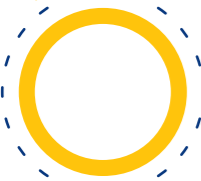




# Integrated Annual Report 2021





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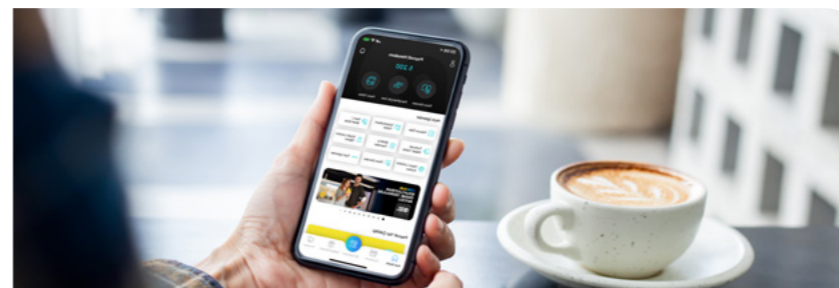
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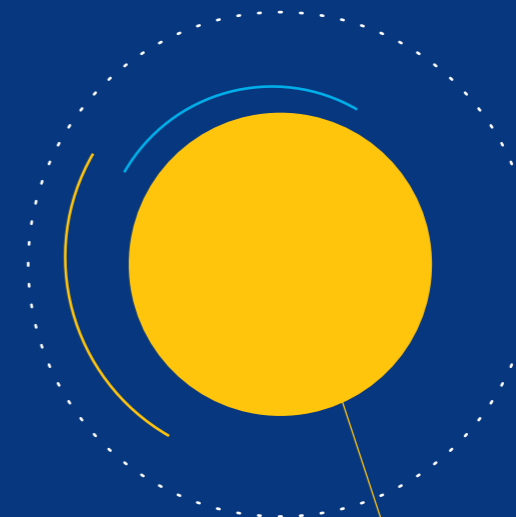
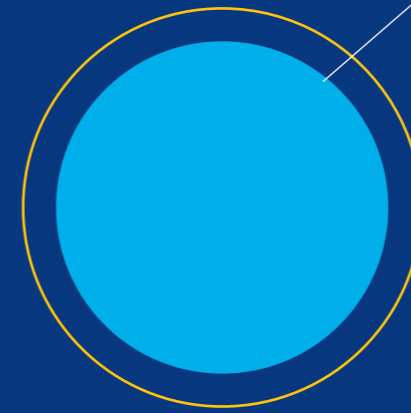
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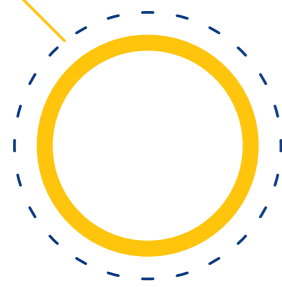




# About Turkcell

- Our vision and mission
- Turkcell Group: Developments in 2021
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- About the report





# About Turkcell

Turkcell has been operating in the communications and technology services field as a pioneer of the telecommunications sector in Turkey since 1994. Over the past 28 years, Turkcell has played a key role in the development of Turkey's telecommunications sector, first as a mobile communication company, then as an integrated telecommunications operator and eventually as a digital operator.

Turkcell Group companies serve their customers with high-quality voice, messaging, data, and IPTV services on mobile and fixed networks. Moreover, Turkcell offers its customers value-added and innovative services in accordance with its strategic focus areas, namely; digital services, digital business services and techfin services. Turkcell Group companies operate in 4 countries - Turkey, Ukraine, Belarus, and Northern Cyprus. Turkcell is dedicated to meeting the communication needs of its customers to their high-quality standards with its wide coverage in Turkey and diverse range of services abroad. Turkcell conducts its operations to offer opportunities not only for its customers, but for all of its stakeholders with the ultimate goal of creating overall social value, and accordingly leverages new technologies, services and products as the leading communications and technology company of Turkey.

Turkcell launched LTE services in Turkey on April 1, 2016, employing LTE-Advanced and 3 carrier aggregation technologies in 81 cities. Turkcell has a total bandwidth of 234.4 MHz, equivalent to 43% of the total spectrum in

Turkey available for mobile operators' use. Turkcell offers fiber internet speed of up to 10 Gbps with its FTTH services. Furthermore, it is the pioneer of 5G research and development studies in Turkey, conducting numerous tests and participating in related local and international organizations.

Turkcell has been listed on the Borsa Istanbul (BIST) and New York Stock Exchange (NYSE) since July 2000, as the only Turkish company to be listed on both stock exchanges. Turkcell debt instruments are traded on the Irish Stock Exchange. Turkcell is a constituent of the MSCI Sustainability Index and the Borsa Istanbul Sustainability Index. Turkcell reported TRY 35.9 billion of revenues in 2021 with total assets of TRY 70.7 billion as of December 31, 2021.



## Turkcell's shareholder structure

Turkcell's current shareholder structure is as shown in the following table:

Shareholders	Nominal (TRY thousand)	Share (%)
TVF Bilgi Teknolojileri İletişim Hizmetleri Yat. San. ve Tic. A.Ş.	576,400	26.2
IMTIS Holding S.A.R.L.	435,600	19.8
Publicly traded*	1,188,000	54.0
<b>Total</b>	<b>2,200,000</b>	<b>100.0</b>

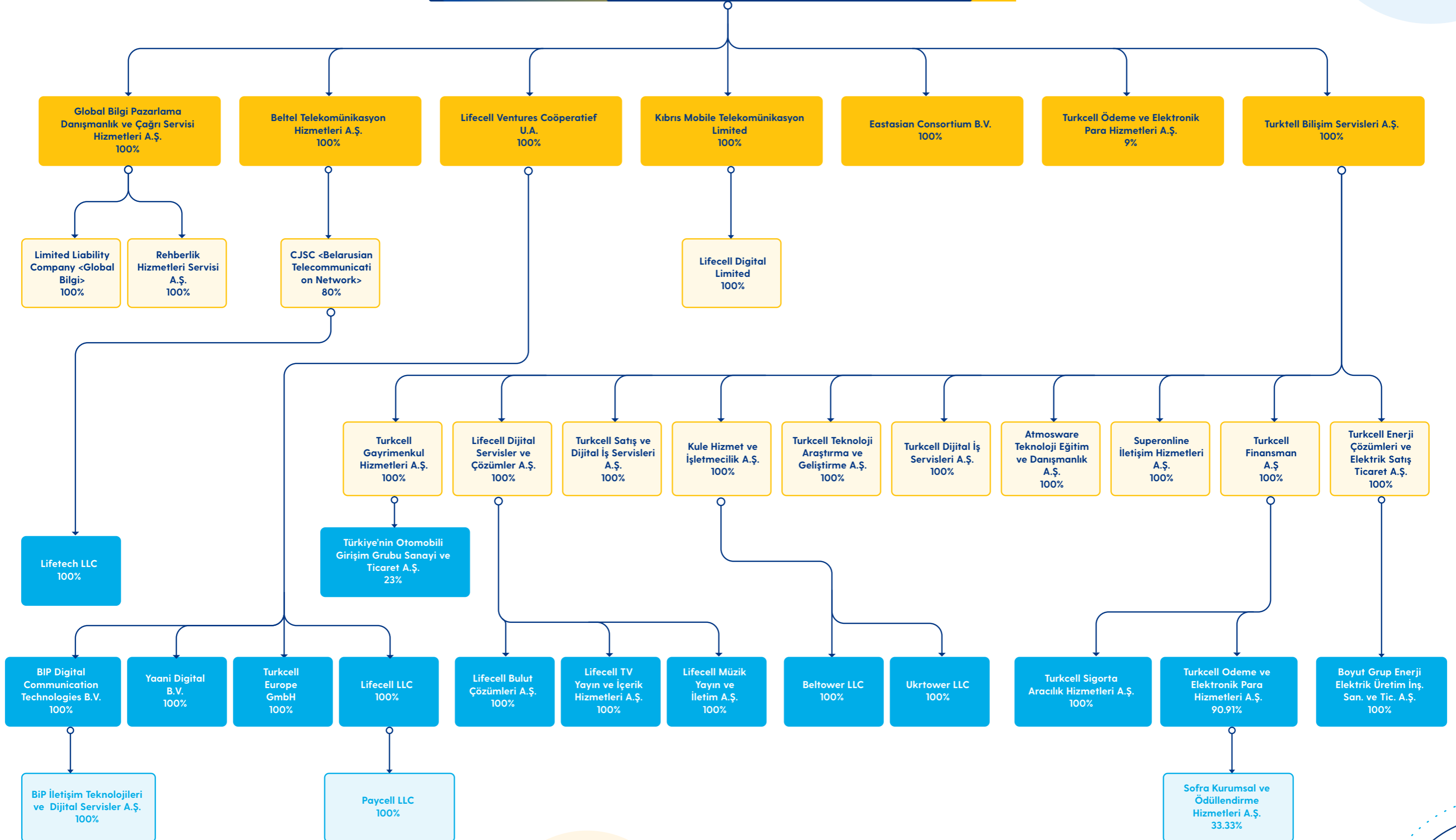
\*Publicly traded shares also include the ADS trading at NYSE.

Please visit [www.turkcell.com.tr](http://www.turkcell.com.tr) for more information on Turkcell.





## TURKCELL İLETİŞİM HİZMETLERİ A.Ş.





## Superior customer experience with our telecom services

The COVID-19 pandemic, impacts of which have been prevailing globally since 2020, has led to a significant transformation process in both customer habits and market conditions. Telecommunications services have become even more important with the increasing need for communications all around the world. It is critically important to innovate and think out of the box to ensure the sustainability of customer and brand communication. This awareness enables us to leverage Turkcell's superior analytical capabilities and brand power to continually strive to meet the evolving needs of our customers. We continue our infrastructure

investments as part of our customer-oriented innovative approach and with the importance we attach to digitalization. Accordingly, this year we once again continued our operations to deliver a superior experience to our customers through our mobile and fiber services offering rich and customer-centric value propositions with a world-class quality, keeping up with most recent trends and addressing changing needs.

→ 2.7

million

**Turkcell Turkey net subscriber additions**

653

thousand

**new households provided with fiber infrastructure access**



## A broad portfolio of services to address growing digital needs

We deliver innovative and inclusive services to our customers with our digital offerings, one of the building blocks of Turkcell ecosystem, developed by Turkcell engineers. We offer a wide range of solutions to our customers with our services including BiP, fizy, TV+ and lifebox addressing different needs, while continuing to develop new services at the same time.

As part of our diversified business model and visionary strategy, we deliver a rich experience by introducing our digital services to larger masses, and fortify our strong bond with our customers further. In 2021, we achieved a key milestone by exceeding 1 million standalone paid users in our TV+ and lifebox services. With its enhanced features, BiP reached over 90 million downloads and 26 million 3-month active users. In 2021, we started to serve also our corporate customers with our digital offerings which until then had focused on consumer segment customers primarily. Going forward, we will continue to increase penetration of our digital services through overseas partnerships.



**TRY 1.7**

billion

**standalone digital services revenue**

4

million

**number of standalone paid users**

## End-to-end support for digital transformation of our corporate customers with digital business services

We accompany the digital transformation of organizations offering innovative solutions leveraging our quarter-century old brand, strong sales force and widespread sales channel covering our public, strategic, large, medium and small-size customers, our superior infrastructure and experience, and assuming our role of "digital transformation consultant". In the Information Technologies (IT) field, we lead a large number of industries from healthcare to education, production to retail, transportation to logistics, finance to energy, and continue to deliver numerous

value-added projects in areas as required by organizations, and act as the strategic technology partner of our customers. In this period where organizations are in an increasing need for digitalization, we implement projects that will help them make decisions faster, reduce costs through higher efficiency, access new revenue streams, and be more competitive in all areas associated with technology through our advanced end-to-end solutions and services that we provide as a system integrator.

29%

digital business services revenue growth

TRY 1.4

billion

system integration projects backlog



## Innovative and effective solutions with our techfin services in the field of digitalized financial services

In the rapidly digitalizing financial services field, we offer innovative solutions to our customers with our brands; Financell, Turkcell Sigorta and Paycell. While we provide financing solutions to both individual and corporate customers enabling them to meet their technological product and service needs with Financell, we deliver innovative solutions with fast and easy-to-access products of Turkcell Sigorta to address risk management needs of customers. With Paycell, we offer solutions targeting

accelerated digitalization need in payments, which has emerged along with the changing user habits as a consequence of the COVID-19 pandemic. Paycell, which differentiates from its competitors with its broad range of product portfolio and innovative services, enables users to perform all financial transactions in a fast and secure way while offering flexibility and various advantages to merchants with its payment facilitation services.

27%

techfin services revenue growth

6.6

million

3-month active Paycell users

1.2

million

Financell credit customers





# Turkcell is creating sustainable value

We incorporate all of our stakeholders as partners in our sustainability business model which we have launched to achieve our goal of creating a better world. We design the technologies we build with a sense of responsibility for the environment and society and develop all business processes with a transparent corporate approach having people and the environment at its focus.

We look to transform our business into a more ecological, more efficient and more sustainable model by tapping into the power of technology in the face of climate change. With our all-inclusive Technology motto, we work to achieve equal participation of all segments in all aspects of life by delivering accessible and inclusive services.

1%

investing up to 1% of our revenue in social investment projects

100%

carbon-neutrality target by 2050 as a company consuming 100% renewable energy and generating renewable energy



# Switch to e-bills today for a better tomorrow







## Our vision

**Superior digital services for a better future**



## Our mission

**To add value to the digitalization journey of our customers, both in Turkey and across the globe, and enrich their lives with our continuously improving competencies and robust ecosystem**





# Turkcell Group: Developments in 2021

Turkcell Group companies operate in 4 countries - Turkey, Ukraine, Belarus, and the Turkish Republic of Northern Cyprus (TRNC).

## Turkey

# Turkcell Turkey

## Revenue TRY 27.2 billion

35.6 million 2.7 million 1.1 million

Mobile customers

Fixed customers

IPTV customers

Ukraine lifecell

### 10.1 million

Mobile customers

### TRY 2.8 billion

Revenue

Belarus BeST

### 1.5 million

Mobile customers

### TRY 508 million

Revenue

TRNC Kuzey Kibris Turkcell

### 0.6 million

Mobile customers

### TRY 307 million

Revenue



## Developments in 2021

- Robust revenue, EBITDA and net profit performance on the back of our business model diversified with strategic focus areas, and our customer-oriented strategy

**TRY 35.9 billion**

revenue on 23.4% growth

**TRY 15.0 billion**

EBITDA on 22.4% rise

**TRY 5.0 billion**

net income on 18.7% increase



- Leverage level below the industry average thanks to effective balance sheet management; FX position in line with corporate targets on disciplined financial risk management

**1.1x\***  
leverage

**USD 191 million\*\***  
short FX position

\*We have revised the definition of our net debt calculation to include "financial assets at fair value through other comprehensive income" reported under current and non-current assets, and "financial assets at amortized cost". We believe that these assets are highly liquid and can be easily converted to cash without significant change in value.

\*\*Advance payments are included.

- Cash flow generation with successful operational performance despite challenging macroeconomic conditions

**TRY 1.1 billion**

free cash flow generation\*

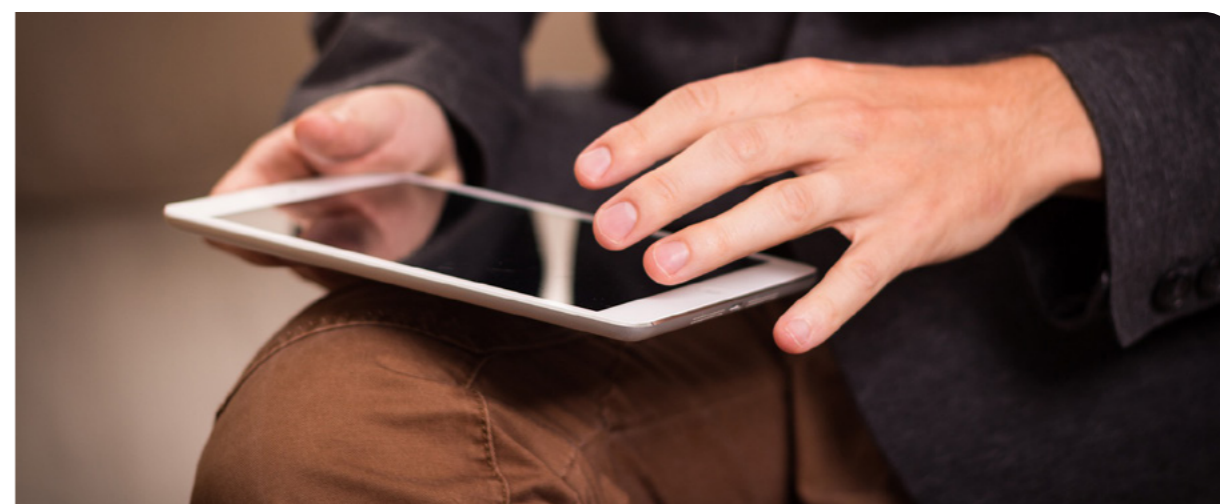
- Double-digit ARPU growth supported by increased usage and upsell efforts

**Mobile ARPU\*\* at TRY 54.9**  
on a 13.4% rise

**Residential fiber ARPU at TRY 78.4**  
on 10.6% growth

\*Free cash flow calculation includes EBITDA and the following items as per IFRS cash flow statement; acquisition of property, plant and equipment, acquisition of intangible assets, change in operating assets/liabilities, payment of lease liabilities and income tax paid.

\*\*Excluding M2M

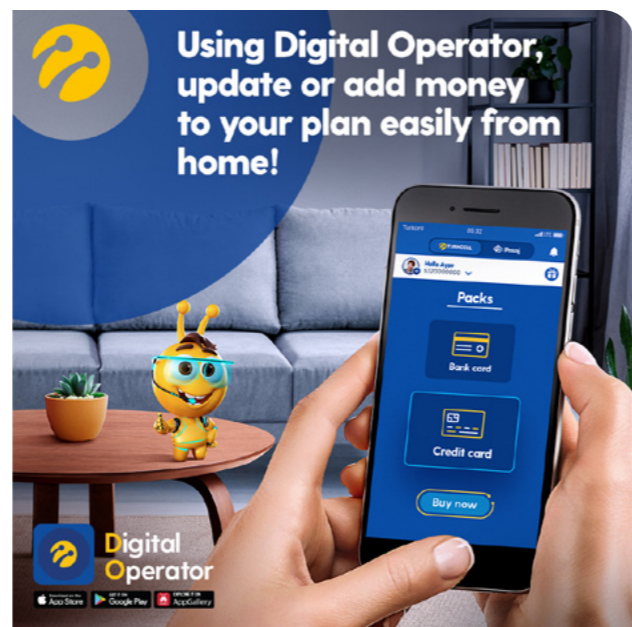


Successful subscriber net addition performance on the back of strong infrastructure, high quality customer services and rich value proposition

<b>2.2 million</b>	<b>66.4%</b>	<b>223 thousand</b>	<b>2.7 million</b>
<b>net mobile subscriber additions</b>	<b>share of postpaid subscribers</b>	<b>net fiber subscriber additions</b>	<b>total net subscriber additions</b>

Continued growth in data usage with digitalization, increasing smart phone penetration and rising 4.5G users

<b>13.3 GB</b>	<b>14.9 GB</b>
<b>monthly average mobile data usage per subscriber</b>	<b>average monthly data usage per 4.5G subscriber</b>
<b>on 13.7% increase</b>	



Increasing share of our digital sales channels in total sales with evolving consumer habits

<b>22.1 %*</b>	<b>23 million</b>
<b>(Q421)</b>	
<b>increasing share of digital sales channels</b>	<b>digital users (DO 3-month active user)</b>

Strong momentum prevailing in our strategic focus areas

<b>31%</b>	<b>29%</b>	<b>27%</b>
<b>increase in digital services standalone revenues</b>	<b>revenue growth in digital business services</b>	<b>rise in techfin revenues</b>

Sustainability focus as one of the main components of our business model

<b>Adoption of the UN Sustainable Development Goals</b>	<b>We create diversity by integrating our funding sources with sustainability</b>	<b>We continue our renewable energy investments</b>
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\*Share of all sales from digital channels (including voice, data, services & smart devices) in Turkcell Turkey consumer sales (excluding fixed business) and equipment related revenues in other segment. Beginning from this quarter, the data has been revised to include the revenues from postpaid subscriber acquisitions, switches, tariff revisions from digital channels.



## Message from Chairman of the Board

### Bülent Aksu

Chairman of the Board

Dear Stakeholders,

As Turkcell family, we left behind a year, where we continued our business in line with our goal of creating sustainable value, with the awareness of the importance of operating in an economically and strategically crucial industry, and our responsibility to the entire Turkcell ecosystem. While strengthening our infrastructure with a focused approach throughout the year, we kept on providing our customers with the highest quality products and services through ongoing investments for the latest technologies. In a time, when digitalization played an increasingly predominant role in our daily life, we continued to develop innovative solutions for evolving needs and demands, and make those available for our customers.

With vaccination gathering speed, 2021 turned a year, where recovery from the COVID-19 pandemic started and daily life swiftly took on a normalization trend across the countries we operated in just like the rest of the world. We continued our operations, knowing it was our corporate responsibility to deliver uninterrupted and quality communication services to our customers. Prioritizing the continuity of our operations as our key responsibility, we provided leverage in operations and digital transformations of all sectors also in this period. We ended another successful year with sustainable and profitable growth driven by our operations.

Our solid financial performance allowed us to share the benefits of our achievements with our shareholders and investors also in 2021. Accordingly, at the Ordinary General Assembly

dated April 15, 2021, it was resolved to distribute a gross dividend of TRY 2.6 billion to our shareholders. We thus distributed 61% of our net income in 2020 as dividends to our shareholders in 2021. This strong dividend distribution performance stands out as a reflection of our robust balance sheet, successful operations and prudent financial risk management approach.

We carried on our investments with the aspiration to bring the latest technologies to our country and other geographies we operate in, thereby providing assistance along their digitalization journey with end-to-end solutions. With an investment of TRY 11.5 billion in 2021, our total investments from our foundation to date now exceeded TRY 75 billion. This year, we adopted a smart investment approach enabling us to review the feedback and needs of the network, finance, sales and marketing functions with a holistic approach when planning our investments. This project aims to enable us to plan capital expenditure more effectively in order to elevate our Company's cash flow generation capability to higher levels.

In the upcoming period, we will promote sustainable development and continue our investments to improve people's welfare through technology and digitalization across the territories we do business in as well as developing innovative products and services, which are well-suited to the meaning of Turkcell brand, and our responsibility to our customers.

### Turkcell pioneers digitalization in all aspects of life

An accelerated digitalization trend driven by the COVID-19 pandemic recently revealed the key role played by telecommunications operators in this area. As Turkcell, we adopted the mission to add value to digitalization journeys of our customers through our ever-developing competencies and strong ecosystem, and enrich their lives with technology. In this respect, we assist with the digitalization journeys of four countries, where we have operations, giving them a global competitive edge. While we open the gates of the digital world to our customers with services providing high quality and high-speed connectivity, we also meet digital demands of both consumers and institutions and organizations through a broad portfolio of products and services developed by Turkcell engineers locally. Running on Turkcell's solid infrastructure, all of these services help keep the data of Turkey within Turkey. We make these innovative services available to our customers through our digital services, digital business services and techfin businesses, which are our strategic focus areas.

As part of our focus on our digital services, we continue to lead the digital transformation of our country with instant messaging, TV and music platforms, personal cloud services, search engine and email services, which we offer to our customers. By courtesy of our customers, the number of users of these services continue to grow. Downloaded over 37 million times locally and globally in 2021, our instant messaging service BiP had over 90 million downloads so far.



As an indication of the strong interest in our digital services, the number of standalone paid users of both our digital TV platform TV+ and personal cloud application lifebox rose over 1 million in 2021.

We lead private companies and public institutions in their digital transformation journeys with our digital business services, another strategic focus area of our Company. With end-to-end solutions we offer, we enable organizations differ from competition by increasing their operational efficiencies, supporting the digital economy of Turkey. Together with our business partners, we offer a large number of services to customers in diverse areas, primarily including data center and cloud solutions, cybersecurity, system integration, managed services, business applications and next generation technologies.

Another major development of 2021 was the inauguration of the Europe Data Center. Built with our cutting-edge technology to serve the purpose of making our country the top data and cloud technologies base of the world, the Europe Data Center reinforced our leading position in this field. With the addition of the Europe Data Center, spreading over an area of 37 thousand 277 square meters with 7 thousand 238 square meters of white space, our investments in this field reached over TRY 2.5 billion to date. We will be working towards our goal of bolstering up the competitive position of our country in data transportation and storage with our data center investments to take place in the forthcoming period.

Healthcare is another sector where digitalization is in the spotlight. As Turkcell, we play a leading role in the digital transformation of our country in healthcare, as well. We built the digital infrastructure of city hospitals, the largest healthcare investments of our country, with the "Hospital Information Management System" developed by Turkcell engineers. Going forward, we also target to export this digital infrastructure, which is installed in 7 city hospitals. We thus aim to represent our country successfully on international platforms in the healthcare industry.

Rapidly changing payment habits all around the world put more emphasis on digital solutions in this area. We

leverage our Paycell brand to make services available for our users in the simplest and most secure way possible as the leader of innovations in payment systems. We differentiate from the competition through innovative solutions delivered in different verticals on our "Super App" which addresses all financial transaction needs of our users. While growing our number of users with extensive and diverse services we offer, we also focus on acquiring more merchants through our payment facilitation services and solutions to expand the coverage of Paycell and support our growth performance. With Financell, another focus of ours in techfin, we meet the needs of our customers in financing their purchases of phones and tablets. To increase the number of customers of Financell, we also offer our corporate customers various financing solutions in a manner that will support our performance in our strategic focus areas.

In 2021, while meeting the digital solution needs of our customers with our products and services, we also continued digitalization of our own internal processes. We steadily kept increasing revenue share of our digital sales channel, which increased to 22% on a 4 point rise compared to the previous year, thanks to the sales realized through our digital operator application, website and electronic marketplace Turkcell Pasaj. We intensively concentrate on digitalization of our sales channels for both uninterrupted service delivery to our customers and savings in selling expenses. In the forthcoming period, we will continue working towards increasing the revenue share of the digital sales channel.

Our digital and analytical competencies hold a prominent place in our marketing and sales operations as well. Leveraging this, we are able to make customized offers to our customers at the right time and at the right price level. Ensuring our customers receive the right offer with the right price on one hand leads us to reinforce the customer loyalty to our brand. As a result of these efforts, our customer loyalty rate improved by 0.3 points in 2021 compared to the previous year. While managing our infrastructure, we efficiently direct the traffic across our network by using our digital competencies, and optimize network investments in this respect. At the same

time, we keep virtualizing our network. Virtualization rate was over 60% in 2021 in our mobile and fixed networks. All of these efforts pay off with efficiency in our investments.

Another remarkable development resulting from our digitalization efforts was the completion of the establishment of our software company Atmosware in 2021. Today, we have a new world and a new economy evolving around technology and digitalization. In this new period, we prioritize software development, one of the key elements which will help us maintain our leading position. By establishing this company, we aim to develop software products and services and bridge the skill gap in our country by specifically training software developers for this purpose.

Furthermore, we launched the "Developers of the Future - Investment for Youth, Software for Future" initiative in partnership with the Ministry of National Education as part of our goal of contributing to the software ecosystem of our country. With this training program initiated in Turkey for the first time, we aspire to educate young people for the software world, improve their coding competencies, and, as a result, provide skilled workforce to the domestic software ecosystem. Young software developers, who complete the program and pass tests, will get the opportunity to join Turkcell and group companies as well as Turkcell's software company Atmosware. Those who attend the program will be one step further to secure a position in other companies, as well, thanks to the professional competence certification provided on completion of the program.

Aware of the importance of information security, we established an advanced level of measures for data privacy and security, which would ensure compliance with the General Data Protection Regulation (GDPR) applying to our services, which we offer in European Union countries, as well as the personal data protection legislation and the laws of our country applying to our products and services. As part of the Personal Data Compliance Program, we prepare and release required policies and procedures and identify new requirements through regular evaluations with the Personal Data Steering Committee.

## We invest in the infrastructure of our country in the digital transformation process

In order for Turkey to stay ahead of the competition in the digitalizing world, real fiber needs to be delivered to all households in our country. As Turkcell, we increased our fiber infrastructure investments to accelerate the digitalization process of our country, and bring high speed and quality fiber internet to our users in all parts of Turkey. By adding 653 thousand fiber homepasses in 2021, we increased our total fiber homepasses to 4.5 million. We see our fiber infrastructure as a critical factor in meeting evolving user needs following the COVID-19 pandemic and filling the shortcomings in the digital transformation process of our country completely. With this perspective, we aim to increase the number of our homepasses in the upcoming years.

We continue our efforts in the 5G technology, which will open a new page in the digital transformation journey of our country in the upcoming years, through international partnerships while supporting the local ecosystem, as well. To make this technology accessible to our customers in the most efficient and fastest way, we lead several local and global test projects, and continue our preparations in different areas of usage based on our experience from these projects. Believing that Turkcell's existing world-class 4.5G infrastructure will facilitate this transformation, we aim to deliver the best service to our country with in this new era as well.

While bringing out new industries, the digital transformation process also results in radical changes in the existing industries. In the automotive industry, which currently experiences this transformation, we observe that the gap between conventional manufacturers and technology companies is rapidly closing, and that companies, which successfully implement mobility and intelligent transportation solutions, gain a competitive edge. Developed by

Turkey's Automobile Joint Venture Group Inc., Togg offers innovative solutions embracing global trends in this field by converting data to controlled and safe autonomous drive. While Togg will differentiate the driving experience of its users with the ecosystem it will create around the smart vehicle, as Turkcell, we anticipate contributing to this ecosystem with our technological competencies. We prioritize the integration of in-vehicle passenger analysis systems, primarily including face recognition and emotion analysis, and Turkcell's digital and techfin services with the e-mobility ecosystem. Considering the potential Togg offers and the synergy it creates with our technological competencies, we are pleased to have increased our shareholding in Togg from 19% to 23%. With the production expected to start in 2022, we foresee that this potential will materialize and create value for all of our stakeholders.

## We adopt best practices in corporate governance

As the one and only Turkish company listed on both Borsa Istanbul and the New York Stock Exchange since 2000, we comply with the requirements of both Turkish and U.S. capital markets, and consistently improve our processes by adopting best practices in corporate governance. Forming an Integrated Value Creation Committee last year, we began overseeing our sustainability activities more closely through an integrated perspective. Accordingly, annual performance evaluation of Board of Directors' was also an item on our agenda. In line with our perspective of improving our corporate governance, the first evaluation was completed this year. Regular self-assessments by our Board of Directors will provide a basis for building the infrastructure for more advanced corporate governance practices at the Board level. I value the evaluations made by our Board of Directors, which has already adopted a holistic corporate governance approach that embraces all our stakeholders thanks to the valuable contributions of our independent members, who have different areas of expertise, experience and competencies at the national and international level, both at the Board of Directors and at its committees. Another significant development about corporate governance was the

establishment of our Strategy and Digitalization Committee in early 2022 to help our Board of Directors perform oversight responsibility by providing consultancy on strategy, digitalization and efficiency. I wholeheartedly believe all of these developments will carry the transparent stance of Turkcell, guided by best practices in corporate governance, to more advanced levels.

Our Board of Directors will continue to implement the most effective and optimal internal governance tools and procedures to address potential conflicts of interest for the benefit of all stakeholders.

## We took major steps in our journey to sustainability

As Turkcell, we build all of our processes on sustainability principles and positively contribute to the society and environment we live in. We work to ensure that the environmental, social and governance dimensions of our business are universally valuable in every sense and at all times.

While supplying all the energy we use from 100% renewable resources as part of our efforts in combatting climate crisis, as a company generating renewable energy, we also make additional investments and aim to become carbon-neutral by 2050. Using our technological competencies, we develop solutions for all segments of our society to have access to the benefits of the digital world. We embrace ethical values across the entire Turkcell ecosystem and urge all our stakeholders to adopt these values.

Last year, we acquired Boyut Grup Enerji, which owned Izmir Karadag Wind Power Plant to reinforce our sustainability approach and get one step closer to our 2050 target. Transforming Turkcell into a company generating renewable energy, this acquisition has empowered our sustainability initiative. In addition to this investment, we generated 2.200 MWh of electricity in 2021 with the 5 solar energy projects we own. In 2021, we supplied 100% of the energy consumed across Turkcell Group from renewable energy sources.

We do not take sustainability from an environmental sustainability perspective only. For us, sustainability means minimizing our direct and indirect negative outputs, creating positive value, and adopting this approach to all of our stakeholders. With that goal in mind, we have been implementing social inclusion projects that aim to provide equal opportunities for everyone since our foundation. We develop projects that will spread social equality in every sense by using technology without excluding anybody, such as My Sign Language application, Women Developers of the Future, Recycle into Education, Education Without Boundaries Program as part of People without Boundaries project, My Gem Inside, Sports without Boundaries and My Dream Companion application made available to all operators free of charge. We attach great importance to building digital skills in next generations, who will ensure the development of our country. Accordingly, we opened 25 new classrooms in 2021 as part of the Whiz Kids project we launched to improve the technological capabilities of talented students in cooperation with the Ministry of National Education. Within the scope of this project that is preparing our country for the future in the digital transformation area, we equipped Whiz Kids Technology Classrooms with a broad range of technological equipment including laptops, 3D printers, smart boards, electronic and robotic coding kits. This training currently enables 200 thousand students we reached through 70 Whiz Kids classrooms opened in 42 cities, to develop projects in AI, coding, space sciences, robotics, smart homes, and cloud technologies.

Over the last year, we experienced heartbreaking times reminding us of the significance of the fight against climate change. Unfortunately, we were deeply saddened by the wildfires and floods that took place in summer. As Turkcell, we used every means available to us and worked relentlessly. While taking precautions to facilitate and maintain uninterrupted communication across disaster areas, we also donated 50 thousand saplings for reforestation of the areas affected by wildfires.

We set targets and hired people based on our equal pay for equal work policy to increase the number of women

employees and women executives at Turkcell. We continued working towards our goal of becoming the top employer with a focus on gender equality.

In 2021, we announced our "Sustainable Governance Principles" that regulates the compliance with our human rights and environmental policies, which we drew up to place our sustainability approach on solid grounds and make it permanent. We pledged to do business by contributing to the UN's Sustainable Development Goals with our 15 principles, which regulate the rules of our communication and interaction with all our stakeholders, reinforcing our "Turkcell for a Better World" discourse.

### We are committed to our principles to deliver value for our stakeholders

I would like to extend my sincere thanks to our customers for their interest in our products and services, our shareholders for their trust, our business partners and all stakeholders and especially our employees, who have enabled us to carry out our operations successfully in 2021.

Going forward, we will continue to work with all our strength by keeping value creation for all our stakeholder groups that make up the Turkcell ecosystem at the center of our operations. Focusing on the social benefit with our strong infrastructure, technology investments, innovative services and solutions, increasing the welfare of all regions that we operate in and the people living in there, particularly in our country, will continue to be our main agenda item.

Sincerely,  
Bülent Aksu  
Chairman of the Board



## Happy August 30<sup>th</sup> Victory Day, the #TurningPoint of our glorious history.

We commemorate Ghazi Mustafa Kemal Atatürk and  
all our martyrs with great respect and gratitude.





## Board of Directors



### Bülent Aksu

Chairman of the Board

Bülent Aksu has 25 years of managerial experience in finance, accounting, tax and management fields in various sectors including telecommunications, energy, petrochemicals, textiles and audit. He began his career at Inspection Board of Kuveyt Türk A.Ş. as an Auditor, and then undertook Finance Manager and Group Finance Director roles, respectively at Çalık Holding in 2003. Between 2008 and 2012, he served as CFO at Akfel Group.

Mr. Aksu undertook CFO role at Azerbaijani National Oil and Gas Company's (SOCAR) subsidiaries Petkim Petrokimya Holding A.Ş. and STAR Rafineri A.Ş., respectively from 2012 to 2016.

Bülent Aksu carried out numerous mergers and acquisitions transactions in various industries, and actively managed financial transactions including project financing and bond issuance in international and domestic markets.

He led the completion of the financing agreement of USD3.3 billion with 18 years maturity signed between 23 local and international financial institutions and STAR Rafineri, one of the most prominent industrial investments of our country. This agreement had been the top project financing transaction made in Turkey to that date in terms of amount and maturity. Moreover, it had been the largest project financing transaction in Europe in 2014.

Bülent Aksu served as CFO of Turkcell from July 20, 2016 to July 17, 2018. Mr.

Aksu made valuable contributions to Turkcell having implemented international practices enabling Turkcell to become an exemplary company of our country in terms of balance sheet and FX risk management along with his innovative solutions to funding investments. Mr. Aksu strengthened Turkcell's leading position in local and international capital markets having carried out first Asset Backed Securities (ABS) issuance in non-banking sector, and having led financing bill, lease certificate and Eurobond transactions. In 2016 and 2018, Mr. Aksu was voted among the top 50 most influential CFOs in Turkey by the Fortune Turkey magazine.

Mr. Aksu served as Deputy Minister for the Ministry of Treasury and Finance between August 3, 2018 and January 29, 2021. He served as a Board Member of Türk Telekomünikasyon A.Ş. from November 2018 to March 2019. Bülent Aksu served as a member of Turkcell Board of Directors between March 2019 and March 2020. Between May 2019 and February 2021, he served as the Chairman of Board of Directors of Turk Eximbank. Mr. Aksu was appointed as the Chairman of Turkcell's Board of Directors effective as of March 12, 2020. Bülent Aksu was re-elected as a Member of the Turkcell Board of Directors at the Ordinary General Assembly Meeting for 2020 which was held on April 15, 2021 and as the Chairman of the Board of Directors as of April 20, 2021. Mr. Aksu represented

our country as Sherpa at the G20 summit in 2018, and as Turkey Governor at the Asian Development Bank (ADB) and the African Development Bank (AfDB); Turkey Deputy Governor at the World Bank (WB), European Bank for Reconstruction and Development (EBRD) and Asian Infrastructure Investment Bank (AIIB); as Turkey Executive Director at Islamic Development Bank (IsDB) between August 2018 and January 2021. Bülent Aksu graduated from Istanbul University Faculty of Business Administration (English) in 1996.







**Figen Kılıç**  
Board Member

Figen Kılıç, born in 1970 in Gaziantep, graduated from Selçuk University, Electrical Electronics Engineering department and received her Master's Degree from Gebze High Technology Institute, Electrical Engineering Department. Trained in project management, process management, and test engineering, Kılıç also graduated from the Anadolu University Faculty of Open Education, Department of Law, and is studying in the Department of Business Administration of the same university. Figen Kılıç, started her career as

technical translator in İhlas Group, before moving to İstanbul Municipality BELBİM A.Ş. in 1995 for a lengthy period, working on payment projects as R&D engineer, Project Coordinator and R&D Manager. In 2010, she transferred to E-Kent Ödeme Sistemleri A.Ş. (Çalık Holding) where she served as IT and Operational team manager for electronic ticket and payment systems integration and management projects in various cities of Turkey. In 2014, Figen Kılıç worked at Turkcell İletişim Hizmetleri A.Ş. and in 2015 was appointed to the Information and

Communication Technologies Authority (ICTA) of Turkey as its first women board member. Kılıç became the vice president of the board in 2018. After her term in office ended in 2019, she acted as Service Delivery General Manager of the Republic of Turkey Ministry of Family, Labor and Social Services. As of January 29, 2021, she was appointed to the Turkcell Board of Directors. At the Ordinary General Assembly Meeting for 2020, held on April 15, 2021, Figen Kılıç was re-elected as the Member of the Turkcell Board of Directors.



**Hüseyin Aydın**  
Board Member

Hüseyin Aydın was born in 1959 in Borçka, Artvin. He graduated from the Ankara Academy of Economics and Commercial Sciences (Faculty of Economics) in 1981. He began his career as an Assistant Auditor at Ziraat Bank and served as Auditor, the Head of Department, Duisburg/Germany Representative and Branch Manager. After working as an Executive Board Member at Halkbank, as a Board Member at Pamukbank and as Deputy Chairman of Board at Ziraat Bank between 2003 and 2005, when also Pamukbank and Halkbank

merger was completed successfully, Mr. Aydın served as General Manager of Halkbank between 2005 and 2011, when the Bank went public in 2007 as the largest transaction of the country since then. Hüseyin Aydın worked as the General Manager at Ziraat Bank between July 15, 2011 and March 26, 2021, and served as the Chairman of the Banks Association of Turkey from 2010 to 2021. Ziraat Bank, which became Turkey's most valuable bank brand during his tenure, played a pioneering role in foundation of valuable assets for our country by

contributing to large scale projects. He served as a Board Member at Turkish Wealth Fund between 2017 and 2021 and as the Chairman of the Board of Directors at Ziraat Katılım Bankası during February 2015 and January 2022 and also as the Board Member of Turkcell since March 8, 2019. At the Ordinary General Assembly Meeting for 2020, held on April 15, 2021, Hüseyin Aydın was re-elected as the Member of the Turkcell Board of Directors. He became the General Manager of Türkiye Tarım Kredi Kooperatifleri as of February 1, 2022.



**Tahsin Yazar**  
Board Member

Tahsin Yazar was born in İspir, Erzurum in 1975. He graduated from Ankara University Faculty of Law in 1996. After starting his career as a freelance lawyer, he continued at Devres Law Office and Zorlu Holding A.S., respectively. Mr. Yazar joined Calik Holding Inc. in 2010 as Director of Energy Group Legal Affairs and also acted as a board member of Yesilirmak

Electricity Distribution Inc. and Aras Electricity Retail Sales Inc. Mr. Yazar was appointed as Advisor to the Minister of Energy and Natural Resources on January 12, 2016. As of August 1, 2018, he was appointed as Advisor to the Minister of Treasury and Finance and he held this position until the replacement of Minister. Acting as a self-employed lawyer, Tahsin Yazar was appointed

as an independent member of the Board of Directors of Turkcell by the Capital Markets Board of Turkey on March 6, 2020. At the Ordinary General Assembly Meeting for 2020, held on April 15, 2021, Tahsin Yazar was elected as the Member of the Turkcell Board of Directors.



**Şenol Kazancı**  
Board Member

He was born in 1975, in İstanbul. He graduated from İstanbul University, Faculty of Law. Şenol Kazancı worked as TVNET General Manager between 2007 and 2011, as the Chief Advisor of the Prime Minister between 2011 and 2014, and as Chief Advisor to the President in 2014. He lastly served as the Chairman and General Manager of the Anadolu Agency between 2014 and

2021. At the Ordinary General Assembly Meeting for 2020, held on April 15, 2021, Şenol Kazancı was elected as the Member of the Turkcell Board of Directors.



## Sir Julian Horn-Smith

### Board Member

Sir Julian Horn-Smith was born in London in 1948 and graduated from London University with a B.Sc. Hons in Economics. He completed his master's degree in Business Administration (M.Sc.) at Bath University and in 2010 was also awarded a DLL Hon. He served as Pro-Vice-Chancellor at Bath University for 8 years. He has held various senior positions at Vodafone Group since its foundation in 1984. He served as the CEO of Vodafone International between 1988 and 2006. Sir Julian also served as Vodafone Group's COO for six years where he

was a main Board Director. He also served as a member of the Board of Directors and Risk Committee of Lloyds Banking Group, and Advisor to the Chairman of Etisalat. He was appointed to the Turkcell Board of Directors on April 15, 2021. Sir Julian was honoured with a Knighthood by HM The Queen for services to International Telecommunications in 2004. In addition to his position at Turkcell, Sir Julian is The Chairman of eBuilder AB (Sweden) and Alpha 311 (UK). He is also a Non-Executive Director of Digicel Group. He works as a Senior Advisor

at AlixPartners (U.S. Consultancy) and until December 2021 as a Senior Advisor at UBS Investment Bank. Sir Julian has served on a number of public company boards including Smiths Group Engineering, Lloyds Banking Group, Sage Group (Software), China Mobile and Verizon Wireless (U.S.). He is married and has four children.



## Afif Demirkıran

### Independent Board Member

Afif Demirkıran was born in Siirt in 1952. Having completed his primary and secondary education in Siirt, Afif Demirkıran graduated from Mining Faculty of Istanbul Technical University in 1973. Later he studied engineering and had master's degree at the Leeds University in UK. He served as an executive in Etibank, as Head of Foreign Investment Department at the Undersecretariat of State Planning Organization, as General Manager of Foreign Investment Directorate at the Undersecretariat of Treasury, as a Board Member of Eregli Iron and Steel Inc. and Sümerbank A.Ş., as various executive positions in private sector companies, as General Manager

and Chairman of Turkish Electricity Generation and Transmission Company (TEAŞ), and as General Manager of Vakıf Enerji ve Madencilik A.Ş.. Being active in politics since 2002, Afif Demirkıran served as Batman Deputy in the 22<sup>nd</sup>, and Siirt Deputy in the 23<sup>rd</sup> and 24<sup>th</sup> periods of the Grand National Assembly Turkey. In the 22<sup>nd</sup> period, he also served as a member of the State Economic Commission for Enterprises, member of Turkish Group OSCE PA and member of the Turkey-EU Joint Parliamentary Commission. In the 23<sup>rd</sup> and 24<sup>th</sup> periods, he was the President in the Turkey-EU Joint Parliamentary Commission. In the 22<sup>nd</sup>, 23<sup>rd</sup> and 24<sup>th</sup> periods, he served as the Chairman

of Turkey-Spain Inter-Parliamentary Friendship Group. In the 24<sup>th</sup> period, he also was the Deputy Chairman of Turkey-Pakistan Inter-Parliamentary Friendship Group. Since 2016, he has been the Deputy Chairman of Foreign Affairs Directorate of Justice and Development Party. Mr. Demirkıran was appointed as an independent member to the Turkcell Board of Directors by Capital Markets Board Decision effective as of March 6, 2020. At the Ordinary General Assembly Meeting for 2020, held on April 15, 2021, Afif Demirkıran was re-elected as the independent member of the Turkcell Board of Directors. He is married and has four children.



## Nail Olpak

### Independent Board Member

Nail Olpak, was born in 1961 in İbecik, Burdur. He graduated from Aydın High School. Having graduated from Istanbul Technical University Faculty of Mechanical Engineering, Mr. Olpak completed his master's degree in the field of Energy. Mr. Olpak serves as the Chairman of the Board of NORA Elektrik AS and PAK Yatırım AS and as the board member of companies in which these companies have shareholdings. As part of his activities in NGOs and for public welfare; Mr. Olpak serves as the Chairman of the Board of Directors of DEİK, Board Member of Export Credit Bank of Turkey (TURK EXIMBANK), Board Member of Turkcell, Board Member of İstanbul Development Agency (İSTKA), Member of High Advisory Board of MÜSİAD, Member of the Founding Committee of International Technological, Economic and Social Research Foundation (UTESAV), Member of the Board of Trustees of Tourism

Development and Education Foundation of İstanbul Chamber of Commerce (TUGEV), Member of Founders Board of İlim Yayma Foundation, Member of the Board of Trustees of Huzur Hospital Foundation, Member of the Board of Trustees of Human Development and Societal Education Foundation (İGETEV), Member of the Board of Trustees of the Foundation for the Support of İstanbul Medeniyet University. Nail Olpak also served as the 5<sup>th</sup> Period Chairman of MÜSİAD (Independent Industrialists and Businessmen's Association) and the Chairman of MÜSİAD High Advisory Board, Council Member of B20 Steering Committee of Turkey, Council Member of İTO (İstanbul Chamber of Commerce), Board Member of İDTM (İstanbul World Trade Center), Board Member of the Huzur Hospital Foundation, Board Member of ENVERDER (Energy Efficiency Association), Member of High

Advisory Board and Board Member of MMG (Architects and Engineers Group), Founding Committee Member of Turkish-Japanese University, Member of the Board of Trustees of Commercialize Center İstanbul (CCI), Board Member of Turkey Silicon Valley. Mr. Olpak was appointed as an independent member to the Turkcell Board of Directors by Capital Markets Board Decision, effective as of March 6, 2020. At the Ordinary General Assembly Meeting for 2020, held on April 15, 2021, Nail Olpak was re-elected as the independent member of the Turkcell Board of Directors. Nail Olpak was granted the title of Honorary PhD in the branch of International Relations by Ahi Evran University and Mehmet Akif Ersoy University. Olpak is married and is the father of two sons who are Architect and Mechatronic Engineer. He speaks English very well.



## Hüseyin Arslan

### Independent Board Member

He was born in Aydın, in 1968. He graduated from Middle East Technical University, Department of Electrical and Electronics Engineering in 1992. He completed his master's degree in 1994 and his doctorate in 1998 at the Southern Methodist University Electrical Engineering Department. Hüseyin Arslan worked as research engineer at ERICSSON, consultant at ANRITSU Company, and held Membership of

TÜBİTAK Science Board and ULAK A.Ş and he has also won numerous national and international scientific awards. Hüseyin Arslan received his professor degree in 2013, and is currently working as faculty member at İstanbul Medipol University and South Florida University, and as a consultant at TÜBİTAK. At the Ordinary General Assembly Meeting for 2020, held on April 15, 2021, Hüseyin Arslan was elected as the Independent

Member of the Turkcell Board of Directors.



## Message from Chief Executive Officer

### Murat Erkan

Chief Executive Officer

Dear Stakeholders,

2021 was marked by a recovery period across the globe following the socially and economically challenging conditions that prevailed in 2020 due to the COVID-19 pandemic. Over the first half of the year, the measures taken against the pandemic continued to affect social life and business activities. However, in the second half of the year, following the widespread vaccination campaigns, we went through a period, where restrictions were gradually eased, and daily life and economic activities became increasingly normalized in our country in parallel to the majority of the world. While pandemic-fueled digitalization maintained its significance both in daily and business activities, a significant portion of evolving customer behaviors proved to be permanent.

As Turkcell family, we sustained our operations based on a people-oriented approach in line with our goal of delivering value for all of our stakeholders in 2021. We kept delivering innovative solutions to address the needs of our customers through a broad portfolio of products and services, and worked towards creating inclusive and sustainable benefits. With our strategic focus areas of digital services, digital business services and techfin, we carried on offering services that suited to the evolving habits and growing digital solution requirements of our customers.

**We continued our successful performance through our diversified business model based on our strategic focus areas**

In 2021, economic growth recovered across the globe with the easing in pandemic restrictions and vaccination becoming widely spread. We leveraged our customer-oriented approach, diversified business model and digital-based strategy, and maintained our solid financial and operational performance in 2021.

Strong performance of our services and solutions in meeting the evolving needs of our customers helped us deliver robust financial results exceeding our guidance, which we upgraded each quarter in 2021. Turkcell's consolidated revenues reached TRY 35.9 billion, with an increase of 23.4% compared to the previous year. Consolidated EBITDA rose to TRY 15.0 billion, with an increase of 22.4%. Having increased by 18.7% compared to the previous year, net income was TRY 5.0 billion. Operational capex to sales ratio (excluding licenses) was realized at 21.2% in line with our plans. Our strong balance sheet, prudent risk management approach, and consequently profitable operations allowed us to distribute our shareholders a gross dividend of TRY 2.6 billion in 2021.

**We increased subscriber net additions with our customer focus**

In this period, where the digitalization requirement stressed the importance of the telecommunications industry once again, we were able to meet the evolving needs of our customers fully through our robust infrastructure and extensive digital services. Thus, facilitating the lives of our customers, we successfully did our share in the digital transformation process to

provide competitive advantage to our country in the international arena.

In 2021, we observed that the changing consumer habits during the pandemic started to become permanent. While pandemic measures had a negative impact on mobility in the first half of the year, mobility and tourism activities, which increased as a result of eased restrictions, helped boost the demand for our mobile business in the second half. We registered 1.7 million net postpaid subscriber additions in 2021 through strong investment in our infrastructure, customer-oriented approach and our focus on expanding our postpaid subscriber base. Accordingly, the share of our postpaid subscribers in our total mobile subscribers reached to 66.4%. We registered net mobile subscriber additions of 2.2 million growing our total mobile subscriber base to 35.6 million and further increasing our market share. Mobile blended ARPU (excluding M2M) reached TRY 54.9 on 13.4% growth thanks to higher postpaid subscriber base, rising data and digital services usage, our upselling strategy, and price adjustments. With our offers based on our analytic competencies and our customer-oriented approach, we continued to improve our customer retention performance. Monthly average mobile churn was 2.0%, indicating to a 0.3% improvement on a yearly basis.

Given the lower fiber penetration rate in Turkey compared to the OECD countries, we expanded our fiber infrastructure to transform the increasing demand following changing consumer habits into value for our stakeholders and accelerate the digital transformation process of our country.



This resulted in net 223 thousand fiber subscriber additions, bringing our fixed subscriber base to 2.7 million. Residential fiber ARPU grew by 10.6% reaching TRY 78.4 through upsells and price adjustments. Also, our IPTV service TV+, differentiated from competition with rich content, reached 1.1 million subscribers with 211 net additions.

We recorded 2.7 million net subscriber additions in 2021 thanks to our value-driven and customer-oriented approach. Accordingly, we delivered the strongest subscriber net addition performance of the last 14 years despite the challenging conditions.

The digitalization steps that we have been taking for a long period of time in accordance with the evolving customer habits also supported the strong performance we achieved in a challenging period. With our omnichannel approach, we offer quality and inclusive services to our customers through our physical and digital channels and allow all our businesses to leverage this channel structure. Our digital sales channel taking on heightened importance among other Turkcell channels each day enabled us to maintain our bond and communication with our customers in any condition. The share of our digital channel in consumer revenues rose to 22% at the end of 2021. Additionally, we have kicked off our channel transformation project this year, which will enable us to serve our customers in a holistic manner, as well as creating cost saving opportunities by optimizing our physical, digital and tele sales channels.

## We met growing digital needs of our customers with our three strategic focus areas

This year, we continued to assist the digital transformation of our country through our digital services including BiP, TV+, fizy, lifebox and Dergilik, all developed by Turkish engineers and all considered cornerstone brands of Turkcell ecosystem. While the number of paid users of our digital services reached 4 million increasing 35%, our digital services standalone revenue grew 31%. Our communication and life platform BiP was downloaded over

90 million times while the number of 3-month active users reached 26 million, reaching 2.5 times that of last year. We aim to turn BiP into a widely-used platform through partnerships with international operators planned for the foreseeable future. Our internet-based digital TV platform TV+ had a remarkable year as it reached 1.1 million users thanks to its enriched content offer. We added value to our customers by offering this service to 65% of our residential fiber subscriber base. Providing a secure and fast cloud storage service for users, lifebox reached 1.3 million paid users. In 2021, we took a major step in accessing more customers by making our BiP Meet, lifebox business, fizy business and YaaniMail Corporate products available for our corporate customers as part of the B2B business model.

In 2021, we recorded an increase of 29% in revenues of our digital business services, which enable our corporate customers to gain a competitive edge by accompanying their end-to-end digital transformation. We were able to meet the growing digitalization demand of our customers by providing comprehensive services in data center and cloud solutions, cybersecurity, system integration and managed services, business applications and next generation technologies in addition to our traditional telecommunication services. We led digital transformation of our corporate customers through more than 2.700 projects with a contract value of TRY 1.7 billion in 2021. In system integration and managed services projects, we have a backlog of TRY 1.4 billion which will convert into revenues in 2022 and beyond. We helped organizations manage their digital transformation processes more efficiently by expanding our services this year. In addition to our value-added services, we realize digital transformation projects through vertical solutions that appeal to the specific needs of each sector. Our consultants with specific sector expertise allow us to analyze our customers in the industries we focus on, including healthcare, education, production, retail, finance, logistics, energy, tourism, SMEs and central and local administrations, with a 360-degree approach, and present projects that will provide our customers a competitive edge. Along with this approach, our strong

performance in 2021 led us to become the market leader. We intend to build up our competencies and maintain our robust performance in this strategic focus area to accompany our corporate customers throughout their digitalization journey.

Our techfin business, which includes Financell and Paycell brands, had a successful year. We registered TRY 1.1 billion in revenues in this focus area on a 27% year-on-year increase. Contraction in loan portfolio of Financell came to an end in 2021 and its revenues grew by 9% with the contribution of our insurance subsidiary. Additionally, Paycell performed brilliantly in meeting user requirements with its broad portfolio of products in a period, when payment habits changed and digital payment services became prominent. It maintained its performance with a revenue growth of 64% in 2021. Adopting a vision of becoming a "Super App" with service offering in a number of verticals, Paycell reached 6.6 million 3-month active users. "Pay Later" service, allowing reflection of spending to Turkcell bills, grew by 93% and reached a volume of TRY 1.8 billion. Meanwhile, Paycell Card transaction volume reached 6 times that of previous year. Paycell also started to extend its physical and virtual POS services to increase its member merchants and promote growth. The number of users of Paycell's Android POS terminals reached 6 thousand. Moreover, Paycell integrated 75 e-commerce websites as well as Turkcell channels as part of the virtual POS service, which targets to convert the strong growth in e-commerce into an advantage. Transaction volume carried out through our POS products reached TRY 1.6 billion in 2021.

We also started a partial stake sale process in Paycell, which improves its products and services and maintains its strong performance along with growing demand. As part of these efforts, we look for a strategic partner who, with its know-how in techfin services, will contribute to the growth of Paycell in existing and new markets and help us carry Paycell to the next level. We believe this will both assist Paycell in growing its business volume and unlock its real value.

While making lives of our customers

easier with the digital solutions we develop, we also keep our focus on digitalization of our internal processes. We support our solutions, which leads to incremental revenue generation potential, with several cost-optimization initiatives and create higher and sustainable value for our shareholders. Accordingly, as the leader of digitalization, we started a new transformation project this year, where we target to re-shape each channel that we contact with our customers, our technological infrastructure, our way of doing business and internal processes with a focus on digitalization. With this project, we aim to contribute to personalized, end-to-end and flawless customer experience, increase operational efficiency, as well as completely adopting our organization to the digital age.

## We continued our investments to support the technological breakthrough in our country

The COVID-19 pandemic underlined the importance of high speed and quality internet connections once again. In addition to communication, we now started carrying out business activities, educational activities, shopping transactions and many other daily activities digitally over internet. Accordingly, as Turkcell, we accelerated our investments to bring the real fiber quality to every corner of Turkey. We are aware that digitalization of our country will take place through the high speed and capacity enabled by fiber internet. We added 653 thousand new homepasses this year with fiber mobilization project that we launched for a digitized Turkey. The number of households under our fiber coverage reached 4.5 million. We are aware of the fact that fiber investments are critically important for transition to 5G technology. We take it as a national matter to focus on fiber investments, a cornerstone of digital transformation process, which would provide our country an advantageous position in global competition, and aim to sustain this focus in the forthcoming years as well.

We intend to turn our country into a base for data by combining the

geographical advantage of Turkey, a transition point for internet traffic, with cutting-edge technology solutions at hand, and keep our data within our national borders. With this goal in mind, we added a new data center to our existing portfolio of 7 with the inauguration of the Europe Data Center, consolidating our leadership in data storage and cloud technologies. Standing out with a domestic product usage rate of 75%, built to the world standards, and equipped with state-of-the-art technology, the Europe Data Center has a white space of 7 thousand 238 square meters. Through this investment, we have increased the total of white space of our data centers to 40 thousand square meters.

We continue to strengthen our powerful mobile network, which is positioned at the center of our business, and deliver the highest quality services to our customers. We provide services on a 24/7 basis with a field force of 1,300 well-equipped and specialized employees across the country to address the changing demand conditions. We have a mobile communication network, which is cited as exemplary globally due to our wide spectrum and well-planned modern infrastructure. The latest Global Status Report of the Global Mobile Suppliers Association (GSA) named Turkcell as the fastest operator of Europe and one of the top three operators globally with 1.6 Gbps speed delivered through our 4.5G network. We are committed to providing our customers with quality services setting global examples and making investments.

In the coming years, one of the major changes to take place in technology in our country will be 5G. Digital transformation process will gain speed in our country with this new technology, which will facilitate implementation of innovations in the sphere of IoT, smart cities, autonomous vehicles and production technologies. To make this technology available for our customers at its best, we take part in local and international test programs and continue to work to get ready for the transition. We successfully completed the four-year-long 5G testing project realized by the Next Generation Mobile Networks Alliance (NGMN) in partnership with prominent telecommunication companies of

the world and led by Turkcell. While assisting in the establishment of global standards with this project, we also gained significant experience that will enable us to provide our customers with a strong service in the future. While we continued our efforts in the international arena, we also brought 5G roaming service to our customers. Turkcell customers can experience this service in 38 contracted countries without additional charges.

We launched this year the LTE-M technology allowing for major developments in intelligent transportation systems, autonomous delivery, healthcare information, inventory tracking as part of our aspiration to bring the latest communication technologies to our subscribers. Making communication between things much more efficient, LTE-M will accelerate the digitalization process with its use in many areas on the way to 5G.

## We are creating a digital ecosystem

With our goal of transforming our services, which have been developed with a focus on people's evolving needs, into an ecosystem under Turkcell brand, we kicked off our new communication strategy and corporate brand transformation in 2021 with our campaign "May the World Be Yours". We positioned all of our digital services and solutions as independent brands in Turkcell portfolio as part of our strategy to shape Turkcell as a digital ecosystem brand, beyond being a telecommunications operator. Our new ecosystem approach enables users of any of our digital brands to leverage the coverage of the Turkcell ecosystem independent of their Turkcell subscription.

## We are well on the way towards our sustainability goals

As Turkcell, we improve our technology for a better world with our people-oriented and ecological way of doing business. Aware of the benefits provided by digitalization for reducing carbon emissions and using energy efficiently, we deliver sustainable, smart and environmentally-friendly services developed by Turkcell engineers. We

work to reduce inequalities through the inclusion of entire society with our products and services, and offer equal access to information. We aim to create long-term value by constructing our business model on sustainable, inclusive and accessible building blocks.

A major step in our sustainability efforts in 2021 was the acquisition of Boyut Grup Enerji, which owned İzmir Karadağ Wind Power Plant. This power plant can meet annual electricity consumption of 2,500 base stations with its installed power capacity of 18 MW. This acquisition means a giant leap in our journey to become a company aspiring to achieve not only 100% renewable energy consumption but also renewable energy generation. This proved our commitment to our goal of going carbon-neutral by 2050.

With the agreement signed with BNP Paribas in December, we increased the amount of the loan indexed to sustainability goals and originally contracted in 2019 to EUR 70 million, and extended its term to 5 years.

We carried on executing projects, which we lead for a sustainable environment. We selected "Climate Ideathon" as the theme of this year's competition held as part of our Women Developers of Future project in which we partnered with TOBB. This project allowed us to both pioneer the development of technological solutions for a sustainable environment and contribute to the elimination of gender inequality in combatting climate change by incorporating women in the process of solution development.

As Turkcell, we recycle all of our electronic waste or make it available for reuse. With our Recycle into Education Project, we recycle electronic waste dropped off at Turkcell stores, contributing to efficient use of resources. The entire income of this operation is donated to children's education. We continued our efforts related to electronic waste management this year as well.

Another significant development of this year was our "Flexible Work Model" we implemented in cooperation with our employees. Our employees are now able to choose to work remotely or in the office. Moreover, they are able to work

locally or abroad. This work model aims to improve the comfort and efficiency of our employees and deliver the best working experience possible.

As Turkcell, we attach great importance to the accessibility of our technology, thus enabling everybody to take part in life equally. In this context, we became the first company in Turkey and one of the first 8 in the world to endorse the GSMA's Principles for Driving the Digital Inclusion of Persons with Disabilities.

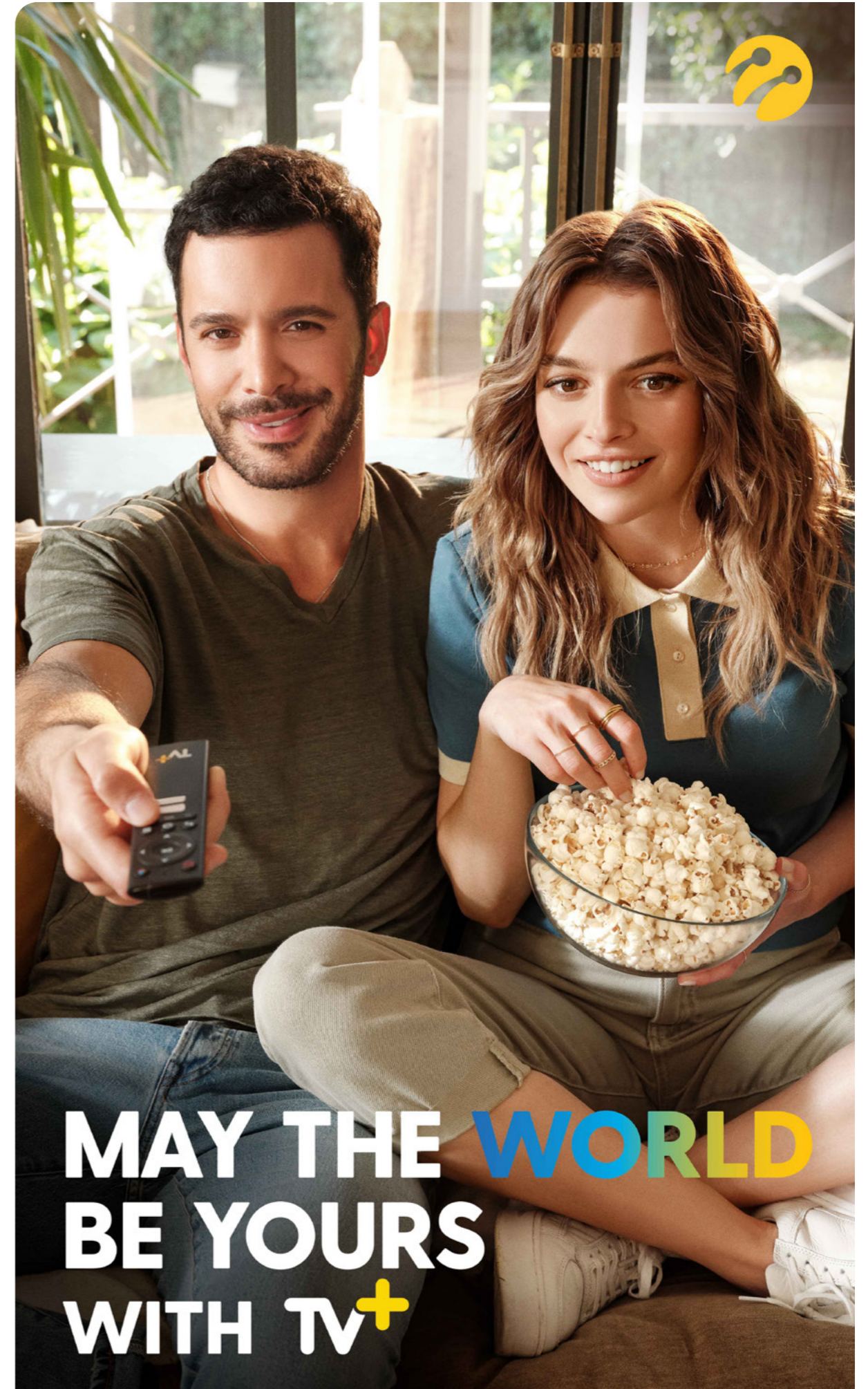
We strive to incorporate all of our stakeholders in all these efforts. We develop projects and systems to ensure the compatibility of all our suppliers with our people-oriented and green practices and policies. To help them internalize sustainability, we train our employees, dealers, and subsidiaries, organize contests, and partner with national and international organizations and NGOs.

### We will maintain our solid performance in the upcoming period with a focus on our customers

In 2021, when digitalization kept gaining momentum and telecommunication services got more and more crucial in all aspects of our lives, we delivered successful results in all of our businesses with innovative solutions centered around our customers. I would like to take this opportunity to thank all of my colleagues for their part in our achievements and our Board of Directors for their trust and support. And I wish to express my gratitude once again to our customers and business partners who have always stood beside us in this journey to success.

Sincerely,

Murat Erkan  
Chief Executive Officer



MAY THE **WORLD**  
BE YOURS  
WITH TV+



## Executive Officers



### Murat Erkan

Chief Executive Officer

Murat Erkan was appointed as Turkcell Chief Executive Officer on March 15, 2019. Mr. Erkan, who started his career at Toshiba, worked as an Application Engineer at Biltam Mühendislik and then served as the first "System Engineer" of Turkey at Cisco Turkey. He served as Chief Officer at Cisco Systems in charge of Technology, Sales, Business development and Channel Management. Mr. Erkan served as the Business Unit Manager at

Aneltech working on solutions related to telecommunications, mobile, ICT, the defense industry and industrial products sectors starting from 2006. Murat Erkan joined Turkcell Group in June 2008 as the General Manager of Turkcell Superonline, and he assumed the role of Executive Vice President of Sales from December 2015 to March 2019. Murat Erkan graduated from Yıldız Technical University Electronics and Telecommunication Engineering

Department. He completed the Strategic Marketing Program at Harvard Business School in 2010.



### Osman Yılmaz

Executive Vice President - Finance (CFO)

Osman Yılmaz was appointed as Turkcell Chief Financial Officer on August 1, 2018. Mr. Yılmaz started his professional career at Türkiye İş Bankası Treasury Department in 2006. In 2007, he worked at BNP/TEB Treasury Department. From 2008 to 2016, he served as Senior Fund Manager in Structured Products and Group Head of Fixed Income and Multi Asset Funds

at HSBC Global Asset Management. In August 2016, he joined Turkcell family as Director of Treasury, Risk and Collection Management. Mr. Yılmaz holds a dual BSc degree in Economics and Management from London School of Economics and İstanbul Bilgi University, MSc in Financial Engineering from Boğaziçi University and a PhD in Finance from Özyeğin University.



## İ. Serhat Demir

Executive Vice President - Legal and Regulation

Serhat Demir joined Turkcell as the Executive Vice President of Legal and Regulation Function on May 18, 2015. In addition to his current role, he served as acting Executive Vice President of Human Resources between March 16, 2020 - August 30, 2021, and continues to serve as the chairman of Ethics Committee, Compliance Committee and Personal Data Steering Committee. Mr. Demir started his professional career in 1997 at Dun & Bradstreet Turkey office. From 2003 to 2007 he worked at Yıldız Holding Legal Consultancy Department and in 2007

he served as the Legal Counsel at Çalık Holding A.Ş. Between 2009 and 2015, Mr. Demir undertook Çalık Holding Legal Affairs Director role and in the meantime, he also served as member of Board of Directors at holding level and at group companies that operated in telecom and finance fields in Turkey and abroad. Serhat Demir graduated from the Faculty of Law at Istanbul University. He received his MBA degree from Fatih University and completed Executive Education Program at Harvard Law School.



## Kadri Özdal

Executive Vice President - Consumer Sales

Kadri Özdal was appointed as the Executive Vice President of Consumer Sales on September 26, 2019. He started his professional career at Vodafone in 1999 and worked in sales, marketing and commercial operations departments. He then joined Turk Telekom and held positions in sales development, channel optimization and management functions. He served as sales development director and then as CSO from 2011 to 2012. Between 2012 and 2016, Kadri Özdal took part in foundation and management of n11.com which is one of the largest

e-commerce platforms in Turkey and held CSO role. In February 2016, he joined Turkcell as Alternative Sales Channels Director and managed non-exclusive and digital sales channels. He lastly served as Retail Channels Sales Director. Kadri Özdal graduated from Dokuz Eylül University, Faculty of Economics and Administrative Sciences, Department of Public Administration.



## Ceyhun Özata

Executive Vice President - Corporate and Residential Sales

Ceyhun Özata was appointed as the Executive Vice President of Corporate and Residential Sales on September 26, 2019. He started his professional career at Reuters and worked as a Customer Advisor from 1995 to 1996. He held Assistant Manager of Customer Operations role at Superonline from 1996 to 1999. He served as a CRM and Product Management Manager at IXIR AŞ from 1999 to 2001. Starting from 2002, Özata held Project Manager, Online Sales Manager, CRM & Direct Sales Director, and Marketing Director positions at Turkcell Superonline. From

2008 to 2015, he served as the Vice President of Retail Sales at Turkcell Superonline which accelerated fiber infrastructure investments. Lastly, starting from 2015, he served as the Sales Director of Turkcell Residential and Small Medium Enterprises. Ceyhun Özata graduated from Boğaziçi University, Department of Electronics.



## Fatih Alper Ergenekon

Executive Vice President - Marketing

Fatih Alper Ergenekon was appointed as the Executive Vice President of Marketing on April 29, 2020. He started his professional career as a project manager at OTA NGO in Berlin, Germany in 1996. He worked as a consultant at I-BIMSA between 1997-2000. After receiving his Master's degree in Business Administration from the University of Rochester, New York in 2002, he worked as a Senior Marketing Specialist at FedEx USA headquarters in Memphis, Tennessee between 2002-2005. He joined the Marketing Department of Turkcell in 2005 and

was appointed as Marketing Manager in 2006 and Marketing Director in 2010. Lastly, he served as Strategy Director starting from September 2018. Fatih Alper Ergenekon received his Bachelor's degree in Industrial Engineering from the Middle East Technical University in 1996.



## Ataç Tansuğ

Executive Vice President - Digital Services and Solutions

Ataç Tansuğ was appointed as the Executive Vice President of Digital Services and Solutions on September 26, 2019. Mr. Tansuğ started his professional career as System Support Engineer at Datapro in 1999. Between 2002 and 2009, he served as International NGN/IMS Service Support Engineer, Team Leader and Team Manager in Alcatel-Lucent. From 2009 to 2011, he held Product Service Director role responsible for Turkey and Azerbaijan and Global Customer Service Director role in his last two years in the company. He joined Turkcell

Group as the Chief Technology Officer of Turkcell Superonline in 2013. Later he was appointed as Transmission & Core Network Planning Director at Turkcell in 2016. Lastly, he held Digital Services & Solutions Technology Director position at Turkcell in 2017. He graduated from the Department of Civil Engineering at Boğaziçi University.



## Serkan Öztürk

Executive Vice President - Information and Communication Technologies

Serkan Öztürk was appointed as the Executive Vice President of Information and Communication Technologies in September 2015. Between 2017 and 2019, he also served as the Executive Vice President of Customer Experience in addition to his existing role. Serkan Öztürk joined Turkcell in 2000 as a Project Supervisor. He worked as project supervisor and manager at Turkcell Project Management Office between 2000 and 2009. He served as Chief Information Technologies Officer in life-Ukraine between 2009 and 2010 and in Turkcell Superonline between

2010 and 2011. From 2011 to 2015 he served as Turkcell Customer Relations Management and Business Intelligence Solutions (CRM & BIS) Director. Serkan Öztürk graduated from Middle East Technical University Electrical and Electronics Engineering department. He received his MBA degree from Istanbul University.



## Gediz Sezgin

Executive Vice President - Network Technologies

Gediz Sezgin joined Turkcell as a Network Engineer in 1995. In October 2015, he was appointed as the Executive Vice President of Network Technologies. Previously, he served as Senior Vice President of Information and Communication Technologies, Chief Information and Communication Technologies Officer, Director of Application Operations, Director of Service Network under the ICT Function and held various executive positions in the Technology Function such as Superonline Chief Technology Officer. Mr. Sezgin started his career at Alcatel

Teletaş in 1991. He graduated from Istanbul Technical University Electronics and Communication Engineering Department and received his Master's Degree and PhD from the same university.



## Ali Türk

Executive Vice President - Supply Chain Management

Ali Türk joined Turkcell as the Senior Vice President of Supply Chain Management in May 2016. He was appointed as the Executive Vice President of Supply Chain Management in March 2017. Mr. Türk started his career at Başak Hayat Sigorta in 1999. From 2002 to 2007, he held various managerial positions responsible for logistics planning, warehouse and supply chain management processes at Ülker Group companies. From 2007 to 2011, he worked at Ceva Lojistik as Warehouse and Value-Added Operations Group Manager. Mr. Türk

joined Turkish Airlines in 2011 as Cargo Operations Vice President. He was appointed as Turkish Airlines Cargo Operations President in 2012. Ali Türk graduated from Istanbul Technical University Industrial Engineering Department and completed Executive MBA program of Istanbul Technical University.





## Ali Rıza Esmen

Executive Vice President - Human Resources

As of September 1, 2021, Ali Rıza Esmen assumed the role of Executive Vice President of Human Resources at Turkcell. He started his professional career in 2000 as Assistant at SUNY, Nassau Community College, English Language Institute. After serving as Human Resources Supervisor, Program Manager and Assistant Director respectively, in 2008 he began working at Dowling College English Language Institute as Assistant Director and Lecturer. After working as Human Resources Director at Mytechnic MRO Technic Services A.Ş. between 2008

and 2009, he joined Turkish Technic Inc. and assumed the role of Human Resources Manager. Esmen then served as the Executive Vice President in charge of Human Resources at SOCAR Group, Petkim Petrokimya Holding A.Ş. between 2012 and 2015, while being a member of the Board of Directors of TED Aliağa College. Between the years of 2016 and 2021, Esmen has worked as the Executive Vice President of Human Resources and Nuclear Manpower Training at EUAS International ICC. Esmen graduated from Kırıkkale University, Department of

Public Administration in 1997, continued his graduate studies at Hacettepe University, Department of Political Science and Public Administration, and completed his Business Administration Master's program at Dowling College in 2004.

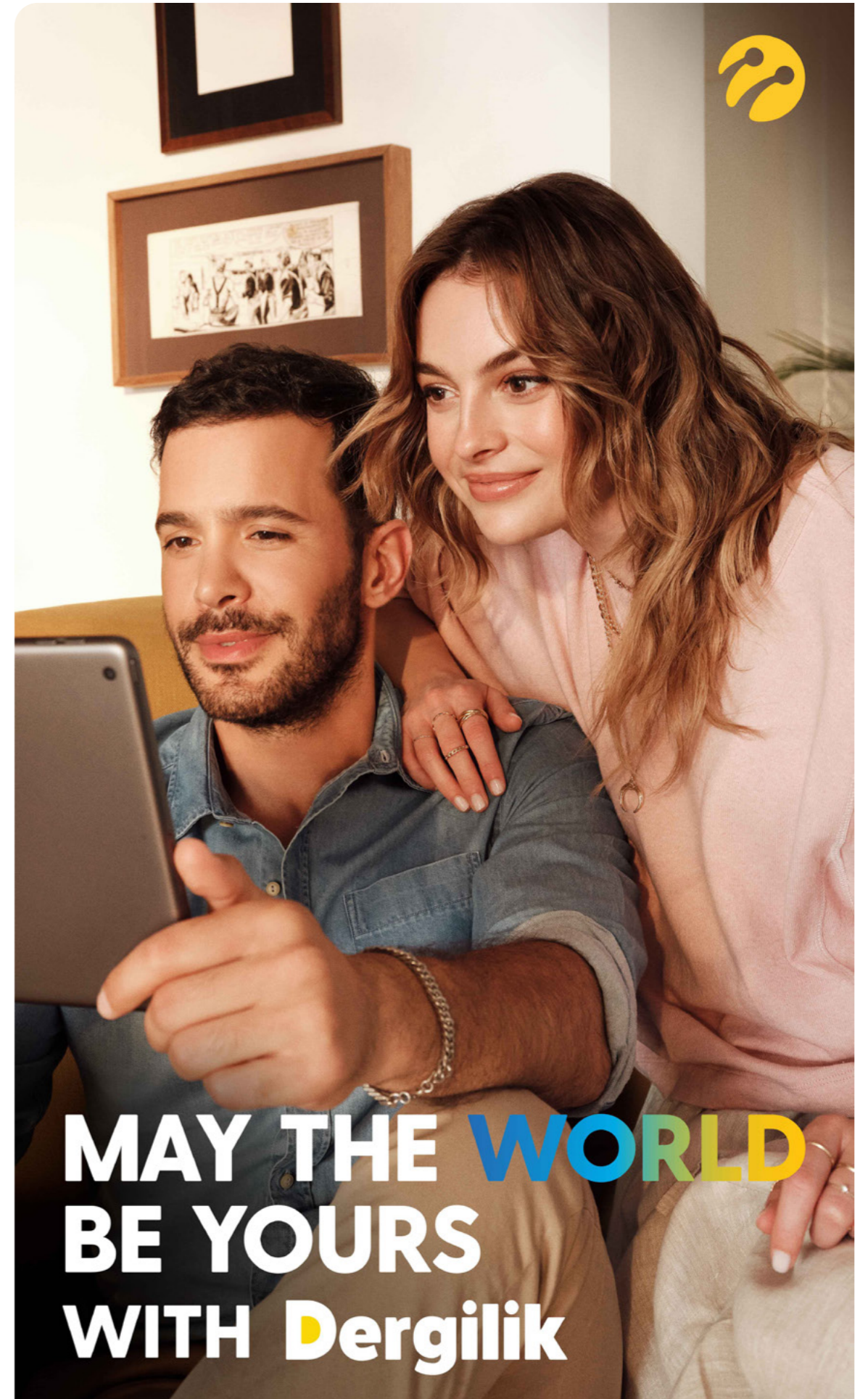


## M. Akif Konar

Executive Vice President - Strategy

M. Akif Konar was appointed as the Executive Vice President of Strategy on September 1, 2021. Starting his career in 1995, Konar worked as a Specialist at Belbim A.Ş., as Application Specialist at Vestel Group of Companies, and System Development Manager at Opet Petrolcülük A.Ş., respectively. Between 2004 and 2013, Konar served as Production Planning Manager, Investment Planning and Projects Manager, America and Far East Regional Manager, Production Planning Head, Marketing and Sales Head at Turkish Airlines, respectively. He

assumed the role of Chief Commercial Officer in the company between 2013 and 2021. Mr. Konar also served as an Audit Comitee Member and as a Board Member at SunExpress and as a Board Member at TCI Turkish Cabin Interior Inc.. He completed his undergraduate and graduate studies in Management Engineering at Istanbul Technical University.



MAY THE **WORLD**  
BE YOURS  
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## Top Management of Subsidiaries



### Murat Erkan

Chief Executive Officer

See page 43 for the resume of Turkcell CEO.



### İsmet Yazıcı

General Manager of lifecell Ukraine

İsmet Yazıcı joined Turkcell in 2009. Mr. Yazıcı has been serving as the General Manager of lifecell, Turkcell's subsidiary in Ukraine, since May 2017. Prior to this position, Yazıcı worked as the Deputy General Manager of Sales and Business Development at Global Tower between 2009 and 2010. He served as the General Manager of Global Tower between 2010 and 2011. From 2011 to 2015, he served as the General Manager at BeST, Turkcell's subsidiary in Belarus, and as General Manager at Kuzey Kıbrıs Turkcell between 2015 and 2017. Beginning his professional

career in 1993, Yazıcı served as the Research & Development Engineer, International Sales Engineer, Romania Country Manager, Product Marketing Manager, EMEA Region CDMA Business Development Director, and Enterprise Leader, respectively, at the Turkey and USA offices of Nortel until 2009. İsmet Yazıcı received his bachelor's degree in Electrical-Electronics Engineering from Hacettepe University in 1992, and his postgraduate degree in Political Science from Marmara University in 1998 and in International Marketing and Management from the University of

Texas in 2001. In 2011, he received his second undergraduate degree from Istanbul University, Faculty of Law.



### Erdal Yayla

General Manager of BeST

BeST General Manager Erdal Yayla joined Turkcell İletişim Hizmetleri A.Ş. as a Financial Controller & Reporting Specialist in 2003. He served as the Manager of Financial Accounting, Controlling and Reporting Department (2004-2010), Deputy General Manager of Finance (2010-2016) and Acting General Manager (2014-2015), respectively at lifecell, Turkcell's

subsidiary in Ukraine. He served as the Deputy General Manager of Finance at BeST, Turkcell's subsidiary in Belarus, starting from March 2016, and he assumed the Acting General Manager role starting from November 2018 until March 2020 in addition to his existing responsibility. Mr. Yayla serves as BeST General Manager since March 2020. Mr. Yayla started his career as a Senior

Auditor at PricewaterhouseCoopers in 1999, and then worked as a Financial Controller at LafargeHolcim in 2002. Erdal Yayla graduated from Marmara University Faculty of Economics and Administrative Sciences in 1999 and completed the Executive Development Program at Wharton School in 2016.



### Çağatay Aynur

General Manager of Turkcell Global Bilgi

Çağatay Aynur joined Turkcell Group in 2000. On July 1, 2015, he was appointed as the General Manager of Turkcell Global Bilgi. Prior to this role, he served as the Regional Manager in charge of Strategic Customers and Public Affairs, Sales Manager in charge of Large Scale Businesses, Corporate Sales Director in charge of Large Scale Businesses and Corporate Sales Director in charge of

Mid-Scale Businesses at Turkcell. Mr. Aynur graduated from Department of Metallurgical Engineering at Middle East Technical University in 1993.



## Z. Korhan Bilek

General Manager of Turkcell Finansman

Korhan Bilek joined Turkcell team as Investor Relations and Mergers&Acquisitions Director in November 2016, and was appointed as Treasury and Capital Markets Management Director in December 2018. Since July 2020, he serves as Turkcell Finansman AŞ General Manager and Board Member. Prior to Turkcell, he worked as CFO at Teknosa for 3 years and was a member of the Board of Directors at CarrefourSA Turkey between 2011 and 2016. He began his professional life as Research Analyst at the Federal Reserve Bank.

He served as an analyst at AkInvest between 2002 and 2004 and Finance Director at Sabancı Holding between 2004 and 2013. Korhan Bilek has a M.S. degree from Boğaziçi University Electrical and Electronics Engineering department, and received his MBA from University of Rochester.



## Murat Küçüközdemir

General Manager of Kuzey Kıbrıs Turkcell

Murat Küçüközdemir graduated from İstanbul Technical University, Department of Electronics and Communication Engineering in 1992. He started his professional life in 1993 and assumed technical and managerial roles at Telemesaj A.Ş., İntelnet A.Ş. and Elkotek A.Ş. companies until 2005. He continued his career as the General Manager of Gisad Telekom A.Ş. between 2005 and 2007. Between 2007 and 2011, he worked as Assistant General Manager and General Manager at Global İletişim A.Ş. Murat Küçüközdemir, who joined the Turkcell

family in 2011 after the acquisition of Global İletişim by Turkcell Group, worked as Data Center and Cloud Information Technologies Consultant, Corporate Fixed Products Marketing Director and Public Sales Director at Turkcell. In April 1, 2019 he was appointed as the Sales & Marketing Director of Kuzey Kıbrıs Turkcell. In May 1, 2021, he was appointed as the General Manager of Kuzey Kıbrıs Turkcell, where he served as Acting General Manager since February 1, 2021. He completed Insead Business School Leadership Development and

IMD Business School Global Leadership programs.



## Erkin Kılınç

General Manager of Turkcell Energy Solutions

Erkin Kılınç joined Turkcell Energy Solutions as the General Manager in 2017. Kılınç began his career at Ode Insulation as Sales Specialist in 1998. Subsequently, he served as Sales Specialist at Doğan Foreign Trade&Agency Operations (2001-2003), as Energy Trade Group Manager at Akenerji (2003-2009), as Energy Projects Coordinator at Akfel Group (2009-2011), as Turkey Sales Director at RWE (2011-2015) and as Assistant General Manager at Limak Energy (2015-2017). Erkin Kılınç received his bachelor's degree in Mechanical

Engineering from İstanbul Technical University in 1998, and Executive MBA degree from Işık University in 2003.



## Kaan Turan

General Manager of Turkcell Digital Business Services

Kaan Turan joined Turkcell Group in 2013. He serves as the General Manager of Turkcell Digital Business Services since March 1, 2020. Prior to that role he worked as System Integration and IT Services Manager, Digital Integration & IT Solutions Director, Strategic Partnership & Business Development Director and finally acting General Manager of Turkcell Digital Business Services in Turkcell. Before joining Turkcell he worked as Managed Services and Solutions Management Executive in ATOS Turkey, as Global Large Deals Solution Director in Siemens

AG Germany, as Service Factory Operations Manager, as Knowledge Manager and as IT Architect Consultant in Siemens Turkey, respectively. Kaan Turan graduated from Middle East Technical University, Department of Electrical – Electronics Engineering in 2000.



## Atilla Yıldız

General Manager of Atmosware Teknoloji A.Ş.

Atilla Yıldız joined Turkcell family in 2000. After serving at departments of Network Operations, Service Control Center and Business Intelligence Systems, he managed the units of Integration Management, Platforms & Services, and Value Added Services. Between 2014-2018, he served as Application Operations Director and between 2018-2021 he served as Industrial and Financial Technology Solutions Director. In September 2021, Mr. Yıldız was appointed as Atmosware Teknoloji General Manager. Mr. Yıldız, graduated from İstanbul Technical

University, Department of Electronics and Communication Engineering in 1999.



## Onur Güven\*

General Manager of Paycell

Onur Güven joined Turkcell Group in 2007. He has been serving as General Manager of Paycell since May 1, 2021. Prior to his appointment to this role, he worked as Data Analytics Product Manager, Product and Marketing Manager, Product, Customer and Growth Director, and most recently he was appointed as Deputy General Manager of Paycell, which was founded in 2015. Before Turkcell, he last worked as Data Analytics Product

Manager at DIGIMEDYA Yazılım, and before that as Business Intelligence specialist at ETCBACE Software. Onur Güven graduated from Yıldız Technical University, Department of Mathematics Engineering in 2002. He completed his master's degree in Özyeğin University EMBA program.

\*Onur Güven decided to resign from his position effective as of March 4. Paycell Technology Director Serhat Dolaz will serve as acting CEO of Paycell.



## Emre Erdem

General Manager of Turkcell Superonline

Emre Erdem graduated from İstanbul Technical University, Department of Management Engineering. Starting his professional career as Financial Auditor at Arthur Andersen in 2000, Mr. Erdem worked as Senior Auditor at Ernst & Young until 2004 and transferred to the telecommunications sector, which was being liberalized at that time, as Billing & Customer Accounts Manager at Borusan Telekom. In 2007, he started working at Turkcell Superonline, the fixed telecommunication services company of the Turkcell Group, and served

as Finance Manager and Customer Operations Manager, and in 2009 he worked as a manager in the newly created Operator Relations and Wholesale Department. Emre Erdem, who became a director in 2013, has been serving as Turkcell International and Wholesale Management Director since 2019. In addition to this role, Emre Erdem has been working as Turkcell Superonline General Manager since April 2021.

Here's to many more  
bright days for our republic.

Happy October 29,  
Happy Republic Day!

#UNFORGETTABLE





## About the report

We are proud to present Turkcell's second integrated annual report, reflecting Turkcell's corporate reporting approach and focus on value creation, for the attention of our stakeholders. We aim to communicate our strategy, business model, value creation process, performance, and sustainable business focus along with our economic, social, environmental, and corporate governance approach through our integrated annual report in accordance with the principles of transparency and accuracy.

Turkcell 2021 Integrated Annual Report has been prepared in accordance with Turkish Commercial Code and Capital Markets Board's "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" ("Communiqué") No. II.14.1. The report has also been prepared with the guidance of the International Integrated Reporting (IR) Framework of the International Integrated Reporting Council (IIRC). With its 2021 Integrated Annual Report, Turkcell aims to present an assessment to all stakeholders of its sustainable value creation activities integrated with its expertise and management capabilities. The value creation focus presented in this report includes Turkcell's assets, the resources required to implement its strategies and achieve its goals, and its approach to managing its capitals and policies. As stated in the <IR> Framework of IIRC, the report content has been designed around six capitals. Meanwhile, a materiality approach has been adopted by canvassing the views of key stakeholders in creating the content and structure of the integrated report, and also to support the effective implementation of Turkcell's IR strategy.

The terms "Turkcell" and "Company" in the report represent Turkcell İletişim Hizmetleri A.Ş. Our report covers the activities realized between 1 January 2021 – 31 December 2021, in compliance with the "Core" option of the Global Reporting Initiative (GRI).

*Please refer to the Glossary section of the report for the explanation of abbreviations and technical definitions used in the report.*

SDG 12.6



This report aims to address the information requirements primarily of our long-term investors (shareholders, bondholders, and potential investors). In addition, it provides information that goes beyond financial reporting to encompass all other Turkcell stakeholders, including Turkcell employees, customers, public institutions and organizations, and non-governmental organizations.

Turkcell 2021 Integrated Annual Report is also a communication of progress report of the United Nations Global Compact, to which Turkcell has been a signatory since 2007.

Turkcell 2021 Integrated Annual Report has been prepared based upon the "Comply or Explain" principle of the Sustainability Principles Compliance Framework. You may follow the list of relevant report sections regarding the items included in the Sustainability Principles Compliance Framework in the Annex-8 Sustainability Compliance Framework table of this report.

Turkcell gives utmost importance to the feedback and suggestions received from its stakeholders as part of its value creation journey. You may submit all your opinions, questions, and feedback on our report to [dahaiyibirdunya@turkcell.com.tr](mailto:dahaiyibirdunya@turkcell.com.tr)

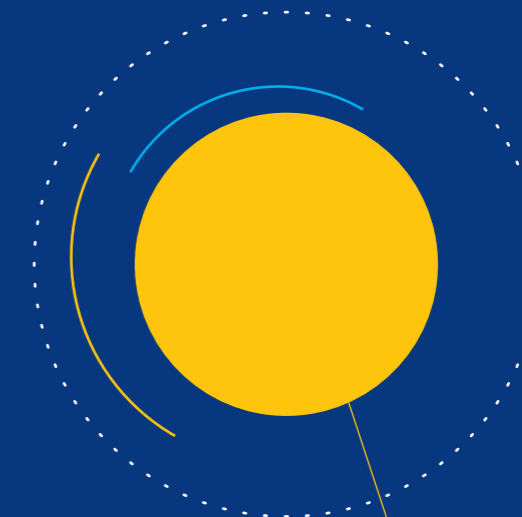
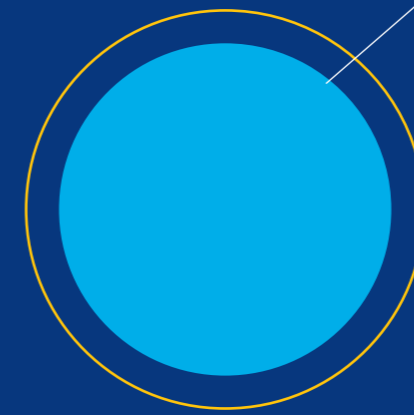
The SDG mappings in this year's Integrated Annual Report are performed using Turkcell AI. This report allows you to follow the Sustainable Development Goals and Objectives, to which our operations contribute, with the Sustainable Development Goal and Target icons next to the text.

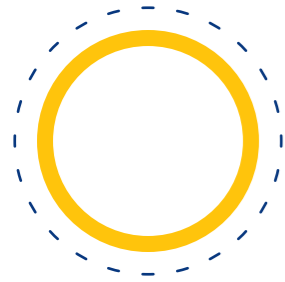




# Value creating Turkcell

- Value creating Turkcell
- Sustainability strategy
- Our value creation process and business model
- Strategic focus areas and business operations
- Interactions with our stakeholders
- Measuring the value created





## Value creating Turkcell



With a history of 28 years abound with achievements, as Turkey's Turkcell, we aim to bring the latest technologies to our country and people, help everyone access life equally through digital transformation, and create value for all of our stakeholders including our customers primarily with our value-added products and services in the days to come as we have done in the past.

With our identity of responsible technology provider and our business activities, we completed the process of shifting from a single-capital business model to a six-capital one last year by shaping our business model in the light of opinions from all our stakeholders along our value chain and the trends affecting the society and the industry. Leveraging our value creation model, which we have designed around our priorities set with an integrated perspective, we focus on the value we create for all stakeholders by tracking our activities specific to our capitals. We closely monitor our main capitals, the value that we create, and our social contribution, which we enrich through our business operations and core competencies, through tangible and measurable performance indicators. By integrating our inputs, strategic focus areas and core competences that we identified in the context of our value creation model and consolidating them with the Turkcell sustainability strategy, we ensure that the value we create and transformation on these capitals are managed for the benefit of all stakeholders.



## Value creating Turkcell: Technology for a better world

As Turkcell, our main goal is to be the leader in every activity we carry out. In order to demonstrate the values we create in technological, social and environmental areas together with the financial value as a whole, and to consolidate our leading and exemplary position in the industry by following international trends and good practices, we started to use integrated reporting as our primary corporate reporting tool in 2020. A first among telecommunication companies in Turkey, we released our first integrated annual report last year.

With our second Turkcell Integrated Annual Report released this year, we aim to provide the financial, environmental, social and governance dimensions of our efforts in 2021 in a holistic manner and convey the values we create for all stakeholders as per transparency and integrity principles.



## Sustainability strategy



We undertake sustainability activities with a vision to grow our contribution to social life, minimize the negative impact on the environment and deliver innovative solutions for positive impact. To serve this end, we have our environmental, social and governance performance measured on various platforms including the Borsa Istanbul (BIST) Sustainability Index, the MSCI ESG Index and CDP, and we closely follow international developments as a signatory to

numerous international principles and programs such as the United Nations Global Compact (UNGC), the United Nations Women's Empowerment Principles (UN WEPs), and the GSMA's Digital Statement on Climate Change.

SDG 12.6

*You can access more information on the sustainability initiatives that we have signed or contributed to in the section of "The Measurement of Value Created."*

As a company which is among the major players of the national and international telecommunication industry and cognizant of the leverage of digitalization in terms of sustainability, we have a significant potential to create value in this area. Relying substantially on electricity to power their networks, telecom operators should turn their face to renewable resources to reduce their carbon footprint. Meanwhile, good practices around efforts like recycling and refurbishment of devices and reducing waste are crucial in the realm of Circular Economy. Furthermore, mobile technologies offer great benefits for equality of opportunities among societies, and for access to financial, health and education services by expanding smartphone and broadband penetration, thereby providing access to various online services such as banking.

In 2021, Sustainability Key Performance Indicator (KPI), which include renewable energy use and installation, increasing women's employment, compliance of suppliers to environmental, social and governance perspectives, the recycling of waste, and adaptation of Sustainability and ESG policies by all Turkcell employees, was featured among the Company's strategic goals, and are assigned as Key Performance Indicators for everyone from the Chief Executive Officer to all employees.

All company workers at all levels received training in Sustainability and ESG policies. Competitions and awards promoting sustainability were used to reinforce the internalization of this training.

Our Company's ESG KPIs such as gender equality, use of renewable energy, and employee training are included in our sustainability reports, which we have published from 2011 to 2020, and our integrated reports, which we have started to publish as of 2020.

We continue to establish systems to closely monitor sub-parameters related to ESG Key Performance Indicators. If verifiable data exists, we present such KPIs together with local and international sector benchmarks as part of our Sustainability Committee activities.

*You can access more information on our strategic focus areas, core competencies and business strategies in the "strategic initiatives" section of the report.*

Combining the high potential of the industry and Turkcell's superior digital services with the Sustainable Development Goals, we monitor our social and environmental impact in the short, medium and long run, deliver value, and form Turkcell's sustainability strategy with this vision. We identified three main focus areas, i.e., "Environmental Sustainability," "Digital and Social Inclusion," and "Ethical and Valuable Operation," as well as the titles of practices we implemented as part of these focus areas.



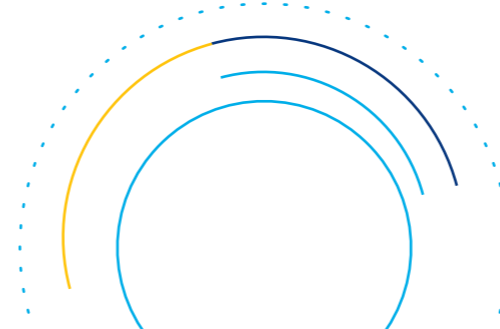


## Our value creation process and business model

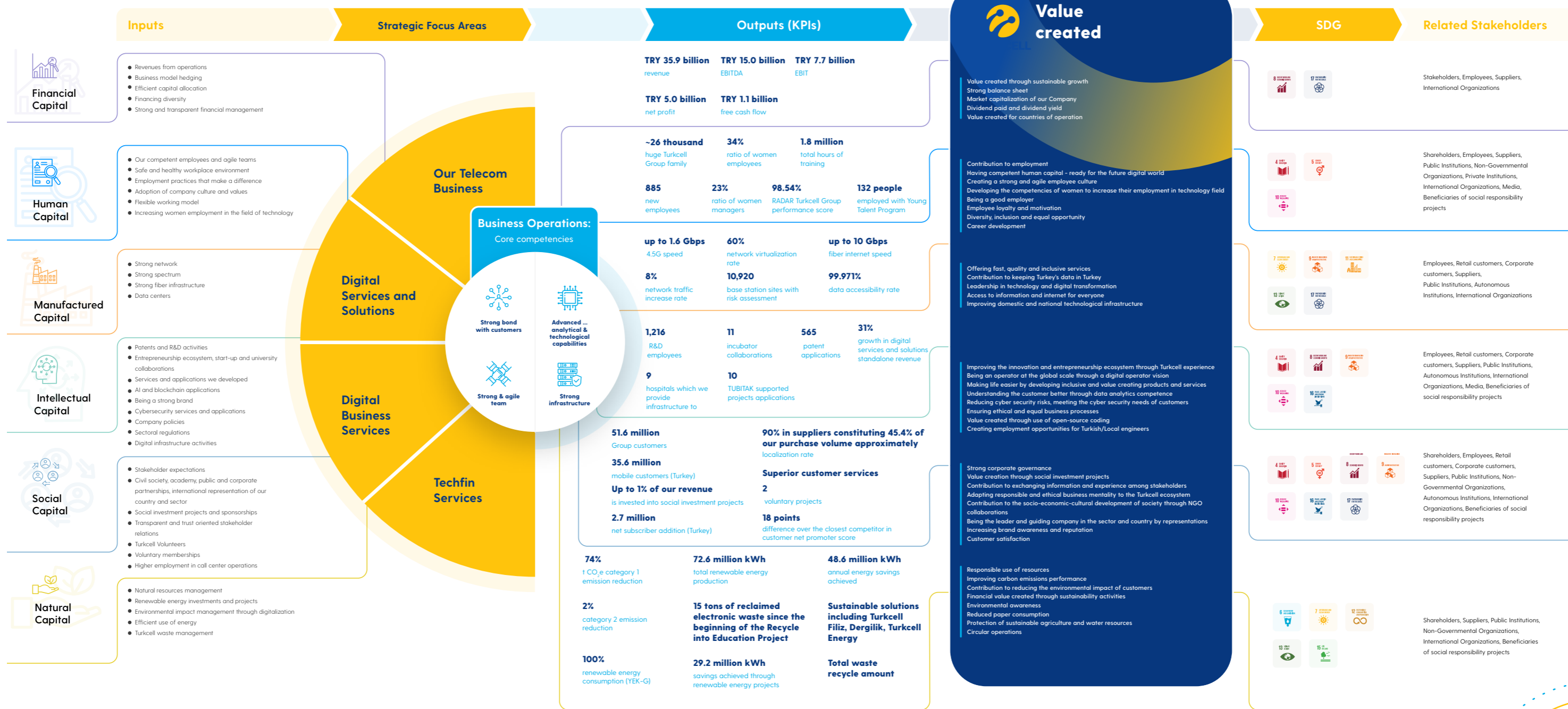
We designed our value creation model, which we first set forth last year, to be able to measure the created value concretely and convey it to our stakeholders transparently. Along the value creation process which we designed using Turkcell's assets, business operations and performance indicators enriched with its primary competences, we moved to six-capital business model for compliance with the IIRC Integrated Reporting Framework.

In our value creation process, in light of Turkcell's strategic focus areas, sustainability strategy and core competencies, we continued integrated thinking focused meetings and workshops, we organized together with our teams, to reflect their activities and capture their interactions with other divisions in 2021. We revised our value creation model by analyzing new developments around our activities, global and national trends, risks and opportunities impacting our value creation process and subsequently our way of doing business for 2021 as well.

As part of our value creation model, we identify every single stakeholder we touch with our activities, and we provide a mapping of the United Nations Sustainable Development Goals.



# Turkcell value creation process

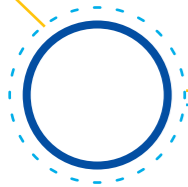




## Strategic focus areas and business operations

In order to maintain our strong operational performance and our profitable growth, we focus on three strategic focus areas, namely Digital Services and Solutions, Digital Business Solutions and techfin, in addition to our core business of telecommunication.

Accordingly, we offer a richer value proposal to our customers and meet the digitalization demand of our stakeholders. We continue to expand our digital services and offer them to a higher number of users. With our digital business services, we provide a wide range of services including data centers, cloud services, cybersecurity, internet of things (IoT), managed services to our corporate customers during their digitalization processes. As part of techfin services, which is another strategic area of our company, through our successful solutions in different verticals, we enable our users to make their payments digitally, provide financing which makes technological devices and services accessible. You can find details on our measurable targets for achieving success within the scope of our business operations conducted in line with our strategic initiatives in the relevant sections of this report. Turkcell's short-term, medium-term, and long-term target periods were set as 0-1 year, 1-3 years, and 3 years or more, respectively.



You can find the opportunities identified in line with our strategic focus areas and core competencies in the strong corporate governance section.



\*Actual results cannot be guaranteed to meet these estimates and expectations. Please see our 2020 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission, specifically the Risk Factors section, for a discussion of factors that may affect the results.



## Our telecom business

Digitalization, along with the new business models emerged as a result of the pandemic's impact on daily life, led to innovative solutions globally and became a key focus area in our country, as well.

While all of these global innovations and technological developments have impact on various sectors in varying scales, the telecommunications sector is one of the most affected. The telecom companies value the diversity of alternative products and services achieved through digital transformation while continuing to invest and remain profitable in their core business, telecommunications services. Accordingly, the demand to our mobile and fixed services, which we offer as part of our telecom services, continues to increase. We continued to grow in our mobile business, driven by increased data usage, upsell efforts, and higher postpaid subscriber share as well as our pricing actions. In addition, we have grow in fixed segment through expanding subscriber base in fiber and IPTV.

We have met our costumers' increasing demand for our mobile and fixed services through new offers and options in 2021, as well. We've also expanded our Smart Deals and Win-Win Offers to empower customers who choose to use our digital channels more broadly.

Responsiveness to changing customer demands and the implementation of necessary solutions were also our priorities this year. Our innovations included "GNÇ Bana Göre"



packages with renewed portfolio, and "Turkcell Biz" platform with Turkcell privileges jointly used with family or friends. We extended "Turkcell Biz" to our prepaid customers, as well. We achieved 2.2 million net mobile subscriber additions thanks to our strategy of always standing by our customers, while delivering innovative and extensive offers and additional benefits. Thanks to higher data usage, upsell efforts and higher postpaid subscriber base our mobile ARPU (excluding M2M) grew by 13.4%.

We have accelerated our fiber infrastructure investments in order to meet our customers increasing demand for quality and fast internet connection. Accordingly, we have added 653 thousand homepasses in 2021 and supported our country's digitalization. Thanks to our expanding fiber infrastructure, we had 258 thousand net fixed subscriber additions. Our fixed residential fiber ARPU rose by 10.6% on our renewed value proposition, upsell efforts and higher IPTV subscribers.



## Digital services

We offer a rich user experience thanks to the solutions that we offer including music streaming, TV, personal cloud storage, instant messaging platform, search engine, e-mail, digital ad and gaming. These services also contribute to the ARPU of our users, while at the same time strengthening their loyalty to Turkcell. The digital services developed by Turkcell engineers contribute to our country's digital transformation and are appreciated globally.

We span-off BiP, fizy, TV+ and lifebox into separate companies to monitor their performances with increased focus and create an environment well suited to stand out in global competition. These services continue their journey faster, stronger and with more focus with their own organizational structures. We work relentlessly to turn these services, which already receive international interest, into success stories globally. While our digital services continue to provide digital experiences to users not only in Turkey but also in many countries, our engineers continue to develop our digital services with dozens of new features which are created for the first time in the world. Meanwhile, we also offer infrastructure support to keep the data of our services in respective countries, respecting each country's data. During this development process, the services that we offer to our individual users became corporate platforms where companies can store and manage data securely. Institutions and organizations are now able to receive digital offerings which serve over the cloud from our data centers in Turkey and are the most secure against cyber-attacks. We started to serve our corporate customers with our digital services in 2021. We will maintain this approach in the upcoming years. As another highlight of this year, we initiated corporate brand transformation with our "May the World Be Yours" communication strategy. As part of our strategy to evolve Turkcell into a digital ecosystem brand that goes far beyond being a telecommunication operator, we position our digital services and solutions as separate brands under Turkcell umbrella. We target to emphasize that we offer a wide range of digital services tailored to the needs of our customers at a time when consumer habits are changing rapidly.





## Digital business services

Turkcell digital business services combines Turkcell's telecom service provider strategy with the "Digital Transformation Business Partner" approach to corporate customers. We aim to offer end-to-end value added services and projects to private sector companies and public institutions alike, leveraging new technologies including cloud, cyber security, Internet of Things, big data analytics, business solutions, managed services and artificial intelligence that increase in importance in today's business world in parallel to technological developments.



As the world's first digital operator, we make our 28-years of technology experience available for private enterprises of all sizes and public institutions with our services and solutions developed based on these organizations' needs and expectations. With these solutions we offer, we help organizations transform their business models and stay ahead of the competition. As digitization gains momentum, we provide comprehensive information technology services as well as consulting services to our customers from a wide range of industries throughout their digital transformation journey to address requirements to acquire knowledge and skills in this area, and end-to-end information technology services. Leveraging our extensive sales network, qualified human resource, strong partner ecosystem and superior infrastructure, we are resolutely pursuing our goal of becoming Turkey's leading provider of information technology and digital solutions.

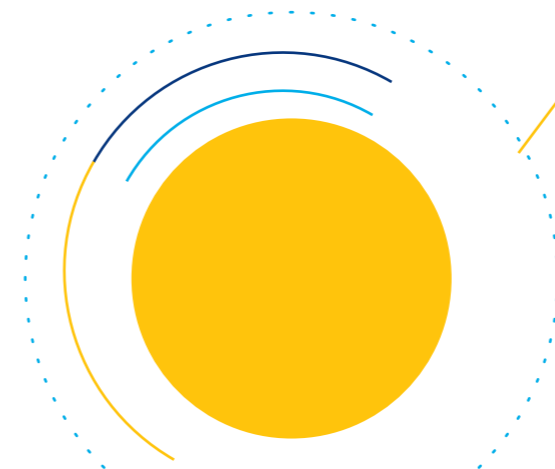
In addition to an end-to-end fiber infrastructure of 53 thousand kilometers, we have a total of 8 data centers. 4 of them are Tier-3 Design and Operational Sustainability certified by the Uptime Institute, an international certification body. There is 40 thousand m<sup>2</sup> of white space in our data centers. Turkcell Cloud services provides a more flexible infrastructure while reducing costs by hosting an institution's entire information technology infrastructure in a Turkcell data center. The cloud service, provided through completely redundant 8 data centers, has obtained ISO 27017 Cloud Information Safety Certification, confirming our information security competence. This makes us the first and only service provider in Turkey holding this certification. We launched "Public Institutions Cloud" in order to serve the public sector in accordance with the Presidency Information and Communication Security Measures Circular and the guide published accordingly.

In the cyber security field, another component of our digital transformation, we protect corporates against cyber threats through our FIRST and OICCERT member Security Operation Center, consultancy services such as penetration tests and vulnerability analyses, and a large cyber security product portfolio. With Bozok Cyber Threat Intelligence platform integrated with the security operation center as a cyber security protection layer, we provide our customers with

threat information when they require. We deliver penetration test and vulnerability analysis service to our customers using new tools and methods to enable organizations to determine their cyber security requirements and perform security gap scans and penetration tests for major institutions. With the Turkcell IoT Platform, we allow businesses to manage their devices and machines remotely via the cloud without incurring infrastructure investment costs. Our business partners operating in the IoT ecosystem can develop their solutions on the IoT Platform and reach Turkcell corporate customers through collaborations. Organizations are able to measure their energy consumption instantly with the energy efficiency scenario, one of the IoT scenarios. The platform translates these measurements into information to facilitate decision making, helping to bring significant savings in energy costs at the same time. In addition to the

IoT Platform, we offer institutions solutions with the IoT based products we have developed in many areas such as Kopilot, Turkcell Filiz and Turkcell Enerjim. We support our customers' strategic decision-making processes and increase their profitability and efficiency through meaningful analyses based on the dynamic and real data garnered from our big data services. Thanks to these services, we continue to create value for our customers in many sectors such as retail, e-commerce, shopping malls, transportation, finance, tourism, and fuel oil. In an organization's journey towards digital transformation, with Turkcell digital business applications services we provide all end-to-end needs for the digitalization of business processes of institutions.

In addition to our products and services, we have implemented more than 2,000 tailor made managed services and system integration projects, designed for the standard or specific needs of our customers, using our internal resources, products, processes and technologies



and the capabilities of our business partners within the ecosystem, who are specialized and experienced in their fields of activity. We continue to manage these projects. In addition to our value-added services, we implement digital transformation projects with vertical solutions that appeal to the needs of each sector. With our consultants who have expertise in relevant sectors, we analyze our customers in the focus sectors of healthcare, education, production, retail, finance, logistics, energy, tourism, SMEs and central and local administrations. We use a 360-degree perspective to reveal the current situation with sector-based customer scores. Thus, instead of offering a general solution, we move towards deeper customer-centricity by positioning a solution set that considers their specific sectoral needs.

We implement projects with high value proposition in the healthcare industry, where we achieved vertical expansion. Turkcell Digital Business Services is the market leader in the number of hospitals and beds covered in the city hospitals projects, which have become the main driver of success for our national healthcare sector which is one of the world's leading healthcare service providers, especially in the region. As an integrator providing and operating all technological solutions required for city hospitals we are also the market leader in terms of both the number of beds and the number of hospitals in the public-private partnership market. We continue to play an important role in the digital transformation of hospitals, especially with our own Hospital Information Management System (HIMS) software, which we have developed exclusively with Turkcell Digital Business Services resources. The entire technology infrastructure from hardware to software, from system to operation is managed by Turkcell Group, for 7 city hospitals in Yozgat, Adana, Eskişehir, Elâzığ, Bursa, Başakşehir and Tekirdağ. Additionally,

Turkcell had established technology infrastructure of 2 field hospitals, which became operational in a short period of time.

There are three main categories in our business partnership ecosystem that we manage end-to-end; our subcontractors, those we develop products/ solutions together with, and our sales partners. We focus on creating new sales opportunities for our products, services, and system integration projects through our sales partners. Last year, we launched the "Business Partnership Program" for approximately 150 sales partners in our ecosystem with different competencies. We continue to grow our ecosystem working with a win-win approach. We recognize business partner achievements with our Partner Program which values success. In 2021, we kicked off developments to manage all business partners of our company Dijital İş Servisleri (Digital Business Services) through a single system with the Partner 360 model. Moreover, through our business partnerships with global vendors, we expand our solution portfolio to our customers in terms of technical competency and project diversity.



## Techfin services

With changing and evolving needs of daily life, many financial transactions are rapidly digitalizing in this new digital era. As Turkcell, we carry out our activities with an awareness of the potential in the techfin field, facilitating our customers' financial transactions with our innovative services and solutions under the Paycell and Financell brands.



With Paycell, our vision is to integrate technology and financial services in accordance with changing customer needs and habits, and to enable more customers to readily access financial services by offering fast and secure payment solutions. We aim to facilitate life by enabling access to financial services inclusively by everyone without having a bank account with Paycell, and make Paycell the largest payment platform of Turkey.

Factors including Turkey's large and young population, high smart device penetration, nearly 30 million unbanked potential users, high cash usage in shopping, rising e-commerce volumes and supportive regulatory developments, create a favorable environment for increasing the penetration of digital payment services in Turkey and support the growth potential of Paycell. The pandemic period also accelerated digitalization of payment habits.

We maintain our robust growth performance thanks to our services and solutions in various verticals including pay later, bill payment, e-wallet, money transfer, and payment facilitation over our application, which we position as a Super App. In Turkey's fragmented techfin market, where competition is focused on providing solutions in various verticals, Paycell is differentiated by its strong positioning enabled by its wide portfolio of services, and its access to Turkcell's deep technology expertise, large customer base and sales channel. As part of its growth strategy, Paycell focuses on increasing the number of merchants through Paycell Android POS, QR and Virtual POS, while making efforts to increase the number of users through its Super App vision. Together with our business partners, we have started offering a wide range of services on our Paycell Mobile application including insurance products as part of financial services and gaming-related services.



With Financell, the leader of the non-bank financial sector by the number of customers, we aim to contribute to the digital transformation of Turkey by becoming the financing partner of Digital Business Services in accordance with our Group's growth strategy in the corporate segment. Under the Financell roof, we offer financing solutions to our consumer and corporate segment customers for their purchases of technological products and services. Thanks to our credit risk infrastructure and digital

capabilities, we effectively manage credit risk by conducting a faster credit assessment. Meanwhile, with Turkcell Sigorta, we aim to become the largest Insurtech player in Turkey through end-to-end digital solutions. We offer innovative solutions for our customers' risk management with fast and easy-to-access products. Accordingly, our customers have the opportunity to conveniently access and purchase insurance products via all Turkcell channels including call center, digital channels and stores.



Get acquainted with Financell that gives financial support and provides instant credit for your shopping needs and get used to enjoy secure payment. Visit [financell.com.tr](http://financell.com.tr) for details.



## Interactions with our stakeholders



At Turkcell, we work to provide the maximum benefit to our stakeholders and create value. We value the views of our stakeholders and consider all groups impacted by our activities with an inclusive approach. In light of the feedback and suggestions that we receive from our stakeholders, we continuously improve our processes and work to enhance our performance. Driven by these targets, we will continue to create value for all our stakeholders in the upcoming periods.

The fundamental working principles we adopt as Turkcell include inclusion, accessibility, availability, and the provision of transparent, consistent, and timely information to the stakeholders. We believe in simultaneous and open dialogue with our stakeholders, and work continuously to address all questions and requests from them quickly and accurately. In this respect, we map Turkcell's material topics in our materiality matrix by taking on board our stakeholders' valuable views.

Appendix-1: You can find the details of our communication channels with various stakeholders in Communication channels table.

SDG 17.17



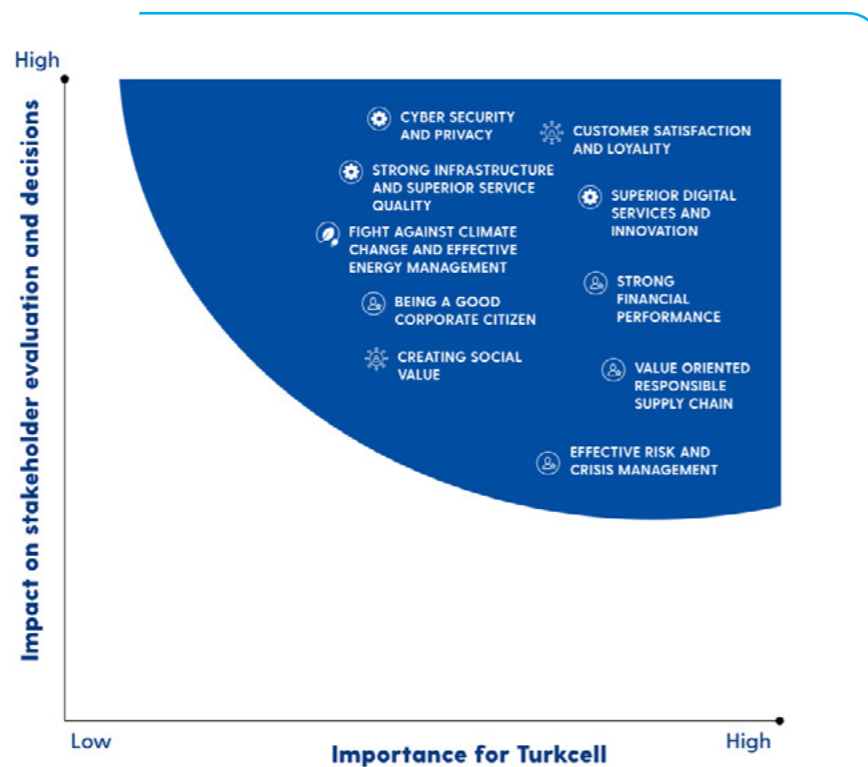
## The process of material topic identification



# Material topics

In order to identify the material topics that guide our management approach and 2021 integrated annual report structure, we analyze global and sectoral trends together with our key internal and external stakeholders' views, global stakeholders' reports, and the principles set out by international organizations such as GSMA, GRI and SASB.

We identified the topics of the questionnaire, which we addressed to our key stakeholders, based on global trends and by incorporating the outputs of workshops with working groups, which include representatives from our key departments. We executed this process by taking the needs and priorities of our stakeholders into consideration. We conducted a stakeholder analysis by reaching out to our internal and external key stakeholder groups through the questionnaire to receive their opinions. We evaluated the material topics of Turkcell 2021, classified them into economic, environmental, governance, social, and digitalization topics. We created insight on the result of the stakeholder survey from the perspective of our strategic focus areas and core competencies. Following this stage, we integrated these topics with Turkcell's sustainability material topics identified in previous reporting periods. As part of the external trend analysis, we analyzed SDGs, the World Economic Forum Global Risks Report 2021\*, and the initiatives that guide the business world and mobile communication sector. In our external stakeholder analysis, we also took reports published by companies operating in the same sector into consideration in order to assess the perspective of society and the sector. We then received feedback from our senior management and established Turkcell's material topics from an integrated value creation perspective.



Environmental Social Governance Products and infrastructure

\*World Economic Forum - Global Risks Report 2021, [WEF\\_The\\_Global\\_Risks\\_Report\\_2021.pdf](https://www.weforum.org/reports/global-risks-report-2021) (weforum.org)

# Interaction of material topics

Stakeholder group / Priority issue	Shareholders	Employees	Consumer segment customers	Corporate segment customers	Suppliers	Public institutions	Civil society organizations	Autonomous organizations	International organizations	Media	Corporate social responsibility project beneficiaries	Relevant Sustainable Development Goals
Superior digital services and innovation	✓				✓	✓						9
Customer satisfaction and loyalty		✓	✓	✓						✓		9, 8
Cyber security and privacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	9, 8
Strong infrastructure and superior service quality	✓		✓	✓	✓	✓						9, 11
Being a good corporate citizen			✓			✓	✓	✓	✓	✓	✓	10
Creating social value						✓	✓	✓	✓	✓	✓	4, 5, 8, 10, 13, 17
Fight against climate change and effective energy management	✓	✓			✓	✓	✓	✓	✓	✓	✓	7, 12
Strong financial performance	✓	✓							✓			8, 17
Value oriented, responsible supply chain				✓	✓						✓	8, 9, 16
Superior digital services and innovation	✓	✓		✓		✓						10



# Measuring the value created

As Turkcell, we identify our focus areas in our social, environmental and financial values when designing products and services and carrying out our activities. We are committed to creating value in these areas through our end-to-end operations. The value we create has positive reflection on our financial performance. We also have the opportunity to observe our impact which we create through our relationship with key stakeholders such as our suppliers and customers, and our social investment activities.

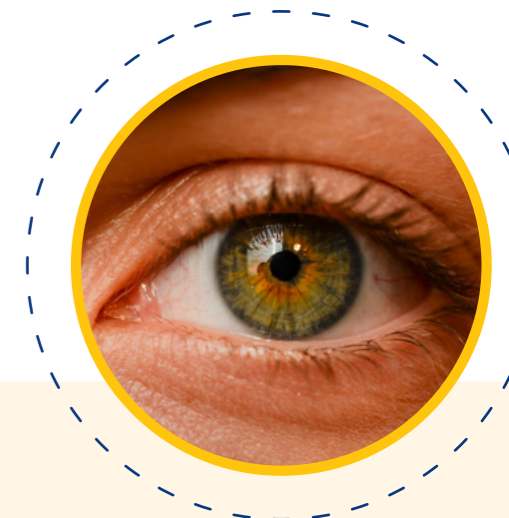
We aim to deliver more up-to-date and comparable results by considering global stakeholder reports, recommendations from international organizations such as the GSMA, the WEF, the GRI and the SASB, ideas of our key stakeholders about identification of material topics which drive our activities and sustainability efforts as well as global and sectoral trends. As Turkcell, we integrate our way of doing business, which is centered around people, environment and transparency, into our entire supply chain system, cooperating with our business partners and stakeholders in this transformation. In accordance with the principle that unmeasured processes cannot be improved, we report performance in relation to climate change in our CDP Climate Change report. As the leading telecommunication company of Turkey, we participated in the Science Based Targets initiative in 2021 for environmental transparency and submitted our commitment letter.

SDG 17.16



# Sustainable Development Goals

As Turkcell, we consider the Sustainable Development Goals of the UN and their priorities and make use of the Sustainable Development Goals when setting our material topics updated in line with the priorities of our stakeholders and Turkcell every year.



You can access the Sustainable Development Goals mapping of our material topics in the Interaction with our Stakeholders section of this report.

In the integrated annual report, our activities that contribute to Sustainable Development Goals are demonstrated with the relevant SDG icons and target numbers within the text. Our activities that we have matched with Sustainable Development Goals contribute to either one or more targets.

## SUSTAINABLE DEVELOPMENT GOALS





## United Nations Global Compact

We integrate the 10 principles that UNGC “Statement for Private Sector”, to which we were a signatory, identified under the topics of human rights, working standards, environment and combating corruption into our business processes. We publish our state of adherence to the 10 principles in our UNGC Communication on Progress Report (CoP) annually.

You can access our statements regarding our progress on UNGC Principles in the UNGC progress table section.



## United Nations Women Empowerment Principles (UN WEPs)

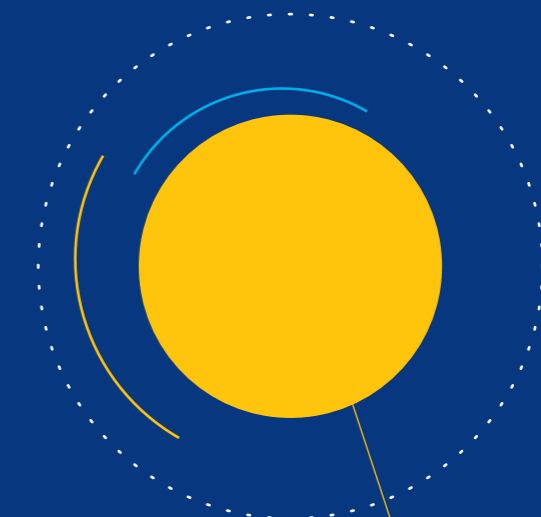
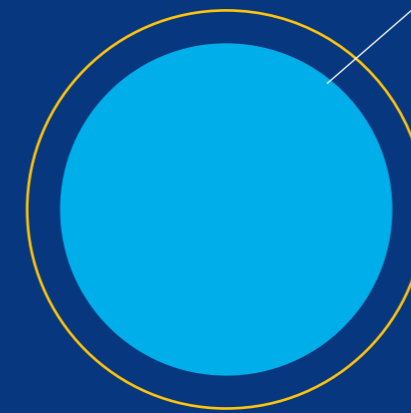
Since 2012, we have been a signatory to the United Nations Women Empowerment Principles to promote Gender Equality, which is one of the Sustainable Development Goals. In addition, for the purposes of the 7 principles compliant with 2030 Sustainable Development Goals, we embrace practices aiming to empower women in working environment, such as the UN WEPs, equal pay practices, and zero tolerance for discrimination, all of which drive the activities and policies of organizations, and engage in actions in this respect. We work to become the company that women most want to work for through Turkcell's gender equality approach.

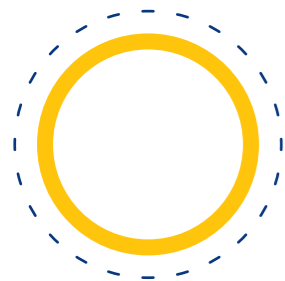




# Strong corporate governance

- Senior Management's support for value-creation process
- Trends and their impacts
- Effective risk and crisis management
- Strategic initiatives and opportunities





## Strong corporate governance



### Demonstrating exemplary corporate citizenship

Maintaining a strong corporate governance structure allows us to manage our business operations with high efficiency, and to show an exemplary corporate citizenship through ensuring compliance with the legal obligations which we are subject to. Moreover, we differentiate as a company, trusted by our stakeholders, thanks to compliance with domestic and international business regulations ensured by our Company's compliance programs and our understanding of superior business ethics.

SDG 16.6

Turkcell is the only Turkish company listed on both Borsa Istanbul (BIST) and the New York Stock Exchange (NYSE). This status in the capital markets enables us to adopt corporate governance principles in a permanent and optimal way within the internal organizational structure, which confirms our commitment in the long-term and sustainable value that our effective corporate processes create. Within Turkcell, everyone acts in accordance with sectoral regulations and competitive dynamics, and closely follows current developments. Cases that may occur within this scope are reported with transparency. Categorizing the current litigation management system according to ESG factors is among the goals of upcoming periods.

You can access our detailed explanations as to corporate governance in the Corporate Governance Principles Compliance Report section of this integrated report, which was previously presented within our annual reports.



## Shareholder structure

Since 2000, Turkcell İletişim Hizmetleri A.Ş. has been the only company, shares of which are traded on Borsa Istanbul and also on the New York Stock Exchange as "ADS (American Depository Share)" Level III.



You can access further details on our shareholder structure in Note 1 of the IFRS report.

As a listed Company, we aim to provide long-term benefits not only to our customers, but also to all our stakeholders with operating at the highest standards of corporate governance practices. In this context, we demonstrate exemplary corporate citizenship by improving our sustainability strategy and value creation model, and also by making it one of our primary goals to act in line with international standards in the fields of human rights, business ethics, anti-bribery and corruption, competition management, risk and crisis management.



## Compliance with international capital markets and effective corporate governance practices



In line with our aim of being a trusted company for all our stakeholders and being an exemplary corporate citizen, we oversee compliance with national and international Anti-Bribery and Corruption (ABC) standards covering all our activities.

The Board of Directors approved the Anti-Bribery and Corruption Policy (ABC) in 2016 to establish the basis of our fight against bribery and corruption. This document is one of the first and major indications of how the Board of Directors is committed to the "zero tolerance" principle regarding bribery and corruption. Our ABC Policy is publicly available, and we expect the entire Turkcell ecosystem to act in line with this document. Within the framework drawn up by the ABC Policy, the ABC Program has been carried out with the establishment of the Corporate Governance & ABC Program Office (ABC Office) as of April 2018, which takes the necessary preventive measures to ensure compliance with these rules and provides risk-based trainings and internal communications. As of January 1, 2021, the Corporate Governance & ABC Program Office continues its activities under the name of

Corporate Governance & Capital Markets Compliance Directorate with an autonomous structure reporting directly to the Board of Directors.

Executing the anti-bribery and corruption compliance program in 2021, our Corporate Governance & Capital Markets Compliance Directorate designed new training programs through the end-to-end revision of the existing ABC training programs. Within this perspective, the directorate has also arranged trainings specific to certain focus groups by maintaining its risk-based approach, was involved in processes related to mergers and acquisitions, strengthened coordination about domestic and international group companies' compliance with the ABC policy, and conducted studies to disseminate this policy across the Turkcell ecosystem.



### Within this context;

- The Second Generation ABC Training, measuring the level of knowledge of attendants before and after the training and addressing many ethical dilemmas from actual daily professional life regarding bribery and corruption in a fictional flow, was assigned to all Turkcell group company employees across Turkey.
- In 2021, in order to strengthen the integration of our compliance programs in public tenders and to better oversee the potential bribery and corruption risks, capital markets and economic and trade sanctions risks in public tenders, 5 different 1-hour trainings were provided for 334 people.
- Additionally, 1-hour Basic Anti-Bribery and Corruption Training was provided for 12 Turkcell Enerji employees as part of integration efforts following the acquisition of Boyut Enerji in 2021.

- 2 compliance coordination and cooperation workshops were held with domestic and international group company compliance contacts to which our CEO and Legal and Regulation Executive Vice President contributed with their opening speeches.

- Additionally, in order to raise awareness of our ABC Program across our ecosystem and to ensure that our business is carried out in accordance with the ABC Policy, an anti-bribery and anti-corruption training invitation was sent to our suppliers and business partners, and a 1-hour training was given to volunteering suppliers and business partners.

SDG 16.5

Due to its specific position in the capital markets, Turkcell implements dual rule sets and good practices within the framework of both Turkish and U.S. capital markets, particularly on corporate governance structures, financial reporting and internal control processes. Among Turkcell's prominent corporate processes implemented as part of those requirements, the following can be named: Turkcell Board of Directors and its committees' structure, operating rules and independence of its members; the effective internal control environment regarding the financial reporting processes based on reporting and disclosure obligations before the Capital Markets Board (CMB), U.S. Securities and Exchange Commission (SEC), BIST and NYSE; the ethical rules applicable to the company's senior management as well as finance executives in accordance with SEC; and the blackout period and the quiet period for the trading of shares. Practices based on the Public Companies Accounting Reform and Investor Protection Act, also known as Sarbanes-Oxley (SOX) Act and U.S. Foreign Corrupt Practices Act (FCPA), which aim to improve the control mechanisms of companies' financial reporting while supporting effective corporate management, particularly stand out as part of Turkcell's short- and long-term and sustainable corporate DNA. As of 2020, the procedure, which is monitored and revised when necessary through coordination of Corporate Governance & Capital Markets Compliance Directorate as part of the Turkcell Sanctions Compliance Program adopted by the Board of Directors, tracks compliance with

the framework of economic and trade sanctions rules we are bound by, in particular the OFAC (Office of Foreign Assets Control) at the level of all directors across our Company and ensures that such compliance is reported.

Due to our dual listing in the capital markets, in order to carry out our obligations to comply with capital markets regulations and corporate governance practices that we are subject to under an autonomous structure that has direct access to the Board of Directors, SOX Coordination and Compliance Unit has been established within the ABC Office as of January 2019. The SOX Coordination and Compliance Unit has been continuing its operations under the name of SOX Compliance and Governance

Unit since January 1, 2021. The SOX Compliance and Governance Unit, along with monitoring the regulations of SEC and Public Company Accounting Oversight Board, supports corporate transparency and contributes to reliable information disclosure to the public by incorporating good practices within our Company. Training and awareness activities are carried out by the SOX Compliance and Governance Department under the title of SOX 404 practices that constitute an integral part of our employees' way of doing business. As part of SOX 404 related activities, internal company bulletins and annotations on 24 subjects were published in 2021.

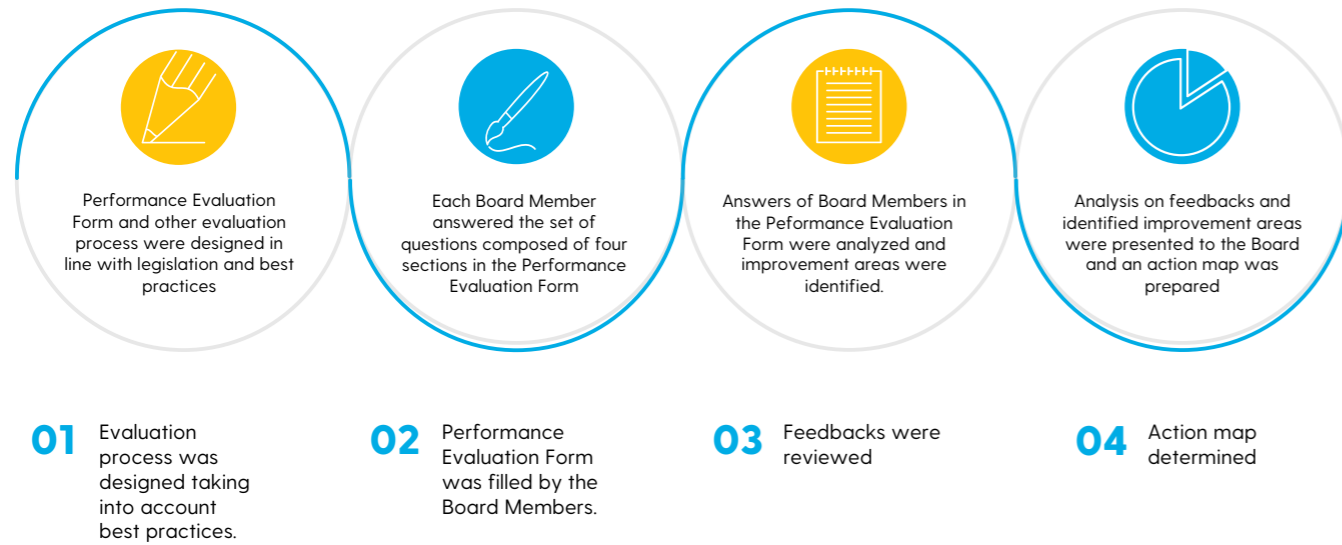


## Prominent Corporate Governance Practices at the Level of Board of Directors

Since 2019, Turkcell has adopted specific internal rules applying to potential conflicts of interest at the level of Board of Directors, and, as of 2021, has established a performance evaluation process involving the directors.

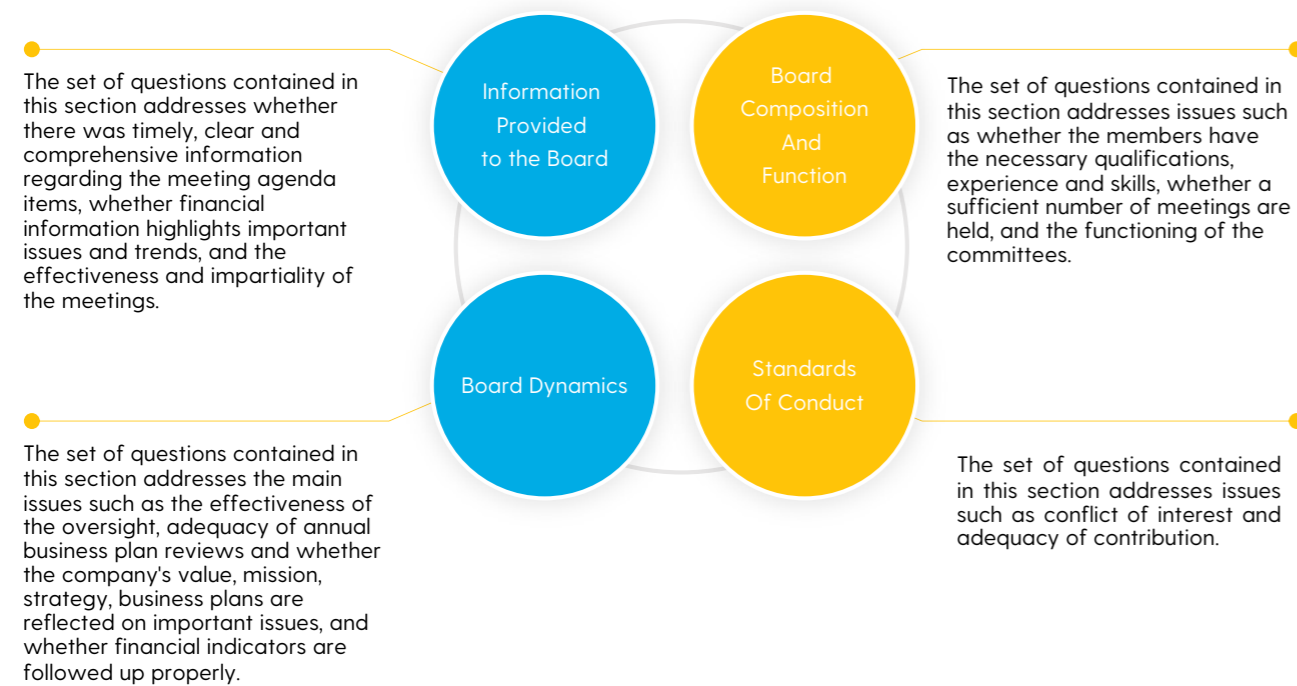
As per the legislation binding our company, the code of conduct applying to our Board Members who might be considered public officials has been established and implemented by our Board of Directors. Furthermore, the annual performance evaluation of our Board of Directors based on certain criteria was discussed as part of the improvement of corporate governance across our Company, and it is aimed that the improvement areas identified as a result of the evaluation process will be the basis for further corporate governance practices. Within this framework, the first Board of Directors performance evaluation process was completed within December, 2021 in line with the methodology which Corporate Governance & Capital Markets Compliance Directorate designed and submitted to the Corporate Governance Committee and the committee later proposed this performance evaluation process to the Board of Directors. The details of the performance evaluation process is as follows:





## Board of directors performance evaluation methodology

The set of questions as part of the Board of Directors Performance Evaluation methodology was determined under the following four sections:



The improvement areas identified within the framework of the analyses and evaluations made regarding the answers given by the Board Members to these set of questions were conveyed to the Board of Directors and potential actions were evaluated.



## Human rights, business ethics and common values

The Turkcell family and the Turkcell ecosystem are aware of the importance of having a responsible business model that complies with ethical standards, and that its employees form the basis of its success. Accordingly, it implements the Human Rights Policy both to create a work environment worthy of human dignity and value. Turkcell pays attention to the ethical and responsible development and use of the technologies that it uses and will develop in business processes. It aims to create a more livable world by contributing to UN Sustainable Development Goals, respecting human dignity, fundamental rights and freedoms in the technologies it develops, especially artificial intelligence technology.

SDG 8.5

SDG 16

We respect the “Right and Freedom of Assembly” and the “Right to Form Trade Unions and Engage in Union Activities” of our employees as declared in our Human Rights Policy and expressed in the Constitution of the Republic of Turkey, and also support our employees in becoming members of professional groups in their field, or of NGOs that provide social benefit.

You can access our Human Rights Policy [on our website](#). In 2021, it was aimed to expand the compliance with the Turkcell Human Rights Policy to Turkcell subsidiaries, and the respective process started and progressed with Superonline.

With the [Turkcell Common Values and Code of Business Ethics \(TODİEK\)](#) handbook, which was developed in line with global best practices and adopted by the Board of Directors, we protect our employees and adopt exemplary ethical behavior across our ecosystem.

**Our employees, customers and suppliers can convey their reasonable doubts and information regarding cases that violate, or may present a potential violation of business ethics to the Turkcell Ethics Committee anonymously through the Ethics Line (532 210 4444). Additionally, our employees can report cases of violations of regulations or ethically inappropriate situations directly to the Audit Committee [auditcommittee@turkcell.com.tr](mailto:auditcommittee@turkcell.com.tr) or indirectly via our Ethics Committee. They can use the Company's intranet, internal forms, telephone, and e-mail [etikbildirim@turkcell.com.tr](mailto:etikbildirim@turkcell.com.tr).**

In 2021, 37 cases reported through Ethics Channels were reviewed. These cases were handled under the 3 main categories of unethical and immoral behavior, information security and financial issues. In 8 out of 37 cases reviewed, it was decided to apply the "Termination of Employment" sanction. It was further decided that the cases reviewed did not violate the Turkcell Group Anti-Bribery and Corruption Policy.

## Competition management

It is critical to ensure and maintain competition effectively across all markets in which Turkcell and Turkcell Group Companies operate. Accordingly, Turkcell is committed to carrying out all business and operations in accordance with the competition legislation and regulations.

One of the main objectives of competition law is to prevent dominant players in the market to abuse their power by establishing agreements, decisions and practices, which avoids, distorts or restricts fair competition. Moreover, the competition law controls merger and acquisition transactions to preserve competition in the markets, and makes necessary regulations and conducts supervision to protect competition. In this context, certain processes are followed within Turkcell, including but not limited to the following:

- The guidelines, briefings and trainings prepared as part of the competition compliance process are examined by all employees.
- In line with our general principles, any verbal or written agreements and communications with competitors on the following issues are avoided; price determination, sharing of customer/ region, sharing of trade channels, restriction of supply amount or initiating a boycott, and collusion in tenders.
- Sensitive information is not shared among competitors.
- Causing difficulties for the activities of competing companies, prevention of new entrance to the market, high sales prices and sales prices below cost are avoided.
- Resale prices of third parties that resell Turkcell products and services are not interfered in by Turkcell. Recommended sales price notification rules are precisely followed.

Turkcell and Turkcell Group companies act in all their markets of operation in accordance with competition rules under the Turkish Commercial Code, the Law on the Protection of Competition, the Electronic Communications Law and secondary legislations.

We disclose information on critical cases that Turkcell is a party to, as part of our disclosures to the BIST, SEC and other related authorities in compliance with CMB and IFRS standards. In this context, critical cases arising from competition law are also included in those reports. In 2021, there is no preliminary research initiated, or investigation filed against our Company before the Competition Authority for alleged violation of competition regulations under the Law on the Protection of Competition.



## Senior Management's support for value-creation process

Turkcell adopts a management model, which targets creating short, medium and long-term value with the support of its management team, as the company mission. Turkcell Board of Directors, whose duties and authority are defined as per the Turkish Commercial Code, steers the strategic initiatives of Turkcell in accordance with the principles of accountability and fulfilling responsibility. In accordance with Capital Markets Legislation, the senior management of our Company is accepted as "Persons with Administrative Responsibility" and the members of the Board of Directors, and such persons who, although not a board member, have the authority to regularly access the insider information of the Company directly or indirectly and make administrative decisions affecting the future development and commercial targets of the Company. Persons with administrative responsibility in our Company are determined as the Board Members and Company Management Team.

The business relations of Turkcell are governed through the resolutions of the Board of Directors, who represents the Company's shareholders and is responsible to them. The Board of Directors is formed by 9 directors with general management responsibility for Turkcell's operations as per Turkcell's Articles of Association. 5 out of 9 directors are elected by TVF Bilgi Teknolojileri İletişim Hizmetleri Yatırım Sanayi ve Ticaret A.Ş. (TVF) by using privileged rights as per the Articles of Association. Four of those 5 members are also nominated by TVF. There are no privileges foreseen for the election of the remaining 4 members, including 3 independent board members. The term of membership for the Board of Directors is a maximum of 3 years and the Chairman of the Board of Directors has no executive role. The Chairman of the Board of Directors is elected from among the 5 members for whom TVF has privileged voting rights, in accordance with the privileges set forth in the Articles of Association. As a result of the voting of the motion by TVF, which owns Group A Shares of our company, at the Ordinary General Assembly Meeting 2020 held on April 15, 2021, Bülent Aksu, Figen Kılıç, Hüseyin Aydın, Tahsin Yazar and Şenol Kazancı were elected as directors to serve on the Board for a term of 3 years. Additionally, as a result of the voting of the TVF motion, Afif Demirkıran, Nail Olpak and Hüseyin Arslan were elected as independent directors to serve on the Board upon approval by the CMB, and Julian Michael Sir Julian Horn-Smith was elected to hold the last position as a director on the Board for a period of 3 years. There is a total of 9 members, 8 being man and 1 being woman in the Turkcell Board of Directors. There are five committees established as per CMB legislation that report to the Board of Directors. The Board of Directors publishes the "Corporate Governance Principles Compliance Report" within the annual reports and transparently discloses information on any incompliance issues to our stakeholders.

You can access further details on the Board



Committees, their duties and members in the Corporate Governance Principles Compliance Report or [on our website](#).

Chaired by the Chairman of Turkcell Board of Directors and established at Senior Management level, the Turkcell Integrated Value Creation Committee was created to regularly report its activities to the Board of Directors and inform relevant Board Committees, when necessary. Turkcell Senior Management is responsible for the activities carried out as part of integrated value creation and integrated reporting, under supervision of Turkcell Board of Directors. Turkcell Senior Management pays utmost attention to the adoption of transparency and reliability principles while overseeing the integrated value creation process and the content of the integrated annual report. The Integrated Value Creation Committee reports the activities carried out within the scope of environmental, social and governance policies to the Board of Directors and receives its approval, in a manner to be disclosed publicly through the integrated annual report on a yearly basis.



ISO 14001: Environmental Management System and ISO 45001: 2018 Occupational Health and Safety Integrated Management System certification processes have been completed in 2021. Accordingly, our Company has been certified following the audit of TSI.

Among the economic, environmental and social agreements, principles and other initiatives that are supported by our senior management and that we are a signatory to are; the United Nations Global Compact (UNGC), the United Nations Development Program Business Call to Action (UNDP BCTA) Program and the United Nations Women Empowerment Project (UN WEPs), GSMA's Digital Declaration on Climate Change, GSMA Digital Inclusion and Accessibility Principles, mPower Youth initiatives and the Business Council for Sustainable Development Turkey (BCSD Turkey).



### Turkcell integrated value creation governance mechanism

## BOARD OF DIRECTORS



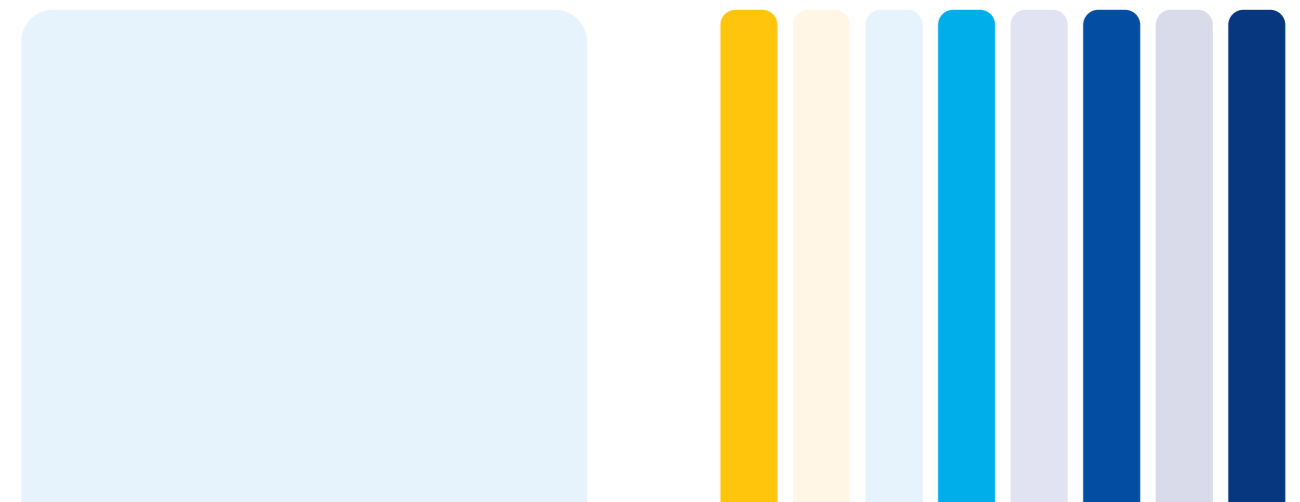
## INTEGRATED VALUE CREATION COMMITTEE



### SUSTAINABILITY COMMITTEE



### PROJECT TEAMS



### The following can be listed among the responsibilities of the Integrated Value Creation Committee of Turkcell Group;

- Providing direction for reporting plans within the scope of the integrated value creation process and the integrated report,
- Reviewing the integrated value creation process in line with Turkcell's strategy,
- Giving direction to the content of the integrated report and providing opinion on its draft content.

The Turkcell Sustainability Committee reports to the Board of Directors through the Integrated Value Creation Committee on all activities and outputs carried out within the scope of determining and effectively implementing short and long-term action plans in line with environmental, social and governance policies, determining material sustainability issues, risks and opportunities. Turkcell's policies evaluated within the scope of ESG are discussed at the Sustainability and the Integrated Value Creation Committees, decided on and approved by our Board of Directors, and published on the Turkcell Sustainability website. Turkcell Human Rights Policy and Environmental Policy were

approved by the Board of Directors decision dated January 29, 2021.

<https://www.turkcell.com.tr/en/aboutus/corporate-social-responsibility/sustainability>

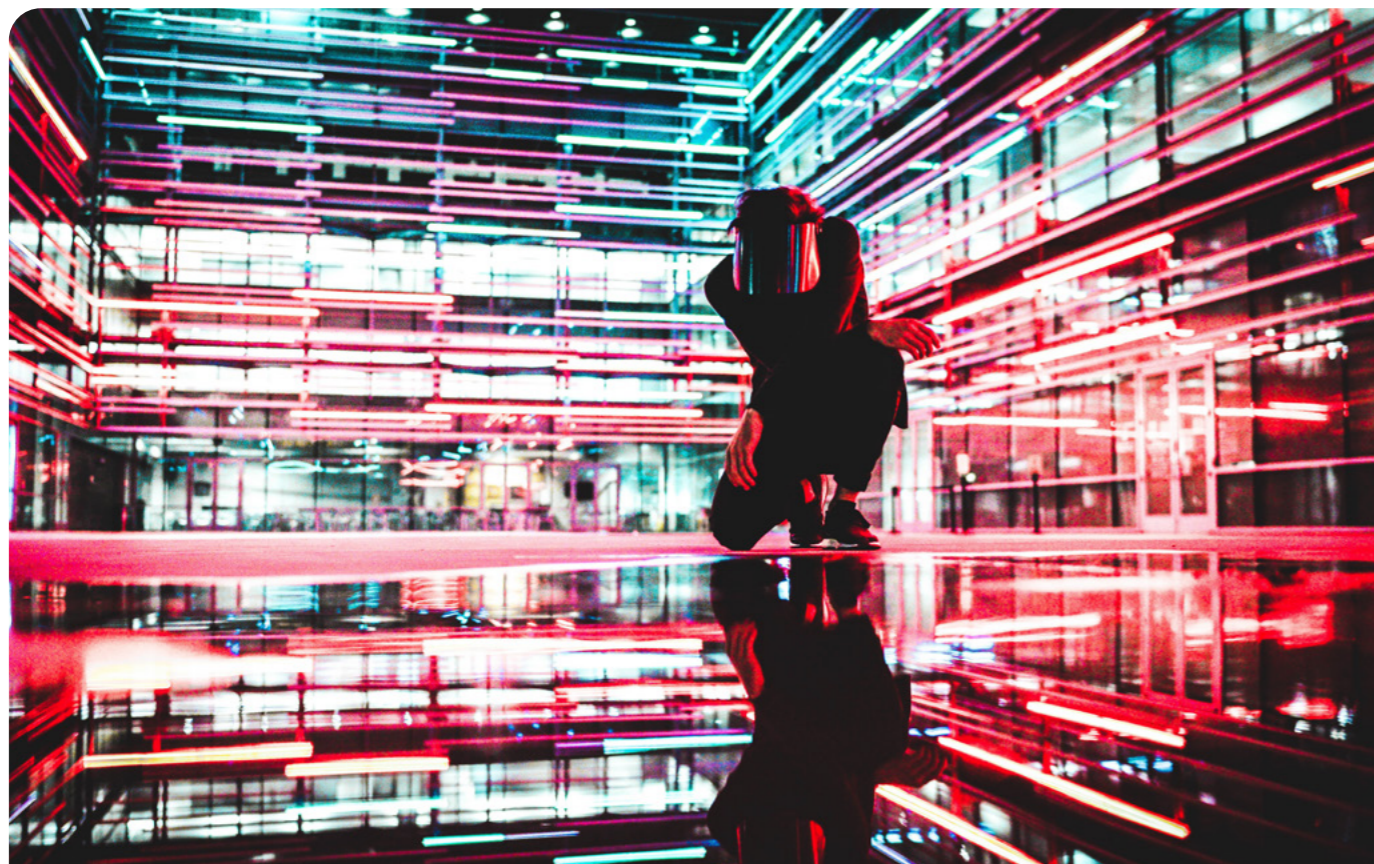
Establishment of the Integrated Value Creation Committee helped integrate the ESG policies of the Company with short- and long-term goals and strategies of the organization. The Chairman of the Board of Directors presides the integrated value creation committee. The goals and strategies, which are determined by the committee, are communicated to the public on the Turkcell website through our integrated report and CDP report.



## Trends and their impacts

2021 has been a turning point for the industry in which we operate. It highlighted the exciting and fundamental trends of recent years such as technological developments, changing economic structures and evolving social needs.

As Turkcell, we closely follow up on those trends, as well as issues such as e-mobility and climate change, and shape our business model and strategy to accurately address and manage these issues. As we have to date, so too in the future do we aim to introduce our country and our people with the latest technologies through our domestic and national digital services developed by our engineers and software developers. We further aim to contribute to the digital transformation of our country and create value for all our stakeholders with our innovative and value-added solutions. While evaluating and analyzing such global trends, we make use of publicly available sources such as industry reports and opinions, as well as the reports of international organizations. This section includes insights into the prominent trends and Turkcell's approach to managing them.



## 5G transition

Mobile communication technology is usually updated with a new generation every 10 years, but now it is advancing at a faster rate.



Following the IMT Authorization in 2015, in order to address the expectations of our customers with respect to high speed, we made 4.5G technology available in our country in 2016. As Turkcell, we are proud to be named one of the world's top 3 operators providing the highest speed in 4.5G technology according to a report by the Global Mobile Suppliers Association (GSA) released in August 2021. Additionally, we prepare for the 5G technology whose standards are currently being defined and for download speeds which are expected to reach Gbits per second. This next generation technology is expected to exponentially grow the importance of technologies like autonomous vehicles, virtual reality, augmented reality, online healthcare and education services, remote work and Internet of Things (IoT) in our lives. Additionally, with the development of standards and use cases, 5G technology is expected to bring USD 2.2 trillion to global economy from 2024 to 2034, and the number of global 5G connections is foreseen to reach 1.8 billion by 2025.\*

The 5G technology is expected to lead to disruptions in many industries including healthcare, automotive, entertainment and service as well as telecommunication. As a software-based technology, which will become central to several sectors, new generation 5G technology will drive strategic change in the way countries and corporations view communication technologies.

### How do we manage?

Having adapted our human-oriented corporate mindset in the field of 5G as we did in all-other technology developments, we experience this new technology over 5G test networks installed in certain cities through use of temporary 5G test frequencies allocated from the Information and Communication Technologies Authority. In those test areas, we analyze the transition of our 4.5G network to 5G, observe 5G network performance and examine 5G network products.

Moreover, we continue to contribute to the development of local 5G infrastructure with the "End-to-End Domestic and National 5G Communication Network" Project that we signed as a stakeholder in 2017, and which is carried out within the scope of Communication Technologies Cluster (HTK) activities and supported by TÜBİTAK. As part of the Tech-Driven Industry Initiative (HAMLE Project) supported by the TÜBİTAK, we continue our support for local producers. In addition, we support product

\*GSMA

development efforts of some local producers which are not covered by official projects. With our goal of building a domestic and national 5G digital ecosystem, we not only experience this technology through our 5G test networks but also are glad to lead 5G development efforts across the country by enabling the implementation of 5G use cases as part of industry business models in different verticals. We have taken various important steps in using the 5G technology including drone communication, pre-hospital medical intervention on ambulance in the healthcare industry, first live TV broadcast over 5G and VR experience in sports competitions. Using our 5G test networks, we continue to lead the establishment of a domestic and national 5G digital service ecosystem through new projects in this field. With our 5G R&D team created in 2017, we take part in a wide range of national and international projects by developing projects with our own resources in various areas. We have created a wide ecosystem through collaborations with regulatory bodies, standardization organizations, universities and research institutions, and by working closely with many local or foreign institutions and organizations, including companies from various sectors.

We participated in the "AI/ML in 5G Challenge" organized by the ITU (International Telecommunication Union) as part of its "AI for Good" focus with our use case "Radio Link Failure Prediction". This use case aims to predict radio link failures due to weather conditions or temporary/permanent physical obstacles and take necessary actions with proactive approaches.



## Big data

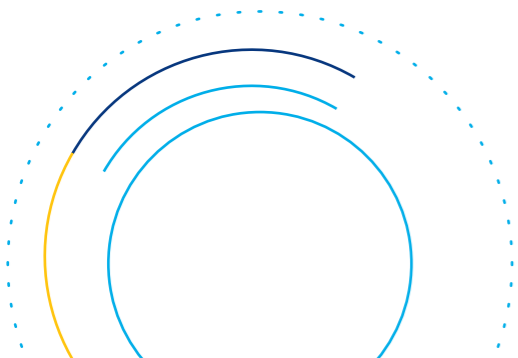
In today's telecommunications world, a large amount of data production takes place through social media networks, connected devices, customer behavior, government service portals, call data records, billing information and similar sources.

As a result, it is becoming increasingly difficult for mobile operators to cope with rapid fluctuations in data volumes. While leading to difficulties for the telecommunications industry in terms of technical infrastructure requirements, big data also offers to turn this challenge into an opportunity with big data analytics applications. This opportunity needs to be used by not only the technical people but also the entire organization. It also renders it important for all organizations to devise decision mechanisms through data-driven analysis. While this data size requires anyone also without software experience to work with data, it also drives us towards a structure where anybody can perform data analysis and analytics with low-code platforms.

### How do we manage?

As Turkcell, we provide our corporate customers the opportunity to understand the shopping habits of potential customers and reach them with our big data analytics services. Big data also enables us to interpret changes in the shopping habits of existing customers, and accordingly to offer the most appropriate solutions.

Our big data analytics consultants work to determine the characteristics of our existing and new customers with customer profiling studies. We also prioritize studies to increase the loyalty of existing customers. With big data, which we obtained through customer profiling activities, we can understand the needs of our existing, new and old customers, and increase our revenue generation potential with new value proposals. We are aware of the need to interpret the correct customer data in order to reach the target audience and make the right investments, and we continue growing our business by doing so with big data. In an era of transparent competition, it is critical to track customer satisfaction instantly and act on it. Accordingly, we track experiences of our customers closely and try to drive maximum satisfaction.



## Digital transformation and inclusion

By simplifying and accelerating access to information, mobile communication technologies provide a basis for digital transformation process for both individuals and organizations.

The criticality of services offered by telecommunication operators rises with the rapidly growing importance of non-spatial processes due to the pandemic, increase in the number of connected devices together with developing technologies, and digitalization of many daily habits. The number of people with access to internet through mobile applications has reached 4 billion, proving that the telecom sector is one of the most effective channels for digital services to reach people. The contribution of mobile technology and services, making up approximately 5% of world GDP in 2020, to economic growth is expected to increase as a consequence of the changes experienced. Facilitating people's access to information and growing in importance globally, the telecommunication industry stands out as one of the most critical industries to eliminate inequalities and enable access to information, services and financial services. In this context, the telecommunication industry can bring social equality through digital solutions that cover a broad range of social groups and accelerate global development with smart applications.

### How do we manage?

As Turkcell, since our establishment, we have placed technology's power to provide equal opportunities at the center of all our activities, having implemented projects that aim to ensure equal opportunities in information access for all.

Using our strong analytical competencies, we develop high quality innovative products, services and projects, and offer services in many areas from education to finance. We continue our rapid improvement in the mobile payment field with our Paycell application, which has been positioned as a new generation super app, with over 14 million downloads to date. Within the scope of our digital services, we offer solutions that meet the needs of our customers with our products including TV+, fizy, BiP and lifebox. We support the digitalization journey of institutions by offering digital business services. In areas where the infrastructure is insufficient to deliver fiber internet, we can provide fast and secure internet access for everyone via our Superbox product offering fiber speed internet without the need of a cable connection. With the Whiz Kids project, we bring special, talented students together with technology and science. With our My Dream Companion project, we work to provide equal access to information by the visually impaired.

## Climate change

5 out of 10 risks that are most potentially damaging include environmental and climate change risks according to the World Economic Forum (WEF) 2021 Global Risk Report prepared in the face of problems related to wildfires and floods which get more frequent across the globe and more difficult to bring under control, and destruction of biodiversity. These risks are defined as climate action failure, biodiversity loss, natural resource crises, human environmental damage and extreme weather.

In addition to a number of natural disasters taking place, changes in climate policies, technology, consumer preferences and financial market expectations have recently been creating huge fluctuations in commodity prices and causing a rise in costs. Accordingly, spending on research and development (R&D) in new and alternative technologies are also increasing. In order for the business world and companies to manage these risks effectively, they need to focus on implementing circular economy, renewable energy and pro-recycling strategies which will achieve net zero emissions rapidly. As per the goals of the Paris Agreement, 73 countries, including the EU members, committed to become carbon-neutral by 2050, and the number of committing countries is increasing. Turkey also signed the Paris Agreement in 2021, revealed its 2053 goal and joined other countries that declared a commitment. The European Commission formed the new [European Green Digital Coalition](#) in March 2021 to encourage digitalization which supports carbon neutrality. Half of 26 founding members who signed the declaration were from the mobile technologies industry.



## How do we manage?

Climate change risks have a direct impact on Turkcell's business operations. As Turkcell, we conduct field risk analyses during the installation of base stations. We take measures against the risks of extreme weather events and natural disasters caused by climate change, and plan for the transfer of data centers to locations with cold climates, foreseeing a rise in average air temperatures in the long term.

In our energy-focused activities, we convert and invest in environmentally friendly green energy sources within the framework of Sustainable Development Goals. As a company consuming and aiming to generate 100% renewable energy in accordance with the Turkcell Sustainability Strategy we announced in 2020, we work to achieve our goal of going carbon-neutral by 2050. Accordingly, we acquired Izmir Karadağ Wind Power Plant in 2021, which reinforces our vision of being a company not only consuming renewable energy but also generating it.

SDG 7.2, 13.b

You can access more information on Turkcell's efforts regarding the Climate Change trend in the Natural Capital Section of the report.



## E-mobility

The concept of e-mobility is developing on a daily basis with key trends such as autonomous driving technologies, connectivity, electrification and carpooling. The idea has gained momentum and become widespread that the developments in e-mobility field will affect different aspects ranging from the cities we live to the roads we use as well as the companies operating in this area.

It is foreseen that the concept of e-mobility will trigger a disruption not only in automotive and transportation industry but also in technology. In the aftermath of the COVID-19 pandemic, e-mobility is expected to contribute to economic recovery and create opportunities for digital technologies, as well as new employment.

Accelerated development of e-mobility and technology trends has brought our country to the edge of a new era. Focusing on the production of next generation technologies, the transportation industry works to devise the flexible and innovative solutions needed. The Togg project, Turkey's first domestic car to be designed as an electric vehicle, marks an important and powerful initiative in the e-mobility sector. Turkey's ability to leverage its own resources in electric car competition as part of its e-mobility efforts will provide a great advantage, contributing to the development of the country on the electric car market.

## How do we manage?

Our e-mobility solutions, offered as part of digital business services within Turkcell, incorporate the most advanced vehicle and fleet technologies for improving the safety of vehicles as well as employees. The construction of the Bursa factory of Togg, which is developed by Turkey's Automobile Joint Venture Group where Turkcell has 23% shareholding, continues as planned.

The production is planned to start in late 2022. Togg works to finalize cooperation with entities as required for the e-mobility ecosystem to be created around the electric car which it defines as a "smart car". By contributing to this ecosystem with the solutions we develop and our technological competences, we aim to create synergies that will add value to Turkcell. We keep the technological infrastructure ready both as software and hardware for organizations which will require it in the future in connection with e-mobility solutions, with our local production approach and data centers.

We provide municipalities and airline companies with meaningful insight aimed at transportation planning. Through transportation matrices we provide to municipalities, we contribute to accurate planning, enabling people to use public transportation more conveniently. In addition, we help cut carbon emissions by reducing traffic density. The data we make available to airway companies help them analyze masses travelling between cities and see seasonal impacts. We help achieve energy savings through efficient transportation planning.



## Regulatory developments and sector regulations

As a factor of freedom of communication, which is defined as a constitutional right, and as one of the most critical sectors in our country, the electronic communications industry is closely monitored and controlled through industry-specific activities, regulations and legislations.

### How do we manage?

We position our comprehensive legal services requiring national and international compliance at the center of our operations and assess the compliance of all activities carried out across Turkcell. As Turkcell, we create a permanent footprint in the global market and continue our expansion by managing disputes effectively and taking preventive legal actions, while building business strategies on a solid legal foundation. The digitalization of our processes helps us add value to our leadership journey and the reputation of Turkcell and our Group companies.

Moreover, ensuring effective and competitive market dynamics and helping customers with the desired level of digital experience requires the active participation of sector players, NGOs and regulatory authorities. In order to unlock the potential of electronic communication technologies and develop innovative services meeting customer needs, it is fundamental that sectoral regulations support the development of the digital economy, and ensure fair competition and investment environment.

We take public institutions and regulatory authorities as an essential part of our ecosystem, and, with a focus on the continuity of the sustainable ecosystem and consumer welfare, contribute to all legislative efforts relating to our industry in a direct or indirect way as an active stakeholder of each and every stage. We are aware that regulatory developments have the potential to directly impact our business model and strategies. We conduct our activities in accordance with our goal of creating value for our country and our industry by working in cooperation with regulatory authorities and relevant stakeholders. Furthermore, we work in both national and international arenas in connection with the legal dimension of evolving technologies such as AI, blockchain, space technologies, cybersecurity, smart cities, creating value in this area for both our company and country.



## Sustainable financing activities

Unlike conventional financing, sustainable financing refers to financing facilities where sources of funds are used based on various environmental, social or governance criteria. The current stage of climate crisis pushed investors to put more emphasis on non-financial risk factors, resulting in increased amount of reporting on these factors. Accordingly, companies have shifted to adapt their business strategies and corporate financing and investment activities to the Sustainable Development Goals promoted by the United Nations Global Compact.

With risks related to climate crisis rising, it is inevitable that sustainable debt instruments become widespread and unavoidable for banks to incorporate more compelling criteria for the sustainability of the projects they finance. The ESG investments are expected to increase on a global scale in the future. Sustainable financing resources are critical for the investments in the scope of long-term plans with the "European Green Deal" which promotes these investments, and for the financing of projects to be realized.



### How do we manage?

Focusing on sustainable financing options, we diversify our financing instruments, promote our sustainability efforts, and keep looking for access to financing on more advantageous conditions.

Therefore, we are working towards our target of increasing our sustainability linked funding which we already secured as part of "Sustainability-Indexed Loan" and "Green Loan" transactions launched in 2019 and 2020, respectively. Accordingly, we increased the amount of 3-year term Sustainability-Indexed loan from EUR 50 million to EUR 70 million which Turkcell İletişim borrowed from BNP Paribas in 2019 and we extended its term to December 2026. We aim to improve access to Sustainability-based financing resources for all of our companies as Turkcell Group, and carry out larger number of projects in this scope. Thus, we channel our investments to the achievement of the SDGs. Meanwhile, we continue our activities as one of the founding members of the UNGC CFO Taskforce, which aims to create a market for investments towards the SDGs.

## The development of fintech applications

The accelerated digitalization, wider use of cryptocurrency and blockchain and the rising global smartphone penetration provide a convenient environment for the development of financial technologies (fintech). In the first half of 2021, fintech investments reached USD 98 billion.

In 2021, fintech and payment industry became interested in a novel product. Consumers welcomed this payment method allowing them to "buy now, pay later". Capgemini's "World Payment Report 2021" shows that Generation Z has replaced their credit card use with "buy now, pay later" method. A survey in this report demonstrates that 75% of consumers below 30 years of age use their credit cards less than 20 times a year while they are open to possibilities involving "buy now, pay later" method.

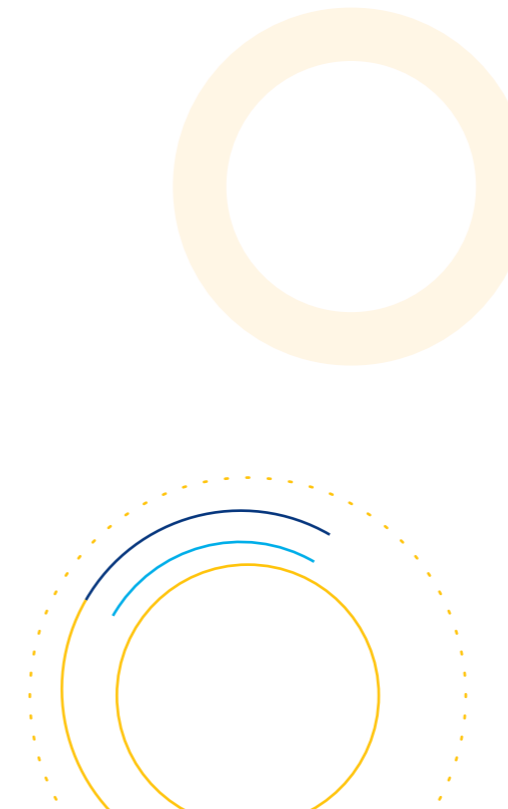
Smartphones, which are the primary means to internet access for people, play a facilitating role for many technologies and services, including fintech. Fintech and mobile services have the potential to provide access to financial resources and services for the unbanked population.

With the Draft for the "Regulation on Principles of Activities for Digital Banks and Service Model Banking", which was published in August 2021, the legal regulations related to Digital Banks are starting to be implemented. Announced in the Official Gazette No. 31704 of 29.12.2021, the "Regulation on the Operation Principles of Digital Banks and Service Model Banking" identified the legislation to come into force on 01.01.2022.

## How do we manage?

In the Turkcell ecosystem, fintech is referred to as techfin in terms of our focus on technology, and techfin activities are carried out through our three subsidiaries; Paycell, Financell and Turkcell Sigorta. Leveraging our experience of over a quarter century, our superior digital services and advanced analytical capabilities, we closely follow the innovations in the techfin field and develop pioneering products and solutions.

Paycell, being Turkcell's new generation payment platform, is full of opportunities for both individual and corporate customers in the mobile payment field. Paycell application has been downloaded over 14 million times. While services such as money transfers and payments can be readily realized through the Paycell application, we provide payment facilitation services to over 17 thousand contracted merchants with solutions including Paycell Android POS, QR and Virtual POS. Financell, our financing service that facilitates individual and corporate customers' access to technological products, has extended loans in the amount of TRY22.1 billion to approximately 6.1 million customers since its foundation. At Turkcell Sigorta, through our innovative approach in the insurance arena, we provide customers convenient, simple and fast insurance services. Implementing the model involving end-to-end digital insurance sales via QR code for the first time in Turkey, Turkcell Sigorta continues to introduce innovations into the industry.



## Cybersecurity

Rapid spread of digital transformation in business world and increase in technology use by individuals and enterprises bring along some cybersecurity risks for organizations. Rise in cybersecurity threats is a call to remember the importance of information security for companies and organizations.

### How do we manage?

As Turkcell, we identify threats, develop solutions to mitigate and eliminate the effects of possible attacks and incidents, and collaborate at the national and international scale to share those measures with identified bodies.

We design secure system infrastructures by improving our processes with new experiences, raising awareness of information security, cultivating competent human resources, establishing layered security controls and using next generation technologies. Through our Turkcell Security Operation Center, we monitor current threats and cyber-attacks 24/7 and take necessary actions after conducting end-to-end security controls and tests. We offer our digital operator competence and integrated cybersecurity and information security experience to our corporate and individual customers. As part of these services, we continue to meet the needs of companies, institutions, organizations and individuals in the fields of cybersecurity, data protection, and integrated infrastructure.



## Artificial intelligence

One of the top items on the agenda of decision-making mechanisms of institutions and organizations, the AI technology is reshaping company strategies as a technology tackling complex tasks and covering applications and software.

Many companies make significant investments in data science teams to benefit from the opportunities and values offered by AI. The fact that institutions which incorporate machine learning and cognitive interactions into their traditional business processes and application software can improve their user experience substantially and increase their productivity demonstrates the value of AI.

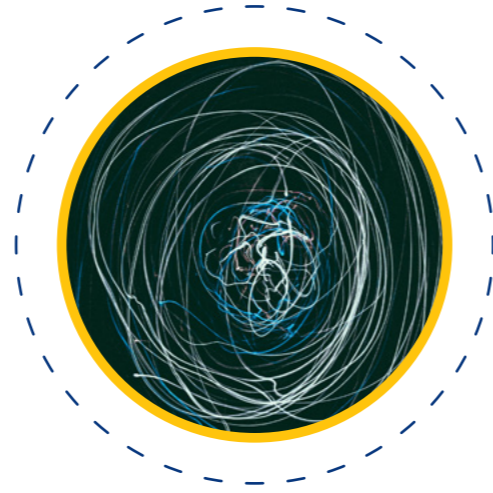


### How do we manage?

As Turkcell, we work in compliance with our company's policies, procedures and internal controls created on the basis of international standards and the regulations which we are subject to. Additionally, we comply with our AI principles consisting of "focus on people and environment, transparency, professional responsibility, data privacy, security, justice, and sharing and cooperation for a better future" clauses we announced in January 2020.

We give priority to compliance with these seven principles in AI efforts, which is expected to be the focus of technological developments. With this pioneering step, we joined other global players who work to devise solutions to ethical problems that could arise from the use of AI. In our country, we played a leading role at a turning point for artificial intelligence, which will be the most popular technological concept over the next decade and impact the global leadership claim of countries. Our AI principles guarantee that AI is for people and people-oriented and this technology will be used responsibly without damage to human value. In our offers and services provided through our AI technology, we interpret the big data and create tailor-made offers through our analytic capabilities. Using machine learning techniques in areas of traffic density, capacity management and anomaly detection in our network, we contribute to the efficiency of our infrastructure. We offer our artificial intelligence solutions to institutions and organizations through our Digital Business Services company. As Turkcell AI team, we rely on AI image processing in recruitment of talent for Turkcell without requiring any printed material or spending days in front of the screen to process the applications of 60 to 70 thousand candidates.

We do video interviews with candidates and evaluate these videos with AI without any human effort. Giving candidates the opportunity to attend their interview from wherever they are, and thus avoiding adverse effects of transportation on the environment, we also save the energy spent for evaluating applications.



Our strategic goals are frequently revised within the knowledge of the top management and in accordance with the business plans as AI activities are directly connected to the technology function. We work in a rapidly changing technological ecosystem, and regulations regarding AI could emerge very quickly with every passing day in every industry from healthcare to security, finance to education. Our legal and regulatory team has long been collaborating with global organizations to eliminate concerns over artificial intelligence, and also to increase its positive impact. As Turkcell, we play an active role at international platforms where responsible and ethical use and future of AI are discussed. In this context, we contribute to the following activities:

- Children's rights and AI activities,
- Activities regarding responsible use of face recognition systems,
- Standardization activities carried out across the IEEE and aiming to eliminate potential ethical problems and concerns to arise from AI,
- Data governance activities across the IEEE,
- AI and Healthcare activities carried out across the ITU,
- International activities regarding responsible and ethical use of AI technology in smart cities.

Acting responsibly as per the Law on the Protection of Personal Data, Turkcell carries out activities without violating the principles it announced and by making AI available for people to unleash and develop human potential.



## Fiber infrastructure

The COVID-19 pandemic and the aftermath underlined the importance of high-quality and high-speed broadband connection. Demand for a strong internet service has greatly increased due to various factors including online education and remote working becoming widespread and permanent which led to a change in user behavior, and an increase in the number of devices concurrently connected to the internet at homes.

In our country, limited access to fiber-to-the-home (FTTH) or fiber-to-the building (FTTB), which may best meet these needs, results in unmet demand of users and hinders the digital transformation of our country. The growing need for broadband connection and low penetration of fiber infrastructure in our country increase the importance of investments in this area.



### How do we manage?

As Turkcell, we accelerated our fiber infrastructure investments in 2021. While we added 234 thousand homepasses in 2020, we brought the fiber quality of Turkcell to 653 thousand more households in 2021.

With the contribution of these investments, we added a net of 223 thousand fiber subscribers in 2021. In the upcoming periods, we will maintain our focus on fiber infrastructure investments considering the favorable market conditions. In addition, we believe that our fiber investments will greatly contribute to the process of transition to 5G.





## Effective risk and crisis management

Effective risk and crisis management, a priority for both our Company and our stakeholders, enables the management of risks that may impact the achievement of Company targets determined in line with our strategies, within the scope of the Corporate Risk Management (CRM) system.

Considering the key risk indicators and making use of the technology-based opportunities, we practice effective risk management processes in a way that takes the global trends and developments within our sector into consideration.

SDG 16.6



## Corporate risk and business continuity management

Since the end of the financial year of 2012, the “Early Detection of Risks Committee” has been in operation to perform activities in a manner affiliated with the Board of Directors within the scope of article 378 of the Turkish Commercial Code and the Communiqué on Corporate Governance of the Capital Markets Board. The Early Detection of Risks Committee supports the Board of Directors by carrying out activities to early detect of risks that may jeopardize the existence, development and continuity of the Company, take necessary measures for identified risks and manage risks. The Committee reports to the Board of Directors once every 2 months and these reports are shared with the independent audit company.

The Enterprise Risk Management team is responsible for assessing risks and reporting risk prevention activities to the Early Detection of Risks Committee, as well as coordinating the risk prevention activities within Turkcell and its group companies through the Corporate Risk Management methodology. The Turkcell Enterprise Risk Management team aims for an approach whereby the risk management process is integrated with fundamental management processes. Accordingly, an Enterprise Risk Management framework was identified as per the COSO ERM framework and ISO 31000 standards. Corporate Risk Management classifies risks of Turkcell Group companies and holds their records on "Risk Universe" to manage them. This allows for each company to have their own risk library and manage their risks in a more efficient and focused manner. The Turkcell Group Business Continuity Management System has been structured and certified in a manner ensuring the

continuity of our voice, messaging, internet, server services, data centers and public security services as per the international ISO 22301, Societal Security - Business Continuity Management Systems standard. As of 2021, the scope of the ISO 22301 business continuity management system has been expanded to include the critical products and services of our DSS companies such as BiP İletişim, Lifecell Bulut and Turktell Bilişim. Regular drills are conducted to test our business continuity plans, drafted in consideration of customer expectations, corporate policies and legal obligations, so as to guarantee their sustained operation in case of emergencies or disasters. Our geographically dispersed technical infrastructure, extensive coverage, solution partner network, mobile network, mobile base stations, additional capacity,

emergency center and past experiences enable us to minimize risks as much as possible. Additionally, the experience of our Group companies in customer services, our high-speed fiber-optic infrastructure, data storage services and our experienced software development teams allow us to effectively manage any disasters from another center, thereby ensuring the continuity of our activities. Turkcell's Crisis Management Plan covers seven major events; operational disruptions, natural disasters (earthquakes, floods, etc.), cyber-attacks, terrorism, fire, pandemic and epidemic and toxic events. In order to increase the effectiveness of the Turkcell Crisis Management Plan, regular drills are conducted, and trainings and awareness activities are held with the participation of Crisis Management Teams and related groups.



## Information security risks



### Data security risk

This includes the risks of theft, loss, leakage, deliberate or accidental disclosure, misregistration, alteration, deletion, destruction and inaccessibility of any information stored both in physical and/or in electronic media via authorized/unauthorized access from within or outside of the organization. In response to risks associated with data security, Turkcell takes the necessary technical and administrative measures.

### Cyber security risk

This involves the risk of destruction of information systems and of damage to systems due to the malicious use of Turkcell's internal and external computer and network systems. In this context, Turkcell manages vulnerabilities by implementing end-to-end security controls and tests. The Security Operations Center monitors threats 24/7 and performs cyber-attack monitoring and defense.

## Financial risks



### Macroeconomic risks

This includes the risk of worsening expectations and/or the current situation due to economic and political uncertainties. Turkcell already diversifies its financing sources and keeps different resources and necessary agreements ready, for events of possible sanctions and regional inability to access certain resources.

## Currency, interest and inflation risk

This includes the risk of increasing costs and decreasing revenue due to fluctuations in inflation, and interest rate and exchange rates. In this context, market dynamics are closely monitored, and appropriate financial instruments are selected and implemented to minimize exchange rate risk.

## Liquidity, financing risks

This involves the risk of disruptions to cash flow and inability to fulfill the obligations due to inaccessibility of financing resources utilized or intended to be utilized, or inability to pay-back loans. Turkcell's forward-looking cash projection is systematically monitored with the principles of effective balance sheet and liquidity management.

## Cash generation and collection risks

This involves the risk of disruptions to cash flow due to the inability to collect existing receivables on time. In periods when collection risk increases for certain reasons (economic crisis, pandemic, war, etc.), collection balances and trends, as well as cash flow are monitored and reported to senior management on a daily basis.

## Strategic risks



## Investment risks and risk of adaptation to technological developments

These are the risks that can affect the Company's position, reputation and image in the market and the sector in the short, medium, or long term. These risks can also be induced from lack of investment in innovation, new businesses within the sector and other areas and/or missing opportunities due to not being able to get the expected return on investment. In this context, sectoral, local and global trends and competitor activities in new business lines are closely monitored and necessary actions are taken. Technological developments are followed through collaborations with important international sectoral organizations such as GSMA, as well as through competent R&D studies and projects at national and international levels.

## Legal risks



### Risks regarding compliance

This involves the risk of encountering administrative sanctions as a result of failure to comply with the applicable regulations. Turkcell aims to monitor and prevent any possibility of non-compliance by closely following developing and changing regulations with a pro-active management approach. Within this context, business teams are provided with briefings and information with respect to changes in legislations as well as new regulations which are monitored by senior management through Personal Data Steering Committee, Compliance Committee, Sub-compliance Committee and Information Systems Compliance Committee; and relevant compliance activities are carried out in this respect. Moreover, various measures are taken via digitalized tools such as internal audit and automated control systems, working continuously, in order to prevent the occurrence of any breach and imposition of any administrative sanctions.

### Lawsuits and legal conflict risks

This includes the risk of encountering sanctions against Turkcell due to the filing of a lawsuit related to the area of responsibility. Legal activities are carried out regarding those conflicts that may arise against Turkcell regarding its operations/contracts/projects.

## Business continuity risks

These are the risks which the Company may encounter as a result of events including operational interruptions, natural disasters, terrorism, etc. Crisis, business and service continuity plans within the Company have been prepared meticulously. In order to evaluate its effectiveness and identify potential areas for improvement, plans are reviewed periodically, and regular drills are carried out annually. The risks that could be related to business continuity and connected to Marmara Earthquake and Climate Change are defined, evaluated and necessary actions are taken in coordination with the Corporate Risk Management in a manner that encompasses all functions of our Company. Corporate Risk and Business Continuity management enables increasing awareness around risk-based management and adopting a manner of risk management based on scenarios through a lens of effective and dynamic risk management.

## Operational risks

### Environmental, sustainability and ecological risks

Issues that may arise from climate change (such as temperature changes, increase in energy consumption, increase in energy prices, insufficient waste management, lack of protection of water resources, etc.) and risks related to environmental factors that may affect human health and biological diversity are included in this risk category. In this context, as Turkey's first ISO 50001 certified mobile operator, Turkcell tracks its energy consumption and makes extensive renewable energy investments through its subsidiaries. As an ISO 14064 (International Greenhouse Gas Calculation and Verification Standard) certified mobile operator, Turkcell calculates and verifies its greenhouse gas emissions through an independent organization. Through its CDP Climate Change reporting, Turkcell regularly shares information with stakeholders on its approach to climate change performance and its risks and opportunities posed by climate change. As a company that consumes and produces 100% renewable energy, Turkcell continues to work and invest around its goal to become carbon-neutral by 2050. Additionally, Turkcell is a zero-waste certificated company with zero-waste recycling.

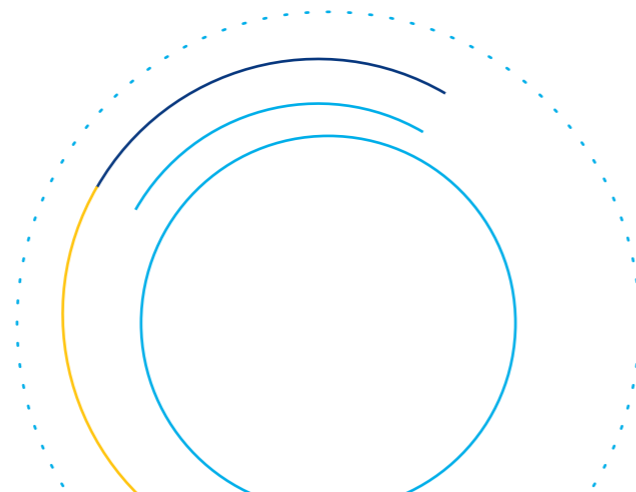




## Climate crisis

The risks induced by climate change directly affect Turkcell's business operations. Precautions are taken in case of extreme weather conditions and natural disaster risks and practices are being implemented foreseeing the long-term increase in average temperatures. The effects and results of risks created by climate change are monitored within the framework of Corporate Risk Management.

As Turkcell, we conduct field risk analyses during the installation of base stations. We take measures against the risks of extreme weather events and natural disasters caused by climate change, and plan for the transfer of data centers to locations with cold climates, foreseeing a rise in average temperatures in the long term. Turkcell's mobile base stations can be seen as examples of our agile and creative solutions which are mandatory in such circumstances of climate change. Mobile base stations that have solar panels on top of the vehicles are located to serve in places where there is a loss of service or a need for additional capacity. Furthermore, portable solar fields are parts of our agile energy solutions in the face of climate change. In addition, some base stations of Turkcell are integrated with solar panels so that they switch to solar energy in case of a network outage. This allows Turkcell's control mechanisms to predict all risks in order to prevent interruptions in communication making Turkcell one of the exemplary companies around the globe.



## Global energy crisis

The increase in energy demand and limitations of energy resources in 2021 have caused the energy commodity prices to reach record levels in the international market. The energy prices that directly impact Turkcell Group fluctuate depending on the prices of thermal resources such as natural gas and coal, and the capacity for renewable production. Parallel to the simultaneous USD-based price increases in energy commodities, and the domestic drought-induced decline in production of our hydroelectric power plants which is our country's largest source of electricity production, the electricity prices in Turkey are also increasing similar to the European markets. Another factor that increases the prices in TRY just like commodity prices is the increase in exchange rate.

Turkcell Group continues to take two main actions in response to rising energy prices. The first action is based on the target to meet the Group's energy consumption needs mostly from its own power plants until 2030 as an investor in large-scale projects on renewable energy resources. Acquisition of Karadağ Wind Energy Power Plant with an installed power of 18 MW has been completed in 2021 as a first step of this strategy. The second action is to protect ourselves from temporary fluctuations in the market by signing long-term, fixed-price energy purchasing contracts whenever possible. We have been purchasing energy in fixed prices through Turkcell Energy Solutions since 2018.



## Risks related to managing relationships with third parties

This includes risks that arise from inefficient management of third parties. These may occur due to failure of third parties in fulfilling their responsibilities completely and accurately, their activities violating company procedures and legal regulations, or their fraudulent behavior. In order to minimize risk of potential impact on operations and targets, agreements are made with business partners which have obtained legal opinion.

Within the scope of the supply chain disruption risk, the related developments causing the scarcity of current supply are being closely monitored. Estimations for the future periods are being made and actions are being taken evaluating the order planning for impacted products' supply duration.

To avoid employee mistakes and manage processes and projects more effectively, Turkcell Academy analyzes training needs, completes assignments and designs content, and then provide technical, personal development and competency training in areas of employee development.

## Market risks



## Macroeconomic political and geopolitical uncertainty risks

This includes the risks of worsening expectations and/or the current situation due to economic effects such as the impact of exchange rate fluctuations and inflation on customers' consumption habits and of political and geopolitical uncertainties. Global trends, economic indicators, competition, revenue and subscriber data are regularly monitored by Turkcell.

## Competition risks

This includes the risk of being put at a disadvantage in competing activities or technological and/ or sectoral developments. In this context, market and competitor activities are closely monitored and efforts are made to respond to such competing activities with timely actions.

## Customer risks

These risks include the risks of not being able to meet the customers' demands/ expectations due to demographic changes (age, training, income, etc.) in the customer groups or not being able to understand the customers' needs.

## Internal audit

In selecting an independent audit company; the Audit Committee considers the competencies and impartiality of independent audit firms and presents its suggestion to the Board of Directors. During our Company's Ordinary General Assembly Meeting held on April 15, 2021 PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (PricewaterhouseCoopers) was appointed as the Company auditor for the auditing of our Company's financial statements of 2021, as per the Turkish Commercial Code (TCC).

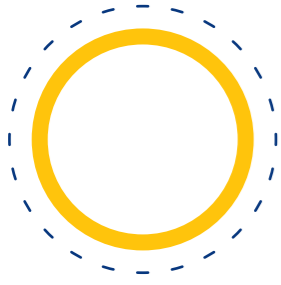
The Internal Audit function within the Company directly reports to the Board of Directors and is responsible for the auditing of Turkcell İletişim A.Ş. and all group companies, which are subsidiaries, and reporting the results of audit activities carried out in step with International Standards for the Professional Practice of Internal Auditing to the Audit Committee. The auditing activities of the Internal Audit mainly comprise operational audits conducted pursuant to annual risk-based audit plans and audits in accordance with compliance to Article 404 of the Sarbanes Oxley Act.

Operational audit activities are carried out according to annual audit plans prepared in line with a risk-based audit approach. Through conducting operational audits, the Internal Audit department evaluates the effectiveness of risk management, control, and governance processes, providing assurance to the Board of Directors and Audit Committee in this respect, and

thereby assisting Turkcell in meeting its goals. Meanwhile, as we are listed on the New York Stock Exchange in the United States, and as per the provisions of Article 404 of the Sarbanes Oxley Act, which all publicly-traded companies are required to comply with, audit activities are conducted within the framework of the annual plan to provide assurance in terms of the existence, adequacy and effectiveness of the internal control system adopted by Turkcell and Turkcell group companies, the financial statements of which are consolidated. All stages, covering the planning of audit activities, identifying internal control insufficiencies, and following up and closing related actions, are carried out in accordance with the aforementioned article, and regularly reported to the Audit Committee, CEO and CFO.

The Internal Audit Directorate also provides consultancy services with respect to matters at hand, as well as matters raised by the management.

The Internal Audit Directorate reports on compliance practices as per Article 404 of the Sarbanes Oxley Act to the Audit Committee, CEO and CFO, while the Enterprise Risk Management Unit reports its activities to the Early Detection of Risks Committee. The Internal Audit mechanism operates with a risk-based audit approach. In line with this approach, we constantly evaluate the probable risks from a functional and corporate-based perspective. The main input of audit practices is the risk analysis formed as a result of these practices.



## Strategic initiatives and opportunities

By evaluating global trends and potential growth areas in Turkey, we have determined three strategic focus areas in addition to our core telecom business that builds on our four main competencies.

In parallel to our strategic focus areas, we have four main competencies stemming from our 28 years of experience and know-how, which distinguish us from other operators in the sector and strengthen our leadership position. While our strategic focus areas steer our Company's operations, we also ensure that all business lines evaluate opportunities in an effectively manner.

Our strategic focus areas are re-evaluated annually through meetings and surveys with the participation of employees from every level, and therefore, we ensure the consistent reflection of our strategy based on current trends, opportunities, and competencies.

### Our telecom business

- Rising data usage, our upsell efforts and our tariff prices which we update in accordance with the economic conditions allowed us to see an ARPU (excluding M2M) growth of 13.4% in the mobile segment. We gained a net 2.2 million mobile subscribers by continuing our focus on increasing the value proposition we offer to our customers. Accordingly we achieved a health revenue growth based both on ARPU growth and expanding subscriber base.



- As Turkcell, we focus on further increasing our already high corporate segment market share and meeting the needs of our customers stemming from digitalization. We prepare various campaigns for merchants and SMEs. We stand by small enterprises by offering benefits that could support their revenue generation, reduce their expenditures and digitally transform their workplaces.

- In order to offer the right tariffs at the right price in line with our customers' needs, we continue to improve our analytical competencies. Thanks to our analytical models working separately for each Turkcell subscriber, we classify our customers depending on their life cycles, usage habits, and behaviors. We instantly define their needs and build systems in which they could use suitable offers for themselves. We bring our customers together with rich content propositions through integrated channel communications, proactive actions and cross communication. This impacted us to positively in terms of revenue generation and customer satisfaction scores and enabled us to reduce churn rate from 2.3% in 2020 to 2.0% in 2021.



### Digital services

- We increase our revenues through the rising number of active customers, broad range of services, corporate versions of our applications, trading volume, advertisement, subscription and business partnerships.
- As remote working become widespread and permanent, the importance of mobile applications, communication infrastructures, software and their security have escalated. Remote working is anticipated to be more popular and permanent even after the COVID-19 pandemic. As a leading technology company equipped to meet respective needs in this area, we provide services via our products such as BiP, Yaani Mail, lifebox and BiP Meet with high security standards.



## Digital business services



### Increasing demand for data centers in accordance with regulations to store personal data in our country

In order to maintain data security and ensure privacy of personal data, as Turkey's largest data center operator, we continue our activities with the vision that Turkey's data should remain in Turkey. In this context, regulatory arrangements concerning the storage of data in Turkey have increased the demand for our data centers, thus helping us improve our business and contributing to our revenues.

### Absence of accepted major players in the new generation technologies market such as IoT and artificial intelligence

We use our big data, IoT and artificial intelligence (AI) experience and competencies in various areas including the development of products and services. The absence of accepted major players in IoT and artificial intelligence solutions, which are still developing areas, creates an advantage for Turkcell. The Republic of Turkey's national vision to encourage development of domestic and national technologies, is considered as an opportunity for Turkcell.

### The increasing importance of remote health services, online education, remote working, and demand to products and services in these areas

The increasing need for remote solutions during the pandemic period led to increased demand for products and services, which we focus on, in the field of remote health, education and working solutions.

### Opportunities arising from the need for digital transformation in private and public sectors

Digitalization offers various opportunities for productivity and service quality increase for companies and public institutions. As Turkcell, we also offer end-to-end digital transformation services via customized solutions to Turkish companies and public institutions, together with financing opportunities to facilitate their access to digitalization process. We steer our country's digital transformation journey by collaborating with local business partners.

## Techfin services

The Central Bank of the Republic of Turkey has stated in its Press Release dated July 9, 2021 on the Instant and Constant Transfer of Funds System (FAST) that in addition to banks, payment and electronic money institutions within the scope of the Law numbered 6493 on Payment and Security Confirmation Systems, Payment Services and Electronic Money Institutions shall be added to the FAST system. The press release also mentioned that necessary technical preparations and regulations for this inclusion are being conducted and applications for joining the system are now open. Furthermore, with the Communiqué on Amending the Communiqué Regarding the International Bank Account Number (IBAN) which came into effect as of its publication on the Official Gazette numbered 31559 dated August 5, 2021 by The Central Bank of the Republic of Turkey, banks as payment service providers, payment through PTT and e-money institutions have also been provided with the opportunity to form IBANs. This paved the way for fintech institutions to be able to offer the same services as banks.



### 30 million potential unbanked users in Turkey

Techfin and mobile telecommunications services provide a convenient environment for many people to access financial services due to ease of use. We have the potential to reach nearly 30 million unbanked users in Turkey providing opportunity to access financial services, which is important for individuals in terms of economic independence and social equality.

## ○ Increase in demand for contactless payment methods by individuals and institutions after the pandemic

The pandemic period has enabled many people to meet with digital/contactless payment systems and resulted in increased use of such systems. The anticipated increase in demand even after the pandemic creates an opportunity for Turkcell. It is foreseen that people in Turkey and around the globe will continue to be inclined towards contactless, digital payment methods in the post-pandemic era.

## ○ The unexpected increase in the post-pandemic e-trade volume

Paycell Virtual Pos product is now used in workplaces with substantial trading volume and it is possible for merchants to offer their services without needing to sign separate agreements with different banks which creates benefits for both the merchant and Paycell.

With the Draft for the "Regulation on Principles of Activities for Digital Banks and Service Model Banking", the legal regulations related to Digital Banks are starting to be implemented.

## ○ More accurate credit scoring with the Credit Registration Bureau (KKB) and telecom data

As Turkcell, we know our customers better by leveraging the customer data we gather through our telecom business. Thus, we offer the most convenient loan options to our customers in the financing business based on KKB and telecom data.



## ○ Financing the Turkcell ecosystem and new customer potential

Financell, being one of our techfin services, offers individual and corporate customers convenient financing opportunities for their needs. We continue to add new customers as well as expand our ecosystem and financing volume via the financing services of Financell.

## ○ Growth potential in corporate segment with digital transformation financing

We facilitate our customers' access to financing with the "Digital Transformation Financing" we offered through our group company Financell. Companies in our ecosystem can acquire software, server equipment, smartphones and tablets, which they need on their digital transformation journey, at customized prices, advantageous interest rates and with flexible payment plans. Hence, we support the digitalization journey which turned into a great need for companies and we also facilitate the completion of their end-to-end infrastructure transformation without them needing another financial institution. The digital channel share of less than 1% in the insurance sector reflects a significant transformation opportunity considering changing customer demand and needs. We aim to be the pioneer of this transformation with Turkcell Sigorta, through innovative solutions and digital processes based on big data.

*You can access detailed information on our techfin services in financial capital and intellectual capital sections.*





## Main competencies

### Strong bond with customers

- The operator meeting the quality service and communication needs of the customers during the pandemic period
- Superior digital customer experience via growing digital services
- Seamless service thanks to Turkcell's strong infrastructure and wide range of IT solution services



### Strong infrastructure

- Sustaining the leading and differentiating network quality in the sector and reinforcing the leading operator position in technology with the launch of 5G when suitable conditions arise
- Increasing efficiency by using the technology neutral spectrum
- Delivering the latest and innovative solutions via fixed and mobile technologies to the consumer, corporate and residential segments

*You can access detailed information in the manufactured capital section.*

- Cyber security products and services that require Digital Operator competence

*You can access details on our cyber security products and services in the intellectual capital section.*

- Contribution to digital transformation with common infrastructure efforts

*You can access detailed information in the manufactured capital section.*



### Advanced analytical capabilities & technology

- Greater focus on and need for analytical capability with increased digitalization
- Recognizing the customer and early detection of their needs by using big data and analytical modeling

*You can access details in the intellectual capital section.*

### Strong & agile team

- Increasing importance of agile and flexible teams in accordance with the need "to master swiftly in difficult tasks", which stems from digitalization
- Providing efficiency through the transformation of company culture with a flexible and agile approach
- Effective talent management

*You can access details in the intellectual capital section.*

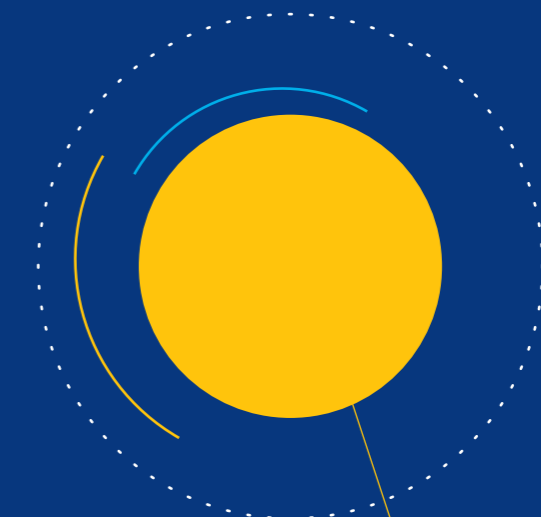




# Financial capital



- Strong financial performance
- Revenues from operations
- Business model hedging practices
- Efficient capital allocation
- Financing diversity
- Strong and transparent financial management
- Transparent investor communication – Investor Relations
- Digital finance transformation
- Techfin's shining stars: Paycell and Financell





# Financial capital

## Inputs

### Revenues from operations

- Strong cash flow generation

### Business model hedging

- Inflationary pricing
- Effective use of hedging instruments
- Strong liquidity
- Strong collection performance

### Efficient capital allocation

- Asset light model
- Active portfolio management

### Financing diversity

- Bank loans
- Debt market instruments
- Sustainable financing

### Strong and transparent financial management

- Transparent and accountable finance management
- Transparent investor communication

## Outputs (KPIs)

**TRY 35.9 billion**

revenue

**TRY 15.0 billion**

EBITDA

**TRY 7.7 billion**

EBIT

**TRY 5.0 billion**

net income

**TRY 1.1 billion**

free cash flow

**21.2%**

operational CAPEX / sales ratio

**1.1x**

consolidated leverage ratio

**USD 191 million**

short FX position

**373**

meetings with investors

**EUR 20 million**

as part of Sustainable/Green Financing  
additional EUR 20 million financing with  
extended maturity



## Value created

### Value created through sustainable growth

- Real growth
- Investments

### Strong balance sheet

- Liquidity performance
- Optimized average debt maturity and cost of funding
- Foreseeable net income performance

### Market capitalization of our Company

### Dividend paid and dividend yield

### Value created for countries of operation

- Contribution to GDP

## SDG

**8** DECENT WORK AND ECONOMIC GROWTH



**17** PARTNERSHIPS FOR THE GOALS



## Strong financial performance

Our financial capital is the key economic input of all activities we carry out on our journey towards creating stakeholder value. Bringing our customers together with innovative services through a strong telecom infrastructure, providing the cutting-edge technologies for the use of our country and our people, benefiting the society through social projects, creating suitable employment conditions for our employees and creating value for our shareholders require a strong financial performance. In this respect, strong and sustainable financial performance is among our material topics.

While targeting generation of strong operational profit through revenues from our operations, we focus on efficient management of working capital requirement and realizing our capital expenditures based on demand, thus supporting cash flow generation. Risk management is one of our main agenda items as we operate in an emerging market. We follow a prudent risk management approach to protect our business model against macroeconomic and financial fluctuations with hedging practices. Accordingly, in order to realize real revenue growth and eventually minimize inflationary pressure over our operational profitability, we give importance to pricing our products and

services in line with the general level of prices in our country. We also promote growth through subscriber net additions as well as our focus areas such as consumer and corporate digital service revenues and techfin. Meanwhile, we ensure that our balance sheet is resilient to the currency movements by actively utilizing hedging instruments. We aim to be prepared against financial crisis and shocks by focusing on keeping our liquidity sources strong. On the other hand, we contribute to efficient use of capital through a well-balanced management of our leverage level. We focus on implementing an effective financing approach by closely following up credit and capital markets and using a variety of financing instruments in right currency, cost and maturity terms. We contribute to working capital management by effectively managing our collections. The efficient capital allocation is another

important matter in terms of our financial capital. In this framework, while maintaining our efforts to direct our capital resources to more profitable areas that generate higher growth, we remain focused on our objective of revealing the real value of our assets in our balance sheet.

As part of our solid corporate governance efforts, we disclose our financial management approach to our stakeholders through our integrated annual reports, quarterly and annual results announcements, our website, and the physical/virtual investor meetings we attend and events we hold. Accordingly, we pursue our efforts to increase the market capitalization and trading volume of our Company, to diversify and deepen the investor profile and increase the share and number of long-term investors on our institutional investor base.

*You may review the details of our audited annual financial performance in the consolidated financial statements section.*



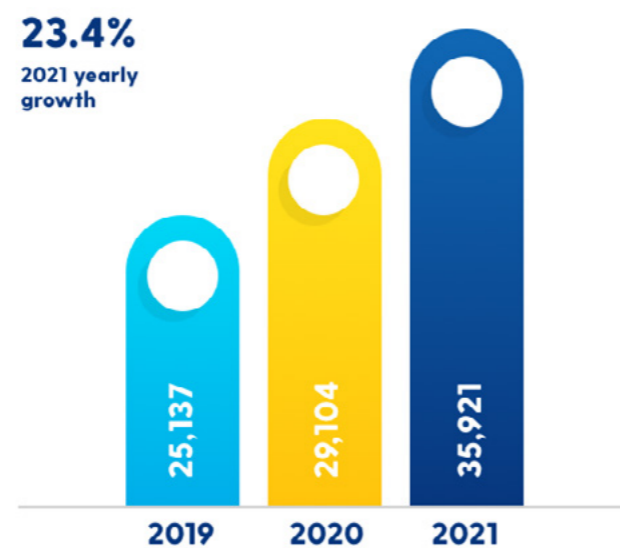


## Revenues from operations

The revenues from our operations stands out as one of the essential input of all our activities that we conduct in terms of value creation. Consequently, we bring our innovative services to our customers, improve the conditions of our employees, benefit the country's economy and our people through the investments we make, distribute dividends to our investors, in summary create value for all our stakeholders.

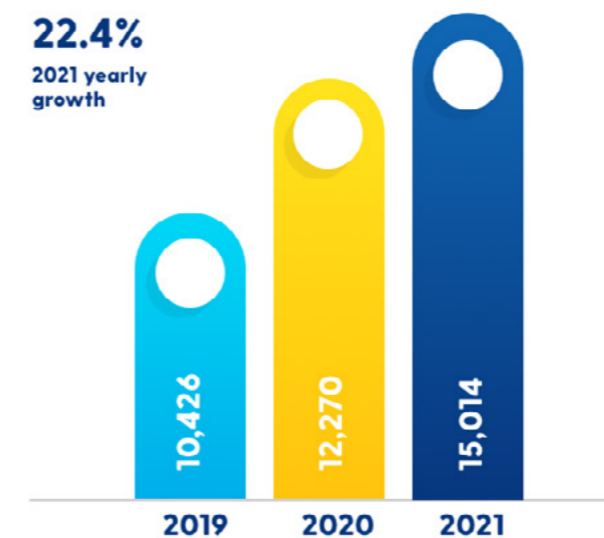
With the accelerating vaccination process, 2021 was a year in which the pandemic restrictions were gradually removed throughout the world, normalization in daily life accelerated and as a result of these, global commerce and countries' economies eventually entered into a stage of recovery. Turkey has once again maintained its growth performance in 2021 in the light of these developments, however, particularly in the second half of the year the depreciation of the TRY led to an upward trend in inflation. As Turkcell, we continued our strong operational and financial performance in 2021 in an environment where challenging macroeconomic conditions were prevailing, thanks to our diversified business model with our strategic focus areas and our customer-oriented approach. In 2021, our consolidated revenues increased by 23.4% year-on-year to TRY 35.9 billion. Our approach for the balanced management of subscriber base expansion and ARPU growth, strong performance of our international operations, positive contribution of our techfin business and growth in equipment sales stood out as the main drivers behind this performance.

**Turkcell Group revenue (TRY million)**



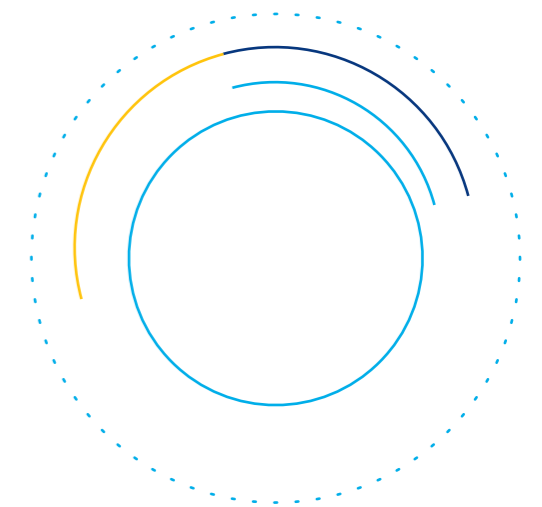
With the positive impact of our strong revenue growth and disciplinary cost management implementations, we recorded TRY 15.0 billion EBITDA with an increase of 22.4% in 2021. Factors such as the savings accomplished through our hybrid operating model and the relatively limited number of business trips continued to positively affect our operational profitability. In addition to this, the revenue share of digital channels was 22% as of the last quarter of 2021, helping us manage our sales expenses more efficiently. On the other hand, higher revenue share of new business areas that have lower profitability, such as equipment sales and energy business offset these savings and efficiency improvements.

**Turkcell Group EBITDA (TRY million)**

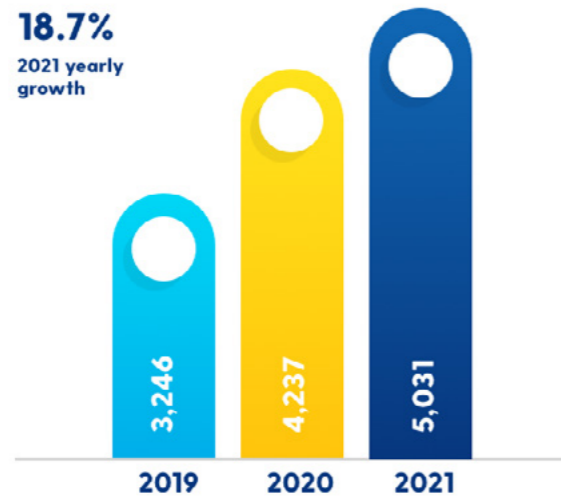


In 2021, the Turkish Lira depreciated by 44% and 40% against the US Dollar and Euro, respectively. With our prudent financial risk management approach, we have kept the impact of currency movements on our financials at a limited level in a period when macroeconomic developments were quite challenging. We have achieved TRY 5.0 billion net income in 2021 thanks to our strong

operational performance and effective risk management. The deferred tax income impact resulting from the asset revaluation in accordance with Article 11 of the Law No. 7326 also positively impacted our net income performance in 2021. Please refer to our consolidated financial statements and notes for details.



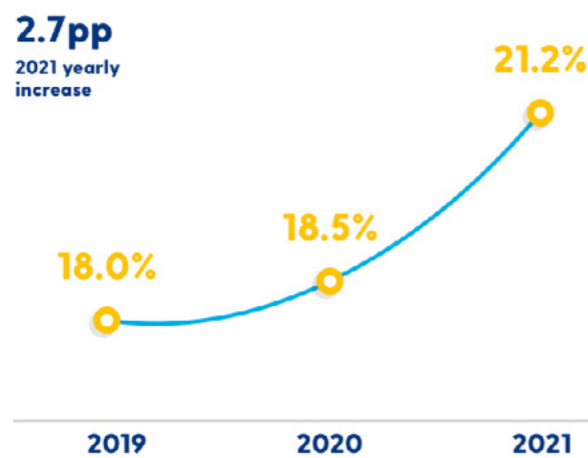
**Turkcell Group net income (TRY million)**



We continued our investments in 2021 with the aim of bringing our customers together with the latest technologies. With the increasing usage need during the pandemic period, we continued to invest in our mobile infrastructure capacity with the aim of providing the highest quality service to our customers. In this period, the demand for high quality fixed broadband connections also increased rapidly. Accordingly, we accelerated our fiber infrastructure investments and

added 653 thousand new homepasses. Additionally, we continued our investments in Ukraine to provide higher quality service to more customers, our largest international operations. Furthermore, the depreciation of the TRY against foreign currencies led to an increase in capital expenditures. Accordingly, our operational capital expenditures (excluding license fee) amounted to 21.2% of our total revenues in 2021.

**Operational capital expenditures (excluding licenses)/sales**

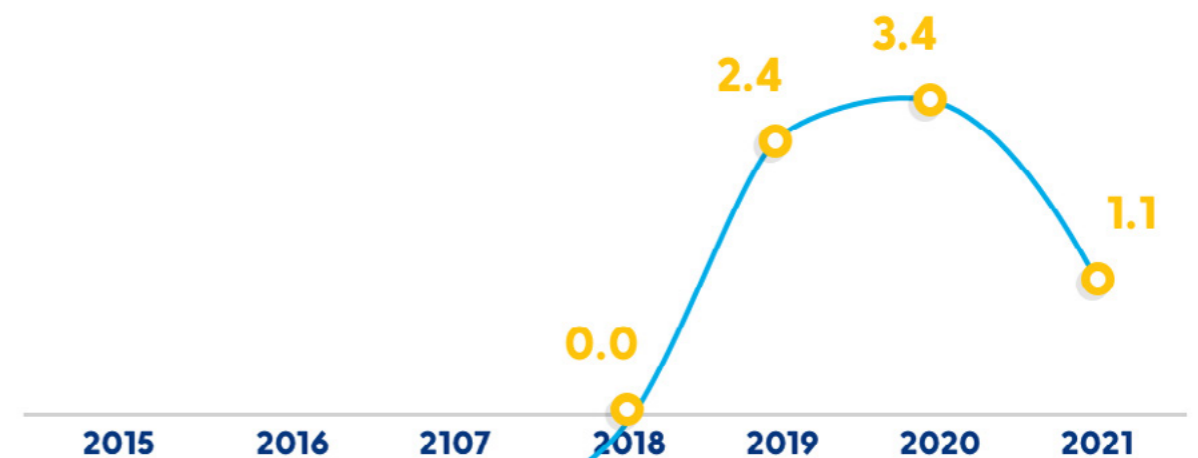


You may access the details of our domestic network investments and 5G activities in the manufactured capital section of our report.

We put emphasis on our free cash flow performance in order to sustain our strong financial performance and create value for our investors. While our free cash flow was at negative levels in 2014-2018 due to 4.5G investments, it turned positive as these investments were completed in the following period. While we created TRY 3.4 billion free cash flow in 2020, we achieved a free cash flow of TRY 1.1 billion in 2021 despite challenging conditions as a result of strong operational performance. As the loan

portfolio contraction of our financing business stabilized in 2021, this did not lead to a positive impact on free cash flow generation this year which was a positive factor last year. Additionally, our demand-driven capital expenditures, of which positive contribution we will continue to see in the upcoming periods, were also effective in lower free cash flow in this period when compared to last year.

**Free Cash Flow (TRY billion)**



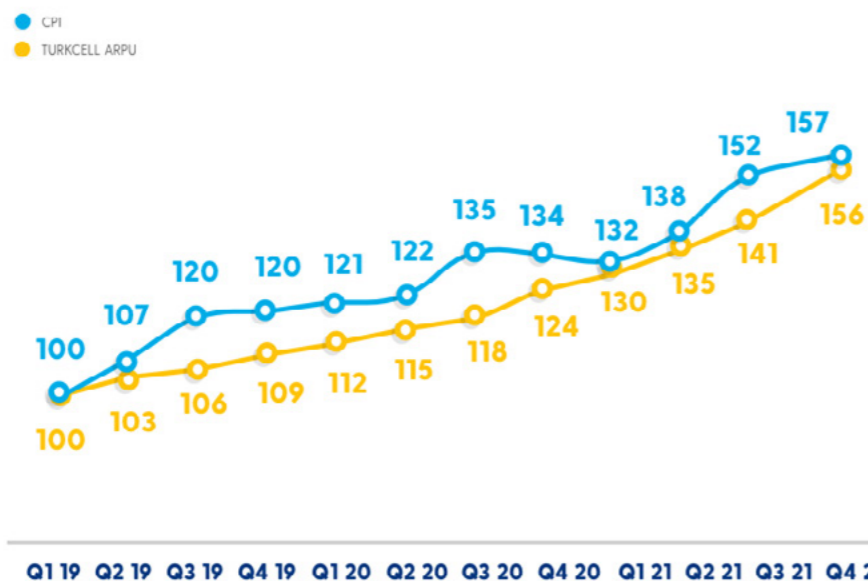


# Business model hedging practices

In 2021, we managed to minimize the impact of challenging macroeconomic developments on our financials, thanks to our business model hedging practices. Pricing our products and services according to the current price developments in the market, using hedging instruments against our foreign currency-denominated borrowings, keeping strong liquidity resources and collection performance management were the areas we focused on again this year.

We continued updating the prices of our products and services in line with the current economic conditions in 2021. Besides pricing, we focused on increasing the postpaid subscriber base share and upselling to higher packages with richer value propositions to continue ARPU growth. Mobile ARPU (excluding M2M) growth was 13.4% while fixed residential ARPU growth was 11.9% year-on-year. In 2021, where inflation followed an upward path, we followed a balanced growth strategy supported by subscriber additions at the same time. Accordingly, we expanded our subscriber base with 2.7 million annual net additions. Additionally, our digital services and techfin solutions, which provide higher revenue growth compared to our telecom services, also supported our consolidated revenue growth. Our international businesses and equipment revenues also contributed to the total revenues. Accordingly, we achieved real revenue growth in a year dominated by difficult economic conditions, while minimizing inflationary pressures on operational profitability.

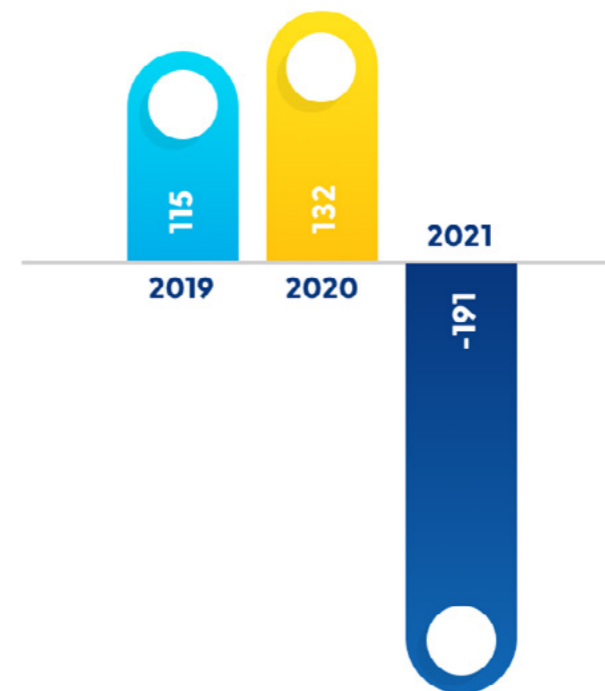
TURKCELL ARPU VS. CPI TREND



Q1 19=100  
Company and TUIK announcements

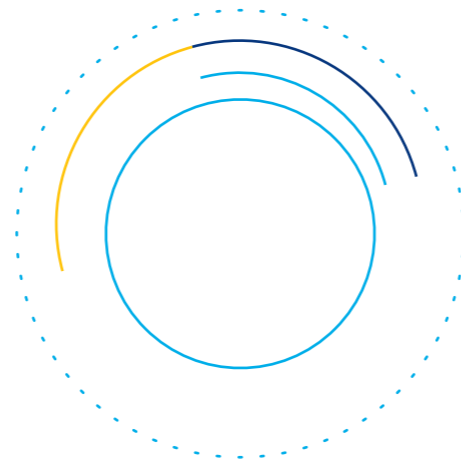
We continued our prudent risk management approach throughout 2021 with regard to our foreign currency-denominated debt portfolio in our balance sheet. In this respect, we continued to hold majority of our cash in hard currencies as a natural hedging mechanism. As of the end of 2021, excluding FX swap transactions 76% of the cash in our balance sheet was in USD, 12% was in EUR and 12% was in TRY. In addition, we kept on actively utilizing hedging instruments within the scope of our prudent risk management approach. In the last quarter of the year, during the rapid depreciation of TRY against foreign currencies, we also used short-term hedging instruments to support the effectiveness of our portfolio. While 80% of our total debt before hedging transactions is in foreign currency as of the end of 2021, the ratio declines to 54% when the effects of hedging instruments are included. In order to reduce our risk by diversifying our foreign exchange transactions and position, we prioritized local currency-based trade with our suppliers. We signed Turkish Lira denominated payment agreements with our largest suppliers to protect our foreign exchange position. Accordingly, as of the end of 2021, we had a net FX short position of USD 191 million in line with our ambition of keeping an FX neutral position, which we define as a level between minus USD 200 million to plus USD 200 million.

Net FX Position (Million USD)

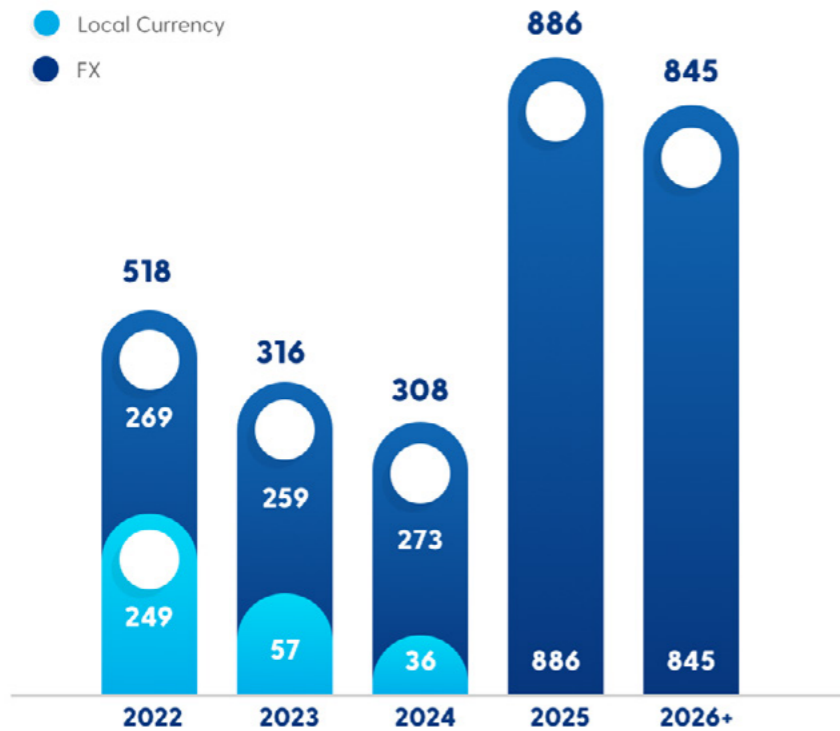


Hedging instruments also protect us against interest rate risk in the market. Accordingly, approximately 36% of our total debt has a floating interest rate as of the end of 2021, while our fixed rate borrowing share is at around 64% including the impact of hedging instruments. Another important aspect of our risk management approach is the fact that participating cross-currency swap instruments cover both principal and interest payments of the relevant debt service until maturity. Additionally, while conducting these agreements, we work with reliable and reputable financial institutions recognized by international markets.

As a telecom company that operates in emerging markets, we need to be prepared against volatility in financial markets, and sustain a strong liquidity position to ensure operational continuity. Liquidity management is therefore a crucial part for our financial capital. In this respect, we held TRY 18.6 billion in cash, mostly in foreign currency on our balance sheet as of the end of 2021. This amount covers our entire debt service until the end of 2024.



Liquidity management - principal & interest payments\*

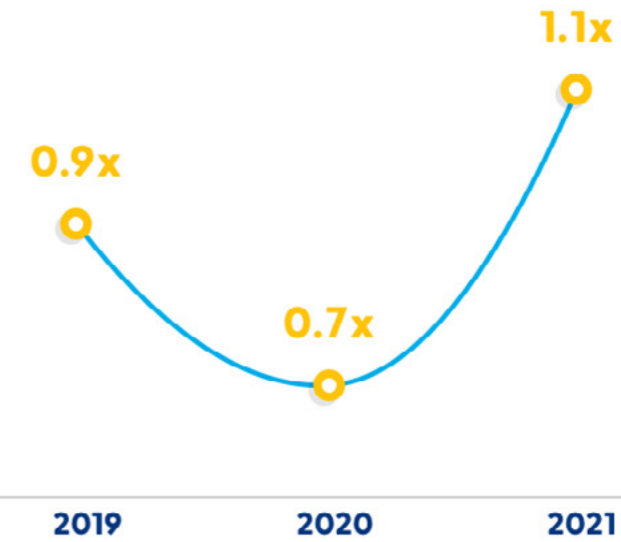


\*Turkcell Group excluding TFŞ. Includes principal and payments.

In addition to our strong cash position, our committed credit lines of USD 567 million, as well as our strong free cash flow generation performance support our liquidity position. Another important focus area concerning liquidity is debt management. Despite the significant depreciation of the Turkish Lira against the USD and EUR in 2021, we managed to maintain our leverage (net debt/

EBITDA) at 1.1x, thanks to cash generation. Until the next technology investment cycle, our goal is to maintain our leverage level with cash flow generation and to prepare for future investments.

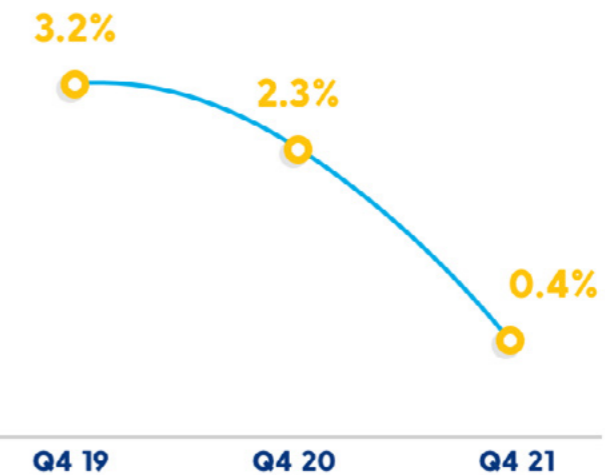
Consolidated leverage ratio



While we took timely actions for collections, our customers were also sensitive to their payments given that telecom services are an integral part of their lives. These two factors enabled us to maintain our strong collection performance in 2021. We also sustained a robust collection performance in our financing business in 2021 in the pandemic environment, continuing to keep our cost of risk below sector averages. We followed a prudent

approach in granting loans to customers. We took several metrics including the payment performance of our customers for their telecom invoices, as well as credit bureau scores into consideration as part of our evaluation process.

Financell cost of risk (Rate)





# Efficient capital allocation

As Turkcell, we invest in areas with high demand and value creation potential, such as digital services, digital business services, techfin offers and fiber connection solutions within the framework of efficient capital management. In this context, we aim at creating value for our stakeholders by strengthening our financial and operational performance. We have adopted the approach of financing our investments in these areas through active portfolio management actions in addition to borrowing and cash flow.

In the last quarter of 2021, we mandated J.P.Morgan Securities plc in order to evaluate options of partial stake sale at our subsidiary Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş., which offers innovative payment solutions under the Paycell brand. We aim to provide resources in order to accelerate growth in existing and new markets as part of our strategy to expand our techfin business. In addition, Superonline stands out as one of the important assets in our balance sheet with its size, profitable operations and revenue growth profile. Our tower company continues its activities as another important asset in our balance sheet with its portfolio consisting of 11,060 towers in 4 countries. We may assess potential strategic options including public offerings, infrastructure sharing or sales to strategic/minority shareholders regarding these assets. Our Digital Business Services business line that provides a wide range of services which provide competitive advantage to our corporate customers, also stands out as a valuable business partner for international players operating in the Turkish market. We may also consider strategic actions related to this line of business in the coming period. Within this scope, we regularly monitor market conditions and investor interest, and our purpose is to unlock the real values of the assets in our balance sheet by performing various capital markets and strategic transactions, if appropriate conditions arise.

SDG 8.2



# Financing diversity

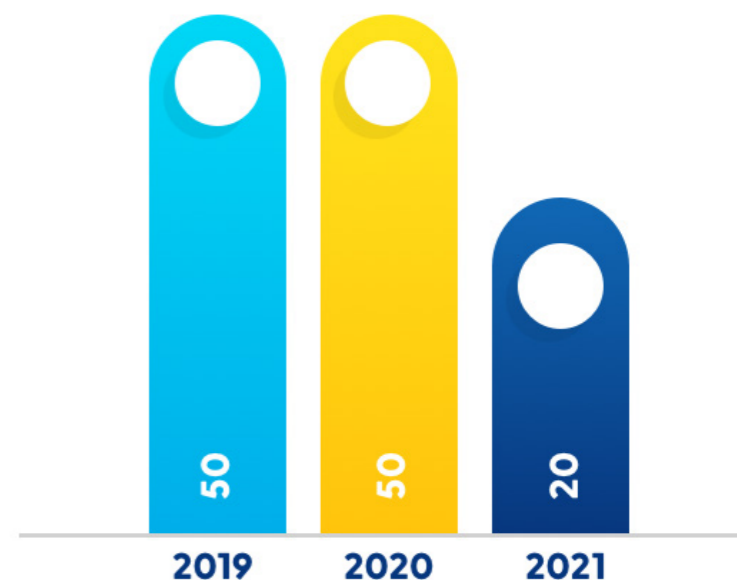
We aim at creating alternative funding methods and resources and developing strong market relations in order to provide financing diversity to our strong equity position. Accordingly, we continue to utilize loans obtained from national and international banks, issue Eurobonds in international markets, bonds, bills, lease certificates and Asset Backed Securities in local markets and obtain ECA loans for financing procurements from foreign suppliers. We also use sustainable financing (sustainability indexed loan, green loan) as part of our diversified funding resources.

While diversifying our sources of finance, we aim to benefit from sustainability-themed loans. Accordingly, we had used a 3-year term EUR 50 million loan from BNP Paribas in May 2019. Based on the agreement we have made with the same bank, we have increased this loan to EUR 70 million in 2021 and extended its term to December 2026. The new sustainability objectives of the agreement are the share of renewable energy in electricity consumption, the share of renewable energy produced within the group and the annual amount of electronic waste collected.

SDG 8.4

In line with the company's objectives, we pursue our efforts on sustainable/green financing transactions in 2021 without any slow-down.

Loans utilized under Sustainable/Green financing loans (Million Euro)





## UNGC CFO Taskforce



We are among the founding members of the UN Global Compact CFO Task Force initiative, which aims to develop sustainable corporate finance models and tools in line with United Nations Sustainable Development Goals. The CFO Task Force aims to make the concept of sustainable finance an important factor in the policy-making processes of the leading institutions of the global business world, to achieve sustainable development goals and to create an extensive, liquid, and effective market for investments that serve these goals.

SDG 17.16



In this initiative, where the CFOs of global companies from different sectors take part, Osman Yılmaz, Executive Vice President of Finance, also takes part, representing Turkey and Turkcell on this platform. In line with the SDGs, this organization identified the critical task areas in 2020 as 'Approach and Measurement', 'Integrated Strategy and Investments', 'Integrated Corporate Finance' and 'Integrated Communication and Reporting'. As of 2021, 71 global-scale companies from 19 different sectors with a total market value of more than USD 1.7 trillion constitute the CFO Task Force. Within the scope of this project, the project contributes to the achievement of the SDGs while developing a common policy to achieve the goals set out in the UN 2030 Agenda.

Based on the 10 principles that cover the basic responsibilities of the business world in the fields of human rights, labor standards, environment and anti-corruption determined by the United Nations Global Compact (UNGC) and based on the United Nations declarations, it is aimed that companies not only change their culture by developing their strategies and procedures, but also lay the groundwork for long-term success. The declarations, on which these determined principles are based on, are the Universal Declaration of Human Rights, the International Labor Organization (ILO) Declaration of Fundamental Principles and Rights at Work, the United Nations Rio Declaration on Environment and Development and the United Nations Convention against Corruption.

In 2021, as a result of the monthly activities carried out by the working groups formed by the individuals determined by the companies themselves, the CFO Task Force published its most updated manifesto at the 76<sup>th</sup> United Nations Meeting held in New York in September 2021. Accordingly, while the initiative aims to reach 1,000 members in 2023, it aims to invest approximately USD 500 billion in sustainability by 2025.

As Turkcell, we continue to carry out activities to increase the participation of Turkish institutions and organizations in the CFO Taskforce in cooperation with UN Global Compact Network Turkey.



## Strong and transparent financial management

Transparency and accountability of our financial management is as important as our strong financials to our corporate structure. We plan, manage and analyze our budget effectively in line with this transparent and strong financial management approach. In the countries in which we operate, we manage our tax practices transparently and accountably, directly and indirectly, and disclose them through our annual reports, material disclosures, and quarterly and annual results releases. Across the company, we share information in many different formats, including share performance reporting, senior management reports and benchmarking analysis.

In line with being an exemplary corporate citizen, we carry out anti-bribery and anti-corruption activities with zero-tolerance, and act in accordance with legislation to maintain an effective competitive market environment. We conduct all our financial transactions in accordance with CMB and SEC regulations.

You may access the details of our principles and reporting on anti-bribery and corruption, competition management and related issues in the strong corporate governance section, and the data on taxes in the consolidated financial statements section.



## Transparent investor communication – Investor Relations

We manage our investor relations activities in parallel with the Corporate Governance Principles, and in accordance with the principles of accessibility, rapid response to stakeholders, transparency, consistency, and disclosure in line with the applicable legislation and regulatory rules to which we are subject to. As part of our transparent and active communication, we provide access to documents such as audit reports, press releases, and investor presentations, which include quarterly financial and operational performance on our website in Turkish and English in order to address all stakeholders. As of 2020, we began to issue our integrated annual report and to disclose related information previously filed separately in our annual reports and sustainability reports.

*We explain our approach to communication with our investors and other stakeholders in our social capital section, and our communication channels in the stakeholder communication channels table.*

## Capital market instruments performance

**Turkcell shares are traded on Borsa Istanbul and New York Stock Exchange.**

Turkcell shares commenced trading simultaneously on the Borsa Istanbul (BIST) and the New York Stock Exchange (NYSE) on July 11, 2000. The shares are traded under the TCELL ticker at the BIST and as American Depositary Shares\* (ADS) on the NYSE under the ticker TKC.

Turkcell's paid-in capital\*\* has a nominal value of TRY2.2 billion. Turkcell, the only Turkish company listed both on Borsa Istanbul and the New York Stock Exchange, is the 10<sup>th</sup> most valuable company among those traded on the BIST with a market value of TRY 41.1 billion as of December 31, 2021. By the end of 2021, number of Turkcell's American Depositary Shares totaled 79.7 million.



\*Two ADRs represent five shares.

\*\*It includes 2,200 million shares, each with a nominal value of 1 TL.

Turkcell, which has a free float ratio of 54%, has the highest foreign ownership ratio in BIST100 with a 88%. In the same period, the share of international investors in Borsa Istanbul was 40%. The average daily trading volume of Turkcell shares in 2021 was at the level of 19.2 million.

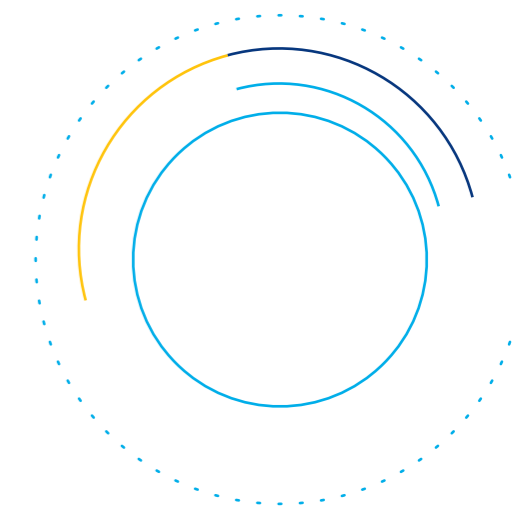
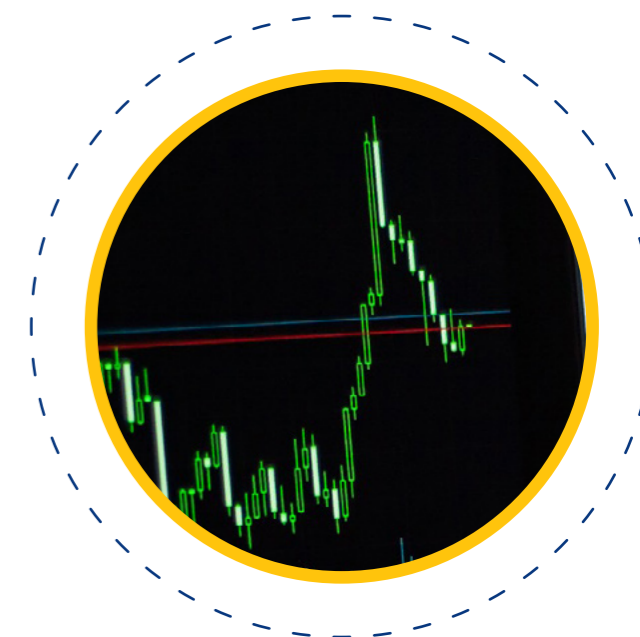
We report annually on the performance of Turkcell shares at the BIST and NYSE, and also

report five-year trends.

Turkcell issued a bond with a nominal value of USD 500 million, a maturity of 10 years and a coupon rate of 5.75% on October 15, 2015, and a bond with a nominal value of 500 million USD on April 11, 2018 with a 10-year maturity and a coupon rate of 5.80% in Euronext Dublin.

## Share and bond buyback

The Turkcell Board of Directors authorized the Company management to buy back Company shares and bonds with a maximum fund amount of TRY 450 million in an attempt to protect our investors against any perception of instability that may arise in the short and medium term; subsequent to the events on, and after July 15, 2016, and/or due to the potentially negative reflection of global macroeconomic volatility on Turkey in accordance with the announcements of the Capital Markets Board dated July 21, 2016 and July 25, 2016. In this context, since 2016, 16.9 million shares (equivalent to TRY 180.2 million) and bonds totaling USD 20.5 million nominal amount (equivalent to TRY 103.5 million) have been purchased. All of these bonds were sold back to the market in 2020, and no shares or bonds were purchased in 2021.



## Our corporate governance principles are based on strong foundation

### We adopt Corporate Governance Principles.

The basic business principles adopted by the Turkcell Investor Relations Department include accessibility, swift feedback to stakeholders, and informing them transparently, consistently and on a timely manner. The Turkcell Investor Relations team consists of members with a deep understanding of both company itself and sector dynamics, and who can convey the strategy and focus areas of the Company comprehensively. Turkcell Investor Relations

works to establish long lasting relationships with investors. Information flow is provided to all stakeholders through the Public Disclosure Platform, Turkcell Investor Relations website and social media platforms in Turkish and English. Questions from investors and analysts are answered in the fastest and most transparent manner within the framework of relevant legislation.

### In this context, as the Investor Relations Department, throughout 2021:

- We held a total of 373 meetings with institutional investment funds, most being virtual.
- We attended 16 investor conferences.
- We shared our financial results four times during the year via teleconferences.
- Over a thousand information requests were received throughout the year via phone and e-mail, to all of which we responded.



## We strive to provide the maximum benefit and create value for Turkcell and our stakeholders

The primary goal of Turkcell Investor Relations is to increase the market capitalization of our Company. Within this scope, our target is to diversify and deepen Turkcell's investor profile and increase the weight and number of long-term investors in the institutional investor base. The institutional investors of Turkcell account

for 78% of the publicly traded shareholder base. 37% of these investors are located in North America, 38% in the United Kingdom and Ireland, and 19% in Europe (including Turkey). While 34% of institutional investors invest with a focus on "value". (Resource: IHS Market, January 2022)

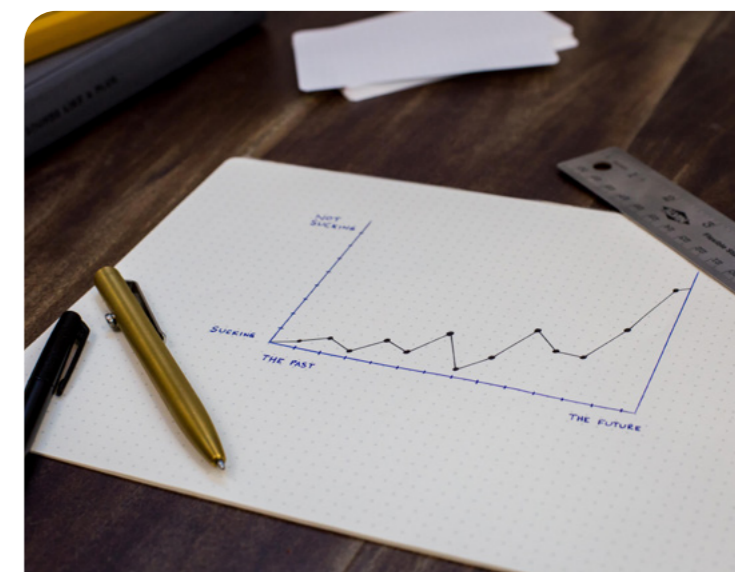
## Sustainability indices and performance indicators

Our successful activities in the sustainability area are confirmed by our achievements in local and global indices. By revealing companies' approach to sustainability issues such as global warming, depletion of natural resources including water, health and safety, and employment, this index provides an

independent assessment and registration of companies by Borsa Istanbul. We have been included in the BIST Sustainability Index (BIST SI) since its launch in 2014.

### Our company's ESG rating was determined as A by Morgan Stanley Capital International (MSCI) in January 2021. Turkcell is the only telecommunication company that received this rating in Turkey and besides, it is one of the companies having the highest rating in this area in Turkey.

Moreover, Turkcell is the only Turkish telecommunications company to be included in the FTSE4Good Emerging Markets Index which measures the ESG performance, calculated by FTSE, an independent organization in partnership with the London Stock Exchange and Financial Times.





## Share information and dividend yield

As the investor relations, we aim at increasing the market capitalization of Turkcell to its fair value. Accordingly, we evaluate the possibilities of creating strategic value and distribution of dividends to our shareholders in accordance with our dividend policy within the framework of fiscal discipline.



Dividend yield



\*In 2020, dividend pay-out ratio to our shareholders was 25%, which was the highest rate permitted by legislation.

TCELL (TRY)*	2015	2016	2017	2018	2019	2020	2021
Lowest	7.22	6.49	6.84	8.52	9.77	10.91	13.22
Highest	9.88	9.08	12.53	13.65	13.18	15.59	23.30
Closure	7.22	7.11	12.53	10.62	12.49	14.92	18.46

TKC (USD)*	2015	2016	2017	2018	2019	2020	2021
Lowest	6.13	4.66	4.89	3.32	4.06	3.98	3.37
Highest	10.49	7.90	8.28	9.03	6.15	5.69	5.57
Closure	6.21	5.05	8.28	4.91	5.26	5.03	3.59

\*Stock prices were adjusted for dividend distributions.

Source: Bloomberg



## Stock exchange symbols

	Stock Exchange	Symbol
Share	Borsa İstanbul	TCELL
ADR	NYSE	TKC
Bond	Euronext Dublin	ISIN: XS1298711729
Bond	Euronext Dublin	ISIN: XS1803215869





## Share performance (Relative) (2021)



## Analyst recommendations

→ **BUY 54%** **HOLD 39%** **SELL 7%**

28 brokerage houses, half of which are international institutions, monitor and analyze Turkcell shares. As of the end of February 2022, there are 15 analysts giving "buy" advice, 11 analysts giving "hold" advice and 2 analysts giving "sell" advice.

## Credit rating

Turkcell receives credit ratings from S&P, Fitch and JCR Eurasia Ratings. In addition, our company's subsidiaries are evaluated by JCR Eurasia Ratings within the scope of relevant regulations. Precautions to avoid conflicts of interests with credit rating agencies are laid down in both service agreements and ethical principles and codes of conduct of the company from which the services are procured.

	Long-term credit rating	Outlook	Rating date	Review date
S&P (FC&LC)	BB-	Negative	August 2018	February 2021
Fitch (FC)	B+	Negative	February 2022	February 2022
Fitch National	AAA (tur)	Stable	March 2021	November 2021
JCR-ER (FC)	BBB-	Negative	May 2021	-
JCR-ER National	AAA (Trk)	Stable	May 2021	-



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## Digital finance transformation

Increasing the digital maturity of the finance function is among our top priorities. We digitize the operating model of the finance function in order to provide an environment where business processes are organized over systems, manual interventions are minimized, and internal control points are automatically supported. As part of this transformation, we aim to improve operational efficiency as well as establish a working

environment in line with the best practices. In this context, our current financial maturity level was assessed, improvement areas were determined, and roadmaps were established in detail. Actions are taken for all components of the end-to-end finance operation model, from process to technology, and from organization to data.



## Techfin's shining stars: Paycell and Financell

In 2021, we continued to improve the products and services we offer to our customers under Paycell. As Paycell, which offers a wide range of products and services to more than 17 thousand merchants, we continued to develop our competencies and added the Android POS to our product portfolio for enterprises at the end of 2020. Paycell Android POS, the first Android POS device to comply with applicable legislation, and approved by the Turkish Revenue Administration (GIB) in compliance with the Tax Law (TL) 507, provides cost and efficiency advantages to member merchants, while offering standardized collection, inventory tracking and e-invoice processes on a single platform. Android POS, which was developed based on the needs of Paycell customers, works with different banks' payment

infrastructures, offering installment advantages and advantageous commissions under a single device. This product also offers standardized collection management to enterprises which operates its own invoice processes. In 2021, this



new product was integrated at 1,500 SMEs and had a monthly transaction volume of TRY 30 million. In addition to the solution in the physical channels, the Paycell Virtual POS product was developed and launched in March 2021 for e-commerce sector. The product, which was created by considering the new needs of the card payment solution in virtual transactions for Turkcell internal and external websites, works with a monthly volume of TRY 200 million. This product generates an additional revenue stream to Paycell while providing cost savings in card transactions in Turkcell e-commerce channels.

We provide payment services with Paycell wallet through QR at 12,420 points, consisting of 13 different brands. We also serve at the online sales channels of 9 different brands thanks to integration efforts. With the launch of Paycell payment services which are directly integrated with 3<sup>rd</sup> party wallet applications in 2021, we aimed to enable our users to make their payments in leading marketplaces with the "Pay Later" feature. In addition to these efforts, we continue to develop our merchant ecosystem, directly or through integrators, with different brands serving in e-commerce and physical channels.



SDG 8.3

**Paycell enables customers to make purchases at member merchants without the need of a bank card or payment at the door, offering the opportunity to reflect the fee to their Turkcell bills with Pay Later feature. Paycell also provides bill payment both through the application and at Turkcell stores. With the rising number of contracted merchants each year, Paycell customers can shop quickly and securely using QR codes. Meanwhile, Paycell Card offers the opportunity of using a card to those under the age of 18, and therefore unable to be a bank customer. At the same time, Paycell Card users can manage their balance and mobile payment limits through a single account.**





Paycell registered a first this year by adding a brand-new easy payment alternative. With “Ready to use limit” feature, users can spend their mobile payment limits via their Paycell Cards at any time, and repay through their Turkcell bill at the end of the month. Moreover, they can convert part of this personalized limit into funds and withdraw them in cash.

**Paycell increased its revenues by 64.4% this year, while its EBITDA margin was 47.5%. Paycell's non-group revenues rose by 61.7% during the same period. The number of Paycell 3 month-active users has become 6.6 million, and the number of cards registered at Paycell reached 13.4 million.**

	2019	2020	2021
Paycell 3 month-active users (million)	4.5	4.7	6.6
Total trading volume (TRY billion)	9.4	9.1	13.7
Revenue (TRY million)	252	285	468
EBITDA (TRY million)	160	147	222
EBITDA margin (%)	64%	52%	47%

In 2021, with Financell, one of the key players in Turkey's financing sector, we continued to offer financing solutions to retail and corporate customers for their technological product and service purchases. We continue increasing our effectiveness in corporate segment with the digital transformation loan that was initiated in 2020. Meanwhile, credit risk infrastructure and digital transformation projects implemented in 2021 enabled us to conduct credit assessments at a faster pace and manage credit risk effectively. Our cost

of risk remained below 1%. With the completion of projects last year, we had started to provide financing offers to our corporate segment and Superonline customers. Accordingly, as Turkcell, we continue to provide financing solutions for all products and services we sell. Additionally, we pursue our investments in areas of digitalization and completed the transformation of our system infrastructure in 2021. We offer innovative solutions for customers' risk management with fast and easy access products through Turkcell Sigorta Aracılık Hizmetleri A.Ş.



	2019	2020	2021
Number of customer acquisitions for Turkcell through Financell (thousand)	113	129	116
Financell asset size (TRY billion)	3.0	2.5	2.7
Number of credits granted by Financell (million)	1.9	2.0	1.8
Number of customers who used credits annually (million people)	1.4	1.4	1.3
Total customer loan portfolio (TRY billion)	2.4	1.9	2.1
Revenue (TRY million)	899	567	615
EBITDA (TRY million)	504	367	420
EBITDA margin (%)	56%	65%	68%
Net income (TRY million)	187	241	335





## The interaction of our financial capital with other capitals

Our financial capital plays a key role in providing the necessary financing for the realization of all activities conducted under other capitals, while itself being supported by revenues generated from other capitals. Revenues generated by our services support our market capitalization and dividend yield, while the quality of our products and services are enhanced by the financing of R&D activities, thereby increasing customer satisfaction. Meanwhile, our social responsibility projects and transparent communication implementations with our investors contribute to our inclusive business model. Through our sustainable financing activities, we reduce our negative impact on our natural capital and multiply our positive effect.



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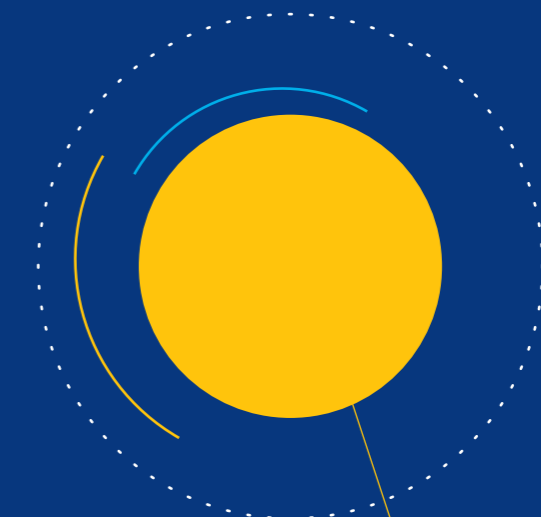




# Human capital



- Human capital management
- Our decent business practices
- Making a difference in employment





# Human capital

## Inputs

### Our competent employees and agile teams

- Backup management
- YUPO (High Potential)
- Apprenticeship
- Turkcell Academy trainings
- Digital Master's Program
- Technology Retailing Certificate Program
- My Flex Career

### Employment practices that make a difference

- Young Talent Full Time/Seasonal Employment Practices
  - Young Talent
  - Stajcell
  - Stajcell Plus
- Flex HR applications
- The Stars Coming Back project
- The "Tell your Candidate, Create Benefit" initiative
- PhD Graduate Employment Project
- Limitless Talent Project
- College Campus Activities
- Voice of Employees (VoE) and Voice of Directors (VoD) meetings
- Equal pay for equal work

### Adoption of company culture and values

#### Flexible Working Model

#### Increasing women employment in the field of technology

- At Turkcell it's Equal Conditions, Equal Chances
- Women Developers of Future

#### Safe and healthy workplace environment

- Field OHS improvement studies
- RADAR Program

## Outputs (KPIs)

**34%**

ratio of women employees

**23%**

ratio of women managers

**329 women, 556 men**

the number of recently hired employees

**98.54%**

RADAR Turkcell Group performance score

**132 people employed with Young Talent Program**

**Internship opportunities through Stajcell for 152 people**

**Part-time employment opportunities through Stajcell Plus for 35 people**

**1.8 million**

total hours of training

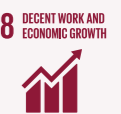
**Employment opportunities with The Stars Coming Back Program and At Turkcell it's Equal Conditions, Equal Chances!**



## Value created

- | Contribution to employment
  - o Employment created in the countries/ geographies where we operate
- | Having competent human capital - ready for the future digital world
  - o Developing the competencies of employees
- | Developing the competencies of women to increase their employment in technology field
- | Creating a strong and agile employee culture
- | Employee loyalty and motivation
- | Diversity, inclusion and equal opportunity
- | Career development
- | Being a good employer
  - o Having physically and mentally healthy employees
  - o Loss of working hours due to occupational accidents
  - o Providing working opportunities regardless of employees' locations through Flexible Working Model

## SDG



Performance Indicator	Short-term goal	Mid-term goal	Long-term goal	Performance in 2019	Performance in 2020	Performance in 2021	Current State by Goal
Increasing the ratio of women employees	-	-	40% (Until 2030)	32%	33%	34%	Positive development
Increasing the number of women on the Board of Directors (including Independent members)	-	-	2	1	1	1	Ongoing
Increasing the ratio of women managers	-	-	28% (Until 2030)	21%	22%	23%	Positive development
Increasing the rate of women employees returning to work after their maternity leave	98%	98%	98%	98%	97%	97%	Ongoing
Increasing the women employee's retention rates following maternity leave	88%	90%	90%	88%	93%	97%	Positive development
Reducing the occupational accident rates (Women)	2	1	0	2.07	1.38	0.48	Positive development
Reducing the occupational accident rates (Men)	2	1	0	2.15	0.68	0.47	Positive development
Reducing the occupational accident rates (Total)	2	1	0	2.11	0.89	0.48	Positive development
Increasing RADAR Turkcell Group performance score	98.5%	98.7%	99.0%	98.9%	98.7%	98.5%	Negative development
The compliance of Turkcell's subsidiaries to Human Rights Policy	Starting year has been defined to be 2021.			-	-	We have started with Superonline.	
Increasing the employment of women engineers						Turkcell has hired 202 women engineers.	
Acquisition of Environment and OHS certificates	All of the employees (100%)						First stage audit was completed. 2 <sup>nd</sup> stage audit has been planned.

**Our productive Turkcell family continues to work with its expertise and awareness of creating social value. Our employees are our most effective force in our digital transformation journey driven by our powerful communication and interaction. We believe that our people-oriented employee experience approach is an indispensable part of our corporate culture. Our employees are our brand ambassador and add value to Turkcell. We deem our focus on employee experience as an indispensable part of our corporate culture in order to make our employees feel happier, more valuable and efficient during their onboarding, exit and all processes after leaving the company.**

## Human capital management

**As the leading digital operator of Turkey, we prioritize making our employees feel the advantage of being a part of Turkcell family throughout our journey of delivering services and solutions that reflect Turkcell quality.**

In our human resource processes, we comply with applicable laws and regulations. We communicate all operational changes that could significantly impact our employees within the legal notice period through our internal communication channels. As Turkcell, we oppose discrimination based on gender, age, belief, ethnicity, nationality, marital status, health status, and physical capacity in all of our business activities. We continuously improve our human resources practices which are based on inclusion and diversity and extending equal opportunities to all individuals in a manner that respects human rights. As the Turkcell Group family of around 26,000 employees, we adapt to the requirements of the rapidly evolving digital age with agility in order to better respond to customer needs and we continuously improve our skills with training programs with rich content.

With Turkcell Human Resources, we design all of our human resources processes which touch upon the employee experience including onboarding and exit procedures. Taking advantage of the power of digitalization, we design and manage our compensation and additional benefits policy. We also integrate talent, performance and career management in accordance with the needs of our employees. All of these are done through our data-based approach. Consequently, thanks to the data analytics we gather during these processes, we deliver exemplary results. With the cooperation of Turkcell teams, we determine the goals and risks of our business processes, define roles and responsibilities. While carrying out our activities, we listen our employees and ensure that employee experience is managed in the best possible way in all processes in line with expectations, needs and international developments.





## Flexible working model

The expectations of employees have recently been changing at an incredible pace due to the demand for work/life balance. Closely monitoring the employee needs and trends, Turkcell had identified the needs of its employees and had adopted its working style years ago. Accordingly, we have been offering our employees a variety of flexible working options since 2016. We were applying the remote working model, called

“mobile working” which requires only four days in the office and the “office station” system which allowed working in Turkcell plazas located all across Turkey. With the “Flexible Working Hours” practice, we also provided the opportunity to start working until 10:00 and end the day until 19:00. In other words, Turkcell employees have had the opportunity to define their own working hours and to work remotely four days a week per



month for the last five years. They have had the privilege to work from a Turkcell office location and had a certain amount of discretion on managing when, how and where to work. We prioritized transparency and organizational participation in planning and announcing the new working model, which was implemented in Turkcell after the pandemic. Therefore, from the beginning of the pandemic, we have formed specific project teams and committees with

different employees of different characters. The new model has been developed by HR in collaboration with employees and leaders from all functions. Workshops focusing on managers and employees have been organized. The “Digital Office Committee” composed of managers from different functions across the organization and the “HR Volunteers Committee” comprising specialists of different functions have been created. Through regular meetings, these committees worked on



the problems linked to the pandemic and remote working, came up with ideas and designed the new model.

Following the first COVID-19 case in Turkey, Turkcell employees started to work remotely as per our relentless sensitivity around health and our focus on employee experience. As the pioneering company in remote working, we designed a new working model, together with our employees in order to adapt to the changing needs of the new normal. We also envisioned the working model and ways of doing business in the future while designing this new model. Our 'Flexible Working Model' launched with the motto, 'If You are There, Anywhere is Turkcell' removed all limits. Thanks to the model which is effective as of March 2021, depending on the job requirements, all employees are now able to work from the office or remotely. As Turkcell employees work from anywhere, they prioritize accessibility. Accordingly, they meet their internet connection needs at their houses through the employee campaigns offered by Turkcell and they enjoy additional benefits through other special offers.

The flexible work needs of Turkcell employees are now met with the Turkcell Life-Digital Office application developed by Turkcell's engineers. Thanks to the Digital Office module, Turkcell employees can reserve working spaces, meeting rooms and parking spaces for their vehicles at any Turkcell office they choose. Digital Office is not only designed for office needs but also for appointments at the firm's hair dresser, fitness center, doctor's office, pedagogue, dietitian or psychologist.

Turkcell employees have the 'Flexible Working Hours' in order to work flexibly while maintaining their work/life balance. This allows them to start working at 10:00 and finish working at 19:00. Thanks to the Hours without Meetings' practice, our employees can focus on their works which

require individual attention and focus. Additionally, in order to remind the necessity of being offline, we make improvements such as sending an automatic warning message in order not to hold a meeting, not to send an e-mail outside the working hours and to increase meeting productivity.

“Flexible Working Support” that is renewed each year is provided to Turkcell employees in order to improve their working environments. In order to maintain the productivity and sustainability of this model, Turkcell implements this financing support in each year.

Turkcell believes that face-to-face interactions are key to keep alive team spirit and increases motivation and synergy in post-pandemic world by utilizing the power of face-to-face communication and also promotes the binding power of face-to-face communication in healthy days.

Turkcell's Flexible Working Model is based on the ground of “trust” in employee and designed to provide its employees with the best digital experience, employ and retain highly motivated and committed top talents.



# Our decent business practices

We carry out the required activities swiftly in order to improve employee engagement and satisfaction by always listening our employee's expectations on business management. As Human Resources, we always support our employees.

We aim to make sure that Turkcell is the most preferred workplace in the eyes of our employees through our "Digital HR" vision and human-focused decent business practices.



## Diversity, inclusion, and equal opportunity

As protection of human rights and respect for it lies at core of our duties, we implement human resources practices that ensure equal opportunities for all individuals, and support inclusion and diversity and improve ourselves each day in this sense. Within the scope of our Human Rights Policy, as Turkcell, we carry out our activities to prevent discrimination, inequality, human rights violations, forced labor and child labor and continue our efforts to adopt these values across the supply chain.

We assure our equal opportunity, inclusion and diversity principles with our practices. In all of our operations, there were no incidents that were reported by our employees or third parties against Turkcell İletişim Hizmetleri A.Ş. in 2021 on discrimination. And there are no lawsuits filed against Turkcell about discrimination based on language, religion, race, belief, ethnic origin, political or ideological point of view, marital status, sexual orientation and gender. We state our commitment to compliance with the principles set forth in our Human Rights Policy announced at the beginning of 2021 as part of our relations with our employees, customers, business partners and all our stakeholders. Thereby, we aim to ensure compliance to requirements of national legislation and international regulations that we are subject to, regarding employment conditions. We respect the fundamental rights of our employees defined in our policy as well. We protect the rights of both parties of the employment contract with our human rights practices. With our equal pay for equal work policy, there is no basic salary difference between our female and male employees. In order to prevent the incidence of child labor and forced labor, we adopt the ILO (International Labor Organization) standards across our entire value chain, particularly for our suppliers.

SDG 10.4



You can find detailed information on our equal opportunity, inclusion and diversity practices for our supply chain in the value oriented responsible supply chain management section of our report.



With all of our Turkcell employees and new colleagues, who join us from all over Turkey, we constantly expand our family and contribute to increasing the active workforce. We truly believe that gender discrimination is a practice of the past and as a leading digital operator company, we carry out our duties to highlight the work of women especially in STEM (Science, Technology, Engineering, Mathematics) areas. In order to strengthen women in business and the enterprises led by them, we carry out numerous activities and take crucial steps in increasing the employment of 'women engineers' in Turkey. With the help of programs such as "At Turkcell, It Is Equal Conditions, Equal Chances" and "Women Developing the Future", we aim to increase the number of women engineers in technology-based sectors and their inclusion in the workforce. We aim to provide job opportunities for women engineers, who are at the beginning of their career or professional women whose careers were interrupted for various reasons.



SDG 5.B

Productive Turkcell Employees*						
Distribution/Year	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Number of employees	1,770	3,685	1,877	3,772	1,931	3,749
Ratio of employees	32%	68%	33%	67%	34%	66%

\*Demographic information presented in our human capital section covers data from the companies Turkcell İletişim Hizmetleri A.Ş., Kule Hizmet ve İşletmecilik A.Ş., Superonline İletişim Hizmetleri A.Ş., Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş., Turkcell Finansman A.Ş., Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş., Turkcell Satış ve Dijital İş Servisleri A.Ş., Turkcell Sigorta Aracılık Hizmetleri A.Ş., Turkcell Teknoloji Araştırma ve Geliştirme A.Ş., Lifecell Dijital Servisler ve Çözümler A.Ş., Lifecell TV Yayın ve İçerik Hizmetleri A.Ş., Lifecell Müzik Yayın ve İletim A.Ş., Lifecell Bulut Çözümleri A.Ş. and BiP İletişim Teknolojileri ve Dijital Servisler A.Ş. Demographics of employees did not change significantly during the year.

The ratio of total women employees in all group companies in Turkey and in our international subsidiaries was 55% in 2020 and increased to 57% at the end of 2021. Our ratio of women managers in 2020 was 23% whereas it increased to 25% in 2021. Accordingly, 329 women have been employed in 2021. Our subsidiary Global Bilgi which operates in Turkey and Ukraine contributes to economies of cities with different employment models as well as supporting the development

of the human resource. Providing employment to approximately 17,000 people, Global Bilgi creates value as a pioneer of its sector with 11,000 women employees, who make up 65% of the total workforce. Along with numerous social responsibility activities carried out for the active participation of disabled people in business life in line with our diversity and inclusion targets. As of the end of 2021, there are 148 disabled person within Turkcell Group.

#### Breakdown of current employees by age groups\*

Age/Year	2019	2020	2021
30 years and under	22%	25%	22%
Between 30 - 50	75%	72%	74%
50 years and older	3%	3%	4%

#### Education level of our employees\*

Education/Year	2019	2020	2021
PhD degree	0.6%	0.6%	0.5%
Master's degree	27.4%	26.4%	26.1%
Bachelor's degree	66.2%	67.6%	68.4%
Associate degree	2.4%	2.2%	2.1%
High school	2.7%	2.4%	2.3%
Other	0.7%	0.7%	0.7%

#### Breakdown of current managers by age groups\*

Age/Year	2019	2020	2021
30 years and under	-	0.3%	0.2%
Between 30-50	96.2%	94.8%	93.1%
50 years and older	3.8%	4.9%	6.7%

In 2021, 418 employees were appointed internally as per objective evaluation within our Company.

#### Employee Turnover

2019	2020	2021
11.4%	8.2%	17.7%

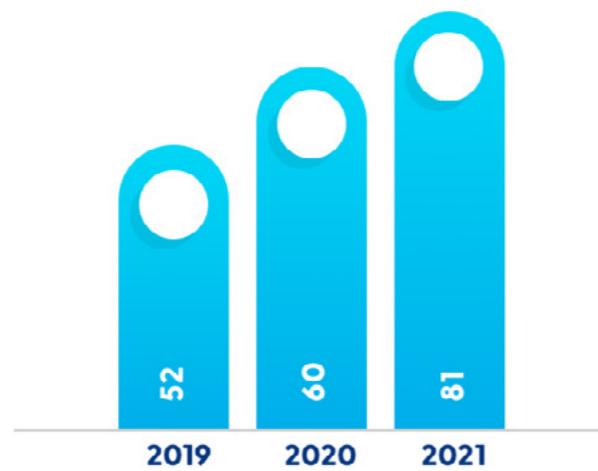
#### Voluntary Employee Turnover

2019	2020	2021
5.9%	6%	12.1%

### Involuntary Employee Turnover

2019	2020	2021
5.5%	2.2%	5.6%

### Number of women employees who have taken their maternity leave\*



We manage our Compensation Policy at all levels based on knowledge, skills and critical experience with maximum reliability. [We transparently communicate the Remuneration Policy of our Board Members and Senior Managers](#) to all our stakeholders. We consider the roles where business units experience a decline in talent level or attract skilled personnel and benchmark companies which we deem as competitor. Accordingly, we accept wages in the labor market as a reference point. Additionally, wages are updated by evaluating talent level and recruitment data. We apply our Remuneration Policies impartially by basing all our operations on common standards to prevent discrimination between our female and male employees performing similar roles and jobs. You may find the ratio of average wage of fresh graduates in Turkcell to the minimum wage in the below table.



### Fresh graduate wages over minimum wage

2019	2020	2021
2.8x	2.6x	2.5x



## Employee loyalty and happiness

In Turkcell, we prioritize the happiness of our employees and we work towards enabling an efficient employment experience. We keep open dialogue with our employees through Employee Engagement Surveys, and take the opportunity to continuously review the effectiveness of our practices in accordance with the results obtained. According to the Employee Loyalty Survey conducted in 2021, we listened to our employees with a participation rate of above 90%. Compared to previous years, the index results of Agility, Engaging Leadership and Talent Focus have increased in 2021. We achieved a 71% employee loyalty score in 2021 Employee Loyalty Survey, conducted with Kincentric. Additionally, as Turkcell, we have been awarded as “The Best Employer of Turkey” as part of the Kincentric Best Employers 2021 program.

We care about the health of our employees and their families hence we offer them insurance packages with which they can include their spouses and kids as well. As a side benefit, we provide all employees of Turkcell life insurance against death and life support (critical illness) along with accident and post-illness disability insurance. Thanks to Turkcell Pension Plan, we contribute to our employees' savings and investments in order to allow them to sustain their living standards after retirement. We carry out practices that support our employees and their families. Though legal provision for paternity leave in Turkey is 5 days, we provide 10 days of leave to our new fathers, so that our male employees can provide support in childcare. In order to support our working mothers, we extend day nursery aids for women who have children of 2-5 years old. We offer mothers and fathers paid leaves on the opening days and report card days of their kids' school so that they share the excitement of their children by being with them on those days.







## Activities implemented to increase employee motivation

As Turkcell, we invest in the well-being of our employees and their close families and continues to adopt activities which could contribute to our corporate culture. Our most fundamental goal is to create strong company results both operationally and financially with highly efficient employees who are much more committed to the values and culture of our organization and who are physically and psychologically healthier. We offer many practices that could serve the spiritual and physical vitality of Turkcell employees and their loved ones.

We organized 'Take Care of Yourself' healthy living activities which could create positive impact on the souls, bodies and minds of our employees. Accordingly, we brought our employees together in online and offline contexts with courses such as fit brain, live exercises, healthy breathing, standing tall academy, pleasant information and yoga.



In order to increase employee motivation and communication during the pandemic, we organized 'Online Workshops' delivered by expert trainers on culture, arts, history and personal development. Thanks to our 'Digital Traveler' we also visited different destinations in Turkey through live tour sessions conducted in the digital environment by our expert tour guides. We organized trivia quizzes, named "Lucky Knowers", with various prizes every Friday throughout the year.

Every Wednesday, we conducted 'Coffee Breaks' with surprise CXO visits in order to increase the synergy among our employees while working flexibly and to bring them together with the senior management just to chat, mingle, and have conversations outside meetings and business-related agendas. In addition, we have been bringing our employees together with our CEO Murat Erkan at 'Breakfast at 8' events since October.

With the objective of keeping our location-independent connections strong, we celebrated our religious holidays such as Ramadan and Sacrifice Feast among our employees through the 'Turkcell Employees Holiday Greetings' campaign and with our elderly people living in nursing homes through the 'Turkcell Employees Holiday Greetings with the Elderly' campaign.

We conducted digital live tours to allow the kids of our employees to spend enjoyable moments at home and get to know different cultures on 'Child Traveler'. With the project 'Dream School' created completely in the digital environment, our employees and their kids were offered a two-week vacation school program.

*We appreciate our employees: With "CXO awards", our Executive Vice Presidents reward employees, who make a difference, throughout the year. Thanks to our Instant Awarding platform, all of our managers can financially reward the team members who have made a distinct contribution to the business through Turkcell Life mobile application. Employees, who complete their 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, and 20<sup>th</sup> years of service, are awarded with a financial seniority reward and a specially prepared seniority plaque.*



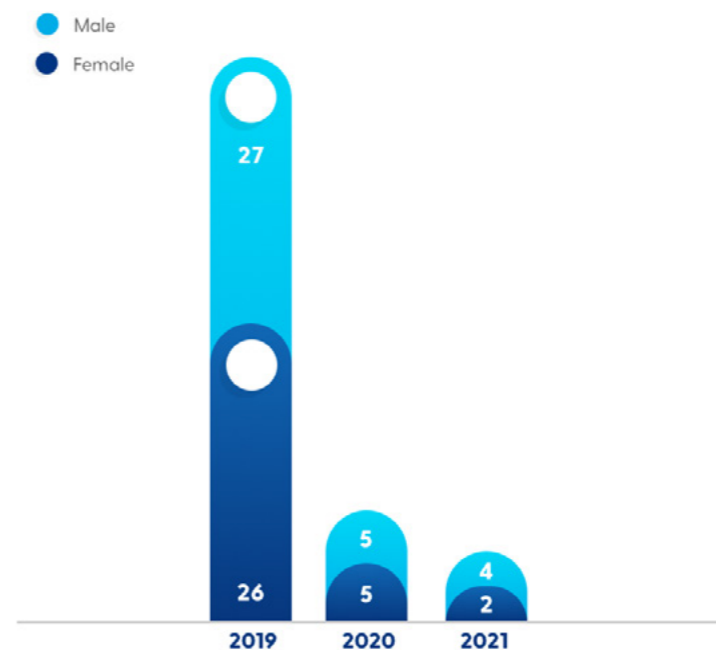
## Safe and healthy workspace environment

In accordance with our motto "Above all comes the health of our employees", one of our key responsibilities is to ensure full safety in all our work environments, and to protect the health and well-being of all our employees under the expertise of Turkcell Group Occupational Health and Safety Unit.

We closely follow the legal obligations within the framework of our Occupational Health and Safety Policy, which we created in compliance with Occupational Health and Safety Law No. 6331 and the ILO-OSH (ILO Occupational Safety and Health) 2001 standard. We organize employee trainings, regularly audit our activities and check their pertinence. We ensure the physical security standards of our buildings and facilities in accordance with Private Security Services Law No. 5188 and its respective regulations. In addition to their professional training, all of our security employees are informed of Turkcell dynamics by their own companies before starting their work at Turkcell.

We set it as our target to complete an international quality certification content and actions as regards both Environmental and Occupational Health and Safety by the end of 2021, and acquisition of certification in the first quarter of 2022 in an integrated manner.

Number of occupational accidents\*



### Number of Occupational Diseases\*

Gender	2019	2020	2021
Female	0	0	0
Male	0	0	0
Total	0	0	0

### Loss of Working Hours Due to Occupational Accidents (hour)\*

2019	2020	2021
920	32	16

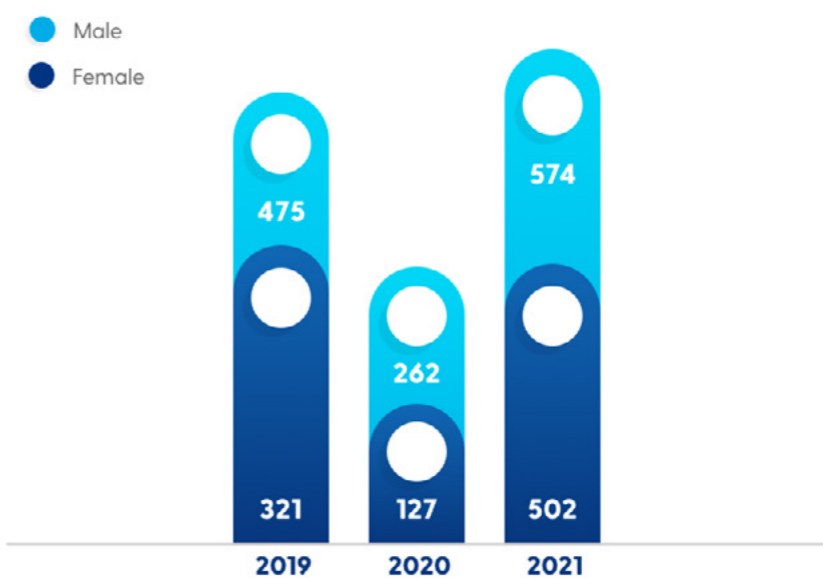
### Third Party OHS Data

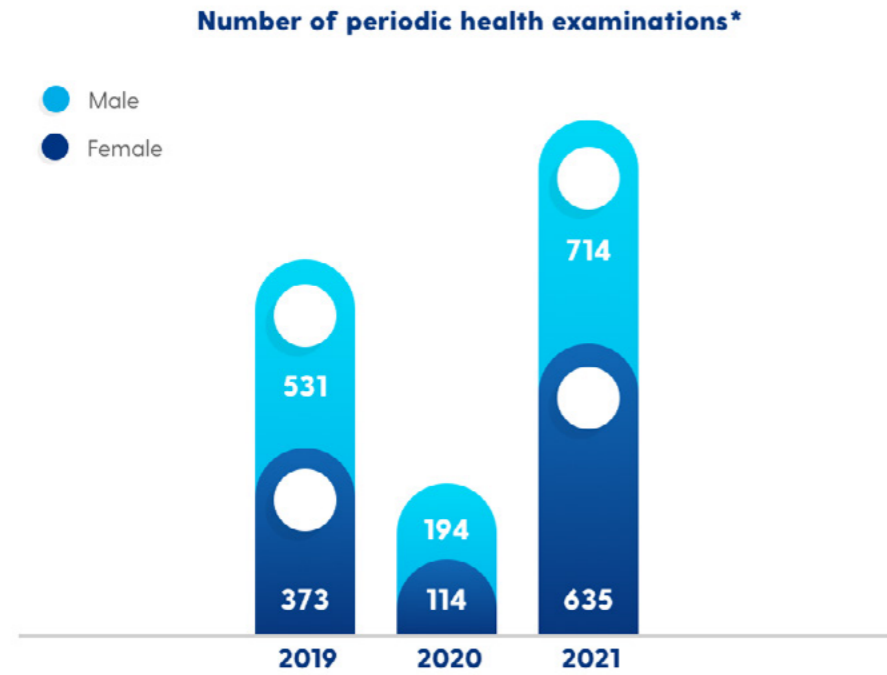
	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
Number of accidents (third parties)	3	6	2	0	3	3
Accident frequency rate (third parties)	6.6	13.2	4.4	0	5.4	2.9
Number of occupational diseases (third parties)	0	0	0	0	0	0
Loss of working hours due to occupational accidents (hours) (third parties)	112	184	0	0	80	8

### OHS training hours (hour)\*

Gender	2019	2020	2021
Female	7,128	3,520	5,760
Male	18,384	4,992	7,600
Total	25,512	8,512	13,360

### Number of entry health examinations\*





Through Turkcell's RADAR software developed by Turkcell Teknoloji Araştırma ve Geliştirme A.Ş., we provide our employees with the opportunity to report hazardous situations related to Occupational Health and Safety and follow up on the results thereof, and we evaluate employee suggestions and complaints regarding occupational health and safety issues according to the risk categories. RADAR, which is part of the Corporate Occupational Health and Safety Management System, uses criteria determined by Turkcell Occupational Safety Experts and it has been developed by Turkcell Teknoloji software developers as a system in compliance with applicable legislation. Turkcell Group indicators are transparently shared with our employees, such as accident frequency rate, details of the accident and total lost days. Thanks to this system, the occupational health and safety performance across Turkcell Group companies is calculated as an annual score and monitored by the management. The scoring criteria is determined in accordance with the penalty

scoreboard table of the relevant legislation. We communicate with all our employees about OHS-specific issues through Turkcell OHS Portal. We expect the businesses we collaborate with to comply with our OHS Policy and ensure that they take measures within this framework through our business contracts. Thanks to our OHS experts, we analyze all occupational accidents and OHS data, present the statistical analysis based on accident reports to our Senior Management on a monthly basis, and define occupational health and safety goals and action plans for the future.



## Our productive Turkcell family

We are positioning our organization on a flexible and agile basis with our strong team that prepares the future by adopting the approach of "providing equal opportunity for all" in education. We develop projects in many different areas in order to grow our Turkcell family and always move it one step further. We provide all our employees with the opportunity of self-improvement, regardless of their duties and responsibilities within the Company.

## Flex Performance Management System

Flex Performance Management System is a system that helps employees follow their goals to reach the best business results and provides them with the opportunity to constantly improve their performance through the regular feedbacks they receive. All Turkcell employees are included in the annual performance evaluation process. Performance at Turkcell is managed through five stages:

- 1 SMART Goal Setting
- 2 Quarterly Interim Evaluation
- 3 Continuous Feedback: ReFlex
- 4 360° Behavior and Competency Assessment: ReFlex360
- 5 Performance Evaluation at the End of the Year



As part of the Goal Setting process at Turkcell, each employee is expected to set their goals together with their manager and keep those goals updated with the changing priorities throughout the year. With the help of quarterly interim evaluations, Turkcell managers get together with their teams and clarify their goals and actions plans, give regular and frequent feedback to their team members so that they continuously improve their performance.

## 360° behavior and competency assessment: Reflex360

ReFlex360 aims to increase the employees' awareness around their strengths and improvement areas through the evaluation of their managers and colleagues on expected competencies. ReFlex 360 process provides extensive and objective feedback for Turkcell employees on their personal development throughout their career journey.

## Continuous feedback mechanism: ReFlex

We believe in the importance of feedback in the successful management of our business processes in flexible working. ReFlex, our mobile feedback mechanism, allow us to provide feedback instantly. Thanks to our ReFlex system that allows us to appreciate our employees and provide constructive feedback, we increase the self-awareness and work efficiency among them.

## Super Job

With "Super Job", which was implemented in 2021, we aim to increase our employees' motivation by making them feel appreciated. The employees who have carried out an innovative, exemplary project or a job that creates value are appreciated by our directors through Turkcell Life mobile application and the information that the employee has received "Super Job" is shared with the related directorate and function.



## Voice of Managers/ Directors/ Employees

We rely on the power of communication and develop practices so that our units communicate with each other. Accordingly, the Voice of Managers program provides our managers the opportunity to give direction to Turkcell strategies under the leadership of our Strategy Department. We bring our directors together at the Voice of Directors meetings we organize and provide them convenient settings where they can exchange ideas. The Voice of Employees survey enables our employees to express their opinions and suggestions transparently.

## Turkcell backup management

We backup employees working in management positions (C-Level, Director, Manager) and critical expert positions with internal and/or external sources, in order to contribute to the company's business continuity and sustainable performance, and implement company strategies.

## YUPO (High Potential)

Turkcell employees who have distinctive talents and transform these talents into high performance, make a difference with their works, perform in line with Turkcell culture and values, and contribute to Turkcell's future are included in the YUPO program. YUPOs have priority participation in certification programs at international universities, apprenticeship programs in Turkey, and participation to conferences and seminars. In addition, thanks to the various networking opportunities provided to them, they can both increase their impact area and gain access to platforms in which they can share their intellectual knowledge.

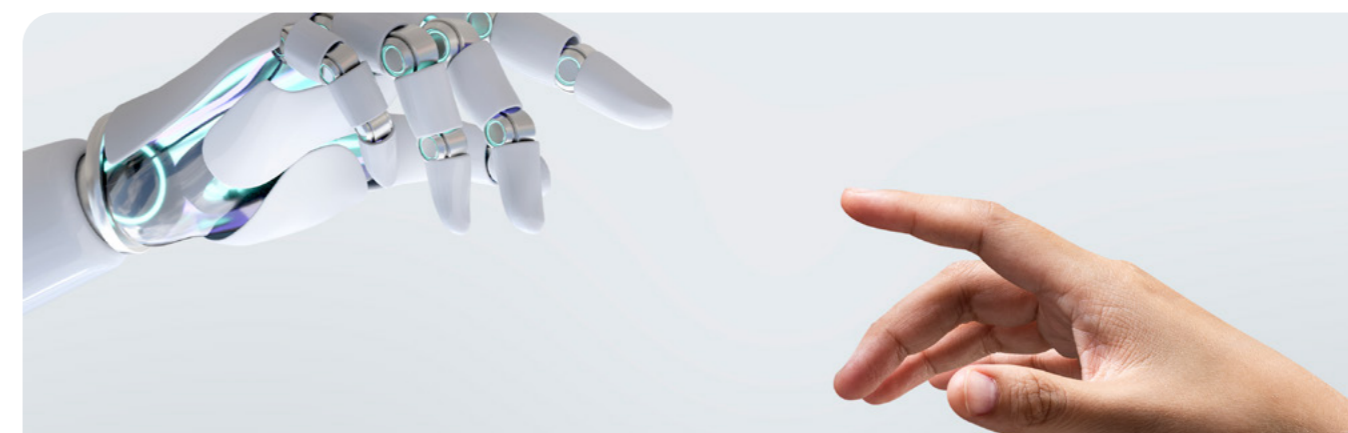
## Apprenticeship Program

The Apprenticeship Program is designed to provide opportunities for all employees with more than 1 year of work experience at Turkcell to gain experience at a directorate of their choice for five days. With the objective of creating opportunities to increase internal communication, the Apprenticeship Program offers all Turkcell employees the opportunity to improve their competencies by gaining new experiences in line with their self-improvement and career-related needs.



## "Flex" human resources of the digital age

At Turkcell, we view our human resource practices as a flexible, digital platform that we call "Flex". We enable our employees to customize and personalize almost any application we offer them through our Flex HR system as part of our journey to becoming "Digital HR". With FLEXSourcing, another Flex application, our productive Turkcell family can voluntarily invest 20% of their working time in innovative projects that require different perspectives, expertise and a variety of competencies. As of October 2021, employees have participated in and/ or applied to 15 active FlexSourcing projects. With our FLEXSourcing application, which offers diverse options from artificial intelligence to gamification, and from data analytics to crowdfunding, over 400 Turkcell employees participated in more than 60 voluntary projects between 2019-2021, creating value for Turkcell.



## My FlexCareer

In order to build our new career architecture based on technical know-how and competencies that provide the employees with the opportunity to proactively manage both their personal development journey and their career; to support Turkcell's strategy and vision; and ensure rapid improvement, we try to enrich our organization with competencies of today and the future. Thanks to 'My FlexCareer' we have a pool of flexible, agile and specialized competencies and the capacity to find and keep the talents that possess these competencies. This practice gives our managers a chance to offer concrete and transparent feedback to employees and offer them mentorship on their career development. It also allows our employees to clearly see which business results they have contributed and by using which competency. Instead of the methodology based on seniority and performance criteria which were used in traditional systems, we focus on occupational competencies which we believe are more relevant to today's world and demographic structure.

## Our agile teams

At Turkcell, we consider our business units' agility, strength and flexibility to be the greatest source of our success and continue our activities accordingly. We work for our technical, commercial and support functions to have a flexible and agile structures so that they can more effectively contribute to the implementation of Turkcell's strategic initiatives. Accordingly, we offer training and coaching programs for our employees so that they increase their personal agility. With organizational agility practices, we aim to improve employee loyalty, operational performance and customer satisfaction. The organizational structures of new business areas are updated in a manner that can rapidly adapt to evolving market needs and dynamics. We analyze the status quo by monitoring the performance of agile working practices and we observe improvement areas and conduct pilot projects. The pilot applications which we find successful are then implemented across Turkcell and we define action plans for the areas that need improvement.



You can find detailed information about our resource allocation in the strategic initiatives and opportunities section of our report.

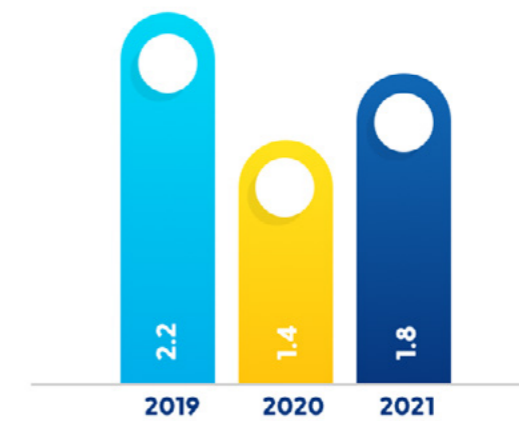
## Training and development programs

With Turkcell Academy, we stand by our employees on their journey of development. We are preparing Turkcell and Turkey for the digital transformation journey of the future by empowering our productive Turkcell family through dozens of different initiatives we started at Turkcell Academy.

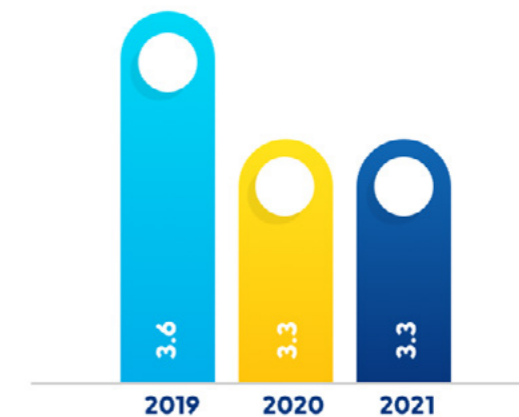
We carried out distinctive work to prepare an ecosystem of 70 thousand people for the future through Turkcell Academy. We have implemented diverse trainings to improve Turkcell and its ecosystem in 2021 through our new graduate employment program "Young Talent", "Orientation", the leadership programs we have prepared at 6 levels, and training and development journeys prepared for various functions and field teams.

SDG 4.3 SDG 4.4

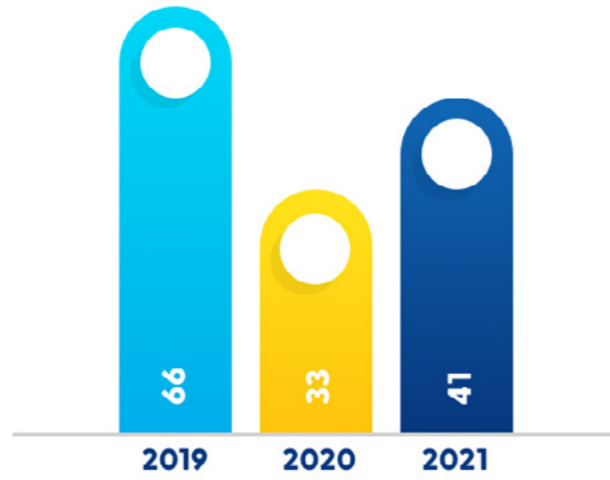
Total training hours (million)\*



Number of participants in Turkcell Academy trainings (million)\*



### Training hours per employee (hour)\*



Under the leadership of Turkcell Academy, which has received over 50 international awards since its establishment, we continuously support digital transformation in education by cooperating with leading universities in Turkey and around the world, as well as educational institutions. We attach great importance to the development of our Academy instructors; whose expertise makes a valuable contribution to the educational

processes of our employees. We continue to train and strengthen the Turkcell Academy Trainers. With around 700 instructors, 222 of whom are active, we carry out programs with Bogaziçi University Lifelong Learning Center (BUYEM) to improve their teaching skills, while supporting them with trainings to enhance their expertise.



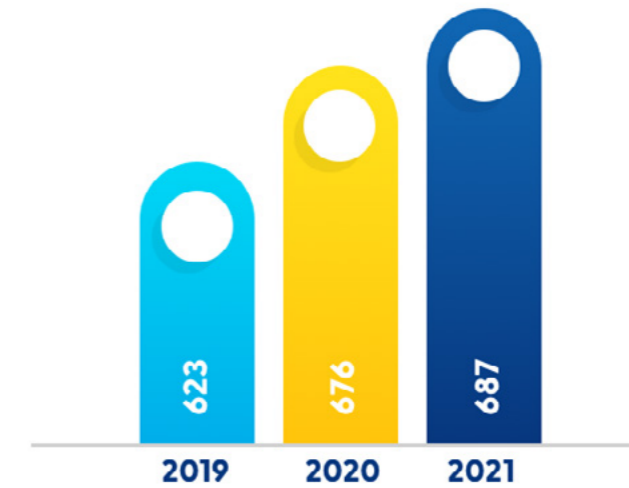
### Gender breakdown of our employees who participated in Turkcell Academy trainings in 2021\*

Female	59%
Male	41%

### Age breakdown of our employees who participated in Turkcell Academy trainings in 2021\*

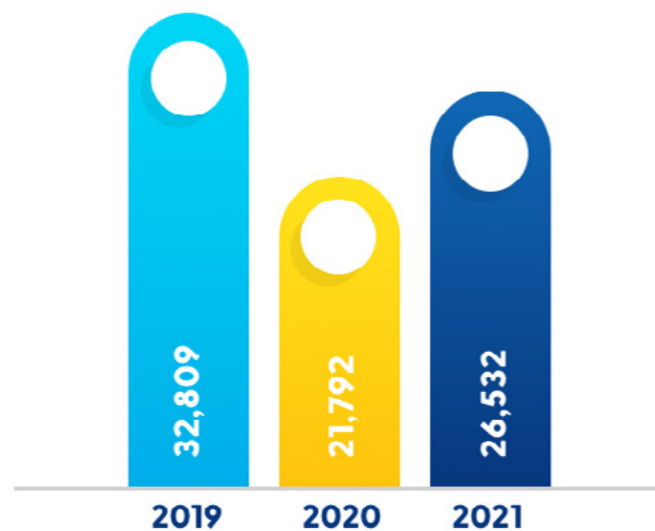
30 years and under	57%
Between 30-50	42%
50 years and older	1%

### Number of Turkcell Academy instructors



Turkcell ecosystem features trainings under 6 diverse topics within the scope of Primary Mandatory Trainings. We offer "Occupational Health and Safety Trainings", as well as trainings in "Sustainability", "Information Security", "Business Continuity", "Anti-Bribery and Anti-Corruption", "Competition Law" and "Turkcell Values and Business Ethics Rules" with the participation of all our employees.

**Turkcell basic mandatory trainings (hour)\***



**Ratio of internet-based trainings to all trainings\***



## Executive Finance Masters

During the "Executive Finance Masters" program, which is one of the training programs created for our employees' development, participants were trained by esteemed trainers of Boğaziçi University Lifelong Learning Center (BULLC) and by EPIAS on all matters related to finance from theory to practice and from classic to digital. Our participants had the opportunity to dive deep into finance related topics with a focus on activating financial behaviors, attitudes and skills. Successful graduates of the program who ranked in the top three won the right to participate in the "TECHfin Specialist Certification Program" which was held in Hong Kong for five months.



## Turkcell Ecosystem Leadership

The approach of Turkcell's Ecosystem Leadership is composed of eight fundamental competencies that bring our employees and our strong ecosystem together in a way that is based on "human" (Aware, Flexible, Trustworthy, Sharing) and "future" (Visionary, Innovative, Aware of Sustainability, Inclusive to Diversity). We aim to create common behaviors and expand the corporate culture through these competencies. Turkcell Academy puts this strong approach into the heart of its learning and development activities. Parallel to Turkcell's vision and initiatives based on offering superior digital services for a better future, we aim to create global employees and leaders who make a difference with our "human" and "future" focus.

## Developers of the Future - Gameventure

The Gameventure project is created to support the employment of Turkish software developers and the development of the Turkish game industry. Thanks to Gameventure, young people who are willing to develop their own games were trained on Unity through the Developers of the Future platform.



## Developers of the Future - MEB Python Training

With Istanbul Trainer Academies which are affiliated to the Ministry of National Education, 100 computers teachers were trained on Python Programming for seven weeks. At the end of this program, which was intended to create benefits in the area of software for these teachers and their students, the participants have earned the Developers of the Future Certificate.

## Developers of the Future - Investment for Youth, Software for Future!

'Investment for Youth, Software for Future!' program was created through the collaboration with the Ministry of National Education in order to increase the qualified workforce in software development and to boost the diversity of technological competencies of Turkey. The program aims to prepare young people for the software world, equip them with sophisticated competencies related to coding and to offer them career opportunities in this area. Participants will receive one-on-one mentorship support on 6 different technological focus point during this 6-month program. Once they complete the program successfully, they will have the opportunity to work at Turkcell and its subsidiaries.

## Women Developers of Future Climate Ideathon

The Women Developers of the Future project, which we have created in order to increase diversity in technology and equal opportunity in the industry, was organized around the theme of "Climate Ideathon" in 2021. You can find detailed information about Women Coders of Future Climate Ideathon in our Social capital section of the report.



## Technology Retailing Certificate Program

The industry's first and only Technology Retailing Certificate Program enables Turkcell employees who work in retail and corporate sales channels to serve our clients in line with the standards set by Turkcell. With this program, our employee candidates receive training on Turkcell products and services, new technologies, sales techniques and customer experience. As a result of the tests and competency evaluations, employees who are qualified for certification, start serving our customers. The certification rate of employees working in our sales stores has been maintained at 95% for 3 years. It was observed that the employee turnover rate had decreased by 30% according to the measurements conducted after the first year following the program.

## Development Program for Academy Trainers

Development Program for Academy Trainers, which was created to improve the digital training skills of around 300 Academy Trainers working in Turkcell Group, continues with live virtual sessions and webinar series. Employees who were volunteering for training others alongside their current responsibilities within the Company were offered a long-term development program so that they improve their training skills. Additionally, Expertise Program for Academy Trainers was created together with the Lifelong Learning Center of one of the best universities of Turkey, Bogazici University (BULLC) so that current trainers are equipped with pedagogical formation and deep know-how on how to train people. Trainers who participated in this program are awarded with trainer certificate approved by the university.



## Relationships with Universities

Turkcell Academy works on projects which will bring value to Turkey and we place great importance on cooperating with universities in order to bring qualified workforce to the industry. We work with the objective of transferring the know-how of our employees to university students by taking the vacancy announcements of Turkcell into account and bringing Turkcell employees together with current long-term education programs in universities. With the help of many projects conducted with different faculties of different universities, we aim to offer a chance for students to get to know Turkcell and for Turkcell to benefit from the know-how of university students and turn it into a benefit for the Company.



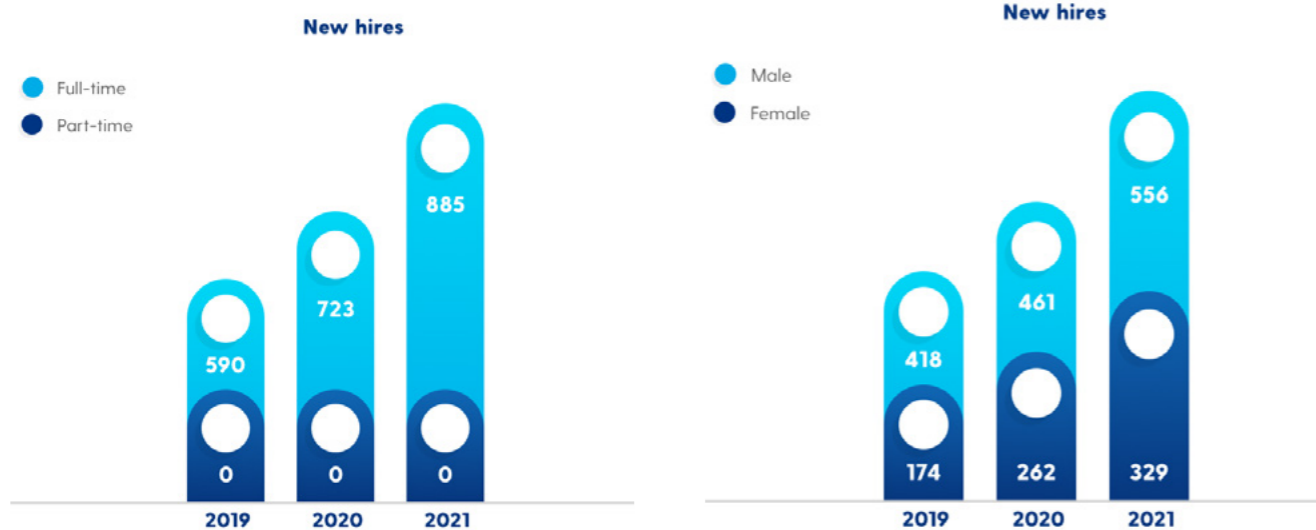




## Making a difference in employment

We are one of the largest employers in Turkey with around 26 thousand employees working in domestic and international group companies.

Despite all challenges, we were able to create additional employment in 2021, as well. We continued our activities in line with our strategic human resources planning. As the leading digital operator of Turkey, we continue to contribute to employment through our programs specifically prepared for hiring different talents ranging from especially technology, information and communication technologies to finance and from marketing & sales to human resources.



## Young Talent Program

The Young Talent Program, which has been implemented to recruit talented young people, has been going on since 2016. The need to “quickly master difficult jobs” that comes with digitalization, increases the importance of flexible and agile teams.

The main purpose of our employment policy is to add talents who will resolutely achieve results, pursue their dreams, possess high technological aptitude, and who can quickly adapt to new conditions. As a result, we open our doors to professionals, who are experts in their fields, as well as young people who have just begun their careers. One of the key innovations we implemented in the program this



year was the development of online application and evaluation processes to provide 100% equal opportunity for disabled candidates. We see the Young Talent program not only in terms of youth employment, but also as an investment in new generation human resources required for digital transformation that will carry our country into the future.

A record was broken in 2021 with more than 66 thousand applications to the talent program. 132 young talents who successfully completed

the program have started their career journey at Turkcell. Artificial intelligence algorithm was used for the evaluation of around two thousand candidates during the video interview stage. Job offers to successful candidates were also made through the artificial intelligence system at the end of the process. As per Turkcell's equal opportunity policy, 56% of new hires were women and 98 of the participants of the program were composed of engineers.



## Young Talent Orientation Program

During the Young Talent Program, we offer the recently hired young talents a 4-month hybrid training program.

The extensive orientation during the program has six modules focusing on Turkcell, Customer, Technology, Life and Entrepreneurship with the following headlines: Turkcell is Beautiful with You, Development is Beautiful with You, The Future is Beautiful with You, Life is Beautiful with You and Leadership is Beautiful with You. The program is offered through digital learning, artificial intelligence technologies, experiential learning, skill development, social responsibility projects, and different learning methods where simulation and learning are applied together.

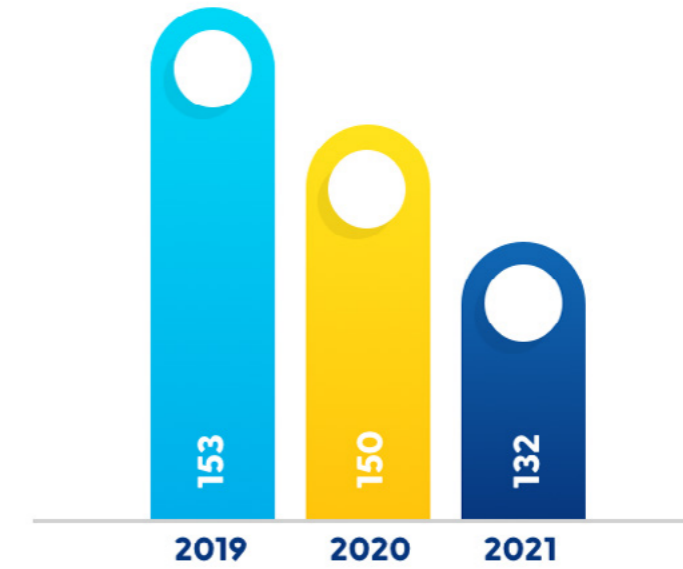
As our talents listen to Turkcell and its functions during the orientation, they also feel inspired by the career journeys of our leaders. They take part in trainings based on the fundamental skills and competencies required by their roles and responsibilities. Additionally, our talents have the chance to learn in depth all projects and channels our employees use to get together with our customers.



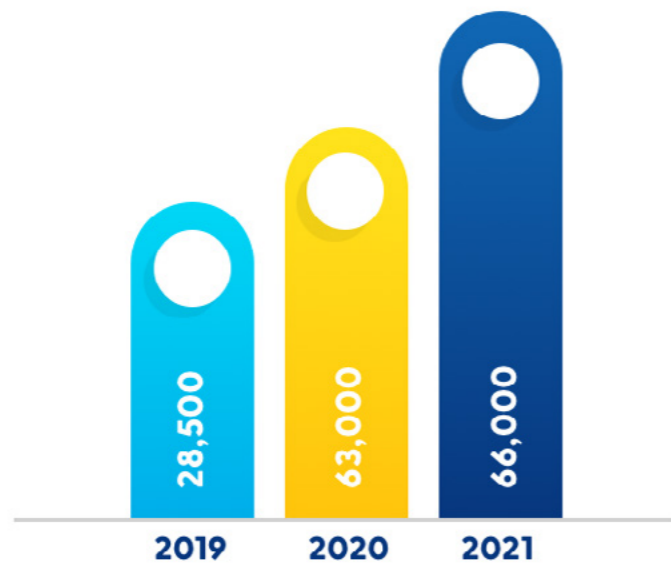
The program trainings are organized with technology companies such as Huawei, Cisco, Ericsson, Nokia and Dell, as well as Turkcell Technology teams, in order to develop the technology vision of Young Talents. The training sessions conducted through strategic collaboration with these technology companies include artificial intelligence, cyber security, data center, data analysis and blockchain. Moreover, these talents have access to seminars on remote working, understanding the generation X and different leadership approaches and reinforce what they have learned during networking sessions. In the final module of the Orientation program,

our Young Talents receive training from Koç University on subjects such as customer focus, innovation, digital trends, leadership, and strategic thinking, and experience Strategic Business Management Simulation. 10 Young Talents who complete the Orientation Program successfully are offered to join a master's program in Turkey. In addition to this development journey, Young Talents produce sustainability-based projects as part of our social responsibility projects. Therefore, with this project, they get the opportunity to experience Turkcell's focus on creating social benefit at first hand.

### Employment provided through the Young Talent Program\*



### Number of applicants to the Young Talent Program\*



## Stajcell

Stajcell Program is a mandatory internship program offered during summers where students in their second or third year of their university studies find the opportunity to gain working experience at Turkcell.

In the summer of 2021, 152 interns separated into two groups have completed their program online. They found the opportunity to observe the world of Turkcell, the difference of being a Turkcell employee, the digital life at Turkcell and customer experience. The students also were trained on fundamental skills that could bring them forward in their careers in the future.



### The New Season Begins at STAJCELL!

If you are a 2nd or 3rd year university student looking for a compulsory internship within the scope of your education we await you in the new season of Stajcell to make your dreams come true.

#TheNewSeasonBegins



## StajcellPlus

Turkcell aims to deliver social benefit with its Stajcell Program by providing business experience to those set to start their career in Turkey.

The program identifies young talents with high potential and contributes to their development by steering them in the right direction. With StajcellPlus, we provide part-time employment to young people who stand out. We conduct orientation trainings, Digitalks, HR Talks, monthly CXO Tea Talks and project design activities for junior and senior students. Within the scope of the first phase of Stajcell Plus 2021, 51 women engineers were hired on a part-time contract in April 2021. Furthermore, during 2021 Stajcell Plus long-term internship program, 35 interns were hired part-time during the fall semester at our Company.

## The Stars Coming Back

With the “The Stars Coming Back project”, which we launched in 2018 as part of our recruitment strategy, we urged Turkish citizens working abroad to make applications to appropriate roles at Turkcell.

With this project, we aim to invest in Turkey's intellectual capital and the country's future. We also want to contribute economically and socially to our country by stimulating reverse brain drain. In line with this purpose, two people were employed as part of the Stars Coming Back Project in 2021.



## At Turkcell it's Equal Conditions, Equal Chances!

At Turkcell, “Equal Conditions, Equal Chances” is a program aimed at increasing our employment of female engineers. Within the context of this project we organized the “Technological Women Bootcamp” program for successful candidates composed of students, or newly graduated female engineers.

During this process, our candidates participate in the training programs of Turkcell Academy and had a chance to realize their projects. Another focus of our project is the reinstatement of our female engineers who have taken a break from their career for various reasons (marriage, birth, relocation, etc.). We believe this investment will enable us to highlight the qualified workforce of women in our country and contribute to both Turkcell and Turkey economically and socially. At the end of the first phase of the "Equal Conditions, Equal Chances" Project on women employment, 51 women engineers who became successful at Turkcell and its subsidiaries were hired part-time. With the scope of the second phase of this project, three women professionals who had taken a break from their career for various reasons started working at Turkcell.

### Turkcell'de şartlar eşit, şanslar eşit.

Turkcell'de fırsat eşitliğini güçlendirmek için yeni bir adım! Başvurun, yazılım ve mühendislik alanlarında geleceği yazacak kadınlardan biri siz olun.

kariyerim.turkcell.com.tr üzerinden başvurunuzu yapın.

Eğitimler, sunumlar, projelerle dolu 6 haftalık Bootcamp'e katılacak adaylardan biri olun.

Programı başarıyla tamamlayarak Turkcell'de part-time işe başlama şansı yakalayın.

 | Geleceği Yazanlar





## Limitless Talent Project

As a first in Turkey, Turkcell offered 10,010 young people an office in digital in six days a week for ten weeks. 10 talents who successfully completed the program earned the opportunity to work at Turkcell. The first digital operator of Turkey, Turkcell, continues to steer talented young people's future.

Turkcell has employed more than 1,000 students in the last 5 years with its Young Talent Program. The Limitless Talent Program offered 10,010 college students and new graduates to experience the business unit of their choice at Turkcell. All processes from application to candidate assessment and choosing the participants of the program were carried out by artificial intelligence robots thanks to Turkcell's technological infrastructure. In the program, which accepted 1,001 students every week for 10 weeks, all steps ranging from various training programs to project presentations were carried out online for six days a week. Thanks to the Limitless Talent Program, for the first time, 10,010 young people experienced the working environment within a company. This allowed young talents to take the first steps into their careers and turn their theoretical knowledge into practice. Additionally, the interview simulations prepared them for business life and finding a job. Young people joining the program from different cities of Turkey and from abroad have found the chance to meet and connect.



## “Tell your Candidate, Create Benefit”

In order to bring different talents to Turkcell family, our employees can recommend talented external candidates for vacant positions.

If the candidate proposed by our employees successfully completes all processes and joins us, we offer our employee a thank you gift through Paycell. Within the scope of this practice, 2,000 candidates were recommended by Turkcell employees in 2021 and 57 of them were hired.



## The interaction of our human capital with other capitals

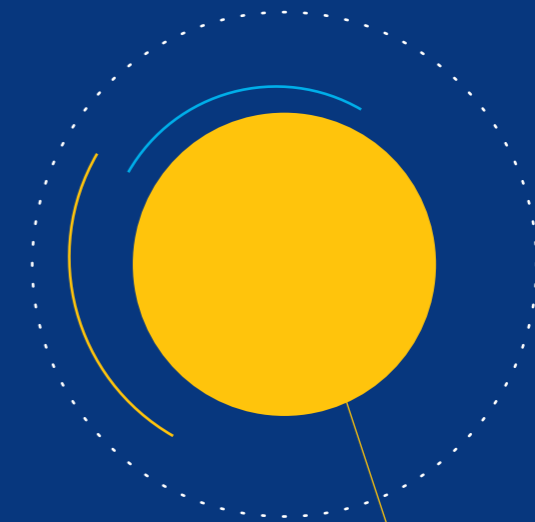
Our employees are the preeminent component in transforming our financial, manufactured, intellectual and natural capital into the value created by the Turkcell business operations.

In this regard, our productive Turkcell family provides one of the greatest contributions to the development of our sector and country, combining its dreams with technology and communication, and with the privilege of being a Turkcell member. Furthermore, we position our human capital as the representative of our social capital and as the stakeholders with whom we create common values.





# Manufactured capital



- Strong infrastructure and superior service quality
- Strong fiber infrastructure
- Strong spectrum
- International sale and wholesale
- Data centers



# Manufactured capital

## Inputs

### Strong Network

- Base stations
- Towers
- Telco cloud
- VoiceX Program
- IPv6 Transformation
- Investing in Domestic Equipment
- Service Operations Center (SOC)

### Strong Spectrum

### Strong Fiber Infrastructure

### Data Centers

## Outputs (KPIs)

**10,920**

base station sites with risk assessment

**8%**

network traffic increase rate

**60%**

network virtualization rate

**Up to 10 Gbps**

fiber internet speed

**Up to 1.6 Gbps**

4.5G speed

**99.971%**

data accessibility rate



## Value created

### Offering fast, quality and inclusive services

- o Providing high quality services to our customers

### Contribution to keeping Turkey's data in Turkey

- o Turkey's largest data center operator
- o Contribution to data security

### Leadership in technology and digital transformation

- o Network ready for new technology transformations

### Access to information and internet for everyone

### Improving domestic and national technological infrastructure

- o Applying innovative technologies not previously applied in Turkey to our infrastructure and making a difference in the market

## SDG

**7** AFFORDABLE AND CLEAN ENERGY



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**11** SUSTAINABLE CITIES AND COMMUNITIES



**13** CLIMATE ACTION



**17** PARTNERSHIPS FOR THE GOALS



Performance Indicator	Short-term goal	Mid-term goal	Long-term goal	Performance in 2019	Performance in 2020	Performance in 2021	Current State by Goal
Increasing the number of base station sites with risk assessment	10,800	14,800	28,000	8,832	10,281	10,920	Positive development
Increasing the number of processes improved as a result of risk assessments at base station sites	14,000	16,000	23,200	12,283	12,873	13,083	Positive development
Increasing the network virtualization rate (%)	51%	58-65%	75%	41%	51%	60%	Positive development

**As part of our manufactured capital, we continue to invest in our infrastructure to add value to the digital journey of our customers and maintain offering one of the fastest 4.5G services in the world by building a strong access network over our rich frequency resources.**

**As the largest data center operator in Turkey, we operate with vision of "Turkey's data should remain in Turkey," and support creation of added value for the national economy by prioritizing domestic products primarily in procuring our network equipment.**

**We have increased focus on our fiber infrastructure investments to deliver fast internet and high service quality to more households . Meanwhile, we comply with regulations and ensure high service quality as an exemplary corporate citizen.**

## Strong infrastructure and superior service quality

With 28 years of experience in the telecom sector, we ensure the delivery of reliable and high speed services to our customers leveraging superior digital competencies, strong financial management. We closely follow technological trends and develop world-class applications to maintain a strong infrastructure and provide superior service quality, which are among the material topics for Turkcell and our stakeholders. In this respect, in addition to our contribution to domestic technological developments, we take our brand beyond the country borders by taking part in international projects.

We are proud to offer our data centers to the neighboring countries as well as Turkey. As Turkey's largest data center operator, we manage our data centers, which are equipped with world-class modern technology, with a focus on supporting domestic technology development, We operate our base stations, the endpoint of our network infrastructure in terms of customer service, based on complying with values which go beyond local and global standards, in line with our emphasis on environmental and public health.

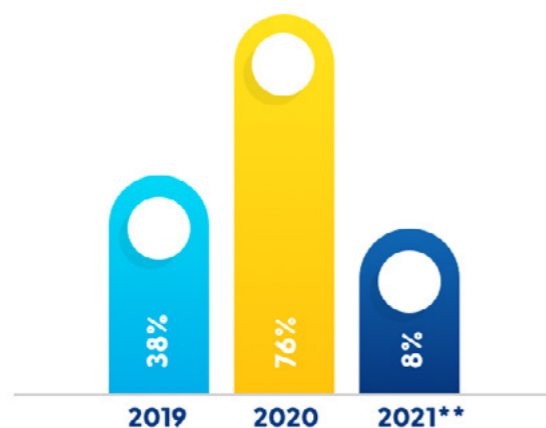
We know that a reliable and fast network with a large coverage is of great importance in delivering a successful customer experience. In this regard, we continuously improve our infrastructure through investments, R&D activities and with our technological solutions. Today's rapid technological developments require organizations to actively follow the latest technological innovations. As Turkcell, we also support our country's digital development by implementing the latest infrastructure solutions and developing domestic technologies. In addition, we increase our revenues with our ever-improving service quality.

With the evolving user needs during and after the pandemic, the demand for quality and fast internet access has increased. We have accelerated our infrastructure investments in order to meet this demand with Turkcell quality and to bring fiber internet access to everywhere in our country. In 2021, we made a significant contribution to the infrastructure of our country by adding 653 thousand homepasses. With our expanding fiber infrastructure, we are increasing the number of fiber-connected base stations and strengthening our mobile network.

In order to better manage the traffic on our network, which grew significantly due to increasing digital needs of our customers during the COVID-19 pandemic, we take measures to increase the efficiency of our network by implementing new technologies and making additional investments. Hence, we ensure the high efficiency without compromising on service quality even during busy periods by maintaining efficient use of network resources.



Network traffic increase (Rate in bandwidth)\*



\*Total data volume: mobile + fixed

\*\*Due to the base impact resulting from 76% increase in traffic in 2020 following the COVID-19 pandemic, the traffic in 2021 increased by 8%.

## Mobile infrastructure

The network structure of our mobile infrastructure is a smart and flexible hardware comprising mainly our base stations.

We carry out activities to improve the coverage area and durability of our base stations and towers, which form the basis of our telecom business, thereby increasing the accessibility of our services.



## Base stations

Having adopted an approach that prioritizes public health, we operate our base stations utilizing the latest technologies and with a focus on complying with national regulations and international standards. We also prioritize preventing visual pollution when locating them.

The base stations in our network are well equipped to demonstrate all capabilities of the technology that we provide to our customers. Meanwhile, we can minimize environmental impacts of our base stations, which can offer multiple technology support (singleRAN), thanks to their more compact size and lower energy consumption.



### Base stations and public health

In order to prevent negative impact on public health, we operate our base stations below the electromagnetic field intensity threshold levels as determined by the Information and Communication Technologies Authority (ICTA), the regulatory body. These thresholds were determined by the ICTA with a prudent approach at lower and safer levels compared to the exposure limits determined by the International Non-Ionizing Radiation Protection Board (ICNIRP) and accepted by the World Health Organization (WHO). As per research in this field, no harm to human health has been identified from radio signals below ICNIRP limits. The threshold levels defined for Turkey by regulation are at 70% of the limits determined by ICNIRP, and at 25% per device. The maximum limits that a base station can be operated at in our country are much lower (approximately 25%) compared to limits set for European Union countries. As we are subject to ICTA and its regulations in terms of installation and inspection of base

stations, information regarding the power specifications, antenna type, location of the station and its surrounding is reported in detail to the ICTA, and base stations can be installed in approved locations. Once a base station is activated, EMR (Electromagnetic Field) measurement is conducted by independent institutions accredited by the ICTA within one week, with the results submitted to the ICTA. Moreover, the ICTA also conducts inspections and measurements on the base stations. As part of the two ICTA criteria that stand out with respect to public health, there should be no living space within the "Safety Distance" determined based on the power output of the base station, while its electromagnetic field intensity, having been configured accordingly, should be within the legal limits. Should any failure to comply with the relevant ICTA criteria be detected, the base stations are dismantled, with significant sanctions or



penalties imposed.

As Turkcell, we care about the impact of our network management operations on public health and implement limits we set for ourselves, in addition to those set by the relevant legal authorities. In 2021, there were no cases that resulted in legal penalties against our Company with regards to the impact on health of our products and services.

We conduct risk assessment tests to ensure the safety of our base stations and our teams working in the field. We aim to minimize risk factors by making improvement actions for areas identified as a result of these assessments.

During our activities carried out at base station sites for installations, it is possible to encounter occupational health and safety

risks in relation to issues including working at height, electrical works, excavation works, and vehicle use. We have working principles and action plans prepared to prevent these risks. Until the end of 2021, 4,735 sites were inspected, risk analysis forms were prepared for 639 sites, and 210 sites were repaired and renewed for a safer working environment. Moreover, by preparing "Network Technologies Geographical Risk Analysis Reports" on a regular basis, we aim to ensure that our base stations operate efficiently, in an environmentally friendly manner and in accordance with health and safety regulations considering the interaction between human, environment and telecommunications.


Global Tower closely monitors the transformation process of the telecommunications infrastructure sector from tower management to infrastructure management throughout the world and plans to introduce new business lines in this sector to its customers. Meanwhile, it is observed that mobile operators in our country have a

positive stance on infrastructure sharing and the consolidation model pioneered by Global Tower in parallel with global developments. With the new regulations to be made in this area, a crucial step would be taken in terms of operational savings and resource efficiency.

## Towers

Global Tower, the leading tower company in Turkey and one of our subsidiaries, operates in four countries.

Providing services to telecom operators, radio-TV broadcasters, internet service providers, energy companies and public institutions in the fields of tower rental, tower build-and-sell, tower maintenance and contract management, Global Tower has also started to provide its customers satellite communication services with end-to-end solution concepts. Global Tower provides closed-circuit satellite services at over two thousand points over its own infrastructure with geographic redundancy, and aims to increase its product range and service diversity by following satellite sector trends.

 Global Tower has a portfolio of 11,060 towers as of the end of 2021 and the portfolio distribution is as follows;

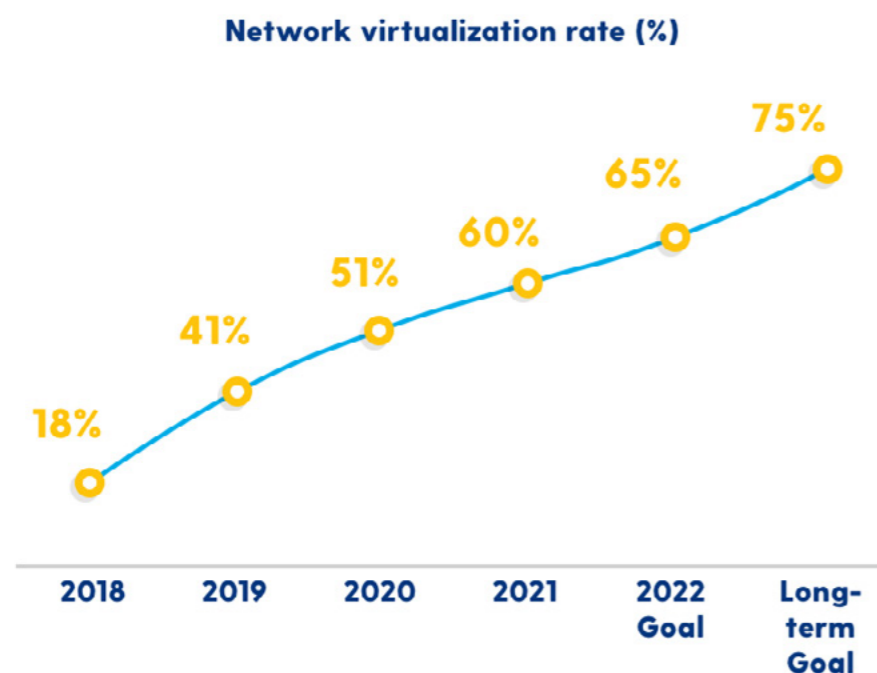
- Turkey: 8,962 (owned: 4,537, right of use: 2,235, contract management: 2,190)
- Ukraine: 1,149 (owned)
- Belarus: 834 (right of use)
- TRNC: 115 (right of use)



## Telco Cloud

We have virtualized 60% of our mobile and fixed core network infrastructure to date.

On the back of virtualization, we integrate infrastructures for network applications and achieve CAPEX and OPEX efficiency through horizontal and vertical architectures. Along with savings on investment, we have been able to deliver services faster using similar hardware and infrastructures for virtualized services and solutions. Upon migration of our core network infrastructure for mobile internet and HD voice services over 4.5G to the virtual network, we continued growing our Telco Cloud in 2021 through capacity increases. We make all our mobile core network investments on our Telco Cloud infrastructure.



## VoiceX Program

In 2021, we reached a much higher network capacity along with the technological transformation in our 4.5G HD Voice network with the completion of efforts related to the VoiceX program which we started in 2020.

*We increased our HD Voice network capacity to two and a half times in terms of number of subscribers and quadrupled it in call capacity per subscriber. Therefore we are able to provide our services with a significantly higher capacity in instances of higher communication need resulting in intensive traffic on our network, such as natural disasters, special days, or a pandemic.*



We designed and developed the 4.5G HD Voice network infrastructure fully on the Turkcell Telco Cloud as part of the VoiceX program. This architecture enables higher flexibility in capacity and service management. Additionally, we have been able to implement capacity increases in our HD Voice network with high investment efficiency through the Turkcell Telco Cloud in line with our network virtualization strategy.

Central management and orchestration are becoming increasingly important with greater system diversity and volumes in NFVI (Network Function Virtualization Infrastructure) infrastructure. In order to meet the rising communication needs of our customers on a timely and seamless basis, we utilize central MANO (MANagement and Orchestration) solution, which enables us to manage core network system life cycles with a faster and more flexible approach. Monitoring KPIs related to the architectural components of the virtual infrastructure

and the ability to implement root cause analysis regarding the relationship between these components are crucial in sustaining the quality of network services offered to our customers. In this context, we continue integrating the new network products and services we have installed on the Telco Cloud into our NFVI Service Assurance infrastructure to manage customer experience more effectively through the virtual infrastructure.

## IPv6 Transformation

The number of devices requiring internet connection is increasing continuously across the world, and such devices are getting highly diverse.

Accordingly, the quantity of IPv4 addresses required by such devices to communicate on the internet is also rising. Given this pace, it is foreseen that the IPv4 address repository designed with the invention of the internet will fail to meet newly emerging needs.

In order to solve this issue, we have completed IPv6 analyses and accelerated testing and pilot implementations as part of our powerful and sustainable network initiative. With the transformation of the network, we aim to improve customer experience further through advanced security and service quality provided by IPv6 as well as meeting the IP address requirement more efficiently.

## Service Operations Center (SOC)

Turkcell's Service Operations Center actively conducts analysis and carries out operational activities 24/7 to keep infrastructure and service continuity at the highest level.

In order to maintain the highest level of service quality for the customer, we consider it critically important to detect potential failures in the network and services before they occur, take proactive steps, and provide permanent solutions by taking preventive actions.

While the significance of instant responses and fail-safe operations increases on a daily basis to ensure service continuity, the need for human resources also intensifies across our rapidly growing and complex network, which accommodates an increasing number of managed equipment and services. Zero Touch transformation, which will enable the full and end-to-end automation of the network and service management, has turned into a critical requirement to provide services rapidly and ensure the economic sustainability of diverse services delivered by digital services providers.

```

each: function(a, t, n) {
  var r, i = 0,
      o = a.length,
      u = M(e);
  if (n) {
    if (a) {
      for (; o > i; i++)
        if (r = t.apply(e[i], n), r === !1) break
    } else
      for (i in a)
        if (r = t.apply(e[i], n), r === !1) break
    } else if (a) {
      for (; o > i; i++)
        if (r = t.call(e[i], i, e[i]), r === !1) break
    } else
      for (i in e)

```

In 2020, as a result of the digitalization efforts we initiated in the past years, we substantially automated service monitoring and failure notification activities carried out for the access network. In 2021, we extended our activities as part of Zero Touch, which is among the focus areas of Network Technologies, by incorporating other network operation processes. Organizing hackathon events to spread the use of automation technologies in network operation, we increase operational efficiency through

implemented solutions and help disseminate this culture as well. Additionally, we aim to contribute to process of establishing the standards by taking part in international platforms and be one of the first operators achieving the "Zero Touch" transformation across the network. As part of this effort, we have participated in the ETSI (European Telecommunications Standards Institute) ZSM (Zero Touch Network and Service Management) group.

## Investing in domestic equipment

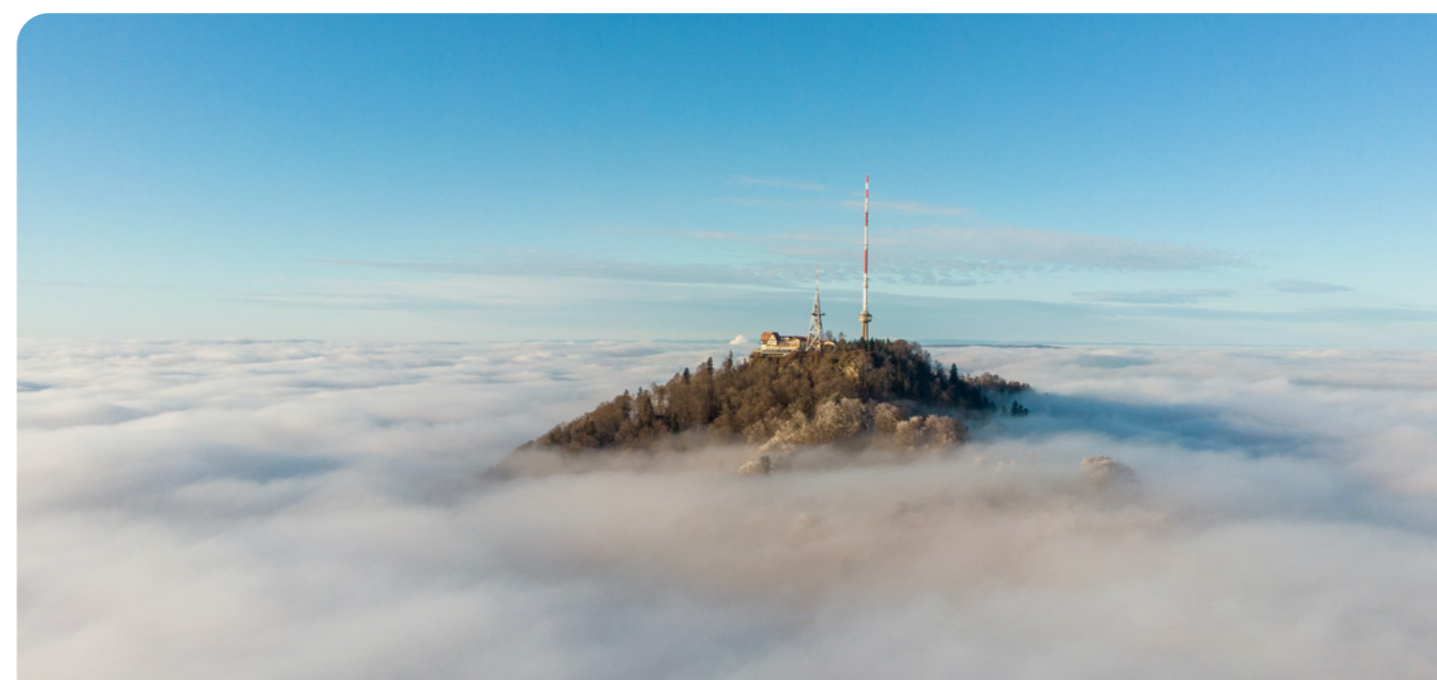
In line with our mission to create value for our country, we support the technological development and digitalization process of Turkey with our efforts on developing domestic technology and equipment.

By adapting innovative and latest technologies, which provide efficiency in our infrastructure, we make a difference in the market.

The obligation to use domestic products as part of 4.5G license is expected to be incorporated in the 5G auction, which is to take place in the near future. Meanwhile, the fact that the domestic product ecosystem has not been fully developed in our country results in operators failing to fill the quotas set in licenses and result in certain contractual penalties.

SDG 9.B

SDG 17.16



We have started using domestic antennas and domestic 4.5G base station products engineered by Aselsan and ULAK for which we provided specialized support from design phase to site tests. Moreover, as part of the process for developing domestic and national 5G technology, we give support to ULAK Haberleşme A.Ş. and HTK (Communication Technologies Cluster), which carry out activities in development and production in relation to this technology. We participate in the domestic 5G product development efforts continuing as part of the End-to-End Local and National Communication Network (UUYM5G) Project, with an extensive project team of Turkcell. We contribute to the efforts by sharing our laboratory and test equipment, as well as our expertise in 5G, in all domestic and national projects. Our product groups,

which are developed as part of the project, include 5G New Radio, Core Network, OSS, NFV, and Radiolink. With these projects, we believe that we are the operator that provides the most support to domestic and national activities in this field in Turkey. During busy usage periods, the new generation Converged Transport Network architecture, developed by Turkcell engineers in accordance with our customers' needs, enables us to manage data traffic in mobile and fixed networks from a single channel. Therefore, we continue to provide our customers with high-quality and fastest services. Converged Transport Network architecture, which is part of the preparation process for the 5G, enables the use of new generation technologies.

## Strong fiber infrastructure

By delivering rapid, high quality and comprehensive services to our customers, we maintain efforts to facilitate access to the internet, which has become one of basic needs.

Turkcell's fiber backbone is now available in all 81 cities of Turkey, however, it is our aim to take real fiber internet to the homes of our customers having initiated a fiber initiative. Accordingly, we expanded our fiber infrastructure by adding 653 thousand homepasses in 2021.

SDG 11.A



We managed to deliver fiber internet service to the homes in 28 cities with our investments and carry on with efforts to expand our coverage. We are aware of the substantially increasing need for internet and access to information due to the pandemic and our responsibility in this area and we continue our investments at a great pace. We develop our fiber internet infrastructure, high speed internet offerings and new technological solutions. As Turkcell, we provide fiber to the home access to households at speeds of up to 10 Gbps via globally accepted G-PON/XGS-PON technology. This value is an upper limit and may vary depending on variables such as tariff type, fiber Internet usage density, and the maximum speed the modem can support. While the average fixed internet speed in Turkey is around 28 Mbit, we provide faster internet connection to our customers with our strong and expanding infrastructure. In 2021, the number of our customers who are subscribed to fiber packages over 100 Mbps has more than tripled compared to the previous year.

As the first operator to launch the SD-WAN service, we offered it to our corporate customers. We provided security and access services simultaneously as a single service. We created solutions to reduce costs, while increasing production capacities. We leverage our services such as Enterprise Wi-Fi as part of managed services to address the changing needs of corporate and wholesale customers. We continue to offer newest technologies such as our Wi-Fi service, SMS integration, logging, and Wi-Fi 6. While we continue to expand our fiber infrastructure, we also offer high quality internet service over our mobile network with our Superbox solution which was developed to bring fiber speed internet access with the Turkcell quality to locations without fiber access. We serve more than 600 thousand users with our Superbox product, which provides same day installation service to our customers.

SDG 9.B





## Strong spectrum

With the frequency that has the largest spectrum, Turkcell has the largest license allocation that can be used in mobile communications services in Turkey. With this spectrum of frequencies, which is 34% and 68% broader than that of other operators, our customers take the advantage of the highest quality of services.

Transformation of technologies used in the telecom industry as a result of rapid technological growth, high cost of infrastructure investments, and the need to make maximum use of long economic lives require us to build a technology agnostic spectrum infrastructure which could be adapted to developments in the technology.

*You may find detailed information on 5G trends that will lead to changes and developments in the telecom sector and many other business areas in the Trends section.*

Leveraging our broad spectrum, we aim to maintain the high service quality, as proven by the maximum 1.6\* Gbps speed that we offer with 4.5G technology, with 5G technology which is expected to be introduced in the upcoming periods.



## Refarming

We aim to increase the spectrum resources to be used in 4.5G technology due to increasing 4.5G data traffic. We will plan and implement activities in relation to frequency transformation and inter-technology refarming that will enable spectrum efficiency.

We have increased significantly the resource allocated to 4.5G technology as part of city-based implementations, prioritizing metropolitan cities. In this regard, we created additional network capacity to meet increasing data usage particularly during the pandemic, while increasing customer experience.



\* This value is an upper limit and represents theoretical peak values. The speed that the customer can receive may vary depending on the maximum speed that the terminal can support, its location and distance from the base station, the configuration of the base station, the instant traffic density in the network and the number of subscribers currently receiving service from the field.



## High speed, high quality and inclusive services; access to information and Internet for everyone

We continue to invest in and improve our networks and infrastructure to provide faster, more inclusive, and higher quality services to our customers.

We maintain our high network availability via our data accessibility rate of 99.971% calculated over traffic loss in our mobile network, and our low interruption rate of 0.246% in mobile voice calls.

**We have reduced our carbon emissions by generating 8.6 MWh of electricity with 5 solar panels that we added in 2021 to our 10 portable solar fields established in 2019 and 2020 as part of our Portable Solar Field project.**



Realizing diverse projects in the international arena as well, we, as Turkcell, increased the number of our 5G projects which received a grant under the European Union Horizon 2020 R&D program to five and conducted these projects also in 2021. These projects aim to implement next generation network technologies and innovations for 5G vertical industries. We thus help promote the market recognition of Turkcell and Turkey in 5G and unlock different collaboration opportunities. In addition to our R&D projects, we continue activities to set and test 5G standards on international platforms. As Turkcell, we successfully lead the 5G project in the NGMN (Next Generation Mobile Networks) the members of which consist of operators serving more than 60% of mobile phone users over the world with more than 200 networks. As part of the 5G project which lasted 4 years, we completed tests for

the next generation 5G Core Network architecture which will deliver an augmented 5G experience. A detailed test report of successful results of the process were shared on the NGMN website in April. While we continue to develop latest 5G technologies, we also offer this service to our customers. Turkcell customers have the privilege to experience 5G in 38 countries including Germany, Belgium, People's Republic of China, Italy, Romania and Thailand. In order to experience 5G in these countries, our customers are required to have a 5G phone and 4.5G SIM Card and to send an SMS asking to use 5G. Turkcell customers do not incur additional cost as they continue to be charged with their roaming packages and tariffs.



## International sale and wholesale

We lead the transformation of the telecommunications sector in Turkey and support its development through the business partnerships we establish with international and national operators in international roaming, interconnection, wholesale voice, wholesale data, tower and digital services.



## Turkey, the main Internet route

We have been working to position Turkey as the main internet route and Istanbul as the center of the internet with our vision to make the Silk Road a fiber path since 2008.

As a result of these efforts, we have become the most important capacity and internet provider for many neighboring countries. Through collaborations with leading global operators, we have served as a bridge to provide our wholesale customers with uninterrupted Internet access from East to West, at the speed of light.



## Istanbul: the traffic exchange hub of the region

As part of our wholesale data services, our international carrying capacity exceeded 15 Tbps.

We have cooperated with the world's largest global traffic exchange platforms and played a major role in their decision to enter the Turkish market. Thus, we have taken another crucial step in transforming Istanbul into the traffic exchange hub of the region. We have also played a significant role in encouraging content providers to offer their services from Istanbul.



## Digital export

We made an RTA agreement with BTL in Belize for additional license sale for RTA for Digicell in 2021.

We will continue to expand our digital service and technology solutions by establishing strong collaborations worldwide.



## Data centers

As Turkey's largest data center operator, we sustain our leading position in accordance with our vision that Turkey's data should remain in Turkey. We reinforced our leadership by launching "Europe Data Center".

We have 40 thousand square meter white space in our 8 data centers, 4 being new generation. As the leader of digital transformation in Turkey, we provide hosting, cloud services and create cost advantage and increased operational efficiency for more than 3,000 corporate customers. By providing 24/7 uninterrupted service we enable business continuity and expert Turkcell engineers provide remote assistance and solve problems swiftly in extraordinary circumstances.



We prioritize cybersecurity in our data centers and offer solutions through locally developed technologies.



Our data center in Ankara, the largest in Turkey with 12 thousand m<sup>2</sup> of white space, and our data centers in Izmir, Gebze, and Çorlu, which became operational in 2021, have been built with resistance to earthquakes up to magnitude of 9 and have systems rooms that can withstand fire for 120 minutes. In our data centers, we carry out various activities to establish and spread environmentally-friendly practices. Roof type solar panels are installed at the Ankara and Çorlu Data Center to produce approximately 700 thousand kWh of electricity annually and to meet our data centers energy consumption. With our LEED (Leadership in Energy and Environmental Design) Gold certified data centers, we aim to set a pioneering example not only in terms of the technology itself, but also of our impact on the environment.

SDG 7.2

SDG 9.1

SDG 9.4

SDG 13.1

Our Ankara and Gebze data centers were awarded the Operational Sustainability Gold certificate, valid for 3 years, by the Uptime Institute, which inspects data centers at the international level.

Furthermore, we attach utmost importance to the use of domestically manufactured products in the construction process of our data centers and increase our domestic product rate with data centers we have built. Accordingly, we increased the ratio of domestic products used in our Europe Data Center, which opened in 2021, to 75%.

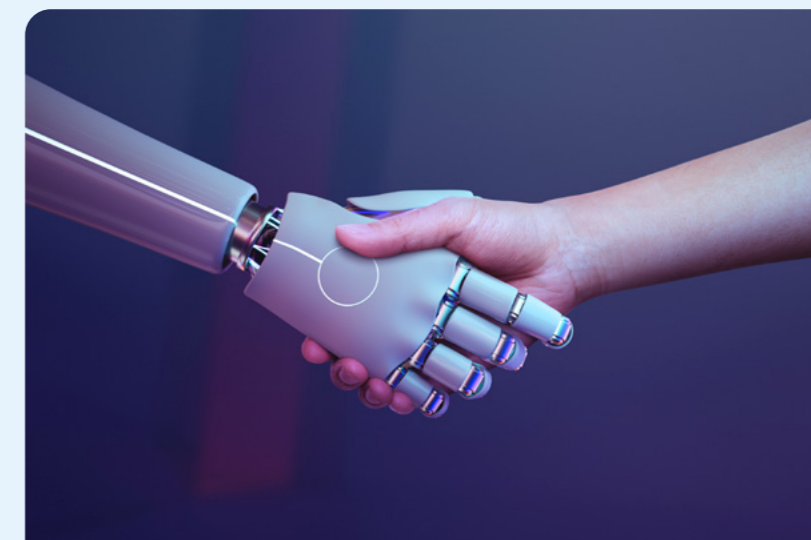
Data Center	Domestic product usage rate
Gebze Data Center	35%
İzmir Data Center	50%
Ankara Data Center	65%
Avrupa Data Center	75%



## The interaction of our manufactured capital with our other capitals

Our manufactured capital provides technical infrastructure, operability and speed for all our services and products. Although our infrastructure and data centers create negative value due to energy consumption via our natural capital, we actively conduct efficiency and saving activities to reduce such impact.

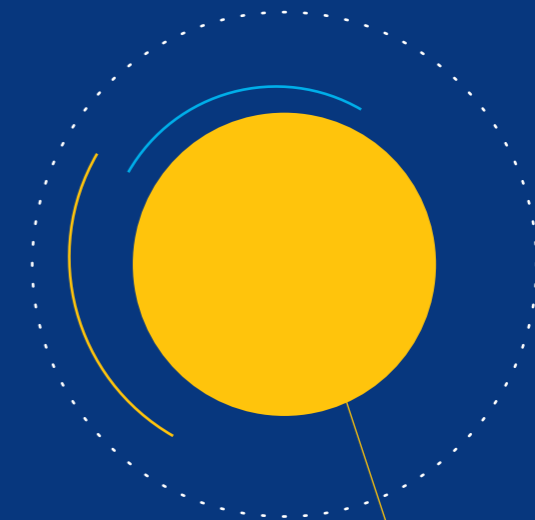
We pay utmost attention to public health via our ERM practices at our base stations, which are much stricter than stipulated by operative regulations and standards, thereby contributing to our social values and relations. We strengthen our intellectual capital with the solutions we create as a result of our R&D activities. We also strengthen our financial capital with the economic value we create.





# Intellectual capital

- Innovation and entrepreneurship
- Digital services and solutions
- Digital Business Services
- Brand and responsibility







# Intellectual capital

## Inputs

### Patents and R&D activities

- University and start-up collaborations: Our facilitating role in private sector collaborations
- National and international supported projects: Active participation in R&D programs
- Intellectual and industrial property rights: Our Intellectual and industrial rights management
- Technical and academic publications

### Entrepreneurship ecosystem, start-up and university collaborations

- Techno-park visits: Our close relations with entrepreneurship ecosystem
- Corporate entrepreneurship programs: Our transformation programs to corporate entrepreneurs

### Services and applications we developed

- Our individual and corporate digital products and services: Digital services and digital business services
- Techfin: Our technology ecosystem for financial services
- Developing artificial intelligence products internally and externally at Turkcell: AI technologies we have developed

### AI and blockchain applications

- AI Principles: Our AI approach
- AI based products and services: Services we offer on the AI platform
- Blockchain applications: Our Blockchain solutions

### Being a strong brand

- Strong brand in its sector

### Cyber security services

- MSS Managed Security Services: Customized security services
- Cyber Defence Center: Cyber security applications
- Offensive security: Security test and assessments
- Our cybersecurity infrastructures and technologies

### Company policies

### Sectoral regulations

### Digital infrastructure activities

## Outputs (KPIs)

**31%**  
digital services standalone revenue growth

**1,216**  
R&D employees

**565**  
patent applications

**11**  
incubator collaborations

**more than 90 million**  
BiP total downloads

**9**  
hospitals provided with technological infrastructure

**10**  
applications to TUBITAK supported projects

**100%**  
renewable energy consumption (YEK-G)

## Value created

### Improving the innovation and entrepreneurship ecosystem through Turkcell experience

- Adding innovative perspectives to our current solutions through university and start-up collaborations
- Contribution to domestic technology development

### Being operator at the global scale through a digital operator vision

### Making life easier by developing inclusive and value creating products and services

- Contribution to Turkey's digital transformation and national economy through Togg project
- Creating value-add through services using big data analytics

### Understanding the customer better through data analytics competence

### Reducing cyber security risks, meeting the cyber security needs of customers

### Ensuring ethical and equal business processes

### Value Created through Use of open-source coding

### Creating employment opportunities for Turkish/ Local engineers

## SDG



*We transform our corporate culture with value creating and innovative solutions developed by our R&D workforce of 1,216 employees and aim for adoption of these solutions by our stakeholders.*

We believe that an innovative business culture based on strong performance in systems, processes and technology is essential for our strategic initiatives and business model to achieve the most efficient and effective results.

Our intellectual capital is based on various fields such as innovation, entrepreneurship, brand power, responsibility, products and services, which reflect Turkcell's unique expertise and knowledge. It also is one of the driving forces of sustainable growth that differentiates Turkcell. Combining our superior digital competencies and analytical capabilities with new technological developments such as IoT, artificial intelligence and blockchain, we improve our products and services. Thanks to our services developed and improved by Turkcell engineers, we produce solutions that meet the needs and demands of our customers. We offer our products to the right customer at the right time and at the right price, leveraging both our strong bond with them and our advanced analytical skills, which are among our core competencies. On the back of our big data analytics applications, we are able to provide customized offers to more than 39 million customers.

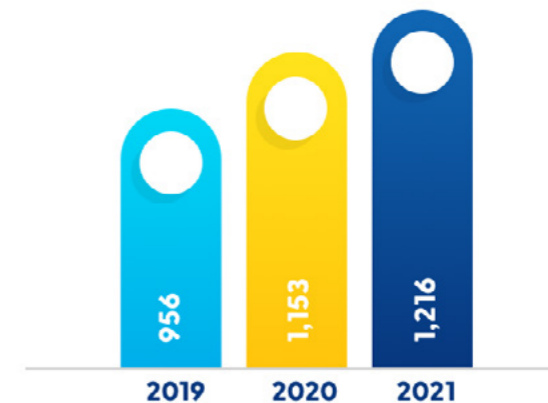
## Innovation and entrepreneurship

Through our subsidiary Turkcell Technology, we have one of the largest R&D organizations, with 1,216 R&D employees as of 2021.

We continue to offer innovative solutions in national and international markets by developing new technologies. In addition to being a technology-oriented network provider, we are also making progress towards becoming a service-oriented experience provider. In this context, we carry out joint R&D programs and issue academic publications with universities, and engage in incubation collaborations with technopark companies. Moreover, we participate in nationally and internationally supported projects, contribute to technical publications and conduct training and conference activities that enable knowledge transfer.

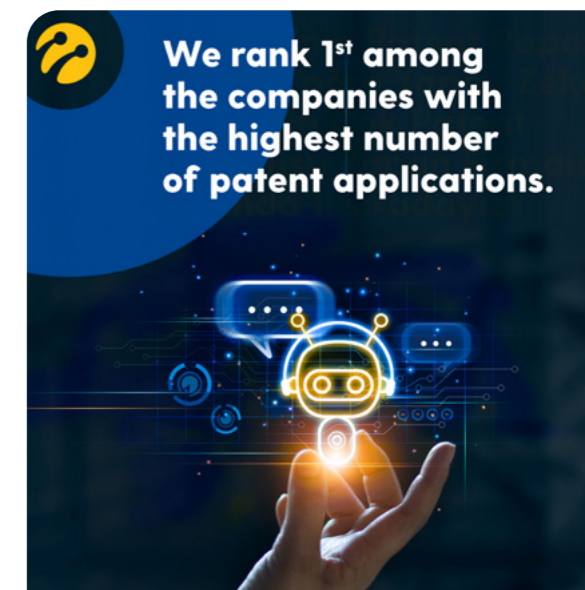


Number of R&D employees



As Turkcell, in line with our strategy of expanding the presence and scope of our products and services in international markets, we aim to develop our new digital and ICT services on a global scale based on the latest technologies, market needs, and expand footprint to different regions.

By preparing our patent applications for the products and services that we develop, and reviewing the patents applied and registered by technology companies in the field in which we operate, we obtain information on competition and trends. In our patent application processes, we continue to exchange our experience with universities, startups, SMEs, business partners, and the entire ecosystem.



	2019	2020	2021
Total number of national patent registrations	521	699	800+
Number of national patent applications	511	557	565

Turkcell Teknoloji has a leading position in its sector in Turkey with 3,239 national patent applications, 192 international patent applications and over 800 registered patents completed since 2007. As Turkcell, we came out top in Turkey among companies

with the highest number of national patent applications in the Patent League with 557 national applications in 2020. Within Turkcell Group, we support evaluation processes for registered utility models and patents. We continue to gain experience with

these activities, in relation to the calculation methods of cost efficiencies enabled by technical solutions of these patents. In order to support the initiative of creating Standard-Based Patents as part of our technological transformation goal, we play an active role in TÜSİAD Technological Standards and Standard-Based Patents Task Force. We are a board member of ITEA4 (International Technology Education Association) and CELTIC-NEXT communities within EUREKA (The European Audiovisual Observatory) to enable the firms and SMEs in our ecosystem to participate in international platforms. In projects that we participate

under the EUREKA umbrella, funding support is assessed by authorities of TÜBİTAK-TEYDEB (the Scientific and Technological Research Council of Turkey – Directorate of Technology and Innovation Support Programs). In recent years, we have successfully increased the number of project applications as part of the Horizon EUROPE main program and subprogram that derive direct and large grant support from the European Commission, on platforms offering a more competitive and selective environment for proposing project ideas.

	2019	2020	2021
TUBITAK supported project applications	17	13	10
HORIZON project applications	10	15	9

With the guidance of the Ministry of Industry and Technology, we follow university and startup collaboration opportunities to expand Turkey's R&D ecosystem, support startups and eventually increase the weight of domestic products and services. We provide technological support to startup companies and increase their communication and recognition by including them in the European Union projects that we are involved in. As an example of our collaboration with startup companies, in 2021, we continue

to work with a technopark company to transfer real-time water analysis over NBloT based communication modules This project enables remote analysis of drinking water resources in the event of a disaster or refugee influx. By integrating our 5G competencies to the hardware production capabilities of the startup company, we started to obtain prototypes of the work for this innovative and national product. We carry on our efforts around measuring the rate of sulphate in soil, a key parameter for soil fertility in particular.

	2019	2020	2021
University collaborations supported by TÜBİTAK	4	5	5
Incubator collaborations	9	10	11

Our human capital lies at the heart of our R&D and innovation strategies. In this respect, we provide academic development opportunities to Turkcell Technology researchers. Our postgraduate and doctorate programs, designed to improve the technical knowledge of our employees in accordance with the qualifications required by our sector,

are ongoing since 2014 with a rapidly growing curriculum. In the meantime, in accordance with our vision of leading the production of new technologies, we contributed to the expansion of technology studies by issuing 24 academic and 105 technical publications on national and international platforms in 2021.

## Value created through the use of open-source

The use of open source software is one of Turkcell's focal points both from a user and developer perspective. Open-source software is utilized to solve various problems in software architecture.

We prefer using open-source software as the building block of high-volume infrastructure applications such as ONEDESK, ULTIA, ONENT, YAP, PARS, which have been developed under the Turkcell GENS directorate. In this respect, in addition to creating value in terms of license management and cost initiatives, we support the future of the software world contributing to the development of high-quality secure software without any provider restrictions. In addition to the transfer of open source software used within Turkcell among teams and sharing of "know-how" thanks to the "Open Source Guild" we have created in Turkcell, we can make certain internally-developed added value codes available for external developers through "Jedi-Contributors" page we have built on "Github". This allows us to improve the motivation and market recognition of developers in Turkcell and help Turkcell become one of the leading companies in the realm of technology.





## Digital services and solutions

While offering a richer value proposition to the lives of our users with our digital services and solutions, we keep on developing our portfolio by consistently and dynamically updating our products to address changing user needs.

All services we create call for diverse technical infrastructures, capabilities and specializations. We offer not only communication services, but also produce and develop digital services. Based on this strategy, we have developed a wide range of digital services domestically thanks to the more than 1,000 engineers working for our Company. By establishing separate companies for some of these services, we have taken an important step towards their global competitive positioning. BiP, lifebox, TV + and fizy brands, which aim to stand out in the global competitive arena, are positioned as separate companies. As part of this structure, these brands conduct their activities faster, stronger, and with a greater focus within their own organizational structures.

*In 2021, we increased our digital services standalone revenues by 31%.*



We continue to lead the digital transformation need of society thanks to dozens of services including video conferencing, email services, instant messaging, TV, digital broadcasting, cloud storage, digital authentication, game services, and music platform, which have been developed by Turkish engineers and software developers. To make this digital transformation accessible, we use our advanced analytical capabilities, and position the right service for the right customer, thereby enhancing customer experience. Furthermore, we aim to contribute to localization in technology by developing these solutions. We design global brands and technologies, which we digitally export to the world while contributing to our country's economy with self-sufficient technology solutions. Making these services, which create considerable employment for Turkish engineers, world-class brands and thus generating globally beneficial outputs through this achievement are among our major priorities. We consider it our primary goal to make a positive contribution to the national economy and reputation of our country by creating economic value through national security, data ownership, and by making use of our own data.



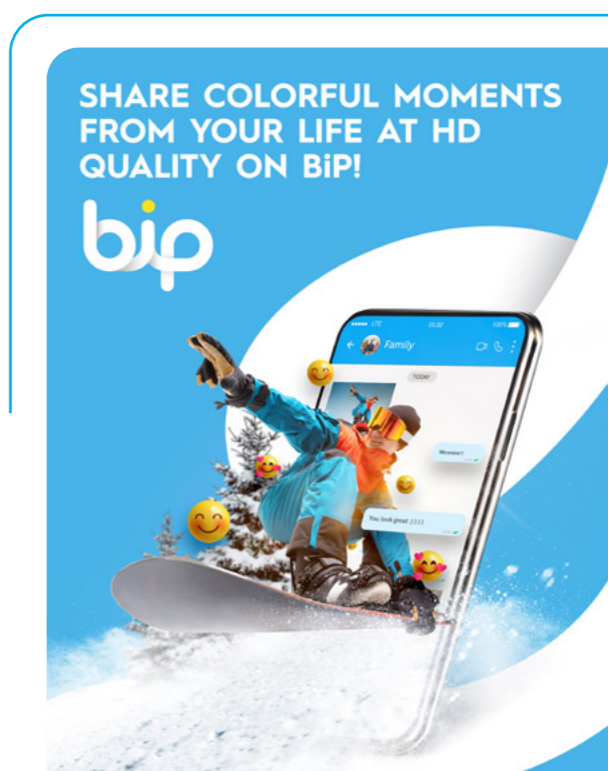
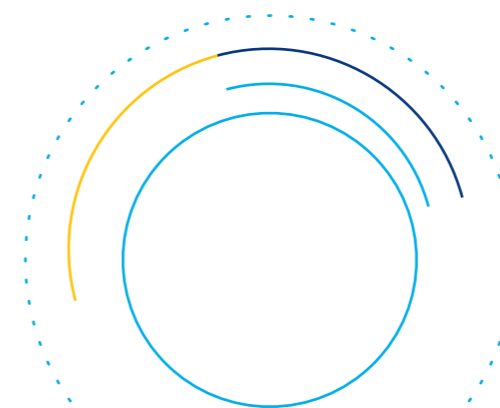
## Communication without Boundaries: BiP

BiP has approximately been downloaded over 90 million times and used in 192 countries since its launch. Applications dictating sharing of personal data with third parties as of January increased concerns of personal data security, and the fact that this was coerced and imposed only in certain countries was noteworthy. As a result of this imposition, users started looking for alternative transparent and secure communication platforms.

BiP was particularly popular during this process, both in Turkey and abroad, with its transparent privacy policy, secure technology, competitively superior features, and the experience it offers.

In January and February, the application ranked 1<sup>st</sup> in 12 countries among the most downloaded applications in Android and iOS application stores for a long time and was one of the top 3 most popular applications in 19 countries. BiP became far and away the best application among rivals by getting a distinctively high score from users indicated by a satisfaction score of 4.6 on AppStore and 4.5 on Google Play. We had over 20 million new users from many countries across the world, mainly including Indonesia, Bangladesh, India, Pakistan, Malaysia, Jamaica, Haiti, the Caribbean, Central America, and Asia-Pacific.

BiP, which enables uninterrupted communication for Turkcell, Türk Telekom, and Vodafone Pass users in Turkey without using their internet package, is preferred by millions across the globe and allows users to communicate seamlessly thanks to its superior technology. BiP differentiates itself from the global competition with features such as unsaved messaging, voice and video call up to 15 people, status, group and chat transfer, emergency button, fast and secure money transfer as fast as sending a message, and instant translation.



## BiP Personal Data and Security Sensitivity

### BiP is Secure, No One Can Access Your Data

With BiP, messages are securely transmitted between devices and servers using TLS encryption up to international standards. No third party can intercept, access or read messages. BiP only retrieves and processes data necessary to provide services to users with permission from them. And does not require users to share personal data with

third parties for marketing purposes. BiP does not resort to discrimination or imposition thanks to a transparent and intelligible user agreement and privacy policy. User data is retained in encrypted form in data centers in Turkey certified as per international standards and never taken abroad.

## Secure and uninterrupted video conference experience: BiP Meet

Through the BiP Meet platform, we enable users to communicate with anywhere in the world anytime over a strong infrastructure with ease of use, while keeping all data in Turkey. With BiP Meet, our users can organize meetings through desktop and BiP Meet mobile application as well as via web browsers.

With a free BiP Meet subscription, our users can hold 50 1-hour meetings a month, and unlimited number of meetings with the purchase of a private room address. Lobby and meeting password features ensure meeting security and prevent uninvited people from attending meetings. While the recorder feature allows for recording meetings, meeting records can be downloaded to devices.

BiP Meet also provides a corporate solution with its easy-to-use and simple design, ability to retain data in data centers in Turkey, and proprietary domain name for corporations. Developed to address the needs of sectors such as education, public and healthcare, BiP Meet can meet remote call needs of enterprises of all sizes.

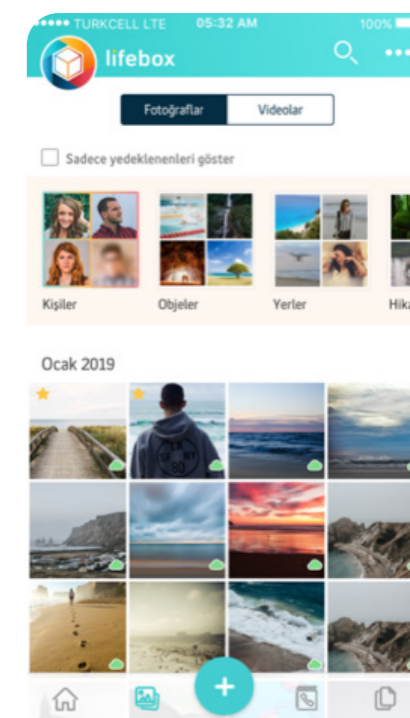


## The best thing that can happen to a phone: lifebox

lifebox, which allows users to securely store and share photos, videos, music and documents, offers a secure and easy platform to store memories, while also offering a social experience. Our personal smart cloud storage service lifebox, on which billions of images have been uploaded to date, appeals to users not only in Turkey, but all around the world.

With functions beyond storage, lifebox stands out for its feature of automatically creating stories among the photos it chooses, as well as recognizing faces and objects, while also ensuring that contact information is not lost in any adverse situation via secure contacts backup. Documents archived in various categories may be securely accessed by using fingerprint, face recognition or password and images in lifebox can be categorized separately based on person, object, date, and location criteria.

lifebox, which offers experiences that make the lives of our users easier, reached more than 1 million active users with its successful performance in 2021. With lifebox Transfer, we aim to offer a convenient and free-of-charge experience of fast file sharing without need for membership, while storing all respective data in Turkey.



	2019	2020	2021
Number of files backed-up via lifebox (billion)	6.4	8.1	11.1
Number of new users who backed-up their contacts via lifebox (million)	2.7	3.3	4.3
Number of users who uploaded file to lifebox (million)	4.3	5.4	5.9

You may access the products, services, and detailed information we offer within the scope of lifebox on [www.mylifebox.com](http://www.mylifebox.com) and [www.lifeboxtransfer.com](http://www.lifeboxtransfer.com).

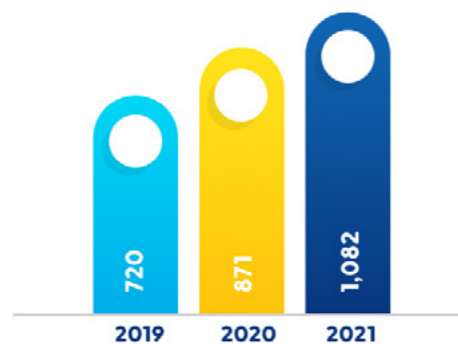
## TV joy is everywhere: TV+

TV+, both a first and unique service in terms of the TV watching experience in Turkey, is a groundbreaking television platform changing the dynamics of the TV world. TV+ continues to play an important role in the digitalization of user experience by enabling its users to access series, movies, documentaries, sports, children's programs and other TV content, whenever and wherever they like.

In addition to TV+'s rich content and premium technical features providing ease of use, we started offering a tele viewing experience through large screen in order to better meet changes in usage habits. With the Web and Smart TV applications we have launched this year, users can access the world's leading football leagues such as the Bundesliga and Premier League, and other sports content such as NBA and Formula 1, as well as documentaries and thousands of applications simultaneously on big screens. In 2021, we reached over 1 million subscribers with IPTV service of TV+.



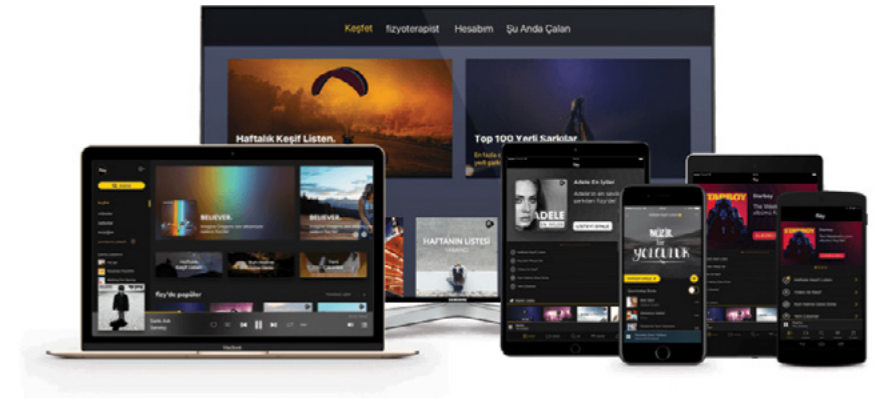
Number of IPTV users (thousand)



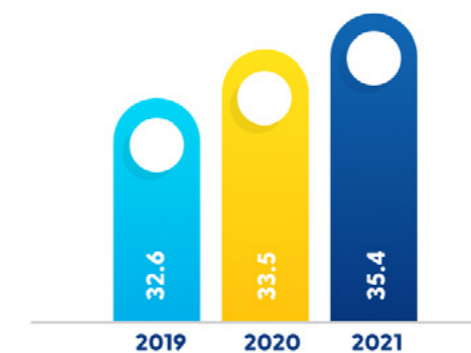
## Turkey's digital music platform: fizy

fizy, one of the most popular and preferred music platforms in Turkey, now delivers a more customized music experience to its customers with recommendation lists along with a richer content archive. In addition to enjoying an ad-free music experience and high-quality sound, fizy Premium users can view song lyrics and listen to content offline.

In addition to Premium, our customers can enjoy music free of charge with our model with advertising. As a differentiation point from competitor applications, users can benefit from advantageous discount offers thanks to brand collaborations and customer campaigns exclusive to fizy. In 2021, couples and families took the advantage of fizy with Duo and Family subscriptions launched specifically for them.



Number of fizy contents (million)



*In addition to our 4 brands, for which separate companies were established, Yaani, YaaniMail and Dergilik have also been among our users' favorite applications.*

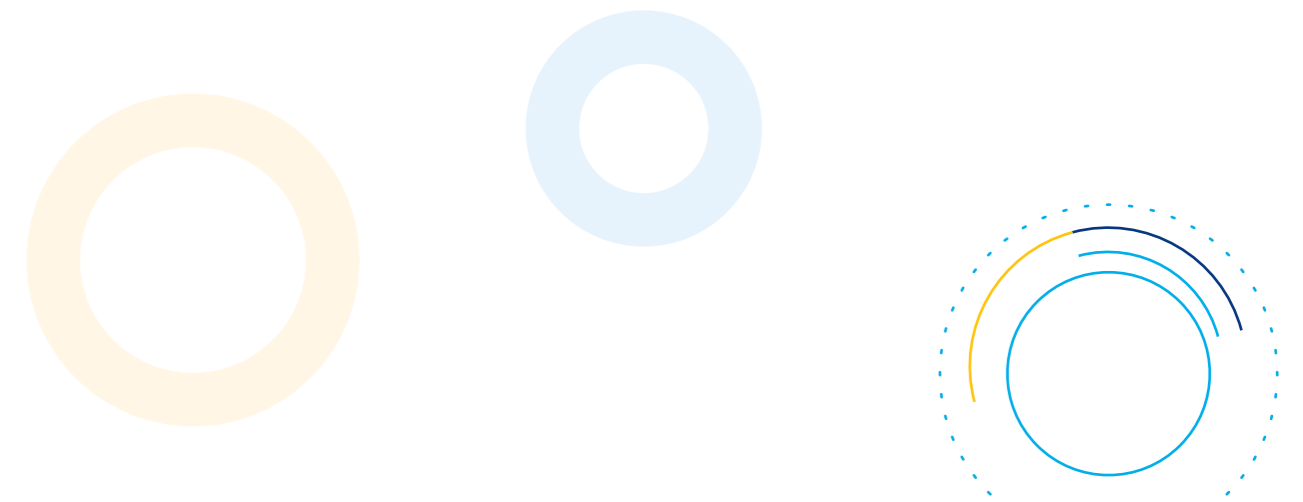
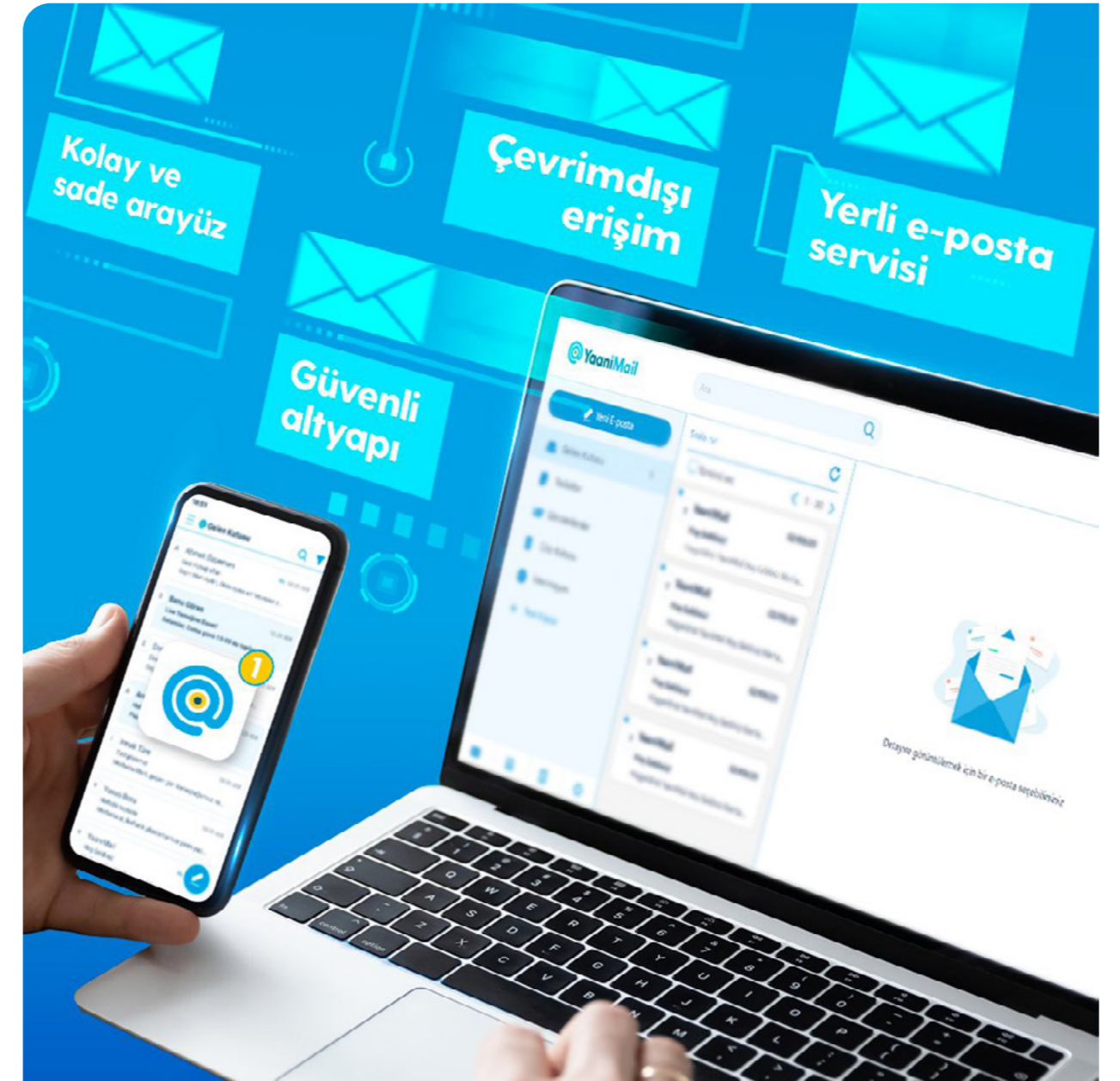
Yaani stands out with its features of understanding the Turkish language very well, showing the most appropriate results for the searched content and providing Turkcell subscribers with a search experience of rich data sources. It makes a difference by showing the closest location to the user in location-based searches.

## E-mail Service: YaaniMail

Launched for individual use in 2020 and developed by Turkcell R&D engineers, e-mail service YaaniMail has been providing the most secure mail service for organizations as well as individuals since early 2021.

Offering free mail service for individual subscribers with extension of "@yaani.com", the platform provides a powerful alternative to global competitors. YaaniMail Business delivers setup services via cloud or onsite as demanded by organizations. Corporate customers of the platform, which serves users with advanced security measures, can use their own domain names.

Thanks to this service available through iOS, Android, Web and Corporate Management Panel applications and suitable for corporate or private requirements, features including calendar, contacts, and task can be easily used. Storing e-mails in encrypted form and providing systemic protection with firewalls and a cyberattack center, YaaniMail offers its users internet address, device or account based smart security measures. This allows users to use e-mail free of any security concern. Standing out with its user-friendly access offering and simple design, YaaniMail delivers tools most needed by corporate customers such as filtering, legal text, waiver, signature in a reliable, simple way and free of charge. As it operates compatibly with many e-mail platforms, users can easily shift to YaaniMail service. Made available for corporate use at the beginning of 2021, YaaniMail today caters to over 1,000 organizations. As to individual users, we have reached some 1.5 million users.



## Dergilik

Dergilik, where hundreds of newspapers and magazines published in Turkey are delivered digitally on a single platform, enriches the magazine and newspaper reading experience, while facilitating the user experience of accessing digital publications.

Furthermore, certain Dergilik features are firsts in the sector, such as personal articles, offline reading, automatic downloading of the current issue of a preferred magazine with a single instruction, current issue notification of magazines in the favorites list, and reading hundreds of magazines for the price of a single one. Dergilik continues to provide its users a unique reading experience through audio articles, and personalized magazine, newspaper and article offers. In addition, Dergilik enables users reach a broad range of podcasts in different categories from personal development to sports through podcast feature which we recently launched.



## GAME+

Our new gaming brand GAME+ started delivering a brand-new experience in 2021 through servers in Turkey, as part of a collaboration with NVIDIA GEFORCE NOW, the most popular cloud gaming platform around the world.

Becoming increasingly popular in the gaming world, cloud gaming technology eliminates the need for powerful hardware for gaming. This technology is a game changer with its capability to transmit commands by users from their own devices to another powerful computer on servers and stream the feedback from this computer again to the user's device. With GAME+, playing the newest games becomes as easy and accessible as streaming video over the internet. Gaming no longer requires expensive hardware or large amounts of disk space.



## Environment-friendly and practical solutions through digitalization

### Digital signature at home

The innovative solution developed by Turkcell engineers enables customers to accelerate the work of installation teams by 30% through the use of digital signature in their subscription processes of fiber, DSL, Superbox and TV+. This also leads to 11 million pages of documents being digitalized annually, thereby protecting the environment. 1.5 million households are expected to use digital signatures annually across Turkey.



### Smart legal documentation automation

In addition to the solutions we offer to customers, we also employ a smart documentation solution for our own legal function which has an intensive paper usage. With this project, we have reduced manual transactions by digitizing (automatic assignment of 22,121 documents) the responses to legal document requests from the authorities and saved on paper usage. Thus, labor efficiency was achieved through prevention of errors while conducting tasks, and the automation of manually implemented assignments (25% speed/time saving) and query functions via robotic processes (IP queries 15% speed/time).

### Better customer experience through artificial intelligence

We enrich and develop our products and services making use of artificial intelligence. By leveraging artificial intelligence to develop solutions for our applications and customer services channels, we create more efficient and customized services. In 2020, we committed to use the powerful tool of artificial intelligence in a responsible and ethical way and we identified 7 principles to comply with. In this regard, we became the first company in Turkey to disclose AI Principles. Furthermore, as part of our Human Rights Policy disclosed at the beginning of 2021, we aim to utilize technologies, and in particular





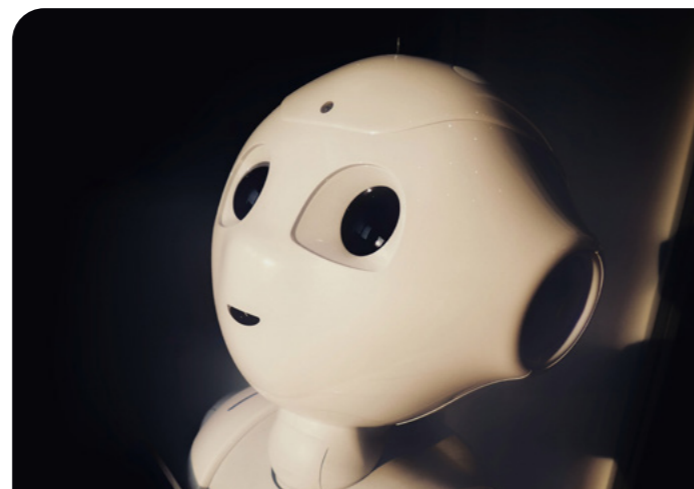
artificial intelligence, with utmost attention to human dignity and fundamental rights and freedoms, in support of SDGs. You may find more information on the artificial intelligence principles on the “digital responsibility” page of our website.

## Our analytical solutions team

Our Analytical Solutions team provides post-analysis and insights for Turkcell products, services, tariffs, and campaigns; and carry out predictive modelling and segmentation activities to create target audiences for business units. Supporting business units via analytical trend models to offer tariffs, products and services to the right customers, they contribute to revenue growth of our Company, and play a key role in increasing customer satisfaction.

## Chatbot

We have incorporated proactive scenarios into our AI-based chatbot, which was developed by Turkcell engineers, in our Digital Operator application. This bot allows us to send personalized messages to our customers nearing, or have reached, the end of their contracts, or exceeding their current plan so that they can purchase the right package at the right time. Therefore, we can sell approximately 30 thousand packages a month through the Digital Operator application. As a result of branding activities for our bot in the digital operator, we registered the name “celly” and branded our bot as Turkcell Celly. We had the opportunity to promote our virtual assistant including the name Celly and its visuals on digital channels by reaching large masses. Following these promotional activities, our daily number of bot users rose to around 200 thousand on average, our bot comprehension



rates increased, and the percentage of customers not needing to call the call center after being serviced by the bot reached 97.6%. Recently, we had the opportunity to integrate our chatbot solution in our DSS products in addition to the digital operator. Among our DSS products, BiP, Dergilik, Lifebox, Proov and GAME+ serve customers through our chatbots. Trained through "UNDP Gender-Responsive Communication Guide", our chatbot avoids using gendered language.

## Voice analytics – Turkcell AI voice

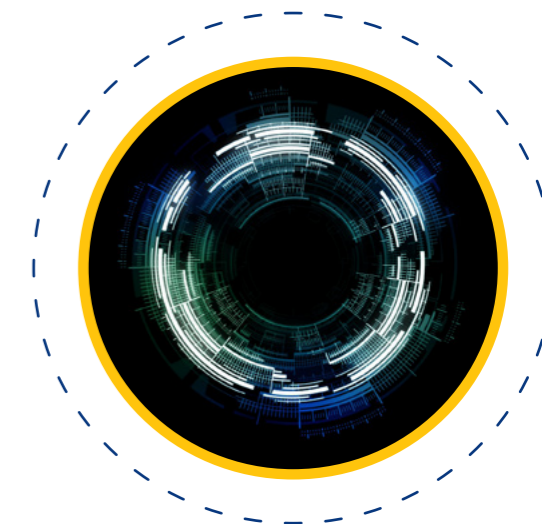
We integrated our artificial intelligence voice into Dergilik and My Hidden Gem applications. We used humanlike voice to vocalize daily articles on Dergilik and words within "Communication and Speech Module" supporting speech development of children with autism in My Hidden Gem application. Additionally, online trainings developed by our Academy team are also vocalized by our artificial intelligence voice. In our call center, our artificial intelligence voice serves customers as the voice of the digital assistant at various points. By automatically vocalizing package readings with our AI voice when recommending customers packages through the call center, we contribute to offer the right package to our customers at the right time. We improve our



customer experience by responding to a daily number of 150 thousand call center voice requests on average. Turkcell 2021 Integrated Annual Report has also been voiced by Turkcell AI to improve availability.

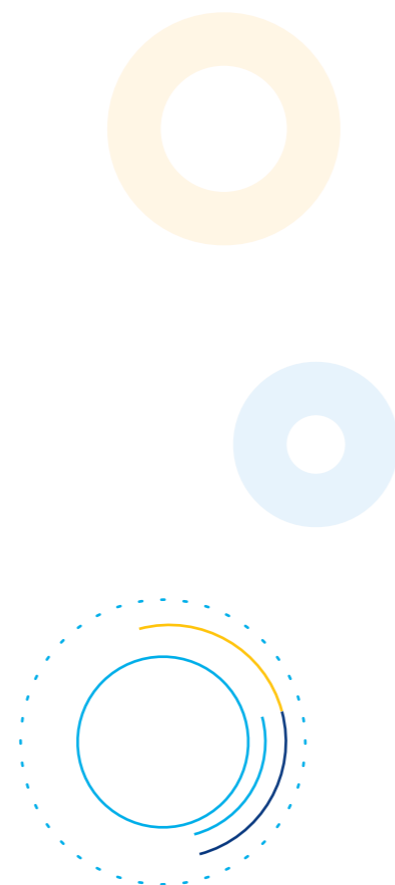
## FOYA

FOYA, another example of good practice developed by Turkcell engineers through artificial intelligence efforts, provides fraud detection in IDs and digital authentication with the use of image processing, voice processing, and machine learning. While artificial intelligence technologies make it possible to detect anomalies and fraudulent cases in a number of documents such as identity cards, driving licenses, passports, temporary protection identification documents for foreign nationals; fake IDs can also be identified within seconds. In today's digital world, many organizations need doing business



through video calls with their customers. This has made customer authentication through digital platform an imperative

control. In digital authentication processes, FOYA uses face recognition services, gets voice approval from the customer, and performs remote identity check. The Near Field Communication (NFC) enables the transfer of credentials to mobile devices with a chip planted in ID cards. With the NFC solution of FOYA, users can perform authentication just by bringing their IDs near their mobile devices. Furthermore, the OCR solution of FOYA can read all details on the front and back face of IDs, allowing for checking name, last name, ID number, etc. of the person even with former IDs without the NFC feature. FOYA's "Speech to Text" service converts speech in user's video recording into text. After transcribed to text, user speech is checked, and, if verbally approved, this expression is automatically verified if appropriate. In digital authentication processes, FOYA verifies the person joining the video call live at the time of the call, and performs liveness check to prevent fraud, e.g. conducting transactions with video records.



### **SIMA – Face analytics platform**

SIMA is an API-based artificial intelligence platform that provides face analytics solutions. It contains a rich portfolio of features including face recognition, verification, age, gender, and emotion prediction. Face detection and recognition algorithms were developed by Turkcell engineers working on authorized face images. The most appropriate combination of deep learning and machine learning algorithms is used, with that being the most up-to-date method.

### **AI based recommendation engine**

In order to understand and meet our customers' needs, we make use of the recommendation engine infrastructure developed by Turkcell engineers which targets to increase customized user experience in our applications and communication channels. We provide our customers with content such as suggestions, product similarities and personalized product lists in fizy, TV+ and Dergilik applications customized with the support of artificial intelligence. Behind the recommendation engine is a very powerful and large data infrastructure, comprising a cluster of servers, which process over 200 million items of data per day. This large volume of data is processed by choosing the most appropriate algorithms specific to the subject/problem such as machine learning, deep learning, and collaborative filtering, and regularly feeds relevant applications at integration points.

## **Cyber security**

**With the pandemic prevailing, remote work and distance education have become widespread in our country similar to the other parts of the world, IoT services and devices have started to be widely adopted, and cloud services and customers have skyrocketed, growing the importance of cybersecurity efforts.**

At Turkcell, in order to maintain the security in the cyber world, we carry out activities on the national and international fronts to develop measures that help identify threats, and that reduce and eliminate the effects of possible attacks and incidents, and to share those measures with identified bodies. We ensure the security of information in accordance with business requirements, laws and legal regulations by means of our information security management systems under the supervision of our senior management. As part of these efforts, we became the first telecommunication operator in Turkey to receive ISO 27001 Information Security and Management System certification in 2008. We retain our certification by constantly improving our information security maturity and by being audited annually by independent auditors.

Cybersecurity plays an important role both in our internal activities and in providing products and services to our customers. We protect our corporate and private customers against cyber attacks through our diverse cybersecurity product portfolio, maturity of our processes, and competent human resources.

We monitor attacks in our Security Operation Center 24/7



and take measures against possible threats. Our Bozok Cyber Threat Intelligence platform integrated with the Security Operation Center provides our customers with on-demand insight on threats and risks as a cybersecurity protection layer. While delivering penetration test and vulnerability analysis service to our customers using new tools and methods to enable organizations to determine their cybersecurity requirements, we also perform security gap scans and penetration tests of major institutions. We enrich Turkcell's portfolio of Cybersecurity products and services with cloud-native security solutions running in Turkcell Data Centers. As Turkcell, we contribute to security through our investments and services in connection with cybersecurity and data privacy for mobile service providers, and institutions and individuals taking advantage of e-mobility services.

With our digital security service, we block over 56,000 active users from accessing malicious addresses to protect them against cyber threats such as phishing and malware, inform them of past password leaks, and warn them in case of new password seizure attempts via SMS and e-mail. All corporate and consumer segment mobile customers can use this service we offer to avoid fraud or to protect their devices and personal data.

As a member of the Turkey Cybersecurity Cluster community, we contribute to the development of domestic cybersecurity ecosystem and increase awareness and cooperation in this area by bringing together the public and private sectors and academic institutions. In addition to our competent staff in our Cybersecurity department, specialized in their particular field, a group of over 150 engineers works to ensure the system security of both Turkcell and customers.

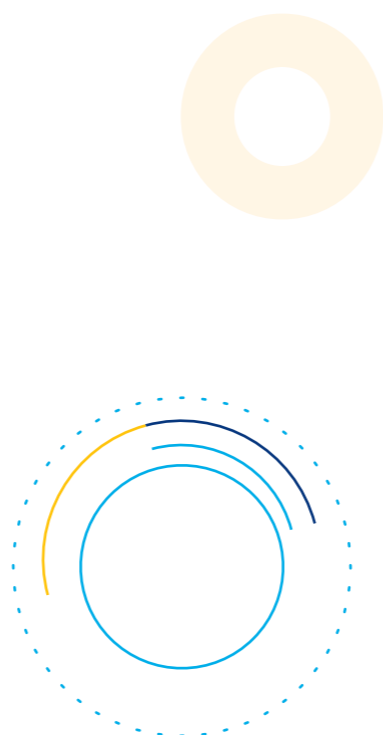


## Digital Business Services

Turkcell digital business services combines Turkcell's telecom service provider strategy with the "Digital Transformation Business Partner" approach for our corporate customers. With Digital Business Solutions, we improve our business model to address the needs of all industries and to implement value adding projects through horizontal and vertical solutions in health, education, production, retail, transportation, logistics, finance, energy and in similar fields.

We provide one stop shop of end-to-end digital solutions to organizations and thus contributing to Turkey's digital economy. Therefore, we realize high value proposition projects that enable enterprises to reduce their costs and grow their revenues.

In accordance with our vision, we have implemented more than 2,000 tailormade managed services and system integration projects to date and we continue to manage them. In these projects, we analyze the needs of our customers across every sector and provide the most appropriate solution. With our expert project management team, in line with our customers business processes, we deliver several new technologies, solutions and services across diverse fields including fixed access, network, cyber security, data center and cloud services, managed services, IoT, big data, business applications and artificial intelligence. In implementing our projects, we benefit both from our internal resources, products, processes and technologies, and the strength of our business partners in the ecosystem that we have identified as the most competent in their field, thus, we manage projects of high value proposition from end-to-end. In addition to a robust mobile network and an end-to-end



fiber infrastructure of 53 thousand kilometers enabling delivery of superior services, we have a total of 8 data centers, 4 of which hold Tier-3 Design and Operational Sustainability certificates from Uptime Institute, an international certification body. With Turkcell Cloud services, we position all information technology infrastructure of institutions at Turkcell Data Centers, thus providing more flexible infrastructures while reducing costs.

As for cyber security, we protect corporates against cyber threats through our Security Operation Center, a member of FIRST and OIC-CERT, consulting services such as penetration tests and vulnerability analyses, and a broad portfolio of cyber security products.

While providing organizations with the opportunity to manage their devices and machines remotely through the cloud without any infrastructure investment costs thanks to the Turkcell IoT platform, we also enable our partners doing business in the IoT ecosystem to develop their solutions on the IoT platform. We support our customers' strategic decision-making processes and increase

their profitability and efficiency through meaningful analyses based on the dynamic and real data garnered from our big data services. With Turkcell digital business applications we provide all end-to-end needs for the digitalization of business processes of corporates in their digital transformation journey.

As an integrator providing and operating all technological solutions required for city hospitals, we hold a leading position in terms of both the number of beds and the number of hospitals in the public-private partnership market. The entire technology infrastructure, including hardware and software management as well as system installation and management, is managed by Turkcell in 7 city hospitals in Yozgat, Adana, Eskişehir, Elâzığ, Bursa, Başakşehir and Tekirdağ. Additionally, Turkcell had established technology infrastructure of 2 field hospitals, which became operational in a short period of time.

Meanwhile, we work to improve the quality of our ecosystem by cooperating with subcontractors, business/product development partners and sales partners

across our business partner ecosystem in a win-win relationship. Moreover, through our business partnerships with global vendors, we expand our solution portfolio to our customers in terms of technical competency and project diversity.

*We make big data meaningful with our artificial intelligence based analytical capabilities and strengthen our products and services.*

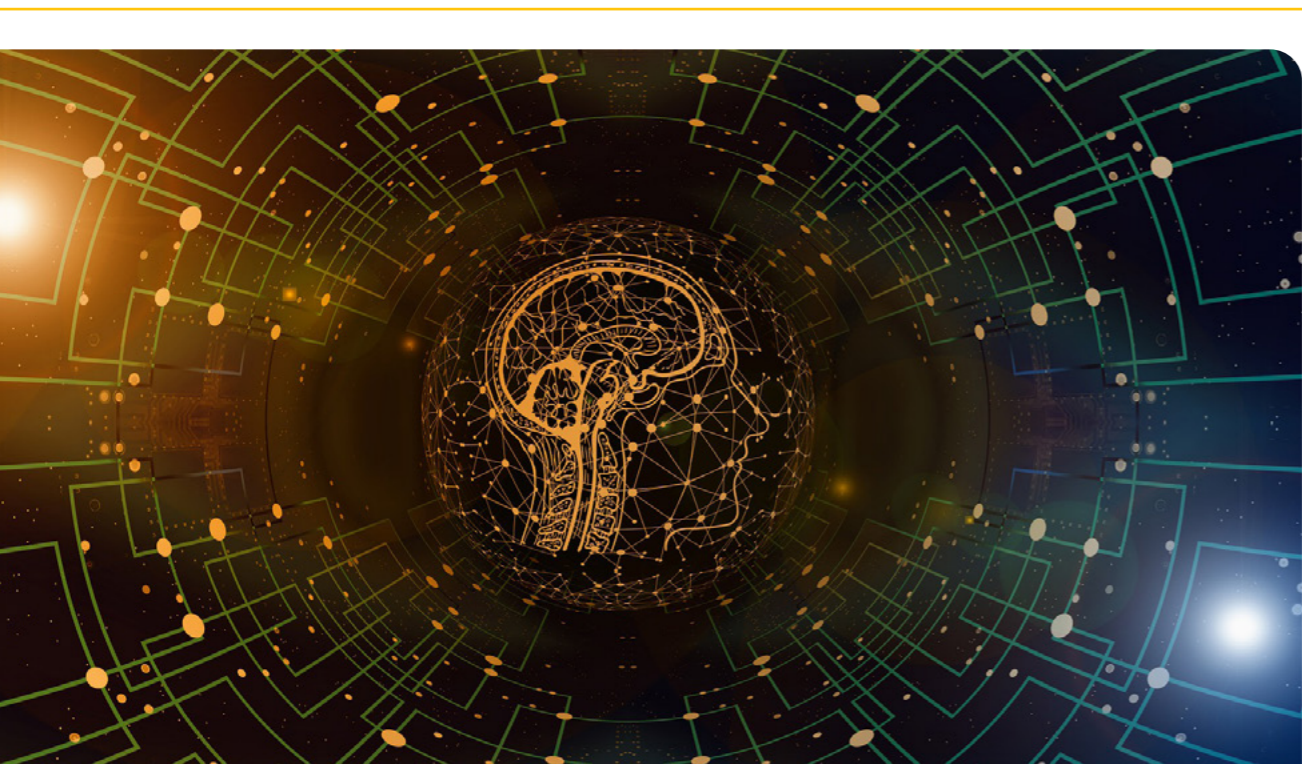
In order to adapt to technological developments and create high-accuracy use case models of high volume data and machine learning competencies, we have developed Turkcell ML (Machine Learning) platform. Thanks to this platform, we have saved over TRY 20 million to date. Moreover, having launched the block chain-based "Blacklist Between Operators" system, we can share a list of customers with overdue payments of over a certain amount. With this system which is used jointly by many operators, we help them reduce customer-related risks through information exchange.



**Proov, a digital identity management application developed with blockchain technology, enables users to prove their identity in various institutions/organizations to other institutions and organizations.**

Proov is a model relying on the protection of personal data by allowing individuals to manage their identity autonomously with blockchain. Through use of cryptographic methods, the activities of digital identities are protected in an untraceable way.

As part of the RPA (Robotic Access Automation) technology, we carried out substantial installation and infrastructure work within Turkcell and completed 145 processes using RPA to automate manual processes.





## Turkey's new generation payment platform: Paycell

Paycell continues to increase its penetration on the back of easy and secure payment solutions. Paycell stands out as a technology-oriented techfin that manages all its processes with end-to-end automatized systems over a robust technological infrastructure.

Having adopted an agile working model to differentiate itself within the rapidly changing dynamics of the techfin ecosystem, Paycell manages its business processes more efficiently, achieving value creation in the offering of its products and services. This approach also allows rapid and easy adoption of new technologies. Paycell provides value added data analytic models not only with respect to its infrastructure, but also with respect to analytical solutions so as to provide better and sustainable services to consumer segment and business partners alike.

*You may access more information about the transaction volumes and number of users of Paycell in the financial capital section.*



## Turkcell and e-mobility

The construction of Togg's production facility in Gemlik, Bursa progresses in line with the plans. The serial production of Togg's first vehicle, an SUV in C segment, is expected to start by the end of 2022 while the launch is planned in first quarter of 2023. Togg plans to expand the product range by developing cars in different segments. Despite its first product being a car, Togg positions itself as technology company.

Accordingly, the company labeled its products as "smart devices" instead of cars in Consumer Electronics Show (CES) held in Las Vegas on January 5-8, 2022. Togg underlined that the smart device showcased in the event reflected Togg's future vision. Accordingly, Togg aims to create an ecosystem around electric vehicles which will offer the e-mobility experience of the future collaborating in different areas including technology, e-commerce and software. In this ecosystem, Turkcell's digital services would enrich the user experience. As a result of our trust in Togg's vision, we have increased our shareholding in the company from 19% to 23% at the General Assembly Meeting on May 31, 2021. With Turkcell Artificial Intelligence team, we are in charge of the development of In-Vehicle Face Detection, Recognition and Analysis System of Togg domestic automobile initiative. As part of this effort, we work on the integration of artificial intelligence solutions we have developed with the devices to operate in the vehicle and the development of vehicle-specific artificial intelligence models.



## Brand and responsibility

We increase the capacity and strength of our superior digital services by constantly researching the latest hardware and software trends and equivalents at the global level. This allows us to advance the Turkcell brand through new features that facilitate our customers' lives.

In every field we work in, we strive towards removing digital barriers and increasing access at every point where we touch society, and we continue to support the development of technology and communication. We are glad to note that our products and services across diverse fields have grown the Turkcell brand without losing their technology focus.

The basis of this understanding that Turkcell acts on is a responsibility towards all of our stakeholders including customers, employees, suppliers, shareholders, public, dealers, nongovernmental organizations, universities, and the media. In this context, our policies that we share publicly are as follows:



### Anti-bribery and corruption policy

We view the carrying out of our activities fairly, honestly and in accordance with legal and ethical codes a necessity.

### Quality policy

We continuously improve our processes and implement an effective quality management system.

### Customer satisfaction policy

We solve customer requests with an open, transparent, swift, and customer-oriented approach.

### Information security policy

At Turkcell, we ensure the security of information in accordance with business needs, laws, and legal regulations.

## Human Rights policy

We are committed to doing what is incumbent upon us by adopting an attitude embracing fundamental rights and freedoms, contributing to the creation of a decent labor world honoring human dignity, and ensuring compliance with national and international legislation on work life.

### TURKCELL Human Rights Policy

As Turkcell, we intend to unite our country and our people with state-of-the-art technologies, to contribute to the nation's digital transformation and to create value for every moment of our customers' lives through our innovative and value-added services and solutions.

We consider it our priority to create a working environment and an ecosystem which contributes to ensuring economic, social and environmental sustainability through a strong human focus and ethical values in all technology we develop, in every service we offer, and in every step we take.

On this basis, we commit to complying with the following principles, and doing our part in order to ensure the sincere commitment of our organization to these principles.

#### OUR PRINCIPLES

As Turkcell we stand against the child labor, which is described as dangerous and harmful work for children in terms of mental, physical, social or moral aspects, any form of modern slavery, discrimination, conflict minerals usage in our procurement processes. We put best effort for the ethical and responsible development and use of our technology, for the protection of the rights of the children as the inheritors of the future, and creating a working environment befitting human dignity and value, and we work diligently in our procurement processes.

#### POLICY GOVERNANCE

We sensitively endeavor to ensure that the principles included in the policy are adopted in our business processes, and also by our management and employees, design training, awareness activities and governance processes related thereto, and sensitively review the applications to be made in connection with non-compliance.

You may access our Human Rights Policy by clicking here. You can submit the applications in connection with Turkcell Human Rights Policy and/or human rights processes in Turkcell through the channels listed in the Policy.

## Environmental policy

Moving from an awareness of environmental impact, Turkcell aims to contribute to the economy and ensure long-term environmental sustainability by improving awareness of circular economy across the value chain.

You may access the policies that we implement to set the highest standards as Turkey's leader in the telecommunication sector on [turkcell.com.tr](http://turkcell.com.tr).

SDG 16.5    SDG 16.6    SDG 16.B

**TURKCELL ENVIRONMENTAL POLICY**

"Turkcell Environmental Policy" is the document which sets out our policy regarding the environmental responsibility.

**PURPOSE**  
Turkcell, in adopting an understanding that considers the environment to the full, minimizes damage to the environment, educates its employees on environmental awareness, and uses clean technologies. Turkcell prioritizes running new projects that protect the ecological environment in which it operates, has put this policy into practice so as to contribute to the economy by developing circular economy awareness, and to maintain long-term environmental sustainability with the awareness of environmental impact across the value chain.

**IMPLEMENTATIONS**  
We put many practices such as determining environmental risks and reducing the use of resources into effect for the purpose of adopting our principles, especially to comply with environmental legislation, and our responsible understanding set out in our Policy.

**ROLES AND RESPONSIBILITIES**  
The Environmental Policy is a text prepared for Turkcell management, employees, business partners and contractors in order to be responsive in human and environmentally sensitive work performance. In this context, Turkcell develops practices and projects for its business partners, contractors and subcontractors in order to work in compliance with the Policy and to cooperate in this regard. Turkcell carries out encouraging activities to also have other stakeholders act in accordance with this policy. The Company strives to adopt and implement the principles and purposes of this Policy.

**PRINCIPLES**  
We are attentive to protect the habitat in which we have our footprint and use the resources efficiently while developing our products and services for a better future with our superior digital services. We carry out operations having an impact on the environment by observing the principles of operating suitable for human life and health, efficient use of resources, reduction of waste use and recycling.

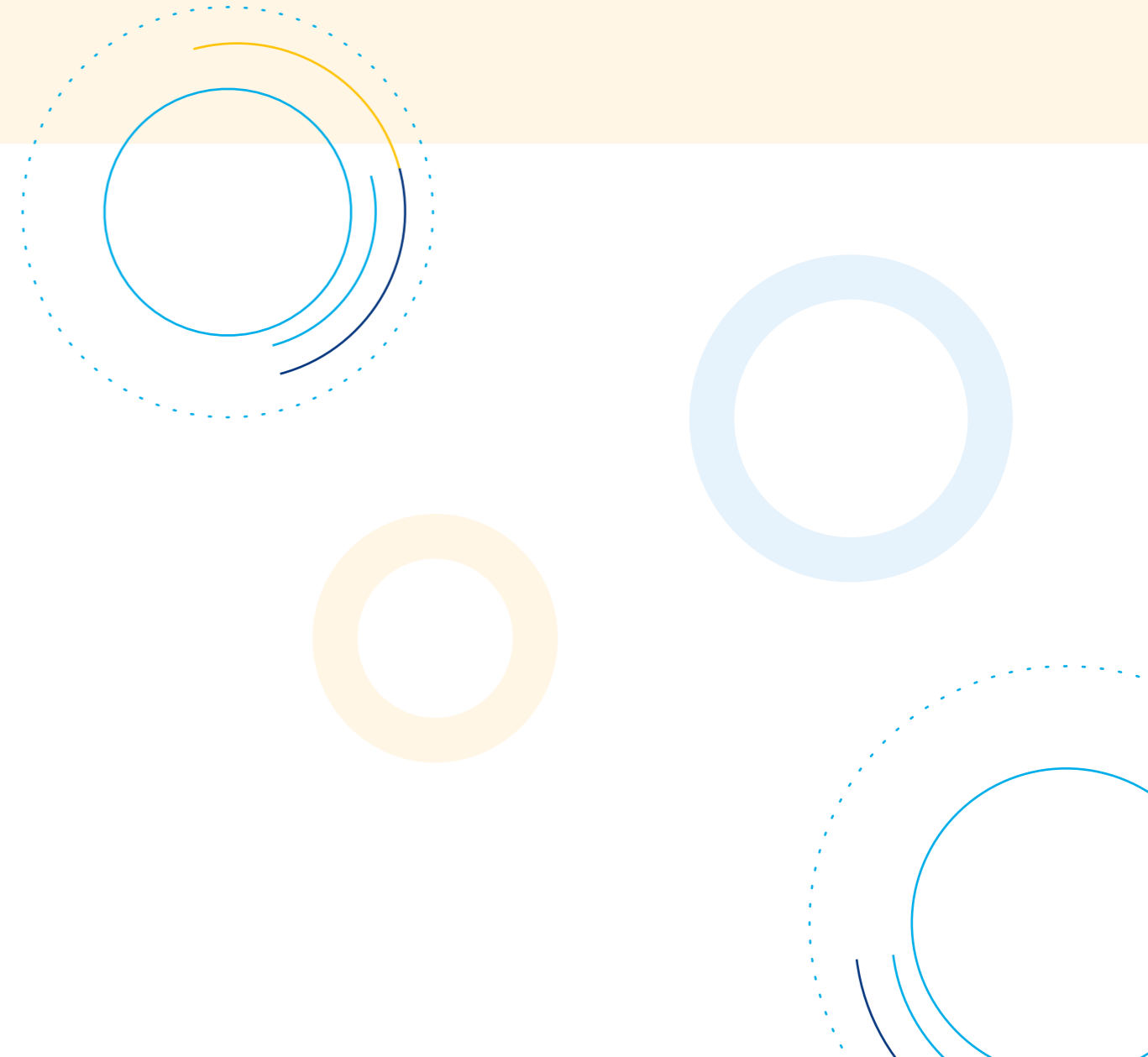
**POLICY VIOLATIONS**  
In case of any violation of the Policy, the issue is reported to the Administrative Affairs Directorate or the Corporate Communications Directorate, Corporate Social Responsibility and Sustainability Office and the Ethics Committee of Turkcell İletişim Hizmetleri A.Ş. In case of violation of this Policy, if the violating party is an employee, the issue may be submitted to the Ethics Committee in order to consider the execution of the necessary processes regarding the relevant employee. In case of violation of the Policy by business partners and contractors, current business processes are reviewed.

You may access our Environmental Policy by clicking here. You can submit the applications in connection with Turkcell Environmental Policy and/or Environmental processes in Turkcell through the channels listed in the Policy.

## The interaction of our intellectual capital with other capitals

Our intellectual capital plays a key role in providing the required creative strength for all other capitals, and is in turn supported by the outputs of other capitals.

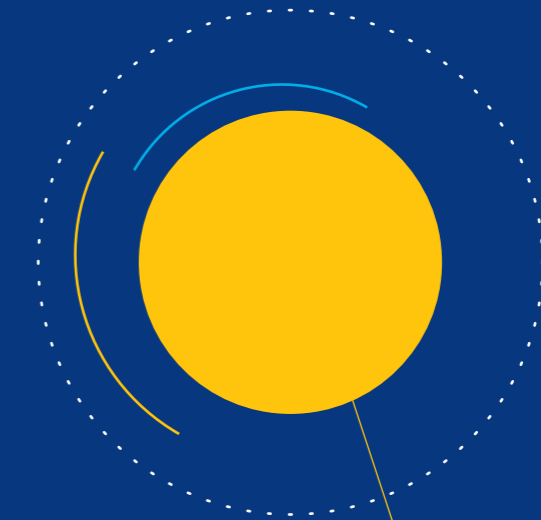
We aim to improve our product and service quality, and thereby increase stakeholder satisfaction by focusing our R&D and innovative activities to respond to their needs and expectations. Meanwhile, on the back of our brand approach and sense of responsibility, we support our strong corporate management, and our social values, and relationships.





# Social capital

- Turkcell social capital
- Our brand
- Strong sales channels and our services
- Social investment projects
- Our sponsorship projects
- Contribution to exchanging information and experience among stakeholders
- Our public affairs







# Social capital

## Inputs

### Stakeholder expectations

- Strong Sales Channels
- Turkcell Common Values and Code of Business Ethics
- Supplier Portal

### Civil society, academy, public and corporate partnerships, international representation of our country and sector

- National and international NGO memberships
- Social investment projects
- Turkcell Foundation

### Social investment projects and sponsorships

- People without Boundaries
- Whiz Kids
- Recycle into Education
- Women Developers of Future Climate Ideathon
- Video Call Center
- National Football A Team Sponsorship
- Turkcell Women's Football League
- e-National Teams Sponsorship
- Sponsorships for Athletics Swimming Projects and Turkish
- Sports Federation for the Physically Disabled
- Turkcell Granfondo
- Turkcell Vadi
- Turkcell Yıldızlı Geceler Concerts
- Zorlu Performance Arts Center

### Transparent and trust oriented stakeholder relations

- Transparent communication with the public, sectoral development focused relations management
- Ambassadors Summit
- Transparent and proactive investor relations

### Turkcell Volunteers

### Higher employment in call center operations

## Outputs (KPIs)

**36 million**

mobile customers

**2.7 million**

fixed customers

**A difference of 18 points with the closest competitor in customer net promoter score**

**17 minutes**

of response time in all accounts

**Access to 150 thousand families, 200 thousand students and educators with the Turkcell Whiz Kidz Project**

**23 million**

digital operator 3- month active users

**A localization rate of 45.4% in suppliers constituting 90% of our purchase volume approximately**



## Value created

| Strong corporate governance

| Value creation through social investment projects

- o Impact analyses of projects and their results
- o Support for closing the digital gap in society / digitalization rate

| Contribution to exchanging information and experience among stakeholders

| Adapting responsible and ethical business mentality to the Turkcell ecosystem

| Contribution to the socio-economic-cultural development of society by supporting NGOs

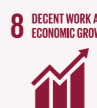
| Being the leader and guiding company in the sector and country by representations

- o Development of the telecommunication sector

| Increasing brand awareness and reputation

| Customer satisfaction

## SDG



Performance Indicator	Short-term goal	Mid-term goal	Long-term goal	2019 performance	2020 performance	2021 performance	Current state by goal
Increasing the number of students accessed via the Turkcell Whiz Kids Project	-	250,000	500,000	50,000	100,000	100,000	Ongoing
Increasing the number of startups supported with the collaboration model	30	40	-	-	30	35	Positive development

*With the power we derive from the core competences within Turkcell's DNA, we create social value through more efficient, ethical, and transparent stakeholder relationships that serve the common good of society by transforming our social and relational inputs into meaningful outputs, highlighting the healing power of technology.*



## Turkcell social capital

We bring our value-creating Turkcell identity together with our vision of “providing superior digital services for a better future” in our social values and stakeholder relationships. We ensure respect for our stakeholders' rights through [Turkcell Common Values and Business Ethics Rules \(TODİEK\)](#) and our [Anti-Bribery and Corruption Policy](#), which guides our business model.



## Turkcell common values

- We value people
- We own our social values
- We are rich in our differences
- We are here for our customers first
- We are an agile team
- We believe in open communication
- We make a difference



## Turkcell business ethics rules

- We respect fundamental freedoms
- We act within certain rules concerning invitations and travel
- We pay attention when giving and receiving gifts
- We realize our social responsibility projects in good faith

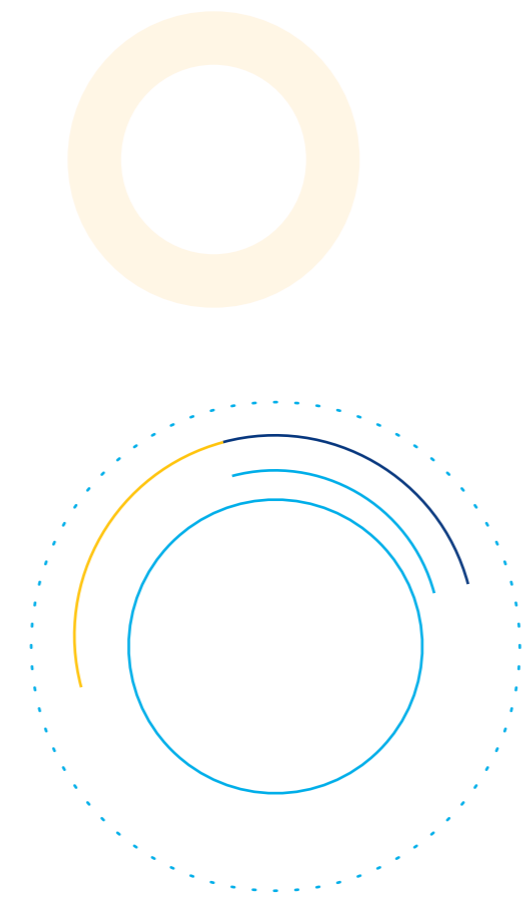
We comply with laws and regulations with respect to the environment, health, and safety. We ensure effective management of all our operations and related activities, the security of our information assets against risks as well as their accuracy and availability. We accomplish this thanks to our information security management system running in accordance with our information security policies established with the approval of our Senior Management. Accuracy is the basis of financial and commercial record-keeping. We carry out our activities in accordance with national and international legal regulations that we are bound by as part of our operations. We comply with both the US Anti-Bribery and Foreign Corrupt Practices Act (FCPA) and local laws in our relations with public institutions.



## Our corporate social values and relations

In line with our goal of being Turkcell of Turkey and as a technology company providing inclusive, accessible and superior digital services, we have improved our relationship management capabilities by carrying out all of our social relationships in a devoted manner together with our employees at all levels under the leadership of our senior management.

We manage our relationships with the aim of creating social value pursuant to our Turkcell Common Values and Business Ethics Rules. Our senior management supports us in complying with the rules determined by TODIEK. Working towards creating a business culture in accordance with laws and Turkcell policies in all activities, Turkcell senior management acts in a conscientious and reliable manner by ethically evaluating the conflicts of interest that arise, or may arise between their personal relationships, financial or commercial interests, and their responsibilities towards Turkcell. Accordingly, our management team makes complete, fair, accurate, timely and clear statements in all company reports and documents disclosed to the public, or submitted to the capital markets regulators, and acts in compliance with all laws, regulations, and rules that Turkcell is bound by.



You may find more detailed information about our corporate structure in the strong corporate governance section of our report.

## Our brand

Turkcell continues to empower its presence by transforming into an ecosystem brand as part of its digital operator journey on which Turkcell embarked as one of the strongest brands of Turkey.

Befitting its leadership, Turkcell aims to touch its customers' lives by bringing together its superior technological infrastructure and quality with the differentiated products and services it offers. While offering easier, more entertaining, more secure and more privileged lifestyle to its customers, Turkcell also allows them to enjoy the difference of "excellent service" through customized, consistent and simple experiences delivered by Turkcell's technological superiority. Acting with the responsibility of being a leading brand, we set an example to all other companies working towards helping our country achieve its economic goals. We also offer various solutions to companies and small enterprises with our corporate business.

## Turkcell in communication

In order to address ever-changing daily life trends worldwide and evolving consumer needs a new ecosystem platform communication which is defined as "transformation from a GSM operator into an ecosystem of digital brands" was launched in June by Turkcell, which had long been ready for such initiative through previous steps taken.

Our campaign motto "Make the World Yours" emphasized the fact that we can touch different aspects of the lives of our customers and offer solutions with our wide range of digital brands. We signed all of the digital brands in the ecosystem with the expression "A Turkcell technology" to underline that they are created and built using Turkcell's superior technology.



## Customer independent of a SIM card

As part of our new brand ecosystem, we highlight that Turkcell customers are not only SIM card holders of our Company but anyone using any of our service or product is deemed as a member of the Turkcell family regardless of owning a SIM card. The launch ad of this new ecosystem approach ranked among the most successful communication campaigns of 2021 in the telecommunications and all other sectors.

In the sequels of the ecosystem platform ad, we continued communications on our online shopping platform Pasaj and our services "Platinum Summer Privileges" and "Paycell Ready-to-use Limit".

In this period of rapid social transformations and evolving needs, Turkcell keeps connecting customers to life with its strong infrastructure.

In a period when the importance and value of being connected rose to its ever highest level, we continued our "So Attractive" communication campaign to emphasize our superiority in coverage and network quality. We released the third and fourth films of our "So Attractive" film series in 2021, the first and second of which was published in 2020.

As one of the most popular brands of Turkey, we celebrated special days with successful commercials and shared the joyous times of our country.

With our commercials featuring our "Emocan" characters, which differentiate us in our telecommunications business by sending innovation messages, we established sustainable communications and promoted the same legacy, strengthening our brand perception.



## Strong sales channels and our services

### Our sales channel structure

As Turkey's leading communication and technology company, we continue to offer all tariffs, campaigns, devices and services to our customers.

We continue to develop solutions and provide customer-focused services through Turkcell stores, alternative sales channels, the online channel, the Digital Operator application, Pasaj application, Fiber and DSL solution centers and corporate sales channels.

We make our integrated Turkcell solutions available to our customers through all our sales channels, and work to deliver premium quality services at all points consistently.



### Our retail channel

With over 1,200 Turkcell stores transformed into a chain of digital experience and over 4,000 digital points of sale across our retail channel, we make our products and services available wherever needed by the customer with superior Turkcell service quality.

In order to increase our market share and customer loyalty with our smart offer management model targeting existing customers and new customer acquisition, we make offers that are rich in content. These offers address the needs of our customers at different price levels. We consistently ensure that our customers can access the same offers across all channels.

**In line with our retail channel deepening strategy, we keep shaping our investments in communication, traffic, sales, procurement, loyalty, digital and delivery with a special focus on these fields.**

In the COVID-19 pandemic environment, we have migrated to a next generation retailing enabling minimized physical contact and continued to lead the digital transformation of our country. We continue to successfully implement our "Contactless Retailing" concept to minimize physical contact and protect the health of our customers and employees.

**As an ecosystem brand, we continue to launch new categories to address all electronic needs of our customers by transforming our Turkcell Stores into a technology store.** Providing advantageous offers with installments up to 36 months at Turkcell stores, we make small appliances, personal care products, food preparation appliances and gaming products available to our customers with Turkcell guarantee. In 2021, we launched our new "catalog sales model" through which we can make sale of big ticket products, which can be picked from digital catalogs of Turkcell stores by our customers, and deliver directly to the customer without keeping inventory and do the installation.

As of July 2021, we started "Refurbished Device Sales" to bring devices with unexpired useful life back to the economy as per our sustainable environment approach. **Since November 2021, we have been helping to decrease unregistered device sales and device imports by making refurbished devices available to our customers through cash and contracted offers via all Turkcell stores and the online channel, as well as mitigating the environmental impacts of device trade.** We expect that this business, which we currently have only in the smartphone category, will be extended to various categories in the upcoming periods with supportive regulations to be introduced by relevant institutions, contributing to the sustainability approach in all categories across the technology world.

We improve supply processes of entire Turkcell channels thanks to our "Digital B2B Supply Platform" which could meet the procurement needs of multiple channels with a wider product and category range. Accelerating our processes and enhancing the experience with our Content Management Team, we continue to provide customized guidance to our dealers according to their orders and sales.

Currently, we offer 41 thousand products of 721 brands through 133 suppliers over the Turkcell Portal. We continue organizing our campaigns "Yellow Days, Opportunity Garage, QR Code and This One or That One?" annually. This way, we aim to maintain our customer traffic at the highest level by making advantageous offers to our customers on a large number of product groups at different times.



**We work to deliver superior quality services to our customers consistently across all our channels and continue to make a difference throughout our service and sales processes with our integrated channel experience solutions.**

In 2021, we started tracking the service experience of customers in an integrated manner via the "Customer contact journey" platform, which allows store and call center employees to view the transaction history of customers in all channels. As all of our channel employees can see this journey before serving the customers, they get familiar with customers' past experiences, which improves the customer satisfaction.

Extending the scope of the "Bi tıkla Mağazada (In-Store Delivery with a Click)" application launched in 2019 allowing delivery of devices purchased over Turkcell.com.tr in the physical channel, we enabled this service for new acquisition and port-in activation transactions. As part of this application, our customers can conveniently pick up the products that they reserve on turkcell.com.tr or through tele sales channels from the Turkcell stores. For a unique and uninterrupted Turkcell experience, we give our customers the option to choose the channel.

We put in place our "Delivery Point" process

enabling our customers, who have placed their orders through our Turkcell Pasaj and turkcell.com.tr online channel, to pick their ordered goods from Turkcell Stores in all of our qualifying stores across Turkey as of September 2021. The "Delivery Point" service is now available for customers at over 1,200 stores across Turkey. Our customers don't need to wait for their packages at home thanks to our "Bi tıkla Mağazada Teslimat Noktası (In-Store Delivery with a Click)" service. Having faster access to their packages at our stores, our customers can also meet their other related product or service needs at our stores.

## Our alternative sales channel

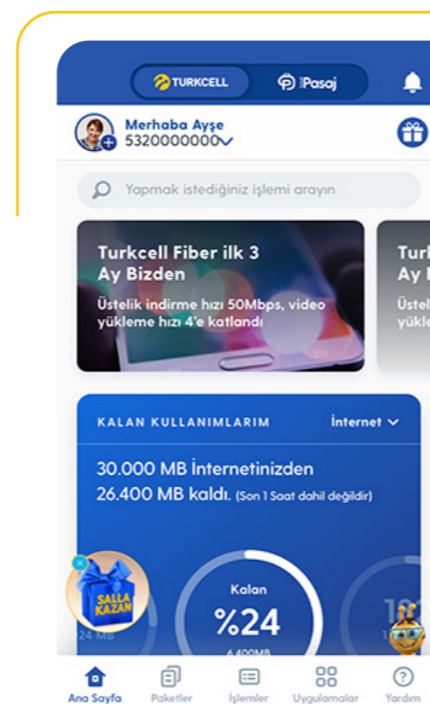
As part of our alternative sales channel that has reached a sales volume of 27 million products, we transformed each channel that contacts the customer into a sales channel, while continuing to serve through tele-sales, Chains, Bank Channels, and Hypermarkets.

Our alternative sales channels have also become the major sales channels for our digital services with 3 million sales of TV+, lifebox and fizy products, making use of our analytical models, artificial intelligence and big data. Having TV+, lifebox, and fizy collaborations with banks, we ensured the brand recognition of our digital services products and increased our sales by directing customers to our digital channels. We achieved an upward trend in our sales by offering our customers TRY/Package products through bank and market channels during the lockdown period due to the pandemic.

## Digital sales channels and services

As part of our digitalization focus, we have also taken steps in relation to our online sales channel, giving direction to Turkey's e-commerce sector in 2021. While the average number of visitors to our website reached 24 million per month in 2021, the 3-month active users of Digital Operator application was 23 million.

The sales conversion rate increased to 1.4 times in the fourth quarter compared to the previous year, and the revenue grew independent of the number of visits. Today, the digital channel share in total consumer device revenue has increased to 1.9 times compared to the previous year, while total TRY/package downloads increased to 2.5 times. Accordingly, the share of digital sales channels in Turkcell Turkey consumer revenues (excluding our fixed business) reached 22.1% in the fourth quarter of 2022. Total downloads from our digital channels increased by over 150%. We also saw a growth rate of over 90% in payment type changes and new customer acquisition through digital channels. In line with our channel expansion strategy, we keep investing in our focus areas of communications, traffic, sales, delivery and loyalty. We implemented various technical improvements to improve the processes in this scope by working with Turkcell's professional ICT team. Under the leadership of our AI and Data Analytics teams, we implemented numerous



sales concepts where we emphasized the importance of personalization. Adopting a creative, everyday, genuine, benefit-based and familiar approach, we sustained our focus on hourly and nighttime campaigns to encourage our customers to spend more time on turkcell.com.tr. To better cater for the needs of our customers, we began to design campaigns involving both postpaid and prepaid segments for providing services with more data and more advantageous prices as well as new customer registration and customer number portability categories.

**Setting out the target of "secure online shopping", Turkcell launched Turkcell Pasaj, the first online marketplace of Turkey, in December 2020 by collaborating with the largest and most reliable suppliers of the country. Featuring thousands of products from phones to vacuum cleaners, TV sets to computers, white goods to maternity & baby care products, Turkcell Pasaj offers users swift delivery and flexible payment options with easy cancellation and return right. Turkcell Pasaj uses 100% environmentally friendly and renewable boxes in delivery. Offering a combination of real online and offline shopping experience, Turkcell Pasaj allows customers to pick up the products they have purchased through this platform from a Turkcell store. Discount options and different payment alternatives that fit everyone are offered on "Turkcell Pasaj" and the customers of all operators can also benefit from those. We take steps to lift our services to the next level with Pasaj Blog and Pasaj Gaming which were launched in December 2021.**

In accordance with the expectations regarding developments in e-commerce; competition, affluence of products, logistics services, payment alternatives, brand guarantee and innovative approaches will get more valuable in the future. We are going to excel the digital experience of our customers by making the solutions of Paycell and Financell customized to our sales channels available to them.

Our Digital Operator application, which we developed in order to respond to customer needs in the fastest and most appropriate way, became the most preferred service and sales channel by our customers, reaching 68 million downloads in 2021. Turkcell customers made their transactions on Digital Operator with an average of 209 million logins per month over the past year. In 2021, we updated the design of our application to make it more user-friendly. By dividing the application into two as Pasaj and operator transactions, we provided much faster and easier access by customers to their targeted transactions. Adding new fields such as category structure, discount products and bestsellers on Pasaj front, we created a more sales-oriented website. Regarding the operator transactions part of the application, in addition to viewing their remaining usage, our customers can view and pay their bills, access packages, services and campaigns that fit their needs, and switch between offers instantly. Our customers can manage all their Turkcell subscriptions including fixed broadband and other Turkcell lines from a single application by adding each to the platform via the "Add Account" function. Additionally, nearly 237 thousand Superonline customers make 2 million transactions per month through Digital Operator.

## Our tariffs and packages

### Our postpaid packages

With our AI-based smart offering management model, we make our customers offers that are rich in content, addressing needs at different price levels, and consistently ensure that our customers can see the same offers across all channels.

In order to respond to changing usage habits of customers, we renewed Platinum and GNÇ offers and launched new packages with abundant internet offers in 2021. Additionally, we continue to offer extra 10-20-30 GB for the first month to our customers who change their packages.

We offer additional package options through all channels to address our customers' instant needs as well as their long-term needs. We also continue to offer additional packages specific to the digital channel.

In our Mega packages with annual quota, where our customers use the quotas in their packages for a year as they wish, we closely track customer needs and usage trends. Accordingly, we launched our campaign with 20 GB internet gift, which can be used by our customers on these packages throughout their 12-month plan.

In 2021, we deployed our new portfolio of packages, which would boost new Platinum customer acquisition, and address the needs of our customers fully. We launched our packages containing additional GB defined exclusively for the social media applications that our customers use the most. We intensified our Platinum package promotion communications along with increasing e-mobility, particularly during the summer.

With our "Rahat (Relaxed)" packages enriched to meet customer needs, we continue to offer non-committal, flexible payment facilities without usage limit. Our AI-based smart offer management model enables us to add value to the lives of Turkcell customers through offers tailored to meet the varying needs of our customers.



### Our prepaid packages

We constantly track the usage trends and needs of our prepaid customers through big data and market analyses, and regularly update and expand our prepaid package alternatives accordingly. In addition to the monthly packages, we address the short- or long-term needs of our customers through our daily, weekly and 3-6-12 monthly solutions. Meanwhile, using our AI-powered analytical models, we introduce our packages tailored to address ever-changing needs of our customers through the right channel and at the right time.

### Our fixed services

We keep on satisfying the needs of our customers with our broad range of "Turkcell Residential Internet" offers including high-speed internet options, setup service at home and acceptable commitments. We increased our new homepass investments in Turkcell Fiber to bring internet at the speed of light to more houses.

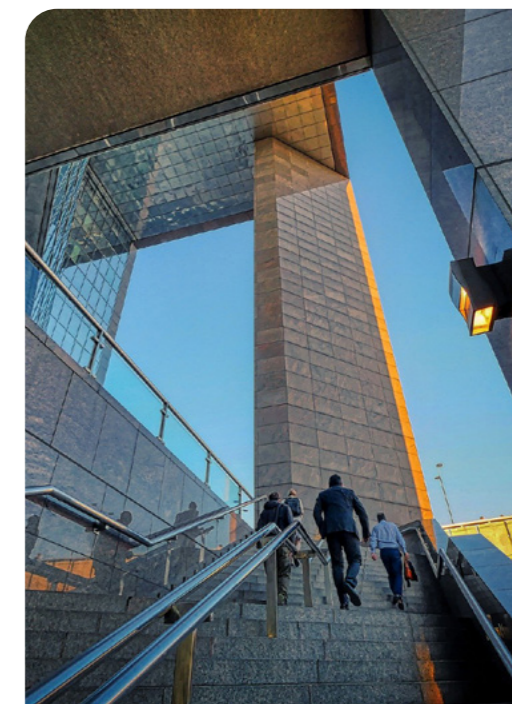
### With Turkcell Fiber and VDSL Speed Festival, we focused on valuable customer acquisition

Given the rising need for fast internet connection during the pandemic, we continued "Speed Festival" at Turkcell Fiber to bring the speed and quality of Turkcell Fiber to even more households. We provided our customers with high-speed campaigns enriched with higher download speeds and other mobile benefits. Thanks to our new Fiber campaigns, we tripled the number of customers using internet at 100 Mbps or over compared to the previous year, and quadrupled the number of customers using internet at 24 Mbps or over in xDSL.

### Our corporate packages

With our innovative offers, we generated solutions tailored to the increasing internet needs of our corporate customers. By strengthening our value perception, we continued to focus on new customer acquisition and existing customer management.

**Our customers who bought a new SIM card are connected to life via Turkcell with our innovative offers and propositions featuring abundant internet and gifts.**



## ○ We provided small business owners with simpler packages with abundant internet.

We offered more and more advantages to Turkcell customers through campaign designs including social media package gifts, car wash gifts, fuel gifts, and in-company minute gifts. We launched our "Esnafı Varız" (We Support Small Business Owners) campaign, full of advantages that would cut down expenses of small business owners, increase their revenues and help them move their business to the digital platform. We stood by the small business owners who used Turkcell with the privileges we offered in fuel purchases, digital transformation finance, store internet, bulk messaging packages and e-commerce as part of the campaign.

## ○ We have provided solutions tailored to the needs of our customers for their growing mobile and fixed internet usage.

Through the enriched additional package world, our customers experienced the difference of limitless internet use. We offered our customers the opportunity to purchase additional packages either by reflecting them to their bills or by credit card via the Digital Operator. We diversified the additional packages they could purchase and enabled our customers which were restricted by their companies from purchasing additional packages by reflecting them on the bill, to purchase additional packages exclusive to their corporate lines with their individual credit cards.

## ○ By focusing on our existing customers, we consolidated our value perception.

Through our implementations with the focus on our existing customers' contract experience, we targeted a higher customer satisfaction rate. Focusing on their lifecycle in Turkcell, we offered the most suitable packages to our customers at the time of their needs by tapping on the power of analytical modelling.

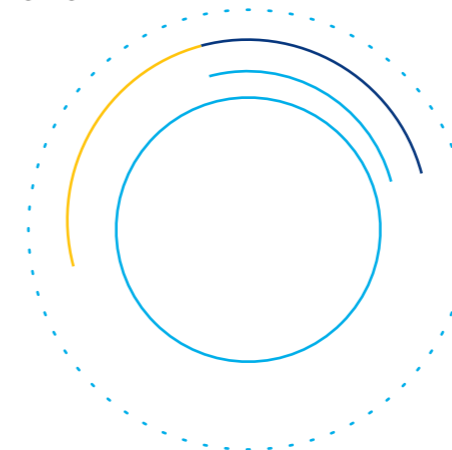


## ○ Innovation

In 2021, we continued to focus on applications and offers featuring innovative solutions to increase both customer acquisition and customer loyalty.

## ○ GNÇ Bana Göre (Packages for young customers)

We launched our GNÇ Bana Göre packages intended for the evolving needs and expectations of our young customers, with the opportunity to change to another package each month based on their needs rather than using the same package every month. Considering the growing value of the mobile gaming sector with almost 35 million gamers in Turkey particularly in the young customer segment, we offer mobile tariffs and additional packages with internet available to young gamers for mobile gaming sites. Accordingly, we launched our "GNÇ Gamer" tariff in August. Our customers buying one of "GNÇ Net Ben", "GNÇ Sosyalleşen Ben" and "GNÇ Gamer Ben" packages could switch between these 3 packages on a monthly basis throughout the 12 months based on their changing needs.





## Turkcell Kid

With the rich in content and advantageous offers specific to children aged 7-15, Turkcell Kid packages are innovative plans for the children's segment providing umbrella solutions to address security concerns of parents with features allowing them to manage their children's mobile usage. Packages tailored for minors have first been made available by Turkcell by analyzing parents' needs and providing suitable solutions. We launched Turkcell Kid Packages with features allowing parents to limit their children's time on the phone (Time Management) and manage their calls (My Kid is Safe), eliminating their concerns about the whereabouts of their children (BiP Location Tracking), limiting exceeding bills (Stoppable Tariff), and preventing their children from exposure to unwanted commercials (Commercial blocking service). By empowering parents to manage these features through the Digital Operator, we targeted a better experience for parents as well. With all of the above, we aimed to refresh our innovative brand image, consolidating our perception as a differentiating operator. Our top-of-mind awareness increased with regular commercials and digital communications.

**With Turkcell Kids' plan, the kids are happy, and so are the parents!**

- Safe internet
- Overcharge protection for plan
- Location tracking
- Screen time management

5 GB 500 minutes +2 GB 46 TL

## Turkcell Biz (Family and friends)

In 2020, we expanded our platform for individual postpaid customers and extended this to individual prepaid customers as well in late 2021. At Turkcell Biz, our customers can set up groups of a minimum of 2 and maximum of 5 people, free of charge, without any package/tariff changes. Members can share GB with each other for

free and benefit from exclusive internet gifts. With Turkcell Biz that is unique in the sector, we have attained a digital value that will increase both customer acquisition and customer loyalty, offering innovative setups.



## İhtiyaç Anı (In Time of Need) Campaign

While Prepaid plan dynamics offer a first pay-then use pattern to customers in the telecommunication sector, we provide our customers with the opportunity to "first use-then pay" with our "İhtiyaç Anı" package, an innovative product of Turkcell. We launched our "İhtiyaç Anı" campaign to enable our customers to meet their communication needs when they have used up their package content and they don't have the sufficient amount in their balances required to buy a new package. With AI-powered analytical model, we make this package available for our customers whenever they need it. Even without the sufficient amount in their balance, customers can fulfill their needs by joining the campaign and pay for their usage later.

**Use the Urgent Need plan right away; pay later.**

If your plan runs out in an hour of need, text OKAY to 5010 and Start using the Urgent Need plan right away.

1 GB per day 50 MIN to all networks 5 TL

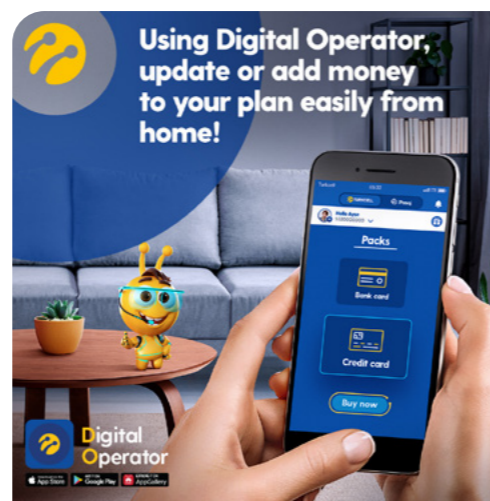
## ○ We kicked off the new internet era for homes with Turkcell WiFi 6

Holding a leading position in the sector, Turkcell continues to invest in next generation technologies. We launched next generation WiFi 6 modems reinforcing the WiFi connection and delivering the same internet performance at every point within the house, across all Turkcell Fiber infrastructures for the first time and with a new pricing model that allows us to offer them to all our customers. In the new pricing model, we rendered our high-level packages more attractive by offering WiFi 6 modems to our customers without additional fees for 100 Mbps and higher packages.

## ○ Our digital focus

### ○ Digital channel actions

Our digital channels are becoming an inevitable medium which our customers use to address their telecommunication needs in the face of digitizing consumption world and pandemic conditions. Packages specific to the digital channel, ability to compare all packages, and advantageous campaigns help ensure the loyalty of customers who use the Digital Operator. Created based on digital channel usage habits of our customers, the segment structure enables us to design campaigns that fit to the personalized needs of our customers, helping us increase both the number of customers who have just started using the channel and those who use it regularly.



### ○ Digital sales process

We designed the purchasing processes of customers step by step from scratch for new customers sales through turkcell.com.tr and our Digital Operator by looking at our process designs and competitive position in e-commerce sector. We aimed to leverage the convenience of the digital to allow our customers to pick the right package in a simple and clear flow. Following the launch of the project, we observed an increase in the number of customers completing their application process among those who logged in turkcell.com.tr to buy a package. In 2021, 322 million people visited turkcell.com.tr. In the prepaid segment, we enabled personalized packages to be purchased by credit card on digital channels, making all our packages accessible. We increased the share of our digital channel in package sales from 23.6% to 32.2%.

## ○ Our segments

### ○ Turkcell Platinum

Due to the challenges of the pandemic until the summer, we updated and expanded our privileges based on the changing needs. With the "Surprise of the Week" campaign launched in the first half when people were required to remain indoors due to pandemic restrictions, we tried to make a difference in the lives of our customers with online advantages available for use on the leading e-commerce platforms of Turkey. By cooperating with Turkcell Pasaj, we offered special discounts and advantages for various devices and accessories to our customers under "Platinum Vitrin." With our "Dream Gifts" raffles, we kept giving the most up-to-date devices and accessories away to our customers. When the summer kicked in, we put in place our favorite summertime privileges for our customers who had long been expecting normalization. We offered our customers privileges including discounts at beaches, Dream Holiday raffles, airport transfers and so on through local agreements in holiday destinations. Additionally, with our TV communication in summer, we now



Discover a world full of privileges and perks, from car rentals to restaurant options. From car rentals to restaurant options, have the world at hand.



DOWNLOAD NOW

provide services for our customers with our motto of "Hayatı Platinum Yaşa" (Live a Platinum Life) and our new visual world. We released our "Platinum ile Kazandıran Adımlar" (Earn Internet on Reaching Your Targeted Step Count) and "Platinum ile Kazandıran Rotalar" (Walk the Route to Earn with Platinum) privileges for our customers keen on more digital and interactive concepts as well as healthy living and sports. With these concepts, our customers can get extra GB and special discounts as they reach their relevant step and route goals. Reaching approximately 400 thousand individual customers, the Platinum Privileges Program had over 6 million interactions. Our brand enriched the lives of our customers with privileges offered and sponsorships for Turkcell Platinum Night Flight Concerts, Platinum Park and Zorlu PSM, etc. in 2021 as well. You may check [Turkcell Platinum application](#) to discover the privileged opportunities of Turkcell Platinum.

### Youngsters both had fun and won with the GNÇ Application in 2021!

We continued to offer a world of entertainment and opportunities on GNÇ, the favourite application of young people. The GNÇ application ended the year as Turkey's most-downloaded youth application with 14 million downloads. The GNÇ application became one of the top 5 applications in Turkey in the entertainment category by reaching record level of 4.2 million active users. In this year, we set a record by increasing our application revenue to 3.5 times.

We continued to give young people the opportunity to enjoy an abundance of internet and privileges in 2021. 2021 was a prosperous year for the Crack the Egg Campaign, a favourite among young people during which we gave away over 100 million gifts to our young customers.

With the Push & Take platform, we continue our adventure at full steam. As part of this platform, which started off on this journey with GB giveaways in the first phase, we started to offer various advantages to our young customers throughout 2021. First, we changed the frequency of GB giveaways to daily to be able to offer more free GB data to our young customers. We managed to attract the attention of

youngsters by including social media internet packages. Additionally, we positioned Paycell, our electronic money platform, on the Push & Take platform with new scenarios. By offering gaming tokens, discounts for certain brands, and similar advantages through Paycell on the Push & Take platform every 2 months, we encouraged young people to use Paycell, thus increasing



the popularity of our application. To be the luckiest person of Monday on the Push & Take platform, our young customers spend a lot of time on the GNÇ application on Mondays maintaining high level of interest to our application.

GNÇ collaborated with several major brands in 2021. In this context, the brands, which have been identified considering the results of the relevant studies, have been incorporated into the GNÇ application as part of the brand collaborations. Additionally, we have incorporated leading e-commerce, clothing, and food companies of Turkey into our application in line with the preferences of young people throughout the year.

### Shake and Win continued to put a smile on the faces of our customers in 2021

We kept delighting our customers with a wide range of gifts from Shake and Win, the most popular promotional and most-participated campaign of Turkcell. While offering over 750 million gifts to our customers in 2021, we also defined 600 million GB internet, 3 billion minutes and 215 million digital service benefits to our customers. Our customers had the opportunity to use or share the gifts they won through Shake and Win on the Digital Operator application during Ramadan. Moreover, our customers who chose to share their gifts got an extra gift from Shake and Win. We announced this campaign in April with our entertaining TV commercial, which was widely-acclaimed as the first campaign video of the novel Emocan communication. Furthermore, we celebrated Customer Experience Day on October 6 with our customers by granting them an additional shake.

In order to increase the contribution of our customers' interest in "Shake and Win" to our revenues, products and digital services, we made diverse offers and digital services promotions for our customers who participated in the campaign on a weekly basis in 2021. We also supported active usage of Turkcell digital service campaigns through these promotions. In 2022, we will be offering an abundance of services from Turkcell with Shake and Win innovations.



## "Turkcell Bizce," active women's preference, became the favourite application of women!

With the updated Turkcell Bizce application, we continued to deliver brand-new features and content to satisfy the changing demands of women, with the goal of making it the top application for women by increasing interaction and providing pleasant moments with innovative solutions. There was strong participation in "Sen Yeter Ki Gülümse" raffle done using the AI technology, and "Mother's Day" raffle designed to celebrate Mother's Day. Raffles that took place throughout the year recorded a total of 300 thousand participations. Our 2-year-old campaign Collect Coupons continued with new benefits in its third year to promote Bizce's slogan "The platform delivering facilities and advantages to women," considering women's historical practice of collecting coupons. In 2021, our customers gathered a total of 16 million coupons and received 800 thousand gifts. Our brand new games "This or That? (O Mu Bu Mu?)", "Which one is You? (Hangisi Sensin?)" and "Clue (İpucu)" designed for amusing moments were played 3.5 million times. Number of coupons distributed in our game "Clue (İpucu)" reached almost 300

thousand. We hosted experts on our "Ask (Sorsana)" platform to seek answers to different questions frequently asked by women from cooking to health issues through videos, and shared videos of success stories told by women in "Be Inspired (İlham Al)" category. With "Share Discount (İndirim Paylaş)" our customers listed discounts 350 thousand times. Therefore, they didn't miss discounts and could share claimed discounts with other women. "Kendin Yap (DIY)" category became indispensable with 30 new videos on various topics including repairs, recipes, handcrafts, and personal development. Driven by the insight that "women need to listen to themselves, share, get rest and socialize" as shown by our surveys, we launched "Bizce Social Media" packages with weekly and daily 2 GB or 5 GB options available for Facebook and Instagram from 6 PM to 12 AM to let women be on their own. Cooperating with different brands, we offered various discounts and advantages to Bizce users.



## Our customer relations

### Customer satisfaction and loyalty

As the Turkcell family, we strive to make our customers feel "Safe, Valuable and Happy" in every decision we make and with every product or service we design, and we aim to provide our customers with an "easy, personalized and consistent" experience with our initiative "Our Brand and Connection with the Customer".

We expect all Turkcell employees to make decisions keeping the motto "I'm Here for My Customer" in mind and consider Turkcell Experience Principles when making such decisions. As part of our people-oriented communication approach, we listen to the ideas, needs, recommendations and requests of our customers. We aim to help eliminate social inequalities by making all products and services, which we design to add value to people primarily, accessible by everyone. We consider our high customer satisfaction resulting from these efforts as one of the most important criteria of our success. In order to manage Turkcell's rich channel diversity offered to our customers with a "Single Turkcell" approach, we prioritized an "Omnichannel Experience" in our customer relations management. With our Omnichannel projects, we continue to focus on offering an integrated experience in Turkcell customers' interaction with our channels where our customers don't need to provide the same information repeatedly. We also surprise them along their customer journey with our technologies and the harmonious operation of our channels.





## Customer-oriented cultural transformation

With the "Customer Movement Initiative" which we started to propagate the customer-oriented corporate culture, we have ensured that all Turkcell employees have embraced the idea that design and maintenance of customer experience is the responsibility of Turkcell employees regardless of their job definition and that all employees are the pioneers of such cultural transformation.

It is among our primary objectives to make our customers feel safe, valuable and happy with our robust technological infrastructure, which is our core experience strategy. Looking at the point we have reached, we observe the successful results of this movement, which we crowned with positive feedback from our customers and awards in the international arena. Our more than 500 employees from different levels volunteered to become part of various customer experience projects which target customer-oriented cultural transformation. Driven by our customer oriented approach, we became the winner of the "Customer-Centric Culture" category of the European Customer Centricity Awards, among the most prestigious organizations related to customer experience in 2021.

Knowing that a better solution is always possible for our customers, we will continue to listen to our customers and stand by them with the solutions designed to address their needs.

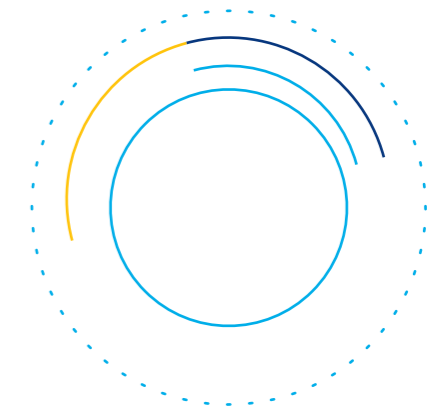


## Customer satisfaction management

As part of our people-oriented approach, we commit to addressing our customers' requests clearly, transparently, rapidly and reliably with our "Customer Satisfaction Policy".

We consistently carry out activities to track customer emotions closely and design the products and services that best meet customer needs by consolidating the connection established with our customers across our channels. We aspire to ensure that the unique experience we deliver to our customers through our video call center service for our hearing-impaired customers and our digital and face-to-face service channels will be owned by all functions of Turkcell, and improve our service quality continuously by monitoring them throughout the year. In line with the strategies we defined to improve customer experience, we annually establish, target and track our customer experience performance metrics.

We identified listening to, understanding and empathizing with our customers as our basic principles for delivering a better experience to our customers. Accordingly, in order to improve our customer services, we now instantly recognize customers by voice thanks to our text and audio analytics capabilities integrated by using artificial intelligence. With Turkcell Celly which has an AI-powered Chat and Chatbot infrastructure, we respond to customer requests quickly, instantly completing 96.08% of processes. Using the proactive solutions offered to our customers on our



We received the Customer-Centric Culture award at European Customer Centricity Awards with our "Customer Centric Culture Transformation Program".



AI-based bot, we provided our customers with information regarding their usage and packages for 43.2 million times from April to December in 2021. 411.8 thousand of these customers purchased their packages through our proactive scenarios without calling the call center. We brought the gold medal to our Company in the "Best Digital Transformation" category at the "International Customer Experience Awards," a prominent organization determining the best companies in customer experience globally, with "Turkcell Assistant: Celly" and the silver medal in the "Business Change and Transformation" category with

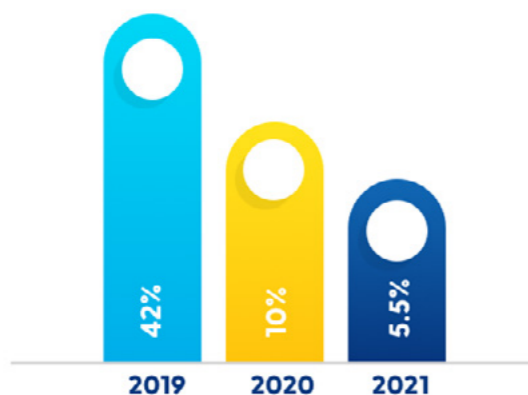
"SuperAgent"!

We respond 24/7 to our customers on Facebook, Twitter, Instagram, YouTube, and LinkedIn with a total of 66 accounts. We address an average of 516 thousand pieces of media content monthly. We provide support to our users regarding our digital applications by initiating digital dialogue reflecting the nature of the respective platforms and our brand positioning. Meanwhile, we index 7.1 million social data annually using our AI-based analysis models and take actions to improve both reputation management and customer experience.

Average response time of all platforms and accounts (minutes)



Improvement rate of average response time of all platforms and accounts, compared to the previous reporting year



## Our environmentally-friendly invoice focus

The environmentally-friendly invoice, which replaces printed invoices with SMS, e-mail or digital versions, is among our focus areas in order to protect the environment.

We encouraged a total of 225 thousand individual mobile and fixed customers to shift to environmentally-friendly invoice by the end of 2021. By encouraging our customers to shift to environmentally-friendly invoice, we wish to create an awareness of environmental protection. As part of this effort, we help make nature greener by planting trees in the name of our customers.

For our customers who shifted to the ecological invoice from printed invoice,

- We planted 5,000 trees with our campaign "change your invoice today and the world tomorrow" specially designed for April 22, Earth Day in 2021.



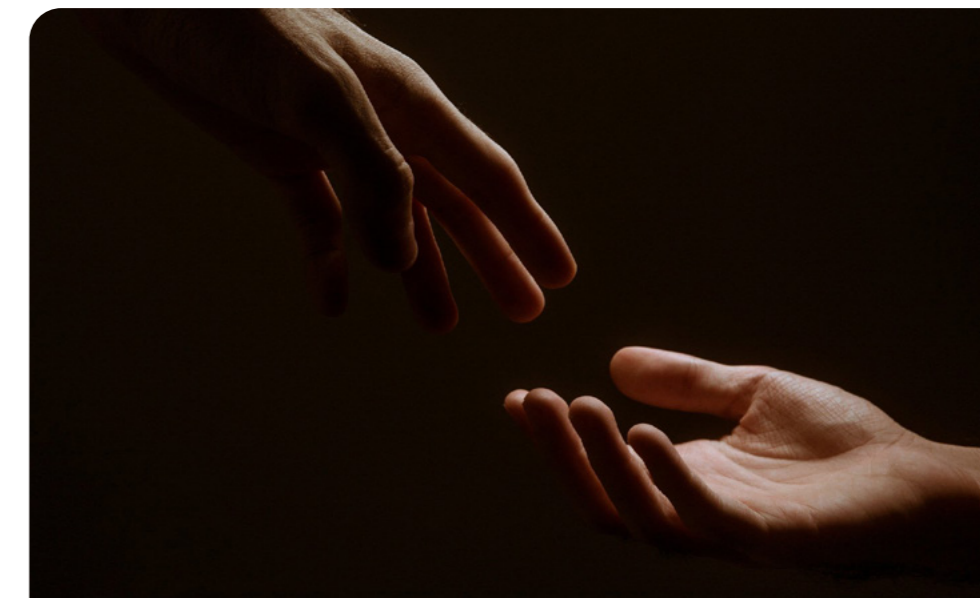
## Social investment projects



### Creating social value

Believing in the power of technology to bring equality in opportunities since the day of our foundation, we have been targeting equal participation in life by everybody without leaving anybody behind in accessing information and carrying out social inclusion projects in this respect.

Allocating up to 1% of our annual revenues to social investment projects, we have been creating a positive difference in society with our ambition to help create a more liveable world, and striving for social development and environmental sustainability in all our activities.





## Turkcell Foundation

With the power and reliability of Turkcell brand behind, Turkcell Foundation works to execute projects intended to serve both our country and the entire humankind.



## Turkcell Volunteers

As Turkcell Volunteers consisting of Turkcell employees who have come together to deliver social benefits and raise social awareness, we kept on creating value in 2021.

Through Turkcell Volunteers, fully relying on grants from Turkcell Group employees, we conduct voluntary social benefit projects with participants who are eager to develop social and environmental projects, have strong communication skills and are able to use technology. As part of this initiative, following the wildfires in the summer of 2021, an Animal Field Hospital was established in Milas through a collaboration between Turkcell Volunteers and HAYTAP. At the end of the year, Turkcell and Turkcell Global Bilgi employees organized a charity for new year celebration and contributed to purchase of toys for Şişli hygenic game center.



## Corporate social responsibility projects

We have been carrying out social investment projects for a better world targeting children, women, people with disabilities, the elderly, refugees by utilizing the equalizing power of technology since our foundation.



## The Digital Spring Project

In a period when social solidarity was more valuable than ever in the face of the challenges posed by the COVID-19 pandemic, we created the "Digital Spring" technology rooms where elderly people living in nursing homes could experience technology, helping them hold on to life stronger. Thanks to Turkcell's digital services, elderly people can watch TV, listen to music, video-call their relatives, and access to e-state service, play digital games and experience different parts of our country with VR sets. As part of the project, which we launched in March with the participation of the Minister of Family and Social Services, we completed our technology rooms at 5 nursing homes in Ankara and Istanbul in 2021. We intend to maintain the sustainability of the project by adding new nursing homes each year.



## Whiz Kids Project

As part of Whiz Kids Project conducted by Turkcell in partnership with the Ministry of National Education, we intend to introduce gifted children in Turkey to technology and discover and develop their talents at an early age. In our Whiz Kids Technology Labs, we make facilities available to students including laptops, 3D printers, smart boards, electronic and robotic coding kits and toolsets, provide training in artificial intelligence, coding, space sciences, robotics, smart home and cloud technologies for children, and support them in developing projects in these areas. Shown by the IEEE among the exemplary services designed as per basic child rights principles, our Whiz Kids service is one of the 11 examples around the world. As part of the Whiz Kids Project, we reached 70 laboratories in total in 42 cities by establishing 11 new classes in 2021. In October, 25 new classrooms, whose inauguration was postponed due to the COVID-19 pandemic, were launched with an event in Düzce through BiP Meet. To date, over 8 million pieces of educational content have been viewed on the Whiz Kids training portal, carrying our Whiz Kids Project to the digital environment, and our public mobile application. 70 thousand students across Turkey took the advantage

of free educational content on topics including Arduino, mBot Robot Programming, Robotics, Space Sciences, Mobile Game Development, AI, Smart Home, Deep Learning, etc. through the digital portal and mobile application of the Whiz Kids Project.

## Whiz Kids Robotic Hand Training Program

After two people invented a robotic hand (mechanical hand) for a child born without fingers and shared their invention with those in need, robotic hand movement evolved gradually with contributions from many people around the world. It is a platform where affordable and usable robotic hand applications are shared after being created with 3D printers in dimensions and properties suitable for people who require a prosthetic hand. Our students aimed to create prosthetic hands using the 3D printers in Turkcell Whiz Kids classrooms to assist their friends who were born without hands.

As part of the project, a Robotic Hand training program for Whiz Kids students is carried out in collaboration with the Robotic Hand Association and is overseen by the Ministry of National Education. At the end of the training, our students from all over Turkey give the hands they have made to other students without hands. In the collaboration with the Robotic Hand Association, we provide assistance to all children waiting for a hand.

SDG 4

SDG 10

## Whiz Kids-ZEKÂTHON

Zekathon is an event organized as part of the Turkcell Whiz Kids project in collaboration with the Ministry of Education to support remote education of students in over 180 Centers of Science and Arts across Turkey. Whiz Kids students competed in the Zekathon tournament with natural disaster and AI-themed projects they created.

The Zekathon process was designed to allow all teams to work online. Throughout the tournament, teams received 1,000 hours of online training, met weekly with their mentors, and worked on their projects.

Turkcell Zekathon received 305 team applications. The jury, comprised of executives from the business world, the Ministry of National Education, and Turkcell, evaluated the projects and awarded eight of them.



## Accessibility efforts

### People without Boundaries

As part of our "People without Boundaries" project, we provide enabling solutions in a variety of areas to assist people with disabilities in participating in all aspects of social life. Prioritizing accessibility, we use technology's healing power for society through the Education without Boundaries Program, My Gem Inside Project, Turkcell Dialogue Museum, Sports without Boundaries Program, My Dream Companion, and My Sign Language applications.

SDG 4.5

SDG 8.5

SDG 8.6

### Education Without Boundaries Program



Students with mild mental disabilities are prepared for employment in vocational workshops after school at Special Education Centers located throughout Turkey. We have reached over 70 thousand students at 112 schools in 60 cities since 2015. In 2021, our projects benefited 20,000 students. To improve the competences of special needs of children with disabilities and help them participate in social life, we support the development of students with disabilities in education and employment as part of the Education without Boundaries Program we launched in June 2015 under the auspices of the Ministry of National Education. Within the scope

of the program, we establish technology classes for visually impaired and hearing-impaired students and vocational training centers for students with mental disabilities. At the Special Education Center in all across Turkey, students with mild mental disabilities are prepared for employment after school in vocational workshops. Since 2015, we have reached over 70 thousand students at 112 schools across 60 cities. 20 thousand students benefited from our projects in 2021.

### The My Gem Inside project

We provide special rooms at schools and free digital applications to support education of children with autism through the My Gem Inside project which was developed under the auspices of the Ministry of National Education across Turkey. Our My Gem Inside project was featured by the IEEE as one of 11 examples around the world of services designed in accordance with basic child rights principles. The project funds the education of nearly 6,000 children with autism and learning disabilities at Turkcell's My Gem Inside classes, which are located in 18 schools of Ministry of National Education. We continued to support My Gem Inside students through online in 2021. The Education Information Network (EBA) was used to make educational content available to students.



## Sports Without Boundaries

We began supporting our mentally disabled students in sports through the Sports Without Boundaries program, which we launched in 2020. In 2021, approximately 5,000 disabled students used the rooms we built in 11 schools.

As part of our Sports Without Boundaries Project, we developed an educational program to assist athletes with disabilities during the pandemic period in 2021. We prepared an accessible sports training program for disadvantaged individuals who remained indoors under full lockdown during Disability Week, which ran from May 10 to May 16. The content created to address the sports needs of individuals with disabilities who were staying at home during the pandemic period included a variety of educational materials for each disability group. As part of the remote education program which consist of 40 videos, the content created to address the specific needs of individuals with visual, hearing, and physical disabilities, as well as children with autism, was made available on the Turkcell Academy without Boundaries and Turkcell YouTube channel.

As part of the project, we reached nearly 10,000 people with physical disabilities, which received extensive press coverage and on the digital media.



## Movies overcoming disabilities (Pandemic Period)

TV+ provides subtitles, sign language, and audio description options for movies in order to allow viewers with visual and hearing disabilities to use the platform equally. Over 20 movies adapted for viewing by people with disabilities are available on channel 555, in Plus movie theaters, and in the TV+ category "Movies Clearing Obstacles."

As the project progresses, we hope to expand the content with audio description and sign language.



## Turkcell video call center

Customers can get Face-to-Face Customer Service from the Digital Operator, as well as Sign Language, BiP applications, Turkcell and Superonline stores, and receive service in sign language from 10:00 a.m. to 01:45 p.m. every day of the week.

This service model, which is free to our hearing-impaired customers, includes external calls and customer callbacks. Customers can contact the call center by clicking the link in the message that is sent when an SMS is sent. Turkcell serves approximately 3000 hearing-impaired customers.



## Disaster response

In 2021, we fulfilled our responsibility to assist our country and people in the aftermath of natural disasters. Across the country, we stood by our people during wildfires and floods.

We defined the Hero Package to the relief team for uninterrupted and free communication to support people in disaster areas for the purposes of this initiative. Following natural disasters, we assisted our people by donating 10,000 tablets to students and teachers in eight cities in disaster areas to support education, with the coordination of the Ministry of National Education. In addition, Turkcell volunteers established Milas Field Hospital in collaboration with HAYTAP to provide immediate medical attention to animals injured in disasters.



## Our efforts to promote digital literacy in the society

We conduct a variety of training activities to help improve people's lives through technology, to assist all social segments in realizing their dreams, and to position Turkey as a leader in software development and digital transformation. We work to eliminate disparities in opportunity, financial barriers, a lack of resources, and a lack of role models.



## Women Developers of Future Climate Ideathon



The Women Developers of Future, which targets women employment and entrepreneurship, continue in 2021 with the Climate Ideathon where women develop technological solutions for a better world.

This competition aims to support women's work in the field of technology and transform this support into a social cause. Women who are familiar with technology develop solutions for climate change. Women participants create technological solutions in themes such as "Efficient and Renewable Use of Energy," "Waste Management," "Carbon Footprint Management," and "Sustainable Agriculture."

SDG 4.3

SDG 4.4

SDG 4.5

SDG 5.5

SDG 5B

SDG 8.3

SDG 10.2



## Turkcell's kids code the future



In this project, we support children aged 7-18, and enable them to learn coding and build competences to address requirements of the future by following the latest software education trends like Scratch and AppInventor.



## Digital Literacy Program

We work to disseminate our "Digital Literacy" training through various channels in order to address the growing need for digitalization as the pandemic period progresses, as well as the growing needs of women and those over the age of middle age who have yet to experience the digital world. Initially, we hope to reach a larger audience by broadcasting the content on TV+.



## Recycle into Education

With the Recycle to Education project, techno waste (mobile phones, PCs, tablets, accessories, etc.) collected in recycling containers at Turkcell stores are recycled in partnership with the Informatics Industry Association (TÜBİSAD), the organization authorized to recycle waste.

The entire revenue from recycling is donated to the TEGV (Education Volunteers Foundation of Turkey) to be used for providing high-quality education to children. Turkcell has recycled 8.5 tons in 2021 and a total of 15 tons of electronic waste since the project's beginning in November 2019. Initially, all proceedings of the project were donated to TEGV (Education Volunteers Foundation of Turkey) to be used for children's qualified education. Due to the pandemic, donations were made to the children of healthcare professionals who died in 2020 and 2021 through KAHEV (Female Doctors Education Foundation). It is planned to donate to TEGV again in 2022 for the qualified education of children.

*In addition to the social value we created through the Recycle into Education Project, we contribute to our natural capital. You can access more information on this in our natural capital section.*



## Our sponsorship projects

## Our support for sports, cultural and art events

We work to make sports, cultural and art events equally accessible to everybody. We undertake sponsorships to provide access to all sports, cultural and art activities for everyone including men, women, children, the disabled, etc.

We continue our pioneering efforts for the development of culture, the arts and sports in Turkey so that our artists and sports people can be acclaimed in national and international arenas.

### National Football A Team Sponsorship

Turkcell has been the main sponsor of the Men's and Women's A National Football Teams since 2005 and the "Official Communication Sponsor" since 2002. Proudly supported by Turkcell for 19 years, our Men's National Football A Team is competing in the World Cup Qatar 2022 qualifiers and Women's National Football A Team in the Women's World Cup Australia & New Zealand 2023 qualifiers. We continue to support our Men's and Women's National Teams, which will represent our country in international tournaments, for the development of Turkish football and expect them to make our country proud again with fresh successes in these tournaments.



### Turkcell Women's Football Super League

We kicked off a new era in women's football by becoming the title sponsor of the Turkish Women's Football Super League, which didn't have any sponsors in previous years. We take steps to promote women's football in Turkey as this branch rapidly develops and grows around the world. To extend Turkcell Women's Football League to larger masses, we carried matches to TV channels, and broadcast the league's final on 4 different TV channels, a first in the history of women's football.

### e-National Teams Sponsorship

By expanding the coverage of our agreement with the Turkish Football Federation in 2021, we became the title sponsor of the player selection process of the newly-established e-National Teams in the FIFA and PES games. We also became the main sponsor of e-National Teams whose players were selected under the title Turkcell e-National Team Draft. We believe our National Teams competing in these newly-created branches will make us proud in the years to come.



### Athletics - Swimming projects

As Turkcell, we take all branches of sports seriously and do our best to improve them. We continue the Athletics and Swimming Performance Projects we kicked off in 2013 at full steam in collaboration with the Turkish Athletics Federation and provide the greatest and longest support for amateur sports ever in Turkey. We work together with the federations in many areas such as applying innovative and modern management models, expanding the young athlete pool, sustainability of the development of elite athletes, and corporate and technological development. With the main sponsorship of Turkcell, Turkish athletics and swimming continued registering successes in the 2021 season. Our national athletes won 339 medals in total in the international arena, 141 in



athletics and 198 in swimming, despite the late-opening of season due to the pandemic. In Tokyo Olympics, 25 athletes represented Turkey in athletics and 11 athletes in swimming. Additionally, while the number of registered swimmers reached 213,195 in 2021, the number of registered athletes added up to 278,048.



### Turkish Sports Federation for the Physically Disabled

We have deepened our collaboration with the Sports Federation for the Physically Disabled, which started with football back in 2016, by expanding to 18 disabled sports branches (amputee football, basketball, shooting, arm wrestling, archery, swimming, sailing, tennis, badminton, athletics, sitting volleyball, table tennis, weightlifting, boccia, skiing, dancing, curling, and fencing). With this sponsorship, we supported a total of 11,108 registered athletes in all branches, 9,289 being men and 1,819 women. In Tokyo Paralympic Games, our Paralympic athletes won 10 Olympic medals: 1 gold, 3 silver and 6 bronze. We proudly continue supporting our Amputee Football National Team, which had two consecutive European Championships and one World runner-up prize.



#### Number of medals won with Turkcell Sponsorship;

Number of medals in disabled sports: 52 Gold, 51 Silver, 44 Bronze Medals  
 Number of medals in Athletics: 51 Gold, 45 Silver, 45 Bronze Medals  
 Number of medals in Swimming: 87 Gold, 56 Silver, 55 Bronze Medals

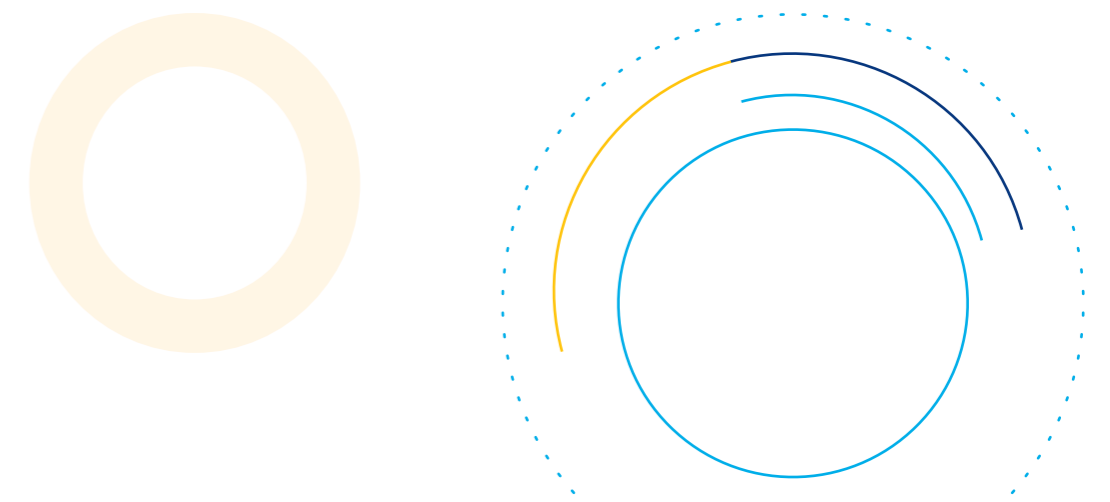
### Turkish Federation of Traditional Sport Branches

As the main sponsor of the Turkish Federation of Traditional Sport Branches, we aspire to promote, nationally and internationally, and make a success in our ancestral sports consisting of 247 clubs in 64 provinces, and over 20 thousand athletes, 351 trainers, 1,700 referees in 9 sports branches including jereed, ambling gait, horseback archery, aba wrestling, salwar wrestling, belt wrestling, traditional sleigh, sleigh and kokboru. We aim to raise healthier, more active and more successful young people in our society by creating opportunities to disseminate these sports branches specific to our culture so that the reputation of our ancestral sports will be fortified, and their future success will be secured.



### Turkey Athletic Talent Screening and Orientation to Sports Project

Since 2018, we have been the official sponsor of the Turkey Athletic Talent Screening and Orientation to Sports Project, carried out in collaboration with the Ministry of Youth and Sports and the Ministry of National Education. We aim for the participation of 1 million primary school students at 3<sup>rd</sup> grade in our project each year. While we ensure the access of 4 thousand students to the professional athletes' pool annually through the project, we encourage children unable to enter the athletes pool, to continue their sports activities by directing them to Provincial Sports Center activities.



## Turkcell Granfondo Cycling Race

Turkcell Granfondo road bicycle race series, which was started to raise awareness of bicycle riding for a sustainable environment and support bicycle riding in Turkey, took place in Istanbul on June 13 and in İzmir on September 5 in 2021. While 1,000 amateur and professional cyclists from 15 countries raced in Istanbul, 1,500 cyclists from 20 countries participated in Izmir race. Cyclists pedaled in Istanbul to raise funds for the education of children of healthcare professionals who lost their lives in the pandemic, and in Izmir to provide scholarship to children affected by the wildfires and floods. Cyclists brought electronic waste to the racing area to be recycled for contribution to the Recycle into Education project. They attached stickers with SDG symbols on their jerseys to raise an awareness of the Sustainable Development Goals.



## Trabzonspor 5G infrastructure collaboration

With a 3-year agreement signed in the last season with Trabzonspor, one of the Super League Teams, we installed a 5G infrastructure at Akyazı stadium where Trabzonspor plays its matches, and we broadcast Turkey's first 5G live feed from the stadium ahead of Trabzonspor's Super League match against Fenerbahçe. We will continue contributing to the digital transformation of sports clubs and sports broadcasting in the upcoming periods.

## Turkcell Vadi

Designed to promote culture, art and music industry, one of the industries most impacted by the pandemic, Turkey's new open-air stage Turkcell Vadi was inaugurated on 30 July. Hosting 42 events during the season including concerts, festivals and plays, the venue attracted 72,400 thousand people. As a sustainable and accessible facility, Turkcell Vadi stood out with a number of activities such as recycling, sapling donation, recycling of collected techno waste for education, prioritization of visitors with disabilities on entrance to the facility and creation of a special viewing area for them. Turkcell customers took advantage of the Platinum Black entrance, the VIP lounge and discount ticket privileges.



## Turkcell Starry Nights Concerts

Music lovers enjoyed a series of magnificent summer concerts with the Turkcell Starry Nights event that took place between July 30 and August 11, 2021. The Turkcell Starry Nights event consisting of 10 concerts at Turkcell Vadi attracted 16 thousand people. A first-time event in Turkey, a rap concert was translated to sign language on stage during the Turkcell Starry Nights event, enabling hearing-impaired audience to enjoy the concert as well. The event allowed for another significant meeting. Using 5G technology delivered on 4.5G frequency bands allocated to Turkcell, Funda Arar had a cheerful chat over BiP Meet with people taking advantage of the technology at the nursing homes in Istanbul and Ankara as part of our Digital Spring project.

## GNÇ Star Music Competition

Over 2 thousand candidates applied for the GNÇ Star Music Competition, organized by Turkcell to support young musicians. The performances of the 10 finalists were evaluated by famous artists Gökhan Türkmen and Fatma Turgut during the live broadcast on the GNÇ YouTube channel. The digital final, followed by hundreds of thousands of people, attracted great interest. Famous stars not only evaluated the 10 finalists, but also shared memories of their own musical journey, as well as inspiring stories for young musicians.



## Turkcell Platinum Istanbul Night Flight

Turkcell Platinum Istanbul Night Flight concerts, supported by Turkcell as the title and main sponsor since 2017, continued in 2021 as well. As Hagia Irene was going through renovations this year, concerts were held at the Harbiye Open-Air Theater, Volkswagen Arena, and Aspendos Theater by Hayko Cepkin, Manga, Gaye Su Akyol, Karsu, Star Track Symphony, and Best of Soundtrack Symphony Okan Bayülgen. Our Turkcell Platinum and Black customers could buy tickets for these events, which reached out to 12,200 people, with a 20% discount using the code received from the application.



## Zorlu Performance Arts Center

As part of our venue sponsorship under the name of "Turkcell Stage" since 2018, the main theater stage at Zorlu PSM hosts world-famous performances and shows. In addition, the theater stage at the center still welcomes art lovers as the "Turkcell Platinum Stage". All cultural and arts events such as musicals, concerts and theater plays are performed on stages hosted by Turkcell. We have hosted over 1 million visitors at over 1,200 events since 2018. We have continued our support during the pandemic period, standing by art lovers with online events.



## Sabancı Museum

Considering culture and the arts among the core values of Turkey, we became the Communication and Technology sponsor of Sakıp Sabancı Museum in 2014 to support and celebrate the value created. We will continue to increase our support in this area.



## Turkcell Platinum Park

As part of the project realized in line with our goal of creating happy customers, we have been providing an opportunity for escaping the monotony of city life to our customers with Turkcell Platinum Park since 2018. With this project, we have provided discounts and advantages to approximately 60 thousand Turkcell Platinum customers for off-road, archery and dining. Additionally, Platinum Open-Air Cinema events were held on these platforms 4 days a week from July to October.



## Sectoral supports

As Turkcell, we aim to carry our leading position in the telecommunications sector onto different sectors, to follow innovative approaches and contribute to the development of the respective sectors in question.

Accordingly, we sponsor many congresses and conferences on diverse subjects such as HR applications, digital marketing, supply chain management, aviation and space technologies, cyber security, and technology solutions. Our sponsorships bring us together with various target audiences such as entrepreneurs, students, investors, NGOs and public representatives, academics, white-collar employees, and the middle and senior managers of corporations. We continued our support for these events, which were held on digital platforms due to the pandemic, in 2021, as well. We had the opportunity of reaching millions of viewers, and we convey our messages through over 50 congresses and conferences throughout the year.

## Contribution to exchanging information and experience among stakeholders

We identify stakeholder expectations as inclusively as possible by taking the groups affected by our services and activities into consideration.

We make a collective contribution to the development of the technology sector and create value together in line with our vision of sustainable communication. Due to our leading position in digital transformation, we consistently exchange knowledge and information with our stakeholders by collaborating with NGOs, international organizations, startups, and universities.



SDG 16.7

SDG 17.16

*You can access more information about our stakeholder relations in the interactions with our stakeholders section of the report.*

## Being the leader and pioneer company in our sector and country through representations

### GSMA

Since 1998 globally, we have been among the 800 GSMA member organizations that guide the global mobile communication sector. In addition to sharing Turkcell's national and international experiences on global platforms, we contribute to the use of mobile technologies for social benefit and support the digital economy via mobile platforms and the development of new generation communication technologies on the GSMA's focus.



### GSMA Sustainability Network

Moreover, we continue our contribution to the transition of the international telecommunication sector towards SDGs, through participation in the activities of the GSMA Sustainability Network, a sub-organization of the GSMA. We were the first company in Turkey to sign the GSMA Accessibility Principles. Additionally, we were among the first 8 companies in the world to do so. In being a signatory to these principles, we pledge to design and develop all Turkcell platforms for our disabled customers and employees according to globally accepted accessibility standards. As Turkcell, we will continue to provide more equal and accessible services and increase the number of accessible products and solutions with the assistance of all Turkcell units, with the awareness that disabilities arise from social barriers.

### United Nations Global Compact CFO Taskforce

The CFO Taskforce initiative has been established by the UNGC, the preeminent global corporate sustainability effort, with Turkcell being among its founding members. The initiative brings the worldwide CFO community together within the framework of sustainability.



*You can access more information on the UNGC CFO Taskforce in the financial capital section of the report.*

### Business Council for Sustainable Development

The Business Council for Sustainable Development Turkey (BCSD Turkey), the regional partner and part of the World Business Council for Sustainable Development (WBCSD), exchanges its sustainability experience among members on various platforms through working group activities.

As part of our collaboration with the foundation, we set our initial activity areas as circular economy, sustainable finance, the future of business with technology, net-zero carbon and women employment. As part of the foundation's activities, we are a member of the Turkey Materials Marketplace and a signatory to IPG (Business World Plastic Initiative).

## Mobile Telecommunications Operators Association (m-TOD)

The Mobile Telecommunication Operators Association was established in June 2016 by the three authorized operators of the sector to create activity areas for the solution of common problems, and to take initiatives at all stakeholder levels to implement those solutions. With the platform, of which Turkcell is among the founding members, we aim to directly contribute to pioneering an ethical, proactive, and competitive mindset in the Turkish telecommunication services sector. Our CEO Murat Erkan was appointed as the Chairman of the Board of Directors in November 2021.

*You can access the details of other national and international sector representations in the measuring the created value section, Appendix-2: National and international organizations and non-governmental organizations and Appendix-3: Our Board of Directors memberships.*

## Our public affairs

**We are the operator with the most robust mobile network operating on the widest spectrum. We play a leading role in Turkey's technological transformation with 53 thousand kilometers of end-to-end fiber infrastructure and world-class data centers that enable us to provide superior quality services.**

We act in accordance with the regulations by which we are bound in terms of tax and legal liability. With our exemplary corporate citizen identity, we have contributed over TRY 44 billion to the state as tax and legal obligations since 2015. Turkcell and Turkcell Group companies are subject to a great number of regulations, and our companies also deal with many public institutions in line with their fields of activity. The regulatory frameworks that concern Turkcell's main field of activity and the activities of Group companies directly and fundamentally affect the technical and commercial operations of our companies, as well as service delivery, and the framework of their relations with stakeholders. We collaborate with the relevant institutions in the consultation, development, and implementation processes of these regulations. As Turkcell, we closely follow all legislative initiatives that concern our field of activity. By analyzing the regulations in terms of legal, technical, commercial, operational, and economic aspects, we communicate our opinions and suggestions to the public. Moreover, we closely follow legislative works carried out by relevant public institutions and organizations and disclosed for public opinion within the relevant NGOs, and contribute to the shaping of regulations through position papers prepared accordingly.

SDG 16.7

SDG 17.16

*You can access the details of 2021's significant legal and regulative developments in the company and sector developments section of the report.*

## Public health

We manage the effects of our products and services on public health by setting limits below those set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP), authorized by the World Health Organization, in accordance with national and international regulations.

*You can access more information about the effects of our base stations on public health in our manufactured capital section of the report.*

With the Hospital Information Management System, we contribute to the digital transformation processes of smart city hospitals, thus supporting the technological development of public health.

*You can find detailed information about our contribution to the digital transformation process of our city hospitals in our intellectual capital section of the report.*

The changing dynamics of our age come with a transformation of expectations and understanding in public services. The public institutions, whose primary mission is to improve the quality of life in our country, work to enhance sustainable service quality with a citizen-oriented approach, while striving to fulfil this duty at optimal cost. It is now possible to create a cleaner, more transparent, and more interactive world thanks to the proliferation of technologies including smart devices and broadband internet. Indeed, for this very reason, Turkcell has embarked on a journey to build smart cities and smart municipalities and enable smart lives with all public bodies and directors on the basis of its Real-Time Installation approach, robust infrastructure, and end-to-end solutions.



## Turkey's Automobile Joint Venture Group Inc. - Togg

**Turkey's Automobile Joint Venture Group Inc. (Togg) was established on June 25, 2018 within the framework of Turkey's Automobile Project implemented through the coordination of the Ministry of Industry and Technology and the Union of Chambers and Commodity Exchanges of Turkey.**

Currently, as one of the founding partners of this company with a 23% shareholding, we aim to be involved in fields of great potential such as connected vehicles, smart cities, and intelligent transportation.

*You can access more information about Togg in our intellectual capital section of the report.*





## Transparent and proactive investor relations

As part of Turkcell Investor Relations, we list our fundamental working principles as accessibility, rapid feedback to stakeholders, and the transparent, consistent and timely information provision.

In accurately introducing Turkcell to our investors, and analyzing our business model, risks and opportunities, we aim to establish a transparent and proactive investor relations management with a focus on making a difference by mastering Turkcell strategies and effectively communicating them to investors.

*You can find more information on Turkcell's transparent and effective investor relations management in our financial capital section of the report.*

## Value-driven, responsible supply chain management

As sustainable supply chain increases competitiveness of corporates and enables effective management of business models, the number of organizations adopting this way of working is rapidly increasing. Within the framework of our value creation principle, as Turkcell, we evaluate each stage in our supply chain management starting from the materials we use, including the activities and practices of each company in our supply chain.

In our Turkey and international activities, to make our supply network as agile, flexible, and sustainable as our direct operations, we restructure our main business processes, logistics and technologies with a holistic approach, supported by our suppliers.

We sign a framework agreement with every firm we work with in our supply chain and ensure the seamless delivery of our ethical, fair, and honest business practices through our policies and contracts. In this agreement, we are committed to compliance with our principles, including avoiding child labor and employment for collection of employee debts. Within the scope of the child labor clause in our framework agreement, there is a rule stating that "The company should not use child labor". To this end, we participated in Action

Pledges to eliminate child labor as per Alliance 8.7. Unless a higher age limit is specified in local laws, we ensure that our suppliers implement the rule "No one under the age of 15 who has not completed compulsory education (within the scope of International Labor Organization (ILO)



convention No. 138) ought to be employed. Employees below the age of 18 should not be employed in jobs that pose danger, or in night shift jobs in order to meet their educational needs". We also ensure the ethical management of our business processes in line with the rule that "No employees ought to be forced to work in any situation. This requirement includes the forced prison labor, labor in exchange of debt with high interest, or other forms of forced labor" clause to prevent forced labor. Should any supplier violate the framework agreement and fail to comply with the requirements of the clauses,

we act according to the relevant legal clause. We expect our supplier ecosystem to maintain all their employer-employee relations by respecting employee rights with a management approach sensitive to environment and people as part of our Code of Ethics and our Policy of Combatting Bribery and Corruption as published on the [Turkcell Supplier Portal](#). In addition, we have all of the suppliers we cooperate approve the Environmental and Human Rights policies when registering to our Supplier Management System.

SDG 8.7

SDG 8.8

SDG 16.5

SDG 16.6

As Turkcell, we offer services touching every moment of human life directly. Partnering with suppliers that will avoid potential service disruptions likely to affect the vital needs of the society such as communication, healthcare and security is paramount in delivering our products and services to our customers. We determine all the suppliers we work with on the basis of mutual trust, along with distinctive features such as quality-price balance, past performance, market conditions, and references. While we carry out our evaluation, we prioritize supplier candidates with quality management and information security management certification, who are sensitive to the ecological balance, and who work within the scope of social responsibility principles, together with other basic criteria.

We classify our purchase categories based on the Kraljic Matrix. Based on this classification, we evaluate our suppliers, who have a purchase volume above a certain threshold, with

respect to service quality, and commercial as well as operational processes. In line with our value-driven and responsible supply chain practices, we execute complaint processes and ensure remedial actions are immediately taken according to the framework of the agreement and considering feedback from general customer communication channels or business functions and results from surveys of business owners and purchasing departments. Through regular assessments and audits we carry out, we evaluate the compliance of our suppliers and report them to our senior management. We proudly announce that in 2021 there were no cases indicating that



our supply chain and suppliers had caused a negative environmental or social impact, or else could have a potentially negative one. As Turkcell Group, we keep in mind ethical principles, fight against corruption and social contribution, and do business with a transparent attitude towards

our stakeholders, in all processes of our purchasing management structure, evaluated under four categories of strategy, people, process and implementation. National and international standards are our compass in making our purchasing processes completely transparent.

*We conduct our purchasing processes in accordance with the following rules and standards:*

- Sarbanes-Oxley Act (SOX)
- Security Exchange Commission (SEC) Regulations
- Foreign Corrupt Practices Act (FCPA)
- Capital Markets Board (CMB) Regulations
- Information and Communication Technologies Authority (ICTA) Regulations
- Liabilities regarding the Turkish Code of Commerce (TTK)
- Liabilities regarding the Turkish Penal Code (TCK)
- Liabilities regarding the Turkish Tax Legislation
- ISO 9001 Quality Management System and ISO 27001 Information Security Management System
- Customs Law No. 4458 and Free Zones Legislation
- Liabilities regarding other countries that we operate in (Ukraine, Belarus, TRNC)

In managing our purchasing processes, we embrace cost analysis and dynamic working principles and prioritize practices that will deliver savings through the integrating power of technology in evaluating the processes.

By creating material requirement plans of our network for the entire year, we ship the right amount of material at the right time to our regions based on the needs of the site leveraging our regional store organization and the "push" principle. This allows us to avoid redundant and surplus demand, minimizing purchasing, logistic and stocking costs. Additionally, by defining product width, length and height measurements for our e-commerce products at the time of the acceptance of goods, we ensure that the system picks the box that best fits the product dimensions at the time of packaging. While our smallest box used to be SIZE 3 beforehand, we now have smaller SIZE 1 boxes to be used to ship our mobile phones, wired and wireless headsets, etc. This allows us to use smaller-volume boxes for our shipments, cutting down the amount of paper used and increasing the volume of products that can be shipped in one go, consequently reducing logistic efforts. Our boxes are produced from 100% recyclable material.



## Supplier ecosystem management

We position the value-driven processes we operate with our suppliers under a single team for rapid implementation. With our Innovation and Ecosystem Relations Process Management team positioned under the Supply Chain Process Development team, we carry out localization efforts, SME and startup support programs, collaborations through international and local sector-specific organizations, supplier-driven innovation efforts, supplier diversity and development, and risk and sustainability analysis efforts.

## Localization efforts

We support domestic and national technological transformation to promote entrepreneurship activities in Turkey so that they will contribute to sustainability. Accordingly, we carry out category localization activities, supplier relations, technopark relations and entrepreneurship support programs (My Principal Partner Program), activities to attract global investment to Turkey, Commercial Attaché affairs, and coordination of all internal stakeholders. We believe localization efforts are critical for Turkcell as it is directly related to our relations with the local ecosystem and the ICTA. As part of the "Turkcell Localization Initiative", we identified the main categories with a localization potential to be tracked in short, medium and long term, and started designing localization methodologies for these categories together with teams consisting of request owners and purchasing experts.

We are engaged in project development activities with manufacturers to support our producers in our localization efforts. As a result of our collaboration with BOREAS, we enable local production of data center cooling systems with precision control, which we imported, with lower cost. We continuously work to increase the percentage of domestically-produced goods, which reached 75% in the European Data Center project.



Our localization framework ensures that purchased products are produced in Turkey and purchased services are delivered by a local workforce. The localization rate of our main suppliers, which corresponds to approximately 90% of our total purchase volume, has been realized at 45.4% in 2021.

**We continue supporting the promotion of startups by visiting technoparks following our new procurement model developed in 2020 for assisting startups. With My Principal Partner Program developed with this purpose in mind, we made a business agreement with 41 enterprises and generated a trade volume of TRY 21.6 million with 35 companies affiliated with 20 technoparks in 12 cities by the end of 2021.**

### Supplier-oriented Innovation Projects

With contribution from relevant business functions and procurement managers, we turn innovative ideas submitted by our suppliers into projects as part of the Supplier-oriented Innovation Program we launched in 2020 to encourage innovations across the supplier ecosystem. Projects are submitted to the "Supplier-oriented Innovation and Localization" committee consisting of the jury of Turkcell Assistant General Managers, with a presentation including potential contributions of the project like extra savings, process and quality improvement, revenue potential and sustainability, and successful projects are implemented. By partnering with suppliers that submit innovative ideas in this program, we create advantages for the industry as well as suppliers and Turkcell. Examples to projects approved by the committee are as follows: use of solar panels for the energy requirement of field equipment, production of lower-cost composite manholes with a reduced occupational safety risk for optical fiber boxes, development of nano-trenchers increasing operational efficiency with shorter excavation sections and causing less inconvenience, use of mobile caravans instead of mobile vehicles for supporting regions for uninterrupted communication, and installation of mobile visit

systems in hospitals to facilitate the communication of patients and patient relatives. These projects allow for labor safety and efficiency, additional revenue stream opportunities, and the development of processes sensitive to the environment and people. As of the end of 2021, 67 ideas were evaluated, 13 were escalated to the committee, and 10 were approved and implemented. These projects are targeted to make a potential contribution of TRY 165.3 million in a period of 5 years including savings and revenues.

As part of the Supplier-oriented Innovation Project, we developed nano trenchers which can carry out shorter-section excavations to be able to serve



at high-cost locations such as villa complexes, industrial zones and internal areas of housing estates. Using these vehicles, we aim to carry out excavations with higher operational efficiency with 67% lower cost and cause the least harm possible to the environment through the system collecting excavated soil in the vehicle storage area.



### The interactions of our social capital with other capitals

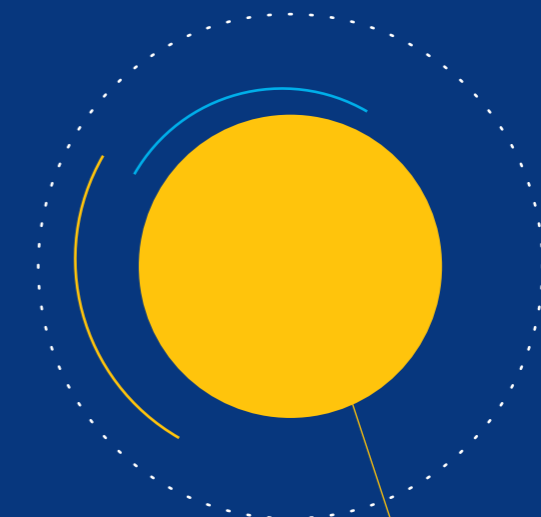
Our social capital which enables us to establish communications that will grow Turkcell's brand value and reputation and our relationships with our stakeholders are among our most important assets driving all other capital elements and contributing to the image "Strong Turkcell".

With our social capital that shape the way we do business, we realize the vision and mission underpinning our various capitals through our statements such as "Turkey's data should remain in Turkey", "Turkey's robust infrastructure", and "Mobile internet at Fiber Speed". We support our robust financial capital through high customer satisfaction and loyalty. And with the awareness of being a good corporate citizen, our solid relations with employees, the public, our suppliers and our society form the cornerstone of our Turkcell identity, which creates value for the long run.





# Natural capital



- Climate change management
- Water management
- Waste management
- Energy management



# Natural capital

## Inputs

### Natural resources management

- Energy efficiency activities
- Efficient resource use
- Waste management and circular economy
- Using IoT applications to increase natural resource efficiency

### Renewable energy investments and projects

- Turkcell Energy investments
- Acquisition of İzmir Karadağ Wind Power Plant
- Portable Solar Field Project
- Solar panel installations on roofs
- Meeting 100% of energy consumption from renewables in 2021

### Environmental impact management through digitalization

### Efficient use of energy

### Turkcell waste management

## Outputs (KPIs)

**74%**

Category 1 emission reduction

**2%**

Category 2 emission reduction

**72.6 million kWh**

renewable energy total installed power capacity

**15 tons of recycled electronic waste since the beginning of the Recycle into Education project**

**A total of 214.2 million kWh savings**

with energy efficiency practices

**154.057 m<sup>3</sup>**

total annual water consumption

**100%**

renewable (YEK-G)



## Value created:

- | Responsible use of resources
- | Improving carbon emissions performance
- | Contribution to reducing the environmental impact of customers
  - o Carbon emissions per petabyte
- | Financial value created through sustainability activities
- | Environmental awareness
- | Reduced paper consumption
- | Protection of sustainable agriculture and water resources
- | Circular operations

## SDG



Performance Indicator	Short-term goal	Mid-term goal	Long-term goal	2019 performance	2020 performance	2021 performance	Current state by goal
Using renewable resources for meeting energy needs	-	-	100% (in 2030)	0	4.8%	100%	Positive development
Being a carbon-neutral company	-	-	100% (in 2050)	-	-	-Reduction in Turkcell's emission and energy intensity -Meeting 100% of electricity consumption from renewables -Acquisition of Boyut Enerji -	Positive development
Minimizing the waste	Zero Waste Objective (Kucukyali Plaza)	-	-	-	-	Completed	Positive development

*We plan the use of our natural capital by considering the balance of the natural ecosystem and the needs of future generations, aiming at the effective management of our environmental performance. We take various initiatives to reduce the environmental impact of our operational activities while improving our business processes in accordance with sustainable innovation principles. We include our employees and their families, suppliers, investors, and customers in this process.*

By integrating our sustainability strategy to Turkcell's business model, we are trying to transform our natural resources into social and economic value, and with this transformation, we are trying to achieve zero negative environmental impact and increase our positive impact.

As Turkcell, we focus on understanding, managing and reducing the impacts we cause in the management of our natural capital in our operations. We strive to sustainably manage our operations, increase efficiency and maximize the value that comes from our natural capital. Accordingly, we comply with the respective requirements of all national environmental regulations. In 2021, there were no filings against Turkcell by regulatory and supervisory bodies with respect to legislative misconducts, or complaints in relation to environmental issues.

In 2021, we organized prized competitions among our employees so as to further increase awareness of sustainability. We provide incentives and offer training programs to our employees regarding the sustainable development of the way they carry out their business activities. In 2021, everyone across our organization including our CEO was appointed with KPIs related to sustainability. These strategic sustainability goals based on ESG have been added among our business goals for 2021 and they will continue to be updated each year. Within this framework, employees' performances are measured by creating a methodology based on ESG parameters.

In parallel to increased environmental obligations as a consequence of the climate crisis, Turkcell started to include its indirect environmental impact on various national and international reports (such as ISO 14064 Green Gas Calculation and Verification Management System - CDP Climate Change Report) while disclosing the processes on which it has environmental impact, and develops relevant projects and best practices. We have developed various projects in relation to electronic waste of our customers as well as waste created by our employees. In addition to Category 1 and Category 2 emissions driven by our business activities and energy use, we have also started to measure our Category 3, Category 4, Category 5 and Category 6 emissions as of 2021.



*Turkcell purchased carbon credits to offset carbon emissions caused due to printing of its 2021 integrated annual report.*

## Climate change management

### Emissions management

At Turkcell, in order to manage the climate change effectively, the monitoring and reporting of our greenhouse gas emissions generated as a result of our business activities, use of resources and services we have provided are among our main environmental priorities.

In this regard, as the first mobile operator in Turkey having ISO 14064 Corporate Greenhouse Gas Emissions Calculation and Reporting Certification, we fulfill our respective responsibilities. In the previous years, we used to evaluate emissions caused by our activities in terms of Category 1, Category 2, and Category 3, Category 4, Category 5 and Category 6 but as we switched to the 2018 version of the standard, we calculated 2021 emissions as "Direct" and "Indirect". We monitor our green gas emissions including CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub> and NF<sub>3</sub> gases by making necessary measurements through the IPCC Tier 1 and Tier 2 (electricity) approach. In our ISO 14064 Calculation and Reporting of Greenhouse Gas Emissions audits, we include the use of personnel shuttles within the scope of our direct and indirect energy consumption and other indirect emissions, as well as waste generated, transmission and distribution losses in the electricity network, our logistics operations, and emissions arising from the production of energy that we consume. As the first mobile operator to hold ISO 50001 and ISO 14064 certification, we strive to have all ESG processes verified by independent third parties.



As we report our emissions, we get external and independent audit services in line with ISO 14064 rules and report direct and energy indirect green gas emissions accordingly.

Additionally, in line with the Carbon Disclosure Project, we have been sharing the reports on our emissions transparently with stakeholders since 2014 in the form of CDP Climate Change Report. Our base year for greenhouse gas emission calculation is determined as 2016 in terms of data completeness and appropriateness of scope. It is determined that 2016 was the most appropriate year for Turkcell, where direct and indirect emissions are comprehensively monitored, and where data is compliant with the standards' requirements and completeness principle. There is no activity related to the burning of biomass within our operational boundary.

## Total Greenhouse Gas Emissions (t CO<sub>2</sub>e)\*

Year	Scope 1	Scope 2	Scope 3
2019	108,025	383,988	80,627
2020	19,409	440,939	63,700

Year	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
2021	4,996	433,440	9,267	112,057	725	-

\* Independent audit was completed on 16.02.2022 as per ISO 14064-1: 2018 Standard by TSI. You may access the statement through this [link](#).

The Turkcell greenhouse gas emissions intensity ratio for 2021, including Direct and Energy Indirect Emissions was calculated as 110.678 ton CO<sub>2</sub>e/Petabyte. The intensity metric for GHG emissions intensity is defined as “2021 Turkcell Turkey’s emission per petabyte”. Electricity consumption per 1 MB is 0.0002 kWh.

Carbon Emission per Petabayt* (t CO <sub>2</sub> e)		
2019	2020	2021
239.79	143.6	110.678

\*The ratio of total direct and energy indirect carbon emissions to mobile network data traffic (Superonline carbon emissions and all other indirect emissions are excluded.) Electricity consumption per 1 MB is 0.0002 kWh.

We also take innovative steps in sustainable finance. The maturity of the “Sustainability Indexed Loan” obtained by the agreement we signed with BNP Paribas has been extended from 2022 to 2026. The principal amount of the loan has been increased from

EUR50 million EUR70 million, which led to EUR20 million additional financing. With the utilization of sustainable loans, we fulfill our environmental responsibilities while reducing our financing costs.

You may find the details of our sustainable financing activities in the financial capital section of the report.

With Dergilik, which is one of the applications where we contribute positively to the environment, we provide the opportunity to read magazines and newspapers digitally on a single platform. The number of newspaper and magazine downloads through this app in 2021 was 23 million. Based on the number of pages of an average publication, the total number of pages accessed by these downloads was 1.6 billion. Thus, in 2021, Dergilik users preserved close to 103 thousand trees, supporting the reduction of carbon emissions. Thanks to the positive impact we make on the environment through our Dergilik application, we believe that the penetration of digital publishing will increase day by day.

Turkcell Kopilot application, which offers a new dimension to the car driving experience with superior features, indirectly leads to reduction in gas consumption through the analysis of gas usage, the route and the driver. Thanks to this application, we help companies manage their vehicle fleets with an environmentally-friendly approach.

We developed a biometric signature practice for contracts signed with landlords as part of the field rental process in order to decrease the resource usage and its negative environmental impacts. We adopted a digital contract management system allowing end-to-end digital data entry instead of a process based on physical exchange of contracts, which reduced the number of required steps from 13 to 5. We can now complete the field rental process, which previously took 3-10 days, in a single day. With the adoption of this new practice, to date 2,515 contracts have been signed with biometric signature, thus leading to savings on paper consumption,





archiving, cargo, and fuel costs.

We have an objective of reducing the CO<sub>2</sub> emission by approximately 960 tons by preferring hybrid vehicles for our fleet and hence lowering the CO<sub>2</sub> emission by 35-40 gr per kilometer. In accordance with this objective, we have switched 677 of our fossil-diesel vehicles with hybrid ones in 2021. In 2020, our emission measurement was 12.7 gr/km and this year it was lowered to 9.1 gr/km resulting in a reduction of our carbon

emissions by 25%.

With the responsibility of being a pioneer and exemplary brand, we define our sustainability strategies and goals, climate change scenarios by taking SDGs into account. Reflecting our goal of becoming a carbon neutral company by 2050, we determine carbon price based on offers collected from our solution partners in the market to offset the emissions from our operations.



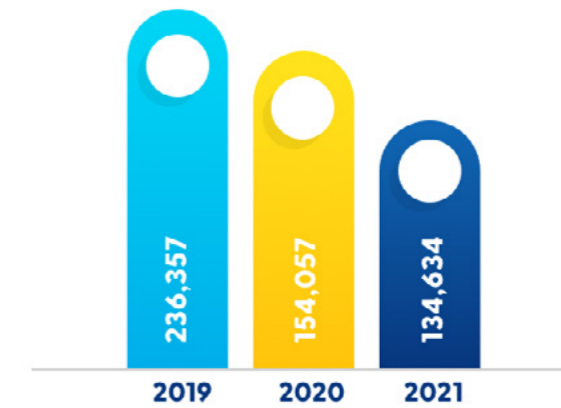
## Water management

We deem water as the most important natural and vital resource. Therefore, our responsible corporate citizenship makes us place emphasis on the responsible consumption of water in our activities. We take measures to reduce water consumption in order to make sure that water usage, which we consider to be among the critical environmental responsibilities, is managed sustainably.

We do not use water resources directly in developing products and services. Nevertheless, since we are a responsible company in terms of the use of resources, we announce our water consumption in our annual reports. The daily water use of our employees in the locations at which we operate comprises our fundamental water need within our activities. In our data centers, we reuse rainwater as gray water (in toilets and urinals) with various filtering processes. We continue our efforts to recycle and reuse our wastewater.



Total Water Consumption (m<sup>3</sup>)



*While focusing on reducing water consumption of our activities and recycling it, we also try to support our customers in improving their water consumption through the services we provide. Our Smart Water Meter solution, which allows meters to be read and valves to be opened/closed remotely leveraging IoT technologies, helps control water consumption, enabling instant monitoring of water use and protection of natural resources.*

*We offer our "Filiz" application to farmers in order to protect scarce water resources and support sustainable agricultural activities which is a field where water consumption is high. Turkcell Filiz communicates critical information such as requirements for plant development, water need and disease risk to farmers, enabling them to take necessary measures. Turkcell Filiz collects this data by monitoring various soil and air parameters through sensors and incorporating them into algorithms created with artificial*

*intelligence. Most of the farmers in Turkey lack access to technical support and "Filiz" is also noteworthy for its ability to reach agricultural engineers through digital channels. In this regard, we enable access to technical information for those who need it, through digital channels. Integrating these capabilities with technology, we support sustainable agriculture.*



## Waste management



Having adopted the approach of generating minimum waste and maximum recycling, we manage waste resulting from our operations and activities by selecting appropriate methods and technologies, and conduct our processes in full compliance with relevant regulations through our contracted waste management company. As a result of our efforts in this field, we have received the Basic Level ZERO WASTE certificate on October 18, 2021

SDG 12.2

In line with our waste management approach, we use systems that reduce waste generation and the use of natural resources in our operations. Furthermore, we sort waste, which we cannot prevent, at its source and recycle. Although we do not create huge amount of waste as a company in the digital industry, we develop practices to reduce the consumption of materials such as paper and toner in our office buildings and sort all types of waste such as paper, plastic, and domestic waste at their source. We send sorted waste to recycling facilities as part of our cooperation with municipalities and respective authorities where our company buildings are located.

We collect batteries in waste battery containers and deliver them to municipalities and TAP (Portable Battery Manufacturers and Importers Association) for recycling. As part of Turkey's Zero Waste Project launched nationwide, we have been carrying out activities since 2018 in line with this project's objectives. Having established a Waste Management Center at our headquarters, solid food waste collected from our cafeteria and office floors is recycled by the compost machine and turned into organic soil fertilizer. We are proud to be the first company in Turkey to have implemented Zero Waste Project, even though we don't engage in manufacturing activities.



### Waste generated from our office activities (ton)

Waste Type	2019	2020	2021
Domestic waste	1,286	617	399
Waste oil	15.5	11	14.5
Paper	83.61	33	39
Medical waste*	0.261	0.08	0.04
Battery waste*	0.68	0.249	0.477
Electronic waste*	0.24	0.35	0.27

\*Hazardous Waste

\*\*Started to be reported as 2019

We dispose of hazardous waste such as batteries, toner, electronics, cables, and consumables resulting from our operations through licensed recycling companies which have the required competency within the respective regulatory framework. Thus, we prevent hazardous waste from interacting with the environment. On the other hand, in order to prevent waste oil generated in our offices from mixing with domestic wastewater, we use oil trap systems. By selling second hand and scrap material to companies which use outdated technology, we make sure the products are reused. We aim to revalue 100% of network infrastructure devices as part of such sales. Hence, we contribute to the circular economy system, which ensures that resources are not redundantly extracted or wasted, but recovered for reuse. As part of the Modem Renewal Project launched in 2019, we renew or repair modems no longer used by customers and offer them to be reused by our customers in need of these products. Within the scope of this project, 121

thousand set top boxes (STB), 155 thousand Superbox products, 125 thousand optical network terminals (ONT) and 457 thousand modems were renewed in 2021. 36% of the approximately 682 thousand fiber modems (approximately 250 thousand) and 53% of the ADSL modems (approximately 150 thousand) used in 2021 were sourced from modems renewed during the year. In addition, 95% of the renewed STBs, 100% of the ONTs (as ONTs are installed upon determination of the usability) and 36% of the Superboxes were used in the same year and brought into the service of our customers.

SDG 12.2



	2019	2020	2021
Secondhand sales and scrap sales volume* (ton)	5,599.89	4,220.18	3,691.52

\*100% revaluation of network related waste as scrap or second hand is aimed at.

We are well aware of the adverse ecosystem-related impacts of electronic waste composed of electronic products which haven't completed their lifespan due to improper management. Hence, we carry out our activities in this field with the utmost care. In order to convert this situation into opportunity, we utilize products classified as electronic waste, yet that include rich raw materials and materials suitable for reuse, as part of circular economy, thereby achieving financial savings and efficient use of limited resources.



*With the environmentally-friendly invoice subscription, which we established through the Telesales channel, we reduce our printing and delivery costs, while significantly reducing our paper consumption and negative environmental impact. We carry out all transactions from new subscription to tariff changes, and from buying a new SIM card to settling invoices at Turkcell stores with a digital signature on a tablet in just seconds. Digital signature also makes it possible to subscribe to services that require at-home installation for our customers such as DSL, Superbox and TV+. We expect to reduce paper consumption*

*by 30% while digitizing approximately 11 million pages of documents annually with digital signature. Meanwhile, we enable companies from all industries to use the digital signature service. The smart legal document automation solution, which we developed for our legal department that traditionally sees high paper consumption, helps reduce paper use and manual processes through robotic process automation. Accordingly, we reduce error risk, while becoming more environmentally-friendly and operating a more effective system.*

## Energy management

*Turkcell sees energy management as one of the most critical factors in our industry. We address our energy management practices in two perspectives; the energy we consume as part of our activities and the energy we produce from renewable sources.*

As part of our environmentally-friendly business model based on shaping technology according to social needs, we prioritize the consumption of renewable energy to ensure optimum use of natural resources. As the first mobile operator which have obtained the ISO 50001 Energy Management System Standard in Turkey, we save on the energy we consumed. We established Turkcell Energy Solutions in 2017 in order to supply low-cost and environmentally-friendly energy. We aim to become a consistent and transparent electricity energy supplier that operates within the boundaries of private law in the competitive environment. Accordingly, we aim to create



We have continued our activities as part of the “Recycle into Education” project, which is an electronic waste recycling campaign in Turkey, started in cooperation with “TÜBİSAD (Informatics Industry Association)”.

*You may find information about the social benefit we create through our Recycle into Education project in our social capital chapter.*

value by leveraging the increased synergy and efficiency arising from the bundling of energy, energy solutions, and mobile and fixed benefits through an integrated approach. Energy crisis, which is one of the most challenging issues, is on our agenda and we closely monitor various factors that could affect the market such as developments in the European electric industry, Carbon Border Adjustment Mechanism and Paris Agreement. We calculate and monitor our energy

performance using an energy intensity performance indicator defined as the ratio of non-renewable energy consumption to revenue. The Turkcell Energy Intensity ratio for 2021, including our total energy consumption, is calculated as 867.7 GJ/ Petabyte. The specific measurement unit we used in the Turkcell energy intensity calculation is identified as “2021 Turkcell Turkey emission generated per petabyte used.”

**We are not only a firm that consumes renewable energy but we also produce renewable energy.**

As part of our goal of becoming carbon neutral by 2050 as a company which consumes 100% renewable energy and generates renewable energy, we pioneer renewable energy investments by employing the self-consumption model in our buildings. We therefore target becoming a company

that supplies and generates its electricity from environmentally friendly resources. In line with this goal, we plan to meet our energy requirements from green energy sources by having power plants of our own and leasing renewable energy generation capacity from power plants in Turkey.

SDG 7.2

SDG 13.1

As Turkcell Energy Solutions, we prioritize saving energy and implementing the use of renewable energy for our activities. Accordingly, as Turkcell Energy Solutions, we approach energy consumption and generation from an environmentalist perspective by installing solar energy power plants at our data centers and offices, and reducing the carbon emission within the self-consumption model framework. In 2021, the electricity we generated by the self-consumption model reached an amount equivalent to the 1-year electricity consumption of 410 households. Furthermore, we encourage environmentally-friendly methods through electricity trade with renewable energy power plants. We continue our environmentally-friendly approach with our renewable energy supply that is certificated with IREC in 2021.

Turkcell Energy Solutions aims to make Turkcell a company that supplies its electricity from environmentally-friendly sources with zero carbon emissions and continues its renewable energy investments for the coming periods.



Turkcell Energy acquired Karadag Wind Energy Power Plant of 18 MW which is located at Cesme and owned by Boyut Grup Enerji with a share transfer agreement signed in August 2021. Our Karadağ Wind Energy Power Plant produces 71.83 million kWh of electricity per year and provides for the annual energy needs of 2,500 base stations. Thanks to the clean energy supply provided to Turkcell's network, we prevent the emission of 32.4 thousand tons of CO<sub>2</sub> to the atmosphere each year. We have certified entire electricity consumption of Turkcell Group in YEK-G market with 100% rate. Therefore, as a Company having 100% consumption from renewables, we continue to be a pioneer in Turkey. With 100% YEK-G certificate, we support renewable energy producers and continue to be an exemplary company in sustainability efforts in Turkey. Furthermore, we aim to increase the capacity of our power plant in 2022 so that we increase the supply of clean energy. We have applied to acquire I-REC certification which will allow reporting the renewable energy production and consumption for our power plant to be valid as of 2021. In addition to this, by exporting I-REC certificates we provide opportunities for our customers and our Group to report their green energy consumption in accordance with the international reporting standards hence creating additional financial contribution.

With our Group's first solar power plant, located in the Turkish Republic of Northern Cyprus, we generate 1.5 million kWh of electricity annually. With this plant, we also reduce the demand load on the TRNC Turkish Electricity Authority in Cyprus (KIB-TEK) network and contribute to its digital infrastructure. And thanks to this power plant, we prevent the emission of 676 tons of CO<sub>2</sub> to the atmosphere.

Ankara Data Center is the first data center in Turkey which produces its own electricity through solar panels. We benefit from solar power through new generation panels installed on top of our headquarter building's parking lot, meeting part of our electricity demand from renewable sources. We avoided 171.34 tons of CO<sub>2</sub>e emissions via our data center building that generates 380 thousand kWh of electricity a year. We are proud to be Turkey's only company to have two data centers which have obtained Uptime OS Operational Sustainability Gold certification. Our Gebze Data Center was the first in Turkey to receive the certificate in 2018 and this was followed by our Ankara Data Center.

Moreover, we generate electricity from renewable resources through a solar energy scheme installed on the roof of the Turkcell Adana Plaza building. We utilize the energy generated through the self-consumption model to meet the electricity needs of our Adana Plaza building. We avoid around 31.7 tons of CO<sub>2</sub> of greenhouse gas emissions annually through the production of 70.3 thousand kWh electricity.



**We generated 2,200 MWh electricity from renewables with 5 solar power projects in 2021. In 2021, we acquired İzmir Karadağ Wind Power Plant. This plant has an installed power of 18MW and a production capacity of 67,500MWh meeting the electricity consumption of 2,500 base stations.**



Portable Solar Field solution, one of our innovative solutions, meet communication needs in regions where the population increases seasonally, but where access to energy resources is limited. These communication stations, installed in various locations across Turkey, stand out for their environmentally-friendly features and contribute to our sustainability goals. We are proud to share that our investments into renewable energy technologies will continue in the upcoming periods.

We design our processes to minimize the environmental impact not only in our direct operations, but throughout our entire value chain. In accordance with our green procurement practices, we evaluate the compliance of products we use to various environmental criteria such as energy efficiency and the sustainability of raw materials, and prioritize the use of products with low negative environmental impacts. In line with these practices, we set the Eco-design criteria and current regulations, which is not yet an obligation in Turkey, as prerequisite to be met in air conditioning equipment we use in our projects. We thereby aim to increase energy efficiency by using products of A energy-class.

As Turkcell, we set short and long-term goals to reduce negative environmental impact, carrying out reporting and activities accordingly. Within this context, in 2021, Key Performance Indicators for renewable energy

and techno waste have been determined as a business target for the relevant teams. Additionally, preparations on the compliance process of suppliers with the Environmental and Human Rights Policies published by Turkcell have begun in 2021. We also defined compliance of Turkcell's with ESG procedures as a business goal.

We carry out energy saving activities to ensure responsible use of our existing energy resources. We attach importance to the energy efficiency of our network equipment. We save energy thanks to air conditioning devices and energy infrastructure in data center system rooms with more efficient, state-of-the-art products. In calculating our energy savings, we consider the approximate annual savings of each field in which saving initiatives are implemented, and calculate annual savings by taking the total number of such fields into account. And in pursuit of achieving energy savings, we leverage practices such as fields without air conditioning, efficient rectifier technology, passive cooling, outdoor cabinets, power saving algorithms, renewable energy and GPON technology. Furthermore, in order to save energy, we design our buildings in a way we could utilize day light at a maximum level. We use less energy in heating and cooling our facilities with the help of heat insulation materials we use on walls and exterior cladding.

SDG 7.3

	Amount of Savings (million kWh)		
	2019	2020	2021
Amount of total savings through energy saving activities and projects	149.6	165.6	214.2



## The interaction of our natural capital with our other capitals

**Our natural resources which are limited in supply are crucial in terms of our sustainable growth mission. We cover the effects of our use of natural resources through sustainable and green financing solutions in our financial capital.**

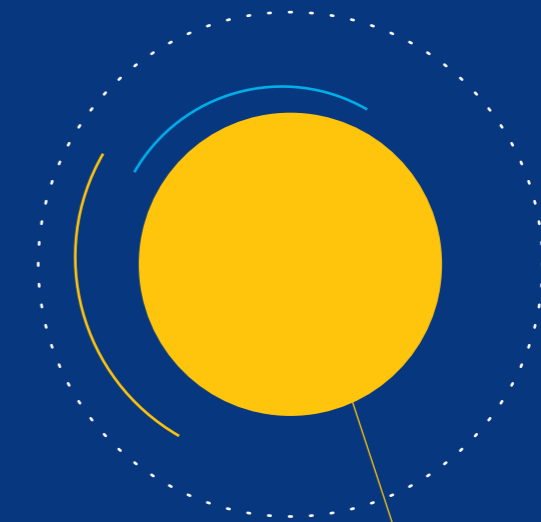
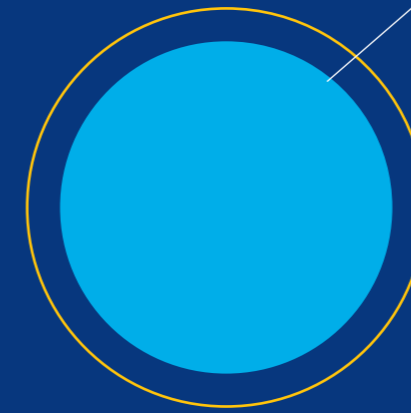
We believe sustainable development can be achieved through circular economy which is a method that could reduce the use of resources. Hence, we develop our long-term intellectual capital by taking natural resources into consideration. We additionally make sure that social programs are carried out. We use our technological competencies to produce environmentally friendly solutions and provide sustainable services to our customers.





# Appendices

- APPENDIX-1: Communication channels table
- APPENDIX-2: Cooperated national, international and non-governmental organizations
- APPENDIX-3: Board of Directors memberships
- APPENDIX-4: Turkcell 2021 awards
- APPENDIX-5: Our ISO Certificates
- APPENDIX-6: GRI content index table
- APPENDIX-7: UNGC progress table
- APPENDIX-8: Sustainability principles compliance framework table





## APPENDIX-1: Communication channels table

Stakeholder group	Communication channels
Employees	Internal and External Meetings, C-level Open Door meetings, Assessments, Announcements, Dashboard, Reports, Awayday activities, Events, Information Reports, Periodic Publications and Bulletins
Suppliers	Supplier Management System, Supplier Portal, Internal and External Meetings, Supplier Days, Cooperation Meetings with SME and Local Manufacturers, Turkcell Partner Network, Field Rental Owner Meetings, Technopark Meetings
Customers	Media, Turkcell.com.tr, Turkcell and Turkcell CEO Social Media Accounts
Shareholders and Investors	Board of Directors Meetings, Conferences, Meetings and Road-show activities, Investor and Analyst Day Meetings, Quarterly Results Announcements and Teleconferences on the Investor Relations Website, Material Disclosures over Public Disclosure Platform, Annual and Interim Activity Reports, Frequently Asked Questions Section and Turkcell Investor Relations e-mail and Phone Lines
Public institutions and regulatory organizations	Official Correspondence with Ministries, Periodic, Subject-Specific or Sector-Wide Meetings, Workshops etc. Events, Public Opinion Documents, Information Reports, Presentations and Position Documents, Periodic Publications and Bulletins, Periodic Contents (Business Plans, Annual Plans, Strategy Documents, Action Plans etc.)

NGOs	Board of Directors Meetings, Working Group Meetings, Council Meetings, Workshops, Seminars and Conferences, Annual Forums and Meetings, Regional Events, Fairs, Award Ceremonies, Subject-Oriented Initiatives (via website and social media), Memberships, Working Groups Activities and Projects, Meetings, Joint Projects
Media	Direct Communication, Turkcell Media website, Turkcell and Turkcell CEO social media accounts, turkcell.com.tr
Students	Curriculum Courses, Certificate Programs, Technical Trip, Project Competitions, Information Sharing Sessions, Sponsorships in parallel with Turkcell Academy's Vision of Raising Qualified Human Resources for the Sector
Academicians	Curriculum Courses and Certificate Programs in parallel with Turkcell Academy's Vision of Raising Qualified Human Resources for the Sector, Scholarship Opportunity for PhD Students studying in the Field of Artificial Intelligence via Turkcell Foundation, Supporting Publications
Think tanks	Content contribution to publications prepared for the sector





## APPENDIX-2: Cooperated national, international and non-governmental organizations

3GPP	The 3 <sup>rd</sup> Generation Partnership Project
AUSDER	Intelligent Transportation System Association of Turkey
FIRST	Forum of Incident Response and Security Teams
OIC-CERT	Organization of The Islamic Cooperation – Computer Emergency Response Teams
BCTR	Blockchain Turkey Platform
BGD	Information Security Association (ISA)
EDİDER	Digitalization in Energy Association
DEİK	Foreign Economic Relations Board of Turkey
ECTA	European Competitive Telecommunications Association
ETİD	Electronic Commerce Operators Association
ETSI	European Telecommunications Standards Institute
ESB	Access Providers Association
FKB	Financial Institutions Union
GSMA	Global System for Mobile Communications Association
GTI	Global TD-LTE Initiative
IAPP	International Association of Privacy Professionals
IIC	International Institute of Communication
ItechLaw	International Technology Law Association
ITU	International Telecommunication Union

IPTV Association	Internet Based Television Technologies Association
MOBİSAD	Mobile Communication Tools and Information Technologies Businessmen Association
M-TOD	Mobile Telecommunication Operators Association
MÜSİAD	Independent Industrialists and Businessmen Association
NGMN	Next Generation Mobile Networks
ÖDED	Payment and Electronic Money Association
PERYÖN	Turkey People Management Association
SKD	Business World and Sustainable Development Association
TELKODER	Turkish Competitive Telco Operators' Association
TEİD	Ethics and Reputation Association
TOBB	The Union of Chambers and Commodity Exchanges of Turkey
TUYAD	Telecommunications Satellite and Broadcasting Business People Association
TÜBİSAD	Informatics Industry Association
TÜSİAD	Turkish Industry and Business Association
TÜYİD	Turkish Investor Relations Society
UN (UN Global Compact)	United Nations Global Compact
WTECH	Women's Association in Technology
YASED	International Investors Association
ENDEAVOR	Endeavor



## APPENDIX-3: Board of Directors memberships

Non-governmental organization	Board Member
BGD	TÜMAY ÜNAL
M-TOD	MURAT ERKAN, SERHAT DEMİR, GEDİZ SEZGİN
TÜYİD	ALİ SERDAR YAĞCI (Audit Committee Member)
TUYAD	BARIŞ ZAVAROĞLU
FKB	ZEYNEL KORHAN BİLEK
DEİK	AFİF DEMİRKIRAN (Associate Member)
ESB	MUTLU KORKMAZER, YILMAZ KÜÇÜK

## APPENDIX-4: Turkcell 2021 awards

In addition to the awards in the relevant sections of the report, we were deemed worthy of the awards given below and much more in 2021.

### Martech Awards

Our "Omni-Channel Experience Screen" got the first prize in the category of "Best Omni-Channel Technology Use" at the MarTech Awards, honoring marketing technologies that develop the industry.

### Stevie Awards 2021

Our project called "Outbound Excellence" got the Gold Stevie prize in the category of "Outbound Marketing Program of the Year" at the 2021 Stevie® Awards for Sales & Customer Service competition, which is among the prestigious prize programs of the global business world. In addition, our "Go Kasa" application got the Bronze Stevie prize in the category of "Best Use of Technology in Sales".

### Şikayet var ACE Awards

Our customer relations management team was awarded the first prize in the category of "Communications" as Turkcell. We got the second prize in the category of "Digital broadcasting" as TV+, and the third prize in the category of "ISP" as Turkcell Superonline.

### Deloitte Technology Fast 50

For the 4<sup>th</sup> time in a row, Paycell was awarded the "Deloitte Technology Fast 50" prize, organized by Deloitte and unlocking new global opportunities for 50 fastest growing technology companies of Turkey.

### Hacettepe University Crystal Deer Awards

At the Hacettepe University Crystal Deer Awards, we were named the "Best of the Year" in the categories of "Telecommunication Company" and "Digitalizing Company".

## Boğaziçi Informatics Awards

Results of the public and jury votes were announced for the 8<sup>th</sup> Boğaziçi IT Awards. Turkcell Superonline became the winner of the "Best Internet Service Provider" category as a result of 5 million public votes and the jury evaluation.

## TUHID Golden Compass Awards

At the 19<sup>th</sup> Golden Compass Awards, Turkcell won three prizes with its projects "turksporu.com.tr", "İşte Destek ile İhtiyaçlar Tek Tıkla Çözülür" and "Turkcell Platinum Bosphorus Cup".

## Cybersecurity Excellence Awards 2021

Turkcell's digital security products won four awards at the Cybersecurity Excellence Awards, one of the most prestigious international organizations in cybersecurity. Turkcell's Digital Security Service project got the first prize in the categories of "Anti-Phishing" and "Anti-Malware". PayDOS software, a DDoS Attack Simulation developed by Turkcell cybersecurity specialists, won the grand prize in the category of "Breach and Attack Simulation". Additionally, our "Turkcell TAF - Telco Anti-Fraud" product was awarded the Gold prize in the category of Fraud Prevention.

## Yıldız Technical University Management Club Stars of the Year Award Ceremony

Turkcell's "People without Boundaries" projects won a prize in the category of "Best Social Responsibility Project" as determined by the votes of 35,000 students.

## CIO Awards 2021

We won prizes in 6 categories with our AI and RPA projects at the CIO Awards 2021 organized by IDC Turkey. We got the first prize with our Online Exam Setup with Face Recognition Technology project in the category of Future of Work - Borderless Organization, second prize with our project AI-powered Emotion Learning Trainings for Autistic Children on My Gem Inside Application in the category of Innovation, second prize with our Personalized Experience with AI for Black Customers project in the category of Customer Experience, second prize with our Job Applications Preliminary Examination Robot project in the category of Future of Work - Talent Management, third prize with our Yaani and Search Engines Comparison Smart RPA Scenario project in the category of Future Of Work - Automation, and third prize with our Notice of Termination Creation Robot project in the category of Future of Work - Human Machine Collaboration.

## WSIS Prizes

The Whiz Kids Project of Turkcell was the winner of the e-learning category at the WSIS Prizes, which rewards projects that leverage the power of information and communication technologies around the world.

## Powerful Communication Safe Workplace Awards

As Turkcell, we were awarded the Sustainable OHS Practices prize at the Powerful Communication Safe Workplace Practices competition organized by the Occupational Health and Safety Department of the Ministry of Labor and Social Security.

## 5G World's Telco Women of the Year 2021 Award:

Turkcell won a prize at the 5G World Awards, one of the most significant events of the world, which brings the telecommunication industry together. This year, Elif Yenihan Kaya, Access Network Director of Turkcell, won the "5G Woman of the Year" prize, for which top women executives in the industry compete.

## European Customer Centricity Awards 2021

With our "Customer Movement" program which we launched in September 2019 to internalize the customer-centric perspective across all disciplines of the organization, we won the "Customer-Centric Culture" prize in the relevant category of the European Customer Centricity Awards, a prestigious competition in the Customer Experience world.

## Stevie® Awards for Great Employers

Our Turkcell Life mobile application won the Silver Stevie award in the category of "Achievement in HR Technology" at the Stevie® Awards for Great Employers, a prestigious competition of the global HR world.

## Brandon Hall Excellence Awards

We won 15 prizes with our Human Resources applications as Turkcell Group at the "Brandon Hall Excellence Awards", one of the leading award programs of the world.

## DCS Awards

We won the first prize and the second prize in the categories of Data Center ICT Computer Product of the Year and Data Center Managed Services Innovation of the Year respectively, with our "Turkcell Data Center Robotic Process Automation" project, which we implement to automatize our Data Center White Space operational processes, at the DCS Awards designed to globally reward products, their designers, producers, suppliers and providers operating in the data center arena.

## IPRA Golden World Awards

Converting its technology into social benefit through the projects it implements, Turkcell won three prizes at the IPRA Golden World Awards, the most prestigious public relations award of the world. At the award program where many worldwide projects competed, Turkcell was awarded the gold prize for its "My Gem Inside" application, "Digital Spring" and "Women's Football League" projects.

## World Communication Awards

At the World Communication Awards 2021, rewarding the bests of the communication and telecommunications area across the globe, Turkcell won the "Cloud-Native AI Solutions of the Year" prize.

## The Hammers Awards

Turkcell Internal Communication and Employee Brand team won the only prize in the category of "Best Employee Brand Team" at the Hammers Awards.

## ICD DX Awards

We returned from the IDC DX Awards with 3 prizes. We got the first prize with our Post Campaign Analysis Automation project, second prize with our Throughput Prediction project, and third prize with our Advanced Sales Navigator project in the category of Future of Intelligence.

## Ace of Mice Awards

At the 8<sup>th</sup> Ace of Mice 2021, the largest prize-giving ceremony of MICE industry across the country, we were rewarded for our "Turkcell Ambassadors Summit" event in the category of The Best Event.

## NGON Awards

At the NGON (New Generation Optical Networking) Awards, one of the most important events of the telecommunication industry bringing the entire Optical Network Industry together globally, we got the "Best Service Pioneer" award with our Turkcell Transport Network.

## Brandon Hall Awards

Our Turkcell Life mobile application won two prizes at the Brandon Hall HCM Excellence Awards. Turkcell got the Gold prize in the category of Best Advance in Technology Innovation for the Remote Workforce and the Silver prize in the category of Best Advance in Technology for Readapting to the Workplace and Workplace Culture.

## ETİKA Awards

We won the "ETİKA 2020 Turkey Ethics Award" for the 4<sup>th</sup> time at the 9<sup>th</sup> ETİKA Awards organized by the Ethical Values Center Association to create and maintain ethical awareness processes in organizations.

## International Customer Experience Awards

We returned with two prizes from the International Customer Experience Awards where the world's best in customer experience area were determined and 353 participants took part. We received the Gold prize in the category of Best Digital Transformation, and the Silver prize in the category of Business Change and Transformation – Telecoms, with our AI-powered bot "Turkcell Celly", designed as part of our focus on digitalization in experience, and "SuperAgent", our new service model enriched with analytical competencies by transforming our call center service, respectively.

## Glotel Telecom Awards

As Turkcell, we won 2 prizes at the Global Telecom Awards welcoming all companies operating in the telecom industry globally. We were rewarded for our AI-based emotion recognition technology in our "My Gem Inside" application developed for autistic children, in the category of Advancing Artificial Intelligence, and for our "Smart Micromobility with LTE-M" project enabling more efficient management of electric scooters through LTE-M, in the category of Consumer IoT Initiative of the Year.

## Felis Awards

We won a success award in the movie category with our TV+ launch campaign.

## Golden Leader Awards

While Alper Ergenekon won the Turkey's Best CMO prize, Murat Erkan won a prize at the CEO Gala Night of the Golden Leader Awards 2021.

## 4.CX Awards Turkey

We received the "Good Idea" prize with "Contactless Corporate Subscription with Mobile Signature", our new service model providing a "contact-free, timeless, non-spatial, fast and paperless" solution to our corporate customers in the B2B Customer Experience category.

## PSM Awards

In the Innovative Customer Interaction and Experience category of the PSM Awards, we won the Silver PSM prize with our Financell Loan Process project.

## APPENDIX-5: Our ISO Certificates

OUR ISO CERTIFICATES
ISO 14001 Environmental Management Systems
ISO 14064 Greenhouse Gases
ISO 27001 Information Security Management
ISO 22301 Business Continuity Management Systems
ISO 45001 Occupational Health and Safety Management Systems
ISO 50001 Energy Management Systems
ISO 9001 Quality Management Systems



## APPENDIX-6: GRI content index table

You can find the GRI items and related sections answered by the report within the scope of GRI 102-55 on this table.

GRI items related to the material topics are marked with "[relevant icon]".

GRI 102 General Disclosures (2016)		
Disclosure	Report Section	Page
<b>Organizational Profile</b>		
102-1 Name of the Organization	About the report	56
102-2 Activities, Brands, Products and Services	About Turkcell	6
102-3 Location of Headquarters	Turkcell Küçükyalı Plaza, Aydınevler Mahallesi İnönü Caddesi No:20 Küçükyalı Ofispark B Blok – Maltepe / İSTANBUL	
102-4 Location of Operations	Turkcell Group: Developments in 2021	18
102-5 Ownership and Legal Form	About Turkcell	6
102-6 Markets Served	About Turkcell Turkcell Group: Developments in 2021	6 18
102-7 Scale of the Organization	About Turkcell Revenues from operations Diversity, inclusion, and equal opportunity	6 136 170
102-8 Information on Employees and Other Workers	Diversity, inclusion, and equal opportunity	171-172
102-9 Supply Chain	Value-driven, responsible supply chain management	305-306
102-10 Significant Changes to the Organization and its Supply Chain	Turkcell's shareholder structure  In the reporting year, there was no significant change regarding the organization's supply chain.	7
102-11 Precautionary Principle or Approach	Effective risk and crisis management	112

102-12 External Initiatives	Measuring the value created	81-82
102-13 Membership of Associations	Cooperated national, international and nongovernmental organizations Board of Directors memberships	334-336
<b>Strategy</b>		
102-14 Statement from Senior Decision-maker	Message from Chairman of the Board Message from the Chief Executive Officer	36-40
102-15 Key Impacts, Risks and Opportunities	Effective risk and crisis management	112-120
<b>Ethics and Integrity</b>		
102-16 Values, Principles, Standards, and Norms of Behavior	Our vision Our mission	16
102-17 Mechanism for Advice and Concerns About Ethics	Human rights, work ethics and common values	91
<b>Governance</b>		
102-18 Governance Structure	Senior Management's support for value-creation process	93
102-19 Delegating Authority	Senior Management's support for value-creation process	93
102-20 Executive-level responsibility for economic, environmental, and social topics	Senior Management's support for value-creation process	93
102-21 Consulting Stakeholders on Economic, Environmental, and Social Topics	Senior Management's support for value-creation process	93
102-22 Composition of the Highest Governance Body and its Commitments	Senior Management's support for value-creation process	93

102-23 Chair of the Highest Governance Body	Senior Management's support for value-creation process	93
102-24 Nominating and Selecting the Highest Governance Body	Senior Management's support for value-creation process	93
102-26 Role of Highest Governance Body in Setting Purpose, Values, and Strategy	Senior Management's support for value-creation process	93
102-29 Identifying and Managing Economic, Environmental and Social Impacts	Senior Management's support for value-creation process	93
102-31 Review of Economic, Environmental, and Social Topics	Effective risk and crisis management	112
102-32 Highest Governance Body's Role in Sustainability Reporting	Senior Management's support for value-creation process	93
102-33 Communicating Critical Concerns	Effective risk and crisis management	112
102-35 Remuneration Policies	Diversity, inclusion, and equal opportunity	174
102-36 Process for Determining Remuneration	Diversity, inclusion, and equal opportunity	170
<b>Stakeholder Engagement</b>		
102-40 List of Stakeholder Groups	Communication Channels Table	332
102-41 Collective Bargaining Agreements	There are no collective bargaining practices for employees under Turkcell payroll.	
102-42 Identifying and Selecting Stakeholders	Interactions with our stakeholders	77

102-23 Chair of the Highest Governance Body	Senior Management's support for value-creation process	93
102-24 Nominating and Selecting the Highest Governance Body	Senior Management's support for value-creation process	93
102-26 Role of Highest Governance Body in Setting Purpose, Values, and Strategy	Senior Management's support for value-creation process	93
102-29 Identifying and Managing Economic, Environmental and Social Impacts	Senior Management's support for value-creation process	93
102-31 Review of Economic, Environmental, and Social Topics	Effective risk and crisis management	112
102-32 Highest Governance Body's Role in Sustainability Reporting	Senior Management's support for value-creation process	93
102-33 Communicating Critical Concerns	Effective risk and crisis management	112
102-35 Remuneration Policies	Diversity, inclusion, and equal opportunity	174
102-36 Process for Determining Remuneration	Diversity, inclusion, and equal opportunity	170
<b>Stakeholder Engagement</b>		
102-40 List of Stakeholder Groups	Communication Channels Table	332
102-41 Collective Bargaining Agreements	There are no collective bargaining practices for employees under Turkcell payroll.	
102-42 Identifying and Selecting Stakeholders	Interactions with our stakeholders	77

102-43 Approach to Stakeholder Engagement	Interactions with our stakeholders Communication Channels Table	77 332
102-44 Key Topics and Concerns Raised	Material topics	78-79
<b>Reporting Practice</b>		
102-45 Entities included in the consolidated financial statements	Independent auditor's report and consolidated financial statements	444
102-46 Defining Report Content and Topic Boundaries	About the report	56
102-47 List of Material Topics	Interaction of material topics	79
102-48 Restatements of Information	Independent auditor's report and consolidated financial statements	444
102-49 Changes in Reporting	Interaction of material topics	79
102-50 Reporting Period	About the report	56
102-51 Date of Most Recent Report	In March 2021, Turkcell Integrated Annual Report covering our activities in 2020 has been published.	
102-52 Reporting Cycle	About the report	56
102-53 Contact Point for Questions Regarding the Report	About the report	56
102-54 Claims of Reporting in Accordance with the GRI Standards	About the report	56
102-55 GRI Content Index	APPENDIX-6: GRI content index table	343
102-56 External Assurance	External assurance has been obtained only for the items specified in the Turkcell 2021 Integrated Annual Report.	

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Strong financial performance	134
103-2 The Management Approach and its Components	Strong financial performance	134
103-3 Evaluation of the Management Approach	Capital market instruments performance Sustainability indices and performance indicators Share information and dividend yield	148 151 152
201-1 Direct Economic Value Generated and Distributed	Financial capital	134
201-2 Financial Implications and other Risks and Opportunities due to Climate Change	Climate crisis	118

#### GRI 202 Market Presence (2016)

Disclosure	Report Section	Page
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Diversity, inclusion, and equal opportunity	174

#### GRI 203 Indirect Economic Impacts (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Base stations and public health	207
103-2 The Management Approach and its Components	Base stations and public health Innovation and entrepreneurship	207 226
103-3 Evaluation of the Management Approach	Base stations and public health	207
203-1 Infrastructure Investments and Services Supported	Strong infrastructure and superior service quality	205
203-2 Important Indirect Economic Impacts	Base stations and public health Innovation and entrepreneurship	207 226

#### GRI 204 Procurement Practices (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material Topic and its Boundary	Value-driven, responsible supply chain management	304
103-2 The Management Approach and its Components	Value-driven, responsible supply chain management	304
103-3 Evaluation of the Management Approach	Value-driven, responsible supply chain management	304
204-1 Proportion of spending on local suppliers	Value-driven, responsible supply chain management	306

GRI 205 Anti-Corruption (2016)		
Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Compliance with international capital markets and effective corporate governance practices	87
103-2 The Management Approach and its Components	Compliance with international capital markets and effective corporate governance practices	87
103-3 Evaluation of the Management Approach	Compliance with international capital markets and effective corporate governance practices	87-88
205-1 Operations assessed for risks related to corruption	Compliance with international capital markets and effective corporate governance practices	87-88
205-2 Communication and Training on Anti-Corruption Policies and Procedures	Compliance with international capital markets and effective corporate governance practices Human rights, business ethics and common values	87 91

GRI 206 Anti-Competitive Behavior (2016)		
Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Competition management	92
103-2 The Management Approach and its Components	Competition management	92
103-3 Evaluation of the Management Approach	Competition management	92
206-1 Legal Actions for Anti-competitive Behavior, Anti-trust, and Monopoly Practices	Competition management	92

GRI 301 Materials (2016)		
Disclosure	Report Section	Page
103-1 Topic management disclosures	Waste Management	322
103-2 Topic disclosures	Waste Management	322
103-3 Materials used by weight or volume	Waste Management	322
301-2 Recycled input materials used	Recycle into Education Waste Management	291 322-324
301-3 Reclaimed products and their packaging materials	Recycle into Education Waste Management	291 322

GRI 302 Energy (2016)		
Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Energy management	325
103-2 The Management Approach and its Components	Energy management	325
103-3 Evaluation of the Management Approach	Energy management	325
302-1 Energy Consumption within the Organization	Emissions management We are not only a firm that consumes renewable energy but we also produce renewable energy.	316 326-328
302-3 Energy Intensity	We are not only a firm that consumes renewable energy but we also produce renewable energy.	326-329
302-4 Reduction of Energy Consumption	We are not only a firm that consumes renewable energy but we also produce renewable energy.	329



### GRI 303 Water and Effluents (2018)

Disclosure	Report Section	Page
303-5 Water consumption	Water management	320

### GRI 305 Emissions (2016)

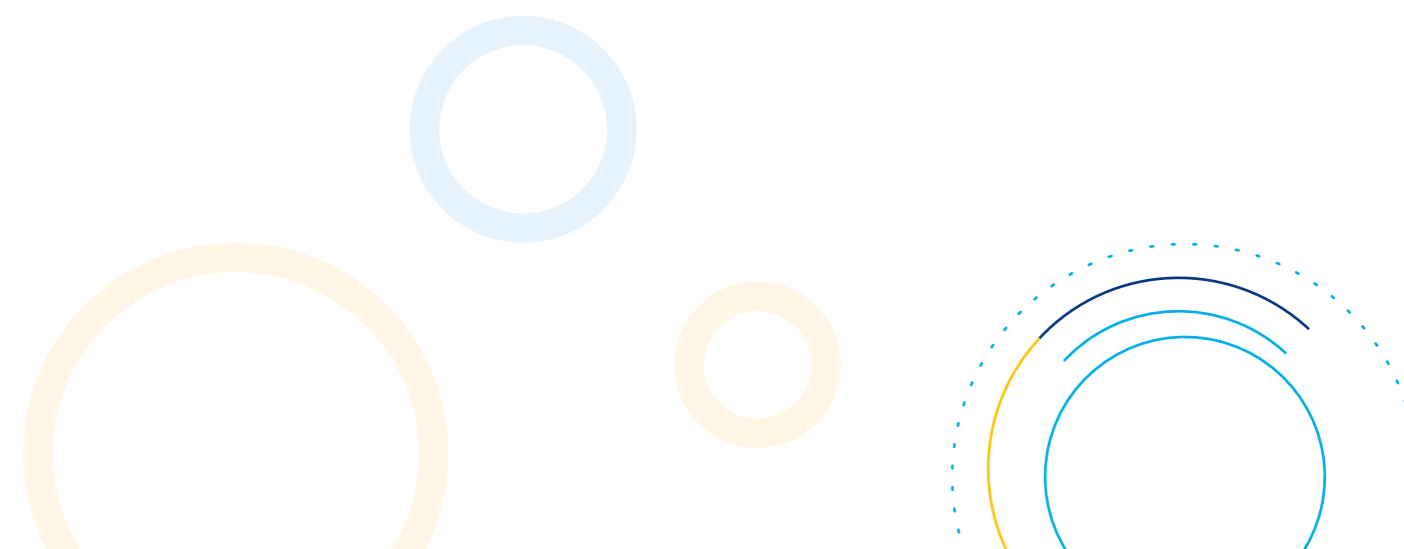
Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Emissions management	316
103-2 The Management Approach and its Components	Emissions management	316
103-3 Evaluation of the Management Approach	Emissions management	316
305-1 Direct (Scope 1) GHG emissions	Emissions management	316-318
305-2 Energy indirect (Scope 2) GHG emissions	Emissions management	318
305-3 Other indirect (Scope 3) GHG emissions	Emissions management	318
305-4 GHG Emission Intensity	Emissions management	318
305-5 Reduction GHG Emissions	Emissions management	318
305-6 Emissions of ozone-depleting substances (ODS)	Emissions management	316
305-7 NO <sub>x</sub> , SO <sub>x</sub> and Other Significant Air Emissions	Not applicable to Turkcell's operational boundaries.	

### GRI 306 Waste (2020)

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Waste management	322
103-2 The Management Approach and its Components	Waste management	322
103-3 Evaluation of the Management Approach	Waste management	322
306-1 Waste Generation and Significant Waste-related Impacts	Waste management	322
306-2 Management of Significant Waste-related Impacts	Waste management	322
306-3 Waste Generated	Waste management	322

### GRI 307 Environmental compliance (2016)

Disclosure	Report Section	Page
307-1 Non-compliance with Environmental Laws and Regulations	Natural capital	314



### GRI 308 Supplier environmental assessment (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material Topic and its Boundary	Value-driven, responsible supply chain management	304
103-2 The Management Approach and its Components	Value-driven, responsible supply chain management	304
103-3 Evaluation of the Management Approach	Value-driven, responsible supply chain management	304
308-1 New Suppliers that were Screened Using Environmental Criteria	Value-driven, responsible supply chain management	304
308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken	Value-driven, responsible supply chain management	304

### GRI 401 Employment (2016)

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103-1 Explanation of the Material topic and its Boundary	Making a difference in employment	192
103-2 The Management Approach and its Components	Making a difference in employment	192
103-3 Evaluation of the Management Approach	Making a difference in employment	192
401-1 New Employee Hires and Employee Turnover	Making a difference in employment	192
401-2 Benefits Provided to Full-time Employees that are Not Provided to Temporary or Part-time Employees	Employee loyalty and happiness	175
401-3 Parental Leave	Diversity, inclusion, and equal opportunity	174-175

### GRI 402 Labor/Management Relations (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Employee loyalty and happiness	175
103-2 The Management Approach and its Components	Employee loyalty and happiness	175
103-3 Evaluation of the Management Approach	Employee loyalty and happiness	175
402-1 Minimum Notice Periods Regarding Operational Changes	Human capital management	167

<b>GRI 403 Occupational Health and Safety (2018)</b>		
<b>Disclosure</b>	<b>Report Section</b>	<b>Page</b>
103-1 Explanation of the Material topic and its Boundary	Safe and healthy workplace environment	177
103-2 The Management Approach and its Components	Safe and healthy workplace environment	177
103-3 Evaluation of the Management Approach	Safe and healthy workplace environment	177
403-1 Occupational Health and Safety Management	Safe and healthy workplace environment	177-180
403-2 Hazard Identification, Risk Assessment, and Incident Investigation	Safe and healthy workplace environment Base stations	177 207
403-3 Occupational Health Services	Safe and healthy workplace environment  No employees are excluded from the OHS Management System.	177
403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	Safe and healthy workplace environment	177-180
403-5 Worker Training on Occupational Health and Safety	Safe and healthy workplace environment	177-179
403-6 Promotion of Worker Health	Employee loyalty and happiness	175, 180
403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	Safe and healthy workplace environment Base stations	178 207

403-8 Workers Covered by an Occupational Health and Safety Management System	Safe and healthy workplace environment	177
403-9 Work-related Injuries	Safe and healthy workplace environment	177-178
403-10 Work-related ill health	Safe and healthy workplace environment	177-178

<b>GRI 404 Training and Education (2016)</b>		
<b>Disclosure</b>	<b>Report Section</b>	<b>Page</b>
103-1 Explanation of the Material topic and its Boundary	Training and development programs	185
103-2 The Management Approach and its Components	Training and development programs	185
103-3 Evaluation of the Management Approach	Training and development programs	185
404-1 Average Hours of Training Per Year Per Employee	Training and development programs	185
404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs	Our productive Turkcell family	181
404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	Our productive Turkcell family	181

### GRI 405 Diversity and Equal Opportunity (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Diversity, inclusion, and equal opportunity	170
103-2 The Management Approach and its Components	Diversity, inclusion, and equal opportunity	170
103-3 Evaluation of the Management Approach	Diversity, inclusion, and equal opportunity	170
405-1 Diversity of Governance Bodies and Employees	Diversity, inclusion, and equal opportunity	170
405-2 Ratio of Basic Salary and Remuneration of Women to Men	Diversity, inclusion, and equal opportunity	170

### GRI 406 Non-discrimination (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Diversity, inclusion, and equal opportunity	170
103-2 The Management Approach and its Components	Diversity, inclusion, and equal opportunity	170
103-3 Evaluation of the Management Approach	Diversity, inclusion, and equal opportunity	170
406-1 Incidents of Discrimination and Corrective Actions Taken	Diversity, inclusion, and equal opportunity	170

### GRI 407 Freedom of Association and Collective Bargaining (2016)

Disclosure	Report Section	Page
407-1 Operations and Suppliers in which the Right to Freedom of Association and Collective Bargaining may be at Risk	Human rights, business ethics and common values Value-driven, responsible supply chain management	91 304

### GRI 408 Child Labor (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material Topic and its Boundary	Value-driven, responsible supply chain management	304
103-2 The Management Approach and its Components	Value-driven, responsible supply chain management	304
103-3 Evaluation of the Management Approach	Value-driven, responsible supply chain management	304
408-1 Operations and Suppliers at Significant Risk for Incidents of Child Labor	Diversity, inclusion, and equal opportunity Value-driven, responsible supply chain management	170 304



### GRI 409 Forced or Compulsory Labor (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material Topic and its Boundary	Value-driven, responsible supply chain management	304
103-2 The Management Approach and its Components	Value-driven, responsible supply chain management	304
103-3 Evaluation of the Management Approach	Value-driven, responsible supply chain management	304
409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor	Diversity, inclusion, and equal opportunity	170

### GRI 410 Security Practices (2016)

Disclosure	Report Section	Page
410-1 Security Personnel Trained in Human Rights Policies or Procedures	Safe and healthy workplace environment	177

### GRI 412 Human Rights Assessment (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material Topic and its Boundary	Diversity, inclusion, and equal opportunity	170
103-2 The Management Approach and its Components	Diversity, inclusion, and equal opportunity	170
103-3 Evaluation of the Management Approach	Diversity, inclusion, and equal opportunity	170
412-1 Operations that have been subject to human rights reviews or impact assessments	Diversity, inclusion, and equal opportunity	170

### GRI 413 Local Communities (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Creating social value	283
103-2 The Management Approach and its Components	Creating social value	283
103-3 Evaluation of the Management Approach	Creating social value	283
413-1 Operations with Local Community Engagement, Impact Assessments, and Development Programs	Base stations and public health Creating social value	207 283
413-2 Operations with Significant Actual and Potential Negative Impacts on Local Communities	Base stations and public health	207

### GRI 414 Assessment of Suppliers in Terms of Impacts on Society (2016)

Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Value-driven, responsible supply chain management	304-305
103-2 The Management Approach and its Components	Value-driven, responsible supply chain management	304-305
103-3 Evaluation of the Management Approach	Value-driven, responsible supply chain management	304-305
414-1 New Suppliers that were Screened Using Social Criteria	Value-driven, responsible supply chain management	304-305
414-2 Negative Social Impacts in the Supply Chain and Actions Taken	Value-driven, responsible supply chain management	304-305

GRI 415 Public Policy (2016)		
Disclosure	Report Section	Page
415-1 Political Contributions	Social investment projects Our public affairs	283 302

GRI 416 Customer Health and Safety (2016)		
Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Our public affairs Public health	302 303
103-2 The Management Approach and its Components	Our public affairs Public health	302 303
103-3 Evaluation of the Management Approach	Our public affairs	302
416-1 Assessment of the Health and Safety Impacts of Product and Service Categories	Base stations and public health	207
416-2 Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	Base stations and public health	207

GRI 418 Customer Privacy (2016)		
Disclosure	Report Section	Page
103-1 Explanation of the Material topic and its Boundary	Cyber security	108
103-2 The Management Approach and its Components	Cyber security Digital Business Services	108 124
103-3 Evaluation of the Management Approach	Cyber security	108
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Artificial intelligence Information security risks Better customer experience through artificial intelligence	109 114 239

GRI 419 Socioeconomic Compliance (2016)		
Disclosure	Report Section	Page
419-1 Non-compliance with Laws and Regulations in the Social and Economic Area	Our companies and sector developments	432



## APPENDIX-7: UNGC progress table

Topic	UNGC Principles	2021 Turkcell Integrated Report Section
HUMAN RIGHTS	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Strong corporate governance Human capital
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses	Strong corporate governance Human capital
LABOR	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human capital
	Principle 4: the elimination of all forms of forced and compulsory labor	Human capital Social capital
	Principle 5: the effective abolition of child labor	Human capital Social capital
	Principle 6: the elimination of discrimination in respect of employment and occupation	Human capital
ENVIRONMENT	Principle 7: Businesses should support a precautionary approach to environmental challenges	Natural capital
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Natural capital
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Natural capital
ANTI-CORRUPTION	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Strong corporate governance



## APPENDIX-8: Sustainability principles compliance framework table

Please find the reference to relevant report sections at which we addressed the Comply or Explain requirement of the principles.

		IR section and other resources	Page
<b>A.GENERAL PRINCIPLES</b>			
<b>A1. Strategy, Policy and Goals</b>			
1	The Board of Directors determines ESG material issues, risks and opportunities, and creates ESG policies accordingly. In terms of the effective implementation of these policies; In-partnership directives, business procedures, etc. can be prepared. The Board of Directors takes decisions on these policies and discloses them to the public.	Senior Management's support for value-creation process	93
2	It determines the Partnership Strategy appropriate to the ESG policies, risks and opportunities. It determines and publicly discloses its short and long-term goals in line with the partnership strategy and ESG policies.	Strategic focus areas and business operations Senior Management's support for value-creation process	68 93
<b>A2. Implementation/Monitoring</b>			
1	It determines the committees/units responsible for the execution of ESG policies and makes them public. The responsible committee/unit reports the activities carried out within the scope of the policies to the Board of Directors at least once a year, and in any case within the maximum periods determined for the public disclosure of annual activity reports in the relevant Board regulations.	Senior Management's support for value-creation process	93



2	Creates and publicly discloses implementation and action plans in line with the short- and long-term goals set.	Strategic focus areas and business operations Senior Management's support for value-creation process Human capital Manufactured capital Social capital Natural capital	68 93 166 204 258 314
3	Determines the ESG Key Performance Indicators (KPI) and explains them on a yearly basis. In the presence of verifiable data, it presents KPIs with local and international sector comparisons.	Sustainability strategy	62
4	Explaining the innovation activities that may improve the sustainability performance of business processes or products and services.	Digital finance transformation Intellectual capital Social investment projects	156 224 283
<b>A3. Reporting</b>			
1	Reports the sustainability performance, goals and actions at least once a year and makes it public. Discloses the information on sustainability activities within the scope of the annual report	About the report	56

2	It is essential to share information that is important for stakeholders in understanding the position, performance and development of the partnership in a direct and concise manner. It can also explain detailed information and data on the corporate website and prepare separate reports that directly meet the needs of different stakeholders.	About Turkcell Strong corporate governance  Additionally, as listed in communication channels in APPENDIX – 1 of the report, important statements are shared with the public through channels including Quarterly Result Disclosures and Material Disclosures (ÖDA) via the Public Disclosure Platform.	6 86
3	It takes maximum care in terms of transparency and reliability. It objectively explains all kinds of developments concerning material issues in disclosures and reporting within the scope of the balanced approach.	About the report  Sustainability strategy  Material topics	56  62 78
4	Delivers information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.	Interaction of material topics  Sustainable Development Goals	79 81
5	An explanation about the lawsuits filed and/or concluded against environmental, social and corporate governance issues.	Strong corporate governance	86
<b>A4. Verification</b>			
1	Verification is done by independent third parties (independent sustainability assurance providers), and it discloses its sustainability performance measurements to the public and endeavors to increase the coverage of such verification processes.	Emissions management	316



B. ENVIRONMENTAL PRINCIPLES			
1	Explains policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	Senior Management's support for value-creation process Natural capital	93 312
2	Complies with environmental laws and other relevant regulations and explains them.	Natural capital	312
3	It explains the limitations of the environmental report to be included in the report prepared within the scope of the Sustainability Principles, reporting period, reporting date, data collection process and reporting conditions.	About the report APPENDIX-6: GRI content index table	56 343
4	Describes the highest level responsible, relevant committees and tasks within the partnership on the issue of the environment and climate change.	Senior Management's support for value-creation process	93
5	Describes the incentives it offers for the management of environmental issues, including the achievement of goals.	Natural capital	312

6	Explains how environmental problems are integrated into business goals and strategies	Sustainability strategy Natural capital Waste management Energy management We are not only a firm that consumes renewable energy but we also produce renewable energy.	62 312 322 325 326
7	Explains the sustainability performance of business processes or products and services, and the activities undertaken to improve this performance.	Environment-friendly and practical solutions through digitalization Natural capital	239 312
8	It explains how it manages environmental issues along the partnership value chain and integrates suppliers and customers into its strategies, not just in terms of direct operations.	Sustainability strategy Value-driven, responsible supply chain management Natural capital	62 304 312
9	Explanation of involvement in policy-making processes on environmental issues (sectoral, regional, national and international); cooperation with the associations, related organizations and non-governmental organizations concerning the environment, and the duties it has taken, if any, and the activities it supports.	Measuring the value created UNGC CFO Taskforce Contribution to exchanging information and experience among stakeholders APPENDIX-2: Cooperated national, international and non-governmental organizations APPENDIX-3: Board of Directors memberships	80 146 300 334 336

10	Reports periodically comparable information on environmental impacts in the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect) ), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)	Natural capital	312
11	It describes the standard, protocol, methodology, and base year details used to collect and calculate its data.	Emissions management (ISO 14064 GHG Emissions Calculation and Verification System)	316
12	Describing the status of environmental indicators for the reporting year (increase or decrease) in comparison with previous years.	Natural capital	312
13	Sets short and long-term goals to reduce its environmental impact and explains these goals. It is recommended that these targets be determined based on Science as suggested by the United Nations Conference of the Parties on Climate Change. If there is progress in the reporting year according to the targets set before, it provides information on the subject.	Natural capital We are not only a firm that consumes renewable energy but we also produce renewable energy.	314 326
14	Explains the strategy adopted and actions taken to combat the climate crisis.	Sustainability strategy Natural capital	62 312

15	Describes the program or procedures to prevent or minimize the potentially negative impact of the products and/or services it offers; explains the actions of third parties to reduce greenhouse gas emissions.	High speed, high quality and inclusive services; access to information and Internet for everyone  We are not only a firm that consumes renewable energy but we also produce renewable energy.	217 326
16	It explains the actions taken to reduce its environmental impacts, the total number of projects and initiatives carried out, and the environmental benefits / benefits and cost savings they provide.	Natural capital	312
17	It reports the total energy consumption data (excluding raw materials) and describes the energy consumption as Scope-1 and Scope-2.	Emissions management	316
18	Provides information on electricity, heat, steam and cooling generated and consumed in the reporting year.	Emissions management We are not only a firm that consumes renewable energy but we also produce renewable energy.	316 326
19	Carries out studies on increasing the use of renewable energy, transition to zero or low carbon electricity and explains these studies.	We are not only a firm that consumes renewable energy but we also produce renewable energy.	326
20	Explains renewable energy production and usage data.	We are not only a firm that consumes renewable energy but we also produce renewable energy.	326

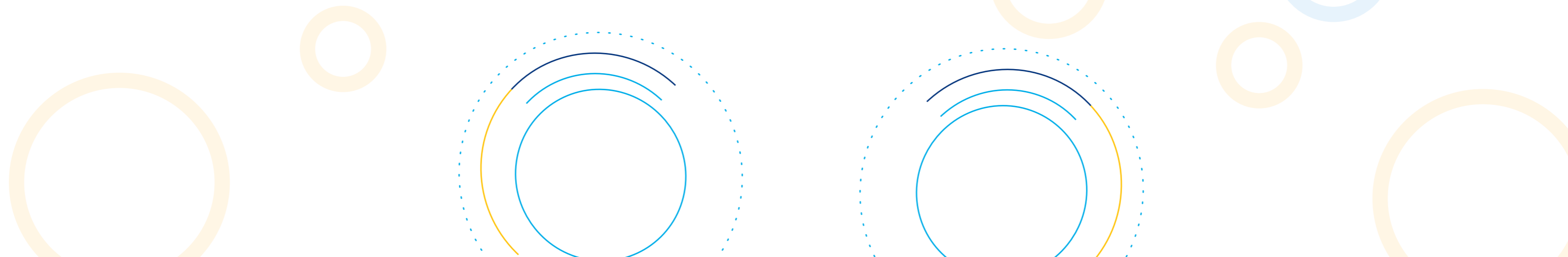
21	Implements energy efficiency projects and accounts for energy consumption and emission reduction figures with these projects.	We are not only a firm that consumes renewable energy but we also produce renewable energy.  You can access our 2021 CDP Report at <a href="https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf">https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf</a>	326
22	It reports the amount of water withdrawn, used, recycled and discharged from underground or above ground, its sources and procedures (Total water withdrawal by source, water resources affected by water withdrawal; percentage and total volume of recycled and reused water, etc.).	Water management	320
23	It explains whether operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade, or Carbon Tax).	Climate change management  You can access our 2021 CDP Report at <a href="https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf">https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf</a>	316
24	Describes the carbon credit information accumulated or purchased during the reporting period.	Natural capital	312

25	Explains the details where carbon pricing is applied within the partnership.	Climate change management  You can access our 2021 CDP Report at <a href="https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf">https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf</a>	316
26	Explains all mandatory and voluntary platforms on which it discloses environmental information.	You can access our 2021 CDP Report at <a href="https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf">https://s.turkcell.com.tr/SiteAssets/Hak-kimizda/en/corporate-social/cdp-2021.pdf</a>	
<b>C. SOCIAL PRINCIPLES</b>			
<b>C1. Human Rights and Employee Rights</b>			
1	Develops a Corporate Human Rights and Employee Rights Policy declaring full compliance with the Universal Declaration of Human Rights, the ILO Conventions which Turkey has approved, and the legal framework and regulations governing human rights and working life in Turkey. Discloses the policy in question and the roles and responsibilities for its implementation.	Diversity, inclusion, and equal opportunity  Human Rights policy  Value-driven, responsible supply chain management	170  251  304



2	Provides equal opportunity in recruitment processes. Considering supply and value chain effects, it includes fair workforce, improvement of labor standards, women's employment and inclusion issues (such as women, men, religious belief, language, race, ethnic origin, age, disability, refugee, etc.) in its policies.	Diversity, inclusion and equal opportunity	170
		Employee loyalty and happiness	175
		Making a difference in employment	192
		Value-driven, responsible supply chain management	304
3	Describes measures taken along the value chain for the protection of certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights / equality of opportunity.	Making a difference in employment	192
		Social investment projects	283
4	Reporting developments regarding discrimination, inequality, human rights violations, forced labor, and corrective practices. Explaining the regulations preventing the employment of child labor.	Diversity, inclusion and equal opportunity	170
		Value-driven, responsible supply chain management	304
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.	Human capital	164
		Social capital	256

6	Creates occupational health and safety policies and makes them public. Provides explanation of the precautions taken and accident statistics gathered to prevent work accidents and health.	Safe and healthy workplace environment	177
7	Public disclosure on personal data protection and data security policies.	<a href="https://www.turkcell.com.tr/tr/up-call-privacy-policy">https://www.turkcell.com.tr/tr/up-call-privacy-policy</a>	
8	Ethical policy explanation including work, work ethics, compliance processes, advertising and marketing ethics, open disclosure, etc.	Human rights, business ethics and common values	91
9	Explains work done within the scope of social investment, social responsibility, financial inclusion and access to finance.	Digital transformation and inclusion	100
		Financing diversity	145
		Techfin's shining stars: Paycell and Financell	156
		High speed, high quality and inclusive services; Access to information and Internet for everyone	217
		Social investment projects	283
10	Organizes informational meetings and training programs for employees on ESG policies and practices.	Sustainability strategy	62
		Compliance with international capital markets and effective corporate governance practices	87
		Safe and healthy workplace environment	177
<b>C2. Stakeholders, International Standards and Initiatives</b>			
1	Carries out its activities in the field of sustainability by considering the needs and priorities of all stakeholders (employees, customers, suppliers and service providers, public institutions, shareholders, society and nongovernmental organizations, etc.).	Interactions with our stakeholders Material topics	77 78



2	It regulates and publicly discloses a customer satisfaction policy regarding the management and resolution of customer complaints.	Customer satisfaction and loyalty	279
3	Conducts stakeholder communication continuously and transparently; it explains which stakeholders are contacted, for what purpose, on what issue and the frequency of communication, and also on developments in sustainability activities.	Interactions with our stakeholders APPENDIX-1: Communication channels table	77 332
4	Publicly discloses the international reporting standards it has adopted (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial.	About the report	56
5	Publicly discloses the international organizations or principles (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI), etc.) that it is a signatory or member, international principles adopted (International Capital Market Association (ICMA) Green/ Sustainable Bond Principles).	Measuring the value created Being the leader and pioneer company in our sector and country through representations APPENDIX-2: Cooperated national, international and non-governmental organizations	80 300 334

6	Concrete efforts to be included in the Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.).	Sustainability indices and performance indicators	151
<b>D. CORPORATE GOVERNANCE PRINCIPLES</b>			
1	Within the scope of Capital Markets Board Corporate Governance Communique numbered II-17.1, it makes maximum effort to comply with all Corporate Governance principles in addition to the mandatory Corporate Governance principles.	Statement of compliance with corporate governance principles for the year 2021	400
2	While determining its corporate governance strategy, it considers the sustainability issues, the environmental impacts of its activities and the principles in this regard.	Sustainability strategy	62
3	As stated in the Corporate Governance Principles, it takes the necessary measures to comply with the principles regarding stakeholders and to strengthen the communication with the stakeholders. It seeks the opinions of stakeholders while determining its measures and strategies regarding sustainability issues.	Material topics Statement of compliance with corporate governance principles for the year 2021	78 400

4	It implements social responsibility projects, awareness activities and trainings to raise awareness regarding sustainability issues and their importance.	Sustainability strategy	62
		Social investment projects	283
		Being the leader and pioneer company in our sector and country through representations	300
5	It endeavors to be a party to the international standards and initiatives on sustainability and to contribute to their related projects.	Measuring the value created	80
		Being the leader and pioneer company in our sector and country through representations	300
6	Discloses its policies and programs regarding anti-bribery and anti-corruption and tax integrity principle.	Financial capital	132
		Anti-bribery and corruption policy <a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/anti-bribery-and-corruption-policy">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/anti-bribery-and-corruption-policy</a>	250
		Our public affairs	302

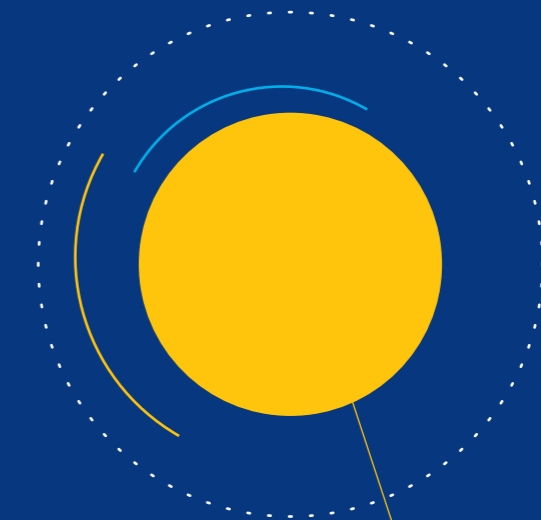
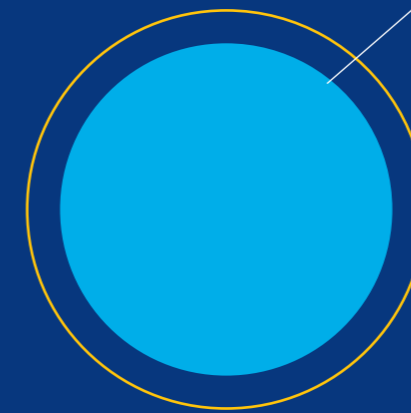
# #ÇOK ÇEKİCİ

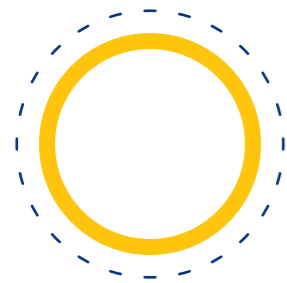
Dünyanın en çekici ülkesinin her köşesini,  
#ÇokÇekici operatörle yaşa.  
Bugün, yarın ve daima Turkcell'le bağlan hayata!



# Group companies and other information on corporate governance

- Our subsidiaries
- Subsequent events after the reporting period
- Statement of compliance with corporate governance principles
- Conclusion of the Subsidiary Report





# Group companies and other information on corporate governance



## Our subsidiaries\*



### lifecell

lifecell started its operations in Ukraine in February 2005. In 2021, lifecell's 3-month active subscriber base expanded by 1.1 million to 9.2 million on a yearly basis. The operator sustained its leadership of the Ukrainian market in smartphone penetration, which had reached 83.1% by 2021 year-end.



lifecell was the first operator to launch 4.5G services for its customers in the 2600 MHz frequency band in 2018, followed by a successful launch in the 1800 MHz frequency band within the same year.

As of the end of 2021, lifecell 4G coverage is available in 14.9 thousand settlements with 29.6 million of Ukrainians. lifecell has a geographical coverage of 61.9% and population coverage of 81.3% in Ukraine (3G and 4.5G).

In 2021, the number of three-month active subscribers using 3G and 4.5G reached 5.8 million, while mobile data usage per user grew by 26%. The company achieved strong operational performance in 2021, with revenue and EBITDA growth of 24.1% and 30.9%, respectively (in UAH terms). lifecell registered positive net income in 2021, which was a result of this strong operational performance. lifecell's revenues in TL terms rose 58% to TRY 2,806 million. The company continued its development as a digital operator bringing the latest technologies and innovations to Ukraine.

In April 2021, "Flexible life" was introduced to individual subscribers. It is a unique solution in the Ukrainian telecom market - a "smart" tariff plan, containing five service packages. They are connected and switched automatically, adapting to consumer behavior. Lifecell became the first mobile operator to launch an online identification system via BankID with the National Bank of Ukraine. lifecell prepaid subscribers, who are clients of more than 30 partner banks of the National Bank of Ukraine, became able to register their numbers online or switch to a contract form without visiting the operator's stores.

lifecell continued to improve its digital portfolio in Ukraine. It introduced BiP messenger desktop version and the functionality of transferring messages from WhatsApp to BiP.

lifecell continued its partnership with Monobank – the only digital bank in Ukraine. In October 2021, lifecell became the first and only mobile operator to launch eSIM sales via monobank application. The company signed Memorandums on cooperation with various

\*Not all our subsidiaries are included in our Subsidiaries section. You can find the list of subsidiaries in our subsidiaries section of the IFRS report under footnote 1.



### BeST

BeST (Belarusian Telecommunications Network), which joined the Turkcell Group in July 2008, became the first mobile operator to offer 3G services in Belarus in November 2009. As of 2021 year-end, BeST continued its rapid growth with 99.9% population coverage and 97.7% geographical coverage.



regional state administrations. They will become a roadmap for the joint implementation of "Smart Region" concept and the development of the "State in a Smartphone" project. It will play a role in accelerating the digital transformation process in the country by improving citizen safety and public transport infrastructure, reducing utilities cost, providing comfortable and quick access to medical services, optimizing construction, ensuring ecological monitoring, etc.

In May 2021, lifecell finished its LTE network rollout in Kyiv subway. Since March 2020, 52 subway stations have been covered with high-speed mobile internet. The project has been realized by largest three Ukrainian mobile operators with the support of the Kyiv City State Administration.

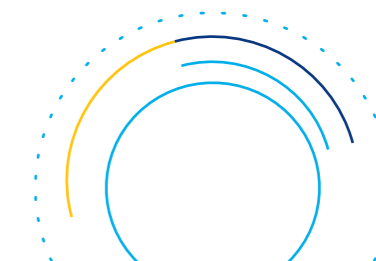
BeST became one of the first two operators to offer 4G services in August 2016 through LTE infrastructure established by beCloud. BeST provides 4G LTE services across all regions and major cities of Belarus with 74.3% 4G geographical coverage. The share of 4G subscribers reached 71% of the 3-month active subscriber base in 2021. Increasing 4G services penetration has led to an average monthly data consumption per user to 15.2 GB. The 4G network serves 79% of the total data traffic as of 2021.

While converting subscribers to 4G users, BeST continues to transform itself from a communication services provider to a digital operator by offering diversified digital services portfolio in accordance with Turkcell's strategy.

While the tariff plans that include data and terminal packages enable the growth of ARPU, BeST enriches customers' digital experiences by bringing together connectivity and content. Accordingly, BeST has included BiP, fizy, lifebox, Magazines, TV+, and Games Platform to its digital services portfolio.

BeST became the first mobile operator in Belarus to launch a digital SIM card activation service via a mobile application using facial recognition technology based on a machine learning algorithm in 2020. The service has been successfully developed by lifetech, which was established as a 99.9% subsidiary of BeST to serve in the fields of telecommunication and infrastructure solutions, information and communication technologies, software development and security systems.

lifetech successfully provides IT-based solutions to Turkcell Group and other customers and carries out software development projects both in Belarus and other countries.





## Kuzey Kıbrıs Turkcell

Kuzey Kıbrıs Turkcell was established in 1999 as a 100% subsidiary of Turkcell. Having operated until 2007 as part of a revenue sharing agreement with the Turkish Republic of Northern Cyprus Telecommunication Department, the Company signed an 18-year GSM license contract in the same year.

Kuzey Kıbrıs Turkcell continues its activities as the leading operator of the TRNC with its infrastructure covering almost the entire population, and an active subscriber market share of 65.9% excluding telemetry according to Information Technologies and Communications Authority data for 2021.

Entering the fixed broadband market in TRNC with Lifecell Digital Ltd. in 2018, Kuzey Kıbrıs Turkcell continues to serve in this field with the momentum it has gained in a short period of time. With Turkcell Home Internet, a first for the island, the people of TRNC are offered postpaid home internet service regardless of having a mobile line or being a Turkcell customer.

In 2021, Kuzey Kıbrıs Turkcell registered revenue of TRY307 million on 28.1% annual growth.



## Turkcell Global Bilgi

Turkcell Global Bilgi offers new generation services closely following the digitalization trends and leveraging 22 years of experience in customer experience. Turkcell Global Bilgi aims to enhance customer satisfaction and consequently its revenues creating customized solutions for more than 70 companies including Turkcell itself.

Operating in Turkey and Ukraine, Turkcell Global Bilgi is the first and only Turkish customer experience center which provides service abroad with its Ukraine investment. Employing 17,000 people, the company leads the sector and creates value with 11,000 women employees, which make up 65% of the total workforce.

Turkcell Global Bilgi is among Turkey's top 500 IT companies and provides call center services and also research management, customer experience design, social media management and technological support services. Turkcell Global Bilgi, which has implemented its own digital platforms in its R&D center, also provides robotic process automation, cloud-based switchboard infrastructure, digital assistant and self-service information technologies technical services to companies.



## Global Tower

Global Tower, Turkey's leading tower company, today operates in four countries.

Global Tower's 11,060 tower portfolio distribution as the end of 2021 is as follows:

- Turkey: 8,962 (owned: 4,537, right of use: 2,235, contract management: 2,190)
- Ukraine: 1,149 (owned)
- Belarus: 834 (right of use)
- TRNC: 115 (right of use)

Global Tower provides telecommunications infrastructure services including tower leasing, tower build & sell, contract management, maintenance services to mobile operators, radio and TV broadcasters, internet service providers, energy companies and public institutions. Global Tower also provides satellite services and solutions to its customers in accordance with its end-to-end services approach. The company currently offers closed circuit satellite services over 2 thousand points from its own infrastructure with geographic redundancy. The company aims to enrich product and service diversity by following industry trends.



Global Tower closely follows the transformation process of the global telecommunication infrastructure sector, from tower management to infrastructure management, and plans to introduce new emerging services in the industry with its customers. It is also observed that mobile operators in Turkey have a positive attitude towards infrastructure sharing and consolidation model which is pioneered by Global Tower, in parallel to recent global trends. A critical step can be taken in terms of operational savings and resource efficiency with new regulatory developments.

## Superonline İletişim Hizmetleri A.S.

Superonline İletişim Hizmetleri A.S. was founded in 2004 and has been providing telecommunication services to retail, corporate and operator customers with the 'Turkcell Superonline' brand since 2011.

It has been authorized by ICTA to provide Internet Providing Service, Fixed Telephone Service, Infrastructure Management Service, Satellite Communication Service, Cable Broadcast Service and Virtual Mobile Network Service. Turkcell Superonline has invested a total of TRY 3.7 billion as of 2021 within the scope of these authorizations. Superonline recorded revenues of TRY 6.7 billion and EBITDA of TRY 3.3 billion in 2021.

As of the end of 2021, Turkcell Superonline has 2.7 million broadband internet customers, 1.9 million of which is over its own fiber infrastructure, and 1.1 million IPTV customers under the TV+ brand. As of the same date, Turkcell Superonline provides fiber access on 4.5 million homepasses in 28 cities with approximately 53 thousand km roll-out at speeds up to 10 Gbps over its own infrastructure. While Turkcell Superonline provides fixed broadband service to more households through infrastructure sharing



cooperation agreements signed with Türksat and Vodafone Turkey, it enables related operators to offer broadband internet services to their customers through the Turkcell Superonline infrastructure, as well. Turkcell Superonline offers voice transmission and termination, internet, point-to-point data connections, network security solutions, server hosting in 8 data centers, 4 of which are new generation, and cloud services to its corporate and operator customers. In accordance with its visions of transforming the Silk Road into a Fiber Road and making Turkey an internet hub, which it has been following since 2008, it has carried more than 15 TB capacity with 13 border connection points in 2021.

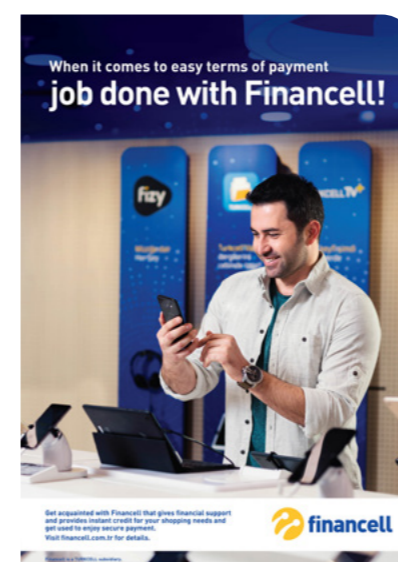
## Turkcell Finansman

As one of the key players in the Turkish financing sector, Turkcell Finansman A.S. provides financing solutions to corporate and individual customers for their purchases of technology-based services and products under the "Financell" brand.

Providing service at around 1,300 Turkcell stores, 2,092 DSN+ (Digital sales point) stores and digital sales channels all over Turkey, Financell has maintained its leading position in the non-bank financial sector with the highest number of customers for years. Turkcell Finansman, which has an asset size of TRY 2.7 billion as at the end of 2021 and has granted TRY 22.1 billion in loans to around 6.1 million customers to date, also became active in corporate loans field with its digital transformation loan in 2021. Through the credit risk and digital systems transformation projects carried out in 2021, Turkcell Finansman performs credit application assessments more rapidly and continues to manage its credit risk effectively. Financell, which started providing financing services to Corporate and Superonline customers through the projects it completed in 2021, continues offering finance solutions on all products and services sold by the Turkcell Group.

The company recently established a new techfin initiative, Turkcell Sigorta Aracılık Hizmetleri A.S., which aims to offer innovative solutions for customers in risk management area with fast and easy-to-access products. Accordingly, customers have the opportunity to access and purchase insurance products from all Turkcell channels, including call centers, digital channels, and dealers.

Turkcell Sigorta meets the insurance needs of customers by offering life insurance and device insurance, its main products, to individual customers who receive financing from Financell. Last year, the personal accident insurance product has been introduced and the first end-to-end digital sales via QR code in Turkey have been made, in addition to sales via the call center and physical channels. In addition to these, sales of payment protection products started in 2021. It aims to secure its place in the market as a pioneering player in the field of insurtech with new and innovative optional insurance products to be launched in the future.



## Turkcell Ödeme Hizmetleri ve Elektronik Para Hizmetleri - Paycell

Turkcell Ödeme ve Elektronik Para Hizmetleri A.S. (TÖHAS) has obtained e-Money license in 2018 in addition to its operational permit received from the BRSA in 2016.



With a rapid techfin transformation having taken place worldwide over the past 10 years, Turkey offers great potential for techfin services to expand through its attractive internal dynamics. In particular, high share of young population, high smart device penetration rate, approximately 30 million unbanked potential users, still-high rate of cash use in shopping and increasing e-commerce volume stand out as factors that will support the rapid rise in the penetration of techfin solutions. The COVID-19 pandemic that has impacted the world since the start of 2020 has also accelerated this transformation. Particularly, changing living conditions and needs led to increased customer focus on digital platforms. As such, e-commerce was one of the sectors most positively impacted. In accordance with these needs and changing customer habits, our vision with Paycell is to enable more users to benefit from financial services through fast and secure payment solutions that we created by combining technology with financial services. We continue leading the techfin sector with record breaking transaction volumes in many products. While Paycell users reached 6.6 million in 2021, the Paycell application, enriched with new functions, exceeded 14 million downloads. The total transaction volume of Paycell reached TRY 13.7 billion as of the end of 2021.

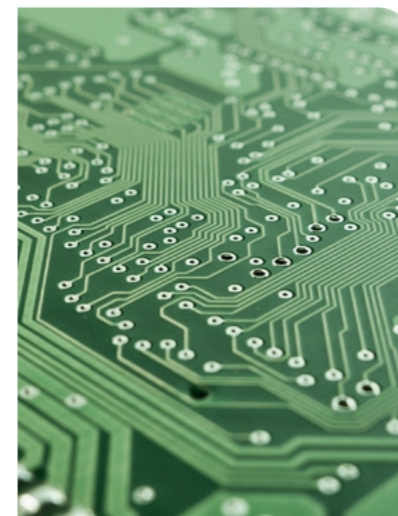
## Sofra Kurumsal ve Ödüllendirme Hizmetleri A.S.\*

Sofra Kurumsal ve Ödüllendirme Hizmetleri A.S. is a meal card company established in 2018 in partnership with Turkcell, Belbim and PTT.

It serves under the Paye Card brand. Paye Card has reached more than 16 thousand merchants across Turkey. The Paye meal card is the first one that can be used on transportation. Paye Card, which is a contactless card, can be used at all points where the Istanbul Card is valid, in addition to its meal card feature. Paye offers an easy payment service that allows users to save time while paying for their meals through its contactless payment feature. Paye Card offers fast and easy payment with the QR method at contracted stores and market chains with Paycell QR payment infrastructure. At the same time, the Paye Card Online payment option provides convenience and time saving through online shopping from contracted stores with home delivery.

## Turkcell Teknoloji

Turkcell Teknoloji has been contributing to the development of the technology infrastructure of Turkcell, the leading telecommunication company in Turkey since 2006, with its strategy to expand its products and services in international markets and offers its unique solutions for the use of operators abroad.



Accordingly, Turkcell Teknoloji aims to develop new digital and ICT services in global standards in line with the latest technology and market requirements, and to expand in regions where Turkcell Group operates. Products and services developed by Turkcell Teknoloji serve over 100 million users in 15 countries today. Turkcell continues to rapidly advance its position in technology projects. With the motivation of breaking new ground in Turkey and in the world, Turkcell Teknoloji continues to improve itself as it has Turkey's largest and most competitive R&D structure, employing more than 1,200 research engineers as of 2021. Turkcell Teknoloji aims to develop "innovative technologies in communications and in the areas where it has an impact". The company also targets to be a "leader, pioneer, and role model in Turkey by employing the most talented human capital in the R&D industry". It expands its scope from being a technology-oriented network provider to a service-oriented experience provider, and becomes an R&D center in national and international markets with the innovative solutions it develops.

Turkcell Teknoloji focuses on roaming solutions, big data processing, business intelligence applications, smart cloud platform and platform-developed solutions, location based services and platforms, geographic information systems, customer relationship management and solutions, network management solutions, next generation value added services, mobile financial systems, music and entertainment services, IPTV services, mobile marketing solutions, Internet of Things (IoT), AR/VR, 5G infrastructure projects, mobile communication solutions, campaign management systems, smart SIM card solutions, digital identity technologies, image and video processing based on artificial intelligence, text and language analysis (NLP), suggestion engines, voice analytics, robot assistants, robotics process automation, mobile analytical platforms, artificial intelligence in health, business applications solutions, learning and education applications solutions, e-mail and search engine solutions, digital broadcast solutions, CDN (Content Delivery Network) solutions, Over-the-Top (OTT), AIOPS/devops, cyber security and blockchain solutions.

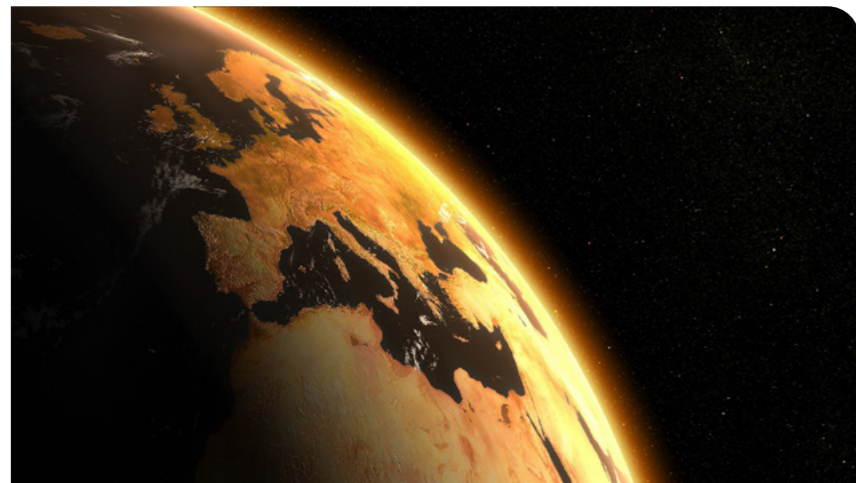
Turkcell Teknoloji has reached a leading position in its sector in Turkey with 3,239 national and 192 international patent applications and over 800 registered patents realized since 2007. Leading the development of new technologies, Turkcell Teknoloji issued 24 academic and 105 technical publications on national and international platforms in 2021 which positively impacted the use of technology. In addition, the technology experience of the ecosystem has been increased by sustained intensive product promotion, participation to conferences and training activities over various channels.



## Lifecell Ventures

Established as a 100% Turkcell subsidiary in the Netherlands, Lifecell Ventures' mission is to offer digital communication, content-based entertainment, music, TV applications and technology solutions such as performance and network follow up/viewing tools, customer value management platform developed by Turkcell Group companies and technology partners to the global market.

The company realized its first overseas digital solution partnership in 2017 with the revenue sharing model at the Eastern European operator Moldcell, with the "BiP" and "lifebox" products. Digital solution partnerships were expanded with the launch of "BiP" and "lifebox" with the Albanian operator ALBtelecom in 2019. With the agreement signed with Lifecell Ventures in January 2019, Digicel launched BiP, Billo (lifebox) and PlayGo (TV+) products in 32 countries in the Caribbean, Central America, and Asia Pacific regions last year, adding them to its digital services portfolio. Digicel is also able to follow trends instantly with RTM (Real Time Monitoring Solution) and RTA (Real Time Action Solution) technology solutions, and has gained the competence to make the best offer to its customers. Its global expansion is growing with collaborations through RTA made with BTL operator in Belize. Lifecell Ventures makes a significant contribution to digital export targets by increasing the penetration of digital services and technology solutions, and by providing strong business partnerships all over the world.



## Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.S. (Turkcell Energy Solutions)

In addition to the telecommunication sector, with Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.S. which started its services in 2018 with the "Enerjicell" brand, Turkcell has become one of the significant free market electricity suppliers in Turkey in terms of the number of registered meters.

Turkcell Energy Solutions expands its portfolio in the energy sector with its investments and projects on renewable production and aims at increasing its share in the sector both in terms of production and supply. The company pioneered renewable energy investments in Turkcell's buildings with self-generated electricity consumption model and completed rooftop solar panel projects, including the one in the newly established Ankara Data Center. Turkcell Energy Solutions, which recently added an 18 MW wind power plant to its portfolio in 2021, aims at turning Turkcell into a company that produces and supplies electricity from environmentally friendly sources with zero carbon emissions by continuing its investments in renewable energy in the upcoming periods. . By certifying entire electricity consumption of Turkcell Group in YEK-G market with 100% rate, we have become 100% renewable company in 2021. In addition, we have also supported our business partners' practices and increased incentives in this space with the sale of IREC-certified renewable energy in 2021.



## Digital Business Services A.S.

As one of the companies invested the most in Turkey's human resources and technologies, our main goal is to be a reliable technology partner that provides end-to-end, key solutions to our customers.

Turkcell Digital Services, which was established to be a part of our customers' digital transformation journey and lead them as a strategic technology partner in this field, provides our customers with access services, cloud technologies, data center services, cyber security services, managed services, internet of things, big data analytics, business applications. We offer services in many different areas, including sectoral solutions and new generation technologies. This allows our customers to advance with the most appropriate financial model in their new technology investment plans, enabling them to focus more on their own business.



## Turkey's Automobile Joint Venture Group Inc. - Togg

Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. (Togg) was established on June 25, 2018 within the framework of Turkey's Automobile Project implemented through the coordination of The Republic of Turkey Ministry of Industry and Technology and The Union of Chambers and Commodity Exchanges of Turkey.

With the changes in shareholding of Togg and the capital increase following resolutions of the General Assembly dated May 31, 2021, our Company's shareholding in Togg increased to 23%. Aiming to develop a new generation of electric and connected cars and to create a domestic e-mobility ecosystem around these cars, Togg's factory groundbreaking ceremony took place on 18 July 2020 in Gemlik/Bursa. Upon the completion of the construction of the production facility, it is aimed to start the production of the all-electric SUV model by the end of 2022. Togg also introduced its vehicle in the C-Sedan segment, which it plans to start its production later, at the Consumer Electronics Show (CES) 2021. We will continue to support the electric powered and brand-new automobile platform which is also in-line with Turkcell's sustainability focus.



## Atmosware Teknoloji Eğitim ve Danışmanlık A.Ş.

Atmosware was incorporated on October 8, 2021 following the completion of registration and announcement procedures. Atmosware carries out activities to develop software products and services, to train software developers for this purpose, to provide services to our Company, its subsidiaries and other parties both in Turkey and in other countries and/or to operate in other areas allowed within the framework of the legislation.



## Subsequent events after the reporting period



**January 5, 2022**

### Announcement Regarding the News and Announcements in Relation to Our Company

As announced over the Turkish Public Disclosure Platform and in a filing made with U.S. Securities and Exchange Commission by IMTIS Holdings, our Company received a letter dated January 4, 2022 from IMTIS Holdings. As stated in the letter, based on its shareholding of more than 5% in our Company, IMTIS Holdings has requested the dismissal of four board members, who were appointed without use of Turkey Wealth Fund's nomination or voting privileges, and the election of candidates to replace these directors at the next General Assembly meeting of our Company. In accordance with the applicable legislation and regulations, which our Company is subject to as part of the General Assembly process, and pursuant to our internal processes, we will make all related announcements prior to the General Assembly meeting as usual.



**January 31, 2022**

### Announcement Regarding the Provision of Electronic Money and Payment Services Abroad

Our Company's Board of Directors resolved that Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş. ("TÖHAŞ"), which operates under the Paycell brand, shall start providing international money transfer and payment services in European Union countries. As per the resolution, in order to conduct respective activities, TÖHAŞ shall acquire Turkcell Europe GmbH, a subsidiary of our Company based in Germany, after obtaining the necessary legal permissions from the relevant authorities.



**February 3, 2022**

### Announcement Regarding the News and Announcements in relation to our Company

As announced over the Turkish Public Disclosure Platform and in a filing made with U.S. Securities and Exchange Commission by IMTIS Holdings S.à.r.l. our Company has received a letter dated February 2, 2022 with the attached notice regarding the request to call the General Assembly. We will make all related announcements in accordance with the applicable legislation and regulations, which our Company is subject to as part of the General Assembly process.



**February 11, 2022**

### Announcement Regarding the Board Resolution with respect to IMTIS's Notice

Our Company's Board of Directors convened today and resolved the following with respect to the notice sent by our Company's shareholder IMTIS Holdings S.à.r.l. ("IMTIS"), which was disclosed as per our announcement dated February 3, 2022:

1. for their request as to convene the Annual General Assembly on April 30, 2022 at the latest, that necessary transactions shall be performed and necessary announcements shall be made after determining a date and an agenda in line with our Company's internal regulations

by taking the requests, suggestions and recommendations of all our stakeholders into consideration, following the date of February 17, 2022 on which our financial results will be disclosed,

2. for their request under article 10 and its sub-paragraph of the Resolution Draft Enclosed to the Notification as to dismissal and replacement of Board members, that among the four Board members whose replacement was requested; the three Board members who had been nominated in accordance with capital markets legislation and upon obtaining the approval of Capital Markets Board and Julian Michael Sir Julian Horn-Smith who served at group of companies which IMTIS is a part of as a Board member for numerous years, were elected for a term of 3 years with the affirmative vote of IMTIS at the Annual General Assembly dated April 15, 2021; that no developments have occurred which would impair the independence of the three independent Board members; that there also have not been any developments that would legally hinder Julian Michael Sir Julian Horn-Smith to continue his Board membership; and that based on such dismissal of the relevant Board members without any valid grounds before their term of office may trigger compensation claims and may pose a potential risk of damage to our Company's stakeholders,

3. for their request under article 12.1 of the Resolution Draft Enclosed to the Notification as to distribution of 75% of our Company's total distributable net income generated by the Company during 2021 financial year by no later than 6 months after the date of the General Assembly, that the 2021 fiscal year's financials of the Company are currently being prepared and will be disclosed on February 17, 2022; that it is not possible for our Board of Directors to resolve as to dividend distribution over the financials of which audit and approval processes are yet to be completed as per capital markets legislation; that a dividend distribution proposal shall be made by our Board of Directors after February 17, 2022 by taking into consideration Company's articles of association, dividend distribution policy and the financial status (cash and FX position), macroeconomic and financial expectations (access to and cost of financing) of the Company together with the requests and interests of all our stakeholders, and that the shareholders may submit proposals during the General Assembly meeting as an alternative to the dividend distribution proposal of the Board of Directors,

4. for their request under article 9 of the Resolution Draft Enclosed to the Notification as to informing General Assembly of donations and contributions by the Company and the beneficiaries of such donations and contributions by explaining each transaction individually, that since informing the shareholders as to previous year's donations is one of the compulsory provisions of the Corporate Governance Principles within the scope of the capital markets legislation has been an agenda item each year, the shareholders are duly informed during the General Assembly and that they may exercise their right to information during the General Assembly as per legal regulations, and therefore, to reject their requests in accordance with the aforementioned legislation; on the other hand, notwithstanding the fact that it is deemed that their proposed articles of association amendments provided under article 3 of the Resolution Draft Enclosed to the Notification are not compulsory under the applicable legislation to our Company, such amendment proposals are generally parallel to the corporate governance practices applied by our Company, and therefore a separate resolution shall be taken by our Company with regards to the articles of association amendments in order to be submitted to the approval of the General Assembly, and that necessary applications shall be submitted to respective legal authorities.

## February 11, 2022 Announcement Regarding the Amendment of Articles of Association

Our Company's Board of Directors has resolved that Articles 9, 17 and 19 of our Company's Articles of Association shall be amended as attached. The necessary application for the respective amendments has been submitted to the Capital Markets Board on February 11, 2022.

## February 17, 2022 Announcement Regarding the Establishment of Strategy and Digitalization Committee

As per the Turkish Commercial Code Article 366(2), our Company's Board of Directors has resolved that "Strategy and Digitalization Committee" shall be established in order to assist the Board of Directors in fulfilling its oversight responsibilities by providing advice in relation to strategy, digitalization and effectiveness frameworks within Turkcell. The decisions of the committee, which will report to the Board of Directors, will be advisory. The duties and responsibilities of the Committee have been determined as follows:

- To provide advice and support for the preparation of Turkcell Group strategic plan,
- To review the draft Turkcell Group strategic plan before being submitted to the Board of Directors for approval,
- To monitor the Turkcell Group strategic plan on a regular basis,
- To provide advice and support for Turkcell Group's digital transformation and other substantial optimization and efficiency projects and to regularly monitor their implementation,
- To conduct assessment and research requested by the Board of Directors with regards to its subject matter.

It has been resolved that Mr. Bülent Aksu, Mr. Nail Olpak, Ms. Figen Kılıç, Mr. Serkan Öztürk and Mr. M. Akif Konar shall be the committee members.

## February 21, 2022 Announcement Regarding Fitch Ratings' Credit Rating

International rating agency Fitch Ratings has revised our Company's credit rating as "B+" which was previously "BB-" in accordance with its internal practice to reflect its decision to downgrade Turkey's sovereign rating announced on February 11, 2022. The outlook of our Company has been kept as "negative".

## February 23, 2022 Announcement Regarding the Announcements in relation to our Company

Our Company has received the attached notice from IMTIS Holdings S.à.r.l. dated February 22, 2022 regarding the request to add items to the agenda of General Assembly. We will make all related announcements in accordance with the applicable legislation and regulations, which our Company is subject to as part of the General Assembly process.

## February 25, 2022 Announcement Regarding our Operations in Ukraine

Lifecell LLC, LLC UkrTower and LLC Global Bilgi, 100% subsidiaries of our Company, provide telecommunication services, tower operations, and call center services in Ukraine. We closely follow the recent worrisome developments in Ukraine while the operations of our respective companies currently continue in the country. The situation in the country and its impact on our operations are being closely monitored. Our corporate action plans to continue our respective companies' operations and ensure safety and health of our employees are being updated instantly according to the developments.

## March 1, 2022 Announcement Regarding the Claims of IMTIS Holdings S.à.r.l

IMTIS Holdings S.à.r.l ("IMTIS"), a shareholder of our Company, having sent letters to our Company, making public disclosures and engaging in media communications following the meeting held at our Company on October 15, 2021, raised several claims in relation to financial, operational and corporate governance issues, which were speculative and contradictory, and which do not reflect the truth and could potentially mislead other investors. Since the beginning of this process, our Company's management team has repeatedly communicated to IMTIS that

they would be available for a meeting to discuss their respective claims in accordance with the regulations, which our Company is subject to, but has not received a positive response. Most recently, our management team reiterated its meeting request.

Our responses to the claims of IMTIS are summarized below and, thus, are shared with our shareholders.

1) Misleading statements regarding the content of the Proxy Advisors' reports

IMTIS presented the statements in reports of proxy advisor firms, which advise to the proxy voters, in a certain way that may be misleading. Although the respective firms, as part of their reports regarding the General Assembly dated April 15, 2021, commented only that board of director candidates were not announced in a timely manner, IMTIS misconstrued this to create an impression of total weakness in the entire corporate governance processes of Turkcell. Furthermore, although advisors explicitly acknowledged that 50% of Turkcell's board members were independent in respective period as specified in one of the reports, IMTIS claimed that the publisher of the report had concerns regarding the independent Board members and used these reports to further its agenda and mislead public.

2) Misleading statements regarding the opinions of other shareholders

IMTIS, in its letter dated October 28, 2021 and other subsequent communications, presents itself as a representative of other shareholders, yet provides no evidence proving thereof. Having pointed out the 83 institutional investors, who voted against the election of the board members at the Turkcell General Assembly held in 2021, IMTIS claimed that Turkcell's investors were also worried in a similar fashion to them. While ignoring that Turkcell has more than 500 institutional investors, IMTIS claimed that the decision of those, who voted against, was also shared by all other investors overlooking investors, who voted affirmatively. The most notable contradiction is that IMTIS, having voted affirmatively in election of board members during the General Assembly meeting dated April 15, 2021, changed its position within a mere 6-month period without any valid grounds. Furthermore, IMTIS failed to provide any reasoning or evidence to support its claims that investors have lost faith in Turkcell's future. It should also be highlighted that IMTIS delivers baseless statements through accusatory communication language in its letters.

3) Misleading statements regarding the process

Turkcell Board of Directors and management team have devoted extensive time and resources to respond to the negative campaign initiated by IMTIS on October 15, 2021. Our Company's Board of Directors responded to IMTIS' letter dated October 28, 2021 on November 12, 2021. In that response, our disagreement with such claims were expressed and management team was addressed to share information regarding the Company's performance. However, IMTIS ignored this response and refused to meet with the management team, and publicly announced all written communications between the parties on November 15 and 16, 2021 through filings and announcements made with U.S. Securities and Exchange Commission and Capital Markets Board of Turkey. The proposal of Turkcell's Chief Executive Officer to have a meeting regarding the claims with IMTIS at their availability was also refused. IMTIS has not held any other meetings with the Turkcell management team during such period. As a result, Turkcell management team has always acted in a constructive, cooperative and effective manner throughout the process and will continue to do so.

4) Misleading statements of IMTIS in relation to financial and operational performance

Having carefully reviewed claims of IMTIS on operational and financial performance, we see that they reach inaccurate conclusions as they ignore various structural factors when comparing Turkcell with other competitors. Turkcell's operational profitability and free cash flow are being compared to telecom companies in other countries, which have different tax regime, regulation, demographics and competitive environment. In the respective comparisons, IMTIS ignore that Turkcell has a revenue composition, where mobile services have a higher contribution, and on those services Turkcell is obliged to pay 15% treasury share and 5% frequency usage fee (these items directly impact operational profitability as they are reported under cost of sales). Furthermore, a comparison between Turkcell and another operator in Turkey is also misleading particularly taking 1% treasury share in fixed telecom services into

consideration. Through ignoring these factors, they failed to provide a fair and accurate perspective to Turkcell shareholders and potential investors.

It is seen that IMTIS compared Turkcell's various financial and operational metrics including its subscriber market share and share performance over a specific time period in a potentially misleading manner and therefore reached one-sided and subjective conclusions in general. We deem Turkcell's net subscriber addition performance of 3.7 million in the last two years as a reflection of the successful execution of the right strategy.

IMTIS claims that Turkcell's asset monetization strategy has been stalled despite "a robust market environment". Asset monetization has been an agenda item for us since 2019 when they were also represented at our Board of Directors. Since then, the world has gone through an unprecedented period due to COVID-19 pandemic. Additionally, there has been a volatile market environment, which has pressured company valuations in our country. In summary, contrary to IMTIS' claims, there has not been "a robust market environment". As Turkcell, we monitor macro developments and market conditions on a continuous basis in order to act in the best interest of our shareholders. Accordingly, we would like to state that we mandated an international bank in November 2021 for a partial stake sale process regarding our payment services company, which operates under the Paycell brand and that we evaluate different strategic options for Superonline. We aim to take actions in a way to realize the full potential of our assets. Meanwhile, IMTIS used valuation methods, which do not have a clear basis, and are incomparable to our assets, and made certain stake sale assumptions, which are not based on a solid foundation or information, and made those public. While such an approach will not aid Turkcell investors and other investors, who might be interested in those assets, to make healthy decisions, it may also result in expectations, which do not have an objective basis.

By associating its observations in relation to our international assets with the current Board of Directors, IMTIS ignores the fact that investments into those companies have been ongoing over the course of many years including those when they were also at the Board of Company. Additionally, these observations completely ignore the successful performance of lifecell, our largest international subsidiary, improving in the last two years.

IMTIS' expectation of USD based dividends is not reasonable or realistic considering the reality of currency risk for a company operating in Turkey, an emerging market. As reflected by examples of other peers in the past, USD based dividend commitment may expose our Company to a significant currency risk and increase its sensitivity to currency rates.

Lastly, as also stated in several analyst reports, it is seen that IMTIS's potential actions in equity markets, have been a pressurizing factor on Turkcell's share performance over the last years. Taking this into consideration, evaluation of share performance over a specific period, which has been intentionally picked out by IMTIS, results in misleading conclusions.

In accordance with the regulations applicable to our Company, we will continue our open and transparent communications with all our investors over respective platforms.

## March 02, 2022 Announcement Regarding the Board Resolution with respect to IMTIS's Notice

Our Company received a notice from IMTIS Holdings S.à.r.l. dated February 22, 2022 regarding the request to add items to the agenda of General Assembly. As a result of the review of our Board of Directors, it was evaluated that the requests as per the notice did not differ from those included in the notice dated February 2, 2022. Accordingly, it was resolved to respond to the respective notice in accordance with the reasonings expressed in our Board resolution dated February 11, 2022, which we announced publicly on the same date.

**March 07, 2022**

### **Announcement Regarding the Turkcell New Technologies Venture Capital Investment Fund**

An agreement has been made between our Company and Re-Pie Portföy Yönetimi A.Ş. (RePie) to establish a Venture Capital Investment Fund (VCIF) in order to invest in ventures that are in line with our Company's business model and can create synergies with our Group's strategic focus areas. On March 7, 2022, the founder, Re-Pie, applied to the Capital Markets Board for the "Re-Pie Portföy Yönetimi A.Ş. Turkcell New Technologies Venture Capital Investment Fund".

With this fund, it is aimed to invest in technology-oriented ventures with high growth potential thereby supporting the respective companies reach their growth targets. Moreover, it is aimed to create strategic and financial benefits and accordingly long-term value for our Company through synergies to be generated with these ventures.

The fund's Investment Committee will consist of a total of 6 members, 3 of which will be Turkcell representatives. The committee's decisions will be determined with the affirmative votes of all Turkcell representatives. Serkan Öztürk, Mehmet Akif Konar and Ali Serdar Yağcı have been elected as the members to the committee as our Company's representatives.

The announcement regarding initiation of discussions to establish the respective fund was postponed as per the Board of Directors decision in accordance with the Article-6 of Capital Market Board's Communiqué on Material Events Disclosure, due to the fact that such an announcement at a stage when the process was not finalized could have misled investors.

**March 07, 2022**

### **Announcement Regarding the Eurobond Buy-back Transactions**

Within the scope of our Board of Directors' buy-back decision on July 27, 2016, January 30, 2017 and March 24, 2020, our Company purchased its Eurobond with ISIN code XS1803215869 and a nominal value of USD 4,000,000 at a price of USD 89.000, and its Eurobond with ISIN code XS1298711729 and a nominal value of USD 1,439,000 at a price of USD 93.620 on March 7, 2022. The transactions totaled USD 5,035,667.

**March 08, 2022**

### **Announcement Regarding the Eurobond Buy-back Transactions**

Within the scope of our Board of Directors' buy-back decision on July 27, 2016, January 30, 2017 and March 24, 2020, our Company purchased its Eurobond with ISIN code XS1298711729 and a nominal value of USD 4,000,000 at a price of USD 92.310 on March 8, 2022. The transaction totaled USD 3,785,139.



## **Statement of compliance with corporate governance principles**

Turkcell İletişim Hizmetleri A.Ş. ("Turkcell" or the "Company") is aware of its responsibilities towards its stakeholders, with the belief that high standards of corporate governance are key to maintain successful business practices and to provide long-term economic value to the company's shareholders. Within this framework, having adopted the principles of "equality," "transparency," "accountability" and "responsibility" that constitute the basis of corporate governance in its activities, the Company exercises due diligence with regard to compliance with the Capital Markets Law ("CML") and the secondary regulations and resolutions of the Capital Markets Board ("CMB").

In parallel with corporate governance efforts established with the creation of the Investor Relations Department at the time of the IPO, and gained momentum in 2003, corporate governance mechanisms are being implemented in line with the corporate governance principles.

Turkcell İletişim Hizmetleri A.Ş. places a great importance on the full compliance with Corporate Governance Principles. Although full compliance with non-mandatory corporate governance principles provided in the relevant legislation is aimed, it has yet to be achieved due to the challenges in the implementation of certain principles, the incompatibilities between some principles and the current structure of the Company and the market. On the other hand, an utmost care is given to compliance with mandatory corporate governance principles.

In the activity period that ended as of 31 December 2021, necessary explanations are provided in the annual report; (i) the

Corporate Governance Compliance Report ("CGCR") and (ii) the Corporate Governance Fact Sheet ("CGFS") and (iii) other

relevant sections of the annual report as to the corporate governance principles in the annexes of the Communiqué on Corporate Governance with which the compliance is achieved as well as the ones that are not yet complied with. Within this framework:

In line with the regulation and global best practices, as a result of the activities of Corporate Governance and Capital Markets Compliance Directorate, which directly reports to the Board of Turkcell in an autonomous structure, and in relation with the below process and implementation, evaluation forms have been created considering the recommendation of the Corporate Governance Committee. Accordingly, in line with the guidance of the Board of Directors, each Board member have completed "the Board of Directors Performance Evaluation".

1. The scope of the evaluation process consists of the below set of questions in which the answers are measured within a certain scale.

a. Information provided to the Board before and during the meetings: The set of question contained in this section addresses issues such as whether there was timely, clear and comprehensive information regarding the meeting agenda items, whether financial information highlights important issues and trends, and the effectiveness and impartiality of the meetings.

b. Board Composition and Function: The set of question contained in this section addresses issues such as whether the members have the necessary qualifications, experience and skills, whether a sufficient number of meetings are held, and the functioning of the committees.

c. Board Dynamics: The set of question contained in this section addresses the main issues such as the effectiveness of the oversight, adequacy of annual business plan reviews and whether the company's value, mission, strategy, business plans are reflected on important issues, and whether financial indicators are followed up properly.

d. Standards of Conduct: The set of question contained in this section addresses issues such as conflict of interest and adequacy of contribution.

2. Within the above methodology, each Board Member have made separate evaluations.

3. Feedbacks of the Board Members have been reviewed.

4. Actions for the process improvement have been identified as a result of the reviewed and analysed feedback.

Taking into account the amendments of the regulations and the practices, future efforts will continue to improve our corporate governance practices and, to ensure, within the framework of these principles, the better operation of the mechanisms with respect to the corporate governance practices of the partnership.

Should the CGCR or CGFS be amended within the activity period, a material event disclosure will be made, and this amendment will be included in the interim activity reports.





# Statement of compliance with corporate governance principles for the year 2021



## Corporate Governance Principles Compliance Report

	Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>CORPORATE GOVERNANCE COMPLIANCE REPORT</b>						
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>						
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					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	X					
<b>1.3. GENERAL ASSEMBLY</b>						
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	No information regarding this kind of activities were received from such person following the routine information requests made before the general assembly meetings.
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		Donations and charities are included separately on the general assembly agenda; but information regarding the amount and beneficiaries of these donations and charities are given separately in the general assembly meeting within the scope of shareholders' right to obtain information.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.				X		Results of general assembly meeting has been shared with the media through press release.



1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.		X				Without prejudice to 137/3, due to Article 7.5 of the AoA we ticked the "Partial" box
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	As per the Communique on Material Events Disclosure Article-16/2, Central Securities Depository is updating the respective information available in PDP under the General Information heading. We also disclose these information as sourced by CSD on our website.
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 web site related to public is available in English, Arabic and Russian language in addition to that Investor Relations page is provided both in Turkish and in English.

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				Employees' participation to the management is facilitated through internal regulations of the company and various company practices.
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				We do not have a syndicate.
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						
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>							
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						
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>							
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						
<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>							
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						
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						The roles of chairman and executive officer of our Company is separate.
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	This year's policy limit for Directors and Officers liability did not exceed 25% of the company capital.
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>										
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	There are ongoing studies for the establishment of the policy.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.									X	
<b>4.4. BOARD MEETING PROCEDURES</b>										
4.4.1 - Each board member attended the majority of the board meetings in person.									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 rule which restricts board member to serve outside the company.
<b>4.5. BOARD COMMITTEES</b>										
4.5.5 - Board members serve in only one of the Board's committees.									X	Due to the number of the board of members, they are serving as a committee member in more than one 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	No service has been received from an outside counsel in 2021.	
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X						
<b>4.6. FINANCIAL RIGHTS</b>							
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					Information regarding Board of Directors' performance evaluation can be found in the annual report.	
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	In the Ordinary General Assembly Dated 15 April 2021, it was decided that the Chairman and each member of the Board of Directors have a monthly compensation of TRY 56.0 thousand. In parallel with the common practice, aggregate amount of the executive remuneration is disclosed in the annual report.
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## Corporate Governance Information Form

1. Shareholders	
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	In 2021, Investor Relations Department attended 16 virtual investor conferences, held 6 group investor meetings and eventualized 373 discussions in total with analysts and corporate investment funds.
<b>1.2. Right to Obtain and Examine Information</b>	
The number of special audit request(s)	0
The number of special audit requests that were accepted at the General Shareholders' Meeting	0
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/general-assembly-information">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/general-assembly-information</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Provided in English as well.
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 transaction has been executed in the context of Principle 1.3.9
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 related party transactions has been executed above the tresholds.
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)	No related party transactions has been executed above the treshold.
The name of the section on the corporate website that demonstrates the donation policy of the company	<a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/donation-policy">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/donation-policy</a>
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/en/Bildirim/517918">https://www.kap.org.tr/en/Bildirim/517918</a>
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Not available.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Not available.

<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	There are voting privileges
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Please see AoA: Article 7.2 and 7.3) <a href="https://s.turkcell.com.tr/SiteAssets/Hakkimizda/yatirimci-iliskileri/documents/pdf/Anasozlesme21102020_ENG.pdf">https://s.turkcell.com.tr/SiteAssets/Hakkimizda/yatirimci-iliskileri/documents/pdf/Anasozlesme21102020_ENG.pdf</a>
The percentage of ownership of the largest shareholder	26.2%
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	Not available.
If yes, specify the relevant provision of the articles of association	Not available.
<b>1.6. Dividend Right</b>	
The name of the section on the corporate website that describes the dividend distribution policy	<a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/dividend-policy">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/dividend-policy</a>
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	Dividends are distributed in 2021.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Dividends are distributed in 2021.

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
15.04.2021	0	%76,12	%0,15	%75,97	<a href="https://s.turkcell.com.tr/SiteAssets/Hakkimizda/yatirimci-iliskileri/documents/pdf/2020GK-minutes.pdf">https://s.turkcell.com.tr/SiteAssets/Hakkimizda/yatirimci-iliskileri/documents/pdf/2020GK-minutes.pdf</a>	No question submitted.	As the capital markets legislation imposes liability to report the related party transactions depending on the specified thresholds, this obligation is observed.	0	<a href="https://www.kap.org.tr/en/Bildirim/928569">https://www.kap.org.tr/en/Bildirim/928569</a>



2. Disclosure and Transparency	
<b>2.1. Corporate Website</b>	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	<a href="https://www.turkcell.com.tr/en/aboutus/investor-relations">https://www.turkcell.com.tr/en/aboutus/investor-relations</a> <a href="https://www.kap.org.tr/en/sirket-bilgileri/genel/1103-turkcell-iletisim-hizmetleri-a-s">https://www.kap.org.tr/en/sirket-bilgileri/genel/1103-turkcell-iletisim-hizmetleri-a-s</a>
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.	<a href="https://www.turkcell.com.tr/en/aboutus/investor-relations">https://www.turkcell.com.tr/en/aboutus/investor-relations</a> <a href="https://www.kap.org.tr/en/sirket-bilgileri/genel/1103-turkcell-iletisim-hizmetleri-a-s">https://www.kap.org.tr/en/sirket-bilgileri/genel/1103-turkcell-iletisim-hizmetleri-a-s</a>
List of languages for which the website is available	Turkish, English, Arabic (Partial) and Russian (Partial)
<b>2.2. Annual Report</b>	
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	Information provided in the Annual Report under Other Issues Regarding Corporate Governance 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	Information provided in our website under "Investor Relations>Corporate Governance>Board Committees" heading and in the Corporate Governance Information Filings under section 4 which is attached to our annual report.
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 of the members to these meetings	Information provided in the Corporate Governance Information Filings, which is attached to our annual report, under Section 4.
ç) 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	Information provided in the Annual Report under Developments in our companies and sector.
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	Information provided under note 39 of IFRS report which is attached to our Annual Report.
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	No investment consulting service is received. Information regarding measures taken to avoid conflict of interests in rating services are provided under Financial Capital section on page 155.

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%	Information provided under note 41 of IFRS report which is attached to our Annual Report.
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	Information provided in the Annual Report under section Social Values and Common Relations.

3. Stakeholders	
<b>3.1. Corporation's Policy on Stakeholders</b>	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	It is not disclosed in the website of the Company.
The number of definitive convictions the company was subject to in relation to breach of employee rights	10
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics Committee
The contact detail of the company alert mechanism.	E-mail : <a href="mailto:ethicscommittee@turkcell.com.tr">ethicscommittee@turkcell.com.tr</a> Address : Turkcell İletişim Hizmetleri A.Ş. Etik Kurulu Aydınevler Mah. İnönü Cad. No.20, Küçükyalı / İstanbul
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	Not available.
Corporate bodies where employees are actually represented	Not available.
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Board of Directors, when necessary, get involved in the process through Nomination Committee within the framework of the Committee's roles & responsibilities.
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.	Hiring process is carried out by taking Equal Opportunities Policy into consideration under the responsibility of the HR Department. During the hiring process objective criteria such as; a.Being Turkish citizen or having work permit in Turkey b.Termination of military service c.Not to be deprived from civil rights d.Not to have a disease that will prevent him/her from working or pose a threat to the environment e.Not to be sentenced for an infamous crime f.Not under obligation of an involuntary servitude g.To have a graduate degree h.To have required skills determined specifically to the title and role (such as experience, field of graduation, certificate etc.) i."Close Relatives" (Spouses, brothers/sisters, children, father, mother, uncle, maternal aunt, paternal aunt) of people working in Turkcell Group companies may not be employed in Turkcell Group Companies. Employees with no past experience are assessed within the special hiring programs such as GncYtnk. External candidate applications are made through My Career <a href="http://www.turkcell.com.tr">www.turkcell.com.tr</a>

Whether the company provides an employee stock ownership programme	There isn't any employee stock ownership program.
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.	<a href="https://www.turkcell.com.tr/todiek/english.html">https://www.turkcell.com.tr/todiek/english.html</a>
The number of definitive convictions the company is subject to in relation to health and safety measures	Not available.
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	<a href="https://www.turkcell.com.tr/todiek/english.html">https://www.turkcell.com.tr/todiek/english.html</a>
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.	You can access our reports from the link below: <a href="https://www.turkcell.com.tr/en/aboutus/corporate-social-responsibility/sustainability">https://www.turkcell.com.tr/en/aboutus/corporate-social-responsibility/sustainability</a>
Any measures combating any kind of corruption including embezzlement and bribery	<p>For our Company it is essential to carry out its activities in a fair, honest, legal and ethical manner. Turkcell Group Anti-Bribery and Corruption ("ABC") Policy demonstrates and reflects our Company's Board of Director's commitment to the highest prevailing national and international anti-corruption and bribery standards. Turkcell expects the same degree of commitment from group companies as well.</p> <p>Within the main framework of the ABC Policy; in April 2018 Corporate Governance &amp; ABC Program Office has been established and an ABC program which provides necessary risk based trainings and establishes internal communication, and takes necessary preventive measures to ensure compliance with the rules has been initiated. With the establishment of the ABC Office, direct and efficient channels have been designed to access the Board of Directors, its committees and Senior Management with respect to ABC compliance related matters. ABC Office is the first contact point so that values and processes set by the ABC Program to be understood well and set these in motion along with Company's dynamics.</p> <p><a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/anti-bribery-and-corruption-policy">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/anti-bribery-and-corruption-policy</a> to obtain more information on our ABC Policy). Starting from 1 January 2021, Corporate Governance &amp; ABC Program Office continues its activities under the title of "Corporate Governance &amp; Capital Markets Compliance Directorate" with the same direct reporting to board and autonomous structure.</p>

<b>4. Board of Directors-I</b>	
<b>4.2. Activity of the Board of Directors</b>	
Date of the last board evaluation conducted	A performance evaluation method is adopted upon acceptance of Turkcell Corporate Governance Committee's suggestion and with the coordination of Corporate Governance & Capital Markets Compliance unit and within this scope, Board members filled in the evaluation forms and concluded the relevant evaluation in December 2021.
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	There is no executive member within the Board of Directors and all Board Members have A group signature authorization.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	16
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	Information provided in the Annual Report under Efficient Risk and Crisis Management section.
Name of the Chairman	Bülent Aksu
Name of the CEO	Murat Erkan
If the CEO and Chair functions are combined; provide the link to the relevant PDP announcement providing the rationale for such combined roles	CEO and Chair functions are not combined.
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	No disclosures have been made since the policy limit for Directors and Officers liability did not exceed 25% of company capital.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Not available.
The number and ratio of female directors within the Board of Directors	1 - %11

## 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 Independence 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
Bülent Aksu	Non-Executive Board Member	Not An Independent Board Member	7 March 19	Not available	Not considered	-	Yes
Hüseyin Aydın	Non-Executive Board Member	Not An Independent Board Member	8 March 19	Not available	Not considered	-	Yes
Tahsin Yazar	Non-Executive Board Member	Not An Independent Board Member	6 March 20	Not available	Not considered	-	-
Afif Demirkıran	Non-Executive Board Member	Independent Board Member	6 March 20	<a href="https://www.kap.org.tr/en/Bildirim/933655">https://www.kap.org.tr/en/Bildirim/933655</a>	Considered	-	-
Nail Olpak	Non-Executive Board Member	Independent Board Member	6 March 20	<a href="https://www.kap.org.tr/en/Bildirim/933655">https://www.kap.org.tr/en/Bildirim/933655</a>	Considered	-	Yes
Hüseyin Arslan	Non-Executive Board Member	Independent Board Member	15 April 21	<a href="https://www.kap.org.tr/en/Bildirim/933655">https://www.kap.org.tr/en/Bildirim/933655</a>	Considered	-	Yes
Şenol Kazancı	Non-Executive Board Member	Not An Independent Board Member	15 April 21	Not available	Not considered	-	-
Figen Kılıç	Non-Executive Board Member	Not An Independent Board Member	29 January 21	Not available	Not considered	-	-
Julian Horn Smith	Non-Executive Board Member	Not An Independent Board Member	15 April 21	Not available	Not considered	-	Yes

## 4. Board of Directors-II

## 4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)

11

Director average attendance rate at board meetings

100,00%

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

5 days before the meeting.

The name of the section on the corporate website that demonstrates information about the board charter

We do not disclose the charter in the company's website.

Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors

We do not have such policy.

## 4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented.

Information provided in our website under "Investor Relations>Corporate Governance>Board Committees" heading and in the Corporate Governance Information Filings under section 4 which is attached to our annual report.

Link(s) to the PDP announcement(s) with the board committee charters

<https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees>

Composition of Board Committees-I			
Names Of The Board Committees	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	Nail Olpak	Yes	Board member
Audit Committee	Afif Demirkıran	No	Board member
Audit Committee	Hüseyin Arslan	No	Board member
Corporate Governance Committee	Afif Demirkıran	Yes	Board member
Corporate Governance Committee	Nail Olpak	No	Board member
Corporate Governance Committee	Ali Serdar Yağcı	No	Not board member
Corporate Governance Committee	Emre Alpman	No	Not board member
Nomination Committee	Afif Demirkıran	Yes	Board member
Nomination Committee	Bülent Aksu	No	Board member
Nomination Committee	Figen Kılıç	No	Board member
Early Detection of Risk Committee	Hüseyin Arslan	Yes	Board member
Early Detection of Risk Committee	Bülent Aksu	No	Board member
Early Detection of Risk Committee	Tahsin Yazar	No	Board member
Remuneration Committee	Nail Olpak	Yes	Board member
Remuneration Committee	Bülent Aksu	No	Board member
Remuneration Committee	Hüseyin Arslan	No	Board member

4. Board of Directors -III	
<b>4.5. Board Committees -II</b>	
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)	Not available in the annual report. Please see: <a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees</a>
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)	Not available in the annual report. Please see: <a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees</a>
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)	Not available in the annual report. Please see: <a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees</a>
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)	Not available in the annual report. Please see: <a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees</a>
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)	Not available in the annual report. Please see: <a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees</a>
<b>4.6. Financial Rights</b>	
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)	Information provided in the Annual Report under Turkcell Group: 2021 Operational and Financial Review section
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	<a href="https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/compensation-policy">https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/compensation-policy</a>
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)	Information provided under note 40 of IFRS report which is attached to our Annual Report and under Corporate Governance Compliance Report

#### Composition of Board Committees -II

Names Of The Board Committees	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	100%	100%	8	8
Corporate Governance Committee	50%	50%	3	3
Nomination Committee	100%	33%	1	1
Early Detection of Risk Committee	100%	33%	6	6
Remuneration Committee	100%	67%	3	3



## Roles of Turkcell Board Members at Other Companies

Name, Surname of Board Member	Duties Outside The Group: Company Name	Duties Outside The Group: Title/ Position	Still Working in the Related Company?
Bülent Aksu	Hüda Gıda San. Tic. Ltd. Şti	Founding Partner	Yes
Nail Opak	Pak Yatırım İnşaat Sanayi ve Ticaret A.Ş.	Chairman of the Board of Directors	Yes
	Nora Elektrik Malzemeleri Sanayi ve Ticaret A.Ş.	Chairman of the Board of Directors	Yes
	Omn İnşaat Enerji Sanayi ve Ticaret A.Ş.	Chairman of the Board of Directors	No
	Avrupa Otoyolu Yatırım ve İşletme A.Ş.	Member of the Board of Directors	Yes
	Kmo Anadolu Otoyol İşletmesi A.Ş.	Member of the Board of Directors	Yes
	Marmara Otoyolu Yatırım ve İşletme A.Ş.	Member of the Board of Directors	Yes
	Marmara Otoyol İnşaatı Adi Ortaklığı Ticari İşletmesi	Member of the Board of Directors	Yes
	Krp Otoyol İnşaatı Adi Ortaklığı Ticari İşletmesi	Member of the Board of Directors	Yes
	Andeva Özel Eğitim İnşaat ve Özel Sağlık Hizmetleri A.Ş.	Company Partner	Yes
	T. Eximbank A.Ş.	Member of the Board of Directors	Yes
	Narkara Elektrik Üretim Sanayi ve Ticaret Anonim Şirketi	Member of the Board of Directors	Yes
	Girişim Kitle Fonlama Platformu A.Ş.	Company Partner	Yes
Tahsin Yazar	-	-	-
Afif Demirkıran	-	-	-
Hüseyin Aydın	Ziraat Katılım Bankası	Member of the Board of Directors	Left his position as of January 31, 2022.
	Türkiye Tarım Kredi Kooperatifleri	General Manager	Yes
Figen Kılıç	TÜBİTAK TEYDEB	Advisory Board Member	Yes
Hüseyin Aydın	Istanbul Medipol Üniversitesi	Professor	Yes
	University of South Florida	Professor	Yes
Şenol Kazancı	-	-	-
Sir Julian Horn-Smith	UBS Investment Bank, Londra	Senior Consultant	No
	AlixPartners, Londra	Senior Consultant	Yes
	Digicel Group	Independent Director	Yes
	eBuilder (Swedish Tech/Software Company based in Stockholm, Sweden)	President	Yes
	Alpha 311 (UK Tech/Green Porwer Business)	President	Evet
	Viasat	Advisory Board Member	Evet



## Conclusion of the Subsidiary Report

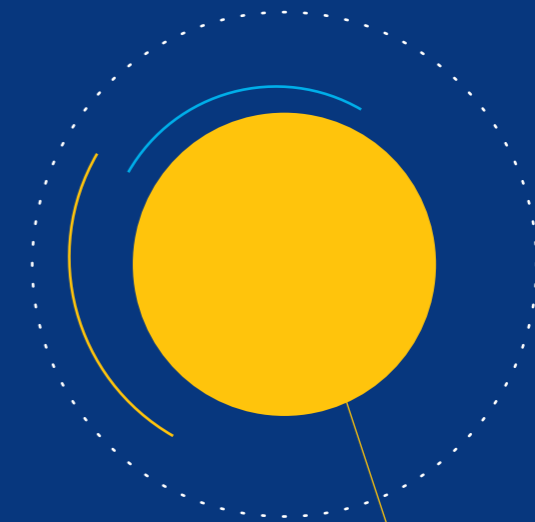
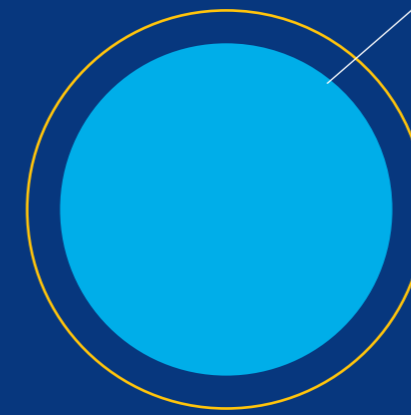
01.01.2021 - 31.12.2021 Fiscal Year Conclusion of the Report on the relationship among the Parent Company and the subsidiaries as per Article 199 of the Turkish Commercial Code: Details of the legal transactions of our Company with TVF Bilgi Teknolojileri İletişim Hizmetleri Yat. San. ve Tic. A.Ş and its subsidiaries during the fiscal year 2021 are given in the above tables. There is neither any legal transaction made in favor of TVF Bilgi Teknolojileri İletişim Hizmetleri Yat. San. ve Tic. A.Ş or one of its subsidiaries nor any action taken or avoided in favor of TVF Bilgi Teknolojileri İletişim Hizmetleri Yat. San. ve Tic. A.Ş or one of its subsidiaries upon directive by TVF Bilgi Teknolojileri İletişim Hizmetleri Yat. San. ve Tic. A.Ş Details of services provided and/or fixed asset purchases/sales performed under operational activities carried out between our Company and TVF Bilgi Teknolojileri İletişim Hizmetleri Yat. San. ve Tic. A.Ş and/or its subsidiaries that are fully in conformity with the market during the fiscal year 2021 are included in this Report.





# Sectoral and financial information

- Turkcell Group: 2021 financial & operational review
- Forward looking statements
- Independent auditor's report and consolidated financial statements
- Our offices
- Glossary





## Turkcell Group: 2021 financial & operational review

Our audited annual consolidated financial statements including our consolidated statements of financial position as of December 31, 2021 and 2020 and our consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the two years in the period ended December 31, 2021 and the related notes included in this annual report have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Report"). The following financial and operational overview focuses principally on the developments and trends in our business in the full year 2021 and should be read in conjunction with the IFRS report. The figures are expressed in Turkish Liras (TRY) unless otherwise stated. A year on year comparison of key indicators is provided and figures in parentheses following the operational and financial results for the year end 2021 refer to the same item for the year end of 2020 unless otherwise stated.

In the tables totals may not foot due to rounding differences. The same applies to the calculations in the text.

## Turkcell Group: Financial summary

Profit & Loss Statement (million TRY)	Year		
	2020	2021	Change%
<b>Revenue</b>	<b>29,103.7</b>	<b>35,920.5</b>	<b>23.4%</b>
Cost of revenue	(14,361.3)	(17,938.1)	24.9%
<b>Gross Margin*</b>	<b>50.7%</b>	<b>50.1%</b>	<b>(0.6pp)</b>
Administrative Expenses	(749.6)	(919.0)	22.6%
Selling and Marketing Expenses	(1,373.0)	(1,778.5)	29.5%
Net impairment losses on financial and contract assets	(349.6)	(271.2)	(22.4%)
<b>EBITDA**</b>	<b>12,270.3</b>	<b>15,013.8</b>	<b>22.4%</b>
<b>EBITDA Margin</b>	<b>42.2%</b>	<b>41.8%</b>	<b>(0.4pp)</b>
Depreciation and amortization	(5,974.8)	(7,291.9)	22.0%
<b>EBIT***</b>	<b>6,295.5</b>	<b>7,721.9</b>	<b>22.7%</b>
<b>EBIT Margin</b>	<b>21.6%</b>	<b>21.5%</b>	<b>(0.1pp)</b>
Net finance income / (costs)	(1,131.7)	(2,900.9)	156.3%
Finance income	2,119.5	3,592.0	69.5%
Finance costs	(3,251.2)	(6,492.9)	99.7%
Other income/(expense)	(523.3)	(370.0)	(29.3%)
Non-controlling interests	(2.5)	(0.2)	(92.0%)
Share of profit of equity accounted investees	(13.8)	90.1	n.m
Income tax expense	(387.2)	490.2	n.m
<b>Net Income</b>	<b>4,237.1</b>	<b>5,031.1</b>	<b>18.7%</b>

\* Excluding depreciation and amortization expenses.

\*\* EBITDA is a non-GAAP financial measure.

\*\*\* EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

Consolidated Balance Sheet Data (million TRY)	2020	2021	Change %
Cash and cash equivalents	11,860.6	18,628.7	57.1%
<b>Total assets</b>	<b>51,498.4</b>	<b>70,682.6</b>	<b>37.3%</b>
Long term debt	16,353.7	27,929.7	70.8%
Total debt	21,586.4	36,778.1	70.4%
<b>Total liabilities</b>	<b>30,713.5</b>	<b>48,120.4</b>	<b>56.7%</b>
<b>Total equity</b>	<b>20,784.9</b>	<b>22,562.3</b>	<b>8.6%</b>

Summary Consolidated Cash Flow Statement (million TRY)	2020	2021	Change %
Net cash inflow from operating activities	13,092.8	19,947.2	52.4%
Net cash outflow from investing activities	(6,780.6)	(9,137.7)	34.8%
Net cash (outflow)/inflow from financing activities	(4,267.8)	(3,942.2)	(7.6%)
Effects of exchange rate changes on cash and cash equivalents	(422.5)	(108.0)	(74.4%)
<b>Cash and cash equivalents</b>	<b>11,860.6</b>	<b>18,619.9</b>	<b>57.0%</b>

Profitability and Solvency Ratios (%)	2020	2021	Change
Gross Profit Margin	50.7%	50.1%	(0.6pp)
EBITDA Margin	42.2%	41.8%	(0.4pp)
EBIT Margin	21.6%	21.5%	(0.1pp)
Net Profit Margin	14.6%	14.0%	(0.6pp)
Total Liability / Equity Ratio	147.8%	213.3%	65.5pp
Net Debt / EBITDA Multiple	0.7x	1.1x	0.4x

## Explanations:

### Revenue

Turkcell Group revenues rose 23.4%.

Turkcell Turkey revenues grew 19.3% to TRY27,224 million (TRY22,823 million).

- Consumer business rose 16.8% mainly driven by strong subscriber net additions both in mobile and fixed segments, price adjustments and upsell efforts.
- Corporate revenues rose 21.1% mainly supported by digital business services revenue growth of 28.9%.
- Standalone digital services revenues from consumer and corporate segments grew 31.0% mainly driven by larger standalone paid user base.
- Wholesale revenues grew 47.2% to TRY1,903 million (TRY1,293 million).

Turkcell International revenues rose 47.5% to TRY3,750 million (TRY2,542 million).

Techfin segment revenues rose 27.3% to TRY1,076 million (TRY845 million).

Other subsidiaries' revenues were at TRY3,871 million (TRY2,893 million) indicating to a 33.8% growth.

### Cost of revenue (excluding the depreciation and amortization)

Cost of revenue (excluding depreciation and amortization) rose to 49.9% (49.3%) as a percentage of revenues. This was due mainly to the rise in cost of goods sold (0.8pp), radio expense (0.3pp) and other cost items (0.5pp), despite the decline in the treasury share (0.5pp) and interconnection expenses (0.5pp) as a percentage of revenues.

### Administrative expenses

Administrative expenses were at 2.6% (2.6%) as a percentage of revenues.

### Selling and marketing expenses

Selling and marketing expenses increased to 5.0% (4.7%) as a percentage of revenues due mainly to the rise in marketing expenses (0.3pp).

### Net impairment losses on financial and contract assets

Net impairment losses on financial and contract assets was at 0.8% (1.2%) as a percentage of revenues.



## EBITDA

EBITDA grew by 22.4% resulting in an EBITDA margin of 41.8% (42.2%).

- Turkcell Turkey's EBITDA rose 18.3% to TRY12,168 million (TRY10,283 million) leading to an EBITDA margin of 44.7% (45.1%).
- Turkcell International EBITDA increased 56.3% to TRY1,828 million (TRY1,169 million) driving an EBITDA margin of 48.8% (46.0%) on 2.8pp improvement.
- Techfin segment EBITDA rose 26.0% to TRY639 million (TRY507 million) with an EBITDA margin of 59.4% (60.0%).
- The EBITDA of other subsidiaries was at TRY379 million (TRY310 million).

## Depreciation and amortization expenses

Depreciation and amortization expenses increased 22.0% in FY21.

## Net finance expense

Net finance expense increased to TRY2,901 million (TRY1,132 million) due mainly to higher net FX loss after hedging led by Turkish Lira depreciation.

## Income tax expense

Deferred tax income of TRY1,172 million and current tax expense of TRY682 million was reported, leading to an income tax gain of TRY490 million.

Please note that in Q221 and Q421, we made use of the right introduced by Article 11 of the Law No. 7326, that allows the revaluation of properties and depreciable economic assets under certain conditions. As per the law, the respective assets can be revalued according to PPI until the year-end and a 2% tax is applied for the revaluation difference. For revalued assets, the valuation difference can be depreciated and written-off as an expense. This resulted in a positive impact on the deferred tax asset reported in the respective quarters. Please refer to our consolidated financial statements and notes as at December 31, 2021 for details.

## Net income

Group net income rose 18.7% to TRY5,031 million (TRY4,237 million) on the back of strong operational performance and the deferred tax income impact despite a higher net finance expense due to FX volatility.

## Total cash & debt

Consolidated cash as of December 31, 2021 increased to TRY18,629 million from TRY12,322 million as of September 30, 2021. This was driven mainly by the positive impact of currency movements. We also distributed TRY2.6 billion dividend in three installments in 2021. Excluding FX swap transactions, 76% of our cash is in US\$, 12% in EUR, and 12% in TRY.

Consolidated debt as of December 31, 2021 increased to TRY36,778 million from TRY24,805 million as of September 30, 2021 due mainly to the impact of currency movements. Please note that TRY2,906 million of our consolidated debt is comprised of lease obligations.

Consolidated debt breakdown excluding lease obligations:

- Turkcell Turkey's debt was at TRY30,609 million, of which TRY18,018 million (US\$1,352 million) was denominated in US\$, TRY9,188 million (EUR609 million) in EUR, TRY930 million (CNY446 million) in CNY, and the remaining TRY2,472 million in TRY.
- The finance company had a debt balance of TRY1,321 million, of which TRY284 million (US\$21 million) was denominated in US\$, and TRY362 million (EUR24 million) in EUR with the remaining TRY675 million in TRY.
- The debt balance of lifecell was TRY1,713 million, fully denominated in UAH.
- Under the Other segment we had a debt balance of TRY229 million (US\$17 million), fully denominated in US\$.

TRY1,262 million of lease obligations is denominated in TRY, TRY81 million (US\$6 million) in US\$, TRY303 million (EUR20 million) in EUR, and the remaining balance in other local currencies (Please note that the figures in parentheses refer to US\$ or EUR equivalents).

Net debt as of December 31, 2021 was at TRY16,717 million with a net debt to EBITDA ratio of 1.1 times. Excluding finance company consumer loans, our telco only net debt was at TRY14,622 million with a leverage of 1.0 times.

Turkcell Group had a short FX position of US\$191 million as at the end of the fourth quarter (Please note that this figure takes advance payments into account). Due to significant currency depreciation during the fourth quarter, the strike levels of call options as part of some of participating cross currency swaps were exceeded. This had a negative impact on our FX position during the quarter. The short FX position of US\$191 million is in line with our FX neutral definition, which is between -US\$200 million and +US\$200 million.

## Capital expenditures

Capital expenditures including non-operational items were at TRY11,479 million. R&D incentives used by Group Companies are within the scope of Law No. 5746 on "Supporting Research, Development and Design Activities". In addition, Group companies, which have investment incentive certificates in accordance with the "Decision on State Aids in Investments" dated 15/6/2012 and numbered 2012/3305, benefit from additional incentives in accordance with legal regulations.

In 2021, operational capital expenditures (excluding license fees) at the Group level were at 21.2% of total revenues.

Capital expenditures (million TRY)	Year	
	2020	2021
Operational Capex	5,391.6	7,629.8
License and Related Costs	42.8	-
Non-operational Capex (Including IFRS15 & IFRS16)	3,644.6	3,849.6
<b>Total Capex</b>	<b>9,078.9</b>	<b>11,479.4</b>

## Operational Review (Turkey)

Operational Review	Year		
	2020	2021	Change %
<b>Number of Subscribers (million)</b>	<b>36.7</b>	<b>39.4</b>	<b>7.4%</b>
Mobile Postpaid (million)	22.0	23.7	7.7%
Mobile M2M (million)	2.8	3.3	17.9%
Mobile Prepaid (million)	11.5	12.0	4.3%
Fiber (thousand)	1,664.3	1,887.8	13.4%
ADSL (thousand)	707.6	754.9	6.7%
Superbox (thousand)*	591.2	603.6	2.1%
Cable (thousand)	67.7	54.6	(19.4%)
IPTV (thousand)	871.3	1,082.2	24.2%
<b>Churn (%)**</b>			
Mobile Churn (%)***	2.3%	2.0%	(0.3pp)
Fixed Churn (%)	1.9%	1.5%	(0.4pp)
<b>ARPU (Average Monthly Revenue per User) (TL)****</b>			
Mobile ARPU – blended	44.9	50.5	12.5%
Mobile ARPU – blended (excluding M2M)	48.4	54.9	13.4%
Postpaid	58.2	62.8	7.9%
Postpaid (excluding M2M)	65.9	71.7	8.8%
Prepaid	21.8	26.9	23.4%
Fixed Residential ARPU - blended	69.6	77.9	11.9%
Residential Fiber ARPU	70.9	78.4	10.6%
<b>Average Mobile Data Usage per User (GB/User)</b>	<b>11.7</b>	<b>13.3</b>	<b>13.7%</b>
<b>Mobile MoU (Avg. Monthly Minutes of usage per subs) blended</b>	<b>518.7</b>	<b>551.2</b>	<b>6.3%</b>

\*Superbox subscribers are included in mobile subscribers.

\*\*Churn figures represent average monthly churn figures for the respective quarters.

\*\*\*In Q117, our churn policy was revised to extend from 9 months to 12 months (the period at the end of which we disconnect prepaid subscribers who have not topped up above TRY10). Additionally, under our revised policy, prepaid customers who last topped up before March is disconnected at the latest by year-end. As a regulatory requirement, we started to disconnect prepaid lines in accordance with the new ICTA regulation, which requires deactivation of prepaid lines which lack residency documents by the 6<sup>th</sup> month of subscription starting from 2019. Furthermore, as required by the ICTA, the line of a deceased customer should either be transferred to a successor/another user or terminated. Lines, which are not transferred or terminated, are to be disconnected at the end of seven months.

\*\*\*\*Starting from Q121, as a consequence of the change in reportable segments, commission revenues resulting from devices and accessories sales have been excluded from the mobile ARPU of Turkcell Turkey since these commissions are now reported under the Other segment.

Turkcell Turkey subscriber base grew by 2.7 million net additions in FY21 to 39.4 million, thanks to our customer-centric approach, and retention focus supported by our data analytics capabilities. Also, we believe that our broad range of offerings serving the needs of customers through a strong omnichannel structure, and our superior network quality contributed to our robust net additions performance in FY21. This net addition performance was the highest since 2007.

On the mobile front, our subscriber base reached 35.6 million on 2.2 million net additions in FY21. This was mainly driven by 1.7 million net additions to the postpaid subscriber base, which reached 66.4% (65.7%) of total mobile subscribers. Our prepaid subscriber base also expanded by 503 thousand net additions in FY21, which was supported mainly by the robust tourism activity in Q321 and our retention efforts.

On the fixed front, we had 223 thousand net additions to our fiber subscriber base for the full year supported by our accelerated fiber infrastructure investments and the continued demand for high speed household broadband connections. Total fixed subscribers reached 2.7 million with 258 thousand annual net additions. Meanwhile, IPTV customers reached 1.1 million with 211 thousand annual net additions.

The average monthly mobile churn rate was at 2.0% in FY21, lowest level for last 4 years. Meanwhile, the average monthly fixed churn rate was at 1.5% in FY21. Our customer-oriented and proactive approach, as well as our analytical capabilities, which enable us to make the right offer to the right customer at the right time, led to a better customer retention performance in both mobile and fixed segments on a year-on-year basis.

Our mobile ARPU (excluding M2M) grew 13.4% for the full year driven mainly by price adjustments and upsell to higher tariffs, as well as larger postpaid subscriber base.

Our residential fiber ARPU growth increased 10.6% for the full year. This was driven by upsell to higher tariffs and increased IPTV penetration.

Average monthly mobile data usage per user rose 13.7% in FY21 to 13.3 GB with the rising number and data consumption of 4.5G users in FY21. Accordingly, the average mobile data usage of 4.5G users reached 14.9 GB in FY21.

Total smartphone penetration had reached 86% as at the end of the year. 92% of those smartphones were 4.5G compatible.



## Forward looking statements

**2022 guidance; revenue target of around 30%, EBITDA target of around TRY19 billion, and operational capex over sales ratio target of 20% - 21%.**

### 2022 Guidance

→ **Around 30% Revenue Growth**

→ **Around TRY 19 billion EBITDA**

→ **20% - 21% OP. CAPEX/ Sales\***

\*Excluding license fee

Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2020 filed with the U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.



## Our Companies and sector developments



### Electronic communications sector in Turkey

According to the Market Data report as of third quarter of 2021 published by Information and Communication Technologies Authority (ICTA), the regulatory authority of Turkish electronic communications sector, the number of companies in the sector is 451 and the number of authorizations granted to these companies is 810.

In the first three quarters of 2021, the total revenues of mobile operators, including Turkcell İletişim Hizmetleri A.S. (Turkcell), Vodafone Telekomünikasyon A.S. (Vodafone), TT Mobil İletişim Hizmetleri A.S. (TT Mobil), and Türk Telekomünikasyon A.S. (Türk Telekom) were approximately TRY 48.6 billion, while the revenue of other operators was TRY 18.4 billion. During the same period, investments made by Turkcell, Türk Telekom, TT Mobil and Vodafone was realized as TRY 8.8 billion.



### Mobile market

As of the 3<sup>rd</sup> quarter of 2021, there were 86.9 million mobile subscribers in Turkey, corresponding to approximately 104% penetration rate (Mobile penetration rate excluding M2M devices and 0-9 age population is 112.4%).

In the 3<sup>rd</sup> quarter of 2021, the number of 4.5G subscribers was 80.8 million, while the number of 3G subscribers was 4.2 million. The number of mobile broadband subscribers who use 3G and 4.5G broadband services via computers and mobile phones increased to 69.7 million. As of the 3<sup>rd</sup> quarter of 2021, 66.5% of mobile subscribers were in postpaid tariffs, while 33.5% were in prepaid tariffs. The number of prepaid mobile broadband subscribers was 22.3 million and the number of postpaid mobile broadband subscribers was 47.4 million, while the number of M2M subscribers reached 7.2 million. In the first three quarters of 2021, the number of mobile numbers ported declined to 7.7 million. As of September 31, 2021, total MNP transactions has reached 155 million. Regarding the subscriber market shares; Turkcell has 41.0%, Vodafone has 31.5% and TT Mobil has 27.5% of the market. Approximately 85% of mobile subscribers were individual consumers and 15% were corporate subscribers. Regarding the revenue market share; Turkcell has 44.9%, Vodafone has 30.5% and TT Mobil has 24.6% of the market.

Monthly average data usage in mobile broadband was at 11.3 GB, while the monthly average data usage of subscribers with a 4.5G device and SIM card was 12.7 GB. In the 3<sup>rd</sup> quarter of 2021, the total mobile voice traffic volume increased by 2.9% compared to the same period of last year and reached 81.2 billion minutes.



### Broadband internet market

The number of broadband internet subscribers, which was around six million in 2008, reached 87.5 million (17.7 million fixed broadband, 69.7 million mobile broadband subscribers) as of the end of the 3<sup>rd</sup> quarter of 2021.

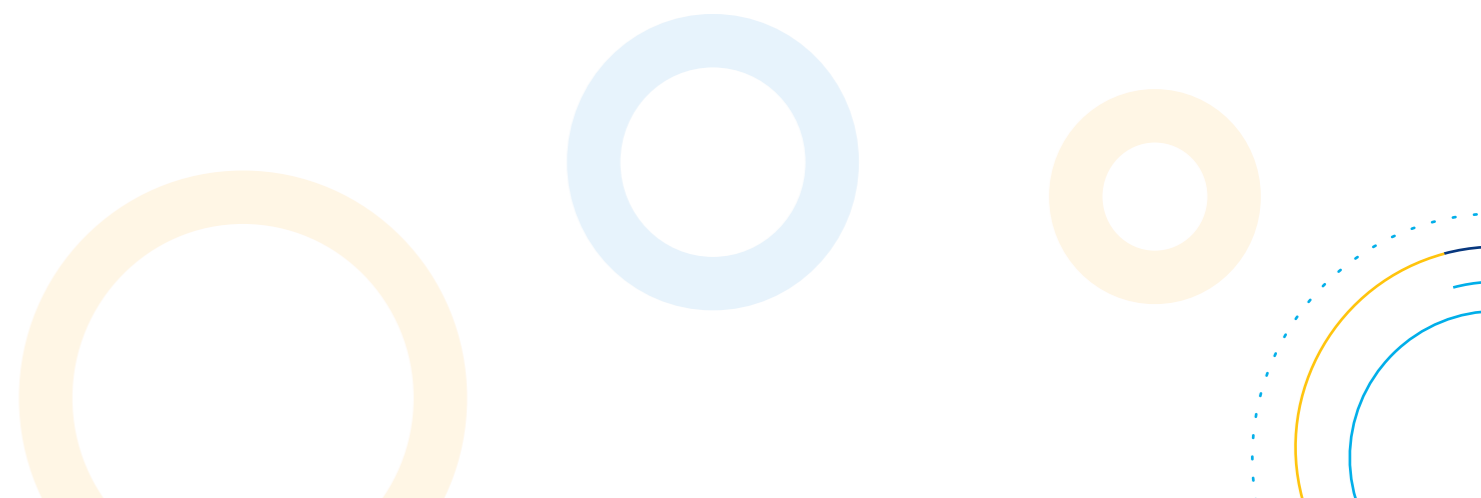
Total internet subscribers increased by 8.2% compared to the same period of the previous year. The number of xDSL subscribers reached 11.3 million, while the number of fiber subscribers was 4.6 million. The total length of fiber infrastructure of alternative operators had reached 101,906 km. In the first three quarters of 2021, revenues related to internet service providers exceeded TRY 11 billion. The average monthly data usage of fixed broadband internet subscribers reached 206 GB. In Turkey, approximately 73% of fixed broadband subscribers prefer packages with a connection of 10-35 Mbit/sec speed. The share of alternative operators which provides services through xDSL technology was 17% in the fixed broadband market and was 26.8% in the xDSL market.



### TV market

As of the 3<sup>rd</sup> quarter of 2021, there are 16 operators, which have the Cable Broadcasting Service (KYH) authorization.

While the number of subscribers of Türksat's Cable TV is 1.4 million, the operators providing IPTV services, Superonline (TV+) and TNet (Tivibu) have 1,012 thousand and 945 thousand subscribers, respectively. Of the operators authorized to provide satellite platform services, Digital Platform Teknoloji Hizmetleri A.Ş. (Digitürk), Andromeda TV Dijital Platform İşletmeciliği A.S. (DSmart) and TNET A.Ş. (Tivibu) continue broadcasting actively.



## Fixed voice market

As of the end of the 3<sup>rd</sup> quarter of 2021, there are 12.3 million fixed telephone subscribers, while the service penetration rate is approximately 14.7%.

## Legal and regulatory developments concerning our industry and our companies

### Removal of asymmetry in mobile termination rates

The Information and Communication Technologies Authority decided, under Board Decision dated 25 June 2021, to update the Mobile Termination Rates and to completely remove the asymmetry in the rates as of January 1, 2024. In scope of the Board Decision, MTRs will be gradually

reduced every year starting from January 1, 2022. MTRs will be made equal at the level of 2.1 kr/min for all operators as of January 1, 2024, and the ongoing asymmetry in fees that has been unfavorable for our Company since 2006 will thus come to an end.

### Removal of tariff control obligation for SMS/MMS termination services

The decision taken within the scope of the Mobile Call Termination Market Analysis published with the Board Decision dated 08.09.2020 and numbered 2020/iK-SRD/258, to remove the obligation to be subject to tariff control regarding the SMS/MMS termination service as of 01 October 2021, was postponed to April 01, 2022 with

the Board Decision taken on September 20, 2021. At the end of the conciliation process carried out by ICTA, asymmetry in SMS termination rates will be removed as of April 1, 2022, and rates will be gradually increased until 2024. If an agreement cannot be reached regarding the rates after January 1, 2024, operators can apply to the ICTA with a request for a reconciliation procedure.

### Update on fixed termination rates

With the decision of the Information and Communication Technologies board dated December 14 2021, and with the switch to IP-based next-generation network structure, a single-stage fee structure was adopted for fixed call termination rate

as of January 1, 2022. In this context, ICTA has published a glide path for call termination rates for all fixed operators for the years 2022-2024 and determined IP interconnection rate as 1.47 kr/min until January 1, 2024.

### Maximum tariff regulation on mobile electronic communication services

Maximum tariffs of the services (domestic / international voice and SMS, name/title change, line transfer, number change, SIM card change, on/off, detailed invoice, unknown numbers service etc.) included in the Maximum Tariff Regulation of Mobile

Electronic Communication Services are updated every six months by ICTA. Tariffs were increased by 9.3% on 01.04.2021 and by 8.5% on 01.10.2021.

### Regulation on processing of personal data and protection of privacy in the electronic communications sector

The "Regulation on the Processing of Personal Data and the Protection of Privacy in the Electronic Communication Sector" was published in the Official Gazette on 04.12.2020, and entered into force six months after its publication, on 04.06.2021. The Regulation regulates the principles and procedures to be followed by operators operating in the electronic communications sector in terms of the data they obtain within the scope of providing electronic communications

services, including subscriptions of the legal entities. Extensive obligations are set out in the Regulation regarding the obtainment of explicit consent within the scope of processing the data of subscribers and users, data security, notification of risks and breaches, calling line identification, and automatic call forwarding. The lawsuit filed for the annulment and suspension of execution of subparagraphs (c), (ç) and (e) of paragraph 1 of article 8, paragraph 1 of article 9, paragraph 1 of article 11 and paragraph 2 of article 13 of the Regulation, is still ongoing.

### Establishment of electronic communication subscription contracts in the electronic environment

Amendments to the Electronic Communications Law numbered 5809 made by the "Law on the Amendment of Certain Laws and Statutory Decrees" numbered 7247, which entered into force upon being published in the Official Gazette dated 26.06.2020 and numbered 31167, have regulated that the procedures and principles regarding the verification of the applicant's identity for the contracts to be established in an electronic medium will be determined by ICTA. In this regard, the procedures and principles regarding the process to be applied in the electronic communication sector in order to verify the identity of the applicant if the documents regarding the subscription agreement, number porting application, operator change application, qualified electronic certificate application,

registered e-mail application and SIM change application are prepared electronically have been established by the "Regulation on the Process of Verifying the Applicant's Identity in the Electronic Communications Sector" published in the Official Gazette dated 26.06.2021 and will enter into force as of 31.12.2021. Effective date of the legislation was changed to 01.03.2022 through a regulatory change made on 31.12.2021.

## Regulation amending the regulation on consumer rights in the electronic communications industry

The Regulation amending the Regulation on Consumer Rights in the Electronic Communications Industry regulating consumer rights and operator obligations in the electronic communications industry was published in the Official Gazette of 18.01.2022. The provisions of the regulation governing the harmonization of the regulation with the "Regulation on the Authentication Process of the Applicant

in the Electronic Communications Industry" will come into force on 01.03.2022 whereas various matters relating to subscription agreements, covenants and subscriber notifications will take effect on 31.12.2022 as well as new obligations such as cancellation, without an early termination fee, of services failing to meet the criteria of "Address-based Internet Speed Measurements" to be subsequently established by the Information and Communication Technologies Authority.

## Setting the safe internet service family profile for new subscribers as default

With the Board Decision dated 08.06.2021 and numbered 2021/DK-ID/152, it is obligatory to establish a subscription agreement in such a way that the

subscriber can benefit from the "Safe Internet Service Family Profile" free of charge as of 08.09.2021, unless otherwise requested by the subscriber.

## Regulation on Sales of Refurbished Products

The Regulation on the Sale of Refurbished Products published by the Ministry of Commerce that includes the topics regarding the renewal of used mobile phones and tablets, the warranty conditions of refurbished devices, the authorization of renewal centers, and the regulation of the obligations of market actors, entered into force as of 22.08.2020;

and some changes were made in the said Regulation on 02.09.2021. In addition, the standard published by the TSI on 17.02.2021 regarding the renewal centers that enable second-hand mobile phones to be refurbished and re-certified, paved the way for the purchase of second-hand mobile phones to be more reliable for consumers and inclusion of second-hand devices into the ecosystem.

## Litigation procedures regarding rejection of domestic goods liability exemption requests and ICTA's R&D SME audit

With the Board Decision of the ICTA dated 01.09.2020 and numbered 2020/İK-YED/245, the exemption requests submitted by our Company, for the first four terms covering the dates 27.10.2015-26.10.2019, to the ICTA and within the scope of the relevant legislation within the scope of the domestic product investment obligation of the IMT contract were rejected. A lawsuit has been filed by our company for the stay of execution and annulment of the transaction related to Article 2 of the said Board Decision, and the court dismissed

the case. Regarding the decision, our Company has applied to appeal within the prescribed period and the appeal process continues. In addition, within the scope of the IMT authorization, the Domestic Goods Liability Exemption Application made by our Company regarding the average of the first four-year period covering the years 2015-2019 was rejected by the ICTA with the letter E-98966759-151.99-47702 dated 27.07.2021. A lawsuit has been filed for the stay of execution and annulment of this letter and Article 2 of the Board Decision numbered 2021/İK-YED/181 and dated 29.06.2021,

which is mentioned herewith in this letter and the lawsuit process continues. On the other hand, ICTA, within the scope of examining whether our Company fulfills its obligations arising from the relevant legislation regarding the supply of products produced in Turkey such as a certain part of our Company's investments in electronic communication network and communication services from suppliers that have R&D centers in Turkey, a certain part of products manufactured in Turkey by SME suppliers established to develop products or systems in

Turkey, and certain part of products that has indicated as having a certificate of domestic goods according to the relevant law, carried out an audit against our Company for the period 2013-2017 and as a result of these audits, it was decided to impose an administrative fine of 49,170 TL on our Company. The sum of total TRY 36,877 administrative fines has been paid after a 25% discount, and a total of seventeen separate lawsuits filed for the cancellation of these fines are still ongoing.

## Amendment to the procedures and principles on the investigation and supervision of R&D Investments

With the decision of the Information and Communication Technologies Board dated 16.11.2021 and numbered 2021/DK-YED/361, the Procedures and Principles on the Investigation and Supervision of Hardware and Software Investments to be Used in the Corporate Networks have been updated. The new regulation includes issues such as ensuring that the amount

of purchase per supplier does not exceed 50% of the total investments made during an investment period, informing ICTA before the investments for critical network elements and complying with a possible notification, ensuring a definition for national product, and imposing obligations on R&D projects carried out in R&D centers.

## Cancellation of TRY 138 million administrative fine imposed by the Ministry of Trade

As a result of the investigation conducted by the Ministry of Trade for 2015, an administrative fine of TRY138 million was imposed on our Company due to alleged violations of distance contracts, subscriber agreements, agreement of sales on installment. A lawsuit was filed for the cancellation of the mentioned transactions and decisions by our company. The court found the claims of our Company to be justified and accepted the case and cancelled the administrative fine. The defendant administration appealed the decision following the rejection of defendant administration's appeal by Regional Administrative Court. As a result of the appellate review, the Council of State decided to overturn the decision of

the Regional Administrative Court, and to send the file to the Regional Administrative Court in order to make a decision after an expert examination. The Regional Administrative Court decided to abide by the reversal decision of the Council of State and to conduct an expert examination on the file. An application has been made to restructure the administrative fine that is the subject of the lawsuit within the scope of Article 3 of the Law No. 7326, titled "Receivables that are not finalized or are in the litigation phase" with a cash payment option. Our application has been accepted. Administrative fine amounting to TRY 138,172,926 was paid as 51,814,847.25 TL and the litigation process has ended. The Regional Administrative Court decided that there was no room for a decision on the case, since the case was abandoned as per Law No. 7326.

## Administrative fine imposed by the Competition Board

The Competition Board imposed an administrative fine of TRY 92 million on our Company due to violation of the competition legislation by determining the resale price of prepaid subscription credits. Legal actions have been taken for withdrawal of the aforementioned administrative fine by our Company. The Competition Board accepted some of the objections of our Company and changed its previous decision; it abolished the fine of TRY 92 million and decided

on an administrative fine of TRY 61 million for our Company with its new decision. The administrative fine was paid with twenty five percent discount on 09.04.2020, in the amount of TRY 45 million, and a lawsuit was filed for the stay of the execution and cancellation of the aforementioned administrative fine. The Court rejected the case. The Company appealed the case before Regional Administrative Court. Regional Administrative Court rejected the appeal request. The Company appealed the decision in due time. The appeal process is pending.

## Lawsuits regarding the use of 444 numbers

In four separate lawsuits filed by our Company and Superonline with the request for the stay of execution and the cancellation of the ICTA's transactions that restrict/prevent the use of the 444 numbers, it was decided to cancel the ICTA transactions on the ground that it was illegal, and the cancellation decisions were finalized. Due to the decision to cancel the aforementioned ICTA transactions, an application has been made to the ICTA by our Company to execute the requirements of the court decisions and to eliminate the illegality in practice. Upon the implicit rejection of this application, another lawsuit was filed, and the court accepted this case in favor of our Company. After

the defendant administration's appeal and the Regional Administrative Court rejection of the defendant administration's appeal, the ICTA appealed the aforementioned decision, and the appeal is pending. In the meantime, the ICTA conducts evaluations and legislation studies regarding this dispute. However, even though ICTA is conducting assessments and regulatory works related to this dispute, Superonline made an application to the ICTA for the withdrawal of the Board Decision and related administrative acts since the existing illegality has not been eliminated with the Board decision and related administrative acts on the subject. Upon the implicit rejection of this application, the Company filed a lawsuit for the cancellation of all administrative acts. Case is pending.

## Cancellation of board decision increasing the ICTA's obligation for 3G Coverage

In the lawsuit filed with the request for stay of execution and cancellation of the decision of the ICTA dated 21.07.2014 and numbered 2014/DK-YED/376, which changed the scope of the obligations subject to the Concession Agreement of our company grounding on the amendment made in Laws No 6360 and 6447 and Metropolitan Municipality. Law

No.5216 and the transaction of the notification of this decision dated 14.08.2014 and numbered 151.99/50991, the Court has justified the claims of our Company with its decision notified on 17.04.2019 and decided to cancel the Board decision and the act. The defendant appealed the decision. The Council of State certainly approved the first instance court decision in favor of The Company.

## Cancellation of decision given for TÖHAS payment order case:

The mobile payment services of TÖHAS between 01.07.2015-15.08.2018 were audited by the BRSA; subsequently, an administrative fine imposed on TÖHAS; in the amount of TRY18,762,982; a lawsuit has been filed by TÖHAS with the request for the stay of execution and cancellation of the aforementioned decisions and transactions. The court accepted the case in favor of TÖHAS and canceled the administrative fine. The defendant appealed the decision before Regional Administrative Court. The Company replied defendant's appeal request in due time. Appeal process before the Regional Administrative Court is pending. While this case was ongoing, the Tax Office sent a payment order for the

collection of the aforementioned administrative fine; a lawsuit was filed with the request for the stay of execution and the cancellation of the payment order. In the lawsuit filed, the court decided to accept the case and cancelled the payment order that is the subject to the case. The defendant appealed the decision before the Regional Administrative Court. Regional Administrative Court rejected the defendant's appeal request in favor of our Company. The defendant appealed the decision. The Company replied the appeal request in due time. Appeal process is pending. Therefore, in the current situation, collection procedures should not be continued until the lawsuit filed for the cancellation of payment order of the administrative fine is concluded.

## Seizure of UYAP asset inquiries in the electronic environment

The Law on the Amendment of the Civil Procedure Law No. 7251 and Some Laws entered into force after being published in the Official Gazette No. 31199 dated 28.07.2020. With the change in the enforcement proceedings, it is stipulated that the goods, rights or receivables of the debtor can be questioned through UYAP, and that the debtor's goods, receivable or receivables can be demanded directly

through UYAP. As a result of the query made through the electronic system, it has been stated that the debtor's rights and / or property can be seized electronically by the enforcement offices based on the request of the creditor who requests lien on the rights and/or property of the debtor, and the regulation containing the detailed regulation on this issue will be published.

## Purchase of all shares of Boyut Grup Enerji

The transfer of shares regarding the purchase of entire shares of Boyut Grup Enerji Elektrik Üretim ve İnşaat Sanayi ve Ticaret A.Ş. by Turkcell Energy, which is a 100% subsidiary of our company, was completed on 18.08.2021. Boyut Grup Enerji owns the Karadağ Wind Power Plant which is located in İzmir Çeşme and has a mechanical generation power of 18MW. The license period of the power plant, which was commissioned in 2016, will expire in 2057. The power plant has a

government purchase guarantee until the end of 2026, and its expected annual revenue between 2021 and 2026 is approximately USD 5 million. Turkcell Enerji, with its Enerjicell brand, provides services to electricity consumers within the scope of retail and corporate consumers who are eligible to choose their own electricity supplier throughout Turkey. With this acquisition, we aim to strengthen our sustainability initiative, which is a focus area for us, by meeting our energy needs from renewable resources of our own.

## The newly established Companies of Turkcell Dijital İş Servisleri A.S. and Atmosware Teknoloji Eğitim ve Danışmanlık A.S.

The incorporation procedures of Turkcell Dijital İş Servisleri A.S., which is 100% owned by Turkcell Bilisim and whose capital is TRY 100,000 have been completed and it was registered with the trade registry on 08.03.2021 to serve the digital transformation journey of companies to provide services and operate in the information, network, digitalization and cloud technologies fields.

The incorporation procedures of

Atmosware Teknoloji Eğitim ve Danışmanlık A.S., with a capital of TRY 5,000,000, have been completed and it was registered with the trade registry on 07.10.2021 with the purpose to develop software products and services, train software developers for this purpose, provide services to our Company, its subsidiaries and other parties both in Turkey and abroad within this scope, and/or to operate in other areas allowed within the framework of the legislation.

## Assigning Türksat to Universal Service Projects

With the amendment made on the "Regulation on the Procedures and Principles Regarding the Collection of Universal Service Revenues and Making Expenses" on September 01, 2021, it has been regulated that the works done within the scope of the Universal Service Law No. 5369 can be procured from Türksat Satellite Communications Cable TV and Operation Joint Stock Company (Türksat), and with the Board Decision of ICTA it was decided that for the continuity of service provision

of existing and newly established universal networks the provision of transmission, leased line, site acquisition, energy supply, maintenance and repair services and similar goods and services required will be carried out or subcontracted by Türksat and that Türksat will provide goods and services for the infrastructures to be built to provide services to new places needed within the scope of universal service. The process for the "Installation, Maintenance and Repair Service Procurement for Universal Service" is carried out by Türksat.



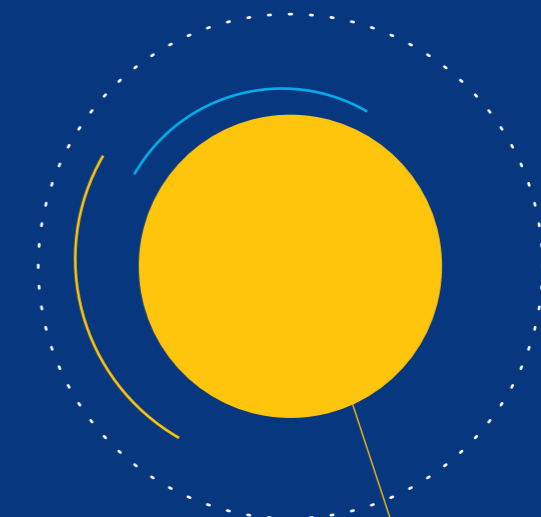
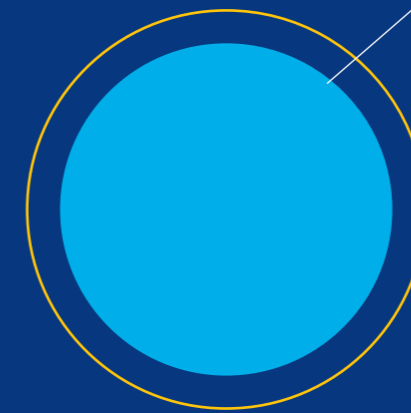
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# Independent auditor's report and consolidated financial statements

○ CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021  
AND INDEPENDENT AUDITOR'S REPORT  
This report is 108 pages.





### Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Turkcell Iletisim Hizmetleri A.S.

#### **Opinions on the Financial Statements and Internal Control over Financial Reporting**

We have audited the accompanying consolidated statements of financial position of Turkcell Iletisim Hizmetleri A.S. and its subsidiaries (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of profit or loss, other comprehensive income, changes in equity and the cash flows for each of the three years in the period ended December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

#### **Basis for Opinions**

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15b. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
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### Subsequent event

We draw attention to the Note 44 to the consolidated financial statements which describes the effects of Russia-Ukraine war on the Company.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.



### *Valuation of derivative instruments*

As described in Notes 2(i) and 36 to the consolidated financial statements, the Company uses participating cross currency swap contracts to hedge its currency risk and interest risk. Management makes significant judgment to value derivative instruments and uses prices in the bid-ask price range that are considered the most appropriate are used instead of mid prices in valuation model. For the year ended December 31, 2021, as a result of valuation of participating cross currency swaps fair value change, derivative assets of TRY 1,049,129 thousand have been recognized in the consolidated financial statements.

The principal consideration for our determination that performing procedures relating to management's valuation of the derivative instruments is a critical audit matter is there was significant judgment and assumptions by management to determine the fair value of these instruments due to the use of an internally developed model, which included significant judgment and assumptions related to the bid-ask price range. This in turn led to a high degree of auditor subjectivity and judgment to evaluate the audit evidence obtained related to the valuation, and the audit effort involved the use of professionals with specialized skills and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to participating cross currency swaps' valuation, testing the completeness and accuracy of data provided by management and evaluating management's judgments related to the bid-ask price range. Professionals with specialized skills and knowledge were also used to assist in the valuation of Company's participating cross currency swaps.

### *Recognition and recoverability of deferred tax assets on tax losses*

As described in Note 10 to the consolidated financial statements, the Company had recognised deferred tax assets on its tax losses based on their estimated recoverability and management judgement that it is probable that there will be sufficient taxable profits to utilise the assets in the future. For the year ended December 31, 2021, the Company recognized deferred tax asset of TRY 1,142,901 thousand in relation to tax losses in its operations in Ukraine, as management concluded it is probable that the Ukrainian entity, lifecell LLC will continue to generate taxable income in the future against which they can utilise these assets. based on prospective financial information. Management's prospective financial information for the lifecell LLC included significant judgments and assumptions relating to revenue growth rates, interest rates, profitability measures and capital expenditures.



The principal considerations for our determination that performing procedures relating to recognition and recoverability of deferred tax assets on tax losses is a critical audit matter are (i) the significant judgment by management when determining the recoverability of these assets, including a high degree of estimation uncertainty in relation to the assumptions made including revenue growth rates, interest rates, profitability measures and capital expenditures; and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's assessment of deferred tax assets on tax losses.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the recognition of deferred tax assets; evaluating the reasonableness of the prospective financial information and data used which includes significant judgments and assumptions relating to revenue growth rates, interest rates, profitability measures and capital expenditures. These procedures also included, among others, testing the information used in the evaluation of recoverability of deferred tax assets, including prospective business plan.

PwC Bagimsiz Denetim ve  
Serbest Muhasebeci Mali Musavirlik A.S.

Caglar Surucu, SMMM  
Partner

Istanbul, Turkey  
14 April 2022

We have served as the Company's auditor since 2016.

## TURKCELL ILETISIM HIZMETLERI AS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

	Note	31 December 2021	31 December 2020
<b>Assets</b>			
Property, plant and equipment	12	18,002,779	13,902,730
Right-of-use assets	16	2,983,648	2,380,174
Intangible assets	13	14,661,779	12,367,784
Investment properties	15	16,588	13,675
Trade receivables	20	256,442	222,451
Receivables from financial services	21	137,559	75,717
Contract assets	22	67,505	128,114
Financial assets at fair value through other comprehensive income		1,376,645	-
Deferred tax assets	19	1,799,612	836,608
Investments in equity accounted investees		678,584	103,926
Other non-current assets	18	1,189,896	883,842
<b>Total non-current assets</b>		<b>41,171,037</b>	<b>30,915,021</b>
Inventories	23	260,535	203,715
Trade receivables	20	4,186,929	3,465,797
Due from related parties		145,095	16,476
Receivables from financial services	21	2,014,626	1,886,381
Contract assets	22	1,180,236	972,052
Derivative financial instruments	36	2,131,070	917,437
Financial assets at amortized cost		4,164	172,363
Financial assets at fair value through other comprehensive income	26	51,166	529,610
Cash and cash equivalents	25	18,628,665	11,860,555
Other current assets	24	909,120	558,986
<b>Total current assets</b>		<b>29,511,606</b>	<b>20,583,372</b>
<b>Total assets</b>		<b>70,682,643</b>	<b>51,498,393</b>
<b>Equity</b>			
Share capital	27	2,200,000	2,200,000
Share premium		269	269
Treasury shares	27	(128,057)	(147,914)
Additional paid-in capital		35,026	35,026
Reserves		2,446,661	2,400,000
Remeasurements of employee termination benefit		(225,892)	(94,684)
Retained earnings		18,234,018	16,392,070
<b>Total equity attributable to equity holders of Turkcell Iletisim Hizmetleri AS ("the Company")</b>		<b>22,562,025</b>	<b>20,784,767</b>
<b>Non-controlling interests</b>		<b>247</b>	<b>171</b>
<b>Total equity</b>		<b>22,562,272</b>	<b>20,784,938</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## TURKCELL ILETISIM HIZMETLERI AS

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

	Note	31 December 2021	31 December 2020
<b>Liabilities</b>			
Borrowings	30	27,929,720	16,353,685
Employee benefit obligations	31	614,613	381,923
Provisions	34	615,797	411,931
Deferred tax liabilities	19	928,554	1,337,831
Contract liabilities	33	170,445	164,764
Other non-current liabilities	29	769,896	498,059
<b>Total non-current liabilities</b>		<b>31,029,025</b>	<b>19,148,193</b>
Borrowings	30	8,848,413	5,232,737
Current tax liabilities		241,686	134,175
Trade and other payables	35	6,720,679	4,976,605
Due to related parties		65,156	40,355
Deferred revenue	32	111,136	116,921
Provisions	34	573,662	630,288
Contract liabilities	33	459,289	315,070
Derivative financial instruments	36	71,325	119,111
<b>Total current liabilities</b>		<b>17,091,346</b>	<b>11,565,262</b>
<b>Total liabilities</b>		<b>48,120,371</b>	<b>30,713,455</b>
<b>Total equity and liabilities</b>		<b>70,682,643</b>	<b>51,498,393</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## TURKCELL ILETISIM HIZMETLERI AS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

	Note	2021	2020	2019
Revenue	6	34,906,646	28,272,751	23,996,262
Revenue from financial services	6	1,013,896	830,987	1,140,873
<b>Total revenue</b>		<b>35,920,542</b>	<b>29,103,738</b>	<b>25,137,135</b>
Cost of revenue	11	(24,940,126)	(20,161,096)	(16,816,705)
Cost of revenue from financial services	11	(289,848)	(174,963)	(266,775)
<b>Total cost of revenue</b>		<b>(25,229,974)</b>	<b>(20,336,059)</b>	<b>(17,083,480)</b>
Gross profit		9,966,520	8,111,655	7,179,557
Gross profit from financial services		724,048	656,024	874,098
<b>Total gross profit</b>		<b>10,690,568</b>	<b>8,767,679</b>	<b>8,053,655</b>
Other income	7	249,793	96,585	140,705
Selling and marketing expenses	11	(1,778,483)	(1,372,953)	(1,555,189)
Administrative expenses	11	(919,023)	(749,612)	(779,755)
Net impairment losses on financial and contract assets	11	(271,162)	(349,595)	(338,857)
Other expenses	7	(619,837)	(619,835)	(487,295)
<b>Operating profit</b>		<b>7,351,856</b>	<b>5,772,269</b>	<b>5,033,264</b>
Finance income	9	3,592,026	2,119,483	297,450
Finance costs	9	(6,492,878)	(3,251,164)	(2,025,118)
<b>Net finance costs</b>		<b>(2,900,852)</b>	<b>(1,131,681)</b>	<b>(1,727,668)</b>
Share of profit/(loss) of equity accounted investees		90,090	(13,775)	(15,712)
<b>Profit before income tax</b>		<b>4,541,094</b>	<b>4,626,813</b>	<b>3,289,884</b>
Income tax expense	10	490,184	(387,193)	(785,630)
<b>Profit from continuing operations</b>		<b>5,031,278</b>	<b>4,239,620</b>	<b>2,504,254</b>
<b>Gain from discontinued operations (attributable to owners of the Company)</b>		<b>-</b>	<b>-</b>	<b>772,436</b>
<b>Profit for the year</b>		<b>5,031,278</b>	<b>4,239,620</b>	<b>3,276,690</b>
<b>Profit for the year is attributable to:</b>				
Owners of the Company		5,031,098	4,237,086	3,246,487
Non-controlling interests		180	2,534	30,203
<b>Total</b>		<b>5,031,278</b>	<b>4,239,620</b>	<b>3,276,690</b>
Basic and diluted earnings per share for profit attributable to owners of the Company (in full TL)	28	2.30	1.94	1.49
Basic and diluted earnings per share for profit from continuing operations attributable to owners of the Company (in full TL)	28	2.30	1.94	1.14
Basic and diluted earnings per share for profit from discontinued operations attributable to owners of the Company (in full TL)	28	-	-	0.35

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

## TURKCELL ILETISIM HIZMETLERI AS

### CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

	Note	2021	2020	2019
<b>Profit for the year</b>		<b>5,031,278</b>	<b>4,239,620</b>	<b>3,276,690</b>
<b>Other comprehensive income/(expense):</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Remeasurements of employee termination benefits	31	(163,588)	(37,230)	(36,385)
Income tax relating to remeasurements of employee termination benefit		32,276	6,085	8,005
		(131,312)	(31,145)	(28,380)
<b>Items that may be reclassified to profit or loss:</b>				
Exchange differences on translation of foreign operations		2,410,295	29,352	431,810
Exchange differences arising from discontinued operations		-	-	104,986
Fair value reserve		(65,494)	(1,970)	4,451
Cash flow hedges - effective portion of changes in fair value		1,909,730	1,523,123	221,488
Cash flow hedges - reclassified to profit or loss	36	(1,712,519)	(1,513,209)	(439,365)
Cost of hedging reserve - changes in fair value		(1,266,102)	(589,856)	97,373
Cost of hedging reserve - reclassified to profit or loss		81,028	102,212	(21,768)
Loss on hedges of net investments in foreign operations		(1,558,374)	(368,959)	(55,389)
Income tax relating to these items	10	(355,266)	167,028	(56,728)
-Income tax relating to exchange differences		(861,143)	7,729	(99,234)
-Income tax relating to fair value reserve		13,099	483	(979)
-Income tax relating to cash flow hedges	36	(55,912)	(5,957)	47,933
-Income tax relating to cost of hedging reserve		237,015	92,089	(16,634)
-Income tax relating to hedges of net investments		311,675	72,684	12,186
		(556,702)	(652,279)	286,858
<b>Other comprehensive income/(loss) for the year, net of income tax</b>		<b>(688,014)</b>	<b>(683,424)</b>	<b>258,478</b>
<b>Total comprehensive income for the year</b>		<b>4,343,264</b>	<b>3,556,196</b>	<b>3,535,168</b>
<b>Total comprehensive income for the year is attributable to:</b>				
Owners of the Company		4,343,188	3,553,662	3,505,496
Non-controlling interests		76	2,534	29,672
<b>Total</b>		<b>4,343,264</b>	<b>3,556,196</b>	<b>3,535,168</b>
<b>Total comprehensive income for the year attributable to owners of the Company arises from:</b>				
Continuing operations		4,343,188	3,553,662	2,628,074
Discontinued operations		-	-	877,422
<b>Total</b>		<b>4,343,188</b>	<b>3,553,662</b>	<b>3,505,496</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## TURKCELL ILETISIM HIZMETLERI AS

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

	Note	2021	2020	2019
<b>Cash flows from operating activities:</b>				
Profit for the year from				
Continuing operations		5,031,278	4,239,620	2,504,254
Discontinued operations		-	-	772,436
<b>Profit for the year including discontinued operations</b>		<b>5,031,278</b>	<b>4,239,620</b>	<b>3,276,690</b>
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment and investment properties	12-15	2,925,508	2,422,078	2,181,823
Amortization of intangible assets and right of use assets	13-16	4,326,567	3,530,056	2,844,195
Impairment on property, plant and equipment and intangible asset		39,838	22,645	20,547
Net finance expense		739,943	901,530	1,442,773
Fair value adjustments to derivatives		(2,401,053)	(2,016,859)	(570,204)
Income tax expense	10	(490,184)	387,193	785,630
Gain on sale of property, plant and equipment		(109,489)	(23,950)	(47,169)
Unrealized foreign exchange losses on operating assets		13,281,421	4,384,197	1,832,636
Provisions		1,247,427	1,230,295	920,924
Share of (profit)/loss of associates and joint ventures		(90,090)	13,775	15,712
Loss on sale of subsidiary		-	1,387	-
Adjustments to earnings due to disposal of assets held for sale		-	-	(772,436)
Non-cash other adjustments		(23,281)	(13,840)	(15,557)
		<b>24,477,885</b>	<b>15,078,127</b>	<b>11,915,564</b>
<b>Change in operating assets/liabilities</b>				
Change in trade receivables	20	(869,718)	(618,545)	(881,333)
Change in due from related parties	40	(128,659)	(11,208)	10,025
Change in receivables from financial services	21	(200,765)	429,950	1,651,180
Change in inventories	23	(56,820)	(25,316)	2,035
Change in other current assets	24	(74,817)	547,475	(299,790)
Change in other non-current assets	18	(11,863)	(71,752)	(38,112)
Change in due to related parties	40	21,331	27,484	(33,135)
Change in trade and other payables	35	422,441	614,418	92,427
Change in other non-current liabilities	29	(30,658)	739	(8,122)
Change in employee benefit obligations	31	(51,138)	(20,850)	(36,231)
Change in short term contract asset	22	(209,182)	(38,636)	(223,146)
Change in long term contract asset	22	60,609	(117,823)	(6,778)
Change in deferred revenue		(22,127)	82,254	45,402
Change in short term contract liability	33	5,681	24,662	34,652
Change in long term contract liability	33	144,219	22,874	10,292
Changes in other working capital		(943,259)	(543,289)	(506,303)
<b>Cash generated from operations</b>		<b>22,533,160</b>	<b>15,380,564</b>	<b>11,728,627</b>
Interest paid		(1,822,815)	(1,653,675)	(2,090,718)
Income tax paid		(763,103)	(634,094)	(611,354)
<b>Net cash inflow from operating activities</b>		<b>19,947,242</b>	<b>13,092,795</b>	<b>9,026,555</b>
<b>Cash flows from investing activities:</b>				
Acquisition of property, plant and equipment	12	(5,568,300)	(3,904,443)	(3,195,069)
Acquisition of intangible assets	13	(4,014,234)	(3,375,915)	(2,821,111)
Proceeds from sale of property, plant and equipment		190,153	99,843	81,192
Payment for acquisition of subsidiary, net of cash acquired	3	(86,703)	-	-
(Payments for)/proceeds from advances given for acquisition of property, plant and equipment		(294,191)	(501,339)	156,936
Contribution of increase of share capital in joint ventures/associates		(484,568)	(76,000)	(38,000)
Proceeds from sale of subsidiary		-	1,229	2,219,644
Cash inflows from sale of shares or borrowing instruments of other enterprises or funds		693,322	976,576	84,655
Cash outflows from purchase of shares or borrowing instruments of other enterprises or funds		(1,035,421)	(972,188)	(369,591)
Cash inflows/(outflows) from financial assets at amortized cost		238,395	(23,298)	-
Interest received		1,223,866	994,899	854,018
<b>Net cash outflow from investing activities</b>		<b>(9,137,681)</b>	<b>(6,780,636)</b>	<b>(3,027,326)</b>
<b>Cash flows from financing activities:</b>				
Dividends received for treasury share		19,857	6,232	7,380
Proceeds from derivative instruments		1,403,609	2,085,585	1,924,363
Repayments of derivative instruments		(1,718,061)	(866,650)	(1,101,876)
Proceeds from issues of loans and borrowings		13,033,337	22,983,201	29,060,490
Proceeds from issues of bonds		192,157	494,987	311,649
Repayments of borrowings		(12,496,149)	(26,354,532)	(31,297,901)
Repayments of bonds		(142,157)	(455,878)	(225,794)
Dividends paid to shareholders		(2,585,787)	(811,622)	(1,010,000)
Dividends paid to non-controlling interest in subsidiaries		-	(32,856)	(125,027)
Acquisition of treasury shares		-	(9,994)	(9,998)
Payments of lease liabilities		(1,649,046)	(1,302,335)	(1,215,320)
Other cash (outflows)/inflows from financing activities		-	(3,951)	204,077
<b>Net cash outflow from financing activities</b>		<b>(3,942,240)</b>	<b>(4,267,813)</b>	<b>(3,477,957)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,867,321</b>	<b>2,044,346</b>	<b>2,521,272</b>
<b>Cash and cash equivalents at 1 January</b>		<b>11,860,555</b>	<b>10,238,715</b>	<b>7,419,239</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>(107,995)</b>	<b>(422,506)</b>	<b>298,204</b>
<b>Cash and cash equivalents at 31 December</b>		<b>18,619,881</b>	<b>11,860,555</b>	<b>10,238,715</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## TURKCELL ILETISIM HIZMETLERI AS

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021  
(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

	Share capital	Treasury shares	Additional paid-up capital	Share premium	Legal Reserve (*)	Fair value Reserve (*)	Hedges of net income in foreign operations (*)	Hedging reserve (*)	Cost of hedging reserve (*)	Reserve for non-completing interest rate option (*)	Remuneration for employee termination benefit	Foreign currency translation reserve (*)	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2019</b>	2,200,000	(141,534)	35,026	269	2,235,922	-	(41,203)	(169,944)	58,971	(810,192)	(28,668)	1,333,995	11,359,317	15,921,744	131,810	16,053,554
Profit for the period	-	-	-	-	-	3,472	(43,203)	(169,944)	58,971	(66,675)	(28,668)	505,056	3,246,487	3,246,487	(531)	238,478
Other comprehensive income, net of income tax	-	-	-	-	-	3,472	(43,203)	(169,944)	58,971	(66,675)	(28,668)	505,056	(57,183)	(9,998)	(125,027)	(9,998)
<b>Total comprehensive income</b>	-	-	-	-	-	3,472	(43,203)	(169,944)	58,971	(66,675)	(28,668)	505,056	(57,183)	(9,998)	(125,027)	(9,998)
Transfer to legal reserves	-	(9,998)	-	-	537,183	-	-	-	-	-	-	-	(1,010,000)	(1,002,620)	(1,010,000)	(1,010,000)
Acquisition of treasury shares (-)	-	7,380	-	-	-	-	-	-	-	-	-	-	143,906	(368,133)	(224,227)	(117,227)
Dividends paid (Note 27)	-	-	-	-	-	-	-	-	-	876,867	-	(1,388,908)	-	(512,041)	(512,041)	(512,041)
Site of associate (Note 17)	-	-	-	-	-	-	-	-	-	-	-	450,146	-	450,146	-	450,146
<b>Balance at 31 December 2019</b>	2,200,000	(144,152)	35,026	269	2,773,105	3,472	(43,203)	(155,002)	(212,159)	-	(63,539)	1,333,995	13,202,526	15,046,489	364,585	18,082,944
<b>Balance at 1 January 2020</b>	2,200,000	(144,152)	35,026	269	2,773,105	3,472	(43,203)	(155,002)	(212,159)	-	(63,539)	1,333,995	13,202,526	15,046,489	364,585	18,082,944
Profit for the period	-	-	-	-	-	3,472	(43,203)	(155,002)	(212,159)	-	(63,539)	1,333,995	4,237,086	4,237,086	2,534	4,239,620
Other comprehensive income, net of income tax	-	-	-	-	-	(1,487)	(296,275)	3,957	(395,555)	-	(31,145)	37,081	4,237,086	(683,424)	(683,424)	
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	(1,487)	(296,275)	3,957	(395,555)	-	(31,145)	37,081	4,237,086	(683,424)	(683,424)	
Transfer to legal reserve	-	-	-	-	235,920	-	-	-	-	-	-	-	(9,994)	(9,994)	(9,994)	(9,994)
Acquisition of treasury shares (-)	-	(9,994)	-	-	-	-	-	-	-	-	-	-	(811,622)	(805,390)	(805,390)	(805,390)
Dividends paid (Note 27)	-	6,232	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,962)
<b>Balance at 31 December 2020</b>	2,200,000	(147,914)	35,026	269	3,009,025	1,985	(539,478)	(151,045)	(607,714)	-	(94,684)	1,333,995	16,392,070	20,784,576	171	20,784,938
<b>Balance at 1 January 2021</b>	2,200,000	(147,914)	35,026	269	3,009,025	1,985	(539,478)	(151,045)	(607,714)	-	(94,684)	1,333,995	16,392,070	20,784,576	171	20,784,938
Profit for the period	-	-	-	-	-	1,985	(339,478)	(151,045)	(607,714)	-	(94,684)	487,227	5,031,098	5,031,098	180	5,031,278
Other comprehensive income, net of income tax	-	-	-	-	-	(52,395)	(1,246,699)	141,299	(948,059)	-	(131,208)	1,549,152	4,343,098	(687,910)	(687,910)	
<b>Total comprehensive income/(loss)</b>	-	-	-	-	-	(52,395)	(1,246,699)	141,299	(948,059)	-	(131,208)	1,549,152	4,343,098	(687,910)	(687,910)	
Transfer to legal reserve	-	-	-	-	603,363	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (Note 27)	-	19,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2021</b>	2,200,000	(128,057)	35,026	269	3,612,388	(50,410)	(1,586,177)	(9,746)	(1,555,723)	-	(225,892)	2,036,379	18,234,018	22,562,025	247	22,562,272

(\*) Included in Reserves in the consolidated statement of financial position.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## TURKCELL İLETİSİM HİZMETLERİ AŞ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

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## TURKCELL İLETİSİM HİZMETLERİ AŞ

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 1. Reporting entity

Turkcell İletişim Hizmetleri Anonim Şirketi (the “Company” or “Turkcell”) was incorporated in Turkey on 5 October 1993 and commenced its operations in 1994. The address of the Company’s registered office is Maltepe Aydınevler Mahallesi İnönü Caddesi No: 20, Kucukyali Ofispark/Istanbul. It is engaged in establishing and operating a Global System for Mobile Communications (“GSM”) network in Turkey and regional states.

In April 1998, the Company signed a license agreement (the “2G License”) with the Ministry of Transport and Infrastructure of Turkey (the “Turkish Ministry”), under which it was granted a 25-year GSM license in exchange for a license fee of USD 500,000. The License permits the Company to operate as a stand-alone GSM operator and releases it from some of the operating constraints in the Revenue Sharing Agreement, which was in effect prior to the 2G License. Under 2G license, the Company pays in cash the Undersecretariat of the Treasury (the “Turkish Treasury”) a monthly tax levy, namely a ‘treasury share’ equal to 15% of the Company’s gross revenue from Turkish GSM operations. The Company continues to build and operate its GSM network and is authorized to, among other things, set its own tariffs within certain limits, charge peak and off-peak rates, offer a variety of service and pricing packages, issue invoices directly to subscribers, collect payments and deal directly with subscribers. Following the 3G tender held by the Information Technologies and Communications Authority (“ICTA”) regarding the authorization for providing IMT-2000/UMTS services and infrastructure, the Company has been granted the A-Type license (the “3G License”) providing the widest frequency band, at a consideration of EUR 358,000 (excluding Value Added Tax (“VAT”)). Payment of the 3G license was made in cash, following the necessary approvals, on 30 April 2009.

On 26 August 2015, “Authorization Tender on IMT Services and Infrastructure” publicly known as “4.5G license” tender, was held by the ICTA and the Company was awarded with a total frequency band of 172.4 MHz for 13 years. The tender price is EUR 1,623,460 (excluding VAT of 18%). IMT authorization period expires on 30 April 2029 and operators were able to commence service delivery for 4.5G starting from 1 April 2016. 2x1.4 MHz frequency band in 900MHz spectrum and 2 units of 2x5 MHz frequency bands in 2100 MHz spectrum were commenced on 1 December 2015, while remaining packages were commenced on 1 April 2016.

The Company is obliged to pay the ICTA a monthly treasury share equal to 90% of 15% of gross revenue and 10% is paid for a universal service fund. In addition, the Company pays annual contributions in an amount equal to 0.35% of net revenue to the ICTA’s expenses and 5% of net revenue to ICTA as a frequency fee (TRx).

As of 31 December 2021, the capital shares and voting rights of TVF Bilgi Teknolojileri İletişim Hizmetleri Yatırım Sanayi ve Ticaret Anonim Şirketi (“TVF BTİH”) and İMTİS Holdings S.a r l. (“İMTİS Holdings”) in the Company are 26.2% and 19.8%, respectively since 22 October 2020. The proportion of the Company’s shares that are traded in domestic and foreign stock exchanges are 53.95% (Note 27).

The Group’s immediate and ultimate parents are TVF BTİH, wholly owned by Türkiye Varlık Fonu (“TVF”), and TVF respectively as of 31 December 2021. TVF has been established with the Law No. 6741 and published in the Official Gazette dated 26 August 2016.

## TURKCELL ILETISIM HIZMETLERI AS

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 1. Reporting entity (continued)

15% of the total issued shares of Turkcell, owned by TVF BTIH, have been re-classified as a separate class of Group A Shares (the “Group A Shares”);

- (i) A nomination privilege has been created on the Group A Shares, allowing the holders thereof to nominate four candidates for appointment of five members of the board of directors of the Company; a voting privilege has been created on the Group A Shares, allowing the holders thereof to cast six votes for each Group A Share in respect of the appointment of
  - a. five members of the board of directors of the Company, and
  - b. the chairman of the presiding committee of the general assembly of shareholders;
- (ii) All shareholders of the Company (including the holders of Group A Shares) are entitled to cast one vote per share on all other matters submitted to a vote of Turkcell’s shareholders, including the appointment of the residual four members of the board of directors of Turkcell (including independent ones);
- (iii) The chairman of the board of directors shall be elected among the members of the board of directors elected through the exercise of the privileges granted to Group A Shares;
- (iv) The meeting quorum requirement of the board of directors requires five members constituting the majority of full number of its members, and the decision quorum requires the affirmative vote of at least five members present in the meeting; and
- (v) So long as the above mentioned privileges are in effect, unlimited authority to represent and bind Turkcell regulated under Article 370 of Turkish Commercial Code shall be exercised by two members of the board of directors of the Company, including at least one member of the board of directors of the Company appointed through the exercise of the said privileges by the holders of Group A Shares.

The Company’s board of directors consists of a total of nine non-executive members including three independent members as of 31 December 2021.

The consolidated financial statements of the Company as at and for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and a joint venture. Subsidiaries of the Company, their locations and their nature of operations are disclosed in Note 41. The Company’s and each of its subsidiaries’ and associate’s financial statements are prepared as at and for the year ended 31 December 2021.

## TURKCELL ILETISIM HIZMETLERI AS

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 2. Basis of preparation and summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries and the Group’s interest in an associate and a joint venture.

##### (a) Compliance with IFRS

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (“IASB”).

The accounting policies, presentation and methods of computation are consistent with those of the previous financial year and corresponding reporting period, unless otherwise stated.

The General Assembly has the power to amend and reissue the financial statements. The consolidated financial statements as at and for the year ended 31 December 2020 were authorized for issue by the Board of Directors on 19 February 2021.

The consolidated financial statements as at and for the year ended 31 December 2021 were authorized for issue by the Board of Directors on 17 February 2022 and updated to reflect subsequent events after the original date of authorization for inclusion in its annual report on Form 20-F.

##### (b) Historical cost convention

The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS as issued by the IASB. The financial statements have been prepared on a historical cost basis, except for the following measured at fair value:

- Derivative financial instruments,
- Consideration payable in relation to the acquisition of BeST,
- Financial asset at fair value through other comprehensive income.



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#### As at and for the year ended 31 December 2021

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (c) Functional and presentation currency

###### (i) Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency using the exchange rates at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as assets held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on assets classified as at fair value through other comprehensive income are recognized in other comprehensive income.

Foreign exchange gains and losses are recognized in profit or loss, except:

- For capitalized foreign exchange differences relating to borrowings to the extent that they are regarded as an adjustment to interest costs eligible for capitalization.

Foreign exchange differences are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within finance income or finance costs.

###### (ii) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Equity for each balance sheet presented is translated at historic cost at the date of transaction,
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average monthly exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and
- All resulting exchange differences are recognized in other comprehensive income and accumulated in the foreign currency translation reserve, in equity.

On consolidation, exchange differences arising from the translation of borrowings and other financial instruments designated as hedges of any net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (d) Use of estimates and judgments

The preparation of the consolidated financial statements requires the use of accounting estimates. Management also needs to exercise judgment in applying the Group's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Alterations to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described below:

###### *Allowance for doubtful receivables*

The Group maintains an allowance for doubtful receivables for estimated losses resulting from the inability of the Group's subscribers and customers to make required payments. The Group bases the allowance on the likelihood of recoverability of trade receivables, receivables from financial services and other receivables; when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of asset and that events have an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. The allowance is periodically reviewed. The allowance charged to expenses is determined in respect of receivable balances, calculated as a specified percentage of the outstanding balance in each aging group, with the percentage of the allowance increasing as the aging of the receivable progresses.

###### *Capitalization and useful lives of assets*

The useful lives and residual values of the Group's assets are estimated by management at the time the asset is acquired and regularly reviewed for appropriateness. The Group defines useful lives of its assets in terms of the assets' expected utility to the Group. This judgment is based on the experience of the Group with similar assets. In determining the useful life of an asset, the Group also follows technical and/or commercial obsolescence arising on changes or improvements from a change in the market. The useful lives of the telecommunication licenses are based on the duration of the license agreements.

###### *Gross versus net presentation of revenue*

When the Group acts as principal in sale of goods or rendering of services, revenue from customers and costs with suppliers are reported on a gross basis. When the Group acts as agent in sale of goods or rendering of services, revenue from customers and costs related to suppliers are reported on a net basis, representing the net margin earned. Whether the Group is acting as principal or agent depends on management's analysis of both legal form and substance of the agreement between the Group and its business partners; such judgments impact the amount of reported revenue and costs but do not impact reported assets, liabilities or cash flows.

###### *Contracted handset sales*

The Company, the distributors and dealers offer joint campaigns to the subscribers which may include the sale of device by the dealer and/or distributor and a communication service to be provided by the Company. The Company does not recognize any revenue for the device in these transactions by considering the factors below:

- The Company is not the primary obligor for the sale of handset,
- The Company does not have control over the sale prices of handsets,
- The Company has no inventory risk.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (d) Use of estimates and judgments (continued)

###### *Multiple performance obligations and price allocation*

In arrangements which include multiple elements where the Group acts as principal, the Group considers that these bundled elements involve consideration in the form of a fixed fee or a fixed fee coupled with a continuing payment stream. A good or service is distinct if both of the following criteria are met:

- The good or service is capable of being distinct,
- The promise to transfer the good or service is distinct within the context of the contract.

The arrangement consideration is allocated to each performance obligation identified in the contract based on relative stand-alone selling prices. If an element of a transaction is not distinct, then it is accounted for as an integral part of the remaining elements of the transaction.

###### *Income taxes*

The calculation of income taxes involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through formal legal process.

As part of the process of preparing the consolidated financial statements, the Group is required to estimate the income taxes in each of the jurisdictions and countries in which it operates. This process involves estimating the actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as deferred revenue and reserves for tax and accounting purposes.

The recognition of deferred tax assets is based upon whether it is probable that future taxable profits will be available against which unrecognized tax losses and temporary differences can be utilized. Recognition, therefore, involves judgment regarding the future financial performance of the particular legal entity in which the deferred tax asset has been recognized.

###### *Provisions, contingent liabilities and contingent assets*

As detailed and disclosed in Note 39, the Group is involved in a number of investigations and legal proceedings (both as a plaintiff and as a defendant) arising in the ordinary course of business. All these investigations and litigations are evaluated by the Group Management and disclosed (unless information concerning provisions are very sensitive, and full disclosure could prejudice the outcome of cases) or accounted for in the consolidated financial statements. Future results or outcome of these investigations and litigations might differ from these Group Management's expectations. As at the reporting date, the Group Management believes that appropriate recognition criteria and measurement basis are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount by considering current conditions and circumstances.

###### *Annual impairment review*

The Group's non-current are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (d) Use of estimates and judgments (continued)

###### *Fair value measurements and valuation process*

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. The management works closely with the qualified external experts to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Note 37.

##### (e) Changes in accounting policies

Other than the adoption of the new and revised standards as explained in Note 2(z), the Group did not make any significant changes to its accounting policies during the current year.

##### (f) Changes in accounting estimates

If the application of changes in the accounting estimates affects the financial results of a specific period, the changes in the accounting estimates are applied in that specific period, if they affect the financial results of current and following periods; the accounting estimate is applied prospectively in the period in which such change is made. A change in the measurement basis applied is a change in an accounting policy, and is not a change in an accounting estimate.

The Company does not have significant changes in accounting estimates during the year.

##### (g) Comparative information and revision of prior period financial statements

The Group divided its reporting segment into two groups according to its previous assessment. Relevant groups had been established within the framework of an integrated communication and technology service delivery strategy and in a way to ensure economic integrity. Considering current developments, the Management has made an evaluation regarding the updating of the reportable segments according to the strategies of the Company, and has planned to add the Techfin reportable segment. Turkcell Finansman A.S. ("Turkcell Finansman"), Turkcell Odeme Hizmetleri A.S. ("Turkcell Odeme"), Paycell LLC ("Paycell") and Turkcell Sigorta Aracilik Hizmetleri A.S ("Turkcell Sigorta") will be included in Techfin reportable segment. The operating results of the mentioned companies were disclosed in the Other reportable segment within the scope of the previous reporting framework. In addition to the mentioned changes, Turkcell Satis ve Dijital Is Servisleri Hizmetleri A.S. ("Turkcell Satis"), which are reported under Turkcell Turkey reportable segment is separated as digital business services and other Turkcell Satis operations: integrated corporate business solutions, city hospitals, equipment and corporate terminal activities will be continued to be reported under Turkcell Turkey reportable segment as digital business services, while other Turkcell Satis operations which include retail channel operations, smart devices management and consumer electronics sales through digital channels will be reported in the Other reportable segment.

The Group has made the above-mentioned classifications in the notes (Note 5 and Note 6) to the consolidated financial statements as of 31 December 2020. These classifications have no impact on operating profit, profit for the year and cash flow statement.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (h) Principles of consolidation and equity accounting

###### (i) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination comprises:

- The fair value of the assets transferred,
- Liabilities incurred to the former owners of the acquired business,
- Equity interests issued by the Group,
- The fair value of any asset or liability resulting from a contingent consideration arrangement, and
- The fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Goodwill is measured as the excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previously held equity interest in the acquired entity over the fair value of the net identifiable assets acquired. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss. Contingent consideration classified as equity is not subject to remeasurement. Instead, any gain or loss at settlement is recorded as an adjustment to equity through other comprehensive income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

###### (ii) Subsidiaries

Subsidiaries comprise all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (h) Principles of consolidation and equity accounting (continued)

###### (ii) Subsidiaries (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position, respectively.

Non-controlling interest has not been attributed to Belarus Telekom is financed solely by the Company and management's assessment of relevant articles of the share purchase agreement with the non-controlling shareholder.

###### (iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to the non-controlling and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

###### (iv) Business combinations under common control

Business combinations between entities or businesses under common control are excluded from the scope of IFRS 3. In a business combination under common control, assets and liabilities of the acquired entity are stated at predecessor carrying values. Any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired entity at the date of the transaction is recognized in equity. The acquired entity's results and financial position are incorporated as if both entities (acquirer and acquiree) had always been combined, or using the results from the date when either entity joined the Group, where such a date is later.

###### (v) Put option over shares relating to non-controlling interests

Where a put option is written by the Group on shares in an existing subsidiary held by non-controlling interests, the Group recognizes a financial liability at the present value of the redemption amount to reflect the put option.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (h) Principles of consolidation and equity accounting (continued)

###### (v) Put option over shares relating to non-controlling interests (continued)

Reserve for put option over shares relating to non-controlling interests included in equity arises from the difference between the fair value of the put option written by Fintur Holdings B.V. ("Fintur") on non-controlling shares in one of its subsidiaries and the derecognized non-controlling interests relating to that put option.

###### (vi) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in that entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

On acquisition of an associate, any excess of the cost of the investment over the Group's share of the net fair values of the associate's identifiable assets and liabilities is recognized as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as part of the Group's share of the associate profit or loss in the period in which the investment is acquired.

The carrying amount of equity-accounted investments is tested for impairment. The Group measures an associate that is classified as held for sale at the lower of its carrying amount at the date of classification as held for sale and fair value less costs of disposal. Equity accounting ceases once an associate is classified as held for sale.

##### (i) Financial instruments

###### Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss) and
- Those to be measured at amortized cost.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (i) Financial instruments (continued)

###### Classification (continued)

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

###### Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

###### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### (i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt instruments that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

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(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (i) Financial instruments (continued)

*Measurement (continued)*

##### (ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances are measured on either of the following bases.

- 12 month expected credit losses (ECLs): these are ECLs that result from possible default events within the 12 months after the reporting date and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies simplified lifetime ECL measurement for all group companies except Turkcell Finansman which applies both 12 month and lifetime ECL (general approach). Financial instruments subject to ECL measurement mainly consist of trade receivables.

*Offsetting financial assets and financial liabilities*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position where the Group has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. See Note 37 for a description of the Group's impairment policies.

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (i) Financial instruments (continued)

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control of the Group
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) 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).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) 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).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity

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## 2. Basis of preparation and summary of significant accounting policies (continued)

### (i) Financial instruments (continued)

#### Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

#### Derivatives and hedging activities

Derivative instruments are initially recognized at the acquisition cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The derivative instruments of the Group mainly consist of participating cross currency swap contracts, cross currency /interest rate swap contracts, foreign currency swap contracts and currency forward contracts instruments. These derivative transactions, even though providing effective economic hedges under the Group risk management position, do not generally qualify for hedge accounting under the specific rules and are therefore treated as derivatives held for trading in the consolidated financial statements. The fair value changes for these derivatives are recognised in the consolidated income statement.

Fair values of foreign exchange forwards, interest rate and foreign exchange swaps (IRS, Cross Currency Swaps etc.) and options are calculated with market levels of interest rates and Central Bank of Republic of Turkey ("CBRT") exchange rates via valuation methods and pricing instruments correspondent with market standards. If market levels are not available for valuation date, fair value for forward contracts will be the value of the discounted future value of the difference between contract price level and forward value of CBRT exchange rate with risk free rates for the period. Interest rate and currency swaps will be valued with the difference of the discounted cash flows of each leg of the swaps using risk free rates and CBRT exchange rates. Option transactions will be valued with option pricing models using risk free rates and CBRT exchange rates.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The hedging transactions of the Group that qualify for hedge accounting are accounted for as follows:

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## 2. Basis of preparation and summary of significant accounting policies (continued)

### (i) Financial instruments (continued)

#### Derivatives and hedging activities (continued)

#### (i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of hedged asset or liability attributable to the hedged risk is recorded as part of the carrying value of the hedged asset or liability during the effective hedging relationship. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised using a recalculated effective interest rate.

#### (ii) Cash flow hedge

Hedges of exposures to variability in cash flows that are attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss are designated as cash flow hedges by the Group in accordance with IFRS 9 hedge accounting requirement.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognized in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ("aligned time value") are recognized within OCI in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss as the hedged item affects profit or loss.

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognized in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

The new effectiveness test model may be qualitative depending on the complexity of hedging relationship provided that it is prospective only. The 80-125% range in IAS 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 relationship.

Under IFRS 9, at inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (i) Financial instruments (continued)

###### Derivatives and hedging activities (continued)

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, 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.

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.

-When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

##### (iii) Foreign currency hedge of net investments in foreign operations

Foreign exchange gains or losses on the hedging instrument relating to the effective portion of the foreign currency hedge of net investments in foreign operations are recognized in other comprehensive income while any gains or losses relating to the ineffective portion is recognized in the income statement. Tax effects of foreign exchange gains or losses on the hedging instrument relating to the effective portion of the foreign currency hedge of net investments in foreign operations is recognized under other comprehensive income as well (Note 36)

On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement (Note 17).

##### (j) Property, plant and equipment

###### (i) Recognition and measurement

Items of property, plant and equipment are stated at historical cost less depreciation and impairment losses. Property, plant and equipment related to the Company and its subsidiaries operating in Turkey are adjusted for the effects of inflation during the hyperinflationary period ended on 31 December 2005. Since the inflation accounting commenced on 1 January 2011, property, plant and equipment related to the subsidiaries operating in Belarus are adjusted for the effects of inflation. However, the decrease in inflation rate in subsequent years led the three-year cumulative rate as of the end of 2014 to decrease to 65%. Accordingly, the economy of Belarus was considered as transitioning out of hyperinflationary status and in 2015 it was determined to be appropriate to cease applying IAS 29. Therefore, subsidiaries operating in Belarus ceased applying IAS 29 in 2015.

Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located, if any.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (j) Property, plant and equipment (continued)

###### (i) Recognition and measurement (continued)

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, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Changes in the obligation to dismantle, remove assets on sites and to restore sites on which they are located, other than changes deriving from the passing of time, are added or deducted from the cost of the assets in the period in which they occur. The amount deducted from the cost of the asset shall not exceed the balance of the carrying amount on the date of change, and any excess balance is recognized immediately in profit or loss. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

###### (ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

###### (iii) Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Land is not depreciated.

The estimated useful lives are as follows:

Mobile network infrastructure	4 – 20 years
Fixed network infrastructure	3 – 25 years
Call center equipment	4 – 8 years
Buildings	21 – 25 years
Equipment, fixtures and fittings	2 – 10 years
Motor vehicles	4 – 6 years
Electricity power plant	20 years
Leasehold improvements	3 – 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

###### (iv) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (k) Intangible assets

###### (i) Telecommunication licenses

Separately acquired telecommunication licenses are stated at historical cost adjusted for the effects of inflation during the hyperinflationary period, where applicable, less amortization and impairment losses.

###### Amortization

Amortization is recognized in the statement of profit or loss on a straight-line basis by reference to the license period. The useful lives for telecommunication licenses are as follows:

Telecommunications licenses	3 – 25 years
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The Company has been granted the 2G, 3G and 4.5G licenses on 27 April 1998, 30 July 2009 and 26 August 2015, respectively. The licenses are effective for 25, 20 and 13 years, respectively.

###### (ii) Computer software

Acquired computer software licenses are capitalized based on the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software such that it will be available for use,
- Management intends to complete the software and use or sell it,
- There is an ability to use or sell the software,
- It can be demonstrated how the software will generate probable future economic benefits,
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Research expenditure and development expenditure that do not meet the criteria above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

###### Amortization

Amortization is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives. The useful lives for computer software are as follows:

Computer software	3 – 8 years
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Amortization methods, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (k) Intangible assets (continued)

###### (iii) Other intangible assets

Other intangible assets that are acquired by the Group which have finite useful lives are stated at historical cost adjusted for the effects of inflation during the hyperinflationary period, where applicable, less amortization and impairment losses. Indefeasible Rights of Use (“IRU”) are rights to use a portion of an asset’s capacity granted for a fixed period of time. IRUs are recognized as intangible asset when the Group has specific indefeasible rights to use an identified portion of an underlying asset and the duration of the right is for the major part of the underlying asset’s useful economic life. IRUs are amortized over the shorter of the underlying asset’s useful economic life and the contract term.

###### Amortization

Amortization is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives. The useful lives for computer software are as follows:

Indefeasible right of use	15 years
Transmission line software	5 – 10 years
Brand name	9 – 10 years
Customer base	2 – 15 years
Subscriber acquisition cost	2 - 6 years
Electricity production license	20 years

Amortization methods, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

###### Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

##### (l) Investment properties

###### Recognition and measurement

Investment properties are properties held for rental yields and/or for capital appreciation (including property under construction for such purposes). Investment properties are stated at historical cost less depreciation and impairment losses.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.



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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (l) Investment properties (continued)

###### Depreciation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The estimated useful lives are as follows:

Investment Property	25 - 45 years
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Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period.

##### (m) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. Cost of inventory is determined using the weighted average method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. At 31 December 2021 and 2020, inventories mainly consisted of mobile phone and its accessories, tablet, sim-cards, tower construction materials and other electronic products.

##### (n) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. For the purposes of assessing impairment, assets are grouped at the lowest levels (cash-generating units) for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

##### (o) Employee benefits

###### (i) Short-term obligations

Liabilities for salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as employee benefit obligations in the statement of financial position.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (o) Employee benefits (continued)

###### (ii) Termination benefits

In accordance with the labor law in Turkey, the Company and its subsidiaries in Turkey are required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire, are called up for military service or die. Such payments are calculated based on 30 days' pay up to a of maximum full TL 8.2 as at 31 December 2021 (31 December 2020: TL 7.1), per year of employment at the rate of pay applicable at the date of retirement or termination. Termination benefits paid to key executive officers are presented as other expenses. Reserve for employee termination benefits is computed and reflected in the consolidated financial statements on a current basis. Discount rate used for calculating employee termination benefit as of 31 December 2021 is 2.9% (31 December 2020: 3.0%). The reserve is calculated by estimating the present value of future probable obligation of the Company and its subsidiaries in Turkey arising from retirement of employees. Reserve for employee termination benefits is calculated annually by independent actuaries using the projected unit credit method.

###### (iii) Defined contribution plans

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

###### (iv) Share-based payments

The Group provides a cash-settled share-based payment plan for selected employees in return for their services. For cash-settled share-based payment transactions, the Group measures services received and the liability incurred at the fair value of the liability. Liabilities for cash-settled share-based payment plan are recognized as employee benefit expense over the relevant service period. The fair value of the liability is re-measured at each reporting date and at the settlement date. Any changes in fair value are recognized in profit or loss for the period.

###### (v) Personnel bonus

Provision for bonus is provided when the bonus is a legal obligation, or past practice would make the bonus a constructive obligation and the Group is able to make a reliable estimate of the obligation.

##### (p) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources will be required to settle the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (p) Provisions

###### *Onerous contracts*

Present obligation arising under an onerous contract is recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

###### *Dismantling, removal and restoring sites obligation*

The Group is required to incur certain costs in respect of a liability to dismantle and remove assets and to restore sites on which the assets were located. The dismantling costs are calculated according to best estimate of future expected payments discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

##### (q) Revenue

Revenue is recognized at the amount of the transaction price that is allocated to the performance obligation. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognized when control is transferred to the customer.

Revenue from telecommunication services includes postpaid and prepaid revenue from voice, data, messaging and value-added services, interconnect revenue, monthly fixed fees, SIM card sales and roaming revenue. The Company transfers control of these services over time and, therefore, satisfies the performance obligations and recognizes revenue from telecommunication services over time.

With respect to prepaid revenue, the Group generally collects cash in advance by selling prepaid top up to distributors. In such cases, the Group does not recognize revenue until subscribers use the telecommunication services.

Services may be bundled with other products and services and these bundled elements involve consideration in the form of a fixed fee or a fixed fee coupled with a continuing payment stream. A good or service is distinct if both of the following criteria are met:

- The good or service is capable of being distinct,
- The promise to transfer the good or service is distinct within the context of the contract.

The arrangement consideration is allocated to each performance obligation identified in the contract on a relative stand-alone selling price. If an element of a transaction is not a distinct, then it is accounted for as an integral part of the remaining elements of the transaction.

Revenue from device sales is recognized when control of the device has transferred, being the time when delivered to the end customer. For device sales made to intermediaries, revenue is recognized at the time when control of the device has been transferred, being when the products are delivered to the intermediary.

The Group, the distributors and dealers offer joint campaigns to the subscribers which may include the sale of device by the dealer and/or the distributor and the sale of communication service by the Group. In certain campaigns, dealers make the handset sale to the subscribers, the instalments of which will be collected by the Group based on the letters of undertaking signed by the subscribers. With the letter of undertaking, the dealer assigns its receivables from handset sales to the distributor and the distributor assigns its receivables to the Group.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (q) Revenue (continued)

The Group pays the distributor the net present value of the instalments to be collected from the subscribers and recognizes contracted receivables in its statement of financial position. The undue portion of assigned receivables from the distributors which were paid upfront by the Group is classified as “undue assigned contracted receivables” in trade receivables (Note 20). When monthly installment is invoiced to the subscriber, related portion is presented as “receivables from subscribers”. The Group collects the contracted receivables in instalments during the contract period and does not recognize any revenue for the handset in these transactions when the Group does not act as principal for the sale of handset.

The Group and distributors started to offer the option to buy a device through consumer financing loan, which will be collected by Turkcell Finansman. The Group carries a risk of collection in these transactions. Turkcell Finansman collects the purchased credit from the subscriber during the contract period and does not record revenue related to the device when it does not act as principal for the sale of device. Revenue from financial services comprise of interest income generated from consumer financing activities. Interest income is recognized as it accrues, using the effective interest method.

Monthly fixed fees represent a fixed amount charged to postpaid subscribers on a monthly basis without regard to the level of usage. Fixed fees are recognized on a monthly basis when billed. Monthly fixed fees are included in telecommunication services revenues.

Call center revenues are recognized at the time services are rendered during the contractual period.

When the Group sells goods or services as a principal, revenue and operating costs are recorded on a gross basis. When the Group sells goods or services as an agent, revenue and operating costs are recorded on a net basis, representing the net margin earned. Whether the Group is considered to be acting as principal or agent in the transaction depends on management’s analysis described below and such judgments impact the amount of reported revenue and operating costs but do not impact reported assets, liabilities or cash flows:

Indicators that an entity is a principal:

- The entity is primarily responsible for fulfilling the promise to provide the specified good or service,
- The entity has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer,
- The entity has discretion in establishing the price for the specified good or service.

The Company and the Ministry of Transport and Infrastructure of Turkey, Directorate General of Communications mutually agreed to extend the contract, to establish and operate mobile communication infrastructure and operation in uncovered areas, until 31 December 2021 and to add mobile broadband services to the existing infrastructure providing GSM services under Universal Service Law and to operate the new and existing networks together. As of 31 December 2021, the Company has recognized TL 252,049 (31 December 2020: TL 223,965) revenue from its operations related to this contract. Since the Company acts as principal, revenue and operating costs are reported on a gross basis in the consolidated financial statements.

The revenue recognition policy for other revenues is to recognize revenue as services are provided.

Contract costs eligible for capitalization as incremental costs of obtaining a contract comprise commission on sale relating to prepaid and postpaid contracts with acquired or retained subscribers. Contract costs are capitalized in the month of service activation if the Group expects to recover those costs. Contract costs comprise sales commissions to dealers and to own salesforce which can be directly attributed to an acquired or retained contract. Contract costs are classified as intangible assets in the consolidated financial statements. The asset is amortized on a straight-line basis over the customer lifetime, consistent with the pattern of recognition of the associated revenue.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (r) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and tax losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g., the Research and Development Tax Incentive regime in Turkey or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (s) Earnings per share

The Group does not have any potential ordinary shares in issue, therefore basic and diluted earnings per share ("EPS") are equal. Since basic and diluted EPS are equal, the Group presents both basic and diluted EPS on one line described as "Basic and diluted EPS".

Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the financial year, excluding treasury shares. In Turkey, entities can increase their share capital by distributing "Bonus share" to shareholders from retained earnings. In computing earnings per share, such "Bonus share" distributions are treated as issued shares. Accordingly, the retrospective effect for such share distributions is taken into consideration when determining the weighted-average number of shares outstanding.

##### (t) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants, and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

##### (u) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs of disposal.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs of disposal. A gain is recognized for any subsequent increases in fair value less costs of disposal of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of derecognition.

An associate must meet the conditions to be classified as held for sale. It is first measured in accordance with applicable standards. Such standard is IAS 28, whereby the share of profits and remeasurement of carrying amounts are done in accordance with normal associate rules up to the point of classification as held for sale.

The associate is then measured in accordance with IFRS 5. It is measured at the lower of carrying amount and fair value less costs of disposal. Equity accounting is ceased from the date the held for sale criteria are met.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (v) Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

##### (w) Dividends

Provision is made for any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

##### (x) Subsequent events

Events after the reporting date; includes all events between the reporting date and the date on which the financial statements are authorized for issue, even if any announcement of profit or other selected financial information has been made publicly disclosed.

In case of events requiring correction after the reporting date, the Group corrects this new situation accordingly. Events that are not required to be adjusted subsequent to the reporting date are disclosed in the notes to the consolidated financial statements.

##### (y) Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assesses whether:

- The contract involved the use of an identified asset - this may be specified explicitly or implicitly;
- The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use and
- The Group has the right to direct use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing the how and for what purpose the asset is used. If these decisions are predetermined;
  - The Group has the right to operate the asset or,
  - The Group designed the asset in a way that predetermines how and for what purpose it is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (y) Leases (continued)

###### *Right of use asset*

The Group recognizes a right-of use asset and a lease liability at the lease commencement date.

The right of use asset is initially recognized at cost comprising of:

- Amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives received,
- Any initial direct costs incurred by the Group and
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end date of the useful life of the right-of-use asset or the end date of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability (Note 31).

###### *Lease Liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments,
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- Amounts expected to be payable under a residual value guarantee and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease if the Group is reasonably certain to terminate early.

After initial recognition, the lease liability is measured (a) increasing the carrying amount to reflect interest on lease liability; (b) reducing the carrying amount to reflect the lease payments made, and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Where, (a) there is a change in the lease term as a result of reassessment of certainty to exercise an extension option, or not to exercise a termination option as discussed above; or (b) there is a change in the assessment of an option to purchase the underlying asset, assessed considering the events and circumstances in the context of a purchase option, the Group remeasures the lease liabilities to reflect changes to lease payments by discounting the revised lease payments using a revised discount rate. The Group determines the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, or the its incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (y) Leases (continued)

###### *Lease Liability (continued)*

Where, (a) there is a change in the amounts expected to be payable under a residual value guarantee; or (b) there is a change in the future lease payments resulting from a change in an index or a rate used to determine those payments, including change to reflect changes in market rental rates following a market rent review, the Group remeasures the lease liabilities by discounting the revised lease payments using an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In such case, the Group uses the revised discount rate that reflects changes in the interest rate.

The Group recognizes the amount of the remeasurement of lease liability as an adjustment to the right of use asset. Where the carrying amount of the right of use asset is reduced zero and there is further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

The Group accounts for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets and
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

###### *The Group as a Lessor*

When the Group acts an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use-asset arising from the head lease, not with reference to the underlying asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

##### (z) New standards and interpretations

###### i) Standards, amendments and interpretations applicable as at 31 December 2021

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform. The Group has chosen early implementation of interest rate benchmark reform-Phase 2, and the alternative benchmark will be used from beginning on 1 January 2022.
- **Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2023. These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (z) New standards and interpretations (continued)

###### i) Standards, amendments and interpretations applicable as at 31 December 2021 (continued)

- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

###### ii) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021

- **IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.

**Amendments to IFRS 3, ‘Business combinations’** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

**Amendments to IAS 16, ‘Property, plant and equipment’** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

**Amendments to IAS 37, ‘Provisions, contingent liabilities and contingent assets’** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.

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#### 2. Basis of preparation and summary of significant accounting policies (continued)

##### (z) New standards and interpretations (continued)

##### ii) Standards, amendments and interpretations that are issued but not effective as at 31 December 2021

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The Group does not expect material impact of new standards and interpretations on the Group's accounting policies.

#### 3. Business combinations

The Company's 100% owned subsidiary Turkcell Enerji Cozumleri ve Elektrik Satis Ticaret A.S. ("Turkcell Enerji") has signed a Share Transfer Agreement to acquire the entire shares of Boyut Grup Enerji Elektrik Uretim ve Insaat Sanayi ve Ticaret A.S. ("Boyut Enerji") on 6 July 2021. The respective transaction is based on an enterprise value of USD 29,600. After adjusting for the net debt of Boyut Enerji, the Group made a payment of USD 10,972. USD 500 of this amount shall be paid after two-years as from the agreement date. The control power of Boyut Enerji has transferred to the Group as of 18 August 2021. At the time the financial statements were authorized for issue, goodwill, identifiable assets and liabilities has been accounted in accordance with IFRS 3, "Business Combinations".

The details of the goodwill calculation, total consideration amount and the net assets acquired are as follows:

Total consideration amount	95,534
- Cash consideration amount	92,259
- Contingent and deferred consideration amount (Note 29)	3,275
Net assets acquired	(87,123)
<b>Goodwill (Note 13)</b>	<b>8,411</b>

The provisional fair values of identifiable assets and liabilities in accordance with IFRS 3 arising from the acquisition are as follows:

Cash and cash equivalents	5,556
Other current assets	5,737
Property, plant and equipment (Note 12)	103,933
Intangible assets (Note 13)	182,881
Other non-current assets	166
Borrowings	(151,892)
Trade and other payables	(7,879)
Due to related parties	(2,510)
Provisions	(37)
Employee benefit obligations	(77)
Deferred tax liabilities	(48,755)
<b>Fair value of total identifiable net assets (100%)</b>	<b>87,123</b>

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#### 3. Business combinations (continued)

The details of cash outflow due to acquisition are as follows:

Total consideration - cash	92,259
Cash and cash equivalents - acquired	(5,556)
<b>Cash outflow due to acquisition (net)</b>	<b>86,703</b>

#### 4. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's risk management policies are set to determine and analyze the risks faced, to establish the appropriate risk limits and to observe the commitment to those limits. These policies are constantly reviewed to make sure they reflect the Group's operations and the changes in market conditions.

##### Credit risk

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents, financial asset at fair value through other comprehensive income, financial asset at amortize cost, derivative financial instruments, contract assets, trade receivables, receivables from financial services, due from related parties and other current and non-current assets (Note 37).

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group may require collateral in respect of financial assets. Also, the Group may demand letters of guarantee from third parties related to certain projects or contracts. The Group may also demand certain pledges from counterparties if necessary, in return for the credit support it gives related to certain financings (Note 20).

In monitoring customer credit risk, customers are grouped according to whether they are subscribers, financial services customers, other corporate customers and aging profile, maturity and existence of previous financial difficulties. Trade receivables and contract assets are mainly related to the Group's subscribers. The Group's exposure to credit risk on trade receivables and contract assets is influenced mainly by the individual payment characteristics of postpaid subscribers. The Group establishes a provision for impairment losses based on its historical events and future expectations in respect of trade receivables and contract assets.

Investments are preferred to be in liquid securities. The counterparty limits are set monthly depending on their ratings from the most credible rating agencies and the amount of their paid-in capital and/or shareholders equity. Policies are in place to review the paid-in capital and rating of counterparties periodically to ensure credit worthiness.

The Group signs local and international derivative agreements in order to be able to execute financial derivative transactions with financial institutions that are believed to have sufficient credit ratings.

The Group's policy is to provide financial guarantees only to subsidiaries and distributors. At 31 December 2021, guarantees of TL 3,914,303 were outstanding (31 December 2020: TL 2,171,281).

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#### 4. Financial risk management (continued)

##### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held demand deposits of TL 3,045,179 (31 December 2020: TL 975,753) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (Note 37) and cash and cash equivalents (Note 25) on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

##### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Group uses derivatives in order to manage market risks. All such transactions are carried at within the guidelines set by the Group Treasury.

##### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and RMB. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The Group holds a significant portion of its cash and cash equivalent in foreign currencies in order to manage foreign exchange risk. In addition, derivative financial instruments are used to manage exposure to fluctuations in foreign exchange rates and since 1 July 2018 the Company applies hedge accounting. Details of the Company's foreign exchange risk is disclosed in Note 37.

##### (ii) Interest rate risk

The Group's exposure to interest rate risk is related to its financial assets and liabilities. The Group manage its financial liabilities by providing an appropriate distribution between fixed and floating rate loans. Floating rate exposures can be changed to fixed rate exposures based on short term and long term market expectations via financial derivatives. The use of financial derivatives is governed by the Group Treasury's policies approved by the Audit Committee, which provide written principles on the use of derivatives. The Group's borrowings and receivables are carried at amortized cost. The borrowings are periodically contractually repriced (Note 37) and are also exposed to the risk of future changes in market interest rates.

##### Effect of IBOR reform

The reform and replacement of benchmark interest rates such as USD LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. There are ongoing studies for these changes. The Group's risk exposure that is directly affected by the interest rate benchmark reform is its USD 305,360 floating-rate debt. The Group has hedged this debt with participating cross currency, cross currency and interest swaps, and it has designated at participating cross currency swap in a cash flow hedge of the variability in cash flows of the debt, due to changes in 6-month USD LIBOR that is the current benchmark interest rate after the publication of Phase-2 in August 2020. The nominal amount of these derivative instruments is USD 290,997 and the nominal amount of the hedged part of these instruments is USD 183,425.

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#### 4. Financial risk management (continued)

##### Effect of IBOR reform (continued)

The Group treasury department oversees the Group's USD LIBOR transition plan. This transition project will include changes to systems, processes, risk and valuation models, as well as managing related tax and accounting implications. The Group currently anticipates that the areas of greatest change will be amendments to the contractual terms of the USD LIBOR-referenced floating-rate debt and the participating cross currency swap and updating hedge designations.

##### Effect of IBOR reform – significant assumptions

In calculating the change in fair value attributable to the hedged risk of the floating-rate debt, the Group has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to an alternative benchmark rate during 2022, and the spread will be similar to the spread included in the participating cross currency swap used as the hedging instrument;
- No other changes to the terms of the floating-rate debt are anticipated; and
- The Group has incorporated the uncertainty over when the floating-rate debt will move to an alternative benchmark rate, the resulting adjustment to the spread, and the other aspects of the reform that have not yet been finalized by adding an additional spread to the discount rate used in the calculation.

#### 5. Segment information

In accordance with its integrated communication and technology services strategy, Group has reportable segments which are Turkcell Turkey, Turkcell International and Techfin. While some of these strategic segments offer the same types of services, they are managed separately because they operate in different geographical locations and are affected by different economic conditions.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker function is carried out by the Board of Directors, however Board of Directors may transfer the authorities, other than recognized by the law, to the General Manager and other directors.

Turkcell Turkey reportable segment includes the operations of Turkcell, Turkcell Superonline Iletisim Hizmetleri A.S. ("Turkcell Superonline"), group call center operations of Global Bilgi Pazarlama Danismanlik ve Cagri Servisi Hizmetleri A.S. ("Turkcell Global Bilgi"), Turkcell Bilisim Servisleri A.S. ("Turkcell"), Turkcell Teknoloji Arastirma ve Gelistirme A.S. ("Turkcell Teknoloji"), Kule Hizmet ve Isletmecilik A.S. ("Global Tower"), Atmosware Teknoloji Egitim ve Danismanlik A.S. ("Atmosware Teknoloji"), Rehberlik Hizmetleri Servisi A.S. ("Rehberlik"), Turkcell Gayrimenkul Hizmetleri A.S. ("Turkcell Gayrimenkul"), Lifecell Dijital Servisler ve Cozumler A.S. ("Lifecell Dijital Servisler"), Lifecell Bulut Cozumleri A.S. ("Lifecell Bulut"), Lifecell TV Yayin ve Icerik Hizmetleri A.S. ("Lifecell TV"), Lifecell Muzik Yayin ve Iletim A.S. ("Lifecell Muzik"), BiP Iletisim Teknolojileri ve Dijital Servisler A.S. ("BiP A.S."), Turkcell Satis's digital business services (Note 2) and Turkcell Dijital Is Servisleri A.S. ("Turkcell Dijital").

Turkcell International reportable segment includes the operations of Lifecell LLC ("lifecell"), CJSC Belarusian Telecommunications Network ("BeST"), Kibris Mobile Telekomunikasyon Limited Sirketi ("Kibris Telekom"), East Asian Consortium B.V. ("Eastasia"), Lifecell Ventures Cooperatief U.A ("Lifecell Ventures"), Beltel Telekomunikasyon Hizmetleri A.S. ("Beltel"), LLC UkrTower ("UkrTower"), LLC Global Bilgi ("Global LLC"), Turkcell Europe GmbH ("Turkcell Europe"), Lifetech LLC ("Lifetech"), Beltower LLC ("Beltower"), Lifecell Digital Limited ("Lifecell Digital"), Yaani Digital BV ("Yaani") and BiP Digital Communication Technologies B.V. ("BiP B.V.").







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#### 6. Revenue (continued)

	31 December 2021					Consolidated
	Turkcell Turkey	Turkcell International	Techfin	Other	Intersegment Eliminations	
<b>Telecommunication services</b>	<b>25,791,341</b>	<b>3,479,631</b>	-	-	<b>(66,525)</b>	<b>29,204,447</b>
At a point in time	229,120	26,085	-	-	(1)	255,204
Over time	25,562,221	3,453,546	-	-	(66,524)	28,949,243
<b>Equipment related</b>	<b>1,257,639</b>	<b>120,113</b>	-	<b>2,832,180</b>	<b>(49,219)</b>	<b>4,160,713</b>
At a point in time	1,035,373	120,113	-	2,832,180	(49,219)	3,938,447
Over time	222,266	-	-	-	-	222,266
<b>Revenue from financial services</b>	-	-	<b>1,075,742</b>	-	<b>(61,846)</b>	<b>1,013,896</b>
At a point in time	-	-	441,404	-	(61,846)	379,558
Over time	-	-	634,338	-	-	634,338
<b>Call center</b>	<b>46,268</b>	<b>48,060</b>	-	<b>540,553</b>	<b>(65,313)</b>	<b>569,568</b>
At a point in time	-	-	-	-	-	-
Over time	46,268	48,060	-	540,553	(65,313)	569,568
<b>All other segments</b>	<b>128,295</b>	<b>102,277</b>	-	<b>1,557,286</b>	<b>(815,940)</b>	<b>971,918</b>
At a point in time	6,013	351	-	46,625	(2,953)	50,036
Over time	122,282	101,926	-	1,510,661	(812,987)	921,882
<b>Total</b>	<b>27,223,543</b>	<b>3,750,081</b>	<b>1,075,742</b>	<b>4,930,019</b>	<b>(1,058,843)</b>	<b>35,920,542</b>
At a point in time	1,270,506	146,549	441,404	2,878,805	(114,019)	4,623,245
Over time	25,953,037	3,603,532	634,338	2,051,214	(944,824)	31,297,297

	31 December 2020					Consolidated
	Turkcell Turkey	Turkcell International	Techfin	Other	Intersegment Eliminations	
<b>Telecommunication services</b>	<b>21,676,482</b>	<b>2,299,682</b>	-	-	<b>(58,659)</b>	<b>23,917,505</b>
At a point in time	254,619	14,821	-	-	-	269,440
Over time	21,421,863	2,284,861	-	-	(58,659)	23,648,065
<b>Equipment related</b>	<b>1,006,576</b>	<b>122,901</b>	-	<b>2,208,169</b>	<b>(20,662)</b>	<b>3,316,984</b>
At a point in time	918,344	122,901	-	2,208,169	(20,662)	3,228,752
Over time	88,232	-	-	-	-	88,232
<b>Revenue from financial services</b>	-	-	<b>845,189</b>	-	<b>(14,202)</b>	<b>830,987</b>
At a point in time	-	-	245,223	-	(14,202)	231,021
Over time	-	-	599,966	-	-	599,966
<b>Call center</b>	<b>34,383</b>	<b>34,566</b>	-	<b>415,366</b>	<b>(52,344)</b>	<b>431,971</b>
At a point in time	-	-	-	-	-	-
Over time	34,383	34,566	-	415,366	(52,344)	431,971
<b>All other segments</b>	<b>105,431</b>	<b>85,261</b>	-	<b>979,701</b>	<b>(564,102)</b>	<b>606,291</b>
At a point in time	10	9,132	-	52,958	(4,342)	57,758
Over time	105,421	76,129	-	926,743	(559,760)	548,533
<b>Total</b>	<b>22,822,872</b>	<b>2,542,410</b>	<b>845,189</b>	<b>3,603,236</b>	<b>(709,969)</b>	<b>29,103,738</b>
At a point in time	1,172,973	146,854	245,223	2,261,127	(39,206)	3,786,971
Over time	21,649,899	2,395,556	599,966	1,342,109	(670,763)	25,316,767

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(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 7. Other income and expense

Recognized in the statement of profit or loss:

	2021	2020	2019
Gain on sale of fixed assets	109,489	23,950	47,169
Gain on modification of lease contract	23,281	13,840	1,484
Rent income	11,960	8,839	6,522
Non-interest income from banks	8,654	12,245	2,477
Other	96,409	37,711	83,053
<b>Other income</b>	<b>249,793</b>	<b>96,585</b>	<b>140,705</b>
Litigation expenses	(313,049)	(387,352)	(303,879)
Revaluation tax expense (*)	(156,577)	-	-
Donation expenses	(89,481)	(60,778)	-
Supplementary contributions to retailers	(4,492)	(46,804)	-
Subscriber returns (**)	-	(22,722)	-
Restructuring cost	(5,993)	(13,051)	(91,710)
Other	(50,245)	(89,128)	(91,706)
<b>Other expense</b>	<b>(619,837)</b>	<b>(619,835)</b>	<b>(487,295)</b>

(\*) It consists of 2% tax expense paid over the value increase resulting from the revaluation of the properties and depreciable economic assets (Note 10).

(\*\*) It consists of the transfer of the expired portion of the returns that cannot be made to the subscribers due to various reasons despite the performance of all obligations specified in the legislation, to the Evrensel Fund.

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#### 8. Employee benefit expenses

	2021	2020	2019
Wages and salaries (*)	3,435,969	2,820,500	2,434,790
Employee termination benefits (**)	58,412	38,879	31,799
Defined contribution plans	20,004	14,677	12,785
	<b>3,514,385</b>	<b>2,874,056</b>	<b>2,479,374</b>

(\*) Wages and salaries include compulsory social security contributions, bonuses and share based payments.

(\*\*) Remeasurements of employee termination benefits for the years ended 31 December 2021, 2020 and 2019 amounting to TL 163,588, TL 37,230 and TL 36,385 respectively are reflected in other comprehensive income.

Employee benefit expenses are recognized in cost of revenue, selling and marketing expenses and administrative expenses.

#### 9. Finance income and costs

Recognized in the statement of profit or loss:

	2021	2020	2019
Cash flow hedges - reclassified to profit or loss	1,631,491	1,410,997	-
Net fair value gains and interest on derivative financial instruments	1,258,961	317,820	-
Interest income	662,514	366,695	288,010
Other	39,060	23,971	9,440
<b>Finance income</b>	<b>3,592,026</b>	<b>2,119,483</b>	<b>297,450</b>
Net foreign exchange losses	(5,538,543)	(2,409,550)	(1,039,618)
Net interest expenses for financial assets and liabilities measured at amortized cost	(918,087)	(811,439)	(874,535)
Net fair value losses and interest on derivative financial instruments	-	-	(550,438)
Cash flow hedges - reclassified to profit or loss	-	-	461,133
Other	(36,248)	(30,175)	(21,660)
<b>Finance costs</b>	<b>(6,492,878)</b>	<b>(3,251,164)</b>	<b>(2,025,118)</b>
<b>Net finance costs</b>	<b>(2,900,852)</b>	<b>(1,131,681)</b>	<b>(1,727,668)</b>

Net foreign exchange losses mainly include foreign exchange losses on borrowings, bonds issued and cash and cash equivalents.

Foreign exchange losses from BeST and lifecell exclude foreign exchange losses incurred in the foreign operations' individual financial statements, which have been recognized directly in equity under foreign currency translation reserve in the consolidated financial statements in accordance with the accounting policy for net investment in foreign operations as disclosed in Note 2c.

Interest income and expense on financial assets measured at amortized cost are shown as netted of on consolidated statement of profit or loss. The Company has gross interest income and expense on financial assets at amortized cost amounting to TL 387,708, TL (1,305,795), TL 281,993, TL (1,093,432), and TL 316,932, TL (1,191,467) for the years ended 31 December 2021, 2020 and 2019, respectively.

Foreign exchange gains and losses are shown as netted of on consolidated statement of profit or loss. The company has gross foreign exchange gains and losses amounting to TL 9,011,204, TL (14,549,747), TL 2,398,635, TL (4,808,185) and TL 1,110,260, TL (2,149,878) for the years ended 31 December 2021, 2020 and 2019, respectively.

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#### 10. Income tax expense

	2021	2020	2019
Current income tax expense	(681,513)	(724,688)	(570,509)
Deferred income tax credit/(expense)	1,171,697	337,495	(215,121)
<b>Total income tax expense</b>	<b>490,184</b>	<b>(387,193)</b>	<b>(785,630)</b>

Income tax expense is attributable to profit from continuing operations.

#### Income tax relating to each component of other comprehensive income

	2021	2020	2019
	Before tax	Tax (expense)/ credit	Net of tax
Foreign currency translation differences	2,410,295	(861,143)	1,549,152
Change in cash flow hedge reserve	197,211	(55,912)	141,299
Change in cost of hedging reserve	(1,185,074)	237,015	(948,059)
Fair value reserve	(65,494)	13,099	(52,395)
Hedges of net investments in foreign operations	(1,558,374)	311,675	(1,246,699)
Remeasurements of employee termination benefits	(163,588)	32,276	(131,312)
	<b>(365,024)</b>	<b>(322,990)</b>	<b>(688,014)</b>
Foreign currency translation differences	29,352	7,729	37,081
Change in cash flow hedge reserve	9,914	(5,957)	3,957
Change in cost of hedging reserve	(487,644)	92,089	(395,555)
Fair value reserve	(1,970)	483	(1,487)
Hedges of net investments in foreign operations	(368,959)	72,684	(296,275)
Remeasurements of employee termination benefits	(37,230)	6,085	(31,145)
	<b>(856,537)</b>	<b>173,113</b>	<b>(683,424)</b>
Foreign currency translation differences	536,796	(99,234)	437,562
Change in cash flow hedge reserve	(217,877)	47,933	(169,944)
Change in cost of hedging reserve	75,605	(16,634)	58,971
Fair value reserve	4,451	(979)	3,472
Hedges of net investments in foreign operations	(55,389)	12,186	(43,203)
Remeasurements of employee termination benefits	(36,385)	8,005	(28,380)
	<b>307,201</b>	<b>(48,723)</b>	<b>258,478</b>

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#### 10. Income tax expense (continued)

##### Reconciliation of income tax expense

	2021	2020	2019
Profit from continuing operations before income tax expense	4,541,094	4,626,813	3,289,884
(Loss) from discontinued operations before income tax expense	-	-	772,436
Profit before income tax expense	<b>4,541,094</b>	<b>4,626,813</b>	<b>4,062,320</b>
Tax at the Turkey's tax rate	(1,135,274)	(1,017,899)	(893,710)
Difference in overseas tax rates	16,711	(3,825)	(12,580)
Effect of exemptions	231,817	130,718	123,878
Revaluation effect of tangible and intangible assets (*)	1,641,145	-	-
Previously unrecognized tax losses used to reduce deferred tax expense (**)	-	665,842	-
Utilization of previously unrecognized tax losses	-	6,746	-
Effect of amounts which are not deductible and permanent differences	(467,266)	(123,738)	(134,538)
Tax exemptions from sale of subsidiary and associate (***)	-	-	169,936
Change in unrecognized deferred tax assets (****)	(17,970)	(47,094)	(41,681)
Adjustments for current tax of prior years	(5,115)	(4,667)	3,880
Effect of increase in corporate tax rate in Turkey	237,709	8,119	-
Tax effect of investment in associate and joint venture	(13,514)	(2,794)	(2,592)
Other	1,941	1,399	1,777
<b>Total income tax expense</b>	<b>490,184</b>	<b>(387,193)</b>	<b>(785,630)</b>

(\*) With Article 11 of the Law No. 7326 published in the Official Gazette on 9 June 2021, the opportunity to revalue the properties and depreciable economic assets on the effective date of the law was introduced. The provision of the article can be used until 31 December 2021. These assets will be valued with the Producer Price Index ("PPI") rate and tax, calculated 2% of valuation difference, paid in 3 installments (at two-month intervals) at the rate of 2%. For revalued assets, the valuation difference can be depreciated and written off as an expense. Within the scope of the law amendment, deferred tax asset has been recognised in the statement of financial position based on the revaluation records for fixed assets in the legal book, and the deferred tax income related to this asset has been recorded in the consolidated statement of profit or loss.

(\*\*) Mainly comprises the deferred tax credit of TL 665,842 which relates to the carried-forward tax losses of lifecell. lifecell has recorded positive taxable profits for the year ended 31 December 2020, mainly as a result of increased subscriber numbers and cost management. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable profits based on the business plan of lifecell. The tax losses can be carried forward indefinitely and have no expiry date.

(\*\*\*) For the years ended 31 December 2019, includes the Group's transfer of its total shareholding in Fintur and Azerintelek, respectively.

(\*\*\*\*) Mainly comprises of unused tax losses for which no deferred tax asset has been recognized.

On 22 April 2021, a temporary article is added to the Turkey's Corporate Tax Law No. 5220 which was published in the Official Gazette. The Law increases the corporate tax rate under Corporate Tax Law from the current 20% rate to 25% for the tax year 2021 and to 23% rate for the tax year 2022; the change took effect on the Law's date of publication. It is expected to continue with 20% afterwards.

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#### 10. Income tax expense (continued)

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns by the end of the fourth month following the closing of the accounting year to which they relate. Corporate tax payment is made by the end of the month in which the tax return is filed. The tax authorities may, however, examine such returns and the underlying accounting records, and may revise assessments within a five-year period. Advance tax returns are filed on a quarterly basis.

In Turkey, the transfer pricing provisions have been stated under Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets out the details of implementation.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes. The deduction of 100% of the research and development expenses is allowed when the taxpayers are made these expenditures exclusively for new technology and information researches.

Dividend payments of Turkish resident corporations to Turkish real persons, foreign corporations and foreign real persons are subject to 15% withholding tax. It is possible to apply reduced withholding tax rate for dividend payments made to abroad, under the scope of provisions of an applicable double taxation treaty. On the other hand, dividend payments made to Turkish resident companies are not subject to withholding tax.

Dividend income of Turkish taxpayers received from other Turkish taxpayers is exempted from corporate tax. However, dividends received from participation shares and stocks of fund and investment partnerships cannot utilize from this exemption.

The earnings arising from the sale of founding shares, redeemed shares and priority rights, which the institutions have for at least two full years in their assets are exempted from corporate tax for 75%. The earnings arising from the sale of immovables, which the institutions have for at least two full years in their assets are exempted from corporate tax for 50%. The exempted earnings are transferred to another account in any way other than being added to the capital within five years or withdrawn from the business or taxes not accrued on time due to the exception applied for the part transferred to the head office by limited taxpayer institutions are considered to be lost. The sales must be collected until the end of the second calendar year following the sale

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#### 10. Income tax expense (continued)

Pursuant to Article 10/13-h of Law No.7143 published in the Official Gazette dated 18 May 2018 and numbered 30425;

- For the resident real persons and institutions,
  - Income from the sale of non-resident subsidiary shares,
  - Participation income from non-resident subsidiaries,
  - Commercial income through permanent establishment and permanent representatives abroad,

including those obtained until the date 31 October 2018, are exempted from income tax or corporation tax under condition that incomes are transferred from the effective date of Article until 31 December 2018. In accordance with the Presidential Decree dated 29 August 2018 and numbered 48, the terms of the Article have been extended for 6 months. In this way, including those obtained until the date 30 April 2019, income from the sale of non-resident subsidiary's shares are exempted from corporation tax under condition that incomes are transferred until 30 June 2019.

- For the resident real persons and institutions, income from the liquidation of non-resident institutions are exempt from income tax or corporation tax under condition that incomes are transferred to Turkey until the date 31 December 2018. In accordance with the President Decision dated 29 August 2018 and numbered 48, the terms of the Article have been extended for 6 months. In this way, income from the liquidation of non-resident institutions are exempted from corporation tax under condition that incomes are transferred until 30 June 2019.

7532 Law on amending the Tax Procedure Law and Corporate Tax Law was enacted on 20 January 2022. It has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the provisional accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. In line with the Law No. 7352, inflation adjustment will be applied to the financial statements dated 31 December 2023, and the profit/loss difference arising from the inflation adjustment will not be taxed.

#### 11. Expenses by nature

Breakdown of expenses by nature for the years ended 31 December 2021, 2020 and 2019 is as follows:

##### Cost of revenue:

	2021	2020	2019
Depreciation and amortization (*)	(7,291,913)	(5,974,779)	(5,046,565)
Cost of goods sold	(4,377,966)	(3,301,984)	(2,278,283)
Share of Turkish Treasury (Note 1)	(2,816,508)	(2,418,800)	(2,191,427)
Interconnection and termination expenses	(2,608,009)	(2,247,647)	(1,909,614)
Employee benefit expenses	(2,085,343)	(1,741,591)	(1,447,037)
Radio expenses	(1,258,037)	(921,153)	(734,583)
Frequency expenses	(1,032,410)	(887,243)	(802,950)
Transmission expenses	(565,820)	(426,036)	(335,980)
Universal service fund	(388,817)	(330,932)	(297,053)
Roaming expenses	(340,282)	(214,478)	(238,147)
Cost of revenue from financial services (**)	(223,050)	(135,237)	(240,297)
Others	(2,241,819)	(1,736,179)	(1,561,544)
	<b>(25,229,974)</b>	<b>(20,336,059)</b>	<b>(17,083,480)</b>

(\*) As at 31 December 2021, depreciation and amortization expenses include depreciation and amortization expenses related to the financial services amounting to TL 66,798 (31 December 2020: TL 39,726; 31 December 2019: TL 26,478).

(\*\*) As at 31 December 2021, cost of revenue from financial services includes employee benefit expenses related to the financial services amounting to TL 31,722 (31 December 2020: TL 18,166; 31 December 2019: TL 11,358).

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#### 11. Expenses by nature (continued)

##### Selling and marketing expenses:

	2021	2020	2019
Employee benefit expenses	(779,470)	(634,367)	(547,136)
Marketing expenses	(733,381)	(507,921)	(554,538)
Selling expenses	(163,974)	(173,064)	(349,269)
Others	(101,658)	(57,601)	(104,246)
	<b>(1,778,483)</b>	<b>(1,372,953)</b>	<b>(1,555,189)</b>

##### Administrative expenses:

	2021	2020	2019
Employee benefit expenses	(617,850)	(479,932)	(473,843)
Consultancy expenses	(88,534)	(53,105)	(51,308)
Service expenses	(44,971)	(58,255)	(52,756)
Collection expenses	(38,224)	(52,189)	(57,097)
Maintenance and repair expenses	(27,419)	(20,139)	(26,610)
Travel and entertainment expenses	(17,938)	(17,009)	(34,644)
Other	(84,087)	(68,983)	(83,497)
	<b>(919,023)</b>	<b>(749,612)</b>	<b>(779,755)</b>

##### Net impairment losses on financial and contract assets:

	2021	2020	2019
Net impairment losses on financial and contract assets	(271,162)	(349,595)	(338,857)
	<b>(271,162)</b>	<b>(349,595)</b>	<b>(338,857)</b>

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#### 12. Property, plant and equipment (continued)

Cost	Balance as at		Additions	Disposals	Transfers	Disposal of subsidiaries	Impairment expenses/ (reversals)	Transfer to investment property	Effects of movements in exchange rates	Balance as at 31 December 2020
	1 January 2020	31 December 2020								
Network infrastructure (All operational)	22,022,991	22,022,991	818,989	(699,727)	2,671,001	(15,536)	-	-	125,400	24,923,118
Land and buildings	1,211,323	1,211,323	68,667	(2,004)	212,943	-	-	(6,781)	1,101	1,485,249
Equipment, fixtures and fittings	866,409	866,409	93,428	(10,954)	8,961	(3,482)	-	-	1,532	955,894
Motor vehicles	44,518	44,518	2,098	(1,690)	-	(4)	-	-	77	44,999
Leasehold improvements	335,837	335,837	7,149	(62)	341	(1,574)	-	-	402	342,093
Construction in progress	666,328	666,328	2,921,952	(11,372)	(2,898,087)	-	(2)	-	2,480	681,299
<b>Total</b>	<b>25,147,406</b>	<b>25,147,406</b>	<b>3,912,283</b>	<b>(725,809)</b>	<b>(4,841)</b>	<b>(20,596)</b>	<b>(2)</b>	<b>(6,781)</b>	<b>130,992</b>	<b>28,432,652</b>
<b>Accumulated depreciation</b>										
Network infrastructure (All operational)	11,382,813	11,382,813	2,270,537	(656,472)	-	(15,536)	4,183	-	105,298	13,090,823
Land and buildings	285,626	285,626	73,594	-	-	-	-	(5,528)	620	354,312
Equipment, fixtures and fittings	673,927	673,927	53,914	(7,865)	-	(3,287)	-	-	1,182	717,871
Motor vehicles	37,840	37,840	3,714	(1,593)	-	(4)	-	-	70	40,027
Leasehold improvements	308,709	308,709	19,622	(49)	-	(1,574)	-	-	181	326,889
<b>Total</b>	<b>12,688,915</b>	<b>12,688,915</b>	<b>2,421,381</b>	<b>(665,979)</b>	<b>-</b>	<b>(20,401)</b>	<b>4,183</b>	<b>(5,528)</b>	<b>107,351</b>	<b>14,529,922</b>
<b>Net book amount</b>	<b>12,458,491</b>	<b>12,458,491</b>	<b>1,490,902</b>	<b>(59,830)</b>	<b>(4,841)</b>	<b>(195)</b>	<b>(4,185)</b>	<b>(1,253)</b>	<b>23,641</b>	<b>13,902,730</b>

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#### 12. Property, plant and equipment

Cost	Balance as at		Addition	Disposals	Transfers	Acquisition through business combination	Impairment expenses/ (reversals)	Transfer to investment property	Effects of movements in exchange rates	Balance as at 31 December 2021
	1 January 2021	31 December 2021								
Network infrastructure (All operational)	24,923,118	24,923,118	1,415,616	(435,571)	4,084,711	-	-	-	4,319,376	34,307,250
Land and buildings	1,485,249	1,485,249	40,466	(10,191)	185,428	27	-	(14,021)	33,470	1,720,401
Equipment, fixtures and fittings	955,894	955,894	87,930	(25,762)	16,858	156	-	-	67,137	1,102,084
Motor vehicles	44,999	44,999	2,162	(2,399)	-	-	-	-	6,220	51,138
Leasehold improvements	342,093	342,093	8,849	(32,476)	546	103,750	-	-	10,746	329,758
Electricity production power plant	-	-	-	-	-	-	(20,000)	-	-	103,750
Construction in progress	681,299	681,299	4,217,377	(4,817)	(4,298,421)	-	(20,000)	-	235,130	810,568
<b>Total</b>	<b>28,432,652</b>	<b>28,432,652</b>	<b>5,772,400</b>	<b>(511,216)</b>	<b>(10,878)</b>	<b>103,933</b>	<b>(20,000)</b>	<b>(14,021)</b>	<b>4,672,079</b>	<b>38,424,949</b>
<b>Accumulated depreciation</b>										
Network infrastructure (All operational)	13,090,823	13,090,823	2,762,649	(372,950)	-	-	4,493	-	3,311,476	18,796,491
Land and buildings	354,312	354,312	82,528	(3,804)	-	-	-	(9,999)	20,388	443,425
Equipment, fixtures and fittings	717,871	717,871	66,229	(21,141)	-	-	-	-	58,242	821,201
Motor vehicles	40,027	40,027	3,373	(2,399)	-	-	-	-	6,104	47,105
Leasehold improvements	326,889	326,889	7,698	(31,026)	-	-	-	-	8,465	312,026
Electricity production power plant	-	-	1,922	-	-	-	-	-	-	1,922
<b>Total</b>	<b>14,529,922</b>	<b>14,529,922</b>	<b>2,924,399</b>	<b>(431,320)</b>	<b>-</b>	<b>-</b>	<b>4,493</b>	<b>(9,999)</b>	<b>3,404,675</b>	<b>20,422,170</b>
<b>Net book amount</b>	<b>13,902,730</b>	<b>13,902,730</b>	<b>2,848,001</b>	<b>(79,896)</b>	<b>(10,878)</b>	<b>103,933</b>	<b>(24,493)</b>	<b>(4,022)</b>	<b>1,267,404</b>	<b>18,002,779</b>

Depreciation expenses for the years ended 31 December 2021, 2020 and 2019 amounting to TL 2,948,892, TL 2,425,566 and TL 2,196,902, respectively include impairment losses and are recognized in cost of revenue.

Impairment losses on property, plant and equipment for the years ended 31 December 2021, 2020 and 2019 are TL 24,493, TL 4,185 and TL 18,007, respectively and are recognized in depreciation expenses.

Capitalization rates and amounts other than borrowings made specifically for the purpose of acquiring a qualifying asset are 7.6%, 12.4% and 18.5%; TL 183,951 and TL 100,051 and TL 123,449 for the years ended 31 December 2021, 2020 and 2019 respectively.

Impaired network infrastructure mainly consists of damaged or technologically inadequate mobile and fixed network infrastructure investments.

Network infrastructure mainly consists of mobile and fixed network infrastructure investments.

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## 13. Intangible assets (continued)

Cost	Balance at 1 January 2021	Additions	Disposals	Transfers	Acquisition through business combinations	Impairment expenses/ (reversals)	Effects of movements in exchange rates	Balance at 31 December 2021
Telecommunication licenses	9,188,733	279	(830)	18	-	-	1,554,745	10,742,945
Computer software	11,835,827	2,003,373	(73,673)	131,439	-	-	540,882	14,437,848
Transmission line software	88,499	764	-	-	-	-	-	89,263
Indefeasible right of usage	159,995	6,127	-	-	-	-	1,650	166,122
Brand name	9,483	534	(48)	592	-	-	-	12,211
Customer base	15,512	-	-	-	-	-	-	15,512
Goodwill (*)	40,010	-	-	-	8,411	-	-	48,421
Subscriber acquisition cost	4,787,853	1,804,368	(56,666)	-	182,881	-	110,045	6,645,600
Electricity production license	-	-	-	-	-	-	6,274	182,881
Other	186,743	63,722	-	(457)	-	-	256,282	256,282
Construction in progress	1,142	135,067	(551)	(120,714)	-	-	799	15,743
<b>Total</b>	<b>26,313,797</b>	<b>4,014,234</b>	<b>(131,768)</b>	<b>10,878</b>	<b>191,292</b>	<b>-</b>	<b>2,214,395</b>	<b>32,612,828</b>
<b>Accumulated amortization</b>								
Telecommunication licenses	4,253,203	662,888	(830)	-	-	26	537,662	5,452,949
Computer software	7,304,194	1,324,586	(73,471)	-	-	15,319	437,734	9,008,362
Transmission line software	79,073	846	-	-	-	-	-	79,919
Indefeasible right of usage	56,974	11,532	-	-	-	-	-	68,506
Brand name	7,040	32	(33)	-	-	-	306	7,345
Customer base	13,085	437	-	-	-	-	-	13,522
Subscriber acquisition cost	2,133,755	995,510	(56,666)	-	-	-	93,030	3,165,629
Electricity production license	-	3,382	-	-	-	-	-	3,382
Other	98,689	52,106	-	-	-	-	640	151,435
<b>Total</b>	<b>13,946,013</b>	<b>3,051,319</b>	<b>(131,000)</b>	<b>-</b>	<b>-</b>	<b>15,345</b>	<b>1,069,372</b>	<b>17,951,049</b>
<b>Net book amount</b>	<b>12,367,784</b>	<b>962,915</b>	<b>(768)</b>	<b>10,878</b>	<b>191,292</b>	<b>(15,345)</b>	<b>1,145,023</b>	<b>14,661,779</b>

(\*) As of 31 December 2021, the consolidated financial statements include goodwill amounting to TL 32,834, TL 8,411 and TL 7,176 regarding Turkcell Superonline, Boyut Enerji (Note 3) and Yaani respectively (31 December 2020: 40,010). No impairment test for goodwill has been performed due to immaterial to consolidated financial statements.

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## 13. Intangible assets

## Turkcell

The carrying amounts of 2G, 3G and 4.5G licenses are TL 57,478, TL 276,957 and TL 2,882,117, respectively (31 Decemer 2020: TL 103,460, TL 320,599 and TL 3,320,721, respectively).

## lifecell

lifecell owns nine activity licenses: a technology neutral license, issued for 3G, one license for international and long-distance calls and seven PSTN licenses for seven regions in Ukraine. As of 31 December 2021, lifecell owns twenty frequency use licenses for IMT (LTE-2600, LTE-1800, LTE-900), IMT-2000 (UMTS), GSM-900, GSM-1800, and microwave Radiorelay and Broadband Radio Access, which are regional and national. Additionally, lifecell holds a specific number range — three NDC codes for mobile network, twenty-eight permissions on a number resource for short numbers, ten permissions on a number resource for SS-7 codes (six regional and four international), one permission on a number resource for Mobile Network Code, eight permissions on a number resource for local ranges for PSTN licenses, two permissions on service codes for alternative routing selection for international and long-distance fixed telephony, and one permission on a code for global telecommunication service “800”. The carrying amount of lifecell’s licenses is TL 2,054,249 (31 December 2020: TL 1,217,173).

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#### 13. Intangible assets (continued)

Amortization expenses for the years ended 31 December 2021, 2020 and 2019 amounting to TL 3,066,664, TL 2,454,969 and TL 1,920,756, respectively include impairment losses and are recognized in cost of revenue. Impairment losses on intangible assets for the years ended 31 December 2021, 2020 and 2019 are TL 15,345, TL 18,460 and TL 2,540, respectively and are recognized in amortization expenses.

Computer software includes capitalized software development costs that meet the definition of an intangible asset. The amount of capitalized development costs is TL 345,369 for the year ended 31 December 2021 (31 December 2020: TL 244,204). The amortization expenses related to capitalized software development costs for the years ended 31 December 2021, 2020 and 2019 amounting to TL 44,347, TL 46,601 and TL 47,591, respectively are recognized in cost of revenue.

#### 14. Impairment of assets

The Group's cash-generating units (CGUs) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the CGU is estimated. The recoverable amount of the CGU is its fair value less cost of disposal. At 31 December 2021, no impairment test has been carried out since there was no indication of impairment in any of the Group's CGUs.

#### 15. Investment properties

	31 December 2021	31 December 2020
<b>Cost</b>		
Opening balance	37,079	46,283
Addition	-	-
Disposal	-	(15,985)
Transfer to property, plant and equipment	14,021	6,781
Closing balance	51,100	37,079
<b>Accumulated depreciation</b>		
Opening balance	(23,404)	(30,000)
Transfer to property, plant and equipment	(9,999)	(5,528)
Depreciation and impairment charges during the year	(1,109)	(697)
Disposal	-	12,821
Closing balance	<b>(34,512)</b>	<b>(23,404)</b>
<b>Net book amount</b>	<b>16,588</b>	<b>13,675</b>

#### Determination of the fair values of the Group's investment properties

The Group engages qualified external experts, authorized by the Capital Markets Board of Turkey, to perform the valuation of investment properties. Management works closely with the qualified external experts to establish the appropriate valuation techniques and inputs to the model. The fair values of these investment properties were determined using a variety of valuation methods: income capitalization approach and market approach. In estimating the fair values of the properties, the highest and best use of the property is its current use.

Rent income from investment properties during the year ended 31 December 2021 is TL 6,872 (31 December 2020: TL 5,855 and 31 December 2019: TL 4,078). There is no direct operating expense for investment properties during the year ended 31 December 2021 (31 December 2020: TL 294 and 31 December 2019: 522).

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#### 13. Intangible assets (continued)

Cost	Balance at 1 January 2020	Additions	Disposals	Transfers	Impairment expenses/ (reversals)	Disposal of subsidiaries	Acquisition through business combinations	Effects of movements in exchange rates	Balance at 31 December 2020
Telecommunication licenses	9,132,617	695	(32,445)	10,110	-	-	-	77,756	9,188,733
Computer software	10,133,924	1,621,210	(31,808)	107,819	-	(10,164)	-	14,846	11,835,827
Transmission line software	74,379	14,120	-	-	-	-	-	88,499	88,499
Central betting system operating right	12,426	-	-	-	-	(12,426)	-	-	-
Indefeasible right of usage	117,618	9,709	-	32,668	-	-	-	225	159,995
Brand name	7,740	1,518	-	-	-	-	-	9,483	15,512
Customer base	15,512	-	-	-	-	-	7,176	-	40,010
Goodwill (*)	32,834	-	-	-	-	-	-	2,695	4,787,853
Subscriber acquisition cost	3,248,859	1,573,606	(37,307)	-	-	-	71,652	530	4,787,853
Other	93,942	20,968	(388)	39	-	-	-	108	186,743
Construction in progress	13,452	134,089	(712)	-	-	-	-	-	1,142
<b>Total</b>	<b>22,883,303</b>	<b>3,375,915</b>	<b>(102,660)</b>	<b>4,841</b>	<b>-</b>	<b>(22,590)</b>	<b>78,828</b>	<b>96,160</b>	<b>26,313,797</b>
<b>Accumulated amortization</b>									
Telecommunication licenses	3,632,968	636,749	(28,052)	(7,700)	-	-	-	19,238	4,253,203
Computer software	6,290,133	1,023,203	(24,295)	-	18,460	(10,164)	-	6,857	7,304,194
Transmission line software	71,602	7,471	-	-	-	-	-	-	79,073
Central betting system operating right	12,375	-	-	-	-	(12,375)	-	-	-
Indefeasible right of usage	40,420	8,854	-	7,700	-	-	-	-	56,974
Brand name	7,040	-	-	-	-	-	-	-	7,040
Customer base	12,648	-	-	-	-	-	-	-	13,085
Subscriber acquisition cost	1,447,606	721,637	(37,307)	-	-	-	-	1,819	2,133,755
Other	60,449	38,158	(107)	-	-	-	-	189	98,689
<b>Total</b>	<b>11,575,241</b>	<b>2,436,509</b>	<b>(89,761)</b>	<b>-</b>	<b>18,460</b>	<b>(22,539)</b>	<b>-</b>	<b>28,103</b>	<b>13,946,013</b>
<b>Net book amount</b>	<b>11,308,062</b>	<b>939,406</b>	<b>(12,899)</b>	<b>4,841</b>	<b>(18,460)</b>	<b>(51)</b>	<b>78,828</b>	<b>68,057</b>	<b>12,367,784</b>

(\*) On 13 May 2019, Turkcell signed a share purchase agreement to acquire 100% of the shares of "Yani (formerly "NIENT Netherlands BV"). The transfer of legal shares was completed on 14 May 2019. The acquisition date has been determined as 1 June 2020. The total consideration transferred amounting to USD 12,310 (TL 78,828) has been accounted for under "Goodwill" in the 30 June 2020 financial statements. In accordance with a purchase price allocation report prepared by qualified external experts, total acquisition amount has been allocated to "Intangible assets" amounting to USD 10,472 (TL 71,652) and "Goodwill" amounting to TL 7,176. Management worked closely with the qualified external experts to establish the appropriate valuation techniques and inputs to the model.



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## 16. Right of use assets

Closing balances of right of use assets as of 31 December 2021 and 31 December 2020 and depreciation and amortization expenses for the years ended 31 December 2021 and 31 December 2020 is stated as below:

	Tangible				Intangible				
	Site Rent	Building	Network equipment	Vehicles	Other	Right of way	License	Total	
Balance at 1 January 2021	1,182,847	306,343	218,104	159,769	111,462	24,956	376,693	401,649	2,380,174
Depreciation and amortization charge for the year	(688,321)	(67,500)	(297,333)	(50,291)	(94,141)	(19,575)	(58,087)	(77,662)	(1,275,248)
Balance at 31 December 2021	1,521,783	283,175	262,267	135,530	103,956	45,307	631,630	676,937	2,983,648
Balance at 1 January 2020	1,082,193	126,057	70,235	40,199	60,982	22,984	380,446	403,430	1,783,096
Depreciation and amortization charge for the year	(576,941)	(54,902)	(275,038)	(43,916)	(78,364)	(18,657)	(45,729)	(64,386)	(1,093,547)
Balance at 31 December 2020	1,182,847	306,343	218,104	159,769	111,462	24,956	376,693	401,649	2,380,174

As at 31 December 2021, the Company has additions to right of use assets amounting to TL 1,692,693 (31 December 2020: TL 1,791,823) and interest expense on lease liabilities amounting to TL 359,240 (31 December 2020: TL 289,718). Depreciation and amortization expenses amounting to TL 1,275,248 (31 December 2020: TL 1,093,547) are recognized in cost of revenues.

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## 15. Investment properties (continued)

The Group's investment properties and their fair values at 31 December 2021 and 2020 are as follows:

31 December 2021	Level 1	Level 2	Level 3	Valuation Method
Investment properties in Gebze	-	-	52,725	Income capitalization approach
Investment properties in Ankara	-	32,315	-	Market approach
Investment properties in Istanbul	-	6,705	-	Market approach
Investment properties in Adana	-	3,765	-	Market approach
Investment properties in Aydin	-	3,600	-	Market approach
	-	<u>46,385</u>	<u>52,725</u>	
31 December 2020	Level 1	Level 2	Level 3	Valuation Method
Investment properties in Gebze	-	-	22,340	Income capitalization approach
Investment properties in Ankara	-	15,160	-	Market approach
Investment properties in Aydin	-	2,515	-	Market approach
	-	<u>17,675</u>	<u>22,340</u>	

Significant unobservable inputs and sensitivity of fair values of respective investment properties are as follows:

In the "income capitalization" approach, a significant increase/(decrease) in rentals will cause a significant increase/(decrease) in the fair value. In addition, a slight decrease/(increase) in risk premium and discount rate which are calculated by considering current market conditions will cause a significant increase/(decrease) in the fair value.

In the "market approach", a significant increase/(decrease) in the market value of any properties which are located in similar areas with similar conditions will cause a significant increase/(decrease) in the fair value.

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#### 17. Discontinued operations

##### Disposal of Fintur

In 2016, the Group has committed to the plan to exit from Fintur operations in relevant jurisdictions and initiated an active program to locate a buyer for its associate. In this regard, Fintur has been classified as held for sale and reported as discontinued operation starting from 1 October 2016.

Equity accounting for Fintur ceased as of 1 October 2016, and in accordance with IFRS 5, Fintur has been measured at the lower of the carrying amount and fair value less costs to sell.

The Company signed the definitive agreement on 12 December 2018 to transfer its total shareholding in Fintur to the other shareholder of Fintur, Sonera Holding B.V. ("Sonera Holding"). The transfer to Sonera Holding and the transfer of proceeds completed on 2 April 2019 subsequent to receipt of regulatory approvals on 29 March 2019. The final transaction value is realized as TL 2,229,595 (EUR 352,851). The share transfer has been completed in 2019, gain on sale of the associate, amounting to TL 772,436 has been recognized under profit from discontinued operations in the consolidated financial statements.

Reconciliation of Fintur sales for the period ended 31 December 2019 is stated as below:

	<u>31 December 2019</u>
Consideration received or receivable:	
Cash	2,229,595
<b>Total disposal consideration</b>	<b>2,229,595</b>
Carrying amount of net assets sold	(1,825,292)
Gain on sale before income tax and reclassification of foreign currency translation reserve	404,303
Reclassification of foreign currency translation reserve	368,133
Income tax expense on gain	-
<b>Gain on sale after income tax</b>	<b>772,436</b>

Subsequent to recognition of gain on sale of Fintur for the three months period ended 31 March 2019, the Company has recognized compensation expense, which has been paid on 23 July 2019 according to Kcell Share Purchase Agreement amounting to TL 59,224 (USD 10,448).

#### 18. Other non-current assets

	<u>2021</u>	<u>2020</u>
Advances given for property, plant and equipment	855,490	561,298
Deposits and guarantees given	162,921	78,401
Prepaid expenses	154,096	141,201
Receivables from the Public Administration	-	72,848
VAT receivable	17,030	29,025
Others	359	1,069
	<b>1,189,896</b>	<b>883,842</b>

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#### 19. Deferred tax assets and liabilities

##### Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities at 31 December 2021 and 2020 are attributable to the following:

	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Property, plant and equipment and intangible assets	412,728	123,871	(953,814)	(2,117,594)	(541,086)	(1,993,723)
Derivative instruments	5,922	27,177	(520,298)	(407,740)	(514,376)	(380,563)
Reserve for employee termination benefits and provisions	235,581	258,675	(19,295)	(1,362)	216,286	257,313
Trade and other payables	45,314	26,511	(1,095)	(149,827)	44,219	(123,316)
Tax losses carried forward	1,155,781	1,101,043	-	(3,254)	1,155,781	1,097,789
Tax allowances	62,692	5,158	-	-	62,692	5,158
Other assets and liabilities (*)	551,660	638,991	(104,118)	(2,872)	447,542	636,119
<b>Deferred tax assets/(liabilities)</b>	<b>2,469,678</b>	<b>2,181,426</b>	<b>(1,598,620)</b>	<b>(2,682,649)</b>	<b>871,058</b>	<b>(501,223)</b>
Offsetting	(670,066)	(1,344,818)	670,066	1,344,818	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>1,799,612</b>	<b>836,608</b>	<b>(928,554)</b>	<b>(1,337,831)</b>	<b>871,058</b>	<b>(501,223)</b>

(\*) Mainly comprises of loans, bonds, prepaid expenses and lease liabilities deferred tax assets.

Movement in deferred tax assets/ (liabilities) for the years ended 31 December 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
<b>Opening balance</b>	<b>(501,223)</b>	<b>(976,288)</b>
Income statement charge	1,171,697	337,495
Tax charge relating to components of other comprehensive income	(322,990)	173,113
Acquisition through business combinations	(48,755)	-
Exchange differences	572,329	(35,543)
<b>Closing balance, net</b>	<b>871,058</b>	<b>(501,223)</b>

The Group did not recognize deferred income tax assets of TL 981,441 (31 December 2020: TL 551,847) in respect of tax losses amounting to 5,368,360 (31 December 2020: TL 2,986,951) that can be carried forward against future taxable income. The unused tax losses were incurred mainly by BeST that are not likely to generate taxable income in the foreseeable future.

Unused tax losses will expire at the following dates:

<u>Expiration Date</u>	<u>Amount</u>
2022	249,297
2023	369,937
2024	632,879
2025	2,198,295
2026	88,601
2027	1,078,582
2028	314,740
2029	-
2030	139,958
2031	206,963
Indefinite	89,108
<b>Total</b>	<b>5,368,360</b>

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#### 20. Trade receivables

	31 December 2021	31 December 2020
Receivables from subscribers	2,575,698	2,263,544
Accounts and notes receivable	1,143,538	766,921
Undue assigned contracted receivables	467,693	435,332
	<b>4,186,929</b>	<b>3,465,797</b>

Trade receivables are shown net of provision for impairment amounting to TL 623,491 as at 31 December 2021 (31 December 2020: TL 617,932). Movements in provision for impairment of trade receivables and due from related parties are disclosed in Note 37. The accounts and notes receivable represent receivables from distributors and roaming receivables. The Group's exposure to currency risk and credit risk arising from trade receivables are disclosed in Note 37.

Letters of guarantee received with respect to the accounts and notes receivable amounted to TL 657,904 and TL 351,698 at 31 December 2021 and 2020, respectively.

The undue assigned contracted receivables are the remaining portion of the assigned receivables from the distributors related to the handset campaigns which will be collected from subscribers by the Company in instalments. When the monthly instalment is billed to the subscriber, that portion is transferred to "Receivables from subscribers". The Company measures the undue assigned contracted receivables at amortized cost, bears the credit risk and recognizes interest income throughout the contract period.

The undue assigned contracted receivables related to handset campaigns, which will be billed after one year amounted to TL 169,570 (31 December 2020: TL 172,261) is presented under non-current trade receivable amounted to TL 256,442 (31 December 2020: TL 222,451).

#### 21. Receivables from financial services

	31 December 2021	31 December 2020
Non-current receivables from financial services	137,559	75,717
Current receivables from financial services	2,014,626	1,886,381

Movements in provision for impairment of receivables from financial services are disclosed in Note 37.

The Group and its distributors have offered handset campaigns where subscribers can buy handsets using loans placed by Turkcell Finansman. The Group assumes credit risk in these transactions. Turkcell Finansman collects the loan from the subscriber during the contract period and the Group does not recognize handset revenue unless it is acting as principal in the handset sale.

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#### 22. Contract assets

	31 December 2021	31 December 2020
<b>Non-current contract assets:</b>		
Contract assets	67,505	128,114
<b>Current contract assets:</b>		
Contract assets	1,180,236	972,052

The contract assets represent contract assets from subscribers. Contract asset is recorded when revenue is recognized in advance of the Group's right to bill and receive consideration. The contract asset will decrease as services are provided and billed. Contract assets also include contracted receivables related to handset campaigns, and the portion which will be billed after one year is presented under long term contract assets.

#### 23. Inventory

As of 31 December 2021, inventories amounting to TL 260,535 which consist of mainly mobile phone and its accessories, tablet, sim-cards and tower construction materials (31 December 2020: TL 203,715).

#### 24. Other current assets

	31 December 2021	31 December 2020
Receivables from the Ministry of Transport and Infrastructure of Turkey	306,806	224,563
Prepaid taxes	196,019	6,918
Prepaid expenses	174,643	163,657
Advances given to suppliers	96,952	48,141
VAT receivable	90,645	49,490
Receivables from tax office	12,276	20,864
Other	31,779	45,353
	<b>909,120</b>	<b>558,986</b>

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#### 25. Cash and cash equivalents

	31 December 2021	31 December 2020
Cash in hand	184	179
Banks	18,640,827	11,858,067
- Demand deposits	3,045,179	975,753
- Time deposits	15,595,648	10,882,314
Other cash and cash equivalents	-	8,354
Impairment loss provision	(12,346)	(6,045)
<b>Cash and cash equivalents</b>	<b>18,628,665</b>	<b>11,860,555</b>

As at 31 December 2021, the average effective interest rates of TL, USD, EUR and RMB time deposits are 27.7%, 1.3%, 0.5% and 0.3% (31 December 2020: 17.4%, 2.8%, 1.8% and 0.7%) respectively.

As at 31 December 2021, average maturity of time deposits is 29 days (31 December 2020: 30 days).

As of 31 December 2021, the net amount of cash and cash equivalents is TL 18,619,881 excluding the interest income accrual amounting to TL 8,784.

#### 26. Financial assets

##### Debt investments at fair value through other comprehensive income

Debt investments at FVOCI comprise the following investments in listed and unlisted securities:

	31 December 2021	31 December 2020
<b>Non-current assets</b>		
Listed debt securities	1,376,645	-
<b>Current assets</b>		
Listed debt securities	51,166	529,610

##### Fair values

	31 December 2021	31 December 2020	Fair value hierarchy	Valuation technique
Financial assets at fair value through other comprehensive income	-	272,334	Level 2	Present value of the estimated future cash flows based on observable yield curves and period end FX rates
	1,427,811	257,276	Level 1	Pricing models based on quoted market prices at the end of the reporting period.
<b>Total</b>	<b>1,427,811</b>	<b>529,610</b>		

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#### 26. Financial assets (continued)

##### Debt investments at fair value through other comprehensive income (continued)

As of 31 December 2021 and 2020, the notional and fair value amounts of financial assets are as follows:

31 December 2021			
Currency	Notional amount (original currency)	Fair value (in TL)	Maturity
EUR	1,995	31,347	16 February 2026
EUR	15,189	216,874	8 July 2027
TL	24,312	25,583	2 March 2022
TL	24,108	25,583	2 March 2022
USD	21,000	286,017	14 July 2023
USD	996	13,479	10 August 2024
USD	19,824	250,956	14 October 2025
USD	2,168	27,595	26 January 2026
USD	25,000	319,874	22 June 2026
USD	18,470	230,503	25 March 2027
<b>Total financial assets</b>		<b>1,427,811</b>	

31 December 2020			
Currency	Notional amount (original currency)	Fair value (in TL)	Maturity
EUR	10,000	91,229	5 February 2021
EUR	20,000	181,105	13 March 2021
EUR	20,000	178,375	17 December 2021
EUR	1,995	19,718	16 February 2026
TL	24,108	24,819	2 March 2022
TL	24,312	24,362	2 March 2022
USD	300	1,966	21 February 2022
USD	996	8,036	10 August 2024
<b>Total financial assets</b>		<b>529,610</b>	

During the year, the following gains (losses) were recognized in other comprehensive income.

	31 December 2021	31 December 2020
<b>Gains / (Losses) recognized in other comprehensive income</b>		
Related to debt securities	(65,494)	(1,970)
Related to debt securities, tax effect	13,099	483
	<b>(52,395)</b>	<b>(1,487)</b>

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#### 27. Equity

##### Share capital

As at 31 December 2021, share capital represents 2,200,000,000 (31 December 2020: 2,200,000,000) authorized, issued and fully paid shares with a par value of TL 1 each. In this respect, share capital presented in the consolidated financial statements refers to nominal amount of registered share capital.

Each holder of shares is entitled to receive dividends as declared and their vote entitlements are determined as explained in Note 1.

Companies with their shareholding percentage are as follows:

	31 December 2021		31 December 2020	
	(%)	TL	(%)	TL
Public Share	53.95	1,187,004	53.95	1,187,004
TVF BTIH	26.20	576,400	26.20	576,400
IMTIS Holdings	19.80	435,600	19.80	435,600
Other	0.05	996	0.05	996
<b>Total</b>	100.00	2,200,000	100.00	2,200,000
Inflation adjustment to share capital		(52,352)		(52,352)
<b>Inflation adjusted capital</b>		<b>2,147,648</b>		<b>2,147,648</b>

As at 31 December 2021, total number of shares pledged as security is 995,509 (2020: 995,509).

##### Legal reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of a company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash dividends in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

##### Treasury shares

During 2020, the Company purchased 816,290 of its shares on-market with prices ranging from full TL 12.09 to full TL 12.35 and the buyback was approved by the Board of Directors on 27 July 2016 and 30 January 2017. During 2021, there have been no treasury shares buyback (2020: TL 9,994).

##### Dividends

###### Turkcell:

On 15 April 2021, the Company's General Assembly has approved a dividend distribution for the year ended 31 December 2020 amounting to TL 2,585,787 (2020: TL 811,622); this represents a gross cash dividend of full TL 1.1754 per share. The dividend has been paid to the shareholders on 30 April 2021, 30 July 2021 and 27 October 2021 to the shareholders.

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#### 28. Earnings per share

	2021	2020	2019
Numerator:			
Profit attributable to owners of the Company	5,031,098	4,237,086	3,246,487
Denominator:			
Weighted average number of shares (*)	2,183,106,193	2,183,106,193	2,183,922,483
<b>Basic and diluted earnings per share for profit attributable to owners of the Company (in full TL)</b>	<b>2.30</b>	<b>1.94</b>	<b>1.49</b>

Numerator:			
Profit from continuing operations attributable to owners of the Company	5,031,098	4,237,086	2,474,051
Denominator:			
Weighted average number of shares (*)	2,183,106,193	2,183,106,193	2,183,922,483
<b>Basic and diluted earnings per share for profit from continuing operations attributable to owners of the Company (in full TL)</b>	<b>2.30</b>	<b>1.94</b>	<b>1.14</b>

Numerator:			
Profit from discontinuing operations attributable to owners of the Company	-	-	772,436
Denominator:			
Weighted average number of shares (*)	2,183,106,193	2,183,106,193	2,183,922,483
<b>Basic and diluted earnings per share for profit from discontinued operations attributable to owners of the Company (in full TL)</b>	<b>-</b>	<b>-</b>	<b>0.35</b>

(\*) Refer to Note 27 - Treasury shares

#### 29. Other non-current liabilities

	2021	2020
Consideration payable in relation to the acquisition of BeST	758,261	475,879
Consideration payable in relation to the acquisition of Boyut Enerji	3,275	-
Deferred revenue	5,838	22,180
Other	2,522	-
	<b>769,896</b>	<b>498,059</b>

Consideration payable in relation to the acquisition of BeST represents the present value of the long-term contingent consideration payable to the seller. Payment of USD 100,000 (equivalent to TL 1,332,900 as of 31 December 2021) is contingent on the financial performance of BeST, and based on management's estimations, the amount is expected to be paid in instalments between 2026 and 2031 (31 December 2020: in instalments between 2025-2030). The discount rate used for calculating present value of the consideration payable in relation to the acquisition of BeST as of 31 December 2021 ranges between 6.8% and 8.0% (31 December 2020: 4.3% and 5.6%).

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## 30. Loans and borrowings

	31 December 2021	31 December 2020
<b>Non-current liabilities</b>		
Unsecured bank loans	13,084,545	7,779,354
Secured bank loans	271,468	151,543
Lease liabilities	2,012,810	1,521,713
Debt securities issued	12,560,897	6,901,075
	<b>27,929,720</b>	<b>16,353,685</b>
<b>Current liabilities</b>		
Unsecured bank loans	6,866,411	4,049,824
Secured bank loans	241,411	144,261
Lease liabilities	893,055	577,173
Debt securities issued	847,536	461,479
	<b>8,848,413</b>	<b>5,232,737</b>

The company has used loans in accordance with the loan agreement previously signed with J.P.Morgan and AB Svensk Exportkredit under the Swedish Export Credit Organization ("EKN") insurance. As of 31 December 2021, the Company has used USD 20,248 loan on 26 February 2021, respectively, with a fixed interest rate of 3.84%.

The company has used loans in accordance with the loan agreement previously signed with China Development Bank on 10 August 2020. As of 31 December 2021, the Company has used RMB 147,286, EUR 57,124 and RMB 77,177 loan on 18 March 2021, 19 March 2021 and 21 October 2021, respectively, with a fixed interest rate of 5.15% for RMB loans and Euribor+2.29% for the EUR.

On 29 December 2021, the company extended the maturity of existing 50,000 EUR Sustainability Indexed Loan from May 2022 to December 2026 of which was previously signed on 13 May 2019 with BNP Paribas Fortis SA/NV. In addition, the principal amount of subject loan is increased to EUR 70,000 with additional EUR 20,000 utilization.

On 6 July 2021, CMB approval has been taken on issuance of management agreement based lease certificates in accordance with capital markets legislation in the domestic market, in Turkish Lira terms, at an amount of up to TL 600,000, on various dates and at various amounts without public offering, as private placement and/or to be sold to institutional investors within one year. On 17 November 2021, the Company has issued management agreement based lease certificates through Halk Varlik Kiralama A.S. amounting TL 100,000 with the maturity of 3 March 2022.

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## 30. Loans and borrowings (continued)

Terms and conditions of outstanding loans are as follows:

	31 December 2021				31 December 2020			
	Currency	Interest rate type	Nominal interest rate	Payment period	Carrying amount	Nominal interest rate	Payment period	Carrying amount
Unsecured bank loans	EUR	Floating	Euribor+1.9%-Euribor+2.3%	2022-2028	9,188,487	Euribor+2.0%-Euribor+2.2%	2021-2026	5,624,277
Unsecured bank loans	USD	Floating	Libor+2.1%-Libor 2.2%	2022-2028	3,639,052	Libor+2.1%-Libor+2.4%	2021-2028	2,384,622
Unsecured bank loans	TL	Floating	14.8%-29.0%	2022	3,044,848	6.5%-16.9%	2021	1,627,198
Unsecured bank loans	UAH	Fixed	8.0%-10.9%	2022-2024	1,712,723	6.0%-10.9%	2021-2023	980,207
Unsecured bank loans	USD	Fixed	3.8%	2022-2030	1,072,858	3.8%	2021-2030	501,036
Unsecured bank loans	RMB	Fixed	4.9%-5.2%	2022-2028	930,395	5.2%-5.5%	2021-2026	283,273
Unsecured bank loans	EUR	Fixed	1.7%	2022	362,593	1.5%-1.8%	2021-2022	428,565
Secured bank loans	USD	Floating	Libor+1.6% & Libor+1.9%	2022-2026	360,212	Libor+1.7%	2021-2023	259,427
Secured bank loans	EUR	Fixed	2.6%	2022-2026	152,667	-	-	-
Secured bank loans	USD	Floating	-	-	-	Euribor+1.3%	2021	36,377
Debt securities issued	USD	Fixed	5.8%	2022-2028	13,306,495	5.8%	2021-2028	7,311,688
Debt securities issued	TL	Fixed	16.3%	2022	101,938	15.0%	2021	50,866
Lease liabilities	TL	Fixed	9.8%-45.0%	2022-2048	1,262,449	9.8%-45.0%	2021-2048	1,201,988
Lease liabilities	UAH	Fixed	7.6%-25.7%	2022-2069	1,074,000	8.1%-24.0%	2021-2069	555,597
Lease liabilities	EUR	Fixed	1.0%-10.0%	2022-2034	303,265	1.0%-10.0%	2021-2034	185,557
Lease liabilities	EUR	Fixed	11.5%-15.8%	2022-2028	185,618	11.5%-15.0%	2021-2028	99,259
Lease liabilities	BYN	Fixed	3.9%-10.9%	2022-2028	80,533	3.9%-10.9%	2021-2028	56,485
	USD	Fixed	-	-	80,533	-	-	56,485
					<b>36,778,133</b>			<b>21,586,422</b>

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## 31. Employee benefits

	31 December 2021	31 December 2020
Retirement pay liability provision	514,118	301,459
Unused vacation provision	100,495	80,464
	<b>614,613</b>	<b>381,923</b>

## Provision for employee termination benefits

Movements in provision for employee termination benefits are as follows:

	2021	2020
1 January	301,459	222,164
Service cost	62,749	38,304
Remeasurements	163,588	37,230
Interest expense	37,383	25,535
Benefit payments	(51,138)	(21,774)
Acquisition through business combinations	77	-
<b>31 December</b>	<b>514,118</b>	<b>301,459</b>

The sensitivity of provision for employee termination benefits to changes in the significant actuarial assumptions is:

31 December 2021	Interest Rate		Inflation Rate	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity Level				
Change in assumption	(13.4%)	16.3%	16.5%	(13.8%)
Impact on provision for employee termination benefits	(68,892)	83,801	84,829	(70,948)

31 December 2020	Interest Rate		Inflation Rate	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity Level				
Change in assumption	(14.1%)	17.3%	17.6%	(14.6%)
Impact on provision for employee termination benefits	(42,566)	52,122	53,117	(43,953)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

## Defined contribution plans

Obligations for contribution to defined contribution plans are recognized as an expense in the consolidated statement of profit or loss as incurred. The Group incurred TL 20,004, TL 14,677 and TL 12,785 in relation to defined contribution retirement plan for the years ended 31 December 2021, 2020 and 2019, respectively.

## Share based payments

The Group has a share performance based payment plan (cash settled incentive plan) in order to build a common interest with its shareholders, support sustainable success, and ensure loyalty of key employees. The KPIs of the plan are; the total shareholder return in excess of weighted average cost of capital (WACC), and ranking of total shareholder return in comparison with BIST-30 and peer group. Bonus amount is determined according to these evaluations, and it is distributed over a three-year payment plan.

As of 31 December 2021, the Group has not recognized any expenses regarding this plan (31 December 2020: TL 12,085).

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## 32. Deferred revenue

Deferred revenue primarily consists of rent income and it is classified as current at 31 December 2021 and 2020. The amount of deferred revenue is TL 111,136 and TL 116,921 as at 31 December 2021 and 2020, respectively.

## 33. Contract liabilities

	31 December 2021	31 December 2020
<b>Non-current contract liabilities</b>		
Contract liabilities	170,445	164,764
<b>Current contract liabilities</b>		
Contract liabilities	459,289	315,070

Contract liabilities primarily consists of right of use sold but not used by prepaid subscribers.

Revenue recognized in the current reporting period relating to carried forward contract liabilities is TL 315,070 (2020: TL 290,408).

The following table shows unsatisfied performance obligation result as of 31 December 2021;

	31 December 2021	31 December 2020
Telecommunications service	1,485,719	900,816
Equipment revenues	1,061,141	423,948
<b>Total</b>	<b>2,546,860</b>	<b>1,324,764</b>

Management expects that 56% of the transaction price allocated to the unsatisfied contracts as of 31 December 2021 will be recognized as revenue during next reporting periods. The remaining 44% will be recognized in the 2022 financial year.

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#### 34. Provisions

*Non-current provisions:*

	Legal claims	Obligations for dismantling, removing and site restoration	Total
<b>Balance at 1 January 2021</b>	<b>16,894</b>	<b>395,037</b>	<b>411,931</b>
Provisions recognized	12,966	21,477	34,443
Payments	-	(3,068)	(3,068)
Unwinding of discount	-	37,727	37,727
Transfer to current provisions	(10,198)	-	(10,198)
Remeasurements	-	(375)	(375)
Effect of changes in exchange rates	-	145,337	145,337
<b>Balance at 31 December 2021</b>	<b>19,662</b>	<b>596,135</b>	<b>615,797</b>
	Legal claims	Obligations for dismantling, removing and site restoration	Total
<b>Balance at 1 January 2020</b>	<b>13,635</b>	<b>323,769</b>	<b>337,404</b>
Provisions recognized	11,033	11,791	22,824
Payments	-	(3,951)	(3,951)
Unwinding of discount	-	21,521	21,521
Transfer to current provisions	(7,774)	-	(7,774)
Remeasurements	-	39,504	39,504
Effect of changes in exchange rates	-	2,403	2,403
<b>Balance at 31 December 2020</b>	<b>16,894</b>	<b>395,037</b>	<b>411,931</b>

Provision for legal claims are recognized for the probable cash outflows related to legal disputes. Refer to Note 39.

The Group is required to incur certain costs in respect of a liability to dismantle and remove assets and to restore sites on which the assets were located. The dismantling costs are calculated according to best estimate of future expected payments discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

It is expected that the obligations for dismantling, removing and site restoration will be realized in accordance with the useful life of GSM services materials.

Additions to obligations for dismantling, removing and site restoration during the period are non-cash transactions and are recorded against property, plant and equipment.

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#### 34. Provisions (continued)

*Current provisions:*

	Legal claims (**)	Bonus (*)	Total
<b>Balance at 1 January 2021</b>	<b>253,633</b>	<b>376,655</b>	<b>630,288</b>
Provisions recognized	221,453	659,066	880,519
Payments	(420,663)	(567,025)	(987,688)
Transfers from non-current provisions	10,198	-	10,198
Effect of changes in exchange rates	2,400	37,945	40,345
<b>Balance at 31 December 2021</b>	<b>67,021</b>	<b>506,641</b>	<b>573,662</b>
	Legal claims (**)	Bonus (*)	Total
<b>Balance at 1 January 2020</b>	<b>17,840</b>	<b>324,972</b>	<b>342,812</b>
Provisions recognized	232,879	590,187	823,066
Payments	(6,109)	(537,598)	(543,707)
Transfers from non-current provisions	7,774	-	7,774
Effect of changes in exchange rates	1,249	(906)	343
<b>Balance at 31 December 2020</b>	<b>253,633</b>	<b>376,655</b>	<b>630,288</b>

(\*) Includes share-based payment (Note 31).

(\*\*) Refer to Note 39.

#### 35. Trade and other payables

	2021	2020
Payable to suppliers	4,615,606	3,467,338
Taxes payable	999,771	668,260
Accrued treasury share, universal service fund contribution and contributions to the ICTA's expenses	652,028	533,440
Accrued selling and marketing expenses	74,214	92,696
Other	379,060	214,871
	<b>6,720,679</b>	<b>4,976,605</b>

Payable to suppliers arises in the ordinary course of business.

Taxes payables include VAT payables, special communications taxes payable, frequency usage fees payable to the ICTA and personnel income taxes payable.

Accrued selling and marketing expenses mainly result from services received from third parties related to the marketing activities of the Group, but not yet invoiced.



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## 36. Derivative financial instruments (continued)

## Derivatives used for hedging

The notional amount and the fair value of derivatives used for hedging contracts at 31 December 2021 and 2020 are as follows:

Currency	31 December 2021		31 December 2020		Maturity date	Hedge ratio	Change in intrinsic value of outstanding hedging instruments since 1 January 2021	Change in intrinsic value of outstanding hedging instruments since 1 January 2020
	Notional value in original currency	Fair value	Notional value in original currency	Fair value				
<i>Participating cross currency swap contracts</i>								
EUR Contracts	300,200	174,747	366,800	221,937	October 2025	01:01	963,374	962,903
EUR Contracts	63,365	48,443	65,158	53,142	April 2026	01:01	78,593	161,325
USD Contracts	206,770	523,571	216,054	270,315	April 2026	01:01	533,782	342,123
<i>Cross currency swap contracts</i>								
RMB Contracts	135,134	235,617	162,121	97,229	April 2026	01:01	136,770	46,858
<i>Interest rate swap contracts</i>								
USD Contracts	150,075	(43,319)	180,045	(66,851)	April 2026	01:01	-	-
<b>Derivatives used for hedge accounting</b>		<b>939,059</b>		<b>575,772</b>				

EUR 340,220 (2020: EUR 414,812) participating cross currency swap contracts includes TL 1,170,728 (2020: TL 1,121,303) guarantees after the CSA agreement.

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## 36. Derivative financial instruments

The fair value of derivative financial instruments at 31 December 2021 and 2020 are attributable to the following:

	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Held for trading	1,181,740	-	360,047	41,132
Derivatives used for hedge accounting	999,577	60,518	642,623	66,851
<b>Total</b>	<b>2,181,317</b>	<b>60,518</b>	<b>1,002,670</b>	<b>107,983</b>

At 31 December 2021, the total held for trading derivative financial assets of TL 2,131,070 (31 December 2020: TL 917,437) also includes a net accrued interest expense of TL 50,247 (31 December 2020: TL 85,233) and the total held for trading derivative financial liabilities of TL 71,325 (31 December 2020: TL 119,111) also includes a net accrued interest expense of TL 10,807 (31 December 2020: TL 11,128).

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## 36. Derivative financial instruments (continued)

## Held for trading (continued)

The notional amount and the fair value of derivatives used held for trading contracts at 31 December 2021 and 2020 are as follows:

Currency	31 December 2021			31 December 2020		
	Notional value in original currency	Fair value	Maturity	Notional value in original currency	Fair value	Maturity
<i>Participating cross currency swap contracts</i>						
USD Contracts	-	-	-	45,000	(9,701)	November 2025
<i>Cross currency swap contracts</i>						
EUR Contracts	-	-	-	43,900	(13,684)	December 2021-2022
USD Contracts	-	-	-	20,000	(6,747)	November 2025
<i>Interest rate swap contracts</i>						
USD Contracts	-	-	-	22,222	(1,141)	September 2028
<i>FX swap contracts</i>						
USD Contracts	-	-	-	82,735	(7,046)	January 2021
<i>Currency forward contracts</i>						
USD Contracts	-	-	-	6,000	(2,813)	January-December 2021
<b>Held for trading financial liabilities</b>						
		-			<b>(41,132)</b>	

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## 36. Derivative financial instruments (continued)

## Held for trading

The notional amount and the fair value of derivatives used held for trading contracts at 31 December 2021 and 2020 are as follows:

Currency	31 December 2021			31 December 2020		
	Notional value in original currency	Fair value	Maturity	Notional value in original currency	Fair value	Maturity
<i>Participating cross currency swap contracts</i>						
EUR Contracts	66,700	243,478	April 2026	90,881	230,033	April 2026
USD Contracts	36,000	58,890	November 2025	32,008	31,334	April 2026
<i>Cross currency swap contracts</i>						
EUR Contracts	24,000	168,900	December 2022	7,200	20,853	September 2021
USD Contracts	36,572	284,868	March 2023- November 2025	34,286	62,715	March 2023
RMB Contracts	32,342	50,842	April 2026	38,801	14,535	April 2026
<i>Interest rate swap contracts</i>						
EUR Contracts	35,000	11,780	September 2028	-	-	-
USD Contracts	-	-	-	17,778	258	September 2028
<i>FX swap contracts</i>						
USD Contracts	200,000	193,504	January 2022	10,000	319	January 2021
<i>Currency forward contracts</i>						
USD Contracts	175,000	169,478	January 2022- March 2022	-	-	-
<b>Held for trading financial assets</b>						
		<b>1,181,740</b>			<b>360,047</b>	

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#### 36. Derivative financial instruments (continued)

##### Fair value of derivative instruments and risk management

##### Fair value

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication of the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

	<u>Fair Value hierarchy</u>	<u>Valuation Techniques</u>
a) Participating cross currency swap contracts (*)	Level 3	Pricing models based on discounted cash Present value of the estimated future cash flows based on unobservable yield curves and end period FX rates
b) FX swap, currency, interest swap and option contracts	Level 2	Present value of the estimated future cash flows based on observable yield curves and end period FX rates
c) Currency forward contracts	Level 2	Forward exchange rates at the balance sheet date

(\*) Since the bid-ask spread is unobservable input; in the valuation of participating cross currency swap contracts, prices in the bid-ask price range that were considered the most appropriate were used instead of mid prices. If mid prices were used in the valuation the fair value of participating cross currency swap contracts would have been TL 253,788 lower as at 31 December 2021 (31 December 2020: TL 168,882).

There were no transfers between fair value hierarchy levels during the year.

As of 31 December 2021, the Company has no financial assets and liabilities carried at fair value on a non-recurring basis.

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#### 36. Derivative financial instruments (continued)

##### Fair value of derivative instruments and risk management (continued)

##### Fair value (continued)

Movements in the participating cross currency swap contracts for the years ended 31 December 2021 and 31 December 2020 are stated below:

	<u>31 December 2021</u>	<u>31 December 2020</u>
Opening balance	797,060	495,436
Cash flow effect	45,951	(695,892)
Total gain/loss:		
Gains recognized in profit or loss	206,118	997,516
<b>Closing balance</b>	<b>1,049,129</b>	<b>797,060</b>

##### Net off / Offset

The Company signed a Credit Support Annex (CSA) against the default risk of parties in respect of a EUR 300,200 participating cross currency swap transaction executed on 15 July 2016 and restructured respectively on 26 May 2017 and 9 August 2018. Additionally, in the 25 June 2019, The Company signed a new CSA to EUR 40,020 participating cross currency swap transaction. As per the CSA, the swap's current (mark-to-market) value will be determined on the 10th and 24th calendar day of each calendar month, and if the mark-to-market value is positive and exceeds a certain threshold, the bank will be posting cash collateral to the Company which will be equal to an amount exceeding the threshold (i.e. if the mark-to-market value is negative, the Company would be required to post collateral to the bank by an amount exceeding the threshold).

With respect to valuations, on a bi-weekly basis, a transfer will take place between the parties only if the mark-to-market value changes by at least EUR 1,000. Following the execution of CSA, the bank transferred to the Company EUR 293,643 as collateral (31 December 2021: TL 4,430,104) which was the amount exceeding the threshold (EUR 10,000) and the Company transferred EUR 216,043 as collateral to the bank (31 December 2021: TL 3,259,376) which was the amount exceeding the threshold (EUR 10,000). The Company clarified this with the derivative assets included in the statement of financial position because it has the legal right to offset the collateral amount TL 1,170,728 (31 December 2020: 1,121,303) that it recognizes under the borrowings and intends to pay according to the net fair value. This amount was netted from the borrowings and deducted from the derivative instruments in the balance sheet. As of 31 December 2021, if this transaction was not conducted, derivative financial instruments assets, liabilities and borrowings would have been TL 3,167,736, TL (62,737) and TL 10,019,141 respectively.

##### Market risk

The Group uses various types of derivatives to manage market risks. All such transactions are carried out within the guidelines set by the treasury and risk management department. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

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#### 36. Derivative financial instruments (continued)

##### Fair value of derivative instruments and risk management (continued)

###### Currency risk

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of borrowing payments with various maturities at any point in time. The Group uses participating cross currency contracts to hedge its currency risk, mostly with a maturity of over one year from the reporting date. These contracts are generally designated as cash flow hedges.

The Company started to apply hedge accounting as of 1 July 2018 for existing participating cross currency swap and cross currency swap transactions in accordance with IFRS 9 hedge accounting requirement. The Group designates the hedge ratio, between the amount of the hedged item and the hedging instrument is 1:1 to hedge its currency risk.

The time value of options in participating cross currency swap contracts are included in the designation of the hedging instrument and are separately accounted for as a cost of hedging, which is recognized in equity in a cost of hedging reserve. The Group's policy is for the critical terms of the participating cross currency contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instruments and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are;

- The effect of the counterparties' credit risk on the fair value of the swap contracts, which is not part of the hedged risk and associated credit risk considered to be very low at inception in the fair value of the hedged cash flows attributable to the change in exchange rates;

- The entire fair value of the derivative contracts including currency basis was designated as the hedging instrument in cash flow hedge. The hypothetical derivative is modelled to exclude the impact of currency basis.

The Company's future contracts are designated as hedging instruments against the spot foreign exchange rate risk (USD/TL) associated with highly probable device purchases. In this context, the Group started to apply cash flow hedge accounting effective from 23 December 2021. The amount of forward currency contracts associated within this scope amounted to USD 10,131 as of 31 December 2021 Total net financial income after tax recognised under "cash flow hedges" in the statement of other comprehensive income of 2021.

The Company's bank loans are designated as hedging instruments against the spot foreign exchange rate risk (USD/TL) associated with highly probable electricity sales. In this context, the Group started to apply cash flow hedge accounting effective from 10 September 2021. The amount of loans associated within this scope amounted to USD 16,987 as of 31 December 2021. The after tax foreign exchange loss recognised under "cash flow hedges" in the statement of other comprehensive income of 2021.

The Company's lease liabilities are designated as hedging instruments against the spot foreign exchange rate risk (EUR/TL) associated with highly probable EUR telecommunication revenues. In this context, the Group started to apply cash flow hedge accounting effective from 1 October 2021. The amount of lease liabilities associated within this scope amounted to EUR 15,922 as of 31 December 2021. The after tax foreign exchange loss recognised under "cash flow hedges" in the statement of other comprehensive income of 2021.

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#### 36. Derivative financial instruments (continued)

##### Fair value of derivative instruments and risk management (continued)

###### Currency risk (continued)

The Company designated EUR 245,758 of bank loan, as hedging instruments in order to hedge the foreign currency risk arising from the translation of net assets of the subsidiaries operating in Europe from EUR to Turkish Lira. Foreign exchange gains/losses of the related loans are recognized under equity as "gains/(losses) on net investment hedges" in order to offset the foreign exchange gains/(losses) arising from the translation of the net assets of investments in foreign operations to Turkish Lira. The after tax foreign exchange loss recognised under "cash flow hedges" in the statement of other comprehensive income of 2021 in the scope of cash flow hedge amounted to TL 1,246,699 (2020: TL 296,275; 2019: TL 43,203).

###### Interest rate risk

The Group adopts a policy of ensuring that its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using cross currency and interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- The effect of the counterparties' credit risk on the fair value of the swap contracts, which is not part of the hedged risk and associated credit risk considered to be very low at inception in the fair value of the hedged cash flows attributable to the change in interest rates;

###### Cash flow sensitivity analysis for variable-rate instruments

A reasonable potential change of 100 basis points in interest rates and 10% change in foreign exchange currency at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or Loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 December 2021</b>				
Participating cross currency swap contracts	1,199,942	2,230,500	(620,462)	(1,445,257)
Cross currency swap contracts	159,719	(33,859)	(220,694)	(186,611)
<b>Cash Flow sensitivity (net)</b>	<b>1,359,661</b>	<b>2,196,641</b>	<b>(841,156)</b>	<b>(1,631,868)</b>
	Profit or Loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 December 2020</b>				
Participating cross currency swap contracts	1,158,627	849,915	(516,772)	(247,934)
Cross currency swap contracts	49,843	45,528	11,132	12,642
<b>Cash Flow sensitivity (net)</b>	<b>1,208,470</b>	<b>895,443</b>	<b>(505,640)</b>	<b>(235,292)</b>

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## 37. Financial Instruments (continued)

## Credit risk (continued)

## Credit quality:

The maximum exposure to credit risk for trade and subscriber receivables, other assets and cash and cash equivalent arising from sales transactions, including those classified as due from related parties at the reporting date by type of customer is:

Other assets at 31 December 2021 (*)	Not Due	Less Than 30 Days Past Due	Less Than 60 Days Past Due	Less Than 90 Days Past Due	Less Than 120 Days Past Due	Less Than 150 Days Past Due	Less Than 3 years Past Due	Less Than 4 years Past Due	Less Than 5 years Past Due	Total
		Due	Due	Due	Due	Due	Due	Due	Due	
Gross Carrying Amount	25,748,284	324,138	123,488	56,496	38,589	43,037	741,625	380,437	156,598	27,612,692
Loss Allowance	75,924	8,572	5,917	5,401	4,848	5,979	239,104	223,341	68,564	637,650
Contract assets at 31 December 2021	Not Due	Less Than 30 Days Past Due	Less Than 60 Days Past Due	Less Than 90 Days Past Due	Less Than 120 Days Past Due	Less Than 150 Days Past Due	Less Than 3 years Past Due	Less Than 4 years Past Due	Less Than 5 years Past Due	Total
Gross Carrying Amount	1,253,982	-	-	-	-	-	-	-	-	1,253,982
Loss Allowance	6,241	-	-	-	-	-	-	-	-	6,241
Other assets from financial services at 31 December 2021 (**)	Not Due	Less Than 30 Days Past Due	Less Than 60 Days Past Due	Less Than 90 Days Past Due	Less Than 120 Days Past Due	Less Than 150 Days Past Due	Less Than 3 years Past Due	Less Than 4 years Past Due	Less Than 5 years Past Due	Total
Gross Carrying Amount	1,878,048	232,589	20,374	9,861	11,571	5,819	75,940	5,963	4,114	2,244,279
Loss Allowance	12,294	2,163	296	156	5,511	3,142	58,471	5,947	4,114	92,094

(\*\*) Other Assets includes trade receivables and subscriber receivables from financial services.

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## 37. Financial instruments

## Credit risk

## Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

		2021	2020
Trade receivables	20	4,443,371	3,688,248
Contract assets	22	1,247,741	1,100,166
Receivables from financial services	21	2,152,185	1,962,098
Cash and cash equivalents (*)	25	18,628,481	11,860,376
Derivative financial instruments	36	2,131,070	917,437
Other current & non-current assets (**)	24	195,050	124,822
Financial assets at amortized cost	26	4,164	172,363
Financial assets at fair value through other comprehensive income	26	1,427,811	529,610
Due from related parties	40	145,095	16,476
		<b>30,374,968</b>	<b>20,371,596</b>

(\*) Cash in hand is excluded from cash and cash equivalents.

(\*\*) Prepaid expenses, VAT receivable, receivable from the Ministry of Transport and Infrastructure of Turkey and advances given are excluded from other current assets and other non-current assets.

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## 37. Financial instruments (continued)

## Impairment losses

Movements in the provision for impairment of trade receivables, contract assets, other assets and due from related parties are as follows:

	31 December 2021	31 December 2021
	Contract Asset	Other Asset
Opening balance	5,243	627,380
Provision for impairment recognized during the year	998	459,711
Amounts collected	-	(200,225)
Receivables written off during the year as uncollectible	-	(300,405)
Disposal of subsidiaries	-	-
Exchange differences	-	51,189
<b>Closing balance</b>	<b>6,241</b>	<b>637,650</b>

	31 December 2020	31 December 2020
	Contract Asset	Other Asset
Opening balance	4,690	627,578
Provision for impairment recognized during the year	553	452,506
Amounts collected	-	(153,674)
Receivables written off during the year as uncollectible	-	(300,119)
Disposal of subsidiaries	-	(49)
Exchange differences	-	1,138
<b>Closing balance</b>	<b>5,243</b>	<b>627,380</b>

Movements in the provision for impairment of trade receivables, subscriber receivables, other assets and cash and cash equivalents from financial services are as follows:

	31 December 2021	31 December 2020
Opening balance	154,548	163,500
Provision for impairment recognized during the year	66,678	126,246
Amounts collected	(56,000)	(76,036)
Exchange differences	-	(96)
Unused amount reversed (*)	(73,132)	(59,066)
<b>Closing balance</b>	<b>92,094</b>	<b>154,548</b>

(\*) Turkcell Finansman signed a transfer of claim agreement with a debt management company to transfer some of its doubtful receivables stemming from the years 2016 and 2020. Transferred doubtful receivables comprise of balances that Turkcell Finansman started legal proceedings for.

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## 37. Financial instruments (continued)

## Credit risk (continued)

## Credit quality (continued):

Other assets at 1 January 2021 (*)	Not Due		Less Than 30 Days Past Due		Less Than 60 Days Past Due		Less Than 90 Days Past Due		Less Than 120 Days Past Due		Less Than 150 Days Past Due		Less Than 3 years Past Due		Less Than 4 years Past Due		Less Than 5 years Past Due		Total
Gross Carrying Amount	16,188,078	-	296,758	-	62,726	-	45,682	-	36,112	-	31,368	-	727,462	-	290,736	-	257,790	-	17,936,712
Loss Allowance	71,273	-	5,042	-	3,148	-	3,726	-	5,334	-	5,947	-	250,393	-	163,799	-	118,718	-	627,380

(\*) Other Assets includes trade receivables, subscriber receivables, derivative financial instruments, financial assets, other assets, cash and cash equivalent and due from related parties.

Contract assets at 1 January 2021	Not Due		Less Than 30 Days Past Due		Less Than 60 Days Past Due		Less Than 90 Days Past Due		Less Than 120 Days Past Due		Less Than 150 Days Past Due		Less Than 3 years Past Due		Less Than 4 years Past Due		Less Than 5 years Past Due		Total
Gross Carrying Amount	1,105,409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,105,409
Loss Allowance	5,243	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,243

(\*\*) Other Assets includes trade receivables and subscriber receivables from financial services.

Other assets from financial services at 1 January 2021 (**)	Not Due		Less Than 30 Days Past Due		Less Than 60 Days Past Due		Less Than 90 Days Past Due		Less Than 120 Days Past Due		Less Than 150 Days Past Due		Less Than 3 years Past Due		Less Than 4 years Past Due		Less Than 5 years Past Due		Total
Gross Carrying Amount	1,798,720	-	109,724	-	22,023	-	8,714	-	7,021	-	6,044	-	157,821	-	5,479	-	1,100	-	2,116,646
Loss Allowance	11,483	-	1,192	-	407	-	204	-	3,483	-	3,146	-	128,084	-	5,449	-	1,100	-	154,548

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#### 37. Financial instruments (continued)

##### Foreign exchange risk

The Group's exposure to foreign exchange risk at the end of the reporting period, based on notional amounts, was as follows:

	31 December 2021		
	USD	EUR	RMB
<b>Foreign currency denominated assets</b>			
Other non-current assets	188	11	-
Financial asset at fair value through other comprehensive income	85,029	16,453	-
Due from related parties - current	-	13	-
Trade receivables and contract assets	14,729	20,135	-
Other current assets	10,297	5,931	14,079
Cash and cash equivalents	814,899	141,110	71,600
	<b>925,142</b>	<b>183,653</b>	<b>85,679</b>
<b>Foreign currency denominated liabilities</b>			
Loans and borrowings - non-current	(302,607)	(504,992)	(344,052)
Debt securities issued - non-current	(942,374)	-	-
Lease obligations - non-current	(3,460)	(16,829)	-
Other non-current liabilities	(56,888)	-	-
Loans and borrowings - current	(89,379)	(205,687)	(102,395)
Debt securities issued - current	(55,938)	-	-
Lease obligations - current	(2,589)	(3,274)	-
Other current liabilities	(953)	(8,752)	-
Trade and other payables - current	(96,236)	(17,010)	(363,670)
Due to related parties	-	(305)	-
	<b>(1,550,424)</b>	<b>(756,849)</b>	<b>(810,117)</b>
Financial liabilities defined as hedging instruments	16,987	261,680	-
<b>Exposure related to derivative instruments</b>			
Participating cross currency swap and FX swap contracts	244,583	32,022	167,476
Currency forward contracts	517,242	-	-
<b>Net exposure</b>	<b>153,530</b>	<b>(279,494)</b>	<b>(556,962)</b>

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#### 37. Financial instruments (continued)

##### Liquidity risk

The table below analyses the Group's financial liabilities by considering relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- gross settled derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows,

Non-derivative financial liabilities	31 December 2021													
	Carrying Amount	Contractual cash flows	6 months or less	6-12 Months	1-2 years	2-5 years	More than 5 years	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Secured bank loans	512,879	(529,928)	(122,908)	(121,959)	(145,849)	(139,212)	-	295,804	(306,496)	(91,265)	(54,792)	(107,483)	(52,956)	(1,026,662)
Unsecured bank loans	19,950,956	(21,656,278)	(5,169,649)	(1,850,068)	(3,428,360)	(9,688,566)	(11,829,178)	11,829,178	(12,828,540)	(3,040,325)	(1,136,973)	(2,197,659)	(5,426,921)	(4,202,456)
Debt securities issued	13,408,433	(17,479,087)	(489,609)	(384,875)	(769,750)	(8,590,541)	(7,244,312)	7,862,554	(10,044,816)	(264,517)	(211,957)	(423,914)	(4,941,992)	(840,807)
Lease liabilities	2,905,865	(4,593,322)	(693,003)	(569,289)	(725,070)	(1,273,652)	(1,332,308)	2,098,886	(3,210,148)	(480,282)	(360,908)	(540,721)	(987,430)	-
Trade and other payables*	4,615,606	(4,812,238)	(4,808,900)	(3,338)	-	-	-	3,467,338	(3,611,158)	(3,609,779)	(430)	(949)	-	-
Due to related parties	65,156	(87,294)	(87,294)	-	-	-	-	40,355	(40,355)	(40,355)	-	-	-	-
Consideration payable in relation to acquisition of Best and Boyut Enerji (Note 29)	761,536	(1,339,566)	-	-	(6,665)	(73,310)	(1,259,591)	475,879	(734,050)	-	-	-	(24,382)	(709,668)
<b>Derivative financial liabilities</b>														
Participating Cross Currency Swap and FX swap contracts	71,325	159,206	20,366	19,747	20,922	98,171	-	119,111	(266,863)	(44,853)	(46,645)	(70,212)	(101,591)	(2,562)
Buy	-	2,633,924	286,409	287,361	599,556	1,520,798	-	-	3,077,236	792,428	363,174	579,502	1,055,551	286,581
Sell	-	(2,474,718)	(266,043)	(267,614)	(518,434)	(1,422,627)	-	-	(3,343,099)	(837,281)	(409,819)	(649,714)	(1,157,142)	(289,143)
<b>TOTAL</b>	<b>42,291,756</b>	<b>(50,318,507)</b>	<b>(11,350,997)</b>	<b>(2,909,782)</b>	<b>(5,054,772)</b>	<b>(19,667,110)</b>	<b>(11,335,846)</b>	<b>25,785,685</b>	<b>(31,143,819)</b>	<b>(7,673,769)</b>	<b>(1,811,705)</b>	<b>(3,340,938)</b>	<b>(11,535,272)</b>	<b>(6,782,135)</b>

\* Advances received, license fee accruals, taxes and withholding taxes payable are excluded from trade and other payables.

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#### 37. Financial instruments (continued)

##### Foreign exchange risk (continued)

	31 December 2020		
	USD	EUR	RMB
<b>Foreign currency denominated assets</b>			
Other non-current assets	69	11	-
Financial asset at fair value through other comprehensive income	8,848	64,956	-
Due from related parties - current	-	-	-
Trade receivables and contract assets	13,234	15,239	-
Other current assets	11,769	3,737	-
Cash and cash equivalents	1,061,644	85,856	4,801
	<b>1,095,564</b>	<b>169,799</b>	<b>4,801</b>
<b>Foreign currency denominated liabilities</b>			
Loans and borrowings - non-current	(342,930)	(543,680)	(160,398)
Debt securities issued - non-current	(940,137)	-	-
Lease obligations - non-current	(6,822)	(17,000)	-
Other non-current liabilities	(64,829)	-	-
Loans and borrowings - current	(85,526)	(244,057)	(92,931)
Debt securities issued - current	(55,938)	-	-
Lease obligations - current	(721)	(3,598)	-
Trade and other payables - current	(174,039)	(23,944)	(487,738)
Due to related parties	-	(11)	-
	<b>(1,670,942)</b>	<b>(832,290)</b>	<b>(741,067)</b>
Financial liabilities defined as hedging instruments	-	164,634	-
<b>Exposure related to derivative instruments</b>			
Participating cross currency swap and FX swap contracts	440,036	535,939	190,421
Currency forward contracts	256,118	-	-
<b>Net exposure</b>	<b>120,776</b>	<b>38,082</b>	<b>(545,845)</b>

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#### 37. Financial instruments (continued)

##### Exposure to currency risk

##### Sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies, the analysis excludes net foreign currency investments.

A 10% strengthening/weakening of the TL, UAH, BYN, EUR against the following currencies as at 31 December 2021 and 31 December 2020 would have increased/(decreased) profit or loss before by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Sensitivity analysis				
31 December 2021				
	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
1- USD net asset/liability	191,136	(191,136)	-	-
2- Hedged portion of USD risk (-)	-	-	17,218	(20,995)
<b>3- USD net effect (1+2)</b>	<b>191,136</b>	<b>(191,136)</b>	<b>17,218</b>	<b>(20,995)</b>
4- EUR net asset/liability	(421,664)	421,664	-	-
5- Hedged portion of EUR risk (-)	-	-	24,020	(24,020)
<b>6- EUR net effect (4+5)</b>	<b>(421,664)</b>	<b>421,664</b>	<b>24,020</b>	<b>(24,020)</b>
7- Other foreign currency net asset/liability (RMB)	(116,071)	116,071	-	-
8- Hedged portion of other foreign currency risk (-) (RMB)	-	-	(1,960)	1,960
<b>9- Other foreign currency net effect (7+8)</b>	<b>(116,071)</b>	<b>116,071</b>	<b>(1,960)</b>	<b>1,960</b>
<b>Total (3+6+9)</b>	<b>(346,599)</b>	<b>346,599</b>	<b>39,278</b>	<b>(43,055)</b>

Sensitivity analysis				
31 December 2020				
	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
1- USD net asset/liability	88,656	(88,656)	-	-
2- Hedged portion of USD risk (-)	-	-	(14,984)	14,984
<b>3- USD net effect (1+2)</b>	<b>88,656</b>	<b>(88,656)</b>	<b>(14,984)</b>	<b>14,984</b>
4- EUR net asset/liability	34,304	(34,304)	-	-
5- Hedged portion of EUR risk (-)	-	-	(79,669)	79,669
<b>6- EUR net effect (4+5)</b>	<b>34,304</b>	<b>(34,304)</b>	<b>(79,669)</b>	<b>79,669</b>
7- Other foreign currency net asset/liability (RMB)	(61,036)	61,036	-	-
8- Hedged portion of other foreign currency risk (-) (RMB)	-	-	(192)	192
<b>9- Other foreign currency net effect (7+8)</b>	<b>(61,036)</b>	<b>61,036</b>	<b>(192)</b>	<b>192</b>
<b>Total (3+6+9)</b>	<b>61,924</b>	<b>(61,924)</b>	<b>(94,845)</b>	<b>94,845</b>



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#### 37. Financial instruments (continued)

##### Interest rate risk

As at 31 December 2021 and 2020 the interest rate profile of the Group's variable rate interest-bearing financial instruments was:

	Note	31 December 2021		31 December 2020	
		Effective Interest Rate	Carrying Amount	Effective interest rate	Carrying Amount
<b>Variable rate instruments</b>					
USD floating rate loans	30	3.1%	(3,999,264)	3.2%	(2,644,049)
EUR floating rate loans	30	2.3%	(9,188,487)	2.2%	(5,660,654)

##### Sensitivity analysis

##### Cash flow sensitivity analysis for variable rate instruments:

An increase/decrease of interest rates by 100 basis points would have (decreased)/increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis at 31 December 2021 and 2020:

	Profit or loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>31 December 2021</b>				
Variable rate instruments (financial liability)	(103,782)	103,782	-	-
Cash flow sensitivity (net)	<b>(103,782)</b>	<b>103,782</b>	-	-
<b>31 December 2020</b>				
Variable rate instruments (financial liability)	(23,510)	23,510	-	-
Cash flow sensitivity (net)	<b>(23,510)</b>	<b>23,510</b>	-	-

##### Fair values

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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#### 37. Financial instruments (continued)

##### Fair values (continued)

##### Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurement of contingent consideration.

	Fair value at		Unobservable Inputs	Inputs		Relationship of unobservable inputs to fair value
	31 December 2021	31 December 2020		31 December 2021	31 December 2020	
Contingent consideration	758,261	475,879	Risk-adjusted discount rate	6.8%-8.0%	4.3%-5.6%	An increase/decrease in the discount rate by 100 bps would change FV by TL (51,092) and TL 55,485, respectively. If expected settlement date extended/shortened by 1-year, FV would change by TL (53,167) and TL 57,145, respectively.
			Expected settlement date	in instalments between 2026-2031	in instalments between 2025-2030	

Changes in the consideration payable in relation to acquisition of BeST for the years ended 31 December 2021 and 31 December 2020 are stated below:

	2021	2020
Opening balance	475,879	359,554
Losses recognized in profit or loss	282,382	116,325
<b>Closing balance</b>	<b>758,261</b>	<b>475,879</b>

##### Financial assets:

Carrying values of a significant portion of financial assets do not differ significantly from their fair values due to their short-term nature. Fair values of financial assets are presented in Note 26.

##### Financial liabilities:

As at 31 December 2021 and 31 December 2020; for the majority of the borrowings, the fair values are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The carrying amounts and fair values of non-current borrowings and current portion of non-current borrowings are as follows:

	Carrying amount	Fair value
<i>As at 31 December 2021:</i>		
Bank loans	16,696,250	16,622,479
Debt securities	13,306,495	13,233,743
<i>As at 31 December 2020:</i>		
Bank loans	4,615,559	4,646,152
Debt securities	7,311,688	7,949,084

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#### 37. Financial instruments (continued)

##### Fair values (continued)

##### Financial liabilities (continued):

Fair value of cash and cash equivalents and debt securities issued are classified as level 1 and fair value of other financial assets and liabilities are classified as level 2.

#### 38. Guarantees and purchase obligations

At 31 December 2021, outstanding purchase commitments with respect to property, plant and equipment, inventory, advertising and sponsorship amount to TL 1,311,359 (31 December 2020: TL 840,208). Payments for these commitments will be made within 4 years.

The Group is contingently liable in respect of letters of guarantee obtained from banks and given to public institutions and private entities, and financial guarantees provided to subsidiaries amounting to TL 6,936,046 at 31 December 2021 (31 December 2020: TL 4,146,811).

#### 39. Commitments and Contingencies

The following disclosures comprise of material lawsuits and investigations against the Company.

##### Disputes on Special Communication Tax and Value Added Tax

##### *Disputes on SCT for the year 2011*

The Large Taxpayers Office levied Special Communication Tax (SCT) and tax penalty on the Company as a result of the Tax Investigation for the year 2011. The Company filed lawsuits for the cancellation of the notification regarding the aforementioned SCT assessment. The court partially accepted and partially rejected the cases and the parties appealed the decisions regarding the parts against them. The Large Taxpayers Office has collected TL 80,355 calculated for the parts against the Company for the assessment of the SCT for the year 2011 by offsetting the receivables of the Company from Public Administrations. While the cases are pending before the court of appeal the Company filed application for the restructuring as per Law no. 6736. The tax Office has rejected the application. The Company has also filed a case for the cancellation of aforementioned rejection act of the Tax Office. In this case, with the decision that notified to the Company on 14 April 2020, the Council of State decided to cancel the rejection act regarding the application for the restructuring. The Large Taxpayers Office and Ministry of Treasury and Finance appealed the decision. The Company replied the appeal request in due time. As a result of the appeal process, The Council of State Plenary Session of the Tax Law Chambers, approved the first instance court decision in favor of the Company with its definitive judgment. Thus, the case was finalized in favor of the Company, the assessment of the SCT for the year 2011 was structured within the scope of Law No. 6736 and 47,534 TL overpaid amount was returned to the Company in 2021 by deduction from the debts of the Company to the State.

In the cases regarding the cancellation of the SCT assessment for the year 2011, Council of State accepted the appeal and decided to reverse the first instance court decisions in favor of the Company, on the ground that; in the case filed for the cancellation of the rejection act regarding the request to restructure the cases filed for the year 2011, the court decided in favor of the Company and since the mentioned case will affect these cases, finalization of the respective decision should be waited. The Large Taxpayers Office applied for the correction of the decisions. The Company replied to application for the correction of the decisions. The Council of State, rejected the correction of decision requests of the Large Taxpayers Office, in favor of the Company. In 2021, The Court decided there is no need to make ruling regarding the essence of the cases, due to the fact that the amount of the SCT assessment for the year 2011, which are the subject of the lawsuit, was structured within the scope of the Law No. 6736.

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#### 39. Commitments and Contingencies (continued)

##### Disputes regarding the Law on the Protection of Competition

The investigation initiated by the Competition Board with respect to the practices of the Company regarding the distributors and their dealers in the distribution network. As a result of the investigation the Competition Board rejected the claims that Turkcell determined the resale price. But with the same decision, The Competition Board decided to apply administrative fine on the Company amounting to TL 91,942, on the ground that the Company forced its sub dealers to actual exclusivity. The Company filed a lawsuit on 8 December 2011 for the stay of execution and cancellation of the aforementioned Board decisions regarding the parts against itself. The Court rejected the case. The Company appealed the decision, but the Council of State Plenary Session of the Chambers for Administrative Cases decided to approve the first instance court's decision. The Company made an individual application to the Constitutional Court, against the respective decision within due time. The Constitutional Court process is pending.

Also, the Large Taxpayers Office issued a payment order regarding the aforementioned administrative fine. The Company has not made any payments and filed a lawsuit for the stay of execution and cancellation of the payment order. The Court accepted the case. The Large Taxpayers Office appealed the decision. As a result of the appeal process, due to the reverse decision of the Council of State about the first instance court decision, the case file was sent to the first instance court. The Court rejected the case. The Company appealed the decision. The appeal process is pending.

Three private companies filed a lawsuits against the Company in relation with this case claiming in total of TL 112,084 together with up to 3 times of the loss amount to be determined by the court for its material damages by reserving its rights for surpluses allegedly. Among these cases, in the case filed for the compensation of total TL 110,484 material damages together with compensation amounting to three times of the damage and interest, the court decided to reject the case in favor of the Company, at the hearing on 12 June 2019. The plaintiff appealed the case before Regional Court of Justice. The Regional Court of Justice decided to revoke the decision of the first instance court, stating that a new decision should be made after the procedural actions within the scope of the file were re-executed and the expert report was received. The expert report has been submitted to its file, and the Company has submitted its statements and objections regarding the report in due time. In accordance with our objections, The Court decided to obtain an expert report from a new expert committee, mentioning that there was a clear contradiction between the expert reports in the case. Whole cases are pending.

On the other hand, a lawsuit was filed by a third party, for the cancellation of the part of the aforementioned Competition Board decision, regarding the rejection of the claims that Turkcell determined the resale price. The Council of State cancelled this part of the aforementioned Competition Board decision. Thereafter Competition Board launched a new investigation and as a result of it the Competition Board decided to apply administrative fine amounting to TL 91,942 on the Company. The Company has taken all legal actions by requesting the cancellation of the aforementioned decision and its withdrawal by the Competition Authority. The Competition Authority accepted some of the objections of the Company and reduced the administrative fine to TL 61,294 with its decision.

The aforementioned fine that amount of TL 61,294 was paid with twenty five percent discount on 9 April 2020, in the amount of TL 45,971. Then, a lawsuit was filed on 10 April 2020 for cancellation of the aforementioned administrative fine. The hearing was held on 19 January 2021 in this case. The Court rejected the case. The company appealed the case before Regional Administrative Court. The Regional Administrative Court rejected the appeal request. The Company appealed the decision in due time. The appeal process is pending.

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#### 39. Commitments and Contingencies (continued)

##### Ministry of Commerce Administrative Fine

As a result of the investigation conducted by the Ministry of Commerce for the year 2015, against the Company due to the alleged violation on distance contracts, hire purchase agreements and subscriber agreements, Ministry of Commerce imposed an administrative fine in the amount of TL 138,173. The Company filed a lawsuit for the cancellation of the related transactions. The Court accepted the case in favor of the Company and cancelled the administrative fine. Istanbul Governorship appealed the decision before Regional Administrative Court. Regional Administrative Court rejected the appeal request in favor of the Company. Istanbul Governorship appealed the decision before the Council of State. The Company replied this request in due time. As a result of the appeal process, the Council of State decided to reverse the Regional Administrative Court's decision and decided to send the case file to the Regional Administrative Court to redecide after having an expert examination. The Regional Administrative Court decided to abide the Council of State's decision and conduct an expert examination on the file. The expert report has been submitted to the case file. Statements and objections regarding the report were submitted to the case file due time. While the trial was pending, an application was made to the Istanbul Governorship Provincial Directorate of Commerce on 28 September 2021 for the administrative fine of TL 138,173, which was imposed by the Governorship of Istanbul and whose cancellation was requested in the file case, restructured with a cash payment option within the scope of Article 3 of the Law No.

7326, titled "Receivables that are not finalized or are in the litigation phase". Thus, the administrative fine amounting to TL 138,173 restructured by paying TL 51,815 on 1 November 2021 and the lawsuit was finalized. The Regional Administrative Court decided there is no need to make ruling regarding the essence of the case, due to waiving the case according to the Law No. 7326.

##### ICTA Investigation Regarding the R&D Obligations (Period of 2013-2016)

ICTA initiated an investigation on the obligation of investing to products in electronic communication network and communication services, partly from suppliers which have a R&D center in Turkey; partly from the products manufactured in Turkey by SME suppliers which are established to develop products or systems in Turkey; and partly from products that are certified to be domestic goods within the framework of the relevant legislation. As a result of the investigation ICTA has decided to imposed an administrative fine of TL 18,031 to Turkcell. The administrative fine notified to Turkcell on 29 January 2021 and was paid on 26 February 2021 as TL 13,523 with taking on the account the early payment discount (1/4). The Company filed totally ten different lawsuits for the cancellation of the administrative fines. The cases are pending.

##### ICTA Investigation Regarding the R&D Obligations (Period of 2016-2017)

ICTA initiated an investigation on the obligation of investing to products in electronic communication network and communication services, partly from suppliers which have a R&D center in Turkey; partly from the products manufactured in Turkey by SME suppliers which are established to develop products or systems in Turkey; and partly from products that are certified to be domestic goods within the framework of the relevant legislation. As a result of the investigation ICTA has decided to imposed an administrative fine of TL 31,139 to Turkcell. The administrative fine notified to Turkcell on 29 January 2021 and was paid on 26 February 2021 as TL 23,354 with taking on the account the early payment discount (1/4). The Company filed totally seven different lawsuits for the cancellation of the administrative fines. The cases are pending.

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#### 39. Commitments and Contingencies (continued)

##### ICTA Investigation on Service Outage during the Ramadan Feast

As a result of the investigation carried out by the ICTA in order to examine whether the obligations arising from the relevant legislation regarding service interruptions during the Ramadan Feast are fulfilled; ICTA decided to impose an administrative fine of TL 3,156 to Turkcell. The administrative fine, which has been notified to Turkcell on 07 September 2021, was paid on 6 October 2021 as a total sum of 2,367 TL (with a discount of 25%) by taking advantage of the early payment discount. After notification of the Board Decision to the Company, the Company applied to ICTA with the demand of withdraw of the Board Decision. The application of the Company was tacitly rejected by ICTA.

##### ICTA – Doubling Campaign

ICTA decided to impose an administrative fine of TL 25,246 to Turkcell as a result of the inspection carried out on the grounds that the fee increases in the Doubling Campaign and notification made in this context were contrary to the relevant legislation. The administrative fine, which was notified to Turkcell on 07 September 2021, was paid on 6 October 2021 as a total sum of TL 18,934 (with a discount of 25%) by taking advantage of the early payment discount. After notification of the Board Decision to the Company, the Company applied to ICTA with the demand of withdraw of the Board Decision. The application of the Company was tacitly rejected by ICTA.

##### Other ongoing lawsuits and tax investigations

In 2019, JSC Kazakhtelecom initiated arbitration proceedings against the Company related to its acquisition of JSC Kcell shares, which was subsidiary of the Fintur. The total claim against Turkcell and other shareholder Telia Company A.B. amounts to TL 549,000 (USD 66,000) plus interest, of which Turkcell's share amounts to TL 157,000 (USD 19,000) under the scope of agreements signed by parties. On the other hand, JSC Kazakhtelecom has initiated another arbitration case against the Company and

Telia Company A.B. with the claim of indemnification due to revocation of a frequency license. A settlement agreement has been signed between the parties for both arbitration cases and JSC Kazakhtelecom waived both arbitration proceedings with the payment of the settlement fee. In 2021, the total amount paid by our Company as the settlement fee is TL 51,894 (USD 6,201)

Probability of an outflow of resources embodying economic benefits for 2018 and 2019 fiscal years with regards to notification of Information and Communication Technologies Authority for radio fee related to 2018 fiscal year was considered by the Company management. In this respect, TL 128,429 was paid in November 2019 by reserving our right to take legal actions and legal actions were taken for 2018 fiscal year. The lawsuits are pending. On the other hand, additional TL 13,465 for 2018/December was paid with reservation on 29 January 2021 with regards to notification of Information and Communication Technologies Authority for the same reason.

Closing minutes have been signed in 2021 fiscal year for treasury share investigation related with first and second quarter of 2021 fiscal year and third and fourth quarter of 2020 fiscal year. Closing minute has been signed for treasury share investigation related with third quarter of 2021 fiscal year on 10 January 2022.

In addition, following tax investigations which were started previous periods (i) transactions for 2017 fiscal year regarding SCT, (ii) 2018 fiscal year transactions regarding SCT, Corporate Income Tax and Value Added Tax. As a result of the investigations, Company has been imposed tax assessment. Company's Board of Directors resolved that our Company shall benefit from restructuring provisions as per the Law No. 7326. The process was completed upon payment of TL 257,783 by our Company on 1 November, 2021.

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#### 39. Commitments and Contingencies (continued)

##### Other ongoing lawsuits and tax investigations (continued)

In addition, in accordance with the "Contract for the Establishment and Operation of Mobile Communication Infrastructure Service in Settlements Without Mobile Coverage" signed with the Ministry of Transport and Infrastructure, since the fees reflected to the Ministry should be subject to special communication tax and assessment has been made for the 2015 and 2016 periods. Application has been made for the assessment on 11 December 2020 to benefit for the structuring provisions of the Law No.7256 and the application has been approved. In this context, TL 51,174 was paid on 1 March 2021 in advance.

On the other hand, mobile payment services provided by Turkcell Odeme were investigated within the scope of the Law No. 6493 and secondary legislation issued pursuant to this Law. As a result of the investigation, an administrative fine was imposed on Turkcell Odeme in the amount of TL 18,763. Turkcell Odeme filed a lawsuit for the cancellation of the aforementioned administrative fine. The hearing was held on 30 December 2020 in this case. The Court decided to accept the case in favor of the Company and cancelled the administrative fine subject to the case. The defendant appealed the decision before the Regional Administrative Court. The Company replied this appeal request in due time. The appeal process is pending.

While this case was ongoing, the Tax Office sent a payment order for collection of the aforementioned administrative fine. Turkcell Odeme filed a lawsuit for the cancellation of the payment order. The Court accepted the case and cancelled the payment order. Tax office appealed the decision before the Regional Administrative Court. The Company replied this appeal request in due time. The Regional Administrative Court, rejected the appeal request of the Tax Office in favor of the Company. The defendant appealed the decision before the Council of State. The Company replied this request in due time. The appeal process is pending.

Based on the management opinion, an outflow of resources embodying economic benefits is deemed as probable on some of the aforementioned lawsuits and investigations, thus, TL 53,603 provision is recognized in the consolidated financial statements as at and for the period ended 31 December 2021 (31 December 2020: TL 242,521).

#### 40. Related parties

Due to the change of the ultimate parent, the Group reevaluated the related party entities and reflected the transactions on 31 December 2021 financial statements.

##### Transactions with key management personnel

Key management personnel comprise the Group's members of the Board of Directors and chief officers.

There are no loans to key management personnel as of 31 December 2021 and 2020.

The Group provides additional benefits to key management personnel and contributions to retirement plans based on a pre-determined ratio of compensation.

	31 December 2021	31 December 2020	31 December 2019
Short-term benefits	89,692	86,478	78,775
Long-term benefits	1,091	1,085	653
Termination benefits	182	6,548	56,720
Share based payments	-	5,760	6,247
	<b>90,965</b>	<b>99,871</b>	<b>142,395</b>

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#### 40. Related parties (continued)

The following transactions occurred with related parties:

	2021	2020	2019
<b>Revenue from related parties</b>			
Enerji Piyasaları İşletme A.S. ("EPIAS") (**)	201,611	23,737	-
Türk Hava Yolları A.S. ("THY") (**)	73,767	14,374	-
Ziraat Bankası (**)	47,944	10,285	-
Türksat Uydu Haberleşme Kablo TV ve İşletme A.S. ("Türksat") (**)	39,732	10,408	-
Güneş Express Havacılık A.S. ("Sun Express") (**)	16,607	2,867	-
Türkiye Vakıflar Bankası TAO ("Vakıfbank") (**)	14,633	6,234	-
Borsa İstanbul A.S. ("BİST") (**)	11,724	3,458	-
Türkiye Hayat ve Emeklilik A.S.	10,479	-	-
Türkiye Halk Bankası A.S. ("Halkbank") (**)	8,225	2,296	-
Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.S. ("TOGG")	5,407	-	-
Ziraat Katılım Bankası A.S. ("Ziraat Katılım") (**)	3,238	-	-
Kredi Kayıt Bürosu A.S. ("KKB") (**)	2,931	657	-
Türkiye Sigorta A.S.	2,050	-	-
Sofra Kurumsal ve Odullendirme Hizmetleri A.S. ("Sofra")	1,006	1,221	-
Posta ve Telgraf Teskilatı A.S. ("PTT") (**)	161	870	-
Sonera Holding	-	-	772,436
Kyivstar GSM JSC ("Kyivstar") (*)	-	-	27,050
Telia Carrier Germany GmbH ("Telia Carrier")	-	-	12,934
Vimpelcom OJSC ("Vimpelcom") (*)	-	-	6,191
Other	12,457	6,206	7,004
	<b>451,972</b>	<b>82,613</b>	<b>825,615</b>

##### Related party expenses

	2021	2020	2019
EPIAS (**)	864,464	80,689	-
Türksat (**)	57,521	14,023	-
Sofra	28,918	25,477	8,874
Boru Hatları İle Petrol Tasıma A.S. ("BOTAS") (**)	19,290	3,654	-
PTT (**)	14,340	1,682	-
Kyivstar (*)	-	-	40,210
Telia Carrier	-	-	7,503
Vimpelcom (*)	-	-	1,228
Wind Telecomunicazioni S.P.A. ("Wind") (*)	-	-	274
Türkcell Vakfı	-	-	-
Other	15,653	2,071	2,000
	<b>1,000,186</b>	<b>127,596</b>	<b>60,089</b>

(\*) Transactions with Vimpelcom, Kyivstar and Wind include transactions until 18 June 2019.

(\*\*) Transactions with related parties through TVF BTİH include transactions as of 22 October 2020 and onwards.

## TURKCELL ILETISIM HIZMETLERI A.S.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 40. Related parties (continued)

Details of the financial assets and liabilities with related parties as of 31 December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Banks - Time deposits	7,720,468	6,713,484
Banks - Demand deposits	154,291	106,799
Other cash and cash equivalents	-	8,354
Bank borrowings	(762,613)	(55,902)
Debt securities issued	(101,938)	(50,866)
Lease liabilities	(97,336)	(65,577)
	<b>6,912,872</b>	<b>6,656,292</b>

As of 31 December 2021, the amount of letters of guarantee given to the related parties is TL 97,135 (31 December 2020: 67,455).

Details of the time deposits at related parties as of 31 December 2021 are as follows:

	31 December 2021	31 December 2020
Ziraat Bankasi	2,681,804	2,338,812
Halkbank	2,432,802	1,904,505
Vakifbank	2,205,630	2,307,202
Ziraat Katilim	400,168	162,965
Other	64	-
	<b>7,720,468</b>	<b>6,713,484</b>

Amount in Original Currency	Currency	Effective Interest Rate	Maturity	31 December 2021
450,526	USD	1.3%	January 2022	6,005,059
67,510	EUR	0.3%	January 2022	1,018,502
695,808	TL	26.2%	January 2022	695,808
58	GBP	0.2%	January 2022	1,042
11	BYR	2.6%	January 2022	57
				<b>7,720,468</b>

Details of the bank borrowings at related parties as of 31 December 2021 are as follows:

Principle Amount	Currency	Effective Interest Rate	Maturity	31 December 2021
533,837	TL	14.8%-15.8%	January-February 2022	537,564
119,460	TL	19.2%-20.1%	January 2022	120,853
49,998	RMB	4.9%	February 2022	104,196
				<b>762,613</b>

Details of the debt securities issued at related parties as of 31 December 2021 are as follows:

Principal Amount	Currency	Effective Interest Rate	Maturity	31 December 2021
100,000	TL	16.3%	March 2022	101,938
				<b>101,938</b>

## TURKCELL ILETISIM HIZMETLERI A.S.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 40. Related parties (continued)

Details of the lease liabilities at related parties as of 31 December 2021 are as follows:

Currency	Effective Interest Rate	Payment Period	31 December 2021
EUR	0.1% - 3.7%	2022-2024	82,952
TL	11.7% - 32.0%	2022-2026	14,384
			<b>97,336</b>

#### Interest income from related parties:

	2021	2020	2019
Halkbank	150,389	32,762	-
Vakifbank	97,296	27,509	-
Ziraat Bankasi	88,334	33,838	-
Other	2,255	1,611	-
	<b>338,274</b>	<b>95,720</b>	-

#### Interest expense to related parties:

	2021	2020	2019
Vakifbank	17,889	-	-
Ziraat Bankasi	4,831	1,736	-
Halk Varlik Kiralama A.S.	3,644	1,968	-
Ziraat Yatirim Menkul Degerler A.S.	33	506	-
Other	95	65	-
	<b>26,492</b>	<b>4,275</b>	-

Revenue from related parties are generally related to telecommunication, call center and other miscellaneous services. Transactions between the Group and EPIAS are related to the energy services; transactions between the Group and Sofra are related to meal coupon services; transactions between the Group and BOTAS are related to infrastructure services; transactions between the Group and Halkbank, Ziraat Bankasi and Vakifbank are related to banking services; transactions between the Group and PTT are related to cargo transportation; transactions between the Group and Turksat are related to telecommunication services and transactions between the Group and BIST are related to stock market services. Receivables from related parties are not collateralized.

## TURKCELL ILETISIM HIZMETLERI A.S.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 41. Subsidiaries

The Group's ultimate parent company is TVF, while subsidiaries, associates and a joint venture of the Company as at 31 December 2021 and 31 December 2020 are as follows:

Subsidiaries Name	Country of Incorporation	Business	Effective Ownership Interest	
			31 December 2021 (%)	31 December 2020 (%)
Turktell	Turkey	Information technology, value added GSM services and entertainment investments	100	100
Turkcell Superonline	Turkey	Telecommunications, television services and content services	100	100
Turkcell Dijital (*)	Turkey	Digitalization services and products	100	-
Turkcell Satis	Turkey	Sales, delivery and digital sales services	100	100
Turkcell Teknoloji	Turkey	Research and development	100	100
Turkcell Gayrimenkul	Turkey	Property investments	100	100
Turkcell Enerji	Turkey	Electricity energy trade and wholesale and retail electricity sales	100	100
Boyut Enerji	Turkey	Electricity energy trade and wholesale and retail electricity sales	100	-
Turkcell Finansman	Turkey	Consumer financing services	100	100
Turkcell Sigorta	Turkey	Insurance agency activities	100	100
Turkcell Odeme	Turkey	Payment services and e-money license	100	100
Lifecell Dijital Servisler	Turkey	Development and providing of digital services and products	100	100
Lifecell Bulut	Turkey	Cloud solutions services	100	100
Lifecell TV	Turkey	Online radio, television and on-demand streaming services	100	100
Lifecell Muzik	Turkey	Radio, television and on-demand streaming services	100	100
Global Tower	Turkey	Telecommunications infrastructure business	100	100
Atmosware Teknoloji(**)	Turkey	Develop software products and services, training software developers	100	-
UkrTower	Ukraine	Telecommunications infrastructure business	100	100
Beltower	Republic of Belarus	Telecommunications infrastructure business	100	100
Eastasia	Netherlands	Telecommunications investments	100	100
Kibris Telekom	Turkish Republic of Northern Cyprus	Telecommunications	100	100
Lifecell Digital	Turkish Republic of Northern Cyprus	Telecommunications	100	100
Turkcell Global Bilgi	Turkey	Customer relations and human resources management	100	100
Global LLC	Ukraine	Customer relations management	100	100
Rehberlik	Turkey	Directory assistance	100	100
Lifecell Ventures	Netherlands	Telecommunications investments	100	100
lifecell	Ukraine	Telecommunications	100	100
Paycell LLC	Ukraine	Mobile payments services	100	100
Turkcell Europe	Germany	Telecommunications	100	100
Yaani	Netherlands	Internet search engine and browser services	100	100
BiP B.V.	Netherlands	Providing digital services and products	100	100
BiP A.S.	Turkey	Providing digital services and products	100	100
Beltel	Turkey	Telecommunications investments	100	100
BeST	Republic of Belarus	Telecommunications	80	80
Lifetech	Republic of Belarus	Information technology, programming and technical support	80	80
Associates Name	Country of Incorporation	Business	31 December 2021 (%)	31 December 2020 (%)
TOGG	Turkey	Electric passenger car development, production and trading activities	23	19
Joint Venture Name	Country of Incorporation	Business	31 December 2021 (%)	31 December 2020 (%)
Sofra	Turkey	Meal coupons and cards	33	33

(\*) Turkcell Dijital, which is fully owned by the Company's subsidiary Turktell, has been incorporated. Registration and announcement of the respective company has also been completed on 8 March 2021.

(\*\*) Atmosware Teknoloji, which is fully owned by the Company's subsidiary Turktell, has been incorporated. Registration and announcement of the respective company has also been completed on 8 October 2021.

## TURKCELL ILETISIM HIZMETLERI A.S.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 42. Investments accounted for using the equity method

The details of carrying values and consolidation rates subject to equity accounting of joint ventures and associates are as follows:

	31 December 2021	31 December 2020
<b>a) Joint Ventures</b>		
Sofra	13,202	11,959
<b>b) Associates</b>		
TOGG	665,382	91,967

The Group have capital commitment to TOGG amounting to EUR 115 million. As of 31 December 2021, the amount of EUR 76.7 million has been paid.

The movement of Joint Ventures and associates is as follows:

	31 December 2021	31 December 2020
Opening balance	103,926	41,701
Shares of profit/(loss)	90,090	(13,775)
Contribution to capital increase	484,568	76,000
	<b>678,584</b>	<b>103,926</b>

## TURKCELL ILETISIM HIZMETLERI A.S.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 43. Cash flow information

##### Net financial liabilities reconciliation:

	Debt securities issued	Loans	Lease liabilities	Total	Derivative Assets, net	Total
Balance at 1 January 2021	(7,362,554)	(12,124,982)	(2,098,886)	(21,586,422)	798,326	(20,788,096)
Cash inflows	(192,157)	(13,033,337)	-	(13,225,494)	1,403,609	(11,821,885)
Cash outflows	645,926	12,984,771	1,649,046	15,279,743	(1,718,061)	13,561,682
Acquisition through business combination	-	(151,892)	-	(151,892)	--	(151,892)
Other non-cash movements	(6,499,648)	(8,138,395)	(2,456,025)	(17,094,068)	1,575,871	(15,518,197)
<b>Balance at 31 December 2021</b>	<b>(13,408,433)</b>	<b>(20,463,835)</b>	<b>(2,905,865)</b>	<b>(36,778,133)</b>	<b>2,059,745</b>	<b>(34,718,388)</b>
	Debt securities issued	Loans	Lease liabilities	Total	Derivative Assets, net	Total
Balance at 1 January 2020	(5,965,790)	(12,806,882)	(1,533,055)	(20,305,727)	758,896	(19,546,831)
Cash inflows	(494,987)	(22,983,201)	-	(23,478,188)	2,085,585	(21,392,603)
Cash outflows	885,647	26,817,471	1,302,335	29,005,453	(866,650)	28,138,803
Other non-cash movements	(1,787,424)	(3,152,370)	(1,868,166)	(6,807,960)	(1,179,505)	(7,987,465)
<b>Balance at 31 December 2020</b>	<b>(7,362,554)</b>	<b>(12,124,982)</b>	<b>(2,098,886)</b>	<b>(21,586,422)</b>	<b>798,326</b>	<b>(20,788,096)</b>

#### 44. Subsequent events

In accordance with the resolution of TOGG's board of directors, the Group made capital advance payments to TOGG amounting to TL 67,275, TL 57,500, and TL 57,500 on 7 January 2022, 7 February 2022 and 7 March 2022, respectively.

On 20 December 2021, by Turkcell Odeme, CMB approval has been taken on issuance of management agreement based lease certificates in accordance with capital markets legislation in the domestic market, in Turkish Lira terms, at an amount of up to TL 200,000, on various dates and at various amounts without public offering, as private placement and/or to be sold to institutional investors within one year. On 26 January 2022, the Company has issued management agreement based lease certificates through Halk Varlik Kiralama A.S. amounting TL 100,000 with the maturity of 20 April 2022.

Dijital Egitim Teknolojileri A.S., in which wholly owned subsidiary Turkcell Dijital has 51% and Sahinkaya Ozel Egitim Kurumları A.S. has 49% shareholding, respectively, has been incorporated. The company has been established to offer education and communication solutions compatible with new generation technologies and has a paid-in capital of TL 100. Registration and announcement of the respective company has been completed on 11 March 2022.

As a result of increasing trend of inflation in Turkey, IAS 29, "Financial Reporting in Hyperinflationary Economies" is most likely applicable for entities with the functional currency of the Turkish Lira in 2022 and it should be applied as if the economy had always been hyper-inflationary.

## TURKCELL ILETISIM HIZMETLERI A.S.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### As at and for the year ended 31 December 2021

(All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units and are expressed in Turkish Liras unless otherwise stated.)

#### 44. Subsequent events (Continued)

The Company's subsidiaries of which, Lifecell, UkrTower, Global LLC and Paycell LLC provide telecommunications services, telecommunications infrastructure business, customer relations management and mobile payments services respectively in Ukraine. As disclosed in Note 5, our Ukrainian operations account for approximately 8% of our net sales and 16% of our non-current assets for the year ended December 31, 2021. With the start of the Russia-Ukraine war on 24 February 2022, uncertainties regarding the Group's operations in Ukraine have emerged. Therefore, its impact on our operations has been monitored closely, and our corporate action plans regarding the continuation of operations and the safety and health of our employees have been updated instantly according to developments. As of the date of publication of the consolidated financial statements, there has been no material damage and outage in the core network and around 10% of base stations temporarily down on average on daily basis due to energy cut-offs whereas around 60% of the stores are open nationwide on daily average as of the end of the March. The portion of telecommunication equipment and revenue earned in the currently invaded region by Russia compared to our total telecommunication equipment and our total revenue earned in Ukraine is insignificant. Since the banking systems continue to operate within the country and liquidity is mostly kept at creditor banks, cash position is conducive to sustain the operations. The Group management considers this invasion to be a non-adjusting post balance sheet event and according to the assessments of the Group management, the invasion does not have any effect on the ability of the going concern of the Group. The Group has no way to predict the progress or outcome of the situation as the conflict and government reactions are rapidly developing and beyond the Group's control. Prolonged unrest or military activities may impact the Group's financial condition, results of operations and cash flows.



## Our offices

Location	Address
ADANA PLAZA	Turhan Cemal Berikel Bulvarı No: 212 Seyhan - Adana
SAKARYA OFİS	Bahçelievler Mah. Cumhuriyet Cad. Kamelya Sok. No:14 Sakarya - Adapazarı
ANKARA PLAZA	Eskişehir Yolu 9.Km No:264 Pk.06510 Söğütözü - Ankara
BAŞKENT NDC	Başkent İvedik Mah. 1323. Cadde No:37 Yenimahalle - Ankara
ANKARA DC	Veri Merkezi Anadolu Osb. 12 Cd. No:15 Malıköy Sincan- Ankara
ANTALYA PLAZA	Kızıltoprak Mah. 915 Sok.No:3 Muratpaşa-Antalya
BURSA PLAZA	Organize Sanayi Bölge Müd. Kırmızı Cad. No:4 Nilüfer - Bursa
DİYARBAKIR PLAZA	Bağcılar Mahallesi Urfa Bulvarı Turkcell Plaza Apt. No:151 Bağlar-Diyarbakır
EDİRNE NDC	Şükrü Paşa Mah. Kıyık Cad. No:254 Edirne
ERZURUM NDC	İlica yolu Organize Sanayi Bölgesi 4.Sok Erzurum
GAZİANTEP NDC	Kocaoğlan Mah. Demokrasi Bulvarı No:185 / 1 Şahinbey - Gaziantep
HATAY NDC	Güzelbirlik Mah. Yunus Emre Cad. No:11-B Güzelburç - Hatay
KÜÇÜKYALI PLAZA	Turkcell Plaza Aydınevler Mahallesi İnönü Caddesi No:20 B Blok 34854 Maltepe - İstanbul
KARTAL PLAZA	Topselvi Mahallesi Dipçik Sokak No:31 Kartal - İstanbul
MALTEPE DEPO	Yeni Mah. Pamukkale Sok. No: 3 Soğanlık Mevkii Kartal - İstanbul
TEPEBAŞI PLAZA	Meşrutiyet Cad.No:71 Tepebaşı 34430 İstanbul

MAHMUTBEY NDC	Mahmutbey Mah İnönü Caddesi No: 89 Bağcılar - İstanbul
DUDULLU DC	Dudullu OSB Nato Yolu 4. Cadde No:1 Ümraniye - İstanbul
İZMİR PLAZA	Kazım Dirik Mah. 367/7 Sokak No:12 Bornova - İzmir
İZMİR DC	10005. Sk. No:37 İTOB OSB Tekeli Menderes -İzmir
İZMİT NDC	Yahya kaptan Mah. Bahçeşehir Sok. No: 30 İzmit-Kocaeli
KAYSERİ NDC	Kayseri Organize Sanayi Bölgesi 13. Cadde No:16 Melikgazi-Kayseri
GEBZE DC	Gebze OSB, Tembelova Mevkii Mah. 3300 Sokak No: 3314 Gebze-Kocaeli
KONYA OFİS	Parsana Mh.Zümrütova Sok.Selçuker Center Kat:8 No:1 Selçuklu/Konya
KONYA NDC	1.Org.San. Sıhhiye Sok. Selçuklu/ Konya
MALATYA NDC	Hoca Ahmet Yesevi Mah. Mahfuz Sok. No: 35/A Yeşilyurt - Malatya
MERSİN NDC	Portakal Mah. 80050 Sok. No:3 Toroslar - Mersin
MUĞLA NDC	Musluhittin Mahallesi Atatürk Bulvarı No:61 Muğla
SAMSUN NDC	Mimar Sinan Mah. 160.sok.No:18 Atakum - Samsun
AVRUPA DC	Karaağaç OSB Mh.48.Sok.No: 1/1 Kale kilit fab. yanı Kapaklı-Tekirdağ
ÇORLU NDC	Velimeşe OSB Mah. 213.Sok. No:7 Ergene -Tekirdağ
TRABZON PLAZA	Mısırlı Mah. Hasan Turfanda yolu No:3 Çukurçayır - Trabzon
VAN NDC	İpek yolu 8 km Yeni Mah. Sahil Sok. No: 27 Edremit - Van





# Glossary

Abbreviation	Explanation
3G	A third generation mobile telecommunication system established according to IMT-2000/UMTS standards, or standards developed based on these standards
4.5G	A generation containing technologies of more advanced features than standard 4G technology
5G	A generation containing technologies having more advanced features than standard 4G technology
6G	6 <sup>th</sup> generation advanced communication technologies are expected to enter our lives in the 2030s in the wake of 5G
OSCE	The Organization for Security and Co-operation in Europe
ARPU	Average monthly revenue generated per mobile subscriber
Backhaul	Wired/wireless communication technologies and tools that provide the connection between base stations and the Core Network
Base Station	A fixed transceiver device in each cell of a mobile communications network enabling communication between mobile phones and radio signals within the cell
Beacon	A location-based data provider utilized in My Dream Companion project
IT	Tools for generating, collecting, accumulating, processing, recovering, disseminating, protecting, and assisting
ICTA	Information Communications Technologies Authority
C#	A Microsoft programming language developed for net technology
CELTIC	EUREKA Cluster focusing on the Information and Communications Technology and Telecommunications
Roam	A mobile communication feature that allows subscribers of one network to use their own mobile phones and numbers in the coverage area of another operator
DSS	Digital Service Provider

ER	Integrated Reporting
<ER>	Integrated Reporting Framework
ESG (ÇSY)	Environmental, Social, Governance
ETSI	European Telecommunications Standards Institute
EUREKA	(Exceptional Unconventional Research Enabling Knowledge Acceleration) It is an intergovernmental R&D organization financed by governments of more than forty countries
FIRST	Forum for Incident Response and Security Team
FCPA	Foreign Corrupt Practices Act
Gbps	A data transmission speed
GRI	GRI Global Reporting Initiative
GSM	This is a digital mobile communication system, standardized by the European Communications Standards Institute and based on digital transmission with roaming and the cellular network structure being used in Europe, Japan and various other countries
GSMA	(The GSM Association - Global System for Mobile Communications) The GSM Association is a community consisting of mobile operators and telecom-related companies with the aim of standardizing and developing the Mobile Telecommunications Sector
HD	High Definition Broadcast
IDC	(International Data Corporation) American market research company examine the development of technology
IMS	(IP multimedia subsystem) Platform to provide a new generation of wired, wireless service providers
IoT	(Internet of Things) The mobilization, interpretation and communication/interaction of the data received through sensor
IIRC	International Integrated Reporting Council

ITEA	EUREKA Cluster program supporting innovative, industry-driven, pre-competitive R&D projects in the area of Software-intensive Systems & Services
KPI	Key Performance Indicator
LTE	Technology that ensures to achieve very high speeds by combining carriers in the same or different frequency bands
LTE-Advanced	A mobile communications standard comprising advanced features such as carrier coupling, which enables mobile broadband speed of over 150 MBps in LTE
M2M	Machine to Machine is the general name of the technology that allows devices to exchange information and conduct transactions without human intervention
MHz	(Megahertz) A frequency unit
NB-IoT	A technology defined by 3GPP for Internet of Things
NFVI	Network Infrastructure Virtualization Infrastructure
NGMN	An organization (Next Generation Mobile Networks Association), of which Turkcell is a member, and which several operators, suppliers and universities in the world are a part of, giving direction to technology standards and technology producing companies in relation to operator requirements
NPS	(Net Promoter Score) The score that measures whether or not customers recommend the products they use to others
OIC-CERT	The Organization of the Islamic Cooperation-Computer Emergency Response Team
OFAC	Office of Foreign Assets Control
RTM	(Real Time Monitoring) 24/7 monitoring and reporting system on the system
SASB	Sustainability Accounting Oversight Board
Sarbanes-Oxley (SOX)	Corporate and Auditing Accountability, Responsibility, and Transparency Act

Scratch	Scratch is a programming language developed by MIT (Massachusetts Institute of Technology), which has a user-friendly interface, designed for the use of children between the ages 8 and 16
SDG	Sustainable Development Goals
SD-WAN	Acronym for software-defined networking in a wide area network (WAN)
SEC	U.S. Securities and Exchange Commission
SingleRAN	Radio network equipment that can support technologies of different generations (2G, 3G, 4G and 5G) at the same time
SMS	A mobile communication system allowing users to receive and send messages that can be constituted of both alphabetic and numerical characters of up to 160 characters, to and from mobile phones through a short message service
SOC	Service Operations Center
NGO	Non-Governmental Organisations
Carrier Aggregation	A technique allowing more bandwidth and consequently higher speeds to be obtained by joining frequencies called carriers
Tbps	(TeraBytes Per Second) One trillion bits or bytes per second
TODİEK	Turkcell Common Values and Code of Business Ethics
TOGG	Turkey's Automobile Joint Venture Group Inc.
IFRS	International Financial Reporting Standards
UN	United Nations
UNGC	United Nations Global Compact
UN WEPs	UN Women's Empowerment Principles
WEF	World Economic Forum



## **Turkcell İletişim Hizmetleri A.Ş.**

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Deloitte Turkey Sustainability Services

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