

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

MLP SAĐLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
1 JANUARY- MARCH 31, 2024**

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 1 JANUARY - MARCH 31, 2024**

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2024

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

		Unaudited	Audited
	Notes	31 March 2024	31 December 2023
ASSETS			
Current Assets:		9.248.377	9.733.857
Cash and cash equivalents	4	2.556.553	3.236.015
Trade receivables		4.440.661	4.208.105
- Due from related parties	3,6	463	130
- Trade receivables from third parties	6	4.440.198	4.207.975
Other receivables		231.069	245.064
- Due from related parties	3,7	157.970	155.181
- Other receivables from third parties	7	73.099	89.883
Inventories	8	1.282.447	1.238.771
Prepaid expenses	9	524.415	565.708
Other current assets	13	213.232	240.194
Non-current Assets:		23.645.174	22.961.589
Trade receivables	6	1.053	1.212
Other receivables	7	298.117	256.061
Property plant and equipment	10	4.340.906	4.448.176
Intangible assets		5.152.754	5.169.341
- Goodwill		589.447	589.447
- Other intangible assets	10	4.563.307	4.579.894
Right of use assets	11	9.590.277	8.332.273
Prepaid expenses	9	2.916.446	2.672.772
Deferred tax assets	22	1.345.621	2.081.754
TOTAL ASSETS		32.893.551	32.695.446

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 OF MARCH 31, 2024

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

		Unaudited	Audited
	Notes	31 March 2024	31 December 2023
LIABILITIES AND EQUITY			
Current Liabilities:		9.699.061	10.225.662
Short term borrowings	5	1.502.539	2.493.279
Short term portion of long term borrowings	5	565.842	575.462
Obligations under finance leases	5	35.422	45.394
Short term lease liabilities	5	569.543	409.609
Trade payables		4.716.736	4.697.151
- Due to related parties	3,6	77.770	69.075
- Trade payables to third parties	6	4.638.966	4.628.076
Payables related to employee benefits	12	534.978	397.999
Other payables		408.964	212.847
- Due to related parties	3,7	57	70
- Other payables to third parties	7	408.907	212.777
Deferred income	9	957.424	986.262
Short term provisions		170.393	144.365
- Short term provisions for employment benefits	12	122.763	90.220
- Other short term provisions	14	47.630	54.145
Current tax liabilities	22	237.220	263.294
Non-current Liabilities:		8.033.200	7.635.411
Long term borrowings	5	1.035.454	1.234.580
Obligations under finance leases	5	10.161	17.165
Long term lease liabilities	5	2.459.966	2.192.412
Other payables		266.947	313.239
- Other payables to third parties	7	266.947	313.239
Deferred income	9	23.040	38.755
Long term provisions		166.649	129.818
- Long term provisions for employee benefits	12	166.649	129.818
Deferred tax liabilities	22	4.070.983	3.709.442
EQUITY:		15.161.290	14.834.373
Equity Attributable to the Owner of the Company:		14.925.420	14.584.349
Share capital	16	208.037	208.037
Adjustments for paid-in capital		2.481.598	2.481.598
Share premium		3.044.448	3.044.448
Treasury shares	16	(2.580.402)	(2.215.655)
Other comprehensive income or expenses that will not be reclassified		(24.102)	(46.932)
- Accumulated gain/(loss) on remeasurement of defined benefit plans		(24.102)	(46.932)
Restricted reserves	16	75.379	75.379
Accumulated income		11.037.474	5.931.614
Net profit for the period		682.988	5.105.860
Non-controlling interest		235.870	250.024
TOTAL LIABILITIES AND EQUITY		32.893.551	32.695.446

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, 2024

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

		Unaudited	Unaudited
	Dipnotlar	1 January-31 March 2024	1 January-31 March 2023
PROFIT OR LOSS			
Revenue	17	7.960.251	6.009.784
Cost of sales (-)	17	(5.884.701)	(4.513.238)
GROSS PROFIT		2.075.550	1.496.546
General administration expenses (-)	18	(648.695)	(621.161)
Other income from operating activities	19	287.820	82.180
Other expenses from operating activities (-)	19	(275.863)	(86.191)
OPERATING PROFIT		1.438.812	871.374
Income from investing activities	20	216	17.244
Expense from investing activities (-)	20	--	(4.212)
OPERATING PROFIT BEFORE FINANCE EXPENSE		1.439.028	884.406
Finance expenses (-)	21	(596.422)	(637.465)
Monetary gain/(loss)		495.297	649.946
NET PROFIT BEFORE TAX		1.337.903	896.887
Tax expense from operations			
Current tax expense	22	(173.773)	(301.640)
Deferred tax gain/loss net	22	(412.204)	(252.070)
NET PROFIT		751.926	343.177
Allocation of net profit			
Non-controlling interest		68.938	21.564
Equity holders of the parent		682.988	321.613
NET PROFIT FOR THE YEAR		751.926	343.177
Basic gain per share	23	3,28	1,55
OTHER COMPREHENSIVE EXPENSES			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(30.440)	21.004
Income tax relating to items that will not be reclassified subsequently		7.610	(4.201)
TOTAL COMPREHENSIVE INCOME		729.096	359.980
Total comprehensive profit distribution			
Non-controlling interest		68.938	21.564
Equity holders of the Parent		660.158	338.416

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, 2024

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

	Share capital	Share premium	Positive distinction from share capital adjustment	Treasury shares	Properties Revaluation Reserves	Accumulated gain/(loss) on remeasurement of defined benefit plans	Restricted reserves	Accumulated deficit	Net profit for the period	Equity Attributable to the Owner of the Company	Non-controlling interest	Total equity
Balance as at January 1, 2023	208.037	3.044.448	2.481.598	(748.309)	--	21.208	74.298	844.571	5.455.853	11.381.704	6.145	11.387.849
Other comprehensive income for the period, net of tax	--	--	--	--	--	(16.803)	--	--	--	(16.803)	--	(16.803)
Net profit for the period	--	--	--	--	--	--	--	--	321.613	321.613	19.692	341.305
Total comprehensive gain/(loss) for the period	--	--	--	--	--	(16.803)	--	--	321.613	304.810	19.692	324.502
Transfers	--	--	--	--	--	--	342	5.455.511	(5.455.853)	--	--	--
Increase/(decrease) due to share repurchase transactions	--	--	--	(373.650)	--	--	--	--	--	(373.650)	--	(373.650)
Loss of control in subsidiaries (*)	--	--	--	--	--	--	--	--	--	--	(152.727)	(152.727)
Balance as at March 31, 2023	208.037	3.044.448	2.481.598	(1.121.959)	--	4.405	74.640	6.300.082	321.613	11.312.864	25.837	11.338.701
Balance as at January 1, 2024	208.037	3.044.448	2.481.598	(2.215.655)	--	(46.932)	75.379	5.931.614	5.105.860	14.584.349	250.024	14.834.373
Other comprehensive income for the period, net of tax	--	--	--	--	--	22.830	--	--	--	22.830	--	22.830
Net profit for the period	--	--	--	--	--	--	--	--	682.988	682.988	(14.154)	668.834
Total comprehensive gain/(loss) for the period	--	--	--	--	--	22.830	--	--	682.988	705.818	(14.154)	691.664
Transfers	--	--	--	--	--	--	--	5.105.860	(5.105.860)	--	--	--
Increase/(decrease) due to share repurchase transactions	--	--	--	(364.747)	--	--	--	--	--	(364.747)	--	(364.747)
Balance as at March 31, 2024	208.037	3.044.448	2.481.598	(2.580.402)	--	(24.102)	75.379	11.037.474	682.988	14.925.420	235.870	15.161.290

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED CASH FLOWS AS OF MARCH 31, 2024

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

	Notes	Unaudited 1 January- 31 March 2024	Unaudited 1 January- 31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		751.926	343.177
Profit / (loss) continuing operations		403.393	548.795
- Adjustments related to depreciation and amortization expenses	10,11	606.955	454.204
- Adjustments related to impairment (reversal)		9.775	15.674
<i>Adjustments related to impairment (reversal) of receivables</i>	6	9.775	15.674
- Adjustments related to provisions		34.939	(14.823)
<i>Adjustments related to (reversal) of provision for employment benefits</i>		22.830	(16.803)
<i>Adjustments related to lawsuit (reversal) of provision for lawsuit</i>		12.109	1.980
- Adjustments related to interest (income) expense		417.143	373.252
<i>Adjustments related to interest income</i>	21	(124.827)	(28.322)
<i>Adjustments related to interest expense</i>	21	541.970	401.574
- Adjustments related to tax (gain) loss	22	585.977	553.710
- Other adjustments related to non-cash items		(24.523)	(4.179)
- Adjustments regarding to (gain) loss on sale of fixed assets		(216)	3.323
<i>Adjustments regarding to (gain) loss on sale of tangible assets</i>		(216)	3.323
Monetary gain/(loss)		(1.226.657)	(832.366)
Changes in working capital		938.302	1.492.317
- Adjustments related to increase in trade receivables		(822.614)	(1.066.900)
- Adjustments related to increase in inventories		(43.676)	101.476
- Adjustments related to increase in trade payables		680.949	1.892.282
- Adjustments related to increase in other payables from operations		222.766	129.468
- Adjustments related to other (increase) decrease in working capital		900.877	435.991
<i>Adjustments related to increase in other payables from other asset</i>		900.877	435.991
Cash generated from operations		2.093.621	2.384.289
- Payments related with provision for employee benefits		(20.322)	(89.174)
- Tax paid	22	(228.825)	(359.672)
- Prepayments for other provisions		565	(1.460)
- Other cash inflows (outflows)	6	24	544
CASH FLOWS FROM INVESTING ACTIVITIES		(375.437)	(539.698)
Proceeds from sales of property, plant, equipment and intangible assets		252	20
<i>Proceeds from sales of property, plant, equipment</i>		252	20
Payment for purchase of property, plant and equipment, intangible assets		(132.576)	(208.733)
<i>Payment for purchase of property, plant and equipment</i>	10	(130.529)	(163.469)
<i>Payment for purchase of intangible assets</i>	10	(2.047)	(45.264)
Cash payments for capital expenditures		(243.113)	(303.777)
Interest received		--	16.355
Other cash outflows		--	(43.563)
CASH FLOWS FROM FINANCING ACTIVITIES		(1.725.444)	(582.005)
Cash inflows from borrowings		94.626	277.548
<i>Cash inflows from loans</i>		94.626	27.548
<i>Cash inflows from debt securities issued</i>		--	250.000
Bank borrowings paid		(634.070)	(216.446)
<i>Cash used for repayment of borrowings</i>		(134.070)	(146.446)
<i>Cash used for repayment of bonds</i>		(500.000)	(70.000)
Repayment of lease liabilities		(310.565)	(162.133)
Repayment of obligations under finance leases		(16.976)	(55.011)
Interest paid		(618.539)	(64.280)
Interest received		124.827	11.967
Cash Outflows Related to Repurchase of Own Shares or Reduced Capital (-)		(364.747)	(373.650)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		(255.818)	812.824
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(423.644)	(686.179)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(679.462)	126.645
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	3.236.015	1.452.057
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	2.556.553	1.578.702

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 OF MARCH 31, 2024

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

MLP Sağlık Hizmetleri A.Ş. (“MLP Sağlık”) has started its healthcare services operations in 1993, with the opening of Sultangazi Medical Center within the structure of Yükseliş Sağlık Hizmetleri Gıda Tekstil San. Ltd. Şti. in which Muharrem Usta is the majority shareholder. Following this, in 1995, it continues its operations, with the opening of Fatih Hospital under the legal entity of Saray Sağlık Hizmet Ticaret ve Sanayi A.Ş. in which Muharrem Usta was the majority shareholder. In 2005, with the establishment of MLP Sağlık, Fatih and Sultangazi Hospitals were merged under the legal entity of MLP Sağlık.

As of March 31, 2024, MLP is the holding company of 14 subsidiaries (December 31, 2023: 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 2024, of MLP Sağlık are accepted as “in circulation”. As of April 1, 2024, this ratio is 33.16% (Note 16).

The number of employees of the Group as at 31 March 2024 is 11,907 (31 December 2023: 12,677).

Approval of financial statements

Board of Directors has approved the financial statements and delegated authority for publishing it on May 28, 2024.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

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

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

As of March 31, 2024, the subsidiaries of the Company are:

Name	Location and base of operation
Temar Tokat Manyetik Rezonans Sağlık Hizmetleri ve Turizm A.Ş. (“Tokat Hastanesi”)	Tokat
Samsun Medikal Grup Özel Sağlık Hizmetleri A.Ş. (“Samsun Hastanesi”)	Samsun-İstanbul
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 İnşaat 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 2024 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 2023.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

(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)

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.

Restatement of financial statements during periods of high inflation

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In this framework, while preparing the consolidated financial statements dated 31 March 2024, 31 December 2023 and 31 March 2023 inflation adjustment has been made in accordance with TAS 29.

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Turkey are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index (“CPI”) is more than 100%.

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Indeks	Adjustment Coefficient
31.03.2024	2.139,47	1.000
31.12.2023	1.859,38	1.151
31.12.2022	1.128,45	1.896

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

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

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

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.

2.1 Basis of Presentation (Continued)

Basis of Consolidation

The details of the Company’s subsidiaries as at March 31, 2024 and December 31, 2023 are as follows:

<u>Subsidiaries</u>	<u>Place of incorporation and operation</u>	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>Principal activity</u>
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	100.00%	100.00%	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 Vakfi (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 OF MARCH 31, 2024

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

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

2.1 Basis of Presentation (Continued)

The 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 OF MARCH 31, 2024

(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)

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 OF MARCH 31, 2024

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

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 OF MARCH 31, 2024

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

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 OF MARCH 31, 2024

(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 2024 are as follows:

	31 March 2024			
	Receivables		Payables	
	Short-term		Short-term	
Shareholders	Trade	Non-trade	Trade	Non-trade
Muharrem Usta (*)	--	152.420	--	50
Adem Elbaşı	--	5.550	--	--
Other companies controlled by the shareholders				
A ve A Sağlık A.Ş. (2)	123	--	28.963	--
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	78	--	19.176	--
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	--	--	12.294	--
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	1	--	509	--
Samsunpark Özel Sağ. Tıb. Malz. İnş. Tur.Tem. Tic. A.Ş. (3)	--	--	16.534	--
Miniso Mağazacılık A.Ş.	238	--	--	--
Tokat Emar Sağlık Hiz. Ltd. Şti.	--	--	165	--
Özel Gebze Sentez Sağlık Hizmetleri Ve Tic. A.Ş.	--	--	--	7
Other	23	--	129	--
	463	157.970	77.770	57

(*)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 OF MARCH 31, 2024

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2023			
	Receivables		Payables	
	Short-term		Short-term	
Shareholders	Trade	Non-trade	Trade	Non-trade
Muharrem Usta (*)	--	149.754	--	58
Adem Elbaşı	--	5.292	--	--
Other companies controlled by the shareholders				
A ve A Sağlık A.Ş. (2)	--	--	19.958	--
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	7	--	21.726	--
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	--	--	9.149	--
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	1	--	586	--
Saray Eczanesi	--	--	1.133	--
Samsunpark Özel Sağ. Tıb. Malz. İnş. Tur.Tem. Tic. A.Ş. (3)	--	--	15.858	--
Tokat Emar Sağlık Hiz. Ltd. Şti.	--	--	665	--
Özel Gebze Sentez Sağlık Hizmetleri Ve Tic. A.Ş.	--	--	--	8
Other	122	135	--	4
	130	155.181	69.075	70

(*) 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.

Advances given to related parties and Prepaid expenses	31 March 2024	31 December 2023
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	13.850	15.936
Sanport Gayrimenkul Geliştirme İnş.Ve Tic.A.Ş	279	320
	14.129	16.256

Fixed asset advances given to related parties	31 March 2024	31 December 2023
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	1.142.305	1.142.305
	1.142.305	1.142.305

- (1) Fom Grup Mimarlık İnşaat ve Tic. A.Ş. provides turn key project management services for the furniture & fixture and leasehold improvements of the hospitals and audit of ongoing construction of the Group hospitals.

Related parties (sale and leaseback transactions)	31 March 2024	31 December 2023
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (peşin ödenmiş giderler kalemi içerisinde)	307	422
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (uzun dönem peşin ödenmiş giderler kalemi içerisinde)	--	38
	307	460

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

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, 2024, the Group has incurred rent expense amounting to TRY 90 due to amortization of prepaid rent (December 31, 2023:400 TRY).

Lease liabilities from related parties	31 March 2024		31 December 2023	
	Short-term	Long-term	Short-term	Long-term
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş	194.671	--	117.503	--
Fom Grup Mimarlık İnşaat Ve Tic. A.Ş.	32.227	100.918	33.423	117.796
Atakum Özel Sağlık Hizmetleri İnş.Tur. ve San. Tic. A.Ş.	8.940	235.323	9.662	273.589
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	22.027	--	9.532	--
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	7.637	--	6.747	--
	265.502	336.241	176.867	391.385

Purchases from related parties	1 January-31	1 January-31
	March 2024	December 2023
A ve A Sağlık A.Ş. (1)	22.161	7.679
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)	12.270	17.329
	34.431	25.008

- (1) Cleaning material purchases
(2) Hospital rent expenses

Operating expenses (including purchase of services)	1 January-31	1 January-31
	March 2024	December 2023
Sanport Gayrimenkul Geliştirme İnş. ve Tic.A.Ş (1)(6)	73.027	79.150
Samsunpark Özel Sağ. Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	27.184	28.123
Atakum Özel Sağlık Hiz. İnş. Turizm ve San. Tic. A.Ş. (1)(6)	20.215	20.226
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (3)	12.496	8.972
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	16.126	8.018
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	3.333	--
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1)(6)	8.906	5.596
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (4)	2.419	1.644
Saray Eczanesi (5)	292	1.079
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. Şti. (2)	528	553
	164.526	153.361

- (1) Hospital rent expenses
(2) Doctor expenses
(3) Cleaning, catering and laundry services
(4) Medical equipment rent expenses
(5) Drug purchase expenses
(6) Material purchase expenses

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

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

NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

	1 January-31 March 2024	1 January-31 December 2023
Sales to related parties		
A ve A Sağlık A.Ş. (1)	232	135
Cotyora Med.Özel Sağ.Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	238	130
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turizm. Tem. Tic. A.Ş.	395	--
Miniso Mağazacılık A.Ş.	205	156
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	202	--
Adem Elbaşı	580	250
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	51	94
Samsunpark Özel Sağlık Hiz.İş Sağlığı ve Güvenlik. Dan. Eğitim. Müh.Tic.Ltd. Şti.	--	316
	1.903	1.081

(1) Outsourcing laboratory services

	1 January-31 March 2024	1 January-31 December 2023
Interest income from related parties		
Muharrem Usta	16.518	7.088
	16.518	7.088

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:

	1 January-31 March 2024	1 January-31 December 2023
Salaries and other short term benefits	32.254	31.311
	32.254	31.311

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

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

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash on hand	58.366	27.176
Cash at banks	2.488.193	3.199.802
- Demand deposit	410.642	809.295
- Time deposit	2.077.551	2.390.507
Other cash equivalents (*)	9.994	9.037
	2.556.553	3.236.015

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

As of 31 March 2024, the interest rates of the Group's time deposits in TRY, is respectively 30%-57,60% and their terms are less than 3 months. (31 December 2023: 10%-46%)

NOTE 5 - FINANCIAL INSTRUMENTS

Bank Loans and Bonds

	31 March 2024	31 December 2023
Short Term Bank Borrowings	502.539	767.325
Short Term Bonds Issued	1.000.000	1.725.954
Current Portion of Long Term Borrowings	336.002	199.768
- Current portion of long-term bank loans	336.002	199.768
Interest Expense Accruals	229.840	375.694
	2.068.381	3.068.741
Long Term Bank Borrowings	35.454	83.944
Long Term Bonds Issued	1.000.000	1.150.636
	1.035.454	1.234.580
Total Borrowings	3.103.835	4.303.321

The Group issued bonds amounting to 1,000,000 TL with a maturity of 12 months, to be sold to qualified investors on October 2, 2023. The principal payment will be made on the maturity date of 01 October 2024 and the interest rate is 48.5%.

The Group issued sukuk amounting to 1,000,000 TL with a maturity of 18 months, to be sold to qualified investors on 12 December 2023. The principal payment will be paid on 12 June 2025, which is the maturity date, and the interest rate is 50%.

The reconciliation of the liabilities arising from financing activities as of 1 January- 31 March 2024 and 1 January- 31 March 2024 are as follows:

	1 January 2024	Financing cash flows	Foreign exchange effect (Note21)	Other (*)	Effect of Inflation	31 March 2024
Bank Loans	4.303.321	(636.114)	--	--	(563.372)	3.103.835
Finance lease obligations	62.559	(9.267)	482	--	(8.191)	45.583
Lease obligations	2.602.021	(310.565)	8.847	1.069.861	(340.655)	3.029.509
	6.967.901	(955.946)	9.329	1.069.861	(912.218)	6.178.927

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

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

NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

	1 January 2023	Financing cash flows	Foreign exchange effect (Note 21)	Other (*)	Effect of inflation	31 December 2023
Bank Loans	3.130.916	2.403.181	--	--	(1.230.776)	4.303.321
Finance lease obligations	219.838	(85.019)	7.619	--	(79.879)	62.559
Lease obligations	2.398.802	(826.791)	19.465	1.908.357	(897.812)	2.602.021
	5.749.556	1.491.371	27.084	1.908.357	(2.208.467)	6.967.901

(*) 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, 2024 and December 31, 2023 the repayment schedule of the total borrowings as follows:

31 March 2024

Currency Type	Weighted Average Effective Interest		Current	Non-Current	Total
	Rate				
TL	49,25%		1.000.000	1.000.000	2.000.000
TL	TlRef+13,55-TRLibor-5,80		1.068.381	35.454	1.103.835
			2.068.381	1.035.454	3.103.835

31 December 2023

Currency Type	Weighted Average Effective Interest		Current	Non-Current	Total
	Rate				
TL	47,50%		1.728.378	1.150.636	2.879.014
TL	TlRef+4,+13,55-TRLibor+4,00,5,80		1.340.363	83.944	1.424.307
			3.068.741	1.234.580	4.303.321

As of March 31, 2024, there are no blocked cash accounts related to the group's loans (December 31, 2023: None).

As at March 31, 2024 and December 31, 2023 the repayment schedule of the borrowings in TRY are as follows:

	31 March 2024	31 December 2023
Interest expense accruals	229.840	375.694
To be paid within 1 year (*)	1.838.540	2.693.047
To be paid between 1-2 years(**)	1.035.455	1.234.580
	3.103.835	4.303.321

(*) TRY 502,537 of the loans to be paid within one year consists of revolving loans and TRY 1.000.000 part consists of bond payments which will be redeemed within 1 year.

(**) 1.000.000 TL of the loans to be paid within 1-2 years comes from bond payments.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2024

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

NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

Covenants:

The Group has 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.Ş. Syndication loan was signed on December 31, 2015. The use of the syndicated loan took place in February 2016. Regarding the loan in question, the share pledge on 25% of the Group's non-public shares has been removed. The commercial enterprise pledge and the Group's bank account pledge regarding the Company's shares in companies that are subsidiaries of the Group and all fixed assets owned by the Company continue. In addition, the Group's receivables arising from medical tourism contracts and insurance policies have also been assigned.

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 2024	31 December 2023	31 March 2024	31 December 2023
Within one year	50.843	64.473	35.422	45.394
In second to sixth years inclusive	4.420	12.030	10.161	17.165
	55.263	76.503	45.583	62.559
Less: Future finance charges	(9.680)	(13.944)	--	--
Present value of finance lease obligations	45.583	62.559	45.583	62.559
Less: Amounts due to settlement within twelve months (shown under current liabilities)	--	--	35.422	45.394
Present value of finance lease obligations	45.583	62.559	10.161	17.165

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current trade receivables	31 March 2024	31 December 2023
Trade receivables	3.161.670	3.150.986
Notes receivables	1.023	1.054
Trade receivables from related parties (Note 5)	463	130
Income accruals from continuing treatments	1.376.286	1.152.740
Other trade income accruals	51.603	65.012
Allowance for doubtful receivables (-)	(150.384)	(161.817)
	4.440.661	4.208.105

Non-current trade receivables	31 March 2024	31 December 2023
Income accruals	1.053	1.212
	1.053	1.212

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

As of March 31, 2024, trade receivables of an initial value of TRY 150,384 (December 31, 2023: TRY 161,817) were fully impaired and fully provided for. No collaterals are received in relation to these trade receivables.

Movement of allowance for doubtful receivables	1 January-31 March 2024	1 January-31 December 2023
Opening balance	161.817	127.484
Charge for the period (Note 18)	(9.864)	(2.241)
Collections	(24)	(544)
Inflation effect	(1.545)	37.118
Ending balance	150.384	161.817

Trade Payables

Current trade payables	31 March 2024	31 December 2023
Trade payables	3.594.386	3.464.991
Trade payables due to related parties (Note 5)	77.770	69.075
Other expense accruals	1.025.372	1.146.538
Other trade payables	19.208	16.547
	4.716.736	4.697.151

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other Receivables

Other current receivables	31 March 2024	31 December 2023
Receivables from tax office	50.758	58.404
Non-trading receivables due from related parties (Note 5)	157.970	155.181
Deposits given	545	24
Other miscellaneous receivables	21.796	31.455
	231.069	245.064

Other non-current receivables	31 March 2024	31 December 2023
Deposits and guarantess given	298.117	256.061
	298.117	256.061

Other Payables

Other current payables	31 March 2024	31 December 2023
Other taxes and funds payable	301.916	147.409
Payables relating to business combinations (*)	99.217	55.529
Non-trading payables due to related parties (Note 5)	57	70
Other miscellaneous payables	7.774	9.839
	408.964	212.847

Other non-current payables	31 March 2024	31 December 2023
Payables relating to business combinations (*)	266.947	313.239
	266.947	313.239

(*) 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 2024	31 December 2023
Medical consumables inventory	1.025.013	994.271
Pharmaceutical inventory	256.989	244.048
Other inventories	445	452
	1.282.447	1.238.771

NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

Short term prepaid expenses	31 March 2024	31 December 2023
Advances given (*)	407.577	425.348
Prepaid insurance expenses	52.335	92.203
Prepaid rent expenses	16.186	12.144
Prepaid sponsorship expenses	3.136	2.580
Other	45.181	33.433
	524.415	565.708

(*) 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.

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NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME (Continued)

Prepaid Expenses (Continued)

Long term prepaid expenses	31 March 2024	31 December 2023
Fixed asset advances given (*)	2.909.269	2.666.156
Prepaid rent expenses	63	63
Other	7.114	6.553
	2.916.446	2.672.772

(*) 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

Short term accrued income	31 March 2024	31 December 2023
Advances received (*)	911.622	930.591
Deferred revenue	45.802	55.671
	957.424	986.262

(*) 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.

Long term accrued income	31 March 2024	31 December 2023
Deferred revenue	23.040	38.755
	23.040	38.755

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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

NOTE 10 - PROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS

	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixtures	Leased assets	Leasehold improvements	Construction in progress	Total
<u>Cost</u>									
Opening balance as of 1 January 2024	166.395	11.121	6.637.581	18.254	2.356.734	4.010.459	6.412.942	75.189	19.688.675
Additions	--	--	51.119	--	31.540	--	46.846	1.024	130.529
Disposals	--	--	--	--	(36)	--	--	--	(36)
Closing balance as of 31 March 2024	166.395	11.121	6.688.700	18.254	2.388.238	4.010.459	6.459.788	76.213	19.819.168
<u>Accumulated depreciations</u>									
Opening balance as of 1 January 2024	--	(3.836)	(5.007.639)	(16.716)	(1.976.636)	(3.917.531)	(4.241.616)	--	(15.163.974)
Charge for the period (*)	--	(52)	(111.456)	(114)	(40.192)	(22.442)	(140.476)	--	(314.732)
Disposals	--	--	--	438	6	--	--	--	444
Closing balance as of 31 March 2024	--	(3.888)	(5.119.095)	(16.392)	(2.016.822)	(3.939.973)	(4.382.092)	--	(15.478.262)
Carrying value as of 31 March 2024	166.395	7.233	1.569.605	1.862	371.416	70.486	2.077.696	76.213	4.340.906

(*) Depreciation and amortization expense of TRY 292,964 (January 1 - March 31, 2023: TRY 261,364) has been charged in ‘cost of service’, TRY 40,402 (January 1-March 31, 2023: TRY 36,044) has been charged in ‘operating expenses’ for the period ended between January 1- March 31, 2024.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2024**

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

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

	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixtures	Leased assets	Leasehold improvements	Construction in progress	Total
<u>Cost</u>									
Opening balance as of 1 January 2023	--	11.121	5.557.239	18.249	2.780.229	4.330.220	6.013.198	--	18.710.256
Additions	--	--	22.182	842	63.241	--	23.097	54.107	163.469
Disposals	--	--	(2.575)	--	(109)	--	--	--	(2.684)
Closing balance as of 31 March 2023	--	11.121	5.576.846	19.091	2.843.361	4.330.220	6.036.295	54.107	18.871.041
<u>Accumulated depreciations</u>									
Opening balance as of 1 January 2023	--	(3.627)	(4.773.572)	(17.085)	(2.468.410)	(3.928.771)	(3.865.379)	--	(15.056.844)
Charge for the period	--	(52)	(102.842)	(94)	(40.025)	(25.956)	(112.315)	--	(281.284)
Disposals	--	--	2.575	--	109	--	--	--	2.684
Closing balance as of 31 March 2023	--	(3.679)	(4.873.839)	(17.179)	(2.508.326)	(3.954.727)	(3.977.694)	--	(15.335.444)
Carrying value as of 31 March 2023	--	7.442	703.007	1.912	335.035	375.493	2.058.601	54.107	3.535.597

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

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

	Licenses	Rights	Other	Total
Cost				
Opening balance as of 1 January 2024	4.231.864	1.404.335	337	5.636.536
Additions	--	2.047	--	2.047
Disposals	--	--	--	--
Closing balance as of 31 March 2024	4.231.864	1.406.382	337	5.638.583
Accumulated amortization				
Opening balance as of 1 January 2024	--	(1.056.305)	(337)	(1.056.642)
Charge for the period	--	(18.634)	--	(18.634)
Disposals	--	--	--	--
Closing balance as of 31 March 2024	--	(1.074.939)	(337)	(1.075.276)
Carrying value as of 31 March 2024	4.231.864	331.443	--	4.563.307
Cost				
Opening balance as of 1 January 2023	4.231.864	1.187.588	354	5.419.806
Additions	--	45.264	--	45.264
Disposals	--	--	--	--
Closing balance as of 31 March 2023	4.231.864	1.232.852	354	5.465.070
Accumulated amortization				
Opening balance as of 1 January 2023	--	(1.001.156)	(354)	(1.001.510)
Charge for the period	--	(16.124)	--	(16.124)
Disposals	--	--	--	--
Closing balance as of 31 March 2023	--	(1.017.280)	(354)	(1.017.634)
Carrying value as of 31 March 2023	4.231.864	215.572	--	4.447.436

NOTE 11- RIGHT OF USED ASSETS

	Hospital Buildings	Total
Cost		
1 January 2024	8.332.273	8.332.273
Additions	1.531.593	1.531.593
Charge of the period	(273.589)	(273.589)
31 March 2024	9.590.277	9.590.277

(*) For the period ended March 31, 2024, right of use assets depreciation expenses of TRY 271,417 has been charged to ‘cost of service’ (1 January – 31 March 2023: TRY 156,082), TRY 2,172 to ‘general administrative and marketing expenses (1 January – 31 March 2023: TRY 713).

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NOTE 11 - RIGHT OF USE ASSETS (Continued)

	Hospital Buildings	Total
Cost		
1 January 2023	6.923.436	6.923.436
Additions	36.884	36.884
Charge of the period	(156.795)	(156.795)
31 March 2023	6.803.525	6.803.525

NOTE 12- PAYABLES FOR EMPLOYEE BENEFITS

Payables for employment benefits:

	31 March 2024	31 December 2023
Fees payable to doctors and other personnel	317.481	237.441
Social security premiums payable	217.497	160.558
	534.978	397.999

Short term provision for employment benefits:

	31 March 2024	31 December 2023
Unused vacation provision	122.763	90.220
	122.763	90.220

Long term provision for employment benefits:

	31 March 2024	31 December 2023
Unused vacation provision	83.287	58.774
Retirement pay provision	83.362	71.044
	166.649	129.818

NOTE 13 - OTHER ASSETS AND LIABILITIES

Other Current Asset

	31 March 2024	31 December 2023
VAT carried forward	189.207	227.302
Other miscellaneous current assets	24.025	12.892
	213.232	240.194

NOTE 14 - PROVISIONS

Other short term provisions

	31 March 2024	31 December 2023
Litigation provisions	28.115	35.195
Social Security discounts provisions	19.515	18.950
	47.630	54.145

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NOTE 15 - COMMITMENTS

31 March 2024	Total TRY Equivalent	TL	USD	EUR
A.CPM given on behalf of its own legal entity				
- Collateral	1.310.522	1.195.610	156	3.157
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	--	--	--	--
- Collateral	155.739	155.739	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
C. CPM given for execution of ordinary commercial activities to collect third parties debt				
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
D. Total amount of other CPM given	--	--	--	--
i. Total Amount of CPM on behalf of the main partner	--	--	--	--
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C	--	--	--	--
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover C	--	--	--	--
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
Total	1.466.261	1.351.349	156	3.157

(*) The Group has given guarantees amounting to TRY 88.900 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.

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NOTE 15 - COMMITMENTS (Continued)

31 December 2023	Toplam TL karşılığı	TL	ABD Doları	Avro
A.CPM given on behalf of its own legal entity				
- Collateral	620.082	496.467	156	150
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
B. CPM given on behalf of the subsidiaries included in full consolidation (*)				
- Collateral	164.589	164.589	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
C. CPM given for execution of ordinary commercial activities to collect third parties debt				
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner				
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C				
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
iii. Total amount of CPM on behalf of third parties that do not cover C				
- Collateral	--	--	--	--
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
Total	784.671	661.056	156	150

(*) The Group has given guarantees amounting to TRY 83.206 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.

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NOTE 16 - SHARE CAPITAL/OTHER RESERVES

Shareholders	%	31 March 2024	%	31 December 2023
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
	100%	208.037	100%	208.037

(*) 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, 2024 the total number of ordinary shares is 208,037 thousand shares (2023: 208,037 thousand shares) with a par value of TRY 1 per share (2023: TRY 1 per share).

The share capital is divided into 208,037 thousand shares (December 31, 2023: 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, 2024 (Note 1). Shares in circulation rate is 33.16% as of April 1, 2024.

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.

The related amount became 3,044,448 TL after applying inflation accounting.

	31 March 2024	31 December 2023
Share premiums	3.044.448	3.044.448
	3.044.448	3.044.448

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NOTE 16- SHARE CAPITAL/OTHER RESERVES (Continued)

Reserves:

	31 March 2024	31 December 2023
Legal reserves	4.301	4.301
Restricted reserves appropriated from profit	71.078	71.078
	75.379	75.379

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

Revenue	1 January-31 March 2024	1 January-31 March 2023
Hospital services (*)	7.960.251	6.009.784
	7.960.251	6.009.784

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

Cost of services	1 January-31 March 2024	1 January-31 March 2023
Material consumption	(1.132.642)	(836.064)
Doctor expenses	(1.921.571)	(1.385.900)
Personnel expenses	(1.356.925)	(1.036.075)
Depreciation and amortization expenses (Note 12,13)	(564.381)	(417.446)
Services rendered by third parties	(430.559)	(377.134)
Other (*)	(478.623)	(460.619)
	(5.884.701)	(4.513.238)

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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NOTE 18 - OPERATING EXPENSES

	1 January-31 March 2024	1 January-31 March 2023
General administrative expenses		
Personnel expenses	(315.577)	(279.217)
Sponsorship and advertising expenses (*)	(210.499)	(216.366)
Depreciation and amortization expenses (Note 10,11)	(42.574)	(36.757)
Outsourcing expenses	(30.196)	(16.913)
Lawsuit provision	(12.107)	(3.519)
Bad debt allowance (Note 6)	(9.864)	(2.241)
Communication expenses	(4.307)	(4.491)
Taxes and duties	(2.427)	(1.872)
Maintenance expenses	(1.588)	(3.215)
Service expenses	(824)	(1.718)
Other	(18.732)	(54.852)
	(648.695)	(621.161)

(*) 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

	1 January-31 March 2024	1 January-31 March 2023
Other income from operating activities		
Foreign exchange gains from operations	211.135	25.928
Trade payables discount	46.434	5.851
Other income	30.251	50.401
	287.820	82.180

	1 January-31 March 2024	1 January-31 March 2023
Other expenses from operating activities		
Foreign exchange losses from operations	(162.239)	(25.382)
Trade receivables discount	(22.476)	(212)
Non-operational hospital expenses	(14.388)	(9.886)
SSI return expenses	(11.558)	(8.400)
Other expenses	(65.202)	(42.311)
	(275.863)	(86.191)

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NOTE 20 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	1 January-31 March 2024	1 January-31 March 2023
Income from investment activities		
Exchange rate-protected time deposits	--	16.401
Gain on sale of fixed assets	216	843
	216	17.244
Expenses from investment activities		
Loss on sale of fixed assets	--	(4.212)
	--	(4.212)

NOTE 21 - FINANCE EXPENSES

	1 January-31 March 2024	1 January-31 March 2023
Interest expenses from bank borrowings	(156.018)	(113.704)
Interest expenses from financial lease obligations	(2.541)	(4.832)
Interest expenses from bonds issued	(240.989)	(200.915)
Bank commissions	(98.085)	(38.973)
Interest expenses from lease liabilities	(169.950)	(220.774)
Other interest expenses	(44.337)	(43.150)
Total interest expenses	(711.920)	(622.348)
Net foreign exchange loss (Note 7)	(482)	(7.619)
Exchange difference expenses on lease liabilities	(8.847)	(19.465)
Total financial expenses	(721.249)	(649.432)
Interest income	124.827	11.967
Finance expenses, net	(596.422)	(637.465)

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

	31 March 2024	31 March 2023
Short term payables due to current tax		
Current period tax liabilities	237.220	263.294
	237.220	263.294

	31 March 2024	31 March 2023
Current tax liabilities		
Current corporate tax provision	237.220	618.377
Less: Prepaid taxes and funds	--	(355.083)
	237.220	263.294

	1 January -31 March 2024	1 January -31 March 2023
Tax (expense)/income		
Current tax expense	(173.773)	(301.640)
Deffered tax income/(expense)	(412.204)	(252.070)
	(585.977)	(553.710)

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.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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

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.

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 2024 corporate earnings as of temporary tax periods is 25% (2023: 20%). 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.

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 2024, tax rate used in the calculation of deferred tax assets and liabilities was 25% over temporary timing differences (31 March 2023: 20%) for the part that will create tax effect in 2024, 25% for the part that will generate tax in 2024 and beyond.(31 March 2023 20%)

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.

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 673.345 (December 31, 2023: TRY 728,130). 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, 2024, the Group has tax loss amounting to TRY 53,854 (December 31, 2023: TRY 81,005). TRY 13,463 (December 31, 2023: TRY 20,251) deferred tax assets have been recorded concerning this loss.

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

Deferred tax assets/ (liabilities)	31 March 2024	31 December 2023
Tax losses carried forward	13.463	20.251
Depreciation differences of tangible and intangible assets	(2.033.243)	(1.108.219)
Provision for employment termination benefits	29.427	25.143
Vacation pay liability	51.504	37.248
Temporary difference between the tax base and carrying amount of financial liabilities	(4.028)	(4.581)
Prepaid building expenses	1.651	214
Tax advantage from investment incentive	673.345	728.130
Right of use asset	(1.640.190)	(1.432.561)
Other	182.709	106.687
	(2.725.362)	(1.627.688)
Deferred tax asset	1.345.621	2.081.754
Deferred tax liability	(4.070.983)	(3.709.442)
	(2.725.362)	(1.627.688)

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

	31 March 2024	31 December 2023
	Losses carried forward for wich deferred tax assests recognized	Losses carried forward for wich deffered tax assests recognized
Expiration schedule of carryforward tax losses		
Expiring in 2024	--	4.204
Expiring in 2025	69	13.938
Expiring in 2026	3.982	8.264
Expiring in 2027	1.943	14.292
Expiring in 2028	10.373	40.307
Expiring in 2029	37.487	--
	53.854	81.005

Movement of deferred tax (assets)/liabilities for the period ended March 31, 2024 and March 31, 2023 are as follows:

Movement of deferred tax liabilities:

Movement of deffered tax liabilities	1 January-31 March 2024	1 January-31 March 2023
Opening balance as of January 1	(1.627.688)	(454.003)
Charged to profit or loss	(412.204)	(252.070)
Charged to equity	(693.080)	(165.030)
Closing balance as at year end	7.610	(4.201)
	(2.725.362)	(875.304)

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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:

	1 January-31 March 2024	1 January-31 March 2023
Reconciliation of tax provision:		
Loss before tax	1.337.903	896.887
Tax at the domestic income tax rate of 25% (2023: 20%)	(334.476)	(179.377)
Tax effects of		--
- Expenses that are not deductible in	(18.919)	(24.348)
- Effect of tax advantage from investment incentive	40.539	78.546
- Change in income tax rate from 23% to 20%	--	23.396
- Reduced corporate tax effect	65.465	49.627
- Other (*)	(338.586)	(501.554)
Income tax income recognised in profit or loss	(585.977)	(553.710)

(*) 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:

	1 January-31 March 2024	1 January-31 March 2023
Weighted average number of shares	208.037	208.037
Net gain/(loss) for the period for the equity holders of the parent	682.988	321.613
Earnings/(loss) per share for equity holder of the parent	3,28	1,55

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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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 2024	TL Equivalents (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	258.274	5.238	2.562	--	--
2a. Monetary financial assets	1.078.481	29.240	3.247	527	--
2b. Non monetary financial assets	29.825	746	137	23	--
3. Other	2.196	30	35	2	--
4. Current Assets	1.368.776	35.254	5.981	552	--
5. Trade receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b. PNon monetary financial assets	--	--	--	--	--
7. Other	230.812	3.193	3.127	--	1.000
8. Non-current assets	230.812	3.193	3.127	--	1.000
9. Total assets	1.599.588	38.447	9.108	552	1.000
10. Trade Payables	(178.678)	(5.062)	(438)	--	--
11a. Financial liabilities (leasing)	--	--	--	--	--
11b. Financial liabilities (leasing)	(5.205)	--	(150)	--	--
11c. Lease Liabilities	(32.227)	--	(926)	--	--
12a. Other monetary liabilities	(291.109)	(4.732)	(3.866)	(92)	--
13. CURRENT LIABILITIES	(507.219)	(9.794)	(5.380)	(92)	--
14. Trade Payables	--	--	--	--	--
15a. Financial liabilities (leasing)	--	--	--	--	--
15b. Financial liabilities (leasing)	--	--	--	--	--
15c. Kira Yükümlülükleri	(100.857)	--	(2.898)	--	--
16a. Other monetary liabilities	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--
17. LONG TERM LIABILITIES	(100.857)	--	(2.898)	--	--
18. TOTAL LIABILITIES	(608.076)	(9.794)	(8.278)	(92)	--
20. NET FOREIGN CURRENCY ASSET LIABILITY (9+8+19)	991.512	28.653	830	460	1.000
21. MONETARY ITEMS NET FOREIGN CURRENCY ASSET/LIABILITY POSITION (1+2a+10+11a+11b+12a+14+15+16a)	728.679	24.684	(2.469)	435	--

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

31 December 2023	TL Equivalents (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	192.395	4.930	1.451	--	--
2a. Monetary financial assets	969.315	21.503	9.819	440	--
2b. Non monetary financial assets	7.122	28	190	3	--
3. Other	2.254	18	53	--	--
4. Current Assets	1.171.086	26.479	11.513	443	--
5. Trade receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b. Non monetary financial assets	122.874	3.842	300	--	--
7. Other	138.820	2.943	1.602	--	--
8. Non-current assets	261.694	6.785	1.902	--	--
9. Total assets	1.432.780	33.264	13.415	443	--
10. Trade payables	(256.192)	(8.261)	(400)	--	--
11a. Financial liabilities (loans)	--	--	--	--	--
11b. Financial liabilities (leasing)	(9.385)	--	(288)	--	--
11c. Lease liabilities	(29.056)	--	(892)	--	--
12a. Other monetary liabilities	(220.690)	(3.968)	(3.111)	(68)	--
13. Current liabilities	(515.323)	(12.229)	(4.691)	(68)	--
14. Trade payables	--	--	--	--	--
15a. Financial liabilities (loans)	--	--	--	--	--
15b. Financial liabilities (leasing)	--	--	--	--	--
15c. Lease liabilities	(102.380)	--	(3.143)	--	--
16a. Other monetary liabilities	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--
17. Non-current liabilities	(102.380)	--	(3.143)	--	--
18. Total liabilities	(617.703)	(12.229)	(7.834)	(68)	--
19. Net assets / liability position of off-balance sheet derivatives (19a-19b)	--	--	--	--	--
19a. Off balance sheet foreign currency derivative assets	--	--	--	--	--
19b. Off balance sheet foreign currency derivative liabilities	--	--	--	--	--
20. Net foreign currency asset liability position (9-18+19)	815.077	21.035	5.581	375	--
21. . Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+10+11+12a+14+15+16a)	544.007	14.204	3.436	372	--

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.

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

	31 March 2024	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of US dollar gaining 20% value against TRY		
1- USD net asset/liability	185.012	(185.012)
2- Portion hedged against USD risk (-)	-	-
3- USD net effect (1 +2)	185.012	(185.012)
In the case of EUR gaining 20% value against TRY		
4 -EUR net asset/liability	5.775	(5.775)
5 - Portion hedged against EUR risk (-)	--	--
6- EUR net effect (4+5)	5.775	(5.775)
In the case of GBP gaining 10% value against TRY		
7- Other currency net asset/liabilitit	--	--
8 - Portion hedged against other currency risk (-)	--	--
9- Other currency net effect (7+8)	--	--
TOTAL (3+6)	190.787	(190.787)
	31 December 2023	
	Valuation of foreign currency	Devaluation of foreign currency
In the case of US dollar gaining 20% value against TRY		
1- USD net asset/liability	123.853	(123.853)
2- Portion hedged against USD risk (-)	-	-
3- USD net effect (1 +2)	123.853	(123.853)
In the case of EUR gaining 20% value against TRY		
4 -EUR net asset/liability	36.352	(36.352)
5 - Portion hedged against EUR risk (-)	-	-
6- EUR net effect (4+5)	36.352	(36.352)
In the case of GBP gaining 10% value against TRY		
7- Other currency net asset/liabilitit	-	-
8 - Portion hedged against other currency risk (-)	-	-
9- Other currency net effect (7+8)	-	-
TOTAL (3+6)	160.205	(160.205)

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NOTE 25 - EVENTS AFTER THE REPORTING PERIOD

In line with the strategy of growing with mid-large scale hospitals in metropolitan areas, MLP Sağlık Hizmetleri A.Ş.'s ("MLP Care") board has taken the following decisions: to obtain the licence of Özel Ortadođu Fizik Tedavi Hospital through our Company on March 29, 2024 and change Özel Ortadođu Fizik Tedavi Hospital's name to Özel Medical Park İncek Hospital on April 1, 2024.

Özel Medical Park İncek Hospital, whose licence transfer processes have been completed as of April 16, 2024, has 182 beds capacity.

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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, 2024 and March 31, 2023 are as follow:

EBITDA CALCULATION	31 March 2024	31 March 2023
i. Net loss before tax	1.337.903	896.887
ii. Depreciation and amortization of tangible and intangible fixed assets including non-cash provisions related to assets such as goodwill	606.955	454.204
iii. Total net finance expenses, net of interest income	587.093	610.381
iv. Fx gains/losses, net under finance expenses	9.329	27.084
v. Fair value differences of derivative instruments	-	-
vi. Extraordinary (income) /expense	103.126	49.173
vii. Rediscount income/expense (net imputed interest)	(23.958)	(5.639)
viii. Gain on bargain purchase price	-	-
ix. Legal case provision expenditures which are reflected to financial statements by general accounting principles	12.107	3.519
x. Unused vacation pay provision expenses which are reflected to financial statements by the general accounting principles	57.056	79.474
xi. Retirement pay provision expenses which are reflected to financial statements by the general accounting principles	6.684	70.938
xii. Doubtful receivables provision expenses which are reflected to financial statements by the general accounting principles	9.864	2.241
xiii. Non-cash sale and lease back expenses which are reflected to financial statements by the general accounting principles (Note 3)	204	341
xiiii. Non-cash profit added to non-cash losses from the disposal of property, plant and equipment	(216)	3.323
XV. Monetary gain/(loss)	(495.297)	(649.946)
EBIDTA	2.210.850	1.541.980
TFRS 16 Lease payment effect	(310.565)	(273.188)
Adjusted EBITDA	1.900.285	1.268.792