

MLP Care Investor Presentation

Ak Investment Turkey Outlook Virtual Conference - March 15, 2022



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



20,000+ Staff¹
2,500+ Doctors
(15% are academicians)



3 JCI Accredited Hospitals
3 Centers of Excellence

Addresses All Price Segments in the Turkish Market

¹ Includes managed hospitals, full time and part time staff

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)

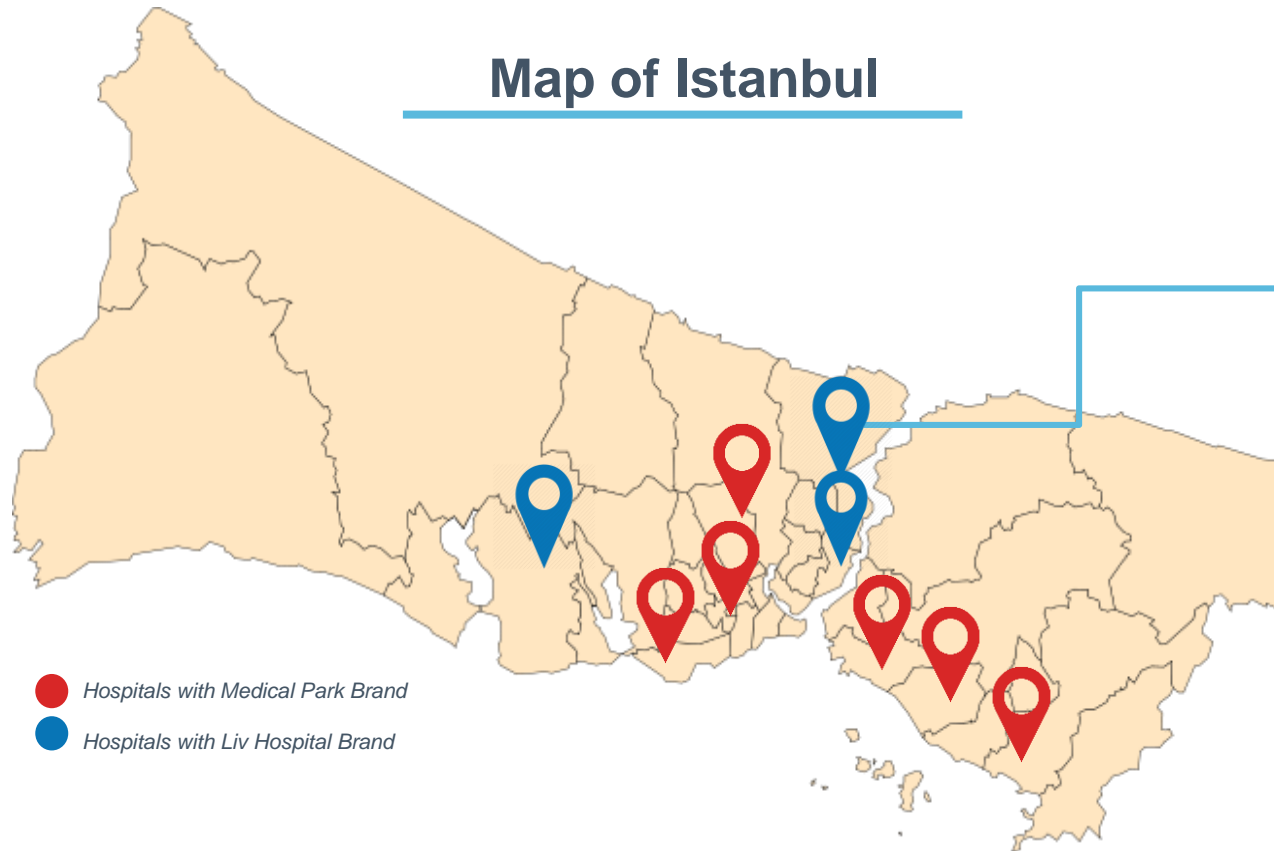
Quick EBITDA ramp-up through leveraging MLP Care's resources (brand strength, operational know how, licensing, experienced physicians, and management staff)

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

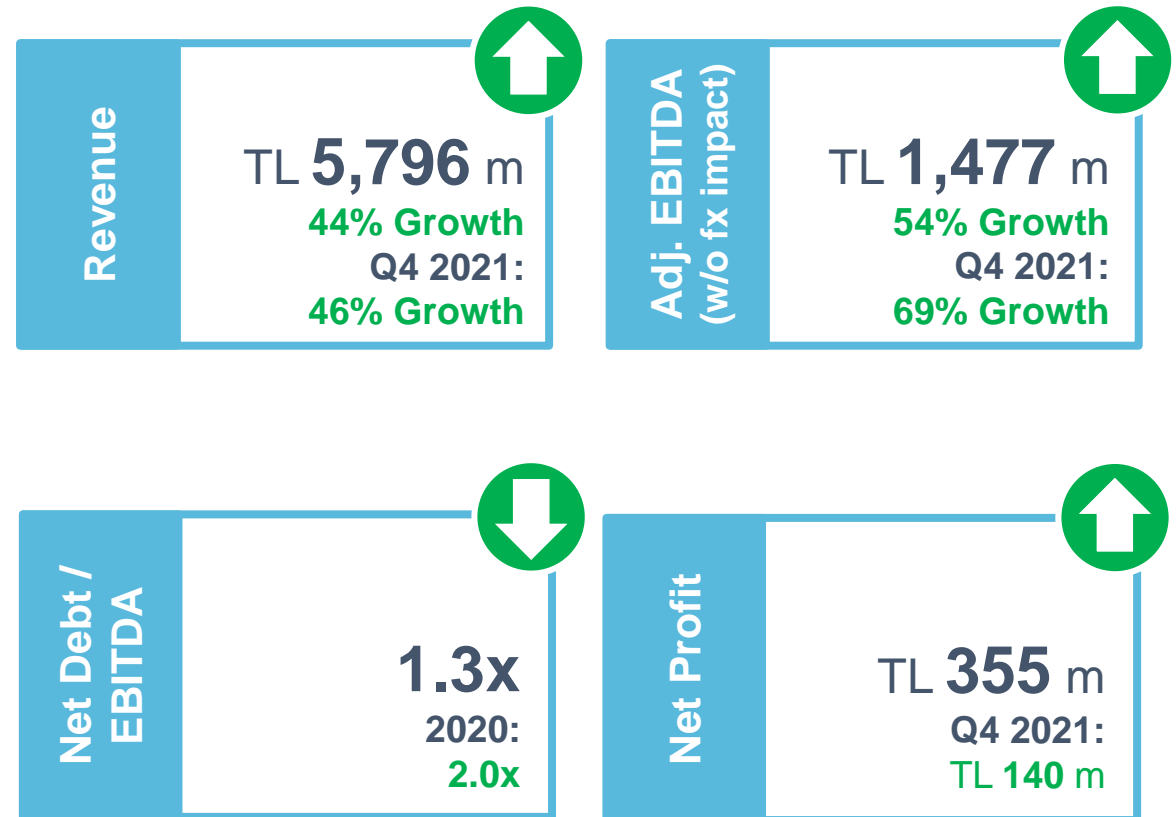
- ❖ 37k sqm
- ❖ 125 bed capacity
- ❖ 76 polyclinic rooms
- ❖ 7 operating rooms

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

At a Glance: MLP Care 2021 Financial Highlights

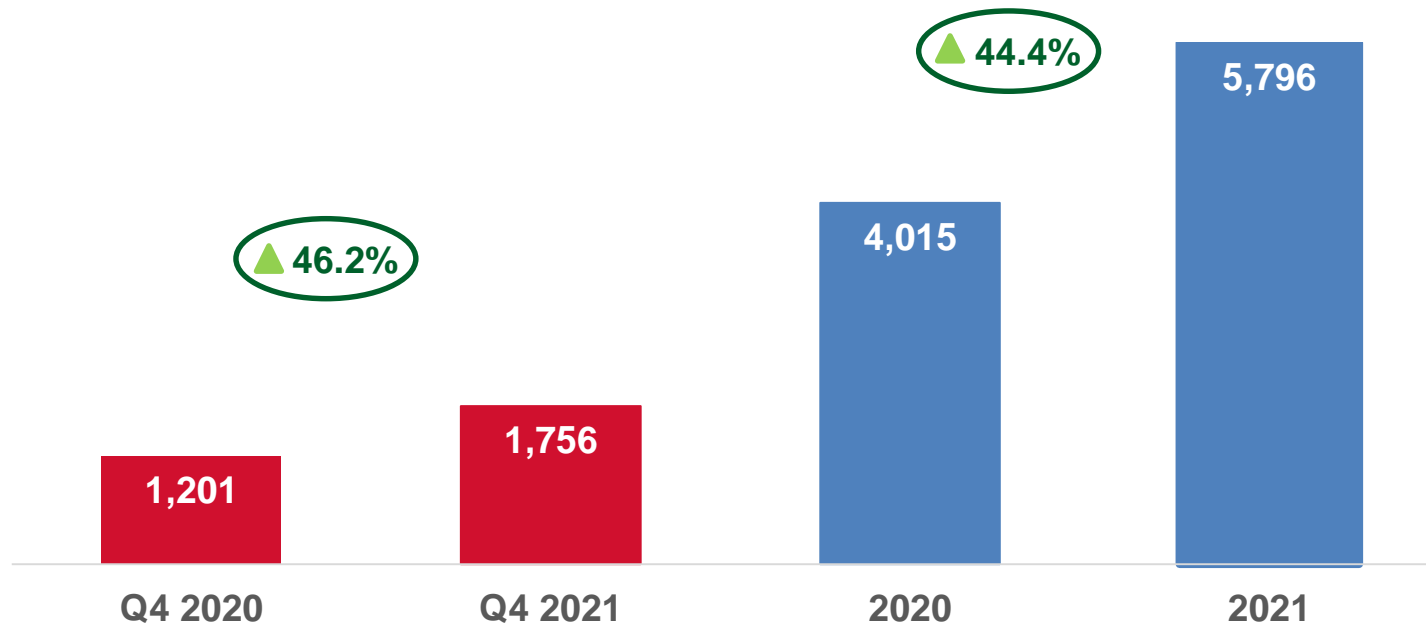
- ✓ Continued robust uptick in domestic patient revenues and foreign medical tourism revenues quarter-on-quarter
- ✓ EBITDA improved mainly due to
 - strong operational performance
 - diligent cost discipline
- ✓ Reduced leverage ratio on the back of
 - strong EBITDA growth
 - cash generation performance
- ✓ Net Profit improved on the back of
 - robust revenue growth,
 - effective cost optimization,
 - and deferred tax income,

despite the provision of overdue Libyan trade receivables



Strong Revenue Growth

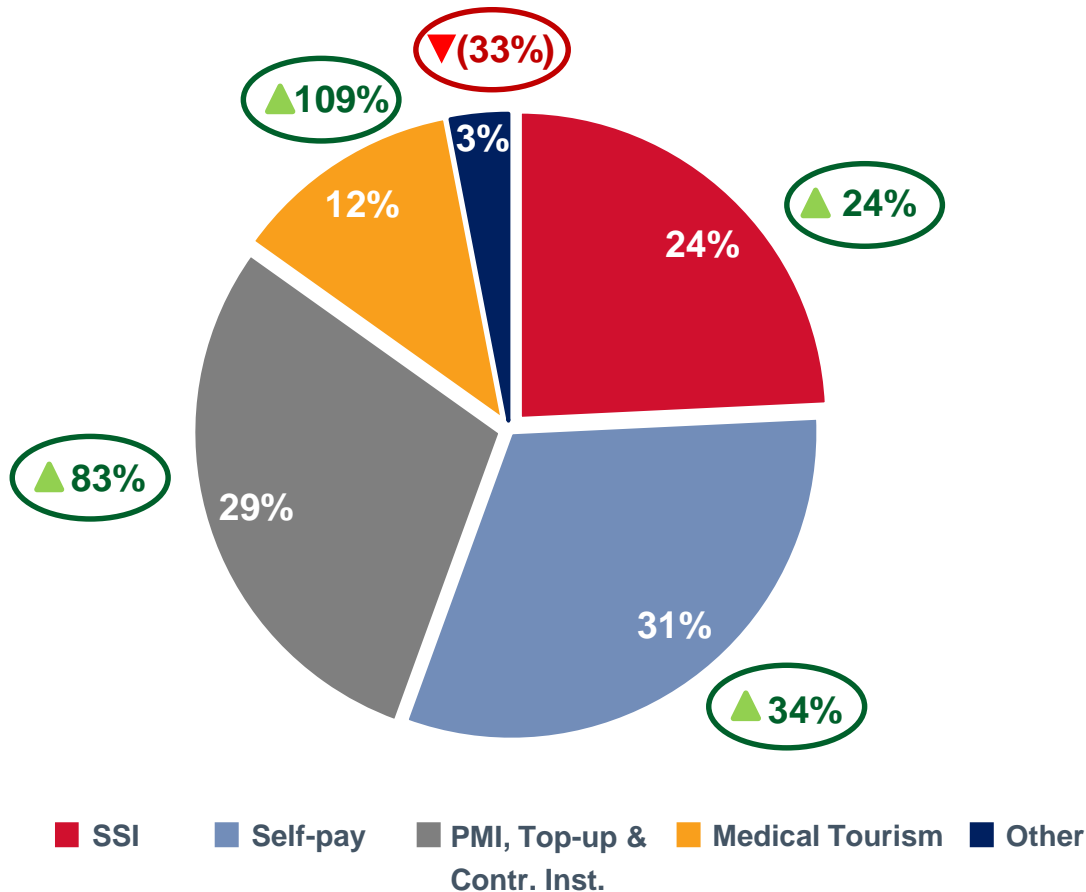
Revenue (TLm)



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

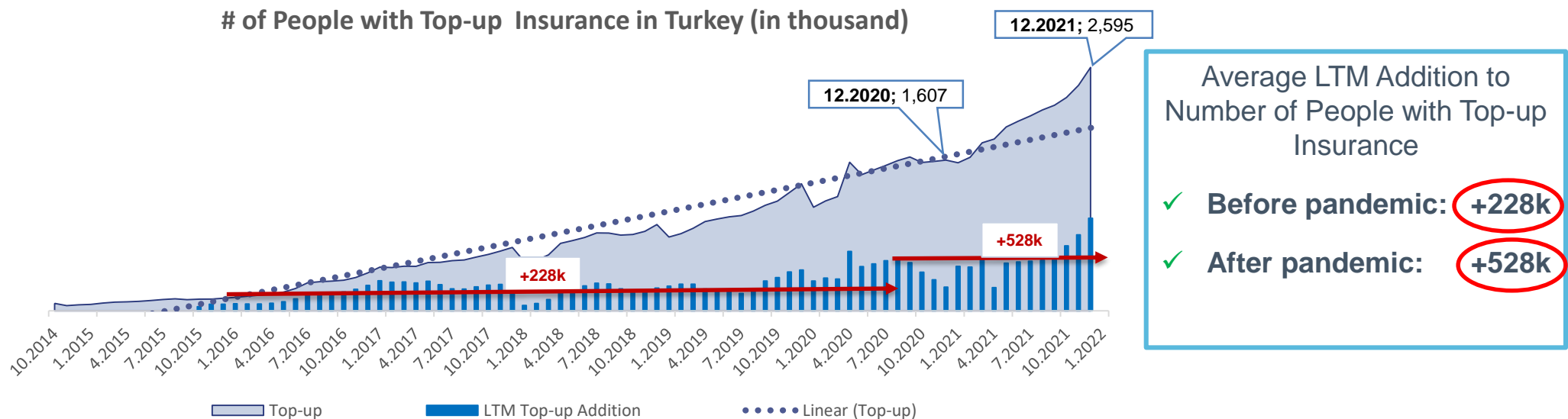
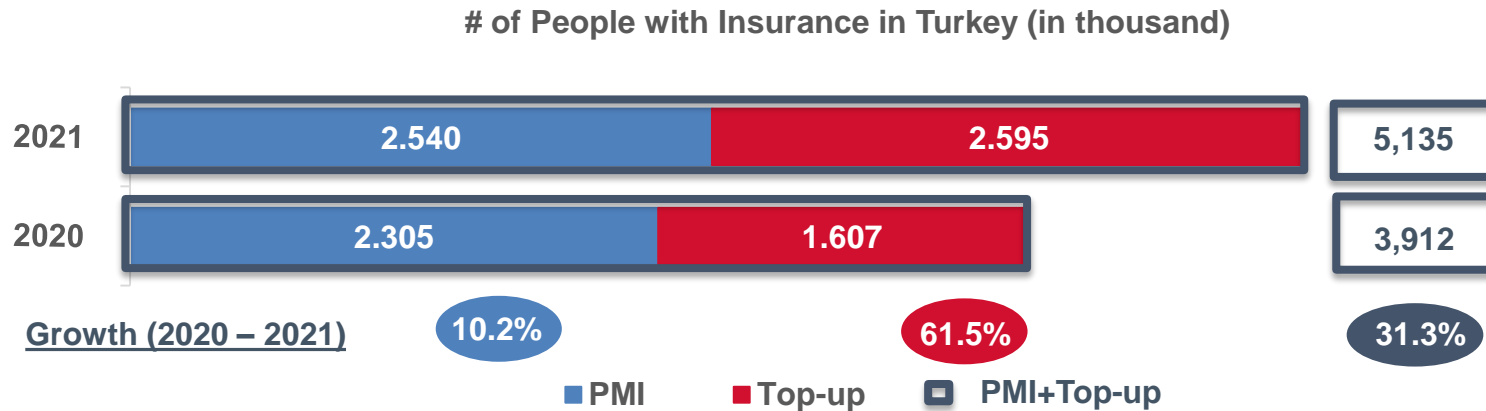
Double Digit Growth in Multiple Revenue Segments

2021



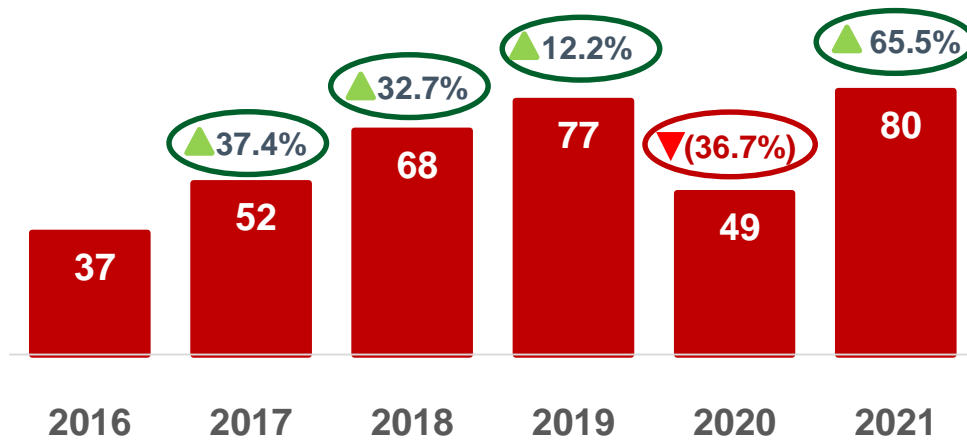
- ✓ Revenue from SSI was up by 18% in Q4 2021 (SSI Insurance allows for a wide addressable market, which is c.98% of the total population)
- ✓ Self pay was up by 29% in Q4 2021
- ✓ Revenue from PMI, Top-up & Contracted Institutions was up by 92% in Q4 2021
- ✓ Medical Tourism was up by 121% in Q4 2021
- ✓ Other revenues decreased by 23% in Q4 2021 due to decreased laboratory business revenue

of People with Top-up Insurance Passed PMI

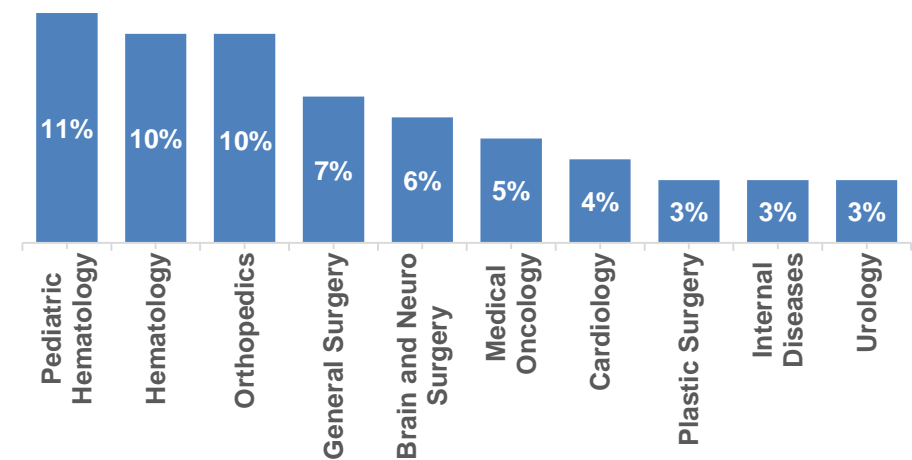


Significant Growth Potential of FMT Revenue

Medical Tourism Revenue (USD m)

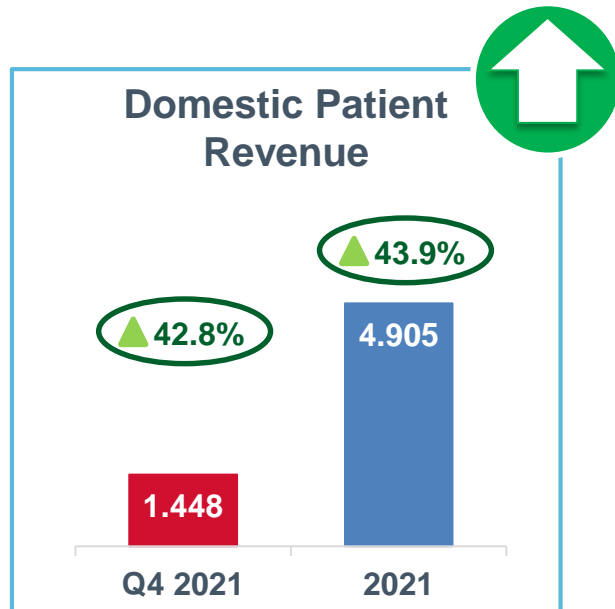


TOP 10 FMT Revenue % by Department in 2021



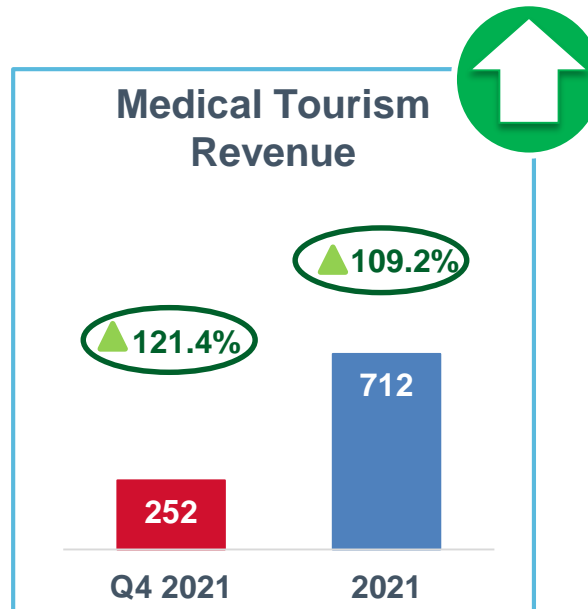
- ✓ Diversified and balanced geography. Patients comes from:
 - Europe **25%**
 - Middle East and Africa **34%**
 - Former CIS and the Rest **41%**
- ✓ Revenue growth driven by pent-up demand and low base

Strong Domestic and FMT Revenue Growth Continued



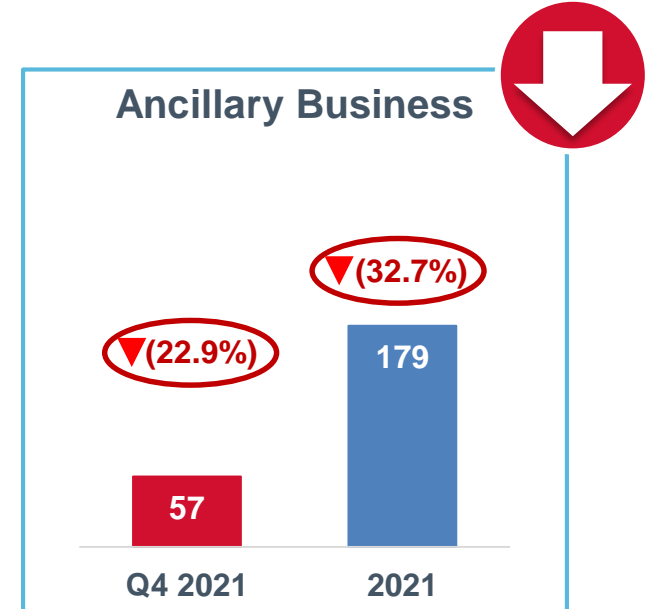
Domestic Revenue q-o-q Growth Continued in Q4 2021

- ✓ Inpatient revenue grew in
Q4 2021: **35.3%**
2021: **37.9%**
- ✓ Outpatient revenue grew in
Q4 2021: **54.1%**
2021: **53.3%**



Accelerated Growth of Foreign Medical Tourism Revenue in 2021

- ✓ Share of revenue from Europe in total Medical Tourism: **25%**
- ✓ Middle East & Africa: **34%**
- ✓ Former CIS and the rest: **41%**

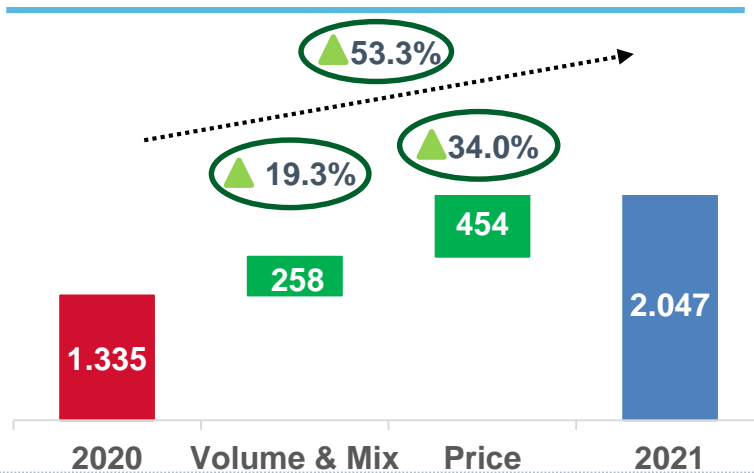


Decrease in Laboratory Business Revenues in 2021

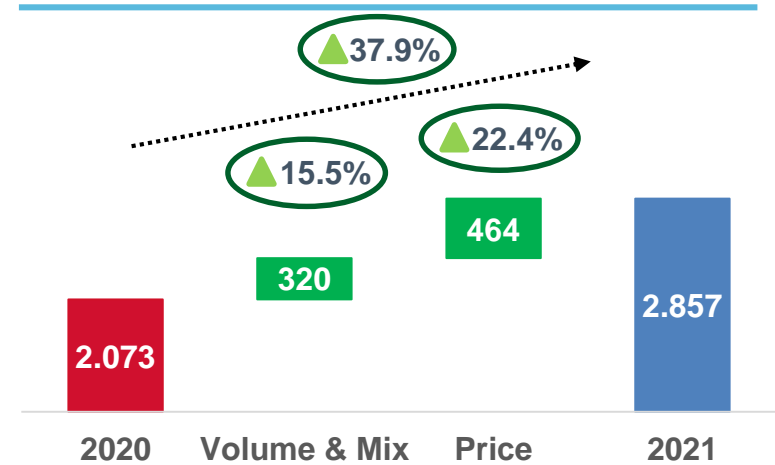
- ✓ Managed hospitals' revenue increased by 65.3% at 117 mTL in 2021 (2020: 71mTL)
- ✓ Laboratory business revenue decreased by 78.1% to 34mTL in 2021 (2020:156mTL)

Continued Improvement in Average Prices

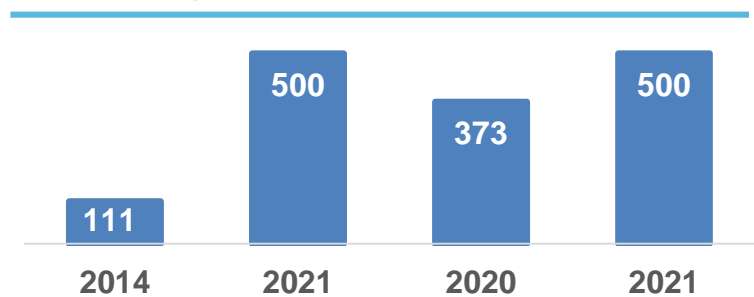
Outpatient Revenues (TLm)



Inpatient Revenues (TLm)

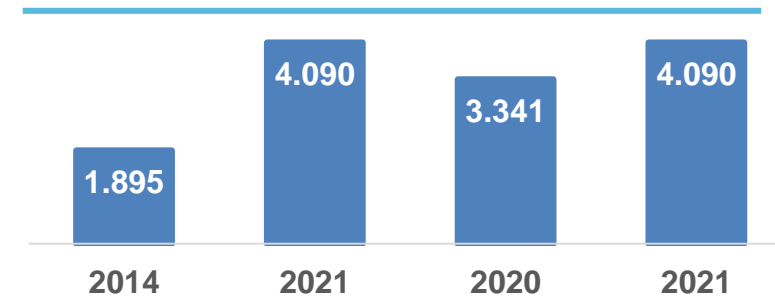


Average Revenue Per Visit (ARPV)



ARPV 7 year CAGR: \uparrow 24.0%
2021: \uparrow 34.0%

Average Revenue Per Protocol (ARPP)



ARPP 7 year CAGR: \uparrow 11.6%
2021: \uparrow 22.4%

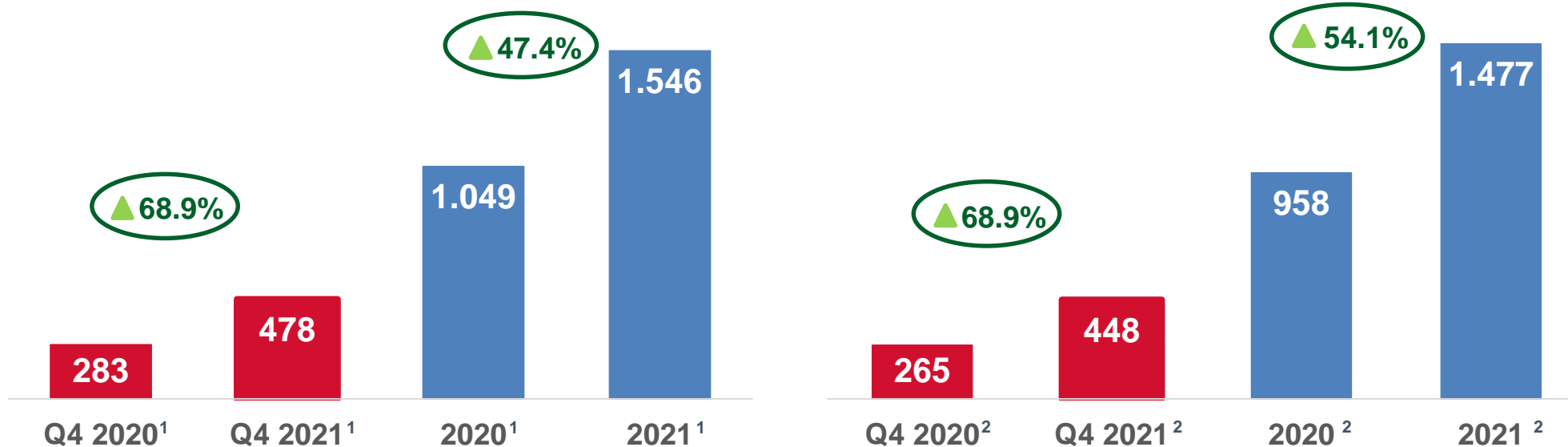
✓ **Outpatient** and **Inpatient** revenues made up **42%** and **58%** of total Domestic Hospital Business Revenues in 2021

EBITDA Growth on the Back of Strong Revenue Growth

EBITDA¹ (TLm)

EBITDA² (TLm)

(w/o fx impact)



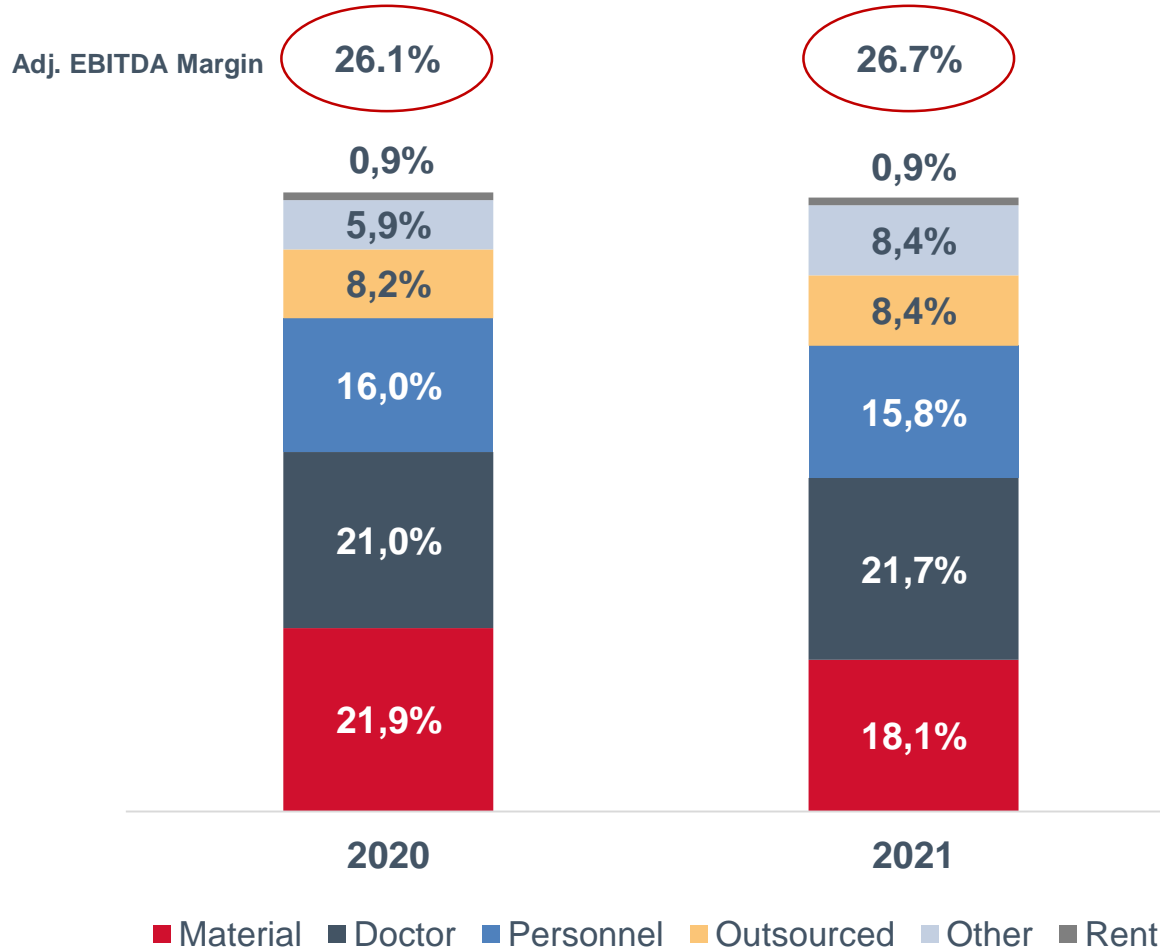
¹ Adj. EBITDA: EBITDA TFRS adjustments that have no cash impact on relevant period and one-off income/expense items

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

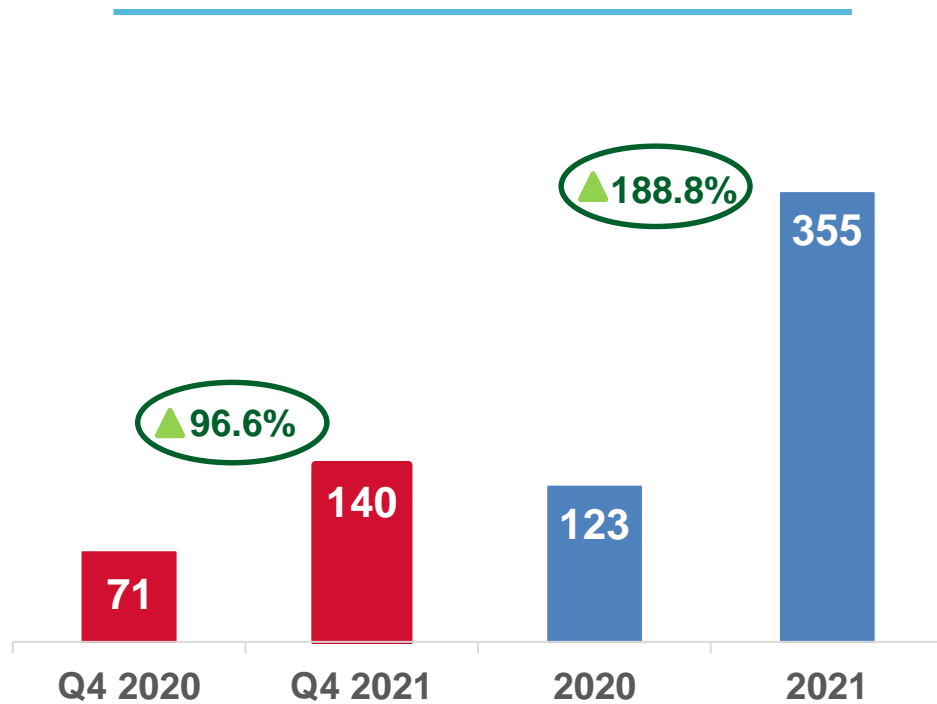


Cost Saving Measures enables us to reach the favourable EBITDA Margin

- ✓ **Material costs** as a % of revenue declined in 2021 due to decrease in the share of laboratory business which has higher cost base
- ✓ **Doctor costs** as a % of revenue increased in 2021 due to new hospital openings
- ✓ **Personnel costs** as a % of revenue decreased in 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 increase in the marketing expenses related to FMT revenues and increase in electricity, water, and gas expenses

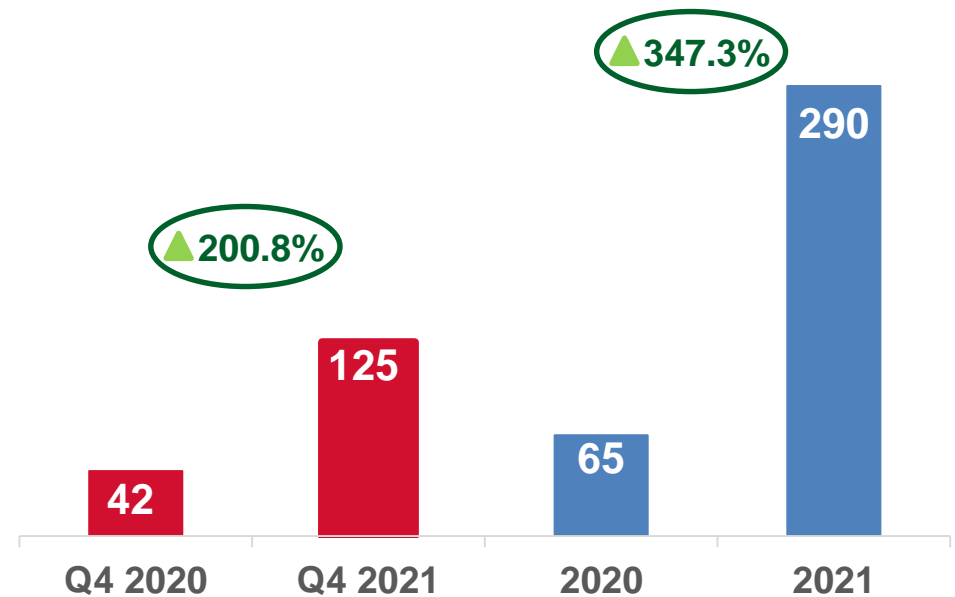
Strong Net Profit Improvement

Net Profit (TLm)



Net Profit (TLm)

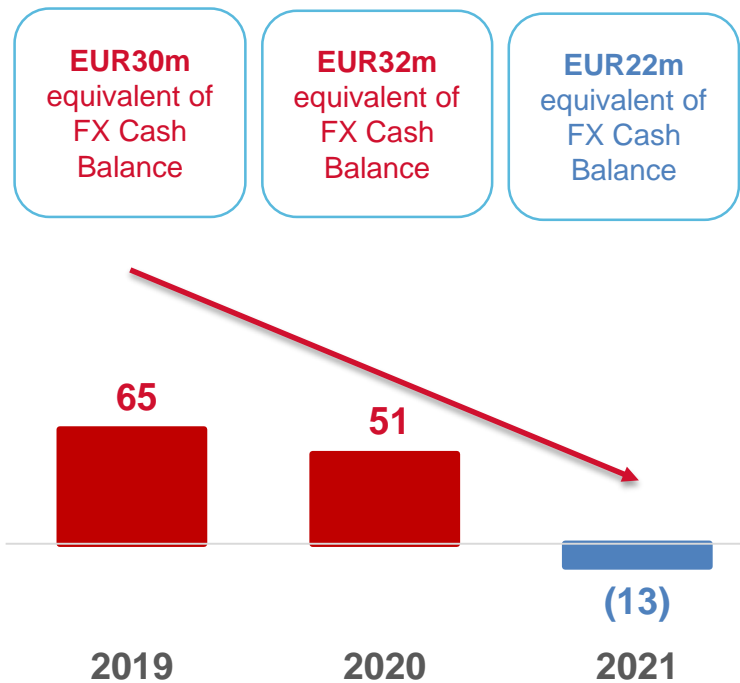
Allocated to Equity Holders of the Parent



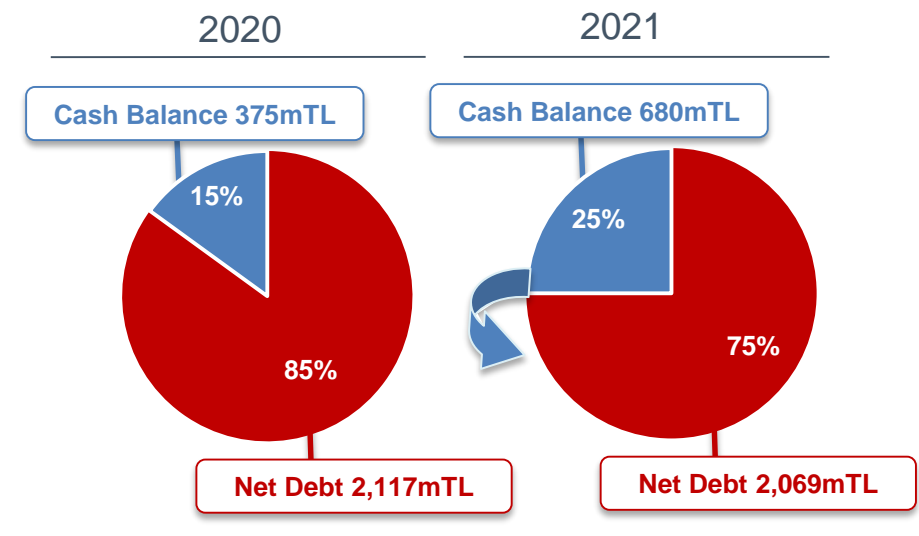
Denotes growth of Net Profit and Net Profit Allocated to Equity Holders of the Parent vs. the same period of the last year

Net Debt Decreased

FX BASED NET DEBT ¹ (in EUR m)



GROSS DEBT PERCENTAGE

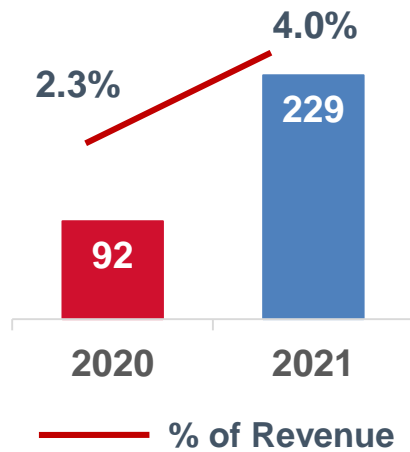


Nominal Net Debt (exc. IFRS 16)	1,521mTL	↓	1,176mTL
Nominal Net Debt (inc. IFRS 16)	2,117mTL	↓	2,069mTL
Net Debt /Adj. EBITDA (inc. IFRS 16)	2.0x	↓	1.3x

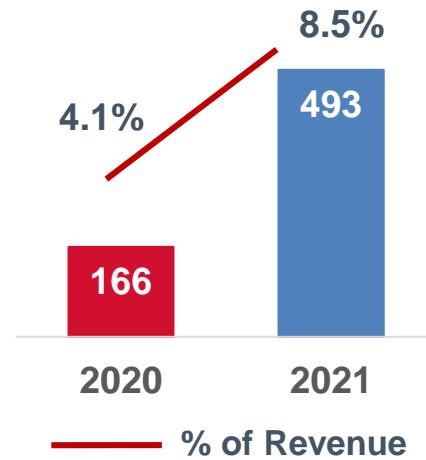
✓ **FC Net Debt** balance of **EUR 46.5 million** was fully converted into TL on **February 8, 2021** to mitigate FX risk

Improved Free Cash Flow and Operating Cash Flow

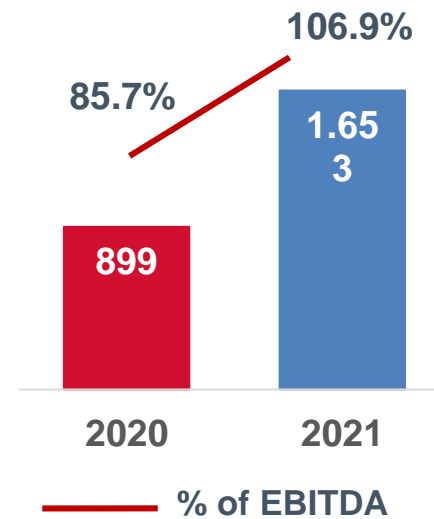
Maintenance Capex (TLm)



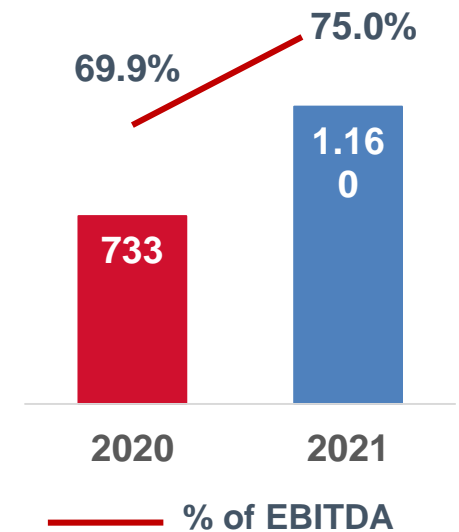
Total Capex (TLm)



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

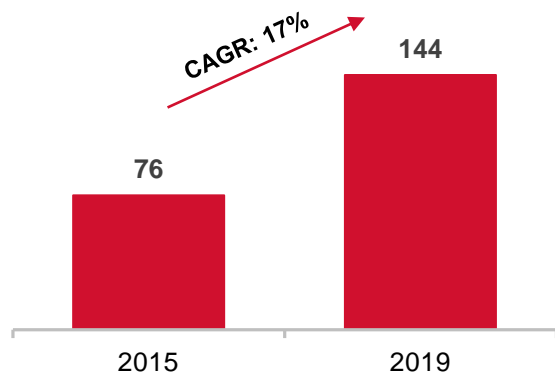
6 Outstanding Platform for Further Growth



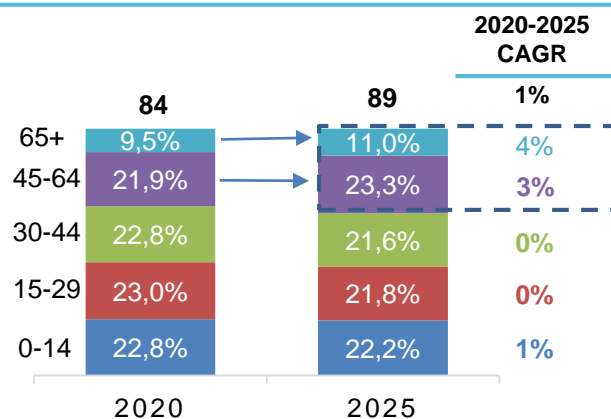
① Operates In The Attractive Turkish Healthcare Market

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

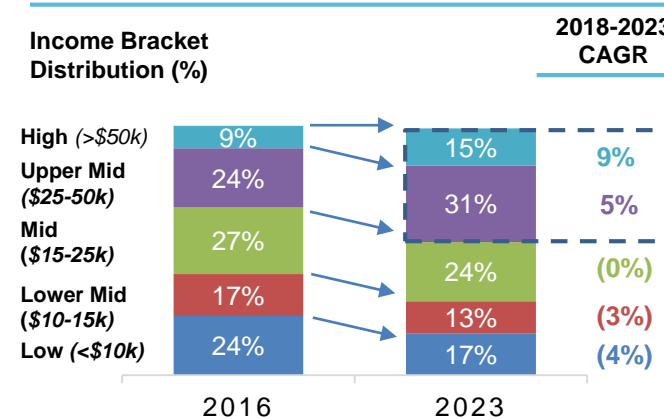
Turkish Healthcare Spending to Providers¹ (TLbn)



Growth in Aging Turkish Population (millions)

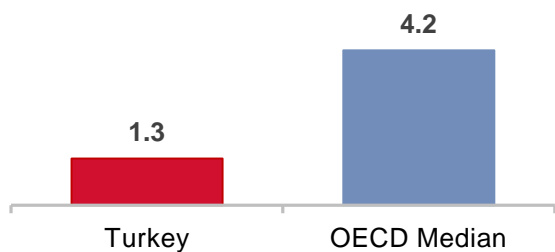


Growing Levels of Affluence in Turkey

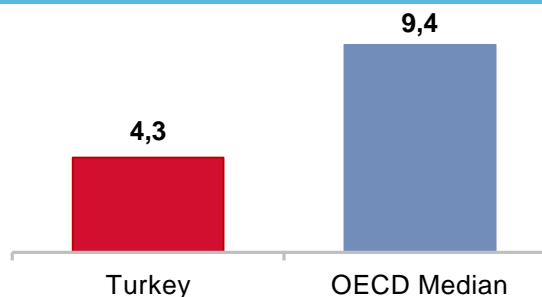


Significant Scope For Expansion Compared to OECD² Peers

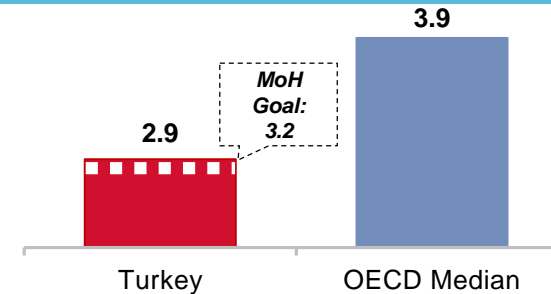
Healthcare Spending Per Capita in 2019 (\$'000)



Healthcare Spending % of GDP in 2019



Hospital Beds Per Capita in 2019 ('000)³



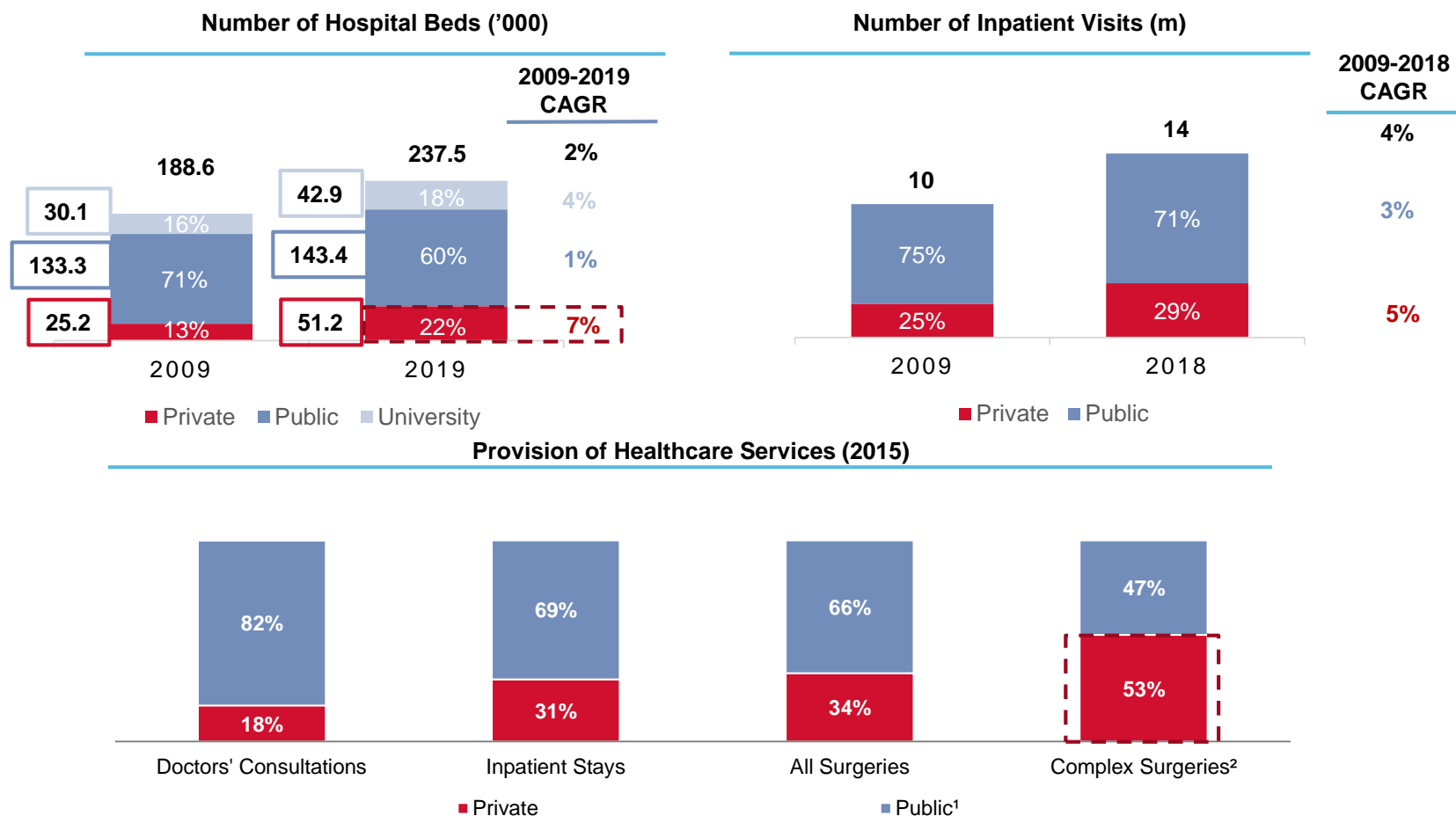
Source: OECD, Turkish Statistical Institute, TOBB Report ¹ Denotes hospitals only excluding pharmaceutical, medical equipment, dental and other.

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)

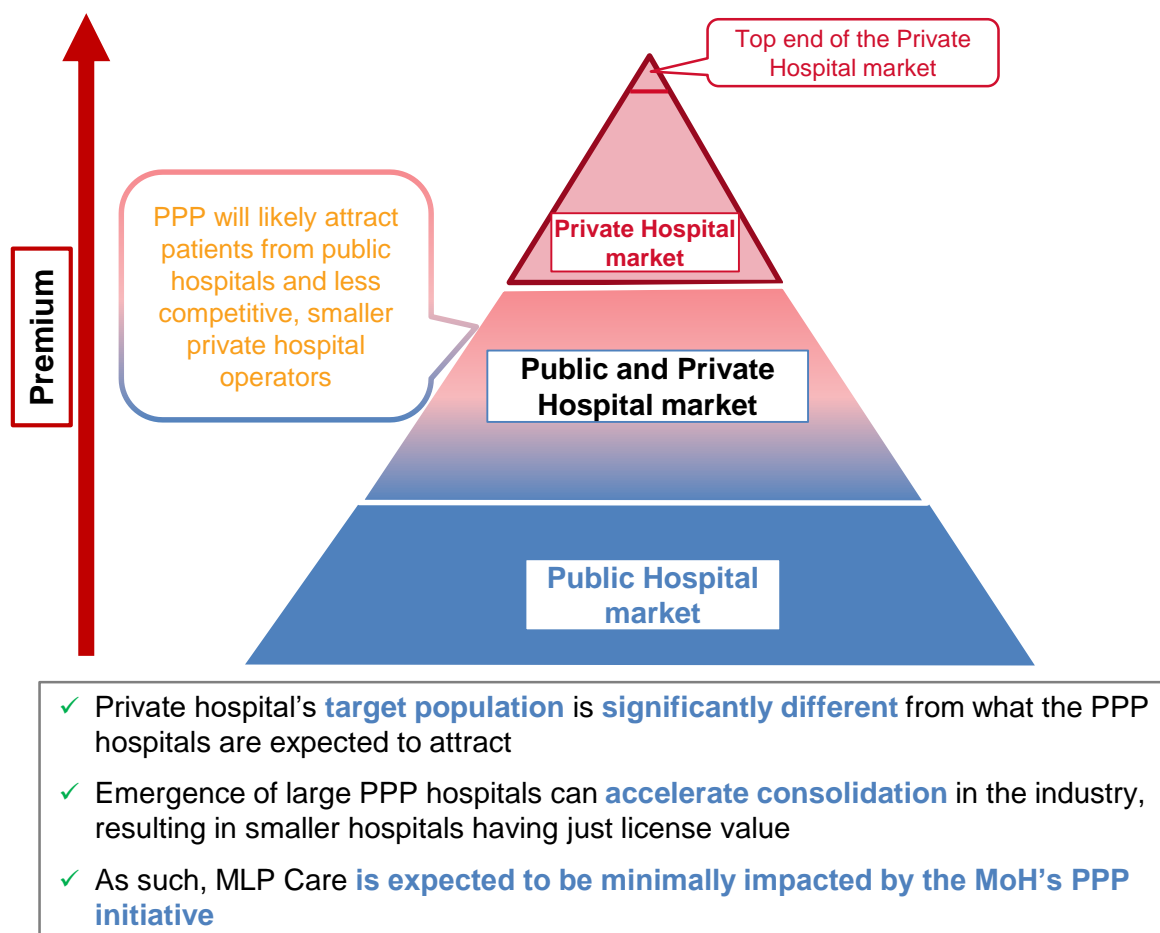


- ✓ National and local leader with a network covering the greatest number of cities
- ✓ 38% of beds located in the attractive Istanbul market
- ✓ MLP Care has the highest number of beds in nearly every city in which they are present

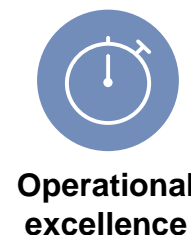
② Clear Leader in Private Hospital Provision

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



PPP success factors



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



- ✓ 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**

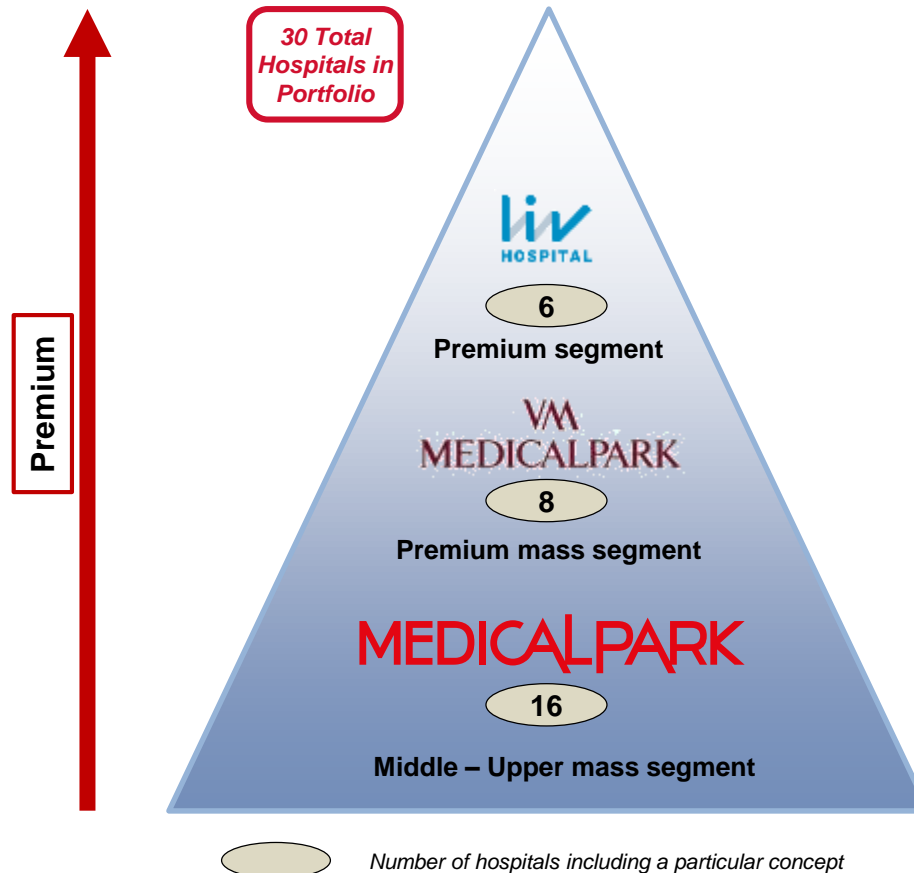


- ✓ MoH needs to **ensure patient demand** through high quality service
- ✓ **Significant increase in travel time**, especially for outpatient or unplanned visits may hinder demand

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

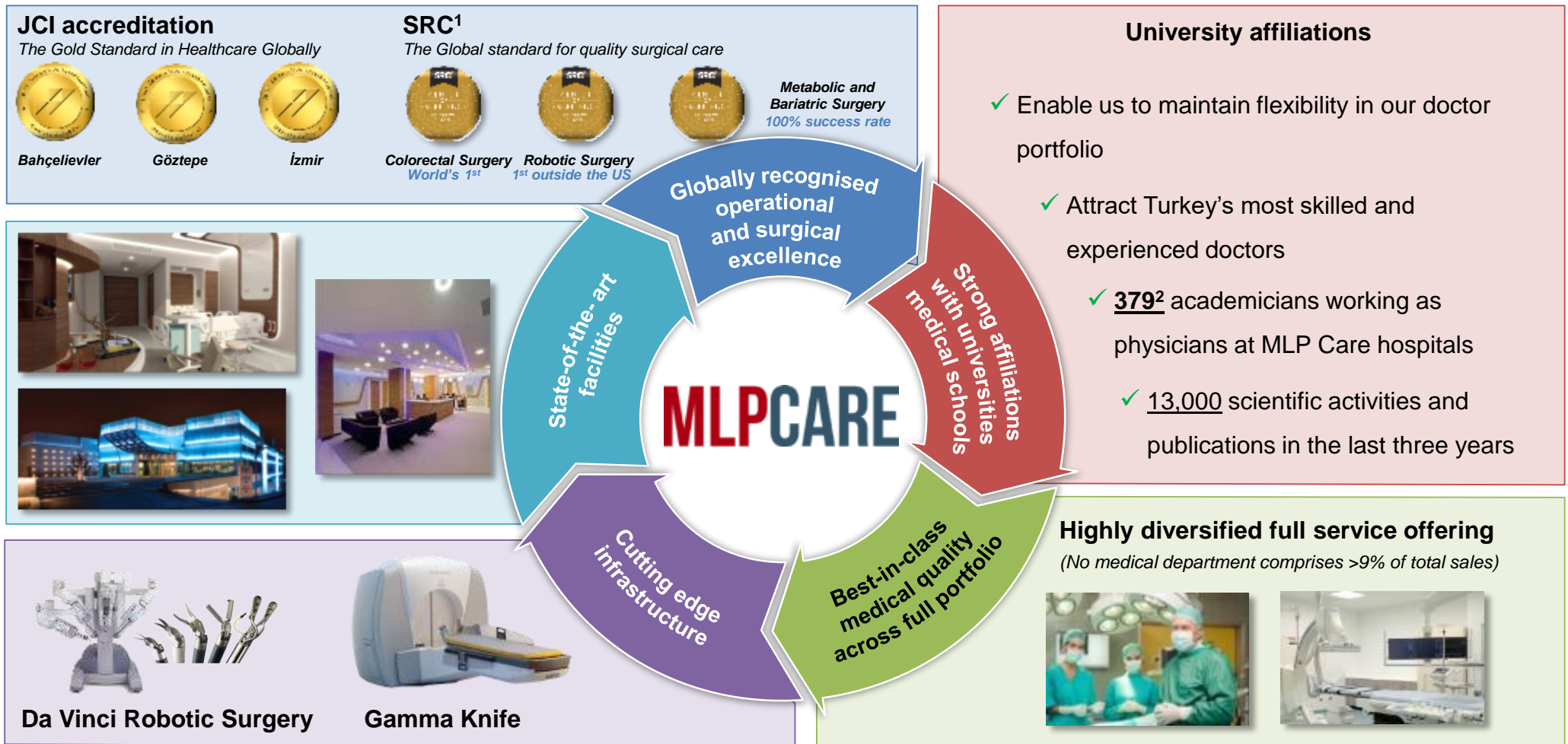
Two brands and one concept targeting three different price points with consistently outstanding medical service quality

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, Izmir and Ankara. The number of academicians with an academic titles assigned or not assigned to academic staff is 983.

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

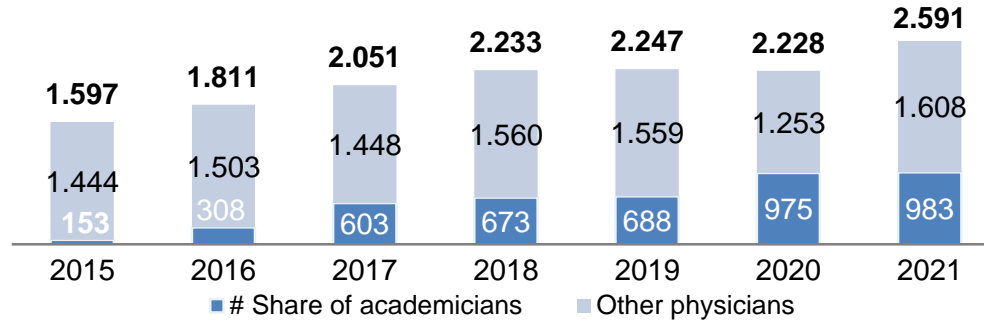
Ability to attract and retain top-tier physicians...

Key points of attraction

Top tier physicians choose MLP Care for:

- ✓ Strong and reliable brand
- ✓ Leading market share
- ✓ State-of-the-art infrastructure
- ✓ 6 university affiliations, 7 university affiliated hospitals
- ✓ Vast exposure to complex cases

Proven track record of physicians recruitment



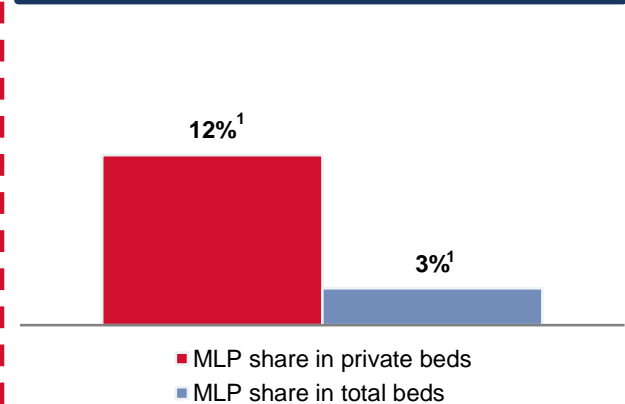
CAGR 2015-2020

8%

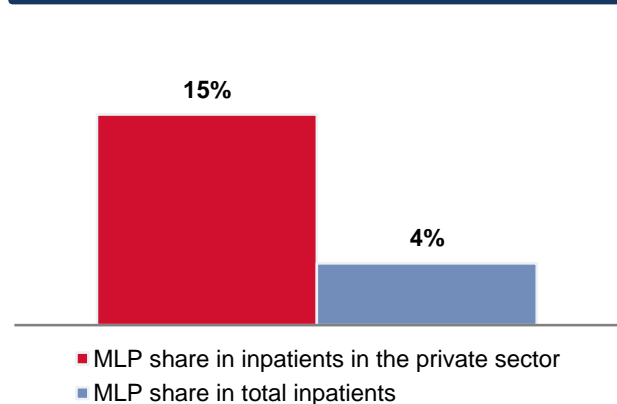
36%

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

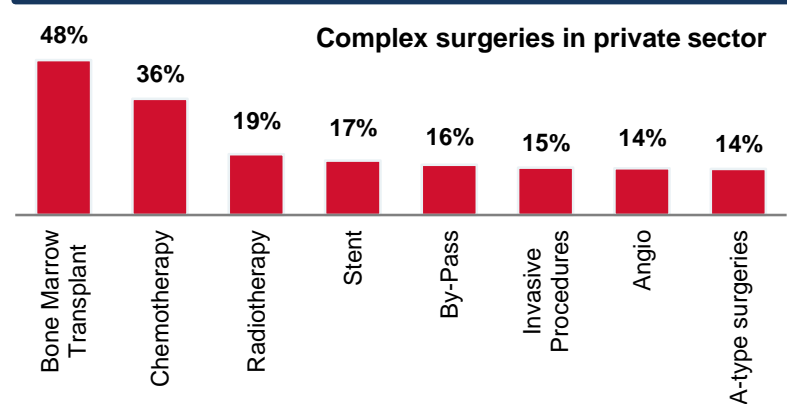
MLP Care share in beds¹



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)

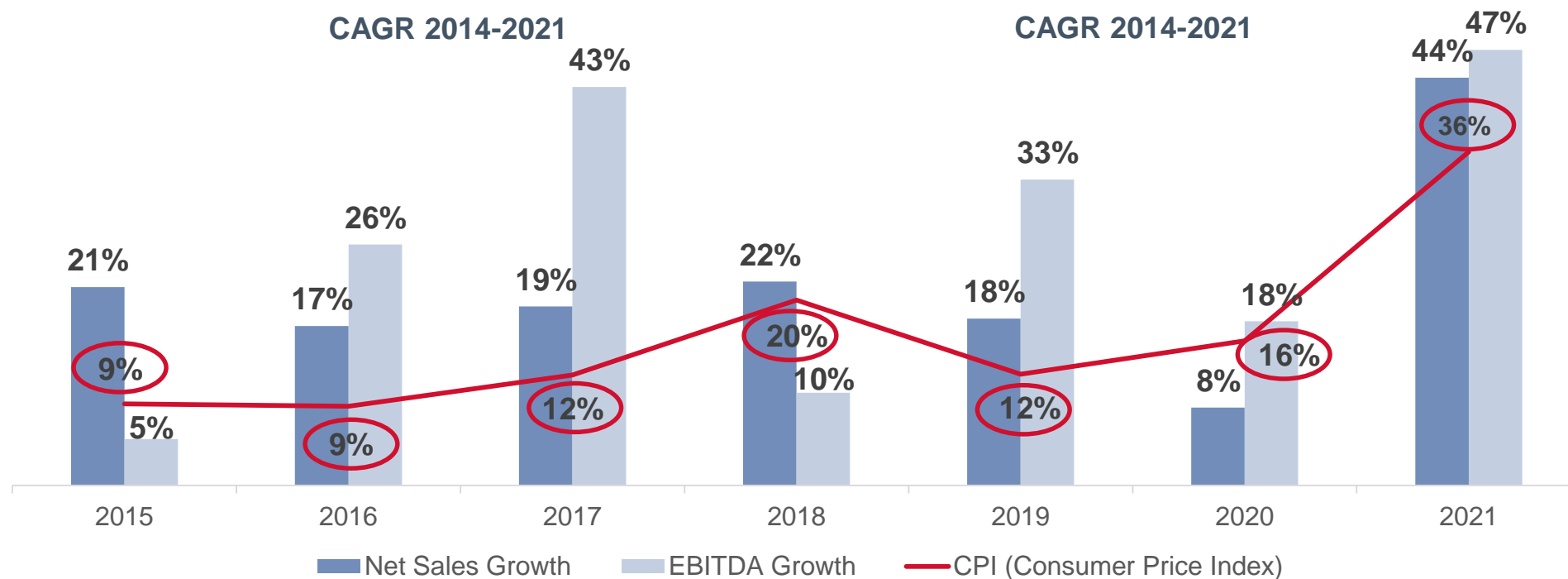
Adj. EBITDA¹ (TLm)

21%

33%

CAGR 2014-2021

CAGR 2014-2021



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

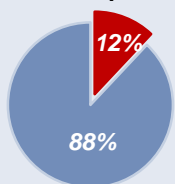
- ✓ MLP Care has added on average c.400 beds p.a.¹ through greenfield projects since 2014
- ✓ Multiple opportunities identified for expanding bed capacity in the near term

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

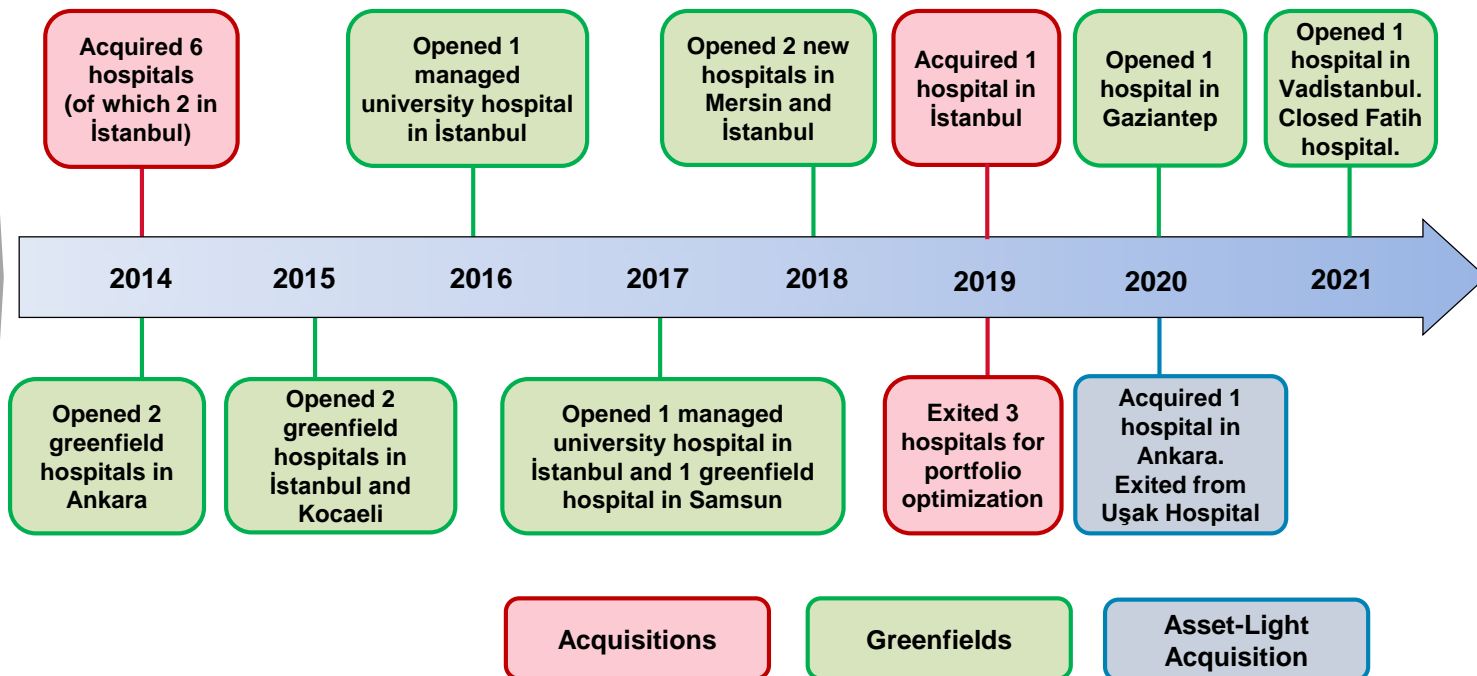
Vast amount of potential targets

Remaining private hospitals 506



Top 4 private players 69

Total private hospitals = 575



6 Outstanding Platform for Further Growth

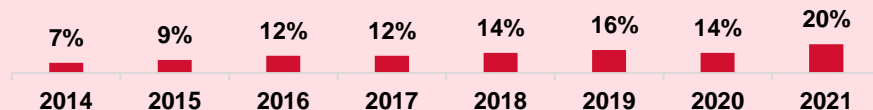
MLP Care has several avenues to continue its growth trajectory

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 **13.6x** from 2014 to 2021
- ✓ Top-up insurance is the fastest growing portion of the PMI market as MLP Care has been a pioneer in the Top-up insurance

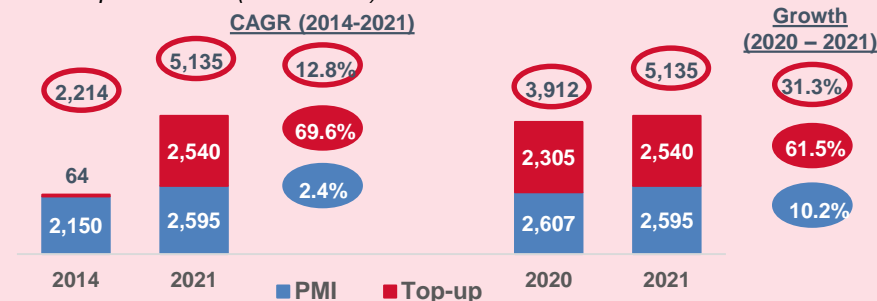
High Growth of MLP Care in the PMI (including Top-up Insurance) market

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

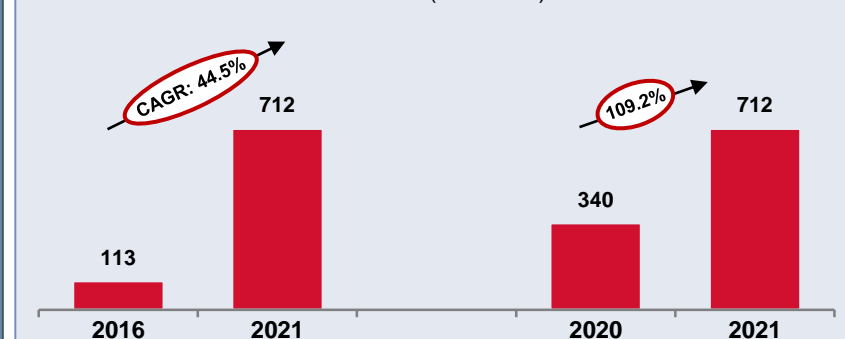
Self-pay

- ✓ Self-Pay share of total pay in MLP Care revenues has **up from c. 27% in 2014 to c. 31% in 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

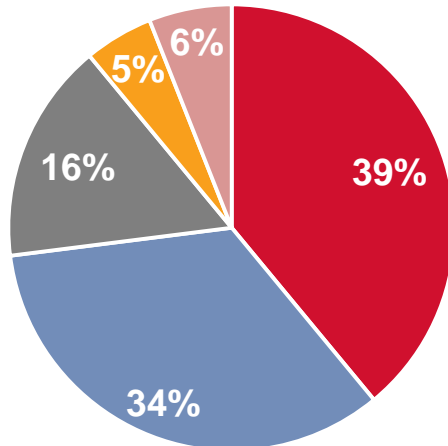
Historical Financial Statements

Capital, Shareholder Structure & Subsidiaries

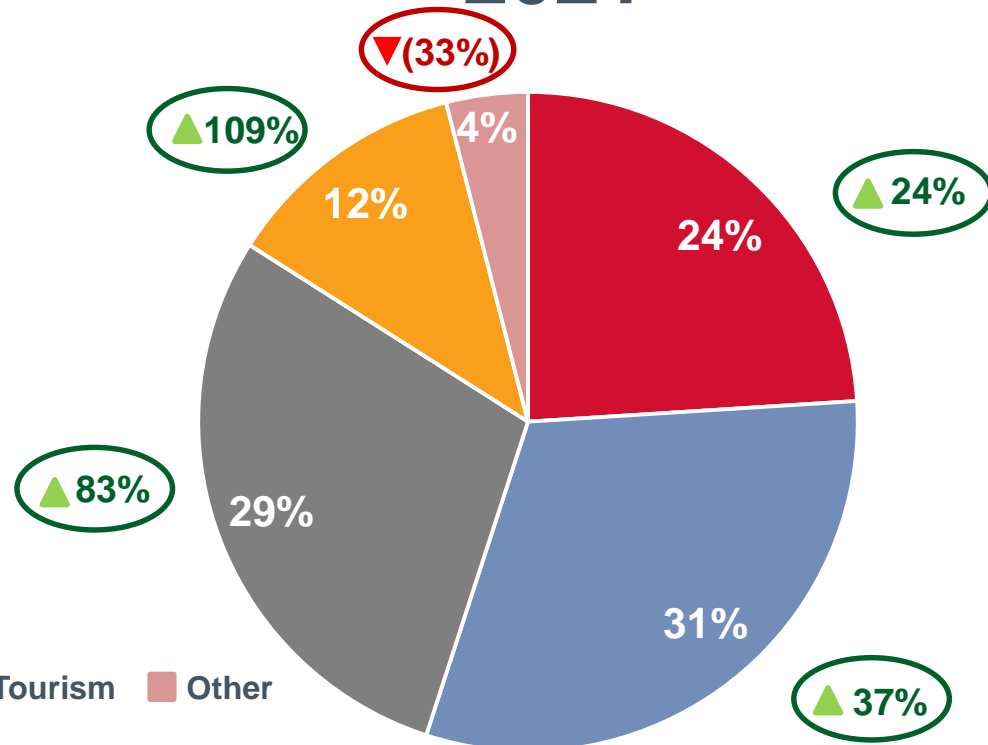
Key Historical Milestones

Revenue Diversification Through Growing Segments

2016



2021

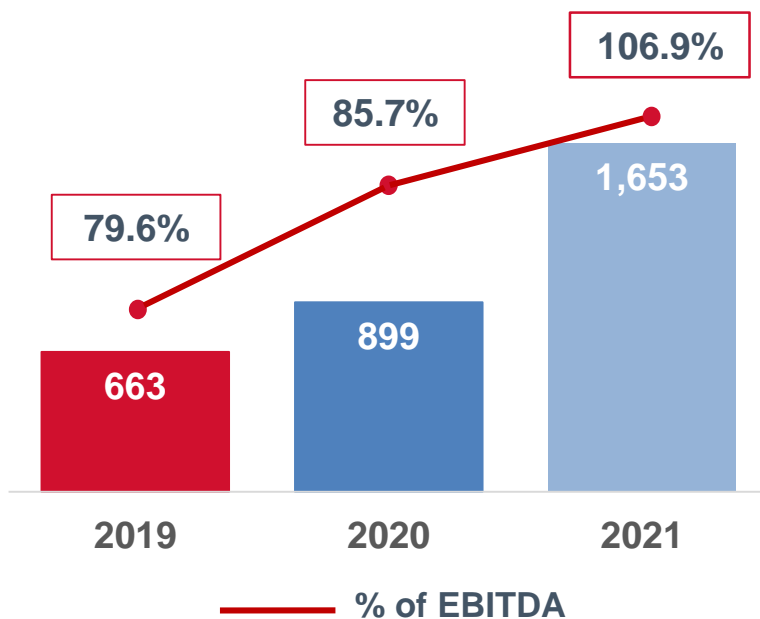


■ SSI
 ■ Self-pay
 ■ PMI, Top-up & Contr. Inst.
 ■ Medical Tourism
 ■ Other

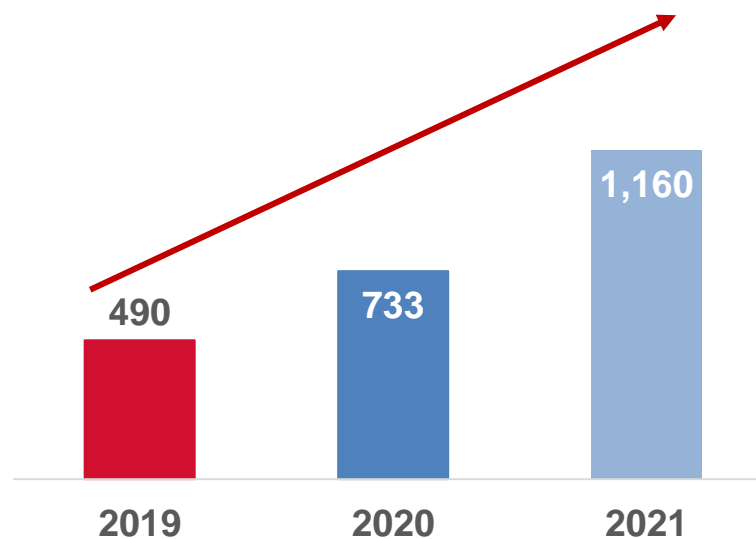
- ✓ Revenue from PMI, Top-up & Contracted Institutions grew by 83% in 2021
- ✓ Medical Tourism grew by 109% in 2021
- ✓ SSI Insurance allows for a wide addressable market (c.98% of the total population)
- ✓ Share of self pay continues to increase in total

Operating Cash Flow and Free Cash Flow improved in 2021

Operating Cash Flow / Adj. EBITDA



Free Cash Flow



Historical Balance Sheet

TLm	Audited December 31, 2021	Audited December 31, 2020
Cash and cash equivalents	680	375
Trade receivables	1,318	1,155
Inventory	285	113
Short term other assets	458	542
Current assets	2,741	2,185
Tangible and intangible fixed assets	1,716	1,441
Right of use assets	539	257
Deferred tax assets	422	402
Long term other assets	329	287
Non-current assets	3,007	2,387
Total assets	5,748	4,572
Trade payables	1,546	987
Short term other liabilities	498	422
Short term financial liabilities (incl. financial and operational leases)	1,274	978
Current liabilities	3,318	2,387
Long term other liabilities	149	139
Deferred tax liabilities	136	184
Long term financial liabilities (incl. financial and operational leases)	1,475	1,514
Non-current liabilities	1,761	1,836
Shareholders' equity	539	282
Non-controlling interest	131	66
Equity	669	349
Total liabilities & equity	5,748	4,572

Historical P&L Statements

TLm	Audited 2021	Audited 2020	Change (%)	Unaudited Q4 2021	Unaudited Q4 2020	Change (%)
Revenues	5,796	4,015	44.4%	1,756	1,201	46.2%
Cost of service (-)	(4,217)	(3,058)	37.9%	(1,248)	(909)	37.3%
Gross profit	1,579	956	65.1%	508	292	73.9%
General administration expenses (-)	(561)	(266)	111.1%	(247)	(85)	190.3%
Other income from operations	582	561	3.8%	304	194	56.5%
Other expenses from operations (-)	(546)	(497)	9.8%	(297)	(196)	51.6%
Operating profit / (loss)	1,053	754	39.7%	269	206	30.6%
Income from investing activities	10	119	(91.7%)	7	0	n.m.
Expense from investing activities (-)	(1)	(2)	(57.5%)	(1)	(1)	29.5%
EBIT	1,062	870	22.1%	275	205	34.0%
<i>EBIT margin</i>	18.3%	21.7%	(334bps)	15.7%	17.1%	(143bps)
Interest expenses (-)	(591)	(443)	33.5%	(162)	(111)	45.9%
Net foreign exchange profit / (loss) (including hedging cost)	(99)	(242)	(59.0%)	(76)	2	n.m.
Net profit / (loss) before tax	372	186	100.5%	37	97	(62.0%)
Tax income / (expense) from operations	(17)	(63)	(73.3%)	103	(25)	n.m.
Net profit / (loss)	355	123	188.8%	140	71	96.6%
Net profit / (loss) non-controlling interest	65	58	11.6%	14	29	(50.8%)
Net profit / (loss) equity holders of the parent	290	65	347.3%	125	42	200.8%

Reconciliation from Reported EBITDA to Adjusted EBITDA

TLm	2021	2020	Q4 2021	Q4 2020
Net profit / (loss)	355	123	140	71
Tax (income) from operations	17	63	(103)	25
Depreciation and amortization of tangible and intangible fixed assets	336	252	98	64
Total interest expenses/(income) and fair value differences of derivative instruments	652	657	225	100
Net (gains) / losses from the disposal of tangible and intangible assets and income from negative goodwill	(9)	(116)	(6)	1
Reported EBITDA	1,351	978	354	261
Net one-off (gains) / losses	73	54	21	16
Non-cash GAAP provision expenses	123	16	104	6
Adjusted EBITDA	1,546	1,049	478	283
Adjusted EBITDA Margin (%)	26.7%	26.1%	27.2%	23.6%
Foreign exchange gains/(losses) from operations	70	91	30	18
Adjusted EBITDA¹	1,477	958	448	265
Adjusted EBITDA¹ Margin (%)	25.5%	23.9%	25.5%	22.1%

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

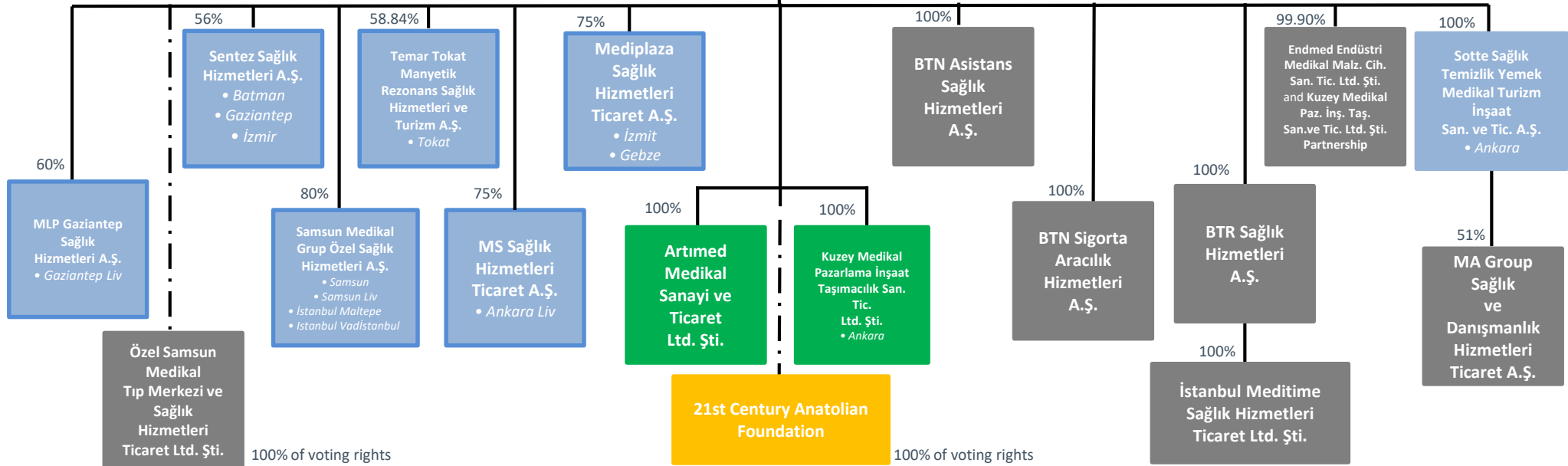
Capital, Shareholder Structure* & Subsidiaries

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

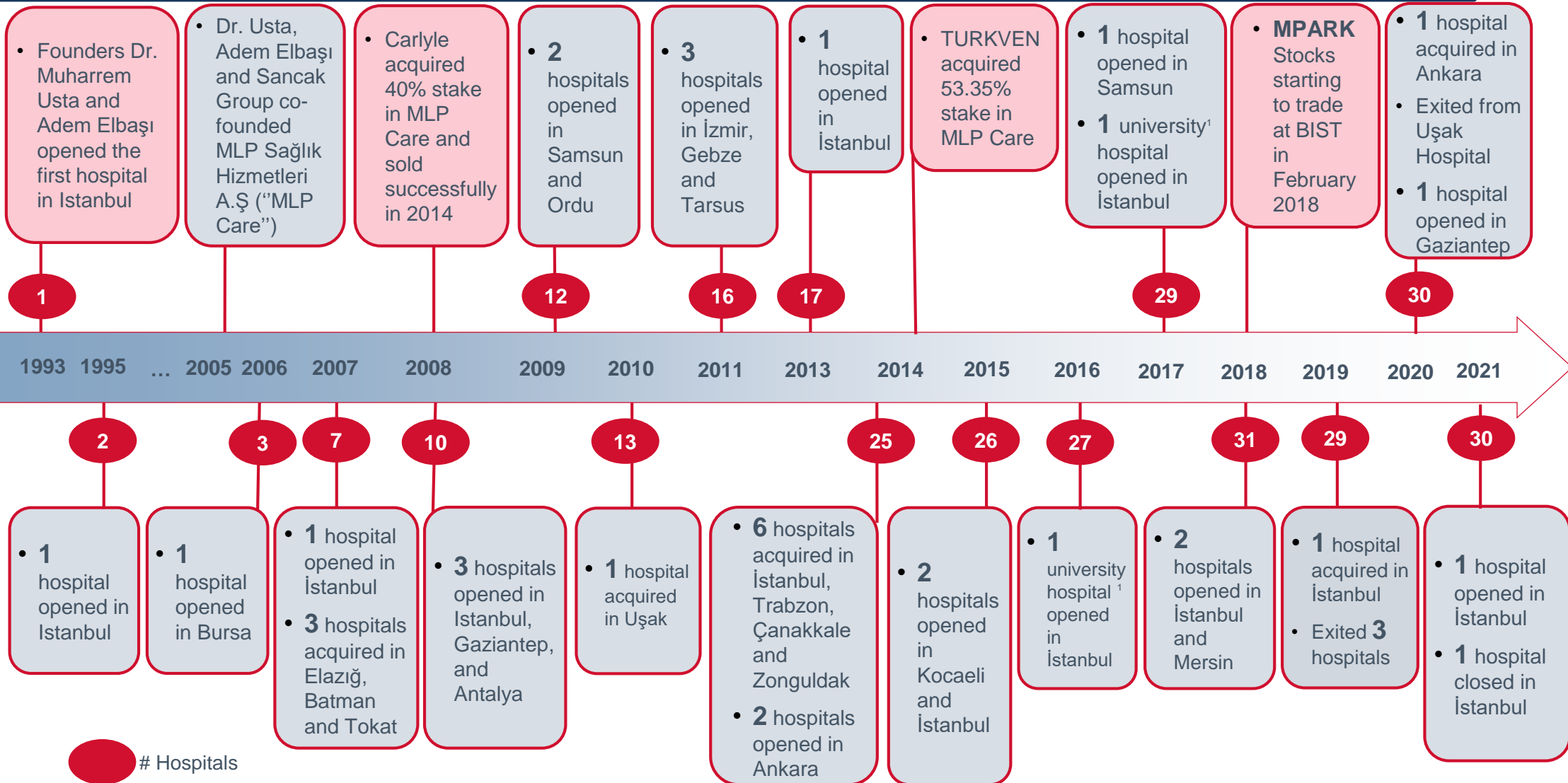


MLP Sağlık Hizmetleri A.Ş.

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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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EXECUTIVE TEAM 2021 HEALTH CARE & PHARMACEUTICALS

