

TURKCELL İLETİŞİM HİZMETLERİ A.Ş. Non-current Financial Asset Acquisition

Summary

Announcement Regarding the Acquisition of Boyut Grup Enerji Shares by Turkcell Enerji

Noncurrent Financial Asset Acquisition

Related Companies []

Related Funds []

| Noncurrent Financial Asset Acquisition | |
|---|---|
| Update Notification Flag | Hayır (No) |
| Correction Notification Flag | Hayır (No) |
| Date Of The Previous Notification About The Same Subject | - |
| Postponed Notification Flag | Evet (Yes) |
| Announcement Content | |
| Board Decision Date for Acquisition | 19/02/2021 |
| Were Majority of Independent Board Members' Approved the Board Decision for Acquisition | Yes |
| Title of Non-current Financial Asset Acquired | Boyut Grup Enerji Elektrik Üretim ve İnşaat Sanayi ve Ticaret A.Ş. |
| Field of Activity of Non-current Financial Asset whose Shares were being Acquired | Renewable energy generation |
| Capital of Noncurrent Financial Asset | TRY 3,000,000 |
| Acquirement Way | Satın Alma (Purchase) |
| Date on which the Transaction was/will be Completed | Anticipated to be completed after the approval of Competition Authority and fulfilment of conditions precedent |
| Acquisition Conditions | Diğer (Other) |
| Detailed Conditions if it is a Timed Payment | As per the Share Transfer Agreement, after adjusting for the net debt of Boyut Grup Enerji, our company shall make a payment of US\$11.5 million. US\$500 thousand of this amount shall be paid after two-years as from the agreement date. |
| Nominal Value of Shares Acquired | TRY 3,000,000 |
| Purchase Price Per Share | US\$ 9,866.7 |
| Total Purchasing Value | The transaction is based on an enterprise value of USD29.6 million. As per the Share Transfer Agreement, after adjusting for the net debt of Boyut Grup Enerji, our company shall make a payment of US\$11.5 million. |
| Ratio of New Shares Acquired to Capital of Non-current Financial Asset (%) | 100 |
| Total Ratio of Shares Owned in Capital of Non-current Financial Asset After Transaction (%) | 100 |
| Total Voting Right Ratio Owned in Non-current Financial Asset After Transaction (%) | 100 |

| | |
|---|--|
| Ratio of Non-current Financial Asset Acquired to Total Assets in Latest Disclosed Financial Statements of Company (%) | 0.5 |
| Ratio of Transaction Value to Sales in Latest Annual Financial Statements of Company (%) | 0.9 |
| Effects on Company Operations | We aim to plan energy production at the group level and meet our consumption from renewable sources. |
| Did Takeover Bid Obligation Arised? | Hayır (No) |
| Will Exemption Application be Made, if Takeover Bid Obligation Arised? | Hayır (No) |
| Title/ Name-Surname of Counter Party | Neşe Boysanoğlu, Mert Boysanoğlu, Yiğit Boysanoğlu, Cevher Seren |
| Is Counter Party a Related Party According to CMB Regulations? | Hayır (No) |
| Relation with Counter Party if any | No |
| Agreement Signing Date if Exists | 06/07/2021 |
| Value Determination Method of Non-current Financial Asset | Transaction value is determined based on discounted cash flow and market conditions |
| Did Valuation Report be Prepared? | Düzenlenmedi (Not Prepared) |
| Reason for not Preparing Valuation Report if it was not Prepared | Not required by the legislation |
| Date and Number of Valuation Report | - |
| Title of Valuation Company Prepared Report | - |
| Value Determined in Valuation Report if Exists | - |
| Reasons if Transaction wasn't/will not be performed in Accordance with Valuation Report | - |
| Explanations | |

Our Company's 100% owned subsidiary Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş. ("Turkcell Enerji") has signed a Share Transfer Agreement to acquire the entire shares of Boyut Grup Enerji Elektrik Üretim ve İnşaat Sanayi ve Ticaret A.Ş. ("Boyut Grup Enerji").

The respective transaction is based on an enterprise value of US\$29.6 million. The transfer of shares is subject to the approval of respective authorities and fulfillment of various conditions precedent. After adjusting for the net debt of Boyut Grup Enerji, our company shall make a payment of US\$11.5 million. US\$500 thousand of this amount shall be paid after two-years as from the agreement date.

Boyut Grup Enerji owns Karadağ Wind Power Plant located in İzmir, Çeşme, which has an 18MW mechanical installed capacity. The plant commenced operations in 2016 and holds a license that will expire in 2057. The plant has state purchase guarantee until the end of 2026. The anticipated annual gross revenue of the plant during 2021-2026 period is approximately US\$5 million. Turkcell Enerji, operating under Enerjicell brand, serves individual and corporate customers, who are eligible to choose their own electricity suppliers. With this acquisition, we aim to strengthen our sustainability initiative, which is a focus area for us, by meeting our energy need from renewable resources of our own. This is another step towards our target of completely meeting our electricity consumption from renewable sources by 2030 and becoming carbon neutral by 2050.

Our Company and the selling party do not have a direct or indirect relation with regards to management, audit and capital.

The announcement regarding the share transfer process was postponed until the signing of the Share Transfer Agreement as per the related Board of Directors decision dated February 19, 2021 in accordance with the Article-6 of Capital Market

Board's Communiqué on Material Events Disclosure, as it could have an impact on the investment decision of investors, as well as the stock price.

We proclaim that our above disclosure is in conformity with the principles set down in “Material Events Communiqué” of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we’re personally liable for the disclosures.