

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

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
1 JANUARY- MARCH 31, 2023**

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE PERIOD ENDED 1 JANUARY - MARCH 31, 2023**

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# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

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

<b>ASSETS</b>				
			<b>Unaudited</b>	<b>Audited</b>
			<b>31 March</b>	<b>31 December</b>
		<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	4		936,942	765,877
Investments			266,852	214,179
Trade receivables	6		1,708,306	1,455,350
- Due from related parties	3		160	52
- Trade receivables from third parties			1,708,146	1,455,298
Other receivables	7		126,818	123,622
- Due from related parties	3		76,086	76,837
- Other receivables from third parties			50,732	46,785
Inventories	8		651,147	660,884
Prepaid expenses	9		439,844	396,778
Other receivables and current assets	13		166,939	180,813
<b>Total Current Assets</b>			<b>4,296,848</b>	<b>3,797,503</b>
<b>NON CURRENT ASSETS</b>				
Trade receivables			1,053	1,053
Other receivables	7		2,480	2,458
Property, plant and equipment	10		1,359,838	1,348,032
Intangible assets			1,040,164	1,019,791
- Goodwill			33,037	33,037
- Other intangible assets	10		1,007,127	986,754
Right of use assets	11		1,433,272	931,642
Prepaid expenses	9		709,853	595,732
Deferred tax assets	22		710,486	739,548
<b>Total Non-Current Assets</b>			<b>5,257,146</b>	<b>4,638,256</b>
<b>TOTAL ASSETS</b>			<b>9,553,994</b>	<b>8,435,759</b>

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

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

<b>LIABILITIES AND EQUITY</b>		<b>Unaudited 31 March 2023</b>	<b>Audited 31 December 2022</b>
	<b>Notes</b>		
<b>CURRENT LIABILITIES</b>			
Short term borrowings	5	1,117,934	923,742
Short term portion of long term borrowings	5	524,835	484,201
Obligations under finance leases	5	65,771	76,663
Short term lease liabilities	5	288,883	161,674
Trade payables	6	2,542,733	2,397,956
- Due to related parties	3	51,372	55,763
- Trade payables to third parties		2,491,361	2,342,193
Payables related to employee benefits	12	230,371	165,487
Other payables	7	124,040	111,977
- Due to related parties	3	69	787
- Trade payables to third parties		123,971	111,190
Deferred income	9	408,198	341,867
Short term provisions		102,533	75,686
- Short term provisions for employment benefits	12	57,562	34,420
- Other short term provisions	14	44,971	41,266
Current tax liabilities	22	177,369	51,075
<b>Total Current Liabilities</b>		<b>5,582,667</b>	<b>4,790,328</b>
<b>NON CURRENT LIABILITIES</b>			
Long term borrowings	5	110,034	243,439
Obligations under finance leases	5	32,052	39,289
Long term lease liabilities	5	1,513,554	1,103,559
Other payables		288,930	294,087
- Other payables to third parties	7	288,930	294,087
Deferred income	9	67,284	68,594
Long term provisions		81,572	61,422
- Long term provisions for employee benefits	12	81,572	61,422
Deferred tax liabilities	22	3,173	28,046
<b>Total Non-Current Liabilities</b>		<b>2,096,599</b>	<b>1,838,436</b>
<b>EQUITY</b>			
<b>Equity Attributable to the Owner of the Company</b>		<b>1,859,394</b>	<b>1,805,022</b>
Share capital	16	208,037	208,037
Share premium	16	556,162	556,162
Treasury shares		(586,796)	(371,763)
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		(33,893)	(58,511)
- Accumulated gain / (loss) on remeasurement of defined benefit plans		(33,893)	(58,511)
Restricted reserves		10,925	10,722
Accumulated profit/ deficit	16	1,460,173	(158,920)
Net profit for the period		244,786	1,619,295
<b>Non-controlling interests</b>		<b>15,334</b>	<b>1,973</b>
<b>Total Equity</b>		<b>1,874,728</b>	<b>1,806,995</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>9,553,994</b>	<b>8,435,759</b>

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

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

**CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31,2023**

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

	Notes	Unaudited 1 January- 31 March 2023	Unaudited 1 January- 31 March 2022
<b>Profit or loss</b>			
Revenue	17	3,473,678	2,186,803
Cost of sales (-)	17	(2,489,823)	(1,596,037)
<b>Gross profit</b>		<b>983,855</b>	<b>590,766</b>
Administration expenses (-)	18	(348,525)	(197,746)
Other income from operating activities	18	47,558	115,423
Other expenses from operating activities (-)	18	(49,811)	(148,026)
<b>Operating profit / (loss)</b>		<b>633,077</b>	<b>360,417</b>
Income from investing activities	20	10,234	17,266
Expense from investing activities (-)	20	(2,444)	(5,754)
<b>Operating profit before finance expenses</b>		<b>640,867</b>	<b>371,929</b>
Finance expenses (-)	21	(210,566)	(183,745)
Finance income		7,102	21,561
<b>Net profit / (loss) before tax</b>		<b>437,403</b>	<b>209,745</b>
<b>Tax income / (expense) from operations</b>		<b>(179,256)</b>	<b>(9,795)</b>
Current tax expense (-)	22	(179,020)	(39,343)
Deferred tax income / (expense)	22	(236)	29,548
<b>Net profit / (loss)</b>		<b>258,147</b>	<b>199,950</b>
Non-controlling interest		13,361	29,913
Equity holders of the parent		244,786	170,037
		<b>258,147</b>	<b>199,950</b>
<b>Basic gain / (loss) per share</b>	<b>23</b>	<b>1.18</b>	<b>0.82</b>
<b>Other comprehensive income / (expense)</b>		<b>24,618</b>	<b>(1,659)</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit plans		30,773	(2,074)
Income tax relating to items that will not be reclassified subsequently		(6,155)	415
<b>Total comprehensive income / (loss)</b>		<b>282,765</b>	<b>198,291</b>
<b>Total comprehensive income / (loss) distribution:</b>			
Non-controlling interest		13,361	29,913
Equity holders of the parent		269,404	168,378
		<b>282,765</b>	<b>198,291</b>

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

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

### CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31, 2023

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

				Other comprehensive income or expense items not to be reclassified to profit or loss		Accumulated profit / (loss)		Net Profit / (Loss) for the Period	Attributable to Equity Holders of the Parent	Non- Controlling Interest	Total
	Share Capital	Share Premium	Treasury Share	Properties Revaluation Reserves	Accumulated Gain (Loss) on Remeasurement of Defined Benefit Plans	Legal Reserves	Accumulated Deficit				
<b>Balance as at 1 January 2022</b>	<b>208,037</b>	<b>556,162</b>	-	-	<b>(43,569)</b>	<b>10,260</b>	<b>(482,677)</b>	<b>290,423</b>	<b>538,636</b>	<b>130,561</b>	<b>669,197</b>
Other comprehensive loss for the period, net of tax	-	-	-	-	(1,659)	-	-	-	(1,659)	-	(1,659)
Net profit/(loss) for the period	-	-	-	-	-	-	-	170,037	170,037	29,913	199,950
<b>Total comprehensive loss for the period</b>	-	-	-	-	<b>(1,659)</b>	-	-	<b>170,037</b>	<b>168,378</b>	<b>29,913</b>	<b>198,291</b>
Transfers	-	-	-	-	-	-	290,423	(290,423)	-	-	-
Dividend Distribution	-	-	-	-	-	-	(3,724)	-	(3,724)	-	(3,724)
<b>Balance as at 31 March 2022</b>	<b>208,037</b>	<b>556,162</b>	-	-	<b>(45,228)</b>	<b>10,260</b>	<b>(195,978)</b>	<b>170,037</b>	<b>703,290</b>	<b>160,474</b>	<b>863,764</b>
<b>Balance as at 1 January 2023</b>	<b>208,037</b>	<b>556,162</b>	<b>(371,763)</b>	-	<b>(58,511)</b>	<b>10,722</b>	<b>(158,920)</b>	<b>1,619,295</b>	<b>1,805,022</b>	<b>1,973</b>	<b>1,806,995</b>
Other comprehensive loss for the period, net of tax	-	-	-	-	24,618	203	(202)	-	24,619	-	24,619
Net profit/(loss) for the period	-	-	-	-	-	-	-	244,786	244,786	13,361	258,147
<b>Total comprehensive loss for the period</b>	-	-	-	-	<b>24,618</b>	<b>203</b>	<b>(202)</b>	<b>244,786</b>	<b>269,405</b>	<b>13,361</b>	<b>282,766</b>
Transfers	-	-	-	-	-	-	1,619,295	(1,619,295)	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) from share repurchase transactions	-	-	(215,033)	-	-	-	-	-	(215,033)	-	(215,033)
<b>Balance as at 31 March 2023</b>	<b>208,037</b>	<b>556,162</b>	<b>(586,796)</b>	-	<b>(33,893)</b>	<b>10,925</b>	<b>1,460,173</b>	<b>244,786</b>	<b>1,859,394</b>	<b>15,334</b>	<b>1,874,728</b>

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31, 2023

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

	Notes	Unaudited 1 January- 31 March 2023	Unaudited 1 January- 31 March 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>860,965</b>	<b>481,949</b>
<b>Profit / (loss) for the period</b>		258,147	199,950
<b>Profit / (loss) continuing operations</b>		<b>644,569</b>	<b>308,566</b>
- Adjustments related to depreciation and amortization expenses	10,11	178,789	108,884
- Adjustments related to impairment (reversal)		1,270	1,239
<i>Adjustments related to impairment (reversal) of receivables</i>	6	1,270	1,239
- Adjustments related to provisions		81,314	20,158
<i>Adjustments related to (reversal) of provision for employment benefits</i>		79,334	19,604
<i>Adjustments related to lawsuit (reversal) of provision for lawsuit</i>		1,980	554
- Adjustments related to interest (income) expense		197,417	139,548
<i>Adjustments related to interest income</i>		(7,102)	(21,561)
<i>Adjustments related to interest expense</i>	21	204,519	161,109
- Adjustments related to tax (gain) loss	22	179,256	9,795
- Other adjustments related to non-cash items		4,579	40,454
- Adjustments regarding to (gain) loss on sale of fixed assets		1,944	(11,512)
<i>Adjustments regarding to (gain) loss on sale of tangible assets</i>		1,944	(11,512)
<b>Changes in working capital</b>		<b>17,894</b>	<b>12,990</b>
- Adjustments related to increase in trade receivables		(257,523)	(327,478)
- Adjustments related to increase in inventories		9,737	(56,829)
- Adjustments related to increase in trade payables		148,168	234,979
- Adjustments related to increase in other payables from operations		146,598	185,688
- Adjustments related to other (increase) decrease in working capital		(29,086)	(23,370)
<i>Adjustments related to increase in other payables from other asset</i>		(29,086)	(23,370)
<b>Cash generated from operations</b>		<b>920,610</b>	<b>521,506</b>
- Payments related with provision for employee benefits		(5,271)	(4,013)
- Tax paid	22	(52,726)	(35,663)
Payments for other provisions		(1,726)	-
- Other cash inflows (outflows)	6	78	119
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(296,826)</b>	<b>(118,978)</b>
- Proceeds from sales of property, plant, equipment and intangible assets		12	13,423
<i>Proceeds from sales of property, plant, equipment</i>	10	12	13,423
- Payment for purchase of property, plant and equipment, intangible assets		(120,007)	(105,158)
<i>Payment for purchase of property, plant and equipment</i>	10	(92,835)	(103,230)
<i>Payment for purchase of intangible assets</i>	10	(27,172)	(1,928)
- Cash payments for capital expenditures	9	(114,424)	(27,243)
- Interest received	20	(9,734)	-
- Other cash outflows		(52,673)	-

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 1 JANUARY - MARCH 31, 2023

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

	Unaudited 1 January- 31 March 2023	Unaudited 1 January- 31 March 2022
Notes		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(393,074)</b>	<b>(393,513)</b>
- Cash inflows from borrowings	277,548	-
<i>Cash inflows from loans</i>	27,548	-
<i>Cash inflows from debt securities issued</i>	250,000	-
- Bank borrowings paid	(216,446)	(168,759)
<i>Cash used for repayment of borrowings</i>	(146,446)	(18,759)
<i>Cash used for repayment of bonds</i>	(70,000)	(150,000)
- Repayment of lease liabilities	(162,134)	(102,019)
- Repayment of obligations under finance leases	(19,830)	(40,055)
- Interest paid	(64,281)	(100,517)
- Interest received	7,102	21,561
- Dividend paid	-	(3,724)
- Cash Outflows Related to Repurchase of Own Shares or Reduced Capital (-)	(215,033)	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>171,065</b>	<b>(30,542)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4 765,877</b>	<b>680,241</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4 936,942</b>	<b>649,699</b>

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



# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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### 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 March 31, 2023, MLP is the holding company of 14 subsidiaries (December 31, 2022: 14) (collectively referred as the “Group”), each operating in the healthcare sector in Turkey.

The Company’s head office is located in Otakçılar Caddesi No 78 3450, Eyüp, İstanbul.

The Group has an agreement with the Social Security Institution of Turkey (the “SSI”) which includes service commitment in all branches disclosed in the Operations Approval Document. SSI is a state enterprise which pays the healthcare expenditures of the citizens of Turkey who are members of the social security system based on the law numbered 5510, and manages social security premiums and short and long term insurance expenses. According to the agreement, the Group is obliged to provide the healthcare services and to issue invoices to the SSI and patients in line with the Communiqué of Health Services published by the SSI. This transaction is performed through Medula, a web based software system, by assessing the right of the patient and obtaining provisions. As a result of the assessment the expenses relating to patients with no SSI, coverage is not charged to SSI. The healthcare expenses provided to the patients are invoiced based on the terms of the Communiqué of Health Services. In this Communiqué SSI determined a price list based on the treatments provided. Invoices are issued based on the price list announced by the Communiqué. SSI has the right not to pay the invoice or make a deduction if the treatments provided are not in compliance with the terms.

The Company is registered to the Capital Markets Board (“CMB”) and its shares have been quoted on the Borsa İstanbul A.Ş. (“BİAŞ or “Borsa” or “BİST”) since February 13, 2018. In accordance with the resolution numbered 21/655 on July 23, 2010 of CMB; according to the records of Central Registry Agency (CRA); shares representing 33.16% as of March 31 2023, of MLP Sağlık are accepted as “in circulation”. As of April 1, 2023, this ratio is 33.16% (Note 16).

The number of employees of the Group as at 31 March 2023 is 11,846 (31 December 2022: 11,699).

#### Approval of financial statements

Board of Directors has approved the financial statements and delegated authority for publishing it on May 9, 2023.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

As of March 31, 2023, the subsidiaries of the Company are:

<b>Name</b>	<b>Location and base of operation</b>
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
Tasfiye Halinde 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 A.Ş. (“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
Sotte Sağlık Temizlik Yemek Medikal Turizm Insaat San. ve Tic. A.Ş. (“Sotte Sağlık Temizlik Yemek”)	İstanbul - Ankara
MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş. (“MA Group”)	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
Kuzey Doğu Sağlık Hizmetleri ve Tic. A.Ş. (“Kuzey Doğu”)	İstanbul

### 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 31 March 2023 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 2022.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

#### 2.1 Basis of Presentation (Continued)

##### Currency Used

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. For the purpose of the consolidated financial statements, the results and financial position of each entity consolidated are expressed in Turkish Lira ("TL"), which is the functional currency of the Company and all its subsidiaries and the presentation currency of the Group.

##### Inflation accounting

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.

##### 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 31 March 2023, Group management has reclassified interest income amounting to TRY 21,561 included in other operating income in the profit or loss statement for the accounting period 1 January - 31 March 2022 as finance income and reclassified interest income amounting to TRY 21,561 included in cash flows from operating activities to cash flow provided by financial activities.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

(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 March 31, 2023 and December 31, 2022 are as follows:

Subsidiaries	Place of incorporation and operation	31		Principal activity
		31 March 2023	December 2022	
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%	100.00%	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 (2)	İstanbul	100.00%	100.00%	Ancillary Services
Kuzey Doğu	İstanbul	100.00%	100.00%	Ancillary Services

(1) Represents voting power held. In 2022, the liquidation process was started.

(2) Represents voting power held. 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 Sağlık 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 Sağlık has no shareholder interest in the foundation, the financial statements of the foundation are consolidated to the financial statements in accordance with TFRS 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 of the university from its involvement with the investee.

(3) The company decided to liquidate on 25 December 2017.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

#### 2.1 Basis of Presentation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee,
- Is exposed, or has rights, to variable returns from its involvement with the investee and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

#### 2.1 Basis of Presentation (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### 2.2 Changes in Accounting Policies

Significant changes made in accounting policies are applied retrospectively and prior year financial statements are restated. In current period, the Group has no changes in its accounting policies other than the change disclosed in Note 2.1.

#### 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.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

#### 2.5 New and Amended Turkish Financial Reporting Standards

##### a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)</i>

#### **Amendments to TAS 1 *Disclosure of Accounting Policies***

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

#### **Amendments to TAS 8 *Definition of Accounting Estimates***

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

#### **Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

#### **Amendments to TFRS 17 *Insurance Contracts and Initial Application of TFRS 17 and TFRS 9 — Comparative Information***

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

#### 2.5 New and Amended Turkish Financial Reporting Standards (Continued)

##### b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 4	<i>Extension of the Temporary Exemption from Applying TFRS 9</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to TAS 1	<i>Non-current Liabilities with Covenants</i>

#### **TFRS 17 Insurance Contracts**

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2024 for insurance and reinsurance and pension companies.

#### **Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9**

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that insurance and reinsurance and pension companies would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2024 with the deferral of the effective date of TFRS 17.

#### **Amendments to TAS 1 Classification of Liabilities as Current or Non-Current**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

#### **Amendments to TFRS 16 Lease Liability in a Sale and Leaseback**

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

#### **Amendments to TAS 1 Non-current Liabilities with Covenants**

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.



# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

(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 31 March 2023 are as follows:

	31 March 2023			
	Receivable		Payables	
	Current		Current	
Shareholders	Trade	Non-trade	Trade	Non-trade
Muharrem Usta	-	73,299	-	66
Adem Elbaşı	-	2,645	-	-
	-	<b>75,944</b>	-	<b>66</b>
<b>Other companies controlled by the shareholders</b>				
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	13	-	15,001	-
A ve A Sağlık A.Ş. (2)	-	-	17,602	-
Miniso Mağazıcılık A.Ş.	106	-	-	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	5,280	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	1	-	509	-
Saray Eczanesi	-	-	250	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	11,820	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	910	-
Diğer	40	142	-	3
	<b>160</b>	<b>142</b>	<b>51,372</b>	<b>3</b>
	<b>160</b>	<b>76,086</b>	<b>51,372</b>	<b>69</b>

(\*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) A ve A Özel Sağ. Hiz. ve Cih. Teks. San. Tic. Ltd. Şti. provides cleaning materials for the hospitals.
- (2) 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.
- (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.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2022			
	Receivable		Payables	
	Current		Current	
	Trade	Non-trade	Trade	Non-trade
<b>Shareholders</b>				
Muharrem Usta (*)	-	74,103	-	50
Adem Elbaşı	-	2,592	-	-
	-	<b>76,695</b>	-	<b>50</b>
<b>Other companies controlled by the shareholders</b>				
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	6	-	22,783	-
A ve A Sağlık A.Ş. (2)	-	-	21,346	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	3,293	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	1	-	509	-
Saray Eczanesi	-	-	737	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	5,853	-
Mp Sağlık ve Tic. A.Ş.	-	-	-	733
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	513	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	7	-
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	138	-
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	-	-	584	-
Diğer	45	142	-	4
	<b>52</b>	<b>142</b>	<b>55,763</b>	<b>737</b>
	<b>52</b>	<b>76,837</b>	<b>55,763</b>	<b>787</b>

(\*) 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 turnkey 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.

	31 March 2023	31 December 2022
<b>Advance given to related parties, prepaid expenses</b>		
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	13,850	13,850
Sanport Gayrimenkul Geliştirme İnş. Ve Tic. A.Ş.	279	279
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	77	77
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	-	1,002
	<b>14,206</b>	<b>15,208</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

	31 March 2023	31 December 2022
<b>Fixed asset advances given to related parties</b>		
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	299,038	306,817
	<b>299,038</b>	<b>306,817</b>

(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.

	31 March 2023	31 December 2022
<b>Related parties (sale and leaseback transactions)</b>		
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within non-current prepaid expenses)	367	367
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within prepaid expenses)	306	396
	<b>673</b>	<b>763</b>

The balances above are resulting from sale and leaseback transactions of Efes Hospital’s (branch of Sentez Hospital) land, Bahçelievler Hospital’s buildings and are deferred under prepaid expenses and amortised in proportion to the lease payments over the period for which the asset is expected to be used since such losses are compensated for by future lease payments at below market price. Land of Efes Hospital was sold to Sancak Grup Mimarlık İnşaat ve Tic. A.Ş in 2010, resulting in a loss of TRY6,211, which was totally booked under the other current and non-current assets as of December 31, 2010 since the operational leasing agreement would become effective in 2011 and will be effective for 15 years. The building of Bahçelievler Hospital has been sold to Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. in 2009, resulting in a loss of TRY5,591. The duration of leasing agreement of the building is 15 years starting from December 2009. As of March 31, 2023, the Group has incurred rent expense amounting to TRY 90 due to amortization of prepaid rent (December 31, 2022: TRY 367).

	31 March 2023		31 December 2022	
	Short-term	Long-term	Short-term	Long-term
<b>Lease liabilities from related parties</b>				
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş	147,481	23,760	59,265	-
Fom Grup Mimarlık İnşaat Ve Tic. A.Ş.	16,588	79,546	15,274	80,213
Atakum Özel Sağlık Hizmetleri İnş.Turizm ve San. Tic. A.Ş.	3,945	141,791	24,775	47,871
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	17,762	3,418	4,808	-
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	1,896	-	2,943	-
	<b>187,672</b>	<b>248,515</b>	<b>107,065</b>	<b>128,084</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

<b>Purchases from related parties</b>	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
A ve A Sağlık A.Ş. (1)	4.442	10.577
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)(3)(4)	10.024	5.576
	<b>14.466</b>	<b>16.153</b>

- (1) Cleaning material purchases  
(2) Hospital rent expenses  
(3) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.  
(4) Turnkey fixture, private cost and hospital construction, inspection and consultancy services.

<b>Operating expenses (including purchase of services)</b>	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Sanport Gayrimenkul Geliştirme İnş. ve Tic.A.Ş (1)(7)	45,785	32,988
Samsunpark Özel Sağ. Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (4)	16,268	9,236
Atakum Özel Sağlık Hiz. İnş. Turizm ve San. Tic. A.Ş. (1)(7)	11,700	4,902
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş. (1)(7)	-	2,285
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	5,190	2,542
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	4,638	3,978
Mp Sağlık ve Tic.A.Ş. (1)(7)	-	2,281
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1)(7)	3,237	2,185
Miniso Mağazacılık A.Ş.	-	613
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (5)	951	493
Saray Eczanesi (6)	624	692
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. Şti. (2)	320	218
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş. (3)	-	84
	<b>88,713</b>	<b>62,497</b>

- (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) Material purchase expenses  
(8) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

<b>Sales to related parties</b>	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
A ve A Sağlık A.Ş. (1)	78	2,403
Cotyora Med.Özel Sağ.Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	75	40
Miniso Mağazacılık A.Ş.	90	51
Adem Elbaşı	-	96
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	54	41
Samsunpark Özel Sağlık Hiz.İş Sağlığı ve Güvenlik. Dan. Eğitim. Müh.Tic.Ltd. Şti.	183	104
	<b>480</b>	<b>2,735</b>

(1) Outsourcing laboratory services

<b>Interest income from related parties</b>	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Muharrem Usta	4,100	2,830
Adem Elbaşı	145	
	<b>4,245</b>	<b>2,830</b>

#### Compensation of key management personnel:

Key management personnel comprise general managers, deputy general managers and chief physicians of hospitals and head office management team.

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

	<b>1 January- 31 March 2023</b>	<b>1 January- 31 March 2022</b>
Salaries and other short-term benefits	18,112	8,754
	<b>18,112</b>	<b>8,754</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 4 - CASH AND CASH EQUIVALENTS

	<b>31 March 2023</b>	<b>31 December 2022</b>
Cash on hand	7,670	8,349
Cash at banks	916,277	749,830
<i>Demand deposits</i>	297,005	97,571
<i>Time deposits</i>	619,272	652,259
Other cash equivalents (*)	12,995	7,698
	<b>936,942</b>	<b>765,877</b>

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

As of 31 March 2023, the interest rates of the Group's time deposits in TRY, USD and EUR are respectively 8.5%-18.5% (31 December 2022: 9%-17%), 0.15%-0.20% (31 December 2022: 0.15%-0.20%) and 0,15% (31 December 2022: 0.15%) and their terms are less than 3 months.

### NOTE 5 - FINANCIAL INSTRUMENTS

#### Bank Loans and Bonds

<b>Financial Liabilities</b>	<b>31 March 2023</b>	<b>31 December 2022</b>
Short Term Bank Borrowings	267,934	253,742
Short Term Bonds Issued	850,000	670,000
Current Portion of Long Term Borrowings	420,799	420,484
- <i>Current portion of long-term bank loans</i>	420,799	420,484
Interest Expense Accruals	104,036	63,717
Total Short Term Borrowings	<b>1,642,769</b>	<b>1,407,943</b>
Long Term Bank Borrowings	110,034	243,439
Total Long Term Borrowings	<b>110,034</b>	<b>243,439</b>
Total Borrowings	<b>1,752,803</b>	<b>1,651,382</b>

The reconciliation of the liabilities arising from financing activities as of 1 January- 31 March 2023 and 1 January- 31 March 2022 are as follows:

	1 January 2023	Financing cash flows	Foreign exchange effect (Note 21)	Disposal of subsidiary	Other (*)	31 March 2023
Bank loans	1,651,382	101,421	-	-	-	1,752,803
Finance lease obligations	115,952	(19,830)	1,701	-	-	97,823
Lease obligations	1,265,233	(162,134)	4,346	-	694,992	1,802,437
	<b>3,032,567</b>	<b>(80,543)</b>	<b>6,047</b>	<b>-</b>	<b>694,992</b>	<b>3,653,063</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

	1 January 2022	Financing cash flows	Foreign exchange effect (Note 21)	Disposal of subsidiary	Other (*)	31 March 2022
Bank loans	1,625,801	(161,537)	-	-	-	1,464,264
Finance lease obligations	230,557	(40,055)	13,840	-	-	204,342
Lease obligations	892,791	(102,019)	8,796	-	165,931	965,499
	<b>2,749,149</b>	<b>(303,611)</b>	<b>22,636</b>	<b>-</b>	<b>165,931</b>	<b>2,634,105</b>

(\*) 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.

As of March 31, 2023 and December 31, 2022 the repayment schedule of the total borrowings as follows:

#### 31 March 2023

Currency Type	Weighted Average Effective Interest Rate	Current	Non-Current	Total
TRY	26,39%	1,057,009	-	1,057,009
TRY	TlRef+4-TRLibor+4.00-+5.80	585,760	110,034	695,794
		<b>1,642,769</b>	<b>110,034</b>	<b>1,752,803</b>

#### 31 December 2022

Currency Type	Weighted Average Effective Interest Rate	Current	Non-Current	Total
TRY	25.40%	905,854	2,106	907,960
TRY	TlRef+4-TRLibor+3.50-4.00-4.50-5.80	502,089	241,333	743,422
		<b>1,407,943</b>	<b>243,439</b>	<b>1,651,382</b>

As of March 31, 2023, there are no blocked cash accounts related to the group's loans (December 31, 2022: None).

As at March 31, 2023 and December 31, 2022 the repayment schedule of the borrowings in TRY are as follows:

	31 March 2023	31 December 2022
Interest expense accruals	104,036	63,717
To be paid within 1 year (*)	1,538,733	1,344,228
To be paid between 1-2 years	110,034	169,514
To be paid between 2-3 years	-	73,925
	<b>1,752,803</b>	<b>1,651,382</b>

(\*) TRY 208,750 of the loans to be paid within one year consists of revolving loans and TRY 850,000 part consists of bond payments which will be redeemed within 1 year.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

#### Covenants:

The Company has a structured finance facility in place. A syndicate loan agreement was signed on December 31, 2015 with seven banks including Türkiye İş Bankası A.Ş., Türkiye Garanti Bankası A.Ş., Denizbank A.Ş., Denizbank AG, Odeabank A.Ş., ING European Financial Services PLC and ING Bank A.Ş. The withdrawal of the syndicate loan took place in February 2016. As a guarantee for the syndicate loan used, there is a pledge over 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.

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 x4.0 for the year ended December 31, 2016 and for the six months period ended June 30, 2017, x3.5 for the year ended December 31, 2017 and for the six months period ended June 30, 2018, x3.0 for the year ended December 31, 2018 and for the six months period ended June 30, 2019 and x2.5 for the remaining period of the syndicate loan.

#### **Lease Obligations**

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

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Lease Obligations				
Within one year	86,658	99,066	65,771	76,663
In the second to fifth years inclusive	33,074	42,703	32,052	39,289
	<b>119,732</b>	<b>141,769</b>	<b>97,823</b>	<b>115,952</b>
Less : Future finance charges	(21,909)	(25,817)	-	-
Present value of finance lease obligations	<b>97,823</b>	<b>115,952</b>	<b>97,823</b>	<b>115,952</b>
Less: Amounts due to settlement within twelve months (shown under current liabilities)	65,771	76,663	65,771	76,663
Present value of finance lease obligations	<b>32,052</b>	<b>39,289</b>	<b>32,052</b>	<b>39,289</b>

#### **Liabilities arising from lease transactions**

	31 March 2023	31 December 2022
Within one year	288,883	161,674
More than one year	1,513,554	1,103,559
Present value of the lease liabilities	<b>1,802,437</b>	<b>1,265,233</b>



# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 6 - TRADE RECEIVABLES AND PAYABLES

#### Trade Receivables

	31 March 2023	31 December 2022
Current trade receivables		
Trade receivables	1,160,675	999,394
Notes receivables	41,208	41,375
Trade receivables from related parties (Note 3)	160	52
Income accruals from continuing treatments	592,096	496,336
Other trade income accruals	35,915	38,671
Allowance for doubtful receivables (-)	(121,748)	(120,478)
	<b>1,708,306</b>	<b>1,455,350</b>

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

As of March 31, 2023, trade receivables of an initial value of TRY 121,748 (December 31, 2022: TRY 120,478) were fully impaired and fully provided for. No collaterals are received in relation to these trade receivables.

<b>Movement of allowance for doubtful receivables</b>	<b>1 January - 31 March 2023</b>	<b>1 January - 31 December 2022</b>
Balance at beginning of the period	120,478	125,305
Charge for the period (Note 18)	1,348	2,708
Collections (Note 19)	(78)	(560)
Disposal of subsidiary	-	(6,975)
Balance at closing of the period	<b>121,748</b>	<b>120,478</b>

#### Trade Payables

	31 March 2023	31 December 2022
Short term trade payables		
Trade payables	1,798,159	1,710,475
Trade payables due to related parties (Note 3)	51,372	55,763
Other expense accruals	689,345	628,767
Other trade payables	3,857	2,951
	<b>2,542,733</b>	<b>2,397,956</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 7 - OTHER RECEIVABLES AND PAYABLES

#### Other Receivables

	<b>31 March</b>	<b>31 December</b>
<b>Other current receivables</b>	<b>2023</b>	<b>2022</b>
Receivables from tax office	24,152	24,152
Deposits given	8,427	8,275
Non-trading receivables due from related parties (Note 3)	76,086	76,837
Other miscellaneous receivables	18,153	14,358
	<b>126,818</b>	<b>123,622</b>
	<b>31 March</b>	<b>31 December</b>
<b>Other non-current receivables</b>	<b>2023</b>	<b>2022</b>
Deposits and guarantess given	2,480	2,458
	<b>2,480</b>	<b>2,458</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 7 - OTHER RECEIVABLES AND PAYABLES (Continued)

#### Other Payables

	31 March 2023	31 December 2022
<b>Other current payables</b>		
Other taxes and funds payable	75,217	62,040
Payables relating to business combinations (*)	45,752	46,794
Non-trading payables due to related parties (Note 3)	69	787
Other miscellaneous payables	3,002	2,356
	<b>124,040</b>	<b>111,977</b>
<b>Other non-current payables</b>		
Payables relating to business combinations (*)	288,930	294,087
	<b>288,930</b>	<b>294,087</b>

(\*) The Group has committed a payment schedule that will continue in the upcoming years as a result of some business combination contracts signed in 2014, 2020 and 2022. This liability represents the net present value of forthcoming payments.

### NOTE 8 – INVENTORIES

	31 March 2023	31 December 2022
Laboratory inventory	19,917	19,917
Pharmaceutical inventory	121,871	139,024
Medical consumables inventory	509,017	501,836
Other inventory	342	107
	<b>651,147</b>	<b>660,884</b>

### NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

#### Prepaid Expenses

	31 March 2023	31 December 2022
<b>Short term prepaid expenses</b>		
Order advances (*)	391,829	342,309
Prepaid insurance expenses	22,187	36,110
Prepaid rent expenses	5,480	260
Prepaid sponsorship expenses	2,639	1,620
Other	17,709	16,479
	<b>439,844</b>	<b>396,778</b>

(\*) Advances consist of mainly the turnkey hospital projects regarding new and renovated hospitals and the order advances given for the construction services for the hospitals under construction.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

#### Prepaid Expenses (Continued)

	<b>31 March</b>	<b>31 December</b>
<b>Long term prepaid expenses</b>	<b>2023</b>	<b>2022</b>
Fixed asset advances given (*)	706,937	592,512
Prepaid rent expenses	306	397
Other	2,610	2,823
	<b>709,853</b>	<b>595,732</b>

(\*) Advances consist of mainly the turnkey hospital projects regarding new and renovated hospitals and the order advances given for the construction services for the hospitals under construction.

#### Deferred Income

	<b>31 March</b>	<b>31 December</b>
<b>Short term accrued income</b>	<b>2023</b>	<b>2022</b>
Advances received (*)	355,874	295,139
Deferred revenue	52,324	46,728
	<b>408,198</b>	<b>341,867</b>

(\*) Advances are received from mainly local and medical tourism related patients with regards to cost of their treatments. After treatments are completed, realized remunerations are netted with advances.

	<b>31 March</b>	<b>31 December</b>
<b>Long term accrued income</b>	<b>2023</b>	<b>2022</b>
Deferred revenue	67,284	68,594
	<b>67,284</b>	<b>68,594</b>

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

#### NOTE 10 - PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS

<u>Cost</u>	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
Opening balance as of 1 January 2023	817	1,071,861	1,846	481,082	389,373	925,007	89,387	2,959,373
Additions	-	14,549	500	36,515	-	13,721	27,550	92,835
Disposals	-	(213)	-	(12)	-	-	-	(225)
Transfers	-	56,878	-	28,666	-	-	(85,544)	-
Closing balance as of 31 March 2023	<b>817</b>	<b>1,143,075</b>	<b>2,346</b>	<b>546,251</b>	<b>389,373</b>	<b>938,728</b>	<b>31,393</b>	<b>3,051,983</b>
<u>Accumulated depreciation</u>								
Opening balance as of 1 January 2023	(126)	(636,531)	(1,224)	(268,959)	(321,282)	(383,219)	-	(1,611,341)
Charge for the period (*)	(2)	(30,224)	(43)	(15,813)	(5,642)	(29,293)	-	(81,017)
Disposals	-	213	-	-	-	-	-	213
Closing balance as of 31 March 2023	<b>(128)</b>	<b>(666,542)</b>	<b>(1,267)</b>	<b>(284,772)</b>	<b>(326,924)</b>	<b>(412,512)</b>	<b>-</b>	<b>(1,692,145)</b>
Carrying value as of 31 March 2023	<b>689</b>	<b>476,533</b>	<b>1,079</b>	<b>261,479</b>	<b>62,449</b>	<b>526,216</b>	<b>31,393</b>	<b>1,359,838</b>

(\*) Depreciation and amortization expense of TRY 76,962 (January 1 - March 31, 2022: TRY 55,523) has been charged in ‘cost of service’, TRY 10,854 (January 1-March 31, 2022: TRY 7,439) has been charged in ‘operating expenses’ for the period ended between January 1- March 31, 2023.

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

<u>Cost</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Furniture and fixture</u>	<u>Leased assets</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
Opening balance as of 1 January 2022	817	881,016	1,551	444,028	436,934	723,446	80,237	2,568,029
Additions	-	40,296	-	29,946	-	22,727	10,261	103,230
Disposals	-	(1,863)	-	(695)	(421)	-	-	(2,979)
Transfers	-	39,034	-	17,996	(6,839)	-	(50,191)	-
Closing balance as of 31 March 2022	<b>817</b>	<b>958,483</b>	<b>1,551</b>	<b>491,275</b>	<b>429,674</b>	<b>746,173</b>	<b>40,307</b>	<b>2,668,280</b>
<u>Accumulated depreciation</u>								
Opening balance as of 1 January 2022	(111)	(599,327)	(1,586)	(274,258)	(346,256)	(331,758)	-	(1,553,296)
Charge for the period (*)	(3)	(26,750)	(18)	(10,391)	(8,164)	(14,638)	-	(59,964)
Disposals	-	1,590	-	300	35	-	-	1,925
Transfers	-	(53)	53	-	-	-	-	-
Closing balance as of 31 March 2022	<b>(114)</b>	<b>(624,540)</b>	<b>(1,551)</b>	<b>(284,349)</b>	<b>(354,385)</b>	<b>(346,396)</b>	<b>-</b>	<b>(1,611,335)</b>
Carrying value as of 31 March 2022	<b>703</b>	<b>333,943</b>	<b>-</b>	<b>206,926</b>	<b>75,289</b>	<b>399,777</b>	<b>40,307</b>	<b>1,056,945</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

<u>Cost</u>	Licenses	Rights	Other	Total
Opening balance as of 1 January 2023	845,824	203,741	3,081	1,052,646
Additions	-	27,172	-	27,172
Closing balance as of 31 March 2023	<b>845,824</b>	<b>230,913</b>	<b>3,081</b>	<b>1,079,818</b>

#### Accumulated amortization

Opening balance as of 1 January 2023	-	(64,710)	(1,182)	(65,892)
Charge for the period	-	(6,596)	(203)	(6,799)
Closing balance as of 31 March 2023	-	<b>(71,306)</b>	<b>(1,385)</b>	<b>(72,691)</b>

Carrying value as of 31 March 2023	<b>845,824</b>	<b>159,607</b>	<b>1,696</b>	<b>1,007,127</b>
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<u>Cost</u>	Licenses	Rights	Other	Total
Opening balance as of 1 January 2022	596,072	117,180	3,245	716,497
Additions	-	1,928	-	1,928
Disposals	-	(857)	-	(857)
Closing balance as of 31 March 2022	<b>596,072</b>	<b>118,251</b>	<b>3,245</b>	<b>717,568</b>

#### Accumulated amortization

Opening balance as of 1 January 2022	-	(52,272)	(1,147)	(53,419)
Charge for the period	-	(2,941)	(57)	(2,998)
Closing balance as of 31 March 2022	-	<b>(55,213)</b>	<b>(1,204)</b>	<b>(56,417)</b>

Carrying value as of 31 March 2022	<b>596,072</b>	<b>63,038</b>	<b>2,041</b>	<b>661,151</b>
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### NOTE 11- RIGHT OF USED ASSETS

	<b>Hospital Buildings</b>	<b>Total</b>
Opening balance as of 1 January 2023	931,642	931,642
Additions	592,603	592,603
Charge for the year (*)	(90,973)	(90,973)
Closing balance as of 31 March 2023	<b>1,433,272</b>	<b>1,433,272</b>

(\*) For the period ended March 31, 2023, right of use assets depreciation expenses of TRY 90,070 has been charged to ‘cost of service’ (1 January – 31 March 2022: TRY 45,172), TRY 903 to ‘general administrative and marketing expenses (1 January – 31 March 2022: TRY 750).

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 11 - RIGHT OF USE ASSETS (Continued)

	<b>Hospital Buildings</b>	<b>Total</b>
Opening balance as of 1 January 2022	539,308	539,308
Additions	112,561	112,561
Charge for the year (*)	(45,922)	(45,922)
Closing balance as of 31 March 2022	<b>605,947</b>	<b>605,947</b>

### NOTE 12- PAYABLES FOR EMPLOYEE BENEFITS

	31 March 2023	31 December 2022
<b><u>Payables for employment benefits:</u></b>		
Fees payable to doctors and other personnel	171,456	111,285
Social security premiums payable	58,915	54,202
	<b>230,371</b>	<b>165,487</b>

	31 March 2023	31 December 2022
<b><u>Short term provision for employment benefits:</u></b>		
Unused vacation provision	57,562	34,420
	<b>57,562</b>	<b>34,420</b>

	31 March 2023	31 December 2022
<b><u>Long term provision for employment benefits:</u></b>		
Unused vacation provision	39,020	20,244
Retirement pay provision	42,552	41,178
	<b>81,572</b>	<b>61,422</b>

### NOTE 13 - OTHER ASSETS AND LIABILITIES

	31 March 2023	31 December 2022
<b><u>Other current assets:</u></b>		
VAT carried forward	159,815	141,109
Other miscellaneous current assets	7,124	39,704
	<b>166,939</b>	<b>180,813</b>

### NOTE 14 - PROVISIONS

	31 March 2023	31 December 2022
<b><u>Other short-term provisions:</u></b>		
Litigation provisions	32,480	30,501
Social Security discounts provisions	12,491	10,765
	<b>44,971</b>	<b>41,266</b>



# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 15 - COMMITMENTS

<b>31 March 2023</b>	<b>TOTAL</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>
A. CPM given on behalf of its own legal entity	375,156	369,006	156	152
<i>-Collateral</i>	375,156	369,006	156	152
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
B. CPM given on behalf of the subsidiaries included infull consolidation (*)	79,711	79,711	-	-
<i>-Collateral</i>	79,711	79,711	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
C. CPM given for execution of ordinary commercial activities to collect third parties debt				
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner				
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C				
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
iii. Total amount of CPM on behalf of third parties that do not cover C,				
<i>-Teminat</i>	-	-	-	-
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
	<b>454,867</b>	<b>448,717</b>	<b>156</b>	<b>152</b>

(\*) The Group has given guarantees amounting to TRY 61,727 related to the loans in Note 5 for the companies under full consolidation.

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 15 - COMMITMENTS (Continued)

<b>31 December 2022</b>	<b>TOTAL</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>
A. CPM given on behalf of its own legal entity	342,671	336,753	156	150
<i>-Collateral</i>	342,671	336,753	156	150
<i>-Pledge</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
B. CPM given on behalf of the subsidiaries included infull consolidation (*)	68,678	68,678	-	-
<i>-Collateral</i>	68,678	68,678	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
C. CPM given for execution of ordinary commercial activities to collect third parties debt	-	-	-	-
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner	-	-	-	-
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C	-	-	-	-
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
iii. Total amount of CPM on behalf of third parties that do not cover C,	-	-	-	-
<i>-Teminat</i>	-	-	-	-
<i>-Collateral</i>	-	-	-	-
<i>-Pledge</i>	-	-	-	-
<i>-Mortgage</i>	-	-	-	-
	<b>411,349</b>	<b>405,431</b>	<b>156</b>	<b>150</b>

(\*) The Group has given guarantees amounting to TRY 61,727 related to the loans in Note 5 for the companies under full consolidation.

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 16 - SHARE CAPITAL/OTHER RESERVES

Shareholders	%	31 March	%	31 December
		2023		2022
Lightyear Healthcare B.V.	34.67%	72,131	34.67%	72,131
Sancak Yatırım İç 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
Publicly Traded (**)	35.01%	72,833	35.01%	72,833
<b>Nominal capital</b>	<b>100.00%</b>	<b>208,037</b>	<b>100.00%</b>	<b>208,037</b>

(\*) As of March 9, 2023, the title of Sancak İnşaat Turizm Nakliyat ve Dış Ticaret A.Ş. has been registered as Sancak Yatırım İç ve Dış Ticaret A.Ş..

(\*\*) 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; 3,642 thousand shares representing 5% of the publicly traded portion were purchased by Lightyear (“Lightyear Healthcare B.V.” ve “Hujori Financieringen B.V.”), 1,613 thousand shares representing 2.21% of the publicly traded portion of the capital were purchased by Sancak Yatırım, 943 thousand shares representing 1.29% of the publicly traded portion of the capital were purchased by Muharrem Usta, 314 thousand shares representing 0.43% of the publicly traded portion of the capital were purchased by Adem Elbaşı and lastly other shareholders purchased 314 shares representing 0.43% of the publicly traded portion. 1,613 thousand shares purchased by Sancak İnşaat from the publicly traded portion were sold on September 24, 2018. 126 thousand shares purchased by İzzet Usta and 18 thousand shares purchased by Adem Elbaşı from the publicly traded portion were sold.

As of March 31, 2023 the total number of ordinary shares is 208,037 thousand shares (2022: 208,037 thousand shares) with a par value of TRY 1 per share (2022: TRY 1 per share).

The share capital is divided into 208,037 thousand shares (December 31, 2022: 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 33.16% of the shares are in circulation in accordance with CSD as of March 31, 2023 (Note 1). Shares in circulation rate is 33.16% as of April 1, 2023.

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.

	31 March	31 December
	2023	2022
Share Premiums	556,162	556,162
	<b>556,162</b>	<b>556,162</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 16- SHARE CAPITAL/OTHER RESERVES (Continued)

#### Reserves:

	<b>31 March 2023</b>	<b>31 December 2022</b>
Legal reserves	302	764
Restricted reserves appropriated from profit	10,623	9,958
	<u>10,925</u>	<u>10,722</u>

#### Legal reserves

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

### NOTE 17 - REVENUE AND COST OF SERVICES

<b>Revenue</b>	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Hospital services (*)	3,473,678	2,186,803
	<u>3,473,678</u>	<u>2,186,803</u>

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

<b>Cost of services</b>	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Material consumption	(432,404)	(406,035)
Doctor expenses	(800,469)	(464,717)
Personnel expenses	(600,037)	(296,463)
Depreciation and amortization expenses (Note 10,11)	(167,032)	(100,695)
Services rendered by third parties	(218,677)	(152,678)
Rent expenses (Hospitals)	(20,574)	(16,453)
Other (*)	(250,630)	(158,996)
	<u>(2,489,823)</u>	<u>(1,596,037)</u>

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 18 - OPERATING EXPENSES

<b>General administrative expenses</b>	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Personnel expenses	(161,803)	(73,120)
Sponsorship and advertising expenses (*)	(124,914)	(81,824)
Depreciation and amortization expenses (Note 10,11)	(11,757)	(6,879)
Outsourcing expenses	(9,769)	(16,048)
Rent Expenses	(5,409)	(2,974)
Taxes and duties	(1,085)	(985)
Bad debt allowance (Note 6)	(1,348)	(1,239)
Representation and entertainment expenses	(243)	(1,247)
Maintenance and repair expenses	(1,853)	(1,576)
Utility expenses	(993)	(779)
Communication expenses	(2,584)	(3,884)
Litigation expense	(1,980)	(554)
Turism project expense	(19,142)	-
Other	(5,645)	(6,637)
	<b>(348,525)</b>	<b>(197,746)</b>

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

### NOTE 19 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

<b>Other income from operating activities</b>	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Foreign exchange gains from operations	14,834	105,871
Trade payables discount	3,501	322
Bank commission income	12,228	5,460
Collection of doubtful receivables (Note 6)	78	119
Other income	16,917	3,651
	<b>47,558</b>	<b>115,423</b>

<b>Other expenses from operating activities</b>	<b>1 January - 31 March 2023</b>	<b>1 January - 31 March 2022</b>
Foreign exchange losses from operations	(14,641)	(75,547)
SSI return expenses	(4,868)	(23,504)
Non-operational hospital expenses	(5,731)	(4,867)
Depreciation and amortization expenses (Note 10,11)	-	(1,310)
Trade receivables discount	(110)	(3,898)
Biomedical equipment damage	(1,425)	(9,084)
Other expenses	(23,036)	(29,816)
	<b>(49,811)</b>	<b>(148,026)</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 20 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	1 January - 31 March 2023	1 January - 31 March 2022
<b>Income from investing activities</b>		
Exchange rate protected deposits	9.734	-
Gain on sale of fixed assets	500	17.266
	<b>10.234</b>	<b>17.266</b>
<b>Expense from investing activities</b>		
Loss on sale of fixed assets	(2.444)	(5.754)
	<b>(2.444)</b>	<b>(5.754)</b>

### NOTE 21 - FINANCE EXPENSES

	1 January - 31 March 2023	1 January - 31 March 2022
<b>Finance expenses (-)</b>		
Interest expenses from bank borrowings	(21,340)	(50,943)
Interest expenses from financial lease obligations	(4,058)	(5,349)
Interest expenses from bonds issued	(39,192)	(27,160)
Bank commissions	(23,738)	(12,674)
Interest expenses from lease liabilities	(99,919)	(53,370)
Other interest expenses	(16,272)	(11,613)
Total interest expenses	<b>(204,519)</b>	<b>(161,109)</b>
Net foreign exchange loss	(1,701)	(13,840)
Net foreign exchange loss from lease liabilities (Note 5)	(4,346)	(8,796)
	<b>(210,566)</b>	<b>(183,745)</b>
<b>Finance income</b>		
Interest income	7,102	21,561
	<b>7,102</b>	<b>21,561</b>

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

	31 March 2023	31 December 2022
<b>Short term payables due to current tax</b>		
Current period tax liabilities	177,369	51,075
	<b>177,369</b>	<b>51,075</b>
<b>Current tax liabilities</b>		
Current corporate tax provision	179,020	61,647
Less: Prepaid taxes and funds	(1,651)	(10,572)
	<b>177,369</b>	<b>51,075</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

<u>Tax (expense) / income</u>	<u>1 January - 31 March 2023</u>	<u>1 January - 31 March 2022</u>
Current tax income	(179,020)	(39,343)
Deferred tax income / (expense)	(236)	29,548
	<u>(179,256)</u>	<u>(9,795)</u>

#### Corporate Tax

The Group is subject to Turkish corporate taxes in force. The necessary provisions are allocated in the consolidated financial statements for the estimated liabilities based on the Group's results for the year. 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 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 20% in 2023 (2022 23%).

In Turkey, provisional tax is calculated and accrued on a quarterly basis. The provisional tax rate to be calculated on corporate earnings during the taxation phase of 2021 corporate earnings as of temporary tax periods is 20% (2022: 23%). 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.

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.

Pursuant to the Law No. 7440 on the "Restructuring of Certain Receivables and Amending Certain Laws" published in the Official Gazette on 12 March 2023, by being shown in the corporate tax return for the year 2022, in accordance with the regulations in the laws, an additional tax of 10% should be calculated on the exemptions and deductions subject to deduction from corporate income and on the bases subject to reduced corporate tax, without being associated with the period income, and at the rate of 5% over the exempted earnings. As of 31 March 2023, the Company's accrued amount for the related tax in addition to the corporate tax is TRY 136,620, and the payment for the said tax will be made in two installments in 2023.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

#### Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for 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 2023, tax rate used in the calculation of deferred tax assets and liabilities was 20% over temporary timing differences (31 December 2022: 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 2022, 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 (31 December 2022: TRY 434,143 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 TRY 413,126 (December 31, 2022: TRY 366,510). 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 TRY 3,546 will be netted off against personnel expenses over the period of 2020-2026.

As of March 31, 2023, the Group has tax loss amounting to TRY 59,949 (December 31, 2022: TRY 59,902). TRY 11,990 (December 31, 2022: TRY 13,777) deferred tax assets have been recorded concerning this loss.

	<b>31 March</b>	<b>31 December</b>
<b><u>Deferred tax assets / (liabilities):</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Tax losses carried forward	11,990	13,777
Depreciation differences of tangible and intangible assets	93,579	187,429
Provision for employment termination benefits	8,510	8,236
Vacation pay liability	19,316	10,933
Temporary difference between the tax base and carrying amount	(4,037)	(3,691)
Prepaid building expenses	287	(158)
Tax advantage from investment incentive	413,126	366,510
Right of use asset	67,651	66,718
Other	96,891	61,748
	<b><u>707,313</u></b>	<b><u>711,502</u></b>
Deferred tax asset	710,486	739,548
Deferred tax liability	(3,173)	(28,046)
	<b><u>707,313</u></b>	<b><u>711,502</u></b>



# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

	31 March 2023	31 December 2022
<u>Expiration schedule of carryforward tax losses</u>		
	Losses carried forward for which deferred tax assets recognized	Losses carried forward for which deferred tax assets recognized
Expiring in 2023	932	12,257
Expiring in 2024	12,242	4,379
Expiring in 2025	14,375	14,375
Expiring in 2026	4,660	9,320
Expiring in 2027	11,687	19,571
Expiring in 2028	16,053	
	<b>59,949</b>	<b>59,902</b>

Movement of deferred tax (assets)/liabilities for the period ended March 31, 2023 and March 31, 2022 are as follows:

#### Movement of deferred tax liabilities:

	1 January - 31 March 2023	1 January - 31 March 2022
Opening balance as of January 1	(711,502)	(285,462)
Charged to profit or loss	236	(29,548)
Charged to equity	3,953	(415)
Closing balance as at year end	<b>(707,313)</b>	<b>(315,425)</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

<b><u>Reconciliation of tax provision:</u></b>	<b><u>1 January - 31 Mart 2023</u></b>	<b><u>1 January - 31 Mart 2022</u></b>
Loss before tax	437,403	209,745
Tax at the domestic income tax rate of 20% (2022: 23%)	(87,481)	(48,241)
Tax effects of:		
- Expenses that are not deductible in	(14,450)	(21,939)
- Effect of tax advantage from investment incentive	46,616	28,155
- Change in income tax rate from 23% to 20%	13,885	(9,634)
- Reduced corporate tax effect	29,453	24,004
- Other (*)	(167,279)	17,860
Income tax income recognised in profit or loss	<b><u>(179,256)</u></b>	<b><u>(9,795)</u></b>

(\*) It is due to the additional tax payable amounting to TRY 136,620 in accordance with the Law No. 7440 on the "Restructuring of Certain Receivables and Amending Certain Laws" published in the Official Gazette on 12 March 2023.

### NOTE 23 - EARNINGS PER SHARE

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

<b>Earnings / (loss) per share</b>	<b><u>1 January - 31 March 2023</u></b>	<b><u>1 January - 31 March 2022</u></b>
Weighted average number of shares	208,037	208,037
Net gain/(loss) for the period for the equity holders of the par	244,786	170,037
<b>Earnings per share</b>	<b>1.18</b>	<b>0.82</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### NOTE 24 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial Risk Factors

##### Foreign currency risk management

#### Foreign currency risk

Transactions in foreign currencies expose the Company to foreign currency risk. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	31 March 2023			
	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	77,405	3,405	587	(2)
2a. Monetary financial assets	436,183	20,326	1,940	272
2b. Non monetary financial assets	58,749	1,130	1,771	8
3. Other	10,053	-	482	-
<b>4. CURRENT ASSETS</b>	<b>582,390</b>	<b>24,861</b>	<b>4,780</b>	<b>278</b>
6b. Non monetary financial assets	72,035	3,761	-	-
7. Other	(726)	-	(35)	-
<b>8. NON-CURRENT ASSETS</b>	<b>71,309</b>	<b>3,761</b>	<b>(35)</b>	<b>-</b>
<b>9. TOTAL ASSETS</b>	<b>653,699</b>	<b>28,622</b>	<b>4,745</b>	<b>278</b>
10. Trade payables	(6,345)	(131)	(184)	-
11b. Financial liabilities (leasing)	(35,651)	(280)	(1,453)	-
11c. Lease Liabilities	(16,622)	-	(797)	-
12a. Other monetary liabilities	(151,383)	(5,018)	(2,571)	(71)
<b>13. CURRENT LIABILITIES</b>	<b>(210,001)</b>	<b>(5,429)</b>	<b>(5,005)</b>	<b>(71)</b>
15b. Financial liabilities (leasing)	(3,106)	-	(149)	-
15c. Lease Liabilities	(79,711)	-	(3,824)	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>(82,817)</b>	<b>-</b>	<b>(3,973)</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>(292,818)</b>	<b>(5,429)</b>	<b>(8,978)</b>	<b>(71)</b>
<b>20. NET FOREIGN CURRENCY ASSET LIABILITY POSITION (9+18+19)</b>	<b>360,881</b>	<b>23,193</b>	<b>(4,233)</b>	<b>207</b>
<b>21. MONETARY ITEMS NET FOREIGN CURRENCY ASSET/LIABILITY POSITION (1+2a+10+11a+11b+11c+12a+14+15a+15b+15c+16a)</b>	<b>220,770</b>	<b>18,302</b>	<b>(6,451)</b>	<b>199</b>

As a result of the evaluation of the provision of the temporary 14th article of the Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law published in the Official Gazette dated 29.01.2022 and numbered 31734; On January 2, 2023, January 10, 2023, and February 13, 2023, foreign currency protected deposit transactions amounting to TRY 96,337 (USD 5,000), TRY 37,579 (2,000 USD) and TRY 132,936 (6,600 EUR) were made. Since the related EUR and USD balances are converted to TRY on the transaction date, it is not included in the above mentioned Foreign Currency Position.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

	31 December 2022			
	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	66,361	3,061	460	(2)
2a. Monetary financial assets	539,391	26,834	1,737	134
2b. Non monetary financial assets	34,190	37	1,677	3
3. Other	8,951	-	449	-
<b>4. CURRENT ASSETS</b>	<b>648,892</b>	<b>29,932</b>	<b>4,323</b>	<b>135</b>
6b. Non monetary financial assets	62,359	3,335	-	-
7. Other	(186)	-	(9)	-
<b>8. NON-CURRENT ASSETS</b>	<b>62,180</b>	<b>3,335</b>	<b>(9)</b>	<b>-</b>
<b>9. TOTAL ASSETS</b>	<b>711,072</b>	<b>33,267</b>	<b>4,314</b>	<b>135</b>
10. Trade payables	(9,954)	(332)	(187)	-
11b. Financial liabilities (leasing)	(46,185)	(280)	(2,050)	-
11c. Lease Liabilities	(15,338)	-	(768)	-
12a. Other monetary liabilities	(129,437)	(4,026)	(2,653)	(46)
<b>13. CURRENT LIABILITIES</b>	<b>(200,914)</b>	<b>(4,638)</b>	<b>(5,658)</b>	<b>(46)</b>
15b. Financial liabilities (leasing)	(5,752)	-	(288)	-
15c. Lease Liabilities	(80,582)	-	(4,035)	-
<b>17. NON-CURRENT LIABILITIES</b>	<b>(86,334)</b>	<b>-</b>	<b>(4,323)</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>(287,247)</b>	<b>(4,638)</b>	<b>(9,981)</b>	<b>(46)</b>
<b>20. NET FOREIGN CURRENCY ASSET LIABILITY POSITION (9+18+19)</b>	<b>423,825</b>	<b>28,629</b>	<b>(5,667)</b>	<b>89</b>
<b>21. MONETARY ITEMS NET FOREIGN CURRENCY ASSET/LIABILITY POSITION (1+2a+10+11a+11b+11c+12a+14+15a+15b+15c+16a)</b>	<b>318,505</b>	<b>25,257</b>	<b>(7,784)</b>	<b>86</b>

#### 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 before tax.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

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

	<b>31 March 2023</b>	
	Profit / (Loss)	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/liability	88,844	(88,844)
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1 +2)</b>	<b>88,844</b>	<b>(88,844)</b>
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/liability	(17,647)	17,647
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<b>(17,647)</b>	<b>17,647</b>
<b>TOPLAM (3+6)</b>	<b>71,197</b>	<b>(71,197)</b>
	<b>31 December 2022</b>	
	Profit / (Loss)	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/liability	107,063	(107,063)
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1 +2)</b>	<b>107,063</b>	<b>(107,063)</b>
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/liability	(22,593)	22,593
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<b>(22,593)</b>	<b>22,593</b>
<b>TOPLAM (3+6)</b>	<b>84,470</b>	<b>(84,470)</b>

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

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **AS AT MARCH 31, 2023**

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

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#### **NOTE 25 - EVENTS AFTER THE REPORTING PERIOD**

Syndication loan was signed with seven banks consisting of 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. on 31 December 2015. The syndication loan was used in February 2016. As a result of these transactions, the pledge on Company’s shares have been fully removed as of 24 April 2023.

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2023

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

### APPENDIX I 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 March 31, 2023 and March 31, 2022 are as follow:

<b>EBITDA CALCULATION</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
i. Net loss before tax	437,403	209,745
ii. Depreciation and amortization of tangible and intangible fixed assets including non-cash provisions related to assets such as goodwill	178,789	108,884
iii. Total net finance expenses, net of interest income	197,417	139,548
iv. Fx gains/losses, net under finance expenses	6,047	22,636
v. Fair value differences of derivative instruments (Note 21)	-	-
vi. Extraordinary (income)/expenses	28,992	24,410
vii. Rediscount income/expense (net imputed interest)	(3,391)	3,576
viii. Gain on bargain purchase price	-	-
ix. Legal case provision expenditures which are reflected to financial statements by the general accounting principles;	1,980	554
x. Unused vacation pay provision expenses which are reflected to financial statements by the general accounting principles;	41,918	13,616
xi. Retirement pay provision expenses which are reflected to financial statements by the general accounting principles;	37,416	5,988
xii. Doubtful receivables provision expenses which are reflected to financial statements by the general accounting principles;	1,270	1,120
xiii. Non cash sale and lease back expenses which are reflected to financial statements by the general accounting principles (Note 3);	197	197
ciii. (Income)/expenses from investment operations;	(7,790)	(11,512)
<b>EBITDA</b>	<b>920,248</b>	<b>518,762</b>
IFRS 16 Lease payment effect	(162,134)	(102,019)
<b>Adjusted EBITDA</b>	<b>758,114</b>	<b>416,743</b>