

MLP Care Investor Presentation

March 2023



MLPCARE

MEDICALPARK | **liV**HOSPITAL

MLP Care: The #1 Private Hospital Group in Turkey

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



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



28 Hospitals in
Total



~5,600 Beds
in Total



18,000+ Staff¹
2,500+ Doctors



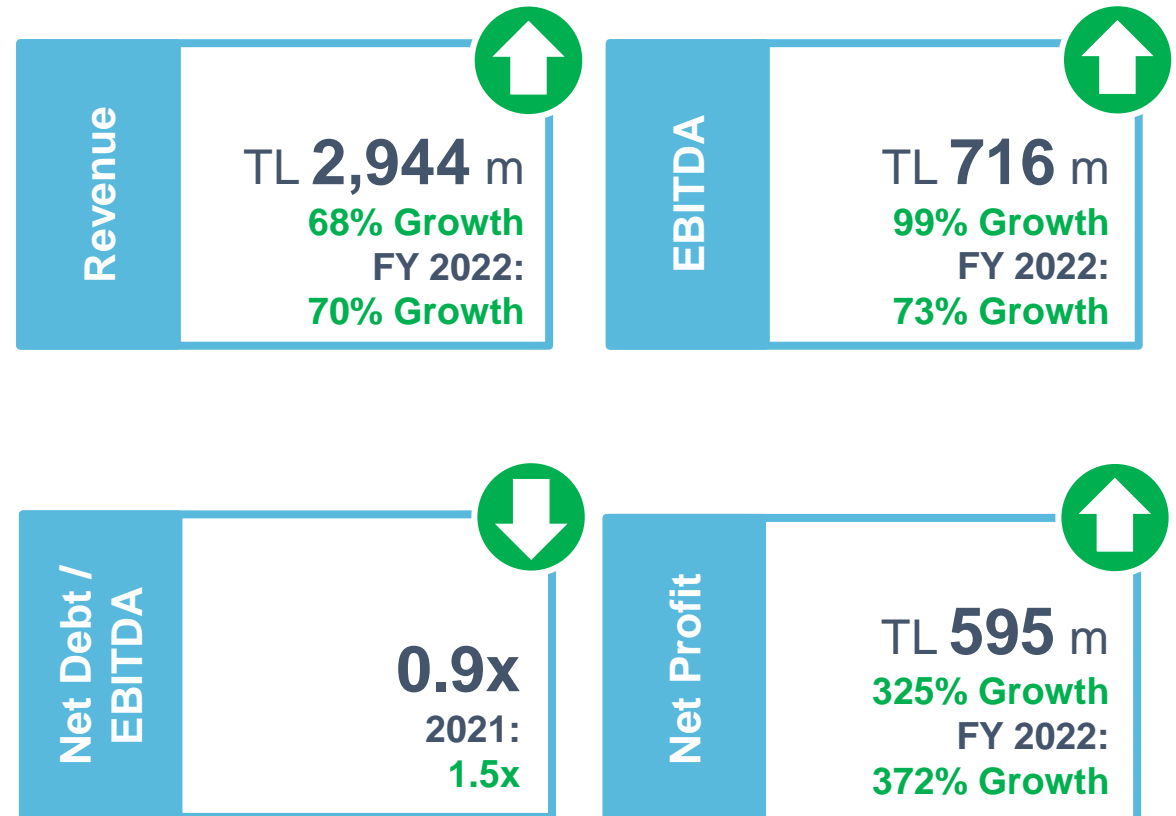
3 JCI Accredited
Hospitals
3 Centers of
Excellence

**Addresses All Price
Segments
in the Turkish Market**

¹ Includes managed hospitals, full time and part time staff

At a Glance: MLP Care Q4 2022 Financial Highlights

- ✓ Revenue growth exceeding inflation
- ✓ EBITDA improved mainly due to
 - strong operational performance
 - effective cost saving measures
- ✓ Reduced leverage ratio on the back of
 - strong EBITDA growth
 - cash from the sale of Sentez
- ✓ Net profit improved on the back of
 - robust operational performance
 - successful management of finance expense
 - and deferred tax income



Our Growth Strategy Is Intact

MLP Care continues its asset light growth strategy both in Turkey and abroad



Expand in Turkey

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

Growing our existing business by increasing capacity utilization at large hospitals



Increase FMT revenue

Using digital marketing opportunities and opening new offices



Expand in Foreign Countries

New hospital management contracts using the power of our brands



Quick EBITDA ramp-up through leveraging MLP Care's resources

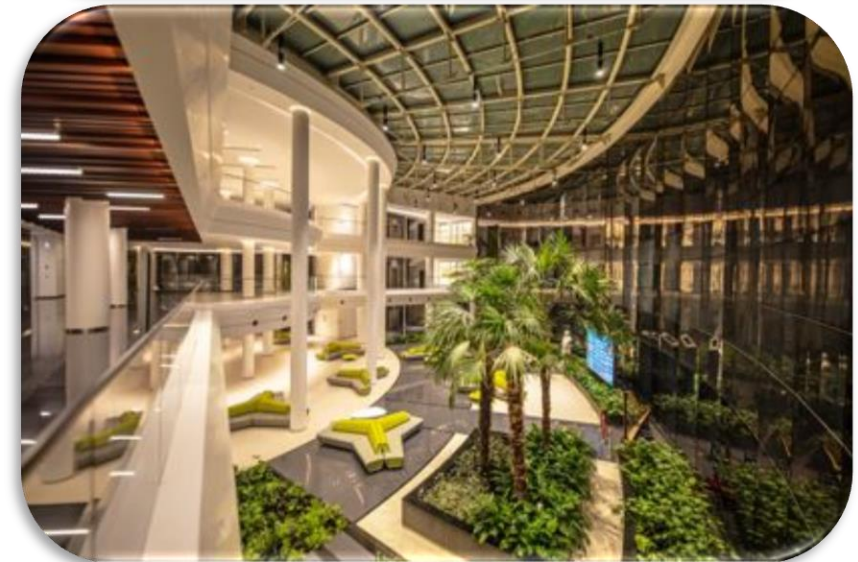
(brand strength, operational know how, licensing, experienced physicians, and management staff)



Min. acquisition CAPEX & WC requirements

Liv Hospital Brand Expands in Baku

Map of Azerbaijan



Liv Bona Dea Hospital

Location: Baku / Azerbaijan

Opening Date: July 2022

Key Statistics

- ❖ 37.5k sqm
- ❖ 156 Bed Capacity
- ❖ 28 Intensive Care Unit
- ❖ 12 Operating Rooms

MLP Care Expands in Adana

Map of Adana



Özel Medical Park Seyhan Hospital

Location: Seyhan / Adana
Opening Date: December 2022

Key Statistics

- ❖ 11.0k sqm
- ❖ 164 Bed Capacity
- ❖ 77 Intensive Care Unit
- ❖ 30 Polyclinics



Özel Medical Park Adana Hospital

Location: Seyhan / Adana
Opening Date: December 2022

Key Statistics

- ❖ 13.0k sqm
- ❖ 158 Bed Capacity
- ❖ 64 Intensive Care Unit
- ❖ 45 Polyclinics



New Greenfield Hospital





Location: Adana
Opening Date: Within 18 Months

Key Statistics

- ❖ ca. 40.0k sqm
- ❖ 203 Bed Capacity

Our Sustainability Strategy

We create a sustainable value chain in everywhere we serve.

 <p>Our Digitalization Journey</p> <p>To ensure time and resource efficiency by using technology</p>	 <p>Our People and Culture</p> <p>To be a preferred company by everyone with an inclusive and developer culture</p>	 <p>Our Contribution to Society</p> <p>To offer the best experience to our guests while caring about society</p>	 <p>Our Fight with Climate Change</p> <p>To provide environmental friendly healthcare service</p>
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Our Responsible Governance
 A transparent, accountable, responsible governance structure that focuses on early detection of risk and prioritizes stakeholder communication

 	   	 	  
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Our Sustainability Targets



Our Digitalization Journey

- Zero data security incident
- Carry out projects that increase time, resource and workforce efficiency



Our People and Culture

- Reduce accident frequency rate
- Increase the ratio of female executives to 42% in 2025
- Build Talent Management System by 2025
- Increase the level of sustainability awareness
- Minimum 82% employee satisfaction by 2027
- Review Human Resources and Human Rights Policies and share them with stakeholders



Our Contribution to Society

- Add MLP Care Social Criteria to supplier contracts by 2024
- Maintain cooperation with universities, medical faculties and vocational schools



Our Fight with Climate Change

- Add MLP Care Environmental Criteria to supplier contracts by 2023
- Start renewable energy production works by 2024
- Be ready SBTi (Science Based Target Initiative) by 2027
- Be net zero by 2050
- Use renewable energy
- Reduce Scope 1 and 2 emissions
- Improve waste management system

Our Responsible Governance

- Evaluate climate-related risks by 2023
- Report sustainability performance together with financials by 2025
 - Make the supply chain more sustainable by 2030

We will constantly improve and review our sustainability goals in order to improve our organization and to respond to stakeholder needs.

Our Sustainability Targets

What we completed in 2022



Strategy and Governance

- Published the first sustainability report
- Disclosed the sustainability strategy and KPIs
- Renewed the sustainability governance structure
- Was included in the BIST Sustainability Index and Participation Sustainability Index

Our plans for 2023

- Following-up progress towards pre-determined targets and KPIs, make necessary adjustments
- Starting projects to achieve targets



Climate Change

- Disclosed corporate carbon emissions for 2020, and 2021
- Determined environmental KPIs such as net-zero by 2050

- Developing purchase recording system to calculate Scope 3 Emissions
- Designing a project to improve waste management processes
- Participating in CDP (Carbon Disclosure) Reporting

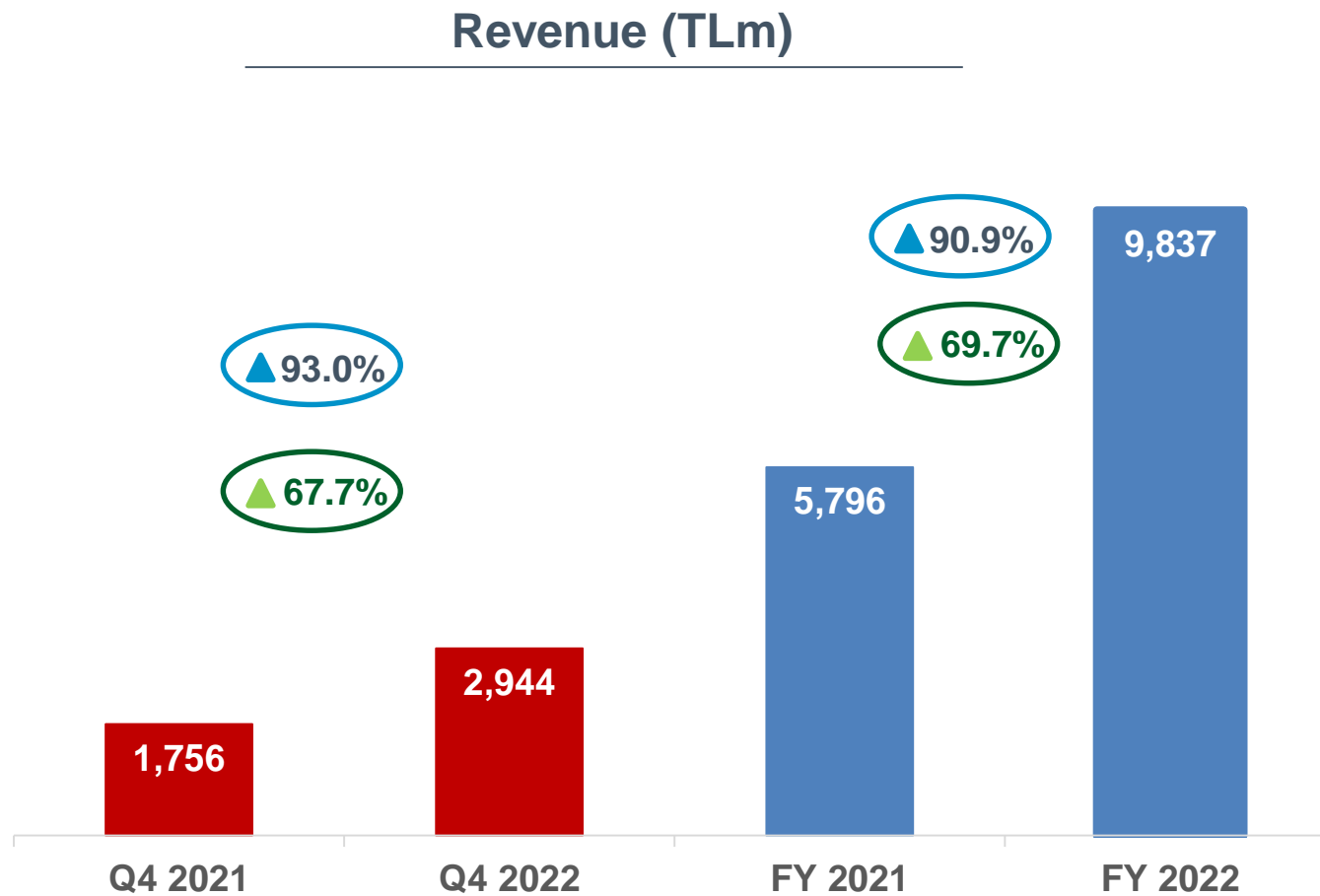


Women Empowerment

- Signed the WEPs- Women's Empowerment Principles
- Set a target to increase the ratio of female executives

- Developing projects for women's empowerment
- Collaborating with other stakeholders to carry out projects for women

Revenue Grows Above Inflation

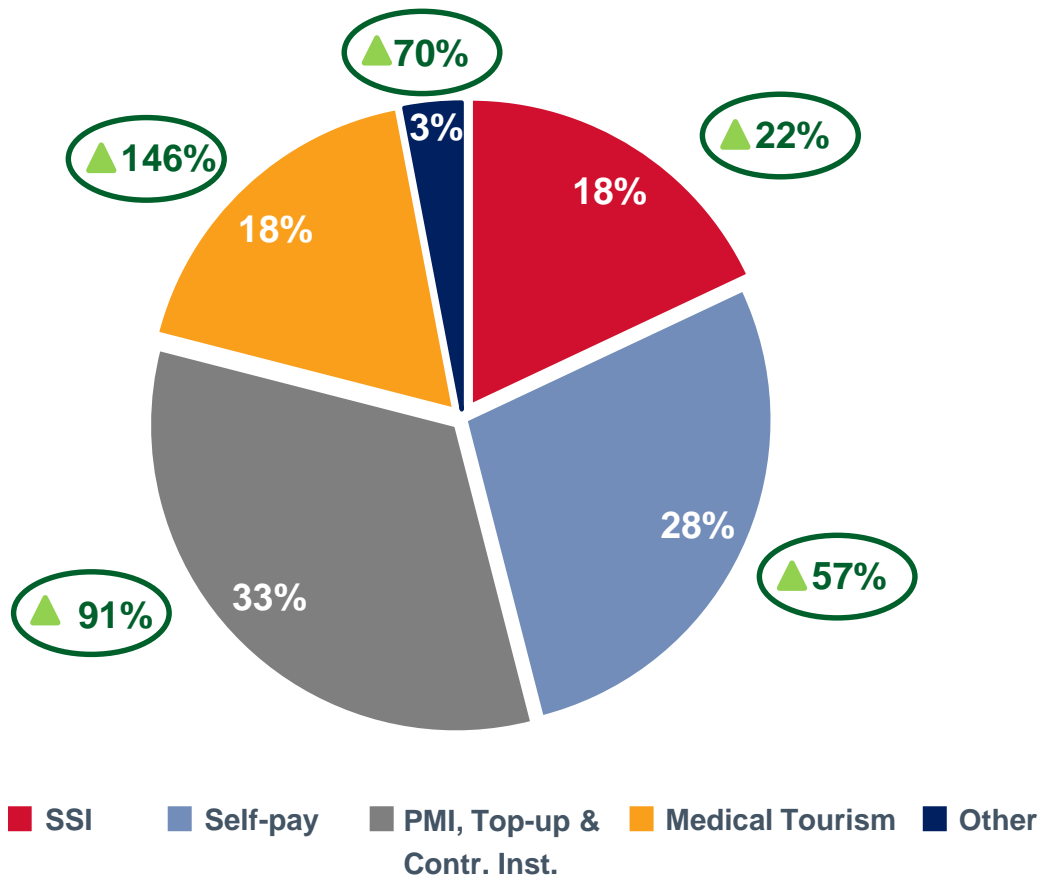


Denotes growth of Revenue vs. the same period of the last year

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

All Payer Types Continue to Grow

FY 2022

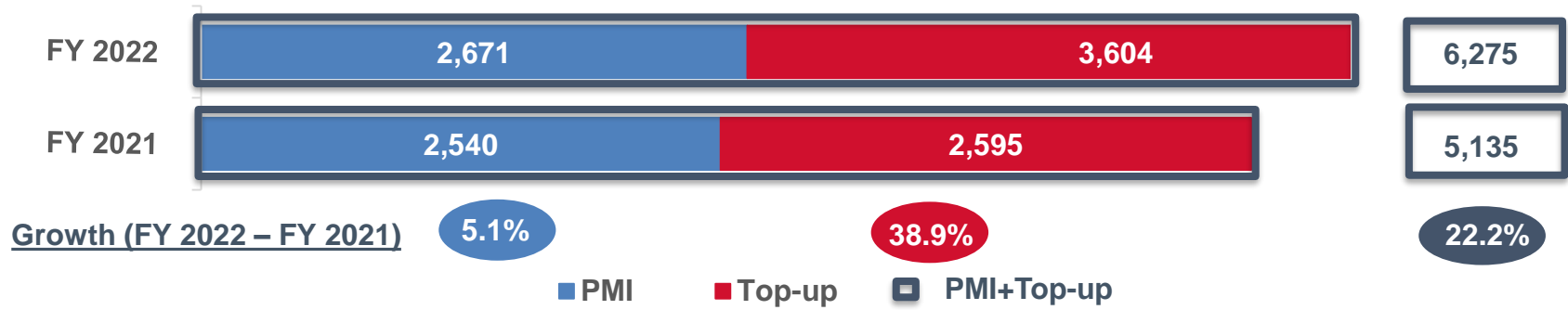


- ✓ Revenue from SSI was up by 8% in Q4 2022 (SSI Insurance allows for a wide addressable market, which is c.98% of the total population)
- ✓ Self pay was up by 63% in Q4 2022
- ✓ Revenue from PMI, Top-up & Contracted Institutions was up by 96% in Q4 2022
- ✓ Medical Tourism was up by 113% in Q4 2022
- ✓ Other revenues were increased by 58% in Q4 due to management consultancy revenues from university hospitals and Liv Bona Dea Hospital

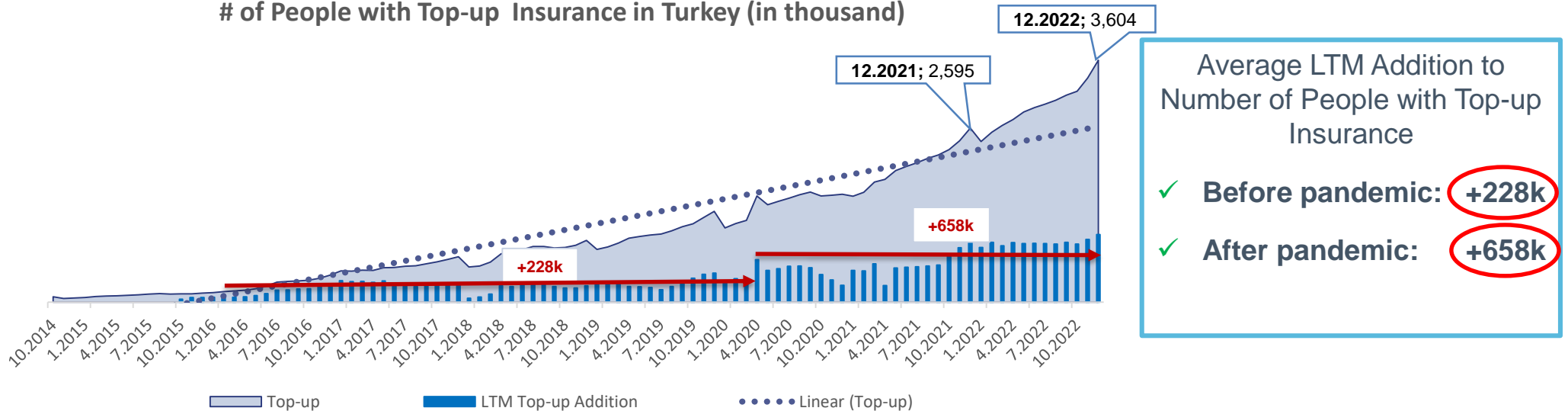
Denotes growth of Revenue vs. the same period of the last year

of People Top-up Insurance Users Reach 3.6 m

of People with Insurance in Turkey (in thousand)

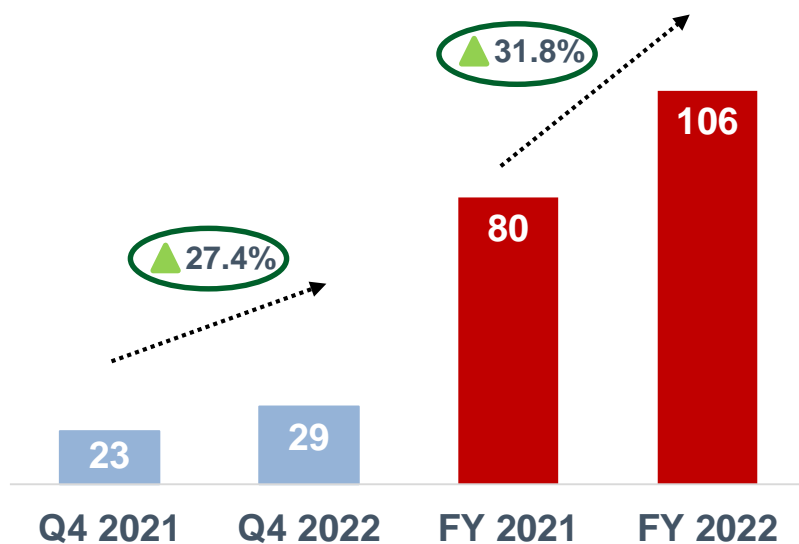


of People with Top-up Insurance in Turkey (in thousand)

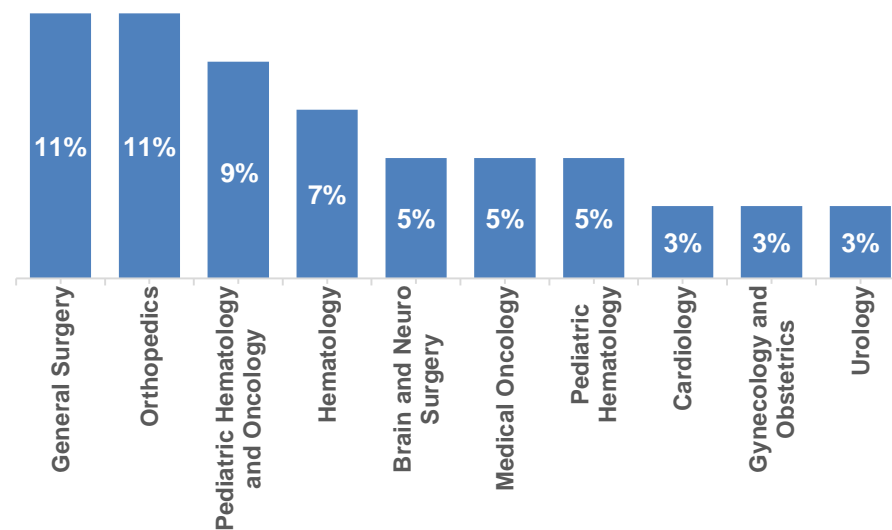


FMT Revenue Triples in TL Terms

Medical Tourism Revenue (USD m)

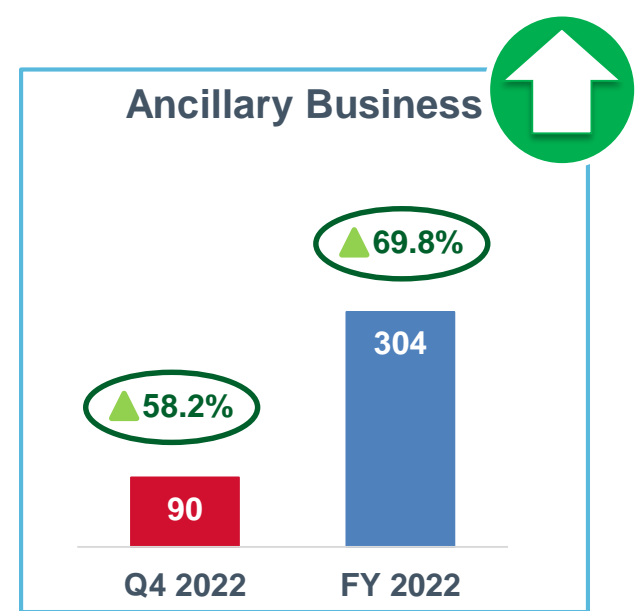
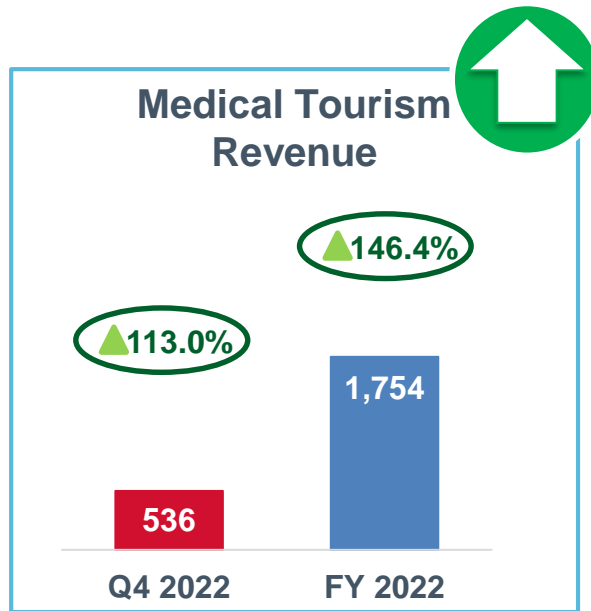
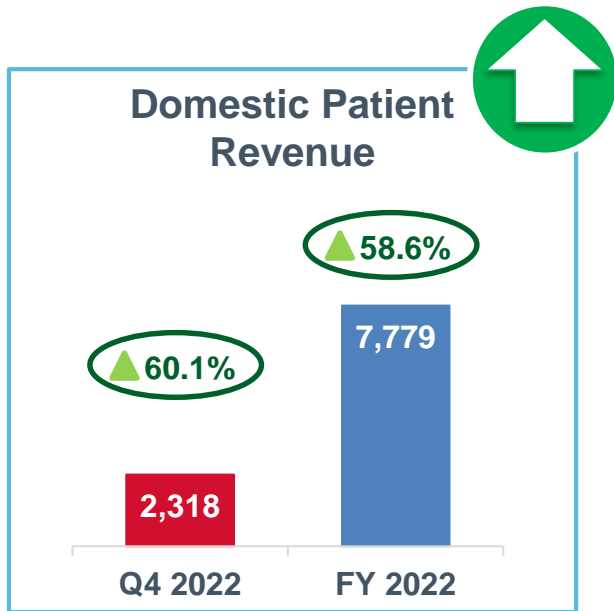


TOP 10 FMT Revenue % by Department in FY 2022



- ✓ Diversified and balanced geography. Patients come from:
 - Europe **26%**
 - Middle East and Africa **25%**
 - Former CIS and the Rest **49%**
- ✓ Revenue growth driven by the increasing of international flights

All Revenue Segments Continue to Grow



Domestic Revenue q-o-q Growth Continued in Q4 2022

- ✓ Inpatient revenue grew in
Q4 2022: **52.5%**
FY 2022: **51.8%**
- ✓ Outpatient revenue grew in
Q4 2022: **70.2%**
FY 2022: **68.0%**

Accelerated Growth of Foreign Medical Tourism Revenue in FY 2022

- ✓ Share of revenue from Europe in total Medical Tourism: **26%**
- ✓ Middle East & Africa: **25%**
- ✓ Former CIS and the rest: **49%**

Increase in Managed Hospitals' Revenues in FY 2022

- ✓ Managed hospitals' revenue increased by 99.9% to 234mTL in FY 2022 (FY 2021: 117mTL)
- ✓ Laboratory business revenue decreased by 65.1% to 12mTL in FY 2022 (FY 2021:34mTL)

Continued Improvement in Average Prices

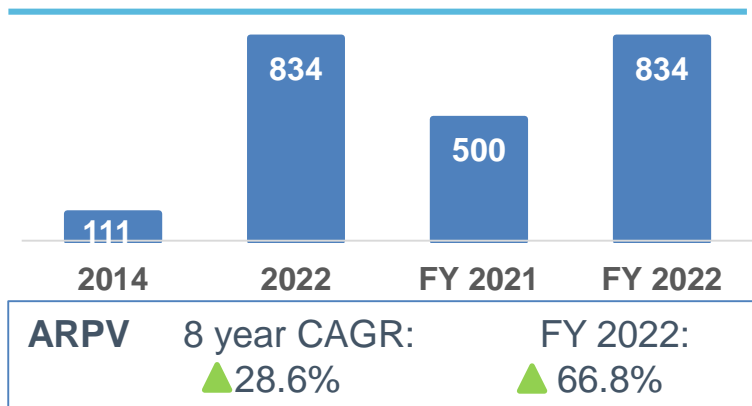
Outpatient Revenues (TLm)



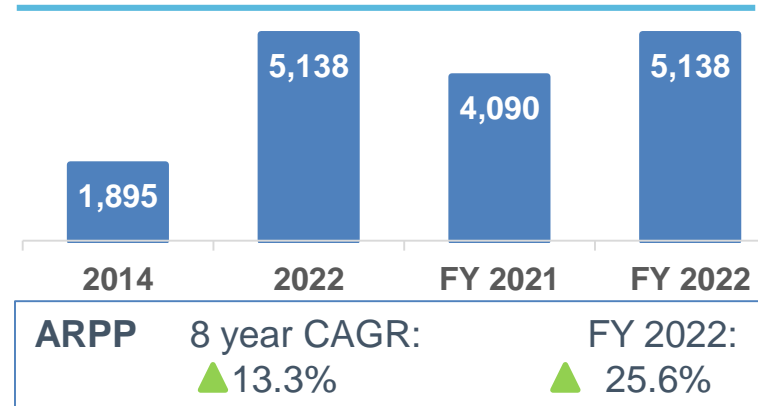
Inpatient Revenues (TLm)



Average Revenue Per Visit (ARPV)

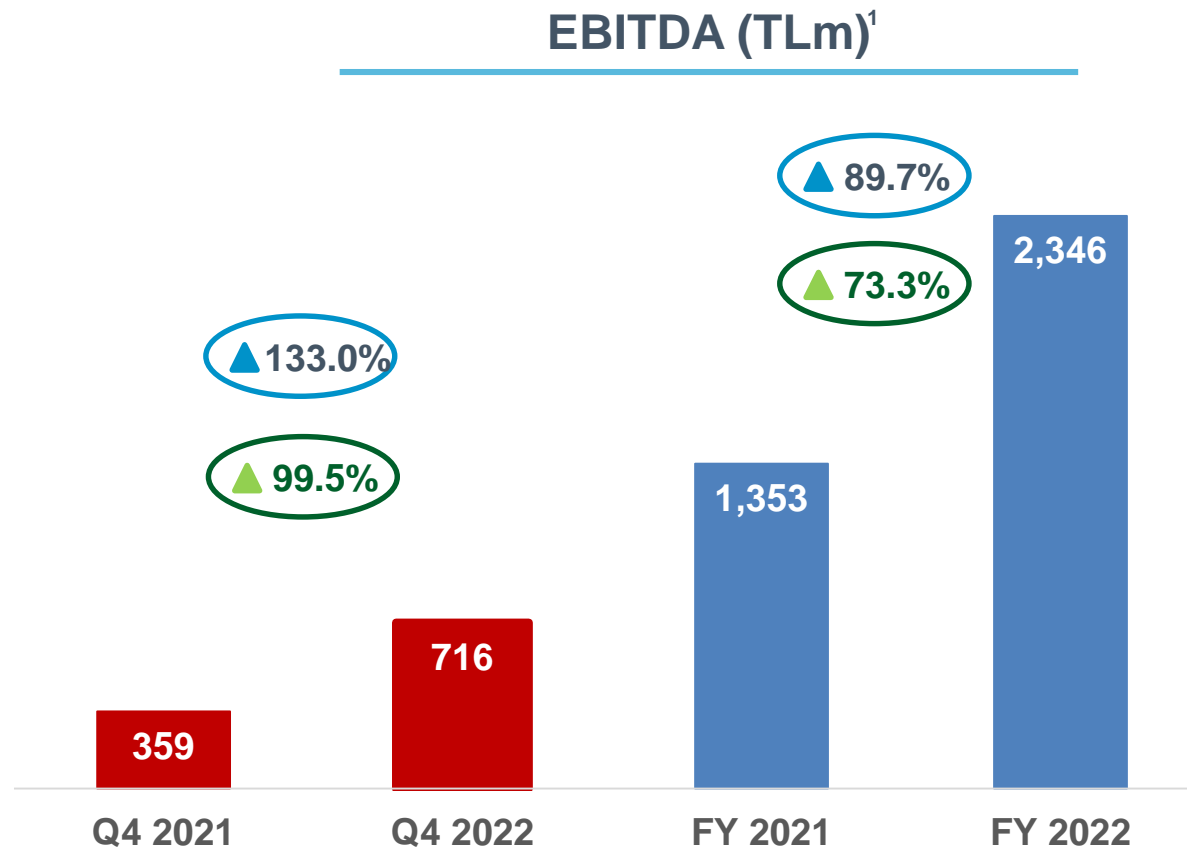


Average Revenue Per Protocol (ARPP)



✓ **Inpatient** and **Outpatient** revenues made up **56%** and **44%** of total Domestic Hospital Business Revenues in FY 2022

EBITDA Is Up by 73%



¹ EBITDA and EBITDA margin calculated by deducting general administrative expenses from gross profit and adding depreciation and amortization expenses



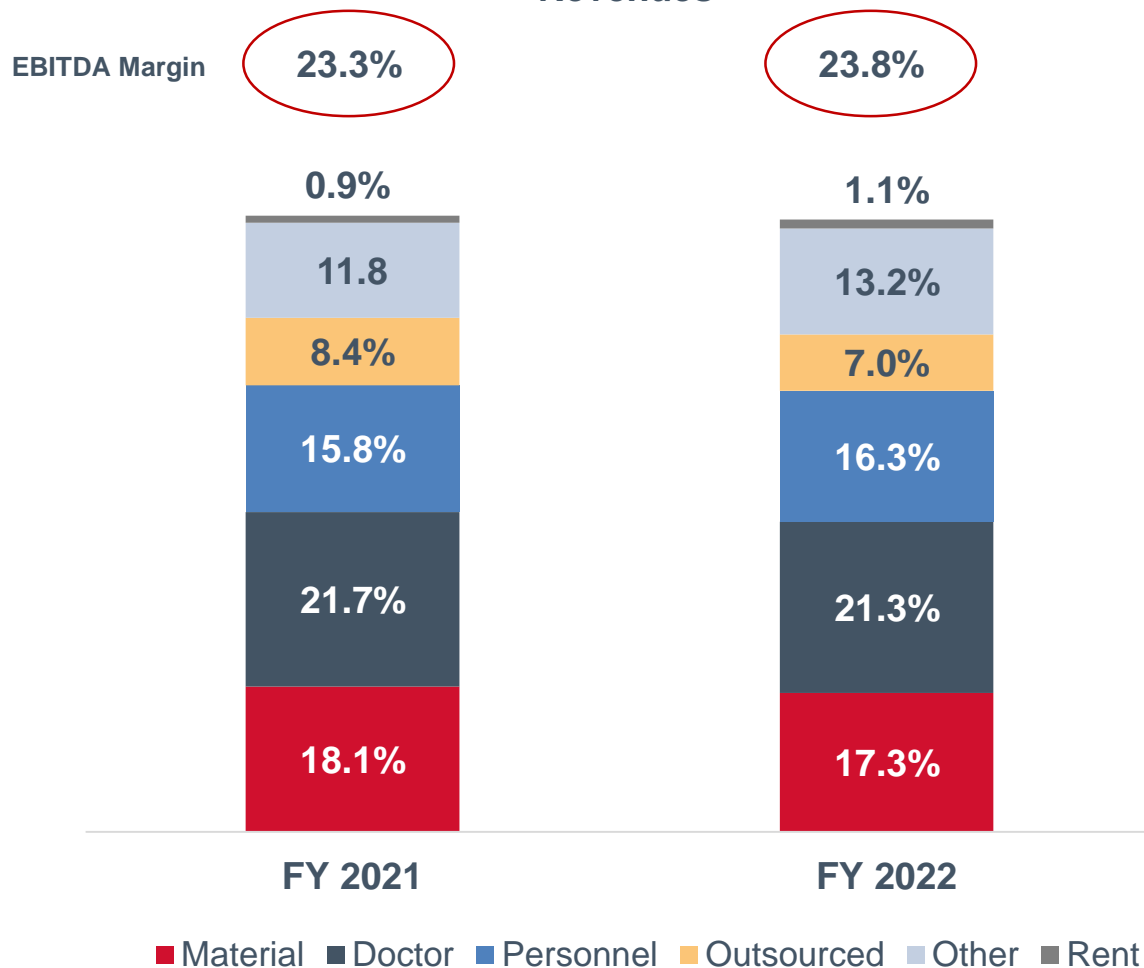
Denotes growth of EBITDA vs. the same period of the last year



Denotes growth of EBITDA vs. the same period of the last year excluding Sentez

Prudent Cost Management

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

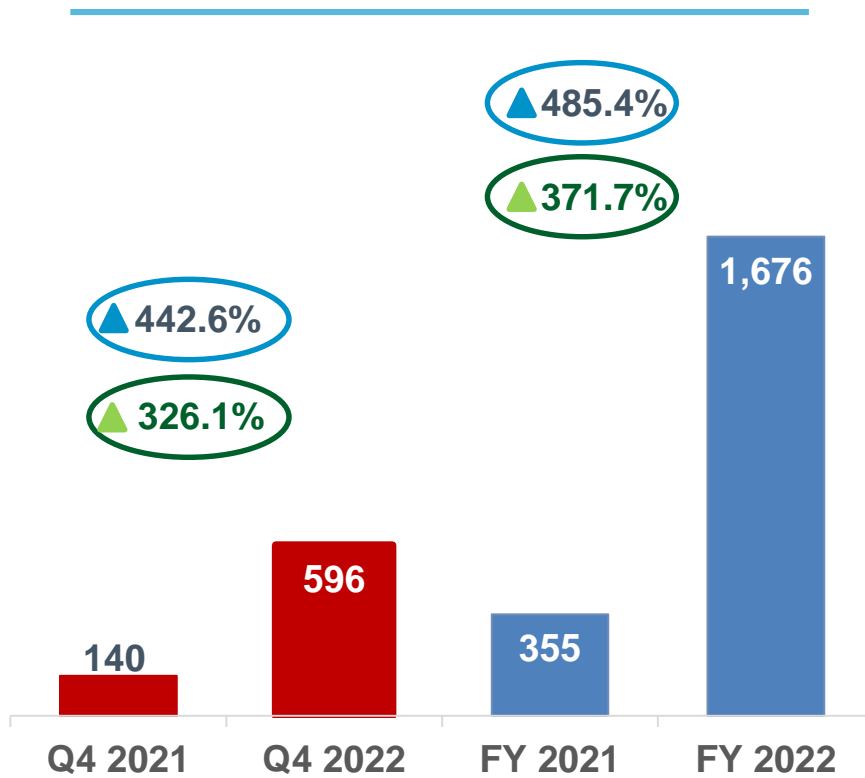


Cost Saving Measures enables us to reach the favourable EBITDA Margin

- ✓ **Material costs** as a % of revenue decreased in FY 2022 due to the lagging effect of increased costs on the back of effective inventory management
- ✓ **Doctor costs** as a % of revenue decreased in FY 2022 due to strong hospital revenue growth and the sale of Sentez hospitals
- ✓ **Personnel costs** as a % of revenue increased in FY 2022 due to increase in the salary of the personnel in line with minimum wage increase
- ✓ **Outsourced services** as a % of revenue decreased due to decreased volume of the outsourced PCR test service expenses
- ✓ **Other expenses** as a % of revenue increased primarily due to the increasing in the marketing expenses related to FMT revenues and increase in utility expenses over inflation rate.

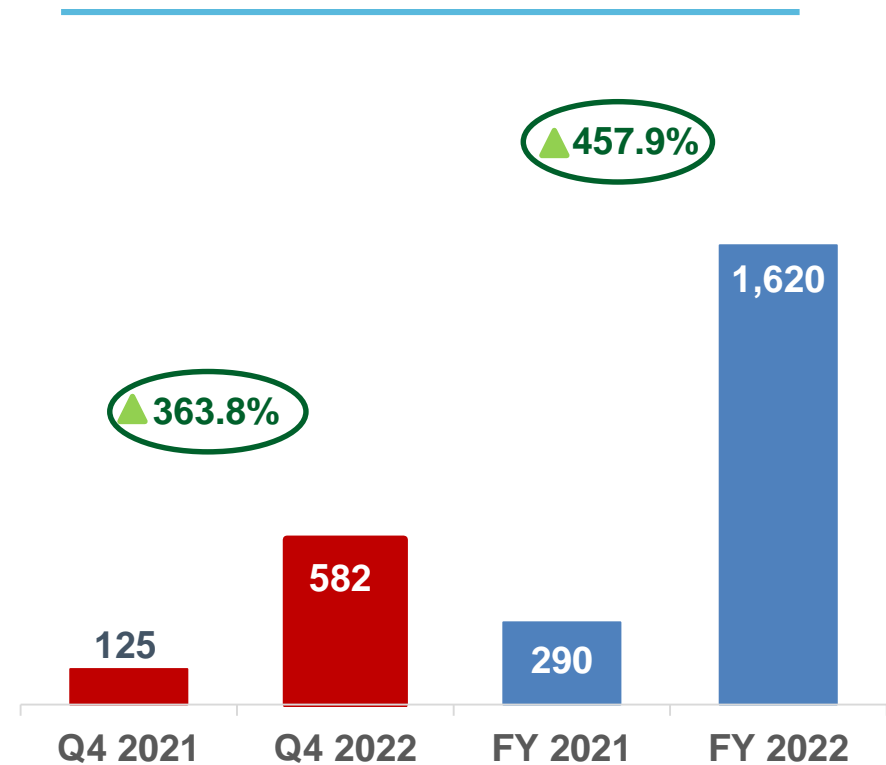
Bottom Line Improves on the Back of Strong Operations

Net Profit (TLm)



Net Profit (TLm)

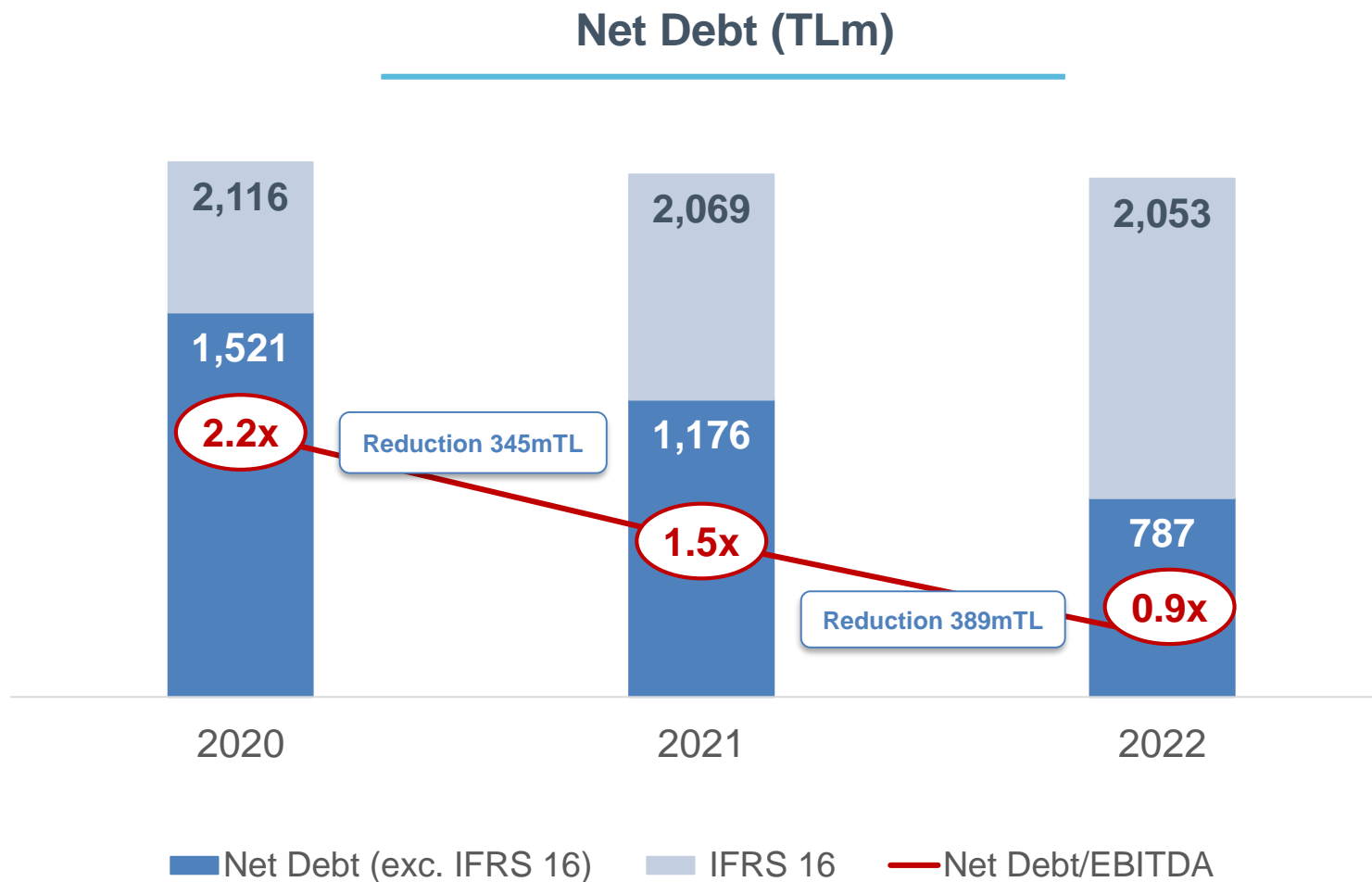
Allocated to Equity Holders of the Parent



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

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

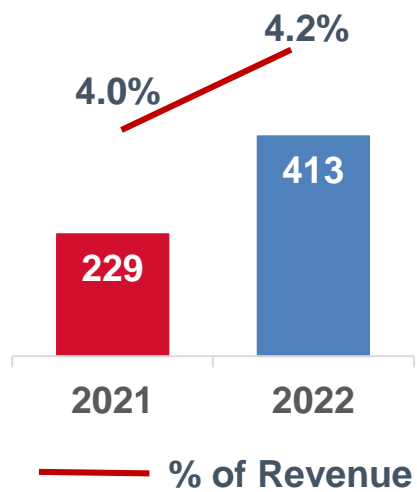
Leverage Ratios Continue to Decline



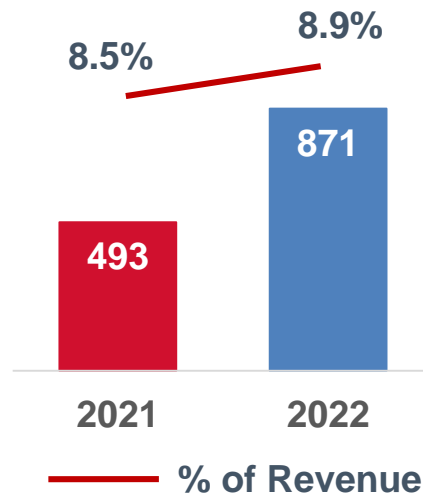
✓ FX risk of balance sheet completely mitigated in 2021.

Strong Cash Generation

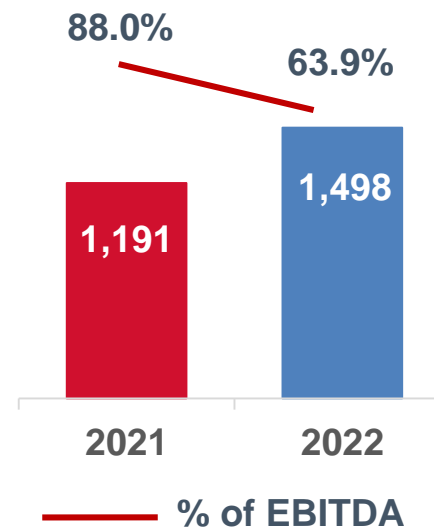
Maintenance Capex (TLm)



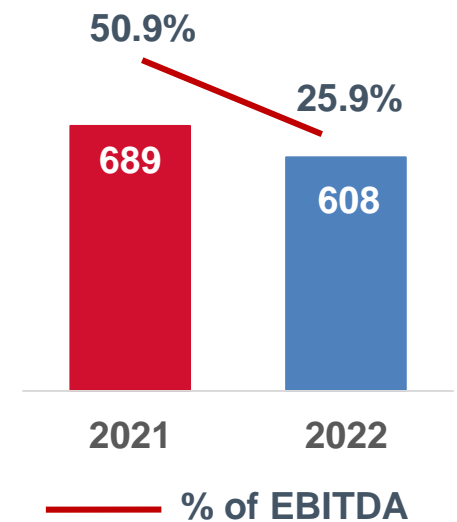
Total Capex (TLm)



OCF/ EBITDA



FCF/ EBITDA



Why Invest In MLP Care?

1 Operates in the Attractive Turkish Healthcare Market

2 Clear Leader in Private Hospital Provision

3 Strong Brand Recognition and Unique Business Model

4 Clinical Excellence and World Class Service Offering

5 Superior Historical Financial Performance

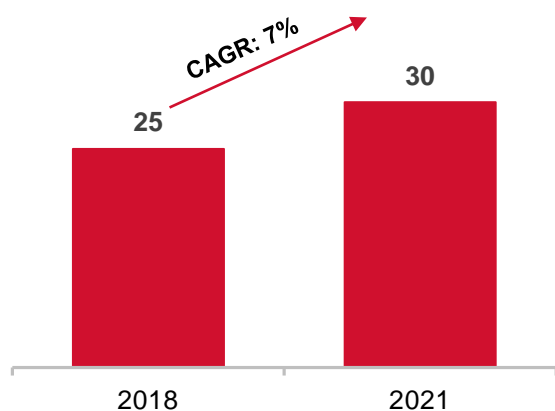
6 Outstanding Platform for Further Growth



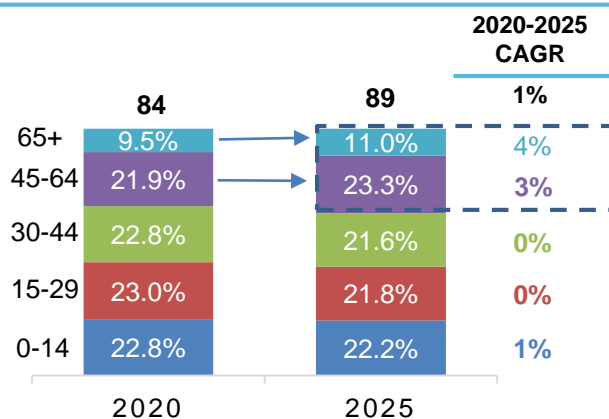
1 Operates In The Attractive Turkish Healthcare Market

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

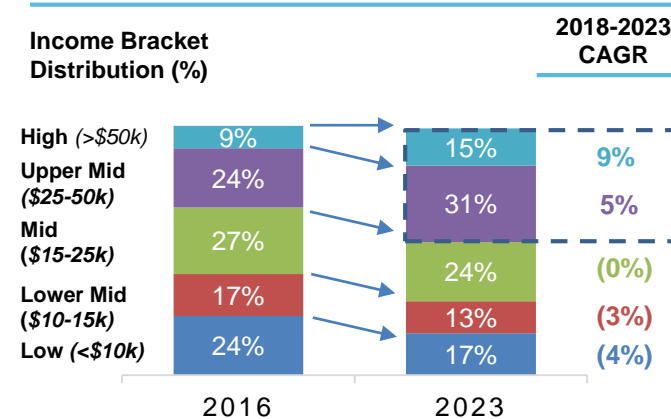
Turkish Healthcare Spending to Providers¹ (USDbn)



Growth in Aging Turkish Population (millions)

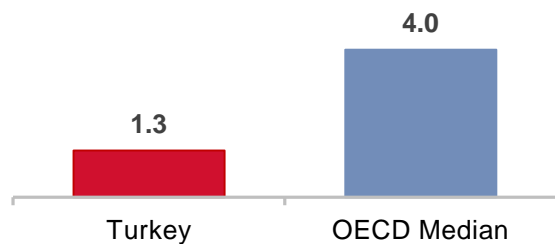


Growing Levels of Affluence in Turkey

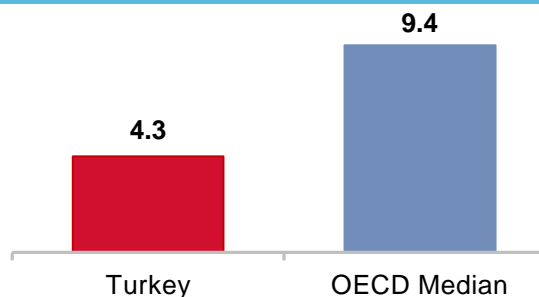


Significant Scope For Expansion Compared to OECD² Peers

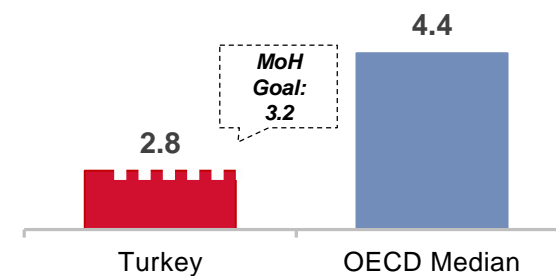
Healthcare Spending Per Capita in 2021 (\$'000)³



Healthcare Spending % of GDP in 2021³



Hospital Beds Per Capita in 2021 ('000)⁴



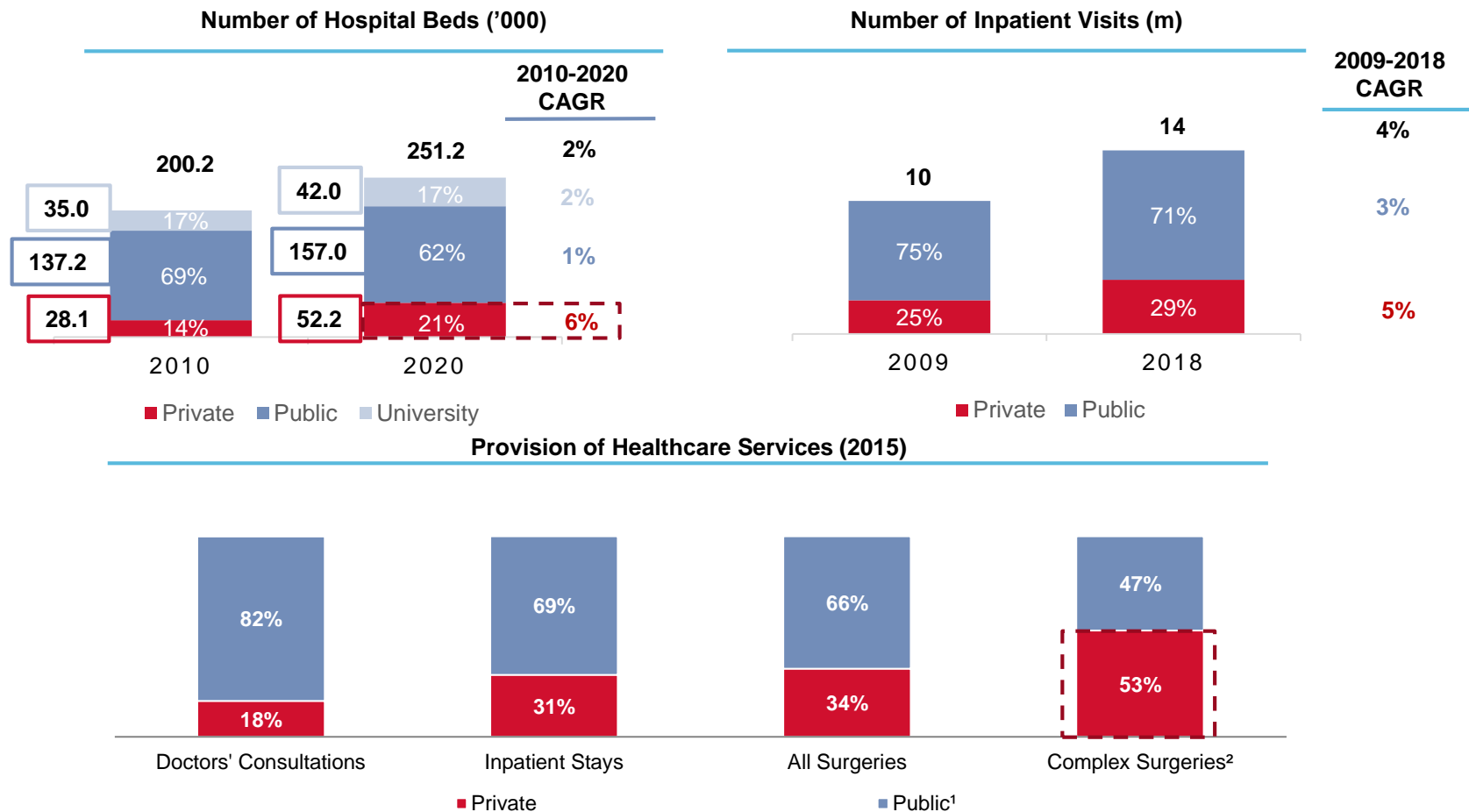
Source: OECD, Turkish Statistical Institute, TOBB Report ¹ Denotes hospitals only excluding pharmaceutical, medical equipment, dental and other

² Denotes the OECD including 38 member countries. ³ Latest available data is used from OECD website

⁴ 2019: 237,504 beds in Turkey.

1 Operates In The Attractive Turkish Healthcare Market

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



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

1 Operates In The Attractive Turkish Healthcare Market

Supportive government policies have underpinned the expansion of private hospital groups

Healthcare System and Key Participants



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

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

Universal Healthcare Coverage with Patient Choice

Universal healthcare coverage (UHI)

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

✓ 98%¹ population coverage by UHI

System favours patient choice

- ✓ Services provided by both public and contracted private hospitals with SSI being the key payor
- ✓ Private hospitals are able to charge higher rates than public hospitals, with some payment required from SSI patients
 - SSI reimburses private hospitals using SUT prices². Last price adjustment made in August 2022.
 - Private hospitals have the right to charge +200%³ over and above SUT prices²

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

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

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

② Clear Leader In Private Hospital Provision

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

MLP Care network (# of hospitals and locations)

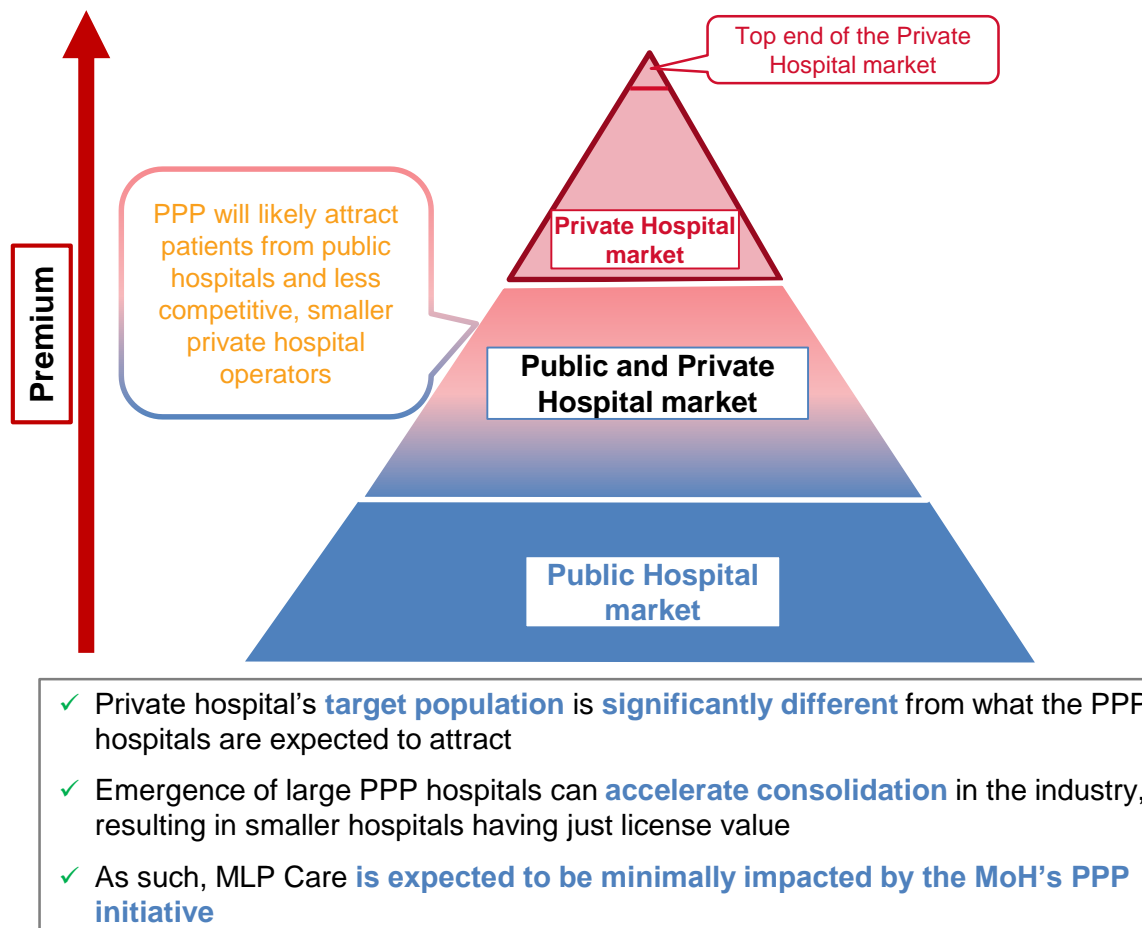


- ✓ National and local leader with a network covering the greatest number of cities
- ✓ 43% of beds located in the attractive Istanbul market
- ✓ MLP Care has the highest number of beds in nearly every city in which they are present

② Clear Leader In Private Hospital Provision

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

Highly illustrative schematic of the Turkish Healthcare Sector



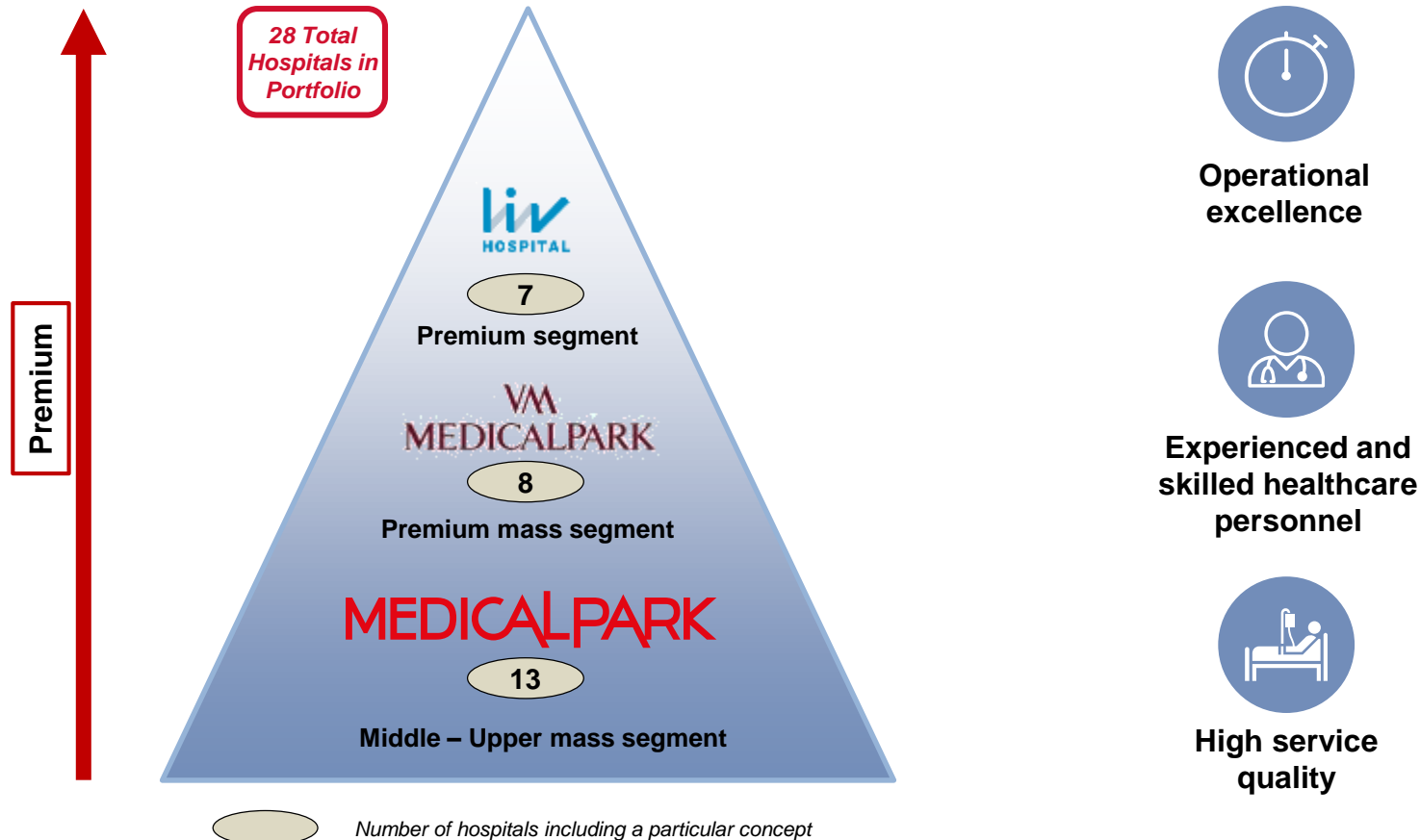
PPP success factors

- ✓ City hospitals are **mega health complexes requiring operational excellence** to ensure financial sustainability and top quality
- ✓ Right governance system needs to be in place
- ✓ MoH needs to **staff** city hospitals with the right quantity and quality of medical staff
- ✓ **Some public hospitals may need to be closed** and staff re-located
- ✓ **Re-location** of medical staff may pose some **risk due to remote location of city hospitals**
- ✓ MoH needs to **ensure patient demand** through high quality service
- ✓ **Significant increase in travel time**, especially for outpatient or unplanned visits may hinder demand

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

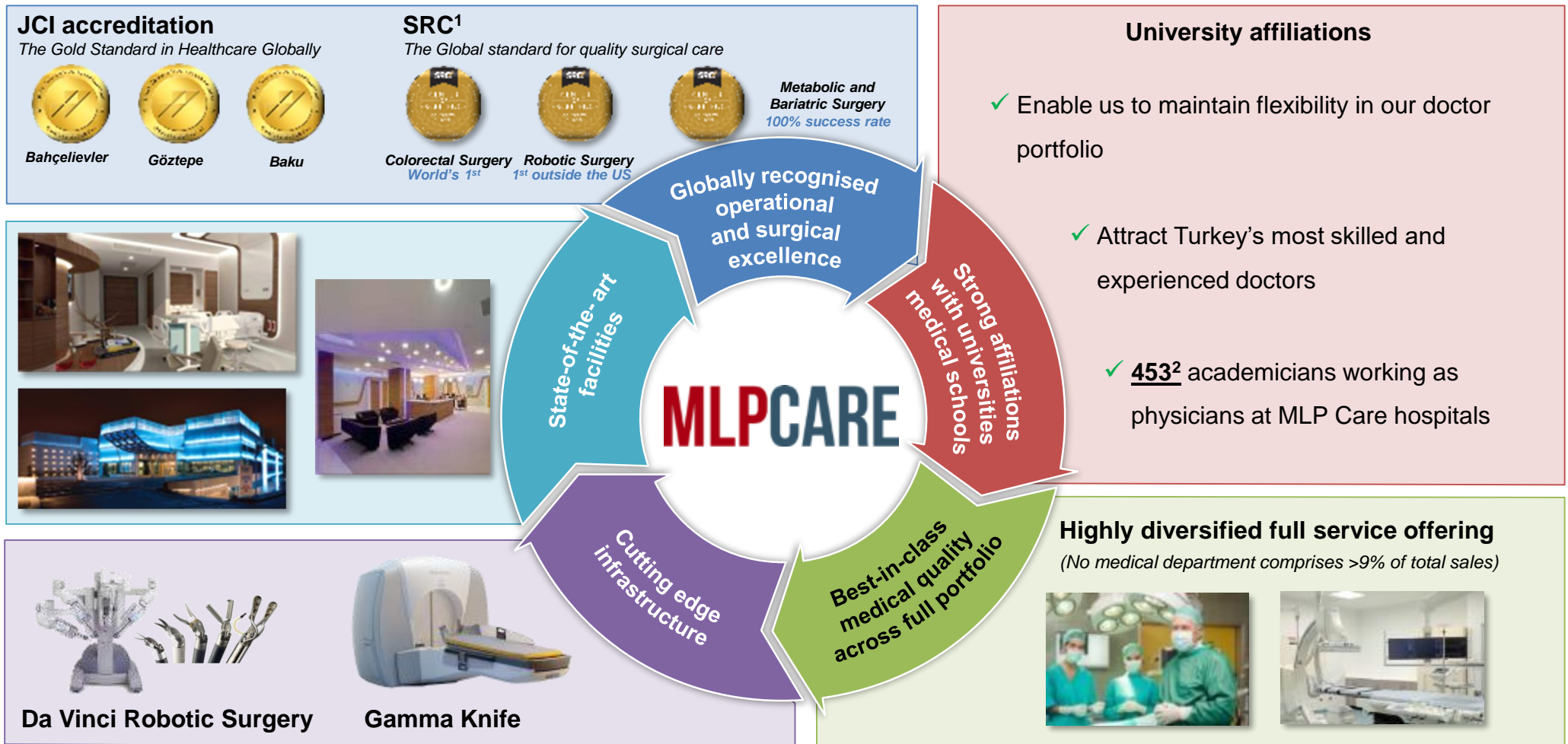
Two brands and one concept targeting three different price points with consistently outstanding medical service quality

Overview and Positioning



4 Clinical Excellence And World Class Service Offering

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



¹ Denotes Surgical Review Corporation

² Per regulations issued by YÖK (The Council of Higher Education), academicians from other provinces are no longer permitted to work at universities in Istanbul and Ankara. The number of academicians with an academic titles assigned is 453.

④ Clinical Excellence And World Class Service Offering

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

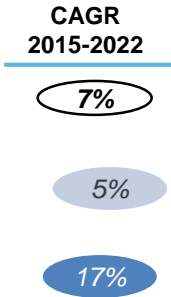
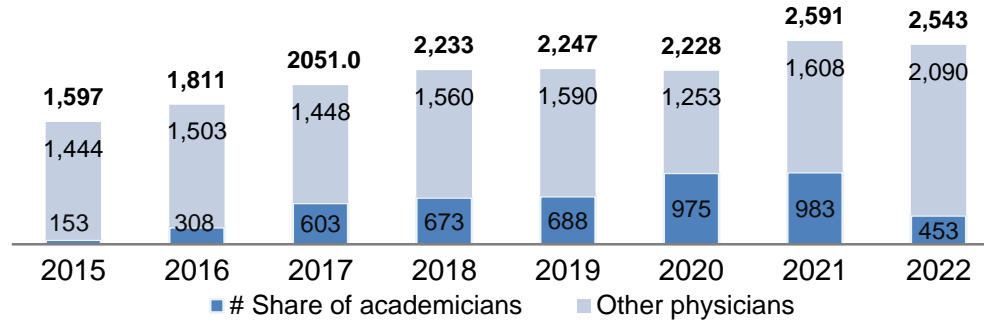
Ability to attract and retain top-tier physicians...

Key points of attraction

Top tier physicians choose MLP Care for:

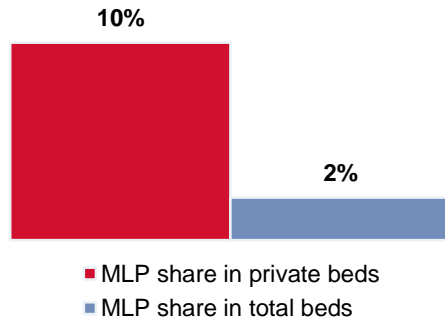
- ✓ Strong and reliable brand
- ✓ Leading market share
- ✓ State-of-the-art infrastructure
- ✓ 6 university affiliated hospitals
- ✓ Vast exposure to complex cases

Proven track record of physicians recruitment

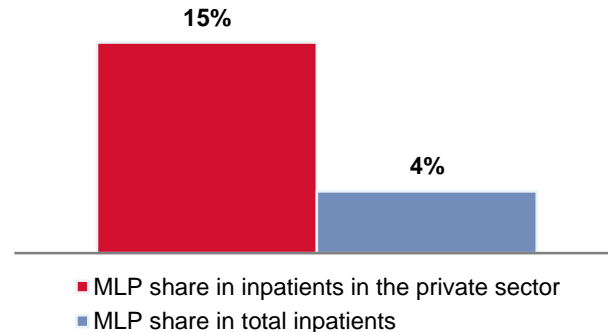


...and drive patient in-flows to grow market share in Turkey

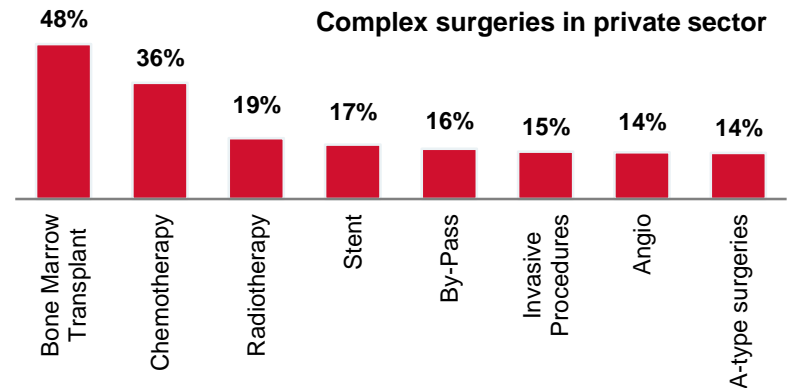
MLP Care share in beds¹



MLP Care share in inpatients²



MLP Care share in complex surgeries²



Source: ¹ Turkish Statistical Institute Data as of 2020 used ² Turkish Ministry of Health

5 Superior Historical Financial Performance

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

Net Sales (TLm)

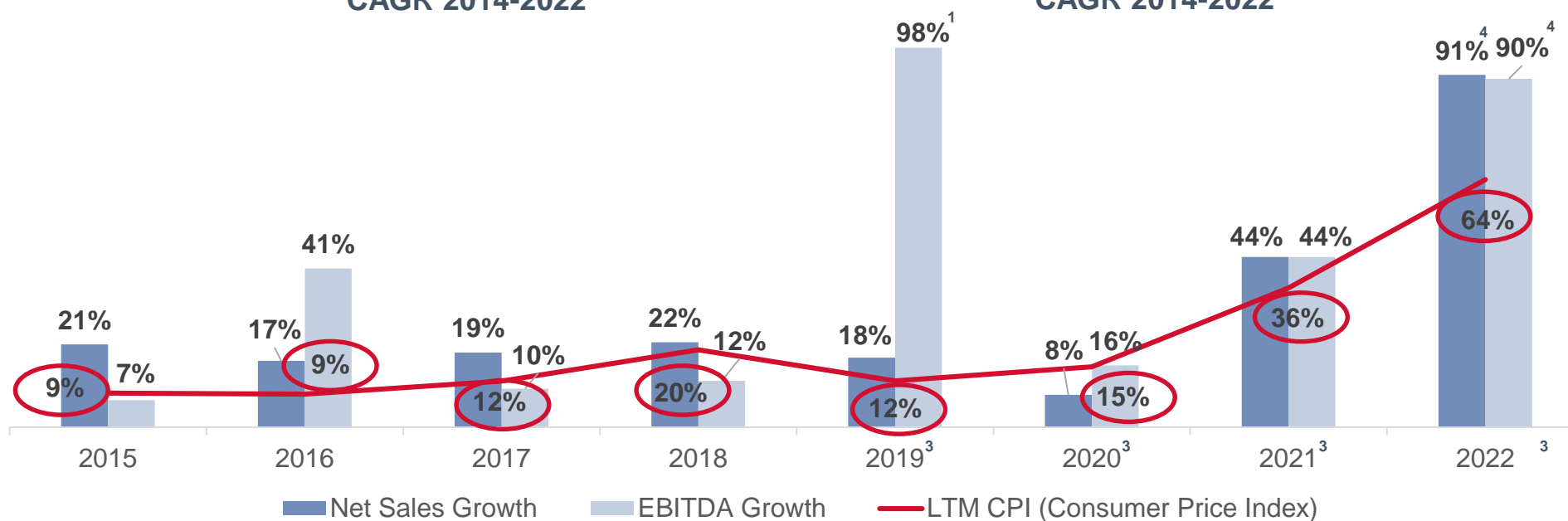
26%

CAGR 2014-2022

EBITDA² (TLm)

35%

CAGR 2014-2022



¹ 2019 EBITDA growth is not comparable due to IFRS 16 adjustment

² EBITDA calculated by deducting general administrative expenses from gross profit and adding depreciation and amortization expenses

³ IFRS 16 adjustments are included in 2019, 2020, 2021, and 2022

⁴ Denotes growth of Revenue and EBITDA vs. the same period of the last year excluding Sentez

6 Outstanding Platform for Further Growth

Proven track record of greenfield expansions and M&A

Total Hospitals
At Year End

25

26

27

29

31

29

30

30

28

Greenfield

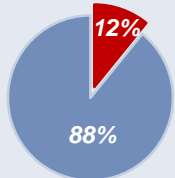
- ✓ MLP Care has added on average c.400 beds p.a.¹ through greenfield projects since 2014
- ✓ Multiple opportunities identified for expanding bed capacity in the near term

M&A

- ✓ MLP Care evaluates new opportunistic M&A opportunities in existing private hospitals
- ✓ Of the **28** hospitals, **8** were M&A
- ✓ Multiple targets in consideration

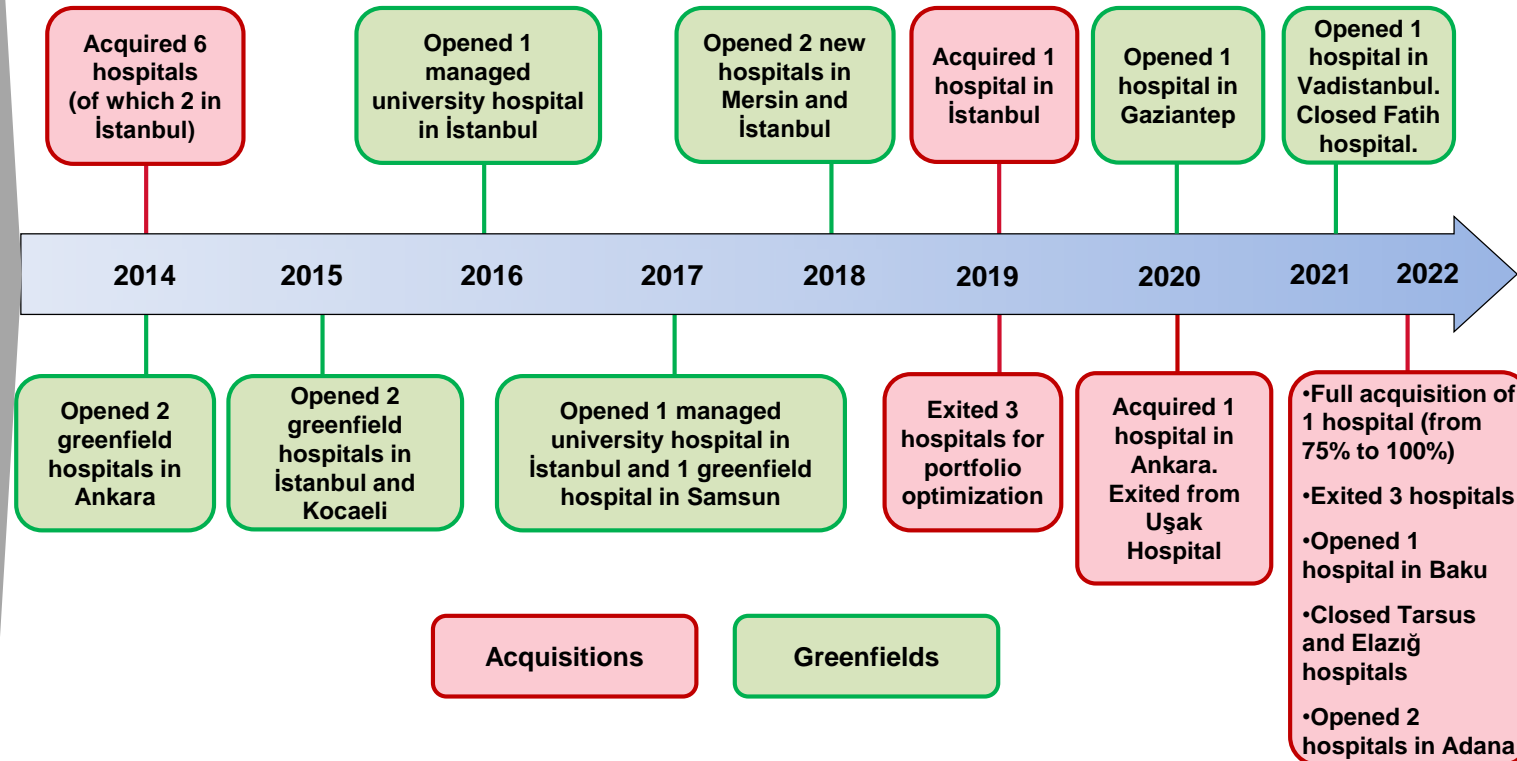
Vast amount of potential targets

Remaining private hospitals 496



Top 4 private players 70

Total private hospitals = 566



6 Outstanding Platform for Further Growth

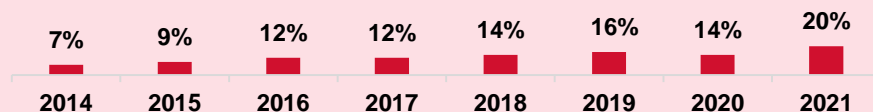
MLP Care has several avenues to continue its growth trajectory

Top line growth via the favourable insurance scheme

- ✓ MLP Care has increased its market share in PMI (private medical insurance) (including Top-up Insurance) over the years, growing its revenue from PMI by **21.9x** from 2014 to 2022
- ✓ Top-up insurance is the fastest growing portion of the PMI market as MLP Care has been a pioneer in the Top-up insurance

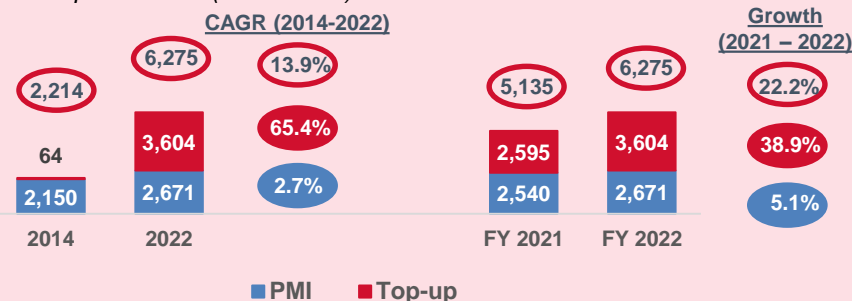
High Growth of MLP Care in the PMI (including Top-up Insurance) market

MLP Care market share in the PMI market¹



Top-up Insurance's total policies sold grew by 48x in 2014 and 9M 2022

Total # of policies sold (in thousand)



Growth through revenue diversification

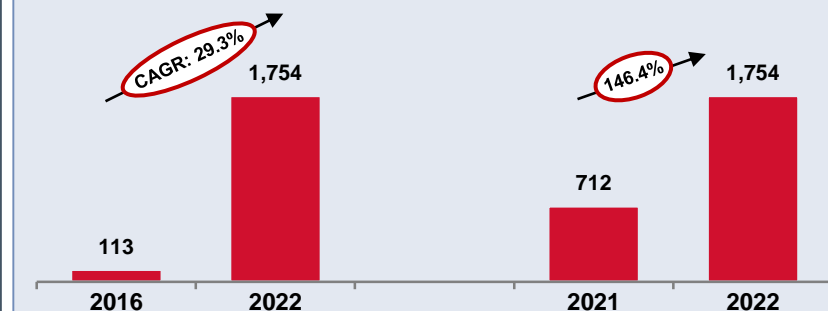
Self-pay

- ✓ Self-Pay share of total pay in MLP Care revenues has **up from c. 27% in 2014 to c. 28% in 2022**
 - Driven by increased share of metropol hospitals in total revenue
 - Increased offerings for elective procedures
 - Expanded premium

Medical tourism

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

MLP Care Medical Tourism Revenue (million TL)



Appendix

Revenue Breakdown By Payor Type

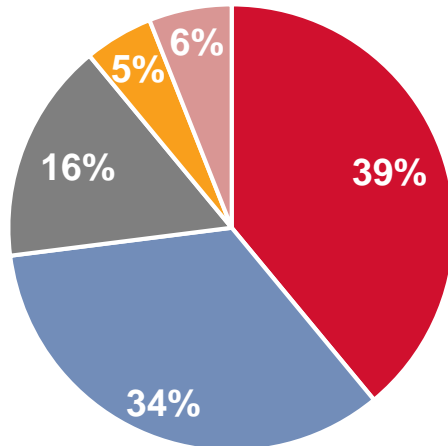
Historical Financial Statements

Capital, Shareholder Structure & Subsidiaries

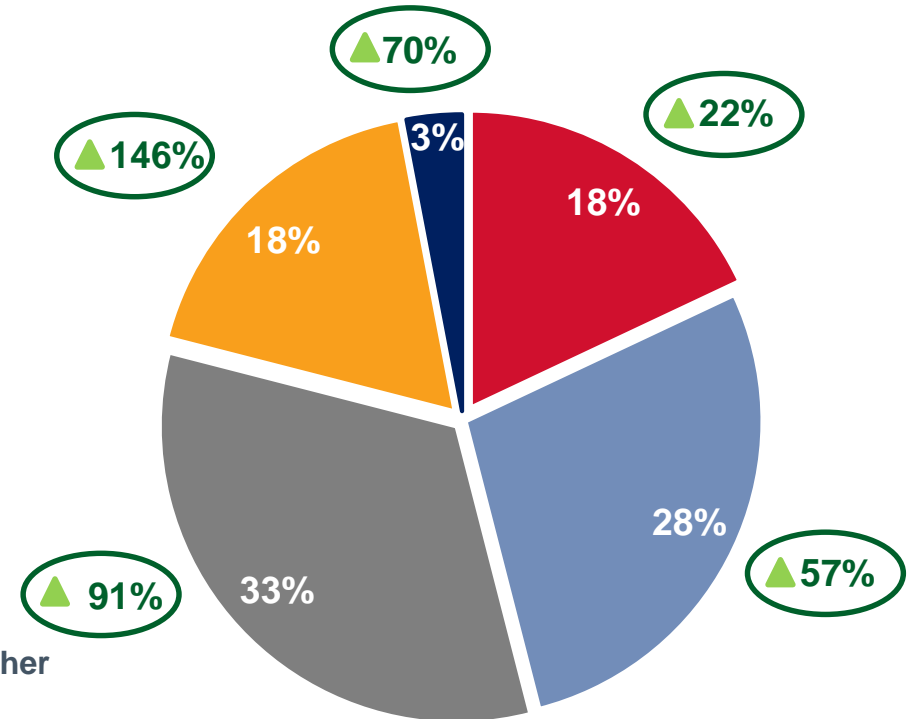
Key Historical Milestones

Revenue Diversification Through Growing Segments

2016



2022



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

- ✓ Revenue from PMI, Top-up & Contracted Institutions grew by 91% in 2022
- ✓ Medical Tourism grew by 146% in 2022
- ✓ SSI Insurance allows for a wide addressable market (c.98% of the total population)
- ✓ Share of self pay continues to increase in total

Historical Balance Sheet

TLm	Audited December 31, 2022	Audited December 31, 2021
Cash and cash equivalents	766	680
Financial investments	214	-
Trade receivables	1,455	1,318
Inventory	661	285
Short term other assets	701	458
Current assets	3,798	2,741
Tangible and intangible fixed assets	2,368	1,716
Right of use assets	932	539
Deferred tax assets	740	422
Long term other assets	599	329
Non-current assets	4,638	3,007
Total assets	8,436	5,748
Trade payables	2,398	1,546
Short term other liabilities	746	498
Short term financial liabilities (incl. financial and operational leases)	1,646	1,274
Current liabilities	4,790	3,318
Long term other liabilities	424	149
Deferred tax liabilities	28	136
Long term financial liabilities (incl. financial and operational leases)	1,386	1,475
Non-current liabilities	1,838	1,761
Shareholders' equity	1,805	539
Non-controlling interest	2	131
Equity	1,807	669
Total liabilities & equity	8,436	5,748

Historical P&L Statements

TLm	Audited 2022	Audited 2021	Change (%)	Unaudited Q4 2022	Unaudited Q4 2021	Change (%)
Revenues	9,837	5,796	69.7%	2,944	1,756	67.7%
Cost of service (-)	(6,992)	(4,217)	65.8%	(2,054)	(1,248)	64.6%
Gross profit	2,845	1,579	80.2%	890	508	75.2%
General administration expenses (-)	(945)	(561)	68.2%	(303)	(247)	22.5%
Other income from operations	417	544	(23.3%)	87	292	(70.0%)
Other expenses from operations (-)	(480)	(546)	(12.2%)	(127)	(297)	(57.3%)
Operating profit / (loss)	1,838	1,016	81.0%	548	256	114.1%
Income from investing activities	162	10	1,542.9%	33	7	370.3%
Expense from investing activities (-)	(104)	(1)	9,865.5%	(91)	(1)	9,429.5%
EBIT	1,896	1,024	85.1%	491	262	87.2%
<i>EBIT margin</i>	19.3%	17.7%	160bps	16.7%	14.9%	174bps
Interest expenses (-)	(534)	(553)	(3.5%)	(211)	(149)	41.1%
Net foreign exchange profit / (loss) (including hedging cost)	(58)	(99)	(41.7%)	(15)	(76)	(80.2%)
Net profit / (loss) before tax	1,304	372	250.8%	265	37	621.7%
Tax income / (expense) from operations	370	(17)	n.m.	330	103	220.0%
Net profit / (loss)	1,675	355	371.5%	595	140	325.4%
Net profit / (loss) non-controlling interest	55	65	(14.5%)	14	14	(0.2%)
Net profit / (loss) equity holders of the parent	1,619	290	457.6%	581	125	363.0%

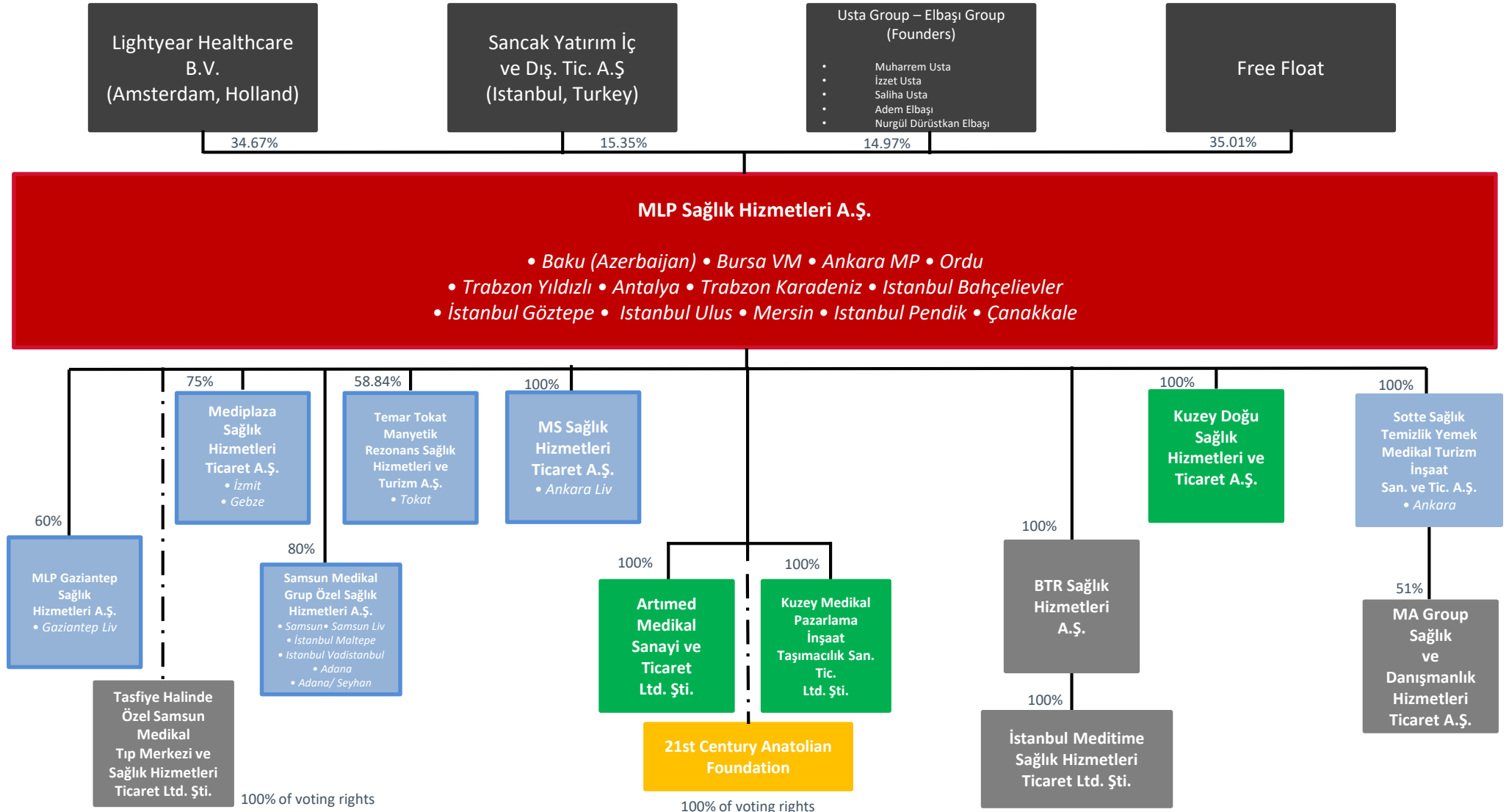
EBITDA Reconciliation

TLm	2022	2021	Q4 2022	Q4 2021
Revenue	9,837	5,796	2,944	1,756
Cost of service	(6,992)	(4,217)	(2,054)	(1,248)
Gross profit	2,845	1,579	890	508
General administrative expenses (-)	(945)	(561)	(303)	(247)
Depreciation and amortization expenses (Cost of service)	409	314	116	91
Depreciation and amortization expenses (General administrative expenses)	36	22	12	6
EBITDA¹	2,346	1,353	716	359
EBITDA Margin (%)¹	23.8%	23.3%	24.3%	20.4%

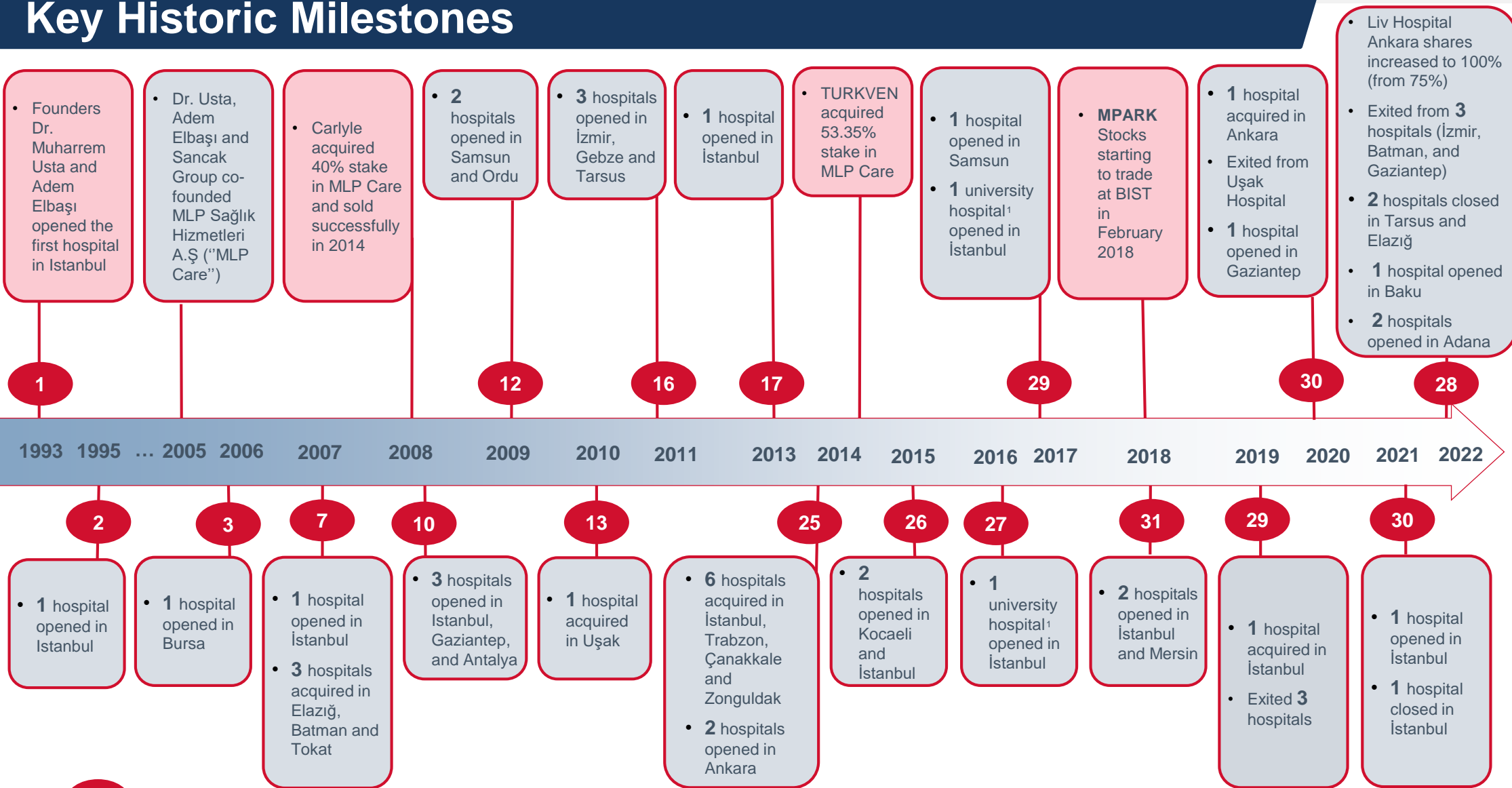
¹EBITDA and EBITDA margin calculated by deducting general administrative expenses from gross profit and adding depreciation and amortization expenses

Capital, Shareholder Structure* & Subsidiaries

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



Key Historic Milestones



Hospitals

¹Managed hospital

Disclaimer

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

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