TURKCELL ILETISIM HIZMETLERI

FOURTH QUARTER AND FULL YEAR 2020 RESULTS

"ROBUST PERFORMANCE ON STRONG BUSINESS PLAN AND STRATEGY"

Contents

- Please note that all financial data is consolidated and comprises that of Turkcell Iletisim Hizmetleri A.S. (the “Company”, or “Turkcell”) and its subsidiaries and associates (together referred to as the “Group”), unless otherwise stated.
- We have three reporting segments:
  - "Turkcell Turkey" which comprises all of our telecom related businesses in Turkey (as used in our previous releases in periods prior to Q115, this term covered only the mobile businesses). All non-financial data presented in this press release is unconsolidated and comprises Turkcell Turkey only figures, unless otherwise stated. The terms "we", "us", and "our" in this press release refer only to Turkcell Turkey, except in discussions of financial data, where such terms refer to the Group, and except where context otherwise requires.
  - “Turkcell International” which comprises all of our telecom related businesses outside of Turkey.
  - “Other subsidiaries” which is mainly comprised of our call center business revenues, financial services revenues, energy business revenues and inter-business eliminations.
- In this press release, a year-on-year comparison of our key indicators is provided and figures in parentheses following the operational and financial results for December 31, 2020 refer to the same item as at December 31, 2019. For further details, please refer to our consolidated financial statements and notes as at and for December 31, 2020, which can be accessed via our website in the investor relations section (www.turkcell.com.tr).
- Selected financial information presented in this press release for the fourth quarter and for the full year of 2019 and 2020 is based on IFRS figures in TRY terms unless otherwise stated.
- In the tables used in this press release totals may not foot due to rounding differences. The same applies to the calculations in the text.
- Year-on-year and quarter-on-quarter percentage comparisons appearing in this press release reflect mathematical calculation.

FINANCIAL HIGHLIGHTS

TRY million	Q419	Q420	y/y%	FY19	FY20	y/y%
Revenue	6,684	7,872	17.8%	25,137	29,104	15.8%
EBITDA[1]	2,754	3,243	17.8%	10,426	12,270	17.7%
EBITDA Margin (%)	41.2%	41.2%	-	41.5%	42.2%	0.7pp
EBIT[2]	1,349	1,608	19.2%	5,380	6,296	17.0%
EBIT Margin (%)	20.2%	20.4%	0.2pp	21.4%	21.6%	0.2pp
Net Income	756	1,302	72.3%	3,246	4,237	30.5%
Net income excluding one-off items[3]	955	1,025	7.4%	2,850	3,953	38.7%

FULL YEAR HIGHLIGHTS

- Solid financial performance:
  - Group revenues up 16% with Turkcell Turkey's topline growth of 17% supported mainly by strong ARPU performance, corporate projects and equipment sales on digital channels
  - EBITDA up 18% leading to an EBITDA margin of 42.2% on 0.7pp improvement; EBIT up 17% resulting in an EBIT margin of 21.6%
  - Net income up 31% positively impacted by TRY689 million deferred tax income registered by lifecell; net income up 39% excluding this impact and other one-off items
  - TRY812 million dividends distributed
  - Leverage down to 0.8x, despite FX fluctuations; long FX position at US$132 million
  - Strong free cash flow[4] generation of TRY3.4 billion
- Operational momentum continued:
  - Turkcell Turkey subscriber base up by 1.1 million net additions; 1.6 million mobile postpaid net additions
  - Superbox[5] subscribers at 591 thousand on 268 thousand annual net additions
  - Mobile ARPU[6] growth of 15.0% driven mainly by higher postpaid share and increased data usage
  - Residential fiber ARPU growth of 9.2%
  - 2021 guidance[7]; revenue target of 14%-16%, EBITDA target of around TRY14 billion, and operational capex over sales ratio[8] target of around 20%

FOURTH QUARTER HIGHLIGHTS

- Robust financial performance:
  - Group revenues up 18% on the back of strong performance of Turkcell Turkey
  - EBITDA up 18% resulting in an EBITDA margin of 41.2%; EBIT up 19% leading to an EBIT margin of 20.4%
  - Group net income at TRY1,302 million positively impacted by deferred tax income registered by lifecell; healthy net income performance of TRY1 billion excluding this impact and other one-off items
- Solid operational performance continued:
  - Quarterly mobile postpaid customer net additions of 464 thousand; 66% postpaid share
  - Mobile ARPU growth of 11.3% year-on-year; residential fiber ARPU growth of 8.6% year-on-year
  - Average monthly data usage of 4.5G subscribers at 14.9 GB in Q420
  - Digital channels' share in Turkcell Turkey consumer sales (excluding fixed business) at 14.3%

(1) EBITDA is a non-GAAP financial measure. See page 17 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.
(2) EBIT is a non-GAAP financial measure and is equal to EBITDA minus depreciation and amortization expenses.
(3) Please see Appendix A for details of one-off items.
(4) Free cash flow calculation includes EBITDA and the following items as per IFRS cash flow statement; acquisition of property, plant and equipment, acquisition of intangible assets, change in operating assets/liabilities, payment of lease liabilities and income tax paid.
(5) Superbox subscribers are included in mobile subscribers.
(6) Excluding M2M
(7) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2019 filed with the U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.
(8) Excluding license fee
For further details, please refer to our consolidated financial statements and notes as at December 31, 2020 via our website in the investor relations section (www.turkcell.com.tr).

COMMENTS BY MURAT ERKAN, CEO

We concluded the year 2020 successfully thanks to our sound game plan and strategy

The year 2020 will forever be remembered in world history for the COVID-19 pandemic. And having caused significant changes worldwide both of an economic and social dimension, the pandemic brought about the transformation of daily life and the way we do business. While we all became acquainted with the concepts of social distancing, remote working and distance learning, digitalization has left its mark on both our individual lives and the corporate world at an unprecedented rate. This period has indicated that one of the key elements in proceeding swiftly and successfully with digital transformation is a robust telecommunication infrastructure. And by mobilizing our technological infrastructure, know-how and competencies we have continued to provide our customers with an uninterrupted and high-quality communication experience. Indeed, this year we have felt more than ever the value of the systematic investment made in our infrastructure, and of having already adopted a digitalization strategy.

Our investors continued to gain through our strong results

In 2020, we achieved strong operational and financial results thanks to our digital-oriented strategy and sound business model. This was managed in spite of the global economic and political repercussions of the pandemic that impacted our countries of operations and Turkey in general. Consolidated revenues reached TRY29.1 billion with a year-on-year increase of 15.8%. As consolidated EBITDA[1] rose to TRY12.3 billion on an increase of 17.7%, the EBITDA margin printed at 42.2%. Our EBIT[2] margin was 21.6%. Excluding one-off impacts, net profit was TRY4 billion on a strong annual increase of 39%. The operational capex to revenues ratio was at 18.5% thanks to effective management of investment need. Along with these results that exceeded our guidance in terms of growth and profitability, in 2020 we distributed a dividend to our investors of TRY812 million corresponding to the highest rate permissible by current legislation, and reflecting our effective balance sheet management and cash generation strength.

We broke the record of the past 11 years with a net 1.6 million postpaid mobile subscriber additions. With that, we surpassed our additional 1 million subscriber target in 2020

In a year during which the effects of the pandemic were felt deeply, one of which being limited mobility, we gained a net 1.1 million subscribers, thereby achieving our target, despite the challenging circumstances. This resulted from our customer-driven strategy, innovative and comprehensive offers, broad sales network supported by digital channels and smartly managed strong infrastructure.

As our postpaid mobile subscriber base expanded at the record level of the past 11 years with net 1.6 million additions, its ratio to total mobile subscribers reached 66%. Mobile blended ARPU[3] was at TRY49.1 on an annual rise of 15.0% with the effect of the larger postpaid subscriber base, rising data and digital service usage and upsell to higher tariffs.

We gained a net 180 thousand fiber subscribers on increased demand for our fixed broadband offers in 2020 as our customers spent more time at home. At the same time, residential fiber ARPU reached TRY70.9 on a rise of 9.2%. Superbox, through which we offer uninterrupted home internet at fiber speed over our mobile network, has become one of our most successful products. The Superbox subscriber number reached 591 thousand with an additional net 268 thousand subscriptions reflecting accelerating demand. Additionally, we reached 871 thousand IPTV subscribers in total by gaining a net 152 thousand additions this year.

We met the changing needs of our individual and corporate customers with our digital applications and services

In a period of increased time spent at home, we stood by our customers with our digital services portfolio. We enriched this portfolio with many new services, while at the same time, registering the incorporation of individual digital services companies, marking a significant milestone for their competition strategies. Along with new services such as TV+ Ready, Turkcell Digital Security Service, lifebox transfer, individual and corporate YaaniMail e-mail, we also launched the BiP Meet application in response to the rising need for video conferencing. Demand for our BiP application, which does not enforce data share permission or discriminate among its users - topics of considerable public debate amid rising concern over personal data security - has also increased rapidly. In the first two months of 2021, BiP registered 27 million new users. The stand-alone revenue of our digital services had increased by 26% year-on-year in 2020. In 2021, our aim is to increase the number of paid users, accelerate B2B opportunities, gain strength with our large screen strategy in the TV segment and take bold strides in new areas such as cloud gaming and game broadcasting businesses and grow the stand-alone revenue of this strategic focus by 25%.

The institutions of Turkey are being renewed with Turkcell Digital Business Services

The revenue of digital business services, one of our focal points, and with which we accompany private companies and public institutions on their digital transformation journeys increased by 30% in 2020. We successfully met the increased demand for new generation technologies such as data centers, cloud, cyber security, managed services, system integration projects, internet of things, big data and business applications, in addition to the conventional telecom services in our portfolio. We took the lead in corporate digital transformations having been awarded over 2,300 projects with a total contract value of TRY1 billion in 2020. Of these, 420 were system integration projects for which we provided end-to-end solutions. We have a backlog in the amount of TRY967 million from the system integration projects signed to date. As the largest data center operator of Turkey, we offered our more than 1,600 corporate customers the opportunity to manage their data remotely, supporting their business continuity. We put into use the cloud section of Ankara Temelli Data Center, Turkey's largest data center, launching "Government Cloud" specifically designed for public institutions. Meanwhile, having implemented the technological infrastructure of 4 new hospitals in the health sector, two of which are field hospitals, we have reached a bed capacity of over 8 thousand at 9 hospitals in total, also continuing our market leadership of this sector. Additionally, this year, we increased the number of global vendor partnerships to 21 through strengthened cooperation. By further increasing our competencies in this field over the coming period, we will remain the digital transformation partner of corporations and become the leader in the information technologies services market.

Paycell, our new generation payment platform, sees growth with solutions that make a difference

In techfin, another focal point of ours, the demand for digital payment services increased rapidly in a period of changing payment habits. Duly, our customers were able to realize all their payment transactions swiftly and securely using Paycell, our new generation payment services platform. The annual transaction volume of Paycell reached TRY9.0 billion. We continued our dual strategy throughout the year, introducing member merchants and customers new offerings and taking fresh actions. The 3-month active users of Paycell, hugely popular for its convenience and secure payment infrastructure, reached 4.7 million. Thanks to the "Ready-to-use Limit" offered by Paycell since July, 190 thousand individual users have made purchases by transferring their mobile payment limits to their Paycell cards. Also this year, we enabled 24/7 money transfer service to IBAN numbers at banks party to the program. We also added the mobile POS product this year to the Paycell merchant solutions offered to 12 thousand-member merchants. We provided member merchants cost advantage and efficiency by offering the means of managing processes such as collection, inventory monitoring, and e-invoice over a single platform using the Paycell Android POS device. Going forward, we aim to diversify Paycell's services with wealth management solutions and focus on commercial enterprises via our POS solutions while achieving 3-month active Paycell users of 6 million by the end of 2021.

Revenues through digital channels rose incrementally; Turkcell Pasaj became the new address of technological shopping

In promoting wider usage of our digital platforms, one of our strategic focus areas, we registered a strong rise in demand that partly reflected changing customer behavior. As the number of visitors to our digital sales channels reached 30 million on a monthly basis in 2020, the conversion (to sales) rate doubled on a year-on-year basis. 14% of Turkcell Turkey consumer sales (excluding fixed broadband) was derived from digital channels in the fourth quarter of 2020. Furthermore, and within the same scope, in December we launched Turkcell Pasaj, Turkey's technological marketplace. At Turkcell Pasaj, hundreds of electronic goods, including smartphones, new generation technologies, household electrical appliances and personal care products from Turkey's leading suppliers are offered with Turkcell assurance.

We generated free cash flow of TRY3.4 billion with our effective and successful financial management

Thanks to our strong operational performance, disciplined cost management practices, effective working capital management and efficient capex planning, we generated TRY3.4 billion free cash[4] flow from our operations in

2020, whereby the leverage ratio declined to 0.8x on a 0.2x year-on-year improvement. Our use of hedging products and foreign currency cash at hand to mitigate foreign currency risk underpinned our strong net income performance.

We also enter the coming investment periods prepared with long term financing secured in the amount of around USD700 million equivalent in total signed this year, and which may be utilized over the next 3 years in EUR, USD and RMB.

We work towards delivering our customers 5G with Turkcell quality

One of the major topics of the upcoming period will be 5G technology. Having commenced use in over 60 countries, 5G technology will play an important role in the digital transformation of institutions and sectors with the novel services it has to offer. While participating in studies both locally and at the international level towards bringing the technology of the future to our customers, we work towards making our infrastructure ready for the 5G transition. Within this framework, we take part in a variety of 5G projects in international technological collaborations such as those of NGMN, GSMA, and ITU. Additionally, this year, we also continued our support for the "End-to-End Domestic and National 5G Communication Network Project" established under the leadership of the Information and Communication Technologies Authority and with the support of TÜBİTAK, together with Communication Technologies Clustering firms.

Sustainability is at the heart of our business strategy

As Turkcell, we attach priority to creating sustainable value, realizing social responsibility projects and leveraging the power of technology and communication to create social benefit. Within this scope, we have also strengthened our sustainability credentials this year through important initiatives on environmental, social and governance matters.

According to the results of our "Carbon Disclosure Project", one of world's preeminent sustainability initiatives geared at curbing the environmental impact of climate change, we are Turkey's industry leader. This year, we reaffirmed our resolve on this matter with the rollout of the Turkcell Environmental Policy. Meanwhile, we also undersigned the longest term corporate green loan agreement in Turkey to date; a green loan finance agreement of EUR50 million with 5-year maturity geared at financing our sustainable investments.

We continue to offer diverse solutions that allow the disabled to participate more fully in daily life through our No Barriers Project. Our support for education has included the rich content of our Whiz Kids Project, while on the environmental front our Recycle to Education Project geared at reducing electronic waste commenced. Additionally, we accepted and implemented our Turkcell Domestic Violence Procedure and Turkcell Human Rights Policy.

On the governance front, we put into practice the Integrated Value Creation Committee and Sustainability Committee to elevate Turkcell to international benchmarks and to implement the preeminent practices in the field. Within the framework of Turkcell's sustainability policies we determined the duties of these committees as formulating medium and long-term action plans and overseeing their efficient implementation.

We contributed to the drafting of the Finance and Investment Principles for Sustainable Development Objectives of the United Nations Global Compact CFO Taskforce, of which we are a founding member, in an initiative to guide the finance leaders of global companies in the practice of sustainable finance. These principles were disclosed at the 75th General Assembly meeting of the UN in September.

Within the framework of these focus areas, as of 2020, we have adopted integrated reporting as our primary corporate reporting tool. This reporting model enables us to present the environmental, social and corporate information demanded by key stakeholders, mainly our investors, more holistically and transparently.

We continue to take firm steps towards our goals

The beginning of 2021 was marked with the hope arising from the vaccination against COVID-19, and by the hope that the restrictions introduced during the pandemic would soon be lifted. This year, with a view to increasing value creation for all our stakeholders, joint infrastructure sharing and the delivery of new technologies and applications continues to top our agenda. We also continue to implement our digital strategy set on strong fundamentals, and take solid steps to meet our targets announced for the period of 2020-2022. Within this scope, we target[5] revenue growth of around 14%-16%, and an EBITDA of around TRY14 billion for 2021. In doing so, our aim will be to add another million of subscribers and pass through additional 500 thousand homes with our fiber. We forecast an operational capex over revenues ratio[6] of around 20%.

I extend my thanks to all our employees who have made our success possible during a challenging year where we recognized more than ever the indispensable nature of communication and technology for humanity, to our management team cementing our permanent success, and to our Board of Directors for their confidence in us and their invaluable support. I also express gratitude to our customers and business associates who have stood by us at all times on our journey to success.

(1) EBITDA is a non-GAAP financial measure. See page 17 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.

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

(3) Excluding M2M

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

(5) Please note that this paragraph contains forward looking statements based on our current estimates and expectations regarding market conditions for each of our different businesses. No assurance can be given that actual results will be consistent with such estimates and expectations. For a discussion of factors that may affect our results, see our Annual Report on Form 20-F for 2019 filed with the U.S. Securities and Exchange Commission, and in particular, the risk factor section therein.

(6) Excluding license fee

FINANCIAL AND OPERATIONAL REVIEW

Financial Review of Turkcell Group

Profit & Loss Statement (million TRY)	Quarter			Year		
	Q419	Q420	y/y%	FY19	FY20	y/y%
Revenue	**6,683.8**	**7,872.2**	***17.8%***	**25,137.1**	**29,103.7**	***15.8%***
Cost of revenue[1]	(3,206.3)	(3,938.1)	*22.8%*	(12,036.9)	(14,361.3)	*19.3%*
Cost of revenue[1]/Revenue	**(48.0%)**	**(50.0%)**	***(2.0pp)***	**(47.9%)**	**(49.3%)**	***(1.4pp)***
Gross Margin[1]	**52.0%**	**50.0%**	***(2.0pp)***	**52.1%**	**50.7%**	***(1.4pp)***
Administrative expenses	(217.4)	(210.7)	*(3.1%)*	(779.8)	(749.6)	*(3.9%)*
Administrative expenses/Revenue	**(3.3%)**	**(2.7%)**	***0.6pp***	**(3.1%)**	**(2.6%)**	***0.5pp***
Selling and marketing expenses	(384.9)	(400.8)	*4.1%*	(1,555.2)	(1,373.0)	*(11.7%)*
Selling and marketing expenses/Revenue	**(5.8%)**	**(5.1%)**	***0.7pp***	**(6.2%)**	**(4.7%)**	***1.5pp***
Net impairment losses on financial and contract assets	(121.3)	(79.5)	*(34.5%)*	(338.9)	(349.6)	*3.2%*
EBITDA[2]	**2,753.8**	**3,243.0**	***17.8%***	**10,426.4**	**12,270.3**	***17.7%***
EBITDA Margin	**41.2%**	**41.2%**	***-***	**41.5%**	**42.2%**	***0.7pp***
Depreciation and amortization	(1,404.9)	(1,634.6)	*16.3%*	(5,046.6)	(5,974.8)	*18.4%*
EBIT[3]	**1,348.9**	**1,608.4**	***19.2%***	**5,379.9**	**6,295.5**	***17.0%***
EBIT Margin	**20.2%**	**20.4%**	***0.2pp***	**21.4%**	**21.6%**	***0.2pp***
Net finance income / (costs)	(214.3)	(381.8)	*78.2%*	(1,727.7)	(1,131.7)	*(34.5%)*
Finance income[4]	44.9	(316.0)	*(803.8%)*	297.5	2,119.5	*612.4%*
Finance costs[4]	(259.2)	(65.8)	*(74.6%)*	(2,025.1)	(3,251.2)	*60.5%*
Other income / (expense)	(128.2)	(366.9)	*186.2%*	(346.6)	(523.3)	*51.0%*
Non-controlling interests	2.0	-	*n.a*	(30.2)	(2.5)	*(91.7%)*
Share of profit of equity accounted investees	(19.1)	(5.2)	*(72.8%)*	(15.7)	(13.8)	*(12.1%)*
Income tax expense	(233.7)	447.6	*n.m*	(785.6)	(387.2)	*(50.7%)*
Discontinued operations	-	-	-	772.4	-	-
Net Income	**755.6**	**1,302.0**	***72.3%***	**3,246.5**	**4,237.1**	***30.5%***

(1) Excluding depreciation and amortization expenses.

(2) EBITDA is a non-GAAP financial measure. See page 17 for the explanation of how we calculate Adjusted EBITDA and its reconciliation to net income.

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

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

Revenue of the Group rose 17.8% year-on-year in Q420. This was driven mainly by Turkcell Turkey's strong performance, supported by increased data and digital services usage, upsell efforts, and a larger postpaid subscriber base, as well as higher equipment revenues backed by sales on digital channels and corporate projects. Turkcell International's solid revenue growth also supported the Group revenue increase.

Turkcell Turkey revenues, comprising 86% of Group revenues, rose 17.9% to TRY6,771 million (TRY5,741 million).

- Consumer segment revenues grew 16.1% on the back of upsell efforts, rising postpaid subscriber share, increased data and digital services usage, as well as equipment sales.
- Corporate segment revenues rose 26.1% driven mainly by the strong performance of digital business services, which grew 31.6% year-on-year.
- Wholesale revenues grew 19.3% to TRY363 million (TRY304 million), mainly on the positive impact of currency movements despite lower roaming revenues impacted by limited mobility.

Turkcell International revenues, comprising 9% of Group revenues, increased 33.2% to TRY747 million (TRY561 million), mainly with the contribution of our Ukrainian operations and the positive impact of currency movements.

Other subsidiaries' revenues, at 4% of Group revenues, which includes call center revenues, revenues from financial services and energy business revenues were at TRY354 million (TRY382 million).

- Finance company's revenues were at TRY145 million (TRY201 million) in Q420 impacted by contraction in the consumer loan portfolio, which declined from TRY2.4 billion as of Q419 to TRY1.9 billion as of Q420. This was due mainly to the installment limitation on consumer loans for telecom devices.

Excluding the finance business, our consolidated revenue growth was 19.2% year-on-year in Q420.

Standalone digital services revenues grew 23.1% year-on-year in Q420 backed by the increase in the number of standalone users.

For the full year, Turkcell Group revenues rose 15.8%.

Turkcell Turkey revenues grew 17.1% to TRY25,160 million (TRY21,487 million).

- Consumer business increased 15.7% driven by strong ARPU performance on the back of data and digital services usage, as well as residential business growth.
- Corporate revenues rose 23.5% supported by digital business services revenue growth of 30.1%.
- Wholesale revenues grew 12.3% to TRY1,293 million (TRY1,152 million).

Turkcell International revenues rose 26.9% to TRY2,542 million (TRY2,003 million).

Other subsidiaries' revenues were at TRY1,401 million (TRY1,647 million).

Excluding finance business and sports betting operations, our consolidated revenue growth was 18.4% year-on-year in FY20.

Standalone digital services revenues grew 25.6% year-on-year in FY20.

Cost of revenue (excluding depreciation and amortization) rose to 50.0% (48.0%) as a percentage of revenues in Q420. This was driven mainly by the increase in cost of goods sold (2.7pp), despite the decline in other cost items (0.7pp) as a percentage of revenues.

For the full year, cost of revenue (excluding depreciation and amortization) increased to 49.3% (47.9%) as a percentage of revenues. This was due mainly to the rise in cost of goods sold (2.3pp), despite the decline in cost of revenue of financial services (0.5pp) and other cost items (0.4pp) as a percentage of revenues.

Administrative Expenses declined to 2.7% (3.3%) as a percentage of revenues in Q420, driven mainly by lower office overhead costs and travel expenses.

For the full year, administrative expenses fell to 2.6% (3.1%) as a percentage of revenues, due mainly to the same drivers.

Selling and Marketing Expenses declined to 5.1% (5.8%) as a percentage of revenues in Q420. This was driven mainly by the decline in marketing expenses (0.3pp), selling expenses (0.2pp) and other cost items (0.2pp) as a percentage of revenues.

For the full year, selling and marketing expenses declined to 4.7% (6.2%) as a percentage of revenues driven by the decline in selling expenses (0.8pp), marketing expenses (0.5pp) and other cost items (0.2pp) as a percentage of revenues.

Net impairment losses on financial and contract assets was at 1.0% (1.8%) as a percentage of revenues in Q420. For the full year, net impairment losses on financial and contract assets was at 1.2% (1.3%) as a percentage of revenues.

EBITDA[1] rose by 17.8% year-on-year in Q420 leading to an EBITDA margin of 41.2% (41.2%), driven mainly by strong topline growth and disciplined cost controls.

- Turkcell Turkey's EBITDA rose 16.6% year-on-year to TRY2,751 million (TRY2,360 million) leading to an EBITDA margin of 40.6% (41.1%) in Q420.
- Turkcell International EBITDA grew 43.8% year-on-year to TRY350 million (TRY244 million) with an EBITDA margin of 46.9% (43.5%) in Q420.

(1) EBITDA is a non-GAAP financial measure. See page 17 for the explanation of how we calculate adjusted EBITDA and its reconciliation to net income.

- The EBITDA of other subsidiaries stood at TRY142 million (TRY150 million) in Q420.

For the full year, EBITDA grew by 17.7% resulting in an EBITDA margin of 42.2% (41.5%) on 0.7pp improvement.

- Turkcell Turkey's EBITDA rose 20.4% to TRY10,585 million (TRY8,789 million) leading to an EBITDA margin of 42.1% (40.9%) on 1.2pp improvement.
- Turkcell International EBITDA increased 29.4% to TRY1,169 million (TRY904 million) driving an EBITDA margin of 46.0% (45.1%) on 0.9pp improvement.
- The EBITDA of other subsidiaries was at TRY516 million (TRY733 million).

Depreciation and amortization expenses increased 16.3% year-on-year in Q420. For the full year depreciation and amortization expenses increased 18.4%.

Net finance expense increased to TRY382 million (TRY214 million) in Q420. This was driven mainly by a higher net FX loss after hedging, and a higher interest expense on financial assets and liabilities, despite higher interest income on time deposits.

For the full year net finance expense decreased to TRY1,132 million (TRY1,728 million). This was due mainly to lower foreign exchange losses after hedging and higher interest income on time deposits.

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

Income tax expense: The current tax expense of TRY136 million was more than offset by TRY584 million deferred tax income reported in Q420. Please note that in Q420 lifecell registered TRY689 million deferred tax income having recognized its accumulated losses as deferred tax assets.

For the full year, income tax expense declined 50.7% due mainly to lifecell's deferred tax income.

Please see Appendix A for details.

Net income of the Group rose 72.3% to TRY1,302 million (TRY756 million) in Q420. Net income was positively impacted by TRY689 million deferred tax income registered by lifecell. Excluding this impact and other one-off expenses, we registered a robust net income of TRY1,025 million on solid operational performance.

For the full year, group net income increased 30.5% to TRY4,237 million (TRY3,246 million). Excluding the deferred tax income impact and other one-off expenses, we registered a net income of TRY3,953 million on a 39% rise on the back of strong operational performance and prudent financial risk management.

Please see Appendix A for details of one-off items.

Total cash & debt: Consolidated cash as of December 31, 2020 decreased to TRY11,861 million from TRY13,524 million as of September 30, 2020 due mainly to the dividend payment, and the impact of TRY appreciation on our FX denominated cash. Excluding FX swap transactions, 74% of our cash is in US$, 4% in EUR, and 22% in TRY.

Consolidated debt as of December 31, 2020 decreased to TRY21,586 million from TRY22,841 million as of September 30, 2020 due mainly to the impact of TRY appreciation on FX denominated debt. Please note that TRY2,099 million of our consolidated debt is comprised of lease obligations.

Consolidated debt breakdown excluding lease obligations:

- Turkcell Turkey's debt was at TRY17,469 million, of which TRY10,197 million (US$1,389 million) was denominated in US$, TRY5,624 million (EUR624 million) in EUR, TRY283 million (CNY253 million) in CNY, and the remaining TRY1,364 million in TRY.
- Finance company had a debt balance of TRY1,038 million, of which TR259 million (US$36 million) was denominated in US$, and TRY465 million (EUR52 million) in EUR with the remaining TRY314 million in TRY.
- The debt balance of lifecell was TRY980 million, fully denominated in UAH.

TRY1,202 million of lease obligations is denominated in TRY, TRY56 million (US$8 million) in US$, TRY186 million (EUR21 million) in EUR, and the remaining balance in other local currencies (Please note that the figures in parentheses refer to US$ or EUR equivalents).

Net debt as of December 31, 2020 was at TRY9,726 million with a net debt to EBITDA ratio of 0.8 times. Excluding finance company consumer loans, our telco only net debt was at TRY7,788 million with a leverage of 0.7 times.

Turkcell Group had a long FX position of US$132 million as at the end of the year. (Please note that this figure takes advance payments into account).

Capital expenditures: Capital expenditures, including non-operational items, amounted to TRY2,885 million in Q420. For the full year, capital expenditures including non-operational items were at TRY9,079 million.

For Q420 and the full year, operational capital expenditures (excluding license fees) at the Group level were at 24.2% and 18.5% of total revenues, respectively.

Capital expenditures (million TRY)	Quarter		Year	
	Q419	Q420	FY19	FY20
Operational Capex	1,696.0	1,904.2	4,525.1	5,391.6
License and Related Costs	0.1	9.3	1.8	42.8
Non-operational Capex *(Including IFRS15 & IFRS16)*	749.2	971.2	2,697.8	3,644.6
Total Capex	**2,445.4**	**2,884.7**	**7,224.7**	**9,078.9**

Summary of Operational Data	Quarter			Year		
	Q419	Q420	y/y %	FY19	FY20	y/y %
Number of subscribers ***(million)***	**35.7**	**36.7**	***2.8%***	**35.7**	**36.7**	***2.8%***
Mobile Postpaid (million)	20.4	22.0	*7.8%*	20.4	22.0	*7.8%*
Mobile M2M (million)	2.6	2.8	*7.7%*	2.6	2.8	*7.7%*
Mobile Prepaid (million)	12.4	11.5	*(7.3%)*	12.4	11.5	*(7.3%)*
Fiber (thousand)	1,484.7	1,664.3	*12.1%*	1,484.7	1,664.3	*12.1%*
ADSL (thousand)	719.1	707.6	*(1.6%)*	719.1	707.6	*(1.6%)*
Superbox (thousand)[1]	*323.2*	*591.2*	*82.9%*	*323.2*	*591.2*	*82.9%*
Cable (thousand)	49.2	67.7	*37.6%*	49.2	67.7	*37.6%*
IPTV (thousand)	719.7	871.3	*21.1%*	719.7	871.3	*21.1%*
Churn (%)[2]						
Mobile Churn (%)[3]	4.5%	3.0%	*(1.5pp)*	2.7%	2.3%	*(0.4pp)*
Fixed Churn (%)	2.3%	1.9%	*(0.4pp)*	2.1%	1.9%	*(0.2pp)*
ARPU (Average Monthly Revenue per User) (TRY)[4]						
Mobile ARPU, blended	42.9	47.5	*10.7%*	39.8	45.5	*14.3%*
Mobile ARPU, blended (excluding M2M)	46.0	51.2	*11.3%*	42.7	49.1	*15.0%*
Postpaid	59.7	60.9	*2.0%*	56.5	59.1	*4.6%*
Postpaid (excluding M2M)	67.9	68.9	*1.5%*	64.3	67.0	*4.2%*
Prepaid	18.8	23.4	*24.5%*	18.3	21.8	*19.1%*
Fixed Residential ARPU, blended	66.2	72.6	*9.7%*	63.2	69.6	*10.1%*
Residential Fiber ARPU	67.8	73.6	*8.6%*	64.9	70.9	*9.2%*
Average mobile data usage per user (GB/user)	**9.0**	**13.0**	***44.4%***	**7.4**	**11.7**	***58.1%***
Mobile MoU (Avg. Monthly Minutes of usage per subs) blended	**431.4**	**548.6**	***27.2%***	**415.3**	**518.7**	***24.9%***

(1) Superbox subscribers are included in mobile subscribers.

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

(3) In Q117, our churn policy was revised to extend from 9 months to 12 months (the period at the end of which we disconnect prepaid subscribers who have not topped up above TRY10). Additionally, under our revised policy, prepaid customers who last topped up before March will be disconnected at the latest by year-end. As a regulatory requirement, we started to disconnect prepaid lines in accordance with new ICTA regulation, which requires deactivation of prepaid lines which lack residency documents by the 6th month of subscription starting from 2019. Furthermore, as required by the ICTA, the line of a deceased customer should either be transferred to a successor/another user or terminated. Lines, which are not transferred or terminated, are to be disconnected at the end of seven months.

(4) We historically recorded all TV-related revenue under Turkcell Superonline and presented the related ARPU under fixed residential ARPU. As previously announced, our TV business has become a separate standalone subsidiary. In order to reflect this change in our organization, we decided to shift mobile OTT TV ARPU from fixed residential ARPU into mobile ARPU starting from Q320. We note that mobile TV revenues are generated by mobile subscribers. IPTV revenues will continue to be recorded under Turkcell Superonline and included under residential fixed ARPU. In order to maintain comparability, we provide ARPU data for the last three years, revised to reflect this change on our investor relations website in financial and operational data spreadsheet.

The number of our subscribers in Turkey grew by 1.1 million net annual additions, reaching 36.7 million in FY20 despite the pandemic environment. Accordingly, we achieved our 1 million net subscriber additions target for the year thanks to our solutions that meet changing customer needs, our rich value proposition, and innovative campaigns that facilitate their lives.

On the mobile front, our subscriber base expanded to 33.4 million on 712 thousand net annual additions in FY20. Our postpaid subscribers grew on 1.6 million net annual additions, the highest of the past 11 years. Accordingly, our postpaid subscribers reached 65.7% (62.2%) of our mobile subscriber base as at the end of the year. Meanwhile, our prepaid subscribers declined 892 thousand in FY20, due mainly to the disconnection of 666 thousand inactive prepaid subscribers in Q420 in line with our churn policy. There were also 194 thousand disconnections in Q420 to reflect the regulatory change requiring deactivation of deceased customers' subscriptions.

On the fixed front, our subscriber base exceeded 2.4 million on 79 thousand quarterly and 187 thousand net annual additions. Our fiber subscribers grew by 65 thousand quarterly and 180 thousand annual net additions.

Superbox, our fixed-wireless access offering, registered a strong performance in FY20. Accordingly, it had 41 thousand quarterly net additions in Q420, while registering 268 thousand net annual additions. Meanwhile, our IPTV customer base rose to 871 thousand on 60 thousand quarterly and 152 thousand annual net additions.

The average monthly mobile churn rate was at 3.0% and 2.3% in Q420 and FY20, respectively. The higher mobile churn rate in Q419 was due mainly to the lump sum disconnection of subscriptions in accordance with the ICTA regulation that requires deactivation of prepaid lines, that lack residency documents by the 6^{th} month of subscription. Average monthly fixed churn rate was at 1.9% in Q420, and at the same level for the full year.

Our mobile ARPU (excluding M2M) rose 11.3% year-on-year in Q420 on the back of a larger postpaid subscriber base and upsell efforts, as well as increased data and digital services usage. Mobile ARPU (excluding M2M) grew 15.0% for the full year, mainly on the same drivers.

Our residential fiber ARPU grew by 8.6% year-on-year in Q420 driven mainly by upsell efforts and the acquisition of higher revenue generating customers. Fiber residential ARPU grew by 9.2% for the full year.

Average monthly mobile data usage per user increased 44.4% in Q420 year-on-year and 58.1% for the full year. This was driven mainly by the increasing number and data consumption of 4.5G users, as well as higher digital services usage. Accordingly, the average mobile data usage of 4.5G users reached 14.9 GB in Q420. The rising number of Superbox subscribers also had a positive impact on data consumption.

The number of 4.5G compatible smartphones on our network rose to 21.5 million on 2.3 million annual additions, comprising 91% of smartphones on our network. Total smartphone penetration had reached 81% as at the end of the year.

TURKCELL INTERNATIONAL

lifecell[1] Financial Data	Quarter			Year		
	Q419	Q420	y/y%	FY19	FY20	y/y%
Revenue (million UAH)	**1,557.9**	**1,913.8**	***22.8%***	**5,983.8**	**6,835.8**	***14.2%***
EBITDA (million UAH)	818.6	1,042.9	*27.4%*	3,243.4	3,630.9	*11.9%*
EBITDA margin (%)	**52.5%**	**54.5%**	***2.0pp***	**54.2%**	**53.1%**	***(1.1pp)***
Net income / (loss) (million UAH)	(215.0)	2,736.7	*n.m*	(1,113.6)	2,588.7	*n.m*
Capex (million UAH)	**639.9**	**1,545.7**	***141.6%***	**1,895.3**	**3,482.4**	***83.7%***
Revenue (million TRY)	369.4	531.4	*43.9%*	1,315.8	1,775.6	*34.9%*
EBITDA (million TRY)	**194.2**	**289.6**	***49.1%***	**711.6**	**944.0**	***32.7%***
EBITDA margin (%)	52.6%	54.5%	*1.9pp*	54.1%	53.2%	*(0.9pp)*
Net income / (loss) (million TRY)	**(50.8)**	**731.9**	***n.m***	**(243.3)**	**696.1**	***n.m***

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

lifecell (Ukraine) reported robust revenue growth of 22.8% year-on-year in Q420 in local currency terms. This performance resulted mainly from subscriber base growth, and the rise in voice and data services usage despite the decline in roaming revenues. Meanwhile, on the back of strong revenue growth, lifecell's EBITDA rose 27.4% year-on-year, which led to an EBITDA margin of 54.5%. Moreover, lifecell registered a positive net income in Q420, resulting from a strong operational performance. Please note that, having recognized its accumulated losses as a deferred tax asset, lifecell registered a deferred tax gain of UAH2,582 million in Q420 which also positively impacted its net income.

lifecell revenues in TRY terms rose 43.9% year-on-year in Q420 on the back of strong operational performance and the positive impact of currency movements. lifecell's EBITDA in TRY terms rose 49.1%, which resulted in an EBITDA margin of 54.5%.

For the full year, lifecell revenues in local currency terms grew 14.2%, while its EBITDA rose 11.9% leading to an EBITDA margin of 53.1%. lifecell also registered a positive net income for the full year. Even excluding the impact of the deferred tax gain, lifecell's net income was positive for the full year on strong operational performance. In TRY terms, lifecell registered revenue growth of 34.9% with an EBITDA margin of 53.2%.

lifecell Operational Data	Quarter			Year		
	Q419	Q420	y/y%	FY19	FY20	y/y%
Number of subscribers (million)[2]	**8.9**	**9.3**	***4.5%***	**8.9**	**9.3**	***4.5%***
Active (3 months)[3]	7.4	8.1	*9.5%*	7.4	8.1	*9.5%*
MOU (minutes) (12 months)	**157.0**	**185.5**	***18.2%***	**149.0**	***176.2***	***18.3%***
ARPU (Average Monthly Revenue per User), blended (UAH)	**58.3**	**69.6**	***19.4%***	**54.0**	***63.3***	***17.2%***
Active (3 months) (UAH)	73.3	79.9	*9.0%*	71.8	*74.1*	*3.2%*

(2) We may occasionally offer campaigns and tariff schemes that have an active subscriber life differing from the one that we normally use to deactivate subscribers and calculate churn.
(3) Active subscribers are those who in the past three months made a revenue generating activity.

lifecell continued to expand its subscriber base in Q420 with a customer retention focus. Accordingly, its three-month active subscriber base rose to 8.1 million. Meanwhile, lifecell's 3-month active ARPU rose 9.0% year-on-year on the back of higher data usage and price adjustments.

The 3-month active 4.5G subscribers grew 42% year-on-year reaching 63% of total data users as at the end of Q420. The increase in 4.5G users coupled with their higher average data usage, which grew 32% year-on-year, supported the growth of overall data consumption. Accordingly, average monthly data consumption per user rose 46% year-on-year in Q420. Meanwhile, lifecell continued its leadership of the Ukrainian market in smartphone penetration, which reached 81% as of the end of Q420.

lifecell continued its efforts to increase the penetration of its digital services within its subscriber base by introducing attractive offers.

BeST[1]	Quarter			Year		
	Q419	Q420	y/y%	FY19	FY20	y/y%
Number of subscribers (million)	1.5	1.4	(6.7%)	1.5	1.4	(6.7%)
Active (3 months)	1.1	1.1	-	1.1	1.1	-
Revenue (million BYN)	33.9	37.8	11.5%	135.0	138.7	2.7%
EBITDA (million BYN)	7.4	10.3	39.2%	35.5	34.5	(2.8%)
EBITDA margin (%)	21.7%	27.4%	5.7pp	26.3%	24.8%	(1.5pp)
Net loss (million BYN)	(8.0)	(7.1)	(11.3%)	(33.3)	(31.2)	(6.3%)
Capex (million BYN)	7.2	11.0	52.8%	49.9	46.5	(6.8%)
Revenue (million TRY)	93.8	114.1	21.6%	365.0	395.4	8.3%
EBITDA (million TRY)	20.3	31.1	53.2%	96.4	98.3	2.0%
EBITDA margin (%)	21.7%	27.3%	5.6pp	26.4%	24.9%	(1.5pp)
Net loss (million TRY)	(22.1)	(21.7)	(1.8%)	(89.8)	(88.9)	(1.0%)

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

BeST registered a revenue growth of 11.5% year-on-year in local currency terms, mainly with the rise in voice, data, messaging and handset sales revenues. This performance came despite the decline in roaming revenues. BeST's EBITDA rose 39.2% leading to an EBITDA margin of 27.4% on the back of strong revenue growth and cost control initiatives. BeST's revenues in TRY terms grew by 21.6% in Q420 year-on-year, while its EBITDA margin rose to 27.3%.

For the full year, revenues in local currency terms increased by 2.7% with an EBITDA margin of 24.8%. In TRY terms, BeST achieved revenue growth of 8.3% with an EBITDA margin of 24.9%.

The 4G subscriber base of BeST continued to expand in Q420. Accordingly, 4G users reached 63% of its 3-month active customer base as at the end of Q420. The higher number and usage of 4G users continued to drive higher data consumption. Overall, average monthly data consumption of subscribers reached 12.3 GB on 46% year-on-year growth. Meanwhile, BeST continued its focus on rising the penetration of its digital services, which supports ARPU growth and customer loyalty. Furthermore, subscriber acquisitions over the remote subscription platform, which was introduced in Q320, reached 9% of total subscriptions.

Kuzey Kıbrıs Turkcell[2] (million TRY)	Quarter			Year		
	Q419	Q420	y/y%	FY19	FY20	y/y%
Number of subscribers (million)	0.5	0.5	-	0.5	0.5	-
Revenue	67.1	65.6	(2.2%)	222.3	239.4	7.7%
EBITDA	21.2	21.8	2.8%	78.5	86.3	9.9%
EBITDA margin (%)	31.6%	33.2%	1.6pp	35.3%	36.0%	0.7pp
Net income	12.4	9.3	(25.0%)	41.8	34.9	(16.5%)
Capex	23.9	23.0	(3.8%)	58.6	68.1	16.2%

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

Kuzey Kıbrıs Turkcell registered revenues of TRY65.6 million in Q420, impacted by lower roaming revenues with the decline in tourist traffic. The EBITDA of Kuzey Kıbrıs Turkcell rose 2.8% year-on-year leading to an EBITDA margin of 33.2% on the back of savings achieved during the pandemic environment. For the full year, Kuzey Kıbrıs registered revenue growth of 7.7% and EBITDA growth 9.9%, which resulted in an EBITDA margin of 36.0%.

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

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

Turkcell Group Subscribers

Turkcell Group registered subscribers amounted to approximately 47.9 million as of December 31, 2020. This figure is calculated by taking the number of subscribers of Turkcell Turkey, and of each of our subsidiaries. It includes the total number of mobile, fiber, ADSL, cable and IPTV subscribers of Turkcell Turkey, and the mobile subscribers of lifecell and BeST, as well as those of Kuzey Kıbrıs Turkcell.

Turkcell Group Subscribers	Q419	Q320	Q420	y/y%	q/q%
Mobile Postpaid (million)	20.4	21.5	22.0	*7.8%*	*2.3%*
Mobile Prepaid (million)	12.4	12.2	11.5	*(7.3%)*	*(5.7%)*
Fiber (thousand)	1,484.7	1,599.4	1,664.3	*12.1%*	*4.1%*
ADSL (thousand)	719.1	694.0	707.6	*(1.6%)*	*2.0%*
Superbox (thousand)[1]	323.2	550.5	*591.2*	*82.9%*	*7.4%*
Cable (thousand)	49.2	66.9	67.7	*37.6%*	*1.2%*
IPTV (thousand)	719.7	811.1	871.3	*21.1%*	*7.4%*
Turkcell Turkey subscribers (million)[2]	**35.7**	**36.9**	**36.7**	***2.8%***	***(0.5%)***
lifecell (Ukraine)	8.9	9.1	9.3	*4.5%*	*2.2%*
BeST (Belarus)	1.5	1.4	1.4	*(6.7%)*	-
Kuzey Kıbrıs Turkcell	0.5	0.5	0.5	-	-
lifecell Europe[3]	0.2	-	-	*n.a*	*n.a*
Turkcell Group Subscribers (million)	**46.7**	**47.9**	**47.9**	***2.6%***	-

(1) Superbox subscribers are included in mobile subscribers.

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

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

OVERVIEW OF THE MACROECONOMIC ENVIRONMENT

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

	Quarter					Year		
	Q419	**Q320**	**Q420**	***y/y%***	***q/q%***	**FY19**	**FY20**	***y/y%***
GDP Growth (Turkey)	**6.4%**	**6.7%**	**n.a**	n.a	n.a	**0.9%**	**n.a**	n.a
Consumer Price Index (Turkey)(yoy)	**11.8%**	**11.7%**	**14.6%**	***2.8pp***	***2.9pp***	**11.8%**	**14.6%**	***2.8pp***
US$ / TRY rate								
Closing Rate	5.9402	7.8080	7.3405	*23.6%*	*(6.0%)*	5.9402	7.3405	*23.6%*
Average Rate	5.7588	7.1891	7.8933	*37.1%*	*9.8%*	5.6604	7.0120	*23.9%*
EUR / TRY rate								
Closing Rate	6.6506	9.1281	9.0079	*35.4%*	*(1.3%)*	6.6506	9.0079	*35.4%*
Average Rate	6.3706	8.4187	9.3551	*46.8%*	*11.1%*	6.3340	8.0255	*26.7%*
US$ / UAH rate								
Closing Rate	23.69	28.30	28.27	*19.3%*	*(0.1%)*	23.69	28.27	*19.3%*
Average Rate	24.31	27.55	28.40	*16.8%*	*3.1%*	25.90	27.04	*4.4%*
US$ / BYN rate								
Closing Rate	2.1036	2.6403	2.5789	*22.6%*	*(2.3%)*	2.1036	2.5789	*22.6%*
Average Rate	2.0840	2.5408	2.6088	*25.2%*	*2.7%*	2.0979	2.4605	*17.3%*

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

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

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

Turkcell Group (million TRY)	Quarter			Year		
	Q419	Q420	y/y%	FY19	FY20	y/y%
Adjusted EBITDA	**2,753.8**	**3,243.0**	***17.8%***	**10,426.4**	**12,270.3**	***17.7%***
Depreciation and amortization	(1,404.9)	(1,634.6)	*16.3%*	(5,046.6)	(5,974.8)	*18.4%*
EBIT	**1,348.9**	**1,608.4**	***19.2%***	**5,379.9**	**6,295.5**	***17.0%***
Finance income	44.9	(316.0)	*(803.8%)*	297.5	2,119.5	*612.4%*
Finance costs	(259.2)	(65.8)	*(74.6%)*	(2,025.1)	(3,251.2)	*60.5%*
Other income / (expense)	(128.2)	(366.9)	*186.2%*	(346.6)	(523.3)	*51.0%*
Share of profit of equity accounted investees	(19.1)	(5.2)	*(72.8%)*	(15.7)	(13.8)	*(12.1%)*
Consolidated profit from continued operations before income tax & minority interest	**987.3**	**854.5**	***(13.5%)***	**3,289.9**	**4,626.8**	***40.6%***
Income tax expense	(233.7)	447.6	*n.m*	(785.6)	(387.2)	*(50.7%)*
Consolidated profit from continued operations before minority interest	**753.6**	**1,302.0**	***72.8%***	**2,504.3**	**4,239.6**	***69.3%***
Discontinued operations	-	-	-	772.4	-	-
Consolidated profit before minority interest	**753.6**	**1,302.0**	***72.8%***	**3,276.7**	**4,239.6**	***29.4%***

NOTICE: *This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Safe Harbor provisions of the US Private Securities Litigation Reform Act of 1995. This includes, in particular, our targets for revenue, EBITDA and capex for 2021. More generally, all statements other than statements of historical facts included in this press release, including, without limitation, certain statements regarding the launch of new businesses, our operations, financial position and business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as, among others, "will," "expect," "intend," "estimate," "believe", "continue" and "guidance".*

Although Turkcell believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. For a discussion of certain factors that may affect the outcome of such forward looking statements, see our Annual Report on Form 20-F for 2019 filed with the U.S. Securities and Exchange Commission, and in particular the risk factor section therein. We undertake no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

ABOUT TURKCELL: *Turkcell is a digital operator headquartered in Turkey, serving its customers with its unique portfolio of digital services along with voice, messaging, data and IPTV services on its mobile and fixed networks. Turkcell Group companies operate in 4 countries – Turkey, Ukraine, Belarus, Northern Cyprus. Turkcell launched LTE services in its home country on April 1st, 2016, employing LTE-Advanced and 3 carrier aggregation technologies in 81 cities. Turkcell offers up to 10 Gbps fiber internet speed with its FTTH services. Turkcell Group reported TRY29.1 billion revenue in FY20 with total assets of TRY51.5 billion as of December 31, 2020. It has been listed on the NYSE and the BIST since July 2000, and is the only NYSE-listed company in Turkey. Read more at www.turkcell.com.tr.*

For further information please contact Turkcell

Investor Relations
Tel: + 90 212 313 1888
investor.relations@turkcell.com.tr

Corporate Communications:
Tel: + 90 212 313 2321
Turkcell-Kurumsal-Iletisim@turkcell.com.tr

Appendix A – Tables

Table: Net foreign exchange gain and loss details

Million TRY	Quarter			Year		
	Q419	Q420	*y/y%*	FY19	FY20	*y/y%*
Turkcell Turkey	(338.5)	200.2	*n.m*	(799.2)	(2,101.6)	*163.0%*
Turkcell International	(15.3)	33.3	*n.m*	(49.9)	(66.9)	*34.1%*
Other Subsidiaries	(78.6)	21.2	*n.m*	(190.5)	(241.0)	*26.5%*
Net FX loss before hedging	**(432.4)**	**254.7**	***n.m***	**(1,039.6)**	**(2,409.5)**	***131.8%***
Swap interest income/(expense)[1]	(144.7)	(97.8)	*(32.4%)*	(659.5)	(404.6)	*(38.7%)*
Fair value gain on derivative financial instruments[1]	450.1	(400.3)	*(188.9%)*	570.2	2,133.4	*274.1%*
Net FX gain / (loss) after hedging	**(127.0)**	**(243.4)**	***91.7%***	**(1,128.9)**	**(680.7)**	***(39.7%)***

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

Table: Income tax expense details

Million TRY	Quarter			Year		
	Q419	Q420	*y/y%*	FY19	FY20	*y/y%*
Current tax expense	(62.5)	(136.2)	*117.9%*	(570.5)	(724.7)	*27.0%*
Deferred tax income / (expense)	(171.2)	583.7	*n.m*	(215.1)	337.5	*n.m*
Income tax expense	**(233.7)**	**447.6**	***n.m***	**(785.6)**	**(387.2)**	***(50.7%)***

Table: Group net income one-off impacts

One-off impacts (million TRY)	Q419
Mobile tax settlement	(199)
Total	**(199)**

One-off impacts (million TRY)	Q420
lifecell deferred tax	689
Provision for litigation expenses	(243)
Litigation expenses	(146)
Other	(23)
Total	**277**

One-off impacts (million TRY)	FY19
Sales of Fintur	772
Mobile tax settlement	(199)
Wireless tax (net of tax)	(116)
Compensation for Kcell SPA (Fintur)	(60)
Total	**396**

One-off impacts (million TRY)	FY20
lifecell deferred tax	689
Provision for litigation expenses	(243)
Litigation expenses	(146)
Other	(15)
Total	**285**

TURKCELL ILETISIM HIZMETLERI A.S.
IFRS SELECTED FINANCIALS (TRY Million)

	Quarter Ended Dec 31, 2019	Year Ended Dec 31, 2019	Quarter Ended Sep 30, 2020	Quarter Ended Dec 31, 2020	Year Ended Dec 31, 2020
Consolidated Statement of Operations Data					
Turkcell Turkey	5,740.7	21,487.2	6,647.9	6,770.9	25,160.2
Turkcell International	561.0	2,002.8	657.6	747.3	2,542.4
Other	382.1	1,647.2	344.0	354.0	1,401.1
Total revenues	6,683.8	25,137.1	7,649.5	7,872.2	29,103.7
Direct cost of revenues	(4,611.2)	(17,083.5)	(5,243.8)	(5,572.8)	(20,336.1)
Gross profit	2,072.5	8,053.7	2,405.7	2,299.4	8,767.7
Administrative expenses	(217.4)	(779.8)	(184.2)	(210.7)	(749.6)
Selling & marketing expenses	(384.9)	(1,555.2)	(295.6)	(400.8)	(1,373.0)
Other Operating Income / (Expense)	(128.2)	(346.6)	(11.2)	(366.9)	(523.3)
Net impairment loses on financial and contract assets	(121.3)	(338.9)	(48.5)	(79.5)	(349.6)
Operating profit before financing costs	1,220.8	5,033.3	1,866.1	1,241.5	5,772.3
Finance costs	(259.2)	(2,025.1)	(1,602.5)	(65.8)	(3,251.2)
Finance income	44.9	297.5	1,307.8	(316.0)	2,119.5
Share of profit of equity accounted investees	(19.1)	(15.7)	(5.3)	(5.2)	(13.8)
Income before tax and non-controlling interest	987.3	3,289.9	1,566.1	854.5	4,626.8
Income tax expense	(233.7)	(785.6)	(355.5)	447.6	(387.2)
Income from continuing operations before non-controlling interest	753.6	2,504.3	1,210.7	1,302.0	4,239.6
Discontinued operations	-	772.4	-	-	-
Non-controlling interests	2.0	(30.2)	(0.0)	-	(2.5)
Net income	755.6	3,246.5	1,210.6	1,302.0	4,237.1
Net income per share	0.35	1.49	0.55	0.60	1.94
Other Financial Data					
Gross margin	31.0%	32.0%	31.4%	29.2%	30.1%
EBITDA(*)	2,753.8	10,426.4	3,393.9	3,243.0	12,270.3
Total Capex	2,445.4	7,224.7	2,872.6	2,884.7	9,078.9
Operational capex	1,696.0	4,525.1	1,477.5	1,904.2	5,391.6
Licence and related costs	0.1	1.8	3.1	9.3	42.8
Non-operational Capex	749.2	2,697.8	1,392.1	971.2	3,644.6
Consolidated Balance Sheet Data (at period end)					
Cash and cash equivalents	10,238.7	10,238.7	13,523.9	11,860.6	11,860.6
Total assets	45,715.0	45,715.0	51,528.1	51,498.4	51,498.4
Long term debt	12,677.4	12,677.4	16,821.5	16,353.7	16,353.7
Total debt	20,305.7	20,305.7	22,840.8	21,586.4	21,586.4
Total liabilities	27,632.0	27,632.0	31,239.1	30,713.5	30,713.5
Total shareholders' equity / Net Assets	18,082.9	18,082.9	20,289.0	20,784.9	20,784.9

(*) Please refer to the notes on reconciliation of Non-GAAP Financial measures on page 17

For further details, please refer to our consolidated financial statements and notes as at 31 December 2020 on our web site

TURKCELL ILETISIM HIZMETLERI A.S.
TURKISH ACCOUNTING STANDARDS SELECTED FINANCIALS (TRY Million)

	Quarter Ended Dec 31, 2019	Year Ended Dec 31, 2019	Quarter Ended Sep 30, 2020	Quarter Ended Dec 31, 2020	Year Ended Dec 31, 2020
Consolidated Statement of Operations Data					
Turkcell Turkey	5,740.7	21,487.2	6,647.9	6,770.9	25,160.2
Turkcell International	561.0	2,002.8	657.6	747.3	2,542.4
Other	382.1	1,647.2	344.0	354.0	1,401.1
Total revenues	6,683.8	25,137.1	7,649.5	7,872.2	29,103.7
Direct cost of revenues	(4,611.2)	(17,083.5)	(5,243.8)	(5,572.8)	(20,336.1)
Gross profit	2,072.5	8,053.7	2,405.7	2,299.4	8,767.7
Administrative expenses	(217.4)	(779.8)	(184.2)	(210.7)	(749.6)
Selling & marketing expenses	(384.9)	(1,555.2)	(295.6)	(400.8)	(1,373.0)
Other Operating Income / (Expense)	465.9	877.7	1,212.6	(578.5)	1,543.4
Operating profit before financing and investing costs	1,936.1	6,596.5	3,138.5	1,109.4	8,188.5
Net impairment loses on financial and contract assets	(121.3)	(338.9)	(48.5)	(79.5)	(349.6)
Income from investing activities	54.2	102.8	44.1	4.5	167.8
Expense from investing activities	42.2	(44.1)	(1.4)	(30.2)	(31.5)
Share of profit of equity accounted investees	(19.1)	(15.7)	(5.3)	(5.2)	(13.8)
Income before financing costs	1,892.1	6,300.6	3,127.4	999.1	7,961.4
Finance income	1.0	106.6	1,210.2	(486.5)	1,788.6
Finance expense	(905.8)	(3,117.3)	(2,771.4)	341.9	(5,123.2)
Income from continuing operations before tax and non-controlling interest	987.3	3,289.9	1,566.1	854.5	4,626.8
Income tax expense from continuing operations	(233.7)	(785.6)	(355.5)	447.6	(387.2)
Income from continuing operations before non-controlling interest	753.6	2,504.3	1,210.7	1,302.0	4,239.6
Discontinued operations	-	772.4	-	-	-
Income before non-controlling interest	753.6	3,276.7	1,210.7	1,302.0	4,239.6
Non-controlling interest	2.0	(30.2)	(0.0)	-	(2.5)
Net income	755.6	3,246.5	1,210.6	1,302.0	4,237.1
Net income per share	0.35	1.49	0.55	0.60	1.94
Other Financial Data					
Gross margin	31.0%	32.0%	31.4%	29.2%	30.1%
EBITDA(*)	2,753.8	10,426.4	3,393.9	3,243.0	12,270.3
Total Capex	2,445.4	7,224.7	2,872.6	2,884.7	9,078.9
Operational capex	1,696.0	4,525.1	1,477.5	1,904.2	5,391.6
Licence and related costs	0.1	1.8	3.1	9.3	42.8
Non-operational Capex	749.2	2,697.8	1,392.1	971.2	3,644.6
Consolidated Balance Sheet Data (at period end)					
Cash and cash equivalents	10,238.7	10,238.7	13,523.9	11,860.6	11,860.6
Total assets	45,715.0	45,715.0	51,528.1	51,498.4	51,498.4
Long term debt	12,677.4	12,677.4	16,821.5	16,353.7	16,353.7
Total debt	20,305.7	20,305.7	22,840.8	21,586.4	21,586.4
Total liabilities	27,632.0	27,632.0	31,239.1	30,713.5	30,713.5
Total shareholders' equity / Net Assets	18,082.9	18,082.9	20,289.0	20,784.9	20,784.9