

MLP Care Investor Presentation

Renaissance Capital Turkey in Focus Day November 15-16, 2021



MLPCARE

MEDICALPARK | **liV**HOSPITAL

MLP Care: The #1 Private Hospital Group in Turkey

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



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

Our Growth Strategy is Intact

MLP Care continues its asset light growth strategy



Growing our existing business by increasing capacity utilization at large hospitals



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

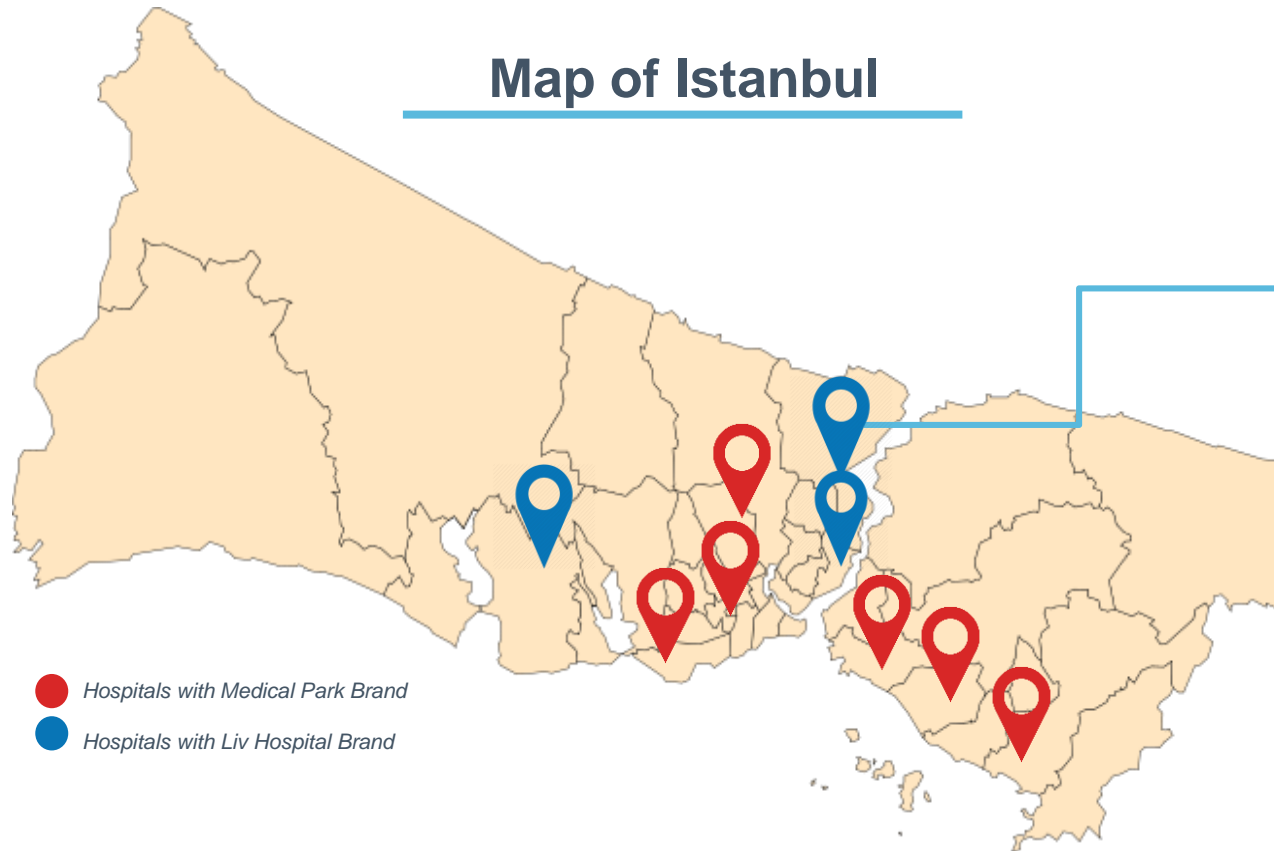
Quick EBITDA ramp-up through leveraging MLP Care's resources (brand strength, operational know how, licensing, experienced physicians, and management staff)

Min. acquisition CAPEX & WC requirements



Liv Hospital Brand Expands in İstanbul

Map of İstanbul



Liv Hospital Vadİstanbul



Location: Sarıyer / İstanbul
Opening Date: May 2021

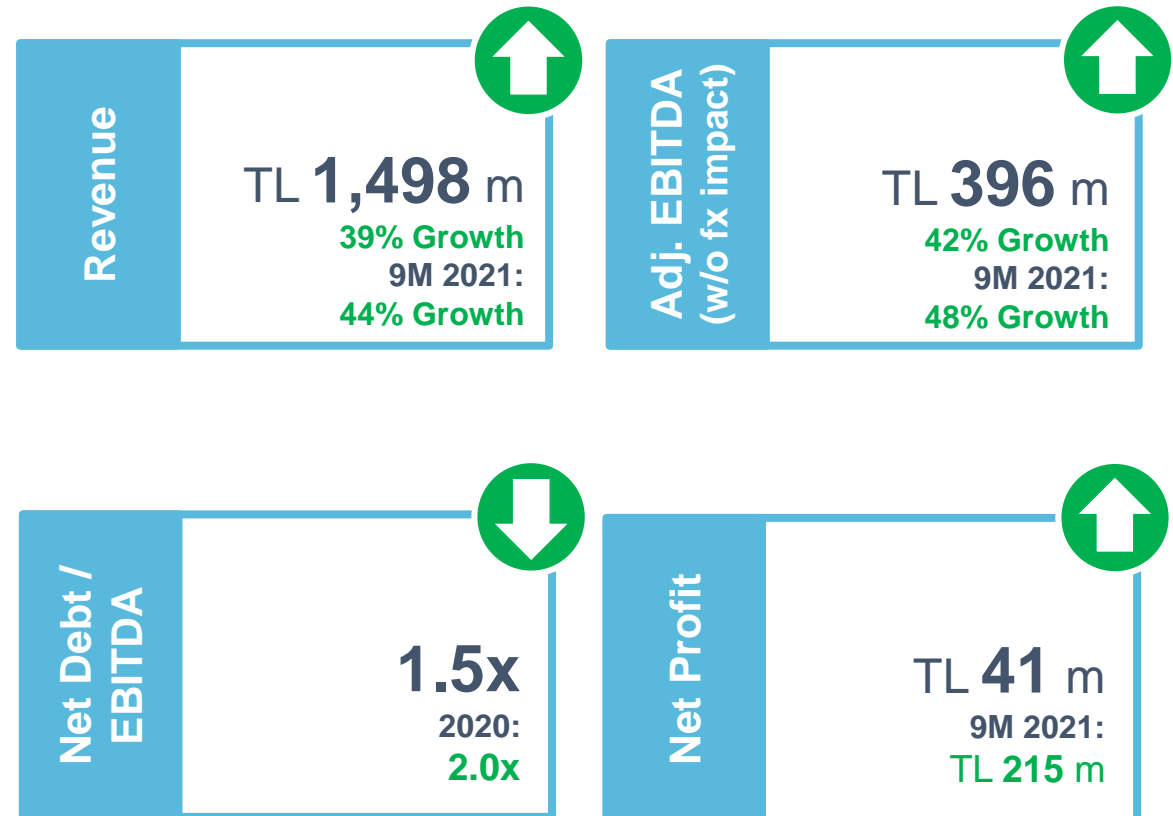
Key Statistics

- ❖ 37k sqm
- ❖ 125 bed capacity
- ❖ 76 polyclinic rooms
- ❖ 7 operating rooms

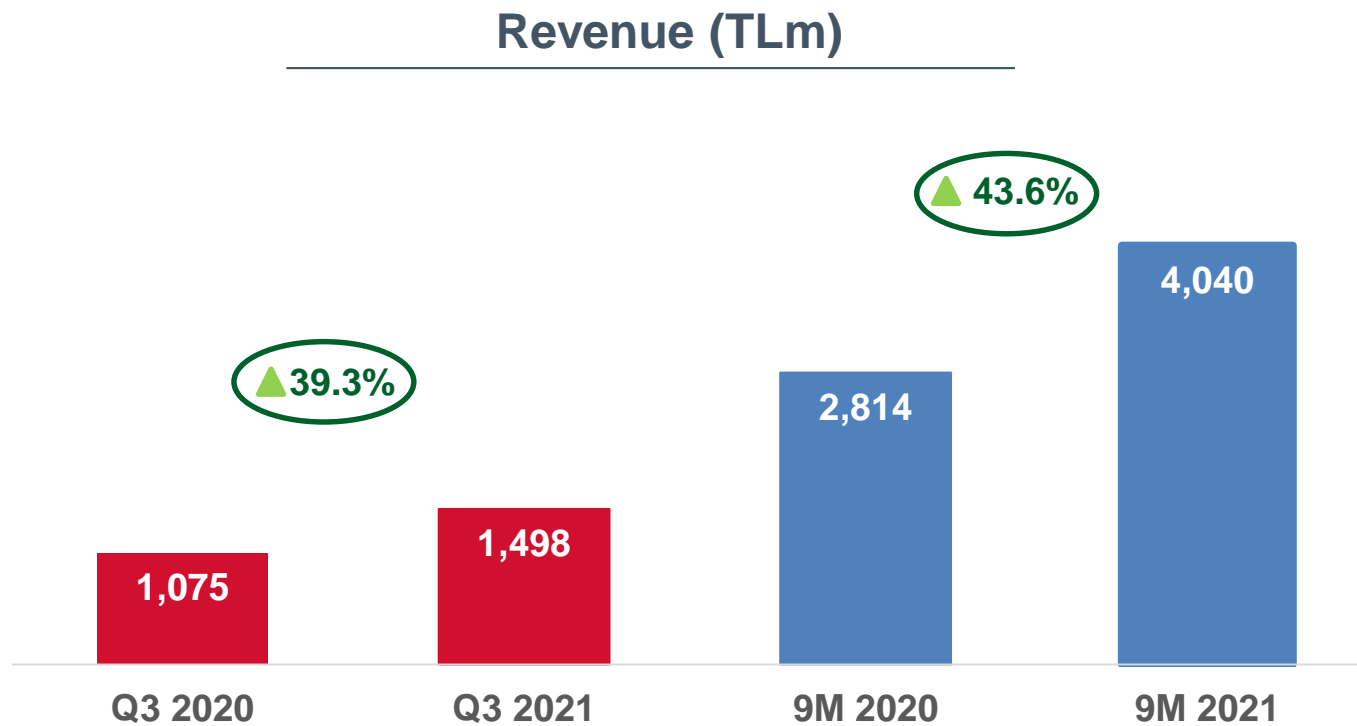
✓ MLP Care hospitals located in İstanbul constitutes 38% of total bed capacity.

At a Glance: MLP Care Q3 2021 Financial Highlights

- ✓ Continued robust uptick in domestic patient revenues quarter-on-quarter and the accelerated recovery of foreign medical tourism revenues
- ✓ EBITDA improved mainly due to
 - strong operational performance
 - diligent cost discipline
- ✓ Reduced leverage ratio on the back of
 - strong EBITDA growth
 - cash generation performance



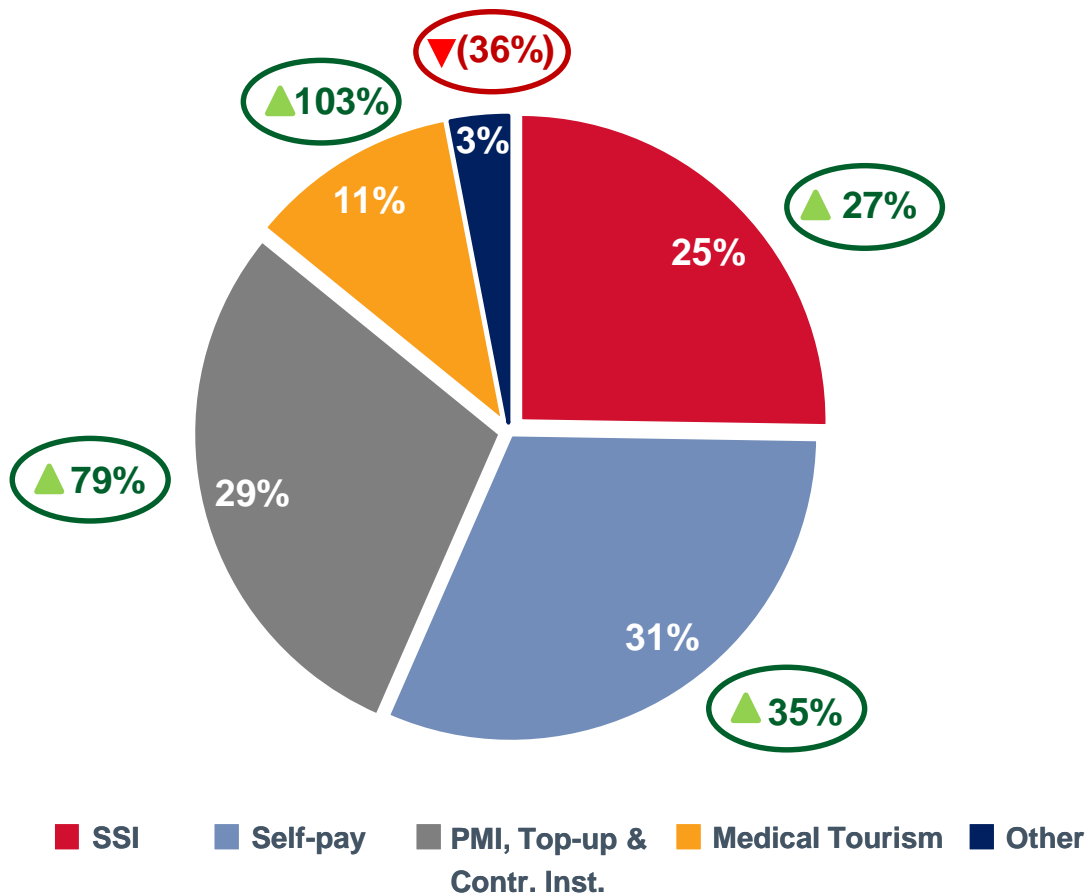
Strong Revenue Growth



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

Double Digit Growth in Multiple Revenue Segments

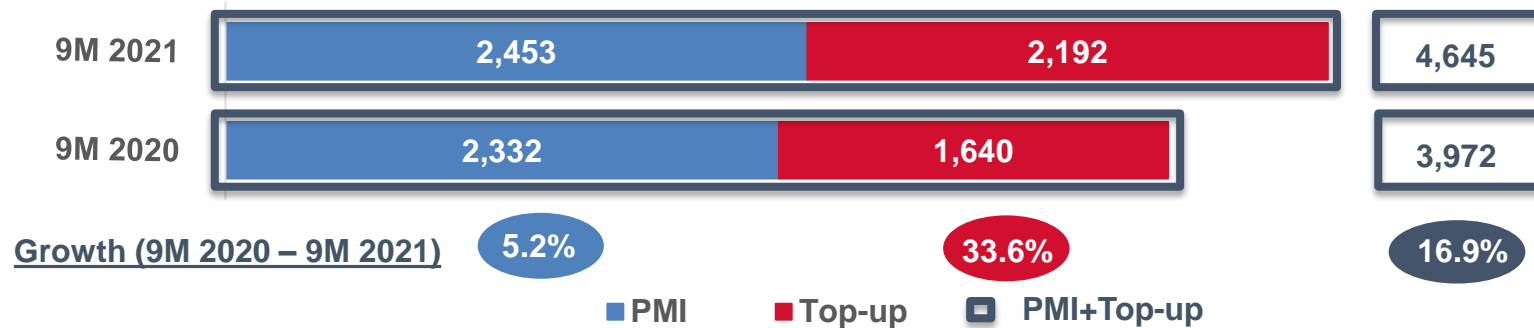
9M 2021



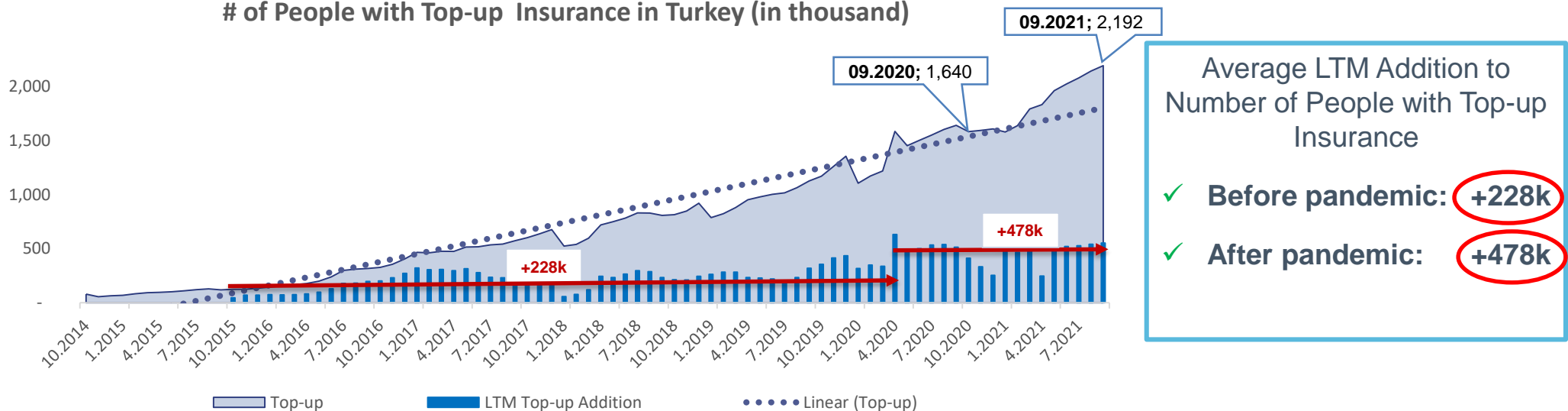
- ✓ Revenue from SSI was up by 23% in Q3 2021 (SSI Insurance allows for a wide addressable market, which is c.98% of the total population)
- ✓ Self pay was up by 21% in Q3 2021
- ✓ Revenue from PMI, Top-up & Contracted Institutions was up by 68% in Q3 2021
- ✓ Medical Tourism was up by 127% in Q3 2021
- ✓ Other revenues decreased by 15% in Q3 2021 due to decreased laboratory business revenue

of People with Top-up Insurance Over 2.2 million

of People with Insurance in Turkey (in thousand)

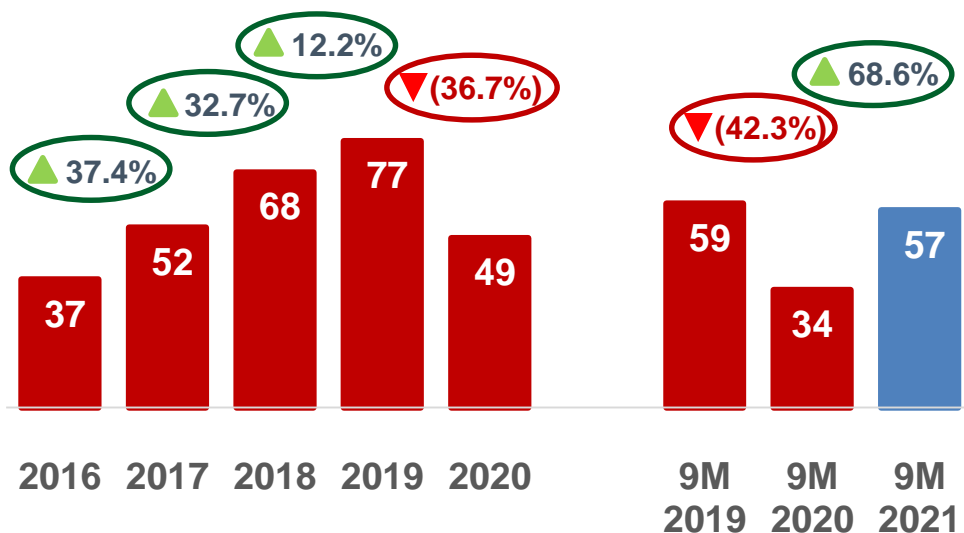


of People with Top-up Insurance in Turkey (in thousand)

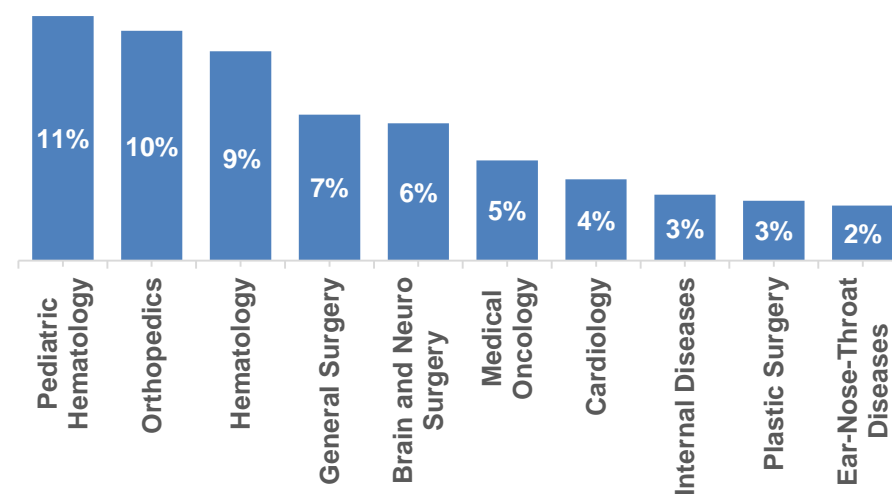


Significant Growth Potential of FMT Revenue

Medical Tourism Revenue (USD m)



TOP 10 FMT Revenue % by Department in 9M 2021

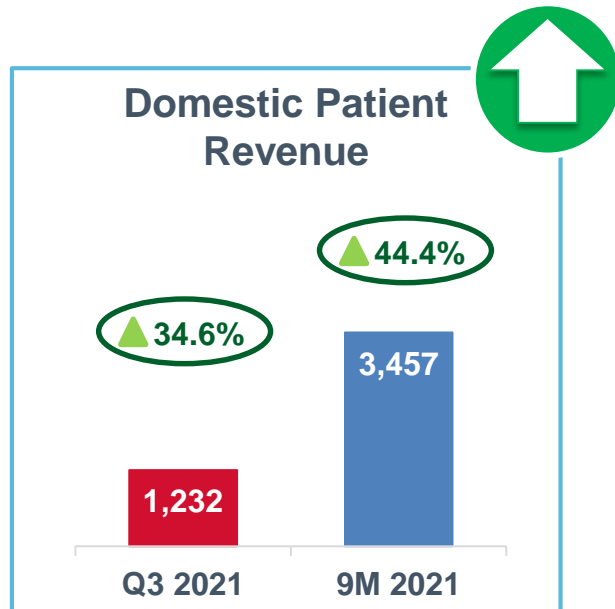


- ✓ Diversified and balanced geography. Patients comes from:
 - Europe **25%**
 - Middle East and Africa **35%**
 - Former CIS and the Rest **40%**
- ✓ Revenue growth driven by pent-up demand and low base



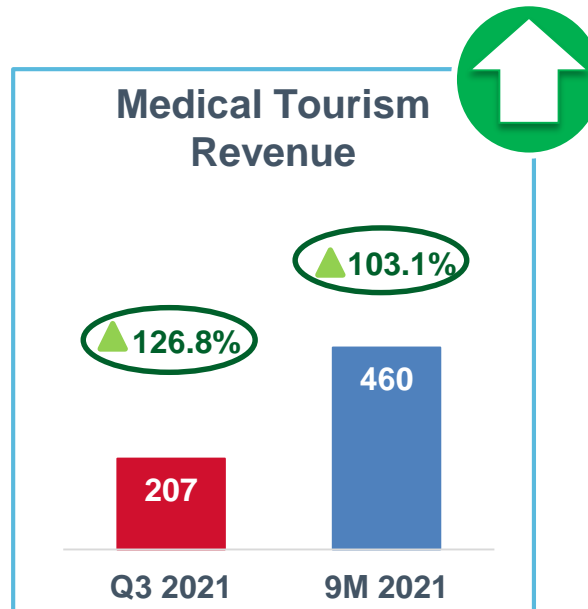
Denotes growth / decrease of Foreign Medical Tourism Revenue vs. the same period of the last year

Strong Domestic and FMT Revenue Growth Continued



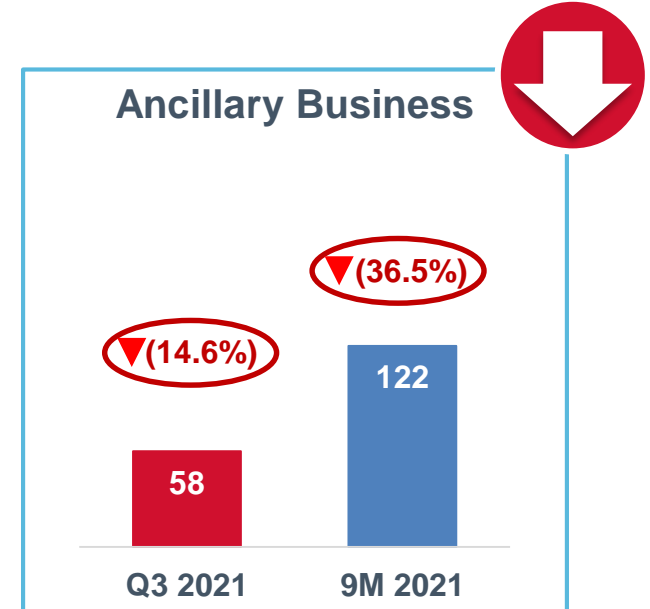
Domestic Revenue q-o-q Growth Continued in Q3 2021

- ✓ Inpatient revenue grew in
Q3 2021: **31.1%**
9M 2021: **38.9%**
- ✓ Outpatient revenue grew in
Q3 2021: **39.4%**
9M 2021: **53.0%**



Accelerated Growth of Foreign Medical Tourism Revenue in 9M 2021

- ✓ Share of revenue from Europe in total Medical Tourism: **25%**
- ✓ Middle East & Africa: **35%**
- ✓ Former CIS and the rest: **40%**

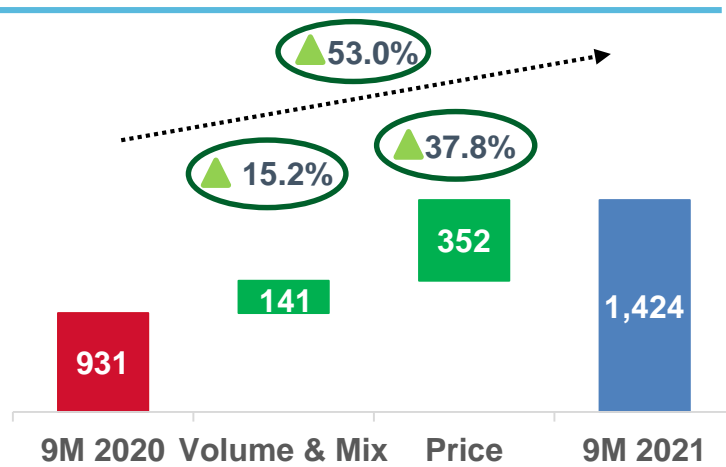


Decrease in Laboratory Business Revenues in 9M 2021

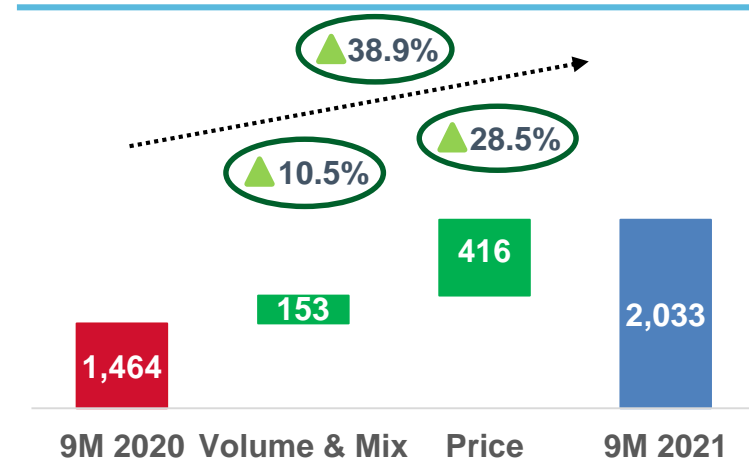
- ✓ Managed hospitals' revenue increased by 64.3% at 74.6mTL in 9M 2021 (9M 2020: 45.4mTL)
- ✓ Laboratory business revenue decreased by 78.0% to 24.9mTL in 9M 2021 (9M 2020: 113.5mTL)

Continued Improvement in Average Prices

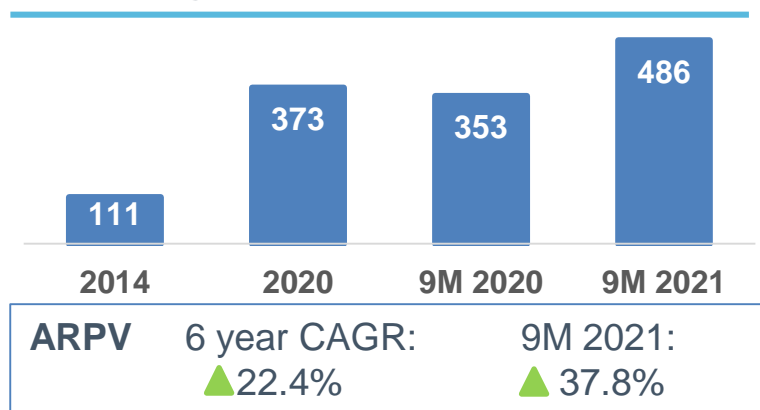
Outpatient Revenues (TLm)



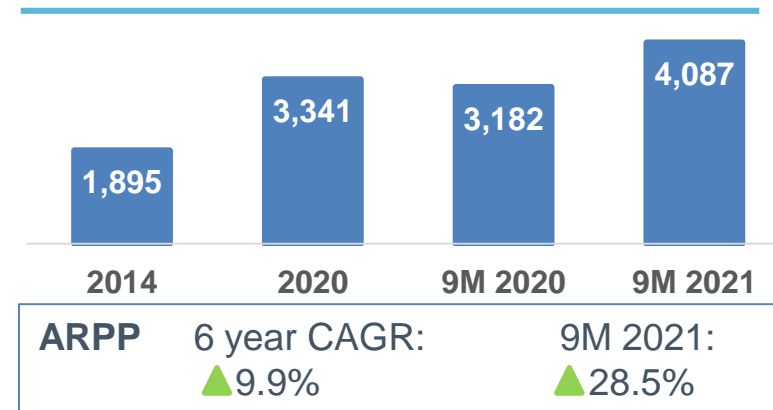
Inpatient Revenues (TLm)



Average Revenue Per Visit (ARPV)



Average Revenue Per Protocol (ARPP)



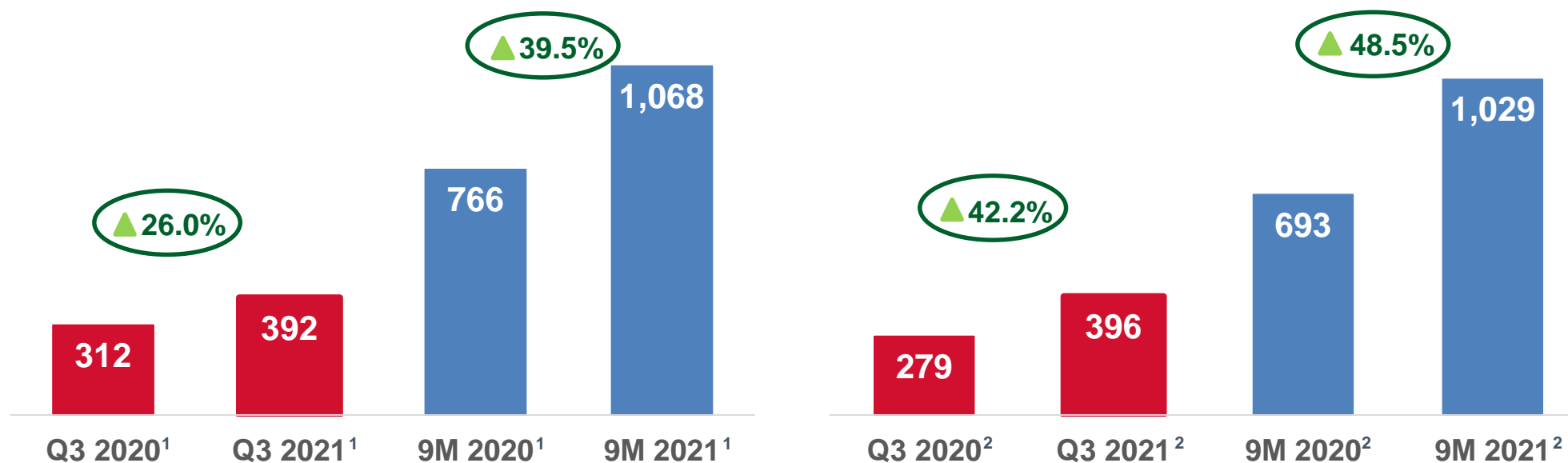
✓ **Outpatient** and **Inpatient** revenues made up **41%** and **59%** of total Domestic Hospital Business Revenues in 9M 2021

EBITDA Growth on the Back of Strong Revenue Recovery

EBITDA¹ (TLm)

EBITDA² (TLm)

(w/o fx impact)



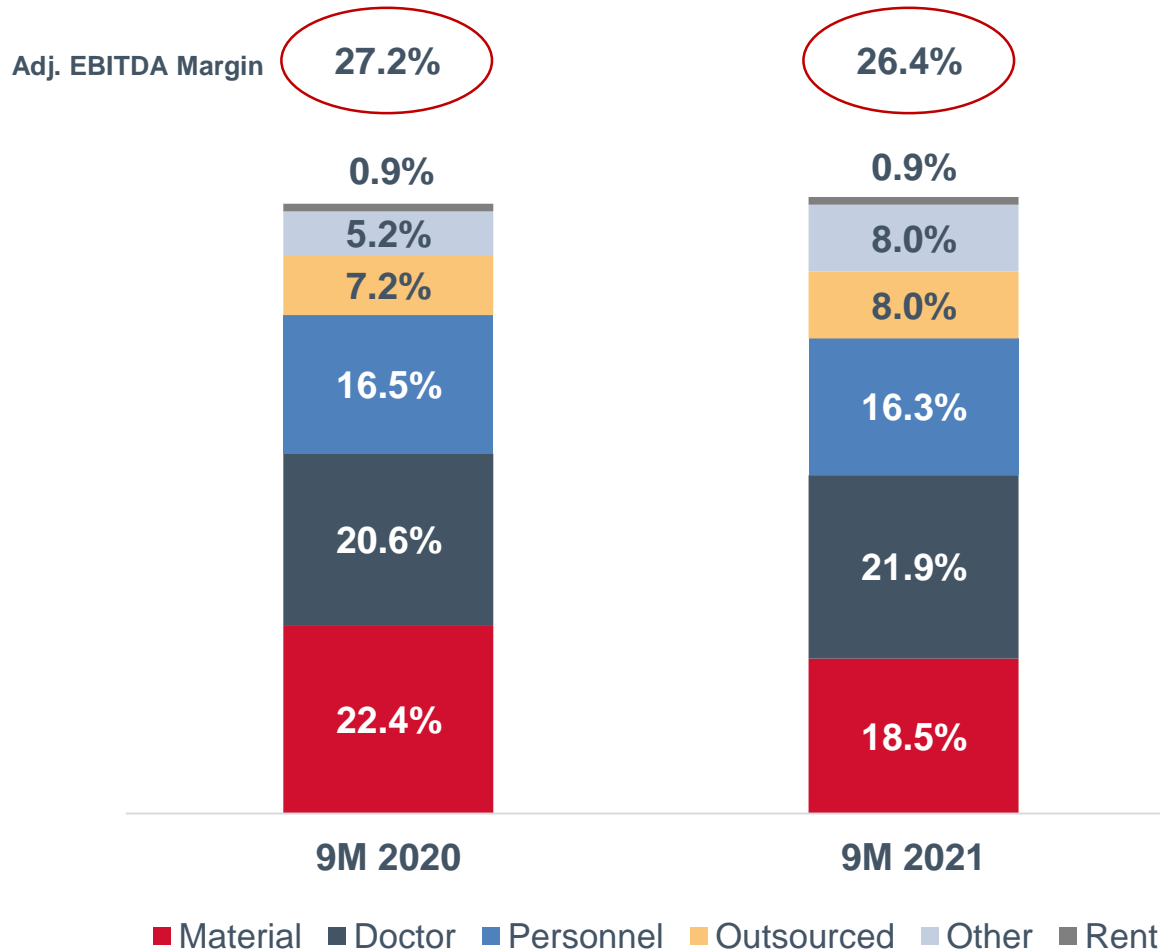
¹ Adj. EBITDA: EBITDA TFRS adjustments that have no cash impact on relevant period and one-off income/expense items

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

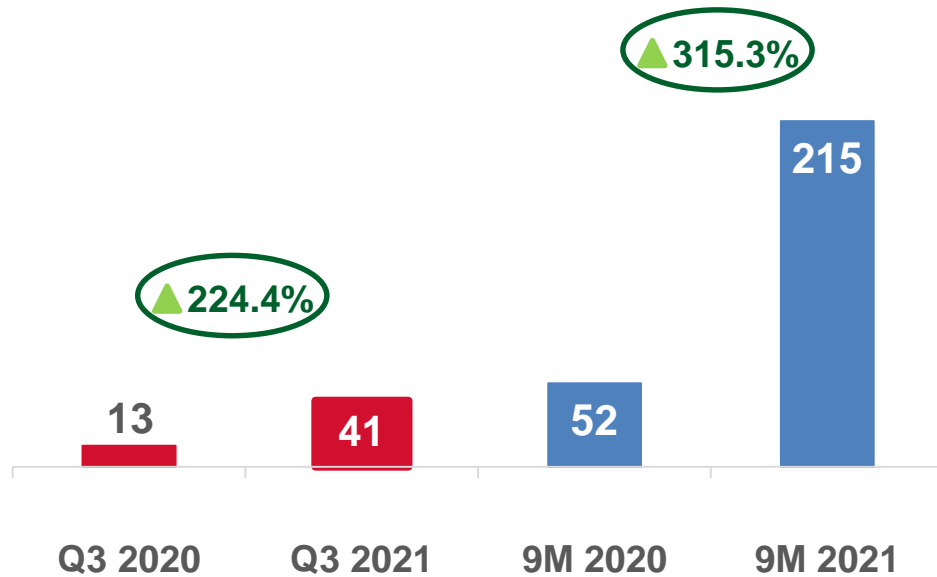


Cost Saving Measures enables us to reach the favourable EBITDA Margin

- ✓ **Material costs** as a % of revenue declined in 9M 2021 due to decrease in the share of laboratory business which has higher cost base
- ✓ **Doctor costs** as a % of revenue increased in 9M 2021 due to new hospital openings and hospital mix change
- ✓ **Personnel costs** as a % of revenue decreased in 9M 2021 due to robust revenue growth
- ✓ **Outsourced services** as a % of revenue increased due to increased volume of the outsourced PCR test service expenses
- ✓ **Other expenses** as a % of revenue increased due to lower operational FX income and increase in the marketing expenses related to FMT revenues

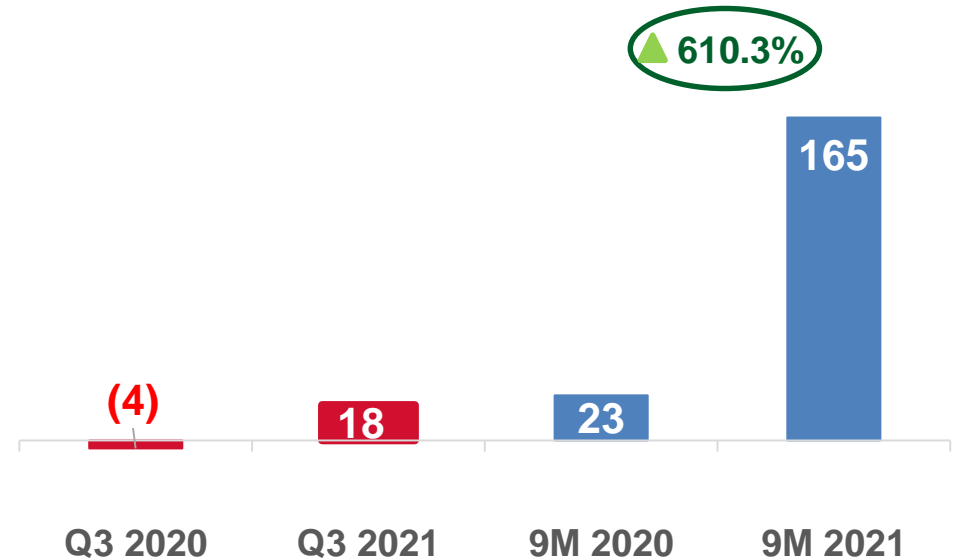
Strong Net Profit Improvement

Net Profit (TLm)



Net Profit (TLm)

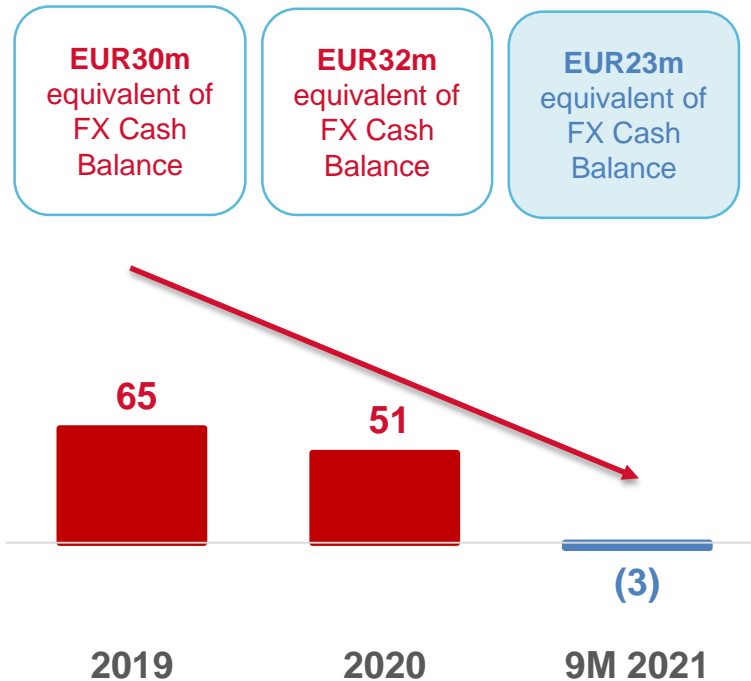
Allocated to Equity Holders of the Parent



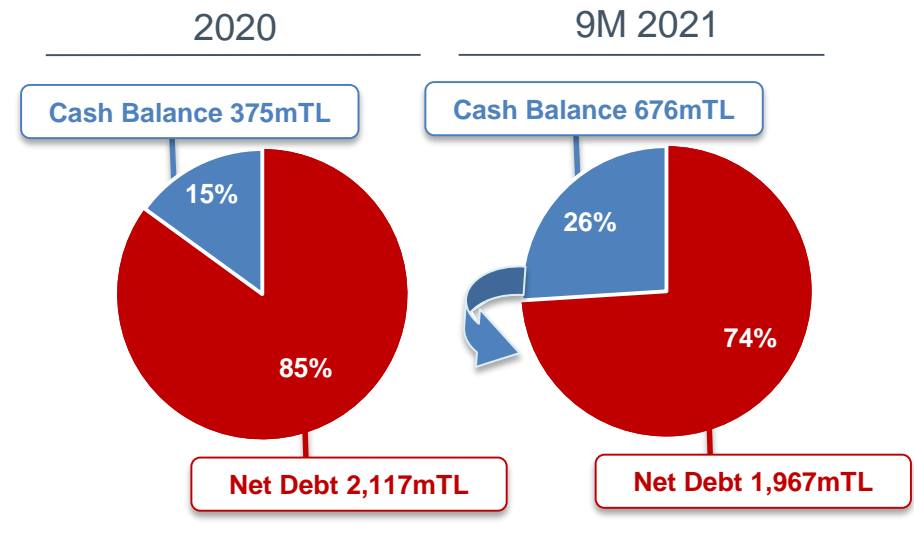
▲ Denotes growth of Net Profit and Net Profit Allocated to Equity Holders of the Parent vs. the same period of the last year

Net Debt Decreased

FX BASED NET DEBT ¹ (in EUR m)



GROSS DEBT PERCENTAGE

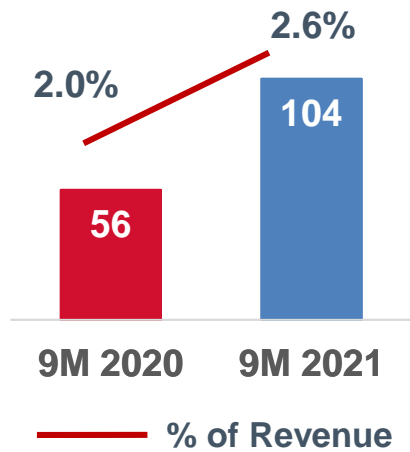


Nominal Net Debt (exc. IFRS 16)	1,521mTL	↓	1,256mTL
Nominal Net Debt (inc. IFRS 16)	2,117mTL	↓	1,967mTL
Net Debt /Adj. EBITDA (inc. IFRS 16)	2.0x	↓	1.5x

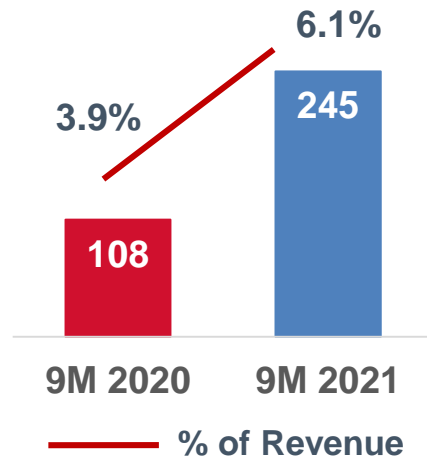
✓ **FC Net Debt** balance of **EUR 46.5 million** was fully converted into TL on **February 8, 2021** to mitigate FX risk

Improved Free Cash Flow and Operating Cash Flow

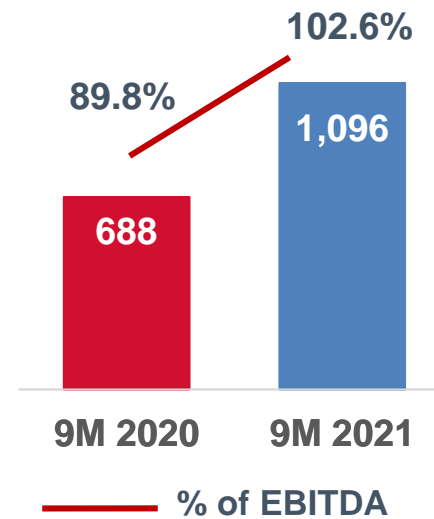
Maintenance Capex (TLm)



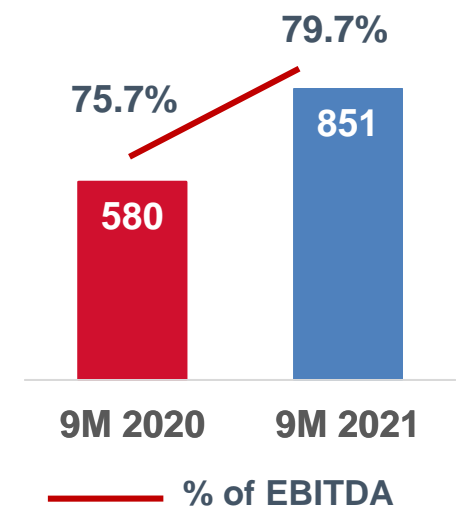
Total Capex (TLm)



OCF/ EBITDA



FCF/ EBITDA



Why Invest in MLP Care?

1 Operates in the Attractive Turkish Healthcare Market

2 Clear Leader in Private Hospital Provision

3 Strong Brand Recognition and Unique Business Model

4 Clinical Excellence and World Class Service Offering

5 Superior Historical Financial Performance

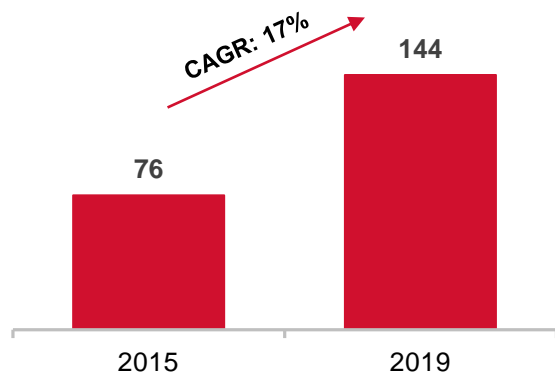
6 Outstanding Platform for Further Growth



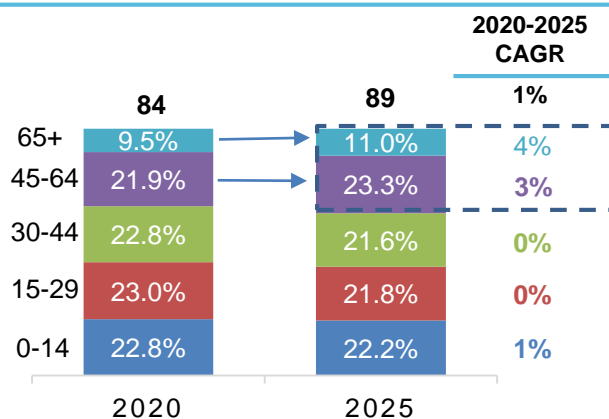
1 Operates In The Attractive Turkish Healthcare Market

Turkey is an attractive healthcare market with a growing elderly population and level of affluence, with significant scope for expansion compared to OECD players.

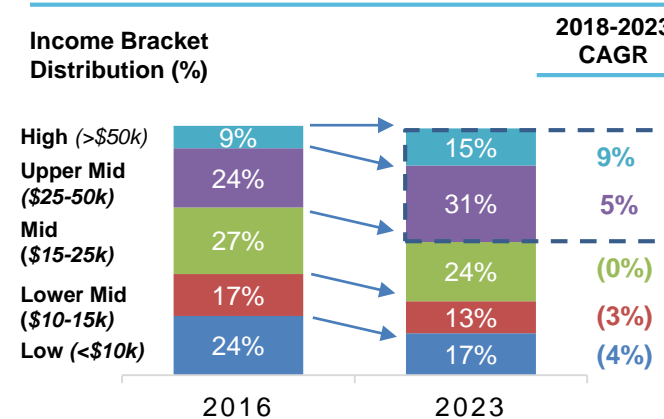
Turkish Healthcare Spending to Providers¹ (TLbn)



Growth in Aging Turkish Population (millions)

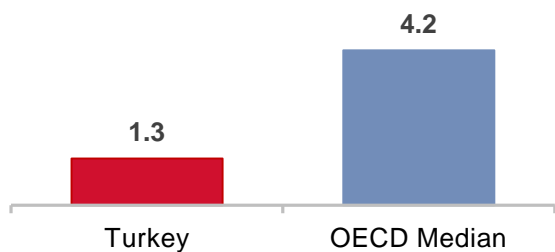


Growing Levels of Affluence in Turkey

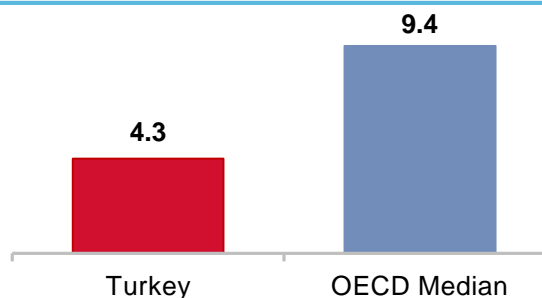


Significant Scope For Expansion Compared to OECD² Peers

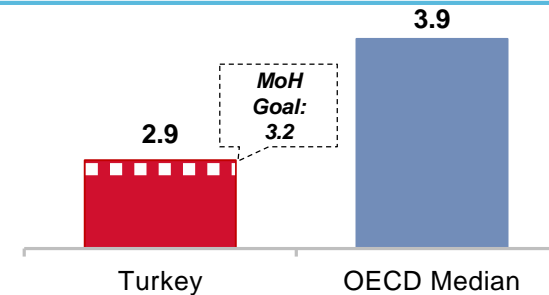
Healthcare Spending Per Capita in 2019 (\$'000)



Healthcare Spending % of GDP in 2019



Hospital Beds Per Capita in 2019 ('000)³



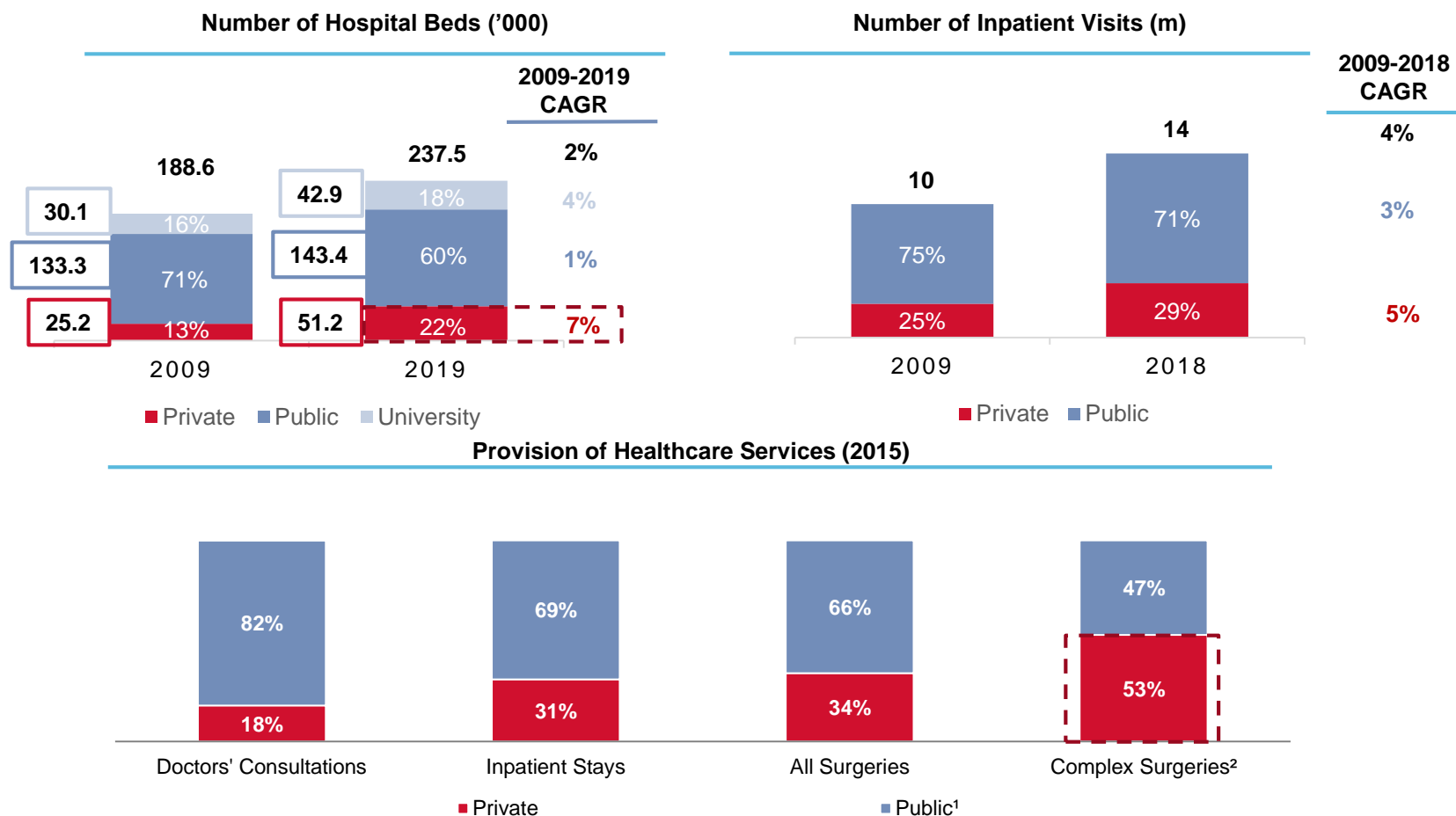
Source: OECD, Turkish Statistical Institute, TOBB Report ¹ Denotes hospitals only excluding pharmaceutical, medical equipment, dental and other.

² Denotes the OECD including 37 member countries.

³ 2019: 237,504 beds in Turkey.

1 Operates In The Attractive Turkish Healthcare Market

Private operators have increased their market share by increasing capacity and by focusing on procedures with higher complexity. Private players now account for 22% of beds, but provide 53% of complex surgeries.



Source: Ministry of Health, Health Statistics Yearbook 2013, 2015, TOBB report; ¹ Public includes Ministry of Health and University hospitals; ² A1 type surgeries e.g., organ transplants, 2014 numbers due to data availability

1 Operates In The Attractive Turkish Healthcare Market

Supportive government policies have underpinned the expansion of private hospital groups

Healthcare System and Key Participants



Regulator	<ul style="list-style-type: none"> ✓ Monitors quality at all public and private hospitals ✓ Owns and operates public hospitals ✓ Controls the number of licences in the sector
Ministry of Health (MoH)	

Payor	<ul style="list-style-type: none"> ✓ Main provider of financing to the healthcare sector ✓ Monitors usage statistics across private and public hospitals
Social Security Institute (SSI)	

Universal Healthcare Coverage with Patient Choice

Universal healthcare coverage (UHI)

- ✓ Healthcare reforms initiated in 2004
- ✓ Primary care free of charge for all citizens

✓ 98%¹ population coverage by UHI

System favours patient choice

- ✓ Services provided by both public and contracted private hospitals with SSI being the key payor
- ✓ Private hospitals are able to charge higher rates than public hospitals, with some payment required from SSI patients
 - SSI reimburses private hospitals using SUT prices². Price adjustment made in April 28, 2021.
 - Private hospitals have the right to charge +200%³ over and above SUT prices²

- ✓ Patients' choice
- ✓ Partial SSI reimbursements
- ✓ Co-pay up to 200% above SUT prices²

Source: OECD reviews of health systems, Turkey 2008, Turkstat, TOBB report

¹ TOBB report; ² SUT prices = SSI tariffs; ³ 200%+ on all services (except a few specified services);

② Clear Leader in Private Hospital Provision

MLP Care is the largest multi-specialty hospital group in Turkey and the only private player with a truly nationwide network

MLP Care network (# of hospitals and locations)

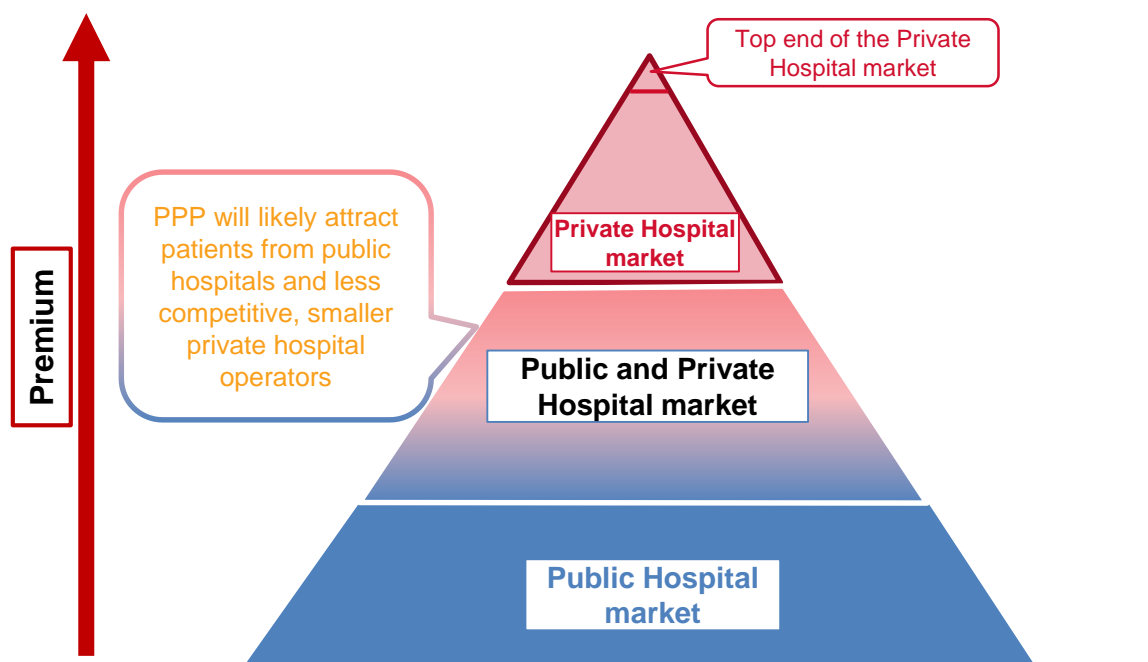


- ✓ National and local leader with a network covering the greatest number of cities
- ✓ 38% of beds located in the attractive Istanbul market
- ✓ MLP Care has the highest number of beds in nearly every city in which they are present

② Clear Leader in Private Hospital Provision

MoH is investing in the PPP program, but large private players do not expect to see an impact in the near / mid term

Highly illustrative schematic of the Turkish Healthcare Sector



- ✓ Private hospital's **target population** is **significantly different** from what the PPP hospitals are expected to attract
- ✓ Emergence of large PPP hospitals can **accelerate consolidation** in the industry, resulting in smaller hospitals having just license value
- ✓ As such, MLP Care **is expected to be minimally impacted by the MoH's PPP initiative**

PPP success factors



Operational excellence

- ✓ City hospitals are **mega health complexes requiring operational excellence** to ensure financial sustainability and top quality
- ✓ Right governance system needs to be in place



Healthcare personnel

- ✓ MoH needs to **staff** city hospitals with the right quantity and quality of medical staff
- ✓ **Some public hospitals** may need **to be closed** and staff re-located
- ✓ **Re-location** of medical staff may pose some **risk due to remote location of city hospitals**



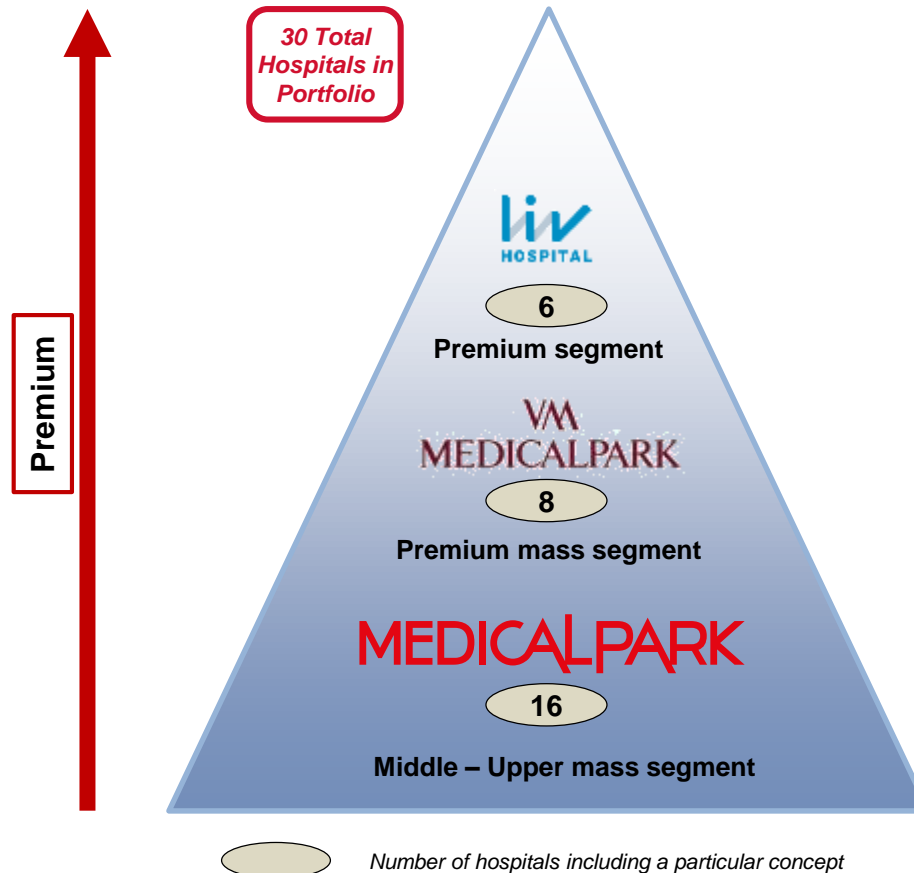
High service quality

- ✓ MoH needs to **ensure patient demand** through high quality service
- ✓ **Significant increase in travel time**, especially for outpatient or unplanned visits may hinder demand

3 Strong Brand Recognition And Unique Business Model Addressing Multiple Price Points

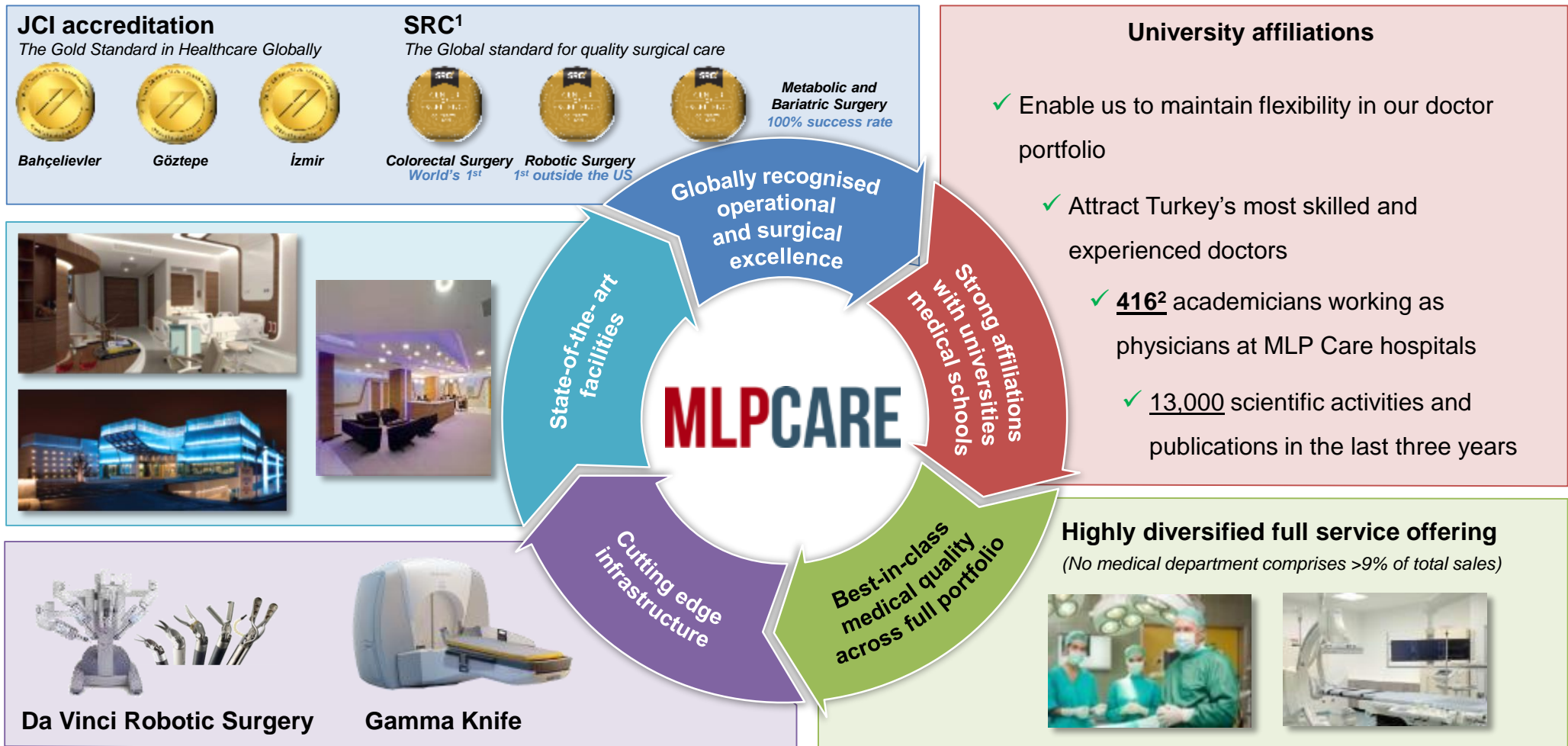
Two brands and one concept targeting three different price points with consistently outstanding medical service quality

Overview and Positioning



4 Clinical Excellence And World Class Service Offering

MLP Care benefits from a “Virtuous Circle” of best-in-class service, infrastructure and academic affiliations



¹ Denotes Surgical Review Corporation

² Per regulations issued by YÖK (The Council of Higher Education), academicians from other provinces are no longer permitted to work at universities in Istanbul and Izmir. The number of academicians with an academic title and appointed in the academic staff of universities is 416.

④ Clinical Excellence And World Class Service Offering

Top tier talent and patients are attracted to MLP Care's unrivalled reputation, resulting in a steadily growing market share

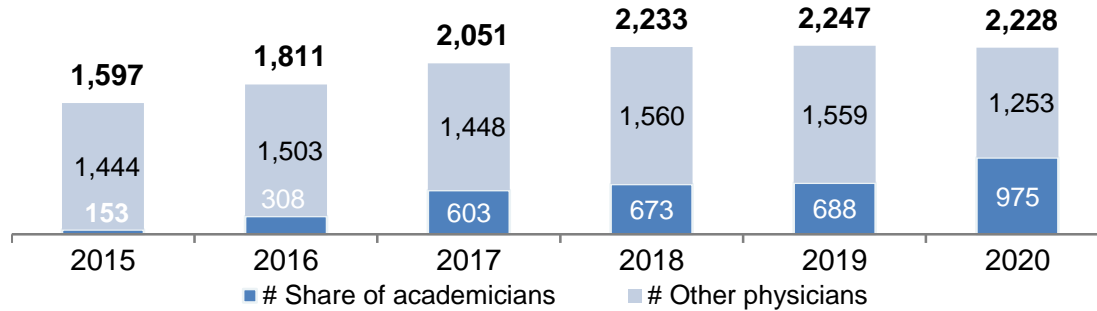
Ability to attract and retain top-tier physicians...

Key points of attraction

Top tier physicians choose MLP Care for:

- ✓ Strong and reliable brand
- ✓ Leading market share
- ✓ State-of-the-art infrastructure
- ✓ 4 university affiliations, 6 university affiliated hospitals
- ✓ Vast exposure to complex cases

Proven track record of physicians recruitment

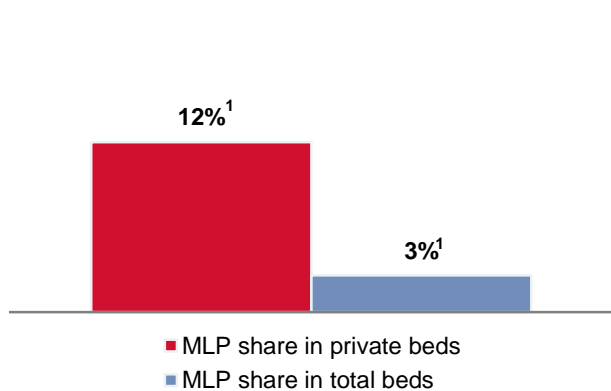


CAGR 2015-2020
7%

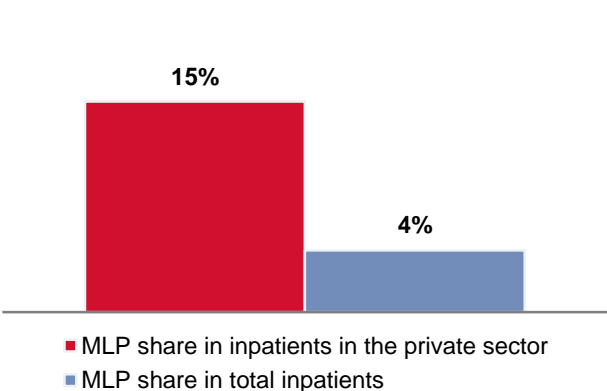
45%

...and drive patient in-flows to grow market share in Turkey

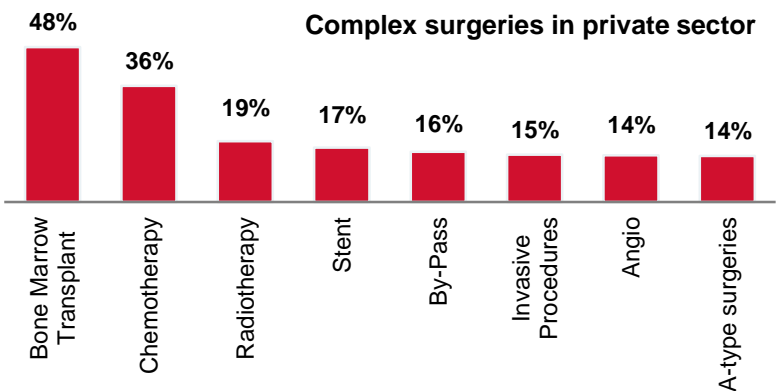
MLP Care share in beds¹



MLP Care share in inpatients¹



MLP Care share in complex surgeries¹



Source: ¹ Turkish Ministry of Health ² Turkish Statistical Institute Data as of 2018 used

5 Superior Historical Financial Performance

EBITDA Growth > Net Sales Growth > CPI (Consumer Price Index)

Net Sales (TLm)

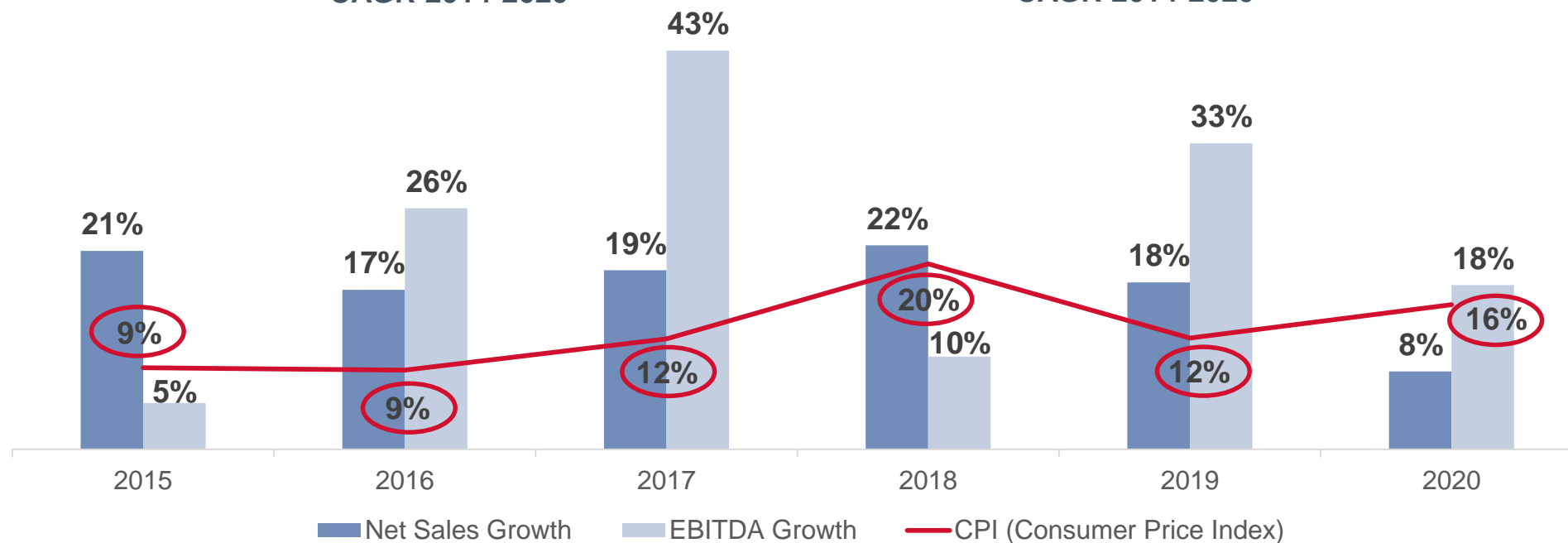
Adj. EBITDA¹ (TLm)

18%

31%

CAGR 2014-2020

CAGR 2014-2020



¹ Adj. EBITDA: Adj. EBITDA without foreign exchange effect of other income/expenses from operating activities

6 Outstanding Platform for Further Growth

Proven track record of greenfield expansions and M&A

Total Hospitals
At Year End

25

26

27

29

31

29

30

30

Greenfield

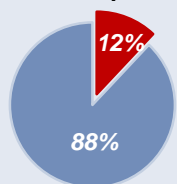
- ✓ MLP Care has added on average c.400 beds p.a.¹ through greenfield projects since 2014
- ✓ Multiple opportunities identified for expanding bed capacity in the near term

M&A

- ✓ MLP Care evaluates new opportunistic M&A opportunities in existing private hospitals
- ✓ Of the **30** hospitals, **9** were M&A
- ✓ Multiple targets in consideration

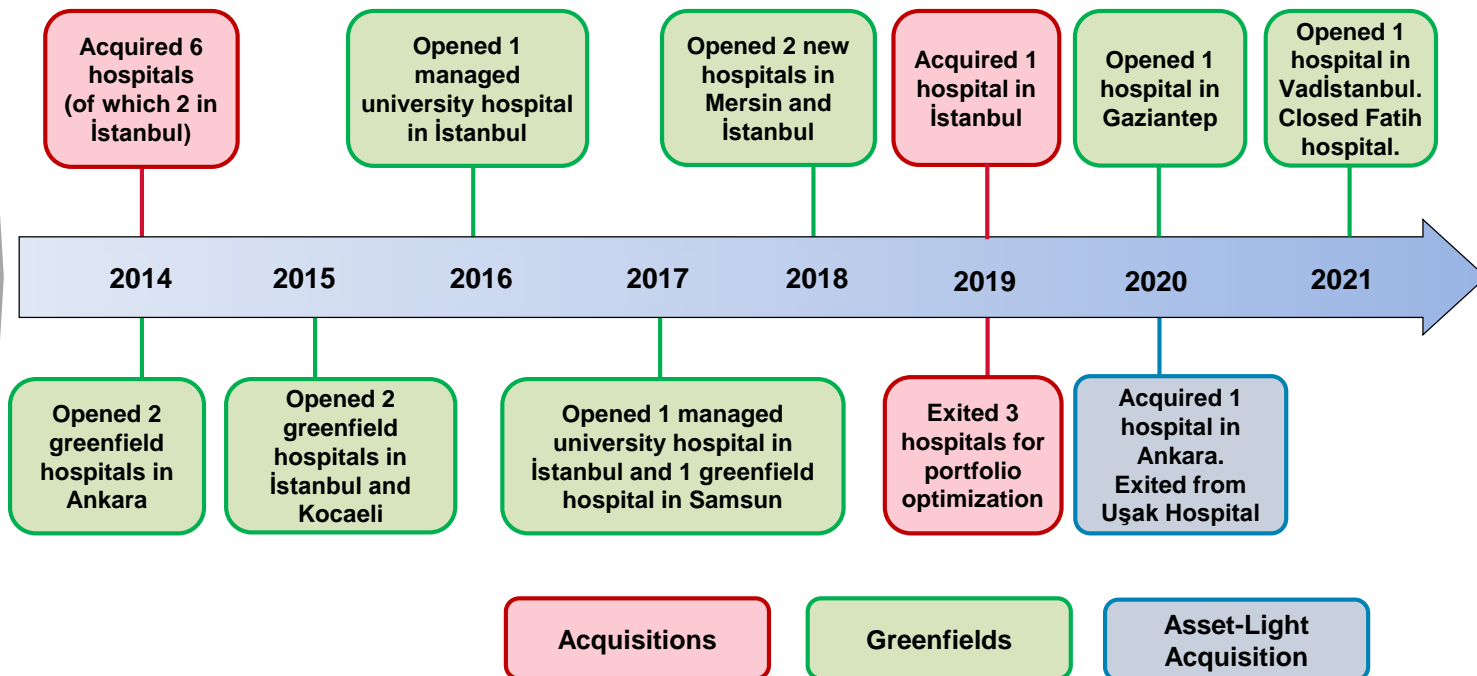
Vast amount of potential targets

Remaining private hospitals 506



Top 4 private players 69

Total private hospitals = 575



6 Outstanding Platform for Further Growth

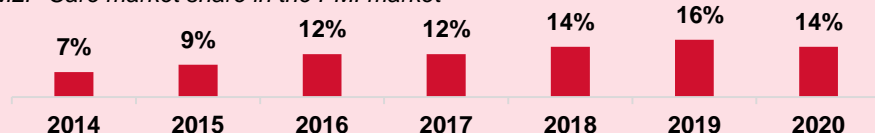
MLP Care has several avenues to continue its growth trajectory

Top line growth via the favourable insurance scheme

- ✓ MLP Care has increased its market share in PMI (private medical insurance) (including Top-up Insurance) over the years, growing its revenue from PMI by **7.6x** from 2014 to 2020
- ✓ Top-up insurance is the fastest growing portion of the PMI market as MLP Care has been a pioneer in the Top-up insurance

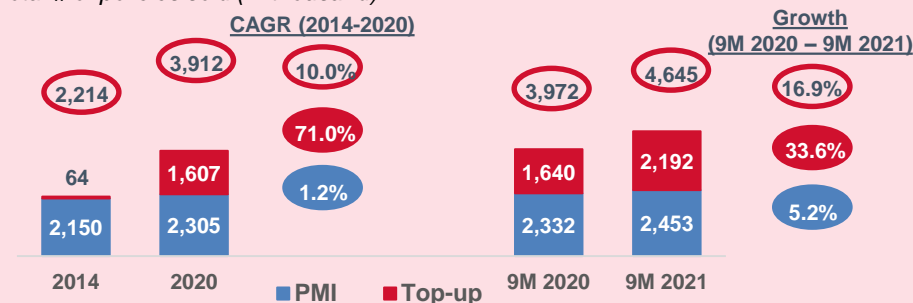
High Growth of MLP Care in the PMI (including Top-up Insurance) market

MLP Care market share in the PMI market¹



Top-up Insurance's total policies sold grew by 34x in 2014 and 9M 2021

Total # of policies sold (in thousand)



Growth through revenue diversification

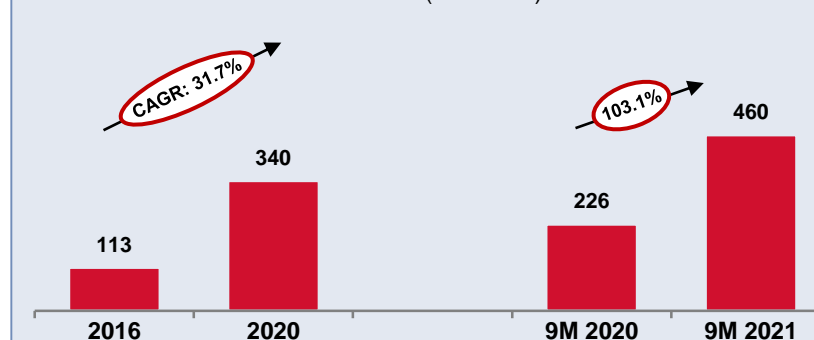
Self-pay

- ✓ Self-Pay share of total pay in MLP Care revenues has **up from c. 27% in 2014 to c. 31% in 9M 2021**
 - Driven by increased share of metropol hospitals in total revenue
 - Increased offerings for elective procedures
 - Expanded premium

Medical tourism

- ✓ Outstanding medical quality in line with OECD countries
- ✓ Comparatively affordable with c. 50-65% in estimated savings compared to US treatment costs

MLP Care Medical Tourism Revenue (million TL)



Appendix

Revenue Breakdown by Payor Type – 2020

Operating Cash Flow – 2020

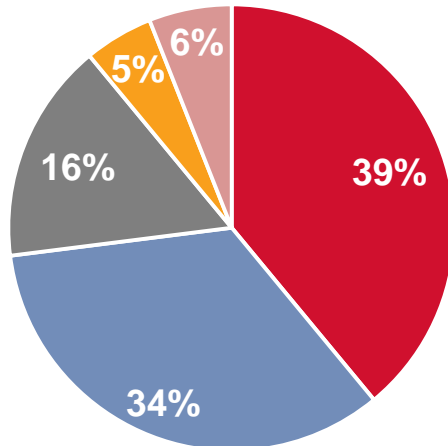
Historical Financial Statements

Capital, Shareholder Structure & Subsidiaries

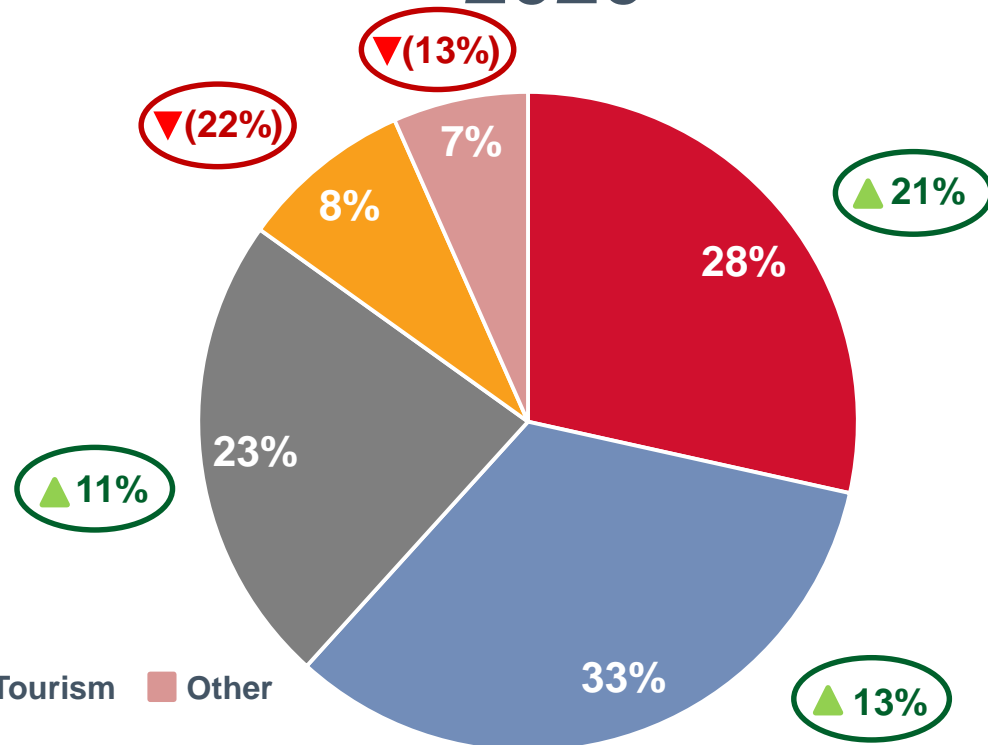
Key Historical Milestones

Revenue Diversification Through Growing Segments

2016



2020

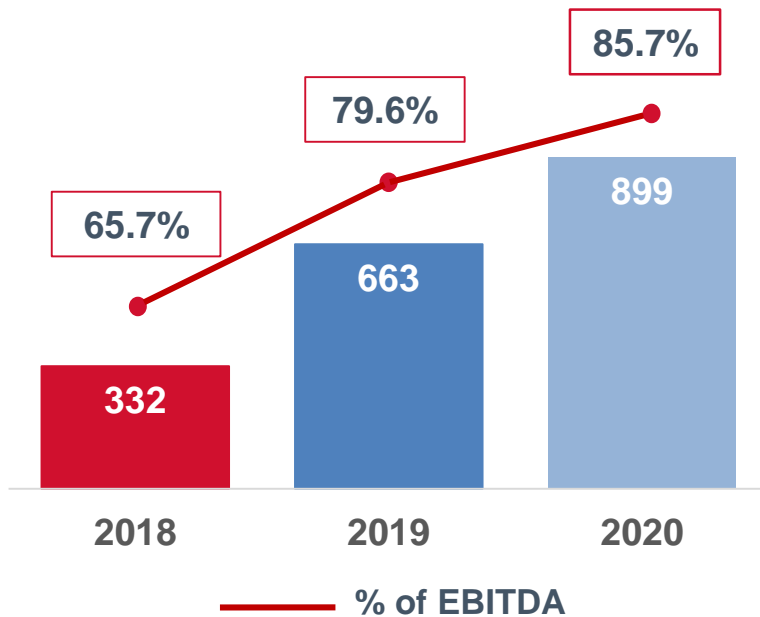


■ SSI
 ■ Self-pay
 ■ PMI, Top-up & Contr. Inst.
 ■ Medical Tourism
 ■ Other

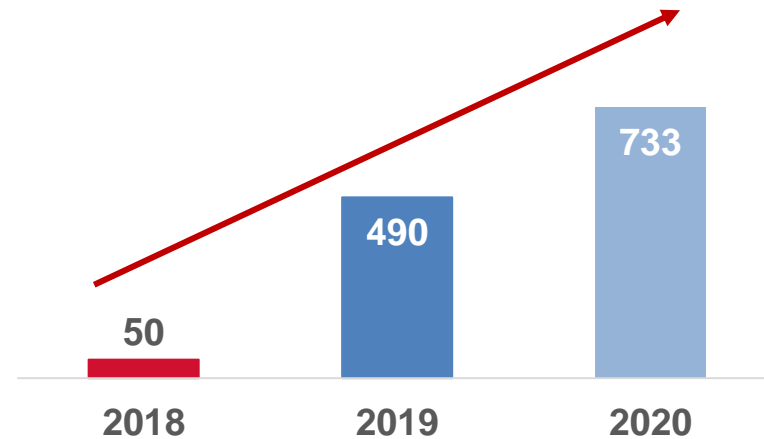
- ✓ Revenue from PMI, Top-up & Contracted Institutions grew by 11% in 2020
- ✓ Medical Tourism declined by 22% in 2020 due to pandemic
- ✓ SSI Insurance allows for a wide addressable market (c.98% of the total population)
- ✓ Share of self pay continues to increase in total

Operating Cash Flow and Free Cash Flow improved in 2020

Operating Cash Flow / Adj. EBITDA



Free Cash Flow



Historical Balance Sheet

TLm	Unaudited September 30, 2021	Unaudited September 30, 2020	Audited December 31, 2020
Cash and cash equivalents	676	492	375
Trade receivables	1,359	1,115	1,155
Inventory	122	112	113
Short term other assets	537	479	542
Current assets	2,694	2,198	2,185
Tangible and intangible fixed assets	1,539	1,431	1,441
Right of use assets	383	250	257
Deferred tax assets	351	415	402
Long term other assets	341	243	287
Non-current assets	2,614	2,339	2,387
Total assets	5,308	4,537	4,572
Trade payables	1,315	905	987
Short term other liabilities	461	431	422
Short term financial liabilities (incl. financial and operational leases)	1,188	888	978
Current liabilities	2,964	2,224	2,387
Long term other liabilities	148	140	139
Deferred tax liabilities	187	187	184
Long term financial liabilities (incl. financial and operational leases)	1,456	1,705	1,514
Non-current liabilities	1,791	2,031	1,836
Shareholders' equity	436	245	282
Non-controlling interest	116	37	66
Equity	552	282	349
Total liabilities & equity	5,308	4,537	4,572

Historical P&L Statements

TLm	Unaudited 9M 2021	Unaudited 9M 2020	Change (%)	Unaudited Q3 2021	Unaudited Q3 2020	Change (%)
Revenues	4,040	2,814	43.6%	1,498	1,075	39.3%
Cost of service (-)	(2,969)	(2,150)	38.1%	(1,062)	(799)	33.0%
Gross profit	1,071	664	61.2%	435	277	57.4%
General administration expenses (-)	(314)	(181)	73.8%	(121)	(68)	77.1%
Other income from operations	277	366	(24.2%)	50	205	(75.4%)
Other expenses from operations (-)	(249)	(302)	(17.3%)	(58)	(176)	(67.2%)
Operating profit / (loss)	784	548	43.2%	307	238	29.4%
Income from investing activities	3	119	(97.7%)	0	34	(99.4%)
Expense from investing activities (-)	(0)	(2)	(94.8%)	(0)	(2)	(97.1%)
EBIT	787	664	18.4%	307	270	14.0%
<i>EBIT margin</i>	19.5%	23.6%	(414bps)	20.5%	25.1%	(456bps)
Interest expenses (-)	(429)	(331)	29.4%	(166)	(105)	58.3%
Net foreign exchange profit / (loss) (including hedging cost)	(23)	(244)	(90.6%)	5	(140)	n.m.
Net profit / (loss) before tax	335	89	276.9%	147	25	497.0%
Tax income / (expense) from operations	(120)	(37)	223.1%	(106)	(12)	782.8%
Net profit / (loss)	215	52	315.3%	41	13	224.4%
Net profit / (loss) non-controlling interest	50	29	75.8%	23	17	37.5%
Net profit / (loss) equity holders of the parent	165	23	610.3%	18	(4)	n.m.

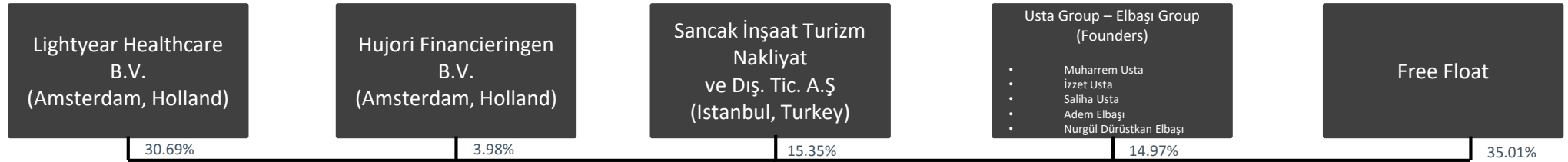
Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	9M 2021	9M 2020	Q3 2021	Q3 2020
Net profit / (loss)	215	52	41	13
Tax (income) from operations	120	37	106	12
Depreciation and amortization of tangible and intangible fixed assets	238	188	84	62
Total interest expenses/(income) and fair value differences of derivative instruments	427	557	148	239
Net (gains) / losses from the disposal of tangible and intangible assets and income from negative goodwill	(3)	(117)	(0)	(32)
Reported EBITDA	997	717	379	294
Net one-off (gains) / losses	52	38	16	14
Non-cash GAAP provision expenses	19	11	(2)	4
Adjusted EBITDA	1,068	766	392	312
Adjusted EBITDA Margin (%)	26.4%	27.2%	26.2%	29.0%
Foreign exchange gains/(losses) from operations	39	73	(4)	33
Adjusted EBITDA¹	1,029	693	396	279
Adjusted EBITDA¹ Margin (%)	25.5%	24.6%	26.4%	25.9%

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

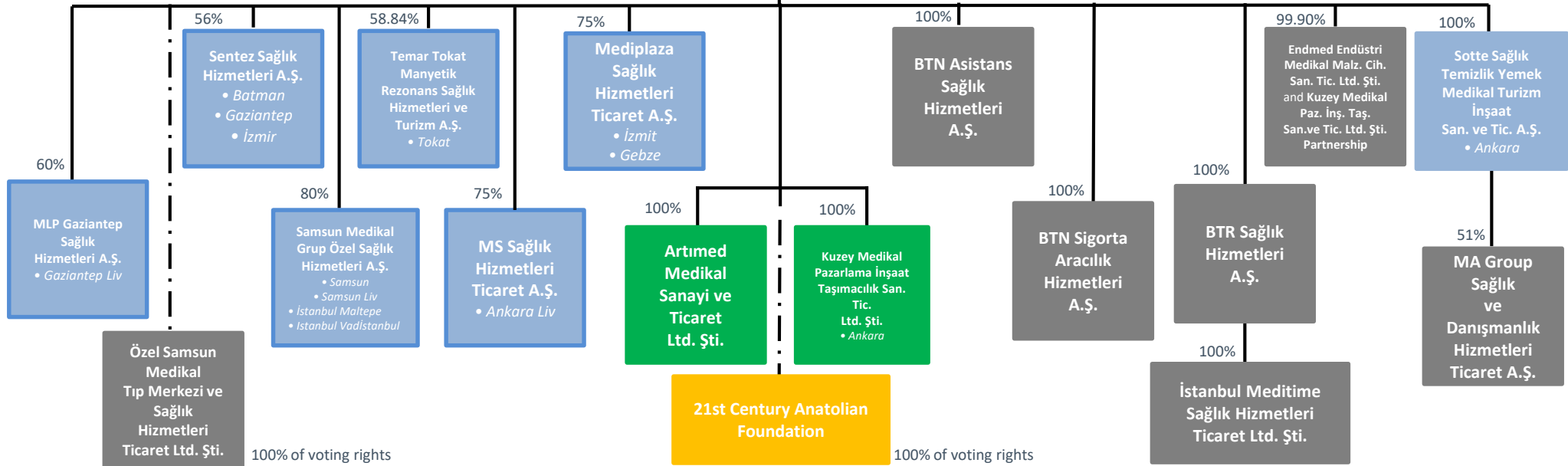
Capital, Shareholder Structure* & Subsidiaries

*Shareholding structure after public offering (excluding the 6,827k shares purchased by shareholders from publicly traded portion)

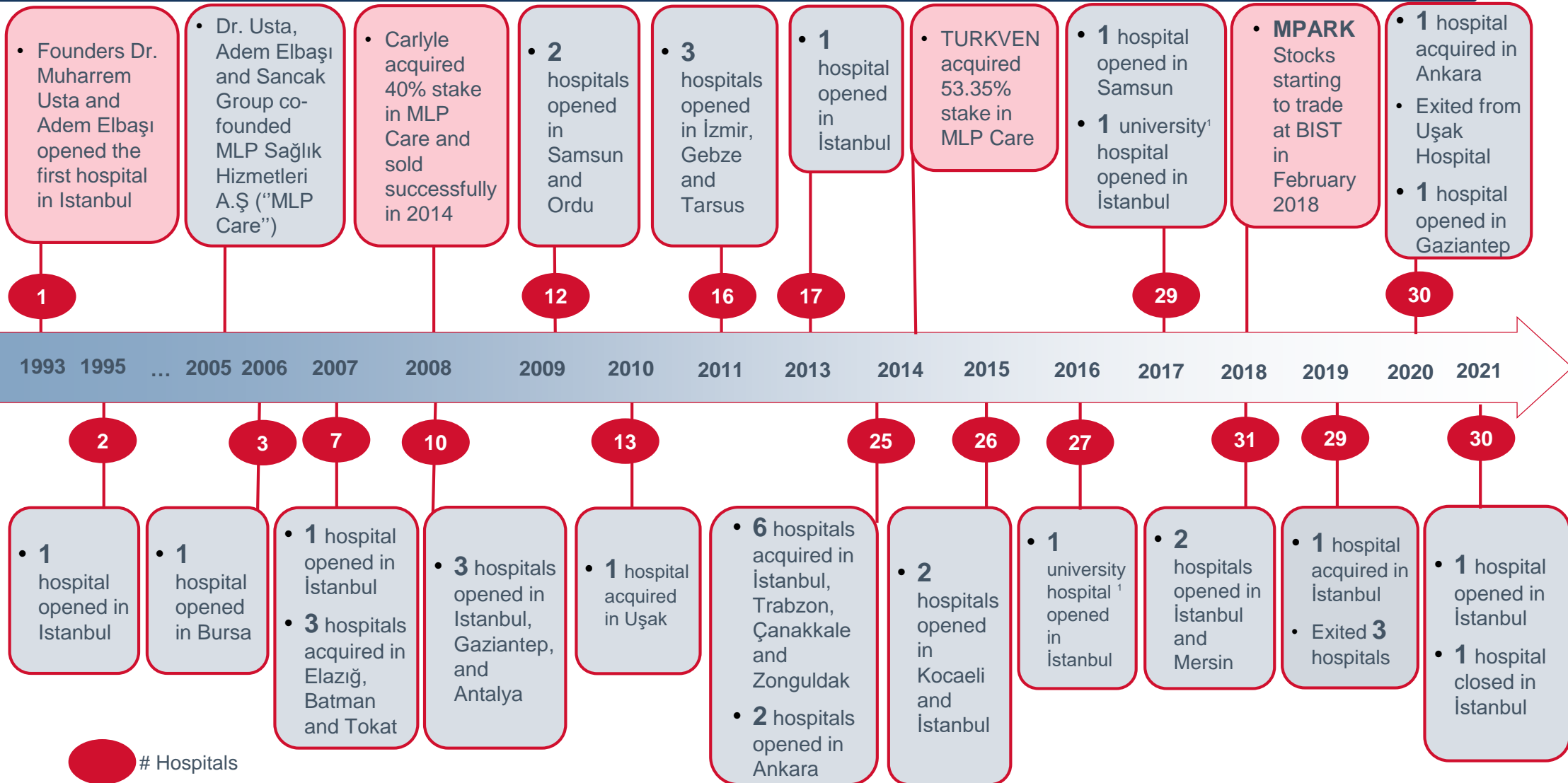


MLP Sağlık Hizmetleri A.Ş.

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- İstanbul Göztepe • İstanbul Ulus • Mersin • İstanbul Pendik • Çanakkale



Key Historic Milestones



¹Managed hospital

Disclaimer

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.

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