



# **TURKCELL ILETISIM HIZMETLERI**

**FIRST QUARTER 2021 RESULTS**

***“STRONG START TO THE YEAR  
WITH A SOLID SET OF RESULTS”***

# Contents

## HIGHLIGHTS

QUARTER HIGHLIGHTS	4
COMMENTS BY CEO, MURAT ERKAN	5

## FINANCIAL AND OPERATIONAL REVIEW

FINANCIAL REVIEW OF TURKCELL GROUP	7
OPERATIONAL REVIEW OF TURKCELL TURKEY	10

## TURKCELL INTERNATIONAL

lifecell	12
BeST	13
Kuzey Kıbrıs Turkcell	13

## TECHFIN

Paycell	14
Financell	14

<b>TURKCELL GROUP SUBSCRIBERS</b>	15
-----------------------------------	----

<b>OVERVIEW OF THE MACROECONOMIC ENVIRONMENT</b>	15
--------------------------------------------------	----

<b>RECONCILIATION OF NON-GAAP FINANCIAL MEASUREMENTS</b>	16
----------------------------------------------------------	----

<i>Appendix A – Tables</i>	18
----------------------------	----

- Please note that all financial data is consolidated and comprises that of Turkcell İletişim Hizmetleri A.Ş. (the “Company”, or “Turkcell”) and its subsidiaries and associates (together referred to as the “Group”), unless otherwise stated.
- We have four reporting segments:
  - “Turkcell Turkey” which comprises our telecom, digital services and digital business services 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 and digital services related businesses outside of Turkey.
  - “Techfin” which comprises all of our financial services businesses.
  - “Other” which mainly comprises our non-group call center and energy businesses, retail channel operations, smart devices management and consumer electronics sales through digital channels and intersegment eliminations.
- 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 March 31, 2021 refer to the same item as at March 31, 2020. For further details, please refer to our consolidated financial statements and notes as at and for March 31, 2021, 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 first and fourth quarters of 2020 and the first quarter of 2021 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.

**SEGMENT INFORMATION**

In accordance with our integrated communication and technology services strategy, we have reported our telecom related businesses in Turkey and outside of Turkey under Turkcell Turkey and Turkcell International reportable segments, respectively. All other businesses were reported under the Other segment until Q121.

Starting from Q121, our financial services businesses; Turkcell Finansman A.Ş., Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş., Turkcell Sigorta Aracılık Hizmetleri A.Ş., and Paycell LLC, will be reported under the new Techfin segment. In previous releases, these businesses were included under the Other segment. We made this change since these entities have similar business models, and to some extent have operations integrated with each other. Moreover, these businesses are subject to legislation and regulations, which differ from those applied to other entities reported under the Other segment.

Furthermore, operations of Turkcell Satış ve Dijital İş Servisleri Hizmetleri A.Ş. ("Turkcell Satış"), which are reported under Turkcell Turkey are separated as "Digital Business Services" and other Turkcell Satış operations: Integrated corporate business solutions, city hospitals, equipment and corporate terminal activities will continue to be reported under Turkcell Turkey as "Digital Business Services", while other Turkcell Satış operations, which include retail channel operations, smart devices management and consumer electronics sales through digital channels, will be reported in the Other segment. We have made this change since other Turkcell Satış operations, which are reported under the Other segment, are now less connected with the integrated business model of Turkcell Turkey. Accordingly, these operations mainly comprise the procurement and sale of consumer electronics not limited to integrated telco products. They target non-Turkcell customers as well. Moreover, these operations also have different level of operating profitability compared to businesses reported under Turkcell Turkey.

There have been no changes to Turkcell International segment.

Starting from Q121, our reporting segments will be as follows:

"Turkcell Turkey" comprises "Turkcell İletişim Hizmetleri A.Ş.", "Superonline İletişim Hizmetleri A.Ş.", the group call center operations of "Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.", the abovementioned digital business services operations of "Turkcell Satış", "Turkcell Bilişim Servisleri A.Ş.", "Turkcell Teknoloji Araştırma ve Geliştirme A.Ş.", "Kule Hizmet ve İşletmecilik A.Ş.", "Rehberlik Hizmetleri A.Ş.", "Turkcell Gayrimenkul Hizmetleri A.Ş.", "Lifecell Dijital Servisler ve Çözümler A.Ş.", "Lifecell Bulut Çözümleri A.Ş.", "Lifecell TV Yayın ve İçerik Hizmetleri A.Ş.", "Lifecell Müzik Yayın ve İletim A.Ş.", "BiP İletişim Teknolojileri ve Dijital Servisler A.Ş." and "Turkcell Dijital İş Servisleri A.Ş.". Hence, Turkcell Turkey comprises our telecom, digital services and digital business services related businesses in Turkey.

"Turkcell International" comprises "Kıbrıs Mobile Telekomünikasyon Limited Şirketi", "East Asian Consortium B.V.", "Lifecell LLC", "Lifecell Ventures Coöperatief U.A.", "Beltel Telekomünikasyon Hizmetleri A.Ş.", "CJSC Belarusian Telecommunications Network", "LLC UkrTower", "LLC Global Bilgi", "Turkcell Europe GmbH", "Lifetech LLC", "Beltower LLC", "Lifecell Digital Limited", "Yaani Digital BV" and "BiP Digital Communication Technologies B.V.". Turkcell International comprises our telecom and digital services related businesses outside of Turkey.

"Techfin" comprises "Turkcell Finansman A.Ş.", "Turkcell Ödeme ve Elektronik Para Hizmetleri A.Ş.", "Turkcell Sigorta Aracılık Hizmetleri A.Ş.", and "Paycell LLC". Techfin comprises all our financial services businesses.

"Other" comprises the non-group call center operations of "Global Bilgi Pazarlama Danışmanlık ve Çağrı Servisi Hizmetleri A.Ş.", "Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş." and the abovementioned other operations of "Turkcell Satış". The Other segment mainly comprises our non-group call center and energy businesses, retail channel operations, smart devices management and consumer electronics sales through digital channels and intersegment eliminations.

**FINANCIAL HIGHLIGHTS**

TRY million	Q120	Q420	Q121	y/y%	q/q%
Revenue	6,658	7,872	7,827	17.5%	(0.6%)
EBITDA <sup>1</sup>	2,809	3,243	3,306	17.7%	2.0%
EBITDA Margin (%)	42.2%	41.2%	42.2%	-	1.0pp
EBIT <sup>2</sup>	1,437	1,608	1,651	14.9%	2.6%
EBIT Margin (%)	21.6%	20.4%	21.1%	(0.5pp)	0.7pp
Net Income	873	1,302	1,105	26.6%	(15.1%)

**FIRST QUARTER HIGHLIGHTS**

- Strong set of financials:
  - Group revenues up 17.5% year-on-year mainly on Turkcell Turkey's data and digital services revenue growth, larger subscriber base, as well as the increase in equipment revenues backed by digital channels
  - Robust performance in strategic focus areas; standalone digital services revenues up 27.5%; digital business services revenues up 27.3%; Paycell revenues up 52.6%
  - Group EBITDA up 17.7% year-on-year leading to an EBITDA margin of 42.2%; EBIT up 14.9% year-on-year resulting in an EBIT margin of 21.1%
  - Net income up 26.6% year-on-year mainly on solid operational performance and disciplined financial risk management
  - Leverage at 0.9x, despite FX fluctuations; long FX position at US\$183 million
- Robust operational performance:
  - Turkcell Turkey subscriber base up by 705 thousand quarterly net additions, highest of the past three years; solid performance towards the target of 1 million net subscriber additions for the full year
  - 410 thousand quarterly mobile postpaid net additions; postpaid subscriber share at 66%
  - Quarterly mobile prepaid customer net additions of 190 thousand
  - 50 thousand net quarterly fiber additions; 49 thousand quarterly IPTV net additions
  - Mobile ARPU<sup>3</sup> growth of 8.7% year-on-year; fixed residential ARPU growth of 11.0% year-on-year
  - Average monthly data consumption of 4.5G users at 14.4 GB in Q121
  - Digital channels' share in Turkcell Turkey consumer sales (excluding fixed business) at 15.7%; up 8.5pp year-on-year
- General Assembly meeting held on April 15<sup>th</sup>:
  - TRY2.6 billion dividend distribution in three equal installments was approved; payment of first installment was performed on April 30<sup>th</sup>
  - All board members, including independent ones, were appointed

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

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

(3) Excluding M2M

For further details, please refer to our consolidated financial statements and notes as at March 31, 2021 via our website in the investor relations section ([www.turkcell.com.tr](http://www.turkcell.com.tr)).

**COMMENTS BY CEO, MURAT ERKAN**

---

**We began the year strongly with our customer-driven approach**

Having made a strong start, we have concluded this quarter with strong operational and financial results matching up with our targets. In this period in which we managed our business successfully, in spite of the challenging conditions of the COVID-19 pandemic, we continued our strong growth and achieved successful results. This was made possible by offering enriched value offers to our customers with our “Customer First” focus, and reflective of our diversified business model with strategic focus areas.

Our consolidated revenues rose 17.5% year-on-year, reaching TRY7.8 billion. Consolidated EBITDA<sup>1</sup> grew by 17.7% to TRY3.3 billion, resulting in an EBITDA margin of 42.2%. 26.6% growth in Turkcell International business contributed to the topline growth. Net income increased by 26.6% to TRY1.1 billion. These results, in line with our targets, have reinforced our confidence in reaching our guidance for the year 2021, despite the challenging environment due to the pandemic.

**The highest subscriber additions of the past 3 years**

Thanks to our value offers meeting changing customer needs and our innovative campaigns facilitating the lives of our customers, we recorded 410 thousand postpaid subscriber and 190 thousand prepaid subscriber net additions in this quarter. Including the fixed broadband and IPTV services, the total 705 thousand net subscriber addition marks our highest level of the past 3 years. Our strong and fast network, convenient digital sales channels and brand loyalty have been instrumental in customers opting for Turkcell. Our postpaid customer base reached 22.4 million, reflecting 66% of the total mobile base on a 3 point rise year-over-year. Mobile blended ARPU (except for M2M) has reached TRY49.9 on an annual 8.7% rise on the back of a larger postpaid subscription base, rising data and digital service use and upsell efforts, despite the negative effect of the pandemic. We enhanced our customer loyalty by combining our customer-driven approach and analytical competences; accordingly, the average monthly churn rate of 1.8% was the lowest level of the past 3 years.

The strong demand for fixed broadband has continued in this quarter, too, under the prevailing mobility restrictions within the scope of measures against the pandemic, and more widespread remote working. We gained a net 50 thousand fiber subscribers with our high-speed and unlimited fiber internet offers designed to meet the need for speed in homes where a large number of devices are connected at the same time. Accordingly, our fixed broadband customer base reached 2.5 million.

**Interest in our digital services is rising daily**

We continue pioneering the digital transformation of Turkey with the instant messaging, TV and music platforms, personal cloud services, search engine and e-mail services developed by Turkcell engineers. Enjoying increasing recognition, BiP, our instant messaging application, saw 32 million new downloads in this quarter. With its total downloads reaching 77 million, BiP has been the most downloaded local application in Turkey. With no imposition or discriminating among its users in terms of data privacy, BiP has reached 40 million three-month active users, approximately one third of which are outside of Turkey. TV+, our web-based digital TV platform, has been another outstanding service this quarter. Both IPTV and the OTT TV+ service users have accelerated in this quarter thanks to enriched content, as well as its accessibility through smart televisions. With the addition of net 49 thousand IPTV customers, we now offer IPTV services to 61 out of every 100 households among our residential fiber customers.

We launched GAMEPLUS, our new gaming platform on which we have been focusing recently, in March in collaboration with NVIDIA GeForce NOW, a cloud-based gaming service. Thanks to the cloud-based gaming technology eliminating the need for particular hardware to play games, users can access over 950 games. We believe that the strong interest in this platform, which has reached 10.4 thousand premium users within just 15 days will continue in the coming periods.

Overall, the stand-alone revenue of our digital services business reached TRY367 million with an increase of 28% year-over-year in this quarter, mainly on the back of these developments. We aim at more diversified monetization with the launch of the B2B models of fizy business, lifebox business and BiP Meet services over the coming months.

**Turkcell Digital Business Services continues pioneering the digital transformation of companies**

The total revenues of Digital Business Services through which we offer a wide range of new generation technologies to our corporate customers, from access to cyber security, from cloud technologies to data centers, and from managed services to the internet of things, reached TRY452 million on an annual increase of 27% in this quarter. We have supported corporates on their digitalization journey by signing over 700 new contracts. As of the end of the first quarter, we have put into practice 1,589 system integration and managed services projects to date; from these projects we have a contract value (backlog) of TRY1.1 billion to be realized after the first quarter of 2021. We have continued to strengthen our ecosystem by increasing the number of our global partnerships. In the first quarter we launched the SOAR (Security Orchestration Automation and Response) Service allowing for instantaneous actions to be taken over security components against incidents of cyber-attack, a Forensics service enabling corporations to learn about the trajectory of events taking place, including the weaknesses being exploited and likely remedial methods to be employed following probable cyber-attacks, as well as the Turkcell Digital Facility, our first IoT Platform service. Along with these, we continued enriching our portfolio by relaunching Kopilot Filom and a brand-new user experience on [turkcellbulut.com.tr](http://turkcellbulut.com.tr).

**Growth of the Techfin sector's rising star, Paycell, gains speed**

Paycell, our innovative payment services platform in the field of techfin, marked a successful quarter with its rising users and growing mobile payment volume. As the number of three-month active Paycell users reached 5.3 million, mobile payment volume reached TRY351 million, doubling on an annual basis. During the same period, the Paycell Card transaction volume quadrupled. Overall, Paycell revenues grew by 53% on an annual basis in this quarter; non-group revenue increased 81%. In the forthcoming period, we aim at the widespread use of our Android POS service, an increased number of member merchants, and reaching more customers with our new services.

**We have set our sustainability targets**

We, as Turkcell Group, have prioritized the use of renewable sources towards our goal of maximizing the efficient use of natural resources, reflective of our business model which is sensitive to the environment and based on shaping technology according to the needs of society. As we have also shared at the 'GSMA Mobile Net Zero' event on April 20, we aim to meet 100% of our electricity consumption through renewable resources by 2030.

Also this quarter, as a pioneer in mobile working in Turkey, we have put into practice our "Flexible Working Model" designed together with our employees. Accordingly, our employees, reflecting their preferences and planning, can work remotely or at our offices if need be, for an indefinite period without any limitation on location. With this model, we aim at enhancing the comfort and productivity of our employees, while at the same time offering the best working experience.

**Dividend of TRY 2.6 billion approved at the Ordinary General Assembly**

As part of our disclosure about the change in our shareholding structure, we had stated that the number of seats on the Board of Directors was increased to nine. At the Turkcell Ordinary General Assembly meeting held on April 15, these appointments were realized and the number of members set forth in our articles of association has been completed. At the same meeting, the distribution of the dividend of TRY2.6 billion, corresponding to 61% of the net distributable period profit, in three equal installments was approved. We are pleased to have distributed the first installment on the same day as this earnings disclosure.

**We will continue to serve our country and people with sustained investments in the upcoming period**

In firm hopes that the COVID-19 pandemic may finally be behind us in the near future, I believe wholeheartedly that we will achieve new successes, while serving our country and people in the quarters ahead.

I extend my thanks to all our colleagues for their contribution that has enabled our strong start to the year, and to our Board of Directors for their confidence in us and their invaluable support. I also express our gratitude to our customers and business partners, ever with us on our journey to success.

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

## FINANCIAL AND OPERATIONAL REVIEW

### Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Q120	Q420	Q121	y/y%	q/q%
<b>Revenue</b>	<b>6,658.2</b>	<b>7,872.2</b>	<b>7,826.5</b>	<b>17.5%</b>	<b>(0.6%)</b>
Cost of revenue <sup>1</sup>	(3,197.4)	(3,938.1)	(3,913.0)	22.4%	(0.6%)
<b>Cost of revenue<sup>1</sup>/Revenue</b>	<b>(48.0%)</b>	<b>(50.0%)</b>	<b>(50.0%)</b>	<b>(2.0pp)</b>	<b>-</b>
<b>Gross Margin<sup>1</sup></b>	<b>52.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>(2.0pp)</b>	<b>-</b>
Administrative expenses	(188.3)	(210.7)	(199.4)	5.9%	(5.4%)
<b>Administrative expenses/Revenue</b>	<b>(2.8%)</b>	<b>(2.7%)</b>	<b>(2.5%)</b>	<b>0.3pp</b>	<b>0.2pp</b>
Selling and marketing expenses	(348.7)	(400.8)	(358.2)	2.7%	(10.6%)
<b>Selling and marketing expenses/Revenue</b>	<b>(5.2%)</b>	<b>(5.1%)</b>	<b>(4.6%)</b>	<b>0.6pp</b>	<b>0.5pp</b>
Net impairment losses on financial and contract assets	(114.8)	(79.5)	(49.5)	(56.9%)	(37.7%)
<b>EBITDA<sup>2</sup></b>	<b>2,809.0</b>	<b>3,243.0</b>	<b>3,306.5</b>	<b>17.7%</b>	<b>2.0%</b>
<b>EBITDA Margin</b>	<b>42.2%</b>	<b>41.2%</b>	<b>42.2%</b>	<b>-</b>	<b>1.0pp</b>
Depreciation and amortization	(1,372.1)	(1,634.6)	(1,656.0)	20.7%	1.3%
<b>EBIT<sup>3</sup></b>	<b>1,437.0</b>	<b>1,608.4</b>	<b>1,650.5</b>	<b>14.9%</b>	<b>2.6%</b>
<b>EBIT Margin</b>	<b>21.6%</b>	<b>20.4%</b>	<b>21.1%</b>	<b>(0.5pp)</b>	<b>0.7pp</b>
Net finance income / (costs)	(221.4)	(381.8)	(207.1)	(6.5%)	(45.8%)
Finance income <sup>4</sup>	621.5	(316.0)	1,601.9	157.7%	n.m
Finance costs <sup>4</sup>	(842.9)	(65.8)	(1,809.0)	114.6%	n.m
Other income / (expense)	(94.0)	(366.9)	(12.1)	(87.1%)	(96.7%)
Non-controlling interests	(1.2)	-	(0.0)	(100.0%)	-
Share of profit of equity accounted investees	(3.2)	(5.2)	17.7	n.m	n.m
Income tax expense	(244.4)	447.6	(344.1)	40.8%	(176.9%)
<b>Net Income</b>	<b>872.7</b>	<b>1,302.0</b>	<b>1,104.9</b>	<b>26.6%</b>	<b>(15.1%)</b>

(1) Excluding depreciation and amortization expenses.

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

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

(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 grew by 17.5% year-on-year in Q121. This resulted mainly from Turkcell Turkey's revenue growth supported by a larger subscriber base, price adjustments, higher data consumption and digital services usage. Turkcell International's strong revenue growth and equipment sales backed by digital channels also assisted the Group revenue rise.

Turkcell Turkey revenues, comprising 76% of Group revenues, rose 13.3% year-on-year to TRY5,979 million (TRY5,276 million).

- Consumer segment revenues grew 11.3% driven mainly by a larger subscriber base, increased data consumption and digital services usage.
- Corporate segment revenues rose 19.6% backed by robust performance on digital business services, which grew 27.3%.
- Standalone digital services revenues registered as part of consumer and corporate segments grew 27.5% year-on-year in Q121 supported by the increase in the number of paid users.
- Wholesale revenues grew 22.0% to TRY340 million (TRY279 million), mainly with data capacity upgrades of customers and the positive impact of currency movements, despite lower roaming revenues impacted by limited mobility.

Turkcell International revenues, comprising 9% of Group revenues, increased 26.6% to TRY708 million (TRY560) million. This was mainly driven by strong revenue growth in Ukrainian operations and the positive impact of currency movements.



Total techfin segment revenues, comprising 3% of Group revenues, were at TRY223 million (TRY220 million). The decline in the finance company's revenues, which was due mainly to loan portfolio contraction, was more than offset by the increase in Paycell revenues. Please refer to the Techfin section for details.

Other subsidiaries' revenues, at 12% of Group revenues, which mainly includes non-group call center and energy business revenues, and consumer electronics sales revenues rose 52.2% to TRY917 million (TRY603 million). This was driven mainly by the increase in equipment revenues supported by digital channels.

**Cost of revenue** (excluding depreciation and amortization) rose to 50.0% (48.0%) as a percentage of revenues in Q121. This was due mainly to the increase in cost of goods sold (2.9pp), despite the decline in treasury share expense (0.6pp) and other cost items (0.3pp) as a percentage of revenues.

**Administrative Expenses** declined to 2.5% (2.8%) as a percentage of revenues in Q121, driven mainly by lower office overhead costs and travel expenses.

**Selling and Marketing Expenses** declined to 4.6% (5.2%) as a percentage of revenues in Q121. This was driven mainly by the decline in selling expenses (0.6pp) as a percentage of revenues.

**Net impairment losses on financial and contract assets** declined to 0.6% (1.7%) as a percentage of revenues in Q121 mainly with the better collection performance.

**EBITDA<sup>1</sup>** rose by 17.7% year-on-year in Q121 leading to an EBITDA margin of 42.2% (42.2%), driven mainly by strong revenue growth.

- Turkcell Turkey's EBITDA rose 14.4% year-on-year to TRY2,731 million (TRY2,388 million) leading to an EBITDA margin of 45.7% (45.3%).
- Turkcell International EBITDA grew 37.9% year-on-year to TRY345 million (TRY250 million) with an EBITDA margin of 48.6% (44.6%). This performance was led by strong revenue growth and disciplined cost controls.
- Techfin segment EBITDA was at TRY138 million (TRY137 million) with an EBITDA margin of 62.0% (62.1%).
- The EBITDA of other subsidiaries stood at TRY93 million (TRY35 million).

**Depreciation and amortization expenses** increased 20.7% year-on-year in Q121.

**Net finance expense** declined to TRY207 million (TRY221 million) in Q121. This was driven mainly by higher interest income, despite a higher net FX loss after hedging, and a larger interest expense on financial assets and liabilities.

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

**Income tax expense** increased to TRY344 million (TRY244 million) due mainly to a higher deferred tax expense incurred in Q121.

Please see Appendix A for details.

**Net income** of the Group rose 26.6% to TRY1,105 million (TRY873 million) in Q121, mainly due to robust operational profitability and higher interest income on time deposits, despite a higher net FX loss after hedging.

**Total cash & debt:** Consolidated cash as of March 31, 2021 increased to TRY13,467 million from TRY11,861 million as of December 31, 2020, driven by cash flow generation and the positive impact of currency movements. Excluding FX swap transactions, 78% of our cash is in US\$, 8% in EUR, 13% in TRY and the remaining in other currencies.

Consolidated debt as of March 31, 2021 increased to TRY24,896 million from TRY21,586 million as of December 31, 2020 mainly due to the impact of currency movements and new borrowings. Please note that TRY2,248 million of our consolidated debt is comprised of lease obligations.

Consolidated debt breakdown excluding lease obligations:

- Turkcell Turkey's debt was at TRY20,467 million, of which TRY11,816 million (US\$1,419 million) was denominated in US\$, TRY6,693 million (EUR685 million) in EUR, TRY572 million (CNY454 million) in CNY, and the remaining TRY1,387 million in TRY.

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



- The finance company had a debt balance of TRY1,089 million, of which TRY234 million (US\$28 million) was denominated in US\$, and TRY467 million (EUR48 million) in EUR with the remaining TRY388 million in TRY.
- The debt balance of lifecell was TRY1,092 million, fully denominated in UAH.

TRY1,203 million of lease obligations is denominated in TRY, TRY69 million (US\$8 million) in US\$, TRY211 million (EUR22 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 March 31, 2021 was at TRY11,429 million with a net debt to EBITDA ratio of 0.9 times. Excluding finance company consumer loans, our telco only net debt was at TRY9,534 million with a leverage of 0.8 times.

Turkcell Group had a long FX position of US\$183 million as at the end of first quarter. (Please note that this figure takes advance payments into account).

**Capital expenditures:** Capital expenditures, including non-operational items, amounted to TRY2,257 million in Q121. In the same period operational capital expenditures (excluding license fees) at the Group level were at 18.8% of total revenues.

Capital expenditures (million TRY)	Q120	Q420	Q121
Operational Capex	836.7	1,904.2	1,467.9
License and Related Costs	28.1	9.3	-
Non-operational Capex (Including IFRS15 & IFRS16)	695.2	971.2	789.4
<b>Total Capex</b>	<b>1,560.0</b>	<b>2,884.7</b>	<b>2,257.3</b>

Summary of Operational Data	Q120	Q420	Q121	y/y %	q/q %
<b>Number of subscribers (million)</b>	<b>36.3</b>	<b>36.7</b>	<b>37.4</b>	<b>3.0%</b>	<b>1.9%</b>
Mobile Postpaid (million)	21.0	22.0	22.4	6.7%	1.8%
<i>Mobile M2M (million)</i>	2.7	2.8	2.9	7.4%	3.6%
Mobile Prepaid (million)	12.2	11.5	11.6	(4.9%)	0.9%
Fiber (thousand)	1,518.4	1,664.3	1,714.3	12.9%	3.0%
ADSL (thousand)	695.6	707.6	716.3	3.0%	1.2%
<i>Superbox (thousand)<sup>1</sup></i>	399.5	591.2	614.6	53.8%	4.0%
Cable (thousand)	58.7	67.7	64.9	10.6%	(4.1%)
IPTV (thousand)	747.3	871.3	920.7	23.2%	5.7%
<b>Churn (%)<sup>2</sup></b>					
Mobile Churn (%) <sup>3</sup>	2.0%	3.0%	1.8%	(0.2pp)	(1.2pp)
Fixed Churn (%)	2.1%	1.9%	1.6%	(0.5pp)	(0.3pp)
<b>ARPU<sup>4</sup> (Average Monthly Revenue per User) (TRY)</b>					
Mobile ARPU, blended	42.6	46.8	46.0	8.0%	(1.7%)
Mobile ARPU, blended (excluding M2M)	45.9	50.5	49.9	8.7%	(1.2%)
Postpaid	56.1	59.8	57.8	3.0%	(3.3%)
Postpaid (excluding M2M)	63.6	67.8	65.8	3.5%	(2.9%)
Prepaid	19.9	23.4	23.4	17.6%	-
Fixed Residential ARPU, blended	66.6	72.6	73.9	11.0%	1.8%
Residential Fiber ARPU	68.3	73.6	74.3	8.8%	1.0%
<b>Average mobile data usage per user (GB/user)</b>	<b>9.8</b>	<b>13.0</b>	<b>12.6</b>	<b>28.6%</b>	<b>(3.1%)</b>
<b>Mobile MoU (Avg. Monthly Minutes of usage per subs) blended</b>	<b>458.2</b>	<b>548.6</b>	<b>532.0</b>	<b>16.1%</b>	<b>(3.0%)</b>

(1) Superbox subscribers are included in mobile subscribers.

(2) Churn figures represent 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 is disconnected at the latest by year-end. As a regulatory requirement, we started to disconnect prepaid lines in accordance with the new ICTA regulation, which requires deactivation of prepaid lines which lack residency documents by the 6<sup>th</sup> month of subscription starting from 2019. Furthermore, as required by the ICTA, the line of a deceased customer should either be transferred to a successor/another user or terminated. Lines, which are not transferred or terminated, are to be disconnected at the end of seven months.

(4) We historically recorded all TV-related revenue under Turkcell Superonline and presented the related ARPU under fixed residential ARPU. As previously announced, our TV business has become a separate standalone subsidiary. In order to reflect this change in our organization, we decided to shift mobile OTT TV ARPU from fixed residential ARPU into mobile ARPU starting from Q320. We note that mobile TV revenues are generated by mobile subscribers. IPTV revenues will continue to be recorded under Turkcell Superonline and included under residential fixed ARPU. Moreover, starting from Q121, as a consequence of the change in reportable segments, commission revenues resulting from devices and accessories sales have been excluded from mobile ARPU of Turkcell Turkey since these commissions are now reported under the Other segment. In order to maintain comparability, we provide ARPU data for the last three years, revised to reflect this change on our investor relations website in the financial and operational data spreadsheet.

We started the year registering a strong subscriber net addition performance. Accordingly, the Turkcell Turkey subscriber base expanded by 705 thousand quarterly net additions, reaching 37.4 million. This robust performance was driven mainly by our offerings with rich value propositions, customer-oriented campaigns and retention focus. This also confirms our commitment to achieving 1 million subscriber net additions for the full year.

On the mobile front, our subscriber base expanded by 599 thousand quarterly net additions, reaching 34.0 million in total. This was mainly driven by 410 thousand quarterly net additions to the postpaid subscriber base, which reached 65.8% (63.2%) of total mobile subscribers. Meanwhile, we registered 190 thousand quarterly net prepaid subscriber additions.

On the fixed front, our subscriber base continued to grow, reaching 2.5 million subscribers on 56 thousand total quarterly net additions. Fiber subscribers exceeded 1.7 million on 50 thousand quarterly net additions. Superbox, our fixed-wireless access offering alternative to fiber, reached 615 thousand subscribers on 23 thousand quarterly

net additions in Q121. Our cable subscribers were at 65 thousand by the end of the quarter. Meanwhile, our IPTV customers rose to 921 thousand on 49 thousand quarterly net additions.

The average monthly mobile churn rate declined to 1.8% in Q121, which was the lowest churn rate since Q118. Our customer experience approach supported by analytical capabilities resulted in a better customer retention performance. The average monthly fixed churn rate declined to 1.6% mainly driven by proactive retention actions.

Our mobile ARPU (excluding M2M) rose 8.7% year-on-year in Q121 on the back of price adjustments and a higher postpaid subscriber share, as well as increased data consumption and digital services usage, despite lower roaming revenues.

Our residential fiber ARPU growth was 8.8% year-on-year in Q121. This was driven mainly by price adjustments, upsell efforts and the acquisition of higher revenue generating subscribers.

Average monthly mobile data usage per user rose 28.6% year-on-year to 12.6 GB with the increasing number and data consumption of 4.5G users. Accordingly, the average mobile data usage of 4.5G users reached 14.4 GB in Q121 on 24.1% year-on-year rise. The increasing number of Superbox subscribers also had a positive impact on data consumption.

Total smartphone<sup>5</sup> penetration on our network reached 84% in Q121 on a 5.9pp year-on-year increase. 91% of those smartphones are 4.5G compatible smartphones. The number of 4.5G subscriptions reached 32.4 million, while only 70% of these subscriptions have 4.5G compatible smartphones.

(5) Smartphone penetration was positively impacted by approximately 700 thousand smartphone net additions in Q121 that resulted from an algorithm improvement to detect devices which were not previously classified as smartphones.

**TURKCELL INTERNATIONAL**

<b>lifecell<sup>1</sup> Financial Data</b>	<b>Q120</b>	<b>Q420</b>	<b>Q121</b>	<b>y/y%</b>	<b>q/q%</b>
Revenue (million UAH)	1,580.1	1,913.8	1,899.2	20.2%	(0.8%)
EBITDA (million UAH)	798.2	1,042.9	1,076.8	34.9%	3.3%
EBITDA margin (%)	50.5%	54.5%	56.7%	6.2pp	2.2pp
Net income / (loss) (million UAH)	(150.9)	2,736.7	83.2	n.m	(97.0%)
Capex (million UAH)	635.3	1,545.7	572.4	(9.9%)	(63.0%)
Revenue (million TRY)	386.4	531.4	508.8	31.7%	(4.3%)
EBITDA (million TRY)	195.2	289.6	288.6	47.8%	(0.3%)
EBITDA margin (%)	50.5%	54.5%	56.7%	6.2pp	2.2pp
Net income / (loss) (million TRY)	(37.0)	731.9	22.4	n.m	(96.9%)

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

**lifecell (Ukraine)** had another quarter with strong revenue growth performance. Accordingly, revenues rose 20.2% year-on-year in local currency terms, driven mainly by subscriber base growth, price adjustments and higher mobile data revenues. This was despite lower roaming revenues in Q121 due to the pandemic, which have yet to be restored. lifecell also registered robust EBITDA growth of 34.9%, which resulted in a 6.2pp EBITDA margin improvement to 56.7%. This was mainly the result of strong revenue growth, lower operational expenditures as a percentage of revenues led by savings in the pandemic environment and disciplined cost controls. The decline in MTR rates also supported lifecell's solid EBITDA performance. Moreover, lifecell continued to report positive net income in Q121 on the back of strong operational performance.

lifecell revenues in TRY terms rose 31.7% year-on-year in Q121, which reflected the solid operational performance and positive impact of currency movements. lifecell's EBITDA in TRY terms grew by 47.8% leading to an EBITDA margin of 56.7%.

<b>lifecell Operational Data</b>	<b>Q120</b>	<b>Q420</b>	<b>Q121</b>	<b>y/y%</b>	<b>q/q%</b>
Number of subscribers (million) <sup>2</sup>	8.9	9.3	9.2	3.4%	(1.1%)
Active (3 months) <sup>3</sup>	7.5	8.1	8.0	6.7%	(1.2%)
MOU (minutes) (12 months)	162.8	185.5	177.2	8.8%	(4.5%)
ARPU (Average Monthly Revenue per User), blended (UAH)	59.2	69.6	68.1	15.0%	(2.2%)
Active (3 months) (UAH)	69.5	79.9	78.7	13.2%	(1.5%)

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

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

lifecell's three-month active subscriber base grew by 6.7% year-on-year to 8.0 million. This was driven mainly by lifecell's regional offers, tariffs with rich content and customer retention focus. lifecell's 3-month active ARPU rose 13.2% year-on-year to UAH78.7, driven mainly by price adjustments and increased data consumption.

lifecell continued to increase the penetration of its 4.5G users within its customer base in Q121. Accordingly, the 3-month active 4.5G subscribers grew 40% year-on-year reaching 66% of total data users as at the end of Q121. The increase in 4.5G users continued to support data consumption. Average data consumption per user rose 31% year-on-year in Q121 on the back of 4.5G users, the data usage of which rose 22% year-on-year to 13GB per month. Meanwhile, lifecell continued its leadership of the Ukrainian market in smartphone penetration, which had reached 82% as of the end of Q121.

lifecell continued its focus on increasing the penetration of its digital services within its customer base in Q121.

BeST <sup>1</sup>	Q120	Q420	Q121	y/y%	q/q%
<b>Number of subscribers (million)</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>(6.7%)</b>	<b>-</b>
Active (3 months)	1.0	1.1	1.1	10.0%	-
<b>Revenue (million BYN)</b>	<b>32.5</b>	<b>37.8</b>	<b>38.0</b>	<b>16.9%</b>	<b>0.5%</b>
EBITDA (million BYN)	8.4	10.3	9.2	9.5%	(10.7%)
<b>EBITDA margin (%)</b>	<b>26.0%</b>	<b>27.4%</b>	<b>24.2%</b>	<b>(1.8pp)</b>	<b>(3.2pp)</b>
Net loss (million BYN)	(8.1)	(7.1)	(8.1)	-	14.1%
<b>Capex (million BYN)</b>	<b>11.1</b>	<b>11.0</b>	<b>18.0</b>	<b>62.2%</b>	<b>63.6%</b>
Revenue (million TRY)	89.1	114.1	109.4	22.8%	(4.1%)
<b>EBITDA (million TRY)</b>	<b>23.1</b>	<b>31.1</b>	<b>26.5</b>	<b>14.7%</b>	<b>(14.8%)</b>
EBITDA margin (%)	26.0%	27.3%	24.2%	(1.8pp)	(3.1pp)
<b>Net loss (million TRY)</b>	<b>(22.2)</b>	<b>(21.7)</b>	<b>(23.3)</b>	<b>5.0%</b>	<b>7.4%</b>

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

**BeST** revenues grew by 16.9% year-on-year in local currency terms. This was driven mainly by growth in voice, data, messaging and handset sales revenues, despite lower roaming revenues due to the pandemic. BeST's EBITDA grew 9.5% year-on-year resulting in an EBITDA margin of 24.2%. BeST's revenues in TRY terms grew by 22.8% in Q121 year-on-year, while its EBITDA margin was at 24.2%.

BeST continued to expand its 4G coverage in Belarus in Q121. Accordingly, it leads the market in terms of 4G geographical coverage. Furthermore, BeST started to provide LTE800 service over beCloud's network in 2 regions, which enabled higher coverage and positively impacted customer satisfaction. All these efforts supported the increase of 4G services penetration as reflected by the number of 4G users, which reached 65% of its 3-month active subscriber base. This led to higher average monthly data consumption of subscribers, which reached 12.7 GB on 35% year-on-year growth.

BeST continued its efforts to promote its digital services in Q121, as digital services usage leads to higher loyalty and increased ARPU generation. Accordingly, 33% of 3-month active subscribers use at least one digital service. Moreover, subscriber acquisitions through digital subscription, which was introduced in Q320, reached 10% of total subscriptions.

<b>Kuzey Kıbrıs Turkcell<sup>2</sup> (million TRY)</b>	<b>Q120</b>	<b>Q420</b>	<b>Q121</b>	<b>y/y%</b>	<b>q/q%</b>
<b>Number of subscribers (million)</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>-</b>	<b>-</b>
Revenue	54.5	65.6	61.9	13.6%	(5.6%)
<b>EBITDA</b>	<b>20.3</b>	<b>21.8</b>	<b>24.5</b>	<b>20.7%</b>	<b>12.4%</b>
EBITDA margin (%)	37.3%	33.2%	39.6%	2.3pp	6.4pp
<b>Net income</b>	<b>6.9</b>	<b>9.3</b>	<b>9.9</b>	<b>43.5%</b>	<b>6.5%</b>
Capex	16.3	23.0	15.7	(3.7%)	(31.7%)

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

**Kuzey Kıbrıs Turkcell** revenues grew 13.6% year-on-year in Q121, driven by higher data and handset sales revenues. The EBITDA of Kuzey Kıbrıs Turkcell rose 20.7% year-on-year leading to an EBITDA margin of 39.6%. This was driven by the revenue growth as well as savings achieved in the pandemic environment.

**TECHFIN**

Paycell Financial Data (million TRY)	Q120	Q420	Q121	y/y%	q/q%
Revenue	64.3	79.8	98.1	52.6%	22.9%
EBITDA	36.4	37.0	53.3	46.4%	44.1%
EBITDA Margin (%)	56.6%	46.4%	54.4%	(2.2pp)	8.0pp
Net Income	28.5	26.1	40.2	41.1%	54.0%

Paycell registered a remarkable performance in Q121 achieving 52.6% year-on year revenue growth. This performance was positively impacted by the increasing demand for e-commerce transactions through cashless payment methods. Paycell was able to monetize this demand with its mobile payment solutions; particularly direct carrier billing and e-money. Paycell's EBITDA rose 46.4% year-on-year leading to an EBITDA margin of 54.4%. With a focus on expanding its business, Paycell concentrated its efforts on growing non-group driven revenues. Accordingly, non-group revenues rose 81.4% year-on-year this quarter. The strong operational performance resulted in a robust net income rise of 41.1% to TRY40.2 million.

On the operational front, Paycell's 3-month active users numbered 5.3 million. The increase in active users was driven mainly by increased digital content consumption, an expanding merchant channel and functionality of the Paycell application. Paycell serves 13 thousand contracted merchants as at the end of the quarter. The total transaction volume of TRY2.4 billion for the quarter was a result of the increase in active users and their increased consumption. The DCB transactions volume (non-group) rose 106% year-on-year, while Paycell card transaction volume was up by 291%. Meanwhile, Paycell also continues its efforts to increase the penetration of its android POS, which will facilitate expanding the merchant channel, as well as support payment facilitator revenues.

Financell Financial Data (million TRY)	Q120	Q420	Q121	y/y%	q/q%
Revenue	162.6	144.7	130.0	(20.0%)	(10.2%)
EBITDA	99.4	96.0	85.3	(14.2%)	(11.1%)
EBITDA Margin (%)	61.1%	66.3%	65.6%	4.5pp	(0.7pp)
Net Income	62.8	61.3	95.0	51.3%	55.0%

Financell revenues continued to contract in Q121 due mainly to the lower loan portfolio compared to the same period of the previous year and lower average interest rate on loan portfolio. Meanwhile, the decline in Financell's EBITDA was slower compared to revenues which resulted in 4.5pp rise in EBITDA margin. This was driven mainly by the customer portfolio improvement with better credit scoring, successful collection performance and sale of doubtful receivables that led to a decline in bad debt expenses. Net income increased 51.3% year-on-year to TRY95.0 million, driven mainly by lower FX loss after hedging.

Financell's loan portfolio declined from TRY2.1 billion as of Q120 to TRY1.9 billion as of Q121. This was due mainly to the installment limitation on consumer loans for telecom devices. Moreover, sales volume was affected by the negative impacts of COVID-19 measures. Compared to the previous quarter, Financell had a more stable loan portfolio. In the meantime, Financell's cost of risk declined to 1.0% from 2.3% in Q420, due mainly to a successful collection performance, customer portfolio improvement, as well as the sale of doubtful receivables. Please also note that 81% of the loans granted by Financell over the last year is covered by an insurance product.

### Turkcell Group Subscribers

Turkcell Group registered subscribers amounted to approximately 48.6 million as of March 31, 2021. This figure is calculated by taking the number of subscribers of Turkcell Turkey, and of each of our subsidiaries. It includes the total number of mobile, fiber, ADSL, cable and IPTV subscribers of Turkcell Turkey, and the mobile subscribers of lifecell and BeST, as well as those of Kuzey Kıbrıs Turkcell.

Turkcell Group Subscribers	Q120	Q420	Q121	y/y%	q/q%
Mobile Postpaid (million)	21.0	22.0	22.4	6.7%	1.8%
Mobile Prepaid (million)	12.2	11.5	11.6	(4.9%)	0.9%
Fiber (thousand)	1,518.4	1,664.3	1,714.3	12.9%	3.0%
ADSL (thousand)	695.6	707.6	716.3	3.0%	1.2%
Superbox (thousand) <sup>1</sup>	399.5	591.2	614.6	53.8%	4.0%
Cable (thousand)	58.7	67.7	64.9	10.6%	(4.1%)
IPTV (thousand)	747.3	871.3	920.7	23.2%	5.7%
<b>Turkcell Turkey subscribers (million)<sup>2</sup></b>	<b>36.3</b>	<b>36.7</b>	<b>37.4</b>	<b>3.0%</b>	<b>1.9%</b>
lifecell (Ukraine)	8.9	9.3	9.2	3.4%	(1.1%)
BeST (Belarus)	1.5	1.4	1.4	(6.7%)	-
Kuzey Kıbrıs Turkcell	0.5	0.5	0.5	-	-
lifecell Europe <sup>3</sup>	0.2	-	-	n.a	n.a
<b>Turkcell Group Subscribers (million)</b>	<b>47.3</b>	<b>47.9</b>	<b>48.6</b>	<b>2.7%</b>	<b>1.5%</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.

	Q120	Q420	Q121	y/y%	q/q%
<b>GDP Growth (Turkey)</b>	<b>4.5%</b>	<b>5.9%</b>	<b>n.a</b>	<b>n.a</b>	<b>n.a</b>
<b>Consumer Price Index (Turkey) (yoy)</b>	<b>11.9%</b>	<b>14.6%</b>	<b>16.2%</b>	<b>4.3pp</b>	<b>1.6pp</b>
<b>US\$ / TRY rate</b>					
Closing Rate	6.5160	7.3405	8.3260	27.8%	13.4%
Average Rate	6.1419	7.8933	7.5086	22.3%	(4.9%)
<b>EUR / TRY rate</b>					
Closing Rate	7.2150	9.0079	9.7741	35.5%	8.5%
Average Rate	6.7901	9.3551	9.0683	33.6%	(3.1%)
<b>US\$ / UAH rate</b>					
Closing Rate	28.06	28.27	27.89	(0.6%)	(1.3%)
Average Rate	25.12	28.40	28.07	11.7%	(1.2%)
<b>US\$ / BYN rate</b>					
Closing Rate	2.6023	2.5789	2.6242	0.8%	1.8%
Average Rate	2.2433	2.6088	2.6112	16.4%	0.1%



**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.

<b>Turkcell Group (million TRY)</b>	<b>Q120</b>	<b>Q420</b>	<b>Q121</b>	<b>y/y%</b>	<b>q/q%</b>
<b>Adjusted EBITDA</b>	<b>2,809.0</b>	<b>3,243.0</b>	<b>3,306.5</b>	<b>17.7%</b>	<b>2.0%</b>
Depreciation and amortization	(1,372.1)	(1,634.6)	(1,656.0)	20.7%	1.3%
<b>EBIT</b>	<b>1,437.0</b>	<b>1,608.4</b>	<b>1,650.5</b>	<b>14.9%</b>	<b>2.6%</b>
Finance income	621.5	(316.0)	1,601.9	157.7%	n.m
Finance costs	(842.9)	(65.8)	(1,809.0)	114.6%	n.m
Other income / (expense)	(94.0)	(366.9)	(12.1)	(87.1%)	(96.7%)
Share of profit of equity accounted investees	(3.2)	(5.2)	17.7	n.m	n.m
<b>Consolidated profit before income tax &amp; minority interest</b>	<b>1,118.3</b>	<b>854.5</b>	<b>1,449.1</b>	<b>29.6%</b>	<b>69.6%</b>
Income tax expense	(244.4)	447.6	(344.1)	40.8%	(176.9%)
<b>Consolidated profit before minority interest</b>	<b>873.9</b>	<b>1,302.0</b>	<b>1,104.9</b>	<b>26.4%</b>	<b>(15.1%)</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 and capex for 2021. 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 4 countries – Turkey, Ukraine, Belarus, Northern Cyprus. Turkcell launched LTE services in its home country on April 1<sup>st</sup>, 2016, employing LTE-Advanced and 3 carrier aggregation technologies in 81 cities. Turkcell offers up to 10 Gbps fiber internet speed with its FTTH services. Turkcell Group reported TRY7.8 billion revenue in Q121 with total assets of TRY56.0 billion as of March 31, 2021. 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).*

## **For further information please contact Turkcell**

### **Investor Relations**

Tel: + 90 212 313 1888

[investor.relations@turkcell.com.tr](mailto:investor.relations@turkcell.com.tr)

### **Corporate Communications:**

Tel: + 90 212 313 2321

[Turkcell-Kurumsal-iletisim@turkcell.com.tr](mailto:Turkcell-Kurumsal-iletisim@turkcell.com.tr)

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

Million TRY	Q120	Q420	Q121	y/y%	q/q%
Net FX loss before hedging	(688.3)	254.7	(1,618.1)	135.1%	(735.3%)
Swap interest income/(expense) <sup>1</sup>	(121.9)	(97.8)	(114.5)	(6.1%)	17.1%
Fair value gain on derivative financial instruments <sup>1</sup>	709.1	(400.3)	1,456.1	105.3%	n.m
<b>Net FX gain / (loss) after hedging</b>	<b>(101.1)</b>	<b>(243.4)</b>	<b>(276.5)</b>	<b>173.5%</b>	<b>13.6%</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	Q120	Q420	Q121	y/y%	q/q%
Current tax expense	(161.5)	(136.2)	(163.2)	1.1%	19.8%
Deferred tax income / (expense)	(82.8)	583.7	(181.0)	118.6%	(131.0%)
<b>Income Tax expense</b>	<b>(244.4)</b>	<b>447.6</b>	<b>(344.1)</b>	<b>40.8%</b>	<b>(176.9%)</b>

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

	Quarter Ended Mar 31, 2020	Quarter Ended Dec 31, 2020	Year Ended Dec 31, 2020	Quarter Ended Mar 31, 2021
<b>Consolidated Statement of Operations Data</b>				
Turkcell Turkey	5,276.3	6,058.7	22,822.9	5,978.6
Turkcell International	559.6	747.3	2,542.4	708.2
Techfin	219.8	225.3	845.2	222.6
Other	602.5	840.9	2,893.3	917.1
Total revenues	6,658.2	7,872.2	29,103.7	7,826.5
Direct cost of revenues	(4,569.5)	(5,572.8)	(20,336.1)	(5,568.9)
Gross profit	2,088.7	2,299.4	8,767.7	2,257.6
Administrative expenses	(188.3)	(210.7)	(749.6)	(199.4)
Selling & marketing expenses	(348.7)	(400.8)	(1,373.0)	(358.2)
Other Operating Income / (Expense)	(94.0)	(366.9)	(523.3)	(12.1)
Net impairment losses on financial and contract assets	(114.8)	(79.5)	(349.6)	(49.5)
Operating profit before financing costs	1,343.0	1,241.5	5,772.3	1,638.4
Finance costs	(842.9)	(65.8)	(3,251.2)	(1,809.0)
Finance income	621.5	(316.0)	2,119.5	1,601.9
Share of profit of equity accounted investees	(3.2)	(5.2)	(13.8)	17.7
Income before tax and non-controlling interest	1,118.3	854.5	4,626.8	1,449.1
Income tax expense	(244.4)	447.6	(387.2)	(344.1)
Income from continuing operations before non-controlling interest	873.9	1,302.0	4,239.6	1,104.9
Discontinued operations	-	-	-	-
Non-controlling interests	(1.2)	-	(2.5)	(0.0)
Net income	872.7	1,302.0	4,237.1	1,104.9
Net income per share total	0.40	0.60	1.94	0.51
<b>Other Financial Data</b>				
Gross margin	31.4%	29.2%	30.1%	28.8%
EBITDA(*)	2,809.0	3,243.0	12,270.3	3,306.5
Total Capex	1,560.0	2,884.7	9,078.9	2,257.3
Operational capex	836.7	1,904.2	5,391.6	1,467.9
Licence and related costs	28.1	9.3	42.8	-
Non-operational Capex	695.2	971.2	3,644.6	789.4
<b>Consolidated Balance Sheet Data (at period end)</b>				
Cash and cash equivalents	9,212.2	11,860.6	11,860.6	13,467.0
Total assets	45,328.7	51,498.4	51,498.4	55,987.2
Long term debt	13,964.6	16,353.7	16,353.7	19,074.5
Total debt	19,499.9	21,586.4	21,586.4	24,895.8
Total liabilities	26,651.1	30,713.5	30,713.5	34,253.0
Total shareholders' equity / Net Assets	18,677.6	20,784.9	20,784.9	21,734.3

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

For further details, please refer to our consolidated financial statements and notes as at 31 March 2021 on our web site

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

	Quarter Ended Mar 31, 2020	Quarter Ended Dec 31, 2020	Year Ended Dec 31, 2020	Quarter Ended Mar 31, 2021
<b>Consolidated Statement of Operations Data</b>				
Turkcell Turkey	5,276.3	6,058.7	22,822.9	5,978.6
Turkcell International	559.6	747.3	2,542.4	708.2
Techfin	219.8	225.3	845.2	222.6
Other	602.5	840.9	2,893.3	917.1
Total revenues	6,658.2	7,872.2	29,103.7	7,826.5
Direct cost of revenues	(4,569.5)	(5,572.8)	(20,336.1)	(5,568.9)
Gross profit	2,088.7	2,299.4	8,767.7	2,257.6
Administrative expenses	(188.3)	(210.7)	(749.6)	(199.4)
Selling & marketing expenses	(348.7)	(400.8)	(1,373.0)	(358.2)
Other Operating Income / (Expense)	631.9	(578.5)	1,543.4	698.7
Operating profit before financing and investing costs	2,183.7	1,109.4	8,188.5	2,398.8
Net impairment losses on financial and contract assets	(114.8)	(79.5)	(349.6)	(49.5)
Income from investing activities	80.9	4.5	167.8	50.7
Expense from investing activities	-	(30.2)	(31.5)	(47.6)
Share of profit of equity accounted investees	(3.2)	(5.2)	(13.8)	17.7
Income before financing costs	2,146.6	999.1	7,961.4	2,370.1
Finance income	605.3	(486.5)	1,788.6	1,373.1
Finance expense	(1,633.6)	341.9	(5,123.2)	(2,294.1)
Income from continuing operations before tax and non-controlling interest	1,118.3	854.5	4,626.8	1,449.1
Income tax expense from continuing operations	(244.4)	447.6	(387.2)	(344.1)
Income from continuing operations before non-controlling interest	873.9	1,302.0	4,239.6	1,104.9
Discontinued operations	-	-	-	-
Income before non-controlling interest	873.9	1,302.0	4,239.6	1,104.9
Non-controlling interest	(1.2)	-	(2.5)	(0.0)
Net income	872.7	1,302.0	4,237.1	1,104.9
Net income per share from continuing operations	0.40	0.60	1.94	0.51
<b>Other Financial Data</b>				
Gross margin	31.4%	29.2%	30.1%	28.8%
EBITDA(*)	2,809.0	3,243.0	12,270.3	3,306.5
Total Capex	1,560.0	2,884.7	9,078.9	2,257.3
Operational capex	836.7	1,904.2	5,391.6	1,467.9
Licence and related costs	28.1	9.3	42.8	-
Non-operational Capex	695.2	971.2	3,644.6	789.4
<b>Consolidated Balance Sheet Data (at period end)</b>				
Cash and cash equivalents	9,212.2	11,860.6	11,860.6	13,467.0
Total assets	45,328.7	51,498.4	51,498.4	55,987.2
Long term debt	13,964.6	16,353.7	16,353.7	19,074.5
Total debt	19,499.9	21,586.4	21,586.4	24,895.8
Total liabilities	26,651.1	30,713.5	30,713.5	34,253.0
Total shareholders' equity / Net Assets	18,677.6	20,784.9	20,784.9	21,734.3