

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

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

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JANUARY 1 - JUNE 30, 2020**



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH
REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

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

Introduction

1. We have reviewed the accompanying condensed consolidated statement of financial position of MLP Sağlık Hizmetleri A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2020, the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, condensed changes in equity, condensed consolidated cash flows and other explanatory notes for the six-month period then ended (“condensed consolidated interim financial information”). The management of the Group is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

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



Other information

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

Other Matter

5. The consolidated financial statements of the Group as of 31 December 2019 and for the year then ended were audited and the interim financial information as of 30 June 2019 and for the six-month period then ended were reviewed by another audit firm whose audit report dated 5 March 2020 expressed an unqualified opinion and whose review report dated 8 August 2019 expressed a conclusion that no material non-compliance with respect to TAS 34 has come to their attention.

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

Ediz Günsel, SMMM
Partner

Istanbul, 13 August 2020

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED JANUARY 1 - JUNE 30, 2020**

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**

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

		Current period Reviewed June 30, 2020	Prior period Audited December 31, 2019
	Notes		
Assets			
Current assets		2,049,447	1,721,976
Cash and cash equivalents	4	470,421	305,663
Trade receivables	6	1,079,908	990,895
- Due from related parties	3	18,693	2,841
- Trade receivables from third parties		1,061,215	988,054
Other receivables	7	69,198	61,001
- Due from related parties	3	35,617	31,081
- Other receivables from third parties		33,581	29,920
Derivative financial instruments	25	4,637	-
Inventories	8	106,661	90,465
Prepaid expenses	9	276,910	234,851
Other current assets	13	41,712	39,101
Non-current assets		2,339,641	2,192,510
Trade receivables		1,053	1,053
Other receivables	7	2,624	2,538
Property and equipment	10	749,188	775,746
Intangible assets		678,880	551,477
- Goodwill		40,217	40,217
- Other intangible assets	10	638,663	511,260
Right of use assets	11	267,733	235,087
Prepaid expenses	9	230,057	228,723
Deferred tax assets	22	410,106	397,886
Total assets		4,389,088	3,914,486

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020**

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

	Notes	Current period Reviewed June 30, 2020	Prior period Audited December 31, 2019
Liabilities and equity			
Current liabilities		2,117,757	1,938,417
Short term borrowings	5	334,373	391,066
Short term portion of long term borrowings	5	392,605	284,054
Obligations under finance leases	5	90,367	76,426
Short term lease liabilities	5	133,546	109,257
Trade payables	6	804,145	821,164
- Due to related parties	3	17,015	20,904
- Trade payables to third parties		787,130	800,260
Payables related to employee benefits	12	104,937	78,708
Other payables	7	72,697	36,377
- Due to related parties	3	799	799
- Other payables to third parties		71,898	35,578
Deferred revenues	9	143,490	82,116
Short term provisions		32,385	31,145
- Short term provisions for employment benefits	12	14,979	13,703
- Other short term provisions	14	17,406	17,442
Derivative financial instruments	25	4,495	23,450
Current tax liabilities	22	4,717	4,654
Non-current liabilities		1,999,113	1,737,664
Long term borrowings	5	1,051,694	859,743
Obligations under finance leases	5	126,150	135,454
Long term lease liabilities	5	500,515	492,683
Other payables		112,089	72,726
- Other payables to third parties	7	112,089	72,726
Deferred income	9	1,067	2,157
Long term provisions		25,504	20,153
- Long term provisions for employee benefits	12	25,504	20,153
Deferred tax liabilities	22	182,094	154,748
Equity		272,218	238,405
Equity attributable to the owner of the company		252,068	230,002
Share capital	16	208,037	208,037
Share premium	16	556,162	556,162
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		9,017	14,441
- Revaluation reserve	16	37,747	37,747
- Accumulated loss on remeasurement of defined benefit plans		(28,730)	(23,306)
Restricted reserves	16	10,260	10,260
Accumulated deficit		(558,898)	(595,149)
Net profit/(loss) for the period		27,490	36,251
Non-controlling interest		20,150	8,403
Total liabilities and equity		4,389,088	3,914,486

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED JANUARY 1 - JUNE 30,2020**

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

		<u>Current period</u>		<u>Prior period</u>	
		Reviewed January 1 - June 30, 2020	April 1 - June 30, 2020	Reviewed January 1 - June 30, 2019	April 1 - June 30, 2019
Profit or loss					
Revenue	17	1,738,296	759,426	1,822,335	888,968
Cost of sales (-)	17	(1,350,673)	(600,647)	(1,400,551)	(694,323)
Gross profit		387,623	158,779	421,784	194,645
General administration expenses (-)	18	(112,696)	(38,720)	(143,207)	(71,691)
Other income from operating activities	19	161,072	78,853	145,007	82,500
Other expenses from operating activities (-)	19	(125,818)	(58,490)	(142,481)	(82,223)
Operating profit		310,181	140,422	281,103	123,231
Income from investing activities	20	84,616	2,154	1,186	711
Expense from investing activities (-)	20	(104)	(6)	-	-
Operating profit before finance expenses		394,693	142,570	282,289	123,942
Finance expenses (-), net	21	(330,377)	(164,771)	(309,679)	(172,622)
Net profit before tax		64,316	(22,201)	(27,390)	(48,680)
Tax income/(expense) from operations		(25,079)	68	2,657	13,104
Current tax expense	22	(8,597)	(4,464)	(12,361)	(5,763)
Deferred tax income/(expense)	22	(16,482)	4,532	15,018	18,867
Net profit		39,237	(22,133)	(24,733)	(35,576)
Non-controlling interest		11,747	743	18,008	9,877
Equity holders of the parent		27,490	(22,876)	(42,741)	(45,453)
		39,237	(22,133)	(24,733)	(35,576)
Basic gain/(loss) per share	23	0,13	(0,11)	(0,21)	(0,22)
Other comprehensive income/(expense)		(5,424)	(5,235)	(3,461)	(1,370)
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plans		(6,780)	(6,544)	(4,326)	(1,712)
Income tax relating to items that will not be reclassified subsequently		1,356	1,309	865	342
Total comprehensive income/(loss)		33,813	(27,368)	(28,194)	(36,946)
Total comprehensive income/(loss) distribution:					
Non-controlling interest		11,747	743	18,008	9,877
Equity holders of the parent		22,066	(28,111)	(46,202)	(46,823)

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JANUARY 1 - JUNE 30, 2020

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

	Share capital	Share premium	Property revaluation reserve	Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or (loss) Accumulated loss on remeasurement of defined benefit plans	Legal reserves	Accumulated deficit	Net profit/(loss) for the period	Accumulated Profit Attributable to equity holders of the Parent	Non-controlling interest	Total
Balance as at January 1, 2019	208,037	556,162	39,752	(11,206)	10,260	(200,934)	(127,651)	474,420	101,271	575,691
Changes in 2019:										
The effect of changes in accounting policies (Note 2.3)	-	-	-	-	-	(264,848)	-	(264,848)	(77,043)	(341,891)
Balance as at January 1, 2019 after changes	208,037	556,162	39,752	(11,206)	10,260	(465,782)	(127,651)	209,572	24,228	233,800
Other comprehensive loss for the period, net of tax	-	-	-	(3,461)	-	-	-	(3,461)	-	(3,461)
Net profit/(loss) for the period	-	-	-	-	-	-	(42,741)	(42,741)	18,008	(24,733)
Total comprehensive loss for the period	-	-	-	(3,461)	-	-	(42,741)	(46,202)	18,008	(28,194)
Transfers	-	-	-	-	-	(127,651)	127,651	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	(1,501)	(1,501)
Balance as at June 30, 2019	208,037	556,162	39,752	(14,667)	10,260	(593,433)	(42,741)	163,370	40,735	204,105
Balance as at January 1, 2020	208,037	556,162	37,747	(23,306)	10,260	(595,149)	36,251	230,002	8,403	238,405
Other comprehensive loss for the period, net of tax	-	-	-	(5,424)	-	-	-	(5,424)	-	(5,424)
Net profit/(loss) for the period	-	-	-	-	-	-	27,490	27,490	11,747	39,237
Total comprehensive loss for the period	-	-	-	(5,424)	-	-	27,490	22,066	11,747	33,813
Transfers	-	-	-	-	-	36,251	(36,251)	-	-	-
Balance as at June 30, 2020	208,037	556,162	37,747	(28,730)	10,260	(558,898)	27,490	252,068	20,150	272,218

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

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FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2020**

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

	Notes	Current period Reviewed January 1 - June 30, 2020	Prior period Reviewed January 1 - June 30, 2019
Cash flows from operating activities		358,501	315,975
Net profit/(loss) for the period		39,237	(24,733)
Profit (loss) continuing operations		391,852	429,576
Adjustments related to depreciation and amortization expenses	10,11	125,370	129,258
Adjustments related to impairment (reversal)		1,673	1,060
Adjustments related to impairment (reversal) of receivables	6	1,673	1,060
Adjustments related to provisions		2,269	7,057
Adjustments related to (reversal) of provision for employment benefits		3,171	6,339
Adjustments related to lawsuit (reversal) of provision for lawsuit		(902)	718
Adjustments related to interest (income) expense		214,517	236,595
Adjustments related to interest income	19	(12,207)	(16,737)
Adjustments related to interest expense	21	226,724	253,332
Adjustments related to gain (loss) on fair value	21	(23,592)	(26,042)
Loss (gain) arising on derivatives	21	(23,592)	(26,042)
Adjustments related to tax (gain) loss	22	25,079	(2,657)
Other adjustments related to non-cash items		131,048	85,491
Adjustments regarding to (gain) loss on sale of bargain purchase	26	(81,980)	-
Adjustments regarding to (gain) loss on sale of fix assets		(2,532)	(1,186)
Adjustments regarding to (gain) loss on sale of tangible assets		(2,532)	(1,186)
Changes in working capital		(61,481)	(73,105)
Adjustments related to increase in trade receivables		(99,719)	(61,755)
Adjustments related to increase in inventories		(16,197)	(9,226)
Adjustments related to increase in trade payables		(20,211)	(24,268)
Adjustments related to increase in other payables from operations		110,830	27,523
Adjustments related to other (increase) decrease in working capital		(36,184)	(5,379)
Adjustments related to increase in other payables from other asset		(36,184)	(5,379)
Cash generated from operations		369,608	331,738
Payments related with provision for employee benefits		(3,325)	(5,535)
Tax paid	22	(8,534)	(10,358)
Other cash inflows (outflows)	6	752	130

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

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
AS AT JUNE 30, 2020**

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

	Notes	Current period Reviewed January 1 - June 30, 2020	Prior period Reviewed January 1 - June 30, 2019
Cash flows from investing activities		(52,655)	(128,433)
Cash out flow for acquisition or capital increase of subsidiaries or joint ventures		-	(4,490)
Proceeds from sales of property, plant, equipment and intangible assets		3,065	1,938
Proceeds from sales of property, plant, equipment	10	3,065	1,938
Payment for purchase of property, plant and equipment, intangible assets		(56,848)	(81,737)
Payment for purchase of property, plant and equipment	10	(42,968)	(72,975)
Payment for purchase of intangible assets	10	(13,880)	(8,762)
Cash payments for capital expenditures	9	(11,079)	(60,881)
Interest received	19	12,207	16,737
Cash flows from financing activities		(141,088)	(150,673)
Proceeds from bank loans		322,371	377,874
Proceeds from borrowings		220,820	259,837
Proceeds from bonds		101,551	118,037
Repayment of lease liabilities		(118,261)	(125,738)
Bank borrowings paid		(188,060)	(175,469)
Cash used for repayment of borrowings		(86,509)	(106,209)
Cash used for repayment of bonds		(101,551)	(69,260)
Repayment of obligations under finance leases		(21,197)	(51,331)
Interest paid		(135,941)	(174,508)
Dividend paid		-	(1,501)
Net increase (decrease) in cash and cash equivalents		164,758	36,869
Cash and cash equivalents at the beginning of the period	4	305,663	223,318
Cash and cash equivalents at the end of the period	4	470,421	260,187

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

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2020

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

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

As of June 30, 2020, MLP is the holding company of 17 subsidiaries (December 31, 2019: 17) (collectively referred as the "Group"), each operating in the healthcare sector in Turkey.

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

The 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 33.46% as of June 30 2020, of MLP Sağlık are accepted as "in circulation". As of April 1, 2019, this ratio is 33.46% (Note 16).

Approval of financial statements

Board of Directors has approved the financial statements and delegated authority for publishing it on August 13, 2020.

As of June 30, 2020 the subsidiaries of the Company are:

Name	Location and base of operation
Sentez Sağlık Hizmetleri A.Ş. ("Sentez Hastaneleri")	Batman - İzmir- Gaziantep
Temar Tokat Manyetik Rezonans Sağlık Hizmetleri ve Turizm A.Ş. ("Tokat Hastanesi")	Tokat
Samsun Medikal Grup Özel Sağlık Hizmetleri A.Ş. ("Samsun Hastanesi")	Samsun - İstanbul
Özel Samsun Medikal Tıp Merkezi ve Sağlık Hizmetleri Tic. Ltd. Şti. ("Samsun Tıp Merkezi")	Samsun
Kuzey Medikal Pazarlama İnşaat Taşımacılık San. ve Tic. Ltd. Şti. ("Kuzey")	Ankara
Artimed Medikal Sanayi ve Ticaret Ltd. Şti. ("Artimed")	Ankara
MS Sağlık Hizmetleri Ltd. Şti. ("MS Sağlık")	Ankara
Mediplaza Sağlık Hizmetleri Ticaret A.Ş. ("Mediplaza")	Gebze - İzmit
21. Yüzyıl Anadolu Vakfı ("21. Yüzyıl Anadolu Vakfı")	İstanbul
BTN Sigorta Aracılık Hizmetleri A.Ş. ("BTN Sigorta")	İstanbul
Endmed Endüstri Medikal Malzeme Cihazlar San. Tic. Ltd. Şti. ve Kuzey Medikal Pazarlama İnşaat Taşımacılık San. ve Tic. Ltd. Şti. İş Ortaklığı ("Kuzey Hastaneler Birliği" ya da "KHB")	İstanbul
Sotte Sağlık Temizlik Yemek Medikal Turizm İnşaat Sanayi ve Ticaret A.Ş. ("Sotte Sağlık Temizlik Yemek")	İstanbul - Ankara
MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş. ("MA Group")	İstanbul
BTN Asistans Sağlık Hizmetleri A.Ş. ("BTN Asistans")	İstanbul
BTR Sağlık Hizmetleri A.Ş. ("BTR Sağlık")	İstanbul
İstanbul Meditime Sağlık Hizmetleri Ticaret Ltd. Şti. ("Meditime Sağlık")	İstanbul
MLP Gaziantep Sağlık Hizmetleri Anonim Şirketi ("MLP Gaziantep Sağlık")	Gaziantep

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2020

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

The condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676.

The Company prepared its condensed interim financial statements for the period ended 30 June 2020 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 2019.

Currency Used

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

Inflation accounting

As of 1 January 2005, the financial statements of the Company and its Turkish subsidiaries were adjusted to compensate for the effect of changes in the general purchasing power of the Turkish Lira based on IAS 29 *Financial Reporting in Hyperinflationary Economies*. Turkish Economy is accepted to come off its highly inflationary status as of 1 January 2005. Based on this consideration, IAS 29 has not been applied in the preparation of the consolidated financial statements since 1 January 2006. Amounts expressed in the measuring unit current at December 31, 2005 were treated as the basis for the carrying amounts after 1 January 2005.

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.

In the previous year, the Group had not reclassified certain comparative balances in order to conform to current year's presentation in the consolidated financial statements.

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

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

2.1 Basis of Presentation (Continued)

Basis of Consolidation

The details of the Company's subsidiaries as at June 30, 2020 and December 31, 2019 are as follows:

Subsidiaries	Place of incorporation and operation	Proportion of ownership and voting power held(%)		Principal activity
		June 30, 2020	December 31, 2019	
Sentez Hastaneleri	Batman-İzmir-Gaziantep	56.00%	56.00%	Hospital services
Tokat Hastanesi	Tokat	58.84%	58.84%	Hospital services
Samsun Hastanesi	Samsun	80.00%	80.00%	Hospital services
Samsun Tıp Merkezi (1)	Samsun	100.00%	100.00%	Hospital services
MS Sağlık	Ankara	75.00%	75.00%	Hospital services
Mediplaza	Gebze-İzmit	75.00%	75.00%	Hospital services
MA Group (3)	İstanbul	51.00%	51.00%	Hospital services
BTR Sağlık Hizmetleri	İstanbul	100.00%	100.00%	Hospital services
Meditime Sağlık	İstanbul	100.00%	100.00%	Hospital services
MLP Gaziantep Sağlık	Gaziantep	60.00%	60.00%	Hospital services
Sotte Sağlık Temizlik Yemek	İstanbul-Ankara	100.00%	100.00%	Hospital services
Kuzey	Ankara	100.00%	100.00%	Ancillary services
Artimed	Ankara	100.00%	100.00%	Ancillary services
21. Yüzyıl Anadolu Vakfı (1) (2)	İstanbul	100.00%	100.00%	Ancillary services
BTN Sigorta	İstanbul	100.00%	100.00%	Ancillary services
Kuzey Hastaneler Birliği ("KHB")	İstanbul	99.90%	99.90%	Ancillary services
BTN Asistans	İstanbul	100.00%	100.00%	Ancillary services

(1) Represents voting power held.

(2) In 2011, the Group with the help of its real person shareholders decided to establish a medical university. Based on current legislation, foundations have to be owned by real persons rather than companies and since MLP could not be the shareholder of an association, Muharrem Usta, one of the shareholders in the company, was assigned as the chairman of the board of the foundation. The purpose of the foundation is to establish a medical university in order to align one of the hospitals of the Group to that university. Although, MLP has no shareholder interest in the foundation, the financial statements of the foundation are consolidated to the financial statements in accordance with IFRS 10 as the Company achieved the control by having power and the ability to use its power on the future benefit and cost of the foundation. In addition, the Company has rights to the financial and operating policies

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

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.

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

2.1 Basis of Presentation (Continued)

In cases where the Company has no majority voting rights on the company/asset invested, it still has the control power over that company/asset if the Company alone has sufficient voting rights to manage the investment operations of that company/asset. The Company considers all events and requirements including the items listed below to evaluate if its voting power is sufficient to get control power in an investment:

- The comparison of the Company's voting right and other shareholders' voting rights,
- Potential voting rights of the Company and other shareholders,
- Rights emerging from other agreements upon contracts,
- Other events and requirements showing the potential power of the Company in managing operation decisions (including the voting held on prior period general assemblies).

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group assets and liabilities, equities, income and expenses and cash flows resulting from of Group companies' transactions are eliminated on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). 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.

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

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.

Effect of Covid 19 Outbreak on Group Activities

Covid-19 infection (Coronavirus) which appeared first in China in December 2019 and affected the world as of Marc 2020 was declared as a global pandemic by the World Health Organization as of March 11, 2020. Several cases have been announced since March 2020 in Turkey.

In order to prevent the Covid-19 epidemic and the spread of the epidemic, the Ministry of Health General Directorate of Health Services published its memorandum on "Pandemic Hospitals" numbered 14500235-403.99 on March 20,2020. According to Article 1 of memorandum, all foundation hospitals and private hospitals are obliged to treat the patient until the diagnosis of Covid-19 becomes definite. According to the memorandum, when MLP Sağlık Hizmetleri and its subsidiaries are evaluated, all hospitals except "Çanakkale Hospital" have become "Pandemi Hospital". In this context, all hospitals under the management of Group have taken all precautions regarding the Covid-19 outbreak and provided the necessary environment for the health of our employees and the safe treatment of our patients. In this process, pandemic care services, which were additionally paid within the scope of pandemic care in health services, were excluded from the state payment scope as of 29 June 2020.

Since the spread of Covid-19 outbreak effect to continue with the world as well as in how much time in Turkey, can not be estimated yet clear ; as the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. However, while preparing the interim consolidated financial statements as of 30 June 2020, the possible effects of the Covid-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the financial statements were reviewed. In this context, the Group has tested possible impairment in the values of financial assets, stocks, tangible and intangible fixed assets included in the interim consolidated financial statements as of 30 June 2020, and no impairment was detected.

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

2.5 Changes in Accounting Policies

a) *Standards, amendments and interpretations applicable as at 30 June 2020:*

- **Amendments to IAS 1 and IAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs:
 - i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
 - ii) clarify the explanation of the definition of material; and
 - iii) incorporate some of the guidance in IAS 1 about immaterial information.
 - **Amendments to IFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
 - **Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.
 - **Amendment to IFRS 16, 'Leases' - Covid-19 related rent concessions;** effective from Annual periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- b) *Standards, amendments and interpretations that are issued but not effective as at 30 June 2020:*
- **IFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

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

2.5 Changes in Accounting Policies (Continued)

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3,** 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. .
 - **Amendments to IAS 16,** 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37,** 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

The Company has not yet determined the effects that may occur in the financial statements as a result of the application except for the ones mentioned above and does not expect these differences to have a significant effect on the financial statements.

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NOTE 3 - RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The details of short-term receivables and payables as of 30 June 2020 are as follows:

	June 30, 2020			
	Receivable		Payables	
	Current		Current	
Shareholders	Trade	Non-trade	Trade	Non-trade
Muharrem Usta	-	34,324	-	50
Adem Elbaşı	-	1,164	-	-
	-	35,488	-	50
Other companies controlled by the shareholders				
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	15,047	-	1,898	-
A ve A Sağlık A.Ş. (2)	2,948	-	7,328	-
Konca Özel Sağlık Hizmetleri Ltd.Şti.	402	-	-	-
Miniso Mağazacılık A.Ş.	159	-	263	-
Supra A.Ş.-Sonotom Ltd Şti.				
-Ledmar Ltd Şti.- Mlp A,Ş, İş Ortaklığı	96	-	-	-
Cotyora Med, Özel Sağ. Taah. Hz.				
İnş. Tr. Loj. Ltd. Şti. (4)	9	-	2,011	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	-	509	-
Saray Eczanesi	2	-	94	-
Mp Sağlık ve Tic. A.Ş.	-	-	2,397	733
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	107	-
Samsunpark Özel Sağlık Tıbbi				
Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	2,147	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	16	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	245	-
Other	28	129	-	16
	18,693	129	17,015	749
	18,693	35,617	17,015	799

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

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Shareholders	December 31, 2019			
	Receivable		Payables	
	Current		Current	
	Trade	Non-trade	Trade	Non-trade
Muharrem Usta	-	29,904	-	50
Adem Elbaşı	-	1,048	-	-
	-	30,952	-	50

Other companies controlled by the shareholders

A ve A Sağlık A.Ş. (1)	2,347	-	8,456	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	3,066	-
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	-	-	2,934	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)	44	-	1,898	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	1,571	-
Mp Sağlık ve Tic. A.Ş.	-	-	1,238	733
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	647	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	-	509	-
Miniso Mağazacılık A.Ş.	52	-	263	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	170	-
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	118	-
Saray Eczanesi	1	-	34	-
Sanport Gayrimenkul Geliştirme İnş.ve Tic. A.Ş	2	-	-	-
Supra A.Ş.-Sonotom Ltd. Şti.	-	-	-	-
-Ledmar Ltd Şti. - Mlp A.Ş. İş Ortaklığı	366	-	-	-
Other	27	129	-	16
	2,841	129	20,904	749
	2,841	31,081	20,904	799

- (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 turnkey project management services for the furniture & fixture and leasehold improvements of the hospitals and audit 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.

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Advance given to related parties, prepaid expenses

	June 30, 2020	December 31, 2019
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	13,465	12,312
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	2,932	-
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	286	286
Sanport Gayrimenkul Geliştirme İnş.ve Tic. A.Ş.	84	-
	16,767	12,598

Fixed asset advances given to related parties

	June 30, 2020	December 31, 2019
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	99,946	90,288
Mp Sağlık ve Tic. A.Ş.	33,000	33,000
	132,946	123,288

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

Related parties (sale and leaseback transactions)

	June 30, 2020	December 31, 2019
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within long-term prepaid expenses)	3,204	3,598
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş., (within short-term prepaid expenses)	787	787
	3,991	4,385

The balances above are resulting from sale and leaseback transactions of Efes Hospital (branch of Sentez Hospital) and Bahçelievler Hospital's land and 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 at June 30, 2020, the Group has incurred rent expense amounting to TRY394 due to amortization of prepaid rent (December 31, 2019: TRY787).

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Lease liabilities from related parties	June 30, 2020		December 31, 2019	
	Current	Non-current	Current	Non-current
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş.	62,736	99,027	55,264	113,536
Fom Grup Mimarlık İnşaat Ve Tic. A.Ş.	11,724	52,788	9,508	49,333
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	8,344	10,369	6,644	14,214
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	6,280	-	5,609	2,786
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş.	5,237	6,103	4,620	8,885
Mp Sağlık ve Tic. A.Ş.	3,950	376	3,167	2,250
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	2,019	1,556	1,707	2,455
	100,290	170,219	86,519	194,059

Purchases from related parties	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)(3)	9,691	5,204	8,424	4,388
A ve A Sağlık A.Ş. (1)	5,893	2,239	5,817	2,530
	15,584	7,443	14,241	6,918

(1) Cleaning material purchases

(2) Hospital rent expenses

(3) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.

Operating expenses (including purchase of services)	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş. (1) (7)	39,901	14,934	44,445	22,301
Samsunpark Özel Sağ. Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (4)	7,242	3,081	9,533	4,698
Atakum Özel Sağlık Hiz. İnş. Turizm ve San. Tic. A.Ş. (1) (7)	4,797	1,977	5,097	2,587
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş. (1) (7)	3,073	1,229	3,089	1,544
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	3,230	1,426	3,595	1,600
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş. (1) (7)	3,156	1,265	3,512	1,770
Mp Sağlık ve Tic. A.Ş. (1) (7)	2,768	1,084	2,800	1,406
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	2,689	772	3,005	1,746
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1) (7)	1,404	704	1,290	645
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (5)	475	159	718	354
Saray Eczanesi (6)	344	150	394	242
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. Şti. (2)	117	17	187	100
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş. (3)	99	35	121	57
Salih Usta (Lojman)	90	90	-	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş. (3)	10	-	334	155
Özarkaz Gayrimenkul Yat. ve İnş. Tic. A.Ş. (1) (7)	-	-	3,745	1,872
Özel Ereğli Millet Sağlık Hizm. San. ve Tic. Ltd. Şti. (1) (7)	-	-	2,277	1,138
Öz Anadolu Gayrimenkul ve Sağlık Yat. A.Ş. (1) (7)	-	-	1,224	612
Çanakkale Arkaz Sağlık Yatırımları A.Ş. (1) (7)	-	-	559	279
	69,395	26,923	85,925	43,106

(1) Hospital rent expenses

(2) Doctor expenses

(3) Stationary and consumable expenses

(4) Cleaning, catering and laundry services

(5) Medical equipment rent expenses

(6) Drug purchase expenses

(7) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.

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NOTE 3 - RELATED PARTY DISCLOSURES (Continued)

Sales to related parties	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
A ve A Sağlık A.Ş.(1)	5,423	2,235	6,125	3,031
Muharrem Usta	2,169	1,000	2,645	1,504
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turizm. Tem. Tic. A.Ş.	113	47	104	51
Miniso Mağazacılık A.Ş.	94	56	85	34
Adem Elbaşı	74	34	62	62
Cotyora Med.Özel Sağ.Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	47	14	148	71
Samsunpark Özel Sağlık Hiz.İş Sağlığı ve Güvenlik. Dan. Eğitim. Müh.Tic.Ltd. Şti.	9	9	-	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	5	3	18	18
Saray Eczanesi	4	1	5	5
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş.	-	-	81	-
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş.	-	-	30	30
Sancak İnşaat Turizm Nak.ve Dış Tic. A.Ş.	-	-	1	1
Supra-Medicalpark-Sonotom-Ledmar İş Ortaklığı (Fatih Görünteme) (2)	-	-	627	275
	7,938	3,399	9,931	5,082

(1) Outsourcing laboratory services

(2) Imaging services

Compensation of key management personnel:

Key management personnel comprise general managers, deputy general managers and chief physicians of hospitals and head office management team. Compensation of key management personnel consist of salary,premium,health insurance and transportation.

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

	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Salaries and other short-term benefits	8,521	3,597	10,797	5,592
	8,521	3,597	10,797	5,592

NOTE 4 - CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019
Cash on hand	17,856	15,569
Cash at banks	443,218	282,330
- Demand deposit	242,133	28,950
- Time deposit	201,085	253,380
Other cash equivalents (*)	9,347	7,764
	470,421	305,663

The effective interest rate of the time deposits of the Group in TRY, USD and EUR as of 30 June 2020 rates respectively 5.50% - 8.75% (31 December 2019: 4.49% - 13.25%), 0.15% (31 December 2019: 0.4% - 1.5%), 0.01% (31 December 2019: 0.01% - 0.09%) and their maturities are less than 3 months.

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

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NOTE 5 - FINANCIAL INSTRUMENTS

Financial Liabilities

Bank Loans and Bonds

	June 30, 2020	December 31, 2019
Short-term bank borrowings	82,822	139,598
Short-term bonds issued	251,551	251,468
Current portion of long term borrowings	332,503	241,137
- <i>Current portion of long term bank loans</i>	332,503	241,137
Interest accruals	60,102	42,917
	726,978	675,120
Long-term bank loans	1,051,694	859,743
	1,051,694	859,743
Total borrowings	1,778,672	1,534,863

The reconciliation of the liabilities arising from financing activities as of 1 January- 30 June 2020 and 1 January- 30 June 2019 are as follows:

	January 1, 2020	Financing cash flows	Foreign exchange effect (Note 21)	Disposal of subsidiary	Other (*)	June 30, 2020
Bank loans	1,534,863	151,495	92,314	-	-	1,778,672
Finance lease obligations	211,880	(21,197)	25,834	-	-	216,517
Lease obligations	601,940	(118,261)	9,097	-	141,285	634,061
	2,348,683	12,037	127,245	-	141,285	2,629,250
	January 1, 2019	Financing cash flows	Foreign exchange effect (Note 21)	Disposal of subsidiary	Other (*)	June 30, 2019
Bank loans	1,135,646	204,349	55,787	-	-	1,395,782
Finance lease obligations	283,245	(51,331)	18,870	-	-	250,784
Lease obligations	659,747	(125,738)	6,603	-	99,556	640,168
	2,078,638	27,280	81,260	-	99,556	2,286,734

(*) 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.

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NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

As of June 30, 2020 and December 31, 2019 the repayment schedule of the total borrowings as follows:

June 30, 2020

Currency Type	Weighted Average Effective Interest Rate	Current	Non-current	Total
TRY	13%	257,795	77,412	335,207
TRY	TRLibor +2,50% - 3,50% -4,50% - 5,80%	244,748	549,823	794,571
EUR	Euribor + 5,50%	212,873	424,459	637,332
EUR	0,75%	11,562	-	11,562
		726,978	1,051,694	1,778,672

December 31, 2019

Currency Type	Weighted Average Effective Interest Rate	Current	Non-current	Total
TRY	18%	276,847	93,288	370,135
TRY	TRLibor +3.30% - 4.00% - 5.80%	241,492	340,215	581,707
EUR	Euribor + 5.50%	121,533	426,240	547,773
EUR	0.75%	35,248	-	35,248
		675,120	859,743	1,534,863

As of June 30, 2020, there are no blocked cash accounts related to the group's loans. (December 31, 2019: None).

As at June 30, 2020 and December 31, 2019 the repayment schedule of the borrowings in TRY are as follows:

	June 30, 2020	December 31, 2019
Interest accruals	60,102	42,917
To be paid within 1 year (*)	666,876	632,203
To be paid between 1-2 years	340,509	236,835
To be paid between 2-3 years	348,911	231,328
To be paid between 3-4 years	251,777	203,701
To be paid between 4-5 years	73,158	135,294
To be paid between 5-6 years	37,339	52,585
	1,778,672	1,534,863

(*) TRY82,822 of the loans to be paid within one year consists of revolving loans and TRY251,551 part consists of bond payments which will be redeemed within 1 year.

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NOTE 5 - FINANCIAL INSTRUMENTS (Continued)

Covenants:

The Company has a structured finance facility in place. A syndicate loan agreement was signed on December 31, 2015 with seven banks including Türkiye İş Bankası A.Ş., Türkiye Garanti Bankası A.Ş., Denizbank A.Ş., Denizbank AG, Odeabank A.Ş., ING European Financial Services PLC and ING Bank A.Ş. The withdrawal of the syndicate loan took place in February 2016. As a guarantee for the syndicate loan used, there is a pledge over all of shares of MLP, and shares in subsidiaries owned by MLP and all fixed assets under ownership of MLP and the MLP's bank accounts. In addition to this, the loan is secured via assignment of MLP's receivables arising from various agreements including medical tourism agreements and insurance policies.

The syndicate loan includes a number of financial covenants stated below:

The Debt Service Coverage Ratio ("DSCR") cannot be below 1.1 during the term of the agreement (2016-2024). DSCR is tested every six months starting from December 31, 2016.

Net debt to EBITDA Ratio cannot be above, 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, x2.5 for the year ended December 31, 2019 and for the six months period ended June 30, 2020 and x2.5 for the remaining period of the syndicate loan. The Group is meeting the related financial commitments as of 30 June 2020.

Lease Obligations

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

Obligations under finance leases	Minimum lease payments		Present value of minimum lease payments	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Within one year	105,459	90,031	90,367	76,426
In the second to fifth years inclusive	134,774	146,859	126,150	135,454
	240,233	236,890	216,517	211,880
Less : Future finance charges	(23,716)	(25,010)	-	-
Present value of finance lease obligations	216,517	211,880	216,517	211,880
Less: Amounts due to settlement within twelve months (shown under current liabilities)			90,367	76,426
Amounts due for settlement after 12 months			126,150	135,454
Liabilities arising from lease transactions				
	June 30, 2020	December 31, 2019		
Within one year	133,546	109,257		
More than one year	500,515	492,683		
Present value of finance lease obligations	634,061	601,940		

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current trade receivables	June 30, 2020	December 31, 2019
Trade receivables	866,169	800,462
Notes receivables	12,205	19,415
Trade receivables from related parties (Note 3)	18,693	2,841
Income accruals from continuing treatments	155,786	125,768
Other trade income accruals	41,905	56,338
Allowance for doubtful receivables (-)	(14,850)	(13,929)
	1,079,908	990,895

Trade receivables due from the SSI constitute 40% (December 31, 2019: 36%) and receivables due from foreign patients constitute 33% (December 31, 2019: 31%) of total trade receivables.

The Group has trade receivables arising from health services given to foreign patients amounting to TRY268,733 as at June 30, 2020. These receivables have a longer maturity and higher profitability compared to other institutions that the Group works such as SSI and private insurance companies. Collections of these receivables are followed up regularly by the Group. In the period January 1, 2018 - June 30, 2020, the Group has receivables from the Government of Libya amounting to TRY186,128. The Group Management expect to collect remaining receivables in 2020. On 6 August 2020, the collection of the receivable balance in the amount of TRY99,109 was realized (Note 27).

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

As of June 30, 2020, trade receivables of an initial value of TRY14,850 (December 31, 2019: TRY13,929) were fully impaired and fully provided for. No collaterals are received in relation to these trade receivables.

Movement of allowance for doubtful receivables

	January 1 - June 30, 2020	January 1 - June 30, 2019
Balance at beginning of the period	13,929	11,515
Charge for the period	1,673	1,060
Collections	(752)	(130)
Balance at closing of the period	14,850	12,445

Trade Payables

Short term trade payables	June 30, 2020	December 31, 2019
Trade payables	629,533	670,480
Trade payables due to related parties (Note 3)	17,015	20,904
Other expense accruals	155,981	126,810
Other trade payables	1,616	2,970
	804,145	821,164

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NOTE 7 - OTHER RECEIVABLES AND PAYABLES

Other Receivables

Other current receivables	June 30, 2020	December 31, 2019
Non-trading receivables due from related parties (Note 3)	35,617	31,081
Receivables from tax office	7,100	4,035
Deposits given	4,381	5,223
Other miscellaneous receivables	22,100	20,662
	69,198	61,001

Other non-current receivables	June 30, 2020	December 31, 2019
Deposits given	2,624	2,538
	2,624	2,538

Other Payables

Other current payables	June 30, 2020	December 31, 2019
Payables relating to business combinations	28,671	20,175
Other taxes and funds payable	26,346	13,632
Non-trading payables due to related parties (Note 3)	799	799
Other miscellaneous payables	16,881	1,771
	72,697	36,377

Other non-current payables	June 30, 2020	December 31, 2019
Payables relating to business combinations	112,089	72,726
	112,089	72,726

NOTE 8 - INVENTORIES

Inventories	June 30, 2020	December 31, 2019
Laboratory inventory	44,706	43,875
Pharmaceutical inventory	35,773	26,503
Medical consumables inventory	24,288	17,241
Other inventory	1,894	2,846
	106,661	90,465

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NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

Short term prepaid expenses	June 30, 2020	December 31, 2019
Order advances	230,466	186,681
Prepaid rent expenses	19,103	20,522
Prepaid insurance expenses	14,272	15,394
Prepaid sponsorship expenses	1,464	1,360
Other	11,605	10,894
	276,910	234,851

Long term prepaid expenses	June 30, 2020	December 31, 2019
Fixed asset advances given	216,320	205,241
Prepaid rent expenses	11,124	19,998
Other	2,613	3,484
	230,057	228,723

Deferred Income

Short term accrued income	June 30, 2020	December 31, 2019
Advances received	136,305	73,887
Deferred revenue	7,185	8,229
	143,490	82,116

Long term accrued income	June 30, 2020	December 31, 2019
Deferred revenue	1,067	2,157
	1,067	2,157

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NOTE 10 - ROPERTY, EQUIPMENT AND OTHER INTANGIBLE ASSETS

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
Opening balance as of January 1, 2020	1,266	660,171	1,546	311,064	391,443	552,043	90,101	2,007,634
Additions	-	5,831		12,139	1,543	12,235	11,220	42,968
Assets acquired by business combinations (Note 26)	-	16,771	-	-	-	-	-	16,771
Disposals	(226)	(3,409)	(80)	(202)	-	(19)	-	(3,936)
Transfers	-	50,284	-	24,142	(9,291)	403	(65,538)	-
Closing balance as of June 30, 2020	1,040	729,648	1,466	347,143	383,695	564,662	35,783	2,063,437
Accumulated depreciation								
Opening balance as of January 1, 2020	(80)	(454,298)	(1,546)	(200,756)	(316,292)	(258,916)	-	(1,231,888)
Charge for the period (*)	(8)	(33,112)	-	(19,219)	(14,638)	(18,787)	-	(85,764)
Disposals	-	3,269	80	46	-	8	-	3,403
Transfers	-	(5,999)	-	(2,973)	8,972	-	-	-
Closing balance as of June 31, 2020	(88)	(490,140)	(1,466)	(222,902)	(321,958)	(277,695)	-	(1,314,249)
Carrying value as of June 31, 2020	952	239,508	-	124,241	61,737	286,967	35,783	749,188

(*) Depreciation and amortization expense of TRY83,251 (January 1 - June 30, 2019: TRY100,348) has been charged in ‘cost of service’, TRY7,080 (January 1-June 30, 2019: TRY4,734) has been charged in ‘operating expenses’ for the period ended between January 1- June 30,2020.

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

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
Opening balance as of January 1, 2019	2,396	560,320	1,834	255,844	431,333	458,593	203,631	1,913,951
Additions	-	7,061	2	12,355	-	15,660	37,897	72,975
Disposals	(452)	(808)	-	(65)	-	-	(65)	(1,390)
Transfers	-	85,036	-	37,295	(6,393)	70,935	(188,205)	(1,332)
Closing balance as of June 30, 2019	1,944	651,609	1,836	305,429	424,940	545,188	53,258	1,984,204
Accumulated depreciation								
Opening balance as of January 1, 2019	(100)	(287,285)	(1,698)	(131,866)	(423,639)	(232,715)	110	(1,077,193)
Charge for the period	(8)	(61,041)	(60)	(15,259)	(6,489)	(17,805)	-	(100,662)
Disposals	18	762	-	33	-	-	-	813
Transfers	-	(5,435)	-	(910)	6,345	-	-	-
Closing balance as of June 30, 2019	(90)	(352,999)	(1,758)	(148,002)	(423,783)	(250,520)	110	(1,177,042)
Carrying value as of June 30, 2019	1,854	298,610	78	157,427	1,157	294,668	53,368	807,162

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

Cost	Licenses	Rights	Other	Total
Opening balance as of January 1, 2020	477,982	64,449	3,224	545,655
Assets acquired by business combinations (Note 26)	118,090	-	-	118,090
Additions	-	13,858	22	13,880
Transfers	-	-	-	-
Closing balance as of June 30, 2020	596,072	78,307	3,246	677,625
Accumulated amortization				
Opening balance as of January 1, 2020	-	(33,790)	(605)	(34,395)
Charge for the period	-	(4,428)	(139)	(4,567)
Closing balance as of June 30, 2020		(38,218)	(744)	(38,962)
Carrying value as of June 30, 2020	596,072	40,089	2,502	638,663
Cost	Licenses	Rights	Other	Total
Opening balance as of January 1, 2019	401,236	55,672	1,489	458,397
Additions	-	7,338	1,424	8,762
Disposals	-	-	(175)	(175)
Transfers	-	1,651	(319)	1,332
Closing balance as of June 30, 2019	401,236	64,661	2,419	468,316
Accumulated amortization				
Opening balance as of January 1, 2019	-	(30,117)	(366)	(30,483)
Charge for the period	-	(4,284)	(136)	(4,420)
Closing balance as of June 30, 2019	-	(34,401)	(502)	(34,903)
Carrying value as of June 30, 2019	401,236	30,260	1,917	433,413

NOTE 11 - RIGHT OF USE ASSETS

	Hospital Buildings	Total
Opening balance as of January 1, 2020	235,087	235,087
Additions	67,685	67,685
Charge for the year (*)	(35,039)	(35,039)
Closing balance as of June 30, 2020	267,733	267,733

(*) For the period ended June 30, 2020, right of use assets depreciation expenses of TRY34,233 has been charged to 'cost of service' (1 January - 30 June 2019: TRY23,604), TRY806 to 'general administrative and marketing expenses (1 January - 30 June 2019: TRY572).

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NOTE 11 - RIGHT OF USE ASSETS (Continued)

	Hospital Buildings	Total
Opening balance as of January 1, 2019	232,382	232,382
Additions	22,679	22,679
Charge for the year	(24,176)	(24,176)
Closing balance as of June 30, 2019	230,885	230,885

NOTE 12 - PAYABLES FOR EMPLOYEE BENEFITS

Payables for employment benefits:	June 30, 2020	December 31, 2019
Fees payable to doctors and other personnel	64,117	65,664
Social security premiums payable	40,820	13,044
	104,937	78,708

Short term provision for employment benefits:	June 30, 2020	December 31, 2019
Unused vacation provision	14,979	13,703
	14,979	13,703

Long term provision for employment benefits:	June 30, 2020	December 31, 2019
Retirement pay provision	21,268	16,319
Unused vacation provision	4,236	3,834
	25,504	20,153

NOTE 13 - OTHER ASSETS AND LIABILITIES

Other current assets:	June 30, 2020	December 31, 2019
VAT carried forward	37,186	34,823
Other miscellaneous current assets	4,526	4,278
	41,712	39,101

NOTE 14 - PROVISIONS

Other short-term provisions:	June 30, 2020	December 31, 2019
Litigation provisions	11,861	12,763
Social Security discounts provisions	5,545	4,679
	17,406	17,442

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NOTE 15 - COMMITMENTS

June 30, 2020	Total	TRY	USD	EUR
A. CPM given on behalf of its own legal entity	80,055	64,789	156	1,842
-Collateral	80,055	64,789	156	1,842
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	51,838	48,547	-	427
-Collateral	51,838	48,547	-	427
-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	131,893	113,336	156	2,269

(*) The Group has given guarantees amounting to TRY64,745 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)

December 31, 2019	Total	TRY	USD	EUR
A. CPM given on behalf of its own legal entity	100,335	61,254	156	5,737
-Collateral	100,335	61,254	156	5,737
-Pledge	-	-	-	-
-Mortgage	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	57,981	54,953	-	455
-Collateral	57,981	54,953	-	455
-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	-	-	-	-
TOPLAM	158,316	116,207	156	6,192

(*) The Group has given guarantees amounting to TRY95,286 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	(%)	June 30, 2020	(%)	December 31, 2019
Lightyear Healthcare B.V.	30.69	63,844	30.69	63,844
Sancak İnşaat Turizm Nakliyat ve Dış Ticaret A.Ş.	15.35	31,943	15.35	31,943
Muharrem Usta	8.98	18,678	8.98	18,678
Hujori Finansieringen B.V.	3.98	8,287	3.98	8,287
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
Nominal capital	100.00	208,037	100.00	208,037

(*) The shareholders of the Company purchased 6,827 thousand shares from the publicly traded portion of the capital. Distribution of the shares purchased is as follows; 3,224 thousand shares representing 4.43% of the publicly traded portion were purchased by Lightyear Healthcare B.V., 1,613 thousand shares representing 2.21% of the publicly traded portion of the capital were purchased by Sancak İnşaat, 943 thousand shares representing 1.29% of the publicly traded portion of the capital were purchased by Muharrem Usta, 418 thousand shares representing 0.57% of the publicly traded portion of the capital were purchased by Hujori Finansieringen B.V., 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. Additional 27 thousand shares were purchased by Muharrem Usta from the publicly traded portion.

As of June 30, 2020 the total number of ordinary shares is 208,037 thousand shares (2019: 208,037 thousand shares) with a par value of TRY1 per share (2019: TRY1 per share).

The share capital is divided into 208,037 thousand shares (December 31, 2019: 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 33.46% of the shares are in circulation in accordance with CSD as of June 30, 2020 (Note 1). Shares in circulation rate is 33.46% as of April 1, 2020.

Share premiums:

	June 30, 2020	December 31, 2019
Share Premiums	556,162	556,162
	556,162	556,162

On February 7, 2018, the Group launched initial public offering ("IPO") of 72,834 thousand B type bearer shares corresponding to 35.01% of total shares. From the initial public offering, TRY600,000 was generated to the Group. After the IPO related expenses amounting to TRY12,259 were deducted from proceeds, out of TRY587,741, share capital increase was made with the amount of TRY31,579 and the remaning amount was used in the share premium increase by TRY556,162.

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NOTE 16 - SHARE CAPITAL/OTHER RESERVES (Continued)

Reserves:	June 30, 2020	December 31, 2019
Legal reserves	302	302
Restricted reserves appropriated from profit	9,958	9,958
Revaluation reserves	37,747	37,747
	48,007	48,007

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	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Hospital services (*)	1,738,296	759,426	1,822,335	888,968
	1,738,296	759,426	1,822,335	888,968

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

Cost of services	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Material consumption	(392,823)	(181,337)	(437,105)	(212,803)
Doctor expenses	(356,234)	(152,582)	(377,200)	(189,238)
Personnel expenses	(245,783)	(100,768)	(259,186)	(128,019)
Services rendered by third parties	(121,574)	(53,078)	(89,546)	(45,144)
Depreciation and amortization expenses (Note 10,11)	(117,484)	(58,821)	(123,952)	(62,124)
Rent expenses (Hospitals)	(13,806)	(7,053)	(10,886)	(5,353)
Other (*)	(102,969)	(47,008)	(102,676)	(51,642)
	(1,350,673)	(600,647)	(1,400,551)	(694,323)

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

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NOTE 18 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES

General administrative and marketing expenses	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Personnel expenses	(46,280)	(13,596)	(59,490)	(30,197)
Sponsorship and advertising expenses (*)	(35,639)	(10,948)	(50,573)	(24,269)
Depreciation and amortization expenses (Note 10,11)	(7,886)	(4,076)	(5,306)	(2,870)
Outsourcing expenses	(4,690)	(2,200)	(4,267)	(1,919)
Rent expenses	(4,134)	(1,984)	(3,848)	(1,946)
Taxes and duties	(2,872)	(1,391)	(2,551)	(1,481)
Bad debt allowance	(1,673)	(1,077)	(1,060)	(438)
Communication expenses	(1,398)	(772)	(739)	(356)
Representation and entertainment expenses	(1,044)	(463)	(1,152)	(574)
Maintenance and repair expenses	(959)	(334)	(1,706)	(1,047)
Utility expenses	(667)	(233)	(812)	(411)
Other	(5,454)	(1,646)	(11,703)	(6,183)
	(112,696)	(38,720)	(143,207)	(71,691)

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

NOTE 19 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Foreign exchange gains from operations	145,038	71,668	126,849	71,618
Interest income	12,207	7,068	16,737	7,520
Trade payables discount	(5,129)	(3,890)	(4,313)	554
Collected provisions for doubtful (Note 6)	752	223	130	9
Other income	8,204	3,784	5,604	2,799
	161,072	78,853	145,007	82,500
Other expenses from operating activities	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Foreign exchange losses from operations	(105,294)	(49,025)	(105,844)	(60,275)
SSI return expenses	(2,834)	(1,208)	(1,567)	(767)
Non-operational hospital expenses	(859)	(61)	(280)	(140)
Trade receivables discount	1,936	1,353	383	810
Other expenses	(18,767)	(9,549)	(35,173)	(21,851)
	(125,818)	(58,490)	(142,481)	(82,223)

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NOTE 20 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Gain on bargain purchase (Note 26)	81,980		-	-
Gain on sale of fixed assets	2,636	2,154	1,186	711
	84,616	2,154	1,186	711
Expense from investing activities	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Loss on sale of fixed assets	(104)	(6)	-	-
	(104)	(6)	-	-

NOTE 21 - FINANCE EXPENSES

Finance expenses	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Interest expenses from bank borrowings	(106,489)	(59,507)	(127,952)	(78,829)
Interest expenses from financial lease obligations	(73,599)	(36,860)	(76,879)	(38,141)
Interest expenses from bonds issued	(19,897)	(9,688)	(10,541)	(7,831)
Bank commissions	(9,660)	(3,599)	(19,710)	(10,329)
Interest expenses from lease liabilities	(6,786)	(2,787)	(12,282)	(5,867)
Other interest expenses	(10,293)	(5,834)	(5,968)	(3,165)
Total interest expenses	(226,724)	(118,275)	(253,332)	(144,162)
Net foreign exchange loss	(118,148)	(54,615)	(74,657)	(32,785)
Fair value differences of derivative financial instruments (net)	23,592	12,304	24,913	9,005
Net foreign exchange loss from lease liabilities (Note 5)	(9,097)	(4,185)	(6,603)	(4,680)
	(330,377)	(164,771)	(309,679)	(172,622)

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

Short term payables due to current tax	June 30, 2020	December 31, 2019		
Current period tax liabilities	4,717	4,654		
	4,717	4,654		
Current tax liabilities	June 30, 2020	December 31, 2019		
Current corporate tax provision	8,597	19,399		
Less: Prepaid taxes and funds	(3,880)	(14,745)		
	4,717	4,654		
Tax (expense)/income	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Current tax income/(expense)	(8,597)	(4,464)	(12,361)	(5,763)
Deferred tax income/(expense)	(16,482)	4,532	15,018	18,867
Loss per share	(25,079)	68	2,657	13,104

Corporate Tax

The Group is subject to Turkish corporate tax. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The advance corporate income tax rate is 22% in 2020 (2019: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2020 is 22% (2019: 22%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses incurred cannot be deducted from the prior years' profit retrospectively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

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

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below. Tax rate used in the calculation of deferred tax assets and liabilities was 22% over temporary timing differences expected to be reversed in 2018, 2019 and 2020, and 20% over temporary timing differences expected to be reversed in 2021 and the following years (2019: 22%).

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 TRY153,309 (December 31, 2019: TRY149,918). Respective deferred tax asset was calculated to be 15% - 40% of total investment contribution with regards to the respective investment incentive certificates. Additionally, the Group is entitled to social security premium support from the Turkish Ministry of Economy, related to the hospitals that have completed their greenfield investments. Such investment income of TRY3,546 will be netted off against personnel expenses over the period of 2020-2026.

As of June 30, 2020, the Group has tax loss amounting to TRY477,460 (December 31, 2019: TRY460,866). TRY96,685 (December 31, 2019: TRY93,419) deferred tax assets have been recorded concerning this loss.

Deferred tax assets/(liabilities):	June 30, 2020	December 31, 2019
Tax losses carried forward	96,685	93,419
Depreciation/amortization differences of tangible and intangible assets	(171,854)	(145,753)
Provision for employment termination benefits	4,254	3,264
Vacation pay liability	4,227	3,858
Temporary difference between the tax base and carrying amount of financial liabilities	(3,626)	(4,419)
Prepaid building expenses	(4,463)	(4,575)
Tax advantage from investment incentive	153,309	149,918
Derivative instruments	(31)	5,159
Lease liability	73,266	73,371
Other	76,245	68,896
	228,012	243,138
Deferred tax asset	410,106	397,886
Deferred tax liability	(182,094)	(154,748)
	228,012	243,138

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

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

	June 30, 2020	
	Losses carried forward for which deferred tax assets recognized	Losses carried forward for which deferred tax assets not recognized
Expiration schedule of carryforward tax losses		
Expiring in 2020	59,651	-
Expiring in 2021	67,248	-
Expiring in 2022	144,997	-
Expiring in 2023	120,453	-
Expiring in 2024	65,790	-
Expiring in 2025	19,321	-
	477,460	-
	December 31, 2019	
	Losses carried forward for which deferred tax assets recognized	Losses carried forward for which deferred tax assets not recognized
Expiration schedule of carryforward tax losses		
Expiring in 2019	62,301	-
Expiring in 2020	67,248	-
Expiring in 2021	144,997	-
Expiring in 2022	120,453	-
Expiring in 2023	65,867	-
	460,866	-

Movement of deferred tax (assets)/liabilities for the period ended June 30, 2020 and June 30, 2019 are as follows:

	January 1 - June 30, 2020	January 1 - June 30, 2019
Movement of deferred tax liabilities:		
Opening balance as at January 1	(243,138)	(146,669)
Opening effect of changes in accounting policy	-	(85,474)
Charged to profit or loss	16,482	(15,018)
Charged to equity	(1,356)	(865)
Closing balance as at year end	(228,012)	(248,026)

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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:

Reconciliation of tax provision:	January 1 - June 30, 2020	January 1 - June 30, 2019
Loss before tax	64,316	(27,390)
Tax at the domestic income tax rate of 22% (2019: 22%)	(14,150)	6,026
Tax effects of:		
- expenses that are not deductible in	(14,458)	(18,615)
- effect of tax advantage from investment incentive	3,391	11,988
- tax losses carried forward not subject to deferred tax	(587)	(1,672)
- change in income tax rate from 20% to 22%	1,077	5,558
- reduced corporate tax effect	333	218
- other	(685)	(846)
Income tax income recognised in profit or loss	(25,079)	2,657

NOTE 23 - EARNINGS PER SHARE

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

Earnings/(loss) per share	January 1 - June 30, 2020	April 1 - June 30, 2020	January 1 - June 30, 2019	April 1 - June 30, 2019
Weighted average number of shares	208,037	208,037	208,037	208,037
Net loss for the period for the equity holders of the parent	27,490	(22,876)	(42,741)	(45,453)
Loss per share	0,13	(0,11)	(0,21)	(0,22)

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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:

June 30, 2020

	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	147,586	20,618	845	-
2a. Monetary financial assets	146,104	3,949	15,437	11
2b. Non monetary financial assets	48,067	3,389	3,209	17
3. Other	3,362	52	390	-
4. CURRENT ASSETS	345,119	28,008	19,881	28
6b. Non monetary financial assets	28,717	4,197	-	-
7. Other	23	-	3	-
8. NON CURRENT ASSETS	28,740	4,197	3	-
9. TOTAL ASSETS	373,859	32,205	19,884	28
10. Trade payables	(28,703)	(3,002)	(1,059)	-
11a. Financial liabilities (loans)	(224,435)	-	(29,116)	-
11b. Financial liabilities (leasing)	(75,344)	(885)	(8,989)	-
11c. Lease Liabilities	(11,578)	-	(1,502)	-
12a. Other monetary liabilities	(63,688)	(3,602)	(5,065)	-
13. CURRENT LIABILITIES	(403,748)	(7,489)	(45,731)	-
15a. Financial liabilities (loans)	(424,459)	-	(55,066)	-
15b. Financial liabilities (loans) (leasing)	(109,868)	(1,465)	(12,953)	-
15c. Lease Liabilities	(53,819)	-	(6,982)	-
17. NON CURRENT LIABILITIES	(588,146)	(1,465)	(75,001)	-
18. TOTAL LIABILITIES	(991,894)	(8,954)	(120,732)	-
19. Net assets/liability position of off- balance sheet derivatives (19a-19b)	86,147	-	11,176	-
19a. Off balance sheet foreign currency derivative assets	86,147	-	11,176	-
19b. Off balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(531,888)	23,251	(89,672)	28
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+10+11+12a+14+15+16a)	(698,204)	15,613	(104,450)	11

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

December 31, 2019

	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	134,286	21,387	1,089	-
2a. Monetary financial assets	201,391	4,146	26,575	3
2b. Non monetary financial assets	58,075	3,249	5,820	1
3. Other	2,927	65	382	-
4. CURRENT ASSETS	396,679	28,847	33,866	4
6b. Non monetary financial assets	34,162	5,751	-	-
7. Other	267	36	8	-
8. NON CURRENT ASSETS	34,429	5,787	8	-
9. TOTAL ASSETS	431,108	34,634	33,874	4
10. Trade payables	(16,132)	(518)	(1,963)	-
11a. Financial liabilities (loans)	(156,781)	-	(23,574)	-
11b. Financial liabilities (leasing)	(63,309)	(1,242)	(8,410)	-
11c. Lease Liabilities	(9,510)	-	(1,430)	-
12a. Other monetary liabilities	(42,539)	(3,199)	(3,539)	-
13. CURRENT LIABILITIES	(288,271)	(4,959)	(38,916)	-
15a. Financial liabilities (loans)	(426,240)	-	(64,090)	-
15b. Financial liabilities (loans) (leasing)	(115,079)	(1,895)	(15,611)	-
15c. Lease Liabilities	(49,933)	-	(7,508)	-
17. NON CURRENT LIABILITIES	(591,252)	(1,895)	(87,209)	-
18. TOTAL LIABILITIES	(879,523)	(6,854)	(126,125)	-
19. Net assets/liability position of off- balance sheet derivatives (19a-19b)	(149,113)	-	(22,421)	-
19a. Off balance sheet foreign currency derivative assets	-	-	-	-
19b. Off balance sheet foreign currency derivative liabilities	(149,113)	-	(22,421)	-
20. Net foreign currency asset liability position (9-18+19)	(597,529)	27,780	(114,672)	4
21. Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+10+11+12a+14+15+16a)	(543,336)	18,679	(97,031)	3

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

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising primarily from USD and EUR.

The following table details the Group's sensitivity to a 20% increase and decrease against the relevant foreign currencies. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit/loss or equity where the TRY strengthens 20% against the relevant currency. For a 20% weakening of the TRY against the relevant currency, there would be a comparable impact on the profit before tax or equity, and the balances would be negative.

June 30, 2020

	Profit/Loss	
	Valuation of foreign currency	Devaluation o foreign currency
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/liability	31,818	(31,818)
2- Portion hedged against USD risk (-)	-	-
3- USD net effect (1+2)	31,818	(31,818)
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/liability	(155,471)	155,471
5 - Portion hedged against EUR risk (-)	17,229	(17,229)
6- EUR net effect (4+5)	(138,242)	138,242
TOTAL (3+6)	(106,424)	106,424

December 31, 2019

	Profit/Loss	
	Valuation of foreign currency	Devaluation o foreign currency
In the case of US dollar gaining 20% value against TRY		
1 - USD net asset/liability	33,004	(33,004)
2- Portion hedged against USD risk (-)	-	-
3- USD net effect (1+2)	33,004	(33,004)
In the case of EUR gaining 20% value against TRY		
4 - EUR net asset/liability	(122,705)	122,705
5 - Portion hedged against EUR risk (-)	29,823	(29,823)
6- EUR net effect (4+5)	(92,882)	92,882
TOTAL (3+6)	(59,878)	59,878

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NOTE 25 - DERIVATIVE FINANCIAL INSTRUMENTS

	June 30, 2020		December 31, 2019	
	Asset	Liability	Asset	Liability
<i>Fair value hedging derivative financial instruments</i>				
Forward contracts			-	-
Cross currency swap contracts	4,637	4,495	-	23,450
Interest rate swap contracts			-	-
	4,637	4,495	-	23,450

Derivative instruments for fair value hedge

As of reporting date, the details of forward, swap and cross currency swap transactions for fair value hedge are as follows:

	Assets		Liabilities	
	Nominal		Nominal	
June 30, 2020	currency value	Fair value	currency value	Fair value
Cross currency swap contracts				
Buy EUR/Sell TRY	7,994	4,637	3,192	4,495
	7,994	4,637	3,192	4,495

	Assets		Liabilities	
	Nominal		Nominal	
December 31, 2019	currency value	Fair value	currency value	Fair value
Cross currency swap contracts				
Buy EUR/Sell TRY Between 1-5 years	-	-	22,421	23,450
	-	-	22,421	23,450

As of July 2018 and September 2018, the Group has hedged principal and interest payments of the euro-denominated loans with a total of EUR 10,018 regarding 2020 period, whereby the total EUR denominated principal and interest payments amount to EUR 95,858 for the 2020-2024 period. As of September 2018 and October 2018 the Group has hedged principal and interest payments of the euro-denominated financial leases with a total of EUR 1,678 regarding 2020 period, whereby the total EUR denominated principal and interest payments amount to EUR 24,025 for the 2020-2024 period. The Group used cross currency interest swap in this transaction. Nominal amounts related to loans and financial leases, which the Group has fixed, constitute 9,76% of total principal and interest payments in Euros.

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NOTE 26 - BUSINESS COMBINATION

The Company acquired Özel Medisis Hastanesi, located in Keçiören, Ankara as of March 13, 2020. TFRS 3 defines the "business" as "An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants". As per "Hospital Operation Contract" signed with third parties, the Company acquired hospital licence and fixed assets of the aforementioned hospital. Additionally, hospital building was leased by the Company as per "Building Rent Contracts" signed on same dates. As purchase price, the Company will pay a total of TRY96,000 through machinery lease payments over the course of 10 years. As this transaction includes "Input - Process and Output" elements mentioned in TFRS 3, they are accounted as business combinations. Within this scope, identifiable assets recognized, which are hospital licences and property and equipment, are recorded at their fair values and the purchase price is presented under "other liabilities" as the present value of the liability to be paid in future years. The difference between the purchase cost and the net fair values of identifiable assets (hospital licence), the liabilities assumed, and contingent liabilities is recorded as gain from bargain purchase in "statement profit or loss and other comprehensive income" amounting to TRY81,980. For the relevant license, a value of TRY118,090 is determined by valuation report prepared by KPMG.

The details on profit / loss calculation, total acquisition amount and net assets acquired as a result of acquisition are as follows:

Total consideration	136,988
Net assets acquired	(55,008)
Gain on bargain purchase	81,980
Assets/Liabilities	Ankara Fair value
Non - Current Assets	
Property and equipment	16,771
Intangible assets	118,090
	134,861
Current liabilities	
Other payables	8,942
Non - current liabilities	
Other payables	43,939
Deferred tax liabilities	26,972
	79,853
Net assets acquired	55,008
Gain on the bargain purchase	81,980
Non-controlling interests	-

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NOTE 27 - EVENTS AFTER THE REPORTING PERIOD

Board of Directors has approved the financial statements and delegated authority for publishing it on 13 August 2020. The Group has trade receivables of TRY268,733 arising from health services provided to patients from abroad. The collection of these receivables is followed regularly by the Group. As of 30 June 2020, the Group has receivables from the Libyan Government in the amount of TRY186.128. On 6 August 2020, the collection of the receivable balance in the amount of TRY99,109 was realized.

As part of the strategy to focus growth in metropolitans with large-scale hospitals, the Group has exited from Uşak Hospital in 7 August 2020. As a result of the transfer, a total of TRY33,240 will be collected and TRY3,410 of this amount was collected in cash on the day of transfer, also a letter of guarantee (TRY20,000) and a check for the remaining balance of receivables were received. A letter of guarantee in the amount of TRY3,500 was given to the transferred company by the Group. In addition, within the scope of the related sale, 100-bed hospital license was taken over by the Group.

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OTHER SUPPLEMENTARY INFORMATION AS OF 30 JUNE 2020

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APPENDIX I OTHER SUPPLEMENTARY INFORMATION

EARNINGS BEFORE INTEREST TAXES DEPRECIATION AND AMORTISATION ("EBITDA")

Interest, Tax, Depreciation and Amortization ("EBITDA") is calculated by the Group Management with the addition of the period's depreciation and amortization, financial income and expenses, other adjustments and tax deductions to net loss before tax.

The EBITDA calculation movements for the period ended June 30, 2020 and June 30, 2019 are as follow:

EBITDA CALCULATION	June 30, 2020	June 30, 2019
i. Net profit / (loss) before tax	64,316	(27,390)
ii. Depreciation and amortization of tangible and intangible fixed assets including non-cash provisions related to assets such as goodwill	125,370	129,258
iii. Total net finance expenses, net of interest income	214,517	236,595
iv. Fx gains/losses, net under finance expenses	127,245	81,260
v. Fair value differences of derivative instruments (Note 21)	(23,592)	(24,913)
vi. Extraordinary (income)/expenses	24,074	21,286
vii. Rediscount income/expense (net imputed interest)	3,193	3,930
viii. Gain on bargain purchase price	(81,980)	-
viii. Legal case provision expenditures which are reflected to financial statements by the general accounting principles;	(902)	718
xi. Unused vacation pay provision expenses which are reflected to financial statements by the general accounting principles;	1,678	4,339
x. Retirement pay provision expenses which are reflected to financial statements by the general accounting principles;	1,493	2,000
xi. Doubtful receivables provision expenses which are reflected to financial statements by the general accounting principles;	921	930
xii. Non cash sale and lease back expenses which are reflected to financial statements by the general accounting principles (Note 3);	394	394
xiii. (Income)/expenses from investment operations;	(2,532)	(1,186)
EBITDA	454,195	427,221
TFRS 16 Lease payment effect	(118,261)	(125,738)
Adjusted EBITDA	335,934	301,483

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