



# **TURKCELL ILETISIM HIZMETLERI**

**THIRD QUARTER 2020 RESULTS**

***“TARGETS RAISED***

***ON THE BACK OF A SOLID SET OF RESULTS”***

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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 three reporting segments:
  - “Turkcell Turkey” which comprises all of our telecom related businesses in Turkey (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 Turkey only figures, unless otherwise stated. The terms “we”, “us”, and “our” in this press release refer only to Turkcell Turkey, 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 related businesses outside of Turkey.
  - “Other subsidiaries” which is mainly comprised of our call center business revenues, financial services revenues, energy business revenues and inter-business eliminations.
- In this press release, a year-on-year comparison of our key indicators is provided and figures in parentheses following the operational and financial results for September 30, 2020 refer to the same item as at September 30, 2019. For further details, please refer to our consolidated financial statements and notes as at and for September 30, 2020, which can be accessed via our website in the investor relations section ([www.turkcell.com.tr](http://www.turkcell.com.tr)).
- Selected financial information presented in this press release for the third quarter and nine months of 2019 and 2020 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 and quarter-on-quarter percentage comparisons appearing in this press release reflect mathematical calculation.

**FINANCIAL HIGHLIGHTS**

TRY million	Q319	Q320	y/y%	9M19	9M20	y/y%
Revenue	6,587	7,649	16.1%	18,453	21,232	15.1%
EBITDA <sup>1</sup>	2,839	3,394	19.6%	7,673	9,027	17.7%
EBITDA Margin (%)	43.1%	44.4%	1.3pp	41.6%	42.5%	0.9pp
EBIT <sup>2</sup>	1,641	1,877	14.4%	4,031	4,687	16.3%
EBIT Margin (%)	24.9%	24.5%	(0.4pp)	21.8%	22.1%	0.3pp
Net Income	801	1,211	51.1%	2,491	2,935	17.8%

**THIRD QUARTER HIGHLIGHTS**

- Robust financial performance achieved in the normalization period:
  - Group revenues up 16% with Turkcell Turkey's topline growing 18%, driven mainly by strong ARPU performance and equipment revenues supported by digital channels and corporate projects
  - EBITDA up 20% resulting in an EBITDA margin of 44.4%; EBIT up 14% leading to an EBIT margin of 24.5%
  - Standalone digital services revenues up 28%; Digital business solutions revenues up 40%; Paycell non-group revenues up 85%
  - Strong free cash flow<sup>3</sup> generation of TRY1 billion
  - Net income up 51% year-on-year on the back of solid operational performance and prudent financial risk management; highest quarterly level generated from operations
  - Leverage at 0.8x, despite FX fluctuations; long FX position at US\$31 million
  - TRY812 million dividend distribution approved at the General Assembly held on October 21<sup>st</sup>
- Solid operational performance:
  - Turkcell Turkey subscriber base up by 382 thousand quarterly net additions
  - 317 thousand quarterly mobile postpaid net additions; postpaid subscriber share at 64%
  - Mobile ARPU<sup>4</sup> growth of 14.0% year-on-year on higher postpaid share and increased data and digital services usage
  - Data consumption of 4.5G users at 14.1 GB in Q320
  - Residential fiber ARPU growth of 9.4% year-on-year
  - Superbox<sup>5</sup> subscribers up to 551 thousand on 60 thousand quarterly net additions
  - Digital channels' share in Turkcell Turkey consumer sales (excluding fixed business) at 12%
- New era with the change in ownership
  - Simplified ownership structure; enhanced corporate governance
- We revise our guidance<sup>6</sup> for 2020 upwards. Accordingly, we target revenue growth of 14%-15%, EBITDA margin of 41%-42%, EBIT margin of 20%-21% and operational capex over sales ratio<sup>7</sup> of ~19%.

(1) EBITDA is a non-GAAP financial measure. See page 14 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) Excluding M2M

(5) Superbox subscribers are included in mobile subscribers.

(6) 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 2019 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

(7) Excluding license fee

For further details, please refer to our consolidated financial statements and notes as at and for September 30, 2020, which can be accessed via our website in the investor relations section ([www.turkcell.com.tr](http://www.turkcell.com.tr)).

**COMMENTS BY MURAT ERKAN, CEO**

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**Continuous and strong growth across all our operations**

The third quarter of 2020 became a period in which the effects of the COVID-19 pandemic were swiftly recovered from within the framework of Turkey's normalization program. In the new order, digitalization came to prominence for both individuals and institutions, mainly in the form of remote education, remote working and tele-medicine. Through our strong infrastructure, innovative digital services and solutions and customer-oriented business approach, we, as Turkcell Group, pioneer this digital transformation as we have done to date. Ensuring the sustainability of this transformation and delivering the services that form the digital backbone for Turkey over the coming decade remain our primary objectives.

While this quarter has been one of transition to the new normal, we have achieved financial results above expectations thanks to our business model and practices adapting swiftly to changing conditions. We registered TRY7.6 billion consolidated revenues on a yearly increase of 16.1%. Consolidated EBITDA<sup>1</sup> reached TRY3.4 billion with an EBITDA margin of 44.4% on a 1.3 percentage point rise. Net income rose 51% to TRY1.2 billion, the highest quarterly level we generated from our operations to date. With these results, we recorded 15.1% yearly growth with TRY21.2 billion revenues and TRY9 billion EBITDA on an increase of 17.7% in the first nine-months.

Taking into consideration these strong results and our expectations for the remainder of the year, we revise our guidance<sup>2</sup> for 2020 upwards. Accordingly, we raise our consolidated revenue growth to 14% - 15%, EBITDA margin to 41% - 42% and EBIT<sup>3</sup> margin to 20% - 21%. We expect the Group's operational capex to sales ratio<sup>4</sup> at around 19%, due mainly to local currency depreciation.

**We continue to strengthen our customer base**

Responding swiftly with solutions to changing customer demands has been among our priorities during this period. TurkcellBiz, with which tariff plans can be used jointly with family and friends, and Dev Paketler (*Mega Plans*), by which annual data quotas may be purchased have been among our firsts in the sector. Our strategy of ever standing by our customers' side, as well as our innovative and comprehensive tariffs and additional benefits offered with which we pioneer the sector, such as Shake&Win, have led us to gain a net 382 thousand subscribers in the third quarter. Our postpaid customer base has increased by a net 317 thousand subscribers. Mobile blended ARPU<sup>5</sup> has reached TRY52.0 on an increase of 14% year-on-year with the effect of rising data and digital service usage and upsell to higher plans. In this quarter, in which smart phone penetration has reached 80%, average mobile data consumption has been 12.2 GB on a quarterly rise of 51%.

Despite the seasonal weakness of fixed internet demand given the mobility of our customers during the summer, we have met continued strong demand with a new array of tariff plans; we gained a net 45 thousand fiber customers during the quarter. Thus, total fixed broadband subscribers reached 2.4 million. Our Superbox product, with which we pioneered the market, reached 551 thousand subscribers by 2.5 times that of the past year with a net increase of 60 thousand new customers enjoying uninterrupted home internet service at fiber speed over the mobile network.

This quarter, we have reinforced the usage habits of our customers who became acquainted with our digital channels due to the pandemic in the second quarter, with smart offers and win-win deals. As visitors to digital channels reached 28 million, our conversion to sales ratio has doubled on an annual basis. And as the additional data plan purchases and TL top-up transaction volume over our digital channels has increased by 3.1 times on an annual basis, 12% of the consumer sales of Turkcell Turkey (excluding our fixed business) were registered over

digital channels. In the upcoming periods we will continue to focus on sales through digital channels, which positively impacts our operational costs.

### **We continue to meet the requirements of the era through our three key strategic focus areas**

The stand-alone revenue of our digital services, one of the three key strategic focus area, has risen by 28% year over year in this quarter. Through our product TV+ Ready we offer the opportunity to turn every television into a smart TV thanks to the embedded TV+ application. Within the scope of offering digital communication solutions, and in a first, we have duplicated our BiP application into a closed platform for the company ASELSAN, ensuring that the intra-company correspondence of around 8 thousand employees is conducted securely over a national and domestic application. Again, in this quarter, we have extended our portfolio by introducing our lifebox transfer service, ensuring safe and secure file sharing.

Digital business solutions, another strategic focus area, has grown by 40% year over year in revenue terms this quarter. Also this quarter, we launched Turkcell Multiple Cloud service, by which we will offer our corporate customers the convenience of global cloud services procurement, end-to-end management, project and consultancy services in line with our service strategy from a single point of contact. We are the only service provider delivering service in Turkey with the cloud security standard assurance determined by the International Organization for Standardization (ISO) through our cloud services, marking another solution of ours for the digital transformation of corporates. We have also launched “Secure Digital Signature” and “Turkcell Digital Archive” services for our corporate customers. We initially started using digital signature protected by developed security protocols within our own company. By means of this service that ensures the digitalization of companies’ processes involving signatures, and that facilitates the process of archiving and accessing documents, we offer operational efficiency. We also contribute to our sustainability targets through savings in paper consumption. Also this quarter, our business partnerships with global suppliers continued, and we have raised the number of such corporations to 20.

With regards to our tech-fin business, the third strategic focus, Paycell has continued its growth riding the tailwind of the pandemic, having reached 4.6 million users and increased its non-group revenue by 85% on a yearly basis. In use at 11 thousand member merchants as of quarter-end, Paycell has launched mobile POS as another innovative solution. In compliance with related legislation, and being the first Android POS device for which an application was filed with the Revenue Administration Authority, Paycell Android POS offers cost and efficiency advantages to member merchants, while providing the processes of collection, inventory monitoring and e-invoice over a single platform.

### **Sustainability is our focus in every field**

As we produce the technologies of the future, sustainability remains a focal point in all our corporate collaborations and processes by means of our digital products and services. At the last meeting of the United Nations Global Compact CFO Taskforce, of which we are one of the founding members representing Turkey, we determined four critical areas for sustainable development initiatives. Our objective is to reflect Turkcell’s success in the field of sustainability onto the field of financing. Additionally, we have provided our employees the online training on “Sustainable Business Development in the Mobile Sector” of the World GSM Association (GSMA), thereby leading the way. We will continue to share our targets and efforts in the area of sustainability with all our stakeholders.

**We continue generating cash**

The Group net debt over EBITDA ratio had reached 0.8x as of September-end with an improvement of 0.2x compared to the same period of last year. We generated free cash flow<sup>6</sup> of TRY1 billion from our operations on the back of strong liquidity and prudent financial management. Despite currency volatility, we have maintained our profitability thanks to FX cash in hand as well as derivative instruments held to eliminate foreign currency risk.

**New shareholder; new era**

There were two important outcomes for our shareholders at our ordinary general assembly meeting held on October 21<sup>st</sup>. First, it was resolved that the dividend of TRY812 million corresponding to the highest distribution ratio permitted by relevant legislation, would be distributed to our shareholders on November 30<sup>th</sup> from our profit for the year 2019. Secondly, following the approval of the related resolutions at the AGM, share transfers were completed. And hence, Turkey Wealth Fund became the largest shareholder of our Company with its 26.2% stake, while LetterOne raised its stake in the Company to 24.8%. Looking at the 26-year history of Turkcell, I consider this change to be a milestone. I trust that we will register great results for our Company and our country in this new era with Turkey Wealth Fund, which has already declared its support for our strategy, and that it perceives great value at Turkcell.

We extend our thanks to all our employees for their contribution to our success, and to our Board of Directors for their confidence in us and their invaluable support. We also express our gratitude to our customers and business associates standing by us at all times on our journey to success.

(1) EBITDA is a non-GAAP financial measure. See page 14 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.

(2) 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 2019 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

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

(4) Excluding license fee

(5) Excluding M2M

(6) 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

**FINANCIAL AND OPERATIONAL REVIEW**
**Financial Review of Turkcell Group**

Profit & Loss Statement (million TRY)	Quarter			Nine Months		
	Q319	Q320	y/y%	9M19	9M20	y/y%
<b>Revenue</b>	<b>6,586.9</b>	<b>7,649.5</b>	<b>16.1%</b>	<b>18,453.4</b>	<b>21,231.6</b>	<b>15.1%</b>
Cost of revenue <sup>1</sup>	(3,081.8)	(3,727.2)	20.9%	(8,830.6)	(10,423.1)	18.0%
<b>Cost of revenue<sup>1</sup>/Revenue</b>	<b>(46.8%)</b>	<b>(48.7%)</b>	<b>(1.9pp)</b>	<b>(47.9%)</b>	<b>(49.1%)</b>	<b>(1.2pp)</b>
<b>Gross Margin<sup>1</sup></b>	<b>53.2%</b>	<b>51.3%</b>	<b>(1.9pp)</b>	<b>52.1%</b>	<b>50.9%</b>	<b>(1.2pp)</b>
Administrative expenses	(186.8)	(184.2)	(1.4%)	(562.3)	(538.9)	(4.2%)
<b>Administrative expenses/Revenue</b>	<b>(2.8%)</b>	<b>(2.4%)</b>	<b>0.4pp</b>	<b>(3.0%)</b>	<b>(2.5%)</b>	<b>0.5pp</b>
Selling and marketing expenses	(353.8)	(295.6)	(16.4%)	(1,170.3)	(972.2)	(16.9%)
<b>Selling and marketing expenses/Revenue</b>	<b>(5.4%)</b>	<b>(3.9%)</b>	<b>1.5pp</b>	<b>(6.3%)</b>	<b>(4.6%)</b>	<b>1.7pp</b>
Net impairment losses on financial and contract assets	(125.7)	(48.5)	(61.4%)	(217.5)	(270.1)	24.2%
<b>EBITDA<sup>2</sup></b>	<b>2,838.7</b>	<b>3,393.9</b>	<b>19.6%</b>	<b>7,672.6</b>	<b>9,027.3</b>	<b>17.7%</b>
<b>EBITDA Margin</b>	<b>43.1%</b>	<b>44.4%</b>	<b>1.3pp</b>	<b>41.6%</b>	<b>42.5%</b>	<b>0.9pp</b>
Depreciation and amortization	(1,197.7)	(1,516.6)	26.6%	(3,641.7)	(4,340.2)	19.2%
<b>EBIT<sup>3</sup></b>	<b>1,640.9</b>	<b>1,877.3</b>	<b>14.4%</b>	<b>4,030.9</b>	<b>4,687.1</b>	<b>16.3%</b>
<b>EBIT Margin</b>	<b>24.9%</b>	<b>24.5%</b>	<b>(0.4pp)</b>	<b>21.8%</b>	<b>22.1%</b>	<b>0.3pp</b>
Net finance income / (costs)	(521.2)	(294.7)	(43.5%)	(1,513.3)	(749.8)	(50.5%)
Finance income <sup>4</sup>	(82.2)	1,307.8	n.m	252.6	2,435.5	864.2%
Finance costs <sup>4</sup>	(439.1)	(1,602.5)	265.0%	(1,765.9)	(3,185.3)	80.4%
Other income / (expense)	(92.8)	(11.2)	(87.9%)	(218.4)	(156.4)	(28.4%)
Non-controlling interests	1.9	(0.0)	(100.0%)	(32.2)	(2.5)	(92.2%)
Share of profit of equity accounted investees	1.6	(5.3)	(431.3%)	3.4	(8.6)	(352.9%)
Income tax expense	(229.2)	(355.5)	55.1%	(551.9)	(834.8)	51.3%
Discontinued operations	-	-	n.a	772.4	-	n.a
<b>Net Income</b>	<b>801.3</b>	<b>1,210.6</b>	<b>51.1%</b>	<b>2,490.9</b>	<b>2,935.0</b>	<b>17.8%</b>

(1) Excluding depreciation and amortization expenses.

(2) EBITDA is a non-GAAP financial measure. See page 14 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.

(4) Fair value loss and interest expense regarding derivative instruments and the respective fair value gain and interest income regarding derivative instruments are represented on a net basis. Starting from Q219, interest income on financial assets and interest expenses for financial liabilities, both measured at amortized cost, are represented on a net basis. Historical periods were restated to reflect this change.

**Revenue** of the Group rose 16.1% year-on-year in Q320. This resulted mainly from Turkcell Turkey's strong ARPU performance on the back of larger postpaid share, and higher data consumption, as well as larger equipment revenues supported by sales on digital channels and corporate projects.

Turkcell Turkey revenues, comprising 87% of Group revenues, rose 17.6% to TRY6,648 million (TRY5,652 million).

- Consumer segment revenues grew 15.3% driven mainly by the rising postpaid subscriber share, increased data consumption and digital services usage as well as equipment sales.
- Corporate segment revenues rose 26.4% on the back of strong performance of digital business solutions, which grew 39.6% year-on-year.
- Wholesale revenues increased to TRY391 million (TRY328 million), on the back of higher international data traffic transmission despite lower roaming revenues impacted by limited mobility.

Turkcell International revenues, comprising 9% of Group revenues, rose 25.3% to TRY658 million (TRY525 million), mainly with the contribution of our Ukrainian operations and the positive impact of currency movements.

Other subsidiaries' revenues, at 4% of Group revenues, which includes call center revenues, revenues from financial services and energy business revenues were at TRY344 million (TRY410 million).



- Finance company's revenues were at TRY127 million (TRY218 million) in Q320 impacted by the contraction in the consumer loan portfolio, which declined from TRY2.7 billion as of Q319 to TRY1.9 billion as of Q320. This was due mainly to the installment limitation on consumer loans for telecom devices. The second factor behind the decline in interest income is lower interest rates compared to last year.
- Our contract with Spor Toto to carry out sports betting operations in Turkey ended as of August 28, 2019.

Excluding finance business and sports betting operations, our consolidated revenue growth was 18.7% year-on-year in Q320.

Standalone digital services revenues grew 27.9% year-on-year in Q320 backed by the increase in the number of standalone users.

**Cost of revenue** (excluding depreciation and amortization) rose to 48.7% (46.8%) as a percentage of revenues in Q320. This was driven mainly by the increase in cost of goods sold (4.0pp) with higher equipment sales, despite the decrease in treasury share expense (0.6pp), TRX expenses (0.7 pp) and other cost items (0.8pp).

**Administrative Expenses** decreased to 2.4% (2.8%) as a percentage of revenues in Q320, driven mainly by lower office overhead costs and travel expenses.

**Selling and Marketing Expenses** declined to 3.9% (5.4%) as a percentage of revenues in Q320. This was driven mainly by the decline in selling expenses (1.1pp) and marketing expenses (0.4pp) as a percentage of revenues.

**Net impairment losses on financial and contract assets** was at 0.6% (1.9%) as a percentage of revenues in Q320.

**EBITDA<sup>1</sup>** rose by 19.6% year-on-year in Q320 leading to an EBITDA margin of 44.4% (43.1%). This was driven by strong topline growth and disciplined cost controls particularly during the pandemic environment.

- Turkcell Turkey's EBITDA rose 23.2% year-on-year to TRY2,946 million (TRY2,392 million) leading to an EBITDA margin of 44.3% (42.3%) in Q320.
- Turkcell International EBITDA grew 25.8% year-on-year to TRY298 million (TRY236 million) with an EBITDA margin of 45.2% (45.0%) in Q320.
- The EBITDA of other subsidiaries stood at TRY151 million (TRY211 million) in Q320.

**Depreciation and amortization expenses** increased 26.6% year-on-year in Q320.

**Net finance expense** decreased to TRY295 million (TRY521 million) in Q320. This was driven mainly by lower net FX loss after hedging, lower interest expense on financial assets and liabilities, and higher interest income on time deposits.

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

**Income tax expense** increased to TRY355 million (TRY229 million) in Q320.

**Net income** of the Group rose 51.1% to TRY1,211 million (TRY801 million) in Q320, the highest quarterly level we generated from our operations to date. This was driven mainly by solid operational performance as well as prudent financial risk management.

**Total cash & debt:** Consolidated cash as of September 30, 2020 increased to TRY13,524 million from TRY10,929 million as of June 30, 2020 driven by strong cash flow generation and positive impact of currency movements. Excluding FX swap transactions, 66% of our cash is in US\$, 2% in EUR, and 31% in TRY.

Consolidated debt as of September 30, 2020 increased to TRY22,841 million from TRY19,776 million as of June 30, 2020 mainly due mainly to the negative impact of currency movements. Please note that TRY2,065 million of our consolidated debt is comprised of lease obligations.

Consolidated debt breakdown excluding lease obligations:

- Turkcell Turkey's debt was at TRY18,958 million, of which TRY10,827 million (US\$1,387 million) was denominated in US\$, TRY6,154 million (EUR674 million) in EUR, TRY279 million (CNY245 million) in CNY, and the remaining TRY1,698 million in TRY.
- Finance company had a debt balance of TRY807 million, of which TRY274 million (US\$35 million) was denominated in US\$, and TRY70 million (EUR8 million) in EUR with the remaining TRY464 million in TRY.

(1) EBITDA is a non-GAAP financial measure. See page 14 for the explanation of how we calculate adjusted EBITDA and its reconciliation to net income.



- The debt balance of lifecell was TRY1,010 million, fully denominated in UAH.

TRY1,183 million of lease obligations is denominated in TRY, TRY20 million (US\$3 million) in US\$, TRY173 million (EUR19 million) in EUR, and the remaining balance in other local currencies (Please note that the figures in parentheses refer to US\$ or EUR equivalents).

Net debt as of September 30, 2020 was at TRY9,317 million with a net debt to EBITDA ratio of 0.8 times. Excluding finance company consumer loans, our telco only net debt was at TRY7,416 million with a leverage of 0.7 times.

Turkcell Group had a long FX position of US\$31 million as of September 30, 2020 (Please note that this figure takes advance payments and hedging into account, but excludes FX swap transactions).

**Capital expenditures:** Capital expenditures, including non-operational items, amounted to TRY2,873 million in Q320. In Q320 and 9M20, operational capital expenditures (excluding license fees) at the Group level were at 19.3% and 16.4% of total revenues, respectively.

Capital expenditures (million TRY)	Quarter		Nine Months	
	Q319	Q320	9M19	9M20
Operational Capex	989.5	1,477.5	2,829.1	3,485.3
License and Related Costs	0.4	3.1	1.6	34.7
Non-operational Capex (Including IFRS15 & IFRS16)	628.9	1,392.1	1,948.5	2,674.2
<b>Total Capex</b>	<b>1,618.8</b>	<b>2,872.6</b>	<b>4,779.3</b>	<b>6,194.2</b>

## Operational Review of Turkcell Turkey

Summary of Operational Data	Q319	Q220	Q320	y/y %	q/q %
<b>Number of subscribers (million)</b>	<b>37.3</b>	<b>36.5</b>	<b>36.9</b>	<b>(1.1%)</b>	<b>1.1%</b>
Mobile Postpaid (million)	19.4	21.2	21.5	10.8%	1.4%
Mobile M2M (million)	2.5	2.6	2.7	8.0%	3.8%
Mobile Prepaid (million)	15.0	12.2	12.2	(18.7%)	-
Fiber (thousand)	1,455.7	1,554.1	1,599.4	9.9%	2.9%
ADSL (thousand)	758.9	702.9	694.0	(8.6%)	(1.3%)
Superbox (thousand) <sup>1</sup>	217.4	490.7	550.5	153.2%	12.2%
Cable (thousand)	33.0	64.9	66.9	102.7%	3.1%
IPTV (thousand)	683.4	772.4	811.1	18.7%	5.0%
<b>Churn (%)<sup>2</sup></b>					
Mobile Churn (%) <sup>3</sup>	2.5%	1.9%	2.4%	(0.1pp)	0.5pp
Fixed Churn (%)	2.1%	1.6%	2.1%	-	0.5pp
<b>ARPU (Average Monthly Revenue per User) (TRY)<sup>4</sup></b>					
Mobile ARPU, blended	42.6	43.1	48.2	13.1%	11.8%
Mobile ARPU, blended (excluding M2M)	45.6	46.6	52.0	14.0%	11.6%
Postpaid	60.9	56.5	62.0	1.8%	9.7%
Postpaid (excluding M2M)	69.5	64.2	70.2	1.0%	9.3%
Prepaid	19.4	19.8	24.0	23.7%	21.2%
Fixed Residential ARPU, blended	64.7	67.5	71.5	10.5%	5.9%
Residential Fiber ARPU	66.1	68.9	72.3	9.4%	4.9%
<b>Average mobile data usage per user (GB/user)</b>	<b>8.1</b>	<b>11.7</b>	<b>12.2</b>	<b>50.6%</b>	<b>4.3%</b>
<b>Mobile MoU (Avg. Monthly Minutes of usage per subs) blended</b>	<b>420.6</b>	<b>511.9</b>	<b>556.1</b>	<b>32.2%</b>	<b>8.6%</b>

(1) Superbox subscribers are included in mobile subscribers.

(2) Presentation of churn figures has been changed to demonstrate average monthly churn figures for the respective quarters.

(3) In Q117, our churn policy was revised to extend from 9 months to 12 months (the period at the end of which we disconnect prepaid subscribers who have not topped up above TRY10). Additionally, under our revised policy, prepaid customers who last topped up before March will be disconnected at the latest by year-end. As a regulatory requirement, we started to disconnect prepaid lines in accordance with new ICTA regulation, which requires deactivation of prepaid lines which lack residency documents by the 6<sup>th</sup> month of subscription.

(4) We historically recorded all TV-related revenue under Turkcell Superonline and presented the related ARPU under fixed residential ARPU. As previously announced, our TV business has become a separate standalone subsidiary. In order to reflect this change in our organization, we decided to shift mobile OTT TV ARPU from fixed residential ARPU into mobile ARPU. We note that mobile TV revenues are generated by mobile subscribers. IPTV revenues will continue to be recorded under Turkcell Superonline and included under residential fixed ARPU. In order to maintain comparability, we provide ARPU data for the last three years, revised to reflect this change on our investor relations website in financial and operational data spreadsheet.

Our subscriber base in Turkey expanded by 382 thousand net quarterly additions in Q320. We achieved this through our innovative offers focused on improving the lives of our customers and better serving their needs.

On the mobile front, our subscriber base expanded to 33.7 million on 305 thousand quarterly net additions in Q320. Our postpaid subscribers grew on 317 thousand net quarterly additions. Accordingly, our postpaid subscribers reached 63.8% (56.3%) of our mobile subscriber base as at the end of Q320.

On the fixed front, our subscriber base reached 2.4 million on 39 thousand quarterly net additions. Our fiber subscriber base expanded by 45 thousand quarterly and 144 thousand annual net additions. Superbox, our fixed-wireless access offering, registered 60 thousand net additions in Q320. Meanwhile, our IPTV customer base rose to 811 thousand on 39 thousand quarterly and 128 thousand annual net additions.

The average monthly mobile churn rate was at 2.4% in Q320. Meanwhile the average monthly fixed churn rate was at 2.1%.

Our mobile ARPU (excluding M2M) rose 14.0% year-on-year in Q320 on the back of higher postpaid subscriber share as well as increased data consumption and digital services usage.

Our residential fiber ARPU growth was 9.4% year-on-year in Q320. This was driven mainly by upsell efforts and the acquisition of higher revenue generating subscribers.

Average monthly mobile data usage per user rose 50.6% year-on-year to 12.2 GB with the increasing number and data consumption of 4.5G users. Accordingly, average mobile data usage of 4.5G users reached 14.1 GB in Q320. The rising number of Superbox subscribers also had a positive impact on data consumption.

The number of 4.5G compatible smartphones on our network rose to 21.4 million on 378 thousand quarterly additions in Q320, comprising 90% of smartphones on our network. Total smartphone penetration reached 80%.

**TURKCELL INTERNATIONAL**

lifecell <sup>1</sup> Financial Data	Quarter			Nine Months		
	Q319	Q320	y/y%	9M19	9M20	y/y%
Revenue (million UAH)	1,528.6	1,745.5	14.2%	4,425.9	4,922.0	11.2%
EBITDA (million UAH)	810.5	909.8	12.3%	2,424.9	2,588.0	6.7%
EBITDA margin (%)	53.0%	52.1%	(0.9pp)	54.8%	52.6%	(2.2pp)
Net income / (loss) (million UAH)	(338.3)	36.8	(110.9%)	(898.7)	(148.1)	(83.5%)
Capex (million UAH)	547.7	860.6	57.1%	1,255.5	1,936.7	54.3%
Revenue (million TRY)	346.4	455.5	31.5%	946.5	1,244.2	31.5%
EBITDA (million TRY)	183.6	237.3	29.2%	517.4	654.3	26.5%
EBITDA margin (%)	53.0%	52.1%	(0.9pp)	54.7%	52.6%	(2.1pp)
Net income / (loss) (million TRY)	(76.4)	9.5	(112.4%)	(192.5)	(35.8)	(81.4%)

(1) Since July 10, 2015, we hold a 100% stake in lifecell.

**lifecell (Ukraine)** revenues grew 14.2% year-on-year in Q320 in local currency terms. This was driven mainly by subscriber base growth and the rise in voice and data service usage despite the decline in roaming revenues due to limited mobility in the pandemic environment. lifecell's EBITDA grew 12.3% year-on-year leading to an EBITDA margin of 52.1%. Meanwhile, lifecell registered positive net income in Q320, which was a result of its strong operational performance.

lifecell revenues in TRY terms grew 31.5% year-on-year in Q320 reflecting strong operational performance as well as the positive impact of currency movements. lifecell's EBITDA in TRY terms rose 29.2%, which led to an EBITDA margin of 52.1%.

lifecell Operational Data	Q319	Q220	Q320	y/y%	q/q%
Number of subscribers (million) <sup>2</sup>	9.0	8.9	9.1	1.1%	2.2%
Active (3 months) <sup>3</sup>	6.9	7.6	7.8	13.0%	2.6%
MOU (minutes) (12 months)	150.1	175.8	180.8	20.5%	2.8%
ARPU (Average Monthly Revenue per User), blended (UAH)	56.1	59.7	64.7	15.3%	8.4%
Active (3 months) (UAH)	74.7	70.3	76.3	2.1%	8.5%

(2) We may occasionally offer campaigns and tariff schemes that have an active subscriber life differing from the one that we normally use to deactivate subscribers and calculate churn.

(3) Active subscribers are those who in the past three months made a revenue generating activity.

lifecell's three-month active subscriber base rose to 7.8 million on the back of customer retention focus. lifecell's 3-month active ARPU rose 2.1% to UAH76.3 in Q320. ARPU performance continued its recovery trend after the quarantine period.

lifecell continued to expand its 4.5G subscriber base in Q320. Accordingly, 3-month active 4.5G subscribers grew 51% year-on-year and reached 60% of total data users as at the end of Q320. The increase in 4.5G users as well as their higher data usage per user, which grew 42% year-on-year, continued to support overall data consumption on lifecell's network. Accordingly, average monthly data consumption per user rose 59% year-on-year in Q320. Meanwhile, lifecell continued its leadership of the Ukrainian market in smartphone penetration, which reached 81% as of the end of Q320.

lifecell continued its focus on increasing the penetration of its digital services within its customer base, and enriched its digital product portfolio through partnerships in Q320. Busuu, an AI-powered language learning application with 10 million downloads worldwide, was one of these services launched on lifecell's digital platform. lifecell also launched a travel insurance service enabling purchase of online policies.

BeST <sup>1</sup>	Quarter			Nine Months		
	Q319	Q320	y/y%	9M19	9M20	y/y%
<b>Number of subscribers (million)</b>	<b>1.5</b>	<b>1.4</b>	<b>(6.7%)</b>	<b>1.5</b>	<b>1.4</b>	<b>(6.7%)</b>
Active (3 months)	1.1	1.1	-	1.1	1.1	-
<b>Revenue (million BYN)</b>	<b>35.3</b>	<b>35.8</b>	<b>1.4%</b>	<b>101.0</b>	<b>100.9</b>	<b>(0.1%)</b>
EBITDA (million BYN)	9.6	8.1	(15.6%)	28.1	24.1	(14.2%)
<b>EBITDA margin (%)</b>	<b>27.2%</b>	<b>22.6%</b>	<b>(4.6pp)</b>	<b>27.8%</b>	<b>23.9%</b>	<b>(3.9pp)</b>
Net loss (million BYN)	(8.0)	(7.1)	(11.3%)	(25.3)	(24.1)	(4.7%)
<b>Capex (million BYN)</b>	<b>11.6</b>	<b>15.8</b>	<b>36.2%</b>	<b>42.8</b>	<b>35.5</b>	<b>(17.1%)</b>
Revenue (million TRY)	97.6	101.2	3.7%	271.2	281.3	3.7%
<b>EBITDA (million TRY)</b>	<b>26.5</b>	<b>22.9</b>	<b>(13.6%)</b>	<b>76.1</b>	<b>67.2</b>	<b>(11.7%)</b>
EBITDA margin (%)	27.2%	22.6%	(4.6pp)	28.0%	23.9%	(4.1pp)
<b>Net loss (million TRY)</b>	<b>(22.1)</b>	<b>(20.0)</b>	<b>(9.5%)</b>	<b>(67.7)</b>	<b>(67.1)</b>	<b>(0.9%)</b>

(1) BeST, in which we hold an 80% stake, has operated in Belarus since July 2008.

**BeST** revenues rose 1.4% year-on-year in Q320 in local currency terms. This was driven mainly by the rise in voice and messaging revenues despite the decline in roaming and handset sales revenues. BeST's EBITDA was at BYN8.1 million in Q320 with an EBITDA margin of 22.6%. BeST's revenues in TRY terms grew by 3.7% in Q320 year-on-year, while its EBITDA margin was at 22.6%.

BeST continued to expand its 4G network and its 4G subscribers in Q320. Accordingly, 4G users reached 61% of its 3-month active customer base as at the end of Q320. The higher number and usage of 4G users led to higher data consumption. This was reflected by the overall average monthly data consumption of subscribers, which rose 58% year-on-year. Meanwhile, BeST continued to increase the penetration of its digital services which supports ARPU growth and customer loyalty. BeST also became the first operator in the market to introduce remote subscription ability. Furthermore, BeST also started to offer postpaid subscriptions to its customers in Q320.

Kuzey Kıbrıs Turkcell <sup>2</sup> (million TRY)	Quarter			Nine Months		
	Q319	Q320	y/y%	9M19	9M20	y/y%
<b>Number of subscribers (million)</b>	<b>0.5</b>	<b>0.5</b>	<b>-</b>	<b>0.5</b>	<b>0.5</b>	<b>-</b>
Revenue	55.7	66.0	18.5%	155.2	173.9	12.0%
<b>EBITDA</b>	<b>21.4</b>	<b>24.6</b>	<b>15.0%</b>	<b>57.3</b>	<b>64.5</b>	<b>12.6%</b>
EBITDA margin (%)	38.3%	37.3%	(1.0pp)	36.9%	37.1%	0.2pp
<b>Net income</b>	<b>16.4</b>	<b>10.7</b>	<b>(34.8%)</b>	<b>29.5</b>	<b>25.6</b>	<b>(13.2%)</b>
Capex	11.1	19.0	71.2%	34.7	45.1	30.0%

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

**Kuzey Kıbrıs Turkcell** revenues grew 18.5% year-on-year in Q320. This strong performance resulted mainly from the rise in data consumption as well as increased handset sales despite lower roaming revenues due the impact of Covid-19 on tourism. The EBITDA of Kuzey Kıbrıs Turkcell rose 15.0% year-on-year leading to an EBITDA margin of 37.3%.

**Fintur:** In accordance with our strategic approach and IFRS requirements, Fintur is classified as 'held for sale' and reported as discontinued operations as of October 2016.

On December 12, 2018, Turkcell signed a binding agreement, and on April 2, 2019 completed the transfer of its shares in Fintur to Sonera Holding B.V., the majority shareholder of Fintur. The final value of the transaction was EUR352.9 million. As the conditions precedent required for the share transfer were completed within Q119, TRY772 million profit generated from the transaction was reflected in the Q119 financial statements.

We booked a provision of TRY60 million in Q219 for the recognition of liability in relation to the Kcell Share Purchase Agreement regarding the past Kcell transaction, and made the respective payment in Q319.

### Turkcell Group Subscribers

Turkcell Group registered subscribers amounted to approximately 47.9 million as of September 30, 2020. This figure is calculated by taking the number of subscribers of Turkcell Turkey, and of each of our subsidiaries. It includes the total number of mobile, fiber, ADSL, cable and IPTV subscribers of Turkcell Turkey, and the mobile subscribers of lifecell and BeST, as well as those of Kuzey Kıbrıs Turkcell.

Turkcell Group Subscribers	Q319	Q220	Q320	y/y%	q/q%
Mobile Postpaid (million)	19.4	21.2	21.5	10.8%	1.4%
Mobile Prepaid (million)	15.0	12.2	12.2	(18.7%)	-
Fiber (thousand)	1,455.7	1,554.1	1,599.4	9.9%	2.9%
ADSL (thousand)	758.9	702.9	694.0	(8.6%)	(1.3%)
Superbox (thousand) <sup>1</sup>	217.4	490.7	550.5	153.2%	12.2%
Cable (thousand)	33.0	64.9	66.9	102.7%	3.1%
IPTV (thousand)	683.4	772.4	811.1	18.7%	5.0%
<b>Turkcell Turkey subscribers (million)<sup>2</sup></b>	<b>37.3</b>	<b>36.5</b>	<b>36.9</b>	<b>(1.1%)</b>	<b>1.1%</b>
lifecell (Ukraine)	9.0	8.9	9.1	1.1%	2.2%
BeST (Belarus)	1.5	1.4	1.4	(6.7%)	-
Kuzey Kıbrıs Turkcell	0.5	0.5	0.5	-	-
lifecell Europe <sup>3</sup>	0.2	-	-	n.a	n.a
<b>Turkcell Group Subscribers (million)</b>	<b>48.5</b>	<b>47.4</b>	<b>47.9</b>	<b>(1.2%)</b>	<b>1.1%</b>

(1) Superbox subscribers are included in mobile subscribers.

(2) Subscribers to more than one service are counted separately for each service.

(3) The marketing partnership between Turkcell Europe and Telekom Deutschland Multibrand GmbH, the subsidiary of Deutsche Telekom, has ended on April 30, 2020 pursuant to the respective agreement. Turkcell Europe was rebranded as lifecell Europe on January 15, 2018.

### OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

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

	Quarter					Nine Months		
	Q319	Q220	Q320	y/y%	q/q%	9M19	9M20	y/y%
<b>GDP Growth (Turkey)</b>	<b>1.0%</b>	<b>(9.9%)</b>	<b>n.a</b>	<b>n.a</b>	<b>n.a</b>	<b>(1.0%)</b>	<b>n.a</b>	<b>n.a</b>
<b>Consumer Price Index (Turkey)(yoy)</b>	<b>9.3%</b>	<b>12.6%</b>	<b>11.7%</b>	<b>2.4pp</b>	<b>(0.9pp)</b>	<b>9.3%</b>	<b>11.7%</b>	<b>2.4pp</b>
<b>US\$ / TRY rate</b>								
Closing Rate	5.6591	6.8422	7.8080	38.0%	14.1%	5.6591	7.8080	38.0%
Average Rate	5.6973	6.8239	7.1891	26.2%	5.4%	5.6276	6.7183	19.4%
<b>EUR / TRY rate</b>								
Closing Rate	6.1836	7.7082	9.1281	47.6%	18.4%	6.1836	9.1281	47.6%
Average Rate	6.3389	7.5383	8.4187	32.8%	11.7%	6.3218	7.5824	19.9%
<b>US\$ / UAH rate</b>								
Closing Rate	24.08	26.69	28.30	17.5%	6.0%	24.08	28.30	17.5%
Average Rate	25.15	27.08	27.55	9.5%	1.7%	26.43	26.59	0.6%
<b>US\$ / BYN rate</b>								
Closing Rate	2.0743	2.4008	2.6403	27.3%	10.0%	2.0743	2.6403	27.3%
Average Rate	2.0639	2.4492	2.5408	23.1%	3.7%	2.1025	2.4111	14.7%

**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 translation gain/(loss), finance income, finance expense, share of profit of equity accounted investees, gain on sale of investments, minority interest and other income/(expense).

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 as issued by the IASB, to net profit, which we believe is the most directly comparable financial measure calculated and presented in accordance with IFRS as issued by the IASB.

Turkcell Group (million TRY)	Quarter			Nine Months		
	Q319	Q320	y/y%	9M19	9M20	y/y%
<b>Adjusted EBITDA</b>	<b>2,838.7</b>	<b>3,393.9</b>	<b>19.6%</b>	<b>7,672.6</b>	<b>9,027.3</b>	<b>17.7%</b>
Depreciation and amortization	(1,197.7)	(1,516.6)	26.6%	(3,641.7)	(4,340.2)	19.2%
<b>EBIT</b>	<b>1,640.9</b>	<b>1,877.3</b>	<b>14.4%</b>	<b>4,030.9</b>	<b>4,687.1</b>	<b>16.3%</b>
Finance income	(82.2)	1,307.8	n.m	252.6	2,435.5	864.2%
Finance costs	(439.1)	(1,602.5)	265.0%	(1,765.9)	(3,185.3)	80.4%
Other income / (expense)	(92.8)	(11.2)	(87.9%)	(218.4)	(156.4)	(28.4%)
Share of profit of equity accounted investees	1.6	(5.3)	(431.3%)	3.4	(8.6)	(352.9%)
<b>Consolidated profit from continued operations before income tax &amp; minority interest</b>	<b>1,028.6</b>	<b>1,566.1</b>	<b>52.3%</b>	<b>2,302.5</b>	<b>3,772.3</b>	<b>63.8%</b>
Income tax expense	(229.2)	(355.5)	55.1%	(551.9)	(834.8)	51.3%
<b>Consolidated profit from continued operations before minority interest</b>	<b>799.4</b>	<b>1,210.7</b>	<b>51.5%</b>	<b>1,750.6</b>	<b>2,937.6</b>	<b>67.8%</b>
Discontinued operations	-	-	n.a	772.4	-	n.a
<b>Consolidated profit before minority interest</b>	<b>799.4</b>	<b>1,210.7</b>	<b>51.5%</b>	<b>2,523.0</b>	<b>2,937.6</b>	<b>16.4%</b>

**NOTICE:** *This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995. This includes, in particular, our targets for revenue, EBITDA, EBIT and capex for 2020. 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. In addition, 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".*

*Although Turkcell believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. 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 2019 filed with the U.S. Securities and Exchange Commission, and in particular the risk factor section therein. 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.*

**ABOUT TURKCELL:** *Turkcell is a digital operator headquartered in Turkey, 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 – Turkey, Ukraine, Belarus, Northern Cyprus. Turkcell launched LTE services in its home country on April 1<sup>st</sup>, 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 TRY7.6 billion revenue in Q320 with total assets of TRY51.5 billion as of September 30, 2020. It has been listed on the NYSE and the BIST since July 2000, and is the only NYSE-listed company in Turkey. Read more at [www.turkcell.com.tr](http://www.turkcell.com.tr).*

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**Appendix A – Tables**
**Table: Net foreign exchange gain and loss details**

Million TRY	Quarter			Nine Months		
	Q319	Q320	y/y%	9M19	9M20	y/y%
Turkcell Turkey	135.2	(1,298.0)	n.m	(460.8)	(2,301.8)	399.5%
Turkcell International	1.1	(49.0)	n.m	(34.5)	(100.2)	190.4%
Other Subsidiaries	78.1	(87.3)	(211.8%)	(111.9)	(262.3)	134.4%
<b>Net FX loss before hedging</b>	<b>214.4</b>	<b>(1,434.4)</b>	<b>(769.0%)</b>	<b>(607.2)</b>	<b>(2,664.2)</b>	<b>338.8%</b>
Swap interest income/(expense) <sup>1</sup>	(192.4)	(82.0)	(57.4%)	(514.8)	(306.7)	(40.4%)
Fair value gain on derivative financial instruments <sup>1</sup>	(354.6)	1,276.0	n.m	120.1	2,533.7	n.m
<b>Net FX gain / (loss) after hedging</b>	<b>(332.6)</b>	<b>(240.4)</b>	<b>(27.7%)</b>	<b>(1,001.9)</b>	<b>(437.3)</b>	<b>(56.4%)</b>

(1) Swap interest income / (expense) which was included in fair value gain on derivative financial instruments line in previous quarters has been presented separately.

**Table: Income tax expense details**

Million TRY	Quarter			Nine Months		
	Q319	Q320	y/y%	9M19	9M20	y/y%
Current tax expense	(146.2)	(230.0)	57.3%	(508.0)	(588.5)	15.8%
Deferred tax income / (expense)	(83.0)	(125.5)	51.2%	(43.9)	(246.3)	461.0%
<b>Income tax expense</b>	<b>(229.2)</b>	<b>(355.5)</b>	<b>55.1%</b>	<b>(551.9)</b>	<b>(834.8)</b>	<b>51.3%</b>

**TURKCELL ILETISIM HIZMETLERI A.S.**  
**IFRS SELECTED FINANCIALS (TRY Million)**

	Quarter Ended Sep 30, 2019	Quarter Ended Jun 30, 2020	Quarter Ended Sep 30, 2020	Nine Months Sep 30, 2019	Nine Months Sep 30, 2020
<b>Consolidated Statement of Operations Data</b>					
Turkcell Turkey	5,652.4	6,003.0	6,647.9	15,746.5	18,389.3
Turkcell International	525.0	577.9	657.6	1,441.8	1,795.1
Other	409.5	343.0	344.0	1,265.1	1,047.1
Total revenues	6,586.9	6,923.9	7,649.5	18,453.4	21,231.6
Direct cost of revenues	(4,279.6)	(4,950.1)	(5,243.8)	(12,472.2)	(14,763.3)
Gross profit	2,307.3	1,973.8	2,405.7	5,981.1	6,468.3
Administrative expenses	(186.8)	(166.4)	(184.2)	(562.3)	(538.9)
Selling & marketing expenses	(353.8)	(327.9)	(295.6)	(1,170.3)	(972.2)
Other Operating Income / (Expense)	(92.8)	(51.1)	(11.2)	(218.4)	(156.4)
Net impairment losses on financial and contract assets	(125.7)	(106.8)	(48.5)	(217.5)	(270.1)
Operating profit before financing costs	1,548.2	1,321.7	1,866.1	3,812.5	4,530.8
Finance costs	(439.1)	(740.0)	(1,602.5)	(1,765.9)	(3,185.3)
Finance income	(82.2)	506.2	1,307.8	252.6	2,435.5
Share of profit of equity accounted investees	1.6	(0.0)	(5.3)	3.4	(8.6)
Income before tax and non-controlling interest	1,028.6	1,087.9	1,566.1	2,302.5	3,772.3
Income tax expense	(229.2)	(234.9)	(355.5)	(551.9)	(834.8)
Income from continuing operations before non-controlling interest	799.4	853.0	1,210.7	1,750.6	2,937.6
Discontinued operations	-	-	-	772.4	-
Non-controlling interests	1.9	(1.3)	(0.0)	(32.2)	(2.5)
Net income	801.3	851.7	1,210.6	2,490.9	2,935.0
Net income per share	0.37	0.39	0.55	1.14	1.34
<b>Other Financial Data</b>					
Gross margin	35.0%	28.5%	31.4%	32.4%	30.5%
EBITDA(*)	2,838.7	2,824.3	3,393.9	7,672.6	9,027.3
Total Capex	1,618.8	1,761.6	2,872.6	4,779.3	6,194.2
Operational capex	989.5	1,171.7	1,477.5	2,829.1	3,485.3
Licence and related costs	0.4	3.5	3.1	1.6	34.7
Non-operational Capex	628.9	586.4	1,392.1	1,948.5	2,674.2
<b>Consolidated Balance Sheet Data (at period end)</b>					
Cash and cash equivalents	10,975.4	10,929.1	13,523.9	10,975.4	13,523.9
Total assets	45,515.0	47,042.0	51,528.1	45,515.0	51,528.1
Long term debt	12,903.9	14,361.9	16,821.5	12,903.9	16,821.5
Total debt	20,675.2	19,776.0	22,840.8	20,675.2	22,840.8
Total liabilities	28,084.2	27,503.8	31,239.1	28,084.2	31,239.1
Total shareholders' equity / Net Assets	17,430.8	19,538.2	20,289.0	17,430.8	20,289.0

(\*) Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 14

For further details, please refer to our consolidated financial statements and notes as at 30 September 2020 on our web site

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

Quarter Ended	Quarter Ended	Quarter Ended	Nine Months	Nine Months
Sep 30,	Jun 30,	Sep 30,	Sep 30,	Sep 30,
2019	2020	2020	2019	2020

**Consolidated Statement of Operations Data**

Turkcell Turkey	5,652.4	6,003.0	6,647.9	15,746.5	18,389.3
Turkcell International	525.0	577.9	657.6	1,441.8	1,795.1
Other	409.5	343.0	344.0	1,265.1	1,047.1
Total revenues	6,586.9	6,923.9	7,649.5	18,453.4	21,231.6
Direct cost of revenues	(4,279.6)	(4,950.1)	(5,243.8)	(12,472.2)	(14,763.3)
Gross profit	2,307.3	1,973.8	2,405.7	5,981.1	6,468.3
Administrative expenses	(186.8)	(166.4)	(184.2)	(562.3)	(538.9)
Selling & marketing expenses	(353.8)	(327.9)	(295.6)	(1,170.3)	(972.2)
Other Operating Income / (Expense)	(395.7)	337.7	1,212.6	411.9	2,121.9
Operating profit before financing and investing costs	1,371.0	1,817.3	3,138.5	4,660.3	7,079.0
Net impairment losses on financial and contract assets	(125.7)	(106.8)	(48.5)	(217.5)	(270.1)
Income from investing activities	9.9	(1.5)	44.1	48.6	163.3
Expense from investing activities	(19.8)	(20.6)	(1.4)	(86.4)	(1.4)
Share of profit of equity accounted investees	1.6	(0.0)	(5.3)	3.4	(8.6)
Income before financing costs	1,236.9	1,688.4	3,127.4	4,408.4	6,962.3
Finance income	(96.5)	459.5	1,210.2	105.6	2,275.0
Finance expense	(111.9)	(1,060.0)	(2,771.4)	(2,211.5)	(5,465.1)
Income from continuing operations before tax and non-controlling interest	1,028.6	1,087.9	1,566.1	2,302.5	3,772.3
Income tax expense from continuing operations	(229.2)	(234.9)	(355.5)	(551.9)	(834.8)
Income from continuing operations before non-controlling interest	799.4	853.0	1,210.7	1,750.6	2,937.6
Discontinued operations	-	-	-	772.4	-
Income before non-controlling interest	799.4	853.0	1,210.7	2,523.0	2,937.6
Non-controlling interest	1.9	(1.3)	(0.0)	(32.2)	(2.5)
Net income	801.3	851.7	1,210.6	2,490.9	2,935.0
Net income per share	0.37	0.39	0.55	1.14	1.34

**Other Financial Data**

Gross margin	35.0%	28.5%	31.4%	32.4%	30.5%
EBITDA(*)	2,838.7	2,824.3	3,393.9	7,672.6	9,027.3
Total Capex	1,618.8	1,761.6	2,872.6	4,779.3	6,194.2
Operational capex	989.5	1,171.7	1,477.5	2,829.1	3,485.3
Licence and related costs	0.4	3.5	3.1	1.6	34.7
Non-operational Capex	628.9	586.4	1,392.1	1,948.5	2,674.2

**Consolidated Balance Sheet Data (at period end)**

Cash and cash equivalents	10,975.4	10,929.1	13,523.9	10,975.4	13,523.9
Total assets	45,515.0	47,042.0	51,528.1	45,515.0	51,528.1
Long term debt	12,903.9	14,361.9	16,821.5	12,903.9	16,821.5
Total debt	20,675.2	19,776.0	22,840.8	20,675.2	22,840.8
Total liabilities	28,084.2	27,503.8	31,239.1	28,084.2	31,239.1
Total shareholders' equity / Net Assets	17,430.8	19,538.2	20,289.0	17,430.8	20,289.0