

**TÜRK TELEKOMÜNİKASYON A.Ş.**



**INTERIM ACTIVITY REPORT AS OF 31.03.2020  
BASED ON NO:II-14.1 COMMUNIQUE OF CAPITAL MARKETS  
BOARD**

**May 13, 2020**

## **CONTENTS**

- 1. OVERVIEW OF TÜRK TELEKOM**
- 2. CORPORATE STRUCTURE**
- 3. SIGNIFICANT BOARD RESOLUTIONS**
- 4. PERSONNEL MOVEMENTS**
- 5. FINANCIAL RISK MANAGEMENT**
- 6. MATERIAL ISSUES DURING THE PERIOD**
- 7. MATERIAL ISSUES AFTER THE END OF THE PERIOD**
- 8. SUMMARY FINANCIAL RESULTS**
- 9. SUBSEQUENT EVENTS**

## 1. OVERVIEW OF TÜRK TELEKOM

Türk Telekom, with 179 years of history, is the first integrated telecommunications operator in Turkey. In 2015, Türk Telekomünikasyon A.Ş. adopted a “customer-oriented” and integrated structure in order to respond to the rapidly changing communication and technology needs of customers in the most powerful and accurate way, while maintaining the legal entities of TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş. intact and adhering to the rules and regulations to which they are subject. Having a wide service network and product range in the fields of individual and corporate services, Türk Telekom unified its mobile, internet, phone and TV products and services under the single “Türk Telekom” brand as of January 2016.

“Turkey’s Multiplay Provider” Türk Telekom has 14.8 million fixed access lines, 11.6 million broadband, 3.4 million TV and 23.2 million mobile subscribers as of March 31, 2020. Türk Telekom Group Companies provide services in all 81 provinces of Turkey with 32,499 employees with the vision of introducing new technologies to Turkey and accelerating Turkey’s transformation into an information society.

Türk Telekomünikasyon A.Ş., providing PSTN and wholesale broadband services, directly owns 100% of mobile operator TT Mobil İletişim Hizmetleri A.Ş., retail internet services, IPTV, satellite TV, Web TV, Mobile TV, Smart TV services provider TTNET A.Ş., convergence technologies company Argela Yazılım ve Bilişim Teknolojileri A.Ş., IT solution provider Innova Bilişim Çözümleri A.Ş., online education software company Sebit Eğitim ve Bilgi Teknolojileri A.Ş., call center company AssisTT Rehberlik ve Müşteri Hizmetleri A.Ş., project development and corporate venture capital company TT Ventures Proje Geliştirme A.Ş., Electric Supply and Sales Company TTES Elektrik Tedarik Satış A.Ş., wholesale data and capacity service provider Türk Telekom International, provider of combined facilities support activities TT Destek Hizmetleri A.Ş. and indirectly owns 100% of subsidiaries of Türk Telekom International, TV Broadcasting and VOD services provider Net Ekran Companies, telecommunications devices sales company TT Satış ve Dağıtım Hizmetleri A.Ş. and payment services company TT Ödeme ve Elektronik Para Hizmetleri A.Ş. and counselling services company 11818 Rehberlik ve Müşteri Hizmetleri A.Ş.

## 2. CORPORATE STRUCTURE

### Ownership Structure

Group	Shareholder	Paid-in Capital Amount (TL)	Share (%)
A	LYY Telekomünikasyon A.Ş.	1,925,000,000.00	55
B	Republic of Turkey Ministry of Treasury and Finance	875,011,884.975	25
C	Republic of Turkey Ministry of Treasury and Finance	0.01	
B	Turkey Wealth Fund	174,988,115.015	5
D	Free Float	525,000,000.00	15
<b>Total</b>		<b>3,500,000,000.00</b>	<b>100</b>

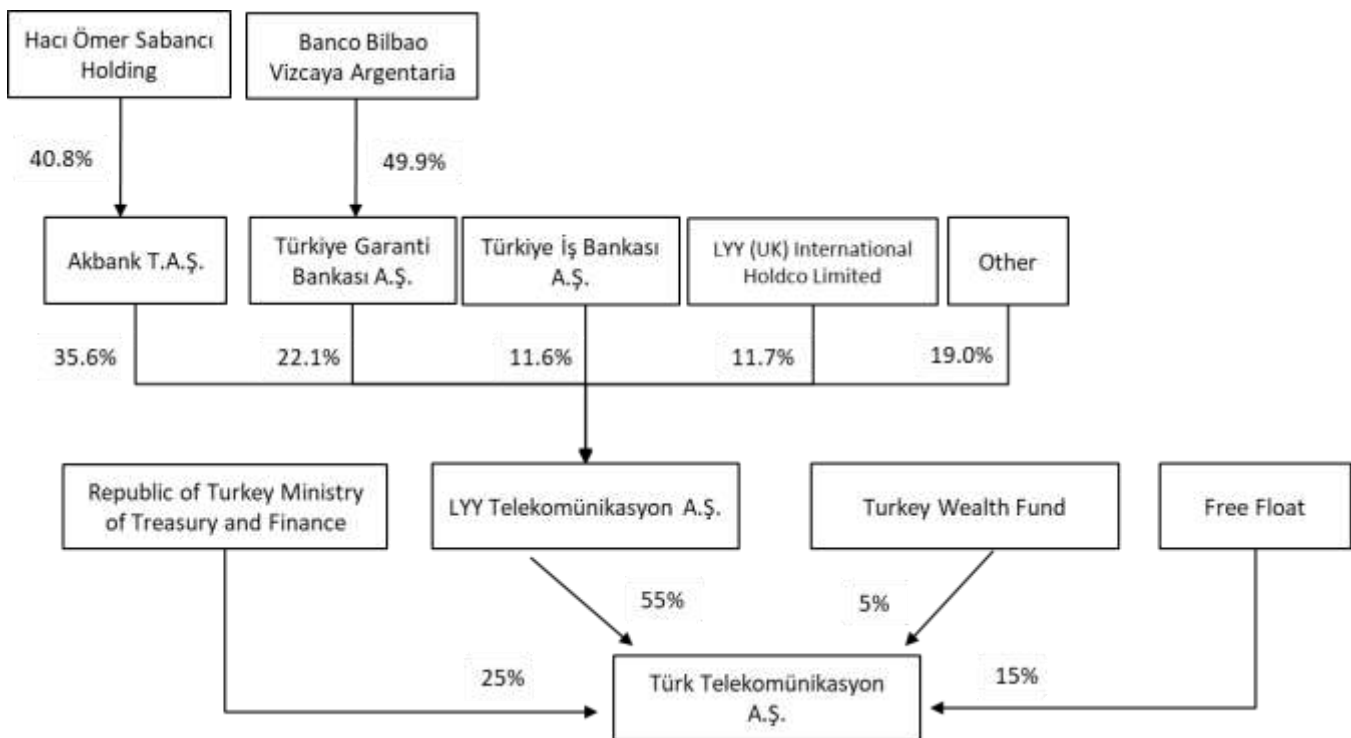
Note: According to the Official Gazette on February 5, 2017, the Council of Ministers decided to transfer the 6.68% stake (5% B Group shares and 1.68% D Group shares) of the Company belonging to the Turkish Treasury to the Turkey Wealth Fund. The transaction was completed in 2017.

The Türk Telekom Shareholders' Agreement and the Articles of Association further state that the Turkish Treasury owns a "golden share" (Class C share). The "golden share" is entitled to nominate a Board Member and has the below rights as per article 6 of the Articles of Association;

"In order to protect Turkey's national interests relating to national security and the economy, the Class C share's positive vote is required for the following matters regardless of the voting result in the Board or General Assembly, otherwise accepted as null and void;

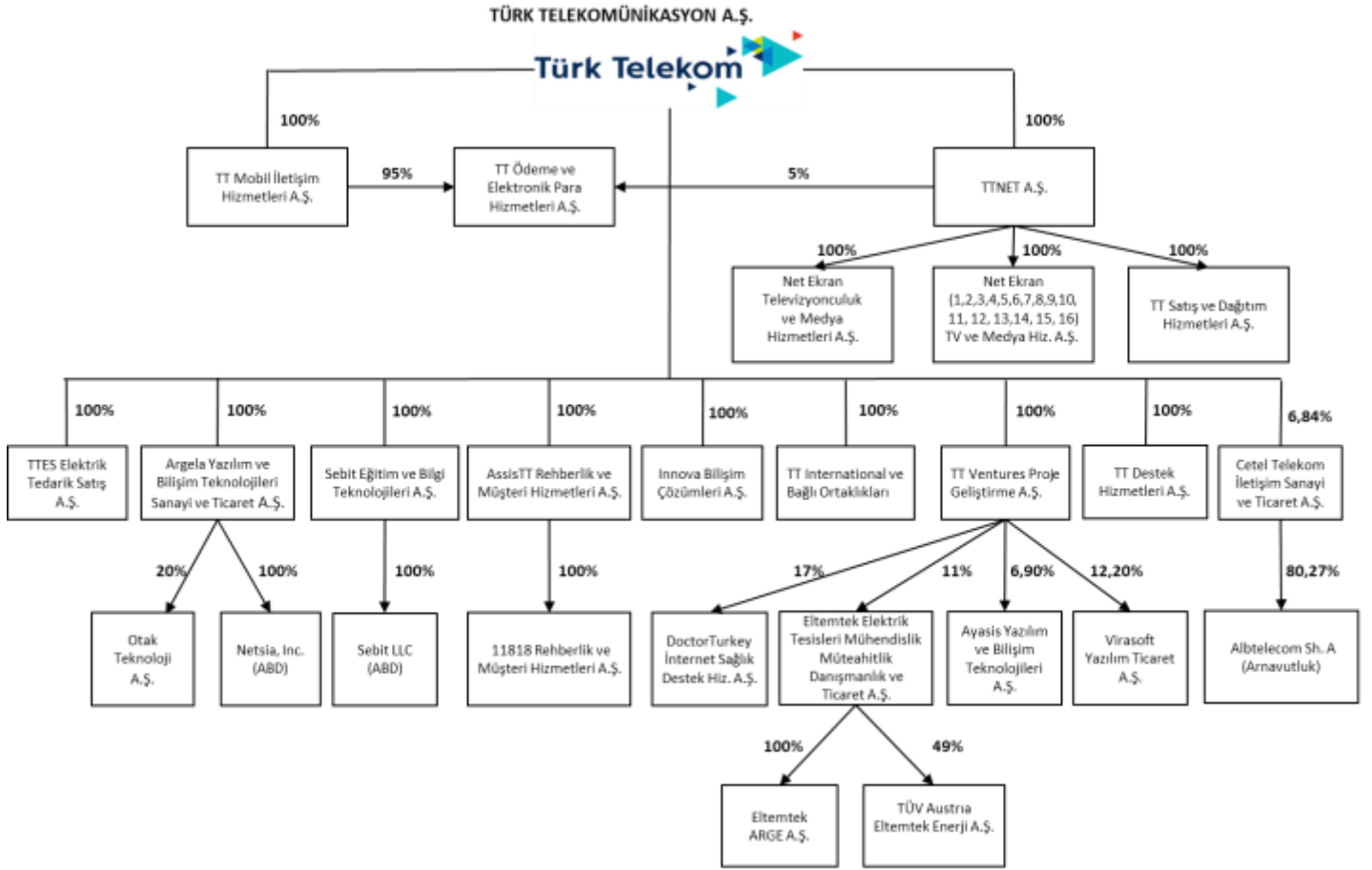
- a) Any proposed amendments to the Articles of Association;
- b) The transfer of any of the Company's registered shares which would result in a change in management control;
- c) The registration of any transfer of the Company's registered shares in the shareholder ledger.

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



**Note:** 1) There are no natural or legal persons whose shareholding exceeds 5% except those shown in the shareholder structure.  
 2) Turkey Wealth Fund has 1.68% public share ownership.

- Subsidiaries and financial investments:



Note: "Net Ekran 5, 7, 8, 9, 12, 13, 14, 15, 16", which no longer need to operate within the scope of our Company's TV strategy, have been placed into voluntary liquidation.

## Management and Organization

### Board of Directors

Dr. Ömer Fatih Sayan	Chairman of the Board of Directors and Member of the Board of Directors
Eyüp Engin	Vice Chairman of the Board of Directors and Member of the Board of Directors
Yiğit Bulut	Independent Member of the Board of Directors
Hakan Aran	Member of the Board of Directors
Selim Dursun	Independent Member of the Board of Directors
Dr. Nureddin Nebati	Independent Member of the Board of Directors
Dr. Muammer Cüneyt Sezgin	Member of the Board of Directors
Aclan Acar	Member of the Board of Directors
Ertuğrul Altın	Member of the Board of Directors

### Senior Management

Ümit Önal	CEO - General Manager
Kaan Aktan	Marketing and Customer Care Assistant General Manager (Acting)
Dr. Mehmet Beytur	Finance Assistant General Manager
İsmail Bütün	Support Services and Procurement Management Assistant General Manager
Mustafa Eser	Consumer Sales Assistant General Manager
Ali Gürsoy	Corporate Sales Assistant General Manager
Barış Karakullukçu	Head of Enterprise Risk and Business Continuity
Yusuf Kıraç	Strategy, Planning and Digital Assistant General Manager
Yavuz Türkmen	Technology Assistant General Manager
Mehmet Emre Vural	Head of Internal Audit
Uğur Nabi Yalçın	Human Resources Assistant General Manager
Yavuz Yıldırım	Legal and Regulation Assistant General Manager
	Wholesale Assistant General Manager

### 3. SIGNIFICANT BOARD RESOLUTIONS

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

### 4. PERSONNEL MOVEMENTS

Consolidated headcount as of the 31.03.2020 and 31.12.2019 are 32,499 and 32,180 respectively.

### 5. FINANCIAL RISK MANAGEMENT

The Türk Telekom Group is exposed to financial risks such as liquidity risk, currency risk, interest rate risk and counterparty risk.

Within the framework of the strategy to minimize liquidity risk, financing is raised from different regions (The Americas, Europe, the Gulf, Japan, China, and Turkey) and a diversified pool of investor groups (commercial banks, international financial institutions, official export credit agencies and bonds) with long-term maturities. This strategy allows the Group to have access to long-term financing on competitive terms, by eliminating any dependence on a single geographical region and investor group.

With regard to the Eurobonds issued by Türk Telekom, the Group actively monitors the price and yield dynamics of these bonds, which are tradable instruments in the secondary markets, in order to formulate optimum cash management strategies on a total return and cost basis.

As a result of long-term credit terms for investments and diversified funding sources, Türk Telekom carries liabilities in foreign currency. Due to the net liabilities being denominated in foreign currency

and the fluctuations in foreign exchange rates, the company may be exposed to currency risk, which may have an impact on its financial statements.

By planning foreign currency cash flow, Türk Telekom can minimize the negative impact of currency risk on its financial statements. With respect to the fluctuations in the value of the TL against hard currencies, the Group initiated a long-term hedging strategy in 2015, and in this framework, the Company has a hedge position of USD 2 billion, details of which are provided in the footnotes to its financial statements. In addition, Türk Telekom holds a significant portion of its cash assets in hard currency as a natural hedge against currency risk. Efforts continue to convert the supply contracts into TL to manage the currency risk driven by investment expenses. While 88% of the total value of major supply contracts concluded in 2016 was in foreign currency, only 32% of the total value of the contracts signed in 2019 was in foreign currency.

In addition to the aforementioned derivative instruments, for management of the interest rate risk, Türk Telekom entered an interest-rate swap position equivalent to USD 450 million, details of which are provided in the footnotes to the financial statements. Together with the use of fixed interest funds such as bonds, Türk Telekom reduces its exposure to the floating interest rate risk.

With regard to its financial assets, Türk Telekom maintains a position to minimize counterparty risk in accordance with the framework of the limits and diversification policy applied to the other parties. Türk Telekom carries out the hedge transactions regarding financial risks within the framework of the guidance and authorizations set by the Board of Directors.

## **6. MATERIAL ISSUES DURING THE PERIOD**

### 10 January 2020 dated Regulatory Disclosure – Notification Regarding Issue Limit - CMB approval of the domestic debt securities issuance certificate

Within the scope of our regulatory disclosure dated on October 2, 2019; our application to Capital Markets Board (CMB) regarding the issuance of Turkish Lira denominated debt instrument(s) in the form of bonds and / or bills not exceeding TL 1,000,000,000 (one billion Turkish Lira) in total, within the domestic market to be sold to qualified investors without public offering, in single or multiple tranches, with different maturities up to maximum 5 (five) years, has been approved and announced via CMB's bulletin dated 09.01.2020.

### 13 January 2020 dated Regulatory Disclosure – Notification Regarding Issue Limit - CMB approval of the domestic debt securities issuance certificate

Within the scope of our regulatory disclosure dated on October 2, 2019; our application to Capital Markets Board regarding the issuance of Turkish Lira denominated debt instrument(s) in the form of bonds and / or bills not exceeding TL 1,000,000,000 (one billion Turkish Lira) in total, within the domestic market to be sold to qualified investors without public offering, in single or multiple tranches, with different maturities up to maximum 5 (five) years, has been approved by the Capital Markets Board by on 09.01.2020, with decision number 4/55. The application form, issuance certificate and its annex are attached.

### 27 January 2020 dated Regulatory Disclosure 2019 4th Quarter Financial Calendar

Our Company's financial reports for 01.01.2019 – 31.12.2019 accounting period are planned to be disclosed to public on 12.02.2020.

### 12 February 2020 dated Regulatory Disclosure - Guidance for 2020 Consolidated Financial Results

Under current circumstances, guidance for 2020 is as below:

- Consolidated revenue growth (excluding IFRIC 12) to be around 14% over 2019
- Consolidated EBITDA to be around TL 12.4 billion level
- Consolidated CAPEX to be around TL 5.8 billion level

29 February 2020 dated Regulatory Disclosure – 2019 Annual Report  
Our Company's 01/01/2019 - 31/12/2019 period Annual Report is announced.

03 March 2020 dated Regulatory Disclosure - Board of Directors' Resolution for Profit Distribution

As the leader integrated telecommunications company of Turkey, Türk Telekom continue its activities to deliver its strategic targets, to carry out its investments to sustain its technological leadership and at the same time to further strengthen its balance sheet. By taking into consideration these priorities, the Board of Directors proposed that the profit for the fiscal year 2019 be distributed as follows.

It has been resolved, to be decided on our Company's Ordinary General Assembly Meeting pertaining to the fiscal year 2019, that;

1. The 2018 fiscal year's loss under our Company's legal records, amounting of TL 1,974,932,690.14, shall be deducted from the prior fiscal years' profits which have been allocated from net profits between the fiscal years of 2016 and 2017 and which includes no exemption of income. (TL 1,236,552,902.19 shall be deducted from 2017 year profit, TL 738,379,787.95 shall be deducted from 2016 year profit)
2. Our Company's net profit calculated according the independently audited consolidated financial tables prepared in accordance with the provisions of "Capital Markets Board Communiqué About Financial Reporting in Capital Markets No.II-14.1" is TL 2,406,783,000 and the commercial profit calculated within the scope of the provisions of Turkish Commercial Code and Tax Procedure Law is TL 895,744,275.06, for the fiscal year of 2019.
3. Pursuant to the CMB Communiqué on Dividends No: II-19.1, the profit after tax amount of TL 2,406,783,000 shall be the base amount for dividend distribution.
4. Since our Company already reached the general legal reserve limit in accordance with Article 519 of Turkish Commercial Code, this reserve is not required for 2019;
5. The base for the first dividend shall be TL 2,443,250,085.41 (Pursuant to the Capital Markets Board regulations, this amount is calculated by adding the donation amount in 2019, which is TL 36,467,085.41 to the net distributable profit of 2019, which is TL 2,406,783,000)
6. Accordingly,
  - a. TL 488,650,017.08 which corresponds to the 20% of TL 2,443,250,085.41 (the first dividend base) shall be distributed to the shareholders as first cash dividend;
  - b. TL 714,369,982.92 shall be distributed to the shareholders as second cash dividend;
  - c. the general legal reserves of TL 102,802,000 (calculated as 1/10 of the "profits to be distributed" after 5% of paid in capital is deducted from it pursuant to the CMB regulations) shall be set aside from the remaining part of the net distributable profit;
  - d. TL 1,100,961,000 which is the remaining of the 2019 year's distributable profit after the cash dividend distribution shall be regarded as prior year's profit and set aside within the Company, in case the amount which is set aside as 2019 fiscal year's profit is subject to redistribution, the withholding tax deductions shall be applicable on such amount.

As a result;

- e. A total gross amount of TL 1,203,020,000 which corresponds to approximately 50% of our Company's net distributable profit pertaining to year 2019 shall be distributed from the profit



which is stated as prior years' profit under legal records, the withholding tax deductions shall be applicable within the scope of relevant regulations on the distribution date.

- f. 0.34372 Kuruş (34.37%) gross cash dividend per each share worth for 1 Kuruş nominally shall be distributed to our shareholders and total gross cash dividend distribution amount shall be TL 1,203,020,000.

7. The distribution of the cash dividends to our shareholders shall begin on 01/06/2020.

#### 03 March 2020 dated Regulatory Disclosure - 2019 Ordinary General Assembly Meeting

Our Board of Directors has resolved that our Company's Ordinary General Assembly Meeting for the year 2019 shall be held at the address of Türk Telekomünikasyon A.Ş. Head Quarters The Cultural Center, Turgut Özal Bulvarı 06103 Aydınlikevler, Ankara and by electronic means on 31.03.2020 at 11:00 a.m. and in order to discuss the attached agenda items. Agenda, invitation letter, proxy sample and information note for the 2019 ordinary general assembly meeting are attached.

#### 05 March 2020 dated Regulatory Disclosure - Agreement between "Türk Telekomünikasyon A.Ş" and "Galatasaray Spor Kulübü Derneği / Galatasaray Sportif Sinai ve Tic. Yat. A.Ş."

It is mutually agreed by the related parties that duration of the ongoing royalty rights agreement between our Company and "Galatasaray Spor Kulübü Derneği and Galatasaray Sportif Sinai ve Tic. Yat. A.Ş." with the purpose of marketing, advertisement and promotion activities will cover the 2020-2021 football season and will end at the end of 2020-2021 football season. In accordance with this agreement our Company will pay TL 30 million for the 2020-2021 season.

Until the ongoing commercial negotiations between the parties mentioned in this disclosure in relation to the subject of the agreement were concluded, in order to ensure that the legitimate interests of our Company and our investors are protected, the disclosure of insider information was decided to be postponed pursuant to Article 6 of the Material Events Disclosure Communiqué numbered II-15.1 by the Capital Markets Board (CMB). This disclosure is made pursuant to the relevant legislations, based on the fact that the reasons for postponement have been removed.

#### 05 March 2020 dated Regulatory Disclosure - 2019 Ordinary General Assembly Meeting - Information Note Update

Our Board of Directors has resolved that our Company's Ordinary General Assembly Meeting for the year 2019 shall be held at the address of Türk Telekomünikasyon A.Ş. Head Quarters The Cultural Center, Turgut Özal Bulvarı 06103 Aydınlikevler, Ankara and by electronic means on 31.03.2020 at 11:00 a.m. and in order to discuss the attached agenda items.

In this announcement, information note for the Ordinary General Assembly Meeting is updated in addition to previously announced agenda, invitation letter and proxy sample.

#### 05 March 2020 dated Regulatory Disclosure – Appointment of Independent Audit Firm

As per the decision of Audit Committee according to the corporate governance principle no 4.5.9 of Corporate Governance Communiqué of Capital Markets Board, our Company's Board of Directors has resolved pursuant to Article 399 of Turkish Commercial Code and the article 17/A of our Company's Articles of Association that the signature of an independent audit agreement with KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. for the audit of our Company's accounting period of 2020, shall be submitted to the approval of shareholders at the Ordinary General Assembly Meeting.

#### 30 March 2020 dated Regulatory Disclosure – Cancellation of Ordinary General Assembly Meeting

Pursuant to decision of our Company's Board of Directors dated 30 March 2020, 2019 Ordinary General Assembly Meeting to be held on 31 March 2020 has been cancelled to be made at a later date, within the framework of the recommendations for the measures to be taken to prevent the spread of the COVID-19 (Coronavirus) pandemic in our country.

## 7. MATERIAL ISSUES AFTER THE END OF THE PERIOD

### 16 April 2020 dated Regulatory Disclosure – Organizational Changes

Mustafa Eser, who serves as the “Public Sales Director” in our Company, has been appointed as the “Assistant General Manager of Corporate Sales”.

Our Company’s “Assistant General Manager of Consumer Sales” Burak Ersoy has left his position. İsmail Bütün, who serves as “Assistant General Manager of Commercial Operations” in our Group Company TT International, has been appointed as “Assistant General Manager of Consumer Sales” effective as of May 1, 2020.

#### Mustafa Eser

Mustafa Eser graduated from the Department of Physics of Hacettepe University in 1996. Between 1996 and 1998, he conducted his master’s degree studies at the University of Cologne and Heinrich Heine University in Düsseldorf. Since 1998, he has been taking part in Information and Education sectors as an entrepreneur and a manager. Between 2007 and 2014, he worked at Türksat A.Ş as Director. Between 2014 and 2017, he worked as the Manager responsible from Public Sector Relations and Regulation at Digitürk. Since May 2017, he has served as the Public Sales Director at Türk Telekom. Furthermore, he is the president of the basketball branch of Türk Telekom Sports Club. Mustafa Eser is married and has three children.

#### İsmail Bütün

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

In January 2016, he joined Turkcell as Senior Vice President of Retail Sales responsible from consumer sales and was also appointed as an Executive Committee Member. Between July 2016 and January 2019, he served as the Chief Marketing Officer and Executive Committee Member. In January 2020, Mr. Bütün joined Türk Telekom International as Chief Commercial Officer.

He completed “New Frontiers” Program’ at MIT (Massachusetts Institute of Technology) in 2017; and “Innovative Marketing for Strategic Advantage’ program at Stanford University in 2018.

### 17 April 2020 dated Regulatory Disclosure – 2020 1st Quarter Financial Calendar

Our Company's financial reports for 01.01.2020 – 31.03.2020 accounting period are planned to be disclosed to public on 13.05.2020.

## 8. SUMMARY FINANCIAL RESULTS

### Summary Türk Telekom Consolidated Balance Sheet as of 31.12.2019 and 31.03.2020

TL millions	31.12.2019	31.03.2020
Cash and Cash Equivalents	4,946	6,484
Tangible Assets <sup>(a)</sup>	14,727	14,582
Intangible Assets	10,328	10,413
Right of Use Assets	1,366	1,454
Other Assets <sup>(b)</sup>	8,543	9,343
<b>Total Assets</b>	<b>39,909</b>	<b>42,276</b>
Share Capital	3,260	3,260
Reserves, Retained Earnings and Other Equity Items	6,183	6,688
Interest Bearing Liabilities <sup>(c)</sup>	20,783	22,932
<i>Bank Borrowings and Bonds</i>	19,642	21,688
<i>Lease Liabilities</i>	1,141	1,243
Other Liabilities <sup>(d)</sup>	9,683	9,396
<b>Total Equity and Liabilities</b>	<b>39,909</b>	<b>42,276</b>

(a) Tangible assets include property, plant and equipment and investment property

(b) Major items within other assets are trade receivables, due from related parties, inventories, deferred tax asset and other current assets

(c) Includes short-term and long-term borrowings and lease obligations

(d) Major items within other liabilities are deferred tax liability, trade payables, provisions, income tax payable, due to related parties, other current liabilities, provisions for employee termination benefits

#### IFRS 16 Adoption

Türk Telekom adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. At transition to this standard, lease liabilities were measured at the present value of the remaining lease payments, whereas the right-of-use assets for most leases were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. The previous periods were not restated. Reconciliation of IFRS 16 change on 2019 quarterly financials are available at financial footnotes and IFRS 16 Reconciliation tab of "Summary Financial and Operational Information" file at [www.ttinvestorrelations.com](http://www.ttinvestorrelations.com).

## Summary Türk Telekom Consolidated Income Statement for the periods of 2019 Q1 and 2020 Q1

TL millions	2019 Q1	2020 Q1
<b>Revenues</b>	<b>5,403</b>	<b>6,303</b>
<b>EBITDA</b>	<b>2,655</b>	<b>2,977</b>
<i>Margin</i>	<i>49.1%</i>	<i>47.2%</i>
<b>Operating Profit <sup>(a)</sup></b>	<b>1,491</b>	<b>1,704</b>
<i>Margin</i>	<i>27.6%</i>	<i>27.0%</i>
<b>Financial Income/(Expense), net<sup>(b)</sup></b>	<b>-1,276</b>	<b>-870</b>
FX & Hedging Gain/(Loss), net	-825	-294
Interest Income/(Expense), net	-370	-561
Other Financial Income/(Expense), net	-81	-15
<b>Tax Expense</b>	<b>95</b>	<b>-173</b>
<b>Net Income</b>	<b>310</b>	<b>661</b>
<i>Margin</i>	<i>5.7%</i>	<i>10.5%</i>

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

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

## 9. SUBSEQUENT EVENTS

The Covid-19 outbreak that is declared by the World Health Organisation to be pandemic on 11 March 2020 spread across the globe and our country and preventive actions that have been taken into place to respond the outbreak and causes disruptions to business activities in all countries and affect the economic conditions adversely both locally and globally. The Group does not expect that the economic effect of this outbreak will have significant impact on the consolidated financial position or performance of the Group which could impact recoverability of its assets according to the assessments as of the reporting date. Group Management is continuing to assess the future potential impact on the operations and financial statements of the Group resulting from the aforementioned situation.

“Provisional Article 13” is added to the Turkish Commercial Code numbered 6102 with the Law on Reducing the Effects of the New Coronavirus (COVID-19) Outbreak on Economic and Social Life and Law Amending Some Laws numbered 7244 published in the Official Gazette dated 17 April 2020 and numbered 31102.

In accordance with the provisional article, it is decreed for companies that, only 25% of net profit for the year 2019 could be paid until 30 September 2020, retained earnings and free reserves would not be distributed and general assembly would not authorise the board of directors to pay any advance dividends. The duration of these limitations and restrictions may be extended or shortened for three months by the decision of the President. Ministry of Trade is authorised to determine the exceptions on the provisional article for the companies by consulting with the Ministry of Treasury and Finance. Since this regulation is effective on the date of, excluding exceptions determined by the Ministry of Trade’s, companies shall comply with this provision for the dividend distribution decisions and to determine the dividend amount to be distributed.