

FOR GENERAL RELEASE TO THE PUBLIC
December 18, 2019

ANNOUNCEMENT REGARDING THE OPTIMIZATION IN THE HOSPITAL PORTFOLIO

In line with its strategy of expanding in metropolitans through large scale hospitals, MLP Sağlık Hizmetleri A.Ş. (MLP Care) performs two transactions:

Maltepe:

MLP Care's 80% owned subsidiary, Samsun Medikal Grup Özel Sağlık Hizmetleri A.Ş., has signed a contract to take-over Özel Mehmet Toprak Hospital in Maltepe, Istanbul on December 6th, 2019. The take-over agreement consists of acquisition of the hospital licence and long term lease of hospital building and medical equipment.

The hospital is currently operational and no additional capital expenditure is foreseen. MLP Care intends to bring the hospital to its full potential by leveraging MLP Care's brand strength, operational know how, experienced physicians, and management staff.

The acquired hospital has 125 beds, 60 polyclinic rooms, 7 operating rooms, and a total closed area of 20 thousand m². It is located, in Maltepe, one of the top ten highly populated districts in Istanbul with its population of 500 thousand people. MLP Care expects Maltepe to become one of the top performing hospitals within the group.

Arkaz:

As part of its strategy to focus growth in metropolitans with large-scale hospitals, MLP Care has decided to exit from some of its non-contributing small scale hospitals to increase portfolio efficiency. In 9M 2019, the share of the exited hospitals in consolidated revenues was 3.4% and -1.0% in consolidated EBITDA.

In this context, MLP Care has sold its 57% stake in Arkaz Sağlık Hizmetleri A.Ş. (Arkaz) which includes Avcılar, Ereğli and Silivri hospitals, to the minority shareholder Hayati Arkaz for cash proceeds. Also as part of the transaction, Çanakkale hospital is spun off from Arkaz and MLP Care has acquired the remaining 43% stake in Çanakkale hospital and its ownership increases to 100%. In 9M 2019, the share of the Çanakkale hospital in consolidated revenues was 0.9% and 1.3% in consolidated EBITDA.

The regulatory approvals for both Maltepe and Arkaz transactions have been completed as of December 17th, 2019.

Disclosure to the public regarding the transactions and negotiations mentioned in this disclosure has been postponed by the Board of Directors until the conclusion of these transactions within the scope of the decision to postpone disclosure of insider information contained in Article 6 of the CMB Communiqué II-15.1. The decision to postpone the material event was taken in order to prevent the adverse effects on the process and activities of the disclosure and the risks of misleading the investors about uncertain events as well as to protect the legal rights and interests of our Company and not to violate the confidentiality obligations undertaken within this process. As the transactions between the parties have been completed on December 17th, 2019, the reason for postponement has disappeared.

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

ENQUIRIES

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