Date and time of publication on KAP: 08.12.2022 23:33:58
https://www.kap.org.tr/en/Bildirim/1086232

KAMUYU AYDINLATMA PLATFORMU

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

Summary

Announcement Regarding the Acquisition of 20% of CJSC BeST Shares by our Company and Signing of Investment Agreement

MERKEZİ KAYIT İSTANBUL

Noncurrent Financial Asset Acquisition

Related Companies

Related Funds

Noncurrent Financial Asset Acquisition	
Update Notification Flag	Hayır (No)
Correction Notification Flag	Hayır (No)
Date Of The Previous Notification About The Same Subject	-
Postponed Notification Flag	Hayır (No)
Announcement Content	
Board Decision Date for Acquisition	24/03/2020
Were Majority of Independent Board Members' Approved the Board Decision for Acquisition	Yes
Title of Non-current Financial Asset Acquired	CJSC Belarusian Telecommunications Network (" CJSC BeST")
Field of Activity of Non-current Financial Asset whose Shares were being Acquired	Telecommunication services
Capital of Noncurrent Financial Asset	BYN 95,000
Acquirement Way	Satın Alma (Purchase)
Date on which the Transaction was/will be Completed	The transaction will be completed after the transfer of the shares.
Acquisition Conditions	Peşin (Cash)
Detailed Conditions if it is a Timed Payment	-
Nominal Value of Shares Acquired	BYN 19,000
Purchase Price Per Share	USD 58.28
Total Purchasing Value	USD 1,165.66
Ratio of New Shares Acquired to Capital of Non-current Financial Asset (%)	20%
Total Ratio of Shares Owned in Capital of Non-current Financial Asset After Transaction (%)	100%
Total Voting Right Ratio Owned in Non-current Financial Asset After Transaction (%)	100%
Ratio of Non-current Financial Asset Acquired to Total Assets in Latest Disclosed Financial Statements of Company (%)	0.02%
Ratio of Transaction Value to Sales in Latest Annual Financial Statements of Company (%)	0.0%
Effects on Company Operations	It is aimed to manage our operations in the Belarusian telecommunication market more effectively, to be more flexible in making investment decisions, and to increase CJSC BeST's contribution

	to the Turkcell Group by becoming a stronger player in the market in the long-term.
Did Takeover Bid Obligation Arised?	Hayır (No)
Will Exemption Application be Made, if Takeover Bid Obligation Arised?	Hayır (No)
Title/ Name-Surname of Counter Party	State Committee on Property of the Republic of Belarus
Is Counter Party a Related Party According to CMB Regulations?	Hayır (No)
Relation with Counter Party if any	Counter party is the other shareholder of CJSC BeST, where it is not a related party.
Agreement Signing Date if Exists	30/11/2022
Value Determination Method of Non-current Financial Asset	Determined considering locally adjusted net asset value of the company.
Did Valuation Report be Prepared?	Düzenlenmedi (Not Prepared)
Reason for not Preparing Valuation Report if it was not Prepared	Not required by the legislation
Date and Number of Valuation Report	-
Title of Valuation Company Prepared Report	-
Value Determined in Valuation Report if Exists	-
Reasons if Transaction wasn't/will not be performed in Accordance with Valuation Report	-
Explanations	

A share purchase agreement has been signed with respect to the acquisition of the Republic of Belarus' 20% shareholding in Closed Joint Stock Company "Belarusian Telecommunications Network" ("CJSC BeST") based in Belarus. The remaining 80% of CJSC BeST is owned by our Company's wholly owned subsidiary Beltel Telekomünikasyon Hizmetleri A.Ş. Our Company purchased the 20% shareholding of CJSC BeST from the State Committee on Property of the Republic of Belarus for a cash payment of USD 1,165.66.

In addition, Turkcell, CJSC BeST and the responsible authorities of the Republic of Belarus carried out discussions regarding the restructuring of our Company's investments, improvement of competitive conditions and some tax advantages.

Accordingly;

1. An agreement has been signed to terminate the Share Sale and Purchase Agreement dated 29 July 2008, which had been signed between Beltel Telekomünikasyon Hizmetleri A.Ş., shareholder of CJSC BeST and a subsidiary of our Company, the Republic of Belarus and our Company. The obligation in the respective agreement regarding the payment of USD 100 million in future periods depending on the financial performance of CSJC BeST, which is presented from the amortized cost value as "consideration payable in relation to acquisition of CJSC BeST" in our financial statements, has been terminated.
2. An Investment Agreement has been signed between our Company, CJSC BeST and the Republic of Belarus to develop the telecommunications infrastructure between 2022-2032. Under this agreement, we are required to invest at least USD 100 million. In addition, within the framework of the Investment Agreement, there are clauses stipulating the payment of an additional amount of USD 100 million over a period of 10 years, to be funded by the payment of at least 50% of the annual net income of CJSC BeST. In case the required amount is not reached at the end of the 10-year period, our Company shall make a lump sum payment to the Republic of Belarus for the remaining balance.
3. Responsible authorities of the Republic of Belarus have rearranged the mobile communication interconnection fees between the operators in the country, considering the provisions of the Investment Agreement, and determined a

mobile call termination fee of BYN 0.001 for CJSC BeST for 5 years. In this regard, the decline in interconnection expenses will positively impact our operational profitability.

The announcement regarding these discussions was postponed by the decision of the Board of Directors within the scope of Article 6 of the Capital Markets Board's Communiqué on Material Events, not to mislead investors at an early stage, when the relevant processes were not yet finalized. This announcement is made in accordance with Capital Markets Legislation and Communiqué on Material Events (No II-15.1).

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