

**(CONVENIENCE TRANSLATION OF THE CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**MLP SAĐLIK HİZMETLERİ A.Ş.  
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
1 JANUARY - MARCH 31, 2019

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE PERIOD ENDED 1 JANUARY - MARCH 31, 2019**

<b>INDEX</b>	<b>PAGE</b>
<b>CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION .....</b>	<b>1-2</b>
<b>CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....</b>	<b>3</b>
<b>CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY .....</b>	<b>4</b>
<b>CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS .....</b>	<b>5-6</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>7-43</b>
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP .....	
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS .....	
NOTE 3 RELATED PARTY DISCLOSURES .....	
NOTE 4 CASH AND CASH EQUIVALENTS .....	
NOTE 5 FINANCIAL INSTRUMENTS .....	
NOTE 6 TRADE RECEIVABLES AND PAYABLES .....	
NOTE 7 OTHER RECEIVABLES AND PAYABLES .....	
NOTE 8 INVENTORIES .....	
NOTE 9 PREPAID EXPENSES AND DEFERRED INCOME .....	
NOTE 10 PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS .....	
NOTE 11 PAYABLES FOR EMPLOYEE BENEFITS .....	
NOTE 12 OTHER ASSETS AND LIABILITIES .....	
NOTE 13 PROVISIONS .....	
NOTE 14 COMMITMENTS .....	
NOTE 15 SHARE CAPITAL / OTHER RESERVES .....	
NOTE 16 REVENUE .....	
NOTE 17 OPERATING EXPENSES .....	
NOTE 18 OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES .....	
NOTE 19 FINANCE EXPENSES .....	
NOTE 20 TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) .....	
NOTE 21 EARNINGS PER SHARE .....	
NOTE 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES .....	
NOTE 23 DERIVATIVE FINANCIAL INSTRUMENTS .....	
NOTE 24 EVENTS AFTER THE REPORTING PERIOD .....	
APPENDIX I EARNINGS BEFORE INTEREST TAXES DEPRECIATION AND AMORTISATION (“EBITDA”)	

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

	<b>Notes</b>	<b>Unaudited March 31, 2019</b>	<b>Audited December 31, 2018</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>1,685,919</b>			
Cash and cash equivalents	4	371,040	223,318
Trade receivables	6	948,819	898,593
Due from related parties	3	4,866	3,037
Trade receivables from third parties		943,953	895,556
Other receivables	7	79,262	72,128
Due from related parties	3	55,173	50,114
Other receivables from third parties		24,089	22,014
Derivative financial instruments	23	3,548	1,479
Inventories	8	82,782	80,201
Prepaid expenses	9	166,941	167,186
Other current assets	12	33,527	35,688
<b>Non-Current Assets</b>			
<b>1,758,854</b>			
Trade receivables		1,053	1,053
Other receivables	7	1,384	1,150
Property and equipment	10	822,091	836,758
Intangible assets		470,467	468,131
Goodwill		40,217	40,217
Other intangible assets	10	430,250	427,914
Prepaid expenses	9	182,272	170,788
Deferred tax assets	20	281,587	282,404
<b>TOTAL ASSETS</b>		<b><u>3,444,773</u></b>	<b><u>3,238,877</u></b>

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

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Unaudited March 31, 2019	Audited December 31, 2018
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>		<b>1,621,079</b>	<b>1,508,830</b>
Short term borrowings	5	245,115	125,195
Short term portion of long term borrowings	5	314,224	241,677
Obligations under finance leases	5	85,860	88,407
Trade payables	6	721,281	807,681
Due to related parties	3	17,819	33,024
Trade payables to third parties		703,462	774,657
Payables related to employee benefits	11	92,897	77,578
Other payables	7	21,150	22,355
Due to related parties	3	876	819
Other payables to third parties		20,274	21,536
Deferred revenues	9	69,642	63,335
Short term provisions		31,347	28,756
Short term provisions for employment benefits	11	14,088	11,752
Other short term provisions	13	17,259	17,004
Derivative financial instruments	23	32,965	48,853
Current tax liabilities	20	6,598	4,993
<b>Non-Current Liabilities</b>		<b>1,248,529</b>	<b>1,154,356</b>
Long term borrowings	5	873,665	768,774
Obligations under finance leases	5	183,564	194,838
Other payables		34,601	35,698
Other payables to third parties	7	34,601	35,698
Deferred income	9	3,957	4,702
Long term provisions		16,446	14,609
Long term provisions for employee benefits	11	16,446	14,609
Deferred tax liabilities	20	136,296	135,735
<b>EQUITY</b>		<b>575,165</b>	<b>575,691</b>
<b>Equity attributable to the Owner of the Company</b>		<b>469,011</b>	<b>474,420</b>
Share capital	15	208,037	208,037
Share premium	15	556,162	556,162
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		26,455	28,546
Revaluation reserve	15	39,752	39,752
Accumulated loss on remeasurement of defined benefit plans		(13,297)	(11,206)
Restricted reserves	15	10,260	10,260
Accumulated deficit		(328,585)	(200,934)
Net profit / (loss) for the period		(3,318)	(127,651)
<b>Non-Controlling Interest</b>		<b>106,154</b>	<b>101,271</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,444,773</b>	<b>3,238,877</b>

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

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31,2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

<b>PROFIT OR LOSS</b>	<b>Notes</b>	<b>Unadited January 1- March 31, 2019</b>	<b>Unadited January 1- March 31, 2018</b>
Revenue	16	933,367	749,307
Cost of sales (-)	16	(755,946)	(611,271)
<b>GROSS PROFIT</b>		<b>177,421</b>	<b>138,036</b>
General Administration Expenses (-)	17	(71,722)	(59,693)
Other Income from Operating Activities	18	62,507	66,969
Other Expenses from Operating Activities (-)	18	(60,720)	(48,965)
<b>OPERATING PROFIT</b>		<b>107,486</b>	<b>96,347</b>
Income From Investing Activities		475	158
Expense From Investing Activities (-)		-	(144)
<b>OPERATING PROFIT BEFORE FINANCE EXPENSES</b>		<b>107,961</b>	<b>96,361</b>
Finance Expenses (-)	19	(96,396)	(127,274)
<b>NET PROFIT / (LOSS) BEFORE TAX</b>		<b>11,565</b>	<b>(30,913)</b>
<b>Tax income from operations</b>		<b>(8,499)</b>	<b>32,415</b>
Current Tax Expense	20	(6,598)	(2,862)
Deferred Tax Income	20	(1,901)	35,277
<b>NET PROFIT / (LOSS)</b>		<b>3,066</b>	<b>1,502</b>
<b>Allocation of net profit / (loss)</b>			
Non-Controlling Interest		6,384	9,307
Equity Holders of the Parent		(3,318)	(7,805)
		<b>3,066</b>	<b>1,502</b>
<b>Basic gain / (loss) per share</b>	21	(0.02)	(0.04)
<b>OTHER COMPREHENSIVE INCOME / (EXPENSE)</b>		<b>(2,091)</b>	<b>23</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit plans		(2,614)	29
Income tax relating to items that will not be reclassified subsequently		523	(6)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<b>975</b>	<b>1,525</b>
<b>Total comprehensive income / (loss) distribution:</b>			
Non-controlling interest		6,384	9,307
Equity holders of the Parent		(5,409)	(7,782)
		<b>975</b>	<b>1,525</b>

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

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

	Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or (loss)				Accumulated Profit					
	Share capital	Share premium	Property revaluation reserve	Accumulated loss on remeasurement of defined benefit plans	Legal reserves	Accumulated deficit	Net profit / (loss) for the period	Attributable to equity holders of the Parent	Non- controlling interest	Total
<b>Balance as at January 1, 2018</b>	<b>176,458</b>	-	<b>39,752</b>	<b>(9,238)</b>	<b>10,260</b>	<b>(78,162)</b>	<b>(122,772)</b>	<b>16,298</b>	<b>88,372</b>	<b>104,670</b>
<b>Changes in 2018:</b>										
Other comprehensive loss for the period, net of tax	-	-	-	23	-	-	-	23	-	23
Net profit / (loss) for the period	-	-	-	-	-	-	(7,805)	(7,805)	9,307	1,502
<b>Total comprehensive loss for the period</b>	-	-	-	<b>23</b>	-	-	<b>(7,805)</b>	<b>(7,782)</b>	<b>9,307</b>	<b>1,525</b>
Transfers	-	-	-	-	-	(122,772)	122,772	-	-	-
Capital increase (Note 15)	31,579	-	-	-	-	-	-	31,579	-	31,579
Increase of the share premiums (Note 15)	-	556,162	-	-	-	-	-	556,162	-	556,162
<b>Balance as at March 31, 2018</b>	<b>208,037</b>	<b>556,162</b>	<b>39,752</b>	<b>(9,215)</b>	<b>10,260</b>	<b>(200,934)</b>	<b>(7,805)</b>	<b>596,257</b>	<b>97,679</b>	<b>693,936</b>
<b>Balance as at January 1, 2019</b>	<b>208,037</b>	<b>556,162</b>	<b>39,752</b>	<b>(11,206)</b>	<b>10,260</b>	<b>(200,934)</b>	<b>(127,651)</b>	<b>474,420</b>	<b>101,271</b>	<b>575,691</b>
<b>Changes in 2019:</b>										
Other comprehensive income for the period, net	-	-	-	(2,091)	-	-	-	(2,091)	-	(2,091)
Net profit / (loss) for the period	-	-	-	-	-	-	(3,318)	(3,318)	6,384	3,066
<b>Total comprehensive income for the period</b>	-	-	-	<b>(2,091)</b>	-	-	<b>(3,318)</b>	<b>(5,409)</b>	<b>6,384</b>	<b>975</b>
Transfers	-	-	-	-	-	(127,651)	127,651	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	(1,501)	(1,501)
<b>Balance as at March 31, 2019</b>	<b>208,037</b>	<b>556,162</b>	<b>39,752</b>	<b>(13,297)</b>	<b>10,260</b>	<b>(328,585)</b>	<b>(3,318)</b>	<b>469,011</b>	<b>106,154</b>	<b>575,165</b>

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

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Unaudited January 1- March 31, 2019	Unaudited January 1- March 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>25,892</b>	<b>95,742</b>
Net profit / (loss) for the period		3,066	1,502
<b>Profit (Loss) continuing operations</b>		<b>156,888</b>	<b>134,762</b>
Adjustments related to depreciation and amortization expenses	10	52,443	43,917
Adjustments related to impairment (reversal)		622	2,309
Adjustments related to impairment (reversal) of receivables	6	622	2,309
Adjustments related to provisions		4,908	2,475
Adjustments related to (reversal) of provision for employment benefits		4,923	2,231
Adjustments related to lawsuit (reversal) of provision for lawsuit		(15)	244
Adjustments related to interest (income) expense		61,215	59,943
Adjustments related to interest income		(9,217)	(7,595)
Adjustments related to interest expense		70,432	67,538
Adjustments related to gain (loss) on fair value	23	(17,957)	-
Loss (gain) arising on derivatives	23	(17,957)	-
Adjustments related to tax (gain) loss	20	8,499	(32,415)
Other adjustments related to non-cash items		47,633	58,547
Adjustments regarding to (gain) loss on sale of fix assets		(475)	(14)
Adjustments regarding to (gain) loss on sale of tangible assets		(475)	(14)
<b>Changes in working capital</b>		<b>(125,584)</b>	<b>(35,950)</b>
Adjustments related to increase in trade receivables		(58,095)	(42,356)
Adjustments related to increase in inventories		(2,581)	(17,869)
Adjustments related to increase in trade payables		(89,366)	31,013
Adjustments related to increase in other payables from operations		18,685	8,653
Adjustments related to other (increase) decrease in working capital		5,773	(15,391)
Adjustments related to increase in other payables from other asset		5,773	(15,391)
<b>Cash generated from operations</b>		<b>34,370</b>	<b>100,314</b>
Payments related with provision for employee benefits		(3,364)	(438)
Tax paid	20	(4,993)	(3,595)
Other cash inflows (outflows)	6	(121)	(539)

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

	Notes	Unaudited January 1- March 31, 2019	Unaudited January 1- March 31, 2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(47,902)</b>	<b>(103,932)</b>
Cash out flow for acquisition or capital increase of subsidiaries or joint ventures		(2,251)	(2,549)
Proceeds from sales of property, plant, equipment and intangible assets		701	4,262
Proceeds from sales of property, plant, equipment	10	701	4,262
Payment for purchase of property, plant and equipment, intangible assets		(40,339)	(103,207)
Payment for purchase of property, plant and equipment	10	(36,477)	(99,991)
Payment for purchase of intangible assets	10	(3,862)	(3,216)
Cash payments for capital expenditures		(15,233)	(10,038)
Interest received		9,217	7,595
Other cash inflows (outflows) ,net		3	5
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>169,732</b>	<b>37,070</b>
Proceeds from bank loans		322,181	130,646
Proceeds from borrowings		268,484	90,646
Proceeds from bonds		53,697	40,000
Bank borrowings paid		(55,711)	(578,435)
Cash used for repayment of borrowings		(26,451)	(578,435)
Cash used for repayment of bonds		(29,260)	-
Repayment of obligations under finance leases		(24,805)	(23,647)
Interest paid		(70,432)	(79,235)
Dividend paid		(1,501)	-
Capital increase (*)		-	31,579
Other cash inflows (outflows) (*)		-	556,162
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>147,722</b>	<b>28,880</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4</b>	<b>223,318</b>	<b>217,846</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>371,040</b>	<b>246,726</b>

(\*) On February 7, 2018, the Group launched initial public offering (“IPO”) of 72,834 thousand B type bearer shares corresponding to 35.01% of total shares. From the initial public offering, TL 600,000 was generated to the Group. After the IPO related expenses amounting to TL 12,259 were deducted from proceeds, TL 587,741, share capital increase was made with the amount of TL 31,579 and the remaining amount was used in the share premium increase by TL 556,162.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP

MLP Sağlık Hizmetleri A.Ş. (“MLP Sağlık”) has started its healthcare services operations in 1993, with the opening of Sultangazi Medical Center within the structure of Yükseliş Sağlık Hizmetleri Gıda Tekstil San. Ltd. Şti. in which Muharrem Usta is the majority shareholder. Following this, in 1995, it continues its operations, with the opening of Fatih Hospital under the legal entity of Saray Sağlık Hizmet Ticaret ve Sanayi A.Ş. in which Muharrem Usta was the majority shareholder. In 2005, with the establishment of MLP Sağlık, Fatih and Sultangazi Hospitals were merged under the legal entity of MLP Sağlık.

As of March 31, 2019, MLP is the holding company of 18 subsidiaries (December 31, 2018: 18) (collectively referred as the “Group”), each operating in the healthcare sector in Turkey.

The Company’s head office is located in Otakçılar Caddesi No 78 3450, Eyüp, İstanbul.

The Group has an agreement with the Social Security Institution of Turkey (the “SSI”) which includes service commitment in all branches disclosed in the Operations Approval Document. SSI is a state enterprise which pays the healthcare expenditures of the citizens of Turkey who are members of the social security system based on the law numbered 5510, and manages social security premiums and short and long term insurance expenses. According to the agreement, the Group is obliged to provide the healthcare services and to issue invoices to the SSI and patients in line with the Communiqué of Health Services published by the SSI. This transaction is performed through Medula, a web based software system, by assessing the right of the patient and obtaining provisions. As a result of the assessment the expenses relating to patients with no SSI, coverage is not charged to SSI. The healthcare expenses provided to the patients are invoiced based on the terms of the Communiqué of Health Services. In this Communiqué SSI determined a price list based on the treatments provided. Invoices are issued based on the price list announced by the Communiqué. SSI has the right not to pay the invoice or make a deduction if the treatments provided are not in compliance with the terms.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul A.Ş. (“BİAŞ or “Borsa” or “BİST”) since February 13, 2018. In accordance with the resolution numbered 21/655 on July 23, 2010 of CMB; according to the records of Central Registry Agency (CRA); shares representing 33.46% as of March 31 2019, of MLP Sağlık are accepted as “in circulation”. As of April 1, 2019, this ratio is 33.46% (Note 15).

#### Approval of financial statements

Board of Directors has approved the financial statements and delegated authority for publishing it on May 8, 2019.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

### NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

As of March 31, 2019 the subsidiaries of the Company are:

Name	Location and base of operation
Sentez Sağlık Hizmetleri A.Ş. (“Sentez Hastaneleri”)	Batman - İzmir - Gaziantep
Temar Tokat Manyetik Rezonans Sağlık Hizmetleri ve Turizm A.Ş. (“Tokat Hastanesi”)	Tokat
Samsun Medikal Grup Özel Sağlık Hizmetleri A.Ş. (“Samsun Hastanesi”)	Samsun
Özel Samsun Medikal Tıp Merkezi Ltd. Şti. (“Samsun Tıp Merkezi”)	Samsun
Kuzey Medikal Pazarlama İnşaat Ltd. Şti. (“Kuzey”)	Ankara
Artimed Medikal Sanayi ve Ticaret Ltd. Şti. (“Artimed”)	Ankara
MS Sağlık Hizmetleri Ltd. Şti. (“MS Sağlık”)	Ankara
Mediplaza Sağlık Hizmetleri Ticaret A.Ş. (“Mediplaza”)	Gebze - İzmit
21. Yüzyıl Anadolu Vakfı (“21.Yüzyıl Anadolu Vakfı”)	İstanbul
Arkaz Sağlık İşletmeleri A.Ş. (“Arkaz”)	İstanbul
BTN Sigorta Aracılık Hizmetleri A.Ş. (“BTN Sigorta”)	İstanbul
Endmed Endüstri Medikal Malzeme Cihazlar San. Tic. Ltd. Şti. ve Kuzey Medikal Pazarlama İnşaat Taşımacılık San. ve Tic. Ltd. Şti. İş Ortaklığı (“Kuzey Hastaneler Birliği” ya da “KHB”)	İstanbul
Sotte Temizlik Yemek Medikal Turizm İnşaat Sanayi ve Ticaret A.Ş. (“Sotte Temizlik Yemek”)	İstanbul
MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş. (“MA Group”)	İstanbul
Özel Silivri Arkaz Sağlık Hizmetleri A.Ş. (“Özel Silivri Arkaz”)	İstanbul - Ereğli - Çanakkale
BTN Asistans Sağlık Hizmetleri A.Ş. (“BTN Asistans”)	İstanbul
BTR Sağlık Hizmetleri A.Ş. (“BTR Sağlık”)	İstanbul
İstanbul Meditime Sağlık Hizmetleri Ticaret Ltd. Şti. (“Meditime Sağlık”)	İstanbul

### NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1 Basis of Presentation

##### Statement of Compliance with TFRS

The condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, (“TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on June 13, 2013 which is published on Official Gazette numbered 28676.

The Company prepared its condensed interim financial statements for the period ended 31 March 2019 in accordance with (“IAS”) 34 “Interim Financial Reporting”. The condensed interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information. In compliance with the IAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its interim financial statements in condensed.

Interim condensed financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Company’s annual financial statements as of 31 December 2018.

##### Currency Used

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira (“TL”), which is the functional currency of the Company and all its subsidiaries and the presentation currency of the Group.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

### NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of Presentation (Continued)

##### Inflation accounting

As of 1 January 2005, the financial statements of the Company and its Turkish subsidiaries were adjusted to compensate for the effect of changes in the general purchasing power of the Turkish Lira based on IAS 29 *Financial Reporting in Hyperinflationary Economies*. Turkish Economy is accepted to come off its highly inflationary status as of 1 January 2005. Based on this consideration, IAS 29 has not been applied in the preparation of the consolidated financial statements since 1 January 2006. Amounts expressed in the measuring unit current at December 31, 2005 were treated as the basis for the carrying amounts after 1 January 2005.

##### Restatement and errors in the accounting policies and estimates

The Group’s consolidated financial statements have been prepared in comparison with the previous period in order to give accurate trend analysis regarding the financial position and performance. Where necessary, comparative figures have been reclassified to conform to the presentation of the current period consolidated financial statements and significant changes are explained.

In the previous year, the Group had not reclassified certain comparative balances in order to conform to current year’s presentation in the consolidated financial statements.

##### Basis of Consolidation

The details of the Company’s subsidiaries as at March 31, 2019 and December 31, 2018 are as follows:

Subsidiaries	Place of incorporation and operation	Proportion of ownership and voting power held(%)		Principal activity
		March 31, 2019	December 31, 2018	
Sentez Hastaneleri	Batman-İzmir-Gaziantep	56.00%	56.00%	Hospital services
Tokat Hastanesi	Tokat	58.84%	58.84%	Hospital services
Samsun Hastanesi	Samsun	80.00%	80.00%	Hospital services
Samsun Tıp Merkezi (1)	Samsun	100.00%	100.00%	Hospital services
MS Sağlık	Ankara	75.00%	75.00%	Hospital services
Mediplaza	Gebze-İzmit	75.00%	75.00%	Hospital services
Arkaz	Istanbul	57.00%	57.00%	Hospital services
MA Group (3)	Istanbul	51.00%	51.00%	Hospital services
Ozel Silivri Arkaz	Istanbul-Ereğli-Çanakkale	57.00%	57.00%	Hospital services
BTR Sağlık Hizmetleri	Istanbul	100.00%	100.00%	Hospital services
Meditime Sağlık	Istanbul	100.00%	100.00%	Hospital services
Kuzey	Ankara	100.00%	100.00%	Ancillary services
Artimed	Ankara	100.00%	100.00%	Ancillary services
21. Yüzyıl Anadolu Vakfı (1) (2)	Istanbul	100.00%	100.00%	Ancillary services
BTN Sigorta	İstanbul	100.00%	100.00%	Ancillary services
Kuzey Hastaneler Birliği (“KHB”)	Istanbul	99.90%	99.90%	Ancillary services
Sotte Temizlik Yemek	Istanbul	100.00%	100.00%	Ancillary services
BTN Asistans	Istanbul	100.00%	100.00%	Ancillary services

1) Represents voting power held.

2) In 2011, the Group with the help of its real person shareholders decided to establish a medical university. Based on current legislation, foundations have to be owned by real persons rather than companies and since MLP could not be the shareholder of an association, Muharrem Usta, one of the shareholders in the company, was assigned as the chairman of the board of the foundation. The purpose of the foundation is to establish a medical university in order to align one of the hospitals of the Group to that university. Although, MLP has no shareholder interest in the foundation, the financial statements of the foundation are consolidated to the financial statements in accordance with IFRS 10 as the Company achieved the control by having power and the ability to use its power on the future benefit and cost of the foundation. In addition, the Company has rights to the financial and operating policies of the university from its involvement with the investee.

3) The Company took liquidation decision on December 25, 2017.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.1 Basis of Presentation (Continued)

###### Basis of Consolidation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee ;
- is exposed, or has rights, to variable returns from its involvement with the investee; and ;
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In cases where the Company has no majority voting rights on the company/asset invested, it still has the control power over that company/asset if the Company alone has sufficient voting rights to manage the investment operations of that company/asset. The Company considers all events and requirements including the items listed below to evaluate if its voting power is sufficient to get control power in an investment:

- The comparison of the Company’s voting right and other shareholders’ voting rights;
- Potential voting rights of the Company and other shareholders;
- Rights emerging from other agreements upon contracts;
- Other events and requirements showing the potential power of the Company in managing operation decisions (including the voting held on prior period general assemblies).

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group assets and liabilities, equities, income and expenses and cash flows resulting from of Group companies’ transactions are eliminated on consolidation.

###### Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

## **MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019**

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### **NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

##### **2.1 Basis of Presentation (Continued)**

###### Changes in the Group’s ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

##### **2.2 Changes in Accounting Policies**

Significant changes made in accounting policies are applied retrospectively and prior year financial statements are restated. In current period, the Group has no changes in its accounting policies in the current period.

##### **2.3 Changes in the Accounting Estimates and Errors**

If changes in accounting estimates are for only one period, changes are applied on the current year but if the changes in accounting estimates are for the following periods, changes are applied both on the current and the following years prospectively. In the current period, the Group has no changes in the accounting estimates and errors.

##### **2.4 Significant Accounting Estimates and Decisions**

Preparation of consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management’s existing incidents and operations, they may differ from the actual results.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

### NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.5 Changes in Accounting Policies

##### a) New and amended IFRS Standards that are effective for the current year

IFRS 16	Leases
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to IAS 19 Employee Benefits	<i>Plan Amendment, Curtailment or Settlement</i>
Annual Improvements to IFRS Standards 2015–2017 Cycle	<i>Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs</i>

#### **IFRS 16 Leases**

##### General impact of application of IFRS 16 Leases

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 supersedes the current lease guidance including IAS 17 Leases and the related Interpretations for accounting periods beginning on or after 1 January 2019.

##### Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

##### Impact on Lessee Accounting

On initial application of IFRS 16, for all leases (except as noted below), the Group has:

- Recognised right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
- Recognised depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
- Separated the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

##### 2.5 Changes in Accounting Policies (Continued)

###### a) New and amended IFRS Standards that are effective for the current year (Continued)

###### **IFRS 16 Leases (Continued)**

###### *Finance leases*

The main differences between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17.

###### Impact on Lessor Accounting

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

According to the implementation project carried out by the Group for the first implementation of TFRS 16; the impact of TFRS 16 is still assessed on the consolidated financial statements.

###### **Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures**

This amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

###### **IFRS Interpretation 23 Uncertainty over Income Tax Treatments**

This interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

###### **Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement**

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position).

###### **Annual Improvements to IFRS Standards 2015–2017 Cycle**

*Annual Improvements to IFRS Standards 2015–2017 Cycle include amendments to IFRS 3 Business Combinations and IFRS 11 Joint Arrangements in when a party that participates in, but does not have joint control of, IAS 12 Income Taxes; income tax consequences of dividends in profit or loss, and IAS 23 Borrowing Costs in capitalized borrowing costs.*

Other than IFRS 16, these standards, amendments and improvements have no impact on the consolidated financial position and performance of the Group.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

### NOTE 3 – RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

	March 31, 2019			
	Receivables		Payables	
	Current		Current	
Shareholders	Trade	Non-trade	Trade	Non-trade
Muharrem Usta	-	21,211	-	50
Adem Elbaşı	-	831	-	-
	-	22,042	-	50
<b>Other companies controlled by the shareholders</b>				
Mp Sağlık ve Tic. A.Ş.	-	33,000	1,131	733
A ve A Sağlık A.Ş.(1)	4,075	-	8,133	-
Supra A.Ş.-Sonotom Ltd Şti.				
-Ledmar Ltd Şti.-Mlp A.Ş. İş Ortaklığı	602	-	-	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)	74	-	1,900	-
Miniso Mağazacılık A.Ş.	57	-	-	-
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	200	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	-	-	509	-
Livart Tüp Bebek Özel Sağlık Hiz. A.Ş.	-	-	-	-
Saray Eczanesi	-	-	49	-
Samsunpark Özel Sağlık Tıbbı				
Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	2,650	-
Samsunpark Özel Sağlık Hizm.İş Sağlığı ve				
Güvenliği Danışmanlık Eğitim Mühendislik Tic.Ltd.Şti.	-	-	49	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	565	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	809	-
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	-	-	148	-
Özel Gebze Sentez Sağlık Hizmetleri Ve Tic. A.Ş.	-	-	-	77
Üçboyut Sağlık Hiz. Eğitim Medikal San. Tic. Ltd. Şti.	-	-	-	-
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. ve Şti.	-	-	-	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	24	-	1,642	-
Other	34	131	34	16
	4,866	33,131	17,819	826
	4,866	55,173	17,819	876

(1) A ve A Özel Sağ. Hiz. ve Cih. Teks. San. Tic. Ltd. Şti. provides cleaning materials for the hospitals.

(2) Fom Grup Mimarlık İnşaat ve Tic. A.Ş. provides turn key project management services for the furniture & fixture and leasehold improvements of the hospitals and audit of ongoing construction of the Group hospitals.

(3) Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. provides cleaning, catering and laundry services for the Group.

(4) Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. provides cleaning and catering services for the Group.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 3 – RELATED PARTY DISCLOSURES (Continued)

	December 31, 2018			
	Receivables		Payables	
	Current		Current	
Shareholders	Trade	Non-trade	Trade	Non-trade
Muharrem Usta	-	16,195	-	50
Adem Elbaşı	-	789	-	-
	-	16,984	-	50
<b>Other companies controlled by the shareholders</b>				
Mp Sağlık ve Tic. A.Ş.	-	33,000	984	733
A ve A Sağlık A.Ş. (1)	2,144	-	8,815	-
Supra A.Ş.-Sonotom Ltd Şti.				
-Ledmar Ltd Şti.-Mlp A.Ş. İş Ortaklığı	633	-	-	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)	157	-	2,150	-
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	41	-	197	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	34	-	1,420	-
Sanport Gayrimenkul Geliş. İnş. ve Tic. A.Ş.	2	-	11,752	-
Livart Tüp Bebek Özel Sağlık Hiz. A.Ş.	-	-	621	-
Saray Eczanesi	1	-	195	-
Samsunpark Özel Sağlık Tıbbı				
Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	3,335	-
Samsunpark Özel Sağlık Hizm. İş Sağlığı ve				
Güvenliği Danışmanlık Eğitim Mühendislik				
Tic.Ltd.Şti.	-	-	53	-
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	-	-	1,355	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	794	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	685	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	-	-	509	-
Üçboyut Sağlık Hiz. Eğitim Medikal San. Tic. Ltd. Şti.	-	-	41	-
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. ve Şti.	-	-	32	-
Other	25	130	86	36
	<u>3,037</u>	<u>33,130</u>	<u>33,024</u>	<u>769</u>
	<u>3,037</u>	<u>50,114</u>	<u>33,024</u>	<u>819</u>

(1) A ve A Özel Sağ. Hiz. ve Cih. Teks. San. Tic. Ltd. Şti. provides cleaning materials for the hospitals.

(2) Fom Grup Mimarlık İnşaat ve Tic. A.Ş. provides turn key project management services for the furniture & fixture and leasehold improvements of the hospitals and audit of ongoing construction of the Group hospitals.

(3) Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. provides cleaning, catering and laundry services for the Group.

(4) Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. provides cleaning and catering services for the Group.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 3 – RELATED PARTY DISCLOSURES (Continued)

	March 31, 2019	December 31, 2018
<b>Prepaid expenses and advances given to related parties</b>		
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	7,623	6,282
Sanport Gayrimenkul Geliştirme İnş. Ve Tic. A.Ş	89	-
	<u>7,712</u>	<u>6,282</u>
<b>Fixed asset advances given to related parties</b>		
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	61,198	51,780
	<u>61,198</u>	<u>51,780</u>
<b>Related parties (sale and leaseback transactions)</b>		
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within prepaid expenses)	787	787
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within non-current prepaid expenses)	4,188	4,385
	<u>4,975</u>	<u>5,172</u>

The balances above are resulting from sale and leaseback transactions of Efes Hospital (branch of Sentez Hospital) and Bahçelievler Hospital’s land and buildings and are deferred under prepaid expenses and amortised in proportion to the lease payments over the period for which the asset is expected to be used since such losses are compensated for by future lease payments at below market price. Land of Efes Hospital was sold to Sancak Grup Mimarlık İnşaat ve Tic. A.Ş in 2010, resulting in a loss of TL 6,211, which was totally booked under the other current and non-current assets as of December 31, 2010 since the operational leasing agreement would become effective in 2011 and will be effective for 15 years. The building of Bahçelievler Hospital has been sold to Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. in 2009, resulting in a loss of TL 5,591. The duration of leasing agreement of the building is 15 years starting from December, 2009. As at March 31, 2019, the Group has incurred rent expense amounting to TL 197 due to amortization of prepaid rent (December 31, 2018: TL 787).

	January 1 - March 31, 2019	January 1 - March 31, 2018
<b>Purchases from related parties</b>		
A ve A Sağlık A.Ş.(1)	3,287	10,150
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)	4,036	3,118
Ataköy Yatırım İnş. Tur. ve Tic. A.Ş. (3)	-	14,941
	<u>7,323</u>	<u>28,209</u>

- (1) Cleaning material purchases  
(2) Hospital rent expenses  
(3) Finance cost reimbursement

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 3 – RELATED PARTY DISCLOSURES (Continued)

	January 1 - March 31, 2019	January 1 - March 31, 2018
<u>Operating expenses (including purchase of services)</u>		
Sanport Gayrimenkul Geliştirme İnş. ve Tic.A.Ş (1)	22,144	13,785
Samsunpark Özel Sağ. Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (4)	4,835	3,946
Atakum Özel Sağlık Hiz. İnş. Turizm ve San. Tic. A.Ş. (1)	2,510	2,162
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	1,995	1,895
Özarkaz Gayrimenkul Yat. ve İnş. Tic. A.Ş. (1)	1,873	1,580
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş. (1)	1,742	1,713
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş. (1)	1,545	1,360
Mp Sağlık ve Tic.A.Ş. (1)	1,394	1,062
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	1,259	1,126
Özel Ereğli Millet Sağlık Hizm. San. ve Tic. Ltd. Şti. (1)	1,139	1,017
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1)	645	565
Öz Anadolu Gayrimenkul ve Sağlık Yat. A.Ş. (1)	612	538
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (5)	364	349
Çanakkale Arkaz Sağlık Yatırımları A.Ş. (1)	280	229
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş. (3)	179	266
Saray Eczanesi (6)	152	132
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. Şti. (2)	87	79
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş. (3)	64	57
Üçboyut Sağlık Hiz. Eğitim Medikal San. Ve Tic. Tic. Ltd. Şti. (2)	-	325
Ataköy Yatırım İnş. Tur. ve Tic. A.Ş. (1)	-	1,258
	<u>42,819</u>	<u>33,444</u>

- (1) Hospital rent expenses
- (2) Doctor expenses
- (3) Stationary and consumable expenses
- (4) Cleaning, catering and laundry services
- (5) Medical equipment rent expenses
- (6) Pharmaceutical product purchases

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 3 – RELATED PARTY DISCLOSURES (Continued)

	January 1 - March 31, 2019	January 1 - March 31, 2018
<u>Sales to related parties</u>		
A ve A Sağlık A.Ş.(1)	3,094	7,044
Muharrem Usta	1,141	336
Supra-Medicalpark-Sonotom-Ledmar İş Ortaklığı (Fatih Görünteme) (2)	352	674
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş.	81	33
Cotyora Med.Özel Sağ.Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	77	82
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turizm. Tem. Tic. A.Ş.	53	42
Miniso Mağazacılık A.Ş.	51	49
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	-	36
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	-	79
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş.	-	20
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	-	9
Sancak İnşaat Turizm Nak.ve Dış Tic.A.Ş.	-	1
Saray Eczanesi	-	1
	<u>4,849</u>	<u>8,406</u>

(1) Outsourcing laboratory services

(2) Imaging services

#### Compensation of key management personnel:

Key management personnel comprise general managers, deputy general managers and chief physicians of hospitals and head office management team.

The remuneration of directors and other members of key management during the year were as follows:

	January 1 - March 31, 2019	January 1 - March 31, 2018
Salaries and other short term benefits	<u>5,205</u>	<u>4,535</u>
	<u>5,205</u>	<u>4,535</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 4 - CASH AND CASH EQUIVALENTS

	March 31, 2019	December 31, 2018
Cash on hand	16,007	12,357
Cash at banks	345,171	201,800
Other cash equivalents	9,862	9,161
	<u>371,040</u>	<u>223,318</u>

#### NOTE 5 – FINANCIAL INSTRUMENTS

##### Financial Liabilities

##### **Bak Loans and Bonds**

	March 31, 2019	December 31, 2018
<u>Financial liabilities</u>		
Short-term bank borrowings	191,418	95,935
Short-term bonds issued	53,697	29,260
Current portion of long term borrowings	277,060	209,962
<i>Current portion of long-term bank loans</i>	237,060	169,962
<i>Current portion of long-term bonds issued</i>	40,000	40,000
Interest expense accruals	37,164	31,715
	<u>559,339</u>	<u>366,872</u>
Long-term bank loans	873,665	768,774
	<u>873,665</u>	<u>768,774</u>
Total borrowings	<u>1,433,004</u>	<u>1,135,646</u>

Reconciliation of obligations arising from financing activities:

	1 January 2019	Financing cash flows	Non-cash changes Foreign exchange effect (Note 19)	March 31, 2019
Bank loans	1,135,646	266,470	30,888	1,433,004
Finance lease obligations	283,245	(24,805)	10,984	269,424
	<u>1,418,891</u>	<u>241,665</u>	<u>41,872</u>	<u>1,702,428</u>
			Non-cash changes	
	1 January 2018	Financing cash flows	Foreign exchange effect (Note 19)	December 31, 2018
Bank loans	1,283,328	(270,831)	123,149	1,135,646
Finance lease obligations	315,920	(107,508)	74,833	283,245
	<u>1,599,248</u>	<u>(378,339)</u>	<u>197,982</u>	<u>1,418,891</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 5 – FINANCIAL INSTRUMENTS (Continued)

##### Financial Liabilities (Continued)

##### **Bank Loans and Bonds (Continued)**

As at March 31, 2019 and December 31, 2018 the repayment schedule of the total borrowings as follows:

Currency Type	Weighted Average Effective Interest Rate	March 31, 2019		
		Current	Non-current	Total
TL	24,39%	324,650	122,707	447,357
TL	TLLibor + 3,30-4,00%	91,571	230,419	321,990
EUR	0,75%	27,171	-	27,171
EUR	Euribor + 5,5%	115,947	520,539	636,486
		<u>559,339</u>	<u>873,665</u>	<u>1,433,004</u>

  

Currency Type	Weighted Average Effective Interest Rate	December 31, 2018		
		Current	Non-current	Total
TL	24,99%	216,615	125,710	342,325
TL	TLLibor + 4,00%	25,765	152,441	178,206
EUR	0,75%	15,070	-	15,070
EUR	Euribor + 5,50%	109,422	490,623	600,045
		<u>366,872</u>	<u>768,774</u>	<u>1,135,646</u>

As of March 31, 2019, there are no blocked cash accounts related to the group's loans. (December 31, 2018: None).

As at March 31, 2019 and December 31, 2018 the repayment schedule of the borrowings in TL are as follows:

	March 31, 2019	December 31, 2018
Interest expense accruals	37,164	31,715
To be paid within 1 year (*)	522,175	335,157
To be paid between 1-2 years	233,614	168,989
To be paid between 2-3 years	220,578	179,172
To be paid between 3-4 years	192,890	186,872
To be paid between 4-5 years	223,606	152,347
To be paid between 5-6 years	2,977	81,394
	<u>1,433,004</u>	<u>1,135,646</u>

(\*) TL 191,418 of the loans to be paid within one year consists of revolving loans and TL 93,697 part consists of bond payments which will be redeemed within 1 year.

##### Covenants:

The Company has a structured finance facility in place. A syndicate loan agreement was signed on December 31, 2015 with seven banks including Türkiye İş Bankası A.Ş., Türkiye Garanti Bankası A.Ş., Denizbank A.Ş., Denizbank AG, Odeabank A.Ş., ING European Financial Services PLC and ING Bank A.Ş. The withdrawal of the syndicate loan took place in February 2016. As a guarantee for the syndicate loan used, there is a pledge over all of shares of MLP, and shares in subsidiaries owned by MLP and all fixed assets under ownership of MLP and the MLP's bank accounts. In addition to this, the loan is secured via assignment of MLP's receivables arising from various agreements including medical tourism agreements and insurance policies.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 5 – FINANCIAL INSTRUMENTS (Continued)

##### Financial Liabilities (Continued)

##### **Bank Loans and Bonds (Continued)**

The syndicate loan includes a number of financial covenants stated below:

The Debt Service Coverage Ratio (“DSCR”) cannot be below 1.1 during the term of the agreement (2016-2024). DSCR is tested every six months starting from December 31, 2016.

Net debt to EBITDA Ratio cannot be above x4.0 for the year ended December 31, 2016 and for the six months period ended June 30, 2017, x3.5 for the year ended December 31, 2017 and for the six months period ended June 30, 2018, x3.0 for the year ended December 31, 2018 and for the six months period ended June 30, 2019 and x2.5 for the remaining period of the syndicate loan.

##### **Lease Obligations**

The Group has the following finance lease obligations which arose mainly due to lease of medical machinery and equipment:

	Minimum lease payments		Present value of minimum lease payments	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Obligations under finance leases				
Within one year	105,279	112,837	85,860	88,407
In the second to ninth years inclusive	202,442	212,628	183,564	194,838
	307,721	325,465	269,424	283,245
Less : Future finance charges	(38,297)	(42,220)		
Present value of finance lease obligations	269,424	283,245	269,424	283,245
Less: Amounts due to settlement within twelve months (shown under current liabilities)			85,860	88,407
Amounts due for settlement after 12 months			183,564	194,838

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 6 – TRADE RECEIVABLES AND PAYABLES

##### Trade Receivables

	March 31, 2019	December 31, 2018
<u>Current trade receivables</u>		
Trade receivables	779,790	758,361
Notes receivables	5,873	6,030
Trade receivables from related parties (Note 3)	4,866	3,037
Income accruals from continuing treatments	125,785	107,916
Other trade income accruals	44,521	34,764
Allowance for doubtful receivables (-)	(12,016)	(11,515)
	<u>948,819</u>	<u>898,593</u>

Trade receivables due from the SSI constitute 34% (December 31, 2018: 35%) and receivables due from foreign patients constitute 29% (December 31, 2018: 30%) of total trade receivables.

The Group has trade receivables arising from health services given to foreign patients amounting to TL 225,184 as at March 31, 2019. These receivables have a longer maturity and higher profitability compared to other institutions that the Group works such as SSI and private insurance companies. Collections of these receivables are followed up regularly by the Group. In the period January 1, 2017 – March 31, 2019, the Group has made a collection amounting to TL 90,898 with regards to receivables from the Government of Libya amounting to TL 148,166 and the related collections are deducted from trade receivables on a first in first out method. The Group Management expect to collect remaining receivables in 2019.

Allowance for doubtful receivables for the trade receivables is determined depending on past experiences of irrecoverable amounts.

As of March 31, 2019, trade receivables of an initial value of TL 12,016 (December 31, 2018: TL 11,515) were fully impaired and fully provided for. No collaterals are received in relation to these trade receivables.

	January 1 - March 31, 2019	January 1 - March 31, 2018
<u>Movement of allowance for doubtful receivables</u>		
Balance at beginning of the period	11,515	17,963
Charge for the period	622	2,309
Collections	(121)	(539)
Amount written off from the book value (*)	-	(9,337)
Balance at closing of the period	<u>12,016</u>	<u>10,396</u>

(\*) The Group has decided to write-off part of bad debt receivables from its balance sheet.

##### Trade Payables

	March 31, 2019	December 31, 2018
<u>Short term trade payables</u>		
Trade payables	580,778	664,078
Trade payables due to related parties (Note 3)	17,819	33,024
Other expense accruals	121,992	109,020
Other trade payables	692	1,559
	<u>721,281</u>	<u>807,681</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 7 – OTHER RECEIVABLES AND PAYABLES

##### Other Receivables

	March 31, 2019	December 31, 2018
<b>Other current receivables</b>		
Receivables from tax office	7,966	6,757
Deposits given	5,261	5,216
Non-trading receivables due from related parties (Note 3)	55,173	50,114
Other miscellaneous receivables	10,862	10,041
	<u>79,262</u>	<u>72,128</u>

	March 31, 2019	December 31, 2018
<b>Other non-current receivables</b>		
Deposits given	1,384	1,150
	<u>1,384</u>	<u>1,150</u>

##### Other Payables

	March 31, 2019	December 31, 2018
<b>Other current payables</b>		
Other taxes and funds payable	9,874	11,200
Payables relating to business combinations	10,002	9,840
Non-trading payables due to related parties (Note 3)	876	819
Other miscellaneous payables	398	496
	<u>21,150</u>	<u>22,355</u>

	March 31, 2019	December 31, 2018
<b>Other non-current payables</b>		
Payables relating to business combinations	34,601	35,698
	<u>34,601</u>	<u>35,698</u>

#### NOTE 8 – INVENTORIES

	March 31, 2019	December 31, 2018
<b>Inventories</b>		
Laboratory inventory	39,597	38,599
Medical consumables inventory	16,945	21,218
Pharmaceutical inventory	23,604	18,222
Other inventory	2,636	2,162
	<u>82,782</u>	<u>80,201</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 9 – PREPAID EXPENSES AND DEFERRED INCOME

##### Prepaid Expenses

	March 31, 2019	December 31, 2018
<u>Short term prepaid expenses</u>		
Order advances	129,157	129,354
Prepaid insurance expenses	10,475	12,768
Prepaid rent expenses	15,747	16,620
Prepaid sponsorship expenses	3,735	3,929
Other	7,827	4,515
	<u>166,941</u>	<u>167,186</u>
<u>Long term prepaid expenses</u>		
Fixed asset advances given	143,940	128,707
Prepaid rent expenses	32,805	35,762
Other	5,527	6,319
	<u>182,272</u>	<u>170,788</u>

##### Deferred Income

	March 31, 2019	December 31, 2018
<u>Short term accrued income</u>		
Advances received	62,060	54,716
Deferred revenue	7,582	8,619
	<u>69,642</u>	<u>63,335</u>
<u>Long term accrued income</u>		
Deferred revenue	3,957	4,702
	<u>3,957</u>	<u>4,702</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 10 – PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS

	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
<u>Cost</u>								
Opening balance as of January 1, 2019	2,396	560,320	1,834	255,844	431,333	458,593	203,631	1,913,951
Additions	-	4,046	-	5,417	-	6,288	20,726	36,477
Disposals	(226)	-	-	-	-	-	-	(226)
Transfers	-	82,878	-	36,564	(3,569)	58,547	(174,950)	(530)
Closing balance as of March 31, 2019	2,170	647,244	1,834	297,825	427,764	523,428	49,407	1,949,672
<u>Accumulated depreciation</u>								
Opening balance as of January 1, 2019	(100)	(287,175)	(1,698)	(131,866)	(423,639)	(232,715)	-	(1,077,193)
Charge for the period	(4)	(30,710)	(30)	(7,449)	(3,386)	(8,809)	-	(50,388)
Disposals	-	-	-	-	-	-	-	-
Transfers (*)	-	(3,297)	-	(235)	3,532	-	-	-
Closing balance as of March 31, 2019	(104)	(321,182)	(1,728)	(139,550)	(423,493)	(241,524)	-	(1,127,581)
Carrying value as of March 31, 2019	2,066	326,062	106	158,275	4,271	281,904	49,407	822,091

(\*) Depreciation and amortization expense of TL 50,268 (January 1 - March 31, 2018: TL 42,857) has been charged in ‘cost of service’, TL 2,175 (January 1 - March 31, 2018: TL 1,039) in ‘operating expenses’ and TL 0 (January 1 - March 31, 2018: TL 21) in ‘other income and expenses’ for the period ended between January 1- March 31, 2019.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 12 – PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS (Continued)

	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
<u>Cost</u>								
Opening balance as of January 1, 2018	2,611	404,999	1,568	172,901	517,067	421,919	125,930	1,646,995
Additions	-	27,490	190	12,746	637	10,860	48,068	99,991
Disposals	-	(1,544)	-	(470)	(2,411)	-	(2)	(4,427)
Transfers	-	24,865	71	18,803	(18,252)	4,770	(30,227)	30
Closing balance as of March 31, 2018	2,611	455,810	1,829	203,980	497,041	437,549	143,769	1,742,589
<u>Accumulated depreciation</u>								
Opening balance as of January 1, 2018	(139)	(227,744)	(1,568)	(100,283)	(362,862)	(202,263)	-	(894,859)
Charge for the year	(11)	(14,133)	(29)	(6,474)	(14,596)	(7,128)	-	(42,371)
Disposals	-	174	-	5	-	-	-	179
Closing balance as of March 31, 2018	(150)	(241,703)	(1,597)	(106,752)	(377,458)	(209,391)	-	(937,051)
Carrying value as of March 31, 2018	2,461	214,107	232	97,228	119,583	228,158	143,769	805,538

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 10 – PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS (Continued)

<u>Cost</u>	<u>Licenses</u>	<u>Rights</u>	<u>Other</u>	<u>Total</u>
Opening balance as of January 1, 2019	401,236	55,672	1,489	458,397
Additions	-	3,862	-	3,862
Transfers	-	529	-	529
Closing balance as of March 31, 2019	<u>401,236</u>	<u>60,063</u>	<u>1,489</u>	<u>462,788</u>
<u>Accumulated amortization</u>				
Opening balance as of January 1, 2019	-	(30,117)	(366)	(30,483)
Charge for the period	-	(1,987)	(68)	(2,055)
Closing balance as of March 31, 2019	-	<u>(32,104)</u>	<u>(434)</u>	<u>(32,538)</u>
Carrying value as of March 31, 2019	<u>401,236</u>	<u>27,959</u>	<u>1,055</u>	<u>430,250</u>
<u>Cost</u>				
<u>Cost</u>	<u>Licenses</u>	<u>Rights</u>	<u>Other</u>	<u>Total</u>
Opening balance as of January 1, 2018	401,236	49,149	495	450,880
Additions	80	3,110	26	3,216
Transfers	-	(30)	-	(30)
Closing balance as of March 31, 2018	<u>401,316</u>	<u>52,229</u>	<u>521</u>	<u>454,066</u>
<u>Accumulated amortization</u>				
Opening balance as of January 1, 2018	-	(23,207)	(157)	(23,364)
Charge for the year	-	(1,525)	(21)	(1,546)
Closing balance as of March 31, 2018	-	<u>(24,732)</u>	<u>(178)</u>	<u>(24,910)</u>
Carrying value as of March 31, 2018	<u>401,316</u>	<u>27,497</u>	<u>343</u>	<u>429,156</u>

#### NOTE 11 – PAYABLES FOR EMPLOYEE BENEFITS

##### Payables for employment benefits:

	<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
Fees payable to doctors and other personnel	72,468	66,077
Social security premiums payable	20,429	11,501
	<u>92,897</u>	<u>77,578</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 11 – PAYABLES FOR EMPLOYEE BENEFITS (Continued)

##### Short term provision for employment benefits:

	March 31, 2019	December 31, 2018
Unused vacation provision	14,088	11,752
	<u>14,088</u>	<u>11,752</u>

##### Long term provision for employment benefits:

	March 31, 2019	December 31, 2018
Unused vacation provision	3,844	2,899
Retirement pay provision	12,602	11,710
	<u>16,446</u>	<u>14,609</u>

#### NOTE 12 – OTHER ASSETS AND LIABILITIES

	March 31, 2019	December 31, 2018
<u>Other current assets</u>		
VAT carried forward	29,849	30,941
Other miscellaneous current assets	3,678	4,747
	<u>33,527</u>	<u>35,688</u>

#### NOTE 13 – PROVISIONS

	March 31, 2019	December 31, 2018
<u>Other short-term provisions</u>		
Litigation provisions	11,519	11,534
Social Security discounts provisions	5,740	5,470
	<u>17,259</u>	<u>17,004</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 14 – COMMITMENTS

March 31, 2019	Total	TL	USD	EUR
A. CPM given on behalf of its own legal entity				
- <i>Collateral</i> (*)	74,143	44,328	156	4,580
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation				
- <i>Collateral</i>	97,441	53,943	-	6,884
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
C. CPM given for execution of ordinary commercial activities to collect third parties debt				
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner				
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C				
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
iii. Total amount of CPM on behalf of third parties that do not cover C.				
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<b>Total</b>	<b>171,584</b>	<b>98,271</b>	<b>156</b>	<b>11,464</b>

(\*) The Group has given guarantees amounting to TL 91,096 related to the loans in Note 5 for the companies under full consolidation.

Commitments mostly comprise guarantee letters obtained from banks to participate in state tenders, letters provide to courts and letters given to suppliers.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 14 – COMMITMENTS (Continued)

December 31, 2018	Total	TL	USD	EUR
A. CPM given on behalf of its own legal entity				
<i>-Collateral (*)</i>	62,737	45,864	156	2,663
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation				
<i>-Collateral</i>	82,029	55,602	-	4,384
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
C. CPM given for execution of ordinary commercial activities to collect third parties debt				
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner				
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C				
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
iii. Total amount of CPM on behalf of third parties that do not cover C.				
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
<b>Total</b>	<b>144,766</b>	<b>101,466</b>	<b>156</b>	<b>7,047</b>

(\*) The Group has given guarantees amounting to TL 87,108 related to the loans in Note 5 for the companies under full consolidation.

Commitments mostly comprise guarantee letters obtained from banks to participate in state tenders, letters provide to courts and letters given to suppliers.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 15 – SHARE CAPITAL / OTHER RESERVES

Shareholders	%	March 31,		December 31,	
		2019	%	2018	%
Lightyear Healthcare B.V.	30.69%	63.844	30.69%	63.844	
Sancak İnşaat Turizm Nakliyat ve Dış Ticaret A.Ş.	15.35%	31.943	15.35%	31.943	
Muharrem Usta	8.98%	18.678	8.98%	18.678	
Hujori Financieringen B.V.	3.98%	8.287	3.98%	8.287	
Adem Elbaşı	2.99%	6.226	2.99%	6.226	
İzzet Usta	1.20%	2.490	1.20%	2.490	
Saliha Usta	0.9%	1.868	0.9%	1.868	
Nurgül Dürüstkan Elbaşı	0.9%	1.868	0.9%	1.868	
Publicly Traded (*)	35.01%	72.833	35.01%	72.833	
Nominal capital	100,00%	208.037	100,00%	208.037	

(\*) The shareholders of the Company purchased 6,827 thousand shares from the publicly traded portion of the capital. Distribution of the shares purchased is as follows; 3,224 thousand shares representing 4.43% of the publicly traded portion were purchased by Lightyear Healthcare B.V., 1,613 thousand shares representing 2.21% of the publicly traded portion of the capital were purchased by Sancak İnşaat, 943 thousand shares representing 1.29% of the publicly traded portion of the capital were purchased by Muharrem Usta, 418 thousand shares representing 0.57% of the publicly traded portion of the capital were purchased by Hujori Financieringen B.V., 314 thousand shares representing 0.43% of the publicly traded portion of the capital were purchased by Adem Elbaşı and lastly other shareholders purchased 314 shares representing 0.43% of the publicly traded portion. 1,613 thousand shares purchased by Sancak İnşaat from the publicly traded portion were sold on September 24, 2018. 37 thousand shares purchased by İzzet Usta from the publicly traded portion were sold and additional 27 thousand shares from the publicly traded portion purchased by Muharrem Usta.

As of March 31, 2019 the total number of ordinary shares is 208,037 thousand shares (2018: 208,037 thousand shares) with a par value of TL 1 per share (2018: TL 1 per share).

The share capital is divided into 208,037 thousand shares (December 31, 2018: 208,037 thousand shares), with 88,229 thousand A type shares and 119,808 thousand B type shares.

In accordance with the Capital Markets Board’s (the “CMB”) Resolution No: 21/655 issued on July 23, 2010, it is regarded that 33.46% of the shares are in circulation in accordance with CSD as of March 31, 2019 (Note 1). Shares in circulation rate is 33.46% as of April 1, 2019.

#### Share premiums

On February 7, 2018, the Group launched initial public offering (“IPO”) of 72,834 thousand B type bearer shares corresponding to 35.01% of total shares. From the initial public offering, TL 600,000 was generated to the Group. After the IPO related expenses amounting to TL 12,259 were deducted from proceeds, out of TL 587,741, share capital increase was made with the amount of TL 31,579 and the remaining amount was used in the share premium increase by TL 556,162.

#### Reserves:

	March 31,	December 31,
	2019	2018
Legal reserves	302	302
Restricted reserves appropriated from profit	9,958	9,958
Revaluation reserves	39,752	39,752
	50,012	50,012

#### Legal reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 16 – REVENUE AND COST OF SERVICES

<u>Revenue</u>	<u>January 1- March 31,2019</u>	<u>January 1- March 31,2018</u>
Hospital services (*)	933,367	749,307
	<u>933,367</u>	<u>749,307</u>

(\*) Hospital services includes foreign medical revenue and other income.

<u>Cost of services</u>	<u>January 1- March 31,2019</u>	<u>January 1- March 31,2018</u>
Material consumption	(224,302)	(163,406)
Doctor expenses	(187,962)	(167,003)
Personnel expenses	(131,167)	(114,002)
Rent expenses (hospital)	(66,811)	(51,764)
Depreciation and amortization expenses (Note 10)	(50,268)	(42,857)
Services rendered by third parties	(44,402)	(32,641)
Other (*)	(51,034)	(39,598)
	<u>(755,946)</u>	<u>(611,271)</u>

(\*) Other expenses mainly comprise expenses incurred for electricity, water and natural gas.

#### NOTE 17 – OPERATING EXPENSES

<u>General administrative and marketing expenses</u>	<u>January 1- March 31,2019</u>	<u>January 1- March 31,2018</u>
Personnel expenses	(29,293)	(25,944)
Sponsorship and advertising expenses (*)	(26,304)	(18,452)
Rent expenses	(2,370)	(1,748)
Outsourcing expenses	(2,348)	(1,437)
Depreciation and amortization expenses	(2,175)	(1,039)
Taxes and duties	(1,070)	(903)
Maintenance expenses	(659)	(778)
Representation and entertainment expenses	(578)	(816)
Bad debt allowance	(622)	(2,309)
Utility expenses	(401)	(372)
Communication expenses	(383)	(190)
Lawsuit provision	15	(244)
Other	(5,534)	(5,461)
	<u>(71,722)</u>	<u>(59,693)</u>

(\*) Sponsorship and advertising expenses includes marketing expenses related to the income of domestic and foreign medical tourism.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 18 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	January 1- March 31, 2019	January 1- March 31, 2018
<u>Other income from operating activities</u>		
Foreign exchange gains from operations	55,231	49,528
Trade payables discount	(4,867)	(501)
Interest income	9,217	7,595
Other income	2,926	10,347
	<u>62,507</u>	<u>66,969</u>
	January 1- March 31, 2019	January 1- March 31, 2018
<u>Other expenses from operating activities</u>		
Foreign exchange losses from operations	(45,569)	(40,544)
SSI return expenses	(800)	(3,005)
Non-operational hospital expenses	(140)	(173)
Trade receivables discount	(427)	242
Depreciation expenses	-	(21)
Other expenses	(13,784)	(5,464)
	<u>(60,720)</u>	<u>(48,965)</u>

#### NOTE 19 – FINANCE EXPENSES

	January 1- March 31, 2019	January 1- March 31, 2018
<u>Finance expenses (-)</u>		
Interest expenses from bank borrowings	(49,123)	(42,375)
Interest expenses from financial lease obligations	(6,415)	(7,699)
Interest expenses from bonds issued	(2,710)	(7,833)
Bank commissions	(9,381)	(6,605)
Other interest expenses	(2,803)	(3,026)
Total interest expenses	<u>(70,432)</u>	<u>(67,538)</u>
Net foreign exchange loss	(41,872)	(59,736)
Fair value differences of derivative financial instruments (net)	15,908	
	<u>(96,396)</u>	<u>(127,274)</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 20 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)

	March 31, 2019	December 31, 2018
<u>Short term payables due to current tax</u>		
Current period tax liabilities	6,598	4,993
	<u>6,598</u>	<u>4,993</u>
	March 31, 2019	December 31, 2018
<u>Current tax liabilities</u>		
Current corporate tax provision	6,598	14,278
Less: Prepaid taxes and funds	-	(9,285)
	<u>6,598</u>	<u>4,993</u>
	January 1- March 31,2019	January 1- March 31,2018
<u>Tax (expense) / income</u>		
Current tax income / (expense)	(6,598)	(2,862)
Deferred tax income / (expense)	(1,901)	35,277
	<u>(8,499)</u>	<u>32,415</u>

#### Corporate Tax

The Group is subject to Turkish corporate tax. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group’s results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The advance corporate income tax rate is 22% in 2019 (2018: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2018 is 22% (2018: 22%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses incurred cannot be deducted from the prior years’ profit retrospectively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 20 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

##### Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below. Tax rate used in the calculation of deferred tax assets and liabilities was 22% over temporary timing differences expected to be reversed in 2018, 2019 and 2020, and 20% over temporary timing differences expected to be reversed in 2021 and the following years (2018: 22%).

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

##### Investment Incentive Certificate

The Group has various investment incentive certificates that were signed by the Turkish Ministry of Economy and approved by General Directorate of Incentive Implementation and Foreign Capital. With those incentives, the Group is eligible for a corporate tax deduction rate ranging between 40% - 80% for an unlimited time, which amounts to a total deferred tax asset of TL 127,661 (December 31, 2018: TL 126,344). Respective deferred tax asset was calculated to be 15% - 40% of total investment contribution with regards to the respective investment incentive certificates. Additionally, the Group is entitled to social security premium support from the Turkish Ministry of Economy, related to the hospitals that have completed their greenfield investments. Such investment income of TL 2,526 will be netted off against personnel expenses over the period of 2019-2020.

As of March 31, 2019, the Group has tax loss amounting to TL 430,330 (December 31, 2018: TL 437,571). TL 87,568 (December 31, 2018: TL 89,334) deferred tax assets have been recorded concerning this loss.

	March 31, 2019	December 31, 2018
<u>Deferred tax assets / (liabilities):</u>		
Tax losses carried forward	87,568	89,334
Depreciation / amortization differences of tangible and intangible assets	(129,438)	(129,276)
Provision for employment termination benefits	2,520	2,342
Vacation pay liability	3,945	3,223
Temporary difference between the tax base and carrying amount of financial liabilities	(1,186)	(905)
Prepaid building expenses	(5,672)	(5,553)
Tax advantage from investment incentive	127,661	126,344
Derivative instruments	6,472	10,422
Other	53,421	50,738
	<u>145,291</u>	<u>146,669</u>
Deferred tax asset	281,587	282,404
Deferred tax liability	<u>(136,296)</u>	<u>(135,735)</u>
	<u>145,291</u>	<u>146,669</u>

**MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT MARCH 31, 2019**

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

**NOTE 20 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)**

Deferred Tax (Continued)

Tax losses carried forward and their expiry dates are as follows:

	<b>March 31, 2019</b>	
	Losses carried forward for which deferred tax assets recognized	Losses carried forward for which deferred tax assets not recognized
<u>Expiration schedule of carryforward tax losses</u>		
Expiring in 2020	75,079	-
Expiring in 2021	67,248	-
Expiring in 2022	154,334	-
Expiring in 2023	124,213	-
Expiring in 2024	9,456	-
	<u>430,330</u>	<u>-</u>
	<b>December 31, 2018</b>	
	Losses carried forward for which deferred tax assets recognized	Losses carried forward for which deferred tax assets not recognized
<u>Expiration schedule of carryforward tax losses</u>		
Expiring in 2019	25,590	-
Expiring in 2020	65,392	-
Expiring in 2021	67,248	-
Expiring in 2022	155,191	-
Expiring in 2023	124,150	-
	<u>437,571</u>	<u>-</u>

Movement of deferred tax (assets)/liabilities for the period ended March 31, 2019 and March 31, 2018 are as follows:

	January 1- March 31,2019	January 1- March 31,2018
<u>Movement of deferred tax liabilities:</u>		
Opening balance as at January 1	(146,669)	(73,181)
Charged to profit or loss	1,901	(35,277)
Charged to equity	(523)	6
Closing balance as at year end	<u>(145,291)</u>	<u>(108,452)</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 20 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

##### Deferred Tax (Continued)

The reconciliation of the current tax expense and net income for the period is as follows:

<u>Reconciliation of tax provision:</u>	<u>January 1- March 31,2019</u>	<u>January 1- March 31,2018</u>
Loss before tax	11,565	(30,913)
Tax at the domestic income tax rate of 22% (2018: 22%)	(2,544)	6,801
Tax effects of:		
- expenses that are not deductible in determining taxable profit	(8,252)	(3,359)
- effect of tax advantage from investment incentive	1,317	29,808
- tax losses carried forward not subject to deferred tax	(5,630)	(6,051)
- change in income tax rate from 20% to 22%	6,681	5,569
- other	(71)	(353)
Income tax income recognised in profit or loss	<u>(8,499)</u>	<u>32,415</u>

#### NOTE 21 – EARNINGS PER SHARE

The weighted average number of shares and earnings per share is as follows:

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Loss per share		
Weighted average number of shares	208,037	206,028
Net loss for the period for the equity holders of the parent	(3,318)	(127,651)
<b>Loss per share</b>	<b>(0.02)</b>	<b>(0.62)</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

### NOTE 22 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial Risk Factors

##### Foreign currency risk management

#### Foreign currency risk

Transactions in foreign currencies expose the Company to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	March 31, 2019			
	TL Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	131,084	22,304	878	-
2.a Monetary financial assets	262,706	6,846	35,475	2
2.b Non monetary financial assets	66,778	3,218	7,701	1
3. Other	1,554	-	246	-
<b>4. CURRENT ASSETS</b>	<b>462,122</b>	<b>32,368</b>	<b>44,300</b>	<b>3</b>
6.b. Non monetary financial assets	45,658	8,112	-	-
7. Other	214	38	-	-
<b>8. NON CURRENT ASSETS</b>	<b>45,872</b>	<b>8,150</b>	<b>-</b>	<b>-</b>
<b>9. TOTAL ASSETS</b>	<b>507,994</b>	<b>40,518</b>	<b>44,300</b>	<b>3</b>
10. Trade payables	(31,152)	(1,629)	(3,479)	-
11a. Financial liabilities (loans)	(143,118)	-	(22,649)	-
11b. Financial liabilities (leasing)	(67,657)	(2,278)	(8,678)	-
12.a Other monetary liabilities	(35,496)	(3,950)	(2,098)	(1)
<b>13. CURRENT LIABILITIES</b>	<b>(277,423)</b>	<b>(7,857)</b>	<b>(36,905)</b>	<b>(1)</b>
15a. Financial liabilities (loans)	(520,539)	-	(82,379)	-
15b. Financial liabilities (leasing)	(153,517)	(2,654)	(21,932)	-
<b>17. NON CURRENT LIABILITIES</b>	<b>(674,056)</b>	<b>(2,654)</b>	<b>(104,311)</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>(951,479)</b>	<b>(10,510)</b>	<b>(141,216)</b>	<b>(1)</b>
19. Net assets / liability position of off-balance sheet derivatives (19a-19b)	273,612	-	43,301	-
19.a Off balance sheet foreign currency derivative assets	273,612	-	43,301	-
19.b Off balance sheet foreign currency derivative liabilities	-	-	-	-
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>(169,873)</b>	<b>30,008</b>	<b>(53,616)</b>	<b>2</b>
<b>21. Monetary Items Net Foreign Currency Asset / Liability Position (1+2a+10+11+12a+14+15+16a)</b>	<b>(557,689)</b>	<b>18,640</b>	<b>(104,863)</b>	<b>1</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

### NOTE 21 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Financial Risk Factors (Continued)

#### Foreign currency risk management (Continued)

#### Foreign currency risk (Continued)

	December 31, 2018			
	TL Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	126,720	23,057	899	-
2.a Monetary financial assets	169,384	4,327	24,321	2
2.b Non monetary financial assets	66,837	3,425	8,090	1
3. Other	247	-	41	-
<b>4. CURRENT ASSETS</b>	<b>363,188</b>	<b>30,809</b>	<b>33,351</b>	<b>3</b>
6.b. Non monetary financial assets	46,818	8,897	2	-
7. Other	200	38	-	-
<b>8. NON CURRENT ASSETS</b>	<b>47,018</b>	<b>8,935</b>	<b>2</b>	<b>-</b>
<b>9. TOTAL ASSETS</b>	<b>410,206</b>	<b>39,744</b>	<b>33,353</b>	<b>3</b>
10. Trade payables	(42,541)	(3,463)	(4,035)	-
11a. Financial liabilities (loans)	(124,492)	-	(20,652)	-
11b. Financial liabilities (leasing)	(67,111)	(2,338)	(9,092)	-
12.a Other monetary liabilities	(42,676)	(5,080)	(2,645)	(1)
<b>13. CURRENT LIABILITIES</b>	<b>(276,820)</b>	<b>(10,881)</b>	<b>(36,425)</b>	<b>(1)</b>
14. Trade payables	-	-	-	-
15a. Financial liabilities (loans)	(490,623)	-	(81,391)	-
15b. Financial liabilities (leasing)	(161,304)	(3,138)	(24,021)	-
<b>17. NON CURRENT LIABILITIES</b>	<b>(651,927)</b>	<b>(3,138)</b>	<b>(105,411)</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>(928,747)</b>	<b>(14,019)</b>	<b>(141,836)</b>	<b>(1)</b>
19. Net assets / liability position of off-balance sheet derivatives (19a-19b)	284,998	-	47,279	-
19.a Off balance sheet foreign currency derivative assets	284,998	-	47,279	-
19.b Off balance sheet foreign currency derivative liabilities	-	-	-	-
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>(233,543)</b>	<b>25,725</b>	<b>(61,205)</b>	<b>2</b>
<b>21. Monetary Items Net Foreign Currency Asset / Liability Position (1+2a+10+11+12a+14+15+16a)</b>	<b>(632,643)</b>	<b>13,365</b>	<b>(116,616)</b>	<b>1</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

### NOTE 22 –FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Financial Risk Factors (Continued)

##### Foreign currency risk management (Continued)

##### Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising primarily from USD and EUR.

The following table details the Group’s sensitivity to a 10% increase and decrease against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit / loss or equity where the TL strengthens 10% against the relevant currency. For a 10% weakening of the TL against the relevant currency, there would be a comparable impact on the profit before tax or equity, and the balances would be negative.

	<b>March 31, 2019</b>	
	Profit /Loss	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of US dollar gaining 10% value against TL		
1 - USD net asset / liability	16,889	(16,889)
2- Portion hedged against USD risk (-)	-	-
<b>3- USD net effect (1 +2)</b>	<b>16,889</b>	<b>(16,889)</b>
In the case of EUR gaining 10% value against TL		
4 -EUR net asset / liability	(88,601)	88,601
5 Portion hedged against EUR risk (-)	54,722	(54,722)
<b>6- EUR net effect (4+5)</b>	<b>(33,879)</b>	<b>33,879</b>
<b>TOTAL (3 + 6)</b>	<b>(16,990)</b>	<b>16,990</b>
	<b>December 31, 2018</b>	
	Profit /Loss	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of US dollar gaining 20% value against TL		
1 - USD net asset / liability	27,067	(27,067)
2- Portion hedged against USD risk (-)	-	-
<b>3- USD net effect (1 +2)</b>	<b>27,067</b>	<b>(27,067)</b>
In the case of EUR gaining 20% value against TL		
4 -EUR net asset / liability	(130,788)	130,788
5 Portion hedged against EUR risk (-)	57,000	(57,000)
<b>6- EUR net effect (4+5)</b>	<b>(73,788)</b>	<b>73,788</b>
<b>TOTAL (3 + 6)</b>	<b>(46,721)</b>	<b>46,721</b>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 23 - DERIVATIVE FINANCIAL INSTRUMENTS

	March 31, 2019		December 31, 2018	
	Asset	Liability	Asset	Liability
<i>Fair value hedging derivative financial instruments</i>				
Forward contracts	-	-	-	2,517
Cross currency swap contracts	2,627	32,965	-	46,245
Interest rate swap contracts	921	-	1,479	91
	<u>3,548</u>	<u>32,965</u>	<u>1,479</u>	<u>48,853</u>

#### Derivative instruments for fair value hedge

As of reporting date, the details of forward, swap and cross currency swap transactions for fair value hedge are as follows:

		Assets		Liabilities	
		Nominal currency value	Fair value	Nominal currency value	Fair value
March 31, 2019					
<u>Interest rate swap contracts</u>					
TL fixed interest collection/ Fixed interest payment	Between 3-6 months	40,000	921	-	-
		<u>40,000</u>	<u>921</u>	<u>-</u>	<u>-</u>
<u>Cross currency swap contracts</u>					
Buy EUR /Sell TL	Between 1-5 years	15,557	2,627	27,744	32,965
		<u>15,557</u>	<u>2,627</u>	<u>27,744</u>	<u>32,965</u>
		<u>55,557</u>	<u>3,548</u>	<u>27,744</u>	<u>32,965</u>

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(Amounts expressed in thousands Turkish Lira (“TL”) unless otherwise stated.)

#### NOTE 23 - DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

		Assets		Liabilities	
		Nominal currency value	Fair value	Nominal currency value	Fair value
December 31, 2018					
<u>Forward contracts</u>					
Buy EUR/Sell TL	Between 3-6 months	-	-	2,500	2,517
		-	-	2,500	2,517
<u>Interest rate swap contracts</u>					
EUR fixed interest collection/ Fixed interest payment					
	Between 1-3 months	-	-	8,852	91
TL fixed interest collection/ Fixed interest payment (*)					
	Between 3-6 months	40,000	1,479	-	-
		40,000	1,479	8,852	91
<u>Cross currency swap contracts</u>					
Buy EUR /Sell TL	Between 1-5 years	-	-	44,749	46,245
		-	-	44,749	46,245
		40,000	1,479	56,101	48,853

As of July 2018 and September 2018, the Group has hedged all principal and interest payments of the euro-denominated loans for the 2019-2024 period amounting to EUR 121,975 of the total EUR 41,452 of total debt service for the 2019-2020 period using a currency hedging through cross currency interest swap transactions and as for October 2018, the Group has hedged all principal and interest payments of the euro denominated lease obligation loans for the 2019-2020 period amounting to EUR 10,249 of the total EUR 34,171 of total lease obligation for the 2019-2024 period using a forward interest rate swap through cross currency interest swap transactions. The total hedged portion is 33.11% of the total euro-denominated loan related debt service.

#### NOTE 24 - EVENTS AFTER THE REPORTING PERIOD

Board of Directors has approved the financial statements and delegated authority for publishing it on 8 May 2019.

## MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

### UNAUDITED FINANCIAL INFORMATION

(Amounts expressed in thousands Turkish Lira ("TL") unless otherwise stated.)

#### APPENDIX I EARNINGS BEFORE INTEREST TAXES DEPRECIATION AND AMORTISATION ("EBITDA")

Interest, Tax, Depreciation and Amortization ("EBITDA") is calculated by the Group Management with the addition of the period's depreciation and amortization, financial income and expenses, other adjustments and tax deductions to net loss before tax.

The EBITDA calculation movements for the period ended March 31, 2019 and March 31, 2018 are as follow:

<b>EBITDA CALCULATION</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
i. Net loss before tax	11,565	(30,913)
ii. Depreciation and amortization of tangible and intangible fixed assets including non-cash provisions related to assets such as goodwill	52,443	43,917
iii. Total net finance expenses, net of interest income	61,215	59,943
iv. Fx gains / losses, net under finance expenses	41,872	59,736
v. Fair value differences of derivative instruments (Note 23)	(15,908)	-
vi. Extraordinary (income)/ expenses	6,813	2,422
vii. Rediscount income/expense (net imputed interest)	5,294	259
viii. Legal case provision expenditures which are reflected to financial statements by the general accounting principles	(15)	244
xi. Unused vacation pay provision expenses which are reflected to financial statements by the general accounting principles	3,281	1,508
x. Retirement pay provision expenses which are reflected to financial statements by the general accounting principles	1,642	723
xi. Doubtful receivables provision expenses which are reflected to financial statements by the general accounting principles (Note 6)	501	1,770
xii. Non cash sale and lease back expenses which are reflected to financial statements by the general accounting principles (Note 3)	197	197
xiii. (Income)/ expenses from investment operations	(475)	(14)
<b>EBITDA</b>	<b>168,425</b>	<b>139,792</b>