türkiye's leading banks, investment, and portfolio management companies. Since 2011, Ali Gürsoy has continued his professional career at Türk Telekom Group, where he led the establishment of the functions of Corporate Risk Management, Business Continuity, Internal Control, and Sustainability. In addition to this role, Gürsoy also served as the Assistant General Manager of Finance at AssisTT A.Ş., one of the Turk Telekom Group companies, from 2018 to 2020.

Ali Gürsoy is serving as Head of Enterprise Risk and Business Continuity at Türk Telekom since December 2019.



Tahsin KAPLAN
Legal and Regulation Assistant General Manager

Tahsin Kaplan who has more than 20 years of experience in the field of Corporate Law and Regulation in both private and public institutions, graduated from Marmara University Faculty of Law in 1999. After starting his professional career as a freelance lawyer, he took office under the titles of Legal Adviser, Group Head of Legal Affairs and held several Board Memberships in finance and media sectors. He has been working as a freelance lawyer since 2016.

Tahsin Kaplan is serving as Legal and Regulation Assistant General Manager of Türk Telekom since August 2021.



Yusuf KIRAÇ
Technology Assistant General Manager

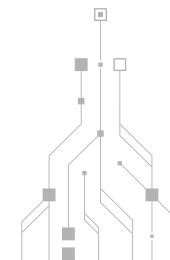
Kıraç began his career at Siemens in 1996. Later, he worked as a Planning and Integration Management Manager and then continued his duty at Nokia Siemens Networks under the same title.

Kıraç, who started working at Türk Telekom in 2008, assumed the position of Türk Telekom Network Director in 2010. Between the years of 2010 and 2014, he also served as the Chairman of the NANI Working Group of the European Telecommunication Operators Organisation ETNO, headquartered in Brussels, in addition to his duty at that time. After the restructuring, which was formed by the merger of Türk Telekom, AVEA and TTNET companies, he served as the Director of Core & Transport Network.

Yusuf Kıraç served as the General Manager of Türk Telekom International between December 2016 and August 2018. Since August 2018, as Assistant General Manager of Technology (CTO) at Türk Telekom, he has been managing the Company's activities in the fields of fiberisation and digital transformation, 5G, SDN, NFV, ipv6, Artificial Intelligence, IT product and channel deduplication, and Real Time Pricing, Cyber Security, Data Centre. Kıraç leads the efforts to realise network transformations with open-source technologies in the development of solutions such as SEBA (SDN Enable Broadband Access) and vRAN (Virtual Radio Access Network), and the localisation initiative in telecommunication infrastructures with the projects he started on the use of domestic products in the network layers of Türk Telekom.

In addition to his current position, he has been serving as the acting CEO of Argela Yazılım ve Bilişim Teknolojileri A.Ş. since June 2022. Yusuf Kıraç is also a Board Member of ONF (Open Networking Foundation), Board Member of Türk Telekom Group Company NETSIA, which is headquartered in the USA, Chairman of Türk Telekom Youth and Sports Club Board of Directors, and Board Member of Innova A.Ş.

International Awards and Achievements: Guinness World Record, June 2013 First operator in the world capable of carrying 8 Terabits over a single fibre hair, 2011 and 2012 ICCI Energy Efficiency Awards, Turcyos II Türkiye-TRNC Fibre Project Achievement Certificate.



Türk Telekom Senior Management



Zeynep ÖZDEN
Marketing and Customer Experience Assistant General Manager

Zeynep Özden, graduated from Bilgi University's Department of Public Relations in English, started her career in Corporate Customer Services at BP Petroleum, and took on professional and managerial responsibilities in the fields of strategic planning and performance management in the communication and media sectors. She joined Türk Telekom Group as 'Commercial Planning Director' in 2017 and carried out the Projects for Efficiency of Sales Channels and Restructuring of Corporate Sales Customer Segmentation. Özden, most recently served as the 'Marketing Intelligence and Customer Experience Director', responsible for Marketing Planning, Pricing, Customer Experience and Customer Analytics. Zeynep Özden is serving as Marketing and Customer Experience Assistant General Manager since September 2022.



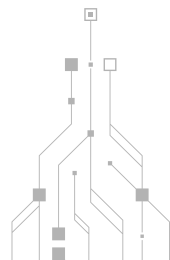
Emre ŞEHİSUAROĞLU
Head of Internal Audit

In 1993, after graduation from Marmara University Business Administration (English), Mr. Şehsuvaroğlu started his professional career as an auditor in Deloitte financial services company. He took part in the audit and consulting projects of various clients across sectors for a period of 10 years until 2003.

He joined Arkas Holding in 2003, where he led the restructuring of Holding's internal audit function and the auditing of agency, marine and land transport, port and logistics service businesses. He established the auditing processes in overseas locations of Arkas including Spain, Ukraine and Algeria. Following his role in Arkas Holding, he joined Turkcell by late

2006, where he led the Sarbanes Oxley- SOX compliance efforts of the company as per the listing requirements in the New York Stock Exchange. Apart from Internal Audit, he led Enterprise Risk Management, Information Security and Business Continuity Programmes until the end of his employment in Turkcell in late 2011. During this period, he was also the acting CFO in Turkcell's Ukraine subsidiary Lifecell simultaneously for a year.

In late 2011, he joined Yıldız Holding and restructured the existing Internal Audit functions of national and regional companies of the holding in accordance with the International Standards of Internal Auditing. Following that, he started the global auditing processes of global operations of the holding subsidiaries Godiva and United Biscuits. He led these efforts by establishing local audit teams based in New York and Shangai to support existing team in Istanbul. In October 2018, he left Yıldız Holding and assumed the role of Chief Compliance Officer of Netaş. During this tenure, he executed the adoption, monitoring and management of business processes in Netaş as per the best practice standards of compliance. Emre Şehsuvaroğlu is serving as Head of Internal Audit since September 2020.



Mehmet Emre VURAL
Human Resources Assistant General Manager

After receiving bachelor's degree in Electrics & Electronics Engineering from Turkish Military Academy in 1990, Mehmet Emre Vural, completed Artillery and Rocketry school in 1991.

He started his career in Kraft Foods Türkiye in 1994 responsible for Human Resources, Administration, IT and Legal functions where he successively took chief, manager and coordinator positions. In 2002 he joined Ülker Group and served as HR Manager, Recruitment Manager, HR Business Partner, HR Director responsible for International Operations and Yıldız Holding HR Director. After joining Matlı A.Ş. in 2012 as General Manager and board member; he took CEO position in Destek Holding starting from 2014.

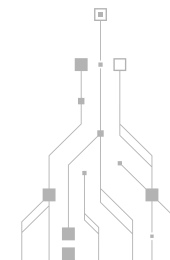
Through his career, he completed numerous re-organisations, renovation, implementation and launch projects. Mr. Vural is serving as Human Resources Assistant General Manager since December 2019.



Yavuz YILDIRIM
Wholesale Assistant General Manager

Yavuz Yıldırım graduated from Uludağ University in 1999 from the Faculty of Economics and Administrative Sciences, Department of Business Administration. Following his past work experiences in trading, he started his career in 2002 at Telsim, followed by various positions in sales and marketing units at Nortel Networks Netaş between 2004 -2006 and then Vodafone between 2006-2009). Mr. Yıldırım joined Türk Telekom in 2009 as Director of SME Sales Operations and contributed to the establishment of SME sales channel. In November 2011, he undertook the Wholesale Sales Director role and served as the President of Türk Telekom Wholesale Clients Business Unit between April 2015 - December 2016.

Mr. Yıldırım is serving as Wholesale Assistant General Manager since December 2016.



Türk Telekom Group Companies General Managers



Yusuf KIRAÇ
Argela CEO (Acting)

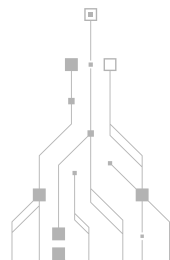
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International Awards and Achievements: Guinness World Record, June 2013 First operator in the world capable of carrying 8 Terabits over a single fibre hair, 2011 and 2012 ICCI Energy Efficiency Awards, Turcyos II Türkiye-TRNC Fibre Project Achievement Certificate.



Haktan SARAN
AssisTT CEO

Haktan Saran graduated from the Department of Statistics, Mimar Sinan University in 1998, then completed an MBA Programme in Istanbul Bilgi University.

Starting his business career in 1995 in a call centre of Koçbank, Saran has held different positions in the field of the call centre business, and then served as Director of Alternative Distribution Channels at Denizbank between 1999 and 2004. He has held the position of Operations Manager, Customer Services at Turkcell Global Bilgi Information between 2005 and 2014, and then of Assistant General Manager in charge of Individual Operations. He has served as General Manager at Alonet Bilgi A.Ş. between 2014 and 2018. He also served as a Board Member and Vice President of the Call Centre Association between 2015 and 2018, and as of May 2020, he has reinstated as Vice President.

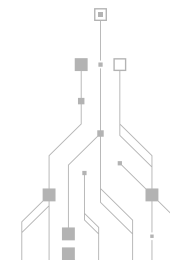
Haktan Saran joined the family of AssisTT as Operations Assistant General Manager in December 2018. Since December 2019, he holds the position of CEO at AssisTT.



Serdar TORAMAN
İnnova CEO

Serdar Toraman received his Bachelor's Degree from the Istanbul University Electronical Engineering department in 1999. He started his professional life in IBM and has served in various positions at Eczacıbaşı Bilişim, Sentim, ServisNET Telekomünikasyon Hizmetleri, which was a NETAŞ subsidiary. Toraman undertook important roles in leading tech companies and served in executive positions at Avnet Technology (TechData), Borsa Istanbul, and Information and Communication Technologies Authority (BTK).

He then served as IT Director and Consultant in a Türk Telekom subsidiary, AssisTT Rehberlik ve Müşteri Hizmetleri and lastly as General Manager in PTT Bilgi Teknolojileri A.Ş. Serdar Toraman is serving as Innova CEO since December 2020.



Türk Telekom Group Companies General Managers



Şükrü KUTLU
Türk Telekom International Group CEO

Şükrü Kutlu graduated from the Faculty of Law at Ankara University in 1991. He completed his Master's Degree in the Department of Private Law at Gazi University with a thesis titled "Interconnection Contracts in Telecommunication". He started his career in 1992 as an Assistant Auditor in the Court of Accounts and then he continued his career by serving as the Auditor and Lead Auditor in the head office and for the regional on-site audits. In 2003, he started working at Türk Telekom as the Human Resources, Regulation and Support Assistant General Manager, a position which he held for 12 consecutive years. Between February 2015 and April 2016, he served as the Board Member and the General Director of Gübretaş T.A.Ş. Mr. Şükrü Kutlu rejoined Türk Telekom in October 2016 and served as Human Resources, Regulation and Support Assistant General Manager until September 2019.

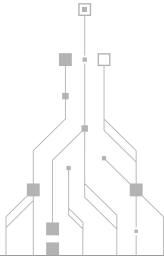
Kutlu has been working as Türk Telekom International Group CEO since September 2019. He also holds Attorney, Notary License and Public Accountant Certificates.



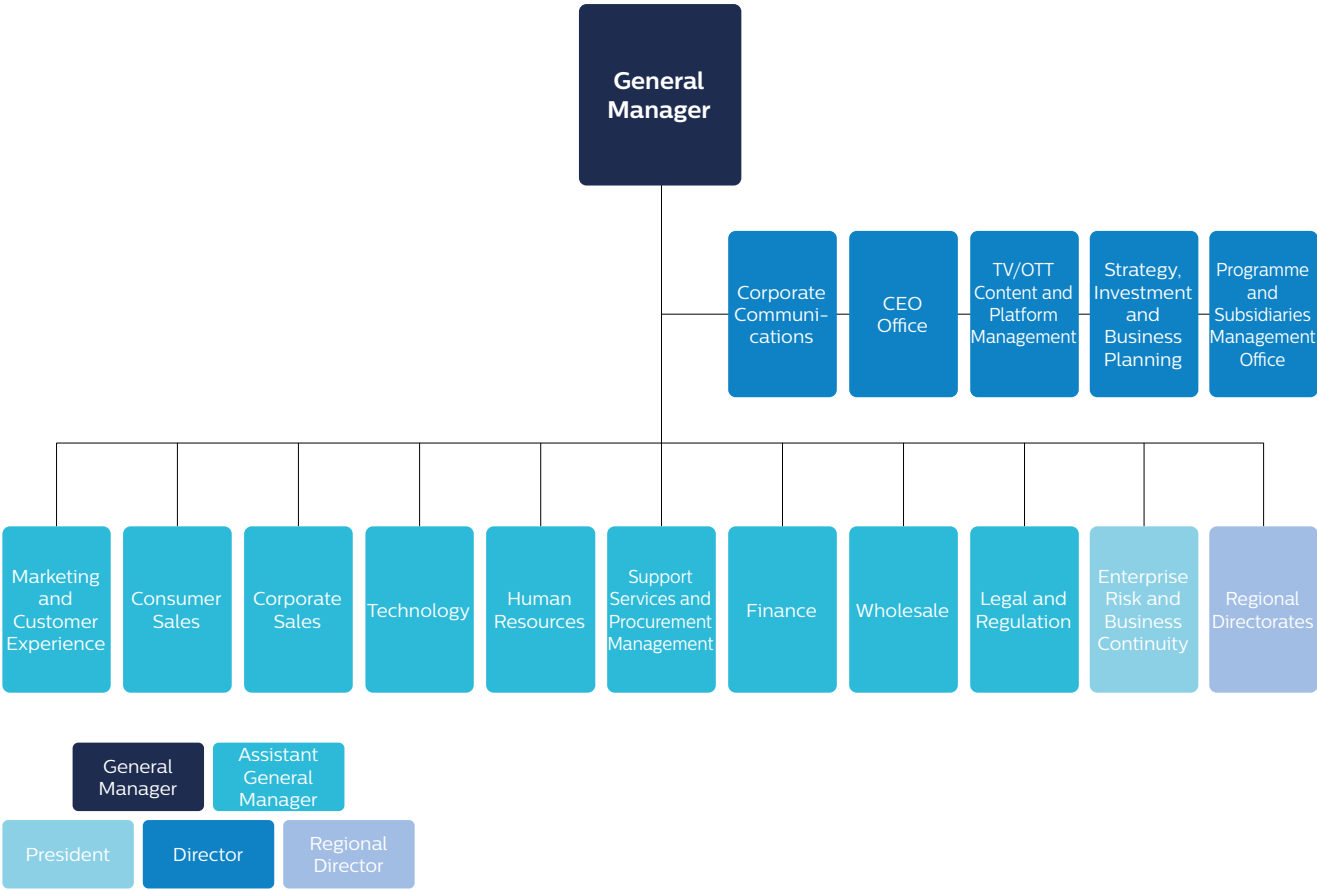
Salih ÇİL
SEBIT CEO

Salih Çil graduated from Trakya University, Department of History in 1998. Çil, started his career at İGDAŞ A.Ş. in the same year, performed various managerial duties there. Between 2010 and 2015, he worked as the Purchasing and Tender Manager at İstanbul Metropolitan Municipality Health Inc. Çil, who also served as the General Manager of the Youth Foundation of Türkiye in 2015, worked in the position of General Manager in İSPER A.Ş., a subsidiary of İstanbul Metropolitan Municipality and the largest human resources company in local administrations in Türkiye in terms of both budget and personnel, in 2017.Salih Çil joined one of Türk Telekom Group subsidiaries, İnnova A.Ş., and worked in the positions of Financial and Administrative Affairs Assistant General Manager and Sales Assistant General Manager.

Since December 2021, he has been serving as SEBIT CEO, another Türk Telekom Group subsidiary, which produces national and international education solutions by using technology innovatively and effectively.

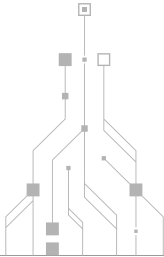


Organisational Structure



Organisational Changes

Within its sustainable growth strategy framework, Türk Telekom Group, determined its priorities that would serve the vision of leading digital and technological transformation of the country and shaped its organisational structure in this direction. While building its organisational structure, the Group aimed to grow in core business lines, accelerate the digitalisation of the country, redefine the customer experience with agile structures, use data more effectively and provide efficiency with digital transformation. Türk Telekom Group continues to press ahead with strong and confident steps in its focus areas.



Türk Telekom prioritises making the organisation plain, agile and efficient with the perspective of continuous improvement of all business processes, and carrying organisational structures with clear areas of responsibility in order to create value. In this context, Türk Telekom closed the Strategy, Planning and Digital Business Unit effective as of January 1, 2022, in order to respond to today's needs more quickly and effectively with its organisations and processes.

With the aim of enriching Türk Telekom's value chain, supporting unity by managing business processes in a more integrated and holistic manner, and maintaining sustainable growth target in financial and operational performance, the functions managed under the position of Strategy Planning and Digital Business Unit are positioned under the General Manager, Assistant General Managers, and group company TT Ventures Proje Geliştirme A.Ş. (TT Ventures).

In line with our Company's strategic goals, competitive sector dynamics and sectoral requirements, the name of the Assistant General Manager Marketing and Customer Care was changed to the Assistant General Manager of Marketing and Customer Experience.

WE BUILD BRIDGES TO HEARTS WITH OUR TECHNOLOGY

As the builder and developer of Türkiye's communication infrastructure, we continue our efforts to ensure that our customers have the best experience. Needs and expectations grow in parallel with the changes in life. In this direction, we keep our dynamism alive by adapting to rapidly transforming technologies while meeting the communication needs of our customers with the highest quality services in all our business lines.

2 million
new fixed
broadband
and mobile
subscribers



Marketing Activities

TÜRKİYE'S INTEGRATED OPERATOR

Türk Telekom presses ahead as the leading operator that provides integrated telecom services with its superior quality and widespread infrastructure, putting customer satisfaction in focus.

Customer-oriented sustainable performance strengthened by continuous infrastructure investments

In 2022, a year shaped by macroeconomic conditions, Türk Telekom continued to be the leading operator providing integrated telecom services with its high quality and extensive infrastructure, by placing customer satisfaction at its centre. It increased the number of fixed internet and mobile subscribers by 2 million in total and became the choice of 52.8 million in 2022.

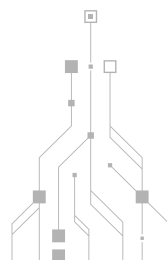
Playing a key role in reaching 74% of household internet penetration as of the 3rd quarter of 2022 with its infrastructure investments, inclusive marketing activities and regional offers, Türk Telekom undertakes the duty of expanding its footprint across the country by embracing Türkiye's fixed internet area. Thanks to the ongoing expansion in its customer base over 2022, the Company reached the fixed broadband subscriber base of 14.8 million with more than 500 thousand net acquisitions. Continuing its efforts to increase fibre and high speed awareness with its investments and infrastructure transformation projects reaching all over Türkiye, Türk Telekom has achieved healthy ARPU growth as well as a successful subscriber base management.

Türkiye's fibre powerhouse Türk Telekom is proud of its fibre network length exceeding 400 thousand km. The fibre network that spans across 81



Türkiye's fibre powerhouse

Türk Telekom continued its fixed infrastructure investments unabatedly as the leading infrastructure provider of Türkiye by focusing on customer needs.



provinces of the country, reached 403 thousand km by the end of 2022. The number of fibre homepass increased to 31.4 million from 30.2 million as of 2021. FTTC household coverage rose to 21.0 million while FTTH/B household coverage rose to 10.4 million. The total number of fibre subscribers reached 11.5 million, accounting for 77.7% of the total base with an annual increase of 10.8 points.

In addition to new infrastructure investments, Türk Telekom has made systematic improvements for its existing customers who receive home internet service over the copper network. Türk Telekom also continued its actions to migrate customers to fibre service packages with an experience-oriented planning, carrying its subscribers to high speeds and improving their internet experience.

Focusing on further strengthening the bond it established with its mobile subscribers in 2022, Türk Telekom pressed ahead with its value-oriented marketing strategy with the motto of "Makes You Feel Valuable". Among the important components of the value-oriented strategy was improving the service quality through increased network investments, enhancing customer experience, reinforcing the perception of quality, maintaining the focus on digitalisation, enriching value propositions and designing tailor-made offers with improved analytical capabilities.

Türk Telekom continued its subscriber acquisitions and ARPU growth in the mobile market, which was strengthened by the increase in mobility and the revival of tourism activity during the post-pandemic normalisation period and where rational market conditions were preserved. In 2022, the number of mobile subscribers reached 25.5 million with a net addition of 1.5 million. The postpaid subscriber base grew by 1.3 million with the support of the migration from prepaid to postpaid, making up 66.4% of the total base.

Tivibu Home maintained its successful performance and position as the second largest player in the Pay TV market, which has reached 7.7 million users in Türkiye, with approximately 1.5 million subscribers and 19.1% market share.

Türk Telekom maintained its market leader position in the fixed voice service, which always enables uninterrupted communication at homes and workplaces.

Playing a leading role in Türkiye's digital transformation, the Company continued to offer satisfaction-oriented services in 2022 with the innovations it developed on digital channels. It steered the transformation with digital platforms by providing benefits that make customers' lives easier.

Türk Telekom Online Transactions application, where users can easily perform transactions related to mobile, home internet, fixed voice and TV products were downloaded 67.9 million.

Conducting its operations based on the approach of adding value to the lives of its customers, Türk Telekom handles its growth plans for 2023 with a focus on sustainable development. By continuing its technology and infrastructure investments for sustainable and healthy growth uninterruptedly, it aims to concentrate its investment and project focus on digitalisation in the coming period and to further diversify the digital products and value-added services it offers

to its customers. The Company will continue to offer innovative solutions that appeal to different customer segments.

Türk Telekom targets implementing new commercial initiatives that will help increase the use of multi-play offers by designing cross-selling offers between mobile and home internet categories. It also plans to support acquiring customers that generate higher-value, accelerate the transition and upsell to premium tariffs and packages, and reinforce existing customers' loyalty.

CONSUMER MARKETING ACTIVITIES

Value-oriented subscriber base management in Home Internet

Türk Telekom renewed a large number of contracts in 2022 in line with the record subscriber gain realised during the pandemic. The Company achieved significant hikes in revenues generated from contract renewal and upsell, thanks to its value-oriented subscriber base management. The average package speed of the retail subscriber base increased by 34% YoY, thanks to the focus on upgrading the existing customer base to faster packages.

25.5 million mobile subscribers
Achieved a net subscriber gain of 1.5 million in 2022 with its value-oriented approach.



Marketing Activities

1,000 Mbps fibre internet to all provinces

Türk Telekom continued to implement technological developments in 2022 by focusing on the needs of customers in fixed internet. Türk Telekom, one and only internet service provider that can deliver fibre internet service to Türkiye's 81 provinces, aims to increase the country's average internet usage speed and to enable households to connect to the internet at the highest speeds. Accordingly, Türk Telekom offered 200 Mbps, 500 Mbps and 1,000 Mbps high-speed fibre internet packages to its customers in June.

Top priority at service points is customer experience

It is Türk Telekom's one of the most important priorities to meet customer needs in the fastest way possible and to ensure customer satisfaction. The Company therefore, makes a difference in competition with its numerous access points such as widespread face-to-face channels in 81 provinces of Türkiye, its call centre providing 24/7 service, user-friendly online transaction centre and social media support lines. Türk Telekom continued its customer-oriented approach to provide the best end to end internet experience and respond quickly to new and existing subscribers' fixed internet transaction requests, and next generation technological end device and technical support requirements. In 2022, it was aimed to increase customer awareness with the commercials broadcast with the motto "You Have Someone at Your Service at Türk Telekom".

New tariff strategy from Türk Telekom

Considering the purchasing power of its customers in light of the macro-economic developments, Türk Telekom renewed all its offers and promotional portfolio. As of October 2022, it switched to a dynamic pricing model that varies for the first 12 months and the second 12 months in new and existing customer campaigns with a 24-month commitment.

Rich offerings with segment-oriented approach

Türk Telekom learns about changing trends and customer needs from the experiences of its rich customer base as well as the market and industry research. At the same

GAMEON

In the first quarter of 2022, Türk Telekom launched its new, dynamic, gamer-friendly brand, GAMEON, with a focus on contributing to the development of the game ecosystem and improving gamers' experiences by offering game-specific differentiated opportunities to its customers.

Activities specific to regional dynamics

With its focus on increasing the internet penetration of Türkiye, brings its customers together with regional internet at home offers in districts where penetration is low.

time, the Company continues its marketing activities aligned to both the segment and regional dynamics, based on customer research, feedback and analytical models.

With its focus on boosting Türkiye's internet penetration, the Company provides regional home internet offers in districts with low penetration. It increases visibility and access to customers thanks to its communications around regionally focused home internet.

Türk Telekom offers campaigns that include internet and Tivibu products to subscribers who prefer multi-play services. In this context, provides internet and Tivibu Go campaigns to sports fans and advantageous internet opportunities to mobile subscribers.

New brand for the gamers: GAMEON

Türkiye continues to grow all over the world in the game industry with its investments and gamer potential. Gaming, which is a rising trend that reaches wider audiences day by day and whose number of fans increase, has become one of the leading entertainment activities of millions of households reached by Türk Telekom home internet. Adopting the principle of presenting the firsts and innovations in Türkiye, Türk Telekom launched its new, dynamic, gamer-friendly brand, GAMEON, in the first quarter of 2022, with a focus on contributing to the development of the gaming ecosystem and increasing players' experiences by offering game-specific differentiated opportunities to customers.

In 2022, GAMEON offered internet campaigns that included benefits in games for new and existing customers, and made brand partnerships that complement the gaming experience such as game shopping platform benefits, gaming chairs, and food and beverage promotions. It provided in-game benefits in collaboration with the games favoured by millions of computer gamers in the world and in Türkiye, and offered the gaming modem that improves the gaming experience. GAMEON, which provides 24/7 gamer-specific support, has increased its interactions on the social media channels with various posts, as well as organising competitions and events for players

through Instagram and Twitter channels. In the period of June-December 2022, it held the e-sports tournament, which attracted great interest from gamers.

Optimisation of investments

In order to meet the increasing internet demand faster, to optimise investments and to increase the efficiency of existing resources, Türk Telekom started to offer fixed voice service as an access option only to customers who need to use home phone. Thanks to the optimisation in locations where internet demand is high, congestion in the cabinets was prevented. This strategy change resulted in an increase in the share of active customers in fixed voice and significantly increased investment efficiency.

Accelerating growth with a value-oriented strategy in mobile

2022 was a year in which the impacts of the pandemic disappeared in the mobile market, macroeconomic conditions shifted and the dynamics of competition changed.

Continuing its value-oriented marketing strategy with the motto "Makes You Feel Valuable", Türk Telekom added value to the lives of mobile customers in 2022 and strengthened the bond it established with its customers.

Improving the service quality as a result of the increase in network investments, improving the customer experience, reinforcing the customer quality perception, maintaining the focus on digitalisation, enriching the customer value propositions and designing tailor-made offers with strengthened analytical capabilities are the most important layers of the value-oriented strategy.

Continuing its infrastructure investments unabatedly, Türk Telekom emphasised mobile connectivity from anywhere, with Live Mobile and doubling its site locations in 2 years messages and supported the impact of investments on customer experience with data from independent institutions.

Despite the changing market dynamics and a contracting MNP market, Türk Telekom acquired 1.5 million net subscribers in the consumer and corporate segments in total and managed to increase its market share in 2022.

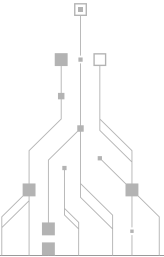
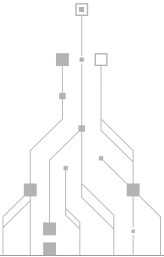


Accelerating growth with increased subscriber base and value propositions that address customer needs

Although elimination of the pandemic impacts supported new line sales in 2022, customer mobility has been affected by rational market conditions that led the continued contraction in the MNP market. With its strong and flexible background, Türk Telekom adapted to these changing conditions by regularly and quickly updating its offers in response to rapidly changing customer needs. The rationalisation trend that started in the second half of 2021 in the mobile subscriber acquisition market continued in 2022 as well. Despite the short-term, competitive campaigns launched periodically throughout the year, a reasonable competitive ground was maintained in the market.

With the jump in the number of tourists coming to the country after the pandemic, Türk Telekom increased its subscriber acquisition in the mobile market thanks to its renewed product portfolio and focused marketing activities targeting to meet all communication needs of tourists.

Competition at the local level continued between operators through regional offers. In line with these conditions, Türk Telekom contributed to its subscriber acquisition performance by maintaining its advantageous position in the market with its regional offers and communications.



Marketing Activities

Aiming to present the most suiting offer prevailing at the time to its subscribers, Türk Telekom improved its channels and targeted providing specially designed offers for subscribers with high tendency to switch to postpaid over the most appropriate channel by utilising advanced analytical models and big data usage.

In order to manage its existing subscriber base much more efficiently, Türk Telekom maintained a customer centric approach by offering its subscribers 360° offers from every channel. Supporting its infrastructure investments with value propositions that address different needs of subscribers and regional 360° communications, Türk Telekom further strengthened the bond it established with customers.

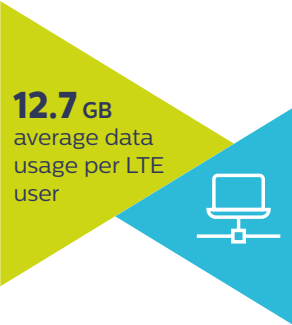
The Company continued its upsell strategy by making suitable offers to its subscribers in line with their increasing mobile internet needs. ARPU growth was supported by increased data usage and upsells.

Product portfolio, enriched with customer-oriented innovative solutions

Türk Telekom aims to respond to varying customer needs in changing market conditions with tailor-made offers and customer-oriented campaigns supported by advanced analytical models.

The usage habits of the subscribers were modelled in detail, and the most appealing tariffs and packages were offered from a large pool consisting of hundreds of different options. Tariff and package portfolios were designed around the understanding of “There is a solution for every need at Türk Telekom”.

For subscribers who do not want to commit to a contract and face excess usage, the Faturalı Kolay (Postpaid Easy) tariffs offer the opportunity to cancel the contracts free of charge for the first 3 months and avoid the excess usage when the tariff quota expires.



Modular tariffs were offered to subscribers who wanted to determine their tariff content in-line with their needs. With these tariffs, customers were able to shape their tariff content as they wished, in line with their own voice and internet usage habits.

With the Hoşgeldin (Welcome) tariff portfolio designed specifically for new line purchasers, monthly discounts were offered. During the first month, free GBs were given to subscribers who were new to Türk Telekom's postpaid tariffs. In all postpaid tariffs, in addition to the embedded internet quotas in the tariffs, a total of 5GB internet was gifted every month through “Sil Süpür”.

Thanks to all these tailor-made solutions, which enable subscribers increase their mobile phone usage easily, average monthly data usage per LTE user increased by 22.3% compared to the previous year and reached 11.9 GB while, it reached 12.7 GB in Q4.

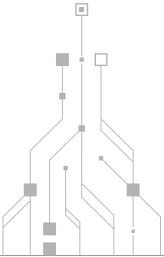
Türk Telekom Prime adds value to lives of its customers

Türk Telekom Prime continued to offer privileges that affect many aspects of its customers' lives, with the motto of "Kat Kat Hayat" in 2022.

Türk Telekom Prime offered benefits that touched many aspects of its customers' lives, such as free parking, car rentals, restaurant discounts, airport transfers, event ticket discounts, holiday advantages, discounts at selected beaches and free open-air cinema events.

Türk Telekom Prime became the stage and communication sponsor of the Istanbul Coffee Festival, which took place in Istanbul in October 2022.

In October 2022, as part of the Atatürk Cultural Centre Beyoğlu Culture Road Festival, 16 films were brought together with movie lovers in 15 days at Türk Telekom Prime stage.



Türk Telekom Prime announced all the benefits it offers to customers through TV communication in September 2022, with the motto “With multiple privileges, Türk Telekom Prime members do not miss a thing in life”. With these benefits, Türk Telekom increased its Prime subscriber base to 5.5 million subscribers with an annual increase of 11.5%.

Mobile subscriber and revenue growth through collaborations

Having established business partnerships with leading companies in their sector and offering the BİMcell, PTTcell, Teknosacell and Vestelcell brands to their customers, Türk Telekom continued to provide users with alternatives in mobile communication. Expansion of sales points in 2022 supported mobile subscriber base growth. In addition, innovative tariff setups helped achieve record growth in ARPU and supported mobile revenue growth.

In January 2022, the BİMcell mobile application was launched to enable subscribers to perform their transactions through digital channels. The application reached over 1 million downloads in a short period of 9 months.

Increased level of TV fun in Tivibu with new user-friendly features

Türk Telekom, the second largest player in the pay TV market, improves customer experience with its renewed technological infrastructure in 2022, while maintaining its strong focus on IPTV with investments that catch up with the developments in the digital world.

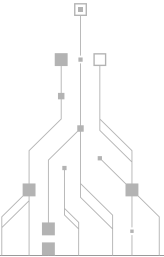
Prioritising the IPTV platform by strengthening the TV experience with its renewed infrastructure, Türk Telekom continued with multi-play offers along with home internet and mobile products in line with the needs of new subscribers. The rate of IPTV in total TV Home subscribers increased by 210 basis points compared to the previous year.

In 2022, the Company strengthened its content in all sports branches in Tivibu. In addition to content such as Bundesliga, Bundesliga 2, Men's and Women's Basketball Super League, FA Cup, Spanish King's Cup on Tivibu Spor channels, the focus on e-sports has been expanded and important content

Strategic collaborations

Establishing business partnerships with leading companies in the sector, Türk Telekom continued to provide users alternatives in mobile communication.

Renewed TV fun Improvements on the interface and technical features, which are compatible with digital world trends and enable offering the best TV experience to customers, were completed in 2022.



such as PGL CS: GO, Pubg, BLAST Spike Nations Valorant and Blast Major CS: GO live broadcasts have been added. La Liga and Euroleague were added to the content broadcast on S Sport channels.

Tivibu further enriched its content by adding the History TV channel and the premium children's channel Moonbug TV to the portfolio in the documentary and children's categories.

In the Tivibu GO portfolio, which provides a multi-screen experience, annual packages began to be offered in order to be competitive and to provide customers with different alternatives.

In 2022, Tivibu conducted communication activities promoting its rich content and next-generation TV experience. It has broadcast TV commercials in which documentary and children's content is shared in addition to technological features. While conducting regular digital communication studies, user-friendly technical features, rich content and advantageous offers are highlighted in these communications. Türk Telekom continued to make cross-offers to its mobile subscribers through the Online Transactions application.

Renewed interface and advanced new features in IPTV and Tivibu Go

Having renewed the infrastructure of the IPTV platform in 2022, Türk Telekom offered its users the opportunity to experience its new interface. In addition to new experiences and features such as My Channel menu, Special for Me menu and active display of content pool, capacity increase was ensured with updated infrastructure. Users' favourite features Record and Watch, Pause and Watch and Rewind and Watch, which are only available on Tivibu and allow viewing of past broadcasts up to 7 days, have come to the fore in the new interface experience. The introduction of Digital Advertising in the IPTV segment with the improvements made is a new revenue generation tool in TV.

- With the new infrastructure, Türk Telekom;
- Launched the Android TV application on the OTT side upon the high demand of customers.
 - Started to provide Tivibu GO service over all current web browsers on the Web TV platform.

Marketing Activities

- Increased the Access in OTT significantly, by starting to serve devices with Apple MAC operating system with a new infrastructure thanks to Safari browsers and downloadable application on Web TV.
- Enabled family members to watch content from different screens at the same time in order to increase the synergy between IPTV and OTT technologies.
- Made it possible to watch different content on mobile devices, tablets or computers while watching any program or content on the big screen via the IPTV box.

IPTV and Tivibu Go will continue to grow by catching up the trends in digital platforms and technologies suitable for next generation devices in the coming period.

Consumer Fixed Voice

While the downward trend in fixed voice traffic of consumer subscribers continued in 2022, Türk Telekom maintained its focus on retaining PSTN customers. It offered upsell and additional minute package offers suitable for subscribers with active usage. It enriched its contract renewal activities with offers of 24-month commitment options by restructuring them according to segment studies supported by value-oriented approach and analytical models. In line with this focus and strategy, with effective base management efforts, the churn rate is carried to a better level than the previous year, despite the macroeconomic developments experienced throughout the year.

The Company changed its strategy in the new sales of Alo Paket (WLR) in order to use resources more efficiently and to optimise investment costs. While the Company acquired customers mostly with WLR access in new home internet sales, as of March 2022, it started to offer WLR access only to customers who need fixed voice.

High speed fibre packages

New high-speed fibre packages including 200, 500 and 1000 Mbps offers have been added to the corporate fixed broadband portfolio.

Eco VPN

Aiming to expand rapidly throughout Türkiye, Agricultural Credit Cooperative stores continued to grow with the Eco VPN service.

CORPORATE MARKETING ACTIVITIES

Solutions suitable for customer needs in fixed internet and voice services

In line with the changing customer needs in corporate fixed broadband and fixed voice products in 2022, Türk Telekom brought its packages with high speed and minutes into the forefront. In addition, it diversified payment options with the new pricing structures of 6+18 and 12+12 in tariffs offered to corporate customers.

The growing need for fixed broadband and data usage with digitalisation of workplaces has led to a hike in demand for high speed. With its strong infrastructure in this field, Türk Telekom launched new high-speed packages for corporate customers. New high-speed fibre packages have been added to the corporate fixed broadband portfolio, including 200, 500 and 1000 Mbps offerings.

Türk Telekom, the leader of the corporate fixed voice market, has expanded its offers by adding İşinize Gelen Kampanyalar (Campaigns for your Business) to its portfolio for the communication needs of tradesmen and SMEs. Moreover, within the scope of practices aimed at tradesmen, it launched Esnafa Destek (Support for Tradesmen) campaign for new customers.

Strong growth in fixed data and managed services

Secure and uninterrupted fixed data services, which are among the priority needs of corporate entities, maintained their importance in 2022 as well.

Türk Telekom continued its efforts to increase the market recognition of its Eco VPN service offered to meet the data needs of customers with high usage such as retail chains. Agricultural Credit Cooperative markets, which aim to expand rapidly throughout Türkiye, continued growing with the Eco VPN service.

Türk Telekom successfully continued to provide infrastructure services to the TFF VAR application, which started to be used in Türkiye as of 2018. As of the 2022-2023 season, the scope of TFF VAR application was expanded and TFF 1st League games were added to the application as well.

Activities and campaigns to increase sales in Metro Ethernet Internet services, especially for strategic and major customers continued. With the positive effect of improvements in proactive and reactive channel processes, Metro Ethernet Internet sales volumes increased by approximately 30% compared to last year by focusing on digital communication efforts.

Türk Telekom WiFi for everyone, everywhere

Türk Telekom's quality WiFi service, which is available at thousands of points in stadiums, airports, restaurants, public transportation vehicles such as buses, ferries and planes, are becoming more widespread day by day. Türk Telekom started to offer TT WiFi service in 580 stores in Türkiye in cooperation with Starbucks. The Company provides free WiFi service in Atatürk Cultural Centre (AKM) as its main sponsor, and Beyoğlu Culture Road. With the agreements made with the two leading sports clubs of Turkish football, Galatasaray and Fenerbahçe, the stadiums were equipped with the latest technology that support WiFi 6. Thus, Türk Telekom WiFi, which was used by 6.1 million users in 2022, reached 15 thousand access terminals at 5,300 points in Türkiye, and the traffic generated by customers increased by 273% YoY. Türk Telekom further enriched its product portfolio by launching Türk Telekom WiFi İşyerim (WiFi Workplace), where it can provide digital, secure and high-quality WiFi service and where SMEs can interact with their customers through the digital portal. Türk Telekom started to serve more than a thousand additional customers with this product in a short period.

Corporate VoIP solutions by Türk Telekom

Maintaining its leadership in the Special Service Numbers (SSN) market with 444 numbers, Türk Telekom enriched its SSN portfolio with 0850 numbers in

Türk Telekom WiFi



Support the digital transformation of tradesmen and SMEs with “TT WiFi Workplace”

Türk Telekom enriched its diverse WiFi product portfolio for changing needs with "Türk Telekom WiFi Workplace", where SMEs can interact with their customers through digital platforms and provide secure and quality WiFi service.

order to increase its effectiveness and market share in this market. Launching the Corporate Service Management to perfect the after-sales services in 2021, the Company offered the Corporate VoIP (Voice over Internet Protocol) product and the EDAŞ joint call centre number 186 Call Management service in this time period.

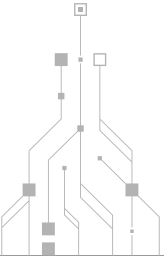
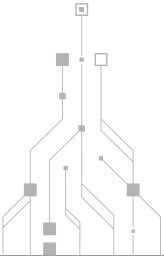
Collaboration ecosystem strengthened by both localisation focus and global strategic partnership programmes

Türk Telekom develops products, services and solutions and provides services to its customers with its strong cooperation ecosystem consisting of more than 450 companies. Within the scope of cooperation programme management, the Company adopts an inclusive life cycle management with elements such as accreditation, contract standardisation and e-contract, opportunity management process, process standardisation, performance tracking, professional development training, service quality monitoring and catalogue management.

In 2022, Türk Telekom's emphasis on global and strategic cooperation increased, and the Company participated in the partnership programmes of companies such as Nokia, Akamai, Fortinet, Etiya, and Veaam. In order to develop domestic technologies, companies that are strong in their regions were included in the cooperation ecosystem and the regional solution partner initiative was launched.

Customer-centric mobile content arising from the needs of enterprises

Türk Telekom offers end to end solutions to the changing mobile needs of companies in parallel with the macroeconomic developments and waning impact of the pandemic, alongside its experience gained from its history, strong technological infrastructure, extensive sales channel and digitalisation vision. In line with the increasing mobility and data needs every year, it demonstrates a superior performance in upselling by following the strategy of making the right offer for the right customer with the support of strong analytical studies. With its value-oriented growth strategy, Türk Telekom recorded strong growth in corporate subscriber acquisitions and ARPU in the mobile number portability (MNP) market, which contracted compared to previous years.



Marketing Activities

INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT) ACTIVITIES

Next generation technologies offered with professional services

Türk Telekom offers next generation technologies within the scope of Industry 4.0 initiative, in the most appropriate way for the existing technology infrastructures, business practices and digital transformation needs of its corporate customers in banking, health, retail, energy, education, automotive, public, insurance and many other sectors.

Türk Telekom contributes to increasing the agility and competitiveness of corporate customers, while it is implementing end to end technological solutions in many areas such as the internet of things (IoT), energy data management systems, business solutions on operational efficiency, industrial automation, supply chain systems, digital workforce and RPA.

Accelerating digital transformation in public and private sectors

Within the scope of digital transformation catalogues, Türk Telekom offers its SME customers professional services that will meet digitalisation needs of growing and developing SMEs in various areas such as electronic security, camera infrastructures, sensor usage, switchboard and digital connection.

In the public segment, the applications that are part of the Hittite Culture and Tourism Project were gathered under a single system in cooperation with the Ministry of Culture and Tourism. The Central Organisation, State Theatres, Cultural Heritage, Library of Manuscripts, Museums and Provincial Directorates are all served with fibre-speed internet. Uninterrupted and secure internet service is provided to 1,085 libraries in 81 provinces of Türkiye. Seamless internet access is provided to mobile libraries thanks to the strong infrastructure of TT Mobil.



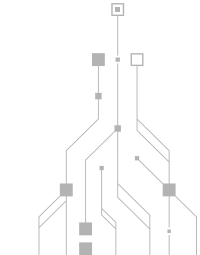
Within the scope of the Smart Transportation Systems Project of the Çanakkale 1915 Bridge and Kınalı Highway, along with Communication Services and Data Centre Services which works for smart signalling systems, information and guidance screens, network and system hardware equipment, collection and payment systems and the project infrastructure and superstructure installation continue.

Digital transformation in Organised Industrial Zones (OIZ)

Türk Telekom continues its efforts unabatedly to meet the communication, infrastructure and digital transformation needs of more than 67 thousand enterprises in OIZs. With the network infrastructure modernisation project in KOSBI (Kemalpaşa Organised Industrial Zone), the digitalisation infrastructure of OIZ was renewed from end to end.

Breakthroughs in culture, art and industry with 5G and Private LTE technology

Numerous innovative projects and applications such as the first online remote surgery with 5G support and the use of the first smart tractor were realised in 2022. As part of the events organised by the Ministry of Transport and Infrastructure, 5G service started to be offered to subscribers in Türkiye for the first time at İstanbul Airport (IGA).



Türk Telekom Cloud Platform

In order to meet all the digital transformation needs of corporate and public customers, Türk Telekom enriched its existing cloud products portfolio with a virtual server, virtual data centre, storage services, security services, CDN, e-mail and many more applications in 2022. At the same time, it modernised the infrastructure and launched the Cloud Platform.

Türk Telekom Cloud services aimed to support innovation and digital transformation of companies, to shorten the time to market, and to offer flexible solutions to their capacity needs regardless of supply durations.

Türkiye's data is at Türk Telekom Data Centres with its environmentally friendly and innovative infrastructure

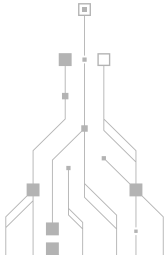
Increasing use of mobile and fixed internet, changing working methods, increasing demands for remote access and interoperability, rapid growth of e-commerce, data becoming more valuable and the need to protect this data in a safer environment in the country makes data centre management more and more important each day.

Türk Telekom offers data centre and cloud services to its corporate and public customers with a total of 12,700 m² of white space area in three different locations: İstanbul/ Esenyurt, İstanbul/Gayrettepe and Ankara/Ümitköy. Due to the fact that the electricity used in the three data centres is generated from renewable sources, IREC certification was obtained for the data centres in 2022 and an environmentally friendly structure that uses 100% green energy was adopted.

In line with customer demand, two new commercial hall investments, specially designed for servers with high processing power, were completed and put into service in November in İstanbul, Esenyurt Data Centre. In addition, as part of the agreement with one of the leading players of the e-commerce sector, two special halls in the Esenyurt data centre were assigned to the customer.

Türk Telekom Cloud Provides all the necessary requirements in the "Digital Transformation" journey through a single platform with its fast, economic and flexible infrastructure, expert staff and manageable service model.

Türkiye's data is stored in Türk Telekom Data Centres Türk Telekom offers data centre and cloud services to corporate and public customers with a total of 12,700 m² of white space in three different locations.



360° protection with an improved service portfolio that offers solutions to new cyber security attacks

As business life moves further towards the digital world each day, the number of cyber attacks that abuse system, process and employee-based vulnerabilities for financial gain is also increasing. According to 2022 data of Türk Telekom:

- Volumetric DDoS attacks increased 2.5 times compared to last year and more than 6 thousand attacks over 1 Gbps have been successfully blocked.
- While the increase in volumetric DDoS attacks continued, the number of attacks against application layer DDoS attacks increased above this rate.
- According to the data obtained from the Advanced Persistent Threat (APT) infrastructure, which provides protection against unprecedented attacks, cyber security attacks (zero-day attacks) performed by exploiting certain vulnerabilities in applications long before institutions and software manufacturers notice, increased by an average of 30% every month.

Türk Telekom, one of the first service providers to invest in cyber security in Türkiye, maintains its position as the market leader in cyber security services thanks to its service portfolio that changes and develops according to current trends in order to protect corporate and public customers from global and local attacks.

Türkiye's firsts in cyber security Türk Telekom, the operator with the largest cyber security service portfolio in Türkiye, provides its customers with products that ensure affordable, manageable and effective protection with the services offered over the cloud infrastructure. The Company is the first and only service provider in Türkiye to offer backbone level service with its products DDoS7+, which provides 24/7 protection against DDoS attacks, advanced threat prevention APT against zero-day attacks, and WAF (Web Application Firewall) that provide protection at the application layer. Türk Telekom added e-mail security service to its portfolio, considering that e-mail attacks are among the top five global cyber attacks in 2022.

Marketing Activities

Türk Telekom Next Generation Cyber Security Centre

Türk Telekom provides uninterrupted security to its customers with 24/7 monitoring, consultancy and incident management services provided by experts with international certificates at Türkiye's largest and most competent cyber security centre. In addition to the SOAR (Security, Orchestration, Automation and Incident Response) Platform, which helps automate the security operation, customers can be informed about new attacks occurring all over the world with the domestic cyber threat intelligence service Cyber Atlas. In the event of an attack, cyber threats are eliminated with remote or on-site intervention.

Rising Star of Security, EDR+

Türk Telekom broke new ground in 2022 by launching the Shared EDR+ (Endpoint Threat Detection and Response) service. With the shared EDR+ service, the requirements for collecting data from devices such as computers, servers, clients, which are defined as endpoints, are provided by Türk Telekom's cloud infrastructure and, first, second and third level support services are offered as manageable services. The EDR+ service protects customers against threats from endpoints with a holistic and centralised structure.

Supporting and producing domestic cyber security technologies

The domestic Web Application Firewall, SIEM, and Cyber Atlas technologies produced by the ecosystem within the Cyber Clustering established under the auspices of the Digital Transformation Office of the Presidency of Türkiye are offered to customers with Türk Telekom service quality. Bringing domestic DDoS attack and phishing attack simulations together with institutions, Türk Telekom supports technology development in Türkiye.

New generation Türk Telekom Cyber Security Centre

In Türkiye's largest and most competent next generation cyber security centre, customers are protected against cyber threats 24/7 with automation and artificial intelligence supported proactive models.

100% domestic technology: eSIM
Türk Telekom has launched the eSIM service on all newly released smartphones supporting eSIM technology.

Investment and entrepreneurship ecosystem bring young people together with technology

Türk Telekom ICT Technology Gatherings

The first of the Technology and Innovation Meetings, which brings together technology producers and users, was held in Çanakkale on September 29, 2022, with the support of Türk Telekom. At the meeting, which aimed to increase economic awareness for "Digital Türkiye" in Anatolia, the investment and entrepreneurship ecosystem was discussed at the full-day event with a wide participation.

Türk Telekom Cyber Security Camp

Türk Telekom held second Cyber Security Camp on 01-10 August 2022, offering high quality education and development opportunities to young people.

DIGITAL PRODUCTS AND SERVICES

The next generation mobile devices are combined with the eSIM service of Türkiye's technology giant Türk Telekom

Türk Telekom brought the eSIM technology, which was launched at the end of 2020, into use on all newly released smartphones that support eSIM technology in 2022. Türk Telekom subscribers can enjoy the eSIM service, which is developed with 100% domestic technology, without changing their numbers and having to pay an additional fee.

Mobile WiFi offers support Magnet subscribers' fast growing internet usage

While the mobile WiFi tariff portfolio was revised and high quota tariffs were launched, the high quota Magnet product continued to be offered in locations throughout Türkiye where there is no fixed internet infrastructure.

Products that will improve the WiFi coverage experience

Focusing on enhancing the customer experience in every field, Türk Telekom aims to maximise subscribers' home WiFi coverage by adding devices such as signal booster Mesh WiFi, Homeplug, Repeater and Router to its sales portfolio. These extremely functional plug-and-play devices, which are very easy to install and use, have the ability to send WiFi signals to the remotest corners of the house.

Türk Telekom introduced its rich product portfolio to its subscribers in the modem and range extender categories. The Company, with its leadership mission in delivering the latest technologies to consumers, offered modems with WiFi 6 technology and fibre modems for sale.

Consumer Digital Services

Providing easy and fast access to communication channels for all with its comprehensive infrastructure and network services, Türk Telekom aims to enrich the user experience with its platforms and services playing a vital role in the digital ecosystem. The Company continues to improve customer satisfaction by constantly improving the scope of its music, media, security and education services applications.

The dissemination of data science and analytics applications in digital services became one of the topics of particular focus in 2022 in order to launch targeted campaigns and present the value propositions that users need at every phase of the user lifecycle. Planned actions are implemented quickly with product-oriented agile working teams.

In order to support their development in the digital ecosystem, Türk Telekom's leading products and services will be incorporated into a separate legal structure in the upcoming period. Technological developments focusing directly on the products as well as marketing and transformation processes with operation teams will accelerate thanks to the new structure.

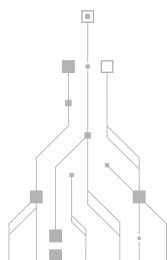
Enjoying music with Muud

Muud, the domestic digital music platform for music lovers in Türkiye, continues to improve its interface with a user-friendly vision while offering rich content.

Muud users enjoy music without consuming their internet quotas

Muud, the domestic digital music platform for music lovers in Türkiye, maintains its rich content offerings and interface improving efforts with its user-friendly vision. Users freely listened to more than 130 million local and foreign songs on the platform in 2022. Muud users can continue enjoying music according to their Muud without interruption with the offline feature even without internet connection. TT Mobile subscribers listening to music on Muud can enjoy this service without consuming their internet package quotas. In addition to the content, the Company aims to improve the music experience itself through different channels. In addition to smartphones and tablets, the experience of listening to music on Muud continues seamlessly with Apple CarPlay and Android Auto in vehicles, IPTV Tivibu and Apple Smart Watch.

Muud was awarded the "Best Digital Music Platform of the Year" at the International Quality Awards thanks to its continued investments to enrich content and user experience.



Marketing Activities

E-dergi (e-magazine) users access hundreds of magazines with rich publication content

Content enrichment activities continue with the new agreements made with publishers in the e-dergi application, which provides access to hundreds of domestic and foreign magazines and newspapers through a single platform. E-dergi provides access to many content items such as current news, non-periodical articles, fashion, economy, technology and celebrities.

The technical infrastructure was renewed in 2022 primarily to strengthen the user experience. The number of users as well as revenues increased with the upgrades. Nearly 50 different content was included on the platform during the year upon which the number of publications exceeded 500.

Türk Telekom customers connect securely to internet from all devices

Türk Telekom is offering a global security software to its mobile and broadband subscribers with McAfee, its long-time collaborator in the field of digital security. Online browsing, banking and shopping transactions are secured with McAfee Total Protection, which the Company offers to its subscribers against cyber threats and risks that are on the rise with rapid digitalisation. The program protects subscribers' data, documents and devices against viruses, unwanted content, malware, ransomware and phishing.

As the world leader in online protection with its solutions for individual consumers and small businesses, McAfee Corp will add digital identity protection features to the security solutions for internet connected devices in line with changing needs. This will enable McAfee users to communicate safely in the online world. In this context, McAfee will offer solutions to help Türk Telekom subscribers in protecting their digital identities in the cyber world.

e-dergi

During the year, nearly 50 different content was included on the platform, increasing the number of publications to over 500.

Yaay NFT Studio

Non-Fungible Token technology, which is one of the digital innovations that has a place in the lives of users in many areas, especially in the world of art and games, is in Yaay now.

Expanding its game portfolio, Playstore offers alternative payment methods to users

Türk Telekom digital game platform Playstore facilitates access to games by offering its users alternative payment methods such as reflecting the purchases on the invoice for home internet users in addition to credit card and mobile payments.

Collaborating with global and domestic suppliers in 2022, Playstore expanded its game portfolio and started to offer more options to its users. Playstore, which offers a seamless and faster experience by improving its infrastructure, provides users with the opportunity to have a pleasant experience.

Having reached a wider audience as a result of all these developments, Playstore became an important platform that stands out in the digital game world. Türk Telekom continues its efforts to strengthen this position even more.

Social media content turns into Non-Fungible Tokens with Yaay NFT Studio

Continuing to offer different experiences to its users with its developed features, Yaay is Türkiye's easy-to-use, innovative and entertaining social media platform. Türk Telekom integrated the Non-Fungible Token (NFT) technology, which is one of the digital innovations that has a place in the lives of users in many fields, especially in the world of art and games, into the platform in 2022.

With the "Yaay NFT Studio" feature, users' posts can be directly converted into NFT via the platform. In this way, NFTs created by users through their own content are stored permanently on the platform, while all elements of the content can be viewed on Yaay anytime. In addition, the NFTs created in Yaay can maintain their presence as a unique digital symbol, as they are stored not only as an image, but with all content information and detailed metadata.

Users can carry the content they have converted to NFT into a unique format and sell these digital assets in marketplaces all over the world. This way, content producers also have the opportunity to earn income with the value directly created by the content they produce, in addition to gaining access to advertising and brand collaboration opportunities.

Leading the digital transformation of enterprises

The Company offers the highest service quality with 5G infrastructure support and investments made in high capacities.

Corporate Digital Services

Transferring 182 years of experience to traditional telecommunication services focused on voice, internet and data products with special modifications and designs in line with the needs and expectations of public institutions and the private sector, Türk Telekom leads the digital transformation of organisations in Türkiye. The Company offers the top notch service with 5G infrastructure support and investments made in high capacities.

Offering end to end value-added services and projects to companies, the importance of which is increasing day by day in today's business world, gained momentum in parallel with the development of technology. As such, the Company opens the doors of the digital world to private sector companies and public institutions of all sizes by offering value-added services with its next generation technologies such as data centre, cloud technology, cyber security, smart city, smart transportation, 5G and pLTE and sectoral digital solutions. While responding to all technological needs of the companies from a single point with its telecommunication services and next generation technologies, the Company guides its customers on issues such as compliance with regulations, change in business models, and moving ahead of the competition.



Consumer and Corporate Sales

WIDE PRODUCT RANGE

Türk Telekom increased its sales performance in 2022 with a wide range of products by bringing together all sales channels and employees under the focus of customer satisfaction and service quality.

CONSUMER SALES ACTIVITIES

Customised sales activities in stores

By offering customised and personalised sales experience through seasonal and special day campaigns, Türk Telekom has succeeded in increasing its store traffic and sales. The Company offered its customers the Yıldızlı Günler (Starry Days) campaign, which provides special discounts on selected tariffs at certain periods, the Ramadan Campaign which grants additional GBs and regional offers, and used visual materials highlighting price/benefit in its stores.

Türk Telekom created device trial areas to increase store traffic and supported these areas with visuals, smartphones and next generation accessory display products.

Tourism season was utilised effectively

Türk Telekom implemented special commercial marketing activities targeting all potential tourist and expatriate locations, especially airports and border gates for the tourism season. The Company offered its customers new packages designed to contribute to tourist line sales before the season, at the entry points of the country and at touristic locations. In addition to these packages that meet short-term needs, the Company also launched its long-term prepaid packages. Thus, Türk Telekom met all communication needs of tourists and Turks living abroad during their stay in the country.

Growing Prime focus
Türk Telekom Stores and Offices conducted visual, promotional, and dress-up campaigns specifically for the relaunch of Home Internet Prime.

Türk Telekom promoted its Seasonal Internet Campaign through visual marketing efforts, designed specifically for the seasonal internet needs of tourists and Turks living abroad at locations with high traffic.

The Company provided network field information for areas with high tourism traffic and trainings to its dealers for the season.

Prime and Selfy privileges

In a year when customers considered not only the price and content but also the benefits of the tariff a priority, Türk Telekom updated its Prime and Selfy portfolios with collaborations and campaigns. The Company presented the campaign visuals designed in consideration of region-specific criteria to its customers at sales points.

Whole year planned with the business calendar project

Türk Telekom created action-sets by planning ahead the important periods and days of retailing that would add value commercially and increase sales impact under the business calendar project. Within the scope of the project, the Company created visual materials, promotional support and discount offers for the tourism season, back-to-school season, special days (Valentine's Day, Great Friday, Mother's/Father's Day, etc.) and national days (April 23, October 29, etc.). The Company also expanded its outreach by making social media posts to connect with a wider audience for various activities.

Active sales channels with different campaign setups

Türk Telekom organised race-based and ranking-based campaigns in order to keep its consumer sales channels alive. The Company implemented innovative campaign models in 2022. With the Cup is Mine setup, the best performing dealer received a trophy according to the monthly determined criteria. With the Match Ticket setup, the employees felt special and had valuable experiences. With the Champions League setup, dealers were divided into leagues.

Updates on dealer premiums of retail and wholesale channels

Türk Telekom updated its dealer premiums in exclusive and semi-exclusive sales channels in line with changing conditions and needs. The Company improved its premium system to increase the focus of dealers and their employees on achieving targets and high-volume sales.

Türk Telekom has simplified the premium system for sub-channel dealers facing intense competition, in order to ensure their earnings are based on the number of sales. The Company also added improvements such as early payment to the premium system.

The evolving regional perspective

Considering regional performances and market shares Türk Telekom has developed customised actions and executed channel campaigns for different regions based on sales analysis.

Increased share of high-speed home internet sales

With Home Internet Prime, which provides exclusive additional benefits for high speeds, 61% of new sales in 2022 in the retail segment were packages with speeds of 24 Mbps and above.

The sales focus on the high-speed packages was heightened thanks to the visual campaign materials for high speeds, training and informing, and sharing of various key performance indicators at point of sales and regional level aimed at demonstrating areas for improvement.



"VIP Service Package" for defective devices

Türk Telekom launched the VIP Service Package which not only provides protection for smartphones but also includes the services of picking up customers' defective devices from their addresses within 24 hours (or 48 hours for areas beyond 50 kilometres from the city centre) and delivering them back after repair. In addition, backup device support is provided during this process. The Company, which is the first and only operator to implement this service in Türkiye, has started selling second-hand refurbished devices with a focus on sustainability. Acting with the vision of being a communication point where customers can meet their needs from a single point in a digital world, Türk Telekom has launched mobile accessory packages, where customers can reflect their traditional accessory purchases (cases, screen protectors, portable chargers, etc.) to their invoices, in addition to the next generation accessories.

VIP Service Package

Türk Telekom picks up customers' defective devices from their addresses within 24 hours, delivers them back after the repair and provides a backup device support during this process.

Consumer and Corporate Sales

Digitalisation competency growing in face-to-face channels

Türk Telekom is developing its digital capacity and competency in all its face-to-face channels. The Company has taken a significant step towards digitalisation by distributing tablets at many points of its sub-channels during the first half of the year. The Company aims to distribute tablets to all remaining sales points.

Educational activities continue unabatedly

Türk Telekom provided trainings on value-oriented sales instead of price-oriented sales, customer perception management on price versus benefit and sales skills to Türk Telekom store managers and employees in order to meet customer expectations. In addition to personal and professional development e-trainings for employees in retail and wholesale channels, the Company conducted Technology Certificate Programme Training in order to improve in-store technology experience for consumers and increase revenues from all technology products.

Türk Telekom has launched the mobile education application for its training platform. Through this application, the Company has given the employees at dealers the opportunity to participate in e-training courses for their personal and professional development, regardless of time and location.

Face-to-Face Channels Digitisation Türk Telekom took a significant step towards digitisation by distributing tablets in many points of its sub-channels.



CORPORATE SALES ACTIVITIES

Institutions continued pursuing growth and furthered investing in digital transformation in 2022 despite the globally high inflation, recession risks, volatility in the exchange rates, hikes in investment and production costs, and the worldwide economic and sociological repercussions of the Russia-Ukraine war.

Focusing on customer satisfaction, Türk Telekom, continued developing solutions at world standards for customers' changing technological needs in 2022.

Türk Telekom has closely monitored market dynamics as a strategic partner that follows all technology investments of its customers, Türkiye's largest brands and have an important place in their sectors, public institutions, SMEs and its large-scale customers.

Strategic Segment Projects

CK Enerji Integrated ICT Projects

Pioneering the technological transformations of leading companies in the energy sector, Türk Telekom strengthened its position as a supplier of the sector's strategic investments by implementing handheld terminal, notebook, server systems, data centre and cyber security services, mobile services and SIM card management platform projects with a focus on technology investment at CK Enerji.

SunExpress SD-WAN Project

Türk Telekom initiated the SD-WAN project at 35 locations in order to address the technological transformation needs of SunExpress, one of Türkiye's well-established airline companies. Providing mobile redundancy services at several SunExpress locations, Türk Telekom offers SunExpress end to end device, access and redundancy services, as well as an access circuit (Global VPN) for international connections.

Memorial Cloud Automation Project

Launching a cloud automation service in 2022 as a continuation of the virtual resource service according to the agreement reached in 2021 with Memorial, Türk Telekom won an outstanding project in virtual resource penetration in the health sector. Thanks to the technology transformation implemented, Memorial's virtual resource needs have been fulfilled, enabling the management of all its resources via remote access.

Starbucks WiFi Project

Türk Telekom has signed a WiFi internet service agreement with Starbucks, the world's largest coffee chain brand. In addition to providing free and secure internet service to customers at approximately 580 Starbucks branches, the project aims to ensure the installation and management of access point devices and securely maintain cyber security logs.

Memorial Cloud Automation Project

Türk Telekom takes a key role in virtual resource penetration in the health sector with this valuable project.

Hittite Culture and Tourism Project

The work on access, infrastructure setup and service provision has been completed in more than 1,000 libraries, cultural centres, historical sites, cultural directorates and museums in Türkiye as well as in the entire Central Organisation of the Ministry of Culture.

Public Projects

Ministry of Youth and Sports WiFi Project

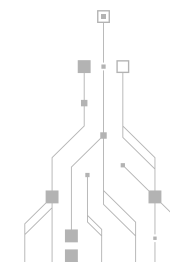
The agreement for the WiFi service offered in the ministry-affiliated dormitories and youth centres has been extended for a period of three years. Through this project, Türk Telekom provides end to end secure internet service to approximately 800 thousand users. As part of the project, Türk Telekom also operates and maintains Europe's largest WiFi network, which has been installed in over 1,800 locations and 120,000 access points.

Ministry of Culture and Tourism Integrated Services Project

Under the Hittite Culture and Tourism Project, launched last year, the work on access, infrastructure setup and service provision has been completed in more than 1,000 libraries, cultural centres, historical sites, cultural directorates and museums in Türkiye as well as in the entire Central Organisation of the Ministry of Culture. Türk Telekom is continuing its investments and efforts to integrate all technological systems used in the units with the central body, organise the local network structure and expand the scope of wireless internet services as part of the project's continuation.

General Directorate of Land Registry and Cadastre Integrated Services Project

Türk Telekom provided TTPVN service for uninterrupted and secure communication across all locations of the General Directorate of Land Registry and Cadastre and also provided Global VPN service for international transactions. To ensure that citizens can carry out their land registry transactions safely and that institutional personnel can have access to secure internet service, Metro Ethernet Internet and cyber security products were installed. Additionally, a mobile SMS service agreement was signed for fast and secure communication within the agreed terms.



Consumer and Corporate Sales

General Directorate of Security Central Internet Project

According to the agreement reached with the General Directorate of Security, Türk Telekom will provide corporate data and internet services to 2,425 police headquarters and police stations located nationwide, from 81 provincial centres. Within this framework, decentralised data and internet services offered without security control, are being transformed into secure services offered centrally. In addition to the main services provided under the project, Türk Telekom also offers end to end security devices and services.

Large Scale Customer and Local Administration Projects

Adana ASKİ Fleet Management and Fuel Automation Project

Türk Telekom launched a project that enables recording all kinds of transactions related to the automation of fuel-powered machines and remote control of fuel amount at Adana Metropolitan Municipality Water and Sewerage Administration. The Company undertook all hardware, software, installation and assembly processes of the project.

Osmaniye Municipality Monitoring Centre

Türk Telekom conducted a project for Osmaniye Municipality's urban security system, which includes a system of 17 security cameras and central monitoring station within the borders of Osmaniye province.

Dinçer Logistics

Dinçer Logistics, which aims for continuous growth and development in the logistics sector, receives TTPVN service from Türk Telekom in order to provide access to its operation centres located throughout Türkiye. Türk Telekom also provides data centre services to ensure secure, uninterrupted and manageable data flow and access.



SME Projects
Türk Telekom provides technological consultancy through its expert team to its SME customers as part of their digital transformation, in addition to several other existing services.

SME Projects

As part of its digital transformation services, Türk Telekom provides technological consultant to its SME customers through its expert team, in addition to several other existing services.

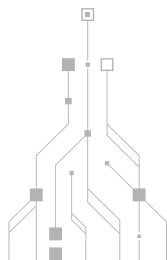
The Company continued to promote high speeds in broadband, while focusing on secure and high-speed Metro Ethernet Internet sales within the framework of changing needs. Mobile product sales become increasingly important due to the rise in mobility after the pandemic. In addition to the main products, efforts were made to promote the use of corporate products on the path of digitalisation. To promote the digitalisation of SMEs, the sales teams were provided with various trainings, exams and incentive campaigns.

Istanbul Chamber of Commerce (İTO) – Türk Telekom Project

Türk Telekom aims to meet the digital transformation needs of approximately 700 thousand chamber members in Istanbul with the Digital SME Project, which was launched in collaboration with İTO. Offering products, services and solutions that facilitate digital transformation for businesses, the Company supports SMEs with content, presentations and trainings that are beneficial in the global economy and competitive conditions. Türk Telekom and İTO have extended their cooperation protocol for the Digital SMEs Web Platform for another year. Within the scope of the extended protocol, Türk Telekom and İTO held a physical seminar in November on topics such as the digitalisation of SMEs, cyber security, the importance of ICT products and their benefits for SMEs.

Tanoto Integrated Services Project

Türk Telekom provided Tanoto, a company operating in the automotive industry, with software switchboard, IPT, mail server, storage products, as well as message management system, bulk SMS, 444 ÖSN, NGN SIP Trunk and Metro Ethernet Internet services.



Wholesale Operations

INDUSTRY-GUIDING SOLUTIONS

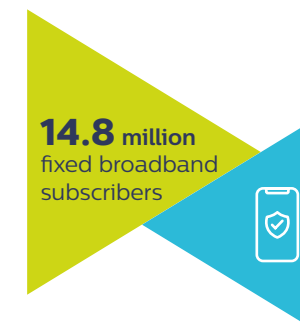
Türkiye's largest electronic communications infrastructure provider Türk Telekom leads the development of both the country and the telecommunications industry with its innovative, customer-oriented, reliable and high-quality solutions.

Fibre transformation continues

Türk Telekom extended its fibre homepass to over 31.4 million by the end of 2022 in parallel with its vision for fibreisation. The Company increased its FTTC homepass to 21.0 million and FTTH/B homepass to 10.4 million. With 1.9 million new subscribers, Türk Telekom's fibre subscribers reached 11.5 million and the number of FTTH/B subscribers reached 3.5 million.

Türk Telekom introduced its high-speed fibre internet offers to the market

Aiming to deliver the high-speed and quality internet experience offered through its fibre network to all homes, Türk Telekom added 200, 500 and 1,000 Mbps speeds which will fundamentally change usage habits to its wholesale offers in the 2nd quarter of 2022. As such, millions of households have become able to receive internet service at a speed of 1,000 Mbps over the FTTH infrastructure. At the same time, the Company supported the market on wholesale level so that its subscribers can easily access high-speed internet packages.



High speed fibre internet offers
Türk Telekom is able to offer 1,000 Mbps internet service to millions of households via its FTTH infrastructure.

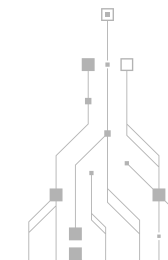
Türk Telekom updated its processes in order to facilitate high-speed internet usage for its subscribers

In order to meet the increasing demand for high speeds, Türk Telekom reworked its fibre rollout processes to maximise the high-speed internet availability and operational performance of the entire infrastructure. The Company also continued improving its network during the transition of subscribers receiving service over copper infrastructure to fibre infrastructure, while providing device and transition support that reduce wholesale operators' costs.

Türk Telekom continues to support the increase in internet penetration

Türk Telekom supported the market through wholesale campaigns to increase new subscriber acquisition in districts where household internet penetration is below the national average.

Striving to increase internet literacy across the country, the Company continues to support wholesale market players by motivating them for every household they acquire as new internet users.



Wholesale Operations

Internet solutions available outside of home to fixed internet users with WiFi Hizmeti (WiFi Service)

Coming up with a wholesale solution to ensure that home internet is available to customers at thousands of points across the country without additional charges, Türk Telekom provided location independent internet usage to fixed internet subscribers over the wireless internet network with its WiFi Service.

Upgrades that improve subscriber experience at fault processes

By detailing and strengthening of the information flow in fault solutions provided to operators at wholesale level, Türk Telekom achieved significant process improvements that helped subscribers enjoy a positive end to end experience. Making radical changes in its traditional business model, the Company succeeded in both strengthening its partnerships and improving customer satisfaction by bringing the support services to homes from cabinets.

User friendly solutions to interfaces where operator demands are aggregated at wholesale level

For a healthier functioning of the wholesale market ecosystem, Türk Telekom completely renewed its interface to improve the CRM platform where the operators convey their demands. With the newly established user-friendly system architecture, demand entries and status updates can be managed more effectively, contributing to the development of business partners.

20%
increase in the
number of fibre
subscribers



High upload speed

Türk Telekom continued offering higher upload speed, which was free of charge during the pandemic, in its latest tariffs in an attempt to meet the increasing content uploading needs of home internet users.

Revising wholesale tariffs in line with market conditions, Türk Telekom maintains its growth with sustainable fibre investments

Türk Telekom updated its wholesale tariffs with the approval of the regulatory authority, allowing all its stakeholders to achieve sustainable growth and at the same time continue their investments, by considering the cost increases resulting from global and local developments in the economy and market conditions. The Company aims to continue tariff updates in the coming periods, taking into account the market conditions and cost-based evaluations.

In order to support internet service providers with high growth potential and small number of subscribers, Türk Telekom targeted balanced market growth by differentiating the transmission tariffs of growing operators with less than 100 thousand subscribers.

Solutions meeting demand for high upload speed have become permanent

Türk Telekom continued offering higher upload speeds, which were free of charge during the pandemic, in its latest tariffs in an attempt to meet the increasing content uploading needs of home internet users. Accordingly, a 100% permanent increase was achieved in the upload speeds of the packages used by the subscribers. Always aiming to increase customer satisfaction, the Company also presented its new offers including more than 100% speed increase for ICTA's review.

New services over Passive Fibre Optic Network (G PON) infrastructure

Planning to provide service over the G PON infrastructure reaching 6 million households, Türk Telekom has completed its preparations to add high speeds to its portfolio in the new Asymmetric PON Internet (1:2 asymmetry) with speed guarantee and point to point FiberLink service. While the Company plans to save labour and time through efficient use of existing fibre, it aims to increase its revenues with products at competitive prices in the market.

Türk Telekom effectively used the Reference Leased Line Offer revised in line with market needs

Within the scope of the new connection model entered into force with the commissioning of the Reference Leased Line Offer (RKDT) in the last quarter of 2021, Türk Telekom dynamically reflected the costs of the projects it offered over the fibre infrastructure to the operators in line with the changing market and infrastructure conditions in 2022. At the same time, Türk Telekom let operators benefit from local access tariffs in locations where fibre infrastructure exists.

Türk Telekom offered volume-based tariffs to operators in need of high-volume transmission. This way, the use of the existing infrastructure through capacity-based leasing increased and the market demand has been met to a significant extent.

Products compatible with 5G technologies

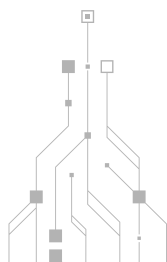
Türk Telekom introduced its new Mobile Transport product to the market in the 2nd quarter of 2022 with the aim of meeting the transmission needs of mobile operators through certain 5G solutions at base stations. Offering lower latency values, the flexible product eliminates the need for speed/package changes and comes with a pay-as-you-go system. The Company will also provide operational convenience and time saving with this tariff.

Milestones for 5G technology

Türk Telekom launched its products that optimally support operators' infrastructure costs that will emerge with the 5G rollout.

Türk Telekom started to develop synchronisation services as an add-on for services such as Point to Point Metro Ethernet and Mobile Transport in order to meet the synchronisation demands to emerge with operators' 5G needs. In this context, a pilot study for operators has been commissioned.

As per the operators' demand, the Company is working on a new sub-product which meets the transmission needs at locations that are on the same switchboard level under the Mobil Transport main product. The new product aims to meet operators' need for high number of connections.



Customer Care

SERVICES FOCUSING ON CUSTOMER EXPERIENCE

Taking the call centre experiences of Türk Telekom customers into account, Türk Telekom appoints competent representatives according to the needs.

Türk Telekom Call Centre received a total of 76.5 million calls in 2022

Türk Telekom Call Centre provides services for its entire product groups, including mobile, fixed internet, fixed voice and TV with its call centre staff consisting of 8,998 consumer and 910 corporate segment customer representatives in 26 provinces.

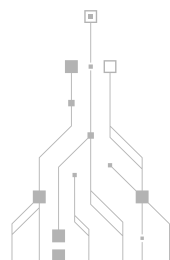
Türk Telekom improved its customer satisfaction score by 2% YoY in the 76.5 million calls it received in the mobile, fixed internet, fixed voice and TV product groups in 2022. At the same time, upgraded the customer experience with systemic and operational improvements, increasing its channel performance by 30% in fixed internet, 10% in mobile and 13% in TV. Customer response time accelerated by 70% YoY.

In the outbound call sales channel, a total of 8.3 million transactions were made in 2022 for tariff, package changes and contracting transactions for mobile, fixed internet, fixed voice and TV product groups. While the share of digital channels in customer-specific mobile marketing activities increased in 2022, the highest shift to digital channels was realised in contract renewal activities with an increase of 39%.

9,908
Customer
representative



76.5 million calls
Türk Telekom improved its customer satisfaction score by 2% compared to the previous year in 76.5 million calls received for mobile, fixed internet, fixed voice and TV product group in 2022.



With the network feedback notification system designed in house for mobile coverage complaints and effective customer management, Türk Telekom aims to resolve complaints in a much shorter time and permanently.

Improved customer recognition processes for customer security

Thanks to a new security process introduced in 2022, fixed internet customers can perform their transactions via the voice response system without the need for a customer representative. In order to prevent malicious use of customer information the system does not perform any operations until all security steps are completed.

High focus on customer experience

Türk Telekom has improved its service segmentation in attempt to provide better service to customers who are at high risk. The Company calculates a risk score based on the post-call evaluation of the customer representatives by tracking customers' previous satisfaction survey results, the number of contacts with the call centre and the details of the previous call of the fixed internet customers. As such, it is aimed to provide better service by appointing competent customer representatives in line with the customer needs.

In addition, the Company gives scores according to the customer's previous experiences with a mood assessment model developed to understand the emotional state of the customer when they reach the call centre. Studies on the integration of the system, which will enable more competent representatives to be appointed for customers who are in a negative mood as per the scoring, with the voice response system and call centre continue.

With the QuantWiFi project, Türk Telekom develops permanent solutions to improve the WiFi performance by mapping the indoor/workplace coverage of customers who have connection problems at home/workplace and optimises the resolution rate at the first contact.

One of the 2022 focus areas of Türk Telekom Customer Care was providing proactive information about products to new customers. The subgroups, which were segmented in order to communicate with new customers in the most efficient way, formed the basis of the new customer-specific call centre and voice response system which will be implemented in the upcoming period.

System development studies for sustainable and stable customer care

With the Omni Channel project, Türk Telekom has carried several transactions of mobile postpaid customers including the activation operations to a new structure of multiple and integrated channel management. At the same time, the Company continues its design efforts with the aim of carrying basic steps such as mobile prepaid and device processes to this structure.

The Company has implemented the first phase of its online charging system (OCS) for mobile prepaid customers. The project moved billing to a single structure and enabled real-time customer charging. All channels are now put into use to compose accurate and effective notifications. With this structure, Türk Telekom is able to offer its mobile customers more flexible designs in tariffs and packages.



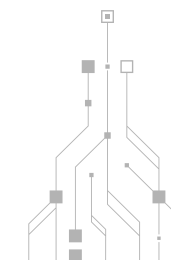
In line with the Identity Verification Regulation issued in 2022, the Company started to expand the customer verification process with new identity cards in face-to-face channels and ensured its compatibility with digital subscriptions initiated through the mobile application.

Within the scope of the amendments made in the Consumer Rights Regulation in 2022, the processes for subscription with wet-ink signatures, detection of authorised lines, informing in paid calls made outside of package benefits have been developed. As of March 1, as part of the Consumer Rights Regulation, cancellation applications are received from the Call Centre. As such customers receive solution at the first contact and the call centre becomes a service channel where all end to end services are offered.

New field target assignment and performance measurement projects at Türk Telekom Offices

In Türk Telekom Offices, employee roles were combined into a single role in order to provide more efficient after sales services to both consumer and corporate customers. Adopting a solution oriented perspective, the Company changed its performance measurement metrics to complete all operations in the offices. Türk Telekom Offices handled a total of 2.5 million customer care requests in 2022.

Omni Channel project
The Company has moved many transactions of mobile postpaid customers, starting with activation, to Omni Channel, an integrated multi-channel management project.



WE ARE BUILDING FIBRE NETWORKS ALL AROUND OUR COUNTRY

Communication infrastructure is of vital importance in revealing Türkiye's potential and accelerating its development. We are one of the companies that make the highest amount of infrastructure investments in order to move our country forward. By expanding our fibre network, we are bringing life to more than 31 million households. In addition to that, we are the readiest operator for 5G with our ongoing investments and planning.

403
thousand km
fibre network
length



Investments, Infrastructure, Research and Innovation

PIONEER OF MODERNISATION

The pioneer of digitalisation, Türk Telekom achieved a fibre infrastructure length of 403 thousand kilometres in addition to modernising its fixed network in 500 locations in 2022, while the number of its mobile sites exceeded 24 thousand.

INVESTMENTS AND INFRASTRUCTURE PROJECTS

Transformation projects continued in fixed infrastructure in addition to access and capacity investments

Türk Telekom expanded the installed port capacity of the IP network by 227 Tbps in 2022, delivering comprehensive IP infrastructure to its subscribers in broadband, voice and mobile networks. Additionally, the Company provided access to 832 thousand households in newly developed residential areas lacking infrastructure. Furthermore, the Company transformed 983 thousand households using existing infrastructures to fibre-to-the-home (FTTH) infrastructure.

Reaching a total fibre infrastructure length of 403 thousand kilometres at the end of 2022, Türk Telekom continued its fiberisation efforts throughout the year, and offered its subscribers speed options up to 1,000 Mbps.

Investments in carrier network for flexible and high capacity service

At the beginning of 2022, Türk Telekom began the transformation of SDH (Synchronous Digital Hierarchy) transmission systems, which have reached the end of their technological life cycle and were used extensively in rural networks, to next generation DWDM (Dense Wavelength Division Multiplexing) systems. Through the transformation, the Company can address the increasing demand for capacity on the network in a modular

way, while aiming to establish energy-saving systems complying with its low carbon emission target. In this context, Türk Telekom modernised approximately 500 locations in 2022, and plans to continue its transformation in the following years.

Domestically produced modem from Türk Telekom

Aiming to increase the rate of domestically produced products used in the fibre network, Türk Telekom collaborated with Vestel to introduce domestic modem produced with the on-site production method to its subscribers.

Support for domestic production of lithium battery

Türk Telekom has reached an agreement with ASPILSAN Enerji for the development and commercial use of domestic lithium batteries. ASPILSAN Enerji with the support of Türk Telekom engineers, developed a lithium battery that was firstly tested on Türk Telekom's live network and has been in use commercially. In 2022, Türk Telekom signed contracts with ASPILSAN Enerji and Orbit Enerji for the supply of 1,500 and 1,000 domestically produced lithium batteries, totalling to 2,500 batteries. In addition to supporting domestic production, the Company aims to extend the redundancy period in serviced areas, to increase the service quality and to save on operating costs through the lithium battery conversion.

Next generation services improving the mobile network and LTE base station deployments increasing the capacity

Türk Telekom's LTE coverage rate exceeded 99% as of the end of 2022. Thereby, nearly 90% of data traffic was carried over LTE. The Company reached 11 million VoLTE (Voice over LTE) and 4.8 million WiFi call subscribers by the end of 2022, while VoLTE traffic has increased nine times in the last two years. Türk Telekom's total number of mobile sites surpassed 24 thousand as of the end of 2022, and the number of completely domestically produced ULAK LTE base stations rose to 637.

Türk Telekom increased the ratio of fibre connected LTE sites to 50%, and converted 10 GE connections to 100 GE connections as part of its 5G preparations by the end of 2022. Additionally, the Company has also completed the transformation work to support speeds of up to 11 Tbps from 2 Tbps in total capacities of the devices.

Within the scope of targeted improvements, Türk Telekom established three new internet gateways to provide redundancy for 5G and LTE traffic in its mobile network, reduce potential latency, optimise capacity management and improve customer experience.

Türk Telekom's patented solution, which enables satellite-independent time synchronisation for 5G, has been tested in 5G fields. By the end of 2022, Türk Telekom's synchronisation solution was deployed at more than 50 sites in these tests.

Türk Telekom signed 5G roaming agreements with 81 operators, enabling subscribers to receive 5G service abroad.

Transition to Customer Service Convergence (CSC) Operating Model

To improve its processes, Türk Telekom implemented a new business model as part of the CSC business model, focusing on four basic axes: Digitalisation in Operations, Operational Analytics, WiFi Operations and Solutions in All Fields.

Türk Telekom increased its remote digital solution rate to 78% for broadband fault processes by utilising artificial intelligence based proactive and reactive solutions under its initiative of



Digitalisation in Operations. Consequently, the Company offers not only significantly faster solution to its subscribers, but also ensures maximum service continuity.

Artificial intelligence and domestic Net Analysis applications

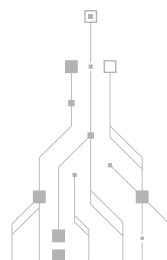
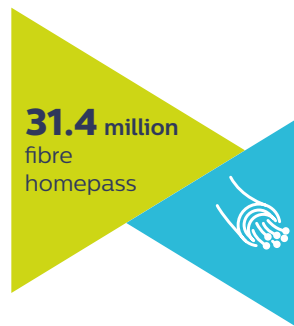
Türk Telekom has been able to proactively monitor the broadband subscribers' service quality with domestically developed applications supported by artificial intelligence and automation. Thanks to the domestic Net Analysis solution, the speeds of hundreds of thousands of broadband subscribers were automatically optimised, resulting in an average speed increase of 22% in 2022.

Capacity increase to maximise subscribers' overseas content experience

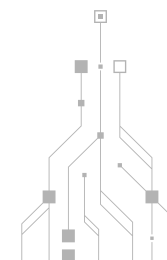
Aiming to enhance access to overseas content and improve the subscriber experience, Türk Telekom installed an additional 5.8 Tbps OTT/CDN capacity on its network in 2022.

Türk Telekom WiFi service and operations

With WiFi Analytics and Solution developed by QuantWiFi, the investment partner of TT Ventures, Türk Telekom has become one of the few operators in the world that provides solutions in this field. Thanks to WiFi analytics systems, where approximately 6 million devices are managed instantly, problems experienced by subscribers regarding wireless network quality and coverage are resolved by suggesting physical devices such as channel change, appropriate band change and mesh-repeater or optimising network with automatic WiFi connection settings.



Capacity Increase
Aiming to bring overseas content closer to the subscriber and improve the subscriber experience, Türk Telekom installed an additional 5.8 Tbps OTT/CDN capacity in its network in 2022.



Investments, Infrastructure, Research and Innovation

Within the scope of WiFi Professional service, private WiFi network service was provided to nearly 260 corporate customers while Türk Telekom WiFi service, targeting individual consumers, reached 2,800 points.

WiFi 6 Era at Türk Telekom

Türk Telekom completed all device testing and started to offer DSL and fibre subscribers the WiFi 6 technology, which boasts faster speeds, wider coverage and compatibility with more devices. Now, all Türk Telekom subscribers enjoy the best home/office wireless broadband experience with WiFi 6 technology.

Türk Telekom Cloud

Türk Telekom launched the Türk Telekom Cloud in October 2022 in order to compete with companies on a global scale and provide its customers with a real cloud experience. Türk Telekom Cloud enabled customers to experience their own cloud environments within minutes after purchasing several services such as virtual server, virtual data centre, backup, replication, virtual load balancing. In addition to its enriched services portfolio, Türk Telekom Cloud offers customers a “pay-as-you-go” billing model for services on sale.

Türk Telekom Cloud Computing Camp 2022

After receiving a record number of applications and being held online in 2021, the second Cloud Computing Camp took place in a hybrid format on October 3-14. Nearly 3,000 applications were received for the event, which supported the brand awareness and vision of technology companies. Latest technologies, the Company's products and services were explained to new graduates and senior students at the event. 50 finalists, who successfully completed the comprehensive evaluation stages, were entitled to attend the camp. Participants who ranked among the top three based on their performance during the training and their final projects, were rewarded with a technology gift card.



Cloud Computing Specialists' Platform

Türk Telekom launched the Cloud Computing Specialists' Platform with the aim of enhancing collaboration between industry and universities in the field of cloud computing, creating opportunities for young people and encouraging the use of domestic solutions. The platform, established with the support of university students, made a difference in its field with the next generation digital services it provides to its users in terms of transferring competence and experiencing open source solutions.

Unified Communications (Cloud PBX) services

Türk Telekom is increasing its investments in the field of unified communication services to fulfil the technical infrastructure needs, particularly following the pandemic period when the remote working model has become more widespread. The product range of Türk Telekom Cloud PBX services continues expanding thanks to the collaborations with domestic and foreign solution partners. The Company offers a product portfolio that enables small businesses as well as large corporate customers to receive voice services with minimum investment and maximum service level.

Türk Telekom VAR (Video Assistant Referee) service

The VAR project, which has been offered in the TFF (Türkiye Football Federation) Super League for five years with Türk Telekom's strong fibre infrastructure and media transport solutions, is growing. The service coverage has been expanded as installations in the stadiums of 19 TFF 1st League teams were successfully completed starting from this season. Türk Telekom's core network has also been expanded to offer high quality service, and the VAR Riva Centre was upgraded to provide simultaneous management of 12 games.

Real-time charging, information and quota management with the instant billing system

Türk Telekom launched Non-Exceeding Tariffs at the end of 2019 within the framework of the Turkuaz program, which aims to provide its mobile subscribers real-time charging, real-time billing, quota monitoring and management experience. Having migrated postpaid subscribers in 2021, Türk Telekom also migrated its prepaid subscribers to the system in 2022, thereby enabling all of its mobile subscribers to receive service through the real-time charging system.

Türk Telekom transitioned to domestic product by unifying its charging infrastructure. Having the postpaid and prepaid subscribers on the same charging system, has allowed for creation of campaigns that make a difference in competition.

Domestic Revenue Sharing Application (RSA) from Türk Telekom

Türk Telekom launched its RSA which shares revenue with its contracted business partners through Mobile Payment, MVNO (Mobile Virtual Network Operator), RSP (Revenue Sharing Partnership), donations and value added services, in cooperation with Innova, with completely domestic software and hardware, in order to develop domestic technology products that will add value to Türkiye. The Company transitioned to a more efficient structure by reducing maintenance costs.

VAR Service by Türk Telekom

With the installation of VAR at the stadiums of 19 TFF 1st League teams, 12 games can be managed simultaneously.

Data centre projects and certification studies

In order to meet the increasing demand for data centre services, Türk Telekom commissioned a total of four data centre halls, two shared and two exclusive to e-commerce customers. Additionally, the Company opened a new 500 m² hall to support digital transformation and meet information technology needs.

Türk Telekom carries out efforts to maintain existing certificates and to obtain new ones for the Company in attempt to ensure that the data centre and cloud services comply with international quality standards. As of 2022, the Company completed audit and certification processes for ISAE3402, ISO 20000, ISO 50001, PCI DSS, CSA Star, ISO 27701, ISO 27017 and ISO 27018.

RESEARCH AND INNOVATION ACTIVITIES

With its strong R&D ecosystem and strategic collaborations, Türk Telekom continues its preparatory work to localise and expand 5G technology throughout Türkiye, while playing a leading role in Türkiye's digital transformation.

Mega cooperation with Huawei in 5G

Türk Telekom and Huawei signed the TurkTech 2.0 Goodwill Agreement as a part of 5G efforts. Following the signing ceremony, 5G trials of TARNET, the Smart Tractor which is one of the Agriculture 4.0 applications in Türkiye, and HADO, the augmented reality game were introduced with the aim of preparing Türkiye for Industry 4.0 and developing the local 5G industrial ecosystem.

Erzurum Atatürk University's students are working on the development of Türk Telekom products and services

Türk Telekom expanded its new products and services development and improvement efforts by entering into a five-year collaboration with Erzurum Atatürk University. Students participated in the programme, which started in the spring term of 2022, had the opportunity to work with Türk Telekom teams on innovative technology projects such as blockchain, NFT, artificial intelligence and IoT. In this way, invaluable contributions were made towards the development and excellence of the Company's products and services.

Investments, Infrastructure, Research and Innovation

Contribution to the 5G and Beyond Joint Post-Graduate Support Programme

Türk Telekom confirmed its concrete support for the 5G and Beyond Joint Post-Graduate Support Programme, initiated by ICTA in 2018 by accepting the highest number of students in the programme in 2022. Türk Telekom ensured the best possible adaptation of the students it hired to the telecommunication sector.

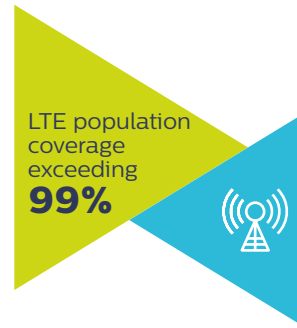
Under this scheme conducted by the ICTA, 18 students still continue to work at Türk Telekom and their post-graduate and PhD programmes in higher education institutions. While 11 of the 19 graduates continue their PhD studies abroad, 8 of them work in the private sector.

Open vRAN trial from Türk Telekom, Mavenir and ComPro

Türk Telekom collaborated with Mavenir, a leading company in cloud-based software, and ComPro Information Technologies, a system integrator that produces 5G-specific network solutions, on Open vRAN (Open Radio Access Network) trials, which play a significant role in enriching the ecosystem of 5G technologies.

Next generation WiFi technologies trials

Türk Telekom has become the first operator trying WiFi 6E technology in Türkiye. The Company also continues its laboratory trials on WiFi Sensing, which detects indoor motion to provide security and energy efficiency, and Open Roaming, which expands the WiFi experience.



Robotic Process Automation

Türk Telekom saved 500 man/day on 7 processes in 2022, with the RPA studies it started with the digital transformation process.

Artificial Intelligence for IT Operations (AIOPS)

Türk Telekom implemented the Artificial Intelligence for IT Operations (AIOPS) project for big data analysis in order to improve the customer experience. The project which embodies several innovations in artificial intelligence technology on a global scale, received its first award at the Realise 2022 event, which featured the participation of the leading companies in Türkiye. The Company plans to develop the project in 2023 through deep learning algorithms and advancements in machine learning.

Robotic Process Automation (RPA)

Türk Telekom saved 500 man/day on 7 processes in 2022, within the scope of RPA (Robotic Process Automation) studies initiated with the digital transformation process. Thus, besides the increase in operational efficiency, it enabled minimisation of human errors, digitisation and control of process data, and allowed employees to focus on value added tasks by leaving routine works to robots.

Outstanding results within the scope of R&D Centre activities

Türk Telekom applied for 191 national patents in 2022. Among the applications made by the Company in previous years, 33 patents were registered by the Turkish Patent Institute and 4 patents by international patent institutions in 2022. In addition, Türk Telekom shared a total of 40 publications in national and international journals and conferences. Efforts have started for three projects funded by the European Union and TÜBITAK.

CYBER SECURITY OPERATIONS

Türk Telekom proceeds with its investments in cyber security in a continuous and stable manner with the aim of managing information security and business continuity risks against increasing cyber threats in the world and in Türkiye. In this context, the Company carries out activities with the aim of strengthening technological infrastructures, improving processes and meeting demand for qualified human resources. Continuing its activities at full speed within the framework of its focus on localisation, the Company aims to provide its customers with quality products and services by going beyond fulfilling its legal responsibilities.

Information Security Management

Determining the steps to be taken for protection against cyber-attacks, unauthorised access and data leaks with various policies and procedures operated in accordance with these policies, Türk Telekom annually reviews these policies, procedures and standards in line with the world trends, regulations in our country and business requirements. Access, authorisation and controls to all these documents, which are open to personnel access through the Corporate Türk Telekom Portal, are carried out according to these standards.

In 2022, Türk Telekom's technology infrastructure, information security management systems, business continuity and contingency plans were audited by external auditors and the process was concluded successfully. TS ISO/IEC 27001 certificate was renewed following the external audit conducted by TSE. In addition, during the year, the continuity of the PCI-DSS certificate, which is the data security standard in the credit card industry, was secured. Within the scope of the information security management system, awareness-raising activities are carried out in the Company and the information security awareness of all employees is kept up-to-date. Awareness training in which more than 90% of the employees participated was assigned, phishing e-mails



Successful audit processes

In 2022, Türk Telekom's technology infrastructure, information security management systems, business continuity and contingency plans were audited by external auditors and the process was concluded successfully.

and monthly information security awareness announcements were sent. As part of the information security awareness week, online panels and competitions with gifts were organised for Company employees.

Security audits and improvement activities were carried out for risks that may arise from the ecosystem of suppliers and business partners, by giving priority to stakeholders related to critical services.

Within the scope of compliance with the Guidelines of the Digital Transformation Office of the Presidency of the Republic of Türkiye, Türk Telekom carried out intensive studies throughout the Company and completed its preparations for compliance. Applications were made to become an accredited company that audits DDO Information and Communication Security Guidelines compliance. Türk Telekom plans to take its place in the category of auditing companies in 2023.

Investments, Infrastructure, Research and Innovation

Cyber Security Services

Providing cyber security services to approximately 4 thousand enterprises with more than 30 products and services, Türk Telekom has the largest cyber security portfolio in Türkiye. Every month, thousands of phishing, DDoS and malware attacks are prevented in Türk Telekom infrastructure, and on-site interventions are conducted when necessary. Statistically, it is observed that thousands of DDoS attacks are prevented per week. In 2022, Türk Telekom provided protection for a total of 3,131 large-scale attacks of 1Gbps and above, which were rated in the critical attack category. Owning a security product portfolio to meet the 360° security needs of its customers, Türk Telekom increased the number of its products and customers with shared e-mail security, attack level efforts and its cyber security maturity assessment services, in addition to manageable EDR (End Point Detection and Response) and incident response services in 2022. With its security incident monitoring, security testing, analysis, response, training and consultancy services, the Company is constantly growing its service portfolio. Thanks to capacity increases and infrastructure improvements, especially in shared security infrastructure services, the customer base for cyber security services grew by 60% compared to the previous year.

Pioneering many projects in domestic product development as well as existing corporate security services, Türk Telekom's rate of substituting the foreign products with domestic products increased from 44% in 2021 to 56% in 2022.



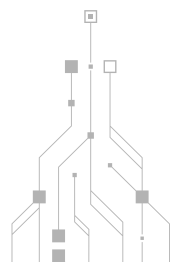
Türkiye's largest cyber security portfolio

Providing cyber security services to approximately 4 thousand institutions with its more than 30 products and services, Türk Telekom has the largest cyber security portfolio in Türkiye.

Türk Telekom conducts all kinds of transfer of Company data under control with its infrastructure projects. This way, by preventing unauthorised, unpermitted and malicious use, the Company secures its mobile network in signalling and prevents possible attacks.

Training and Camp Activities

The Company organised Türk Telekom Cyber Security Camp and a CTF organisation in order to meet the need for qualified human resources in the field of cyber security and to prepare young people for the cyber security profession, which will be a rising area in the future. Aiming to create a youth employment resource, Türk Telekom provides recruitment and internship opportunities to successful participants of the events. Cyber security personnel are also supported by regular domestic and international trainings in order for them to specialise in their fields and improve their competencies.



Human Resources

PIONEERING ROLE IN THE DIGITAL TRANSFORMATION OF THE COUNTRY

Continuing its investments unceasingly, Türk Telekom adopts a human resources approach focusing on a stable connection to the future.

Human resources on the basis of stable connection to the future

Türk Telekom derives strength from its employees while continuing to lead the rapid transformation within today's information and communication technologies with its numerous projects.

Türkiye's first integrated leading communication and technology company, Türk Telekom is taking a pioneering role in the digital transformation of the country. Continuing its investments unabatedly, the Company adopts the human resources approach with focus on stable connection to the future. With this approach, continues to develop products and services, invest in human resources and connect talents to the future in focus of digitalisation and agility.

Türk Telekom expanded its focus on digitalisation of human resources in 2022, improved the candidate experience in the interview and evaluation stages with the recruitment platform named Santral, and continued its efforts to generate smart reports on recruitment processes.

The experience measurement and development activities of the employee specific working model, continued under the vision of future of work.



As one of the largest corporate schools in Türkiye, Türk Telekom Academy provides educational activities of employees in a virtual classroom environment, while carrying out efforts to improve educational activities with digitalised applications.

Türk Telekom takes pioneering actions to ensure that the agile working model is adopted and incorporated in the corporate culture.

The most prestigious Human Resources Award

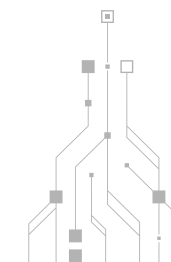
Türk Telekom won the Bronze award for its employee-specific working model in the "Best Human Resources Management Approach in 2022 - Future of Business" category at the Brandon Hall Group Excellence Awards, one of the most prestigious awards in the world.

Contribution to employment with human resources that make a difference

Putting employee at its centre, Türk Telekom aims to gain a qualified workforce in line with its corporate culture and values, and to be the most preferred employer in the telecommunication sector, with its innovative human resources strategies.

Türk Telekom Group continues to serve as a big family of 39,433 people in total, with 17,799 employees under Türk Telekom and 21,634 under its subsidiaries across Türkiye.

In terms of age groups, 31% of Türk Telekom employees are between the ages of 21-35, 55% are between the ages of 35-45 and 14% are 45 and over. In subsidiaries, the rate of employees between the ages of 21-35 is 66%, the rate of employees between the ages of 35-45 is 26%, and the rate of employees aged 45 and over is 8%. The average age of employees at Türk Telekom is 37 and 39 in its subsidiaries.



Human Resources

19% of Türk Telekom employees are women and 81% are men, while at Türk Telekom subsidiaries, 59% of the employees are women and 41% are men.

The Company places priority on women candidates in the recruitment processes to increase female employment. In order to increase the representation of women in the Company's senior management, female candidates are prioritised in the recruitment and promotion processes. In 2022, 38% of staff recruited in the headquarters and 48% of the employees recruited within the scope of the Young Talent Programme START, were female. Excluding field staff, the ratio of female employees in the headquarters is 37%.

10% of the managers at the director level were female, while there is one female executive in top management.

10% of the employees hold a master's or a doctorate (PhD), 38% hold a bachelor's degree and 45% graduated with a 2-year diploma in higher education. Among Türk Telekom subsidiaries, the same distribution is 3%, 35% and 25%, respectively.

Opportunity for young talents in employment

Türk Telekom continued supporting employment through hirings in its Headquarters and Regional Offices throughout Türkiye in 2022. Within the scope of the START Young Talent Programme, 35 young talents had the opportunity to work within Türk Telekom with START My New Job in 2022. With START My Internship, 32 young talents had a five-week internship opportunity, while 22 interns joined to work part-time.

The Company contributed to the development of young talents by supporting them to discover their interests which can make a difference in their careers. Cyber Security Camp provided 11, Cloud Computing Camp offered 8 and Software Development Camp provided one job opportunities to young talents in line with their career goals.

Contribution to employment

Türk Telekom continued to contribute to employment in its Headquarters and Regional Directorates throughout Türkiye in 2022.

Employee experience

It continued its activities for ensuring work efficiency, increasing company loyalty and employee motivation, reducing the turnover rate, and strengthening the employer brand perception.

Relations with the trade union and labour peace

Türk Telekom adopts the principle of ensuring and improving the social dialogue with the labour union and labour peace in the workplaces by supporting the freedom of association of the employees and the right to Collective Bargaining Agreement.

In 2022, the Company continued to implement the provisions of the 14th Collective Bargaining Agreement with the Turkish Haber-İş Union, which determined the wages, other social rights and working conditions of nearly 10 thousand union members across Türkiye, effective between 01 March 2021 and 28 February 2023. Moreover, in line with the changing economic conditions the Company updated the prevailing terms with two additional protocols signed during the year.

Processes designed with focus on experiences during the employment journey

Türk Telekom continued its activities to ensure work efficiency, increase employee commitment and motivation, reduce turnover rate and strengthen the employer brand perception in an attempt to improve the experiences of its employees in their internal journeys. The Company continued efforts to improve the connection factors such as attractiveness, participation and commitment, and memorability, within the entire lifecycle of employment, putting people at the centre for all; candidates, existing employees and the alumni with whom the Company aims to remain connected even after they leave their jobs.

Attractiveness

- Türk Telekom launched the Candidate Experience project by taking a proactive step aiming to design the perfect candidate experience for all candidates that are involved in the recruitment process.
- As part of the Onboarding Project, the Company implemented practices such as preparing welcome boxes for new recruits with personalised welcome messages. Also launched “my travel companion” and “employee guide” processes and personalised welcome e-mails under its concept of “a valuable start”.

Participation and Commitment

- Türk Telekom created the DNA (What Does Your Experience Tell Me?) Employee Experience Platform in order to receive instant feedback and insights from employees and to invest in psychological trust.
- Carried out regular comprehensive health communication activities within the scope of the Employee Well-being Programme aimed at ensuring and improving the holistic wellness of employees.
- Supported Günışığı Project by making donation to Association of Life Without Obstacles on behalf of employees on their birthdays in order to make them feel valued by way of sharing social responsibility.
- Started working on “Effective Time Management and Meeting Efficiency” in order to balance the increasing meeting intensity in work routine and to carry out meetings more efficiently.
- Continued measuring employee experiences around the new working model throughout the year after the launch of the employee-specific working model, which was put into practice as of October 2021 with the “future of business” approach. Thanks to the model, Türk Telekom won the Bronze award in the “Best Human Resources Management Approach in 2022 – Future of Business” category at the Brandon Hall Group Excellence Awards, one of the most prestigious awards in the world.
- In July 2022, Türk Telekom Çarşı has been launched as a flexible benefit scheme in which employees can make their own choices over a digital platform in line with their needs.

Memorability

- In 2022, Türk Telekom continued its Transition to a New Career and Retirement Incentive (Outplacement) application, which was structured to support employees who have been in business for a long time and are in the retirement phase, in order to support them getting used to the period of transition they are experiencing.
- Launched the website for the group of “Those Who Add Value to Türk Telekom”, which aims to maintain the bond with employees who had left the Company and provides various opportunities for them.



Employer brand communications for new talent acquisition at Türk Telekom

Türk Telekom continued its activities in order to be more recognised and preferred by potential employees, and to increase the commitment of existing employees. The Company participated in various career events in Türkiye and abroad in order to introduce the Company to young talents and professionals more closely and to enable them to explore job and internship opportunities.

Türk Telekom held a total of 78 events in 66 different universities and 12 other institutions in Türkiye. With the contributions of more than 60 employees and managers, the Company shared experiences with thousands of young talents and professionals to help them in their career journeys.

DNA Employee Experience Platform

In order to receive instant feedback and insights from employees, and to invest in psychological trust, the DNA employee experience platform was established.

Human Resources

Türk Telekom participated in international career fairs in order to help reverse the human capital flight that has increased in recent years particularly with the widespread use of remote working models as well as to strengthen the employer brand perception on international platforms. TalentForBIZ, organised by the Presidency of The Republic of Türkiye Human Resources Office, brought together thousands of young and professional talents with the Company's global career opportunities by organising company presentations, interviews, case studies and booth activities in Europe and Asia throughout the year as part of the event.

Türk Telekom START

The young talent programme START, implemented by Türk Telekom in two different modules as START My Internship and START My New Job, received nearly 18 thousand applications this year. The Company continued revising the programme in order to respond quickly to changing trends in talent acquisition. Added an evaluation stage to support young people for a stronger awareness in their career preferences in professional life. The know-how gained throughout the process in areas including Product and Brand Management, Data Analytics, Customer Experience, Information Technologies and Network helped young people broaden their awareness.

Türk Telekom Development Base

Türk Telekom brings talented individuals and leading professionals in the sector together in order to strengthen its employer brand perception and ensure improvement around understanding of new technologies. The Company aims to turn these talents into better equipped individuals with the comprehensive training content of Türk Telekom Academy. In this context, new projects were carried out under the roof of the



Türk Telekom Development Base this year as well.

In order to provide an opportunity to specialise in the most innovative technologies in the field of software, a Software Development Camp was held for the first time this year with a focus on microservice architecture.

Two different programmes in the field of cyber security, were held in order to train qualified human resources in areas such as cyber attack, defence, cryptology and reverse engineering. While the Capture The Flag (CTF) Hackathon, asked young talents to find the flags hidden in the cyber homeland within 24 hours and try to solve the bugs that would reveal the security vulnerabilities, the Cyber Security Camp held for the third time this year offered young talents the opportunity to develop themselves in the field of cyber security by raising their awareness practical experience on the subject.

The Cloud Computing Camp, which offers young people the opportunity to explore all aspects of cloud computing, one of the most important technologies to shape future and attract a great deal of attention by those who want to make a strong start to their career, took place for the second time this year.

In order to contribute to the careers of future data scientists, the Data Science and Analytics Programme was organised for the first time this year within the scope of the NFT Project in cooperation with Türk Telekom and TRAI. As part of this programme, a long-term educational opportunity was offered to the young undergraduate talents of Hacettepe University and Erzurum Ataturk University, which were designated as pilot schools.

In line with the insights obtained through employer brand perception surveys conducted throughout the year, the ratio of talented individuals who confirmed their willingness to work at the Company was 4.5 out of 5, and the ratio of those who found Türk Telekom campus activities successful was 4.3 out of 5.

Moreover, in the competition held by toptalent.co, the talent career platform, where the Top 100 Talent Programmes are selected every year, Young Talent Programme START ranked among the top hundred most admired talent programmes by young people in 2022 with the votes of 101,382 young talents. The Company ranked first in the telecom category in the TOP 100 Sector category-based evaluation.

Agile teams in the organisation

With the perspective of continued improvement all organisations within the Company were altered for simplification, agility and efficiency purposes.

By measuring the agile maturity levels of the teams, the studies were accelerated on the agile transformation roadmap, which aims to increase production efficiency and quality through close monitoring and remedial actions. Meetings were organised with the participation of representatives from all agile teams within the Company for info sharing and coordination. The number of teams acting in accordance with the agile working model continued to increase in 2022.

The Company resumed its efforts at Türk Telekom Academy to re-launch the Agility School for training, a vital input to agile transformation.

Process improvement and RPA applications

Aiming to respond more quickly to the dynamic structure of the industry, the Company prepared a roadmap to improve RPA (Robotic Process Automation) and conducted studies to increase the efficiency of operational processes. By end to end automation of the processes with robotic technologies, it carried out business processes faster and error-free 24/7. With a view to reach its efficiency goals, the Company continued its development efforts with an agile team, to expand robotic processes, and to contribute to the digitalisation process by rapidly increasing the number of robots.

A new development-oriented approach in the performance system: FSI

Türk Telekom completed the evaluation of 7,324 employees in 2022 under the 2021 Year-End Evaluation and Feedback Period as part of the 2021 Performance Management calendar. This year, the average satisfaction score for employees with managerial feedback stood at 4.54 out of 5, with an increase of 3% compared to the previous year.

The performance management system has been revised with the vision of offering a better employee experience. The next generation business management model OKR (Objectives and Key Results) methodology was adopted as the basic approach, and process development plan and improvement actions were created with the FSI (Focus Areas and Success Indicators) approach in line with the Company culture. FSI system, which is based on the focus areas that serve the Company's strategic goals and the success indicators associated with them, offers user-friendly screens, integrated form structures, effective target setting and feedback to employees.

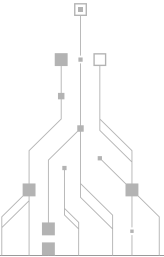
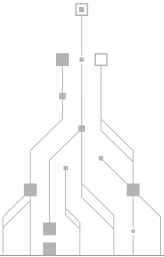
Following the target dissemination process, the goal setting process was completed on the system for 7,650 employees.

The Community that Adds Value to Türk Telekom

Türk Telekom launched the website of “The Community That Adds Value to Türk Telekom”, which aims to maintain its ties with employees who have left the Company and provides various opportunities for them.

A New Development-Oriented Approach: FSI

The new performance system, which adopts Objectives and Key Results methodology, has implemented FSI (Focus Areas and Success Indicators).



Human Resources

Türk Telekom Academy continues its activities unabatedly in human resource development

Türk Telekom Academy, the leading corporate academy of the sector, including a total of 255 training classes offered by 381 active internal trainers in 81 provinces of Türkiye, continued to provide training and development services in 2022 using up-to-date training technologies. During the year, Türk Telekom Academy conducted 853 in-class and 2061 virtual classroom trainings. Training prevalence rate was 72.9%, average training hours per employee was 35.2, and training satisfaction rate was 4.6 out of 5.

With virtual classroom and e-learning, 526,520 thousand hours of remote education was provided. In 2022, the average e-training time per employee was 12.1 hours, the average virtual classroom training time was 17.3 hours and the average in-class training time was 5.8 hours.

Türk Telekom Academy, tailored solutions in employee development

Business Schools, Professional and Personal Development: Technology, Corporate Sales, Consumer Sales, Human Resources, Finance Business Schools, OHS (Occupational Health and Safety), Strategy and Digital, Purchasing, Logistics, Data Analytics Business Schools and Internal Trainer School programmes, which are structured specifically for core job functions to support professional depth and specialisation, continued. Marketing School was presented to employees again this year with its updated content, while the Entrepreneurship School was launched for the first time.

Türk Telekom Academy
With its comprehensive training content, Türk Telekom Academy aims to develop Türk Telekom employees with new technologies and to make them better equipped individuals.

Digital Orientation Work Adaptation Programme:

With the Digital Orientation Programme, the training process for newly recruited employees was digitised and launched under the name of Digital Gateway. The average satisfaction level in 2022 was 4.5 out of 5.

Competency Development Calendar:

As part of the Competency Development Calendar, which includes development tools such as book recommendations, e-trainings, videos, individual learning actions, a competency development calendar has been prepared and shared with all employees in 2022. Topics included providing feedback, cognitive flexibility, performance and productivity, project management, multi-generational workforce management, social awareness, metaverse, telecom products, digital skills and information security.

LinkedIn Learning Platform: Within the scope of corporate cooperation with LinkedIn Learning, contribution to the personal and professional development of employees continued with the aim of providing up-to-date and alternative solutions to corporate training-development needs with digital training content.

Distinctive approaches to leadership journey

School of Leaders and Talent Development Programmes:

A total of 20 managers from 20 different locations participated in the Türk Telekom Managers Development Programme, designed to strengthen leadership culture.

Manager's HR Window: Another 102 managers participated in the programme, which aims to support the team management skills of managers with Türk Telekom HR applications.

Internal Coaching and Internal Mentoring Programme: Internal Coaching Programme was launched in order to expand Coaching and Mentoring processes.

START Development Programmes:

Four different projects were prepared with the design-oriented thinking methodology by 33 young talents who joined the Company as START interns. START My New Job Group, which started to work in September 2021, successfully completed the programme by presenting their innovation projects to the jury.

Professional and technical development programmes to shape future technologies

In a world that is becoming more digital every day, and training has ceased to be static and transformed into location independent dynamic processes, Türk Telekom has restructured its Technology School programmes. In this context, organised technical training and development programmes such as Access Systems School, Energy and Cooling Systems School, Artificial Intelligence School, Network Expertise Programme, NGN Core Programme and Mobile Operations Programme.

The Company made professional and technical development training plans under 281 different titles for 11,782 employees and offered trainings by using in-class, virtual classroom, e-learning, video, light board (smart board), remote lab technologies in subject areas such as access systems, energy systems, mobile and fixed data systems, transmission systems, switchboard systems, software, virtualisation, cloud technologies, deep learning, artificial intelligence, machine learning and cyber security.



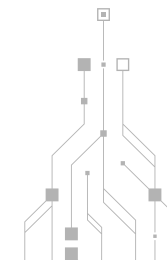
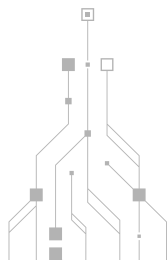
Technology School

In a world that is digitised every day, Türk Telekom restructured the Technology School programmes, as education has ceased to have a static structure and has become a dynamic process independent of location.

A new perspective in strengthening the leadership experience through Leadership Climate Assessment

Türk Telekom conducted a Leadership Climate survey to help its leaders understand the working climate within their organisations. Thanks to the reports prepared in line with the results of the survey, which attained a participation rate of 81%, managers received comprehensive feedback.

The employee assessment process continued with the integrated talent management system Orchestra. For the first time this year, the Company carried out the 360° Competency Assessment and the Potential Assessment simultaneously to strengthen its evaluation systems while offering easy-to-use screens at the same time. The assessments were completed for 6,704 employees in 2022.



Investor Relations

CONSISTENT AND RELIABLE COMMUNICATION

Türk Telekom, committed to delivering timely, accurate and detailed information to its stakeholders and investors, maintained its consistent and reliable communication, meeting with 240 equity and bond investors from different continents in 2022.

Türk Telekom provides timely and comprehensive information to all its investors by establishing effective communication channels

Türk Telekom Investor Relations carries out activities aimed at regularly maintaining relationships with existing and potential equity and bond investors, effectively addressing questions from investors and analysts and enhancing the Company's value. The Company's sustainability function has been transferred to Investor Relations in 2022 in order to develop Türk Telekom's sustainability vision and initiatives, create effective sustainability approaches for investors and all other stakeholders, and conduct systematic reporting. In this context, the unit, which has been renamed as the Investor Relations and Sustainability Directorate, continues to work under the Chief Financial Officer (CFO).

Holding meetings with 240 equity and bond investors from different parts of the world in 2022, Türk Telekom prioritises timely, continuous and accurate information flow to its investors.

In 2022, Türk Telekom Investor Relations participated in 10 investor conferences, 3 of which were in-person in London, Miami and Prague, and 7 of which were virtual. The Company carried out 2 non-deal roadshows, one in London and the other in Istanbul. Investor Relations

department continued to organise teleconferences following the disclosure of the quarterly financial and operational results in order to share the senior management's views on quarterly operations and to provide investors and analysts the opportunity to ask their questions to the management.

Paying utmost attention to the implementation of the principles set out in the Corporate Governance Principles published by the Capital Markets Board, Türk Telekom protects the interests of all shareholders and stakeholders equally in a transparent and close relationship.

Türk Telekom Investor Relations and Sustainability Director continues serving as a member of the Company's Corporate Governance Committee.

Consistent and reliable communication with shareholders

Türk Telekom supports its website content with instant updates to ensure timely access to accurate information, by considering the needs of its target audience; retail and institutional investors, analysts and shareholders. The website offers a cohesive investment theme with financial, operational and strategic information which are updated on a quarterly basis.

The website's content is prepared in both Turkish and English to cover all shareholders and stakeholders. Each added piece of information is published on the website in both Turkish and English simultaneously. Türk Telekom aims to improve on its inclusive approach to Investor Relations, moving forward with the motto of "The most effective access to accurate information".

The contact form on the website maintains its importance as an effective channel where shareholders and stakeholders can directly reach Türk Telekom officials.

Türk Telekom shares its up-to-date announcements such as material disclosures made on the Public Disclosure Platform (KAP) simultaneously with its comprehensive distribution list of analysts and investors. The Company also shares these announcements on its Twitter account, and informs the public in detail.

Türk Telekom shares its ESG (environmental, social and governance) approach and exemplary practices with its stakeholders in a transparent manner

Türk Telekom has been the only telecom company listed on the BIST Corporate Governance Index since 2009.

Being listed on the BIST Sustainability Index since it was inception in 2014, Türk Telekom maintains its successful performance with exemplary practices in the field of ESG. The Company managed to maintain its overall rating at the A level in the evaluation conducted by the MSCI Sustainability Index, especially due to the increased scores achieved in the categories of privacy and data security.

Türk Telekom has increased its scores, notably in the categories of network reliability and innovation, as a result of the corporate sustainability assessment conducted by S&P Global.

On the BIST Sustainability Index

Türk Telekom has been maintaining its successful performance with exemplary practices in ESG and its presence on the BIST Sustainability Index since it was established in 2014.

Türk Telekom has been reporting since 2011 to the Carbon Disclosure Project (CDP), an international initiative. The Company reports on its efforts to reduce carbon emissions systematically as a part of its sustainability journey.

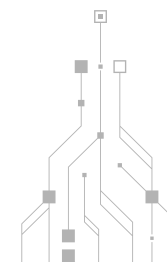
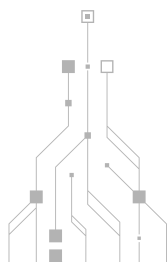
The Company conducts its relations with its employees, customers, suppliers, business partners and all stakeholders within the framework of the policies published with the approval of the Board of Directors. The Company regularly reviews and monitors the policies it has prepared in accordance with its corporate governance and sustainability perspectives every year.

Paying utmost attention to the implementation of the Corporate Governance Principles published by the Capital Markets Board (CMB), Türk Telekom has an independent Corporate Governance Compliance Rating conducted annually in this scope.

Türk Telekom Corporate Governance Rating report for 2022 was prepared on 14 December 2022 by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., which is authorised to perform ratings in compliance with the CMB's Corporate Governance Principles in Türkiye. Türk Telekom maintained its position among the highest-rated companies in the categories of Public Disclosure and Transparency and Stakeholders, with a confirmed rating of 94.03.

Türk Telekom takes maximum care to ensure that its internal processes comply with the CMB legislation. The Training on Compliance with the CMB Legislation, which was assigned to employees with the aim of ensuring compliance and increasing awareness of employees, achieved a completion rate of 81% in 2022.

The Company regularly updates its system designed to enhance the monitoring of employees with access to insider information.



Investor Relations

Domestic bond issuances

Following successfully issuing eurobond in 2014 and 2019, Türk Telekom completed its first domestic bond issuance with a nominal value of TL 150 million and a maturity of 402 days in December 2020. In 2022, the Company issued 6 separate financial bonds at different maturities with a total nominal value of TL 1.8 billion.

Credit rating

Fitch Ratings, the credit rating agency that limits Türk Telekom's ratings to the agency's Turkish sovereign foreign and local currency ratings, affirmed Türk Telekom's long-term foreign and local currency issuer default rating (IDR) at "B" with a "Negative" outlook on November 10, 2022, following its annual assessment. Fitch also affirmed Türk Telekom's long-term national rating as "AAA (tur)" with a "Stable" outlook, and its long-term senior unsecured rating as "B".

S&P Global Ratings, the credit rating agency that limits Türk Telekom's rating to the agency's T&C assessment and local currency rating on Türkiye, revised Türk Telekom's long-term local and foreign currency credit rating from "B+" to "B" and the outlook from "Negative" to "Stable" on October 5, 2022, following its update on the country's rating. S&P affirmed Türk Telekom's short-term foreign currency credit rating as "B".

New Shareholder Structure

The transfer of 55% of Türk Telekom's shares from LYY Telekomünikasyon A.Ş. to Türkiye Wealth Fund was completed on March 31, 2022. As a result, TWF became the majority shareholder of the Company, owning 61.68% of Türk Telekom's shares.

A new shareholder structure

The share transfer transaction between the two entities, LYY Telekomünikasyon A.Ş. (LYY) which held 55% of Türk Telekom's shares, and Türkiye Wealth Fund (TWF), was completed on March 31, 2022 upon the sale of LYY's shares to the TWF. Accordingly, TWF became the majority shareholder of the Company with a 61.68% stake in Türk Telekom (1.68% of which is publicly traded). The Company is 25% owned by the Ministry of Treasury and Finance of Republic of Türkiye, and 15% of its capital is publicly traded under the TTKOM ticker on the Borsa İstanbul (BIST). The Company's market cap amounted to TL 86.0 billion at the end of 2022.

Türk Telekom regularly carries out studies that analyse shareholder diversity. These studies help in tracking the changes in the shareholder base over different periods.

According to the latest study conducted by an independent service provider in July 2022, Türk Telekom has approximately 110 institutional investors worldwide. Based on the study, value-oriented investors constitute the majority of Türk Telekom's shareholder base. Moreover, high-share investment focuses include index, growth and growth at a reasonable price.

Türk Telekom's institutional investors are 31% located in America, 28% in Europe, and 17% in funds based in the United Kingdom and Ireland. In addition, several funds from different parts of the world (Japan, Singapore, etc.) are also among the investors, along with investors in Türkiye.



Türk Telekom Investor Relations is the best in EMEA

Türk Telekom achieved a great success by winning 2 awards in the 2022 Europe & EMEA Equity Awards organised by Institutional Investor, a leading international business publisher focusing on global financial markets. Türk Telekom was awarded the "Best Company in Investor Relations" in the "Technology, Media and Telecommunication" sector category, where 39 companies were evaluated in the EMEA (Europe, Middle East and Africa) region. Additionally, ranked number one by achieving the highest score in Best Company in Investor Relations among all sectors evaluated in the EMEA region, where 251 companies were assessed and won the "Grand Prix in Emerging EMEA" award.

The winners of the Equity Awards were determined based on the votes given by the prominent investors and analysts to investor relations teams and company professionals in the 2022 Developed Europe & Emerging EMEA Executive Team survey. Companies are subject to a range of criteria including the communication methods and competencies of investor relations departments, the quality of corporate reports and documents used in investor communication, and the transparency of communication practices in investor relations.

The best in EMEA

Türk Telekom was selected as the Best Company in Investor Relations in the EMEA region and received the "Grand Prix in Emerging EMEA" award at Institutional Investor's 2022 Europe & EMEA Equity Awards.

Award-Winning Annual Report

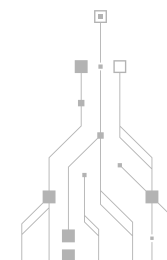
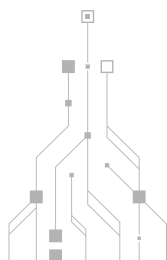
Türk Telekom 2021 Annual Report was deemed worthy of a total of 14 awards in the "Telecommunication" and "Company Groups, Holdings" categories at the LACP Vision Awards.

14 Awards to Türk Telekom 2021 Annual Report from LACP

At the League of American Communications Professionals (LACP) Vision Awards held in California, USA, Türk Telekom 2021 Annual Report was deemed worthy of a total of 14 awards in the "Telecommunication" and "Company Groups, Holdings" categories. Türk Telekom received the platinum award for scoring 99 out of 100 in the "Company Groups, Holdings" category, and earned the Gold award by achieving a score of 98 out of 100 in the "Telecommunications" category.

Türk Telekom 2021 Annual Report was deemed worthy of the technical achievement award in the newly-added category of "Aesthetic and Communicative Excellence of the Report" by LACP. Additionally, it was honoured with the platinum award in the EMEA region for the "Reports Produced by Third Parties" category.

Türk Telekom ranked second in the EMEA region at the LACP Vision Awards, where 2021 annual reports and integrated reports from various sectors were evaluated on this international platform. Türk Telekom, winning the gold award for the best report text category, received a total of 14 awards in the competition where various categories were evaluated.



WE TOUCH THE LIVES THAT ARE FARTHEST AWAY

With our principle of 'accessible communication for all' and our 'human-oriented' approach, it is our top priority to reach every corner of Türkiye and to ensure that Türkiye reaches every aspect of life and every part of the world. We offer solutions according to expectations and needs in 81 provinces, and we touch the lives of more number of people each passing day. We continue to open the doors of high-quality, fast and secure communication to every new member who joins the Türk Telekom family.

1 million
net subscriber
additions



Sustainability and Corporate Social Responsibility

FOR A HABITABLE WORLD

Türk Telekom takes into consideration the principles and requirements of quality, environment, occupational health and safety, and customer satisfaction management systems in all its business processes.

SUSTAINABILITY

Aiming to leave a habitable world for future generations, Türk Telekom continues its efforts to make its business processes more compatible with sustainability principles. As a requirement of its sustainability strategy, Türk Telekom involves all its employees, families of employees, vendors and customers in this transformation process.

The Company places emphasis on investments and projects in waste management, energy efficiency and renewable energy in order to promote efficient use of energy resources, widespread use of renewable energy resources and reducing the negative impact on the environment.

Türk Telekom offers products and services that support the low-carbon economy as part of its sustainability approach. Continuing its efforts to reduce greenhouse gas emissions, the Company supports several industries with its low-carbon products and services.

The Company presses ahead with its efforts on sustainability as a supporter of the United Nations Sustainable Development Goals and a party to the United Nations Global Compact.

Türk Telekom's sustainability approach

Türk Telekom, one of the main actors of the transition to the information society rather than merely a

telecommunication operator, takes the principles and requirements of quality, environment, occupational health and safety, and customer satisfaction management systems into account in all its business processes.

In its transactions and activities, Türk Telekom protects the rights of its stakeholders, which are regulated by the relevant legislation and mutual agreements. In the event of an adverse situation, the Company ensures the protection of these rights within goodwill principles and Universal Human Rights as allowed by the limits of its capacity.

Serving 52.8 million subscribers with more than 39 thousand employees, the Company meticulously conducts its efforts to manage environmental and social impacts, with the awareness that corporations should take responsibility in the field of sustainability.

Türk Telekom offers many products and services to prevent possible cyber-attacks on its customers' infrastructures, access to personal information of customers and misuse of the obtained information. In 2022, Türk Telekom provided protection for a total of 3,131 large-scale attacks of 1 Gbps and above, rated in the critical attack category.

Due to the high number of customers and diversity of processed data in the telecommunications industry, the Company prioritises the protection of personal data in all internal and external business processes.

Sustainability focus areas

Managers and employees working at different levels at Türk Telekom support the success of the sustainability strategy. Furthermore, they take part in the implementation of the sustainability management system by contributing to the sustainability processes.

Türk Telekom defines its focus areas for a sustainable future as follows:

- Focus on Trust – Doing Business Responsibly
- Focus on Climate Change and Environment
- Focus on Value for Human
- Focus on Customer
- Focus on Contributing to Society

Türk Telekom improves customer experience by increasing efficiency with its digital products and services developed with an innovative perspective. Among the key elements of the value-oriented strategy are increasing the service quality thanks to accelerating network investments, improving the customer experience, reinforcing the quality perception of the customers, maintaining the focus on digitalisation, enriching the customer value propositions and designing tailor made offers with strengthened analytical capabilities. The number of resolved calls in 2022 increased by 1.2% YoY and reached 76.5 million, while the number of complaints decreased by 15%.

Türk Telekom offers equal opportunities in communication to its nearly 53 million subscribers with the responsibility of being the telecommunication company that establishes and develops Türkiye's communication infrastructure, and with the principle of accessible communication for all.

Türk Telekom, which protects the data of the country and its customers as Türkiye's cyber security operator, did not experience any data breaches in 2022.



Sustainability Committee

Türk Telekom takes the economic, environmental, social and governance factors into account in the Company's activities and decision mechanisms with the participation and ownership of the senior management and aims to effectively manage the risks associated with these factors. The Sustainability Committee determines the medium and long-term sustainability vision and strategies, evaluates sustainability activities and sustainability goals.

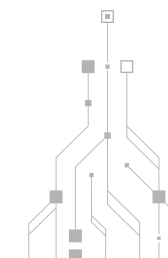
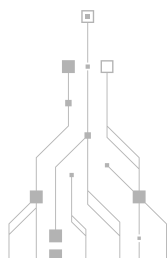
The Sustainability Committee, which consists of management representatives, carries out its activities under the leadership of the CEO.

The Sustainability Committee forms working groups in order to determine the priority issues of Türk Telekom and to ensure compliance with the sustainability policy while the operational activities are carried out effectively.

At Türk Telekom, general coordination and reporting on sustainability is carried out by the Investor Relations and Sustainability Directorate.






Customer focus

It improves customer experience by increasing efficiency with its digital products and services developed within an innovative perspective.



Sustainability and Corporate Social Responsibility

Sustainability Targets and Progress

FOCUS AREA	DESCRIPTION OF THE FOCUS	DESCRIPTION OF THE TARGET	BASE YEAR	TARGET YEAR	TARGET	PROGRESS	RELATED SDG
Climate Change and Environment	Reducing our carbon footprint systematically	Targeting to reduce emissions by 35%	2020	2023	35% reduction	7% reduction	 
		Increasing the production capacity from solar energy by 60%	2020	2023	60% increase	Achieved	
Value for the Human	Supporting the development of our employees	Hours of training per person	2020	2021	10 hours	Achieved	
		The rate of employees receiving training throughout the organisation (Number of Employees Receiving Training for At Least One Day / Total Number of Employees)	2020	2021	45%	Achieved	
Contribution to Society	Serving the sustainable society and providing equality of opportunities through information and communication technologies	Digital marketing trainings for 5 thousand women	2019	2021	To reach 5 thousand women	Achieved	
		Mentoring 100 women	2019	2021	Mentoring 100 women	Achieved	
	Supporting the participation of women in the economy	Workshop on design-focused thinking for 500 women	2019	2021	Design workshop for 500 women	Achieved	

Türk Telekom has set important targets on sustainability. With the goal of systematically reducing its carbon footprint, the Company aimed to reduce the amount of carbon emissions generated in 2020 by 35% as of 2023 and increase its capacity to generate energy from solar energy by 60%.

Accordingly, the Company prevented 19% of its total carbon emissions as a result of the energy efficiency efforts conducted in 2021 and the I-REC* certificate it received. As such, it has achieved 7% of the 35% carbon emission reduction target set for 2023. In addition to that, by commissioning another 1.5 MW solar energy system in the last year, it accomplished its goal of increasing its solar power generation capacity by 60% until 2023 earlier within 2022.

* The I-REC certificate corresponds to 40% of the total emission reduction achieved in 2021.

Sustainability goals
By 2023, Türk Telekom aims to cut its carbon emissions by 35% compared to the base year of 2020, with a target of reducing its carbon footprint systematically.

With its focus on value for human, Türk Telekom is committed to support the development of its employees. With its focus on contributing to society, the Company takes it upon itself to provide equal opportunities in accessing information and communication technologies and to encourage women's participation in work life.

Türk Telekom continues to take place in national and international sustainability indices. In addition to transparently sharing its exemplary practices in the fields of environment, social and corporate governance with its stakeholders, Türk Telekom cares for its progress in ESG areas in national and international sustainability indices.

Türk Telekom is part of the following national and international sustainability organisations and indices:

- FTSE4GOOD
- S&P Global
- Borsa İstanbul
- MSCI
- Vigeo Eiris
- Sustainalytics
- United Nations Global Compact

Türk Telekom unabatedly continues its work on next generation cities

Continuing to invest in smart city technologies, Türk Telekom contributes to building sustainable and efficient cities offering high quality of life. The Company leads Türkiye's largest smart city projects with solutions suitable for next generation urbanism. The number of cities covered by the Next Generation Cities project has reached 14 with the addition of Osmaniye to the provinces of Edirne, Aksaray, Mersin, Düzce, Karaman, Kars, Kocaeli, Elazığ, Antalya, Kütahya, Kırşehir, Denizli and Konya.

While spreading the concept of smart city technologies, Türk Telekom contributes to the effective use of the country's resources by achieving savings in electricity, fuel consumption and irrigation in municipalities with smart solutions. Türk Telekom's solutions in smart urbanisation played an active role in saving approximately 35% in time spent in traffic, 30% in fuel consumption and 25% in carbon emissions.

Türk Telekom ensures that the solutions and applications it offers with the Next Generation City Platform are monitored and managed from a single centre. In addition to all solutions that can be monitored instantly, the collected data is analysed, enabling more efficient use of public resources.

Next Generation Cities
The number of cities covered by the project has reached 14.

The Next Generation City Platform makes city life easy, comfortable, sustainable and safe. In addition, while allowing instant data monitoring, the platform increases the efficiency of local administrations by enabling future-oriented decisions based on the obtained information.

Türk Telekom completed its electronic inspection systems, one of the transportation components of the next generation city project, in Osmaniye Municipality in 2022. Project works still continue in Yahşihan, Yalova and Altınova Municipalities. With these projects, it is aimed to reduce waiting times in traffic and possible accidents and dangers, as well as to reduce the carbon footprint through fuel savings.

With Smart City Furniture, next generation environmentally friendly and smart living spaces have been created for the residents of Antalya and Ankara Metropolitan Municipalities and the regions under the responsibility of Koçarlı Municipality.

Smart Agriculture, the new member of the next generation city family

In 2022, Türk Telekom developed artificial intelligence supported smart agriculture software, the new member of the next generation city family, with local solution partners and added it to the next generation city ecosystem. Smart agriculture software plays a key role in the journey of reducing the risks and impacts of climate change and foreign dependency in agriculture, increasing production efficiency and digitising agriculture. Moreover, smart agriculture software, which is a component of the next generation city project, provides solutions with the aim of increasing efficiency and production in agriculture.

Production with Smart Agriculture contribute directly or indirectly to a variety of United Nations Sustainable Development Goals including Zero Hunger, Sustainable Cities and Communities, and Climate Action.

Smart Agricultural Software
Türk Telekom supports life outside the city with technology through its Smart Agricultural Software, which is an important next generation city component in the journey of digitalisation of agricultural fields.

Sustainability and Corporate Social Responsibility

Software solutions for municipalities' journey to digital transformation

Türk Telekom implements new projects every year by focusing on citizen satisfaction, a priority for every municipality. Thus, the Company makes cities safe and sustainable, and improves the quality of life.

Türk Telekom supported the digital transformation journey of more than 40 municipalities with its software solutions. Zoning management software and smart digital data applications, which are among the newly added next generation living components, support the digital municipality vision. With these systems, which were established in Çekmeköy and Eskişehir Odunpazarı Municipalities in 2022, zoning processes of citizens and digital data were securely stored and processed.

Türk Telekom continued to expand its solution partner ecosystem for local administrations in 2022. The Company continues to offer alternative services to municipalities and citizens with its environmentalist and next generation solutions that include various smart city components such as WiFi service, city information screens, mobile application, next generation lighting, smart transportation systems and smart city furniture.

Türk Telekom has implemented many projects in energy efficiency and renewable energy in 2022

Aware of the impact of high energy consumption on society and the environment, Türk Telekom cares for investments and studies in energy efficiency and renewable energy in order to ensure more efficient use of energy resources, to expand the use of renewable energy resources and to reduce the negative impact on the environment.



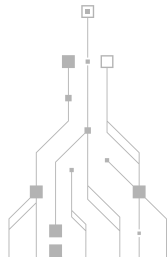
Renewable energy

Türk Telekom commissioned another 1.5 MW solar energy system within last year, increasing its total installed power of renewable energy systems to 4 MW.

Türk Telekom increased the total power of its eco-friendly green power plants by 60% to 4 MW

Continuing its investments and optimisation efforts in energy efficiency by systematically reducing its carbon emissions, Türk Telekom installed another 1.5 MW solar energy system last year. By doing so, on top of preventing 1,250 tons of carbon emissions, the Company has also achieved its goal of increasing its solar power generation capacity by 60% in 2022, earlier than originally planned 2023.

Thus, increasing the total installed power of renewable energy systems to 4 MW, Türk Telekom will prevent approximately 3,335 tons of carbon emissions annually.



Türk Telekom renews the energy and cooling infrastructure of data centres with the latest technology

While providing uninterrupted service to its customers, Türk Telekom, Türkiye's leading telecommunication company, replaces energy and cooling equipment in all data centres with next generation systems in order to save energy. At the same time, it prefers innovative and efficient cooling solutions in its new investments.

The studies conducted around energy efficiency in data centres are listed below:

- Türk Telekom reduced its PUE (Power Usage Effectiveness) value to below 1.15 by using energy efficient IEC cooling solutions in its new data centre investments. Furthermore, it continues to renew the cooling infrastructures in data centres, which have been providing uninterrupted service to customers for years, with next generation efficient devices.
- In addition to the new data centre investments, seamless power supplies in all old data centres have been replaced with modular types operating at 96.5% efficiency. 7% savings were achieved in the energy costs of a facility where this transformation was completed.
- Türk Telekom received the I-REC Certificate in 2022 and met all of its electricity consumption needs in data centres from renewable sources, while at the same time, with this certificate, it provided services with green energy to all customers using data centres.

Cooling solutions are used effectively in all fixed and mobile Türk Telekom sites

Türk Telekom expanded its energy-saving free cooling solutions to all fixed and mobile base stations, thus achieving energy savings of up to 80%. In addition, it continued to replace the old generation air conditioners used in fixed and mobile networks with next generation efficient devices. With the efficiency projects carried out in cooling within 2022, the Company aims to prevent 7,356 tons of carbon emissions by saving 16.1 million kWh of energy annually.

Smart Energy Management Platform

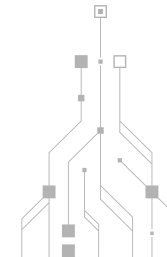
It launched the user-friendly Smart Energy Management Platform, enabling a faster access to energy equipment in its fixed and mobile networks.

Annual energy savings of 39.2 million kWh with optimisation studies

Türk Telekom achieved significant savings in cooling costs as a result of technological transformations, installation of next generation systems and optimisation of communication devices. Thanks to the optimisations carried out in 2022, the Company aims to prevent 17,910 tons of carbon emissions by saving 39.2 million kWh of energy annually.

Smart Energy Management Platform

Thanks to the Smart Energy Management Platform launched in 2022, Türk Telekom can track the outcomes of its efficiency and optimisation projects faster. In the first phase of the platform, target is to save more than 10 million kWh of energy annually and to save 100 thousand litres of generator fuel per year.

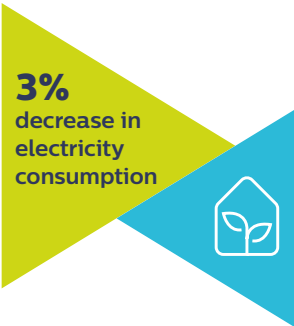


Sustainability and Corporate Social Responsibility

Energy efficiency works at base stations

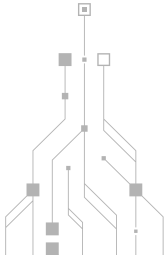
Türk Telekom continues its efforts to serve more efficiently in mobile base stations with next generation equipment like it does in its entire network. In this context, the ongoing energy efficiency studies and the solutions developed are listed below.

- In order to save the energy consumed in the base stations, Türk Telekom implemented new features of the software that saves power at the base stations in all regions during the hours when the traffic density is low. Thanks to the optimisation work carried out in 2022, the Company aims to prevent 9,545 tons of carbon emissions by saving more than 20.8 million kWh of energy annually.
- Türk Telekom continued to renew old generation equipment in the network with next generation equipment, as part of the equipment modernisation project at the base stations. This way, the Company aims to prevent 1,861 tons of carbon emissions by saving 4.1 million kWh of energy annually in 2022.
- By installing 123 free cooling devices at base stations in 2022, Türk Telekom not only was able to save from cooling energy, but also from spare parts and maintenance costs. In addition, the Company, which uses environmentally friendly air conditioners to reduce greenhouse gas emissions, replaced old ones with 323 next generation efficient air conditioners in 2022.
- The Company ensures that the base stations work safely for people and the environment, by conducting electromagnetic field measurements before and after installation.
- Türk Telekom takes all necessary precautions by paying attention to minimising human and environmental interference at the base stations during the planning, design, installation and operation phases.



81 million kWh energy savings in 2022

Having saved 81 million kWh of energy with its efficiency and optimisation projects implemented in 2022, Türk Telekom aims to prevent approximately 38 thousand tons of carbon emissions annually.

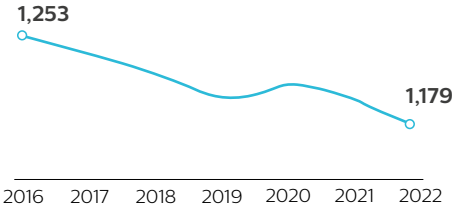


- Making the human health and environmental safety a top priority, Türk Telekom utilises all necessary security equipment and carries out updates so that the base stations are not affected by natural disasters and the environment and public health are not endangered. In 2022, the Company examined 500 base station towers in detail.
- The Company monitors the base stations round the clock and responds to the field in the fastest way in cases of emergency and natural disasters in order to provide the highest level of operational efficiency.

Electricity use and management at Türk Telekom

Türk Telekom reduced its electricity consumption by 3% YoY in 2022, thanks to its efficiency-oriented investment and operation policy in effect for many years. In addition, in 2022, it implemented efficiency and optimisation projects with an annual impact of 81 million kWh energy savings. Thanks to these projects, the Company managed to save energy and reduce its energy consumption compared to the previous year, in the face of the increasing number of customers, bandwidth and data centre investments.

Türk Telekom Electricity Consumption (GWh/Year)



* Electricity Consumption includes Türk Telekom, TT Mobile and TTNET.

Water use and optimisation at Türk Telekom

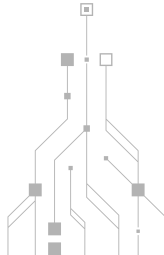
Within the framework of its sustainability approach, Türk Telekom places emphasis to the planned and controlled use of water resources, which are of critical importance for the sustainability of the environment and human life.

Türk Telekom receives the water used for the basic needs of employees in the buildings that are actively used, not directly from the source, but through the city grid and regularly reports its water consumption on an annual basis.

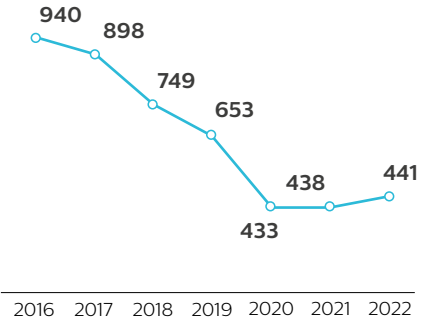
The Company adopts proactive approaches in water management in order to reduce the amount of water required for the uninterrupted continuation of its services and to recycle wastewater. For efficient use of water, it implements environmental practices such as smart irrigation systems, photocell batteries, grey water systems, rainwater collection units, and evaluates the solutions proposed for global sustainability in new projects. Moreover, the Company also aims to reduce water consumption by decreasing the number of locations where water is consumed through building centralisation efforts.

The decrease in precipitation due to climate change makes it necessary to use water resources more efficiently. Türk Telekom shared several visual and written content in 2022 to increase the awareness of employees about water consumption. After the pandemic in 2020, the amount of water used in the offices decreased significantly with the remote working model applied in Türk Telekom.

Türk Telekom has been reporting its water consumption since 2016. Water consumption, which showed a downward trend, was 940 thousand m³ per year in 2016, and decreased to 441 thousand m³ in 2022, coming down by more than 53% over the years.



Türk Telekom Water Consumption (thousand m³)



* Water Consumption includes Türk Telekom, TT Mobile and TTNET

Zero Waste
Works to make the daily consumption habits of its employees environmentally conscious within the scope of the Zero Waste project, which is carried out in all of its offices.

Environment and Climate Change Management at Türk Telekom

Türk Telekom works to separate all wastes at the source and prevent waste generation in order to avoid the rapid depletion of natural resources while ensuring recycling of eligible wastes to the economy. It carries out waste management in accordance with the country's legislation and Türk Telekom Environmental Policy.

Türk Telekom collects all of its wastes generated during field activities in temporary storage areas with permits, in compliance with its legal obligations, and ensures the recycling and disposal of wastes are carried out within this framework. Within the scope of the Zero Waste project implemented in all offices, the Company aims for environmentally conscious daily consumption habits by employees.

Sustainability and Corporate Social Responsibility

Thanks to the waste management efforts carried out in 2021, Türk Telekom;

- saved 103 kilograms of raw materials by recycling 86 tons of glass waste.
- saved 3,422 trees from being cut down by recycling 201.3 tons of waste paper.
- saved 5,388 kilograms of raw materials by recycling 4,145 tons of waste metal.
- saved 94,833 barrels of oil by recycling 5,818 tons of waste plastic.
- In addition, with the recycling of all these wastes, 26,448 m³ of storage space, 37,083,063 kWh of energy savings were achieved and 670 thousand 519 kilograms of greenhouse gas emissions were prevented.

Türk Telekom conducts its studies in cooperation with the Turkish Informatics Industry Association (TÜBİSAD) for the recycling of electronic waste generated as a result of the services it provides. In this context, over 33 tons of household electronic waste was collected and recycled between 2017-2021. In addition to that, during these years, electronic waste collection campaigns were carried out periodically in order to contribute to raising employees' environmental awareness. The income obtained from the wastes recycled this way was donated to educational institutions.

Türk Telekom carries out all its environmental activities within the framework of national legislation and international standards. With this approach, all service areas are managed and certified in accordance with ISO 14001 Environmental Management System standards.

Recycling of electronic waste
Türk Telekom conducts its studies in cooperation with the Turkish Informatics Industry Association (TÜBİSAD) for the recycling of electronic waste generated as a result of the services it provides.

Acting in awareness of its responsibilities in preventing a climate crisis, which is the biggest environmental problem faced by humanity, Türk Telekom participates in the Carbon Disclosure Project (CDP) in order to evaluate its performance and report its emissions from the entire value chain. Within the scope of the project, where it reports scope 1, 2, and 3* emissions, the Company continues its efforts to set an example for the sector and to support other sectors.

Within the scope of Türk Telekom's 2022 CDP reporting, the calculations of the emissions resulting from the Company's activities were verified by the authorised independent institution EY. The score of the 2022 CDP report, which was prepared according to the data of 2021, was C.

By evaluating its environmental impacts, Türk Telekom organises its activities in a way that reduces the consumption of natural resources. It conducts studies to minimize its environmental impact by reviewing its operations from end to end and evaluating the life cycle of the products used.

The Company regularly organises trainings every year on issues such as waste management, saving on water, energy efficiency and occupational health and safety legislation, and hygiene. In 2022, 17,861 employees received online environmental training.

Türk Telekom GreenHouse Gas Emissions (ton CO₂e)

Scope	2018	2019	2020	2021
Scope 1	111,855	111,452	131,691	130,576
Scope 2	591,720	594,437	581,414	529,284
Scope 3	9,917	9,474	6,710	10,184
Total	713,492	715,363	719,815	670,044

** Scope 3 includes data on employee shuttles, flights, paper, toner, cargo and waste.*

Occupational Health and Safety Management at Türk Telekom

As its most valuable asset, Türk Telekom prioritises the health and safety of its employees, working day and night in order to provide uninterrupted service in different geographies and challenging climate conditions in every corner of the country.

Türk Telekom prioritises the health and safety of its employees and solution partners in all fields of activities. It adopts a proactive approach in order to ensure the safety of its employees at the Head Office and on the ground, and to safeguard them from occupational accidents and diseases. The Company evaluates the instant notifications it receives from the employees, initiates actions before accidents occur, and ensures the elimination of dangerous situations and behaviours.

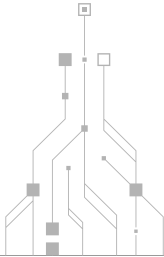
In addition to following the legal legislation, Türk Telekom acts in accordance with the ISO 45001 Occupational Health and Safety Management System standard in all its activities.

With the ISO 45001 Occupational Health and Safety Management System in the Headquarters and all Regional Directorates and Telecom Offices, continuous improvement of occupational health and safety performance is ensured. One of the two fatal accidents reported in 2022 occurred as a result of a heart attack, which was not caused by work, but was reported as an occupational accident because it happened in the compound area located within the borders of the workplace. Furthermore, Türk Telekom did not record any environmental accidents and was not issued any environmental penalties in 2022.

OHS Week
During the Occupational Health and Safety Week on May 4-10, the best occupational safety photographs were selected with the motto "I'm Safe with Occupational Safety" in the competition held among the employees, and various awards were granted to the top-ranked employees.

Türk Telekom organises various events each year in order to create a culture of occupational health and safety and to raise the awareness of its employees on this issue. During the Occupational Health and Safety Week on May 4-10, the best occupational safety photographs were selected with the motto "I'm Safe with Occupational Safety" in the competition held among the employees, and various awards were granted to the top-ranked employees.

In order to raise awareness on Occupational Health and Safety, 1,141 employees received in-class OHS training and 19,094 employees received online basic OHS training in 2022.



Sustainability and Corporate Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY

Using the technology that it produces to improve people's quality of life in an innovative approach and to eliminate digital inequality by removing economic, social, regional or physical disadvantages that prevent current and future generations from accessing information, Türk Telekom carries out corporate social responsibility projects that add value to Türkiye in line with the principle of accessible communication for everyone.

Contributing to the country's digital transformation, equal participation of everyone in social life with the bettering power of technology and easy access to information are the most important elements of Türk Telekom's social responsibility understanding.

Carrying out social responsibility projects that add value to Türkiye, Türk Telekom especially takes Quality Education and Reduced Inequalities amongst the United Nations Sustainable Development Goals as its guiding targets.

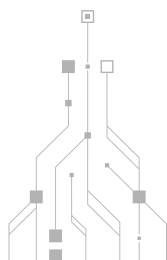
Türk Telekom undersigns projects that serve sustainable development with “Türkiye’ye Değer” (Türkiye is Worth All Our Efforts) motto

The social responsibility projects conducted by Türk Telekom in accordance with its “Bir fark yeter Türkiye’ye Değer” (Even the smallest difference matters, Türkiye is Worth All Our Efforts) motto, include Dijitalde Hayat Kolay (Life is Simple on Digital), Telefon Kütüphanesi (Books on the Phone), Güneşli (Sunshine), EyeSense, Türk Telekom Okulları (Türk Telekom Schools), Türk Telekom Arama Kurtarma Ekibi (Türk Telekom Research and Rescue Team), Türk Telekom Amatör Spor Kulüpleri (Türk Telekom Amateur Sports Clubs). Local social responsibility activities organised by Türk Telekom Provincial Directorates are also carried out under the umbrella of “Türkiye is Worth All Our Efforts”.



Telefon Kütüphanesi

Includes audio descriptions of artworks as well as books, and provides audio access to more than 6 thousand medication prescription instructions.



Türk Telekom supports women in their entrepreneurial journeys with the Life is Simple on Digital project

Women's participation to workforce and their employment are among the most important elements of sustainable development. The issue is also important to ensure continuity in economic growth and fully achieve social development and social justice. Serving Türkiye's digital transformation, Türk Telekom continues its Life is Simple with Internet for the Woman with Goals project, launched in September 2019, under the “Life is Simple on Digital” initiative. Aiming to increase women's knowledge on subjects such as information and communication technologies, e-services and e-commerce, the project in cooperation with the Union of Chambers and Commodity Exchanges of Türkiye (TOBB), United Nations Development Programme (UNDP) and Habitat Association, targets reaching 10 thousand women. As part of the project, 6 thousand women received digital literacy and digital marketing trainings by the end of 2022.

A Mentoring and Grant Support Programme was offered to the women who participated in the trainings so that they could improve their ventures on digital platforms. 20 women selected among the applicants to the programme received mentoring support from experts for two weeks.

Telefon Kütüphanesi (Books on the Phone) continues to be the address where visually impaired individuals can access information

Türk Telekom continues to offer a free of charge service through Telefon Kütüphanesi, where visually impaired individuals can access books and various contents via phone. Türkiye's first Telefon Kütüphanesi project, carried out in cooperation with the Boğaziçi University Technology and Education Laboratory for Individuals with Visual Disabilities (GETEM), has been providing the visually impaired people with access to information for 11 years. The library, where new and

best-selling books demanded by the visually impaired are constantly added, has audiobooks and content in more than 50 categories. With the addition of one thousand new books and content in 2022, the total content has exceeded 3 thousand.

In addition to books, Telefon Kütüphanesi has 50 audio content in total including descriptions of 20 paintings from the National Palaces Painting Museum together with the artistic interpretations of these paintings, instant news feeds provided by the Anadolu Agency, cash currency recognition, and audio access to prospectus of more than 6 thousand medications. Users' interest in the Telefon Kütüphanesi continued to increase in 2022. Mobile application of Telefon Kütüphanesi has been downloaded 54 thousand times, and the application of Kitaplara Ses (Voice to Books), which facilitates voluntary reading for the visually impaired, has been downloaded 68 thousand times. Thanks to the Kitaplara Ses application, approximately 5 thousand books have been voiced so far, thus enabling the visually impaired to access a variety of books.

With Güneşli (Sunshine), Türk Telekom facilitates participation of children with low vision in social life on an equal footing with their peers

Embracing the concept of low vision in Türkiye and being the pioneer in this field, Türk Telekom touched the lives of thousand children by implementing the Güneşli project. Thanks to Güneşli, which stands out as the only example in this field in Türkiye and in the world, early intervention becomes possible for children with low vision through distance education provided by using Türk Telekom's technology and infrastructure.

Güneşli, which has been carried out in cooperation with the Association for Living Without Obstacles (EyDer) since it was launched in 2014, aims to enable children with 1% to 10% vision to lead their lives without assistance, thanks to early intervention trainings, and to participate inclusive education instead of a school for the visually impaired. Thousands of educators



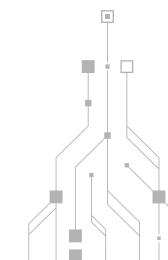
who teach at inclusive classes also receive awareness seminars under the Okulumda Güneşli (Sunshine in My School) trainings.

Güneşli Embracing the concept of low vision in Türkiye and being the first to work in this field, Türk Telekom touched the lives of a thousand children by implementing the Güneşli project.

Güneşli Oyunları (Sunshine Games), designed as the first ever smartphone application in this field, is used by children with low vision as well as the elderly with impaired vision. The TahtApp software, which has been installed in inclusive classes at 26 schools in 11 provinces so far, enables Güneşli children, who have differences in reading and light perception, to benefit equally by making it easier to follow the lessons in the classroom.

Güneşli activities continue to have strong social impacts

The project scope has been expanded in 2022 to include veterans with visual impairment, the elderly, people with low vision above the age of 18 and educators. In this respect, a total of 320 online trainings were given to low vision children and their parents, as well as veterans, the elderly and educators for eight months. 7 thousand participants in total have benefitted from the trainings.



Sustainability and Corporate Social Responsibility

Günüşiği activities lasted throughout the year with events held on holidays and special days such as April 23 National Sovereignty and Children's Day, Father's Day, Mother's Day. In 2022, Günüşiği Children were also supported artistically with activities at the Atatürk Cultural Centre. On the occasion of the Disability Week, art workshops were held at the Atatürk Cultural Centre.

Türk Telekom supported the education of children by donating to the Günüşiği project on behalf of employees on their birthdays throughout the year.

Selfie for everyone with EyeSense program

The EyeSense application, developed for the visually impaired for the first time in Türkiye, takes selfies and photos by making scene alignments for users. Visually impaired individuals can identify who was photographed by tagging the people photographed. The application also helps people who are not visually impaired to take selfies by providing audio guidance when the rear camera is used.

With the object recognition feature, the EyeSense application helps easily identify any objects. Visually impaired individuals can recognise objects, distinguish the colours of them and listen their descriptions by pointing their smartphones towards objects.

Türk Telekom at the heart of culture and art

As an institution leading the digital transformation of Türkiye, which considers strengthening the bond between art and technology day by day as well as protecting art and national culture among its fundamental social responsibilities, Türk Telekom signed an important cooperation with the Ministry of Culture and Tourism and has become the main supporter of Atatürk Cultural Centre (AKM), which was renewed in 2021 with a fresh identity worthy of our Republic.

Türk Telekom is at the heart of culture and art Türk Telekom has undersigned many innovations within AKM and on Beyoğlu Culture Road with its technology experience.

Supporting sports Türk Telekom continues to procure sports equipment, allocate workout fields and provide financial support to 43 Türk Telekom Amateur Sports Clubs which have been operating in 33 different branches in 41 provinces for 12 years.

Türk Telekom, which gave its name to the opera hall that is located at the heart of AKM, undersigned many innovations in 2022 within the Cultural Centre and on the Beyoğlu Culture Road with its technology know-how.

Established in the outdoor space of Atatürk Cultural Centre within the scope of Beyoğlu Cultural Road Festival, which is organised twice a year by the Ministry of Culture and Tourism, The Türk Telekom Open Air Stage hosted more than 50 thousand participants. During the festival, the first of which lasted for 15 days and the second for 23 days, celebrities came together with music lovers at a total of 37 concerts in Türk Telekom Open-Air Stage. Cinema lovers also had the opportunity to watch the most popular movies of the recent times and 16 classic movies of Turkish cinema in the open air at TT Prime Open-Air Cinema. Approximately 2,500 photographers participated in the Photo Marathon competition organised as part of the Beyoğlu Cultural Festival sponsored by Türk Telekom.

In addition to art and technology, Türk Telekom continues contributing the mission of AKM to become a more accessible centre. Türk Telekom's "Sesli Adımlar" (Loud Steps) application, which aims to make life easier for the visually and hearing impaired, has started to be used in Atatürk Cultural Centre. Thus, art lovers with visual and hearing impairment can visit the indoor and outdoor areas of Atatürk Cultural Centre with the help of the special, operator-independent and free of charge mobile application.

Türk Telekom Okulları Within the scope of the Türk Telekom Okulları (Türk Telekom Schools) project initiated and successfully carried out by Türk Telekom, education continues in 53 schools all over Türkiye, 34 high schools and 19 primary schools.

Türk Telekom Okulları offers a modern education environment at 78 points, mostly located in the Eastern and South-eastern Anatolia regions, and thousands of students graduate every year from these schools.



Türk Telekom's Emergency Civil Defence Movement: TTAKE Established in 2010, Türk Telekom Search and Rescue Team (TTAKE) aims to aid all kinds of natural disasters, natural accidents and incidents that may occur in our country or in the world and may require search and rescue activities, with 220 volunteer Türk Telekom employees across Türkiye.

The Central team, which was included in the accreditation processes initiated by AFAD in 2022, was entitled to receive the "Urban Search and Rescue" certificate on April 14, 2022. The accreditation preparations in addition to the trainings that the regional teams receive during the year in line with the region-specific geographic conditions continue.

In 2022, which was announced by the Interior Ministry as the "Year of Drills", the TTAKE team was invited by AFAD to the drills held in different parts of the country. TTAKE's performance was appreciated by the local and national managers in all the organisations it participated in. Members continue to successfully complete the trainings assigned by the Company.

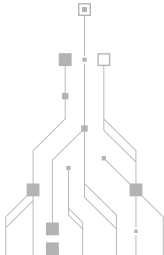
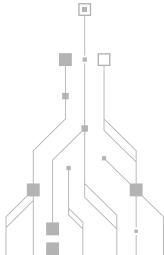


Türk Telekom adds value to Türkiye's sports Türk Telekom continues to procure sports equipment, allocate sports fields and provide financial support to 43 Türk Telekom Amateur Sports Clubs which have been operating in 33 different branches in 41 provinces for 12 years.

Türk Telekom Amateur Sports Clubs, including 5,132 athletes in 33 branches, from basketball to fencing, from swimming to badminton, continue their efforts to move the country's sports forward steadfastly.

In 2022, the athletes supported by Türk Telekom represented Türkiye abroad, achieving significant degrees in the World, European Balkan and Mediterranean Championships, and winning numerous medals in national-international competitions in different branches.

TTAKE The Central team, which was included in the accreditation processes initiated by AFAD in 2022, was entitled to receive the "Urban Search and Rescue" certificate.



WE OPEN THE DOORS OF THE WORLD TO ENTERPRISES

We are the solution partner of large companies that play an important role in the development of Türkiye and SMEs, the fundamental components of the economy. We offer communication solutions from a single source that will increase the competitiveness of institutions and enterprises on a local and global scale. We add value to corporate life and continue to carry Türkiye's business world and economy to the future.

1 million +
Corporate
customers



Argela

NEW TECHNOLOGIES FOR THE FUTURE OF COMMUNICATION

Thanks to their extensive experience in the telecom field and dynamic R&D processes, Argela and its Silicon Valley subsidiary Netsia, develop innovative technologies and intellectual property rights for the future of communication, as well as solutions specific to current needs.

5G and beyond communication technologies

Founded in 2004 and incorporated into Türk Telekom in 2007, Argela conducts R&D and innovation studies on next generation telecommunication technologies and develops technology, products and intellectual property in the field of 5G, in collaboration with its subsidiary Netsia operating in Santa Clara, USA.

Argela provides solutions for telecom operators in the global market and for telecom companies as well as public and defence industry organisations in Türkiye. Having developed business partnerships in various countries including the USA, Azerbaijan, the UK, Germany and Taiwan, the company continued its activities to increase its international presence and expand its customer portfolio in 2022.

Innovative products and solutions

Argela and Netsia take an active role in organisations which include the world's leading companies operating worldwide such as the Broadband Forum, 3GPP, GSMA, Small Cell Forum and Silicon Valley-based ONF. Their involvement in these organisations provides Argela and Netsia opportunities to take on leadership roles in technology-driven initiatives and open-source development projects.

MAC

Argela started to develop the cloud-based multiple access and orchestration solution Argela/Netsia MAC to meet the needs of 5G and beyond networks and applications.

Argela's portfolio consists of solutions and applications such as network performance monitoring, subscriber analytics and subscriber satisfaction management, software-defined fibre broadband access, as well as software-defined networks, virtualisation and end to end orchestration infrastructure solutions. The company is also involved in the domestic and national base station ULAK and the domestic DPI device project DEFINE.

Argela's joint collaborations with several universities in Türkiye include projects focused on developing next-generation technologies such as 5G, software-defined networks, virtualisation of network functions, drone/UAV tracking systems, cyber security, self-organising mobile networks and big data processing.

MAC: Multi-access edge cloud and orchestration architecture of the future

5G and beyond networks and applications will require higher bandwidth, lower latency and dynamic orchestration. In order to meet these requirements, Argela started phase-1 works to develop the multi-access cloud and orchestration solution, Argela/Netsia MAC.



SEBA, vOLTHA, ONOS components within the MAC infrastructure, which has a holistic and open architecture consisting of multi-access edge clouds and end to end orchestration components, and open-source End to End Orchestration (ONAP) projects that manage all these components are executed under the roof of Open Networking Foundation (ONF) and Linux Foundation. World's leading operators, including AT&T, Deutsche Telekom, NTT, Telefonica and Türk Telekom contribute to these developments.

Transforming the operators' switchboard offices into data centres equipped with Commercial Off-the-Shelf (COTS) hardware, MAC will allow for the delivery of both mobile and fixed services from the same switchboard while enabling dynamic management of all edge clouds and components within a centralised structure. Thus, MAC will enable operators to rapidly provide new services to their subscribers.

Netsia Broadband Suite

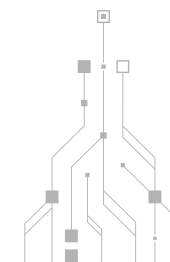
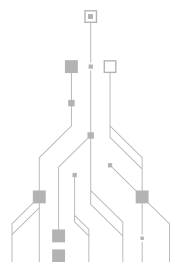
Argela and Netsia continue to develop Netsia BB Suite, which provides the next generation management of passive fibre optic broadband access networks (PON) for internet providers.

Netsia Broadband Suite: Broadband access technology of the future for fixed networks

Argela and Netsia are developing Netsia BB Suite, which provides next generation management of passive fibre optic broadband access networks (PON) for internet service providers. By managing PON broadband access networks through software and cloud, the product offers advantages to fixed internet service providers, such as device manufacturer independence, rapid deployment of new services and single-point integration with operator systems.

Netsia BB Suite, which was launched in three regions in Istanbul on the Türk Telekom network in 2021, is now servicing in 14 regions. The initial expansion plan for Netsia BB Suite, which set out with the goal of reaching 1 million users, involves extending its coverage to three new cities and a total of 30 regions throughout the country. In order to ensure supply and competitive advantage, the number of different brand/model devices supported by the product has been increased, and ecosystem expansion efforts continue with new device integrations.

Acceptance testing of Netsia BB Suite is ongoing in various domestic and international operators' laboratories and live test fields.



Argela

NPM/CEM: Argela continues to work on the 5G transformation of its core network product range

NPM (Network Performance Monitoring) platform delivers meaningful data to both wired and wireless service providers, enabling them to monitor their end to end network performance and service quality effectively. Throughout the year, Argela has been diligently working on expanding the platform to encompass 5G networks. The company successfully deployed its newly developed probe software on the Türk Telekom 5G NSA (Non-Standalone) network, while continuing to develop probe software for the 5G SA (Standalone) network in early 2023. It is aimed to activate the first phase outputs at the Türk Telekom 5G laboratory. With this development, the product will not only measure the performance metrics of 5G networks, but also operate in different environments, including cloud systems with virtualisation support.

Argela continues its development activities on the adaptation of the CEM (Customer Experience Management) platform to 5G, which provides meaningful analysis and behavioural information about subscribers' experiences such as voice, data access, data usage, messaging on telecom networks. The company enhanced its platform by developing the CEI (Customer Experience Index) algorithm, which scores each subscriber's experience on the network services they use throughout the day. This enables the measurement of subscribers' experience on mobile networks on a daily basis, with the aim of improving customer experience.

ULAK project

After the completion of the first phase of the Fourth Generation Communication System Development (ULAK) project in 2018, which was initially signed in 2013 between Argela and Aselsan, the second and the last phase was completed at the end of 2022.

Argela initiated the Network Data Analytics Function (NWDAF) project, which is a standardised network function by 3GPP. The purpose of this project is to provide the essential data and analytics required for automation and network performance on 5G core networks. The product that will emerge as a result of this project will possess performance management and capacity utilisation estimation/ planning capabilities on 5G networks, thanks to its artificial intelligence supported analytics. In addition to performance management on the 5G network, this product will play significant roles in terms of service quality and customer experience management as it will be integrated with the NPM/CEM platform.

The EIR (Mobile Device Identity Management System) platform, which Argela included in its 5G development roadmap in 2022, is used to register and manage mobile devices and is being developed in line with the 5G architecture. The product was installed and integrated into the Türk Telekom 5G laboratory in the autumn of 2022, and the basic service flows of the product were successfully tested.

Projects being carried out with the Presidency of Defence Industries (PDI)

Along with its innovative solutions in the telecommunications sector, Argela develops strategic projects in cooperation with domestic defence industry organisations. The company and Aselsan signed the Fourth Generation Communication System Development (ULAK) project in 2013, and after the completion of its first phase in 2018, the second and final phase was completed at the end of 2022. As part of the project, ULAK base stations provide services in a total of 851 universal sites, with 467 in Universal Phase-1, 287 in Universal Phase-2, and 97 in Universal Phase-3, as well as in a total of 1,157 commercial sites, of which 451 are owned by Türk Telekom as of the end of December 2022.

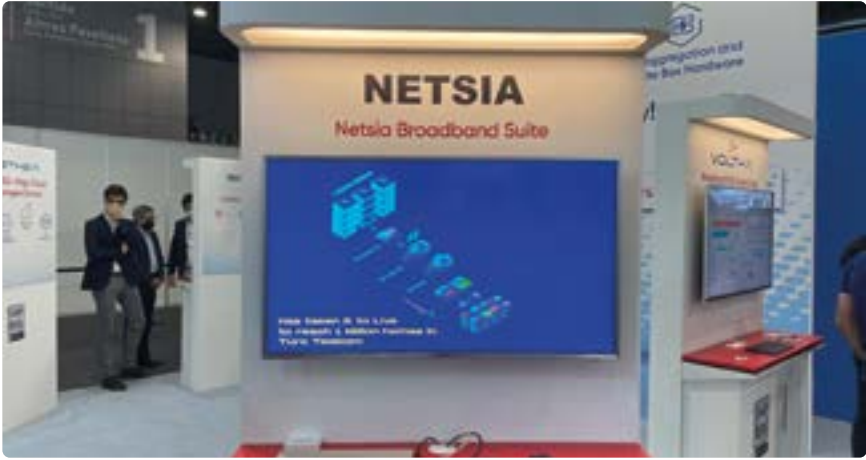
As a PDI project, Argela is collaborating with stakeholders under the OTAK Teknoloji umbrella to develop a domestic DPI device named DEFINE. The project started with a contract signed at the end of 2019, and the first phase, which includes passive DPI features, was completed in November 2021. The first two stages of the second phase, which will enable active DPI features at the operator level, were completed in 2022. Professional service support will be provided in the subsequent phases of the project.

Drone/UAV Tracking Control and Traffic Management Systems Project

In 2022, Argela launched technological advancements and proof-of-concept (PoC) studies for cloud-based, artificial intelligence supported drone/UAV tracking control and traffic management systems. As part of its R&D activities, the company applied for a patent in the USA (USPTO) to protect the intellectual property related to drone/UAV tracking control and traffic management systems that it designed.

Argela, in partnership with Türk Telekom and Cappadocia University, successfully concluded the phase-1 of the UAV Innovation project for the development of drone/UAV tracking control and traffic management systems (UTM). The control of drones/UAVs over Türk Telekom live LTE network, transmission of data packets, data transfer speed and data transmission tests were successfully conducted.

Argela, closely monitors the drone/UAV airspace regulation and architectural studies in the USA and Europe, and held meetings with the General Directorate of Civil Aviation, led by Türk Telekom, regarding the Drone/ UAV Tracking, Control, and Traffic Management System that can be implemented in Türkiye. In this context, Türk Telekom, General Directorate of Civil Aviation and Argela formed a UTM working group.

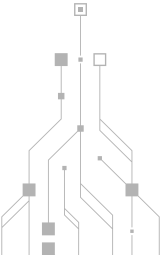
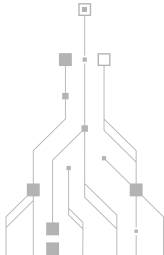


Within the scope of the regulations planned to be released in the future, Argela has started planning Türk Telekom eSim PoC trials and UAV Innovation project phase-2 in order to enable the use of LTE communication infrastructure by drones/UAVs.

Professional service for Juniper Networks

Regarding the patent and software rights of the RIC (RAN Intelligent Controller) project developed by Netsia, the License and Collaboration Agreement and Professional Service Agreements were signed between Juniper Networks and Türk Telekom on November 5, 2020. The contracts, which were initially signed for a period of two years, have been extended until the end of 2022 with the agreement of the parties involved. Argela provides support to Juniper Networks through a development team of eight in accordance with the Professional Service Agreement signed between the two companies. The main objective of RIC is to bring software-defined controllability to the RAN as in the case of the journey to 5G, and to use radio resources in the most efficient manner. xApp/rApp, which are applications that will run on the RIC, can provide solutions to usage scenarios required in the network.

Drone/UAV Project
Argela has filed a patent application in the USA to protect the intellectual property of drone/UAV tracking, control and traffic management systems it has designed as part of its R&D activities.



innova

STRONG R&D BACKGROUND

Innova, one of Türkiye's leading information technologies companies, distinguishes itself in customers' digital transformation projects at every step from planning to implementation, with innovative products and solutions developed on the back of its strong R&D know-how.

Innova's innovative digital transformation solutions add value to organisations

Founded in 1999 and continuing its path as a wholly owned subsidiary of Türk Telekom since 2007, Innova elevates the customer experience to the highest level by providing end to end information technology solutions with the vision of guiding the needs of the industry and customers.

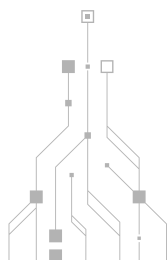
With a team of 1,265 experts, Innova continues its activities in 12 support offices across Türkiye, in addition to its headquarters in Istanbul and Ankara. The company offers its fintech solutions under PayFlex, internet of things solutions under SkywaveloT, administrative and legal receivable tracking solutions under LEGA, aviation solutions under AvioFlex, healthcare technology solutions under HICAMP and network management and monitoring solutions under Network 360 brands. Offering a wide range of solutions with Robotic Process Automation (RPA) and Robotic Process Automation as a Service (RaaS), E-Business, Document Management, service quality management tool NOVA, Innova also provides managed services, outsourcing services and consultancy services. Offering hardware, kiosk and digital signature and infrastructure services on the system integration side, the company uses SAP, business intelligence, CRM, IT governance and project management solutions in third-party products and services.

A team of
1,265
experts



Mobility as a Service (MaaS) Platform

The various types of transportation are integrated into a single platform for the first time in Türkiye with a project supported by the Transport and Maritime Communication Research Centre of the Ministry of Transport and Infrastructure.



Innova's global growth continues on four continents

Exporting the products and solutions it has developed to 37 countries on four continents, Innova contributes to the country's advancement of technology production and the global recognition of the technology produced by competent technical experts.

FEATURED PRODUCTS AND PROJECTS

New Projects

SkywaveloT Smart Factory Solutions

Innova infrastructure project was developed to enable IoT integration into the production facility of KPA Aerospace within the scope of smart factories. The objective is to provide value-added services with the upcoming SkywaveloT Platform by utilizing the hardware set up to collect data from all objects operating in the field.

Mobility as a Service (MaaS) Platform

With this first in kind project in Türkiye, initiated by the PTT Technology and Innova Consortium and supported by the Transport Maritime Communication Research Centre of the Ministry of Transport and Infrastructure, different types of transportation, such as public transportation vehicles of local governments, private public transportation vehicles, urban micro-mobility solutions, intercity transportation vehicles, private

vehicles and pedestrian journeys, are integrated on a single platform. A MaaS Platform, which will offer alternatives for instant or future trips, taking into account factors such as comfort, duration and cost as per the transportation demands of users, is being developed to meet the needs in end to end planning, booking, payment and rental.

Otokoç PayFlex OKP Project

Otokoç Otomotiv conducts all credit usage processes in leasing, maintenance and parts-sales through the Innova PayFlex Joint Credit Platform.

CarrefourSA e-Business Project

The e-Invoice, e-Archive and e-Waybill transition process has been initiated for 140 franchise dealers of CarrefourSA, an existing e-Business customer of Innova. The project aims to consolidate all e-Business solutions for CarrefourSA and its dealers into a single source, and is expected to be completed within a year.

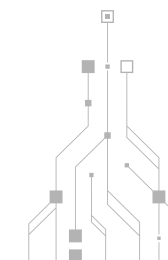
Ongoing Projects

ACEP

Innova provides services to 140 prisons with 9,400 devices under the Smart Technologies in Prisons Project (ACEP). Within the scope of the project, various activities such as payment integration update, development of person detection learning algorithms, commissioning of the canteen module, improvement of field monitoring operations, commissioning of field ticket management application, encryption of interview records defining mobile application security requirements, enhancing the monitoring screen and developing the e-doctor module were carried out in 2022.

Establishment of Innova Robot Base and RaaS Operation Centre

With its technical background, Innova prepared RaaS solutions that consist of service and operation processes to be offer at Robot Base and Robot Operations Centre. While the company is structuring its RaaS solutions to



serve all corporate and SME customer segments of Türk Telekom Group, it continues its P&D process and improves its service structure day by day in order to offer ready-made robots to its customers with the digital assistant market structure over the SaaS Platform.

RPA Transformation at Türk Telekom

Innova conducted many robotic process automation projects in line with the needs of various departments of Türk Telekom including accounting, human resources, call centre and more in order to automate the routine tasks and reduce the operational workload.

PayFlex e-Waybill

Innova started redesigning the e-Business infrastructure for the widespread adoption of PayFlex e-Business solutions in the market and increasing operational capacity. The company has completed the infrastructure development process primarily for e-Waybill. All e-Waybill processes of Vodafone Türkiye will be managed by Innova.

Modernisation and Relocation of the Information Technologies Infrastructure of the General Directorate of Land Registry and Cadastre

Innova aimed to modernise the hardware and software in the data centre used by the General Directorate of Land Registry and Cadastre, by relocating the systems used in the old data centre to the new one. The company will carry out all the operations for the integration of the primary data centre, which will be established in Ankara Oran and the Disaster Recovery Centre located in Yozgat, which will be modernised.

Innova

Infrastructure Energy Project of Gallipoli Historic Site Directorate of Çanakkale Wars, Ministry of Culture and Tourism

Innova has completed 85% of the project by installing 20,750 metres of medium voltage cable and 7 thousand metres of fibre cable as part of the electricity and fibre infrastructure project in the Gallipoli Historic Site of the Çanakkale Wars.

Technology Upgrade Project of the Ministry of Culture and Tourism

Innova has completed the network upgrade project at 1,500 provincial and district libraries affiliated to the Ministry of Culture and Tourism. The company provided internet access by installing new devices in libraries.

Completed Projects

Virtual POS Server

Innova has added Şekerbank to the list of banks it already serves including Akbank, VakıfBank, Ziraat Bankası and İş Bankası, with PayFlex Virtual POS. PayFlex Virtual POS provides end to end management of online collection processes, enabling simple completion of processes like member business integration, collection via credit and debit cards.

Türk Telekom Dealer Dashboard

With the Smart Store Project, which was implemented with the installation of 5 thousand devices in Türk Telekom stores located at more than 1,100 points, Innova commissioned the in-store people counting, personnel tracking system, smart signage lighting management, in-store analytics and charging station components.

Upgrading the libraries

Innova has completed the network upgrade project at 1,500 provincial and district libraries affiliated to the Ministry of Culture and Tourism.

Data Centre Optimisation Project of Ministry of National Education, General Directorate of Information Technologies

Innova established a hyper-integrated infrastructure in the Ministry Data Centre and the Disaster Recovery Centre, and made the software components within the institution usable by integrating them into the existing structure. The company aims to provide better services to approximately 1.2 million teachers and 15.9 million students who benefit from the institution's services, as well as to other institutions with which the Ministry shares information.

Çanakkale 18 Mart Bridge LEGA Project

Within the scope of the agreement made for Çanakkale 18 Mart Bridge, which was completed and opened to service in 2022, bridge-passage violations, payment follow-up processes and collection acceptance before legal action, preparation for the legal actions with data enrichment, initiation of the legal process, and the management of all enforcement/litigation processes in the legal operations are managed over LEGA.

Corporate Solutions TTVPN Project

Innova completed the installation of 1,900 routers for 150 corporate customers in the TTVPN Project carried out in collaboration with Türk Telekom.

Credit and Dormitories Institution (KYK) WiFi Infrastructure Project

Innova provided infrastructure and WiFi-based uninterrupted internet broadcasting to 174 dormitories within the scope of KYK WiFi Infrastructure Project.

Gendarmerie Network Upgrade Project

Innova completed the renewal project of 2,500 routers and 6,200 switches at 2,500 gendarmerie points in Türkiye's 81 provinces. The project has increased the communication speed of the gendarmerie and has provided uninterrupted operations.

Innova's performance in 2022 was deemed worthy of prestigious awards

Four first-place awards from Bilişim 500 to Innova

Innova won the first-place in the ERP Software, Business Applications, Network Hardware and Consulting subcategories of the System Integrator and Business Partner main category. The company moved one step up to the 23rd place in the Bilişim 500 overall ranking.

Big Star Award from Deloitte Technology Fast 50 Türkiye

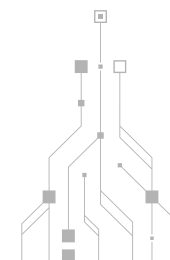
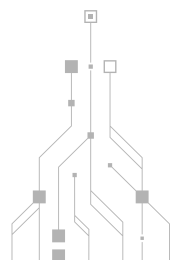
According to the results of the Deloitte Technology Fast 50 Türkiye Programme, which was prepared based on the data of 2021, Innova won the Big Star Award known as the Big League.

Gold Award at Brandon Hall Excellence Awards

Innova won the gold award in the "Best Programme to Improve Individual Development Planning" category at the Brandon Hall Excellence Awards, one of the most prestigious awards in the education and development sector, with the "Lead Future" project designed for the needs and demands of the leaders.

Awards won by Innova from its business partners

- Dell Technologies "Special Project" award
- Forcepoint "Best Public Project" award
- Fortinet "MSSP Partner of the Year" award
- Huawei "Best Marketing Partner of 2021" award
- Huawei "Top Partner of HCIE" award
- Microfocus "Big Data Project of the Year" award



AssisTT

TECHNOLOGY SOLUTIONS THAT SHAPE THE FUTURE

Since its establishment in 2007, AssisTT has been providing communication centre solutions, digital services and technology solutions, customer experience and quality solutions for its customers and offers sector specific services in the categories of outsourcing management with its competent human resources, experience and strong infrastructure.

With the vision of becoming a reference point in customer experience with its solutions that shape the future, AssisTT constructs end to end customer experience and designs customised solutions for all touchpoints. Working with the aim of providing pleasant experience to all its stakeholders, lives of whom it touches, AssisTT transforms its cooperation with its customers into a strategic companion.

Offering a wide range of multi-channel solutions to its customers in different sectors from media to finance and from logistics to e-commerce, the company put forward an effort to increase its effectiveness in international markets by taking service export among its focus areas in 2022. Established a company in the Netherlands with the aim of exporting its services, AssisTT is taking firm steps towards providing customer experience services to many countries in Europe.

Excellent end to end customer experience with technological solutions

Acting with the awareness that it is the first and most important contact point between the brand and the end user, AssisTT identifies the needs of its customers in accordance with their sector dynamics. After the needs are



Exporting Call Centre Services

Putting service exporting among its focus areas in 2022, AssisTT takes firm steps forward in line with its goal of increasing its effectiveness in international markets.

identified, AssisTT brings together the most appropriate solutions from a wide range of alternatives such as multi-channel management services, speech analytics, artificial intelligence, robotic process automation, corporate WhatsApp service and chatbot along with basic call centre technologies, and puts them into practice.

AssisTT designs customer-oriented and tailor-made technological structures for different sectors from energy to media, from logistics to finance. Thanks to its investments, the company has documented the compliance of the interactive voice response system (IVR) with PCI-DSS, the world's most important data security standard, which aims to optimise the security of credit, debit and cash card transactions and protect card information. Thus, the company has proven the importance it attaches to the safety of its customers and the reputation of the brands it cooperates with at international standards.

The industry's first Call Centre School grows rapidly with university collaborations

AssisTT added new cooperations in 2022 to its collaborations with universities within the scope of the Call Centre School project, which

was launched in 2019 with the aim of bringing qualified human resources to the sector, and has provided training to more than 1,800 people to year end. While AssisTT provides internship, part-time work and technical visits to university students, it also offers post-graduation recruitment opportunities. The project, which won the bronze award in the Best Results of a Learning Programme category at the Brandon Hall Group Excellence Awards, continues to crown its success with international awards.

The Next Generation Working Model

Acting in a human-oriented working system, AssisTT continues to implement the Free Working Model (Özgür Çalışma Modeli) that it launched last year. With the next generation working model, everyone, including university students, housewives and people with disabilities, as well as call centre employees, is provided with the opportunity to work remotely, part-time and flexibly.

AssisTT continues its contribution to the economy by generating employment

AssisTT, a technology centre pioneering digital transformation beyond serving as a customer experience centre, offers end to end services with more than 18 thousand employees in 23 provinces. AssisTT, 63% employees of which are women, continued to contribute to the national economy and development by offering job opportunities to thousands of young people in 2022.

AssisTT is on the list of Best Workplaces in Türkiye and Europe

Continuing its success with new awards in the fields of innovation, human resources and customer experience every year, AssisTT was also on the list of both Best Workplaces in Türkiye and Best Workplaces in Europe at Great Place to Work this year.



AssisTT received 3 gold awards in the 2022 17th Annual Global Top Ranking Performers Awards EMEA (Europe, Middle East and Africa) Region, one of the most prestigious awards in the call centre industry and organised by Contact Centre World. At Brandon Hall, the company won 1 gold and 3 bronze medals in 4 different categories with its practices in the field of human resources.

In addition, it maintained the success it achieved last year and ranked first in the Outsourcing Service of the Year category in Türkiye's leading 500 IT Companies Research organised by BT Haber.

The New 100 of Software opens the gate of the software world

AssisTT launched the New 100 of Software project in order to meet the human resource needs of the software world and to invest in the future of employees who want to improve themselves, and to support them to shape their careers with equipped and confident steps.

100 employees selected in the programme are given .Net and C# software language training, which lasts for about five months. The training provides competence at global standards and supports candidates in coding their future. As part of the programme the candidates prepared project presentations with the support of technology coaches and high-performing employees are provided with the opportunity to work in the AssisTT Information Technologies department.

Türk Telekom International

UNINTERRUPTED SERVICE IN A WIDE GEOGRAPHY

Türk Telekom International offers uninterrupted telecommunication services to its customers in a wide geography by making use of the leading-edge technologies.

Türk Telekom International operates in 25 countries

Headquarters of Türk Telekom International, the global member of Türk Telekom Group, is located in Budapest, Hungary. The company's field of operation covers Central and Eastern Europe, the Middle East, the Caucasus, Central and South Asia, Latin America and the Far East regions in addition to Türkiye.

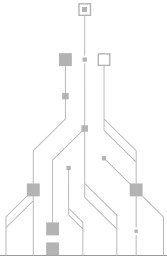
Türk Telekom International's main customers are fixed and mobile telecommunication operators, international alternative infrastructure operators, domestic and international internet service providers and corporations.

- Among the services offered by the company are
- full range of internet and data communications,
 - IP transit,
 - direct and full-range access to Türk Telekom IP network,
 - network planning and implementation,
 - fibre optic infrastructure and access,
 - international voice and messaging services at wholesale level,
 - international mobile roaming and mobile services,
 - service, product and market development,
 - global MTN and SD-WAN for corporate customers,
 - dedicated access to cloud service providers.



More than 110 PoP in 25 countries

Billions of minutes of transit voice traffic annually with more than 200 business partners, more than 800 mobile roaming agreements and over 350 LTE mobile roaming agreements



With its widespread infrastructure, Türk Telekom International makes a good many points in the world accessible

Türk Telekom International provides services primarily to Türk Telekom, Türkiye and neighbouring countries with its 48 thousand kilometres of fibre optic network covering mainly Central and Eastern European countries. It takes upon a key role in transforming Türkiye, which is a communication bridge between the continents of Europe and Asia, into a data junction in its geography.

Providing internet and IP services to numerous operators and companies with over 110 points of presence (PoP) in 25 countries, Türk Telekom International also offers international data and internet access to Türk Telekom with a capacity of 11.14 Tbit/s.

Türk Telekom International continues to be a key regional player in international wholesale voice transport and international mobile roaming, as well as international data services.

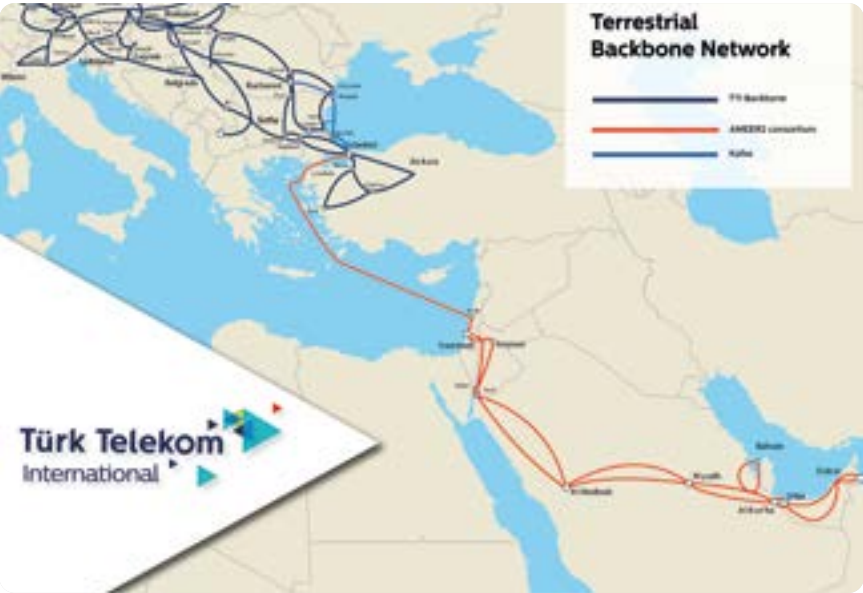
Growth continues with new business partnerships

Türk Telekom International engaged in new business partnerships in emerging markets such as Africa and Latin America in 2022 as part of its international wholesale voice business.

With more than 200 business partnerships established by Türk Telekom International for international wholesale voice transport, the transit traffic carried from Eastern Europe, Türkiye, the Middle East, the Commonwealth of Independent States, Africa, Latin America and the Far East reaches billions of minutes on an annual basis.

Türk Telekom International has mutual coverage agreements with more than 800 mobile operators in more than 200 countries in international mobile roaming. Having mutual international mobile roaming agreements with more than 350 operators within the scope of LTE technology, the company continues its studies on 5G mobile roaming at full steam. Furthermore, Türk Telekom International increased the number of its partnerships from 3 in 2021 to 19 in 2022 as part of the Transit Messaging Traffic Transport project, in addition to its international voice business.

Türk Telekom International significantly increased its Turkish mobile call termination revenues in 2022 compared to the previous year, thanks to the commercial agreements reached with key operators in Europe.



Extensive infrastructure
Türk Telekom International provides services primarily to Türk Telekom, Türkiye and neighbouring countries with its 48 thousand kilometres of fibre optic network.

Strengthening its position as part of the world's key intercontinental submarine fibre optic cable systems

As of 2022, Türk Telekom International's negotiations for the usage rights of the SEA-ME-WE-5 submarine cable system have resulted positively. The company retained the capacities for Türk Telekom and its customers on the cable and transferred the usage rights to China Mobile International Limited.

The company actively uses MEDTÜRK, which connects Türkiye, the Middle East and Europe, and KAFOS (Black Sea Fibre Optic System) cable systems, extending to Europe from the Black Sea. As such, Türk Telekom International further strengthens Türkiye's position as a communication bridge and data junction between East and West.

Its infrastructure investments are steaming ahead
Within the scope of the New Backbone project implemented in 2021 to strengthen its infrastructure, Türk Telekom International has connected with Sofia, Budapest and Vienna over Istanbul, Edirne and Frankfurt endpoints via two different protected routes in Türkiye and Europe, each with more than 3,400 kilometres of fibre networks. Through the New Backbone project, the company continued to provide high-speed and quality service to its customers in 2022.

With the Alternative Middle East Europe Route-2 (AMEER2), which is a much shorter route compared to its peers and became operational at the beginning of 2022, it is possible to transport the traffic from the Middle East to Europe with high capacity and low cost in the most efficient way. In the AMEER2 project, traffic transfer of 800 GB capacity was completed in 2022 and service sales on the system began.

Türk Telekom International

Türk Telekom International has started a third terrestrial route investment so that its existing infrastructure can meet new demands in the direction of Europe in the future. With this project, planned to be completed in 2023, the company aims to maintain its competitive edge in the region by offering its customers the shortest route with the lowest delay between Türkiye and Frankfurt.

Türk Telekom International's IP products turn Istanbul into a global centre of attraction for global internet players

The IP service offered by Türk Telekom International to service and content providers abroad, enables international companies with content reach Istanbul over Türk Telekom International infrastructure and host their servers in Türk Telekom International's Istanbul data centre.

Türk Telekom International provides services with its own fibre optic infrastructure and IP backbone for the needs of international content providers that plan to expand in more areas in Türkiye via the data centres of Türk Telekom and Türk Telekom International. The infrastructure of the company has been expanded to reach all data centres in Istanbul in order to fully meet the needs of international content providers.

On the other hand, Türk Telekom International offers an extremely fast and secure connection to OTT traffic, which spreads across the country with the IP Transit service offered from border points to neighbouring countries.

Aiming to increase revenues with special projects

Türk Telekom International won the tenders of Garanti Bank and Ulakbim in 2022 as part of its efforts in the Turkish market. In addition, it continues its work to establish an infrastructure for access to Ankara Kredi Kayıt Bürosu (Credit Bureau) Data Centre.

Uninterrupted service

While the company provides uninterrupted service to all its customers, it monitors the network and services 24/7 and intervenes immediately in case of any adverse incident.

IP products

Türk Telekom International provides services with its own fibre optic infrastructure and IP backbone to meet the needs of international content providers that plan to develop in more areas in Türkiye.

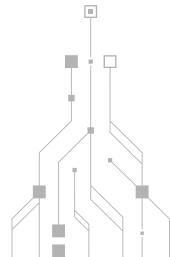
Türk Telekom International aims to increase its growth and revenues with new products and services to be offered in the corporate segment in addition to its activities in the wholesale market. In this context, it aims to offer six products, namely DDOS, SD-WAN, Cloud, Colocation, IPX and A2P SMS, to its corporate customers.

Türk Telekom International signed a contract with Ooredoo as part of the FIFA 2022 Qatar World Cup project and ensured the necessary international capacity for broadcasting. The company also completed the infrastructure of the Socar Fibre project, designed to provide uninterrupted service between Azerbaijan, Baku and Lecce, Italy. Türk Telekom International continued its negotiations with Türkiye, Azerbaijan, Turkmenistan and Kazakhstan as part of the Digital Silk Road project. The company is also evaluating potential collaborations on the Caspian Sea crossing, a key part of the project.

It continues to provide uninterrupted service to its customers

The Russia-Ukraine war, which started in February 2022, had a significant impact on market dynamics and customer behaviour in the region. In this context, Türk Telekom International has taken numerous measures, both technical and commercial, since the first day of the war in Russia and Ukraine, where it operates. Thus, continued to provide uninterrupted service to its customers by managing the impacts of the war.

While the company provides uninterrupted service to all its customers, it monitors the network and services 24/7 and immediately intervenes in the systems in case of any negative incident.



SEBİT

INNOVATIVE EDUCATION SOLUTIONS

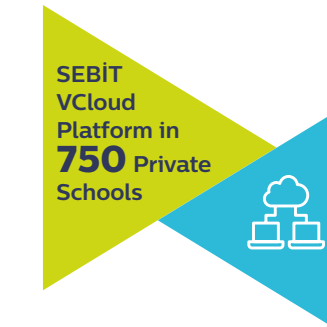
SEBİT, one of Türkiye's leading education companies with 34 years of R&D experience, contributes to the global transformation in education by providing students, teachers and administrators multidimensional learning environments that offer the competencies of the 21st century.

Leading education solutions by SEBİT

With the educational solutions it has developed since its establishment as an R&D laboratory under the roof of TÜBİTAK in 1988, SEBİT has taken a pioneering role both domestically and internationally. The company develops national and international products and services by focusing on social benefits and the individuals' educational needs with the education approach of 21st century. The company, which benefits from the synergy created with Türk Telekom, unceasingly develops and diversifies its product and service portfolio with innovative technology usage. The company is recognised as one of the best educational technology companies in the world by many international education authorities.

SEBİT VCloud, forming the academic backbone of schools

SEBİT VCloud Platform, which broke a new ground in Türkiye by bringing the education approach based on collaboration and sharing to online, involves students in the process with a personalised education approach rather than leaving them as passive observers in the online learning environment. The platform enables teachers to manage the process and establish learning-oriented interactions with their students. Thanks to its virtual classroom module and interaction functions, the Platform has also demonstrated its value by contributing to the transformation in education along with hybrid education and training after the pandemic.



SEBİT VCloud Platform is being used by approximately 105 thousand students, teachers and administrators in around 750 private schools. The platform is supported by functions such as social learning infrastructure, measurement and evaluation, content management, reporting and data analysis.

Raunt: AI-powered preparation solution for the university exam

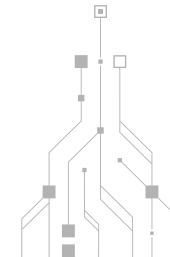
Raunt, Türkiye's first and only personalised university exam preparation solution developed by SEBİT, is a pioneering solution for both private schools' corporate use and students who prepare individually. The entire high school programme, from the 9th to the 12th grade, was designed by utilising Raunt's artificial intelligence-supported infrastructure and the data accumulated through its usage since 2015. Raunt aims to help candidates efficiently use their time to study in line with their goals. Raunt offers mobile application support as well as Türkiye's most long-established and experienced publishers' books for university exam preparation.

Vitamin LGS, to prepare for the High School Entrance Exam

The measurement-evaluation infrastructure and functions developed in Vitamin LGS, which has a design aimed at enhancing students' focus and discipline in their final year of secondary school, enabled the design and development of the exam preparation software. The beta version of the solution, which was used both individually and institutionally in the 2022-2023 academic year, is planned to be finalised in 2023 with additional improvements.

Multidimensional learning environments

SEBİT provides students, teachers and administrators multidimensional learning environments that offer the competencies of the 21st century.



SEBIT

Ministry of National Education (MEB) Academic Support Programme integrated into the national educational technology infrastructure

The MEB Academic Support Platform, implemented by SEBIT, has been integrated into the national education technology infrastructure in order to alleviate the pressure of inter-level transition exams on the education system, as stated in the MEB 2023 Vision. The Platform meets the academic support needs of students preparing for university exam in public schools as a whole. The company continues its efforts to increase the measurement and evaluation capacity of the Platform with the ecosystem it has created.

Nationwide support for hybrid education with EBA

SEBIT updates all class levels' course contents, study plans, question-exam systems and curricula on the Ministry of National Education portal EBA (Education Informatics Network). Through this portal, the company continues to meet the need for accessing online classes, which have become prominent with the pandemic since March 2020. With the reopening of schools for face-to-face education and training, EBA has turned into a structure that supports hybrid education.

Innovative training solutions for diverse educational needs

SEBIT is renewing Vitamin, Türkiye's leading online education solution, in parallel with the development of digital information and communication technologies. The company makes Vitamin content available to public and private schools, by incorporating Vitamin Books into the learning process, and making it available both in digital and printed forms. On the other hand, the project of enriching Vitamin contents with 360° video and AR/VR features, enabled by the upcoming 5G technology, is persistently progressing at an accelerated pace. The company is also conducting R&D endeavours aimed at providing education in areas that pose some danger for adults.



Thanks to DinamikMAT, Türkiye's first and only smart question generation system, students can access unlimited number of examples of a question in a mathematics subject that measure the same knowledge and skills.

VFabrika, comprising of next-generation e-contents that offer users an engaging learning experience, enables creation of highly interactive content without the requirement of coding knowledge.

SEBIT has started R&D studies to develop digital education tools for 2nd, 3rd and 4th grade students with an innovative approach. As the target age group predominantly exhibits the characteristics of play-age children, the company plans to create a product that caters specifically to this requirement.

Selçuklu Autistic Individuals Education Foundation (SOBE), which provides educational services to individuals with autism, is working on technology-based solutions together with SEBIT and Türk Telekom's another subsidiary Innova with the aim of supporting more families and children. In this context, a solution is being designed for the education of individuals

with autism, using voice and image recognition technologies to interact with the individual, provide feedback, and track their development. The effectiveness and benefits of the solution will be evaluated based on pilot studies conducted in 2023, and its dissemination in the national and international market will be assessed accordingly.

HızlıGO increases comprehensive reading speed

SEBIT has enhanced the user experience of HızlıGo, which increases the reading speed with scientific methods without causing loss of meaning and improves attention, focus and concentration skills. The company added to HızlıGo, a goal setting and tracking feature, the training programs consisting of target-oriented steps, a calendar structure that updates the user at every step, and a participation certificate while renewing the interface of HızlıGo. Furthermore, HızlıGo, which has a mobile application prepared, can now be accessed from anywhere.

Data-based decision support and improvement in education

SEBIT had implemented an internet-based SPE (School Profile Evaluation) study to measure added value provided by schools and teachers to students and to plan school

Data-based decision support in education

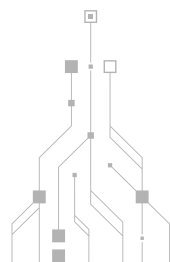
SPE measures the added value provided by schools and teachers to students and supports the planning of school improvement activities accordingly.

improvement activities accordingly. The company addressed SPE to be able to work through SEBIT VCloud for use in private schools. At the same time, as a result of the work conducted with Amazon Web Services (AWS), AWS AI/ML cloud services are now used in SPE's modelling studies. With the use of cloud-based AI/ML services, a study was conducted on question similarity; hence, comparing any question with the questions in the Raunt question pool became extremely fast. The developed feature will be productised in 2023.

SEBIT's activities on a global scale

The solutions developed by SEBIT through innovative and effective use of technology are being used in many countries. While the global-scale sales partnership works continue with Microsoft, the Turkish Republic of Northern Cyprus (TRNC) MEB EBA Platform proceed its activities as well. Moreover, efforts continue on the use of SEBIT's products and services in Qatar and Uzbekistan.

In 2022, a project has been started in Rwanda with a local company using SEBIT's Adaptive Curriculum content library, aiming to provide educational services through a mobile application in the local market.



TT Ventures

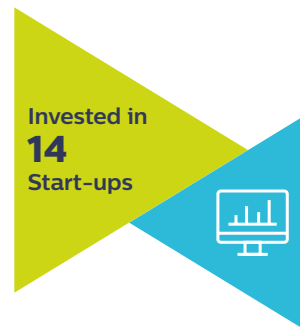
SUPPORT FOR
INNOVATIVE VENTURES

Aiming to contribute to the national economy by supporting start-ups with innovative products and to create synergies with Türk Telekom's existing main business lines and products, TT Ventures has invested in 14 different start-ups since its establishment.

TT Ventures, which was established as a Corporate Venture Capital company in 2018 with the aim of supporting early and mid-stage start-ups, growing them with Türk Telekom investments and offering value, continued its investments in 2022.

With the change in its capital structure at the beginning of 2022, all investments, programmes and supports of Türk Telekom Group regarding entrepreneurship were gathered under TT Ventures. With this change, Türk Telekom's corporate venture acceleration programme PİLOT continues its journey under the roof of TT Ventures.

TT Ventures contributes to the business development processes of both the start-ups in its portfolio and Türk Telekom and Group companies in the global arena, with the company it established in the USA and the strategic collaborations it has made. In addition, TT Ventures aims Türk Telekom to become a technology bridge between Türkiye and global markets by supporting investment processes.

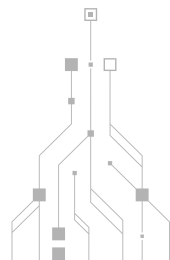


Aiming to benefit the country's economy by supporting start-ups with innovative products and to create synergies with Türk Telekom's existing core business lines and products, TT Ventures has invested in 14 different start-ups since its establishment. TT Ventures focuses on areas that will create synergy with Türk Telekom especially energy, health, education, artificial intelligence, digital solutions, financial technologies, blockchain, IoT and ICT in purpose of creating new unicorns with its investments in health, education and artificial intelligence-based digital solutions.

In 2022, TT Ventures made a continuation investment in MentalUP, one of its existing investments, and invested in Earnado, one of the 2021 PİLOT acceleration programme graduates, and Kidolog, one of the 2022 graduates. MentalUP offers personalised educational mind games for children and a digital education service that supports their physical development. Earnado offers a digital marketing platform service that makes marketing decisions with algorithms and performs the necessary actions with the help of automation. Kidolog provides 24/7 safe online expert support to adults and parents in 11 different categories that they may need before pregnancy, during pregnancy and until their child turns 18.

TT Ventures
Venture Capital
Investment Fund

TT Ventures will now make its investments with the TT Ventures Venture Capital Investment Fund, which is established together with İstanbul Portföy Yönetimi A.Ş.



TT Ventures Venture Capital Investment Fund is established

TT Ventures and İstanbul Portföy Yönetimi A.Ş signed an agreement to set up TT Ventures Venture Capital Investment Fund and the establishment of the fund has been approved by the CMB. Now, TT Ventures will be making its venture investments through TT Ventures Venture Capital Investment Fund. The fund, of which Türk Telekom Group is an investor, will invest in innovative technology initiatives with global growth potential. Targeting to attract the participation of domestic and foreign investors, the fund aims to provide financial returns to its investors together with the strategic support offered by Türk Telekom Group.

PİLOT opens the doors of proper growth for start-ups

With PİLOT, TT Ventures supports and invests in innovative business ideas of early-stage start-ups that develop special technologies with domestic resources, evaluates cooperation opportunities with Türk Telekom, and offers programmes for them to expand abroad. The 10th term of PİLOT was completed in 2022, and 13 start-ups successfully completed the programme and graduated. During the programme, the teams enjoyed the cooperation opportunities with Türk Telekom and held investment talks with TT Ventures. The teams, who had one-on-one interviews with 250 mentors, developed their products and services by participating in the trainings provided by expert trainers.

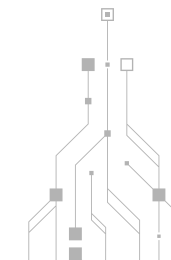
At the end of the programme, TT Ventures invested USD 100 thousand in one start-up and USD 50 thousand in each of the three start-ups. Each of the other nine initiatives received a cash support of TL 150 thousand. A demo day event was held with the participation of select investors, business people, entrepreneurs, select speakers and panellists from abroad and Türkiye at the end of the programme, where graduate start-ups talked about their products and services. The teams to be selected among the graduate teams were entitled to participate in the complementary programme in the USA, which would be held at the end of the programme. To date, 104 start-ups have graduated from the PİLOT programme, which has provided nearly TL 30 million in cash support to start-ups. 43 of them received investment and TT Ventures invested in 12 of them.

Türk Telekom PİLOT

To date, 104 graduate start-ups from PİLOT have received a total of approximately TL 30 million cash support from Türk Telekom.

Programattik

Türk Telekom's innovative and domestic advertising technology Programattik has started to provide self-service to more than 200 advertisers.



The NFT feature in the social media application Yaay

NFT (Non-Fungible Token) technology, one of the digital innovations that has found a place in the lives of users in various fields, especially in the world of art and finance, was brought to the Yaay platform in June 2022. Yaay with the NFT Studio feature is the first social media platform in the world where its users can create NFTs.

NFTs created in Yaay can continue to exist not only as a visual, but also as a unique digital symbol with all post information and detailed metadata. In this way, users can sell the content they produce in marketplaces all over the world.

Türk Telekom's innovative and domestic advertising technology

Programattik started to serve as self-service platform to more than 200 advertisers. In this way, for the first time, advertisers started to work with a domestic end to end solution provider that complies with the legislation in digital advertising solutions.

Start-ups invested by TT Ventures

MentalUP: Educational platform for children with artificial intelligence support
Virasoft: Digital pathology and decision platform with artificial intelligence support
Doctor Türkiye: Online consultation platform
Eltemtek: System integrator in energy infrastructure projects
Syntonym: Synthetic visual data anonymisation product with artificial intelligence support
Optiyol: Route optimisation service with artificial intelligence support
B2metric: Analytical and automatic machine learning product with artificial intelligence support
MythAI: A trend-based pattern creation technology product for the textile industry
Quant Wifi: WiFi and network improvement product with artificial intelligence support for the telecommunication sector
Cameralyze: A code-free drag-and-drop computerised image processing product
Earnado: Digital marketing decision support system service
Arcanor: Data fusion analytics flow product with GPU infrastructure
Appyap: Local social media application
Kidolog: Online expert support platform for parents about their children

TT Ödeme Hizmetleri

RELIABLE PAYMENT SERVICES

The prepaid Pokus Card attached to user account is becoming widespread in retail chains, online channels and Türk Telekom channels.

Türk Telekom's fintech company, TT Ödeme (TT Payment), adds value to its customers and the industry with its innovative and reliable payment solutions.

Türk Telekom offers innovative services in the field of financial technologies via TT Ödeme and generates the highest revenue and transaction volume in its digital ecosystem. TT Ödeme received its payment license in January 2017 and continues to enhance its services and products including the Türk Telekom Mobile Payment.

Netflix collaboration

TT Ödeme entered into an important collaboration with Netflix by completing its mobile payment integration in 2022.

Pokus was launched in June 2022 to provide the best fintech products and services with innovative solutions as an operator-independent payment solution and e-wallet application accessible to all users in Türkiye. By integrating Pokus into the Türk Telekom ecosystem, TT Ödeme aims to strengthen the product's market position by enabling the widespread usage of the application and make it a part of daily life. For this purpose; the sales of the prepaid Pokus Card, which is attached to the user account, were expanded to retail chains, online channels and Türk Telekom channels.

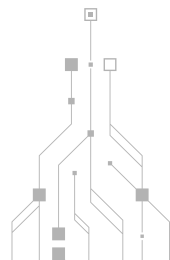
In order to increase the accessibility to Pokus and to meet the needs of Türk Telekom customers, Türk Telekom Ready-to-use-limit feature was activated in 2022. Thanks to this feature, Türk Telekom mobile subscribers can top up their Pokus

accounts when needed. The top up amount is reflected on their mobile bills; hence, they can make their spending and pay on the invoice payment dates. Türk Telekom aims to expand use of Pokus significantly in 2023.

TT Ödeme, which prioritises collaborations with popular member businesses in order to provide its customers with safe and quality content, completed its mobile payment integration with Netflix in 2022. Attaching importance to the diversity of its member business network, the company continues its negotiations for additional cooperation in order to serve mobile users in sectors such as retail and e-commerce.

Compared to the previous year, revenue growth was 29% in Google Play and 61% in App Store thanks to in-app purchases, and 32% in general mobile payments.

Türk Telekom is preparing new campaigns in popular services in various categories, primarily App Store, Google Play, Huawei AppGallery, PUBG Mobile, Spotify and Istanbulkart, in order to introduce mobile payment to its subscribers and enable them to benefit from advantageous opportunities. A more active customer communication is planned in 2023 for the TT Mobil Payment Social Media Account, which was launched in the last quarter of 2022.



TT Finansman

HOLISTIC SERVICE FOCUS

Türk Telekom established TT Finansman A.Ş. in 2022 to diversify its services by offering loans and financial support to its subscribers.

The convenience of shopping and accessing to financing in one transaction through a single point has significantly supported the worldwide growth of consumer financing. In our country, consumer finance companies, which offer fast and flexible financing opportunities to consumers at sales points, have rapidly become key actors in the ecosystem. In addition to consumer financing, collaborations with vendors also enable the sector to grow and increase its access to financing.

The amount of financing loans granted in electronic products segment declined in 2019, yet pursues its growth trajectory since then stimulated further by the pandemic era. The volume of newly granted financing loans in electronic products expanded by 54% in 2022 compared to the previous year.

Adopting a holistic service focus, Türk Telekom established TT Finansman A.Ş. in 2022 in order to diversify its services by providing financing support to its subscribers. TT Finansman A.Ş. obtained an operating license from the BRSA in the first days of 2023.

In order to fulfil the needs of the sector, TT Finansman A.Ş. aims to offer device financing to its consumer subscribers

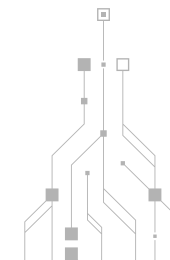
through Türk Telekom Group's broad dealer network in the first phase. In the next phase, the company plans to offer financial solutions to SME and commercial-corporate subscriber segments by expanding its business model and reach individual subscribers through digital channels and e-commerce integrations.

The prominent strategic focus areas of TT Finansman A.Ş. can be summarised under the following subheadings:

- **Experience and Innovation:** Being a financial institution with a wide customer base which can offer innovative products focusing on customer experience and continuous improvement
- **Big Data:** Analysing the customers well by using Türk Telekom Group's extensive subscriber data and offering suitable products to them
- **Synergy:** Diversifying the services offered through synergies to be achieved with Türk Telekom Group Companies and creating value with a holistic service focus
- **Technology:** Providing uninterrupted service to customers with a secure platform
- **Growth:** Contributing to the growth of the financial sector and customers' access to financing through Türk Telekom Group's widespread dealer network.

Device financing

In order to respond to the needs of the sector, TT Finansman A.Ş. aims to offer device financing to its consumer segment subscribers through the broad and widespread dealer network of Türk Telekom Group in the first place.





STEADFAST STEPS TO THE FUTURE

WITH THE RIGHT STRATEGY AND STRONG MANAGEMENT

As Türk Telekom, we continue to take big steps towards future with our strong management structure and agile organisation. We grow thanks to our right strategic actions and the positive results of our investments, and show an exemplary performance in full compliance with legislation and regulations. We continue our efforts for Türkiye's digital transformation with a sound and stable management approach.

Important Developments After the Accounting Period

3 January 2023 Dated Regulatory Disclosure – Application for the Extension of the Concession Agreement to ICTA

Our related announcement dated 30.12.2022 said, in accordance with the long-term strategic planning of our Company, our Board of Directors has agreed that Türk Telekom applies to the Information and Communication Technologies Authority (ICTA) for the extension of the concession agreement regulating the execution of telecommunication services, which was signed between Türk Telekomünikasyon A.Ş. (Türk Telekom) and ICTA on 14.11.2005 and is valid until 28.02.2026.

Accordingly, our Company has submitted its application for the extension of the concession agreement to ICTA in accordance with the related legislation.

Potential developments on the subject will be followed and shared in the coming periods.

9 January 2023 Dated Regulatory Disclosure – TT Finansman A.Ş. Operating License

Our Company's subsidiary TT Finansman A.Ş has been granted its operating license by the Banking Regulation and Supervision Agency ("BRSA") in accordance with the respective legislations. The decision was published on the Official Gazette on January 7th, 2023.

16 January 2023 Dated Regulatory Disclosure – CMB Approval of the Domestic Debt Securities Issuance Certificate

Within the scope of our regulatory disclosure dated on November 01, 2022; 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 3,000,000,000 (Three Billion Turkish Lira) in total, has been approved by the CMB on 12.01.2023, with decision number 2/33. The application form, the issuance certificate and the issuance certificate annex are available at the following link. <https://www.kap.org.tr/en/Bildirim/1102654>

31 January 2023 Dated Regulatory Disclosure – Financial Bond Issuance

Notification regarding the issuance of financial bonds with a nominal amount of TL 1,808,500,000 and a maturity of 380 days issued by our Company. <https://www.kap.org.tr/en/Bildirim/1107297>

8 February 2023 Dated Regulatory Disclosure – About Share Buy Back Decision

In accordance with the authorisation granted at the General Assembly meeting dated 25.07.2020 and the announcements made by the Capital Markets Board on 21.07.2016 and 25.07.2016, our Board of Directors has authorised the management, to buy back the Company's shares in order to support the healthy pricing in the stock market.

Accordingly, the Board of Directors resolved to;

- 1-determine the maximum amount of funds to be allocated for share buyback to be TL 500,000,000,
- 2-determine the maximum number of shares that may be subject to buy-back to be 2,000,000,000 shares (nominal amount of TL 20,000,000),
- 3-inform shareholders on the share buyback transactions at the first upcoming General Assembly Meeting,
- 4-jointly authorise our Chief Executive Officer, CEO and Chief Financial Officer, CFO for the transactions.

16 February 2023 Dated Regulatory Disclosure – Donation for the Earthquake Relief

In light of the ongoing extraordinary conditions caused by the devastating earthquake that struck south-eastern Türkiye on 06.02.2023, Türk Telekom Group Board of Directors has resolved to make a donation of up to TL 2 billion directly and/ or through the Ministry of Interior Disaster and Emergency Management Presidency ("AFAD"), in accordance with the Capital Markets Board resolution no. 8/174 dated 09.02.2023.

The donation is subject to approval at the 2022 Ordinary General Assembly where shareholders will be briefed about the details.

17 February 2023 Dated Regulatory Disclosure – Share Buy Back Transactions

Within the scope of our Board of Directors' share buyback decision dated 08.02.2023, a total of 500,000 shares have been bought on 17.02.2023. The ratio of TTKOM shares owned by our Company to share capital is 0.014%.

The details of the transactions are given in the table.

We hereby declare that the period of share buyback authorisation granted by our Company's Board of Directors in accordance with the Capital Markets Board resolution no. 9/177 dated 14.02.2023 is 3 years.

22 February 2023 Dated Regulatory Disclosure – 2022 Year End Consolidated Financial and Operational Results

2022 year end financial and operational results are announced. <https://www.kap.org.tr/en/Bildirim/1116121> <https://www.kap.org.tr/en/Bildirim/1116123>

22 February 2023 Dated Regulatory Disclosure – Guidance for 2023 Consolidated Financial Results

Under current circumstances, guidance for 2023 is as below:

- Consolidated revenue growth (excluding IFRIC 12) to be around 52-55%
- Consolidated EBITDA to be around TL 23-25 billion
- Consolidated CAPEX to be around TL 17-19 billion

Note: 2023 guidance expectations represent approximate values. Includes the effect of twin earthquakes that struck south-eastern Türkiye on February 6, 2023, based on our initial impact analysis. Turkish government announced State of Emergency in the ten provinces affected by the earthquakes. Additional possible measures in the coming period may further affect our operations and financial performance; hence our impact analysis and 2023 guidance.

1 March 2023 Dated Regulatory Disclosure – Financial Bond Issuance

Notification regarding the issuance of a financing bond with a maturity of 173 days and a nominal amount of TL 900,000,000 issued by our Company. <https://www.kap.org.tr/en/Bildirim/1118153>

1 March 2023 Dated Regulatory Disclosure – The Coupon Payment and Redemption of TRFTTLK32310 ISIN Coded TL Financial Bond

The coupon payment and principal redemption of our Company's financial bond with ISIN code of TRFTTLK32310 was completed on 01.03.2023.

Dividend Distribution Proposal

22 February 2023 Dated Regulatory Disclosure – Board of Directors' Resolution for Profit Distribution

Türk Telekom, the leading integrated telecommunications company, continues its activities by prioritizing its strategic goals and investments to sustain its technological leadership while maintaining a healthy liquidity and investment balance, as well as a strong balance sheet. Our Board of Directors resolved to propose at the 2022 Ordinary General Assembly that Türk Telekom pays no dividend out of 2022 earnings. The decision reflects the need for elevated caution in light of the recent events and the consideration of our Company's liquidity and investment requirements along with possible volatility in financial markets on global or domestic macro uncertainties.

Subject to approval in the Company's Ordinary General Assembly Meeting for the operating year 2022, it has been concluded 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) Communique 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 Communique 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,

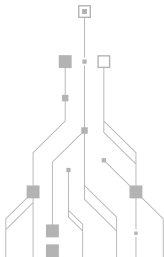
3- The Company is not required to take any reserves for 2022 as per the Article 519 of Turkish Commercial Code because it has already reached the general legal reserve limit,

4- Accordingly, the Company is allowed to make a proposal, subject to the provisions of its Articles of Association, 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.

Conclusion of Affiliation Report

01.01.2022 – 31.12.2022 Accounting Period Conclusion of Affiliation Report

This Report is prepared and issued in reliance upon paragraph (1) of Article 199 of the Turkish Commercial Code No. 6102, to the extent of knowledge of the Board of Directors of our Company, with respect to the relations of our Company with its Controlling Company and with other affiliates of its Controlling Company in the 2022 fiscal year. Therefore, it is undersigned and hereby declared that each legal transaction mentioned in the Report is balanced with an appropriate counterperformance, and that our Company has not incurred any damages or losses due to any measure taken or avoided.



Corporate Governance Compliance Report

Statement of Compliance with Corporate Governance Principles

Türk Telekomünikasyon A.Ş. (“Türk Telekom”) pays utmost attention to implementing the Corporate Governance Principles published by the Capital Markets Board of Türkiye (“CMB”). The Company updates its annual and interim activity reports and corporate website, and makes them available to its shareholders within the framework of the said principles. Shareholders have access to comprehensive information through the Türk Telekom Investor Relations website, which is constantly kept up-to-date, and may also direct their queries to the Investor Relations and Sustainability Department.

On 14 December 2022, the corporate governance rating assessment report of Türk Telekom was prepared by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA), which holds an operating license to perform rating assessment in Türkiye in line with the CMB Corporate Governance Principles.

The Company received an overall average rating of 9.40 as a result of a corporate governance rating assessment. The Company’s Corporate Governance rating was determined with the assessment carried out under four main categories (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors) with weightings assigned within the framework of the CMB’s Corporate Governance principles. The breakdown of corporate governance rating under these major categories was as follows:

Subcategories	Weight	Rating
Shareholders	25%	87.59
Public Disclosure & Transparency	25%	98.85
Stakeholders	15%	99.51
Board of Directors	35%	92.83
Total	100%	94.03

The rating of 9.40 assigned by SAHA based on the Corporate Governance Principles is a clear indicator that the Company is largely compliant with the CMB Corporate Governance Principles and has brought the necessary policies and measures into effect. The Company will maintain its efforts to fully comply with the Principles of Corporate Governance.

Reasons for non-compliance with certain Corporate Governance Principles

Pursuant to the Communiqué No: II-17.1 dated January 3, 2014 of the Capital Markets Board on the Corporate Governance, and relevant regulations, the non-complied issues and their grounds are listed below. No conflict of interest has occurred to date due to the principles that are not complied.

Presence of voting privileges of shareholders

The privileges attached to the Golden Share held by the Ministry of Treasury and Finance of the Republic of Türkiye are statutory (the law numbered 4673), and the Company is not authorised to amend these privileges.

Mechanisms and models to encourage the participation of stakeholders, particularly Company employees, in the management of the Company are not regulated by the Articles of Association or the Company’s internal regulations

Models for the participation of the Company’s employees in the management have not been included in the Articles of Association; however, such models have been developed and put into practice within the Company’s internal directives. The Company’s organisational structure is formed by the Board of Directors, the committees established at the Board of Directors and senior management level, senior management and directorates affiliated to the senior management. All levels are in effective and close communication. Moreover, models for the participation of the Company’s employees in the management, such as the Occupational Health and Safety Boards, Disciplinary Boards, the Disputes Resolution Board and the Inventors’ Idea System are developed.

Non-Presence of articles in the Articles of Association to extend minority rights to shareholders, which hold less than one twentieth of the capital

The Articles of Association of the Company was prepared taking into account the ratio determined by the Turkish Commercial Code in relation to minority rights.

Each member of the Board of Directors’ participation is not limited to one committee

Due to the number of independent members of the Board of Directors of the Company, some Independent members of the Board of Directors are assigned in more than one committee.

No performance assessment of Board of Directors has been conducted to evaluate whether the Board of Directors have fulfilled their responsibilities effectively

No assessment has yet been carried out as of the publication date of the Annual Report.

SHAREHOLDERS AND STAKEHOLDERS

Investor Relations

At Türk Telekom, the activities with respect to regular management of relationships with existing and potential shareholders and fixed income investors, responding efficiently to queries from investors and analysts, and activities targeted at increasing the value of the Company are carried out by Investor Relations and Sustainability Department (“the Department”) which reports to Assistant General Manager of Finance (CFO).

Execution of the responsibility arising from capital markets legislation and coordination of corporate governance practices is supervised by the Director of Investor Relations and Sustainability, Gülsen Ayaz, who holds Capital Market Activities Level 3 and Corporate Governance Rating licenses, and is also responsible for the management of Investor Relations activities.

The primary activities handled by the Department are as follows:

- Including all kinds of cases related to Corporate Governance and Public Disclosure, performing the requirements of the Capital Market Regulations, and handling necessary internal and external disclosures and monitoring related processes,
- Introducing and presenting the Türk Telekom Group to domestic and foreign; individual and institutional; equity and fixed income investors,
- Keeping existing and potential equity investors and fixed income investors regularly informed of the Company’s activities, financial standing and strategies in a simultaneous, equal, accurate and complete manner,
- To ensure that records related to correspondences between investors and the Company and other information and documents are maintained in a manner that is sound, reliable and up-to-date,
- Responding to written information requests from equity and fixed income investors related to the Company,
- Preparing documents required for submission for shareholders’ review with regard to the General Assembly meeting, and taking precautions to ensure the organisation of the General Assembly meeting in accordance with related regulation, the Articles of Association and other regulations within the corporation,
- Responding to requests for information from research analysts; ensuring the Company is presented in the best way and providing necessary information to make sure that reports for investors are prepared in an accurate and complete fashion,
- Sharing the interim and year-end statements, investor presentations, press releases and annual and interim activity reports regarding financial and operational results with investors and the press; and updating the Investor Relations website regularly to ensure that shareholders have access to accurate and complete information,

- Developing Türk Telekom’s sustainability vision and initiatives, establishing effective sustainability approaches for investors and all other stakeholders, and realising the reporting in this area in a systematic framework,
- Ensuring that the reporting required for the rating processes of the sustainability indices and independent assessment institutions are timely and reflect the Company’s current status accurately, thus improving the Company’s Environmental, Social and Corporate Governance (ESG) reporting activities,
- Keeping investors regularly informed about Türk Telekom and the developments in Turkish Capital Markets by participating in conferences and investor meetings,
- Monitoring public disclosures that are carried out pursuant to the Company’s Disclosure Policy and applicable legislation,
- Sharing stock related information within the Company, by monitoring the composition of domestic/foreign investors and significant changes in trading volume of Türk Telekom shares which are traded on the Borsa Istanbul.

For questions related to dividends and voting at the General Assembly, please contact the Corporate Governance and Compliance Manager, Eren Öner via investorrelations@turktelekom.com.tr e-mail address.

The Department received over a thousand requests for information by telephone and email during 2022 and all these inquiries were responded.

Employees of Investor Relations and Sustainability Department

Name and Last Name	Job Title
Gülsen Ayaz	Director
Eren Öner	Group Manager
Gaye Yalçın	Expert
Tuğçe Cengiz	Associate
Hazal Koçoğlu	Associate
Ömer Abdurrahman Demircan	Assistant Associate

Phone: +90 212 309 96 30
E-mail: investorrelations@turktelekom.com.tr

Use of Shareholders’ and Stakeholders’ Right to Obtain Information

Within the framework of the Turkish Commercial Code No. 6102, queries other than those relating to trade secrets and undisclosed information received from shareholders and analysts by the Investor Relations and Sustainability Department by letter, telephone, email or other means are answered in the fastest and most effective way possible upon contacting the relevant person with the highest authority on the related matter. More than a thousand information requests were answered by Türk Telekom in the relevant period. Furthermore, information and developments related to Türk Telekom, which may be of concern to the shareholders, are published both in Turkish and English, and both in current form and retrospectively in order to ensure shareholders’ exercise of their right to obtain information and quick and easy access to information through the Investor Relations website. They are also regularly communicated to those registered on the database through email.

The www.ttyatirimciiliskileri.com website with the relevant documents is periodically updated in accordance with the legislative requirements.

Further details related to the use of the shareholders’ right to obtain information are presented under the heading of the “Corporate Investor Relations Website and its Content” that can be found below.

Corporate Governance Compliance Report

Company activities are periodically audited by independent auditors appointed by the General Assembly upon proposal by the Board of Directors. Independent audit services for the activities conducted in 2022 were provided by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Ernst & Young).

There is no article related to the appointment of a special auditor in the Articles of Association. There was no request for the appointment of a special auditor in 2022 and no special audit was conducted. On the other hand, the Company is subject to the audit of numerous independent administrative authorities, primarily ICTA. The results of inquiries and audits are disclosed to the public in the context of disclosure of material events regulated by the Communiqué on Material Events Disclosure.

Minority shareholders' rights regarding the appointment of a special auditor are regulated in the Articles 438 and 439 of the New Turkish Commercial Code 6102.

General Assembly Meetings

The arrangements regarding the General Assembly Meetings of the Company, is in the Articles of Association of Türk Telekomünikasyon A.Ş., which is publicly available on the Investor Relations website of the Company. Articles of Association: <https://www.ttyatirimciliskileri.com.tr/en-us/corporate-governance/pages/articles-of-association-trade-registry-information>

Pursuant to Article 18 of the Articles of Association, right holders who have right to join the General Assembly meetings of the Company may participate in these meetings electronically as well, in accordance with article 1527 of Turkish Commercial Code.

2022 General Assembly Meetings

On 31 March 2022, the Ordinary General Assembly Meeting convened at the address of Türk Telekomünikasyon A.Ş. Genel Müdürlük Kültür Merkezi, Turgut Özal Bulvarı, 06103 Aydınkevler, Ankara, where 90,7% of the Company shares were represented. During this meeting, shareholders and their proxies attending both electronically and individually exercised their right to ask questions and their questions were answered.

Minutes of the Meeting can be accessed from <https://www.ttyatirimciliskileri.com.tr/media/mhkb5fjo/minutes-31032022.pdf>. No proposals for agenda items were tabled by shareholders during the meeting other than the sub-agenda Items.

Particulars related to the said Ordinary General Assembly Meeting dated 31 March 2022 were registered by Ankara Trade Registry Directorate on 1 April 2022, and were published in the Turkish Trade Registry Gazette dated 1 April 2022.

Furthermore, public disclosures announced by the Company regarding the General Assembly meeting was also published on the Public Disclosure Platform as of the date of the meeting. Press or stakeholders did not participate to the General Assembly Meetings.

According to Article 31 of the Company's Articles of Association, General Assembly Meetings are announced at least 21 days in advance of the meeting date, excluding the dates of announcement and meeting, in the Turkish Trade Registry Gazette and in two national newspapers in accordance with Article 29 of the CMB, so as to inform the shareholders in advance of the General Assembly Meetings.

Information on General Assembly Meetings, General Assembly agenda, letters of invitation, proxy sample forms and information note, which includes detailed information regarding agenda items are also posted on the Investor Relations website and the e-company portal of the Central Registry Agency.

Shareholders who wished to exercise their rights attached to their shareholding and who fulfilled the necessary procedures for participation in General Assembly Meetings pursuant to applicable legislation attended the General Assembly Meeting.

The announcement and explanations which the Company is required to disclose in accordance with the principles of corporate governance, the Information Set forth and the invitation to the General Assembly Meeting and the Minutes of the Meeting are made

available for uninterrupted access to the shareholders on the website <https://www.ttyatirimciliskileri.com.tr/media/mhkb5fjo/minutes-31032022.pdf>, the e-company portal of the Central Registry Agency and the Public Disclosure Platform.

There were no transactions that required the positive vote of a majority of independent Board Members in order to be resolved by the Board of Directors, or which were left to the discretion of General Assembly due to the negative votes of independent Board Members.

The Donation Policy established in accordance with the Corporate Governance Principles has been updated and approved at the 2021 Ordinary General Assembly meeting.

According to donation policy; the donation amount to be made within the framework of the legislation and the Company policies in a fiscal year cannot exceed five per mille of the annual sales amount reported in the independently audited consolidated financial statements of the Company for the previous year. At the Ordinary General Assembly Meeting held on 31.03.2022, shareholders were informed about the total amount of donations and grants (TL 35,946,186) made by the Company to associations and foundations in the fields of education, health, sports, culture, arts and humanitarian aid in 2021. The total amount of donations and aids made in 2022 is TL 132,525,108.

As far as Company is aware, no shareholders holding management control, Board Members, insiders with administrative responsibilities or spouses and their relatives up to the second degree relation by blood or marriage were not engaged in any transaction that could cause a conflict of interest for the Company or its subsidiaries, or did not carry out any commercial transaction included in the operation of the Company and its subsidiaries on behalf of themselves or another individual, or did not join a partnership engaged in the same scope of activity in the capacity of a partner with unlimited liability. There was no General Assembly Meeting resolution that was not implemented in 2022.

The Company's Class A shares held by Türkiye Wealth Fund and Class C shares held by the Ministry of Treasury and Finance of the Republic of Türkiye are registered, whereas the remaining shares are bearer shares.

All shares of Türk Telekom can be transferred except for one privileged (golden) share of Group C. For the purpose of protecting the national interest in issues of national security and the economy, the following actions and resolutions cannot be taken without the affirmative vote of the holder of the C Group Privileged Share at either a meeting of the Board of Directors or the General Assembly. Otherwise, such transactions shall be deemed invalid.

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

Pursuant to the Articles of Association and the Telegram and Telephone Law numbered 406, the holder of the Group C Privileged Share appoints one member representing the Privileged Share to the Board of Directors of Türk Telekom. The Group C Privileged Share owner cannot participate in capital increases.

The Company's Articles of Association contain the provision that minority rights are to be exercised by shareholders representing at least 5% of the paid-in capital. However, minority shareholders are not represented on the Board of Directors.

There is no cross-ownership in the Company's share capital.

Dividend Right and Profit Distribution Policy

The Articles of Association do not grant any privileges regarding participation in the Company's profit. Each share is entitled to an equal profit share; however, the holder of the Class C share does not receive any share from the profit. Türk Telekom dividends are paid within the legally prescribed periods of time as set out by the applicable legislation.

The Company adopts a policy of distributing the maximum amount of distributable profit in accordance with Articles 28, 29 and 30 of our Company's Articles of Association. The Dividend Distribution policy was approved by shareholders in the Ordinary General Assembly Meeting for 2013 convened

on 27 May 2014. On the other hand, the Board of Directors considers the short-term financial liabilities of group companies and the conditions of those contracts signed with creditors in determining the Company's dividend proposal.

As stated in the Company's Articles of Association, the dates and the manner of distribution of the annual profit to shareholders is decided by the General Assembly upon the proposal by the Board of Directors, in accordance with the provisions of the Capital Market Law and applicable legislation.

Company's Dividend Distribution Policy is disclosed to the public through Investor Relations website (<https://www.ttyatirimciliskileri.com.tr/media/awuc5ih0/dividend-policy.pdf>) and stated in Company's annual report.

In the Board of Directors meeting held on 31 March 2022, it was decided that 452,732,572.14 TL of the 4,954,565,000.00 TL to be distributed in total cash shall be distributed from the statutory net profit for the period 2021, and the remaining 3,501,832,427.86TL shall be distributed from the statutory prior years' profit, the withholding tax deductions shall be applicable within the scope of relevant regulations on the distribution date. In this context, it was decided to submit the proposal to distribute 1.41559Kuruş (141.559%) gross cash dividend per each share worth for 1 Kuruş nominally to our shareholders, total gross cash dividend distribution amount to be TL 4,954,565,000.000 and the distribution of the cash dividends to shareholders shall be started as of 28 April 2022, for the approval of the shareholders.

The joint proposal of profit distribution for the fiscal year 2021, which was submitted by LYY Telekomünikasyon A.Ş., the Ministry of Transport and Infrastructure on behalf of the Ministry of Treasury and Finance of the Republic of Türkiye and Türkiye Varlık Fonu Yönetimi A.Ş. on behalf of the Türkiye Wealth Fund as shareholders, was approved by the General Assembly held on 31 March 2022. The distribution of the cash dividends to shareholders took place between 28 April - 5 May 2022.

The Company did not buy back its shares in 2022.

Transfer of Shares

The provisions of the Company's Articles of Association restricting transfer of shares are as follows:

Without prejudice to Article 6/A of the Company's Articles of Association, all shares of Türk Telekom can be transferred except for one privileged (golden) share of Group C. For the purpose of protecting the national interest in issues of national security and the economy, the following actions and resolutions cannot be taken without the affirmative vote of the holder of the C Group Privileged Share at either a meeting of the Board of Directors or the General Assembly. Otherwise, such transactions shall be deemed invalid:

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

The transfer of shares are restricted until the expiration of the Strategic Commitment Period of 14 November 2008 as stipulated in Article 6.A.2 of the Articles of Association, which is as follows: "At any time after the later of the expiry of the Strategic Commitment Period and the date on which the holder of the Group A Shares has paid in full for all of its Shares in the Company, the holder of the Group A Shares may transfer some or all of its Shares to a third party, subject always to the veto rights of the holder of the C Group Privileged Share." After the end of the aforementioned transfer restriction period, the transfer of the Company's Group A shares is always subject to the veto rights of the holder of the Group C Privileged Share. The Strategic Commitment Period ended on 14 November 2008 and the holder of Group A shares paid the amount in full for all of their shares in the Company. Accordingly, the Company's Group A shares may be transferred with the approval of the holder of the C Group Privileged Share. The Group A Shareholder may pledge, mortgage or charge those of its shares as shall from time to time not be subject to the Share Pledge to a financial institution for the purpose of security for borrowings incurred in respect of the purchase of such shares or otherwise. If that financial institution forecloses such a pledge, mortgage or charge then it may only transfer the Group A Shares subject to the pledge, mortgage or charge in the event that it obtains the prior written consent of the Treasury (such consent not to be unreasonably withheld).

Corporate Governance Compliance Report

According to Article 6.A.3 of the Company's Articles of Association, the restriction placed on the transfer of shares of Group B shareholders is limited to the strategic commitment period and there shall be no restrictions on the transfer of Group B shares after the end of the strategic commitment period on 14 November 2008.

Furthermore, according to the supplemental Article 17 of the Telegram and Telephone Law numbered 406 and paragraph 4 of the Article 6 of the Company's Articles of Association, the C Group Privileged Share shall not be sold.

PUBLIC DISCLOSURE AND TRANSPARENCY

Company Disclosure Policy

The Türk Telekom Disclosure Policy has been established in line with the CMB's Communiqué on Principles Governing Disclosure of Material Events No: II-15.1 and CMB's Corporate Governance Principles. In line with the decision taken by the Company's Board of Directors, the policy was updated on 7 July 2021 and announced on the Public Disclosure Platform, and has been approved and brought into effect by the Board of Directors, with shareholders being informed during the Ordinary General Assembly Meeting convened on 31 March 2022;The Disclosure Policy is posted on the Investor Relations website (https://www.ttyatirimciiliskileri.com.tr/media/zeoda5k5/disclosure_policy_2021.pdf) under the Corporate Governance heading. The Investor Relations and Sustainability Department is responsible for the monitoring and development of the said policies, and the names and duties of those with the relevant responsibility are listed under the heading of the Investor Relations Unit. These individuals closely cooperate with the Board of Directors and Corporate Governance Committee in the fulfilment of these responsibilities.

2022 Company Guidance

The Company revised its guidance two times on 8 August 2022 and 8 November 2022 after the financial reporting periods, due to the operational and financial performance recorded above the expectations in the business lines in 2022. The revisions made are as follows;

Company Guidance for 2022	Guidance dated 15 February 2022	Revised Guidance dated 8 August 2022	Revised Guidance dated 8 November 2022
Consolidated Revenue Growth (excluding IFRIC 12)	23 – 25%	33%	37%
EBITDA	TL 17.5-18.3 billion	TL 18.5 billion	TL 19.0 billion
CAPEX	TL 12.5 billion	TL 13.0 billion	TL 14.0 billion

Note: Company forecasts represent approximate values.

Realised performance in 2022

While the consolidated revenue (excluding IFRIC 12) increased by 40.1% slightly higher than the Company's annual revenue growth guidance, the EBITDA recorded as TL 19.1 billion. During the same period, the Group invested in line with the consolidated CAPEX guidance as TL 13.9 billion.

Guidance for 2023 Consolidated Financial Results

Under current circumstances, guidance for 2023 is as below:

- Consolidated revenue growth (excluding IFRIC 12) to be around 52-55%
- Consolidated EBITDA to be around TL 23-25 billion
- Consolidated CAPEX to be around TL 17-19 billion

Note: 2023 guidance expectations represent approximate values. Includes the effect of twin earthquakes that struck south-eastern Türkiye on February 6, 2023, based on our initial impact analysis. Turkish government announced State of Emergency in the ten provinces affected by the earthquakes. Additional possible measures in the coming period may further affect our operations and financial performance; hence our impact analysis and 2023 guidance.

Investor Relations Website and its Content

The Investor Relations website can be accessed from www.ttinvestorrelations.com.tr and is actively used in achieving transparency and public disclosure in parallel with Capital Market legislation, CMB and BIST rules and regulations and the CMB's Corporate Governance Principles. The information on the website is provided in both Turkish and English. The main headings covered on the website are listed below:

- Detailed information about the company profile
- Vision, mission and values
- Company management and shareholding structure
- Information about the Members of the Board of Directors and Senior Management of the Company
- Company's Articles of Association and the Turkish Trade Registry Gazette where the amendments are published
- Trade registry information
- Financial statements and activity reports
- Public disclosures of material events
- Earnings releases
- Investor presentations
- Stock performance information
- Bond information
- Credit ratings
- Contact information of analysts
- Information about the General Assembly Meetings
 - Agenda
 - Information set
 - Meeting Minutes
 - List of attendees
 - Proxy sample
- Corporate Governance Principles compliance report
- Profit distribution policy, history and capital increases
- Disclosure Policy, Remuneration Policy, Women Membership in Board of Directors Policy, Human Rights Policy and other policies
- Business Ethic Codes
- Independent auditor information
- List of insiders with administrative responsibilities
- Internal Audit and Risk Management
- Information on committees established according to the Capital Markets Board Corporate Governance Principles
- Offering circular related to the public offering
- Türk Telekom Call Centre and contact information
- Investor Relations contact information
- Sustainability
- Information related to the social responsibility projects of Türk Telekom
- Frequently asked questions and answers
- Telecom glossary

Trade Registry Information	
Date of Registration	30 June 1994
Date of publishing the corporation in Turkish Trade Registry Gazette	1 July 1994
Registration Number	103633
Trade Registry Office	Ankara Trade Registry Office
Central Registration System Number	0876005220500084

Disclosure of Ultimate Controlling Individuals

Not subject to the registered capital system, the Company has a share capital of TL 3,500,000,000 which is fully paid-in.

The distribution of the paid-in capital among the shareholders is as shown below:

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

Note: According to the Official Gazette which was published on 5 February 2017, the Council of Ministers decided to transfer the 6.68% stake (5% B Group shares and 1.68% D Group free float shares) of the Company belonging to Republic of Türkiye Ministry of Treasury and Finance to the Turkish Wealth Fund. The share transfer transaction was completed in 2017.

Other Information in Accordance with Legislation

The content of the annual activity report is prepared in accordance with the New Turkish Commercial Code and the regulations of the Capital Market Board. There were no conflicts of interest arising between Türk Telekom and the related organisations which offer investment advice, investment analysis and rating activities.

The Chief Executive Officer is not the Chairman of the Board of Directors.

No administrative sanction or penalty has been imposed on any member of the Board of Directors.

As there is no cross ownership in the Company's share capital, no information regarding this issue is provided in the activity report.

THE BOARD OF DIRECTORS

Structure and Formation of the Board of Directors

During the Extraordinary General Assembly Meeting of the Company held on January 25, 2019, Article 8 of the Articles of Association of the Company, entitled 'Board of Directors', was amended. The number of members of the Board of Directors was set at nine, and members of the Board of Directors were elected for a term of three years.

In accordance with the Company's Articles of Association, members of the Board of Directors may be nominated as follows;

a) The Group A Shareholder as all be entitled to nominate five (5) persons for election as Directors;

- b) provided that the Treasury and Turkish Wealth Fund, as Group B Shareholders shall hold;
- 30% or more of the shares, the Treasury shall be entitled to nominate three (3) persons for election as independent board members who carry the independence criteria as defined in the Capital Market legislation or
 - 15% or more of the shares (but less than 30% of the shares), the Treasury shall be entitled to nominate two (2) persons for election as independent board members who carry the independence criteria as defined in the Capital Markets legislation:
 - During the calculation of 15% and 30% of the shares mentioned above paragraphs, the amount of Group B shares and Group D shares held by the Treasury and Turkish Wealth Fund shall be considered together.
- c) As long as the Treasury and Turkish Wealth Fund holds 15% or more of the Shares (but less than 30% of the Shares), the Group A shareholder shall be entitled to nominate one (1) person, who carry the independence criteria as defined in the Capital Markets legislation, for election as independent Board members and five (5) persons for election as Director.
- d) While the Treasury holds the Group C Privileged Share, the Treasury shall be entitled to nominate, a further one (1) person, for election as Director for the C Group Privileged Share.

Corporate Governance Compliance Report

As of the report date, the structure of the Board of Directors of the Company is as shown below:

Türk Telekomünikasyon A.Ş. Members of the Board of Directors			
Name - Surname	Date of First Appointment to the Board of Directors	Duties at Türk Telekomünikasyon A.Ş. Over the Last Five Years	Duties Outside Türk Telekomünikasyon A.Ş.
Dr. Ömer Fatih Sayan	Chairman of the Board – 21.12.2018		Deputy Minister at the Ministry of Transport and Infrastructure of the Republic of Türkiye
	Board Member – 04.09.2018		
Mahmut Gürcan	31.03.2022		• Deputy Minister at the Ministry of Treasury and Finance of the Republic of Türkiye • Ak Party Istanbul Head of Financial and Administrative Affairs • AK Party Headquarters, Eastern Anatolia Region Coordinator • Member of Istanbul Chamber of Commerce • Member of Istanbul Chamber of Industry • MUSIAD Member • Member of Ilim Dissemination Society • Ensar Foundation Member • BBSK Board Member
Yiğit Bulut	06.05.2014		• Chief Advisor to the President of the Republic of Türkiye • Member of the Economy Policies Committee of the Presidency of the Republic of Türkiye
Dr. Cengiz Yavilioğlu	31.03.2022		• Deputy Minister at the Ministry of Treasury and Finance of the Republic of Türkiye • Türkiye Sınai Kalkınma Bankası A.Ş. Board Member
Selim Dursun	04.09.2018		Deputy Minister at the Ministry of Transport and Infrastructure of the Republic of Türkiye
Enver İskurt	Group A – 19.03.2021 Group B – 31.03.2022	Chairman of the Board of TTNET A.Ş.	Deputy Minister at the Ministry of Treasury and Finance of the Republic of Türkiye
Ümit Önal	31.03.2022	• Türk Telekomünikasyon A.Ş. General Manager/CEO • TT Mobil İletişim Hizmetleri A.Ş. General Manager/CEO • TTNET A.Ş. General Manager/CEO • AssisTT Rehberlik ve Müşteri Hizmetleri A.Ş. Vice Chairman • Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret A.Ş. Vice Chairman • Net Ekran Televizyonculuk ve Medya Hizmetleri A.Ş. Chairman • TT Ödeme ve Elektronik Para Hizmetleri A. Ş. Chairman • TTES Elektrik Tedarik Satış A.Ş. – TT Ventures Proje Geliştirme A.Ş. Chairman • TT Destek Hizmetleri A.Ş. Chairman • TTG Finansal Teknolojiler A.Ş. Chairman • TT Finansman A.Ş. Chairman • Netsia Inc. USA Chairman • CETEL Telekom İletişim Sanayi ve Ticaret A.Ş. – Board Member	• m-TOD (Mobile Telecommunication Operators Association) Chairman of the Board of Directors • RVD (Advertisers Association) Board Member • YASED (International Investors Association) Member • DEIK (Foreign Economic Relations Board) American Business Council Representative Member • TVYD (Television Broadcasters Association) Member – Yıldız Technopark Board Member • Turkish Industry and Business Association (TÜSIAD) Individual Member

Türk Telekomünikasyon A.Ş. Members of the Board of Directors			
Name – Surname	Date of First Appointment to the Board of Directors	Duties at Türk Telekomünikasyon A.Ş. Over the Last Five Years	Duties Outside Türk Telekomünikasyon A.Ş.
Ümit Önal (Cont.)	31.03.2022	Previous: • Türk Telekomünikasyon A.Ş. • Assistant General Manager of Sales and Customer Care • Assistant General Manager of Marketing and Customer Care (Acting) • TT Mobil İletişim Hizmetleri A.Ş. • Assistant General Manager of Sales and Customer Care • Assistant General Manager of Marketing and Customer Care (Acting) • TTNET A. Ş. • Assistant General Manager of Sales and Customer Care • Marketing and Customer Care Assistant General Manager (Acting) • Sebit Eğitim ve Bilgi Teknolojileri A.Ş. Board Member • 11818 Rehberlik ve Müşteri Hizmetleri A.Ş. Chairman	
Salim Arda Ermut	31.03.2022		• Türkiye Wealth Fund General Manager • Türkiye Wealth Fund Board Member • Türkiye Varlık Fonu Yönetimi A.Ş. General Manager • Türkiye Varlık Fonu Yönetimi A.Ş. Board Member • Türkiye Katılım Sigorta A.Ş. Board Member • Türkiye Katılım Hayat A.Ş. Board Member
Metin İlhan	31.03.2022	Previous: Türk Telekomünikasyon A.Ş. Advisor of General Manager	• Jurist Law Office Founding Partner

Members of the Board of Directors were elected at the General Assembly dated March 31, 2022. In accordance with Article 10 of the Company’s Articles of Association, the term of office of the members of the Board of Directors listed in the table above is 3 years from this date. In this context, expiry date of the members of the Board of Directors is March 31, 2025.

The General Manager of the Company is also a member of the Board of Directors.

Biographies of the members of Türk Telekom’s Board of Directors are provided in the Board of Directors Section of the Annual Report and Investor Relations website. Pursuant to the Article 10 of the Articles of Association, the members of the Board of Directors shall hold office for a term of 3 years.

31.03.2022 dated Ordinary General Assembly Meeting of the Company, the nomination responsibilities of the Nomination and Remuneration Committee were fulfilled in accordance with the CMB legislation.

Group B shareholders presented three nominees for Independent Board members to the Nomination and Remuneration Committee, and the Nomination and Remuneration Committee prepared a report dated 4 January 2019 on the suitability of the nominees with respect to the independency criteria, and presented this report to the Board of Directors on the same date. After the Capital Markets Board provided consent for the nominees, three nominees of

independent members of the Board of Directors were submitted to the General Assembly’s approval and were also elected.

Statements of Independence that each independent Board Member has signed are presented in the appendix of this report. No circumstances were found which could jeopardise the independence of the Board of Directors in the activity period. No company rules have yet been internally established regarding the positions to be held by the members of the Board of Directors outside the Company.

Corporate Governance Compliance Report

Changes in the Members of the Board of Directors in 2022

At the General Assembly Meeting dated 31.03.2022, members of the Board of Directors of our Company were elected. Dr. Ömer Fatih Sayan, Mahmut Gürcan, Dr. Cengiz Yavilioğlu, Ümit Önal, Salim Arda Ermut, Metin İlhan, Yiğit Bulut, Selim Dursun and Enver İskurt were elected as Board Members.

Principles of Activity of the Board of Directors

Pursuant to the Articles of Association, the Board of Directors shall meet at least four times a year or shall meet whenever the Company's business so requires. The activities of the Board of Directors are run by the Board Secretariat. At least ten business days before the meeting, a notice of the time of meeting and the agenda, which is accompanied by any relevant papers, are sent to the members of the Board of Directors. Meeting notices are sent to the members of the Board of Directors via e-mail. The agenda of the meetings of the Board of Directors is set by e-mails in view of the proposals set forth by members of the Board of Directors, the CEO – General Manager, Assistant General Managers and Executive members of the departments. The agenda is finalised by receiving the consent of the Chairman of the Board.

In 2022, the Company's Board of Directors convened 12 times in total to evaluate the strategic matters concerning the Company. The overall attendance rate of board members to the meetings was 96.2%. Pursuant to the Article 12 of Articles of Association, resolutions of these meetings are passed by a simple majority of the votes of the Directors present at such meeting unless the resolution relates to a “Supermajority Decision Relating to the Board”. Supermajority Decisions Relating to the Board as stated in the Article 12 of the Articles of Association were taken with the presence and affirmative vote of seven Directors, at least one of which shall be a Director representing the Ministry of Treasury and Finance of the Republic of Türkiye. Questions arising at the meeting of Board of Directors and issues with multiple views are recorded into the minutes with the appropriate grounds of negative votes in detail. The rights of members of the Board of Directors representing the C Group shareholder are set out in the section of Voting Rights and Minority Shares.

No negative votes on these resolutions were received. There were no significant transactions presented for approval of the independent directors and all related party transactions were approved by the majority of the independent directors. The Company has insured the damages that will be caused by the faults of the members of the Board of Directors during their duties. The Company's existing Executive Liability Insurance policy has been implemented in a way that the total liability limit exceeds 25% of the Company's capital.

The Number, Structure and the Independence of Committees within the Board of Directors

Audit Committee

The Audit Committee was established with the Board Resolution dated 16 June 2008.

With the Board Resolution dated 13 May 2022, Independent Board Member Yiğit Bulut was selected as the Chairman of the Audit Committee, and independent Board Member Selim Dursun was elected to the membership position of the Audit Committee.

The Committee holds meetings at least once every three months. The Audit Committee gathered six times in 2022 and reviewed and monitored Türk Telekom Group's processes of accounting, finance and auditing as well as their processes for monitoring compliance with the law and regulations and their own code of business conduct, as well as such other matters which may be delegated specifically to the Committee by the Board from time to time; thus, carried out its duty effectively.

Corporate Governance Committee

The Corporate Governance Committee was established with the Board Resolution dated 17 October 2012.

With the Board Resolution dated 13 May 2022, Independent Board Member Enver İskurt was appointed as Chairman of the Corporate Governance Committee, and Independent Board Member Selim Dursun and Board Member Metin İlhan and Investor Relations and Sustainability Director Gülsen Ayaz were elected as members of the Corporate Governance Committee.

The Corporate Governance Committee shall provide the implementation, improvement and adoption of corporate governance principles within the Company and shall convene as often as deemed necessary to ensure the effectiveness of its work. In 2022, the Corporate Governance Committee held two meetings and carried out its tasks effectively.

Nomination and Remuneration Committee

“Nomination Committee” and “Remuneration Committee”, which were established to operate under the Board of Directors within the scope of article 4.5.1. of Corporate Governance Principles of Capital Markets Board's Corporate Governance Communiqué, II-17.1., have been abolished. In order to carry out the current duties of the abolished committees, the “Nomination and Remuneration Committee” is established to operate under the Board of Directors of our Company on 17 June 2022.

Independent Board Member Yiğit Bulut serves as the Chairman of the Nomination and Remuneration Committee, while Dr. Ömer Fatih Sayan, Chairman of the Board of Directors, and Salim Arda Ermut, Board Member, serve as Nomination and Remuneration Committee Members.

In 2022, the Committee held one meeting and carried out its tasks effectively.

Early Identification and Management of Risks Committee

The Early Identification and Management of Risks Committee was established with the Board Resolution dated 14 August 2013.

Pursuant to the Board Resolution dated May 13, 2022 independent Board Member Yiğit Bulut serves as the Chairman of the Early Identification and Management of Risks Committee, whereas Chairman of the Board of Directors Ömer Fatih Sayan and Vice Chairman of the Board of Directors, Mahmut Gürcan, serve as members of the Committee.

The Early Identification and Management of Risks Committee convenes every two months and carries out its tasks effectively. In 2022, the Committee held a total of four meetings. The Early Identification and Management of Risks Committee was established with the following aims:

- To identify any potential risks that could jeopardise the existence, development and continuity of the Türk Telekom Group,
- To establish the Corporate Risk Management System to implement necessary measures and actions with the aim of eliminating identified risks, and to ensure the system's continuity and to improve it if necessary,
- To conduct activities related to the risk management and monitoring via risk management tools within the scope of a risk management system,
- To ensure that the findings received from the Corporate Risk Management System form an important component of the decision-making mechanism, and to present reports to the Board of Directors on these issues.

Independent Board Member Yiğit Bulut is serving as the Chairman of the Early Identification and Management of Risks Committee, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee, while independent Board Member Selim Dursun serves as both the Member of the Corporate Governance Committee and the Member of the Audit Committee.

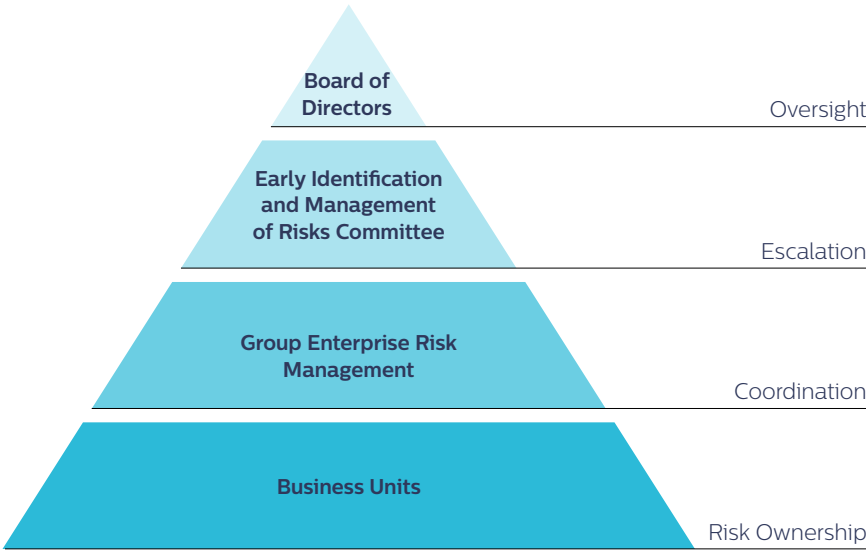
Türk Telekom Risk Management and Internal Control Mechanism

Governance Structure

Risk management and Internal Control is a natural part of the activities carried out by all Türk Telekom employees. The Corporate Risk Management approach is aimed at serving as an integral part of decision-making mechanisms by integrating the approach into activities and processes at all levels.

The Board of Directors holds both the final authority and responsibility for the effectiveness of Corporate Risk Management. The Board of Directors conducts this responsibility, which involves more of a supervision, through the Early Identification and Management of Risks Committee. All organisational levels of the Group, particularly the senior management and risk holders, contribute to and support the Corporate Risk Management and Internal Control implementation processes. Within the scope of the Risk Management and Internal Control efforts, it is aimed to internalise a risk and control culture throughout the Group and all activities are carried out with the contribution of all stakeholders to whom risks are associated. Risk Management and Internal Control is a natural part of the work undertaken by all employees.

Türk Telekom Group Corporate Risk Management Governance Model



Türk Telekom Group Enterprise Risk Management Governance Structure

According to the Türk Telekom governance structure; The Board of Directors examines and supervise the risks and opportunities to which Türk Telekom Group is exposed, in line with the Group strategies.

Early Identification and Management of Risks Committee was established with the decision of the Board of Directors dated 14 August 2013 in accordance with Article 378 of the Turkish Commercial Code No. 6102, and the relevant regulations of the Capital Markets Board. Its organisation, duties and responsibilities were published under the title of The Tasks and Working Principles of the Early Identification and Management of Risks Committee.

An Internal Control Policy was established to define Türk Telekom Group's internal control objectives and policies, to regulate the corporate control environment and to establish a basis for the corporate control culture. Internal Control Standards were established in order to define the internal control implementation principles of Türk Telekom Group, to determine the standards required to achieve the objectives set out in the internal control policy and to establish a common internal control language and practice to support communication between employees.

While the Enterprise Risk and Business Continuity Department reports to our Company's General Manager, it also works functionally under the Early Identification and Management of Risks Committee, which was established within the Board of Directors.

The Enterprise Risk and Business Continuity Department is responsible for determining and improving the standards related to the Corporate Risk Management System, the coordination of Corporate Risk Management processes carried out throughout the Group, monitoring of the current and improvement levels of identified risks and reporting them to the relevant management levels and the coordination of business continuity management activities as the bearer of the business interruption risk, which is one of the most important risks of the company.

Business units take the necessary measures by assuming responsibility of the risks. Risk management is a natural part of the work of all employees. All Company employees are responsible for complying with the risk management policy, effectively managing risks related to their field of activity and taking the necessary measures to comply with the relevant legislation.

The risks of the Group companies are also managed in line with the risk management standards, which were established for Türk Telekom.

Corporate Governance Compliance Report

Risk Lifecycle

Work is carried out to manage potential risks effectively and under a holistic approach. For this purpose, the risks the Company exposed to are identified by the business and technology teams; and the root causes and potential consequences of the identified risks are determined. With the Bow-Tie Analysis used in this process, the end-to-end complete risk profile is determined, including checkpoints, from root causes to their effects on targets.

The current status of the risks is measured and monitored by evaluating the possibility of their realisation and the effects they will create when they occur. While conducting a risk analysis, it is considered that the impact of a risk may affect more than one area. Existing controls on the risks which have been identified, evaluated and prioritised by the relevant parties are determined, and their effectiveness is evaluated. In order to achieve the objectives, actions are set out which aim to be compatible with risk appetite by seeking to ensure the optimal balance between risk and reward. When making decisions to manage risks, risk owners conduct cost-benefit analysis and take stakeholder expectations into account. Moreover, assessment is carried out to see whether the management of the risk requires special expertise which is not available within the business units. The four main options to be evaluated in this context are as follows:

- Accept the Risk
- Reduce the Risk
- Transfer the Risk (Share)
- Avoid the Risk

Internal Control Environment

In order to achieve strategic objectives at Türk Telekom, to ensure the effectiveness and efficiency of activities, to ensure the reliability and accuracy of financial information, to protect the customers' personal data and the Company assets, and to ensure compliance with the laws, regulations, policies and procedures, the necessary internal control environment was established within the Company.

The controls are actions which help operational objectives to be achieved by reducing the probability of risks being realised and/or the impact that would occur if the risks were realised. It is aimed to integrate the control activities into systems and processes while the relevant structure is still in the design phase.

The risk owner identifies the existing controls together with the stakeholders for accurate determination of the level of the risk and also performs self-assessment of the effectiveness of these controls together with the control owners.

With the periodic control activities carried out by the Internal Control Department, it is aimed to provide reasonable assurance regarding the processes by testing the control points designated in the processes.

Prohibition on Carrying out Business and Competing with the Company

On this subject, the Company has adopted practices that are aligned with Articles 395 and 396 of the Turkish Commercial Code and Principles of Corporate Governance annexed to Communiqué II-17.1 on Corporate Governance.

During the Ordinary General Assembly Meeting dated 31 March 2022, the General Assembly permitted the members of the Board of Directors to perform the works set forth in Articles 395 and 396 of the Turkish Commercial Code, and pursuant to Corporate Governance Communiqué No: II.17.1, the General Assembly was informed of the transactions realised during the year by the controlling shareholders, members of the Board of Directors, the senior executives and their spouses and their relatives by blood and marriage up to the second degree to conduct material transactions which may cause a conflict of interest for the Company or the Company's subsidiaries and/ or to perform any transaction in the category of commercial affair falling into

the scope of the fields of activity of the Company or its subsidiaries on their own or others' behalf or to acquire shares in another company engaged in the same type of commercial activities under the capacity of unlimited partner.

Remuneration of Members of the Board of Directors and Senior Executives

The shareholders were informed of the remuneration basis and criteria used to determine all kinds of rights, benefits, and salaries provided to the members of the Board of Directors and senior executives in the Ordinary General Assembly Meeting dated March 31, 2022. This information was publicly disclosed and was also posted on the Investor Relations website of the Company. Remuneration of members of the Board of Directors is determined by the General Assembly in accordance with Article 408 of Turkish Commercial Code No. 6102 and Article 8 of the Company's Articles of Association.

At the Ordinary General Assembly Meeting dated March 31, 2022, it was resolved that the net remuneration to be paid to each of the members of the Board of Directors in accordance with the Company's Remuneration Policy in relation to their activities in 2022 be determined by increasing the amounts determined per member by 20% in the payment plan determined in the Ordinary General Assembly Meeting of the Company dated March 19, 2021.

There is no performance measurement and a performance-based rewarding system in place for Board members. The Company has never lent money or extended loans to any Board member or executive, no credit has been extended under personal loans through third persons, nor have any guarantees been provided such as suretyship in their favour.

The remuneration of directors and other members of key management for 2021 and 2022 are as follows collectively:

(TL thousand)	1 January - 31 December 2021	1 January - 31 December 2022
Short-term benefits	109,771	138,852
Remunerations and similar fees	102,189	125,016
Attendance fees	7,582	13,836
Long-term defined benefits	2,624	3,791
Social Security Institution Premiums	2,624	3,791
Total	112,395	142,644

STAKEHOLDERS

Stakeholders of Türk Telekom are individuals, institutions or interest groups such as employees, creditors, customers, suppliers, dealers, trade unions and various non-governmental organisations which have a share in achieving the Company's goals or are involved in the fulfilment of the Company's activities.

In its operations and activities, Türk Telekom takes every effort to protect the rights of its stakeholders as regulated by relevant legislation and mutual agreements.

In cases where the rights of the stakeholders cannot be protected by legislation and mutual agreements, the interests of the stakeholders are protected in accordance with the rules of good faith and to the extent of the Company's capabilities.

Company Policies Regarding Stakeholders

Türk Telekom's policies regarding its employees are carried out in accordance with the human resources and human rights policies, while its relations with suppliers are guided by the practices described in its procurement policy.

As a responsible employer, Türk Telekom assigns utmost priority to the execution of the business processes and transactions of stakeholders with whom it has a connection, in accordance with the labour and social security laws and the Company's Human Rights Policy.

Türk Telekom listens the requests and suggestions of its customers and exercises maximum effort to resolve their complaints as quickly as possible, in a fair, impartial and confidential manner, in accordance with laws, regulations and the Company rules.

Türk Telekom attaches importance to ensuring that its relations with companies such as dealers, contractors and business partners, with which it has engaged in commercial business relations, are proper, consistent and reliable, and that all kinds of business is carried out in conformity with the relevant contracts, laws or regulations. In the contracts signed with the mentioned companies, objective criteria such as compliance with principles and practices, and the benefits and costs by taking into account the opinions of legal and relevant business units, are taken into consideration.

Company Policies Regarding Stakeholders are listed below.

Corporate Governance Policies;

- Disclosure Policy
- Dividend Policy
- Remuneration Policy
- Board of Directors Women Membership Policy
- Donation Policy
- Compensation Policy
- Business Ethic Codes

Sustainability Policies;

- Human Rights Policy
- Human Resources Policy
- Anti-Bribery and Anti-Corruption Policy
- Information Security Policy
- Procurement Policy
- Integrated Management Policy

Informing Stakeholders

Türk Telekom pays utmost attention to communication with stakeholders and adopts the principle of transparency in its disclosures. The Company has been publicly traded on Borsa Istanbul since 2008 and its shareholders and investors are kept informed in line with the principles of public disclosure.

The Company's Marketing and Customer Care Department efficiently handles the requests of Türk Telekom customers for information concerning services and products, addresses comments or complaints, and provides solutions to customer problems.

Intracompany disclosures are provided through Internal Communication Group Management.

Suppliers, dealers, investors, employees and other stakeholders are informed of the Company's practices vis-à-vis stakeholders, through public policies published in Turkish and in English on the Company's website.

Corporate Governance Compliance Report

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	Such a situation did not occur.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				This issue constitutes a separate item of the agenda of the General Assembly Meeting; and as there are many donations and beneficiaries, a summary information is provided.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.					X	There was no participation request to the General Assembly Meeting by the media in fiscal year 2022.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.		X				There is no privileged voting rights. Group (A), (B) and (C) shareholders has been granted the privilege to nominate candidates to the Board of Directors in Article 8 of the Company's Articles of Association.
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Such a situation did not occur.

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			There is no provision in the Articles of Association to be granted minority rights to shareholders who have less than one twentieth of the capital. At the same time, attention is paid to the use of minority rights within the scope of TCC and CMB regulations.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					X	In the Ordinary General Assembly Meeting for 2021, profit distribution decision was taken and profit distribution was completed.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.		X				Group C Privileged Share refers to 1 Group C share held by Ministry of Finance and Treasury in accordance with Telegraph and Telephone Law No. 406. Without prejudice to Article 6/A of the Articles of Association of the Company, All shares of Türk Telekom except C Group 1 share may be sold. In accordance with Article 6 /A.2. of the Company's Articles of Associate, transfer of the shares of Group A shareholder is subject to the veto right of the Group C share. According to Article 6 / A of the Company's Articles of Association, the transfer transaction of registered shares which affects the management control, and registration transaction of such transfer to the share ledger shall not be performed without the affirmative vote of the C Group Privileged Shareholder.
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					

Corporate Governance Compliance Report

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.		X				There are internal directives about this topic. Models for participation of company employees in management such as Occupational Health and Safety Boards, Disciplinary Boards, Dispute Resolution Boards, Inventor Idea System continued to be developed in 2022.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					

Corporate Governance Compliance Report

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		X				Our Company has a Board of Directors Women Membership Policy. It is aimed to reach this goal within the next 5 years from the date of publication of the policy, by assigning at least one woman member to the Board of Directors and assigning woman member (s) to the Board of Directors.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				There is no restriction for the members of the Board of Directors to assume any other duties outside the Company. The duties of the members of the Board of Directors outside the Company are presented in the annual report and in their resumes published on the website.

Company Compliance Status						
	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			The number of independent members on the Board of Directors does not allow for Board members to serve in only one of the Board's committees. Therefore some independent members of the Board of Directors are assigned in more than on committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	In fiscal year 2022, the committees have not received any consultancy services hence this subject was not included in the annual report.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			The performance of the Board of Directors has not been evaluated.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				The remuneration of provided to executives are disclosed in aggregated form on annual report and are not disclosed on individual basis.

Corporate Governance Information Form

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Türk Telekom Investor Relations participated 10 investor conferences in 2022, 3 of which were face-to-face in London, Miami and Prague, and 7 of which were held online. The Company made 2 non-deal roadshows, one in London and the other in Istanbul. Moreover, following the disclosure of the quarterly financial and operational results, Investor Relations department continued to hold teleconferences in order to share the assessment of the Company's senior management for the relevant quarter and to provide investors and analysts with the opportunity to pose their questions to the management of the Company.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	No requests were made for the appointment of a special auditor in the reporting period.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None
1.3. Corporate Management Information Form	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1008591 https://www.kap.org.tr/tr/Bildirim/1008782 https://www.kap.org.tr/tr/Bildirim/1014683 https://www.kap.org.tr/tr/Bildirim/1015328
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Documents are also shared simultaneously on Public Disclosure Platform (KAP) and on the company's investor relations website in English.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	No such transaction took place during the year.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	No such transaction took place during the year.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II- 17.1)	https://www.kap.org.tr/tr/Bildirim/1038147
The name of the section on the corporate website that demonstrates the donation policy of the company	https://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-policies https://www.ttyatirimciiliskileri.com.tr/media/pl5nrfuj/donation-policy.pdf
Corporate Management Information Form	https://www.kap.org.tr/tr/Bildirim/1014683 https://www.kap.org.tr/tr/Bildirim/1014708
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	There is no such provision in the articles of association.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	There was no participation in General Assemblies held in 2022 except by shareholders.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	There is no differential voting rights. Group (A), (B) and (C) shareholders are granted the privilege to nominate candidates for the Board of Directors in Article 8 of the company's Articles of Association.
The percentage of ownership of the largest shareholder	61.68%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association.	There is no provision in the Articles of Association to grant minority rights to shareholders who have less than one twentieth of the capital. However, compliance with the use of minority rights within the scope of TTK and CMB regulations is ensured.

1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	http://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-policies.aspx https://www.ttyatirimciiliskileri.com.tr/media/awuc5ih0/dividend-policy.pdf
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	-
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	-

General Assembly Meetings									
General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
31.03.2022		90.7%	0.0677%	90.64%	Corporate Governance/ General Assembly Meeting Information	Corporate Governance/ General Assembly Meeting Information			https://www.kap.org.tr/en/Bildirim/1014683

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website	
	http://www.ttyatirimciiliskileri.com.tr/en-us/pages/default.aspx
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Türk Telekom Group -Ownership Structure, Announcements and Disclosures Corporate Governance- Board of Directors, Committees, Senior Management, Insiders with Administrative Responsibilities, Corporate Governance Compliance Report, Corporate Governance Rating, General Assembly Meeting Information, Articles of Association and Trade Registry Information, Internal Audit and Risk Management, Related Party Transactions, Code of Ethics, Policies, Independent Auditor
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	https://www.ttyatirimciiliskileri.com.tr/en-us/turk-telekom-group/investing-in-turk-telekom/pages/ownership-structure https://www.ttyatirimciiliskileri.com.tr/media/imupesmv/hissedar-yapisi-en.pdf
List of languages for which the website is available	Turkish, English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Corporate Governance Principles Compliance Report section
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Corporate Governance Principles Compliance Report section
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance	Corporate Governance Principles Compliance Report section
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	There was no legislative amendments that could significantly affect the Company's operations in 2022.
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Consolidated Independent Audit Report/Commitment and Obligations
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Corporate Governance Principles Compliance Report Section/ Other information according to the legislation

Corporate Governance Information Form

f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Corporate Governance Principles Compliance Report section
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Sustainability and Corporate Social Responsibility and Corporate Governance Principles Compliance Report Section
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	http://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-policies.aspx https://www.ttyatirimciiliskileri.com.tr/media/u1jd4zif/compensation-policy.pdf
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Business Ethics Committee
The contact detail of the company alert mechanism	etik@turktelekom.com.tr http://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-committee-communication-form
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Corporate Governance Principles Compliance Report Section
Corporate bodies where employees are actually represented	Türkiye Haber-İş Union
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	http://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/policies.aspx https://www.ttyatirimciiliskileri.com.tr/media/rpjnubnc/human-resources-policy.pdf
	Human Resources Policy In cases for executive position change might lead to disruptions in company management, backup plans are prepared for the determination of the new managers to be appointed.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	http://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/policies.aspx
	https://www.ttyatirimciiliskileri.com.tr/media/rpjnubnc/human-resources-policy.pdf Employment Policy Türk Telekom aims to recruit its employees on long term basis as a principal to provide high quality and economic services with regard to technological developments, financial and economic conditions and sectoral changes in its field of activity. Continuous success of Türk Telekom depends on the ab of its employees to adapt rapidly and efficiently to the changing conditions of the sector, as well as their flexibility this respect. Our employees via their superior skills, competence and experience help the Company to become one of the leading companies in the world. Türk Telekom supports on-the-job training by programmes carried in cooperation with regulatory and supervisory agencies a as the universities and provides employment opportunity within this framework. Our company asserts its claim of being the most preferred company to work for by sharing pride of being a Türk Telekom employee with young talents from universities and professionals outside the company. Recruitment criteria are determined and documented in written form and that criteria should be followed. Türk Telekom provides equal recruitment and career planning opportunity to its applicants. https://www.ttyatirimciiliskileri.com.tr/media/u4sbgcvi/human-rights-policy-20200529.pdf . Diversity Türk Telekom values diversity and considers this is an asset, and strives to make its employees feel like the a part of the Company. Accordingly, Türk Telekom is committed to equal opportunity, and takes into account qualifications, performance, skills and experiences of it employees for recruitment, placement, development, training, compensation, promotion, and resignation from Company. Is aware that diversity in its labour contributing achievement of the Company targets, and strives to rec candidates with diverse backgrounds and experience, a employ them for a long term. Fulfils its legal obligations relation to employment of people with disabilities, and disadvantages

Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
	https://www.ttyatirimciiliskileri.com.tr/media/u4sbgcvi/human-rights-policy-20200529.pdf
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Discrimination and Harassment At Türk Telekom; No on discriminated on grounds of age, language, race, ethnic nationality, health, disability status, gender, marital status religion and sect, political opinions, philosophical belie faith. Discriminatory and unfair conducts are not tolerated. Employees are provided with a working environment, far from all kinds of ill-treatment, mobbing and harassment.
The number of definitive convictions the company is subject to in relation to health and safety measures	12
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	http://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-policies.aspx https://www.ttyatirimciiliskileri.com.tr/media/h3rjq0xg/code-of-ethics.pdf
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	https://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/corporate-social-responsibility
Any measures combating any kind of corruption including embezzlement and bribery	http://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/policies.aspx https://www.ttyatirimciiliskileri.com.tr/media/dewjt5ga/turk-telekom-anti-bribery-and-anti-corruption-policy.pdf
4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	3 individuals jointly represent and bind our company in the broadest terms on all kind of matters as below: - Mahmut Gürcan, Member of the Board of Directors nominated by Group A Shareholder, - One of the Independent Board Members nominated by Group B Shareholder, - Member of Board of Directors representing Group C Privileged Share
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	Number of reports submitted to the Committee and Board of Directors is 6.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Assessments of the Board of Directors Section
Name of the Chairman	Dr. Ömer Fatih Sayan
Name of the CEO	Ümit Önal
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	Not the same person.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/1057254
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	http://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-policies.aspx http://www.ttyatirimciiliskileri.com.tr/Documents/en/corporate-governance/women-board-membership-policy.pdf
The number and ratio of female directors within the Board of Directors	0

Corporate Governance Information Form

Composition of Board of Directors							
Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or Not
Dr. Ömer Fatih Sayan	Non-executive	Not independent director	04/09/2018	-	Not considered	No	No
Mahmut Gürcan	Non-executive	Not independent director	31.03.2022	-	Not considered	No	Yes
Yiğit Bulut	Non-executive	Independent director	06.05.2014	https://www.kap.org.tr/tr/Bildirim/358251	Considered	No	Yes
Dr. Cengiz Yavilioğlu	Non-executive	Not independent director	31.03.2022	-	Not considered	No	Yes
Selim Dursun	Non-executive	Independent director	04.09.2018	https://www.kap.org.tr/en/Bildirim/708083	Considered	No	No
Enver Iskurt	Non-executive	Independent director	31.03.2022	https://kap.org.tr/tr/Bildirim/1014683	Considered	No	Yes
Ümit Onal	Executive	Not independent director	31.03.2022	-	Not considered	No	Yes
Salim Arda Ermut	Non-executive	Not independent director	31.03.2022	-	Not considered	No	Yes
Metin İlhan	Non-executive	Not independent director	31.03.2022	-	Not considered	No	No
4. BOARD OF DIRECTORS-II							
4.4. Meeting Procedures of the Board of Directors							
Number of physical or electronic board meetings in the reporting period				12			
Director average attendance rate at board meetings				96.2%			
Whether the board uses an electronic portal to support its work or not				No			
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter				10 days			
The name of the section on the corporate website that demonstrates information about the board charter				Article 12 of the Company's Articles of Association. https://www.ttyatirimciiliskileri.com.tr/media/4ulbh4i1/articles_of_association_.pdf http://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/articles-of-association-trade-registry-information.aspx			
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors				-			
4.5. Board Committees							
Page numbers or section names of the annual report where information about the board committees are presented				Board of Directors' Committees and Corporate Governance Principles Compliance Report Sector			
Link(s) to the PDP announcement(s) with the board committee charters				Audit Committee: https://www.kap.org.tr/en/Bildirim/659174 Nomination and Remuneration Committee: https://www.kap.org.tr/tr/Bildirim/1038148 Early Identification and Management of Risks Committee: https://www.kap.org.tr/en/Bildirim/304033 Corporate Governance Committee: https://www.kap.org.tr/en/Bildirim/741628 ,			

Composition of Board Committees-I					
	Name of Committees Defined as "Other " in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not	
Names of the Board Committees					
Corporate Governance Committee		Enver İskurt	Yes	Board member	
Corporate Governance Committee		Selim Dursun	No	Board member	
Corporate Governance Committee		Metin İlhan	No	Board member	
Corporate Governance Committee		Gülşen Ayaz	No	Not board member	
Audit Committee		Yiğit Bulut	Yes	Board member	
Audit Committee		Selim Dursun	No	Board member	
Committee of Early Detection of Risk		Yiğit Bulut	Yes	Board member	
Committee of Early Detection of Risk		Dr. Ömer Fatih Sayan	No	Board member	
Committee of Early Detection of Risk		Mahmut Gürcan	No	Board member	
Nomination and Remuneration Committee		Yiğit Bulut	Yes	Board member	
Nomination and Remuneration Committee		Dr. Ömer Fatih Sayan	No	Board member	
Nomination and Remuneration Committee		Salim Arda Ermut	No	Board member	
4. BOARD OF DIRECTORS-III					
4.5. Board Committees-II					
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)		Annual Report / Corporate Governance Principles Compliance Report Section https://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/internal-audit			
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)		Annual Report / Corporate Governance Principles Compliance Report Section https://www.ttyatirimciiliskileri.com.tr/media/lw3npny2/corporate-governance-committee-charter.pdf			
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)		Annual Report / Corporate Governance Principles Report https://www.ttyatirimciiliskileri.com.tr/media/w4rbprjy/nomination-and-renumeration-committee-working-princeples_17062022.pdf			
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)		Annual Report / Corporate Governance Principles Report https://www.ttyatirimciiliskileri.com.tr/media/xmeicqsk/early-identification-and-management-of-risks-and-committee-duties-and-working-principle.pdf			
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)		Annual Report / Corporate Governance Principles Repo https://www.ttyatirimciiliskileri.com.tr/media/w4rbprjy/nomination-and-renumeration-committee-working-princeples_17062022.pdf			
4.6. Financial Rights					
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)		Annual Report / Corporate Governance Principles Report Section			
Specify the section of website where remuneration policy for executive and non-executive directors are presented.		Corporate Governance / Policies https://www.ttyatirimciiliskileri.com.tr/media/bf1go0g5/remuneration_policy.pdf			
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)		Annual Report / Corporate Governance Principles Report Section 'Financial Right Provided to the Members of Board of Directors to the Senior Executives'			
Composition of Board Committees-II					
	Name of committees defined as "Other" in the first column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Re Activities Submit Board
Names of the Board Committees					
Audit Committee		100%	100%	6	8
Corporate Governance Committee		75%	50%	2	-
Committee of Early Detection of Risk		100%	33%	4	-
	Nomination and Remuneration Committee				
Other		100%	33%	2	2

Sustainability Principles Compliance Report

		COMPLIANCE STATUS					
		YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	RELATED REPORT/LINK
A. General Principles							
A1. Strategy, Policies and Targets							
A1.1	Material environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the partnership's Board of Directors.	X				Within the scope of Enterprise Risk Management, Environmental, Social, Governance (ESG) risk headings are currently followed by related departments. ESG policies will be determined and reported by sustainable management system.	2022 Annual Report Page 110-119 (https://www.ttyatirimciiliskileri.com.tr/en-us/financial-operational-information/pages/annual-reports)
	ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Board of Director of the corporation.	X				Human Rights Policy, Human Resources Policy, Anti-Bribery and Anti-Corruption Policy, Information Security Policy, Purchasing Policy, Integrated Management System Policy, Disclosure Policy, Dividend Policy, Remuneration Policy, Board of Directors Women Membership Policy, Donation Policy, Compensation Policy, Code of Ethics	Investor Relations Web Site- Sustainability-Policies (https://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/policies) Investor Relations Web Site- Corporate Governance- Corporate Governance Policies (https://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-policies)
A1.2	Short and long- term targets set within the scope of ESG policies were disclosed to the public.	X				The targets are disclosed in the Sustainability section of the Annual Report.	2022 Annual Report Page 112
A2. Implementation/Monitoring							
A2.1	The committees and/ or units responsible for the implementation of ESG policies and the highest level officials in the partnership related to ESG issues and their duties have been identified and disclosed to the public.	X				The Sustainability Committee is responsible for the execution of sustainability policies.	2022 Annual Report Page 111
	Activities carried out within the scope of policies by the responsible committee and/ or unit were reported to the board of directors at least once a year.			X		The department responsible for the policies have been partially determined and the relevant process management is in the preparation process.	
A2.2	Creates and discloses implementation and action plans aligned with ESG targets.			X		The targets are disclosed in the Sustainability section of the Annual Report. With the implementation of the Sustainability Management System, practice and action plans are planned to be created.	2022 Annual Report Page 112
A2.3	The ESG Key Performance Indicators (KPI) and the level of reaching these indicators on a yearly basis were disclosed to the public.			X		With the implementation of the Sustainability Management System, ESG Key Performance Indicators (KPI) are planned to be determined.	2022 Annual Report Page 110-119
A2.4	Discloses efforts for improving sustainability performance with respect to work processes or products and services.			X		Projects, products and services within the scope of ESG are disclosed in the Sustainability section of the Annual Report. It is planned to start detail reporting, with the implementation of the Sustainability Management System.	2022 Annual Report Page 110-119

		COMPLIANCE STATUS					
		YES	NO	PARTIAL	IRRELEVANT	EXPLANATION	RELATED REPORT/LINK
A3. Reporting							
A3.1	In the annual reports information on the sustainability performance, goals and actions of the partnership is given in an understandable accurate and adequate manner.	X				Projects, products and services within the scope of ESG are disclosed in the Sustainability section of the Annual Report.	2022 Annual Report Page 110-119
A3.2	Provides information about which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	X				Türk Telekom is a participating member of UNGC. With the sustainability report which is planned to be published, associations with developments goals will be announced.	UNGC Web Site (https://unglobalcompact.org/what-is-gc/participants/138514)
A3.3	Makes disclosures regarding the lawsuits filed and/ or concluded against the company on account of ESG issues, which are material with respect to ESG issues, which are material with respect to ESG policies and/or have material impact on operations.	X				With the implementation of the Sustainability Management System, reporting will be evaluated.	2022 Annual Report page 119
A4. Verifications							
A4.1	ESG Key Performance measurements are verified by an independent third party and publicly disclosed.			X		Within the scope of Türk Telekom's CDP reporting in 2022, emission calculations resulting from Company activities has been verified by an authorised independent organisation. On the other hand, there is no verification related to sustainability because there is no 2022 sustainability reporting.	2022 Annual Report Page 118 Investor Relations Web Site- Sustainability- Environmental Sustainability
B. Environmental Principles							
B1	Discloses its policies and practices, action plans in relation to environmental management systems (known by the ISO 14001 standard) and programmes.			X		Türk Telekom operates within the scope of ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. The details of the programme have not been disclosed.	2022 Annual Report Page 119
B2	Publicly discloses the limitations over the reporting scope, reporting period, reporting date, reporting conditions of the environmental reports to be prepared for providing environmental management information.		X			It is planned to be disclosed with the sustainability report.	
B3	It's stated in A2.1.						
B4	Environmental targets included in scope of performance incentive systems on the basis of stakeholders (such as members of the Board of Director, managers and employees) have been disclosed to the public.		X			With the implementation of the Sustainability Management System of the Company, activities will be carried out in this manner.	

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	NO	PARTIAL	IRRELEVANT		
B5	How the priority environmental issues are integrated into business goals and strategies has been publicly disclosed.		X			With the implementation of the Sustainability Management System of the Company, activities will be carried out in this manner.	
B6	It's stated in A2.4						
B7	It has been publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the partnership value chain, including the operational process, including suppliers and customers including suppliers and customers		X			With the implementation of the Sustainability Management System of the Company, activities will be carried out in this manner.	
B8	Whether relevant organizations and non – governmental organizations on the environment are involved in.			X		Türk Telekom is a member of UNGC. In addition, member organizations are announced in the published sustainability report.	UNGC Web Site (https://unglobalcompact.org/what-is-gc/participants/138514)
B9	Periodically reports information about its environmental impacts comparatively in the light of environmental indicators; Greenhouse gas emissions Scope –1(Direct), Scope –2 (Indirect from purchased energy), Scope –3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity implications).	X				Türk Telekom reports to CDP. CDP reports are available on the Investor Relations website.	Investor Relations Web Site– Sustainability–Environmental Sustainability
B10	Discloses the standards, protocols, methodology and base year details for collecting and calculating its data.		X			Türk Telekom reports to CDP.	Investor Relations Web Site– Sustainability–Environmental Sustainability
B11	Discloses the status of environmental indicators for the reporting year in comparison with previous years (increase or decrease).			X		Türk Telekom reports to CDP. CDP reports are available on the Investor Relations website by years, so comparison shall be made.	2022 Annual Report Page 110–118 Investor Relations Web Site– Sustainability–Environmental Sustainability
B12	Sets and discloses its short –term and long –term targets for mitigating its environmental impacts. Also provides information about the progress achieved, if applicable, in the reporting period with respect to the targets it has set previously.	X				Türk Telekom aims to reduce its emissions by 35% and increase its solar power generation capacity by 60% by 2023, with the aim of systematically reducing its carbon footprint. Türk Telekom undertakes to support the development of its employees with its focus on human value, to provide equal opportunity in accessing information and communication technologies with its focus on contribution to society, and to encourage women's participation in working life.	2022 Annual Report Page 112

		COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	NO	PARTIAL	IRRELEVANT		
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly announced.		X			It is planned to be announced with a sustainability report.	
B14	Programmes or procedures have been established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.		X			It is included in the sustainability report business plans which will be published in following years.	
	Actions have been taken to reduce greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.		X			With the implementation of the Sustainability Management System of the Company, activities will be carried out in this manner.	
B15	The environmental benefits/benefits and cost savings of initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.	X				Actions and projects carried out to reduce environmental impacts are provided in the Sustainability section of the Annual Report.	2022 Annual Report Page 110–119
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope –1 and Scope –2.)	X				Emission calculation resulting from Scope 1, Scope 2 and Scope 3 is included in the CDP and Annual report.	2022 Annual Report Page 110–119 Investor Relations Web Site– Sustainability–Environmental Sustainability
B17	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.			X		Information about the electricity and fuel consumption is provided in the CDP and Annual report.	2022 Annual Report Page 110–119 Investor Relations Web Site– Sustainability–Environmental Sustainability
B18	Studies on increasing the use of renewable energy and the transition to zero or low carbon electricity have been made and publicly announced.	X				Türk Telekom takes utmost care to increase renewable energy usage and reduce carbon emissions. Information in this context is provided in the Sustainability section of the Annual Report and CDP Report.	2022 Annual Report Page 110–119 Investor Relations Web Site– Sustainability–Environmental Sustainability
B19	Renewable energy production and usage data is publicly disclosed.			X		Renewable energy production and some data are included in the CDP report. It is planned to be disclosed in detail with the sustainability system.	Investor Relations Web Site– Sustainability–Environmental Sustainability
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public.	X				Details of Zero Waste and waste management related to energy efficiency is provided under Sustainability section of the Annual Report and in the CDP report. More detailed information is planned to be disclosed in sustainability report.	2022 Annual Report Page 110–119 Investor Relations Web Site– Sustainability–Environmental Sustainability
B21	Water consumption, if any, amounts of water drawn, recycled and discharged from underground or above ground, its sources and procedures have been disclosed to the public.			X		The company carries out activities on the recycling of used water but not reported yet.	2022 Annual Report Page 117

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	NO	PARTIAL	IRRELEVANT		
B22	It has been publicly disclosed whether its operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				X	The Company is not included in the carbon pricing system due to the sector in which it is located.	
B23	Information on carbon credits accumulated or purchased during the reporting period has been disclosed to the public.				X	The Company is not included in the carbon pricing system due to the sector in which it is located.	
B24	Discloses the details if carbon pricing is applied within the Company.				X	The Company is not included in the carbon pricing system due to the sector in which it is located.	
B25	The platforms where the partnership discloses its environmental information are publicly disclosed.	X				Türk Telekom provides information on environment in the Sustainability section of the Annual Report and CDP Report.	2022 Annual Report Page 110-119 Investor Relations Web Site- Sustainability-Environmental Sustainability
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	Forms a Human Rights and Employee Rights Policy with a commitment to fully comply with the Universal Declaration of Human Rights, ILO Conventions which Türkiye has confirmed and the legal framework and regulations governing the operation of corporate life in Türkiye Discloses the policy in question and the roles and responsibilities associated with its implementation.	X				In 2019, a Human Rights Policy was prepared and announced to all employees to ensure that Türk Telekom fully complies with the United Nations Universal Declaration of Human Rights, the Constitution of the Republic of Türkiye the International Labour Organisation (ILO) Conventions and other conventions ratified by the Republic of Türkiye as well as national legislation on human rights and work life. Human Rights Policy and the implementation of the policy has been disclosed to the public.	2022 Annual Report Page 110-119 Investor Relations Web Site- Sustainability-Policies-Human Rights Policy (https://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/human-rights-policy)
C1.2	Incorporates equitable workforce, improvement of working standards, women's employment and inclusion (not discriminating on the basis of gender, race, religion, language, marital status, ethnicity, sexual orientation, gender identity, family responsibilities, union activities, political affiliation, disabilities, social and cultural differences, etc.) in its policy concerning employee rights, while looking out for the effects of supply and value chain.	X				It is provided in the Company's Human Rights Policy.	Investor Relations Web Site- Sustainability-Policies-Human Rights Policy

		COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	NO	PARTIAL	IRRELEVANT		
C1.3	Describes the measures taken throughout the value chain for the protection of groups sensitive to certain eco Xmic, environmental, social factors (low -income groups, women, etc.) or securing mi Xrity rights / equal opportunities.			X		Under the DIVERSITY section of the Human Rights Policy it is disclosed as: "Türk Telekom values diversity and considers this as an asset, and strives to make its employees feel like they are a part of the Company. Accordingly, Türk Telekom fulfils its legal obligations in relation to employment of people with disabilities, and disadvantages." In addition, important developments regarding corporate social responsibility are included in the annual report.	Investor Relations Web Site- Sustainability-Policies-Human Rights Policy
C1.4	Reports developments regarding discrimination, inequality, human rights violations, forced labour and corrective practices. Explain the regulations to prevent child labour	X				It is provided in the Company's Human Rights Policy.	Investor Relations Web Site- Sustainability-Policies-Human Rights Policy
C1.5	Explains policies regarding investment in employees (training, development policies), compensation, vested benefits, right to unionize, work / life balance solutions and talent management. Determines dispute resolution processes by creating mechanisms for employee complaints and dispute resolution. It regularly explains the activities carried out to ensure employee satisfaction.	X				It is provided in the Company's Human Rights Policy. At the same time, information is included in the Stakeholders and Human Resources sections of the annual report.	2022 Annual Report Page 97-103 Investor Relations Web Site- Sustainability-Policies-Human Rights Policy
	Determines the dispute resolution processes by establishing mechanisms for employee complaints and resolution processes.	X				The processes are included in detail under the Company's Code of Ethics. At the same time, information is included in the Stakeholders section of the annual report.	Investor Relations Web Site-Corporate Governance- Corporate Governance Policies- Code of Ethics (https://www.ttyatirimciiliskileri.com.tr/en-us/corporate-governance/pages/corporate-governance-policies)
	Explains the activities to ensure employee satisfaction within the reporting period.	X				The information in this manner is provided in the Human Resources section of the Annual Report.	2022 Annual Report Page 97-103
C1.6	Establishes and discloses occupational health and safety policies.	X				There is an Integrated Management System Policy. It is published on the Company's Investor Relations website.	Investor Relations Web Site-Sustainability-Policies- Integrated Management System Policy (https://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/integrated-management-system-policy)
	Discloses the measures taken to prevent workplace accidents and for protecting occupational health along with statistical data on accidents.			X		It is planned to be disclosed with the sustainability report.	

Sustainability Principles Compliance Report

		COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	NO	PARTIAL	IRRELEVANT		
C1.7	Establishes and discloses personal data protection and data security policies.	X				The information in this manner is included in the Human Rights Policy and the Company Investor Relations website.	Investor Relations Web Site- Sustainability-Policies-Human Rights Policy
C1.8	Establishes and discloses a code of ethics.	X				Code of Ethics is disclosed to public on the Investor Relations website.	Investor Relations Web Site- Corporate Governance- Corporate Governance Policies-Code of Ethics
C1.9	Explains the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	X				The company's social responsibility and financial performance statements are included in the annual report.	2022 Annual report
C1.10	Organizes information meetings and training programmes on ESG policies and practices for employees.	X				The Company provides training programmes regularly to all its employees on ESG policies.	Investor Relations Web Site- Sustainability-Policies (https://www.ttyatirimciiliskileri.com.tr/en-us/socially-responsible-investing/pages/policies)
C2. Stakeholders, International Standards and Initiatives							
C2.1	Establishes and discloses a customer satisfaction policy for management and resolution of customer complaints.		X			With the implementation of the Sustainability Management System of the Company, it will be evaluated.	
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	X				Recent announcements such as regulatory disclosures made by Türk Telekom on the Public Disclosure Platform (KAP) are sent simultaneously to the distribution list of the stakeholders, including analysts and investors who opt to receive them. In addition, Communication with all stakeholders is carried out equally and transparently through the channels such as Corporate communication, Marketing communication, Media, Supply Chain etc.	Investor Relations Web Site (https://www.ttyatirimciiliskileri.com.tr/en-us/pages/home-page/)

		COMPLIANCE STATUS				EXPLANATION	RELATED REPORT/LINK
		YES	NO	PARTIAL	IRRELEVANT		
C2.3	Explains the international reporting standards adopted in its reporting.			X		Türk Telekom reports to CDP. CDP reports are available on the Investor Relations website. In addition, the published Sustainability report received GRI accreditation. Studies on SASB and TCFD reporting continue.	Investor Relations Web Site- Sustainability-Environmental Sustainability
C2.4	Discloses the principles embraced in relation to sustainability, international organizations, committees and principles that it is a signatory or member of.	X				Türk Telekom is a participant member of UNGC since 2020.	UNGC Web Site (https://unglobalcompact.org/what-is-gc/participants/138514)
C2.5	Makes improvements and conducted studies in order to qualify for inclusion in sustainability indices of Borsa Istanbul and/ or international index providers.	X				Türk Telekom is listed on the BIST Sustainability and FTSE4Good Index, as well as on the MSCI, S&P Global, Sustainalytics and Vigeo Eiris platforms.	2022 Annual Report Page 113
D. Corporate Governance Principles							
D1	Seeks stakeholders' opinions while determining the measures and strategies related with sustainability.		X			With the implementation of the Sustainability Management System of the Company, it will be evaluated.	
D2	Implications on raising the awareness of sustainability and its importance through conducting social responsibility projects, awareness activities and training programmes.	X				Activities carried out in this manner are included in the Corporate Social Responsibility Section of the Annual Report. The Company provides training programmes regularly to all its employees on ESG policies.	2022 Annual Report Page 110-123

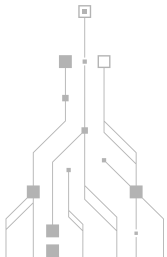
Statement of Independence

I have been nominated for the vacant independent board membership of Türk Telekomünikasyon A.Ş. (“The Company”). Pursuant to Corporate Governance Principles attached to the Communiqué No: II-17.1 on the Corporate Governance; I declare that;

- A relationship of an executive position with important duties and responsibilities has not been established by me, my spouse or up to third degree relatives by blood or marriage within the last five years and I do not jointly or separately hold more than 5% of capital or voting right or privileged share or have significant commercial relationship, with Türk Telekomünikasyon A.Ş., associations that Türk Telekomünikasyon A.Ş. holds management control or has significant effect on, and shareholders that hold Türk Telekomünikasyon A.Ş.'s management control or have significant effect on Türk Telekomünikasyon A.Ş. and entities whose management control held by these shareholders.
- I have not worked in a management position undertaking important duty and responsibilities for firms, particularly audit (including tax audit, legal audit and internal audit), rating and consultancy firms, firms that Türk Telekomünikasyon A.Ş. purchases or sells goods or services considerably, in the period that goods and services are purchased or sold, and also have not been appointed as board member to those firms within the last five years.
- I have necessary educational background, information and experience for fulfilling independent board member duties.
- Pursuant to Income Tax Law No.193 dated by 31.12.1960, I am a resident in Türkiye.
- I have the ethical standards, reputation and experience enabling them to contribute to activities of the Company, protect their impartiality with regard to conflict of interest that may arise among shareholders, make independent decisions by taking into account the rights of stakeholders.
- I have time to follow the requirements of the business activities of Türk Telekomünikasyon A.Ş. and to precisely perform the tasks I have undertaken.
- I do not serve as an independent board member in more than three of the Türk Telekomünikasyon A.Ş.'s or the companies whose management control held by shareholders that hold Türk Telekomünikasyon A.Ş.'s management control and also in total more than five of publicly traded companies.
- I am not registered and announced on behalf of the legal entity elected as Board Member.

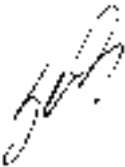


Yiğit Bulut

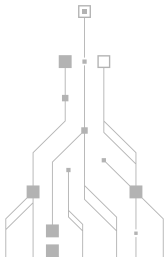


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Selim Dursun



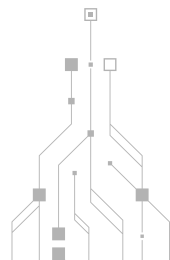
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- I am not registered and announced on behalf of the legal entity elected as Board Member.



Enver İskurt



Statement of Responsibility

FINANCIAL TABLES APPROVED BY THE BOARD OF DIRECTORS STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF THE CAPITAL MARKETS BOARD COMMUNIQUÉ NO: II-14.1

RESOLUTION DATED: 22.02.2023
RESOLUTION NO: 6

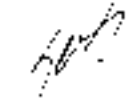
We hereby state that:

- 1) We have reviewed the Consolidated Financial Tables of our Company for the accounting period ending on 31 December 2022.
- 2) According to information to which we have access as a part of our duties and responsibilities within the Company, the Consolidated Financial Tables do not contain any material inaccurate disclosures or any shortcomings which may prove to be misleading because of the date of disclosure.
- 3) According to information to which we have access as a part of our duties and responsibilities within the Company, the Consolidated Financial Tables, which have been prepared in accordance with the Capital Markets Board Communiqué No: II-14.1, faithfully reflect the assets, liabilities, financial standing and profits and losses of the Company.

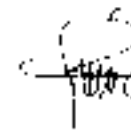
Kind regards,



Yiğit Bulut
Audit Committee Chairman



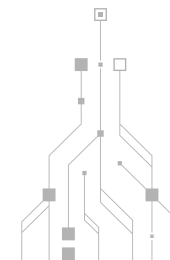
Selim Dursun
Audit Committee Member



Ümit Önal
General Manager-CEO



Kaan Aktan
Finance Assistant General Manager



Statement of Responsibility

ANNUAL REPORT APPROVED BY THE BOARD OF DIRECTORS STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF THE CAPITAL MARKETS BOARD COMMUNIQUÉ NO: II-14.1

RESOLUTION DATED: 09.03.2023
RESOLUTION NO: 17

We hereby state that:

a) We have reviewed the Board of Directors Annual Report for the January 1–December 31, 2022 which has been prepared in accordance with II.14.1. "Communiqué on Principles of Financial Reporting in Capital Markets" and have reviewed the "Corporate Governance Compliance Report" and the "Corporate Governance Information Form" which have been prepared in accordance with the mandatory formats specified by the Capital Markets Board' (CMB) decision no: 2/49 on 10. January 2019 as per II-17.1 "Communiqué on Corporate Governance"

b) Based on our knowledge within the scope of our duties and responsibilities in the Company, the Annual Report including explanations within the compliance framework of sustainability principles do not contain any misleading statements with regards to important matters or do not contain any shortcomings any missing information that would be interpreted as misleading as of the date of disclosure.

c) Based on our knowledge within the scope of our duties and responsibilities in the Company, the Annual Report faithfully reflects the development and performance of the business and the consolidated financial situation of the Company along with the risks and uncertainties that the Company is facing.

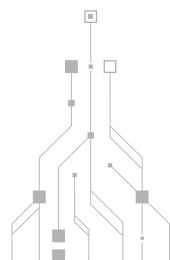
d) Based on our knowledge within the scope of our duties and responsibilities in the Company, the "Corporate Governance Compliance Report" and the "Corporate Governance Information Form" faithfully reflect the information provided in such reports

Yiğit Bulut
Audit Committee Chairman

Selim Dursun
Audit Committee Member

Ümit Önal
General Manager-CEO

Kaan Aktan
Finance Assistant General Manager



Independent Auditor's Report on the Annual Report of the Board of Directors



Güney Bağımsız Denetim ve ŞMVM A.Ş.
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Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

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Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0-4350-3032-6000017

(Convenience translation of a report originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS To the General Assembly of Türk Telekomünikasyon A.Ş.

1) Opinion

We have audited the annual report of Türk Telekomünikasyon A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2022–31/12/2022.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's

Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated 22 February 2023 on the full set consolidated financial statements of the Group for the period of 1/1/2022–31/12/2022.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.

b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.

Independent Auditor's Report on the Annual Report of the Board of Directors

c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged

governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

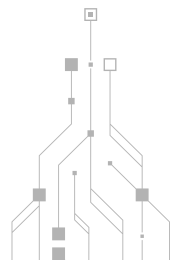
The name of the engagement partner who supervised and concluded this audit is Seda Akkuş Tecer.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Seda Akkuş Tecer, SMMM
Partner

9 March 2023
İstanbul, Türkiye



Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

31 December 2022
Consolidated Financial Statements
and Independent Auditor's Report

22 February 2023

This report contains 7 pages of "Independent Auditor's Report" and 112 pages of financial statements and explanatory notes.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türk Telekomünikasyon Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Türk Telekomünikasyon Anonim Şirketi (the company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRSs").

2. Basis for Opinion

We conducted our audit in accordance with standards on auditing issued by the Capital Markets Board of Turkey ("CMB") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Refer to Note 2.3 and Note 2.4 to the consolidated financial statements for summary of significant accounting policies and significant accounting estimates and assumptions for revenue recognition.

The key audit matter

As presented in note 26,the Group's revenue is primarily generated from fixed-line telecommunication services, mobile telecommunication services, sales of equipment and TV subscriptions.

The accuracy of revenue recognized in the consolidated financial statements is an inherent industry risk, as the billing systems of telecommunication companies are complex, processes large volumes of data with a combination of different products and services billed during the year, through a number of different systems.

Significant management judgment can be required in determination of the appropriate measurement and timing of recognition of different elements of revenue within bundled sales packages, which may include services and telecommunication products.

We identified revenue recognition as a key audit matter, because of the accuracy and timing of revenue recognized by the IT billing systems given the complexity of the systems and the significance of volumes of data processed by the systems.

How the matter was addressed in our audit

We have performed the following audit procedures for the key audit matter:

- Assessing the appropriateness of the revenue recognition policy of the Group;
- Performing Information Technologies ("IT") general controls on critical information systems that support business processes, with the assistance of our internal IT specialists;
- Performing procedures to evaluate the completeness and accuracy of the end-to-end data flow between billing, collection and general ledger records by examining key revenue processes;
- Recalculation of customer invoices for significant revenue items on a sample basis.
- Testing of critical reports on the revenue assurance system used by the company on a sample basis;
- Testing material journal entries processed between the billing systems and the general ledger;
- Substantive testing on a sample of non-systematic adjustments which are outside of the normal billing process and therefore carry higher levels of management judgment.
- Performing analytical reviews and correlation analyzes on revenue items.

Land revaluation

Please refer to Note 2.3 and Note 19 for land revaluation,

The key audit matter

The Group has decided to measure certain property, plant and equipment according to TAS 16 revaluation model. Estimates and assumptions used in the valuation has been considered as critical for our audit and therefore, land revaluation has been determined as a key audit matter.

As of 31 December 2022, the revalued amount of the lands in the consolidated financial statements is TL 12.888.382 thousand, and due to the change in fair value, TL 11.036.817 thousand gains on revaluation of property, plant and equipment has been accounted for under equity.

In this context, the lands have been revalued with their fair values reflecting the market conditions as of 31 December 2022, in line with the valuation reports received from licensed real estate appraisal companies within the scope of the CMB regulations.

How the matter was addressed in our Audit

We have performed the following audit procedures for the key audit matter:

- We assessed the qualifications, competencies and independence of the professional appraisers engaged by the management;
- In our audit, we assessed whether the valuation methods as applied by appraisers are acceptable for valuation of the underlying lands;
- Among the other audit procedures we performed, we verified the assumptions used by the external appraisers in their valuations. For this assessment within our audit work, we involved valuation experts of a firm which is in our audit network;
- We also examined the suitability of the information in the financial statements and explanatory note, given the importance of this information for users of the financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Valuation of deferred tax assets

Refer to Note 2.3, Note 2.4 and Note 11 to the consolidated financial statements for summary of significant accounting policies and significant accounting assessments, estimates and assumptions for valuation of deferred tax assets.

The key audit matter

The Group has recognized deferred tax assets for deductible temporary differences and unused tax losses, which are considered as recoverable.

The recoverability of recognized deferred tax assets is dependent on the Group's ability to generate future taxable profits sufficient to utilize deductible temporary differences and tax losses (before latter expire).

We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.

Significant judgment is required in relation to the recognition and recoverability of deferred tax assets.

How the matter was addressed in our audit

- Assessing and challenging the assumptions and judgments exercised by management in respect of the forecasts of future taxable profits by analyzing the assumptions adopted by management;
- Considering the historical accuracy of forecasts of future taxable profits made by management by comparing the actual taxable profits for the current year with management's estimates in the forecasts made in the previous year and assessing whether there were any indicators of management bias in the selection of key assumptions;
- Considering the impact of recent regulatory developments, where applicable and relevant;
- Reconciling tax losses and expiry dates to tax statements; and
- Assessing whether the Group's disclosures in the consolidated financial statements of the application of judgment in estimating recognized and unrecognized deferred tax asset balances appropriately reflect the Group's deferred tax position with reference to the requirements of the TFRSs.

Derivative financial instruments

Please refer to Note 2.3 and Note 15 for derivative financial instruments,

The key audit matter

Cross currency swap transactions, forwards, interest rate swap transactions, futures transactions and all other derivative financial instruments are recorded on consolidated statement of financial position based on their fair value and their fair value are continuously subject to fair valuation.

Furthermore the Company applies hedge accounting method for certain derivative instruments to enhance a protection for currency exchange and interest risk.

Fair value of derivative financial instruments is determined through application of valuation techniques and utilization of assumptions and estimations. Derivative Financial instruments are evaluated as a key audit matter by us due to uncertainty in estimations utilized and materiality of the carrying values in the consolidated financial statements.

How the matter was addressed in our audit

- We have performed the following audit procedures for the key audit matter:
- Obtaining written reconciliation from counter parties of the transaction and comparing of details of related derivative transaction through reconciliation;
 - Fair value controls of derivative financial instruments, selected as sample, are performed by valuation experts, which are a part of our audit team;
 - Prices used by the Company as input for the valuation of derivatives are compared with prices, obtained from market data providers;
 - Calculations used in and the appropriateness of the accounting of hedge methodology is reviewed.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on 22 February 2023.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2022 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Seda Akkuş Tecer.

Güney Baş & Ortak Danışmanlık ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Seda Akkuş Tecer, SMMM
Partner

22 February 2023
İstanbul, Türkiye

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
CONSOLIDATED FINANCIAL STATEMENTS AS AT AND
FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

	Page
Table of contents	
Consolidated statement of financial position	196-198
Consolidated statement of profit or loss	199
Consolidated statement of other comprehensive income	200-201
Consolidated statement of changes in equity	202
Consolidated statement of cash flows	203-204
Notes to the consolidated financial statements	
Note 1 Reporting entity	205-208
Note 2 Basis of presentation of financial statements	208-235
Note 3 Segment reporting	235-237
Note 4 Cash and cash equivalents	237-238
Note 5 Financial liabilities	238-240
Note 6 Trade receivables from and payables to third parties	241-242
Note 7 Right of use assets	242
Note 8 Due from and due to related parties	243-246
Note 9 Other receivables and payables	246-247
Note 10 Inventories	247
Note 11 Deferred tax assets and liabilities	247-248
Note 12 Other current assets, other liabilities and employee benefit obligations	249
Note 13 Prepaid expenses and deferred revenues	249-250
Note 14 Financial investments	250
Note 15 Derivative financial instruments	251-257
Note 16 Goodwill	257-258
Note 17 Assets held for sale	258
Note 18 Investment property	259
Note 19 Property, plant and equipment	260-261
Note 20 Intangible assets	261-263
Note 21 Provisions	263-267
Note 22 Paid in capital, reserves and retained earnings	267-270
Note 23 Commitments and contingencies	270-282
Note 24 Supplementary cash flow information	282
Note 25 Subsequent events	283
Note 26 Revenue	283
Note 27 Operating expenses	283
Note 28 Expenses by nature	284
Note 29 Other operating income / (expense)	284
Note 30 Income / (expense) from investing activities	285
Note 31 Financial income / (expense)	285
Note 32 Taxation	285-287
Note 33 Financial risk management objectives and policies	287-297
Note 34 Independent audit fees and other fees related services received from independent audit firm	297

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2022	31 December 2021
Assets			
Total current assets		26.187.700	20.779.381
Cash and cash equivalents	4	5.124.899	7.696.870
Financial investments	14	4.880.842	-
Trade receivables			
- Trade receivables due from related parties	8	508.513	53.869
- Trade receivables due from unrelated parties	6	8.249.733	6.528.628
Other receivables			
- Other receivables due from unrelated parties	9	161.861	112.921
Contract assets			
- Contract assets from sale of goods and service contracts	6	1.395.079	951.675
Derivative financial assets			
- Derivative financial assets held for trading	15	233.697	728.427
- Derivative financial assets held for hedging	15	3.759.247	3.270.656
Inventories	10	682.708	439.933
Prepayments			
- Prepayments to unrelated parties	13	447.261	382.907
Current tax assets		9.588	8.949
Other current assets			
- Other current assets due from unrelated parties	12	696.911	548.128
Subtotal		26.150.339	20.722.963
Non-current assets classified as held for sale	17	37.361	56.418
Total non-current assets		54.544.004	37.558.254
Financial investments			
- Other financial investments	14	24.596	13.671
Trade receivables			
- Trade receivables due from unrelated parties	6	185.720	127.851
Other receivables			
- Other receivables due from unrelated parties	9	73.958	38.739
Contract assets			
- Contract assets from sale of goods and service contracts	6	35.799	55.377
Derivative financial assets			
- Derivative financial assets held for trading	15	89.337	39.980
Right of use assets	7	1.800.672	1.578.893
Investment property	18	13.791	15.483
Property, plant and equipment			
- Land and premises	19	12.888.382	6.398.268
- Buildings	19	711.311	592.875
- Machinery and equipments	19	13.829.614	10.862.961
- Other property, plant and equipment	19	2.520.695	1.119.642
Intangible assets			
- Goodwill	16	44.944	44.944
- Rights regarding concession agreements	20	7.367.172	5.426.301
- Concession agreements assets	20	1.596.032	1.315.334
- Licences	20	1.807.982	2.104.880
- Other intangible assets	20	6.957.710	5.440.553
Prepayments			
- Prepayments to unrelated parties	13	178.518	19.998
Deferred tax asset	11	4.417.759	2.362.407
Other non-current assets			
- Other non-current assets due from unrelated parties		12	97
Total assets		80.731.704	58.337.635

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2022	31 December 2021
Liabilities			
Total current liabilities		26.366.177	17.997.064
Financial liabilities			
Financial liabilities from related parties			
- Bank loans	5,8	1.356.755	-
Financial liabilities from unrelated parties			
- Bank loans	5	4.758.870	802.166
- Lease liabilities	5	4.406	33.092
- Issued debt instruments	5	1.471.673	-
Current portion of long term financial liabilities			
Current portion of long term financial liabilities from unrelated parties			
- Bank loans	5	3.833.108	5.374.362
- Lease liabilities	5	622.819	556.271
- Issued debt instruments	5	270.696	351.387
Trade payables			
- Trade payables to related parties	8	173.777	-
- Trade payables to unrelated parties	6	9.294.752	7.729.147
Employee benefit obligations	12	604.529	215.114
Other payables			
- Other payables to unrelated parties	9	1.814.621	1.395.728
Derivative financial liabilities			
- Derivative financial liabilities held for trading	15	141.527	114.611
- Derivative financial liabilities held for hedging	15	-	159
Contract liabilities			
- Contract liabilities from sale of goods and service contracts	13	1.009.561	713.389
Current tax liabilities	32	67.524	160.514
Current provisions			
- Current provisions for employee benefits	21	569.405	319.140
- Other current provisions	21	200.431	210.495
Other current liabilities			
- Other current liabilities to unrelated parties	12	171.723	21.489
Total non-current liabilities		34.395.248	26.090.667
Long term financial liabilities			
Long term financial liabilities from unrelated parties			
- Bank loans	5	11.402.281	8.926.851
- Lease liabilities	5	892.391	850.097
- Issued debt instruments	5	17.307.353	12.909.151
Other payables			
- Other payables to unrelated parties	9	58.125	40.299
Derivative financial liabilities			
- Derivative financial liabilities held for hedging	15	-	351.986
Contract liabilities			
- Contract liabilities from sale of goods and service contracts	13	1.991.476	1.417.662
Non-current provisions			
- Non-current provisions for employee benefits	21	2.445.098	1.281.014
- Other non-current provisions	21	10.627	10.627
Deferred tax liabilities	11	287.897	302.980
Total liabilities		60.761.425	44.087.731

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Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current period	Prior period
		Audited	Audited
	Notes	31 December 2022	31 December 2021
Equity		19.970.279	14.249.904
Equity attributable to equity holders of the parent			
Issued capital	22	3.500.000	3.500.000
Inflation adjustments on capital	22	(239.752)	(239.752)
Other accumulated comprehensive income / (loss) that will not be reclassified in profit or loss			
Lossesfrom investments in equity instruments	22	(11.840)	(11.840)
Gains / (losses) on revaluation and remeasurement			
- Losses on remeasurements of defined benefit plans	22	(1.659.893)	(911.454)
- Increases on revaluation of property, plant and equipment	22	11.036.817	5.231.590
Gains / (losses) due to change in fair value of financial liability attributable to change in credit risk of liability	22	(27.934)	76.534
Effect of business combinations under common control	22	(1.320.942)	(1.320.942)
Other accumulated comprehensive income / (loss) that will be reclassified in profit or loss			
Gains / (Losses) on hedges			
- Gains on cash flow hedges	22	1.356.011	876.407
- Losses on hedges of net investment in foreign operations	22	(1.589.185)	(1.157.022)
Change in value of time value of options	22	(3.145.717)	(4.074.549)
Exchange differences on translation	22	2.167.156	1.555.755
Restricted reserves appropriated from profits		391.894	2.568.388
Retained earnings		5.378.818	2.395.335
Profit for the year		4.134.846	5.761.454
Total liabilities and equity		80.731.704	58.337.635

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current Period	Prior Period
		Audited	Audited
	Notes	1 January - 31 December 2021	1 January - 31 December 2022
Revenue	3, 26	48.042.285	34.272.934
Cost of sales (-)	28	(29.577.355)	(19.404.441)
Gross profit		18.464.930	14.868.493
General administrative expenses (-)	27	(4.266.213)	(2.735.464)
Marketing, sales and distribution expenses (-)	27	(3.936.550)	(2.644.196)
Research and development expenses (-)	27	(438.545)	(273.817)
Other operating income	29	789.251	602.899
Other operating expense (-)	29	(1.311.865)	(1.706.903)
Operating profit		9.301.008	8.111.012
Impairment gains / losses and reversals of impairment losses determined in accordance with IFRS 9, net		(193.886)	(186.174)
Investment activity income	30	2.628.947	1.143.333
Investment activity expenses (-)	30	(24.107)	(16.785)
Profit before financing expense		11.711.962	9.051.386
Finance income	31	2.948.624	5.015.420
Finance costs (-)	31	(12.824.112)	(8.445.964)
Profit before tax	3	1.836.474	5.620.842
Tax (expense) / income			
- Current period tax expense	32	(419.132)	(617.550)
- Deferred tax income	11, 32	2.717.504	758.162
Profit for the year		4.134.846	5.761.454
Earnings per shares attributable to equity holders of the parent (in full Kuruş)	22	1,1814	1,6461

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

	Other accumulated comprehensive income / (loss) that will not be reclassified in profit or loss							Other accumulated comprehensive income / (loss) that will be reclassified in profit or loss					Retained earnings / (losses)			
	Gains / (losses) on revaluation and remeasurement							Gains / (losses) on hedge					Restricted reserves appropriated from profits	Retained Earnings	Profit for the year	Total equity
	Issued capital	Inflation adjustments on capital	Effect of business combinati ons under common control	Gains / (losses) from investments in equity instruments	Increases on revaluation of property, plant and equipment	Gains / (losses) on remeasurements of defined benefit plans	Gains / (losses) due to change in fair value of financial liability attributable to change in credit risk of liability	Gains / (losses) on hedges of net investment in foreign operations	Gains / (losses) on cash flow hedges	Change in value of time value of options	Exchange differences on translation					
Balance at 1 January 2021	3.500.000	(239.752)	(1.320.942)	-	4.766.342	(782.420)	(88.747)	(593.149)	(320.668)	(717.854)	721.066	2.398.634	1.536.993	3.177.873	12.037.376	
Transfers	-	-	-	-	-	-	-	-	-	-	-	169.754	1.135.584	(1.305.338)	-	
Total comprehensive income	-	-	-	(11.840)	465.248	(129.034)	165.281	(563.873)	919.833	(3.356.695)	834.689	-	-	5.761.454	4.085.063	
Profit for period	-	-	-	-	-	-	-	-	-	-	-	-	-	5.761.454	5.761.454	
Other comprehensive income	-	-	-	(11.840)	465.248	(129.034)	165.281	(563.873)	919.833	(3.356.695)	834.689	-	-	-	(1.676.391)	
Dividends paid (Note 22)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.872.535)	(1.872.535)	
Other Adjustments	-	-	-	-	-	-	-	-	277.242	-	-	-	(277.242)	-	-	
Balance at 31 December 2021	3.500.000	(239.752)	(1.320.942)	(11.840)	5.231.590	(911.454)	76.534	(1.157.022)	876.407	(4.074.549)	1.555.755	2.568.388	2.395.335	5.761.454	14.249.904	
Balance at 1 January 2022	3.500.000	(239.752)	(1.320.942)	(11.840)	5.231.590	(911.454)	76.534	(1.157.022)	876.407	(4.074.549)	1.555.755	2.568.388	2.395.335	5.761.454	14.249.904	
Transfers	-	-	-	-	-	-	-	-	-	-	-	(2.176.494)	7.937.948	(5.761.454)	-	
Total comprehensive income	-	-	-	-	5.805.227	(748.439)	(104.368)	(432.163)	479.604	928.832	611.401	-	-	4.134.846	10.674.940	
Profit for period	-	-	-	-	-	-	-	-	-	-	-	-	-	4.134.846	4.134.846	
Other comprehensive income	-	-	-	-	5.805.227	(748.439)	(104.368)	(432.163)	479.604	928.832	611.401	-	-	-	6.540.094	
Dividends paid (Note 22)	-	-	-	-	-	-	-	-	-	-	-	-	(4.954.565)	-	(4.954.565)	
Other adjustments	-	-	-	-	-	-	(100)	-	-	-	-	-	100	-	-	
Balance at 31 December 2022	3.500.000	(239.752)	(1.320.942)	(11.840)	11.036.817	(1.659.893)	(27.934)	(1.589.185)	1.356.011	(3.145.717)	2.167.156	391.894	5.378.818	4.134.846	19.970.279	

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current Period	Prior Period
		Audited	Audited
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
Profit for the period		4.134.846	5.761.454
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss		4.952.420	489.655
Losses from investments in equity instruments	22	-	(11.840)
Gain from revaluation of property, plant and equipments, net	19	6.450.252	518.828
Losses on remeasurements of defined benefit plans	21	(931.742)	(160.582)
Change in fair value of financial liability attributable to change in credit risk of liability		(130.547)	206.601
Tax effect of other comprehensive income items not to be reclassified to profit or loss			
- Taxes relating to remeasurements of defined benefit plans		183.303	31.548
- Tax effect of revaluation of property, plant and equipment		(645.025)	(53.580)
- Taxes relating to change in fair value of financial liability attributable to change in credit risk of liability		26.179	(41.320)
Other comprehensive income that will be reclassified to profit or loss		1.587.674	(2.166.046)
Exchange differences on translation		611.401	834.689
Gains on cash flow hedges		599.505	1.163.766
(Losses) on hedges of net investments in foreign operations		(540.204)	(704.841)
Gains / (losses) on change in value of time value of options		1.161.040	(4.195.869)
Tax effect on other comprehensive income items to be reclassified to profit or loss			
- Taxes relating to cash flow hedges		(119.901)	(243.933)
- Taxes relating to losses on hedges of net investments in foreign operations		108.041	140.968
- Taxes relating to change in value of time value of options of other comprehensive (loss) / income		(232.208)	839.174
Other comprehensive income / (loss)		6.540.094	(1.676.391)
Total comprehensive income		10.674.940	4.085.063

The accompanying notes form an integral part of these consolidated financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current Period	Prior Period
		Audited	Audited
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
Net profit for the period:		4.134.846	5.761.454
Adjustments to reconcile profit:			
Adjustments for depreciation and amortisation expense	28	8.084.542	6.169.325
Adjustments for impairment loss / (reversal of impairment loss)			
- Adjustments for impairment loss of receivables		182.632	176.332
- Adjustments for impairment loss of inventories		993	1.184
- Adjustments for impairment loss of property, plant and equipment	28	16.731	32.882
- Other adjustments for impairment loss (reversal of impairment loss)		11.254	9.842
Adjustments for provisions			
- Adjustments for (reversal of) provisions related with employee benefits	21	1.099.055	626.958
- Adjustments for (reversal of) lawsuit and/or penalty provisions	21	78.868	192.014
- Adjustments for (reversal of) other provisions	21	-	2.121
Adjustments for interest expenses and income			
- Adjustments for interest income		(515.606)	(315.914)
- Adjustments for interest expense		3.237.789	2.173.688
- Deferred financial expenses from credit purchases		61.410	(23.083)
Adjustments for unrealised foreign exchange losses		7.995.870	2.701.224
Adjustments for fair value losses / (gains)			
- Adjustments for fair value (gains) / losses on derivative financial instruments		166.145	363.172
- Adjustments for fair value losses / (gains) of issued financial instruments		(557.225)	(3.332)
- Adjustments for fair value losses / (gains) of financial assets		(1.412.658)	-
Adjustments for tax expense / (income)	32	(2.298.372)	(140.612)
Adjustments for losses / (gains) on disposal of tangible assets			
- Adjustments for gains arises from sale of tangible assets	30	(1.192.181)	(1.126.548)
Other adjustments for which cash effects are investing or financing cash flow		197.903	111.783
Other adjustments for non-cash items	24	(416.475)	(295.807)
Operating profit before working capital changes		18.875.521	16.416.683
Changes in working capital:			
Adjustments for (increase) / decrease in trade receivables			
- (Increase) / decrease in trade receivables from related parties		(454.644)	(38.535)
- (Increase) / decrease in trade receivables from unrelated parties		(2.309.372)	(1.242.631)
Adjustments for (increase) / decrease in inventories		(243.768)	(192.151)
Adjustments for increase / (decrease) in trade payable			
- Increase / (decrease) in trade payables to related parties		173.777	-
- Increase / (decrease) in trade payables to unrelated parties		1.428.496	2.163.438
Adjustments for (increase) / decrease in other receivables related with operations			
- (Increase) / decrease in other unrelated party receivables related with operations		(443.727)	(450.266)
Adjustments for increase / (decrease) in other operating payables related with operations			
- Increase / (decrease) in other payables related with operations to unrelated parties		1.362.039	319.729
Cash flow from operations:			
Interest received		239.403	194.153
Payments related with provisions for employee benefits	21	(628.222)	(700.804)
Payments related with other provisions	21	(100.161)	(158.434)
Income taxes paid		(512.761)	(574.757)
Other outflows of cash	24	4.122	(55.353)
Net cash generated from operating activities		17.390.703	15.681.072

The accompanying notes form an integral part of these consolidated financial statements.

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Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current Period	Prior Period
		Audited	Audited
	Notes	1 January - 31 December 2022	1 January - 31 December 2021
Cash flows used in investing activities:			
Cash outflows arising from capital advance payments to associates and/or joint ventures	14	(10.925)	(7.555)
Proceeds from sale of property, plant, equipment and intangible assets			
- Proceeds from sales of property, plant and equipment		1.343.893	1.290.068
Purchases of property, plant, equipment and intangible assets			
- Purchase of property, plant and equipment		(7.637.397)	(4.099.756)
- Purchase of intangible assets		(6.368.673)	(4.575.845)
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds		(5.342.832)	-
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds		1.874.648	-
Net cash used in investing activities		(16.141.286)	(7.393.088)
Cash flows from financing activities:			
Proceed from borrowings			
- Proceeds from loans		8.649.682	3.305.686
- Cash inflows from issued debt instruments		2.330.150	-
Repayments of borrowings			
- Loan repayments		(8.221.309)	(7.252.780)
- Payment of issued of debt instruments		(1.511.513)	-
Payments of lease liabilities, net	24	(1.325.246)	(989.577)
Cash inflows / (outflows) from derivative instruments, net	24	3.109.537	2.641.504
Dividends paid	22	(4.954.565)	(1.872.535)
Interest paid		(2.336.194)	(1.974.081)
Interest received		276.203	121.761
Other cash (outflows) / inflows	24	(466.641)	(770.604)
Net cash used in financing activities		(4.449.896)	(6.790.626)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		(3.200.479)	1.497.358
IMPACT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		307.871	477.410
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		6.344.885	4.370.117
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	3.452.277	6.344.885

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Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

1. REPORTING ENTITY

Türk Telekomünikasyon Anonim Şirketi ("Türk Telekom" or "the Company") is a joint stock company incorporated in Turkey. The Company has its history in the Posthane-i Amirane (Department of Post Office) which was originally established as a Ministry on 23 October 1840. On 4 February 1924, under the Telephone and Telegraph, the authorization to install and operate telephone networks throughout Turkey was given to the General Directorate of Post, Telegraph and Telephone ("PTT"). The Company was founded on 24 April 1995 as a result of the split of the telecommunication and postal services formerly carried out by the PTT. All of the personnel, assets and obligations of the PTT pertaining to telecommunication services were transferred to the Company, the shares of which were fully owned by the Republic of Turkey Ministry of Treasury and Finance ("the Treasury").

On 24 August 2005, Oger Telekomünikasyon A.Ş. ("OTAŞ"), entered into a Share Sale Agreement with the Turkey's Privatization Authority for the purchase of a 55% stake in the Company. A Shareholders Agreement and a Share Pledge Agreement for the block sale of the Company were signed on 14 November 2005 and then after, OTAŞ became the parent company of the Company.

Out of TL 3.500.000 nominal amount of capital, 15% of the Company's shares owned by the Treasury corresponding to a nominal amount of TL 525.000 have been issued to the public through an initial public offering with the permission of Directorate of İstanbul Stock Exchange on 15 May 2008. Since then Company shares are traded in Borsa İstanbul with the name of TTKOM.

As per the regulatory disclosure made by Türk Telekom on 15 August 2018, within the scope of the process, which is carried out in relation to takeover of OTAŞ's 55% shares in our Company, Türk Telekom, by a special purpose vehicle ("SPV"), which the creditor banks of OTAŞ will be shareholders, a notification was made to our company by some of the creditor banks. The SPV mentioned in the said statements, LYY Telekomünikasyon A.Ş. ("LYY") has informed the Company that in accordance with Article 198 of the Turkish Commercial Code, all of the Group A shares, which constitute 55% of the Company's capital, have been transferred to LYY as of

December 21, 2018. Based on this notification, LYY has been registered as a shareholder in the Company's share book pursuant to Article 499 of the Turkish Commercial Code.

In the material event statement dated March 10, 2022 made by the company, LYY Telekomünikasyon A.Ş. (LYY), 55% owned by Türk Telekomünikasyon A.Ş. (Türk Telekom) share to the Turkey Wealth Fund (TWF), a share transfer agreement was signed between the parties, after the necessary approvals were obtained and the closing conditions were fulfilled, in the material event statement dated 31 March 2022, the transfer of the shares was completed, after the transfer, on 31 March 2022. It has been reported that the Turkish Wealth Fund (TWF) is the largest shareholder of Türk Telekom with 61,68% shareholding as of date.

Following the signing of the share transfer agreement stated in the aforementioned explanations, the Company was informed that as of March 31, 2022, all of the A Group shares, which constitute 55% of the Company's capital, were transferred to TWF in accordance with Article 198 of the Turkish Commercial Code. Based on this notification, TWF was registered as a new shareholder in the Company's share book in accordance with Article 499 of the Turkish Commercial Code.

As at 31 December 2022, the parent company and controlling party of the Company is Turkish Wealth Fund.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

1. REPORTING ENTITY (CONTINUED)

A concession agreement ("the Concession Agreement") was signed by the Company and Turkish Telecommunication Authority (now named the Information and Communication Technologies Authority ("ICTA") as at 14 November 2005. The Concession Agreement covers the provision of all kinds of telecommunication services, establishment of necessary telecommunications facilities and the use of such facilities by other licensed operators and the marketing and supply of telecommunication services for 25 years starting from 28 February 2001. The Concession Agreement will terminate on 28 February 2026 and in the conditions where the Concession Agreement is expired or not renewed, the Company shall transfer all equipment that affects the operation of its systems in full working order and the real estates in its use where these equipment are deployed to the ICTA or to an institution designated by the ICTA.

The Concession Agreement will expire at the end of its time period. However, the Company may apply to the ICTA and request for extension thereof no later than 1 year prior to the expiry of the duration of the Concession Agreement. The ICTA may decide to renew the Concession Agreement at the latest before 180 days of the date of expiration taking into account new conditions and within the scope of the legislation and the regulations of the ICTA. On 3 January 2023, the Company applied to the ICTA for the extension of the concession agreement for the execution of telecommunication services.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

1. REPORTING ENTITY (CONTINUED)

The details of the Company's subsidiaries as at 31 December 2022 and 31 December 2021 are as follows:

Name of Subsidiary	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				31 December 2022	31 December 2021
TTNet Anonim Şirketi ("TTNet")	Turkey	Internet service provider	Turkish Lira	100	100
TT Mobil İletişim Hizmetleri A.Ş. ("TT Mobil")	Turkey	GSM operator	Turkish Lira	100	100
Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret Anonim Şirketi("Argela")	Turkey	Telecommunication solutions	Turkish Lira	100	100
Innova Bilişim Çözümleri Anonim Şirketi ("Innova")	Turkey	Telecommunication solutions	Turkish Lira	100	100
Assist Rehberlik ve Müşteri Hizmetleri Anonim Şirketi ("AssistTT")	Turkey	Call center and customer relations	Turkish Lira	100	100
Sebit Eğitim ve Bilgi Teknolojileri A.Ş.("Sebit")	Turkey	Web Based Learning	Turkish Lira	100	100
NETSIA Inc.	USA	Telecommunications solutions	U.S. Dollar	100	100
Sebit LLC	USA	Web based learning	U.S. Dollar	100	100
TT International Holding B.V.("TT International") (*)	Netherlands	Holding company	Euro	100	100
Türk Telekom International AT GmbH ("TTINT Austria")(*)	Austria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Hu Kft (TTINT Hungary)(*)	Hungary	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
S.C. Euroweb Romania S.A.("TTINT Romania") (*)	Romania	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Bulgaria EOOD ("TTINT Bulgaria")(*)	Bulgaria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International CZ s.r.o ("TTINT Czech Republic") (*)	Czech Republic	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SRB d.o.o ("TTINT Serbia") (*)	Serbia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT Telekomunikacije d.o.o. ("TTINT Slovenia") (*)	Slovenia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SK s.r.o ("TTINT Slovakia") (*)	Slovakia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TT International Telekomünikasyon Sanayi ve Ticaret Limited Şirketi ("TTINT Turkey") (*)	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International UA LLC ("TTINT Ukraine") (*)	Ukraine	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Italy S.R.L. (TTINT Italy) (*)	Italy	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT International MK DOOEL ("TTINT Macedonia") (*)	Macedonia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International RU LLC ("TTINT Russia") (*)	Russia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekomünikasyon Euro GmbH. In Liquidation ("TT Euro") (*)	Germany	Mobil service marketing	Euro	100	100
Türk Telekom International d.o.o.(*)	Croatia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International HK Limited (*)	Hong Kong	Internet/data services, infrastructure and wholesale voice services provider	H.K. Dollar	100	100
Net Ekran TV ve Medya Hiz. A.Ş. ("Net Ekran")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
TTES Elektrik Tedarik Satış A.Ş.("TTES")	Turkey	Electrical energy trading	Turkish Lira	100	100
TT Ödeme ve Elektronik Para Hizmetleri A.Ş.	Turkey	Mobile finance	Turkish Lira	100	100
Net Ekran1 TV ve Medya Hiz. A.Ş. ("Net Ekran1")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran2 TV ve Medya Hiz. A.Ş. ("Net Ekran2")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran3 TV ve Medya Hiz. A.Ş. ("Net Ekran3")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran4 TV ve Medya Hiz. A.Ş. ("Net Ekran4")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran6 TV ve Medya Hiz. A.Ş. ("Net Ekran6")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran10 TV ve Medya Hiz. A.Ş. ("Net Ekran10")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran11 TV ve Medya Hiz. A.Ş. ("Net Ekran11")	Turkey	Television and radio broadcasting	Turkish Lira	100	100
TT Satış ve Dağıtım Hizmetleri Anonim Şirketi	Turkey	Selling and distribution services	Turkish Lira	100	100
TT Ventures Proje Geliştirme A.Ş.	Turkey	Corporate venture capital	Turkish Lira	100	100
TT Destek Hizmetleri A.Ş.	Turkey	Provider of combined facilities support activities	Turkish Lira	100	100
APPYAP Teknoloji ve Bilişim A.Ş.	Turkey	Web portal and computer programming activities	Turkish Lira	100	100
TTG Finansal Teknolojiler A.Ş.	Turkey	Financial advisory services	Turkish Lira	100	100
TTG Ventures Marketing Inc.	USA	Retail and wholesale trade of software programs	U.S. Dollar	100	-
TT Ventures Girişim Sermayesi Yatırım Fonu (**)	Turkey	Venture capital investment fund	Turkish Lira	-	-
Assistt Holland BV	Netherlands	Call center activities	Euro	100	-
TT Finansman A.Ş.	Turkey	Consumer finance company activities	Turkish Lira	100	-

(*) Hereinafter, will be referred as TTINT Group.

(**) Included in the consolidated financial statements in accordance with TFRS 10 Consolidated Financial Statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

1. REPORTING ENTITY (CONTINUED)

The details of the Company's joint operation as at 31 December 2022 and 31 December 2021 are as follows:

Name of Joint Operation	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				31 December 2022	31 December 2021
TT Mobil-Vodafone Evrensel İş Ortaklığı	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Turkish Lira	51	51

Hereinafter, Türk Telekom and its subsidiaries and joint operations together will be referred to as "the Group".

The Group's principal activities include the provision of local, national, international and mobile telecommunication services, internet products and services, as well as call center and customer relationship management, technology and information management.

The Company's registered office address is Turgut Özal Bulvarı, 06103 Aydınlıkevler, Ankara.

The number of personnel subject to collective agreement as at 31 December 2022 is 9.869 (31 December 2021: 10.230) and the number of personnel not subject to collective agreement as at 31 December 2022 is 29.564 (31 December 2021: 25.638). The total number of personnel as at 31 December 2022 and 31 December 2021 are 39.433 and 35.868, respectively

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation of the consolidated financial statements

a) Statement of compliance with TAS

The accompanying consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards ("TFRS") published by Public Oversight Accounting and Auditing Standards Authority ("POA") as set out in the Communiqué numbered II-14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 30794 on 7 June 2019.

Approval of the financial statements:

The consolidated financial statements are approved by the Company's Board of Directors on 22 February 2023.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation of the consolidated financial statements (continued)

b) Correction of financial statements during the hyperinflationary periods

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country.

However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29.

In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of 31 December 2022.

c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the property, plant and equipment other than lands and investment property acquisitions prior to 1 January 2000 for which the deemed cost method was applied in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies", lands, derivative financial instruments, issued debt instruments which have been measured at fair value through profit or loss. Investment properties and tangible assets other than lands which are recognized with deemed cost method are valued with fair values as of 1 January 2000, lands accounted as property, plant and equipment, derivative financial instruments and issued debt instruments which have been measured at fair value through profit or loss, are valued with fair values as of balance sheet date. The methods used in fair value measurement are also specified in note 20 and note 33.

d) Functional and presentation currency

Excluding the subsidiaries incorporated outside of Turkey, functional currency of all entities' included in consolidation is Turkish Lira ("TL") and they maintain their books of account in TL in accordance with Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

Functional currencies of the subsidiaries and Company's joint operation are presented in Note 1.

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Turkish Accounting Standards published by the POA and are presented in TL.

2.2 Basis of consolidation

The accompanying financial statements include the accounts of the parent company Türk Telekom; its subsidiaries and joint operation. The financial statements of the entities included in the consolidation have been prepared as at the date of the consolidated financial statements.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Basis of consolidation (continued)

a) Subsidiaries

As at 31 December 2022, the consolidated financial statements include the financial results of Türk Telekom and its subsidiaries that the Group has control over its financial and operational policies which are listed at Note 1.

Control is normally evidenced when the Company controls an investee if and only if the Company has all the following; a) power over the investee b) exposure, or rights, to variable returns from its involvement in the investee and c) the ability to use its power over the investee to affect the amount of company's returns. The results of subsidiaries acquired are included in the consolidated statements of income from the effective date of acquisition as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. The consolidated financial statements are prepared using uniform accounting policies for similar transactions and events and are prepared with the same chart of accounts of the Company.

b) Business combinations

From 1 January 2010 the Group has applied revised TFRS 3 "Business Combinations" standard. The change in accounting policy has been applied prospectively and had no effect on business combinations completed during prior periods.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquirer.

The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the entity and the equity interests issued by the Group. When the agreement with the seller includes a clause that the consideration transferred could be adjusted for future events, the acquisition-date fair value of this contingent consideration is included in the cost of the acquisition. All transaction costs incurred by the Group have been recognized in general administrative expenses.

For each business combination, the Group elects whether it measures the non-controlling interest in the acquirer either at fair value or at the proportionate share of the acquirer's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquirer.

Acquisition method requires allocation of the acquisition cost to the assets acquired and liabilities assumed at their fair values on the date of acquisition. Acquired assets and liabilities and contingent liabilities assumed according to TFRS 3 are recognized at fair values on the date of the acquisition. Acquired company is consolidated starting from the date of acquisition.

If the fair values of the acquired identifiable assets, liabilities and contingent liabilities or cost of the acquisition are based on provisional assessment as at the balance sheet date, the Group made provisional accounting. Temporarily determined business combination accounting has to be completed within twelve months following the combination date and adjustment entries have to be made beginning from the combination date.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Basis of consolidation (continued)

c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

d) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies of the Group entities at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the exchange rate ruling at the date. Foreign currency differences arising on translation of foreign currency transactions are recognized in the income statement, except for differences arising on qualifying cash flow hedges to the extent the hedge is effective, which are recognized in other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to reporting currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to reporting currency at average exchange rates in the related periods.

Foreign currency differences are recognized in other comprehensive income and presented in the foreign currency translation reserve in equity.

The Group entities use USD, EUR or TL, as functional currency since these currencies are used to a significant extent in, or have a significant impact on, the operations of the related Group entities and reflect the economic substances of the underlying events and circumstances relevant to these entities. All currencies other than the functional currency selected for measuring items in the financial statements are treated as foreign currencies. Accordingly, transactions and balances not already measured in the functional currency have been remeasured to the related functional currencies. The Group uses TL as the reporting currency.

The financial statements of subsidiaries that report in the currency of an economy formerly accepted as hyperinflationary (Turkey) are restated to the unit of currency effective at the reporting date until 1 January 2005. As stated above, with the resolution dated 17 March 2005 to end the hyperinflation accounting for the periods starting after 31 December 2004, TL is not assessed as a currency of a hyperinflationary economy effective from 1 January 2005.

The foreign currency exchange rates as of the related periods are as follows:

	Average		Period end buying		Period end selling	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
EUR / TL	17,3642	10,4419	19,9349	15,0867	19,9708	15,1139
USD / TL	16,5512	8,8567	18,6983	13,3290	18,7320	13,3530

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Basis of consolidation (continued)

d) Foreign currency (continued)

iii) Hedge of net investment in a foreign operation

The Company acquires foreign currency bank loans in order to hedge its net investment in a foreign operation. Foreign exchange gain and/or loss resulting from the subsidiary's net investment portion of this loan is reclassified to other comprehensive income. Foreign exchange gain and/or loss resulting from the subsidiary's net investment portion of this loan reclassified to other comprehensive income will be transferred to profit and loss in case of disposal. Tax effects of foreign exchange gain and/or loss resulting from the subsidiary's net investment portion of this loan is recognized under other comprehensive income as well.

2.3 Summary of significant accounting policies

a) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI – equity investment, or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

This election is made on an investment-by-investment basis. The Group holds 6,84 % of shares of Cetel as equity investment and has elected to present changes in fair value of Cetel in other comprehensive income. Cost of Cetel is used as a measure for its fair value since management has insufficient more recent information to measure fair value.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (Note 15) and equity investments measured at FVTPL.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

a) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

'Principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

a) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Trade receivables and other receivables meet solely payments of principal and interest test since principal is the present value of the expected cash flows. Those receivables are managed in line with the held to collect business model.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	Financial assets at FVTPL are comprised of derivatives. These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognized in profit or loss.
Financial assets at amortized cost	Financial assets at amortized cost are comprised of cash and cash equivalents, trade receivables, other receivables and other assets. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Equity investments at FVOCI	Equity investments at FVOCI include the Group's 6,84% of share of Cetel. These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash held in cash, deposits held in banks and other liquid investments with maturities of 3 months or less. Cash and cash equivalents used in the reporting of cash flows comprise cash and cash equivalents with a maturity of less than 3 months, excluding accrued interest income and blocked deposits. The Group calculates impairment by using the expected credit loss model in cases where cash and cash equivalents are not impaired for a certain reason. The expected credit loss calculation considers the past experiences of credit losses as well as the Group's forecasts for the future.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The Group does not have any financial liabilities at FVTPL except for derivatives and issued debt instruments.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

a) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Non-derivative financial liabilities

The Group initially recognized debt securities issued and subordinated liabilities on the date that they were originated. All other financial liabilities were recognized initially on the trade date, which was the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classified non-derivative financial liabilities into the other financial liabilities category except for issued debt instruments. Such financial liabilities were recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities were measured at amortized cost using the effective interest method.

Other financial liabilities were comprised of loans, trade and other payables, payables to related parties and other payables.

The amount of change in the fair value of the issued debt instruments at FVTPL that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income and the remaining amount of change in the fair value is recognized in profit or loss.

Trade payables were payables to third parties in relation to their capacity as suppliers. Payables stemming from transactions with parties that were not suppliers or customers which were not classified as trade payables and were not a result of financing operations were recognized as other payables.

When a financial instrument gave rise to a contractual obligation on the part of the Group to deliver cash or another financial asset or to exchange another financial instrument under conditions that were potentially unfavourable, it was classified as a financial liability. The instrument was equity instrument if, the following were met:

a) The instrument included no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that were potentially unfavourableto the Group.

b) If the instrument would or might be settled in the Group's own equity instruments, it was a non-derivative that included no contractual obligation for the Group to deliver a variable number of its own equity instruments; or a derivative that would be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Borrowing Costs

If financing costs arising from the loans are associated with acquisition or construction of qualifying assets, they are included in cost value of qualifying assets. Qualifying assets refer to assets which require a long time to be available for use or sales as intended. Other borrowing costs are accounted in statement of profit or loss in the period they occur.

iii. Derecognition

Financial assets

The Group derecognized a financial asset when the contractual rights to the cash flows from the asset expired, or it transferred the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset were transferred. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

a) Financial instruments (continued)

iii. Derecognition (continued)

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Impairment

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
 - contract assets (as defined in TFRS 15).
- Under TFRS 9, loss allowances are measured on either of the following bases:
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument; and
 - 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
- The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:
- bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables, other receivables, other assets and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

a) Financial instruments (continued)

v. Impairment (continued)

Financial instruments and contract assets (continued)

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

12-month expected credit losses are that result from possible default events within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls.

ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses prescribed in TFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The Group performed the calculation of ECL rates separately for individual, corporate, public and wholesale customers. The ECLs were calculated based on actual credit loss experience over the past years.

Exposures within each group were segmented based on common credit risk characteristics such as delinquency status.

Actual credit loss experience was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Future collection performance of receivables are estimated by considering general economic conditions to incorporate forward looking information to the expected credit loss calculations.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of an active market for a security because of financial difficulties.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

a) Financial instruments (continued)

v. Impairment (continued)

Presentation of impairment in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of profit or loss. Impairment losses on other financial assets are presented under 'general administrative expenses', similar to the presentation under TAS 39, and not presented separately in the consolidated statement of profit or loss due to materiality considerations.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where trade receivables, other receivables, other assets and contract assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

vi. Derivative financial instruments

Cash flow hedges

The Group has adopted TFRS 9 Financial Instruments, replacing TAS 39 in accordance with the risk management strategy and objectives as of 1 July 2018. The high-level aim of the new hedge accounting model is that financial reporting will reflect more accurately how an entity manages its risk and the extent to which hedging mitigates those risks. Specifically, the new model aims to provide a better link between an entity's risk management strategy, the rationale for hedging and the impact of hedging on the financial statements.

The Group enters into participating cross currency swap transactions in order to hedge the changes in cash flows of floating and fixed rate financial instruments. While applying cash flow hedge accounting, the effective portion of the changes in the fair value of the hedging instrument is accounted for under "other comprehensive income/expense items to be reclassified to profit or loss" in equity, and the ineffective portion is recognized in profit or loss. The changes recognized in equity is removed and included in profit or loss in the same period when the hedged cash flows effect the profit or loss. In addition, time value of options included in participating cross currency swaps are accounted for cost of hedging and recognized under other comprehensive income.

Under IFRS 9, a hedging relationship is discontinued in its entirety when as a whole it ceases to meet the qualifying criteria after considering the rebalancing of the hedging relationship. Voluntary discontinuation when the qualifying criteria are met is prohibited. Hedge accounting is discontinued when the risk management objective for the hedging relationship has changed, the hedging instrument expires or is sold, terminated or exercised, and there is no longer an economic relationship between the hedged item and hedging instrument or when the effect of credit risk starts dominating the value changes that result from the economic relationship.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

a) Financial instruments (continued)

vi. Derivative financial instruments (continued)

Cash flow hedges (continued)

When the Group discontinues hedge accounting for a cash flow hedge it shall account for the amount that has been accumulated in the cash flow hedge reserve in accordance as follows;

-if the hedged future cash flows are still expected to occur, that amount shall remain in the cash flow hedge reserve until the future cash flows occur.

-if the hedged future cash flows are no longer expected to occur, that amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment. A hedged future cash flow that is no longer highly probable to occur may still be expected to occur. The amount recognized in OCI prior discontinuation will be reclassified from OCI to Profit and Loss, in accordance with the contractual cash flow of the hedged item.

The new hedge effectiveness testing model is prospective only and can be qualitative, depending on the complexity of the hedge. Effectiveness range 80%-125% in TAS 39 is replaced by an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relation.

b) Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment ("PPE") of the Group other than lands is carried at cost less accumulated depreciation and any accumulated impairment losses. The Group elected to measure property, plant and equipment of the Company on a deemed cost basis in the first period of application of TAS 29 "Financial Reporting in Hyper Inflationary Economy" since detailed records of the acquisition date and costs of items of PPE were not available for the Company prior to 1 January 2000. The deemed cost values for buildings as at 1 January 2000 were appraised by CMB licensed real-estate valuation companies. The network equipment and vehicles values were appraised by Detecon International GmbH (a subsidiary of Deutsche Telecom AG).

Other than the PPE for which cost was determined on a deemed cost basis, the cost of PPE generally comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. PPE that are recognized at deemed cost basis or at cost are restated for the effects of inflation until 31 December 2004 in accordance with TAS 29.

Lands accounted as property, plant and equipment are measured at revalued amount. Revalued amount for lands is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor costs are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are calculated as the difference between the net proceeds from disposal and the carrying amount of the item and are recognized net within "income / (expense) from investing activities" in profit or loss.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

b) Property, plant and equipment (continued)

ii) Subsequent cost

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in consolidated statement of profit / (loss) as incurred.

iii) Depreciation

Depreciation is calculated effective from purchase or replacement date to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Land is not depreciated.

Useful lives of property, plant and equipment are as follows:

Property plant and equipment	Useful life (years)
Buildings	21-50 years
Outside plant	5-21 years
Transmission equipment	5-21 years
Switching equipment	5-8 years
Data networks	3-10 years
Vehicles	5 years
Furniture and fixtures	3-5 years
Set-top box and satellite receiver	4 years
Other property, plant and equipment	2-8 years

Useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The remaining useful lives of the PPE of the Company are limited to the concession periods. Considering the Concession Agreement the remaining useful lives of tangible fixed assets are 3,2 years at the most.

Leased assets are depreciated by the same method used for property and equipment over the shorter of the lease term and their useful lives.

c) Intangible assets

i) Goodwill

Goodwill that arises on the acquisition of subsidiaries is included in intangible assets.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

c) Intangible assets (continued)

i) Goodwill (continued)

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Transactions costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged to the consolidated income statement during the year when the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or infinite. The Group does not have any intangible assets with infinite useful lives. Intangible assets with finite lives are amortized on a straight line basis over the shorter of their useful economic lives or remaining concession period. Whenever there is an indication that the intangible asset may be impaired it is assessed for impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed each financial year end at least.

Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated income statement. The amortization periods for intangible assets are between 3 and 25 years. The remaining useful lives of the intangible items are limited to the concession period. Considering the Concession Agreement, the remaining useful lives of intangible assets are 3,2 years at the most.

iii) Research and development

Research costs are expensed as incurred. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Impairment test is performed periodically in order to identify whether there is any impairment in the development stage. After initial recognition, development costs are recognized at cost less amortization and impairment. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Periodic impairment tests are applied to the assets in order to foresee any probable impairment on the assets in the period that they are not ready for utilization yet.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

c) Intangible assets (continued)

iv) TV contents

Rights to feature contents such as films, TV shows etc. acquired under license agreements along with related obligations are recorded at the contract value when a license agreement is executed or the license period has begun. The amounts recognized are amortized on the licensing period or a per play basis over the licensing period. To the extent that it is determined that the content has no future programming usefulness and will no longer be exploited, the unamortized cost of the content is written off.

d) Investment properties

Investment properties, which are properties held to earn rent and/or for capital appreciation are measured initially at cost plus all direct transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. The Group decided to measure investment property on a deemed cost basis in the first period of application of TAS 29, since detailed records of the acquisition date and costs of items of investment property were not available prior to 1 January 2000 and restated these deemed cost basis for the effects of inflation until 31 December 2004.

Investment properties are transferred from/to property, plant and equipment when their utilization purpose is changed. When investment properties are disposed, the difference between sales revenue and the carrying amount is charged to the consolidated income statement.

Market values of the investment properties at 1 January 2000 were determined by CMB licensed independent real-estate appraisers. Following initial recognition, investment properties are carried at costs less any accumulated amortization and any accumulated impairment losses.

Depreciation is charged to investment properties excluding land, over their estimated useful economic lives, using the straight-line method. The useful lives of buildings that are owned by the Group range between 15 - 50 years. The remaining useful life of the investment property is limited by the concession agreement, except for the exception of the concession agreement. When considering the Concession agreement the remaining useful lives of investment property is 3,2 years at the most.

e) Assets held for sale

The Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or the group of assets held for sale) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. For the sale to be highly probable management must be committed to a plan to sell the asset (or the group of assets held for sale) and an active program to set the buyers and complete the plan must have been initiated. Furthermore, the asset (or the group of assets held for sale) must be actively marketed for sale at a price that is reasonable in relation to its fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

e) Assets held for sale (continued)

In case the period to complete sale of assets is extended due to circumstances which are not under the control of the Group, the assets will continue to be classified as assets held for sale provided that the Group has still an active sales program.

The Group measures assets held for sale at the lower of its carrying amount and fair value less costs to sell. The Group does not depreciate a non-current asset when it is classified as held for sale and the gain or loss arising from the sale of the assets is classified at income / expense from investing activities accounts.

f) Leases

The Group has applied TFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under TAS 17 and TFRS Interpretation 4. The details of accounting policies under TAS 17 and TFRS Interpretation 4 are disclosed separately.

g) Inventory

Inventories are recognized at the lower of cost and net realizable value. Costs comprise purchase cost and, where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value is the less marketing, selling and other various expenses to be incurred in order to realize sale.

h) Impairment

Non-financial assets

Property, plant and equipment

At each balance sheet date, the Group assesses whether there is an indication that any of its PPE and intangible assets may be impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the consolidated income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated income statement.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

h) Impairment (continued)

Non-financial assets (continued)

Property, plant and equipment (continued)

Goodwill

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Whenever the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the consolidated income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the acquisition, irrespective of whether other assets or liabilities are assigned to these units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amounts of the net assets assigned to the cash-generating unit, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Reserve for employee severance indemnity

Payments to defined contribution retirement benefit plans are charged as an expense in the year in which the contributions relate to. Payments made to the Social Security Institution of Turkey and Turkish Republic Retirement Fund are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense in the period to which the employees' service relates.

For defined benefit plans and other long-term employment benefits, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. The Company recognizes the service cost of the previous period as expense at the earlier of the dates below:

- a) The date of the change or reduction in the plan, and
- b) The date of the recognition of the related restructuring costs (see: TAS 37) or the benefits deriving from the termination of the employment contract,

The retirement benefit obligation recognized in consolidated statement of financial position represents the present value of the defined benefit obligation as adjusted for any unrecognized past service cost. There is no funding requirement for defined benefit plans. The Group recognizes actuarial gains and losses in the other comprehensive income.

j) Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

k) Contingent assets and liabilities

Possible assets or obligations that arise from past events and for which their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Group are treated as contingent assets or liabilities. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If the possibility of transfer of assets is probable, contingent liability is recognized in the financial statements.

A contingent asset is disclosed in consolidated financial statements, when the possibility of an inflow of economic benefits to the entity is probable. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

l) Related parties

a) Parties are considered related to the Company if a person or a close member of that person's family is related to a reporting entity;

if that person:

- i. Has control or joint control over the reporting entity;
- ii. Has significant influence over the reporting entity; or
- iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) The entity and the reporting entity are members of the same group.

- The entity and the company are members of the same group.
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by a person identified in (a).
- A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

m) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer.

i) Fixed line revenues

Revenues from fixed-line telecommunication services like network access, local usage, domestic and international long distance and infrastructure leases are recognized on an accrual basis as services are provided.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

m) Revenue (continued)

i) Fixed line revenues (continued)

Connection fees that are assessed as distinct are recognized as revenue. Connection fees for activities that are an improvement to or an extension of the Group's own network, rather than a transfer of goods or services to the customer are determined as not distinct and no separate revenue is recognized. For distinct connection fees in a bundle, revenue recognized is measured based on their stand-alone selling prices. The stand-alone selling prices of connection fees are estimated based on expected cost plus a margin approach. Distinct connection fees are immediately recognized as revenue when connection services are provided and the cost of connection is also recognized immediately as an expense.

Revenues from sale of indefeasible right of use contracts, which are long term capacity/line rental arrangements, are accounted over the term of the contract.

ii) Mobile revenues

Revenues generated from mobile telecommunication services such as outgoing and incoming traffic, roaming revenues, revenues from value added services and monthly fees which are recognized at the time services are rendered. With respect to prepaid outgoing revenues, the Group generally collects cash in advance by selling scratch cards to dealers and distributors. In such cases, the Group does not recognize revenues until the subscribers use the service and present such amounts under deferred revenues in the consolidated financial statements.

The Group recognizes content revenue based on the agreement between the Group and the content providers. As the Group is the primary obligor of the service, the revenue received from the subscribers is presented on gross basis and the portion paid to the content providers is recognized as operating expense.

iii) Equipment sale revenues

Revenues from sales of phone device, modem and other network equipment are recorded as revenue when control over a product or service is transferred to a customer.

For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it either on its own or together with other resources that are readily available to the customer. The consideration is allocated between distinct products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells those products and services separately. For items that are not sold separately the Group estimates stand-alone selling prices using the expected cost plus a margin approach. Equipment revenues are presented in other revenues. Cost of products and services are recognized as expense when related revenue is recognized.

iv) TV revenues

Revenues from TV subscriptions are charged to contract customers on a monthly basis. Revenues are invoiced and recorded as part of a periodic billing cycle, and are recognized as the services are provided. Pay-per-view revenue is recognized when the movie is rented. Advertising revenue is recognized as the commercials are aired.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

m) Revenue (continued)

v) Subscriber acquisition costs

Subscriber acquisition costs include commissions and premiums incurred for acquisition and retention of subscribers.

The Group capitalizes these commission and premiums as incremental costs of obtaining a contract with a customer and if they are expected to be recovered. Subscriber acquisition costs are amortized consistently during the subscriber life cycle and subscriber retention costs are amortized consistently during the renewal period and amortization expense is recognized in marketing, sales and distribution expenses.

vi) Significant financing component

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration for the time value of money if that contract contains a significant financing component. Significant financing component exists if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

Indefeasible right of use ("IRU") contracts of the Group are adjusted for significant financing component. For bundled contracts where the control of equipment is transferred to the customer upfront but collection is made in instalments, no significant financing component is recognized based on materiality considerations.

n) Income from investing activities and expense from investing activities

Income from investing activities are comprised of incomes from scrap and property, plant and equipment sales.

Expense from investing activities are comprised of loss on sales of property, plant and equipment sales.

o) Financial income and financial expenses

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- transaction cost;
- coupon payments of bond;
- gains and losses on hedging instruments recognized in profit or loss;
- foreign currency gains or losses on financial assets and financial liabilities.

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

o) Financial income and financial expenses (continued)

Borrowing costs that cannot be matched with acquisition, construction or production of an asset are recognized in profit or loss by using effective interest rate.

Rediscount, interest and foreign exchange gains and losses arising from trading transactions are recognized in other operating income and expense.

Accounting for significant financing component is disclosed in detail in Note 2.4.(m).

p) Earnings per share

Earnings per share is calculated by dividing the consolidated profit/(loss) for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

r) Taxes

Income tax expense is comprised of current and deferred tax. Income tax expense is recognized in the consolidated statement of profit / (loss) except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income.

i) Current tax

Current tax is comprised of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Prepaid corporation taxes and corporate tax liabilities are offset when they relate to income taxes levied by the same taxation authority.

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

ii) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group's able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

r) Taxes (continued)

ii) Deferred tax (continued)

The Company and the other consolidated subsidiaries have reflected their deferred tax asset and liabilities by netting their individual balances; however, there is no netting on a consolidation basis. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized.

Deferred tax assets are recognized for unused tax loses, unused tax credits a deductible temporary differences to the extent that it is possible that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

iii) Tax exposures

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's board of directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

t) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. This fair value is determined at initial recognition and at the end of each reporting period for disclosure purposes.

ii) Derivative

The fair value of interest rate swaps and forward exchange contracts are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

t) Determination of fair values (continued)

iii) Issued debt instruments

The fair values of issued debt instruments are measured by using quoted market price at the date of valuation.

iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

v) Lands

Lands accounted as property, plant and equipment are measured at revalued amount. Revalued amount for lands is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

vi) Foreign currency protected TL Deposits

Foreign currency protected TL Deposits are a financial asset with cash flows that include principal and interest, but they also feature a derivative product, as these cash flows may change depending on the change in exchange rates. Therefore, Currency Foreign currency protected TL Deposits are considered as hybrid contracts and accounted as financial assets whose fair value is recognized in profit or loss in line with the directions of TFRS 9 regarding hybrid contracts. Changes in the fair value of foreign currency protected TL Deposits are accounted in the "Income/Expense from Investing Activities" Item in the Statement of Profit or Loss and Other Comprehensive Income.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of 1 January 2022 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2022 are as follows:

Amendments to TFRS 3 - Reference to the Conceptual Framework

In July 2020, POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

The amendments did not have a significant impact on the financial position or performance of the Group.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

The new standards, amendments and interpretations (continued)

i) The new standards, amendments and interpretations which are effective as at 1 January 2022 are as follows (continued):

Amendments to TAS 16 - Proceeds before intended use

In July 2020, POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 37 - Onerous contracts - Costs of Fulfilling a Contract

In July 2020, POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

The amendments did not have a significant impact on the financial position or performance of the Group.

Annual Improvements - 2018 - 2020 Cycle

In July 2020, POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the "10 per cent test" for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 – The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 1 – Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 8 – Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.3 Significant accounting policies (continued)

The new standards, amendments and interpretations (continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (continued)
In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

Overall, the Group expects no significant impact on its balance sheet and equity.

Amendments to TFRS 16 – Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

2.4 Significant accounting assessments, estimates and assumptions

In the process of applying the Group's accounting policies, the management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (excluding those involving estimations).

i) *Operating Lease Commitments – Group as Lessor:* The Company has entered into a cross-occupation agreement with PTT. The Group has determined that it retains all the significant risks and rewards of ownership of its properties subject to the agreement which are leased out on operating leases.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.4 Significant accounting assessments, estimates and assumptions (continued)

ii) *Income from Sales Campaign:* Group makes sales campaigns with suppliers under which they bundle telecommunication services with equipment supplied by the suppliers. The Group management accounts bundled offers as an agent if the sale transaction satisfies the below conditions:

- a) Group, has no inventory risk.
- b) Group has no responsibility on technical qualifications of equipment delivered to customers and responsibility after sale belongs to supplier.
- c) Group does not make any modification on the equipment.
- d) Group earns either a fixed rate of commission or zero profit on the transaction.

iii) *Prepaid Card Sales Agent – Principal Analysis:* Since TT Mobil is primarily responsible for providing the service, has credit and inventory risk and determinant in setting prices; starting from April 2010, TT Mobil recognizes prepaid card incomes on a gross basis.

iv) *Commission income:* The Group renders intermediary collection services regarding handsets sold by the distributors at the Group exclusive sale channels. Accordingly, the arrangement with the customer includes both handset principal amount and GSM services. Total considerations have been collected from the customers with up to 24 month instalments via GSM bills where each benefit is clearly identifiable and separable. The Group does not recognize any revenues from the sale of handsets and acts as an agent since it has no control over price, nor risk on stock. However, the collection risk of handset principal amount is on the Group and the distributors collect this amount from the Group on monthly basis. Apart from the GSM revenues, since customer base and sales channels are made available to the distributors, the Group charges a commission to those distributors. This commission income is classified under other revenues and it is recognized when the handset is delivered to the customer.

v) *Content Sales:* Since TT Mobil is primarily responsible for providing the service, has credit and determinant in setting prices; TT Mobil recognizes content revenues on a gross basis.

vi) *Liabilities within the scope of vendor financing:* For capital expenditures, the Group carries out vendor financing with some of its suppliers in accordance with the agreements made with banks and those suppliers. Since the terms are not substantially different with the discounted present value of the cash flows under the new terms of the liabilities, the Group continues to classify those liabilities as trade payables.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

The Group determines whether property, plant and equipment are impaired by estimating the recoverable amount of the assets whenever there is an indication of impairment. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows (Note 16).

The estimates used by the Group in the application of TFRS Interpretation 12 are as follows:

a) The Company assesses that approximately 30% of the foreseen network investments related to the replacement of the network equipment which are reclassified to intangible assets and which are then recognized in the financial statements as intangible assets are the contractual replacements as required by the concession agreement. The Group has provided a provision amounting to TL 10.627 (31 December 2021: TL 10.627) (Note 21) in the consolidated financial statements for the foreseen contractual replacements in the future. Aforementioned provision is the present value of the contractual replacement expenses as at 31 December 2022 that will be realized in the future. Discount rate used in the provision calculation is determined as 20,8% (31 December 2021: 16,6%).

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.4 Significant accounting assessments, estimates and assumptions (continued)

Key sources of estimation uncertainty (continued)

b) In accordance with TFRS Interpretation 12, the Company has determined the cost of the investments in intangible assets recognized under the scope of TFRS Interpretation 12 by adding the profit margin, which is applied in the market for similar construction services, to the cost of acquiring the related network equipment. The estimated profit margin used in construction services provided in exchange for concession right is 13% (31 December 2021: 13%) for the year ended as of 31 December 2022. The profit margin of property, plant and equipment accounted within the scope of TFRS Interpretation 12 amounting to TL 3.621.093 (31 December 2021: TL 2.571.246) (Note 20) is TL 416.475 for the year ended as of 31 December 2022 (31 December 2021: TL 295.807) (Note 3).

– A deferred tax asset is recognized only to the extent that it is probable that a tax benefit will be realized in the future. If it is probable that a tax benefit will be realized, a deferred tax asset is recognized on unused tax losses, unused tax credits and other deductible temporary differences. With the expectation to recover certain part of its tax losses carried forward in Türk Telekom, TT Mobil and TTINT group has recognized deferred tax assets on statutory tax losses available for offsetting with future statutory taxable profits. Every year, the Group re-assesses its tax loss carry forwards and if there is a material change in the deferred tax asset recognized in the consolidated financial statements, the deferred tax assets are also changed (Note 11).

c) Assumptions used in the impairment test of property, plant and equipment and intangible assets have been explained in Note 16.

– For trade receivables, other receivables, other assets and contract assets the Group applies the simplified approach to providing for expected credit losses prescribed in TFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The Group performed the calculation of ECL rates separately for individual, corporate, public and wholesale customers. The ECLs were calculated based on actual credit loss experience over the past years. Exposures within each group were segmented based on common credit risk characteristics such as delinquency status. Actual credit loss experience was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Future collection performance of receivables is estimated by considering general economic conditions to incorporate forward looking information to the expected credit loss calculations.

Assumptions used by Company in goodwill impairment test are explained in Note 16. The Group determines the useful life of an asset by considering its future economic benefits. This evaluation is driven by the Group's previous experience on similar assets. The Group also considers useful life of the asset from technical and commercial perspectives due to changes and developments in market in order to assess whether additional impairment is required or not.

There are other estimations made by the management during the determination of provisions for litigations (Note 23).

3. SEGMENT REPORTING

The Group has two main segments; fixed line and mobile. Fixed line services are provided by Türk Telekom, TNet, Argela, Innova, Sebit, AssisTT, TTES, TT Venture, TT Destek Hizmetleri and TTINT Group whereas mobile service is provided by TT Mobil. Group management assesses segment performance over earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA"). Adjusted EBITDA is calculated by adjusting the operating income by i) adding income/expense from investing activities, depreciation, amortization and impairment expenses and ii) deducting exchange gains/losses, interest and rediscount income/ expenses on current accounts presented in other operating income and expense. Group management uses adjusted EBITDA as it is comparable with other companies in the sector. EBITDA is not a measure of financial performance indicator defined in TFRS and may not be comparable to similar indicators defined by other companies. As Group management does not monitor Group's performance over geographical segments, geographical segment reporting is not presented. The segment results and balance sheet items are presented below:

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

3. SEGMENT REPORTING (CONTINUED)

	Fixed line		Mobile		Intra-group eliminations and consolidated adjustments		Consolidated	
	1 January - 31 December 2022	1 January - 31 December 2021	1 January - 31 December 2022	1 January - 31 December 2021	1 January - 31 December 2022	1 January - 31 December 2021	1 January - 31 December 2022	1 January - 31 December 2021
Revenue (*)	34.251.493	25.270.763	16.457.267	11.526.324	(2.666.475)	(2.524.153)	48.042.285	34.272.934
International revenue	3.186.607	2.004.470	-	-	-	-	3.186.607	2.004.470
Contributive revenue (**)	31.665.699	22.797.215	16.376.586	11.475.719	-	-	48.042.285	34.272.934
EBITDA	13.297.448	12.852.215	5.893.712	3.581.936	(43.557)	(19.022)	19.147.603	16.415.129
Contributive adjusted EBITDA (***)	12.257.081	11.423.383	6.890.522	4.991.746	-	-	19.147.603	16.415.129
Capital expenditure (****)	10.028.558	6.342.797	3.947.724	2.484.772	(44.930)	(22.856)	13.931.352	8.804.713
Impairments losses, net	(175.611)	(172.325)	(35.999)	(47.915)	-	-	(211.610)	(220.240)
Depreciation and amortization	(5.027.433)	(3.471.892)	(3.057.109)	(2.697.433)	-	-	(8.084.542)	(6.169.325)

(*) "Revenue" includes international revenue.
(**) "Contributive revenue" represents operating segments' revenues from companies other than those included in the consolidated financial statements. Group management still monitors financial performance of the segments based on their separate financial statements and because of this there is no change at the segment information disclosed. However, contribution of operating segments on the Group's revenue is presented to give additional information to the readers of the financial statements.
(***) "Contributive EBITDA" represents operating segments' EBITDA arose from transactions with companies other than those included in the consolidated financial statements and revised by allocation of intra-group charges for shared costs. Group management still monitors financial performance of the segments based on their separate financial statements and because of this there is no change at the segment information disclosed. However, contribution of operating segments on the Group's revenue is presented to give additional information to the readers of the financial statements.
(****) Capital expenditures do not include TL 416.475 (31 December 2021: TL 295.807) amounted profit margin which is capitalized on intangible assets that are accounted within the scope of TFRS Interpretation 12.

	1 January - 31 December 2022	1 January - 31 December 2021
Fixed line contributive EBITDA	12.257.081	11.423.383
Mobile contributive EBITDA	6.890.522	4.991.746
EBITDA	19.147.603	16.415.129
Foreign exchange gains, interest income, discount income on current accounts presented in other operating income	1.671.185	261.406
Foreign exchange losses, interest income, discount income on current accounts presented in other operating expense (-)	(1.005.553)	(1.422.942)
Financial income	2.948.624	5.015.420
Financial expense (-)	(12.824.112)	(8.445.964)
Depreciation, amortisation and impairment	(8.101.273)	(6.202.207)
Consolidated profit before tax	1.836.474	5.620.842

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

3. SEGMENT REPORTING (CONTINUED)

31 December 2022	Fixed Line	Mobile	Eliminations	Consolidated
Total segment assets	63.508.611	22.237.665	(5.014.572)	80.731.704
Total segment liabilities	(57.536.659)	(8.239.338)	5.014.572	(60.761.425)
Goodwill	15.250	29.694	-	44.944
Assets held for sale	-	37.361	-	37.361

31 December 2021	Fixed Line	Mobile	Eliminations	Consolidated
Total segment assets	44.381.665	15.362.791	(1.406.821)	58.337.635
Total segment liabilities	(39.679.923)	(5.814.629)	1.406.821	(44.087.731)
Goodwill	15.250	29.694	-	44.944
Assets held for sale	19.057	37.361	-	56.418

4. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash on hand	1.645	519
Cash at banks - demand deposit	948.236	933.296
Cash at banks - time deposit	3.574.795	6.763.055
Liquid fund (*)	600.223	-
	5.124.899	7.696.870

(*) Consists of a highly liquid, short-term liquid fund with immaterial risk of change in fair value

As of 31 December 2022, time deposits are all short-term, maturing within one month and denominated in both foreign currencies and TL. The interest rates are between 9% and 22% for TL deposits, between 0,50% and 5,15% for USD deposits and between 1,25% and 2,5% for EUR deposits (31 December 2021: for TL deposits between 5,50% and 20%, for USD deposits between 0,20% and 1,50%, for EUR deposits between 0,25% and 0,65%).

Reconciliation of cash and cash equivalents to the statement of cash flows is as follows:

	31 December 2022	31 December 2021
Cash and cash equivalents	5.124.899	7.696.870
Less: restricted amounts		
- Collection protocols and ATM collection	(413.608)	(417.731)
- Other	(1.259.014)	(934.254)
Unrestricted cash	3.452.277	6.344.885

The Group classifies blocked cash amounts under cash and cash equivalents as they are easily convertible into cash and highly liquid assets that are not exposed to impairment loss.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

4. CASH AND CASH EQUIVALENTS (CONTINUED)

As of 31 December 2022, demand deposits amounting to TL 413.608 is restricted due to collection protocols signed with banks for receipts from the subscribers, under which proceeds are made available to the Group a certain number of days after the cash is collected. As of 31 December 2022, Other restricted amounts consist of blocked deposits related to Group's derivative financial instruments.

As of 31 December 2022, the Group maintains available credit line amounting to EUR 59.910 until 1 July 2023, EUR 46.221 until 1 July 2024, EUR 128.017 until 18 October 2025 which in total amounted to EUR 234.148.

5. FINANCIAL LIABILITIES

Bank loans

	31 December 2022			31 December 2021		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
Short-term bank loans:						
Unsecured TL bank loans with fixed interest rates (**)	17,07	4.667.093	4.667.093	16,37	180.635	180.635
TL bank loans with variable interest rates	14,86	30.000	30.000	-	-	-
EUR bank loans with fixed interest rates	-	-	-	1,45	41.000	618.555
EUR bank borrowings with variable interest rates	2,30	48.000	956.875	-	-	-
Interest accruals:						
Unsecured TL bank loans with fixed interest rates		441.285	441.285		1.531	1.531
EUR bank loans with fixed interest rates		-	-		94	1.445
Unsecured EUR bank loans with variable interest rates		587	20.372			
Short-term bank loans			6.115.625			802.166
Short-term portion of long-term bank loans:						
Unsecured USD bank loans with variable interest rates (*)	5,57	120.372	2.250.752	2,20	292.332	3.896.498
Unsecured EUR bank loans with variable interest rates (**)	2,34	75.793	1.510.917	0,87	95.501	1.440.800
Interest accruals of long-term bank loans:						
Unsecured USD bank loans with variable interest rates (*)		3.623	67.752		2.452	32.678
Unsecured EUR bank loans with variable interest rates (**)		619	3.687		291	4.386
Current portion of long-term bank loans			3.833.108			5.374.362
Total short-term bank loans			9.948.733			6.176.528
Long-term bank loans:						
Unsecured USD bank loans with variable interest rates (*)	5,57	339.452	6.347.184	2,20	369.280	4.922.130
Unsecured EUR bank loans with variable interest rates (**)	2,34	253.580	5.055.097	0,87	265.447	4.004.721
Total long-term bank loans			11.402.281			8.926.851
Total bank loans			21.351.014			15.103.379

(*) As at 31 December 2022, interest rate varies between Libor + 0,54% and 2,85% (31 December 2021: Libor + 0,54% and 2,85%).
(**) As at 31 December 2022, interest rate varies between Euribor + 0,25% and 5,90%) (31 December 2021: Euribor + 0,25% and 2,00%).
(***) TL 124.995 includes of credit card debts.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

5. FINANCIAL LIABILITIES (CONTINUED)

Bank loans (continued)

The contractual maturities of financial liabilities in equivalent of TL are as follows:

	31 December 2022						31 December 2021					
	Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years	Total	Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years	Total
Unsecured TL bank loans with fixed interest rates	3.751.550	1.292.863	-	-	-	5.044.413	178.152	4.014	-	-	-	182.166
TL bank loans with variable interest rates	63.965	30.000	-	-	-	93.965	-	-	-	-	-	-
Unsecured USD bank loans with variable interest rates	308.342	2.010.162	1.989.943	3.665.869	691.372	8.665.688	125.436	3.803.740	1.433.576	3.272.751	215.803	8.851.306
Euro bank loans with fixed interest rates	-	-	-	-	-	-	1.419	618.581	-	-	-	620.000
Unsecured EUR bank loans with variable interest rates	90.901	2.400.950	1.401.453	3.459.003	194.641	7.546.948	59.836	1.385.350	1.145.840	2.493.548	365.333	5.449.907
	4.214.758	5.733.975	3.391.396	7.124.872	886.013	21.351.014	364.843	5.811.685	2.579.416	5.766.299	581.136	15.103.379

Issued debt instruments

	31 December 2022			31 December 2021		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
Short-term issued debt instruments:						
TL bills, bonds and notes issued		26,71	1.330.150			-
Interest accruals:						
TL bills, bonds and notes issued		141.523	141.523			-
Short-term portion of long-term issued debt instruments:						
TL issued debt instruments with variable interest rates		-	-		15,97	150.000
Interest accruals of short-term portion of long-term issued debt instruments:						
TL issued debt instruments with variable interest rates		-	-			14.210
USD issued debt instruments with fixed interest rates		14.477	270.696		14.043	187.177
Short-term issued debt instruments			1.742.369			351.387
Long-term issued debt instruments:						
USD issued debt instruments with fixed interest rates		5,88	925.611		5,88	12.909.151
Long-term issued debt instruments			17.307.353			12.909.151
Total issued debt instruments			19.049.722			13.260.538

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

5. FINANCIAL LIABILITIES (CONTINUED)

Issued debt instruments (continued)

The sales process of the bond issuances amounted to USD 500.000 with 6 years of maturity, and 6,875% coupon rate based on 7% reoffer yield was completed on February 28th, 2019. The bonds are now quoted at Irish Stock Exchange. The part of the bond amounting to USD 17.500 was repurchased and the related amount was accounted for by deducting the amortized cost using the effective interest rate and the total bond amount.

The sales process of the bond issuances amounted to USD 500.000 with 10 years of maturity, and 4,875% coupon rate based on 4,982% reoffer yield was completed on 19 June 2014. The bonds are now quoted at Irish Stock Exchange. The part of the bond amounting to USD 20.000 was repurchased in 2019 and a portion of USD 5.000 was repurchased in 2022, the relevant amounts are accounted for by deducting the appropriate values and total bond managers.

The sales processes of the bond issuances amounted to TL 150.000 with 402-day of maturity and interest rate 1.75% over the BIST TL overnight interest rate (TLREF Index) was completed on 14 December 2020. The issuance was advised by Ak Yatırım Menkul Değerler A.Ş.

TL 5.506 other financial income from bond purchases is accounted for in the profit and loss statemen t.

The sales process of the bond issuance mediated by Garanti Yatırım Menkul Kıymetler A.Ş. amounted to TL 500.000 with 90 days of maturity, and 27% coupon rate was completed on June 22nd .

The sales process of the bond issuances mediated by Garanti Yatırım Menkul Kıymetler A.Ş. amounted to TL 1.330.150 within the range of 90-180 days of maturities and 20.75%-27% coupon rates were completed on September 2nd -20th, 2022. On 27 October 2022, TL 478,550 was issued with a maturity of 180 days and priced at 27% annual simple interest incoming. Garanti Yatırım Menkul Kıymetler A.Ş. mediated.

The contractual maturities of issued long term bills, bonds and notes in equivalent of TL are as follows:

	31 December 2022					31 December 2021				
	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
TL issued debt instruments with fixed interest rates	970.900	500.773	-	-	1.471.673	164.210	-	-	-	164.210
USD issued debt instruments with fixed interest rates	270.696	-	17.307.353	-	17.578.049	187.177	-	12.909.151	-	13.096.328
	1.241.596	500.773	17.307.353	-	19.049.722	351.387	-	12.909.151	-	13.260.538

Lease liabilities

As at 31 December 2022, obligation under leases detail are as follows:

	31 December 2022			31 December 2021		
	Currency	Interest rate type	Nominal interest rate	Carrying amount	Nominal interest rate	Carrying amount
Lease liabilities	TL	Fixed	%9,0-%21,5	1.356.699	9,0% - 20,0%	1.271.960
Lease liabilities	USD	Fixed	%4,0-%4,0	28.947	3,0% - 5,0%	51.835
Lease liabilities	EUR	Fixed	%3,3-%4,5	130.828	2,5% - 4,5%	113.047
Lease liabilities	Other	Fixed	%3,2	3.142	3,3%	2.618
				1.519.616		1.439.460

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

6. TRADE RECEIVABLES FROM AND PAYABLES TO UNRELATED PARTIES

Trade receivables

	31 December 2022	31 December 2021
Short-term		
Receivables from subscribers	11.688.631	10.032.741
Other trade receivables (*)	669.373	442.390
Allowance for doubtful receivables (-)	(4.108.271)	(3.946.503)
Total short-term trade receivables	8.249.733	6.528.628
Long-term		
Receivables from subscribers	185.720	127.851
Total long-term trade receivables	185.720	127.851

(*) Other trade receivables mainly consist of corporate project receivables.

Trade receivables generally have a maturity term of 60 days on average (31 December 2021: 60 days).

The movement of the allowance for doubtful receivables is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
At January 1	(3.946.503)	(3.754.151)
Provision for the year, net	(153.982)	(173.323)
Change in currency translation differences	(7.786)	(19.029)
At 31 December	(4.108.271)	(3.946.503)

The Group waits up to 90 days before initiating legal action for overdue receivables. Based on its previous collection performance from overdue receivables, the Company expects to make significant collections from its overdue receivables. Receivables guaranteed of the Group are amounted to TL 341.361.

Contract assets from unrelated parties

	31 December 2022	31 December 2021
Short-term		
Contract assets from sale of goods and service contracts	1.395.079	951.675
	1.395.079	951.675
Long-term		
Contract assets from sale of goods and service contracts	35.799	55.377
	35.799	55.377

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

6. TRADE RECEIVABLES FROM AND PAYABLES TO UNRELATED PARTIES (CONTINUED)*Contract assets from unrelated parties (continued)*

The contract assets represent contract assets from subscribers. Due to the high volume of subscribers, different billing period are available, an accrual is made at the end of each reporting period to accrue revenue for services rendered but not billed. In addition, income an accrual is made for the not billed of the contributions services.

As of the reporting period, the portion of the accrued income to be invoiced one year later is presented in the long term contract assets.

Trade payables from unrelated parties

	31 December 2022	31 December 2021
Short-term		
Trade payables	8.453.249	7.065.738
Expense accruals	841.503	663.409
Total short-term trade payables	9.294.752	7.729.147

The average maturity term of trade payables is between 30 and 150 days (31 December 2021: 30 and 150 days).

As of 31 December 2022, short term trade payables consists of payables within scope of supplier finance that amounting TL 275.616 (31 December 2021: TL 999.666).

7. RIGHT OF USE ASSETS

The carrying amounts of right-of-use assets as of 31 December 2022 are as below:

	31 December 2022	31 December 2021
Site rent	1.128.717	1.006.892
Building	322.763	179.201
Vehicles	263.542	331.317
Other	85.650	61.483
Right of use assets	1.800.672	1.578.893

As at 31 December 2022 the Group capitalized TL 1.252.192 right of use asset (31 December 2021: TL 835.616).

As at 31 December 2022, the Group recognised TL 975.895 of depreciation charges (Field rent: TL 510.810, Building: TL 165.738 and Vehicle: TL 299.347) (31 December 2021: TL 760.041) and TL 245.492 of financial expense from these leases (31 December 2021 : TL 291.854).

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

8. DUE FROM AND DUE TO RELATED PARTIES

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated for consolidation purposes and are not disclosed in this note.

Institutions under state control are defined as related parties due to 25% ownership and the golden share of the Treasury and 61,68% ownership of Turkey Wealth Fund ("TWF"). State controlled entities are defined as related parties but in accordance with the exemption provided by the TAS 24 disclosure requirements, state controlled entities are excluded from general reporting requirements.

The Group carries out transactions with many of these institutions in line with its peers. Banking transactions such as loans and deposits with banks under the control of the Turkey Wealth Fund or in which it has significant influence are also carried out in accordance with their peers. Other transactions consist of corporate tax, value added tax, special communication tax, treasury share and regulatory fees such as fees.

TWF has become a party to holding power of control and the majority shareholder of The Group following the share transfer on 31 March 2022. Due to the change of the ultimate parent, the Group revaluated the related party entities and reflected the transactions on 31 December 2022 financial statements.

Related party disclosures include the transactions realized until 31 March 2022 of the companies that were related parties until the share transfer on 31 March 2022 and unrecognised to be related parties after the share transfer. The updated related parties with the share transfer realized on 31 March 2022 include the transactions between 31 March 2022 and 31 December 2022.

As of 31 December 2022, related party balances include the balances of updated related parties with the share transfer on 31 March 2022. These balances may also include balances from transactions occurred before 31 March, 2022

Details of balances and transactions between the Group and other related parties as at 31 December 2022 and 31 December 2021 are disclosed below:

	31 December 2022	31 December 2021
Due from related parties (Trade receivables-short term)		
Türkiye Garanti Bankası A.Ş.	-	45.378
Akbank T.A.Ş.	-	6.292
Türkiye İş Bankası A.Ş.	-	2.199
Other (*)	508.513	-
	508.513	53.869

	31 December 2022	31 December 2021
Due from related parties (Trade payables-short term)		
Other (*)	173.777	-
	173.777	-

(*) In accordance with the share transfer agreement signed between Turkey Wealth Fund ("TWF") and LYY Telekomünikasyon A.Ş. ("LYY") dated 31 March 2022, TWF and the entities over which TWF has control directly or joint control or significant influence defined as related parties as of 31 March 2022.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)

Deposits held by related parties	31 December 2022	31 December 2021
Time Deposit		
T.C. Ziraat Bankası A.Ş.	714.375	-
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	1.083.398	-
Türkiye Halk Bankası A.Ş.	107.553	-
Türkiye İş Bankası A.Ş.	-	172.026
Akbank T.A.Ş.	-	106.992
Türkiye Garanti Bankası A.Ş	-	142.498
Demand Deposit		
T.C. Ziraat Bankası A.Ş.	105.703	-
Türkiye Halk Bankası A.Ş.	83.353	-
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	61.096	-
Other	11.711	17.823
	2.167.189	439.339
Bank loans from related parties	31 December 2022	31 December 2021
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	394.145	-
T.C. Ziraat Bankası A.Ş.	943.510	-
Türkiye İş Bankası A.Ş.	-	-
Türkiye Garanti Bankası A.Ş.	-	-
Türkiye Halk Bankası A.Ş.	19.100	-
	1.356.755	-
Currency Protected Time Deposit from related parties	31 December 2022	31 December 2021
T.C. Ziraat Bankası A.Ş.	540.596	-
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	255.504	-
	796.100	-

Hedge Transactions from Related Parties		31 December 2022			31 December 2021		
Banka	Instruments Type	Currency	Nominal Amount	Fair Value Amount (TL)	Currency	Nominal Amount	Fair Value Amount (TL)
Akbank T.A.Ş.	Foreign Currency Swaps	-	-	-	EUR	49.000	70.022
Akbank T.A.Ş.	Foreign Currency Swaps	-	-	-	USD	80.000	30.967
Türkiye Garanti Bankası A.Ş.	Foreign Currency Swaps	-	-	-	USD	35.000	39.894
Türkiye Garanti Bankası A.Ş.	Foreign Currency Swaps	-	-	-	EUR	22.000	(5.332)
Türkiye Garanti Bankası A.Ş.	Forwards	-	-	-	USD	8.433	35.263
Türkiye İş Bankası A.Ş.	Foreign Currency Swaps	-	-	-	USD	35.000	50.259
				-			221.073

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)

The amount of the guarantee given to the related companies for the financing of the device purchases by the distributor companies and sold to the Group customers within the scope of the committed campaigns is disclosed in Note 12.

Transactions with shareholders:

TT Mobil is required under the terms of the TT Mobil Concession Agreement, to pay 15% share to the Treasury (the Treasury Share) of its monthly gross revenue. Besides, the Company and its other subsidiaries that are operating in the telecommunications sector are required to pay universal service fund at 1% of their net revenues of each year and ICTA share at 0,35% of revenues to the Ministry of Transport, Maritime Affairs and Communications under the law Global Service Act numbered 5369. Also, according to Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation, TT Mobil is required to pay 5% share (radio fee) of its monthly net revenue to ICTA.

As of 31 December 2022, unpaid portion of Treasury Share, universal service fund and ICTA share are recorded under other short term payables and these expenses are accounted in cost of sales account.

Transactions with related parties:

Interest income from related parties	1 January - 31 December 2022	1 January - 31 December 2021
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (*)	88.387	-
T.C. Ziraat Bankası A.Ş. (*)	70.646	-
Akbank T.A.Ş. (*)	-	5.037
Türkiye Garanti Bankası A.Ş. (*)	-	824
Other (**)	13.603	-
	172.636	5.861
Interest expense from related parties		
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (*)	72.879	-
T.C. Ziraat Bankası A.Ş. (*)	84.713	-
Türkiye Garanti Bankası A.Ş. (*)	-	22.258
Türkiye İş Bankası A.Ş. (*)	-	19.522
Akbank T.A.Ş. (*)	-	18.986
Other	35.000	-
	192.592	60.766
Other income from related parties		
Turkcell İletişim Hizmetleri A.Ş. (*)	628.068	-
Superonline İletişim Hizmetleri A.Ş. (*)	575.869	-
Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş. (*)	487.429	-
Türkiye Garanti Bankası A.Ş. (*)	-	151.360
Akbank T.A.Ş. (*)	-	109.219
THY A.O. (*)	149.163	-
Enerji Piyasaları İşletme A.Ş. (*)	142.968	-
Türkiye Halk Bankası A.Ş. (*)	51.802	-
T.C. Ziraat Bankası A.Ş. (*)	55.497	-
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (*)	37.077	-
Türkiye İş Bankası A.Ş. (*)	-	15.971
Other (**)	165.937	-
	2.293.810	276.550

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)*Transactions with related parties (continued):*

	1 January - 31 December 2022	1 January - 31 December 2021
Other expenses from related parties		
Turkcell İletişim Hizmetleri A.Ş. (*)	590.151	-
Enerji Piyasaları İşletme A.Ş. (*)	422.722	-
PTT A.Ş. (*)	203.529	-
Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş. (*)	78.610	-
THY A.O. (*)	51.535	-
Kule Hizmet ve İşletmecilik A.Ş. (*)	45.428	-
Other	19.245	-
	1.411.220	-

(*) Includes transactions between 1 April, 2022 - 31 December 2022.

(**) Revenues from LYY companies include the period 1 January 2022 - 31 March 2022 for the year 2022, and the period 1 January 2021 - 31 December 2021 for 2022.

The Group generates revenues from related parties by providing fixed voice, corporate data, mobile and internet services. The Group's related party expenses consist of energy, call termination, billing and content, satellite frequency-base services.

Compensation of key management personnel

The remuneration of board of directors and other members of key management were as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Short-term benefits	138.853	109.771
Long-term benefits	3.791	2.624
	142.644	112.395

Key management personnel comprise the Group's members of Board of Directors and top managers.

9. OTHER RECEIVABLES AND PAYABLES**Other short term receivable**

	31 December 2022	31 December 2021
Other short term receivable	150.467	107.525
Deposits and guarantees given	11.394	5.396
Other doubtful receivables	57.006	43.136
Allowance for other doubtful receivables (-)	(57.006)	(43.136)
	161.861	112.921

As of 31 December 2022, TL 62.544 (31 December 2021: TL 37.695) portion of other short term receivables consists of receivables from Ministry of Transport and Communications due to the expenses made under Universal Service Fund.

As of 31 December 2022, other doubtful provision amounting to TL 23.775 (31 December 2021: TL 5.147) is provided while TL 9.905 (31 December 2021: TL 3.377) is reversed.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

9. OTHER RECEIVABLES AND PAYABLES (CONTINUED)**Other long term receivables**

	31 December 2022	31 December 2021
Deposits and guarantees given	73.958	38.739
	73.958	38.739

Other short term payable

	31 December 2022	31 December 2021
Taxes and duties payable	715.449	463.270
ICTA shares	335.225	233.091
Universal Service Fund (*)	323.236	253.180
Treasury share accruals	307.289	186.443
Other payables (**)	133.422	259.744
	1.814.621	1.395.728

(*) According to the article numbered 5369 related with "International Service Fund" published on 16 June 2005, Türk Telekom, TTNNet and AssisTT will contribute 1% of their net revenues of each year to the Ministry of Transportation as Universal Service Fund. The contribution is payable by the end of April of the following year.

(**) As of 31 December 2022, amounting to TL 84.506 in other short term payables is comprised of guarantees given for borrowings of distributors which are utilized in financing of equipment purchases that will be sold to Group's customers as part of commitment sales.

Other long term payables

	31 December 2022	31 December 2021
Deposits and guarantees received	58.125	40.299
	58.125	40.299

10. INVENTORIES

The Group has inventory amounting to TL 682.708 as at 31 December 2022 (31 December 2021: TL 439.933). Major part of this balance is composed of modems, computer, tablet, dect phones, cable, cable box and SIM cards.

11. DEFERRED TAX ASSETS AND LIABILITIES

The Group calculates deferred tax assets and liabilities based on temporary differences arising between the carrying amount of assets and liabilities as reported under Turkish Accounting Standards and their tax base for statutory purposes. These temporary differences are mainly due to the timing differences of certain income and expense items in statutory and Turkish Accounting Standards financial statement as disclosed below.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

11. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

As at 31 December 2022, 20% tax rate is used for the calculation of deferred tax assets and liabilities (31 December 2021: 20% and 23%).

	Deferred tax assets		Deferred tax liability		Deferred tax asset / (liability), net	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Deferred tax asset recognized from tax losses carried forward	1.384.783	1.064.193	-	-	1.384.783	1.064.193
Deferred tax asset arising from capital increase	372.663	329.864	-	-	372.663	329.864
Deferred tax asset recognized from capital allowance	1.250.619	690.962	-	-	1.250.619	690.962
Provision for long-term employee benefits	417.075	209.527	-	-	417.075	209.527
Provision for doubtful receivables	46.980	34.332	-	(6.148)	46.980	28.184
Derivative instruments	-	-	(690.727)	(720.989)	(690.727)	(720.989)
Issued debt instruments	30.043	33.254	-	-	30.043	33.254
Temporary differences on property, plant and equipment / intangible assets	2.235.652	754.737	(1.593.683)	(989.415)	641.969	(234.678)
R&D investment incentive	436.499	184.701	-	-	436.499	184.701
Other	652.647	1.543.023	(412.689)	(1.068.614)	239.958	474.409
Deferred tax asset / (liability) before net-off	6.826.961	4.844.593	(2.697.099)	(2.785.166)	4.129.862	2.059.427
Net-off of tax	(2.409.202)	(2.482.186)	2.409.202	2.482.186	-	-
Net deferred tax asset / (liability)	4.417.759	2.362.407	(287.897)	(302.980)	4.129.862	2.059.427

In the consolidated financial statements for the period ended 31 December 2022, the Group has accounted deferred tax assets amounting to TL 1.384.783 for the deductible losses . (31 December 2021: TL 1.064.193). The expiry dates of them are as follows:

	31 December 2022
2023	37.973
2024	2.101
2025	15.762
2026	590.311
2027	732.812
2028	519
2029	1.728
Unlimited	3.577
	1.384.783

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

12. OTHER CURRENT ASSETS, OTHER LIABILITIES AND EMPLOYEE BENEFIT OBLIGATIONS

Other current assets

	31 December 2022	31 December 2021
Value Added Tax ("VAT") and Special Communication Tax ("SCT")	462.209	336.480
Intermediary services for collection (*)	230.522	155.026
Advances given (**)	967	15.828
Other current assets	3.213	40.794
	696.911	548.128

(*) Intermediary services for collections consist of advances given by the Group to its distributors.
(**) Advances given mainly consists of advances given to suppliers.

Other current liabilities

	31 December 2022	31 December 2021
	-	-
Other liabilities	171.723	21.489
	171.723	21.489

Employee benefit obligations

	31 December 2022	31 December 2021
Social security premiums payable	375.240	85.148
Payables to personnel	122.375	51.185
Employee's income tax payables	106.914	78.781
	604.529	215.114

13. PREPAID EXPENSES AND DEFERRED REVENUES

Short-term prepaid expenses

	31 December 2022	31 December 2021
Other prepaid expenses (*)	426.956	362.328
Prepaid rent expenses	20.305	20.579
	447.261	382.907

(*) Other short-term prepaid expenses consist of advances given for fixed asset purchases, prepaid insurance, prepaid maintenance, prepaid advertising and other prepaid expenses.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

13. PREPAID EXPENSES AND DEFERRED REVENUES (CONTINUED)

Long-term prepaid expenses

	31 December 2022	31 December 2021
Other prepaid expenses	177.748	18.565
Prepaid rent expenses	770	1.433
	178.518	19.998

Short-term contract liabilities

	31 December 2022	31 December 2021
Contract liabilities from sale of goods and service contracts (*)	1.009.561	713.389
	1.009.561	713.389

(*) Short-term contract liabilities mainly consist of invoiced but unconsumed minutes, deferred monthly fixed fee revenues due to the allocation of total consideration in the contract to all products and services under TFRS 15 and TTINT's indefeasible right of use contracts.

Long-term contract liabilities

	31 December 2022	31 December 2021
Contract liabilities from sale of goods and service contracts (*)	1.991.476	1.417.662
	1.991.476	1.417.662

(*) TL 212.238 of the long-term contract liabilities consist of advances received from customer and the remaining mainly consist of TTINT's indefeasible right of use contracts. As of 31 December 2022, Group is expected that 20% of the liabilities arising from long-term contract liabilities will be recognised as revenue in 2024 and 80% in the following years.

14. FINANCIAL INVESTMENTS

	31 December 2022	31 December 2021
Short term financial assets		
Currency protected time deposit (*)	4.880.842	-
Long term financial assets		
Other	24.596	13.671
	4.905.438	13.671

(*) Currency protected time deposit accounts are classified as financial assets at fair value through profit or loss.

The Group has converted its foreign currency deposit account amounting to USD 248.200 into “Currency Protected TL Time Deposit Accounts”. Maturity of currency protected time deposit accounts is between 180-360 days.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

15. DERIVATIVE FINANCIAL INSTRUMENTS

Cash flow hedges and derivative financial instruments

In the periods in which the cash flows related to the hedged item affect profit or loss, accumulated gain/loss of related hedged instruments in equity are reclassified in profit or loss, As of the nine months period ended 31 December 2022, TL 705.750 are reclassified to financial expenses in the statement of profit or loss from gain on cash flow hedges in equity.

Cross currency swap transaction

As of 31 December 2022 fair value of participating cross currency swap transactions amounting to TL 3.733.650 has been recognized under short term derivative financial assets (31 December 2021: TL 3.165.341 short term derivative financial assets).

Company	Notional Amount (USD)	Trade Date	Amendment Date	Terms	Fair Value Amount as at 31 December 2022 (TL)
Türk Telekom	500.000	31 March 2016 - 15 December 2017	21 October 2020 - 28 January 2021	Pay TL and receive USD at June 2024	1.754.580
Türk Telekom	88.500	14 November 2018	11 - 21 June 2021	Pay TL and receive USD between October 2019 - April 2024	441.164
Türk Telekom	38.710	25 October 2018 - 18 July 2019	11 June 2021	Pay TL and receive USD between April 2019 - April 2025	163.130
Türk Telekom	50.000	17 December 2020		Pay TL and receive USD between April 2019 - April 2025	210.104
Türk Telekom	40.986	27 September 2019 - 6 September 2021		Pay TL and receive USD between March 2020 - September 2025	150.128
Türk Telekom	34.690	13 November 2018 - 19 July 2019	14 June 2021	Pay TL and receive USD between September 2019 - September 2025	143.384
Türk Telekom	54.545 (*)	27 - 28 March 2018	12 November - 2 December 2020	Pay TL and receive EUR between December 2020 - December 2025	401.304
Türk Telekom	43.172 (*)	16 August 2021		Pay TL and receive EUR between September 2021 - March 2026	159.741
Türk Telekom	37.330 (*)	18 August 2021		Pay TL and receive EUR between October - December 2025	153.181
Türk Telekom	29.009 (*)	13 August 2021		Pay TL and receive EUR between October 2021 - December 2025	107.197
Türk Telekom	12.633 (*)	27 - 28 June 2019	10 November 2021	Pay TL and receive EUR between September 2019 - September 2024	49.737
					3.733.650

(*) Nominal amount of indicated operations are Euro.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges and derivative financial instruments (continued)

Cross currency swap transaction (continued)

Company	Notional Amount (USD)	Trade Date	Amendment Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	500.000	31 March 2016 - 15 December 2017	21 October 2020 - 28 January 2021	Pay TL and receive USD at June 2024	1.176.818
Türk Telekom	109.500	14 November 2018	11 - 21 June 2021	Pay TL and receive USD between October 2019 - April 2024	312.857
Türk Telekom	100.000	27 - 28 September 2018		Pay TL and receive USD at April 2021	284.806
Türk Telekom	73.444	6 - 8 January 2020	17 - 26 November 2020	Pay TL and receive USD between January 2020 - October 2022	160.441
Türk Telekom	54.647	25 October 2018 - 18 July 2019	11 June 2021	Pay TL and receive USD between April 2020 - October 2022	112.946
Türk Telekom	54.190	22 - 23 July 2019		Pay TL and receive USD between April 2019 - April 2025	133.978
Türk Telekom	50.000	27 July 2019 - 6 July 2021		Pay TL and receive USD between October 2019 - October 2022	141.329
Türk Telekom	49.686	13 November 2018 - 19 July 2019	14 June 2021	Pay TL and receive USD between March 2020 - September 2025	124.503
Türk Telekom	35.542	27 - 28 September 2018	4 June 2021	Pay TL and receive USD between September 2019 - September 2025	101.325
Türk Telekom	5.702	14 November 2018	11 - 21 June 2021	Pay TL and receive USD at July 2022	13.848
Türk Telekom	72.727 (*)	27 - 28 March 2018	12 November - 2 December 2020	Pay TL and receive USD between October 2019 - April 2024	218.336
Türk Telekom	57.063 (*)	27 - 28 June 2019		Pay TL and receive EUR between December 2020 - December 2025	78.268
Türk Telekom	48.000 (*)	4 June - 1 August 2018	12 - 26 September 2018	Pay TL and receive EUR between September 2019 - September 2024	77.911
Türk Telekom	41.000 (*)	5 August 2021		Pay TL and receive EUR between November 2018 - November 2022	58.636
Türk Telekom	38.679 (*)	16 August 2021		Pay TL and receive USD at June 2024	52.498
Türk Telekom	20.393 (*)	18 August 2021		Pay TL and receive USD at January 2021	51.598
Türk Telekom	20.000 (*)	4 June - 1 August 2018	12 - 26 September 2018	Pay TL and receive USD at April 2021	65.243
					3.165.341

(*) Nominal amount of indicated operations are Euro.

Copper hedge transactions

As of 31 December 2022 fair value of participating cross currency swap transactions amounting to TL 11.499 has been recognized under short term derivative financial assets, (31 December 2021: TL 1.782 has been recognized under short term derivative financial assets, TL 159 has been recognized under short term derivative financial liabilities.)

Company	Notional Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2022 (TL)
Türk Telekom	300	18 March - 5 April 2022	Pay floating price and receive fixed price between April - December 2023	11.499
				11.499

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges and derivative financial instruments (continued)

Copper hedge transactions (continued)

Company	Notional Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	200	7 - 10 June 2021	Pay floating price and receive fixed price at January 2022	1.782
				1.782
Company	Notional Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	100	9 July 2021	Pay floating price and receive fixed price at January 2022	(159)
				(159)

Forwards

As of 31 December 2022, fair value of participating forward transactions amounting to TL 14.098 has been recognized under short-term derivative financial assets.

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2022 (TL)
Türk Telekom	1.769	12 July - 2 August 2021	Pay TL and receive USD between January 2022 - January 2023	14.098
				14.098
Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	21.680	12 July - 2 August 2021	Pay TL and receive USD between January 2022 - January 2023	103.533
				103.533

As of 31 December 2022, the Group has 2 electricity forward transactions with a total nominal value of USD 1.769. Electricity forward contracts have been designated as a hedging instrument that may arise from the cash flows of electricity purchases in 2022 and 2023, which are likely to be realized as of October 2022 and January 2023 and are subject to cash flow hedge accounting.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate derivative instruments which are not designated as hedge

Interest rate swaps

As of 31 December 2022 fair value of interest rate derivative transactions amounting to TL 89.337 has been recognized under short term derivative financial assets (31 December 2021: TL 351.986 has been recognized under long term derivative financial liabilities, TL 39.980 has been recognized under short term derivative financial assets).

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2022 (TL)
Türk Telekom	150.000	29 April – 20 May 2014	Pay the difference between floating rate and 4% if floating rate exceeds 4%, between June 2016 – June 2021, and receive fixed premium (0,44%–0,575%) Pay the difference between floating rate and 6% if floating rate exceeds 6%, between June 2021 – June 2024, and receive fixed premium (0,39%–0,45%)	12.380
				12.380
Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	300.000	29 April – 20 May 2014	Pay the difference between floating rate and 4% if floating rate exceeds 4%, between June 2016 – June 2021, and receive fixed premium (0,44%–0,575%) Pay the difference between floating rate and 6% if floating rate exceeds 6%, between June 2021 – June 2024, and receive fixed premium (0,39%–0,45%)	39.980
				39.980
Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2022 (TL)
Türk Telekom	150.000	29 April – 20 May 2014	Pay fixed rates and receive floating rates between June 2016 – June 2024	38.617
Türk Telekom	150.000	15 May – 16 May 2014	Pay fixed rates and receive rates between June 2016 – August 2016 and June 2024 – August 2024	38.340
				76.957
Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	300.000	29 April – 20 May 2014	Pay fixed rates and receive floating rates between June 2016 – June 2024	(292.128)
Türk Telekom	150.000	15 May –1 6 May 2014	Pay fixed rates and receive rates between June 2016 – August 2016 and June 2024 – August 2024	(59.858)
				(351.986)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cross Currency swaps instruments which are not designated as hedge

As of 31 December 2022, fair value of derivative transactions amounting to TL 233.697 is recognized under short term derivative financial assets and TL 141.527 is recognized under short term financial liabilities (31 December 2021: TL 728.427 is recognized under short term derivative financial assets and TL 114.611 is recognized under short term financial liabilities).

USD/EUR Cross Currency Swaps Instruments

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2022 (TL)
TTINT Türkiye	23.333	16 June 2016	Pay EUR and receive USD between December 2016 and June 2026	51.182
				51.182
Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
TTINT Türkiye	30.000	16 June 2016	Pay EUR and receive USD between December 2016 and June 2026	(3.047)
				(3.047)
Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2022 (TL)
TT Mobil	69.692	9 December – 21 December 2022	Net TL settlement at February 2023 based on the difference between contract price and contract closing price	18.883
Türk Telekom	101.202	5 December – 15 December2022	Net TL settlement at February 2023 based on the difference between contract price and contract closing price	25.487
				44.370
Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2022 (TL)
TT Mobil	133.000	11 November – 16 December 2022	Net TL settlement at January 2023 based on the difference between contract price and contract closing price	(6.411)
TT	145.000	24 November – 8 December 2022	Net TL settlement at January 2023 based on the difference between contract price and contract closing price	(3.760)
				(10.171)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cross Currency swaps instruments which are not designated as hedge (continued)

Cross Currency swaps instruments which are not designated as hedge (continued)

USD/EUR Cross Currency Swaps Instruments (continued)

USD/EUR Foreign Currency Swap Instruments

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	206.202	15 November - 10 December 2021	Net TL settlement at January 2022 based on the difference between contract price and contract closing price	162.462
TT Mobil	72.692	16 November - 28 December 2021	Net TL settlement at January 2022 based on the difference between contract price and contract closing price	61.663
				224.125

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	245.000	15 November - 29 December 2021	Pay TL and receive USD at January 2022	373.171
Türk Telekom	69.000 (*)	29 November - 29 December 2021	Pay TL and receive EUR at January 2022	99.325
				472.496

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
TT Mobil	130.000	13 - 22 December 2021	Net TL settlement at February 2022 based on the difference between contract price and contract closing price	(91.259)
				(91.259)

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	20.000	3 December 2021	Pay TL and receive USD at February 2022	(14.973)
Türk Telekom	22.000 (*)	31 December 2021	Pay TL and receive EUR at January 2022	(5.332)
				(20.305)

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Innova	5.000	23 February 2022	Pay TL and receive USD between February - June 2023	2.550
Türk Telekom	103.894	16 November -29 December 2022	Pay TL and receive USD between January - March 2023	14.221
Türk Telekom	130.000 (*)	7 October -31 October 2022	Pay TL and receive USD at January 2023	121.374
				138.145

Hedge of net investment in a foreign operation

The Company utilized a loan amounting to EUR 150.000 in order to hedge its net investment in a foreign operation with a Euro functional currency. Foreign exchange gain and/or loss resulting from the subsidiary's net investment portion of this loan is reclassified to reserve for hedge of net investment in a foreign operation under equity.

16. GOODWILL

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Innova	1.655	23 February 2022	Pay TL and receive USD between February - June 2023	(2.466)
Türk Telekom	334.593	17 October - 29 December 2022	Pay TL and receive USD between January - March 2023	(128.890)
				(131.356)

	31 December 2022	31 December 2021
Goodwill of TT Mobil	29.694	29.694
Goodwill of Innova	7.308	7.308
Goodwill of Argela	7.942	7.942
	44.944	44.944

The Group performs impairment analysis for goodwill and other non-current asset groups annually as at 31 December. The Group has performed impairment analysis for all of the identified cash generating units.

(*) Nominal amount of indicated operations are Euro.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

16. GOODWILL(CONTINUED)

TT Mobil cash generating unit impairment test

TT Mobil have been considered as a single cash generating unit and has been tested for impairment together for goodwill and all other assets. Recoverable amount is calculated through based on 5 years business plan which is approved by the management.

The discount ratio used for the cash flows is 18% (31 December 2021: 16,9%). Cash flow projections after 2027 are estimated by using 7,9% growth rate, considering the inflation rate used in the business plan and expected growth rate of TT Mobil. Company value of TT Mobil has been tested at a sensitivity of WACC terminal growth rate by +1%/-1% (31 December 2021: 1%/-1%). As a result of the impairment test, it has been noted that there is no impairment is identified on goodwill arising on the TT Mobil acquisition.

Innova and Argela cash generating unit impairment test

Innova and Argela, are both considered as single cash generating unit and are tested for impairment of for goodwill and all of their other assets. Recoverable amount was determined through the usage value which is calculated based on the 5 years business plan approved by the management. The estimated value of the projected cash flows consists of the discounted cash flows until 2027. Cash flow projections beyond 2027 are estimated by using 7,9% growth rate, for both Innova and Argela, respectively, considering the inflation rate used in the business plan and expected growth rate of the country. The discount ratio used for the cash flows is 24,7% for Innova (31 December 2021: 20,4%) and 26,0% for Argela (31 December 2021: 22,0%). Valuation has been tested at a sensitivity of +1%/-1%. For the WACC calculation, technology companies have been taken as a benchmark for the calculation of the beta coefficient. As a result of the impairment test, no impairment is identified for the cash generating units and the goodwill arising from the acquisition of Argela and Innova.

17. ASSETS HELD FOR SALE

As of 31 December 2022, based on the decision of Board of Directors to sell a real estate, this asset was classified as held for sale.

Asset held for sale for the years ended 31 December 2022 and 31 December 2021 is given net book value TL 37.361 and TL 56.418, respectively.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

18. INVESTMENT PROPERTY

The movement of investment property and the related accumulated depreciation for the years ended

31 December 2022 and 31 December 2021 is given below:

	1 January - 31 December 2022	1 January - 31 December 2021
Cost		
Opening balance	41.545	40.047
Transfer	-	1.498
As at 31 December	41.545	41.545
Accumulated depreciation		
Opening	(26.062)	(22.435)
Transfer	-	(1.436)
Depreciation charge for the year	(1.692)	(2.191)
As at 31 December	(27.754)	(26.062)
Net book value as at 31 December	13.791	15.483

Investment property consists of number of buildings and lands mainly occupied by various corporations.

The Group assesses whether there is any impairment indicator in investment properties. If such indicator exists the Group compares fair values and carrying values of the investment properties on an individual asset basis and records identified impairment of the investment properties.

The fair value of the Group's investment properties has been determined by a valuation company independent of the Group. As of 31 December 2022, the fair value of investment properties valued by real estate appraisal companies licensed by CMB is determined as TL 313.189 (Note 19).

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

19. PROPERTY, PLANT AND EQUIPMENT

The movement of PPE and the related accumulated depreciation for the years ended 31 December 2022 and 31 December 2021 is given below:

	Land	Buildings	Network and other equipment	Vehicles	Furniture and fixtures	Other fixed assets	Construction in progress	Total
Cost								
Opening balance, 1 January 2021	6.397.372	2.320.416	46.092.998	145.084	1.150.292	279.743	721.305	57.107.210
Transfer	-	14.784	1.575.120	-	152.939	2.434	(1.743.288)	1.989
Additions	36.609	229.837	4.016.564	24.298	315.449	2.730	2.780.574	7.406.061
Revaluation	6.450.252	-	-	-	-	-	-	6.450.252
Disposal	(4.499)	(253)	(650.417)	(109)	(22.957)	(475)	(4.562)	(683.272)
Foreign currency translation differences	6.336	19.305	1.422.033	557	16.857	5.600	28.524	1.499.212
Closing balance 31 December 2021	12.886.070	2.584.089	52.456.298	169.830	1.612.580	290.032	1.782.553	71.781.452
Accumulated depreciation								
Opening balance, 1 January 2021	(896)	1.727.541	35.230.037	112.408	805.759	258.615	-	38.133.464
Transfer	-	978	153	-	844	21	(7)	1.989
Depreciation charge for the year	-	136.088	2.946.487	11.742	132.665	5.942	-	3.232.924
Disposal	-	(48)	(588.202)	(48)	(10.959)	(361)	-	(599.618)
Impairment	(3.180)	(2.294)	34.834	-	1.648	2	-	31.010
Foreign currency translation differences	1.764	10.513	1.003.375	59	10.401	5.552	17	1.031.681
Closing balance 31 December 2021	(2.312)	1.872.778	38.626.684	124.161	940.358	269.771	10	41.831.450
Net book value, 31 December 2021	12.888.382	711.311	13.829.614	45.669	672.222	20.261	1.782.543	29.950.002

As of 31 December 2022, the Group does not have any land or buildings purchased through financial leasing. (31 December 2021: land and buildings amounting to TL 7.925).

The Group does not have any capitalized borrowing cost on property, plant and equipment (31 December 2021: nil). There is no restriction or pledge on the tangible as at 31 December 2022.

For the year ended 31 December 2022, impairment on property, plant and equipment amounting to TL 35.113 is recognized in cost of sales (31 December 2021: TL 2.127), TL (4.199) is recognized in general administrative expenses (31 December 2021: TL 1.358) and TL 96 recognized in marketing, sales and distribution expenses (31 December 2021: nil).

As at 31 December 2022, net increase in carrying amount of lands amounting TL 6.450.252 which is valued by real estate valuation companies licensed by CMB is recognized in other comprehensive income. Market approach method is used in land valuations. Valuation companies that performed the valuations are Akademi Gayrimenkul Değerleme ve Danışmanlık A.Ş., Atak Gayrimenkul Değerleme A.Ş., Bilgi Gayrimenkul Değerleme A.Ş., DE-GA Gayrimenkul Değerleme ve Danışmanlık A.Ş., Değer Gayrimenkul Değerleme ve Danışmanlık A.Ş., Düzey Gayrimenkul Değerleme ve Danışmanlık A.Ş., Ekip Taşınmaz Değerleme A.Ş., Eksen Gayrimenkul Değerleme ve Danışmanlık A.Ş., Emsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Kuzey Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., LAL Gayrimenkul Değerleme ve Müşavirlik A.Ş., Metrik Gayrimenkul Değerleme Danışmanlık A.Ş., Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Prime Gayrimenkul Değerleme ve Danışmanlık A.Ş., Vakıf Gayrimenkul Değerleme A.Ş.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land	Buildings	Network and other equipment	Vehicles	Furniture and fixtures	Other fixed assets	Construction in progress	Total
Cost								
Opening balance, 1 January 2021	5.894.276	2.180.193	41.659.258	137.389	946.250	268.829	137.572	51.223.767
Transfer	(13.947)	38.270	670.362	1.267	65.364	1.182	(773.005)	(10.507)
Additions	74	78.447	2.656.051	10.494	150.590	2.996	1.328.097	4.226.749
Revaluation	518.828	-	-	-	-	-	-	518.828
Disposal	(9.946)	(400)	(645.482)	(5.181)	(31.149)	(1.730)	(875)	(694.763)
Foreign currency translation differences	8.087	23.906	1.752.809	1.115	19.237	8.466	29.516	1.843.136
Closing balance 31 December 2021	6.397.372	2.320.416	46.092.998	145.084	1.150.292	279.743	721.305	57.107.210
Accumulated depreciation								
Opening balance, 1 January 2021	-	1.605.881	32.457.836	104.026	749.260	241.853	-	35.158.856
Transfer	-	(2.322)	2.073	1.032	659	-	-	1.442
Depreciation charge for the year	-	108.181	2.131.318	9.659	73.792	12.541	-	2.335.491
Disposal	-	(149)	(587.049)	(3.029)	(30.018)	(1.084)	-	(621.329)
Impairment	(896)	2.161	1.904	-	316	-	-	3.485
Foreign currency translation differences	-	13.789	1.223.955	720	11.750	5.305	-	1.255.519
Closing balance 31 December 2021	(896)	1.727.541	35.230.037	112.408	805.759	258.615	-	38.133.464
Net book value, 31 December 2021	6.398.268	592.875	10.862.961	32.676	344.533	21.128	721.305	18.973.746

20. INTANGIBLE ASSETS

	Licence	Customer relationship	Research and Development	Other intangible assets	Subscriber acquisition/ retention cost	Concession rights	Concession assets	Total
Cost								
Opening balance, 1 January 2022	4.591.544	1.564.675	636.670	12.146.917	4.661.227	8.623.040	1.315.334	33.539.407
Transfers	5.473	58	5.527	115	-	-	-	11.173
Disposals	-	-	-	(138.098)	-	(27.027)	-	(165.125)
Additions (*)	-	-	154.544	2.058.131	1.106.784	3.340.395	280.698	6.940.552
Foreign currency translation differences	16.390	219.097	4.507	757.289	-	-	-	997.283
Closing balance, 31 December 2022	4.613.407	1.783.830	801.248	14.824.354	5.768.011	11.936.408	1.596.032	41.323.290
Accumulated amortization								
Opening balance, 1 January 2022	2.486.664	1.401.378	413.428	8.653.100	3.101.030	3.196.739	-	19.252.339
Transfers	-	-	3.700	7.473	-	-	-	11.173
Disposals	-	-	(972)	(90.254)	-	(26.878)	-	(118.104)
Amortization charge for the year	312.167	50.995	52.098	1.355.805	696.831	1.390.202	-	3.858.098
Impairment	-	(23.460)	-	8	-	9.173	-	(14.279)
Foreign currency translation differences	6.594	170.654	6.459	421.460	-	-	-	605.167
Closing balance, 31 December 2022	2.805.425	1.599.567	474.713	10.347.592	3.797.861	4.569.236	-	23.594.394
Net book value, 31 December 2022	1.807.982	184.263	326.535	4.476.762	1.970.150	7.367.172	1.596.032	17.728.896

(*) Additions amounting to TL 2.860.314 (31 December 2021: TL 2.571.246) comprise intangible assets under scope of TFRS Interpretation 12.

The Group have no capitalized borrowing cost on intangible assets (31 December 2021: nil).

For the year ended 31 December 2022, impairment on intangible assets amounting to TL 11.854 is recognized in cost of sales (31 December 2021: 28.491), TL 7.027 in general administrative expenses (31 December 2021: TL 906) and TL (4.602) in marketing, selling and distribution expenses (31 December 2021: TL nil).

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

20. INTANGIBLE ASSETS (CONTINUED)

	Licence	Customer relationship	Research and Development	Other intangible assets	Subscriber acquisition/ retention cost	Concession rights	Concession assets	Total
Cost								
Opening balance, 1 January 2021	4.573.318	1.289.966	529.767	9.943.976	3.887.523	6.563.899	887.366	27.675.815
Transfers	(1.270)	-	25.199	(37.952)	-	-	-	(14.023)
Disposals	-	-	-	(151.952)	-	(84.137)	-	(236.089)
Additions (*)	-	-	76.670	1.450.029	773.704	2.143.278	427.968	4.871.649
Foreign currency translation differences	19.496	274.709	5.034	942.816	-	-	-	1.242.055
Closing balance, 31 December 2021	4.591.544	1.564.675	636.670	12.146.917	4.661.227	8.623.040	1.315.334	33.539.407
Accumulated amortization								
Opening balance, 1 January 2021	2.169.264	1.166.055	364.168	7.117.858	2.422.130	2.343.829	-	15.583.304
Transfers	(26)	-	-	(6.827)	-	-	-	(6.853)
Disposals	-	-	-	(53.795)	-	(83.428)	-	(137.223)
Amortization charge for the year	310.135	30.646	44.226	1.071.357	678.900	936.338	-	3.071.602
Impairment	-	-	-	29.397	-	-	-	29.397
Foreign currency translation differences	7.291	204.677	5.034	495.110	-	-	-	712.112
Closing balance, 31 December 2021	2.486.664	1.401.378	413.428	8.653.100	3.101.030	3.196.739	-	19.252.339
Net book value, 31 December 2021	2.104.880	163.297	223.242	3.493.817	1.560.197	5.426.301	1.315.334	14.287.068

For the year ended 31 December 2022, depreciation and amortization expense is recognized cost of sales, sales and distribution expenses, general administration expenses and research and development expenses respectively amounting to TL 6.407.509 , (31 December 2021: TL 4.740.558), TL 878.693 (31 December 2021: TL 765.328) and TL 770.520 (31 December 2021: TL 638.479), TL 27.823 (31 December 2021: TL 24.960), respectively.

Remaining amortization periods after acquisition of significant intangible assets are as follows:

TT Mobil license	6,4 years
TTINT customer relationships	2,8 years
TTINT other	7,8 years

There is no restriction or pledge on the intangible as at 31 December 2022 (31 December 2021: Nil)

3G license tender.

The tender for authorization of IMT-2000 / UMTS services has been held on 28 November 2008 with the participation of all three GSM operators operating in Turkey.

The license fee (including 18% VAT) amounting to TL 539.332 is paid by TT Mobil in April 2009 and ultimately the Concession Agreement is signed on 30 April 2009.

The net book value of the 3G license as at 31 December 2022 is TL 154.177 (31 December 2021: TL 177.900).

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

20. INTANGIBLE ASSETS (CONTINUED)

GSM 900 additional frequency band tender

The tender for the reallocation of unused 900 MHz Frequency Bands had been held on 20 June 2008 and TT Mobil had obtained C band with the minimum fee of TL 128 year /channel (excluding VAT).

TT Mobil had been granted 5,5 additional GSM 900 MHz frequency channels as a result of the tender and ultimately total number of GSM 900 MHz frequency channels has reached to 12 together with previously-held 6,5 channels.

TT Mobil made TL 14.122 (including VAT) payment as the tender fee for the remaining GSM license duration and amended license agreement has been signed between TT Mobil and ICTA on 25 February 2009.

The net book value of the GSM 900 license as at 31 December 2021 is TL 2.182 (31 December 2021: TL 2.889)

4.5G license tender

Tender of IMT Services and Infrastructures Authorization, also known as 4.5G tender in public has been held in Ankara on August 26, 2015 by ICTA. In the IMT Service and Infrastructure Authorization Tender done by ICTA, TT Mobil has won the following packages: 2x10 MHz bandwidth in 800 MHz frequency for EUR 380.000, 2x7.6 MHz bandwidth in 900 MHz frequency for EUR 216.819, 2x20 MHz bandwidth in 1800 MHz frequency for EUR 310.000, 2x10 MHz bandwidth in 2600 MHz frequency for EUR 25.859, 1x15 MHz bandwidth in 2600 MHz frequency for EUR 22.000. Total spectrum fee is EUR 954.678. IMT Authorization period is valid until 30 April 2029 and will be able to start rendering services starting from 1 April 2016. 900 MHz and services in 1.800 MHz frequency are commenced to be rendered since 1 December 2015.The Company will pay the tender fee (including interest) in four equal instalments amounting to EUR 973.396 (excluded VAT).

As of 31 December 2021 net book value of 4.5G license amounts to TL 1.463.449 (31 December 2021: TL 1.694.520) in the consolidated financial statements.

21. PROVISIONS

Current provisions

The movement of current provisions is as follows:

	31 December 2022	31 December 2021
Litigation, ICTA penalty and customer return provisions	133.093	154.411
Provision for expected credit losses on loan commitments (*)	67.338	56.084
	200.431	210.495

(*) Consists of expected credit losses are recognized for the guarantees given for borrowings of distributors which are utilized in financing of equipment purchases that will be sold to Group's customers as part of commitment sales.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

21. PROVISIONS (CONTINUED)*The movement of Litigation, ICTA penalty and customer return provisions is as follows:*

	1 January - 31 December 2022	1 January - 31 December 2021
As at 1 January	154.411	120.702
Provisions for the period	79.476	197.797
Settled provisions	(100.161)	(158.434)
Reversals	(608)	(5.783)
Foreign currency translation difference	(25)	129
As at 31 December	133.093	154.411

Current provisions for employee benefits

	31 December 2022	31 December 2021
Short term provisions for employee benefits		
Personnel bonus provision	569.405	319.140
	569.405	319.140

The movement of provisions is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
As at 1 January	319.140	276.460
Provision for the period	631.275	403.892
Provisions paid	(355.430)	(335.487)
Reversals	(32.758)	(36.311)
Foreign currency translation difference	7.178	10.586
As at 31 December	569.405	319.140

Non-current provisions for employee benefits

	31 December 2022	31 December 2021
Long term provisions for employee benefits		
Defined benefit obligation (*)	2.112.451	1.069.183
Unused vacation provisions	332.647	211.831
	2.445.098	1.281.014

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022**

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

21. PROVISIONS (CONTINUED)*Defined benefit obligation*

In accordance with existing social legislation in Turkey, companies are required to make lump-sum payments to employees whose employment is ended due to retirement or for reasons other than resignation or misconduct. The liability is not funded and accordingly there are no plan assets for the defined benefits as there is no funding requirement.

The retirement pay liability as at 31 December 2022 is subject to a ceiling of full TL 15.371 (31 December 2021: full TL 8.284,51) per monthly salary for each service year.

The Presidency made a statement on 28 December 2022 about the details of the regulation to be created to change the retirement age condition of employees who are known as those who are at the age of retirement (EYT) and who had insurance before 8 September 1999. According to this statement, if the regulation becomes law, those who completed the number of premium days and insurance period among the employees who had insurance before 8 September 1999 will be able to retire without any age limit.

The EYT regulation will change the severance pay conditions defined as the defined benefit plan in TAS 19 for employees with insurance entry before 1999. Accordingly, the fact that the said employees meet the severance pay conditions earlier may lead to an increase in their severance pay obligations.

The Group is evaluating the effects of the EYT regulation on its financial position and performance.

In addition to retirement benefits, the Group is liable for certain other non-current employment benefits such as business, service, representation indemnity and jubilee.

i) The movement of defined benefit obligation is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Defined benefit obligation at January 1	1.069.183	1.062.589
Service cost	148.692	84.849
Interest cost	212.023	88.915
Actuarial loss (*)	931.742	160.582
Benefits paid	(245.002)	(334.085)
Transfer - employee benefit obligations	(5.506)	(585)
Foreign currency translation difference	1.319	6.918
As at 31 December	2.112.451	1.069.183

(*) As at 31 December 2022, actuarial loss amounting to TL 931.742 (31 December 2020: TL 160.582) is recognized in other comprehensive income.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

21. PROVISIONS (CONTINUED)

Non-current provisions for employee benefits (continued)

Defined benefit obligation (continued)

ii) Total expense recognized in the consolidated income statement:

	1 January - 31 December 2022	1 January - 31 December 2021
Interest cost	212.023	88.915
Service cost	148.692	84.849
Total net cost recognized in the consolidated statement of income	360.715	173.764

iii) Principal actuarial assumptions used:

	31 December 2022	31 December 2021
Interest rate	%22	%19,0
Expected rate of ceiling increases	%18	%14,50

For the years ahead, voluntary employee withdrawal of the Group is 1,78% (31 December 2021: 2,17%).

As of 31 December 2022, sensitivity analysis is performed for the significant assumptions of defined benefit obligation:

Sensitivity Level	Discount Rate		Salary Increase Rate		Employee Withdrawal Rate	
	0,25% decrease (21,75%)	0,25% increase (22,25%)	0,25% decrease (17,75%)	0,25% increase (18,25%)	0,25% decrease decrease	0,25% increase increase
No effect to defined benefit obligation	50.458	(47.471)	(49.132)	51.967	(9.144)	12.541

Non-current employee benefits excluding defined benefit obligation

The movement of unused vacation provisions is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
As at 1 January	211.831	152.200
Provision for the period, net	144.837	85.613
Provisions paid	(27.790)	(31.232)
Foreign currency translation difference	3.769	5.250
As at 31 December	332.647	211.831

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

21. PROVISIONS (CONTINUED)

Other non-current provisions

	31 December 2022	31 December 2021
Provision for the investments under the scope of TFRS Interpretation 12	10.627	10.627
	10.627	10.627

22. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS

As of 31 December 2022 and 2021, the shareholders of the Company with their shareholding percentage are as follows:

	31 December 2022		31 December 2021	
	%	TL	%	TL
The Treasury	25	875.000	25	875.000
Turkish Wealth Fund ("TWF") (*)	60	2.100.000	5	1.925.000
Levent Telekomünikasyon A.Ş.	0	-	55	525.000
Public Share	15	525.000	15	175.000
	3.500.000		3.500.000	
Inflation adjustment to share capital		(239.752)		(239.752)
	3.260.248		3.260.248	

(*) On 10 March 2022, Share Transfer Agreement was signed between the parties regarding the sale of 55% shares of LYY Telekomünikasyon A.Ş. (LYY) to the Turkey Wealth Fund (TVF). The transfer of the said shares was completed on 31 March 2022, after the necessary approvals regarding the completion of the transaction and the fulfilment of the closing conditions.

The Company's share capital is fully paid. Capital of the Company is TL 3.500.000.000, divided into 192.500.000.000 Group "A", 104.999.999.999 Group "B", 1 Group "C", and 52.500.000.000 Group "D" registered shares each with a nominal value of 1 (One) Kuruş. Group D shares are publicly traded. Turkish Wealth Fund is the holder of all Group A shares; SWF is the holder of Group B shares representing 5 percent of the share capital of the Company and Group D Shares representing 1.68 percent of the share capital of the Company; the Treasury is the holder of Group B shares representing 25 percent of the share capital of the Company and C Group share (Golden Share).

The Treasury is the holder of the Preferred Stock (Golden Share) as per the law. This share is non-transferable. It provides certain rights to Treasury in order to protect national interests regarding economy and security: (a) Any proposed amendments to the Company's articles of association, (b) the transfer of any registered shares in the Company which would result in a change in the management control of the Company and (c) the registration of any transfer of registered shares in the Company's shareholders' ledger cannot be realized without affirmative vote of the Golden Share at either a meeting of the Board of Directors or the general assembly. Otherwise, such transactions shall be deemed invalid. The holder of the Golden Share, the Treasury, has one member, representing the Golden Share, among the Board of Directors.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

22. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS (CONTINUED)

Number of members and independent Board members of the Board of Directors to be nominated by the Group A and Group B Shareholders have been revised by the amendment to the article 8 of the Articles of Association at on the Extraordinary General Meeting dated 25 January 2019 Accordingly; The Board of directors shall be composed of nine (9) members nominated by the Group A Shareholder, Treasury and Turkish Wealth Fund.

(a) Turkish Wealth Fund is the Group A Shareholder shall be entitled to nominate five (5) persons for election as Directors;

(b) provided that the Treasury and Turkish Wealth Fund, as Group B Shareholders shall hold;

- 30% or more of the Shares, the Treasury shall be entitled to nominate three (3) persons for election as Independent Board Members who carry the independence criteria as defined in the Capital Markets legislation; or

- 15% or more of the Shares (but less than 30% of the Shares) the Treasury shall be entitled to nominate two (2) persons for election as Independent Board Members who the carry the independence criteria as defined in the Capital Markets legislation;

- During the calculation of 15 % and 30 % of the Shares mentioned in above paragraphs, the amount of Group B Shares and Group D Shares held by the Treasury and Turkish Wealth Fund shall be considered together.

(c) As long as the Treasury and Turkish Wealth Fund holds 15% or more of the Shares (but less than 30% of the Shares), the Group A shareholder shall be entitled to nominate one (1) person, who carry the independence criteria as defined in the Capital Markets legislation, for election as Independent Board Members and five (5) persons for election as Director.

(d) while the Treasury holds the C Group Privileged Share, the Treasury shall be entitled to nominate, a further one (1) person, for election as Director for the C Group Privileged Share.

The chairman of the board of directors shall be nominated by the directors nominated by the group A shares from among the directors and be elected and removed by the simple majority votes of those present at the meeting of the board of directors.

The Vice Chairman shall be nominated by the directors nominated by the Group B Shares from among the Directors and be elected and removed by the simple majority votes of those present at the meeting of the Board of Directors.

Board resolutions shall be passed by a simple majority of the votes of the directors present at such meeting unless the resolution requires a higher majority vote.

The board of directors shall propose the distribution of the maximum of the Company's profits lawfully available for distribution in each financial year subject to the board of directors making reasonable provisions and transfers to reserves.

Based on the articles of association of the Company, the Board of Directors shall by way of a simple majority of those present at the relevant meeting of the Board propose the distribution of the maximum of the Company's profits lawfully available for distribution in each financial year subject to the Board making reasonable provisions and transfers to reserves and complying with the conditions set out below.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

22. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS (CONTINUED)

Provided that it is not against the legislation regarding capital markets, the net profit may not be distributed, if:

a) the distribution would result in a breach of any covenant or undertaking given by any Group Company (Group Companies are defined in the articles of association) to any lender or would, in the opinion of the simple majority of those present at the relevant meeting of the board of directors, be likely to cause such breach within the following 12 months; or

b) the board of directors resolves by way of a simple majority of those present at the relevant meeting of the board that the distribution is materially prejudicial to the interests of any Group Company (as defined in the articles association of the Company) having regard to: (i) implementation of the investment program approved by the board of directors in the business plan or the budget; or (ii) the trading prospects of the Group Companies (as defined in the articles of association of the Company) and the need to maintain the sound financial standing of the group companies.

In accordance with the Turkish Commercial Code, companies are required to assign legal reserves before profit appropriations. The legal reserve consists of first and second legal reserves, allocated in accordance with the Turkish Commercial Code. The first legal reserve is allocated out of last period's statutory profits at the rate of 5% per annum until the total reserve reaches 1/5 of the paid-in share capital (not indexed to the inflation). The second legal reserve is allocated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions

Dividends

The Board of the Directors decided to distribute a dividend of TL gross 1.872.535 and decision was approved on March 19, 2021 at the Ordinary General Assembly Meeting for the 2020 operating year. The cash dividend (0,53501 full Kuruş gross for each share) has been paid in full as of the report date.

Other reserves

The amounts transferred directly to equity, instead of statement of profit or loss as of the reporting date are as follows:

	31 December 2022	31 December 2021
Gains on revaluation of property, plant and equipment	11.036.817	5.231.590
Currency translation differences	2.167.156	1.555.755
Gains due to change in fair value of financial liability attributable to change in credit risk of liability	(27.934)	76.534
Transfer of share based payments reserve to accumulated comprehensive income	(11.840)	(11.840)
Cash flow hedge reserve	1.356.011	876.407
Reserve for hedge of net investment in a foreign operation	(1.589.185)	(1.157.022)
Losses on change in value of time value of options	(3.145.717)	(4.074.549)
Actuarial loss arising from employee benefits	(1.659.893)	(911.454)
Other reserves from acquisition of subsidiary	(1.320.942)	(1.320.942)
	6.804.473	264.479

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

22. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS (CONTINUED)

Reserves on hedges of net investment in foreign operations

The Company recognizes the differences arising on the translation of monetary items that are associated with the hedge of net investment in a foreign operation in other comprehensive income (Note 15).

Cash flow hedge reserve

The Group entered into interest rate swaps in order to hedge it position against changes in interest rates. Accordingly, effective fair value changes of these instruments are recognized directly in equity at cash flow hedge reserve (Note 15).

Earnings/losses per share

The calculation of the basic earnings/losses per share attributable to the ordinary equity holders of the Company is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Weighted average number of ordinary shares outstanding during the year	350.000.000.000	350.000.000.000
Net profit/(loss) for the year attributable to equity holder of the Company	4.134.846	5.761.454
Basic earnings/(losses) per share (in full Kurus)	1,1814	1,6461

23. COMMITMENTS AND CONTINGENCIES

Guarantees received and given by the Group are summarized below:

	31 December 2022			31 December 2021	
	Original currency	TL	Original currency	TL	
Guarantees received	USD	102.571	1.917.911	125.732	1.671.956
	TL	1.633.056	1.633.056	1.471.687	1.471.687
	EUR	30.151	601.066	26.645	401.577
	GBP	3	67	-	30
		4.152.100			3.545.250
Guarantees given (*)	USD	183.789	3.436.550	168.053	2.239.982
	TL	1.530.296	1.530.296	1.019.553	1.019.553
	EUR	75.331	1.501.707	74.604	1.125.534
		6.468.553			4.385.069

(*) Guarantees given amounting to USD 151.500 (31 December 2021: USD 151.500) is related to the guarantee provided to the ICTA by TT Mobil with respect to the TT Mobil Concession Agreement, guarantees given amounting to EUR 12.840 (31 December 2021: EUR 12.840) is related with the guarantee provided for 3G license and guarantees given amounting to EUR 57.281 (31 December 2021: EUR 57.281) is related with the guarantee provided for 4.5G license.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company's guarantee, pledge and mortgage (GPM) position as at 31 December 2022 and 31 December 2021 is as follows:

	31 December 2022	31 December 2021
A. GPMs given on behalf of the Company's legal personality	6.468.553	4.385.069
B. GPMs given in favour of subsidiaries included in full consolidation	1.758.758	1.707.568
C. GPMS given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	1.074.483	938.253
Total	9.301.794	7.030.890

Based on law 128/1 of Turkish Code of Obligations, the Group has given guarantee to distributors amounting to TL 1.074.483 for the financial obligation that would arise during the purchase of devices that will be sold as commitment sales by the Group (31 December 2021: TL 983.253). The guarantees has given to the banks TL 465.303, TL 8.274 Vakıf Faktoring A.Ş. and Türkiye Vakıflar Bankası T.A.O respectively.

Other commitments

The Group has purchase commitments for sponsorships, advertising and insurance services at the equivalent to TL 598.470 (31 December 2021: TL 517.939) as at 31 December 2022. Payments for these commitments are going to be made in a 2-year period.

The Group has purchase commitments for fixed assets amounting to USD 77.513, EUR 38.018 and TL 335.226 equivalent to TL 2.542.470 (31 December 2021: TL 1.536.265) as at 31 December 2022.

Türk Telekom concession agreement

The Concession Agreement was entered into between the Company and ICTA on 14 November 2005 following the privatization of the Company and the resultant reduction in the public shareholding to less than 50%. The Concession Agreement covers:

- the performance of the telecommunications services which are within the scope of the Agreement;
- the establishment and operation of necessary telecommunications facilities and the submission of these facilities to the use of other operators or persons and institutions making a demand as per the law;
- the marketing and provision of telecommunications services.

The Concession Agreement places an obligation on the Company, in the event of termination or non-renewal of the Concession Agreement, to transfer all equipment affecting the operation of the system together with all its functions and in good condition, and all immovable properties where such equipment is installed and which the Company uses, to the ICTA, or to any other institution to be designated by ICTA, at no cost.

In case ICTA determines that the Company has not fulfilled its obligations stemming from the Concession Agreement and has not corrected the situation within a period granted to it, or that there is a court decision on bankruptcy or composition against the Company, the Company is granted a grace period of not less than 90 days commencing from written notification by ICTA, to fulfil its obligations. Within this grace period, the Company submits a remedy program for its abovementioned obligations to ICTA. In case ICTA accepts the remedy program, the matters in dispute shall be re-examined at the end of the program provided. If the program is not accepted, then ICTA may terminate the Concession Agreement upon expiry of the period granted to the Company.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Türk Telekom concession agreement (continued)

The Concession Agreement also places a number of obligations with respect to delivering services on the Company in relation to the provision of telecommunications services.

The Concession Agreement requires that the Company shall meet all payments accrued as a result of the Concession Agreement and the establishment and operation of the telecommunication network in accordance with the applicable legislation or agreements concluded by the Government of the Republic of Turkey. These payments specifically includes the permit and utilization fees for the use of frequencies. In addition, the Company is required to pay the ICTA 0,35% of its net sales revenue, as contribution share towards ICTA's expenses.

Under the Concession Agreement, requests for access in relation to the infrastructure should be met to the extent technically possible and without discrimination. The Company is further required to publish reference access and interconnection offers approved by the ICTA.

The Concession Agreement also contains an obligation on the Company to provide universal services. According to article 6 entitled "Revenues for Universal Service" of the Universal Service Law No:5369, the Company declares the amount of 1% of its net sales revenue to the Ministry of Transport, Maritime Affairs and Communications until the end of April of the following year and the company inform up to the following month. This amount shall be transferred within the same period to the account of the central accounting department of the Ministry and shall be registered as revenue in the budget under the name of "Revenues for Universal Service".

The tariffs to be charged by the Company are subject to the approval of the ICTA unless expressly provided to the contrary in any regulation issued by the ICTA.

The content of customer bills is governed by relevant laws and regulations. It is possible to issue a separate invoice for each service, as well as to issue one single invoice for more than one service rendered to a subscriber. The cost of each service shall be demonstrated separately, in the event of preparation of one single invoice for more than one service. A detailed bill is sent to the subscribers upon request, to the extent technically possible and subject to the payment of a fee.

Other provisions of the Concession Agreement provide for the confidentiality of communications and the establishment of effective methods to answer customer complaints.

TT Mobil GSM and IMT-2000/UMTS concession agreement and IMT Authorization Certificate

Regarding to Gsm and IMT-2000/UMTS concession agreement and IMT Authorization Certificate, the Company shall provide fixed guarantee by cash and/or letter of bank guarantee amounting to 6% of the Company's Licence fee and right of use fee. In case it is identified that TT Mobil does not fulfil its contractual obligations, ICTA will have the right to record as revenue these guarantees.

Concession Agreement for Licensing of Establishment and Operation of GSM-1800 Digital Cellular Mobile Telephone System

A concession agreement was entered into between TT Mobil and the ICTA ("the TT Mobil Concession Agreement") on 12 January 2005 which replaced and superseded the previous GSM 1800 license agreements in place in relation to Aycell and Aria. After GSM 900 Frequency Band bidding done by ICTA on 20 June, 2008, agreement was rearranged, the contract ("the TT Mobil Concession Agreement") was rearranged after the Authorization Tender for IMT Services and Infrastructures made by ICTA on 26 August 2015.

The TT Mobil concession agreement covers the establishment, development and operation of a GSM 1800 network and delivery of the system to the Authority or the establishment to be designated by the Authority at the end of the contracted term as being in an operating condition.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement for Licensing of Establishment and Operation of GSM-1800 Digital Cellular Mobile Telephone System (continued)

Pursuant to the TT Mobil Concession Agreement, TT Mobil was granted to use 75 channels in the 1800 MHz band and 12 channels in the 900 MHz band. The term of the TT Mobil Concession Agreement is 25 years from 11 January 2001.

TT Mobil may apply to the ICTA for renewal between dates 24 and 6 months before the end of TT Mobil Concession Agreement. ICTA may renew the license of TT Mobil by evaluating the renewal request according to legislation on that date.

In the event of expiry or non-renewal, TT Mobil is under an obligation to transfer the network management center, being the central operation units of the GSM 1800 system, gateway switchboards and central subscription works systems (including all kinds of technical hardware), together with all equipment affecting the operation of the system and the immovable properties used by TT Mobil to the ICTA or to the establishment to be designated by ICTA at no cost.

TT Mobil is also committed to renew the network in line with technological improvements and international agreements and maintain the adequacy of the network by means of technology until the end of the agreement.

License fees were paid prior to the issuance of the concession agreement by TT Mobil.

TT Mobil provided a performance bond in the amount of USD 151.500. TT Mobil, additional to that bond, provided performance bond amounting TL 760 corresponding to 6% of bidding amount after GSM 900 Additional Frequency Band bidding by ICTA on 20 June 2008. Should the operator is understood to not perform its contractual obligations, the Authority shall record and confiscate the final guarantee as income.

The TT Mobil Concession Agreement provides that the license may be transferred with the approval of the ICTA and within the terms of the Authorization Ordinance. However, no transfer may be made to an entity which already has a GSM 900 or GSM 1800 license in Turkey, or to related parties of such an entity, to the companies or subsidiaries which is owned or managed somehow by shareholders of entity or to the management of such entity and their first and second blood relatives and relative affinities. In cases such issues are determinate; GSM 1800 license given to them by ICTA is cancelled.

Regarding transfer of shares regulation clauses at the date of the transaction will be applied. The approval of the Competition Authority is also required for any change of control, being a transfer of the shares.

Fund payable to the Treasury

TT Mobil will pay an amount equal to 15% of the gross sales on a monthly basis to the Treasury, except for the default interest imposed on their subscribers for their late payments, indirect taxes, financial obligations such as charges and fees, amounts obtained by the operator from other mobile operators regarding the installation and operation of the facilities where the mobile base stations are located, remunerations booked in the legal accounting records, which were corrected within the fiscal year, due to the: mistakes in the form or content of the invoice (such as customer information, type, amount, price and amount of the work), mistakes regarding the periods of the service, duplicated;(double charged) invoices, and the accrual amounts accounted for reporting purposes.

Contribution share to the ICTA

TT Mobil shall pay 0,35% of the annual net sales to the ICTA as contribution share to the ICTA's expenses, latest on the last working day of April of the following year.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement for Licensing of Establishment and Operation of GSM-1800 Digital Cellular Mobile Telephone System (continued)

Coverage area

TT Mobil has guaranteed and undertook to cover (up to 2 Watt outdoors) at least 50% of the population of Turkey within three years after 11 January 2001 and at least 90% of the population of Turkey within five years after 11 January 2001. However, the localities where there are less than 10.000 inhabitants shall not be taken into consideration. This coverage area refers to the area to be covered by TT Mobil alone and will not be contributed by national roaming. Upon request of the ICTA, yearly utmost two settling areas shall be covered with priority by TT Mobil. TT Mobil has completed its related liabilities with respect to coverage at 31 December 2004.

Service offerings

TT Mobil agrees and undertakes to provide the services specified within the frame of GSM memorandum of understanding applied by GSM association including, but not limited to the services specified by GSM license agreement (call forwarding, barring of outgoing and incoming calls, technical assistance for subscribers and free call forwarding to police and other public emergency services).

Service quality

TT Mobil will comply with the telephone service quality standards set down in the International Telecommunication Union ("ITU-T") recommendations in the GSM 1800 international standards. These standards require blocking rate of the licensed indoor network to be 5% and the call failure rate not to be more than 2%.

Tariffs

TT Mobil may freely determine its tariffs provided that these tariffs are not contrary to the regulations of the ICTA.

Emergencies

TT Mobil will take the necessary measures with priority in order to satisfy the requirements and the needs of subscribers and users in emergencies, provided that the public authorities and enterprises will have priority in the case of health and security emergencies or fire and other disasters. TT Mobil has to provide at least two base stations for the use of Ministry of Transport, Maritime Affairs and Communications in emergency.

Investment plans

TT Mobil pursuant to the relevant regulation, until the first day of December every year, TT Mobil will present its investment plan for the following calendar years to the ICTA. These plans will be valid for 3 years and will contain information about the dynamic demand forecasts, and number and locations of the exchange stations, base stations and base control stations to be established, the period of operation, and the investment costs. Within 120 days of receipt of the investment plan, the ICTA will approve the compliance of plans to the article 6th of the agreement. Investment plan will be presented so as to inform the ICTA after the requirements arising from the article 6th of the agreement are met.

National roaming

TT Mobil may enter into contracts with other licensed GSM networks in Turkey for national roaming purposes. Roaming contracts and the financial clause of the contracts has to be presented to ICTA before signature procedures completed.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement for Licensing of Establishment and Operation of GSM-1800 Digital Cellular Mobile Telephone System (continued)

Suspension of operations

If deemed necessary for public security and national defence in case of war, general mobilization, etc. the Authority may temporarily or permanently suspend all or a part of the operational activities of TT Mobil and may directly operate the network. The period of suspension as above will be added to the term of the license and the income of such a period, if any, will belong to TT Mobil.

Termination of the agreement by the ICTA

The ICTA may cancel the license or terminate the Agreement for the following reasons;

- i) A final judgment of the competent courts for insolvency of TT Mobil or its composition with creditors,
- ii) Determination of the failure of TT Mobil to perform its contractual obligations hereunder and to remedy its default in a reasonable period of time granted,
- iii) Determination that TT Mobil extends its activities beyond the frequencies allocated hereunder or other frequencies that may be allocated by the ICTA to TT Mobil for use in the GSM 1800 System, and failure of TT Mobil to cease such activities in a reasonable period of time granted,
- iv) Failure of TT Mobil to pay the license fees hereunder.

However, that except for point (iv) above, TT Mobil will be given the opportunity to fulfil its obligations within a period not less than 90 days of written notice by the ICTA. During this period of time, TT Mobil will furnish to the ICTA a corrective action program for fulfilment of its obligations. If this program is accepted by the ICTA, the points of disagreement will be revised at the end of the program. If this program is not acceptable, the ICTA may terminate the Agreement at the end of the time period provided to TT Mobil.

Upon termination of the Agreement, TT Mobil shall transfer all of the GSM 1800 system equipment to the ICTA without any remuneration.

Insurance

TT Mobil will maintain adequate all risk insurance for the telecommunication facilities and services established and operated until the end of the license term.

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services

The Concession Agreement with ICTA has been signed on 30 April 2009 and TT Mobil has been granted with 3G license for an amount of EUR 214.000 excluding VAT. The term of the license is 20 years effective from the signature date of the Agreement. 3G services have been launched on 30 July 2009. The contract ("the TT Mobil Concession Agreement") was rearranged after the Authorization Tender for IMT Services and Infrastructures made by ICTA on 26 August 2015.

According to this Agreement;

- i. TT Mobil shall provide subscribers' and users' 112 calls and other emergency situation calls to public security institutions and other public institutions, and to direct those calls to the centers requested by the said institutions, free of charge bearing all costs.
- ii. TT Mobil shall keep at least 2 units of IMT-2000/UMTS mobile base stations to be used in emergency situations under the request of the Ministry of Transport and Communication.
- iii. Within the first 5 years by the signature of the Agreement, TT Mobil shall obtain the approval of the ICTA for each assignment of TT Mobil shares in ratio exceeding 10% to persons and entities other than the current shareholders and subsidiaries of the current shareholders. Any type of share assignment leading a change in the control of TT Mobil shall be subject to the approval of the ICTA.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services (continued)

- iv. TT Mobil has granted a bank letter of guarantee amounting to EUR 12.840 which is 6% of the license fee, for to act as final guarantee. Should the TT Mobil is understood to not perform its contractual obligations; ICTA shall record and confiscate the final guarantee as income. In such confiscation of final guarantee as income is realized, TT Mobil shall grant new final guarantee within 30 days. Should the new final guarantee not granted within the said period, the Agreement might be terminated.
- v. During the term of the Agreement, TT Mobil shall each year submit its investment plan related to the subsequent calendar year, till 1 December to the ICTA. This plan shall be prepared for three years and shall include such information as the number, location, coverage areas, investment costs with respect to exchange centres, base stations and control stations to be established, as well as the realization ratio of the previous year's investment plan and reasons of deviation, if any.
- vi. TT Mobil will pay an amount equal to 15% of the gross sales on a monthly basis to the Treasury, except for the default interest imposed on their subscribers for their late payments, indirect taxes, financial obligations such as charges and fees, and the accrual amounts accounted for reporting purposes.
- vii. TT Mobil shall pay 0.35% of the annual net sales to the ICTA as contribution share to the ICTA's expenses, latest on the last working day of April of the following year.

Coverage Area Obligations:

Following the signature of the Agreement, TT Mobil shall have under coverage the population within the borders of;

- metropolitan municipalities within 3 years,
- all the municipalities of all provinces and districts within 6 years,
- all the residential locations having a population of more than 5.000 within 8 years,
- residential locations having a population of more than 1.000 within 10 years.

These are the areas which are to be covered by TT Mobil alone and this obligation shall not be fulfilled through roaming.

TT Mobil should maintain service quality in accordance with ICTA regulations, ETSI (EURpean Telecommunications Standards Institute) standards and ITU (International Telecommunication Union) standards, decisions and recommendations given by ITU.

Upon request of the ICTA, yearly utmost two settling areas shall be covered with priority by TT Mobil.

If there is any delay in fulfilment of the coverage area obligations, except the force major conditions, an administrative fine shall be applied within the frame of Relevant Legislation. If there is any delay in fulfilment of the coverage area obligations for a period of more than two years, then the Agreement might be terminated by the ICTA.

The Investments for hardware and software being used in the electronic communications network

Except for the investments made in the lease of place, towers, piles, pipes, containers, channels, energy transfer lines and similar infrastructure plants; each year TT Mobil shall fulfil the following requirements for its investments related to electronic communications network (hardware, software etc.);

a) To procure at least 40% of such investments from vendor companies employing a R&D center established in Turkey and engaged in developing R&D projects in relation with the information and communication technologies provided at least 200 engineers functioning in such company in the first year after the signature of the Agreement, at least 300 engineers in the second year and at least 500 engineers for the third and subsequent years or from vendor companies employing a R&D center with at least 150 engineers functioning in the first year after the signature of the Agreement, at least 250 engineers in the second year and at least 350 engineers for the third and subsequent years however such company to employ also a Technical Assistance Centre with at least 50 engineers in the said first year, at least 100 engineers in the second year and at least 150 engineers in the third and subsequent years.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services (continued)

The Investments for hardware and software being used in the electronic communications network (continued)

A vendor company may not establish the R&D center and Technical Assistance Centre together with another vendor company; but may establish with a company, organization or institution resident in Turkey. The vendor company shall have at least 50% share of such centers. Said organization or institution resident in Turkey shall not employ other R&D centers and Technical Assistance Centers that have been established together with other vendor companies functioning in information and communication technologies area.

The university associates may also be employed part time, as engineers to be employed by the vendor company. The number of the university associates may not exceed 5% of the total number of engineers stated above.

TT Mobil is obliged to perform its investments regarding the electronic communications network by auditing and determining whether vendor companies comply with the foregoing terms and conditions.

b) To procure at least 10% of such investments from the vendors in quality of Small and Medium Sized Entities and established in Turkey for the purpose of product and system development.

All the independent software and hardware units to be used in the network of TT Mobil shall have open interface connections with each other.

ICTA may perform audits regarding the execution of this obligation or may commission another organization or institution to perform such auditing when deems necessary. The costs to arise from such audits shall be paid by TT Mobil.

Should TT Mobil is understood to procure goods and services through methods against the foregoing terms and conditions, an administrative monetary penalty shall be applied to TT Mobil up to 1% of its turnover of the previous calendar year.

Should TT Mobil not perform the said obligations, a penalty as 40% of total amount of its investments in the network (hardware, software etc.), except for the investments for lease of place, towers, piles, pipes, containers, channels, energy transfer lines and similar infrastructure plants, shall be applied separately to TT Mobil for each year. This clause is valid for the first three years following the signature date of the Agreement. Annual periods start with the signing of the concession agreement.

Termination of the Agreement by ICTA:

The Authority might terminate the Agreement for the following reasons;

- A bankruptcy or bankrupt's certificate decision on TT Mobil given by the judicial authorities,
- TT Mobil not performing some of its contractual obligations and not correcting such breach in the given period,
- TT Mobil operating under the frequencies other than the ones allocated to itself by ICTA,
- Termination of TT Mobil Concession Agreement
- TT Mobil not performing national roaming obligation stated in the contract

In such circumstances, ICTA gives TT Mobil the opportunity to fulfil its obligations within 90 days after the written notice. In case TT Mobil cannot fulfil all the obligations within this period, the Agreement will be terminated by ICTA. The license fee or any other fee is not reimbursable in case of a termination of agreement. In the case of cancellation of agreement by ICTA, TT Mobil will alienate all data and documents which constitute system, software affecting the running of system (including tower, beam, blare, container, channel, energy transmission lines, antenna etc), stated and in the usage of TT Mobil to ICTA or to the entity ICTA enounces by making sure that there is no pledge, mortgage, levy and related legal blockages on them and they are free of cost and works free of problems.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services (continued)

The Investments for hardware and software being used in the electronic communications network (continued)

Termination of the Agreement by ICTA (continued):

The contract ("the TT Mobil Concession Agreement") was rearranged after the Authorization Tender for IMT Services and Infrastructures made by ICTA on 26 August 2015.

TT Mobil has been authorized to provide IMT service and Limited Use Authorization Certificate on 27 October 2015. According to the Authorization Certificate;

- i) TT Mobil shall provide emergency call services in line with the regulations of ICTA, free of charge bearing all costs and comply with the regulations of ICTA in relation to this matter.
- ii) TT Mobil shall keep at least 2 mobile base stations so as to be used for the provision of IMT services upon the Ministry's request, in the case of disaster and emergency.
- iii) Within the first 5 years by the signature of the Agreement, TT Mobil shall obtain the approval of the ICTA for each assignment of TT Mobil shares in ratio exceeding 10% to persons and entities other than the current shareholders and subsidiaries of the current shareholders. Any type of share assignment leading a change in the control of TT Mobil shall be subject to the approval of the ICTA.
- iv) TT Mobil has granted a bank letter of guarantee amounting to EUR 57.300 which is 6% of the total fee, for to act as final guarantee. Should be understood that TT Mobil to not perform its contractual obligations; ICTA shall record and confiscate the final guarantee as income. In such confiscation of final guarantee as income is realized, TT Mobil shall grant new final guarantee within 30 days. Should the new final guarantee not granted within the said period, the Authorization might be terminated by ICTA.
- v) TT Mobil will pay an amount equal to 15% of the gross sales on a monthly basis to the Treasury, except for the default interest imposed on their subscribers for their late payments, indirect taxes, financial obligations such as charges and fees, and the accrual amounts accounted for reporting purposes.
- vi) TT Mobil shall pay the administrative fee at the rate and in the way determined by ICTA in accordance with the applicable law.

Coverage Area Obligations:

Following the authorization, TT Mobil shall put at least

- 95% of Turkey's population within 8 years
- 90% of the population in each province and district within 8 years
- 99% of highways, high speed and very high speed train routes and tunnels longer than 1 km within 3 years
- 95% of divided highways within 6 years
- 90% of conventional train routes within 10 years

under coverage. Additionally, following the authorization, TT Mobil shall put at least

- 99% of highways, high speed and very high speed train routes and tunnels longer than 1 km added after the first year within 2 years of its entering into service
- 95% of divided highways added after the fourth year within 2 years of its entering into service
- 90% of conventional train routes added after the eight year within 2 years of its entering into service under coverage

Areas covered by TT Mobil pursuant to the IMT-2000/UMTS Concession Agreement shall be deemed to be also covered under this authorization on condition that the service quality criteria set forth in the respective article are satisfied. Additionally, areas covered by TT Mobil under this authorization for the purpose of provision of IMT services shall be deemed to be covered in the determination of the coverage obligation of IMT-2000/UMTS services.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services (continued)

Coverage obligation shall be fulfilled by TT Mobil on its own and not through national roaming. However, TT Mobil shall be entitled to share radio access network in the areas under the coverage obligation.

Maximum two settlements per year shall be primarily brought by TT Mobil under coverage upon ICTA's request and under the service quality standards determined for such areas.

In the event that the fulfilment of coverage obligation is delayed for any reason other than force majeure events, administrative fine shall be applied pursuant to the applicable law. In the event that the fulfilment of the coverage obligation is delayed for more than two (2) years, the Authorization might be terminated by ICTA.

Service quality obligation:

TT Mobil shall ensure data download at minimum 2 Mbps in the areas subject to coverage obligation at a probability of 95% per user. The matters related to the inspection of this obligation shall be determined by ICTA.

These data transmission speeds are minimum values and ICTA shall determine service quality obligations required to be ensured by TT Mobil taking into account ETSI standards, ITU standards, decisions and recommendation, our national development targets, technological improvements and user requirements.

Sharing the Radio Access Network:

On condition that the provisions of the applicable law are not breached, TT Mobil may install and operate the radio access network to be installed for the provision of IMT services together with other operators authorized to provide IMT services and further, lease necessary transmission lines from authorized operators in order to materialize the connections within the radio access network.

This right shall not remove the obligations of TT Mobil under the authorization and shall not constitute a reason for non-fulfilment of such obligations. TT Mobil shall not avoid fulfilling its obligations under the authorization due to reasons arising from the sharing. TT Mobil shall, in the case of sharing, be obliged to take all measures required to prevent any interruption of services it provides under the authorization.

In all settlements having a population less than 10.000, TT Mobil shall, following the authorization, be obliged to:

- a) install antenna facilities to be installed under the authorization (excluding in-building antenna facilities) in such manner that facilitates active sharing of radio access network with other operators and share such facilities with the operators,
- b) In the event that there exists any antenna facilities installed by other operators at the settlements in question following the authorization for the antenna facilities to be newly installed by TT Mobil under this authorization, TT Mobil shall use such antenna facility by active sharing of radio access network.

Following this authorization, the antenna facilities newly installed under IMT-2000/UMTS Concession Agreements shall also be subject to the obligation prescribed by this paragraph.

TT Mobil shall be obliged to actively share radio access network in the antenna facilities to be newly installed under this authorization in order to cover highways, high speed railways and divided highways following the authorization. Following this authorization, the antenna facilities newly installed under IMT-2000/UMTS Concession Agreements shall also be subject to the aforementioned obligation.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services (continued)

Investments and communication services related to the hardware and software used in the network

Except investments made for property lease, tower, pole, pipe, container, conduit, power transmission lines and similar infrastructure; TT Mobil shall, following the authorization, be obliged to provide:

a) At least 40% of its investments and communication services related to the network (such as hardware, software); Within two (2) years, from supplier companies established in Turkey as to develop R&D projects in the field of information and communication technologies, employing at least 500 engineers and 100 researchers; within four (4) years, from supplier companies having a R&D center, employing 500 engineers and 250 researchers, or within two (2) years, from supplier companies established in Turkey as to develop R&D projects in the field of information and communication technologies, employing at least 350 engineers and 100 researchers and also within two (2) years from supplier companies having a Technical Assistance Center employing at least 150 engineers, within four (4) years from supplier companies having R&D center employing 350 engineers and 250 researchers and within four (4) years from supplier companies having a Technical Assistance Center employing at least 150 engineers.

b) At least 10% of its investments from products produced in Turkey and from SMEs established to develop products and systems in Turkey.

Up to 60 within 2 years and up to 150 within 4 years following the authorization, of the personnel of TT Mobil employed in the status of researcher at the R&D center established by TT Mobil for the purpose of developing R&D projects in the field of information and communication technologies shall be taken into account under the obligation related to the number of the researchers set forth in the sub-paragraph (a) of this paragraph provided that such center is organized as an independent unit under TT Mobil's organization or all shares of the center are owned by TT Mobil.

Teaching staff of universities who work part-time at R&D centers under the applicable law or while working at universities carry out academic studies requested by the supplier and/or TT Mobil may be included in the researchers to be employed by the supplier and/or TT Mobil at R&D centers. The number of teaching staff may not excess 10% of total number of researchers referred to in this subparagraph (a).

A supplier company may establish R&D and technical assistance centers together with institutions or bodies, except other suppliers, established in Turkey, which operate in the field of information and communication technologies and do not have a R&D or technical assistance center established with other suppliers. The supplier companies must hold at least 50% of the shares of such centers.

All independent software and hardware units to be used by TT Mobil in the network shall be interconnected through explicit interfaces.

TT Mobil shall be obliged to materialize its investments and communication services relating to the network (such as hardware, software) by checking and verifying whether or not the supplier companies and Small Entities ("SME") fulfil the conditions stated above.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services (continued)

Investments and communication services related to the hardware and software used in the network (continued)

TT Mobil shall be obliged to supply its investments and communication services relating to the network (hardware or software such as base station, switching, router), except investments relating to property lease, tower, pole, container, channel, power transmission lines and similar facilities, from the products determined to be domestic product under the Law No 4734 and applicable law at least by 30% within the first year, at least by 40% within the second year and at least by 45% within subsequent years following the authorization. Such items among the products supplied by the supplier companies and SMEs to TT Mobil, which are determined to be domestic products shall be taken into account under this obligation. TT Mobil contemplating that it will not be able to fulfil its obligations set forth in this paragraph due to the availability condition of the products determined to be domestic products, supply capacity of the producers and other conditions shall apply to ICTA indicating the reasons, no later than six (6) months before the expiry of the obligation period. ICTA may reduce or terminate the obligation for the respective period if it deems necessary.

Additional to the obligation in the paragraph above; investments specified in the paragraph above, to be measured for periods of 4 years, following the authorization TT Mobil shall be obliged to supply from the products determined to be domestic product under the Law No 4734 and applicable law a minimum average of 30% in the first 4 years, 40% in the second 4 years and 45% in the third 4 years. Such items among the products supplied by the supplier companies and SMEs to TT Mobil, which are determined to be domestic products shall be taken into account under this obligation. TT Mobil contemplating that it will not be able to fulfil its obligations set forth in this paragraph due to the availability condition of the products determined to be domestic products, supply capacity of the producers and other conditions shall apply to ICTA indicating the reasons, no later than six (6) months before the expiry of the obligation period. ICTA, provided that Ministry's opinion to be taken, may reduce or terminate the obligation for the respective period if it deems necessary.

Whether or not the obligations under this article have been fulfilled shall be evaluated with the obligations of TT Mobil under the IMT-2000/UMTS Concession Agreement.

Cancelation of Authorization:

ICTA may terminate the Authorization Certificate for the following reasons;

- A bankruptcy or bankrupt's certificate decision on TT Mobil given by the judicial authorities,
- TT Mobil not performing some of its contractual obligations and not correcting such breach in the given period,
- TT Mobil operating under the frequencies other than the ones allocated to itself by ICTA and not ceasing these operation within the given period,
- Termination of one of TT Mobil's Concession Agreements signed earlier,
- TT Mobil not performing its obligations stated in the article related to confidentiality of the communication, national security and public order

In such circumstances, ICTA gives TT Mobil the opportunity to fulfil its obligations within 90 days after the written notice. In case TT Mobil cannot fulfil all the obligations within this period, the Authorization Certificate will be terminated by ICTA.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concession Agreement of the Establishment and Operation of IMT2000/UMTS Infrastructures and Provision of Services (continued)

Cancelation of Authorization (continued)

The license fee or any other fee is not reimbursable in case of a termination of agreement. In the case of cancelation of agreement by ICTA, TT Mobil will alienate all data and documents which constitute system, software affecting the running of system (including tower, beam, blare, container, channel, energy transmission lines, antenna etc), stated and in the usage of TT Mobil to ICTA or to the entity ICTA enounces by making sure that there is no pledge, mortgage, levy and related legal blockages on them and they are free of cost and works free of problems.

Legal proceedings of Türk Telekom

Disputes between the Group and the ICTA

The Company has filed various lawsuits against ICTA. These lawsuits are related with the sector-specific and tariff legislations and legislations with respect to the other operators in the market. The sector-specific disputes generally stem from the objections with respect to the provisions of interconnection legislation, legislation with respect to telecommunication services and infrastructure. According to the Article 99 of the Law numbered 7061 "Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation" which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the sub-article 9 added to the Article 60 of the Law numbered 5809; customer returns that are not repaid to the customers within the 2-year period, shall be transferred to the Ministry of Transport and Infrastructure of the Republic of Turkey as revenue under the name of "Revenues for Universal Service". For the period ended 31 December 2022, customer returns amounted to TL 4.315 was transferred. As of 31 December 2022, TL 23.590 provision provided for ICTA penalties and amounts to be repaid to customers or to the Ministry of Transport and Infrastructure of the Republic of Turkey due to ICTA resolutions (31 December 2020: TL 59.531).

Other issues

Provision has been provided in the consolidated financial statements for the probable court cases against the Group based on the lawyers' assessments. The provision for such court cases is amounting to TL 109.503 as at 31 December 2022 (31 December 2021: TL 92.292). For the rest of the cases, Group lawyers commented that basis of those cases are not realistic and should be appealed. Therefore, no provision has been provided for these cases.

24. SUPPLEMENTARY CASH FLOW INFORMATION

Other explanations

	Issued debt instruments	Bank borrowings	Lease liabilities	Derivative financial assets, net	Total
1 January 2022 opening balance	(13.260.538)	(15.103.379)	(1.439.460)	3.572.307	(26.231.070)
Cash flows	2.330.150	8.649.682	-	3.203.090	14.182.922
Acquisition	(1.511.513)	(8.221.309)	(1.325.246)	(93.553)	(11.151.621)
Other non-cash changes	(6.607.821)	(6.676.008)	1.245.090	(2.741.090)	(14.779.829)
31 December 2022 closing balance	(19.049.722)	(21.351.014)	(1.519.616)	3.940.754	(37.979.598)

"Other outflows of cash" in net cash used in operating activities amounting to TL 4.122 represents change in restricted cash (Note 4). "Other inflows of cash, net" in net cash used in financial activities amounting to TL 466.641 represents change in other financial payment. "Other adjustment for non-cash items" in adjustments to reconcile net profit to cash provided by operating activities amounting to TL 416.475 represents change in TFRS Interpretation 12.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

25. SUBSEQUENT EVENTS

In line with the long-term strategic planning and objectives of the company, it has been made a application to ICTA in accordance with the relevant legislation as of 3 January 2023 for the extension of concession agreement on execution of telecommunications services signed between Turk Telekom and ICTA on 14 November 2005 and valid until 2026.

Two major earthquakes with a magnitude of 7.7 and 7.6 in Kahramanmaraş were effective in 10 cities of our country on 6 February 2023 and caused serious loss of life and property. Although the effects of earthquakes on the activities and financial statements of our group companies are still evaluated, it is estimated that they will remain at a limited level and all assets in the earthquake zone are covered by insurance policy.

In light of the ongoing extraordinary conditions caused by the devastating earthquake that struck south-eastern Turkey on 6 February 2023, Türk Telekom Group Board of Directors has resolved to make a donation of up to TL 2 billion directly and/or through the Ministry of Interior Disaster and Emergency Management Presidency ("AFAD"), in accordance with the Capital Markets Board resolution no. 8/174 dated 9 February 2023. The donation is subject to approval at the 2022 Ordinary General Assembly.

26. REVENUE

	1 January - 31 December 2022	1 January - 31 December 2021
Mobile	16.426.252	11.499.619
Broadband	14.170.793	10.711.533
IFRIC 12 revenue	3.621.093	2.571.246
International revenue	3.186.607	2.004.470
Fixed voice	3.057.575	2.728.458
Corporate data	2.952.092	2.356.906
TV	506.792	423.664
Other	4.121.081	1.977.038
	48.042.285	34.272.934

27. OPERATING EXPENSES

	1 January - 31 December 2022	1 January - 31 December 2021
Cost of sales (-)	(29.577.355)	(19.404.440)
General administrative expenses (-)	(4.266.213)	(2.642.987)
Marketing, sales and distribution expenses (-)	(3.936.550)	(2.644.196)
Research and development expenses (-)	(438.545)	(273.817)
	(38.218.663)	(24.965.440)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

28. EXPENSES BY NATURE

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel expenses	(7.979.238)	(4.697.951)
Taxes	(4.160.113)	(2.967.656)
TFRS Interpretation 12 related fixed assets additions and capex provision expenses	(3.204.718)	(2.275.439)
Repair and maintenance expenses	(2.647.792)	(1.502.591)
Utilities	(2.492.216)	(1.127.503)
International interconnection	(2.334.627)	(1.500.646)
Cost of sales and cost of equipment sales of technology companies	(1.912.122)	(1.049.902)
Domestic interconnection	(1.574.794)	(1.487.545)
Other expenses	(3.811.770)	(2.246.478)
Total operating expenses (excluding depreciation and amortization expense)	(30.117.390)	(18.855.711)
Depreciation, amortization	(8.084.542)	(6.169.325)
Impairment expenses	(16.731)	(32.882)
Total operating expenses	(38.218.663)	(25.057.918)

29. OTHER OPERATING INCOME / (EXPENSE)

	1 January - 31 December 2022	1 January - 31 December 2021
Interest and discount gains	239.403	194.153
Rental income	168.985	127.981
Litigation and indemnity income	68.452	56.662
Foreign exchange gains	19.123	44.170
Curtailment and settlement gain	-	23.083
Other	293.288	156.850
Other operating income	789.251	602.899
Foreign exchange losses	(714.664)	(1.331.113)
Interest expenses on employee benefit obligations (Note 21)	(212.023)	(88.915)
Litigation provision, compensation and penalty expenses (*)	(155.452)	(231.676)
Discount losses	(61.410)	-
Other	(168.316)	(55.199)
Other operating expense (-)	(1.311.865)	(1.706.903)

(*) Litigation, compensation and penalty expenses mainly consist of ICTA fines, customer return provisions and lawsuit provisions, reconstituted administrative fine of the Ministry of Commerce settled within the scope of Law no.7326 and tax assessments.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

30. INCOME / (EXPENSE) FROM INVESTING ACTIVITIES

	1 January - 31 December 2022	1 January - 31 December 2021
Fair value gains on currency-protected deposits	1.412.658	-
Gain from scrap sales	1.143.609	1.063.627
Gain on sales of property, plant and equipment	72.680	79.706
Income from investing activities	2.628.947	1.143.333
Losses from sales on property, plant and equipment	(24.107)	(16.785)
Expense from investing activities (-)	(24.107)	(16.785)

31. FINANCIAL INCOME / (EXPENSE)

	1 January - 31 December 2022	1 January - 31 December 2021
Foreign exchange and derivative instruments gains	2.105.647	4.889.475
Gains on change in fair value of bills, bonds and notes issued	557.225	3.332
Interest income on bank deposits	276.203	121.761
Other	9.549	852
Financial Income	2.948.624	5.015.420
Foreign exchange and derivative instruments loss	(9.379.720)	(6.159.538)
Interest expense	(3.237.789)	(2.173.618)
Other	(206.603)	(112.808)
Financial expenses	(12.824.112)	(8.445.964)
Financial expenses, net	(9.875.488)	(3.430.544)

32. TAXATION ON INCOME

	31 December 2022	31 December 2022
Corporate tax payable:		
Current corporate tax provision	419.527	634.938
Prepaid taxes and funds (-)	(352.003)	(474.424)
Tax payable	67.524	160.514

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

32. TAXATION ON INCOME (CONTINUED)

	1 January – 31 December 2022	1 January – 31 December 2021
Tax expense:		
Current tax expense:		
Current income tax expense	(419.527)	(634.938)
Adjustments in respect of income tax of previous year	395	17.388
Deferred income (Note 11) :		
Deferred tax income	2.717.504	758.162
	2.298.372	140.612

As of 31 December 2022 deferred tax expense amounting to TL 679.611 (31 December 2021: TL 672.857 income) are recognized in the consolidated statement of other comprehensive income.

The Company and its subsidiaries located in Turkey are subject to taxation in accordance with the tax regulations and the legislation effective in Turkey where the Group companies operate. Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one instalment by the end of the fourth month.

In Turkey, corporate tax rate is 23% as of 31 December 2022. However, the corporate tax rate will be applied as 25% for the corporate income for the 2021 taxation period and 23% for the corporate income for the 2022 taxation period in accordance with the article 11 of the Law No. 7316 on the Procedure for Collection of Public Claims and the Law Amending Some Other Laws and included to the temporary article 13 of Law No. 5520 Corporate Tax Law which are published in the Official Gazette numbered 31462 on 22 April 2021. As of the twelve months period ended 31 December 2022, corporate tax provisions have been calculated and accrued at 23%.

The tax legislation provides for a temporary tax of 23% to be calculated and paid based on earnings generated for first three quarters for the period ended 31 December 2022. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Dividend payments made to resident and non-resident individuals, non-resident legal entities and corporations resident in Turkey (except for the ones exempt from corporate and income tax), are subject to an income tax of 15%.

Dividend payments made from a corporation resident in Turkey to a corporation also resident in Turkey are not subject to income tax. Furthermore, income tax is not calculated in case the profit is not distributed or transferred to equity.

The dividend income (excluding the participation certificates of investment funds and profit shares derived from the share certificates of investment trusts) derived by entities from the participation in the capital of another resident entity is exempt from corporate tax. Furthermore, 50% of the income derived by entities from the sale of participation shares and real estates (immovable property) preferential rights, founders' shares and redeemed shares which are carried in assets at least for two years is exempt from corporate tax as of 31 December 2022.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

32. TAXATION ON INCOME (CONTINUED)

In order to be able to benefit from the exemption, the relevant income should be kept under a fund account in the liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale.

The reconciliation between tax expense and the product of accounting profit multiplied by applicable tax is as follows:

	1 January – 31 December 2022	1 January – 31 December 2021
Profit / (loss) before tax:	1.836.474	5.620.842
Tax at the corporate tax rate of (23%) (2021:25%)	(422.389)	(1.405.211)
Tax effects of:		
-Expenses that are not deductible in determining taxable profit	(366.789)	(316.212)
-Tax rate difference of subsidiaries	(2.249)	(6.245)
-Deferred tax asset recognition from cash capital increase	42.798	302.587
-Deferred tax asset recognition from investment allowances and previous years' tax losses carried forward by subsidiaries	(59.783)	140.868
-Deferred tax effect resulting from investment incentive	559.657	668.519
-R&D investment incentive	251.797	184.701
-Tax Amnesty and reconstruction under Law No. 7326	1.988.204	318.155
-Effects of tax rate changes	(63.557)	225.241
-Previously unrecognised tax loss temporary difference of a prior period	368.565	-
-Adjustments and tax losses of subsidiaries not subject to deferred tax and other	2.118	28.209
Tax income / (expense) for the year	2.298.372	140.612

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk policies of the Group are managed centrally with the support of a committee. All Group companies meet their cash needs determined in business plans approved by their boards, by using credits or capital increase with guidance of the central management. The Group may choose long or short term financing according to their financing needs and market assumptions.

The Group's risk management policies are designed to identify and analyze the risks faced by the Group, to determine appropriate risks limits and controls, and to observe commitment to these limits. Risk management policies and systems are constantly under review to reflect changes in the Group's activities and market conditions.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Financial risk factors

The Group's principal financial instruments comprise forward market transactions, bank loans and cash and short-term deposits. The main purpose of these financial instruments is to raise funds for the Group's operations and to hedge interest rate risk. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees to policies for managing each of these risks.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

	Receivables								
	Trade Receivables		Other receivables		Contract assets		Deposits and banks	Derivative Instruments	Other
	Related Parties	Third Parties	Related Parties	Third Parties	Related Parties	Third Parties			
31 December 2022									
Maximum credit risk exposed to as at the reporting date (A+B+C+D+E)	508.513	8.249.733	-	235.819	-	1.430.878	5.123.254	4.082.281	-
- Guaranteed portion of the maximum risk	-	341.361	-	-	-	-	-	-	-
	508.513	3.491.101	-	235.819	-	1.430.878	5.123.254	4.082.281	-
A. Carrying amount of financial assets not overdue or not impaired	-	-	-	-	-	-	-	-	-
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	-	4.758.632	-	-	-	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	-	-	-	-	-	-	-	-
-Amount secured via guarantees	-	-	-	-	-	-	-	-	-
D. Carrying amount of assets impaired	-	4.108.271	-	57.006	-	-	-	-	-
-Overdue (gross book value)	-	(4.108.271)	-	(57.006)	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-	-	-	-

	Receivables								
	Trade Receivables		Other receivables		Contract assets		Deposits and banks	Derivative Instruments	Other
	Related Parties	Third Parties	Related Parties	Third Parties	Related Parties	Third Parties			
31 December 2021									
Maximum credit risk exposed to as at the reporting date (A+B+C+D+E)	53.869	6.656.479	-	151.660	-	1.007.052	7.696.351	4.039.063	-
- Guaranteed portion of the maximum risk	-	224.100	-	-	-	-	-	-	-
	53.869	5.398.407	-	151.660	-	1.007.052	7.696.351	4.039.063	-
A. Carrying amount of financial assets not overdue or not impaired	-	-	-	-	-	-	-	-	-
B. Carrying amount of financial assets with rediscussed conditions that are considered overdue or impaired if not rediscussed	-	1.258.072	-	-	-	-	-	-	-
C. Carrying amount of financial assets overdue but not impaired	-	-	-	-	-	-	-	-	-
-Amount secured via guarantees	-	-	-	-	-	-	-	-	-
D. Carrying amount of assets impaired	-	3.946.503	-	43.136	-	-	-	-	-
-Overdue (gross book value)	-	(3.946.503)	-	(43.136)	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-	-	-	-

Financial losses due to Group's receivables and financial assets which result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

When determining the credit risk exposure as at the balance sheet date, items like guarantees received, which increase the credit worthiness have not been considered.

As of 31 December 2022, the maximum credit risk Company exposure is reflected by presenting all financial assets from carrying amount on consolidated balance sheet.

Liquidity risk

Liquidity risk is uncertainty to cover future financial obligations.

The Group's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections.

The Group manages current and long-term funding by maintaining adequate reserves, banking facilities, reserve borrowing facilities and loan agreements with suppliers through continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2022 and 2021 based on contractual undiscounted payments (including interest payments not due yet).

		Total contract based cash				
	Book	outflow	Less than	3 to 12	1 to 5	More than
Contract based maturities as at 31 December 2022	value	(I+II+III+IV)	3 months (I)	months (II)	years (III)	5 years (IV)
Non-derivative financial liabilities						
Financial liabilities and issued debt instruments	40.400.736	46.599.316	3.635.603	10.598.991	31.407.308	957.414
Lease liabilities	1.519.616	1.936.004	301.638	518.621	970.856	144.889
Trade payables to unrelated parties	9.294.752	9.477.913	9.477.762	151	-	-
Other (*)	2.020.435	2.020.435	1.962.310	-	58.125	-

Derivative financial liabilities, net 141.527 141.527 141.527 - - -

		Total contract based cash				
	Book	outflow	Less than	3 to 12	1 to 5	More than
Contract based maturities as at 31 December 2021	value	(I+II+III+IV)	3 months (I)	months (II)	years (III)	5 years (IV)
Non-derivative financial liabilities						
Financial liabilities and issued debt instruments	28.363.917	31.773.105	778.374	6.609.244	23.777.995	607.492
Lease liabilities	1.439.460	1.811.264	295.224	452.557	924.333	139.150
Trade payables to unrelated parties	7.729.147	7.729.147	7.608.294	120.853	-	-
Other (*)	1.509.123	1.509.123	1.468.823	-	40.300	-

Derivative financial liabilities, net 466.756 466.756 159.051 124.579 183.126 -

(*) Other item includes other payables, employee benefit obligations and other current liabilities. Taxes and other payables contained within employee benefit obligations and advances contained within other current liabilities are excluded.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk

Foreign Currency Risk

	31 December 2022				31 December 2021			
	Total TL Equivalent	USD	EUR	Other	Total TL Equivalent	USD	EUR	Other
1. Trade receivables	1.144.681	45.349	13.661	24.394	607.012	35.871	7.760	11.813
2a. Monetary financial assets (Cash and banks accounts included)	2.263.609	115.226	4.579	17.799	5.870.926	358.425	71.595	13.341
2b. Monetary financial assets (Currency protected time deposit) (*)	4.880.842	-	-	-	-	-	-	-
2c. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Other	191.840	-	9.623	-	50.622	230	3.152	-
4. Current assets (1+2+3)	8.480.972	160.575	27.863	42.193	6.528.560	394.526	82.507	25.154
5. Trade receivables	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-
7. Other	2.193	15	96	-	-	-	-	-
8. Non-current assets (5+6+7)	2.193	15	96	-	-	-	-	-
9. Total assets (4+8)	8.483.165	160.590	27.959	42.193	6.528.560	394.526	82.507	25.154
10. Trade payables	6.128.688	219.923	98.878	45.384	5.050.635	235.172	125.365	24.678
11. Financial liabilities	5.144.950	140.020	126.251	9.998	6.234.302	310.985	138.053	6.417
12a. Monetary other liabilities	-	-	-	-	-	-	-	-
12b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	11.273.638	359.943	225.129	55.382	11.284.937	546.157	263.418	31.095
14. Trade payables	270	-	-	270	-	-	-	-
15. Financial liabilities	28.804.590	1.265.064	257.518	16.459	21.949.229	1.339.512	270.365	15.952
16a. Monetary other liabilities	-	-	-	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	28.804.860	1.265.064	257.518	16.729	21.949.229	1.339.512	270.365	15.952
18. Total liabilities (13+17)	40.078.498	1.625.007	482.647	72.111	33.234.166	1.885.669	533.783	47.047
19. Net asset/(liability) position of off balance sheet derivative instruments (19a-19b)	36.933.129	1.670.255	286.040	-	28.715.088	1.744.240	362.313	-
19a. Total asset amount hedged	-	-	-	-	-	-	-	-
19b. Total liability amount hedged	(36.933.129)	(1.670.255)	(286.040)	-	(28.715.088)	(1.744.240)	(362.313)	-
20. Loans defined as hedging instruments (**)	2.532.909	-	127.059	-	1.607.058	-	104.088	-
21. Net foreign currency asset/(liability) position (9-18+19+20)	7.870.705	205.838	(41.589)	(29.918)	3.616.540	253.097	15.125	(21.893)
22. Net asset/(liability) position of foreign currency monetary items (IFRS 7.B23) (=1+2a+2b+5+6a-10-11-12a-14-15-16a)	(31.789.366)	(1.464.432)	(464.407)	(29.918)	(26.756.228)	(1.491.373)	(454.428)	(21.893)

(*) The Group has made currency protected time deposits with 180 and 360 days maturity by Group's USD 248.200 of foreign currency deposits.
(**) The Company utilized a loan amounting to EUR 127.059 in order to hedge its net investment in a foreign operation with a EUR functional currency. Foreign exchange gain and/or loss resulting from the subsidiary's net investment portion of this loan is reclassified to reserve for hedge of net investment in a foreign operation under equity.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

The Group has transactional currency exposures mainly with respect to the financial liabilities and trade payables. Foreign currency denominated borrowings are stated in Note 5.

The following table demonstrates the sensitivity to a reasonably possible change in the USD and EUR exchange rate, with all other variables held constant, of the Group's net profit for the year (due to changes in the fair value of monetary assets and liabilities):

31 December 2022	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Appreciation of USD against TL by 10%:				
1- USD net asset/liability	(2.738.209)	2.738.209	-	-
2- Hedged portion of USD risk (-)	2.194.067	(2.137.957)	45.260	(52.723)
3- USD net effect (1+2)	(544.142)	600.252	45.260	(52.723)
Appreciation of EUR against TL by 10%:				
4- EUR net asset/liability	(906.417)	906.417	-	-
5- Hedged portion of EUR risk (-)	621.180	(621.180)	12.222	87.073
6- EUR net effect (4+5)	(285.237)	285.237	12.222	87.073
Appreciation of other foreign currencies against TL by 10%:				
7- Other foreign currency net asset/liability	(2.992)	2.992	-	-
8- Hedged portion of other foreign currency (-)	-	-	-	-
9- Other foreign currency net effect (7+8)	(2.992)	2.992	-	-
Total (3+6+9)	(832.371)	888.481	57.482	34.350

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

31 December 2021	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Appreciation of USD against TL by 10%:				
1- USD net asset/liability	(1.987.544)	1.987.544	-	-
2- Hedged portion of USD risk (-)	1.005.918	(1.368.303)	123.369	199.012
3- USD net effect (1+2)	(981.626)	619.241	123.369	199.012
Appreciation of EUR against TL by 10%:				
4- EUR net asset/liability	(680.827)	680.827	-	-
5- Hedged portion of EUR risk (-)	426.541	(618.389)	(8.280)	323.323
6- EUR net effect (4+5)	(254.286)	62.438	(8.280)	323.323
Appreciation of other foreign currencies against TL by 10%:				
7- Other foreign currency net asset/liability	(2.189)	2.189	-	-
8- Hedged portion of other foreign currency (-)	-	-	-	-
9- Other foreign currency net effect (7+8)	(2.189)	2.189	-	-
Total (3+6+9)	(1.238.101)	683.868	115.089	522.335

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The value of a financial instrument will fluctuate as a result of changes in market prices. The Group's interest rate risk is primarily attributable to its borrowings.

The interest-bearing financial liabilities have variable interest rates, whereas the interest bearing financial assets have a fixed interest rate and future cash flows associated with these financial instruments will not fluctuate in amount. The Group is subject to interest risk due to financial liabilities and finance lease obligations. Policy of the Group is to manage this risk through fixed and variable rates borrowings. In order to cover for these risks, the Group has entered into interest rate swaps (Note 15).

The interest rate risk table is presented below:

	31 December 2022	31 December 2021
Financial instruments with fixed interest rate		
Financial assets (*)	3.574.795	6.763.055
Financial liabilities	(24.158.101)	(13.898.494)
	(20.583.306)	(7.135.439)
Financial instruments with variable interest rate		
Financial liabilities	(16.242.635)	(14.465.423)
Effect of hedging	15.730.145	18.925.223
	(512.490)	4.459.800

(*) Financial assets consists of cash at banks - time deposit (Note 4).

If the base point of denominated interest rates for financial instruments with variable interest rate was higher 0,25%, with all other variables held constant, the Group's income before tax and minority interest would be lower by TL 14.034 (31 December 2021: 28.462) and interest rate was lower 0,25%, with all other variables held constant, the Group's income before tax and minority interest would be higher by TL 14.621 (31 December 2021: TL 33.230) as of 31 December 2022.

On the other side because of hedging, if the base point of interest rate higher/lower 0,25%, equity would have no effect (31 December 2021: would have no effect). If the base point of interest rate lower 0,25%, equity would have no effect (31 December 2021: would have no effect).

Explanation on the presentation of financial assets and liabilities at their fair values

The below table summarizes the carrying and fair values of financial asset and liabilities in the Group's consolidated financial statements.

Due to their short-term nature, the fair value of trade and other receivables represents their book value. The fair value of borrowings with fixed interests is obtained by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of foreign currency denominated borrowings with variable interests is obtained by discounting the projected cash flows using estimated market interest rates.

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Explanation on the presentation of financial assets and liabilities at their fair values (continued)

	Carrying amount		Fair value	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Financial assets				
Cash and cash equivalents	5.124.899	7.696.870	5.124.899	7.696.870
Trade and other receivables (including related parties)	9.179.785	6.862.008	9.178.453	6.862.008
Financial investments (*)	4.905.438	13.671	4.905.438 (*)	13.671 (*)
Derivative financial assets	4.082.281	4.039.063	4.082.281	4.039.063
Financial liabilities				
Bank borrowings	21.351.014	15.103.379	21.286.130	15.106.751
Issued debt instruments	19.049.722	13.260.538	18.510.028	13.548.878
Trade payables and other liabilities (including related parties) (**)	11.488.964	9.238.270	11.488.964	9.238.270
Derivative financial liabilities	141.527	466.756	141.527	466.756

(*) Group's share in financial investments are carried at cost. Information on fair value of share in these investments are not available.
(**) Trade payables and other liabilities item includes trade and other payables, employee benefit obligations and other liabilities contained within other current liabilities. Taxes and other payables contained within employee benefit obligations and advances contained within other current liabilities are excluded.

Fair value hierarchy table

The group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

- Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)
Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contains observable market inputs

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Explanation on the presentation of financial assets and liabilities at their fair values (continued)

Fair value hierarchy table as at 31 December 2022 is as follows:

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets measured at fair value:					
Derivative Financial Assets:					
Interest rate swaps	31 December 2022	89.337	-	89.337	-
Cross currency swaps (*)	31 December 2022	3.937.075	-	3.937.075	-
Futures	31 December 2022	44.370	-	44.370	-
Commodity derivative (Copper)	31 December 2022	11.499	-	11.499	-
Currency protected time deposit	31 December 2022	4.880.842	-	4.880.842	-
Liquid fund	31 December 2022	600.223	600.223	-	-
Financial liabilities measured at fair value:					
Issued debt instruments	31 December 2022	8.479.466	8.479.466	-	-
Derivative Financial Liabilities:					
Interest rate swaps	31 December 2022	131.356	-	131.356	-
Cross currency swaps	31 December 2022	10.171	-	10.171	-
Other financial liabilities not measured at fair value:					
Bank loans	31 December 2022	21.286.130	-	21.286.130	-
Issued debt instruments	31 December 2022	10.030.562	10.030.562	-	-

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Explanation on the presentation of financial assets and liabilities at their fair values (continued)

Fair value hierarchy table as at 31 December 2021 is as follows:

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets measured at fair value:					
Derivative Financial Assets:					
Interest rate swaps	31 December 2021	39.980	-	39.980	-
Cross currency swaps (*)	31 December 2021	3.773.176	-	3.773.176	-
Futures	31 December 2021	224.125	-	224.125	-
Commodity derivative (Copper)	31 December 2021	1.782	-	1.782	-
Financial liabilities measured at fair value:					
Issued debt instruments	31 December 2021	6.322.835	6.322.835	-	-
Derivative Financial Liabilities:					
Interest rate swaps	31 December 2021	351.986	-	351.986	-
Cross currency swaps (*)	31 December 2021	23.352	-	23.352	-
Futures	31 December 2021	91.259	-	91.259	-
Commodity derivative (Copper)	31 December 2021	159	-	159	-
Other financial liabilities not measured at fair value					
Bank loans	31 December 2021	15.103.379	-	15.103.379	-
Issued debt instruments	31 December 2021	7.226.043	7.226.043	-	-

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Türk Telekomünikasyon Anonim Şirketi and Its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2022

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Explanation on the presentation of financial assets and liabilities at their fair values (continued)

Capital management policies

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes during the years 2021 and 2022.

34. INDEPENDENT AUDIT FEES AND OTHER FEES RELATED SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees related to the services received by the Group from the independent auditor/independent audit firm are presented below:

	1 January - 31 December 2022	1 January - 31 December 2021
Audit fee for the year	16.833	7.015
Fees for tax advisory services	1.403	676
Fees for other assurance services	235	15
Total	18.471	7.706

Glossary

0-9

3G

Third generation of mobile systems. Provide high-speed data transmissions and higher supporting multimedia applications such as full-motion video, video conferencing and Internet access. See “UMTS”.

4.5G / LTE

It is the 4th generation mobile communication technology. It is the general name given to the systems via mobile phones developed to provide high speed broadband services and mobile communication with fully IP-based network structure.

5G

It is the 5th generation mobile communication technology that offers enriched application and services with high speed and low latency.

A

Access Channel

The network element used to connect a subscriber to the nearest switch or concentrator. An access channel generally takes the form of a closed circuit and consists of a pair of copper wires, but may also employ fibre optic cables, microwave links or other technologies.

ADSL (Asymmetric Digital Subscriber Line)

A technology for transferring data that uses an access channel to provide faster network access to the Internet and other popular multimedia and data services at speeds of up to two to six Mbps, a transfer speed 50 times faster than narrowband or dial-up Internet access.

ARPU (Average Revenue per User)

Measures the average monthly revenue generated for each customer unit, such as a mobile phone.

B

Base Station

Fixed transceiver equipment in each cell of a mobile telecommunications network that communicates by radio signal with mobile handsets in that cell.

Bit

The smallest unit of binary data.

Bit stream Access

Access to Türk Telekom equipment connecting a provider to the end user to provide high-speed access services. This form of access differs from wholesale in that, in terms of transmission capacity, it provides access at a binary rate and the operator, as the access provider, decides on the technical specifications for the equipment directly connected to the access channel, as well as on the interface offered at the end-user side.

BPS (Bits per Second)

A data transmission rate

Broadband Service

A communications service for content requiring high-speed transmission rates such as video transmission.

C

Call Forwarding

A feature permitting the user to program a phone to ring at an alternate location; call forwarding may be in effect at all times or only in certain designated instances, such as when a particular phone is busy or there is no answer.

Call Waiting

A warning signal received when a person is on a call that there is a second incoming call.

Carrier Pre-Selection

A mechanism that allows customers to select competing operators as that user's default operator without dialling additional codes on the telephone. The customer subscribes to the services of a competing operator and his calls are routed through such operator.

Centrex

An enhanced phone service offered by public exchanges that delivers PBX switchboard-like functions to groups of users without the need for a private exchange within an organization or other group of users.

Churn

A measure of customer turnover due to subscription disconnections as a result of terminations by customers; switching by customers to competing services; terminations by the service provider due to customer non-payment; and, in the case of mobile communications services, expirations of prepaid cards.

Co-Location

The physical or virtual placement of competitors' equipment within the facilities of Türk Telekom for purposes of providing telecommunications services to end users, such as interconnection and unbundling.

D

Digital

A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits 0 and 1. Digital transmission and switching technologies employ a sequence of these pulses to represent information as opposed to the continuously variable analog signal. Compared to analog networks, digital networks allow for greater capacity, lower interference, protection against eavesdropping and automatic error correction. Signals are encoded into digits for transmission.

DSL (Digital Subscriber Line)

See “xDSL”.

DSLAM (Digital Subscriber Line Access Multiplexer)

Equipment at a phone company's central location that can be used to link many customer DSL connections to a single high-speed ATM line.

DWDM (Dense Wavelength Division Multiplexing)

A technique enabling several independent flows of digital information to co-exist on the same optical fibre.

E

EDGE

Enhanced Data Rates for Global Evolution.

Ethernet

A local area network allowing several computers to transfer data, typically over a coaxial cable.

F

Frequency band

A specified range of frequencies. Frequency refers to the number of times per second that a wave (e.g., electromagnetic wave) oscillates or swings back and forth in a complete cycle from its starting point to its end point.

FTTC/B/H

It is the distribution of the fibre line to the cabinet (C), building (B) and home (H).

G

Gbps (Gigabits per second)

A data transmission rate. One Gbps equals one billion bps.

GPRS (General Packet Radio Service)

A GSM-based packet-switched data transmission technology standard, established by the European Telecommunications Standards Institute, in which base stations can be directly connected to the Internet, thus bypassing the switching systems typically used to connect mobile traffic to fixed networks. GPRS provides users of mobile communications services better data access capability with virtually instant and permanent connections, as well as speeds up to ten times higher than GSM.

GSM (Global System for Mobile Communications)

A digital mobile telecommunications system standardized by the European Telecommunications Standards Institute based on digital transmission and cellular network architecture with roaming in use throughout Europe, Japan and in various other countries. GSM systems operate in the 900 MHz (GSM 900) and 1800 MHz (GSM 1800, also referred to as DCS 1800) frequency bands.

GSM 900 and GSM 1800

See “GSM”.

I

Interconnection

The linking of telecommunications networks used by the same or different persons in order to allow the users of the services or networks of one person to communicate with the users of the services or networks of the same person or of another person, or to access services provided by another person.

International Roaming

Provision of roaming services in the domestic market to subscribers of a competing operator's network. See “roaming”.

Internet Access Line

The network element used to connect a subscriber to the nearest switch or concentrator. An access channel generally takes the form of a closed circuit and consists of a pair of copper wires, but may also employ fibre optic cables, microwave links or other technologies.

IP (Internet Protocol)

Protocol used in the Internet for communication among multiple networks.

IPTV

Internet Protocol television, a system in which digital television services are delivered by using Internet Protocol over a network infrastructure, which may include delivery via a broadband connection.

ISDN (Integrated Services Digital Network)

A transmission system with the capacity to transmit two streams of information (voice, text, data or graphics) simultaneously on a single access channel based upon end-to-end digitalization and standardized out-of-band signalling.

ISP (Internet Service Provider)

A company providing access to Internet and other computer based information networks through its servers.

IT (Information Technology)

The broad subject concerned with all aspects of managing and processing information, especially within a large organization or company.

IVR (Interactive voice response)

A telecommunications system that uses a pre-recorded database of voice messages to present options to a user, typically over telephone lines.

K

Kbps (Kilobits Per Second)

A data transmission rate. One Kbps equals 2(10) bps.

L

LAN (Local Area Network)

A short distance data transmission network designed to interconnect personal computers, workstations, minicomputers, file servers and other computing devices within a localized environment, for the purpose of sharing files, programs and various devices such as printers and high-speed modems. LANs may have a decentralized communications management or include dedicated computers or file servers that provide a centralized source of shared files and programs.

Leased line

Voice and data circuits leased to connect two or more locations for the exclusive use of the subscriber.

Glossary

Local Loop

See “access channel”.

Local Network Segregated Access

A process that requires mandatory local service providers to present or parse opportunities to their competitors.

M

MByte

A unit of computer data commonly used to measure data storage or transfer.

Mbps (Megabits per Second)

A data transmission rate. One Mbps equals 2(20) bps.

MHz (Megahertz)

A measure of frequency. One MHz equals 1,000,000 cycles per second.

MMS (Multimedia Messaging Service)

A standard defined for use in advanced wireless terminals that allows users to send and receive messages containing various kinds of multimedia content, such as images, audio and video clips, with a “non-real-time” transmission.

MNP (Mobile Number Portability)

A service that allows customers to keep their mobile phone numbers when they change service providers.

MNS (Managed Network Services)

The management and provision of operational support for a network environment while the network hardware and associated assets remain on the client’s books.

MoU (Minutes of Use)

A measurement of customer activity. Average minutes of use per customer, usually presented on a monthly basis.

MPLS (Multiprotocol Label Switching)

A standards-approved technology for speeding up network traffic flow and making it easier to manage. MPLS involves setting up a specific path for a given sequence of packets, identified by a label put in each packet, thus saving the time needed for a router to look up the address in order to forward the packet to the next node.

MVNO (Mobile Virtual Network Operator)

A company that offers mobile services using another company’s network.

N

Narrowband

A channel that provides data transfer rates less than or equal to one voice-grade line. Contrast with broadband speeds of data transfer.

NGN (Next Generation Networks)

IP/MPLS protocol-based digital packet-switched network.

O

On-Net

Calls that stay on an operator’s network or a customer private network from beginning to end.

OTT

Internet-based services offered over digital platforms.

P

Penetration

The total number of subscribers for a carrier divided by the population that it serves expressed as a percentage.

Point-to-Point

A link from one user or network to another using a phone line.

PoP (Point of Presence)

A site where there exists a collection of telecommunications equipment, usually modems, digital leased lines and multi-protocol routers.

Push-To-Talk

Mobile phone technology that allows a mobile phone to be used for real-time one-to-one and one-to-many voice communication, typically requiring the speaker to push a button on the handset to be heard and to release the button to listen.

PSTN (Public Switched Telephone Network)

The international telephone system based on copper wires carrying analog voice data. This is in contrast to newer telephone networks based on digital technologies, such as ISDN.

PTT

The PTT is the General Directorate of Postal Telegraph and Telephone. Türk Telekom operated as part of the PTT from 1924 to 1995, when it was separated from the PTT and incorporated as a joint stock company under the Undersecretary of the Treasury.

R

Registered line

Registered line refers to a line with a valid and effective subscription agreement between the operator and the customer.

Ringback

When the customer gets a busy tone when calling a number, the caller is invited to punch R5. Once the called party’s line is free, the service will call back the customer and will connect them.

RLLO

Türk Telekom’s reference local loop offer. Türk Telekom is required by the Local Loop Unbundling Communiqué enacted on 1 July 2005 to publish a reference offer for access to its local loop. The reference local loop offer must be approved by the Telecommunications Authority every year. Türk Telekom submitted its RLLO for approval on 29 September 2005.

Roaming

The mobile telecommunications feature that permits subscribers of one network to use their mobile handsets and telephone numbers when in a region covered by another operator’s network.

S

SDH (Synchronous Digital Hierarchy)

The European standard for high-speed digital transmission using fibre optic cables.

SIM (Subscriber Identity Module)

An electronic card inserted into a GSM phone that identifies the user account to the network, handles authentication and provides data storage for user data such as phone numbers and network information. It may also contain applications that run on the phone.

SLA (Service Level Agreement)

A contract between a network service provider and a customer that specifies, usually in measurable terms, what services, and in certain cases, the quality of such services that the network service provider will furnish.

SMS (Short Message Service)

A mobile communications system that allows users to send and receive alpha-numeric messages of up to 160 characters from one mobile handset to another via a short message service centre.

SOHO

Small Office/Home Office.

T

Termination rate

The interconnection fee received by an operator for incoming calls terminating on its network.

U

UMTS (Universal Mobile Telecommunications System)

The third-generation broadband mobile communications standard. UMTS utilizes Code Division Multiple Access, or CDMA, technology and has the speed and capacity to handle multimedia transmissions. A UMTS system offers mobile telephony, messaging services, wireless access to the Internet and other multi-media services at higher speeds than GSM systems.

USO (Universal Service Obligation)

The obligation placed on Türk Telekom by the Universal Service Law enacted on 16 June 2005 to ensure that standard telephone services, pay phones and prescribed carriage services are reasonably accessible to all people in a particular region on an equitable basis, and with affordable pricing, wherever they reside or carry on business.

V

Voicemail

Any system for sending, storing and retrieving audio messages, similar to a telephone answering machine.

VoIP

Voice over Internet Protocol, in which voice traffic is carried over Internet Protocol rather than a circuit-switched network.

VPN (Virtual Private Network)

A data network that shares telecommunications infrastructure but acts as a secure private network, with an architecture based on the use of the TCP-IP (Time Compression Multiplexing—Internet Protocol).

W

WAP (Wireless Application Protocol)

A global open specification that supports Internet Protocols on wireless devices, such as mobile phones, two-way radios, smart phones and communicators, to easily access and interact with Internet-based services. With WAP, a mobile phone user can view mini-pages and interact with a small, multiple choice screen.

WiFi (Wireless Fidelity)

The generic term used to refer to any type of IEEE 802.11 radio frequency network, in which signals are sent over radio frequencies or infrared using wireless network cards and hubs to provide wireless network access.

WiMax (World Interoperability for Microwave Access)

The successor to Wi-Fi. The generic term used to refer to any type of IEEE 802.16 radio frequency network, with a range of up to 80 km and a bandwidth of up to 75bps.

WLAN

A wireless network connecting two or more computers or other devices over a short distance, such as within an office, a home or a hot spot. Wi-Fi and its successor, WiMax, are examples of WLANs.

WLR

Wholesale Line Rental

X

xDSL

Refers collectively to all types of digital subscriber lines, the two main categories being ADSL and SDSL. Two other types of xDSL technologies are High-data-rate DSL (HDSL) and Very high DSL (VDSL). DSL technologies use sophisticated modulation schemes to pack data onto copper wires. They are sometimes referred to as “last-mile technologies” because they are used only for connections from a telephone switching station to a home or office, not between switching stations.

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