



TWF TURKEY
WEALTH FUND

Transaction primer
June 2020

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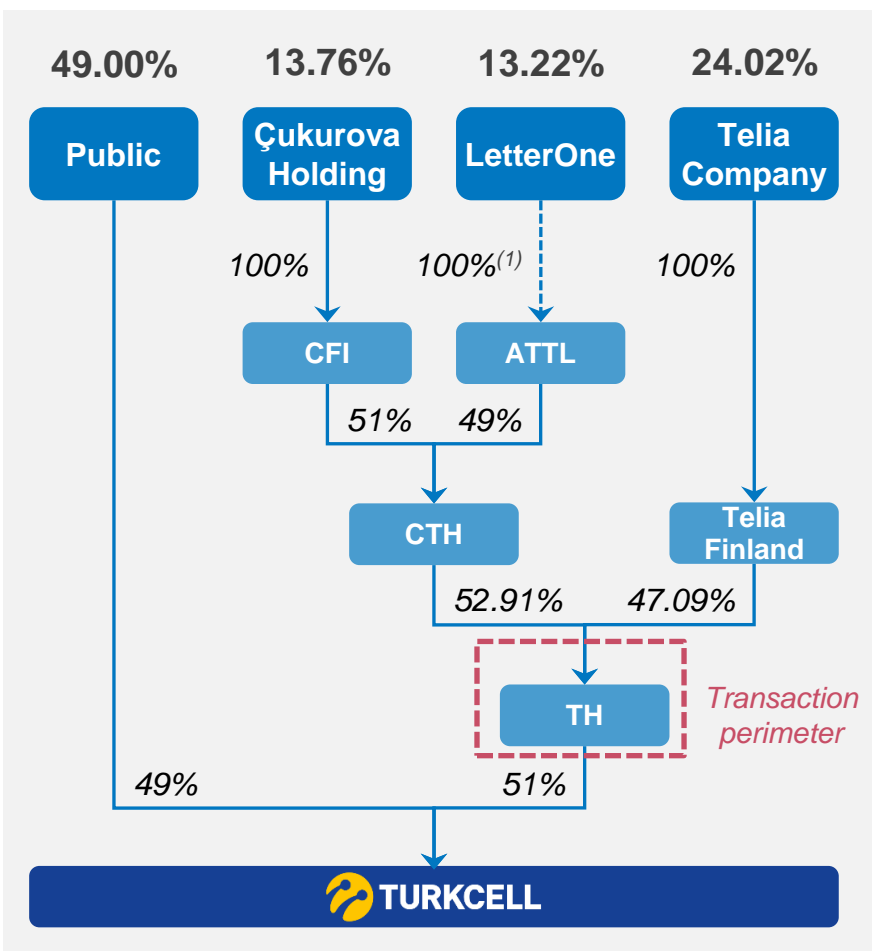
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Turkcell's existing shareholding structure

A complicated structure led to numerous ongoing disputes



TH: Turkcell Holding
 CTH: Cukurova Telecom Holdings Limited
 CFI: Cukurova Finance International Limited
 ATTL: Alfa Telecom Turkey Limited

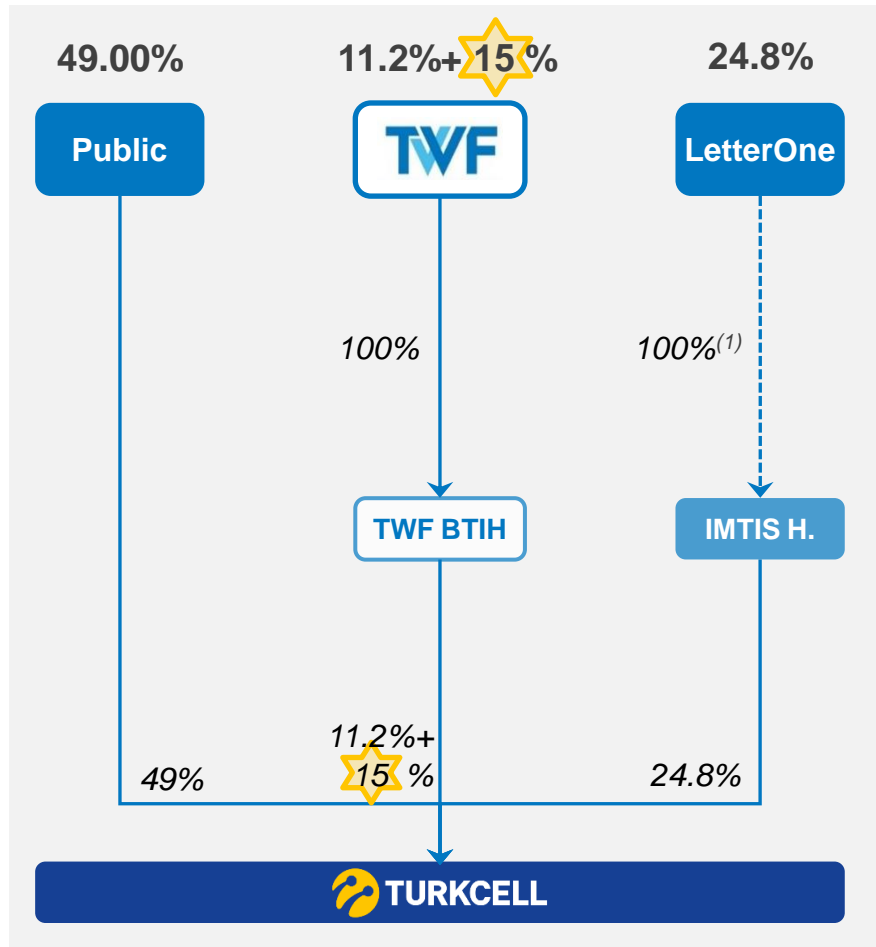
Brief shareholder story of Turkcell

- **1994:** Founded by **Çukurova Holding** as a joint venture including **Sonera** (among others)
- **2000:** IPO in NYSE and Borsa İstanbul
- **2005:** Investment of **Alfa Group (LetterOne)**
- **2005 – 2016:** Various shareholder disputes
- **2011 – 2015:** No shareholders meeting and no dividend distribution for 3 consecutive years
- **2013 – today:** Board appointments by Capital Markets Board of Turkey to resolve the deadlock

(1) LetterOne has layered ownership

Lean and simplified ownership

A unique opportunity yielding a positive result to all stakeholders



TWF BTIH: TVF Bilgi Teknolojileri İletişim Hizmetleri Yatırım Sanayi ve Ticaret A.Ş.;

IMTIS H.: IMTIS Holdings S.à r.l.

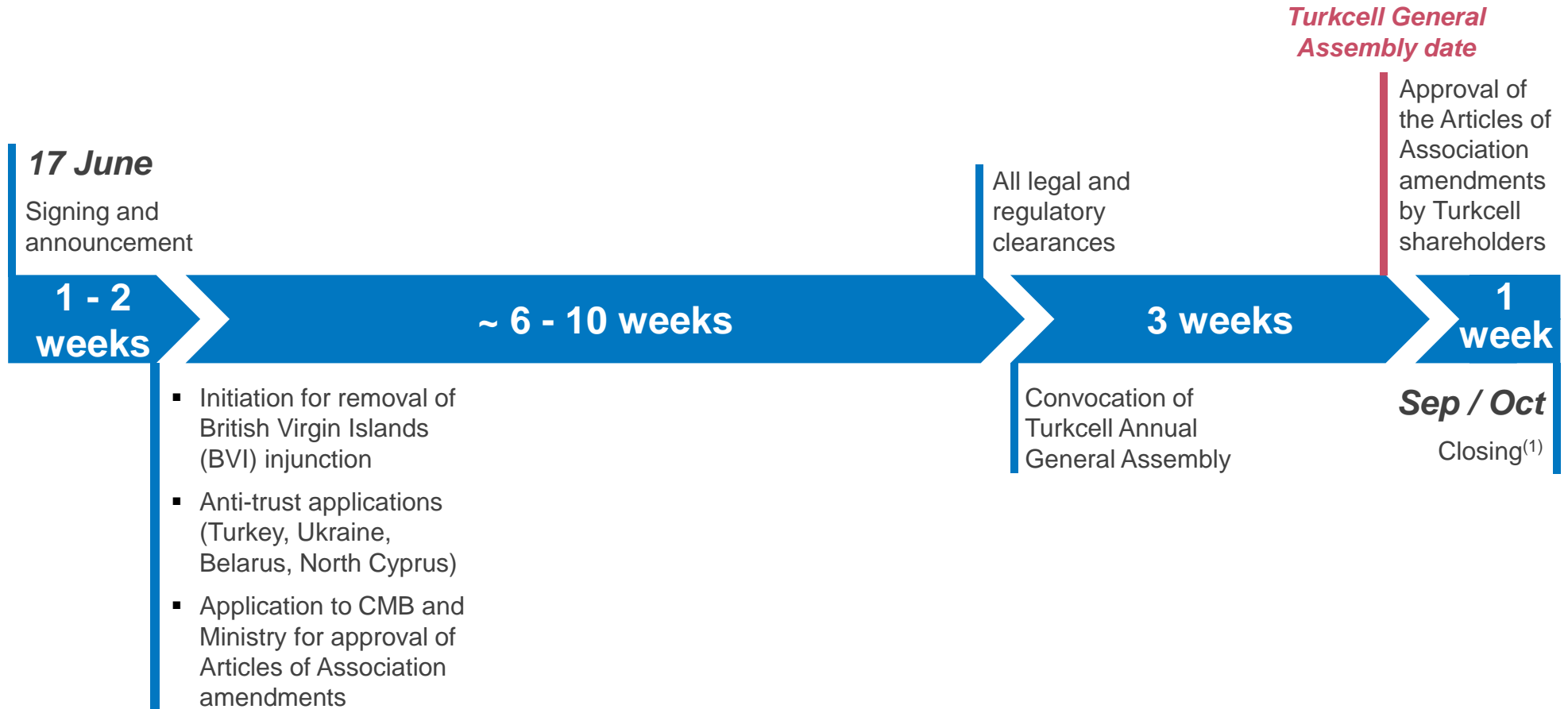
% Privileged shares

Outcomes of the transaction

- Single layer ownership replacing multi-layer structure
- All existing shareholder disputes and litigations are settled
- **TWF** gains board control of **Turkcell** (5 out of 9 directors)
- **Telia Company** divests its **Turkcell Holding** stake to **TWF** for **USD 530 million**
- **LetterOne** restructures its indirect ownership and invests to become the largest minority shareholder
- **Çukurova Holding** exits its indirect interest in **Turkcell**
- **Turkcell** corporate governance is enhanced and the dividend payout policy continues, positively impacting **Turkcell's** valuation and performance
- The size of the Board of Directors increases from 7 members to 9
- Minority shareholder rights are enhanced as 4 of 9 board members can be elected without TWF's privileges (including 3 independent directors). Privileges do not apply for dividend payouts

Indicative timeline

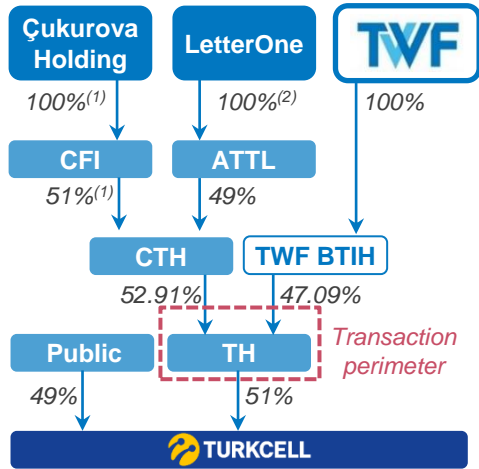
The transaction is expected to close in H2 2020



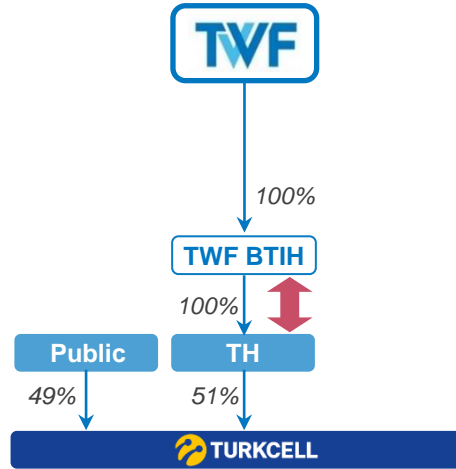
(1) The long-stop date for the transaction completion is set as 15 January 2021

Completion steps after Turkcell General Assembly

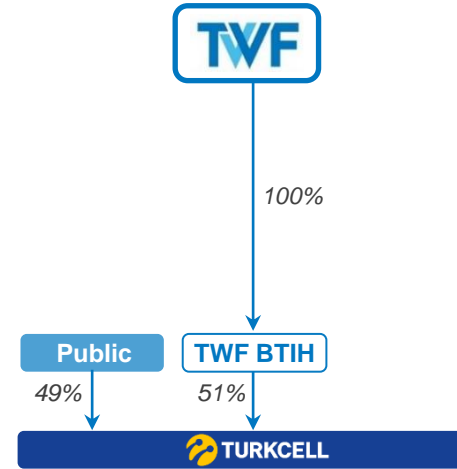
All steps will be completed simultaneously



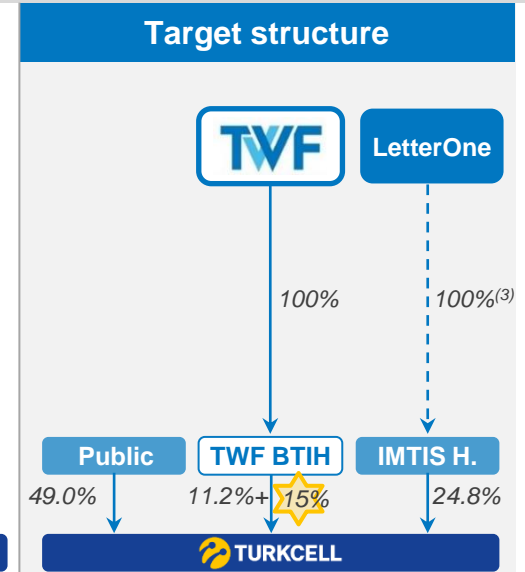
- TWF BTIH purchases Telia Finland's 47% of TH shares for a cash consideration of \$530m
- TWF BTIH issues Loan Note 3 to IMTIS Holdings for the partial financing of Telia consideration. Depository receipts issued by IMTIS Holdings' parent are held by LetterOne



- TWF BTIH purchases CTH's 53% of TH shares by issuing Loan Note 1 and Loan Note 2
- CTH distributes Loan Note 1 and Loan Note 2 to ATTL and CFI's creditors via a share buy-back



- TWF BTIH merges with TH (*short-form*)



- IMTIS Holdings purchases 24.8% of Turkcell shares by irrevocable assignment of Loan Note 1 and 3 to TWF BTIH

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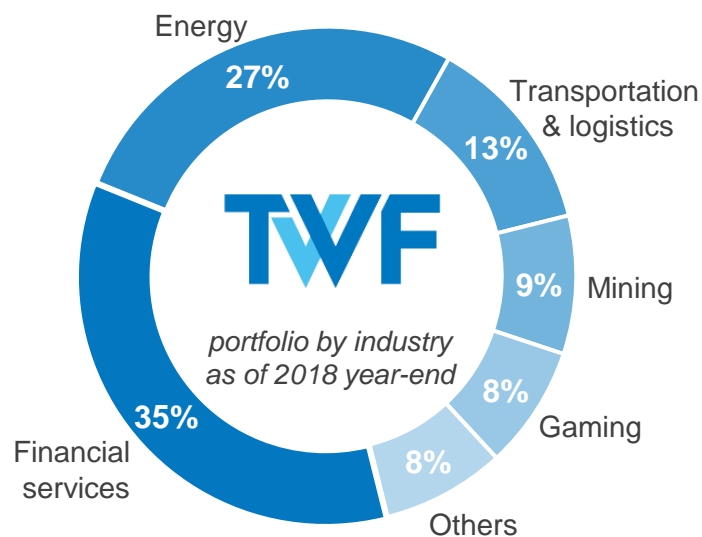
Privileged shares

(1) A syndicate led by Ziraat Bank has security over CFI's CTH shares and Çukurova Holding's CFI shares (2) LetterOne has layered ownership (3) Depository receipts issued by IMTIS Holdings' parent are held by LetterOne

About Turkey Wealth Fund

Turkey's financial power center and main equity platform

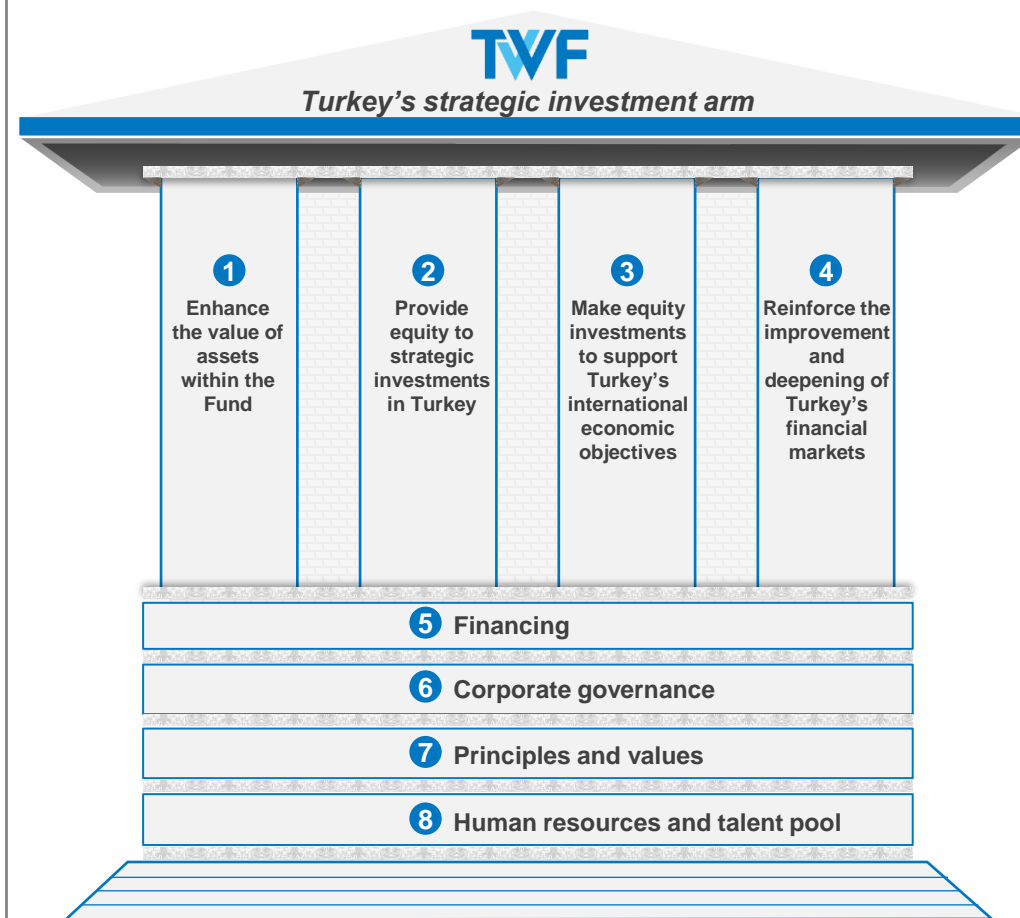
- Established in 2016, **TWF** is the strategic investment arm of Republic of Turkey
- TWF** has a total asset size of **USD 223bn** as of 2018 year-end
- TWF's** asset portfolio includes leading companies from 8 sectors along with license rights and various real estate investments



Major portfolio companies



Mandate and roadmap



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