

Turkcell
2022 Integrated Annual Report



OUR CONDOLENCES TO TURKEY

We are deeply saddened by the loss of 21 Turkcell employees and many employees' relatives, along with numerous citizens, in the earthquake that occurred on February 6, 2023, centered in Kahramanmaraş. We offer our prayers and thoughts to the deceased citizens and employees, patience and condolences to their loved ones, and quick recovery to the injured citizens currently receiving treatment. As Turkcell, we will continue to support communication for our users in the region and work with all our resources hand in hand with the nation to overcome these difficult times.



Our Employees Who Lost Their Lives

| | |
|----------------------------|---|
| Ahmet UÇAR | <i>Kahramanmaraş Turkcell Store Employee</i> |
| Asım KAYA | <i>Adıyaman Turkcell Store Employee</i> |
| Başak BÜYÜKSAKALLI | <i>Kahramanmaraş Home Solution Center Employee</i> |
| Beyhan YILMAZ | <i>Network Technologies Hatay Regional Solution Partner</i> |
| Canan AKGÜL | <i>Diyarbakır Turkcell Global Bilgi Employee</i> |
| Faruk KAPLAN | <i>Kahramanmaraş Kurumsal Solution Center Employee</i> |
| Faruk TEPEBAŞILI | <i>Kahramanmaraş Turkcell Store Employee</i> |
| Gamzenur BOZKÜTÜK | <i>Adıyaman Corporate Solution Center Employee</i> |
| Gözde BAYANCIK | <i>Diyarbakır Turkcell Global Bilgi Employee</i> |
| Hamdiye Nupelda ENSARİOĞLU | <i>Diyarbakır Turkcell Global Bilgi Employee</i> |
| İbrahim POLAT | <i>Adıyaman Corporate Solution Center Employee</i> |
| İpek Ayşe ILGIN | <i>Kahramanmaraş Home Solution Center Employee</i> |
| Mehmet Akif ŞEKKELİ | <i>Network Technologies Regional Operations Southwest Region Employee</i> |
| Mehmet IRMAK | <i>Hatay Dijital Point of Sales Employee</i> |
| Mehmet ŞAHİN | <i>Kahramanmaraş Dijital Point of Sales Employee</i> |
| Meryem GAZPAK | <i>Hatay Turkcell Store Employee</i> |
| Nimet ARSLANOĞLU | <i>Hatay Turkcell Store Employee</i> |
| Özcan KILIÇLAR | <i>Paycell Employee</i> |
| Sevgi YILDIRIMHAN | <i>Hatay Dijital Point of Sales Employee</i> |
| Simge Deniz FIRAT | <i>Hatay Turkcell Contact Center Employee</i> |
| Ülkü SARIKAYA | <i>Kahramanmaraş Turkcell Store Employee</i> |



We implemented our network actions in the fastest and most efficient way to ensure communication

We worked nonstop with our teams for uninterrupted communication.



We have sent more than 1,200 field response personnel to the region.



We installed 1,400 generators and nearly 3,400 batteries to our provinces in the earthquake zone.



We have shipped approximately 250 mobile base stations and caravans to replace our damaged and unusable sites.



In the light of all these efforts, we activated 87% of our base stations in the region on the 3rd day and 94% on the 5th day.



We provided transmission redundancy for data centers (Gaziantep, Hatay, Diyarbakir, Malatya) by intervening in fiber interruptions.



We provided mobile coverage to all tent cities and container cities. In addition, we brought Wi-Fi service to 79 locations.



After the earthquake, we became the operator that offered the highest value in data download speed in all provinces throughout the disaster area.

We are strong together

We provided communication support to our 6.5 million customers and all search and rescue teams in the region. We have defined the Emergency Communication Package and the Hero Package, which includes more than 90 million free calls, SMS and internet in total.



Turkcell and other operators provided free calls for a period of one month from the moment of the earthquake.

We pledged to donate up to 3.5 billion TL to the Turkey One Heart Campaign, with which we are united as a nation.



By transforming our 277 Turkcell dealers in Istanbul into an Emergency Aid Collection Center, we became an intermediary for the collection of aid with the coordination of AFAD.

Since the first day of the earthquake, we have provided a large number of in-kind and cash assistance from multiple charging units to clothing aid, from tent support to mobile chargers.



We set out two aid trucks for our employees in the region. We provided 10 thousand TL support to Turkcell Group and ecosystem employees who live in the region and personally support the region.



We mobilized to help the earthquake area with thousands of Turkcell volunteers.

In order to support our business partners operating in the region, we tried to meet their needs by dealing with each one individually.



We met the needs of 1,600 people in the earthquake area for three meals a day for a month.



We distributed free SIM cards to all teams in order to meet the communication needs of rescue teams from abroad.



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Message from Chairman of the Board

Dear Stakeholders,

The recent earthquake that affected 11 provinces has given rise to a particularly challenging time. As the Turkcell family we continue to work with all our ability to heal the wounds inflicted by the disaster. We believe that we will overcome these difficult days in the spirit of solidarity and mutual assistance demonstrated by our nation, which sets an example to the world.

While 2022 is a year of challenging conditions globally, the Russia-Ukraine war in particular continues to have an international impact. Inflationary effects escalating with the conflict and resulting international tension, difficulty in accessing energy and food, and disrupted chip supplies that closely concern our industry, have led to an environment of perpetual crisis worldwide.

With digitalization and transformation coming to the fore in almost every sector, business processes supported by sustainable management models have become an important issue for all ecosystem-sensitive companies. The need to adapt to the transformation in customer demand that accelerated during the pandemic was of paramount importance. Indeed, that demand today is now permanent, bringing major opportunities, especially for our industry.

As the Turkcell family, we have concluded another year of activities geared at creating sustainable value, aware of the economic and strategic importance of the telecom sector in which we operate and the responsibility to our ecosystem. Within the scope of our objectives and responsibilities, and with a focused approach maintained throughout the year we strengthened our infrastructure and invested in new technology towards achieving Turkey's digitalization. We develop innovative solutions that meet changing needs and demands in a world where the share of digitalization in our daily activities is increasing. In delivering these solutions to our customers we diligently maintain our lead role in the digital transformation journeys of diverse sectors. As a result of our operational and financial activities towards achieving these goals, we have ended yet another year with sustainable growth.

We started planning our investment expenditures more effectively with the smart investment approach implemented in 2021. We maintained, with a value focus, the goal of raising our company's cash generating ability to higher levels in the long term. In this context, while

planning our investments sustainably, we conduct a holistic evaluation of the views and needs of the network, finance, sales and marketing functions.

In step with our mission, we continue to support our customers' digitalization journeys with our constantly developing competencies, facilitating and enriching their lives with the opportunities technology brings. Within the scope of our digital services we play a pioneering role in Turkey's digitalization process by providing instant messaging, TV and music platforms, personal cloud services, search engine and e-mail services. Moreover, we resumed our international partnerships with a new partnership established with Jazz in Pakistan at the end of 2022 to increase our global impact and reach of our services.

As Turkcell, we play a leading role in the essential digital transformation of the healthcare sector. The digital infrastructure of city hospitals, among our country's largest healthcare investment areas, is managed with the "Hospital Information Management System" developed by Turkcell engineers. We also aim to serve private hospitals with the distinguishing quality of Turkcell as we are doing in city hospitals.

With the rapid rise of digital transformation in the business world and the increasing use of technology, cyber security risks for organizations are also becoming more prevalent, as well as the advantages provided. We offer our cyber security and information security experience as a service to both our corporate and individual customers by integrating our digital operator competence. We also support cybersecurity initiatives through our investments in the Turkcell New Technologies Venture Capital Fund. With the power of this investment fund, we aim to create long-term strategic and financial value for our group by investing in technology-focused startups of high growth potential across diverse sectors and creating synergies with them. Sectors such as artificial intelligence, virtual reality, the internet of things, mobility, and financial technologies, where we will support companies in meeting their growth targets.

We observe that the role of digitalization is gradually increasing to provide solutions for the rapidly changing payment habits in our country and the wider world. Through our Paycell brand, we reliably deliver our customers innovative and easy-to-use solutions in this field.

With Financell, another focus area of ours in techfin, we have applied for the incorporation permit to establish a digital bank. This move will allow us to expand product and service richness by combining the solutions portfolio offered our customers through Financell with the services offered by a traditional bank. Additionally, in 2022, we established our digital insurance company to support our insurance activities in the digital environment with big data-based solutions and digital processes, to benefit our customers and play a part in the sector's transformation.

As part of digital transformation, in addition to providing products and services to meet customer needs, we are also digitizing our internal processes. Since the contribution of our digital channels is important, we will continue our efforts to increase the channel's share of the business. We aim to provide an uninterrupted service and create additional value for our stakeholders by benefiting from cost savings. Meanwhile, by creating the "Digital Transformation" function we aim to implement good practices in the digitalization of our processes, lead our company's digitalization journey and effectively realize its vision. And with the establishment of Strategy and Digitalization Committee in February we aim to implement the best practices by closely monitoring digital transformation, optimization and efficiency projects.

Our country has taken a bold step towards creating its own brand in the automobile industry. As Turkcell we participated in Turkey's Automobile Enterprise Group with a 23% stake to proudly play our part in this undertaking with our know-how in autonomous systems and mobility. We are pleased that Togg, which aims to have robust competitive power on the global stage, had begun mass production at the Gemlik Togg Technology Campus as of October 29, 2022. Togg continues to complete necessary collaborations to build the mobility ecosystem around the electric car, which it defines as a "smart vehicle". In this context, as Turkcell, we are in strategic cooperation with Togg to integrate digital finance and service solutions into the mobility ecosystem.

As the only Turkish company traded on Borsa İstanbul (BIST) and the New York Stock Exchange (NYSE) since 2000, we comply with both Turkish and American capital markets' requirements and regularly improve our corporate governance processes. I trust that Turkcell, which adopts best practices in corporate governance as its

guide, and through the annual self-evaluations that our Board of Directors undertake to enhance corporate related initiatives will further improve its standing in this area.

As Turkcell, we make a positive contribution to society and the environment we live in with the principle of sustainability rooted in all of our processes. We strive to ensure that the environmental, social and governance dimensions of our business are universally valuable in every sense and at all times.

In addition to supplying the energy we use from renewable sources within the scope of fighting climate change, we also make investments to contribute to renewable energy production, and maintain our goal of being carbon net zero by 2050. And by continuing investments focused on environmental sustainability and efficiency in the upcoming periods as well we aim to reach 300 MW of installed power by the end of 2025. As Turkcell, we intend to meet 100% of the energy needs of group companies from renewable energy sources by 2030, in line with national and international sustainability targets through the investments we have made and management systems developed.

We work towards zeroing the negative outcomes of which we are directly or indirectly a factor, creating positive value and inculcating this approach among all of our stakeholders. In so doing we are not limiting the concept of sustainability to environmental factors alone. Our overarching objective is to make sure that thanks to the equalizing power of technology for social and digital inclusion no one is left behind.

We have set targets to increase the number of our female employees at all levels, including the Board of Directors, to champion the equal presence of women in the technology arena. Accordingly, we support women's entrepreneurship and employment with projects such as "Women Writing the Future" and "Equal Chances and Equal Conditions".

I extend my sincere thanks to our customers for their interest in our products and services in the 2022 operating period, to our shareholders for the trust they have shown, and to our business partners and all our stakeholders, especially our employees, who have enabled us to successfully realize our operations.

Sincerely,

Bülent Aksu
Chairman of the Board



Message from CEO

Dear Stakeholders,

I would like to wish recovery to the injured and offer my condolences to those who lost their relatives due to the earthquake disaster of February 6th with its epicenter in Kahramanmaraş that left us all in mourning. As the Turkcell family, we have used every means available from the first day to support our citizens affected by the earthquake in a spirit of unity and solidarity. We will continue to contribute with all our efforts to overcome these difficult days as soon as possible.

Both globally and within our country, 2022 was a year in which the impact of challenging economic conditions brought about by high inflation was felt. During the summer months, the momentum of the tourism sector, which even exceeded pre-pandemic levels, was a prominent positive factor. While digitalization, which accelerated with the pandemic, continues to maintain its importance, it has become clear that the shift in consumer behavior has become permanent.

As the Turkcell family, we continued our operations effectively through our diversified business strategy and proactive risk management. This is in line with our goal of creating value for all our stakeholders in the 2022 operating period, despite being one where the markets were particularly challenged and subject to uncertainties. While we continued to offer solutions to meet customer needs with our innovative product and service portfolio, we also continued our offerings in our strategic focus areas of digital services, digital business services and techfin to meet changing customer behavior and increasing digital demand.

We achieved strong financial and operational results in 2022 thanks to the performances of all our services and solutions, offered with a focus on changing customer needs. Particularly in the second half of the year, strengthening tourism activity has increased the demand for our mobile business. With the investment made in our infrastructure, and our customer-oriented approach, we achieved 2.3 million net subscriber additions in 2022. As the pioneer of technology in our country, we further accelerated our investments to pave the way for Turkey's digital transformation and deliver our customers real fiber quality. Accordingly, we added 887 thousand new fiber homepasses in 2022. Turkcell's consolidated revenues increased by 50% year-on-year to TRY 53.9 billion. Consolidated EBITDA increased by 46.5% to TRY 22 billion. Our net income was up 119.7% year-on-year to TRY 11.1 billion. Operational capital expenditures (excluding license fees) at the Group level were at 20.2% of total revenues.

Over the past year, the continued need for transformation arising from digitalization has once again underlined the importance of the telecom sector. We remain a brand focused on customer satisfaction directly shaping the sector with digital services and solutions developed for every aspect of life. In doing so, we remain aware of our comprehensive, environmental and social impact, embracing sustainability criteria.

We continued to offer inclusive solutions to our customers' digital needs this year with brands such as BiP, TV+, fizy and lifebox, which are the key brands of the Turkcell ecosystem, and wholly developed by Turkish engineers. The number of standalone paid users of our digital services, which aim for prominence among global competition, rose by 28% to 5.1 million with our focus on increasing the spread of these services. Meanwhile, our standalone digital service revenues grew by 30% this year.

With our digital business services that guide Turkey's digital transformation, we help our corporate customers stand apart from the competition by accompanying their end-to-end digital transformation. The revenues of our digital business services increased by 88% to TRY 4.3 billion in 2022. And we respond to rising customer demands with our comprehensive services in areas such as data center, cloud solutions, cyber security, system integration, business applications and new technologies, in addition to our traditional telecom services.

In 2022, in our techfin business, one of our strategic focuses, we diversified our portfolio with new initiatives. In this area, where we provide services under the Financell and Paycell brands, we established the Turkcell digital insurance company to enable our customers to secure themselves against risk. We also applied for an incorporation permit to establish a digital banking company to complement our existing products and services. As the digital channel share of insurance companies is lower than that of other financial sectors, it provides an important transformation opportunity in terms of directing customer demand to the digital consumer experience. Therefore, we established our digital insurance company so as to play a part in this transformation with innovative solutions and digital processes based on big data. While the revenues of our Financell business grew by 59.4% this year, at a time when payment habits are changing and digital payment services are gaining prominence, Paycell grew its revenues by 87.2% year-on-year to TRY 876.9 million, standing out with its broad service portfolio, Turkcell's technological infrastructure and the advantage of access to its subscriber base in a market where various players focus on different solutions. With Paycell Europe, which we launched in Germany in October, we aim to engage in international money transfer and payment services, primarily in European Union countries.

As Turkcell, we established Turkcell New Technologies Venture Capital Investment Fund in 2022 to provide strategic and financial support to technology-oriented startups of high growth potential in diverse sectors. In addition to providing strategic and financial benefits to our company with the synergies to arise from startups, we also financially support our nation's startup ecosystem and aim to create long term value.

On October 29th, Republic Day, Togg, Turkey's globally scaled mobility technology brand opened its Technology Campus in

Gemlik. We share Togg's excitement on its path to becoming a global automotive brand, and as Turkcell, one of its main shareholders since day one, we are honored to support it with our experience, knowledge and vision. As well as being investors, we also work to create integrated value with our digital services in the domestic automobile project, which will become a new living arena focused on the user within the mobility ecosystem. In this context, we are integrating Paycell's payment systems solutions into Togg's mobility systems.

As we pursue our renewable energy investments aimed at reducing the impact of climate change while lowering energy supply costs and ensuring supply security, we have made significant progress in our strategy of becoming an auto-generating digital operator. We aim to continue this focus by installing renewable energy power plants that generate 300 MW of installed capacity by the end of 2025, and maintaining this focus over the coming periods.

Leveraging our high-tech solutions we continue efforts to take advantage of Turkey's geographical location, which renders the country an important transit point for internet traffic, to transform our country into a data base, and to keep our country's data within its borders. While maintaining our leader position in data center operation, we continue to strengthen this position with new modules at our Gebze and Temelli data centers, the construction of which began this year. In this direction, as the pioneer of Turkey's digital transformation we provide cost advantage and help increase operational efficiency by providing data storage and cloud services to over three thousand corporate customers. We achieve this on approximately 40 thousand square meters of white space at our eight data centers.

With 5G, set to be among the key technological developments within our country over the coming years, developments related to the Internet of Things, autonomous vehicles and production technologies have begun to gain momentum. Thanks to the test studies carried out over our pilot networks to efficiently deliver these technologies to our customers, we are the pioneers of 5G studies in our country. A status ensured by the lead roles we undertake in both national and international consortiums. Accordingly, we began to offer 5G technology to our customers at Istanbul Airport in 2022.

With our vision of superior digital services for a better future, we work to eliminate our negative impact and increase our positive one in every field through the equalizing and restorative power of technology. We realize this transformation by engaging our entire ecosystem, thereby transforming for the better together. This is why we have adopted the motto "Positive Imprint on Sustainability".

We pay attention to using clean and efficient energy while developing our products and services, and strive to be a solution to the climate crisis with our products and services. And with our belief in circular functioning, we extend the life cycle of our products and ensure that once products become unusable their life cycle concludes through "recycling".

In this context, we have focused our strategy on environmental sustainability in three areas: Efficient and renewable energy use, emission reduction in our business and our customers' lives, and circular operation. We are the only operator in Turkey to have achieved an A- score in the Carbon Disclosure Project (CDP), one of the world's largest initiatives to fight climate change. With the purchase of a 1,000,000 kWh YEK-G license in 2022, we zeroed our indirect Category 2 emissions from imported energy.

On the educational front, we establish technology classrooms with our Whiz Kids project so that children become generations that produce rather than consume technology. Meanwhile, our Digital Spring project establishes technology rooms in nursing homes whereby our elderly people can also benefit from broad advantages of the online world. We also provide digital literacy training over Turkcell TV+. In addition, we contribute to equal participation through technology of the disabled in daily in life with projects such as "My Dream Companion".

To champion women's equal presence in the technological arena, we have set targets to increase the number of women in our company at the employee, executive and board levels. We support women's entrepreneurship and employment in technology with projects such as "Women Writing the Future" and "Equal Chances Equal Conditions".

In past years, we have completed our sustainability-oriented transformation with the policies and roadmaps created through an internal review of all our processes. In 2022 as part of this transformation, we continued efforts to involve our stakeholders across our entire ecosystem. First of all, we shared Turkcell's roadmap to becoming a "carbon net zero company" by 2050 with all our employees. In order to increase employee motivation on this topic, we supported the process with sustainability goals, competitions and awards that reflect their performance.

In 2022, as the pace of digitalization increased and the importance of telecom services came to the forefront in every aspect of our lives, we maintained our customer orientation, delivering innovative solutions and achieving successful results. I would like to thank all my colleagues who contributed to this success, our Board of Directors and all our stakeholders for their trust and support.

Sincerely,

Murat Erkan
Chief Executive Officer



Board of Directors

Bülent Aksu

Chairman of the Board

Bülent Aksu has 26 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.

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. 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.

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. 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 in Mobile Payment and M2M & IoT teams 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.

Nail Olpak

Board Member

Nail Olpak, was born in 1961 in İbecik, Burdur. He graduated from Aydın High School. Having graduated from İstanbul 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 5th 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 a member to the Turkcell Board of Directors, effective as of March 6, 2020. At the Ordinary General Assembly Meeting for 2021, held on June 16, 2022, Nail Olpak was re-elected as a 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.

**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. Tahsin Yazar, who started acting as a self-employed lawyer in 2021 after the replacement of the Minister, 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. He is married and is the father of two children.

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 also The Chairman of eBuilder AB (Sweden) and a Senior Advisor at Viasat (U.S.). 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 İstanbul 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 Ereğli 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 22nd, and Siirt Deputy in the 23rd and 24th periods of the Grand National Assembly Turkey. In the 22nd 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 23rd and 24th periods, he was the President in the Turkey-EU Joint Parliamentary Commission. In the 22nd, 23rd and 24th periods, he served as the Chairman of Turkey-Spain Inter-Parliamentary Friendship Group. In the 24th 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.



Hüseyin Arslan

Independent Board Member

Prof. Dr. Hüseyin Arslan, who was born in 1968, received his bachelor's degree from Middle East Technical University, Department of Electrical and Electronics Engineering in 1992. He completed his master's degree in 1995 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, who joined the Department of Electrical Engineering at the University of South Florida in August 2002, started working as the founding dean to establish the Faculty of Engineering at Istanbul Medipol University in 2013. Hüseyin Arslan served as a consultant to many domestic and international companies and organizations such as Anritsu, Türksat, Savronik and TÜBİTAK. Having over 100 United States Patent and Trademark Office's (US) patents and applications, more than 10 patents of Prof. Dr. Arslan have been licensed.

Working as the Dean of the Faculty of Engineering and Natural Sciences of Istanbul Medipol University and the manager of the "5G and Beyond Research Laboratory", Prof. Dr. Hüseyin Arslan is married and has three children. 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.

Serdar Çetin

Independent Board Member

Serdar Cetin graduated from Middle East Technical University, Civil Engineering department and holds an MSc in Management (Grande Ecole) from HEC School of Management in Paris with a major in strategic management. Serdar Cetin has served at the board of Play Group from July 2007 till November 2020. He was a management board member of Play (P4 Sp.zo.o.) from its inception (July 2005) till October 2006 and was a supervisory board member between July 2007 and June 2017. Following the IPO of Play Group, he was appointed as a member of the Audit Committee, Remuneration and Nomination Committee and Operational and Investment Committee of Play Communications S.A. until its sale to Iliad in November 2020. Serdar Cetin was a board member of Turknet İletişim Hizmetleri A.Ş. and its then parent company NetOne Holdings S.a.r.l., between 2007 until April 2013. He served as a board member or board observer in several telco or technology companies including Machinezone, which is now acquired by Applovin (USA), Netia (Poland), Forthnet (Greece) and Be* Unlimited (UK). In addition, he served as a board member of AASA Polska from August 2015 to December 2019. Serdar Cetin is a board member of WOM S.A. Chile since July 2015. Additionally, he is a partner of Novator Partners LLP, a London based investment advisory firm. Prior to joining Novator, Mr. Cetin worked at Merrill Lynch investment banking and BNP Paribas Asset Management in London. At the Ordinary General Assembly Meeting for 2021, held on June 16, 2022, Serdar Cetin was elected to the Independent Member of the Turkcell Board of Directors. He is fluent in English and French.





Executive Officers

Murat Erkan

Turkcell 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.

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.

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 Istanbul Bilgi University, MSc in Financial Engineering from Boğaziçi University and a PhD in Finance from Özyeğin University.

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.

*Osman Yılmaz has decided to resign from his position effective as of February 28, 2023. Mr. Kamil Kalyon, Financial Planning and Analysis Director at our Company, will also serve as the acting Executive Vice President of Finance in addition to his current role effective as of March 1, 2023.



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 & Executive Vice President - Digital Transformation

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

between 2010-2011. Prior his to his last appointment, he served as 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. In addition to his existing role, he assumed Executive Vice President role responsible for Digital Transformation as of August 2022.

**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.

Hüseyin Çakmak**Executive Vice President - Human Resources (Acting)**

Hüseyin Çakmak, graduated from Anadolu University, Department of Political Science and Public Administration in 2003, and completed his master's degree in Management Science at Kocaeli University, Department of Political Science and Public Administration in 2006. He started his career in the family company as Sales Operations Executive in 2003 and performed until 2006. In 2007, he attended Yıldız Holding Human Resources Organization and respectively acted as; Human Resources Manager of the Packaging, IT and Real Estate Group Presidency between 2007-2011; Human Resources Manager of the Food and Beverage Group Presidency

between 2011-2015; Human Resources Group Manager of the Retail Group Presidency between 2015-2019. After acting as the Human Resources Group Director and Member of Executive Board at Aydem Holding between 2019-2020, he joined Turkcell in August 2020 as the Employee Experience and Talent Recruitment Director. Effective as of November 24, 2022, Mr. Hüseyin Çakmak has been the acting Executive Vice President of Human Resources, which become vacant after Mr. Ali Rıza Esmen who has been serving as Executive Vice President of Human Resources of our Company since September 1, 2021.

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.



Top Management of Subsidiaries

Murat Erkan

Chief Executive Officer

[See page 16](#) for the resume.

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.

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.

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 / Financell**

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. Korhan Bilek is also a member of the Board of Directors at Dijital Sigorta A.Ş..

He began his professional life as Research Analyst at the Federal Reserve Bank in 2000. He served as an analyst

at AkInvest between 2002 and 2004 and Finance Director at Sabancı Holding between 2004 and 2013. 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.

Korhan Bilek has a M.S. degree from Boğaziçi University Electrical and Electronics Engineering department, and received his MBA from University of Rochester.

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

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.

Gürkan Arpacı**General Manager of Turkcell Digital Business Services**

Gürkan Arpacı completed his bachelor's degree in Electronics and Communications Engineering from İstanbul Technical University in 1993, and Strategic Management Programme at Cornell University in 2010. Arpacı, who began his career at Schneider Electric, worked in the Technology Department during the establishment phase of Turkcell, and served as the Founding Partner and Managing Director of EreNet & EreSis companies between 1995-1998. Subsequently, he worked as a Senior Business Consultant at Global One (Ex-Equant), and later served as the Communications Industry Business Unit Manager at HP between

2000-2008. Arpacı joined Turk Telekom in 2008 to establish corporate customer segmentation and acted as Turk Telekom Group Corporate Segment Management Director. Up until the end of 2015, he managed all of the corporate segments (SME, Medium & Large Scale and Strategic) of Türk Telekom, TNet and Avea companies, including group synergy with Innova. Gürkan Arpacı joined Turkcell team as Strategic Corporate Segment Management Director in 2015 and was appointed as General Manager of Turkcell Digital Business Services as of 1 April 2022.



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.

Serhat Dolaz

General Manager of Paycell

Serhat Dolaz, who joined the Turkcell family in 2009, is the General Manager of Paycell, a new generation payment and financial services platform. Dolaz, graduated from Yıldız Technical University with a degree in Electronics and Communication Engineering and completed the Bahçeşehir University MBA program. After taking several technological management

positions in Turkcell Teknoloji A.Ş. and Paycell, he took on responsibilities as CTO and Deputy CEO of Paycell most recently. He is also an Executive Board Member of Sofra A.Ş. (Paye) and Vice Chairman of the Board of TÖDEB (Association of Payment and Electronic Money Institutions of Türkiye).

Emre Erdem

General Manager of Turkcell Superonline

Emre Erdem graduated from Istanbul 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.

Uğur Çağlar

General Manager of Turkcell Dijital Sigorta A.Ş.

Uğur Çağlar graduated from Middle East Technical University Industrial Engineering Department and received his Executive MBA degree from Koç University. Starting his professional career as a Management Consultant at PricewaterhouseCoopers, Uğur Çağlar later worked for Booz Allen Hamilton in Turkey and the Middle East. He joined the financial services sector in 2007 with TEB (a BNP Paribas Company) as Strategic Planning Manager. He later moved on to the insurance

domain with BNP Paribas Cardif as Chief Marketing Officer. He worked for Azərbaycan Sənaye Sığorta Company in Baku, Azerbaijan as an expatriate General Manager, and later as the Chairman of the Board between 2015-2019. In early 2019, he worked for MetLife as AVP of Business Development and Corporate Sales. He recently joined Turkcell as the General Manager of Turkcell Dijital Sigorta A.Ş., the insurtech initiative, in August 2022.



About the Report

We are proud to present Turkcell's third integrated annual report, published in line with Turkcell's transparent and accountable governance principle, for the attention of our stakeholders. With the reports we publish annually, in addition to Turkcell's financial performance, we aim to reflect a holistic view of our strategies, approaches, activities and performance in social, economic, environmental and corporate governance aspects, in line with our integrated value creation model.

This report, issued in compliance with the Turkish Commercial Code (TCC) and the Capital Markets Board's (CMB) Communiqué Serial II.14.1 on "Principles on Financial Reporting in the Capital Markets" and considering the Integrated Report (IR) Framework Principles published by the International Integrated Reporting Council (IIRC), aims to provide all stakeholders with a comprehensive review of Turkcell's integrated and sustainable value creation approach, managerial capabilities and the outcomes of the efforts carried out in this regard.

Turkcell İletişim Hizmetleri A.Ş. has reported in accordance with the GRI Standards, for the period from 1 January 2022 - 31 December 2022. In addition to financial and operational data presented in the report due to legal compliance, material sustainability issues which refer to social, economic and environmental performance for the integrated value model have been identified in accordance with the principles listed in the GRI Standards. The content of the report also responds to the indicators of COP on United Nations Global Compact that Turkcell joined among the signatories in 2007, CMB Sustainability Principles Compliance Framework, and SASB Telecommunication Services.

The report content has been determined taking into account the social, economic, environmental and governance factors included in the integrated value creation model in accordance with the Company's sustainability perspective. During the determination of these factors, we aimed at covering the information requirements of Turkcell's long-term investors (our shareholders, bondholders and potential investors) as well as a wide-range of corporate stakeholders portfolio including primarily Turkcell employees, customers, public institutions and organizations,

and non-governmental organizations.

The terms "Turkcell", "Company" and "Organization" used in the report refer to Turkcell Hizmetleri A.Ş. The financial data provided in the report are consolidated so as to demonstrate the organizational integrity of Turkcell in accordance with legal requirements and international standards. Data regarding social and environmental performance cover the operations in Turkey which constitute the most significant portion of the Company's activities, unless otherwise stated.

Turkcell's journey of creating integrated value is being sustained and expanded gradually in every period in line with the principle of "for our stakeholders, with our stakeholders". You may submit all your questions, opinions and feedback about our efforts, strategic objectives and reporting activities at dahaiyibirdunya@turkcell.com.tr



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

Turkcell at a Glance

Turkcell has been operating in the communications and technology services field as a pioneer of the telecommunications sector in Turkey since 1994.

Turkcell, which started its operations as a mobile communications company 29 years ago, has taken its place as a key player in the development of the telecommunications sector in Turkey by transferring its experience gained over the years into integrated communications operatorship and then digital operatorship.

Today, together with group companies operating in various service categories, Turkcell serves its customers with high-quality voice, messaging, data, and IPTV services on mobile and fixed networks, and offers value added and innovative services in accordance with its strategic focus areas, namely; digital services, digital business services and techfin services. Having expanded its operations abroad throughout the years, Turkcell operates in 4 countries: Turkey, Ukraine, Belarus and the Turkish Republic of Northern Cyprus.

Turkcell launched LTE services on April 1, 2016. The company currently serves in 81 cities of Turkey with LTE-Advanced and 5 carrier aggregation technologies in mobile communications, reaching speeds up to 1.6 Gbps. The 234.4 Mhz total spectrum bandwidth owned by Turkcell, corresponds to 43% of the total spectrum in Turkey available for mobile operators'

use. Besides providing fiber data access at speeds reaching 10 Gbps in fixed technology, Turkcell pioneers 5G studies in Turkey through the test runs it has been conducting through its pilot network, and the leading roles it has undertaken in national and international consortiums. Upon the authorization of the Ministry of Transport and Infrastructure, Turkcell started offering the 5G technology in Istanbul Airport as of July 29, 2022.

Turkcell strives to offer equal and more opportunities to all its stakeholders with its vision of creating value for the society, as well as offering high-quality service and solution alternatives for the communication and digital service needs of its customers in its wide operational geography.

Turkcell shares have been listed at both New York Stock Exchange (NYSE) and Borsa Istanbul (BIST) since July 2000. Therefore, Turkcell is the only Turkish company to be listed on both stock exchanges. Moreover, Turkcell's debt instruments are traded on the Irish Stock Exchange. Turkcell is also a constituent of the MSCI ESG Index and Borsa Istanbul Sustainability Index. Turkcell reported TRY 53.9 billion of revenues in 2022 with total assets of TRY 101.3 billion as of December 31, 2022.



Please visit www.turkcell.com.tr for further information about Turkcell.



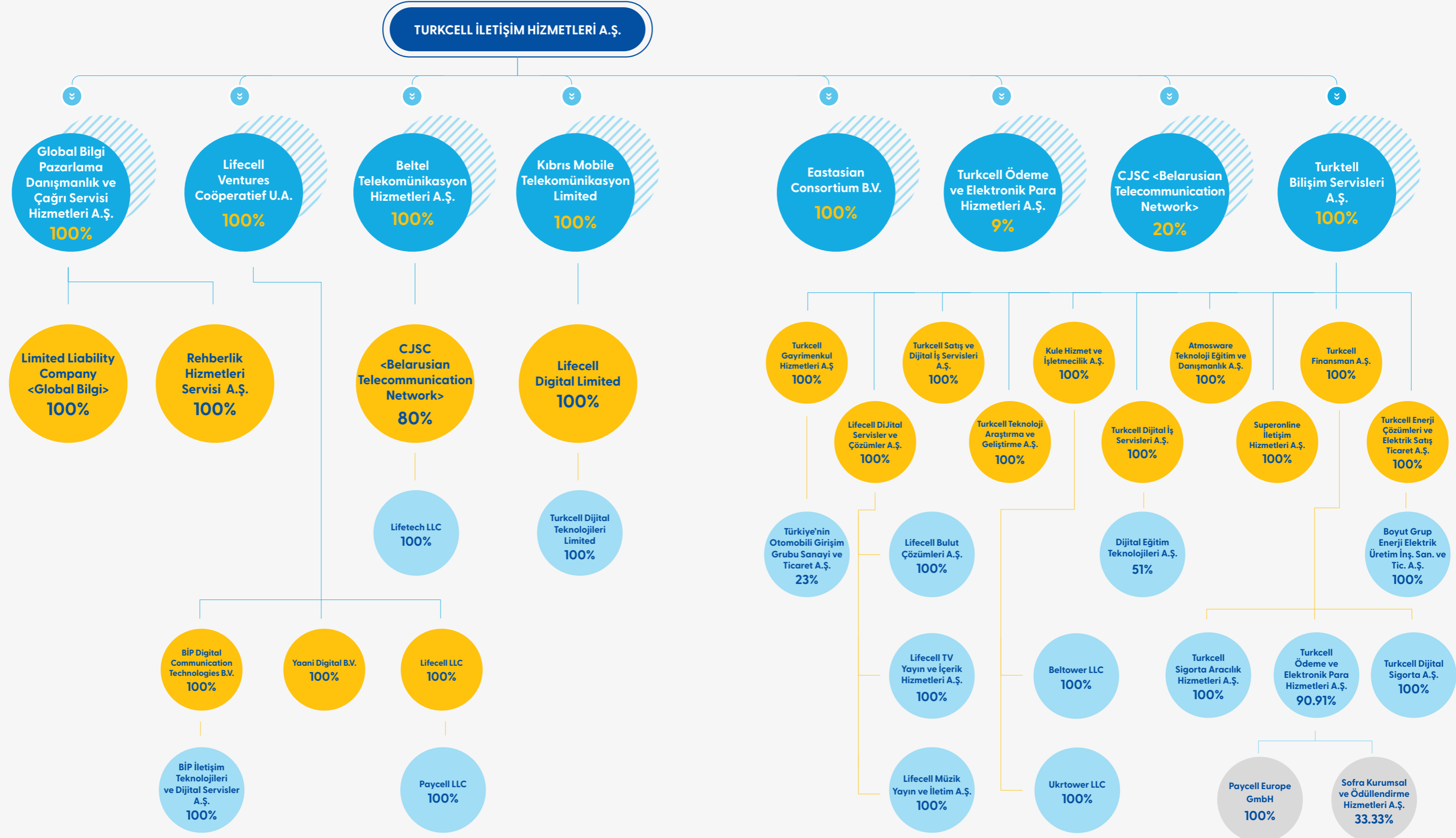
Turkcell's Shareholder Structure

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

* Publicly traded shares also include ADS trading at NYSE.



Turkcell Group Companies





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 2022 Awards



PSM Awards

Social Responsibility Category Silver PSM Award – **Paycell Forest Project**

Customer Interaction and Experience Category Silver PSM Award – **Financell Loan Process Project**



Media Excellence Awards

Auxiliary or Productivity Practices Category First Prize – **Turkcell Pasaj Gift Assistant Page**



Stevie Awards for Women in Business Awards

Female-oriented CSR Projects Category Stevie Award
Women Writing the Future Climate Ideathon



Ipra Golden World Awards

Art Communication, Event and Sponsorship Category Awards
Turkcell Vadi



Turkey CXA'22 Customer Experience Awards

EBest Customer Feedback and Insight Category Gold Award
Project to Redesign the Invoice Process with Customer Feedbacks

Best Innovation in Customer Experience (Corporations) Category Silver Award
Let the Robot Do RPA Project

Best Customer Services (Up to 10.000 Employees) Category Silver Award
Outbound Excellence Project

Best Technology Use Category Bronze Award
End to End Mobile Network Experience Development Projects



ACE Awards

Communication (GSM) Category Diamond Award
Turkcell

Digital Platform Category Gold Award
TV+

Internet Service Providers Category Silver Award
Superonline

Electronic Money Applications Category Silver Award
Paycell



Customer Centricity World Series

Third Price in Customer-Centric Culture Category

Second Price in Complaint Management Category



Brandon Hall Group Excellence Awards

Best Technologic Development in Testing and Learning Category Bronze Award
CaseLab



Stevie Awards for Sales & Customer Service

Business Development Success of the Year
Technology Sectors Category Bronze Stevie Award - Retail Channel Delivery Point Project



SMARTIES MMA Awards

Experimental-Innovative Technology Category Bronze Award
Fizy



IDC Türkiye Future Enterprise Awards

Best in Future of Work Category First Prize
Let the Robot Do RPA Project



Turkcell Group: Developments in 2022

Turkcell Group companies operate in 4 countries - Türkiye, Ukraine, Belarus, and the Turkish Republic of Northern Cyprus (TRNC) with **23,795** employees.



TÜRKİYE Turkcell Türkiye

TRY **40.9**
Billion Revenue

37.5
Million Mobile Customers

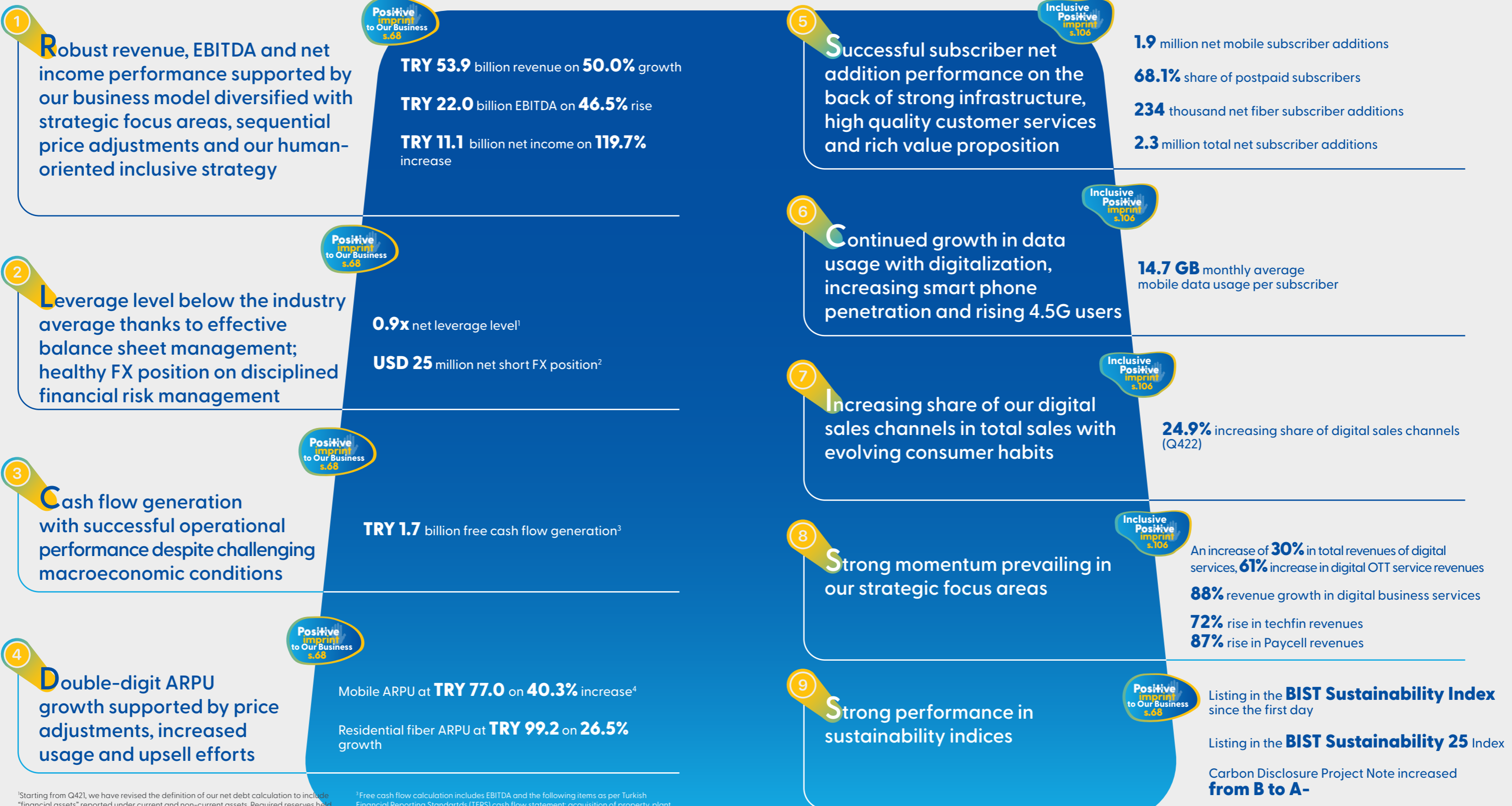
2.9
Million Fixed Customers

1.3
Million IPTV Customers





2022 Strategic Goals and Management Discussion



¹Starting from Q421, we have revised the definition of our net debt calculation to include "financial assets" reported under current and non-current assets. Required reserves held in CBRT balances are also considered in net debt calculation. We believe that these assets are highly liquid and can be easily converted to cash without significant change in value.

²Advance payments are included

³Free cash flow calculation includes EBITDA and the following items as per Turkish Financial Reporting Standards (TFRS) 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.

⁴Excluding M2M.



10

Increasing momentum towards net zero goals

Positive Imprint to the Environment s.178

227,592 GJ energy saving,
414,911 ton CO₂e emission reduction

1.5 MW renewable energy installed capacity with **TRY 11.3** million of investment

Increasing refurbishing practices in **e-waste** management

11

Strengthening Turkey's Sector Leadership in Intellectual Property

Inclusive Positive Imprint s.106

965 R&D employees

325 national patent applications;
966 registered patents

8 TÜBİTAK, 10 HORIZON supported R&D projects

12

Developing Equal Opportunities and Diversity

Inclusive Positive Imprint s.106

Women Developers of the Future Climate Ideathon enabled 200 women to develop product ideas using technology to address climate change

34.6% female employee ratio

30% female employee ratio in engineering positions

35% female employee ratio in IT positions

80 Whiz Kids classes throughout Turkey

Turkcell achieved successful results despite the challenging competitive environment in its operating markets due to the political and challenging macroeconomic conditions globally in 2022. In line with its aim to create value for all stakeholders, Turkcell sustained its operations effectively with a diversified business strategy and proactive risk management during a period of market volatility and uncertainty.

We achieved solid financial results in 2022 with strong performances in all of our services and solutions, which were tailored to meet our customers' changing needs. Turkcell's consolidated revenues reached TRY 53.9 billion, representing a 50.0% increase compared to the previous year. Consolidated EBITDA increased by 46.5% to TRY 22.0 billion. Net income increased by 119.7% compared to the previous year, reaching TRY 11.1 billion. Operational CAPEX (excluding licenses) amounted to 20.2% of revenues. Thanks to our strong balance sheet, prudent risk management approach, and profitable operations that are aware of our social and environmental impact, we distributed a gross amount of TRY 1,257,774,594 in dividends to our shareholders in 2022.

In recent years, the rising trend of digitalization has increased not only the needs of individuals for digital products and services but also the demands of companies. Following our principle of providing technology that leaves no one behind, Turkcell has taken another step towards financial inclusivity by offering digital business services that provide the most accurate solutions for professional needs, in addition to individuals' digital service needs. Along with digital services, our Paycell, Financell, and Güvencell brands offer innovative payment, financing, and insurance services to both individuals

and commercial enterprises. With the increasing customer potential, our financial solutions have not only contributed positively to our own revenue, but also had a multiplier effect on the user and revenue growth of all our products and services.

The reporting period was a year in which we carried out successful activities in many areas of sustainability management, in addition to our financial and operational performance. Firstly, we published the Positive Imprint in Sustainability Strategy in line with the new company priorities we identified within the framework of our integrated value creation model. Within our sustainability strategy, which we have gathered under environmental, social and governance aspects as "Positive Imprint to the Environment", "Inclusive Positive Imprint" and "Positive Imprint to Our Business", we aim to eliminate our negative impact while increasing our positive impact.

As part of the "Positive Imprint to the Environment", we have accelerated our investments in renewable energy production throughout the year. This has enabled us to reduce both our GHG emissions and energy costs. Through these investments, we are progressing towards becoming a preferred digital service partner for customers who adopt environmentally friendly business models. We met 100% of our electricity needs from renewable sources in 2022. With a solar energy investment of TRY 11.3 million, we increased our installed capacity to 1.5 MW. Our goal is to produce 30% of our own electricity needs by 2025 and achieve a net zero operations level by 2050.

As part of Inclusive Positive Imprint, we are implementing several projects to ensure equal, accurate, and secure

access to information for everyone and to enable everyone to use the unlimited opportunities offered by the internet. To create a generation that produces technology rather than consuming it, we are creating technology classes through our Whiz Kids project for children. To help seniors benefit from the opportunities of the online world, we are establishing technology rooms in nursing homes and providing digital literacy training through Turkcell TV+. We are also implementing projects like My Dream Companion to ensure equal participation of people with disabilities in life through technology.

We take actions to increase the presence of women in technology both in our company and at the management and board levels. In this context, we have managed to increase our female employee rate to 34.6% and our female executive rate to 24.9% in 2022. Throughout the year, our female employees held 30% of engineering positions and 35% of IT positions. We continue to support women's entrepreneurship and employment in the technology field through our projects such as Women Developers of the Future and Equal Opportunities, Equal Conditions. This year, we turned the competition part of our Women Developers of the Future project into an Ideathon for Climate Change. In this way, while supporting the equal presence of women in the technology field, we aim to create awareness for their equal participation in climate change solution processes and seek solutions to the climate crisis with technology product ideas.

As part of our commitment to Positive Imprint to our Business, we are developing systems for transparent, accountable, and ethical operations as we establish our responsible value chain.

Value Creating Turkcell

As Turkcell, we continue our 29-year journey, which we started with the aim of introducing mobile communication to Turkey, by successfully breaking new grounds in our sector.

- Value Creating Turkcell
- Our Core Competencies
- Our Strategic Focuses, Initiatives and Opportunities





Value Creating Turkcell

As Turkcell, we continue our 29-year journey, which we started with the aim of introducing mobile communication to Turkey, by successfully breaking new grounds in our sector.

We have created value for all our stakeholders by gaining an integrated digital operator identity with the great development we have made over the past years. Believing in the restorative power of our strong and sustainable business model and innovative digital technology and communication tools, we will contribute to the digital transformation of the geographies where we operate, support the equal access of people to life and social development, create value for our stakeholders, particularly for our customers, shareholders and employees, and continue to increase our positive impact while reducing our negative impact to zero in the forthcoming periods.

In the previous periods, we have re-considered our business model with an integrated point of view and implemented a multi-capital-focused value creation perspective. During this reporting period, we aim to increase the value we produce by associating the inputs of our value creation model with the strategic focus areas that we have identified through the materiality studies we have carried out according to the feedback of our managers, employees and external stakeholders. We regularly monitor the performance we have achieved with concrete and measurable indicators, and ensure an effective management of the value we produce for all our stakeholders.



Turkcell Sustainability Management and Involvement of Senior Management

Integrated Corporate Value Creation Management Structure of Turkcell

Turkcell Board of Directors, whose duties and powers have been determined according to the provisions of the Turkish Commercial Code, is the highest-level management body that directs Turkcell's strategic sustainability initiatives. In this context, the Board of Directors has the responsibility for the strategic management of our Integrated Value Creation Model, evaluating the related efforts and monitoring the progress.

The connection between the strategic level and the action level of the Integrated Value Creation Model is realized through Turkcell Integrated Value Creation Committee, which is established at the Senior Management level, and chaired by the Chairman of the Turkcell Board of Directors. The committee monitors the activities of the Company regularly and informs the Board of Directors and the relevant Board Committees when necessary. The activities conducted within the scope of integrated value creation model and the integrated reporting process which includes the outcomes of this model are under the responsibility of Turkcell Senior Management, and Turkcell Board of Directors provides senior level supervision. Accordingly, through the integrated annual report published every

year, the Integrated Value Creation Committee reports the activities carried out within the scope of environmental, social and governance policies in a format suitable for public disclosure to the Board of Directors and receives its approval.

The responsibilities of the Integrated Value Creation Committee include;

- Guiding report plans within the scope of integrated value creation process and integrated report,
- Reviewing the integrated value creation process in line with Turkcell's strategy,
- Guiding the content of the integrated report and giving an opinion on the draft.

Represented by directors of various functions, Turkcell Sustainability Committee plans the activities regarding the identification and realization of short and long-term action plans in accordance with environmental, social and governance policies, identification of material sustainability issues, risks and opportunities, and production of performance on these issue matters.

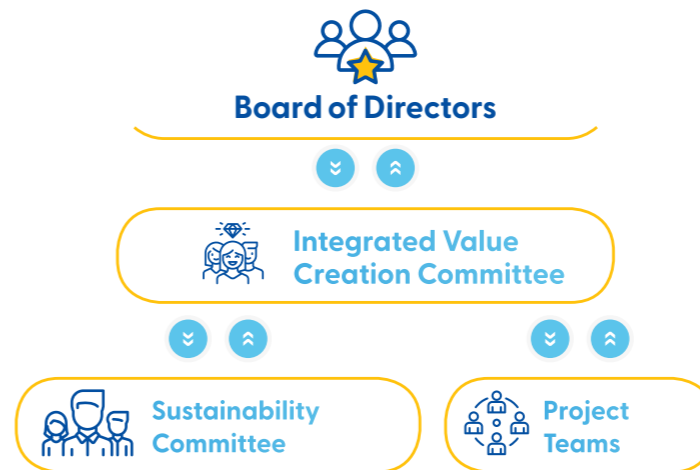
The committee reports the obtained outcomes to the Board of Directors through the Integrated Value Creation Committee. Studies to improve performance in identified areas are implemented by Project Teams formed with the participation of Company executives who are determined according to their expertise.

Keeping the principles of transparency and accountability at the core of its corporate philosophy, Turkcell develops corporate policies in the areas it prioritizes and carries out its activities in line with the rules determined in these policies. Turkcell's policies within the scope of Environment, Social and Governance are discussed at the Sustainability and the Integrated Value Creation Committees, reviewed and approved by our Board of Directors. Following the Board of Directors approval, they are published on the Turkcell corporate website, under the title of [sustainability](#) for the opinions and information of our stakeholders.

In accordance with the quality management philosophy followed throughout Turkcell, many sustainability issues are managed with systems created by following ISO Standards. In this scope, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 14064 Greenhouse Gases Calculation and Verification Management System, ISO 27001 Information Security Management System, ISO 22301 Business Continuity Management Systems, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System are among the system standards followed for the management of sustainability issues. The up-to-dateness of these system standards and their application level are controlled and certified with periodic independent external audits. You may check our certificates in Appendix 2, ISO Certificates section.

You may check our certificates in Appendix 2 ISO Certificates section.

Integrated Corporate Value Creation Management Structure of Turkcell





Turkcell Sustainability Priorities

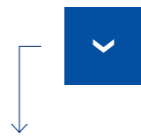
The basis of the Turkcell Sustainability Strategy and Integrated Value Model is the Turkcell Sustainability Priorities, which we determined by systematic methods in line with the principles set forth in international standards such as GRI.

We re-evaluated our materiality portfolio with a comprehensive survey and analysis study we carried out during the reporting period. In this evaluation, we followed the Double Materiality approach, which creates an even stronger reference to the integrated value model logic as suggested by the standards organizations such as GRI, IIRC and SASB and regulations such as EUCSRD.

In conventional materiality studies, 2 key approaches, namely "financial priority" and "sustainability priority" were used. The studies carried out with the financial priority approach have considered the factors that can affect the Company's value from outside to inside; while those with the sustainability priority approach have considered the influence of the Company on the environment and society, from the inside out. The Double Materiality approach, on the other hand, combines these two consistent approaches and focuses on both the factors that may affect the financial, environmental and social performance of the Company, and the impacts that the Company may have on society and the environment.

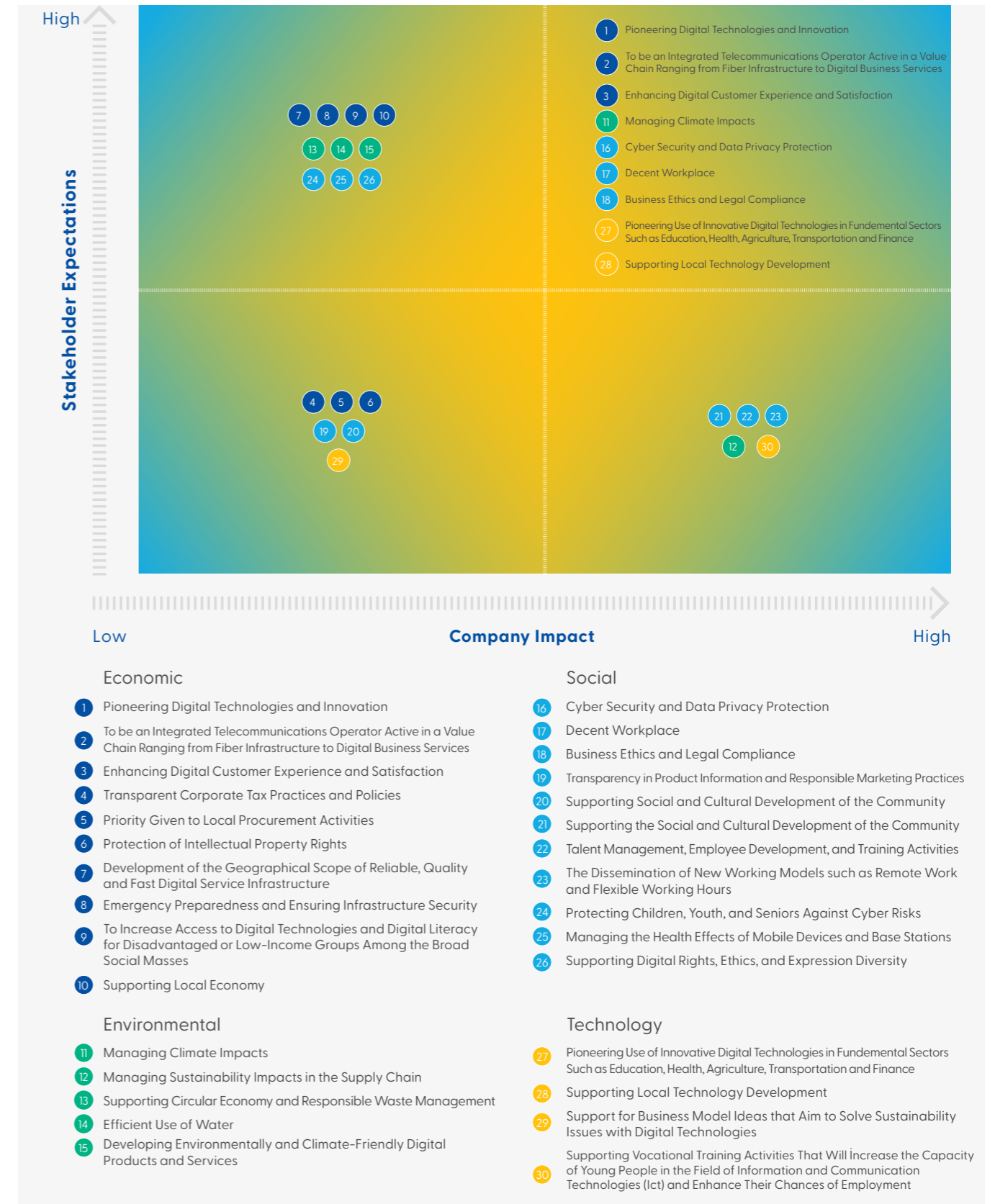
In this direction, we started the materiality study initially by creating a research universe consisting of 40 social, economic, environmental and technology topics and 17 Sustainable

Development Goals, which we obtained by screening past practices, sectoral initiatives such as GSMA, reporting standards such as GRI and SASB, research studies such as WEF Global Risk Report, and various index contents. Then, we evaluated this subject universe with a screening study with 13 Turkcell executives, 921 Turkcell employees, 105 individual customers, 91 corporate customers, 22 suppliers and business partners, and 23 stakeholders representing other groups such as media, NGOs, public institutions and regulatory agencies. As a result of this study, which was designed with a focus on risk, opportunity and expectation, with parameters customized according to stakeholder category, we have reached both a general materiality portfolio and a comprehensive portrait of expectations on the basis of stakeholder groups. Finally, we held a workshop with the participation of more than thirty Turkcell executives who represent various specialization units to discuss the current sustainability trends and managerial practices as well as the materiality portfolio we obtained. We finalized Turkcell Sustainability Priorities by presenting the workshop outputs for the opinion and approval of the Turkcell Integrated Value Creation Committee, which was convened with the participation of our Chairman of the Board of Directors and Senior Executives.



Due to the fact that stakeholder expectations and the company's impact and potential to be impacted are evaluated at the highest level, the top priority issues in the first group in the materiality matrix are the issues that form the basis of the Turkcell Sustainability Strategy and are managed with systematic targets within the scope of the value generation model. The subjects that are considered as a priority at the secondary level, on the other hand, refer to the subjects that the company aims to achieve performance through active studies. Finally, the issues that are prioritized at the third level refer to the areas that are on the agenda and follow-up of the Company's executives, and for which practices are developed with the perspective of legal compliance and sectoral competition.

Turkcell Sustainability Priorities Matrix





Turkcell Sustainability Strategy: Positive Imprint in Sustainability

Innovation and technology are the core catalysts of sustainable development, the key objective of the current world.

Technological solutions make it possible to give an effective response to social, economic, environmental and managerial problems. Thanks to the technology, we can reduce our environmental impact by efficient use of resources, increase social and economic coverage, and develop transparent, accountable and responsible practices that our stakeholders expect. In this scope, mobile communication and digital technology applications play a major role in creating the infrastructure of studies for sustainable development.

Since we operate on a broad value chain that expands from mobile communication to digital applications, we aim to play a leading role in our operation geography also with our sustainable integrated value model, as we do in every field. Accordingly, we listen to our stakeholders at every opportunity and learn about their expectations, support sustainable development with the solutions we develop by following international trends and good practices, and

strengthen our leading position in the sector with our effective and profitable business model that creates long-term value for our stakeholders.

We follow a sustainability strategy that will produce a positive impact in the short, medium and long term by combining the potential of our sector, the agility of our organization and our superior digital service experience with sectoral risk and opportunity parameters and Sustainable Development Goals. We periodically measure the up-to-dateness and outputs of this strategy and update our position when necessary.

We reviewed our sustainability strategy with the control studies we carried out during the reporting period. As a result of this, in the light of the developments and changing stakeholder expectations, we have made updates in our definitions for our strategy, for which we have determined our main slogan as "Positive Imprint in Sustainability".



Equal Digital and Social Opportunities
Digital Security and Wellbeing
Human Oriented Turkcell Culture

Transparency and Accountability
Ethical Conduct
Responsible Value Chain

Fighting Climate Crisis
Circular Conduct
Efficient Technology Solutions



THE POSITIVE IMPRINT IN SUSTAINABILITY STRATEGY CONSISTS OF 3 MAIN AXES

Inclusive Positive Imprint

With the Inclusive Positive Imprint axis, we aim to provide equal opportunities in our workplace, products and services, and in our social sphere of influence, to include all segments of the society, support the state of being good in the digital world and to "not leave anyone behind" in social, economic and cultural development.

Positive Imprint to Our Business

With the axis of Positive Imprint to our Business, we aim to develop a strong business model that is shaped by the principles of transparency, accountability and business ethics throughout our value chain, and where sustainability risks and opportunities are effectively managed.

Positive Imprint to the Environment

With the axis of Positive Imprint to the Environment, we aim to manage our environmental impacts, protect natural life and play a leading role in tackling environmental problems, especially climate change.





Supported Sustainable Development Goals

| SDG Supported | Targets | Description |
|---------------|--|---|
| | <p>Target 7.2: Increase the share of renewable energy globally</p> <p>Target 7.3: Double the energy efficiency</p> <p>Target 7.A: Support access to clean energy, technology and investment</p> | At Turkcell, energy consumption, which is one of the root causes of climate change and a fundamental operational efficiency parameter, is seriously managed with international system standards such as ISO 50001. The energy consumption points are continuously monitored and efforts are made to increase energy efficiency with the measures taken. As of 2021, Turkcell has started supplying all its electricity from certified renewable sources, and investing in renewable energy in line with the goal of achieving net zero operations by 2050. |
| | <p>Target 8.1: Sustainable economic growth</p> <p>Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation</p> <p>Target 8.3: Promote development-oriented policies that support productive activities entrepreneurship and new job opportunities</p> <p>Target 8.4: Improve resource efficiency in production and consumption</p> <p>Target 8.5: Achieve full employment, decent work and equal pay for work of equal value</p> <p>Target 8.6: Support education and employment of youth</p> <p>Target 8.7: End modern slavery, human trafficking and worst forms of child labour.</p> <p>Target 8.8: Protect labour rights and promote safe work environments</p> <p>Target 8.10: Expand access to banking, insurance and financial services for all</p> <p>Target 8.B: Develop a global strategy for youth employment</p> | <p>Turkcell, the pioneer of communication and digital service technologies, supports sustainable economic growth in the markets it operates in through its investments and R&D efforts in innovative infrastructure and application development. Thousands of Turkcell customers from various sectors have the opportunity to achieve digital transformation in their ventures through the provided communication infrastructure and innovative applications, leading to more efficient and productive business models. Additionally, under the umbrella of innovative techfin services such as Financell and Paycell, solutions are developed to support wider societal access to insurance and financial products with more ease and advantage.</p> <p>As a signatory of the UN Global Compact, Turkcell aims to provide a work environment that is secure, inclusive, and equal, where the rights of its employees are guaranteed. Turkcell also strives to eliminate any negative practices, such as forced labor and child employment, across its value chain. Adhering to the principle of equal pay for equal work, Turkcell works to not only improve access to employment but also to provide equal opportunities and rights throughout the employment process in terms of gender equality.</p> <p>Turkcell believes that Turkey's young population is the main driving force behind its development. In this context, Turkcell develops programs aimed at enhancing the entrepreneurial spirit of the young, preparing them for their careers with a quality education and experience in information technologies and other professional skills, thereby supporting youth employment.</p> |
| | <p>Target 9.1: Develop sustainable, resilient and inclusive infrastructure</p> <p>Target 9.2: Promote inclusive and sustainable industrialization</p> <p>Target 9.3: Increase the access to financial services and markets</p> <p>Target 9.4: Upgrade industry and infrastructures to make them sustainable</p> <p>Target 9.5: Enhance scientific research and technology in industrial sectors</p> <p>Target 9.A: Facilitate sustainable infrastructure development in developing countries</p> <p>Target 9.C: Increase access to information and communications technology for all</p> | Turkcell aims to provide its customers with a seamless and reliable service infrastructure through its strong network structure, geographical coverage, and emergency preparedness capacity, and continually works to improve this quality. At the same time, Turkcell aims to make high technology accessible to everyone, including groups that face economic or social disadvantages, by providing access to a wide range of digital services such as techfin infrastructures such as Financell, Paycell and Güvencell, as well as financial, communication, and information technology products and services. Turkcell strives to be a trusted business partner for all economic actors, from small businesses to large industrial ventures, on their digital transformation journey. |

| SDG Supported | Targets | Description |
|---------------|---|---|
| | <p>Target 12.2: Achieve the sustainable management and efficient use of natural resources</p> <p>Target 12.4: Achieve the responsible management of chemicals and all wastes</p> <p>Target 12.5: Substantially reduce waste generation</p> | Under the responsible management approach, Turkcell manages environmental risks arising from its operations in accordance with international standards. In this context, the company aims to improve resource efficiency, environmental protection, and the development of natural resources by taking measures, particularly with regards to mitigating the effects of climate change. Through these implementations, Turkcell reduces its environmental impact while enhancing the business value of the resulting resource efficiency. Efforts are underway in areas such as energy and water resource efficiency, waste management, circular economy practices, and preservation of biodiversity. |
| | <p>Target 13.2: Integrate climate change measures into national policies, strategies and planning</p> <p>Target 13.3: Improve education and institutional capacity on climate change mitigation</p> | Turkcell recognizes climate change as a phenomenon that affects not only the nature but also the global economy, human wellbeing and, as a result, Turkcell's business success. It is clear that if effective measures to combat climate change are developed, there will be opportunities to positively impact business success. In line with this, Turkcell includes the risks and opportunities arising from climate change in its corporate policies and strategies, as well as its planning processes related to operational and service development. Turkcell manages seriously the elements that may affect climate change, including energy consumption and greenhouse gas emissions, among its operations. Additionally, Turkcell will increase the knowledge and awareness of its stakeholders, particularly employees, on climate sensitivity and will carry out efforts to expand the scope of the fight against climate change. To enhance the effect produced, Turkcell engages in joint ventures with various stakeholders, including civil society organizations. |
| | <p>Target 16.5: Substantially reduce corruption and bribery in all their forms</p> <p>Target 16.6: Develop effective, accountable and transparent institutions at all levels</p> <p>Target 16.10: Ensure public access to information and protect fundamental freedoms</p> | Turkcell, as the only Turkish company simultaneously listed on the NYSE and Borsa Istanbul, adheres to internationally recognized principles of corporate governance as an integral part of its management approach, in compliance with the legal regulations it is subject to. In this direction, Turkcell aims to establish a transparent, accountable, and effective corporate governance structure across the Company and its Group companies. Maintaining a superior business ethics mindset among all Company employees and throughout the value chain, compliance with the legal regulations, and prevention of any form of bribery and corruption are non-negotiable and uncompromisable corporate principles. To achieve this, the Group has developed management and control systems, with performance being regularly monitored and improvement measures taken as necessary. |



Interactions with Our Stakeholders

The motto “For our stakeholders, together with our stakeholders” expresses the management approach we have adopted in order to create value for our stakeholders, which is our most fundamental goal.





We determine our activities and decisions by listening to the expectations and opinions of our stakeholders, and we improve our business processes, products and services with the feedback we receive. We pay attention to being consistent, inclusive and accessible in our interactions with our stakeholders; we respond to their information and communication requests in a transparent, open and timely manner.

| Stakeholder group | Communication tools and frequency | Frequently asked questions and demands in 2022 |
|--|--|--|
|  Employees | Integrated Annual Report (annual), Meetings & Interviews (periodic), C-level Open Door meetings (periodic), Performance Evaluations (quarterly), Announcements (continuous), Reports, Awayday, Events (periodic), Information Reports (periodic), Publications and Bulletins (periodic), Corporate Web Site (continuous) | <p>The application conditions of working models that seem to take their place in business life, such as adapting to the changing working conditions with the pandemic period, remote working and flexible working, stand out among the questions and demands conveyed by the employees during the period. Meanwhile, the needs for health and psychological support have also increased during the period. Employee demands were met by creating various applications and programs for these demands.</p> <p>In line with macroeconomic developments, requests for wages and fringe benefits were responded to in line with the remuneration policy.</p> |
|  Suppliers | Integrated Annual Report (annual), Supplier Management System (continuous), Supplier Portal (continuous), Internal and External Meetings (periodic), Supplier Days (annual), Cooperation Meetings with SME and Local Manufacturers (continuous), Technopark Visits (continuous), Turkcell Partner Network (continuous), Corporate Website (continuous) | The program was introduced at meetings with the Suppliers on the Supplier-Centric Innovation Day, panels with the subject digitalization and sustainability were held and successful projects were awarded. Opinion application channels were shared and new innovative ideas were gathered. Moreover, throughout the year, coordination meetings were held with the suppliers to minimize the effects of global risks associated with the production and logistics processes of critical product groups, and mutual actions were defined. |
|  Customers | Integrated Annual Report (annual), Media (continuous), Advertising and Promotion Activities (continuous), Social Media Accounts (continuous), Corporate Website (continuous), Dealers (continuous), Call Center (continuous), IVR (continuous), SMS and Email (continuous), Satisfaction Questionnaires (periodic), Turkcell App (continuous), KEP, CIMER, BTK, TSS channels (continuous) | During the period, solving the basic questions and demands of customers, service plan conditions, promotions, purchasing a service package and solving technical problems were focused on. These demands and questions are quickly resolved by the relevant units. As a result of the digitalization efforts carried out during the period, the speed of developing solutions to customer demands significantly increased. |
|  Shareholders and Investors | Integrated Annual Report (annual), Board of Directors Meetings (periodic), Conferences, Meetings and Roadshow activities (periodic), Investor and Analyst Day Meetings (on demand), Quarterly Financial and Operational Results Announcements and Operating Reports (quarterly), Investor Relations Website (continuous), Teleconferences (periodic), Material Disclosures over Public Disclosure Platform (instantaneous), Explanations for Frequently Asked Questions (continuous), Email (continuous), Telephone Calls (continuous), Corporate Website (continuous) | Financial and operational information, which is the most basic expectation conveyed by shareholders and investors during the period, was met through transparent and timely disclosure through various channels. Meanwhile, the increasing interest and expectations of shareholders and investors in cyber security, corporate governance and legal compliance practices were met with the implementation and information activities developed during the period. |

The process of identifying sustainability priorities is one of the key studies realized with stakeholders' feedback. Also in the prioritization efforts carried out during the reporting period, many Turkcell stakeholders who represent the stakeholder groups have contributed to this process with their feedbacks. In the stakeholder group-based analysis studies we have carried out, the top priority expectations of our individual and corporate customers concentrated on “emergency preparedness and infrastructure security”, “development of the geographical

coverage of reliable, high quality and fast digital service infrastructure”, “cyber security and data privacy”, “renewable energy use”, “leading the use of innovative digital technologies in key sectors” and “supporting vocational training activities that would increase the employment opportunities of young people by increasing their capabilities in the field of information and communication technologies”. The expectations of shareholders, investors and brokerage institutions were concentrated on “leading digital technologies and innovation”, “cyber

security and data privacy”, and “developing environment and climate friendly digital products and services”, “to increase the access to digital technologies and digital literacy of large social masses, disadvantaged or low purchasing power groups”. The expectations of our other stakeholder groups have also brought the same issues to the fore. Turkcell Board of Directors is informed annually about stakeholder expectations and priorities obtained through the Integrated Value Creation Committee as part of the prioritization process.

| Stakeholder group | Communication tools and frequency | Frequently asked questions and demands in 2022 |
|---|--|--|
|  Public Institutions and Regulatory Bodies | Integrated Annual Report (annual) Official Correspondence (continuous), Meetings & Events (periodic), Public Opinion Documents (on demand), Information Reports (periodic), Presentations and Position Documents (on demand), Periodic Publications and Bulletins (periodic), Corporate Website (continuous) | Various information and opinion demand of public institutions and regulatory bodies regarding the industry and the business life were responded throughout the period. Collaboration and project development demands were responded as long as the subject of the related application was compliant with the Company's activities and the corporate resources allowed for it. |
|  NGO's | Integrated Annual Report (annual), Memberships (continuous), Board of Directors Working Group and Council Meetings (periodic), Workshops (on demand), Seminars, Conferences and Events (annual), Forums and Meetings (on demand), Joint Projects (on demand), Corporate Website (continuous), Social Media (continuous), E-mail communication (instantaneous) | The main expectations conveyed by NGOs during the period focused on information needs, membership requests, joint project and sponsorship requests. While information requests were answered in line with corporate information sharing policies, membership, sponsorship and joint project requests were responded to as long as the relevant organization adopted the values of cooperation with Turkcell, and the related work was compatible with Turkcell's corporate policies, field of activity and expectations. |
|  Media | Integrated Annual Report (annual), Press Releases (instant), Press Meetings (instant), Meetings and Interviews (on demand), Turkcell and Turkcell General Manager Social Media Accounts (continuous), Corporate Website (continuous) | During the period, information requests regarding financials and company projects and practices conveyed by members of the media towards Turkcell and the sector were responded to in a transparent and timely manner. |
|  Universities, Academicians, Students | Turkcell Academy Curriculum Courses (periodic), Certificate Programs (periodic), Technical Trips (on demand), Project Contests (annual), Academic Publications (on demand), Joint Projects (on demand), Information Sharing Meetings (on demand), PhD Fellowships (on demand), Project Sponsorships (on demand), Corporate Website (continuous), Social Media (continuous) | Requests made by universities and academics during the term, such as course content support, field visits, and support for academic research, were answered positively as long as it was possible. Within the scope of student fellowship demands, the demands of students working at the doctoral level in the field of artificial intelligence were met. |



Turkcell's Sustainability Initiative Memberships

We believe that by meeting with our stakeholders on common values, we will create a greater value together.

In this context, we provide support by participating in many international initiatives organized on a sectoral or subject basis. Some of these efforts are international initiatives created around sustainability issues. The main organizations we actively support in this field are UN Global Compact, WEPs, GSMA, Sustainable Development Association and Mobile Telecommunication Operators Association. Apart from them, Turkcell operates as a member of many non-governmental organizations operating in different fields and is represented in their management and working groups.

You can find the full list of the organizations we are a member of and their level of engagement in the Table of **Appendix 3- Non-Governmental Organizations Memberships**.



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 this platform, we also find the opportunity benefit from the experiences of other member organizations. Meanwhile 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 with initiatives and studies such as Mobile Net Zero. Among these efforts, Mobile Net Zero is important in terms of enabling mobile operators to carry out their operations with the Net Zero target within the scope of efforts to combat climate change.

Turkcell also contributes to the GSMA Sustainability Network, a platform that provides international sectoral experience sharing for the development of applications in line with the Sustainable Development Goals as a sub-association of GSMA. In this context, Turkcell was among the first 8 companies in the world and the first company in Turkey to sign the GSMA Accessibility Principles. As a signatory of these principles, we have committed to design and develop all our company's platforms in accordance with globally accepted accessibility standards for our disabled customers and employees. Turkcell is also among the pilot companies that play a leading role in determining GSMA's ESG metrics for the mobile sector.



United Nations Global Compact

Turkcell became one of the signatories in 2007 and supports the "10 Principles" of the United Nations Global Compact, the world's largest corporate sustainability initiative, and its sub-initiatives in line with sustainable development. In this context, Turkcell is among the founding members of the CFO Task Force, which brings together company CFOs around the world within the framework of sustainability.

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, and to create a large, liquid and effective market for investments that serve sustainable development goals. After CFO Task Force reaches 1,000 members in 2023, it aims to invest approximately USD 500 billion with the sustainability theme in 2025. Within the framework of the joint efforts that Turkcell continues with the UN Global Compact Turkey Network, the company works for the participation of institutions and organizations from Turkey in the CFO Task Force.

We integrate the 10 principles that UNGC "Statement for Private Sector", to which we became a signatory in 2020, 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. As of next year, we will continue to disclose our data within the UNGC database, in line with the updated UNGC reporting system.

In support of

WOMEN'S EMPOWERMENT PRINCIPLES



WEPs

Believing in equal opportunities at the workplace, Turkcell has been a signatory to the United Nations Women Empowerment Principles to promote Gender Equality, which is one of the Sustainable Development Goals, in order to improve the status of women in the business life and in the social life in 2012. Within the scope of UN WEPs, we continue our activities to support Turkcell's goal of being the company that women most want to work for, thanks to its gender equality approach, by supporting practices aimed at empowering women in the business environment, such as equal pay practices and zero tolerance for discrimination.

m-TOD



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. Murat Erkan CEO of Turkcell, Executive Vice Presidents Serhat Demir and Gediz Sezgin are members of the m-TOD Board of Directors.

wbcspd



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. In this context, our activity memberships are carried out by Financell General Manager Korhan Bilek and Turkcell Energy General Manager Erkin Kılınc on the finance side. Turkcell is also a member of BCSD Turkey Materials Marketplace and a signatory to Business World Plastic Initiative. In this context, our commitment to plastic reduction continues.

Our Relations with Public Institutions

There are many different regulations that Turkcell and its Group Companies are subject to, and these regulations constitute the basic structure of our relations with public institutions and organizations. These regulations directly affect the technical and commercial operations, terms of service provision, and the framework of relations with stakeholders of Turkcell and Group companies. For this reason, we closely follow the legislation studies related to our activities and respond to the requests of regulatory institutions during the consultation, maturation and implementation processes of the regulations. We provide our opinion by analyzing the possible impacts of the relevant draft regulations on

the sector in terms of legal, technical, commercial, operational and economic aspects. On the other hand, we participate in the legislative work that is open to public opinion within the NGOs of which we are members, and we support the process of shaping the regulations by preparing joint position and opinion documents.

On the other hand, Turkcell and its Group companies generate added value by leading the technological transformation in the countries where they operate, with their mobile network, fiber infrastructure and world-class data centers, digital products and services. As a result of this value added, Turkcell provides tax and legal liability contribution to the public. Turkcell Group has realized around TRY 19.2 billion tax and legal liability payment in the countries where it operates.

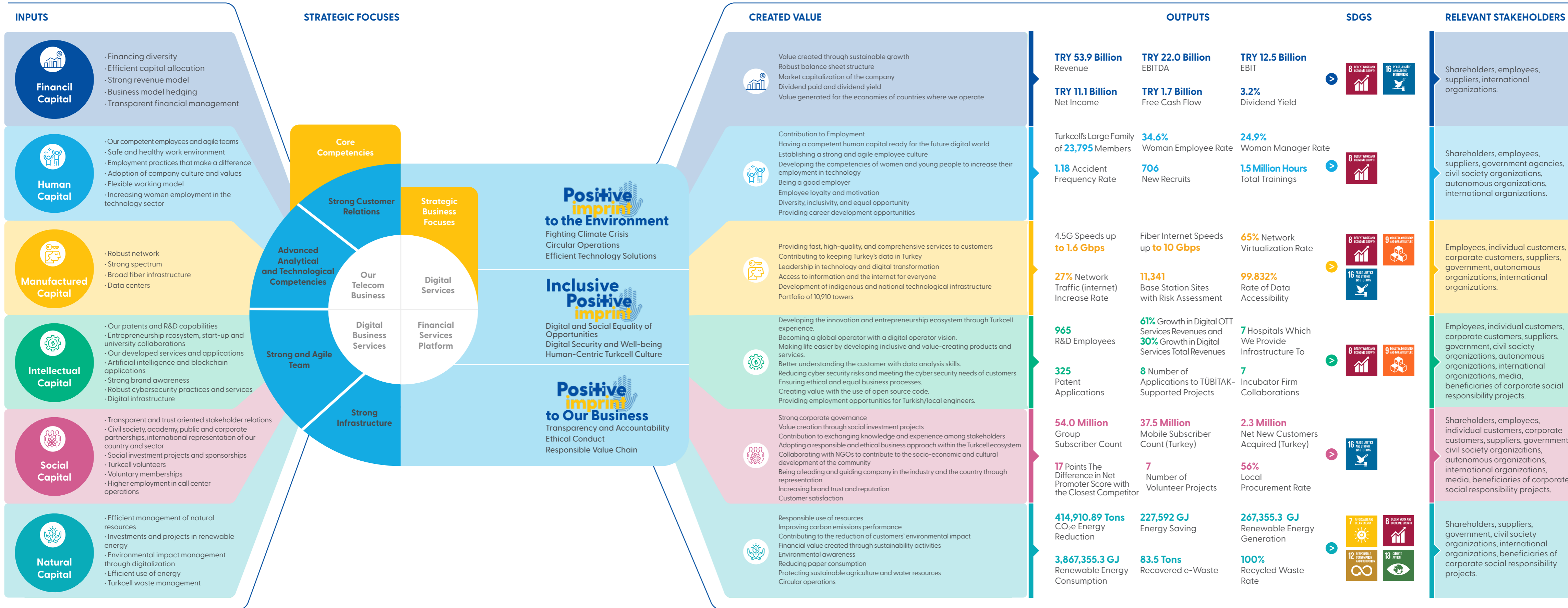
Relations with Shareholders and Investors

Turkcell has applied the principles of being transparent, equitable, consistent and accessible to its investors and shareholders. We consider it a fundamental responsibility to respond openly, accurately and in a timely manner to the information requests of our investors and shareholders. With our information activities, we aim to introduce Turkcell correctly and convey our business model, risk and opportunity analyses and strategies to investors, enabling them to make investment decisions based on the right information.

You may find more detailed information about the management of our relations with our shareholders and investors in the **Transparent Investor Relations section of our report**.



Turkcell Value Creation Process





Measuring the Value Created

We aim to deliver more up-to-date and comparable results while measuring the resulting performance of the value creation process by considering recommendations from international organizations such as the GSMA, the WEF, the GRI and the SASB, opinions of our key stakeholders as well as global and sectoral trends.

As of 2021, the Sustainability Goals, which include the internalization of sustainability and ESG policies in social, economic, environmental and governance areas, have been among the strategic goals of the Company and have been assigned as Key Performance Indicators descending from the Turkcell General Manager to all employees. The internalization of the policies by training the company employees at all levels in this direction was reinforced with competitions and awards that support sustainable life.

Along with the sustainability priorities renewed in 2022, we have also revised the Key Performance Indicators used in performance evaluation. In this context, the Sustainability Committee continues to work on creating a system for the detailed follow-up of the sub-parameters related to performance evaluation.

An important part of the analysis of our sustainability performance with internationally accepted methodologies is the evaluations made within the scope of sustainability indices and evaluation systems. In this scope, we provide information to the MSCI ESG Index, Borsa İstanbul Sustainability Index, and CDP Climate Research studies every year. As Turkey's pioneering and leading telecommunications company, we started the Science-Based Targets (SBTi) study in 2021 and submitted our commitment letter in order to bring our commitment to combating climate change to a systematic and rational framework. At the end of the approval process, we aim the approval of the Turkcell SBTi targets in 2023.



Our Core Competencies

Producing continuous and high added value for its stakeholders since its establishment in 1994, Turkcell's success lies in its corporate competencies that have developed over the past 29 years.



Strong Bond with Customers

- › The operator meeting the customers' continuously increasing quality service and communication needs
- › Superior digital customer experience via growing digital services
- › Seamless service thanks to Turkcell's strong infrastructure and wide range of IT solution services
- › Capacity to produce quick solutions to customer demands
- › End-to-end financial services to customers



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
- › Capacity to develop local alternatives in digital services



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
- › Strategic workforce management
- › Comprehensive and equitable corporate culture
- › Unique employee experience focused on people and talent



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
- › Cyber security products and services that require digital operator competence
- › Contribution to digital transformation with common infrastructure efforts
- › A reliable network structure ready for contingencies
- › Protection of local data within the country with a broad data center network



Our Strategic Focuses, Initiatives and Opportunities

We concentrate our operations in four key strategic areas with our digital services, digital business services and financial services platform that we have rapidly developed in recent years with the telecommunication services, that is our main branch of business, and the strong technical infrastructure and experience we have acquired.

We continue diversifying our digital services in accordance with the developing technologies and customer requests. Meanwhile, we are working for making the services we offer accessible for more costumers every period, and increasing the access of the disadvantaged groups, young people and women to information technologies.

Within the scope of our digital business services that we have created for corporate customers, we support digital transformation with end-to-end solutions that we have developed, mainly including data center, cloud solutions, cyber security, health, and IoT. With accessible service solutions, we support companies of every scale to adopt the digitalization trends.

By implementing techfin business models successfully, we offer different digital payment options to our customers with our financial service portfolio, and provide them with financing options which facilitate their access to products and services, and insurance solutions which enable them to get coverage against risks.

In our strategic focus fields, we evaluate the global trends and the

development potentials in the countries where we operate, and continue to quickly improve the value we produce. Every year, with practices which involve our all employees, we evaluate the current trends together and focus our efforts to the areas of opportunity that we identify. We follow the business operations we realize in this scope with short, medium and long-term objectives.⁶ In this framework, we worked on our new 3-years strategic plan in 2022. Our growth areas that we constructed on our strong infrastructure will still remain as our growth areas for the next 3 years. The growth will stem from our focus and expansion in the areas of TV+, education, data center and cloud, cyber security, health etc. Meanwhile, another area that we will focus on in the next 3 years will be how we do that. As we provide all these services and digital solutions according to the needs of our customers, we will focus on maximizing company value through higher efficiency-orientation. As one of our strategies, we will continue to provide superior digital services for a better future by maximizing the care for the environment and the community through Sustainability, as well as for our colleagues and customers through Human Orientation.

Our Telecom Business

Thanks to higher data usage in the reporting period, upsell efforts to carry our customers to packages which provide higher benefits, and our price updates based on the economic conditions, we have maintained our momentum and registered 40.3% ARPU⁷ growth in the mobile. We have also continued our focus for increasing the value proposal that we present to our customers, and gained 1.9 million net mobile subscribers. On the fixed broadband side, we had 220 thousand net additions, and the residential ARPU growth rose to 26.7%. As a result, we have attained both ARPU and subscriber-based growth, and registered a healthy and balanced increase in our revenues. While doing that, we continued focusing on solutions and campaigns that would respond to the telecommunication needs of our customers in the digitalizing consumption world.

As Turkcell, we focus on further increasing our already high corporate segment market share and meeting the needs of our customers stemming from digitalization. In this context, we prepare various campaigns for merchants, SMEs and big companies. We stand by businesses with options that will enable them to meet their mobile and fixed communication needs end-to-end. With our digital business services, we offer a wide range of end-to-end solutions for our corporate customers' digital transformation processes, such as data center, cloud solutions, cyber security, internet of things and managed services.

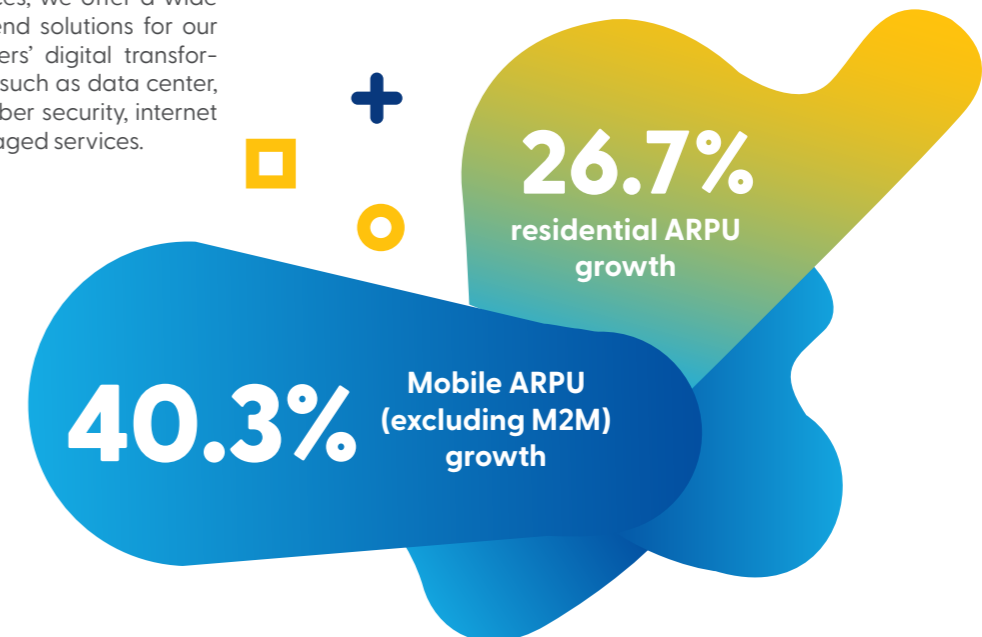
We continue to develop our analytical competencies in order to offer our customers the best offers at the most affordable prices in line with their needs. Thanks to our analytical and artificial intelligence supported models that work specifically for each Turkcell subscriber, we classify all our customers into groups based on their life cycles, usage habits and behaviors; we instantly identify their needs and establish systems where they can use the appropriate offers for them. We bring our customers together with rich-content offers through integrated channel communications, proactive actions and cross-communication setups. In this way, while increasing our revenue generation metrics and customer satisfaction scores positively, we managed to keep our mobile subscriber churn rate at 2.0% in 2022, and we continue to keep it below 2.0%, which we see as a healthy level for us.

In 2022, we continued to enhance our digital competencies. With our Omnichannel Experience approach, we offer an integrated experience where the channels are managed in harmony during our customers' interactions on Turkcell channels and their customer journeys. Moreover, we started to offer our customers an end-to-end

digital activation experience by commissioning our paperless process. Meanwhile, we have brought digitalization to the forefront of all our processes by offering additional benefits in digital channels and increasing the intensity of our communications. We aim to increase our competencies at every step in the new period in the name of digital transformation.

Using machine learning models, we classify our customers into classes based on the applications and URLs they use. We contribute to increase the subscriber base by more accurately determining the target audience of the products in the Turkcell ecosystem for each class created. We aim to use these classes in order to give more accurate targets in digital channels.

We are starting to present the right offers by using machine learning models for our customers using fixed internet and Superbox. We design upgrades to higher packages in fiber and ADSL, and we are building the "Proactive-Churn" model in in Superbox. In this way, we aim to keep customer loss at a minimum while increasing our revenue metrics by using the experience that we have gained in mobile customers also for fixed customers.



⁶Turkcell's short, medium and long-term goal periods are 0-1 years for the short-term, 1-3 years for the medium-term, and 3 or more years for the long-term. No guarantee can be given that the forward-looking expectations in the report would come true. For a discussion of the various factors that may affect the outcome of such forward-looking statements, see our annual report to the SEC (U.S. Securities and Exchange Commission) in form 20-F for 2021 and the risk factors section within this report.

⁷Excluding M2M



Initiatives and Opportunities

- We achieved 40.3% ARPU growth in the mobile segment with our plans that meet customer expectations and offer high benefits, our process improvement projects that increase customer satisfaction and work productivity, and our consistent price adjustments throughout the year in line with economic developments.
- As a result, we achieved mobile subscriber net additions of 1.9 million and maintained our healthy and stable growth trend in terms of both the number of subscribers and ARPU.
- We are designing various campaigns and plans in order to support the digitalization needs of our corporate customers, particularly merchants and SMEs, and thus to further increase our high corporate customer share. The win & win set-up of our corporate customer plans focuses on helping our customers to increase their revenues by digitizing their business processes as well as reducing their expenses. The added value we create for our corporate customers also enables us to increase our business value.
- We continue to listen to the expectations of our customers more efficiently, provide them with the most appropriate price and scope, and improve our analytical competencies to make our service processes more productive in a configuration that would increase satisfaction. The sales channel improvements and payment option diversifications, IVR process and content improvements, and the Chatbot application we realized during the period have both made our business processes more efficient and increased customer satisfaction and loyalty. While increasing our revenue metrics positively in parallel with the increasing customer satisfaction, we managed to remain our mobile subscriber churn rate of 2.0% in 2021 unchanged in 2022 and reduced the fixed subscriber churn rate from 1.5% to 1.4%.

mobile subscriber churn rate **2.0%**

1.4% fixed subscriber churn rate

Digital Services

The strong tendency in consumer behavior in recent years to meet numerous needs through digital services has become increasingly permanent with the pandemic.

In this direction, as Turkcell, we respond to these expectations of our customers with digital solutions we offer in various fields such as instant communication and online meeting platforms, e-mail, search engine, personal cloud storage, digital advertising, TV, digital music platform and game technologies.

In the previous periods, we had transformed our digital services such as BiP, fizy, TV+ and lifebox into separate companies, focusing on their individual performances as profit centers that are different from each other, into structures that can compete on a global scale. Our services, which increased their performance also in the reporting period, continued to write new pages in their success stories by offering digital experience to their customers on an international scale. In addition to the revenue generated by our digital services, their positive contribution to ARPU of our customers who receive telecommunication services, and increasing the loyalty of these customers to Turkcell have increased their importance for the Turkcell ecosystem. In this scope, our efforts continue to expand the diversity of our digital services as well as increasing number of users and international footprint.

By positioning our digital services and solutions as independent brands under the Turkcell roof, which plays a key role within the scope of our strategy to transform Turkcell from a telecom operator to a digital integrated ecosystem brand, we reinforce their values in terms of intellectual property and assets.



Initiatives and Opportunities

- We are increasing our digital service revenues through a wide range of options towards both individual and corporate needs, as well as increasing our transaction volume, advertisements, subscription and business partnerships as a result of increasing number of active customers.
- As remote and flexible work practices have become permanent with a great momentum during the pandemic, the importance of mobile applications, communication infrastructures, softwares used, and the cyber security of these systems for companies have increased. In this context, we provide services with our digital services such as BiP, Yaani Mail, lifebox, digital security, mobile signature and BiP Meet, and with our superior security standards.
- With our Game+, next-generation gaming platform, we offer our users the opportunity to experience the highest quality games from anywhere they want, without the need for significant hardware investments.
- With our belief in dual transformation, we invite everyone to save energy with digitalization and smart applications.



Digital Business Services

Digital business services play an important role in combining Turkcell's traditional telecom service provider identity with its "Digital Transformation Business Partner" strategy for corporate customers.

We aim to be the most reliable business partner in digitalization processes by providing end-to-end, value-added services to the business world with numerous new generation technologies covering cloud services, cyber security, internet of things, big data analytics, business applications, managed services and artificial intelligence solutions.

Turkcell, the world's first digital operator, contributes to the transformation of business models with digital technologies by putting its 29 years of communication and information technology experience into the service of private enterprises of all sizes and public institutions. Our value-added services help our customers to stay ahead of the competition and increase their productivity and business value. On the other hand, the consultancy services we offer enable us to provide end-to-end services in digitalization processes by improving the knowledge and skills of our customers.

In addition to end-to-end fiber infrastructure of 59 thousand kilometres, we have a total of 8 data centers, 4 of them are new generation, holding Tier-3 Design and Operation Sustainability certificates from the international certification body Uptime Institute. There is a total of approximately 40 thousand m² of white space in our data centers. With Turkcell Cloud services, we position the entire information technology infrastructure of corporations in Turkcell data centers, thus reducing costs and providing a more flexible infrastructure. The cloud service we provide from fully redundant infrastructures in our 8 different data centers has the ISO 27017 Cloud Information Security Certificate, which certifies our information security, and we are the first and only service provider in Turkey to

have this certificate. We launched our Public Cloud service in order to serve our public institutions in accordance with the Presidential Information and Communication Security Measures Circular, which came into force regarding the security of public data and its transfer to digital environments, and the guide published accordingly.

Within the scope of our Cyber Security product portfolio, our vision of virtualizing our network protection services for the network infrastructures of institutions continues at full speed. We will continue our virtualization journey, which we started with FW, DDoS+, Load Balancer and IPS, through all our data centers by increasing our manufacturer diversity in the coming period. In addition to these services, we provide proactive protection by ensuring early detection of cyber threats and taking quick action with our SOC, SOAR, BOZOK and Consulting services, thus becoming the end-to-end Cyber Security Service provider of our institutions.

With the IoT Platform solutions, we provide our corporate customers with the service of managing their devices and machines via cloud systems without bearing any cost of infrastructure. With energy efficiency scenarios, one of the IoT scenarios, companies can instantly measure their energy consumption. Through the solutions we offer, the data collected from the field is transformed into information that will facilitate decision-making for users, and at the same time, management functions can provide significant savings in the costs of companies with our energy solutions. In addition to these solutions, we offer Digital Transformation to institutions with IoT-based solutions specific to a wide range of fields we have developed. We enable our customers to increase their profitability

and productivity by facilitating their strategic decision-making processes, together with our big data services for many sectors, particularly retail, e-commerce, shopping malls, transportation, tourism, fuel and finance.

Within the scope of our digital business services, together with our internal resources, products, processes and technologies, as well as our partner ecosystem consisting of experienced experts in the field, we have implemented over 2,800 custom-made service and system integration projects designed according to the needs of our customers. We develop vertical solutions for our customers in our focus sectors such as health, education, production, retail, finance, logistics, energy, tourism, SMEs, central and local governments, with our consultants who are experts in the sector, that will address their own needs. With the analyses we carry out with a 360-degree perspective, we determine the current situation of our customers and create solution sets that cover their needs.

In the health sector, which is one of the sectors where we ensure vertical expansion, we implement projects with high value proposition. Digital Business Services is positioned as the market leader in terms of the number of hospitals in city hospital projects, which have become the locomotive of the success of our country, which is among the world's leading healthcare service providers, especially in the countries in the region.

We are the leader of the public-private partnership (PPP) market as an integrator that provides and operates all technologically needed solutions in city hospitals in the field of health. We continue to play an important role in the digital transformation of hospitals with our Hospital Information Management

System (HIMS) software, which we developed with Turkcell Digital Business Services resources. Currently, we have active operations in a total of 7 city hospitals including Yozgat, Adana, Eskişehir, Elazığ, Bursa, Başakşehir and Tekirdağ hospitals. The entire technology infrastructure of these hospitals, from hardware to software, and from system to business operations is managed by Digital Business Services. On the other hand, the infrastructure of 2 field hospitals, which were established in a short time during the pandemic period, was also established by Digital Business Services. Digital Business Services also develops the technology of strategic public projects such as the Specialization Training Tracking System (UETS), Electronic Case System (EVS) and Vaccine Tracking System, which are among the most important technology projects of the Ministry of Health. In addition to all these operations, we continue our efforts to make the solution we developed for city hospitals applicable in the operational processes of private hospitals.

In our business partnership ecosystem, there are three main categories that we manage end-to-end: our subcontractors, those we develop products/solutions together, and our sales partners. We launched the "Business Partnership Program" for business partners with different competencies in our ecosystem. We appreciate the success of our business partners with the earning models that emphasize success. With the Partner 360 model; we continue improvements to manage all business associates of our Digital Business Services company on a single system. With our business partnerships with global suppliers, we are expanding the solution sets we offer to our customers in terms of technical competence and project diversity day by day.

Initiatives and Opportunities

- As Turkey's largest data center operator, we work with the aim of keeping Turkey's data in Turkey in order to ensure data security and confidentiality of personal data. In this context, the regulations to keep the data produced in Turkey here, increase the demand for our data centers and contribute to the development of our business and our revenues.
- We use our experience and competencies in big data, internet of things (IoT) and artificial intelligence (AI) in a wide array of areas such as the development of products and services. The absence of major players in AI solutions in the developing IoT and artificial intelligence solution market creates an advantage for Turkcell. We also consider the vision of the Republic of Turkey, which encourages the development of domestic and national technologies, as an opportunity for Turkcell in this field.
- The increasing need for remote solutions during the pandemic period, an increase was observed in the demand for products and services that we focus on and continue our work in the field of remote health, education and work solutions. Our Lifecare product, which we developed for the remote health segment, has passed the Registration and Subscription System control of the Ministry of Health and has become available to respond to opportunities in this field. Negotiations with leading health groups in Turkey were initiated, paving the way for new business model opportunities.
- Digitalization for private companies and public sector institutions offers many productivity and service quality improvement opportunities. As Turkcell, we offer customized, reliable and sustainable solutions for the needs of companies and public institutions in Turkey with our end-to-end digital transformation services, and we make digitalization processes more accessible with affordable costs. We are guiding our country's digital transformation journey by collaborating with our local business partners.



Techfin Services

Finance and information technologies are two different sectors that fuel each other's development, while we observe that many financial services and transactions have rapidly digitalized with the transformation we have experienced in recent years.

As a digital operator that closely monitors these developments, we believe in the high potential of techfin applications, and we continue our efforts to develop services in this direction. We facilitate the financial transactions and lives of our customers with the innovative solutions that we have developed with this perspective and offered under Paycell, Financell and Güvencell brands.

The main purpose of Paycell is to provide consumers with easy access to financial services by providing fast, practical and secure payment solutions by combining digital technologies and financial service categories. In addition, Paycell aims to make life easier and make Paycell Turkey's largest payment platform by providing access to financial services for everyone, regardless of whether they have a bank account or not, with its vision of financial inclusion.

A significant portion of Turkey's young and dynamic population that is prone to using technology does not yet have

access to banking services. The presence of a population of more than 30 million and a high cash usage rate, as well as the growing e-commerce market and positive regulatory developments significantly increase Paycell's opportunity potential.

We maintain our strong growth performance with the services and solutions we offer in different verticals such as billing, e-wallet, bill payment, money transfer, financial marketplace solutions and payment intermediation, and our application that we have positioned as a Super App. Paycell differentiates itself from its competitors with its broad service portfolio, Turkcell's technology, customer base and the advantage of access to sales channels in the dispersed market structure where various players concentrate on different solutions. As part of its strategy to expand in the market, Paycell has focused on increasing the number of contracted merchants with Paycell Android POS, QR, Virtual POS, Vitrin, and payment with link payment

products that would support each other. Through our Paycell Mobile application and together with many of our partners, we offer our customers a broad range of services, mainly games.

Providing digital finance solutions to our customers' technological product and service needs, backed by the agility of the mobile industry, Financell is the leader of the non-bank finance industry in Turkey with the highest number of customers. Financell, one of the major business partners of Turkcell digital services and digital business services, performs faster credit evaluation and manages credit risk effectively thanks to its credit risk infrastructure and digital transformation capabilities.

Serving under Güvencell brand, Turkcell Sigorta Aracılık Hizmetleri A.Ş., as an insurance agency, offers innovative solutions for the risk management of customers with fast and easy-to-access products.



Initiatives and Opportunities

- Techfin and mobile communication services provide convenient means for many people to access financial services, thanks to their practicality and ease of access. With the opportunity to access financial services, which are important for individuals both for economic independence and social equality, we have the potential to reach approximately 30 million unbanked users in Turkey.
- The pandemic process, which introduced many people to digital and contactless payment systems, and the subsequent increase in the use of these systems creates an important opportunity for Turkcell. The continuation of people's tendency towards contactless and digital payment methods in Turkey and in the world after the pandemic shows that the potential is growing.
- E-commerce, which has grown rapidly after the pandemic, has increased the demand for practical and advantageous payment solutions for all parties. With the Paycell Virtual POS product, card payments are provided from a single platform without the need to make separate agreements with different banks, creating an advantage for both the workplace and Paycell.
- With vehicle loan, digital holiday loan and shopping loan applications, it has proven its success not only in digital payment but also in facilitating access to finance.
- Users who want to utilize investment opportunities can convert their assets into different investments by trading gold, silver and platinum at Paycell.
- As Turkcell, we know our customers closely with the customer data we have obtained through telecom business. In this way, we are able to offer our customers the most suitable loan options in financing business by using Credit Reference Bureau (KKB) and telecom data.
- With Financell, one of our Techfin services, we offer our individual and corporate customers financing opportunities that meet their needs. With "Digital Transformation Financing" loans, we facilitate our customers to access funding in convenient conditions. Companies using our ecosystem can acquire hardware and devices such as software, servers, smartphones and tablets that they need in their digital transformation journey with special prices, interest advantages and flexible payment plans. As a result, we can also support financing digital transformation of companies.
- Thanks to the Digital Bank which we applied for its establishment in 2022 and foresee to start the activities in 2023, we aim to expand Financell solution portfolio to cover all services offered by a conventional bank. We believe that this transformation will create a multiplier in terms of attracting new customers to the Turkcell ecosystem. By focusing primarily on retail customers and SMEs, we aim to serve techfin and digital channels that need bank products and infrastructure, expand the Turkcell ecosystem and offer the unique techfin experience that everyone can access, and become the most widespread and inclusive digital bank as the pioneer and leader in the transition to a cashless society.
- Due to the lower share of digital channels in the insurance industry compared to other financial sectors, there is an important transformation opportunity in terms of directing customer demands to the digital consumer experience. We aim to be a part of this transformation with our Turkcell Dijital Sigorta company, which we established in 2022 which will provide end-to-end services by expanding the scope of our insurance business with innovative solutions and digital processes based on big data.

Positive imprint to Our Business

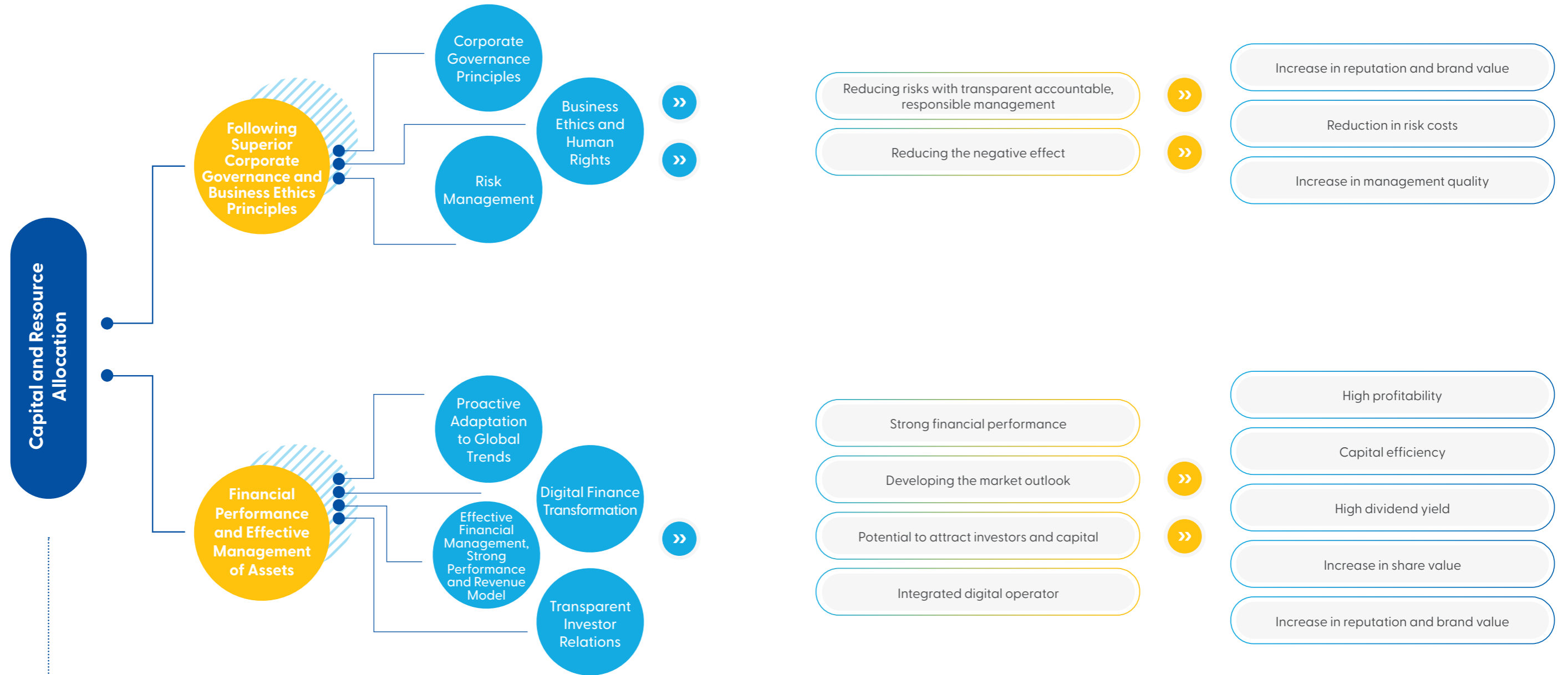
With Positive Imprint to our Business strategy, we aim to achieve four key corporate goals: To increase our business success with a responsible value chain, where superior corporate governance and business ethics principles are prevailed, growth in intellectual capital, sound financial performance and effective asset management are ensured.

- Strong Corporate Governance
- Financial Capital
- Trends





Positive Imprint
to Our Business
Value Proposal



Integrated Value Creation
(Financial Capital, Natural Capital, Manufactured Capital, Social Capital, Human Capital, Intellectual Capital)

In line with the integrated value creation model of Positive Imprint to our Business strategy, we contribute directly to financial, manufactured and intellectual capital, and indirectly to human, social and natural capital.



Strong Corporate Governance

Maintaining a strong corporate governance structure enables us to manage our business operations with high efficiency, and to demonstrate an exemplary corporate citizenship through ensuring compliance with 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.

As the only Turkish company both listed on the Borsa Istanbul (BIST) and the New York Stock Exchange (NYSE), through effective corporate processes and the internalization of internationally accepted corporate governance principles throughout the organizational structure that arise from our leading position in the capital markets, supports our cause to create long-term and sustainable value for our stakeholders.

Shareholder Structure

Since 2000, Turkcell İletişim Hizmetleri A.Ş. has been the only company, shares of which are traded both on Borsa Istanbul and the New York Stock Exchange as "ADS (American Depository Share)" Level III. With a high free float rate of 54%, we aim to provide long-term benefits not only to our customers, but also to all our Company's stakeholders by implementing the highest standards of corporate governance practices. Our sustainability strategy and value creation model that we have developed in this context, as well as our goal to prioritize to act in accordance with international standards in the fields of human rights, business ethics, anti-bribery and corruption, competition management, risk and crisis management allow us to be a good role-model for corporate citizenship.

You can access further details on [our shareholder structure in Footnote 1 of the CMB report.](#)

Board of Directors Structure

Taking into account preferred stock rules defined in the Articles of Association, the Turkcell Board of Directors, consists of a total of 9 members, one of whom is a woman, who are elected by the General Assembly with simple majority vote. Three of the Board members meet the independence criteria specified in the CMB regulations. The Turkcell Board of Directors, whose duties and authorities are determined within the framework of the Turkish Commercial Code, has committees established at the Board of Directors level in accordance with the relevant legal provisions to ensure operational efficiency. These committees are the Early Detection of Risk Committee, Corporate Governance Committee, Audit Committee, Nomination Committee, Remuneration Committee and Strategy and Digitalization Committee which was established on February 17, 2022. While the duties of the Chairman of the Board of Directors and the CEO are carried out by different individuals, the CEO is not a member of the Board of Directors but is in charge of execution. The Chairman of the Board of Directors does not have an executive duty.

You can find further information about the Board of Directors Committees, their duties and members on our Corporate Governance Principles Compliance Report or on our [website](#).

Members of the Board of Directors consist of experts in their fields who have significant work experience in many sectors such as energy, economy, telecom, law, engineering, and sustainability. 5 out of 9 members are elected by Group A preferred stock owner, TVF Bilgi Teknolojileri İletişim Hizmetleri Yatırım Sanayi ve Ticaret A.Ş. (TVF) by using preferred stock 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 is elected by TVF with a privilege among the 5 members, in accordance with the privileges set forth in the Articles of Association. The election of the Board of Directors in the articles of association and the term of office of the members are carried out within the framework of the Turkish Commercial Code. Accordingly, the members of the Board of Directors are elected by the General Assembly to serve for a maximum of three years. In the event that the membership of any Director of the Board becomes vacant for any reason, another member who meets the legal requirements for the vacant chair may be elected temporarily in accordance with Article 363 of the Turkish Commercial Code, and the elected member is submitted to the approval of the first General Assembly to be held following his election. The member whom elected in this way serves until the General Assembly meeting, when it is submitted for approval, and if approved, completes the term of the predecessor. No classified or staggered Board structure has been adopted in the Board of Directors.

Since 2019, Turkcell has adopted specific internal rules regarding possible conflicts of interest at the Board of Directors level. In this context, the code of conduct prepared for the members of the Board of Directors, who can be considered public officials, has been adopted and put into practice by our Board of Directors, considering the regulations binding for our company.

In the management of the company, the principle of "1 share, 1 vote applies", and there is no minimum share requirement or voting limit, except for preferred shares. Further to Turkish Commercial Code, all shareholders are entitled to suggest an agenda, obtaining information and examination. In decision making, while the presence of the shareholders representing at least 51% of the total capital and

the majority of the votes is considered sufficient in general, there are cases where aggravated quorums are sought as per the articles of association and the relevant regulations.

The annual performance evaluation by the Board of Directors based on certain criteria was implemented initially in 2021 as part of the improvement of corporate governance across our Company, and it was aimed to take the improvement areas identified as a result of the evaluation process as a basis for advanced corporate governance practices.

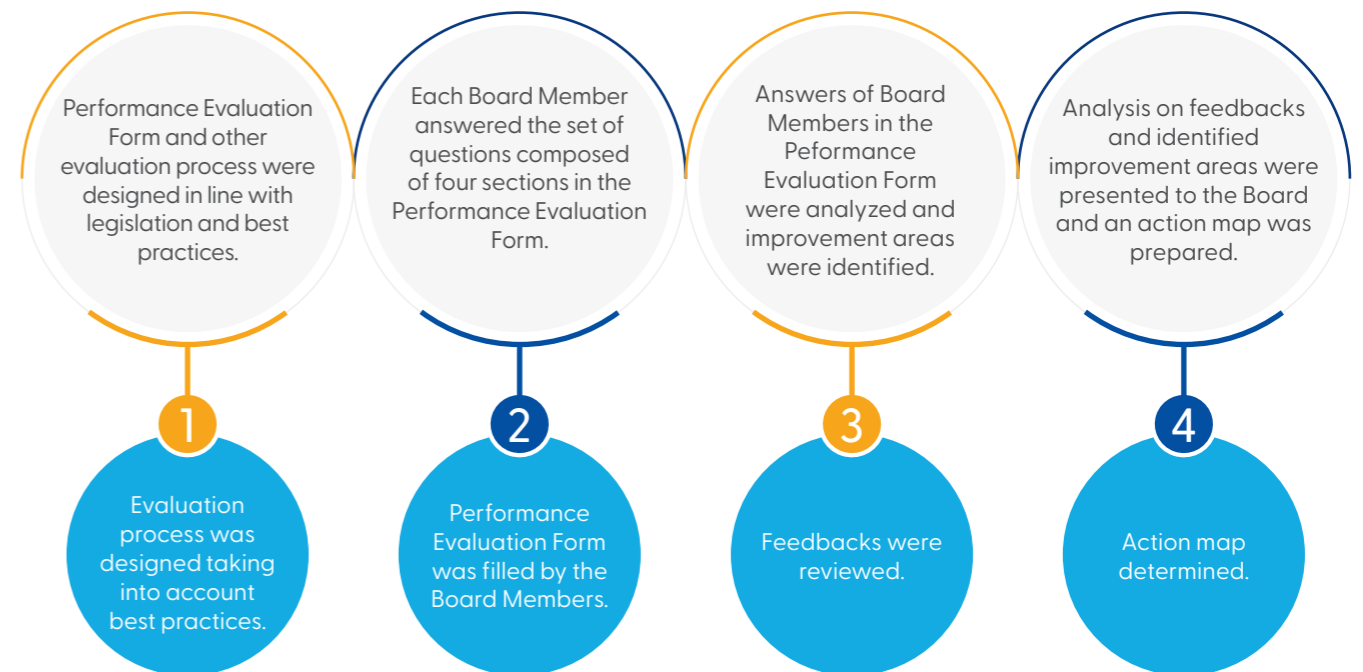
As a first step towards this goal, the improvement areas identified on the basis of the analyzes and evaluations made regarding the answers of the 2021 performance evaluation question sets were conveyed to the Board of Directors and evaluations were made regarding the actions that could be taken at the corporate level.

In this scope;

- A new platform was put into practice in order to digitalize access to the Board of Directors meeting documentation, to transfer the documentation to a secure platform and to enable a constant access to the relevant documentation. As a result, information sharing with the members of the Board of Directors was increased both quantitatively and qualitatively.
- Studies were carried out to increase the communication between the committees and the Board of Directors.
- The external consultant support for the Board of Directors has been increased.
- The Strategy and Digitalization Committee was established in February 2022 to contribute positively for the increase of efficiency in the monitoring and improvement of

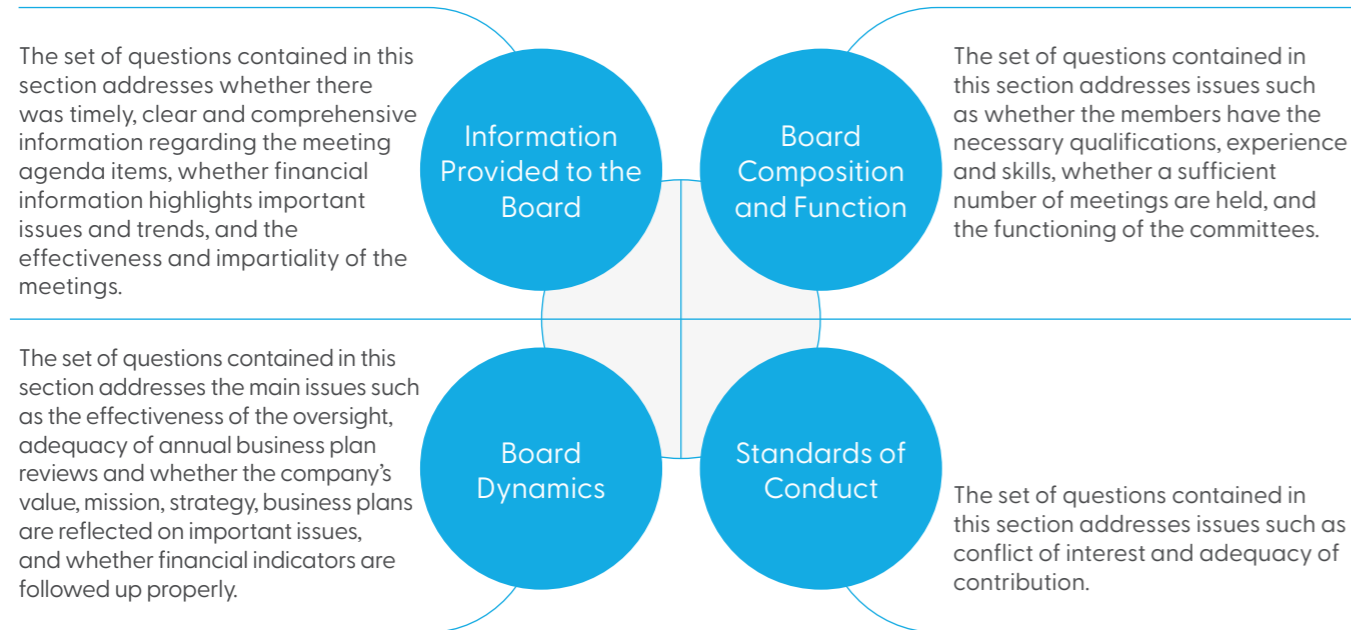
Company performance, taking into account the evaluations, suggestions and recommendations from shareholders and investors. In this committee, company's strategies, investments and digitalization processes are monitored effectively, all projects and actions that increase the value of the company relating to the position in the market, digitalization efforts, governance practices etc. are followed up by the Committee and are regularly brought to the agenda of the Board of Directors.

The performance evaluation process of the Board of Directors was completed also in 2022 in line with the methodology below that 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.



Board of Directors Performance Evaluation Method

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



Human Rights, Business Ethics and Common Values

Turkcell believes in the vital importance of having a responsible business model that complies with ethical standards in the international ecosystem created with the Group companies and business associates in the overall value chain, for producing long-term sustainable values, ensuring stakeholders' confidence and enabling social license-to-operate. Accordingly, it implements the Human Rights Policy both to create a work environment worthy of human dignity and to place human-oriented function in the ecosystem. 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 viable world by contributing to UN Global Compact Principles and Sustainable Development Goals, respecting human dignity, fundamental rights and freedoms in the technologies it develops, especially artificial intelligence technology.

In line with our Human Rights Policy, the provisions of the Universal Declaration of Human Rights, the International Convention on Civil and Political Rights, the International Convention on Economic, Social and Cultural

Rights, the UN Convention on the Rights of Persons with Disabilities and the Convention on the Rights of the Child, the United Nations Business World and Human Rights Principles, the United Nations The Global Principles and OECD Principles for Multinational Companies, the provisions of the ILO Convention to which Turkey is a party, the "Rights and Freedoms of Assembly" for our employees and expressed in the Constitution of the Republic of Turkey, and the "Rights to Form Unions and Engage in Union Activities" are respected; in addition, our employees are supported to become members of professional groups in their field or NGOs that provide social benefits.

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. Human Rights Policy preparations are also underway for our other subsidiaries in Turkey.

With the Turkcell Common Values and Code of Business Ethics (TODIEK), 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.

In 2022, 28 cases were reported to our Company through Ethics Channels. The reviewed cases were handled under the 3 main categories of unethical and immoral behavior, information security and financial issues. In 1 out of 23 cases reviewed, it was decided to apply the "Termination of Employment" sanction. It was further decided that the cases reviewed did not involve any actions that violate the Turkcell Group Anti-Bribery and Corruption Policy.

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 or indirectly by using internal forms, telephone and email to the Ethics Committee at etikbildirim@turkcell.com.tr or Audit Committee at auditcommittee@turkcell.com.tr.

SPK C1.5; SPK C1.8
GRI 2.23; GRI 2.30

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.



Anti-Bribery and Corruption, Compliance with International Capital Markets and Economic & Trade Sanctions and Export Controls

Anti-Bribery and Anti-Corruption

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 Anti-Corruption (ABC) standards covering all our activities. The Board of Directors approved the AntiBribery and Corruption Policy (ABC) in 2016 to establish the basis of our fight against bribery and corruption. This document is a major indication of how the Board of Directors is committed to the “zero tolerance” principle on 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 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 its autonomous structure, reporting directly to the Board of Directors.

Executing the anti-bribery and corruption compliance program in 2022, our Corporate Governance & Capital Markets Compliance Directorate continued the end-to-end designed ABC training program, organized specific trainings with a risk-oriented approach, involved in the merger and acquisition processes, and continued cooperation with domestic and abroad group companies, and conducted studies to disseminate this policy across the Turkcell ecosystem.

Within this context;

- The Second Generation ABC Training, which comparatively measures the knowledge level of the participant before and after the training, and addresses many ethical dilemmas from actual daily professional life regarding bribery and corruption in a fictional flow, was assigned to all Turkcell group company employees in 2021 in Turkey. Also, in 2022, the aforementioned training continues to be assigned to all new employees who join the company.
- Coordination and awareness activities were held with domestic and international group company compliance contacts within the scope of the fight against bribery and corruption.
- Training and awareness activities were carried out under the title of “Developments in the Field of Compliance in the Technology Sector”, with focused training groups for analyzing the decision taken by the U.S. Securities and Exchange Commission (SEC) regarding FCPA violations that took place in Turkey in 2022 and the results thereof.
- Within the framework of a risk-oriented approach, a total of 12 hours 45 minutes of anti-bribery and anti-corruption training was provided to various teams.
- The Corporate Governance & Capital Markets Compliance Directorate carried out studies to disseminate the zero-tolerance principle adopted by Turkcell within the framework of the ABC Policy, to the ecosystem by providing compliance consultancy in various contracts, tenders and business setups.
- “Anti-Corruption Week” activities were carried out for all Turkcell group company employees between December 5th and 9th, 2022. In this context, the message of our CEO regarding the fight against corruption was sent both in Turkish and in English to our group company employees. In every single day of this week, which is programmed as an awareness week, various information notes were sent to all employees and award-winning questions were asked.

Compliance with International Capital Markets

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.

Due to our dual listing in the capital markets, SOX Coordination and Compliance Unit has been established within the ABAC Office as of January 2019 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. 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. Regarding SOX 404-connected developments, a total of 11 hours training was given to 28 employees in 2022.

Economic and Commercial Sanctions and Export Controls

The Turkcell Sanctions Compliance Program Procedure, which is constantly monitored and revised under the coordination of the Corporate Governance & Capital Markets Compliance Directorate (“Directorate”), was adopted by the Board of Directors in 2020. The Sanctions Compliance Program Procedure plays an important role by following our company’s compliance program, which aims to observe economic and trade sanctions and export control rules, both at the shareholders’ level and in our ecosystem for taking necessary actions.

Within the scope of the Sanctions Compliance Program Procedure, a periodical review covering all business activities of the Turkcell group is carried out by the Directorate in line with the data received from the business owners. Business owners in the company are obliged to screen their counterparts using the consolidated sanctions list databases of the United Nations, European Union, USA and UK before initiating any business relationship. Where required, additional due diligence activities are being made by the Directorate, and additional measures are being taken. Turkcell is also aware of the intensifying of sanctions

imposed on Russia and Belarus by especially the European Union, United Kingdom, United States, and closely monitors the impacts of sanctions on group companies with the coordination of group companies’ compliance units. Updates and risk assessments regarding the sanctions imposed on Russia and Belarus are also conveyed to the Early Detection of Risk Committee and, if necessary, to the Board of Directors. At the end of 2022, economic and trade sanction-related screenings began to be supplemented by an additional outsource service.

In 2022, the Directorate continuously monitored the legislation and developments regarding economic and trade sanctions and export controls and provided trainings and awareness activities in this regard. In this scope; various teams received a total of 9 hours and 45 minutes of training.

Competition Management

Turkcell believes that maintaining fair and strong competition conditions is critical for a health market structure. A competitive market also has positive effects on the development and strengthening of the parties. For this reason, it is of great importance for Turkcell and its Group Companies to effectively ensure and protect competition in all markets in which they operate.

Turkcell strives to comply with competition law legislation and regulations in all its business and transactions. 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:

- It is ensured that the guides, information and trainings prepared within the scope of the competition compliance process are reviewed 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. The investigation process initiated with the decision of the Competition Board to determine whether Article 4 of the Law No. 4054 on the Protection of Competition has been violated through a gentleman’s agreement in the labor market, which was based on the allegation that our company violated the competition regulations within the scope of the Law on the Protection of Competition, is still ongoing.



Effective Risk and Crisis Management

Turkcell manages the risks that may negatively impact realization of company strategies within the scope of the Corporate Risk Management System. In this process, an effective risk management study is implemented with a broad scope to cover the key risk indicators, technology-based opportunities, global trends and sectorial developments.

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, and the committee reports to the Board of Directors every 2 months. These reports are also 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, designed in compliance with Enterprise Risk Management framework and ISO 31000 standards, is realized with an approach where the risk management process is integrated with fundamental management processes. Within the model framework, risks are classified on the basis of Turkcell Group Companies, they are registered and managed in the "Risk Universe". This allows for each company to have their own risk library and manage their risks in a more efficient and focused manner.

Turkcell Group Business Continuity Management System has been structured to ensure the continuity of the relevant critical products and services of our DSS companies BiP İletişim, Lifecell Bulut and Turkcell Bilişim as well as voice, messaging, internet, server services, data centers, public security, tower installation, acceptance, testing and operation support services in accordance with the international ISO 22301, Security, Resilience Business Continuity Management System standard, and it was certified as a result of independent external audit. The external audit carried out on the revised version of ISO 22301 2019 was successfully completed in full compliance with the updated standard.

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. Moreover, 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.

In order to increase the effectiveness of the Turkcell Crisis Management Plan which covers operational disruptions, natural disasters (earthquakes, floods, etc.), cyber-attacks, terrorism, fire, pandemic and epidemic and toxic events, 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 and interest rate risks.

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

Risks of adaptation to investment and 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, which can 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 Legal and Regulatory Function 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 scope, 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, various measures are taken via digitalized tools such as internal audit and automated control systems, working continuously, 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 and 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 in detail. In order to evaluate their 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 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. Measures are taken against extreme weather events and natural disaster risks caused by climate change and studies are made after foreseeing increases in average temperatures in the long term. 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, 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; in addition, portable solar fields are parts of our agile energy solutions in the face of climate change. Furthermore, 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. During the past 1 year, natural gas prices for power generation increased by approximately 171%, and spot market power prices, which

constitute the biggest portion of our electric cost increased by 216%.

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. Turkcell Group will make a 300 MW Solar Power Plant investment in order to meet its own consumption in suitable lands across Turkey within the framework of the 3-year strategic plan. In the Karadağ Wind Energy Power Plant, which was acquired in 2021, capacity will be increased by installing new turbines. The second action is to protect ourselves from temporary fluctuations in the market by signing long-term, fixed-price energy purchasing contracts whenever possible. Since 2018, when we started sourcing energy supply services through our company Turkcell Energy Solutions, we have made fixed priced purchases from producer companies for a certain percentage of our consumption every year.

Risks related to managing relationships with third parties: This includes risks that arise from inefficient management of third parties, which 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 and political 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 Control and Continuous Improvement

Turkcell Group Internal Control and Continuous Improvement Directorate identifies internal risks and carries out 2nd level control activities and process improvement studies for the effective management of business processes in Turkcell İletişim Hizmetleri A.Ş. and Turkcell Group Companies within the scope of laws, regulations, communiques and regulations within the framework of professional standards, further to the authority given by the CEO.

The Internal Control and Continuous Improvement Directorate analyzes the risks and priorities of the processes of the functions that we are responsible for, plans a risk-based internal control study, and conducts routine controls during the period by means of manual or automation tools according to the control intervals determined with the approval of the CEO.

The Continuous Improvement Center carries out studies by making use of the technology at the maximum level to design our business processes in a way

that will provide lean, agile, efficient, usable, minimum risk and error criteria, construct mechanisms to ensure a permanent transformation.

During the internal control activities, in addition to evaluating the effectiveness of controls at the first level, business units are guided to improve processes by taking into account Turkcell's sustainable values. If there are any malfunctions detected as a result of the controls, they are shared with the relevant teams to take action and the relevant action plans are followed. During the control, if it is determined that the related defect is caused by a process deficiency, the related process is handled end-to-end and works in coordination with the Continuous Improvement Center within the directorate to redesign it.

After the control study, the results are reported at managerial level. During the meetings held periodically between the Internal Control Department and the management, the internal control activities planned and realized during the year are evaluated, the findings are shared and the action plans and follow-up results that are decided to be obtained for the relevant findings are evaluated and the plans for the future are reviewed.

In addition to evaluating the effectiveness of the controls of the processes of the business units, carrying out internal investigations on the obligations of the company regarding ISO certificates within the scope of the legal regulations and the follow-up of Turkcell internal audit/external audit results are among the other areas of responsibility. ISO27001 and ISO27017 certificates provide an international framework which helps companies to protect their financial data, intellectual property and sensitive customer information. Information Technology Security Techniques standards for ISO27001 Information security management system are the international certificates possessed by our companies Turkcell, Lifecell Bulut, Superonline, Turkcell, BİP, Turkcell Teknoloji, and KULE A.Ş. ISO27017 Information Technology for Cloud Services Safety Techniques standards are the international certificates possessed by our companies Turkcell and Superonline.

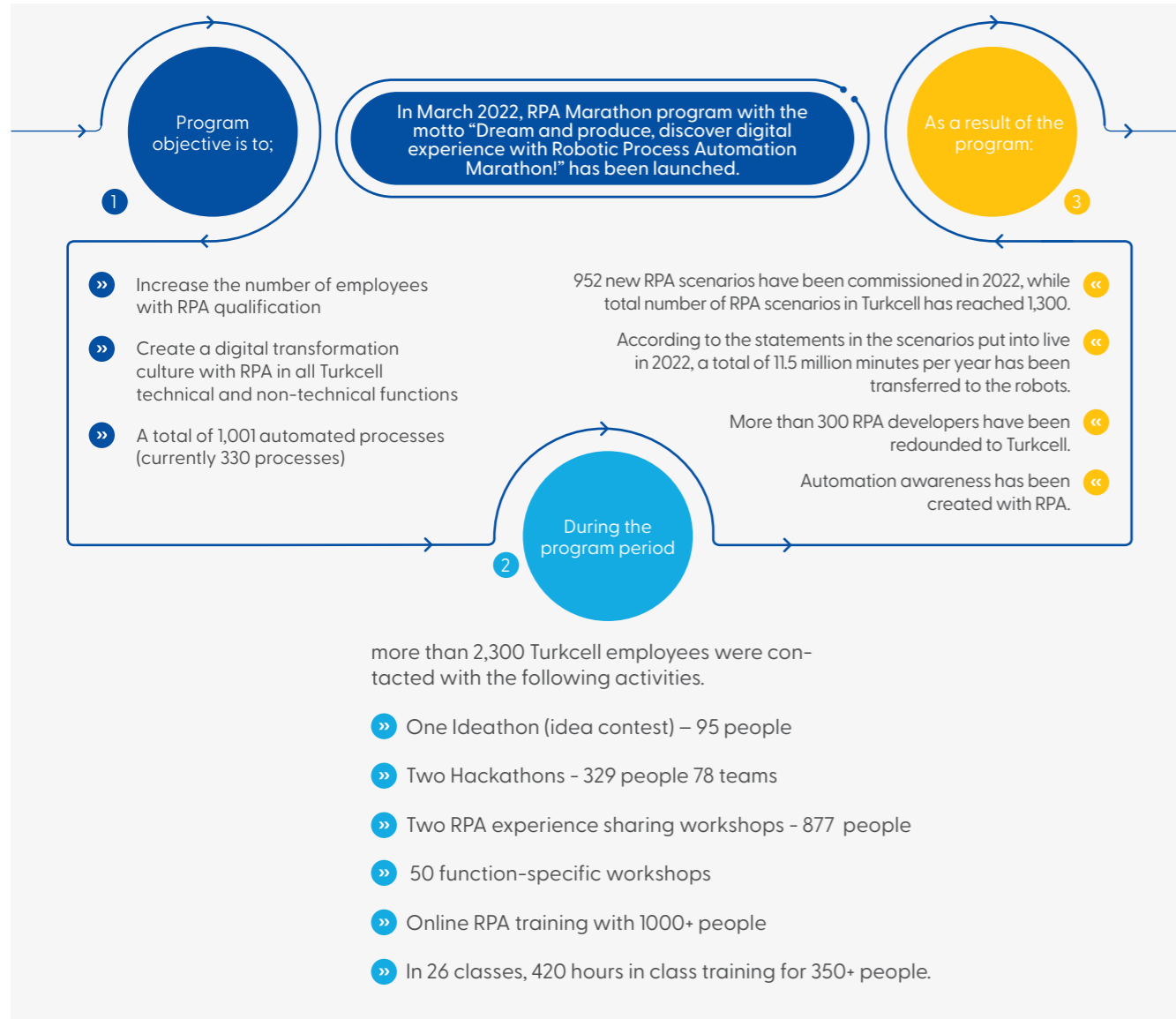
These certificates provide a robust and systematic approach to information management, and assist in protecting information and mitigating risks at our companies. Thanks to ISO 27001, ISO27017 certificates, we define, manage and mitigate our risks according to the standards for the security of our information. On the continuous improvement side, ISO9001 Quality Management System audits have been successfully completed and audit outputs have been evaluated to create inputs for the continuous improvement cycle.

Document Management System and governance improvement activities are implemented through an integrated quality management system approach as well as a continuous improvement awareness and culture is fostered through process improvement suggestion platform and training activities.

Cutting-edge technologies that serve continuous improvement are being implemented and managed in our processes. We undertake process mining initiatives through data-driven process management and in-house deployment efforts for robotic process automation.

All processes of Turkcell and its group companies are designed and modeled from end to end. Tracking and management structure is established by identifying process performance indicators based on KPIs and metrics. Efforts are being made to establish common process design principles and ensure their integration into the process development cycle, while creating, renewing, and maintaining corporate process and document architecture.

Studies are conducted to create the risk and internal control inventory of all processes in the name of reinforcing our Internal Control and Continuous Improvement activities. Within the scope of detective and preventive Internal Control Activities, automated controls are designed using advanced data analytics and robotic automations. Thanks to these activities, more reliable control results cleared from human error are obtained. It has a positive contribution on the development of internal control activities.



Internal Audit

In selecting an independent audit company; the Audit Committee considers the competencies and impartiality of independent audit firms and submits its suggestion to the Board of Directors.

During our Company's Ordinary General Assembly Meeting held on June 16, 2022, 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 2022, 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.

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

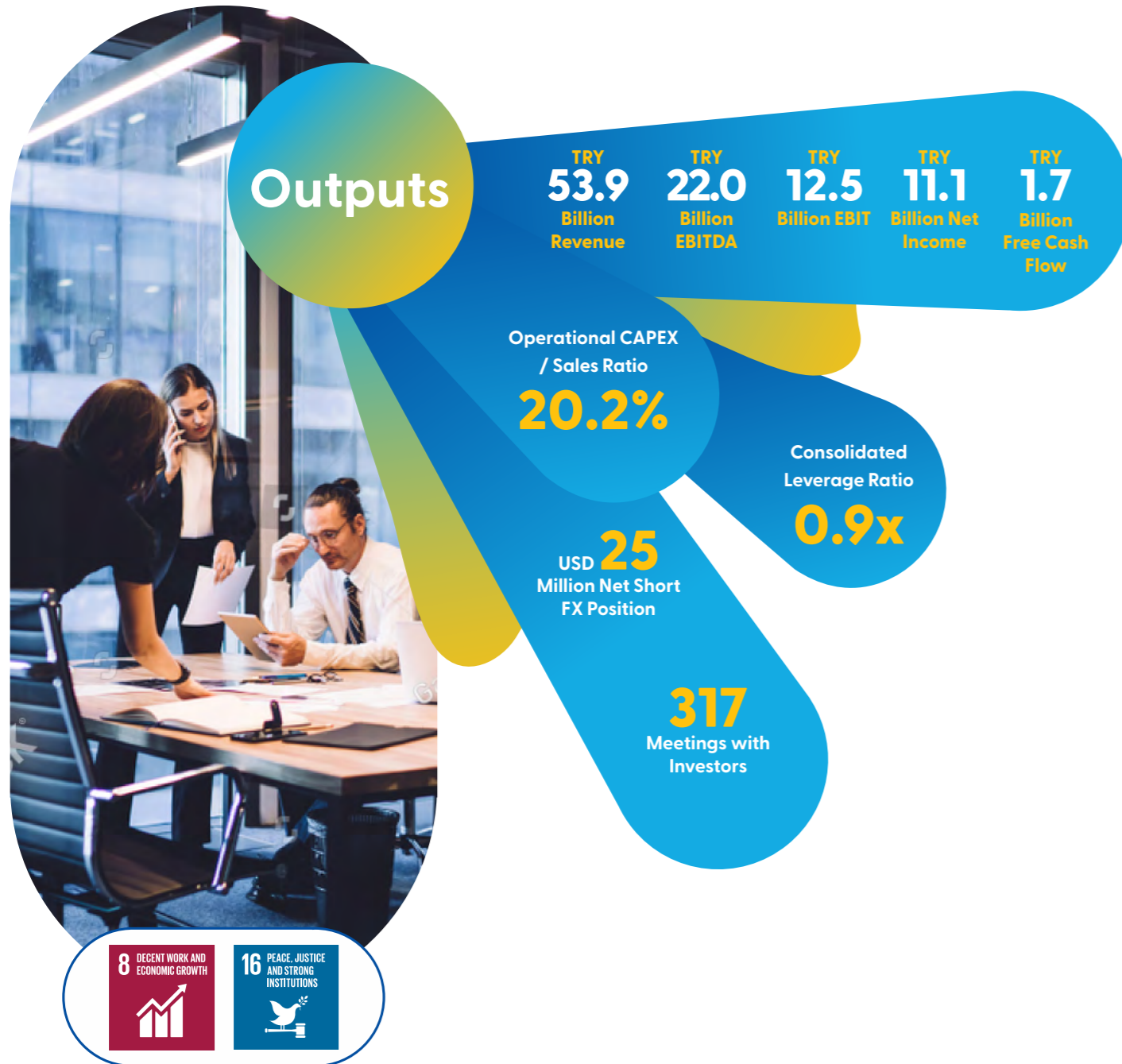
adopted by Turkcell and Turkcell group companies, the financial statements of which are consolidated. All stages, covering the planning of audit activities, identifying internal control insufficiencies, and following up and closing related actions within the scope of compliance with the aforementioned article are 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. 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.





Financial Capital



Strong Financial Performance

Our financial capital is the key economic input for all activities we carry out on our journey towards

creating stakeholder value. Providing our customers innovative services through a widespread and strong telecom infrastructure, developing domestic technologies, creating a service network that will create satisfaction, supporting the society through social projects, catering 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 top priorities.

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 long-term value creation.

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 adjusting the prices of 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 monitoring the 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 revenue 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, contribute to the national economy and our people through the investments we make, distribute dividends to our investors, in summary create value for all our stakeholders.

2022 has been a year in which the inflationary pressures have globally increased with the post-pandemic normalization, and the macro-economic and politic challenges were experienced throughout the world as a result of the Russian-Ukrainian War. In the light of these developments, Turkey has maintained its growth performance in 2022, however, the depreciation of the TRY led to an upward trend in inflation throughout the year.

As Turkcell, we continued our strong operational and financial performance in 2022 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 2022, our consolidated revenues increased by 50.0% year-on-year to TRY 53.9 billion. Our expanding subscriber base, our ARPU growth which has accelerated under the light of our sequential price adjustments, the positive contribution of our international operations and strategic focus areas to the growth stood out as the main drivers behind this performance.

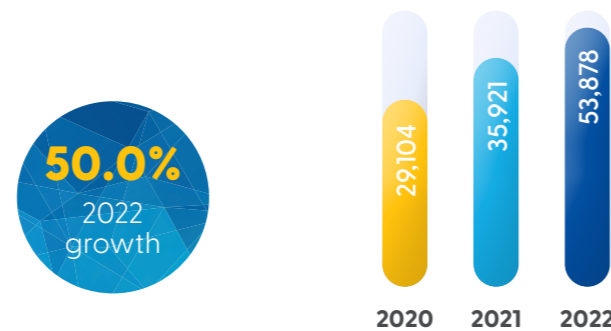
With the positive impact of our strong revenue growth and disciplinary cost management implementations, we recorded TRY 22.0 billion EBITDA with an increase of 46.5% in 2022. Increased energy and employee expenses as result of the macroeconomic conditions, were offsetted by managing our marketing and sales expenses more efficiently.

We bring our innovative services to our customers, improve the conditions of our employees, contribute to the national economy and our people through the investments we make, distribute dividends to our investors, in summary create value for all our stakeholders.

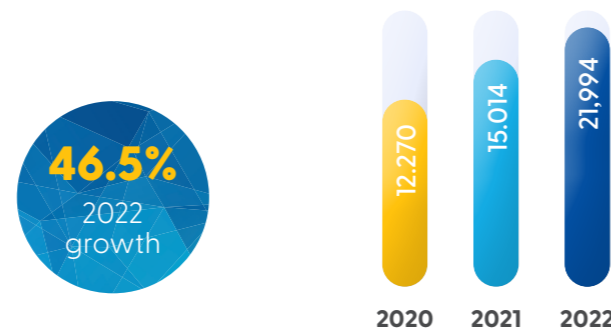
In 2022, the Turkish Lira depreciated by 31% and 26% against the US Dollar and Euro, respectively. With our prudent financial risk management approach, we have kept the impact of currency movements on our financials at a limited level in a period of quite challenging macroeconomic developments. We have achieved TRY 11.1 billion net income in 2022. 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 2022. Please refer to our consolidated financial statements and footnotes for details.

👁️ Please refer to our consolidated financial statements and footnotes for details.

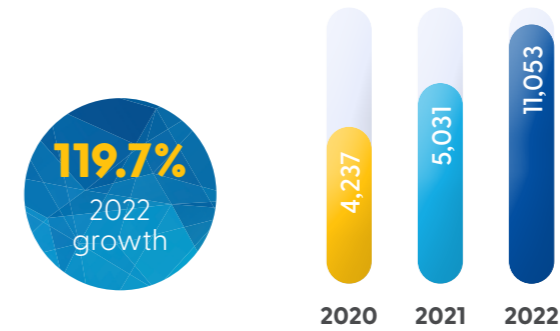
Turkcell Group Revenue (TRY million)



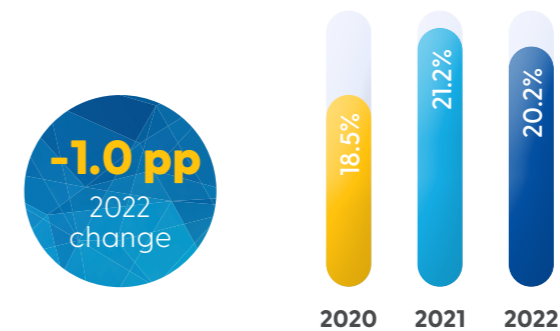
Turkcell Group EBITDA (TRY million)



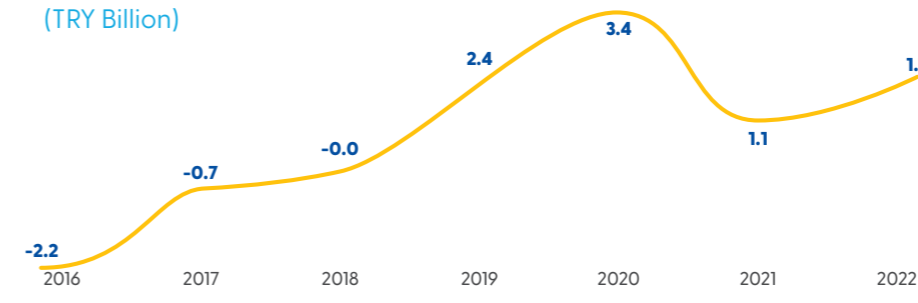
Turkcell Group Net Income (TRY Million)



Operational Capital Expenditures (excluding licenses)/ Sales Ratio (Ratio)



Free Cash Flow (TRY Billion)



TRY 1.7 Billion
Accordingly, while we created TRY 1.1 billion free cash flow in 2021, we achieved a free cash flow of TRY 1.7 billion in 2022

With the awareness of the responsibility of having a strong infrastructure and with the aim of bringing our customers together with the latest technologies, we continued our investments in 2022 by following a controlled approach. In line with the increase in demand for quality fixed broadband connections, which also continued after the pandemic, we continued our fiber infrastructure investments without slowing down and added 887 thousand new homepasses. While the investment expenditures of our subsidiary in Ukraine slowed down due to the war, the depreciation of TRY against foreign currencies caused our capital expenditures to increase. Accordingly, our operational capital expenditures (excluding license fee) amounted to 20.2% of our total revenues in 2022.

👁️ 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. Accordingly, while we created TRY 1.1 billion free cash flow in 2021, we achieved a free cash flow of TRY 1.7 billion in 2022. The expanding loan portfolio of our finance company continued to pressure our cash flow generation. On the other hand, our free cash flow was stronger than last year, as our front-loaded mobile investments and demand-driven capital expenditures on the fixed side, of which positive contribution we will continue to see in the upcoming periods, were less affected by the currency movements.

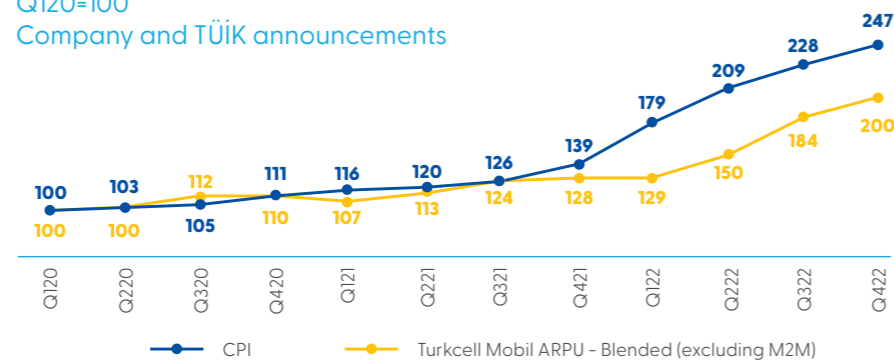


Business Model Hedging Practices

In 2022, we continued to minimize the impact of challenging macroeconomic developments on our financials, thanks to our business model hedging practices. Sequentially 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 adjusting the prices of our products and services with a sequential approach in line with the current economic conditions in 2022. Besides accurate pricing, we focused on increasing the postpaid subscriber base share and upselling to higher packages with richer value propositions to continue ARPU growth. Accordingly, Mobile ARPU (excluding M2M) growth was 40.3% while fixed residential ARPU growth was 26.7% year-on-year. In 2022, where inflation was in an upward trend throughout the year, we followed a balanced growth strategy supported by subscriber additions at the same time. Accordingly, we expanded our subscriber base with 2.3 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 also continued to contribute to the total revenues. In this context, we minimized inflationary pressures on operational profitability in a year dominated by difficult macroeconomic conditions.

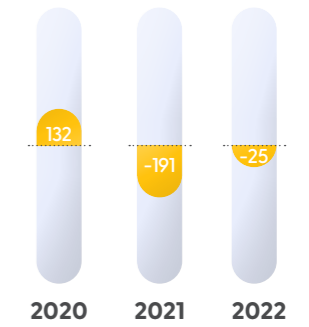
Turkcell ARPU vs. CPI Trend
Q120=100
Company and TÜİK announcements



We continued our prudent risk management approach throughout 2022 with regard to our foreign currency debt in our balance sheet. We continued to actively use the hedging instruments within the scope of our prudent risk management approach. After the rapid depreciation of TRY against foreign currencies in the last quarter of 2021, we supported the effectiveness of our portfolio in this period of volatile currency movements by using short-term hedging instruments. While 80% of our total debt before hedging transactions was in foreign currency as of the end of 2021, the ratio declines to 50% 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 2022, we had a net FX short position of USD 25 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.

In this respect, we held TRY 26.0 billion in cash, mostly in foreign currency on our balance sheet as of the end of 2022. This amount is enough to cover our entire debt service until the end of 2024.

Net FX Position (USD Million)

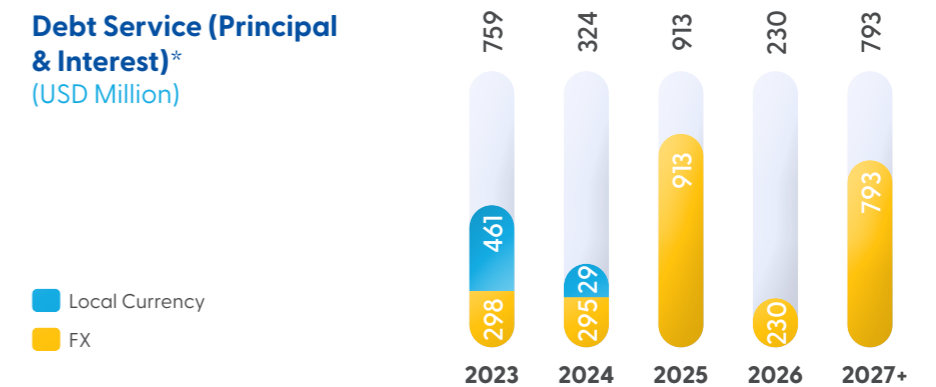


Meanwhile, these hedging instruments also protect us against the interest risk in the market. Accordingly, approximately 33% of our total debt has a floating interest rate as of the end of 2022, while our fixed rate borrowing share is at around 67% including the impact of hedging instruments. Another important aspect of our risk management approach is the fact that the effectiveness of our entire derivative instrument portfolio is being closely monitored, and the principal and interest payments of the long-term foreign currency debts are being guaranteed. 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 26.0 billion in cash, mostly in foreign currency on our balance sheet as of the end of 2022. This amount is enough to cover our entire debt service until the end of 2024.

Debt Service (Principal & Interest)* (USD Million)



*Data of Turkcell Group companies excluding TFC.



In addition to our strong cash position, our committed credit lines of USD 311 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 depreciation of the Turkish Lira against the USD and EUR in 2022, we managed to reduce our leverage level (net debt/EBITDA) to 0.9x thanks to cash generation. Until the next technology investment, our goal is to maintain our leverage level with cash flow generation and to prepare for future investments.

Due to the timely actions we took and as our customers were also sensitive to their payments given that telecom services are an integral part of their lives, we managed to maintain our strong collection performance in 2022. We also sustained a robust collection performance in our financing business in 2022 when the challenging macroeconomic conditions were influential, continuing to keep our cost of risk below sector averages. We followed a prudent approach in granting loans to customers, taking into account 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.

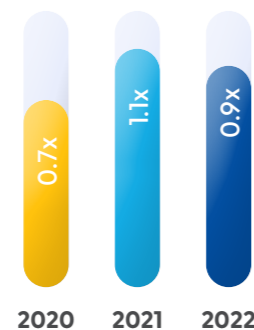
Efficient Capital Allocation

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 have 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 as a part of the strategy to expand its business volume by accelerating growth in existing and new markets to provide resources to the company. At the end of 2022, it was decided to initiate the preparation process of the initial public offering of a certain amount of shares of our Tower company which is included in our balance sheet with its portfolio consisting of 10,910 towers in 4 countries, in Turkey and international markets when required, depending on the market conditions, and within the framework of the provisions of Capital Markets' legislation and other related legislations. Meanwhile, Superonline stands out as one of the important assets in our balance sheet with its size, profitable operations and revenue growth profile. We may assess potential public offering, infrastructure sharing, or sale to strategic/minority shareholders regarding this asset. Our Digital Business Services business line, which offers many services that would 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.

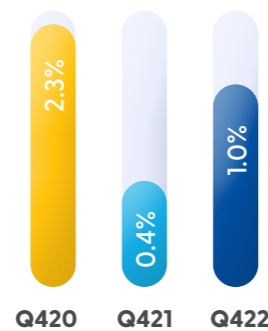
Within this scope, we regularly monitor market conditions and investor interest, and we aim to unlock the real values of the assets in our balance sheet by performing various capital markets and strategic transactions, if appropriate conditions arise.

Consolidated Leverage Ratio



We also sustained a robust collection performance in our financing business in 2022 when the challenging macroeconomic conditions were influential, continuing to keep our cost of risk below sector averages.

Financell Cost of Risk (Rate)



Financing Diversity

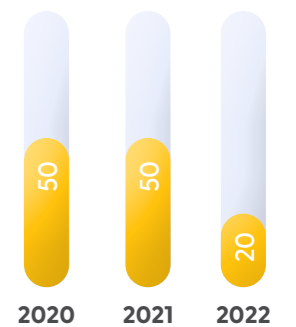
We aim to create alternative funding methods and resources, and develop strong market relations in order to provide financing diversity to our strong equity position. Accordingly, we continue to utilize loans obtained from national and international banks, issue Eurobonds in international markets, bonds, 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.

In 2022, Turkcell Board of Directors has decided to issue debt instrument at a nominal value of up to TRY 1,000,000,000, with various maturities up to one-year, in Turkish Lira terms, in the domestic market, in one or more tranches, without public offering, as private placement and/or to be sold to institutional investors. In this context, our application to the Capital Markets Board has been approved. Within the scope of this issue limit, our Company has issued a financial bond with a maturity date of 17.05.2023, an annual simple interest of 25.50%, and a nominal amount of TRY 500,000,000 in November 2022. Moreover, in 2022, a total of TRY 700,000,000 of financial bonds was issued through our subsidiary Financell, and TRY 450,000,000 of this issuance was redeemed in 2022. In the same period, a total of TRY 1,250,000,000 sukuk issuance was completed through our subsidiaries Superonline and Paycell.

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 had increased this loan to EUR 70 million in 2021 and extended its term to December 2026. The new sustainability objectives of the agreement were 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.

In line with the company's objectives, we pursue our efforts on sustainable/green financing transactions in 2022 without any slow-down, which would also include potential green issuances that can be made in the capital markets as well as domestic and international banks.

Loans Utilized Under Sustainable/ Green Financing Loans (Million Euro)



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 anticorruption 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.

Turkcell New Technologies Venture Capital Investment Fund

In March 2022, Turkcell established the Re-Pie Portföy Yönetimi A.Ş. Turkcell New Technologies Venture Capital Investment Fund to provide strategic and financial support to technology-focused startups with high growth potential in different sectors. Currently, the upper investment limit of Turkcell New Technologies VCIF is determined as TRY 500 million. Turkcell VCIF has invested in companies and venture capital investment funds, including EasyCep, a provider of renewed telephone and electronic devices, Barikat Cyber Security operating in the field of information security, and Procenne, which develops products in the field of digital security & encryption technologies. Turkcell VCIF aims to invest in minority shares of startups operating in high technology sectors such as cyber security, fintech, artificial intelligence, etc. in the future. With the synergies to be created with the startups, it is aimed to create long-term value, as well as strategic and financial benefits for our company.

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. Since 2020, we have been publishing an integrated annual report with an increasing focus on sustainability.

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

Capital Market Instruments Performance

Turkcell shares are traded on the Borsa Istanbul and the 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.⁸

Turkcell's paid-in capital has a nominal value of TRY 2.2 billion.⁹ Turkcell, the only Turkish company listed both on Borsa Istanbul and the New York Stock Exchange, is the 21st most valuable company among those traded on the BIST with a market value of TRY 83.3 billion as of December 31, 2022. As of the end of 2022, the number of Turkcell's American Depositary Shares were 78.7 million.

Turkcell, which has a free float ratio of 54%, has a foreign ownership ratio¹⁰ of 74% as of December 31, 2022. In the same period, the share of foreign investors in Borsa Istanbul was 29%. The average daily trading volume of Turkcell shares in 2022 was 36.9 million.

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

Share and Bond Buybacks

In the previous years, the Turkcell Board of Directors authorized the Company management to buy back Company shares and bonds 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. On February 8, 2023, the Board of Directors determined the maximum fund amount as TRY 1,250,000,000. In this context, since 2016, 16.9 million shares (equivalent to TRY 180.2 million) and bonds totaling a net of USD 37.2 million nominal amount (equivalent to TRY 521.8 million) have been purchased. In 2022, no share buyback was performed, and bonds with a nominal amount of USD 37.2 million (equivalent to TRY 521.8 million) were purchased.

Our corporate governance principles are based on strong foundation

We adopt Corporate Governance Principles.

The key 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 primarily through the Public Disclosure Platform, as well as Turkcell Investor Relations website both in Turkish and English.

Turkcell is the **21st** most valuable company among those traded on the BIST with a market value of TRY **83.3 billion**

⁸ Two ADRs represent five shares.
⁹ Includes 2,200 million shares, each with a nominal value of 1 TL.
¹⁰ Source: Matriks



As the Investor Relations Department, throughout 2022:

- > We held a total of 317 meetings with institutional investment funds.
- > We attended 11 investor conferences, 5 of which were virtual.
- > We organized 5 group investor meetings.
- > We shared our financial results four times during the year via teleconferences. Approximately 100 analysts and investors attended each of these meetings, and the recordings of these meetings were made available on our website.
- > We held regular one-on-one meetings with approximately 20 analysts to manage expectations.
- > Over a thousand information requests were received throughout the year via phone and e-mail, to all of which we responded.

We aim to proactively inform our investors about the impact of current events on our processes. In March, we held an informative meeting with our investors to explain the impacts of Russia's invasion and war on Ukraine on our subsidiaries. 85 analysts and investors attended this teleconference.

We strive to provide the maximum benefit and create value to 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. Turkcell's institutional investors account for 68% of the publicly traded shareholder base. 47% of these investors are located in North America, 26% in the United Kingdom and Ireland, and 21% in Europe (including Turkey). (Source: S&P Global, February 2023)

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. As of 2023, we started to be listed in the BIST Sustainability 25 Index, which was started to be calculated for the first time by Borsa Istanbul in 2022.

Our company's ESG rating was evaluated as BBB by Morgan Stanley Capital International (MSCI) in June 2022. Furthermore, Turkcell is the only Turkish telecommunications company to be listed 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.

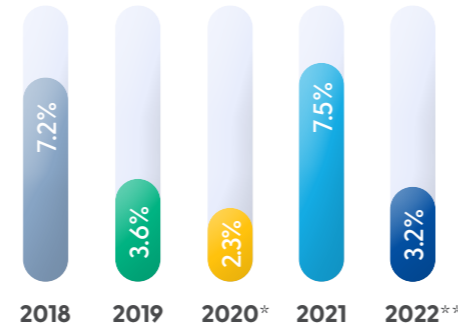




Share Information and Dividend Yield

As the Investor Relations, we aim to increase the market capitalization of Turkcell and achieve 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 financial discipline.

Dividend Yield



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

** Our Board of Directors has decided to distribute dividends at a rate of 25% based on a comprehensive evaluation of macroeconomic and financial conditions, our investment plans, and our cash projections within the framework of our Company's articles of association and Dividend Distribution Policy.

| TCELL (TRY)* | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------|-------|-------|-------|-------|-------|
| Lowest | 8.24 | 9.46 | 10.56 | 12.80 | 15.68 |
| Highest | 13.21 | 12.76 | 15.09 | 22.55 | 38.62 |
| Closing | 10.28 | 12.08 | 14.44 | 17.87 | 37.88 |

| TKC (USD)* | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------|------|------|------|------|------|
| Lowest | 3.21 | 3.92 | 3.85 | 3.26 | 2.32 |
| Highest | 8.73 | 5.94 | 5.50 | 5.38 | 4.79 |
| Closing | 4.75 | 5.08 | 4.83 | 3.47 | 4.79 |

*Stock prices were adjusted for dividend distributions. Source: Bloomberg

Stock Exchange Tickers

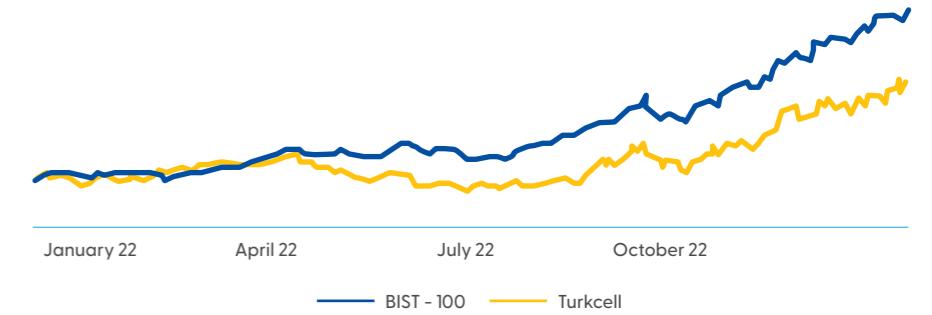
| | Stock Exchange | Ticker |
|-------|-----------------|--------------------|
| Share | Borsa İstanbul | TCELL |
| ADR | NYSE | TKC |
| Bond | Euronext Dublin | ISIN: XS1298711729 |
| Bond | Euronext Dublin | ISIN: XS1803215869 |



Credit Rating

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

Share Performance (Relative) (2022)



Analyst Recommendations

BUY 55% **HOLD 45%** **SELL 0%**

20 brokerage houses actively monitor and analyze Turkcell shares. As of the end of 2022, there are 11 analysts giving "buy" advice, 9 analysts giving "hold" advice and no analysts giving "sell" advice.

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

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Digital Finance Transformation

Increasing the digital maturity of our strong finance function is among our top priority targets. Turkcell finance function has digitized its operation model in order to provide an environment where business processes are structured through systems, manual intervention is minimized, operational excellence and productivity increase is achieved, internal control points are automatically supported, and the working environment is brought to the level of best practices.

The efforts that started after the evaluation of our current financial maturity level with an aim to restructure the end-to-end finance operation model from process to technology, and from organization to data continue. In this framework, while continuing the integration of new technological products into our existing systems in 2022, Master Data Management work was carried out for the first time in Turkcell's history, and our data were harmonized in all source systems.

Techfin's shining stars: Paycell and Financell

In 2022, 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 51 thousand merchants, we continue to develop our competencies and include the Android POS and Paycell Virtual POS product for the virtual e-commerce world, in addition to the products we offer for commercial enterprises. 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. With our Virtual POS product, besides the cost savings in card transactions in Turkcell e-commerce channels, a new revenue-generating product was created for Paycell.

As key account management, we continue to create an ever-expanding ecosystem by managing strategic relationships with institutions in line with our vision of making Paycell a customer and payment systems solution center for the leading retail brands of our country and the world. In this context, we are among the top payment providers in the market in which we operate, ensuring deepening with an average of 1.5 products per brand in more than 50 brands. With our existing and new business partnerships, we will continue to increase our penetration in both physical and online channels and contribute to the growth of Paycell, through our innovative products that differ from classical financial products in the market, such as E-money wallet, payment by reflecting to Turkcell invoice, Paycell shopping limit, which would create added value by facilitating the final payment experiences at retail points that touch the daily lives of individuals, and where our corporate customers can expand their sales activities.

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 set a first 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.

Paycell, Turkey's most inclusive digital payment and financial services platform, continues to increase financial inclusion and expand innovative payment services while leading the digital transformation of our country. Combining technology and financial services in line with the changing customer needs, Paycell offers fast and secure payment solutions, and aims to enable its users to benefit from financial services easily with its vision of becoming a financial marketplace. With the Paycell Shopping Limit, which was launched in 2022 in line with this purpose, Paycell offers its customers the opportunity to pay in installments up to 36 months with the shopping loan provided by Financell, for the products and services offered to its customers at the contracted workplaces, and to easily pay the loan installments with a Turkcell invoice for Turkcell postpaid line owners. Paycell, has cooperated with banks for the cash needs of its users, also offers the opportunity to use bank loans from the application. Paycell users can apply for the loan offered by contracted banks within the application, spend the loan they use with their Paycell Cards wherever they want, or withdraw them in cash. Paycell enriches the application with new services and solutions every day in order to offer its users all the financial products they need on a single platform, with the goal of a superior customer experience. In this respect, Paycell users can instantly monitor the current prices of the commodities such as gold, silver and platinum while trading them through the collaborating company from the "Investment Transactions" menu in the application. The users can use the balance in their Paycell Cards for the commodity transactions, and they can invest even when they have zero balance in their cards, by reflecting the transaction on their

Paycell increased its revenues by 87.2% this year, while its EBITDA margin was 44.2%. Paycell's non-group revenues rose by 84.4% during the same period. The number of Paycell 3 month-active users has become 7.7 million.

Turkcell invoices. In the last quarter of 2022, stock trading was also added to the Investment Transactions menu in addition to the commodity transactions. Paycell users can invest in American stock exchanges in Turkish Lira at any amount with a minimum of TRY 10 through a simple and understandable interface. This service is also offered by a business partner authorized for this transaction, similar to that for other loan and commodity transactions. Apart from the lending brokerage and investment products, Paycell also offers its customers various insurance products, that meet different needs varying from Travel Health Insurance to Personal Accident Insurance through the group company Turkcell Sigorta Aracılık Hizmetleri A.Ş..

Besides, in order to carry out international money transfer and payment services activities in European Union countries, the shares of Turkcell Europe GmbH, a subsidiary of our Company based in Germany, was transferred to Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş., which operates under the Paycell brand, and the title of the company was changed to Paycell Europe GmbH.

In 2022, 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. To date, 96 digital transformation financing loans have been extended. 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 in 2020, we had also 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 by growing. Additionally, we completed the system infrastructure transformation, which is one of the most critical investments in terms of digital transformation, in 2021. With our reinforced infrastructure, we began to operate in non-Turkcell channels with new products such as digital travel loan and car loan. We were already offering innovative solutions for customers' risk

management with fast and easy access products through Turkcell Sigorta Aracılık Hizmetleri A.Ş. In 2022, we expanded the scope of our current insurance business with innovative solutions based on big data and digital processes, and established Turkcell Dijital Sigorta A.Ş., which will provide end-to-end services. As of 2022 year-end the process of the license application we made to the Insurance and Private Pension Regulation and Supervision Agency (SEDDK) in October 2022 continues.

| Paycell | 2020 | 2021 | 2022 |
|--|------|------|------|
| Number of Paycell 3 month-active users (million) | 4.7 | 6.6 | 7.7 |
| Total transaction volume (TRY billion) | 9.1 | 13.7 | 37.1 |
| Revenue (TRY million) | 285 | 468 | 877 |
| EBITDA (TRY million) | 147 | 222 | 388 |
| EBITDA margin (%) | 52% | 47% | 44% |

| Financell | 2020 | 2021 | 2022 |
|--|------|------|------|
| Number of customer acquisitions of Turkcell through Financell (thousand) | 129 | 116 | 123 |
| Financell asset size (TRY billion) | 2.5 | 2.7 | 4.2 |
| Number of credits granted by Financell (million) | 2.0 | 1.8 | 1.9 |
| Number of customers who used credits annually (million people) | 1.4 | 1.3 | 1.3 |
| Total customer loan portfolio (TRY billion) | 1.9 | 2.1 | 3.4 |
| Revenue (TRY million) | 567 | 615 | 980 |
| EBITDA (TRY million) | 367 | 420 | 523 |
| EBITDA margin (%) | 65% | 68% | 53% |
| Net income (TRY million) | 241 | 334 | 319 |



Trends

Our Telecom Business

2022 was a year with crisis and challenges that have affected the whole world. Particularly, the Russia-Ukraine War, which started in February, had a negative impact on factors such as inflation and supply chain disruptions globally. Prices increased throughout the year, particularly in areas such as energy, commodities and food. Those challenges particularly reflected on local price levels. Moreover, with the increased mobility after the pandemic, the number of foreign tourists visiting our country has reached the levels before the pandemic.

Nevertheless, the digitalization trend increasing globally, has contributed to the increase of innovations such as 5G, industry 5.0, artificial intelligence, Internet of things and eSIM, in line with the different conditions brought by the changing life conditions after the COVID-19 pandemic. Regarding 5G, which is an important factor supporting digitalization, it has been announced that the 5G tender in our country will be held in 2023. In this direction, we continued our preparations for the transition to 5G in 2022 as well.

In line with these developments, Turkcell maintained its strong operational structure by taking the necessary actions in an agile and rapid manner in our business. In our mobile business; we realized strong growth driven by our strong subscriber net additions, increased data usage, upsell efforts, higher postpaid subscriber

share as well as our pricing adjustments to reflect inflationary pressures, thanks to our brand perception, superior infrastructure, unique customer experience and analytical capabilities. In addition, our competitors followed the price adjustments we made as the leader, therefore we continued to rationalize the market. On the fixed segment; with our ongoing fiber focus, we continued to grow with the increase in the rate of upsell to high speeds and the number of IPTV customers.

While meeting the increasing demands of our customers with innovative offers and options such as Esneyen (Flexible) and Yapboz (Puzzle) Packages, we continued to offer the right solutions to our customers by using our analytical competencies. We strengthened the usage habits of our customers, who head towards our digital channels, with smart offers and win & win setups.

In addition to our strategy of always being there for our customers, our innovative and comprehensive tariffs and additional benefits; as a result of our brand perception, superior infrastructure and unique customer experience, we achieved 2.3 million total net subscriber additions, 1.9 million of which were mobile. Our mobile ARPU¹¹ grew by 40.3% year-on-year and continued to accelerate every quarter, driven by price increases, increased data usage, our upsell efforts, and the increase in the postpaid customer base.

In 2021, we had accelerated our fiber infrastructure investments. By maintaining this focus in 2022, we have added 887 thousand homepasses and continued to contribute to our country's digital transformation journey. With the contribution of our expanding fiber infrastructure, we had 234 thousand net fiber subscriber additions in 2022. Due to the fact that the price adjustments in the fixed market were more limited compared to the mobile market and the contract structure; our fixed residential fiber ARPU rose by 26.7% in 2022, driven by our renewed value propositions, upsell efforts higher IPTV subscriber rate and price adjustments. Thus, we continued to grow in a balanced way in both customer addition and ARPU growth.

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 the entire company, not just the technical staff. It

also becomes more important for all organizations to enhance their decision mechanisms through data-driven analysis. Since this situation requires people even 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.

As Turkcell, we provide our corporate customers with big data analytics services; thus we enable them to differentiate in their own services.

We are aware of the need to interpret the right customer data in order to reach the right target audience and make the right investment, and we continue growing our business by reaching the right customer 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 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. 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 equal 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.

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 19.9 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.



¹¹Excluding M2M



My Dream Companion

With our My Dream Companion project, we work to provide the visually impaired with equal access to information and independent participation in the social life.

My Dream Companion Service has been providing visually impaired people with access to up-to-date news, columns, audiobooks, and education since 2012; as well as indoor navigation technology at areas such as Turkcell stores, shopping malls, universities, and instant audio description technology for movies broadcasted in movie theaters and digital platforms. It is a free service for subscribers of all operators via iOS and Android mobile application and the 8020 IVR line.

In the project, with which 103 Turkcell stores, at least 1 in each city of Turkey and more than 1 in greater cities, were made accessible in May 2022, the visually impaired people can easily find what they are searching for in the store with My Dream Companion indoor navigation technology.

By expanding the scope of our audio description technology, where we have delivered the audio descriptions of 65 movies to the visually impaired throughout 2022, we have developed our live description technology to offer descriptions for performances such as theaters and musicals. With this technology, in 2022 we supported the equal access of the visually impaired to art by describing The Miser, which was staged at Turkcell Vadi, and When Nobody Was in the City and Peter Pan and the Neverland musicals at the Zorlu PSM Turkcell Platinum Stage.

Climate Change

5 out of 10 risks that are most potentially damaging in the next 10 years according to the World Economic Forum (WEF) 2022 Global Risk Report include environmental and climate change-related risks. These are defined as failure of climate change actions, extreme weather, biodiversity loss, environmental damage caused by human, and natural resource crises.

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 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 risks induced by climate change have a direct effect on Turkcell's business operations. As Turkcell, by conducting 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.

In our energy-focused activities, we are directed to environmentally friendly, green energy sources within the scope of Sustainable Development Goals and we invest into them. In accordance with the Turkcell Sustainability Strategy we announced in 2020, we work to achieve our goal of going carbon-neutral by 2050, by becoming a company that consumes and generates 100% renewable energy.

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.

Mobility

The concept of 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 mobility will trigger a disruption not only in automotive and transportation industry but also in technology.

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

Our mobility solutions, offered as part of digital business services within Turkcell, provide the most advanced vehicle and fleet technologies for the safety of vehicles and employees. Developed by "Turkey's Automobile Joint Venture Group", where Turkcell has 23% shareholding, the mass production of Togg's first innately electric, connected smart device, the C-segment SUV has started in Togg's Gemlik Technology Campus as of October 29, 2022. Togg continues to finalize cooperation with entities as

required for the mobility ecosystem to be created around the electric car which it defines as a "smart device". In this context, in order to integrate innovative payment systems and digital financial solutions in the mobility ecosystem, a strategic cooperation agreement was signed with Paycell in 2022. On the other hand, the studies to include our Fizy platform in the Togg ecosystem continue to be planned.

We keep the technological infrastructure available both as software and hardware for organizations which will require it in the future in connection with mobility solutions, with our local production approach and data centers. We aim to create synergies that will add value to Turkcell by contributing to the development of this ecosystem, which we will be involved in with new services in the future.

Developed by "Turkey's Automobile Joint Venture Group", where Turkcell has 23% shareholding, production process of Togg has started flowing the completion of construction process of its factory in Bursa. It is planned to include Paycell and fizy platform in Togg ecosystem as a first step.





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 activities are closely monitored and controlled by laws and regulations. Ensuring effective and competitive market dynamics and helping to configure the digital experience environment that the customers desire requires the active participation of sector players, NGOs and regulatory authorities.

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, metaverse, creating value in this area for both our company and country.

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 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.

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, metaverse, 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 increasing risks related to climate crisis, 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.

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. In this context, we are working towards our target of increasing our "Sustainability-Indexed Loan" and "Green Loan" transactions that we used in 2019 and 2020, respectively. 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 extended its term to December 2026. Apart from bank loans, capital markets continue to be our focus as a point to access and diversify financing. We continue to monitor the market in order to meet our increased investments in the new period, especially with green issuances in domestic markets. At the same time, we continue our efforts as one of the founding members of the UNGC CFO Task Force, which aims to create a market for investments in SDGs.

The Development of Fintech Applications

Expansion of digitalization, cryptocurrency and blockchain use, as well as globally increasing penetration of smartphones provide a suitable environment for the development of financial technologies (fintech). In 2022, fintech investments reached USD 79 billion.

Smartphones, which have become 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.

In the Turkcell ecosystem, fintech is referred to as techfin in terms of our focus on technology. Techfin activities are carried out through four subsidiaries; Paycell, Financell, Turkcell Dijital Sigorta and Turkcell Sigorta Aracılık Hizmetleri. 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 19.9 million

times, while services such as money transfers, cash and shopping loan brokerage, transportation card payment, commodity trading on financial marketplace and payments can be readily realized through the Paycell application. We provide payment facilitation services to over 51 thousand contracted merchants with solutions including Paycell Android POS, QR, Virtual POS, Vitrin (Shopwindow) and Pay by Link.

In 2022, we added a new service to our solutions with Paycell Vitrin and Pay by Link. Paycell Vitrin and Pay by Link, were created as an e-commerce and payment solution where anyone who sells products, regardless of being an individual or institution, can register for free on the same day, create a special link for their products and share them with their customers, and receive payments with debit and credit cards. Thus, we offer our member merchants the experience of opening websites, making agreements with banks, starting e-commerce and receiving payments via a remote link without the need for a technical integration and additional cost.

Financell, our financing service that facilitates individual and corporate customers' access to technological products, has extended loans in the amount of TRY 28,5 billion with a number of approximately 15 million since its foundation. Turkcell Sigorta Aracılık Hizmetleri A.Ş., our approach in the insurance arena, provides customers convenient, simple and fast insurance services.





Cybersecurity

In line with the increase in data produced in the digital age and the increasing demand for data centers, we are working with the vision of keeping Turkey's data in Turkey, in order to ensure the security of data and the confidentiality of personal, critical and sensitive data as Turkey's largest data center operator. The national efforts and regulatory factors carried out to make our country a center for data hosting and transfer, undoubtedly contribute to the development of our cyber security capabilities by increasing the demand and investments in data centers and cloud services in our country.

Turkcell Legal and Regulatory Function 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 scope, internal briefings are provided with respect to changes in legislation and new regulations, the related processes 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, various measures are taken via digitalized tools such as internal audit and

Acting meticulously within the framework of the Personal Data Protection Law, Turkcell continues to work in artificial intelligence services without deviating from the principles it has declared.

automated control systems that are working continuously, to prevent the occurrence of any breach and imposition of any administrative sanctions.

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.

We identify threats which emerge in the cyber environment, develop measures 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 cyberattacks 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. In this scope, we continue to meet the needs of our customers including 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.

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" clause 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 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.

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 as 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:

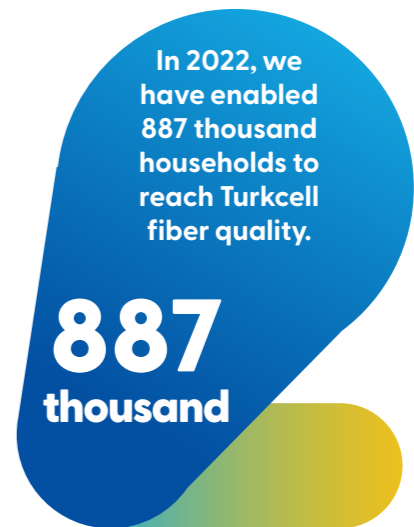
- > Children's rights and AI activities,
- > Activities regarding responsible use of face recognition systems,
- > Standardization activities carried out across the IEEE and aiming to eliminate potential ethical problems and concerns to arise from AI,
- > Activities as part of the "Planet Positive 2030" initiative across the IEEE,
- > Activities carried out across the ITU regarding responsible and ethical use of AI technology in smart sustainable cities and AI and Healthcare activities.

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 requirements 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.

As Turkcell, we continue to accelerate our fiber infrastructure investments in 2022. While we had 653 thousand new homepasses in 2021, we brought the fiber quality of Turkcell to 887 thousand more homes in 2022. With the contribution of these investments, we had a record net of 234 thousand fiber subscribers in 2022. We believe that our fiber investments will greatly contribute to the process of transition to 5G.

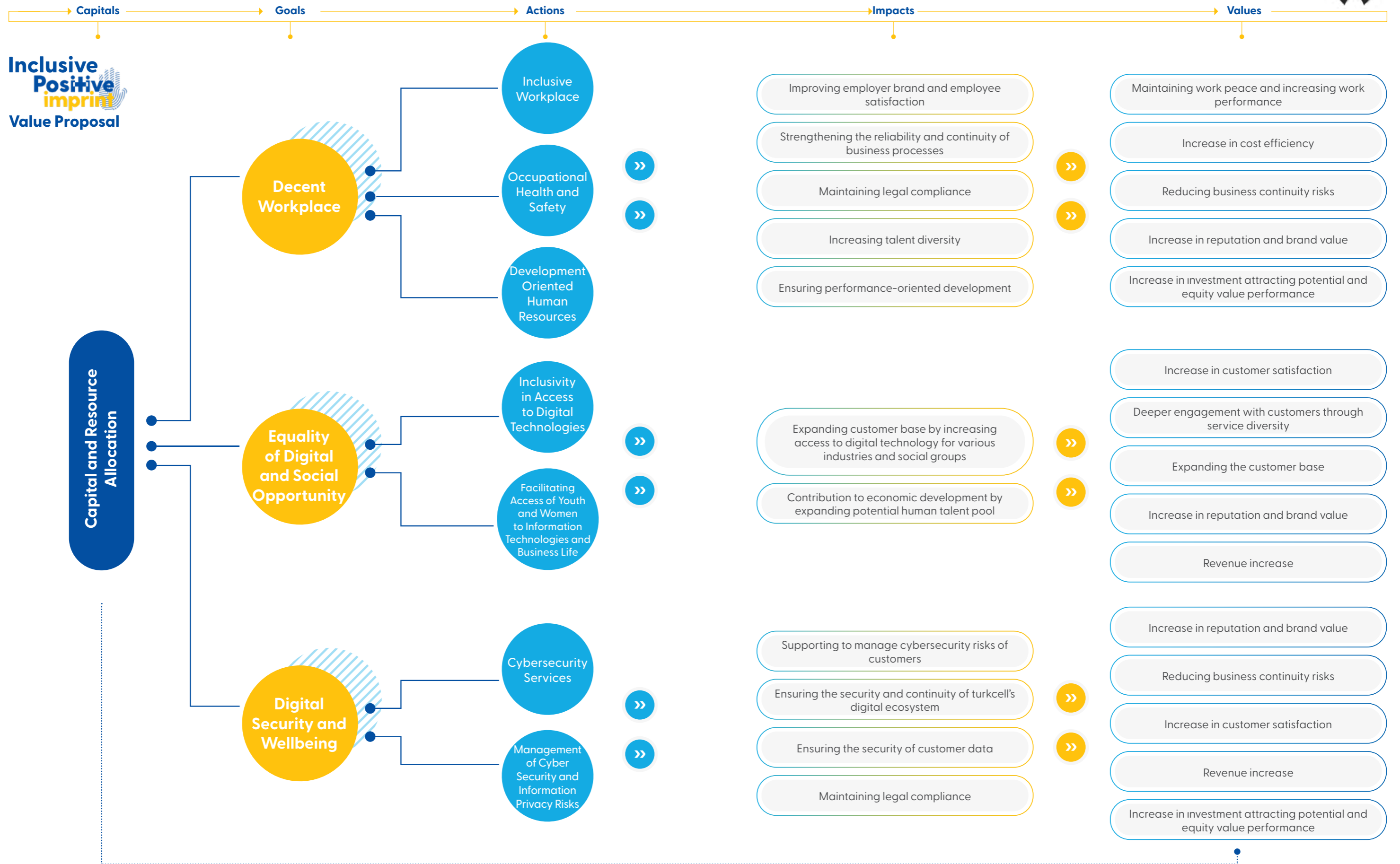


Inclusive Positive imprint

With the Inclusive Positive Imprint strategy, we aim to achieve three main corporate objectives with a wide area of impact: Providing our employees a safe, inclusive, fair and development-oriented work environment, supporting digital and social inclusiveness for large masses, ensuring digital security and wellbeing. Thus, in our workplace, our products and services, and our social impact area, we aim for equal opportunities, the inclusion of disadvantaged segments of society, and “leaving no one behind” in social, economic and cultural development.

- Human Capital
- Manufactured Capital
- Intellectual Capital
- Social Capital



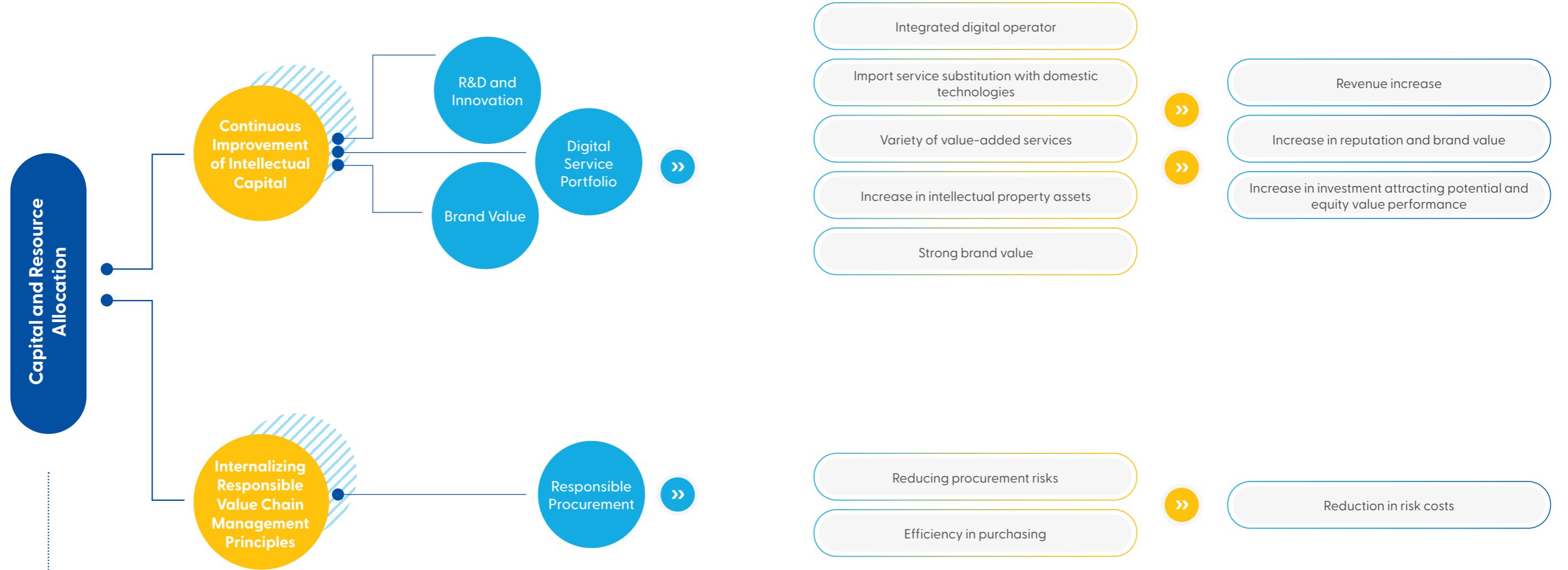


Integrated Value Creation
 (Financial Capital, Natural Capital, Manufactured Capital, Social Capital, Human Capital, Intellectual Capital)

The Inclusive Positive Imprint strategy contributes directly to human, social and financial capitals and indirectly to manufactured and intellectual capitals in accordance with the integrated value creation model.



**Inclusive
Positive
imprint**
Value Proposal

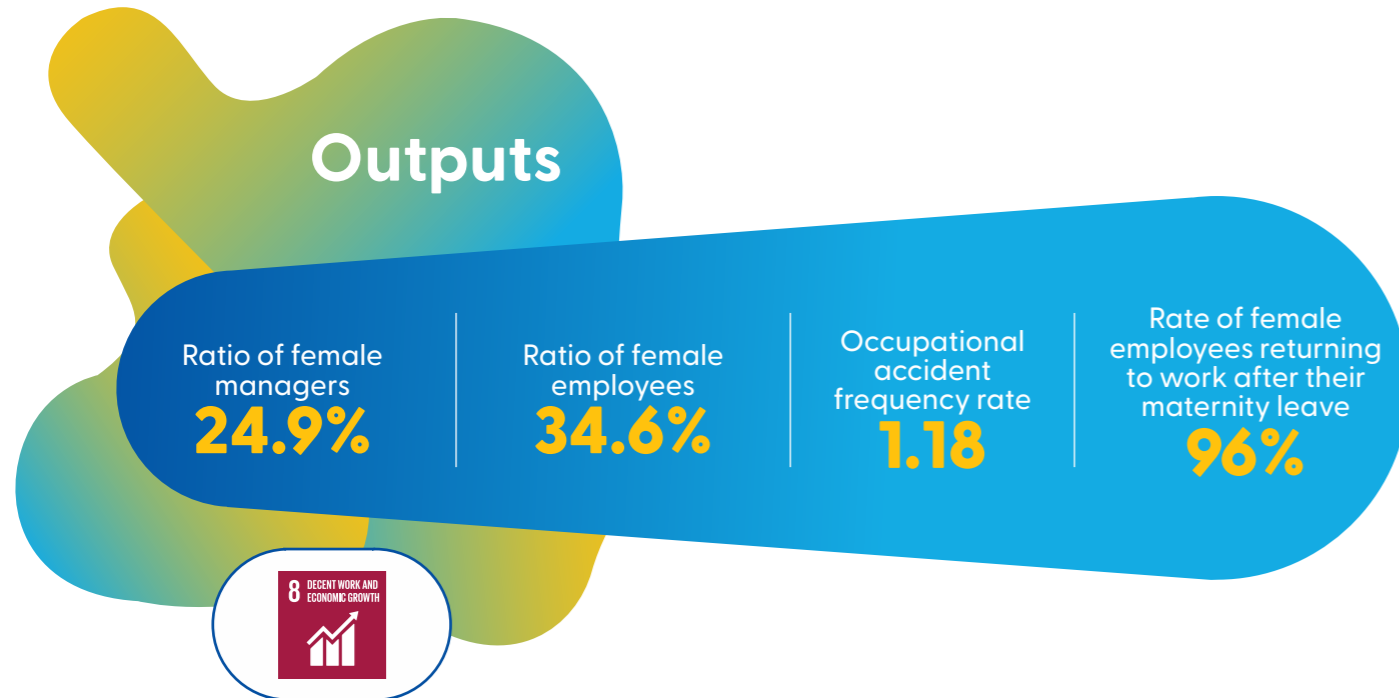


Integrated Value Creation
(Financial Capital, Natural Capital, Manufactured Capital, Social Capital, Human Capital, Intellectual Capital)

The Inclusive Positive Imprint strategy contributes directly to human, social and financial capitals and indirectly to manufactured and intellectual capitals in accordance with the integrated value creation model.



Human Capital



| Performance Indicator | Short-term goal | Mid-term goal | Long-term goal | Performance in 2021 | Performance in 2022 | Current State by Goal |
|---|-----------------|---------------|----------------|---------------------|---------------------|-----------------------|
| Increasing the ratio of female employees | - | - | 40% (by 2030) | 34% | 34.6% | ⬆️ |
| Increasing the number of female members on the Board of Directors (including independent members) | 34% | 34.6% | 2 | 1 | 1 | ➡️ |
| Increasing the ratio of female managers | - | - | 28% (by 2030) | 23% | 24.9% | ⬆️ |
| Increasing the rate of female employees returning to work after their maternity leave | 98% | 98% | 98% | 97% | 96% | ⬇️ |
| Increasing the female employee's retention rates following maternity leave | 88% | 90% | 90% | 97% | 96% | ⬇️ |
| Reducing the occupational accident frequency rates (Female) | 2 | 1 | 0 | 0.48 | 0.87 | ⬇️ |
| Reducing the occupational accident frequency rates (Male) | 2 | 1 | 0 | 0.47 | 0.85 | ⬇️ |
| Reducing the occupational accident frequency rates (Total) | 2 | 1 | 0 | 0.48 | 1.18 | ⬇️ |

⬆️ Positive development ⬇️ Negative development ➡️ Ongoing

Decent Workplace

Our employees lay the foundation of the success we have achieved in Turkcell's activities carried out with a focus on value creation.

We consider it an invariable part of our human-oriented employee experience approach to ensure that our employees, whom we see as the brand ambassadors of our Company, feel valued, happy and safe, and benefit from equal development opportunities, by providing them an exemplary work life in all employment processes starting from their recruitment.

Human Capital Management

We implement our human resources processes, which we have implemented in line with our human resources policies and strategies, in accordance with the legal requirements. We communicate all operational changes that may arise in these processes and practices and that could significantly impact our employees within the legal notice period through our internal communication channels.

In accordance with Turkcell Human Rights Policy, Turkcell oppose discrimination based on gender, age, belief, ethnicity, nationality, marital status, health status, and physical ability in all of our business activities. We continuously improve ourselves by implementing our human resources practices based on inclusion and diversity, and extending equal opportunities to all individuals in a manner that respects human rights. We adapt to the requirements of the rapidly evolving digital age with an agile manner in order to better respond to customer needs, and we improve our skills with rich training programs.

From the moment of entry to exit, we design all our human resources processes end-to-end with a focus on the employee experience. We design and manage our compensation and

benefits policies, and integrate execution of performance and career management by mobilizing the power of digitalization and our data-driven approach. Hence, we break new grounds in the business world by putting all our processes at the center of our analytical solutions.

We listen to our employees and ensure that employee experience is managed in the best possible way in line with expectations, needs and international developments. We carry out HR planning, define roles and responsibilities, and determine the company goals and risks with the cooperation of Turkcell teams.

Turkcell has been experiencing flexible working since 2016. Over the years, the journey of shifting from being employee-oriented to human-oriented, made it necessary to put the employee on the agenda of human resources with the well-being it created in the entire life of employees. This has allowed employees to balance their work and personal life through the flexibility created in their working hours and place. With the flexibility of time and place in work life, the welfare of employees has

increased. Turkcell has increased the welfare of Turkcell employees through three programs launched in 2016. The first is the "mobile working" program, which allows employees to work 4 days a week in the office and 1 day from home. The second is the "ofistasyon" program, which allows employees to work from different Turkcell locations. The third is the "Plan Your Day" program, which allows employees to extend their workday start until 10:00 AM and the end until 07:00 PM.

According to the Flexible Working Manifesto defining principles of flexible working, Turkcell employees can work from anywhere, are always accessible, can use T.Life-Digital Office app if they wish to use company locations that offer uninterrupted services, maintain a work and life balance, support and enhance their work environment with "Flexible Working Support", and benefit from face-to-face communication by getting together during healthy days. Within the scope of this working manifesto, Turkcell employees whose job requirements are suitable for location-independent working can work either remotely or in the Turkcell office of their choice.





Flexible Working Model

The expectations of employees towards working models that enable a work-life balance, have recently been increasing. Following the first Covid-19 case in Turkey, Turkcell prioritized the human experience by implementing a rigorous health sensitivity, transitioning to fully remote work. With our previous experience and robust technological infrastructure, we were able to easily adapt without sacrificing work efficiency.

As the pioneer of mobile work in Turkey, we have designed a new working model in collaboration with our employees, taking into consideration the changing needs brought by the new normal and the future of work. With the launch of our "Flexible Work Model" under the motto "Wherever You Are, Turkcell is There," we have eliminated boundaries. Since March

2021, our model enables all employees to work independently from their location, whether at the office or remotely, based on their work requirements.

In the remote work process, we prioritize accessibility. Our employees are able to fulfill their internet needs at home with employee campaigns provided by Turkcell and benefit from additional opportunities through additional campaigns.

Turkcell engineers developed the TLife - Digital Office application as a digital hub for all business solutions that are required by our employees within the scope of the flexible work model. Thanks to the Digital Office module, Turkcell employees can reserve working spaces, meeting rooms and parking spaces for their vehicles at any Turkcell office of their choice. Moreover, they can also make

appointments for company's hair dresser, fitness center, doctor, pedagogue, dietitian or psychologist.

With the Flexible Working Model, the employees can flex the start of the workday by 10:00 AM and the end of the work day by 07:00 PM. Thanks to the "Hours without Meetings" practice, our employees can focus on their works which require individual attention. 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. Within the scope of "Flexible Working Support", employees are also offered a financial aid that is renewed each year so that they can improve their remote working environments.

Diversity, Inclusion, and Equal Opportunity

By positioning the protection of human rights and respect for human rights as one of our most fundamental duties, we implement our human resources practices that ensure equal opportunities for all individuals, support inclusion and diversity, and improve ourselves each day in this sense. In line with the Human Rights Policy that we have issued, we carry out our activities to prevent discrimination, inequality, human rights violations, forced labor and child labor, and continue our efforts for adoption of these values across the supply chain. Furthermore, we implement practices and measures aimed at supporting gender equality in business life in line with the UN Women's Empowerment Principles - WEPs, of which we are a signatory, and aiming to be the most admired employer for women, thanks to Turkcell's gender equality approach.

In line with the inclusive Positive Imprint strategy, efforts to increase the number of female managers and employees and the outcomes achieved are evaluated in terms of financial, operational, legal compliance and environmental dimensions, as well as being reviewed within the scope of internal audit activities.

In 2022, no discrimination case has been filed by our employees or any third parties against Turkcell İletişim Hizmetleri A.Ş. in all our business operations. 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, age, sexual orientation or gender.

In accordance with our Human Rights Policy, which was published at the beginning of 2021, we are committed to maintaining an attitude based on fundamental rights and freedoms in our relationships with our employees, customers, business partners, and all stakeholders; following the Policy rules strictly in order to comply with applicable national and international regulations regarding work life; and



ensuring total commitment of entire organization to these principles.

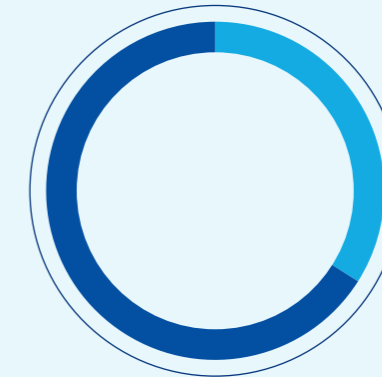
We respect the fundamental rights of our employees defined in our policy; and protect mutual rights regarding employee-employer relations through our human resources practices. In order to prevent the incidence of child labor and forced labor, we adopt the ILO (International Labor Organization) standards across our entire value chain, particularly for our suppliers.

Turkcell aims to increase the rate of female employees to 40% by 2030. All Turkcell and Turkcell Group company employees, primarily senior executives and managers, are responsible for achieving the goals for ensuring gender equality and female-male employee balance. The ratio of female employees and female managers is reported to the senior management on a monthly basis. Starting from the level of Executive Vice President, the performance cards of the employees responsible for the process include the target of female employee ratio and female manager ratio within the scope of gender equality.

We manage our remuneration policy regarding all levels of employment based on knowledge, skills, and critical experience in the most reliable manner. We keep remuneration policies regarding Board Members and Senior Executives transparent to all

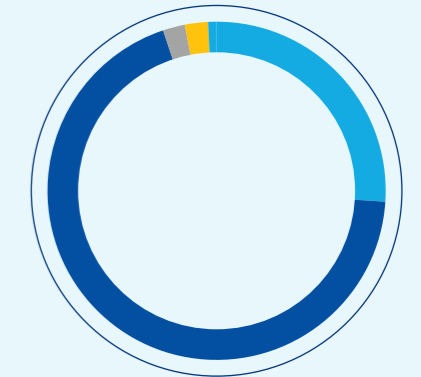
Employee Demographics in 2022

Employee Distribution by Gender



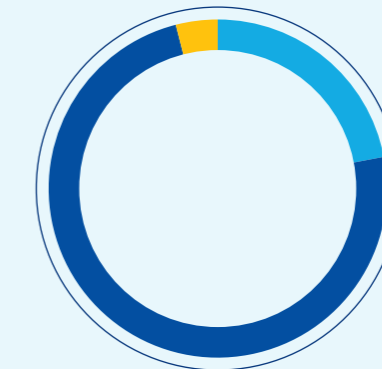
| | |
|--------------------|---------------|
| ● Male Employees | 3,516 - 65.4% |
| ● Female Employees | 1,864 - 34.6% |

Employee Distribution by Education Level



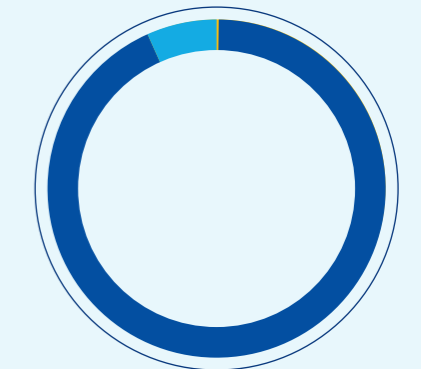
| | |
|------------------------|-------|
| ● Undergraduate Degree | 69.1% |
| ● Graduate Degree | 27% |
| ● Associate Degree | 2% |
| ● High School | 1.9% |

Employee Distribution by Age Group



| | |
|-----------------------|-----|
| ● Between 30-50 Years | 74% |
| ● 30-Years and Under | 22% |
| ● 50-Years and Over | 4% |

Manager Distribution by Age Group



| | |
|-----------------------|-----|
| ● Between 30-50 Years | 93% |
| ● 30-Years and Under | 1% |
| ● 50-Years and Over | 6% |

40%

Turkcell aims to increase the rate of female employees to 40% by 2030.



Within the scope of Turkcell's remuneration policy, we adopt the principle of "equal pay for equal work" and do not apply any difference in basic salary of female and male employees.

stakeholders. In determining and updating our Remuneration Policy, we take into consideration the roles where there is a talent loss and positions where talent acquisition is desired, as well as peer companies in the market, and reference the wage market accordingly. Our salary scales are updated based on needs, recruitment, talent loss data, as well as various market or industry-based job market studies conducted by consulting and research firms. To avoid any discriminatory remuneration between female and male employees performing the same role and at equivalent job levels, we apply our remuneration policy throughout our entire operations within the relevant standards in an unbiased manner, covering all our operations. While determining our remuneration policies, we pay attention to create competitive and motivating conditions in order to retain executives, employees and talents performing critical roles within the company.

Turkcell provides its employees with various fringe benefits in addition to their salary. Employees can flexibly customize their benefits through the Flex Menu. Turkcell sets a budget for its employees from the start of the year to the end, enabling them to plan and select their fringe benefits. This gives employees the ability to shape their menus to fit their lifestyle and unique needs, including options for various insurance plans, meal allowances, and gift cards. Furthermore, Turkcell employees also benefit from Turkcell Private Pension Plan.

We are constantly expanding our family with all Turkcell employees and new teammates joining us from all over Turkey, and contributing to the increase of the effective workforce. We truly believe that gender discrimination in occupation and fields of expertise is a practice that should be left behind and as a leading digital operator company, we highlight the work of women especially in STEM (Science, Technology, Engineering, Mathematics) areas. In order to empower women in business and their endeavors, we carry out various activities and take crucial steps in increasing the employment of "female engineers" in Turkey. We aim to provide job opportunities for female engineers, who are at the beginning of their career or female professionals whose careers were interrupted for various reasons.

As of 2022, female employees account for 30% of engineering positions and 35% of IT positions.

*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 does not change significantly during the year.



Disabled Employee Approach

Turkcell is an equal opportunity employer and considers all qualified applicants for employment regardless of disability, race, color, religion, gender, national origin, ethnicity, age, physical appearance or status, marital status, and military service status.

Turkcell, does not discriminate against disability in the recruitment processes, does not receive the disability information of the candidates during the application and makes the evaluations with the same equality approach. The entire process for the applications and beyond is based on an unhindered process for our disabled candidates. Other practices within the scope of barrier-free process of recruiting disabled people include remote/digital interviews, supplying all documents through digital channels, and ensuring suitable physical conditions after the start of employment. In 2022, 135 disabled employees have worked in our Company.

Employee Loyalty and Happiness

We are working to improve our employees' work life experience at Turkcell and to strengthen our exemplary corporate identity with our employer brand in Turkey. We monitor this development periodically through research conducted with a broad participation throughout Turkey.

With the Turkcell Pulse Survey, the tendencies of Turkcell employees, who can work from anywhere with the flexible working model, are monitored regularly through one-to-one

meetings and feedback surveys. The outputs of the research and one-on-one meetings are brought to the agenda at the senior executive meetings.

We conduct practices to improve overall satisfaction of our employees and their families. In this scope, we offer health insurance policies to our employees to which they can include their spouse and children as well. As fringe benefit, we provide all employees with a "life insurance with death and life support (critical illness)" policy for establishing an insurance support

Employee Turnover

| | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|-------|------|-------|-------|
| Female Employee Turnover | 3% | 2% | 6% | 13% |
| Male Employee Turnover | 8% | 6% | 12% | 13% |
| Voluntary Employee Turnover | 5.9% | 6% | 12.1% | 15.1% |
| Total Employee Turnover | 11.4% | 8.2% | 17.7% | 19.0% |





in case of invalidity for work after an accident or disease. 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. Although the legal provision for paternity leave in Turkey is 5 days, we provide 10 days of leave to new fathers, so that our male employees can contribute to the childcare and spend more time with their children. In order to support working mothers, we provide day nursery aids for female employees who have preschooler children. We give mothers and fathers paid leaves on the school opening and report card days of their kids so that they share the excitement of their children by being with them on those days. In order to facilitate the lives of our female employees who have just returned to business life after giving birth, we have lactation rooms equipped with breast pumps, refrigerators to store milk, wash basins and sinks for hygiene, and rocking chairs at our working locations. As of 2022, there are lactation rooms in 8 different Turkcell premises.

Activities for Strengthening our Employer Brand and Employee Motivation

In 2022, we established an inclusive strategy centered on the employer brand at Turkcell, focusing on being youthful, dynamic and without age discrimination. The employer brand strategy, launched under the T.Life brand, was defined based on research results as: "T. Generation is a technology-savvy, hands-on, assertive global citizen who stands out positively with their demeanor wherever they go." In line with this strategy, we have implemented T.club, T.studio, T.labs, and T.stage events.

T.club: Under the categories of art enthusiasts, adventure seekers, travelers and gourmets, we have organized a wide range of entertaining events, from outdoor cinemas to weekend camps, from cultural tours to gourmet events, catering to all tastes. We established the T.club volunteer network and organized events that encompass all Turkcell locations, reaching all our employees.

T.stage: To cater to the music lovers, we organized acoustic concerts.

T.labs: With T.labs, we opened access to personal development and healthy living videos in the T.Life app, which can be enjoyed during 1-2 minute breaks.

T.studio: Through our own live broadcasts and podcasts, we effectively and attractively announced all prominent content.

As Turkcell, we invest in the wellbeing of our employees and their families, and continue 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 psychological and physical vitality of Turkcell employees and their relatives.

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 courses such as fit brain, live exercises, healthy breathing, standing tall academy, pleasant information and yoga.

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 T.Life mobile application. Moreover, employees who complete their 5th, 10th, 15th, and 20th years of service, are awarded with a financial seniority reward and a seniority plaque.

We offer childcare support to our female employees who have pre-school age children.

In 2022, **335** of our employees benefited from childcare support.

Starting in the pandemic, in order to increase employee motivation and communication, we organized 'Online Workshops' delivered by expert guides on culture, arts, history and personal development. Thanks to our 'Digital Traveler' events, 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. With the objective of keeping our location-independent connections strong, we celebrated special days 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 have founded the largest corporate sport club in Turkey with 17 teams in 13 branches.

We conducted 'Coffee Breaks' with surprise CXO visits in order to increase the synergy among our employees while working flexible and to bring them together with the senior management just to have conversations outside meetings and business-related agendas. During the previous period, we also continued bringing our employees together with our CEO Murat Erkan at "Breakfast at 8" events.

Safe and Healthy Work Environment

Turkcell considers protecting the employees' health and wellbeing as a highest-priority responsibility.

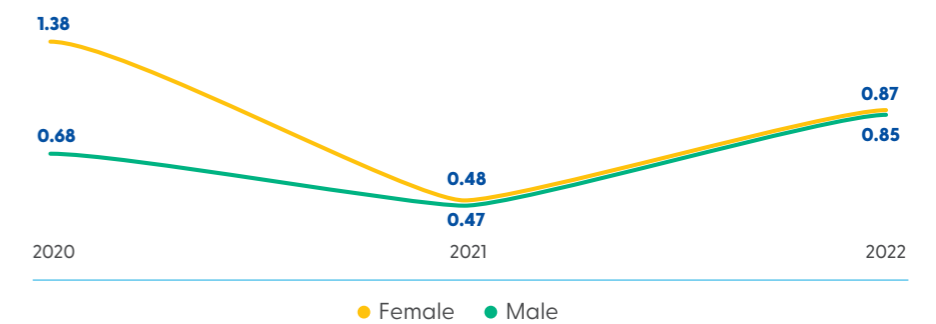
The Occupational Health and Safety Policy, which we created in compliance with Occupational Health and Safety Law No. 6331 and the ILO-OSH (ILO Occupational Safety and Health) 2001 standard regulates the principles and practices we follow in the

management of occupational health and safety. 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 occupational training, all of our security employees are informed of Turkcell dynamics by their own companies before starting their work at Turkcell.

Turkcell Group shows high sensitivity to occupational health and safety. In 2022, 66 OHS board meetings were carried out throughout the company,

and 4,071 OHS audits were performed in network operations field studies. At the base station site, equipment and facility revisions were carried out in terms of OHS. During the year, we held 64 different health seminars. In addition, we also focused on the psychological health of employees, and provided psychology and pedagogy services that employees can benefit for themselves and their children. In addition, we offer services that enable our employees to receive consultancy services from experts for the care of their pets and the plants they grow.

Accident Frequency Rate



Number of Occupational Accidents

| | 2020 | 2021 | 2022 |
|--------------|-----------|----------|-----------|
| Female | 5 | 2 | 8 |
| Male | 5 | 4 | 7 |
| Total | 10 | 6 | 15 |

Number of Occupational Diseases

| | 2020 | 2021 | 2022 |
|--------------|----------|----------|----------|
| Female | 0 | 0 | 0 |
| Male | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

OHS training hours (person*hour)

| | 2020 | 2021 | 2022 |
|--------------|--------------|---------------|---------------|
| Female | 3,520 | 5,760 | 12,804 |
| Male | 4,992 | 7,600 | 13,296 |
| Total | 8,512 | 13,360 | 26,100 |



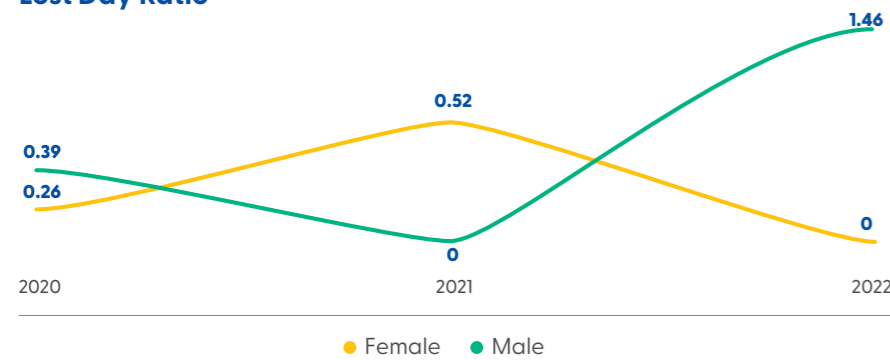
Workdays Lost Due to Occupational Accidents

4 2020
2 2021
9 2022

Turkcell Group indicators are transparently shared with our employees, such as accident frequency rate, details of the accidents and total lost days. With this system, the occupational health and safety performance of all registered businesses within the Turkcell Group is monitored and managed by the management team on an annual basis, based on a score determined in accordance with the criteria outlined in the legal regulations' penalty score table.

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 Senior Management on a monthly basis, and determine occupational health and safety goals and action plans for the future.

Lost Day Ratio



Number of third-party OHS data

| | 2020 | | 2021 | | 2022 | |
|--|--------|------|--------|------|--------|------|
| | Female | Male | Female | Male | Female | Male |
| Number of third-party occupational accidents | 2 | 0 | 3 | 3 | 0 | 1 |
| Third-party accident frequency rate | 4.4 | 0 | 5.4 | 2.9 | 0 | 12.5 |
| Number of third-party occupational diseases | 0 | 0 | 0 | 0 | 0 | 0 |
| Lost working hours due to third party occupational accidents (hours) | 0 | 0 | 10 | 1 | 0 | 3 |

Number of recruitment health examinations

| | 2020 | 2021 | 2022 |
|--------------|------------|--------------|------------|
| Female | 127 | 502 | 402 |
| Male | 262 | 574 | 452 |
| Total | 389 | 1,076 | 854 |

Number of periodic health examinations

| | 2020 | 2021 | 2022 |
|--------------|------------|--------------|--------------|
| Female | 114 | 635 | 480 |
| Male | 194 | 714 | 600 |
| Total | 308 | 1,349 | 1,080 |

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, and 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 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. The performance process at Turkcell consists of five steps:

- 1 SMART Goal Setting
- 2 Quarterly Interim Evaluation
- 3 Continuous Feedback: ReFlex
- 4 Behavior and Competency Assessment: ReFlex360
- 5 Year-end Performance Evaluation

As a 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 quarterly interim evaluations, Turkcell managers get together with their teams and clarify their goals and actions plans, give regular and frequent feedback to enable employees to continuously improve their performance.

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. ReFlex360 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", 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 T.Life mobile app 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 by including all our employees to the strategy-creation process through ensuring their communication 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 in the survey processes and during voluntary employee meetings.



Backup Management

At Turkcell Group, our objective is to implement inclusive talent management that is aligned with the nature of the business and work. In line with this, the approach adopted is to view all employees as talents, rather than selecting and developing talents through segregation, and to provide equal opportunities to everyone. A talent management process is run through Turkcell Academy to support the development of all employees, which is designed to meet functional needs.

In order to contribute to the company's continuity and sustainable performance, and to bring the company's strategies to life, we back up the employees serving in management positions with internal and/or external resources to mitigate unexpected losses of managers and employees.

Our Agile Teams

At Turkcell, we consider our business units' agility, strength and flexibility as the greatest source of our success and continue our activities in this field accordingly. We work for our technical, commercial and support functions to have flexible and agile structures so that they can more effectively contribute to the implementation of Turkcell's strategic initiatives.

In this scope, we offer training and coaching programs for our employees so that they can increase their personal agility. With organizational agility practices, we aim to improve employee loyalty, operational performance, and customer satisfaction rates.

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.

Metaverse Employee Gathering

As the world's first digital operator, we continue to expand our portfolio of innovative applications that differentiate our business processes. We develop projects for young talents to experience technology trends and enhance their skills, and organized the largest Metaverse event with the aim of contributing to young people's experience of future work environments.

We have designed the meeting and event areas as a blend of real and surreal spaces suitable for the Metaverse world, resulting in the creation of the T.Verse Metaverse area for Turkcell employees. Young talents who joined Turkcell this year through GNÇYTNK program were also present in T.Verse.

"Flex" Human Resources in the Digital Age

At Turkcell, we take our human resources practices through a digital evolution and handle them on a flexible platform we call "Flex". In our journey to become a "Digital HR", we enable our employees to shape and personalize almost every implementation we offer with the Flex HR system we have developed, according to their own needs. With FLEXSourcing, another Flex application, our productive Turkcell family can voluntarily spend 20% of their working time on innovative projects that require a variety of perspectives, expertise and competencies. Turkcell employees participated in 21 active FlexSourcing projects in 2022. According to the principles of value creation and flexibility, with our FLEXSourcing application, which offers options in many different fields such as from artificial intelligence to gamification, from data analytics to crowdfunding, 512 Turkcell employees took part in more than 90 volunteer projects, aiming to add value to Turkcell in 2019-2022.

Apprenticeship Program

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 career-related and self-improvement needs. 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.

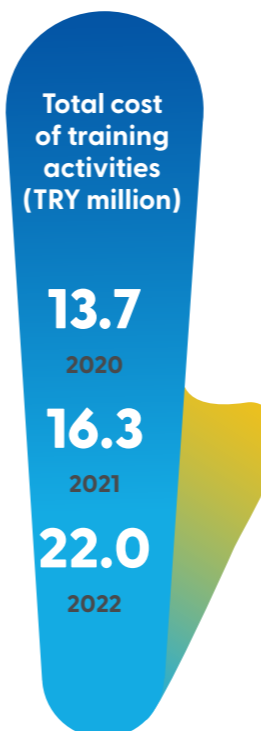
My FlexCareer

In order to build our new career architecture focused 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 in line with the requirements of VUCA (Volatility-Uncertainty-Complexity-Ambiguity) as well as the capacity to find and retain the talents that possess these competencies. This practice gives our managers a chance to offer concrete and transparent feedback to employees and guide them on their career development. It also allows our employees to clearly see which business results they have contributed to 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.

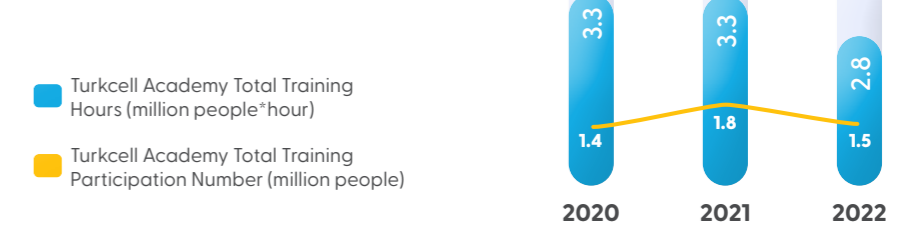
Training and Development Programs

With Turkcell Academy, we continue standing by our employees on their journey of development. In order to create a sustainable learning culture for a better future, by providing the development of individuals whose lives we touch with the focus of "Human" and "Future"; we aim to offer innovative solutions that create value in order to train qualified labor force for the Turkcell Ecosystem, society and the industry.

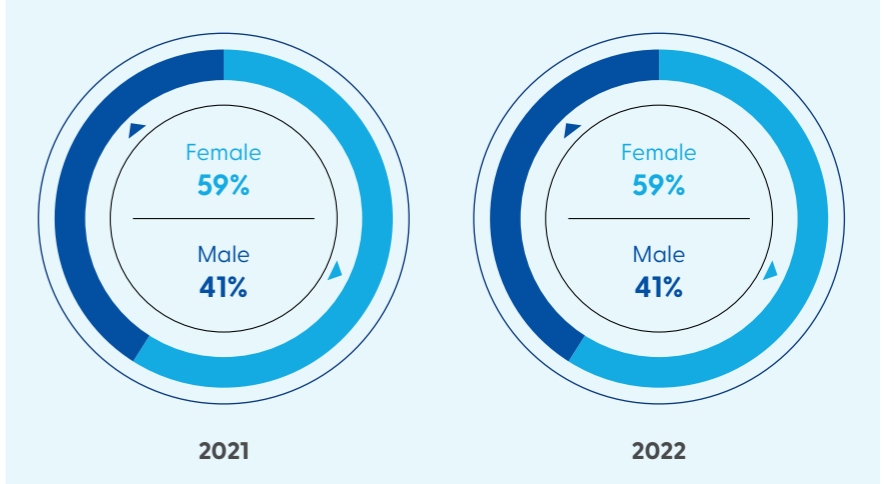
We have supported our ecosystem of 70 thousand people with training and development solutions that make difference. To develop and prepare Turkcell and the ecosystem for the future, we have implemented training programs equipped with rich content also in 2022; including our new graduate employment program, the "Young Talent Program", the leadership programs we have prepared at 6 different levels, employment programs that will benefit the functions, society and Turkey, and education-development journeys prepared for university students and the field. The total budget of the trainings we carried out in 2022 is at the level of TRY 22 million.



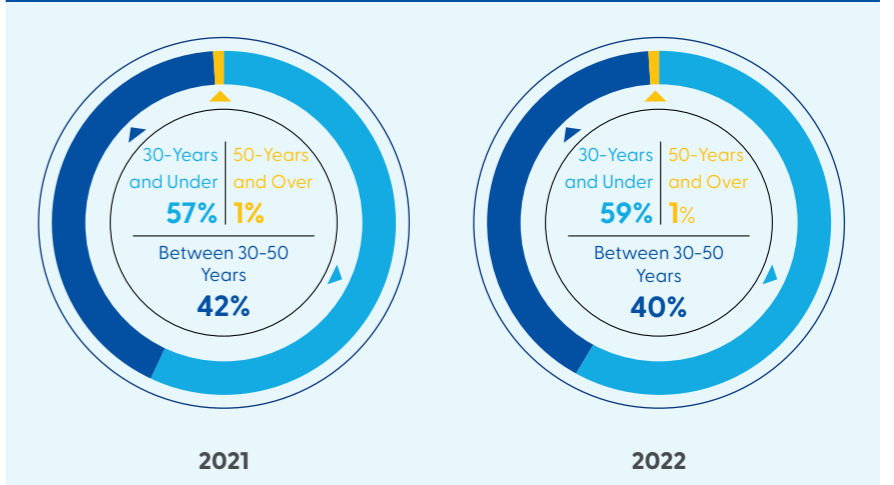
Turkcell Academy Trainings



Turkcell Academy Participants by Gender (%)



Turkcell Academy Participants by Age Group (%)





Development Program for Academy Trainers

We attach great importance to the development of our Academy trainers, who contribute to the training processes of our colleagues with their expertise. In addition to their current responsibilities within the company, we offer a long-term development program for employees who are volunteer-trainers in order to improve their trainer skills.

A total of 515 participants attended in the trainings (Copywriting for Digital Content, Digital Content Production 101, Digital Content Production 201 and Active Learning Techniques) organized within the scope of the Academy Trainer Development Program, which was prepared to improve the teaching skills of our Academy Trainers in the Turkcell Group.

In addition, the Educator's Education Certificate Program was implemented with the Department of Educational Sciences of Middle East Technical University, one of the best universities in Turkey, in order for the current trainers to learn the educational formations closely and gain deep expertise in their fields. During the 60-hour, 6-module online program; participants who successfully completed assignments, project presentations and oral exams were entitled to receive a certificate.



Legally Required Trainings

In Turkcell ecosystem, our legally required trainings consist of Basic Occupational Health and Safety and Information Security Trainings. In addition, within the scope of raising awareness and consciousness, trainings are carried out on "Sustainability", "Business Continuity", "Bribery and Corruption", "Competition Law" and "Turkcell Common Values and Business Ethics Rules" with the participation of all our employees in parallel to company strategies and regulations.

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). The aim is 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.

Distributor Development Program

Turkcell Academy, leveraging its 16 years of experience, contributes to the development of distributor company employees and guides the industry by converting the potential of qualified employees into performance. Training programs have been implemented with participation from KVK and Genpa employees from sales, HR, finance, marketing, technology, legal, and customer service teams covering 36 different topics focusing on Leadership, Functional Expertise, and Technology & People. 2,169 employees participated in the training programs, leading to improvements in the recruitment process,

an increase in the financial analysis skills of employees, and positive outcomes in customer satisfaction.

In partnership with Koç University, "Preparing for Future Leadership" program was carried out for 43 managers in leadership positions. The programs have been observed to have resulted in effective team management by the executives, enabling the potential of employees to be fulfilled, and the employees performing their duties as confident and dedicated to the company.

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

The Ministry of National Education in collaboration with the "Investment for Youth, Software for the Future" program was launched to increase Turkey's technological capabilities and the quality of software developer workforce. This program aims to prepare young people for the software world, to acquire high proficiency in coding, and to capture career opportunities in this field. The program included a total of 700 hours of training, 3,000 hours of one-on-one mentorship support, and 15 different experience sharing sessions. 70 participants who successfully completed the 6-month program, out of 27,000 applications, in 6 different technological focus points (Java, .Net, Swift, Kotlin, Data Science, Application Operations) were employed in Turkcell Group Companies, while 90 participants were given employment opportunities in different companies in the software ecosystem.

Super Women of Cyber Security

The "Super Women of Cyber Security" program was launched to increase employment in the field of cyber security, ensure the presence of more women in the industry, and raise awareness in this area.

Candidates from various locations of Turkey, regardless of age, who are interested in cyber security, applied and participated in the program by completing the 22-hour asynchronous training found on the Writers of Future platform and passing a general aptitude and technical test. A 48-hour experience-focused bootcamp program was launched with 100 selected female participants. The Cyber Security Pocket Book, with each participant positioned as an author, was prepared under the guidance of 13 female mentors from the Cyber Security team. The Pocket Book includes topics that touch individuals' lives such as Wireless Network Security, Social Media Security, Safe Internet, Password Attacks, Device Security, Mail Security, and Hardware Security.

Cloud Technologies Program

In June, Cloud Technologies Bootcamp Program was launched to develop human resources in the field of cloud technologies and meet both our company's and the ecosystem's employment needs in this area. From thousands of applications, selected participants completed a 96-hour intensive, practice-oriented training program. The program was held with a focus on CCNA, Linux, and VmWare and resulted in the successful employment of 12 participants in Turkcell Cloud teams.

Hackathon Programs Regarding University Students

In an effort to support the software innovation in the legal world, a cross-disciplinary "Lexathon" initiative was executed by bringing together law and technology with the participation of university students. Participants of our Lexathon project took part in a 2-week development program covering topics such as visualization in law, innovation, digital transformation, and new-generation technologies. With an application of 2,270 university students, the Lexathon program consisted of 36 hours of hackathon, 13 hours of training, and 170 hours of mentorship.

As the damages caused by cyber-attacks continue to increase, targeting businesses of all scales and individuals, these attacks result in both financial and data losses. With the participation of university students, a "Unibounty" project was organized by Turkcell to hold a cyber security vulnerability discovery program in Turkcell applications. The program was participated by students from 11 different universities and resulted in over 1,000 interactions.

Turkcell Functional Trainings

At Turkcell Group, we offer Functional Development Programs that are synchronized with Turkcell's main strategies and initiatives and support the end-to-end development of relevant teams throughout the year. The aim of these programs is to prepare our teams for the future of Turkcell, while also giving them new perspectives that add value to their current work, supporting collaboration, creating a future vision, and achieving common goals. Working with ecosystem partners, Academy trainers, and development partners with expert personnel, we use experiential learning methods to implement development programs and utilize different learning methods and tools such as online live virtual classes, face-to-face, and lab environments. These programs are designed as a flexible model that can adapt to the changing needs and priorities of relevant functions throughout the year and be reshaped by instant requests.





Leadership Programs

Turkcell Academy designs Leadership Development Programs taking into consideration the specific needs and impact area of each level of leader with a focus on human and the future. It supports Turkcell Leaders in every area they need as they fulfil their very important responsibilities: to make decisions that carry Turkcell into the future, realize new opportunities, create the right strategies with a holistic perspective, convey these in a way that will establish the strategy and business context, inspire employees at all levels to identify relevance and be excited, lead change, lead the team, and keep the team spirit and awareness of 'being us' alive. Leadership Development Programs, created at six different levels, are constantly updated with innovative development solutions that offer flexibility along with a holistic approach, considering individual needs.

Future of Leadership Masters

The Future of Leadership Masters Program, designed by combining the philosophy that all our employees are the leaders of their jobs, and different

focuses in their vision, is a development journey prepared to improve the leadership competencies of all Turkcell employees by focusing on Turkcell Ecosystem Leadership values.

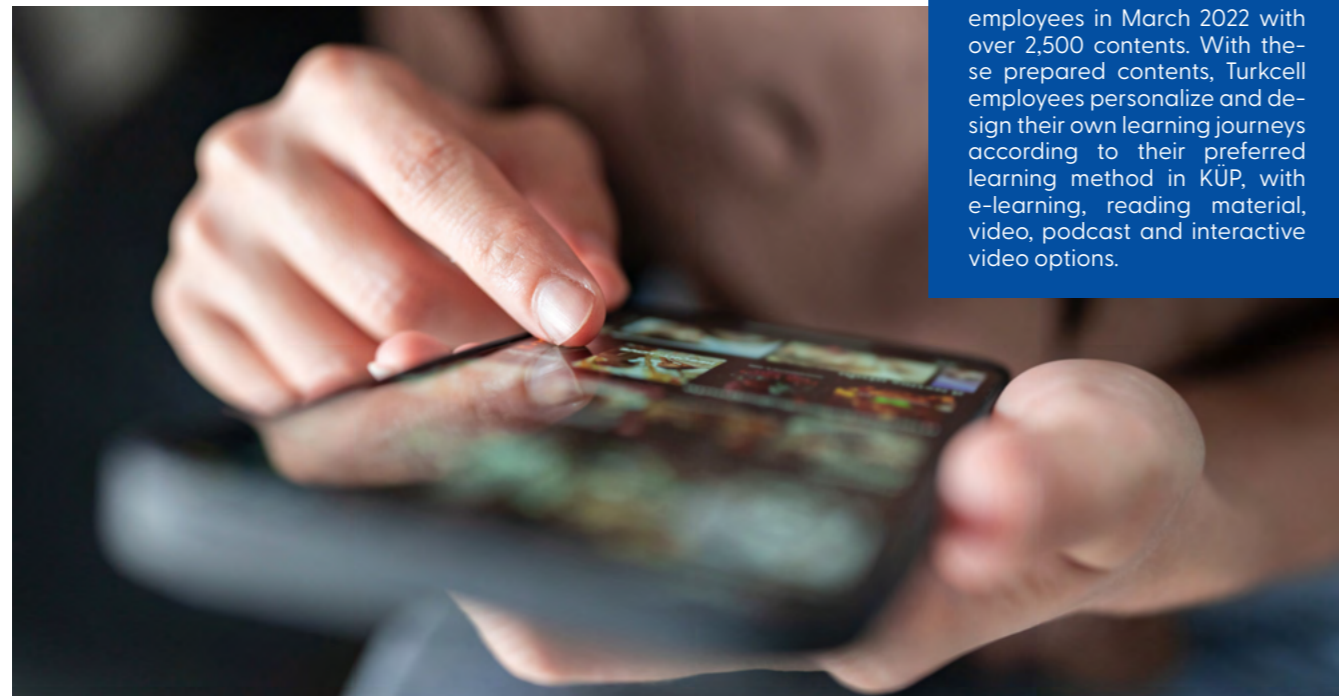
This program prepares all Turkcell employees who apply for the future as leaders of themselves and their business. The development journey that will last for 1 year consists of 3 phases and brings different disciplines together with the collaborations of Yeditepe University, Bilgi University, Boğaziçi University and Istanbul University. The program was designed by systematically constructing different learning methods such as online education, live virtual classroom, case study, experience workshop and exam practice.

1,600 people of Turkcell started the first phase of the program by completing the case study step. In the first phase of the program, which was designed in cooperation with Yeditepe University and aims to provide 12 different basic leadership competencies, 1,055 participants received certificates of achievement and were entitled to move on to the second phase.

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Küp (Turkcell Academy Digital Library)

In line with the learning organization and self-learning approaches, the Turkcell Academy Digital Library (KÜP) was opened to the use of all Turkcell employees in March 2022 with over 2,500 contents. With these prepared contents, Turkcell employees personalize and design their own learning journeys according to their preferred learning method in KÜP, with e-learning, reading material, video, podcast and interactive video options.



In the second phase of the program which was realized in cooperation with Bilgi University, the participants expanded their specialization under the headlines they chose, and met the specialists who worked in those fields in the industry. At the end of the second phase, 497 participants received certificates of success and were entitled to move on to the third phase.

In the 3rd phase of the program which will be carried out in cooperation with Boğaziçi University, the participants will be given the opportunity to realize and experience the competencies they acquired. Phase experience workshops, simulation and online trainings have been designed for this purpose.

At the end of the program, participants who complete all phases successfully will be entitled to have a master's degree in Istanbul University in 2023.

KEY – Personal Training Journey

Personal Training Journey is a program that supports the development of Turkcell employees on technical and soft skills. Within the scope of the KEY Program, a development journey was presented to 3,801 people with a total of 16 topics in the first half of 2022. Training topics were determined in line with future competencies and Turkcell strategies. The training programs include topics such as data science, python, project management, agile approach, time management, human-oriented design, commercial perspective, durability, and stress tolerance. In the second half of 2022, 820 people received training on communication, cooperation, presentation techniques and conflict management. The participants had the opportunity to choose the trainings they needed, and develop their competencies that would contribute to them in their business and private lives.

RPA Marathon

Our colleagues were included in our long-term training program within the scope of RPA Marathon, which was implemented in line with our digitalization strategy and aims to save time and increase efficiency in business processes by automating routine operational processes across Turkcell. After our online training that lasted for 4 hours with more than 700 participants, our in-class trainings that lasted 2 days with more than 400 participants were completed. At the end of the trainings, our participants, who attended the RPA Marathon and wrote their own RPA scenarios, contributed to our operational excellence and digitalization strategy by digitizing their processes.

Future Talks

Future Talks, a seminar series where Turkcell employees gather with researchers and practitioners who exemplify the relevant strategy globally, is focused on Turkcell's strategies and initiatives. This series was conducted in areas such as Artificial Intelligence Technologies, 5G, Cybersecurity, Fintech, Metaverse, Digital Broadcasting and OTT, Digital Transformation, and RPA. The goal of these seminars is to improve the understanding of strategies and initiatives among all employees and to synchronize the efforts of different teams. The Future Talks series, aimed at creating a growing and continuously evolving ecosystem, will continue to take place in the future, focusing on areas such as Blockchain, NFT, Digital Art, Digital Banking, Big Data, and Change Management.

Turkcell Pasaj Vendors Development Program

The Turkcell Pasaj Vendor Development Program aims to provide basic e-commerce training, financial transactions, legal dimensions of e-commerce, customer service management, and other related topics to our Pasaj vendors, in order to create satisfied customers and increase sales. This program has two separate

Digital Transformation Consultant Program

The development program we started in order to become the preferred operator in the digital transformation projects of our corporate customers has aimed to maintain the sales competencies of our sales teams and provide them with the competencies of acting as consultants.

During the design phase of the program, the focus was on 8 competencies, which were determined as the main consultancy competency by the world's leading consulting firms. By using different learning methods within the program, active participation of the participants in the educational journey was ensured at every stage of the training program. In this context, traditional experience-oriented learning sessions, sectoral article reviews, vision seminars, and practice workshops for peer learning were held.

At the end of the first phase of the "Digital Transformation Consultancy Program", an impact analysis was made on the business results of the corporate sales teams of the program. In the analysis, it was measured that our sales managers who participated in the program increased their sales by 2 times compared to the previous year.

training packages, consisting of 8 modules and 55 videos for Pasaj vendors. Turkcell Academy has also provided an open training on 11 related topics on its Youtube channel for the development of all entrepreneurs in Turkey. The training covers topics such as basic e-commerce training, financial transactions, legal dimensions of e-commerce, operations, and customer service management.



Bosses' Club Training Program

The "Bosses' Club" program has been launched by Turkcell Academy on behalf of our corporate and individual business partners who have made significant efforts in Turkcell's technology retail leadership. The program, which began with the contributions of Istanbul Bilgi University and valuable academic staff, has organized trainings on topics including changing consumer behaviors in the technology retail sector, digital transformation, leadership, economy, and government incentives.

security technologies and cloud technologies. In these industry-university collaborations, we conveyed our experience in current technology and business fields and our future vision to university students. While contributing to the brand value of our company, we tried to help our university students in their future career choices, where our employees who have experience and knowledge in the field come together for students who want to steer their careers.

In order to support Turkcell employees in their career journeys and

academic development, graduate and doctorate programs were held with 6 different universities. In addition to 11 different master's programs in Business Administration, Cyber Security, Management Information Systems, Engineering Management, Managerial Economics and Electronic Communication Engineering, 163 employees participated in 2 doctoral programs. This program has aimed to develop our company and our country by enriching the academic theoretical knowledge in universities with up-to-date practical knowledge in the world of technology.

Advanced Certificate Program

Advanced certificate program is a development program which was organized to train our dealer employees as prospective dealer managers if they succeed in the Technology Retailer Certificate Program renewal process. The program is carried out as the second phase after the Basic Certificate Program organized for Turkcell Retail and Corporate Sales field employees. Our 400 employees who achieved the best results in the Advanced Certificate Exam after obtaining the Basic Certificate were included in the program. In the 42-hour program at Istanbul University; the topics of consumer behavior, technology, marketing, communication, finance and sustainability were delivered.

University Collaborations

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 brought together our students who have studied in our universities to shape the technologies of the future, with our experts in Turkcell's mobile access technologies, software development,



Making a Difference in Employment

As one of the largest employers in Turkey, despite all challenges, we were able to create additional employment in 2022, as well, 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.

New Hires

| | 2020 | 2021 | 2022 |
|-----------|------|------|------|
| Full-time | 723 | 885 | 706 |
| Part-time | 0 | 0 | 0 |

New Hires

| | 2020 | 2021 | 2022 |
|--------|------|------|------|
| Female | 262 | 329 | 277 |
| Male | 461 | 556 | 429 |

Turkcell Group Orientation Program

In line with the needs of the changing business world, the orientation program was redesigned by focusing on our flexible working model and learning styles. The learning design was carried out with an orientation program that meets the needs of the new period, and a perspective that covers the diversity in which we bring different disciplines and different perspectives together.

In our new design; a structure was established where employees are greeted on the day they start work and their training is followed through the system. Accordingly, trainings are automatically assigned to each newly recruited employee, and the employee is provided with access to different trainings through frequent contact points. As a result, the orientation program has become a program that we experience together and accompany the employees on their journey to adapt to their job and the company.

In our program, in which synchronous and asynchronous training methods are used together, we guide our newly recruited employees through experience and learning sessions from each other, while enabling them to establish networks with each other.

Young Talent Program

The Young Talent Program "GNÇYTNK", which has been implemented to recruit talented young people, has been successfully going on since 2016. The need to "quickly master difficult jobs" that comes with digitalization, increases the importance of flexible and agile teams. We are implementing our policy of incorporating high-tech proficient individuals who are able to quickly adapt to new conditions and have the determination to reach their goals without giving up, into the Turkcell organization. This includes not only seasoned professionals in the field, but also young people starting their careers in the business world.

The program that was implemented in 2016 has been continuously improved by taking into account current conditions and trends. As a result, the online application and evaluation processes have been updated to provide 100% equal opportunity for disabled candidates, creating a significant improvement opportunity. The Young Talent Program is seen as not only promoting youth employment, but also investing in the new human resources necessary for digital transformation that will drive the country's future.



In 2022, 71 young talents who successfully completed the talent program, which received more than 50,000 applications, started their careers at Turkcell. The video interview stage of the program used an artificial intelligence algorithm to evaluate approximately 2,000 candidates. The successful candidates received job offers through the AI, which made the first selection based solely on the suitability of their abilities without any discrimination based on factors such as appearance or gender. In accordance with Turkcell's equal opportunity policy, 38% of the young people hired are women. Additionally, 47 out of the 71 participants in the program are graduates of engineering departments.

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Young Talent Orientation Program

Young people recruited through the GNÇYTNK program were welcomed with a dynamic orientation program prepared by Turkcell Academy for rapid adaptation to Turkcell corporate culture and technology.

By listening to Turkcell's vision and strategies from the senior management, they had the opportunity to get to know each other better, build networks, adopt team spirit, and act together in different workshops.

Through the training workshops, GNÇYTNKs learned about Turkcell's Digital Services and products, Turkcell's Sustainability Strategies, corporate culture and values. Having successfully completed the first step of the orientation program, the GNÇYTNK Program is planned to continue for 1 year with the Turkcell Academy's motto of lifelong learning.

| Number of candidates applying to the Young Talent Program | 2020 | 2021 | 2022 |
|---|--------|--------|--------|
| | 63,000 | 66,000 | 50,725 |

| Employment provided with the Young Talent Program | 2020 | 2021 | 2022 |
|---|------|------|------|
| | 150 | 132 | 71 |

Within the program, in order to develop the technology visions of Young Talents, trainings were realized on artificial intelligence, cyber security, data center, data analysis and blockchain by Turkcell Technology teams primarily and through continuing the strategic cooperation with business partners such as Huawei, Cisco, Ericsson, Nokia, HPE, and Mavenir.

In the last module of the orientation program, our Young Talents will receive training on customer focus, innovation, digital trends, leadership, strategic thinking and experience leadership through simulations.

StajcellPlus

With Stajcell Plus program, we enable part-time employment of young talents who have successfully completed the Stajcell Program. Within the scope of the Stajcell Plus Orientation program, 60 of our interns had the opportunity to get to know themselves and Turkcell's technologies by completing their personal development and technical competency training. With the development program focusing on Turkcell Ecosystem Leadership values, our colleagues were able to internalize the corporate culture and values by combining them with personal awareness.

"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, 62 candidates were hired.

Mentorship

Our aim in the internal mentoring program is to ensure the development of the managerial skills of the volunteer mentees and to support the creation of a common management culture so that the volunteer mentors in Turkcell group companies can share their experiences in an environment of trust and independence from hierarchy. In 2022, 150 of our employees were mentors and 150 of them were mentees, taking part in the process as companions to each other.

In addition, Turkcell employees provide mentorship support in projects that will support not only Turkcell Group employees, but also young people in the entire ecosystem, especially university students, those who want to work in the STEM field or who are relatively disadvantaged, and this number is increasing day by day.

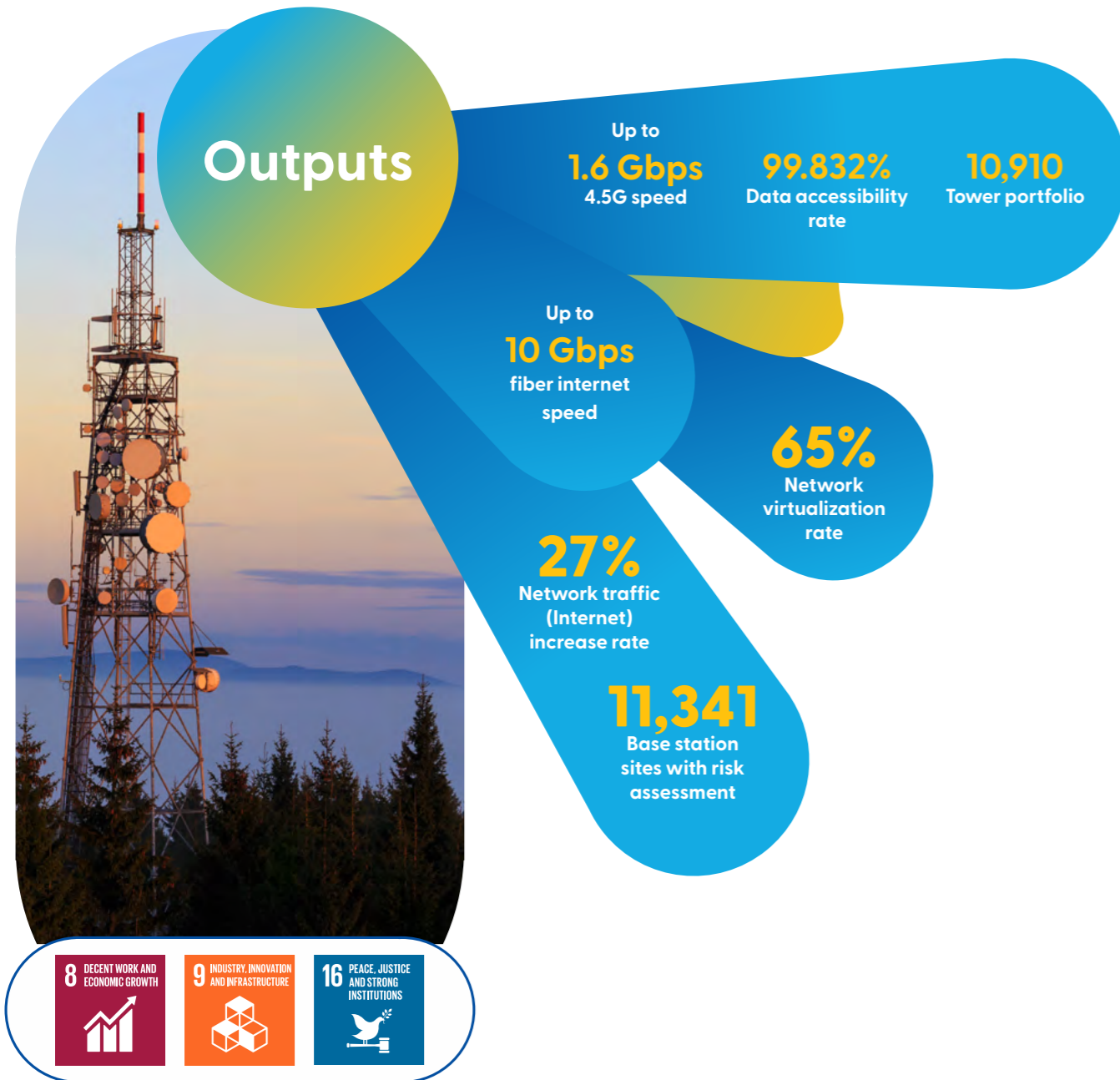


Stajcell

Within the scope of the 2022 Stajcell Programme, a total of 112 interns from various universities and departments of Turkey joined Turkcell. Working in accordance with our flexible working model, our interns completed a comprehensive orientation program where they had the opportunity to get to know the world of Turkcell, the difference of being a Turkcell member and life at Turkcell. During their internships, their development journey was completed with online trainings in order to be ready for the competencies of the future and to internalize company strategies.



Manufactured Capital



| Performance Indicator | Short Term Target | Middle Term Target | Long Term Target | 2021 Performance | 2022 Performance | Current Status Towards Target |
|---|-------------------|--------------------|------------------|------------------|------------------|-------------------------------|
| Increasing the number of base station sites with risk assessment | 10,800 | 14,800 | 28,000 | 10,920 | 11,341 | ⬆️ |
| Increasing the number of processes improved as a result of risk assessments at base station sites | 14,000 | 16,000 | 23,200 | 13,083 | 13,208 | ⬆️ |
| Increasing the network virtualization rate (%) | 67% | 70% | 75% | 60% | 65% | ⬆️ |

⬆️ Positive development ⬇️ Negative development ⬆️ Ongoing

Strong infrastructure and superior service quality

With 29 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.

As Turkey's largest data center operator, we are proud to offer our data centers with world-class modern technology, which we manage with a focus on supporting domestic technology development, to the neighboring countries as well as Turkey.

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 2022, we made a significant contribution to the infrastructure of our country by adding 887 thousand homepasses. With our expanding fiber infrastructure, we are increasing the number of fiber-connected base stations and strengthening our mobile network.

Strong Infrastructure

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.

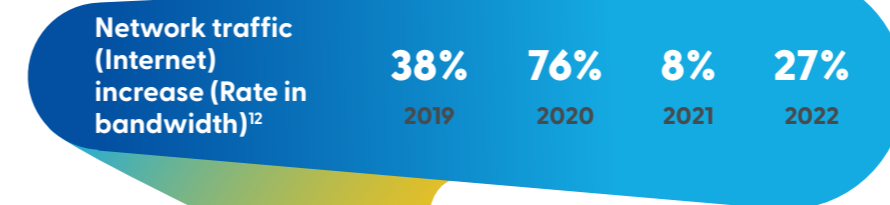
As the largest data center operator in Turkey, we operate with vision of "Turkey's data should remain in Turkey," and support creation of added value for the national economy by prioritizing domestic products primarily in procuring our network equipment.

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.

In order to better manage the traffic on our network, which grew significantly due to increasing digital needs of our customers, 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.

Mobile Network Infrastructure

Our mobile network infrastructure consists of technological hardware, of which the coverage and capacity management is designed with a smart and flexible architecture, comprising our base stations. Thanks to the coverage and capacity solutions we provide with our base stations, which form the basis of our telecom business, we make continuous improvements to increase the accessibility and durability of our services.



¹²Total data volume: mobile and fixed



Base Stations

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.

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, and we also prioritize preventing visual pollution in the environment where they are installed.

The base stations in our network are well equipped to demonstrate all capabilities of the technology that we

provide to our customers. Meanwhile, we manage environmental impacts of our base stations, which can offer multiple technology support (singleRAN), thanks to their more compact size and lower energy consumption.

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. In this context, until the end of 2022, 4,839 sites were inspected, risk analysis forms were prepared for 377 sites, and 93 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.



Towers

Global Tower, the leading tower company in Turkey and one of our subsidiaries, operates in four countries. Global Tower provides tower rental, tower build & sell, tower maintenance and contract management services to telecom operators, radio and TV broadcasters, internet service providers, energy companies and public institutions. Global Tower has also started to provide solutions in the field of satellite services to its customers in accordance with its end-to-end services approach. The company currently offers closed circuit satellite services over two thousand points from its own infrastructure with geographic redundancy. The company aims to enrich its product and service diversity by following industry trends.

Global Tower has a portfolio of 10,910 towers as of end of 2022, distributed as follows;

- 1 **Turkey: 8,975** (owned: 4,560, right of use: 2,220, contract management: 2,195)
- 2 **Ukraine: 985** (owned)
- 3 **Belarus: 835** (right of use)
- 4 **TRNC: 115** (right of use)

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 20% per device. The maximum limits that a base station can be operated at in our country are much lower (approximately 20%) compared to limits set for European Union countries.

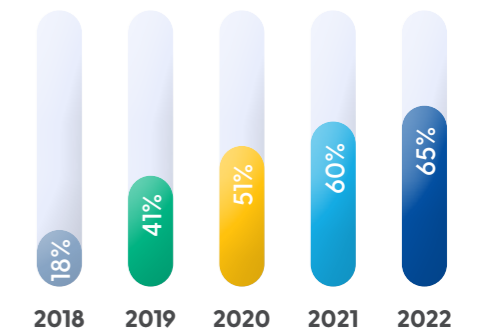
As we are subject to ICTA and its regulations in terms of installation and inspection of base stations, information regarding the power specifications, antenna type, location of the station and its surrounding is reported in detail to the ICTA, and base stations can be installed in approved locations. 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 much stricter limits than the limits set by the relevant legal authorities. In 2022, there were no cases that resulted in legal penalties against our Company with regards to the impact on health of our products and services.

Telco Cloud

We have grown 65% of our mobile and fixed core network functions with our Telco Cloud infrastructure through the activities we have carried out to date. On the back of transition to virtualization, we achieve CAPEX and OPEX efficiency with a shared cloud infrastructure for network applications. Thus, we can better implement the opportunities provided by developing cloud technologies to our network. In 2022, we have also taken the first step for the Container Platform infrastructure in addition to our VM (Virtual Machine) based Telco Cloud infrastructure. With this infrastructure, we have been able to integrate new generation network functions into our network easier and more flexibly, and we have started 5G technology-compatible Telco Cloud transition.

Network virtualization rate (%)



Multi Device Services

One Number and Multi-Device technologies, completed and put into practice by Turkcell for the first time in Turkey, enable integration between mobile devices other than mobile phones. Thanks to this technology, which has started to be used by Turkcell customers, One Number and

Multiple Device services make daily life even easier. Having only one number, our customers can now leave their phones at home and continue to make voice and data communications with other smart devices. As the first application of this infrastructure, we started to provide our customers with the use of Apple-branded smart watches with a Single Number.



International Roaming with 4G Abroad

We started to provide the international voice (VoLTE roaming) experience over the 4.5G network, which allows making high-quality calls abroad, in cooperation with the US mobile operator AT&T. Turkcell became the first operator in Turkey to make this service available to its customers in a short time.

Ipv6 Transformation

The number of devices requiring internet connection is increasing continuously in today's 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. In this case, it is foreseen that the existing IPv4 address repository will fail to meet newly emerging needs.

In order to solve this global issue, we have completed IPv6 transformation efforts in Turkcell network as part of our powerful and sustainable network initiative and started to move some of our traffic as IPv6. With the IPv6 service, we aim to further increase customer experience with enhanced security and service quality features.

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.

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 2022, we continued our activities as part of Zero Touch transformation with an increasing momentum, which is among the focus areas of Network Technologies. We organized hackathon events to spread the use of automation technologies in network operation, and we contributed to the development of the specialization of network engineers in the field of digitalization through the internal trainings we conducted. We aimed to increase service continuity and efficiency by adding mobile application solutions to our network that will enable many operational activities to be carried out much faster and error-free. In addition to the benefits they provide, these solutions also play an important role in the spread of digitalization culture.

Additionally, we are progressing confidently in our aim to contribute to the 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. With this aim, we came together with many technology companies around the world, which are in the position of solution providers in this field, and exchanged ideas in order to determine the path to be followed and the methods to be applied. We continued our activities in ETSI (European Telecommunications Standards Institute) ZSM (Zero Touch Network and Service Management) study group also in 2022. After these studies, which allowed us to see our needs more clearly, our process of evaluating the returns to the proposal request we published on a global scale in order to receive the most appropriate transformation consultancy service continues.

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 implementing innovative and latest technologies in our infrastructure, which provide efficiency and which have not been implemented in Turkey before, we make a difference in the market.

With our approach of localization, we carry out development projects in cooperation for the development of domestic products that can provide uninterrupted and high-quality service throughout the country at the level reached by today's 4.5G technology and continue our support. On the other hand, the fact that the domestic product ecosystem has not been fully developed in our country to respond to the current 4.5G technology qualifications and operational requirements yet, results in operators failing to fulfill the obligations set in concession agreements and therefore may result in certain penalties from time to time.

For the development of the domestic product ecosystem; we have started using domestic 4.5G base stations and domestic 4.5G antenna products engineered by Aselsan and ULAK in our network on a broad geographical area, for which we provided specialized support from the design phase to site tests. Thus, we aim to spread the domestic product experience to the overall country. Moreover, as Turkcell, we took part in the End-to-End Domestic and National Communications Network (UUYM 5G) Project, which was completed within the scope of the development of domestic and national 5G technologies, with a large and well-equipped project team.

As part of the project, we provided support to HTK (Communication Technology Cluster) companies that develop 5G New Radio, Core Network, OSS, NFV, Radiolink products, and ULAK Haberleşme A.Ş., with our knowhow and expertise on 5G, as well as our laboratory and test equipment facilities. We are currently running 5G Domestic Data, 5G Domestic Voice, MANO and EMS Projects within the scope of the 5G Core Domestic Products Program, and in this context, we provide knowhow and laboratory/test support to domestic manufacturers in their development processes. With these projects, we are the operator that provides the most support to domestic and national studies in this field in Turkey.

Strong Fiber Infrastructure

In 2022, the number of our customers who are subscribed to 100 Mbps and over fiber packages has increased 2 folds compared to the previous year.

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 887 thousand homepasses with our investments in 2022.

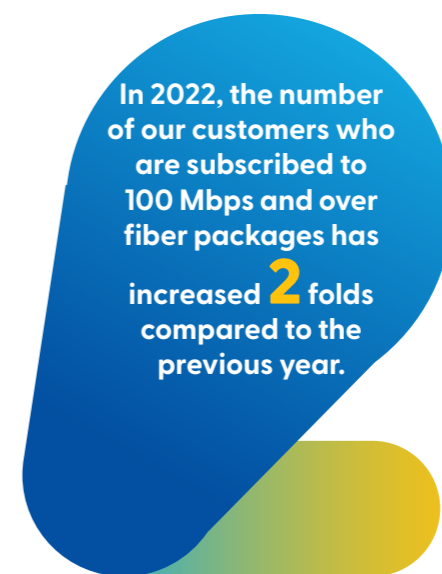
We managed to deliver fiber internet service to the homes in 28 cities with our investments and carry on with efforts to expand our coverage. We are aware of the substantially increasing need for internet and access to information due to the pandemic and our responsibility in this area and we continue 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. The average fixed internet speed in Turkey is around 31.70 Mbps according to Speedtest Median Country Speeds December 2022 data. We provide faster internet connection to our customers with our strong and expanding infrastructure. In 2022,

the number of our customers who are subscribed to 100 Mbps and over fiber packages has increased 2 folds 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 650 thousand users with our Superbox product, which provides same day installation service to our customers.



¹³ 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.

Strong Spectrum

With the frequency usage 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.

Leveraging our broad spectrum, we aim to maintain the high service quality, as proven by our maximum 1.6 Gbps¹³ speed that we offer with 4.5G technology, with 5G technology which is expected to be introduced in the upcoming periods.

With the authorization of the Ministry of Transport and Infrastructure, we started commercial 5G transmission at Istanbul Airport as part of our 5G efforts. We led the establishment of the network that the 3 operators provide service over the common 5G infrastructure. In order to experience high-speed internet using the 5G service at Istanbul Airport, it is necessary to have a 5G-enabled mobile phone with 5G support and a 4.5G compatible SIM card, and to initiate a 5G subscription by requesting 5G use via SMS. Turkcell customers do not pay any additional charge to experience the 5G service. Our guests from abroad can also use the 5G service at Istanbul Airport. For this, all they need is to have an operator with a 5G Roaming agreement with Turkcell.

Apart from Istanbul Airport, Turkcell subscribers have the privilege to experience 5G technology in more than 40 countries. In order to experience 5G abroad, it is necessary to be a 5G subscriber. Turkcell customers do not pay an additional charge to experience the 5G service, they continue to be charged according to their roaming packages and tariffs.



Refarming

With the increasing 4.5G data traffic, the need to increase the spectrum resource to be used in 4.5G technology has arisen. In this direction, inter-technology refarming studies are being planned and implemented. With the city-based applications we have realized by prioritizing the metropolises, we have significantly increased the resources allocated to 4.5G technology. In this way, besides improving the customer experience, we provided additional network capacity to meet the increasing data usage needs.

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

We continue to make investments and improvements on our network and infrastructure in line with the aim of providing faster, more inclusive and quality services to our customers. We maintain our high network availability with our data accessibility rate of 99.832%, which we calculated based on traffic loss in our mobile network, and our low interruption rate of 0.285% in mobile voice calls.



We have increased the number of projects that received grants from Horizon 2020 and Horizon Europe R&D programs, funded by the European Union, to 9, by signing different projects in the international arena within the scope of R&D studies, and we continued to pursue these projects in 2022. With these projects, we aim to implement new generation network technologies and innovative applications for vertical sectors. Thus, we contribute to the awareness of Turkcell and Turkey in the field of 5G and pave the way for different cooperation opportunities.

In addition to our R&D projects, our activities on the creation and testing of 5G standards on international platforms continue. As Turkcell, our 5G studies

In 2022, we reduced our carbon emissions by installing 507 solar panels on 15 portable solar stations that we established under our Portable Solar Field project in 2019, 2020, and 2021. These panels generated 125 MWh of electricity.



continue at NGMN (Next Generation Mobile Networks), the members of which consist of operators serving more than 60% of mobile phone users all over the world with more than 200 networks. The white paper that we issued in collaboration with NGMN-GTI in this context has been published with the title "5G NETWORK SLICING MAJOR CONCLUSIONS". In this study, we focused on the requirements and related test results for end-to-end 5G Network Slicing, especially for phone operating systems (such as Android, IOS...), as well as how the network can prioritize them. As Turkcell, we are one of the 3 operators that can provide test results on 5G Network Slicing, together with China Mobile and SK Telecom.

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. In 2022, we started the construction of new modules in both our Gebze and Temelli data centers. We aim to strengthen our leadership by launching both modules in 2023. We have approximately 40 thousand square meters of white space in our 8 data centers, 4 of which are new generation. As the pioneer of digital transformation in Turkey, we provide data storage and cloud services to more than 3,000 corporate customers, providing cost advantages and helping them increase their operational efficiency. By providing 24/7 uninterrupted service we enable business continuity and expert Turkcell engineers provide remote assistance and solve problems swiftly in extraordinary circumstances.

Our data center in Ankara, the largest in Turkey with 12 thousand m² 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 environment 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.

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

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.

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.

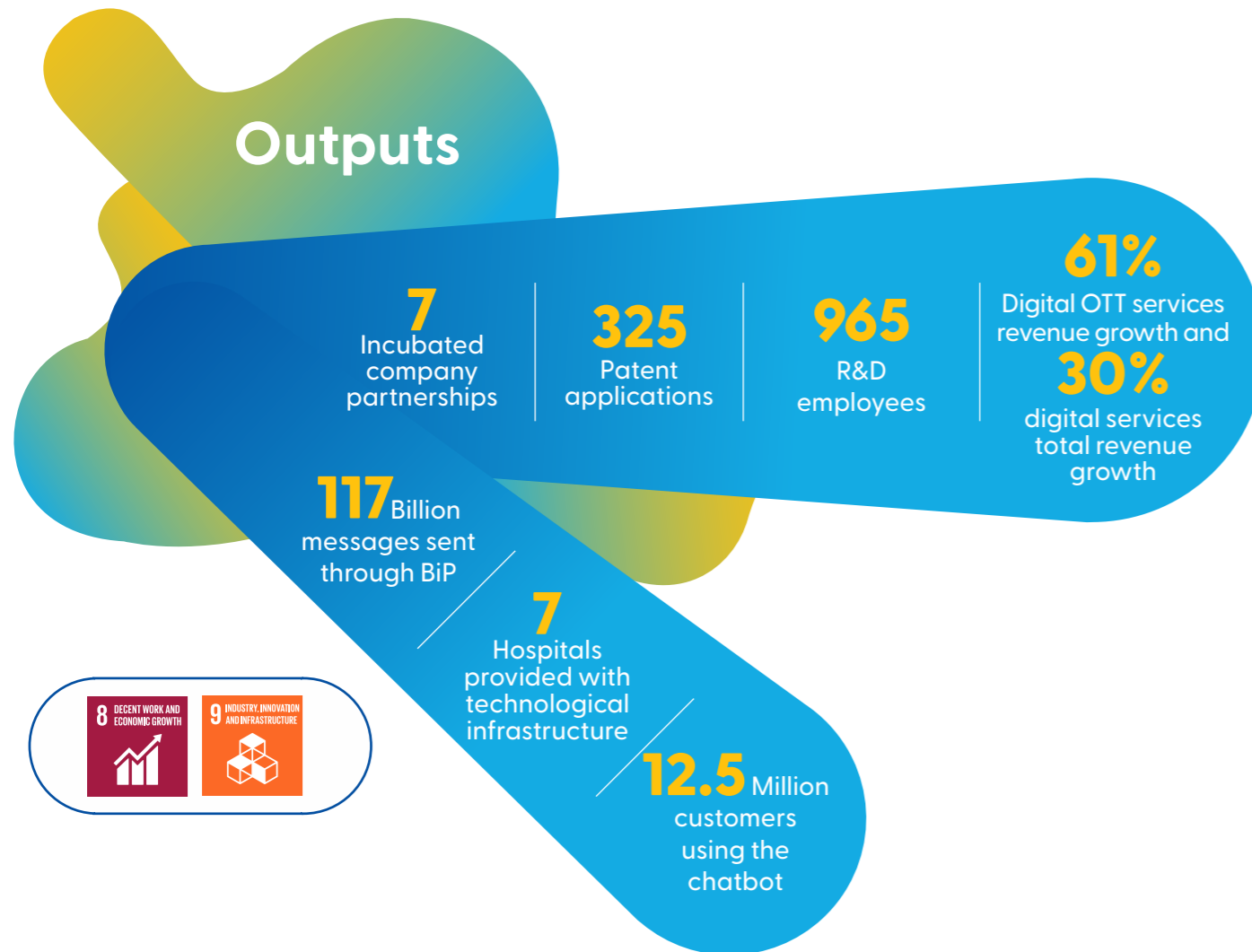
Furthermore, we attach utmost importance to the use of domestically manufactured products in the construction process of our data centers and increase our domestic product rate with data centers we have built.

| Data Center | Data center domestic product usage rate |
|--------------------|---|
| Gebze Data Center | 35% |
| Izmir Data Center | 50% |
| Ankara Data Center | 65% |
| Europe Data Center | 75% |





Intellectual Capital



| Performance Indicator | Short Term Target | Middle Term Target | Long Term Target | 2021 Performance | 2022 Performance | Current Status Towards Target |
|-------------------------|-------------------|-----------------------|-----------------------|---------------------------------|---------------------------------|-------------------------------|
| ISO 27001 Certification | Annual Target | Certification Renewal | Certification Renewal | ISO 27001 Certification Renewed | ISO 27001 Certification Renewed | » |

▲ Positive development
 ▼ Negative development
 » Ongoing

Ever-growing Intellectual Capital

We transform our corporate culture with value creating and innovative solutions developed by our R&D workforce of 965 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 around 42 million customers.

Innovation and Entrepreneurship

As Turkcell, while maintaining our commitment to the principles of sustainability, creativity and efficiency in our research and development activities, we aim to develop sustainable production technologies by moving forward in order to develop products and production processes that take into account the economic, environmental and social impacts we cause as a result of these studies. Accordingly, we are engaged in activities aimed at reducing our carbon footprint.

We continue to move forward by increasing our competitive power with all our human-oriented activities and by taking a more active role in national and international markets with our high value-added products and services. While maintaining our image of being the leading company in the telecommunications industry, we also contribute to society and the economy. We continue our activities based on the principle of creativity with our 965 R&D employees who aim to integrate the innovative approach into our corporate culture. We attach importance to the opinions and suggestions of all our stakeholders, support their initiatives and show an encouraging approach so that they can implement the ideas they create.

Our intellectual capital is based on various fields such as innovation,

entrepreneurship, brand power, responsibility, and our products and services mainly, which reflect Turkcell's unique expertise and knowledge. Owing to the value created by our technological breakthroughs, we produce qualified solutions in both national and global markets. With the strength of being Turkey's Turkcell, we are making expansions for many sectors in line with our vision of "service-oriented experience provider".

In this context, we carry out joint R&D programs and academic publications with universities, incubation collaborations with technopark companies, national and international supported projects and technical publications, training and conference activities that provide knowledge transfer.

It is of utmost importance to share the know how about innovative technology products and their usage areas and know how gained in order to support research and technological developments in our country developed with the innovation culture within Turkcell Teknoloji with the ecosystem. In this respect, intensive mentoring and training support is provided within the scope of the production and use of new technologies, the methodologies and methods used in the production process, R&D Center Management, Intellectual and Industrial Property Rights, University, Incubation collaborations and R&D studies with National and International partnerships.

| Number of R&D employees | | | |
|-------------------------|-------|-------|------|
| 2019 | 2020 | 2021 | 2022 |
| 956 | 1,153 | 1,216 | 965 |



In various R&D projects carried out within Turkcell Teknoloji, we cooperate with universities and research institutions. Project ideas and needs are evaluated, and a common project development target is set for those that are compatible with the strategic focus areas. For example, in 2022 studies on the energy efficiency of Data Centers were conducted with Özyeğin University. Currently, Turkcell has multiple data centers and these data centers have large-scale cooling systems. Cooling systems are the most critical component for continuity and cause a significant amount of electricity consumption. In this direction, we have carried out studies to operate the cooling systems more efficiently with the support of our academicians. Tests were carried out on data such as air conditioning usage and temperature decisions. As a result of this study, we predict a 7% to 10% saving.

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.

The information and communication sector has a dynamic and competitive structure that requires widespread infrastructure and technology investments. In Turkey, this sector has had to finance the R&D investments of foreign companies with the purchases made from abroad over the years.

Since its establishment, Turkcell Teknoloji has provided import substitution for a license fee of nearly TRY 2 billion. With strategic collaborations and joint projects with our business partners, foreign currency, much higher than our own technology production volume, remained in Turkey and Turkish engineers were able to produce with high added value.

As we prepare our patent applications to determine the areas where we will make a difference in the products and services we have developed,

we examine the patent applications and registered patents by technology companies in the field we work, and get information about competition and trends. We continue to share our experiences with universities, incubators, SMEs, business partners and the entire ecosystem in our patent application processes.

Number of Cumulative National Patent registrations

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 521 | 699 | 813 | 966 |

Number of National Patent applications

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 511 | 557 | 565 | 325 |

Turkcell Teknoloji has a leading position in its sector in Turkey with 3,564 national patent applications, 216 international patent applications and 966 registered patents completed since 2007. As Turkcell, we applied for 325 national patents in 2022.

Within the scope of our technological transformation goal, we take an active role in the TÜSIAD Technology Standards and Standard-Based Patents Task Force group to support the initiative to produce Standard-Based Patents.

In order to enable the firms and SMEs in our ecosystem to participate in international platforms, we take part in the Steering Committees of ITEA- (Technology for European Advancement) ve CELTIC- (EUREKA Cluster for next-generation communications) communities within EUREKA (The European Audiovisual Observatory). 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. For example in I2PANEMA: Smart IoT-Based Port Equipment Communication, Management and Maintenance project that we have been

Number of applications to projects sponsored by TÜBİTAK

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 17 | 13 | 10 | 8 |

Number of applications to HORIZON projects

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 10 | 15 | 9 | 10 |

a stakeholder between 2018-2022, sustainability and efficiency issues were discussed to overcome the regional and technical constraints of port areas. Studies to supporting and ensure efficiency of ports with the Internet of things have been covered in terms of energy, human resources and environmental sustainability, technologies.

With the guidance of the Ministry of Industry and Technology, we follow university and startup company 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 2022, we have continued to work with a technopark company to transfer real-time water analysis over NB-IoT based communication modules which we started in 2020. 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.

Number of TÜBİTAK-sponsored university collaborations

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 4 | 5 | 5 | 7 |

Number of startup company collaborations

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 9 | 10 | 11 | 7 |

Furthermore, we carried out energy saving and predictive maintenance studies. We are developing our own automl platform, which is the most important development point we have determined for our IOT analytics product.

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 post-graduate and doctorate programs, designed to improve the technical

knowledge of our employees in accordance with the qualifications required by our sector, have been 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 110 technical publications on national and international platforms and 110 National/International Presentations, Product Demonstrations, and Lecturer Participations in 2022.

Value Created Through the Use of Open-Source Code

One of the most important issues we pay attention at Turkcell, both as users and developers, is open-source code software. Open-source software is used to solve many different problems in terms of software architecture. We prefer open-source code software as the building stone of high-volume infrastructural applications such as ONEDESK, ULTIA, ONENT, YAP, and PARS, developed under the guidance of Turkcell GENS. In this way, besides creating value in terms of license management and cost advantage, we contribute to the future of the software world by supporting the development of high-quality secure software without provider restrictions. In addition, thanks to the "Open-Source Code Guild" we established within Turkcell, the transfer of open-source software used in Turkcell between teams, the sharing of "know-how" transfer is enabled. Moreover, with the "Jedi-Contributors" page we have established on "Github", some value-added codes developed inside Turkcell can also be opened to developers of the outside world. 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. Also, in order to support and disseminate open-source code sharing, we have created our Turkcell publication account, especially in the field of technology and software, under the article publishing platform medium, and under this account, we share articles and support in terms of code, text, and pictures of open-source code developments made under Turkcell.

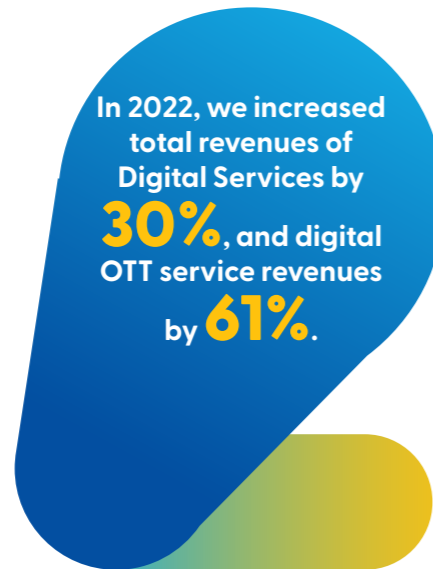


Digital Service Portfolio

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 are in the life not only with our communication services, but also with the digital services we produce and develop. 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, and by establishing separate companies for some of these services, we have taken an important step towards our global competitive positioning. BiP, lifebox, TV + and fizy brands, which aim to stand out in the global competitive arena, are positioned as separate companies, and as part of this structure, these brands conduct their activities faster, stronger, and with a greater focus within their own organizational structures.

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, ID solution, digital advertisement, game services, and music platform, which have been completely 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.

Secure and Uninterrupted Communication: BiP

BiP has approximately been downloaded over 100 million times and used in 192 countries in the world since its launch. Due to the personal data security concerns in 2021, many users started to use more than one communication application.

In this context, BiP has become the choice of millions of users with its fast and secure messaging, quality voice and video calls. With a satisfaction score of 4.5 in the AppStore and 4.4 in the Google Play, it has ranked far ahead of its competitors and received almost full points from the users.

Our company has successfully reached millions of users in the international market, particularly in countries such as Iran, Indonesia, Bangladesh, India, Pakistan, Malaysia, Jamaica, Haiti, Caribbean, Central America, and Asia Pacific. Our collaboration with global operators such as Digicel has expanded in Pakistan with Jazz and continues to grow. In Turkey, BiP, our communication platform that enables Turkcell, Turk Telekom, and Vodafone Pass users to communicate seamlessly without incurring charges on their internet, is delivering superior technology to allow its users to communicate uninterruptedly globally.

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. In addition to its basic communication capabilities, it also offers access to many services that facilitate users' lives under the Discover tab.

Secure and Uninterrupted Video Conference Experience: BiP Meet

With its powerful infrastructure and easy-to-use video conferencing service operating through our data-centers in Turkey, BiP Meet allows users to communicate with anywhere in the world at any time. With BiP Meet, meetings can be organized through web browsers or easily with the desktop and BiP Meet mobile application.

In addition to its easy-to-use and plain design, BiP Meet offers a suitable solution for institutions with its features such as operating in data centers in Turkey and registering domain names specific to corporations. Developed especially according to the needs of the sectors such as education, public and health, BiP Meet can meet remote call needs of enterprises of all sizes.

Open Room for Life with 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. lifebox appeals to users not only in Turkey but all around the world.

Having functions beyond storage, lifebox stands out with its face and object recognition, as well as the ability to create automatic stories from the photos it chooses, and also ensures that contact information is not lost in any adverse situation by making a secure backup of contacts. It is possible to securely access documents archived in various categories using fingerprint, face recognition or password, and at the same time, photos in lifebox can be classified separately according to person, object, date and location. Offering

experiences that make the lives of our users easier, lifebox has reached more than 1.8 million paid subscribers, and more than 7.8 million total users with its successful performance in 2022.

The enterprise storage solution lifebox Business covers the required storage needs for businesses of all sizes in a secure and stable manner. Affordable and all-purpose package structure puts lifebox Business ahead of its local and global competitors. Internal and external file sharing, access from all mobile and desktop devices, real-time collaboration with the online office feature, file versioning, person and file-based reporting, and personal disk and corporate common space usage are just a few of the features that differentiate lifebox Business as a cloud storage solution for the business world.

With lifebox Transfer, operating through data centers located in Turkey, aims to provide an easy experience to cover the fast file sharing needs without requiring any subscription or fee.

| Number of Number of Paid Subscribers of lifebox (thousands) | | |
|---|-------|-------|
| 2020 | 2021 | 2022 |
| 910 | 1,331 | 1,836 |

You may check lifebox products, services and more detailed information at www.mylifebox.com, www.lifebox.biz and www.lifeboxtransfer.com.

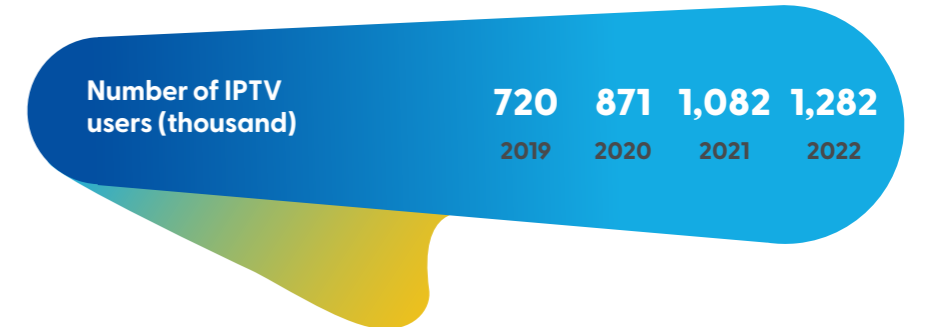
TV joy is everywhere: TV+

TV+, a first and unique service in terms of 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 any content, whenever and wherever they like.

In addition to TV+'s rich premium technical features providing ease of use, has reinforced its archive with sports, series, movies, documentaries, sports, children's programs and other content, thus reinforcing loyalty of its users. La Liga, Formula 1 and EuroLeague, that are followed with a high interest of sports fans, have also met with TV+ fans in 2022.

You may check TV+ products, services and more detailed information at www.tvplus.com.tr

| Number of New Users who backed up their contacts with lifebox (million) | | |
|---|------|------|
| 2020 | 2021 | 2022 |
| 3.3 | 4.3 | 4.2 |





Turkey's digital music platform: fizy

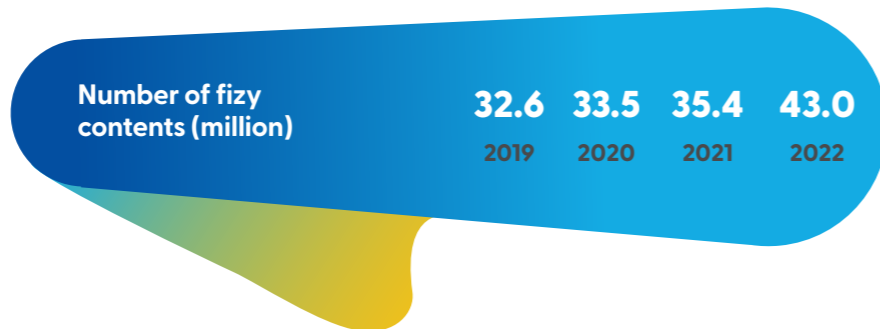
fizy, one of the most popular and preferred music platforms in Turkey, now delivers a more customized music experience to its customers with recommendation lists along with a richer content archive. In addition to enjoying an ad-free and uninterrupted music experience as well as listening to the songs with a high-quality sound, fizy Premium users can also view song lyrics and access their content offline even without the Internet.

Apart from Premium, our customers can enjoy music free of charge with our model with advertising. As a differentiation from competitor applications, users can benefit from advantageous discount offers thanks to brand collaborations and customer campaigns exclusive to fizy. In 2022, couples and families continued to enjoy fizy with Duo and Family subscriptions launched specifically for them in 2021.

Local E-Mail Service: YaaniMail

Launched for individual use in 2020 and developed by Turkcell R&D engineers, the local e-mail service YaaniMail has been providing the most secure mail service for organizations as well as individuals since early 2021. Offering free service for individual subscribers with the extension "@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 individual needs, features including calendar, contacts, and tasks can be easily used. Standing out with its user-friendly access offering and lean 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.



In addition to our 4 brands, for which separate companies were established, Yaani, YaaniMail and Dergilik have also been among our users' favorite applications.

Made available for corporate use at the beginning of 2021, YaaniMail today caters to over 1,500 organizations, and as to individual users, it serves for 1.5 million users.

GAME+

Dijital Servisler A.Ş.'s new gaming brand, GAME+, started in 2021 to offer a brand-new experience via servers located in Turkey through its partnership with NVIDIA GEFORCE NOW, the world's most popular and technologically advanced cloud gaming platform. The cloud gaming technology,

which allows for playing advanced computer games without downloading, eliminates the need for powerful hardware required for gaming. With GAME+, playing the latest games is now as easy and accessible as watching movies online. The requirements such as expensive hardware and adequate storage space are now avoided. GeForce NOW powered by GAME, which has been widely appreciated in Turkey, has the second highest user base after the United States. GAME+ is expanding its gaming library and rapidly increasing its subscriber base and continues its growth.



İşte Suit

İşte Suit, a solution developed by Turkcell engineers that provides users with e-mail, file management, office applications, and video conferencing solutions that corporate firms need from a single point of service.

By merging our existing YaaniMail Corporate, Lifebox Business, and BiPMeet services, we have launched the İşte Suit product for sale with a single invoice to be issued to our customers in July 2022.

Environment-friendly and practical solutions through digitalization

Digital signature at home

This 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 has also led to 1,400 tons of documents being digitalized annually, thereby protecting the environment. With the application with a Turkey-wide coverage, 70 million digital signature is expected to be appended.

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 170,000 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 are enhancing and developing our products and services with our AI applications. By utilizing AI, which facilitates the personalization of user experiences and makes them more effective, we provide services both in our applications and customer services.

In 2020, we committed to using AI, as a powerful tool, in a responsible and ethical manner, and established seven key principles that we will adhere to. As such, we became the first company in Turkey to publish AI Principles. Furthermore, our Human Rights Policy published at the beginning of 2021 aims to contribute to the SDGs by acting based on human dignity, fundamental rights and freedoms in the technologies, including AI technology, that we develop. You can find information about our AI Principles on our "digital responsibility" page on our website.

Our Analytics Solutions team

performs post-analyses and provides internal insights for Turkcell products, services, tariffs, and campaigns, and conducts predictive modeling and segmentation studies to generate target audiences for action by business units. By supporting our business units with analytical trend models to match the tariffs, products, and services we offer to the right customers, we contribute to the growth of our company's revenue and play a role in increasing customer satisfaction by connecting customers with the right offers.

Chatbot

Celly (chatbot) is an artificial intelligence engined self-service help bot embedded in the "Turkcell Application", the gateway to digital of our company and developed 100% by Turkcell engineers.



The Turkcell Celly name was registered within the scope of brand studies and was offered to our customers by being carried to advertising communications in written and visual channels. Turkcell Celly, the AI assistant, continues to support our customers in the Turkcell Application to provide services on more than 180 different topics, from billing transactions to international settings, from package information to gifts.

Using our analytical competencies, we provide proactive information on issues that our customers may need. For example, we provide information when their package is about to expire or when the contract expiry, and we provide guidance on the chatbot to complete the transactions.

In 2022, 12.5 million of our customers carried out 60.1 million chats with Celly, with an average of 97% of these transactions being completed on the first contact. Utilizing our analytics capabilities, we facilitated 701,000 package sales through proactive communications, resulting from Turkcell Celly's direction. As Turkcell, we will continue to bring speed and ease to our customers' lives by transforming the capabilities of Turkcell Celly through the power of technology, both now and in the future.



In the last period, we integrated our chatbot solution into our applications such as TV+ and Platinum in addition to the previous integrations with our other digital applications such as Turkcell, Bip, Game+, lifebox, Dergilik, and fizy. In addition, we started to support our Superonline customers with scenarios specific to the fixed world through the Turkcell application. In 2022, we turned our chatbot solution, which we developed internally, into an end-to-end platform and a product that will also provide external services. We also realized our first sale and integration outside of Turkcell on Arnavutköy Municipality website. We aim to expand our solution in different industries with our sectoral bot studies.

Trained through “UNDP Gender-Responsive Communication Guide”, our chatbot avoids using gender-biased language.

Voice analytics - Turkcell AI voice

We continue to integrate our artificial intelligence voice, developed internally by Turkcell engineers, into Turkcell's digital products. In the Dergilik product, we voice the daily articles and online trainings prepared by our Academy team using our artificial intelligence voice. We also use our artificial intelligence voice effectively to establish personalized communication with our employees, such as celebrating Mother's Day and birthday greetings.

In our call center, our artificial intelligence voice serves our customers at many points as the voice of the digital assistant. We contribute to the action of bringing our customers together with the right package at the right time, by automatically vocalizing the package readings with our artificial intelligence voice in the sections where we offer packages to the customers through the call center. We improve the experience of our customers by responding to a daily average of 120 thousand call center voice requests.

Image Processing Services & Solutions

The FOYA Digital Verification application, another excellent example developed by Turkcell engineers as part of their artificial intelligence research, provides services such as fraud detection in identity documents and digital verification through image processing, audio processing, and machine learning methods.

In the digital world, many organizations now require remote video communication with their customers, making digital platform customer identity verification an inevitable control. In FOYA digital verification processes, Turkcell engineers use SIMA face recognition services, STT (speech to text) services that allow for voice approval from the customer, and OPTIC OCR (Optical Character Recognition) services that accurately read identity card information. The FOYA Digital Verification application, with its different services and capabilities, can be quickly integrated into IOS and Android platforms through SDK software.

The OPTIC OCR solution, actively used in Turkcell's digital verification processes, has been integrated into the Lifebox application, allowing our customers to easily copy all text in their photos stored in their Lifebox storage area.

In addition to cloud-based services, there are also pilot projects utilizing our image processing solutions on edge devices. At the Elaziğ Fethi Sekin City Hospital, the SIMA face verification solution was integrated to operate on edge devices in order to prevent different individuals from giving blood in place of others in the process of obtaining consent forms. This enables face verification controls to be carried out without opening hospital data to the internet.

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.

Digital Security and Wellbeing

We aim to create a unique experience for our customers with the technologies and products that we continuously increase the diversity of in parallel with the developing technologies and stakeholder expectations.

Digital security and wellbeing are the two important components of this experience, which are manifested in two main areas of work in our operations. The first is the management of cyber security and information privacy risks in our infrastructure, technology, products and services, and the second is the cyber security and digital wellbeing services we offer to our customers.

With the expansion of information technologies and digital services, cyber security risks have started to take an important place in our lives. With the pandemic process, remote work and distance education became widespread in our country similar to all over the world, IoT services and devices have started to be widely used, ransomware attacks, cloud services and customers have increased, hence the importance of cybersecurity efforts has increased even more.

Cybersecurity has taken its place as an important component in Turkcell's business strategies. Cybersecurity and data privacy risks, which are evaluated in 11 different profiles within the scope of corporate risk management, are monitored during the activities and operations regarding all strategic business focuses. Each developed service also considers cybersecurity as a component among its outputs. Cybersecurity-related risks are managed by RISK or

RESK Committees according to their priorities.

Cyber security processes throughout the operations are managed in accordance with the principles regulated by 10 different corporate policies, including: in particular the Information Security Policy, which came into force with the approval of our Board of Directors, Information Security Management Systems Policy, Information Security Organization Policy, Information Security Incident and Vulnerability Management Policy, Information Security Cryptology Policy, Information Security Access Policy, Information Security Operation Policy, Information Security Communication Policy, Information Security System Policy and Information Security Business Management Policy. In order to ensure the reliability of these processes, Turkcell received the ISO 27001 Information Security System Standard certificate in 2008, becoming the first telecom operator in Turkey to hold this certificate. Turkcell also holds ISO 27017 Cloud Information Security System

Standard. We retain our certification by constantly improving our information security maturity and by being audited annually by independent auditors.

While designing and implementing cyber security processes and applications, reference is made to compliance with relevant legal regulations, governance principles such as ITIL and COBIT, and good practice practices such as NIST, CIS, OWASP and MITER. Legal regulations such as the Presidency's Digital Transformation Office Information and Communication Security Guide (BIGR), KVKK Personal Data Protection Law, Global Data Protection Regulation (GDPR), ICTA and CMB regulations are included in the legal compliance portfolio followed in the cybersecurity processes. While the implemented works are subject to internal audit processes for service and process control, they are also subject to ISO 9001, ISO 20000, ISO 22301, ISO 27001 system standards, PCI-DSS Payment Card Industry Data Security Standard and SOX New York Stock Exchange Sarbanes – Oxley external audits.





During the reporting period, no data breach or personal data (PII) privacy breach occurred due to cyber security vulnerability, and accordingly, no legal sanctions or fines were imposed on the company.

Privacy and Security

In line with its identity as the responsible digital operator, Turkcell pays utmost attention to the protection of customer information privacy. Customer information privacy studies, which are carried out in compliance with the relevant regulations in addition to laws such as KVKK and GDPR, are managed within this scope when they include physical business processes where personal information is processed beyond cyber security. Our third-party business partners are also requested to manage personal data in line with the same principles as Turkcell.

Our customers are informed about our privacy and security policies of their personal information, and they reach us through our complaint channels when they have doubts or problems.

Turkcell data privacy and security policies are available on our corporate website.

Cybersecurity Directorate is responsible for cybersecurity management throughout the company. The directorate is one of the largest cybersecurity teams of Turkey with more than 150 specialized team members. The conducted studies and obtained results are presented to the senior management and relevant units during periodical meetings held by various committees and teams. The monthly CXO security managers meeting, the annual ISO 27001 revision meeting, the cybersecurity meeting which brings together Technology Executive Vice Presidents and Directors every two months and quarterly, and the Information Security Committee meetings which bring together NT CXO and cybersecurity Directors and executives, are among the meetings to share information in this field.

The Security Operations Center, which operates 24/7 within the Cyber Security Directorate, monitors the attacks 24/7 together with the IoT and forensic laboratories, and takes precautions against possible threats. Our Bozok Threat Intelligence platform, which is integrated with the Security Operations Center, provides our customers with information about threats and risks as a cyber security protection layer. We provide penetration testing and vulnerability analysis services to our customers with new tools and methods so that organizations can identify their cyber security needs, while we conduct security vulnerability scans and penetration tests of important institutions. We also enrich Turkcell's Cyber Security product and service portfolio

with cloud-based security solutions running in Turkcell Data Centers. As Turkcell, we contribute to the provision of security with the investments we make in the field of cyber security and data privacy, and the services we provide for mobile service providers and institutions and individuals benefiting from mobility services.

With our digital security service, to protect thousands of our active customers from phishing, malware, etc., we prevent their access to any malicious addresses so that they can be protected against threats, as well as inform the users of past password leaks and warn them about new phishing attempts by SMS and e-mail. All our corporate and individual mobile customers can benefit from this service, which we offer to prevent fraud or to protect the device and personal data used.

Digital Wellbeing

The pre-condition for protecting oneself from the security risks and actions of malicious individuals when using the internet is to possess a certain level of digital literacy, privacy perception, and confidentiality. However, some users who do not possess digital literacy or those in vulnerable situations (such as children and elderly users) may be more susceptible in this regard. In this regard, we first create various security and content filters under the control of parents to ensure that children and young people stay away from inappropriate content on our services. In addition, we aim to increase safe internet experiences by conducting informative campaigns to increase the knowledge and awareness of our stakeholders. In this context, we created a game content aimed at increasing children's awareness during the reporting period. We aim for our educational game content to be a guide for children on the risks of the digital world and awareness of digital footprints, which will be launched in the first months of 2023.

As a member of the Turkish Cybersecurity Cluster community, we continue bringing together the public, private sector and the academy, and working for contributing to the development of the domestic and national cyber security ecosystem, by increasing cyber security awareness and cooperation.

Several practices have been realized to improve cyber security awareness, experience and knowledge of employees. For example, cyber security trainings are provided to all Group employees in technical and non-technical areas, customized for different employee groups every year. The cybersecurity performance incentive practices include TLife Cyber Star Application, Security Reflex feedbacks, Security Champion scorecard scoring of technology teams that make a positive contribution in the field of security, and the Security Scorecard based on cyber security performance of employees. Meanwhile, award-winning cyber security studies such as Unibounty, Bugbounty, Openbounty and CTF have been carried out with the participation of various communities including Turkcell employees, security experts and university students. Turkcell security experts take part as lecturers and trainers in many national and international conferences and events in accordance with their specializations.

Unibounty

While the damage caused by cyber attacks is increasing day by day, the attacks targeting businesses and individuals of all sizes cause both financial and data losses. In the "Unibounty" project, with the participation of university students, we organized a vulnerability detection program in the field of cyber security in Turkcell applications. Over 1,000 interactions were carried out in the program with the participation of students from 11 different universities.

On the other hand, our company has actively participated in standardization (IEEE SA P2089) developed within the IEEE SA regarding age-appropriate digital services and has also started to work on the suitability of its products and services in this regard.

Digital Business Services

The Digital Business Services combines Turkcell's telecom service provider strategy with the "Digital Transformation Business Partner" strategy for corporate customers.

With the digital business services, we develop our business model to address the needs of all industries, including health, education, production, retail, transportation, logistics, finance, energy and other similar fields to implement value adding projects through horizontal and vertical solutions. We contribute to Turkey's digital economy by providing one-stop end-to-end digital solutions to organizations. As a result, we realize projects with high value proposition that provide cost savings and revenue increase.

In line with our vision, we have implemented over 2,800 tailor-made managed services and system integration projects, and we continue to manage

them. In these projects, we analyze the needs of our customers from every sector and provide the right solution, and with our project management team, we implement many solutions and services in accordance with our customers' business processes, including new generation technologies such as fixed access, network, cyber security, data center and cloud services, system integration and managed services, IoT, big data, business applications, artificial intelligence etc. In implementing our projects, we benefit from both our internal resources, products, processes and technologies, and the power of our business partners in the ecosystem, who we have identified as experts in their fields, and we manage projects with high value proposition end-to-end from one source.

In addition to a strong mobile network, and end-to-end fiber infrastructure of up to 59 thousand kilometers that enables us to provide high-quality service, we have a total of 8 data centers, 4 of which are new generation, with Tier-3 Design and Operation Sustainability certificates obtained from the international certification body Uptime Institute. With Turkcell



Three key strategic focuses are followed in cybersecurity activities:

- 1 Developing cyber resilience through innovative new technology investments, existing technology improvements, processes, standards, digitalization, communication, awareness, training, competence development activities within the scope of services provided by Turkcell and Group companies
- 2 Developing domestic ecosystem and integration with the localization of existing and new products
- 3 Increasing revenues of cybersecurity products and services in individual, corporate and wholesale customer portfolios



Cloud services, we position the entire information technology infrastructure of institutions in Turkcell data centers, thus reducing costs and providing a more flexible infrastructure.

In the field of cyber security, thanks to the 3 key components of cyber security against constantly changing, developing and increasing cyber threats, we become an end-to-end Cyber Security Service provider of institutions: our expert staff, up-to-date technology creations, and the diplomacy and processes we have established with the defense groups we are members of at home and abroad.

Through meaningful analyzes on the dynamic and real data we have obtained with our big data services; we support our customers' strategic decision-making processes and increase their profitability and productivity. In the digital transformation journey of organizations, we deliver all needs for the digitalization of the business processes of corporations with Turkcell digital business applications.

As an integrator that provides and operates all technologically needed solutions in city hospitals in the field of health, we are the leader in

the public-private partnership (PPP) market in terms of the number of hospitals we undertake. We actively operate at 7 city hospitals including Yozgat, Adana, Eskişehir, Elâzığ, Bursa, Başakşehir and Tekirdağ hospitals. The entire technology infrastructure of these hospitals from hardware to software, systems to operations are managed by Turkcell. Moreover, Turkcell set up the infrastructure of 2 field hospitals which were established in a short period during the pandemic. Our Lifecare product, which we developed in the remote health field, has passed the KTS accreditation of the Ministry of Health and has become able to respond to opportunities in this field. Negotiations with leading health groups in Turkey were initiated, paving the way for new opportunities. In addition to all these operations, we are continuing our preparations to put forward the Turkcell difference in the private hospital market as well as in the City Hospitals, by accelerating our work on a Hospital Information Management System (HIMS) software that can serve Private hospital processes.

Moreover, in our business partnership ecosystem, we continue to grow our ecosystem qualitatively by working with our subcontractors, business/product development partners and sales partners with a win & win focus. We are also expanding the solution sets we offer to our customers in terms of technical competence and project diversity day by day through our business partnerships with global suppliers.

We developed the Turkcell ML (Machine Learning) platform in order to adapt to technological developments and to make scenario models of high-volume data and machine learning competencies with high performance and high accuracy. Thanks to this platform, we have saved over TRY 20 million. Moreover, we can share the list of customers with overdue debts over a certain amount by activating the blockchain-based "Inter-Operator Blacklist" system. With this system, which is used jointly by the operators, we help the operators reduce their customer-related risks through information sharing.

We make sense of big data with our artificial intelligence-based analytical capabilities and strengthen the products and services we offer.



Within the scope of RPA (Robotic Process Automation) technology, installation and infrastructure works were carried out within Turkcell, and 145 processes were carried out using RPA in order to automate manual processes.

Turkey's New Generation Payment Platform: Paycell

Paycell continues to increase its penetration on the back of its easy-to-use and secure payment solutions, and stands out as a technology-oriented techfin that manages all its processes with end-to-end automatized structures thanks to its up-to-date and 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, while increasing the value of the products and services offered. This approach also allows fast and easy adoption of advanced technologies. Paycell provides value-added data analytics models not only with respect to its infrastructure, but also with respect to analytical solutions in order to provide better and more sustainable services both to the consumer segment and the business partners.

Turkcell and Mobility

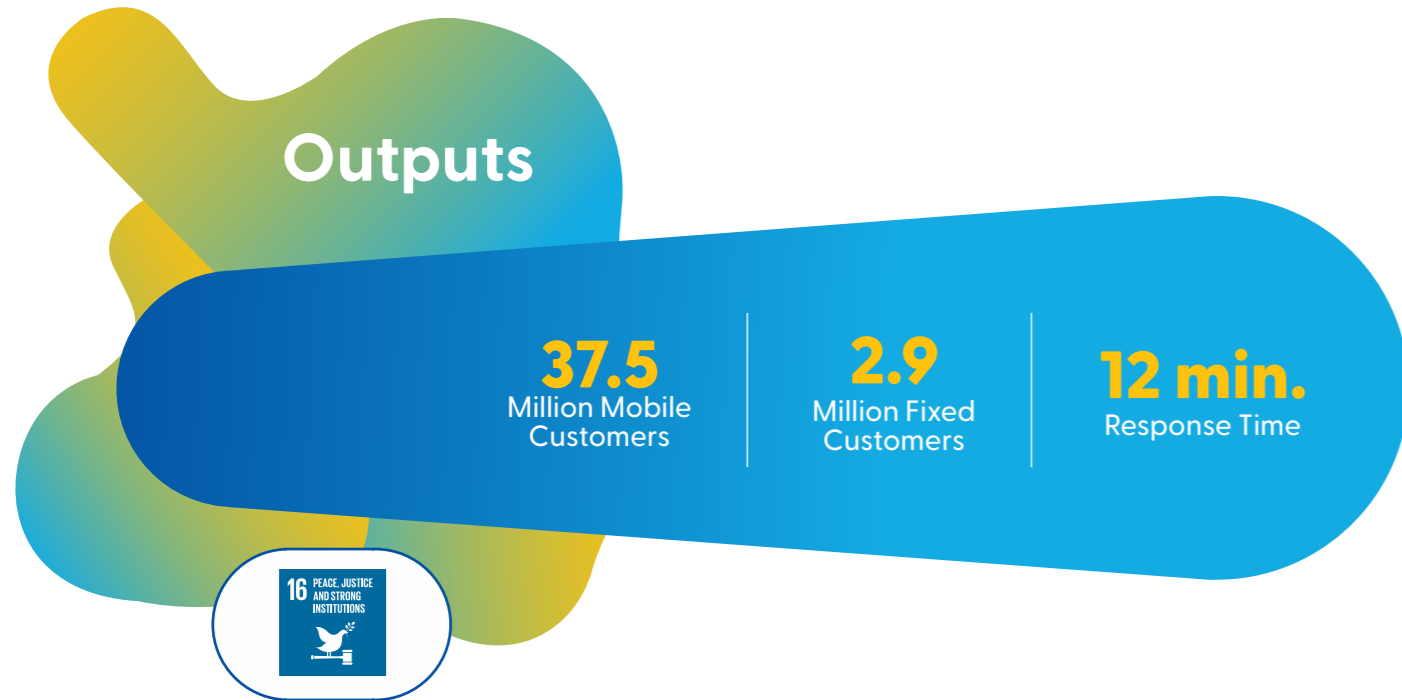
As of 29 October 2022, Togg started the mass production of the C-segment SUV, the first innately electric, connected smart device at the Gemlik Togg Technology Campus. Togg defines the products it will offer to the market as "smart devices" rather than automobiles. In line with this approach, Togg is creating an ecosystem shaped around electric vehicles, which will provide the mobility experience of the future with cooperation agreements made in different fields, particularly in technology, e-commerce and software. The services developed by Turkcell are also aimed to enrich the user experience in this ecosystem. For this purpose, a strategic cooperation agreement was signed with Paycell in 2022 in order to integrate innovative payment systems and digital financial solutions in the mobility ecosystem. With our Turkcell Artificial Intelligence team, we are conducting the development of In-Vehicle Face Detection, Recognition and Analysis System of the TOGG domestic automobile initiative. In this context, the integration of the artificial intelligence solutions we have developed on the devices that will work in the vehicle, and the development of car-specific artificial intelligence models are ongoing.

Through Turkcell ML (Machine Learning), we saved TRY 20 million.





Social Capital



| Performance Indicator | Short Term Target | Middle Term Target | Long Term Target | 2021 Performance | 2022 Performance | Current Status Towards Target |
|---|-------------------|--------------------|------------------|------------------|------------------|-------------------------------|
| Increasing the number of students reached through the Turkcell Whiz Kids Project | 150,000 | 250,000 | 500,000 | 100,000 | 110,000 | ⬆️ |
| Increasing the number of start-ups worked with through a collaborative business model | 30 | 40 | - | 35 | 36 | |

⬆️ Positive development ⬇️ Negative development ⬇️ Ongoing



Brand and Responsibility

We increase the capacity and strength of our superior digital services by constantly researching the latest hardware and software technology 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 technology focus.

The basis of this understanding that Turkcell acts on is the responsibility towards all our stakeholders including customers, employees, suppliers, shareholders, public, dealers, non-governmental organizations, universities, and the media. In this context, our policies that we share publicly are as follows:

📄 You may access the policies that we implement to set the highest standards as Turkey's leading telecommunication company on turkcell.com.tr.

» HUMAN RIGHTS POLICY

We are committed to fulfill our duties by adopting an attitude embracing fundamental rights and freedoms, contributing to the creation of a decent work environment honoring human dignity, and ensuring compliance with national and international legislation on work life.

» ENVIRONMENTAL POLICY

Turkcell aims to contribute to the economy and ensure long-term environmental sustainability, with an awareness of environmental impact throughout the value chain, by improving awareness of circular economy.

» 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.

» ANTI-BRIBERY AND CORRUPTION POLICY

We consider that carrying out our activities fairly, honestly and in accordance with legal and ethical codes a necessity.

» DONATIONS POLICY

Through our Company and its subsidiaries, by authorization from the Board of Directors and within the annual donation limit determined in the General Assembly meeting; donations are made to organizations, associations and foundations which undertake projects related to education, sports, culture and arts, environment, health, restoration of historical buildings and artifacts, humanitarian aid, involving the disabled in society, entrepreneurship, technology and similar studies for public benefit.



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, by always putting the customers at the center and investing in technology.

Befitting its leadership of the new world, Turkcell aims to touch every part of its customers' lives by bringing together its superior technological infrastructure and quality with the products and services it offers that make a difference. While offering an easier, more entertaining, more secure and more privileged lifestyle focused on human and environment to our 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

Turkcell transformed into an ecosystem brand with steps taken long ago in the changing and digitalizing world, and on this digital journey we lead, we place both our individual and corporate customers in our focus and continue to serve with our products and services to provide an easy and comfortable experience.

As an ecosystem brand, our campaign motto "Make the World Yours" continues to emphasize the fact that we can touch different aspects of our customers' lives and offer solutions with a wide range of digital brands. With our ecosystem platform videos, we continue to describe our services such as the electronic shopping platform "Pasaj" and the world of privileges "Platinum", "Paycell" and work with our technology to facilitate the lives of our customers. Turkcell is a brand that always places its customer at the center and understands their insight, develops innovative setups, and implements them without compromising on quality, through a well-thought and detailed customer experience. In this period of rapid societal change and changing needs, we continue to connect our customers to life with our strong reception.

As one of the most loved brands of Turkey, we celebrated special days with successful advert films to join the enthusiasm of our country.

Finally, we launched our new communication platform which we call "Digital Stories of Turkey" where we will tell our customers' stories with our wide coverage and high internet speed.

We will continue to tell these stories with dear Doğu Demirkol, our brand ambassador, the new generation comedian of Turkey who is candid, real and "one of us".

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 provide customer-focused services and develop solutions through Turkcell stores, alternative sales channels, online channel, Turkcell mobile 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 1,108 Turkcell Stores, which we have transformed into a chain of digital experience, and 4,144 digital sales points, we make our products and services available wherever needed by the customers 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.

We continue organizing our customer campaigns such as "Yellow Days, Flexing Limits, and Product of the Month" 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.

In line with our retail channel deepening strategy, we focus on communication, traffic, sales, procurement, loyalty, digital and delivery concepts and keep shaping our investments accordingly.

Continuing the technology and experience transformation in our stores, as of May 2022 we have transformed at least 1 store in every city of Turkey, and more than 1 in large cities, 103 stores in total, to the Disabled-Friendly Store concept. We provided all our hearing, visual, and bodily handicapped customers with equal and accessible service with our in-store applications.

"Refurbished Device Sales", which we had started as of July 2021 to bring devices with unexpired useful life back to the economy as per our sustainable environment approach, is continuing at full speed.

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. In the year 2022, through Turkcell Stores and cash collection over Pasaj, 23.7 thousand old devices were collected from customers, and 5.7 thousand through EGYG replacement program, for a total of 29.4 thousand. 2.2 thousand refurbished devices were sold. We expect this business, which we have currently only started in the category of smart phones, to grow in different categories with support from related organizations and regulations and therefore contribute to sustainability in the technology world in all categories. Trainings with the support of Turkcell Academy were designed to be held in Turkcell Stores in the fields of energy efficiency, savings and sustainability, and shared with all ambassadors. Actions to reduce energy consumption were taken at the stores: Backlights of LCD displays in stores were dimmed by 30% to achieve ~25% energy savings. Besides, air conditioning methods were revised to determine actions such as correct placement, suitable temperature setting etc. Our efforts to reduce the ecological footprint and implement alternative energy solutions will continue in 2023.

As an ecosystem brand, we continue to launch new categories to address all electronic needs of our customers by transforming our Turkcell Stores into technology store.

Providing advantageous offers with installments up to 36 months at Turkcell stores, we make small appliances, personal care products, accessory products, food preparation appliances and gaming products available to our customers with Turkcell guarantee. Also, we can now provide our advantageous cash payment offers, which only post-paid Turkcell customers could use before, and also to our prepaid Turkcell customers and non-Turkcell customers. In 2021, we launched our new "catalog sales model" with air conditioning and TV products, through which we can make sale of large products without keeping inventory. Products can be picked from digital catalogs of Turkcell stores by our customers, and selected products are delivered directly to the customer and installed. This model continues to grow without losing pace by the addition of new product categories such as PC category in November 2022 and white appliances and small home appliances as of January 2023.

Through our "Digital B2B Supply Platform", which can supply multiple channels with its wider product and category portfolio and multiple buyer and seller structure, we are improving the procurement processes of all Turkcell channels. With our content management team, we are increasing the speed of our processes and improving the experience, continuing to provide our dealers with directions customized according to their orders and sales. At present, we are providing 85,389 products in 1,409 brands with 188 suppliers to Turkcell dealers through Turkcell Portal.





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 the "Customer contact journey" platform, which allows store and call center employees to view the transaction history of customers in all channels and offer an integrated experience in service. 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.

At present, we are providing **85,389** products in **1,409** brands with **188** suppliers to Turkcell dealers through Turkcell Portal.

Extending the scope of the "Bi tıklı 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. This application enables our customers to conveniently pick up the products that they reserve on turkcell.com.tr or through telesales channels from the Turkcell stores. For a unique and uninterrupted Turkcell experience, we leave the choice of channel to our customers.

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 1,108 stores across Turkey. Our customers don't need to wait for their packages at home thanks to our One-Click In-Store Delivery Point" 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.

Pasaj'la alışveriş keyfi fırsata dönüşüyor!

Şehre dönüşte bir sonraki alışverişinizde geçerli 500 TL'ye varan hediye çeki Pasaj'da!

500 TL'ye varan hediye çeki

Pasaj

Ücretsiz Kargo

Stoklarla Sınırlı

Our Alternative Sales Channel

As part of our alternative sales channel that has reached a sales volume of 26 million products, we have transformed each channel that contacts the customer into a sales channel, while continuing to serve through telesales, market chains, bank channels, and hypermarkets. Our alternative sales channels have also become the major sales channels for our digital services with 3.5 million sales of TV+, lifebox and

fizy products, making use of our analytical models, artificial intelligence and big data. Through TV+, lifebox, and fizy collaborations in alternative channels, we ensured the brand recognition of our DSS products and increased our sales by directing customers to our digital channels. We continued to increase our product awareness and sales by offering our customers DSS products as Scratch cards through market chains. With bundle campaign setups, we realized mass DSS product sales.



Sevgililer gününe özel %60'ya varan indirimler

Casper

NIRVANA

Our Digital Sales Channels and Services

As part of our digitalization focus, our online sales channel took steps which gave direction to Turkey's e-commerce sector in 2022 as well. The number of visitors to our website was 23 million in average per month in 2022, the 3-month active users of Turkcell mobile app was 24 million users. Today, the share of digital channel in total consumer device sales income has increased to 1.4 times compared to the previous year, while total TRY/package top-ups have grown by 25%. Accordingly, the share of digital sales channels in Turkcell Turkey consumer revenues (excluding our fixed business) reached 23%* in the third quarter of 2022. Total top-ups from our digital channels increased by 80% over an annual growth of 150% last year. The rate of post-paid subscribers who changed their tariff through digital channels has exceeded last year by 3 points to reach 23%, the rate of TRY/Package top-up pre-paid subscribers has increased by 8 points to 40% in the last year. At the same time, changes in payment type over digital channels has increased by 2 points to 12%. Together with these, new customer acquisition has increased by more than 11%.

In line with our channel growth strategy, we keep shaping our investments with a focus in communication, 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 acquisition and customer number portability categories.

*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.



Setting out with 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 rights. Turkcell Pasaj uses 100% environmentally friendly and renewable boxes in delivery. At the same time by offering a combination of real online and offline shopping experience, Turkcell Pasaj enables 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 continue to take steps to lift our services to the next level with Pasaj Blog and Pasaj Gaming which were launched in December 2021.

In order to increase the network of Turkcell Pasaj in global markets, we have launched Pasaj, the marketplace of Turkey, in Azerbaijan. To become the prioritized address in electronic shopping in Azerbaijan as well, we are making local cooperations and elaborate investments which will cover our customers’ needs.

In Pasaj, we have started to support the From Women’s Hand social initiative, the largest platform of producing women in Turkey which takes inspiration from Anatolian women’s life struggle. As Turkcell Pasaj, by incorporating this initiative, we are becoming a platform between the producer and the consumer. With the space we provide, we bring numerous delicious products manufactured by women from all around Anatolia to our customers without aiming for profits, and bring them to your homes in boxes carefully packaged by women with Turkcell’s assurance. At the same time, to support sick animals in need of care, we hold donation campaigns to Ankara Patili Köy Animal Protection Association for Pet Shop purchases on Pasaj. Also, with our project which allows used devices to be revalued on online platform and turned to cash within 3 business days, carried out with our business partners which contribute to our sustainability target, 2,000 secondhand devices have been revalued on Pasaj. In addition to receiving secondhand devices from our customers by package delivery and courier, we have provided “appraisal at the door” services in certain regions to further facilitate the process for our customers.

In the upcoming periods of competition in the e-trade world, a rich product portfolio, logistics services, different payment alternatives, brand guarantees and innovative approaches are expected to be valuable, and we will continue to bring Paycell and Financell solutions exclusive to our sales channels to our customers to provide a perfect experience.

Our Turkcell mobile application, developed to provide the fastest and most appropriate response to our customers’ needs, which transformed into the

service and sales channel most preferred by our customers, was downloaded 29 million times in 2022 in the last year our customers logged in the Turkcell mobile application 190 million times per month on average to perform their transactions through the app. We have updated the design of our application in 2021 to be more user friendly. We separated the application world in two parts, as Pasaj and operator transactions, enabling customers to reach the transactions they are aiming to make much faster and easier. We have formed a much more sales-focused experience in the Pasaj part with a category structure and new areas such as recommendations for you and the sale of the day. On the operator transactions part, our customers can inspect and pay their bills, access packages, services and campaigns suitable for their usage and instantly transfer between tariffs in addition to viewing their remaining usages through the application.

Our customers can manage their fixed internet and all other Turkcell lines through a single application by adding them through the “Add Account” step. Apart from this, close to 272 thousand Superonline customers per month perform approximately 2.5 million transactions per month through the Turkcell mobile application.

Our Tariffs and Packages

Our Postpaid Packages

Our AI-based, smart offer management model enables us to present offers at different price and content levels which suit our customers’ needs, and which are rich in content. We also ensure that our customers see the same offers in all our channels and easily benefit from these offers. Digital channels provide advantages in both cost and customer experience since customers can perform many operations such as renewing contracts, upgrading, and purchasing additional packages without any intermediaries. This is why we also maintain our target of making digital channels the primary channel, as cost optimization becomes more important for companies day by day.

With the support of our analytic models, we take actions to increase our digital channel share by offering personalized campaigns, discounts and gifts exclusive to digital channel. While bringing these actions to life, we contact our customers at the right time and continue to develop user-friendly designs that allow them to perform their operations via the digital channel much faster and easier.

Aligning with rapidly changing market conditions and customer usage habits, we renewed all of our offers in 2022. During the year, we simplified our offers so that our customers can easily find the packages suitable for their needs.

For new customer acquisitions, we launched our new term Yapboz tariffs, which are shaped on user basis. We also enriched the contents of our existing offers and worked on providing added value through YouTube Premium collaboration.

In this period, we launched the brand new GNÇ Platinum package in both GNÇ and Platinum segments, and realized an increase in total Platinum new subscriber acquisitions.

Our Prepaid Packages

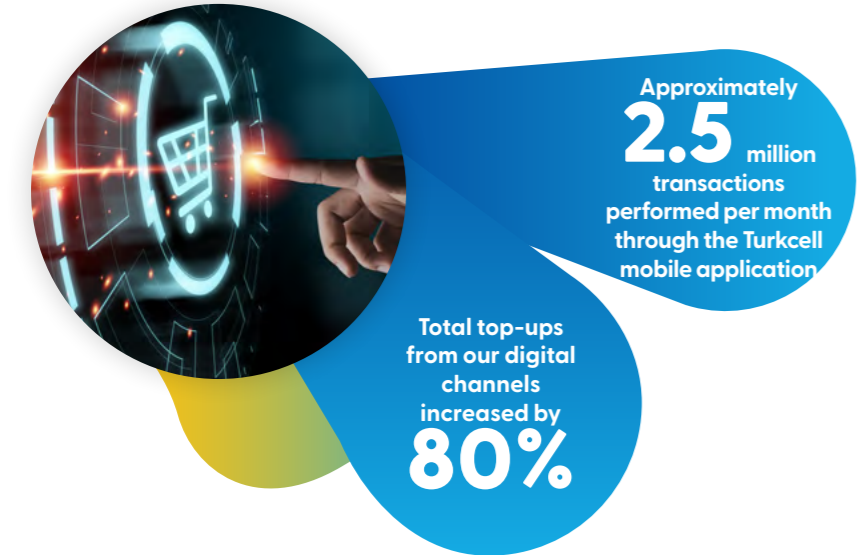
We constantly monitor our prepaid users’ usage habits and needs with big data and market analyses; expand and regularly update our prepaid package alternatives accordingly. In addition to monthly packages, we address the short and long term needs of our customers with our daily, weekly and 3-6-12-month solutions. Meanwhile, using our AI-powered analytical models, we introduce our packages tailored to address the changing needs of our customers through the right channel and at the right time.

Our other focus area was providing solutions and campaigns that would solve our customers’ telecommunication needs in the digitalizing consumption world. We ensured the channel loyalty of our customers who

use the Turkcell app by offering packages exclusive to digital channel, the ability to compare all packages, a world of gifts and continuous renewal. Our segmentation structure that we established based on our digital users’ habits, enables us to conduct customer-specific campaigns, thereby assisting us in increasing both the number of customers who have recently started using the channel and the number of customers who regularly use the channel. With digital footprint tracking and customized campaigns, we also increase the top-up amounts of our customers.

Our Corporate Packages

With our innovative offers, we generated solutions tailored to the increasing internet needs of our corporate customers. We multiplied advantages of being a Turkcell customer, through campaign designs ranging from social media package give-aways to car wash gifts, from fuel gifts to free intra-company voice call minutes. For new customers, we provided diverse offers focusing on merchants and SMEs. We launched exclusive campaigns to specific cities identified with a regional focus. Furthermore, with our enriched additional package world, we have enabled our customers to fully experience the difference of limitless internet usage. Through our implementations with the focus on our existing customers’ contract experience, we targeted a higher customer satisfaction rate. Focusing on their life-cycle 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. Thus, we further strengthened the value-for-price perception among both new and existing customers.





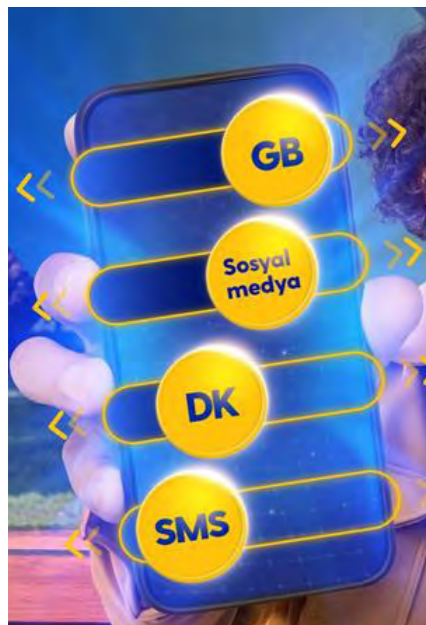
Innovation

Flex Package

With Flex Package, we adapt to our customers' usage habits. Our customers' internet usage needs can change over time. In this regard, for our customers whose package becomes insufficient but who do not prefer to change their packages or purchase additional packages, we introduced our Flex Package. With Flex Package, if the package runs out, our customers are automatically upgraded to the higher level and continue their usage at an affordable price. Moreover, thanks to its contract-free structure, our customers can change packages as they wish.

Thinking Out of the Box with Turkcell Yapboz

As a first in the telecommunication world, we introduced Turkcell Yapboz, the flexible tariff system which allows our customers to shape their package as they wish, across entire Turkey and the digital channel. Thinking out of the box, we introduced a setup where our customers can increase or reduce GB/SMS/MIN content within the month with a unit price invoicing system. In our digital-based project, through a simulation where customers can experience both on mobile and on PC, we helped their adaptation to the digital world.



We Brought the Newest Technologies to Our Customers with Superbox GO

While maintaining our leadership at mobile broadband, we positioned the Turkcell brand also in our

devices and launched the Superbox Go for both prepaid and post-paid customers in June. We made Superbox Go special with features not found in its peers such as high quality, up to 32 device connection capacity and automatic power on.



Two New Features for Prepaid Customers: Doubling and Extending

Taking customer insight into our focus, we introduced two new features towards preventing lavish spending and providing ease of use to our customers. Prepaid customers may purchase the feature of doubling the internet quota in their package, or extending their package duration by one week, upon their wish. This way, we offer a GB solution to the customers whose GBs are not enough, and additional time to customers who think their package contents will be wasted, by providing a more flexible world to our customers.

İhtiyaç Anı (In Time of Need) Campaign

We launched our "İhtiyaç Anı" campaign to enable our prepaid customers to meet their communication needs with the ease of "first use - then pay" 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. "İhtiyaç Anı" package that we offer with an AI-powered analytical model, enables our customers to continue uninterrupted communication by using first and paying for their usage later.

Our Fixed Services

We continue meeting our customers' needs with our broad range of "Turkcell Home Internet" offers including high-speed internet options, setup service at home and suitable contracts. In 2022, we increased our new homepass investments in Turkcell Fiber to bring internet at the speed of light to more houses.

We continue to improve our analytic competencies in order to provide offers in line with our customers' usage habits and our marketing strategies. Integrating customer retention and higher speed upselling models into the Turkcell app, we present our offers to customers via digital channels. We use our analytic competencies also in acquiring new fiber customers through location-based analyses and converting our existing customers to fiber.

We Focused on Valuable Customer Acquisition with Turkcell Fiber and VDSL Speed Festival

In light of the increased need for a fast internet connection after the pandemic, we highlighted our At the Speed of Light with Turkcell Fiber campaigns to bring the speed and quality of Turkcell Fiber to more homes. Leading the market also in high-speed campaigns, we brought 500 Mbps and 1000 Mbps speeds to our customers. We doubled the number of customers using the internet at 100 Mbps or higher compared to last year, through the support of our most up-to-date 1000 Mbps campaigns.

Turkcell WiFi 6 Technology

We bring the most advanced technologies to our customers also in residential internet. Wi-Fi 6 technology, which increases the coverage in the house, was brought to Turkcell Superonline customers for the first time in Turkey. We aim to provide this technology to all fiber homes in the upcoming period. We are already performing the tests of the newest technologies such as Wi-Fi 6E, the more advanced version of Wi-Fi 6 which we call the technology that breaks the walls. By this way, we are striving to make Turkey one of the leading countries in digital transformation and access to information.

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.

The main internet route of Turkey

We have been working to position Turkey as the main internet route and Istanbul as the regional 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

Through our global business partnerships and the opportunities we followed up closely in 2022, we aimed to increase the international spread of our digital services and technologies.

In 2023, we will continue to expand the spread of our solutions by increasing our footprint in new markets where we will offer our international services.





Our Segments

Turkcell's World of Privileges: Platinum

We started 2022 with the launch of the Platinum application, renewed both in design and infrastructure. The contents and the UI of the application were renewed to suit the new trends and our audience which increasingly grows younger. We added new features such as advanced voice search and contacting customer service through the app with a chatbot. Also, with the "Surprise of the Week" we increased our online benefits valid on the leading electronic trade platforms of Turkey, and started offering thousands of gifts from multiple brands every week. We continued to gift our customers the newest devices and accessories through our regular "Dream Gifts" raffles. Free YouTube Premium membership, was added to our privileges for the first time this year, has been one of our most frequently chosen campaigns. The Platinum Privilege Program, continuing with many privileges such as coffee gifts, car rentals, discounts in premium brands and Havaş, has been visited approximately 21 million times this year. Our brand has continued to enrich the lives of our customers this year with sponsorships such as Turkcell Platinum Park, Zorlu PSM, Turkcell Valley and the privileges offered. You can check the ["Turkcell Platinum application"](#) to discover the Turkcell Platinum privileged world of opportunities.

The Place for Youngsters to Have Fun and Win: GNÇ

On GNÇ, the favorite application of young people, we pleased youngsters with the abundant offers we have provided in 2022, and provided them an enjoyable time with our new entertainment platforms. The GNÇ application became one of the top 5 applications in Turkey in the entertainment category again, by surpassing 16 million active downloads. In 2022, we reached an activity of 4.3 million in GNÇ and increased our application revenues.

On "Çatlat", the favorite internet campaign of young people, we had more than 100 million participations this year, and with our new campaign GNÇ Galaxy, youngsters won gift certificates from their favorite brands with the stars they collected in the application.

We improved our game contents in 2022, as 15 new free games were offered to youngsters. In the upcoming year, we will continue to bring novelties to the youth with our AI-supported game platform; and continue to be their favorite application with the user-friendly experience, abundance of offers and fun content with our wholly new application.

Shake and Win Continued to Put a Smile on the Faces of Our Customers

We kept delighting our customers with a wide range of gifts from Shake and Win, one of the most popular and most-participated campaigns of Turkcell. In the year of 2022 we delivered millions of gifts every week. In accordance with the changing needs of our customers over time, we will continue to make additions to our Shake and Win campaign and the gifts we offer here.

We have continued our Shake and Win setups for special days. In the upcoming years, we will continue to provide our customers with the abundance of Turkcell with new additions to Shake and Win, and contribute to our company KPI's.

Turkcell Biz

Turkcell Biz has been in our lives since September 2020 and has created a difference with offering features like free of charge GB transfers, which our customers had been expecting. It has been successful in terms of originality and has met a large audience as a value in line with Turkcell's innovative image.

The platform where women support each other "Turkcell Bizce"

We continued to offer totally new features and content with Turkcell Bizce, which we aim to become the favorite application of women. The raffles and Collect Coupons campaign we held through the year continued to receive attention, and millions of our users participated in our campaigns. We added new games to the existing ones. With games such as "Words that Win" and "4 Operations, Lots of GB" which earn new GB for users, the games were played 10.7 million times in total. Brand new "Our Forum" feature enabled them to share their comments and experiences under experts' videos. We facilitated their lives with our users' videos in the "Do It Yourself" category and "Share Discount". We started offering important and practical information and recipes in the digital calendar "Today at Bizce", where we digitalize nostalgic habits with innovation. We launched the "Ask Yourself" platform to create little breaks for women. We collaborated with different brands to offer various discounts and benefits.

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. These packages have been offered to parents first by Turkcell, after analyzing their needs and bringing together the solutions suitable for them. Turkcell has owned the children's segment with its children's packages and supported its innovative image. The children's segment continues to grow with communications from our side where we reach parents in all kinds of media.

Our Customer Relations

Customer satisfaction and loyalty

As the Turkcell family, in line with "Our Brand and Connection with the Customer" initiative, we strive to make our customers feel "Safe, Valuable and Happy" in every step we take and with every product or service we design, and we aim to provide our customers with an "easy, personalized and consistent" experience.

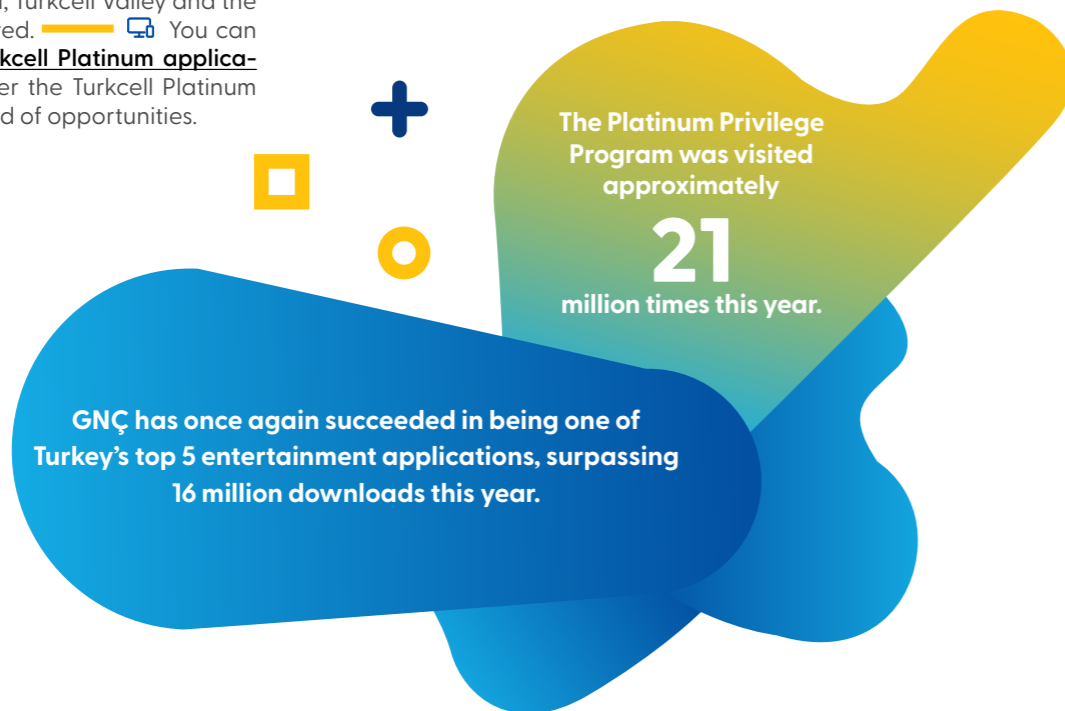
We expect all Turkcell employees to make decisions keeping the motto "I'm Here for My Customer" in mind and consider Turkcell Experience Principles when making such decisions. As part of our people-oriented communication approach, we listen to the ideas, needs, recommendations and requests of our customers. 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 "One Turkcell" approach, we keep "Omnichannel Experience" in our customer relations management priorities. With our Omnichannel project, we aim to provide an integrated experience in Turkcell customers' interaction with our channels, where our customers do not need to provide the same information repeatedly, are surprised by our technology, and all channels are managed harmoniously during their customer journey.

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 the 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. More than 1,000 of our employees from different business units and levels volunteered to become part of various customer experience projects which target customer-oriented cultural transformation. We included our customers in this cultural transformation through the hackathons we organized under the name "Hacxathon" with a focus on customer experience and developed various projects with university students. Through the Hacxathons, we reached over 1.6 million university students in Turkey and Northern Cyprus. We worked with over 500 university students to improve Turkcell products and processes. Driven by our customer-oriented approach, in 2022, we received the third prize of the "Customer-Centric Culture" category of the Customer Centricity World Series, among the most prestigious organizations related to customer experience.





Knowing that a better solution is always possible for our customers, as Turkcell, 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 provide 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 instantly recognize customers by voice thanks to our artificial intelligence integrated text and audio analytics capabilities.

Turkcell Celly (chatbot) with artificial intelligence is a self-service help bot located within the "Turkcell Application", the gateway of our company to digital, and developed 100% by Turkcell engineers. Turkcell Celly provides services to our customers 24 hours a day, 7 days a week, in more than 180 different subjects, from invoice transactions to international settings, from package information to gifts. In 2022, 12.5 million of our customers have conducted 60.1 million conversations with Celly, and an average of 97% of these inquiries were completed at the first contact. Thanks to the proactive information we provided using our analytical competencies,

701 thousand packages were sold under the guidance of Turkcell Celly. We will continue to add speed and convenience to our customers' lives also in the future, and to transform Turkcell Celly's competencies by using the strength of our technology.

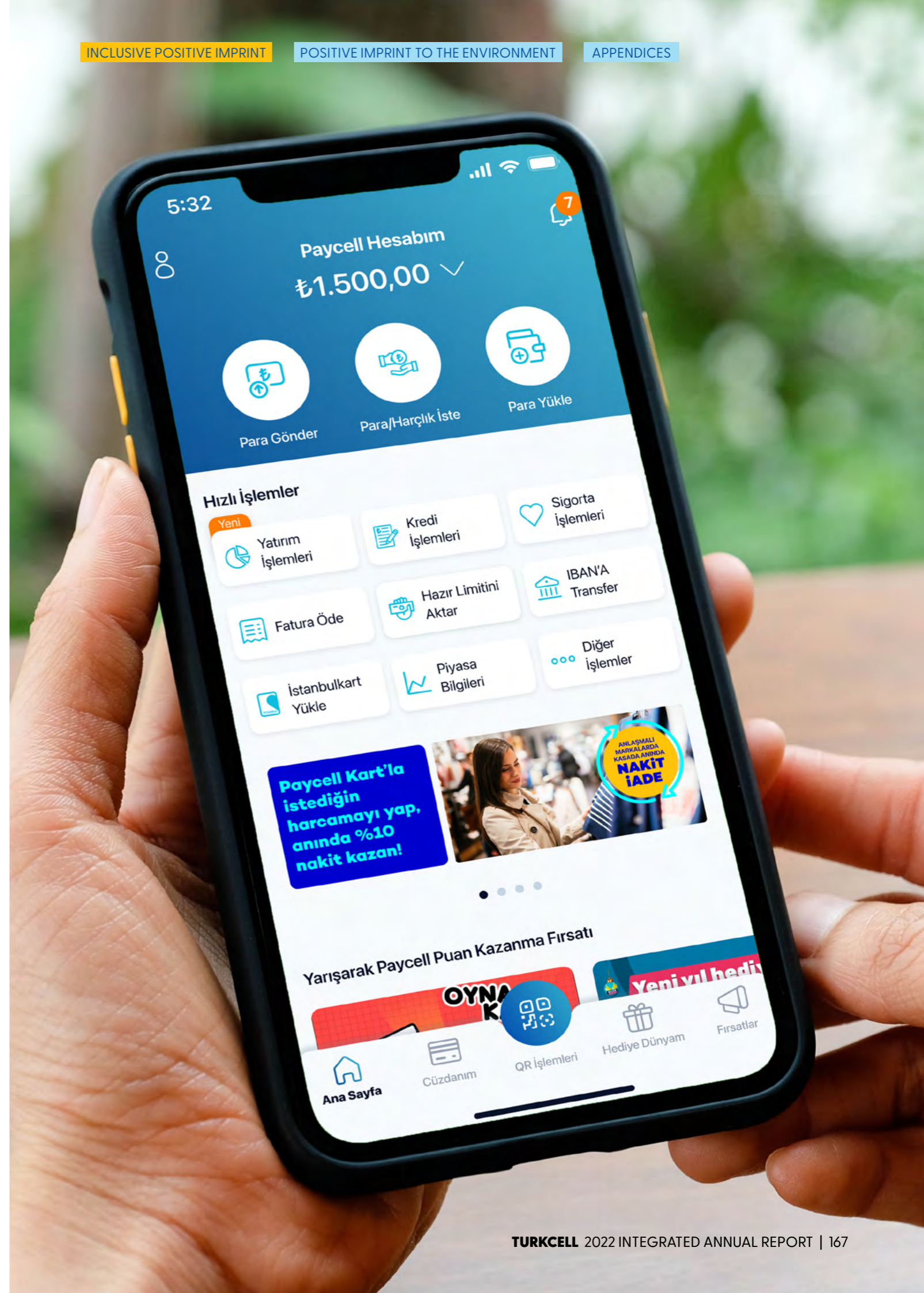
We respond 24/7 to our customers on Facebook, Twitter, Instagram, YouTube, and LinkedIn with a total of 65 accounts. We address an average of 890 thousand of social media content monthly. We provide support to our users regarding our digital applications by initiating dialogue reflecting the nature of the respective platforms and our brand positioning. Meanwhile, we index 10.7 million social data annually by using our analysis models empowered with artificial intelligence systems and take various actions to improve both reputation management and customer experience.

Average response time of all platforms and accounts (minutes)

| | | | |
|------|------|------|------|
| 20 | 18 | 17 | 12 |
| 2019 | 2020 | 2021 | 2022 |

Improvement rate of average response time of all platforms and accounts, compared to the previous reporting year

| | | | |
|------|------|------|------|
| 42% | 10% | 5.5% | 29% |
| 2019 | 2020 | 2021 | 2022 |





Value-Driven, Responsible Supply Chain Management

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”. Apart from this, to prevent employment by force, we include the article “The company should not employ any kind of forced labor. 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 Combating Bribery and Corruption



As sustainable supply chain increases competitiveness of corporations 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 operations in Turkey and abroad, 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.

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.

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.

As of 2022, we have started the supplier sustainability evaluation process. Within this scope, with the survey we have held through our Supplier Management System, we are evaluating the process maturities of our suppliers in the topics of management systems, human rights,

environment, sustainable supply chain, legal compliance and occupational health and safety. At the first phase, we have made this study for suppliers which account for 65% of our purchasing volume. After the evaluation, we shared their points, areas of development and our supplier sustainability roadmap, which we expect all of our suppliers to follow, with our suppliers. And with our suppliers who scored below 70 points, we assigned a training prepared by Turkcell Academy on general sustainability and the sustainability journey in the supply chain.

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 commercial issues, service quality, deliveries, process management and communication, innovation and business continuity. 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 2022 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.

In June 2022 we brought our supplier ecosystem together in two different events. First, we organized the “Local Production with Innovation and the Power of SMEs” event with the partnership of TOBB and participation from the Ministry, where we addressed local producers and informed them about our efforts for their development. Afterwards, we held the “Supplier-Oriented Innovation Day”. We physically met 100 principal suppliers from categories where we expect innovation. We also provided online connections for our other suppliers. We informed them about the program where we turn innovative ideas from our Suppliers into projects. We introduced the projects that have so far been realized. We presented their awards to the Turkcell employees and suppliers who participated in the project. We informed the companies about application channels for new ideas. We held panels for digital transformation and sustainability and energy efficiency. We communicated our expectations for ideas from the companies. We created an open innovation environment.

With these events, we have described our Supplier-Oriented Innovation, Local Production and Startup Support programs to the companies in the ecosystem.

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 an example, we have provided technical support in the works to locally produce the lithium batteries by Aspilsan, which we used to import. With the readiness for production in 2022, we have signed a supply agreement. As Türk Telekom also made a purchase agreement, we organized a joint

launch. 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 56% in 2022.

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 47 business agreements in total with 36 companies affiliated with 20 technoparks in 12 cities and generated a trade volume of TRY 26.3 million by the end of 2022.

The localization rate of our main suppliers, which corresponds to approximately 90% of our total purchase volume, has been realized at **56%** in 2022.



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 executive vice presidents, 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. Within the scope of the program, as of the end of 2022, 100 ideas were evaluated, 14 were escalated to the committee, and 11 were approved and implemented. With the savings and additional income from these projects, TRY 55 Million in total has been gained so far. Projects are expected to make a potential contribution of TRY 164 million in a 5 years perspective.

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.

After organizations and events, our contracted stand construction company stores the stands they have produces, and we utilize them on many other activities later. This way, we prevent production from scratch for every event.

As of the end of 2022, 100 ideas were evaluated, 14 were escalated to the committee, and 11 were approved and implemented.





Equality of Digital and Social Opportunity

Utilizing the healing and equalizing power of technology, we provide equal opportunity to access information for children, women, refugees, people with disabilities, the elderly, and low-income people leaving no one behind. We are inspired to allow their potential to shine and we try to provide inspiration ourselves. With the projects, sponsorships and events that we work in many areas, we transform the propelling power of technology to benefit for everyone with an inclusive and sustainable approach.

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, 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. As part of the Whiz Kids Project, we reached 80 laboratories in total in 45 cities by establishing 5 new classes in 2022.

To date, over 7 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. 80 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.

Accessibility in Service Processes

We have created sign language and voiceover versions of information packages such as payment service agreements, resolving of certain disagreements, use of products and others which directly affect customers but are hard to access for our vision and hearing-impaired customers, and made them available on our corporate website.

Our customers can now reach Face-to-Face Customer Service from Turkcell Digital Operator, Sign Language and BiP applications, Turkcell and Superonline stores, and receive visual service in sign language from 10:00 to 01:45, every day of the week. This service model, free of charge for our hearing-impaired customers, includes external calls and callbacks. Customers can contact the call center by clicking the link in the message that is sent when an SMS is sent. We serve approximately 3,000 hearing-impaired customers through our video-enabled call center per month.

Whiz Kids Robotic Hand Training Program

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 2022, through the Robotic Hand cooperation, we provided this support to 120 children waiting for hands.



Women Developers of the Future

The purpose of Women Developers of the Future project, brought to life by Turkcell in collaboration with TOBB and TOBB Female Entrepreneurs Assembly, is to increase female entrepreneurship and employment in the field of technology.

The target audience in our project is women over the age of 18 that are high school graduates, university students or university graduates who wish to work in the mobile technology industry or realize their business idea using mobile technologies.

To date, around 3,200 women have been involved in the Women Developers of the Future project, which consists of various trainings, seminars and contests in order to develop their capacities in the field of technology and entrepreneurship. Close to 200 women have been employed in the field of technology in the first two years of the project.

Since 2021, the project has progressed with a new version where women can utilize their capacities in technological entrepreneurship to search for solutions

to climate change as well. Research shows that women are affected the most by climate disasters, however, they are underrepresented in the process of developing solutions. For this reason, while Women Developers of the Future supports the equal existence of women in the field of technology, it has transformed into "Women Developers of the Future Climate Ideathon", to also support the equal existence of women in the climate change solution process. The women have received technology, entrepreneurship, assessment, business model establishment training and mentorship support, have competed with their technology-based solution ideas in the themes of "Efficient and Renewable Use of Energy", "Waste Management", "Carbon Footprint Management and Sustainable Agriculture". At the event held, the prizes were presented to the women by Mrs. Emine Erdoğan, the wife of President Recep Tayyip Erdoğan.

Whiz Kids-ZEKATHON

Zekathon is an event organized as part of the Turkcell Intelligence Power project in collaboration with the Ministry of Education, with the purpose of the students in more than 150 Centers of

Science and Arts (BİLSEM) in Turkey finding solutions to problems in environment and sustainability, and developing project ideas.

The Zekathon process was designed to allow all teams to work online. Throughout the tournament, teams received online training in topics such as 3D design and coding, met weekly with their mentors, and developed their projects. Turkcell Zekathon received 163 team applications in total. The jury, comprised of executives from the business world, the Ministry of National Education, and Turkcell, evaluated the projects and awarded eight of them.

Digital Literacy Program

We work to disseminate our "Digital Literacy" training through various channels in order to address the growing need for digitalization after the pandemic period, as well as the growing needs of women and those over the age of middle age who have yet to experience these applications. With our Digital Spring project, we provide these trainings to our elders in nursing homes and allow them to meet the online world in a safe way.





Social Investment and Sponsorship Projects

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 livable world, and striving for social development and environmental sustainability in all our activities.

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, and disabled people. We have been continuing 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 for many years.

Beside sports and culture, arts, we support congresses, conferences and events in many fields such as technology, health, environment, energy, economy, marketing and information technology to continue our contribution to our country in every field.

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

Turkcell Volunteers, consisting of Turkcell employees who have come together to deliver social benefits and raise social awareness, kept on creating value in 2022. 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, we reached 250 volunteers with the activities and events we organized in 2022.

The Digital Spring Project

We remembered our elderly people living in nursing homes, and to connect them to life stronger with our technology, we created the "Digital Spring" technology rooms where they will experience technology. 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 beauties of our country with VR sets in these rooms. As part of the project, which we launched in 2021 with a press meeting with the participation of the Minister of Family and Social Services, we put our Digital Spring Halls into operation in Osmaniye, Adana, Aydın, Samsun and Erzincan in 2022. This way, we reached 5 nursing homes in 2022, and let our elders connect with technology.

Close to Life Project

To support children with autism and their families across Turkey, we brought the Close to Life Project with Tohum Autism Foundation to cover the guidance and psychological needs of children with autism and their families.

With BiP, the communication and life platform which transcends barriers with technology, we created a professional communications channel where families of children with autism can find answers to their question on autism and special education from specialist doctors and teachers. With the "Close to Life" project, which commenced on April 2, World Autism Awareness Day in 2022, we aim to provide company to families in this situation and provide them with a comprehensive, fast and reliable channel in case of need.



Sports Sponsorships

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 20 years, our Men's National Football A Team is competing in the European Football Championship Germany 2024 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. We are continuing our efforts and events in order to extend Turkcell Women's Football League to larger masses and increase awareness of women's football. In the last two seasons, we carried the league's play-off and final matches to TV channels and digital media for the first time. With our communication efforts, we have won the Gold Prize from International Public Relations Association.

Turkcell Super Cup

We included Turkcell Super Cup, which brings the champions of Super League and the Turkish Cup together, and which we had already supported in past years, in our agreement with the Turkish Football Federation. We continue to meet football enthusiasts in our communication efforts and events in this scope. "The Cup of Cups" Super Cup was won by Beşiktaş in 2021 and Trabzonspor in 2022.

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.

National Athletics Team Sponsorship

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 continued registering successes in the 2022 season. Our national athletes brought home 262 medals in total in 38 different tournaments in the international arena. Additionally, while the number of active athletes reached 36 thousand in 2022, the number of licensed athletes added up to 187 thousand.



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 more than 10,000 registered men and women athletes in all branches. Our Amputee Football National Team, which had two consecutive European Championships, became the World Champion in the World Championships organized in our country.

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 3rd 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.

Received with the sponsorship of Turkcell in 2022; athletics medals



Received with the sponsorship of Turkcell in 2022; number of medals for physical disability sports



Received with the sponsorship of Turkcell in 2022; university sports medals



Turkcell Granfondo Cycling Race

Turkcell Granfondo road bicycle race series was started to raise awareness of cycling for a sustainable environment and to support cycling in Turkey. The races took place in Istanbul in June, in Ankara in August and in Izmir in September, 2022. More than 4,000 amateur and professional cyclists from 38 different countries participated in the races. 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 awareness for the Sustainable Development Goals. We took part in the event area with our Paycell, TV+, Pasaj, fizy, BiP and Lifebox brands.

Turkish University Sports Federation

In 2022, we have become the main sponsor of Turkish University Sports Federation, which provides 30 thousand university students from 210 universities the chance to do sports in 70 different branches. With this cooperation, we are supporting TÜSF to create sports awareness among the university youth and allow more university students to be able to participate in the activities. In Turkcell Winter Sports Games, held in Erzurum, hundreds of young athletes from 80 universities competed in races organized in 11 disciplines. But the biggest organization of 2022 was GNÇ SporFest organized in May. With the title sponsorship of GNÇ, thousands of young athletes

from more than 100 universities competed. Another important event from Turkish University Sports Federation, ÜniLig, was organized again this year with Turkcell's communication sponsorship. Inter-University World Cup 3x3 Basketball Championship, organized by TUSF and FISU with Turkcell as the main sponsor, hosted the matches of 12 men's and 12 women's teams. Our national athletes brought home 195 medals in total in the international arena.

Culture – Arts Sponsorships

Turkcell Vadi

Designed to promote the culture and art industry, one of the industries most impacted by the pandemic, Turkey's new open-air stage Turkcell Vadi was opened to art enthusiasts on April 16. In our open-air stage Turkcell Vadi, which won 3 gold prizes at once in the IPRA Golden World Awards this year, many local and international artists took to the stage, and more than 150,000 attendees visited the location which hosted 45 events, from concerts to theater plays.

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, prioritizing visitors with disabilities on entrance to the facility and creation of a special viewing area for them. With the live audio description technology in the My Dream Partner application, our visually-impaired guests experienced Turkcell Vadi Theater Days. Turkcell customers enjoyed the privileges of Platinum Black entry gate, VIP lounge and discounted tickets at the events.

Turkcell Starry Nights

Music lovers enjoyed a series of magnificent summer concerts with the Turkcell Starry Nights event. The Turkcell Starry Nights event, consisting of 10 concerts at Turkcell Vadi, attracted 30 thousand people this year. As in last year, a concert was translated to sign language on stage during the Turkcell Starry Nights event, enabling hearing-impaired audience to enjoy the concert as well.

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.

At Zorlu PSM, which we renewed our collaboration contract for 5 years in October, we have hosted over 1.5 million visitors at over 1,500 events since 2018. In line with our sustainability-oriented approach, we hosted visually-impaired guests with My Dream Partner live description technology in theater, musical and similar events at Zorlu PSM Platinum Stage.

Smiling Fairy Tales from Turkcell

On May, as part of Disabled Persons' Week, we brought the "Smiling Fairy Tales" project to life, in collaboration with Content for Children (ÇİÇEK) Association. As part of the project, physical and mental diversities, which are not encountered in the magical world of fairy tales, found their place in Smiling Fairy tales. Characters in 6 different tales, which met the children and parents, are played as they should be in life, not specifically mentioning their diversities and without discrimination. We believe every individual has a special role in society. The fairy tales are on Turkcell's My Dream Partner application, Dergilik and fizy.

Circular Electronics Digital Children's Book

In the week of April 23, as part of our activities to extend environmental awareness to all of society, and with support from Turkish Informatics Industry Association (TÜBİSAD) and the Education Volunteers Foundation of Turkey (TEGV) in a digital collaboration, we brought the "Ant Leg and the Giant Leaf" circular electronics digital children's book to life. The book, formed with the intent to create environmentally friendliness in children, was voiced by Turkcell's brand face, famous artist Melis Sezen. The digital children's book is on Turkcell's My Dream Partner application, Dergilik and fizy. As part of the project, when children who have read the book bring their technological waste to Turkcell Stores, they receive a "Circular Electronics Certificate".

Our Other Sponsorship Projects

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 and society with Turkcell Platinum Park since 2018, on 200 acres of land. Turkcell Platinum Park brings off-road enthusiasts together in nature in the center of Istanbul. It also offers multiple experiences with special advantages to customers. Platinum customers can experience many outdoor activities such as off-road, archery, jungle run, and summer outdoors cinema here. Outdoor activities in Turkcell Platinum Park, where families can come with their children and spend fun time together, teach kids about life in nature at a young age, in a fun way.

Turkcell Dialogue Museum

With our sponsorship of Turkcell Dialogue Museum, as part of our project to take visitors to another world with visual and hearing-impaired guides, we have employed more than 70 visual and hearing-impaired people in Istanbul and hosted more than 500 thousand visitors up to now.

Summer and Winter Locations

At Kartalkaya, one of our country's most important skiing centers visited by more than 500,000 people in the season, as Turkcell, we have been offering our customers Platinum benefits since 2014. Also, at distinguished beaches in Çeşme and Bodrum, we integrate our different brands in summer to provide exclusive privileges and advantages to our subscribers.

Sectoral Supports

As Turkcell, we aim to carry our leading position in telecommunications also to other sectors, follow innovative approaches and contribute to the development of the related sector. Accordingly, we are sponsoring congresses and conferences in many fields, from HR applications to digital marketing, from supply chain management to aerospace, from cyber security to techfin solutions. With our sponsorships, we come together with various target audiences, such as startups, students, investors, NGO and public representatives, academicians, white collar employees and middle and high-level managers of corporations. We had the opportunity to meet hundreds of thousands of people and communicate our messages in more than 50 congresses and conferences throughout the year.

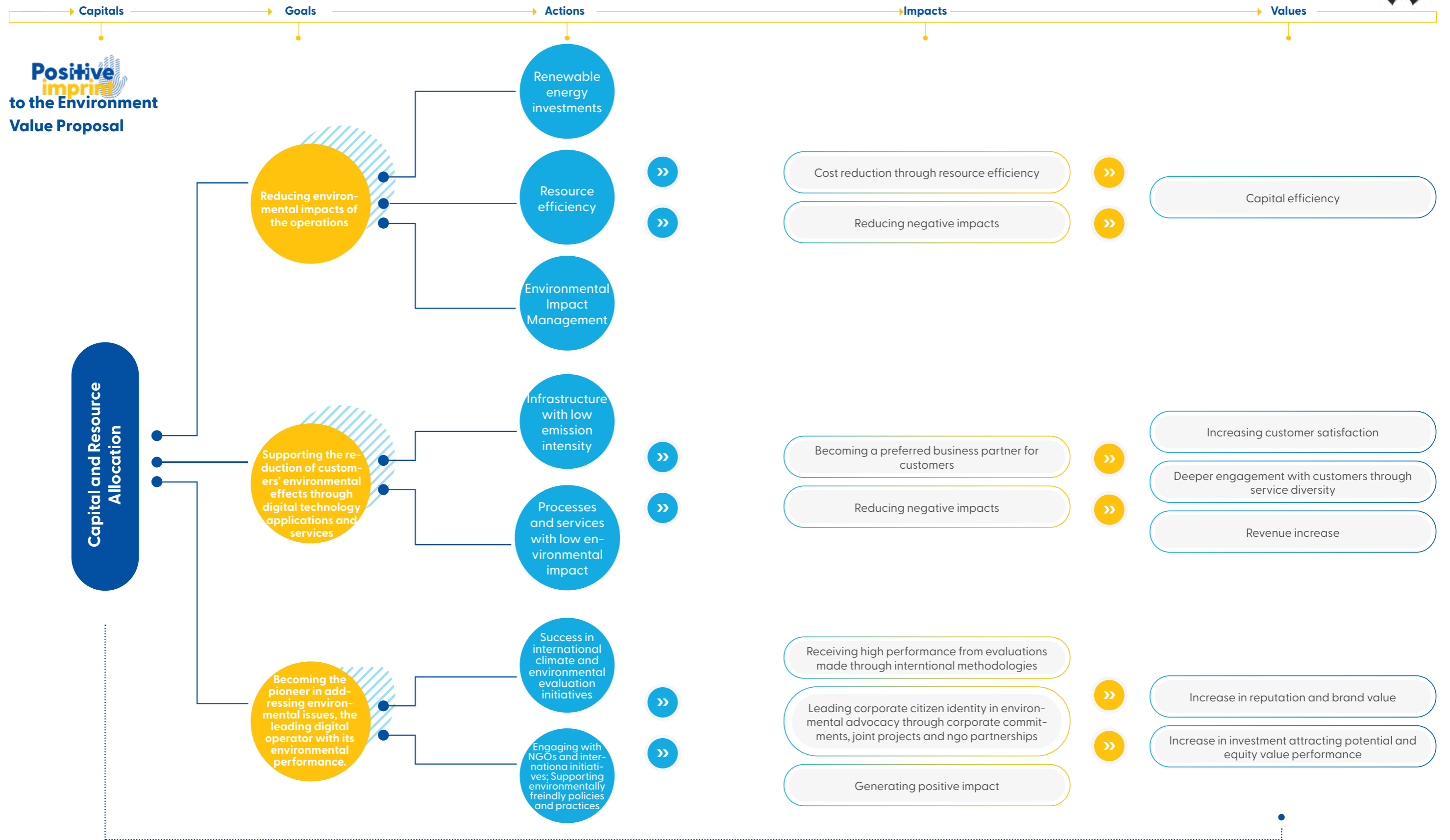


Positive imprint to the Environment

With the Positive Imprint to the Environment strategy, we aim three main corporate objectives: Reducing the impacts arising from Turkcell operations, supporting the reduction of customers' environmental effects through digital technology applications and services, and becoming the pioneer in addressing environmental issues, the leading digital operator with its environmental performance. For Turkcell, reaching these objectives is not only required for being a responsible corporate citizen, but also the prerequisite for creating sustainable business value tomorrow same as today.

- Natural Capital



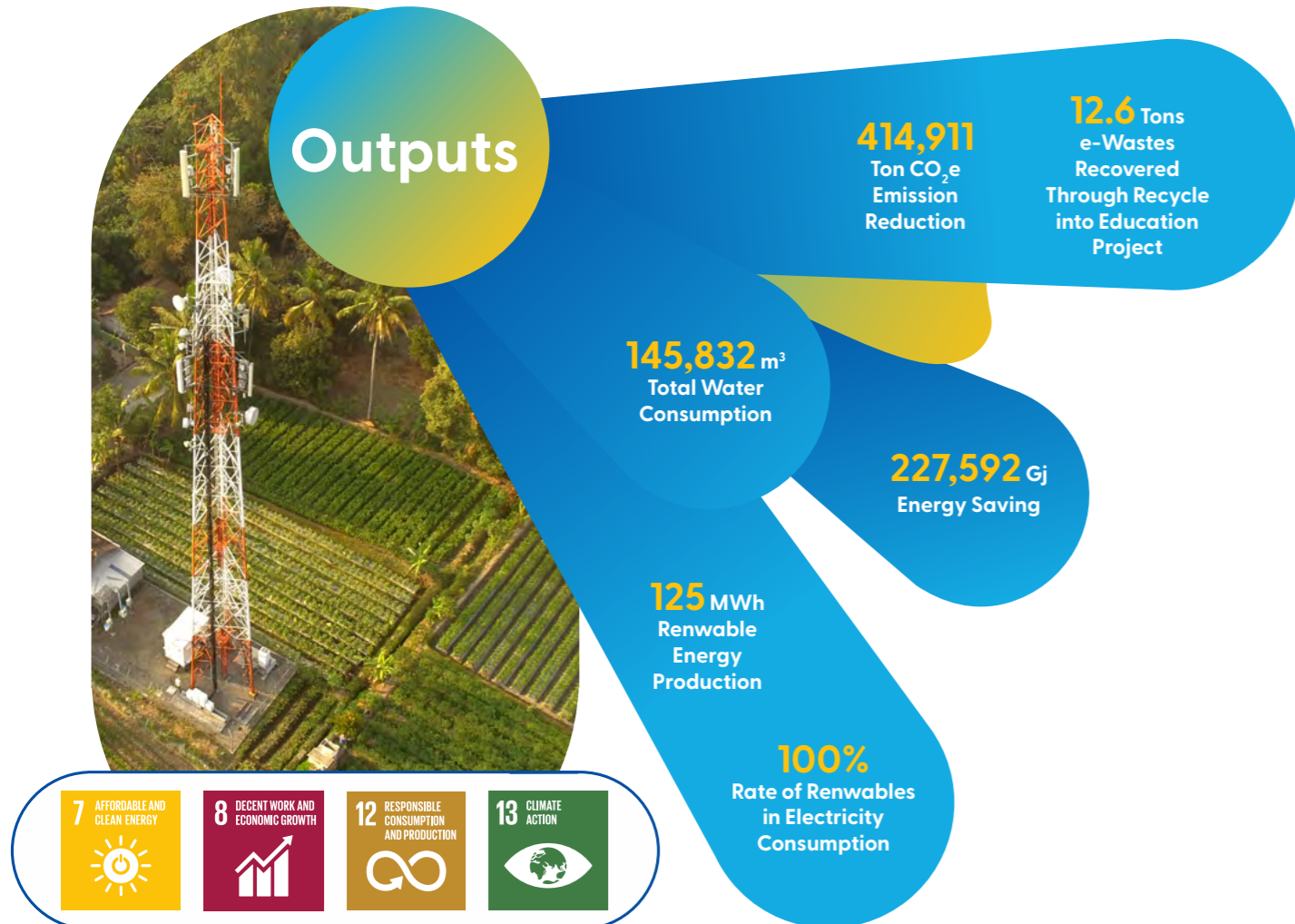


Integrated Value Creation
 (Financial Capital, Natural Capital, Manufactured Capital, Social Capital, Human Capital, Intellectual Capital)

With the activities conducted in line with Positive Imprint to the Environment strategy, direct and indirect contributions are made to performance production in fields identified in the scope of integrated value generation model. Outputs of these efforts contribute directly to the development of natural, financial and manufactured capital, and indirectly to social, human and intellectual capital.



Natural Capital



| Main Targets | Short Term Target | Mid-Term Target | Long Term Target | 2021 Performance | 2022 Performance | Current Status Towards Target |
|---|--|---|---|-------------------------|--|-------------------------------|
| Meeting electricity need from renewable sources | - | - | 100% (by 2030) | 100% | 100% | ⬆️ |
| Renewable energy investments | 0.8 MW Installed Power Investment (2022) | 300 MW SPP, 9.6 MW WPP Installed Power Investment (2023-2025) | 300 MW SPP, 27.6 MW WPP Installed Power Investment (2026) | 18.7 MW Installed Power | 19.5 MW Installed Power | ⬆️ |
| Reaching Net Zero operating level | - | - | 100% (by 2050) | - | - | ⬆️ |
| Reducing GHG emissions | - | - | 55% (by 2030) | - | 414,911 ton CO ₂ e emission reduction | ⬆️ |
| Recycling all wastes | 100% (2022) | - | - | Completed | Completed | ⬆️ |

⬆️ Positive development ⬇️ Negative development ⬆️ Ongoing

Environmental Management

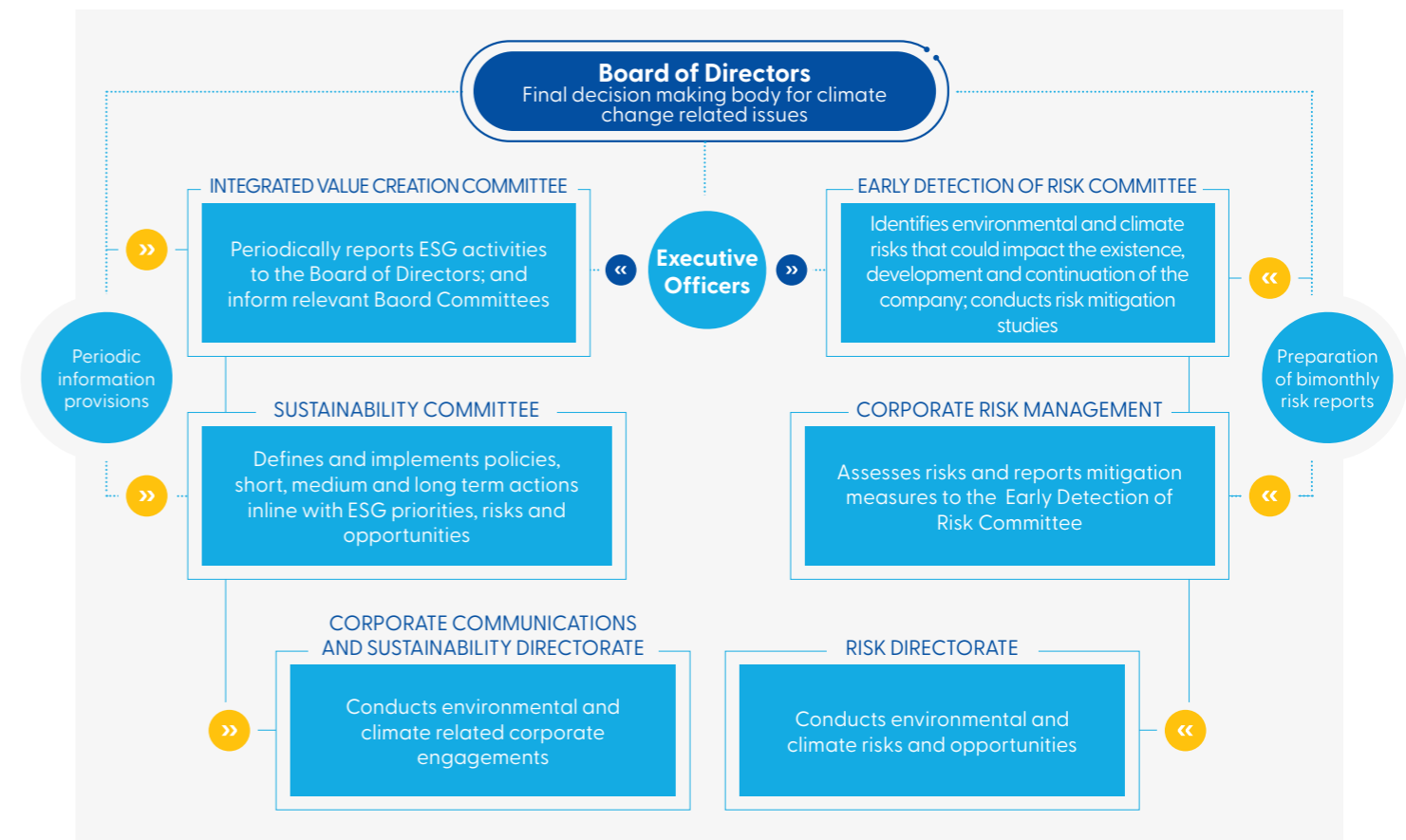
Due to the responsibility on the overall sustainability strategy, Turkcell Board of Directors is the highest body also responsible for the Company's environmental management processes. Similarly, the Integrated Value Creation Committee and the Sustainability Committee are also responsible for the strategic and planning level management of environmental sustainability processes. The committees are responsible for evaluating the gathered performance results and reporting both to the Board of Directors and all our stakeholders via the Integrated Annual Reports. Corporate Communication and Sustainability Directorate is responsible for the coordination and planning activities in the management of our environmental impacts, primarily the climate change. Besides, all our

units responsible for the management of business processes and assets where the impact occurs, are also responsible for carrying out activities for increasing the performance and reducing the environmental impact. All senior executives have individual objectives in the fields of environment and climate, and these objectives are monitored on the basis of KPIs.

Environmental management across the company is carried out according to the principles stated in the [Turkcell Environmental Policy](#). The necessity to comply with all legal regulations binding Turkcell is the minimum norms of operation. In this scope, in 2022, no events violating environmental regulations have occurred due to Company activities and decisions, no complaints have been directed at the Company management in this regard,

and no monetary or non-monetary fines have been issued for non-compliance.

Various international system standards are being followed for the effective management of environmental management processes. In this scope, ISO 14001 Environmental Management System Standard, ISO 50001 Energy Management System Standard and ISO 14064 Greenhouse Gas Calculation, Reporting and Verification System Standards are the internationally accepted management systems that we adhere to. The validity of the system standards is certified with independent audits performed periodically to ensure system reliability and continuity. You can access the [certificates for the standards we follow from the corporate web site](#).





Environmental management processes are carried out with a risk and opportunity-based approach. Environmental risks identified through corporate risk management activities include the risk components, primarily climate change, which may be caused by our operations or may negatively affect our business performance. Identified risks and opportunities are managed by converting them into specific performance and time-based SMART targets within scope of the integrated value creation model and the sustainability strategy. In this regard, during the last reporting period, KPIs were set and assigned to all company employees including our CEO, and are periodically monitored at least on annual basis depending on their subjects. The studies carried out and the outputs gathered in scope of the environmental strategy are evaluated on their financial, operational, legal compliance and environmental aspects and also reviewed during internal auditing activities.

You can find the list of environmental performance indicators and performance values from the **APPENDIX4- Performance Indicators list**.

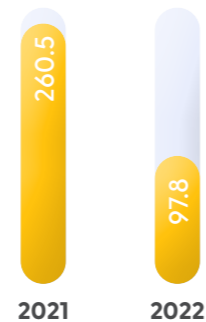
In the Turkcell value chain, which has a wide operational structure, many assets and business processes with environmental impact are present. Across these processes and assets, the management of environmental impacts and carrying out performance improvements and control activities require a significant financial resource allocation. In this context, the amount of our renewable energy investments is 97,8 million TL in 2022.

Various training activities are held for improving the knowledge, experience and awareness of company employees in environmental effect management. In this scope, all Turkcell employees participated in environmental and sustainability training in 2022.

Environmental Investment Spendings (TRY million)

Investment Costs

In prize contests we hold, we encourage our employees to adopt environmental sustainability as a business value, and provide their participation and support. We recognize our employees' activities that support performance increases in line with our environmental objectives with incentives and rewards. In this scope, the first 3 employees who completed their sustainability training in 2022 were gifted electric scooters, the employee who brought in the most electronic waste was gifted an electric bicycle, the second employee was gifted a smart watch and the third a blue-tooth headset.



Climate Change

Climate change is currently considered as one of the most material issues which creates many acute and chronic risks on the physical, social and economic environment worldwide and on global business life. Since it accounts for the most significant part of impacts emerging from Turkcell's activities, it is the most fundamental element of the Positive Imprint to the Environment strategy. Almost all of our environmental management activities are directly or indirectly related to the climate change.

Participation in international initiatives forms an important part of the efforts against climate change. In this scope, Turkcell was among the first 8 operators worldwide and the first GSM operator in Turkey that joined the GSMA Mobile Net Zero initiative formed to reach the net zero objective in the telecommunications sector. On the other hand, another effort that supports

our net zero objective is our study to convert our emission targets into science-based target systematics. We have made our application with our net zero objective plan formed in scope of the SBTi initiative. In the upcoming period, we expect our objective plan to be approved by SBTi after the necessary evaluation processes. On the other hand, we participate every year in the international investor initiative Carbon Disclosure Project, where our efforts against climate change are evaluated in a wide scope from governance structure to the risk-opportunity systematic, from the improvement activities we perform to the performance we achieve. According to study results declared in 2022, Turkcell's CDP Score was assessed as A- and Turkcell was the industry leader in Turkey. Apart from these, our environmental and climate performance is evaluated with various aspects within the scope of the Borsa Istanbul Sustainability Index and the MSCI ESG Index.

Management of Climate Risks and Opportunities

Climate change risks directly influence Turkcell's business operations. Measures are taken against extreme weather events and natural disaster risks caused by climate change and studies are carried out by foreseeing the increase in average temperatures in the long term. In our company, the impacts and results of opportunities and risks caused by climate change are evaluated and tracked in the Corporate Risk Management framework. Our energy-focused activities are focused on environmentally friendly, green energy sources inline with the Sustainable Development Goals. In order to manage our energy dependence, we aim to cover 100% of our energy requirement with renewable sources by 2030.





Greenhouse Gas Emissions

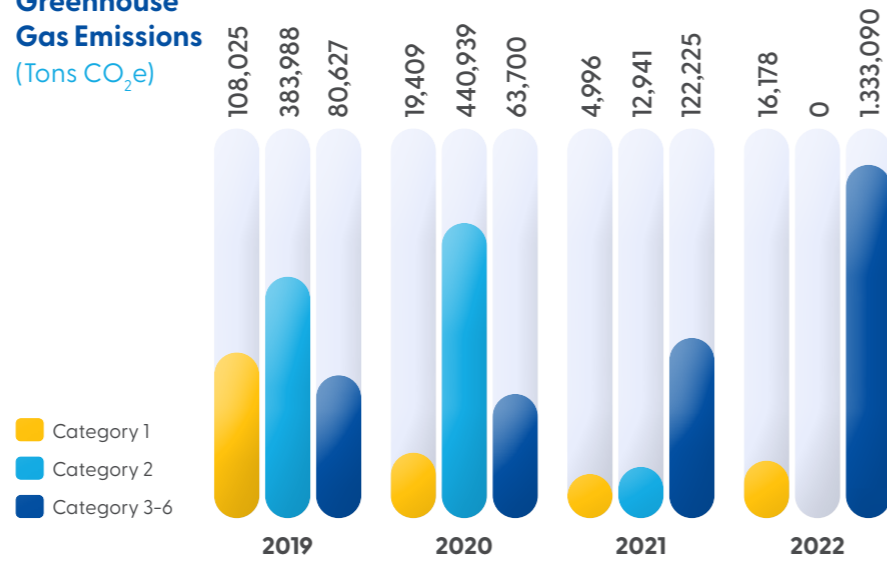
Greenhouse gas emissions caused by our operations are comprehensively mapped and calculated inline with ISO 14064 standard. Calculations performed in Scope 1 and Scope 2 levels in the previous periods were expanded in 2021 with the addition of indirect emissions at Scope 3 levels. In the reporting period, mapping studies were repeated by adopting the updated ISO 14064 standard, and all 6 emission categories were included in the calculation studies. The calculations performed are independently audited.

In the reporting period, total greenhouse gas emissions were 1,349,268 Tons CO₂e. 16,178 Tons CO₂e of this amount were fuel-related direct emissions (Category 1), 0 Tons CO₂e were electricity consumption-related indirect emissions (Category 2), 1,333,090 Tons CO₂e were other indirect emissions (Categories 3-6).

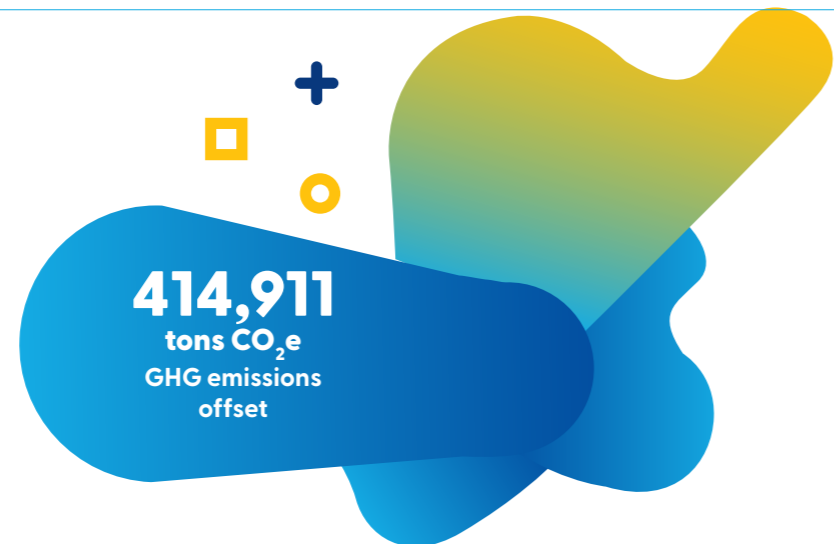
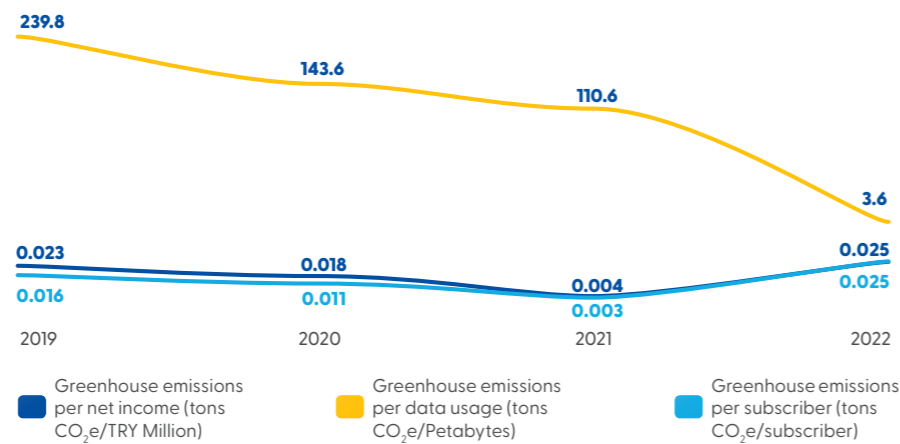
On the other hand, according to relative emission amount evaluation performed by including Category 1 and Category 2 emissions, emission per data usage in 2022 were 3.6 tons CO₂e/Petabytes and emissions per net income were 0.025 tons CO₂e/Thousand TRY.

In the reporting period, 414,911 tons CO₂e of carbon emissions caused by our activities were offset by carbon certificates formed in YEK-G Standard.

Greenhouse Gas Emissions (Tons CO₂e)



Relative Greenhouse Gas Emission



Energy Management

We are carefully managing our energy consumption, which forms the most significant part of our environmental impact portfolio, especially greenhouse gas emissions, according to ISO 50001 Energy Management System Standard. The two main focuses of our energy management studies are efficiency studies to reduce total and relative

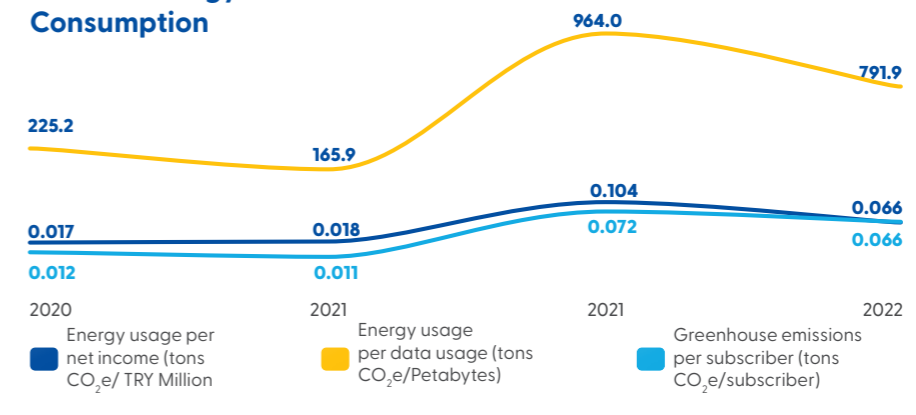
consumption and electricity production activities from renewable sources.

In the reporting period, total energy consumption was 3,556,334 GJ. 202,865 GJ of this amount was from fuel consumption, 3,086,114 GJ was from purchased electrical energy consumption, and 267,355 GJ was from produced renewable energy. Since 2021, all purchased electrical energy was procured

from iREC/YEK-G certified renewable energy producers. The share of renewable energy in energy consumption has risen from 2.67% in 2021 to 7.52% in 2022.

On the other hand, according to relative energy consumption amount evaluation, energy consumption per data usage was 791.9 GJ/Petabytes, energy consumption per net income was 0.066GJ/Thousand TRY in 2022.

Relative Energy Consumption



Total Energy Consumption by Source (GJ)

| | 2019 | 2020 | 2021 | 2022 |
|--|----------------|----------------|------------------|------------------|
| Fuel Consumption | 425,078 | 379,049 | 281,811 | 202,865 |
| Natural Gas | 231,481 | 204,163 | 66,365 | 27,780 |
| Gasoline | 895 | 985 | 1,053 | 47,958 |
| Diesel | 192,702 | 173,901 | 214,393 | 127,127 |
| Renewable Energy Produced | 3,924 | 5,760 | 99,265 | 267,355 |
| Solar Power | 3,924 | 5,760 | 2,351 | 3,014 |
| Wind Power | 0 | 0 | 96,914 | 264,341 |
| Renewable Energy Purchased - Electricity | 0 | 144,000 | 3,342,897 | 3,086,114 |
| Total | 429,002 | 528,809 | 3,723,973 | 3,556,334 |



Turkcell Energy Solutions

We established our subsidiary Turkcell Energy Solutions in 2017 to reduce energy procurement costs, ensure procurement security and reduce climate impacts. Since the day it was established, our subsidiary has increased its renewable energy investments to increase its installed power every year, and reached an installed power of 1.5 MW with a solar energy investment of TRY 11.3 million in 2022. With these investments, we have reached an important development in our transformation strategy from a 100% renewable electricity user to a digital operator which produces its own electrical energy during the reporting period. The renewable energy we produced in 2022 reached an amount equivalent to annual electricity consumption of 41 thousand houses. With this production, we covered the energy requirement of 2,750 base stations.

Our Group's first solar power plant located in the Turkish Republic of Northern Cyprus (Vadili region) generates 1.7 million kWh of electricity annually. It also reduces the demand load on the Turkish Electricity Authority in Cyprus (KIB-TEK) network and contributes to the electricity grid's digital infrastructure. Apart from this, thanks to this power plant, we prevent the release of 943.5 tons of CO₂e emissions to the atmosphere.

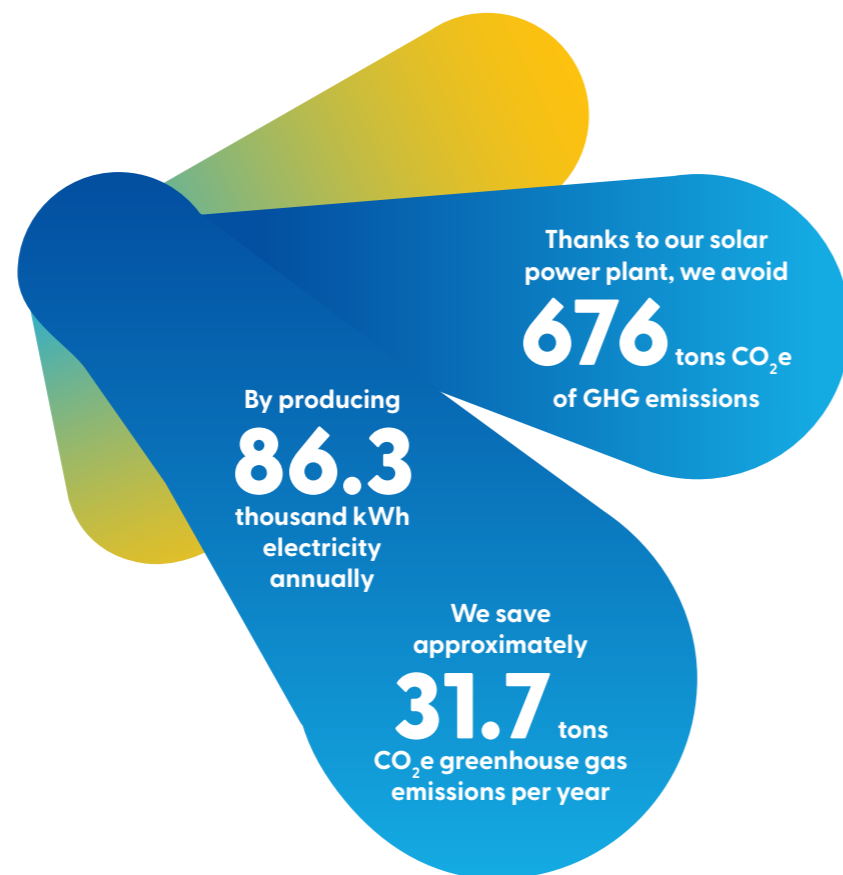
Our Ankara Data Center is the first data center in Turkey to produce its own electricity with solar panels. With the new generation solar energy panels installed above the parking lot area of our data center building, we can cover some part of the electricity we consume with renewable sources. Our data center building produces 408 thousand kWh electricity annually, which also prevents 226 tons CO₂e of greenhouse gas emissions per year. Our Gebze Data Center received the Uptime OS Operational Sustainability Gold certificate for the first time in Turkey in 2018, which was followed by

our Ankara Data Center, making us the only operator in Turkey with two data centers fulfilling these standards. The solar power plant, which became operational in January 2023 in Ankara Data Center uses sun-tracking and double-faced panel technologies. This enables the solar panels to position themselves to receive the sun rays at the steepest angle throughout the day, as well as utilize the light reflected from the surface for power generation. This system operating under the self-consumption model, is a rare example in Turkey in terms of the technology used.

We generate electricity from renewable energy with the solar energy project installed on the roof of Turkcell Adana Plaza building. This self-consumption model enables us to use the energy produced for covering the electricity requirement of Adana Plaza building. We save approximately 31.7 tons of CO₂e greenhouse gas emissions per year with 86.3 thousand kWh electricity produced annually.

In 2022, we installed solar panels on 507 base stations to cover their energy requirement. With these applications, in December 2022, we have generated 125 MWh of energy. 15 Portable Solar Field solutions, which are a result of our innovative studies, enable us to cover the demand occurring in regions where the population increases periodically and the access to energy sources is limited. We contribute to our sustainability objectives with the environment-friendly features of these communication stations installed in various locations.

By continuing our investments in the upcoming periods, we aim to reach 300 MW of additional installed power by 2025. When these investments are completed, we aim to provide 65% of the total electricity consumption of Turkcell Group through self-generation. In this way, on the one hand, the energy need will be met mostly from renewable resources, and on the other hand, protection against cost and supply risks that arise from the energy market will be ensured.



Energy Efficiency

We strive to reduce our environmental impact and our energy costs by reducing our energy consumption to the lowest level possible. The efficiency studies we perform for this purpose include the use of energy efficient equipment and behavioral efficiency implementations regarding consumption patterns.

Personal consumption habits changed by the nature of the pandemic period underwent another profound change after the pandemic. During the reporting period, we researched the consumption habits of this new normal and tried to determine the efficiency potentials.

On the other hand, we continued replacing equipment with energy efficient ones and making efficiency improvements in network equipment, which forms a significant portion of our efficiency efforts, in the reporting period as well.

Through the analysis and implementation of energy efficiency and savings initiatives within our network, we achieved 63.22 GWh of savings. As part of our energy focus, the value of our savings efforts, which were carried out under 6 main focuses and 93 subtitles, such

as Field Active Equipment - 31.37 GWh, Unson & Feature & Vendor - 11.42 GWh, CNX - 8.06 GWh, Energy Climate Control - 7.6 GWh, Transport Network - 3.18 GWh, and Ran Modernization - 1.59 GWh, exceeded over TRY 200 million.

Even though it is not a requirement in Turkey yet, we already stipulate the Eco-Design criteria in the air conditioning equipment we use and the current regulations specific to the device. This way, by providing the use of A energy class products, we aim to increase energy

efficiency. With energy efficient network equipment, climate control devices in data center system rooms and our latest technology products, we are working on creating a more efficient energy infrastructure, therefore using our existing energy resources with more awareness and providing energy savings. We design our buildings for maximum benefit from the sunlight, and we use less energy for heating and cooling our buildings with heat insulation details such as insulated wall materials and outdoor facade coatings.

| | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------|---------|---------|---------|
| Energy Savings (GJ) | 151,143 | 110,304 | 193,414 | 227,592 |

By preferring hybrid vehicles in our company fleet, we lower our emissions per kilometer. In 2021, we replaced 677 vehicles with hybrid engine vehicles. This way, we reduced the emissions level of 12.7 gr/km to 9.1 gr/km. Therefore, we achieved 25% CO₂e emission savings in our total fuel consumption in 2022.

With our Turkcell Kopilot app, which adds a new dimension to the automobile driving experience with its superior features, we perform fuel usage, travel and user analyses to indirectly provide reductions in fuel consumption. With this app, we contribute towards transforming companies' fleet management to a model with fewer emissions.





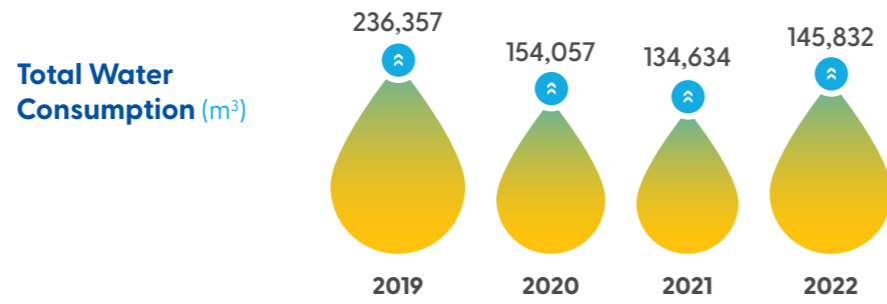
Water Management

The efficient use of water, a vital natural resource, is among the impact areas we track as part of our environmental strategy. We do not use water resources directly in developing

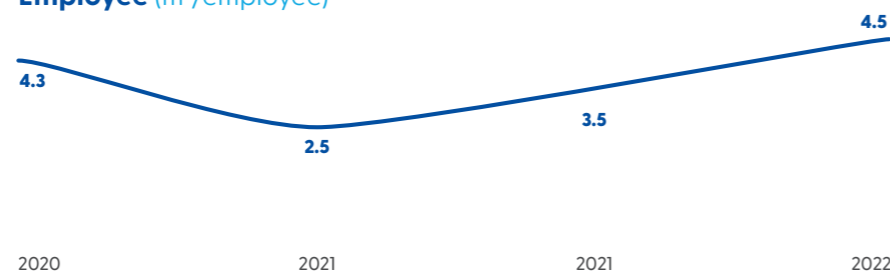
our products and services. Nevertheless, since we are a responsible company in the use of resources, we announce our water consumption in our annual reports.

Our fundamental water consumption is comprised of the consumptions caused by the daily needs of our employees and covered by utility water. During the period, a total of 145,832 m³ water was consumed, and our water consumption per employee was 4.5 m³. With efficient fixture and consumption implementations, we are working on reducing this amount as well.

Through the modifications in cooling equipments within the scope of the GEM4 Project that we conducted in the past period, we had achieved savings of 40% in water consumption per module. We used to purify utility water with reverse osmosis process and use this purified water in the devices. However, after this process, 40% of drawn utility water was discharged as waste. With the modifications made on the device during the reporting period, the reverse osmosis process is no longer necessary and wastewater formation is prevented. The same system was utilized in the GEM5 project that we developed, and the forming of wastewater was avoided.



Water Consumption per Employee (m³/employee)



While striving to reduce water consumption and increase recycling as part of our activities, we also provide support for our customers to improve their water consumption with the services we provide. With our Smart Water Meter application, leveraging IoT technologies, the meters can be read and valves can be opened/closed remotely, consumptions can be monitored instantly, enabling the water consumption to be controlled and the natural resources to be preserved.

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.



We are working on performing a second reverse osmosis on the wastewater of the reverse osmosis system in our Ankara Data Center and re-using this water in the building. With this implementation, we aim to reduce in the building's wastewater rate from 40% to 16%.

Efficiency in Data Centers

We prioritize energy and water efficiency in the design of Turkcell Data Centers. In this scope, we work for reducing the PUE value, which reflects energy efficiency, and the WUE value, which reflects the efficiency of water usage. With design PUE values of 1.3, Turkcell data centers are noticeably lower than the world average of 1.55. The current WUE value is 1.81, and it is targeted to be reduced below 1.8 in the upcoming periods.

As we meet electricity consumption, which is the most prominent impact component of data centers, with either self-generated renewable energy or with purchased renewable energy with iREC certificate, the emission values of our data center operations are quite lower than their peers.

In our data centers, we utilize rainwater as gray water after various filtering processes for household consumption and continue our efforts for recycling wastewater and its utilization in different areas.

All these environmental impact management implementations in our data centers generate two different positive values. Firstly, with these efforts, the environmental impacts caused by Turkcell operations are significantly reduced, and we also receive a cost advantage with the savings we achieve. On the other hand, we allow the customers we serve to significantly reduce their indirect environmental impacts, especially the greenhouse emissions. Therefore, we provide a local and environmentally friendly alternative to our customers who have high awareness on environmental impact management and who adopt sustainable business models.





Waste Management

We adopt the approach of generating minimum waste and maximum recycling in the management of waste caused by our operations. We perform waste management activities with the methods and implementations specified in legal regulations. In this regard, we first provide the efficient use of materials such as paper, toner and plastic to reduce the production of waste, and we separate the produced waste and recycle them through licensed companies. We collect used batteries separately, and depending on the location, we recycle them via municipalities or Portable Battery Manufacturers and Importers Association. Through the works we carried in the previous period, we have received the Basic Level Zero Waste Certificate, as the first non-manufacturing company. In 2022 we continued our efforts in this area. With the Waste Management Center we set up, we provide in-site transformation of solid food wastes collected in the mess hall and office floors to produce soil-improving organic fertilizer.

We dispose of dangerous waste caused by our activities such as batteries, toners, 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 other discarded items to companies utilizing older technologies, we achieve reuse of products. We aim to utilize 100% of network infrastructure devices within these sales. Hence, we contribute to the circular economic system where resources are not needlessly discarded or wasted but recycled. As part of the Modem Renewal Project launched in 2019, we refurbish or repair our modems no longer used by our customers and offer them to customers in need of these products. Within the scope of this project, we replaced 90 thousand set-top boxes, 150 thousand Superbox

products, 83 thousand ONTs (optical network terminals) and 222 thousand modems. 25% of fiber modems used in 2022 (approximately 162 thousand), and 28% of ADSL modems (approximately 60 thousand) were covered with modems refurbished in 2022. Additionally, 28% of refurbished STBs, 41% of ONTs and 68% of Superboxes were used in the same year and put to service of our customers.

We are well aware of the negative effect of electronic products, that have completed their lifespan due to improper management, as electronic waste on the environment, and we are conducting our activities in this field with utmost care. In order to turn this situation into an opportunity, we utilize products in electronic waste class which are rich in recyclable material content as part of the circular economy and provide both financial savings and also the efficient use of limited resources. In this context, 83.5 tons of e-waste generated in 2022 was recycled at a rate of 98.2%. With these efforts, 63.4 raw materials were saved and 5.7 tons of CO₂e greenhouse gas emissions were prevented.

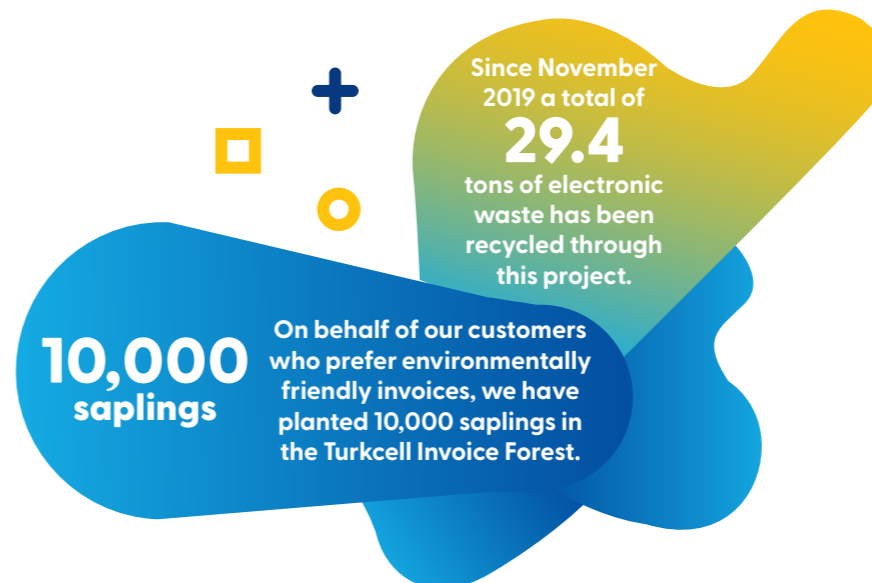
Total Waste Amount (tons)

| | 2019 | 2020 | 2021 | 2022 |
|----------------------|--------------|--------------|--------------|--------------|
| Dangerous Wastes | | | | |
| Disposal | 0 | 0 | 0 | 0 |
| Recycled | 3,567 | 2,745 | 2,158 | 1,609 |
| Non-Dangerous Wastes | | | | |
| Disposal | 0 | 0 | 0 | 0 |
| Recycled | 1,518 | 953 | 1,342 | 1,042 |
| Total | 5,085 | 3,698 | 3,500 | 2,651 |

Recycle into Education

As part of the Recycle into Education project, technological wastes brought to recycling boxes in Turkcell stores (unusable mobile phones, computers, tablets and accessories etc.) are sent to recycling in partnership with the authorized organization Informatics Industry Association (TÜBİSAD). All proceeds from recycling are donated to TEGV (Education Volunteers Foundation of Turkey) to be used for children's qualified education.

Turkcell provided 29.4 tons of electronic waste for recycling in scope of this project since its inception in November 2019, 12.7 tons of this amount was in 2022. All income generated was donated to TEGV for children's qualified education and contributed to the education of 382 children. In its prize-awarding techno-waste collecting campaign among its employees on 27 December, at the end of 2022, Turkcell collected approximately half a ton of wastes and contributed to the recycling of wastes, while raising awareness among its employees on the efficient use of resources and recycling, and contributed to education at the same time. Turkcell's General Manager and the President of the Board of Directors also took part in the contest, and by putting techno-wastes from their households into the recycling box, showed their sensitivity in this topic.



| | 2019 | 2020 | 2021 | 2022 |
|--|----------|----------|----------|----------|
| Secondhand sales and discarded units sale amount* (tons) | 5,599.89 | 4,220.18 | 3,691.52 | 3,088.27 |

* We are aiming to utilize 100% of network related wastes as discards or with secondhand sales.

As part of the environmentally friendly invoice campaign, we send invoices to customers by SMS or e-mail instead of a printed invoice. This way we achieve both efficiency in paper use and reduce our posting expenses. In 2022, through the environmentally friendly invoice we saved 2,216 tons of paper and 2,037 tons of CO₂e emissions, apart from dispatch effects. On the other hand, we continued planting saplings on behalf of customers who prefer the environmentally friendly invoice. With this practice, we planted 10,000 saplings at the Turkcell invoices forest.

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.

Appendices

- APPENDIX-1: Awards Received by Turkcell in 2022
- APPENDIX-2: Turkcell ISO Certificates
- APPENDIX-3: Cooperated National, International and Non-Governmental Organizations
- APPENDIX-4: GRI Content Index
- APPENDIX-5: UNGC Progress Chart
- APPENDIX-6: Sustainability Principles Compliance Framework Table
- APPENDIX-7: Greenhouse Gas Verification Statement



APPENDIX-1: Awards Received by Turkcell in 2022

Our works in 2022 have also received the appreciation of our stakeholders. The projects and applications we have accomplished within the year were deemed worthy of reward by many organizations.

PSM Awards

In PSM Awards, organized by Payment Systems Magazine, Paycell Forest Project was awarded the Silver PSM prize in Social Responsibility category, and Financell Credit Process project won the Silver PSM Prize in the Innovative Customer Interaction and Experience category.

Media Excellence Awards

With Gift Assistant Page, which facilitates customers' shopping journey, Turkcell Pasaj was awarded first place in Utility / Productivity Apps category, which awards innovation in the technology ecosystem and applications that add value to life.

Customer Centricity World Series

With the Customer Movement Program, started in September 2019 to integrate customer-centric view in all disciplines of the company, Turkcell won third place award in its category at the Customer Centricity World Series. At the same competition, with its Network Experience project, Turkcell also won the second place prize in the "Complaint Management" category.

Turkey CXA'22 Customer Experience Awards

As part of the Turkey CXA'22 Customer Experience Awards, organized in 2022 by Awards International based in England; Turkcell has been awarded;

Golden Prize for Best Customer Feedback and Insight category, with the Billing Process Redesign with Customer Feedback Project, where we redesigned the billing experience from beginning to end according to customer feedback, expectations and needs

Silver Prize for Best Innovation in Customer

Experience (Large Companies) category, with the RPA project "Let the Robot Do It" commenced to improve digitalization at the corporate mobile call center

Silver Prize for the Best Customer Service (Up to 10,000 Employees) category, with the "Outbound Excellence" project actualized with a focus to improve the channel experience with analytic qualifications

Bronze Prize for Best Use of Technology category, with the sum of 8 different projects realized to improve the mobile network experience from end to end

Dubai Gitex Global event "Next Generation Data Centers" prize

Turkcell's SDN and Automation focused next generation Turkcell Data Centers, which provide geographically backed-up, flexible and easy service with up-to-date technology to its ICT, DSS and Corporate customers, have been deemed worthy of prize in Dubai Gitex Global event.

Brandon Hall Group Excellence Awards

We have been awarded Best Technological Advancement Category bronze award with Turkcell CaseLab project, in Brandon Hall Group Excellence Awards Testing and Learning Evaluation.

Crystal Apple Awards

In 2022, Turkcell was awarded 5 separate awards in the Crystal Apple Awards, named the most prestigious award of the advertising world.

Turkcell won the - Crystal Prize in TV & Cinema / Telecommunication Brands and Services category with #ÇokÇekici Come to Çaykara communication; 2 Bronze prizes in Digital, Social Media and Activation / Real Time Action and Influencer & Celebrity Communication with Turkcell Pasaj - Melis Sezen / In My Hand This Moment communication; Bronze prize in Press - Sectoral Categories / Service category with TV+ - Better Stories - Joker communication; Bronze

prize in Radio and Audio / Best Radio and Audio Campaign category with Fیزی - Listen to Your Music communication.

Achievement in Customer Excellence Awards

With its efforts and studies to keep its customers always feeling safe, valuable and happy, Turkcell was awarded 4 separate awards in Achievement in Customer Excellence Awards organized in 2022 by şikayetvar.com.

Turkcell was awarded Diamond Award in Communication (GSM) category, while TV+ won Digital Platform Category Golden Prize, and Superonline in Internet Service Suppliers Category and Paycell in Electronic Cash Applications Category won Silver Awards.

Stevie Awards for Sales & Customer Service

With its Retail Channel Delivery Project, Turkcell was awarded the Bronze Stevie Prize in the Technology Sectors Business Development Success of the Year Category in the Stevie Awards for Sales & Customer Service organized in 2022.

Stevie Awards for Women in Business Awards

Turkcell's Women Developers of the Future Climate Ideathon project, where women develop solutions for the climate crisis using technology, won the prize in "Achievement in Women-related Corporate Social Responsibility" in the Stevie Awards for Women in Business contest.

Ipra Golden World Awards

Turkcell Vadi won 3 golden prizes at once from IPRA Golden World Awards, the world's most respected public relations award. Many projects from across the world competed in the prize program, organized by International Public Relations Association, and Turkcell Vadi project won the prizes in Art Communication, Event and Sponsorship categories.

Digital Impact Awards

Turkcell, with Digital Construction Management software that allows for end-to-end tracking and archiving of documentation in construction projects in digital form, won the Bronze award in the Digital Impact Award organized in 2022 in London.

SMARTIES MMA Awards

Fیزی won the Experimental-Innovative Technology Category Bronze award in SMARTIES 2022 MMA Awards.

IDC Turkey Future Enterprise Awards

Turkcell's Let the Robot Do It RPA Project was awarded first place in IDC Turkey Future Enterprise Awards Best in Future of Work Category.

Supply Chain Excellence Awards

Turkcell My Main Partner Program, actualized to support Startups in purchasing processes and to create a Startup ecosystem, was awarded a prize at the Supply Chain Excellence contest, organized for the 26th time in 2022 in London.

Special Achievement in GIS Award

GEDİ, Study to Determine Fixed Infrastructure Areas of Investment and Sales Potential, was awarded Special Achievement in GIS Award by the world's largest geographical software company ESRI in the contest organized to award innovative studies in the field of geographical information systems and applied by more than 100,000 projects.

Youth Award

Turkcell was among the Most Desired Technology Companies to Work In determined in Youthall's survey among 85 thousand university students.

Insider Lift Awards 2022

Successful personalization and A/B Testing scenarios applied in the Turkcell Application was awarded an award in the Most Successful In-App Use Category in Lift Awards, organized by Insider

and encompassing the most important brands of the digital world.

Felis Awards

In scope of the Felis Awards, one of the most prestigious awards of the advertising world, Turkcell was awarded 10 awards in total, five of them being Felis Awards and four of them Success Awards.

Digital Transformation of the Year in Telecommunications Sector Award

In the SAP Transformation Awards of the Year Ceremony, where the world's leading technology supplier in corporate applications and software SAP evaluated the most successful innovation and digital transformation projects, Turkcell Finans+ won the Digital Transformation of the Year Award in Telecommunications Sector Award with the Central Finance project, actualized in scope of its Next Generation Finance Digital Transformation works. Central Finance Project was also awarded the Finance Digital Transformation of the Year Award.

International Customer Experience Awards (ICXA)

Turkcell Global Bilgi was awarded first prize in the world in the Best B2B Customer Experience category at the International Customer Experience Awards with its Telsell Project actualized with Coca-Cola Beverages.

Europe's Best Workplaces 2022

Turkcell Global Bilgi was chosen "Best Employer of Europe" among companies with 500+ employees in the Europe's Best Workplaces 2022 Awards by Great Place to Work Institute.

Deloitte Technology Fast 50

Paycell was awarded the "Deloitte Technology Big Star" award organized by Deloitte the 5th time in a row, which determines the 50 fastest growing technology companies of Turkey and allows them to expand to the global market.

APPENDIX-2: Turkcell ISO Certificates

- > ISO 9001 Quality Management System
- > ISO 14001 Environmental Management System
- > ISO 14064 Greenhouse Gas Calculation and Verification Management System
- > ISO 22301 Business Continuity Management System
- > ISO 27001 Information Security Management System
- > ISO 45001 Occupational Health and Safety Management System
- > ISO 50001 Energy Management System



APPENDIX-3: Cooperated National, International and Non-Governmental Organizations

| Organization Name | Level of Engagement | |
|--------------------------|---|---|
| 3GPP | The 3 rd Generation Partnership Project | Membership |
| AUSDER | Intelligent Transportation Systems Association of Turkey | Membership |
| BCTR | Blockchain Turkey Platform | Membership |
| BGD | Information Security Association (ISA) | Board of Directors Membership (Tümay Ünal) |
| BUSİAD | Bursa Industry and Businessmen Association | Membership |
| DEİK | Foreign Economic Relations Board of Turkey | Membership |
| ECTA | European Competitive Telecommunications Association | Membership |
| EDİDER | Digitalization in Energy Association | Membership |
| ENDEAVOR | Association for Supporting Active Entrepreneurs | Membership |
| ESB | Access Providers Association | Board of Directors Membership (Mutlu Korkmaz, Yılmaz Küçük) |
| ETİD | Electronic Commerce Operators Association | Membership |
| ETSI | European Telecommunications Standards Institute | Membership |
| FKB | Financial Institutions Union | Membership |
| GSMA | Global System for Mobile Communications Association | Membership |
| GTI | Global TD-LTE Initiative | Membership |
| IAPP | International Association of Privacy Professionals | Membership |
| IIC | International Institute of Communication | Membership |
| IPTV ASSOCIATION | Internet Based Television Technologies Association | Membership |
| ITU | International Telecommunication Union | Membership |
| M-TOD | Mobile Telecommunication Operators Association | Board of Directors Membership (Murat Erkan, Serhat Demir, Gediz Sezgin) |
| MMA Turkey | Mobile Marketing Association | Membership |
| MOBİSAD | Mobile Communication Tools and Information Technologies Businessmen Association | Membership |
| MÜSİAD | Independent Industrialists and Businessmen Association | Membership |
| NGMN | Next Generation Mobile Networks | Membership |
| ÖDED | Payment and Electronic Money Association | Membership |
| PERYÖN | Turkey People Management Association | Membership |
| SKD | Business World and Sustainable Development Association | Membership |
| TELKODER | Turkish Competitive Telco Operators' Association | Membership |
| TOBB | The Union of Chambers and Commodity Exchanges of Turkey | Membership |
| TUYAD | Telecommunications Satellite and Broadcasting Business People Association | Board of Directors Membership (Gülçin Alıcı Gökçe) |
| TÜBİSAD | Informatics Industry Association | Membership |
| TÜSİAD | Turkish Industry and Business Association | Membership |
| TÜYİD | Turkish Investor Relations Society | Board of Directors Membership (Ali Serdar Yağcı) |
| UN Global Compact | United Nations Global Compact | Membership |
| WTECH | Women's Association in Technology | Membership |
| YASED | International Investors Association | Membership |

APPENDIX-4: GRI Content Index

Statement of use : Turkcell İletişim Hizmetleri A.Ş. has reported in accordance with the Standards for the period 01 January 2022-31 December 2022.

GRI 1 used : GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) :N/A

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | |
|--|--|--|------------------------|-----------------------------|--|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | About the Report (p.28) Our Offices (p.360); Turkcell at a Glance (p.29) | - | - | - |
| | 2-2 Entities included in the organization's sustainability reporting | About the Report (p.28) | - | - | - |
| | 2-3 Reporting period, frequency and contact point | About the Report (p.28) | - | - | - |
| | 2-4 Restatements of information | No such restatement has been made | - | - | - |
| | 2-5 External assurance | GHG Independent Assurance Report (p.208-209) | - | - | - |
| | 2-6 Activities, value chain and other business relationships | Our Strategic Focuses, Initiatives and Opportunities (p.60-67) Value-Driven, Responsible Supply Chain Management (p.168-169) | - | - | - |
| | 2-7 Employees | Employee Demographics in 2022 (p.115) | - | - | - |
| | 2-8 Workers who are not employees | Turkcell may obtain external service support as needed for auxiliary tasks related to the nature of the job, technical reasons, or for roles requiring expertise such as cleaning, security, call center, and field support personnel. | - | - | - |
| | 2-9 Governance structure and composition | Board of Directors Structure (p.72-73) | - | - | - |
| | 2-10 Nomination and selection of the highest governance body | Board of Directors Structure (p.72-73) | - | - | - |
| | 2-11 Chair of the highest governance body | Board of Directors Structure (p.72-73) | - | - | - |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Turkcell Sustainability Management and Involvement of Senior Management (p.45) | - | - | - |
| | 2-13 Delegation of responsibility for managing impacts | Turkcell Sustainability Management and Involvement of Senior Management (p.45) | - | - | - |
| | 2-14 Role of the highest governance body in sustainability reporting | Turkcell Sustainability Management and Involvement of Senior Management (p.45) | - | - | - |
| | 2-15 Conflicts of interest | Board of Directors Structure (p.72-73) Turkcell Sustainability Management and Involvement of Senior Management (p.45) | - | - | - |
| | 2-16 Communication of critical concerns | Turkcell Sustainability Management and Involvement of Senior Management (p.45) | - | - | - |
| | "2-17 Collective knowledge of the highest governance body" | Board of Directors (p.10-14) Turkcell Sustainability Management and Involvement of Senior Management (p.45) | - | - | - |
| | 2-18 Evaluation of the performance of the highest governance body | Board of Directors Structure (p.72-74) Turkcell Sustainability Management and Involvement of Senior Management (p.45) | - | - | - |
| | 2-19 Remuneration policies | Board of Directors Structure (p.72-73) | - | - | - |
| | 2-20 Process to determine remuneration | Human Capital (p.113) | - | - | - |
| | 2-21 Annual total compensation ratio | | - | Confidentiality Constraints | Data regarding remuneration is considered as confidential. |



| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | |
|---|--|---|------------------------|--------|-------------|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
| GRI 2: General Disclosures 2021 | 2-22 Statement on sustainable development strategy | Turkcell Sustainability Strategy: Positive Imprint in Sustainability (p.48-49) | - | - | - |
| | 2-23 Policy commitments | Human Rights, Business Ethics and Common Values (p.74) | - | - | - |
| | 2-24 Embedding policy commitments | Turkcell Sustainability Management and Involvement of Senior Management (p.45) Environmental Management (p.183-184) | - | - | - |
| | 2-25 Processes to remediate negative impacts | Turkcell Value Creation Process (p.56-57) | - | - | - |
| | 2-26 Mechanisms for seeking advice and raising concerns | Turkcell Sustainability Priorities (p.46-47); Interactions with Our Stakeholders (p.52-53) | - | - | - |
| | 2-27 Compliance with laws and regulations | Competition Management (p.77) | - | - | - |
| | 2-28 Membership associations | Turkcell's Sustainability Initiative Memberships (p.54-55); Cooperated National, International and Non-Governmental Organizations (p.198) | - | - | - |
| | 2-29 Approach to stakeholder engagement | Interactions with Our Stakeholders (p.52-53) | - | - | - |
| | 2-30 Collective bargaining agreements | Human Rights, Business Ethics and Common Values (p.74) | - | - | - |
| Material Topics | | | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Turkcell Sustainability Priorities (p.46-47) | - | - | - |
| | 3-2 List of material topics | Turkcell Sustainability Priorities (p.46-47) | - | - | - |
| Managing Climate Impacts | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Climate Crisis (p.80); Climate Change (p.100); Positive Imprint to the Environment (p.180-193) | - | - | - |
| GRI 201: Economic Performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | Climate Crisis (p.80); Climate Change (p.100); Positive Imprint to the Environment (p.180-193) CDP Report 2022 | - | - | - |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Positive Imprint to the Environment (p.187) | - | - | - |
| | 302-3 Energy intensity | Positive Imprint to the Environment (p.187) | - | - | - |
| | 302-4 Reduction of energy consumption | Positive Imprint to the Environment (p.189) | - | - | - |
| GRI 303: Water and Effluents 2018 | 303-3 Water withdrawal | Positive Imprint to the Environment (p.190) | - | - | - |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Positive Imprint to the Environment (p.186) | - | - | - |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Positive Imprint to the Environment (p.186) | - | - | - |
| | 305-3 Other indirect (Scope 3) GHG emissions | Positive Imprint to the Environment (p.186) | - | - | - |
| | 305-4 GHG emissions intensity | Positive Imprint to the Environment (p.186) | - | - | - |
| | 305-5 Reduction of GHG emissions | Positive Imprint to the Environment (p.186) | - | - | - |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Positive Imprint to the Environment (p.180-183; 192-193) | - | - | - |
| | 306-2 Management of significant wasterelated impacts | Positive Imprint to the Environment (p.180-183; 192-193) | - | - | - |
| | 306-3 Waste generated | Positive Imprint to the Environment (p.180-183; 192) | - | - | - |
| | 306-4 Waste diverted from disposal | Positive Imprint to the Environment (p.180-183; 192) | - | - | - |
| | 306-5 Waste directed to disposal | Positive Imprint to the Environment (p.180-183; 192) | - | - | - |
| Pioneering Digital Technologies and Innovation | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Intellectual Capital (p.140-153) Social Capital (p.172-177) | - | - | - |
| GRI 203: Indirect Economic Impacts 2016 | 203-2 Significant indirect economic impacts | Intellectual Capital (p.140-153) | - | - | - |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Social Capital (p.172-177) | - | - | - |
| To be an Integrated Telecommunications Operator Active in a Value Chain Ranging from Fiber Infrastructure to Digital Business Services | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Manufactured Capital (p.132-139) | - | - | - |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | Manufactured Capital (p.132-139) | - | - | - |

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | |
|--|--|---|------------------------|--------|-------------|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
| Enhancing Digital Customer Experience and Satisfaction | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Manufactured Capital (p.132-134) | - | - | - |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | Manufactured Capital (p.132-134) | - | - | - |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Manufactured Capital (p.132-134) | - | - | - |
| Cyber Security and Data Privacy Protection | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Manufactured Capital (p.134); Digital Security and Wellbeing (p.149-151) | - | - | - |
| GRI 203: Indirect Economic Impacts 2016 | 203-2 Significant indirect economic impacts | Digital Security and Wellbeing (p.149-151) | - | - | - |
| GRI 413: Local Communities 2016 | 413-2 Operations with significant actual and potential negative impacts on local communities | Manufactured Capital (p.134) | - | - | - |
| Decent Workplace | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Human Rights, Business Ethics and Common Values (p.74); Human Capital (p.112-137); Equality of Digital and Social Opportunity (p.172-173) | - | - | - |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Human Capital (p.117, 129) | - | - | - |
| | 401-3 Parental Leave | Human Capital (p.112) | - | - | - |
| GRI 402: Labor/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | Human Capital (p.113) | - | - | - |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | Human Capital (p.119-120) | - | - | - |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Human Capital (p.119-120) | - | - | - |
| | 403-3 Occupational health services | Human Capital (p.119-120) | - | - | - |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Human Capital (p.119-120) | - | - | - |
| | 403-5 Worker training on occupational health and safety | Human Capital (p.119-120) | - | - | - |
| | 403-6 Promotion of worker health | Human Capital (p.119-120) | - | - | - |
| | 403-8 Workers covered by an occupational health and safety management system | Human Capital (p.119-120) | - | - | - |
| | 403-9 Work-related injuries | Human Capital (p.119-120) | - | - | - |
| | 403-10 Work-related ill health | Human Capital (p.119-120) | - | - | - |
| | GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Human Capital (p.123) | - | - |
| 404-2 Programs for upgrading employee skills and transition assistance programs | | Human Capital (p.123-131) | - | - | - |
| 404-3 Percentage of employees receiving regular performance and career development reviews | | Human Capital (p.121) | - | - | - |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Human Capital (p.115) | - | - | - |
| | 405-2 Ratio of basic salary and remuneration of women to men | Human Capital (p.114-116) | - | - | - |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Human Capital (p.114-116) | - | - | - |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 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 (p.74) | - | - | - |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Human Rights, Business Ethics and Common Values (p.74); Value-Driven, Responsible Supply Chain Management (p.168) | - | - | - |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Human Rights, Business Ethics and Common Values (p.74); Value-Driven, Responsible Supply Chain Management (p.168) | - | - | - |



| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | | |
|--|---|---|------------------------|--------|-------------|
| | | | REQUIREMENT(S) OMITTED | REASON | EXPLANATION |
| Business Ethics and Legal Compliance | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Turkcell Sustainability Management and Involvement of Senior Management (p.45); Human Rights, Business Ethics and Common Values (p.74-75); Anti-Bribery and Corruption, Compliance with International Capital Markets and Economic & Trade Sanctions and Export Controls (p.76-77); Competition Management (p.77); Artificial Intelligence (p.104); Value-Driven, Responsible Supply Chain Management (p.168) | - | - | - |
| GRI 205: Anti-corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | Anti-Bribery and Corruption, Compliance with International Capital Markets and Economic & Trade Sanctions and Export Controls (p.76-77) | - | - | - |
| | 205-3 Confirmed incidents of corruption and actions taken | Human Rights, Business Ethics and Common Values (p.74) | - | - | - |
| GRI 206 Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Competition Management (p.77) | - | - | - |
| Pioneering Use of Innovative Digital Technologies in Fundamental Sectors Such as Education, Health, Agriculture, Transportation and Finance | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Strategic Focuses, Initiatives and Opportunities (p.60-67); The Development of Fintech Applications (p.103); Image Processing Services & Solutions (p.148); Digital Business Services (p.151-152); Equality of Digital and Social Opportunity (p.172-173); Water Management (p.190) | - | - | - |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | Our Strategic Focuses, Initiatives and Opportunities (p.60-67); The Development of Fintech Applications (p.103); Image Processing Services & Solutions (p.148); Digital Business Services (p.151-152); Equality of Digital and Social Opportunity (p.172-173); Water Management (p.190) | - | - | - |
| | 203-2 Significant indirect economic impacts | Our Strategic Focuses, Initiatives and Opportunities (p.60-67); The Development of Fintech Applications (p.103); Image Processing Services & Solutions (p.148); Digital Business Services (p.151-152); Equality of Digital and Social Opportunity (p.172-173); Water Management (p.190) | - | - | - |
| Supporting Local Technology Development | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Intellectual Capital (p.140-153); Localization Efforts (p.170-171) | - | - | - |
| GRI 203: Indirect Economic Impacts 2016 | 203-2 Significant indirect economic impacts | Intellectual Capital (p.140-153); Localization Efforts (p.170-171) | - | - | - |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Localization Efforts (p.170-171) | - | - | - |

APPENDIX-5: UNGC Progress Chart

| Subject | UNGC Principles | Report Section |
|-----------------|--|---|
| Human Rights | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights | Strong Corporate Governance Our Human Capital Value-Driven, Responsible Supply Chain Management |
| | Principle 2: make sure that they are not complicit in human rights abuses | Strong Corporate Governance Our Human Capital Value-Driven, Responsible Supply Chain Management |
| Labour | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | Strong Corporate Governance |
| | Principle 4: the elimination of all forms of forced and compulsory labour | Our Human Capital Value-Driven, Responsible Supply Chain Management |
| | Principle 5: the effective abolition of child labour | Our Human Capital Value-Driven, Responsible Supply Chain Management |
| Environment | Principle 6: the elimination of discrimination in respect of employment and occupation | Our Human Capital |
| | Principle 7: Businesses should support a precautionary approach to environmental challenges | Our Natural Capital |
| | Principle 8: undertake initiatives to promote greater environmental responsibility | Our Natural Capital |
| Anti-Corruption | Principle 9: encourage the development and diffusion of environmentally friendly technologies | Our Natural Capital |
| | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery | Strong Corporate Governance |



APPENDIX-6: Sustainability Principles Compliance Framework Table

| | COMPLIANCE STATUS | | | | DESCRIPTION | REPORTING INFORMATION REGARDING PUBLICLY DISCLOSED DATA /LINK |
|---|-------------------|----|---------|--------------|--|---|
| | YES | NO | PARTIAL | NOT RELEVANT | | |
| A. General Principles | | | | | | |
| A1. Strategies, Policies and Goals | | | | | | |
| A1.1 | | | | | The Board of Directors determines environmental, social and governance (ESG) material issues, risks and opportunities. | Turkcell Sustainability Management and Involvement of Senior Management (p.45) Operational Risks (p.80) |
| | | | | | The Board of Directors determines and publicly disclose ESG Policies (Ex: Environmental Policy, Energy Policy, Human Rights Policy and HR Policy). | Turkcell Sustainability Management and Involvement of Senior Management (p.45) www.turkcell.com.tr/en/aboutus/corporate-social-responsibility/sustainability |
| | | | | | It determines and publicly discloses its Short and long-term goals regarding ESG policies were determined and publicly disclosed. | Inclusive Positive Imprint (p.108, 132, 140, 154) Positive Imprint to the Environment (p.182) |
| A2. Implementation/Monitoring | | | | | | |
| A2.1 | | | | | The Partnership determines and publicly discloses the committees/units responsible for the implementation of ESG policies, Partnership's the most senior responsables regarding ESG issues and their duties. | Turkcell Sustainability Management and Involvement of Senior Management (p.45) |
| | | | | | Responsible committees and/or units report activities conducted in line with policies to the Board of Directors at least once during the year. | Turkcell Sustainability Management and Involvement of Senior Management (p.45) |
| A2.2 | | | | | The Partnership develops and publicly discloses implementation and action plans in line with the short- and long-term ESG goals. | Turkcell Sustainability Management and Involvement of Senior Management (p.45) Turkcell Sustainability Strategy: Positive Imprint in Sustainability (p.48-49) Human Capital (p.112-113) Intellectual Capital (p.140) Social Capital (p.154) Natural Capital (p.182-193) |
| A2.3 | | | | | Partnership publicly discloses ESG Key Performance Indicators (KPI) and their degree of achievement on a yearly basis. | Inclusive Positive Imprint (p.108, 132, 140, 154) Manufactured Capital (p.132) Intellectual Capital (p.140) Social Capital (p.154) Positive Imprint to the Environment (p.182) |
| A2.4 | | | | | The partnership publicly discloses sustainability performance improvement activities regarding business processes or products and services. | Manufactured Capital (p.133-139) Intellectual Capital (p.141-153) Social Capital (p.155-166) Natural Capital (p.182-193) |
| A3. Reporting | | | | | | |
| A3.1 | | | | | The Partnership discloses information on sustainability performance, goals and actions within the annual report in a clear, accurate and complete manner. | Turkcell Sustainability Strategy: Positive Imprint in Sustainability (p.48-49) Turkcell Value Creation Process (p.56-57) Human Capital (p.112-113) Manufactured Capital (p.132) Intellectual Capital (p.140) Social Capital (p.154) Positive Imprint to the Environment (p.182-184) |
| A3.2 | | | | | Partnership publicly discloses information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to. | Supported Sustainable Development Goals (p.50-51) |
| A3.3 | | | | | Partnership publicly discloses lawsuits filed and/or concluded against and which are significant in terms of ESG policies and/or can significantly impact company's activities. | Competition Management (p.77) Consolidated Financial Statement Footnotes (p.313-325) |
| A4. Verification | | | | | | |
| A4.1 | | | | | Partnership's ESG Key Performance measurements are verified by an independent third party and publicly disclosed. | GHG emissions data disclosed in the report have been verified by an independent audit firm. Greenhouse Gas Emissions (p.186) |

| | COMPLIANCE STATUS | | | | DESCRIPTION | REPORTING INFORMATION REGARDING PUBLICLY DISCLOSED DATA /LINK |
|------------------------------------|-------------------|----|---------|--------------|---|--|
| | YES | NO | PARTIAL | NOT RELEVANT | | |
| B. Environmental Principles | | | | | | |
| B1 | | | | | The partnership publicly discloses policies and practices, action plans regarding environmental management and environmental management systems (known as ISO 14001 standard) and programs. | Environmental Management (p.183) |
| B2 | | | | | The Partnership publicly discloses limitations for reporting scope, reporting term, reporting date and conditions regarding environmental reports prepared for sharing information on environmental management. | About the Report (p.28) |
| B3 | | | | | Disclosed in A2.1. | |
| B4 | | | | | The environmental targets that are included in the performance incentive systems on a stakeholder basis (such as board members, executives, and employees) have been publicly disclosed. | Environmental Management (p.183-184) |
| B5 | | | | | The partnership publicly discloses how the prioritized environmental issues have been integrated into business objectives and strategies. | Turkcell Sustainability Strategy: Positive Imprint in Sustainability (p.48-49) Natural Capital (p.180-184) |
| B6 | | | | | Disclosed in A2.4. | |
| B7 | | | | | The Partnership publicly discloses how environmental issues are managed and integrated into business objectives and strategies throughout the partnership value chain, including suppliers and customers as well as the operational process. | Value-Driven, Responsible Supply Chain Management (p.168-169) Natural Capital (p.180-184, 191) |
| B8 | | | | | The Partnership publicly discloses its involvement in policy-making processes of environmental organizations and NGOs and cooperation established with these institutions. | Climate Change (p.185) |
| B9 | | | | | The Partnership publicly discloses periodically comparable data on environmental impacts in the light of environmental indicators (GHG 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 (p.186, 187, 190, 192, 193) |
| B10 | | | | | The Partnership publicly discloses standard, protocol, methodology, and base year details used to collect and calculate its data. | Natural Capital (p.183) |
| B11 | | | | | The Partnership publicly discloses increase or decrease in environmental indicators for the reporting year in comparison with previous years. | Natural Capital (p.182, 186, 187, 190, 192, 193) |
| B12 | | | | | The Partnership sets short and long-term goals for reducing its environmental impacts and publicly discloses progress in these goals in comparison with goals set for the previous years. | Positive Imprint to the Environment (p.182) |
| B13 | | | | | The partnership set a strategy for fighting with climate crisis and publicly discloses actions planned. | Climate Change (p.180-181, 185) |
| B14 | | | | | The Partnership establishes and publicly discloses programs or procedures in order to avoid or to minimize potential negative impacts of products and/or services. | Turkcell Energy Solutions (p.188) |
| | | | | | The Partnership takes and publicly discloses actions to enable third parties (ex: suppliers, contractors, dealers, etc) decrease their GHG emissions. | Turkcell Energy Solutions (p.188) |



COMPLIANCE STATUS

| | | YES | NO | PARTIAL | NOT RELEVANT | DESCRIPTION | REPORTING INFORMATION REGARDING PUBLICLY DISCLOSED DATA /LINK |
|-----|--|-----|----|---------|--------------|-------------|---|
| B15 | The Partnership publicly discloses environmental benefits/profits or cost savings achieved through initiatives and projects carried out to reduce its environmental impacts. | + | | | | | Energy Efficiency (p.189) |
| B16 | The Partnership publicly discloses Scope-1 and Scope-2 energy consumption data (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.). | + | | | | | Energy Management (p.187) |
| B17 | The Partnership publicly discloses information on electricity, heat, steam and cooling generated in the reporting year. | + | | | | | Energy Management (p.187) |
| B18 | The partnership carries out and publicly discloses studies on increasing the use of renewable energy, transition to zero or low carbon electricity. | + | | | | | Turkcell Energy Solutions (p.188) |
| B19 | The Partnership publicly discloses renewable energy production and usage data. | + | | | | | Turkcell Energy Solutions (p.188) |
| B20 | The Partnership conducts energy efficiency projects and publicly discloses energy consumption and emission reductions due to energy efficiency projects. | + | | | | | Energy Efficiency (p.189) |
| B21 | The Partnership publicly discloses water consumption, amount of underground or surface water withdrawn if any, recycled or discharged, its sources and procedures. | + | | | | | Water Management (p.170) |
| B22 | The Partnership publicly discloses whether operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade, or Carbon Tax). | + | | | | | 2022 CDP Report |
| B23 | The Partnership publicly discloses the carbon credit information accumulated or purchased during the reporting period. | + | | | | | Greenhouse Gas Emissions (p.186) |
| B24 | The Partnership publicly discloses details on carbon pricing if applied within the partnership. | + | | | | | 2022 CDP Report |
| B25 | The Partnership publicly discloses the platforms where environmental information of the Partnership published. | + | | | | | 2022 CDP Report |

C. Social Principles

C1. Human Rights and Labour Rights

| | | | | | | | |
|------|---|---|--|--|--|--|--|
| C1.1 | The Partnership develops a Corporate Human Rights and Employee Rights Policy in compliance with the Universal Declaration of Human Rights, the ILO Conventions which Türkiye has approved, and other relevant legal regulations; determines individuals responsible for application of the policy, and publicly discloses policy and people responsible for its practice. | + | | | | | Human Rights, Business Ethics and Common Values (p.74-75) |
| C1.2 | The Partnership includes subjects such as fair workforce, improvement of working standards, female employment and inclusivity (such as no discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, trade union activities, political views, disabilities, social and cultural differences, etc.) in its Labour Rights Policy considering also supply and value chain impacts. | + | | | | | Human Rights, Business Ethics and Common Values (p.74-75) Value-Driven, Responsible Supply Chain Management (p.168) |
| C1.3 | The Partnership publicly discloses measures taken to respect the rights of specific economically, environmentally, and socially vulnerable groups (such as low-income groups, women, etc.) or minority rights/equal opportunities along the value chain. | + | | | | | Diversity, Inclusion, and Equal Opportunity (p.114-116) |

COMPLIANCE STATUS

| | | YES | NO | PARTIAL | NOT RELEVANT | DESCRIPTION | REPORTING INFORMATION REGARDING PUBLICLY DISCLOSED DATA /LINK |
|--|---|-----|----|---------|--------------|-------------|--|
| C1.4 | The Partnership publicly discloses developments on preventive and corrective practices regarding discrimination, inequality, human rights violations, forced labor, and child labour. | + | | | | | Diversity, Inclusion, and Equal Opportunity (p.114-116) Value-Driven, Responsible Supply Chain Management (p.168-169) |
| C1.5 | The Labour Rights Policy includes subjects such as investments in employees (such as training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions, and talent management. | + | | | | | Human Rights, Business Ethics and Common Values (p.74) Human Capital (p.112-113) Training and Development Programs (p.123) |
| | The Partnership establishes mechanisms for resolving employee complaints and disputes have been established, and processes for resolving disputes. | + | | | | | Human Rights, Business Ethics and Common Values (p.74) |
| C1.6 | The Partnership publicly discloses activities conducted during the reporting year in order to ensure employee satisfaction. | + | | | | | Employee Loyalty and Happiness (p.117) |
| | The Partnership establishes and publicly discloses its OHS Policy. | + | | | | | Safe and Healthy Work Environment (p.119-120) |
| C1.7 | The Partnership publicly discloses precautions taken to prevent occupational accidents and to protect health and accident statistics. | + | | | | | Safe and Healthy Work Environment (p.119-120) |
| | The Partnership establishes and publicly discloses its policies on protection of personal data and data security. | + | | | | | Digital Security and Wellbeing (p.149-150) www.turkcell.com.tr/gizlilik-ve-guvenlik?page=kisisel-verilerin-korunmasi |
| C1.8 | The Partnership establishes and publicly discloses its Code of Ethics. | + | | | | | Human Rights, Business Ethics and Common Values (p.74) www.turkcell.com.tr/todiek |
| C1.9 | The Partnership discloses its activities on community investments, social responsibility, financial inclusion and access to financing. | + | | | | | Techfin Services (p.66-67) Social Investment and Sponsorship Projects (p.174-177) |
| C1.10 | The Partnership organizes briefings and trainings programs on ESG policies and practices for employees. | + | | | | | Environmental Management (p.184) |
| C2. Stakeholders, International Standards and Initiatives | | | | | | | |
| C2.1 | The Partnership establishes and publicly discloses a customer satisfaction policy regarding management and resolution of customer complaints. | + | | | | | Customer Satisfaction Management (p.166) |
| C2.2 | The Partnership publicly discloses information regarding communication with stakeholders (including who the stakeholders are, the topics and the frequency of communication) | + | | | | | Interactions with Our Stakeholders (p.52-53) |
| C2.3 | The international reporting standards adopted in reporting have been disclosed. | + | | | | | About the Report (p.28) |
| C2.4 | The Partnership publicly discloses sustainability principles adopted, as well as the international organizations, committees, and principles signed or joined. | + | | | | | Turkcell's Sustainability Initiative Memberships (p.54-55) |
| C2.5 | The Partnership makes improvement efforts to be included in Borsa Istanbul's and/or international index providers' sustainability indices. | + | | | | | Sustainability Indices and Performance Indicators (p.93) |
| D. Corporate Governance Principles | | | | | | | |
| D1 | The Partnership received stakeholder opinions in determining measures and strategies in the field of sustainability. | + | | | | | Turkcell Sustainability Priorities (p.46-47) Interactions with Our Stakeholders (p.52-53) |
| D2 | The Partnership works on increasing awareness about the subject of sustainability and its importance through social responsibility projects, awareness events, and trainings. | + | | | | | Equality of Digital and Social Opportunity (p.172-173) Social Investment and Sponsorship Projects (p.174-177) |



APPENDIX-7: Greenhouse Gas Verification Statement



TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
Aydınevler Mah. İnönü Cad.
No:20 Maltepe/İstanbul

To whom it may concern,

This letter is presented to TURKCELL İLETİŞİM HİZMETLERİ A.Ş. to present opinion of the Bureau Veritas Certification Turkey on the Greenhouse Gases Verification for the period 1 January 2022 to 31 December 2022.

Bureau Veritas Turkey consent to release of this letter by you to the Carbon Disclosure Project in order to satisfy the terms of CDP disclosure requirements. Bureau Veritas Turkey not accepts or assumes any responsibility or liability on our part to CDP or to any other party who may Access to this letter or assurance report.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. commissioned Bureau Veritas to perform a verification of its 2022 GHG Inventory. The verification was performed on March 2023.

The GHG assertions verified were the following:

1. That the 2022 GHG Inventory for TURKCELL İLETİŞİM HİZMETLERİ A.Ş. has been developed in accordance with common industry practice, including ISO 14064-1:2018 Standard.
2. That the calculated total GHG emissions for the 2022 are **1,349,268 tons of CO₂e** (Direct Emissions: **16,178 tCO₂e**, Indirect emissions from imported energy: **0 tCO₂e** (emission is 414,911 tCO₂e but 1.000.000 kwh YEK-G certificate retired), Indirect emissions from transportation: **19,092 tCO₂e**, Indirect emissions from products used by organization: **443,235 tCO₂e**, Indirect GHG emissions associated with the use of products from the organization: **870,763 tCO₂e**, Emissions Due to Biomass combustion: Nill) (the emission sources included for each source has been given in verification report)

The verification task was to form an opinion at a reasonable level of assurance about the above GHG assertions, regarding:

1. Conformance with the general requirements of ISO 14064-1:2018.
2. Reasonableness of the calculated emissions for the 01.01.2022-31.12.2022.

The verification performed by Bureau Veritas applied ISO 14064-3 International Standard for GHG verifications. The following verification activities were conducted:

1. Review of documentation, controls and methodologies, including other verification reports,
2. Assessment of risks and verification planning,
3. Assessment of documentation, controls and methodologies, including the facility quality management systems,



4. Documentation of verification findings and outstanding issues in verification report,
5. Assessment and documentation of resolutions to outstanding issues in verification report,
6. Issuance of verification statement and completion of verification.

GHG Assertion #1: The GHG inventory conforms to the general requirements of ISO 14064-1 Standard.

GHG Assertion #2: That the calculated total GHG emissions for the 2022 are **1,349,268 tons of CO₂e** (Direct Emissions: **16,178 tCO₂e**, Indirect emissions from imported energy: **0 tCO₂e** (emission is 414,911 tCO₂e but 1.000.000 kwh YEK-G certificate retired), Indirect emissions from transportation: **19,092 tCO₂e**, Indirect emissions from products used by organization: **443,235 tCO₂e**, Indirect GHG emissions associated with the use of products from the organization: **870,763 tCO₂e**, Emissions Due to Biomass combustion: Nill) (the emission sources included for each source has been given in verification report)

View Declaration

The greenhouse gas emission data for 2022 has been verified as a result of verification audit held on the basis of international standards has been verified with reasonable assurance.

Verifier Opinion and Qualifications

Based on the process and procedures conducted, the GHG assertion is prepared in accordance with the requirements of ISO 14064-1:2018.

Based on the process and procedures conducted, the GHG assertion is materially correct and is a fair representation of the GHG data and information.

Date: **10 March 2023**

Egemen Belet
Lead Verifier

İbrahim TAGAY
Certification Manager



Group Companies and Other Information on Corporate Governance

- Our Subsidiaries
- Subsequent Events After the Reporting Period
- Statement of Compliance with Corporate Governance Principles
- Corporate Governance Principles Compliance Report
- Corporate Governance Information Form
- Roles of Turkcell Board Members at Other Companies
- Conclusion of the Subsidiary Report



Our Subsidiaries¹⁴

lifecell

lifecell started its operations in Ukraine in February 2005. In 2022, lifecell's 3-month active subscriber base decreased by 0.7 million to 8.5 million. lifecell sustained its leadership in the Ukrainian market in smartphone penetration, which had reached 84.3% by 2022 year-end.

lifecell was the first operator in Ukraine to launch 4.5G services for its customers in the 2,600 MHz frequency band in 2018, followed by a successful launch in the 1,800 MHz frequency band within the same year. As of the end of 2022, lifecell 4G coverage is available in 16,592 settlements with 30.7 million of Ukrainians. lifecell's 3G and 4.5G networks have a geographical coverage of 60.4% and population coverage of 77.7% in Ukraine.

In 2022, the number of three-month active subscribers using 3G and 4.5G remained unchanged at 5.8 million, while mobile data usage per user grew by 15%. The company achieved strong operational performance in 2022, with revenue and EBITDA growth of 11.0% and 14.6%, respectively (in UAH terms). lifecell registered positive net income in 2022, which was a result of this strong performance. lifecell's revenues in TRY terms rose 70.1% to TRY 4,774 million.

Since Russia attacked Ukraine on February 24 the main task of lifecell team was to ensure continuous mobile network operation and to keep Ukrainian people connected. During the full-scale war, lifecell supported its subscribers in Ukraine and abroad

providing many basic services at no extra charge so that subscribers can stay in touch with their families and friends. Starting from May 2022, lifecell subscribers can use tariff plans' gigabytes included in the service package, not only in Ukraine but also abroad in more than 30 countries at no extra charge.

Since the beginning of hostilities in Ukraine, lifecell engineers have been doing their best to ensure the continuity of the mobile network operation. The team promptly optimized the network operation in different regions to maximize the capacity of both 2G connection and 3/4G high-speed mobile Internet access services in the regions where Ukrainians from combat zones were evacuated. To enable the mobile network to meet the growing demand for data services and avoid congestion, lifecell turned on LTE coverage in the 2100 MHz band. Also, more than 670 new base stations mostly in the Central and Western regions were built.

In March lifecell together with other mobile operators launched national roaming in Ukraine. It gave Ukrainians an opportunity to switch to the network of other operators if the network of their operator is unavailable at the moment. In April lifecell began to use the Starlink satellite system for quick restoration of the mobile network in the unoccupied territories.

In June lifecell launched the registration of subscribers' numbers via My lifecell application using digital documents in DIIA. It helps the subscribers easily and quickly go through

the procedure of registration without visiting the operator's store. Also, the service of transferring phone numbers from SIM to eSIM in the monobank application was launched.

lifecell was the first Ukrainian mobile operator who launched VoLTE and VoWiFi technologies for calls VoLTE i VoWiFi in 2022. In September lifecell launched RCS messages for the first time on the Ukrainian telecom market. In October lifecell started testing a pilot project of powering base stations with solar panels. It is expected to be a good solution in areas where access to electricity grids may be difficult or damaged due to military actions.

lifecell has made it possible for subscribers who want to change their mobile operator using MNP to do it online without visiting an operator's store. The procedure for transferring a number to lifecell can be carried out with the help of eSIM or using a new operator's starter package. During 2022 lifecell has been holding its leading position on the Ukrainian telecom market by the number of ported subscribers.

Several times during the year 2022 lifecell provided doctors, military personnel and critical infrastructure workers with packages of 10,000 minutes for calls, 10,000 GB of Internet and 10,000 SMS.

In December 2022, lifecell launched an NFT marketplace, a platform for the exchange of non-fungible tokens, where it publishes its charity collection. The NFT Talkers project aims to raise funds to support Ukraine and the artists during the war.

Despite the losses and damages affected by the war to lifecell's infrastructure and operations, the company signed Memorandum with the Ministry of Digitalization about transferring UAH 40 million to United24 – the national platform for collecting donations in support of Ukraine, created at the initiative of the President of Ukraine Volodymyr Zelensky.

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 December 31, 2022, BeST operated 2G and 3G services in all cities with a population of more than 10,000, and provided 2G services on all principal intercity highways and roads of the Republic of Belarus, which corresponds to a coverage of approximately 99.8% of the entire population of Belarus, or 93.1% geographical coverage.

BeST, in which our Company has 80% shareholding, remaining 20% shares of BeST, owned by the Republic of Belarus were purchased in December, 2022. The share transfer has been completed on December 9, 2022.

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 89.2% 4G geographical coverage. The share of 4G subscribers reached 78% of the 3-month active subscriber base in 2022. Increasing 4G services penetration has led to an average monthly data consumption per user to 16.2 GB. The 4G network serves 81% of the total data traffic as of 2022.

While converting subscribers to 4G users, BeST continues to transform itself from a communication services provider to a digital operator. Accelerating digital subscriptions and increasing its share in subscriber acquisition, enhancing self-service capabilities via mobile application and web channels, extending digital services portfolio and penetration are the main initiatives in 2022 to drive the digitalization journey. BeST enriches customers' digital experiences by bringing together connectivity and content, enables the growth of ARPU driven by data services and diversified digital services portfolio in accordance with Turkcell's strategy. Accordingly, BeST has included BiP, fizy, lifebox, Magazines, TV+, and Games and Digital Book Platforms to its digital services portfolio. As of 2022 year-end, 38% of the 3-month active subscribers use at least one digital service and solution.

BeST has launched a payment service in 2022 through its self-service mobile application, which enables customers to make payments and money transfers by using their mobile balances. The payment service enhances the seamless digital experience of the customers, and increases customer engagement and loyalty.

BeST is 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. This service is developed successfully by lifetech.

lifetech, in which BeST has 100% shareholding, provides services 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 and commenced operations.

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%¹⁵ excluding telemetry according to Information Technologies and Communications Authority data for third quarter of 2022.

Getting in the fixed broadband market in TRNC with Lifecell Digital Ltd. in 2018, it continues to serve in this field, reaching second place with the momentum it has gained in a short period of time.

Kuzey Kıbrıs Turkcell participated in the 4G/5G authorization tender held in the Turkish Republic of North Cyprus, and with a tender value of 19,096,824 USD including V.A.T. for the 247 MHz frequency band, holds the 4G/5G authorization document as of November 8th, 2022. Thanks to the 4.5G infrastructure, which will commence operation within 10 months, mobile broadband speed will have increased by 10 times on average.

In 2022, Kuzey Kıbrıs Turkcell registered revenue of TRY 473 million on 54.3% annual growth.

¹⁴ Not all our subsidiaries are included in our Subsidiaries section. You can find the list of all subsidiaries in the integrated annual report appendix Capital Markets Board Report, under footnote 1.

¹⁵ Active subscriber market share excluding telemetry



Turkcell Global Bilgi

Turkcell Global Bilgi offers new generation services closely following the digitalization trends and leveraging 23 years of experience in customer experience. Turkcell Global Bilgi acts as the strategic business partner of brands, and aims to enhance customer satisfaction and consequently its revenues creating customized solutions for more than 100 companies including Turkcell itself.

Operating in Turkey and Ukraine, Turkcell Global Bilgi is the first and still the only Turkish customer experience center which provides service abroad with its Ukraine investment. Employing 15,000 people, Turkcell Global Bilgi leads the sector and creates value with 10,878 women employees, which make up 69% 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 (RPA), 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 provides tower leasing, tower build & sell, tower maintenance and contract management 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 two thousand points from its own infrastructure with geographic redundancy. The company aims to enrich product and service diversity by following industry trends.

Global Tower has a portfolio of 10,910 towers as of end of 2022, distributed as follows;

- Turkey: 8,975 (owned: 4,560, right of use: 2,220, contract management: 2,195)
- Ukraine: 985 (owned)
- Belarus: 835 (right of use)
- TRNC: 115 (right of use)

Superonline İletişim Hizmetleri A.Ş.

Turkcell Superonline was established in 2009 with the merger of our subsidiary Tellcom (established in 2004 as Bilişim Telekomunikasyon and became Tellcom in 2006) and Superonline purchased from Çukurova Group. The company provides telecommunication services to individual, corporate and operator customers with the brand Turkcell Superonline. 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 6.1 billion as of 2022 within the scope of these authorizations. Superonline recorded revenues of TRY 10.0 billion and EBITDA of TRY 4.5 billion in 2022.

As of the end of 2022, Turkcell Superonline has 2.9 million broadband internet customers, 2.1 million of which is over its own fiber infrastructure, and 1.3 million IPTV customers under the TV+ brand. As of the same date, Turkcell Superonline provides fiber access on 5.4 million households in 28 cities with 59 thousand km roll-out at speeds up to 10 Gbps over its own infrastructure.

Moreover, while Turkcell Superonline provides fixed broadband service to more households through agreements signed with other network owner operator within the sector, 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 2022.

Turkcell Finansman - Financell

Turkcell Finansman A.Ş., one of the key players in the Turkish financing sector, provides financing solutions to corporate and individual customers for their purchases of technology-based services and products under the "Financell" brand.

Providing services in around 1,100 Turkcell stores, 2,318 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.

As of the end of 2022, Turkcell Finansman A.Ş., with an asset size of TRY 4.2 billion, has extended approximately 15 million loans amounting TRY 28.5 billion to date; in 2021, it became active in corporate loans with its digital transformation loan. On the other hand, thanks to the credit risk infrastructure and digital transformation projects carried out in 2021, the Company continues to manage its credit risk successfully, making effective credit evaluation. Financell, which

started to provide financing services to Corporate and Superonline customers with the projects completed in 2021, continues to provide financing solutions in all products and services sold by the Turkcell Group. With its improving infrastructure, Financell started to operate in channels other than Turkcell in 2022 with new products such as digital holiday loans and vehicle loans.

Turkcell Sigorta Aracılık Hizmetleri A.Ş.

Another techfin initiative, Turkcell Sigorta Aracılık Hizmetleri A.Ş., aims to offer innovative solutions in the risk management of customers with fast and easy-to-access products under the Güvencell brand.

Turkcell Sigorta Aracılık Hizmetleri A.Ş. meets its customers' insurance needs by offering device insurance, bill protection, supplemental health and personal accident insurance as its main products. In addition to these, in 2022, it started to sell TCIP compulsory earthquake and travel health insurance.

Turkcell Dijital Sigorta A.Ş.

Turkcell Dijital Sigorta A.Ş. which will carry out innovative end-to-end insurance activities focused on digital experience was established on 21.06.2022. On 17.10.2022, an application for an insurance license was made before the Insurance and Private Pension Regulation and Supervision Agency (SEDDK). As of the end of 2022, the licensing process continues.

Turkcell Ödeme Hizmetleri ve Elektronik Para Hizmetleri - Paycell

Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş. (TÖHAŞ), added the E-Money license in 2017 to the payment services license it obtained from the BRSA in 2016. While a rapid techfin

transformation has taken place in the world in the past 10 years, the Turkish market also shows a high potential for the expansion of techfin services with its attractive internal dynamics. In particular, the high share of young population, high rate of smart device penetration, approximately 30 million potential unbanked users, current high rate of cash usage in shopping and rising e-commerce volume stand out as the 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 to lead the techfin industry by achieving record transaction volumes in many products. While the number of Paycell customers reached 7.7 million in 2022, the number of Paycell application downloads exceeded 19.9 million with the new features included. The total transaction volume through Paycell reached TL 37.1 billion by the end of 2022.

Sofra Kurumsal ve Ödüllendirme Hizmetleri A.Ş.*

Sofra Kurumsal ve Ödüllendirme Hizmetleri A.Ş. is a meal card company established in 2018 in partnership with Turkcell, Belbim and PTT. It serves under the Paye Kart brand. It 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 Kart 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 technological infrastructure of Turkcell, the leading company in Turkey's telecommunication sector since 2006, with the strategy of expanding its products and services in international markets, and offers its unique solutions to the use of operators abroad. In this direction, Turkcell Teknoloji aims to develop new digital and ICT services around the world according to the latest technology and market requirements, and to expand the regions that Turkcell Group operates. Products and services developed by Turkcell Teknoloji today serve more than 100 million users in 15 countries.

Turkcell continues to rapidly increase its position in technological studies. With the motivation of breaking new ground in Turkey and worldwide, Turkcell Teknoloji continues to develop by having the largest and most competitive R&D structure in Turkey, employing 965 research engineers as of 2022. Turkcell Teknoloji aims to

* We have 33% shareholding.



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’s focus areas are roaming solutions, big data processing, business intelligence applications, smart cloud platform and solutions developed on the platform, location-based services and platforms, geographic information systems, customer relationship management and solutions, network management solutions, new 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, text and natural language analysis (NLP), recommendation engines, voice analytics, robot assistants, robotic process automation, mobile analytical platforms within the scope of artificial intelligence developments; artificial intelligence in health, business application solutions, learning and education application solutions, e-mail and search engine solutions, digital broadcasting solutions, CDN (Content Delivery Network) Solutions, Over-the-Top (OTT), AIOPS/devops and blockchain solutions.

Turkcell Teknoloji has reached the leading position in its sector in Turkey with 3,564 national and 216 international patent applications and

966 registered patents since 2007. Pioneering the generation of new technologies, Turkcell Teknoloji has played an important role in the dissemination of technology by publishing 24 academic and 110 technical publications on national and international platforms in 2022. Additionally, the technology experience of the ecosystem was increased by intensively continuing product promotion, conference participation and training activities in 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. With the agreement signed with Lifecell Ventures in January 2019, Digicel, headquartered in Jamaica, 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. 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 Enerji Çözümleri expands its portfolio in the energy sector with its investments and projects in the field of renewable generation and aims to increase its share in the sector both in 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 Enerji Çözümleri, which recently included an 18 MW wind power plant in its portfolio in 2021, aims to continue its investments in renewable energy in the upcoming periods and to turn Turkcell into a company that produces and supplies electricity from environmentally friendly sources with zero carbon emissions. In addition, it has increased the practices and incentives of its business partners in this field by realizing the I-REC certified sale of the renewable energy it has provided since 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 Dijital İş Servisleri A.Ş., 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 services in many different areas such as business applications, next generation technologies and providing required hardware. 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

Our e-mobility solutions, offered in scope of digital business services within Turkcell, provide the most advanced vehicle and fleet technologies for the safety of vehicles and employees. As of October 29, 2022, Togg which is developed by “Turkey’s Automobile Joint Venture Group”, where Turkcell has 23% shareholding, has started mass production of the C-class SUV, the first connected, smart and fully electric powered at Gemlik Togg Technology Campus. As part of the ecosystem which will be created on the smart and connected vehicle, new services, new user experiences and new business models in mobility are being developed. As part of this effort, a strategic cooperation agreement signed with Paycell in order to integrate innovative payment systems and digital financial solution in the mobility ecosystem, in 2022.

The C-SUV model, which will be produced as Turkey’s first fully electric powered, zero emission and smart automobile, will be ahead of its competitors with the largest wheelbase, largest interior volume and best acceleration of its class and a low total price. The first smart device of Togg, starting its journey to answer tomorrow’s smart transportation

demands from today and provide mobility solutions beyond standard, is planned to be on the road in the first quarter of 2023 in Turkey, and approximately 18 months later in Europe.

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 mass travelling between cities and see seasonal impacts. We help achieve energy savings through efficient transportation planning.

Atmosware Teknoloji Eğitim ve Danışmanlık A.Ş.

Atmosware was incorporated last year to carry 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.

Since its incorporation, it has been one of the most important process stakeholders of the “Investment in Youth, Software for Future” project, organized in cooperation with Turkcell Academy and the Ministry of National Education. With this project, it has integrated nearly 100 software developers among the participants who undertook 6 months of vocational training and field experience. Closely monitoring the master and apprentice relationship and balance, it has also employed

experienced software developers and increased its total information technologies staff to more than 150.

The employed information technology staff provide software products development both for our Company and for other companies in the ecosystem. In Atmosware, which follows a remote work principle, the employees reside in 32 different cities. With the motto “81 Employees in 81 Cities”, the employment is planned to be spread across the country.

Dijital Eğitim Teknolojileri A.Ş.

Turkcell, which generates business with the vision of contributing to the future of Turkey and presenting quality value propositions; has founded Dijital Eğitim Teknolojileri A.Ş. (DETEK) in 2022, with the joint venture of Turkcell with 51% shareholding and Şahinkaya Private Education Institutions with 49% shareholding, in order to create value and ensure equality of opportunity through new generation digital technologies for a better future, in 2022, to operate in the field of educational technologies.

DETEK, which will make a difference in educational technologies, will bring new digital education products to our customers. We aim to provide a personalized learning experience with the support of artificial intelligence by accompanying the learning journeys of our stakeholders in Turkey and around the world. With our continuously developed competencies and strong ecosystem, we will lead the digital transformation of the education market, contribute to the sustainability vision by changing the habits of the large user base with the high number of users, and seize the opportunities in the foreign market in this field.



Subsequent Events After the Reporting Period

January 31, 2023

Announcement Regarding the Capital Increase in Kıbrıs Telekom

The capital of our Company's subsidiary Kıbrıs Mobile Telekomünikasyon Limited ("Kıbrıs Telekom") is increased by TRY 30,000,000 to TRY 92,071,775 from TRY 62,071,775. Our Company's pre-emption rights with respect to the capital increase is fully paid.

January 31, 2023

Announcement Regarding the Dispute in Relation to the Act on the Protection of Competition

In our material event disclosure dated June 23, 2022, we have announced that Doğan Dağıtım Satış Pazarlama Matbaacılık Ödeme Aracılık ve Tahsilat Sistemleri A.Ş. (title of which subsequently changed to Demirören Dağıtım Satış Pazarlama Matbaacılık ve Tahsilat Sistemleri A.Ş.) filed a lawsuit against our Company; the court partially accepted the case and, ruled reimbursement of TRY 215.6 million (three times of the actual damage of TRY 71.9 million pursuant to the Act on Protection of Competition) together with the discount interest applicable from the date of the case to the plaintiff and partially rejected the case for the remaining part and our Company shall apply necessary legal remedies with respect to the decision.

On the request of appeal made by our Company, the Istanbul Regional Court decided to revoke the decision of the first instance court, following the acceptance of our appeal application; on the grounds of clear contradictions to law. The Court decided to remand the files to the first instance court to be re-decided following a trial in accordance with the revocation decision.

February 2, 2023

Announcement Regarding the Incorporation of Turkcell Dijital Teknolojileri Ltd.

Turkcell Dijital Teknolojileri Ltd., in which our Company's subsidiaries Lifecell

Digital Ltd. has 99.9998% and Kıbrıs Mobile Telekomünikasyon Limited has 0.0002% shareholding, respectively, has been incorporated. Registration and announcement of the respective company have been completed. The company, which will operate in electronic payment services in the Turkish Republic of Northern Cyprus, has a paid-in capital of TRY500,000.

The announcement regarding the incorporation process was postponed by the Board of Directors' decision as per the Article-6 of the Capital Market Board's Communiqué on Material Events Disclosure, as it could have an impact on the investment decision of investors, as well as the stock price.

February 8, 2023

Announcement Regarding the Board of Directors Resolution on Buy-Back of Securities

Our Company's Board of Directors, pursuant to their meeting on August 18, 2022, resolved to determine the maximum fund amount to buy-back our shares trading at Borsa İstanbul A.Ş., our American Depository Receipts (ADR) trading at New York Stock Exchange (NYSE) and bonds of our Company as TRY1,000,000,000 within the scope of the announcements of the Capital Markets Board dated July 21, 2016, July 25, 2016, and March 23, 2020. Our Company's Board of Directors has resolved now to increase the maximum fund amount as TRY1,250,000,000.

February 8, 2023

Announcement Regarding the Change in Management (Finance)

Osman Yılmaz, who has been serving as the Executive Vice President of Finance of our Company, has decided to resign from his position, effective as of February 28, 2023.

Murat Erkan, CEO of Turkcell, said: "In addition to his groundbreaking achievements and leadership role in finance, Osman Yılmaz has made invaluable contributions to the transformation

of both our country and Turkcell in the field of financial technologies with the vision he set out in our TechFin companies. I thank Mr. Yılmaz for his valuable contributions to our Company, and wish him every success in his future career."

February 16, 2023

Announcement Regarding the Establishment of a Cyber Security Company

Our Company's Board of Directors has taken the decision to establish a company in order to develop cyber security products and services for our Company and its subsidiaries and third parties both in Türkiye and abroad, by our Company or its subsidiaries.

February 16, 2023

Announcement Regarding the Donation for the Earthquake Relief

In accordance with the option provided by the Capital Markets Board's decision dated February 9, 2023, due to the earthquake disaster on February 6, 2023, epicenter of which was Kahramanmaraş, that caused a devastation and loss of lives, Board of Directors of Turkcell has resolved to make in-kind and/or cash donation and provide all the appropriate benefits and aid up to TRY3,500,000,000 to the earthquake victims directly and/or through the Ministry of Interior Disaster and Emergency Management Presidency ("AFAD"), the Turkish Red Crescent ("Kızılay") and/or other institutions and organizations announced by mentioned agencies.

The donation and contributions will be presented to shareholders for approval at the first General Assembly meeting to be held where shareholders will be comprehensively informed about the details.

We sincerely share the pain of our country and express our deepest condolences to the individuals who lost their lives in the earthquakes and we wish a quick recovery to those who were affected and injured by the earthquake.

February 17, 2023

Announcement Regarding the Transfer of Ultia

It has been resolved to transfer all kinds of intellectual property rights, including but not limited to, all software, domain names, brands and patents of Ultia Platform ("Ultia"), which is held by Turkcell Teknoloji Araştırma ve Geliştirme A.Ş., a 100% subsidiary of our Company, to Ultia Teknoloji Yazılım ve Uygulama Geliştirme Ticaret A.Ş., a technology-oriented company established by Re-Pie Portföy Yönetimi A.Ş. Turkcell New Technologies Venture Capital Investment Fund, which was established to invest in ventures that can create synergies with our Group's strategic focus areas, as a result of the valuation to be made by a valuation company licensed by the Capital Markets Board, at a value not less than the value to be determined in the valuation report. With this transfer, it is aimed for Ultia to become an effective player in the market by being supported through a more focused structure, and to provide strategic and financial benefits to our Company and create long-term value with the synergy to be created. Developments regarding this subject will be announced to the public fully and in a timely manner.

*Ultia: It is an application development platform that offers ready modules to digitalize business processes of companies such as HR, CRM, etc., or an infrastructure that can be used for design.

February 17, 2023

Announcement Regarding the Share Buy-back Transactions

Within the scope of our Board of Directors' share buy-back decisions on July 27, 2016 and the following dates, our Company purchased a total of 1,000,000 shares at a price range of TRY 33.46 - 34.00 with an average of TRY 33.88 totaling TRY 33,884,140 on February 17, 2023.

Within the scope of the relevant decisions, Company repurchased a total of 17,893,807 shares amounting to TRY214,096,922 from August 24, 2016 until the date of this announcement. With these transactions, the ratio of our shares in Company's capital has reached 0.81%. In addition, our Company's Eurobonds with maturities of 2025 and 2028 were purchased at a nominal value of USD37,239,000 for USD35,293,480 (TRY521,752,184) at various time periods.

February 21, 2023

Announcement Regarding the Change in Management (Finance)

Mr. Kamil Kalyon, Financial Planning and Analysis Director at our Company, will also serve as the acting Executive Vice President of Finance in addition to his current role effective as of March 1, 2023.

Kamil Kalyon began his professional career at the Ernst & Young Turkey (EY) Tax department in 1996. During his twelve-year career at EY, he took part in many strategic projects, ultimately holding the position of Senior Manager. Between 2008 and 2012, he worked as the Finance Director in Kont Bilişim Group operating in the information technologies sector. He entered OMV Petrol Ofisi A.Ş. as Tax Director in 2012 where he remained for four years. Kamil Kalyon joined Turkcell İletişim Hizmetleri A.Ş. as Tax and Group Reporting Director in December 2016 and has been working as the Financial Planning and Analysis Director at our Company since February 2021.

Kamil Kalyon graduated from the Marmara University Department of Business Administration, and holds the titles of Sworn-in Certified Financial Advisor and Independent Auditor.

March 7, 2023

Announcement Regarding the Renewal of Directors & Officers Liability Insurance

Pursuant to Article 4.2.8 of the annex of the Capital Markets Board's Corporate Governance Communiqué; the existing "Directors & Officers Liability Insurance" for the members of our Company's Board of Directors, senior executives and senior executives of group companies has been renewed to be valid until October 1, 2023, and the total liability limit of the insurance has been updated to exceed 25% of the Company's capital.

March 9, 2023

Announcement Regarding the Decisions to Issue Lease Certificates

Our Company's Board of Directors resolved that our wholly owned subsidiary Superonline İletişim Hizmetleri A.Ş. shall issue management agreement based lease certificates (sukuk) in accordance with capital markets legislation through an asset leasing company based in Turkey at an amount of up to TRY3 billion, in Turkish Lira terms, with maturities up to 12 months, in the domestic market, in one or more tranches, without public offering, as private placement and/or to be sold to institutional investors.

Our Company's Board of Directors also resolved that our wholly owned subsidiary Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş. shall issue management agreement based lease certificates (sukuk) in accordance with capital markets legislation through an asset leasing company based in Turkey at an amount of up to TRY1 billion, in Turkish Lira terms, with maturities up to 12 months, in the domestic market, in one or more tranches, without public offering, as private placement and/or to be sold to institutional investors.

The respective issuances are subject to approval of Capital Markets Board.



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. Besides, an utmost care is given to compliance with mandatory corporate governance principles.

In the activity period that ended as of 31 December 2022, in the annual report's following sections, compliance to the corporate governance principles annexed to the Communiqué on Corporate Governance is disclosed along with the necessary explanations given for the principles that are yet to be complied with: (i) the Corporate Governance Compliance Report ("CGCR") and (ii) the Corporate Governance Fact Sheet ("CGFS") and (iii) other relevant sections. Within this framework:

Considering the regulation and global best practices, board of directors' performance evaluation forms were created as a result of the below process and implementation designed by the Corporate Governance and Capital Markets Compliance Directorate in December 2021, which

directly reports to the Turkcell's Board with an autonomous structure, and within the recommendation of the Corporate Governance Committee and guidance of Board of Directors. Accordingly, each Board member had 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. Board Members' 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 to improve the processes have been identified as a result of the reviewed and analyzed feedback.

Within the scope of the feedbacks of the Board Members identified in the 2021 performance evaluation, the following improvement actions are taken:

• A new platform was put into practice in order to digitalize access to the Board of Directors meeting documentation, to transfer the documentation to a secure platform and to enable a permanent access to the relevant documentation. As a result, information sharing with the members of the Board of Directors was increased both quantitatively and qualitatively.

• Studies were carried out to increase communication between the committees and the Board of Directors.

• The external consultant support for the Board of Directors has been increased.

• Considering the evaluations, suggestions and recommendations from shareholders and investors, the Strategy and Digitalization Committee was established in February 2022 to contribute positively on the increase of efficiency in the monitoring and improvement of Company performance. In this committee, company's strategies, investments and digitalization processes are monitored effectively, all projects and actions that increase the value of the company relating to the position in the market, digitalization efforts, governance practices etc. are followed up by the Committee and are regularly brought to the agenda of the Board of Directors.

The performance evaluation process of the Board of Directors was completed also in 2022 within the scope of the above methodology.

Mr. Nail Olpak, have resigned from Independent Board Membership as of 9 June 2022 and on the same date, our Company's Board of Directors elected Mr. Nail Olpak for the position of Board Member, which was vacant due to the resignation of Mr. Hüseyin Aydın and such appointment was later approved in the ordinary general assembly dated 16 June 2022.

Considering the developments and best practices, studies will be carried out to improve our corporate governance practices and ensure better operation of the mechanisms designed for the implementation of corporate governance principles.

Should the CGCR or CGFS be amended within the activity period, a material event disclosure will be made, and such amendments will be included in the interim activity reports.

Corporate Governance Principles Compliance Report

| | COMPLIANCE STATUS | | | | | Explanation |
|---|-------------------|---------|----|----------|----------------|---|
| | Yes | Partial | No | Exempted | Not Applicable | |
| Corporate Governance Compliance Report | | | | | | |
| 1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS | | | | | | |
| 1.1.2 Uptodate information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website. | + | | | | | |
| 1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION | | | | | | |
| 1.2.1 Management did not enter into any transaction that would complicate the conduct of special audit. | + | | | | | |
| 1.3. GENEL KURUL | | | | | | |
| 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. | + | | | | | |
| 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. | | | | | + | 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. | + | | | | | |
| 1.3.10 The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions. | | + | | | | 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. | | | + | | | Results of general assembly meeting has been shared with the media through press release. |
| 1.4. VOTING RIGHTS | | | | | | |
| 1.4.1 There is no restriction preventing shareholders from exercising their shareholder rights. | + | | | | | |
| 1.4.2 The company does not have shares that carry privileged voting rights. | | | + | | | Please see AoA: Article 7.2. and 7.3. https://s.turkcell.com.tr/SiteAssets/Hakimizda/yatirimci-iliskileri/documents/pdf/Anasozlesme21102020_ENG.pdf |
| 1.4.3 The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has crossownership, in case such cross ownership provides management control. | + | | | | | |
| 1.5. MINORITY RIGHTS | | | | | | |
| 1.5.1 The company pays maximum diligence to the exercise of minority rights. | + | | | | | |
| 1.5.2 The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights. | | | + | | | Thresholds determined by the respective legislation are in effect. |
| 1.6. DIVIDEND RIGHT | | | | | | |
| 1.6.1 The dividend policy approved by the General Shareholders' Meeting is posted on the company website. | + | | | | | |
| 1.6.2 The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future. | + | | | | | |
| 1.6.3 The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item. | | | | | + | Turkcell distributed dividend in 2022. |
| 1.6.4 The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company. | + | | | | | |



| | COMPLIANCE STATUS | | | | | Explanation |
|--|-------------------|---------|----|----------|----------------|---|
| | Yes | Partial | No | Exempted | Not Applicable | |
| 1.7. TRANSFER OF SHARES | | | | | | |
| 1.7.1 There are no restrictions preventing shares from being transferred. | | + | | | | 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. | + | | | | | |
| 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. | | | | | + | 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. | | + | | | | 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. | + | | | | | |
| 2.2.2 The annual report includes all elements listed in Corporate Governance Principle 2.2.2. | + | | | | | |
| 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. | + | | | | | |
| 3.1.3 Policies or procedures addressing stakeholders' rights are published on the company's website. | + | | | | | |
| 3.1.4 A whistleblowing programme is in place for reporting legal and ethical issues. | + | | | | | |
| 3.1.5 The company addresses conflicts of interest among stakeholders in a balanced manner. | + | | | | | |
| 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. | | + | | | | 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. | + | | | | | |
| 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. | + | | | | | |
| 3.3.2 Recruitment criteria are documented. | + | | | | | |
| 3.3.3 The company has a policy on human resources development, and organises trainings for employees. | + | | | | | |
| 3.3.4 Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health. | + | | | | | |
| 3.3.5 Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken. | | + | | | | 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. | + | | | | | |

| | COMPLIANCE STATUS | | | | | Explanation |
|--|-------------------|---------|----|----------|----------------|--|
| | Yes | Partial | No | Exempted | Not Applicable | |
| 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. | + | | | | | |
| 3.3.8 The company ensures freedom of association and supports the right for collective bargaining. | + | | | | | |
| 3.3.9 A safe working environment for employees is maintained. | + | | | | | |
| 3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS | | | | | | |
| 3.4.1 The company measured its customer satisfaction, and operated to ensure full customer satisfaction. | + | | | | | |
| 3.4.2 Customers are notified of any delays in handling their requests. | + | | | | | |
| 3.4.3 The company complied with the quality standards with respect to its products and services. | + | | | | | |
| 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. | + | | | | | |
| 3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY | | | | | | |
| 3.5.1 The board of the corporation has adopted a code of ethics, disclosed on the corporate website. | + | | | | | |
| 3.5.2 The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery. | + | | | | | |
| 4.1. ROLE OF THE BOARD OF DIRECTORS | | | | | | |
| 4.1.1 The board of directors has ensured strategy and risks do not threaten the long term interests of the company, and that effective risk management is in place. | + | | | | | |
| 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. | + | | | | | |
| 4.2. ACTIVITIES OF THE BOARD OF DIRECTORS | | | | | | |
| 4.2.1 The board of directors documented its meetings and reported its activities to the shareholders. | + | | | | | |
| 4.2.2 Duties and authorities of the members of the board of directors are disclosed in the annual report. | + | | | | | |
| 4.2.3 The board has ensured the company has an internal control framework adequate for its activities, size and complexity. | + | | | | | |
| 4.2.4 Information on the functioning and effectiveness of the internal control system is provided in the annual report. | + | | | | | |
| 4.2.5 The roles of the Chairman and Chief Executive Officer are separated and defined. | + | | | | | |
| 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. | + | | | | | |
| 4.2.8 The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital. | | | + | | | This year's policy limit for Directors and Officers liability did not exceed 25% of the company capital. |



Corporate Governance Information Form

| | COMPLIANCE STATUS | | | | | Explanation |
|---|-------------------|---------|----|----------|----------------|---|
| | Yes | Partial | No | Exempted | Not Applicable | |
| 4.3. STRUCTURE OF THE BOARD OF DIRECTORS | | | | | | |
| 4.3.9 The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy. | | | + | | | Board of Directors Diversity Policy is adopted. Within this scope, it is anticipated to have at least 2 women board members until the year 2030. |
| 4.3.10 At least one member of the audit committee has 5 years of experience in audit/accounting and finance. | + | | | | | |
| 4.4. BOARD MEETING PROCEDURES | | | | | | |
| 4.4.1 Each board member attend the majority of the board meetings in person or via an electronic board meeting system | + | | | | | |
| 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. | + | | | | | |
| 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. | + | | | | | |
| 4.4.4 Each member of the board has one vote. | + | | | | | |
| 4.4.5 The board has a charter/written internal rules defining the meeting procedures of the board. | + | | | | | |
| 4.4.6 Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any. | + | | | | | |
| 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. | | + | | | | There is no rule which restricts board member to serve outside the company. |
| 4.5. BOARD COMMITTEES | | | | | | |
| 4.5.5 Board members serve in only one of the Board's committees. | | | + | | | 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. | + | | | | | |
| 4.5.7 If external consultancy services are used, the independence of the provider is stated in the annual report. | | | | | + | No service has been received from an outside counsel in 2022. |
| 4.5.8 Minutes of all committee meetings are kept and reported to board members. | + | | | | | |
| 4.6. FINANCIAL RIGHTS | | | | | | |
| 4.6.1 The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively. | + | | | | | 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. | + | | | | | |
| 4.6.5 The individual remuneration of board members and executives is disclosed in the annual report. | | + | | | | In the Ordinary General Assembly Dated 16 June 2022, 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. |

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

| | |
|---|--|
| The number of investor meetings (conference, seminar/etc.) organised by the company during the year | In 2022, Investor Relations Department attended 11 investor conferences, 5 of which was held virtually and the remaining 6 was held physically held 5 group investor meetings and eventualized 373 discussions in total, with analysts and corporate investment funds. |
|---|--|

1.2. Right to Obtain and Examine Information

| | |
|--|---|
| The number of special audit request(s) | 0 |
| The number of special audit requests that were accepted at the General Shareholders' Meeting | 0 |

1.3. General Assembly

| | |
|---|---|
| Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1(a-d) | https://www.kap.org.tr/en/Bildirim/1026055 |
| 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 thresholds. |
| 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 threshold. |
| The name of the section on the corporate website that demonstrates the donation policy of the company | https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/donation-policy |
| The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved | https://www.kap.org.tr/en/Bildirim/517918 |
| 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. |

1.4. Voting Rights

| | |
|---|---|
| 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 https://ffo3gv1cf3ir.merlincdn.net/SiteAssets/Hakkimizda/yatirimci-iliskileri/documents/pdf/AnaSozlesme16062022ENG.pdf |
| The percentage of ownership of the largest shareholder | 26.2% |

1.5. Minority Rights

| | |
|---|----------------|
| Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association | No |
| If yes, specify the relevant provision of the articles of association | Not available. |

1.6. Dividend Right

| | |
|---|---|
| The name of the section on the corporate website that describes the dividend distribution policy | https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/dividend-policy |
| 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 2022. |
| 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 2022. |

General Assembly Meetings

| | |
|--|---|
| General Meeting Date | 16.06.2022 |
| The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting | 0 |
| Shareholder participation rate to the General Shareholders' Meeting | 76.54% |
| Percentage of shares directly present at the GSM | 0.53% |
| Percentage of shares represented by proxy | 76.01% |
| 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 | https://ffo3gv1cf3ir.merlincdn.net/SiteAssets/Hakkimizda/yatirimci-iliskileri/documents/pdf/2021-GK-minutes.pdf |
| 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 | https://ffo3gv1cf3ir.merlincdn.net/SiteAssets/Hakkimizda/yatirimci-iliskileri/documents/pdf/2021-GK-minutes.pdf |
| The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions | As the capital markets legislation imposes liability to report the related party transactions depending on the specified thresholds, this obligation is observed. |
| The number of declarations by insiders received by the board of directors | 0 |
| The link to the related PDP general shareholder meeting notification | https://www.kap.org.tr/en/Bildirim/1037823 |

**2. DISCLOSURE AND TRANSPARENCY****2.1. Corporate Website**

| | |
|---|---|
| Specify the name of the sections of the website providing the information requested by the Principle 2.1.1. | https://www.turkcell.com.tr/en/aboutus/investor-relations |
| If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares. | https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/shareholder-structure |
| List of languages for which the website is available | Turkish, English, Arabic (Partial) and Russian (Partial) |

2.2. Annual Report**The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.**

| | |
|--|---|
| a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members | Information provided in the Annual Report under Roles of Turkcell Board Members at Other Companies section. With respect to the independency declarations, relevant PDP notifications were made and it was not separately addressed in the annual report. |
| 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 Our Companies and Sector Developments. |
| 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 20 of CMB 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 | Investment consultancy services are not received. Measures taken for conflicts of interest in rating services are included in Financial Capital section. |
| 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 1 of CMB 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 Capital. |

3. STAKEHOLDERS**3.1. Corporation's Policy on Stakeholders**

| | |
|--|--|
| The name of the section on the corporate website that demonstrates the employee remedy or severance policy | 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 | 19 |
| 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 : ethicscommittee@turkcell.com.tr Address : Turkcell İletişim Hizmetleri A.Ş. Etik Kurulu Aydınevler Mah. İnönü Cad. No.20, Küçükyalı / İstanbul |

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

| | |
|--|----------------|
| Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies. | Not available. |
| Corporate bodies where employees are actually represented | Not available. |

3.3. Human Resources Policy

| | |
|---|--|
| The role of the board on developing and ensuring that the company has a succession plan for the key management positions | Board of Directors, when necessary, get involved in the processes 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. | Turkcell is an equal opportunity employer and considers all qualified applicants for employment regardless of disability, race, color, religion, gender, national origin, ethnicity, age, physical appearance or status, marital status, military service status. 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 www.turkcell.com.tr |
| Whether the company provides an employee stock ownership programme | There isn't any employee stock ownership programme. |
| 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. | https://www.turkcell.com.tr/todiek/english.html |
| The number of definitive convictions the company is subject to in relation to health and safety measures | Not available. |

3.5. Ethical Rules and Social Responsibility

| | |
|--|---|
| The name of the section on the corporate website that demonstrates the code of ethics | https://www.turkcell.com.tr/todiek/english.html |
| 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. https://www.turkcell.com.tr/en/aboutus/corporate-social-responsibility/sustainability |
| Any measures combating any kind of corruption including embezzlement and bribery | 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. Within the main framework of the ABC Policy; in April 2018 Corporate Governance & 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. (Please see https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/anti-bribery-and-corruption-policy to obtain more information on our ABC Policy). Starting from 1 January 2021, Corporate Governance & ABC Program Office continues its activities under the title of "Corporate Governance & Capital Markets Compliance Directorate" with the same direct reporting to board and autonomous structure. |



4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

| | |
|---|--|
| Date of the last board evaluation conducted | The performance evaluation made with the coordination of Corporate Governance & Capital Markets Compliance unit is concluded in December 2022 upon Board Members' fulfillment of the evaluation forms. |
| 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. |
| Number of reports presented by internal auditors to the audit committee or any relevant committee to the board | 18 |
| 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 | Board of Directors Diversity Policy is adopted. Within this scope, it is anticipated to have at least 2 women board members until the year 2030. |
| 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 | 7.03.2019 | | Not considered | No | Yes |
| Serdar Çetin | Non-Executive Board Member | Independent Board Member | 16.06.2022 | https://www.kap.org.tr/en/Bildirim/1037312 | Considered | No | Yes |
| Tahsin Yazar | Non-Executive Board Member | Not An Independent Board Member | 6.03.2020 | | Not considered | No | No |
| Afif Demirkıran | Non-Executive Board Member | Independent Board Member | 6.03.2020 | https://www.kap.org.tr/en/Bildirim/928569 | Considered | No | No |
| Nail Olpak | Non-Executive Board Member | Independent Board Member | 6.03.2020 | https://www.kap.org.tr/en/Bildirim/928569 | Considered | Yes | Yes |
| Hüseyin Arslan | Non-Executive Board Member | Independent Board Member | 15.04.2021 | https://www.kap.org.tr/en/Bildirim/928569 | Considered | No | Yes |
| Şenol Kazancı | Non-Executive Board Member | Not An Independent Board Member | 15.04.2021 | | Not considered | No | No |
| Figen Kılıç | Non-Executive Board Member | Not An Independent Board Member | 29.01.2021 | | Not considered | No | No |
| Julian Horn-Smith | Non-Executive Board Member | Not An Independent Board Member | 15.04.2021 | | Not considered | No | Yes |

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

| | |
|---|--|
| Number of physical or electronic board meetings in the reporting period | 9 |
| Director average attendance rate at board meetings | 100.00% |
| Whether the board uses an electronic portal to support its work or not | Yes |
| 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 | Serdar Çetin | No | Board Member |
| Audit Committee | Afif Demirkıran | No | Board Member |
| Audit Committee | Hüseyin Arslan | Yes | Board Member |
| Corporate Governance Committee | Serdar Çetin | Yes | Board Member |
| Corporate Governance Committee | Şenol Kazancı | No | Board Member |
| Corporate Governance Committee | Ali Serdar Yağcı | No | Not Board Member |
| Corporate Governance Committee | Emre Alpman | No | Not Board Member |
| Nomination Committee | Hüseyin Arslan | Yes | Board Member |
| Nomination Committee | Bülent Aksu | No | Board Member |
| Nomination Committee | Figen Kılıç | No | Board Member |
| Early Detection of Risk Committee | Afif Demirkıran | Yes | Board Member |
| Early Detection of Risk Committee | Figen Kılıç | No | Board Member |
| Early Detection of Risk Committee | Tahsin Yazar | No | Board Member |
| Remuneration Committee | Hüseyin Arslan | Yes | Board Member |
| Remuneration Committee | Bülent Aksu | No | Board Member |
| Remuneration Committee | Nail Olpak | No | Board Member |
| Strategy and Digitalization Committee | Afif Demirkıran | Yes | Board Member |
| Strategy and Digitalization Committee | Bülent Aksu | No | Board Member |
| Strategy and Digitalization Committee | Serdar Çetin | No | Board Member |
| Strategy and Digitalization Committee | Mehmet Akif Konar | No | Not Board Member |
| Strategy and Digitalization Committee | Serkan Öztürk | No | Not Board Member |



Roles of Turkcell Board Members at Other Companies

| 4. BOARD OF DIRECTORS-III | |
|---|---|
| 4.5. Board Committees-II | |
| Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website) | Not available in the annual report. Please see: https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees |
| 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: https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees |
| 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: https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees |
| 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: https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees |
| 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: https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/board-committees |
| 4.6. Financial Rights | |
| Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report) | Information provided in the Annual Report under Turkcell Group: 2022 Operational and Financial Review section |
| Specify the section of website where remuneration policy for executive and non-executive directors are presented. | https://www.turkcell.com.tr/en/aboutus/investor-relations/corporate-governance/compensation-policy |
| 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 37 of CMB report which is attached to our Annual 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% | 9 | 8 |
| Corporate Governance Committee | 50% | 25% | 3 | 3 |
| Nomination Committee | 100% | 33% | 1 | 1 |
| Early Detection of Risk Committee | 100% | 33% | 6 | 6 |
| Remuneration Committee | 100% | 33% | 5 | 3 |
| Strategy and Digitization Committee | 60% | 40% | 4 | - |

| Board Member Name-Surname | Duties Outside The Group: Company Name | Duties Outside The Group: Title/ Position | Still Working in the Related Company? |
|--|---|---|---------------------------------------|
| Bülent Aksu | - | - | - |
| Nail Olpak | PAK YATIRIM 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 |
| | PAK YATIRIM Ventures Teknoloji Yatırımları San ve Tic A.Ş. | No | No |
| | PAK YATIRIM Enerji San ve Tic A.Ş. | No | No |
| | PAK YATIRIM Tarım Hayvancılık San ve Tic A.Ş. | No | No |
| | HMN İnşaat Enerji Sanayi ve Ticaret A.Ş. | No | 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 INSAATI 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. | No | No | |
| TURK 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 | |
| GIRISIM KITLE FONLAMA Platformu A.Ş. | No | No | |
| Tahsin Yazar | - | - | - |
| Afif Demirkıran | - | - | - |
| Figen Kılıç | TÜBİTAK TEYDEB | Member of the Advisory Board (BİLTEG) | Yes |
| Hüseyin Arslan | Istanbul Medipol University | Professor / Dean | Yes |
| Şenol Kazancı | - | - | - |
| Serdar Çetin | Novator Partners LLP | Partner | Yes |
| | WOM S.A. | Board Member | Yes |
| | Purple Crest Investments LLP | Partner | Yes |
| | Partners Telecom Colombia S.A.S. | Legal Representative | Yes |
| Sir Julian Horn-Smith | AlixPartners, London | Senior Advisor | Yes |
| | Digicel Group | Independent Director | Yes |
| | eBuilder (Swedish Tech/Software Company based in Stockholm, Sweden) | Chairman | Yes |
| | Viasat | Advisory Board Membership | Yes |

Conclusion of the Subsidiary Report

01.01.2022 - 31.12.2022 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 2022 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 2022 are included in this Report.



Sectoral and Financial Information

- [Turkcell Group: 2022 Financial & Operational Review](#)
- [Forward Looking Statements](#)
- [Our Companies and Sector Developments](#)
- [Independent Auditor's Report and Financial Statements](#)
- [Our Offices](#)
- [Glossary](#)



Turkcell Group: 2022 Financial & Operational Review

Our audited annual consolidated financial statements including our consolidated statements of financial position as of December 31, 2022 and 2021 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, 2022 and the related notes included in this annual report have been prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS"/"TFRS") only. These standards are issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and are in full compliance with IAS/IFRS Standards. In an announcement published by the POA on January 20, 2022, it is stated that TAS 29 "Financial Reporting in Hyperinflationary Economies" does not apply to TFRS financial statements as of December 31, 2021. 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 2022 refer to the same item for the year end of 2021 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 | | |
|--|-----------------|-----------------|----------------|
| | FY21 | FY22 | y/y% |
| Revenue | 35,920.5 | 53,878.5 | 50.0% |
| Cost of revenue ¹ | (17,938.1) | (27,310.6) | 52.2% |
| Gross Margin ¹ | 50.1% | 49.3% | (0.8pp) |
| Administrative expenses | (919.0) | (1,519.0) | 65.3% |
| Selling and marketing expenses | (1,778.5) | (2,700.1) | 51.8% |
| Net impairment losses on financial and contract assets | (271.2) | (354.9) | 30.9% |
| EBITDA² | 15,013.8 | 21,993.8 | 46.5% |
| EBITDA Margin | 41.8% | 40.8% | (1.0pp) |
| Depreciation and amortization | (7,291.9) | (9,478.0) | 30.0% |
| EBIT ³ | 7,721.9 | 12,515.8 | 62.1% |
| EBIT Margin | 21.5% | 23.2% | 1.7pp |
| Net finance income / (expense) | (10,144.6) | (13,489.0) | 33.0% |
| Finance income | 3,051.1 | 210.8 | (93.1%) |
| Finance expense | (13,195.7) | (13,699.8) | 3.8% |
| Other income / (expense) | 6,409.6 | 6,800.9 | 6.1% |
| Investment activity income / (expense) | 464.1 | 1,779.9 | 283.5% |
| Non-controlling interests | (0.2) | 1.0 | n.m |
| Share of profit of equity accounted investees | 90.1 | (71.4) | (179.3%) |
| Income tax expense | 490.2 | 3,516.1 | 617.3% |
| Net Income | 5,031.1 | 11,053.2 | 119.7% |

(1) Excluding depreciation and amortization expenses.

(2) EBITDA is a non-GAAP financial measure.

(3) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

| Consolidated Balance Sheet Data (Year End) (million TRY) | 2021 | 2022 | Change% |
|--|-----------------|------------------|--------------|
| Cash and cash equivalents | 18,628.7 | 25,960.7 | 39.4% |
| Total assets | 70,682.6 | 101,264.8 | 43.3% |
| Long term debt | 27,929.7 | 37,133.1 | 33.0% |
| Total debt | 36,778.1 | 53,854.4 | 46.4% |
| Total liabilities | 48,120.4 | 70,369.8 | 46.2% |
| Total equity | 22,562.3 | 30,891.1 | 36.9% |

| Summary Consolidated Cash Flow Statement (million TRY) | 2021 | 2022 | Change% |
|---|-----------------|-----------------|--------------|
| Net cash inflow from operating activities | 21,171.1 | 25,151.9 | 18.8% |
| Net cash outflow from investing activities | (10,361.5) | (19,647.8) | 89.6% |
| Net cash (outflow)/inflow from financing activities | (3,942.2) | 1,760.0 | n.m |
| Effects of exchange rate changes on cash and cash equivalents | (108.0) | 56.1 | n.m |
| Cash and Cash Equivalents | 18,619.9 | 25,940.1 | 39.3% |

| Profitability and Solvency Ratios (%) | 2021 | 2022 | Change% |
|---------------------------------------|--------|--------|---------|
| Gross Profit Margin | 50.1% | 49.3% | (0.8pp) |
| EBITDA Margin | 41.8% | 40.8% | (1.0pp) |
| EBIT Margin | 21.5% | 23.2% | 1.7pp |
| Net Profit Margin | 14.0% | 20.5% | 6.5pp |
| Total Liability / Equity Ratio | 213.3% | 227.8% | 14.5pp |
| Net Debt / EBITDA Multiple | 1.1x | 0.9x | (0.2pp) |

EXPLANATIONS:

Revenue

Turkcell Group revenues rose 50.0%.

Turkcell Turkey revenues grew 50.1% to TRY40,851 million (TRY27,224 million).

- Consumer business rose 47.9% driven mainly by strong subscriber net additions both in mobile and fixed segments, price adjustments and upsell efforts.
- Corporate revenues rose 58.3% mainly supported by digital business services revenue growth of 88.3%.
- Standalone digital services revenues from consumer and corporate segments grew 30.3% driven mainly by expanding standalone paid user base.
- Wholesale revenues grew 72.7% to TRY3,285 million (TRY1,903 million).

Turkcell International revenues rose 69.4% to TRY6,354 million (TRY3,750 million).

Techfin segment revenues rose 71.9% to TRY1,849 million (TRY1,076 million).

Other subsidiaries' revenues were at TRY4,825 million (TRY3,871 million), indicating a 24.6% growth.



Cost of revenue (excluding the depreciation and amortization)

Cost of revenue (excluding depreciation and amortization) rose to 50.7% (49.9%) as a percentage of revenues. This was due mainly to the rise in radio expenses (2.0pp) and other cost items (1.7pp), despite the decline in cost of goods sold (1.7pp) and interconnection expenses (1.2pp) 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 were at 5.0% (5.0%) as a percentage of revenues.

Net impairment losses on financial and contract assets

Net impairment losses on financial and contract assets was at 0.7% (0.8%) as a percentage of revenues.

EBITDA¹

EBITDA grew 46.5% resulting in an EBITDA margin of 40.8% (41.8%).

- Turkcell Turkey's EBITDA rose 41.3% to TRY17,197 million (TRY12,168 million) leading to an EBITDA margin of 42.1% (44.7%).
- Turkcell International EBITDA increased 76.8% to TRY3,233 million (TRY1,828 million) driving an EBITDA margin of 50.9% (48.8%) on 2.1pp improvement.
- Techfin segment EBITDA rose 41.1% to TRY902 million (TRY639 million) with an EBITDA margin of 48.8% (59.4%).
- The EBITDA of other subsidiaries rose 74.9% to TRY662 million (TRY379 million).

Depreciation and amortization expenses

Depreciation and amortization expenses increased 30.0% in FY22.

Net finance expense

Net finance expense increased to TRY13,489 million (TRY10,145 million) mainly due to lower fair value gain on derivative instruments compared to FY21.

Net other operating income

Net other operating income increased to TRY6,801 million (TRY6,410 million) mainly due to interest income from time deposits in FY22.

Net investment activity income

Net investment activity income increased to TRY1,780 million (TRY464 million) in FY22. This was driven mainly by the fair value difference recognized on currency-protected time deposits.

Income tax expense

Deferred tax income of TRY4,047 million and current tax expense of TRY531 million were reported, leading to an income tax gain of TRY3,516 million in FY22.

Please note that in Q422, we made use of the right introduced by Law No. 7338, which allows the revaluation of properties and depreciable economic assets under certain conditions. This resulted in an impact on the deferred tax asset reported in Q422. For the full year, net impact was at TRY4.6 billion. Please refer to our consolidated financial statements and notes as at December 31, 2022 for details.

Net income

group net income rose 119.7% to TRY11,053 million (TRY5,031 million) on the back of strong operational performance and the deferred tax income impact despite lower finance income. Without the deferred tax income impact, group net income is TRY6,445 million in FY22.

Please note that in FY22 an impairment charge of TRY214 million has been recognized on the assets of Ukraine in territories under the control of Ukraine but not operating for more than 92 days and those in territories invaded by Russia.

Total cash & debt

Consolidated cash as of December 31, 2022 increased to TRY25,961 million from TRY24,344 million as of September 30, 2022. This was driven mainly by the positive impact of currency movements. Excluding FX swap transactions, 51% of our cash is in US\$, 15% in EUR, and 32% in TRY.

Consolidated debt as of December 31, 2022 increased to TRY53,854 million from TRY51,922 million as of September 30, 2022 due mainly to the impact of currency movements. Please note that TRY3,055 million of our consolidated debt is comprised of lease obligations. Please note that 46% of our consolidated debt is in US\$, 26% in EUR, 3% in CNY, 5% in UAH, and 19% in TRY.

Net debt¹ as of December 31, 2022 was at TRY20,838 million with a net debt to EBITDA ratio of 0.9 times. Excluding finance company consumer loans, our telco only net debt was at TRY17,473 million with a leverage of 0.8 times.

Turkcell Group had a short FX position of US\$25 million as at the end of the year (Please note that this figure takes hedging portfolio and advance payments into account). The short FX position of US\$25 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 TRY16,361 million in FY22.

In 2022, operational capital expenditures (excluding license fees) at the Group level were at 20.2% of total revenues.

| Capital expenditures (million TRY) | Year | |
|---|-----------------|-----------------|
| | FY21 | FY22 |
| Operational Capex | 7,629.8 | 10,859.4 |
| License and Related Costs | - | 317.5 |
| Non-operational Capex (Including IFRS15 & IFRS16) | 3,849.6 | 5,183.6 |
| Total Capex | 11,479.4 | 16,360.6 |

(1) Starting from Q421, we have revised the definition of our net debt calculation to include "financial assets" reported under current and non-current assets. Required reserves held in CBRT balances are also considered in net debt calculation. We believe that these assets are highly liquid and can be easily converted to cash without significant change in value.



TURKCELL GROUP: FINANCIAL SUMMARY

Summary of Operational Data

| | Year | | |
|--|--------------|--------------|---------------|
| | FY21 | FY22 | y/y % |
| Number of subscribers (million) | 39.4 | 41.7 | 5.8% |
| Mobile Postpaid (million) | 23.7 | 25.6 | 8.0% |
| Mobile M2M (million) | 3.3 | 4.0 | 21.2% |
| Mobile Prepaid (million) | 12.0 | 12.0 | - |
| Fiber (thousand) | 1,887.8 | 2,121.8 | 12.4% |
| ADSL (thousand) | 754.9 | 751.4 | (0.5%) |
| Superbox (thousand) ¹ | 603.6 | 670.7 | 11.1% |
| Cable (thousand) | 54.6 | 43.9 | (19.6%) |
| IPTV (thousand) | 1,082.2 | 1,281.7 | 18.4% |
| Churn (%)² | | | |
| Mobile Churn (%) | 2.0% | 2.0% | - |
| Fixed Churn (%) | 1.5% | 1.4% | (0.1pp) |
| ARPU (Average Monthly Revenue per User) (TRY) | | | |
| Mobile ARPU, blended | 50.5 | 70.0 | 38.6% |
| Mobile ARPU, blended (excluding M2M) | 54.9 | 77.0 | 40.3% |
| Postpaid | 62.8 | 84.7 | 34.9% |
| Postpaid (excluding M2M) | 71.7 | 98.4 | 37.2% |
| Prepaid | 26.9 | 40.5 | 50.6% |
| Fixed Residential ARPU, blended | 77.9 | 98.7 | 26.7% |
| Residential Fiber ARPU | 78.4 | 99.2 | 26.5% |
| Average mobile data usage per user (GB/user) | 13.3 | 14.7 | 10.5% |
| Mobile MoU (Avg. Monthly Minutes of usage per subs) blended | 551.2 | 546.4 | (0.9%) |

(1) Superbox subscribers are included in mobile subscribers.

(2) Churn figures represent average monthly churn figures for the respective quarters.

Turkcell Turkey subscriber base grew by 2.3 million net additions in FY22 to 41.7 million, thanks to our customer-centric strategy and differentiated value proposition offered to customers. In addition, we achieved and doubled our 1 million net subscriber additions target for the year on the back of our diversified solutions that meet customer needs and our innovative campaigns that facilitate their lives.

On the mobile front, our subscriber base expanded to 37.5 million on 1.9 million net annual additions in FY22. This was driven by net additions from the postpaid subscriber base, which reached 68.1% (66.4%) of total mobile subscribers. In FY22, we had a net 10 thousand decline in our prepaid subscribers, due mainly to the disconnection of 430 thousand inactive prepaid subscribers during the quarter in line with our churn policy.

In FY22, we had 234 thousand fiber net additions, making the best net add performance ever. This resulted mainly by focus on fiber network investments, and the strong demand for high-speed and quality broadband connections. In FY22, we had a net 14 thousand decline in our ADSL and cable subscribers. Total fixed subscribers reached 2.9 million on 220 thousand annual net additions. Meanwhile, IPTV customers reached 1.3 million on 200 thousand annual net additions.

The average monthly mobile churn rate was at 2.0% in FY22. Meanwhile, the average monthly fixed churn rate was at 1.4% in FY22 on the back of our superior customer experience resulting from the speed and quality we offer on our fiber infrastructure which plays an important role in maintaining a healthy churn level.

Mobile ARPU (excluding M2M) grew 40.3% for the full year mainly by price adjustments to reflect inflationary impacts and upsell to higher tariffs, as well as larger postpaid subscriber base.

For the full year, fiber residential ARPU rose 26.5%.

Average monthly mobile data usage per user rose 10.5% in FY22 to 14.7 GB with the increasing number and data consumption of 4.5G users. Accordingly, the average mobile data usage of 4.5G users reached 16.0 GB in FY22.

Total smartphone penetration on our network reached 87% in FY22. 93% of those smartphones were 4.5G compatible.

FORWARD LOOKING STATEMENTS

2023 GUIDANCE

2023 guidance; revenue target of between **55-57%**, EBITDA target of around **TRY34 billion**, and operational capex over sales ratio target of around* **22%**.

(1) 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 2021 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 Q3 2022 Q3 Market Data report published by the regulatory authority of our industry, Information and Communication Technologies Authority (ICTA), the number of operators in the electronic communication sector in Turkey is 464 and the number of authorizations granted to these operators is 840.

In the first three quarters of 2022, the total revenues of mobile operators, including Turkcell İletişim Hizmetleri A.Ş. (Turkcell), Vodafone Telekomünikasyon A.Ş. (Vodafone), TT Mobil İletişim Hizmetleri A.Ş. (TT Mobile), and Türk Telekomünikasyon A.Ş. (Türk Telekom) were approximately TRY 65.8 billion, while the revenue of other operators was TRY 24.2 billion. During the same period, the total investments made by Turkcell, Türk Telekom, TT Mobil, and Vodafone was realized as TRY 12.5 billion.

Mobile Market

As of the 3rd quarter of 2022, there were 90.8 million mobile subscribers in Turkey, corresponding to approximately 107.2% penetration rate (Mobile penetration rate excluding

M2M devices and 0-9 age population is 114.6%). In the 3rd quarter of 2022, the number of 4.5G subscribers was 83.4 million, while the number of 3G subscribers was 4.3 million. The number of mobile broadband subscribers who use 3G and 4.5G broadband services via computers and mobile phones rose to 72.6 million.

As of the 3rd quarter of 2022, 68.2% of mobile subscribers were in postpaid tariffs, while 31.8% were in prepaid tariffs. The number of prepaid mobile broadband subscribers was 21.3 million and the number of postpaid mobile broadband subscribers was 50.3 million, while the number of M2M subscribers reached 8.1 million.

In the first three quarters of 2022, the number of mobile numbers ported declined to 6.7 million. As of September 30, 2022, total mobile number portability transactions has reached 164 million.

Based on number of subscribers, Turkcell has 41.3%, Vodafone has 30.8%, and TT Mobil has 27.9% market share. Based on revenue generated from subscribers, Turkcell's market share was 46.1%, Vodafone's was 29.1%, and TT Mobil's was 24.8%. Approximately 85% of mobile subscribers were individual subscribers and 15% were corporate subscribers.

The average monthly data usage in mobile broadband was 14.8 GB, while the average monthly data usage of subscribers who have a 4.5G-compatible device and SIM card was 16 GB. The total mobile voice traffic volume in the third quarter of 2022 decreased by 0.7% compared to the same period of last year and was 80.6 billion minutes.

Broadband Internet Market

The number of broadband internet subscribers, which was around six million in 2008, reached 91.4 million (18.8 million fixed broadband, 72.6 million mobile broadband subscribers) as of the end of the 3rd quarter of 2022. Total number of internet subscribers

has increased by 4.5% compared to the same period of the previous year. While the number of xDSL subscribers was 11.3 million, the number of fiber subscribers reached 5.5 million. The total length of fiber infrastructure of operators was 498,397 km.

In the first three quarters of 2022, the total revenues related to internet service providers reached TRY 15 billion. The average monthly data usage of fixed broadband internet subscribers reached 243 GB. Approximately 72% of fixed broadband subscribers prefer packages that offer a 10-35 Mbit/s connection speed.

TV Market

As of the 3rd quarter of 2022, 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

TTNet (Tivibu) have 1,231 thousand and 974 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.Ş. (DSmart), and TTNET A.Ş. (Tivibu) continue broadcasting actively.

Fixed Voice Market

As of the end of 3rd quarter of 2022, there are 11.5 million fixed telephone-subscribers, while the service penetration rate is approximately 13.8%.

Legal and Regulatory Developments Concerning Our Industry and Our Companies

Removal of Asymmetry in Mobile Interconnection 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, for Turkcell, Mobile Termination Rates will be applied as 2.39 kr/min starting from January 1, 2022 and 2.25 kr/min starting from January 1, 2023 and gradually reduced every year. Mobile Termination Rates 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 Turkcell since 2006 will thus come to an end.

Removal of Tariff Control Obligation for SMS/MMS Termination Services

The Information and Communication Technologies Authority, within the scope of the Market Analysis in accordance with its Council Decision No. 2020/İK-SRD/258 published on 08.09.2020, has decided to repeal the obligation to be subject to tariff control (cost-based tariff determination) regarding the SMS/MMS call termination services as of 01.10.2021. After the conciliation process conducted, the mobile operators' SMS/MMS call termination fees were determined as 0.80 Kr/unit as of 01.04.2022, 1.00 Kr/unit as of 01.01.2023 and 1.20 Kr/unit as of 01.01.2024 through

Council Decision No. 2021/UK-ETD/390 dated 14.12.2021.

Update on Fixed Interconnection Rates

With the Board Decision dated December 14th 2021, the Information and Communication Technologies Authority decided that with the transition to IP interconnection technology, a single-stage fee structure shall be adapted in Fixed Call Termination Rates as of January 1st 2022. For Superonline, the related rates will be applied as 2.8 kr/min as of January 1st 2022 and 2.2 kr/min as of January 1st 2023. It has been decided that as of January 1st 2024, the termination rates for all operators will be equalized at the level of 1.47 kr/min to totally remove the asymmetry in the sector.

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 approximately 40.5% on 01.04.2022 and by approximately 26.1% on 01.10.2022.

Establishment of Electronic Communication Subscription Contracts in the Electronic Environment

The regulations regarding the verification process of the applicant's identity in the electronic communication

sector for subscription agreement, number porting application, operator switching applications, qualified electronic certificate application, registered electronic mail applications and SIM change applications, in the event that the related documents are prepared electronically, have come into effect as of 01.03.2022, as per the "Regulation on the Verification Process of the Applicant's Identity in the Electronic Communication Sector" published in the Official Gazette on 26.06.2021.

The Amendment to the Regulation on Consumer Rights in the Electronic Communications Sector

The Regulation on Consumer Rights in the Electronic Communications Sector, regulating consumer rights and operator obligations in the electronic communications sector, was amended with a Regulation that was published in the Official Gazette dated 18.01.2022. The provisions of the amendment governing the harmonization with the "Regulation on the Authentication Process of the Applicant in the Electronic Communications Sector" came into effect on 01.03.2022, and various matters regarding subscriber agreements, contracts and subscriber notifications, and obligations such as cancellation, without an early termination fee, of services failing to meet the criteria of "Address-based Internet Speed Test Criteria" that would be determined subsequently by the ICTA came into effect on 31.12.2022.



Limiting the Number of Prepaid and Postpaid Subscriptions

With the Board Decision numbered 2022/DK-THD/384 and dated 07.12.2022, the provisions of the Board Decision numbered 2009/DK-10/552 and dated 27.10.2009, which limits the number of prepaid subscriptions that can be activated in order to resolve the “fraudulent subscriptions” issue, have been updated. Accordingly, the number of prepaid consumer mobile subscriptions for Turkish citizens is limited to 15, and for foreign nationals, it is limited to 3. The number of postpaid consumer mobile subscriptions for Turkish citizens is limited to 15, and for foreign nationals, it is limited to 3. Moreover, the number of “Prepaid and Postpaid Consumer Mobile Subscriptions” that can be activated on behalf of each person in the same month by an authorized retailer was limited to 4.

Repeal of Pandemic Measures

With the Board Decision numbered 2022/DK-THD/402 and dated 20.12.2022, ICTA has announced that the terms of the Board Decision dated 31.03.2020 and numbered 2020/DK-THD/100 - which regulated certain issues with the aim of ensuring continuation of electronic communication services and keeping the service quality at a safe and qualified level to respond to societal demands in order to reduce the effects of the pandemic have been repealed as of 31.12.2022.

Authorizing Provision of Over-the-Top Services

With the “Law on Amendments to the Press Law and Other Laws” that was published and came into effect on 18.09.2022, amendments were made on Articles 3, 9 and 60 of the “Electronic Communications Law” numbered 5809 (ECL) and it was regulated that over-the-top service providers that offer interpersonal electronic communication services in the scope of voice, text and visual communication need to perform their services through a fully authorized representative, i.e. a joint stock or limited company established in Türkiye, within the framework of the authorization by the Authority (ICTA). With the amendment, over-the-top service providers will gain operator status and will become subject to rights and obligations determined by ICTA according to the nature of the over-the-top service provision.

Refurbished Device Sales Installment Regulations

According to the “Banking Regulation and Supervision Board Decision No. 10479” published on the website of the Banking Regulation and Supervision Authority on 05.01.2023;

- For purchases of cell phones with the status of “refurbished product” under the Regulation on the Sale of Refurbished Products, the installment period for purchases made with a credit card without any amount limit is set to 12 months, provided that they are sold by a “refurbishing center” or an “authorized seller”.
- The maturity limit for consumer loans used for cell phone purchases (including refurbished products) is set to 12 months for cell phones with a price of up to 12,000 Turkish Liras, and 3 months for cell phones with a price over 12,000 Turkish Liras.

According to the Regulation Amending the Regulation on the Principles and Rules to be Applied in Retail Trade, excluding sales of cell phones with the status of “refurbished product” carried out by refurbishing centers or authorized sellers under the Regulation on the Sale of Refurbished Products, the maturity limit is set to 3 months for sales of pledged cell phones with a price over 12,000 TL, and 12 months for sales of pledged cell phones, regardless of the price being below or above 12,000 TL, for refurbished product purchases.

Litigation Procedures Regarding Rejection of Domestic Goods Liability Exemption Requests and ICTA’s R&D SME Audit

Our company’s exemption application for the period of 27.10.2015-26.10.2019 regarding the domestic product investment obligation specified in the IMT Authorization Document, has been rejected by the ICTA with its decision dated 01.09.2020 and numbered 2020/İK-YED/245. Furthermore, our company’s exemption application regarding the average of the first four-year period covering the years 2015-2019 has also

been rejected, and an administrative sanction has been imposed on our company as a result of the audit carried out by ICTA for the period 2013-2017.

Additionally, the decisions regarding the rejection of our company’s exemption request for the 2019-2020 and 2020-2021 investment periods regarding the obligation to use domestic products have been deemed implicitly rejected by the application made in 2022 for the revocation of these decisions, and legal proceedings are being conducted on this matter.

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 4.5G Network 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. Our company’s application regarding revocation of related Board decision has been rejected and legal proceedings conducted regarding this matter.

Lawsuit issued by TT Mobil and our Company intervened regarding the “Multiplying Campaign” administrative fine applied to our Company

The administrative fine of TRY 25,245,565.18 applied by the articles 1, 2, 3 and 4 of ICTA’s decision dated 16.03.2021 and number 2021/İK-THD/76 for our Company’s operation under “Multiplying Campaign” has been paid with discount (TRY 18,934,173.9) by our company and legal methods have not been pursued against the decision. Within the period, there was an application by

TT Mobil for the amendment of the ICTA decision taken regarding our company to increase the applied administrative fine and modifying the aforementioned decision to include a money return to subscribers, and after the implicit rejection of this request a lawsuit against ICTA has been filed with the request of cancellation of the aforementioned implicit rejection. Our company is intervening in this lawsuit on the side of ICTA. The lawsuit process continues.

Establishment of Re-Pie Portföy Yönetimi A.Ş. Turkcell New Technologies Venture Capital Investment Fund

An agreement has been concluded between our Company and Re-Pie Portföy Yönetimi A.Ş. (“Re-Pie”) for establishing a venture capital investment fund to invest into startups that are in line with our Company’s business model and where common ground can be found with our group’s strategic focus areas. Consequently, Re-Pie applied to the Capital Markets Board as the founder of Re-Pie Portföy Yönetimi A.Ş. Turkcell New Technologies Venture Capital Investment Fund on 07.03.2022 and with the permission obtained on 28.03.2022, the fund was established.

With the establishment of the fund and by investing in technology-focused startups with high growth potential in different sectors, it is aimed to enable these companies to meet their growth targets and to add strategic and financial benefit to our Company as well as create long-term value thanks to the synergy to be created through such startups. In this context, investments were made in companies and venture capital investment funds, including Easycep Holdings Limited, Barikat İnternet Güvenliği Ticaret Bilişim A.Ş. and Procenne Teknoloji A.Ş. through the Re-Pie Portföy Yönetimi A.Ş. Turkcell New Technologies Venture Capital Investment Fund, in 2022.

Share Transfer and Investment Agreement with the Republic of Belarus

Meetings have been held between Turkcell and CJSC Belarusian Telecommunications Network (“CJSC

BeST”) and the Republic of Belarus with respect to the restructuring of Turkcell’s and CJSC BeST’s investments in Belarus, potential improvements on competitive conditions and various tax advantages. In this regard, an Investment Agreement has been signed between the Republic of Belarus, Turkcell and CJSC BeST on 30.11.2022 and the agreement has come into effect on 06.12.2022. Pursuant to this agreement;

- The Share Sale and Purchase Agreement signed between Beltel Telekomünikasyon Hizmetleri A.Ş. (“Beltel”), the Republic of Belarus and Turkcell on 29.07.2008 has been terminated with all its rights and duties by signing a separate agreement for termination.
- Turkcell signed a share transfer agreement with the Republic of Belarus on 30.11.2022 to purchase of 20% shares held by the Republic of Belarus in CJSC Best, 80% shares of which is owned by Beltel, a 100% subsidiary of Turkcell. 20% shares of CJSC BeST has been purchased by Turkcell from the State Committee on Property of the Republic of Belarus for a cash payment of USD 1,165.66.
- It has been decided that an investment of no less than USD 100,000,000 shall be made to develop the telecommunications infrastructure between 2022-2032. Additionally, it was decided that an additional amount of USD 100,000,000 shall be paid over 10 years which to be funded by the payment of at least 50% of the annual net profit of CJSC BeST, and in case the aforementioned amount is not reached at the end of 10 years, the remainder shall be paid in lump sum by Turkcell to the Republic of Belarus.
- Belarus Communications Presidency has rearranged the mobile communication interconnection fees by taking into account the Investment Agreement, and determined a mobile call termination fee of 0,001 BYR for CJSC BeST for 5 years.

The Newly Established Companies of Turkcell Dijital Sigorta A.S. and Dijital Egitim Teknolojileri A.S.

The incorporation procedures of Turkcell Dijital Sigorta A.Ş., which is fully owned by Turkcell Finansman A.Ş. and whose initial capital is TRY 1,000,000 have been completed and the company was registered with the trade registry on 21.06.2022 to provide innovative insurance solutions that are focused on digital experience and data, and to carry out business in other areas allowed by the legislation. On 12.10.2022, the capital of the company was increased to TRY 175,000,000.

The incorporation procedures of Dijital Eğitim Teknolojileri A.Ş., whose initial capital is TRY 100,000, 51% shares of which is owned by our subsidiary Turkcell Dijital İş Servisleri A.Ş. and 49% shares of which is owned by Şahinkaya Özel Eğitim Kurumları A.Ş. have been completed and the company was registered with the trade registry on 11.03.2022 to produce all kinds of training and communication solutions suitable for computers, internet and next generation technologies for education and training purposes, and to design mobile applications, electronic and hybrid mailing systems. On 18.10.2022, the capital of the company was increased to TRY 10,100,000.

Transfer of Turkcell Europe GmbH Shares and Change of Title

All shares of Turkcell Europe GmbH, of which headquarters is located in Germany, and which was fully owned by our subsidiary Lifecell Ventures Coöperatief U.A. located in the Netherlands, have been transferred to another subsidiary, Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş., on 10.10.2022.

In addition, an application for change of title and address of Turkcell Europe GmbH has been submitted, and the title of the company has been changed to Paycell Europe GmbH following the approval dated 03.01.2023.

Consolidated Financial Statement

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION AS AT 31 DECEMBER 2022

This report is 122 pages.



TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

| ASSETS | Notes | Audited | |
|---|-------|--------------------|-------------------|
| | | 31 December 2022 | 31 December 2021 |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 25,960,674 | 18,628,665 |
| Balances with the Central Bank of the Republic Turkey | | 162,593 | - |
| Financial investments | | 4,783,562 | 55,330 |
| -Time deposits | | 748,665 | 4,164 |
| -Fair value through profit or loss financial assets | 34 | 4,034,897 | - |
| -Fair value through other comprehensive income financial assets | 34 | - | 51,166 |
| Trade receivables | | 6,741,511 | 4,332,024 |
| -Trade receivables from related parties | | 76,449 | 175,170 |
| -Trade receivables from non-related parties | 6 | 6,665,062 | 4,156,854 |
| Receivables from finance sector operations | | 3,276,788 | 2,014,626 |
| -Non-related party receivables from finance sector operations | 7 | 3,276,788 | 2,014,626 |
| Other receivables | | 145,589 | 331,333 |
| -Other receivables from non-related parties | 8 | 145,589 | 331,333 |
| Assets arising from customer contracts | | 1,888,942 | 1,180,236 |
| -Assets arising from goods and service sales contracts | 9 | 1,888,942 | 1,180,236 |
| Derivative instruments | 35 | 2,032,416 | 2,131,070 |
| Inventories | 10 | 277,670 | 260,535 |
| Prepaid expenses | | 478,781 | 271,595 |
| -Prepaid expenses to related parties | | 10,475 | 6,965 |
| -Prepaid expenses to non-related parties | 11 | 468,306 | 264,630 |
| Assets related to current tax | | 446,892 | 196,019 |
| Other current assets | | 611,232 | 110,173 |
| -Other current assets from non-related parties | 25 | 611,232 | 110,173 |
| TOTAL CURRENT ASSETS | | 46,806,650 | 29,511,606 |
| Non-Current Assets | | | |
| Financial investments | | 2,109,457 | 1,376,645 |
| -Fair value through profit or loss financial assets | 34 | 258,627 | - |
| -Fair value through other comprehensive income financial assets | 34 | 1,850,830 | 1,376,645 |
| Investments valued by equity method | 12 | 1,122,943 | 678,584 |
| Trade receivables | | 298,759 | 256,442 |
| -Trade receivables from non-related parties | 6 | 298,759 | 256,442 |
| Receivables from finance sector operations | | 285,138 | 137,559 |
| -Non-related party receivables from finance sector operations | 7 | 285,138 | 137,559 |
| Other receivables | | 375,694 | 162,980 |
| -Other receivables from non-related parties | 8 | 375,694 | 162,980 |
| Assets arising from customer contracts | | 67,054 | 67,505 |
| -Assets arising from goods and service sales contracts | 9 | 67,054 | 67,505 |
| Investment properties | 13 | 11,599 | 16,588 |
| Property, plant and equipment | 14 | 21,904,044 | 18,002,779 |
| -Plant, machinery and devices | | 18,289,041 | 15,510,759 |
| -Other tangible assets | | 3,615,003 | 2,492,020 |
| Intangible assets | 15 | 17,742,007 | 14,661,779 |
| -Licenses | | 4,624,517 | 5,289,996 |
| -Computer softwares | | 8,038,431 | 5,429,486 |
| -Other intangible assets | | 5,030,638 | 3,893,876 |
| -Goodwill | 17 | 48,421 | 48,421 |
| Right-of-use assets | 16 | 3,062,298 | 2,983,648 |
| Prepaid expenses | | 2,423,822 | 1,009,586 |
| -Prepaid expenses to related parties | | 178 | 347 |
| -Prepaid expenses to non-related parties | 11 | 2,423,644 | 1,009,239 |
| Deferred tax assets | 32 | 4,991,224 | 1,799,612 |
| Other non-current assets | | 64,116 | 17,330 |
| TOTAL NON-CURRENT ASSETS | | 54,458,155 | 41,171,037 |
| TOTAL ASSETS | | 101,264,805 | 70,682,643 |

The accompanying notes form an integral part of these consolidated financial statements.


TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

| | Notes | Audited | |
|---|-------|-------------------|-------------------|
| | | 31 December 2022 | 31 December 2021 |
| LIABILITIES | | | |
| Short-term Liabilities | | | |
| Short-term borrowings | 36 | 10,758,843 | 4,762,578 |
| Short-term borrowings from related parties | 37 | 3,190,039 | 907,138 |
| -Bank loans | | 2,791,256 | 762,613 |
| -Lease obligations | | 41,286 | 42,587 |
| -Issued debt instruments | | 357,497 | 101,938 |
| Short-term borrowings from non-related parties | | 7,568,804 | 3,855,440 |
| -Bank loans | | 5,969,598 | 3,004,972 |
| -Lease obligations | | 831,991 | 850,468 |
| -Issued debt instruments | | 767,215 | - |
| Short-term portion of long-term borrowings from non-related parties | 36 | 5,962,404 | 4,085,835 |
| -Bank loans | | 4,955,284 | 3,340,237 |
| -Issued debt instruments | | 1,007,120 | 745,598 |
| Trade payables | | 7,821,670 | 5,037,635 |
| -Trade payables to related parties | | 240,385 | 61,110 |
| -Trade payables to non-related parties | 6 | 7,581,285 | 4,976,525 |
| Payables related to employee benefits | 22 | 354,375 | 140,630 |
| Other payables | | 2,392,209 | 1,606,940 |
| -Other payables to related parties | | 925 | 4,046 |
| -Other payables to non-related parties | 8 | 2,391,284 | 1,602,894 |
| Liabilities arising from customer contracts | | 706,046 | 459,289 |
| -Liabilities arising from goods and service sales contracts | 23 | 706,046 | 459,289 |
| Derivative instruments | 35 | 150,923 | 71,325 |
| Deferred revenue | | 113,402 | 111,136 |
| -Deferred revenue from related parties | | 13,628 | 18,102 |
| -Deferred revenue from non-related parties | 11 | 99,774 | 93,034 |
| Current tax liability | 32 | 243,485 | 241,686 |
| Short-term provisions | | 753,933 | 573,662 |
| -Short-term provisions related to employee benefits | 20 | 722,063 | 506,641 |
| -Other short-term provisions | 20 | 31,870 | 67,021 |
| Other short-term liabilities | | 1,474 | 630 |
| TOTAL SHORT-TERM LIABILITIES | | 29,258,764 | 17,091,346 |
| Long-term Liabilities | | | |
| Long-term borrowings | 36 | 37,133,103 | 27,929,720 |
| Long-term borrowings from related parties | 37 | 84,095 | 54,749 |
| -Bank loans | | - | - |
| -Lease obligations | | 84,095 | 54,749 |
| -Issued debt instruments | | - | - |
| Long-term borrowings from non-related parties | | 37,049,008 | 27,874,971 |
| -Bank loans | | 17,945,061 | 13,356,013 |
| -Lease obligations | | 2,097,859 | 1,958,061 |
| -Issued debt instruments | | 17,006,088 | 12,560,897 |
| Trade payables | | 35,258 | - |
| -Trade payables to related parties | | 938 | - |
| -Trade payables to non-related parties | | 34,320 | - |
| Liabilities arising from customer contracts | | 261,328 | 170,445 |
| -Liabilities arising from goods and service sales contracts | 23 | 261,328 | 170,445 |
| Deferred revenue | | 6,095 | 5,838 |
| -Deferred revenue from related parties | | - | 1,139 |
| -Deferred revenue from non-related parties | | 6,095 | 4,699 |
| Long-term provisions | | 2,758,758 | 1,230,410 |
| -Long-term provisions related to employee benefits | 22 | 1,790,031 | 614,613 |
| -Other long-term provisions | 20 | 968,727 | 615,797 |
| Deferred tax liabilities | 32 | 249,835 | 928,554 |
| Other long-term liabilities | 25 | 666,613 | 764,058 |
| TOTAL LONG-TERM LIABILITIES | | 41,110,990 | 31,029,025 |
| TOTAL LIABILITIES | | 70,369,754 | 48,120,371 |

The accompanying notes form an integral part of these consolidated financial statements.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

| | Notes | Audited | |
|---|-------|--------------------|-------------------|
| | | 31 December 2022 | 31 December 2021 |
| EQUITY | | | |
| Equity attributable to owners of the parent | 26 | 30,891,061 | 22,562,025 |
| Paid in capital | 26 | 2,200,000 | 2,200,000 |
| Treasury shares (-) | 26 | (118,399) | (128,057) |
| Share premiums | | 269 | 269 |
| Additional capital contributions of shareholders | | - | 35,026 |
| Accumulated other comprehensive loss | | | |
| that will not be reclassified in profit or loss (-) | | (985,578) | (225,892) |
| -Defined benefit plans remeasurement loss (-) | | (985,578) | (225,892) |
| Accumulated other comprehensive loss | | | |
| that will be reclassified in profit or loss (-) | | (1,882,081) | (1,165,727) |
| -Currency translation reserve | | 1,876,409 | 2,036,379 |
| -Hedging reserve | | (2,383,736) | (1,595,923) |
| -Gain (loss) from cash flow hedges | | 270,905 | (9,746) |
| -Loss from net investment hedge on the company operating abroad (-) | 35 | (2,654,641) | (1,586,177) |
| -Changes in the time value of options | | (1,292,251) | (1,555,773) |
| -Loss from fair value through other comprehensive income financial assets (-) | | (82,503) | (50,410) |
| Legal reserves | 26 | 3,948,937 | 3,612,388 |
| Prior years' profit | 26 | 16,674,720 | 13,202,920 |
| Net profit for the period | | 11,053,193 | 5,031,098 |
| Non-controlling Interests | | 3,990 | 247 |
| TOTAL EQUITY | | 30,895,051 | 22,562,272 |
| TOTAL LIABILITIES | | 101,264,805 | 70,682,643 |

The accompanying notes form an integral part of these consolidated financial statements.


TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

| | Notes | Audited | |
|---|-------|---------------------|---------------------|
| | | 31 December 2022 | 31 December 2021 |
| PROFIT OR LOSS SECTION | | | |
| Revenue | 27 | 52,169,979 | 34,906,646 |
| Revenue from finance sector operations | 27 | 1,708,508 | 1,013,896 |
| TOTAL REVENUE | | 53,878,487 | 35,920,542 |
| Cost of revenue (-) | 27 | (36,148,784) | (24,940,126) |
| Cost of revenue from finance sector operations (-) | 27 | (639,858) | (289,848) |
| TOTAL COST OF REVENUE | | (36,788,642) | (25,229,974) |
| Gross profit from business operations | | 16,021,195 | 9,966,520 |
| Gross profit from finance sector operations | | 1,068,650 | 724,048 |
| GROSS PROFIT | | 17,089,845 | 10,690,568 |
| General administrative expenses (-) | 28 | (1,519,021) | (919,023) |
| Marketing expenses (-) | 28 | (2,700,077) | (1,778,483) |
| Other operating income | 29 | 7,561,993 | 7,077,695 |
| Other operating expenses (-) | 29 | (761,126) | (668,076) |
| OPERATING PROFIT | | 19,671,614 | 14,402,681 |
| Investment income | 30 | 1,779,890 | 464,116 |
| Impairment losses determined in accordance with TFRS 9 (-) | | (354,918) | (271,162) |
| Share on (loss)/profit of investments valued by equity method | | (71,416) | 90,090 |
| PROFIT BEFORE FINANCIAL INCOME (EXPENSES) | | 21,025,170 | 14,685,725 |
| Financial income | 31 | 210,775 | 3,051,082 |
| Financial expenses (-) | 31 | (13,699,811) | (13,195,713) |
| PROFIT FROM CONTINUING OPERATIONS BEFORE TAXATION | | 7,536,134 | 4,541,094 |
| Tax income from continuing operations | | 3,516,100 | 490,184 |
| Tax expense for the period (-) | 32 | (530,581) | (681,513) |
| Deferred tax income for the period | 32 | 4,046,681 | 1,171,697 |
| PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS | | 11,052,234 | 5,031,278 |
| Distribution of profit for the period | | | |
| Non-controlling interests | | (959) | 180 |
| Owners of the parent | | 11,053,193 | 5,031,098 |
| Earnings per share (TL) | 33 | 5.06 | 2.30 |
| Earnings per share from continuing operations | | 5.06 | 2.30 |

The accompanying notes form an integral part of these consolidated financial statements.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

| | Notes | Audited | |
|--|-------|--------------------|------------------|
| | | 31 December 2022 | 31 December 2021 |
| PROFIT FOR THE PERIOD | | | |
| | | 11,052,234 | 5,031,278 |
| Other comprehensive income/(loss) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Defined benefit plans remeasurement loss (-) | 22 | (950,686) | (163,588) |
| Tax effect of defined benefit plans remeasurement loss | 32 | 191,104 | 32,276 |
| Items that will be reclassified to profit or loss | | (716,354) | (556,702) |
| Currency translation differences related to translation of companies operating abroad | | 378,459 | 2,410,295 |
| -Gain from currency translation differences related to translation of companies operating abroad | | 378,459 | 2,410,295 |
| Loss from fair value through other comprehensive income financial assets (-) | 34 | (40,116) | (65,494) |
| Gain from cash flow hedges | | 439,706 | 1,909,730 |
| Reclassification adjustments for cash flow hedge | 35 | (74,818) | (1,712,519) |
| Gain/(loss) from changes in the time value of options | | 316,048 | (1,266,102) |
| Reclassification adjustments for changes in the time value of options | | 13,355 | 81,028 |
| Loss from net investment hedge on the company operating abroad (-) | 35 | (1,335,580) | (1,558,374) |
| Taxes based on other comprehensive income that will be reclassified to profit or loss | 32 | (413,408) | (355,266) |
| -Tax effect of currency translation differences related to translation of companies operating abroad | | (538,429) | (861,143) |
| -Tax effect of loss from fair value through other comprehensive income financial assets | 34 | 8,023 | 13,099 |
| -Tax effect of gain/(loss) from cash flow hedges | | (84,237) | (55,912) |
| -Tax effect of gain/(loss) from changes in the time value of options | | (65,881) | 237,015 |
| -Tax effect of loss from net investment hedge on the company operating abroad | 35 | 267,116 | 311,675 |
| OTHER COMPREHENSIVE LOSS (-) | | (1,475,936) | (688,014) |
| TOTAL COMPREHENSIVE INCOME | | 9,576,298 | 4,343,264 |
| Distribution of total comprehensive income for the period | | 9,576,298 | 4,343,264 |
| Non-controlling interests | | (959) | 76 |
| Owners of the parent | | 9,577,257 | 4,343,188 |

The accompanying notes form an integral part of these consolidated financial statements.



TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

| Audited | Paid in capital | Treasury shares (-) | Share premiums | Additional capital contributions of shareholders | Accumulated other comprehensive loss that will not be reclassified in profit or loss | | Retained Earnings | Equity | | | | | | | | |
|--|-----------------|---------------------|----------------|--|--|---|-------------------|-----------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------|----------------|---------------------|---------------------------|---|
| | | | | | Defined benefit plans remeasurement (loss) | Gains/losses from fair value through investment hedge on the company operating assets | | | Loss from other comprehensive income | Gains/losses from cash flow hedges | Changes in the time value of options | Currency translation reserve | Legal reserves | Prior years' profit | Net profit for the period | Equity attributable to owners of the parent |
| Balance at 1 January 2021 | 2,200,000 | (147,914) | 269 | 35,026 | (94,684) | 1,985 | (339,478) | (151,045) | (607,714) | 487,227 | 3,009,025 | 12,154,984 | 4,237,086 | 20,784,767 | 171 | 20,784,938 |
| Transfers | - | - | - | - | - | - | - | - | - | - | 603,363 | 3,633,723 | (4,237,086) | - | - | - |
| Total comprehensive income | - | - | - | - | (131,208) | (52,395) | (1,246,699) | 141,299 | (948,059) | 1,549,152 | - | - | 5,031,098 | 4,343,188 | 76 | 4,343,264 |
| Net profit for the period | - | - | - | - | - | - | - | - | - | - | - | - | 5,031,098 | 5,031,098 | 180 | 5,031,278 |
| Other comprehensive income/(loss) | - | - | - | - | (131,208) | (52,395) | (1,246,699) | 141,299 | (948,059) | 1,549,152 | - | - | (687,910) | (104) | (688,014) | - |
| Dividends (Note 26) | - | 19,857 | - | - | - | - | - | - | - | - | (2,585,787) | - | (2,565,930) | - | (2,565,930) | - |
| Balance at 31 December 2021 | 2,200,000 | (128,057) | 269 | 35,026 | (225,892) | (50,410) | (1,586,177) | (9,746) | (1,555,773) | 2,036,379 | 3,612,388 | 13,202,920 | 5,031,098 | 22,562,025 | 247 | 22,562,272 |
| Balance at 1 January 2022 | 2,200,000 | (128,057) | 269 | 35,026 | (225,892) | (50,410) | (1,586,177) | (9,746) | (1,555,773) | 2,036,379 | 3,612,388 | 13,202,920 | 5,031,098 | 22,562,025 | 247 | 22,562,272 |
| Transfers | - | - | - | - | - | - | - | - | - | - | 336,549 | 4,694,549 | (5,031,098) | - | - | - |
| Total comprehensive income | - | - | - | - | (759,582) | (32,093) | (1,068,464) | 280,651 | 263,522 | (159,970) | - | - | 11,053,193 | 9,577,257 | (959) | 9,576,298 |
| Net profit for the period | - | - | - | - | - | - | - | - | - | - | - | - | 11,053,193 | 11,053,193 | (959) | 11,052,234 |
| Other comprehensive income/(loss) | - | - | - | - | (759,582) | (32,093) | (1,068,464) | 280,651 | 263,522 | (159,970) | - | - | (1,475,936) | - | (1,475,936) | - |
| A change in the ownership interest of a subsidiary without a loss of control | - | - | - | (35,026) | - | - | - | - | - | - | - | 35,026 | - | - | - | - |
| Acquisition of subsidiary (Note 1) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,949 | 4,949 |
| Other changes | - | - | - | - | (104) | - | - | - | - | - | - | - | - | (104) | (247) | (351) |
| Dividends (Note 26) | - | 9,658 | - | - | - | - | - | - | - | - | (1,257,775) | - | - | (1,248,117) | - | (1,248,117) |
| Balance at 31 December 2022 | 2,200,000 | (118,399) | 269 | - | (985,578) | (82,503) | (2,654,641) | 270,905 | (1,292,251) | 1,876,409 | 3,948,937 | 16,674,720 | 11,053,193 | 30,891,061 | 3,990 | 30,895,051 |

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

| Notes | Audited | |
|---|------------------|------------------|
| | 31 December 2022 | 31 December 2021 |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit for the Period | 25,151,859 | 21,171,108 |
| Profit for the period from continuing operations | 11,052,234 | 5,031,278 |
| Adjustments Related to Reconciliation of Net Profit for the Period | 11,052,234 | 5,031,278 |
| Adjustments for depreciation and amortization | 19,031,897 | 19,446,607 |
| Adjustments for impairment | 13-14-15-16 | 9,289,357 |
| Adjustments for provisions | 14-15 | 188,655 |
| Adjustments for interest expenses | | 1,506,510 |
| Other adjustments related to (profit)/loss reconciliation | | 1,662,617 |
| Adjustments for fair value loss/(gain) from derivative instruments | | 83,866 |
| Adjustments for tax income | 35 | 418,528 |
| Adjustments for (gain) arising from the disposal of fixed assets | 32 | (3,516,100) |
| Adjustments for fair value (gain) from financial assets | | (114,247) |
| Adjustments for retained loss/(gain) of investments valued by equity method | | (863,852) |
| Adjustments for unrealized foreign currency translation differences | | 71,416 |
| Changes in Working Capital: | | |
| Adjustments for (increase) in trade receivables | | (104,184) |
| Adjustments for (increase) in inventories | | (109,489) |
| (Increase) in Central Bank of the Republic of Turkey account | | (3,193,029) |
| (Increase) in receivables from finance sector operations | | (998,377) |
| (Increase) in other assets related to operations | | (56,820) |
| Adjustments for decrease in other receivables | | (162,593) |
| Adjustments for (increase) in assets arising from customer contracts | | (1,439,282) |
| Adjustments for (decrease) in trade payables | | (564,104) |
| (Increase) in prepaid expenses | | 10,700 |
| Adjustments for increase in liabilities arising from customer contracts | | (709,360) |
| Deferred revenue increase/(decrease) | | 16,703 |
| Adjustments for increase in other payables | | (148,573) |
| (Decrease) in other liabilities related to operations | | (2,095,537) |
| Cash Generated by Operating Activities | | (11,333) |
| Interest paid | | (268,247) |
| Tax paid | | 337,640 |
| Interest received | | 2,523 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash outflows due to acquisition of property, plant and equipment | | (900,766) |
| Cash outflows due to acquisition of intangible assets | | (2,127) |
| Cash inflows from disposal of property, plant and equipments and intangible assets | | 999,014 |
| Cash outflows due to acquisitions to obtain control of subsidiaries | | (25) |
| Cash outflows due to additional share acquisition or capital increase of associates and/or joint ventures | | (900,766) |
| Cash inflows from sale of shares in other entities or shares in funds or borrowing instruments | | (1,030,627) |
| Cash outflows due to acquisition of shares in other entities or shares in funds or borrowing instruments | | 26,891,102 |
| Other cash (outflows)/inflows | | (3,087,234) |
| Change in other cash advances given | | (1,822,815) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash inflows from loans | | (779,655) |
| Cash inflows from issued debt instruments | | 2,127,646 |
| Cash outflows due to loan repayments | | (1,223,866) |
| Dividends paid | | (19,647,765) |
| Cash outflows due to issued debt instruments repayments | | (7,216,300) |
| Cash outflows due to payments of lease obligations | | (5,568,300) |
| Cash inflows from derivative instruments | | (6,869,302) |
| Cash outflows due to derivative instruments | | 244,487 |
| CHANGE IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION RESERVE EFFECT (A+B+C) | | 190,153 |
| D. CURRENCY TRANSLATION RESERVE EFFECT ON CASH AND CASH EQUIVALENTS | | (86,703) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D) | | (515,775) |
| E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 1,023,116 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E) | | 693,322 |

**TURKCELL İLETİŞİM HİZMETLERİ A.Ş.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY

Turkcell İletişim Hizmetleri Anonim Şirketi (“Turkcell - Parent Company”) was established on 5 October 1993 in İstanbul and started its activities in 1994. Turkcell's commercial address is registered as Aydınevler Mahallesi İnönü Caddesi No:20 Küçükyalı Ofispark Maltepe/İstanbul. The fields of activity of Turkcell (“Company”) are the works and services envisaged in the GSM (“Global System for Mobile Communications”) Pan European Mobile Telephone System tender signed with Republic of Turkey Ministry of Transport and Infrastructure (“the Ministry”), and all kinds of telephones, telecommunication and similar services are activities within the scope of authorization regarding IMT services and infrastructures provided that it is not contrary to the law of Posta ve Telgraf Teşkilatı A.Ş. (“PTT”). As of 31 December 2022, Turkcell's shares are quoted in Borsa İstanbul A.Ş. (“BIST”) and the New York Stock Exchange (“New York Stock Exchange” - “NYSE”).

The company signed a revenue sharing agreement in 1993 with Türk Telekomünikasyon A.Ş. (“Türk Telekom”) and has been made responsible for realizing a mobile phone system in GSM standards by covering the investment cost within the framework of this agreement. Turkcell signed a license agreement with the Ministry on 27 April 2009, and in accordance with this agreement, it was entitled to obtain a 25-year GSM operating license (“2G License”) for a license fee of 500,000 USD.

In the 3rd Generation tender made by the Information Technologies and Communication Authority (“BTK”) for the issuance of four licenses for the authorization of 2000/UMTS services and infrastructures, the company was entitled to receive the A type license, which includes the widest frequency band, in return for 358,000 Euros (excluding VAT). After the approvals regarding the 3rd Generation License (“3G License”) were completed, the license fee was paid and the concession agreement was signed between Turkcell and BTK on 30 April 2009. The contract is valid for 20 years from the date of signing. Turkcell started to provide services under the contract on 30 July 2009.

The Company was entitled to receive a total of 172.4 MHz frequency for a fee of 1,623,460 EUR (excluding VAT), with the "Authorization Tender for IMT Services and Infrastructures", popularly known as ("4.5G License"), held by BTK on 26 August 2015. The IMT Authorization period is until 30 April 2029, and operators have started the provision of IMT services from 1 April 2016. 2x1.4 MHz wide packages in the 900MHz frequency band and 2 2x5 MHz wide packages in the 2100 MHz frequency band started to be used as of 1 December 2015, and the remaining packages were started to be used as of 1 April 2016.

The Company pays 90% of 15% of monthly gross sales as treasury share and 10% of 15% of monthly gross sales as universal service contribution to BTK every month. In addition, the Company pays annual contributions in an amount equal to 0.35% of net revenue to the BTK's expenses and 5% of net revenue to BTK as a frequency fee (TRx).

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)

As of 31 December 2022, TVF Bilgi Teknolojileri İletişim Hizmetleri Yatırım Sanayi ve Ticaret Anonim Şirketi (“TVF BTIH”) and IMTIS Holdings S.a r l. (“IMTIS Holdings”)’s shares in the Company's capital and voting rights are 26.2% and 19.8% respectively. 53.95% of the Company's shares are still publicly traded in domestic and foreign capital markets (Note 26.1).

As of 31 December 2022, the main and ultimate shareholders of the Company are TVF BTIH and Türkiye Varlık Fonu (“TVF”), respectively. TVF was established by the Law No. 6741, published in the Official Gazette dated 26 August 2016.

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) On Group A shares, to the shareholders;
 - (a) Election of five members of the Company's Board of Directors,
 - (b) In the election of the chairman of the General Assembly meeting, a voting privilege has been created to give six votes for each Group A Share, again, the privilege of nomination is envisaged on Group A Shares, allowing the shareholders to nominate four candidates to be used in the election of five members of the Company's Board of Directors,
- (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 the Company's shareholders, including the appointment of the residual four members of the board of directors of the Company (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) In order for the quorum for the meeting of the Board of Directors to be formed, the participation of at least five members constituting the majority of the total number of members is required and a decision can be taken with the affirmative votes of at least five members present at the meeting;
- (v) As long as the privileges mentioned above are in effect, as regulated in Article 370 of the Turkish Commercial Code (“TCC”), the unlimited power to represent and bind the Company shall be exercised by two members of the Board of Directors, at least one of whom was elected by the holders of Group A Shares through the use of the privileges mentioned above.

The Company's board of directors consists of a total of nine non-executive members including three independent members as of 31 December 2022.



TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)

The shareholding structure of the Company as of 31 December 2022 is disclosed in Note 26.1.

As of 31 December 2022, the Company's investments to its subsidiaries, associates and joint ventures are as follows:

| Subsidiary Title | Country | Business |
|---|-------------------------------------|---|
| Turktell Bilişim Servisleri A.Ş. ("Turktell") | Turkey | Information technology, value added GSM services and entertainment investments |
| Superonline İletişim Hizmetleri A.Ş. ("Turkcell Superonline") | Turkey | Telecommunications |
| Turkcell Satış ve Dijital İş Servisleri Hizmetleri A.Ş. ("Turkcell Satış") | Turkey | Sales, delivery and digital sales services |
| Turkcell Teknoloji Araştırma ve Geliştirme A.Ş. ("Turkcell Teknoloji") | Turkey | Research and development |
| Turkcell Gayrimenkul Hizmetleri A.Ş. ("Turkcell Gayrimenkul") | Turkey | Property investments |
| Turkcell Dijital İş Servisleri A.Ş. ("Turkcell Dijital") | Turkey | Providing advanced product and solutions for digitalization needs of institutions |
| Turkcell Dijital Eğitim Teknolojileri A.Ş. ("Dijital Eğitim") (1) | Turkey | Education technologies |
| Atmosware Teknoloji Eğitim ve Danışmanlık A.Ş. ("Atmosware Teknoloji") | Turkey | Develop software products and services, training software developers |
| Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş. ("Turkcell Enerji") | Turkey | Electricity energy trade and wholesale and retail electricity sales |
| Boyut Grup Enerji Elektrik Üretim ve İnşaat Sanayi ve Ticaret A.Ş. ("Boyut Enerji") | Turkey | Renewable energy production |
| Turkcell Finansman A.Ş. ("Turkcell Finansman") | Turkey | Consumer financing services |
| Turkcell Sigorta Aracılık Hizmetleri A.Ş. ("Turkcell Sigorta") | Turkey | Insurance agency activities |
| Turkcell Dijital Sigorta A.Ş. ("Turkcell Dijital Sigorta") (2) | Turkey | Digital agency activities |
| Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş. ("Turkcell Ödeme") | Turkey | Payment services and e-money |
| Lifecell Dijital Servisler ve Çözümler A.Ş. ("Lifecell Dijital Servisler") | Turkey | Development and providing of digital services and products |
| Lifecell Bulut Çözümleri A.Ş. ("Lifecell Bulut") | Turkey | Cloud solutions services and other services |
| Lifecell TV Yayın ve İçerik Hizmetleri A.Ş. ("Lifecell TV") | Turkey | Online radio, television and on-demand streaming services |
| Lifecell Müzik Yayın ve İletim A.Ş. ("Lifecell Müzik") | Turkey | Radio, television and on-demand streaming services |
| Kule Hizmet ve İşletmecilik A.Ş. ("Global Tower") | Turkey | Telecommunications infrastructure business |
| LLC UkrTower ("UkrTower") | Ukraine | Telecommunications infrastructure business |
| Beltower LLC ("Beltower") | Republic of Belarus | Telecommunications infrastructure business |
| East Asian Consortium B.V. ("Eastasia") | Netherlands | Telecommunications investments |
| Kıbrıs Mobile Telekomünikasyon Limited Şirketi ("Kıbrıs Telekom") | Turkish Republic of Northern Cyprus | Telecommunications |
| Lifecell Digital Limited Şirketi ("Lifecell Dijital") | Turkish Republic of Northern Cyprus | Telecommunications |
| Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş. ("Turkcell Global Bilgi") | Turkey | Customer relations and human resources management |

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)

| Subsidiary Title (cont'd) | Country | Business |
|---|---------------------|---|
| LLC Global Bilgi ("Global Ukrayna") | Ukraine | Customer relations management |
| Rehberlik Hizmetleri A.Ş. ("Rehberlik Hizmetleri") | Turkey | Directory assistance |
| Lifecell Ventures Coöperatif U.A. ("Lifecell Ventures") | Netherlands | Telecommunications investments |
| LLC lifecell ("lifecell") | Ukraine | Telecommunications |
| Paycell Limited Liability Company ("Paycell LLC") | Ukraine | Consumer financing services, payment services and e-money |
| Paycell Europe GmbH ("Paycell Europe") (3) | Germany | Payment services and e-money |
| Yaani Digital BV ("Yaani") | Netherlands | Internet search engine and browser services |
| BiP Digital Communication Technologies B.V. ("BiP B.V.") | Netherlands | Dijital services, sales of services and products |
| BiP İletişim Teknolojileri ve Dijital Servisler A.Ş. ("BiP A.Ş.") | Turkey | Dijital services, sales of services and products |
| Beltel Telekomünikasyon Hizmetleri A.Ş. ("Beltel") | Turkey | Telecommunications investments |
| CJSC Belarusian Telecommunications Network ("BeST") (4) | Republic of Belarus | Telecommunications |
| Lifetech LLC ("Lifetech") | Republic of Belarus | Information technology, programming and technical support |
| Turkcell Yeni Teknolojiler Girişim Sermayesi Yatırım Fonu ("Turkcell GSYF") (5) | Turkey | Venture capital investment fund |
| W3 Labs Yeni Teknolojiler A.Ş. ("W3") | Turkey | Bilişim teknolojileri |
| Associate Title | Country | Business |
| Türkiye'nin Otomobili Girişim Grubu Sanayi ve Ticaret A.Ş. ("TOGG") | Turkey | Electric passenger car development, production and trading activities |
| Joint Venture Title | Country | Business |
| Sofra Kurumsal ve Ödüllendirme Hizmetleri A. Ş. ("Sofra") | Turkey | Meal coupons and cards |

(1) Dijital Eğitim has been incorporated respectively with the shareholding percentage 51% and 49% by Turkcell Dijital which is fully owned by the Group and Şahinkaya Özel Eğitim Kurumları A.Ş. to offer education and communication solutions compatible with new generation technologies. Initial capital is TL 100 and registration and announcement of the respective company was completed on 11 March 2022.

(2) Turkcell Dijital Sigorta, in which fully owned by Turkcell Finansman was established to offer insurance activities based on digital and innovative technologies and registration and announcement of the respective Company was completed on 21 June 2022.

(3) The title of Turkcell Europe GmbH which is fully owned by the Group has been changed to Paycell Europe GmbH.

(4) Share Transfer transactions regarding the purchase of 20% of BeST's shares owned by the Republic of Belarus were completed on 9 December 2022.

(5) In accordance with business model of the Group, Turkcell GSYF has been established by on 28 March 2022 by RE-PIE Portföy Yönetimi A.Ş. ("RE-PIE") to invest in initiatives that create synergies with the Group's strategic focus areas and also Turkcell contributes. Turkcell GSYF has been included to the consolidated financial statements as of 30 September 2022 in accordance with the "TFRS 10 Consolidated Financial Statements".

Turktell

Turktell was established to participate in companies that provide services such as information technology, entertainment and value-added GSM services and to develop, sell and market these services.

**TURKCELL İLETİŞİM HİZMETLERİ A.Ş.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)Turkcell Superonline

Turkcell Superonline was established to make and operate the necessary investments for telecommunication services and to undertake the representation of domestic and foreign enterprises providing these services. In addition, Turkcell Superonline provides international and national public voice transport, private international leased data lines for corporations, internationally connected internet access services, and develops consumer and corporate Internet service.

Turkcell Satış

Turkcell Satış operates in the fields of telecommunication and information technology products sales, distribution, marketing and information technology services, system integration and digital business services.

Turkcell Teknoloji

Turkcell Teknoloji's field of activity is to develop, produce, mount, install, maintain and repair, operate, buy, sell, rent, lease, and provide consultancy on all kinds of software and hardware systems in telecommunication, communication, and informatics or for general purposes.

Turkcell Gayrimenkul

Turkcell Gayrimenkul buys, sells and rents any real estate on its behalf or on behalf of its customers; was established to make all kinds of constructions on the real estate belonging to itself or others.

Turkcell Dijital

Turkcell Digital Business Services operates in the fields of selling, installing, operating, mounting, and after-sales support, necessary training and operability of all kinds of digital products, services, services, and devices to institutions.

Dijital Egitim

The establishment of Dijital Egitim, whose business subject is the provision of all kinds of education and communication solutions suitable for computer, internet, and new-generation technologies for educational purposes, was registered and announced on 11 March 2022.

Atmosware Teknoloji

Atmosware Teknoloji was established in 2021 to develop software products and services and to train software developers.

Turkcell Enerji

Turkcell Enerji's field of activity is electrical energy trade, wholesale and retail sales, and established on February 20, 2017. Turkcell Enerji, wholly owned by Turkcell, was granted an electricity supply license by EMRA on 11 May 2017.

Boyut Enerji

Boyut Enerji's main field of activity is the establishment, commissioning, and leasing of an electrical power generation facility, electricity generation, and sales of the generated electrical energy and/or capacity to customers (Note 3).

Turkcell Finansman

Turkcell Finansman was established to provide financing to its customers by providing loans for the purchase of all kinds of goods and services, within the framework of the Financial Leasing, Factoring and Financing Companies Law No. 6361, and other relevant legislation provisions and ("BRSA") regulations. Turkcell Finansman carries out its activities in Turkey through sales points with which it has signed a General Seller Agreement, as well as internet and telesales channels.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)Turkcell Sigorta

Turkcell Sigorta was established on 19 June 2018 operate insurance agency activities.

Turkcell Dijital Sigorta

Turkcell Dijital Sigorta was established to offer insurance activities based on digital and innovative technologies.

Turkcell Ödeme

Turkcell Odeme was established on 13 June 2000 in Istanbul. Turkcell Payment is authorized to operate as a "payment institution" and "electronic money institution", to provide services to mobile users with mobile payment systems, to act as an intermediary for bill payments, an intermediary for money transfers, and intermediation for card payments.

Lifecell Dijital Servisler

To buy, sell, import and export content to be presented in electronic environments and to act as an intermediary; to sell the advertising spaces of digital services, to manage the advertising platform and to mediate the sales of all advertising spaces in the Turkish advertising ecosystem; Providing services in the cloud playground; was established in 2020 to operate in the field of development of all kinds of digital services and products.

Lifecell Bulut

Operating under the Lifebox brand, Lifecell Bulut was established in 2020 to provide services to operator-independent users in the field of cloud computing, where photos, videos, documents, phone books and music files can be safely stored, and to establish and operate the necessary technological infrastructure and systems for this purpose. The lifebox transfer product, which offers free and membership-free file transfer within the company, and the lifebox business product, which offers file storage, transfer and office features over the cloud, are among the products offered to the field.

Lifecell TV

Operating under the TV+ brand, Lifecell TV was established in 2020 to transmit all kinds of audio and visual content to operators-independent users in encrypted, unencrypted digital and/or analogue media. With different subscription packages, the TV+ platform serves its subscribers on smart phones and tablets with iOS and Android operating systems, web, smart TV, Apple TV, Android TV and many other devices. It is among its activities to buy, sell, import, and export the content to be created for the purpose of providing all kinds of audio and video services in the electronic environment and to mediate these transactions.

Lifecell Müzik

Serving under the Fizy brand, Lifecell Music was established in 2020 to provide on-demand audio and visual broadcasting and transmission over the internet to operator-independent users.

**TURKCELL İLETİŞİM HİZMETLERİ A.Ş.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)Global Tower, Kule Ukrayna ve Beltower

Global Tower, Kule Ukrayna, and Beltower were established to operate the infrastructure by renting space in the towers to the telecommunication and media sector, private and public institutions, and organizations. Global Tower, Kule Ukrayna, and Beltower provide bundle services to its customers with all the necessary permissions, renting the place and field, making the tower investment, providing medium and low voltage energy and container infrastructure, and performing periodical maintenance (tower, fence, power line, access road). In addition, Global Tower started to provide end-to-end closed-circuit satellite services to its customers by purchasing a satellite communication service license from BTK in January 2018. In this context, satellite communication service solutions are offered to mobile operators, corporate customers and public institutions.

Eastasia

Eastasia was established in the Netherlands to invest in and operate telecommunications and advanced technology.

Kıbrıs Telekom

Kıbrıs Telekom was established in TRNC to make and operate telecommunication and advanced technology investments.

Lifecell digital

Lifecell digital was established in TRNC to provide Internet Service Provider service within Kıbrıs Telecom.

Turkcell Global Bilgi ve Global Ukrayna

Turkcell Global Bilgi and Global Ukrayna serve as customer experience and human resources management centers.

Rehberlik Hizmetleri

Rehberlik Hizmetleri was established to provide guidance and value-added services, and to establish and operate infrastructure for these services.

Lifecell Ventures

Lifecell Ventures was established to offer applications developed by Turkcell to other operators around the world as products and services, and it carries out marketing activities.

lifecell

lifecell was established in Ukraine to make and operate telecommunications and advanced technology investments.

Paycell LLC

The company named "Paycell LLC", which was established in Ukraine by lifecell, whose capital is wholly owned achieved the status of "financial company" on 21 September 2017. Paycell LLC has loan lending, leasing licenses, and local money transfer licenses to provide its customers with credit device sales and digital payment services via e-money.

Paycell Europe

Paycell Europe was established to continue the activities of Turkcell Odeme, which operates in the field of digital payment and electronic money in Europe.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

1 ORGANIZATION AND OPERATIONS OF THE COMPANY (cont'd)Yaani

All of Yaani's shares were taken over on 14 May 2019, and the transfer of all assets of the company was completed on 1 June 2020, with the contract signed with Ntnt Inc. Yaani; has indefinite license and usage rights for the Yaani search engine and joined the group to sell and disseminate the search engine to international markets.

BiP B.V.

BiP B.V. was established on 7 September 2020 to market the BiP application developed by Turkcell to other operators around the world as a product and service.

BiP A.Ş.

BiP A.S. offers instant, fast and secure messaging, audio and/or video calls and video conference services to operator-independent users via applications on their smart phones or tablet terminals with internet connection. Developing and collecting new services, services and products for consumers for situations where mobile communication, internet or these two platforms are intertwined are among its activities.

Beltel

Beltel was established to make and operate telecommunications and advanced technology investments and to participate in investments that provide these services.

BeST

BeST was established in Belarus to invest in and operate telecommunications and advanced technology.

Lifetech

Lifetech was established in Belarus to operate in the fields of programming and consulting.



TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

(a) Statement of Compliance

The accompanying consolidated financial statements of the Company have been prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676.

The accompanying consolidated financial statements of the Company have been prepared in accordance with the CMB's “Announcement on Financial Statement and Footnote Formats” dated 7 June 2013. The Company has made the necessary adjustments and reclassifications in accordance with the formats specified in the “2022 TFRS Taxonomy” and “Financial Statement Examples and User Guide” published by the POA on 10 October 2022.

Among the equity items, paid-in capital, share premiums and legal reserves are presented over their amounts in the accounting records.

The Company and its subsidiaries registered in Turkey prepare their accounting records and statutory financial statements in Turkish Lira (“TL”) in accordance with the principles and conditions issued by the CMB, the TCC, tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Financial statements are presented rounded to thousands of TL.

Subsidiaries operating in foreign countries prepare their statutory financial statements in accordance with the laws and regulations in force in the countries in which they operate and in the currency valid in the main economic environment (functional currency) in those countries.

The General Assembly is authorized to amend and approve the consolidated financial statements of the Company. The consolidated financial statements of the Company are approved for publication by the Board of Directors.

The consolidated financial statements of the Company for the period ending on 31 December 2022 were approved for publication by the Company's Board of Directors on 9 March 2023.

(b) Preparation of financial statements

While preparing the consolidated financial statements, necessary adjustments and classifications have been made to the amounts determined on the historical cost basis of assets and liabilities and derivative instruments, which reported with their fair values, in order to make the correct presentation in accordance with TFRS. The consolidated financial statements of the Company for the year ended 31 December 2022 consist of the Company and its subsidiaries the Group's associates and joint venture (collectively referred to as the “Group”).

(c) Offsetting

When the Group has a legal right to set off financial assets and liabilities and intends to settle those financial assets and liabilities by netting, or to have the asset recognized and settle the liability at the same time, the Group presents these financial assets and liabilities with their netted amounts in the statement of financial position.

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022

(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

(i) Subsidiaries

Consolidated financial statements include the financial statements of the companies controlled by the Company and its subsidiaries. Control is provided by the Company and its subsidiaries by meeting the following conditions:

- power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns),
- exposure, or rights, to variable returns from its involvement with the investee,
- the ability to use its power over the investee to affect the amount of the investor's returns.

In the event that a situation or event arises that may cause any change in at least one of the criteria listed above, the company re-evaluates whether it has control over its investment.

The table below shows the total effective control ratios of all subsidiaries under the direct or indirect control of the Company as of 31 December 2022 and 2021:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|----------------------------|-------------------------|-------------------------|
| | <u>(%)</u> | <u>(%)</u> |
| Turktell | 100 | 100 |
| Turkcell Superonline | 100 | 100 |
| Turkcell Satış | 100 | 100 |
| Turkcell Teknoloji | 100 | 100 |
| Turkcell Gayrimenkul | 100 | 100 |
| Turkcell Dijital | 100 | 100 |
| Dijital Eğitim | 51 | - |
| Atmosware Teknoloji | 100 | 100 |
| Turkcell Enerji | 100 | 100 |
| Boyut Enerji | 100 | 100 |
| Turkcell Finansman | 100 | 100 |
| Turkcell Sigorta | 100 | 100 |
| Dijital Sigorta | 100 | - |
| Turkcell Ödeme | 100 | 100 |
| Lifecell Dijital Servisler | 100 | 100 |
| Lifecell Bulut | 100 | 100 |
| Lifecell TV | 100 | 100 |
| Lifecell Müzik | 100 | 100 |
| Global Tower | 100 | 100 |
| UkrTower | 100 | 100 |
| Beltower | 100 | 100 |
| Eastasia | 100 | 100 |
| Kıbrıs Telekom | 100 | 100 |
| Lifecell Digital | 100 | 100 |



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

(d) Consolidation principles (cont'd)

(i) Subsidiaries (cont'd)

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|-----------------------|-------------------------|-------------------------|
| | (%) | (%) |
| Turkcell Global Bilgi | 100 | 100 |
| Global Ukrayna | 100 | 100 |
| Rehberlik Hizmetleri | 100 | 100 |
| Lifecell Ventures | 100 | 100 |
| lifecell | 100 | 100 |
| Paycell LLC | 100 | 100 |
| Turkcell Europe | - | 100 |
| Paycell Europe | 100 | - |
| Yaani | 100 | 100 |
| BiP B.V. | 100 | 100 |
| BiP A.Ş. | 100 | 100 |
| Beltel | 100 | 100 |
| BeST | 100 | 80 |
| Lifetech | 100 | 80 |
| Turkcell GSYF | 100 | - |

Changes in ownership

Changes in the Company's shareholding in its subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book values of the Company's shares and non-controlling interests are adjusted to reflect changes in subsidiary shares. The difference between the adjustment for non-controlling interests and the fair value of the consideration received or paid is accounted for directly in equity as the Group's share. If the Company loses control of a subsidiary, the profit/loss after sale is calculated as the difference between i) the sum of the sales price received and the fair value of the remaining interest and ii) the previous book values of the subsidiary's assets (including goodwill) and liabilities and non-controlling interests. Amounts previously recognized in equity through other comprehensive income related to the subsidiary are recorded according to the accounting method to be used on the assumption that the Group has sold the related assets.

The fair value at the date of loss of control of the investment remaining after the sale of the subsidiary is determined as the fair value in the initial recognition under TFRS 9 "Financial Instruments: Recognition and Measurement" ("TFRS 9") or, where applicable, the initial recognition cost of an investment in an entity controlled as an associate or joint operations.

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant effectiveness is the power to participate in the decisions of an entity's financial and operational policies, without having sole or joint control.

With the acquisition of shares of the associate, the portion of the purchase price above the fair value of the identifiable assets, liabilities and contingent liabilities of the associate at the date of acquisition is considered as goodwill.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

(d) Consolidation principles (cont'd)

(ii) Associates (cont'd)

Goodwill is included in the carrying amount of the investment and is reviewed for impairment as part of the investment. The excess of the fair value of the identifiable assets, liabilities and contingent liabilities of the associate at the date of acquisition is recognized directly in the profit or loss statement after reassessment.

Under the equity method, an investment in associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the change in the subsidiary's net assets less any impairment. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Any additional losses are recognized if the Group is exposed to any legal or constructive obligation or the Group has made payments on behalf of the associate.

Profits and losses resulting from the transactions between the Company and its subsidiaries and the Group's associate are eliminated in proportion to the Group's share in the relevant associate.

TOGG, in which the Group currently has a share of 23%, was established on 28 June 2018 to develop, produce and trade electric motor vehicles (31 December 2021: 23%). As of 31 December 2022 and 2021, TOGG classified as investments valued by equity method in the consolidated financial statements.

(iii) Shares in joint ventures

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. Investments in joint ventures are accounted for using the equity method from the moment the investee becomes a joint venture.

Sofra, in which the Group currently has a share of 33.3%, is a joint venture between Turkcell Ödeme, BELBİM Elektronik Para ve Dağıtım Hizmetleri A.Ş. and PTT, in which all parties have equal share, was established on 30 July 2018, in order to carry out operations such as service coupons, meal checks, meal cards, electronic coupons and/or smart cards, transportation machines, smart keys. As of 31 December 2022 and 2021, Sofra classified as investments valued by equity method in the consolidated financial statements.

(iv) Consolidation adjustments

The statements of financial position and profit or loss of the companies included in the consolidation are consolidated using the full consolidation method, and the book values in the Company's assets and their shares in the equity are mutually offset. The parts of the net assets of the subsidiaries corresponding to the shares outside the direct and/or indirect control of the parent company are classified under the "Non-controlling interests" item in the consolidated statement of financial position. Similarly, the parts of the net profits or losses of the subsidiaries corresponding to the shares outside the direct and/or indirect control of the parent company are classified under the "Non-controlling interests" item in the consolidated statement of profit or loss. Intra-group transactions and balances between companies included in the consolidation are eliminated during consolidation. Profits and losses resulting from transactions between associates and joint ventures and the parent company and its subsidiaries subject to consolidation are netted off in proportion to the share of the parent in the associate. However, the losses incurred as a result of these transactions have not been clarified if they show that there has been an impairment in the value of the asset subject to the transaction.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.1 Basis of Presentation (cont'd)****(d) Consolidation principles (cont'd)****(v) Business combinations under common control**

Business combinations under common control are outside the scope of TFRS 3 “Business Combinations” (“TFRS 3”). In accordance with the decision of the POA published in the Official Gazette on 17 October 2018, assets and liabilities subject to a business combination under common control are included in the consolidated financial statements with their carrying values. Statements of profit or loss are consolidated from the first period in which comparative financial statements are presented and prior period financial statements are restated. Goodwill or negative goodwill resulting from these transactions is not recognized in the consolidated financial statements. The difference resulting from the offsetting of the amount of the participation amount and the share in the capital of the acquired company is directly accounted for under the equity as an equity transaction in the “Effect of Business Combinations Under Common Control” account.

e) Adjustment of Financial Statements During High Inflation Periods

POA made an announcement on 20 January 2022 whether companies that apply TFRS will apply TAS 29 Financial Reporting in Hyperinflationary Economies in the 2021 financial reporting period. According to this announcement, it is stated that companies that apply TFRS do not need to make any adjustments within the scope of TAS 29 in their financial statements for the year 2021. As of the report date, no new statement has been made by the POA regarding the scope and application of TAS 29. In this context, while preparing the consolidated financial statements as of 31 December 2022, no inflation adjustments were made in accordance with TAS 29.

2.2 Changes in Accounting Policies and Errors

Significant changes in accounting policies and significant accounting errors detected are applied retrospectively and the prior period financial statements are restated. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and important differences are disclosed.

2.3 Changes in Accounting Estimates

If changes in accounting estimates are for only one period, changes are applied in the current year but if the estimated changes affect the following periods, changes are applied both on the current and following periods prospectively. In the current year, there are not any material changes in accounting estimate methods of the Group.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies****(a) Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs, including some of the fixed and variable overheads, are valued according to the method appropriate to the class of inventories, and mostly according to the weighted average cost method. Net realizable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make a sale.

When the net realizable value of inventories falls below its cost, the inventories are reduced to their net realizable value and charged as an expense to the statement of profit or loss in the year in which the impairment occurred.

In cases where it is proven that the conditions that previously caused inventories to be reduced to net realizable value no longer apply or an increase in net realizable value due to changing economic conditions, the reserve for impairment is reversed.

The reversed amount is limited to the previously allocated impairment amount. As of 31 December 2022 and 2021, inventories mainly consist of mobile phones, tablets, sim cards, mobile phone accessories, tower construction materials and other electronic products.

(b) Property, Plant and Equipment

Property, plant and equipments are carried at cost less accumulated depreciation and any accumulated impairment losses. Property, plant and equipments of the Company and its subsidiaries operating in Turkey and subsidiaries operating in Belarus have been adjusted for the effects of inflation as of 31 December 2005 and 31 December 2014, respectively.

The cost of property, plant and equipments consists of purchase price, import taxes and non-refundable purchase taxes, expenses incurred to tangible asset for use, and the interest exchange rate difference expenses incurred on the loans used to acquire the tangible asset, while the property is in the investment phase.

Changes in the obligation to dismantle the property, plant and equipment and to restore the site are added to the cost of the property, plant and equipment in the period in which they occur. If the amount to be deducted from the cost of the property, plant and equipment is greater than the book value of the property, plant and equipment as of the date of the change, the difference is recorded in the statement of profit or loss in the relevant period.

(i) Subsequent expenses

Expenses arising from replacing any part of property, plant and equipments, together with maintenance and repair costs, can be capitalized if they increase the future economic benefit of the asset. All other expenses are recognized in the statement of profit or loss on an accrual basis.



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

(b) Property, Plant and Equipment (cont'd)

(ii) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line depreciation method on the basis of the assets' ready-to-use dates over their useful lives. Leasehold improvements are depreciated over the shorter of the lease term or useful life, using the straight-line method. The depreciation expenses calculated in this way are recognized in the cost of revenue item in the consolidated statement of profit or loss. Lands are not depreciated as their useful life is considered indefinite.

The useful lives used by the Group 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.

(iii) Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss and their costs and accumulated depreciation are written off from the relevant accounts.

(c) Intangible Assets

Intangible assets consist of GSM and other telecommunication business licenses, brand values, computer software, transmission line software, electricity generation license, subscriber acquisition costs, infeasible rights and customer lists. Intangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses. Intangible assets of the Company and its subsidiaries operating in Turkey and subsidiaries operating in Belarus have been adjusted for the effects of inflation as of 31 December 2005 and 31 December 2014, respectively.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

(c) Intangible Assets (cont'd)

Purchased computer software and transmission line software are capitalized over the costs incurred during the purchase and during the period from purchase until they are ready for use. Costs associated with maintaining computer software are recognized in the statement of profit or loss in the period in which they are incurred. Expenditures that are directly attributable to identifiable and unique software products controlled by the Group and that will generate economic benefits in excess of costs for more than one year are recognized as intangible assets. Costs include the costs of the employees developing the software and some of the manufacturing overheads.

Internally generated intangible assets - research and development expenses

Internally generated intangible assets consist of computer software and are reported under computer softwares.

Research costs are recorded in the statement of profit or loss as the cost of sales in the period in which they are incurred.

Internally generated intangible assets resulting from development activities (or the development phase of an intra-Group project) are capitalized only when all of the following conditions are met:

- it is technically possible to complete the intangible asset so that it is ready for use or ready for sale,
- the intention to complete, use or sell the intangible asset,
- whether the intangible asset can be used or sold,
- it is clear how the asset will generate potential future economic benefits,
- there are appropriate technical, financial and other resources to complete the development of the intangible asset to use or sell it; and
- the development cost of the asset can be measured reliably during the development process.

The amount of intangible assets generated internally is the total amount of expenses incurred since the intangible asset meets the above-mentioned recognition conditions. When internally generated intangible assets do not meet the capitalization conditions, development expenses are recognized as expense in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses, just like intangible assets purchased separately.

Indefeasible rights

Indefeasible rights are acquired rights to use part of an asset's capacity for a specified period of time. If the Group has a predetermined capacity usage right on a certain asset for a period close to the useful life of that asset; these indefeasible rights are reported under intangible assets. Indefeasible rights are amortized over the shorter of the useful life of the asset or the contract period.



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

(c) Intangible Assets (cont'd)

(i) Amortization

Amortization of intangible assets is calculated using the straight-line amortization method on the basis of the assets' ready-to-use dates over their useful lives. The amortization expenses calculated in this way are recognized in the cost of revenue item in the consolidated statement of profit or loss.

The useful lives used by the Group are as follows:

| | |
|---|--------------|
| GSM and other telecommunications licenses | 3 - 25 years |
| Indefeasible rights | 15 years |
| Transmission line softwares | 5 - 10 years |
| Computer softwares | 3 - 8 years |
| Brand name | 9 - 10 years |
| Customer base | 2 - 15 years |
| Subscriber acquisition costs | 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.

The Company obtained the 2G, 3G and 4.5G Licenses with the Concession Agreements signed on 27 April 1998, 30 July 2009 and 26 August 2015, respectively. The terms of use of the relevant licenses are 25, 20 and 13 years.

(ii) Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss and their costs and accumulated depreciation are written off from the relevant accounts.

(d) Investment Properties

Investment properties are properties held for the purpose of earning rent and/or capital appreciation and are carried at cost less accumulated depreciation and any accumulated impairment losses. If it meets the accepted criteria, the cost of replacing any part of the existing investment property is included in the amount in the statement of financial position. This amount does not include daily maintenance to investment properties.

Investment properties are derecognised if they are sold or become unusable or it is determined that no future economic benefit will be obtained from the sale. Profit/loss arising from the expiry of the investment property or its sale is recognized in the statement of profit or loss in the period in which they occur.

Transfers are made when there is a change in the use of investment property. For a transfer from investment property to owner-occupied property, the estimated cost of post-transfer recognition is the carrying amount of the property at the date of the change in use. If an owner-occupied property converts to an investment property, the entity applies the accounting policy applied to property, plant and equipment until the change in use occurs.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

(d) Investment Properties (cont'd)

Depreciation

Depreciation of investment properties is calculated using the straight-line depreciation method. The useful life of investment properties is 25 - 45 years.

(e) Impairment of Assets

The Group assesses whether there is any indication that an asset is impaired at the relevant reporting date. If such an indication exists, the recoverable amount of that asset is estimated and tested for impairment. Goodwill and intangible assets that have an indefinite useful life or are not yet in use are tested for impairment annually, regardless of whether there is any indication of impairment. The recoverable amount is determined by choosing the higher of the asset's value in use and its fair value less costs to sell. 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 expected future cash flows from an asset or cash-generating unit.

If the carrying value of the asset or any cash generating unit of that asset is higher than the amount to be recovered through use or sale, an impairment has occurred. For impairment testing, assets are divided into the smallest units that generate cash inflows from continued use ("cash generating unit") independently of other assets and asset groups.

Goodwill arising in a business combination is allocated to cash-generating units that are expected to benefit from the synergies of the combination for impairment testing. The impairment resulting from the cash-generating units is first deducted from the carrying amounts of the goodwill allocated to the units, and then from the carrying amounts of the other assets in the units. Impairment losses are recognized in the consolidated statement of profit or loss.

It is not always necessary to determine both the asset's fair value less costs to sell and its value in use. If any of these amounts exceeds the carrying amount of the asset, the asset is not impaired and it is not necessary to estimate the other amount.

An impairment loss on a receivable is reversed if the subsequent increase in the recoverable amount of that asset can be attributed to an event that occurs in the periods following the recognition of the impairment. The impairment loss in assets other than goodwill is reversed if there is a change in the estimates used in determining the recoverable amount.

The increase in the carrying value of the asset due to the reversal of the impairment loss should not exceed the carrying amount (net amount after depreciation) that would have been determined if no impairment loss had been recognized in the financial statements in previous years.



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

(f) Financial Instruments

Financial assets - classification and subsequent measurement - measurement categories:

According to TFRS 9 Financial Instruments, the classification and measurement of financial assets is determined according to the business model in which the financial asset is managed and whether it depends on the contractual cash flows that include only the principal and interest payments on the principal balance.

TFRS 9 includes three main categories of classification for financial assets: amortized cost ("AC"), fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The Group classifies its financial assets on the date of acquisition.

Financial assets - Reclassification:

Financial instruments are reclassified only when the business model for portfolio management is completely changed. The reclassification has a prospective effect and takes place from the beginning of the first reporting period following the business model change. The Group did not change its business model and did not make any reclassification in the current period and the comparison period.

Impairment of financial assets - Credit loss provision for expected credit losses:

TFRS 9 replaces the "incurred loss" model in TAS 39 with the prospective "expected credit loss" ("ECL") model. In this context, an important evaluation was needed on how the economic factors, which will be determined by weighting according to their realization probabilities, affect the ECLs.

The new impairment model is applied to financial assets measured at amortized cost or FVTOCI (excluding investments in equity instruments) and contract assets.

In accordance with TFRS 9, loss provisions are measured on the following basis;

- 12 month 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 lifetime ECL measurement is applied if, at the reporting date, the credit risk associated with a financial asset increases significantly after initial recognition. In all other cases where the relevant increase was not experienced, the 12-month ECL calculation was applied.

The Group may determine that if the credit risk of the financial asset has a low credit risk at the reporting date, the credit risk of the financial asset has not increased significantly. However, lifetime ECL measurement (simplified approach) always applies to trade receivables and contract assets without a significant financing element. The Group has applied the lifetime ECL measurement for all group companies except Turkcell Finansman. Since Turkcell Finansman is a financing company, it has applied both 12-month and lifetime ECL measurement (general approach).

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4 Summary of Significant Accounting Policies (cont'd)

(f) Financial Instruments (cont'd)

Financial assets and liabilities – derecognition:

The Group derecognises the financial asset when its contractual rights to cash flows from the financial asset expire or transfer the related financial asset and all the risks and rewards of ownership of that asset to another party. In cases where all the risks and rewards of ownership of the asset are not transferred to another party and control of the asset is retained by the Group, the Group continues to recognize its remaining interest in the asset and the liabilities arising from that asset. In the event that the Group retains all the risks and rewards of ownership of a transferred asset, the financial asset continues to be recognized and a collateralized liability amount is also recognized for the income earned against the transferred financial asset. The Group derecognises financial liabilities only if the contractual obligation ceases, cancels or expires.

Fair valuation principles

Financial assets and liabilities are carried at fair values without taking into consideration the periods following their retention, the operating costs in the event of a sale or similar disposal. However, if there is no quoted market price in an active market, it is found using fair value pricing models or discounted cash flow consumption.

When discounted cash flow techniques are used, estimated cash flows are based on Group Management's best estimates and the discount rate used is based on the market rate applicable to an instrument with similar maturities and conditions at the reporting date. In pricing models, market data valid at the reporting date is used as a measure.

Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 months or less, easily convertible into cash, and do not carry a significant risk of impairment. The Group reviews cash and cash equivalents for impairment using the expected credit loss model.

Sale and Repurchase Agreements

Securities sold under repurchase agreements ("Repo") are classified in the Company portfolio as "fair value differences that recorded as "profit or loss", "fair value differences that recorded other comprehensive income" or "amortized cost" portfolios and valued according to relevant portfolio basis. Securities purchased under agreements to resell ("Reverse Repo") are recorded as cash and cash equivalents in the balance sheet.

Reserve Deposits with Central Bank of the Republic of Turkey

In accordance with the "Communique Regarding the Reserve Requirements (No: 2013/15)" published in the Official Gazette dated 23 April 2022 and numbered 31818, the current reserve deposits ratio for assets subject to reserve deposits is determined as 20% as of 31 December 2022. For liabilities subject to required reserves, the rates applicable for Turkish lira reserve deposits are between 3% and 8% according to the maturity structure; The applicable rates for FX reserve deposits are between 5% and 21% according to the maturity structure.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(f) Financial Instruments (cont'd)****Trade Receivables**

Trade receivables are recognized at their costs by less provision for permanent impairment. Trade receivables, net of deferred finance income, are calculated by discounting the amounts to be obtained in the following periods of the receivables recorded from the original invoice value using the effective interest method. Short-term receivables with no specified interest rate are recognized at their original invoice values, unless the effect of accruing interest is significant.

The Group monitors the collectability of its trade receivables periodically and allocates provision for doubtful receivables for possible losses and overdue trade receivables within the scope of TFRS 9, based on the collection rates of previous years. Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and recognized in the consolidated statement of profit or loss

Trade and Other Financial Payables

Trade and other financial payables are stated at cost less maturity differences. Trade payables net of deferred finance costs are recognized by discounting the amounts to be obtained in the following periods from the original invoice value using the effective interest method.

Related Parties

Related parties are persons or companies that are related to the reporting 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 PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(f) Financial Instruments (cont'd)****Financial Liabilities**

A financial liability is recognized initially at fair value.

Financial liabilities at fair value through profit or loss are financial liabilities that are classified as held for trading or, at initial recognition, at fair value through profit or loss by the company. Gain or loss on a financial liability classified as fair value through profit or loss is recognized in the statement of profit or loss.

Financial liabilities, whose fair value difference is not recognized in profit or loss, are carried at their fair values, net of transaction costs, on the date they are received. Subsequently, financial liabilities are stated at amortized cost using the effective interest method. The difference between the amount remaining after deducting the transaction costs and the amortized cost is recognized in the statement of profit or loss as financing expense during the loan period. Financing expenses arising from financial liabilities can be included in the cost of qualifying assets if they are associated with the acquisition and construction of qualifying assets

When accounting for the financial instrument or its components for the first time, the Group makes a classification in accordance with the substance of the arrangements in the contract and in line with the definitions of financial debt and equity instruments.

Derivative Instruments and Hedge Accounting

Derivative instruments are initially recognized at their acquisition cost, which reflects their fair value at the contract date, and are carried at their fair value in the following periods. The derivative instruments of the Company mainly consist of structured cross currency swap contracts, cross currency/interest swap contracts, foreign currency swap contracts and forward foreign currency transactions. Although these derivative instruments provide an effective protection against risks for the Group, when they do not meet the requirements for hedge accounting, they are accounted for as derivatives held for trading in the consolidated financial statements and the fair value changes related to them are recognized in the statement of profit or loss.

The fair values of forward, option, interest and currency swap transactions are determined by using market interest rates and Central Bank of the Republic of Turkey ("CBRT") exchange rates data on the valuation date, valuation methods and pricing instruments in line with market standards. Fair value if quoted market values are not available; It is determined by discounting the difference (profit/loss) between the forward price subject to a forward foreign currency purchase and sale contract and the price of the current exchange rate as of the reporting date, with the risk-free investment interest rate at the reporting date. The fair value of interest rate and currency swaps is calculated as the difference between the risk-free investment rate of the parties in the swap cash flow and the CBRT exchange rates and their discounted values. The fair value of option transactions is determined by using option pricing models.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(f) Financial Instruments (cont'd)*****Derivative Instruments and Hedge Accounting (cont'd)***

The recognition of subsequent changes in the fair value of derivative instruments depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the hedged item. The Group designates certain derivatives as hedging instruments based on cash flows and high probability forecast transactions (cash flow hedges) of recognized assets and liabilities. At the inception of the hedging 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 the hedged items. The Group documents its risk management objective and strategy for carrying out hedging transactions. Hedging transactions that fulfill the Group's hedge accounting requirements are recognized as explained below:

(i) Fair value hedges

The fair value changes of derivative instruments designated as fair value hedges are recognized in the statement of profit or loss together with the changes in the fair value of the hedged asset or liability. The change in the fair value of the hedged asset or liability is stated together with the related asset or liability during the hedge accounting period. In cases where the hedge no longer fulfills the hedge accounting requirements, the adjustments made to the carrying value of the hedged item are discounted using the effective interest rate method within the time to maturity and recognized in the statement of profit or loss

(ii) Cash flow hedges

In accordance with TFRS 9 hedge accounting requirements, the Group determines the transactions that provide hedging against changes in the cash flows of a registered asset or liability or transactions that can be associated with a certain risk and that are likely to occur at the date of the derivative contract, which may affect profit or loss due to a certain risk, as cash flow hedges.

The Group recognizes gains and losses on effective cash flow hedges as “gains/(losses) on cash flow hedges and changes in the time value of options” in equity. In the event that the hedged commitment or possible future transaction becomes an asset or liability, the gains or losses related to these transactions, which are recognized as equity items, are taken from these items and included in the acquisition cost or book value of the said asset or liability. Otherwise, the amounts recognized under equity are transferred to the consolidated statement of profit or loss in the period in which the hedged possible future transaction affects the consolidated statement of profit or loss and recognized as profit or loss. Gains or losses related to the effective portion of the change in the intrinsic value of the options are recognized in the cash flow hedge in equity. Changes in the time value of options related to the hedged item (“congruent time value”) are recognized in other comprehensive income and under changes in the time value of options in equity.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(f) Financial Instruments (cont'd)*****Derivative Instruments and Hedge Accounting (cont'd)*****(ii) Cash flow hedges (cont'd)**

Amounts accumulated in equity in the period in which the hedged item affects the statement of profit or loss are classified as follows:

- If the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedge gains and losses and the deferred time value of option contracts or deferred forward contracts, if any, are included in the initial cost of the asset. Deferred amounts are ultimately recognized in profit or loss as the hedged item affects profit or loss.

- The gain or loss on the effective portion of hedging interest rate swaps on floating rate borrowings is recognized in profit or loss at the cost of financing at the same time as the interest expense on hedged loans.

The effectiveness test model may be qualitative, depending on the hedging relationship, only if it is applied prospectively. The 80-125% efficiency range in TAS 39 has been replaced by a target-based test that focuses on the economic relationship between the hedged item and the hedging instrument and the impact of credit risk on this economic relationship.

In accordance with TFRS 9 hedge accounting, the purpose of the hedge accounting model is to ensure that financial reporting more accurately reflects how the Group manages and mitigates its risks. In particular, it is intended to provide a better link between the risk management strategy, hedging logic and the impact of hedging transactions. When a hedging instrument expires, is sold or expires, or no longer meets hedge accounting criteria; the cumulative deferred gain or loss in equity at the relevant time and the deferred costs of hedging and the amounts remaining in equity until the estimated transaction takes place result in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity and deferred costs of hedging are reclassified to profit or loss.

Under TFRS 9, the hedging relationship ends when the required criteria are no longer met after rebalancing has been taken into account. Hedge accounting ends when the hedge objective changes, the hedging instrument expires or is sold, terminated or used, when the economic relationship between the hedging instrument and the hedged item ceases, or when credit risk affects fair value changes arising from the economic relationship.

If the Group discontinues hedge accounting for the cash flow hedge, the accumulated amount of losses or gains on the cash flow hedge is recognized as follows:

- If the future cash flows that are hedged are still expected to occur, this amount remains in the cash flow hedge losses or gains until the future cash flows are realized.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)*****Derivative Instruments and Hedge Accounting (cont'd)******(ii) Cash flow hedges (cont'd)***

- If a hedging instrument is due, sold, or expires, or does not meet the accounting requirements of a hedge, any deferred gain or loss accumulated until the forecast transaction is realized and any deferred costs currently accumulated in equity, until the recognition of a non-financial asset remains in equity. When such a forecast transaction is no longer expected to occur, the cumulative gain or loss in equity and deferred costs for hedging are immediately reclassified to profit or loss.

(iii) Hedge of net investments in foreign operations

The Group has hedged its net investment in a foreign operation with a foreign currency loan. The effective part of the gain or loss arising from the hedging instrument related to the net investments in the subsidiaries operating in foreign countries is recognized directly in equity and the ineffective part is recognized in the statement of profit or loss. Tax effects related to translation differences followed under other comprehensive income are also classified under other comprehensive income (Note 35).

The gain or loss on the hedging instrument that relates to the effective portion of the hedge and is recognized directly in equity is recognized in profit or loss on the disposal of the foreign operation.

(g) Revenue Recognition

The Group generally provides telecommunications services. Products and services are sold to customers as individual or multiple products and/or services under a separate contract. When (or as) a performance obligation is satisfied, the Group recognizes the transaction price corresponding to that performance obligation as revenue. The transaction price is the amount the entity expects to be entitled in exchange for transferring the promised goods or services to the customer. An asset is transferred when (or as) control of an asset is transferred to the customer. Income recorded by the Group as revenue consists of telecommunications revenues are revenues from postpaid and prepaid lines, revenues from value-added GSM services including voice, data and short message services, device revenues, call center revenues, financial operation revenues and other sales revenues (Note 27). If the Group transfers control of a service over time and thus fulfills telecommunication revenues over time, it recognizes the revenue over time.

Telecommunication services are also offered by pricing together with devices, value-added services and/or other services and products. A good or service promised to a customer is distinct if both of the following criteria are met:

(a) The good or service is capable of being distinct,

(b) The promise to transfer the good or service is distinct within the context of the contract.

Device revenues recognized as revenue where the Group is the prime contractor when significant control and returns on the ownership of the device have been transferred to the buyer, the amount of revenue and the costs incurred or to be incurred in relation to the sale have been measured reliably, collection of sales is probable, and the Group has no effective control over the goods sold or when ownership does not maintain a management activity as generally required.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(g) Revenue Recognition (cont'd)**

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. Based on this undertaking, the dealer assigns the installment receivable arising from the sale of the device to the distributor, and the distributor to the Group. 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. 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 (Note 2.5).

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 (Note 2.5). Revenue from financial operations 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.

Call center revenues are revenues from call center services provided by Turkcell Global Bilgi and Global Ukraine. Call center revenues are recognized at the time services are rendered during the contractual period.

Volume-related refunds and discounts in international roaming and other services, and other contractual price changes, are taken into account by the payer and the collector, when they are likely to be earned and effective. For this reason, contractual returns and discounts are taken into account, but refunds and discounts at the request of the other party are not taken into account as they do not meet the definitions of assets and liabilities.

"Contract Regarding the Addition of Mobile Broadband Internet Service to the Existing Infrastructure Providing GSM Service and Operation with the Existing Network within the scope of the Universal Service Law" regarding the continuation until 31 December 2021 of the "Contract for the Establishment and Operation of Mobile Communication Infrastructure in Settlements Without Mobile Coverage Area" signed with the Ministry. Mobile broadband internet service will be added to the existing infrastructure in the settlements where mobile communication service is provided through the mobile network infrastructure installed under the first contract, and service will be provided for the operation of the infrastructure together with the existing network. During the year ending on 31 December 2022, the company earned a revenue of 198,313 TL (31 December 2021: 252,049 TL). This amount is classified under telecommunications revenues.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(g) Revenue Recognition (cont'd)**

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. The Group management decides whether the Group is considered to be acting as principal or agent in the transaction based on the following indicators:

- The company is primarily responsible for fulfilling the promise to provide the specified good or service,
- The company has inventory risk before the specified good or service has been transferred to a customer ;or after transfer of control to the customer,
- The company has discretion in establishing the price for the specified good or service.

Such judgments impact the amount of reported revenue and operating costs but do not impact reported assets, liabilities or cash flows. Since the Company acts as principal, revenue and operating costs related to “Contract Regarding the Addition of Mobile Broadband Internet Service to the Existing Infrastructure Providing GSM Service and Operation with the Existing Network within the scope of the Universal Service Law” are reported on a gross basis.

Within the scope of TFRS 15, in the consolidated financial statements, certain contractual costs in customer/subscriber acquisition are deferred and amortized over the life of the contract and as the revenue is realized.

When either party fulfills the contract, the Group presents the contract as a contract asset or contractual liability in the statement of financial position, depending on the relationship between the Group's performance and the customer's payment. The Group presents its unconditional rights regarding the price separately as a receivable. Before the Group transfers a good or service to the customer, if the customer pays the consideration or the Group has the right to receive the consideration (ie a receivable) unconditionally, the contract is presented as a contractual obligation on the date the payment is made or the payment is due (whichever is earlier). The contractual obligation is the Group's obligation to transfer the goods or services to the customer in return for the amount it collects (or is entitled to collect) from the customer. In cases where the Group performs its performance by transferring goods or services to the customer before the customer pays the price or before the payment is due, the Group presents the contract as a contract asset (excluding the amounts presented as receivables). A contract asset is the Group's right to receive consideration for goods or services transferred to the customer. The group assesses the contract asset for impairment in accordance with TFRS 9. The impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset within the scope of TFRS 9

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(h) Business Combinations**

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred. Identifiable assets acquired and liabilities assumed are accounted for at their fair values at the date of purchase, with certain exceptions.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any), and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e., the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

The measurement period is the period after the acquisition date during which the acquirer can adjust the temporary amounts recognized in the business combination. The measurement period provides the acquirer with a reasonable time frame to allow it to collect the information necessary to determine and measure the following as of the acquisition date in accordance with the requirements of TFRS, which cannot exceed one year from the acquisition date:

- identifiable assets acquired, liabilities assumed and, if any, non-controlling interests (minority interests) in the acquiree;
- consideration transferred to the acquiree (or other amount used to measure goodwill);
- equity interests in the acquiree previously held by the acquirer in a business combination accomplished in stages; and
- Consequential goodwill or gain on bargain purchase.

Goodwill

Goodwill arising from an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For impairment testing, goodwill is allocated to the Group's cash-generating units (or groups of cash-generating units) that expect to benefit from the synergies brought about by the acquisition.

The cash-generating unit to which the goodwill is allocated is tested for impairment annually. Where there are indications that the unit is impaired, impairment testing is performed more frequently. If the cash-generating unit's recoverable amount is less than its carrying amount, the impairment allowance is first set aside from the goodwill allocated to the unit, then the carrying amount of the assets in the unit is reduced. Impairment provision for goodwill is recognized directly in the consolidated statement of profit or loss. Provision for impairment of goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(i) The Effects of Changes in Foreign Exchange Rates**

When converting foreign currency transactions to TL, the Group takes the relevant exchange rates valid at the date of the transaction as a basis. Monetary assets and liabilities in foreign currencies in the statement of financial position are translated into TL using the exchange rates at the reporting date. Non-monetary assets and liabilities in foreign currency denominated at their fair values are translated into TL at the exchange rate of the day their fair value is determined.

Exchange differences are recognized in profit or loss in the period in which they occur, except as follows:

- Exchange differences related to assets under construction for future use and included in the cost of such assets, treated as an adjustment to interest costs on foreign currency denominated liabilities,
- Exchange differences arising from monetary debts and receivables from foreign operations that form part of the net investment in foreign operations, recognized in translation reserves and attributed to profit or loss on the sale of the net investment.

Subsidiaries whose functional currency is not the currency of a hyperinflationary country are translated into TL at the closing rates as of the reporting date, excluding those resulting from the assets, liabilities and recognized income and expense of the period. Equity items are translated into TL based on the exchange rates on the transaction date. Income and expenses recognized in the financial statements during the period are also converted into TL based on the monthly average exchange rates. All differences resulting from this transaction are shown in "Currency Translation Reserve" in equity.

Foreign currency exchange differences are recognized in equity if they relate to qualifying cash flow hedging instruments and net investment hedging instruments in a foreign subsidiary or are attributable to a portion of the net investment in a foreign business. Foreign exchange gains and losses are statement in the statement of profit or loss by netting off under financial income and financing costs.

(j) Earnings Per Share

Earnings per share stated in the consolidated statement of profit or loss is calculated by dividing the net profit of the parent company shares by the weighted average number of shares outstanding during the relevant period, excluding the repurchased shares.

Companies in Turkey can increase their capital by distributing shares (bonus shares) to their existing shareholders from their retained earnings and equity inflation adjustment differences in proportion to their share in the capital. Such bonus share distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is calculated by taking into account the retrospective effects of the aforementioned share distributions.

(k) Events After the Reporting Period

Events after the reporting period covers all events between the reporting date and the date the consolidated financial statements are authorized for issue, even if they arise after any announcement regarding profit or other selected financial information has been made public.

The Group adjusts the amounts included in the consolidated financial statements in accordance with this new situation, in case of occurrence of events requiring adjustment after the reporting date. Non-adjusting events after the reporting date, if material, are disclosed in the notes to the consolidated financial statements.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(l) Provisions, Contingent Assets and Liabilities**

The Group Management makes a provision in the accompanying consolidated financial statements in cases where there is a present legal or constructive obligation arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and the amount of the said obligation can be reliably estimated. Contingent liabilities are evaluated on an ongoing basis to determine whether it is probable that resources with economic benefits will exit the Company. It is disclosed in the notes to the financial statements, except when the probability of outflow of resources embodying economic benefits is remote. If it becomes probable that economic benefits will flow into the business, it is disclosed in the notes to the financial statements regarding the contingent asset.

If it is almost certain that the economic benefit will flow into the Company, the asset and related income are recognized on the date of the change.

Proper, plant and equipment dismantling, transportation and restoration obligations

The Group has obligations for dismantling, transportation and restoration of property, plant and equipments. Dismantling costs are calculated by discounting the fair future cash flows determined by reliable estimates to the reporting date with a pre-tax discount rate determined by taking into account the time value of money and the effects of risks related to the liability in current market conditions.

(m) Government Grants and Aids

Government grants and aids are recognized at their fair values when there is a reasonable assurance that these grants and aids will be received and that the Group meets the conditions that it is obliged to comply with.

Government grants for costs are recognized as revenue on a consistent basis over the relevant periods when they match the costs they will cover.

Government grants and aids related to property, plant and equipments are classified under non-current liabilities as deferred grants and aids and are credited to the statement of profit or loss by applying straight-line depreciation method over their useful lives. Government grants to cover previously incurred expenses or losses are recognized in profit or loss when they become collectible.

(n) Taxes on Corporate Income

Income tax liability on profit for the period includes current period tax and deferred tax.

Current period liability includes tax liability calculated over the taxable portion of the profit for the period with tax rates enacted at the reporting date.

Deferred tax assets or liabilities are determined by calculating the tax effects of temporary differences between the values of assets and liabilities stated in the financial statements and the amounts taken into account in the legal tax base calculation, according to the statement of financial position method. The main temporary differences arise from the recognition of income and expenses in the financial statements and in different reporting periods according to tax laws, and capitalization, depreciation and amortization differences related to property, plant and equipment and intangible assets.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(n) Taxes on Corporate Income (cont'd)**

Deferred tax assets or liabilities are recognized in the accompanying consolidated financial statements at the rate of increase and decrease in the tax amounts to be paid in the future periods when the temporary differences will disappear (Note 32). A deferred tax asset is recognized when it is probable that tax benefits will be available in future periods. It is deleted from the relevant asset to the extent that it is understood that this receivable can no longer be utilized.

Interest and penalties related to current tax are classified according to their nature in the statement of profit or loss.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities and deferred tax balances are subject to the same tax authority. Current tax assets and tax liabilities are offset when the entity has a legal right to offset and is settled net, or when it simultaneously accrues assets and intends to settle liabilities.

Current and deferred tax are recognized in the statement of profit or loss, except when related to an item 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 Group may be entitled to claim special tax deductions for its investments in qualifying assets or on qualifying expenditures. The Group recognizes such appropriations as tax receivables, which means that appropriations reduce income tax payable and current tax expense. A deferred tax asset is carried as an unclaimed tax receivable.

(o) Employee Benefits/Termination Indemnity

According to the laws in force, the Group is obliged to make a certain lump sum payment to the employees whose employment is terminated due to retirement or for reasons other than resignation and behaviors specified in the labor law. The said payment amounts are calculated based on the termination indemnity ceiling valid at the relevant date. Provision for termination indemnity, future liabilities due to retirement of all employees are calculated according to their net present value and recognized in the accompanying consolidated financial statements. The provision for termination indemnity has been calculated by an independent actuarial consultancy company using the projected unit credit method.

Payments made for employees leaving the senior management level are accounted for in other operating expenses.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(p) Retirement Plans**

Assets related to retirement plans are kept separately from the Group's consolidated financial statements. The Group's obligation for retirement plans is to pay certain fixed contributions. Payments made are recognized as expense in the relevant period.

(r) Share Based Payments

The Group has cash-based (cash-paid) share-based benefit plans for service received from its employees. In the case of share-based payment transactions to be settled in cash, the relevant liability amount is measured at the fair value of the debt assumed. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and also at the date of redemption, and any changes in fair value are recognized in profit or loss. Share-based payment transactions to be settled in cash are subject to the fulfillment of certain vesting conditions.

(s) Employee Bonus Provisions

Employee bonus provisions are calculated when the Group has an obligation arising from its legal or constructive acceptance or because the practice has been in existence for a while, and the Group makes a reliable estimate of this obligation.

(t) Capital

Ordinary shares are classified in equity. Costs associated with the issuance of new shares are recognized in equity, less the tax effect, less the amount collected.

(u) Dividend Income

Dividend income from equity investments is recognized in the consolidated financial statements when the shareholders' right to receive dividends arises.

(v) Dividend Payables

Dividend payables are recognized as a liability in the consolidated financial statements in the period they are declared as part of the profit distribution.

(y) Interest Income

Interest income is accrued in the relevant period based on the effective interest method, which brings the remaining principal balance and estimated cash inflows to the net book value of the related financial asset during its expected life.

(z) Borrowing Costs

In the case of assets that take significant time to get ready for use or sale, borrowing costs directly attributable to their acquisition, construction or production are included in the cost of the asset until it is ready for use or sale.

All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(aa) Non-Current Assets Held for Sale and Discontinued Operations**

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount will be recovered through a sale transaction rather than through continuing use and when the probability of sale is considered high.

An impairment loss is recognized initially or later when the value of an asset (or disposal group) is reduced to its fair value less costs to sell. Any subsequent increases in the fair value of an asset (or a disposal group) are recognized as a gain, provided they do not exceed any accumulated impairment losses previously recognized.

Gains or losses of an asset (or a disposal group) that were not previously recognized until the day of sale are recognized as of the day the related asset is derecognised.

A non-current asset classified as held for sale and assets in a disposal group classified as held for sale are stated separately from other assets in the statement of financial position.

Discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Results of discontinued operations are presented separately in the statement of profit or loss.

(ab) 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 contains an identified asset; an asset is usually identified by being explicitly or implicitly specified in the contract.
- A functional portion of the asset is physically distinct or represents nearly all of the asset's capacity.
- The asset is not defined if the supplier has a substantive right to substitute the asset and derive economic benefits from it.
- Having the right to derive substantially all of the economic benefits from the use of the identified asset.
- Having the right to manage the use of the identified asset. 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.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(ab) Leases (cont'd)**

The Group has the right to manage the use of the asset in the following cases:

- The Group has the right to operate the asset (or direct others to operate the asset as it determines) throughout the period of use and the supplier does not have the right to change these operating instructions; or
- The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used throughout its useful life.

The Group as a Lessee***Right-of-use asset***

The Group recognizes a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

The right-of-use asset is initially recognized using the cost method and includes:

- 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.

When applying the cost method, the Group measures the right-of-use asset:

- less accumulated depreciation and accumulated impairment losses; and
- at cost adjusted for the remeasurement of the lease liability.

While depreciating the right-of-use asset, the Group applies the depreciation provisions of TAS 16 Property, Plant and Equipments. If the supplier transfers ownership of the underlying asset to the Group at the end of the lease term, or if the cost of the right-of-use asset indicates that the Group will exercise a call option, the Group depreciates the right-of-use asset from the date the lease actually began to the end of the useful life of the underlying asset. In other cases, the Group depreciates the right-of-use asset over the shorter of the asset's useful life or the lease term, starting from the actual commencement date of the lease.

The Group applies TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to recognize any identified impairment losses.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(ab) Leases (cont'd)*****Lease obligation***

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments not paid at that date. Lease payments are discounted using the implied interest rate on the lease, if that rate can be easily determined. If this rate cannot be easily determined, the Group uses its own alternative borrowing rate.

At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which were not paid at the commencement date of the lease:

- (a) the amount obtained by deducting any lease incentive receivables from the fixed payments;
- (b) variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease;
- (c) the exercise price of the call option if the Group is reasonably confident that it will exercise; and
- (d) penalties for termination of the lease if the lease term indicates that the Group will exercise an option to terminate the lease.

After the actual commencement date of the lease, the Group measures the lease liability as follows:

- (a) Increase the carrying amount to reflect the interest on the lease liability;
- (b) Reduce its carrying amount to reflect lease payments made; and
- (c) Remeasure book value to reflect reassessments and restructurings or to reflect revised lease payments that are fixed in substance.

The interest on the lease liability for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liability. The periodic rate of interest is the implied rate of interest in a lease, if it can be easily determined. If this rate cannot be easily determined, the Group uses its own alternative borrowing rate.

After the lease actually commenced, the Group remeasures the lease liability to reflect changes in lease payments. The Group recognizes the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its financial statements.

The Group remeasures the lease liability by discounting the revised lease payments at a revised discount rate if one of the following situations occurs:

- (a) There is a change in the lease term. The Group determines the revised lease payments based on the revised lease term.
- (b) There is a change in the assessment of the option to purchase the underlying asset. The Group determines the revised lease payments to reflect the change in the amounts payable under the option to buy.

The Group uses the revised discount rate for the remainder of the lease term as this rate if the implied interest rate in the lease can be easily determined; If it cannot be determined easily, it is determined as the alternative borrowing interest rate of the Group at the date of reassessment.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(ab) Leases (cont'd)*****Lease obligation (cont'd)***

The Group remeasures the lease liability by discounting the revised lease payments if one of the following situations occurs:

- (a) a change in the amounts expected to be paid under a residual value commitment. The Group determines the revised lease payments to reflect the change in the amounts expected to be paid under the residual value commitment.
- (b) a change in those payments as a result of a change in an index or rate used to determine future lease payments. The Group remeasures the lease liability to reflect those revised lease payments only when there is a change in cash flows.

The Group determines the revised lease payments for the remaining lease term based on the revised contractual payments. The Group then uses an unmodified discount rate.

The Group recognizes for the restructuring of the lease as a separate lease if both of the following conditions are met:

- (a) the restructuring expands the scope of the lease by adding the right to use one or more of the underlying assets; and
- (b) the rental price increases by the amount of appropriate adjustments to that stand-alone price to reflect the stand-alone price of the increase in coverage and the terms of the relevant contract.

The Group as a lessor

The Group classifies each of the leases as operating leases or finance leases.

A lease is classified as a finance lease if substantially all the risks and rewards of ownership of the underlying asset are transferred, otherwise as an operating lease.

For a contract that includes a lease component and one or more additional lease or non-leasing components, the Group allocates the contract price by applying TFRS 15, "Revenue from contracts with customers".

(ac) Financial Investments

If the Group has investments in associates, some of which are held indirectly through venture capital firms or similar businesses that include funds, investment trusts and investment insurance funds, the Group can choose to measure this part of the investment in associates as at fair value through profit or loss in accordance with TFRS 9. In this case, it is not taken into account whether the venture capital institution or similar enterprises covering the fund, investment trust and investment insurance funds have a significant effect on this part of the investment. The entity makes this choice separately for each associate or joint venture when recognizing the associate or joint venture for the first time. If the Group makes such a choice, the equity method is applied to the remainder of the investment in associates that are not held through a venture capital institution or similar businesses including funds, investment trusts and investment insurance funds (Note 34).

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(ad) Financial Risk Management**

The Group practice envisages meeting the needs of the centrally managed Group through capital increase and/or lending in line with predetermined debt/equity ratios. The Group borrows long and short term according to its financing needs and market forecasts. Different money market products are also evaluated from time to time, such as debt products, basic commercial bank loans, and bond issuance in order to maintain resource diversity. The Group determines the fair values of financial and non-financial assets and liabilities in accordance with its accounting policies and disclosures in the footnotes (Note 2.6).

In all borrowing transactions, it is taken into consideration the Group's credit ratings and basic financial borrowing ratios are not adversely affected.

The Group is exposed to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Note 38 provides information about the Group's objectives, policies and processes regarding the assessment and management of each of the above risks, and the Group's capital management.

The Group's risk management policies have been established to identify and analyze the risks faced by the Group, to determine appropriate risk limits and controls, and to monitor adherence to these limits. Risk management policies and systems are constantly reviewed to reflect the Group's activities and changes in market conditions.

Credit Risk

Arises from the failure of a customer or counterparty to fulfill the terms of the agreement regarding financial instruments, and financial losses that may arise from the Group's receivables and financial investments constitute credit risk.

Group management has an existing credit risk policy to monitor credit risk. The Group can obtain collateral for its financial assets. In addition, the Group requests letters of guarantee from unrelated parties for certain projects and contracts, and may request mortgages for the loans it has given to provide financing.

In order to observe the credit risk arising from the receivables from the subscribers, the Group divides the subscribers into groups according to the prospective credit loss model, taking into account the payment terms, the financial difficulties that the Group has experienced before in collection and their aging profiles. Most of the trade receivables are related to the receivables from the subscribers. The credit risk of the Group's trade receivables mainly arises from the personal payment characteristics of its postpaid customers.

Investments are evaluated in liquid financial instruments. Bank limits are determined by credit ratings given by reliable rating institutions and their paid-in capital. Credit ratings and paid-in capital amounts are reviewed on a monthly basis.

Transactions related to derivatives and similar instruments are carried out with national and international banks with which the Group has signed international contracts and whose credit ratings are sufficient.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****(ad) Financial Risk Management (cont'd)****Credit Risk (cont'd)**

As of the reporting date, the Group has no significant credit risk concentrated in a particular party. The Group's maximum exposure to credit risk is reflected by presenting all financial assets, including derivative instruments, with their carrying values in Note 38 in the consolidated statement of financial position.

The Group makes provision for doubtful receivables for the balance of trade receivables and contract assets arising from sales of goods and services to show the estimated loss. This provision has been calculated considering possible collection problems and past experience arising from trade and contract assets receivables.

As per its policy, the Group only provides financial guarantees to its subsidiaries and distributors (Note 21).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its future financial obligations. The Group's liquidity risk is managed by obtaining sufficient financing opportunities from various financial institutions in a way that will not harm the Group or damage its reputation, in order to meet its current and potential debt requirements under normal conditions or in crisis situations. Liquidity risk is managed using sufficient cash and cash equivalents to cover expected operational expenses, including financial liabilities.

Market risk

It is the risk that changes in the money market, such as exchange rates, interest rates or the prices of instruments traded in the securities markets, will change the Group's income or the value of its financial assets. Market risk management aims to optimize risk return while controlling exposure to market risk within acceptable limits. The Group uses derivative financial instruments to manage market risk. All trading transactions are carried out in accordance with the Group's treasury and risk management policy.

(i) Exchange rate risk

The Group is exposed to foreign currency risk due to various income and expense items in foreign currencies such as wholesale income and expenses, some operational expenses, network costs and foreign currency debts, receivables, financial liabilities arising from them, financial liabilities arising from investment agreement related to BeST acquisition. The majority of other currencies that the Group carries out transactions consist of the US Dollar, Euro and Chinese Yuan.

Keeping a large portion of the cash portfolio in foreign currency is one of the methods used in managing currency risk. In addition, the Group has been a party to various forward contracts, swap (barter contract) and option contracts in order to control the risk arising from fluctuations in foreign exchange rates, and hedging accounting has been applied since 1 July 2018 (Note 35). Additional information on the Group's foreign exchange sensitivity is provided in Note 38.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.5 Critical Accounting Judgements, Estimates and Assumptions (cont'd)****(ad) Financial Risk Management (cont'd)***(ii) Interest rate risk*

Interest rate risk arises from financial assets and liabilities. The Group manages its financial liabilities by making an appropriate distribution between fixed and variable-rate debts. Variable-rate debts can be converted into fixed-rate debts, taking into account the market forecasts, the Group's maturity needs, and short and long-term interest rate expectations. The use of derivative financial instruments is managed in line with the Group's treasury and risk policy, in which the written principles regarding the use of derivative financial instruments are approved by the Audit Committee in accordance with the Group's risk management strategy.

2.5 Critical Accounting Judgements, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with TFRS requires the Group Management to make certain assessments, estimates and assumptions that will affect the application of accounting policies and reported items such as assets, liabilities, income and expenses. However, actual results may differ from the estimates made.

Estimates and assumptions are reviewed periodically. The effects arising from changes in accounting estimates are taken into account in the current period and in future periods that may be affected by this estimate.

Estimates and assumptions that may cause significant adjustments in the carrying values of assets and liabilities in the Company's consolidated financial statements in the next reporting period are set out below.

Provision for doubtful trade receivables

The Group allocates provision for doubtful receivables for the estimated losses caused by the inability of its customers and subscribers to make the necessary payments. The Group calculates provision for doubtful receivables according to the prospective credit loss model. In this context, the loss is weighed according to the probabilities of realization and it evaluates how economic factors affect the expected credit loss. The provision is revised periodically. The provision expense calculated for trade and other receivables is calculated over the percentages determined for the aging group in which the receivable is included and increasing as the receivables age.

Capitalization and useful lives of assets

The Group evaluates the nature of the capitalized asset for its property, plant and equipment and intangible assets within the scope of TAS 16 and TAS 38 standards, and accordingly, the related assets are capitalized when they are ready for use.

The residual values and useful economic lives of the Group's assets are determined by the Group Management at the acquisition date of the asset and are regularly reviewed for appropriateness. The group determines the useful life of an asset by considering the estimated benefits of that asset. This assessment is based on the Group's experience with similar assets. When determining the useful life of an asset, the Group also considers the situation when the assets become technically and/or commercially unavailable as a result of changes or developments in the market. The useful lives of GSM and other telecommunication business licenses depend on the validity period of the license agreements.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.5 Critical Accounting Judgements, Estimates and Assumptions (cont'd)*****Gross and net presentation of revenue***

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. The Group Management decides whether the Group sells goods or services as a principal or as an agent by analyzing both the legal form and content of the agreements between the Group and its business partners. Such decisions affect reported revenue and operational expenses; however, it has no impact on reported assets, liabilities and cash flow.

Contracted handset sales

Company, distributors and dealers; organizes joint campaigns for subscribers, where the distributor and/or dealer sells devices, and the Company provides communication services.

The management does not recognize revenue related to the device by evaluating the following issues:

- The Company is not the main contractor in device sales,
- The Company has no control over device sales prices,
- The Company does not have stock risk.

Multi-element contracts

In multi-element contracts where the Group is the main contractor, each element in the package is considered as separate parts that can be separated from each other if their fair value can be measured reliably and has a distinct value to the customer, and is recognized separately, provided that the revenue elements of each have been realized. The total price obtained from the package is distributed to the products and services in proportion to the fair values of the elements in the package and revenue is recognized.

Tax expense

In case of any disputes with tax institutions, tax expense calculation, estimation and evaluations are required for the items whose tax calculation method cannot be determined exactly until a decision is taken from the relevant authorities or until the end of the legal process.

As part of the preparation of the consolidated financial statements, the Group is responsible for estimating taxes for each country in which operations are conducted. This process includes estimating the deferred tax asset or liability by evaluating temporary timing differences calculated from adjustments made for reporting purposes such as current tax expenses, deferred income and accruals. Group Management records deferred tax assets when they can be deducted from future taxable income.

A deferred tax asset is recognized when it is probable that tax benefits will be available in future periods. Therefore, the separation of the deferred tax receivable depends on the estimation of the financial performance in the future periods.



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5 Critical Accounting Judgements, Estimates and Assumptions (cont'd)

Provisions, contingent assets and liabilities

As detailed in Note 20, the Group has become a party to multiple investigations, examinations and lawsuits, both as defendant and plaintiff, within the scope of its ordinary activities during the period. All these investigations, examinations and lawsuits are reflected in the consolidated financial statements or related notes by the Group Management by evaluating the paragraph 91 of TAS 37 “Provisions, Contingent Liabilities and Contingent Assets” standard. Future results of these investigations, examinations and lawsuits may differ from the Group's assessments. As a result of the evaluations made under the current conditions as of the reporting date, the Group Management is of the opinion that the necessary information is presented in the accompanying consolidated financial statements in order to ensure that appropriate accounting criteria and measurement principles are applied to provisions, contingent liabilities and contingent assets and that financial statement users understand their nature, timing and amount.

Annual impairment assessment

The group annually evaluates whether there is any indication that an asset is impaired. If such an indication exists, the recoverable amount of that asset is determined by its fair value less costs to sell.

Fair value determination process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Observable market information is used whenever possible to measure fair value. The valuation method and the inputs used in determining the fair value are explained in Note 2.6.

2.6 Fair Value Measurement

The Group determines the fair values of financial and non-financial assets and liabilities in accordance with some accounting policies and explanations in the notes. Fair values have been determined by using the methods stated below for finding the values of financial and non-financial assets and liabilities in the financial statements and/or explanations in the notes. If necessary, the assumptions used in determining fair values are explained in the related notes.

(i) *Investment properties*

The fair values of investment properties are calculated by an independent valuation company authorized by the CMB, with various methods (income approach and market comparison or evaluation of any or all of these methods together), taking into account the applicability of these methods in the relevant real estates. The value of investment properties generally differs according to the valuation method.

For this reason, the valuation company makes an evaluation with a reasonable method by comparing the valuation results calculated with different methods and the differences. The independent valuation company estimates the fair value of the investment property reflecting the market conditions at the reporting date, according to the valuation method used.

(ii) *Financial investments*

The fair values of financial investments are determined based on the selling prices quoted on the stock exchange or on the basis of their market value, which is not quoted in the over-the-counter exchange.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.6 Fair Value Measurement (cont'd)

(iii) *Trade and other receivables and receivables from finance sector operations*

The fair values of receivables from trade, other and financial sector operations are determined by discounting the present values of future cash flows to the reporting date with market interest rate.

(iv) *Derivative instruments*

The fair values of forward, option, interest and currency swap transactions are determined by using market interest rates and CBRT exchange rates data on the valuation date, valuation methods and pricing instruments in line with market standards. If quoted market values are not available, the fair value is determined by discounting the difference (profit/loss) between the forward price of the forward foreign currency contract and the current exchange rate at the contract maturity, using the risk-free investment interest rate at the reporting date.

The fair value of interest rate and currency swaps is calculated as the difference between the risk-free investment rate of the legs in the swap cash flow and the CBRT rates and their discounted values. The fair value of option transactions is determined by using option pricing models.

(v) *Non-derivative financial liabilities*

Fair values stated in the notes are determined by discounting future cash flows related to principal and interest to the reporting date with market interest rate. Fair values of lease liabilities are discounted using the implied interest rate on the lease, if it can be easily determined. If this rate cannot be easily determined, the Group uses its own alternative borrowing rate.

2.7 New and Amended Standards and Interpretations

a) *Standards, amendments and interpretations applicable as at 31 December 2022:*

Amendment to TFRS 16, ‘Leases’ – COVID 19 related rent concessions extension of the practical expedient (effective as of 1 April 2021); Due to the COVID 19 pandemic, some privileges have been provided to lessees in rent payments. In May 2020, with the amendment published in the TFRS 16 Leases standard, IASB introduced an optional expedient practice for the lessees not to evaluate the concessions granted due to COVID 19 in the lease payments, whether there is a change in the lease. On 31 March 2021, IASB published an additional amendment to extend the date of expedient implementation from 30 June 2021 to 30 June 2022. Lessees may choose to account for such lease concessions in accordance with the terms that would apply in the absence of a lease modification. This ease of application often causes the lease concession to be recognized as a variable lease payment during periods when the event or condition that triggers the reduction in lease payments occurs.

A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from Annual periods beginning on or after 1 January 2022.

- **Amendments to TFRS 3 ‘Business combinations’;** this amendment updates a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.



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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.7 New and Amended Standards and Interpretations (cont'd)

a) Standards, amendments and interpretations applicable as at 31 December 2022 (cont'd):

- **Amendments to TAS 16 'Property, plant and equipment'**; this amendment prohibits 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 TAS 37 'Provisions, contingent liabilities and contingent assets'**; this amendment specifies which costs a company includes when assessing whether a contract will be loss-making.

b) Standards, amendments and interpretations that are issued but not effective as at 31 December 2022:

TAS 1, Application Statement 2, and narrow changes to TAS 8; Effective for annual reporting periods beginning on or after 1 January 2023. These amendments are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

TAS 12, Amendment to deferred tax on assets and liabilities arising from a single transaction; Effective for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that cause equal amounts of taxable and deductible temporary differences when first recognized by companies.

TFRS 16, Sale and leaseback transactions; Effective for annual reporting periods beginning on or after 1 January 2024. These amendments include the sale and leaseback requirements in TFRS 16 that describe how an entity accounts for a sale and leaseback transaction after the transaction date. Sales and leaseback transactions where some or all of the lease payments consist of variable lease payments that are not tied to an index or rate are likely to be affected.

TAS 1, Amendment to the long-term obligations, which are the terms of the contract; Effective for annual reporting periods beginning on or after 1 January 2024. These amendments clarify how conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability.

TFRS 17, 'Insurance Contracts', as amended in December 2021; Effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently allows for a wide variety of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

2.8 Comparative Information and Revision of Prior Period Financial Statements

The consolidated financial statements of the Group are prepared comparatively with the previous period in order to enable the monitor the financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary and significant differences are disclosed.

Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated.

In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when necessary and significant differences are disclosed.

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2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.8 Comparative Information and Revision of Prior Period Financial Statements (cont'd)

In its consolidated financial statements as of 31 December 2021, the Company has classified the short-term trade receivables from non-related parties amounting to 30,075 TL as short-term trade receivables from related parties.

The reclassification has no effect on the consolidated statement of profit or loss and cash flow statement.

2.9 Developments in the Current Period

Developments regarding the operations in Ukraine

The company's subsidiaries Lifecell, UkrTower, Global LLC and Paycell LLC provide telecommunications services, telecommunications infrastructure management, customer relationship management and mobile payment services in Ukraine, respectively. The Group's Ukraine operations constitute approximately 8.9% of the consolidated net sales and 14% of the consolidated non-current assets for the period ended 31 December 2022.

With the start of the Russia-Ukraine war on 24 February 2022, uncertainties have emerged regarding the Group's activities in Ukraine. The impact of this situation on the Group's operations is closely monitored, and corporate action plans regarding the continuation of operations and the safety and health of Group employees are updated instantly according to developments. As of the end of December 2022, 92% of the daily average stores across the country are open. The ratio of telecommunications equipment and revenue generated in the territory currently occupied by Russia to the total Group's telecommunications equipment and total revenue in Ukraine is at a low level. Banking systems continue to operate in the country. Liquidity is mostly held in creditor banks, and the cash position is suitable for the continuation of operations. The occupation is not expected to have any impact on the going concern of the Group. As of 31 December 2022, the network and other equipment in the regions under Russian control and active military operations and in Ukraine-controlled regions that have not operated for more than 92 days have been impaired. As of 31 December 2022, the amount of impairment recognized in the consolidated financial statements is 214,210 TL. A general impairment assessment has been made and it has been concluded that there is no need for an impairment test (Note 18).

3 BUSINESS COMBINATIONS

The Company's subsidiary Turkcell Enerji has signed a Share Transfer Agreement to acquire the entire shares of Boyut Group 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 29,600 USD. After adjusting for the net debt of Boyut Enerji, the Group made a payment of 10,972 USD. 500 USD 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 TFRS 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 25) | 3,275 |
| Net asset acquired | (87,123) |
| Goodwill (Note 15-17) | 8,411 |



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3 BUSINESS COMBINATIONS (cont'd)

The fair values of identifiable net assets in accordance with TFRS 3 arising from the acquisition are as follows:

| | |
|---|---------------|
| Cash and cash equivalents | 5,556 |
| Other current assets | 5,737 |
| Property, plant and equipment (Note 14) | 103,933 |
| Intangible assets (Note 15) | 182,881 |
| Other non-current assets | 166 |
| Borrowings (Note 36) | (151,892) |
| Trade and other payables | (9,233) |
| Deferred tax liabilities (Note 32) | (48,755) |
| Other liabilities | (1,270) |
| Fair value of total identifiable net assets (100%) | 87,123 |

The details of cash outflow due to acquisition are as follows:

| | |
|--|---------------|
| Total consideration - cash | 92,259 |
| Cash and cash equivalents - acquired | (5,556) |
| Cash outflow due to acquisition (net) | 86,703 |

4 SEGMENTAL REPORTING

In accordance with its integrated communication and technology services strategy and economic integrity, Group divides its main business segments into three groups as “Turkcell Turkey”, “Turkcell International” and “Techfin”. While some of these strategic segments offer the same types of services, they are regularly review by the chief operating decision maker function according to their resource allocation and performances because they operate in different geographical locations and are affected by different economic conditions. 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, Turkcell Satış’s digital business services, Turkcell Dijital, Dijital Eğitim, Turkcell Global Bilgi intra-group operations, Turkcell, Atmosware Teknoloji, Turkcell Teknoloji, Global Tower, Rehberlik Hizmetleri, Turkcell Gayrimenkul, Lifecell Dijital Servisler, Lifecell Bulut, Lifecell TV, Lifecell Müzik ve BiP A.Ş.

Turkcell International reportable segment includes the operations of Lifecell, BeST, Kıbrıs Telekom, Eastasia, Lifecell Ventures, Beltel, UkrTower, Global Ukrayna, Paycell Europe, Lifetech, Beltower, Lifecell Digital, Yaani ve BiP B.V.

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4 SEGMENTAL REPORTING (cont'd)

Techfin reportable segment includes the operations of Turkcell Finansman, Turkcell Ödeme, Turkcell Sigorta, Turkcell Dijital Sigorta, Paycell Europe ve Paycell LLC.

Other reportable segment mainly comprises non-Group call center operations of Turkcell Global, Turkcell Satış’s other operations, Turkcell Enerji, Boyut Enerji and Turkcell GSYF’s operations.

Information about segments is presented at below. The Board primarily uses EBITDA (earnings before interest, tax, depreciation and amortization) to assess the performance of the operating segments. EBITDA is calculated by the Group by adding depreciation and amortization to the net amount of sales revenue, cost of sales, marketing and general administrative expenses. Reconciliation of EBITDA to the consolidated profit for the period is included in the accompanying notes.

EBITDA is not a financial measure defined by TFRS as a measurement of financial performance and may not be comparable to other similarly-titled indicators used by other companies.

| | Turkcell Turkey | | Turkcell International | | Techfin | | Other | | Inter-segment Eliminations | | Consolidated | |
|---|-------------------|-------------------|------------------------|------------------|------------------|------------------|------------------|------------------|----------------------------|-------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Total segment revenue | 40,851,070 | 27,223,543 | 6,353,603 | 3,750,081 | 1,849,132 | 1,075,742 | 7,042,489 | 4,930,019 | (2,217,807) | (1,058,843) | 53,878,487 | 35,920,542 |
| Inter-segment revenue | (216,232) | (175,173) | (140,722) | (99,353) | (140,624) | (61,846) | (1,720,229) | (722,471) | 2,217,807 | 1,058,843 | - | - |
| Revenues from external customers | 40,634,838 | 27,048,370 | 6,212,881 | 3,650,728 | 1,708,508 | 1,013,896 | 5,322,260 | 4,207,548 | - | - | 53,878,487 | 35,920,542 |
| EBITDA | 17,196,783 | 12,167,845 | 3,233,015 | 1,828,333 | 901,571 | 638,946 | 693,953 | 401,086 | (31,481) | (22,397) | 21,993,841 | 15,013,813 |
| TFRS 9 impairment loss provision | (290,933) | (251,870) | (33,577) | (7,785) | (29,538) | (10,436) | (870) | (1,071) | - | - | (354,918) | (271,162) |



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4 SEGMENTAL REPORTING (cont'd)

Reconciliations regarding to revenue, EBITDA, assets and liabilities and other significant items

| | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| Profit for the year | 11,052,234 | 5,031,278 |
| <i>Add/(Less):</i> | | |
| Income tax expenses | (3,516,100) | (490,184) |
| Other operating income | (7,561,993) | (7,077,695) |
| Other operating expense | 761,126 | 668,076 |
| Investment income | (1,779,890) | (464,116) |
| Finance income | (210,775) | (3,051,082) |
| Finance expense | 13,699,811 | 13,195,713 |
| Depreciation, amortization and impairment losses | 9,478,012 | 7,291,913 |
| Share of (profit)/loss of equity accounted investees | 71,416 | (90,090) |
| Consolidated EBITDA | 21,993,841 | 15,013,813 |

Geographical Information

| | 31 December 2022 | 31 December 2021 |
|-------------------------------------|---------------------|---------------------|
| Revenue | | |
| Turkey | 47,665,602 | 32,269,797 |
| Ukraine | 4,807,505 | 2,832,145 |
| Belarus | 934,675 | 508,289 |
| Turkish Republic of Northern Cyprus | 447,039 | 290,498 |
| The Netherlands | 23,666 | 19,813 |
| | 53,878,487 | 35,920,542 |
| Non-Current Asset | | |
| Turkey | 45,323,207 | 32,577,485 |
| Ukraine | 7,678,128 | 7,759,046 |
| Belarus | 746,265 | 493,213 |
| Turkish Republic of Northern Cyprus | 640,837 | 268,760 |
| Unallocated non-current assets | 69,718 | 72,533 |
| | 54,458,155 | 41,171,037 |

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5 CASH AND CASH EQUIVALENTS

As of 31 December 2022 and 2021 the details of cash and cash equivalents are as follows:

| | 31 December 2022 | 31 December 2021 |
|----------------------------------|-------------------|-------------------|
| Cash in hand | 359 | 184 |
| Banks | | |
| - Demand deposits | 2,184,052 | 3,045,179 |
| - Time deposits | 20,100,956 | 15,595,648 |
| - Receivables from reverse repo | 3,704,160 | - |
| Allowance for impairment | (28,853) | (12,346) |
| Cash and cash equivalents | 25,960,674 | 18,628,665 |

As of 31 December 2022, the average effective interest rates of TL, USD, EUR and RMB time deposits are 22.8%, 2.4%, 2.6% and 0.3% (31 December 2021: 27.7%, 1.3%, 0.5% and 0.3%) respectively. As of 31 December 2022, average maturity of time deposits is 22 days (31 December 2021: 29 days).

As of 31 December 2022, the effective interest rates of USD and EUR receivables from reverse repo are 3.0% and 2.8% respectively. As of 31 December 2022, average maturity of receivables from reverse repo is 23 days.

As of 31 December 2022, the net amount of cash and cash equivalents is 25,940,066 TL excluding the interest income accrual amounting to 20,608 TL.

6 TRADE RECEIVABLES AND PAYABLES

Current trade receivables

As of 31 December 2022 and 2021 the details of current trade receivables from non-related parties are as follows:

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Receivables from subscribers | 4,463,294 | 3,175,200 |
| Trade receivables and cheques received | 2,303,696 | 1,137,499 |
| Undue assigned contracted receivables | 518,184 | 467,693 |
| Provisions for doubtful receivables | (620,111) | (623,538) |
| | 6,665,062 | 4,156,854 |

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 installments.

When the monthly installment is billed to the subscriber, that portion is transferred to "Receivables from subscribers". The Group measures the undue assigned contracted receivables at amortized cost.

The significant part of trade receivables and notes receivables represent receivables from distributors and receivables from customers and roaming receivables.



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6 TRADE RECEIVABLES AND PAYABLES (cont'd)

Non-current trade receivables

As of 31 December 2022, the undue assigned contracted receivables related to handset campaigns, which will be billed after one year amounted to 198,628 TL (31 December 2021: 169,570 TL) is recognized under non-current trade receivable amounted to 298,759 TL (31 December 2021: 256,442 TL). Provision for long-term doubtful trade receivables is 514 TL (31 December 2021: 725 TL).

As of 31 December 2022 and 2021, movements of allowance for doubtful trade receivables from non-related parties and other assets are as follows:

| | <u>Trade Receivables</u> | <u>Other Assets</u> | <u>31 December 2022</u> |
|-------------------------|--------------------------|---------------------|-------------------------|
| Opening balance | 624,263 | 13,387 | 637,650 |
| Period charge | 495,911 | 27,714 | 523,625 |
| Translation differences | 40,311 | 362 | 40,673 |
| Receivables written off | (340,514) | (49) | (340,563) |
| Amounts collected | (199,346) | (5) | (199,351) |
| Closing balance | <u>620,625</u> | <u>41,409</u> | <u>662,034</u> |

| | <u>Trade Receivables</u> | <u>Other Assets</u> | <u>31 December 2021</u> |
|-------------------------|--------------------------|---------------------|-------------------------|
| Opening balance | 618,708 | 8,672 | 627,380 |
| Period charge | 455,461 | 4,250 | 459,711 |
| Translation differences | 50,661 | 528 | 51,189 |
| Receivables written off | (300,377) | (28) | (300,405) |
| Amounts collected | (200,190) | (35) | (200,225) |
| Closing balance | <u>624,263</u> | <u>13,387</u> | <u>637,650</u> |

Short-term trade payables

As of 31 December 2022 and 2021, the detail of short-term trade payables to non-related parties are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Trade payables | 6,898,412 | 4,615,606 |
| Accrued selling and marketing expenses | 192,500 | 74,214 |
| Other | 490,373 | 286,705 |
| | <u>7,581,285</u> | <u>4,976,525</u> |

Trade payables arises from the ordinary course of business.

Accrued selling and marketing expenses mainly result from services received from non-related parties related to the selling and marketing activities of the Group, but not yet invoiced.

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7 RECEIVABLES FROM FINANCE SECTOR OPERATIONS

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Current receivables from finance sector operations | 3,276,788 | 2,014,626 |

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Non-current receivables from finance sector operations | 285,138 | 137,559 |

Receivables from finance sector operations consist of contractual assignment receivables from subscribers regarding Turkcell Finansman's consumer financing activities, receivables of Turkcell Ödeme and Paycell LLC regarding payment services and electronic money services and Turkcell Sigorta's receivables related to insurance agency services. These receivables are recognized at amortized cost using the effective interest rate method.

Provision for credit loss:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--------------------|-------------------------|-------------------------|
| General provisions | 89,917 | 92,094 |

Movements of provision for doubtful receivables from finance sector operations are as follows at 31 December 2022 and 2021:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Opening balance | 92,094 | 154,548 |
| Period charge | 88,410 | 66,678 |
| Disposal | (58,869) | (56,000) |
| Receivables transferred by receivable transfer contract (*) | (31,718) | (73,132) |
| Closing balance | <u>89,917</u> | <u>92,094</u> |

(*) Turkcell Finansman signed a transfer of claim agreement in 2022 with a debt management company to transfer some of its doubtful receivables stemming from the years 2016 and 2021. Transferred doubtful receivables comprise of balances that Turkcell Finansman started legal proceedings for as well as proceedings without legal cases.



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8 OTHER RECEIVABLES AND PAYABLES

Current other receivables

As of 31 December 2022 and 2021, the detail of current other receivables from non-related parties are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|-----------------------------------|-------------------------|-------------------------|
| Receivables from Evrensel project | 137,734 | 306,806 |
| Deposits and guarantees given | 3,198 | 3,666 |
| Receivables from tax office | 1,904 | 12,276 |
| Other | 2,753 | 8,585 |
| | <u>145,589</u> | <u>331,333</u> |

Non-current other receivables

As of 31 December 2022 and 2021, the detail of non-current other receivables from non-related parties are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|-------------------------------|-------------------------|-------------------------|
| Deposits and guarantees given | 374,454 | 162,921 |
| Other | 1,240 | 59 |
| | <u>375,694</u> | <u>162,980</u> |

Short-term other payables

As of 31 December 2022 and 2021, the detail of short-term other payables from non-related parties are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Other taxes and other deductions payable | 1,381,243 | 930,879 |
| Accrued treasury share, Universal Service Fund and contributions to the BTK's expenses | 986,508 | 652,028 |
| Other | 23,533 | 19,987 |
| | <u>2,391,284</u> | <u>1,602,894</u> |

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9 ASSETS ARISING FROM CUSTOMER CONTRACTS

Current assets arising from customer contracts

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|-------------------------|-------------------------|
| Contract assets from sale of goods and services contracts | 1,888,942 | 1,180,236 |

Non-current assets arising from customer contracts

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|-------------------------|-------------------------|
| Contract assets from sale of goods and services contracts | 67,054 | 67,505 |

The contract assets represent contract assets from subscribers. Billing periods differ because of high number of subscribers. Revenue is accrued for services rendered but not billed at the end of each reporting period. Contract assets also include contracted receivables related to handset campaigns, and the portion which will be billed after one year is recognized under non-current contract assets.

Movements of allowance for doubtful assets arising from goods and service sales contracts are as follows at 31 December 2022 and 2021:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|-----------------------|-------------------------|-------------------------|
| Opening balance | 6,241 | 5,243 |
| Charge for the period | 1,105 | 998 |
| Closing balance | <u>7,346</u> | <u>6,241</u> |

10 INVENTORIES

As of 31 December 2022, inventories amounting to 277,670 TL which consist of mainly mobile phone and its accessories, tablet, sim-cards and tower construction materials (31 December 2021: 260,535 TL).

11 PREPAID EXPENSES AND DEFERRED REVENUE

Short-term Prepaid Expenses

Short-term prepaid expenses to non-related parties amounting to 468,306 TL (31 December: 264,630 TL) mainly consist of other prepaid expenses amounting to 367,458 TL (31 December: 167,678 TL) and the advances given amounting to 100,848 TL (31 December 2021: 96,952 TL) as of reporting date. A significant portion of other prepaid expenses mainly consists of short-term sponsorship and insurance expenses.

Long-term Prepaid Expenses

Long-term prepaid expenses to non-related parties amounting to 2,423,644 TL (31 December 2021: 1,009,239 TL) mainly consist of advances given for fixed asset acquisition amounting to 2,208,819 TL (31 December 2021: 855,490 TL), other prepaid expenses amounting to 194,894 TL (31 December 2021: 153,749 TL) and business advanced given amounting to 19,931 TL as of reporting date. Other significant parts of long-term prepaid expenses consist of long-term sponsorship and insurance expenses.

Short-term Deferred Revenue

Short-term deferred revenue from non-related parties amounting to 99,774 TL (31 December 2021: 93,034 TL) mainly consists of other deferred revenue amounting to 73,571 TL (31 December 2021: 61,348 TL) and advances taken amounting to 26,203 TL (31 December 2021: 31,686 TL) as of reporting date. Other significant parts of long-term prepaid expenses consist of employee salary promotions and rent income.



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12 INVESTMENTS VALUED BY EQUITY METHOD

Joint Ventures and Associates

The net asset amounts corresponding on Group's shares of the investments valued by equity method in the financial statements are as follows:

a) Joint Ventures

| | 31 December 2022 | 31 December 2021 |
|-------|------------------|------------------|
| Sofra | 6,421 | 13,202 |

b) Associates

| | 31 December 2022 | 31 December 2021 |
|------|------------------|------------------|
| TOGG | 1,116,522 | 665,382 |

The movement investments valued by equity method is as follows:

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Opening balance | 678,584 | 103,926 |
| Shares of profit/(loss) from investments valued by equity method | (71,416) | 90,090 |
| Contribution to share capital | 515,775 | 484,568 |
| Closing balance | 1,122,943 | 678,584 |

13 INVESTMENT PROPERTIES

As of 31 December 2022 and 2021, the movements of investment properties are as follows:

| | 31 December 2022 | 31 December 2021 |
|---------------------------------|------------------|------------------|
| Cost | | |
| Opening balance | 51,100 | 37,079 |
| Transfer | 51,321 | 14,021 |
| Disposals | (38,593) | - |
| Closing balance | 63,828 | 51,100 |
| Accumulated depreciation | | |
| Opening balance | 34,512 | 23,404 |
| Transfer | 40,990 | 9,999 |
| Additions | 2,417 | 1,109 |
| Disposals | (25,690) | - |
| Closing balance | 52,229 | 34,512 |
| Net book value | 11,599 | 16,588 |

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13 INVESTMENT PROPERTIES (cont'd)

Depreciation expenses amounting 2,417 TL for the year ended 31 December 2022 (31 December 2021 : 1,109 TL) are recognized under cost of revenue.

Fair value measurement of the Group's investment properties

As of 31 December 2022, the fair values of the Group's investment properties are measured by independent valuation companies authorized by the Capital Markets Board, which perform the valuation of investment properties in accordance with the capital market legislation and have sufficient experience and qualifications in the fair value measurement of investment in the related regions. This valuation companies use different methods to measure the fair values of investment properties (discounted cash flow, market comparison) and these methods are calculated by considering applicability to real estates.

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 2022 is 11,489 TL (31 December 2021: 6,872 TL). There is no direct operating expense for investment properties during the year ended 31 December 2022 (31 December 2021:None).

As of 31 December 2022 and 2021, the group's investment properties and their fair value hierarchy are as follows:

| | 31 December 2022 | Level 1 | Level 2 | Level 3 | Valuation Method |
|--|------------------|---------------|---------------|---------|----------------------|
| Investment properties in Gebze free zone | - | - | 98,860 | | Discounted cash flow |
| Investment properties in Ankara | - | 58,500 | - | | Market approach |
| Investment properties in Adana | - | 13,000 | - | | Market approach |
| Investment properties in İstanbul | - | 6,500 | - | | Market approach |
| Investment properties in Aydın | - | 8,650 | - | | Market approach |
| Total | - | 86,650 | 98,860 | | |


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13 INVESTMENT PROPERTIES (cont'd)

| 31 December 2021 | Level 1 | Level 2 | Level 3 | Valuation Method |
|--|----------|---------------|---------------|----------------------|
| | | | | Discounted cash flow |
| Investment properties in Gebze free zone | - | - | 52,725 | |
| | | | | Market approach |
| Investment properties in Ankara | - | 32,315 | - | |
| | | | | Market approach |
| Investment properties in Adana | - | 6,705 | - | |
| | | | | Market approach |
| Investment properties in İstanbul | - | 3,765 | - | |
| | | | | Market approach |
| Investment properties in Aydın | - | 3,600 | - | |
| | | | | Market approach |
| Total | - | 46,385 | 52,725 | |

Significant unobservable inputs and sensitivity of fair values of respective investment properties are as follows:

In the “discounted cash flow” 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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14 PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment for the year ended 31 December 2022, are as follows:

| Cost | 1 January 2022 | Addition | Disposals | Transfer | Impairment /reversal | Transfer to investment property | Foreign currency translations | 31 December 2022 |
|--|-------------------|------------------|------------------|-----------------|----------------------|---------------------------------|-------------------------------|-------------------|
| Network infrastructure (All operational) | 34,307,250 | 2,480,060 | (734,492) | 3,759,821 | - | - | 1,166,570 | 40,979,209 |
| Land and buildings | 1,720,401 | 117,046 | (1,810) | 2,118 | - | (51,321) | 5,023 | 1,791,457 |
| Equipment, fixtures and fittings | 1,102,084 | 306,608 | (62,905) | 30,321 | - | - | 23,214 | 1,399,322 |
| Motor vehicles | 51,138 | - | (209) | 569 | - | - | 3,841 | 55,339 |
| Leasehold improvements | 329,758 | 23,147 | (4,317) | 646 | - | - | 1,207 | 350,441 |
| Electricity production power plant | 103,750 | - | - | - | - | - | - | 103,750 |
| Construction in progress | 810,568 | 4,647,482 | (6,468) | (3,806,920) | 7,053 | - | 19,890 | 1,671,605 |
| | 38,424,949 | 7,574,343 | (810,201) | (13,445) | 7,053 | (51,321) | 1,219,745 | 46,351,123 |
| Accumulated depreciation and impairment | | | | | | | | |
| Network infrastructure (All operational) | 18,796,491 | 3,375,844 | (615,784) | - | 166,203 | - | 967,414 | 22,690,168 |
| Buildings | 443,425 | 83,534 | - | - | 211 | (40,990) | 5,440 | 491,620 |
| Equipment, fixtures and fittings | 821,201 | 91,751 | (52,436) | - | 7,978 | - | 20,419 | 888,913 |
| Motor vehicles | 47,105 | 2,837 | (174) | - | - | - | 3,849 | 53,617 |
| Leasehold improvements | 312,026 | 6,923 | (3,996) | - | 25 | - | 620 | 315,598 |
| Electricity production power plant | 1,922 | - | - | - | - | - | - | 7,163 |
| | 20,422,170 | 3,566,130 | (672,390) | - | 174,417 | (40,990) | 997,742 | 24,447,079 |
| Property, plant and equipment, net | 18,002,779 | 4,008,213 | (137,811) | (13,445) | (167,364) | (10,331) | 222,003 | 21,904,044 |

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(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)
14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The movements of property, plant and equipment for the year ended 31 December 2021, are as follows:

| Cost | 1 January 2021 | Addition | Disposals | Transfer | Acquisition through business combination | Impairment /reversal | Transfer to investment property | Foreign currency translations | 31 December 2021 |
|--|-------------------|------------------|------------------|-----------------|--|----------------------|---------------------------------|-------------------------------|-------------------|
| Network infrastructure (All operational) | 24,923,118 | 1,415,616 | (435,571) | 4,084,711 | - | - | - | 4,319,376 | 34,307,250 |
| Land and buildings | 1,485,249 | 40,466 | (10,191) | 185,428 | - | - | (14,021) | 33,470 | 1,720,401 |
| Equipment, fixtures and fittings | 955,894 | 87,930 | (25,762) | 16,858 | 27 | - | - | 67,137 | 1,102,084 |
| Motor vehicles | 44,999 | 2,162 | (2,399) | - | 156 | - | - | 6,220 | 51,138 |
| Leasehold improvements | 342,093 | 8,849 | (32,476) | 546 | - | - | - | 10,746 | 329,758 |
| Electricity production power plant (Note 3) | - | - | - | - | 103,750 | - | - | - | 103,750 |
| Construction in progress | 681,299 | 4,217,377 | (4,817) | (4,298,421) | - | (20,000) | - | 235,130 | 810,568 |
| | 28,432,652 | 5,772,400 | (511,216) | (10,878) | 103,933 | (20,000) | (14,021) | 4,672,079 | 38,424,949 |
| Accumulated depreciation and impairment | | | | | | | | | |
| Network infrastructure (All operational) | 13,090,823 | 2,762,649 | (372,950) | - | - | 4,493 | - | 3,311,476 | 18,796,491 |
| Buildings | 354,312 | 82,528 | (3,804) | - | - | - | (9,999) | 20,388 | 443,425 |
| Equipment, fixtures and fittings | 717,871 | 66,229 | (21,141) | - | - | - | - | 58,242 | 821,201 |
| Motor vehicles | 40,027 | 3,373 | (2,399) | - | - | - | - | 6,104 | 47,105 |
| Leasehold improvements | 326,889 | 7,698 | (31,026) | - | - | - | - | 8,465 | 312,026 |
| Electricity production power plant (Note 3) | - | 1,922 | - | - | - | - | - | - | 1,922 |
| | 14,529,922 | 2,924,399 | (431,320) | - | - | 4,493 | (9,999) | 3,404,675 | 20,422,170 |
| Property, plant and equipment, net | 13,902,730 | 2,848,001 | (79,896) | (10,878) | 103,933 | (24,493) | (4,022) | 1,267,404 | 18,002,779 |

Depreciation expenses for the years ended 31 December 2022 and 2021 amounting to 3,733,494 TL, 2,948,892 TL respectively including impairment losses are recognized in cost of revenue.

Impaired network infrastructure mainly consists of damaged or technologically inadequate mobile and fixed network infrastructure investments. Impairment losses on property, plant and equipment for the year ended 31 December 2022 are 167,364 TL and are recognized under depreciation expenses (31 December 2021: 24,493 TL)


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15 INTANGIBLE ASSETS

The movements of intangible assets for the year ended 31 December 2022, are as follows:

| Cost | 1 January 2022 | Additions | Disposals | Transfer | Impairment | Foreign currency translations | 31 December 2022 |
|---|-------------------|------------------|------------------|---------------|-----------------|-------------------------------|-------------------|
| GSM and telecommunication licenses | 10,742,945 | 244 | (1,919) | 913 | - | 177,644 | 10,919,827 |
| Computer softwares | 14,437,848 | 4,058,103 | (167,559) | 180,427 | - | 178,120 | 18,686,939 |
| Transmission line softwares | 89,263 | 544 | - | - | - | - | 89,807 |
| Indefeasible right of usage | 166,122 | 3,345 | - | - | - | - | 169,467 |
| Brand name | 12,211 | 371 | (331) | 75 | - | 1,567 | 13,893 |
| Customer base | 15,512 | - | - | - | - | - | 15,512 |
| Goodwill | 48,421 | - | - | - | - | - | 48,421 |
| Subscriber acquisition cost | 6,645,600 | 2,531,415 | (67,744) | - | - | 41,312 | 9,150,583 |
| Electricity production power plant (Note 3) | 182,881 | - | - | - | - | - | 182,881 |
| Other | 256,282 | 108,673 | (445) | 2 | - | 4,125 | 368,637 |
| Construction in progress | 15,743 | 166,607 | (226) | (167,972) | - | 631 | 14,783 |
| | 32,612,828 | 6,869,302 | (238,224) | 13,445 | - | 403,399 | 39,660,750 |
| Accumulated amortization | | | | | | | |
| GSM and telecommunication licenses | 5,452,949 | 767,281 | (1,919) | - | 307 | 76,692 | 6,295,310 |
| Computer softwares | 9,008,362 | 1,657,392 | (164,839) | - | 30,730 | 116,863 | 10,648,508 |
| Transmission line softwares | 79,919 | 4,460 | - | - | (10,077) | - | 74,302 |
| Indefeasible right of usage | 68,506 | 11,847 | - | - | - | - | 80,353 |
| Brand name | 7,345 | 71 | (239) | - | - | 13 | 7,190 |
| Customer base | 13,522 | 437 | - | - | - | - | 13,959 |
| Subscriber acquisition cost | 3,165,629 | 1,421,246 | (67,744) | - | - | 31,805 | 4,550,936 |
| Electricity production power plant (Note 3) | 3,382 | - | - | - | - | - | 3,382 |
| Other | 151,435 | 92,828 | (445) | - | 331 | 654 | 244,803 |
| | 17,951,049 | 3,955,562 | (235,186) | - | 21,291 | 226,027 | 21,918,743 |
| Intangible assets, net | 14,661,779 | 2,913,740 | (3,038) | 13,445 | (21,291) | 177,372 | 17,742,007 |

The movements of intangible assets for the year ended 31 December 2021, are as follows:

| Cost | 1 January 2021 | Additions | Disposals | Transfer | Acquisition through business combinations | Impairment | Foreign currency translations | 31 December 2021 |
|---|-------------------|------------------|------------------|---------------|---|-----------------|-------------------------------|-------------------|
| GSM and telecommunication licenses | 9,188,733 | 279 | (830) | 18 | - | - | 1,554,745 | 10,742,945 |
| Computer softwares | 11,835,827 | 2,003,373 | (73,673) | 131,439 | - | - | 540,882 | 14,437,848 |
| Transmission line softwares | 88,499 | 764 | - | - | - | - | - | 89,263 |
| Indefeasible right of usage | 159,995 | 6,127 | - | - | - | - | - | 166,122 |
| Brand name | 9,483 | 534 | (48) | 592 | - | - | 1,650 | 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) | - | - | - | 110,045 | 6,645,600 |
| Electricity production power plant (Note 3) | - | - | - | - | 182,881 | - | - | 182,881 |
| Other | 186,743 | 63,722 | - | (457) | - | - | 6,274 | 256,282 |
| Construction in progress | 1,142 | 135,067 | (551) | (120,714) | - | - | 799 | 15,743 |
| | 26,313,797 | 4,014,234 | (131,768) | 10,878 | 191,292 | - | 2,214,395 | 32,612,828 |
| Accumulated amortization | | | | | | | | |
| GSM and telecommunication licenses | 4,253,203 | 662,888 | (830) | - | - | 26 | 537,662 | 5,452,949 |
| Computer softwares | 7,304,194 | 1,324,586 | (73,471) | - | - | 15,319 | 437,734 | 9,008,362 |
| Transmission line softwares | 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 power plant (Note 3) | - | 3,382 | - | - | - | - | - | 3,382 |
| Other | 98,689 | 52,106 | - | - | - | - | 640 | 151,435 |
| | 13,946,013 | 3,051,319 | (131,000) | - | - | 15,345 | 1,069,372 | 17,951,049 |
| Intangible assets, net | 12,367,784 | 962,915 | (768) | 10,878 | 191,292 | (15,345) | 1,145,023 | 14,661,779 |

Amortisation including impairment losses is respectively 3,976,853 TL and 3,066,664 TL recognized under cost of revenue.

As of 31 December 2022, impairment of intangible assets amounting to 21,291 TL (31 December 2021: 15,345 TL). That amount is recognized among depreciation expense under cost of revenue. Computer softwares include, intra-group software development costs that meet the criteria of intangible assets. As of 31 December 2022, computer software that created intra-group amounting to 546,260 TL (31 December 2021:345,369 TL).

Research and development expenses amounting to 66,326 TL recognized under cost of revenue (31 December 2021:44,347 TL).

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15 INTANGIBLE ASSETS (cont'd)
Turkcell

As of 31 December 2022, net book value of licenses 2G, 3G and 4.5G are 11,496 TL, 237,391 TL, 2,469,941 TL respectively (31 December 2021: 57,478 TL; 276,957 TL; 2,882,117 TL).

lifecell

Lifecell has 9 operation licenses which are one 3G operation license, one long distance and international call and seven PSTN operation license in different regions. As of 31 December 2022, it has 23 licenses of radio frequency usage rights which are related to IMT (LTE-2600, LTE-1800, LTE-900), IMT-2000 (UMTS), GSM-900, GSM-1800, microwave radio relay, and broad band radio access. Also, it has 3 NCD code for mobile network, 29 permits for short numbers, 10 permits for SS-7 code (6 regional and 4 international), 1 permit for MNC, 8 permits for PSTN licenses in local regions. In addition, it has two service code authorizations for alternative call forward about international and long distance calls and also has authorization for “800” which is global telecommunication service. The net book value of lifecell’s licenses is 1,903,187 TL (31 December 2021: 2,054,249 TL).

16 RIGHT-OF-USE ASSETS

Closing balances and depreciation and amortization expenses of right of use assets for the years ended 31 December 2022 and 2021 are as below:

| | Site Rent | Building | Network equipment | Vehicle | Right of way | License | Other | Total |
|---|------------------|----------------|-------------------|----------------|----------------|----------------|----------------|------------------|
| Balance at 1 January 2022 | 1,521,783 | 283,175 | 262,267 | 135,530 | 45,307 | 631,630 | 103,956 | 2,983,648 |
| Depreciation and amortization charge for the year | (969,241) | (87,025) | (380,927) | (58,973) | (31,105) | (112,764) | (125,213) | (1,765,248) |
| Balance at 31 December 2022 | 1,698,248 | 316,179 | 51,291 | 88,141 | 159,984 | 628,890 | 119,565 | 3,062,298 |
| Balance at 1 January 2021 | 1,182,847 | 306,343 | 218,104 | 159,769 | 24,956 | 376,693 | 111,462 | 2,380,174 |
| Depreciation and amortization charge for the year | (688,321) | (67,500) | (297,333) | (50,291) | (19,575) | (58,087) | (94,141) | (1,275,248) |
| Balance at 31 December 2021 | 1,521,783 | 283,175 | 262,267 | 135,530 | 45,307 | 631,630 | 103,956 | 2,983,648 |

As of 31 December 2022, right of use assets are amounting to 1,918,438 TL (31 December 2021: 1,692,693 TL) are capitalized by the Group. Interest expense on lease liabilities for the year ended 31 December 2022 is 508,721 TL (31 December 2021: 359,240 TL); depreciation and amortization expenses are 1,765,248 TL (31 December 2021: 1,275,248 TL) and are recognized in cost of revenue.



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17 GOODWILL

As of 31 December 2022, the Group has a total of 48,421 TL in goodwill related to Turkcell Superonline amounting to 32,834 TL, Boyut Enerji amounting to 8,411 TL (Note 3), and Yaani amounting to 7,176 TL (31 December 2021: 48,421 TL) recognized in its financial statements. Since the impairment test for these goodwill amounts is not material in terms of financial statements, it has not been performed.

18 IMPAIRMENT OF ASSETS

Impairment of assets:

The Group evaluates whether there is any indication of impairment for an asset on the relevant reporting date. If such an indication exists, the asset's recoverable amount is estimated. If the recoverable amount of the asset or any cash-generated unit to which the asset belongs exceeds its carrying amount, no impairment loss is recognized.

As of 31 December 2022, due to ongoing war in Ukraine, impairment test of lifecell's tangible and intangible assets was performed using the assumption that lifecell was the CGU. As of 31 December 2022, the recoverable amount of lifecell is determined based on fair value less cost of disposal calculations. As the recoverable amount of CGU was higher than its carrying amount, no impairment charge was recognized. (31 December 2021: No indication of impairment was found in any cash-generated unit of the Group and no impairment test was performed).

Sensitivity analysis was performed on the change in weighted average cost of capital (WACC) by +0.5%/-0.5%. Besides, considering of the potential effect of Ukraine-Russia war on lifecell's business plans, sensitivity analysis was performed on the change in subscribers, average revenue per user (ARPU) and EBITDA margin by 1.0%-5.0%. No material sensitivity has been noted.

As of 31 December 2022, the assumptions used in recoverable amount calculations of lifecell were:

Impairment test was performed based on lifecell's business plans covering a six-year period. A post-tax WACC rate of 37.7% - 39.0% for the period from 2023 to 2028, and a terminal growth rate of 5.0% were used.

19 BORROWING COSTS

When assets require a substantial amount of time to be prepared for use or sale (qualified assets), borrowing costs that are directly related to the acquisition, construction, or production of the relevant asset are considered part of the asset's cost until it is ready to be used or sold. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

Total borrowing cost included in the cost of the qualified assets is 216,668 TL for the year ended 31 December 2022 (31 December 2021: 183,951 TL). The capitalization rate for borrowings is 18.3% (31 December 2021: 7.6%).

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

20.1 Short-term Provisions

As of 31 December 2022 and 2021, the movements of other short-term provisions are as follows:

| | Legal (**) | Bonus (*) | Total |
|-------------------------------------|---------------|----------------|----------------|
| Balance at 1 January 2022 | 67,021 | 506,641 | 573,662 |
| Provisions recognized | (90) | 919,750 | 919,660 |
| Payments | (52,923) | (706,407) | (759,330) |
| Transfers from long-term provisions | 17,862 | - | 17,862 |
| Effect of changes in exchange rates | - | 2,079 | 2,079 |
| Balance at 31 December 2022 | <u>31,870</u> | <u>722,063</u> | <u>753,933</u> |
| | Legal (**) | Bonus (*) | Total |
| Balance at 1 January 2021 | 253,633 | 376,655 | 630,288 |
| Provisions recognized | 221,453 | 659,066 | 880,519 |
| Payments | (420,663) | (567,025) | (987,688) |
| Transfers from long-term provisions | 10,198 | - | 10,198 |
| Effect of changes in exchange rates | 2,400 | 37,945 | 40,345 |
| Balance at 31 December 2021 | <u>67,021</u> | <u>506,641</u> | <u>573,662</u> |

(*) Includes share-based payment. Refer to Note 22 for details.

(**) Refer to Note 20.3 for details.

20.2 Long-Term Provisions

As of 31 December 2022 and 2021, the movements of other long-term provisions are as follows:

| | Legal | Obligations for dismantling, removing and site restoration | Total |
|-------------------------------------|---------------|--|----------------|
| Balance at 1 January 2022 | 19,662 | 596,135 | 615,797 |
| Provisions recognized | 45,892 | 10,271 | 56,163 |
| Payments | - | (6,106) | (6,106) |
| Transfers to short-term provisions | (17,862) | - | (17,862) |
| Effect of changes in exchange rates | - | 42,432 | 42,432 |
| Remeasurement | - | 208,930 | 208,930 |
| Discounting effect | - | 69,373 | 69,373 |
| Balance at 31 December 2022 | <u>47,692</u> | <u>921,035</u> | <u>968,727</u> |
| | Legal | Obligations for dismantling, removing and site restoration | Total |
| Balance at 1 January 2021 | 16,894 | 395,037 | 411,931 |
| Provisions recognized | 12,966 | 21,477 | 34,443 |
| Payments | - | (3,068) | (3,068) |
| Transfers to short-term provisions | (10,198) | - | (10,198) |
| Effect of changes in exchange rates | - | 145,337 | 145,337 |
| Remeasurement | - | (375) | (375) |
| Discounting effect | - | 37,727 | 37,727 |
| Balance at 31 December 2021 | <u>19,662</u> | <u>596,135</u> | <u>615,797</u> |

Obligations for dismantling, removing and site restoration are discounted using a discount rate of 14.4% at 31 December 2022 (31 December 2021: 17.3%).

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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 the 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.

20.3 Turkcell's Contingent Assets and Liabilities

The following disclosures comprise of material legal lawsuits, investigations and in-depth investigations against the Company.

Disputes on Special Communication Tax and Value Added Tax*SCT Investigation of 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 80,355 TL 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. On the other hand, upon the favorable decision taken in this case, a lawsuit was filed for the cancellation of the tacit rejection of the restructure request of the SCT assessment with tax penalty for the period 2011 within the scope of Law No. 6736 and request of collection of 47,405 TL principal receivable and 36,000 TL damage accrued with a deferment interest until the collection date.

The Court partially accepted the case; and decided to cancel the tacit rejection act for the 47,269 TL part, and to return this amount to the Company together with the interest to be calculated at the deferred interest rate determined in accordance with the Law No. 6183 as of the collection date. The parties appealed the decision before Regional Administrative Court regarding the parts against them.

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.

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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.

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 91,942 TL, 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. 47,780 TL part of the administrative fine amounting to 91,942 TL has been deducted from the receivables that the Company has earned in the case of cancellation of the application for restructuring the 2011 SCT assessment within the scope of Law No. 6736 in 2021. The remaining 44,162 TL part of the administrative fine was paid in April 2022 upon the request of the administration.

Three private companies filed a lawsuits against the Company in relation with this case claiming in total of 112,084 TL 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 110,484 TL 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. The expert report within this scope has been submitted to its file, and the Company has submitted its statements and objections regarding the report in due time.

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During the hearing of the case dated 22 June 2022, the court partially accepted the case and ruled reimbursement of 215,555 TL (three times of the actual damage of 71,851 TL loss pursuant to the Act on Protection of Competition, including 40,600 TL previous year loss, 14,335 TL fixed asset loss, 14,163 TL leasing, exchange difference and financing loss, and 2,751 TL profit loss) together with the discount interest TL applicable from the date of the case to Demirören Dağıtım Satış Pazarlama Matbaacılık ve Tahsilat Sistemleri A.Ş., June 2012, and partially rejected the case for the remaining part.

The reasoned decision notified to the Company. Demirören made the decision the subject of enforcement proceedings. Turkcell appealed the decision before Regional Court of Justice and has suspended the execution proceedings until the appeal proceedings are concluded by submitting a letter of guarantee to the file. Also Demirören appealed the decision before Regional Court of Justice and the Company replied this appeal in due time. An application for complaint has been filed by company with the request for cancellation of the enforcement order and the enforcement proceedings initiated by Demirören.

The court decided to accept company's complaint and cancelled the interest charge of 34,142 TL requested in the enforcement order. As a result of the appeal examination made by the Regional Court of Appeal, Turkcell's appeal request was accepted and the decision of the first instance court was revoked.

The file was returned to the first instance court for a re-decision within the scope of the removal decision, and the appeal request of Demirören were not examined at this stage.

Among these cases, in the case filed for the compensation of total 500 TL material damages together with compensation amounting to three times of the damage and interest, 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. The other case is 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 the Company 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 91,942 TL 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 61,294 TL with its decision.

The aforementioned fine that amount of 61,294 TL was paid with twenty five percent discount on 9 April 2020, in the amount of 45,971 TL. 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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31 DECEMBER 2022*(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)***20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)****20.3 Turkcell's Contingent Assets and Liabilities (cont'd)****BTK – Investigation Regarding the R&D Obligations (Period of 2013-2016)**

BTK 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 BTK has decided to imposed an administrative fine of 18,031 TL to Turkcell. The administrative fine notified to the Company on 29 January 2021 and was paid on 26 February 2021 as 13,523 TL 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 Court rejected the 8 of these cases. The Company appealed the decisions before Regional Administrative Court in due time. Other cases are pending.

BTK – Investigation Regarding the R&D Obligations (Period of 2016-2017)

For the period of 27 October 2016-27 October 2017; the BTK carried out an investigation in order to examine whether Our Company fulfills its obligations arising from relevant legislation about R&D Center and SME, and using of Domestic Goods Certified products. As a result of the investigation BTK has decided to imposed an administrative fine of 31,139 TL to the Company. The administrative fine notified to Turkcell on 29 January 2021 and was paid on 26 February 2021 as 23,354 TL 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 Court rejected the four of these cases. The Company appealed the decisions before Regional Administrative Court in due time. Other cases are pending.

BTK – Investigation on 3G and 4.5G Service Quality Obligations

BTK initiated an investigation to examine whether the 2018 Q4 – 2019 Q3 term notifications meet the criteria and target values defined in the service quality legislation and whether or not our obligations about the service quality criteria which is set in the IMT Certificate of Authority have been fulfilled.

As a result of the investigation BTK has decided to impose an administrative fine of 3,622 TL to Turkcell. The administrative fine notified to the Company on 20 January 2022 and was paid on 17 March 2022 as 2,716 TL with taking on the account the early payment discount (1/4).

After notification of the Board Decision to the Company, the Company applied to BTK with the demand of withdraw of the Board Decision. The application of the Company was tacitly rejected by BTK. The Company filed five separate lawsuits in total for the cancellation of the related transactions and administrative fines. The cases are pending.

BTK – Inspection on Service Quality (2020 H2)

BTK initiated an investigation due to exceeding the target value determined for “Call Failure Rate” and “Call Blocking Rate” criteria. As a result of the investigation BTK has decided to impose an administrative fine of 568 TL to the Company. The administrative fine notified to the Company on 20 January 2022 and was paid on 17 March 2022 as TL 426 with taking on the account the early payment discount (1/4). After notification of the Board Decision to the Company, the Company applied to BTK with the demand of withdraw of the Board Decision. The application of the Company was tacitly rejected by BTK. The Company filed a lawsuit for the cancellation of the related transaction and administrative fine. The case is pending.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)**20.3 Turkcell's Contingent Assets and Liabilities (cont'd)****BTK – Investigation of 3G and 4,5G Coverage Obligations (cont'd)**

As a result of the investigation initiated to audit our 3N coverage area obligations determined in accordance with Article 6 of the Concession Agreement titled "Coverage liability" and the relevant legislation, ii) audit our 4.5N coverage obligations for highways, high-speed train lines and tunnels over 1 (one) kilometer long, which we are obliged to cover within the framework of the 4.5N Authorization Certificate and the relevant legislation; BTK has decided to impose an administrative fine of 1,459 TL. The fine, which was notified to the Company on 2 September 2022, was paid as 1,094 TL (1/4 discounted) on 27 October 2022. An application has been made to the BTK for the revocation of the decision. The application was tacitly rejected by the BTK by not responding within 30 days.

BTK – Directory Assistance Service Investigation

As a result of the investigation initiated in order to inspect the compliance of our Company's directory assistance services with the relevant legislation, BTK has decided to impose an administrative fine of 1,250 TL on the Company. The fine, which was notified to the Company on 28 July 2022, was paid as 938 TL (1/4 discounted) on 23 September 2022 by taking advantage of the early payment discount. An application was made to the BTK for the revocation of the decision and tacitly rejected by BTK. The Company filed a lawsuit for the cancellation of the related transaction and administrative fine.

BTK – Refunds Investigation

As a result of the investigation initiated to examine the compliance of the activities carried out within the scope of the Board Decisions dated 01.03.2018 and numbered 2018/DK-THD/58(Board Decision on Refunds to Subscribers), dated 12.04.2018 and numbered 2018/DK-THD/116(Refund/Use of Remaining Amount on Prepaid Lines) and dated 16.04.2018 and numbered 2018/DK-THD/123(Transferring Non-refundable Amounts on Prepaid Lines as Universal Service Contribution),

- (i) The BTK has decided that the unpaid 412 TL will be transferred to the Ministry, along with the late fee from 14 April 2020 and inform the BTK about this transfer.
- (ii) The BTK has decided to transfer the 161 TL that could not be refunded to subscribers regarding the period between 27.04.2017-31.05.2018, which were not fully paid to the Ministry. The BTK has also decided to transfer the refund amounts related to the period between 01.04.2010-27.04.2017 -along with the late fee from 28 July 2020- and to inform the BTK about this matter.
- (iii) The BTK has decided to impose an administrative fine of 5,680 TL in total.

The fine, which was notified to the Company on 2 January 2023, was paid as 4,260 TL (1/4 discounted) on 31 January 2023 by taking advantage of the early payment discount. Additionally, an application (İYUK 11) will be made to the BTK with request for re-evaluation and revocation of the decision.

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20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)**20.3 Turkcell's Contingent Assets and Liabilities (cont'd)****BTK – Sub-Agency/Dealership Investigation**

As a result of examinations carried out by the BTK due to large number of complaints from consumers who were victimized by being called illegally, the BTK started an investigation to determine whether sub-dealers were used. As a result of the investigation, the BTK decided to impose a 894 TL administrative fine on Our Company. The fine, which was notified to the Company on 26 January 2023, is planned to be paid as 625 TL (1/4 discounted) on 24 February 2023 by taking advantage of the early payment discount. Additionally, an application (İYUK 11) will be made to the BTK with request for re-evaluation and revocation of the decision.

BTK – Fızy Service Investigation

The BTK initiated an investigation to examine the «Fızy» Service, in the scope of service delivery, the information given to the consumers, the purchasing methods and the complaints selected as examples. As a result of the investigation; (i) the BTK has decided to impose an administrative fine of 1,682 TL on Our Company, (ii) the BTK has decided to give a warning to Our Company due to the implementation of the double opt-out method in the cancellation process of consumers, (iii) the BTK has also decided that the additional amounts reflected to subscribers due to the aforementioned violations will be refunded to consumers within the framework of the relevant legislation. The fine, which was notified to the Company on 26 January 2023, is planned to be paid as 1,262 TL (1/4 discounted) on 24 February 2023 by taking advantage of the early payment discount. Additionally, an application (İYUK 11) will be made to the BTK with request for re-evaluation and revocation of the decision.

Other ongoing lawsuits and tax investigations

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, 128,429 TL 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 13,465 TL 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.

On the other hand, mobile payment services provided by the Company 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 the Company Odeme in the amount of 18,763 TL. The Company 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. The Company 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 4,629 TL provision is recognized in the consolidated financial statements as at and for the period ended 31 December 2022 (31 December 2021: 53,603 TL)


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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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21 COMMITMENTS
(a) Bank loans and guarantees given:

Collaterals, pledges and mortgages ("CPM") given by the Group as of 31 December 2022 and 31 December 2021 are as follows:

| | 31 December 2022 | | | | | 31 December 2021 | | | | |
|--|-------------------|------------------|---------------|----------------|------------------|-------------------|------------------|---------------|----------------|------------------|
| | TL Equivalents | TL | USD | EUR | UAH | TL Equivalents | TL | USD | EUR | UAH |
| A. CPM's given in the behalf of own Company | 5,871,529 | 3,102,872 | 14,628 | 125,159 | 208 | 3,021,743 | 912,672 | 17,022 | 124,751 | 213 |
| Collateral | 5,871,529 | 3,102,872 | 14,628 | 125,159 | 208 | 3,021,743 | 912,672 | 17,022 | 124,751 | 213 |
| Pledge | - | - | - | - | - | - | - | - | - | - |
| Mortgages | - | - | - | - | - | - | - | - | - | - |
| B. CPM's given on behalf of the fully consolidated subsidiaries | 3,204,246 | - | 42,025 | 32,028 | 3,481,128 | 2,946,257 | - | 48,109 | 40,020 | 3,481,643 |
| Collateral | 3,204,246 | - | 42,025 | 32,028 | 3,481,128 | 2,946,257 | - | 48,109 | 40,020 | 3,481,643 |
| Pledge | - | - | - | - | - | - | - | - | - | - |
| Mortgages | - | - | - | - | - | - | - | - | - | - |
| C. CPM's given on behalf of third parties or ordinary course of business | 748,536 | 748,536 | - | - | - | 968,046 | 968,046 | - | - | - |
| Collateral | 748,536 | 748,536 | - | - | - | 968,046 | 968,046 | - | - | - |
| Pledge | - | - | - | - | - | - | - | - | - | - |
| Mortgages | - | - | - | - | - | - | - | - | - | - |
| D. Total amount of other CPM's given | - | - | - | - | - | - | - | - | - | - |
| i. Total amount of CPM's given on behalf of the parent | - | - | - | - | - | - | - | - | - | - |
| Collateral | - | - | - | - | - | - | - | - | - | - |
| Pledge | - | - | - | - | - | - | - | - | - | - |
| Mortgages | - | - | - | - | - | - | - | - | - | - |
| ii. Total amount of CPM's given on behalf of the Group companies which are not in scope of B and C | - | - | - | - | - | - | - | - | - | - |
| Collateral | - | - | - | - | - | - | - | - | - | - |
| Pledge | - | - | - | - | - | - | - | - | - | - |
| Mortgages | - | - | - | - | - | - | - | - | - | - |
| iii. Total amount of CPM's given on behalf of third parties which are not in scope of C | - | - | - | - | - | - | - | - | - | - |
| Collateral | - | - | - | - | - | - | - | - | - | - |
| Pledge | - | - | - | - | - | - | - | - | - | - |
| Mortgages | - | - | - | - | - | - | - | - | - | - |
| Total CPM | 9,824,311 | 3,851,408 | 56,653 | 157,187 | 3,481,336 | 6,936,046 | 1,880,718 | 65,131 | 164,771 | 3,481,856 |

Since there are not any CPM's mentioned in D item, the ratio to the total equity is not stated.

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21 COMMITMENTS (cont'd)
(b) Purchase commitments

As of 31 December 2022, outstanding purchase commitments with respect to property, plant and equipment, inventory, advertising and sponsorship amount to 3,927,476 TL (31 December 2021: 1,311,359 TL). Payments for these commitments will be made within 4 years.

BeST has an investment commitment covers the years 2022-2032 with a total investment amount of not less than 100,000 USD equivalent to 1,869,830 TL in accordance with the agreement which signed between the Republic of Belarus, BeST and the Company on 30 November 2022.

(c) Resale commitments

The Company has resale commitment regarding to reverse repo receivables amounting 3,704,160 TL as of 31 December 2022 (31 December 2021:None).

22 EMPLOYEE BENEFITS
Payables related to employee benefits

As of 31 December 2022 ve 2021, payables related to employee benefits are as follows:

| | 31 December 2022 | 31 December 2021 |
|---|------------------|------------------|
| Payables related to social security contributions | 226,880 | 68,892 |
| Accrual personnel salaries | 119,347 | 67,010 |
| Other | 8,148 | 4,728 |
| | 354,375 | 140,630 |

Long-term provisions related to employee benefits

The Group's accounting policies require actuarial valuation methods to estimate employee termination benefits. Provision for employee termination benefits is calculated annually by independent actuaries using the projected unit credit method and by estimating the present value of future probable obligation of the Group and its subsidiaries in Turkey arising from retirement of employees and recognized in financial statements. Discount rate used for calculating employee termination benefit as of 31 December 2022 is 0.6% (31 December 2021: 2.9%).

The main assumption is that the ceiling obligation set for each annual service will increase in proportion to inflation. Thus, the discount rate applied reflects the real rate after adjusting for the expected effects of inflation. As of 31 December 2022, the Group's employee termination benefit liability is calculated at 15.4 TL due to the expectation that the ceiling price increases in the coming years will exceed inflation (31 December 2021: 8.2 TL). As of 31 December 2022 and 2021, the long-term provision for employee benefits includes provisions for employee termination benefit and unused vacation. The provision for unused vacation as of 31 December 2022 and 2021 is 199,275 TL and 100,495 TL, respectively.


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22 EMPLOYEE BENEFITS (cont'd)
Long-term provisions related to employee benefits (cont'd)

Movements in provision for employee termination benefits are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|-------------------------|-------------------------|
| Opening balance | 514,118 | 301,459 |
| Additions | 87,258 | 62,749 |
| Actuarial loss/(gain) | 950,686 | 163,588 |
| Payments | (57,909) | (51,138) |
| Discount expense | 96,603 | 37,383 |
| Acquisition through business combinations | - | 77 |
| Closing balance | <u>1,590,756</u> | <u>514,118</u> |

As of 31 December 2022 and 2021, the sensitivity analysis regarding to actuarial assumptions made during the calculation of employee termination benefit provision is as follows:

| 31 December 2022 | Discount Rate | | Inflation Rate | |
|---|---------------|-------------|----------------|-------------|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Sensitivity Level | | | | |
| Change in assumption | (15.4%) | 19.0% | 18.9% | (15.6%) |
| Impact on provision for employee termination benefits | (244,976) | 302,244 | 300,653 | (248,158) |

| 31 December 2021 | Discount 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) |

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 is obliged to contribute a certain percentage of personnel wages to pension plans. The Group incurred 31,399 TL and 20,004 TL in relation to the defined contribution retirement plan for the years ended 31 December 2022 and 2021 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 2022 and 2021, the Group has not recognized any expenses regarding this plan.

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23 LIABILITIES ARISING FROM CUSTOMER CONTRACTS
Short-term Liabilities Arising from Goods and Service Sales Contracts

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Contract liabilities from sale of goods and services contracts | 706,046 | 459,289 |

Long-term Liabilities Arising from Goods and Service Sales Contracts

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Contract liabilities from sale of goods and services contracts | 261,328 | 170,445 |

Contract liabilities primarily consist 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 459,289 TL (2021: 315,070 TL).

As of 31 December 2022, the details of unsatisfied contract liabilities are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--------------------------|-------------------------|-------------------------|
| Telecommunication income | 1,844,463 | 1,485,719 |
| Device income | 849,574 | 1,061,141 |
| Total | <u>2,694,037</u> | <u>2,546,860</u> |

Management expects that 48% of the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognized as revenue during 2023 and the remaining 52% will be recognized in next years.

24 EXPENSES BY NATURE

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Depreciation and amortization (*) | (9,478,012) | (7,291,913) |
| Personnel expenses | (5,572,800) | (3,482,663) |
| Cost of goods sold | (5,651,973) | (4,377,966) |
| Treasury share | (4,084,897) | (2,816,508) |
| Interconnection and termination expenses | (3,265,242) | (2,608,009) |
| Radio expenses | (2,965,792) | (1,258,037) |
| Frequency expenses | (1,497,117) | (1,032,410) |
| Marketing expenses | (1,031,669) | (733,381) |
| Transmission expenses | (809,970) | (565,820) |
| Internet expenses | (643,275) | (353,386) |
| Roaming expenses | (610,932) | (340,282) |
| Universal service fund | (568,470) | (388,817) |
| Cost of revenue from financial services (**) | (565,229) | (223,050) |
| Selling expense | (229,204) | (163,974) |
| Other | (4,033,158) | (2,291,264) |
| | <u>(41,007,740)</u> | <u>(27,927,480)</u> |

(*) As at 31 December 2022, depreciation and amortization expenses include depreciation and amortization expenses related to the financial services amounting to 74,630 TL (31 December 2021: 66,798 TL).

(**) As at 31 December 2021, cost of revenue from financial services includes employee benefit expenses related to the financial services amounting to 71,133 TL (31 December 2021: 31,722 TL).



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25 OTHER ASSETS AND LIABILITIES

Other current assets

As of 31 December 2022 and 2021, the details of other current assets are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--------------------|-------------------------|-------------------------|
| VAT receivable | 585,060 | 90,645 |
| Due from personnel | 24,790 | 18,589 |
| Other | 1,382 | 939 |
| | <u>611,232</u> | <u>110,173</u> |

Other long-term liabilities

As of 31 December 2022 and 2021, the details of other long-term liabilities are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|-------------------------|-------------------------|
| Liabilities to BeST investment agreement (*) | 663,338 | - |
| Consideration payable in relation to acquisition of BeST (**) | - | 758,261 |
| Consideration payable in relation to the acquisition of Boyut Enerji (Note 3) | 3,275 | 3,275 |
| Other | - | 2,522 |
| | <u>666,613</u> | <u>764,058</u> |

(*) The transfer of ownership of BeST's 20% share in the Republic of Belarus was completed on 9 December 2022. On 30 November 2022, an agreement was signed between the Republic of Belarus, BeST and the Company for the development of telecommunications infrastructure, which covers the years 2022-2032 and involves a 100,000 USD obligation to be paid over a period of 10 years based on a minimum of 50% of the net profit earned by BeST, with the entire amount being paid by the Company to the Republic of Belarus if the specified amount is not reached at the end of the 10-year period.

The liability recorded in the consolidated financial statements for the BeST investment agreement reflects the amortized cost value of future payments at the balance sheet date. The total future payments to be made is 100,000 USD (equivalent to 1,869,830 TL as of 31 December 2022) and will be paid depending on the financial performance of BeST. A discount rate of 14.99% was used in the amortized cost calculation. BeST expects the payment to be made in installments between 2027- 2031.

(**) Consideration payable (conditional consideration) in relation to acquisition of BeST in 2008 was recognized at fair value within the scope of TFRS 3. The assumptions used in the fair value calculation are explained in Note 38. On 30 November 2022, the relevant contract was canceled by mutual agreement. and an investment agreement was signed instead of the relevant contract.

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26 PAID-IN CAPITAL, LEGAL RESERVES VE OTHER EQUITY ITEMS

26.1 Paid-in capital

As at 31 December 2022, paid-in capital represents 2,200,000,000 authorized, issued and fully paid shares with a par value of 1 TL each (31 December 2021: 2,200,000,000 and 1 TL).

The Company's issued capital is 2,200,000 TL which is authorized share capital.

Shareholders' structure is as follows:

| | <u>31 December 2022</u> | | <u>31 December 2021</u> | |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Share ratio (%) | Share amount TL | Share ratio (%) | Share amount TL |
| Public Share | 53.95 | 1,187,004 | 53.95 | 1,187,004 |
| TVF BTIH | 26.2 | 576,400 | 26.2 | 576,400 |
| IMTIS Holdings | 19.8 | 435,600 | 19.8 | 435,600 |
| Other | 0.05 | 996 | 0.05 | 996 |
| Total | 100 | 2,200,000 | 100 | 2,200,000 |
| Inflation adjustment to share capital | | (52,352) | | (52,352) |
| Inflation adjusted capital | | <u>2,147,648</u> | | <u>2,147,648</u> |

As at 31 December 2022, total number of shares pledged as security is 995,509 (2021: 995,509).

26.2 Treasury shares

The Company purchased 816,290 TL of its shares on-market with prices ranging from 12.09 to 12.35 TL in accordance with the share buyback decisions made on 27 July 2016 and 30 January 2017. During 2022, there are not any shares buyback transactions executed. (2021: None). Treasury shares are recognized by deducting from equity.

26.3 Share premiums

Share premiums represent the cash inflows obtained as a result of selling the shares at market prices. These premiums are recognized under equity and are not subject to distribution. However it can be used for future capital increases.

26.4 Reserves

Legal Reserves

The legal reserves consist of initial and secondary reserves in accordance with the TCC. The TCC stipulates that the initial 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 capital. The secondary legal reserve is appropriated at the rate of 10% per annum of all cash dividends in excess of 5% of the paid-in capital to make dividend distribution in accordance with the CMB's announcement, however the legal records it is appropriated at the rate of 11% per annum of all cash dividends in excess of 5% of the paid-in capital in accordance with the legal records. The initial and secondary legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital.

As at 31 December 2022, the Company's reserves consist of legal reserves. The total amount of the Company's legal reserves is 3,948,937 TL(31 December 2021: 3,612,388 TL).


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26 PAID-IN CAPITAL, LEGAL RESERVES VE OTHER EQUITY ITEMS (cont'd)
26.5 Dividends

At the General Assembly held on 16 June 2022, it was decided to distribute gross 1,257,775 TL part of the distributable profit of the Company for the year ended 31 December 2021 to the shareholders on 26 July 2022 in cash, as 0.5717 gross for each share with a nominal value of 1 TL. The amount was paid to the shareholders on the relevant date (31 December 2021: 2,585,787 TL).

26.6 Non-controlling interests

The portion of subsidiaries' net assets which are not directly or indirectly controlled by the parent company, are classified under the "Non-controlling interests" in the consolidated statement of financial position.

The portion of subsidiaries' net income or loss that belong to non-controlling interests are classified under the "Non-controlling interests" in the consolidated statement of profit or loss.

27.1 Revenue

Revenue for the year ended 31 December 2022 and 2021 is as follows:

| | Turkcell Turkey | | Turkcell International | | Techfin | | Other | | Intersegment Eliminations | | Consolidated | |
|---------------------------------|-------------------|-------------------|------------------------|------------------|------------------|------------------|------------------|------------------|---------------------------|--------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Telecommunication services | 38,403,988 | 25,791,341 | 6,007,115 | 3,479,631 | - | - | - | - | (90,607) | (66,525) | 44,320,496 | 29,204,447 |
| Equipment related revenue | 2,158,917 | 1,257,639 | 135,994 | 120,113 | - | - | 3,570,404 | 2,832,180 | (20,211) | (49,219) | 5,845,104 | 4,160,713 |
| Revenue from financial services | - | - | - | - | 1,849,132 | 1,075,742 | - | - | (140,624) | (61,846) | 1,708,508 | 1,013,896 |
| Call center revenue | 88,111 | 46,268 | 46,262 | 48,060 | - | - | 762,524 | 540,553 | (99,520) | (65,313) | 797,377 | 569,568 |
| Other sales revenue | 200,054 | 128,295 | 164,232 | 102,277 | - | - | 2,709,561 | 1,557,286 | (1,866,845) | (815,940) | 1,207,002 | 971,918 |
| Total | 40,851,070 | 27,223,543 | 6,353,603 | 3,750,081 | 1,849,132 | 1,075,742 | 7,042,489 | 4,930,019 | (2,217,807) | (1,058,843) | 53,878,487 | 35,920,542 |

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27 REVENUE AND COST OF REVENUE (cont'd)
27.1 Revenue (cont'd)

| | 31 December 2022 | | | | | |
|--|-------------------|------------------------|------------------|------------------|---------------------------|-------------------|
| | Turkcell Turkey | Turkcell International | Techfin | Other | Intersegment eliminations | Consolidated |
| Telecommunication Services | 38,403,988 | 6,007,115 | - | - | (90,607) | 44,320,496 |
| <i>At a point in time</i> | <i>291,598</i> | <i>47,884</i> | - | - | <i>(122)</i> | <i>339,360</i> |
| <i>Over time</i> | <i>38,112,390</i> | <i>5,959,231</i> | - | - | <i>(90,485)</i> | <i>43,981,136</i> |
| Equipment Related | 2,158,917 | 135,994 | - | 3,570,404 | (20,211) | 5,845,104 |
| <i>At a point in time</i> | <i>1,898,025</i> | <i>135,994</i> | - | <i>3,570,404</i> | <i>(20,211)</i> | <i>5,584,212</i> |
| <i>Over time</i> | <i>260,892</i> | - | - | - | - | <i>260,892</i> |
| Revenue from financial operations | - | - | 1,849,132 | - | (140,624) | 1,708,508 |
| <i>At a point in time</i> | - | - | <i>878,186</i> | - | <i>(140,619)</i> | <i>737,567</i> |
| <i>Over time</i> | - | - | <i>970,946</i> | - | <i>(5)</i> | <i>970,941</i> |
| Call Center | 88,111 | 46,262 | - | 762,524 | (99,520) | 797,377 |
| <i>At a point in time</i> | - | - | - | - | - | - |
| <i>Over time</i> | <i>88,111</i> | <i>46,262</i> | - | <i>762,524</i> | <i>(99,520)</i> | <i>797,377</i> |
| Other | 200,054 | 164,232 | - | 2,709,561 | (1,866,845) | 1,207,002 |
| <i>At a point in time</i> | <i>3,281</i> | <i>4,077</i> | - | <i>54,602</i> | <i>(6,160)</i> | <i>55,800</i> |
| <i>Over time</i> | <i>196,773</i> | <i>160,155</i> | - | <i>2,654,959</i> | <i>(1,860,685)</i> | <i>1,151,202</i> |
| Total | 40,851,070 | 6,353,603 | 1,849,132 | 7,042,489 | (2,217,807) | 53,878,487 |
| <i>At a point in time</i> | <i>2,192,904</i> | <i>187,955</i> | <i>878,186</i> | <i>3,625,006</i> | <i>(167,112)</i> | <i>6,716,939</i> |
| <i>Over time</i> | <i>38,658,166</i> | <i>6,165,648</i> | <i>970,946</i> | <i>3,417,483</i> | <i>(2,050,695)</i> | <i>47,161,548</i> |

| | 31 December 2021 | | | | | |
|--|-------------------|------------------------|------------------|------------------|---------------------------|-------------------|
| | Turkcell Turkey | Turkcell International | Techfin | Other | Intersegment eliminations | Consolidated |
| Telecommunication Services | 25,791,341 | 3,479,631 | - | - | (66,525) | 29,204,447 |
| <i>At a point in time</i> | <i>229,120</i> | <i>26,085</i> | - | - | <i>(1)</i> | <i>255,204</i> |
| <i>Over time</i> | <i>25,562,221</i> | <i>3,453,546</i> | - | - | <i>(66,524)</i> | <i>28,949,243</i> |
| Equipment Related | 1,257,639 | 120,113 | - | 2,832,180 | (49,219) | 4,160,713 |
| <i>At a point in time</i> | <i>1,035,373</i> | <i>120,113</i> | - | <i>2,832,180</i> | <i>(49,219)</i> | <i>3,938,447</i> |
| <i>Over time</i> | <i>222,266</i> | - | - | - | - | <i>222,266</i> |
| Revenue from financial operations | - | - | 1,075,742 | - | (61,846) | 1,013,896 |
| <i>At a point in time</i> | - | - | <i>441,404</i> | - | <i>(61,846)</i> | <i>379,558</i> |
| <i>Over time</i> | - | - | <i>634,338</i> | - | - | <i>634,338</i> |
| Call Center | 46,268 | 48,060 | - | 540,553 | (65,313) | 569,568 |
| <i>At a point in time</i> | - | - | - | - | - | - |
| <i>Over time</i> | <i>46,268</i> | <i>48,060</i> | - | <i>540,553</i> | <i>(65,313)</i> | <i>569,568</i> |
| Other | 128,295 | 102,277 | - | 1,557,286 | (815,940) | 971,918 |
| <i>At a point in time</i> | <i>6,013</i> | <i>351</i> | - | <i>46,625</i> | <i>(2,953)</i> | <i>50,036</i> |
| <i>Over time</i> | <i>122,282</i> | <i>101,926</i> | - | <i>1,510,661</i> | <i>(812,987)</i> | <i>921,882</i> |
| Total | 27,223,543 | 3,750,081 | 1,075,742 | 4,930,019 | (1,058,843) | 35,920,542 |
| <i>At a point in time</i> | <i>1,270,506</i> | <i>146,549</i> | <i>441,404</i> | <i>2,878,805</i> | <i>(114,019)</i> | <i>4,623,245</i> |
| <i>Over time</i> | <i>25,953,037</i> | <i>3,603,532</i> | <i>634,338</i> | <i>2,051,214</i> | <i>(944,824)</i> | <i>31,297,297</i> |


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27 REVENUE AND COST OF REVENUE (cont'd)
27.2 Cost of revenue

Cost of revenue the year ended for 31 December 2022 and 2021 is as follows:

| | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| Depreciation and amortization | (9,478,012) | (7,291,913) |
| Cost of goods sold | (5,651,973) | (4,377,966) |
| Treasury share | (4,084,897) | (2,816,508) |
| Personnel expenses | (3,293,808) | (2,085,343) |
| Interconnection and termination expenses | (3,265,242) | (2,608,009) |
| Radio expenses | (2,965,792) | (1,258,037) |
| Frequency expenses | (1,497,117) | (1,032,410) |
| Transmission expenses | (809,970) | (565,820) |
| Internet expenses | (643,275) | (353,386) |
| Roaming expenses | (610,932) | (340,282) |
| Universal service fund | (568,470) | (388,817) |
| Cost of revenue from financial services | (565,229) | (223,050) |
| Other | (3,353,925) | (1,888,433) |
| | (36,788,642) | (25,229,974) |

As at 31 December 2022, depreciation and amortization expenses include depreciation and amortization expenses related to the financial services amounting to 74,630 TL (31 December 2021: 66,798 TL).

As at 31 December 2022, cost of revenue from financial services includes employee benefit expenses related to the financial services amounting to 71,133 TL (31 December 2021: 31,722 TL).

28 GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES
28.1 General Administrative Expenses

General administrative expenses at the end of the year 31 December 2022 and 2021 as follows:

| | 31 December 2022 | 31 December 2021 |
|-----------------------------------|--------------------|------------------|
| Personnel expenses | (1,023,709) | (617,850) |
| Consultancy expenses | (121,307) | (88,534) |
| Service expenses | (83,805) | (44,971) |
| Maintenance and repair expenses | (47,766) | (27,419) |
| Collection expenses | (46,786) | (38,224) |
| Travel and entertainment expenses | (34,735) | (17,938) |
| Other | (160,913) | (84,087) |
| | (1,519,021) | (919,023) |

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28 GENERAL ADMINISTRATIVE EXPENSES AND MARKETING EXPENSES (cont'd)
28.2 Marketing Expenses

Marketing, sales and delivery expenses at the end of the year 31 December 2022 and 2021 as follows:

| | 31 December 2022 | 31 December 2021 |
|--------------------|--------------------|--------------------|
| Personnel expenses | (1,255,283) | (779,470) |
| Marketing expenses | (1,031,669) | (733,381) |
| Selling expenses | (229,204) | (163,974) |
| Other | (183,921) | (101,658) |
| | (2,700,077) | (1,778,483) |

29 OTHER OPERATING INCOME / EXPENSES
29.1 Other Operating Income

Other operating income at the end of the year 31 December 2022 and 2021 as follows:

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Foreign exchange gain, net | 5,913,287 | 6,097,168 |
| Interest income from time deposits with maturity of less than 3 months | 1,219,162 | 658,482 |
| Interest income from overdue payments | 233,440 | 186,700 |
| Other | 196,104 | 135,345 |
| | 7,561,993 | 7,077,695 |

29.2 Other Operating Expenses

Other operating expenses at the end of the year 31 December 2022 and 2021 as follows:

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Revaluation tax expense (*) | (253,945) | (156,577) |
| Donation expenses | (152,909) | (89,481) |
| Litigation provision and penalty expenses | (118,035) | (313,049) |
| Revaluation of fixed asset dismantling, moving and restoration | (99,055) | (12,083) |
| Discount expenses | (34,497) | (47,697) |
| Restructuring expenses | (8,703) | (5,993) |
| Supplementary contributions to retailers | (2,510) | (4,492) |
| Interest expenses related with legal cases | (148) | (542) |
| Other | (91,324) | (38,162) |
| | (761,126) | (668,076) |

(*) It consists of 2% tax expense paid over the value increase resulting from the revaluation of the properties and depreciable economic assets which are registered in statutory books. (Note 32).



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30 INVESTMENT INCOME

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|-------------------------|-------------------------|
| Fair value difference of financial investments | 863,852 | - |
| Foreign exchange gain, net | 395,383 | 234,756 |
| Discount income / (expense) on consideration in relation to acquisition of BeST | 342,380 | 70,514 |
| Gain on sales of fixed asset, net | 114,247 | 109,489 |
| Interest income on financial investments | 53,053 | 43,086 |
| Other | 10,975 | 6,271 |
| | <u>1,779,890</u> | <u>464,116</u> |

(*) Fair value difference of financial investments mainly consist of fair value difference of currency protected time deposits.

31 FINANCIAL INCOME AND EXPENSES

31.1 Financial Income

Financial income at the end of the year 31 December 2022 and 2021 as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|-------------------------|-------------------------|
| Fair value gains / (losses) and interest on derivative instruments, net | - | 1,258,961 |
| Gain on cash flow hedges reclassified to profit or loss | - | 1,631,491 |
| Other interest income | 210,775 | 160,630 |
| | <u>210,775</u> | <u>3,051,082</u> |

31.2 Financial Expenses

Financial expenses at the end of the year 31 December 2022 and 2021 as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|-------------------------|-------------------------|
| Foreign exchange losses, net (*) | (10,143,113) | (11,870,467) |
| Net interest expenses from financial assets and liabilities measured at amortized cost | (3,111,003) | (1,198,628) |
| Fair value and interest gain from derivatives instruments, net | (319,212) | - |
| Gain on cash flow hedges reclassified to profit or loss | 61,463 | - |
| Other | (187,946) | (126,618) |
| | <u>(13,699,811)</u> | <u>(13,195,713)</u> |

(*) Net foreign exchange losses within financial expenses mainly consist of foreign exchange loss from bank borrowings and issued debt instruments as at 31 December 2022.

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32 INCOME TAXES

Tax income included in at the end of the period 31 December 2022 and 2021 as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|----------------------------|-------------------------|-------------------------|
| Current income tax expense | (530,581) | (681,513) |
| Deferred tax income | 4,046,681 | 1,171,697 |
| | <u>3,516,100</u> | <u>490,184</u> |

Total tax income originated from continuing operations.

a) Corporate tax

The amount of 243,485 TL recognized in current tax liability represents tax liability calculated for the period ended 31 December 2022 less temporary tax payments made during the year (31 December 2021:241,686 TL).

Turkish tax regulations does not allow the parent company to prepare tax return over the consolidated financial statements and subsidiaries. Therefore tax provisions reflected in the financial statements calculated separately for companies included in full consolidation.

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.

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. However, with the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies The corporate tax rate for pension companies has been permanently increased to 25%, and this change will be valid for returns to be submitted after 1 July 2022.


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32 INCOME TAXES (cont'd)
a) Corporate tax (cont'd)

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.

Dividend payments of Turkish resident corporations to Turkish real persons, foreign corporations and foreign real persons are subject to 10% 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.

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.

Reconciliation of income tax expense at 31 December 2022 and 2021 are as follows:

| Reconciliation of tax expense | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| Profit from continuing operations before income tax expense | 7,536,134 | 4,541,094 |
| Tax expense calculated over legal tax rate | (1,733,311) | (1,135,274) |
| Difference in overseas tax rates | 102,512 | 16,711 |
| Effect of amounts which are not deductible and permanent differences | (242,700) | (467,266) |
| Effect of exemptions (**) | 752,225 | 231,817 |
| Unrecognized deferred tax assets (***) | (333,765) | (17,970) |
| Revaluation effect of tangible and intangible assets (*) | 4,775,742 | 1,641,145 |
| Adjustments for current tax of prior years | 6,101 | (5,115) |
| Effect of legal tax rate change on deferred tax | 181,878 | 237,709 |
| Deferred tax on investment in subsidiaries | 10,712 | (13,514) |
| Other | (3,294) | 1,941 |
| Total tax expense | 3,516,100 | 490,184 |

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32 INCOME TAXES (cont'd)
a) Corporate tax (cont'd)

(*) With the article 52 of the Law No. 7338 published in the Official Gazette on 26 October 2021 Within the scope of the regulation added as the Temporary Article 32 of the Tax Procedure Law No. 213, taxpayers who can make revaluation within the scope of the paragraph (Ç) added to the Repeated Article 298 of the same Law can revalue their immovables and other depreciable economic assets (excluding real estate and economic assets subject to the sale-lease-repurchase transaction or the issuance of lease certificates as long as they maintain these qualities) stated in their balance sheets as of the end of the accounting period before the accounting period in which they will revalue for the first time, under the conditions specified in the article. The covered assets will be valued with the D-PPI rate and tax will be paid in 3 installments (at two-month intervals) at the rate of 2% over the value increase amount. For revalued assets, the valuation difference can be depreciated and written off as an expense. Within the scope of the said amendment, deferred tax asset has been recognized 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 recognized in the consolidated statement of profit or loss (31 December 2021: Revaluation was carried out within the scope of Law No. 7326).

Income or corporate taxpayers, who are subject to full liability and keep books on the balance sheet basis (Except for those who make inflation adjustments within the scope of subparagraph (9) of subparagraph (A), regardless of the conditions in subparagraph (1) of the aforementioned paragraph, and those who are allowed to keep their records in a currency other than Turkish currency including Unlimited liability, limited partnerships and ordinary partnerships), can revalue their depreciable economic assets (except for those that are subject to a sell-lease-repurchase transaction or issuance of lease certificates, as long as they maintain these qualifications) recognized in their balance sheets and the depreciation recognized in the liabilities of their balance sheets, in accordance with the conditions specified in the article, at the end of the accounting periods in which the conditions for making inflation adjustments are not met. In revaluation, the values of economic assets and their depreciation, which are determined in accordance with the valuation provisions of this Law and included in the statutory books as of the end of the accounting period in which the valuation will be made, are taken into account. The values after revaluation of economic assets are calculated by multiplying the values determined in this way and their depreciation with the revaluation rate of the year in which the revaluation will be made. Taxpayers who subject their economic assets to revaluation within the scope of this article continue to depreciate these assets over the values reached after the revaluation. Within the scope of the said amendment, deferred tax asset has been recognized in the statement of financial position based on the revaluation records for fixed assets in the statutory book, and the deferred tax income related to this asset has been recognized in the consolidated statement of profit or loss.

(**) Discounts and exceptions for the period of 31 December 2022, mainly consist of R&D discounts.

(***) Mainly comprises of unused tax losses for which no deferred tax asset has been recognized.

Income tax relating to each component of other comprehensive income:

| 31 December 2022 | Other comprehensive income before tax | Tax effect | Other comprehensive income after tax |
|---|--|------------------|---|
| Foreign currency translation differences | 378,459 | (538,429) | (159,970) |
| Change in cash flow hedge reserve | 364,888 | (84,237) | 280,651 |
| Change in cost of hedging reserve | 329,403 | (65,881) | 263,522 |
| Fair value reserve | (40,116) | 8,023 | (32,093) |
| Hedges of net investments in foreign operations | (1,335,580) | 267,116 | (1,068,464) |
| Remeasurements of employee termination benefits | (950,686) | 191,104 | (759,582) |
| | (1,253,632) | (222,304) | (1,475,936) |
| 31 December 2021 | Other comprehensive income before tax | Tax effect | Other comprehensive income after 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) |
| | (365,024) | (322,990) | (688,014) |


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32 INCOME TAXES (cont'd)
b) Deferred tax

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the values of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of legal tax base, according to the balance sheet method. Deferred tax liability or assets are reflected in the consolidated financial statements by taking into account the tax rates that are expected to be valid in the future periods when the temporary differences will disappear.

The Group considers factors such as developments in the sector in which it operates, future taxable profit estimations, macroeconomics and political situation in Turkey and the countries in which its subsidiaries are located, and/or international macroeconomics and political situation that may affect the Group, while reflecting deferred tax assets in the financial statements.

Deferred tax assets and liabilities at 31 December 2022 and 2021 are attributable to the following:

| | Deferred Tax Assets | | Deferred Tax Liabilities | | Net Deferred Tax Assets/Lia. | |
|---|---------------------|------------------|--------------------------|--------------------|------------------------------|------------------|
| | 31 December 2022 | 31 December 2021 | 31 December 2022 | 31 December 2021 | 31 December 2022 | 31 December 2021 |
| Depreciation and capitalization difference related with property, plant and equipment and intangible assets | 2,324,218 | 412,728 | (800,510) | (953,814) | 1,523,708 | (541,086) |
| Subsidiaries | - | - | (98,257) | - | (98,257) | - |
| Derivative instruments | 29,967 | 5,922 | (547,459) | (520,298) | (517,492) | (514,376) |
| Reserve for employee termination benefits and provisions | 455,263 | 235,581 | (7,765) | (19,295) | 447,498 | 216,286 |
| Tax losses carried forward | 2,313,498 | 1,155,781 | - | - | 2,313,498 | 1,155,781 |
| Tax exemptions | 97,466 | 62,692 | - | - | 97,466 | 62,692 |
| Other assets and liabilities (*) | 1,075,658 | 596,974 | (100,420) | (105,213) | 975,238 | 491,761 |
| Deferred tax assets/ (liabilities) | 6,296,070 | 2,469,678 | (1,554,681) | (1,598,620) | 4,741,389 | 871,058 |
| Offsetting | (1,304,846) | (670,066) | 1,304,846 | 670,066 | - | - |
| Net deferred tax assets/ (liabilities) | 4,991,224 | 1,799,612 | (249,835) | (928,554) | 4,741,389 | 871,058 |

(*) Mainly comprises deferred taxes effects of loans, bonds, prepaid expenses and lease liabilities.

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32 INCOME TAXES (cont'd)
b) Deferred tax (cont'd)

Movement in deferred tax assets/(liabilities) for the years ended 31 December 2022 and 2021 were as follows:

| | 31 December 2022 | 31 December 2021 |
|---|------------------|------------------|
| Opening balance, net | 871,058 | (501,223) |
| Recognized in statement of profit or loss | 4,046,681 | 1,171,697 |
| Recognized in statement of other comprehensive income | (222,304) | (322,990) |
| Acquisition through business combinations | - | (48,755) |
| Exchange differences | 45,954 | 572,329 |
| | 4,741,389 | 871,058 |

As of 31 December 2022, the Group did not recognize deferred tax assets of 7,270,241 TL (31 December 2021: 5,518,647 TL) in respect of tax losses amounting to 1,398,834 TL (31 December 2021: 1,043,849 TL) that can be carried forward against future taxable income. The unused tax losses were incurred mainly by Belarusian Telecom.

Unused tax losses will expire at the following dates

| Expiration | Amount |
|------------|------------------|
| 2023 | 483,247 |
| 2024 | 826,727 |
| 2025 | 2,903,840 |
| 2026 | 227,219 |
| 2027 | 1,849,040 |
| 2028 | 411,144 |
| 2029 | - |
| 2030 | 182,827 |
| 2031 | 227,175 |
| 2032 | - |
| Indefinite | 159,022 |
| | 7,270,241 |



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33 EARNINGS PER SHARE

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Profit attributable to owners of the Company | 11,053,193 | 5,031,098 |
| Weighted average number of shares: | | |
| Weighted average number of ordinary shares (*) | 2,183,106,193 | 2,183,106,193 |
| Earnings per share with a nominal value of 0.001 TL (unshortened full TL) | 5.06 | 2.30 |

(*) For details of Treasury Shares see Note 26.2.

34 FINANCIAL INVESTMENTS

The details of financial investments as of 31 December 2022 and 2021 are as follows:

| | 31 December 2022 | | 31 December 2021 | |
|--|------------------|------------------|------------------|------------------|
| | Short Term | Long Term | Short Term | Long Term |
| Financial investments measured at amortized cost | | | | |
| - Time deposits with maturity more than three months | 748,665 | - | 4,164 | - |
| Financial assets measured at fair value through profit or loss | 748,665 | - | 4,164 | - |
| - Currency protected time deposit (**) | 4,034,897 | 258,627 | - | - |
| - Investment funds (***) | 4,034,897 | - | - | - |
| Financial assets measured at fair value through other comprehensive income | - | 258,627 | - | - |
| - Debt securities issued (*) | - | 1,850,830 | 51,166 | 1,376,645 |
| | - | 1,850,830 | 51,166 | 1,376,645 |
| | 4,783,562 | 2,109,457 | 55,330 | 1,376,645 |

(*) Debt securities issued are classified as financial assets at fair value through other comprehensive income.

(**) Currency-protected time deposit accounts are classified as financial assets at fair value through profit or loss. The Group has converted its foreign currency deposit account amounting to 123,300 USD and 73,300 EUR into "Currency Protected TL Time Deposit Accounts". Maturity of currency protected time deposit accounts is 1 year.

(***) Investment funds mainly include Turkcell GSYF, established by Re-Pic., and its associate and financial assets which is carried at fair value and valuation differences are recognized in profit or loss.

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34 FINANCIAL INVESTMENTS (cont'd)

The table of fair value of financial investments as of 31 December 2022 and 2021 is as follows:

| | Fair Value | | Fair value hierarchy | Valuation technique |
|---|------------------|------------------|----------------------|--|
| | 31 December 2022 | 31 December 2021 | | |
| Financial assets at fair value through other comprehensive income | 1,850,830 | 1,427,811 | Level 1 | Pricing models based on quoted market prices at the end of the reporting period, Pricing models based on quoted market prices at the end of the reporting period, Forward exchange rates at the balance sheet date |
| Financial assets at fair value through other comprehensive income | 19,982 | - | Level 1 | Pricing models based on quoted market prices at the end of the reporting period, Forward exchange rates at the balance sheet date |
| Financial assets at fair value through profit or loss | 4,034,897 | - | Level 2 | Pricing models based on discounted cash flow |
| Financial assets at fair value through profit or loss | 238,645 | - | Level 3 | |
| Total | 6,144,354 | 1,427,811 | | |

As of 31 December 2022, the nominal and fair value amounts of financial assets measured at fair value through other comprehensive income are as follows:

| Currency | Nominal amount | Fair Value | Maturity |
|------------------------------------|----------------|------------------|------------------|
| EUR | 24,000 | 472,022 | 16 February 2026 |
| EUR | 15,000 | 279,082 | 8 July 2027 |
| EUR | 5,000 | 99,975 | 11 April 2023 |
| USD | 3,700 | 73,314 | 31 March 2025 |
| USD | 21,000 | 391,211 | 14 July 2023 |
| USD | 18,000 | 308,358 | 25 March 2027 |
| USD | 5,000 | 97,785 | 13 November 2025 |
| USD | 3,000 | 55,835 | 25 January 2023 |
| USD | 1,000 | 18,540 | 10 August 2024 |
| USD | 50,000 | 54,708 | Indefinite |
| Total financial investments | | 1,850,830 | |


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34 FINANCIAL INVESTMENTS (cont'd)

As of 31 December 2022, the nominal and fair value amounts of financial assets measured at fair value through profit or loss are as follows:

| Currency | Nominal amount | Fair Value | Maturity |
|------------------------------------|----------------|------------------|------------------|
| TL | 949,475 | 1,236,256 | 10 May 2023 |
| TL | 704,109 | 950,130 | 27 February 2023 |
| TL | 701,033 | 820,390 | 15 August 2023 |
| TL | 436,793 | 511,377 | 16 August 2023 |
| TL | 230,364 | 299,793 | 11 May 2023 |
| TL | 185,454 | 216,951 | 2 October 2023 |
| Total financial investments | | 4,034,897 | |

As of 31 December 2021, the nominal and fair value amounts of financial assets at fair value through other comprehensive income are as follows:

| Currency | Nominal amount | Fair Value | 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 |
| Total financial investments | | 1,427,811 | |

Following gains and losses were recognized under other comprehensive income during current year:

| | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| Gains / (Losses) recognized in other comprehensive income | | |
| Gain/ (loss) related to Financial investment | (40,116) | (65,494) |
| Gain/ (loss) related to Financial investment, tax effect | 8,023 | 13,099 |
| | (32,093) | (52,395) |

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35 DERIVATIVE INSTRUMENTS

The fair value of derivative instruments at 31 December 2022 and 31 December 2021 are as follows:

| | 31 December 2022 | | 31 December 2021 | |
|---------------------------------------|------------------|----------------|------------------|---------------|
| | Asset | Liability | Asset | Liability |
| Held for trading | 794,399 | 131,074 | 1,181,740 | - |
| Derivatives used for hedge accounting | 1,199,843 | 21,432 | 999,577 | 60,518 |
| Total | 1,994,242 | 152,506 | 2,181,317 | 60,518 |

At 31 December 2022, short-term derivative assets of 2,032,416 TL also includes a net accrued interest income of 38,174 TL and the short-term derivative liabilities of 150,923 TL also includes a net accrued interest expense of 1,583 TL.

At 31 December 2021, the short-term derivative assets of 2,131,070 TL also includes a net accrued interest expense of 50,247 TL and the short-term derivative liabilities of 71,325 TL also includes a net accrued interest income of 10,807 TL.

Derivatives used for hedge accounting

The notional amount and the fair value of derivatives used for hedging contracts at 31 December 2022 are as follows:

| Currency | 31 December 2022 | | 31 December 2021 | | Maturity date | Hedge ratio |
|--|--|------------------|--|----------------|---------------|-------------|
| | Notional value in original currency | Fair value | Notional value in original currency | Fair value | | |
| <i>Participating cross currency swap contracts</i> | | | | | | |
| EUR Contracts | 233,600 | 203,017 | 300,200 | 174,747 | October 2025 | 01:01 |
| EUR Contracts | 50,711 | 53,612 | 63,365 | 48,443 | April 2026 | 01:01 |
| USD Contracts | 165,478 | 560,982 | 206,770 | 523,571 | April 2026 | 01:01 |
| <i>Cross currency swap contracts</i> | | | | | | |
| RMB Contracts | 108,148 | 256,943 | 135,134 | 235,617 | April 2026 | 01:01 |
| <i>Interest rate swap contracts</i> | | | | | | |
| USD Contracts | 120,105 | 103,857 | 150,075 | (43,319) | April 2026 | 01:01 |
| Derivatives used for hedge accounting | | 1,178,411 | | 939,059 | | |

Participating cross currency swap contracts amount of 269,624 EUR (2021: 340,220 EUR) includes 1,194,300 TL (2021: 1,170,728 TL) guarantees after the CSA agreement.


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35 DERIVATIVE INSTRUMENTS (cont'd)
Held for trading

The notional amount and the fair value of derivative contracts held for trading at 31 December 2022 are as follows:

| Currency | 31 December 2022 | | | 31 December 2021 | | |
|--|--|----------------|----------------------------|--|------------------|----------------------------|
| | Notional value in original currency | Fair value | Maturity date | Notional value in original currency | Fair value | Maturity date |
| <i>Cross currency swap contracts</i> | | | | | | |
| USD Contracts | 18,858 | 243,287 | March 2023 - November 2025 | 36,572 | 284,868 | March 2023 - November 2025 |
| RMB Contracts | 25,883 | 57,482 | April 2026 | 32,342 | 50,842 | April 2026 |
| EUR Contracts | - | - | - | 24,000 | 168,900 | December 2022 |
| <i>Currency swap contracts</i> | | | | | | |
| USD Contracts | 377,435 | 7,673 | January 2023 - June 2023 | 175,000 | 169,478 | January 2022 - March 2022 |
| EUR Contracts | 26,900 | 28,699 | February 2023 - April 2023 | - | - | - |
| <i>FX swap contracts</i> | | | | | | |
| USD Contracts | 357,451 | (3,980) | January 2023 | 200,000 | 193,504 | January 2022 |
| RMB Contracts | 148,422 | 1,864 | January 2023 | - | - | - |
| <i>Participating cross currency swap contracts</i> | | | | | | |
| USD Contracts | 27,000 | 75,051 | November 2025 | 36,000 | 58,890 | November 2025 |
| EUR Contracts | 53,380 | 254,040 | April 2026 | 66,700 | 243,478 | April 2026 |
| <i>Interest rate swap contracts</i> | | | | | | |
| USD Contracts | 53,380 | (791) | April 2026 | - | - | - |
| EUR Contracts | - | - | - | 35,000 | 11,780 | September 2028 |
| Derivatives held for trading | | 663,325 | | | 1,181,740 | |

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35 DERIVATIVE INSTRUMENTS (cont'd)
Held for trading (cont'd)
Fair value of derivative instruments and risk management
Fair value:
Hierarchy on the presentation of financial assets and liabilities at their fair values:

The fair values of financial assets and financial liabilities are determined and grouped as Level 1, Level 2, Level 3:

- 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 determine fair value of asset or liability.

The table below provides information on fair value measurement of financial assets and liabilities:

| | Fair value level | Valuation technique |
|--|------------------|---|
| a) Participating cross currency swap contracts | Level 3 | Pricing models based on discounted cash flows calculated in-line with yield curves |
| b) Fx swap, currency, interest swap and option contracts | Level 2 | Pricing models based on discounted cash flows calculated in-line with observable yield curves |
| c) Currency forward contracts | Level 2 | Pricing models based on forward exchange rates at the reporting date |

There were no transfers between fair value hierarchy levels during the year.

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 15,892 TL lower as at 31 December 2022 (31 December 2021: 253,788 TL).

As of 31 December 2022, the Company has no financial assets and liabilities carried at fair value on a non-recurring basis.



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35 DERIVATIVE INSTRUMENTS (cont'd)

Fair value of derivative instruments and risk management (cont'd)

Fair value (cont'd):

The details of the movement between the opening and closing balances of derivative instruments with level 3 hierarchy are shown in the table below:

Participating cross currency swap contracts

| | 31 December 2022 | 31 December 2021 |
|-------------------------------------|------------------|------------------|
| Opening balance | 1,049,129 | 797,060 |
| Cash flow effect | (1,124,027) | 45,951 |
| Total gain/loss | - | - |
| <i>Recognized in profit or loss</i> | 1,221,600 | 206,118 |
| Closing balance | 1,146,702 | 1,049,129 |

Net off/Offset

The Company signed a Credit Support Annex (CSA) against the default risk of parties in respect of a 233,600 EUR 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 32,028 EUR 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 1,000 EUR. Following the execution of CSA, the bank transferred to the Company 330,138 EUR as collateral (31 December 2022: 6,581,268 TL) which was the amount exceeding the threshold (10,000 EUR) and the Company transferred 270,228 EUR as collateral to the bank (31 December 2022: 5,386,968 TL) which was the amount exceeding the threshold (10,000 EUR). 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 1,194,300 TL (31 December 2021: 1,170,728 TL) 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 2022, if this transaction was not conducted, derivative financial instruments assets, liabilities and borrowings would have been 3,072,349 TL (31 December 2021: 3,167,736 TL), (3,444) TL (31 December 2021: (62,737) TL) and 17,915,547 TL (31 December 2021: 10,019,141 TL) respectively.

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35 DERIVATIVE INSTRUMENTS (cont'd)

Fair value of derivative instruments and risk management (cont'd)

Financial risk management

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.

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, currency swaps, interest swap contracts, currency forward 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 TFRS 9 hedge accounting requirement. TFRS 9, also includes new hedge accounting policies that aiming to be convenient with risk management implementation.

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.


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35 DERIVATIVE INSTRUMENTS (cont'd)
Fair value of derivative instruments and risk management (cont'd)
Financial risk management (cont'd)
Currency risk (cont'd)

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 10 September 2021. The amount of forward currency contracts associated within this scope is amounted to 13,763 USD as of 31 December 2022. Profit or loss from cash flow hedges recognized under "gain/(loss) from cash flow hedges" in the consolidated statement of other comprehensive income of 2022.

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 12,474 EUR as of 31 December 2022. Profit or loss from cash flow hedges recognized under "gain/(loss) from cash flow hedges" in the consolidated statement of other comprehensive income of 2022.

The Company designated 290,008 EUR 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 consolidated statement of other comprehensive income of 2022 in the scope of cash flow hedge amounted to (1,068,464) TL (2021: (1,246,699) TL).

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.

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35 DERIVATIVE INSTRUMENTS (cont'd)
Fair value of derivative instruments and risk management (cont'd)
Financial risk management (cont'd)
Interest rate risk (cont'd)
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 |
| 31 December 2022 | | | | |
| Participating cross currency swap contracts | (37,531) | (25,064) | 755,812 | 787,206 |
| Cross currency swap contracts | 64,781 | 236,336 | 236,439 | 206,121 |
| Cash Flow sensitivity (net) | 27,250 | 211,272 | 992,251 | 993,327 |
| | | | | |
| | Profit or Loss | | Equity, net of tax | |
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| 31 December 2021 | | | | |
| 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) |
| Cash Flow sensitivity (net) | 1,359,661 | 2,196,641 | (841,156) | (1,631,868) |



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36 BORROWINGS

Group's foreign currency risk of borrowings is explained in Note 38.

| | 31 December 2022 | 31 December 2021 |
|---|-------------------|-------------------|
| Bank loans | 8,760,854 | 3,767,585 |
| Short-term unsecured bank loans | 8,395,861 | 3,767,585 |
| Short-term secured bank loans | 364,993 | - |
| Issued debt instruments | 1,124,712 | 101,938 |
| Lease liabilities | 873,277 | 893,055 |
| Current portion of long term borrowings | 4,955,284 | 3,340,237 |
| Current portion of unsecured long-term bank loans | 4,474,648 | 3,098,826 |
| Current portion of secured long-term bank loans | 480,636 | 241,411 |
| Current portion of long-term issued debt instruments | 1,007,120 | 745,598 |
| Long-term bank loans | 17,945,061 | 13,356,013 |
| Long-term unsecured bank loans | 15,653,822 | 13,084,545 |
| Long-term secured bank loans | 2,291,239 | 271,468 |
| Long-term issued debt instruments | 17,006,088 | 12,560,897 |
| Long-term lease liabilities | 2,181,954 | 2,012,810 |
| | 53,854,350 | 36,778,133 |

The Company has used loans in accordance with the loan agreement previously signed with ING Bank N.V. and AB Svensk Exportkredit under the Swedish Export Credit Organization ("EKN") insurance on 18 December 2020. As of 31 December 2022, the Company has used USD 23,750 and USD 25,180 loan on 1 April 2022 and 3 June 2022, respectively, with a fixed interest rate of 1.53%.

The Company has used loans in accordance with the loan agreement previously signed with China Development Bank on 7 August 2020. As of 31 December 2022, the Company has used 100,000 EUR and 52,876 EUR loan on 26 April 2022 and 24 June 2022, respectively, with interest rate of 6M Euribor+2.29% for the EUR and 40,000 CNY on 29 September 2022 and 29 November 2022 with interest rate of 5.15%.

Within the scope of buy-back decisions on 27 July 2016, 30 January 2017 and 24 March 2020, the Company purchased its debt securities issued with a total nominal value of 37,239 USD as at 31 December 2022.

Under CMB approval taken by The Company on 3 November 2022 for issuance of debt securities to 1,000,000 TL, the Company has issued debt securities on 23 November 2022 amounting 500,000 TL with the maturity of 17 May 2023. The remained limit is 500,000 TL from 1,000,000 TL specified total limit.

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36 BORROWINGS (cont'd)

On 29 September 2022, CMB approval has been taken by Turkcell Ödeme 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 1,000,000 TL 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 October 2022, after CMB approval lease certificates amount of up to 1,000,000 TL. The Company has issued lease certificates amounting 150,000 TL with the maturity of 1 February 2023.

On 25 August 2022, CMB approval has been taken by Superonline on issuance of management agreement-based lease certificates up to 1,000,000 TL, the Company has issued lease certificates on 13 September 2022 amounting 200,000 TL with the maturity of 12 December 2022 after this issuance on 13 December 2022 the Company has issued a new lease certificates amounting 200,000 TL with the maturity of 15 March 2023. Additionally, on 5 January 2023, the Company has issued management agreement based lease certificates amounting 150,000 TL with the maturity of 5 July 2023 after on 3 February 2023 the Company has issued management agreement based new lease certificates amounting 150,000 TL and the remained limit is 700,000 TL specified total limit 1,000,000 TL.

On 30 December 2021 CMB approval has been taken by Turkcell Finansman for issuance of debt securities up to 500,000 TL, the Company has issued debt securities on 10 June 2022 A.S amounting 200,000 TL with the maturity of 9 September 2022. On 9 September 2022 the Company has issued another debt securities amounting 250,000 TL with the maturity of 5 December 2022. On 29 September 2022, CMB approval has been taken by Turkcell Finansman with the same conditions at an amount of up to 1,000,000 TL. The new application was made to the CMB on 2 December 2022 accordingly. Within the scope of this issuance ceiling, on 6 December 2022, a nominal amount of 250,000 TL coupon debt securities with the maturity of 7 March 2023. The remained limit is 750,000 TL from specified total limit 1,000,000 TL.

The details of loans as at 31 December 2022 and 2021 are as follows:

| | Currency | Interest rate type | Payment period | 31 December 2022 | | 31 December 2021 | | |
|---------------------------|----------|--------------------|----------------|---------------------------|-------------------|-----------------------|---------------------------|-------------------|
| | | | | Nominal interest rate | TL | Nominal interest rate | TL | |
| Unsecured bank borrowings | EUR | Floating | 2023-2028 | Euribor+2.0%-Euribor+2.3% | 13,673,783 | 2022-2028 | Euribor+1.9%-Euribor+2.3% | 9,188,487 |
| Unsecured bank borrowings | TL | Fixed | 2023 | 12.4%-38.0% | 7,782,214 | 2022 | 14.8%-29.0% | 3,044,848 |
| Unsecured bank borrowings | USD | Floating | 2023-2026 | Libor+1.7%-Libor 2.2% | 3,982,309 | 2022-2028 | Libor+2.1%-Libor+2.2% | 3,639,052 |
| Unsecured bank borrowings | RMB | Fixed | 2023-2028 | 3.7%-5.5% | 1,485,067 | 2022-2028 | 4.9%-5.2% | 930,395 |
| Unsecured bank borrowings | UAH | Fixed | 2023-2024 | 10.0%-21.0% | 1,429,174 | 2022-2024 | 8.0%-10.9% | 1,712,723 |
| Unsecured bank borrowings | EUR | Fixed | - | - | - | 2022 | 1.7% | 362,593 |
| Unsecured bank borrowings | USD | Fixed | 2023-2026 | 2.6% | 171,784 | 2022-2030 | 3.8% | 1,072,858 |
| Secured bank borrowings | USD | Fixed | 2023-2032 | 1.5%-3.8% | 2,119,044 | 2022-2026 | 2.6% | 152,667 |
| Secured bank borrowings | USD | Floating | 2023-2028 | Libor+0.6% - Libor+1.6% | 652,831 | 2022-2026 | Libor+1.6% - Libor+1.9% | 360,212 |
| Secured bank borrowings | UAH | Fixed | 2023 | 16.4%-19.5% | 364,993 | - | - | - |
| Issued debt instruments | USD | Fixed | 2023-2028 | 5.8% | 18,013,208 | 2022-2028 | 5.8% | 13,306,495 |
| Issued debt instruments | TL | Fixed | 2023 | 20.3%-25.5% | 1,124,712 | 2022 | 16.3% | 101,938 |
| Lease obligations | TL | Fixed | 2023-2048 | 9.8%-45.0% | 1,207,596 | 2022-2048 | 9.8%-45.0% | 1,262,449 |
| Lease obligations | UAH | Fixed | 2023-2071 | 7.6%-47.7% | 1,148,563 | 2022-2069 | 7.6%-25.7% | 1,074,000 |
| Lease obligations | EUR | Fixed | 2023-2034 | 1.0%-10.3% | 309,670 | 2022-2034 | 1.0%-10.0% | 303,265 |
| Lease obligations | BYN | Fixed | 2023-2037 | 11.5%-20.0% | 309,259 | 2022-2028 | 11.5%-15.8% | 185,618 |
| Lease obligations | USD | Fixed | 2023-2052 | 3.9%-11.5% | 80,143 | 2022-2028 | 3.9%-10.9% | 80,533 |
| | | | | | 53,854,350 | | | 36,778,133 |



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37 RELATED PARTY DISCLOSURES

Transactions with related parties

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 2022 and 2021. The Group provides additional benefits to key management personnel and contributions to retirement plans based on a pre-determined ratio of compensation.

The benefits paid and provided to key management personnel as of 31 December 2022 and 2021 are as follows:

| | 31 December 2022 | 31 December 2021 |
|-------------------------------|------------------|------------------|
| Short-term benefits | 159,278 | 89,692 |
| Long-term benefits | 1,610 | 1,091 |
| Employee termination benefits | 798 | 182 |
| | 161,686 | 90,965 |

Transactions with other related parties

Material transactions with related parties as of 31 December 2022 and 2021 are as follows:

| Revenues: | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Türk Telekom Mobil İletişim Hizmetleri A.Ş. ("TT Mobil") (*) | 607,952 | - |
| Enerji Piyasaları İşletme A.Ş. ("EPIAŞ")(*) | 138,393 | 201,611 |
| Türk Hava Yolları A.Ş. ("THY") (*) | 152,282 | 73,767 |
| Ziraat Bankası A.Ş. ("Ziraat Bankası") (*) | 61,379 | 47,944 |
| Güneş Express Havacılık A.Ş. ("Sun Express") (*) | 57,457 | 16,607 |
| Türk Telekomünikasyon A.Ş. ("TT")(*) | 50,896 | - |
| Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş.("Türksat")(*) | 45,760 | 39,732 |
| TOGG | 46,759 | 5,407 |
| TVF İFM Gayrimenkul İnşaat ve Yönetim A.Ş. (*) | 43,072 | 1,454 |
| Türkiye Vakıflar Bankası TAO ("Vakıfbank")(*) | 26,826 | 14,633 |
| Türkiye Halk Bankası AŞ ("Halkbank") (*) | 14,773 | 8,225 |
| Türkiye Hayat ve Emeklilik A.Ş.(*) | 13,080 | 10,479 |
| Ziraat Katılım Bankası A.Ş. ("Ziraat Katılım")(*) | 8,091 | 3,238 |
| BİST (*) | 4,221 | 11,724 |
| Sofra | 1,479 | 1,006 |
| Other | 19,275 | 16,145 |
| | 1,291,695 | 451,972 |

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37 RELATED PARTIES (cont'd)

Transactions with other related parties (cont'd)

| Expenses: | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| EPIAŞ (*) | 1,515,182 | 864,464 |
| Türk Telekomünikasyon A.Ş. (*) | 666,547 | - |
| TT Mobil (*) | 568,676 | - |
| İstanbul Takas ve Saklama Bankası A.Ş. ("Takasbank") (*) | 79,862 | 50 |
| Türksat (*) | 73,204 | 57,521 |
| Sofra | 41,399 | 28,918 |
| Boru Hatları İle Petrol Taşıma A.Ş. ("BOTAŞ") (*) | 34,278 | 19,290 |
| PTT (*) | 21,391 | 14,340 |
| Other | 54,173 | 15,603 |
| | 3,054,712 | 1,000,186 |

(*) Related parties which TVF and the entities over which TVF has control directly or joint control or significant influence.

TVF becomes the largest shareholder of Türk Telekom with 61.68% of the shares as of 31 March 2022. Therefore, companies of Türk Telekom has been reported as related party as of 31 March 2022. Transactions between the Group and Türk Telekom are related with telecommunication services.

Financial instruments

Financial instruments with related parties as of 31 December 2022 and 31 December 2021 are as follows:

| | 31 December 2022 | 31 December 2021 |
|-------------------------------------|-------------------|------------------|
| Time deposits | 14,178,529 | 7,720,468 |
| Demand deposits | 234,117 | 154,291 |
| Currency protected time deposit (*) | 1,359,651 | - |
| Receivables from reverse repo | 3,704,160 | - |
| Bank loans | (2,791,256) | (762,613) |
| Debt securities issued | (357,497) | (101,938) |
| Lease liabilities | (125,381) | (97,336) |
| Impairment loss provision | (20,974) | (5,001) |
| | 16,181,349 | 6,907,871 |

(*) The Group has converted its currency deposit account in Vakıfbank amounting to 15,000 USD and 50,000 EUR into currency protected TL time deposit accounts.

As of 31 December 2022, the amount of letters of guarantee given to the related parties is 133,277 TL (31 December 2021: 97,135 TL).



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37 RELATED PARTIES (cont'd)

Financial instruments (cont'd)

Details of the time deposits at related parties as of 31 December 2022 and 31 December 2021 are as follows:

| | 31 December 2022 | 31 December 2021 |
|--|-------------------|------------------|
| Ziraat Bankası | 2,003,561 | 2,681,804 |
| Vakıfbank | 5,748,392 | 2,205,630 |
| Halkbank | 5,140,582 | 2,432,802 |
| Ziraat Katılım Bankası A.Ş. ("Ziraat Katılım") | 1,285,994 | 400,168 |
| Other | - | 64 |
| | 14,178,529 | 7,720,468 |

Details of time deposits as of 31 December 2022 are as follows:

| Principal Amount | Currency | Effective Interest Rate | Maturity | 31 December 2022 |
|------------------|----------|-------------------------|--------------|-------------------|
| 187,624 | USD | 3.0% | January 2023 | 3,510,080 |
| 395,430 | EUR | 2.7% | January 2023 | 7,888,259 |
| 2,774,821 | TL | 23.9% | January 2023 | 2,778,946 |
| 55 | GBP | 0.1% | January 2023 | 1,244 |
| | | | | 14,178,529 |

Details of the receivables from reverse repo at related parties as of 31 December 2022 are as follows:

| Principal Amount | Currency | Effective Interest Rate | Maturity | 31 December 2022 |
|------------------|----------|-------------------------|--------------|------------------|
| 120,025 | EUR | 2.8% | January 2023 | 2,394,311 |
| 70,000 | USD | 3.0% | January 2023 | 1,309,849 |
| | | | | 3,704,160 |

Details of the bank borrowings at related parties as of 31 December 2022 are as follows:

| Principal Amount | Currency | Effective Interest Rate | Maturity | 31 December 2022 |
|------------------|----------|-------------------------|-------------------------------|------------------|
| 1,802,550 | TL | 13.5% - 19.0% | January 2023 – October 2023 | 1,934,918 |
| 536,714 | TL | 13.4% - 24.0% | February 2023 – December 2023 | 537,478 |
| 89,997 | RMB | 3.7% | February 2023 | 241,247 |
| 35,000 | TL | 14.8% | August 2023 | 36,818 |
| 39,900 | TL | 16.4% | May 2023 | 40,795 |
| | | | | 2,791,256 |

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37 RELATED PARTIES (cont'd)

Financial instruments (cont'd)

Details of the debt securities at related parties as of 31 December 2022 are as follows:

| Principal Amount | Currency | Effective Interest Rate | Maturity | 31 December 2022 |
|------------------|----------|-------------------------|---------------|------------------|
| 200,000 | TL | 20.8% | March 2023 | 202,005 |
| 150,000 | TL | 20.3% | February 2023 | 155,492 |
| | | | | 357,497 |

Details of the lease liabilities at related parties as of 31 December 2022 are as follows:

| Currency | Effective Interest Rate | Maturity | 31 December 2022 |
|----------|-------------------------|-------------|------------------|
| EUR | 0.2% - 5.1% | 2022 - 2024 | 74,012 |
| TL | 11.7% - 44.5% | 2022 - 2036 | 51,369 |
| | | | 125,381 |

Interest income from related parties:

| | 31 December 2022 | 31 December 2021 |
|----------------|------------------|------------------|
| Vakıfbank | 434,446 | 97,296 |
| Ziraat Bankası | 192,964 | 88,334 |
| Halkbank | 174,477 | 150,389 |
| Ziraat Katılım | 33,850 | 321 |
| Other | 46 | 1,934 |
| | 835,783 | 338,274 |

Interest expense from related parties:

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Vakıfbank | 284,524 | 17,889 |
| Ziraat Bankası | 60,612 | 4,831 |
| Halk Varlık Kiralama A.Ş. ("Halk Varlık Kiralama") | 54,188 | 3,644 |
| Halk Bankası | 2,288 | - |
| Ziraat Katılım | 528 | 31 |
| Other | 551 | 97 |
| | 402,691 | 26,492 |

Revenue from related parties are generally related to telecommunication, call center and other miscellaneous services. Transactions between the Group and EPIAŞ are related to the energy services; transactions between the Group and Sofra are related to meal coupon services; transactions between the Group and BOTAŞ are related to infrastructure services; transactions between the Group and Halkbank, Halk Varlık Kiralama A.Ş., Ziraat Bankası, Ziraat Yatırım and Vakıfbank are related to banking services; transactions between the Group and Türksat are related to telecommunication services and transactions between the Group and Borsa İstanbul (BİST) are related to stock market services. Receivables from related parties are not collateralized.

**TURKCELL İLETİŞİM HİZMETLERİ A.Ş.**

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*(All amounts are expressed in thousand of Turkish Lira unless otherwise stated. Currencies other than Turkish Lira are expressed in thousands unless otherwise stated.)***38 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS****Credit Risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

| 31 December 2022 | Receivables | | | | Other assets (**) | Deposits at banks | Derivative instruments | Receivables from financial services | Financial investments | Assets arising from customer contracts |
|--|-------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|------------------------|-------------------------------------|-----------------------|--|
| | Trade Receivables | | Other Receivables | | | | | | | |
| | Related party | Non-related party | Related party | Non-related party (*) | | | | | | |
| As of reporting date amount of maximum credit risk (A+B+C+D+E) | 76,449 | 6,963,821 | - | 381,645 | 39,622 | 25,960,315 | 2,032,416 | 3,561,926 | 6,893,019 | 1,955,996 |
| -Amount of maximum risk which is secured by guarantee etc. | - | 442,520 | - | - | - | - | - | 71,868 | - | - |
| A. Carrying amount of financial assets which is undue or not impaired | 58,229 | 5,378,907 | - | 331,217 | 13,635 | 25,960,315 | 2,032,416 | 3,304,886 | 6,893,019 | 1,955,996 |
| B. Carrying amount of financial assets whose conditions have been renegotiated otherwise would be deemed to be overdue or impaired | - | - | - | - | 207 | - | - | - | - | - |
| C. Carrying amount of assets which is overdue but not impaired | - | - | - | - | - | - | - | - | - | - |
| -Amount which is secured by guarantee etc. | - | - | - | - | - | - | - | - | - | - |
| D. Carrying amounts of assets which is impaired | 18,220 | 1,584,914 | - | 50,428 | 25,780 | - | - | 257,040 | - | - |
| -Overdue (gross book value) | 18,257 | 2,114,490 | - | 50,548 | 26,137 | - | - | 326,924 | - | - |
| -Impairment (-) | (37) | (529,576) | - | (120) | (357) | - | - | (69,884) | - | - |
| -Undue (gross book value) | - | 91,012 | - | 701 | 28,853 | - | - | 20,033 | 11,378 | 7,346 |
| - Impairment (-) | - | (91,012) | - | (701) | (28,853) | - | - | (20,033) | (11,378) | (7,346) |
| E. Items containing off-statement of financial position loans | - | - | - | - | - | - | - | - | - | - |

(*) Receivables from Evrensel Projects, VAT receivable and receivables from public administration are not included in other receivables.

(**) Current and non-current deferred VAT are not included in other assets.

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As 31 December 2022 and 2021 expected credit loss from finance sector receivables is as follows:

| 31 December 2022 | Not due | Overdue 0-1 months | Overdue 1-3 months | Overdue more than 3 months | Total |
|----------------------|-----------|--------------------|--------------------|----------------------------|-----------|
| Balance at year end | 3,324,918 | 180,530 | 31,964 | 114,431 | 3,651,843 |
| Expected credit loss | 20,033 | 1,802 | 366 | 67,716 | 89,917 |

| 31 December 2021 | Not due | Overdue 0-1 months | Overdue 1-3 months | Overdue more than 3 months | Total |
|----------------------|-----------|--------------------|--------------------|----------------------------|-----------|
| Balance at year end | 1,878,048 | 232,589 | 20,374 | 113,268 | 2,244,279 |
| Expected credit loss | 12,294 | 2,163 | 296 | 77,341 | 92,094 |

Credit Risk (cont'd)

| 31 December 2021 | Receivables | | | | Other assets (**) | Deposits at banks | Derivative instruments | Receivables from financial services | Financial investments | Assets arising from customer contracts |
|--|-------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|------------------------|-------------------------------------|-----------------------|--|
| | Trade Receivables | | Other Receivables | | | | | | | |
| | Related party | Non-related party | Related party | Non-related party (*) | | | | | | |
| As of reporting date amount of maximum credit risk (A+B+C+D+E) | 175,170 | 4,413,296 | - | 175,231 | 19,828 | 18,628,481 | 2,131,070 | 2,152,185 | 1,431,975 | 1,247,741 |
| -Amount of maximum risk which is secured by guarantee etc. | - | 240,592 | - | - | - | - | - | - | - | - |
| A. Carrying amount of financial assets which is undue or not impaired | 171,725 | 3,188,320 | - | 139,638 | 14,142 | 18,628,481 | 2,131,070 | 1,865,754 | 1,431,975 | 1,247,741 |
| B. Carrying amount of financial assets whose conditions have been renegotiated otherwise would be deemed to be overdue or impaired | - | 2- | - | - | - | - | - | - | - | - |
| C. Carrying amount of assets which is overdue but not impaired | - | - | - | - | - | - | - | - | - | - |
| -Amount which is secured by guarantee etc. | - | - | - | - | - | - | - | - | - | - |
| D. Carrying amounts of assets which is impaired | 3,445 | 1,224,976 | - | 35,593 | 5,686 | - | - | 286,431 | - | - |
| -Overdue (gross book value) | 3,493 | 1,785,005 | - | 35,664 | 6,004 | - | - | 366,231 | - | - |
| -Impairment (-) | (48) | (560,029) | - | (71) | (318) | - | - | (79,800) | - | - |
| -Undue (gross book value) | - | 64,186 | - | 636 | 12,346 | - | - | 12,294 | 16 | 6,241 |
| - Impairment (-) | - | (64,186) | - | (636) | (12,346) | - | - | (12,294) | (16) | (6,241) |
| E. Items containing off-statement of financial position loans | - | - | - | - | - | - | - | - | - | - |

(*) Receivables from Evrensel Projects, VAT receivable and receivables from public administration are not included in other receivables.

(**) Current and non-current deferred VAT are not included in other assets.

Liquidity Risk

The table below shows the maturity of the Group's financial liabilities. Tables are prepared without discounting the financial liabilities and on the basis of the earliest due dates. Tables include principal and interest payments. When interest rates are variable, the undiscounted amount is calculated using interest curves at the end of the reporting period. The maturity is determined on the basis of the earliest date the Group has to pay.

| 31 December 2022 | | | | | | |
|--|-----------------|---|------------------------|-------------------------|----------------|-----------------------|
| Contractual maturities | Carrying amount | Total contractual cash flows (=I+II+III+IV) | Less than 3 Months (I) | 3 months-12 months (II) | 1-5 year (III) | More than 5 year (IV) |
| Non-derivative financial liabilities | | | | | | |
| Bank loans | 31,661,199 | (34,847,008) | (4,331,420) | (10,301,938) | (17,548,078) | (2,665,572) |
| Issued debt instruments | 19,137,920 | (23,654,946) | (633,264) | (1,600,863) | (11,915,987) | (9,504,832) |
| Lease obligations | 3,055,231 | (5,186,425) | (457,869) | (897,980) | (2,376,995) | (1,453,581) |
| Payables to related parties | 241,310 | (334,850) | (334,850) | - | - | - |
| Consideration payable in relation to acquisition of BeST & Boyut | 666,613 | (1,879,158) | - | - | (118,086) | (1,761,072) |
| Trade payables (*) | 6,932,732 | (7,233,483) | (6,336,361) | (752,927) | - | (144,195) |
| Derivative instruments | | | | | | |
| Participating Cross Currency Swap and FX swap contracts | 150,923 | 349,200 | (598) | 131,178 | 218,966 | (346) |
| 31 December 2021 | | | | | | |
| Contractual maturities | Carrying amount | Total contractual cash flows (=I+II+III+IV) | Less than 3 Months (I) | 3 months-12 months (II) | 1-5 year (III) | More than 5 year (IV) |
| Non-derivative financial liabilities | | | | | | |
| Bank loans | 20,463,835 | (22,166,206) | (4,029,860) | (3,234,724) | (13,401,987) | (1,499,635) |
| Issued debt instruments | 13,408,433 | (17,479,087) | (104,734) | (769,750) | (9,360,291) | (7,244,312) |
| Lease obligations | 2,905,865 | (4,593,322) | (371,643) | (890,649) | (1,998,722) | (1,332,308) |
| Payables to related parties | 65,156 | (87,294) | (87,294) | - | - | - |
| Consideration payable in relation to acquisition of BeST & Boyut | 761,536 | (1,339,566) | - | - | (79,975) | (1,259,591) |
| Trade payables (*) | 4,615,606 | (4,812,238) | (4,678,734) | (133,504) | - | - |
| Derivative instruments | | | | | | |
| Participating Cross Currency Swap and FX swap contracts | 71,325 | 159,206 | - | 40,113 | 119,093 | - |

(*) Accruals are not included in trade payables.



TURKCELL İLETİŞİM HİZMETLERİ A.Ş.

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38 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk

Foreign currency risk is the risk arising from the change in the value of any financial instrument depending on the change in the exchange rate. The main foreign currencies are USD, EUR and RMB that consist of the main risk for the Company. As of 31 December 2022, the Group's exposure to foreign exchange risk, based on notional amounts, is presented at below table.

| | 31 December 2022 | | | | 31 December 2021 | | | |
|---|-------------------|------------------|----------------|----------------|-------------------|------------------|----------------|----------------|
| | TL Equivalent | USD | EUR | RMB | TL Equivalent | USD | EUR | RMB |
| 1. Trade receivables | 929,167 | 25,196 | 22,977 | - | 500,290 | 14,729 | 20,148 | - |
| 2a. Monetary financial assets (Cash and banks accounts included) | 24,436,263 | 561,089 | 673,375 | 194,430 | 14,521,460 | 899,928 | 157,563 | 71,600 |
| 2b. Non-monetary financial assets | - | - | - | - | - | - | - | - |
| 3. Other | 425,579 | 14,580 | 6,455 | 9,057 | 256,069 | 10,297 | 5,931 | 14,079 |
| 4. Current assets (1+2+3) | 25,791,009 | 600,865 | 702,807 | 203,487 | 15,277,819 | 924,954 | 183,642 | 85,679 |
| 5. Trade receivables | - | - | - | - | - | - | - | - |
| 6a. Monetary financial assets | - | - | - | - | - | - | - | - |
| 6b. Non-monetary financial assets | - | - | - | - | - | - | - | - |
| 7. Other | 1,509 | 69 | 11 | - | 2,672 | 188 | 11 | - |
| 8. Non-current assets (5+6+7) | 1,509 | 69 | 11 | - | 2,672 | 188 | 11 | - |
| 9. Total assets (4+8) | 25,792,518 | 600,934 | 702,818 | 203,487 | 15,280,491 | 925,142 | 183,653 | 85,679 |
| 10. Trade payables | 3,385,575 | 109,401 | 17,514 | 369,627 | 2,301,844 | 96,236 | 17,315 | 363,670 |
| 11. Financial liabilities | 6,887,925 | 151,703 | 183,151 | 149,310 | 5,337,362 | 147,906 | 208,961 | 102,395 |
| 12a. Other monetary liabilities | 119,351 | 886 | 5,156 | - | 144,741 | 953 | 8,752 | - |
| 12b. Other non-monetary liabilities | - | - | - | - | - | - | - | - |
| 13. Short-term liabilities (10+11+12) | 10,392,851 | 261,990 | 205,821 | 518,937 | 7,783,947 | 245,095 | 235,028 | 466,065 |
| 14. Trade payables | - | - | - | - | - | - | - | - |
| 15. Financial liabilities | 34,794,204 | 1,186,324 | 578,239 | 404,695 | 25,230,031 | 1,248,441 | 521,821 | 344,052 |
| 16a. Other monetary liabilities | 663,341 | 35,476 | - | - | 758,260 | 56,888 | - | - |
| 16b. Other non-monetary liabilities | - | - | - | - | - | - | - | - |
| 17. Long-term liabilities (14+15+16) | 35,457,545 | 1,221,800 | 578,239 | 404,695 | 25,988,291 | 1,305,329 | 521,821 | 344,052 |
| 18. Total liabilities (13+17) | 45,850,396 | 1,483,790 | 784,060 | 923,632 | 33,772,238 | 1,550,424 | 756,849 | 810,117 |
| 19. Net asset/(liability) position of off balance sheet derivative (19a-19b) | 10,796,866 | 915,570 | 355,150 | 282,453 | 10,986,492 | 761,825 | 32,022 | 167,476 |
| 19a. Derivative assets | 18,412,995 | 915,570 | 26,900 | 282,453 | 10,986,492 | 761,825 | 32,022 | 167,476 |
| 19b. Derivative liabilities | 7,616,129 | - | 382,050 | - | - | - | - | - |
| 20. Loans defined as hedging instruments (*) | 6,287,293 | 13,763 | 302,482 | - | 4,174,307 | 16,987 | 261,680 | - |
| 21. Net foreign currency asset/(liability) position (9-18+19+20) | 2,973,719 | 46,477 | 133,910 | 437,692 | 3,330,948 | 153,530 | 279,494 | 556,962 |
| 22. Net asset/(liability) position of foreign currency monetary items | 2,973,719 | 46,477 | 133,910 | 437,692 | 3,330,948 | 153,530 | 279,494 | 556,962 |

(*) Turkcell, the parent company of the Group, utilized a loan amounting to 290,008 EUR as a hedging instrument in order to hedge its net investment in subsidiary operating abroad from the foreign exchange risk arising from the translation into Turkish Lira. Foreign exchange gain/loss of this loan is recognized among "net investment hedge gains/losses on a foreign operation" under equity to be deducted from the foreign exchange differences arising from the translation of the net investments in subsidiary operating abroad.

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38 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Sensitivity analysis

10% strengthening/weakening of TL, UAH, BYN and EUR against the following currencies at 31 December 2022 and 2021 would have increased/(decreased) profit or loss before taxation by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| Exchange Rate Sensitivity Analysis Table | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 31 December 2022 | | | | |
| | Profit/(Loss) | | Equity | |
| | Appreciation of foreign currency | Depreciation of foreign currency | Appreciation of foreign currency | Depreciation of foreign currency |
| 1- USD net asset/liability | 86,904 | (86,904) | - | - |
| 2- Hedged portion of USD risk (-) | - | - | (25,335) | 25,335 |
| 3- USD net effect (1+2) | 86,904 | (86,904) | (25,335) | 25,335 |
| 4- EUR net asset/liability | (266,948) | 266,948 | - | - |
| 5- Hedged portion of EUR risk (-) | - | - | (25,720) | 25,720 |
| 6- EUR net effect (4+5) | (266,948) | 266,948 | (25,720) | 25,720 |
| 7- RMB net asset/liability | (117,328) | 117,328 | - | - |
| 8- Hedged portion of RMB risk (-) | - | - | 1,600 | (1,600) |
| 9- RMB net effect (4+5) | (117,328) | 117,328 | 1,600 | (1,600) |
| TOTAL (3+6+9) | (297,372) | 297,372 | (49,455) | 49,455 |

| Exchange Rate Sensitivity Analysis Table | | | | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| 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 |
| 3- USD net effect (1+2) | 191,136 | (191,136) | (17,218) | 20,995 |
| 4- EUR net asset/liability | (421,664) | 421,664 | - | - |
| 5- Hedged portion of EUR risk (-) | - | - | (24,020) | 24,020 |
| 6- EUR net effect (4+5) | (421,664) | 421,664 | (24,020) | 24,020 |
| 7- RMB net asset/liability | (116,071) | 116,071 | - | - |
| 8- Hedged portion of RMB risk (-) | - | - | 1,960 | (1,960) |
| 9-RMB net effect (4+5) | (116,071) | 116,071 | 1,960 | (1,960) |
| TOTAL (3+6+9) | (346,599) | 346,599 | (39,278) | 43,055 |


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38 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)
Sensitivity analysis (cont'd)
Cash flow sensitivity analysis for variable interest instruments:

As of 31 December 2022 and 2021, if the interest rates increase or decrease by 1 point, the equity and statement of profit or loss will be affected as follows. When analyzing, it is assumed that all other variables, in particular exchange rates, remain constant.

If the interest rate in Turkish Lira currency had been 1 basis point higher/lower on 31 December 2022, and all other variables had remained constant, the profit before tax and non-controlling interests would have been 315,213 TL lower/higher (31 December 2021: 103,782 TL). The change in interest rate would not have a direct impact on equity, without affecting the profit/loss.

| Interest Position | | |
|---|------------------|------------------|
| | 31 December 2022 | 31 December 2021 |
| 1 point increase in interest rates | | |
| Financial Assets | - | - |
| Financial Liabilities | (315,213) | (103,782) |
| 1 point decrease in interest rates | | |
| Financial Assets | - | - |
| Financial Liabilities | 315,213 | 103,782 |

After the financial crisis, the reform and replacement of benchmark interest rates such as USD LIBOR and other Interbank Offer Rates (IBORs) offered by other banks have become a priority for global regulators. Workings are ongoing for these changes. The Group's direct exposure to interest rate reform is its variable rate debt of 236,361 USD. After Phase 2 was published in August 2020, the Group has structured cross-currency and interest rate swap transactions to mitigate the variability of cash flows in the debt due to changes in the 6-month USD LIBOR, which is the current benchmark interest rate and has hedged this debt. The total nominal amount of these instruments in derivative products is 294,075 USD and the portion for hedging purposes is 194,837 USD.

The management has formed a committee to oversee the Group's USD LIBOR transition plan. This transition project will include changes in relevant tax and accounting practices as well as in systems, processes, risk, and valuation models. The Group anticipates that the biggest changes will be on the terms of contracts used to update variable rate debt, intercompany swap contracts, and hedging transactions that reference to USD LIBOR.

In calculating the fair value changes attributable to the Group's hedging reserve for its variable rate debt, the Group has made the following assumptions that reflect its current expectations:

- Given the Group's 'Probable' requirements, it has assumed that the IBOR reform will not result in any changes to the USD LIBOR interest rate on which its financial hedging debt is based.
- In assessing whether the risk management transaction will be effective going forward, the Group has assumed that there will be no changes resulting from the IBOR reform to the USD LIBOR interest rate on which the cash flows of the financial hedging debt are based and the swap interest rate on which the financial risk management transactions are based.
- The Group has not retrospectively changed the risk management fund for the period expected to be affected by the reform.

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38 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)
Fair value estimation:
Level classification of financial assets and liabilities carried at fair value:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined Level 1, Level 2 and Level 3 as follows:

- The information at Level 1 consists of unadjusted market prices obtained by an entity on the measurement date for identical assets or liabilities traded in active markets.
- Level 2 information is observable information for an asset or liability, other than the exchange price specified in the first level, either directly or indirectly.
- Level 3 information is information that does not rely on observable market data for determining the fair value of an asset or liability.

Methods and assumptions used to determine the fair value of derivative transactions are disclosed in Note 35.

Effects of valuation inputs 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 2022 | 31 December 2021 | | 31 December 2022 | 31 December 2021 | 2022 | 2021 |
| Contingent consideration | - | 758,261 | Risk-adjusted discount rate | - | 6.8%-8.0% | - | An increase/decrease in the discount rate by 1 p would change FV by (51,092) TL and 55,485 TL, respectively. |
| | | | Expected settlement date | - | in instalments between 2026-2031 | - | If expected settlement date extended/shortened by 1-year, FV would change by (53,167) TL and 57,145 TL, respectively. |

Changes in the consideration payable in relation to acquisition of BeST:

| | 31 December 2022 | 31 December 2021 |
|-----------------------------|------------------|------------------|
| Opening balance | 758,261 | 475,879 |
| Total gain and loss: | | |
| Statement of profit or loss | (758,261) | 282,382 |
| Closing balance | - | 758,261 |

(*) Note 25 for details.



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38 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Valuation inputs and relationships to fair value (cont'd)

It is assumed that the carrying values and fair values of financial assets and liabilities held to maturity converge to each other.

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.

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 34.

Financial liabilities:

As of 31 December 2022 and 2021; for the majority of the borrowings, the fair values are not materially different from 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:

| | 31 December 2022 | | 31 December 2021 | |
|-----------------|------------------|------------|------------------|------------|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Bank loans | 22,900,345 | 21,453,658 | 16,696,250 | 16,622,479 |
| Debt securities | 18,013,208 | 16,573,025 | 13,306,495 | 13,233,743 |

39 SUPPLEMENTARY CASH FLOW INFORMATION

Reconciliation of financial liabilities:

| | Debt securities issued | Loans | Lease liabilities | Total | Derivative Assets, net | Total |
|------------------------------------|------------------------|---------------------|--------------------|---------------------|------------------------|---------------------|
| | | | | | | |
| Cash inflows | (2,327,594) | (27,656,215) | - | (29,983,809) | 3,102,658 | (26,881,151) |
| Cash outflows | 2,856,875 | 24,529,166 | 2,243,432 | 29,629,473 | (2,740,022) | 26,889,451 |
| Other non-cash movements | (6,258,768) | (8,070,315) | (2,392,798) | (16,721,881) | (540,888) | (17,262,769) |
| Balance at 31 December 2022 | (19,137,920) | (31,661,199) | (3,055,231) | (53,854,350) | 1,881,493 | (51,972,857) |

| | Debt securities issued | Loans | Lease liabilities | Total | Derivative Assets, net | Total |
|--|------------------------|---------------------|--------------------|---------------------|------------------------|---------------------|
| | | | | | | |
| 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) |
| Balance at 31 December 2021 | (13,408,433) | (20,463,835) | (2,905,865) | (36,778,133) | 2,059,745 | (34,718,388) |

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40 FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Audit fee for the reporting period (*) | 18,989 | 10,009 |
| Fee for other assurance services | 21 | 77 |
| | 19,010 | 10,086 |

(*) Compensations of foreign currency-denominated subsidiaries abroad have been converted to TL using the annual average exchange rates of the relevant years.

41 OTHER MATTERS MATERIALITY AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS

None.

42 SUBSEQUENT EVENTS

The 7.7 and 7.6 magnitude earthquakes centered in Kahramanmaraş, which occurred in our country on 6 February 2023, effected eleven provinces and caused significant loss of life and property. The process of evaluating the effects of earthquakes on the Group's activities and consolidated financial statements is in progress.

In accordance with the option provided by the Capital Markets Board's decision dated 9 February 2023, due to the earthquake disaster on 6 February 2023, epicenter of which was Kahramanmaraş, that caused a devastation and loss of lives, Board of Directors of Turkcell has resolved to make in-kind and/or cash donation and provide all the appropriate benefits and aid up to 3,5 billion TL to the earthquake victims directly and/or through the Ministry of Interior Disaster and Emergency Management Presidency ("AFAD"), the Turkish Red Crescent ("Kızılay") and/or other institutions and organizations announced by mentioned agencies.

Turkcell Dijital Teknolojileri Ltd. was established which Lifecell Digital owns 99.9998% that the Group owns 100% directly, and Kıbrıs Telekom owns 0.0002%. The company, established to operate electronic payment services in KKTC, has a capital of 500 TL. The registration and announcement of the establishment were completed on 26 January 2023.

Within the scope of our Board of Directors' share buy-back decisions on 27 July 2016 and the following dates, the Company purchased a total of 1,000,000 shares at a price range of 33.46 – 34.00 TL with an average of 33.88 TL totaling 33,884 TL on 17 February 2023.

On 1 February 2023, Turkcell Ödeme has issued a new lease certificate amounting up to 150,000 TL with the maturity of 3 May 2023 within the scope of 1,000,000 TL issuance ceiling approved by the CMB to be sold to institutional investors in domestic market without public offering.

On 6 March 2023, Turkcell Finansman has issued a new coupon bond amounting up to 250,000 TL with the maturity of 5 September 2023 within the scope of 1,000,000 TL issuance ceiling approved by the CMB to be sold to institutional investors in domestic market without public offering.



Our Offices

| Location | Address |
|--------------------------------|---|
| ADANA PLAZA | Turhan Cemal Berikel Bulvarı No: 212 Seyhan - Adana |
| SAKARYA NDC | 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 DATA CENTER | 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. Hilly Otel Yanı No:254 Edirne |
| ERZURUM PLAZA | Ilıca yolu Organize Sanayi Bölgesi 4.Sok Erzurum |
| GAZİANTEP PLAZA | Kocaoğlan Mah. Demokrasi Bulvarı No:185 / 1 Şahinbey - Gaziantep |
| HATAY NDC | Güzelbirlik Mah. Yunus Emre Cad. No:11-B Güzelburç Hatay |
| KÜÇÜKYALI PLAZA / HEAD QUARTER | Aydınevler Mahallesi İnönü Caddesi No:20 B Blok 34854 Maltepe - İstanbul |
| KARTAL DATA CENTER | Topselvi Mahallesi Dipçik Sokak No:31 Kartal - İstanbul |
| TEPEBAŞI PLAZA | Meşrutiyet Cad.No:71 Tepebaşı 34430 İstanbul |
| MAHMUTBEY NDC | Mahmutbey Mah İnönü Caddesi No:89 Bağcılar - İstanbul |
| DUDULLU DATA CENTER | Dudullu OSB Nato Yolu 4. Cadde No:1 Ümraniye - İstanbul |
| İZMİR PLAZA | Kazım Dirik Mah. 367/7 Sokak No:12 Bornova - İzmir |
| İZMİR DATA CENTER | 1 0005. Sk. No:37 İTOB OSB Tekeli Menderes -İzmir |
| İZMİT PLAZA | Yahya Kaptan Mah. Bahçeşehir Sok. No: 30 İzmit-Kocaeli |
| KAYSERİ PLAZA | Kayseri Organize Sanayi Bölgesi 13. Cadde No:16 Melikgazi- Kayseri |
| GEBZE DATA CENTER | Gebze OSB, Tembelova Mevkii Mah. 3300 Sok. No: 3314 Gebze-Kocaeli |
| KONYA OFFICE | Parsana Mh. Zümrütova Sok.Selçuker Merkez 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 PLAZA | Portakal Mah. 80050 Sok. No:3 Toroslar - Mersin |
| MUĞLA PLAZA | Musluhittin Mahallesi Atatürk Bulvarı No:61 Muğla |
| SAMSUN PLAZA | Mimar Sinan Mah. 160.sok.No:18 PK:55200 Atakum - Samsun |
| EUROPEAN DATA CENTER | Karaağaç OSB Mh.48.Sok.No: 1/1 Kale Kilit fab. yanı Kapaklı-Tekirdağ |
| TRABZON PLAZA | Mısırlı Mah. Hasan Turfanda yolu No:3 Çukurçayır - Trabzon |
| VAN PLAZA | İpek yolu 8 km Yeni Mah. Sahil Sok. No: 27 Edremit - Van |

Glossary

| Abbreviation | Description |
|--------------|--|
| 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 |
| ADS | American Depository Share |
| OSCE PA | Organization for Security and Co-operation in Europe Parliamentary Assembly |
| ARPU | Average monthly revenue generated per mobile subscriber |
| 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 |
| BİST | Borsa İstanbul |
| IT | Tools for generating, collecting, accumulating, processing, recovering, disseminating, protecting, and assisting |
| ICTA | Information Communication Technologies Authority |
| CELTIC | EUREKA Cluster focusing on the Information and Communications Technology and Telecommunications |
| CİMER | The Presidential Communication Center |
| Roaming | A mobile communication feature that allows subscribers of one network to use their own mobile phones and numbers within the coverage area of another operator. |
| DSS | Digital Service Provider |
| EMS | Emergency Mobile Services |
| ER | Integrated Reporting Framework |
| ESG | 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 |
| FCPA | Foreign Corrupt Practices Act |
| Gbps | A data transmission speed |
| 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 |
| HTK | Communication Technology Cluster |
| IDC | (International Data Corporation) American market research company examine the development of technology |
| IIRC | International Integrated Reporting Council |
| 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 sensors |
| ITEA | EUREKA Cluster program supporting innovative, industry-driven, pre-competitive R&D projects in the area of Software-intensive Systems & Services |
| IVR | Interactive Voice Response |
| KEP | Registered E-mail |
| 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 |



| Abbreviation | Description |
|-----------------------------|--|
| m-TOD | Association of Mobile Telecommunication Operators |
| 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 |
| MSCI ESG | Morgan Stanley Capital International Environmental, Social, Governance Index |
| 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 |
| NYSE | New York Stock Exchange |
| OFAC | Office of Foreign Assets Control |
| OIC-CERT | The Organization of the Islamic Cooperation – Computer Emergency Response Team |
| OSS | Operational Support System |
| RPA | Robotic Process Automation |
| RTM | (Real Time Monitoring) 24/7 monitoring and reporting system on the system |
| ABC | Anti-Bribery and Anti-Corruption |
| Sarbanes-Oxley (SOX) | Corporate and Auditing Accountability, Responsibility, and Transparency Act |
| SASB | Sustainability Accounting Oversight Board |
| SBTi | Science Based Targets Initiative |
| 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 |
| SD-WAN | Acronym for software-defined networking in a wide area network (WAN) |
| SDG | Sustainable Development Goals |
| 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 |
| SKD | Sustainable Development Association of Türkiye |
| 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 |
| SOAR | Security Orchestration Automation and Response |
| SOC | Service Operations Center |
| CMB | Capital Markets Board |
| 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 |
| TÇM | Consumer Solution Center |
| TODİEK | Turkcell Common Values and Code of Business Ethics |
| Togg | Turkey's Automobile Joint Venture Group Inc. |
| TTK | Turkish Code of Commerce |
| IFRS | International Financial Reporting Standards |
| UN | United Nations |
| UN WEPs | UN Women's Empowerment Principles |
| UNGC | United Nations Global Compact |
| WBCSD | World Business Council for Sustainable Development |
| WEF | World Economic Forum |

Other Considerations

Explanations regarding other matters as per the CMB legislation and other relevant regulations to which we are subject are given below:

- Explanations regarding the amendment of Company's Articles of Association in 2022 are included in the ordinary general assembly meeting minutes, which was held on June 16, 2022: [Minutes](#)
- Information regarding the changes in the Board of Directors in 2022 are included in the ordinary general assembly meeting minutes, which was held on June 16, 2022: [Minutes](#)
- No extraordinary general assembly was held in 2022.
- No administrative or judicial sanctions were imposed on our Company's upper management.
- Turkish Commercial Code Article 376 is not applicable as the Company made profits in 2022.
- There is no cross-ownership subsidiary in which the direct contribution to the capital exceeds 5%.

Contact

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