

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

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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JANUARY 1 - JUNE 30, 2022**



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of MLP Sağlık Hizmetleri A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of MLP Sağlık Hizmetleri A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2022 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated changes in equity and condensed consolidated cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.



Other information

Management is responsible for the other information. The other information comprises the Appendix I added to “Other information” section in the report but does not include the condensed consolidated financial statements and our auditor’s report thereon. Our conclusion on the condensed consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our review of the condensed consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the condensed consolidated financial statements or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Additional explanation for convenience translation into English

Turkish Financial Reporting Standards differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 30 June 2022. Accordingly, the accompanying condensed consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group Company in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ediz Günsel, SMMM
Partner

Istanbul, 11 August 2022

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED JANUARY 1 - JUNE 30, 2022**

INDEX	PAGE
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION.....	1-2
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY.....	4
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	5-6
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	7-45
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP	
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS	
NOTE 3 RELATED PARTY DISCLOSURES	
NOTE 4 CASH AND CASH EQUIVALENTS	
NOTE 5 FINANCIAL INVESTMENTS.....	
NOTE 6 FINANCIAL INSTRUMENTS.....	
NOTE 7 TRADE RECEIVABLES AND PAYABLES.....	
NOTE 8 OTHER RECEIVABLES AND PAYABLES.....	
NOTE 9 INVENTORIES	
NOTE 10 PREPAID EXPENSES AND DEFERRED INCOME.....	
NOTE 11 PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS.....	
NOTE 12 RIGHT OF USE ASSETS.....	
NOTE 13 PAYABLES FOR EMPLOYEE BENEFITS.....	
NOTE 14 OTHER ASSETS AND LIABILITIES	
NOTE 15 PROVISIONS	
NOTE 16 COMMITMENTS.....	
NOTE 17 SHARE CAPITAL/OTHER RESERVES	
NOTE 18 REVENUE	
NOTE 19 OPERATING EXPENSES.....	
NOTE 20 OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES.....	
NOTE 21 INCOME AND EXPENSES FROM INVESTING ACTIVITIES	
NOTE 22 FINANCE EXPENSES	
NOTE 23 TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED).....	
NOTE 24 EARNINGS PER SHARE	
NOTE 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	
NOTE 26 EVENTS AFTER THE REPORTING PERIOD.....	
APPENDIX I OTHER SUPPLEMENTARY INFORMATION	46

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL
POSITION AS AT JUNE 30, 2022**

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

	Notes	Current period Reviewed June 30, 2022	Prior period Audited December 31, 2021
ASSETS			
Current Assets:		3,402,868	2,741,333
Cash and cash equivalents	4	1,158,356	680,241
Financial investments	5	186,250	-
Trade receivables	7	1,083,463	1,318,054
- Due from related parties	7	60	194
- Trade receivables from third parties		1,083,403	1,317,860
Other receivables	8	118,923	117,757
- Due from related parties	8	79,015	54,805
- Other receivables from third parties		39,908	62,952
Inventories	9	435,761	285,276
Prepaid expenses	10	300,804	263,408
Other current assets	14	119,311	76,597
Non-current Assets:		3,210,268	3,006,788
Trade receivables		1,053	1,053
Other receivables	8	2,497	3,876
Property plant and equipment	11	1,067,526	1,014,733
Intangible assets		745,741	701,739
- Goodwill		38,661	38,661
- Other intangible assets	11	707,080	663,078
Right of use assets	12	550,371	539,308
Prepaid expenses	10	406,869	324,183
Deferred tax assets	23	436,211	421,896
TOTAL ASSETS		6,613,136	5,748,121

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL
POSITION AS AT JUNE 30, 2022**

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

	Notes	Current period Reviewed June 30, 2022	Prior period Audited December 31, 2021
Liabilities and equity			
Current Liabilities:		4,047,090	3,318,172
Short term borrowings	6	789,042	568,744
Short term portion of long term borrowings	6	496,709	437,463
Obligations under finance leases	6	100,307	128,112
Short term lease liabilities	6	148,394	139,932
Trade payables	7	1,908,723	1,546,337
- Due to related parties	7	35,246	35,595
- Trade payables to third parties		1,873,477	1,510,742
Payables related to employee benefits	13	116,302	100,417
Other payables	8	80,408	64,967
- Due to related parties	8	5,201	799
- Other payables to third parties		75,207	64,168
Deferred income	10	305,694	243,730
Short term provisions		60,569	52,807
- Short term provisions for employment benefits	13	28,630	23,779
- Other short term provisions	15	31,939	29,028
Current tax liabilities	23	40,942	35,663
Non-current Liabilities:		1,444,205	1,760,752
Long term borrowings	6	377,427	619,594
Obligations under finance leases	6	67,924	102,445
Long term lease liabilities	6	709,096	752,859
Other payables		85,747	93,102
- Other payables to third parties	8	85,747	93,102
Deferred income	10	11,736	18,374
Long term provisions		46,161	37,944
- Long term provisions for employee benefits	13	46,161	37,944
Deferred tax liabilities	23	146,114	136,434
EQUITY:		1,121,841	669,197
Equity Attributable to the Owner of the Company:		1,148,072	538,636
Share capital	17	208,037	208,037
Share premium	17	556,162	556,162
Share repurchases	17	(38,186)	-
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		(47,856)	(43,569)
- Accumulated gain/(loss) on remeasurement of defined benefit plans		(47,856)	(43,569)
Restricted reserves	17	48,908	10,260
Accumulated deficit		(155,808)	(482,677)
Net profit for the period		576,815	290,423
Non-controlling interest		(26,231)	130,561
TOTAL LIABILITIES AND EQUITY		6,613,136	5,748,121

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED JANUARY 1 - JUNE 30, 2022**

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

	<u>Current period</u>		<u>Prior period</u>		
	Reviewed January 1 - June 30, 2022	April 1 - June 30, 2022	Reviewed January 1 - June 30, 2021	April 1 - June 30, 2021	
Profit or loss					
Revenue	18	4,416,843	2,230,040	2,542,274	1,330,970
Cost of sales (-)	18	(3,188,999)	(1,592,962)	(1,906,906)	(998,650)
Gross profit		1,227,844	637,078	635,368	332,320
General administration expenses (-)	19	(398,662)	(200,916)	(193,587)	(108,813)
Other income from operating activities	20	205,994	90,571	214,472	134,134
Other expenses from operating activities (-)	20	(251,428)	(103,402)	(191,683)	(134,654)
Operating profit		783,748	423,331	464,570	222,987
Income from investing activities	21	143,983	126,717	2,563	2,329
Expense from investing activities (-)	21	(8,667)	(2,913)	(42)	(40)
Operating profit before finance expenses		919,064	547,135	479,474	233,142
Finance expenses (-), net	22	(261,419)	(99,235)	(278,891)	(151,802)
Net profit before tax		657,645	447,900	188,200	73,474
Tax (expense)/income from operations		(53,353)	(43,558)	(13,772)	21,073
Current tax expense	23	(66,514)	(27,171)	(28,149)	(15,217)
Deferred tax income/(expense)	23	13,161	(16,387)	14,377	36,290
Net profit		604,292	404,342	174,428	94,547
Non-controlling interest		27,477	(2,436)	27,123	12,890
Equity holders of the parent		576,815	406,778	147,305	81,657
		604,292	404,342	174,428	94,547
Basic gain per share	24	2.77	1.96	0.71	0.39
Other comprehensive income/(expense)		(4,287)	(2,628)	(301)	(2,551)
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plans		(5,359)	(3,285)	(376)	(3,189)
Income tax relating to items that will not be reclassified subsequently		1,072	657	75	638
Total comprehensive income/(loss)		600,005	401,714	174,127	91,996
Total comprehensive income/(loss) distribution:					
Non-controlling interest		27,477	(2,436)	27,123	12,890
Equity holders of the parent		572,528	404,150	147,004	79,106

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JANUARY 1 - JUNE 30, 2022

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

	Share capital	Share premium	Share repurchases	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, 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	-	-	-	-	(301)	-	-	-	(301)	-	(301)
Net profit for the period	-	-	-	-	-	-	-	147,305	147,305	27,123	174,428
Total comprehensive loss for the period	-	-	-	-	(301)	-	-	147,305	147,004	27,123	174,127
Transfers	-	-	-	-	-	-	64,930	(64,930)	-	-	-
Dividend paid	-	-	-	-	-	-	(8,579)	-	(8,579)	(694)	(9,273)
Balance as at June 30, 2021	208,037	556,162	-	37,747	(36,152)	10,260	(502,547)	147,305	420,812	92,899	513,711
Balance as at January 1, 2022	208,037	556,162	-	-	(43,569)	10,260	(482,677)	290,423	538,636	130,561	669,197
Other comprehensive loss for the period, net of tax	-	-	-	-	(4,287)	-	-	-	(4,287)	-	(4,287)
Net profit for the period	-	-	-	-	-	-	-	576,815	576,815	27,477	604,292
Total comprehensive loss for the period	-	-	-	-	(4,287)	-	-	576,815	572,528	27,477	600,005
Transfers	-	-	-	-	-	462	289,961	(290,423)	-	-	-
Changes due to subsidiaries shares sold (*)	-	-	-	-	-	-	113,448	-	113,448	(201,212)	(87,764)
Changes in non-controlling interest (**)	-	-	-	-	-	-	(34,630)	-	(34,630)	16,943	(17,687)
Dividend payment	-	-	-	-	-	-	(3,724)	-	(3,724)	-	(3,724)
Increase/(decrease) due to share repurchase transactions	-	-	(38,186)	-	-	38,186	(38,186)	-	(38,186)	-	(38,186)
Balance as at June 30, 2022	208,037	556,162	(38,186)	-	(47,856)	48,908	(155,808)	576,815	1,148,072	(26,231)	1,121,841

(*) Group has sold its shares on Sentez Sağlık Hizmetleri A.Ş. as of 30 April 2022 (Note 2).

(**) Group share on MS Sağlık Hizmetleri Ticaret A.Ş. has increased to 100% as of 30 April 2022

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2022**

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

	Notes	Current period Reviewed January 1 - June 30, 2022	Prior period Reviewed January 1 - June 30, 2021
Cash flows from operating activities		798,122	685,170
Net profit for the period		604,292	174,428
Profit (loss) continuing operations		422,072	467,791
Adjustments related to depreciation and amortization expenses	11	213,301	154,241
Adjustments related to impairment (reversal)		1,485	1,767
Adjustments related to impairment (reversal) of receivables	7	1,485	1,767
Adjustments related to provisions		26,058	27,825
Adjustments related to (reversal) of provision for employment benefits		16,733	12,363
Adjustments related to lawsuit (reversal) of provision for lawsuit		9,325	15,462
Adjustments related to interest (income) expense		223,908	250,623
Adjustments related to interest income	20	(52,145)	(12,384)
Adjustments related to interest expense	22	276,053	263,007
Adjustments related to tax (gain) loss	23	53,353	13,772
Other adjustments related to non-cash items		39,283	22,084
Adjustments regarding to (gain) loss on sale of subsidiaries or or joint ventures		(125,950)	-
Adjustments regarding to (gain) loss on sale of fix assets		(9,366)	(2,521)
Adjustments regarding to (gain) loss on sale of tangible assets		(9,366)	(2,521)
Changes in working capital		(167,829)	73,740
Adjustments related to increase in trade and other receivables		(182,242)	(136,918)
Adjustments related to increase in inventories		(204,912)	(4,445)
Adjustments related to increase in trade payables		215,989	134,844
Adjustments related to increase in other payables from operations		85,614	(19,019)
Adjustments related to increase in other payables from other asset		(82,278)	99,278
Cash generated from operations		858,535	715,959
Payments related with provision for employee benefits		(5,868)	(5,941)
Tax paid	23	(46,235)	(20,135)
Payments for other provisions		(8,463)	(5,022)
Other cash inflows (outflows)	7	153	309

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2022**

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

	Notes	Current period Reviewed January 1 - June 30, 2022	Prior period Reviewed January 1 - June 30, 2021
Cash flows from investing activities		48,524	(204,757)
Proceeds from sales of property, plant, equipment and intangible assets		15,581	2,694
Proceeds from sales of property, plant, equipment	11	15,581	2,694
Payment for purchase of property, plant and equipment, intangible assets		(298,450)	(169,131)
Payment for purchase of property, plant and equipment	11	(250,320)	(161,901)
Payment for purchase of intangible assets	11	(48,130)	(7,230)
Cash payments for capital expenditures	10	(84,900)	(38,320)
Cash inflows due to sales resulting in loss of control of subsidiaries		658,416	-
Cash outflows from the acquisition of own shares of the business		(38,186)	-
Other cash outflows (*)		(203,937)	-
Cash flows from financing activities		(368,531)	(275,489)
Proceeds from bank loans		639,302	470,000
Proceeds from borrowings		364,002	-
Proceeds from bonds		275,300	470,000
Repayment of lease liabilities		(189,633)	(154,154)
Bank borrowings paid		(589,632)	(438,610)
Cash used for repayment of borrowings		(189,632)	(215,320)
Cash used for repayment of bonds		(400,000)	(223,290)
Repayment of obligations under finance leases		(84,700)	8,351
Interest paid		(192,289)	(164,187)
Interest received	22	52,145	12,384
Dividend paid		(3,724)	(9,273)
Net increase/(decrease) in cash and cash equivalents		478,115	204,924
Cash and cash equivalents at the beginning of the period	4	680,241	374,997
Cash and cash equivalents at the end of the period	4	1,158,356	579,921

(*) Cash outflows arising from currency protected deposits are included in this item.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

(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 June 30, 2022, MLP is the holding company of 16 subsidiaries (December 31, 2021: 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 ultimate parent are Elinor B.V. and Sullivan B.V., which are Netharland based, owned by Turkish Private Equity Fund III, and Muharrem Usta.

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 June 30 2022, of MLP Sağlık are accepted as ‘in circulation’. As of July 1, 2022, this ratio is 33.36% (Note 17).

Approval of financial statements

Board of Directors has approved the condensed financial statements and delegated authority for publishing it on 11 August 2022.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP (Continued)

As of June 30, 2022 the subsidiaries of the Company are:

Name	Location and base of operation
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 Ticaret A.Ş. ("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 San. ve Tic. 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

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 June 2022 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 2021.

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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

(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)

Inflation accounting

In accordance with the CMB's decision dated March 17, 2005 and numbered 11/367, for companies operating in Turkey and preparing financial statements in accordance with the Turkish Accounting Standards, the application of inflation accounting has been terminated as of January 1, 2005. Accordingly, as of January 1, 2005, "Financial Reporting in High Inflation Economies" Standard ("TAS 29") has not been applied.

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this consolidated financial statements, POA did not make an additional announcement and no adjustment was made to this consolidated financial statements in accordance with TAS 29.

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.

As of 30 June 2022, the Group management reclassified the interest income amounting to TRY30,584, which was included in the income from main activities in the profit or loss statement for the accounting period of 1 January - 30 June 2021, to finance income.

Going concern assumption

Company's current liabilities in the enclosed financial statements for the period ending 30 June 2022 and 31 December 2021, exceeded its total current assets by TRY644,223 and TRY576,839 respectively. The most important share in current liabilities consists of short-term financial borrowings, trade payables and lease liabilities from financial institutions. The most important portion of the current liabilities is the short-term financial borrowings which the Group obtained from financial institutions, since a significant portion of the borrowings was obtained in the form of short-term loans the current ratio is a liability, and this indicates a need for a source to meet the Company's short-term liabilities.

The Group management has made their assessment according to the Communiqué Amending the Communiqué on the Procedures and Principles Regarding the Implementation of the Article 376 of the Turkish Commercial Code ("TCC") numbered 6102 ("Amending Communiqué") which is published in the Official Gazette dated December 26,2020 and numbered 31346, "Capital Loss and Financial Distress" of TCC 376.

In the light of all this information, the Group management does not anticipate a significant risk regarding the continuity of the business and the consolidated financial statements have been prepared with the assumption that the company will continue its activities in the predictable future.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

(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 at June 30, 2022 and December 31, 2021 are as follows:

Subsidiaries	Place of incorporation and operation	Proportion of ownership and voting power held (%)		Principal activity
		June 30, 2022	December 31, 2021	
Sentez Hastaneleri (*)	Batman-İzmir-Gaziantep	-	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	100.00%	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

(*) The Group has completed the transfer of shares of Sentez Hospitals, one of its subsidiaries to its current partner for TRY800 million, on 30 April 2022, upon fulfillment of the closing conditions specified in the share sale agreement and the legal completion of the sale transactions. As of the said share transfer date, the net assets transferred amounted to TRY473,180 and the profit of TRY125,950 as a result of the transfer transaction was classified as income from investment activities in the consolidated other comprehensive income statement as of 30 June 2022 (Note 21).

(**) As of April 30, 2022, the Group's shareholding in MS Sağlık has increased to 100%.

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

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

(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 (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).

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

(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)

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.

As of 31 December 2021, the Group reconsidered the measurement principle of the machinery and equipment in the tangible fixed assets group and started to apply the cost value method due to the uncertainties experienced in the fair value determination of the related fixed assets while applying the fair value method before. These uncertainties are mainly due to the limited secondary market data on the prices of the related assets, the fact that the foreign currency costs of the assets are instantly affected by the price changes in the current exchange rates, and the cash flows defined by using the assets priced in foreign currency are in Turkish lira, which is the functional currency of the Group. can be listed as. The Group has evaluated the effects of the said accounting policy change and has not applied retrospective adjustments in the consolidated financial statements in line with the materiality principle of accounting.

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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

2.5 New and Revised Turkish Financial Reporting Standards (“TFRS”)

a) *Standards, amendments and interpretations applicable as at 30 June 2022:*

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 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. The Phase 2 amendments provide additional temporary reliefs from applying specific TAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendments to TFRS 4 Insurance Contracts – deferral of TFRS 9 (effective 1 January 2021);** These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial instrument until 1 January 2023.
- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. 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.

These amendments do not have any significant impact on Group’s financial condition and performance.

b) *Standards, amendments and interpretations that are issued but not effective as at 30 June 2022:*

- **A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective from annual periods beginning on or after 1 January 2022.
 - **Amendments to TFRS 3, ‘Business combinations’** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to TAS 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 TAS 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 TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial Instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

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

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

2.5 New and Revised Turkish Financial Reporting Standards (“TFRS”) (Continued)

b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2022:

- **Amendments to TAS 1, Presentation of financial statements’ on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 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 TAS 1 means when it refers to the ‘settlement’ of a liability.
- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 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 TAS 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.
- **TFRS 17, ‘Insurance Contracts’, as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

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 June 2022 are as follows:

	June 30, 2022			
	Receivable		Payables	
	Current		Current	
Shareholders	Trade	Non-trade	Trade	Non-trade
Muharrem Usta (*)	-	76,672	-	50
Adem Elbaşı	-	2,189	-	-
	-	78,861	-	50
Other companies controlled by the shareholders				
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	6	-	1,903	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	1	-	509	-
A ve A Sağlık A.Ş. (2)	-	-	23,459	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	5,256	-
Cotyora Med, Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	2,519	-
Saray Eczanesi	-	-	812	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	389	-
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	199	-
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	-	-	193	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	7	-
Mp Sağlık ve Tic. A.Ş.	-	-	-	939
Other	53	154	-	4,212
	60	154	35,246	5,151
	60	79,015	35,246	5,201

(*) 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 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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Shareholders	31 December 2021			
	Receivables		Payables	
	Current		Current	
	Trade	Non-trade	Trade	Non-trade
Muharrem Usta (*)	-	52,797	-	50
Adem Elbaşı	-	1,854	-	-
	-	54,651	-	50

Other companies controlled by the shareholders

Miniso Mağazacılık A.Ş.	96	-	-	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	64	-	21,301	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	-	509	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	4,894	-
A ve A Sağlık A.Ş. (2)	-	-	3,328	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	2,195	-
Mp Sağlık ve Tic. A.Ş.	-	-	1,998	733
Saray Eczanesi	-	-	593	-
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	183	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	7	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	533	-
Sanport Gayrimenkul Geliştirme İnş. Ve Tic. A.Ş.	-	-	54	-
Other	32	154	-	16
	194	154	35,595	749
	194	54,805	35,595	799

- (*) Non-trade receivables from Muharrem Usta is short term due date and interest charge from the current value of internal debt ratio 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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Advance given to related parties, prepaid expenses

	June 30, 2022	December 31, 2021
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	13,850	9,005
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	6,013	-
Sanport Gayrimenkul Geliştirme İnş.Ve Tic.A.Ş	279	279
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turzm.Tem.Tic.A.Ş.	6	-
Gazi Medikal Sağlık Tesisleri Ve Tic.A.Ş	3	3
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	-	59
	20,151	9,346

Fixed asset advances given to related parties

	June 30, 2022	December 31, 2021
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	304,295	181,359
Mp Sağlık ve Tic. A.Ş.	-	68,200
	304,295	249,559

(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)

	June 30, 2022	December 31, 2021
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within long-term prepaid expenses)	580	2,024
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within short-term prepaid expenses)	367	787
	947	2,811

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Lease liabilities from related parties	June 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş.	53,723	-	59,724	59,089
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	12,494	77,675	9,718	70,516
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	9,934	27,743	8,764	33,021
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	9,167	-	3,407	-
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	626	-	2,354	-
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş.	-	-	3,654	-
Mp Sağlık ve Tic. A.Ş.	-	-	2,966	-
	85,944	105,418	90,587	162,626

Purchases from related parties	January 1 -	April 1 -	January 1 -	April 1 -
	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2021
A ve A Sağlık A.Ş. (1)	24,980	14,403	6,341	3,620
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2) (3)	18,860	13,284	132,412	125,946
	43,840	27,687	138,753	129,566

(1) Cleaning material purchases

(2) Hospital rent expenses and construction services

(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 -	April 1 -	January 1 -	April 1 -
	June 30, 2022	June 30, 2022	June 30, 2021	June 30, 2021
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş (1)(7)	59,559	26,571	56,336	28,428
Mp Sağlık ve Tic. A.Ş. (1)(7)	23,816	21,535	3,820	1,907
Samsunpark Özel Sağ. Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (4)	15,486	6,250	10,230	4,615
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	10,189	6,211	5,599	-
Atakum Özel Sağlık Hiz. İnş. Turizm ve San. Tic. A.Ş. (1)(7)	9,402	4,500	6,911	3,294
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	4,972	2,430	3,341	1,556
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş. (1)(7)	4,832	2,547	4,111	2,101
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1)(7)	3,158	973	1,735	867
Saray Eczanesi (6)	1,448	756	403	175
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (5)	1,010	517	816	409
Miniso Mağazacılık A.Ş.	613	-	-	-
Özdenler Sağ. Hiz. Dan. Turz. Gid. San. Tic. Ltd. Şti. (2)	452	234	329	166
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş. (3)	144	60	121	63
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş. (1)(7)	-	-	4,261	2,131
	135,081	72,584	98,013	45,712

(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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Sales to related parties	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
A ve A Sağlık A.Ş.(1)	2,987	584	7,854	4,237
Samsunpark Özel Sağlık Hiz.İş Sağlığı ve Güvenlik. Dan. Eğitim. Müh. Tic. Ltd. Şti.	222	118	127	127
Adem Elbaşı	216	120	156	88
Miniso Mağazacılık A.Ş.	102	51	85	43
Cotyora Med.Özel Sağ.Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	85	45	53	31
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	73	32	42	20
Fom Grup Mimarlık İnşaat Ve Tic. A.Ş.(AK)	6	6	-	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turizm. Tem. Tic. A.Ş.	-	-	11	(49)
Saray Eczanesi	-	-	2	1
	3,691	956	8,430	4,592

(1) Outsourcing laboratory services

Interest income from related parties	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Muharrem Usta	7,042	4,212	4,628	2,614
	7,042	4,212	4,628	2,614

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 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Salaries and other short-term benefits	17,538	8,784	11,178	5,914
	17,538	8,784	11,178	5,914

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021
Cash on hand	8,063	20,114
Cash at banks	1,141,264	646,208
- Demand deposit	313,884	134,341
- Time deposit	827,380	511,867
Other cash equivalents (*)	9,029	13,919
	1,158,356	680,241

The effective interest rate of the time deposits of the Group in TRY, USD and EUR as of 30 June 2022 rates respectively 10-17% (31 December 2021:10-21%), 0.01-0.5% (31 December 2021: 0.15-0.5 %), 0.01% (31 December 2021: 0.01%) and their maturities are less than 3 months.

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

NOTE 5 – FINANCIAL INVESTMENTS

	June 30, 2022	December 31, 2021
Currency protected deposit	186,250	-
	186,250	-

Currency-Protected TRY Time Deposit Account, is a deposit product that offers foreign exchange protections where the exchange rate in ABD Dollar and Euro is higher than the interest rate at maturity. Currency protected deposit accounts are recognized as financial assets at fair value through profit or loss.

NOTE 6 - FINANCIAL INSTRUMENTS

Financial Liabilities

Bank Loans and Bonds

	June 30, 2022	December 31, 2021
Short-term bank borrowings	443,742	168,744
Short-term bonds issued	345,300	400,000
Current portion of long term borrowings	443,614	372,077
- Current portion of long-term bank loans	443,614	372,077
Interest expense accruals	53,094	65,386
	1,285,751	1,006,207
Long-term bank loans	377,427	549,594
Long-term bonds issued	-	70,000
	377,427	619,594
Total borrowings	1,663,178	1,625,801

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 6 - FINANCIAL INSTRUMENTS (Continued)

As of June 30, 2022 and December 31, 2021 the repayment schedule of the total borrowings as follows:

June 30, 2022

Currency Type	Weighted Average Effective Interest Rate	Current	Non-current	Total
TRY	17.42%	155,979	6,131	162,110
TRY	TlRef+4-TRLibor+3,50-4,00-4,50-5,80	1,129,772	371,296	1,501,068
		1,285,751	377,427	1,663,178

December 31, 2021

Currency Type	Weighted average effective interest rate	Current	Non-current	Total
TRY	23.10%	673,985	79,921	753,906
TRY	TlRef+4-TRLibor+3.50%-4.00%-4.50%-5.80%	332,222	539,673	871,895
		1,006,207	619,594	1,625,801

As of June 30, 2022, there are no blocked cash accounts related to the group's loans (December 31, 2021: None).

As at June 30, 2022 and December 31, 2021 the repayment schedule of the borrowings in TRY are as follows:

	June 30, 2022	December 31, 2021
Interest expense accruals	53,095	65,386
To be paid within 1 year (*)	1,232,657	940,821
To be paid between 1-2 years	266,929	376,155
To be paid between 2-3 years	73,159	169,513
To be paid between 3-4 years	37,338	73,926
	1,663,178	1,625,801

(*) TRY345,300 part consists of bond and sukuk payments which will be redeemed within 1 year.

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 25% of shares (that are not publicly traded) 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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 6 - FINANCIAL INSTRUMENTS (Continued)

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, x3.0 for the year ended December 31, 2019 and for the six months period ended June 30, 2020, x2.5 for the year ended December 31, 2020 and for the six months period ended June 30, 2021 and x2.5 for the remaining period of the syndicate loan. The Group is meeting the related financial commitments as of 30 June 2021.

The reconciliation of the liabilities arising from financing activities as of 1 January - 30 June 2022 and 1 January- 30 June 2021 are as follows:

	January 1, 2022	Financing cash flows	Foreign exchange effect (Note 22)	Disposal of subsidiary	Other (*)	June 30, 2022
Bank loans	1,625,801	37,377	-	-	-	1,663,178
Finance lease obligations	230,557	(84,700)	22,374	-	-	168,231
Lease obligations	892,791	(186,262)	15,137	(55,987)	191,811	857,490
	2,749,149	(233,585)	37,511	(55,987)	191,811	2,688,899

	January 1, 2021	Financing cash flows	Foreign exchange effect (Note 22)	Disposal of subsidiary	Other (*)	June 30, 2021
Bank loans	1,700,431	47,739	(4,501)	-	-	1,743,669
Finance lease obligations	196,064	8,351	22,197	-	-	226,612
Lease obligations	595,102	(154,154)	10,571	-	284,270	735,789
	2,491,597	(98,064)	28,267	-	284,270	2,706,070

(*) 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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 6 - FINANCIAL INSTRUMENTS (Continued)

Lease Obligations

The Group has the following finance lease obligations which arose mainly due to lease of medical machinery and equipment:

	Minimum lease payments		Present value of minimum lease payments	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Within one year	123,629	131,457	100,307	128,112
In the second to fifth years inclusive	78,190	145,407	67,924	102,445
	201,819	276,864	168,231	230,557
Less : Future finance charges	(33,588)	(46,307)	-	-
Present value of finance lease obligations	168,231	230,557	168,231	230,557
Less: Amounts due to settlement within twelve months (shown under current liabilities)	100,307	128,112	100,307	128,112
Present value of finance lease obligations	67,924	102,445	67,924	102,445
Liabilities arising from lease transactions			June 30, 2022	December 31, 2021
Within one year			148,394	139,932
More than one year			709,096	752,859
Present value of finance lease obligations			857,490	892,791

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current trade receivables	June 30, 2022	December 31, 2021
Trade receivables	751,260	1,126,769
Income accruals from continuing treatments	363,152	282,399
Other trade income accruals	40,173	32,330
Notes receivables	48,480	1,667
Trade receivables from related parties (Note 5)	60	194
Allowance for doubtful receivables (-)	(119,662)	(125,305)
	1,083,463	1,318,054

Trade receivables due from the SSI constitute 68% (December 31, 2021: 42%) and receivables due from foreign patients constitute 5% (December 31, 2021: 16%) of total trade receivables.

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

As of June 30, 2022, trade receivables of an initial value of TRY119,662 (December 31, 2021: TRY125,305) 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 - June 30, 2022	January 1 - June 30, 2021
Balance at beginning of the period	125,305	16,696
Charge for the period	1,485	1,767
Collections	(153)	(309)
Disposal of subsidiary	(6,975)	-
Balance at closing of the period	119,662	18,154

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade Payables

Short term trade payables	June 30, 2022	December 31, 2021
Trade payables	1,415,552	1,209,258
Trade payables due to related parties (Note 3)	35,246	35,595
Other expense accruals	456,262	300,239
Other trade payables	1,663	1,245
	1,908,723	1,546,337

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Other Receivables

Other current receivables	June 30, 2021	December 31, 2020
Non-trading receivables due from related parties (Note 3)	79,015	54,805
Receivables from tax office	25,195	28,330
Deposits given	5,627	22,678
Other miscellaneous receivables	9,086	11,944
	118,923	117,757

Other non-current receivables	June 30, 2022	December 31, 2021
Deposits given	2,497	3,876
	2,497	3,876

Other Payables

Other current payables	June 30, 2022	December 31, 2021
Other taxes and funds payable	43,085	31,481
Payables relating to business combinations	29,758	29,861
Non-trading payables due to related parties (Note 3)	5,201	799
Other miscellaneous payables	2,364	2,826
	80,408	64,967

Other non-current payables	June 30, 2022	December 31, 2021
Payables relating to business combinations	85,747	93,102
	85,747	93,102

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 9 - INVENTORIES

Inventories	June 30, 2022	December 31, 2021
Medical consumables inventory	299,467	164,452
Pharmaceutical inventory	112,253	83,447
Laboratory inventory	23,753	36,586
Other inventory	288	791
	435,761	285,276

NOTE 10 - PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

Short term prepaid expenses	June 30, 2022	December 31, 2021
Order advances	249,574	229,112
Prepaid insurance expenses	25,941	23,119
Prepaid rent expenses	267	530
Prepaid sponsorship expenses	2,203	1,164
Other	22,819	9,483
	300,804	263,408

Long term prepaid expenses	June 30, 2022	December 31, 2021
Fixed asset advances given	403,414	318,514
Prepaid rent expenses	580	2,544
Other	2,875	3,125
	406,869	324,183

Deferred Income

Short term accrued income	June 30, 2022	December 31, 2021
Advances received	293,861	230,309
Deferred revenue	11,833	13,421
	305,694	243,730

Long term accrued income	June 30, 2022	December 31, 2021
Deferred revenue	11,736	18,374
	11,736	18,374

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 11 - 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	881,016	1,551	444,028	436,934	723,446	80,237	2,568,029
Additions	-	96,787	81	80,703	72,749	-	-	250,320
Changes due to the disposal of subsidiary	-	(88,139)	(486)	(65,668)	(83,791)	-	-	(237,084)
Disposals	-	(3,454)	-	(2,757)	(62)	(3,243)	(1,098)	(10,614)
Transfers	-	29,415	-	19,175	(9,131)	-	(39,930)	(471)
Closing balance as of June 30, 2022	817	915,625	1,146	475,481	416,699	720,203	39,209	2,570,180
Accumulated depreciation								
Opening balance as of January 1, 2022	(111)	(599,327)	(1,586)	(274,258)	(346,256)	(331,758)	-	(1,553,296)
Charge for the period (*)	(8)	(55,266)	(42)	(22,125)	(14,994)	(29,910)	-	(118,902)
Changes due to the disposal of subsidiary	-	68,760	404	47,210	11,140	40,841	-	164,912
Disposals	-	3,052	-	1,358	62	160	-	4,632
Transfers	-	54	(54)	-	-	-	-	-
Closing balance as of June 30, 2022	(119)	(582,727)	(1,278)	(247,815)	(350,048)	(320,667)	-	(1,502,654)
Carrying value as of June 30, 2022	698	332,898	(132)	227,667	67,651	399,536	39,209	1,067,526

(*) Depreciation and amortization expense of TRY109,542 (January 1 - June 30, 2021: TRY82,745) has been charged in ‘cost of service’, TRY15,695 (January 1 - June 30, 2021: TRY9,163) has been charged in ‘operating expenses’ for the period ended between January 1 - June 30, 2022.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022

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

NOTE 11 - 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, 2021	817	753,417	1,546	361,807	371,073	601,052	65,220	2,154,932
Additions	-	19,242	80	24,436	67,978	20,658	29,507	161,901
Assets acquired by business combinations	-	-	-	-	-	-	-	-
Disposals	-	(205)	-	(1,000)	-	(2,177)	-	(3,382)
Transfers	-	25,364	-	15,806	(4,370)	-	(36,800)	-
Closing balance as of June 30, 2021	817	797,818	1,626	401,049	434,681	619,533	57,927	2,313,451
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 (*)	(8)	(38,202)	(38)	(16,429)	(11,116)	(21,372)	-	(87,165)
Disposals	-	999	-	150	-	2,060	-	3,209
Transfers	-	-	-	-	-	-	-	-
Closing balance as of June 31, 2021	(104)	(564,399)	(1,588)	(257,282)	(333,988)	(317,282)	-	(1,474,643)
Carrying value as of June 31, 2021	713	233,419	38	143,767	100,693	302,251	57,927	838,808

(*) Depreciation and amortization expense of TRY82,745 (January 1 - June 30, 2020: TRY83,251) has been charged in ‘cost of service’, TRY9,163 (January 1 - June 30, 2020: TRY7,080) has been charged in ‘operating expenses’ for the period ended between January 1 - June 30, 2021.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 11 - PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS (Continued)

Cost	Licenses	Rights	Other	Total
Opening balance as of January 1, 2022	596,072	117,180	3,245	716,497
Additions	-	48,130	-	48,130
Changes due to the disposal of subsidiary	-	(1,476)	-	(1,476)
Disposals	-	(1,329)	(164)	(1,493)
Transfers	-	473	-	473
Closing balance as of June 30, 2022	596,072	162,978	3,081	762,131

Accumulated amortization

Opening balance as of January 1, 2022	-	(52,272)	(1,147)	(53,419)
Charge for the period	-	(2,779)	(113)	(6,335)
Changes due to the disposal of subsidiary	-	-	-	3,433
Disposal	-	1,260	-	1,260
Closing balance as of June 30, 2022	-	(53,791)	(1,260)	(55,051)

Carrying value as of June 30, 2022 **596,072** **109,187** **1,821** **707,080**

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	-	7,230	-	7,230
Transfers	-	-	-	-
Closing balance as of June 30, 2021	596,072	89,614	3,245	688,931

Accumulated amortization

Opening balance as of January 1, 2021	-	(42,629)	(884)	(43,513)
Charge for the period	-	(4,604)	(139)	(4,743)
Closing balance as of June 30, 2021	-	(47,233)	(1,023)	(48,256)
Carrying value as of June 30, 2021	596,072	42,381	2,222	640,675

NOTE 12 - RIGHT OF USE ASSETS

	Hospital Buildings	Total
Opening balance as of January 1, 2022	539,308	539,308
Changes due to the disposal of subsidiary	(55,987)	(55,987)
Additions	155,114	155,114
Charge for the year (*)	(88,064)	(88,064)
Closing balance as of June 30, 2022	550,371	550,371

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 12 - RIGHT OF USE ASSETS (Continued)

	Hospital Buildings	Total
Opening balance as of January 1, 2021	257,440	257,440
Additions	201,799	201,799
Charge for the year (*)	(62,333)	(62,333)
Closing balance as of June 30, 2021	396,906	396,906

(*) For the period ended June 30, 2022, right of use assets depreciation expenses of TRY86,452 has been charged to ‘cost of service’ (1 January - 30 June 2021: TRY61,446), TRY1,612 to ‘general administrative and marketing expenses’ (1 January - 30 June 2021: TRY887).

NOTE 13 - PAYABLES FOR EMPLOYEE BENEFITS

Payables for employment benefits:	June 30, 2022	December 31, 2021
Fees payable to doctors and other personnel	92,830	79,800
Social security premiums payable	23,472	20,617
	116,302	100,417
Short term provision for employment benefits:	June 30, 2022	December 31, 2021
Unused vacation provision	28,630	23,779
	28,630	23,779
Long term provision for employment benefits:	June 30, 2022	December 31, 2021
Retirement pay provision	29,714	24,830
Unused vacation provision	16,447	13,114
	46,161	37,944

NOTE 14 - OTHER ASSETS AND LIABILITIES

Other current assets:	June 30, 2022	December 31, 2021
VAT carried forward	113,551	70,853
Other miscellaneous current assets	5,760	5,744
	119,311	76,597

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 15 - PROVISIONS

Other short-term provisions:	June 30, 2022	December 31, 2021
Litigation provisions	24,241	25,515
Social Security discounts provisions	7,698	3,513
	31,939	29,028

NOTE 16 - COMMITMENTS

June 30, 2022	Total	TRY	USD	EUR
A. CPM given on behalf of its own legal entity	341,607	339,007	156	-
-Collateral	341,607	339,007	156	-
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	50,582	50,582	-	-
-Collateral	50,582	50,582	-	-
-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	392,189	389,589	156	-

(*) The Group has given guarantees amounting to TRY69,026 related to the loans in Note 6 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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 16 - COMMITMENTS (Continued)

31 December 2021	Total TRY Equivalent	TRY	USD	EUR
A.CPM given on behalf of its own legal entity	137,079	135,055	156	-
- Collateral	137,079	135,055	156	-
- Pledge	-	-	-	-
- Mortgage	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	43,988	43,988	-	-
- Collateral	43,988	43,988	-	-
- 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	181,067	179,043	156	-

(*) The Group has given guarantees amounting to TRY81,807 related to the loans in Note 5 for the companies under full consolidation.

Commitments mostly comprise guarantee letters obtained from banks to be able to participate in state tenders, courts and to be given to suppliers.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 17 - SHARE CAPITAL/OTHER RESERVES

Shareholders	(%)	June 30, 2022	(%)	December 31, 2021
Lightyear Healthcare B.V. (*)	34.67	72,131	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
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
Hujori Financieringen B.V. (*)	-	-	3.98	8,287
Publicly Traded (**)	35.01	72,833	35.01	72,833
Nominal capital	100.00	208,037	100.00	208,037

(*) Turk Ventures Adv. Ltd. provides consultancy services in its Istanbul liaison office to Dutch shareholders TPEF (Hujori Financieringen B.V. (“Hujori”) and Lightyear Healthcare B.V. (“Lightyear”). Consulted Hujori and Lightyear have merged under Lightyear. With this merger, 8,287 thousand shares corresponding to 3.98% of the non-public portion and 418 thousand shares corresponding to 0.57% of the publicly traded portion owned by Hujori were transferred to Lightyear.

(**) 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, 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, 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 thousand 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 June 30, 2022 the total number of ordinary shares is 208,037 thousand shares (2021: 208,037 thousand shares) with a par value of TRY1 per share (2021: TRY1 per share).

The share capital is divided into 208,037 thousand shares (December 31, 2021: 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 June 30, 2022 (Note 1). Shares in circulation rate is 33.36% as of July 1, 2022.

Share premiums:

	June 30, 2022	December 31, 2021
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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 17 - SHARE CAPITAL/OTHER RESERVES (Continued)

Reserves:	June 30, 2022	December 31, 2021
Legal reserves	302	302
Restricted reserves appropriated from profit	9,958	9,958
Reserves for repurchased shares	38,648	-
	48,908	10,260

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 18 - REVENUE AND COST OF SERVICES

Revenue	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Hospital services (*)	4,416,843	2,230,040	2,542,274	1,330,970
	4,416,843	2,230,040	2,542,274	1,330,970

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

Cost of services	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Doctor expenses	(922,457)	(457,740)	(565,977)	(303,307)
Material consumption	(832,029)	(425,994)	(489,012)	(247,619)
Personnel expenses	(569,403)	(272,940)	(338,920)	(178,371)
Services rendered by third parties	(298,642)	(145,964)	(208,701)	(108,384)
Depreciation and amortization expenses (Note 11)	(195,994)	(95,299)	(144,191)	(76,207)
Rent expenses (Hospitals)	(47,254)	(30,801)	(17,395)	(8,465)
Other (*)	(323,220)	(164,224)	(142,710)	(76,297)
	(3,188,999)	(1,592,962)	(1,906,906)	(998,650)

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 19 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

General administrative and marketing expenses	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Sponsorship and advertising expenses (*)	(179,654)	(97,830)	(58,365)	(32,911)
Personnel expenses	(139,377)	(66,257)	(75,984)	(40,445)
Outsourcing expenses	(24,842)	(8,794)	(7,247)	(3,989)
Depreciation and amortization expenses (Note 11)	(14,576)	(7,697)	(10,050)	(5,179)
Communication expenses	(7,705)	(3,821)	(3,443)	(1,843)
Rent expenses	(5,938)	(2,964)	(4,180)	(2,078)
Maintenance and repair expenses	(3,468)	(1,892)	(1,352)	(567)
Representation and entertainment expenses	(1,972)	(725)	(2,095)	(1,158)
Taxes and duties	(1,886)	(901)	(1,428)	(667)
Utility expenses	(1,547)	(768)	(517)	(251)
Bad debt allowance	(1,485)	(246)	(1,767)	(1,493)
Other	(16,212)	(9,021)	(27,159)	(18,232)
	(398,662)	(200,916)	(193,587)	(108,813)

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

NOTE 20 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Foreign exchange gains from operations	182,642	76,771	199,895	126,343
Trade payables discount	6,660	6,338	4,681	2,445
Bank commission income	5,208	(252)	1,246	635
Collected provisions for doubtful (Note 7)	153	34	309	293
Other income	11,331	7,680	8,340	4,417
	205,994	90,571	214,472	134,134
Other expenses from operating activities	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Foreign exchange losses from operations	(143,756)	(68,209)	(157,018)	(116,354)
SSI return expenses	(22,260)	1,244	(5,756)	(3,342)
Biomedical equipment damage	(7,604)	1,480	(5,634)	(2,661)
Non-operational hospital expenses	(5,593)	(726)	(2,932)	(1,482)
Trade receivables discount	(4,051)	(153)	(428)	355
Depreciation and amortization expenses (Note 11)	(2,731)	(1,421)	-	-
Other expenses	(65,433)	(35,617)	(19,915)	(11,170)
	(251,428)	(103,402)	(191,683)	(134,654)

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 21 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Income from investing activities				
Gain on sale of subsidiary share	125,950	125,950	-	-
Gain on sale of fixed assets	18,033	767	2,563	2,329
	143,983	126,717	2,563	2,329
Expense from investing activities				
Loss on sale of fixed assets	(8,667)	(2,913)	(42)	(40)
	(8,667)	(2,913)	(42)	(40)

NOTE 22 - FINANCE EXPENSES

	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Finance expenses				
Interest expenses from financial lease obligations	(96,055)	(42,685)	(82,471)	(46,551)
Interest expenses from bank borrowings	(65,758)	(14,815)	(92,263)	(50,660)
Interest expenses from bonds issued	(47,931)	(20,771)	(50,396)	(24,476)
Bank commissions	(24,106)	(11,432)	(13,505)	(7,133)
Interest expenses from lease liabilities	(9,706)	(4,357)	(6,479)	(3,170)
Other interest expenses	(32,497)	(20,884)	(17,893)	(8,509)
Total interest expenses	(276,053)	(114,944)	(263,007)	(140,499)
Net foreign exchange loss	(22,374)	(8,534)	(17,696)	(14,637)
Net foreign exchange loss from lease liabilities (Note 5)	(15,137)	(6,341)	(10,571)	(4,532)
	(313,564)	(129,819)	(291,274)	(159,668)
Finance income				
Interest income	52,145	30,584	12,383	7,866
	52,145	30,584	12,383	7,866
Net, financial expenses	(261,419)	(99,235)	(278,891)	(151,802)

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 23 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)

Short term payables due to current tax	June 30, 2022	December 31, 2021		
Current period tax liabilities	40,942	35,663		
	40,942	35,663		
Current tax liabilities	June 30, 2022	December 31, 2021		
Current corporate tax provision	51,514	82,329		
Less: Prepaid taxes and funds	(10,572)	(46,666)		
	40,942	35,663		
Tax income/(expense)	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
Current tax income/(expense)	(66,514)	(27,171)	(28,149)	(15,217)
Deferred tax income/(expense)	13,161	(16,387)	14,377	36,290
Profit/(Loss) per share	(53,353)	(43,558)	(13,772)	21,073

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 does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

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 23% in 2022 (2021: 25%).

In Turkey, temporary tax is calculated and accrued on a quarterly basis. With the change in the Corporate Tax Law, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate applied in Turkey is 25% for 2021 corporate earnings, 23% for 2022, and 20% for 2023 and the following years. Losses can be carried forward for a maximum of 5 years, to be deducted from the taxable profits that will arise in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

In Turkey, advance tax returns are filed on a quarterly basis in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate applied in Turkey is 25% for 2021 corporate earnings, 23% for 2022, and 20% for 2023 and the following years. 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.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2022

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

NOTE 23 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED) (Continued)

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on 20 January 2022. It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods and in the provisional tax periods of the 2023 accounting period regardless of whether the conditions for the inflation adjustment within the scope of the repeated Article 298 are met. POA made a declaration on the Implementation of Financial Reporting in High Inflation Economies under TFRS on 20 January 2022 and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below. As of 31 March 2022, tax rate used in the calculation of deferred tax assets and liabilities was %20 over temporary timing differences (31 December 2021: 23% for the part that will create tax effect in 2022, 20% for the part that will generate tax in 2023 and beyond). 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.

The Group revalued its tangible and intangible assets and their depreciation as of 31 December 2021, within the scope of the Tax Procedure Law General Communiqué (Sequence No: 530) published by the Ministry of Treasury and Finance. Due to TFRS, related assets are continued to be accounted under cost method. It has calculated the deferred tax asset/liability, which is currently calculated over the temporary difference between TFRS and TPL, over the current TPL values that will occur with the effect of revaluation, and the deferred tax income that will arise due to this application, to the extent that the recovery of the said tax advantage is deemed possible, is calculated as a single income tax accounted for in the table, the effect of deferred tax assets is TRY 59.971 thousand (31 December 2021: TRY 59.971 thousand).

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 TRY272,999 (December 31, 2021: TRY200,394). 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 June 30, 2022, the Group has tax loss amounting to TRY47,395 (December 31, 2021: TRY95,280). TRY10,901 (December 31, 2021: TRY23,820) deferred tax assets have been recorded concerning this loss.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

**NOTE 23 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)
(Continued)**

Deferred tax assets/(liabilities):	June 30, 2022	December 31, 2021
Tax losses carried forward	10,901	23,820
Depreciation differences of tangible and intangible assets	(129,878)	(120,465)
Provision for employment termination benefits	5,943	4,966
Vacation pay liability	9,015	7,379
Temporary difference between the tax base and carrying amount of financial liabilities	(4,098)	(3,544)
Prepaid building expenses	(61)	(707)
Tax advantage from investment incentive	272,999	200,394
Right of use asset	61,424	70,697
Other	63,852	102,922
	290,097	285,462
Deferred tax asset	436,211	421,896
Deferred tax liability	(146,114)	(136,434)
	290,097	285,462

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

**NOTE 23 - TAXES ON INCOME (DEFERRED TAX ASSET AND LIABILITIES INCLUDED)
(Continued)**

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

	June 30, 2022	
	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 2023	6,072	-
Expiring in 2024	5,439	-
Expiring in 2025	21,606	-
Expiring in 2026	9,320	-
Expiring in 2027	4,958	-
	47,395	-

	31 December 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 2022	29,817	-
Expiring in 2023	12,640	-
Expiring in 2024	15,924	-
Expiring in 2025	27,697	-
Expiring in 2026	9,202	-
	95,280	-

Movement of deferred tax assets/(liabilities) for the period ended June 30, 2022 and June 30, 2021 are as follows:

	January 1 - June 30, 2022	January 1 - June 30, 2021
Movement of deferred tax liabilities:		
Opening balance as at January 1	(285,462)	(217,879)
Charged to profit or loss	(13,161)	(14,377)
Disposal of subsidiary	9,598	-
Charged to equity	(1,072)	(75)
Closing balance as at year end	(290,097)	(232,331)

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

**NOTE 23 - 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 - June 30, 2022	January 1 - June 30, 2021
Loss before tax	657,645	188,200
Tax at the domestic income tax rate of 23% (2021: 22%)	(151,258)	(47,050)
Tax effects of:		
- Expenses that are not deductible in	(31,123)	(23,530)
- Effect of tax advantage from investment incentive	72,605	9,821
- Change in income tax rate from 20% to 25%	3,393	32,118
- Reduced corporate tax effect	141,442	13,378
- Other (*)	(88,412)	1,491
Income tax income recognised in profit or loss	(53,353)	(13,772)

(*) Mostly consists of consolidation adjustments for the disposal of subsidiary.

NOTE 24 - EARNINGS PER SHARE

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

Earnings/(loss) per share	January 1 - June 30, 2022	April 1 - June 30, 2022	January 1 - June 30, 2021	April 1 - June 30, 2021
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	576,815	406,778	147,305	81,657
Loss per share	2.77	1.96	0.71	0.39

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 25 - 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:

June 30, 2022

	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	100,653	5,265	738	(2)
2a. Monetary financial assets	671,587	38,053	2,056	62
2b. Non monetary financial assets	29,809	32	1,665	5
3. Other	8,485	-	483	1
4. CURRENT ASSETS	810,534	43,350	4,942	66
6b. Non monetary financial assets	52,207	3,132	-	-
7. Other	1	-	0	-
8. NON CURRENT ASSETS	52,208	3,132	0	-
9. TOTAL ASSETS	862,742	46,482	4,942	66
10. Trade payables	(9,731)	(404)	(171)	-
11a. Financial liabilities (loans)	-	-	-	-
11b. Financial liabilities (leasing)	(70,495)	(550)	(3,500)	-
11c. Lease Liabilities	(12,493)	-	(713)	-
12a. Other monetary liabilities	(126,986)	(3,903)	(3,503)	(27)
13. CURRENT LIABILITIES	(219,705)	(4,857)	(7,887)	(27)
15a. Financial liabilities (loans)	-	-	-	-
15b. Financial liabilities (loans) (leasing)	(18,644)	-	(1,064)	-
15c. Lease Liabilities	(77,675)	-	(4,433)	-
17. NON CURRENT LIABILITIES	(96,319)	-	(5,497)	-
18. TOTAL LIABILITIES	(316,024)	(4,857)	(13,384)	(27)
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)	546,718	41,625	(8,442)	39
21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+10+11+12a+14+15+16a)	456,216	38,461	(10,590)	33

Our company, with the Tax Procedure Law published in the Official Gazette dated 29.01.2022 and numbered 31734, Evaluation of the provision of the temporary 14th article of the Law on Amending the Tax Law at the end; amounting to TRY102.757 and TRY83.493 (6.600 EUR and 5.000 USD) on 15 February 2022 and 29 June 2022, Currency Protected Deposit transaction was carried out. The relevant EUR balance is transferred to TRY on the transaction date. It is not included in the above mentioned Foreign Currency Position.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 25 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

December 31, 2021

	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	44,218	2,454	845	(2)
2a. Monetary financial assets	325,178	10,577	12,794	4
2b. Non monetary financial assets	25,892	28	1,734	4
3. Other	7,134	-	486	-
4. Current Assets	402,422	13,059	15,859	6
6b. Non monetary financial assets	40,646	3,132	-	-
7. Other	31	-	2	-
8. Non-current assets	40,677	3,132	2	-
9. Total assets	443,099	16,191	15,861	6
10. Trade payables	(15,333)	(867)	(278)	-
11a. Financial liabilities (loans)	-	-	-	-
11b. Financial liabilities (leasing)	(99,753)	(731)	(6,148)	-
11c. Lease Liabilities	(9,720)	-	(662)	-
12a. Other monetary liabilities	(156,011)	(5,448)	(5,808)	(2)
13. Current liabilities	(280,817)	(7,046)	(12,896)	(2)
15a. Financial liabilities (loans)	-	-	-	-
15b. Financial liabilities (leasing)	(37,963)	(279)	(2,339)	-
15c. Lease Liabilities	(70,519)	-	(4,803)	-
17. Non-current liabilities	(108,482)	(279)	(7,142)	-
18. Total liabilities	(389,299)	(7,325)	(20,038)	(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)	53,800	8,866	(4,177)	4
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+10+11+12a+14+15+16a)	(19,903)	5,706	(6,399)	-

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 25 - 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.

	Profit/(Loss)	
	Valuation of foreign currency	Devaluation o foreign currency
June 30, 2022		
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/(liability)	138,769	(138,769)
2 - Portion hedged against USD risk (-)	-	-
3 - USD net effect (1+2)	138,769	(138,769)
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/(liability)	(29,584)	29,584
5 - Portion hedged against EUR risk (-)	-	-
6 - EUR net effect (4+5)	(29,584)	29,584
TOTAL (3+6)	109,185	(109,185)
31 December 2021		
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/liability	23,009	(23,009)
2- Portion hedged against USD risk (-)	-	-
3- USD net effect (1 +2)	23,009	(23,009)
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/liability	(12,265)	12,265
5 - Portion hedged against EUR risk (-)	-	-
6- EUR net effect (4+5)	(12,265)	12,265
Total (3+6)	10,744	(10,744)

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2022**

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

NOTE 26 - EVENTS AFTER THE REPORTING PERIOD

None.

**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 JUNE 2022

(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 June 30, 2022 and June 30, 2021 are as follow:

EBITDA CALCULATION	June 30, 2022	June 30, 2021
i. Net profit/(loss) before tax	657,645	188,200
ii. Depreciation and amortization of tangible and intangible Fixed assets including non-cash provisions related to assets Such as goodwill	213,301	154,241
iii. Total net finance expenses, net of interest income	223,908	250,623
iv. Fx gains/(losses), net under finance expenses	37,511	28,267
v. Extraordinary income/(expenses)	48,717	36,525
vi. Rediscount income/(expense), net imputed interest	(2,609)	(4,253)
vii. Legal case provision expenditures which are reflected to financial statements by the general accounting principles	862	10,440
viii. Unused vacation pay provision expenses which are reflected to financial statements by the general accounting principles	8,184	7,903
ix. Retirement pay provision expenses which are reflected to financial statements by the general accounting principles	8,549	4,460
x. Doubtful receivables provision expenses which are reflected to financial statements by the general accounting principles	1,332	1,458
xi. Non cash sale and lease back expenses which are reflected to financial statements by the general accounting principles (Note 3)	394	394
xii. Adding non-cash profits resulting from disposal or deactivation of tangible or intangible assets, non-cash profits	(9,366)	(2,521)
xiii. Incomes/(expenses) from investment operations	(125,950)	-
EBITDA	1,062,478	675,737
TFRS 16, 'Lease' payment effect	(189,633)	(154,154)
Adjusted EBITDA	872,845	521,583