

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

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

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
1 JANUARY- 31 DECEMBER 2023  
AND INDEPENDENT AUDITOR'S REPORT**

## INDEPENDENT AUDITOR'S REPORT

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

### A) Report on the Audit of the Consolidated Financial Statements

#### 1) Opinion

We have audited the consolidated financial statements of MLP Sağlık Hizmetleri A.Ş. (“the Company”) and its subsidiaries (all together “the Group”), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”s).

#### 2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (“Code of Ethics”) published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3) Emphasis of Matter

Consolidated financial statements as of 31 December 2023 are subject to inflation adjustment in accordance with TAS 29 “*Financial Reporting in Hyperinflationary Economies*” within the scope of the “*Announcement on the Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit*” dated 23 November 2023 published by the POA. Accordingly, we draw attention to Note 2 of the consolidated financial statements, which describes the transition to inflation accounting. Our opinion is not modified in respect of this matter.

## 4) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="236 499 454 526"><i>Revenue recognition</i></p> <p data-bbox="236 560 762 763">The Group's main source of revenue is hospital services income. The measurement of revenue from the hospital services and recognition to correct period are determined in accordance with the protocol opened at patient admission process for each patient and invoices are issued over the accounting system.</p> <p data-bbox="236 797 762 911">In addition, income relating to patient treatments which are partially completed but not invoiced at financial reporting date is accounted as income accruals.</p> <p data-bbox="236 945 762 1059">Since there may be a risk of misstatement possibility in recognition of revenue in respect of correct amount and correct period, this matter is considered as key audit matter.</p> <p data-bbox="236 1093 762 1182">Explanations regarding accounting policies related to revenue and the amounts are disclosed in Note 2.5 and Note 20.</p>	<p data-bbox="786 499 1398 555">The following procedures were performed during the audit.</p> <p data-bbox="786 589 1398 678">The design and implementation of relevant controls defined by the Management in the revenue cycle are evaluated.</p> <p data-bbox="786 712 1398 969">The reconciliation between the service revenue data extracted from accounting system and the consolidated financial statements is controlled and the completeness and accuracy of this data is tested. Substantive procedures have been applied for the samples selected by sampling method from the data determined as the population. Such substantive procedures include examination of invoices and collections and timing of the revenue recognized regarding selected samples.</p> <p data-bbox="786 1003 1398 1093">In addition, samples are selected from the service revenue recognized subsequent to reporting period and tested whether revenue is recognized in the correct period.</p> <p data-bbox="786 1126 1398 1272">As per these procedures, for the Social Security Institution ("SSI") revenue, Medula, a SSI central program, have been controlled and the completeness and accuracy of service revenue, which are checked and approved by SSI, are evaluated.</p> <p data-bbox="786 1305 1398 1597">The details for revenue from the records related to the service revenues that have been accrued as of the date of the consolidated financial statement have been obtained and the accuracy of the data has been tested and the reconciliation with the consolidated financial statement has been evaluated. Patient records have been compared with the samples selected from the relevant data and the examination of completeness and accuracy of the amount recorded as revenue recognized in the correct period is evaluated.</p> <p data-bbox="786 1630 1398 1686">In addition, the adequacy of disclosures in Note 20 Revenue is evaluated in accordance with TFRS.</p>

## 4) Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="199 360 475 387"><i>Assessment of impairment</i></p> <p data-bbox="188 421 759 506">The Group has TL 3.677.848 thousand hospital licences presented under intangible assets in the consolidated financial statements.</p> <p data-bbox="188 539 759 685">Since the assessment of impairment contains a number of significant judgments and there may be a risk of misstatement possibility in calculation of impairment in respect of these intangible assets, this matter is considered as key audit matter.</p> <p data-bbox="188 719 759 804">The value of Group's hospital licenses and goodwill is supported via value-in-use calculations based on the future cash flow forecasts.</p> <p data-bbox="188 837 759 922">Explanations regarding accounting policies related to revenue and the amounts are disclosed in Note 2.5 and Note 12.</p>	<p data-bbox="786 360 1390 421">The audit procedures regarding the impairment analysis performed by the Group Management is explained below.</p> <p data-bbox="786 454 1390 539">The reasonableness of the Group Management's assessment regarding any impairment indicator in these assets are evaluated.</p> <p data-bbox="786 573 1390 869">The assumptions and estimations used by Management in the determination of recoverable amounts of hospital licences and goodwill are evaluated by us. This evaluation includes review of basic curves, analysis of hospital revenue and costs and review of hospital capital expenditure estimations. Factors that have a significant impact on cash flow projections including service volumes and costs, service costs, operational and growth rates, operating capital and investment expenditures have been analyzed.</p> <p data-bbox="786 902 1390 987">In addition, the adequacy of disclosures in Note 12 Tangible and Other Intangible Assets is evaluated in accordance with TFRS.</p>

## 5) Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 8 March 2023.

## 6) Other Information

Management is responsible for the other information, which is presented in Appendix 1. The other information comprises non-TFRS measures.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **7) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **8) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements..

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## 8) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 19 March 2024.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2023 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

**B) Report on Other Legal and Regulatory Requirements (Continued)**

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Volkan Becerik.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Volkan Becerik, SMMM  
Partner

İstanbul, 19 March 2024

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

<b>INDEX</b>	<b>PAGE</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....</b>	<b>1-2</b>
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME .....</b>	<b>3</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>4</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>5</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>6-77</b>
NOTE 1 ORGANIZATION AND OPERATIONS OF THE GROUP .....	6-7
NOTE 2 BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS .....	7-30
NOTE 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS .....	31-33
NOTE 4 INTERESTS IN OTHER ENTITIES .....	33
NOTE 5 RELATED PARTY DISCLOSURES .....	34-38
NOTE 6 CASH AND CASH EQUIVALENTS .....	38
NOTE 7 FINANCIAL INSTRUMENTS.....	39-42
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	43
NOTE 9 OTHER RECEIVABLES AND PAYABLES.....	44
NOTE 10 INVENTORIES .....	44
NOTE 11 PREPAID EXPENSES AND DEFERRED INCOME .....	45
NOTE 12 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS .....	46-48
NOTE 13 RIGHT-OF-USE ASSETS .....	49
NOTE 14 GOODWILL .....	49-50
NOTE 15 EMPLOYEE BENEFITS .....	51-52
NOTE 16 OTHER CURRENT ASSETS.....	52
NOTE 17 PROVISIONS, CONTINGENT ASSETS AND PAYABLES.....	52-53
NOTE 18 COMMITMENTS .....	53-54
NOTE 19 SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS .....	55-56
NOTE 20 REVENUE AND COST OF SALES .....	56
NOTE 21 GENERAL ADMINISTRATIVE EXPENSES .....	57
NOTE 22 OTHER INCOME AND EXPENSE FROM OPERATING ACTIVITIES .....	57-58
NOTE 23 INCOME AND EXPENSES FROM INVESTING ACTIVITIES .....	58
NOTE 24 FINANCE EXPENSES.....	58
NOTE 25 INCOME TAXES (INCLUDING DEFERRED TAX ASSET AND LIABILITIES).....	59-62
NOTE 26 EARNINGS PER SHARE .....	63
NOTE 27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.....	63-72
NOTE 28 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING).....	73-75
NOTE 29 BUSINESS COMBINATIONS.....	75-76
NOTE 30 EVENTS AFTER THE REPORTING PERIOD.....	76
<b>APPENDIX I OTHER ADDITIONAL INFORMATION .....</b>	<b>77</b>

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

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

		Audited	Audited
	Notes	31 December 2023	31 December 2022
<b>ASSETS</b>			
<b>Current Assets:</b>		<b>8.459.545</b>	<b>6.964.561</b>
Cash and cash equivalents	6	2.812.373	1.261.961
Financial investments	7	--	352.909
Trade receivables	8	3.657.198	3.009.894
- Due from related parties	5,8	113	86
- Trade receivables from third parties		3.657.085	3.009.808
Other receivables	9	212.981	203.696
- Due from related parties	5,9	134.865	126.607
- Other receivables from third parties		78.116	77.089
Inventories	10	1.076.596	1.173.794
Prepaid expenses	11	491.648	664.376
Other current assets	16	208.749	297.931
<b>Non-current Assets:</b>		<b>19.955.558</b>	<b>15.651.507</b>
Trade receivables	8	1.053	1.735
Other receivables	9	222.539	4.050
Property plant and equipment	12	3.865.840	3.509.971
Intangible assets		4.492.593	4.458.315
- Goodwill	14	512.279	512.279
- Other intangible assets	12	3.980.314	3.946.036
Right of use assets	13	7.241.449	4.485.867
Prepaid expenses	11	2.322.864	1.818.132
Deferred tax assets	25	1.809.220	1.373.437
<b>TOTAL ASSETS</b>		<b>28.415.103</b>	<b>22.616.068</b>

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

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

		Audited	Audited
	Notes	31 December 2023	31 December 2022
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>		<b>8.886.964</b>	<b>7.968.031</b>
Short term borrowings	7	2.166.870	1.522.077
Short term portion of long term borrowings	7	500.125	797.832
Obligations under finance leases	7	39.451	126.320
Short term lease liabilities	7	355.985	266.395
Trade payables	8	4.082.221	3.951.182
- Due to related parties	5,8	60.032	91.882
- Trade payables to third parties		4.022.189	3.859.300
Payables related to employee benefits	15	345.895	272.678
Other payables	9	184.982	184.507
- Due to related parties	5,9	61	1.296
- Other payables to third parties		184.921	183.211
Deferred income	11	857.144	638.172
Short term provisions		125.466	124.710
- Short term provisions for employment benefits	15	78.409	56.715
- Other short term provisions	17	47.057	67.995
Current tax liabilities	25	228.825	84.158
<b>Non-current Liabilities:</b>		<b>6.635.816</b>	<b>4.751.037</b>
Long term borrowings	7	1.072.954	401.122
Obligations under finance leases	7	14.918	64.738
Long term lease liabilities	7	1.905.391	1.818.366
Other payables		272.231	484.576
- Other payables to third parties	9	272.231	484.576
Deferred income	11	33.681	113.024
Long term provisions		112.823	101.207
- Long term provisions for employee benefits	15	112.823	101.207
Deferred tax liabilities	25	3.223.818	1.768.004
<b>EQUITY:</b>		<b>12.892.323</b>	<b>9.897.000</b>
<b>Equity Attributable to the Owner of the Company:</b>		<b>12.675.031</b>	<b>9.891.660</b>
Share capital	19	208.037	208.037
Share capital adjustment differences	19	2.129.483	2.129.483
Share premium	19	2.645.882	2.645.882
Treasury shares	19	(1.925.591)	(650.344)
Other comprehensive income or expenses that will not be reclassified		(40.788)	18.431
- Accumulated gain/(loss) on remeasurement of defined benefit plans		(40.788)	18.431
Restricted reserves	19	65.511	64.571
Accumulated income		5.062.903	734.003
Net profit for the period		4.529.594	4.741.597
<b>Non-controlling interest</b>		<b>217.292</b>	<b>5.340</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>28.415.103</b>	<b>22.616.068</b>

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

# MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023

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

		Audited 1 January-31 December 2023	Audited 1 January-31 December 2022
	Dipnotlar		
<b>PROFIT OR LOSS</b>			
Revenue	20	22.449.345	18.902.871
Cost of sales (-)	20	(16.018.962)	(14.015.535)
<b>GROSS PROFIT</b>		<b>6.430.383</b>	<b>4.887.336</b>
General administration expenses (-)	21	(2.188.941)	(1.869.451)
Other income from operating activities	22	953.189	897.874
Other expenses from operating activities (-)	22	(822.946)	(940.611)
<b>OPERATING PROFIT</b>		<b>4.371.685</b>	<b>2.975.148</b>
Income from investing activities	23	78.129	999.939
Expense from investing activities (-)	23	(10.723)	(176.699)
<b>OPERATING PROFIT BEFORE FINANCE EXPENSE</b>		<b>4.439.091</b>	<b>3.798.388</b>
Finance expenses (-)	24	(1.713.213)	(1.241.346)
Monetary gain/(loss)		3.099.062	2.223.522
<b>NET PROFIT BEFORE TAX</b>		<b>5.824.940</b>	<b>4.780.564</b>
<b>Tax expense from operations</b>			
Current tax expense	25	(534.583)	(106.007)
Deferred tax gain/loss net	25	(542.425)	216.887
<b>NET PROFIT</b>		<b>4.747.932</b>	<b>4.891.444</b>
<b>Allocation of net profit</b>			
Non-controlling interest		218.338	149.847
Equity holders of the parent		4.529.594	4.741.597
<b>NET PROFIT FOR THE YEAR</b>		<b>4.747.932</b>	<b>4.891.444</b>
Basic gain per share	26	21,77	22,79
<b>OTHER COMPREHENSIVE EXPENSES</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit plans		(78.959)	24.575
Income tax relating to items that will not be reclassified subsequently		19.740	(6.144)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>4.688.713</b>	<b>4.909.875</b>
<b>Total comprehensive profit distribution</b>			
Non-controlling interest		218.338	149.847
Equity holders of the Parent		4.470.375	4.760.028

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



















































































































































