



# **TURKCELL ILETISIM HIZMETLERI**

**SECOND QUARTER 2020 RESULTS**

***“SOLID PERFORMANCE***

***UNDER THE COVID-19 HEADWIND”***

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- Please note that all financial data is consolidated and comprises that of Turkcell İletişim Hizmetleri A.Ş. (the “Company”, or “Turkcell”) and its subsidiaries and associates (together referred to as the “Group”), unless otherwise stated.
- We have three reporting segments:
  - “Turkcell Turkey” which comprises all of our telecom related businesses in Turkey (as used in our previous releases in periods prior to Q115, this term covered only the mobile businesses). All non-financial data presented in this press release is unconsolidated and comprises Turkcell Turkey only figures, unless otherwise stated. The terms “we”, “us”, and “our” in this press release refer only to Turkcell Turkey, except in discussions of financial data, where such terms refer to the Group, and except where context otherwise requires.
  - “Turkcell International” which comprises all of our telecom related businesses outside of Turkey.
  - “Other subsidiaries” which is mainly comprised of our call center business revenues, financial services revenues, energy business revenues and inter-business eliminations.
- In this press release, a year-on-year comparison of our key indicators is provided and figures in parentheses following the operational and financial results for June 30, 2020 refer to the same item as at June 30, 2019. For further details, please refer to our consolidated financial statements and notes as at and for June 30, 2020, which can be accessed via our website in the investor relations section ([www.turkcell.com.tr](http://www.turkcell.com.tr)).
- Selected financial information presented in this press release for the second quarter and half year of 2019 and 2020 is based on IFRS figures in TRY terms unless otherwise stated.
- In the tables used in this press release totals may not foot due to rounding differences. The same applies to the calculations in the text.
- Year-on-year and quarter-on-quarter percentage comparisons appearing in this press release reflect mathematical calculation.

**FINANCIAL HIGHLIGHTS**

TRY million	Q219	Q220	y/y%	H119	H120	y/y%
Revenue	6,191	6,924	11.8%	11,866	13,582	14.5%
EBITDA <sup>1</sup>	2,553	2,824	10.6%	4,834	5,633	16.5%
EBITDA Margin (%)	41.2%	40.8%	(0.4pp)	40.7%	41.5%	0.8pp
EBIT <sup>2</sup>	1,287	1,373	6.7%	2,390	2,810	17.6%
EBIT Margin (%)	20.8%	19.8%	(1.0pp)	20.1%	20.7%	0.6pp
Net Income	465	852	83.1%	1,690	1,724	2.1%

**SECOND QUARTER HIGHLIGHTS**

- Solid financial performance despite Covid-19 pandemic:
  - Group revenues up 12% with Turkcell Turkey's topline growing 14% on the back of strong ARPU performance despite 2.6pp decline in roaming revenues
  - Standalone digital revenues up by 23%; Digital business solutions revenues up 15%
  - Strong free cash flow<sup>3</sup> generation of TRY1.3 billion
  - Net income up 83% year-on-year on the back of solid operational performance and disciplined financial risk management
  - Leverage down to 0.8x despite FX fluctuations; long FX position at US\$50 million
- Robust operational performance:
  - Turkcell Turkey subscriber base up by 181 thousand quarterly net additions
  - 144 thousand quarterly mobile postpaid net additions; postpaid subscriber share at 63%
  - Mobile ARPU<sup>4</sup> growth of 14.0% year-on-year on higher postpaid share and increased data usage
  - Data usage of 4.5G users at 13.9 GB in Q220
  - Residential fiber ARPU growth of 9.1% year-on-year
  - Superbox<sup>5</sup> subscribers at 491 thousand on 91 thousand quarterly net additions
  - Digital channels' share at Turkcell Turkey consumer sales (excluding fixed business) at 11%
- 2020 guidance<sup>6</sup> reiterated; revenue growth of 10%-12%, EBITDA margin target of 40%-42%, EBIT margin target of 19%-21% and operational capex over sales ratio<sup>7</sup> target of 17%-19%.

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

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

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

(4) Excluding M2M

(5) Superbox subscribers are included in mobile subscribers.

(6) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2020 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

(7) Excluding license fee

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

**COMMENTS BY MURAT ERKAN, CEO**

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The second quarter of 2020 was the period in which the impact of the COVID-19 pandemic was felt the most worldwide. During this period, the key role of the telecom sector in our lives and in the economic system were once again highlighted. As Turkcell, we were ready to fully meet the technology and communication needs of our customers with our digital services, communication solutions and strong network, in line with our strategic focus areas.

Let us recall this period briefly: Through the agile actions we took for our employees and customers, we quickly adapted to changing conditions. With our dynamic organizational structure and effective crisis management, we commenced remote working on the first day of the outbreak, prioritizing the health of our employees, the very heart of Turkcell. Global Bilgi, our subsidiary which provides call center services employing over 10 thousand people, was also included in the remote working program. As part of the measures taken, we temporarily closed some of our stores and limited the working hours of those remaining open. While aiming to meet all the communication needs of our customers from a single point, our strong network, in which we have invested TRY31 billion over the past five years, has been our main pillar. In a period when telecom operators around the world requested internet broadcasters to restrict service or lower video resolution as a solution to the intensive use of the network, we successfully managed the traffic increase, approaching 50%, with our strong infrastructure. With the support packages we offered to healthcare professionals and our customers aged 65 and over, who needed communication the most, and children who continued distance education, we were there for them in difficult times. In order to enhance the experience of our fiber subscribers in remote working and remote education, we increased the upload speeds up to four times and the lowest download speed to 50 Mbps. We provided additional benefits in our services such as BiP, Dergilik, fizy and TV +, which are a part of our rich portfolio of digital services, specific to this period under our #lifesathome motto. Turkcell customers aged 65 and over, who stayed at home, could make a call to Paycell's call center and order basic food and cleaning agents and pay through their bills. As part of our social responsibility projects, we provided new 3D printers to the Whiz Kids Laboratories opened with our support, and children could produce face shields for healthcare workers. Last but not least, in this period, we disclosed the impact of changing conditions on our business and our expectations with all our stakeholders in a transparent and timely manner.

In this period, transactions and purchases made through the Digital Operator app and our website, both of which have been in our focus area with their strengthened infrastructure in recent years, have reached record levels. In April, when curfews were imposed intensively, the number of visitors to the digital channels reached 38 million, while the number of online orders increased 5x. As of the second quarter, our online sales increased by 2.7x compared to the same period of the previous year and 11% of Turkcell Turkey consumer revenues (excluding fixed business) were realized through digital channels.

As of June 1, we embarked upon a new era as a nation. While maintaining precautions against the epidemic, steps towards a return to normal life were taken with the removal of travel bans, partially resumed flights and the opening of workplaces. In the new period, we expect to observe a higher demand for remote working, remote education, remote healthcare services, new generation customers keeping up with digital life and the ecosystem, e-commerce and contactless payment systems from both consumers and corporates. In this context, we are working on our business plan to meet needs with our digital service portfolio, digital business solutions and our tech-fin services and solutions. As Turkcell, Turkey's leading telecommunication company, we owe our readiness for this period with our products and services portfolio to our strategic foresight, the ability to accurately identify industry and customer needs, and our dynamic and timely actions.

**We strengthened our customer base, despite the tough conditions of the COVID-19 outbreak**

Although the constraints that came with the COVID-19 outbreak affected customer acquisitions in the mobile business, we acquired a net 144 thousand postpaid customers this quarter. The share of postpaid customers in our mobile base stands at 63%. Mobile blended ARPU<sup>1</sup> increased 14.0% year-on-year to TRY46.4 on the back of rising data and digital service usage and upsell to higher tariffs.

In this period during which we spent more time at home, we acquired a net 36 thousand fiber and 7 thousand ADSL customers. Our total fixed broadband customer base was 2.3 million. In addition, Superbox, our product providing uninterrupted fiber-speed broadband service over our mobile network, has increased its penetration on the back of accelerated demand. While we have reached 491 thousand subscribers with a net 91 thousand new additions in this quarter, we are excited to have scaled half a million subscribers in July.

**We have announced strong results; guidance maintained**

In the second quarter of 2020, when the restrictions of the pandemic impacted our business and the ecosystem the most, we achieved strong results with our robust business model and prudent financial risk management discipline. On a consolidated basis, our revenue increased 11.8% year on year to TRY6.9 billion. Ultimately, we posted 14.5% growth in the first half of the year. EBITDA<sup>2</sup> was at TRY2.8 billion with an increase of 10.6%, and an EBITDA margin of 40.8%. Thanks to effective cost management and declining financing expenses, net profit reached TRY852 million on an 83.1% rise year on year. Excluding the Fintur transaction gain in the first quarter of 2019, our first half profit rose 88.0%. In our first quarter results announcement, we revised our 2020 guidance by evaluating the possible risks of the pandemic under difficult and uncertain conditions. For the second half of the year, we anticipate international travel and tourism coming to a standstill, which will affect our roaming revenues. In spite of this, considering our growth in the first half of the year, we maintain the targets<sup>3</sup> announced earlier for 2020, and expect revenue growth of 10%-12%, an EBITDA margin range of 40%-42%, an EBIT<sup>4</sup> margin of 19%-21% and an operational capex to revenue ratio<sup>5</sup> of 17%-19%.

**We are there for our customers in this period with our three strategic focus areas**

The standalone revenues of our digital services, one of the three main strategic focus areas, have increased by 23% year-on-year in this quarter. As a solution to the rising demand for video calls during the pandemic period, we introduced the Beta version of our BiP Conference product. We successfully used it at the United Nations Global Compact meeting. As part of our cooperation with the Ministry of Health, we have created a BiP channel where current COVID-19 information, measures and content are shared. Starting in March, 2 million students followed EBA TV (education channel) via TV+ with a 6GB gift for those studying at home. Further, we have begun to offer our YaaniMail e-mail service, another service developed by Turkish engineers, and one that will provide our corporate customers uninterrupted 24/7 service through our data centers. In line with our strategy of selling our digital services to operators abroad, we signed an agreement with Digicel, which provides services in the Caribbean islands, for our BiP and lifebox. These services are in use in the Caribbean market as of July 1.

In digital business solutions, another strategic focus area, we have recorded a 15% year-on-year revenue increase this quarter. Through our Digital Business Services company, we offer end-to-end solutions to businesses keen to provide safe and healthy services in the new era. In this context, we contribute to the reduction of risk with our smart solutions such as thermal camera systems, air quality and social distance measurement, and in-store customer count, developed with our technology know-how, while we also offer special consultancy and services to companies on cyber security, which is more prominently on the agenda in the time of remote working. Meanwhile, during this period, we opened three additional hospitals, two of which were field hospitals. We will strengthen our market leadership in this sector with Tekirdağ Hospital, scheduled to be opened in the upcoming period. Also, in this period, we have prepared ourselves for the forthcoming busy period by strengthening our collaborations with global suppliers such as SAP, HP, Cisco and Microsoft.

Our tech-fin business, our third strategic focus, has accelerated with the increasing use of contactless and online payment solutions. With the digitalization of payment habits, our new generation payment platform, Paycell, came to the forefront with its user-friendly and secure payment infrastructure. Digital content purchases through Paycell increased by 84% year-on-year to TRY215 million. The number of 3-month active subscribers using the Paycell application was 2.5x that of the same period of last year. Transaction volume over the Paycell card also grew by 71% compared to the same period of last year. Also, during this period, we have taken another important step in this field by enabling 24/7 money transfer service to an IBAN number at partner banks.

### **We continue to generate cash**

As Turkcell Group, we have prioritized our financial risk management strategy during the pandemic period. We also strengthened our balance sheet in the second quarter, generating free cash flow<sup>6</sup> of TRY1.3 billion, supported by strong liquidity and prudent finance management. By focusing on structural and sustainable changes in expense management, we reduced sales and marketing expenses, and kept our variable expenses under control. We closely monitored our collection risks specific to this period, and continued to manage the risk on our strong portfolio created with our effective credit scoring metrics with a focused approach. As of the end of June, the ratio of net debt to EBITDA had improved compared to previous year by 0.4 points to 0.8x. On the other hand, in order to eliminate foreign currency risk, and in addition to derivative transactions, we aim to protect ourselves against foreign currency fluctuations by increasing the trade volume in local currency in agreements with foreign suppliers. In this context, we initially agreed with Chinese suppliers to make future contracts in China's local currency, the Yuan.

### **We keep pace with change and trust our team and customers.**

In 2020, in which we mark the 20<sup>th</sup> anniversary of Turkcell's dual initial public offering on the Istanbul and New York Stock Exchange, we are undergoing an unprecedented period of difficulty; one that began with natural disasters and continued with the COVID-19 outbreak. As Turkcell, we see this period as an important opportunity to gain further experience, taking courage from our competent management team, strong human resources, resilient business model, and innovative products and digital services that keep pace with the age. We expect to successfully overcome this adversity.

Last but not least, a new process for change in our shareholding structure has begun in June with the announcements made jointly by Turkey Wealth Fund, Telia Company, Cukurova Holding and LetterOne. I consider it important that Turkey Wealth Fund views Turkcell as a strategic asset, invests in the existing road map and transparently explains that it supports our current profit distribution policy, protecting minority shareholder rights. We will continue to follow related developments.

We would like to thank all our employees for their contribution to our success, and our Board of Directors for their unyielding trust and support. We also express our gratitude to our customers and business partners, who have remained with us throughout our success story.

(1) Excluding M2M

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

(3) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2020 filed with U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

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

(5) Excluding license fee

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

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

Profit & Loss Statement (million TRY)	Quarter			Half Year		
	Q219	Q220	y/y%	H119	H120	y/y%
<b>Revenue</b>	<b>6,191.1</b>	<b>6,923.9</b>	<b>11.8%</b>	<b>11,866.5</b>	<b>13,582.1</b>	<b>14.5%</b>
Cost of revenue <sup>1</sup>	(3,018.5)	(3,498.6)	15.9%	(5,748.7)	(6,696.0)	16.5%
<b>Cost of revenue<sup>1</sup>/Revenue</b>	<b>(48.8%)</b>	<b>(50.5%)</b>	<b>(1.7pp)</b>	<b>(48.4%)</b>	<b>(49.3%)</b>	<b>(0.9pp)</b>
<b>Gross Margin<sup>1</sup></b>	<b>51.2%</b>	<b>49.5%</b>	<b>(1.7pp)</b>	<b>51.6%</b>	<b>50.7%</b>	<b>(0.9pp)</b>
Administrative expenses	(184.9)	(166.4)	(10.0%)	(375.5)	(354.7)	(5.5%)
<b>Administrative expenses/Revenue</b>	<b>(3.0%)</b>	<b>(2.4%)</b>	<b>0.6pp</b>	<b>(3.2%)</b>	<b>(2.6%)</b>	<b>0.6pp</b>
Selling and marketing expenses	(413.4)	(327.9)	(20.7%)	(816.5)	(676.6)	(17.1%)
<b>Selling and marketing expenses/Revenue</b>	<b>(6.7%)</b>	<b>(4.7%)</b>	<b>2.0pp</b>	<b>(6.9%)</b>	<b>(5.0%)</b>	<b>1.9pp</b>
Net impairment losses on financial and contract assets	(21.4)	(106.8)	399.1%	(91.8)	(221.5)	141.3%
<b>EBITDA<sup>2</sup></b>	<b>2,552.8</b>	<b>2,824.3</b>	<b>10.6%</b>	<b>4,833.9</b>	<b>5,633.3</b>	<b>16.5%</b>
<b>EBITDA Margin</b>	<b>41.2%</b>	<b>40.8%</b>	<b>(0.4pp)</b>	<b>40.7%</b>	<b>41.5%</b>	<b>0.8pp</b>
Depreciation and amortization	(1,265.8)	(1,451.5)	14.7%	(2,443.9)	(2,823.6)	15.5%
<b>EBIT<sup>3</sup></b>	<b>1,287.0</b>	<b>1,372.8</b>	<b>6.7%</b>	<b>2,390.0</b>	<b>2,809.8</b>	<b>17.6%</b>
<b>EBIT Margin</b>	<b>20.8%</b>	<b>19.8%</b>	<b>(1.0pp)</b>	<b>20.1%</b>	<b>20.7%</b>	<b>0.6pp</b>
Net finance income / (costs)	(571.7)	(233.8)	(59.1%)	(992.1)	(455.2)	(54.1%)
Finance income <sup>4</sup>	(200.4)	506.2	n.m	334.7	1,127.7	236.9%
Finance costs <sup>4</sup>	(371.4)	(740.0)	99.2%	(1,326.8)	(1,582.9)	19.3%
Other income / (expense)	(73.8)	(51.1)	(30.8%)	(125.7)	(145.1)	15.4%
Non-controlling interests	(14.3)	(1.3)	(90.9%)	(34.1)	(2.5)	(92.7%)
Share of profit of equity accounted investees	1.0	(0.0)	(100.0%)	1.7	(3.3)	(294.1%)
Income tax expense	(163.0)	(234.9)	44.1%	(322.7)	(479.3)	48.5%
Discontinued operations	-	-	n.a	772.4	-	n.a
<b>Net Income</b>	<b>465.2</b>	<b>851.7</b>	<b>83.1%</b>	<b>1,689.6</b>	<b>1,724.4</b>	<b>2.1%</b>

(1) Excluding depreciation and amortization expenses.

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

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

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

**Revenue** of the Group rose 11.8% year-on-year in Q220. This resulted from Turkcell Turkey's strong ARPU performance on the back of larger postpaid share, and higher data consumption, as well as upsell efforts.

Turkcell Turkey revenues, comprising 87% of Group revenues, rose 14.1% to TRY6,003 million (TRY5,261 million).

- Consumer segment revenues grew 15.3% on the back of rising postpaid subscriber share, increased data consumption and upsell efforts.
- Corporate segment revenues rose 14.1% with the continued momentum of digital business solutions, which grew 15% year-on-year.
- Wholesale revenues stood at TRY259 million (TRY287 million), due to lower roaming revenues impacted by limited mobility.

Roaming revenues declined to 0.9% of Turkcell Turkey revenues (Q219:3.5%), due to limited mobility.

Turkcell International revenues, comprising 8% of Group revenues, rose 17.5% to TRY578 million (TRY492 million), mainly with the contribution of our Ukrainian operations and the positive impact of currency movements.

Other subsidiaries' revenues, at 5% of Group revenues, which includes call center revenues, revenues from financial services and energy business revenues were at TRY343 million (TRY438 million).

- Consumer finance company's revenues were at TRY132 million (TRY235 million) in Q220 impacted by the contraction in the consumer loan portfolio, which declined from TRY3.2 billion as of Q219 to TRY1.8 billion



as of Q220. This was due mainly to the installment limitation on consumer loans for telecom devices and the impact of Covid-19 pandemic.

- Our contract with Spor Toto to carry out sports betting operations in Turkey ended as of August 28, 2019.

Excluding consumer finance business and sports betting operations, our consolidated revenue growth was 15% year-on-year in Q220.

Standalone digital services revenues grew 23% year-on-year in Q220 on the back of increasing number of standalone users.

**Cost of revenue** (excluding depreciation and amortization) increased to 50.5% (48.8%) as a percentage of revenues in Q220 driven mainly by the increase in cost of goods sold (0.7pp), radio expenses (0.5pp), transmission expenses (0.5pp) and other cost items (0.5pp), despite the decrease in cost of revenue of financial services (0.5pp).

**Administrative Expenses** decreased to 2.4% (3.0%) as a percentage of revenues in Q220, driven mainly by lower office overhead costs and travel expenses.

**Selling and Marketing Expenses** decreased to 4.7% (6.7%) as a percentage of revenues in Q220. This was driven by the decline in selling expenses (1.0pp), marketing expenses (0.6pp) with more targeted but lower number of events and other cost items (0.4pp) as a percentage of revenues.

**Net impairment losses on financial and contract assets** was at 1.5% (0.3%) as a percentage of revenues in Q220.

**EBITDA<sup>1</sup>** rose by 10.6% year-on-year in Q220 leading to an EBITDA margin of 40.8% (41.2%).

- Turkcell Turkey's EBITDA rose 15.8% year-on-year to TRY2,464 million (TRY2,128 million) leading to an EBITDA margin of 41.0% (40.5%) in Q220.
- Turkcell International EBITDA<sup>2</sup> rose 18.0% year-on-year to TRY272 million (TRY230 million) with an EBITDA margin of 47.0% (46.8%) in Q220.
- The EBITDA of other subsidiaries stood at TRY89 million (TRY195 million) in Q220.

**Depreciation and amortization expenses** increased 14.7% year-on-year in Q220.

**Net finance expense** decreased to TRY234 million (TRY572 million) in Q220. This was driven mainly by improving net FX impact registered after hedging and lower interest expense on financial assets and liabilities despite the lower interest income on time deposits. Excluding the impact of swap interest expense, we registered a TRY7 million net FX gain after hedging in Q220.

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

**Income tax expense** increased to TRY235 million (TRY163 million) in Q220, due mainly to a deferred tax expense incurred in Q220.

**Net income** of the Group was at TRY852 million (TRY465 million) in Q220. This was driven mainly by strong operating performance as well as improving net FX impact that resulted from prudent financial risk management.

**Total cash & debt:** Consolidated cash as of June 30, 2020 increased to TRY10,929 million from TRY9,212 million as of March 31, 2020 driven by strong cash flow generation and positive impact of currency movements. Excluding FX swap transactions, 77% of our cash is in US\$, 5% in EUR, and 18% in TRY.

Consolidated debt as of June 30, 2020 increased to TRY19,776 million from TRY19,500 million as of March 31, 2020 mainly due to the negative impact of currency movements despite debt repayments. Please note that TRY1,485 million of our consolidated debt is comprised of lease obligations.

Consolidated debt breakdown excluding lease obligations:

- Turkcell Turkey's debt was at TRY16,346 million, of which TRY9,399 million (US\$1,374 million) was denominated in US\$, TRY5,169 million (EUR671 million) in EUR, TRY233 million (CNY242 million) in CNY, and the remaining TRY1,545 million in TRY.

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

(2) We started to capitalize the frequency usage fees of BeST in Q219 in accordance with IFRS16. This change positively impacted Turkcell International EBITDA.



- Our consumer finance company had a debt balance of TRY1,006 million, of which TRY807 million (US\$118 million) was denominated in US\$, and TRY93 million (EUR12 million) in EUR with the remaining TRY107 million in TRY.
- The debt balance of lifecell was TRY937 million, fully denominated in UAH.

TRY728 million of lease obligations is denominated in TRY, TRY19 million (US\$3 million) in US\$, TRY147 million (EUR19 million) in EUR, and the remaining balance in other local currencies (Please note that the figures in parentheses refer to US\$ or EUR equivalents).

Net debt as of June 30, 2020 was at TRY8,847 million with a net debt to EBITDA ratio of 0.8 times. Excluding consumer finance company consumer loans, our telco only net debt was at TRY7,053 million with a leverage of 0.7 times.

Turkcell Group has a long FX position of US\$50 million as of June 30, 2020 (Please note that this figure takes advance payments and hedging into account, but excludes FX swap transactions).

**Capital expenditures:** Capital expenditures, including non-operational items, amounted to TRY1,762 million in Q220. In Q220 and H220, operational capital expenditures (excluding license fees) at the Group level were at 16.9% and 14.8% of total revenues, respectively.

Capital expenditures (million TRY)	Quarter		Half Year	
	Q219	Q220	H119	H120
Operational Capex	956.0	1,171.7	1,839.6	2,008.4
License and Related Costs	0.5	3.5	1.2	31.6
Non-operational Capex (Including IFRS15 & IFRS16)	851.3	586.4	1,319.6	1,281.6
<b>Total Capex</b>	<b>1,807.8</b>	<b>1,761.6</b>	<b>3,160.4</b>	<b>3,321.6</b>

## Operational Review of Turkcell Turkey

Summary of Operational Data	Q219	Q120	Q220	y/y %	q/q %
<b>Number of subscribers (million)</b>	<b>36.8</b>	<b>36.3</b>	<b>36.5</b>	<b>(0.8%)</b>	<b>0.6%</b>
Mobile Postpaid (million)	18.9	21.0	21.2	12.2%	1.0%
Mobile M2M (million)	2.5	2.7	2.6	4.0%	(3.7%)
Mobile Prepaid (million)	15.0	12.2	12.2	(18.7%)	-
Fiber (thousand)	1,426.4	1,518.4	1,554.1	9.0%	2.4%
ADSL (thousand)	798.2	695.6	702.9	(11.9%)	1.0%
Superbox (thousand) <sup>1</sup>	129.8	399.5	490.7	278.0%	22.8%
Cable (thousand)	20.3	58.7	64.9	219.7%	10.6%
IPTV (thousand)	653.2	747.3	772.4	18.2%	3.4%
<b>Churn (%)<sup>2</sup></b>					
Mobile Churn (%) <sup>3</sup>	2.0%	2.0%	1.9%	(0.1pp)	(0.1pp)
Fixed Churn (%)	2.1%	2.1%	1.6%	(0.5pp)	(0.5pp)
<b>ARPU (Average Monthly Revenue per User) (TRY)</b>					
Mobile ARPU, blended	38.1	43.0	43.0	12.9%	-
Mobile ARPU, blended (excluding M2M)	40.7	46.3	46.4	14.0%	0.2%
Postpaid	54.3	56.6	56.3	3.7%	(0.5%)
Postpaid (excluding M2M)	61.8	64.2	64.0	3.6%	(0.3%)
Prepaid	17.8	19.9	19.8	11.2%	(0.5%)
Fixed Residential ARPU, blended	64.2	68.5	69.6	8.4%	1.6%
Residential Fiber ARPU	66.1	71.2	72.1	9.1%	1.3%
<b>Average mobile data usage per user (GB/user)</b>	<b>6.6</b>	<b>9.8</b>	<b>11.7</b>	<b>77.3%</b>	<b>19.4%</b>
<b>Mobile MoU (Avg. Monthly Minutes of usage per subs) blended</b>	<b>416.2</b>	<b>458.2</b>	<b>511.9</b>	<b>23.0%</b>	<b>11.7%</b>

(1) Superbox subscribers are included in mobile subscribers.

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

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

We continued to grow our subscriber base in Turkey registering 181 thousand net quarterly additions, despite the Covid-19 headwind. This was driven by our offerings with rich value propositions and customer-oriented campaigns.

On the mobile front our subscriber base expanded by 106 thousand quarterly net additions reaching 33.4 million. We registered 144 thousand net quarterly additions to our postpaid customer base. Accordingly, as of 2Q20, postpaid subscribers comprised 63.5% (55.7%) of our mobile subscriber base. We disconnected 171 thousand prepaid customers in Q220 in accordance with the ICTA regulation requiring deactivation of prepaid lines lacking residency documents by the 6<sup>th</sup> month of subscription.

On the fixed front, our subscriber base exceeded 2.3 million on 49 thousand quarterly net additions. Our fiber subscriber base expanded by 36 thousand quarterly and 128 thousand annual net additions. Superbox, the sole alternative to fiber in Turkey, registered 91 thousand net additions in Q220. Superbox tapped 500 thousand customers in July. Meanwhile, our IPTV customers rose to 772 thousand on 25 thousand quarterly and 119 thousand annual net additions.

The average monthly mobile churn rate was at 1.9% in Q220. Meanwhile the average monthly fixed churn rate declined to 1.6% with 0.5pp improvement.

Our mobile ARPU (excluding M2M) rose 14.0% year-on-year in Q220, backed by rising postpaid subscriber base and upsell efforts, driven by increased data consumption and digital services usage.

We registered residential fiber ARPU growth of 9.1% year-on-year in Q220. This was driven by upsell efforts and the acquisition of higher revenue generating subscribers.

Average monthly mobile data usage per user reached 11.7GB on a 77.3% year-on-year rise with increasing number and consumption of 4.5G users. Accordingly, average mobile data usage of 4.5G users reached 13.9 GB in Q220.

The number of 4.5G compatible smartphones on our network increased to 21.0 million on 584 thousand quarterly additions in Q220, comprising 90% of smartphones on our network. Total smartphone penetration reached 79%.

**TURKCELL INTERNATIONAL**

lifecell <sup>1</sup> Financial Data	Quarter			Half Year		
	Q219	Q220	y/y%	H119	H120	y/y%
Revenue (million UAH)	1,481.9	1,596.3	7.7%	2,897.4	3,176.4	9.6%
EBITDA (million UAH)	798.8	880.1	10.2%	1,614.3	1,678.2	4.0%
EBITDA margin (%)	53.9%	55.1%	1.2pp	55.7%	52.8%	(2.9pp)
Net income / (loss) (million UAH)	(293.2)	(34.0)	(88.4%)	(560.4)	(184.9)	(67.0%)
Capex (million UAH)	350.0	440.8	25.9%	707.8	1,076.0	52.0%
Revenue (million TRY)	324.3	402.3	24.1%	600.1	788.7	31.4%
EBITDA (million TRY)	174.8	221.8	26.9%	333.8	417.0	24.9%
EBITDA margin (%)	53.9%	55.1%	1.2pp	55.6%	52.9%	(2.7pp)
Net income / (loss) (million TRY)	(64.0)	(8.3)	(87.0%)	(116.1)	(45.3)	(61.0%)

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

**lifecell (Ukraine)** revenues rose 7.7% year-on-year in Q220 in local currency terms, driven by the increase in voice and data usage despite the decline in roaming revenues due to limited mobility during Covid-19 pandemic. lifecell's EBITDA grew 10.2% year-on-year leading to an EBITDA margin improvement of 1.2pp to 55.1%. This was a result of effective cost management practices of lifecell. Please also note that lifecell registered positive net income in June as a result of its strong operational performance.

lifecell revenues in TRY terms grew 24.1% year-on-year in Q220 reflecting the positive impact of currency movements, while its EBITDA grew by 26.9% leading to an EBITDA margin of 55.1%.

lifecell Operational Data	Q219	Q120	Q220	y/y%	q/q%
Number of subscribers (million) <sup>2</sup>	9.2	8.9	8.9	(3.3%)	-
Active (3 months) <sup>3</sup>	6.8	7.5	7.6	11.8%	1.3%
MOU (minutes) (12 months)	147.4	162.8	175.8	19.3%	8.0%
ARPU (Average Monthly Revenue per User), blended (UAH)	53.1	59.2	59.7	12.4%	0.8%
Active (3 months) (UAH)	72.5	69.5	70.3	(3.0%)	1.2%

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

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

lifecell's three-month active subscriber base reached 7.6 million on the back of customer retention focus. lifecell's 3-month active ARPU was at UAH70.3 in Q220.

lifecell continued to increase the penetration of 4.5G users within its customer base in Q220. Accordingly, its 4.5G subscriber base grew 52% year-on-year and its share in data users reached 56% as at the end of Q220. The increase in 4.5G users continued to support data consumption. Average data consumption per user rose 60% year-on-year in Q220.

lifecell continued to enrich customer experience through its digital services while increasing their penetration within its customer base. In the pandemic environment, lifecell also took several steps to support its customers. In this respect, lifecell introduced a healthcare application which allows users to submit questions and obtain opinions from experts 24/7.

In the Covid-19 pandemic environment, the data and voice traffic grew as telecommunication services became more critical for work, education and life. The Covid-19 pandemic mainly impacted the roaming revenues as a result of limited mobility. With regards to customer acquisitions, lifecell began to see recovery in May and June.

BeST <sup>1</sup>	Quarter			Half Year		
	Q219	Q220	y/y%	H119	H120	y/y%
<b>Number of subscribers (million)</b>	<b>1.5</b>	<b>1.4</b>	<b>(6.7%)</b>	<b>1.5</b>	<b>1.4</b>	<b>(6.7%)</b>
Active (3 months)	1.1	1.0	(9.1%)	1.1	1.0	(9.1%)
<b>Revenue (million BYN)</b>	<b>33.7</b>	<b>32.6</b>	<b>(3.3%)</b>	<b>65.6</b>	<b>65.1</b>	<b>(0.8%)</b>
EBITDA (million BYN)	11.1	7.6	(31.5%)	18.5	16.0	(13.5%)
<b>EBITDA margin (%)</b>	<b>33.0%</b>	<b>23.3%</b>	<b>(9.7pp)</b>	<b>28.2%</b>	<b>24.6%</b>	<b>(3.6pp)</b>
Net loss (million BYN)	(8.5)	(8.9)	4.7%	(17.3)	(17.0)	(1.7%)
<b>Capex (million BYN)</b>	<b>20.4</b>	<b>8.7</b>	<b>(57.4%)</b>	<b>31.2</b>	<b>19.7</b>	<b>(36.9%)</b>
Revenue (million TRY)	94.1	91.0	(3.3%)	173.6	180.1	3.7%
<b>EBITDA (million TRY)</b>	<b>31.1</b>	<b>21.2</b>	<b>(31.8%)</b>	<b>49.5</b>	<b>44.3</b>	<b>(10.5%)</b>
EBITDA margin (%)	33.1%	23.3%	(9.8pp)	28.5%	24.6%	(3.9pp)
<b>Net loss (million TRY)</b>	<b>(23.7)</b>	<b>(24.9)</b>	<b>5.1%</b>	<b>(45.6)</b>	<b>(47.1)</b>	<b>3.3%</b>

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

**BeST** revenues declined 3.3% year-on-year in Q220 in local currency terms. Despite the rise in voice and data revenues, this was mainly due to the declining roaming revenues and device sales as an outcome of limited mobility that resulted from Covid-19 pandemic. BeST's EBITDA was at BYN7.6 million in Q220 with an EBITDA margin of 23.3%. The decline in EBITDA margin was due mainly to the decline in revenues. Please also note that we started to capitalize BeST's frequency usage fees in Q219 in accordance with IFRS16 and that the Q119 impact was also booked in Q219 which positively impacted EBITDA.

BeST's revenues in TRY terms stood at TRY91.0 million, while its EBITDA margin was at 23.3% in Q220.

BeST's 4G customers comprised 57% of 3-month active users as at the end of Q220, which continued to support data consumption. Accordingly, the average monthly data consumption of subscribers rose 65% on the back of higher data consumption of 4G users. Meanwhile, BeST continued its efforts to increase the penetration of digital services which supports ARPU growth and customer loyalty. In line with the Group's digital services strategy, BeST also increased its focus on standalone subscriptions. Music, games and TV services were the main drivers of digital services revenue growth in Q220.

<b>Kuzey Kıbrıs Turkcell<sup>2</sup> (million TRY)</b>	Quarter			Half Year		
	Q219	Q220	y/y%	H119	H120	y/y%
<b>Number of subscribers (million)</b>	<b>0.6</b>	<b>0.5</b>	<b>(16.7%)</b>	<b>0.6</b>	<b>0.5</b>	<b>(16.7%)</b>
Revenue	51.6	53.4	3.5%	99.5	107.9	8.4%
<b>EBITDA</b>	<b>19.2</b>	<b>19.5</b>	<b>1.6%</b>	<b>36.0</b>	<b>39.9</b>	<b>10.8%</b>
EBITDA margin (%)	37.3%	36.6%	(0.7pp)	36.1%	36.9%	0.8pp
<b>Net income</b>	<b>5.4</b>	<b>8.0</b>	<b>48.1%</b>	<b>13.0</b>	<b>14.9</b>	<b>14.6%</b>
Capex	13.0	9.8	(24.6%)	23.6	26.1	10.6%

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

**Kuzey Kıbrıs Turkcell** revenues grew 3.5% year-on-year in Q220, driven mainly by increased data consumption. The EBITDA of Kuzey Kıbrıs Turkcell rose 1.6% year-on-year leading to an EBITDA margin of 36.6%.

The main impact of COVID-19 on Kuzey Kıbrıs Turkcell operations came from declining handset sales and lower roaming revenues due to limited mobility.

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

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

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

### Turkcell Group Subscribers

Turkcell Group subscribers amounted to approximately 47.4 million as of June 30, 2020. This figure is calculated by taking the number of subscribers of Turkcell Turkey, and of each of our subsidiaries. It includes the total number of mobile, fiber, ADSL, cable and IPTV subscribers of Turkcell Turkey, and the mobile subscribers of lifecell and BeST, as well as those of Kuzey Kıbrıs Turkcell.

<b>Turkcell Group Subscribers</b>	<b>Q219</b>	<b>Q120</b>	<b>Q220</b>	<b>y/y%</b>	<b>q/q%</b>
Mobile Postpaid (million)	18.9	21.0	21.2	12.2%	1.0%
Mobile Prepaid (million)	15.0	12.2	12.2	(18.7%)	-
Fiber (thousand)	1,426.4	1,518.4	1,554.1	9.0%	2.4%
ADSL (thousand)	798.2	695.6	702.9	(11.9%)	1.0%
Superbox (thousand) <sup>1</sup>	129.8	399.5	490.7	278.0%	22.8%
Cable (thousand)	20.3	58.7	64.9	219.7%	10.6%
IPTV (thousand)	653.2	747.3	772.4	18.2%	3.4%
<b>Turkcell Turkey subscribers (million)<sup>2</sup></b>	<b>36.8</b>	<b>36.3</b>	<b>36.5</b>	<b>(0.8%)</b>	<b>0.6%</b>
lifecell (Ukraine)	9.2	8.9	8.9	(3.3%)	-
BeST (Belarus)	1.5	1.5	1.4	(6.7%)	(6.7%)
Kuzey Kıbrıs Turkcell	0.6	0.5	0.5	(16.7%)	-
lifecell Europe <sup>3</sup>	0.2	0.2	-	n.a	n.a
<b>Turkcell Group Subscribers (million)</b>	<b>48.2</b>	<b>47.3</b>	<b>47.4</b>	<b>(1.7%)</b>	<b>0.2%</b>

(1) Superbox subscribers are included in mobile subscribers.

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

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

### OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

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

	Quarter					Half Year		
	Q219	Q120	Q220	y/y%	q/q%	H119	H120	y/y%
<b>GDP Growth (Turkey)</b>	<b>(1.6%)</b>	<b>4.5%</b>	<b>n.a</b>	<b>n.a</b>	<b>n.a</b>	<b>(1.9%)</b>	<b>n.a</b>	<b>n.a</b>
<b>Consumer Price Index (Turkey)(yoy)</b>	<b>15.7%</b>	<b>11.9%</b>	<b>12.6%</b>	<b>(3.1pp)</b>	<b>0.7pp</b>	<b>15.7%</b>	<b>12.6%</b>	<b>(3.1pp)</b>
<b>US\$ / TRY rate</b>								
Closing Rate	5.7551	6.5160	6.8422	18.9%	5.0%	5.7551	6.8422	18.9%
Average Rate	5.8478	6.1419	6.8239	16.7%	11.1%	5.5928	6.4829	15.9%
<b>EUR / TRY rate</b>								
Closing Rate	6.5507	7.2150	7.7082	17.7%	6.8%	6.5507	7.7082	17.7%
Average Rate	6.5488	6.7901	7.5383	15.1%	11.0%	6.3132	7.1642	13.5%
<b>US\$ / UAH rate</b>								
Closing Rate	26.17	28.06	26.69	2.0%	(4.9%)	26.17	26.69	2.0%
Average Rate	26.73	25.12	27.08	1.3%	7.8%	27.07	26.10	(3.6%)
<b>US\$ / BYN rate</b>								
Closing Rate	2.0433	2.6023	2.4008	17.5%	(7.7%)	2.0433	2.4008	17.5%
Average Rate	2.0967	2.2433	2.4492	16.8%	9.2%	2.1219	2.3462	10.6%

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

Our Adjusted EBITDA definition includes Revenue, Cost of Revenue excluding depreciation and amortization, Selling and Marketing expenses, Administrative expenses and Net impairment losses on financial and contract assets, but excludes translation gain/(loss), finance income, finance expense, share of profit of equity accounted investees, gain on sale of investments, minority interest and other income/(expense).

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

Turkcell Group (million TRY)	Quarter			Half Year		
	Q219	Q220	y/y%	H119	H120	y/y%
<b>Adjusted EBITDA</b>	<b>2,552.8</b>	<b>2,824.3</b>	<b>10.6%</b>	<b>4,833.9</b>	<b>5,633.3</b>	<b>16.5%</b>
Depreciation and amortization	(1,265.8)	(1,451.5)	14.7%	(2,443.9)	(2,823.6)	15.5%
<b>EBIT</b>	<b>1,287.0</b>	<b>1,372.8</b>	<b>6.7%</b>	<b>2,390.0</b>	<b>2,809.8</b>	<b>17.6%</b>
Finance income	(200.4)	506.2	n.m	334.7	1,127.7	236.9%
Finance costs	(371.4)	(740.0)	99.2%	(1,326.8)	(1,582.9)	19.3%
Other income / (expense)	(73.8)	(51.1)	(30.8%)	(125.7)	(145.1)	15.4%
Share of profit of equity accounted investees	1.0	(0.0)	(100.0%)	1.7	(3.3)	(294.1%)
<b>Consolidated profit from continued operations before income tax &amp; minority interest</b>	<b>642.4</b>	<b>1,087.9</b>	<b>69.3%</b>	<b>1,274.0</b>	<b>2,206.2</b>	<b>73.2%</b>
Income tax expense	(163.0)	(234.9)	44.1%	(322.7)	(479.3)	48.5%
<b>Consolidated profit from continued operations before minority interest</b>	<b>479.4</b>	<b>853.0</b>	<b>77.9%</b>	<b>951.2</b>	<b>1,726.9</b>	<b>81.5%</b>
Discontinued operations	-	-	n.a	772.4	-	n.a
<b>Consolidated profit before minority interest</b>	<b>479.4</b>	<b>853.0</b>	<b>77.9%</b>	<b>1,723.7</b>	<b>1,726.9</b>	<b>0.2%</b>

**NOTICE:** *This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995. This includes, in particular, our targets for revenue, EBITDA, EBIT and capex for 2020. More generally, all statements other than statements of historical facts included in this press release, including, without limitation, certain statements regarding the launch of new businesses, our operations, financial position and business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as, among others, "will," "expect," "intend," "estimate," "believe," "continue" and "guidance".*

*Although Turkcell believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. For a discussion of certain factors that may affect the outcome of such forward looking statements, see our Annual Report on Form 20-F for 2020 filed with the U.S. Securities and Exchange Commission, and in particular the risk factor section therein. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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

**ABOUT TURKCELL:** *Turkcell is a digital operator headquartered in Turkey, serving its customers with its unique portfolio of digital services along with voice, messaging, data and IPTV services on its mobile and fixed networks. Turkcell Group companies operate in 5 countries – Turkey, Ukraine, Belarus, Northern Cyprus, Germany. Turkcell launched LTE services in its home country on April 1<sup>st</sup>, 2016, employing LTE-Advanced and 3 carrier aggregation technologies in 81 cities. Turkcell offers up to 10 Gbps fiber internet speed with its FTTH services. Turkcell Group reported TRY6.9 billion revenue in Q220 with total assets of TRY47.0 billion as of June 30, 2020. It has been listed on the NYSE and the BIST since July 2000, and is the only NYSE-listed company in Turkey. Read more at [www.turkcell.com.tr](http://www.turkcell.com.tr).*

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

Million TRY	Quarter			Half Year		
	Q219	Q220	y/y%	H119	H120	y/y%
Turkcell Turkey	(37.4)	(464.9)	n.m	(595.9)	(1,003.7)	68.4%
Turkcell International	(9.8)	(19.9)	103.1%	(35.7)	(51.2)	43.4%
Other Subsidiaries	(61.9)	(56.9)	(8.1%)	(190.0)	(174.9)	(7.9%)
<b>Net FX loss before hedging</b>	<b>(109.1)</b>	<b>(541.6)</b>	<b>396.4%</b>	<b>(821.6)</b>	<b>(1,229.9)</b>	<b>49.7%</b>
Swap interest income/(expense) <sup>1</sup>	(156.1)	(102.8)	(34.1%)	(322.4)	(224.7)	(30.3%)
Fair value gain on derivative financial instruments <sup>1</sup>	(143.8)	548.7	(481.6%)	474.8	1,257.7	164.9%
<b>Net FX gain / (loss) after hedging</b>	<b>(409.1)</b>	<b>(95.7)</b>	<b>(76.6%)</b>	<b>(669.3)</b>	<b>(196.9)</b>	<b>(70.6%)</b>

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

**Table: Income tax expense details**

Million TRY	Quarter			Half Year		
	Q219	Q220	y/y%	H119	H120	y/y%
Current tax expense	(208.0)	(197.0)	(5.3%)	(361.8)	(358.5)	(0.9%)
Deferred tax income / (expense)	45.0	(37.9)	(184.2%)	39.1	(120.7)	(408.7%)
<b>Income Tax expense</b>	<b>(163.0)</b>	<b>(234.9)</b>	<b>44.1%</b>	<b>(322.7)</b>	<b>(479.3)</b>	<b>48.5%</b>

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

	Quarter Ended Jun 30, <u>2019</u>	Quarter Ended Mar 31, <u>2020</u>	Quarter Ended Jun 30, <u>2020</u>	Half Ended Jun 30, <u>2019</u>	Half Ended Jun 30, <u>2020</u>
<b>Consolidated Statement of Operations Data</b>					
Turkcell Turkey	5,260.8	5,738.5	6,003.0	10,094.1	11,741.4
Turkcell International	492.0	559.6	577.9	916.8	1,137.5
Other	438.3	360.2	343.0	855.6	703.2
Total revenues	6,191.1	6,658.2	6,923.9	11,866.5	13,582.1
Direct cost of revenues	(4,284.4)	(4,569.5)	(4,950.1)	(8,192.7)	(9,519.5)
Gross profit	1,906.8	2,088.7	1,973.8	3,673.8	4,062.6
Administrative expenses	(184.9)	(188.3)	(166.4)	(375.5)	(354.7)
Selling & marketing expenses	(413.4)	(348.7)	(327.9)	(816.5)	(676.6)
Other Operating Income / (Expense)	(73.8)	(94.0)	(51.1)	(125.7)	(145.1)
Net impairment losses on financial and contract assets	(21.4)	(114.8)	(106.8)	(91.8)	(221.5)
Operating profit before financing costs	1,213.2	1,343.0	1,321.7	2,264.3	2,664.6
Finance costs	(371.4)	(842.9)	(740.0)	(1,326.8)	(1,582.9)
Finance income	(200.4)	621.5	506.2	334.7	1,127.7
Share of profit of equity accounted investees	1.0	(3.2)	(0.0)	1.7	(3.3)
Income before tax and non-controlling interest	642.4	1,118.3	1,087.9	1,274.0	2,206.2
Income tax expense	(163.0)	(244.4)	(234.9)	(322.7)	(479.3)
Income from continuing operations before non-controlling interest	479.4	873.9	853.0	951.2	1,726.9
Discontinued operations	-	-	-	772.4	-
Non-controlling interests	(14.3)	(1.2)	(1.3)	(34.1)	(2.5)
Net income	465.2	872.7	851.7	1,689.6	1,724.4
Net income per share	0.21	0.40	0.39	0.77	0.79

**Other Financial Data**

Gross margin	30.8%	31.4%	28.5%	31.0%	29.9%
EBITDA(*)	2,552.8	2,809.0	2,824.3	4,833.9	5,633.3
Total Capex	1,807.8	1,560.0	1,761.6	3,160.4	3,321.6
Operational capex	956.0	836.7	1,171.7	1,839.6	2,008.4
Licence and related costs	0.5	28.1	3.5	1.2	31.6
Non-operational Capex	851.3	695.2	586.4	1,319.6	1,281.6

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

Cash and cash equivalents	10,686.7	9,212.2	10,929.1	10,686.7	10,929.1
Total assets	45,611.9	45,328.7	47,042.0	45,611.9	47,042.0
Long term debt	14,558.5	13,964.6	14,361.9	14,558.5	14,361.9
Total debt	22,062.0	19,499.9	19,776.0	22,062.0	19,776.0
Total liabilities	28,281.3	26,651.1	27,503.8	28,281.3	27,503.8
Total shareholders' equity / Net Assets	17,330.6	18,677.6	19,538.2	17,330.6	19,538.2

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

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

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

	Quarter Ended Jun 30, 2019	Quarter Ended Mar 31, 2020	Quarter Ended Jun 30, 2020	Half Ended Jun 30, 2019	Half Ended Jun 30, 2020
<b>Consolidated Statement of Operations Data</b>					
Turkcell Turkey	5,260.8	5,738.5	6,003.0	10,094.1	11,741.4
Turkcell International	492.0	559.6	577.9	916.8	1,137.5
Other	438.3	360.2	343.0	855.6	703.2
Total revenues	6,191.1	6,658.2	6,923.9	11,866.5	13,582.1
Direct cost of revenues	(4,284.4)	(4,569.5)	(4,950.1)	(8,192.7)	(9,519.5)
Gross profit	1,906.8	2,088.7	1,973.8	3,673.8	4,062.6
Administrative expenses	(184.9)	(188.3)	(166.4)	(375.5)	(354.7)
Selling & marketing expenses	(413.4)	(348.7)	(327.9)	(816.5)	(676.6)
Other Operating Income / (Expense)	404.3	686.2	337.7	807.6	1,023.9
Operating profit before financing and investing costs	1,712.8	2,237.9	1,817.3	3,289.4	4,055.2
Net impairment losses on financial and contract assets	(21.4)	(114.8)	(106.8)	(91.8)	(221.5)
Income from investing activities	26.0	59.2	(1.5)	38.7	57.7
Expense from investing activities	(16.5)	(32.5)	(20.6)	(66.6)	(53.1)
Share of profit of equity accounted investees	1.0	(3.2)	(0.0)	1.7	(3.3)
Income before financing costs	1,701.8	2,146.6	1,688.4	3,171.5	3,835.0
Finance income	(259.4)	605.3	459.5	202.1	1,064.9
Finance expense	(800.0)	(1,633.6)	(1,060.0)	(2,099.6)	(2,693.6)
Income from continuing operations before tax and non-controlling interest	642.4	1,118.3	1,087.9	1,274.0	2,206.2
Income tax expense from continuing operations	(163.0)	(244.4)	(234.9)	(322.7)	(479.3)
Income from continuing operations before non-controlling interest	479.4	873.9	853.0	951.2	1,726.9
Discontinued operations	-	-	-	772.4	-
Income before non-controlling interest	479.4	873.9	853.0	1,723.7	1,726.9
Non-controlling interest	(14.3)	(1.2)	(1.3)	(34.1)	(2.5)
Net income	465.2	872.7	851.7	1,689.6	1,724.4
Net income per share	0.21	0.40	0.39	0.77	0.79
<b>Other Financial Data</b>					
Gross margin	30.8%	31.4%	28.5%	31.0%	29.9%
EBITDA(*)	2,552.8	2,809.0	2,824.3	4,833.9	5,633.3
Total Capex	1,807.8	1,560.0	1,761.6	3,160.4	3,321.6
Operational capex	956.0	836.7	1,171.7	1,839.6	2,008.4
Licence and related costs	0.5	28.1	3.5	1.2	31.6
Non-operational Capex	851.3	695.2	586.4	1,319.6	1,281.6
<b>Consolidated Balance Sheet Data (at period end)</b>					
Cash and cash equivalents	10,686.7	9,212.2	10,929.1	10,686.7	10,929.1
Total assets	45,611.9	45,328.7	47,042.0	45,611.9	47,042.0
Long term debt	14,558.5	13,964.6	14,361.9	14,558.5	14,361.9
Total debt	22,062.0	19,499.9	19,776.0	22,062.0	19,776.0
Total liabilities	28,281.3	26,651.1	27,503.8	28,281.3	27,503.8
Total shareholders' equity / Net Assets	17,330.6	18,677.6	19,538.2	17,330.6	19,538.2