TÜRK TELEKOM GROUP
2024 YEAR-END
FINANCIAL AND OPERATIONAL RESULTS

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Türk Telekom
Değerli Hissettirir

2024 CLOSES WITH A GUIDANCE-BEATING PERFORMANCE

Türk Telekom Group announces its full year 2024 financial and operational results. With a robust fourth quarter performance, consolidated revenues increased by 20.3% YoY to TL 45.6 billion in Q4'24 and 11.8% to TL 161.7 billion in FY'24. Ex-IFRIC 12 revenue growth was 17.5% in Q4'24 and 12.4% in FY'24. EBITDA grew 45.3% in Q4'24 to TL 18 billion with 39.4% margin moving the FY'24 EBITDA to TL 63.1 billion, up 30.5% YoY with 39.1% margin. Net income was TL 4.3 billion in Q4'24 and TL 8.5 billion in FY'24. Net Debt/EBITDA[1] multiple inched down to 0.81x as of 2024.

Türk Telekom CEO Ümit Önal said: *"I am thrilled to share that we closed another challenging year with a guidance-beating performance. While our flagship businesses, fixed internet and mobile both delivered robust KPIs beyond our expectations, all areas of operation nicely supported a healthy set of consolidated financials. 18.8% ARPU growth in fixed internet and 19.8% in mobile in the final quarter have clearly marked our competitive edge nurtured by our leading investments and superior human talent. Although a hugely successful 2024 sets a high base ahead, we are encouraged by our ever-strong positioning in our business segments and unique capabilities enabling us to once again target ambitious goals for 2025."*

4th Quarter Financial Highlights

Consolidated revenues rose to TL 45.6 billion from TL 37.9 billion a year ago. Although we expected growth to accelerate in the final quarter, 20.3% increase YoY compared favourably to our forecast thanks mainly to another positive surprise in mobile segment performance and strong contribution of ICT revenues. As anticipated, fixed internet maintained its robust trend which has become more visible in the prior quarter. Excluding the IFRIC 12 accounting impact, Q4'24 revenue was TL 41.3 billion, up 17.5% YoY including 20.2% increase in fixed broadband, 24.2% in mobile, 19.5% in TV, 1.5% in fixed voice and 8.5% in corporate data segments as well as a 15.3% contraction in the international segment.

Fixed internet and mobile together made 74.6% of operating revenue (ex-IFRIC 12). The two lines of business made the largest contribution to growth with TL 5.7 billion higher revenues in total YoY, but ICT solutions lent additional support with TL 0.6 billion increase. Annual growth in corporate data accelerated from the previous quarter as repricing of long-term contracts in certain product groups continued. International revenue contracted as the change in EURTRY exchange rate remained well below inflation in the period. Voice revenue also continued contracting YoY in EUR terms.

ARPU performances remained robust across the board in the final quarter. The 20.2% YoY growth in fixed internet revenue was driven by 1.1% increase in average number of subscribers and 18.8% rise in ARPU. The 24.2% accelerated growth in mobile revenue was driven by very strong expansions of 4.4% in average number of subscribers and 19.8% in ARPU.

[1] Net debt includes MTM from FX to TRY Currency Swaps and FV of Currency Protected Time Deposits. Net Debt/EBITDA calculation excludes extraordinary items in EBITDA calculation.

Direct costs rose 14.6% YoY with interconnection cost coming down 21.6% in continuation of its downward trend, bad debt cost rising 132.2% and equipment & technology sales cost rising 41.4%. Drop in interconnection cost was once again driven by the predetermined regulatory cut in MTRs (mobile termination rates) which took effect at the beginning of the year. Increase in bad debt cost was largely caused by the low base amid reversal of some reserves in the same period of last year as well as the reserve taken against collection risk in a certain project. Finally, increase in equipment & technology sales cost was parallel to the surge in revenues from ICT solutions offered by Türk Telekom's subsidiary İnnova. Commercial cost went up 23.9% YoY whereas other cost declined 6%. Under commercial cost, higher marketing, advertising, brand and corporate communication expenses led the annual change. Under other cost, while network expense dropped 4.4%, personnel cost jumped 25.5% in Q4; the latter resultant of the agreement reached with the labour union in November which has become effective from September. Other cost also included the net positive impact of the remaining balances of February 2023 earthquakes-related i) insurance income and ii) donation expense. Consequently, opex to sales ratio rose to 60.6% from 59.2% in Q3'24 but still stayed well below 67.4% in the same period of last year thanks to continued improvement in operational leverage.

Consolidated EBITDA surged 45.3% annually to TL 18 billion from TL 12.4 billion in Q4'23 with an impressive 680 bps EBITDA margin expansion YoY towards 39.4%. Excluding the IFRIC 12 accounting impact, EBITDA margin was 42.3%.

Operating profit was TL 16.4 billion in Q4'24 comparing significantly higher to TL 0.9 billion operating loss in Q4'23. The annual variation was mainly owing to two factors: i) better operating performance YoY and ii) a change in the calculation of amortisation expense starting from 2024. Accordingly, we have amortised the related intangible fixed assets either throughout their remaining useful life or throughout the expected extension period of the concession agreement; whichever shorter. The adjustment has been applied for the amortisation expense of the related assets starting from 2024 but has been recorded as a one-time adjustment in Q4 and compares favourably to earlier methodology that used to amortise these assets until 2026, the expiry of the current concession agreement. Recall that a similar change was implemented in the first quarter of the year for the deprecation of concession related tangible fixed line assets, again starting from the beginning of 2024.

TL 4.8 billion of net financial expense dropped 30% and 27.9% respectively on annual and quarterly basis thanks to a stable lira and declining interest rates, which together pushed the interest and hedging costs down.

According to the sensitivity of the P&L statement to exchange rate movements, a 10% depreciation of TL would have negative TL 1.1 billion impact on Q4'24 PBT assuming all else constant. Similarly, a 10% appreciation of TL would have positive TL 1.4 billion impact. Net Debt/EBITDA has inched down to 0.81x from 0.96x a quarter ago and 1.17x a year ago.

We recorded TL 10.9 billion of tax expense. The sizeable balance was mainly driven by the net value of three factors coming together i) writing down some of the earlier tax assets (recognised for prior year losses or investment incentives), which have become idle as per the new Turkish Corporate Tax Legislation's clause on minimum corporate tax, ii) indexation of last year's tax assets to Q4'24 as per the inflation accounting principles and the gap between PPI and CPI in Q4, and iii) regular annual assessment of future utilisation of existing tax assets. Together they have pushed up the effective tax rate for the period to 71.8% which would have been close to 25% in the absence of their one-off impact.

Capex spending expectedly accelerated in the final quarter of the year to TL 17.2 billion with respective increases of 66.3% QoQ and 29.9% YoY.

Unlevered free cash flow[2] was TL 6.6 billion compared to TL 5.1 billion in Q3'24 and TL 6.6 billion in Q4'23.

Net debt[3] decreased to TL 52 billion as of Q4'24 compared to TL 57.8 billion as of Q4'23. Excluding the IFRS 16 impact, net debt was TL 47.9 billion. As of Q4'24, FX based financial debt excluding the IFRS 16 impact decreased both QoQ and YoY to USD 1.6 billion equivalent (Q3'24: USD 1.7 billion; Q4'23: USD 1.8 billion). The share of TL financing was 15.2% as of Q4'24.

Our short FX position[4] was USD 166 million by the end of Q4'24. Excluding the ineffective portion of the hedge portfolio, namely the PCCS contracts, foreign currency exposure was USD 304 million short FX position.

Table 1: Q4'24 ARPU by Line of Business

TL	Q4'24	Q4'23	YoY Change
Fixed Voice	74.0	65.0	13.9%
Fixed Broadband	279.0	234.9	18.8%
Home TV	83.4	71.1	17.2%
Mobile	212.8	177.7	19.8%
Postpaid	*238.2*	*191.7*	*24.2%*
Prepaid	*131.9*	*138.8*	*(5.0)%*

[2] *Unlevered free cash flow defined as net cash provided by operating and investing activities from operations.*
[3] *Net debt includes MTM from FX to TRY Currency Swaps and FV of Currency Protected Time Deposits.*
[4] *Net FX position is calculated as FX based financial debt (including FX based lease obligations) plus FX based net trade payables less FX financial debt hedging less FX net trade payables hedging less currency protected time deposits less net investment hedging less FX based cash and cash equivalents.*

Table 2: Q4’24 Consolidated Summary Financials

TL mn	Q4’24	Q4’23	YoY Change
Revenue	45,577	37,901	20.3%
Revenue (Exc IFRIC 12)	41,277	35,139	17.5%
EBITDA	17,973	12,373	45.3%
Margin	*39.4%*	*32.6%*	
Depreciation & Amortisation	(1,588)	(13,284)	(88.0)%
Operating Profit	16,385	(911)	n.m.
Margin	*36.0%*	*(2.4)%*	
Financial Income/(Expense)	(4,799)	(6,851)	(30.0)%
Monetary Gain/(Loss)	3,621	6,341	(42.9)%
Profit Before Tax	15,207	(1,421)	n.m.
Tax Income/(Expense)	(10,918)	24,537	n.m.
Net Income	4,289	23,116	(81.4)%
Capex Intensity	*37.7%*	*34.9%*	

Full Year 2024 Financial Highlights

Consolidated revenues grew to TL 161.7 billion from TL 144.6 billion a year ago with 11.8% increase. Excluding the IFRIC 12 accounting impact, FY’24 revenue was TL 152 billion, up 12.4% YoY including increases of 14.9% in fixed broadband, 21.1% in mobile and 9.5% in TV segments vs contractions of 9.7% in fixed voice, 9% in international and 0.6% in corporate data segments. IFRIC 12 revenue was up 3.1% YoY.

12.4% operating revenue (ex-IFRIC 12) growth compared favourably to our expectation as we had formed our 11-13% growth guidance range under the assumption of a 42% CPI by the end of 2024 vs realised 44.4%. Mobile performed better than we anticipated throughout the year whereas fixed broadband picked-up visibly in the second half. Revenue from the ICT solutions has nicely accelerated in the final quarter, helping us end 2024 closer to the high-end of our guidance range.

Fixed internet and mobile together made 74.2% of operating revenue. The two lines of business made significant contribution to growth with TL 17.6 billion higher revenues in total YoY.

ARPU performances were strong throughout the year. The 14.9% YoY growth in fixed internet revenue was driven by 1.8% increase in average number of subscribers and 12.8% rise in ARPU. The 21.1% faster growth in mobile revenue was driven by very strong expansions of 3.1% in average number of subscribers and 17.1% in ARPU.

Opex to sales ratio dropped to 60.9% for the full year compared to 66.5% amid continued disinflation, leading a robust 560 bps YoY improvement in EBITDA margin to 39.1%. EBITDA rose to TL 63.1 billion with a 30.5% steep increase from last year. As such, FY’24 EBITDA margin beat our 38% guidance by 110 bps thanks mainly to strong operational performance. Excluding the IFRIC 12 accounting impact, EBITDA margin was 40.8% for the full year.

Operating profit reached TL 26.7 billion recovering from TL 2.8 billion operating loss in 2023 thanks to the i) significant improvement in operational performance and ii) change in depreciation and amortisation of the concession related fixed assets. We have amortised all concession related fixed assets either throughout their remaining useful life or throughout the extended period of the concession agreement; whichever shorter, in FY'24. This methodology compares favourably to the earlier one which used to amortise these assets until 2026, the expiry of the current concession agreement. The methodology change can be deemed as the primary reason driving depreciation to sales ratio to 22.5% from 35.4% a year ago.

Net financial expense dropped slightly by 2.9% from last year to TL 25.5 billion thanks to maintained calm in financial markets and our successful management of financial risks in this environment.

Net profit for the period came in at TL 8.5 billion after recording TL 16.2 billion of tax expense throughout the year mainly as a result of inflation accounting and changes in corporate tax legislation. This has resulted in 65.7% effective tax rate for the period. It is important to note that the large deferred tax expense recorded in 2024 has limited implications for the near-term cash flows. The total impact should materialise gradually over a long period of time.

Capex reached TL 41.5 billion with accelerated spending in the final quarter carrying the capex intensity ratio to 25.7% for the period, well below our 27-28% capex intensity guidance range. A lower ratio was largely driven by deferred fibre investments mostly in brownfield projects (i.e. FTTC to FTTH/B conversions) and unrealised data centre investments. A mild quarterly inflation and stable currency also helped.

Unlevered free cash flow was TL 17.8 billion compared to TL 10.2 billion in 2023, growing by 74.8% and once again underlining the strong operational performance. Also, earthquake and macro volatility had put some pressure on last year's performance.

Table 3: 2024 ARPU by Line of Business

TL	2024	2023	YoY Change
Fixed Voice	70.1	69.0	1.5%
Fixed Broadband	254.4	225.5	12.8%
Home TV	77.0	71.6	7.5%
Mobile	200.8	171.6	17.1%
Postpaid	*219.2*	*185.5*	*18.2%*
Prepaid	*140.7*	*132.9*	*5.8%*

Table 4: FY’24 Consolidated Summary Financials

TL mn	2024	2023	YoY Change
Revenue	161,651	144,645	11.8%
Revenue (Exc IFRIC 12)	151,980	135,264	12.4%
EBITDA	63,148	48,400	30.5%
Margin	*39.1%*	*33.5%*	
Depreciation & Amortisation	(36,404)	(51,237)	(28.9)%
Operating Profit	26,744	(2,838)	n.m.
Margin	*16.5%*	*(2.0)%*	
Financial Income/(Expense)	(25,488)	(26,238)	(2.9)%
Monetary Gain/(Loss)	23,399	34,028	(31.2)%
Profit Before Tax	24,655	4,953	397.8%
Tax Income/(Expense)	(16,199)	18,757	n.m.
Net Income	8,456	23,709	(64.3)%
Capex Intensity	*25.7%*	*25.7%*	

Table 5: FY’24 Actual vs Guidance

Consolidated	2024 Actual	2024 Guidance	Actual vs Guidance
Revenue growth (exc. IFRIC 12)	12.4%	11-13%	In-line
EBITDA margin	39.1%	38%	Better
CAPEX intensity	25.7%	27-28%	Better

4th Quarter Operational Highlights

We closed 2024 with 53.2 million subscribers in total, flat QoQ. Excluding the 192K loss in the fixed voice segment and 354K write-down in Tivibu Go subscriber base[5], quarterly net additions were 488K despite typical low seasonality in Q4.

Fixed broadband base inched up to 15.4 million with 81K net subscriber gain in Q4’24 comparing higher to prior quarter’s performance.

Fibre base expanded to 13.7 million subscribers with 278K net additions in Q4’24. The number of FTTC subscribers was 8.5 million, while the number of FTTH/B subscribers increased to 5.3 million. The share of fibre subscribers in our total fixed broadband base increased to 89.2% from 87.9% a quarter ago and 84.7% a year ago.

Fibre cable network length increased to 475K km as of Q4’24 from 459K km as of Q3’24 and 437K km as of Q4’23. Fibre network covered 33.1 million households by the end of Q4’24 compared to 32.7 million as of Q3’24 and 32.2 million as of Q4’23. FTTC homepass was 19.6 million, while FTTH/B homepass increased to 13.5 million.

Recording 357K net adds in the final quarter, well ahead of the competitors, mobile segment reached 27.3 million customers as of 2024. Postpaid segment added 540K subscribers, marking

[5] *After assessing the total TV subscriber base, we have cancelled 354K of inactive Tivibu Go subscriptions in Q4’24.*

an astonishing 4Q performance. Prepaid segment on the other hand posted a relatively contained 183K net loss. As a result, the ratio of postpaid subscribers in total portfolio further increased to 75% from 74% in Q3’24 and 70.8% in Q4’23, reaching its highest level.

TV Home recorded 33K net additions and maintained its subscriber base around 1.5 million.

Table 6: Number of Subscribers by Line of Business

End of period, Mn	Q4’24	Q4’23	YoY Change
Fixed Voice	7.6	8.5	(10.7)%
Fixed Broadband	15.4	15.2	1.1%
Retail	*11.0*	*11.0*	*0.2%*
Wholesale	*4.4*	*4.2*	*3.5%*
TV	2.9	3.1	(5.6)%
Mobile	27.3	26.2	4.3%
Postpaid	*20.5*	*18.6*	*10.5%*
Prepaid	*6.8*	*7.7*	*(10.8)%*
Total	53.2	52.9	0.4%

Full Year 2024 Operational Highlights

Total subscriber base increased to 53.2 million from 52.9 a year ago. FBB and mobile added 169K and 1,117K subscribers in 2024, while fixed voice and TV lost 904K and 171K subscribers[6], respectively. Mobile net adds stood far ahead of the competition for the full year. Fibre, postpaid and TV Home segments added 839K, 1,944K and 39K subscribers growing by 6.5%, 10.5% and 2.6% YoY, respectively. Mobile postpaid recorded its historic high annual net gain in 2024.

Fibre cable network length increased by 38K km in 2024 to 475K km from 437K km as of 2023; growing by 8.7%. Reaching 33.1 mn as of 2024, number of homes passed on our fibre network rose by 855K from 32.2 mn as of 2023; up 2.7%.

[6] *After assessing the total TV subscriber base, we have cancelled 354K of inactive Tivibu Go subscriptions in Q4’24.*

2025 Guidance

Our guidance[7] for 2025 is as follows:

- 8-9% Revenue growth (excluding IFRIC 12)
- 38-40% EBITDA margin
- 28-29% CAPEX intensity

Consolidated	**2024**	**2025 Guidance**
Revenue growth (exc. IFRIC 12)	12.4%	8-9%
EBITDA margin	37.7% *(adjusted for one-offs)*	38-40%
CAPEX intensity	25.7%	28-29%

Notes: 1) 39.1% reported 2024 EBITDA margin, which included the insurance income and donation expense related to February 2023 earthquakes, would have been 37.7% if we excluded the one-off net positive impact of those items. It is important to note that we had formed our guidance in early 2024 inclusive of both items. Still, the basis for comparison to 2025 EBITDA margin guidance should be 37.7%, excluding the non-recurring one-off items. With that, 2025 guidance points to 30-230 bps YoY improvement. 2) We assumed mid-to-high twenties inflation rate by the end of 2025. 3) Capex guidance excludes potential spending for the solar investments, 5G tender, concession renewal and license fees.

We expect our operating revenue to grow in the range of 8-9% along with continued subscriber base expansion, dynamic pricing, and robust upselling and re-contracting performance. We see our like-for-like EBITDA margin improving by 30-230 bps YoY to 38-40% range. Finally, we expect the capex intensity to increase to 28-29% as some of the spending expected to be incurred in 2024, such as data centre and brownfield fibre investments, has shifted to 2025. We expect the volume of FTTH conversions to pick-up in 2025 compared to 2024. This is an area of investment that we can monetise in a reasonably quick period of time and that significantly improves customer experience and customer retention.

[7] *2025 guidance expectations represent approximate values.*

Türk Telekom CEO Ümit Önal's comments on Q4'24 and FY'24 results:

Q4 makes a Grand Finale

Trade wars, strong dollar and higher for longer interest rates have topped global agenda in the aftermath of November elections in the US and it seems hot debates around these topics will often make it to the headlines for some while. At home, the disinflation process continued with CPI closing 2024 at 44.4% compared to 49.4% by the end of Q3'24 and further falling to 39.1% as of February. Yet, on a monthly basis, the CPI surged by 5.03% in the first month of the year, the highest since January 2024 and up from a 1.03% increase in December before resuming to 2.27% in February. In response, the CBRT started its awaited easing cycle by reducing the policy rate by 250bps in December, January and March meetings each, taking it down to 42.5% from 50% earlier. In its January price developments report, the Bank said, underlying inflation posted a temporary rise specific to the first quarter. Nevertheless, the CBT has revised up its 2025-end inflation forecast to 24% from 21% earlier (range: 19-29%).

We delivered a truly remarkable performance in the final quarter of the year and pleasantly closed 2024 ahead of our full year guidance. While 12.4% operating revenue growth came closer to the high end of our target range of 11-13%, 39.1% EBITDA margin far passed the recently upped 38% guidance. Finally, 25.7% capex intensity ratio, which materialised well behind our guidance range of 27-28%, helped a 74.8% surge in free cash flow generation YoY. EBITDA performance was driven both by higher revenue and lower opex incurred in the final quarter. Lower capex intensity on the other hand was largely owing to deferred fibre investments mostly in brownfield projects (i.e. FTTC to FTTH/B conversions) and unrealised data centre investments. A mild quarterly inflation and stable currency also helped.

Mobile and fixed internet markets both remained highly competitive in Q4 amid operators' high appetite for securing as many net adds as possible before year-end. December turned into the most competitive month of the year in mobile sector with promotional tariffs offered at deep discounts to mass tariffs. The MNP market recorded its highest volume in the month when our churn spiked in no surprise. Still, we topped the MNP market on a quarterly basis maintaining our position as the most preferred mobile operator in this space for the last three years. In fixed internet, other ISPs' pricing actions in response to our July revision in wholesale prices continued into Q4. Although retail market price parities remained distant to 1H'23 levels, some normalisation at that front in addition to consumers becoming more accustomed to new price levels led to a better net add performance compared to the prior quarter.

Mobile beat our forecasts both in subscriber base and ARPU growth with performances beyond seasonal trends. Postpaid net add remained extremely strong in line with our expectation, while prepaid net loss was milder than we expected. Fixed broadband delivered better than expected net adds as retail business reached its highest quarterly performance of the year.

Data consumption moved with routine seasonality and stayed strong, once again confirming robust consumer demand. Usage per LTE subscriber[8] grew 6% YoY and slowed 3% QoQ during the quarter, whereas fixed internet data[9] usage stayed flat YoY but advanced 9% QoQ.

We delivered a solid performance throughout 2024 along with stronger than expected KPIs and financial statements. Putting together 12.4% real growth in operational revenue accompanied with 12.8% and 17.1% respective FBB and mobile ARPU increases, 30.5% real growth in EBITDA accompanied with 560 bps improvement in EBITDA margin, and a 74.8% real growth in free cash flow is a remarkable effort. Although a hugely successful 2024 sets a high base ahead, we are encouraged by our ever-strong positioning in our business segments and unique capabilities, which enable us to once again target ambitious goals for the year. Accordingly, we target 8-9% growth in operating revenue (ex IFRIC 12), 38-40% EBITDA margin and 28-29% capex intensity ratio in 2025. On LFL basis, our EBITDA margin guidance points to 30-230 bps improvement YoY.

Strong fixed broadband performance will carry on to 2025

The price revisions we introduced in July on wholesale tariffs and in June/August for new/existing customers on retail tariffs, and other ISPs' adaptation process to these actions continued shaping Q4'24 subscriber dynamics in the fixed internet market. Although competitors' price updates continued until November, retail price parities remained distorted. On the other hand, consumers seem to have adapted to new price levels more so in the final quarter of 2024.

As such 81K net adds in Q4'24, which was led by the retail segment, compared higher to prior quarter and our expectation. Increased variety in regional tariffs and exclusive offers to the online channel helped revive new activations and successfully manage re-contracting. Churn rate inched down both QoQ and YoY. Re-contracting and upselling performances remained very strong and within our targets in the final quarter. Volumes in both surpassed the levels seen a quarter ago.

In continuation of strong demand for high speed, 50 Mbps+ packages made 70%[10] of new sales and 35Mbps+ packages made 66% of re-contracting in the final quarter. Average package speed of our subscriber base[11] increased by 47% YoY to 67 Mbps as of 2024. 66% of our subscribers[12] are now on 35 Mbps+ packages compared to 63% a quarter ago and 51% a year ago. On a similar comparison, 48% of our subscribers now use 50 Mbps+ packages compared to 34% a year ago.

Consequently, Q4 ARPU growth came extremely strong at 18.8%, taking the full year 2024 growth to 12.8%.

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[8] *Average monthly data usage per LTE user*
[9] *Average monthly data consumption per user*
[10] *For retail segment*
[11] *Total retail base including DSL and fibre subscribers*
[12] *Total retail base including DSL and fibre subscribers*

Throughout 2024, we managed activations and churn with a high focus on ARPU. We delivered the acceleration we looked for in FBB ARPU growth, especially more visibly in the second half of the year. Capitalising on an increasing volume of contract renewals in 2025 will be at the centre of our strategies to support ARPU growth through re-contracting and upselling in addition to new acquisitions. As such, we are confident that we will attain strong ARPU and revenue growth in our fixed internet business within 2025.

Mobile outperforms competition at all fronts

Subscriber acquisition remained at the heart of mobile operators' Q4 strategies and dominated competition dynamics, which largely revolved around the postpaid segment as postpaidisation continued to be the trend in customer preferences. While other operators' promotional activities were limited to relatively short-lived attractive tariffs in October and November, competition geared up to its highest in December. All operators competed in an intense subscriber race shaped by aggressive campaigns which remained open almost for the whole month. Nevertheless, following a muted Q4 in pricing, all mobile operators took the first pricing action of 2025 in January.

Despite a combative December leading the spike in our quarterly churn rate, we managed to beat our net add target for the quarter thanks to a better than expected performance in the prepaid segment and an in-line, but once again stunning performance in the postpaid segment. MNP market reached a historic high in size as a result of the heavy promotional activities. Though disturbing, December alone did not change our long-standing position as the leader and the most preferred operator of the MNP market in the quarter.

Once again, we managed to record a sizeable subscriber expansion without cannibalising ARPU growth. 357K net adds in the final quarter went beyond seasonal trends and marked the highest Q4 performance since 2018. Postpaid base added 540K subscribers, only a tad short of prior quarter's 568K. Accordingly, 2024 postpaid net adds totalled 1.9 million, historically highest level in a year, growing the total base by 10.5% YoY. 183K net loss in the prepaid segment on the other hand compared more favourably to our forecast for the quarter. As a result, the ratio of postpaid subscribers in total portfolio reached 75% compared to 74% as of Q3'24 and 70.8% as of Q4'23. Our total mobile subscriber base expanded by 1.1 million or 4.3% YoY, well ahead of the competition.

In a strong trend, mobile blended ARPU growth further accelerated in Q4'24 to 19.8% YoY from 17.5% a quarter ago with 5% contraction in prepaid segment and 24.2% expansion in the postpaid segment. This has taken 2024 mobile blended ARPU growth to 17.1%.

Our mobile business portrayed many of its growing strengths in solid numbers over 2024 proving our position which has evolved from a late entrant or a challenger into a game changer in the sector over years. From total net adds to ARPU growth, and to subscriber market share gains we came out as a winner in 2024 thanks to our effective strategy we have actively pursued over the past few years. We have managed to increase our subscriber and service revenue market shares together. Although this performance sets a high base ahead, we believe we will continue our robust subscriber and ARPU growth over 2025.

We made it to CDP's global "A List"

At Türk Telekom, we are working to integrate our sustainability efforts into our company strategies, improve our financial performance, and enhance our environmental and social contributions. We are delighted to share that Türk Telekom has been recognised at the Leadership "A" level in corporate sustainability by CDP. Whilst embracing this significant milestone, we remain committed to further advancing our sustainability efforts.

We disclose our sustainability approach, focus areas, targets and sustainability performance in addition to projects, products and services that promote a low-carbon economy as part of our sustainability strategy, which is strongly owned by our senior executives.

We presented our full carbon inventory, including Scope 1, Scope 2 and Scope 3 (all categories) at Türk Telekom Group level. We set emission reduction targets and made our commitment to the SBTi (Science Based Targets initiative). In 2024 CDP reporting, we have expanded our analysis of risks and opportunities from the previous year, and incorporated a more comprehensive assessment of their financial implications. Additionally, we have ensured that sustainability Key Performance Indicators (KPIs) are addressed at all employee levels, reinforcing a company-wide commitment to our ESG objectives. To strengthen the governance of sustainability, we have further integrated sustainability management into the Group's corporate structure, ensuring a more cohesive and strategic approach.

We set clear emission reduction targets at the Group level, aiming for a 45% reduction in Türk Telekom's total Scope 1 & 2 emissions by 2030 relative to the 2020 baseline and achieving Net Zero by 2050. Moreover, we have submitted our commitment letter to the SBTi for our near-term targets, underscoring our dedication to achieving science-based decarbonisation goals.

Financial Review

(TL mn)	2023	2024	YoY Change	Q4'23	Q4'24	YoY Change
Revenue	**144,645**	**161,651**	**11.8%**	**37,901**	**45,577**	**20.3%**
Revenue (Exc. IFRIC 12)	**135,264**	**151,980**	**12.4%**	**35,139**	**41,277**	**17.5%**
EBITDA	**48,400**	**63,148**	**30.5%**	**12,373**	**17,973**	**45.3%**
Margin	*33.5%*	*39.1%*		*32.6%*	*39.4%*	
Depreciation and Amortisation	**(51,237)**	**(36,404)**	**(28.9)%**	**(13,284)**	**(1,588)**	**(88.0)%**
Operating Profit	**(2,838)**	**26,744**	**n.m.**	**(911)**	**16,385**	**n.m.**
Margin	*(2.0)%*	*16.5%*		*(2.4)%*	*36.0%*	
Financial Income / (Expense)	**(26,238)**	**(25,488)**	**(2.9)%**	**(6,851)**	**(4,799)**	**(30.0)%**
FX & Hedging Gain / (Loss)	(17,680)	(15,307)	(13.4)%	(4,948)	(2,295)	(53.6)%
Interest Income / (Expense)	(6,382)	(7,458)	16.9%	(1,182)	(1,887)	59.7%
Other Financial Income / (Expense)	(2,175)	(2,723)	25.2%	(722)	(617)	(14.5)%
Monetary Gain / (Loss)	**34,028**	**23,399**	**(31.2)%**	**6,341**	**3,621**	**(42.9)%**
Tax Income / (Expense)	**18,757**	**(16,199)**	**n.m.**	**24,537**	**(10,918)**	**n.m.**
Net Income	**23,709**	**8,456**	**(64.3)%**	**23,116**	**4,289**	**(81.4)%**
Margin	*16.4%*	*5.2%*		*61.0%*	*9.4%*	
CAPEX	**37,183**	**41,464**	**11.5%**	**13,242**	**17,200**	**29.9%**

Subscriber Data

(mn, EoP)	Q4'23	Q3'24	Q4'24	QoQ Change	YoY Change
Total Access Lines [13]	**17.4**	**17.4**	**17.4**	**0.2%**	**(0.0)%**
Fixed Voice Subscribers	8.5	7.7	7.6	(2.5)%	(10.7)%
Naked Broadband Subscribers	9.0	9.6	9.9	2.4%	10.0%
Total Broadband Subscribers	**15.2**	**15.3**	**15.4**	**0.5%**	**1.1%**
Total Fibre Subscribers	**12.9**	**13.4**	**13.7**	**2.1%**	**6.5%**
FTTH/B	4.3	4.9	5.3	6.4%	22.5%
FTTC	8.6	8.5	8.5	(0.4)%	(1.5)%
Total TV Subscribers [14]	**3.1**	**3.2**	**2.9**	**(9.5)%**	**(5.6)%**
Tivibu Home (IPTV + DTH) Subscribers	1.5	1.5	1.5	2.2%	2.6%
Mobile Total Subscribers	**26.2**	**27.0**	**27.3**	**1.3%**	**4.3%**
Mobile Postpaid Subscribers	18.6	20.0	20.5	2.7%	10.5%
Mobile Prepaid Subscribers	7.7	7.0	6.8	(2.6)%	(10.8)%

[13] PSTN and WLR Subscribers

[14] Tivibu Home (IPTV, DTH) and Tivibu GO subscribers

ARPU Performance

TL	2023	2024	YoY Change	Q4'23	Q4'24	YoY Change
Fixed Voice ARPU	**69.0**	**70.1**	**1.5%**	**65.0**	**74.0**	**13.9%**
Broadband ARPU	**225.5**	**254.4**	**12.8%**	**234.9**	**279.0**	**18.8%**
Home TV ARPU	**71.6**	**77.0**	**7.5%**	**71.1**	**83.4**	**17.2%**
Mobile Blended ARPU	**171.6**	**200.8**	**17.1%**	**177.7**	**212.8**	**19.8%**
Mobile Postpaid ARPU	185.5	219.2	18.2%	191.7	238.2	24.2%
Mobile Prepaid ARPU	132.9	140.7	5.8%	138.8	131.9	(5.0)%

Disclaimer

Pursuant to the resolution of the Capital Markets Board ("CMB") dated 28.12.2023 and numbered 81/1820; it has been resolved that the provisions of TAS 29 (Financial Reporting in Hyperinflationary Economies) be implemented starting from the annual financial reports of issuers and capital market institutions that apply Turkish Accounting/Financial Reporting Standards and are subject to financial reporting regulations for the accounting periods starting from 31.12.2023.

Türk Telekomünikasyon A.Ş. (the “Company”) has published its financial results in accordance with TAS 29 standards.

The information contained herein has been prepared by Türk Telekomünikasyon A.Ş. in connection with the operations of Türk Telekom Group companies. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice. This press release or any information contained herein cannot be used without the written consent of the Company.

This press release is intended to provide information about the Company's operations and financial results and includes certain forward-looking statements, opinions, assumptions and estimated figures. Accordingly, it includes data and estimates for which inflation accounting has not been applied for informational purposes as opposed to data and estimates for which inflation accounting has been applied, and reflects the management's current views and assumptions regarding the Company's future prospects. The information provided by the Company is collected from sources believed to be reliable, but the accuracy and completeness of this information are not guaranteed. Although it is believed that the expectations reflected in these statements are reasonable, realisations may vary depending on the development and realisation of the variables and assumptions that constitute forward-looking expectations and estimated figures.

The Company and its shareholders, board members, directors, employees of Türk Telekomünikasyon A.Ş. or any other person may not be held liable for any damages that may arise from the use of the contents of this press release.

Türk Telekom Group Consolidated Financial Statements are available on
https://www.ttyatirimciiliskileri.com.tr/en-us/financial-operational-information/pages/quarterly-results

Notes:

EBITDA is a non-GAAP financial measure. The EBITDA definition used in this press release includes revenues, cost of sales, marketing, sales and distribution expenses, general administrative expenses, research and development expenses and other operating income/(expense), and income/(expense) from investing activities, but excludes depreciation, amortisation and impairment expenses, financial income/(expense) presented in other operating income/(expense) (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Operating profit includes revenues, cost of sales, depreciation, amortisation and impairment expenses, marketing, sales and distribution expenses, general administrative expenses, research and development expenses, other operating income/(expense), and income/(expense) from investing activities, but excludes financial income/(expense) presented in other operating income/(expense) on CMB financial statements (i.e. FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings).

Net financial income/(expense) includes financial income/(expense) and FX gain/(loss), interest and rediscount income/(expense) on current accounts excluding bank borrowings which are presented in other operating income/(expense) on CMB financial statements.

Net FX Position is calculated by subtracting the sum of **i)** the hedge transactions, **ii)** FX-denominated cash and cash equivalents and **iii)** the net investment hedge from the sum of **iv)** FX-denominated financial debt (including FX-denominated lease obligations) and **v)** FX denominated net trade payables. Net investment hedge is the hedge amount against the financial risk of the net investment in the off-shore subsidiaries (Türk Telekom International) as per the Effects of Changes in FX Rate standard (TAS 21) of the Turkish Accounting Principles.

About Türk Telekom Group

Türk Telekom, with more than 180 years of history, is the first integrated telecommunications operator in Türkiye. In 2015, Türk Telekomünikasyon A.Ş. adopted a "customer-oriented" and integrated structure in order to respond to the rapidly changing communication and technology needs of customers in the most powerful and accurate way, while maintaining the legal entities of TT Mobil İletişim Hizmetleri A.Ş. and TTNET A.Ş. intact and adhering to the rules and regulations to which they are subject. Having a wide service network and product range in the fields of individual and corporate services, Türk Telekom unified its mobile, internet, phone and TV products and services under the single "Türk Telekom" brand as of January 2016.

"Türkiye's Multiplay Provider" Türk Telekom has 17.4 million fixed access lines, 15.4 million fixed broadband, 27.3 million mobile and 2.9 million TV subscribers as of December 31, 2024. Türk Telekom Group Companies provide services in all 81 cities of Türkiye with 36,607 employees with the vision of introducing new technologies to Türkiye and accelerating Türkiye's transformation into an information society.

Türk Telekomünikasyon A.Ş., providing PSTN and wholesale broadband services, directly owns 100% of mobile operator TT Mobil İletişim Hizmetleri A.Ş., retail internet services, IPTV, satellite TV, Web TV, Mobile TV, Smart TV services provider TTNET A.Ş., convergence technologies company Argela Yazılım ve Bilişim Teknolojileri A.Ş., IT solution provider İnnova Bilişim Çözümleri A.Ş., online education software company SEBİT Eğitim ve Bilgi Teknolojileri A.Ş., call centre company AssisTT Rehberlik ve Müşteri Hizmetleri A.Ş., project development and corporate venture capital company TT Ventures Proje Geliştirme A.Ş, Electric Supply and Sales Company TTES Elektrik Tedarik Satış A.Ş., provider of combined facilities support activities TT Destek Hizmetleri A.Ş. with TT International Holding BV, wholesale data and capacity service provider TT International Telekomünikasyon Sanayi ve Ticaret Ltd.Şti., and financial technology company TTG Finansal Teknolojileri A.Ş. and indirectly owns Consumer Finance Company TT Finansman A.Ş, software programs retail and wholesale company TT Ventures Inc, subsidiaries of TT International Holding BV, TV Broadcasting and VOD services provider Net Ekran Companies, telecommunications devices sales company TT Satış ve Dağıtım Hizmetleri A.Ş. and payment and e-money services company TT Ödeme ve Elektronik Para Hizmetleri A.Ş., and web portal and computer programming company APPYAP Teknoloji ve Bilişim A.Ş.