

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

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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JANUARY 1 - SEPTEMBER 30, 2021**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED JANUARY 1 - SEPTEMBER 30, 2021**

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**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021**

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

	Notes	Current period Reviewed September 30 2021	Prior period Audited December 31 2020
Assets			
Current assets		2,693,587	2,185,278
Cash and cash equivalents	4	676,328	374,997
Trade receivables	6	1,358,616	1,155,116
- Due from related parties	3	8,526	23,654
- Trade receivables from third parties		1,350,090	1,131,462
Other receivables	7	117,196	84,367
- Due from related parties	3	51,815	41,059
- Other receivables from third parties		65,381	43,308
Inventories	8	121,853	113,482
Prepaid expenses	9	370,846	414,263
Other current assets	13	48,748	43,053
Non-current assets		2,613,965	2,386,572
Trade receivables		1,053	1,053
Other receivables	7	3,413	2,740
Property and equipment	10	859,290	764,245
Intangible assets		679,299	676,849
- Goodwill		38,661	38,661
- Other intangible assets	10	640,638	638,188
Right of use assets	11	382,984	257,440
Prepaid expenses	9	336,686	282,714
Deferred tax assets	22	351,240	401,531
Total assets		5,307,552	4,571,850

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

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021**

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

	Notes	Current period Reviewed September 30 2021	Prior period Audited December 31 2020
Liabilities and equity			
Current liabilities		2,964,321	2,386,700
Short term borrowings	5	475,728	363,743
Short term portion of long term borrowings	5	477,795	392,485
Obligations under finance leases	5	107,353	102,825
Short term lease liabilities	5	126,852	118,792
Trade payables	6	1,315,360	987,130
- Due to related parties	3	26,337	18,206
- Trade payables to third parties		1,289,023	968,924
Payables related to employee benefits	12	100,353	91,379
Other payables	7	62,947	51,684
- Due to related parties	3	799	799
- Other payables to third parties		62,148	50,885
Deferred revenues	9	206,471	221,497
Short term provisions		51,427	39,457
- Short term provisions for employment benefits	12	22,594	19,090
- Other short term provisions	14	28,833	20,367
Current tax liabilities	22	40,035	17,708
Non-current liabilities		1,791,090	1,836,293
Long term borrowings	5	769,646	944,203
Obligations under finance leases	5	101,698	93,239
Long term lease liabilities	5	584,167	476,310
Other payables		96,656	106,471
- Other payables to third parties	7	96,656	106,471
Deferred income	9	18,954	2,211
Long term provisions		32,631	30,207
- Long term provisions for employee benefits	12	32,631	30,207
Deferred tax liabilities	22	187,338	183,652
Equity		552,141	348,857
Equity attributable to the owner of the company		436,067	282,387
Share capital	16	208,037	208,037
Share premium	16	556,162	556,162
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		(840)	1,896
- Revaluation reserve	16	37,747	37,747
- Accumulated loss on remeasurement of defined benefit plans		(38,587)	(35,851)
Restricted reserves	16	10,260	10,260
Accumulated deficit		(502,547)	(558,898)
Net profit/(loss) for the period		164,995	64,930
Non-controlling interest		116,074	66,470
Total liabilities and equity		5,307,552	4,571,850

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE-MONTH PERIOD ENDED JANUARY 1 - SEPTEMBER 30, 2021**

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

	Current period		Prior period	
	Reviewed January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	Reviewed January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Profit or loss				
Revenue	17	4,039,795	1,497,521	2,813,670
Cost of sales (-)	17	(2,969,168)	(1,062,262)	(2,149,545)
Gross profit		1,070,627	435,259	664,125
General administration expenses (-)	18	(314,364)	(120,777)	(180,898)
Other income from operating activities	19	277,318	50,463	366,084
Other expenses from operating activities (-)	19	(249,371)	(57,688)	(301,619)
Operating profit		784,210	307,257	547,692
Income from investing activities	20	2,779	216	118,506
Expense from investing activities (-)	20	(89)	(47)	(1,718)
Operating profit before finance expenses		786,900	307,426	664,480
Finance expenses (-), net	21	(451,740)	(160,466)	(575,548)
Net profit before tax		335,160	146,960	88,932
Tax income/(expense) from operations		(119,866)	(106,094)	(37,097)
Current tax expense	22	(65,205)	(37,056)	(20,345)
Deferred tax income/(expense)	22	(54,661)	(69,038)	(16,752)
Net profit		215,294	40,866	51,835
Non-controlling interest		50,299	23,176	28,605
Equity holders of the parent		164,995	17,690	23,230
		215,294	40,866	51,835
Basic gain/(loss) per share	23	0.79	0.09	0.11
Other comprehensive income/(expense)		(2,736)	(2,435)	(8,288)
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans		(3,420)	(3,044)	(10,360)
Income tax relating to items that will not be reclassified subsequently		684	609	2,072
Total comprehensive income/(loss)		212,558	38,431	43,547
Total comprehensive income/(loss) distribution:				
Non-controlling interest		50,299	23,176	28,605
Equity holders of the parent		162,259	15,255	14,942

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED JANUARY 1 - SEPTEMBER 30, 2021**

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

	Share capital	Share premium	Property revaluation reserve	Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or (loss)	Legal reserves	Accumulated deficit	Accumulated Profit			Total
				Accumulated loss on remeasurement of defined benefit plans			Net profit/(loss) for the period	Attributable to equity holders of the Parent	Non-controlling interest	
Balance as at January 1, 2020	208,037	556,162	37,747	(23,306)	10,260	(595,149)	36,251	230,002	8,403	238,405
Other comprehensive loss for the period, net of tax	-	-	-	(8,288)	-	-	-	(8,288)	-	(8,288)
Net profit/(loss) for the period	-	-	-	-	-	-	23,230	23,230	28,605	51,835
Total comprehensive loss for the period	-	-	-	(8,288)	-	-	23,230	14,942	28,605	43,547
Transfers	-	-	-	-	-	36,251	(36,251)	-	-	-
Balance as at September 30 2020	208,037	556,162	37,747	(31,594)	10,260	(558,898)	23,230	244,944	37,008	281,952
Balance as at January 1, 2021	208,037	556,162	37,747	(35,851)	10,260	(558,898)	64,930	282,387	66,470	348,857
Other comprehensive loss for the period, net of tax	-	-	-	(2,736)	-	-	-	(2,736)	-	(2,736)
Net profit/(loss) for the period	-	-	-	-	-	-	164,995	164,995	50,299	215,294
Total comprehensive loss for the period	-	-	-	(2,736)	-	-	164,995	162,259	50,299	212,558
Transfers	-	-	-	-	-	64,930	(64,930)	-	-	-
Dividend payment	-	-	-	-	-	(8,579)	-	(8,579)	(695)	(9,274)
Balance as at September 30 2021	208,037	556,162	37,747	(38,587)	10,260	(502,547)	164,995	436,067	116,074	552,141

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

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
AS AT SEPTEMBER 30, 2021**

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

	Notes	Current period Reviewed January 1 - September 30 2021	Prior period Reviewed January 1 - September 30 2020
Cash flows from operating activities		1,096,229	687,957
Net profit/(loss) for the period		215,294	51,835
Profit (loss) continuing operations		807,830	667,645
Adjustments related to depreciation and amortization expenses	10,11	237,976	187,677
Adjustments related to impairment		2,406	4,022
Adjustments related to impairment (reversal) of receivables	6	2,406	2,466
Adjustments related to goodwill (reversal)		-	1,556
Adjustments related to provisions		32,145	7,480
Adjustments related to (reversal) of provision for employment benefits		12,025	8,249
Adjustments related to lawsuit (reversal) of provision for lawsuit		20,120	(769)
Adjustments related to interest (income) expense		404,122	313,101
Adjustments related to interest income	19	(24,711)	(18,394)
Adjustments related to interest expense	21	428,833	331,495
Adjustments related to gain (loss) on fair value		-	(35,787)
Loss (gain) arising on derivatives		-	(35,787)
Adjustments related to tax (gain) loss	22	119,866	37,097
Other adjustments related to non-cash items		14,005	270,843
Adjustments regarding to (gain) loss on sale of bargain purchase		-	(81,980)
Adjustments regarding to (gain) loss on sale of fix assets		(2,690)	(34,808)
Adjustments regarding to (gain) loss on sale of tangible assets		(2,690)	(34,808)
Changes in working capital		133,929	(13,066)
Adjustments related to increase in trade receivables		(239,997)	(161,936)
Adjustments related to increase in inventories		(8,371)	(21,394)
Adjustments related to increase in trade payables		335,087	82,857
Adjustments related to increase in other payables from operations		9,503	170,700
Adjustments related to other (increase) decrease in working capital		37,707	(83,293)
Adjustments related to increase in other payables from other asset		37,707	(83,293)
Cash generated from operations		1,157,053	706,414
Payments related with provision for employee benefits		(9,517)	(7,632)
Tax paid	22	(42,878)	(11,978)
Payments related with other provisions		(9,018)	-
Other cash inflows (outflows)	6	589	1,153

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
AS AT SEPTEMBER 30, 2021**

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

	Notes	Current period Reviewed January 1 - September 30 2021	Prior period Reviewed January 1 - September 30 2020
Cash flows from investing activities		(264,550)	(78,890)
Proceeds from sales of property, plant, equipment and intangible assets		7,400	37,075
Proceeds from sales of property, plant, equipment	10	7,400	37,075
Payment for purchase of property, plant and equipment, intangible assets		(244,749)	(108,406)
Payment for purchase of property, plant and equipment	10	(235,075)	(93,327)
Payment for purchase of intangible assets	10	(9,674)	(15,079)
Cash payments for capital expenditures	9	(51,912)	(25,953)
Interest received	19	24,711	18,394
Cash flows from financing activities		(530,348)	(422,356)
Proceeds from bank loans		470,000	434,918
Proceeds from borrowings		-	215,127
Proceeds from bonds		470,000	219,791
Repayment of lease liabilities		(235,433)	(187,051)
Bank borrowings paid		(491,991)	(399,739)
Cash used for repayment of borrowings		(245,201)	(211,338)
Cash used for repayment of bonds		(246,790)	(188,401)
Repayment of obligations under finance leases		(8,064)	(44,537)
Interest paid		(255,586)	(225,947)
Dividend paid		(9,274)	-
Net increase (decrease) in cash and cash equivalents		301,331	186,711
Cash and cash equivalents at the beginning of the period	4	374,997	305,663
Cash and cash equivalents at the end of the period	4	676,328	492,374

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021

(Amounts expressed in thousands Turkish Lira (“TRY”) 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 September 30, 2021, MLP is the holding company of 17 subsidiaries (December 31, 2020: 17) (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 33.36% as of September 30, 2021, of MLP Sağlık are accepted as “in circulation”. As of October 1, 2021, this ratio is 33.36% (Note 16).

Approval of financial statements

Board of Directors has approved the financial statements and delegated authority for publishing it on November 4, 2021.

As of September 30, 2021 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 - İstanbul
Özel Samsun Medikal Tıp Merkezi ve Sağlık Hizmetleri Tic. Ltd. Şti. (“Samsun Tıp Merkezi”)	Samsun
Kuzey Medikal Pazarlama İnşaat Taşımacılık San. ve Tic. 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
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 Sağlık Temizlik Yemek Medikal Turizm İnşaat Sanayi ve Ticaret A.Ş. (“Sotte Sağlık Temizlik Yemek”)	İstanbul - Ankara
MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş. (“MA Group”)	İstanbul
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
MLP Gaziantep Sağlık Hizmetleri Anonim Şirketi (“MLP Gaziantep Sağlık”)	Gaziantep

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT SEPTEMBER 30, 2021

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

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 30 September 2021 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 2020.

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.

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.

Going Concern

The financial statements have been prepared assuming that the Company will continue as a going concern on the basis that the entity will be able to realize its assets and discharge its liabilities in the normal course of business.

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT SEPTEMBER 30, 2021**

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

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

2.1 Basis of Presentation (Continued)

Basis of Consolidation

The details of the Company’s subsidiaries as of September 30, 2021 and December 31, 2020 are as follows:

Subsidiaries	Place of incorporation and operation	Proportion of ownership and voting power held(%)		Principal activity
		Sep. 30, 2021	December 31, 2020	
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
MA Group (3)	İstanbul	51.00%	51.00%	Hospital services
BTR Sağlık Hizmetleri	İstanbul	100.00%	100.00%	Hospital services
Meditime Sağlık	İstanbul	100.00%	100.00%	Hospital services
MLP Gaziantep Sağlık	Gaziantep	60.00%	60.00%	Hospital services
Sotte Sağlık Temizlik Yemek	İstanbul-Ankara	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)	İstanbul	100.00%	100.00%	Ancillary services
BTN Sigorta (4)	İstanbul	100.00%	100.00%	Ancillary services
Kuzey Hastaneler Birliği (‘KHB’)	İstanbul	99.90%	99.90%	Ancillary services
BTN Asistans (4)	İstanbul	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

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

(4) The Company has decided to cease all activities as of September 18, 2020 on September 15, 2020.

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 or circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

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.

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 other than the change disclosed in Note 2.1.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

Effect of Covid 19 Outbreak on Group Activities

Since the spread of Covid-19 outbreak effect to continue with the world as well as in how much time in Turkey, can not be estimated yet clear ; as the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. However, while preparing the interim consolidated financial statements as of 30 September 2021, the possible effects of the Covid-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the financial statements were reviewed. In this context, the Group has tested possible impairment in the values of financial assets, stocks, tangible and intangible fixed assets included in the interim consolidated financial statements as of 30 September 2021, and no impairment was detected.

2.5 Changes in Accounting Policies

a) *Standards, amendments and interpretations applicable as at 30 September 2021:*

- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Changes in Accounting Policies (Continued)

b) Standards, amendments and interpretations that are issued but not effective as at 30 September 2021:

- **IFRS 17, 'Insurance contracts'**; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities**; effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16**; effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8**; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction**; from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The company has not yet determined the effects that may occur in the financial statements as a result of the application except for the ones mentioned above and does not expect these differences to have a significant effect on the financial statements.

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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.

The details of short-term receivables and payables as of 30 September 2021 are as follows:

Shareholders	September 30 2021			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Muharrem Usta	-	49,974	-	50
Adem Elbaşı	-	1,689	-	-
	-	51,663	-	50
Other companies controlled by the shareholders				
A ve A Sağlık A.Ş. (2)	8,269	-	211	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	178	-	1,868	-
Miniso Mağazacılık A.Ş.	46	-	-	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	-	509	-
Sanport Gayrimenkul Geliştirme İnş. Ve Tic. Ltd. Şti.	-	-	11,648	-
Atk Sağlık Hizmetleri ve Danışmanlık A.Ş.	-	-	133	-
Cotyora Med, Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	1,801	-
Saray Eczanesi	-	-	273	-
Mp Sağlık ve Tic. A.Ş.	-	-	4,920	733
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	130	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	3,667	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş	-	-	7	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	349	-
Other	31	152	821	16
	8,526	152	26,337	749
	8,526	51,815	26,337	799

- (1) 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 construction of the Group hospitals.
- (2) A ve A Özel Sağ. Hiz. ve Cih. Teks. San. Tic. Ltd. Şti. provides cleaning materials for the hospitals.
- (3) Samsunpark Özel Sağlık Tıbbi 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.

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Shareholders	31 December 2020			
	Receivables Current		Payables Current	
	Trade	Non-trade	Trade	Non-trade
Muharrem Usta (*)	-	39,564	-	50
Adem Elbaşı	-	1,343	-	-
	-	40,907	-	50
Other companies controlled by the shareholders				
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	15,064	-	1,868	-
A ve A Sağlık A.Ş. (2)	8,309	-	9,125	-
Konca Özel Sağlık Hizmetleri Ltd.Şti.	208	-	-	-
Miniso Mağazacılık A.Ş.	42	-	-	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	-	509	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	1,407	-
Saray Eczanesi	-	-	216	-
Mp Sağlık ve Tic. A.Ş.	-	-	1,291	733
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	116	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	3,146	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	14	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	514	-
Other	29	152	-	16
	23,654	152	18,206	749
	23,654	41,059	18,206	799

- (*) Non-trade receivables from Muharrem Usta is short term due date and interest is charged from the current value of internal interest rate of Group.
- (1) 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.
- (2) A ve A Özel Sağ. Hiz. ve Cih. Teks. San. Tic. Ltd. Şti. provides cleaning materials for the hospitals.
- (3) Samsunpark Özel Sağlık Tıbbi 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.

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Advance given to related parties, prepaid expenses

	September 30 2021	December 31 2020
Sanport Gayrimenkul Geliştirme İnş.ve Tic. A.Ş.	9,318	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	6,639	108,782
A ve A Sağlık A.Ş.	266	296
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	-	323
	16,223	109,401

Fixed asset advances given to related parties

	September 30 2021	December 31 2020
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	170,956	124,364
Mp Sağlık ve Tic. A.Ş.	68,200	68,200
	239,156	192,564

(1) 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.

Related parties (sale and leaseback transactions)

	September 30 2021	December 31 2020
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within long-term prepaid expenses)	2,221	2,811
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within short-term prepaid expenses)	787	787
	3,008	3,598

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 TRY6,211, 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 TRY5,591. The duration of leasing agreement of the building is 15 years starting from December, 2009. As at September 30, 2021, the Group has incurred rent expense amounting to TRY590 due to amortization of prepaid rent (December 31, 2020: TRY787).

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Lease liabilities from related parties	September 30 2021		December 31 2020	
	Current	Non-current	Current	Non-current
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş.	56,053	61,836	52,327	75,766
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	6,725	60,577	16,332	57,562
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş.	5,670	-	6,471	3,214
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	5,286	-	3,034	-
Mp Sağlık ve Tic. A.Ş.	4,111	-	2,475	-
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	3,387	6,064	7,696	8,681
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	2,731	-	2,268	1,011
	83,963	128,477	90,603	146,234
Purchases from related parties	January 1 - Sep. 30 2021	July 1 - Sep. 30 2021	January 1 - Sep. 30 2020	July 1 - Sep. 30 2020
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)(3)	139,706	7,294	15,739	6,048
A ve A Sağlık A.Ş. (1)	9,536	3,195	8,888	2,995
	149,242	10,489	24,627	9,043

(1) Cleaning material purchases

(2) Hospital rent expenses

(3) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.

Operating expenses (including purchase of services)	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş. (1) (7)	85,514	29,178	65,428	25,527
Samsunpark Özel Sağ. Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (4)	15,599	5,369	10,876	3,634
Atakum Özel Sağlık Hiz. İnş. Turizm ve San. Tic. A.Ş. (1) (7)	10,205	3,294	7,741	2,944
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	9,385	3,786	5,129	2,440
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş. (1) (7)	6,396	2,285	5,752	2,679
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş. (1) (7)	6,391	2,130	3,156	-
Mp Sağlık ve Tic. A.Ş. (1) (7)	5,651	1,831	4,269	1,501
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	5,147	1,806	4,824	1,594
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1) (7)	2,644	909	2,160	756
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (5)	1,238	422	821	346
Saray Eczanesi (6)	655	252	561	217
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. Şti. (2)	503	174	258	141
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş. (3)	174	53	143	44
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş. (3)	-	-	19	9
Salih Usta (Lojman)	-	-	14	(76)
	149,502	51,489	111,151	41,756

(1) Hospital rent expenses

(2) Doctor expenses

(3) Stationary and consumable expenses

(4) Cleaning, catering and laundry services

(5) Medical equipment rent expenses

(6) Drug purchase expenses

(7) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.

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Sales to related parties	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
A ve A Sağlık A.Ş.(1)	11,401	3,547	8,225	2,802
Muharrem Usta	7,378	2,750	3,620	1,451
Adem Elbaşı	249	93	123	49
Samsunpark Özel Sağlık Hiz. İş Sağlığı ve Güvenlik. Dan. Eğitim. Müh.Tic.Ltd. Şti.	204	77	16	7
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	173	73	22	17
Miniso Mağazacılık A.Ş.	127	42	132	38
Cotyora Med.Özel Sağ.Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	88	35	60	13
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	63	21	-	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turizm. Tem. Tic. A.Ş.	14	3	164	51
Saray Eczanesi	2	-	5	1
	19,699	6,641	12,367	4,429

(1) Outsourcing laboratory 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. Compensation of key management personnel consist of salary,premium,health insurance and transportation.

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

	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Salaries and other short-term benefits	7,450	1,536	13,841	5,320
	7,450	1,536	13,841	5,320

NOTE 4 - CASH AND CASH EQUIVALENTS

	September 30 2021	December 31 2020
Cash on hand	24,457	26,746
Cash at banks	639,152	338,224
- Demand deposit	170,119	252,229
- Time deposit	469,033	85,995
Other cash equivalents (*)	12,719	10,027
	676,328	374,997

The effective interest rate of the time deposits of the Group in TRY, USD and EUR as of 30 September 2021 rates respectively 8.79% - 22.69% (31 December 2020: 15.25% - 19%), 0.10% (31 December 2020: 0.1%), 0.1% (31 December 2020: 0.01%) and their maturities are less than 3 months.

(*) Other cash equivalents consist of credit card receivables from banks.

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NOTE 5 - FINANCIAL INSTRUMENTS

Financial Liabilities

Bank Loans and Bonds

	September 30 2021	December 31 2020
Short-term bank borrowings	-	41,223
Short-term bonds issued	475,728	322,520
Current portion of long term borrowings	384,272	348,666
- <i>Current portion of long term bank loans</i>	384,272	348,666
Interest accruals	93,523	43,819
	953,523	756,228
Long-term bank loans	699,646	944,203
Bond issued	70,000	-
	769,646	944,203
Total borrowings	1,723,169	1,700,431

The reconciliation of the liabilities arising from financing activities as of 1 January- 30 September 2021 and 1 January- 30 September 2020 are as follows:

	January 1, 2021	Financing cash flows	Foreign exchange effect (Note 21)	Disposal of subsidiary	Other (*)	Sep. 30, 2021
Bank loans	1,700,431	27,713	(4,975)	-	-	1,723,169
Finance lease obligations	196,064	(8,064)	21,051	-	-	209,051
Lease obligations	595,102	(235,433)	6,831	-	344,519	711,019
	2,491,597	(215,784)	22,907	-	344,519	2,643,239

	January 1, 2020	Financing cash flows	Foreign exchange effect (Note 21)	Disposal of subsidiary	Other (*)	Sep. 30, 2020
Bank loans	1,534,863	19,700	201,437	-	-	1,756,000
Finance lease obligations	211,880	(44,537)	57,590	-	-	224,933
Lease obligations	601,940	(187,051)	20,812	-	176,003	611,704
	2,348,683	(211,888)	279,839	-	176,003	2,592,637

(*) Some of the lease obligations within the scope of TFRS 16 are due to the re-measurement of the reduced lease obligations and interest expenses due to the change in the lease payments realized within the period.

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NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

As of September 30, 2021 and December 31, 2020 the repayment schedule of the total borrowings as follows:

Sep 30, 2021

Currency Type	Weighted Average Effective Interest Rate	Current	Non-current	Total
TRY	21.73%	605,655	97,731	703,386
TRY	TRLibor +-3.50%- 4.00%-4.50%- 5.80%	254,108	671,915	926,023
EUR	Euribor + 5.50%	93,760	-	93,760
		953,523	769,646	1,723,169

December 31, 2020

Currency Type	Weighted average effective interest rate	Current	Non-current	Total
TRY	18%	447,991	57,770	505,761
TRY	TRLibor +3.50%- 4.00%- 4.50%- 5.80	142,865	472,148	615,013
EUR	Euribor + 5.50%	165,372	414,285	579,657
		756,228	944,203	1,700,431

As of Sep. 30, 2021, there are no blocked cash accounts related to the group's loans. (December 31, 2020: No blocked cash).

As at September 30, 2021 and December 31, 2020 the repayment schedule of the borrowings in TRY are as follows:

	September 30 2021	December 31 2020
Interest accruals	93,523	43,819
To be paid within 1 year (*)	860,000	712,409
To be paid between 1 - 2 years	445,921	381,087
To be paid between 2 - 3 years	250,263	315,170
To be paid between 3 - 4 years	73,462	174,021
To be paid between 4 - 5 years	-	73,925
	1,723,169	1,700,431

(*) TRY 475,730 part consists of bond and sukuk payments which will be redeemed within 1 year.

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NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

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.

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, 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 ,x2.5 for the year ended December 31, 2019 and for the six months period ended June 30, 2020 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:

Obligations under finance leases	Minimum lease payments		Present value of minimum lease payments	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31 2020
Within one year	122,687	113,476	107,353	102,825
In the second to fifth years inclusive	130,122	98,260	101,698	93,239
	252,809	211,736	209,051	196,064
Less : Future finance charges	(43,758)	(15,672)	-	-
Present value of finance lease obligations	209,051	196,064	209,051	196,064
Less: Amounts due to settlement within twelve months (shown under current liabilities)	107,353	102,825	107,353	102,825
Amounts due for settlement after 12 months	101,698	93,239	101,698	93,239
Liabilities arising from lease transactions			September 30 2021	December 31 2020
Within one year			126,852	118,792
More than one year			584,167	476,310
Present value of finance lease obligations			711,019	595,102

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current trade receivables	September 30 2021	December 31 2020
Trade receivables	1,049,131	932,886
Income accruals from continuing treatments	288,236	162,290
Other trade income accruals	26,542	35,699
Trade receivables from related parties (Note 3)	8,526	23,654
Notes receivables	4,694	17,283
Allowance for doubtful receivables (-)	(18,513)	(16,696)
	1,358,616	1,155,116

Trade receivables due from the SSI constitute 42% (December 31, 2020: 43%) and receivables due from foreign patients constitute 23% (December 31, 2020: 21%) of total trade receivables.

The Group has trade receivables arising from health services given to foreign patients amounting to TRY244,184 as at September 30, 2021. 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. As of September 30, 2021, the Group has receivables from the Government of Libya amounting to TRY160,266.

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

As of September 30, 2021, trade receivables of an initial value of TRY18,513 (December 31, 2020: TRY16,696) were fully impaired and fully provided for. No collaterals are received in relation to these trade receivables.

Movement of allowance for doubtful receivables

	January 1 - September 30 2021	January 1 - September 30 2020
Balance at beginning of the period	16,696	13,929
Charge for the period	2,406	2,466
Collections	(589)	(1,153)
Balance at closing of the period	18,513	15,242

Trade Payables

Short term trade payables	September 30 2021	December 31 2020
Trade payables	1,002,197	756,834
Trade payables due to related parties (Note 3)	26,337	18,206
Other expense accruals	283,687	210,452
Other trade payables	3,139	1,638
	1,315,360	987,130

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other Receivables

Other current receivables	September 30 2021	December 31 2020
Non-trading receivables due from related parties (Note 3)	51,815	41,059
Receivables from tax office	25,575	10,983
Deposits given	24,128	4,449
Other miscellaneous receivables	15,678	27,876
	117,196	84,367

Other non-current receivables	September 30 2021	December 31 2020
Deposits given	3,413	2,740
	3,413	2,740

Other Payables

Other current payables	September 30 2021	December 31 2020
Other taxes and funds payable	28,233	19,916
Payables relating to business combinations	29,647	29,068
Non-trading payables due to related parties (Note 3)	799	799
Other miscellaneous payables	4,268	1,901
	62,947	51,684

Other non-current payables	September 30 2021	December 31 2020
Payables relating to business combinations	96,656	106,471
	96,656	106,471

NOTE 8 - INVENTORIES

Inventories	September 30 2021	December 31 2020
Medical consumables inventory	58,423	44,779
Laboratory inventory	32,452	37,395
Pharmaceutical inventory	30,754	29,668
Other inventory	224	1,640
	121,853	113,482

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NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

Short term prepaid expenses	September 30 2021	December 31 2020
Order advances	332,113	366,738
Prepaid insurance expenses	31,390	19,069
Prepaid sponsorship expenses	1,880	2,586
Prepaid rent expenses	276	16,759
Other	5,187	9,111
	370,846	414,263

Long term prepaid expenses	September 30 2021	December 31 2020
Fixed asset advances given	329,143	277,231
Prepaid rent expenses	4,691	3,480
Other	2,852	2,003
	336,686	282,714

Deferred Income

Short term accrued income	September 30 2021	December 31 2020
Advances received	194,261	217,754
Deferred revenue	12,210	3,743
	206,471	221,497

Long term accrued income	September 30 2021	December 31 2020
Deferred revenue	18,954	2,211
	18,954	2,211

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NOTE 10 - PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
Opening balance as of January 1, 2021	817	753,417	1,546	361,807	371,073	601,052	65,220	2,154,932
Additions	-	27,606	80	43,898	86,409	37,225	39,857	235,075
Assets acquired by business combinations	-	-	-	-	-	-	-	-
Disposals	-	(1,752)	(75)	(736)	-	(2,228)	-	(4,791)
Transfers	-	25,364	-	15,806	(4,370)	-	(36,800)	-
Closing balance as of September 30, 2021	817	804,635	1,551	420,775	453,112	636,049	68,277	2,385,216
Accumulated depreciation								
Opening balance as of January 1, 2021	(96)	(527,196)	(1,550)	(241,003)	(322,872)	(297,970)	-	(1,390,687)
Charge for the period (*)	(12)	(58,208)	(57)	(25,805)	(18,371)	(32,867)	-	(135,320)
Disposals	-	40	-	41	-	-	-	81
Transfers	-	-	-	-	-	-	-	-
Closing balance as of September 30, 2021	(108)	(585,364)	(1,607)	(266,767)	(341,243)	(330,837)	-	(1,525,926)
Carrying value as of September 30, 2021	709	219,271	(56)	154,008	111,869	305,212	68,277	859,290

(*) Depreciation and amortization expense of 128,258 (January 1 - September 30, 2020: TRY124,697) has been charged in ‘cost of service’, 14,286 (January 1-September 30, 2020: TRY10,892) has been charged in ‘operating expenses’ for the period ended between January 1- September 30,2021.

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

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
Opening balance as of January 1, 2020	1,266	660,171	1,546	311,064	391,443	552,043	90,101	2,007,634
Additions	-	12,924	79	18,099	1,543	32,489	28,193	93,327
Assets acquired by business combinations	-	16,771	-	-	-	-	-	16,771
Disposals	(449)	(9,950)	(80)	(3,649)	-	(18)	-	(14,146)
Transfers	-	55,511	-	21,269	(14,611)	805	(62,974)	-
Closing balance as of September 30, 2020	817	735,427	1,545	346,783	378,375	585,319	55,320	2,103,586
Accumulated depreciation								
Opening balance as of January 1, 2020	(80)	(454,298)	(1,546)	(200,756)	(316,292)	(258,916)	-	(1,231,888)
Charge for the period (*)	(12)	(49,219)	(68)	(28,995)	(21,754)	(28,664)	-	(128,712)
Disposals	-	8,675	80	3,147	-	8	-	11,910
Transfers	-	(11,221)	-	(3,065)	14,286	-	-	-
Closing balance as of September 30, 2020	(92)	(506,063)	(1,534)	(229,669)	(323,760)	(287,572)	-	(1,348,690)
Carrying value as of September 30, 2020	725	229,364	11	117,114	54,615	297,747	55,320	754,896

(*) Depreciation and amortization expense of 124,697 (January 1 - September 30, 2019: TRY153,130) has been charged in ‘cost of service’, 10,892 (January 1-September 30, 2020: TRY7,759) has been charged in ‘operating expenses’ for the period ended between January 1- September 30,2021.

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

Cost	Licenses	Rights	Other	Total
Opening balance as of January 1, 2021	596,072	82,384	3,245	681,701
Assets acquired by business combinations	-	-	-	-
Additions	-	9,674	-	9,674
Disposals	-	-	-	-
Closing balance as of September 30, 2021	596,072	92,058	3,245	691,375
Accumulated amortization				
Opening balance as of January 1, 2021	-	(42,629)	(884)	(43,513)
Charge for the period	-	(7,019)	(205)	(7,224)
Disposals	-	-	-	-
Closing balance as of September 30, 2021	-	(49,648)	(1,089)	(50,737)
Carrying value as of September 30, 2021	596,072	42,410	2,156	640,638

Cost	Licenses	Rights	Other	Total
Opening balance as of January 1, 2020	477,982	64,449	3,224	545,655
Assets acquired by business combinations	118,090	-	-	118,090
Additions	-	15,058	21	15,079
Disposals	-	(81)	-	(81)
Closing balance as of September 30, 2020	596,072	79,426	3,245	678,743
Accumulated amortization				
Opening balance as of January 1, 2020	-	(33,790)	(605)	(34,395)
Charge for the period	-	(6,668)	(209)	(6,877)
Disposals	-	50	-	50
Closing balance as of September 30, 2020	-	(40,408)	(814)	(41,222)
Carrying value as of September 30, 2020	596,072	39,018	2,431	637,521

NOTE 11 - RIGHT OF USE ASSETS

	Hospital Buildings	Total
Opening balance as of January 1, 2021	257,440	257,440
Additions	220,976	220,976
Charge for the year (*)	(95,432)	(95,432)
Closing balance as of September 30, 2021	382,984	382,984
	Hospital Buildings	Total
Opening balance as of January 1, 2020	235,087	235,087
Additions	67,170	67,170
Charge for the year (*)	(52,088)	(52,088)
Closing balance as of September 30, 2020	250,169	250,169

(*) For the period ended September 30, 2021, right of use assets depreciation expenses of TRY94,073 has been charged to 'cost of service' (1 January - 30 September 2020: TRY50,806), TRY1,359 to 'general administrative and marketing expenses (1 January - 30 September 2020: TRY1,282).

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NOTE 12 - PAYABLES FOR EMPLOYEE BENEFITS

Payables for employment benefits:	September 30 2021	December 31 2020
Fees payable to doctors and other personnel	80,309	76,191
Social security premiums payable	20,044	15,188
	100,353	91,379
Short term provision for employment benefits:	September 30 2021	December 31 2020
Unused vacation provision	22,594	19,090
	22,594	19,090
Long term provision for employment benefits:	September 30 2021	December 31 2020
Retirement pay provision	20,473	21,311
Unused vacation provision	12,158	8,896
	32,631	30,207

NOTE 13 - OTHER ASSETS AND LIABILITIES

Other current assets:	September 30 2021	December 31 2020
VAT carried forward	42,840	38,408
Other miscellaneous current assets	5,908	4,644
	48,748	43,052

NOTE 14 - PROVISIONS

Other short-term provisions:	September 30 2021	December 31 2020
Litigation provisions	24,835	13,733
Social Security discounts provisions	3,998	6,634
	28,833	20,367

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NOTE 15 - COMMITMENTS

September 30 2021	Total	TRY	USD	EUR
A. CPM given on behalf of its own legal entity	99,955	96,719	156	180
-Collateral	99,955	96,719	156	180
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	41,777	41,777	-	-
-Collateral	41,777	41,777	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
C. CPM given for execution of ordinary commercial activities to collect third parties debt	-	-	-	-
-Collateral	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner	-	-	-	-
-Collateral	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C	-	-	-	-
-Collateral	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
iii. Total amount of CPM on behalf of third parties that do not cover C.	-	-	-	-
-Collateral	-	-	-	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
TOTAL	141,732	138,496	156	180

(*) The Group has given guarantees amounting to TRY66,648 related to the loans in Note 5 for the companies under full consolidation.

Guarantees given generally include letters of guarantee received from banks to be given to institutions and suppliers in order to participate in government tenders.

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NOTE 15 - COMMITMENTS (Continued)

31 December 2020	Total	TRY	USD	EUR
A.CPM given on behalf of its own legal entity	71,194	66,968	156	342
- Collateral	71,194	66,968	156	342
- Pledge	-	-	-	-
- Mortgage	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	58,959	56,555	-	267
- Collateral	58,959	56,555	-	267
- Pledge	-	-	-	-
- Mortgage	-	-	-	-
C. CPM given for execution of ordinary commercial activities to collect third parties debt	-	-	-	-
- Collateral	-	-	-	-
- Pledge	-	-	-	-
- Mortgage	-	-	-	-
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner	-	-	-	-
- Collateral	-	-	-	-
- Pledge	-	-	-	-
- Mortgage	-	-	-	-
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C	-	-	-	-
- Collateral	-	-	-	-
- Pledge	-	-	-	-
- Mortgage	-	-	-	-
iii. Total amount of CPM on behalf of third parties that do not cover C.	-	-	-	-
- Collateral	-	-	-	-
- Pledge	-	-	-	-
- Mortgage	-	-	-	-
Total	130,153	123,523	156	609

(*) The Group has given guarantees amounting to TRY64,991 related to the loans in Note 5 for the companies under full consolidation.

Guarantees given generally include letters of guarantee received from banks to be given to institutions and suppliers in order to participate in government tenders.

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NOTE 16 - SHARE CAPITAL/OTHER RESERVES

Shareholders	(%)	Sep. 30 2021	(%)	December 31 2020
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	0.90	1,868	0.90	1,868
Nurgül Dürüstkan Elbaşı	0.90	1,868	0.90	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. 126 thousand shares purchased by İzzet Usta and 18 thousand shares purchased by Adem Elbaşı from the publicly traded portion were sold.

As of September 30, 2021 the total number of ordinary shares is 208,037 thousand shares (2020: 208,037 thousand shares) with a par value of TRY1 per share (2020: TRY1 per share).

The share capital is divided into 208,037 thousand shares (December 31, 2020: 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 33.36% of the shares are in circulation in accordance with CSD as of September 30, 2021 (Note 1). Shares in circulation rate is 33.36% as of October 1, 2021.

Share premiums:

	September 30 2021	December 31 2020
Share Premiums	556,162	556,162
	556,162	556,162

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, TRY600,000 was generated to the Group. After the IPO related expenses amounting to TRY12,259 were deducted from proceeds, out of TRY587,741, share capital increase was made with the amount of TRY31,579 and the remaining amount was used in the share premium increase by TRY556,162.

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NOTE 16 - SHARE CAPITAL/OTHER RESERVES (Continued)

Reserves:	September 30 2021	December 31 2020
Legal reserves	302	302
Restricted reserves appropriated from profit	9,958	9,958
Revaluation reserves	37,747	37,747
	48,007	48,007

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.

NOTE 17 - REVENUE AND COST OF SERVICES

Revenue	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Hospital services (*)	4,039,795	1,497,521	2,813,670	1,075,374
	4,039,795	1,497,521	2,813,670	1,075,374

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

Cost of services	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Doctor expenses	(884,847)	(318,870)	(578,368)	(222,134)
Material consumption	(746,715)	(257,703)	(631,237)	(238,414)
Personnel expenses	(536,551)	(197,631)	(386,780)	(140,997)
Services rendered by third parties	(313,095)	(104,394)	(196,084)	(74,510)
Depreciation and amortization expenses (Note 10,11)	(222,331)	(78,140)	(175,503)	(58,019)
Rent expenses (Hospitals)	(28,920)	(11,525)	(18,746)	(4,940)
Other (*)	(236,709)	(93,999)	(162,827)	(59,858)
	(2,969,168)	(1,062,262)	(2,149,545)	(798,872)

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

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NOTE 18 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

General administrative and marketing expenses	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2020	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Personnel expenses	(122,022)	(46,038)	(76,142)	(29,862)
Sponsorship and advertising expenses (*)	(107,405)	(49,040)	(57,864)	(22,225)
Depreciation and amortization expenses (Note 10,11)	(15,645)	(5,595)	(12,174)	(4,288)
Outsourcing expenses	(11,067)	(3,820)	(7,634)	(2,944)
Rent expenses	(6,295)	(2,115)	(6,358)	(2,224)
Communication expenses	(5,343)	(1,900)	(2,235)	(837)
Representation and entertainment expenses	(3,731)	(1,636)	(1,823)	(779)
Bad debt allowance	(2,406)	(639)	(2,466)	(793)
Maintenance and repair expenses	(2,224)	(872)	(1,378)	(419)
Taxes and duties	(2,052)	(624)	(4,173)	(1,301)
Utility expenses	(893)	(376)	(1,007)	(340)
Other	(35,281)	(8,122)	(7,644)	(2,190)
	(314,364)	(120,777)	(180,898)	(68,202)

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

NOTE 19 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Foreign exchange gains from operations	229,027	29,132	334,100	189,062
Interest income	24,711	12,327	18,394	6,187
Trade payables discount	7,148	2,467	299	5,428
Bank commission income	3,550	2,304	-	-
Collection of doubtful receivables (Note 6)	589	280	1,153	401
Other income	12,293	3,953	12,138	3,934
	277,318	50,463	366,084	205,012
Other expenses from operating activities	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Foreign exchange losses from operations	(189,777)	(32,759)	(261,356)	(156,062)
SSI return expenses	(10,316)	(4,560)	(4,880)	(2,046)
Biomedical equipment damages	(7,923)	(2,289)	-	-
Non-operational hospital expenses	(7,096)	(4,164)	(397)	462
Trade receivables discount	(291)	137	(1,680)	(3,616)
Other expenses	(33,968)	(14,053)	(33,306)	(14,539)
	(249,371)	(57,688)	(301,619)	(175,801)

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NOTE 20 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Gain on bargain purchase	-	-	81,980	-
Gain on sale of fixed assets	2,779	216	36,526	33,890
	2,779	216	118,506	33,890
Expense from investing activities	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Loss on sale of fixed assets	(89)	(47)	(1,718)	(1,614)
	(89)	(47)	(1,718)	(1,614)

NOTE 21 - FINANCE EXPENSES

Finance expenses	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Interest expenses from bank borrowings	(163,414)	(71,151)	(149,351)	(42,862)
Interest expenses from lease liabilities	(123,543)	(41,072)	(108,832)	(35,233)
Interest expenses from bonds issued	(81,516)	(31,120)	(27,835)	(7,938)
Bank commissions	(21,727)	(8,222)	(14,059)	(4,399)
Interest expenses from financial lease obligations	(11,729)	(5,250)	(12,995)	(6,209)
Other interest expenses	(26,904)	(9,011)	(18,423)	(8,130)
Total interest expenses	(428,833)	(165,826)	(331,495)	(104,771)
Net foreign exchange loss	(16,076)	1,620	(259,028)	(140,879)
Net foreign exchange loss from lease liabilities (Note 5)	(6,831)	3,740	(20,812)	(11,715)
Fair value differences of derivative financial instruments (net)	-	-	35,787	12,194
	(451,740)	(160,466)	(575,548)	(245,171)

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NOTE 22 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)

Short term payables due to current tax	September 30 2021	December 31 2020		
Current period tax liabilities	40,035	17,708		
	40,035	17,708		
Current tax liabilities	September 30 2021	December 31 2020		
Current corporate tax provision	65,205	34,119		
Less: Prepaid taxes and funds	(25,170)	(16,411)		
	40,035	17,708		
Tax (expense)/income	January 1 - Sep. 30 2021	July 1 - Sep. 30 2021	January 1 - Sep. 30 2020	July 1 - Sep. 30 2020
Current tax income/(expense)	(65,205)	(37,056)	(20,345)	(11,748)
Deferred tax income/(expense)	(54,661)	(69,038)	(16,752)	(270)
Loss per share	(119,866)	(106,094)	(37,097)	(12,018)

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. Turkish tax legislation doesn't allow parent company to file tax declaration for its consolidated financial statements including subsidiaries. Therefore tax liabilities which is shown in financial statements, calculated separately for each firm which are in the scope of consolidation.

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 25% in 2021 (2020: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2021 is 25% (2020: 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.

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**NOTE 22 - 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 25% over temporary timing differences expected to be reversed in 2019, 2020 and 2021, and 22% over temporary timing differences expected to be reversed in 2022 and the following years (2020: 20%).

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 TRY135,153 (December 31, 2020: TRY160,332). 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 TRY3,546 will be netted off against personnel expenses over the period of 2020-2026.

As of September 30, 2021 the Group has tax loss amounting to TRY85,862 (December 31, 2020: TRY426,574). TRY21,466 (December 31, 2020: 85,316) deferred tax assets have been recorded concerning this loss.

Deferred tax assets/(liabilities):	September 30 2021	December 31 2020
Tax losses carried forward	21,466	85,316
Depreciation differences of tangible and intangible assets	(180,436)	(174,096)
Provision for employment termination benefits	4,095	4,262
Vacation pay liability	6,950	5,597
Temporary difference between the tax base and carrying amount of financial liabilities	714	(3,778)
Prepaid building expenses	(1,158)	(3,033)
Tax advantage from investment incentive	135,153	160,332
Right of use asset	65,607	67,532
Other	111,511	75,747
	163,902	217,879
Deferred tax asset	351,240	401,531
Deferred tax liability	(187,338)	(183,652)
	163,902	217,879

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**NOTE 22 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)
(Continued)**

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

	September 30 2021	
	Losses carried forward for which deferred tax assets recognized	Losses carried forward for which deferred tax assets not recognized
Expiration schedule of carryforward tax losses		
Expiring in 2021	8,714	-
Expiring in 2022	13,428	-
Expiring in 2023	12,640	-
Expiring in 2024	17,042	-
Expiring in 2025	27,697	-
Expiring in 2026	6,341	-
	85,862	-

	December 31, 2020	
	Losses carried forward for which deferred tax assets recognized	Losses carried forward for which deferred tax assets not recognized
Expiration schedule of carryforward tax losses		
Expiring in 2021	43,063	-
Expiring in 2022	142,458	-
Expiring in 2023	120,453	-
Expiring in 2024	64,998	-
Expiring in 2025	55,602	-
	426,574	-

Movement of deferred tax (assets)/liabilities for the period ended September 30, 2021 and September 30, 2020 are as follows:

	January 1 - September 30 2021	January 1 - September 30 2020
Movement of deferred tax liabilities:		
Opening balance as at January 1	(217,879)	(243,138)
Charged to profit or loss	54,661	16,752
Charged to equity	(684)	(2,072)
Closing balance as at year end	(163,902)	(228,458)

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**NOTE 22 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)
(Continued)**

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

Reconciliation of tax provision:	January 1 - September 30 2021	January 1 - September 30 2020
Loss before tax	335,160	88,932
Tax at the domestic income tax rate of 25% (2020: 22%)	(83,790)	(19,565)
Tax effects of:		
- expenses that are not deductible in	(29,571)	(21,775)
- effect of tax advantage from investment incentive	(25,178)	9,250
- tax losses carried forward not subject to deferred tax	-	(3,125)
- change in income tax rate from 22% to 25%	(4,463)	(2,460)
- reduced corporate tax effect	23,416	578
- other	(280)	-
Income tax income recognised in profit or loss	(119,866)	(37,097)

NOTE 23 - EARNINGS PER SHARE

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

Earnings/(loss) per share	January 1 - Sep. 30, 2021	July 1 - Sep. 30, 2021	January 1 - Sep. 30, 2020	July 1 - Sep. 30, 2020
Weighted average number of shares	208,037	208,037	208,037	208,037
Net loss for the period for the equity holders of the parent	164,995	17,690	23,230	(4,260)
Earnings/(Loss) per share for equity holder of the parent	0.79	0.09	0.11	(0.02)

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NOTE 24 - 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:

September 30 2021

	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	116,095	11,989	979	(2)
2a. Monetary financial assets	241,115	4,817	19,239	8
2b. Non monetary financial assets	22,563	322	1,907	4
3. Other	5,475	-	531	-
4. CURRENT ASSETS	385,248	17,128	22,656	10
6b. Non monetary financial assets	27,697	3,132	-	-
7. Other	22	-	2	-
8. NON CURRENT ASSETS	27,719	3,132	2	-
9. TOTAL ASSETS	412,967	20,260	22,658	10
10. Trade payables	(8,787)	(828)	(142)	-
11a. Financial liabilities (loans)	(93,760)	-	(9,091)	-
11b. Financial liabilities (leasing)	(83,908)	(717)	(7,521)	-
11c. Lease Liabilities	(6,724)	-	(652)	-
12a. Other monetary liabilities	(103,982)	(5,887)	(5,032)	(2)
13. CURRENT LIABILITIES	(297,161)	(7,432)	(22,438)	(2)
15a. Financial liabilities (loans)	-	-	-	-
15b. Financial liabilities (leasing)	(36,920)	(549)	(3,109)	-
15c. Lease Liabilities	(60,581)	-	(5,874)	-
17. NON CURRENT LIABILITIES	(97,501)	(549)	(8,983)	-
18. TOTAL LIABILITIES	(394,662)	(7,981)	(31,421)	(2)
19. Net assets/liability position of off- balance sheet derivatives (19a-19b)	-	-	-	-
19a. Off balance sheet foreign currency derivative assets	-	-	-	-
19b. Off balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	18,305	12,279	(8,763)	8
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+10+11+12a+14+15+16a)	(37,452)	8,825	(11,203)	4

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NOTE 24 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

December 31 2020

	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	93,743	11,708	866	-
2a. Monetary financial assets	288,602	2,726	29,814	3
2b. Non monetary financial assets	41,783	2,782	2,367	4
3. Other	3,845	55	382	-
4. Current Assets	427,973	17,271	33,429	7
6b. Non monetary financial assets	22,990	3,132	-	-
7. Other	27	-	3	-
8. Non-current assets	23,017	3,132	3	-
9. Total assets	450,990	20,403	33,432	7
10. Trade payables	(22,966)	(2,747)	(311)	-
11a. Financial liabilities (loans)	(165,376)	-	(18,359)	-
11b. Financial liabilities (leasing)	(87,529)	(881)	(8,999)	-
11c. Lease Liabilities	(16,331)	-	(1,813)	-
12a. Other monetary liabilities	(67,214)	(3,740)	(4,414)	-
13. Current liabilities	(359,416)	(7,368)	(33,896)	-
15a. Financial liabilities (loans)	(408,833)	-	(45,386)	-
15b. Financial liabilities (leasing)	(83,864)	(1,010)	(8,487)	-
15c. Lease Liabilities	(57,560)	-	(6,390)	-
17. Non-current liabilities	(550,257)	(1,010)	(60,263)	-
18. Total liabilities	(909,673)	(8,378)	(94,159)	-
19. Net assets/(liabilities) position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a. Off balance sheet foreign currency derivative assets	-	-	-	-
19b. Off balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9+18+19)	(458,683)	12,025	(60,727)	7
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+10+11+12a+14+15+16a)	(527,328)	6,056	(63,479)	3

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NOTE 24 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (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 20% increase and decrease against the relevant foreign currencies. 20% 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 20% 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 TRY strengthens 20% against the relevant currency. For a 20% weakening of the TRY against the relevant currency, there would be a comparable impact on the profit before tax or equity, and the balances would be negative.

September 30 2021	Profit/Loss	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/liability	21,717	(21,717)
2- Portion hedged against USD risk (-)	-	-
3- USD net effect (1+2)	21,717	(21,717)
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/liability	(18,075)	18,075
5 - Portion hedged against EUR risk (-)	-	-
6- EUR net effect (4+5)	(18,075)	18,075
TOTAL (3+6)	3,642	(3,642)
December 31, 2020		
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/(liability)	17,654	(17,654)
2 - Portion hedged against USD risk (-)	-	-
3 - USD net effect (1 +2)	17,654	(17,654)
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/(liability)	(109,405)	109,405
5 - Portion hedged against EUR risk (-)	-	-
6 - EUR net effect (4+5)	(109,405)	109,405
Total (3+6)	(91,751)	91,751

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NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

There is no subsequent event after the reporting period.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

OTHER SUPPLEMENTARY INFORMATION AS OF 30 SEPTEMBER 2021

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

APPENDIX I OTHER SUPPLEMENTARY INFORMATION

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 September 30, 2021 and September 30, 2020 are as follow:

EBITDA CALCULATION	September 30 2021	September 30 2020
i, Net profit / (loss) before tax	335,160	88,932
ii, Depreciation and amortization of tangible and intangible fixed assets including non-cash provisions related to assets such as goodwill	237,976	187,677
iii, Total net finance expenses, net of interest income	404,122	313,101
iv, Fx gains/losses, net under finance expenses	22,907	279,840
v, Fair value differences of derivative instruments	-	(35,787)
vi, Extraordinary (income)/expenses	52,042	37,972
vii, Rediscount income/expense (net imputed interest)	(6,857)	1,381
viii, Gain on bargain purchase price	-	(81,980)
viii, Legal case provision expenditures which are reflected to financial statements by the general accounting principles;	11,102	(769)
xi, Unused vacation pay provision expenses which are reflected to financial statements by the general accounting principles;	6,766	6,650
x, Retirement pay provision expenses which are reflected to financial statements by the general accounting principles;	5,259	1,599
xi, Doubtful receivables provision expenses which are reflected to financial statements by the general accounting principles;	1,817	1,313
xii, Non cash sale and lease back expenses which are reflected to financial statements by the general accounting principles (Note 3);	590	590
xiii, (Income)/expenses from investment operations;	(2,690)	(34,808)
EBITDA	1,068,194	765,711
TFRS 16 Lease payment effect	(235,433)	(187,051)
Adjusted EBITDA	832,761	578,660

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