

MLP CARE Q3 2020 PRESENTATION

NOVEMBER 6TH, 2020

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Forward Looking Statements

This presentation may contain certain forward-looking statements concerning MLP Care's future performance and should be considered as good faith estimates made by the Company. These forward-looking statements reflect management expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact the MLP Care's actual performance.

MUHARREM USTA

CHAIRMAN & CEO

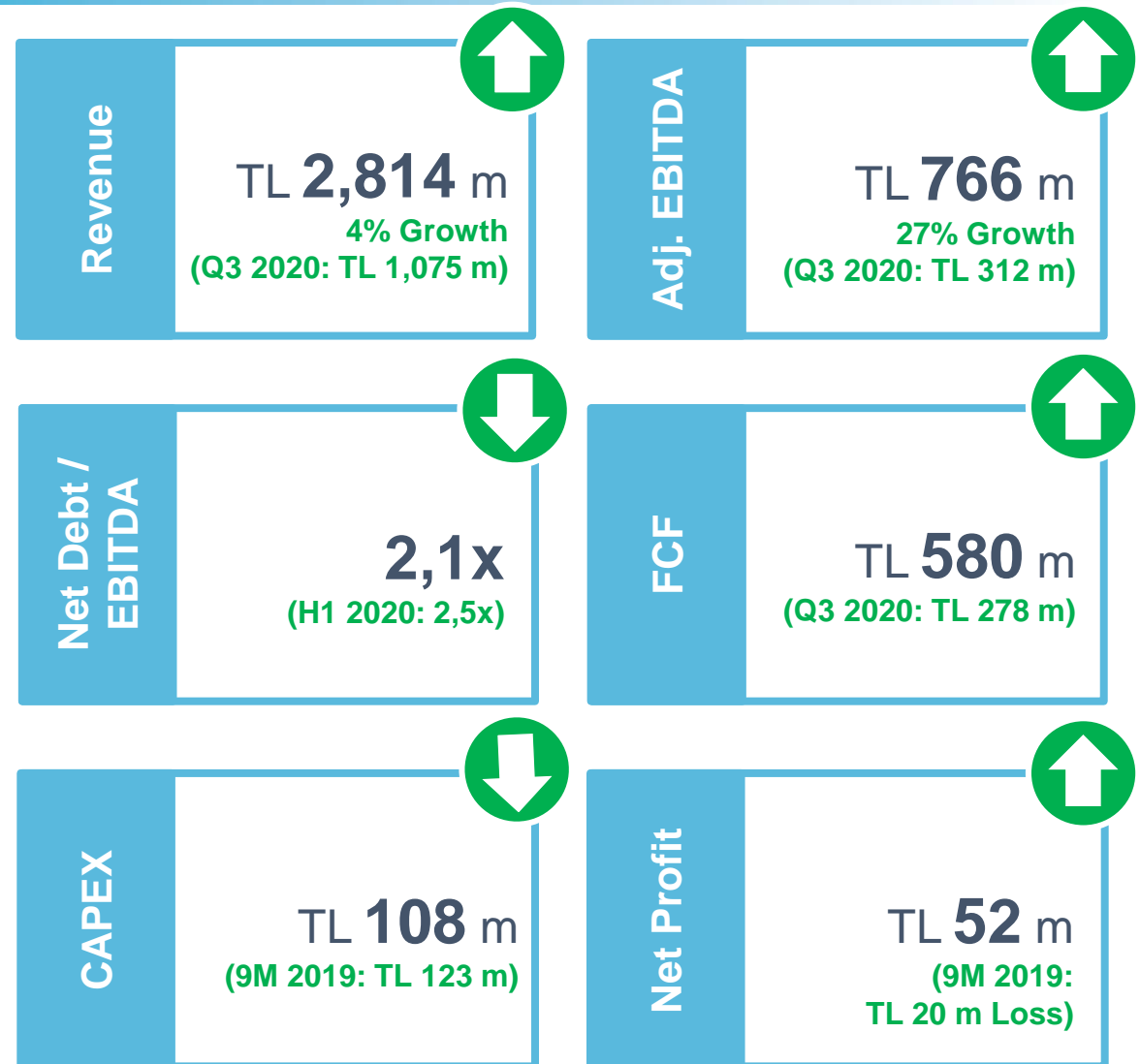
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At a Glance: MLP Care 9M 2020 Financial Highlights

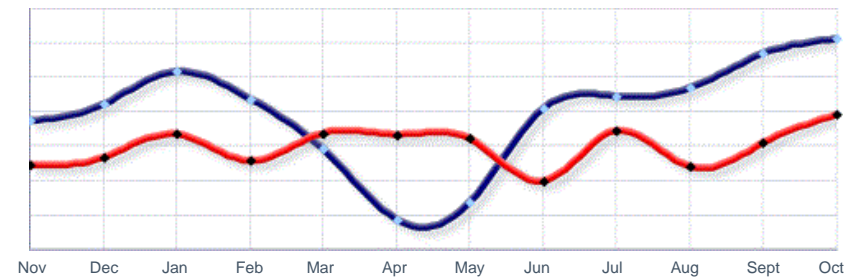
- ✓ Revenue growth continued to improve Q-o-Q
- ✓ EBITDA margin supported by effective cost management and favorable portfolio mix
- ✓ Lower interest expense due to easing interest rate environment
- ✓ Cash resources and access to liquidity was improved for the continuity of the business
- ✓ Net income turned into positive due to strong operational performance and proceeds from Uşak hospital exit



Outlook 2020

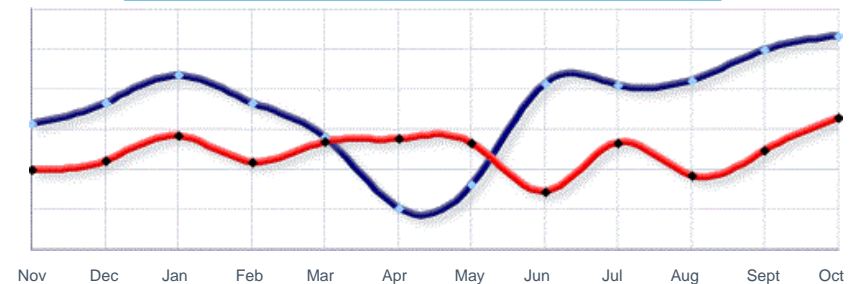
- ✓ Total revenues have dropped significantly in April due to pandemic impact. As of May, «V» shape recovery trend has started.

Total Revenue Trend*



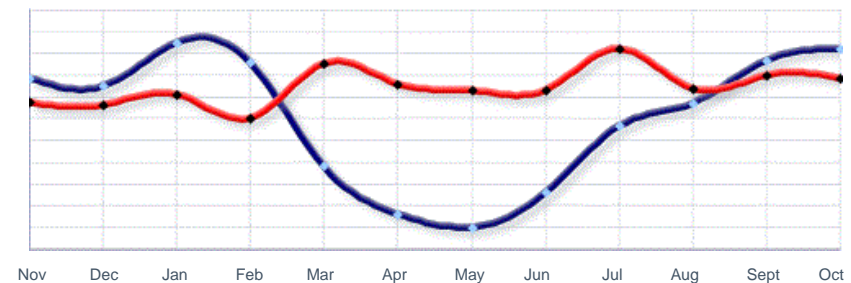
- ✓ Domestic revenues have dropped significantly in April due to the curfews and weekend lockdowns. As of May, «V» shape recovery trend has kicked-off.

Domestic Revenue Trend*



- ✓ FMT revenues have dropped significantly in May due to flight restrictions. As of June, «V» shape recovery trend has kicked-off.

FMT Revenue Trend*



¹ Including university hospitals

At a Glance: MLP Care Operational Highlights

Two brands and one concept targeting three different price points with consistently outstanding medical service quality




The largest hospital group in Turkey
Established in 1993, listed on BIST in 2018



30 Hospitals in Total



~6,000 Beds in Total



~18,000 Staff¹
2,200+ Doctors
(1/3 are academicians)



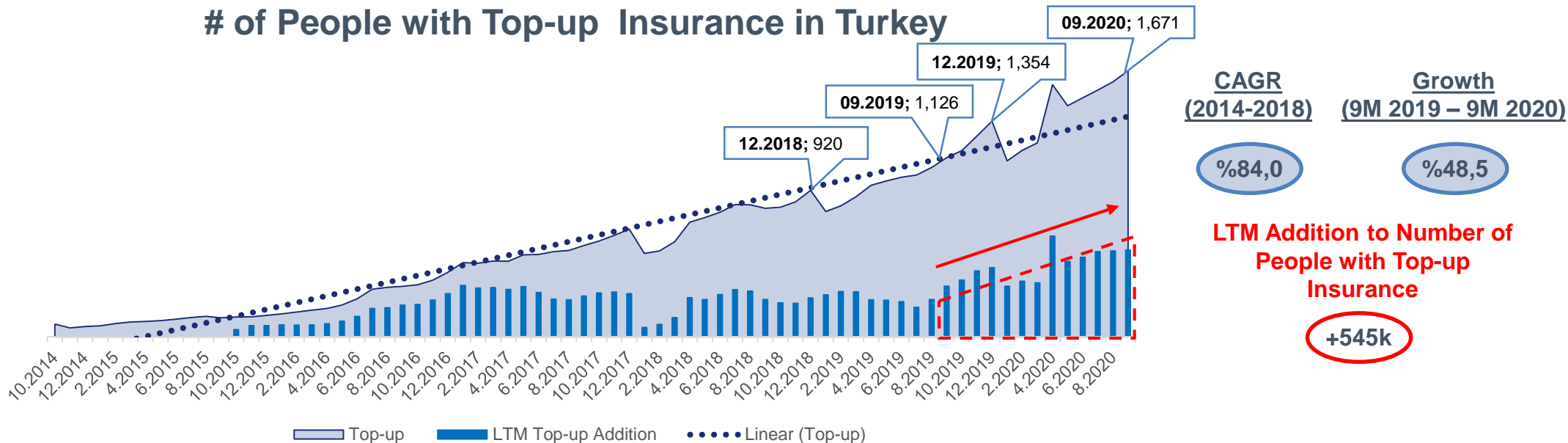
3 JCI Accredited Hospitals
3 Centers of Excellence

Addresses All Price Segments
in the Turkish Market

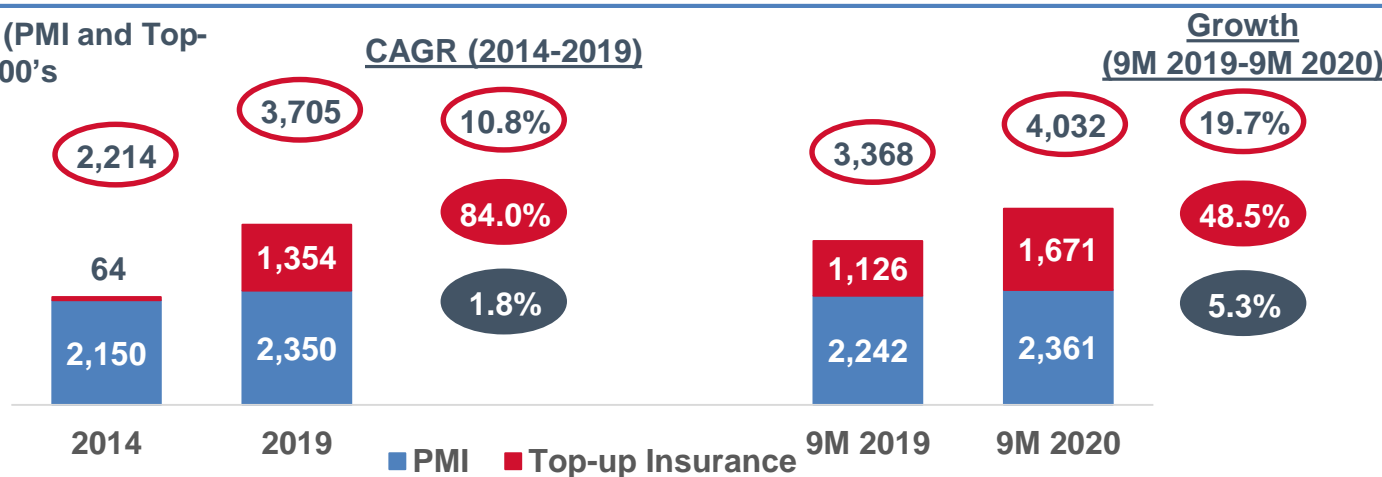
¹ Includes managed hospitals, full time and part time staff

of People with Top-up Insurance Exceeds 1.6 million

of People with Top-up Insurance in Turkey



of People with Insurance (PMI and Top-up) in Turkey – 000's



Our Growth Strategy is Intact

MLP Care continues its asset light growth strategy



Expanding in metropolitans through mid-large scale hospitals
(min. 100 bed capacity)



Quick EBITDA ramp-up through leveraging MLP Care's resources
(brand strength, operational know how, licensing, experienced physicians, and management staff)



Min. acquisition CAPEX & WC requirements



A network of hospitals located strategically across Istanbul



VM Medical Park Maltepe

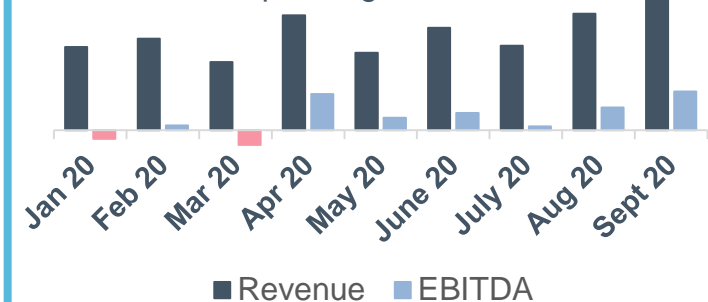


Location: Maltepe / Istanbul
Opening Date: December 2019

TOTAL CAPEX: Less than TL1m

Key Statistics

- ❖ 20k sqm
- ❖ 135 bed capacity
- ❖ 60 polyclinic rooms
- ❖ 7 operating rooms



- ✓ MLP Care hospitals located in Istanbul constitutes 37% of total bed capacity.
- ✓ Revenue growth of Istanbul hospitals were 29% while the consolidated revenue growth of the company was 18% in 2019.

★ **Positive EBITDA 7** of the 9 months after M&A

Growth Opportunities in Ankara

Map of Ankara



- ✓ MLP Care hospitals located in Ankara constitutes 8% of total bed capacity (478 beds).
- ✓ Revenue growth of Ankara hospitals were 26% while the consolidated revenue growth of the company was 18% in 2019.

VM Medical Park Ankara

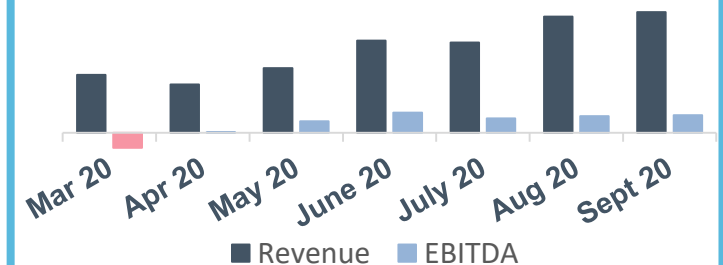


Location: Keçiören/ Ankara
Opening Date: March 2020

TOTAL CAPEX: Less than TL250k

Key Statistics

- ❖ 19k sqm
- ❖ 94 bed capacity
- ❖ 27 polyclinic rooms
- ❖ 6 operating rooms



★ **Positive EBITDA 6** of the 7 months after M&A

Growth Opportunities in Gaziantep

Map of Gaziantep



- Hospitals with Medical Park Brand
- Hospitals with Liv Hospital Brand

Liv Hospital Gaziantep



Location: Şehitkamil / Gaziantep
Opening Date: September 2020

TOTAL CAPEX: Less than TL200k

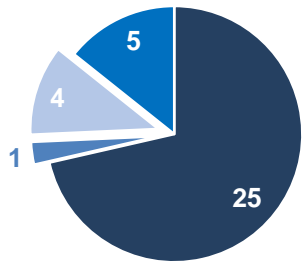
Key Statistics

- ❖ 40k sqm
- ❖ 258 bed capacity
- ❖ 70 polyclinic rooms
- ❖ 8 operating rooms

✓ MLP Care hospitals located in Gaziantep constitutes 9% of total bed capacity (541 beds).

Planned M&A in 2020 – 2021

of Hospitals



- Medical Park
- Liv Hospital 2021 Additions
- 2021-2022 Target M&A's
- Liv Hospital

Location

Opening Date

Key Statistics

**Liv Hospital İstanbul
(Planned)**



- İstanbul
- ~ Q2 2021
- ~ 50k sqm

Target M&A's



- Metropolis
- 2021-2022
- 4 new hospitals

Accelerated Efforts for Digitalization After Pandemic



BURCU ÖZTÜRK

CFO

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Precautions Taken Regarding the COVID-19 Pandemic

Cost Management	Personnel Expenses	Government's Incentive of Short-time Work Program was utilized between Apr-20 – June-20. Employees have been gradually shifted to a full-time working cycle.
	Doctor Costs	Almost all doctor costs are variable. Revenue decline also decreased the doctor costs.
	Rent Expenses	Rent discount negotiations were successfully completed with the landlords (%50 rent discount is already received for almost all hospitals for April and May).
	Material Cost	COVID-19 related hygiene products are procured from Government, which secures minimal unit price.
	Other Cost	Discounts are received from equipment maintenance suppliers during pandemic period. Marketing & Representation related expenses for both medical tourism and domestic revenues are decreased.
	Capex	Discretionary & growth related capex is minimalised.

Precautions Taken Regarding the COVID-19 Pandemic

Cash Preservation & Liquidity Management

Responsible Leverage

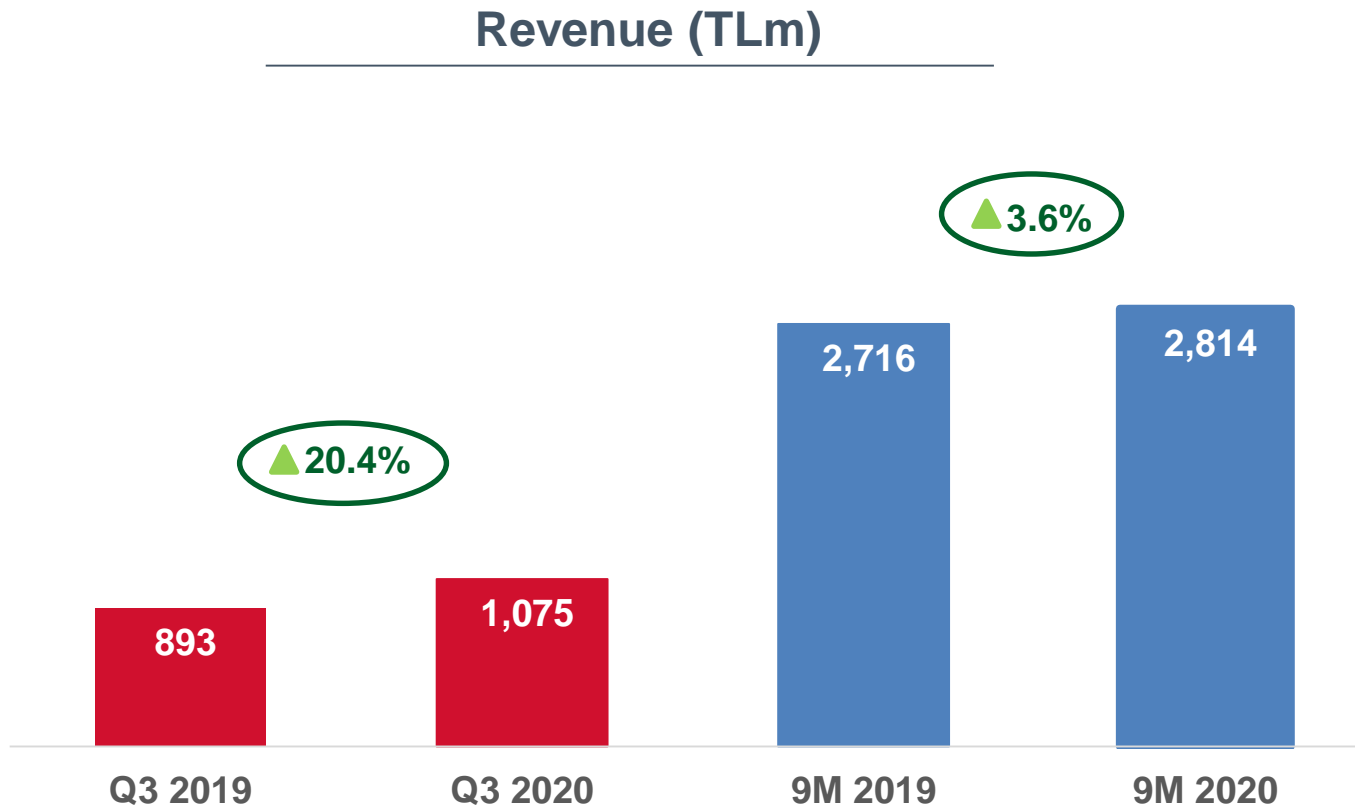
A long-term loan of TL 330 million was withdrawn (investment loan of TL 80 million and a Net Working Capital Facility of TL 250 million) with an attractive interest rate of TR LIBOR + 2.5% (first 6 months) and 3.5% (remaining period). Existing investment loan interest rate is TR LIBOR + 5.8%

NWC Management

As of March 2020, the Net Working Capital Management Committee was established to manage supplier payments and customer collections in an efficient manner.

All Social Security Institution (SSI), Withholding Tax, VAT payments are postponed to October 2020.

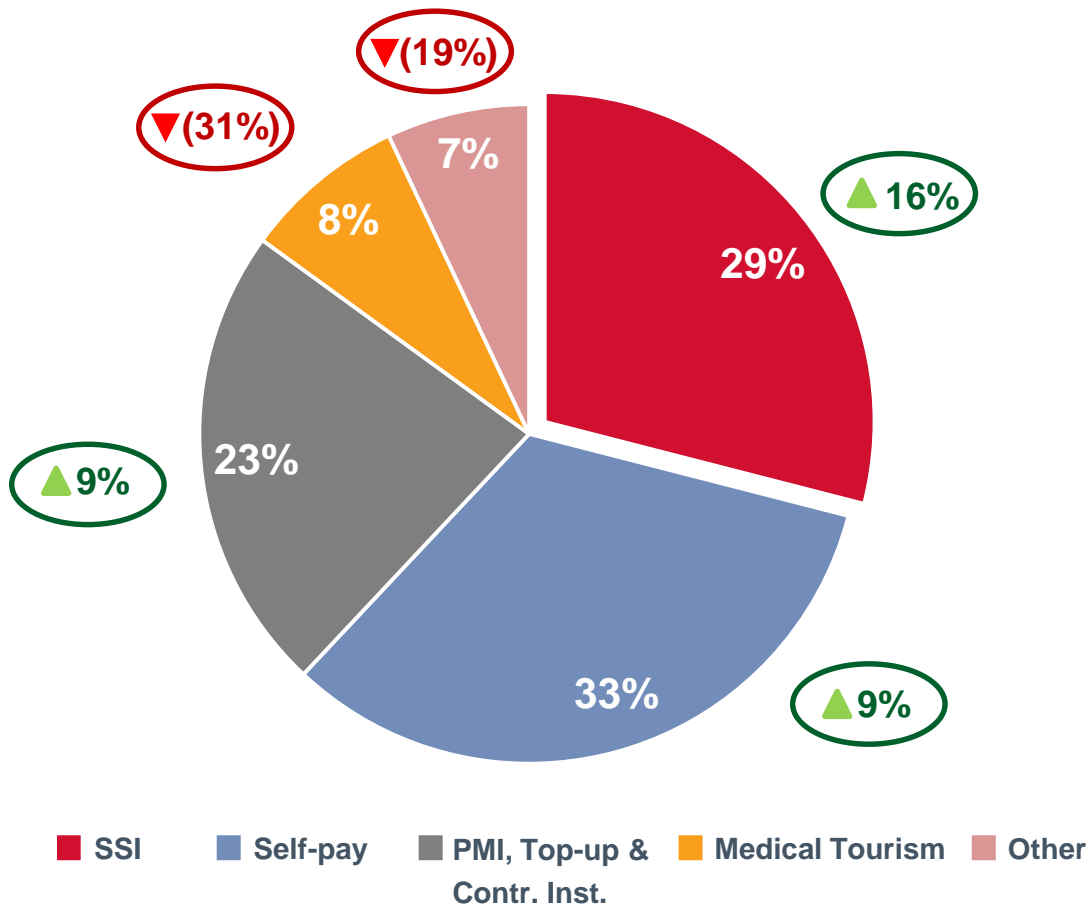
Revenue Increased 4% in 9M 2020 despite the COVID-19 Impact



Denotes growth of Revenue vs. the same period of the last year

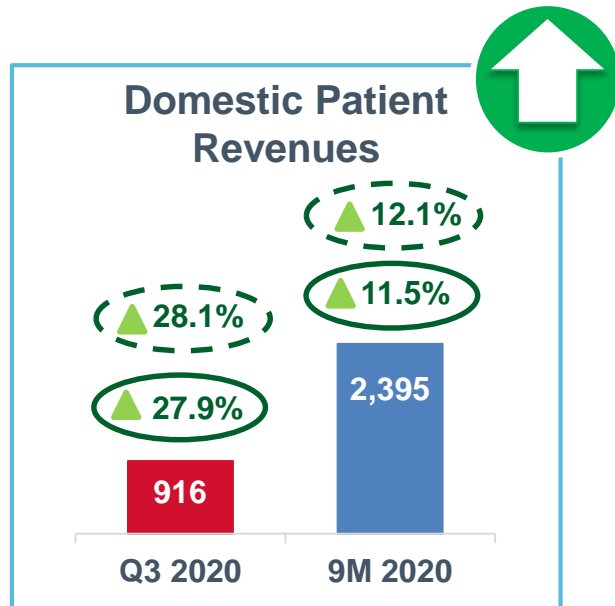
Revenue Increased 4% in 9M 2020 despite the COVID-19 Impact

9M 2020



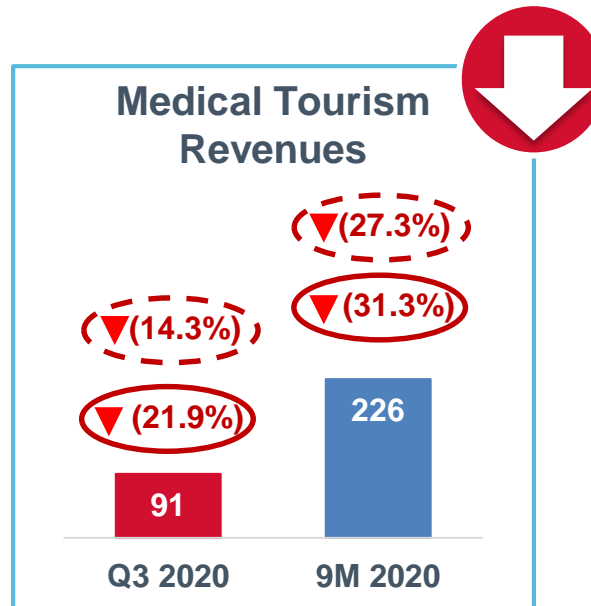
- ✓ Revenue from **SSI** was up by 27% in Q3 2020 (**SSI Insurance** allows for a wide addressable market, which is c.98% of the total population)
- ✓ Revenue from **PMI, Top-up & Contracted Institutions** increased by 27% in Q3 2020
- ✓ Share of **self pay** increased by 29% in Q3 2020
- ✓ **Medical Tourism** decreased by 22% in Q3 2020 due to travel restrictions
- ✓ **Other** increased by 13% in Q3 2020 on the back of increasing managed hospital performance

Revenue Climbs Up After Movement and Travel Restrictions



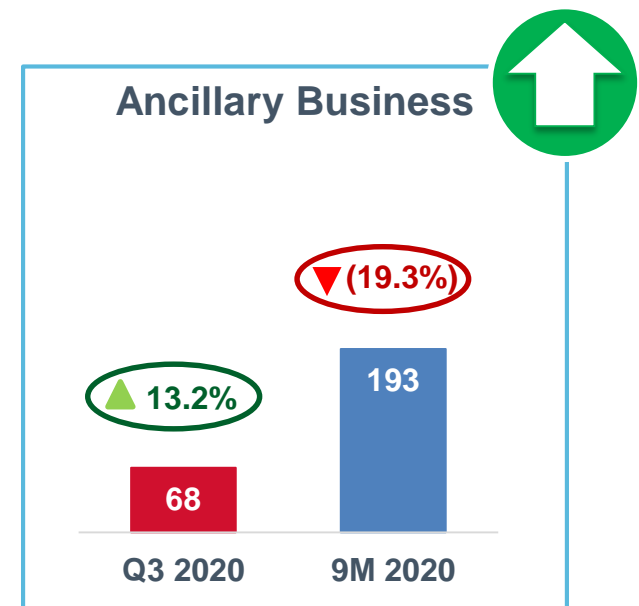
Revenue Growth Continued in Q3 2020

- ✓ Inpatient revenues grew in
Q3 2020: **26.8%**
9M 2020: **15.0%**
- ✓ Outpatient revenues grew in
Q3 2020: **29.4%**
9M 2020: **6.4%**



Slow down in Medical Tourism Revenue due to pandemic impact in 9M 2020

- ✓ Share of revenue from Europe in total Medical Tourism: **30%**
- ✓ Middle East & Africa: **37%**
- ✓ Former CIS and the rest: **33%**



Growth in Managed University Hospital Revenues in Q3 2020

- ✓ Managed hospitals' revenues grew by 1.9mTL with a growth rate of 13.7% in Q3 2020
- ✓ Laboratory revenues grew by 2.6mTL with a rate of 7.3% in Q3 2020

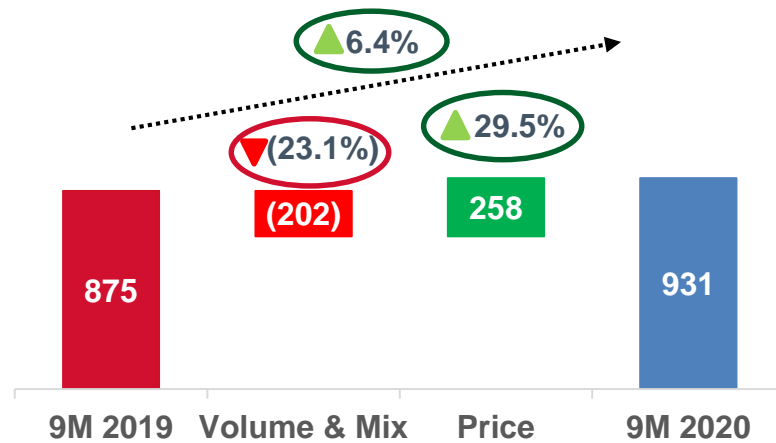


Denotes growth / decrease of Revenue vs. the same period of the last year

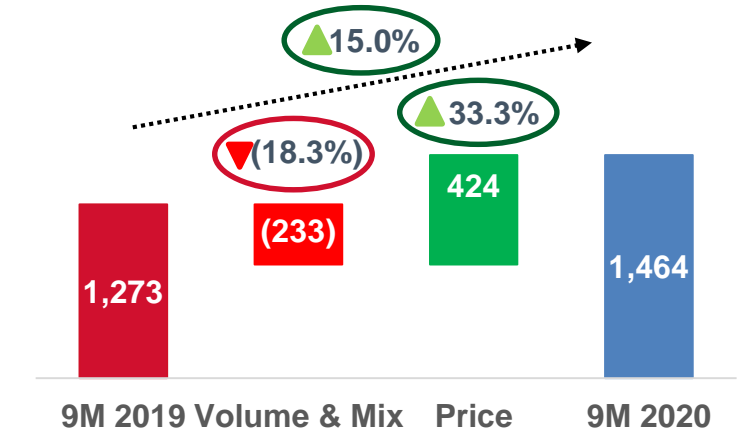
Denotes growth of Revenue Including Managed Hospitals vs. the same period of the last year

Strong Improvement in Both ARPV and ARPP in 9M 2020

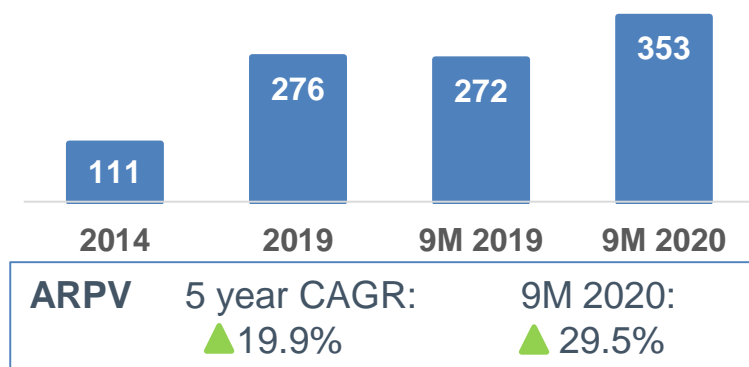
Outpatient Revenues (TLm)



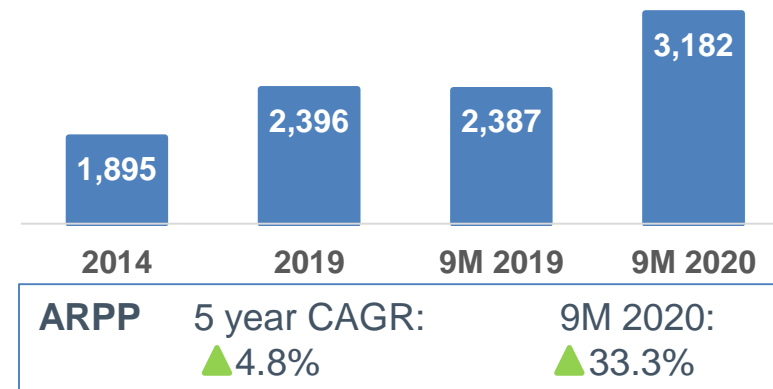
Inpatient Revenues (TLm)



Average Revenue Per Visit (ARPV)



Average Revenue Per Protocol (ARPP)



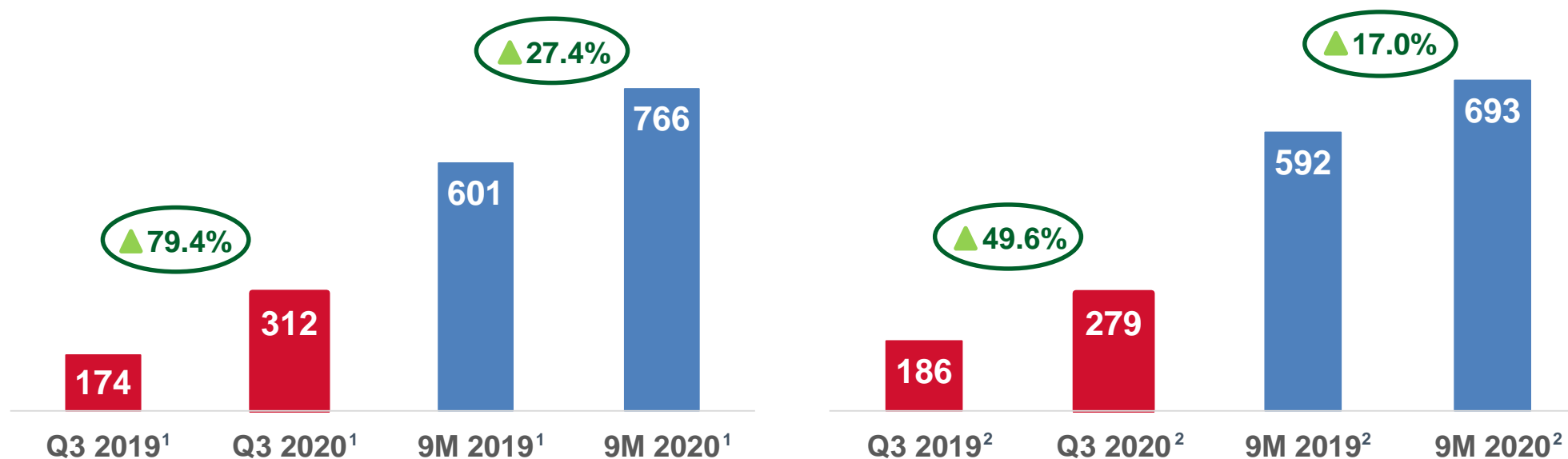
✓ **Outpatient** and **Inpatient** revenues made up **39%** and **61%** of total Domestic Hospital Business Revenues in 9M 2020



Denotes growth / decrease of Revenue vs. the same period of the last year

EBITDA Up by 27% in 9M 2020 supported by prudent cost management

EBITDA (TLm)



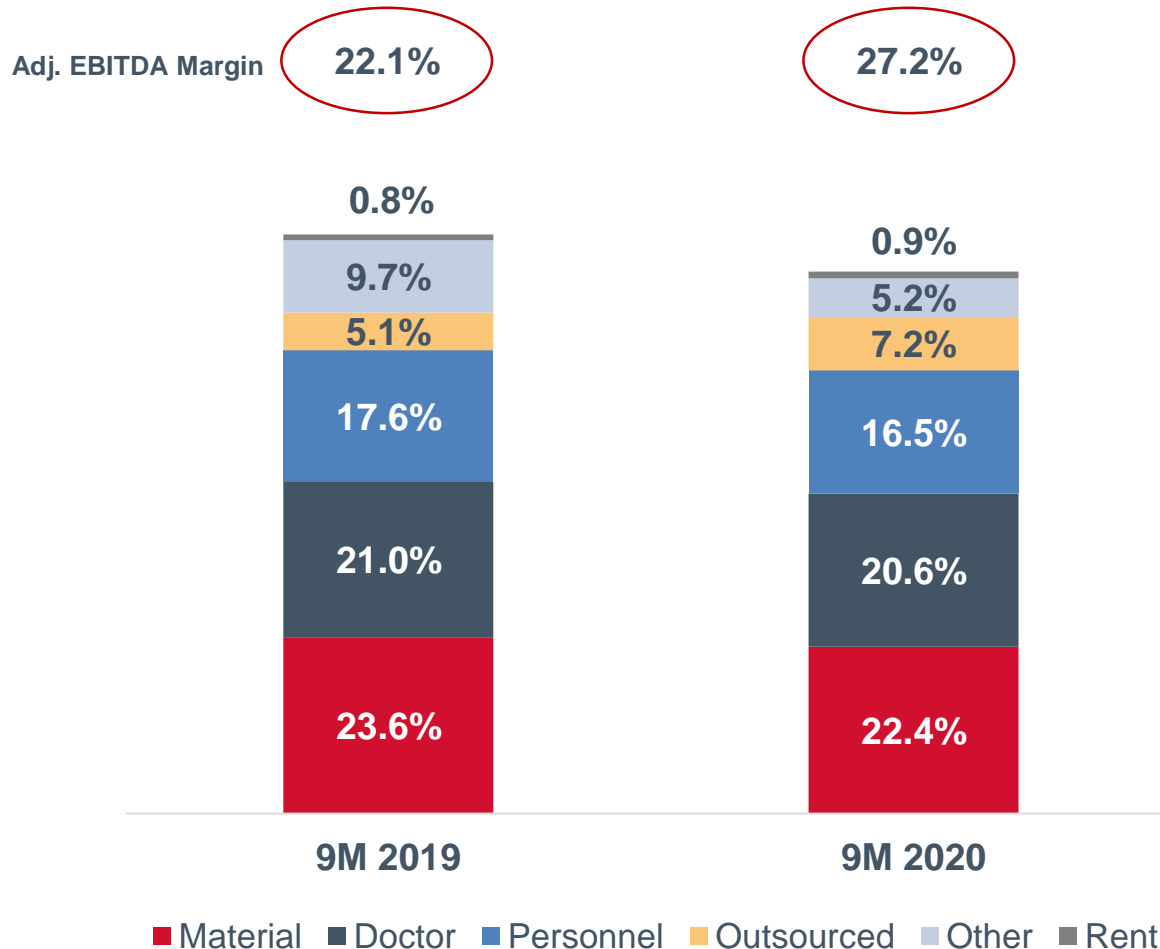
¹ Adj. EBITDA: EBITDA TFRS adjustments that have no cash impact on relevant period and one-off income/expense items

² Adj. EBITDA: Adj. EBITDA without foreign exchange effect of other income/expenses from operating activities

 Denotes growth of Adj. EBITDA vs. the same period of the last year

Prudent Cost Management

Cost of Service and G&A Expenses as a % of Revenues

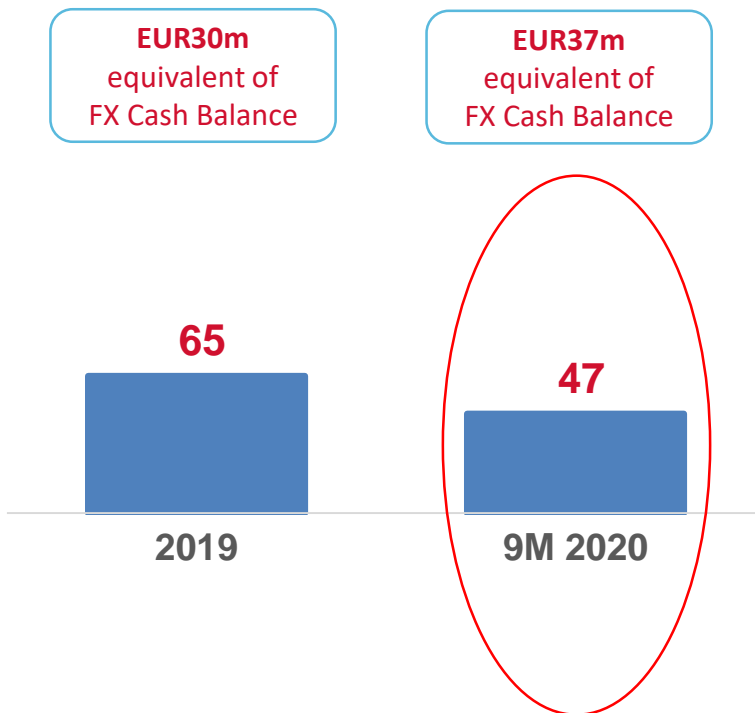


Cost Saving Measures enables us to reach the favourable EBITDA Margin

- ✓ **Material costs** as a % of revenue declined in Q3 2020 due to decrease in the share of laboratory business which has higher cost base.
- ✓ **Doctor costs** as a % of revenue declined in Q3 2020 due to revenue decrease in pandemic period.
- ✓ **Personnel costs** as a % of revenue decreased in Q3 2020 due to exiting some hospitals and utilizing Short-time Work Program.
- ✓ **Outsourced services** as a % of revenue increased due to the growth in the volume of such services
- ✓ **Other expenses** as a % of revenue decreased due to the decrease in the marketing expenses related to FMT revenues

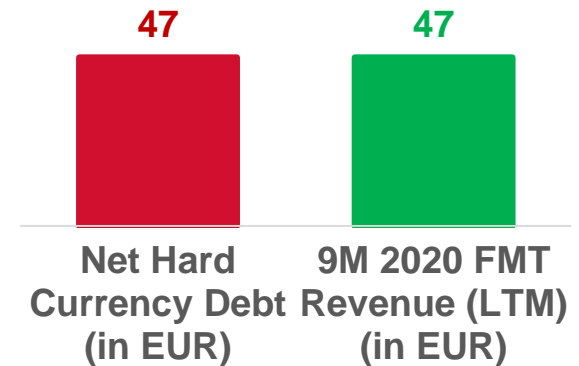
Debt Position in 9M 2020

FX BASED NET DEBT¹ (in EUR m)



NET DEBT

9M 2020¹

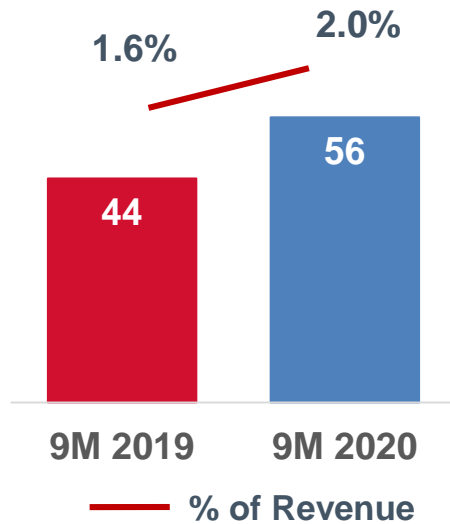


Nominal Net Debt (exc. IFRS 16)	1,476m TL
Nominal Net Debt (inc. IFRS 16)	2,088mTL
Net Debt /Adj. EBITDA (inc. IFRS 16)	2.1x

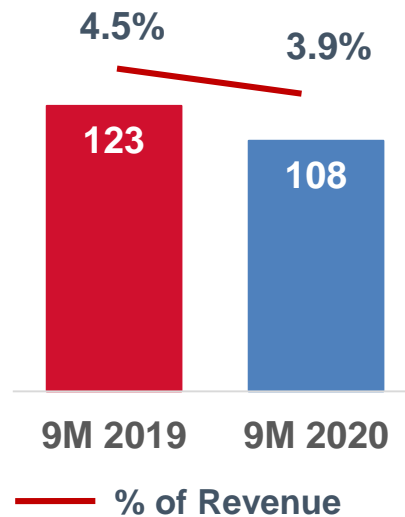
- ✓ 76% of 2020 debt service (including bank loans and financial leases) is hedged
- ✓ Net Debt to Adj. EBITDA ratio was at 2.1x

Total Capex Decreased, Operating Cash Flow Improved

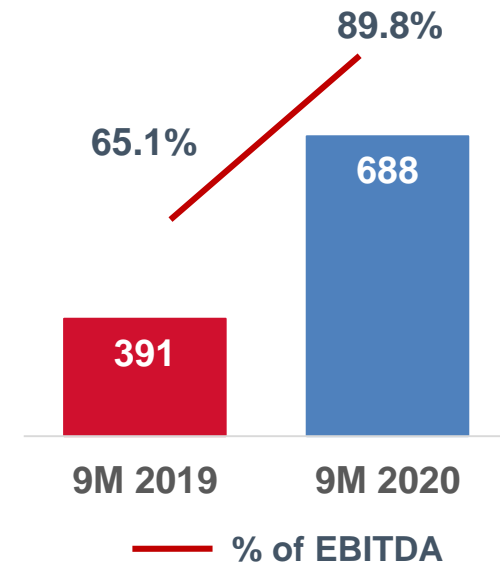
Maintenance Capex (TLm)



Total Capex (TLm)



Operating Cash Flow / EBITDA



Q&A

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Closing Remarks

MUHARREM USTA

CHAIRMAN & CEO

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Thank You!

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Historical Balance Sheet

TLm	Unaudited September 30, 2020	Unaudited September 30, 2019	Audited December 31, 2019
Cash and cash equivalents	492	231	306
Trade receivables	1,115	966	991
Inventory	112	83	90
Short term other assets	479	312	335
Current assets	2,198	1,592	1,722
Tangible and intangible fixed assets	1,431	1,266	1,327
Right of use assets	250	215	235
Deferred tax assets	415	396	398
Long term other assets	243	230	232
Non-current assets	2,339	2,106	2,193
Total assets	4,537	3,698	3,914
Trade payables	905	736	821
Short term other liabilities	431	276	256
Short term financial liabilities (incl. financial and operational leases)	888	833	861
Current liabilities	2,224	1,845	1,938
Long term other liabilities	140	52	95
Deferred tax liabilities	187	138	155
Long term financial liabilities (incl. financial and operational leases)	1,705	1,457	1,488
Non-current liabilities	2,031	1,647	1,738
Shareholders' equity	245	157	230
Non-controlling interest	37	50	8
Equity	282	207	238
Total liabilities & equity	4,537	3,698	3,914

Historical P&L Statements

TLm	Unaudited 9M 2020	Unaudited 9M 2019	Change (%)	Unaudited Q3 2020	Unaudited Q3 2019	Change (%)
Revenue	2,814	2,716	3.6%	1,075	893	20.4%
Cost of service (-)	(2,150)	(2,098)	2.4%	(799)	(698)	14.5%
Gross profit	664	617	7.6%	277	196	41.3%
General administration expenses (-)	(181)	(218)	(16.8%)	(68)	(74)	(8.2%)
Other income from operations	366	242	51.4%	205	97	111.8%
Other expenses from operations (-)	(302)	(260)	15.8%	(176)	(118)	49.0%
Operating profit / (loss)	548	381	43.6%	238	100	137.1%
Income from investing activities	119	2	n.m.	34	1	n.m.
Expense from investing activities (-)	(2)	--	100.0%	(2)	--	100.0%
EBIT	664	383	73.3%	270	101	166.6%
<i>EBIT margin</i>	23.6%	14.1%	950bps	25.1%	11.3%	1,376bps
Interest expenses (-)	(331)	(367)	(9.7%)	(105)	(114)	(8.0%)
Net foreign exchange profit / (loss) (including hedging cost)	(244)	(42)	486.5%	(140)	15	n.m.
Net profit / (loss) before tax	89	(25)	n.m.	25	2	n.m.
Tax income / (expense) from operations	(37)	5	n.m.	(12)	3	n.m.
Net profit / (loss)	52	(20)	n.m.	13	5	173.6%

Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	9M 2020	9M 2019	Q3 2020	Q3 2019
Net profit / (loss)	52	(20)	13	5
Tax (income) from operations	37	(5)	12	(3)
Depreciation and amortization of tangible and intangible fixed assets	188	198	62	69
Total interest expenses/(income) and fair value differences of derivative instruments	557	385	239	92
Net (gains) / losses from the disposal of tangible and intangible assets and income from negative goodwill	(117)	(2)	(32)	(1)
Reported EBITDA	717	556	294	162
Net one-off (gains) / losses	38	29	14	7
Non-cash GAAP provision expenses	11	17	4	4
Adjusted EBITDA	766	601	312	174
Adjusted EBITDA Margin (%)	27.2%	22.1%	29.0%	19.4%
Foreign exchange gains/(losses) from operations	73	9	33	(12)
Adjusted EBITDA¹	693	592	279	186
Adjusted EBITDA¹ Margin (%)	24.6%	21.8%	25.9%	20.8%

¹Adj. EBITDA and Adj. EBITDA margin without foreign exchange gains/(losses) from other income/(expenses) from operating activities