

**Türk Telekomünikasyon
Anonim Şirketi and Its Subsidiaries
30 September 2020**

Interim Condensed Consolidated
Financial Statements As At and For
The Nine Month Period
Ended 30 September 2020

4 November 2020

This report contains 2 pages of “Independent Auditor’s Report” and 44 pages of financial statements and explanatory notes.

(Convenience translation of a report and financial statements originally issued in Turkish)

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

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(Convenience translation of a report and financial statements originally issued in Turkish)

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

		Current period	Prior period
		Unaudited	Audited
	Notes	30 September 2020	31 December 2019
Assets			
Total current assets		15.134.764	12.077.205
Cash and cash equivalents	6	5.482.982	4.946.070
Trade receivables			
- Trade receivables due from related parties	8	16.741	11.793
- Trade receivables due from unrelated parties	9	6.687.383	5.756.202
Other receivables			
- Other receivables due from unrelated parties		84.770	75.875
Derivative financial assets			
- Derivative financial assets held for trading	15	53.671	–
- Derivative financial assets held for hedging	15	1.755.642	373.121
Inventories		314.189	252.042
Prepayments			
- Prepayments to unrelated parties		332.806	157.741
Current tax assets		129.850	114.529
Other current assets			
- Other current assets due from unrelated parties		239.369	352.471
		15.097.403	12.039.844
Non-current assets or disposal groups classified as held for sale		37.361	37.361
Total non-current assets		29.620.627	27.832.081
Financial investments			
- Other financial investments		17.956	14.693
Trade receivables			
- Trade receivables due from unrelated parties	9	290.165	236.402
Other receivables			
- Other receivables due from unrelated parties		36.091	35.529
Derivative financial assets			
- Derivative financial assets held for trading	15	38.002	35.401
Right of use assets		1.424.432	1.365.525
Investment property		17.612	17.699
Property, plant and equipment			
- Land and premises		5.895.815	5.428.051
- Buildings		529.298	569.472
- Machinery and equipments		8.191.056	8.033.542
- Other property, plant and equipment		614.881	678.594
Intangible assets			
- Goodwill		44.944	44.944
- Rights regarding concession agreements		4.813.849	3.860.337
- Licences		2.473.143	2.696.075
- Other intangible assets		4.118.591	3.726.441
Prepayments			
- Prepayments to unrelated parties		19.940	12.555
Deferred tax asset		1.094.755	1.076.742
Other non-current assets			
- Other non-current assets due from unrelated parties		97	79
Total assets		44.755.391	39.909.286

The accompanying notes form an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

		Current period	Prior period
		Unaudited	Audited
	Notes	30 September 2020	31 December 2019
Liabilities			
Total current liabilities		14.129.623	13.693.647
Financial liabilities			
Financial liabilities from related parties			
- Bank loans	7,8	875.887	665.000
Financial liabilities from unrelated parties			
- Bank loans	7	1.748.846	656.487
- Lease liabilities	7	26.978	13.421
Current portion of long term financial liabilities			
Current portion of long term financial liabilities from unrelated parties			
- Bank loans	7	4.448.518	4.674.762
- Lease liabilities	7	380.847	326.743
- Issued debt instruments	7	33.476	72.568
Trade payables			
- Trade payables to related parties	8	—	87
- Trade payables to unrelated parties	9	4.356.780	4.391.610
Employee benefit obligations		172.331	190.217
Other payables			
- Other payables to related parties	8	—	205.066
- Other payables to unrelated parties		936.933	927.887
Derivative financial liabilities			
- Derivative financial liabilities held for trading	15	32.658	48.149
- Derivative financial liabilities held for hedging	15	48.073	489.204
Contract liabilities			
- Contract liabilities from sale of goods and service contracts		513.075	372.984
Current tax liabilities		79.213	75.238
Current provisions			
- Current provisions for employee benefits	11	200.140	223.552
- Other current provisions	11	151.632	227.548
Other current liabilities			
- Other current liabilities to unrelated parties		124.236	133.124
Total non-current liabilities		19.902.865	16.772.786
Long term financial liabilities			
Long term financial liabilities from unrelated parties			
- Bank loans	7	8.403.126	7.762.066
- Lease liabilities	7	868.944	800.597
- Issued debt instruments	7	7.563.664	5.811.511
Other payables			
- Other payables to unrelated parties		40.097	38.881
Derivative financial liabilities			
- Derivative financial liabilities held for hedging	15	392.282	173.362
Contract liabilities			
- Contract liabilities from sale of goods and service contracts		812.622	637.851
Non-current provisions			
- Non-current provisions for employee benefits	11	1.113.194	1.044.645
- Other non-current provisions		8.329	8.329
Deferred tax liabilities		557.552	380.175
Other non-current liabilities			
- Other non-current liabilities to unrelated parties		143.055	115.369

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

	Current period		Prior period
	Unaudited		Audited
	Notes	30 September 2020	31 December 2019
Equity		10.722.903	9.442.853
Equity attributable to owners of parent			
Issued capital		3.500.000	3.500.000
Inflation adjustments on capital		(239.752)	(239.752)
Share based payments (-)		—	9.528
Other accumulated comprehensive income / (loss) that will not be reclassified in profit or loss			
Gains / (losses) on revaluation and remeasurement			
- Gains / (losses) on remeasurements of defined benefit plans		(738.882)	(692.610)
- Increases on revaluation of property, plant and equipment		4.766.432	4.351.897
Gains / (losses) due to change in fair value of financial liability attributable to change in credit risk of liability		(40.768)	(132.819)
Other reserves		(1.320.942)	(1.320.942)
Other accumulated comprehensive income / (loss) that will be reclassified in profit or loss			
Gains / (losses) on hedge			
- Gains / (losses) on cash flow hedges		(362.544)	(438.864)
- Gains / (losses) on hedges of net investment in foreign operations		(610.347)	(403.597)
Change in value of time value of options		(1.140.708)	(321.854)
Exchange differences on translation		768.574	471.382
Restricted reserves appropriated from profits		2.398.634	2.355.969
Prior years' profits or losses		1.669.728	(102.268)
Current period net profit		2.073.478	2.406.783
Total liabilities and equity		44.755.391	39.909.286

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

		Current Period	Current Period	Prior Period	Prior Period
		Unaudited	Unaudited	Unaudited	Unaudited
	Notes	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Revenue	5	20.638.406	7.366.332	17.373.102	6.210.127
Cost of sales (-)		(10.966.525)	(3.922.937)	(9.020.000)	(3.189.382)
Gross profit		9.671.881	3.443.395	8.353.102	3.020.745
General administrative expenses (-)		(1.662.577)	(543.088)	(1.547.576)	(543.490)
Marketing, sales and distribution expenses (-)		(2.185.139)	(749.876)	(1.932.347)	(645.495)
Research and development expenses (-)		(180.317)	(57.521)	(120.817)	(39.993)
Other operating income		254.702	98.901	277.853	101.001
Other operating expense (-)		(604.099)	(279.343)	(282.316)	(78.030)
Operating profit		5.294.451	1.912.468	4.747.899	1.814.738
Impairment gain and reversal of impairment loss (impairment loss) determined in accordance with IFRS 9, net		(190.613)	(71.345)	(146.646)	(44.904)
Investment activity income		252.638	82.706	134.040	45.209
Investment activity expenses (-)		(4.200)	(1.888)	(1.619)	(1.015)
Profit before financing expense		5.352.276	1.921.941	4.733.674	1.814.028
Finance income		1.301.186	566.088	616.669	(37.103)
Finance costs (-)		(4.033.890)	(1.932.899)	(3.276.860)	(430.015)
Profit from continuing operations, before tax	5	2.619.572	555.130	2.073.483	1.346.910
Tax (expense) / income, continuing operations					
- Current period tax expense		(196.812)	(77.957)	(124.397)	(55.844)
- Deferred tax (expense) / income		(349.282)	(44.868)	(86.891)	(173.634)
Profit for the year		2.073.478	432.305	1.862.195	1.117.432
Earnings per shares attributable to equity holders of the parent from (in full Kuruş)	4	0,5924	0,1235	0,5321	0,3193
Earnings per diluted shares attributable to equity holders of the parent from (in full Kuruş)	4	0,5924	0,1235	0,5321	0,3193

The accompanying notes form an integral part of these consolidated financial statements.

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

	Current Period	Current Period	Prior Period	Prior Period
	Unaudited	Unaudited	Unaudited	Unaudited
	1 January - 30	1 July - 30	1 January - 30	1 July - 30
Notes	September 2020	September 2020	September 2019	September 2019
Profit for the period	2.073.478	432.305	1.862.195	1.117.432
Other comprehensive income				
Other comprehensive income that will not be reclassified to profit or loss	460.314	481.309	(135.240)	31.743
Gain from revaluation of property, plant and equipments, net	460.136	460.136	76.021	76.021
Losses on remeasurements of defined benefit plans	(57.560)	267	(57.752)	(1.087)
Change in fair value of financial liability attributable to change in credit risk of liability	115.065	82.627	(196.007)	(44.335)
Tax effect of other comprehensive income items not to be reclassified to profit or loss	(57.327)	(61.721)	42.498	1.144
- Taxes relating to remeasurements of defined benefit plans	11.288	(55)	11.236	217
- Tax effect of revaluation of property, plant and equipment	(45.601)	(45.601)	(7.940)	(7.940)
- Taxes relating to change in fair value of financial liability attributable to change in credit risk of liability	(23.014)	(16.065)	39.202	8.867
Other comprehensive income that will be reclassified to profit or loss	(652.092)	(299.327)	(195.623)	(140.545)
Exchange differences on translation	297.192	176.232	(12.533)	(35.790)
Gains / (losses) on cash flow hedges	95.400	145.082	(369.056)	(238.594)
Gains / (losses) on hedges of net investments in foreign operations	(258.439)	(157.233)	(23.734)	34.317
Gains / (losses) on change in value of time value of options	(1.023.566)	(582.297)	163.928	73.333
Tax effect on other comprehensive income items to be reclassified to profit or loss	237.321	118.889	45.772	26.189
- Taxes relating to cash flow hedges	(19.080)	(29.017)	73.811	47.719
- Taxes relating to (gains) / losses on hedges of net investments in foreign operations	51.689	31.447	4.747	(6.863)
- Taxes relating to change in value of time value of options of other comprehensive (loss) / income	204.712	116.459	(32.786)	(14.667)
Other comprehensive (loss) / income	(191.778)	181.982	(330.863)	(108.802)
Total comprehensive income	1.881.700	614.287	1.531.332	1.008.630

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

			Other accumulated comprehensive income / (loss) that will not be reclassified in profit or loss					Other accumulated comprehensive income / (loss) that will be reclassified in profit or loss							Retained earnings / (losses)		
					Gains / (losses) on revaluation and remeasurement		Gains / (losses) due to change in fair value of financial liability attributable to change in credit risk of liability	Gains / (losses) on hedge									
Issued capital	Inflation adjustments on capital	Share based payments	Other reserves	Increases on revaluation of property, plant and equipment	Gains / (losses) on re-measurement of defined benefit plans	Gains / (losses) on hedges of net investment in foreign operations		Gains / (losses) on cash flow hedges	Change in value of time value of options	Exchange differences on translation	Restricted reserves appropriated from profits	Prior years' profit or losses	Current period net profit	Total Equity			
Balance at 1 January 2019	3.500.000	(239.752)	9.528	(1.320.942)	4.283.816	(628.350)	64.852	(350.099)	(185.382)	(351.007)	417.238	2.355.969	1.288.993	(1.391.261)	7.453.603		
Transfers	–	–	–	–	–	–	–	–	–	–	–	–	(1.391.261)	1.391.261	–		
Total comprehensive income	–	–	–	–	68.081	(46.516)	(156.805)	(18.987)	(295.245)	131.142	(12.533)	–	–	1.862.195	1.531.332		
Profit for period	–	–	–	–	–	–	–	–	–	–	–	–	–	1.862.195	1.862.195		
Other comprehensive income / (loss)	–	–	–	–	68.081	(46.516)	(156.805)	(18.987)	(295.245)	131.142	(12.533)	–	–	–	(330.863)		
Balance at 30 September 2019	3.500.000	(239.752)	9.528	(1.320.942)	4.351.897	(674.866)	(91.953)	(369.086)	(480.627)	(219.865)	404.705	2.355.969	(102.268)	1.862.195	8.984.935		
Balance at 1 January 2020	3.500.000	(239.752)	9.528	(1.320.942)	4.351.897	(692.610)	(132.819)	(403.597)	(438.864)	(321.854)	471.382	2.355.969	(102.268)	2.406.783	9.442.853		
Transfers	–	–	–	–	–	–	–	–	–	–	–	42.665	2.364.118	(2.406.783)	–		
Total comprehensive income	–	–	–	–	414.535	(46.272)	92.051	(206.750)	76.320	(818.854)	297.192	–	–	2.073.478	1.881.700		
Profit for period	–	–	–	–	–	–	–	–	–	–	–	–	–	2.073.478	2.073.478		
Other comprehensive income / (loss)	–	–	–	–	414.535	(46.272)	92.051	(206.750)	76.320	(818.854)	297.192	–	–	–	(191.778)		
Dividends	–	–	–	–	–	–	–	–	–	–	–	–	(601.650)	–	(601.650)		
Transfer of share based payments reserve to accumulated comprehensive income	–	–	(9.528)	–	–	–	–	–	–	–	–	–	9.528	–	–		
Balance at 30 September 2020	3.500.000	(239.752)	–	(1.320.942)	4.766.432	(738.882)	(40.768)	(610.347)	(362.544)	(1.140.708)	768.574	2.398.634	1.669.728	2.073.478	10.722.903		

The accompanying notes form an integral part of these consolidated financial statements.

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira ("TL") unless otherwise stated, all other currencies are also disclosed in thousands)

		Current Period	Prior Period
		Unaudited	Unaudited
	<i>Notes</i>	1 January - 30 September 2020	1 January - 30 September 2019
Net profit for the period		2.073.478	1.862.195
Adjustments to reconcile profit			
Adjustments for depreciation and amortisation expense		3.908.787	3.497.952
Adjustments for impairment loss / (reversal of impairment loss)			
- Adjustments for impairment loss of receivables		191.561	199.715
- Adjustments for impairment loss of inventories		—	(3.503)
- Adjustments for impairment loss of property, plant and equipment		9.850	19.619
- Other adjustments for impairment loss (reversal of impairment loss)		(948)	(53.069)
Adjustments for provisions			
- Adjustments for (reversal of) provisions related with employee benefits		341.672	327.286
- Adjustments for (reversal of) lawsuit and/or penalty provisions		42.683	6.204
- Adjustments for (reversal of) other provisions		—	103
Adjustments for interest expenses and income			
- Adjustments for interest income		(176.376)	(303.080)
- Adjustments for interest expense		1.747.053	1.680.435
- Deferred financial expenses from credit purchases		38.105	46.834
Adjustments for unrealised foreign exchange losses		2.019.833	1.116.132
Adjustments for fair value losses / (gains)			
- Adjustments for fair value (gains) / losses on derivative financial instruments		(41.199)	291.190
- Adjustments for fair value losses / (gains) of issued financial instruments		(1.201)	125.769
Adjustments for tax expense / (income)		546.094	211.288
Adjustments for losses / (gains) on disposal of non-current assets			
- Adjustments for gains arised from sale of tangible assets		(248.438)	(132.421)
Other adjustments for which cash effects are investing or financing cash flow		53.499	59.857
Other adjustments for non-cash items	16	(158.423)	(83.924)
Operating profit before working capital changes		10.346.030	8.868.582
Changes in working capital			
Adjustments for (increase) / decrease in trade receivables			
- (Increase) / decrease in trade receivables from related parties		(4.948)	(3.166)
- (Increase) / decrease in trade receivables from unrelated parties		(1.176.727)	(871.744)
Adjustments for (increase) / decrease in inventories		(62.147)	(10.506)
Adjustments for increase / (decrease) in trade payable			
- Increase / (decrease) in trade payables to related parties		(87)	(45)
- Increase / (decrease) in trade payables to unrelated parties		(11.192)	(456.255)
Adjustments for (increase) / decrease in other receivables related with operations			
- (Increase) / decrease in other unrelated party receivables related with operations		(73.413)	(62.782)
Adjustments for increase / (decrease) in other operating payables related with operations			
- Increase / (decrease) in other payables related with operations to unrelated parties		80.366	30.103
Cash flow from operations			
Interest received		91.137	110.359
Payments related with provisions for employee benefits		(366.680)	(358.804)
Payments related with other provisions		(117.382)	(6.724)
Income taxes paid		(208.158)	(99.000)
Other inflows of cash	16	43.028	24.860
Net cash generated from operating activities		8.539.827	7.164.878

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

		Current Period	Prior Period
		Unaudited	Unaudited
		1 January - 30	1 January - 30
	<i>Notes</i>	September 2020	September 2019
Cash flows used in investing activities			
Cash outflows arising from capital advance payments to associates and/or joint ventures		(3.264)	(2.698)
Cash outflows from purchase of additional shares of subsidiaries		(205.000)	(205.000)
Proceeds from sale of property, plant, equipment and intangible assets			
- <i>Proceeds from sales of property, plant and equipment</i>		273.434	259.112
Purchases of property, plant, equipment and intangible assets			
- <i>Purchase of property, plant and equipment</i>		(1.457.096)	(979.715)
- <i>Purchase of intangible assets</i>		(2.591.833)	(1.760.776)
Net cash used in investing activities		(3.983.759)	(2.689.077)
Cash flows from financing activities			
Proceed from borrowings			
- <i>Proceeds from loans</i>		3.088.751	434.936
- <i>Proceeds from issued debt instruments</i>		–	2.623.982
Repayments of borrowings			
- <i>Loan repayments</i>		(5.046.909)	(2.673.548)
- <i>Payment of issued of debt instruments</i>		–	(3.059.616)
Payments of lease liabilities, net		(594.811)	(546.872)
Cash inflows / (outflows) from derivative instruments, net		380.273	145.558
Dividend paid	14	(601.650)	–
Interest paid		(1.380.595)	(1.253.926)
Interest received		85.239	192.721
Other cash outflows, net	16	(53.499)	(59.857)
Net cash used in financing activities		(4.123.201)	(4.196.622)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES		432.867	279.179
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES IN CASH AND CASH EQUIVALENTS		147.073	18.462
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		4.417.662	3.898.092
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	4.997.602	4.195.733

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TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

1. REPORTING ENTITY

Türk Telekomünikasyon Anonim Şirketi (“Türk Telekom” or “the Company”) is a joint stock company incorporated in Turkey. The Company has its history in the Posthane-i Amirane (Department of Post Office) which was originally established as a Ministry on 23 October 1840. On 4 February 1924, under the Telephone and Telegraph, the authorization to install and operate telephone networks throughout Turkey was given to the General Directorate of Post, Telegraph and Telephone (“PTT”). The Company was founded on 24 April 1995 as a result of the split of the telecommunication and postal services formerly carried out by the PTT. All of the personnel, assets and obligations of the PTT pertaining to telecommunication services were transferred to the Company, the shares of which were fully owned by the Republic of Turkey Ministry of Treasury and Finance (“the Treasury”).

On 24 August 2005, Oger Telekomünikasyon A.Ş. (“OTAŞ”), entered into a Share Sale Agreement with the Turkey’s Privatization Authority for the purchase of a 55% stake in the Company. A Shareholders Agreement and a Share Pledge Agreement for the block sale of the Company were signed on 14 November 2005 and then after, OTAŞ became the parent company of the Company.

Out of TL 3.500.000 nominal amount of capital, 15% of the Company’s shares owned by the Treasury corresponding to a nominal amount of TL 525.000 have been issued to the public through an initial public offering with the permission of Directorate of Istanbul Stock Exchange on 15 May 2008. Since then Company shares are traded in Borsa İstanbul with the name of TTKOM.

As per the regulatory disclosure made by Türk Telekom on 15 August 2018, within the scope of the process, which is carried out in relation to takeover of OTAŞ’s 55% shares in our Company, Türk Telekom, by a special purpose vehicle (“SPV”), which the creditor banks of OTAŞ will be shareholders, a notification was made to our company by some of the creditor banks.

Transfer of the Group A shares, which constitutes 55% of the Company’s capital, to the aforementioned SPV, LYY Telekomünikasyon A.Ş. (“LYY”) as of 21 December 2018 has been notified to the Company in accordance with Article 198 of the Turkish Commercial Code. Pursuant to Article 499 of the Turkish Commercial Code, LYY has been registered as a new shareholder in the Company’s shareholders’ ledger.

As at 30 September 2020, the parent company and controlling party of the Company is LYY Telekomünikasyon A.Ş.

A concession agreement (“the Concession Agreement”) was signed by the Company and Turkish Telecommunication Authority (now named the Information and Communication Technologies Authority (“ICTA”) as at 14 November 2005. The Concession Agreement covers the provision of all kinds of telecommunication services, establishment of necessary telecommunications facilities and the use of such facilities by other licensed operators and the marketing and supply of telecommunication services for 25 years starting from 28 February 2001. The Concession Agreement will terminate on 28 February 2026 and in the conditions where the Concession Agreement is expired or not renewed, the Company shall transfer all equipment that affects the operation of its systems in full working order and the real estates in its use where these equipment are deployed to the ICTA or to an institution designated by the ICTA.

The Concession Agreement will expire at the end of its time period. However, the Company may apply to the ICTA and request for extension thereof no later than 1 year prior to the expiry of the duration of the Concession Agreement. The ICTA may decide to renew the Concession Agreement at the latest before 180 days of the date of expiration taking into account new conditions and within the scope of the legislation and the regulations of the ICTA.

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1. REPORTING ENTITY (CONTINUED)

The details of the Company’s subsidiaries as at 30 September 2020 and 31 December 2019 are as follows:

Name of Subsidiary	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				30 September 2020	31 December 2019
TTNet Anonim Şirketi (“TTNet”)	Turkey	Internet service provider	Turkish Lira	100	100
TT Mobil İletişim Hizmetleri A.Ş.(“TT Mobil”)	Turkey	GSM operator	Turkish Lira	100	100
Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret Anonim Şirketi(“Argela”)	Turkey	Telecommunication solutions	Turkish Lira	100	100
Innova Bilişim Çözümleri Anonim Şirketi (“Innova”)	Turkey	Telecommunication solutions	Turkish Lira	100	100
Assist Rehberlik ve Müşteri Hizmetleri Anonim Şirketi (“AssisTT”)	Turkey	Call center and customer relations	Turkish Lira	100	100
Sebit Eğitim ve Bilgi Teknolojileri A.Ş.(“Sebit”)	Turkey	Web Based Learning	Turkish Lira	100	100
NETSIA Inc.	USA	Telecommunications solutions	U.S. Dollar	100	100
Sebit LLC	USA	Web based learning	U.S. Dollar	100	100
TT International Holding B.V.(“TT International”) (*)	Netherlands	Holding company	Euro	100	100
Türk Telekom International AT GmbH (“TTINT Austria”)(*)	Austria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Hu Kft (TTINT Hungary)(*)	Hungary	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
S.C. Euroweb Romania S.A.(“TTINT Romania”) (*)	Romania	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Bulgaria EOOD (“TTINT Bulgaria”)(*)	Bulgaria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International CZ s.r.o (“TTINT Czech Republic”) (*)	Czech Republic	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SRB d.o.o (“TTINT Serbia”) (*)	Serbia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT Telekomunikacije d.o.o. (“TTINT Slovenia”) (*)	Slovenia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SK s.r.o (“TTINT Slovakia”) (*)	Slovakia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TT International Telekomünikasyon Sanayi ve Ticaret Limited Şirketi (“TTINT Turkey”) (*)	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International UA LLC (“TTINT Ukraine”) (*)	Ukraine	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Italy S.R.L. (TTINT Italy) (*)	Italy	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT International MK DOOEL (“TTINT Macedonia”) (*)	Macedonia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International RU LLC (“TTINT Russia”) (*)	Russia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekomünikasyon Euro GmbH. (“TT Euro”) (*)	Germany	Mobil service marketing	Euro	100	100
Türk Telekom International d.o.o.(*)	Croatia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International HK Limited (*)	Hong Kong	Internet/data services, infrastructure and wholesale voice services provider	H.K. Dollar	100	100
Net Ekran TV ve Medya Hiz. A.Ş. (“Net Ekran”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
TTES Elektrik Tedarik Satış A.Ş.(“TTES”)	Turkey	Electrical energy trading	Turkish Lira	100	100
TT Ödeme ve Elektronik Para Hizmetleri A.Ş.	Turkey	Mobile finance	Turkish Lira	100	100
Net Ekran1 TV ve Medya Hiz. A.Ş. (“Net Ekran1”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran2 TV ve Medya Hiz. A.Ş. (“Net Ekran2”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran3 TV ve Medya Hiz. A.Ş. (“Net Ekran3”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran4 TV ve Medya Hiz. A.Ş. (“Net Ekran4”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran5 TV ve Medya Hiz. A.Ş. in Liquidation. (“Net Ekran5”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran6 TV ve Medya Hiz. A.Ş. (“Net Ekran6”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran7 TV ve Medya Hiz. A.Ş. in Liquidation. (“Net Ekran7”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran8 TV ve Medya Hiz. A.Ş. in Liquidation (“Net Ekran8”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran9 TV ve Medya Hiz. A.Ş. in Liquidation (“Net Ekran9”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran10 TV ve Medya Hiz. A.Ş. (“Net Ekran10”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran11 TV ve Medya Hiz. A.Ş. (“Net Ekran11”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran12 TV ve Medya Hiz. A.Ş. in Liquidation (“Net Ekran12”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran13 TV ve Medya Hiz. A.Ş. in Liquidation (“Net Ekran13”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran14 TV ve Medya Hiz. A.Ş. in Liquidation (“Net Ekran14”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran15 TV ve Medya Hiz. A.Ş. in Liquidation (“Net Ekran15”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran16 TV ve Medya Hiz. A.Ş. in Liquidation (“Net Ekran16”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
11818 Rehberlik ve Müşteri Hizmetleri A.Ş. (“11818”)	Turkey	Call center and customer relations	Turkish Lira	100	100
TT Satış ve Dağıtım Hizmetleri Anonim Şirketi	Turkey	Selling and Distribution Services	Turkish Lira	100	100
TT Ventures Proje Geliştirme A.Ş.	Turkey	Corporate Venture Capital	Turkish Lira	100	100
TT Destek Hizmetleri A.Ş. (**)	Turkey	Provider of combined facilities support activities	Turkish Lira	100	-

(*) Hereinafter, will be referred as TTINT Group.

(**)On 16 January 2020, the Company established a new subsidiary in Turkey named TT Destek Hizmetleri A.Ş to provide combined facilities support activities.

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1. REPORTING ENTITY (CONTINUED)

The details of the Company’s joint operation as at 30 September 2020 and 31 December 2019 are as follows:

Name of Joint Operation	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				30 September 2020	31 December 2019
TT Mobil-Vodafone Evrensel İş Ortaklığı	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Turkish Lira	51	51

Hereinafter, Türk Telekom and its subsidiaries and joint operations together will be referred to as “the Group”.

The Group’s principal activities include the provision of local, national, international and mobile telecommunication services, internet products and services, as well as call center and customer relationship management, technology and information management.

The Company’s registered office address is Turgut Özal Bulvarı, 06103 Aydınlıkevler, Ankara.

The number of personnel subject to collective agreement as at 30 September 2020 is 9.806 (31 December 2019: 10.211) and the number of personnel not subject to collective agreement as at 30 September 2020 is 24.228 (31 December 2019: 21.969). The total number of personnel as at 30 September 2020 and 31 December 2019 are 34.034 and 32.180, respectively.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation of the interim condensed consolidated financial statements

a) Statement of compliance with TAS

The accompanying interim condensed consolidated financial statements are prepared in accordance with Turkish Financial Reporting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) as set out in the Communiqué numbered II-14.1 “Communiqué on Principles of Financial Reporting in Capital Markets” published in the Official Gazette numbered 28676 on 13 June 2013. TFRSs consist of standards and interpretations which are published as Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards, interpretations of TAS and interpretations of TFRS.

The interim condensed consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 28676 on 7 June 2019.

Approval of the financial statements:

The interim condensed consolidated financial statements are approved by the Company’s Board of Directors on 4 November 2020.

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation of the interim condensed consolidated financial statements (continued)

b) Correction of financial statements during the hyperinflationary periods

CMB, with its resolution dated 17 March 2005, announced that all publicly traded entities operating in Turkey was not obliged to apply inflationary accounting effective from 1 January 2005. In accordance with this resolution, TAS 29 “Financial Reporting in Hyperinflationary Economies” is not applied to the interim condensed consolidated financial statements since 1 January 2005.

c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the property, plant and equipment other than lands and investment property acquisitions prior to 1 January 2000 for which the deemed cost method was applied in accordance with TAS 29 “Financial Reporting in Hyperinflationary Economies”, lands, derivative financial instruments, issued debt instruments which have been measured at fair value through profit or loss. Investment properties and tangible assets other than lands which are recognized with deemed cost method are valued with fair values as of 1 January 2000, lands accounted as property, plant and equipment, derivative financial instruments and issued debt instruments which have been measured at fair value through profit or loss, are valued with fair values as of balance sheet date.

d) Functional and presentation currency

Excluding the subsidiaries incorporated outside of Turkey, functional currency of all entities’ included in consolidation is Turkish Lira (“TL”) and they maintain their books of account in TL in accordance with Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

Functional currencies of the subsidiaries and Company’s joint operation are presented in Note 1.

The consolidated financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with the Turkish Accounting Standards published by the POA and are presented in TL.

Additional paragraph for convenience translation to English:

The accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) to the accompanying consolidated financial statements differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) with respect to the application of inflation accounting, classification of some income statement items and also for certain disclosures requirement of the POA.

e) Significant accounting assessments, estimates and assumptions

In order to prepare financial statements in accordance with TFRS, certain assumptions affecting notes to the financial statements and critical accounting estimations related to assets, liabilities, contingent assets and contingent liabilities are required to be used. Although these estimations are made upon the best afford of the management by interpreting the cyclical circumstances, actual results may differ from the forecasts. Issues that are complex and needs further interpretation, which might have a critical impact on financial statements. There is no change in judgments and critical accounting estimates compared to prior year used in interim condensed consolidated financial statements as 30 September 2020.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.1 Basis of presentation of the interim condensed consolidated financial statements (continued)

e) Significant accounting assessments, estimates and assumptions (continued)

Determination of fair values

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. This fair value is determined at initial recognition and at the end of each reporting period for disclosure purposes.

ii) Derivatives

The fair value of interest rate swaps and forward exchange contracts are based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

iii) Issued debt instruments

The fair values of bills, bonds and notes issued are measured by using quoted market price at the date of valuation.

iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

v) Lands

Lands accounted as property, plant and equipment are measured at revalued amount. Revalued amount for lands is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Summary of significant accounting policies

Standards issued but not yet effective and not early adopted

A number of new standards, interpretations of and amendments to existing standards are not effective at reporting date and earlier application is permitted; however, the Group has not early adopted are as follows.

Classification of Liabilities as Current or Non-current (Amendments to TAS 1)

On 23 January 2020, IASB issued *Classification of Liabilities as Current or Non-Current* which amends TAS 1 *Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities in the statement of financial position which is issued by POA on 12 March 2020.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

- a. Specifying that an entity’s right to defer settlement must exist at the end of the reporting period;
- b. Clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement;
- c. Clarifying how lending conditions affect classification; and
- d. Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, the amendment published on 15 July 2020, IASB, it decided to defer the effective date of IAS 1 until 1 January 2023.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the amendments to IAS 1.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Summary of significant accounting policies (continued)

Standards issued but not yet effective and not early adopted (continued)

Covid-19 related rent concession (Amendments to TFRS 16)

In May 2020, IASB issued Covid-19 related rent concession which amends TFRS 16 Leases which is issued by POA on 5 June 2020.

The amendments allow lessees not to account for rent concessions as lease modifications if they arise as a direct consequence of COVID-19.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021;
- no other substantive changes have been made to the terms of the lease.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

The Group shall apply these amendments for annual periods beginning on or after 1 June 2020 with earlier application permitted.

Amendments are effective on 1 January 2020

Changes that have become effective and have been adopted for annual periods beginning on or after 1 January 2022.

The changes that become effective as of January 1, 2020 are as follows:

1-) The revised Conceptual Framework (Version 2018)

2-) Amendments to TFRS 3 - Definition of a Business

The application of the amendment in TFRS 3 did not have a significant impact on the consolidated financial statements of the Group.

3-) Amendments to TAS 1 and TAS 8 - Definition of Material

The application of the amendment to TAS 1 and TAS 8 does not have a significant impact on the consolidated financial statements of the Group.

4-) Interest Rate Benchmark Reform (Amendments to TFRS 9, TAS 39 and TFRS 7)

The application of this amendment is not expected to have a significant impact on the consolidated financial statements of the Group.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Summary of significant accounting policies (continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.

The amendments updated IFRS 3 by replacing a reference to an old version of the Board’s Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

Property, Plant and Equipment Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The amendments improve transparency and consistency by clarifying the accounting requirements specifically, the amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37)

In May 2020, IASB issued Onerous Contracts—Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

IASB developed amendments to IAS 37 to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Group shall apply these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted.

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Summary of significant accounting policies (continued)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by POA (continued)

Annual Improvements to IFRS Standards 2018–2020

Improvements to IFRSs

IASB issued Annual Improvements to IFRSs - 2018–2020 Cycle for applicable standards in May 2020. The amendments are effective as of 1 January 2022. Earlier application is permitted. The Group does not expect that application of these improvements to IFRSs will have significant impact on its consolidated financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16 (a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent’s date of transition to IFRS Standards. This amendment will ease transition to IFRS Standards for subsidiaries applying this optional exemption by i) reducing undue costs; and ii) avoiding the need to maintain parallel sets of accounting records.

IFRS 9 Financial Instruments

This amendment clarifies that – for the purpose of performing the ‘10 percent test’ for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

IFRS 16 Leases, Illustrative Example 13

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive. It will help to remove the potential for confusion in identifying lease incentives in a common real estate fact pattern.

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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3. SEASONAL CHANGES IN THE OPERATIONS

The operations of the Group are not subject to seasonal fluctuations.

4. EARNINGS PER SHARE

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Weighted average number of ordinary shares outstanding during the year	350.000.000.000	350.000.000.000	350.000.000.000	350.000.000.000
Net profit for the period attributable to equity holders of the Company	2.073.478	432.305	1.862.195	1.117.432
Basic and earnings per share (in full kuruş)	0,5924	0,1235	0,5321	0,3193

5. SEGMENT REPORTING

The Group has two main segments; fixed line and mobile. Fixed line services are provided by Türk Telekom, TTNNet, Argela, Innova, Sebit, AssisTT, TTES, TT Venture, TT Destek Hizmetleri and TTINT Group whereas mobile service is provided by TTMobil. Group management assesses segment performance over earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA”). Adjusted EBITDA is calculated by adjusting the operating income by i) adding income/expense from investing activities, depreciation, amortization and impairment expenses and ii) deducting exchange gains/losses, interest and rediscount income/ expenses on current accounts presented in other operating income and expense. Group management uses adjusted EBITDA as it is comparable with other companies in the sector. As Group management does not monitor Group’s performance over geographical segments, geographical segment reporting is not presented. The segment results and balance sheet items are presented below:

(Convenience translation of a report and financial statements originally issued in Turkish)

TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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5. SEGMENT REPORTING (CONTINUED)

	Fixed line		Mobile		Intra-group eliminations and consolidated adjustments		Consolidated	
	1 January - 30 September 2020	1 January - 30 September 2019	1 January - 30 September 2020	1 January - 30 September 2019	1 January - 30 September 2020	1 January - 30 September 2019	1 January - 30 September 2020	1 January - 30 September 2019
Revenue	14.874.066	11.871.675	7.287.676	6.634.484	(1.523.336)	(1.133.057)	20.638.406	17.373.102
Contributive revenue (*)	13.386.094	10.802.138	7.252.312	6.570.964	—	—	20.638.406	17.373.102
EBITDA	7.600.932	6.162.679	2.093.539	2.180.691	(3.493)	(1.821)	9.690.978	8.341.549
Contributive adjusted EBITDA (**)	6.559.802	5.485.520	3.131.176	2.856.029	—	—	9.690.978	8.341.549
Capital expenditure (***)	2.656.309	1.982.167	1.302.730	814.968	(4.755)	(6.806)	3.954.284	2.790.329

	Fixed line		Mobile		Intra-group eliminations and consolidated adjustments		Consolidated	
	1 July - 30 September 2020	1 July - 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019	1 July - 30 September 2020	1 July - 30 September 2019
Revenue	5.312.156	4.231.068	2.596.652	2.387.534	(542.476)	(408.475)	7.366.332	6.210.127
Contribution to the consolidated revenue (*)	4.779.298	3.844.516	2.587.034	2.365.611	—	—	7.366.332	6.210.127
EBITDA	2.717.899	2.181.535	763.386	823.361	(4.409)	514	3.476.876	3.005.410
Contribution to the consolidated EBITDA (**)	2.346.342	1.947.093	1.130.534	1.058.317	—	—	3.476.876	3.005.410
Capital expenditure (***)	1.134.873	851.337	690.467	376.045	(3.676)	(4.033)	1.821.664	1.223.349

(*) "Contributive revenue" represents operating segments' revenues from companies other than those included in the consolidated financial statements. Group management still monitors financial performance of the segments based on their separate financial statements and because of this there is no change at the segment information disclosed. However, contribution of operating segments on the Group's revenue is presented to give additional information to the readers of the financial statements.

(**) "Contributive EBITDA" represents operating segments' EBITDA arose from transactions with companies other than those included in the consolidated financial statements and revised by allocation of intra-group charges for shared costs. Group management still monitors financial performance of the segments based on their separate financial statements and because of this there is no change at the segment information disclosed. However, contribution of operating segments on the Group's revenue is presented to give additional information to the readers of the financial statements.

(***) "Capital expenditures" do not include TL 158.423 (30 September 2019: TL 83.924) amounted profit margin which is capitalized on intangible assets that are accounted within the scope of TFRS Interpretation 12.

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5. SEGMENT REPORTING (CONTINUED)

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Fixed line contributive EBITDA	6.559.802	2.346.342	5.485.520	1.947.093
Mobile contributive EBITDA	3.131.176	1.130.534	2.856.029	1.058.317
EBITDA	9.690.978	3.476.876	8.341.549	3.005.410
Foreign exchange gains, interest income, discount income on current accounts presented in other operating income	112.265	50.083	120.232	47.927
Foreign exchange losses, interest income, discount income on current accounts presented in other operating expense (-)	(532.330)	(262.416)	(210.536)	(56.257)
Financial income	1.301.186	566.088	616.669	(37.103)
Financial expense (-)	(4.033.890)	(1.932.899)	(3.276.860)	(430.015)
Depreciation, amortisation and impairment	(3.918.637)	(1.342.602)	(3.517.571)	(1.183.052)
Consolidated profit before tax	2.619.572	555.130	2.073.483	1.346.910

30 September 2020	Fixed Line	Mobile	Eliminations	Consolidated
Total segment assets	34.138.484	11.351.106	(734.199)	44.755.391
Total segment liabilities	(30.497.883)	(4.268.804)	734.199	(34.032.488)
31 December 2019	Fixed Line	Mobile	Eliminations	Consolidated
Total segment assets	29.529.061	11.266.952	(886.727)	39.909.286
Total segment liabilities	(27.160.226)	(4.184.931)	878.724	(30.466.433)

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6. CASH AND CASH EQUIVALENTS

	30 September 2020	31 December 2019
Cash on hand	586	196
Cash at banks– demand deposit	719.711	663.895
Cash at banks– time deposit	4.762.685	4.281.269
Other	–	710
	5.482.982	4.946.070

As of 30 September 2020, time deposits are all short-term, maturing within one month and denominated in both foreign currencies and TL. The interest rates are between 5,50% and 13,00% for TL deposits, between 0,30% and 3,05% for USD deposits and between 0,50% and 2,00% for EUR deposits (31 December 2019: for TL deposits between 7,00% and 12,50%, for USD deposits between 0,10% and 3,60%, for EUR deposits between 0,05% and 1,15%).

Reconciliation of cash and cash equivalents to the statement of cash flows is as follows:

	30 September 2020	30 September 2019
Cash and cash equivalents	5.482.982	4.767.317
Less: restricted amounts		
- Collection protocols and ATM collection	(348.379)	(342.099)
- Other	(137.001)	(229.485)
Unrestricted cash	4.997.602	4.195.733

As of 30 September 2020, demand deposits amounting to TL 348.379 is restricted due to collection protocols signed with banks for receipts from the subscribers, under which proceeds are made available to the Group a certain number of days after the cash is collected. As of 30 September 2020, other restricted amounts mainly consist of blocked deposits related to Türk Telekom's derivative financial instruments.

As of 30 September 2020, the Group has bank loans amounting to USD 100.000 and EUR 36.460 which have been committed to banks and have not been utilized yet, having maturity dates on 1 June 2021 and 30 June 2021, respectively.

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7. FINANCIAL LIABILITIES

Bank borrowings

	30 September 2020			31 December 2019		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
Short-term bank loans:						
Unsecured TL bank loans with fixed interest rates	9,26	2.515.414	2.515.414	10,77	1.241.601	1.241.601
Unsecured USD bank loans with fixed interest rates	—	—	—	2,55	13.000	77.223
Unsecured Yuan bank borrowings with variable interest rates (***)	4,27	43.916	50.006	—	—	—
Interest accruals:						
Unsecured TL bank loans with fixed interest rates		58.904	58.904		2.542	2.542
Unsecured USD bank loans with fixed interest rates		—	—		20	121
Unsecured Yuan bank borrowings with variable interest rates (***)		359	409		—	—
Short-term bank loans		2.624.733				1.321.487
Short-term portion of long-term bank loans:						
Unsecured USD bank loans with fixed interest rates		—	—	3,15	4.726	28.076
Unsecured USD bank loans with variable interest rates(*)	2,66	341.402	2.665.667	4,01	472.182	2.804.854
Unsecured EUR bank loans with variable interest rates (**)	1,04	181.831	1.659.773	1,18	263.977	1.755.608
Interest accruals of long-term bank loans:						
Unsecured USD bank loans with fixed interest rates		—	—		6	37
Unsecured USD bank loans with variable interest rates (*)		11.114	86.780		13.362	79.370
Unsecured EUR bank loans with variable interest rates (**)		3.976	36.298		1.025	6.817
Current portion of long-term bank loans		4.448.518				4.674.762
Total short-term bank loans		7.073.251				5.996.249
Long-term bank loans:						
Unsecured USD bank loans with variable interest rates (*)	2,66	634.467	4.953.920	4,01	890.624	5.290.486
Unsecured EUR bank loans with variable interest rates (**)	1,04	377.867	3.449.206	1,18	371.633	2.471.580
Total long-term bank loans		8.403.126				7.762.066
Total bank loans		15.476.377				13.758.315

(*) As at 30 September 2020, interest rate varies between Libor +0,54% and 2,85% (31 December 2019: Libor + 0,54% and 3,40%)

(**) As at 30 September 2020, interest rate varies between Euribor +0,25% and 2,00% (31 December 2019: Euribor + 0,25% and 2,60%)

(***) As at 30 September 2020, interest rate Shibor +2,00% (31 December 2019: Nil)

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7. FINANCIAL LIABILITIES (CONTINUED)

Bank borrowings (continued)

The contractual maturities of financial liabilities in equivalent of TL are as follows:

	30 September 2020					Total	31 December 2019					Total
	Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years		Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years	
Unsecured TL bank borrowings with fixed interest rates	199.108	2.375.210	—	—	—	2.574.318	1.235.790	8.353	—	—	—	1.244.143
Unsecured USD bank borrowings with fixed interest rates	—	—	—	—	—	—	77.344	28.113	—	—	—	105.457
Unsecured USD bank borrowings with variable interest rates	1.081.513	1.670.934	1.785.686	3.116.180	52.054	7.706.367	736.470	2.147.754	1.640.768	3.409.215	240.503	8.174.710
Unsecured EUR bank borrowings with variable interest rates	1.197.015	499.056	868.896	1.995.069	585.241	5.145.277	28.590	1.733.835	602.137	1.290.504	578.939	4.234.005
Unsecured Yuan bank borrowings with variable interest rates	—	50.415	—	—	—	50.415	—	—	—	—	—	—
	2.477.636	4.595.615	2.654.582	5.111.249	637.295	15.476.377	2.078.194	3.918.055	2.242.905	4.699.719	819.442	13.758.315

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7. FINANCIAL LIABILITIES (CONTINUED)

Issued debt instruments

	30 September 2020			31 December 2019		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
Interest accruals of short-term portion of long-term issued debt instruments:						
USD issued debt instruments with fixed interest rates	—	4.287	33.476	—	12.216	72.568
Short-term issued debt instruments		4.287	33.476		12.216	72.568
Long-term issued debt instruments:						
USD issued debt instruments with fixed interest rates	5,88	968.707	7.563.664	5,88	978.336	5.811.511
Long-term issued debt instruments		968.707	7.563.664		978.336	5.811.511
Total issued debt instruments		972.994	7.597.140		990.552	5.884.079

The sales process of the bond issuances amounted to USD 500.000 with 6 years of maturity, and 6,875% coupon rate based on 7% reoffer yield was completed on February 28th, 2019. The bonds are now quoted at Irish Stock Exchange.

The sales process of the bond issuances amounted to USD 500.000 with 10 years of maturity, and 4,875% coupon rate based on 4,982% reoffer yield was completed on June 19th, 2014. The bonds are now quoted at Irish Stock Exchange.

The contractual maturities of issued debt instruments in equivalent of TL are as follows:

	30 June 2020					31 December 2019				
	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Issued debt instruments	-	33.476	7.563.664	-	7.597.140	72.568	-	2.876.254	2.935.257	5.884.079
	-	33.476	7.563.664	-	7.597.140	72.568	-	2.876.254	2.935.257	5.884.079

Lease liabilities

As at 30 September 2020, obligation under leases detail are as follows:

	30 September 2020				31 December 2019	
	Currency	Interest rate type	Nominal interest rate	Carrying amount	Nominal interest rate	Carrying amount
Lease liabilities	TL	Fixed	9,0% - 22,0%	1.134.555	11,0% - 22,0%	1.029.922
Lease liabilities	USD	Fixed	3,7% - 7,0%	51.386	6,0% - 7,0%	33.892
Lease liabilities	EUR	Fixed	3,0% - 4,5%	88.315	3,3% - 4,5%	73.138
Lease liabilities	Other	Fixed	3,3%	2.513	3,3%	3.809
				1.276.769		1.140.761

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8. DUE FROM AND DUE TO RELATED PARTIES

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated for consolidation purposes and are not disclosed in this note.

Institutions under state control are defined as related parties due to 25% ownership and the golden share of the Treasury. State controlled entities are defined as related parties but in accordance with the exemption provided by the TAS 24 disclosure requirements, state controlled entities are excluded from general reporting requirements.

Details of balances and transactions between the Group and other related parties as at 30 September 2020 and 31 December 2019 are disclosed below:

	30 September 2020	31 December 2019
Due from related parties (Trade receivables-short term)		
Akbank T.A.Ş.	9.078	6.210
Türkiye Garanti Bankası A.Ş.	5.185	4.763
Türkiye İş Bankası A.Ş.	2.478	820
	16.741	11.793
Due to related parties (Trade payables-short term)		
Akbank T.A.Ş.	—	87
	—	87
Due to related parties (Other payables-short term)		
Türkiye İş Bankası A.Ş.	—	205.066
	—	205.066

As of 31 December 2019, other payables in other short term payables is related to discounted payable as a result of share transfer agreement in order to purchase 10,0035% share of TT Mobil’s issued capital that will be sold to Group’s customers as part of commitment sales. There is no payable remaining in current period regarding the TT Mobil share purchase.

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8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)

Deposits held by related parties	30 September 2020	31 December 2019
Türkiye İş Bankası A.Ş.		
Time Deposit	240.218	883.199
Demand Deposit	186.607	173.331
	426.825	1.056.530
Akbank T.A.Ş.		
Time Deposit	377.143	629.349
Demand Deposit	123.296	89.194
	500.439	718.543
Türkiye Garanti Bankası A.Ş.		
Time Deposit	—	8.670
Demand Deposit	53.584	51.756
	53.584	60.426
Bank loans from related parties	30 September 2020	31 December 2019
Türkiye İş Bankası A.Ş.	593.415	665.000
Türkiye Garanti Bankası A.Ş.	282.472	—
	875.887	665.000

Transactions with shareholders:

TT Mobil is required under the terms of the TT Mobil Concession Agreement, to pay 15% share to the Treasury (the Treasury Share) of its monthly gross revenue. Besides, the Company and its other subsidiaries that are operating in the telecommunications sector are required to pay universal service fund at 1% of their net revenues of each year and ICTA share at 0,35% of revenues to the Ministry of Transport, Maritime Affairs and Communications under the law Global Service Act numbered 5369. Also, according to Law numbered 7061 “Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation”, TT Mobil is required to pay 5% share (radio fee) of its monthly net revenue to ICTA.

As of 30 September 2020, unpaid portion of Treasury Share, universal service fund and ICTA share are recorded under other short term payables and these expenses are accounted in cost of sales account.

Guarantees provided to related parties:

As of 30 September 2020, guarantees amounting to EUR 103.184, USD 40.000 and EUR 300 are given for financial liabilities of TT Mobil, TTINT Turkey and TTINT Romania, which are amounted to EUR 103.184, USD 40.000 and EUR 300, respectively, by Türk Telekom.

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8. DUE FROM AND DUE TO RELATED PARTIES (CONTINUED)

Transactions with related parties:

Interest income from related parties	30 September 2020	30 September 2019
Akbank T.A.Ş.	6.721	43.602
Türkiye İş Bankası A.Ş.	781	6.033
Türkiye Garanti Bankası A.Ş.	70	2.825
	7.572	52.460
Other income from related parties		
Akbank T.A.Ş.	63.391	41.847
Türkiye Garanti Bankası A.Ş.	41.032	29.783
Türkiye İş Bankası A.Ş.	20.039	20.064
	124.462	91.694

Compensation of key management personnel

The remuneration of board of directors and other members of key management were as follows:

	1 January – 30 September 2020	1 January – 30 September 2019
Short-term benefits	77.732	114.485
Long-term defined benefit plans	1.648	1.465
	79.380	115.950

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9. TRADE RECEIVABLES FROM AND PAYABLES TO UNRELATED PARTIES

Trade receivables

	30 September 2020	31 December 2019
Short-term		
Trade receivables	8.945.120	8.111.653
Contract assets	1.098.041	892.274
Other trade receivables	326.009	242.899
Allowance for doubtful receivables (-)	(3.681.787)	(3.490.624)
Total short-term trade receivables	6.687.383	5.756.202
Long-term		
Trade receivables	290.165	236.402
Total long-term trade receivables	290.165	236.402

Trade receivables generally have a maturity term of 60 days on average (31 December 2019: 60 days).

The movement of the allowance for doubtful receivables is as follows:

	1 January 2020 - 30 September 2020	1 January 2020 - 30 June 2019
At January 1	(3.490.624)	(3.241.202)
Provision for the year, net	(187.177)	(198.934)
Change in currency translation differences	(3.986)	25
At 30 September	(3.681.787)	(3.440.111)

The Group waits up to 90 days before initiating legal action for overdue receivables. Based on its previous collection performance from overdue receivables, the Company expects to make significant collections from its overdue receivables.

Receivables guaranteed of the Group are amounted to TL 137.735.

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**9. TRADE RECEIVABLES FROM AND PAYABLES TO UNRELATED PARTIES
(CONTINUED)**

Trade payables

	30 September 2020	31 December 2019
Short-term		
Trade payables	3.569.130	3.765.591
Expense accruals	787.650	626.019
Total short-term trade payables	4.356.780	4.391.610

The average maturity term of trade payables is between 30 and 150 days (31 December 2019: 30 and 150 days).

As of 30 September 2020, short term trade payables consists of payables within scope of supplier finance that amounting TL 620.010 (31 December 2019: TL 975.830).

10. TANGIBLE AND INTANGIBLE ASSETS

The amount of tangible and intangible assets purchased during the nine month period ended 30 September 2020 is TL 3.954.284 (30 September 2019: TL 2.790.329).

Net book value of tangible and intangible assets sold during the nine month period ended 30 September 2020 amounted to TL 24.996 (30 September 2019: TL 126.691).

As at 30 September 2020, net increase in carrying amount of lands amounting TL 460.136 which is valued by real estate valuation companies licensed by CMB is recognized in other comprehensive income. Valuation companies that performed the valuations are Akademi Gayrimenkul Değerleme ve Danışmanlık A.Ş., Atak Gayrimenkul Değerleme A.Ş., Bilgi Gayrimenkul Değerleme A.Ş., DE-GA Gayrimenkul Değerleme ve Danışmanlık A.Ş., Değer Gayrimenkul Değerleme ve Danışmanlık A.Ş., Düzey Gayrimenkul Değerleme ve Danışmanlık A.Ş., Ekip Taşınmaz Değerleme A.Ş., Eksen Gayrimenkul Değerleme ve Danışmanlık A.Ş., Emsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Kuzey Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., LAL Gayrimenkul Değerleme ve Müşavirlik A.Ş., Metrik Gayrimenkul Değerleme Danışmanlık A.Ş., Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., Prime Gayrimenkul Değerleme ve Danışmanlık A.Ş., Vakıf Gayrimenkul Değerleme A.Ş.

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11. PROVISIONS

Current provisions

The movement of other current provisions is as follows:

	30 September 2020	31 December 2019
Litigation, ICTA penalty and customer return provisions	115.413	190.381
Provision for expected credit losses on loan commitments (*)	36.219	37.167
	151.632	227.548

(*) Consists of expected credit losses are recognized for the guarantees given for borrowings of distributors which are utilized in financing of equipment purchases that will be sold to Group’s customers as part of commitment sales.

Current provisions for employee benefits

	30 September 2020	31 December 2019
Current provisions for employee benefits		
Personnel bonus provision	200.140	223.552
	200.140	223.552

Non-current provisions for employee benefits

	30 September 2020	31 December 2019
Non-current provisions for employee benefits		
Defined benefit obligation	965.432	913.107
Unused vacation provisions	147.762	131.538
	1.113.194	1.044.645

Defined benefit obligation

In accordance with existing social legislation in Turkey, companies are required to make lump-sum payments to employees whose employment has ended due to retirement or for reasons other than resignation or misconduct. The liability is not funded and accordingly there are no plan assets for the defined benefits as there is no funding requirement.

The retirement pay liability as at 30 September 2020 is subject to a ceiling of full TL 7.117,17 (31 December 2019: full TL 6.379,86) per monthly salary for each service year.

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12. COMMITMENTS AND CONTINGENCIES

Guarantees received and given by the Group are summarized below:

		30 September 2020		31 December 2019	
		Original currency	TL	Original currency	TL
Guarantees received	USD	127.307	994.013	143.040	849.687
	TL	1.017.622	1.017.660	844.277	844.277
	EUR	24.574	224.318	32.158	213.869
		2.235.991		1.907.833	
Guarantees given (*)	USD	168.529	1.315.874	171.513	1.018.822
	TL	677.687	677.687	589.422	589.422
	EUR	72.298	659.940	75.893	504.734
		2.653.501		2.112.978	

(*) Guarantees given amounting to USD 151.500 (31 December 2019: USD 151.500) is related to the guarantee provided to the ICTA by TT Mobil with respect to the TT Mobil Concession Agreement, guarantees given amounting to EUR 12.840 (31 December 2019: EUR 12.840) is related with the guarantee provided for 3G license and guarantees given amounting to EUR 57.281 (31 December 2019: EUR 57.281) is related with the guarantee provided for 4.5G license.

The Company’s guarantee, pledge and mortgage (GPM) position as at 30 September 2020 and 31 December 2019 is as follows:

	30 September 2020	31 December 2019
A. GPMs given on behalf of the Company’s legal personality	2.653.501	2.112.978
B. GPMs given in favor of subsidiaries included in full consolidation	1.256.929	977.792
C. GPMS given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	691.303	605.367
Total	4.601.733	3.696.137

Based on law 128/1 of Turkish Code of Obligations, the Group has given guarantee to distributors amounting to TL 691.303 for the financial obligation that would arise during the purchase of devices that will be sold as commitment sales by the Group (31 December 2019: TL 605.367). The guarantees has given to the banks TL 49.525, TL 178.654, TL 20.291 Akbank T.A.Ş., Türkiye Garanti Bankası A.Ş. and Türkiye İş Bankası A.Ş. respectively.

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12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Other commitments

The Group has purchase commitments for sponsorships, advertising and insurance services at the equivalent to TL 7.376 (31 December 2019: TL 30.723) as at 30 September 2020. Payments for these commitments are going to be made in a 3-year period.

The Group has purchase commitments for fixed assets amounting to USD 90.936, EUR 51.342, TL 305.653 and GBP 30 equivalent to TL 1.484.638 (31 December 2019: TL 771.638) as at 30 September 2020.

Legal proceedings of Türk Telekom

Disputes between the Group and the ICTA

The Company has filed various lawsuits against ICTA. These lawsuits are related with the sector-specific and tariff legislations and legislations with respect to the other operators in the market. The sector-specific disputes generally stem from the objections with respect to the provisions of interconnection legislation, legislation with respect to telecommunication services and infrastructure. According to the Article 99 of the Law numbered 7061 “Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation” which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the sub-article 9 added to the Article 60 of the Law numbered 5809; customer returns that are not repaid to the customers within the 2-year period, shall be transferred to the Ministry of Transport and Infrastructure of the Republic of Turkey as revenue under the name of “Revenues for Universal Service”. For the period ended 30 September 2020, customer returns amounted to TL 80.459 was transferred. As of 30 September 2020, TL 52.849 provision provided for ICTA penalties and amounts to be repaid to customers or to the Ministry of Transport and Infrastructure of the Republic of Turkey due to ICTA resolutions (31 December 2019: TL 127.699).

Other issues

Provision has been provided in the consolidated financial statements for the probable court cases against the Group based on the lawyers’ assessments. The provision for such court cases is amounting to TL 62.564 as at 30 September 2020 (31 December 2019: TL 62.682). For the rest of the cases, Group lawyers commented that basis of those cases are not realistic and should be appealed. Therefore, no provision has been provided for these cases.

(Convenience translation of a report and financial statements originally issued in Turkish)

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13. FINANCIAL RISK MANAGEMENT AND POLICIES

Market risk

Foreign currency risk

	30 September 2020				31 December 2019			
	Total TL Equivalent	USD	EUR	Other	Total TL Equivalent	USD	EUR	Other
1. Trade receivables	405.438	33.560	14.675	9.449	303.692	32.786	15.102	8.498
2a. Monetary financial assets (Cash and banks accounts included)	3.683.674	401.017	59.225	11.916	4.436.947	230.967	459.369	9.873
2b. Non-monetary financial assets	—	—	—	—	—	—	—	—
3. Other	—	—	—	—	174	—	26	—
4. Current assets (1+2+3)	4.089.112	434.577	73.900	21.365	4.740.813	263.753	474.497	18.371
5. Trade receivables	—	—	—	—	—	—	—	—
6a. Monetary financial assets	—	—	—	—	—	—	—	—
6b. Non-monetary financial assets	—	—	—	—	—	—	—	—
7. Other	1.084	—	119	—	790	—	119	—
8. Non-current assets (5+6+7)	1.084	—	119	—	790	—	119	—
9. Total assets (4+8)	4.090.196	434.577	74.019	21.365	4.741.603	263.753	474.616	18.371
10. Trade payables	2.360.953	168.673	110.741	33.098	2.640.054	340.408	85.594	48.711
11. Financial liabilities	4.572.572	360.369	186.908	52.699	4.847.846	517.698	266.334	1.336
12a. Monetary other liabilities	—	—	—	—	—	—	—	—
12b. Non-monetary other liabilities	—	—	—	—	—	—	—	—
13. Short-term liabilities (10+11+12)	6.933.525	529.042	297.649	85.797	7.487.900	858.106	351.928	50.047
14. Trade payables	—	—	—	—	—	—	—	—
15. Financial liabilities	16.055.904	1.606.190	384.522	4.818	13.652.099	1.872.480	379.924	2.472
16a. Monetary other liabilities	—	—	—	—	—	—	—	—
16b. Non-monetary other liabilities	—	—	—	—	—	—	—	—
17. Long-term liabilities (14+15+16)	16.055.904	1.606.190	384.522	4.818	13.652.099	1.872.480	379.924	2.472
18. Total liabilities (13+17)	22.989.429	2.135.232	682.171	90.615	21.139.999	2.730.586	731.852	52.519
19. Net asset/(liability) position of off balance sheet derivative instruments (19a-19b)	14.990.444	1.552.303	314.421	—	11.707.212	1.552.884	373.315	—
19a. Total asset amount hedged	—	—	—	—	—	—	—	—
19b. Total liability amount hedged	(14.990.444)	(1.552.303)	(314.421)	—	(11.707.212)	(1.552.884)	(373.315)	—
20. Net foreign currency asset/(liability) position (9-18+19)	(3.908.789)	(148.352)	(293.731)	(69.250)	(4.691.184)	(913.949)	116.079	(34.148)
21. Net asset/(liability) position of foreign currency monetary items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(18.900.317)	(1.700.655)	(608.271)	(69.250)	(16.399.360)	(2.466.833)	(257.381)	(34.148)
22. Fair value of FX swap financial instruments	1.739.979	159.780	53.945	—	(115.429)	(41.060)	19.318	—
23. Hedged amount of foreign currency assets	—	—	—	—	—	—	—	—
24. Hedged amount of foreign currency liabilities	(14.990.444)	(1.552.303)	(314.421)	—	(11.707.212)	(1.552.884)	(373.315)	—

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

*Market risk (continued)**Foreign currency risk (continued)*

The Group has transactional currency exposures mainly with respect to the financial liabilities and trade payables. Foreign currency denominated borrowings are stated in Note 7.

The following table demonstrates the sensitivity to a reasonably possible change in the USD and EUR exchange rate, with all other variables held constant, of the Group's profit before tax for the year (due to changes in the fair value of monetary assets and liabilities):

30 September 2020	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Appreciation of USD against TL by 10%:				
1- USD net asset/liability	(1.327.872)	1.327.872	—	—
2- Hedged portion of USD risk (-)	750.248	(838.953)	(294.165)	256.350
3- USD net effect (1+2)	(577.624)	488.919	(294.165)	256.350
Appreciation of EUR against TL by 10%:				
4- EUR net asset/liability	(555.127)	555.127	—	—
5- Hedged portion of EUR risk (-)	186.206	(308.390)	36.882	64.865
6- EUR net effect (4+5)	(368.921)	246.737	36.882	64.865
Appreciation of other foreign currencies against TL by 10%:				
7- Other foreign currency net asset/liability	(6.925)	6.925	—	—
8- Hedged portion of other foreign currency (-)	—	—	—	—
9- Other foreign currency net effect (7+8)	(6.925)	6.925	—	—
Total (3+6+9)	(953.470)	742.581	(257.283)	321.215
31 December 2019	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Appreciation of USD against TL by 10%:				
1- USD net asset/liability	(1.465.348)	1.465.348	—	—
2- Hedged portion of USD risk (-)	851.645	(530.719)	(330.164)	129.116
3- USD net effect (1+2)	(613.703)	934.629	(330.164)	129.116
Appreciation of EUR against TL by 10%:				
4- EUR net asset/liability	(171.076)	171.076	—	—
5- Hedged portion of EUR risk (-)	332.961	(281.957)	(50.244)	50.385
6- EUR net effect (4+5)	161.885	(110.881)	(50.244)	50.385
Appreciation of other foreign currencies against TL by 10%:				
7- Other foreign currency net asset/liability	(3.415)	3.415	—	—
8- Hedged portion of other foreign currency (-)	—	—	—	—
9- Other foreign currency net effect (7+8)	(3.415)	3.415	—	—
Total (3+6+9)	(455.233)	827.163	(380.408)	179.501

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is uncertainty to cover future financial obligations.

The Group's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections.

The Group manages current and long-term funding by maintaining adequate reserves, banking facilities, reserve borrowing facilities and loan agreements with suppliers through continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities at 30 September 2020 and 31 December 2019 based on contractual undiscounted payments (including interest payments not due yet).

Contract based maturities as at 30 September 2020	Book value	Total contract based cash outflow (I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities and issued debt instruments	23.073.517	26.020.970	2.650.658	5.235.662	17.480.351	654.299
Lease liabilities	1.276.769	1.614.183	245.210	305.344	953.043	110.586
Trade payables to unrelated parties	4.356.780	4.356.780	4.096.036	260.744	—	—
Other (*)	1.040.879	1.040.879	1.000.782	—	40.097	—
Derivative financial liabilities, net	473.013	473.013	79.569	116.772	276.672	—
Contract based maturities as at 31 December 2019	Book value	Total contract based cash outflow (I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial liabilities and issued debt instruments	19.642.394	22.301.494	2.108.407	4.536.553	12.298.790	3.357.744
Lease liabilities	1.140.761	1.506.209	155.753	326.441	898.204	125.811
Trade payables to unrelated parties	4.391.610	4.391.610	4.305.795	85.815	—	—
Other (*)	1.048.454	1.048.454	1.009.662	—	38.792	—
Trade and other payables to related parties	205.153	205.153	205.153	—	—	—
Derivative financial liabilities, net	710.715	710.715	122.565	281.158	321.363	(14.371)

(*) Other item includes other payables, employee benefit obligations and other current liabilities. Taxes and other payables contained within employee benefit obligations and advances contained within other current liabilities are excluded.

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Explanation on the presentation of financial assets and liabilities at their fair values

The below table summarizes the carrying amounts and fair values of financial asset and liabilities in the Group’s consolidated financial statements.

Due to their short-term nature, the fair value of trade and other receivables represents their book value. The fair value of borrowings with fixed interests is obtained by calculating their discounted cash flows using the market interest rate effective at the reporting date. The fair value of foreign currency denominated borrowings with variable interests is obtained by discounting the projected cash flows using estimated market interest rates.

	Carrying amount		Fair value	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Financial assets				
Cash and cash equivalents	5.482.982	4.946.070	5.482.982	4.946.070
Trade and other receivables (including related parties)	7.115.150	6.115.801	7.115.150	6.115.801
Financial investments (*)	17.956	14.693	(*)	(*)
Derivative financial assets	1.847.315	408.522	1.847.315	408.522
Financial liabilities				
Bank borrowings	15.476.377	13.758.315	15.476.377	13.758.259
Issued debt instruments	7.597.140	5.884.079	7.731.153	6.127.415
Financial leasing liabilities	1.276.769	1.140.761	1.276.769	1.140.761
Trade payables and other liabilities (including related parties) (**)	5.397.659	5.645.217	5.397.659	5.645.217
Derivative financial liabilities	473.013	710.715	473.013	710.715

(*) Group’s share in financial investments is carried at cost. Information on fair value of share in these investments are not available.

(**)Trade payables and other liabilities item includes trade and other payables, employee benefit obligations and other liabilities contained within other current liabilities. Taxes and other payables contained within employee benefit obligations and advances contained within other current liabilities are excluded.

Fair value hierarchy table

The group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques do not contain observable market inputs

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Explanation on the presentation of financial assets and liabilities at their fair values (continued)

Fair value hierarchy table as at 30 September 2020 is as follows:

		Fair Value Measurement			
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets measured at fair value:					
<u>Derivative Financial Assets:</u>					
Cross currency swaps	30 September 2020	1.809.313	—	1.809.313	—
Interest rate swaps	30 September 2020	38.002	—	38.002	—
Financial liabilities measured at fair value:					
Issued debt instruments	30 September 2020	3.701.760	3.701.760	—	—
<u>Derivative Financial Liabilities:</u>					
Interest rate swaps	30 September 2020	392.282	—	392.282	—
Cross currency swaps	30 September 2020	69.334	—	69.334	—
Commodity derivative (Copper)	30 September 2020	11.397	—	11.397	—
Other financial liabilities not measured at fair value					
Bank loans	30 September 2020	15.476.377	—	15.476.377	—
Issued debt instruments	30 September 2020	4.029.393	4.029.393	—	—

Fair value hierarchy table as at 31 December 2019 is as follows:

		Fair Value Measurement			
	Date of Valuation	Total	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets measured at fair value:					
<u>Derivative Financial Assets:</u>					
Cross currency swaps	31 December 2019	373.121	—	373.121	—
Interest rate swaps	31 December 2019	35.401	—	35.401	—
Financial liabilities measured at fair value:					
Issued debt instruments	31 December 2019	2.876.254	2.876.254	—	—
<u>Derivative Financial Liabilities:</u>					
Interest rate swaps	31 December 2019	173.362	—	173.362	—
Cross currency swaps	31 December 2019	517.664	—	517.664	—
Commodity derivative (Copper)	31 December 2019	19.689	—	19.689	—
Other financial liabilities not measured at fair value					
Bank loans	31 December 2019	13.758.259	—	13.758.259	—
Issued debt instruments	31 December 2019	3.251.161	3.251.161	—	—

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13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)

Capital management policies

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes during the years 2020 and 2019.

14. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS

A total gross amount of TL 601.650 which corresponds to approximately 25% of Company’s net distributable profit pertaining to year 2019 has been committed to be distributed as a dividend (a dividend of full Kuruş 0,1719 per share) and as of reporting date distributed in cash to the shareholders.

15. DERIVATIVE FINANCIAL INSTRUMENTS

Cash flow hedges and derivative financial instruments

Interest rate swaps

As of 30 September 2020 fair value of interest rate derivative transactions amounting to TL 392.282 has been recognized under long term derivative financial liabilities (31 December 2019: TL 173.362 long term derivative financial liabilities). Unrealized loss on these derivatives amounting to TL 224.510 (31 September 2019: TL 107.636 loss) is recognized in other comprehensive income. Unrealized gain on these derivatives’ time value amounting to TL 5.590 is recognized in statement of profit or loss.

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 30 September 2020 (TL)
Türk Telekom	300.000	29 April – 20 May 2014	Pay fixed rates and receive floating rates between June 2016 - June 2024	(309.373)
Türk Telekom	150.000	15 May 2014 - 16 May 2014	Pay fixed rates and receive rates between June 2016 - August 2016 and June 2024 - August 2024	(82.909)
				(392.282)

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2019 (TL)
Türk Telekom	300.000	29 April – 20 May 2014	Pay fixed rates and receive floating rates between June 2016 - June 2024	(151.714)
Türk Telekom	150.000	15 May 2014 – 16 May 2014	Pay fixed rates and receive rates between June 2016 - August 2016 and June 2024 - August 2024	(21.648)
				(173.362)

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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges and derivative financial instruments (continued)

Cross currency swap transaction

As of 30 September 2020 fair value of participating cross currency swap transactions amounting to TL 36.676 has been recognized under short term derivative financial liabilities and TL 1.755.642 has been recognized under short term derivative financial assets (31 December 2019: TL 469.515 short term derivative financial liabilities, TL 373.121 short term derivative financial assets).

Company	Notional Amount (USD)	Trade Date	Amendment Date	Terms	Fair Value Amount as at 30 September 2020 (TL)
Türk Telekom	325.000	13 April 2016 - 15 December 2017	20 July 2018 - 3 August 2018	Pay TL and receive USD at June 2024	388.254
Türk Telekom	76.000	20 December 2018-29 May 2019		Pay TL and receive USD between May 2019 - November 2020	126.631
Türk Telekom	100.000	11 - 12 October 2018		Pay TL and receive USD at January 2021	156.417
Türk Telekom	50.000	11 October 2018		Pay TL and receive USD at April 2021	62.878
Türk Telekom	45.382	20 November 2019		Pay TL and receive USD between January 2020 - October 2022	54.244
Türk Telekom	93.776	6 - 8 January 2020		Pay TL and receive USD between April 2020 - October 2022	82.079
Türk Telekom	77.410	18 July 2019 - 25 October 2018		Pay TL and receive USD between April 2019 - April 2025	65.842
Türk Telekom	30.688	22 - 23 July 2019		Pay TL and receive USD between October 2019 - October 2022	41.728
Türk Telekom	58.367	27 - 30 September 2019		Pay TL and receive USD between March 2020 - September 2025	73.368
Türk Telekom	69.831	13 November 2018 - 19 July 2019		Pay TL and receive USD between September 2019 - September 2025	50.926
Türk Telekom	100.000	27 - 28 September 2018		Pay TL and receive USD at July 2022	86.709
Türk Telekom	132.000	14 November 2018		Pay TL and receive USD between October 2019 - April 2024	75.959
Türk Telekom	100.000 (*)	27 - 28 March 2018	18 - 19 September 2018	Pay TL and receive EUR between December 2020 - December 2025	127.810
Türk Telekom	84.000 (*)	25 January - 18 March 2019		Pay TL and receive EUR between May 2019 - November 2020	173.175
Türk Telekom	29.596 (*)	27 - 28 June 2019		Pay TL and receive EUR between September 2019 - September 2024	41.586
Türk Telekom	77.273 (*)	4 June - 1 August 2018	12 -26 September 2018	Pay TL and receive EUR between November 2018 - November 2022	148.036
					1.755.642

(*) Nominal amount of indicated operations are Euro.

Company	Notional Amount (USD)	Trade Date	Amendment Date	Terms	Fair Value Amount as at 30 September 2020 (TL)
Türk Telekom	175.000	31 March 2016	11 December 2018	Pay TL and receive USD at June 2024	(36.676)
					(36.676)

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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges and derivative financial instruments (continued)

Cross currency swap transaction (continued)

Company	Notional Amount (USD)	Trade Date	Amendment Date	Terms	Fair Value Amount as at 31 December 2019 (TL)
Türk Telekom	325.000	13 April 2016 - 15 December 2017	20 July 2018 - 3 August 2018	Pay TL and receive USD at June 2024	164.650
Türk Telekom	125.000	20 December 2018- 21 March 2019		Pay TL and receive USD between May 2019 - November 2020	45.586
Türk Telekom	70.040	27 - 30 September 2019		Pay TL and receive USD between March 2020 - September 2025	2.094
Türk Telekom	39.016	22 - 23 July 2019		Pay TL and receive USD between October 2019 - October 2022	1.130
Türk Telekom	50.000	20 November 2019		Pay TL and receive USD between January 2020 - October 2022	9.187
Türk Telekom	168.000 (*)	25 January 2019 - 18 March 2019		Pay TL and receive EUR between May 2019 - November 2020	65.543
Türk Telekom	100.000 (*)	27- 28 March 2018	18-19 September 2018	Pay TL and receive EUR between December 2020 - December 2025	43.104
Türk Telekom	66.364 (*)	20 July - 1 August 2018	12-13 September 2018	Pay TL and receive EUR between November 2018 - November 2022	41.827
					373.121

Company	Notional Amount (USD)	Trade Date	Amendment Date	Terms	Fair Value Amount as at 31 December 2019 (TL)
Türk Telekom	150.000	19 September 2018 - 11 October 2018		Pay TL and receive USD between March 2020 - April 2021	(41.788)
Türk Telekom	100.000	27 - 28 September 2018		Pay TL and receive USD at July 2022	(67.481)
Türk Telekom	100.000	11 - 12 October 2018		Pay TL and receive USD at January 2021	(33.563)
Türk Telekom	135.000	14 November 2018		Pay TL and receive USD between October 2019 - April 2024	(65.252)
Türk Telekom	85.150	25 October 2018- 18 July 2019		Pay TL and receive USD between April 2019 - April 2025	(34.002)
Türk Telekom	79.678	13 November 2018 - 19 July 2019		Pay TL and receive USD between September 2019 - September 2025	(26.335)
Türk Telekom	175.000	31 March 2016	11 December 2018	Pay TL and receive USD at June 2024	(166.561)
Türk Telekom	27.000	29 May 2019		Pay TL and receive USD between May 2019 - November 2020	(10.434)
Türk Telekom	42.000	28 June 2019		Pay TL and receive USD at January 2020	(2.105)
Türk Telekom	30.000 (*)	4 June 2018	26 September 2018	Pay TL and receive EUR between November 2018 - November 2022	(12.390)
Türk Telekom	35.912 (*)	27-28 June 2019		Pay TL and receive EUR between September 2019 - September 2024	(8.710)
Türk Telekom	3.231 (*)	27 June 2019		Pay TL and receive EUR between December 2019 - June 2020	(129)
Türk Telekom	6.364 (*)	27 June 2019		Pay TL and receive EUR between November 2019 - May 2020	(451)
Türk Telekom	7.692 (*)	27 June 2019		Pay TL and receive EUR between December 2019 - June 2020	(314)
					(469.515)

(*) Nominal amount of indicated operations are Euro.

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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedges and derivative financial instruments (continued)

Copper hedge transactions

As of 30 September 2020 fair value of participating cross currency swap transactions amounting to TL 11.397 has been recognized under short term derivative financial liabilities (31 December 2019: TL 19.689 short term derivative financial liabilities).

Company	Notinal Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 30 September 2020 (TL)
Türk Telekom	4,521	10 - 18 October 2019	Pay floating price and receive fixed price between November 2019 - February 2021	(11.397)
				(11.397)

Company	Notinal Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2019 (TL)
Türk Telekom	9,047	10 - 18 October 2019	Pay floating price and receive fixed price between November 2019 - February 2021	(19.689)
				(19.689)

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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate derivative instruments which are not designated as hedge

As of 30 September 2020 fair value of the interest rate swap transactions which are not designated as hedge and amounting to TL 38.002 is recognized under long term derivative financial assets (31 December 2019: TL 35.401 long term financial assets). Unrealized gain on these derivatives amounting to TL 2.601 recognized in profit or loss.

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 30 September 2020 (TL)
Türk Telekom	300.000	29 April – 20 May 2014	Pay the difference between floating rate and 4% if floating rate exceeds 4%, between June 2016 - June 2021, and receive fixed premium (0,44%-0,575%) Pay the difference between floating rate and 6% if floating rate exceeds 6%, between June 2021 - June 2024, and receive fixed premium (0,39%-0,45%)	38.002
				38.002

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2019 (TL)
Türk Telekom	300.000	29 April – 20 May 2014	Pay the difference between floating rate and 4% if floating rate exceeds 4%, between June 2016 - June 2021, and receive fixed premium (0,44%-0,575%) Pay the difference between floating rate and 6% if floating rate exceeds 6%, between June 2021 - June 2024, and receive fixed premium (0,39%-0,45%)	35.401
				35.401

Cross Currency swaps instruments which are not designated as hedge

As of 30 September 2020, fair value of derivative transactions amounting to TL 32.658 is recognized under short term derivative financial liabilities (31 December 2019: TL 48.149 short term financial liabilities) and TL 53.671 is recognised under short term financial assets.

USD/EUR Cross Currency Swaps Instruments

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 30 September 2020 (TL)
TTINT Türkiye	40.000	16 June 2016	Pay EUR and receive USD between December 2016 and June 2026	(16.988)
Türk Telekom	45.000	26 October 2018	Pay USD and receive EUR at June 2024	(15.670)
				(32.658)

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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

*Cross Currency swaps instruments which are not designated as hedge (continued)**USD/EUR Cross Currency Swaps Instruments (continued)*

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2019 (TL)
Türk Telekom	45.000	26 October 2018	Pay USD and receive EUR at June 2024	(11.934)
Türk Telekom	45.000	30 April 2015	Pay EUR and receive USD between June 2015 - June 2024	(5.435)
TTINT Türkiye	50.000	16 June 2016	Pay EUR and receive USD between December 2016 - June 2026	(1.666)
				(19.035)

USD/EUR Foreign Currency Swaps Instruments

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2020 (TL)
Türk Telekom	410.000	22 November 2019 - 11 December 2019	Pay EUR and receive USD at January 2020	(29.114)
				(29.114)

Futures

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 30 September 2020 (TL)
Türk Telekom	149.289	2 July – 17 September 2020	Net TL settlement between October and November 2020 based on the difference between contract price and contract closing price (for financial debt)	47.417
Türk Telekom	711	25 June 2020	Net TL settlement at October 2020 based on the difference between contract price and contract closing price	494
TT Mobil	50.000	18 - 30 September 2020	Net TL settlement at November 2020 based on the difference between contract price and contract closing price (for financial debt)	783
				48.694

Forwards

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 30 September 2020 (TL)
Türk Telekom	23.850	3 – 30 September 2020	Receive USD in exchange for TL between October and December 2020	3.173
Türk Telekom	18.410(*)	3 – 30 September 2020	Receive EUR in exchange for TL between October and December 2020	1.804
				4.977

(*) Nominal amount of indicated operations are Euro.

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15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Hedge of net investment in a foreign operation

The Company utilized a loan amounting to EUR 150.000 in order to hedge its net investment in a foreign operation with a Euro functional currency. Foreign exchange gain and/or loss resulting from the subsidiary’s net investment portion of this loan is reclassified to reserve for hedge of net investment in a foreign operation under equity.

16. SUPPLEMENTARY CASH FLOW INFORMATION

Other explanations

“Other outflows of cash” in net cash used in operating activities amounting to TL 43.028 represents change in restricted cash. “Other inflows of cash, net” in net cash used in financial activities amounting to TL 53.499 represents change in other financial payment. “Other adjustment for non-cash items” in adjustments to reconcile net profit to cash provided by operating activities amounting to TL 158.423 represents change in TFRS Interpretation 12.

17. SUBSEQUENT EVENTS

None.