

**Türk Telekomünikasyon  
Anonim Şirketi and Its Subsidiaries  
30 September 2022**

Interim Condensed Consolidated  
Financial Statements As At and For  
The Nine Months Period  
Ended 30 September 2022

8 November 2022

*This report contains 1 pages of “Independent Auditor’s Report” and 50 pages of financial statements and explanatory notes.*

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

**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE NINE**  
**MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

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

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

**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

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

		Current period	Prior period
		Unaudited	Audited
	Notes	30 September 2022	31 December 2021
<b>Assets</b>			
<b>Total current assets</b>		<b>27.340.220</b>	<b>20.779.381</b>
Cash and cash equivalents	6	5.823.774	7.696.870
Financial investments	17	5.287.997	–
Trade receivables			
- Trade receivables due from related parties	8	350.186	53.869
- Trade receivables due from unrelated parties	9	8.001.967	6.528.628
Other receivables			
- Other receivables due from unrelated parties		162.693	112.921
Contract assets			
- Contract assets from sale of goods and service contracts due from related parties	9	67.301	–
- Contract assets from sale of goods and service contracts due from unrelated parties	9	1.170.093	951.675
Derivative financial assets			
- Derivative financial assets held for trading	15	237.096	728.427
- Derivative financial assets held for hedging	15	3.848.246	3.270.656
Inventories		1.069.921	439.933
Prepayments			
- Prepayments to unrelated parties		836.398	382.907
Current tax assets		40.980	8.949
Other current assets			
- Other current assets due from unrelated parties		406.207	548.128
<b>Subtotal</b>		<b>27.302.859</b>	<b>20.722.963</b>
<i>Non-current assets or disposal groups classified as held for sale</i>		<i>37.361</i>	<i>56.418</i>
<b>Total non-current assets</b>		<b>49.000.784</b>	<b>37.558.254</b>
Financial investments			
- Other financial investments	17	24.055	13.671
Trade receivables			
- Trade receivables due from unrelated parties	9	183.748	127.851
Other receivables			
- Other receivables due from unrelated parties		44.104	38.739
Contract assets			
- Contract assets from sale of goods and service contracts		40.407	55.377
Derivative financial assets			
- Derivative financial assets held for trading	15	59.373	39.980
Right of use assets		1.817.794	1.578.893
Investment property		14.214	15.483
Property, plant and equipment			
- Land and premises		12.862.434	6.398.268
- Buildings		513.222	592.875
- Machinery and equipments		11.626.474	10.862.961
- Other property, plant and equipment		1.749.003	1.119.642
Intangible assets			
- Goodwill		44.944	44.944
- Rights regarding concession agreements		5.439.037	5.426.301
- Concession agreements assets		2.157.696	1.315.334
- Licences		1.879.447	2.104.880
- Other intangible assets		6.190.654	5.440.553
Prepayments			
- Prepayments to unrelated parties		139.367	19.998
Deferred tax asset		4.214.794	2.362.407
Other non-current assets			
- Other non-current assets due from unrelated parties		17	97
<b>Total assets</b>		<b>76.341.004</b>	<b>58.337.635</b>

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

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

**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

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

	Notes	Current period	Prior period
		Unaudited	Audited
		30 September 2022	31 December 2021
<b>Liabilities</b>			
<b>Total current liabilities</b>		<b>23.791.519</b>	<b>17.997.064</b>
Financial liabilities			
Financial liabilities from related parties			
- Bank loans	7.8	2.374.968	-
Financial liabilities from unrelated parties			
- Bank loans	7	3.521.042	802.166
- Lease liabilities	7	8.329	33.092
- Issued debt instruments	7	1.368.386	-
Current portion of long term financial liabilities			
Current portion of long term financial liabilities from unrelated parties			
- Bank loans	7	5.240.274	5.374.362
- Lease liabilities	7	691.694	556.271
- Issued debt instruments	7	110.378	351.387
Trade payables			
- Trade payables to related parties	8	210.394	-
- Trade payables to unrelated parties	9	6.224.317	7.729.147
Employee benefit obligations			
		414.906	215.114
Other payables			
- Other payables to unrelated parties		1.663.172	1.395.728
Derivative financial liabilities			
- Derivative financial liabilities held for trading	15	115.387	114.611
- Derivative financial liabilities held for hedging	15	-	159
Contract liabilities			
- Contract liabilities from sale of goods and service contracts		1.048.685	713.389
Current tax liabilities			
		70.829	160.514
Current provisions			
- Current provisions for employee benefits	11	401.713	319.140
- Other current provisions	11	165.717	210.495
Other current liabilities			
- Other current liabilities to unrelated parties		161.328	21.489
<b>Total non-current liabilities</b>		<b>33.097.307</b>	<b>26.090.667</b>
Long term financial liabilities			
Long term financial liabilities from unrelated parties			
- Bank loans	7	11.404.227	8.926.851
- Lease liabilities	7	945.120	850.097
- Issued debt instruments	7	16.778.904	12.909.151
Other payables			
- Other payables to unrelated parties		54.609	40.299
Derivative financial liabilities			
- Derivative financial liabilities held for trading	15	-	351.986
Contract liabilities			
- Contract liabilities from sale of goods and service contracts		1.703.251	1.417.662
Non-current provisions			
- Non-current provisions for employee benefits	11	1.818.025	1.281.014
- Other non-current provisions		10.627	10.627
Deferred tax liabilities			
		382.544	302.980
<b>Total liabilities</b>		<b>56.888.826</b>	<b>44.087.731</b>

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**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

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

	Current period		Prior period
		Unaudited	Audited
	Notes	30 September 2022	31 December 2021
<b>Equity</b>		<b>19.452.178</b>	<b>14.249.904</b>
Equity attributable to equity holders of the parent			
Issued capital		3.500.000	3.500.000
Inflation adjustments on capital		(239.752)	(239.752)
Other accumulated comprehensive income / (loss) that will not be reclassified in profit or loss			
Gains / (losses) from investments in equity instruments		(11.840)	(11.840)
Gains / (losses) on revaluation and remeasurement			
- Losses on remeasurements of defined benefit plans		(1.224.303)	(911.454)
- Increases on revaluation of property, plant and equipment		11.018.293	5.231.590
Gains due to change in fair value of financial liability attributable to change in credit risk of liability		466.300	76.534
Effect of business combinations under common control		(1.320.942)	(1.320.942)
Other accumulated comprehensive income / (loss) that will be reclassified in profit or loss			
Gains / (Losses) on hedges			
- Gains on cash flow hedges		1.512.611	876.407
- Losses on hedges of net investment in foreign operations		(1.405.423)	(1.157.022)
Change in value of time value of options		(3.709.816)	(4.074.549)
Exchange differences on translation		1.972.254	1.555.755
Restricted reserves appropriated from profits		391.894	2.568.388
Retained earnings		5.378.718	2.395.335
Current period net profit		3.124.184	5.761.454
<b>Total liabilities and equity</b>		<b>76.341.004</b>	<b>58.337.635</b>

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**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE**  
**MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

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

		Current Period	Current Period	Prior Period	Prior Period
		Unaudited	Unaudited	Unaudited	Unaudited
	Notes	1 January - 30 September 2022	1 July 2022 - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Revenue	5	32.755.034	12.551.972	24.408.534	8.640.236
Cost of sales (-)		(19.869.867)	(7.628.663)	(13.444.119)	(4.770.964)
<b>Gross profit</b>		<b>12.885.167</b>	<b>4.923.309</b>	<b>10.964.415</b>	<b>3.869.272</b>
General administrative expenses (-)		(2.936.780)	(1.093.684)	(1.935.435)	(661.511)
Marketing, sales and distribution expenses (-)		(2.726.989)	(1.066.938)	(1.883.702)	(669.915)
Research and development expenses (-)		(311.068)	(124.654)	(202.436)	(68.911)
Other operating income		518.755	190.817	383.462	132.453
Other operating expense (-)		(1.036.526)	(356.539)	(461.930)	(113.354)
<b>Operating profit</b>		<b>6.392.559</b>	<b>2.472.311</b>	<b>6.864.374</b>	<b>2.488.034</b>
Impairment gains / (losses) and reversal of impairment losses determined in accordance with IFRS 9, net		(127.652)	(41.597)	(141.214)	(46.690)
Investment activity income		2.419.132	983.780	748.192	317.122
Investment activity expenses (-)		(17.306)	(901)	(6.158)	(2.153)
<b>Profit before financing expense</b>		<b>8.666.733</b>	<b>3.413.593</b>	<b>7.465.194</b>	<b>2.756.313</b>
Finance income		3.287.347	877.966	989.387	143.334
Finance costs (-)		(11.093.089)	(3.893.954)	(3.281.440)	(1.025.569)
<b>Profit before tax</b>	5	<b>860.991</b>	<b>397.605</b>	<b>5.173.141</b>	<b>1.874.078</b>
<b>Tax (expense) / income</b>					
- Current period tax expense		(336.298)	(42.506)	(436.328)	(193.255)
- Deferred tax (expense) / income		2.599.491	816.214	(58.917)	369.058
<b>Profit for the period</b>		<b>3.124.184</b>	<b>1.171.313</b>	<b>4.677.896</b>	<b>2.049.881</b>
Earnings per shares attributable to equity holders of the parent (in full Kuruş)	4	0,8926	0,3347	1,3365	0,5857
Earnings per diluted shares attributable to equity holders of the parent (in full Kuruş)	4	0,8926	0,3347	1,3365	0,5857

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**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**  
(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)

	Current Period	Current Period	Prior Period	Prior Period
	Unaudited	Unaudited	Unaudited	Unaudited
	1 January - 30	1 July - 30	1 January - 30	1 July - 30
Notes	September 2022	September 2022	September 2021	September 2021
<b>Profit for the period</b>	<b>3.124.184</b>	<b>1.171.313</b>	<b>4.677.896</b>	<b>2.049.881</b>
<b>Other comprehensive income</b>				
<b>Other comprehensive income that will not be reclassified to profit or loss</b>	<b>5.863.620</b>	<b>5.804.027</b>	<b>394.006</b>	<b>514.670</b>
Gain from revaluation of property, plant and equipments, net	6.429.670	6.429.670	518.889	518.889
Gains / (Losses) on remeasurements of defined benefit plans	(389.788)	(35.345)	(79.995)	8.526
Change in fair value of financial liability attributable to change in credit risk of liability	487.207	57.000	(11.292)	50.573
Tax effect of other comprehensive income items not to be reclassified to profit or loss				
-Taxes relating to remeasurements of defined benefit plans	76.939	7.069	15.644	(1.705)
-Tax effect of revaluation of property, plant and equipment	(642.967)	(642.967)	(51.498)	(51.498)
-Taxes relating to change in fair value of financial liability attributable to change in credit risk of liability	(97.441)	(11.400)	2.258	(10.115)
<b>Other comprehensive income that will be reclassified to profit or loss</b>	<b>1.169.035</b>	<b>421.319</b>	<b>30.386</b>	<b>220.325</b>
Exchange differences on translation	416.499	109.342	191.379	12.457
Gains on cash flow hedges	795.255	161.100	462.114	101.676
Gains / (losses) on hedges of net investments in foreign operations	(310.502)	(62.080)	(146.299)	3.711
Gains on change in value of time value of options	455.916	290.951	(515.476)	156.028
Tax effect on other comprehensive income items to be reclassified to profit or loss				
-Taxes relating to cash flow hedges	(159.051)	(32.220)	(93.687)	(21.599)
-Taxes relating to (gains) / losses on hedges of net investments in foreign operations	62.101	12.416	29.260	(742)
-Taxes relating to change in value of time value of options of other comprehensive (expense) / income	(91.183)	(58.190)	103.095	(31.206)
<b>Other comprehensive income</b>	<b>7.032.655</b>	<b>6.225.346</b>	<b>424.392</b>	<b>734.995</b>
<b>Total comprehensive income</b>	<b>10.156.839</b>	<b>7.396.659</b>	<b>5.102.288</b>	<b>2.784.876</b>

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

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**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

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

			Other accumulated comprehensive income / (loss) that will not be reclassified in profit or loss					Other accumulated comprehensive income / (loss) that will be reclassified in profit or loss					Retained earnings/ (losses)		Total equity
	Issued capital	Inflation adjustments on capital	Effect of business combinations under common control	Gains / (losses) on revaluation and remeasurement		Gains / (losses) due to change in fair value of financial liability attributable to change in credit risk of liability	Gains / (losses) on hedge		Change in value of time value of options	Exchange differences on translation	Restricted reserves appropriated from profits	Retained earnings	Current period net profit		
				Gains / (losses) from investments in equity instruments	Increases on revaluation of property, plant and equipment		Gains / (losses) on remeasurements of defined benefit plans	Gains / (losses) on hedges of net investment in foreign operations						Gains / (losses) on cash flow hedges	
<b>Balance at 1 January 2021</b>	<b>3.500.000</b>	<b>(239.752)</b>	<b>(1.320.942)</b>	<b>-</b>	<b>4.766.342</b>	<b>(782.420)</b>	<b>(88.747)</b>	<b>(593.149)</b>	<b>(320.668)</b>	<b>(717.854)</b>	<b>721.066</b>	<b>2.398.634</b>	<b>1.536.993</b>	<b>3.177.873</b>	<b>12.037.376</b>
Transfers	-	-	-	-	-	-	-	-	-	-	-	169.754	1.135.584	(1.305.338)	-
Total comprehensive income	-	-	-	-	467.391	(64.351)	(9.034)	(117.039)	368.427	(412.381)	191.379	-	-	4.677.896	5.102.288
Profit for period	-	-	-	-	467.391	(64.351)	(9.034)	(117.039)	368.427	(412.381)	191.379	-	-	4.677.896	4.677.896
Other comprehensive income	-	-	-	-	467.391	(64.351)	(9.034)	(117.039)	368.427	(412.381)	191.379	-	-	-	424.392
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.872.535)
<b>Balance at 30 September 2021</b>	<b>3.500.000</b>	<b>(239.752)</b>	<b>(1.320.942)</b>	<b>-</b>	<b>5.233.733</b>	<b>(846.771)</b>	<b>(97.781)</b>	<b>(710.188)</b>	<b>47.759</b>	<b>(1.130.235)</b>	<b>912.445</b>	<b>2.568.388</b>	<b>2.672.577</b>	<b>4.677.896</b>	<b>15.267.129</b>
<b>Balance at 1 January 2022</b>	<b>3.500.000</b>	<b>(239.752)</b>	<b>(1.320.942)</b>	<b>(11.840)</b>	<b>5.231.590</b>	<b>(911.454)</b>	<b>76.534</b>	<b>(1.157.022)</b>	<b>876.407</b>	<b>(4.074.549)</b>	<b>1.555.755</b>	<b>2.568.388</b>	<b>2.395.335</b>	<b>5.761.454</b>	<b>14.249.904</b>
Transfers	-	-	-	-	-	-	-	-	-	-	-	(2.176.494)	7.937.948	(5.761.454)	-
Total comprehensive income	-	-	-	-	5.786.703	(312.849)	389.766	(248.401)	636.204	364.733	416.499	-	-	3.124.184	10.156.839
Profit for period	-	-	-	-	5.786.703	(312.849)	389.766	(248.401)	636.204	364.733	416.499	-	-	3.124.184	3.124.184
Other comprehensive income	-	-	-	-	5.786.703	(312.849)	389.766	(248.401)	636.204	364.733	416.499	-	-	-	7.032.655
Dividends paid (Note 14)	-	-	-	-	-	-	-	-	-	-	-	-	(4.954.565)	-	(4.954.565)
<b>Balance at 30 September 2022</b>	<b>3.500.000</b>	<b>(239.752)</b>	<b>(1.320.942)</b>	<b>(11.840)</b>	<b>11.018.293</b>	<b>(1.224.303)</b>	<b>466.300</b>	<b>(1.405.423)</b>	<b>1.512.611</b>	<b>(3.709.816)</b>	<b>1.972.254</b>	<b>391.894</b>	<b>5.378.718</b>	<b>3.124.184</b>	<b>19.452.178</b>

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



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**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH**  
**PERIOD ENDED 30 SEPTEMBER 2022**

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>1 January -</b>	<b>1 January -</b>
<i>Notes</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
<b>Net profit for the period</b>	3.124.184	4.677.896
<b>Adjustments to reconcile profit:</b>		
Adjustments for depreciation and amortisation expense	5.758.918	4.485.593
Adjustments for impairment loss / (reversal of impairment loss)		
- <i>Adjustments for impairment loss of receivables</i>	132.357	129.050
- <i>Adjustments for impairment loss of inventories</i>	787	-
- <i>Adjustments for impairment loss of property, plant and equipment</i>	(433)	38.703
- <i>Other adjustments for impairment loss (reversal of impairment loss)</i>	1.295	12.164
Adjustments for provisions		
- <i>Adjustments for (reversal of) provisions related with employee benefits</i>	767.515	410.880
- <i>Adjustments for (reversal of) lawsuit and/or penalty provisions</i>	55.059	92.921
- <i>Adjustments for (reversal of) other provisions</i>	-	1.767
Adjustments for interest expenses and income		
- <i>Adjustments for interest income</i>	(354.931)	(203.891)
- <i>Adjustments for interest expense</i>	2.358.642	1.540.192
- <i>Deferred financial expenses from credit purchases</i>	47.963	(17.200)
Adjustments for unrealised foreign exchange losses	6.932.006	876.288
Adjustments for fair value losses / (gains)		
- <i>Adjustments for fair value (gains) / losses on derivative financial instruments</i>	(9.891)	274.888
- <i>Adjustments for fair value losses / (gains) of issued financial instruments</i>	(491.872)	14.277
- <i>Adjustments for fair value losses / (gains) of financial assets</i>	(1.555.642)	-
Adjustments for tax expense / (income)	(2.263.193)	495.245
Adjustments for losses / (gains) on disposal of tangible assets		
- <i>Adjustments for gains arises from sale of tangible assets</i>	(846.184)	(742.034)
Other adjustments for which cash effects are investing or financing cash flow	124.993	43.078
Other adjustments for non-cash items	16	(162.167)
<b>Operating profit before working capital changes</b>	<b>13.548.801</b>	<b>11.967.650</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in trade receivables		
- <i>(Increase) / decrease in trade receivables from related parties</i>	(296.317)	719
- <i>(Increase) / decrease in trade receivables from unrelated parties</i>	(1.902.476)	(1.088.494)
Adjustments for (increase) / decrease in inventories	(630.775)	(168.556)
Adjustments for increase / (decrease) in trade payable		
- <i>Increase / (decrease) in trade payables to related parties</i>	210.394	-
- <i>Increase / (decrease) in trade payables to unrelated parties</i>	(1.706.872)	(1.468.238)
Adjustments for (increase) / decrease in other receivables related with operations		
- <i>(Increase) / decrease in other unrelated party receivables related with operations</i>	(478.620)	(261.184)
Adjustments for increase / (decrease) in other operating payables related with operations		
- <i>Increase / (decrease) in other payables related with operations to unrelated parties</i>	942.739	384.145
<b>Cash flow from operations:</b>		
Interest received	167.494	124.438
Payments related with provisions for employee benefits	(544.167)	(592.553)
Payments related with other provisions	(101.017)	(75.124)
Income taxes paid	(458.014)	(396.516)
Other outflows of cash	16	32.343
<b>Net cash generated from operating activities</b>	<b>8.918.053</b>	<b>8.458.630</b>

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

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

**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH**  
**PERIOD ENDED 30 SEPTEMBER 2022**

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

	<b>Current Period</b>	<b>Prior Period</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>1 January -</b>	<b>1 January -</b>
<i>Notes</i>	<b>30 September 2022</b>	<b>30 September 2021</b>
<b>Cash flows used in investing activities:</b>		
Cash outflows arising from capital advance payments to associates and/or joint ventures	(10.384)	(7.555)
Proceeds from sale of property, plant, equipment and intangible assets		
- <i>Proceeds from sales of property, plant and equipment</i>	931.122	769.952
Purchases of property, plant, equipment and intangible assets		
- <i>Purchase of property, plant and equipment</i>	(3.346.928)	(1.790.370)
- <i>Purchase of intangible assets</i>	(3.624.796)	(2.402.369)
Cash outflows arising from acquisition of shares or debt instruments of other businesses or funds	(5.343.381)	-
Cash inflows arising from acquisition of shares or debt instruments of other businesses or funds	1.611.026	-
<b>Net cash used in investing activities</b>	<b>(9.783.341)</b>	<b>(3.430.342)</b>
<b>Cash flows from financing activities:</b>		
Proceed from borrowings		
- <i>Proceeds from loans</i>	7.256.242	2.763.859
- <i>Cash inflows from issued debt instruments</i>	1.851.600	-
Repayments of borrowings		
- <i>Loan repayments</i>	(4.799.786)	(5.044.346)
- <i>Payment of issued of debt instruments</i>	(962.941)	-
Payments of lease liabilities, net	(929.728)	(715.557)
Cash inflows / (outflows) from derivative instruments, net	3.095.608	271.401
Dividends paid	(4.954.565)	(1.248.357)
Interest paid	(1.742.603)	(1.315.081)
Interest received	187.437	79.453
Other cash (outflows) / inflows	16	121.100
	(68.078)	(68.078)
<b>Net cash used in financing activities</b>	<b>(877.636)</b>	<b>(5.276.706)</b>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE CURRENCY TRANSLATION DIFFERENCES	(1.742.924)	(248.418)
IMPACT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS	235.968	101.540
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6.344.886	4.370.117
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>6</b>	<b>4.837.930</b>
	<b>4.837.930</b>	<b>4.223.239</b>

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

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

**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
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*(Currency in thousands of Turkish Lira (“TL”) unless otherwise stated, all other currencies are also disclosed in thousands)*

**1. REPORTING ENTITY**

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

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

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

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

The SPV mentioned in the said statements, LYY Telekomünikasyon A.Ş. (“LYY”) has informed the Company that in accordance with Article 198 of the Turkish Commercial Code, all of the Group A shares, which constitute 55% of the Company's capital, have been transferred to LYY as of December 21, 2018. Based on this notification, LYY has been registered as a shareholder in the Company's share book pursuant to Article 499 of the Turkish Commercial Code.

In the material event statement dated March 10, 2022 made by the company, LYY Telekomünikasyon A.Ş. (LYY), 55% owned by Türk Telekomünikasyon A.Ş. (Türk Telekom) share to the Turkey Wealth Fund (TWF), a share transfer agreement was signed between the parties, after the necessary approvals were obtained and the closing conditions were fulfilled, in the material event statement dated 31 March 2022, the transfer of the shares was completed, after the transfer, on 31 March 2022. It has been reported that the Turkish Wealth Fund (TWF) is the largest shareholder of Türk Telekom with 61,68% shareholding as of date.

Following the signing of the share transfer agreement stated in the aforementioned explanations, the Company was informed that as of March 31, 2022, all of the A Group shares, which constitute 55% of the Company's capital, were transferred to TWF in accordance with Article 198 of the Turkish Commercial Code. Based on this notification, TWF was registered as a new shareholder in the Company's share book in accordance with Article 499 of the Turkish Commercial Code.

As at 30 September 2022, the parent company and controlling party of the Company is Turkish Wealth Fund.

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**1. REPORTING ENTITY (CONTINUED)**

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

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

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**1. REPORTING ENTITY (CONTINUED)**

The details of the Company’s subsidiaries as at 30 September 2022 and 31 December 2021 are as follows:

Name of Subsidiary	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				30 September 2022	31 December 2021
TTNet Anonim Şirketi (“TTNet”)	Turkey	Internet service provider	Turkish Lira	100	100
TT Mobil İletişim Hizmetleri A.Ş.(“TT Mobil”)	Turkey	GSM operator	Turkish Lira	100	100
Argela Yazılım ve Bilişim Teknolojileri Sanayi ve Ticaret Anonim Şirketi(“Argela”)	Turkey	Telecommunication solutions	Turkish Lira	100	100
Innova Bilişim Çözümleri Anonim Şirketi (“Innova”)	Turkey	Telecommunication solutions	Turkish Lira	100	100
Assist Rehberlik ve Müşteri Hizmetleri Anonim Şirketi (“AssistTT”)	Turkey	Call center and customer relations	Turkish Lira	100	100
Sebit Eğitim ve Bilgi Teknolojileri A.Ş.(“Sebit”)	Turkey	Web Based Learning	Turkish Lira	100	100
NETSIA Inc.	USA	Telecommunications solutions	U.S. Dollar	100	100
Sebit LLC	USA	Web based learning	U.S. Dollar	100	100
TT International Holding B.V.(“TT International”) (*)	Netherlands	Holding company	Euro	100	100
Türk Telekom International AT GmbH (“TTINT Austria”)(*)	Austria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Hu Kft (TTINT Hungary)(*)	Hungary	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
S.C. Euroweb Romania S.A.(“TTINT Romania”) (*)	Romania	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Bulgaria EOOD (“TTINT Bulgaria”)(*)	Bulgaria	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International CZ s.r.o (“TTINT Czech Republic”)(*)	Czech Republic	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SRB d.o.o (“TTINT Serbia”) (*)	Serbia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT Telekomunikacije d.o.o. (“TTINT Slovenia”) (*)	Slovenia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International SK s.r.o (“TTINT Slovakia”) (*)	Slovakia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TT International Telekomünikasyon Sanayi ve Ticaret Limited Şirketi (“TTINT Turkey”)(*)	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International UA LLC (“TTINT Ukraine”) (*)	Ukraine	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International Italy S.R.L. (TTINT Italy) (*)	Italy	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
TTINT International MK DOOEL (“TTINT Macedonia”) (*)	Macedonia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International RU LLC (“TTINT Russia”) (*)	Russia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekomünikasyon Euro GmbH. İn Liquidation (“TT Euro”)(*)	Germany	Mobil service marketing	Euro	100	100
Türk Telekom International d.o.o.(*)	Croatia	Internet/data services, infrastructure and wholesale voice services provider	Euro	100	100
Türk Telekom International HK Limited (*)	Hong Kong	Internet/data services, infrastructure and wholesale voice services provider	H.K. Dollar	100	100
Net Ekran TV ve Medya Hiz. A.Ş. (“Net Ekran”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
TTES Elektrik Tedarik Satış A.Ş.(“TTES”)	Turkey	Electrical energy trading	Turkish Lira	100	100
TT Ödeme ve Elektronik Para Hizmetleri A.Ş	Turkey	Mobile finance	Turkish Lira	100	100
Net Ekran1 TV ve Medya Hiz. A.Ş. (“Net Ekran1”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran2 TV ve Medya Hiz. A.Ş. (“Net Ekran2”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran3 TV ve Medya Hiz. A.Ş. (“Net Ekran3”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran4 TV ve Medya Hiz. A.Ş. (“Net Ekran4”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran6 TV ve Medya Hiz. A.Ş. (“Net Ekran6”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran10 TV ve Medya Hiz. A.Ş. (“Net Ekran10”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
Net Ekran11 TV ve Medya Hiz. A.Ş. (“Net Ekran11”)	Turkey	Television and radio broadcasting	Turkish Lira	100	100
TT Satış ve Dağıtım Hizmetleri Anonim Şirketi	Turkey	Selling and distribution services	Turkish Lira	100	100
TT Ventures Proje Geliştirme A.Ş.	Turkey	Corporate venture capital	Turkish Lira	100	100
TT Destek Hizmetleri A.Ş	Turkey	Provider of combined facilities support activities	Turkish Lira	100	100
APPYAP Teknoloji ve Bilişim A.Ş.	Turkey	Web portal and computer programming activities	Turkish Lira	100	100
TTG Finansal Teknolojiler A.Ş.	Turkey	Financial advisory services	Turkish Lira	100	100
TTG Ventures Marketing Inc.	USA	Retail and wholesale trade of software programs	U.S. Dollar	100	-
TT Ventures Girişim Sermayesi Yatırım Fonu**	Turkey	Venture capital investment fund	Turkish Lira	-	-

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

(\*\*) Not included in the consolidated financial statements in accordance with TFRS 10 Consolidated Financial Statements.

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

**1. REPORTING ENTITY (CONTINUED)**

The details of the Company’s joint operation as at 30 September 2022 and 31 December 2021 are as follows:

Name of Joint Operation	Place of incorporation and operation	Principal activity	Functional Currency	Effective ownership of the Company (%)	
				30 September 2022	31 December 2021
TT Mobil-Vodafone Evrensel İş Ortaklığı	Turkey	Internet/data services, infrastructure and wholesale voice services provider	Turkish Lira	51	51

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

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

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

The number of personnel subject to collective agreement as at 30 September 2022 is 9.932 (31 December 2021: 10.230) and the number of personnel not subject to collective agreement as at 30 September 2022 is 29.021 (31 December 2021: 25.638). The total number of personnel as at 30 September 2022 and 31 December 2021 are 38.953 and 35.868, respectively.

**1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Basis of presentation of the interim condensed consolidated financial statements**

**a) Statement of compliance with TFRS**

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

The interim condensed consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 30794 on 7 June 2019.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Group preferred to present its interim condensed consolidated financial statements as of 30 September 2022. The Group’s interim condensed consolidated financial statement does not include all disclosures and notes that should be included at year-end financial statements. Therefore, the interim condensed consolidated financial statements should be examined together with the 31 December 2021 year-end financial statements.

*Approval of the financial statements:*

The interim condensed consolidated financial statements are approved by the Company’s Board of Directors on 8 November 2022. General Assembly has the right to change the interim condensed consolidated financial statements

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**TÜRK TELEKOMÜNİKASYON ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTUNIED)**

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

**b) Correction of financial statements during the hyperinflationary periods**

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

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary and it recommends all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. In the announcement published by the Public Oversight Accounting and Auditing Standards Authority (POB) on 20 January 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of 31 December 2021. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the accounting period ending on 30 September 2022 in accordance with TAS 29. In this context, since there is no consensus on the application of inflation accounting in TFRS financial statements throughout the country, and it is expected that POB will delay the application of TAS 29, financial statements as of 30 September 2022 are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

**c) Basis of measurement**

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

**d) Functional and presentation currency**

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

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

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

**Additional paragraph for convenience translation to English:**

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

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

**e) Significant accounting assessments, estimates and assumptions**

In order to prepare financial statements in accordance with TFRS, certain assumptions affecting notes to the financial statements and critical accounting estimations related to assets, liabilities, contingent assets and contingent liabilities are required to be used. Although these estimations are made upon the best afford of the management by interpreting the cyclical circumstances, actual results may differ from the forecasts. Issues that are complex and needs further interpretation, which might have a critical impact on financial statements. There is no change in judgments and critical accounting estimates compared to prior year used in interim condensed consolidated financial statements as 30 September 2022.

**Determination of fair values**

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

***i) Trade and other receivables***

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

***ii) Forward contracts and interest rate swaps***

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

***iii) Issued debt instruments***

The fair values of issued debt instruments are measured by using quoted market price at the date of valuation.

***iv) Other non-derivative financial liabilities***

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

***v) Lands***

Lands accounted as property, plant and equipment are measured at revalued amount. Revalued amount for lands is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair value of the lands was determined using the market comparable method. The valuations are based on prices of transactions for lands of similar nature and location.



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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

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

**Determination of fair values (continued)**

*vi) Taxes*

In Turkey, the corporate tax rate is 23%. However, the corporate tax rate will be applied as 25% for the corporate income for the 2021 taxation period and 23% for the corporate income for the 2022 taxation period in accordance with the article 11 of the Law No. 7316 on the Procedure for Collection of Public Claims and the Law Amending Some Other Laws and included to the temporary article 13 of Law No. 5520 Corporate Tax Law which are published in the Official Gazette numbered 31462 on 22 April 2021. Corporate tax rate after 2022 expected to be 20%.

As of the nine months period ended 30 September 2022, corporate tax provisions have been calculated and accrued at 23%.

Deferred tax charge is calculated in accordance with the enacted tax laws. The accounting policies used by the Group in calculating deferred tax are the same as those used in the audited consolidated financial statements as of 31 December 2021, except for the use of the corporate tax rate enacted in the nine months interim period ended 30 September 2022.

*vii) Foreign Currency Protected TL Deposit*

Foreign currency protected TL Deposits are a financial asset with cash flows that include principal and interest, but they also feature a derivative product, as these cash flows may change depending on the change in exchange rates. Therefore, Currency Foreign currency protected TL Deposits are considered as hybrid contracts and accounted as financial assets whose fair value is recognized in profit or loss in line with the directions of TFRS 9 regarding hybrid contracts. Changes in the fair value of Foreign currency protected TL Deposits are accounted in the “Income/Expense from Investing Activities” Item in the Statement of Profit or Loss and Other Comprehensive Income.”

**2.2 Summary of significant accounting policies**

**The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as of 30 September are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2022 and thereafter. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

**i) The new standards, amendments and interpretations which are effective as of 1 January 2022 are as follows:**

**Amendments to TFRS 3 – Reference to the Conceptual Framework**

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively.

The amendments did not have a significant impact on the financial position or performance of the Group.

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**2.2 Summary of significant accounting policies (continued)**

**The new standards, amendments and interpretations (continued)**

**i) The new standards, amendments and interpretations which are effective as of 1 January 2022 are as follows: (continued)**

**Amendments to TAS 16 – Proceeds before intended use**

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

The amendments did not have a significant impact on the financial position or performance of the Group.

**Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract**

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

The amendments did not have a significant impact on the financial position or performance of the Group.

**Annual Improvements – 2018–2020 Cycle**

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:* The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- *TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities:* The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.
- *TAS 41 Agriculture – Taxation in fair value measurements:* The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

The amendments did not have a significant impact on the financial position or performance of the Group.

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**2.2 Summary of significant accounting policies (continued)**

**The new standards, amendments and interpretations (continued)**

**ii) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Company / the Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

**Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

**TFRS 17 - The new Standard for insurance contracts**

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

**Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**Amendments to TAS 8 - Definition of Accounting Estimates**

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of ‘accounting estimates’. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

Overall, the Group expects no significant impact on its balance sheet and equity.

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**2.2 Summary of significant accounting policies (continued)**

**The new standards, amendments and interpretations (continued)**

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

**Amendments to TAS 1 - Disclosure of Accounting Policies**

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term ‘significant’ in TFRS, the POA decided to replace it with ‘material’ in the context of disclosing accounting policy information. ‘Material’ is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

Overall, the Group expects no significant impact on its balance sheet and equity.

**Amendments to TAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

The following amendments to existing IFRS 16 are issued by the IASB but not yet effective up to the date of issuance of the financial statements. However, the amendments are not yet adapted/issued by the POA, thus they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

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**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

**2.2 Summary of significant accounting policies (continued)**

**The new standards, amendments and interpretations (continued)**

**iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA) (continued)**

**Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

In September 2022, the Board issued amendments to IFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of IFRS 16 under “Subsequent measurement of the lease liability” heading after the commencement date in a sale and leaseback transaction, the seller lessee determines ‘lease payments’ or ‘revised lease payments’ in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

Overall, the Group expects no significant impact on its balance sheet and equity

**2.3 Comparative information and reclassification of prior period consolidated financial statements**

The Group’s consolidated financial statements are presented together with the comparatives for the previous year enabling comparison of the financial condition and performance trends. Where necessary, comparative figures of the financial statements have been reclassified to conform to changes in presentation of the current period financial statements. The Group management considered that it is appropriate to have such reclassifications when they provide more relevant information to users of the financial statements.

As of 30 September 2021, the Group reclassified the amortization expenses of the assets capitalized within the scope of TFRS Interpretation 12, amounting to TL 661.021, which was accounted under the marketing, sales and distribution expenses account, to the cost of sales account.

**3. SEASONAL CHANGES IN THE OPERATIONS**

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

**4. EARNINGS PER SHARE**

	<b>1 January - 30 September 2022</b>	<b>1 July- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2021</b>
Weighted average number of ordinary shares outstanding during the year	350.000.000.000	350.000.000.000	350.000.000.000	350.000.000.000
Net profit for the period attributable to equity holders of the Company	3.124.184	1.171.313	4.677.896	2.049.881
Basic and earnings per share (in full kuruş)	0,8926	0,3347	1,3365	0,5857

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**5. SEGMENT REPORTING**

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

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**5. SEGMENT REPORTING (CONTINUED)**

	Fixed line		Mobile		Intra-group eliminations and consolidated adjustments		Consolidated	
	1 January - 30	1 January - 30	1 January - 30	1 January - 30	1 January - 30	1 January - 30	1 January - 30	1 January - 30
	September 2022	September 2021	September 2022	September 2021	September 2022	September 2021	September 2022	September 2021
Revenue (*)	23.251.218	17.914.372	11.449.208	8.445.878	(1.945.392)	(1.951.716)	32.755.034	24.408.534
International revenue	2.165.050	1.392.694	–	–	–	–	2.165.050	1.392.694
Contributive revenue (**)	21.363.017	15.997.927	11.392.017	8.410.607	–	–	32.755.034	24.408.534
EBITDA	9.467.000	9.610.471	4.081.042	2.510.269	5.770	(6.847)	13.553.812	12.113.893
Contributive adjusted EBITDA (***)	8.792.228	8.404.039	4.761.584	3.709.854	–	–	13.553.812	12.113.893
Capital expenditure (****)	4.966.104	3.279.466	2.110.421	1.044.786	6.357	(6.238)	7.082.882	4.318.014
Impairments losses, net	(112.706)	(144.370)	(21.300)	(35.547)	–	–	(134.006)	(179.917)
Depreciation and amortization	(3.590.555)	(2.492.284)	(2.168.363)	(1.993.309)	–	–	(5.758.918)	(4.485.593)

  

	Fixed line		Mobile		Intra-group eliminations and consolidated adjustments		Consolidated	
	1 July - 30	1 July - 30	1 July - 30	1 July - 30	1 July - 30	1 July - 30	1 July - 30	1 July - 30
	September 2022	September 2021	September 2022	September 2021	September 2022	September 2021	September 2022	September 2021
Revenue (*)	8.730.913	6.250.583	4.539.691	3.047.568	(718.632)	(657.915)	12.551.972	8.640.236
International revenue	859.259	512.450	–	–	–	–	859.259	512.450
Contributive revenue (**)	8.035.976	5.608.029	4.515.996	3.032.207	–	–	12.551.972	8.640.236
EBITDA	3.351.606	3.344.060	1.674.618	927.408	8.359	17.510	5.034.583	4.288.978
Contributive adjusted EBITDA (***)	3.119.907	2.995.075	1.914.676	1.293.903	–	–	5.034.583	4.288.978
Capital expenditure (****)	2.185.510	1.190.694	933.304	470.050	8.918	(2.730)	3.127.732	1.658.014
Impairments losses, net	(30.965)	(47.242)	(11.560)	(12.172)	–	–	(42.525)	(59.414)
Depreciation and amortization	(1.330.483)	(868.221)	(705.955)	(671.502)	–	–	(2.036.438)	(1.539.723)

(\*) “Revenue” includes international revenue.

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

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

(\*\*\*\*) Capital expenditures do not include TL 232.772 (30 September 2021: TL 162.167) amounted profit margin which is capitalized on intangible assets that are accounted within the scope of TFRS Interpretation 12.

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**5. SEGMENT REPORTING (CONTINUED)**

	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>
Fixed line contributive EBITDA	8.792.228	3.119.907	8.404.039	2.995.075
Mobile contributive EBITDA	4.761.584	1.914.676	3.709.854	1.293.903
<b>EBITDA</b>	<b>13.553.812</b>	<b>5.034.583</b>	<b>12.113.893</b>	<b>4.288.978</b>
Foreign exchange gains, interest income, discount income on current accounts presented in other operating income	1.740.778	674.241	162.056	56.572
Foreign exchange losses, interest income, discount income on current accounts presented in other operating expense (-)	(869.372)	(263.865)	(286.459)	(36.791)
Financial income	3.287.347	877.966	989.387	143.334
Financial expense (-)	(11.093.089)	(3.893.954)	(3.281.440)	(1.025.569)
Depreciation, amortisation and impairment	(5.758.485)	(2.031.366)	(4.524.296)	(1.552.446)
<b>Consolidated profit before tax</b>	<b>860.991</b>	<b>397.605</b>	<b>5.173.141</b>	<b>1.874.078</b>

<b>30 September 2022</b>	<b>Fixed Line</b>	<b>Mobile</b>	<b>Eliminations</b>	<b>Consolidated</b>
Total segment assets	60.199.403	20.043.484	(3.901.883)	76.341.004
Total segment liabilities	(53.980.914)	(6.809.795)	3.901.883	(56.888.826)
Goodwill	15.250	29.694	–	44.944
Assets held for sale	–	37.361	–	37.361
<b>31 December 2021</b>	<b>Fixed Line</b>	<b>Mobile</b>	<b>Eliminations</b>	<b>Consolidated</b>
Total segment assets	44.381.665	15.362.791	(1.406.821)	58.337.635
Total segment liabilities	(39.679.923)	(5.814.629)	1.406.821	(44.087.731)
Goodwill	15.250	29.694	–	44.944
Assets held for sale	19.057	37.361	–	56.418



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**6. CASH AND CASH EQUIVALENTS**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Cash on hand	1.310	519
Cash at banks– demand deposit	1.000.485	933.296
Cash at banks– time deposit	4.251.493	6.763.055
Liquid fund(*)	570.486	–
	<b>5.823.774</b>	<b>7.696.870</b>

(\*) Consists of a highly liquid, short-term liquid fund with immaterial risk of change in fair value.

As of 30 September 2022, time deposits are all short-term, maturing within one month and denominated in both foreign currencies and TL. The interest rates are between %5,50 and %21 for TL deposits, between %0,50 and %4 for USD deposits and between %2,40 ve %3 for EUR deposits (31 December 2021: for TL deposits between 5,50% and 20%, for USD deposits between 0,20% and 1,50%, for EUR deposits between 0,25% and 0,65%).

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

	<b>30 September 2022</b>	<b>30 September 2021</b>
Cash and cash equivalents	5.823.774	4.828.706
Less: restricted amounts		
- Collection protocols and ATM collection	(250.845)	(421.161)
- Other	(734.999)	(184.306)
<b>Unrestricted cash</b>	<b>4.837.930</b>	<b>4.223.239</b>

The Group classifies blocked cash amounts under cash and cash equivalents as they are easily convertible into cash and highly liquid assets that are not exposed to impairment loss.

As of 30 September 2022, demand deposits amounting to TL 250.845 is restricted due to collection protocols signed with banks for receipts from the subscribers, under which proceeds are made available to the Group a certain number of days after the cash is collected. As of 30 September 2022, Other restricted amounts consist of blocked deposits related to Group’s derivative financial instruments.

As of 30 September 2022, the Group doesn’t have any unutilized or committed bank loans.

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**7. FINANCIAL LIABILITIES**

**Bank borrowings**

	30 September 2022			31 December 2021		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
<b>Short-term bank loans:</b>						
Unsecured TL bank loans with fixed interest rates	19,72	4.566.228	4.566.228	16,37	180.635	180.635
TL bank loans with variable interest rates	19,29	30.000	30.000	–	–	–
Unsecured USD bank loans with fixed interest rates	7,00	8.300	153.705	–	–	–
Unsecured EUR bank borrowings with fixed interest rates	–	–	–	1,45	41.000	618.555
Unsecured EUR bank borrowings with variable interest rates	6,16	48.000	870.696	–	–	–
<b>Interest accruals:</b>						
Unsecured TL bank loans with fixed interest rates		266.766	266.766		1.531	1.531
Unsecured EUR bank loans with variable interest rates		475	8.615		–	–
Unsecured EUR bank loans with fixed interest rates		–	–		94	1.445
<b>Short-term bank loans</b>			<b>5.896.010</b>			<b>802.166</b>
<b>Short-term portion of long-term bank loans:</b>						
Unsecured USD bank loans with variable interest rates(*)	4,42	191.473	3.545.827	2,20	292.332	3.896.498
Unsecured EUR bank loans with variable interest rates (**)	1,20	86.383	1.566.938	0,87	95.501	1.440.800
<b>Interest accruals of long-term bank loans:</b>						
Unsecured USD bank loans with variable interest rates (*)		5.784	107.121		2.452	32.678
Unsecured EUR bank loans with variable interest rates (**)		1.124	20.388		291	4.386
<b>Current portion of long-term bank loans</b>			<b>5.240.274</b>			<b>5.374.362</b>
<b>Total short-term bank loans</b>			<b>11.136.284</b>			<b>6.176.528</b>
<b>Long-term bank loans:</b>						
Unsecured USD bank loans with variable interest rates (*)	4,42	396.876	7.349.631	2,20	369.280	4.922.130
Unsecured EUR bank loans with variable interest rates (**)	1,20	223.523	4.054.596	0,87	265.447	4.004.721
<b>Total long-term bank loans</b>			<b>11.404.227</b>			<b>8.926.851</b>
<b>Total bank loans</b>			<b>22.540.511</b>			<b>15.103.379</b>

(\*) As at 30 September 2022, interest rate varies between Libor +%0,54 and %2,85 (31 December 2021: Libor + 0,54% and 2,85%).

(\*\*) As at 30 September 2022, interest rate varies between Euribor +%0,25 and 5,90% (31 December 2021: Euribor + 0,25% and 2,00%).

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**7. FINANCIAL LIABILITIES (CONTINUED)**

***Bank borrowings (continued)***

The maturities of bank loans in equivalent of TL are as follows:

	30 September 2022					Total	31 December 2021					Total
	Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years		Up to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	More than 5 years	
Unsecured TL bank borrowings with fixed interest rates	1.450.438	3.382.556	–	–	–	4.832.994	178.152	4.014	–	–	–	182.166
Unsecured TL bank borrowings with variable interest rates	–	30.000	–	–	–	30.000	–	–	–	–	–	–
Unsecured USD bank borrowings with fixed interest rates	2.467.031	1.185.917	2.664.843	3.925.951	758.837	11.002.579	125.436	3.803.740	1.433.576	3.272.751	215.803	8.851.306
Unsecured USD bank borrowings with variable interest rates	153.705	–	–	–	–	153.705	–	–	–	–	–	–
Unsecured EUR bank borrowings with fixed interest rates	–	–	–	–	–	–	1.419	618.581	–	–	–	620.000
Unsecured EUR bank borrowings with variable interest rates	829.680	1.636.957	1.355.737	2.402.941	295.918	6.521.233	59.836	1.385.350	1.145.840	2.493.548	365.333	5.449.907
	<b>4.900.854</b>	<b>6.235.430</b>	<b>4.020.580</b>	<b>6.328.892</b>	<b>1.054.755</b>	<b>22.540.511</b>	<b>364.843</b>	<b>5.811.685</b>	<b>2.579.416</b>	<b>5.766.299</b>	<b>581.136</b>	<b>15.103.379</b>

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**7. FINANCIAL LIABILITIES (CONTINUED)**

*Issued debt instruments*

	30 September 2022			31 December 2021		
	Weighted average nominal interest rate (%)	Original amount	TL equivalent	Weighted average nominal interest rate (%)	Original amount	TL equivalent
<b>Short-term issued debt instruments:</b>						
TL bills, bonds and notes issued	25,46	1.351.600	1.351.600	–	–	–
<b>Interest accruals:</b>						
TL bills, bonds and notes issued		16.786	16.786	–	–	–
<b>Short-term portion of long-term issued debt instruments:</b>						
TL issued debt instruments with variable interest rates	–	–	–	15,97	150.000	150.000
<b>Interest accruals of short-term portion of long-term issued debt instruments:</b>						
TL issued debt instruments with variable interest rates		–	–		14.210	14.210
USD issued debt instruments with fixed interest rates		5.960	110.378		14.043	187.177
<b>Short-term issued debt instruments</b>			<b>1.478.764</b>			<b>351.387</b>
<b>Long-term issued debt instruments:</b>						
USD issued debt instruments with fixed interest rates	5,88	906.052	16.778.904	5,88	968.501	12.909.151
<b>Long-term issued debt instruments</b>			<b>16.778.904</b>			<b>12.909.151</b>
<b>Total issued debt instruments</b>			<b>18.257.668</b>			<b>13.260.538</b>

The sales process of the bond issuances amounted to USD 500.000 with 6 years of maturity, and 6,875% coupon rate based on 7% reoffer yield was completed on February 28<sup>th</sup>, 2019. The bonds are now quoted at Irish Stock Exchange. The part of the bond amounting to USD 17.500 was repurchased on February 3, 2022 – August, 19 2022 and the related amount was accounted for by deducting the amortized cost using the effective interest rate and the total bond amount.

The sales process of the bond issuances amounted to USD 500.000 with 10 years of maturity, and 4,875% coupon rate based on 4,982% reoffer yield was completed on June 19<sup>th</sup>, 2014. The bonds are now quoted at Irish Stock Exchange. The part of the bond amounting to USD 20.000 was repurchased between 5th - 14th February 2019 and was netted off from the total bond amount according to its fair value.

The sales processes of the bond issuances amounted to TL 150.000 with 402-day of maturity and interest rate 1.75% over the BIST TL overnight interest rate (TLREF Index) was completed on December 14th, 2020. The issuance was advised by Ak Yatırım Menkul Değerler A.Ş. and expired on January 20th, 2022.

The sales process of the bond issuance mediated by Garanti Yatırım Menkul Kıymetler A.Ş. amounted to TL 500.000 with 90 days of maturity, and 27% coupon rate was completed on June 22nd, 2022 and it expired on September 20th, 2022.

The sales process of the bond issuances mediated by Garanti Yatırım Menkul Kıymetler A.Ş. amounted to TL 1.351.600 within the range of 90-180 days of maturities and 20.75%-27% coupon rates were completed on September 2nd -20th, 2022

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**7. FINANCIAL LIABILITIES (CONTINUED)**

The maturities of bank loans in equivalent of TL are as follows:

	30 September 2022					31 December 2021				
	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
TL issued debt instruments with fixed interest rates	457.823	910.563	-	-	1.368.386	164.210	-	-	-	164.210
USD issued debt instruments with fixed interest rates	-	110.378	16.778.904	-	16.889.282	187.177	-	12.909.151	-	13.096.328
	<b>457.823</b>	<b>1.020.941</b>	<b>16.778.904</b>	<b>-</b>	<b>18.257.668</b>	<b>351.387</b>	<b>-</b>	<b>12.909.151</b>	<b>-</b>	<b>13.260.538</b>

**Lease liabilities**

As at 30 September 2022, obligation under leases detail are as follows:

	30 September 2022				31 December 2021		
	Currency	Interest rate type	Nominal interest rate	Carrying amount	Nominal interest rate	Carrying amount	
Lease liabilities	TL	Fixed	%9,0-%21,5	1.421.446	%9,0 - %20,0	1.271.960	
Lease liabilities	EUR	Fixed	%3,3-%4,5	133.341	%2,5 - %4,5	113.047	
Lease liabilities	USD	Fixed	%3,5-%7,0	88.601	%3,0 - %5,0	51.835	
Lease liabilities	Other	Fixed	%3,3	1.755	%3,3	2.618	
				<b>1.645.143</b>		<b>1.439.460</b>	

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**8. DUE FROM AND DUE TO RELATED PARTIES**

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

Institutions under state control are defined as related parties due to 25% ownership and the golden share of the Treasury and 61,68% ownership of Turkey Wealth Fund (“TWF”). State controlled entities are defined as related parties but in accordance with the exemption provided by the TAS 24 disclosure requirements, state controlled entities are excluded from general reporting requirements.

TWF has become a party to holding power of control and the majority shareholder of The Group following the share transfer on 31 March 2022. Due to the change of the ultimate parent, the Group revaluated the related party entities and reflected the transactions on 30 September 2022 financial statements.

Related party disclosures include the transactions realized until 31 March 2022 of the companies that were related parties until the share transfer on 31 March 2022 and unrecognised to be related parties after the share transfer. The updated related parties with the share transfer realized on 31 March 2022 include the transactions between 31 March 2022 and 30 September 2022.

As of 30 September 2022, related party balances include the balances of updated related parties with the share transfer on 31 March 2022. These balances may also include balances from transactions occurred before 31 March, 2022.

Details of balances and transactions between the Group and other related parties as at 30 September 2022 and 31 December 2021 are disclosed below:

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Due from related parties (Trade receivables-short term)</b>		
Türkiye Garanti Bankası A.Ş.	–	45.378
Akbank T.A.Ş.	–	6.292
Türkiye İş Bankası A.Ş.	–	2.199
Other (*)	350.186	–
	<b>350.186</b>	<b>53.869</b>

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Due from related parties (Trade payables-short term)</b>		
Other (*)	210.394	–
	<b>210.394</b>	–

(\*) In accordance with the share transfer agreement signed between Turkey Wealth Fund (“TWF”) and LYY Telekomünikasyon A.Ş. (“LYY”) dated 31 March 2022, TWF and the entities over which TWF has control directly or joint control or significant influence defined as related parties as of 31 March 2022.

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

<b>Deposits held by related parties</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Time Deposit</b>		
T.C. Ziraat Bankası A.Ş.	2.890.915	–
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	319.846	–
Türkiye Halk Bankası A.Ş.	58.859	–
Türkiye İş Bankası A.Ş.	–	172.026
Akbank T.A.Ş.	–	106.992
Türkiye Garanti Bankası A.Ş.	–	142.498
Other	126.982	–
<b>Demand Deposit</b>		
T.C. Ziraat Bankası A.Ş.	85.627	–
Türkiye Halk Bankası A.Ş.	43.732	–
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	67.513	–
Other	9.985	17.823
	<b>3.603.461</b>	<b>439.339</b>

<b>Bank loans from related parties</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	1.096.493	–
T.C. Ziraat Bankası A.Ş.	1.259.376	–
Türkiye İş Bankası A.Ş.	–	604.809
Türkiye Garanti Bankası A.Ş.	–	264.944
Türkiye Halk Bankası A.Ş.	19.100	–
	<b>2.374.968</b>	<b>869.753</b>

<b>Currency Protected Time Deposit from related parties</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
T.C. Ziraat Bankası A.Ş.	542.814	–
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	540.468	–
	<b>1.083.282</b>	–

<b>Hedge Transactions from Related Parties</b>		<b>30 September 2022</b>		<b>31 December 2021</b>			
<b>Bank</b>	<b>Instruments Type</b>	<b>Currency</b>	<b>Nominal Amount</b>	<b>Fair Value Amount (TL)</b>	<b>Currency</b>	<b>Nominal Amount</b>	<b>Fair Value Amount (TL)</b>
Akbank T.A.Ş.	Foreign Currency Swaps	–	–	–	EUR	49.000	70.022
Akbank T.A.Ş.	Foreign Currency Swaps	–	–	–	USD	80.000	30.967
Türkiye Garanti Bankası A.Ş.	Foreign Currency Swaps	–	–	–	USD	35.000	39.894
Türkiye Garanti Bankası A.Ş.	Foreign Currency Swaps	–	–	–	EUR	22.000	(5.332)
Türkiye Garanti Bankası A.Ş.	Forwards	–	–	–	USD	8.433	35.263
Türkiye İş Bankası A.Ş.	Foreign Currency Swaps	–	–	–	USD	35.000	50.259
							<b>221.073</b>

The amount of the guarantee given to the related companies for the financing of the device purchases by the distributor companies and sold to the Group customers within the scope of the committed campaigns is disclosed in Note 12.

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

*Transactions with shareholders:*

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

As of 30 September 2022, unpaid portion of Treasury Share, universal service fund and ICTA share are recorded under other short term payables and these expenses are accounted in cost of sales account.

*Transactions with related parties:*

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>
<b>Interest income from related parties</b>		
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı(*)	60.981	–
T.C. Ziraat Bankası A.Ş. (*)	47.531	–
Other (**)	10.280	1.737
	<b>118.792</b>	<b>1.737</b>
<b>Interest expense from related parties</b>		
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı(*)	48.603	–
T.C. Ziraat Bankası A.Ş. (*)	52.609	–
Other	33.019	55.867
	<b>134.231</b>	<b>55.867</b>
<b>Other income from related parties</b>		
Turkcell İletişim Hizmetleri A.Ş. (*)	416.681	–
Superonline İletişim Hizmetleri A.Ş. (*)	398.610	–
Türksat Uydu Haberleşme Kablo TV ve İşletme A.Ş. (*)	224.692	–
Other (**)	274.086	113.002
	<b>1.314.069</b>	<b>113.002</b>
<b>Other expenses from related parties</b>		
Turkcell İletişim Hizmetleri A.Ş. (*)	393.468	–
Enerji Piyasaları İşletme A.Ş. (*)	390.838	–
Other	224.551	–
	<b>1.008.857</b>	<b>–</b>

(\*) Includes transactions between 1 April, 2022 – 30 September 2022.

(\*\*) Revenues from LYY companies include the period 1 January 2022 - 31 March 2022 for the year 2022, and the period 1 January 2021 - 30 September 2021 for 2021.

The Group generates revenues from related parties by providing fixed voice, corporate data, mobile and internet services. The Group's related party expenses consist of energy, call termination, billing and content, satellite frequency-base services.



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

*Compensation of key management personnel*

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

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>
Short-term benefits	111.258	79.335
Long-term benefits	2.713	1.953
	<b>113.971</b>	<b>81.288</b>

Key management personnel comprise the Group’s members of Board of Directors and top managers.

**9. TRADE RECEIVABLES FROM AND PAYABLES UNRELATED PARTIES**

*Trade receivables from unrelated parties*

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short-term</b>		
Receivables from subscribers	11.243.855	10.032.741
Other trade receivables (*)	818.464	442.390
Allowance for doubtful receivables (-)	(4.060.352)	(3.946.503)
<b>Total short-term trade receivables</b>	<b>8.001.967</b>	<b>6.528.628</b>
<b>Long-term</b>		
Receivables from subscribers	183.748	127.851
<b>Total long-term trade receivables</b>	<b>183.748</b>	<b>127.851</b>

(\*) Other trade receivables mainly consist of corporate project receivables.

Trade receivables generally have a maturity term of 60 days on average (31 December 2021: 60 days).

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

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2022</b>
On January 1	(3.946.500)	(3.754.151)
Provision for the year, net	(110.683)	(124,125)
Change in currency translation differences	(3.169)	(2.771)
<b>On 30 September</b>	<b>(4.060.352)</b>	<b>(3.881.047)</b>

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

Receivables guaranteed of the Group are amounted to TL 259.515.

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

*Trade receivables from unrelated parties (continued)*

*Contract assets from unrelated parties*

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short-term</b>		
Contract assets from sale of goods and service contracts	1.237.394	951.675
	<b>1.237.394</b>	<b>951.675</b>
<b>Long-term</b>		
Contract assets from sale of goods and service contracts	40.407	55.377
	<b>40.407</b>	<b>55.377</b>

The contract assets represent contract assets from subscribers. Due to the high volume of subscribers, different billing period are available, an accrual is made at the end of each reporting period to accrue revenue for services rendered but not billed. In addition, income an accrual is made for the not billed of the contributions services.

As of the reporting period, the portion of the accrued income to be invoiced one year later is presented in the long term contract assets.

*Trade payables from unrelated parties*

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short-term</b>		
Trade payables	4.791.779	7.065.738
Expense accruals	1.452.538	663.409
<b>Total short-term trade payables</b>	<b>6.224.317</b>	<b>7.729.147</b>

The average maturity term of trade payables is between 30 and 150 days (31 December 2021: 30 and 150 days).

As of 30 September 2022, short term trade payables consist of payables within scope of supplier finance that amounting TL 255.541 (31 December 2021: TL 999.666).

**10. TANGIBLE AND INTANGIBLE ASSETS**

The amount of tangible and intangible assets purchased during the nine months period ended 30 September 2022 is TL 7.082.882 (30 September 2021: TL 4.318.014).

Net book value of tangible and intangible assets sold during the nine months period ended 30 September 2022 amounted to TL 65.881 (30 September 2021: TL 27.918).

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**11. PROVISIONS**

*Current provisions*

The movement of other current provisions is as follows:

	<b>30 September 2022</b>	<b>31 December 2021</b>
Litigation, ICTA penalty and customer return provisions (*)	108.338	154.411
Provision for expected credit losses on loan commitments (**)	57.379	56.084
	<b>165.717</b>	<b>210.495</b>

(\*) Consists of TT Mobile tax inspection, The Ministry of Trade fine, ICTA penalties and extraditions to be made as per ICTA resolutions and other commitments provisions. Necessary explanations are stated in Note 12.

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

*Current provisions for employee benefits*

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Short term provisions for employee benefits</b>		
Personnel bonus provision	401.713	319.140
	<b>401.713</b>	<b>319.140</b>

*Non-current provisions for employee benefits*

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Long term provisions for employee benefits</b>		
Defined benefit obligation	1.516.001	1.069.183
Unused vacation provisions	302.024	211.831
	<b>1.818.026</b>	<b>1.281.014</b>

*Defined benefit obligation*

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

The retirement pay liability as at 30 September 2022 is subject to a ceiling of full TL 15.371,40 (31 December 2021: full TL 8.284,51) per monthly salary for each service year.

In addition to retirement benefits, the Group is liable for certain other non-current employment benefits such as business, service, representation indemnity and jubilee.

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**12. COMMITMENTS AND CONTINGENCIES**

Guarantees received and given by the Group are summarized below:

		30 September 2022		31 December 2021	
		Original currency	TL	Original currency	TL
Guarantees received	USD	111.261	1.852.145	123.260	1.642.932
	TL	1.525.609	1.525.609	1.471.649	1.471.649
	EUR	28.891	521.352	26.645	401.985
	Other	3	62	4	68
		<b>3.899.168</b>		<b>3.516.634</b>	
Guarantees given (*)	USD	184.705	3.413.189	168.053	2.239.982
	TL	1.212.124	1.212.124	1.019.553	1.019.553
	EUR	73.736	1.337.537	74.604	1.125.534
		<b>5.962.850</b>		<b>4.385.069</b>	

(\*) Guarantees given amounting to USD 151.500 (31 December 2021: USD 151.500) is related to the guarantee provided to the ICTA by TT Mobil with respect to the TT Mobil Concession Agreement, guarantees given amounting to EUR 12.840 (31 December 2021: EUR 12.840) is related with the guarantee provided for 3G license and guarantees given amounting to EUR 57.281 (31 December 2021: EUR 57.281) is related with the guarantee provided for 4.5G license.

The Company’s guarantee, pledge and mortgage (GPM) position as at 30 September 2022 and 31 December 2021 is as follows:

	30 September 2022	31 December 2021
A. GPMs given on behalf of the Company’s legal personality	5.962.850	4.385.069
B. GPMs given in favour of subsidiaries included in full consolidation	2.066.143	1.771.068
C. GPMS given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	940.579	938.253
D. GPMS given in favour of other group companies that are not in the scope of B and C	-	2.508
<b>Total</b>	<b>8.969.572</b>	<b>7.096.898</b>

Based on law 128/1 of Turkish Code of Obligations, the Group has given guarantee to distributors amounting to TL 940.579 for the financial obligation that would arise during the purchase of devices that will be sold as commitment sales by the Group (31 December 2021: TL 938.253). The guarantees has given to the banks TL 8.406, TL 231.794 Ziraat Bankası A.Ş. and Vakıf Faktoring A.Ş. respectively.

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**12. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Other commitments**

The Group has purchase commitments for sponsorships, advertising and insurance services at the equivalent to TL 505.592 (31 December 2021: TL 517.939) as at 30 September 2022. Payments for these commitments are going to be made in a 7-year period.

The Group has purchase commitments for fixed assets amounting to USD 78.770, EUR 38.018 and TL 353.830 equivalent to TL 2.502.173 (31 December 2021: TL 1.536.265) as at 30 September 2022.

**Legal proceedings of Türk Telekom**

**Disputes between the Group and the ICTA**

The Company has filed various lawsuits against ICTA. These lawsuits are related with the sector-specific and tariff legislations and legislations with respect to the other operators in the market. The sector-specific disputes generally stem from the objections with respect to the provisions of interconnection legislation, legislation with respect to telecommunication services and infrastructure. According to the Article 99 of the Law numbered 7061 “Legislation on Amendment of Certain Tax Legislation and Other Certain Legislation” which was published on the Official Gazette numbered 30261 on 5 December 2017 and according to the sub-article 9 added to the Article 60 of the Law numbered 5809; customer returns that are not repaid to the customers within the 2-year period, shall be transferred to the Ministry of Transport and Infrastructure of the Republic of Turkey as revenue under the name of “Revenues for Universal Service”. For the period ended 30 September 2022, customer returns amounted to TL 3.489 was transferred. As of 30 September 2022, TL 23.204 provision provided for ICTA penalties and amounts to be repaid to customers or to the Ministry of Transport and Infrastructure of the Republic of Turkey due to ICTA resolutions (31 December 2021: TL 33.119).

**Other issues**

As of 30 September, 2022, a provision amounting to TL 85.134 (31 December, 2021: TL 121.292) has been recognised in the consolidated financial statements for other lawsuits that the group lawyers consider having a high probability of an unfavourable decision. In the opinion of the management, no provision has been recognised in the consolidated financial statements for various other lawsuits and investigations, since outflow of economic benefits are not highly probable.

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**13. FINANCIAL RISK MANAGEMENT AND POLICIES**

*Market risk*

*Foreign currency risk*

	30 September 2022				31 December 2021			
	Total TL Equivalent	USD	EUR	Other	Total TL Equivalent	USD	EUR	Other
1. Trade receivables	923.436	34.432	14.960	14.438	607.012	35.871	7.760	11.813
2a. Monetary financial assets (Cash and banks accounts included)	3.464.890	47.191	141.286	28.117	5.870.926	358.425	71.595	13.341
2b. Monetary financial assets (Currency protected time deposit) (*)	5.287.997	–	–	–	–	–	–	–
2c. Non-monetary financial assets	–	–	–	–	–	–	–	–
3. Other	138.350	3	7.624	–	50.622	230	3.152	–
<b>4. Current assets (1+2+3)</b>	<b>9.814.673</b>	<b>81.626</b>	<b>163.870</b>	<b>42.555</b>	<b>6.528.560</b>	<b>394.526</b>	<b>82.507</b>	<b>25.154</b>
5. Trade receivables	–	–	–	–	–	–	–	–
6a. Monetary financial assets	–	–	–	–	–	–	–	–
6b. Non-monetary financial assets	–	–	–	–	–	–	–	–
7. Other	2.018	15	96	–	–	–	–	–
<b>8. Non-current assets (5+6+7)</b>	<b>2.018</b>	<b>15</b>	<b>96</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>9. Total assets (4+8)</b>	<b>9.816.691</b>	<b>81.641</b>	<b>163.966</b>	<b>42.555</b>	<b>6.528.560</b>	<b>394.526</b>	<b>82.507</b>	<b>25.154</b>
10. Trade payables	3.698.624	133.658	65.485	35.569	5.050.635	235.172	125.365	24.678
11. Financial liabilities	6.479.128	215.048	137.220	7.637	6.234.302	310.985	138.053	6.417
12a. Monetary other liabilities	–	–	–	–	–	–	–	–
12b. Non-monetary other liabilities	–	–	–	–	–	–	–	–
<b>13. Short-term liabilities (10+11+12)</b>	<b>10.177.752</b>	<b>348.706</b>	<b>202.705</b>	<b>43.206</b>	<b>11.284.937</b>	<b>546.157</b>	<b>263.418</b>	<b>31.095</b>
14. Trade payables	247	–	–	247	–	–	–	–
15. Financial liabilities	28.313.831	1.304.183	228.666	14.166	21.949.229	1.339.512	270.365	15.952
16a. Monetary other liabilities	–	–	–	–	–	–	–	–
16b. Non-monetary other liabilities	–	–	–	–	–	–	–	–
<b>17. Long-term liabilities (14+15+16)</b>	<b>28.314.078</b>	<b>1.304.183</b>	<b>228.666</b>	<b>14.413</b>	<b>21.949.229</b>	<b>1.339.512</b>	<b>270.365</b>	<b>15.952</b>
<b>18. Total liabilities (13+17)</b>	<b>38.491.830</b>	<b>1.652.889</b>	<b>431.371</b>	<b>57.619</b>	<b>33.234.166</b>	<b>1.885.669</b>	<b>533.783</b>	<b>47.047</b>
<b>19. Net asset/(liability) position of off balance sheet derivative instruments (19a-19b)</b>	<b>35.610.431</b>	<b>1.673.122</b>	<b>255.044</b>	<b>–</b>	<b>28.715.088</b>	<b>1.744.240</b>	<b>362.313</b>	<b>–</b>
19a. Total asset amount hedged	–	–	–	–	–	–	–	–
19b. Total liability amount hedged	(35.610.431)	(1.673.122)	(255.044)	–	(28.715.088)	(1.744.240)	(362.313)	–
<b>20. Loans defined as hedging instruments (**)</b>	<b>2.356.075</b>	<b>–</b>	<b>129.886</b>	<b>–</b>	<b>1.607.058</b>	<b>–</b>	<b>106.522</b>	<b>–</b>
<b>21. Net foreign currency asset/(liability) position (9-18+19+20)</b>	<b>9.291.367</b>	<b>101.874</b>	<b>117.525</b>	<b>(15.064)</b>	<b>3.616.540</b>	<b>253.097</b>	<b>17.559</b>	<b>(21.893)</b>
<b>22. Net asset/(liability) position of foreign currency monetary items (IFRS 7.B23) (=1+2a+2b+5+6a-10-11-12a-14-15-16a)</b>	<b>(28.815.507)</b>	<b>(1.571.266)</b>	<b>(275.125)</b>	<b>(15.064)</b>	<b>(26.756.228)</b>	<b>(1.491.373)</b>	<b>(454.428)</b>	<b>(21.893)</b>

(\*) The Group has made currency protected time deposits with 180 and 360 days maturity by Group’s USD 262.200 of foreign currency deposits.

(\*\*) The Company utilized a loan amounting to EUR 129.886 in order to hedge its net investment in a foreign operation with a EUR functional currency. Foreign exchange gain and/or loss resulting from the subsidiary’s net investment portion of this loan is reclassified to reserve for hedge of net investment in a foreign operation under equity.

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**13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)**

*Market risk (continued)*

*Foreign currency risk (continued)*

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

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

30 September 2022	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>Appreciation of USD against TL by 10%:</b>				
1- USD net asset/liability	(2.909.747)	2.909.747	–	–
2- Hedged portion of USD risk (-)	1.970.035	(1.942.903)	81.544	(86.369)
<b>3- USD net effect (1+2)</b>	<b>(939.712)</b>	<b>966.844</b>	<b>81.544</b>	<b>(86.369)</b>
<b>Appreciation of EUR against TL by 10%:</b>				
4- EUR net asset/liability	(485.060)	485.060	–	–
5- Hedged portion of EUR risk (-)	456.095	(592.049)	(61.920)	127.982
<b>6- EUR net effect (4+5)</b>	<b>(28.965)</b>	<b>(106.989)</b>	<b>(61.920)</b>	<b>127.982</b>
<b>Appreciation of other foreign currencies against TL by 10%:</b>				
7- Other foreign currency net asset/liability	(1.506)	1.506	–	–
8- Hedged portion of other foreign currency (-)	–	–	–	–
<b>9- Other foreign currency net effect (7+8)</b>	<b>(1.506)</b>	<b>1.506</b>	<b>–</b>	<b>–</b>
<b>Total (3+6+9)</b>	<b>(970.183)</b>	<b>861.361</b>	<b>19.624</b>	<b>41.613</b>
<hr/>				
31 December 2021	Profit/Loss		Other comprehensive income	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>Appreciation of USD against TL by 10%:</b>				
1- USD net asset/liability	(1.987.544)	1.987.544	–	–
2- Hedged portion of USD risk (-)	1.005.918	(1.368.303)	123.369	199.012
<b>3- USD net effect (1+2)</b>	<b>(981.626)</b>	<b>619.241</b>	<b>123.369</b>	<b>199.012</b>
<b>Appreciation of EUR against TL by 10%:</b>				
4- EUR net asset/liability	(680.827)	680.827	–	–
5- Hedged portion of EUR risk (-)	426.541	(618.389)	(8.280)	323.323
<b>6- EUR net effect (4+5)</b>	<b>(254.286)</b>	<b>62.438</b>	<b>(8.280)</b>	<b>323.323</b>
<b>Appreciation of other foreign currencies against TL by 10%:</b>				
7- Other foreign currency net asset/liability	(2.189)	2.189	–	–
8- Hedged portion of other foreign currency (-)	–	–	–	–
<b>9- Other foreign currency net effect (7+8)</b>	<b>(2.189)</b>	<b>2.189</b>	<b>–</b>	<b>–</b>
<b>Total (3+6+9)</b>	<b>(1.238.101)</b>	<b>683.868</b>	<b>115.089</b>	<b>522.335</b>

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**13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)**

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

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

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

	Carrying amount		Fair value	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Financial assets</b>				
Cash and cash equivalents	5.823.774	7.696.870	5.823.774	7.696.870
Trade and other receivables (including related parties)	8.742.698	6.862.008	8.742.698	6.862.008
Financial investments (*)	5.312.052	13.671	5.312.052 (*)	13.671 (*)
Derivative financial assets	4.144.715	4.039.063	4.144.715	4.039.063
<b>Financial liabilities</b>				
Bank borrowings	22.540.511	15.103.379	22.579.445	15.106.751
Issued debt instruments	18.257.668	13.260.538	17.236.023	13.548.878
Trade payables and other liabilities (including related parties) (**)	8.311.341	9.238.270	8.311.341	9.238.270
Derivative financial liabilities	115.387	466.756	115.387	466.756

(\*) Except for currency protected time deposits, the fair value information of the Group’s financial investments are not available.

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

*Fair value hierarchy table*

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

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

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

Level 3: Valuation techniques does not contains observable market inputs



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**13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)**

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

Fair value hierarchy table as at 30 September 2022 is as follows:

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Financial assets measured at fair value:</b>					
<u>Derivative Financial Assets:</u>					
Interest rate swaps	30 September 2022	59.373	–	59.373	–
Cross currency swaps (*)	30 September 2022	3.941.221	–	3.941.221	–
Futures	30 September 2022	83.020	–	83.020	–
Commodity derivative (Copper)	30 September 2022	61.101	–	61.101	–
Currency protected time deposit	30 September 2022	5.287.997	–	5.287.997	–
Liquid fund	30 September 2022	570.486	570.486	–	–
<b>Financial liabilities measured at fair value:</b>					
Issued debt instruments	30 September 2022	7.947.261	7.947.261	–	–
<u>Derivative Financial Liabilities:</u>					
Interest rate swaps	30 September 2022	105.127	–	105.127	–
Cross currency swaps	30 September 2022	10.260	–	10.260	–
<b>Other financial liabilities not measured at fair value:</b>					
Bank loans	30 September 2022	22.579.445	–	22.579.445	–
Issued debt instruments	30 September 2022	9.288.762	9.288.762	–	–

(\*) Cross currency swaps consist of forwards and foreign currency swaps.

The Group specifies the fair value measurement of futures according to the forward exchange rates at the balance sheet date, whereas fair values of cross currency swaps are measured according to the net present value of the estimated future cash flows based on observable yield curves, measurement methods of fair value for derivative financial instruments and issued debt instruments are explained in Note 2.1.

Fair value hierarchy table as at 31 December 2021 is as follows:

	Date of Valuation	Total	Fair Value Measurement		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Financial assets measured at fair value:</b>					
<u>Derivative Financial Assets:</u>					
Interest rate swaps	31 December 2021	39.980	–	39.980	–
Cross currency swaps (*)	31 December 2021	3.773.176	–	3.773.176	–
Futures	31 December 2021	224.125	–	224.125	–
Commodity derivative (Copper)	31 December 2021	1.782	–	1.782	–
<b>Financial liabilities measured at fair value:</b>					
Issued debt instruments	31 December 2021	6.322.835	6.322.835	–	–
<u>Derivative Financial Liabilities:</u>					
Interest rate swaps	31 December 2021	351.986	–	351.986	–
Cross currency swaps (*)	31 December 2021	23.352	–	23.352	–
Futures	31 December 2021	91.259	–	91.259	–
Commodity derivative (Copper)	31 December 2021	159	–	159	–
<b>Other financial liabilities not measured at fair value:</b>					
Bank loans	31 December 2021	15.106.751	–	15.106.751	–
Issued debt instruments	31 December 2021	7.226.043	7.226.043	–	–

(\*) Cross currency swaps consist of forwards and foreign currency swaps.

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**13. FINANCIAL RISK MANAGEMENT AND POLICIES (CONTINUED)**

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

*Capital management policies*

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

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

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders. No changes were made in the objectives, policies or processes during the years 2022 and 2021.

**14. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS**

As of 30 September 2022 and 31 December 2021, the shareholders of the Company with their shareholding percentage are as follows:

	30 September 2022		31 December 2021	
	%	TL	%	TL
The Treasury	25	875.000	25	875.000
Turkish Wealth Fund ("TWF") (*)	60	2.100.000	5	175.000
LYY Telekomünikasyon A.Ş.	0	0	55	1.925.000
Public Share	15	525.000	15	525.000
		<b>3.500.000</b>		<b>3.500.000</b>
Inflation adjustment to share capital		(239.752)		(239.752)
		<b>3.260.248</b>		<b>3.260.248</b>

(\*) On 10 March 2022, Share Transfer Agreement was signed between the parties regarding the sale of 55% shares of LYY Telekomünikasyon A.Ş. (LYY) to the Turkey Wealth Fund (TVF). The transfer of the said shares was completed on 31 March 2022, after the necessary approvals regarding the completion of the transaction and the fulfilment of the closing conditions.

The Company's share capital is fully paid. Capital of the Company is TL 3.500.000.000, divided into 192.500.000.000 Group "A", 104.999.999.999 Group "B", 1 Group "C", and 52.500.000.000 Group "D" registered shares each with a nominal value of 1 (One) Kuruş. Group D shares are publicly traded. Turkish Wealth Fund is the holder of all Group A shares; SWF is the holder of Group B shares representing 5 percent of the share capital of the Company and Group D Shares representing 1.68 percent of the share capital of the Company; the Treasury is the holder of Group B shares representing 25 percent of the share capital of the Company and C Group share (Golden Share).

The Treasury is the holder of the Preferred Stock (Golden Share) as per the law. This share is non-transferable. It provides certain rights to Treasury in order to protect national interests regarding economy and security: (a) Any proposed amendments to the Company's articles of association, (b) the transfer of any registered shares in the Company which would result in a change in the management control of the Company and (c) the registration of any transfer of registered shares in the Company's shareholders' ledger cannot be realized without affirmative vote of the Golden Share at either a meeting of the Board of Directors or the general assembly. Otherwise, such transactions shall be deemed invalid. The holder of the Golden Share, the Treasury, has one member, representing the Golden Share, among the Board of Directors.

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**14. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS (CONTINUED)**

Number of members and independent Board members of the Board of Directors to be nominated by the Group A and Group B Shareholders have been revised by the amendment to the article 8 of the Articles of Association at on the Extraordinary General Meeting dated 25.01.2019 Accordingly; The Board of directors shall be composed of nine (9) members nominated by the Group A Shareholder, Treasury and Turkish Wealth Fund.

(a) Turkish Wealth Fund is the Group A Shareholder shall be entitled to nominate five (5) persons for election as Directors;

(b) provided that the Treasury and Turkish Wealth Fund, as Group B Shareholders shall hold;

– 30% or more of the Shares, the Treasury shall be entitled to nominate three (3) persons for election as Independent Board Members who carry the independence criteria as defined in the Capital Markets legislation; or

– 15% or more of the Shares (but less than 30% of the Shares) the Treasury shall be entitled to nominate two (2) persons for election as Independent Board Members who the carry the independence criteria as defined in the Capital Markets legislation;

– During the calculation of 15 % and 30 % of the Shares mentioned in above paragraphs, the amount of Group B Shares and Group D Shares held by the Treasury and Turkish Wealth Fund shall be considered together.

(c) as long as the Treasury and Turkish Wealth Fund holds 15% or more of the Shares (but less than 30% of the Shares), the Group A shareholder shall be entitled to nominate one (1) person, who carry the independence criteria as defined in the Capital Markets legislation, for election as Independent Board Members and five (5) persons for election as Director.

(d) while the Treasury holds the C Group Privileged Share, the Treasury shall be entitled to nominate, a further one (1) person, for election as Director for the C Group Privileged Share.

The chairman of the Board of Directors shall be nominated by the directors nominated by the group A shares from among the directors and be elected and removed by the simple majority votes of those present at the meeting of the Board of Directors.

The Vice Chairman shall be nominated by the directors nominated by the Group B Shares from among the Directors and be elected and removed by the simple majority votes of those present at the meeting of the Board of Directors.

Board resolutions shall be passed by a simple majority of the votes of the directors present at such meeting unless the resolution requires a higher majority vote.

The Board of Directors shall propose the distribution of the maximum of the Company's profits lawfully available for distribution in each financial year subject to the Board of Directors making reasonable provisions and transfers to reserves.

Based on the articles of association of the Company, the Board of Directors shall by way of a simple majority of those present at the relevant meeting of the Board propose the distribution of the maximum of the Company's profits lawfully available for distribution in each financial year subject to the Board making reasonable provisions and transfers to reserves and complying with the conditions set out below.

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**14. PAID IN CAPITAL, RESERVES AND RETAINED EARNINGS (CONTINUED)**

Provided that it is not against the legislation regarding capital markets, the net profit may not be distributed, if:

a) the distribution would result in a breach of any covenant or undertaking given by any Group Company (Group Companies are defined in the articles of association) to any lender or would, in the opinion of the simple majority of those present at the relevant meeting of the Board of Directors, be likely to cause such breach within the following 12 months; or

b) the Board of Directors resolves by way of a simple majority of those present at the relevant meeting of the Board that the distribution is materially prejudicial to the interests of any Group Company (as defined in the articles of association of the Company) having regard to: (i) implementation of the investment program approved by the Board of Directors in the business plan or the budget; or (ii) the trading prospects of the Group Companies (as defined in the articles of association of the Company) and the need to maintain the sound financial standing of the group companies.

In accordance with the Turkish Commercial Code, companies are required to assign legal reserves before profit appropriations. The legal reserve consists of first and second legal reserves, allocated in accordance with the Turkish Commercial Code. The first legal reserve is allocated out of last period's statutory profits at the rate of 5% per annum until the total reserve reaches 1/5 of the paid-in share capital (not indexed to the inflation). The second legal reserve is allocated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions

***Dividends***

The Board of the Directors decided to distribute a dividend of TL gross 4.954.565 and decision was approved on 31 March 2022 at the Ordinary General Assembly Meeting for the 2021 operating year. The cash dividend (1,41559 full Kuruş gross for each share) has been fully paid.

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**15. DERIVATIVE FINANCIAL INSTRUMENTS**

*Cash flow hedges and derivative financial instruments*

In the periods in which the cash flows related to the hedged item affect profit or loss, accumulated gain/loss of related hedged instruments in equity are reclassified in profit or loss. As of the nine months period ended 30 September 2022, TL 543.120 are reclassified to financial expenses in the statement of profit or loss from gain on cash flow hedges in equity.

*Cross currency swap transaction*

As of 30 September 2022 fair value of participating cross currency swap transactions amounting to TL 3.726.983 has been recognized under short term derivative financial assets (31 December 2021: TL 3.165.341 short term derivative financial assets).

Company	Notional Amount (USD)	Trade Date	Amendment Date	Terms	Fair Value Amount as of 31 December 2021 (TL)
Türk Telekom	500.000	31 March 2016 - 15 December 2017	26 October 2020 - 18 February 2022	Pay TL and receive USD at June 2024	1.517.684
Türk Telekom	102.000	14 November 2018	11 - 21 June 2021	Pay TL and receive USD between October 2019 - April 2024	452.930
Türk Telekom	62.241	6 - 8 January 2020	17 - 26 November 2020	Pay TL and receive USD between April 2020 - October 2022	181.435
Türk Telekom	46.450	25 October 2018 - 18 July 2019	11 June 2021	Pay TL and receive USD between April 2019 - April 2025	181.864
Türk Telekom	50.000	17 December 2020		Pay TL and receive USD at February 2025	188.684
Türk Telekom	40.986	27 September 2019 - 6 September 2021		Pay TL and receive USD between March 2020 - September 2025	131.993
Türk Telekom	39.839	13 November 2018 - 19 July 2019	14 June 2021	Pay TL and receive USD between September 2019 - September 2025	150.642
Türk Telekom	30.120	20 November 2019	4 June 2021	Pay TL and receive USD between January 2020 - September 2025	116.291
Türk Telekom	2.851	23 July 2019		Pay TL and receive USD between October 2019 - October 2022	8.876
Türk Telekom	63.636 (*)	27 - 28 March 2018	12 November - 10 February 2022	Pay TL and receive USD between December 2020 - December 2025	350.825
Türk Telekom	48.619 (*)	16 August 2021		Pay TL and receive EUR between September 2021 - March 2026	134.078
Türk Telekom	42.665 (*)	18 August 2021		Pay TL and receive EUR between October 2021 - December 2025	130.299
Türk Telekom	33.844 (*)	13 August 2021		Pay TL and receive USD between October 2021 - December 2025	91.121
Türk Telekom	14.076 (*)	27 - 28 June 2019	10 November 2021	Pay TL and receive USD between September 2019 - September 2024	50.089
Türk Telekom	10.000 (*)	4 June - 20 July 2018	12 - 26 September 2018	Pay TL and receive USD between November 2018- November 2022	40.172
					<b>3.726.983</b>

(\*) Nominal amount of indicated operations are Euro.

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**15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

*Cash flow hedges and derivative financial instruments (continued)*

*Cross currency swap transaction (continued)*

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Amendment Date</b>	<b>Terms</b>	<b>Fair Value Amount as of 31 December 2021 (TL)</b>
Türk Telekom	500.000	31 March 2016 - 15 December 2017	26 October 2020 - 28 January 2021	Pay TL and receive USD at June 2024	1.176.818
Türk Telekom	109.500	14 November 2018	11 - 21 June 2021	Pay TL and receive USD between October 2019 - April 2024	312.857
Türk Telekom	100.000	27 - 28 September 2018		Pay TL and receive USD at July 2022	284.806
Türk Telekom	73.444	6 - 8 January 2020	17 - 26 November 2020	Pay TL and receive USD between April 2020 - October 2022	160.441
Türk Telekom	54.647	27 September 2019 - 6 September 2021		Pay TL and receive USD between March 2020 - September 2025	112.946
Türk Telekom	54.190	25 October 2018 - 18 July 2019	11 June 2021	Pay TL and receive USD between April 2019 - April 2025	133.978
Türk Telekom	50.000	17 December 2020		Pay TL and receive USD at February 2025	141.329
Türk Telekom	49.686	13 November 2018 - 19 July 2019	14 June 2021	Pay TL and receive USD between September 2019 - September 2025	124.503
Türk Telekom	35.542	20 November 2019	4 June 2021	Pay TL and receive USD between January 2020 - October 2022	101.325
Türk Telekom	5.703	23 July 2019		Pay TL and receive USD between October 2019 - October 2022	13.848
Türk Telekom	72.727 (*)	27 - 28 March 2018	12 November - 2 December 2020	Pay TL and receive EUR between December 2020 - December 2025	218.336
Türk Telekom	57.063 (*)	16 August 2021		Pay TL and receive EUR between September 2021 - March 2026	78.268
Türk Telekom	48.000 (*)	18 August 2021		Pay TL and receive EUR between October 2021 - December 2025	77.911
Türk Telekom	41.000 (*)	5 August 2021		Pay TL and receive EUR at August 2022	58.636
Türk Telekom	38.679 (*)	13 August 2021		Pay TL and receive EUR between October 2021 - December 2025	52.498
Türk Telekom	20.393 (*)	27 - 28 June 2019	10 November 2021	Pay TL and receive EUR between September 2019 - September 2024	51.598
Türk Telekom	20.000 (*)	4 June - 1 August 2018	12 - 26 September 2018	Pay TL and receive EUR between November 2018 - November 2022	65.243
					<b>3.165.341</b>

(\*) Nominal amount of indicated operations are Euro.

***Copper hedge transactions***

As of 30 September 2022 fair value of participating cross currency swap transactions amounting to TL 61.101 has been recognized under short term derivative financial assets, (31 December 2021: TL 1.782 short term derivative financial assets, TL 159 short term derivative financial liabilities).

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**15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

*Cash flow hedges and derivative financial instruments (continued)*

*Copper hedge transactions (continued)*

Company	Notional Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 30 September 2022 (TL)
Türk Telekom	1.200	18 March - 5 April 2022	Pay floating price and receive fixed price between April - December 2022	61.101
				<b>61.101</b>

Company	Notional Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	400	7 - 10 June 2021	Pay floating price and receive fixed price between July 2021 - January 2022	1.782
				<b>1.782</b>

Company	Notional Amount (Tonnes)	Trade Date	Terms and Maturity Date	Fair Value Amount as of 31 December 2021 (TL)
Türk Telekom	100	9 July 2021	Pay floating price and receive fixed price between August 2021 - January 2022	(159)
				<b>(159)</b>

*Forwards*

As of 30 September 2022, fair value of participating forward transactions amounting to TL 60.162 has been recognized under short-term derivative financial assets (31 December 2021: TL 103.533 short-term derivative financial assets).

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 30 September 2022 (TL)
Türk Telekom	6.962	2 August 2021	Pay TL and receive USD between October 2022 - January 2023	60.162
				<b>60.162</b>

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	21.680	12 July - 2 August 2021	Pay TL and receive USD between January 2022 - January 2023	103.533
				<b>103.533</b>

As of 30 September 2022, the Group has 8 electricity forward transactions with a total nominal value of USD 6.962. Electricity forward contracts have been designated as a hedging instrument that may arise from the cash flows of electricity purchases in 2022 and 2023, which are likely to be realized as of October 2022 and January 2023 and are subject to cash flow hedge accounting.

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**15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

*Interest rate derivative instruments which are not designated as hedge*

*Interest rate swaps*

As of 30 September 2022 fair value of interest rate derivative transactions amounting to TL 59.373 has been recognized under short term derivative financial assets (31 December 2021: TL 351.986 long term derivative financial liabilities, TL 39.980 short term derivative financial assets).

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 30 September 2022 (TL)
Türk Telekom	150.000	29 April - 15 May 2014	Pay the difference between floating rate and 6% if floating rate exceeds 6%, between June 2021 - June 2024, and receive fixed premium (0,39%-0,45%)	11.836
				<b>11.836</b>

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	300.000	29 April - 20 May 2014	Pay the difference between floating rate and 6% if floating rate exceeds 6%, between June 2021 - June 2024, and receive fixed premium (0,39%-0,45%)	39.980
				<b>39.980</b>

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 30 September 2022 (TL)
Türk Telekom	150.000	15 - 16 May 2014	Pay fixed rates and receive floating rates between May and August 2024	27.553
Türk Telekom	150.000	29 April - 15 May 2014	Pay fixed rates and receive rates between June 2016 and June 2024	19.984
				<b>47.537</b>

Company	Notional Amount (USD)	Trade Date	Terms and Maturity Date	Fair Value Amount as at 31 December 2021 (TL)
Türk Telekom	300.000	29 April - 20 May 2014	Pay fixed rates and receive floating rates between June 2016 - June 2024	(292.128)
Türk Telekom	150.000	15 - 16 May 2014	Pay fixed rates and receive rates between June 2016 - August 2016 and June 2024 - August 2024	(59.858)
				<b>(351.986)</b>

*Cross Currency swaps instruments which are not designated as hedge*

As of 30 September 2022, fair value of derivative transactions amounting to TL 237.096 is recognized under short term derivative financial assets and TL 115.387 is recognized under short term financial liabilities (31 December 2021: TL 728.427 short term financial assets, TL 114.611 short term financial liabilities).



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**15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

*Cross Currency swaps instruments which are not designated as hedge (continued)*

*USD/EUR Cross Currency Swaps Instruments*

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as of 31 September 2022s (TL)
TTINT Türkiye	26.667	16 June 2016	Pay EUR and receive USD between December 2016 and June 2026	93.707
				<b>93.707</b>

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as of 31 December 2021 (TL)
TTINT Türkiye	30.000	16 June 2016	Pay EUR and receive USD between December 2016 and June 2026	(3.047)
				<b>(3.047)</b>

*Futures*

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 30 September 2022 (TL)
TT Mobil	111.692	15 September - 29 July 2022	Net TL settlement at November and December 2022 based on the difference between contract price and contract closing price	30.140
Türk Telekom	208.202	10 August - 29 July 2022	Net TL settlement at October and November 2022 based on the difference between contract price and contract closing price	52.880
				<b>83.020</b>

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 30 September 2021 (TL)
TT Mobil	91.000	17 August - 28 July 2022	Net TL settlement at October 2022 based on the difference between contract price and contract closing price	(10.260)
				<b>(10.260)</b>

Company	Notional Amount (USD)	Trade Date	Terms	Fair Value Amount as at 31 December 2022 (TL)
TT	206.202	15 November - 10 December 2021	Net TL settlement at January 2022 based on the difference between contract price and contract closing price	162.462
TT Mobil	72.692	16 November - 28 December 2021	Net TL settlement at January 2022 based on the difference between contract price and contract closing price	61.663
				<b>224.125</b>

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**15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

*Cross Currency swaps instruments which are not designated as hedge (continued)*

*Futures (continued)*

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Terms</b>	<b>Fair Value Amount as of 31 December 2021 (TL)</b>
TT Mobil	130.000	13 - 22 December 2021	Net TL settlement in February 2022 based on the difference between contract price and contract closing price	(91.259)
				<b>(91.259)</b>

*Forwards*

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Terms</b>	<b>Fair Value Amount as at 30 September 2022 (TL)</b>
Innova	5.113	23 February - 6 June 2022	Pay TL and receive USD between October and November 2022	11.947
Türk Telekom	63.946	26 August – 28 July 2022	Pay TL and receive USD between October and December 2022	47.233
Türk Telekom	1.800 (*)	14 September 2022	Pay TL and receive EUR at November 2022	1.189
				<b>60.369</b>

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Terms</b>	<b>Fair Value Amount as at 30 September 2022 (TL)</b>
Türk Telekom	280.361	20 July - 22 September 2022	Pay TL and receive USD at October and December 2022	(68.742)
Innova	1.655	23 August 2022	Pay TL and receive USD at January 2022	(2.034)
Türk Telekom	64.003(*)	19 July - 23 August 2022	Pay TL and receive EUR at October and December 2022	(33.884)
				<b>(104.660)</b>

(\*) Nominal amount of indicated operations are Euro.

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Terms</b>	<b>Fair Value Amount as of 31 December 2021 (TL)</b>
Türk Telekom	7.634	7 October 2021	Pay TL and receive USD at April 2022	31.806
				<b>31.806</b>

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**15. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

*Cross Currency swaps instruments which are not designated as hedge (continued)*

*USD/EUR Foreign Currency Swap Instruments*

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Terms</b>	<b>Fair Value Amount as at 30 September 2022 (TL)</b>
Türk Telekom	10.000	27 July 2022	Pay TL and receive USD at December 2022	(467)
				<b>(467)</b>

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Terms</b>	<b>Fair Value Amount as at 31 December 2021 (TL)</b>
Türk Telekom	245.000	15 November - 29 December 2021	Pay TL and receive USD at January 2022	373.171
Türk Telekom	69.000 (*)	29 November - 29 December 2021	Pay TL and receive EUR at January 2022	99.325
				<b>472.496</b>

<b>Company</b>	<b>Notional Amount (USD)</b>	<b>Trade Date</b>	<b>Terms</b>	<b>Fair Value Amount as at 31 December 2021 (TL)</b>
Türk Telekom	20.000	3 December 2021	Pay TL and receive USD at February 2022	(14.973)
Türk Telekom	22.000 (*)	31 December 2021	Pay TL and receive EUR at January 2022	(5.332)
				<b>(20.305)</b>

(\*) Nominal amount of indicated operations are Euro.

**Hedge of net investment in a foreign operation**

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

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**16. SUPPLEMENTARY CASH FLOW INFORMATION**

*Other explanations*

“Other inflows of cash” in net cash used in operating activities amounting to TL 166.883 represents change in restricted cash (Note 6). “Other inflows of cash, net” in net cash used in financial activities amounting to TL 121.100 represents change in other financial payment. “Other adjustment for non-cash items” in adjustments to reconcile net profit to cash provided by operating activities amounting to TL 232.772 represents change in TFRS Interpretation 12.

**17. FINANCIAL INVESTMENTS**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Currency protected time deposit (*)	5.287.997	–
Other	24.055	13.671
	<b>5.312.052</b>	<b>13.671</b>

(\*) Currency protected time deposit accounts are classified as financial assets at fair value through profit or loss.

The Group has converted its foreign currency deposit account amounting to USD 262.200 into “Currency Protected TL Time Deposit Accounts”. Maturity of currency protected time deposit accounts is between 180-360 days.

**18. SUBSEQUENT EVENTS**

None.