



TURKCELL İLETİSİM HİZMETLERİ

FULL YEAR 2023 RESULTS

**ACHIEVING DOUBLE-DIGIT REAL GROWTH;
GUIDANCE EXCEEDED**



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- Please note that all financial data is consolidated and comprises that of Turkcell İletişim Hizmetleri A.Ş. (the “Company”, or “Turkcell”) and its subsidiaries and associates (together referred to as the “Group”), unless otherwise stated.
- We have four reporting segments:
 - “Turkcell Türkiye” which comprises our telecom, digital services and digital business services related businesses in Türkiye (as used in our previous releases in periods prior to Q115, this term covered only the mobile businesses). All non-financial data presented in this press release is unconsolidated and comprises Turkcell Türkiye only figures, unless otherwise stated. The terms “we”, “us”, and “our” in this press release refer only to Turkcell Türkiye, except in discussions of financial data, where such terms refer to the Group, and except where context otherwise requires.
 - “Turkcell International” which comprises all of our telecom and digital services-related businesses outside of Türkiye (BeST and KKTCELL).
 - As of December 31, 2023, Lifecell, UkrTower, and Global LLC have been classified as a disposal group held for sale and as a discontinued operation. Discontinued operations in Ukraine include Lifecell LLC, LLC Global Bilgi, and LLC Ukrtower.
 - “Techfin” which comprises all of our financial services businesses.
 - “Other” which mainly comprises our non-group call center and energy businesses, retail channel operations, smart devices management and consumer electronics sales through digital channels and intersegment eliminations.
- This press release provides a year-on-year comparison of our key indicators and figures in parentheses following the operational and financial results for December 31, 2023 refer to the same item as at December 31, 2022. For further details, please refer to our consolidated financial statements and notes as at and for December 31, 2023, which can be accessed via our website in the investor relations section (www.turkcell.com.tr).
- Selected financial information presented in this press release for the full year of 2022, and 2023 is based on IFRS figures in TRY terms unless otherwise stated.
- In the tables used in this press release totals may not foot due to rounding differences. The same applies to the calculations in the text.
- Year-on-year percentage comparisons appearing in this press release reflect mathematical calculation.

**NOTICE**

This press release contains the Company's financial information for the year ended December 31, 2023 prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and includes certain financial information prepared in accordance with Turkish Accounting Standards ("TAS") / Turkish Financial Reporting Standards ("TFRS"). This press release contains the Company's financial information prepared in accordance with International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies ("IAS29"). This release includes forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, Section 21E of the U.S. Securities Exchange Act of 1934 and the Safe Harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. This includes, in particular, our targets for revenue, EBITDA margin and operational capex for 2024. In establishing such guidance and outlooks, the Company has used a certain number of assumptions regarding factors beyond its control in relation to macro-economic indicators such as expected inflation levels. Notwithstanding such guidance, outlooks and expectations, there is still uncertainty as to whether our assumptions, guidance, outlooks and expectations will be achieved, including based on the other assumptions outlined herein. More generally, all statements other than statements of historical facts included in this press release, including, without limitation, certain statements regarding the launch of new businesses, our operations, financial position and business strategy may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as, among others, "will," "expect," "intend," "estimate," "believe," "continue" and "guidance."

Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. In addition, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Many factors could cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by forward-looking statements. Should one or more of these risks or uncertainties materialize, or underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, intended, planned or projected.

These forward-looking statements are based upon a number of assumptions and other important factors that could cause our actual results, performance or achievements to differ materially from our future results, performance or achievements expressed or implied by such forward-looking statements. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. For a discussion of certain factors that may affect the outcome of such forward looking statements, see our Annual Report on Form 20-F for 2022 filed with the U.S. Securities and Exchange Commission, and in particular the risk factor section therein. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release. All forward-looking statements in this press release are based on information currently available to the Company and we undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The Company makes no representation as to the accuracy or completeness of the information contained in this press release, which remains subject to verification, completion and change. No responsibility or liability is or will be accepted by the Company or any of its subsidiaries, board members, officers, employees or agents as to or in relation to the accuracy or completeness of the information contained in this press release or any other written or oral information made available to any interested party or its advisers.

**FINANCIAL HIGHLIGHTS**

TRY million	FY22	FY23	y/y%
Revenue	93,487	107,116	14.6%
EBITDA ¹	36,608	43,877	19.9%
EBITDA Margin (%)	39.2%	41.0%	1.8pp
EBIT ²	4,012	12,578	213.5%
EBIT Margin (%)	4.3%	11.7%	7.4pp
Net Income	6,880	12,554	82.5%

FULL YEAR HIGHLIGHTS

- Strong financial performance:
 - Group revenues up 14.6% supported mainly by accelerated ARPU growth and strong mobile postpaid subscriber net add performance. Our digital services and techfin business also contributed to overall revenue growth.
 - EBITDA up 19.9% leading to an EBITDA margin of 41.0%; EBIT up 213.5% resulting in an EBIT margin of 11.7%
 - Net income up 82.5% to TRY12.6 billion
 - Strong free cash flow³ generation of TRY7.3 billion; net leverage⁴ level at 0.5x; net long FX position of US\$22 million
- Solid operational momentum:
 - Turkcell Türkiye subscriber base⁵ up by 799 thousand net additions
 - 1.6 million mobile postpaid net additions
 - 173 thousand fixed subscriber net additions; 169 thousand fiber net additions
 - 5.8 million total homepasses; 386 thousand new fiber homepasses
 - Mobile ARPU⁶ growth of 18.4%; residential fiber ARPU growth of 0.7%
- 2024 guidance⁷; revenue growth target of high-single-digit, EBITDA margin target of around 42%, and operational capex over sales ratio⁸ target of around 23%

(1) EBITDA is a non-GAAP financial measure. See page 16 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.

(2) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

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

(4) 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.

(5) Including mobile, fixed broadband, IPTV, and wholesale (MVNO&FVNO) subscribers

(6) Excluding M2M

(7) The guidance for the year 2024 includes the effects of implementing inflation accounting in accordance with IAS 29. Our 2024 guidance has been established using a certain number of assumptions regarding factors beyond our control, including in relation to macroeconomic indicators such as expected inflation levels. In particular, our 2024 guidance is based on an assumed annual inflation rate of 37%, applied on a monthly basis. 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 2022 filed with the U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

(8) Excluding license fee

For further details, please refer to our consolidated financial statements and notes as at December 31, 2023 via our website in the Investor Relations section (www.turkcell.com.tr).

**COMMENTS BY CEO, ALİ TAHA KOÇ, PhD**

2023 was a year in which Türkiye's agenda was shaped by the February earthquake that came to be known as the disaster of the century, the general election period, and challenging macroeconomic conditions. Globally, the main impacts came from decelerated growth due to central banks' continued tightening policies, ongoing wars creating humanitarian crises, and the effects of climate change. Despite these challenges, I am proud to share with you our determination to further strengthen Türkiye's pioneering position on the journey of digital transformation.

During this time, we continued to enhance our technological infrastructure, know-how, and capabilities to provide our customers with a seamless and high-quality communication experience. We aim to develop new strategies to increase Türkiye's digital access and make technology more inclusive. With our projects supporting digital transformation in various fields, from education and healthcare to business and social life, as Türkiye's Turkcell, we continue to invest in the development of the technology sector and the future of our country.

Yet another year highlighted by prominent achievements...

We completed the year 2023 with a performance that exceeded our expectations. In 2023, according to inflation accounting practices*, our consolidated revenues rose 14.6% to TRY107.1 billion, thanks to the expanding subscriber base, sequential price adjustments, and contributions from our techfin business and digital services. Consolidated EBITDA¹ rose by 19.9% to TRY43.9 billion, with an EBITDA margin of 41.0%. Meanwhile, net income increased by 82.5% year-on-year to TRY12.6 billion.

In 2023, while maintaining our leadership in the mobile segment, we remain committed to our rational pricing strategy, despite the aggressive short-term campaigns of our competitors. This approach enabled us to maintain our dynamic position in the industry. Moreover, thanks to our customer-oriented strategy, innovative and comprehensive offerings, large sales network strengthened by digital channels, and best-in-class infrastructure, we had 799 thousand net subscriber additions. This year, we maintained our focus on postpaid subscribers, ensuring a higher revenue growth contribution, and gained a net 1.6 million subscribers. On the fixed broadband side, while focusing on penetration with our fiber product, we also remained focused on revenue growth. By extending our end-to-end fiber service to an additional 386 thousand home passes in 2023, the total number of households reached rose to 5.8 million. Our fiber subscribers reached 2.3 million.

Our strategic focus areas continue to support growth

We continued our digital service portfolio activities, comprising significant brands such as BiP, TV+, lifebox, fizy, GAME+, and digital advertising. In 2023, the number of stand-alone paid users² enjoying our digital services increased by 9% year-on-year to 5.6 million.

In 2023, Digital Business Services remained the primary supporter of corporate customers on their digital transformation journey. In addition to end-to-end tailored digitalization services, data centers and cloud services were the key contributors to revenue growth. We have completed over 3,500 projects in system integration and managed services to date; the backlog from system integration projects has reached TRY3.1 billion. In the digital data era, we consider the ownership of data, the raw material of industrial transformation, remaining in our country to be an important initiative. To keep Türkiye's data within the country, we are committed to retaining our leadership position in the data center market. We intend to further bolster our investments, having already allocated EUR330 million since inception.



Our techfin services, Financell³ and Paycell, continued their operations successfully in 2023. Financell, continuing to diversify its product portfolio according to the financing needs of individual and corporate customers, had reached a credit portfolio of TRY6.2 billion by the end of 2023. Paycell, with its extensive product portfolio that provides fast and secure payment solutions, had reached 8.0 million users by the end of 2023. While the "Pay Later" service, which constitutes a significant portion of Paycell's revenues, remains the key vertical driving growth, POS solutions, which have been rapidly expanding since the last quarter of the previous year, have also supported Paycell's growth.

We are shaping the future with our sustainability vision

As per our sustainability strategy, we aim to positively impact our environment, society, business, and planet in all our endeavors. Therefore, as a leading company in the technology and telecommunications sector, we integrate sustainability into our business strategy and operations. In this context, we don't just consider our investment in renewable energy an environmentally friendly step but also an essential element in managing our energy needs. In addition to our wind energy power plant, our solar energy plant projects, which will have an installed capacity of 300 MW, along with greenfield and rooftop solar power installations, we are confidently moving towards a future where we expect to meet 65% of our energy needs from our renewable energy sources in 2026. This brings us one step closer to our goal of achieving net zero emissions by 2050. These investments enhance our environmental sustainability while making our business model more competitive and sustainable.

In addition to these efforts, as Turkcell, we greatly emphasize social investment projects to ensure equal opportunities for all segments of our society, utilizing the inclusive power of digitalization. We carry out projects that prioritize social benefit, promote digital literacy, raise awareness about the conscious use of technology, and enable participation in various aspects of life for many groups, from children to young people and from the elderly to individuals with disabilities.

While supporting environmental sustainability with our renewable energy investments, we aim to add value to all institutions and businesses through digital transformation. This dual approach brings us closer to our goal of becoming a net-zero company and strengthens the social integration and inclusivity of technology. In the coming periods, through the steps we will take towards environmental and social sustainability, we believe that as Turkcell, the leading telecommunication and technology company, we will shape Türkiye's Digital Century.

Turkcell means Technology

Meanwhile, our approach to artificial intelligence technologies strikes a delicate balance between fostering innovation and prioritizing societal benefit. We are fully confident that, in line with this strategy, we will play a critical role in shaping the future. As Turkcell, we effectively integrate artificial intelligence solutions into every aspect of our operations while ensuring the ethical use of AI in our actions. The chatbot that we have developed, supporting around 200 thousand customers per day, provides a tangible example of how these technologies can be implemented in business models. Additionally, we have AI-supported recommendation systems on our fizy and TV+ platforms, enhancing our capacity to provide content tailored to users' preferences. Furthermore, Turkcell's artificial intelligence team has played a significant role in developing the 'In-Car Face Detection, Recognition, and Analysis System' for Türkiye's domestic pride, Togg, the Turkish EV. These projects epitomize how technology transforms our business processes and contributes to social benefit.

We aim to elevate Turkcell's strongest and most significant capability, the best-in-class mobile and fixed network infrastructure, to the next level, focusing on increasing FTTS (Fiber to the Site) and modernizing through GPON (Gigabit Passive Optical Network) in the upcoming period. We continue to take determined steps towards being



the best in the technologies of 5G and beyond. In this context, alongside our network preparations, we are increasing R&D collaboration with our business partners.

In 2024, we expect⁴ high-single-digit growth in Group revenues, an EBITDA margin of around 42%, and the operational capex over sales ratio⁵ of around 23%.

In the upcoming periods, our determination to carry Turkcell and our country to a brighter future with a focus on innovation and our spirit of excellence will continue uninterrupted, positioning Turkcell as the pioneer of Türkiye's Digital Century.

I express my gratitude to our Board of Directors, colleagues, customers, and shareholders who have been by my side throughout this successful journey. Together, I am fully confident that we will achieve further success.

(1) EBITDA is a non-GAAP financial measure. See page 16 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income

(2) Including IPTV, OTT TV, fizy, lifebox and GAME+

(3) Following the change in organizational structure, the revenues of Turkcell Sigorta Aracılık Hizmetleri A.Ş. (Insurance Agency), which was previously managed under Financell, have are now classified as "Other" in the Techfin segment as of the first quarter of 2023. Within this scope, all past data has been revised for comparability purposes.

(4) The guidance for the year 2024 includes the effects of implementing inflation accounting in accordance with IAS 29. Our 2024 guidance has been established using a certain number of assumptions regarding factors beyond our control, including in relation to macroeconomic indicators such as expected inflation levels. In particular, our 2024 guidance is based on an assumed annual inflation rate of 37%, applied on a monthly basis. 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 2022 filed with the U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

(5) Excluding license fee

*International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies ("IAS29")



FINANCIAL AND OPERATIONAL REVIEW OF FULL YEAR

Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Year		
	FY22	FY23	y/y%
Revenue	93,486.8	107,116.2	14.6%
Cost of revenue ¹	(49,084.9)	(53,119.0)	8.2%
Cost of revenue¹/Revenue	(52.5%)	(49.6%)	2.9pp
Gross Margin¹	47.5%	50.4%	2.9pp
Administrative expenses	(2,579.4)	(3,429.5)	33.0%
Administrative expenses/Revenue	(2.8%)	(3.2%)	(0.4pp)
Selling and marketing expenses	(4,592.8)	(5,682.3)	23.7%
Selling and marketing expenses/Revenue	(4.9%)	(5.3%)	(0.4pp)
Net impairment losses on financial and contract assets	(622.0)	(1,008.2)	62.1%
EBITDA²	36,607.7	43,877.1	19.9%
EBITDA Margin	39.2%	41.0%	1.8pp
Depreciation and amortization	(32,596.0)	(31,299.0)	(4.0%)
EBIT³	4,011.7	12,578.1	213.5%
EBIT Margin	4.3%	11.7%	7.4pp
Net finance income / (costs)	(224.4)	(3,451.1)	1,437.9%
Finance income	3,957.7	12,663.7	220.0%
Finance costs	(11,949.2)	(19,931.6)	66.8%
Monetary gain / (loss)	7,767.1	3,816.9	(50.9%)
Other income / (expenses)	(1,058.4)	(4,765.6)	350.3%
Non-controlling interests	1.6	21.8	1,262.5%
Share of profit of equity accounted investees	522.2	1,525.2	192.1%
Income tax expense	2,785.3	4,675.9	67.9%
Profit /(loss) from discontinued operations	842.4	1,969.7	133.8%
Net Income	6,880.4	12,554.0	82.5%

(1) Excluding depreciation and amortization expenses.

(2) EBITDA is a non-GAAP financial measure. See page 16 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.

(3) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.

Revenue of the Group grew by 14.6% year-on-year in FY23. This growth is attributable to the expanding customer base of Turkcell Türkiye driven by the postpaid subscriber base, and price adjustments. Additionally, revenue growth was supported by our techfin business and digital services.

For the full year, Turkcell Türkiye revenues, comprising 86% of Group revenues, grew 18.0% to TRY91,953 million (TRY77,952 million).

- Consumer business rose⁴ 18.7% driven mainly by subscriber net additions both in mobile and fixed segments, price adjustments and upsell efforts.
- Corporate revenues⁴ rose 20.3% mainly supported by digital business services revenue growth of 23.0%.
- Standalone digital services revenues from consumer and corporate segments grew 19.4% driven mainly by an expanding standalone paid user base.

(4) Following the change in the organizational structure, the revenues from sole proprietorship subscribers that we define as Merchant, which were previously managed under the Corporate segment, are being reported under the Consumer segment as of and from the third quarter of 2023. Within this scope, past data has been revised for comparative purposes.



- Wholesale revenues grew 3.3% to TRY6,475 million (TRY6,269 million).

Turkcell International revenues (excl. Ukraine operations), comprising 2% of Group revenues decreased by 1.8% to TRY2,626 million (TRY2,673 million).

Techfin segment revenues, comprising 4% of Group revenues, increased by 28.9% to TRY4,569 million (TRY3,545 million). This was driven by a 28.6% rise in Paycell revenues and 27.7% growth in Financell revenues. Please refer to the Techfin section for details.

Other subsidiaries' revenues, at 7% of Group revenues, including mainly consumer electronics sales revenues, and non-group energy business revenues decreased by 14.5% to TRY7,969 million (TRY9,317 million).

Cost of revenue (excluding depreciation and amortization) decreased to 49.6% (52.5%) as a percentage of revenues for the full year of 2023. This was driven mainly by the decline in interconnection cost (1.9pp), energy cost (1.5pp), and cost of goods sold (1.5pp), despite the increase in personnel expenses (1.5pp), and other cost items (0.5pp) as a percentage of revenues for the full year.

Administrative expenses increased to 3.2% (2.8%) as a percentage of revenues for the full year. This was mainly due to increased personnel expenses.

Selling and marketing expenses increased to 5.3% (4.9%) as a percentage of revenues in FY23. This was driven by the increase in personnel expenses (0.7pp), despite the decline in marketing expenses (0.1pp) and other expenses (0.2pp) as a percentage of revenues in FY23.

Net impairment losses on financial and contract assets was at 0.9% (0.7%) as a percentage of revenues in FY23.

EBITDA¹ rose by 19.9% year-on-year in FY23 leading to an EBITDA margin of 41.0% with a 1.8pp improvement (39.2%).

- Turkcell Türkiye's EBITDA rose 24.1% to TRY40,663 million (TRY32,771 million) leading to an EBITDA margin of 44.2% (42.0%).
- Turkcell International (excl. Ukraine operations) EBITDA increased 9.2% to TRY973 million (TRY891 million) driving an EBITDA margin of 37.1% (33.3%) on 3.8pp improvement.
- Techfin segment EBITDA declined by 8.1% to TRY1,608 million (TRY1,750 million) with an EBITDA margin of 35.2% (49.3%). The key factor behind the year-on-year decline in EBITDA margin was the rise in funding cost for Financell compared to the previous year.
- The EBITDA of other subsidiaries declined by 47% to TRY633 million for the full year (TRY1,196 million).

Depreciation and amortization expenses decreased by 4.0% year-on-year for the full year.

Net finance costs increased to TRY3,451 million (TRY224 million) in FY23. This was driven mainly by higher FX losses which were partially offset by derivative gains, and the fair value gains registered on currency-protected time deposits. Additionally, higher interest expenses limited the positive impact.

See Appendix A for details of net foreign exchange gain and loss.

Other expenses increased to TRY4,766 million (TRY1,058 million) for the full year mainly due to donation and litigation expenses.

See Appendix A for details of net foreign exchange gain and loss.

Income tax expense: The income tax expense of TRY4,676 million (TRY2,785 million) was reported, mainly due to an increase in deferred income tax expense triggered by the implementation of inflationary accounting in statutory accounts.

Net income of the Group increased by 82.5% to TRY12.6 billion (TRY6.9 billion) in FY23. This resulted mainly from strong performance at the revenue and EBITDA levels and the positive impact of deferred income tax expense.

(1) EBITDA is a non-GAAP financial measure. See page 16 for the explanation of how we calculate adjusted EBITDA and its reconciliation to net income.



Total cash & debt: Consolidated cash as of December 31, 2023, increased to TRY49,979 million compared to TRY42,776 million as of December 31, 2022. This was driven mainly by the positive impact of currency movements. Excluding FX swap transactions, 53% of our cash is in US\$, 20% in EUR, 2% CNY, and 25% in TRY.

Consolidated debt as of December 31, 2023, decreased to TRY84,084 million from TRY88,737 million as of December 31, 2022 due mainly to the impact of currency movements. Please note that TRY2,428 million of our consolidated debt is comprised of lease obligations. Please note that 45% of our consolidated debt is in US\$, 32% in EUR, 3% in CNY, 1% in BYN, and 20% in TRY.

Net debt¹ as of December 31, 2023, was at TRY23,803 million with a net debt to EBITDA ratio of 0.5x times.

Turkcell Group had a long FX position of US\$22 million at the end of the year (Please note that this figure takes hedging portfolio and advance payments into account). The long FX position of US\$22 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 TRY33,950 million in FY23.

For the full year, operational capital expenditures (excluding license fees) at the Group level were at 20.0% of total revenues.

Capital expenditures (million TRY)	Year	
	FY22 ²	FY23 ³
Operational Capex	19,533.1	21,430.3
License and Related Costs	536.8	3,632.9
Non-operational Capex (Including IFRS15 & IFRS16)	9,815.8	8,886.9
Total Capex	29,885.6	33,950.0

The actual impact of the earthquakes was in line with our initial assessment, which we have communicated in our Q422 results.

(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.

(2) Including Ukraine operations

(3) Excluding Ukraine operations



Operational Review of Turkcell Türkiye

Summary of Operational Data	Year		
	FY22	FY23	y/y %
Number of subscribers¹ (million)	41.7	42.5	1.9%
Mobile Postpaid (million)	25.6	27.2	6.3%
<i>Mobile M2M</i> (million)	4.0	4.5	12.5%
Mobile Prepaid (million)	12.0	10.8	(10.0%)
Fiber (thousand)	2,121.8	2,291.0	8.0%
ADSL (thousand)	751.4	760.7	1.2%
Superbox (thousand) ²	670.7	719.9	7.3%
Cable (thousand)	43.9	38.5	(12.3%)
IPTV (thousand)	1,281.7	1,409.2	9.9%
Churn (%)³			
Mobile Churn (%)	2.0%	2.0%	-
Fixed Churn (%)	1.4%	1.5%	0.1pp
ARPU (Average Monthly Revenue per User) (TRY)			
Mobile ARPU, blended	133.5	155.6	16.6%
Mobile ARPU, blended (excluding M2M)	146.9	174.0	18.4%
Postpaid	161.6	181.7	12.4%
Postpaid (excluding M2M)	187.7	214.7	14.4%
Prepaid	77.0	96.0	24.7%
Fixed Residential ARPU, blended	190.0	190.0	-
Residential Fiber ARPU	190.8	192.1	0.7%
Average mobile data usage per user (GB/user)	14.7	17.0	15.6%

(1) Including mobile, fixed broadband, IPTV, and wholesale (MVNO&FVNO) subscribers

(2) Superbox subscribers are included in mobile subscribers.

(3) Churn figures represent average monthly churn figures for the respective years.

Turkcell Türkiye subscriber base grew by 799 thousand net additions in FY23 to 42.5 million. In addition, we have achieved 5.8 million net subscriber additions in the last 3 years thanks to our wide range of solutions tailored to customer preferences, our pioneering campaigns designed to simplify their lives, our superior infrastructure, a unique customer experience and our analytical capabilities.

On the mobile front, our subscriber base expanded to 38.0 million on 493 thousand net annual additions in FY23. This was driven by 1.6 million net additions from the postpaid subscriber base, which reached 71.5% (68.1%) of total mobile subscribers. We had 476 thousand quarterly postpaid subscriber net additions in Q423. We experienced a net decline of 708 thousand in our prepaid subscriber base quarter-on-quarter, primarily attributed to the disconnection of 297 thousand inactive prepaid accounts over the quarter, as per our customer churn policy.

On the fixed front, we saw a net increase of 169 thousand fiber subscribers in FY23, attributable to our investments in fiber networks, and the robust demand for high-speed, and quality broadband services. Total fixed subscribers reached 3.1 million on 38 thousand quarterly and 173 thousand annual net additions. Meanwhile, IPTV customers exceeded 1.4 million on 34 thousand quarterly and 127 thousand annual net additions.

The average yearly mobile churn rate was at 2.0% and the fixed churn rate at 1.5% in FY23, both parallel to the long-term healthy level of 2%.



On an inflation adjusted basis, our mobile ARPU (excluding M2M) rose 18.4% year-on-year in FY23 driven mainly by price adjustments to reflect inflationary impacts and upsell to higher tariffs, as well as a larger postpaid subscriber base. Meanwhile, our residential fiber ARPU remained almost the same year-on-year in FY23.

Average monthly mobile data usage per user rose 15.6% year-on-year to 17.0 GB, with the increasing number and data consumption of 4.5G users in FY23. Accordingly, the average mobile data usage of 4.5G users reached 18.2 GB in FY23.

Total smartphone penetration on our network reached 90% in Q423. 94% of those smartphones were 4.5G compatible.

TURKCELL INTERNATIONAL

BeST ¹	Year		
	FY22	FY23	y/y%
Number of subscribers (million)	1.5	1.5	-
Active (3 months)	1.1	1.2	9.1%
Revenue (million BYN)	146.2	175.5	20.0%
EBITDA (million BYN)	44.2	80.2	81.4%
EBITDA margin (%)	30.2%	45.7%	15.5pp
Net loss (million BYN)	(124.8)	(10.8)	(91.3%)
Capex (million BYN)	81.4	77.1	(5.3%)
Revenue (million TRY)	1,542.3	1,390.3	(9.9%)
EBITDA (million TRY)	468.8	633.1	35.0%
EBITDA margin (%)	30.4%	45.5%	15.1pp
Net loss (million TRY)	(1,435.8)	(53.2)	(96.3%)

(1) BeST, in which we hold a 100% stake, has operated in Belarus since July 2008.

BeST revenues increased 20.0% year-on-year in local currency terms in FY23. This was mainly due to the data and outgoing voice revenues. BeST registered an EBITDA of BYN80.2 million in FY23, which led to an EBITDA margin of 45.7%. BeST's revenues in TRY terms decreased by 9.9% year-on-year in FY23 with an EBITDA margin of 45.5% on 15.1pp improvement on the back of lower interconnection cost.

BeST continued to offer LTE services to all six regions, encompassing 4.2 thousand sites. Extended LTE coverage allows BeST to increase the penetration of 4G subscribers. Accordingly, 4G users reached 82% of the 3-month active subscriber base, supporting mobile data consumption and digital services usage. Meanwhile, the average monthly data consumption of 4G subscribers rose 10% year-on-year to 20.2 GB.

Kuzey Kıbrıs Turkcell ² (million TRY)	Year		
	FY22	FY23	y/y%
Number of subscribers (million)	0.6	0.6	-
Revenue	905.1	1,090.0	20.4%
EBITDA	371.8	362.4	(2.5%)
EBITDA margin (%)	41.1%	33.2%	(7.9pp)
Net income	315.8	1,138.2	260.4%

(2) Kuzey Kıbrıs Turkcell, in which we hold a 100% stake, has operated in Northern Cyprus since 1999.

Kuzey Kıbrıs Turkcell revenues increased by 20.4% year-on-year for the full year, driven by higher data revenue. For the full year, the EBITDA of Kuzey Kıbrıs Turkcell decreased by 2.5%, yielding a 33.2% EBITDA margin. The EBITDA was negatively affected by personnel expenses.

**DISCONTINUED OPERATIONS – lifecell (Ukraine)**

lifecell ¹ Financial Data	Year		
	FY22	FY23	y/y%
Revenue (million UAH)	9,411.7	11,712.1	24.4%
EBITDA (million UAH)	5,446.5	6,808.9	25.0%
EBITDA margin (%)	57.9%	58.1%	0.2pp
Net income (million UAH)	972.3	2,567.7	164.1%
Capex (million UAH)	3,007.6	4,207.1	39.9%
Revenue (million TRY)	7,865.6	7,649.8	(2.7%)
EBITDA (million TRY)	4,553.3	4,434.5	(2.6%)
EBITDA margin (%)	57.9%	58.0%	0.1pp
Net income (million TRY)	800.0	1,707.8	113.5%

(1) Since July 10, 2015, we hold a 100% stake in lifecell. A share transfer agreement was signed on December 29, 2023 for the transfer of all shares, along with all rights and debts of Lifecell LLC. Discontinued operations in Ukraine include Lifecell LLC, LLC Global Bilgi, and LLC Ukrtower. The sale of the Ukrainian assets remains subject to the completion of closing conditions. The table presents the financial figures of Lifecell LLC only.

lifecell (Ukraine) revenues in local currency terms increased 24.4%, while its EBITDA rose 25.0% resulting in an EBITDA margin of 58.1% for the full year.

In TRY terms, lifecell's revenue declined by 2.7% with an EBITDA margin of 58.0% for the full year.

TECHFIN

Paycell Financial Data (million TRY)	Year		
	FY22	FY23	y/y%
Revenue	1,693.0	2,176.5	28.6%
EBITDA	761.7	925.5	21.5%
EBITDA Margin (%)	45.0%	42.5%	(2.5pp)
Net Income	167.0	51.6	(69.1%)

Paycell's revenue rose by 28.6% year-on-year for the full year. Paycell's EBITDA increased 21.5% year-on-year leading to an EBITDA margin of 42.5% in FY23. The mobile payment service "Pay Later," which constitutes a significant portion of Paycell's revenues, continues to be the main vertical for growth, while POS solutions, rapidly expanding since the last quarter of the previous year, have also supported Paycell's growth.

The quarterly transaction volume (non-group) of the Pay Later service exceeded TRY2 billion, which was utilized by 3-month active Pay Later users of 8.0 million in Q423. Meanwhile, the Paycell Card transaction volume increased 82% year-on-year to TRY5.0 billion in Q423. In addition, the transaction volume of POS solutions reached TRY7.3 billion in Q423. For the full year, the total transaction volume was TRY65.6 billion. Meanwhile, Paycell effectively sustained the growth of our Paycell Shopping Limit offering through our partnership with Financell, aiming to improve our customers' shopping journeys on top e-commerce platforms.



Financell ¹ Financial Data (million TRY)	Year		
	FY22	FY23	y/y%
Revenue	1,848.2	2,360.9	27.7%
EBITDA	1,011.4	807.8	(20.1%)
EBITDA Margin (%)	54.7%	34.2%	(20.5pp)
Net loss	(566.0)	(816.5)	44.3%

(1) Following the change in the organizational structure, the revenues of Turkcell Sigorta Aracılık Hizmetleri A.Ş. (Insurance Agency), which was previously managed under the Financell, has been classified from Financell to "Other" in the Techfin segment as of the first quarter of 2023. Within this scope, all past data have been revised for comparability purposes.

Financell's revenues rose by 27.7% for the full year. EBITDA decreased 20.1% yielding an EBITDA margin of 34.2%. The main factor behind the decline in EBITDA margin compared to the previous year was higher funding cost.

Financell's loan portfolio increased to TRY6.2 billion at the end of the year. Financell has provided loans to about 28 thousand corporate customers. Financell's cost of risk was at 1.6% at the end of the year. In 2023, Financell expanded its service diversity by offering innovative solutions in technology, green loans for solar, car loans, and shopping loans for individual and corporate customers. Financell incurred a net loss for the full year mainly due to the impact of earthquake donation.

Turkcell Group Subscribers

Turkcell Group registered subscribers amounted to approximately 56.3 million as of December 31, 2023. This figure is calculated by taking the number of subscribers of Turkcell Türkiye, and of each of our subsidiaries. It includes the total number of mobile, fiber, ADSL, cable and IPTV subscribers of Turkcell Türkiye, and the mobile subscribers of lifecell*, BeST, and Kuzey Kıbrıs Turkcell.

Turkcell Group Subscribers	FY22	FY23	y/y%
Turkcell Türkiye subscribers ¹ (million)	41.7	42.5	1.9%
BeST (Belarus)	1.5	1.5	-
Kuzey Kıbrıs Turkcell	0.6	0.6	-
Discontinued operations – lifecell (Ukraine)	10.2	11.7	14.7%
Turkcell Group Subscribers (million)	54.0	56.3	4.3%

(1) Subscribers to more than one service are counted separately for each service. Including mobile, fixed broadband, IPTV, and wholesale (MVNO&FVNO) subscribers

*Discontinued operations



OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

The foreign exchange rates used in our financial reporting, along with certain macroeconomic indicators, are set out below.

	Quarter					Year		
	Q422	Q323	Q423	y/y%	q/q%	FY22	FY23	y/y%
GDP Growth (Türkiye)	3.3%	6.1%	4.0%	0.7pp	(2.1pp)	5.5%	4.5%	(1.0pp)
Consumer Price Index (Türkiye)(yoy)	64.3%	61.5%	64.8%	0.5pp	(3.3pp)	64.3%	64.8%	0.5pp
US\$ / TRY rate								
Closing Rate	18.6983	27.3767	29.4382	57.4%	7.5%	18.6983	29.4382	57.4%
Average Rate	18.6010	26.7052	28.4905	53.2%	6.7%	16.4900	23.6985	43.7%
EUR / TRY rate								
Closing Rate	19.9349	29.0305	32.5739	63.4%	12.2%	19.9349	32.5739	63.4%
Average Rate	18.9748	28.9644	30.7734	62.2%	6.2%	17.3108	25.6283	48.0%
US\$ / UAH rate								
Closing Rate	36.5686	36.5686	37.9824	3.9%	3.9%	36.5686	37.9824	3.9%
Average Rate	36.5686	36.5686	36.6722	0.3%	0.3%	32.4854	36.5945	12.6%
US\$ / BYN rate								
Closing Rate	2.7364	3.2870	3.1775	16.1%	(3.3%)	2.7364	3.1775	16.1%
Average Rate	2.5055	3.1329	3.1809	27.0%	1.5%	2.6098	2.9988	14.9%



RECONCILIATION OF NON-GAAP FINANCIAL MEASUREMENTS: We believe Adjusted EBITDA, among other measures, facilitates performance comparisons from period to period and management decision making. It also facilitates performance comparisons from company to company. Adjusted EBITDA as a performance measure eliminates potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact of changes in effective tax rates on periods or companies) and the age and book depreciation of tangible assets (affecting relative depreciation expense). We also present Adjusted EBITDA because we believe it is frequently used by securities analysts, investors and other interested parties in evaluating the performance of other mobile operators in the telecommunications industry in Europe, many of which present Adjusted EBITDA when reporting their results.

Our Adjusted EBITDA definition includes Revenue, Cost of Revenue excluding depreciation and amortization, Selling and Marketing expenses, Administrative expenses and Net impairment losses on financial and contract assets, but excludes finance income and expense, other operating income and expense, investment activity income and expense, share of profit of equity accounted investees and minority interest.

Nevertheless, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of our results of operations, as reported under IFRS. The following table provides a reconciliation of Adjusted EBITDA, as calculated using financial data prepared in accordance with IFRS to net profit, which we believe is the most directly comparable financial measure calculated and presented in accordance with IFRS.

Turkcell Group (million TRY)	Year		
	FY22	FY23	y/y%
Adjusted EBITDA	36,607.7	43,877.1	19.9%
Depreciation and amortization	(32,596.0)	(31,299.0)	(4.0%)
EBIT	4,011.7	12,578.1	213.5%
Finance income	3,957.7	12,663.7	220.0%
Finance costs	(11,949.2)	(19,931.6)	66.8%
Monetary gain / (loss)	7,767.1	3,816.9	(50.9%)
Other income / (expenses)	(1,058.4)	(4,765.6)	350.3%
Share of profit of equity accounted investees	522.2	1,525.2	192.1%
Consolidated profit before income tax & minority interest	3,251.2	5,886.7	81.1%
Income tax expense	2,785.3	4,675.9	67.9%
Profit /(loss) from discontinued operations	842.4	1,969.7	133.8%
Consolidated profit before minority interest	6,878.9	12,532.2	82.2%



RECONCILIATION OF ARPU: ARPU is an operational measurement tool and the methodology for calculating performance measures such as ARPU varies substantially among operators and is not standardized across the telecommunications industry, and reported performance measures thus vary from those that may result from the use of a single methodology. Management believes this measure is helpful in assessing the development of our services over time. The following table shows the reconciliation of Turkcell Türkiye revenues to such revenues included in the ARPU calculations of 2022 and 2023.

Reconciliation of ARPU	Year	
	FY22	FY23
Turkcell Türkiye Revenue (million TRY)	77,951.7	91,952.8
Telecommunication services revenue	73,395.9	86,033.4
Equipment revenue	4,119.2	4,981.9
Call center	169.9	289.2
Other	266.7	648.4
Revenues which are not attributed to ARPU calculation ¹	(13,143.3)	(14,294.2)
Turkcell Türkiye revenues included in ARPU calculation²	64,371.8	76,721.1
Mobile blended ARPU (TRY)	133.5	155.6
Average number of mobile subscribers during the year (million)	36.7	37.8
Fixed residential ARPU (TRY)	190.0	190.0
Average number of fixed residential subscribers during the year (million)	2.4	2.7

(1) Revenue from fixed corporate and wholesale business; digital business sales; tower business, and other non-subscriber-based revenues

(2) Revenues from Turkcell Türkiye included in ARPU calculation comprise telecommunication services revenue, equipment revenue and revenues which are not attributed to ARPU calculation.



ABOUT TURKCELL: Turkcell is a digital operator headquartered in Türkiye, serving its customers with its unique portfolio of digital services along with voice, messaging, data, and IPTV services on its mobile and fixed networks. Turkcell Group companies operate in 4 countries – Türkiye, Belarus, Northern Cyprus, and Ukraine (discontinued operations) Turkcell launched LTE services in its home country on April 1st, 2016, employing LTE-Advanced and 3 carrier aggregation technologies in 81 cities. Turkcell offers up to 10 Gbps fiber internet speed with its FTTH services. Turkcell Group reported TRY107.1 billion in revenue in FY23 with total assets of TRY247.9 billion as of December 31, 2023. It has been listed on the NYSE and the BIST since July 2000 and is the only dual-listed company in Türkiye. Read more at www.turkcell.com.tr.

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Appendix A – Tables

Table: Net foreign exchange gain and loss details

Million TRY	Year		
	FY22	FY23	y/y%
Net FX loss before hedging	(7,155.1)	(14,016.4)	95.9%
Swap interest income/(expense)	(280.4)	580.1	n.m
Fair value gain on derivative financial instruments	(46.7)	3,851.9	n.m
Net FX gain / (loss) after hedging	(7,482.1)	(9,584.4)	28.1%

Table: Income tax expense details

Million TRY	Year		
	FY22	FY23	y/y%
Current tax expense	(864.5)	(683.1)	(21.0%)
Deferred tax income / (expense)	3,649.8	5,359.0	46.8%
Income Tax expense	2,785.3	4,675.9	67.9%

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
IFRS SELECTED FINANCIALS (TRY Million)

	Year Ended Dec 31, 2021	Year Ended Dec 31, 2022	Year Ended Dec 31, 2023
Consolidated Statement of Operations Data			
Turkcell Turkey	90,008.6	77,951.7	91,952.8
Turkcell International	2,667.2	2,673.1	2,625.7
Fintech	3,550.8	3,545.4	4,568.7
Other	12,373.1	9,316.7	7,969.0
Total revenue	108,599.6	93,486.8	107,116.2
Total cost of revenue	(86,138.1)	(81,680.9)	(84,418.0)
Total gross profit	22,461.6	11,805.9	22,698.1
Administrative expenses	(2,658.3)	(2,579.4)	(3,429.5)
Selling & marketing expenses	(5,201.0)	(4,592.8)	(5,682.3)
Other Income / (Expense)	(1,653.7)	(1,058.4)	(4,765.6)
Net impairment losses on financial and contract assets	(847.0)	(622.0)	(1,008.2)
Operating profit	12,101.4	2,953.4	7,812.6
Finance costs	(21,308.0)	(11,949.2)	(19,931.6)
Finance income	11,528.0	3,957.7	12,663.7
Monetary gain (loss)	4,804.5	7,767.1	3,816.9
Share of profit of an associate and a joint venture	191.3	522.2	1,525.2
Profit before income tax from continuing operations	7,317.2	3,251.2	5,886.7
Income tax income/ (expense)	(900.3)	2,785.3	4,675.9
Profit for the year from continuing operations	6,416.9	6,036.5	10,562.6
Profit /(loss) from discontinued operations	718.7	842.4	1,969.7
Profit for the year	7,135.6	6,878.9	12,532.2
Non-controlling interests	(0.2)	1.6	21.8
Owners of the Company	7,135.4	6,880.4	12,554.0

Basic and diluted earnings per share for profit attributable to owners of the Company (in full TRY)	3.3	3.2	5.8
Basic and diluted earnings per share for profit from continuing operations attributable to owners of the Company (in full TRY)	2.9	2.8	4.8

Other Financial Data

Gross margin	20.7%	12.6%	21.2%
EBITDA(*)	44,943.2	36,607.7	43,877.1
Total capex		29,885.6	33,950.0
Operational capex		19,533.1	21,430.3
Licence and related costs		536.8	3,632.9
Non-operational capex		9,815.8	8,886.9

Consolidated Balance Sheet Data (at period end)

Cash and cash equivalents	42,776.2	49,978.7
Total assets	234,989.2	247,083.3
Long term debt	61,185.3	57,946.6
Total debt	88,737.4	84,084.2
Total liabilities	125,611.2	124,848.5
Total shareholders' equity / Net Assets	109,377.9	122,234.9

FY 2021 Balance sheet figures are not presented in IFRS report.

(*) Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 16

For further details, please refer to our consolidated financial statements and notes as at 31 December 2023 on our website

TURKCELL İLETİŞİM HİZMETLERİ A.Ş.
TURKISH ACCOUNTING STANDARDS
SELECTED FINANCIALS (TRY Million)

	Year Ended Dec 31, 2022	Year Ended Dec 31, 2023
Consolidated Statement of Operations Data		
Turkcell Turkey	77,951.7	91,952.8
Turkcell International	2,673.1	2,625.7
Fintech	3,545.4	4,568.7
Other	9,316.7	7,969.0
Total revenues	93,486.8	107,116.2
Direct cost of revenues	(81,680.9)	(84,418.0)
Gross profit	11,805.9	22,698.1
Administrative expenses	(2,579.4)	(3,429.5)
Selling & marketing expenses	(4,592.8)	(5,682.3)
Other operating income	14,429.6	15,944.1
Other operating expense	(1,454.9)	(5,932.7)
Operating profit	17,608.4	23,597.8
Impairment losses determined in accordance with TFRS 9	(622.0)	(1,008.2)
Income from investing activities	3,278.5	7,187.3
Expense from investing activities	(35.5)	(23.2)
Share on profit of investments valued by equity method	522.2	1,525.2
Income before financing costs	20,751.6	31,278.9
Finance income	430.6	4,596.9
Finance expense	(25,698.1)	(33,805.9)
Monetary gain (loss)	7,767.1	3,816.9
Income from continuing operations before tax and non-controlling interest	3,251.2	5,886.7
Tax income (expense) from continuing operations	2,785.3	4,675.9
Profit from continuing operations	6,036.5	10,562.6
Profit /(loss) from discontinued operations	842.4	1,969.7
Profit for the period	6,878.9	12,532.2
Non-controlling interest	1.6	21.8
Owners of the Parent	6,880.4	12,554.0
Earnings per share	3.2	5.8
Earnings per share from discontinued operations	2.8	4.9
Earnings per share from continuing operation	0.4	0.9
Other Financial Data		
Gross margin	12.6%	21.2%
EBITDA(*)	36,607.7	43,877.1
Total capex	29,885.6	33,950.0
Operational capex	19,533.1	21,430.3
Licence and related costs	536.8	3,632.9
Non-operational capex	9,815.8	8,886.9
Consolidated Balance Sheet Data (at period end)		
Cash and cash equivalents	42,776.2	49,978.7
Total assets	234,989.2	247,083.3
Long term debt	61,185.3	57,946.6
Total debt	88,737.4	84,084.2
Total liabilities	125,611.2	124,848.5
Total shareholders' equity / Net Assets	109,377.9	122,234.9

(*) Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 16

For further details, please refer to our consolidated financial statements and notes as at 31 December 2023 on our website