MLPCARE

Sustainable **Healthy** Growth

ANNUAL REPORT

2023

Contents

In this annual report, the number of employees includes the employees of 3 university hospitals, Liv Bona Dea Hospital and Liv Duna Medical Center operating under the management contract, interns, and employees within the scope of 4-1A. Therefore, the number of permanent employees is different from the 12,677 figure in the TFRS report (Employees within the scope of 4-1A - They are only subject to SSI deduction and are exempted from income and stamp tax liabilities. They are also not subject to retirement pay provision).

All figures in this annual report include the impact of TAS 29 unless otherwise stated.

We are moving steadily **towards the future**

As MLP Care, we have focused on steady and stable growth since our establishment and we maintain these efforts in awareness of our responsibility to be qualified across every field covering the health sector. In addition to centering patient satisfaction, we benefit from the latest developments in science and technology. We say, “Health everywhere, health for everyone” and aim to touch the lives of every person in Türkiye.

We will continue to add new achievements, pursuing strong and sustainable growth through the projects and investments we carry out at home and abroad.

Local and strategic **growth**

MEDICALPARK

We reach many parts of our country with an approach that centers on patient welfare and satisfaction. We are adding new hospitals to our portfolio with the aim of delivering our understanding of quality healthcare services to our entire country. In line with a growth strategy based on medium and large-scale hospitals in metropolises, we acquired Private Adana Metro Hospital and Private Adana Hospital.

Robust global **growth**

We are carrying out new projects in accordance with our strategy to reinforce our strength in international health tourism. This year, we signed a management service contract with Duna Medical Center in Budapest. With this development, we added the second hospital abroad and the eighth hospital in the Liv Hospital brand to our portfolio. We will continue to promote and expand our understanding of quality healthcare services abroad with our powerful brand identity.

Conscious and determined **growth**

We attach importance to every topic related to sustainability and carefully consider each step in all our processes. Among the institutions serving in our country's healthcare sector, we were the first to be included in the BIST Sustainability Index. Additionally, we have demonstrated our determination and power to deliver sustainable benefits as a signatory to the UN Women's Empowerment Principles (WEPs).

Türkiye’s Leading Healthcare Group

Sustainable **healthcare**

MLP Care provides sustainable healthcare services with the most modern infrastructure and technological facilities.

We operate with state-of-the-art infrastructure and advanced technological facilities
- 13 cities in Türkiye, Baku, Azerbaijan and Budapest, Hungary, in total 29 hospitals
- More than 20,000 employees, including more than 14,000 permanent employees and over 2,800 physicians

We continue to increase our scientific depth through our collaborations with universities and faculties of medicine.
- 6 Group hospitals that collaborate with the university
- 453 academicians* who work as doctors in Group hospitals (17.8% of all our doctors)

We have operational and surgical superiority recognized globally thanks to the high-tech equipment and innovative methods we use.
- Da Vinci Robotic Surgery System
- Gamma Knife Treatment
- Makoplasty
- Holmium Laser

We have medical quality accreditations that are the best in their classes in general.
- JCI Accreditation
- Global Surgical Review Corporation Standard in Surgery, and Centers of Excellence awards in three centers

We have sustainable financial growth performance.
- Business growth through Top-up Health Insurance System
- Business growth through revenue diversification

MLP Care Activity Map

Operation **in three countries**

In addition to our 27 hospitals in 13 cities across Türkiye, we opened a hospital in Azerbaijan and Budapest.

Istanbul
- BAU Medical Park Göztepe Hospital Complex
- Medical Park Bahçelievler Hospital
- ISU Medical Park Gaziosmanpaşa
- IAU VM Medical Park Florya Hospital
- VM Medical Park Pendik Hospital
- VM Medical Park Maltepe Hospital
- Liv Hospital Ulus
- Istinye University Hospital Liv Hospital Bahçeşehir
- Liv Hospital Vadistanbul

Kocaeli
- Medical Park Gebze Hospital
- VM Medical Park Kocaeli Hospital

Çanakkale
- Medical Park Çanakkale Hospital

Bursa
- VM Medical Park Bursa Hospital

Antalya
- Medical Park Antalya Hospital Complex

Mersin
- VM Medical Park Mersin Hospital

Gaziantep
- Liv Hospital Gaziantep

Adana
- Medical Park Adana Hospital
- Medical Park Seyhan Hospital

Trabzon
- Medical Park Yıldızlı Hospital
- Medical Park Karadeniz Hospital

Ordu
- Medical Park Ordu Hospital

Tokat
- Medical Park Tokat Hospital

Samsun
- Liv Hospital Samsun
- VM Medical Park Samsun Hospital

Ankara
- YİÜ Medical Park Ankara Hospital
- Liv Hospital Ankara
- VM Medical Park Ankara Hospital

Baku
- Liv Bona Dea Hospital

Budapest
- Liv Duna Medical Center


Samsun
Trabzon
Ordu
Tokat
Ankara
Adana
Gaziantep
Mersin
Baku
Liv Bona Dea Hospital
Budapest
Liv Duna Medical Center

Key Indicators

Strong financial performance

MLP Care increased its revenue to TL 22.4 billion in 2023 with strong financial performance.

Revenue (TL Million)

18.8% Growth ↑

'23 22,249

'22 18,903

EBITDA** (TL Million)

35.5% Growth ↑

'23 5,784

'22 4,269

Net Profit (TL Million)

2.9% Decrease ↓

'23 4,748

'22 4,891

Net Debt/EBITDA

'23 0. 6x

'22 0.8x

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

MLP Care in Brief

Sector’s leading private **healthcare group**

MLP Care is the largest Turkish private healthcare group operating 29 hospitals in 13 cities across Türkiye, Baku, Azerbaijan and Budapest, Hungary. MLP Care is a leader in the healthcare sector.

29
Hospitals

MLP Care operates with 29 hospitals.

Founded in 1993 as Medical Park, MLP Sağlık Hizmetleri A.Ş. (MLP Care) continues to extend its reach with the Liv Hospital brand and the VM Medical Park concept for a quarter of a century. MLP Care is the largest Turkish private healthcare group operating 29 hospitals in 13 cities across Türkiye, Baku, Azerbaijan and Budapest, Hungary. MLP Care is a leader in the healthcare sector with its hospital facilities, affiliates, and more than 20,000 employees acting with the integrity of a family.

As Türkiye's leading multidisciplinary hospital group, MLP Care has a highly centralized business model that supports hospital field operations and central management, as well as a nationwide network spanning the most densely populated cities in Türkiye.

Maintaining strong and profitable growth, our business model as MLP Care is supported by a balanced payer profile. MLP Care's executive management team consists of senior professionals who have extensive industry knowledge and experience gained at Türkiye's leading healthcare institutions and enterprises.

Number of Hospitals

‘23	29
‘22	28

MLP Care in Brief

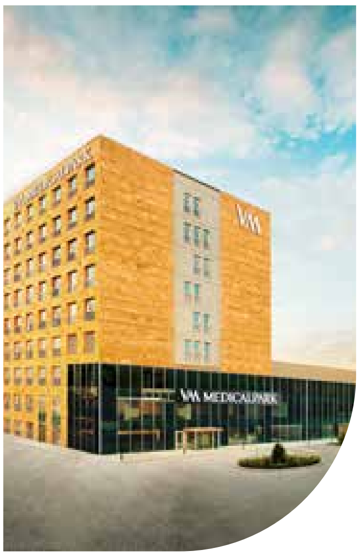
Outstanding platform **for further growth**

MLP Care continues its activities with visionary leadership supported by an exceptional management team and outstanding platform for further growth.

Balanced Revenue Sources
MLP Care has a unique approach that allows our Company to target diverse segments in the population. Our Company provides services in Türkiye under two brands and one concept, featuring three pricing strategies: These are the Medical Park and Liv Hospital brands, and the VM Medical Park concept, respectively.

Liv Hospital

Premium



VM Medical Park

Premium Mass

Medical Park

Middle-Upper Mass

Our Strengths

- **Attractive Turkish healthcare market offering robust growth potential for investors**
- **Leader in private hospital provision**
- **Strong brand recognition and unique business model addressing all price points**
- **Clinical excellence and world-class service offering**
- **Superior operational and financial performance**
- **Outstanding platform for further growth**
- **Visionary leadership supported by an exceptional management team**

Our Vision, Mission, Values, Certifications and Awards

Our Vision

We aim to become a reference institution abroad and the most preferred private healthcare service provider in Türkiye.

- We are going to reach our vision by;
- Keeping our patients as the top priority,
- Achieving measurable and high-quality clinical results,
- Investing in human, infrastructure, and technology,
- Being the most attractive institution in which physicians and other medical personnel are willing to work.

Our Mission

We work to ensure that all people live healthy lives.

Our Values

- We value people – reliability is our core indispensable principle.
- We make a difference with our services.
- We are committed to scientific methods and continuous improvement.
- We are an agile, goal- and success-oriented team.
- We serve as a model institution with our ethical principles and professional ethics.

Our Certifications and Awards

- JCI (Joint Commission International) Accreditation Standards
- Ministry of Health Quality Standards
- SRC* Center of Excellence Certification
- MLP Care's Investor Relations practices ranked at the top of the list both in EMEA and in Türkiye for all sectors according to a survey by Institutional Investor.
- Runner-up Award in the Healthcare Services Category in the 2021 Service Export Champions Survey conducted by the Service Exporters Association (HIB)
- ISO 15504 and ISO 27001 Certificates of Information Systems

** Surgical Review Corporation*

Growth Strategy

Serving a diverse range of **patients**

As MLP Care we continue our strong growth through acquisitions and the opening of new hospitals, our university affiliations and our brands targeting different price segments. Featuring two brands and one concept, our Company serves a diverse range of patients, including the middle-upper mass, premium mass, and premium segments.

13

There are 13 hospitals operating under the Medical Park brand.

8

There are 8 hospitals operating under the VM Medical Park concept.

8

There are 8 hospitals operating under the Liv Hospital brand.

Medical Park

With Medical Park, our first brand that we introduced with the "Health for Everyone" motto, we offer our services to middle and upper segments. The brand is mainly aimed at patients covered by SSI (Social Security Institution) health insurance. Currently, 13 of our Group hospitals operate under our brand.

Medical Park Bahçelievler Hospital

Growth Strategy

VM Medical Park

Our VM Medical Park concept, which is named “Value Added Medicine,” was launched in 2015. This concept targets the patients in higher income groups relying on private health insurance and self-pay patients willing to pay higher prices for high quality services. Under the VM Medical Park concept, our Company provides elevated service quality compared to the Medical Park brand in terms of advanced medical technology and equipment, high-caliber physicians, more nursing and administrative staff per patient, sophisticated contemporary décor, and inpatient suites. Currently, 8 of our Group hospitals operate under this concept.

VM Medical Park Maltepe Hospital

Liv Hospital

Launched in 2013, the Liv concept is our Company's premium segment service. Taking its name from the acronym for "Leading International Vision," Liv Hospital targets the premium segment, consisting mainly of self-pay patients or patients who have private health insurance and are willing to pay more for VIP service. Liv Hospital delivers an advanced level of comfort and hospitality services in terms of more staff per patient and the latest in-room technology. Our Company operates 8 hospitals under the Liv Hospital brand exclusively: Istanbul Ulus, Vadistanbul, Ankara Çankaya, Samsun, and Gaziantep along with Istinye University Hospital Liv Hospital Bahçeşehir, Liv Bona Dea Hospital and Liv Duna Medical Center, currently operating pursuant to a management contract.

Liv Hospital Vadistanbul

Growth Strategy

Growth continues **with investments**

MLP Care added 22 hospitals to its portfolio, both through greenfield expansions and acquisitions, between 2014 and 2023.

Our Fundamental Growth Strategies

We aim to continue providing our world-class services to all patient groups in different segments in the upcoming periods. We follow the strategies below to achieve these objectives.

Maintaining the leading position in the private healthcare sector and expanding footprint with new investments and acquisitions
Our proven track record of growth, both through greenfield expansions and acquisitions, added 22 hospitals to the Company's portfolio between 2014 and 2023. As part of its strategy to focus growth in metropolitan areas with mid-large scale hospitals, we evaluate the opportunities for greenfield expansions and acquisitions.

13%

Ratio of people using private health insurance to the population in Türkiye

In addition to organic growth, our Company regularly monitors acquisition opportunities in the sector. The Company expects to benefit from the consolidation trend of the fragmented private healthcare sector in the upcoming years.

Support of private medical insurance policies into further top-line growth
Up to 13% of the total population in Türkiye is covered by private medical insurance; this ratio decreases to 9% when emergency and travel insurances are excluded. Of the total 11.1 million insurance policies sold in Türkiye, 2.9 million are comprehensive healthcare insurance and 4.1 million are top-up insurance policies. This growth was mainly driven by the affordability of the top-up insurance policies compared to the comprehensive healthcare insurance policies. Due to the Covid-19 pandemic that affected the whole world, the demand for top-up insurance has increased.

Increasing the share of medical tourism in the total revenue
The medical tourism market in Türkiye is growing in terms of visitors and expenditures, representing the significant potential for our Company's business. Türkiye has an important position in the medical tourism market, offering both clinical excellence and competitive prices for the most common operations. As well, the country's advantageous position in the medical tourism market is supported by recent regulatory initiatives, including government financial incentives, such as Turquality, intended to stimulate medical tourism.

As of December 30, 2019, our Company became the first company in the service sector to be admitted to the Turquality Support Program with two different brands.

The Turquality Support Program is the first and only state-sponsored branding program that supports Turkish brands to become global players in international markets. Unlike traditional export supports, the focus of the Turquality Program is to contribute to companies' branding objectives, rather than simply increasing exports.

As a leading healthcare service provider in terms of revenue generated from medical tourism, we have consistently expanded our market share by offering high medical quality and affordable prices.

Continuing to focus on university affiliations
Our Company's portfolio includes 6 private medical school-affiliated hospitals. Medical Park Bahçelievler Hospital, BAU Medical Park Göztepe Hospital Complex, and YİÜ Medical Park Ankara Hospital are owned by our Company, while IAU VM Medical Park Florya Hospital, Istinye University Hospital Liv Hospital Bahçeşehir, and ISU Medical Park Gaziosmanpaşa are operated pursuant to a management contract.

The hospitals that are currently operated pursuant to a management contract are owned by their respective universities but operated under MLP Care brands and concepts; thus, they are included in our Company portfolio. While our Company does not own these hospitals, we are responsible for its setup and operation pursuant to long-term service contracts. In return, our Company receives a share of the hospitals' annual revenues and profit.

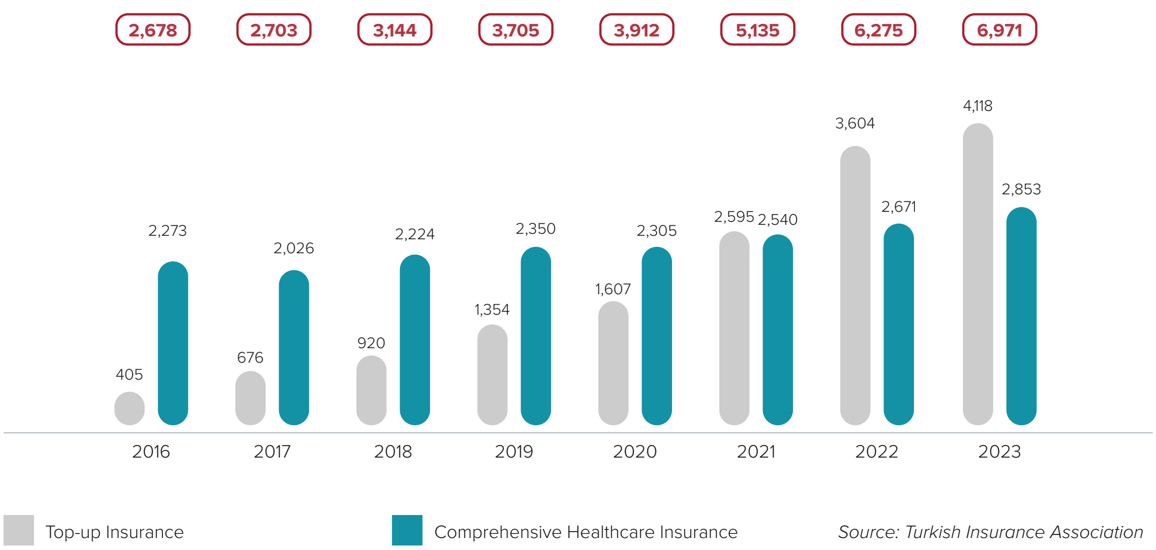
Our Company's ability to recruit physicians effectively depends on its strong brand and capability to support participation in scientific activities through affiliations with medical schools.

Growth Strategy

The number of **policies sold is increasing**

The total number of policies sold in Türkiye increased by 11% in 2023, reaching 7 million.

TOTAL NUMBER OF POLICIES SOLD IN TÜRKİYE ('000))



Source: Turkish Insurance Association

14% CAGR Total Growth

3% CAGR Comprehensive Healthcare Insurance Growth

59% CAGR Top-up Insurance Growth


4.1
million
Number of top-up health insurance policies sold in 2023

Milestones

Second hospital abroad

1993-2005

1993
Sultangazi hospital was opened by Muharrem Usta and Adem Elbaşı.

1995
Istanbul Fatih hospital was opened.

2005
The Company was established by incorporated by founders Muharrem Usta and Adem Elbaşı, together with Sancak İnşaat on a (50%/50%) ownership basis.

2006-2008

2006
VM Medical Park Bursa Hospital was opened.

2007
Istanbul Bahçelievler hospital was opened; Batman, Elazığ and Tokat hospitals were acquired.

2008
Antalya, Gaziantep, and Istanbul Göztepe hospitals were opened.

2009-2013

2009
- 40% stake in the Company's share capital was acquired by Summer Investment S.A.R.L., an entity controlled by The Carlyle Group.
- Ordu and Samsun hospitals were opened.

2010
Uşak hospital was acquired.

2011
Gebze, Tarsus, and Izmir hospitals were opened.

2013
Our first premium hospital, Liv Hospital Ulus was opened.

2014-2016

2014
- Sale of Summer Investment S.A.R.L.' stake to funds advised by Turk Ventures Advisory Limited.
- Trabzon Yıldızlı and Trabzon Karadeniz hospitals were acquired. In addition, Silivri, Ereğli, Çanakkale, and Istanbul Avcılar hospitals were acquired from Arkaz Group.
- Liv Hospital Ankara and Medical Park Ankara hospitals were opened.

2015
Kocaeli VM Hospital, the first hospital managed under the VM Medical Park concept, and Istanbul Gaziosmanpaşa Hospital were opened.

2016
Istanbul Istinye University Hospital Liv Hospital Bahçeşehir commenced operations pursuant to a management contract.

2017-2019

2017
- Istanbul Aydin University Hospital VM Medical Park Florya started operations pursuant to a management contract.
- Liv Hospital Samsun was opened.

2018
- In February, MLP Care started trading at Borsa Istanbul with MPARK code.
- VM Medical Park Pendik and VM Medical Park Mersin hospitals were opened.

2019
- 57% of the shares of Avcılar, Ereğli, and Silivri hospitals were sold to Arkaz Sağlık Hizmetleri A.Ş. (Arkaz).
- The ownership share in Çanakkale hospital was increased to 100%.
- Maltepe Hospital was acquired.

2020-2022

2020
- Liv Hospital Gaziantep was opened.
- Uşak hospital was sold.
- Ankara hospital was acquired.

2021
- Istanbul Vadistanbul, the 6th hospital of the Liv Hospital brand, was opened.
- Istanbul Fatih hospital was closed.

2022
- The ownership share in Liv Hospital Ankara hospital was increased to 100%.
- 56% of the shares of the Gaziantep, İzmir and Batman hospitals were sold to MP Sağlık Hizmetleri A.Ş. (MP Sağlık).
- Liv Bona Dea Hospital was opened. It is the seventh hospital of Liv Hospital brand and our first hospital abroad.
- The Tarsus and Elazığ hospitals were sold.
- The Medical Park Adana and Medical Park Seyhan hospitals were opened.

2023
- Liv Duna Medical Center was opened. It is the eighth hospital of Liv Hospital brand and our second hospital abroad.

Message from the Chairman and CEO

In 2023, the Group's revenue from health tourism increased by 7%, reaching USD 114 million.

Dear shareholders, stakeholders and employees,

2023 was a year that left deep traces in our memories. At the very beginning of the year, we had to face a devastation in which we suffered heavy losses. The earthquakes in Kahramanmaraş and Hatay, two weeks apart, changed the definitions and images of many concepts in our minds. We experienced the purest forms of pain, anxiety, sadness, gratitude for a miracle, kindness and solidarity, and finally remembered what is possible with the power of social unity.

In 2023, we also observed once again that success is the natural result of processes that start with believing in a dream and continue with hard work and perseverance. We were proud of the international achievements of our athletes, and we were especially pleased with the success of our female athletes. Our national athletes demonstrated how women can build great achievements when given the opportunity.

2023 was the 100th anniversary of our republic and the 30th anniversary of our company.

The proud story of our republic, which began with the people's belief in the dream of enlightenment founded by Gazi Mustafa Kemal Atatürk, turned into an epic exactly a century ago, thanks to the same people's perseverance and determination to maintain their sovereignty even under the most unfavorable conditions.

As in the last century, we will continue to be inspired by our history for new achievements in the future. And of course, to work with determination, dreaming of being the best for our country...

I believe that Liv Duna Medical Center, which we put into service last year in Budapest, the capital of Hungary, will make a significant contribution to Turkey's goal of branding in health. Liv Duna Medical Center, the 2nd abroad and the 8th branch of Liv Hospital, started to serve as the 29th hospital of our group.

In 2023, our health tourism revenue as a group increased by 7% to 114 million dollars. Health tourism provides an opportunity for our country to grow by creating added value. For this reason, we will continue to focus on this area in the coming period. In addition to our collaborations abroad, our strategy to grow in big cities in our country will also support this goal.

Last year, we commissioned 12 different departments in 6 hospitals and increased the capacity of beds and polyclinics in 1 hospital. Our newly opened departments range from pediatric subspecialties to home care. Specialization is an extremely important issue for us.

Our priorities are to deepen our expertise by providing services in a wide range of branches, including sub-branches, and to respond to the expectations of our people in this field by developing.

5.8

TL billion
Net profit

Last year we celebrated the 30th anniversary of our group. I believe that anniversaries give us the opportunity to take stock. So, how far have we come in 30 years?

I would like to answer this question based on the results of the Hospital Awareness and Perception Survey conducted by Ipsos in 5 major cities where we have branches. Medical Park is the market leader in terms of brand awareness and share of mind in this awareness. The research shows that 98 out of every 100 people who have received services from private hospitals in the last 1 year know the Medical Park brand, and 21 of them think of Medical Park first when they think of a private hospital.

Liv Hospital, as the youngest player in the market among chain brands, is taking firm steps towards the leadership of its segment, having just turned 10 years old. In the last four years, it has increased its spontaneous recognition by 20 points and its first hospital brand score by 8 points.

According to the results of the same survey, Medical Park was the most admired private hospital, while Liv Hospital ranked 3rd along with two strong competitors in its segment.

Considering that dozens of national and local brands serve in our market, these results are a source of pride for us. It is an indicator that we are on the right track. However, we know that better is always possible…

As a leading organization, we will continue our growth in the coming period, while also being in a position to produce solutions to the problems in society with our exemplary practices and employees.

As the first hospital group to be included in the BIST Sustainability Index, we are deepening our efforts in this area. We will publish the 4th sustainability report this year. As you can follow from the report, we are moving forward in line with our targets in our commitments. Sustainability is becoming a management philosophy and a way of doing business for our organization. I believe that as an organization, we have adapted very quickly to this field with the effect of the fact that health is a business area that aims to ensure the continuity of well-being due to its nature. So much so that we aim to add new ones this year to the many projects we are continuing.

In addition, as a signatory of the Women Empowerment Principles, we continue our efforts to ensure that women are at the center of social and business life. As one of the companies with the highest number of female employees and managers in Turkey, we shared with you our goal of increasing our female manager ratio to 42% in 2025 through our sustainability report. I would like to inform you that this ratio reached 43% as of 2023 and we have already achieved this goal.

2024 will give us the opportunity to write new success stories together with all our stakeholders. I care about the bond and unity we create with our stakeholders, because successes create value only when we are together, and challenges become easier only when we are united. I would like to thank all my stakeholders who add value to our company with their presence.

With my deepest respect and greetings,

Dr. Muharrem Usta
Chairman of the Board and CEO

2023 Highlights

Expanding hospital network

In line with the strategy of growing with mid-large scale hospitals, as MLP Care, we expanded our hospital network with the opening of Liv Duna Medical Center in November 2023.

MLP Care continued its strong growth trend in 2023, with net profit of TL 4.8 billion and EBITDA up by 35.1% to TL 5.8 billion.

In line with the strategy of growing with mid-large scale hospitals, as MLP Care, we expanded our hospital network with the opening of Liv Duna Medical Center in November 2023.

February 2023

Updating the Authorized Capital Ceiling and Validity Date
Our application to the Capital Markets Board on February 20, 2023 for increasing the upper limit of the Company's registered capital ceiling from the current TL 875,000,000,000 to TL 5,740,000,000,000 in accordance with the Capital Markets Board's "Registered Capital System Communiqué II-18-1" ("Communiqué") and extending the validity period to cover the years 2023-2027 and amending Article 8 of the Articles of Association within this framework was approved.

April 2023

Domestic Debt Instrument Issuance
Our Company's application dated February 13, 2023 was approved by the Capital Markets Board regarding the Board of Directors' decision at its meeting on January 31, 2023, in accordance with the Capital Markets Board's Communiqué on Debt Securities numbered II-31.1 and Article 31 of the Capital Market Law. Regarding this approval, our Company will be able to issue debt securities with a nominal amount up to TL 500,000,000 (Five Hundred Million Turkish Liras), maturity up to 5 (five) years, denominated in Turkish Lira, to be sold one or more at a time, without public offering to qualified investors in the domestic market.

Issuance of Financing Bonds
The issuance of a TL 500,000,000 Finance Bond was completed.

May 2023

Increase in the Fund Allocated for Share Buyback
As MLP Care, we extended the share buyback program to May 25, 2024. The share buyback program was initiated to support the healthy price formation of the Company's shares traded on the stock market, to contribute to the stability and fair value of the share price, and to protect shareholders and offer them a more attractive long-term investment opportunity.

The funds previously allocated for the share buy-back program were increased by TL 750,000,000 to TL 1,400,000,000. The buy-back program will be realized through the purchase of publicly traded shares corresponding to 10% of our Company's issued capital.

Domestic Debt Securities Issuance Certificate
Our Company's Board of Directors took the following, in accordance with the Capital Markets Board's Communiqué on Debt Securities numbered II-31.1 and Article 31 of the Capital Market Law;

Our Company will be authorized to apply to the Capital Markets Board regarding the issuance of debt securities to with a nominal amount up to TL 1,500,000,000 (One Billion Five Hundred Million Turkish Liras), maturity up to 5 (five) years, denominated in Turkish Lira, to be sold one or more at a time, without public offering to qualified investors in the domestic market within one year, in line with the validity period of the issuance of the certificate expected to be approved by the Capital Markets Board.

July 2023

Redemption of Financing Bonds
Financial bonds in the amount of TL 250,000,000 were redeemed.

Announcement Regarding the Subsidiaries
Our Company's Board of Directors has decided to, acquire 25% of the capital of the company named Şile Cns Gayrimenkul Sağlık Hizmetleri A.Ş. ("Şile Cns"), in order to develop a new hospital project on its land located in Istanbul, Ataşehir. In this context, all management rights of

Şile Cns will be transferred to MLP Care, by registering and announcing the amendments of the articles of association of Şile Cns, increase the subsidiary MLP Gaziantep Sağlık Hizmetleri A.Ş., which owns Liv Hospital Gaziantep, share of MLP Care to 100% from 60%.

August 2023

Sukuk Issuance

Our Company's Board of Directors took the following decisions at its meeting dated August 1, 2023; within the scope of the Capital Markets Law No. 6362, the Lease Certificates Communiqué (the "Communiqué") No. III-61.1 of the Capital Markets Board ("CMB"), and other legislation, our Company would be fund user/source entity of the issuance transactions of lease certificates based on a management contract with a nominal value of up to TL 2,000,000,000 (two billion Turkish Liras), with maturities in the range of 1-60 months, to be sold one or more at a time to qualified investors without public offering, planned to be carried out domestically through Yatırım Varlık Kiralama A.Ş..

September 2023

Domestic Debt Instrument Issuance

Our Company's application was approved by the Capital Markets Board regarding the Board of Directors' decision at its meeting on May 31, 2023, in accordance with the Capital Markets Board's Communiqué on Debt Securities numbered II-31.1 and Article 31 of the Capital Market Law.

Regarding this approval, our Company will be able to apply to issue debt securities with a nominal amount up to TL 1,500,000,000 (One Billion Five Hundred Million Turkish Liras), maturity up to 5 (five) years, denominated in Turkish Lira, to be sold one or more at a time, without public offering to qualified investors in the domestic market within one year.

October 2023

Liv Hospital Duna Medical Center Opening

In line with our strategy to increase foreign health tourism revenues, a management service agreement was signed between the Company and Duna Medical Center Kft., based in Hungary.

Liv Hospital Duna Medical Center, the second hospital opened abroad by the Company, and the eighth hospital within the Liv Hospital brand, will play a major role in promoting Liv Hospital's strong brand and quality healthcare services abroad with its nearly 22,000 m² closed area and 154-bed capacity.

Redemption of Financing Bonds

TL 500,000,000 of financial bonds were redeemed.

Resolution of the Board of Directors Regarding Bonus Issue Capital Increase

Our Company's Board of Directors took the following decisions at its meeting dated October 30, 2023;
- Within the registered capital ceiling of 5,740,000,000- (five thousand seven hundred forty million) Turkish Liras (TL) of our Company, the issued capital of the Company shall be increased from TL 208,037,202 (two hundred eight million thirty seven thousand two hundred and two) to TL 624,111,606 (six hundred twenty-four million one hundred eleven thousand six hundred and six) by converting the amounts in the "Share Premium" account into share capital,
- Conducting the necessary procedures regarding the transfer of the "Share Premium" subject to the increase to the "Capital" account and the verification of the transfer with a certified public accountant report,
- 176,458,254 Group A registered shares and 239,616,150 Group B registered shares, of 416,074,404 shares with a nominal value of 1,- TL (one Turkish Lira) shall be issued due to the capital increase, following the completion of the legal processes related to the capital increase, Group A shares shall be distributed to Group A shareholders, and Group B shares shall be distributed to Group B shareholders in proportion to their percentages in share capital in accordance with the principles of dematerialization.

2023 Highlights

Success recognized **with awards**

MLP Care was selected "Best Investor Relations Program" in the Emerging EMEA Healthcare and Pharmaceuticals category in Institutional Investor 2023, while Muharrem Usta, Chairman and CEO of MLP Care, was selected "Best CEO."

November 2023

CMB Application Regarding the Capital Increase Regarding Bonus Issue Capital Increase
Application to Capital Markets Board (CMB) has been made on 03.11.2023 for the amendment of the 8th article of Our Company's Articles of Association titled "Capital" related to the increase of our Company's issued capital from TL 208,037,202 (two hundred eight million thirty seven thousand two hundred and two) to TL 624,111,606 (six hundred twenty-four million one hundred eleven thousand six hundred and six), within the registered capital ceiling of 5,740,000,000- (five thousand seven hundred forty million) Turkish Liras, by converting the amounts in the " Share Premium" account, and for the approval of the Issuance Certificate for the issued shares with a nominal value of TL 416,074,404 (four hundred and sixteen million seventy-four thousand four hundred and four).

December 2023

Sukuk Issuance
TL 1,000,000,000 (one billion Turkish Lira) nominal value lease certificate issuance to qualified investors was completed.

Resolution of the Board of Directors Regarding Capital Reduction Transactions
Our Company's Board of Directors took the following decisions at its meeting dated December 19, 2023;
- In order to maintain the stability of the share price and to prevent the re-listing of the repurchased shares on the stock exchange, it has been decided to redeem 17,025,000.00 TL nominal value and 17,025,000.00 shares corresponding to 8.18% of our Company's capital through capital reduction methods that do not require fund exit, in accordance with the 9th paragraph of Article 19 of the Capital Markets Board's ("CMB") Communique on Repurchased Shares (II-22.1), thereby reducing the issued capital from 208,037,202.00 TL to 191,012,202.00 TL,
- To accept the Capital Reduction Report prepared

pursuant to paragraph 11/c of Article 19 of the CMB's Communiqué on Shares No. VII-128.1, to be submitted to the approval of the shareholders at the General Assembly Meeting,
- Continuation of the buyback program within the framework of the previously announced principles,
- Amendment of Article 8 titled "Capital" of the Articles of Association, application to the Capital Markets Board for the necessary approvals, submission of the amendment to the Articles of Association for approval by the shareholders at the upcoming General Assembly Meeting.

Notification Regarding the Increase of the Allocated Funds for Share Buy-Back
At the meeting of our Company's Board of Directors dated May 25, 2022, a share buyback program was initiated in order to support healthy price formation of MPARK shares in the equity market, to contribute to the formation of stable and appropriate share prices. The program, which was approved to last until May 25, 2024, aim at protecting shareholders and offering them a more attractive long-term investment opportunity. The fund amount for this buyback program was increased to 1,400,000,000 TL by the decision of our Board of Directors dated May 8, 2023, with the plan to buy back shares equivalent to 10% of the company's issued capital, totaling 20,803,720.00 TL in nominal value. As of December 21, 2023, the buyback of 17,285,500.00 TL in nominal value shares, representing 8.3084% of the issued capital, has been completed, and 1,367,688,313.00 TL of the approved 1,400,000,000.00 TL fund has been utilized.

At our company's Board of Directors meeting dated December 19, 2023, it was decided that the repurchased shares would not be subject to stock exchange transactions again and price stability would be maintained. For this purpose, 17,025,000.00 TL in nominal value shares, corresponding to 8.18% of the company, were decided to be redeemed through methods of capital reduction that do not require fund disbursement, in accordance with the 19th article of the Capital Markets Board's ("CMB") Communique on Buybacks II-22.1, and this decision was disclosed to the public.

At the Board of Directors meeting dated December 21, 2023, it was decided to increase the total fund allocated for the buyback program by 750,000,000.00 TL to 2,150,000,000.00 TL.

CMB Application Regarding for Cancellation of Bonus Issue Capital Increase
With the decision of our Company's Board of Directors dated December 29, 2023, in order to finalize the Capital Reduction process as soon as possible, it has been decided to cancel our application for Bonus Issue Capital Increase and withdraw our request to be re-evaluated after the Capital Reduction process is completed.

CMB Application Regarding the Capital Reduction
Application has been made to the Capital Markets Board on December 29, 2023 to reduce the issued capital of TL 208,037,202.00- to TL 191,012,202.00- by redeeming our 17,025,000.00 shares with a nominal value of TL 17,025,000.00-, corresponding to 8.18% of our Company's capital, according to the capital reduction procedures that do not require fund outflow, to amend Article 8 titled "Capital" of the Articles of Association and to obtain the necessary permissions in this context.

Institutional Investor 2023
As MLP Care, we were recognized by Institutional Investor in 2023 for successful investor relations practices for four consecutive years.

The Company was ranked at the top of the list in the EMEA Health Care and Pharmaceuticals category and recognized to have Best Investor Relations Program. MLP Care's Chairman of the Board of Directors and CEO Muharrem Usta was recognized as Best CEO; CFO Burcu Ozturk recognized as Best CFO; and Strategy and Investor Relations Director Deniz Can Yucel was recognized as Best Investor Relations Professional, in the Best Investor Relations Professional category.

In the BIST All category of the Best Investor Relations Program from the same research, CFO Burcu Ozturk was recognized as Best CFO, while Strategy and Investor Relations Director Deniz Can Yucel was recognized as Best Investor Relations Professional.

2023 Highlights

Successful **financial results**

(All figures in this summary include the impact of TAS 29 (inflation accounting) unless otherwise stated.)

Summary Financials[1]

		Audited – TAS 29			Unaudited – w/o TAS 29	
(TL million)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Revenues	22,449	18,903	18.8%	18,201	9,837	85.0%
EBITDA[2]	**5,784**	**4,280**	**35.1%**	**4,890**	**2,346**	**108.5%**
EBITDA margin (%)[2]	25.8%	22.6%	312bps	26.9%	23.8%	302bps
Net Profit/(Loss) Before Tax	**5,825**	**4,781**	**21.8%**	**3,070**	**1,304**	**44.0%**
Net Profit/(Loss)	4,748	4,891	(2.9%)	2,955	1,675	76.4%
Net Profit/(Loss) equity holders of the parent	**4,530**	**4,742**	**(4.5%)**	**2,784**	**1,619**	**71.9%**
Free Cash Flow	**4,227**	**2,723**	**55.2%**	**2,074**	**608**	**241.0%**
Capital Expenditure	1,372	1,796	(23.6%)	783	871	(10.1%)
Net Debt	**3,243**	**3,382**	**(4.1%)**	**3,243**	**2,053**	**58.0%**
Net Debt / EBITDA	0.6x	0.8x		0.7x	0.9x	

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

Financial Highlights

- In accordance with the announcement made by the Public Oversight Authority on November 23, 2023, the consolidated financial statements as of and for the year ended December 31, 2023 have been prepared by applying TAS 29 “Financial Reporting in Hyperinflationary Economies”.
- Revenue, EBITDA and profit before tax reported in accordance with TAS 29 showed growth in real terms. On the other hand, net profit for 2023 decreased by 3% compared to last year due to one-off expenses such as earthquake tax and deferred tax expense related to inflation accounting. Thus, net profit attributable to equity holders of the parent decreased by 4% to TL 4,530 million in 2023 (2022: TL 4,742 million).
- In 2023, total revenues increased by 19% to TL 22,449 million (2022: TL 18,903 million). Private medical insurance segment posted the highest growth among all segments.
- In 2023, EBITDA rose by 35 % to TL 5,784 million, with the EBITDA margin increasing by 312 bps to 25.8%. This enhancement in EBITDA primarily resulted from operational leverage, aided by the ramp-up of large hospitals and efficient inventory management practices.
- Net debt/EBITDA ratio came in at 0.6x in 2023, while net debt excluding IFRS 16 decreased by TL 315 million to TL 982 million.

Operating Highlights

- Turkish Medical Association (TMA) price tariff was increased by %41 in December 26, 2022 which has been effective from January, 2023. Additionally, there was another 31% price hike in the TMA price tariff on June 22, 2023. The price increase resulting from the revision in June has been effective from July 1, 2023.
- The Social Security Insurance (SSI) price tariff saw a 31% increase on March 24, 2023. Furthermore, there was an additional 51% price hike to the SSI price tariff on August 24, 2023. The price adjustment made in August became effective as of September 1, 2023.
- A management service contract was signed with Duna Medical Center Kft. in Budapest, Hungary. All operating rights of Liv Hospital Duna Medical Center, which has a total closed area of 22,000 m² and 154-bed capacity, were transferred to MLP Care.

2023 Highlights

Effective **cash management**

In 2023, EBITDA increased by 35.1% to TL 5,783 million. EBITDA margin increased by 312 bps to 25.8% in 2023.

Cost of Service and Expenses (Including Hospitals and Ancillary Business)

	2023	2022	Change (bps)
(% of Revenues)	**74.2%**	**77.4%**	**(312)**
Material	13.8%	17.9%	(411)
Doctor	23.5%	21.3%	225
Personnel	19.5%	16.4%	316
Rent	0.8%	1.2%	(44)
Outsourced services purchases	6.0%	7.1%	(110)
All other expenses	10.7%	13.6%	(288)

Material expenses consist of expenses such as pharmaceuticals, consumables and laboratory supplies. Material expenses as a percentage of revenue declined by 411 bps to 13.8% in 2023. This was driven by the delayed impact of higher costs on expenses thanks to effective inventory management.

Doctor costs as a percentage of total revenue increased by 225 bps to 23.5% in 2023.

Personnel expenses as a percentage of total revenue increased by 316 bps to 19.5% in 2023 due to salary adjustments of the personnel in line with the minimum wage increase.

Outsourced services purchases that consists of laboratory, imaging, cleaning, catering, security expenses as a percentage of the total revenue decreased by 110 bps to 6.0% in 2023. This decline was a result of the reduced volume of expenses associated with outsourced PCR test services.

All other expenses (energy, foreign and domestic marketing expenses, etc.) as a percentage of total revenue decreased by 288 bps to 10.7% in 2023 due to the increase in energy expenses occurring below the inflation rate.

Cash Flow

The operating cash flow increased by 23.5% to TL 5,644 million in 2023 due to the robust EBITDA growth. Therefore, the operating cash flow/EBITDA ratio come in at 97.6% in 2023.

Free cash flow increased by 55.2% to TL 4,227 million in 2023 on the back of strong operating cash flow growth, lower working capital requirement and capex. Therefore, free cash flow/EBITDA ratio come in at 73.1% in 2023.

Total capital expenditures as a percentage of revenues declined to 6.1% in 2023 from 9.5% a year ago.

Borrowings and Indebtedness

Net debt by currency (TL million)	2023	Vertical %	2022	Vertical %	Change
TL	1,924	59%	2,096	62%	(8.2%)
USD + Euro (*)	(942)	(29%)	(799)	(24%)	17.9%
Total loan, financial leasing	**982**	**30%**	**1,297**	**38%**	**(24.3%)**
TL (IFRS 16)	2,138	66%	1,927	57%	10.9%
USD + Euro (IFRS 16)	123	4%	157	5%	(21.8%)
Total lease liabilities (IFRS16)	**2,261**	**70%**	**2,085**	**62%**	**8.5%**
Total net debt	**3,243**	**100%**	**3,382**	**100%**	**(4.1%)**

(*) There is a net long position of USD 32.1 million in foreign currency.

The net debt/EBITDA ratio was decreased to 0.6x in 2023 on the back of strong operating performance from 0.8x.

In 2023, net debt excluding obligations under operational leases related to TFRS 16 decreased by TL 315 million to TL 982 million.

The net debt/EBITDA ratio without IFRS 16 lease liability decreased to 0.2x in 2023 from 0.3x.

Total net debt including obligations under operational leases related to TFRS 16 decreased to TL 3,243 million.

Sustainability Approach

Environmental friendly **healthcare services**

We aim to provide environmental friendly healthcare services with our practices within the scope of our Fight against Climate Change.

2023 has been a year in which we developed our sustainability efforts around the strategy we built, saw the outputs of our work in a tangible way, and started developing collaborations.

We are experiencing globally that institutions, which can respond quickly to the changing needs of society and the environment, even anticipate these changes proactively and take positions in advance, can create more effective and permanent values in the business. On the other hand, it is becoming increasingly important to be a responsible company that stakeholders' opinions, suggestions, and concerns are taken into account while carrying out sustainability studies. We, as MLP Care, had only received opinions of our internal stakeholders at our first study on establishing our priorities of sustainability. With the awareness of being a responsible company, we have prepared an up-to-date materiality matrix by taking the opinions of our external stakeholders and reviewing our current sustainability priorities. With regards to matters we will address in the field of sustainability, we examined matters of priority from our sector within the global conjuncture and organized a workshop in order to be able to receive opinions of our departments, then we made a decision. Afterwards, we divided our external stakeholders into 11 main groups (Guests, Senior Management, Investors and Shareholders, Community, Public Institutions and Regulatory Authorities, Suppliers, Insurance Institutions, Media, Accreditation Institutions, Educational Institutions, Financial Institutions) and asked them to rate matters of priority we provided.

We used the outputs of this study as our compass while developing our sustainability strategy and determining our goals in line with our strategy.

We integrate our sustainability efforts into our way of doing business

As MLP Care, we determined our sustainability strategy in order to ensure the maximum efficiency and benefit in our sustainability efforts, to carry out our sustainability efforts in line with our corporate business strategy and our industry systematically, to meet the needs of the people we serve. While we were determining our strategy, we took into account the global risks, opportunities and trends, also evaluated the threats that our sector and our Company may be exposed to in the short term and long term and the opportunities that may arise. We concluded these outputs with our literature researches, our experience in the healthcare sector and the stances of our stakeholders. Rather than treating our sustainability efforts as a new subject that will be added to our usual business processes, we designed our sustainability strategy in a way that is aligned with our corporate business strategies and serves our business goals in order to make it our usual business manner.

We integrate our sustainability efforts into our way of doing business. In every chain of the service we provide, we build processes that create value for our Company, our stakeholders, our society and our environment. We group our sustainability efforts under four main themes within our vision to "create a sustainable value chain in everywhere we serve". These are Digitalization, People and Culture, Contribution to Society and Fight against Climate Change. We shape our works related to these four themes within the framework of a purpose for each theme. We aim to

- ensure resource efficiency with our digitalization efforts, be a preferred company by everyone with our work within the scope of Human and Culture,
- be a healthcare company that cares about society as well as offering the best experience to our guests with our efforts under the theme of Contribution to Society,
- provide environmental friendly healthcare services with our practices within the scope of our Fight against Climate Change.

We support all these efforts with a responsible governance structure within the framework of transparency and accountability principles.

By accepting our strategy as our roadmap, we set short, medium, long-term specific, measurable, achievable, relevant, and time-matched targets, we continue our efforts to take concrete and effective steps by measuring these targets, and we share our targets with

our stakeholders. You can review detailed information about our strategy and targets in our MLP Care 2022 Sustainability Report.

We started to carry out our sustainability efforts by forming a Sustainability Working Group consisting of our executives, in order to ensure that our work progresses regularly and efficiently, that understanding of sustainability aspects all our business processes, hospitals, and stakeholders. During this period, we further developed our sustainability governance structure and created focus sub-working groups to work under the existing Working Group. Digitalization and Innovation, Human and Culture, Corporate Governance, Contribution to Society and Communication with Stakeholders, Climate Change and Environment Sub-Working Groups operate under the Sustainability Working Group. With this structure, the priority issues that each sub-working group is responsible for have been determined, and the targets related to these priority issues are followed up by the Sub-Working Groups. At the same time, members of the Working Group assume the leadership of the Sub-Working Groups. Sub-Working Groups report the targets, projects and progress they have determined to their leaders, and the leaders provide guidance on matters that require decisions and/or resources. The organization of the Working Group is undertaken by the Investor Relations and Strategy Directorate, also the works are led by the Investor Relations and Strategy Director, who is a member of the Corporate Governance Committee and reports directly to the Chairman of the Board of Directors.

We were included in the BIST Sustainability Index as a result of the grading made in the last month of 2022, thanks to our sustainability steps we have intensified in recent years, the policies we have implemented, our strategy, our goals and our good practices. As being the leading healthcare group in the private healthcare sector, we add another leadership to this, we became the first company in the healthcare sector in Türkiye to be included in this index.

We became a member of the Business World and Sustainable Development Association (BCSD Türkiye) with the awareness that a sustainable business model can only be carried out through partnerships and collaborations. We signed the Women's Empowerment Principles in order to emphasize the importance we attach to the development of women and also show that we are wholeheartedly willing and determined to develop our practices related to women's empowerment by providing equal opportunities.

The Sustainability Principles Compliance Framework published by the Capital Markets Board (CMB) in 2020 includes the core principles that public companies are expected to disclosure about environmental, social and governance issues while carrying on their business. Based on this expectation, you could find our answers and explanations within the scope of the Capital Markets Board's Sustainability Principles Compliance Framework on pages between 86 and 92 of this report.

Environmental Approach

Environmental **management system**

We receive consultancy service on environmental issues and hazardous material safety management in all our hospitals, and consultants collaborate with the Infection Control Committees in our hospitals.

As MLP Care, we have a safe environmental management system covering energy, water consumption and waste management in all our hospitals. While we carry on our environmental studies to meet national regulations, we improve our standards in order to enhance the service we offer to our guests and the environment in where we serve. We consider both national environmental legislation and the environment-related articles of the JCI (Joint Commission International) Accreditation Standards which evaluates international hospital management systems from both the patient and operational perspectives. We receive consultancy service on environmental issues and hazardous material safety management in all our hospitals, our consultants make evaluations continuously, carry out the studies to comply with the legislation and take the necessary improvement actions with the hospital management.

In addition, environmental consultants collaborate together with the Infection Control Committees in our hospitals. Thanks to this collaboration, we fulfill all the legal requirements in the light of both the Environmental Law and the European Agreement concerning the International Carriage of Dangerous Goods by Road. There are no incidents that affect the use of tangible assets, including all machines, equipment and devices at MLP Care hospitals, or that create environmental risk.

We manage our environmental issues in the light of our policies
We have secured all the topics that form the basis of our Environmental Management System with the Environmental Policy, procedures and instructions created within this scope, and shared them with all our employees. While performing our sustainability efforts we put down our Energy Policy in writing and announced on our website in order to gather our maintenance works and practices related to energy use, to guide our following work, and to shared our perspective on energy which has become more critical because of the climate crisis. Our energy management issues are also carried out in accordance with this Policy, and there is a Board of Directors decision in our Energy Policy, as in our Environmental Policy.

When calculating our greenhouse gas emissions, we take actions to better define our impact by including more emission sources in our calculations
After our first emission calculations in 2021, we developed our emission source inventory in 2022, identified and included more emission sources in our calculation. This development has been an important study in terms of better understanding our environmental impact. While making this calculation, we used internationally accepted methods. The result of the calculation showed that our electricity consumption is the main emission source, so we started to evaluate our maintenance and improvement works which we are currently carrying out. We set sustainability targets in order to reduce our greenhouse gas emissions, support the combat climate crisis and save on energy. We plan to save 1,300,000 kWh of electricity and 74,000 Sm^3 of natural gas by the end of 2023.

Net Zero by 2050
We have set the goal of net zero carbon emission by 2050 in order to be able to contribute to efforts put in the fight against the climate crisis both in our country and across the world. We are working on our roadmap for the net zero emission target, and we are intensifying our steps by setting short-term targets in this process. By 2025, we aim to reduce our Scope 1 and Scope 2 emission intensity by 45% compared to the 2021 base year.

As a result of the services we ensure that all people live healthy lives, we generate and collect our hazardous and non-hazardous wastes separately at source in our hospitals, and manage in accordance with the legislation. In the light of the United Nations Sustainable Development Goals, we carry on our waste management processes sensitively and efficiently to minimize the negative effects of wastes on the climate and the environment by supporting the recycling for a circular economy.

In 2023, we plan to carry out a project that we will start in pilot hospitals in order to improve our waste management processes, and as a result of this project, we plan to increase our recycling rate until 2025.

We collaborate with companies licensed by the Ministry of Environment, Urbanization and Climate Change for the disposal and transportation of hazardous wastes, in accordance with the legislation.

Characteristics of resources used as well as effective use of resources determine the amount of waste generated and the impact of such waste upon the environment. For this reason, we include our suppliers in our works that aim to reduce our environmental impact arising from our activities. Starting from 2023, we will add criteria related to environmental sustainability to the contracts we have made with our suppliers and we will consider selecting suppliers regarding their compliance with these criteria.

You can view detailed information on environmental management, emissions, energy and water use, waste management and our performance in 2022 in our MLP Care 2022 Sustainability Report.

Quality Standards

Audits completed **successfully**

In 2023, Liv Hospital Vadistanbul Hospital successfully completed the JCI Accreditation audit and received the JCI Accreditation Certificate.

Accreditations, Awards, Quality Management
The MLP Care Quality Management System was established in accordance with the accreditation standards of the JCI (Joint Commission International) and ISO 9001:2015 (International Standardization Organization) Quality Management Systems standards, which evaluates national and international hospital management systems from both patient and operational perspectives, and the Ministry of Health's Quality Standards for Healthcare. Our Quality Management System is focused on patients, employees, environmental safety and facility safety. The Group consistently ensures that patients receive healthcare that is timely, equitable and adequate, as well as efficient, effective and safe. Every year, inspectors from the Ministry of Health perform Healthcare Quality inspections at the Group's hospitals.

Certifications
BAU Medical Park Göztepe Hospital Complex, Medical Park Bahçelievler Hospital, IAUH VM Medical Park Florya Hospital, Liv Hospital Vadistanbul and Liv Bona Dea Hospital underwent a rigorous audit conducted by the Joint Commission International (JCI), an internationally recognized accrediting body that works to improve healthcare service safety and quality. All three hospitals passed the inspection and received their certificates of accreditation. Audits are conducted to ensure the validity and reliability of the Quality Management System, periodically.

Liv Hospital Ulus successfully passed an international inspection conducted by SRC (Surgical Review Corporation) and obtained the Center of Excellence Certificate.

ISU Medical Park Gaziosmanpaşa was certified by the internationally recognized TS EN ISO 9001:2015 Quality Management System Standards for diagnosis and treatment services under the audit of TÜV Austria Cert procedure.

Liv Hospital Vadistanbul Hospital was certified in a short time after it started to operate, proving that it established and implemented a management system that complies with the requirements of ISO 9001: 2015 Quality Management System Standards. In 2023, it successfully completed the JCI Accreditation audit and received the JCI Accreditation Certificate.

In the first quarter of 2022, our VM Medical Park Pendik Hospital started and implemented the "Integrated Management System," which is based on the approach of creating a documentation system that can be used jointly, by gathering more than one management system under one roof. Integrated Management System adopts the approach of auditing all standards together instead of auditing the systems separately. In this context, our VM Medical Park Pendik Hospital deals with the environment, occupational health and safety and quality processes together, and with the audit conducted by TÜV Austria Cert, TS EN ISO 9001:2015 Quality Management, TS EN IS0 14001:2015 Environmental Management and TS EN ISO 45001:2018 Occupational Health and Security Management Integrated Management System certificate. In 2023, with the surveillance audit it underwent, it ensured the continuity of its existing certificates and included the TS EN ISO 10002:2018 Customer Satisfaction Management System certificate in the system.

In 2023, IAUH VM Medical Park Florya Hospital successfully had its academic standards, in addition to JCI's hospital standards, approved by the JCI Accreditation audit. It became the first university hospital among MLP Care group hospitals and the 5th university hospital in Türkiye to have JCI Accreditation certificate.

Our MLP Care information security process was certified by TÜV Austria Türk with the TS EN ISO 27001:2013 Information Security Management System Certificate. System continuity is ensured by periodic annual audits.

Clinical Success and the Provision of World-Class Services

MLP Care provides high-quality services in every specialty area. This is achieved thanks to our Company's advanced technological infrastructure, state-of-the-art hospital facilities, internationally recognized operational and surgical success (five JCI accreditations, three SRC Center of Excellence awards), academic collaborations with university hospitals, and a full range of services in various disciplines.

Company affiliations with university hospitals include the three affiliations of Ankara, Göztepe, and Bahçelievler Hospitals with Bahçeşehir University, Altınbaş University, and the Yüksek İhtisas University respectively (in accordance with the Procedures and Principles concerning the Affiliation Between Foundation Universities and Private Hospitals); and the management consulting services provided by MLP Care to three hospitals, namely Istinye University Hospital in Bahçeşehir and Gaziosmanpaşa, and Istanbul Aydın University hospital in Florya.

Such arrangements also offer physicians the opportunity to participate in exchange programs and various seminars, allow for more flexibility in the Company's physician portfolio, and create an attractive work environment for talented and experienced physicians in Türkiye. Currently, 453 academicians serve as physicians at the Group's hospitals.

Social Approach

We provide equal **opportunity to employees**

We, at MLP Care provide equal opportunity to our employees in our recruitment, promotion and assignment procedures and we believe that our comprehensive corporate identity is a wealth for our ecosystem.

Human Resources Approach

To create a corporate culture aiming to increase employee engagement with fair and incentive human resources practices and processes, we have four main human resources strategies that support the development of our employees and prioritize open communication.

The first of these strategies is to dynamically shape the organization structures to achieve an efficient and effective operation in line with the strategic goals and to ensure sustainability of this operation. Another of our goals while achieving this is to create an encouraging, fair performance culture in which success is evaluated against measurable and concrete criteria. Additionally, building effective human resources systems that maximize technology use taking into consideration cost and speed factors and developing a service-oriented HR structure that contributes to the performances of work units with its process and infrastructure are also among our critically important strategies. Our fourth strategy is, in addition to attract new talents to our Group, to support these talents with career opportunities, training and development programs to ensure sustainability of the organization.

Employee Profile

Based on the belief that a company can be as strong as its weakest link we think that our employees should have distinctive qualities.

We, at MLP Care provide equal opportunity to our employees in our recruitment, promotion and assignment procedures and we believe that our comprehensive corporate identity is a wealth for our ecosystem. We employ candidates who have improved themselves in their area of expertise throughout their academic life and career journey and who are open for continuous improvement. We believe that the most important driving force together with our improvement-oriented management approach, which makes us successful is our people. We maintain our position as the leader in the healthcare industry thanks to our 20 thousand employees who act in unison and work hard to meet healthcare needs of millions of people everywhere in Türkiye

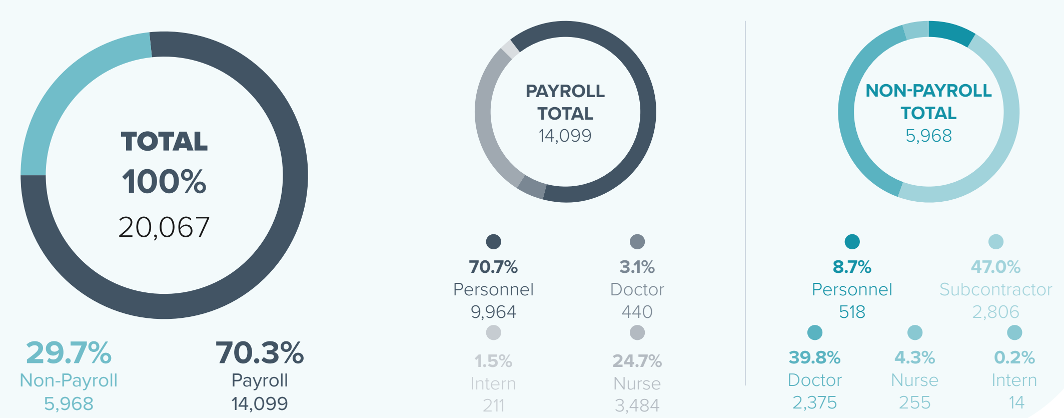
As of December 31, 2023, we have a total of 20,067 employees, of which 14,099 are in our payroll.

In this annual report, the number of employees includes the employees of 3 university hospitals, Liv Bona Dea Hospital and Liv Duna Medical Center operating under the management contract, interns, and employees within the scope of 4-1A. Therefore, the number of permanent employees is different from the 12,677 figure in the TFRS report (Employees within the scope of 4-1A - They are only subject to SSI deduction and are exempted from income and stamp tax liabilities. They are also not subject to retirement pay provision).

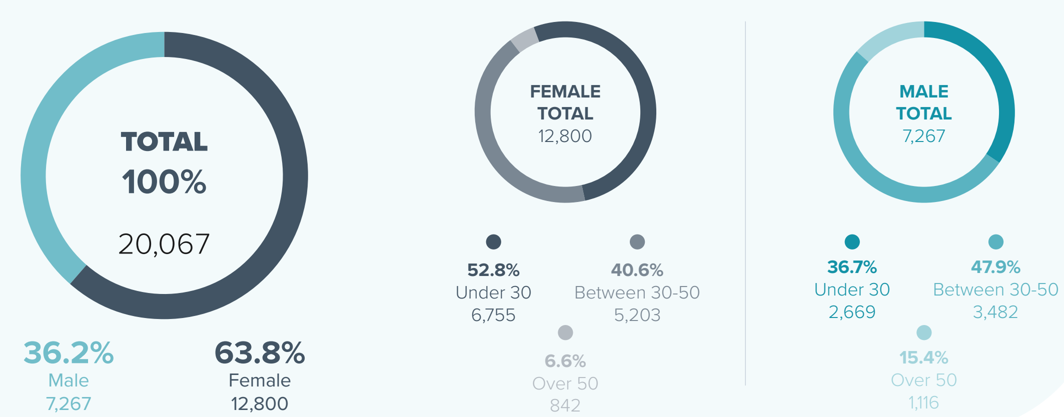

20,067
NUMBER
OF EMPLOYEES

Social Approach

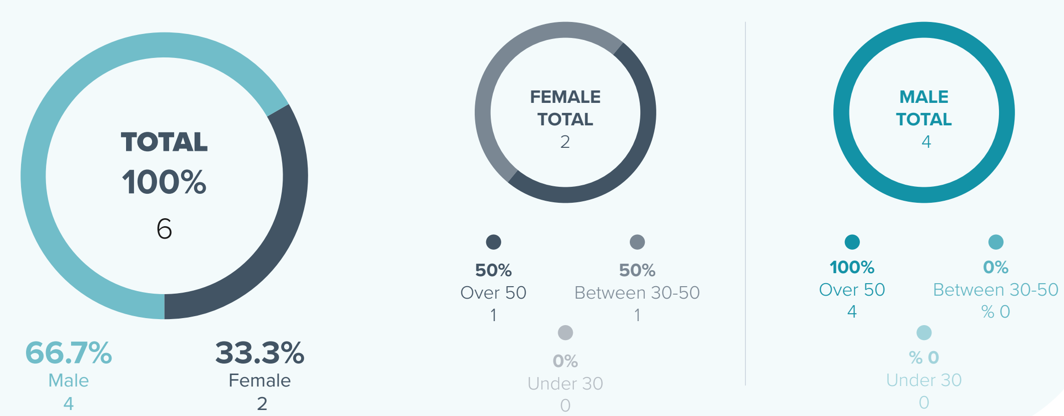
Distribution of Payroll and Non-payroll Employees by Employment Type



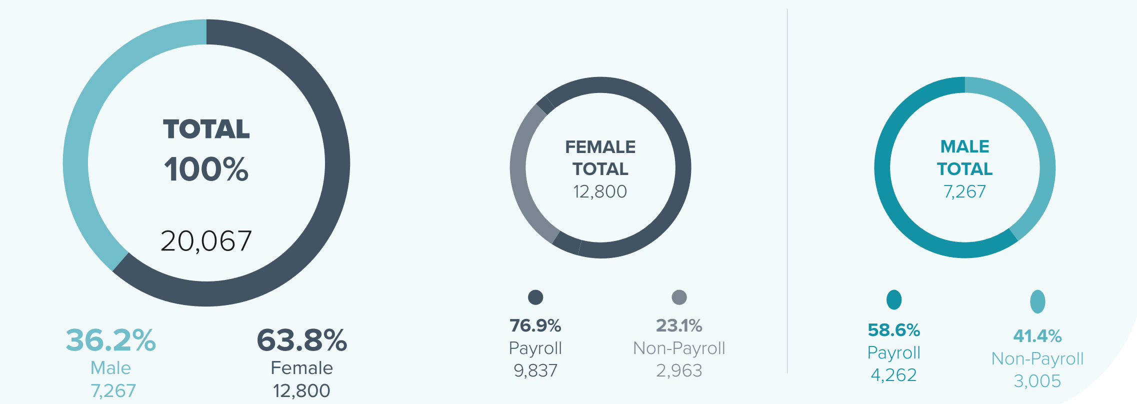
Distribution of the Employees According to Age



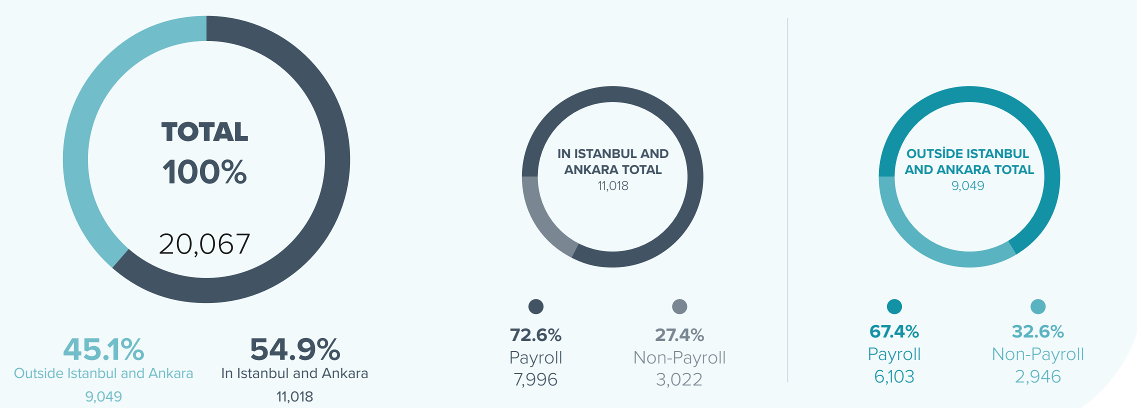
Distribution of the Members of the Board of Directors According to Age



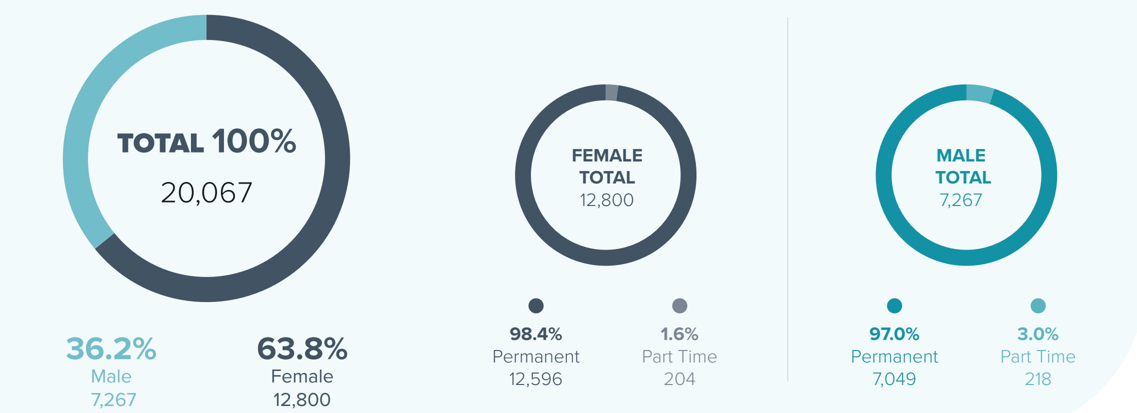
Distribution of Employees According to Contract Type and Gender



Distribution of Employees According to Contract Type and Workplace

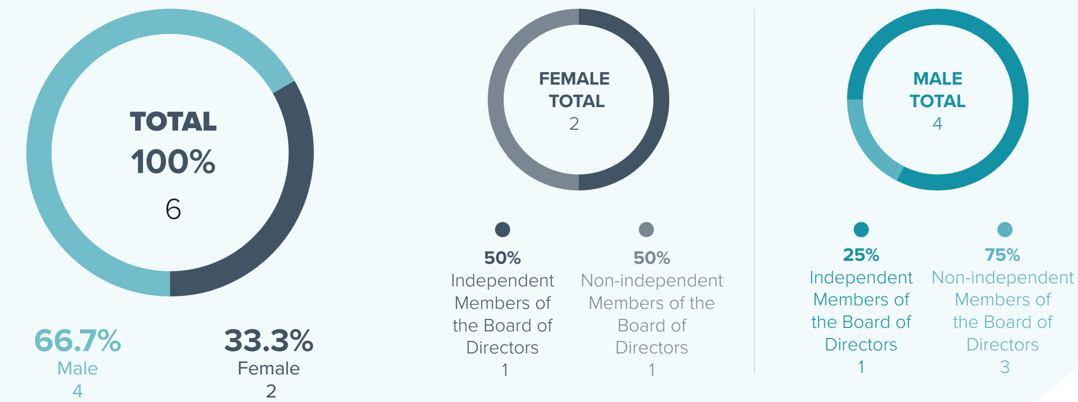


Distribution of Employees by Recruitment Category and Gender

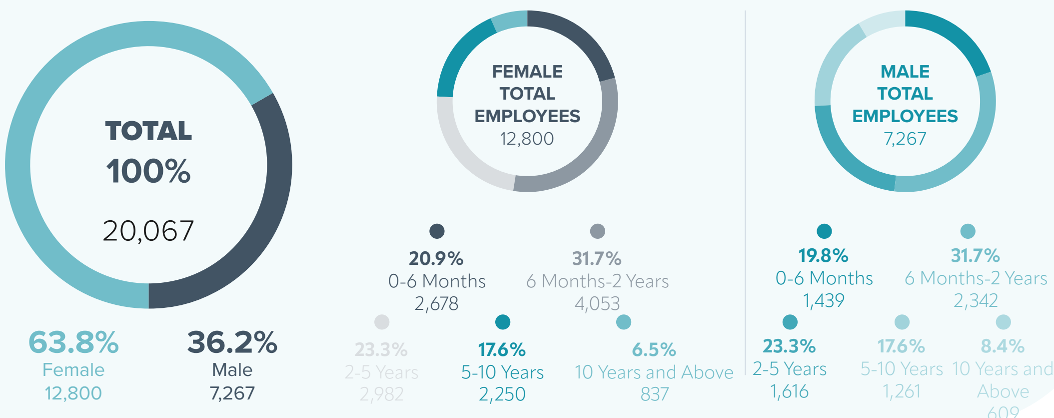


Social Approach

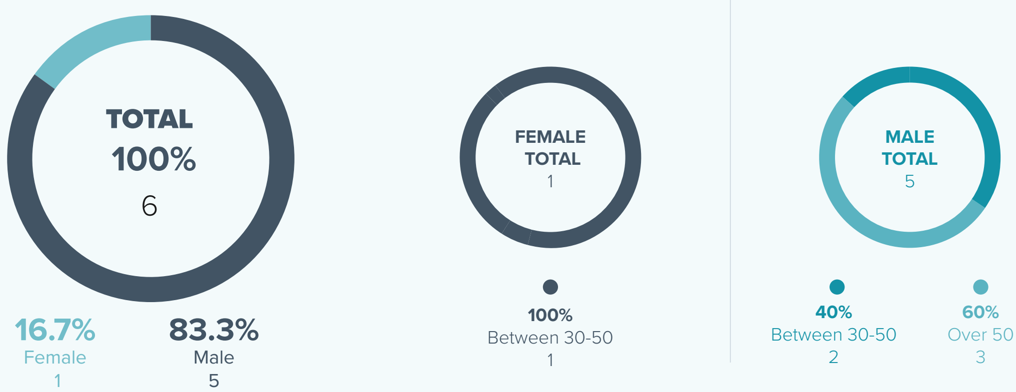
Distribution of Board of Directors Members According to Their Independent Status



Distribution of Employees According to Seniority



Distribution of Executive Managers According to Age



Employee Loyalty and Satisfaction
We respond to needs and expectations of all of our employees working in our Group and measure and assess their job satisfaction levels every year to increase engagement and improve their motivation. Our employee satisfaction was 80% in 2023 and our goal is to maintain and increase this rate even more in the next reporting period.

Prevention of Discrimination and Equal Opportunities
We offer equal opportunities to all of our employees working in our hospitals under MLP Care Group in line with the universal human rights regardless of their ethnical origin, gender, skin color, race, nationality, economic status and religion/faith. We are committed to protecting the rights of all of our employees with our business processes that are in compliance with laws, legal regulations and human rights. Our main expectation from all of our employees is to embrace all rights offered in MLP Care at the maximum level, and improve their engagement and use the working environment where they can provide their services effectively.

We believe that women should have social and economic freedom and build their career expectations independently for a free and equal society. In line with this approach, we are diligent about employing women in our Group. Our total number of employees was 20,067 in 2023 (2022: 18,930). The total number of female employees was 12,800 in 2023 (2022:12,048) and total number of male employees was 7,267 in 2023 (2022: 6,882).

We offer job opportunities for disabled people who are considered as a vulnerable group with the aim to overcome prejudice. We care about providing equal job opportunities in our Group where social status based on gender, physical and mental disabilities is cancelled. The total number of female disabled employees was 132 (2022: 106), and male disabled employees was 259 in 2022 (2022: 232).

Employees under collective labor agreements
Our Company is not a party to any collective bargaining agreements. Under applicable laws, our Company's employees can join labor unions. If requested by the employees, labor union membership fees may be cut from their salaries and paid to the union.

Social Approach

Training activities that support employees

Within the Company, the MLP Care Development Academy conducts face-to-face orientation programs, technical trainings, competency-based trainings, leadership programs and corporate culture trainings.

Education and Development Programs

We know that investing in employee development is fundamental to contributing to their success and performance, as are the trainings we provide. At MLP Care, we design various development and training programs to support the growth of all our employees. We aim to enhance individual knowledge and skills by diversifying training programs according to needs, allowing employees to specialize in competency areas.

Within the Company, the MLP Care Development Academy conducts face-to-face (in-class) orientation programs, technical trainings, competency-based trainings (communication, teamwork skills, etc.), leadership programs and corporate culture trainings.

Additionally, an e-learning platform accessible to all employees has been established; allowing access to the MLP Care Development Academy platform from any location with internet, e-learning, exams, and surveys can be assigned to all employees simultaneously.

In 2023, the emphasis on digital training continued, including e-orientation packages, technical processes, screen training videos, and more. Personal development training sessions were provided, covering topics such as “Problem Solving,” “Conflict Management and the Art of Communication,” “Nonviolent Communication,” “Stress and Anger Management,” “Elixir of Success: Individual Motivation,” and “10 Basic Rules of Fluent Speaking.” Following the earthquake in our country, we shared training sessions and articles such as “What to Do Before, During and After an Earthquake” to contribute to employees’ knowledge and provide psychological support. As part of our sustainability efforts, “Waste Management” and “Neck Exercises” e-training sessions were assigned to all employees.

In addition, professional development e-trainings were delivered, covering topics such as “Personal Image in Professional Life,” “Ethical Principles,” “Basic Tips for Public Speaking,” and “Managing Excitement and Techniques for Preparing Effective Presentations.”

Approximately 100 e-trainings and e-books were added to the MLP Care Development Academy in the last year. Of these, 21 e-trainings focus on personal development topics for our employees.

In 2023, the total training time for in-class and online sessions assigned to all employees was 739,427 hours, with an average training time per person of 38.4 hours.

As the healthcare sector is in a high-risk group in terms of Occupational Health and Safety (OHS), in-person training in hospitals was supported by online training. Interactive, six-hour learning packages were assigned to all employees to enable an annual review of OHS Technical Topics, General Topics, and Health Topics. To raise employee engagement, the new e-training packages featured interactive content with questions, animations and videos.

A significant project in 2023 was the implementation of “Guest Services Training” for our teams, who play a crucial role in our hospitals. In collaboration with Enstitü Istanbul ISMEK and Regional Employment Offices, individuals who will assume Guest Services roles at Istanbul Hospitals undergo a 10-day certification program in ISMEK classrooms prior to employment.

739,427

hours
Total training time

Provided by MLPCARE internal trainers and managers, the program covers professional information related to Guest Services processes, practical demonstrations in computer classrooms using our hospitals' HIS system, and information about the healthcare sector, as well as training on guest satisfaction, communication, conflict management and more. To date, seven groups have completed this program, and the employment process continues in the respective hospitals. The project is planned to continue in 2024 and beyond.

Another significant project in 2023 was the "Assistant General Manager Identification and Development" project, initiated in line with our internal promotion policy. Announced in October, the project involved sending a digital survey to employees in managerial positions to determine their interest in participating in the academy system. Those who volunteered among the 154 managers were sent a personality inventory measuring competencies, and their seniors were asked to evaluate their performance through the Academy System. The 123 managers who passed these stages participated in the Assessment Center Application (DMU), conducted by a professional consulting firm. Completed in December, the DMU process assessed participants' potential and their suitability for our institution's eight competencies. Based on the results, candidates will be identified for the positions of Deputy General Manager Responsible for Processes and Deputy General Manager Responsible for Finance. These individuals will be included in a training program in 2024 that supports their development. The seven-month training program will include orientations in Central Functions and Hospital Departments, along with Leadership and Technical trainings, and mentorship support.

Additionally, articles published in world-renowned magazines on personal development, leadership, and global trends in business are shared with all employees via "Perspective," the Company's weekly e-newsletter.

Physician recruitment and retention

The Company can effectively recruit physicians based on several factors. These include its strong brand, high patient traffic, and the overall company size and the number of hospitals in the portfolio. The opportunity to be promoted academically through affiliations with medical schools is another factor, as is an agenda for advancing science (including in cooperation and affiliation with universities and institutional support for participation in scientific activities). Additional benefits include state-of-the-art medical equipment, and regular and on-time payments, as well as access to large volumes of patient data, which is applicable for scientific work, and vast experience to draw on in complex cases.

The Company attaches great importance to ensuring the service quality of its physicians. Therefore, each physician is carefully monitored on a scorecard system.

Digital HR - Demand Processes

In line with the Company's HR strategies, the Digital HR project was launched in May 2019 in order to render the Human Resources systems and processes more efficient and to support the dissemination of the digital transformation culture throughout the Company. Within the scope of the project, the first phase, Staff Demand Management, was launched in November 2020, and all recruitment processes were transferred to the live system in the first quarter of 2023. Efforts are underway to carry out career management (promotion, transfer, job change) processes in a digital environment.

Digital HR - Form Processes

As part of the Company's Human Resources digitalization efforts, during the Exit Interview Process, we can receive employees' resignation requests in a digital environment. The Human Resources teams are thus provided with the opportunity to conduct these processes quickly and easily.

Social Approach

By switching to the PowerBI reporting system, we improved our ability to comment on the current situation and future of our Company by reporting all MLP Care information in a more understandable and analysable way.

We can follow up on employees' "Two-Month Trial" and "Six-Month Evaluation Process" forms in a digital environment, thus offering employees and managers a platform on which they can request, approve and follow up. We initiated the process in six pilot hospitals and, in the last quarter of 2023, we implemented it across all our hospitals. We continue to develop these processes within the scope of digitalization.

Digital HR – FTE Management Screen

The increased risk of infectious diseases due to the pandemic has once again demonstrated the importance of digitalization. Considering the employees who work from home and consequently cannot use the Personnel Attendance Control System (PACS) functions such as a finger, face or user card recognition, also taking into account the infection risk of using these systems, a digital HR platform, owned by MLP Care, has been established where the work hours can be logged in.

With this system, it has become possible to plan all employees' working hours, overtime, leave, reports, etc. and track them more transparently on a digital platform. Thus, managers can plan the work hours of the employees and the employees can review their schedule and request revisions. The payroll system is carried out within the scope of this data.

Although it is still in practice in our pilot hospitals, the SSI Entry Robot allows the robot to provide the SSI entry declarations of the entire Group and to send details of the transaction with the relevant individuals and the entry declaration as a PDF.

With the personnel enforcement system, we saved the salary seizure letters received by personnel in the whole Group from e-mail traffic and the possibility of being overlooked, and enabled them to be tracked with notifications and time stamps in the system. With the pilot application used in our hospitals in Istanbul, the entire process – from the correspondence clerk to the Legal Department – proceeds digitally; at the end of the process, errors and loss of time are avoided thanks to the integration of the payroll program.

Through the mobile application Mobil PDKS and the digital module, we aim for a more accurate accounting of personnel working hours via the check-in and check-out buttons on the mobile app, and to reach clearer and more realistic data in our FTE and salary calculations. Our aim in terms of the pilot application deployed in Liv Hospital Vadistanbul is to ensure its extension to all our hospitals in the first quarter of 2023.

With the simulation development conducted on the Informatics Payroll program, we started to carry out budget analysis studies, preventing deviations in the budget studies by merging the current status of hospital budgets with digital HR data, without having to wait for a specific time period.

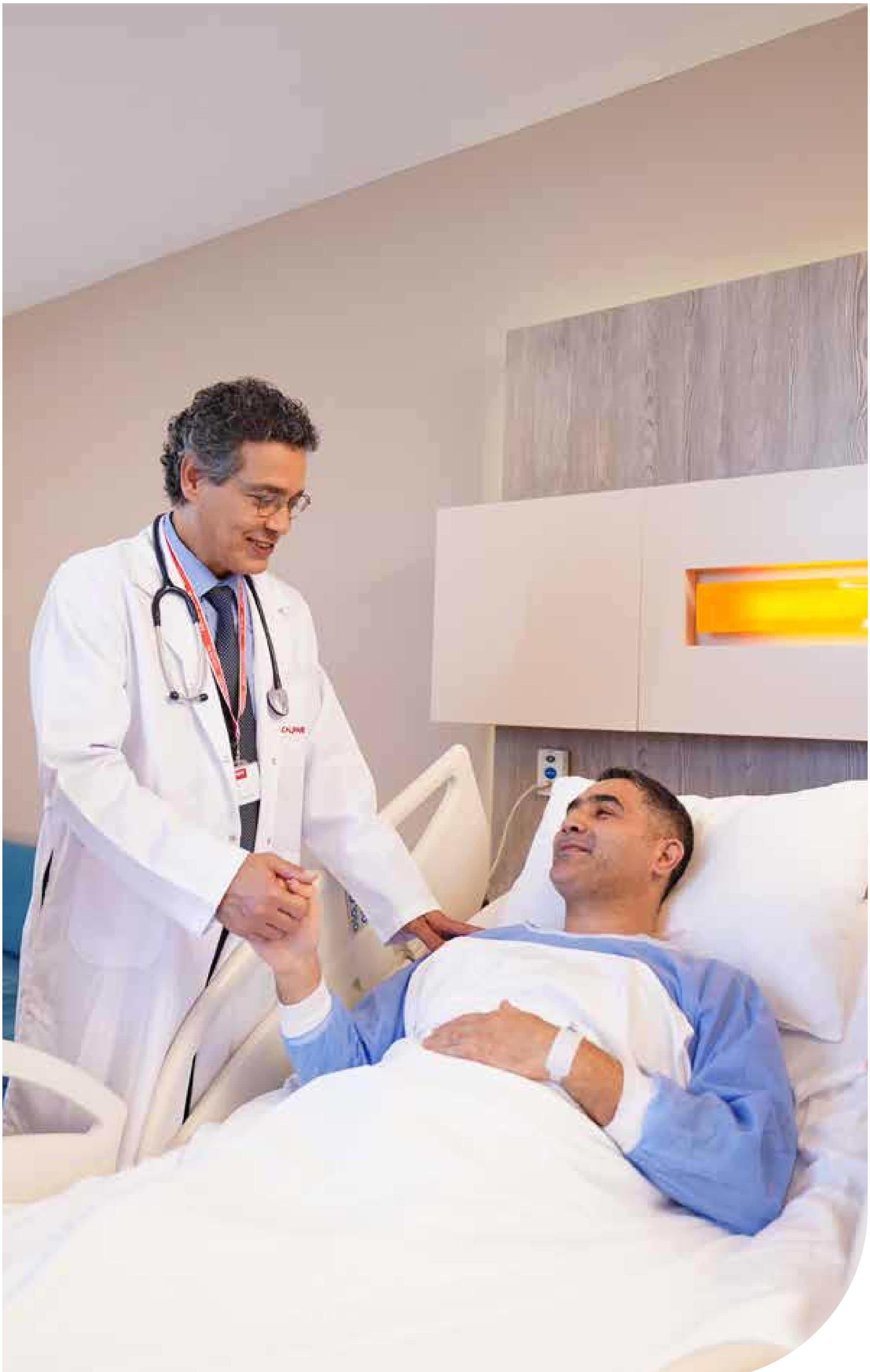
By switching to the PowerBI reporting system, we improved the ability to comment on the current status and future of the Company by reporting all information in a manner that allows further reporting and analysis. In the current situation, we started to work with a clearer understanding of areas in which we need to improve.

Digital HR-Budget Processes

We moved the workflow to the digital platform, where we forecast the monthly course of HR expense items and manually track the closing data. We created a flow that will enable simultaneous budget calculations by linking monthly manual HR expense items with the payroll program and digital HR FTE management. We set up a structure in which the closing figures of each month are digitally transferred to the relevant item headings, including payroll data and financial affairs trial balance figures, by constructing the closing budget of each month with the same systematic. Thus, we started to manage the process digitally, which we had followed manually.

Corporate Performance Management System

The Corporate Performance Management System is implemented at MLP Care. In order to improve performance in line with the Company's strategies, task-based numerical targets are set for hospital and department leaders. The determined targets are assigned to our employees monthly, and premium payments are made according to the realization rates of these targets.



Occupational Health and Safety Approach

Healthy and safe working environment

MLP Care has an effective Occupational Health and Safety Management System based on international standards and experience of many years, which has turned into a corporate culture over time to create safe working environments.

Our main expectation from our Occupational Health and Safety activities is to ensure that we have the highest standards for health and safety as required by our sector. Our goal in our Occupational Health and Safety activities in our hospitals under the MLP Care is to keep potential occupational accident risks under control, provide a healthy and safe working environment and to increase awareness on Occupational Health and Safety culture with the participation of all of our staff. We have an effective Occupational Health and Safety Management System based on international standards and experience of many years, which has turned into a corporate culture over time to create safe working environments. We carry out Occupational Health and Safety (OHS) activities in our MLP Care hospitals with the strong commitment and demand of the senior management.

This strong commitment provides the basis for all activities and the management system and is shared with all stakeholders using the Occupational Health and Safety policy. Our commitment which we clearly explain in this policy is carried out effectively using tools such as internal procedures and training programs, workshops, plans, instructions, checklists and forms. We detect areas of improvement through inspections and depending on the results of such inspections we review our management system and take actions in line with the continuous improvement principle.

As MLP Care, we never compromise Occupational Health and Safety and consider everyone as MLP Care staff and include them in the Occupational Health and Safety system including our contractors' employees and temporary employees during their work in our hospitals.

We carry out all of our activities in accordance with the Occupational Health and Safety Law no 6331 and standards of globally recognized organizations and implement a comprehensive risk management. We analyze all aspects of the activities we carry out to identify risks and take necessary measures. We proactively detect risks with the risk based approach of the Occupational Health and Safety System and ensure that necessary measures are taken right from the beginning. We take suitable improvement actions against all risks and dangers identified with our proactive approach and identify temporary measures against risks and dangers for which improvement actions are taken and we secure the area or situation until all related work is completed.

Every hospital under the MLP Care has an OHS Committee and a Facility Safety Committee and these committees meet at regular intervals (monthly) in accordance with the applicable laws. During these meetings, the committees review OHS, facility safety and infrastructure compliance performances and any detected major risk and requests and feedback are discussed and actions to be taken are decided. These committees consist of the people stipulated by law and meetings are held in a transparent and participatory environment.

In our hospitals Occupational Health and Safety work is carried out by the Occupational Health and Safety departments. An occupational health and safety specialist, a workplace doctor and other healthcare professionals work in these departments. Our Occupational Health and Safety departments continue their work under the organization of the OHS Committee and Facility Safety Committee and they carry out site visits, inspections and on-site observations to identify risks and take necessary actions to reduce the possibility and impact of such risks.

Contributing to Society

Health sponsorship for sports clubs

As MLP Care, we support clubs, athletes, sports complexes and organizations of different branches with our Medical Park and Liv Hospital brands.

"We Score Goal Against Obesity in Every Age " Social Responsibility Project
The social responsibility project "We Score Goal Against Obesity in Every Age " aims to raise awareness on child obesity, among the most dangerous diseases of our time. We operate this project in collaboration with children and the Galatasaray Football Club players Bafetimbi Gomis and Berkan Kutlu.

Photography Exhibition
In collaboration with the Laughter Heals Association, we organized a photography exhibition with children undergoing cancer treatment. The exhibition was held at Vadistanbul Shopping Mall.

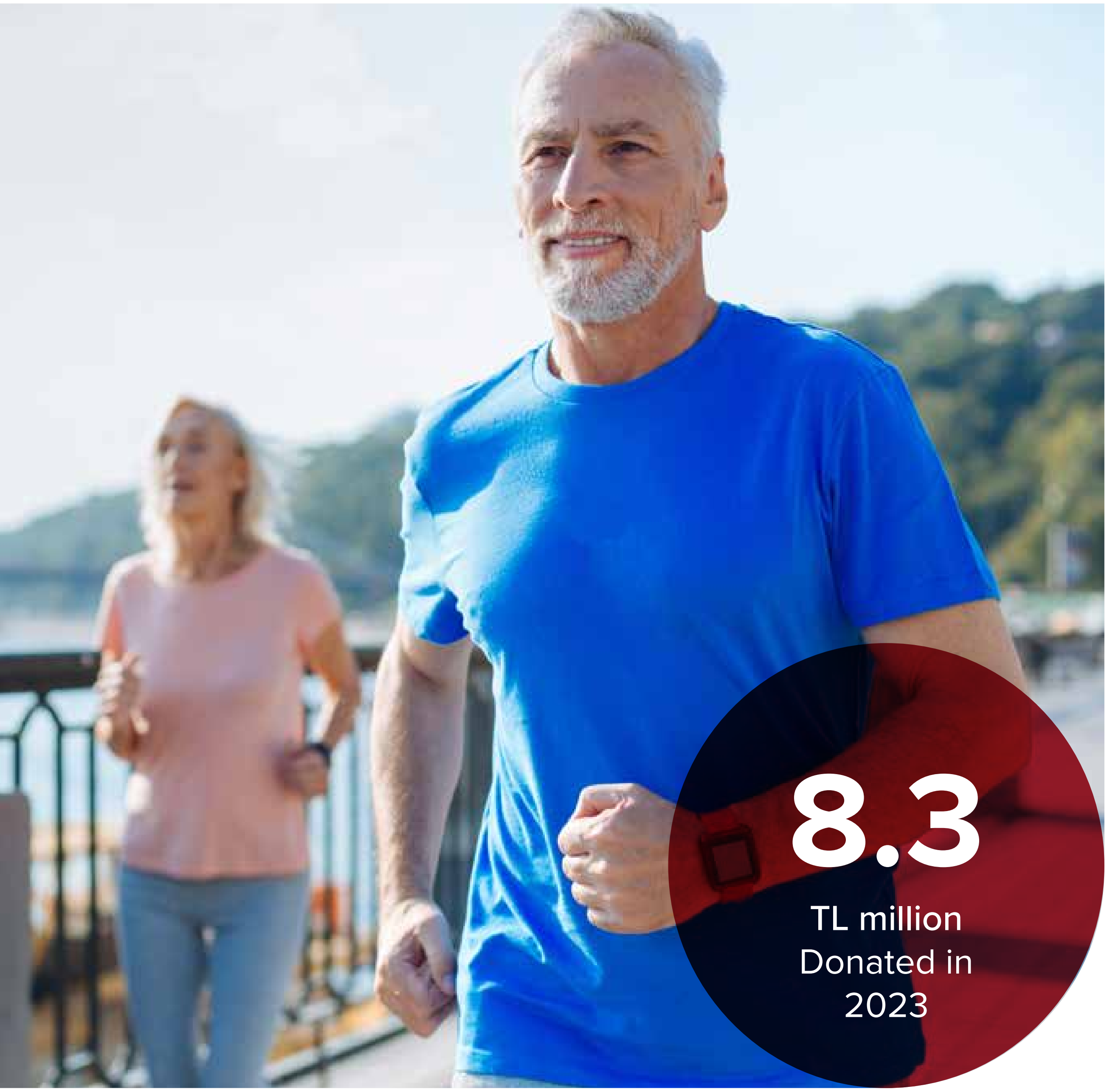
Attention to Breast Cancer
With the importance we attach to public health as Liv Hospital, we conducted a social responsibility project on breast cancer in October, designated as Breast Cancer Awareness month. Components of the project included breast examinations and mammograms for female employees of Kağıthane Municipality, as well as to other women participating in the event. The project was designed to raise awareness on the importance of annual health checks for early detection of breast cancer.

Breathe to DMD

We conducted the Breathe to DMD event to raise awareness on muscular dystrophy. The event was held on World Duchenne Muscular Dystrophy (DMD) Awareness Day at Liv Hospital Vadistanbul, in association with the World Muscle Disease Association, the No Barriers in Art Foundation, and the Water and Women Platform Association.

As MLP Care, we support clubs, athletes, sports complexes and organizations of different branches with our Medical Park and Liv Hospital brands. We take pride in sponsoring the health of dozens of sports clubs from various branches including Galatasaray, Adana Demirspor Club, Ümraniye Sports Club, Giresunspor Club, THY Sports Club, Bahçeşehir Koleji Basketball Club, IBB Sports Club, Beykoz Municipality Handball Club, Adam Volleyball Sports Club, Çukurova Woman Basketball Club, Elazığ Social Cooperation Sports Club, Kasımpaşa Sports Club, Samsunspor Football Club, Nesibe Aydın Youth and Sports Club, Fatih Karagümrük Sports Club, Karabağ Football Club (Azerbaijan), and the Neftçi Professional Football Club.

In 2023, we donated TL 8,300,446 and spent TL 22,879,447 on social responsibility projects (2022: TL 6,735,307 and TL 15,519,145, respectively).



Corporate Governance Approach

This section provides information on system, programs and units that covers corporate governance. More detailed explanations regarding the Corporate Governance Compliance Statement are included under the Corporate Governance Title.

The Corporate Risk Management Program

The Corporate Risk Management Program is designed to provide an environment in which risks are defined, impact and probability evaluations are made, and the most efficient and appropriate responses are developed for identified risks. In our corporate risk management processes, we revise risk management processes by considering opportunities along with threats. These threats/opportunities are measured in line with the risk appetite of the Company and ultimately enable the Company to consciously take risk reduction, transfer, acceptance or risk aversion decisions. The implementation of the Corporate Risk Management Program is carried out according to the policies determined by the Quality and Risk Management Directorate and approved by the Board of Directors.

Our Corporate Risk Management Vision

To contribute to sustainable growth by determining and measuring the risk portfolio of our Company, by increasing the awareness of all our employees regarding this matter, and by assessing risks as a whole.

Our Corporate Risk Management Mission

To provide reasonable assurance for the systematic and efficient determination and management of the risks our Company is exposed to and the opportunities it encounters during its operations, and to make risk management an indispensable part or the company culture and the strategic decision-making process.

Corporate Risk Management Strategies

- To achieve an efficient corporate risk management organization and to determine roles and responsibilities,
- To ensure that the risk management complies with the company strategies,
- To ensure that corporate risk management is implemented in all MLP Care companies coherently,
- To implement the Corporate Risk Management Program regularly, and to contribute to the development of the Program by making necessary improvements as a result of evaluations.

The fundamental processes which we consider and against which we plan precautions in relation to the risks we grouped under 4 categories are as follows:

Strategic Risks

1. External risks
2. Epidemics
3. Revenue Management
4. Doctor Strategies and Communication
5. Crisis Management
6. International Patient Process

Financial Risks

1. Risks Related to Debts
2. Interest Risk
3. Currency Risk
4. Cash Flow/Liquidity Provision
5. Refinancing Risk

Legal Regulation and Compliance Risks

1. Code of Conduct/Abuse
2. LPPD Compliance Process
3. Legislation and Compliance

Operational Risks

1. Emergency Management
2. Occupational Health and Safety
3. Facility Maintenance and Management
4. Medical Equipment Management
5. Clinical Process – Patient Safety
6. Digital Transformation
7. Service Excellence
8. IT Infrastructure and Security

The Quality and Risk Management Department works in cooperation with all departments within the Company to identify, assess and control the risks associated with the strategic objectives and operational processes of the departments.

We aim to limit the negative effects by focusing on the early detection of risks.

Undesirable Incident Notification System

We aim to continue our medical services in our hospitals pursuant to International Patient Safety objectives. Compliance with patient safety objectives requires taking measures to prevent simple errors that might affect patients, identifying and reporting these errors, and planning and implementing improvement actions.

We use a reporting system based on voluntariness and confidentiality in order to prevent possible negligence and adverse incidents that may reflect on the patient during the medical services. The System is an information-sharing network where doctors, nurses and other healthcare professionals can report any errors encountered in medical procedures. It is critical for our organization that the notifications are based on confidentiality. To prevent future mistakes, we focus on identifying the fault rather than the person making the mistake. Thus, we aim to be a learning organization that learns from its mistakes.

Additionally, our notification system is integrated with the Ministry of Health Notification System; and incidents in our hospitals are reported transparently to the Ministry. Through this system, the Ministry aims to detect irregularities regarding patient safety in healthcare institutions. Reports on notifications contribute to improvements in patient safety in health institutions in our country, and are also used for the purpose of developing Quality Standards in Healthcare. MLP Care aims to be a pioneer in contributing to this national goal.

Quality Performance Indicators

The Data-Based Quality Performance System is used to oversee the operations of our hospitals in accordance with the Indicator Management Plan developed by the Central Management team. The Plan defines the Health Care Quality Indicators – which are based on JCI's International Library of Measures, the Ministry of Health's Quality Indicator System and International Patient Safety Standards – by identifying high-risk patients for triage and with references to clinical departments. The quality performance of our Group hospitals is evaluated against each target Quality Performance Indicator on a monthly basis. Hospitals that deviate from target values are identified and relevant department managers are notified so that corrective action can be taken.

The Internal Audit Department

The Internal Audit Department works under the MLP Care Board of Directors in administrative and functional terms and carries out its duties in accordance with the scope of the Internal Audit Guide (Manual Handbook). In this context, the Department carries out its activities independently and objectively in order to improve the operations of hospitals and to create added value by complying with the international standards of The Institute of Internal Audit.

The purpose of the unit is to provide modern, entrepreneurial internal audit and consultancy services. For this purpose, audits include consultancy elements, particularly on how the audit findings should be handled and how processes can be best applied.

According to the Internal Audit Guide, within the scope of the audit and consultancy services, audits are conducted for each hospital at least once every two years; in the first years for the new hospitals, and within three to six months in case of the general manager replacement at any hospital. However, follow-up audits are also conducted depending on the results of the relevant audits.

Regarding the 2023 Audit Plan prepared according to the risk matrix:
A total of 13 audits and 7 project consulting activities realized including the Full Comprehensive Internal Control System (3), Monitor Audit (1), Consulting Activity (7), New Hospital Audit and Other Audits (7).

In addition, the Internal Audit Department is a participant in the Audit and Early Detection of Risk Committees meetings held quarterly.

Information Technologies and Digital Business Culture

We highly need the information technologies while serving our guests and conducting our activities, and therefore increase our investments in these systems.

With the COVID-19 pandemic, we started to improve our IT infrastructure, and increase the internet bandwidth and security measures in order to ensure that all our administrative units and information systems employees can continue their work remotely, safely and uninterruptedly. Security of our data is one of our priorities. Since the number of cyber-attacks increased during the pandemic, we emphasized infiltration tests to minimize our vulnerabilities. In addition, we plan to continue with our phishing tests we conducted in 2022, and monitor the level of awareness within the company concerning possible attacks.

Accordingly, we update our software and hardware used in our security systems, and continue to protect our data. We can detect any infiltration with our Intrusion Prevention System, and ensure the security of both our patients' and our company's data.

Moreover, with the Cyber Security Operation Service we launched in 2020, we continue our prevention efforts proactively. In addition to these, we started our works in 2020 for obtaining ISO 27001 Information Security Certificate, and we published our Information Security Management System Policy which contains our commitments, targets and responsibilities on our company website. In order to satisfy the anonymization conditions in data analysis work, we fulfill the requirements for complying with the Personal Data Protection Law.

As an indication of our environmental sensitivity, we launched our paper-free hospital project. In this way, we aim to minimize unnecessary resource usage, increase patient information security, and improve our processes.

We utilize the Hospital Information Management System (HIMS) in our hospitals' basic operational practices. As of 2022, we completed the HIMS digital transformation program. A big data environment is supported in the HIMS program, and it has parametric and structured data storage features. We have made it user-friendly by integrating our mobile applications with our web-based application.

Corporate Governance Approach

In our HIMS program, we provided the infrastructure for decision support systems and artificial intelligence works. We aim to follow the process in an integrated manner with new technologies while keeping the user experience at the forefront in terms of process and technique.

As R&D unit that continues its projects under the Information Systems Coordinatorship, in 2022, primarily within the scope of the announcement, which was made by the Ministry of Health General Directorate of Health Information Systems, about the establishment of a Remote Healthcare Information System (USBS) and the regulation published on the Delivery of Remote Healthcare Services No. 31746, we developed our MLP Online product. By integrating our MLP Online USBS software with the hospital information management system and the Ministry data recording system, and adding features such as video calls and messaging between doctor and patient, we started to offer remote healthcare services with the infrastructure we developed ourselves. During the product development phase, we received ISO IEC 15504 Spice Certification and registered the software in the Ministry of Health system. Following the registration process, a physical inspection was carried out by the Ministry of Health and then we got our activity permit. Via the MLP Online USBS software, we actively offer many people throughout Türkiye an opportunity to meet their basic health needs through our mobile applications. We plan to augment the product and turn it into a platform by adding translation and subtitle features with the principles of image processing, mood analysis and artificial intelligence-based machine translation.

During the process, we also began work for the “Patient Admission Applications in New Generation Healthcare Services” project, intended to offer a seamless online transaction process for patients during their stay at the hospitals, from the appointment to the treatment, and from the billing process to insurance payments. We are actively working on the completion of this project. We aim to ensure that transactions made in our hospitals can be performed online without the need for registration desks or staff. With the mobile check-in feature of the application, activated as a pilot for self-paying patients, we bring our patients directly to doctors without visiting the counter.

For the Medical Park and Liv Hospital mobile applications, we added online appointment payment features and electronic wallet technology. Video calls between doctors and patients are also performed through the mobile applications.

The program that provided the integration between HIMS and ERP utilizes old technologies and has performance problems. The new program uses updated technologies and is now being deployed in many of our hospitals.

Within the scope of the Mobile Hospital project, which will offer product sales, video calls, wallet usage in payments, medicine supply and home care services, we continued mobile and web-based activities throughout the year. This service has not yet been put into use but is planned to open for service in the near future.

Within the scope of paperless hospitalization, we ensured that 75% of the paper forms used by patient care services can now be completed digitally and, to the extent permitted by the legislation, we ensured that they are all filled out securely on digital platforms and logged with a timestamp. In addition, by developing the Physician Council Module in the HIS, we both digitized the council decision form and supported a multidisciplinary approach in the process.

HIS integration was performed with devices such as ECG and Endoscopy. In this context, in 14 hospitals, it was ensured that the shots in the devices flowed parametrically to the HIS and were stored in a digital environment. This work is being expanded to all hospitals.

Our R&D Artificial Intelligence unit has successfully completed the Tübitak-supported “Lesion Detection with Artificial Intelligence in Mammography Images” project and our MLPCAD Plus product was test-oriented and launched at I.A.U. VM Medical Park Florya Hospital. Since the MLPCAD Plus product is currently developed to work with different types of radiology images of more than one artificial intelligence model, it can be used as a base platform for future artificial intelligence models in radiology to be produced.

Our team also made academic contributions by publishing two papers, one of which is international, on our work within the scope of the MLPCAD Plus project. The international paper was presented at the 18^{th} International Conference of Computational Methods in Sciences and Engineering ICCMSE 2022 Crete conference with the title “Breast Lesion Detection from DCE-MRI using YOLOV7,” and published in the conference proceedings. The national paper was presented at the 8^{th} International Conference on Computer Science and Engineering UBMK 2023 with the title “Development of a Knowledge-Based Multimodal Deep Learning System for Automatic Breast Lesion Segmentation and Diagnosis in MG/DMR Images” and published in IEEE Xplore.

Due to the MLPCAD Plus project, our institution has gained substantial experience through the work done on radiology images and libraries developed/adapted for image processing, as well as in joint efforts with roles such as radiologist-technical team-hospital management; solutions developed in response to technical, organizational and environmental challenges encountered throughout the project, and the know-how and technology infrastructure of the ongoing projects have been provided.

As of this year, the Artificial Intelligence team has started working on text analysis, intention understanding, and meaning extraction with large language models. Following pilot studies, we aim to work with natural language processing models in projects scheduled for 2024. As a first target, the user support project with Chatbot on the mobile application was initiated.

As the R&D Project Unit, in 2023, we made great strides towards our goal of taking an active role and responsibility in European-funded projects. Accordingly, we developed a network between our R&D unit and other international and domestic stakeholders in both ITEA and Horizon support programs. This year, we applied for two ITEA projects, one of which is the consortium leader of Turkish stakeholders.

We created a web-based product called Digital Business by combining the applications serving our departments, which we developed within the R&D unit, under a single roof. Thus, we provided ease of use and ease of access for end users. We also made application traffic traceable and manageable through Digital Business.

As MLP Care, we developed Mobil-Iz, a web-based, IOS and Android-based product to make it easier for staff to plan and track their shifts in our ever-growing organization. Mobil-Iz allows managers to create shifts for their teams; employees can report the start and end of their shifts through the mobile application without the need to print physical cards. Thanks to the reports created for staff and managers, they can see their shifts transparently. In addition, Mobil-Iz can automatically transfer payroll data for Oracle and Payroll service providers. The project is currently being piloted in all our hospitals and, we plan to make it available to all employees in 2024. Further development on the application is planned in 2024, including the addition of services that provide self-service opportunities for staff and managers, as well as the attendance system structure.

In 2023, another area where we produced solutions was the TrackMat mobile product, developed for use in the supply chain process and compatible with both IOS and Android devices. By mobilizing the processes of goods acceptance, internal goods acceptance, returns to the supplier, internal shipments, patient deductions, and transfers between warehouses, we ensure that these processes are carried out on time and on site; we also aim to provide efficiency in inventory management by minimizing the margin of error. The TrackMat application continues to be deployed in four hospitals with its current functions. Work on the new function and dissemination of the product will be ongoing in 2024.

With oncology decision support systems, we enable developments in the field of oncology and the adoption of more effective and personalized approaches in cancer treatment processes for patients. Since treatment plans are complex and sensitive, we offer significant support to healthcare professionals by digitalizing the treatment process through the oncology decision support system. These systems deploy artificial intelligence and machine learning techniques to analyze large data sets for patients' cancer treatments, including the evaluation of medical histories, genetic characteristics, tumor characteristics and many other factors. In this way, we can provide physicians with important information related to the treatment process more quickly and comprehensively.

Oncology decision support systems guide physicians in the formulation and implementation of the treatment plan while emphasizing the points to be considered. By identifying treatment options and possible side effects, the system helps to create the most appropriate and effective treatment plan for the patient. Decision support systems not only support the decision-making process of physicians in patients' cancer treatments, but also supports the creation of more successful and personalized treatments by minimizing the details that may be overlooked in the treatment plan.

Personalized digital diet programs are designed to assist individuals in achieving healthy eating goals. These programs analyze users' personal information such as age, gender, weight, health status, eating habits, allergies, preferred foods, etc. to create a personalized diet plan. Thanks to technologies such as artificial intelligence and data analytics, the programs also monitor the impact on the user's food preferences and health goals over time, helping to improve the nutrition plan.

With the personalized digital diet program, served via our mobile applications, we aim to help individuals improve their healthy lifestyle and eating habits and make this process more accessible through the power of technology.

Digital fitness programs offer personalized exercise plans that assist individuals in reaching their fitness goals. These programs assess various personal information such as age, gender, weight, physical condition, exercise habits and current fitness levels. Based on this data, a personalized exercise plan is created and adapted over time. Technologies like artificial intelligence and data analytics enable these programs to track users' workout performances and progress, enhancing the effectiveness of the program.

Corporate Governance Approach

With the digital fitness programs planned to be offered via the mobile application, individuals can create exercise plans tailored to their goals without going to a gym or working with a trainer, thus making it easier and more convenient to follow these plans.

We care about digital transformation projects and focus on efforts that will increase our service quality.

As MLP Care, we established the Digital Transformation office with the mission of staying abreast of trends in the healthcare sector and leading technological innovations on a national and international scale. The primary goals of the Digital Transformation office include improving the quality of healthcare services, increasing guest satisfaction, enhancing planning and organization, and ensuring effective and efficient business management. As the digital transformation office, we have initiated projects on current issues and commissioned the completed projects throughout the Group. We plan to continue our project development activities with the same determination in the coming years.

Throughout 2023, we consistently initiated and completed projects in various areas. While embracing technological innovations, these projects focused on understanding hospital needs, as well as considering stakeholder feedback and customizing solutions to meet their expectations.

Digitalization and digital transformation are not merely our goals, but integral elements of our organizational culture. Digitalization involves changing and improving our working methods, with the ultimate aim of improving the patient experience, enhancing the efficiency of healthcare professionals and, most important, making healthcare services more accessible by adopting the latest technologies in the industry.

In collaboration with the Radiology Processes Directorate, our projects related to radiological imaging underwent comprehensive end-to-end evaluations. We have planned patient processes in radiology departments, concluded service deliveries, and integrated department devices with our systems; in addition, we conducted studies on teleradiology, and performed analyses on PACS images and clinical decision support processes. Our collaboration with Istanbul University, utilizing supercomputers in the field of image processing, raised the projects' output speeds.

Within the projects carried out in collaboration with the Human Resources Coordination Directorate, all processes related to employee management and satisfaction are evaluated end-to-end. Efforts are made to ensure the effective participation of employees in patient satisfaction through task planning. Various software and process development projects, such as Digital HR, Mobilization, and Training System, have progressed throughout the calendar year.

In collaboration with the Performance Management and Business Intelligence Directorate, the "Leonardo" project was developed to make performance management transparent, effective and trackable within the Group. "Leonardo" allows effective central management in physician contract management, as well as certain audit issues and reporting processes. In 2023, we developed infrastructure to support Türkiye's healthcare sector in the field of health tourism, creating frameworks for the effective control and monitoring of patient processes.

The Digital Satisfaction Project allows guests receiving services from our hospitals to provide personalized survey scores (NPS - Net Promoter Score) with decision support algorithms. This application evaluates services such as doctors, nurses, counters, operating rooms and admission services, enabling improvements across the ecosystem. We evaluate guest services with parametric structures and share successful examples among our hospitals, continuously enhancing guest satisfaction. Additionally, several projects related to guest satisfaction have continued, integrated with our systems, aiming to develop different satisfaction frameworks based on the services received by guests. In 2023, we developed three new algorithms to improve NPS calculation accuracy.

The supply chain is managed under two separate structures, medical and non-medical. We maintain dialogues with our suppliers in all procurement processes based on a partnership approach, emphasizing sustainable competition, transparency and trust. Mobile applications developed for more effective medical inventory and expiration control contribute to increasing material management efficiency.

With the Digital Invoicing Project, we utilized Robotic Process Automation (RPA) technology to facilitate revenue cycle operations through automatic invoicing for services provided in hospitals. RPA has streamlined the billing process, reduced request denials, and positively impacted accounts receivable. We continuously and periodically improve RPA algorithms and processes. In 2023, we developed more than 10 new control factors in the field of RPA and Intelligent Pricing modules, integrating them with existing systems.

In collaboration with the International Patient Center Directorate, we initiated a process to manage all projects in the field of health tourism centrally across the organization. Processes for the hybrid organization of central and hospital joint management are in development. All our infrastructure tools were evaluated in scope of this issue and plans were made according to the most appropriate process work. With the Healthverse system, foreign patients were able to see our hospitals more closely and receive information.

The Digital Management System, initiated for use by the Digital Transformation Directorate, aims to build the infrastructure required to realize the digital health management philosophy. Leveraging our extensive experience in control centers, business intelligence projects, decision support system projects and artificial intelligence algorithms, as well as our expertise in business processes, we plan to actively contribute to the new generation of management philosophy and digital management systems. This project is underway, utilizing our capabilities in the fields of digital management and business process management to create an appropriate infrastructure for the realization of a digital health management philosophy.

Throughout 2023, an effective working discipline was established through powerful Business Process Management (BPM) tools; and structures were prepared for small processes outside of our automation systems to be prepared as processes for ERP, CRM or other systems using BPM. Various projects related to travel reservations, capex requests, expenditure processes, digitization of personnel clothing allocation processes, and more have been designed and implemented on BPM platforms. Additionally, efforts commenced for the effective use of the document management system.

Work with the Process and Business Analysis and Project Management Teams continued, as did ongoing work on business processes and digitization efforts. Prioritizing mobile and cloud applications with strong contributions from our mobile development teams and business development partners, we improved our processes with these applications. Improvements in payment processes were made with “Bankless Hospital Management,” enabling patients to reach our teams in cleaning and room services quickly and effectively via QR codes. We enhanced inventory and maintenance management by migrating to more up-to-date systems, introducing significant functionalities with mobile applications. Security tracking systems in hospitals were actively used, ensuring facility security.

Collaborating with the Business Intelligence Directorate and stakeholder directorates, new dashboards prioritizing 2023 guest satisfaction were developed and made available to hospital and central managers. A project was launched to minimize appointment delays and planning deficiencies originating from the hospitals; this project will serve as a basis for the improvement of many internal processes. The parameters in all of our systems related to the end-to-end tracking of the International Patient Center are gathered on common screens, providing ease of management and organization. Currently, we bear the responsibility of being a leading organization in the healthcare sector in terms of business intelligence planning and management. This year, we have conducted dozens of development and analysis studies in our field. With our long-standing business intelligence infrastructure, we believe that the Digital Management System Project initiated in 2023 will create a new vision in the coming years.

In collaboration with the Biomedical Directorate, a project focusing on the improvement of device inventory management, calibration and maintenance failure processes is ongoing, as is work directed towards providing the digital infrastructure of data generated by medical devices in our group. Clinical decision support infrastructure studies were carried out for the digital pathology and genetic cardiology branches, and gastroenterology departments.

The year 2023 witnessed the rise of artificial intelligence (AI) technologies, and numerous algorithms, analysis studies and reports were generated by interacting with web-based AI tools developed with new large language models. These outputs were evaluated, plans were devised, and actions were taken in favor of the institution.

Furthermore, in collaboration with Istanbul University, special training, internship and employment opportunities were provided to the new graduates and interns within our organization. These individuals actively participated in digital transformation projects, gaining opportunities to develop themselves, understand the healthcare sector and our healthcare group, and work on structures that will meet the qualified personnel needs of future projects.

Corporate Governance Compliance Statement

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	√					http://investor.mlpcare.com/en/
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1- Management did not enter into any transaction that would complicate the conduct of special audit.	√					Annual Report printed version - Other Information Related to Operating Activities > Other
1.3. GENERAL ASSEMBLY						
1.3.2 -The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	√					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					√	There are no insiders with privileged information
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	√					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		√				The agenda of the 2022 General Shareholders' Meeting included the item detailing the amounts of all donations and contributions. However, the beneficiaries of all donations and contributions were not included. Actions are being taken for full compliance in the upcoming periods.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	√					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	√					
1.4.2-The company does not have shares that carry privileged voting rights.			√			Only on the matters listed on the Articles of Association Article 18 ("Qualified Matters Requiring Increased General Assembly Resolution Quorum"), the affirmative votes of the shareholders holding at least 85% (eighty five per cent) of the capital represented by the Class A shares shall be required.
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					√	We have no subsidiary with cross-ownership relation that provides management control.
1.5. MINORITY RIGHTS						
1.5.1- The company pays maximum diligence to the exercise of minority rights.	√					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			√			In accordance with Article 27 of the Articles of Association, provisions of the Turkish Commercial Code, the Capital Markets Law, the capital markets legislation and other relevant legislation shall be applied in respect of matters not covered by these Articles of Association. Effective investor relations activities are conducted in order to prevent possible conflicts.

Corporate Governance Compliance Statement

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.6. DIVIDEND RIGHT						
1.6.1 -The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	√					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	√					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	√					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	√					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	√					
2.1. CORPORATE WEBSITE						
2.1.1.-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	√					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	√					
2.1.4 -The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	√					
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	√					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	√					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	√					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.	√					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	√					
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	√					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	√					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.		√				Surveys, consultation methods etc. were held in order to obtain the opinions of stakeholders. More comprehensive actions are being planned for the upcoming periods.

Corporate Governance Compliance Statement

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1- The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	√					
3.3.2-Recruitment criteria are documented.	√					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	√					
3.3.4-Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	√					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.					√	We do not have any collective bargaining agreement. By law, our employees may join or form trade unions if they wish and, at their request, we would deduct trade union membership fees from salaries for payment to the trade union.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	√					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	√					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	√					
3.3.9 - A safe working environment for employees is maintained.	√					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	√					
3.4.2-Customers are notified of any delays in handling their requests.	√					
3.4.3 - The company complied with the quality standards with respect to its products and services.	√					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	√					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	√					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	√					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	√					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	√					

Corporate Governance Compliance Statement

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	√					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	√					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	√					
4.2.4-Information on the functioning and effectiveness of the internal control system is provided in the annual report.	√					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.			√			As indicated in the Article 15.9.1. of IOC (Turkish version), Shareholder Agreement signed between Company's shareholders assigned the roles of the Chairman and Chief Executive Officer to Muharrem Usta.
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	√					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	√					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		√				Even if there is no approved Company policy on its own Board of Directors' composition, existing composition complies with this rule. We are planning to add a policy to the Articles of Association regarding this rule in the upcoming periods.
4.3.10-At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	√					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	√					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	√					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	√					
4.4.4-Each member of the board has one vote.	√					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	√					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	√					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		√				There are no limits to external commitments of board members. However, this does not create neither any conflict nor disruption of Board of Director duties in the Company. External commitments of Board Members announced at the General Assembly Meeting via Annual Report.

Corporate Governance Compliance Statement

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.			√			Due to having 2 independent board members, the requirement of committee chairman to be selected from independent board members, and cross related subjects of some committees, some of our Board Members take responsibilities in more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	√					
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					√	In 2023, there was no need for external consultancy services in the committee activities. In case of having external consultancy services, necessary statements will be provided in the annual reports.
4.5.8-Minutes of all committee meetings are kept and reported to board members.	√					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			√			The board of directors did not conduct a board performance evaluation. We are planning to appoint external consultants to conduct the board performance evaluation in the upcoming periods.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.		√				As stated in the Consolidated Financial Statements for the year ended December 31,2023 and Independent Auditor's Report, The Company has current net other receivables from shareholders account from Muharrem Usta of TL 130.1 million and Adem Elbaşı of TL 4.6 million. Interest is accrued for the related receivables. Except this disclosed accounts the Company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.		√				It is stated that there were no remuneration to the other board members. Total of the salaries, premiums and similar benefits provided to executives are announced in the annual report but not disclosed individually.

Corporate Governance Compliance Statement

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	In 2023, the Company organized a total of 174 investor conferences and meetings (44 meetings at 8 roadshows, 130 investor and analyst meetings).
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	None.
The number of special audit requests that were accepted at the General Shareholders' Meeting	None.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/en/Bildirim/1130754
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Materials for the General Shareholders' Meeting are provided both in English and Turkish at the same time.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transactions that are not approved by unanimous votes of present board members.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	There is no such related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	There is no such common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor Relations > Policies > Donations and Aids Policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/en/Bildirim/1141121
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 18 of the Articles of Association includes information regarding the General Assembly Meetings. Article 27 indicated that the Provisions of the Turkish Commercial Code, the Capital Markets Law, the capital markets legislation and other relevant legislation shall apply in respect of matters not covered by these Articles of Association.
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Representative from independent auditor, representative from ministry office, representative of legal consultant, and technical team participated in the General Assembly Meeting in 2022. There is no restriction on stakeholders' participation in General Assembly.

1.4. Voting Rights	
Whether the shares of the company have differential voting rights	Yes.
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	Only on the matters listed on the Articles of Association Article 18 ("Qualified Matters Requiring Increased General Assembly Resolution Quorum"), the affirmative votes of the shareholders holding at least 85% (eighty five per cent) of the capital represented by the Class A shares shall be required. Each Class A and Class B shares have only one voting right. However, on the matters listed on the Articles of Association Article 18 ("Qualified Matters Requiring Increased General Assembly Resolution Quorum") are Class A shares are evaluated as privileged. There are 88,229,127 Class A shares in total. Lightyear Healthcare B.V. holds 53%, Sancak İnşaat Turizm Nakliyat ve Dış Ticaret A.Ş. holds 24%, Muharrem Usta holds 14%, Adem Elbaşı holds 5%, İzzet Usta holds 2%, Saliha Usta holds 1%, and Nurgül Dürüstkan Elbaşı holds 1% of Class A shares.
The percentage of ownership of the largest shareholder	36.42%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No.
If yes, specify the relevant provision of the articles of association	None.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations > Corporate Governance > Policies > Dividend Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Approval is suggested for the Profit Distribution offer made with March 8, 2023 dated decision of the Board of Directors. The offer in question is given as a written memorial, the memorial is determined as being suitable and read by the Meeting Chairman. Whereas; "According to the Company's consolidated financial statements for the period between January 1, 2022-December 31, 2022, which were prepared and independently audited as per the Capital Markets Board's Communiqué on the "Principles of Financial Reporting in Capital Markets" (II-14.1), a Net Profit of TL 1,674,656,000.00 was recorded. 2) As a result of the calculations made in accordance with the provisions of the Tax Procedure Law, Corporate Tax, and Income Tax Law a Net Distributable Profit of TL 242,726,368.07 was recorded. 3) In order to strengthen the financial structure of the Company and further increase its financial flexibility, the Net Distributable Profit of the fiscal year of 2022 will not be distributed, and will be transferred to the "Retained Earnings" account, 4) And to submit this proposal for approval at the Ordinary General Assembly meeting for the year 2022." Meeting Chairman presented the read offer for voting. As the result of the voting, the offer in question is accepted unanimously and it is decided not to distribute any profit.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/en/Bildirim/1141121

Corporate Governance Compliance Statement

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Direct representation shares rate	Rate of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
April 26, 2023	0	67.47%	0.00%	67.47%	Investor Relations > Corporate Governance > General Assembly > 2022	Investor Relations > Corporate Governance > General Assembly > 2022	None.	62	https://www.kap.org.tr/en/Bildirim/1141121

2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Information required by Corporate Governance Principles numbered 2.1.1. are included in the Investor Relations section on Company website.
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Investor Relations > MLP Care at a Glance > Shareholder Structure
List of languages for which the website is available	Turkish and English
2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	The information on the duties of the members of the board of directors and executives conducted out of the company - Corporate Governance Section > The Board of Directors; Declarations on independence of board members - Corporate Governance Section > Statements of Independence
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Corporate Governance Section > The Board of Directors > The Number, the Structure and the Independence of the Committees within the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Corporate Governance Section > The Board of Directors > Working Principles of the Board Of Directors
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Other Information Related to Operating Activities > Other
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Other Information Related to Operating Activities > Other
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Other Information Related to Operating Activities > Other
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no cross ownership subsidiary.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Sustainability

Corporate Governance Compliance Statement

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Investor Relations > Corporate Governance > Policies > MLP Care Compensation Policy
The number of definitive convictions the company was subject to in relation to breach of employee rights	349
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Discipline Committee
The contact detail of the company alert mechanism.	Etikihbar@mlpcare.com
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	There are many committees within the company whose responsibilities and authorities are defined in the Board, Council and Committee Manual. Both managers and employees can take part in these committees.
Corporate bodies where employees are actually represented	Management bodies that represents the employees are as follows: - Executive Committee -Discipline Committee -Academic and Ethics Committee -Organ and Tissue Transplantation Coordination Committee -Occupational Health and Safety Board -Quality Council -Drug Management Committee -Transfusion Committee -Infection Control Committee -Patient Safety Committee -Evaluation and Caring Committee -Patients Right and Satisfaction Committee -Education Committee -Facility Safety Committee -Radiation Safety Committee
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Succession plan for the key management positions are prepared annually and are presented to the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Investor Relations > Corporate Governance > Policies > MLP Care Human Rights Policy
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme.
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Investor Relations > Corporate Governance > Policies > MLP Care Human Rights Policy
The number of definitive convictions the company is subject to in relation to health and safety measures	0
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Investor Relations > Corporate Governance > Code of Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Information was provided under the Sustainability section of the Annual Report, published on our website.
Any measures combating any kind of corruption including embezzlement and bribery	It is specified in the Company's Anti-Bribery and Anti-Corruption Policy. Investor Relations > Corporate Governance > Policies > Anti-Bribery and Anti-Corruption Policy

4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	None.
Whether the board evaluation was externally facilitated	No.
Whether all board members released from their duties at the GSM	Yes.
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	There is no board member with specific delegated duties and authorities.
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	5
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Information was provided under the Corporate Approach in the Sustainability section.
Name of the Chairman	Muharrem Usta
Name of the CEO	Muharrem Usta
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	As indicated in the Article 15.9.1. of IOC (Turkish version), Shareholder Agreement signed between Company's shareholders assigned the roles of the Chairman and Chief Executive Officer to Muharrem Usta. There is no PDP announcement other than IOC announcement on 25.01.2018 : https://www.kap.org.tr/tr/Bildirim/655665
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/en/Bildirim/1207728
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Due to having ratio of 33% female directors in the Board, no additional information announced in the company website.
The number and ratio of female directors within the Board of Directors	The number of female directors within the Board of Directors is 2 (one of them is independent) out of 6 total Board of Directors. The ratio of female directors within the Board of Directors is 33%.

Corporate Governance Compliance Statement

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date to Board	Link to PDP Notification that Includes the Independency Declaration	Whether the Independent Director Considered by the Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy the Independence or Not	Whether the Director Has at Least 5 Years' Experience on Audit, Accounting and/or Finance or Not
Muharrem Usta	Executive Director	Not Independent Director	28/12/2005	-	Not considered	Irrelevant	No
Seymur Tarı	Not Executive Director	Not Independent Director	08/05/2014	-	Not considered	Irrelevant	Yes
Haydar Sancak	Not Executive Director	Not Independent Director	06/02/2006	-	Not considered	Irrelevant	No
Hatice Hale Özsoy Bıyıklı	Not Executive Director	Not Independent Director	08/05/2014	-	Not considered	Irrelevant	Yes
Meral Kurdaş	Not Executive Director	Independent Director	14/05/2018	https://www.kap.org.tr/en/Bildirim/1015063	Considered	No	Yes
Tayfun Bayazıt	Not Executive Director	Independent Director	14/05/2018	https://www.kap.org.tr/en/Bildirim/1015063	Considered	No	Yes

4. BOARD OF DIRECTORS-II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical or online board meetings in the reporting period (meetings in person)	5
Director average attendance rate at board meetings	100%
Whether the board uses an electronic portal to support its work or not	No.
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Even though the Board Charter does not include the number of minimum days ahead of the board meeting, in order to provide equal information flow all board members are provided information at reasonable days ahead of board meetings.
The name of the section on the corporate website that demonstrates information about the board charter	Article 14 of the Article of Association named Meetings of the Board of Directors, Meeting and Resolution Quorums demonstrates the relevant information. Section of The Articles of Association on the website: Investor Relations > Corporate Governance > Corporate Governance-More on Corporate Governance > Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There are no limits to external commitments of board members. However, this does not create neither any conflict nor disruption of Board of Director duties in the Company. External commitments of Board Members announced in the company website: Investor Relations > Corporate Governance > Management and BOD > Board of Directors

4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented.	Corporate Governance Section > The Board of Directors > The Number, the Structure and the Independence of the Committees within the Board Of Directors
Link(s) to the PDP announcement(s) with the board committee charters	Board committee charters are announced at Prospectus in April 30, 2021 with PDP announcement. PDP Announcement link: https://www.kap.org.tr/en/Bildirim/934146

Composition of Board Committees-I

Composition of Board Committees-I	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Tayfun Bayazıt	Yes	Board Member
Audit Committee	-	Meral Kurdaş	No	Board Member
Corporate Governance Committee	-	Tayfun Bayazıt	Yes	Board Member
Corporate Governance Committee	-	Meral Kurdaş	No	Board Member
Corporate Governance Committee	-	Hatice Hale Özsoy Bıyıklı	No	Board Member
Corporate Governance Committee	-	Deniz Can Yücel	No	Not Board Member
Other	Nomination and Remuneration Committee	Meral Kurdaş	Yes	Board Member
Other	Nomination and Remuneration Committee	Tayfun Bayazıt	No	Board Member
Other	Nomination and Remuneration Committee	Hatice Hale Özsoy Bıyıklı	No	Board Member
Committee of Early Detection of Risk	-	Meral Kurdaş	Yes	Board Member
Committee of Early Detection of Risk	-	Tayfun Bayazıt	No	Board Member
Committee of Early Detection of Risk	-	Hatice Hale Özsoy Bıyıklı	No	Board Member

Corporate Governance Compliance Statement

4. BOARD OF DIRECTORS-III	
4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate website - Investor Relations > Corporate Governance > Management and BOD > Board Committees > MLP Care Audit Committee Charter Annual report -Corporate Governance Section > The Board of Directors > The Number, the Structure and the Independence of the Committees within the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate website - Investor Relations > Corporate Governance > Management and BOD > Board Committees > MLP Care Corporate Governance Committee Charter Annual report -Corporate Governance Section > The Board of Directors > The Number, the Structure and the Independence of the Committees within the Board of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate website - Investor Relations > Corporate Governance > Management and BOD > Board Committees > MLP Care Nomination and Remuneration Committee Charter Annual report -Corporate Governance Section > The Board of Directors > The Number, the Structure and the Independence of the Committees within the Board of Directors
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate website - Investor Relations > Corporate Governance > Management and BOD > Board Committees > MLP Care Early Detection of Risk Committee Charter Annual report -Corporate Governance Section > The Board of Directors > The Number, the Structure and the Independence of the Committees within the Board of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate website - Investor Relations > Corporate Governance > Management and BOD > Board Committees > MLP Care Nomination and Remuneration Committee Charter Annual report -Corporate Governance Section > The Board of Directors > The Number, the Structure and the Independence of the Committees within the Board of Directors
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	MLP Care in 2023
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations > Corporate Governance > Policies > Remuneration Policy
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Other Information Related to Operating Activities > Compensation and Benefits Provided to Board Members and Senior Managers

Composition of Board Committees-II

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	6	6
Corporate Governance Committee	-	75%	50%	4	4
Other	Nomination and Remuneration Committee	100%	67%	1	1
Committee of Early Detection of Risk	-	100%	67%	6	6

Sustainability Principles Compliance Framework

	Company Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
Sustainability Compliance Report						
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Goals						
A1.1. The prioritised environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's Board of Directors.	X					MLP Care 2023 Annual Report - Corporate Governance Approach, page 60
A1.1. The ESG policies (Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been created and disclosed to the public by the Company's Board of Directors.	X					https://investor.mlpcare.com/en/corporate-governance/policies/
A1.2. The short and longterm targets set within the scope of ESG policies have been disclosed to the public.	X					MLP Care 2022 Sustainability Report Our Sustainability Goals, page 33 - 35
A2. Implementation/Monitoring						
A2.1. The responsible committees and/or business units for the implementation of ESG policies and the senior officials related to ESG issues in the Company and their duties have been identified and disclosed to the public.	X					MLP Care 2022 Sustainability Report Our Sustainability Working Group, page 32
A2.1. The activities carried out within the scope of policies by the responsible committee and/or unit have been reported to the Board of Directors at least once a year.	X					MLP Care 2022 Sustainability Report Our Sustainability Working Group, page 32, Our Employee Profile, page 55
A2.2. In line with the ESG targets, the implementation and action plans have been formed and disclosed to the public.	X					
A2.3. The Key ESG Performance Indicators (KPI) and the level of reaching these indicators have been disclosed to the public on yearly basis.			X		As 2022 is the first year we have shared our goals, we will share the progress of our goals in future years.	
A2.4. The activities for improving the sustainability performance of the business processes or products and services have been disclosed to the public.	X					MLP Care 2023 Annual Report - Information Technologies and Digital Business Culture - page 61

	Company Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
A3. Reporting						
A3.1. The information about the sustainability performance, targets and actions have been given in annual reports of the Company an understandable, accurate and sufficient manner.	X					MLP Care 2023 Annual Report-Sustainability - page 52
A3.2. The information about activities which are related to the United Nations (UN) 2030 Sustainable Development Goals have been disclosed to the public.	X					MLP Care 2022 Sustainability Report UN Sustainable Development Goals and MLPCARE, page 36 - 37
A3.3. The lawsuits filed and/or concluded against the Company about ESG issues which are material in terms of ESG policies and/or will significantly affect the Company's activities, have been disclosed to the public.	X				In 2023, there were no lawsuits involving our company in these matters.	
A4. Verification						
A4.1. The Company's Key ESG Performance metrics have been verified by an independent third party and publicly disclosed.			X		MLP Care does not receive independent assurance on sustainability performance measures.	
B. ENVIRONMENTAL PRINCIPLES						
B1. The policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs have been disclosed.		X			Our policy on environmental management is published on our website. In addition, our practices and action plans related to this issue are discussed under the title "Our Environmental Approach" on page 42 of the 2023 Annual Report. Each of our hospitals receives Environmental Consultancy and Hazardous Substance Safety Consultancy services and works are carried out with an environmental management system mechanism in cooperation with Infection Control Committees, Technical Services and Administrative Affairs Departments. ISO 14001:2015 Environmental Management System Certificate has started to be obtained for our hospitals.	MLP Care 2022 Sustainability Report Memberships and Our Certificates, page 17
B2. The environmental reports prepared to provide information on environmental management have been disclosed to the public which is including the scope, reporting period, reporting date and limitations about the reporting conditions.	X					MLP Care 2022 Sustainability Report About The Report, page 6
B4. The environmental targets within the scope of performance incentive systems which included in the rewarding criteria have been disclosed to the public on the basis of stakeholders (such as members of the Board of Directors, managers and employees).		X			We plan to organize sustainability-focused competitions and implement award mechanisms for the development of sustainability-related projects.	

Sustainability Principles Compliance Framework

	Company Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B5. How the prioritised environmental issues have been integrated into business objectives and strategies has been disclosed.	X					MLP Care 2022 Sustainability Report page 44-50 MLP Care 2023 Annual Report - Sustainability, page 52
B7. The way of how environmental issues has been managed and integrated into business objectives and strategies throughout the Company's value chain, including the operational process, suppliers and customers has been disclosed.	X					MLP Care 2022 Sustainability Report Sustainability iin the Supply Chain, page 38
B8. Whether the Company have been involved to environmental related organizations and non-governmental organizations' policy making processes and collaborations with these organizations has been disclosed.			X		We are not a member of any organization on environmental issues. In the coming periods, we aim to evaluate cooperation opportunities where we can provide the highest benefit to our organization and our stakeholders.	
B9. In the light of environmental indicators (Greenhouse gas emissions (Scope1 (Direct), Scope2 (Energy indirect), Scope3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts)), information on environmental impacts is periodically disclosed to the public in a comparable manner.	X					MLP Care 2022 Sustainability Report Our Efficient Energy Use, page 46, Our Fight With The Climate Crisis, page 47, Our Emission Management, page 48, Our Waste Management, page 49, Our Water Management, page 50
B10. Details of the standard, protocol, methodology, and baseline year used to collect and calculate data has been disclosed.	X					MLP Care 2022 Sustainability Report Our Sustainability Goals, page 33-35, Our Efficient Energy Use, page 46, Our Fight With The Climate Crisis, page 47, Our Emission Management, page 48, Our Waste Management, page 49, Our Water Management, page 50
B11. The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	X					MLP Care 2022 Sustainability Report Our Efficient Energy Use, page 46, Our Emission Management, page 48, Our Waste Management, page 49, Our Water Management, page 50
B12. The short and long-term targets for reducing the environmental impacts have been determined and the progress compared to previous years' targets has been disclosed.		X			We have set and announced short, medium and long term goals in the areas of environment, social and governance. We will provide information on the progress of the goals through our Sustainability Reports.	MLP Care 2022 Sustainability Report Our Sustainability Goals, page 33-35
B13. A strategy to combat the climate crisis has been created and the planned actions have been publicly disclosed.	X					MLP Care 2022 Sustainability Report - Our Fight with the Climate Crisis, page 47 MLP Care 2023 Annual Report - Sustainability, page 52

	Company Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
B14. The programs/procedures to prevent or minimize the potential negative impact of products and/or services on the environment have been established and disclosed.	X					MLP Care 2022 Sustainability Report Our Fight With The Climate Crisis, page 47
B14. The actions to reduce greenhouse gas emissions of third parties (suppliers, subcontractors, dealers, etc.) have been carried out and disclosed.		X			Greenhouse gas emissions of third parties have started to be calculated, but since all emission sources have not yet been included in the calculation, no mitigation action has been taken.	
B15. The environmental benefits/gains and cost savings of initiatives/projects that aims reducing environmental impacts have been disclosed.		X			We are working to reduce our environmental impacts, and we will measure these impacts in the coming periods and disclose them comparatively on a yearly basis.	MLP Care 2022 Sustainability Report Our Efficient Energy Use, page 45-46, Our Water Management, page 50
B16. The data related to energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) has been disclosed as Scope1 and Scope2.	X					MLP Care 2022 Sustainability Report Our Emission Management, page 48
B17. The information related to production of electricity, heat, steam and cooling as of the reporting year has been disclosed.				X	There is no production of electricity, heat, steam and cooling.	
B18. The studies related to increase the use of renewable energy and transition to zero/low carbon electricity have been conducted and disclosed.		X			With the Solar Power Plant Project, we have started the production of renewable energy to be used in our hospitals.	MLP Care 2022 Sustainability Report Our Efficient Energy Use, page 46, Our Fight with the Climate Crisis, page 47, Our Emission Management, page 48, Our Waste Management, page 49, Our Water Management, page 50
B19. The renewable energy production and usage data has been publicly disclosed.				X	MLP Care does not use any renewable energy.	
B20. The Company conducted projects about energy efficiency and the amount of reduction on energy consumption and emission achieved through these projects have been disclosed.		X			Energy efficiency projects are underway and energy and emission reductions have not been matched to the projects and disclosed.	MLP Care 2022 Sustainability Report Our Efficient Energy Use, page 46-47
B21. The water consumption, the amount, procedures and sources of recycled and discharged water from underground or above ground (if any), have been disclosed.	X					MLP Care 2022 Sustainability Report Our Water Management, page 50
B22. The information related to whether Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).				X	MLP Care is not included in the carbon pricing system.	
B23. The information related to accumulated or purchased carbon credits within the reporting period has been disclosed.				X	We have no carbon credits accumulated or purchased.	
B24. If carbon pricing is applied within the Company, the details have been disclosed.				X	Carbon pricing is not applied.	
B25. The platforms where the Company discloses its environmental information have been disclosed.	X				Our Annual Reports and Sustainability Reports are available on the Public Disclosure Platform and on our website.	
C. SOCIAL PRINCIPLES						

Sustainability Principles Compliance Framework

	Company Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C1. Human Rights and Employee Rights						
C1.1. The Institutional Human Rights and Employee Rights Policy has been established in the light of the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation. The policy and the officials that responsible for the implementation of it have been determined and disclosed.	X					https://investor.mlpcare.com/en/corporate-governance/code-of-ethics/ https://investor.mlpcare.com/en/corporate-governance/policies/mlp-care-humanrights-policy/ https://investor.mlpcare.com/en/corporate-governance/policies/mlp-care-humanresources-policy/
C1.2. Considering the effects of supply and value chain, fair workforce, improvement of labor standards, women's employment and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non discrimination) are included in its policy on employee rights.	X					https://investor.mlpcare.com/en/corporate-governance/code-of-ethics/ https://investor.mlpcare.com/en/corporate-governance/policies/mlp-care-humanresources-policy/
C1.3. The measures taken for the minority rights/equality of opportunity or the ones who are sensitive about certain economic, environmental, social factors (low income groups, women, etc.) along the supply chain have been disclosed.	X					MLP Care 2022 Sustainability Report - Our Employee Profile, page 55, Diversity and Inclusion, page 59-60 https://investor.mlpcare.com/en/corporate-governance/code-of-ethics/ https://investor.mlpcare.com/en/corporate-governance/policies/mlp-care-humanrights-policy/
C1.4. The developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed.	X					MLP Care 2022 Sustainability Report - Diversity and Inclusion, page 59-60 https://investor.mlpcare.com/en/corporate-governance/code-of-ethics/ https://investor.mlpcare.com/en/corporate-governance/policies/mlp-care-human-rights-policy/

	Company Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C1.5. Investments in employees (education, development policies), compensation, fringe benefits, right to unionize, work/life balance solutions and talent management are included in the employee rights policy.	X					MLP Care 2022 Sustainability Report- Our Human Resources Approach page 53, Our Employee Profile, page 56, Employee Engagement and Satisfaction, page 57, Investing in Employee Development, page 58 MLP Care 2023 Annual Report- Sustainability - page 52-60 https://investor.mlpcare.com/kurumsal-yonetim/politikalar/mlpcare-insan-kaynaklaripolitikalari/
C1.5. The mechanism for employee complaints and resolution of disputes have been established and related solution processes have been determined.	X					https://investor.mlpcare.com/en/corporate-governance/policies/mlpcare-humanresources-policy/ https://investor.mlpcare.com/en/corporate-governance/code-ofethics/ MLP Care 2023 Annual Report - Corporate Governance , page 66-85
C1.5. The activities carried out within the reporting period which related to ensure employee satisfaction have been disclosed.	X					MLP Care 2022 Sustainability Report- Employee Engagement and Satisfaction, page 57
C1.6. The occupational health and safety policies have been established and disclosed.	X					https://investor.mlpcare.com/en/corporate-governance/policies/mlp-careoccupational-health-andsafety-policy/
C1.6. The measures taken for protecting health, preventing occupational accidents and related statistics have been disclosed.			X		We will be sharing statistics on occupational health and safety in the future.	MLP Care 2022 Sustainability Report - Occupational Health and Safety, page 61
C1.7. The personal data protection and data security policies have been established and disclosed.	X					https://www.mlpcare.com/kisisel-verilerin-korunmasi https://www.mlpcare.com/ykb-yrd-38-00-mlp-bilgiguvenligi-yonetim-sistemipolitikasi-.Pdf
C1.8. The ethics policy have been established and disclosed.	X					https://investor.mlpcare.com/en/corporate-governance/code-of-ethics/
C1.9. The studies related to social investment, social responsibility, financial inclusivity and access to finance have been explained.	X				Our Company's social responsibility projects are shared in detail in the Annual Reports and Sustainability Reports every year.	MLP Care 2023 Annual Report - Sustainability, page 58 - 59
C1.10. The informative meetings and training programs related to ESG policies and practices have been organized for employees.	X					MLP Care 2022 Sustainability Report - Sustainability Approach, page 31, Our Sustainability Working Group, page 32 Our Environmental Management, page 44

Sustainability Principles Compliance Framework

	Company Status				Explanation	Report Information on Publicly Disclosed Information (Page number, menu name on the website)
	Yes	Partial	No	Not Applicable		
C2. Stakeholders, International Standards and Initiatives						
C2.1. The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed.	X					https://investor.mlpcare.com/en/corporate-governance/policies/mlp-care-complaintmanagement-policy/
C2.2. The information about the communication with stakeholders (which stakeholder, subject and frequency) have been disclosed.	X					MLP Care 2022 Sustainability Report - Our Stakeholder Communication, page 39 - 41
C2.3. The international reporting standards that adopted in reporting have been explained.	X				Our 2022 Sustainability Report in compliance with GRI Standards is available on our website.	https://investor.mlpcare.com/site/assets/files/2959/mlpcare_sustainability_report_2022.pdf
C2.4. The principles adopted regarding sustainability, the signatory or member international organizations, committees and principles have been disclosed.	X				In addition to being a member of the Business Council for Sustainable Development, our CEO is a signatory of the Women's Empowerment Principles (WEPs).	
C2.5. The improvements have been made and studies have been carried out in order to be included in the Borsa Istanbul sustainability indices and/or international index providers.	X				Since December 2022, we have been included in the BIST Sustainability Index.	
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders have been sought in the determination of measures and strategies related to sustainability field.	X					MLP Care 2022 Sustainability Report - Our Material Topics, page 30
D2. The social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	X					MLP Care 2023 Annual Report - Sustainability, page 58 - 59

Shareholding Structure

MLP SAĞLIK HİZMETLERİ A.Ş. SHAREHOLDING STRUCTURE
December 31, 2023

Shareholders	Share in Capital (%)	Number of Shares (TL thousand)
Lightyear Healthcare B.V. (*)	34.67%	71,131
Sancak İnşaat Turizm Nakliyat ve Dış Tic. A.Ş.	15.35%	31,943
Muharrem Usta	8.98%	18,678
Adem Elbaşı	2.99%	6,226
İzzet Usta	1.20%	2,490
Saliha Usta	0.90%	1,868
Nurgül Dürüstkan Elbaşı	0.90%	1,868
Publicly Traded (**)	35.01%	72,833
Nominal Capital	**100.00%**	**208,037**

(*) Turk Ventures Adv. Ltd. provides consultancy services in its Istanbul liaison office to Dutch shareholders TPEF (Hujori Financieringen B.V. ("Hujori") and Lightyear Healthcare B.V. ("Lightyear")). Consulted Hujori and Lightyear have merged under Lightyear. With this merger, 8,287 thousand shares corresponding to 3.98% of the non-public portion and 418 thousand shares corresponding to 0.57% of the publicly traded portion owned by Hujori were transferred to Lightyear.

(**) The shareholders of the Group 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, 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, 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.

Board of Directors

The Structure and the Formation of the Board of Directors

The operations and the administration of the Company are carried out by the Board of Directors, which comprises six members who are elected by the General Assembly. Board members are subject to the conditions stated in the Turkish Commercial Code and the Capital Markets Regulations.

Provided that the A Group shares continue to be at least 20% of the issued capital of the Company, three members of the Board of Directors will be elected from the candidates nominated by this Group. These members of the Board of Directors, who will be elected from the candidates nominated by the A Group shareholders, are not going to be the independent members as stated in the Corporate Governance Principles of the Capital Markets Board.

In case the shares of the A Group fall below 20% of the issued capital of the Company, the above-mentioned privilege to nominate candidates for the Board of Directors will be abolished automatically and irreversibly, starting from the moment that the legal transaction that causes the aforementioned situation is carried out. Furthermore, during the first General Assembly meeting following this transaction, this Article of Association will be amended and the references to the share groups will be removed.

The required number of independent members of the Board of Directors is elected by the General Assembly in accordance with the guidelines regarding the independence of the Board members stated in the Corporate Governance Principles of the Capital Markets Board. The independent members should have the required qualifications that are stated in the regulations of the Capital Markets Board regarding corporate governance.

Board members can be elected for a maximum of three years. When their term ends, the Board members can be re-elected. The Company complied with the regulations of the Capital Markets Board regarding corporate governance and the Articles of Association. In accordance with the resolution of the Board of Directors dated February 10, 2021, appointments of the independent board members were carried out. 3 year appointments of both independent board members and other board members were approved at the General Assembly dated April 15, 2021.

The CVs of the Board members are provided below:

Muharrem Usta – Chairman and CEO

Muharrem Usta was born in Trabzon in 1965. Mr. Usta graduated from Trabzon High School in 1983, from Dokuz Eylül University Medical School in 1989, and became an ENT specialist in 1992. In 1993, Mr. Usta switched to hospital management business and took initial steps for the establishment of MLP Care. Mr. Usta served as the Chairman of the Istanbul Chamber of Commerce Health Committee, Member of the Istanbul Metropolitan Municipality Assembly and the President of the Health Commission, and the Founding President of the Turkish Association of Private Hospital and Healthcare Institutions (OHSAD). Mr. Usta, MLP Care's (Medical Park and Liv Hospital) Chairman and CEO, also serves as the Chairman of the Board of Trustees of İstinye University.

Seymur Tarı - Vice Chairman (representing Sullivan B.V.)

Seymur Tarı was elected as a Member of the Board of Directors for a three-year term at the General Assembly meeting held in April 2021. Mr. Tarı is currently working at Turk Ventures Advisory Limited, a firm providing consultancy services to private equity funds. He previously served at McKinsey & Company, focusing on corporate portfolio strategy, and at Caterpillar Inc., as a product manager with responsibility for the EMEA and CIS regions. Mr. Tarı holds an MBA degree from INSEAD, and MSc and BSc degrees in Mechanical Engineering and Robotics from ETH Zurich.

Hatice Hale Özsoy Bıyıklı - Member (representing Elinor B.V.)

Hatice Hale Özsoy Bıyıklı was elected as a member of the Board of Directors for a three-year term at the General Assembly meeting held in April 2021. Ms. Özsoy Bıyıklı is currently working at Turk Ventures Advisory Limited, a firm providing consultancy services to private equity funds. She has previously served as a Senior Associate at Goldman Sachs Investment Banking Division in London and also worked for The Boston Consulting Group and Andersen Business Consulting in Istanbul and Amsterdam. Ms. Özsoy Bıyıklı holds an MBA degree from Harvard Business School and MSc and BSc degrees in Electrical Engineering and Computer Science from MIT.

Haydar Sancak - Member (representing Sancak İnşaat)
Haydar Sancak was elected as a member of the Board of Directors for a three year term at the General Assembly meeting held in April 2021. In addition to his position at MLP Care, Mr. Sancak also serves at various in positions in or out group companies of Sancak Group such as the Chairman at Sancak İnşaat Turizm Nakliyat ve Dış Tic. A.Ş., Vice Chairman at both Sancak Enerji Hizmetleri A.Ş. and Sanport Gayrimenkul Geliştirme İnşaat Tic. A.Ş..

Meral Kurdaş – Independent Board Member
Meral Kurdaş graduated from Boğaziçi University, Faculty of Administrative Sciences, Department of Business Administration. She later completed the Executive MBA program at the University of Wales, Manchester Business School, and the Executive MIS program at Boğaziçi University. Starting her professional career at Interbank in 1985, Ms. Kurdaş then served as Assistant General Manager at Garanti Investment Bank. In 1997, she joined Yapı Kredi Bank as President of the Corporate Marketing Department. In 2002, she transferred to Sabancı Group as CEO of AK Emeklilik. Ms. Kurdaş served as the CEO of AvivaSA Emeklilik ve Hayat A.Ş. between 2007 and 2016, and acted as Human Resources Group President at Sabancı Holding and served as a Board Member at Sabancı Group companies between 2017 and 2018. In 2018, Ms. Kurdaş started her management consultancy firm.

Tayfun Bayazıt – Independent Board Member
After receiving a B.S. Degree in Engineering Mechanics and Materials in 1980, Tayfun Bayazıt graduated from Columbia University's Finance and International Relations M.B.A. program. Mr. Bayazıt started his banking career at Citibank, served 13 years at Çukurova Group as Executive Vice President at Yapı ve Kredi Bankası, President and Chief Executive Officer at Interbank A.Ş., and President and Chief Executive Officer at Banque de Commerce et de Placements S.A. Switzerland. In 1999, Mr. Bayazıt became Vice Chairman of Doğan Şirketler Grubu Holding A.Ş. and Dışbank Executive Director and he was appointed as CEO of Dışbank in 2001. Tayfun Bayazıt, became the Vice Chairman of Dışbank in 2003 and later appointed to Fortis Türkiye CEO position following the Dışbank's acquisition by Fortis in 2005 and Chairman position in 2006. Tayfun Bayazıt appointed as the CEO and Chairman of Yapı Kredi (JV of Koc Holding and UniCredit Group) and became the Chairman of the Bank in 2009. In 2011, Tayfun Bayazıt established his own company providing advisory services. Tayfun Bayazıt also serves as a board member in several companies and actively works in several non-governmental organizations like TÜSİAD, Eğitim Gönüllüleri Vakfı (TEGV), Kurumsal Yönetim Derneği (TKYD), WRI Türkiye and Darüşşafaka.

Working Principles of the Board of Directors
It is aimed to carry out the duties of the Board in accordance with the Corporate Governance Principles in a transparent, accountable, fair and responsible manner. In this context and line with the Corporate Governance Principles, the Board meetings are conducted regularly in such a way that it can efficiently carry out its duties. The Board Members also hold meetings whenever necessary. The provisions of the Turkish Commercial Code and the Capital Market Regulations are applied regarding the quorum during the Board meetings.

Board Members	Independence Status	Board of Directors (5 meetings)	Corporate Governance Committee (4 meetings)	Early Detection of Risk Committee (6 meetings)	Audit Committee (5 meetings)	Nomination and Remuneration Committee (1 meeting)
Muharrem Usta	-	5/5				
Seymur Tarı	-	5/5				
Hatice Hale Özsoy Bıyıklı	-	5/5	4/4	6/6		1/1
Haydar Sancak	-	5/5				
Meral Kurdaş	+	5/5	4/4	6/6	5/5	6/6
Tayfun Bayazıt	+	5/5	4/4	6/6	5/5	6/6

Board of Directors

The Number, the Structure and the Independence of the Committees within the Board of Directors
According to Article 17 of the Articles of Association titled The Duties and the Responsibilities of the Board of Directors and as part of the Capital Markets Regulations Corporate Governance Principles, in order to ensure that the Board carries out its duties and responsibilities properly, the Committees that are required by law or deemed appropriate by the Board will be established, including the Early Detection of Risk Committee, the Audit Committee, the Corporate Governance Committee, the Nomination Committee, and the Remuneration Committee, within the Board of Directors. However, in case the Nomination and Remuneration Committees cannot be established due to the structure of the Board of Directors, the Corporate Governance Committee carry out their duties. The responsibilities, operating principles, and Committee members are determined by the Board and announced to the public. All members of the Audit Committee and the Chairman of the other Committees should be selected from the independent members of the Board.

In this context, by the decision of the Board dated January 15, 2018, and numbered 2018/3, the Audit Committee, the Corporate Governance Committee and the Early Detection of Risk Committee were established within the Company.

Nomination and Remuneration Committee was established by the decision of the Board dated April 30, 2021 and numbered 2021/23. With the same decision Nomination and Remuneration Committee charter was established, charters of Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee revisions were accepted with the attached charters, and brought to the attention of stakeholders on the Company website. The members of these Committees were appointed also on April 30, 2021.

The duties and working principles (Charters) of the Committees are already published. In accordance with the Articles of Association, changing these is subject to the approval of the General Assembly. The Committee Charters are available on the Company's website.

Audit Committee: The main purpose of the Committee is the supervision of the Company's accounting system and accounting practices, public disclosure of the Company's financial information, the operation and efficiency of the internal and external audit of the Company and the compliance of the Company with the applicable legislation. The Committee also performs the duties imposed on it under the Articles of Association and the Communiqué. Within this context, the Committee fulfills the duties and responsibilities indicated in the Charter. The Audit Committee also works continuously to increase the level of compliance with the legislation and company regulations, and to reinforce transparency, accountability, fairness, predictability and efficiency, and meets at least four times a year on a quarterly basis. The Committee held five meetings in 2022 on a quarterly basis and submitted the reports to the Board of Directors. The Audit Committee consists of two independent board members as stated below. None of the Committee Members have executive duties in the Company.

Name - Surname	Title
Tayfun Bayazıt (Independent)	Chairman of the Audit Committee
Meral Kurdaş (Independent)	Member of the Audit Committee

Corporate Governance Committee: The Committee assists the Board of Directors in relation to compliance with the Corporate Governance Principles, including the regulation of the investigations and conflicts of interest which may occur in case of violation of the Corporate Governance Principles. The Committee shall also monitor the Investor Relations Unit. The Committee meets whenever its assigned duties requires but at least four times a year. The Committee held four meetings in 2022 on a quarterly basis and submitted the reports to the Board of Directors. The Corporate Governance Committee consists of three Board members (two of whom are independent board members) and the Strategy and Investor Relations Director. None of the Committee members – except the Strategy and Investor Relations Director – have executive duties at the Company.

Name - Surname	Title
Tayfun Bayazıt (Independent)	Chairman of the Corporate Governance Committee
Meral Kurdaş (Independent)	Member of the Corporate Governance Committee
Hatice Hale Özsoy Bıyıklı	Member of the Corporate Governance Committee
Deniz Can Yücel (Executive)	Member of the Corporate Governance Committee

Early Detection of Risk Committee: The Committee assists the Board of Directors in identifying in a timely manner the risks that might jeopardize the existence, improvement, and continuation of the Company, establishment of an expert committee for the implementation of appropriate risk management strategies and risk management, and also performs other duties imposed on it under the applicable legislation. The Committee convene at the frequency required by the duties assigned to it, but in any event at least six times per year. The Committee held six meetings in 2022 and submitted the reports to the Board of Directors. The Early Detection of Risk Committee consists of three Board members (two of whom are independent board members). None of the Committee Members have executive duties at the Company.

Name - Surname	Title
Meral Kurdaş (Independent)	Chairman of the Early Detection of Risk Committee
Tayfun Bayazıt (Independent)	Member of the Early Detection of Risk Committee
Hatice Hale Özsoy Bıyıklı	Member of the Early Detection of Risk Committee

Nomination and Remuneration Committee: Our Nomination and Remuneration Committee was established in 2021 with the resolution of the Board of Directors dated April 30, 2021 and No. 2021/23. The Committee charged with the following duties:

- To establish a transparent system for the determination, evaluation and training of candidates for Board Membership and Managerial positions with Administrative Responsibility, and to determine policies and strategies regarding this matter.
- To carry out regular assessments regarding the structure and efficiency of the Board of Directors, and to submit recommendations to the Board about changes that could be made regarding these matters.
- The assessment of the independence of Independent Board Membership candidates, (including the candidates for the Board of Directors and investors), and the writing of a relevant report and submitting it for the approval of the Board of Directors.
- To conduct evaluations for the election of Independent Board Members to serve until the next General Assembly Meeting to ensure that minimum number of Independent Board Members is met if the number of Independent Board members drops for any reason, and to report the result of the assessment to the Board of Directors in writing.
- To ensure that the principles, criteria and practices to be used in the remuneration of the Board Members and managers with administrative responsibilities be determined by considering the Company's long-term objectives, and that they are monitored.
- To prepare the remuneration policy of the Company and to submit it to the Board of Directors
- To prepare and submit recommendations regarding the remuneration to be paid to the Board Members and the Managers with Administrative Responsibilities to the Board of Directors considering the degree of achieving criteria used in remuneration.
- To submit the reports which contain information about the activities of the Committee and outcomes of the meetings to the Board of Directors at its first meeting.
- To revise the committee charter regularly, and to submit amendment suggestions to the Board of Directors for approval.

The Committee held two meetings and fulfill the determined duties by convening at least two meetings a year. In 2022, the Committee held two meetings and presented the report to the Board of Directors. Nomination and Remuneration Committee consist of three Board members, two of them independent. No member has any execution duties in the Company.

Name Surname	Title
Meral Kurdaş (Independent)	Chairman of the Nomination and Remuneration Committee
Tayfun Bayazıt (Independent)	Member of the Nomination and Remuneration Committee
Hatice Hale Özsoy Bıyıklı	Member of the Nomination and Remuneration Committee

Executive Management

Name – Surname	Title	Total Professional Experience	Working at MLP Care as of
Dr. Muharrem Usta	CEO	31	1995
Burcu Öztürk	CFO	20	2014
Dr. Adem Elbaşı	Chief Operations Coordinator	35	1995
Dr. Hikmet Çavuş	Chief Strategy and Performance Coordinator	31	2003
Şerafettin Demiray	Chief Human Resources Coordinator	26	2021
Gürkan Cağlıoğlu	IT & Digital Transformation Coordinator	24	2019
Hakan Ercan	Internal Audit Director	25	2021
Deniz Can Yücel	Strategy and Investor Relations Director	25	2017

Ethical Values and Working Principles

The main purpose of the Ethical Values Policy is to ensure the effective use of resources; the open, transparent and lawful maintenance of all services and activities; prevention of unfair competition; and the creation of an awareness of corporate and social responsibility in our managers and employees. The following persons are required to comply with the Ethical Values Policy:

the Company;
the Company's directors, managers, and employees;
the Company's affiliates, subsidiaries and members of the Board of Directors/Managers/employees of the Company's business partners, doctors who are contracted as business partners and who are employed by the Company; and
representative offices of the Company

Under the Ethical Values Policy, all persons noted above must act with integrity and honesty in all business processes. These persons are required to comply with relevant regulations such as healthcare and data protection (e.g. keeping patient information confidential) during their tenure at the Company. Additionally, they are also obliged to avoid any kind of conflict of interest under the Business Ethic Policy.

Anti-Bribery and Anti-Corruption Policy
The Anti-Bribery and Anti-Corruption Policy aims to prevent corruption and bribery and draw attention to the Company's strict compliance with anti-corruption laws. All employees and managers of MLP Care and Affiliated Companies, third parties (i.e., suppliers and consultants) and their employees are subject to the Anti-Bribery and Anti-Corruption Policy, which encourages employees to report to the Company any illegal or unethical behavior they witness. The Anti-Bribery and Anti-Corruption Policy includes detailed information about how to deal with public officials and other third parties in order to prevent bribery and corruption risks. The Policy informs employees regarding offers of gifts, entertainment or other hospitality to third parties, and sets limits on the value of such gifts or hospitality.

Disciplinary Committee
The Disciplinary Committee oversees the disciplinary processes applied to the employees of MLP Care and Affiliated Companies, who are subject to the rules and principles set forth by the Disciplinary Committee and Operating Procedures.

Investor and Shareholder Relations

Strategy and Investor Relations Department
The Strategy and Investor Relations Department is responsible for managing MLP Care's relationships with investors and shareholders in accordance with the Company's Public Disclosure Policy, which is published on the corporate website and implemented under the supervision of the Board of Directors. The Strategy and Investor Relations Director is a natural member of the Corporate Governance Committee, which is also responsible for supervising the Strategy and Investor Relations Department. The purpose of the Public Disclosure Policy is to ensure active, effective and transparent communication by sharing all kinds of information that are not a trade secret in a complete, fair, accurate, prompt, clear, low-cost and easily accessible manner, in conformity with the provisions of the regulations binding the Company and the Articles of Association, with all stakeholders including shareholders, investors, employees, and customers. The Board of Directors has the authority and responsibility to oversee and develop the Public Disclosure Policy.

The main activities of the Strategy and Investor Relations Department are as follows:
Carrying out transactions with the Central Registry Agency (MKK), and ensuring that correspondence between the Investors and the Company, as well as documents and records of other information, are maintained in secure, safe and updated condition;
• In line with the Company's Public Disclosure Policy, providing clear answers to the questions and shareholders' relevant information requests submitted to the Department during the period – excluding the information that is not publicly disclosed, confidential or a trade secret – by using communication tools or face-to-face methods of communication;
• Preparing the special case announcements and sharing them with the public via KAP (Public Disclosure Platform) after they are electronically signed, and publishing them on the Company's website on the next business day following the public disclosure;
• Preparing the documents that must be provided to shareholders for the General Assembly meeting, and taking necessary measures to make sure that the General Assembly meeting is held in line with the relevant legislation, the Articles of Association and other internal procedures of the Company;
• Supervising and monitoring the process of fulfilling obligations arising from the Capital Markets Legislation, including all sorts of issues related to corporate governance and public disclosure, ensuring coordination of the public communication activities in addition to the disclosures required by the legislation, and attending conferences, meetings, seminars, and roadshows in order to meet with investors and analysts.

Updated information regarding the personnel working at the Company's Strategy and Investor Relations Department in 2023 is provided below. Strategy and Investor Relations Director Dr. Deniz Can Yücel works full-time and reports directly to Muharrem Usta, the Chairman of the Board of Directors and CEO.

Information regarding the personnel working in the Company's Strategy and Investor Relations Department:

Dr. Deniz Can Yücel
Strategy and Investor Relations Director
Phone: +90 212 227 55 55 (ext: 1148)
Fax: +90 212 227 23 28
e-mail: deniz.yucel@mlpcare.com
Licenses: CMB Advanced and CMB Corporate Governance Rating Specialist Licenses

Umut Kater
Strategy and Investor Relations Specialist
Phone: +90 212 227 55 55
Fax: +90 212 227 23 28
e-mail: umut.kater@mlpcare.com

In 2023, the Company organized a total of 174 investor conferences and meetings (44 meetings at 8 roadshows, 130 investor and analyst meetings).

The Strategy and Investor Relations Department is responsible for overseeing and monitoring all matters related to public disclosure. Accordingly, the Department plays an essential role in protecting the rights of shareholders and facilitating the exercise of these rights, particularly the rights to information and inspection.

Exercise of Shareholders' Rights to Information and Inspection

There are no provisions within the scope of the Articles of Association of the Company restricting the process of performing a private audit. Moreover, the Company's management avoids any actions restricting the process of private audit. The Company acts in conformity with the relevant provisions of the Turkish Commercial Code regarding using the right to request a private audit. In 2023, no request was made for appointing a private auditor.

As per Article 438 of the Turkish Commercial Code, every shareholder may request the General Assembly to clarify certain cases through a private audit, in case it is necessary for exercising shareholders' rights, even if the right to demand information or review is exercised beforehand, and even if it is not on the agenda. If the General Assembly approves the request, the Company, or any shareholder, may appeal to the Istanbul Commercial Courts of First Instance in the area where the Company Headquarters is located and may make a request for appointing a private auditor within thirty days.

General Assembly Meetings

Annual Ordinary General Assembly Meeting for the Year 2022

According to Article 18 General Assembly Meetings of the Articles of Association, the process of the General Assembly Meeting has been regulated by an internal directive. The aforementioned Internal Directive on Working Principles and Procedures of the General Assembly entered into force in 2013. Therefore, MLP Care's Annual Ordinary General Assembly Meeting for the year 2021 has been arranged in accordance with this directive.

In the meeting dated March 14, 2023, the Board of Directors resolved by a majority of votes to hold the Annual Ordinary General Assembly Meeting for the year 2022 on Wednesday, April 26, 2023, at 10:00 a.m. at the address İstinye Üniversitesi Topkapı Kampüsü, Kongre Merkezi – Maltepe Mahallesi, Teyyareci Sami Sokak, No.3 Zeytinburnu, Istanbul, with the agenda below, to make related announcements and take all necessary actions required by the Turkish Commercial Code and the Articles of Association, as well as other related regulations to materialize and finalize the meeting.

Also, within the framework of the measures announced by the Turkish Ministry of Trade, it was emphasized to advise that shareholders participate in the general assembly meetings electronically without participating in the physical environment, and to remind shareholders who want to participate in the General Assembly electronically that they can vote with the Electronic General Assembly System.

Agenda

1. Opening of the meeting and establishment of the Board of the General Assembly,
2. Authorization of the Board of the General Assembly to sign the Meeting Minutes and the List of Attendees,
3. Reading out and discussion of the Annual Report of the Board of Directors for the year 2022,
4. Reading out the report of the Independent Audit Company for the fiscal year 2022,
5. Reading out, discussion and approval of the Financial Statements for the fiscal year 2022 prepared in accordance with the regulations of CMB,
6. Acquittal of the members of the Board of Directors separately regarding their operations and transactions in 2022,
7. Discussion and approval of the proposal of the Board of Directors on profit distribution,
8. At the Board of Directors' meeting held by the Company on May 25, 2022, the following proposal was approved in order to support the healthy price formation of MPARK shares in the equity market, to contribute to the formation of stable and appropriate share prices, and to protect shareholders and to offer them a more attractive long-term investment opportunity:
    a. A share buy-back program for a period of one year shall be initiated pursuant to the Capital Markets Board's Communiqué on Share Buy-Back No. II-22.1 and the related announcements dated July 21, 2016, and July 25, 2016,
    b. The maximum number of shares which may be subject to the buy-back shall be determined as TL 20,803,720.00- nominal (20,803,720.00- shares at a nominal value of TL 1- each), corresponding to 10% of the Company's issued capital,
    c. The maximum amount of funds to be allocated for the share buy-back shall be determined as TL 650,000,000.00-, regarding the initiation of the share buy-back decision for the information and the approval of shareholders,
9. Approval of Company's Article 8 titled Capital of the Articles of Association change, in accordance with paragraph 4 of Article 5 of the Capital Markets Board "Registered Capital System Communiqué II-18-1" ("Communiqué") in order to increase the registered capital ceiling from TL 875,000,000 to TL 5,740,000,000 and valid for the period 2023-2027 in accordance with the paragraph 2 of Article 6 of the Communique,
10. Selection of the Independent Audit Company for the audit of the financial statements and reports for the year 2023 in accordance with Article 399 of the Turkish Commercial Code numbered 6102, Capital Markets Law numbered 6362, and Article 24 of the Company's Articles of Association,
11. Informing shareholders regarding donations made by the Company in 2022 in accordance with the regulations established by the Capital Markets Board and Article 4 of the Company's Articles of Association, and discussion and approval of the Board of Directors' proposal on the ceiling of donations to be made in 2023,
12. According to the regulations established by the Capital Markets Board, informing shareholders regarding any income and benefits obtained by the Company by granting collaterals, pledges and mortgages in favor of third persons,
13. Informing the General Assembly of the transactions, if any, within the context of Article 1.3.6. of the Corporate Governance Communique (II-17.1.) of the Capital Markets Board,
14. Authorization of the members of the Board of Directors regarding the transactions and operations in the context of the Articles 395 and 396 of the Turkish Commercial Code,
15. Petitions and requests.

Briefing on the Annual Ordinary General Assembly Meeting for the Year 2022

An invitation for the General Assembly Meeting was issued three weeks prior to the General Assembly meeting date – date of making the call, and meeting date excluded – via all types of communication tools including electronic communication, in addition to the methods stipulated in the legislation. The invitation for the meeting was also made available via the Company's website, the Public Disclosure Platform (KAP) and the Turkish Trade Registry Gazette (TTSG). The Balance Sheet and Income Statement for the year 2021, the Annual Report of the Board of Directors, and the Corporate Governance Compliance Report in its enclosure (Compliance Report Format-CRF and Corporate Governance Information Form-CGIF), the dividend distribution proposal of the Board of Directors, the Independent Audit Report and the information document regarding the agenda were made available on both the Public Disclosure Platform (KAP) and the Company's (http://investor.mlpcare.com) website.

In this regard:
• While preparing the agenda of the Ordinary General Assembly Meeting, there were no written requests from shareholders delivered to the Investor Relations Unit in writing, or written requests to add an item to the meeting agenda by shareholders, the CMB or other government institutions, which were related to the Company.
• In order to raise shareholder attendance at the General Assembly meeting, it was aimed to hold the meeting without causing any inequities between shareholders and enable shareholders to attend the meeting at a minimum cost. In this context, it was determined that the General Assembly meeting should be held at the above-mentioned address.
• The chairman of the Ordinary General Assembly took specific care in conveying information regarding the subjects on the agenda objectively and in a detailed, clear and unbiased manner. Shareholders were provided opportunities under equivalent conditions to present their considerations and ask questions. The meeting chairman ensured that all shareholder' questions that do not impinge on trade secrets were answered at the General Assembly Meeting, and that questions irrelevant to the agenda or with a wide scope were not asked, as it is not possible to provide an immediate response to such questions.
• In accordance with the Corporate Governance Principles article 1.3.7, there were no transactions by persons who have the privilege to access Company information on their behalf within the Company's field of activity, and thus there was no need to inform the General Assembly.
• There were no cases requiring the approval of the majority of the independent Board members for the Board of Directors to make a decision, and where the decision was left to be resolved by the General Assembly because this condition was not met.

The Annual Shareholders Ordinary General Assembly Meeting was held on Wednesday, April 26, 2023, at 10:00 am due to the 2022 calendar year operations. The List of Attendees and the Minutes of Meeting, together with decisions taken during the meeting, were attached to the Public Disclosure Platform announcement (KAP) dated April 26, 2023. In the Meeting, it was seen that among 208,037,202 shares corresponding to Company's total TL 208,037,202 capital were represented; that 159,785,248 shares corresponding to TL 140,352,885 capital were represented by proxy; and TL 19,432,363 capital were represented electronically. Thus, the minimum quorum envisaged in the law and the Articles of Association was available.

Briefing on Resolutions Approved at the Annual Ordinary General Assembly Meeting for the year 2022

- The Annual Report of the Board of Directors and the Report of the Independent Audit Company, as well as the Consolidated Financial Statements for calendar year 2022, have been discussed and approved.
- Shareholders were informed regarding donations made by the Company in 2022 and the Board of Directors' proposal to determine the ceiling of donations to be made in 2023 as TL 20 million was approved by the General Assembly.
- The selection of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the external audit company for the audit of the financial statements and reports for the year 2023 was approved.
- In order to strengthen the financial structure of the Company and further increase its financial flexibility, it was approved not to distribute any dividends for the period of January 1, 2022 - December 31, 2022.
- In accordance with the Capital Markets Board "Registered Capital System Communiqué II-18-1" ("Communiqué") for the amendment of Article 8 of the Articles of Association of the Company in order to increase the registered capital ceiling from TL 875,000,000 to TL 5,740,000,000 valid for the period 2023-2027 was approved.

Voting and Minority Rights:

The Company avoids any practices that would hinder the right to vote and pays utmost attention to provide each shareholder with the opportunity to use their right to vote, including across the border, in the easiest and most suitable manner through established mechanisms. In this regard, according to the Company's Articles of Association, persons who are entitled to attend the Company's General Assembly meetings in the electronic environment were determined as per the Turkish Code of Commerce Article 1527. It has been ensured that shareholders and their representatives may use the aforementioned rights through the system established at the Ordinary General Assembly Meeting of the year 2022.

Since there is no cross-shareholding relationship between the Company and the majority shareholders, there has been no vote in the general assemblies of such companies.

2023 Dividend Distribution Proposal

As per the Board of Directors' resolution numbered 2024/ and dated 21.03.2024

It was unanimously decided:

1. According to the Company's consolidated financial statements for the period between January 1, 2023-December 31, 2023, which were prepared and independently audited as per the Capital Markets Board's Communiqué on the Principles of Financial Reporting in Capital Markets (II-14.1), a Net Profit of TL 4,747,932,000 was recorded.

2. As a result of the calculations made in accordance with the provisions of the Tax Procedure Law, Corporate Tax and Income Tax Laws, as a result of the deduction of the provision for repurchased shares from retained earnings, retained losses are higher than the profit for the period. Therefore, there is no distributable net profit for the period.

3. In order to strengthen the financial structure of the Company and further increase its financial flexibility, the Net Distributable Profit of the fiscal year of 2023 will not be distributed, and will be transferred to the Retained Earnings account,

4. And to submit this proposal for approval at the Ordinary General Assembly meeting for the year 2023.

Credit Ratings

Following its periodic annual review of the corporate credit rating, JCR Eurasia Rating rated the consolidated structure of MLP Care in an investment grade category at national level and upgraded the ratings as A+ (Tr) from A (Tr) on the Long-Term National Scale. The Short-Term National Scale with “J1 (Tr)” and “Stable’’ outlooks. On the other hand, the Long Term International Foreign and Local Currency Ratings have been assigned as “BB/ Negative” which are capped with the sovereign ratings of Republic of Türkiye.

The rating upgrade was driven by MLP Care’s leading position in the private healthcare industry, supported by established brands and concepts, the maintenance of strong revenue and EBITDA growth, the continuation of an upward trend in profit margins through operational performance, an asset-light expansion strategy, the successful ramp-up of acquired hospitals, continued low net financial debt levels, diversification of income streams that support predictable cash flow generation, competitive advantages across the sector owing to listed structures and an established track record in the domestic debt issuance market, and a well-managed business model. ongoing net working capital deficit, intensified competition in the sector, and increased uncertainty due to global economic downturn and geopolitical risks, along with the negative impact of worldwide monetary tightening on growth forecasts, have been realized.

	April 25, 2023	**April 25, 2022**
Long-Term International Foreign Currency Rating	BB / (Negative Outlook)	BB / (Stable Outlook)
Long-Term International Local Currency Rating	BB / (Negative Outlook)	BB / (Stable Outlook)
Long-Term National Scale Rating	A+ (Tr) / (Stable Outlook)	A (Tr) / (Stable Outlook)
Long-Term National Scale Issuer Rating	A +(Tr)	A (Tr)

Other Information Related to Operating Activities

MLP Sağlık Hizmetleri A.Ş. Trade Register Information
Registered Head Office Address:
Otakçılar Caddesi Flatofis Istanbul No: 78 Kat: 3 D-Blok No: 103 Eyüp, Istanbul 34050
Trade Registration Office: Istanbul
Trade Registration Number: 574014

Amendments to the Articles of Association

In accordance with the Capital Markets Board "Registered Capital System Communiqué II-18-1" ("Communiqué") our application was approved on February 20, 2023 by the Capital Markets Board of Türkiye for the amendment of article 8 of the Articles of Association of the Company as attached in order to increase the registered capital ceiling from TL 875.000.000 to TL 5.740.000.000 valid for the period 2023-2027. The amendment of the Articles of Association for the approval of 2022 Ordinary General Assembly is below:

OLD VERSION	NEW VERSION
CAPITAL ARTICLE 8	CAPITAL ARTICLE 8
The Company has adopted the registered capital system under the provisions of the Capital Markets Law, and has initiated the registered capital system based on the permission of the Capital Markets Board dated 3 November 2017 No. 39/1351.	The Company has adopted the registered capital system under the provisions of the Capital Markets Law, and has initiated the registered capital system based on the permission of the Capital Markets Board dated 3 November 2017 No. 39/1351.
The upper limit of the Company's registered capital is 875,000,000- (eight hundred seventy five million) Turkish Liras (TL), which is divided into 875,000,000 (eight hundred seventy five million) registered shares, each with a nominal value of TL 1- (one) TL.	The upper limit of the Company's registered capital is 5,740,000,000- (five billion seven hundred forty million) Turkish Liras (TL), which is divided into 5,740,000,000 (five billion seven hundred forty million) registered shares, each with a nominal value of TL 1- (one) TL.
This upper limit of registered capital allowed by the Capital Markets Board is valid for the years 2017 through 2021 (for 5 years). Even if the upper limit of registered capital is not yet reached by the end of 2021, in order for the Board of Directors to pass capital increase resolutions after 2021, an authorization must be granted by the General Assembly for the previously permitted upper limit or a new upper limit, covering a new period not exceeding 5 years, provided that the permission of the Capital Markets Board of the Prime Ministry of the Republic of Türkiye is obtained. In case such authorization is not granted, capital increases may not be affected based on the resolution of the Board of Directors.	This upper limit of registered capital allowed by the Capital Markets Board is valid for the years 2023 through 2027 (for 5 years). Even if the upper limit of registered capital is not yet reached by the end of 2027, in order for the Board of Directors to pass capital increase resolutions after 2027, an authorization must be granted by the General Assembly for the previously permitted upper limit or a new upper limit, covering a new period not exceeding 5 years, provided that the permission of the Capital Markets Board is obtained. In case such authorization is not granted, capital increases may not be affected based on the resolution of the Board of Directors.
The issued capital of the Company is TL 208,037,202- (two hundred eight million thirty seven thousand two hundred and two). This capital has been fully paid up in cash, free from any simulation. The Company's issued capital of TL 208,037,202- is divided into 88,229,127 (eighty eight million two hundred and twenty nine thousand one hundred and twenty seven) Class A registered shares, each with a nominal value of TL 1- (one) and 119,808,075 (one hundred nineteen million eight hundred and eight thousand seventy five) Class B registered shares, each with a nominal value of TL 1- (one).	The issued capital of the Company is TL 208,037,202- (two hundred eight million thirty seven thousand two hundred and two). This capital has been fully paid up in cash, free from any simulation. The Company's issued capital of TL 208,037,202- is divided into 88,229,127 (eighty eight million two hundred and twenty nine thousand one hundred and twenty seven) Class A registered shares, each with a nominal value of TL 1- (one) and 119,808,075 (one hundred nineteen million eight hundred and eight thousand seventy five) Class B registered shares, each with a nominal value of TL 1- (one).

Capital Structure
The issued capital of the Company within the registered capital ceiling of TL 875,000,000, is TL 208,037,202.

Investment Policy and Investment Spending
To date, MLP Care has grown by greenfield investments and through acquisitions.

In November 2023, Liv Duna Medical Center Hospital was inaugurated. The development of this hospital continues as planned.

In 2023, MLP Care's capital expenditure was TL 1,372 million.

Utilizing Incentives
MLP Care has various investment incentive certificates that were signed by the Turkish Ministry of Economy and approved by the General Directorate of Incentive Implementation and Foreign Capital. With those incentives, the Company 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 TL 632,806,000 (December 31, 2022: TL 200.394.000). Respective deferred tax asset was calculated to be 15%-40% of total investment contribution with regards to the respective investment incentive certificates. Additionally, MLP Care is entitled to social security premium support from the Turkish Ministry of Economy, related to the hospitals that have completed their greenfield investments.

Compensation and Benefits Provided to Board Members and Senior Managers
The Company made a gross payment of TL 103,313,000 in total to senior managers for the fiscal year ended on December 31, 2023 (2022: TL 77,494,000). No remuneration was paid to the Members of the Board of Directors, other than the Independent Members, because of the roles they assume as Board Members.

Research and Development
The Company spent approximately TL 33.3 million for sponsored research and development activities in line with its R&D Policy.

Matters Relating to the Group
The situations where the Company has directly and indirectly increased or decreased its ownership stake in its affiliates and subsidiaries in 2023 are outlined below:

MLP Ataşehir Sağlık Hizmetleri A.Ş.
The trade name of the Company was changed from "Şile Cns Gayrimenkul Sağlık Hizmetleri A.Ş." to "MLP Ataşehir Sağlık Hizmetleri A.Ş." on page 1065 of the TTSG dated 24.10.2023 and numbered 10942.

Tasfiye Halinde MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş. ("MA Group")
The trade name of the Company was changed from "MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş." to "Liquidated MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş." on page 180 of the TTSG dated 19.09.2023 and numbered 10917.

MLP Gaziantep Sağlık Hizmetleri Anonim Şirketi ("MLP Gaziantep Sağlık")
As of 13.12.2023, the capital of MLP Gaziantep Sağlık was TL 185,000,000.00.

MS Sağlık Hizmetleri Ticaret A.Ş. ("MS Sağlık")
As of 25.10.2023, MS Sağlık's capital amounted to TL 611,000,000.00.

Other Information Related to Operating Activities

Other

There are no amendments in the legislation which may significantly affect the activities of the corporation in 2023.

The Company did not purchase any of its shares during the reporting period.

The Company's management did not enter into any transaction that would complicate the conduct of the special audit. No special audit request was received in 2023.

The Company operates in an industry and a country that have high exposure to administrative lawsuits, business lawsuits, contractual demands and medical malpractice cases. In the last 12 months, there have been no lawsuits, legal proceedings or arbitration cases within the knowledge of the Company that are pending, at risk of initiation, and/or that could have a substantial adverse effect on the Company's financial condition or profitability.

The Company accounted for a TL 30,587,000 litigation provision for the risk that may arise from pending cases and proceedings (2022: TL 50,257,000). The plaintiffs have the right to raise their claims during the proceeding and, therefore, there is a possibility that the aforementioned amount may be higher.

There are no administrative or judicial sanctions imposed on the Company or its Board Members due to violation of laws and regulations.

None of the Board Members have requested a report defined under Article 199 (paragraph four) of the Turkish Commercial Code.

The Company has a strong financial position and it is not under risk of capital loss or insolvency.

Board Members, either for themselves or on behalf of another person, do not have business dealings with the Company or engage in prohibited competitive activities, to the extent permitted by the General Assembly.

Information about conflicts of interest that may arise between the Company and the firms providing investment consulting and credit rating services to the Company, and measures are taken by the Company to prevent such conflicts of interest:

There have been no situations that involve a conflict of interest during the reporting period. The Company complies with all CMB regulations when purchasing services and uses the utmost care to avoid situations that may result in a conflict of interest.

Statements of Responsibility by the Board of Directors

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL AND DISCLOSURE OF FINANCIAL STATEMENTS
DATE: 19/03/2024
RESOLUTION NO: 2024/5

RESPONSIBILITY STATEMENT AS PER ARTICLE 9, PART II OF CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

We hereby enclose the consolidated financial statements for the period January-December 2023, which have been prepared in accordance with the Capital Markets Board's (CMB) Communiqué on the Principles of Financial Reporting in Capital Markets Series No: II-14.1 (the Communiqué), the Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS), and the mandatory formats defined by the Capital Markets Board; and independently audited, and approved by the Company's Board of Directors.

We hereby certify that:

a) The consolidated financial statements dated December 31, 2023, have been reviewed by us,
b) To the best of our knowledge and in line with our roles and responsibilities at the Company, the consolidated financial statements, in all material respects, do not contain any untrue representations or any omissions that would lead to misleading conclusions as at disclosure date,
c) To the best of our knowledge and in line with our roles and responsibilities at the Company, the consolidated financial statements prepared in line with applicable financial reporting standards fairly represent the Company's assets, liabilities, financial position, profit and loss as well as the risks and uncertainties facing the Company.

Respectfully yours,

Tayfun Bayazıt
Member of the Audit Committee

Meral Kurdaş
Audit Committee

Burcu Öztürk
Chairman of the CFO

Statements of Responsibility by the Board of Directors

BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL AND DISCLOSURE OF THE ANNUAL REPORT AND CRF - CGIF TEMPLATES
DATE: 25/03/2024
RESOLUTION NO: 2024/6

RESPONSIBILITY STATEMENT AS PER ARTICLE 9, PART II OF CAPITAL MARKETS BOARD'S COMMUNIQUÉ ON THE PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

The Company's twelve-month Annual Report for the accounting period of January-December 2023, prepared pursuant to the legislation and the Turkish Accounting Standards/Turkish Financial Reporting Standards framework issued in accordance with Capital Markets Board's (CMB) Communiqué on Principles of Financial Reporting in Capital Markets (II-14.1), Compliance Report Format (CRF) and the Corporate Governance Information Form (CGIF) which were prepared pursuant to the Resolution No. 2/49 made by the Capital Markets Board of Türkiye on January 10, 2019, approved by the Board of Directors are attached.

a) The annual report, Compliance Report Format (CRF) and Corporate Governance Information Form (CGIF) dated December 31, 2023, has been reviewed by us,
b) To the best of our knowledge and in line with our roles and responsibilities at the Company, the annual report, in all material respects, does not contain any untrue representations or any omissions that would lead to misleading conclusions as at disclosure date,
c) To the best of our knowledge and in line with our roles and responsibilities at the Company, the annual report prepared in line with applicable financial reporting standards fairly represents the development and performance of the business, the Company's financial position as well as the risks and uncertainties facing the Company.

Respectfully yours,

Tayfun Bayazıt
Member of the Audit Committee

Meral Kurdaş
Audit Committee

Burcu Öztürk
Chairman of the CFO

Statements of Independence

Date: April 1, 2022

In the context of the Article 4.3.6. of the Corporate Governance Communique (II-17.1.), I hereby declare that I comply with the independency criteria stated below with respect to MLP Sağlık Hizmetleri A.Ş. and this compliance will continue for the remainder of my 3-year independent membership of the Board of Directors (until April 2024).

• No employment relationship has been established during the last five years between me, my spouse, and my relatives by blood or marriage up to second degree and the company, partnerships which the company controls the management of or has material influence over or shareholders who control the management of or have material influence over the company and legal entities which these shareholders control the management of, which has caused me to assume important duties and responsibilities in an executive position nor have I/we individually or jointly held more than 5% of the capital or voting rights or privileged shares in or established a material business relationship with the same,
• I was not a shareholder of (%5 and more) nor held an executive position which would cause me to assume important duties and responsibilities or officiated as a board member, during the last five years, in any company from or to which the company purchases or sells a substantial quantity of services or products based on agreements made, during the periods these services or products were sold or purchased including especially those companies which carry out audit (including tax audits, legal audits, internal audits), rating and consultancy services for the company,
• I have the professional education, knowledge and experience necessary to duly carry out the duties which I shall assume due to my position as an independent board member,
• I am not a full-time employee with any public entity or organization following my election as a member with the exception of employment as a university professor provided that such employment is in compliance with the laws and regulations that are applicable to universities,
• I am assumed to be a resident in Türkiye in accordance with the Income Tax Law dated 31.12.1960, numbered 193,
• I have strong ethical standards, professional reputation and experience that shall allow me to contribute positively to the activities of the company, maintain partiality in conflicts of interests between the company and its shareholders and decide freely by taking into account the rights of beneficiaries,
• I am able to dedicate a sufficient amount of time to the affairs of the company in a manner to follow up the conduct of company activities and duly perform the duties I have assumed,
• I did not officiate as a board member at the board of directors of the company for longer than 6 years during the last ten years,
• I am not officiating as an independent board member with more than three of the companies which the company controls or shareholders that control the management of the company control the management and in total more than five of the companies which are traded on the stock exchange and that therefore, I will serve in my position as a member of the Company's Board of Directors as an independent board member,
• I have not been registered and announced as a board member representing the legal entity for which I will be elected and so that I will be performing my duties as an independent board member.

Meral Kurdaş

Tayfun Bayazıt

Independent Auditor's Report on the Annual Report

DRT Bağımsız Denetim ve
Serbest Muhasebeci
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www.deloitte.com.tr
Mersis No:
0291001097600016
Ticari Sicil No : 304099

(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

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

1) Opinion
As we have audited the full set consolidated financial statements of MLP Sağlık Hizmetleri A.Ş. ("the Company") and its subsidiaries ("the Group") for the period between 01/01/2023–31/12/2023, we have also audited the annual report for the same period.

In our opinion, the consolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

2) Basis for Opinion
We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Opinion for the Full Set Consolidated Financial Statements
We have presented unqualified opinion for the Group's full set consolidated financial statements for the period between 01/01/2023–31/12/2023 in our Auditor's Report dated 19 March 2024.

4) Management's Responsibility for the Annual Report
The Group's Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and "Communiqué on Principles of Financial Reporting in Capital Markets" with No.14.1 of the Capital Markets Board ("the Communiqué"):

a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
b) Preparing the annual report with the all respects of the Group's flow of operations for that year and the Group's consolidated financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the consolidated financial statements. The Group's development and risks that the Group may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.
c) The annual report also includes the matters stated below:
- The significant events occurred in the Group's activities subsequent to the financial year ends,
- The Group's research and development activities,
- The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowance s, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report
Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulations of the Capital Markets Board and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated financial statements and the information obtained from our audit.

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

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

Volkan Becerik, SMMM
Partner

İstanbul, 25 March 2024

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

MLP SAĞLIK HİZMETLERİ A.Ş.
AND ITS SUBSIDIARIES

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

Deloitte.

DRT Bağımsız Denetim
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Mersis No:
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Ticari Sicil No : 304099

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

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

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

2) Basis for Opinion

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

3) Emphasis of Matter

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

Deloitte.

4) Key Audit Matters

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

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

Deloitte.

4) Key Audit Matters (Continued)

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

5) Other Matters

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

6) Other Information

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

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

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

Deloitte.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Deloitte.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirements

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

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

Deloitte.

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

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

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

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

Volkan Becerik, SMMM
Partner

İstanbul, 19 March 2024

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MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Audited Consolidated Statement of Financial Position as at 31 December 2023

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

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Audited Consolidated Statement of Financial Position as at 31 December 2023

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

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Audited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period 1 January - 31 December 2023

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

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Audited Consolidated Statement of Changes in Equity for the Period 1 January - 31 December 2023

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

				Other comprehensive income or expenses that will not be reclassified		Accumulated gain				
	Share capital	Share premium	Treasury shares	Accumulated gain/(loss) on remeasurement of defined benefit plans	Restricted reserves	Accumulated gain	Net profit for the period	Equity Attributable to the Owner of the Company	Non-controlling interest	Total equity
Balance as at January 1, 2022	**2.337.520**	**2.645.882**	**--**	**--**	**63.647**	**(142.641)**	**786.092**	**5.690.500**	**353.392**	**6.043.892**
Other comprehensive income for the period, net of tax	--	--	--	18.431	--	--	--	18.431	--	18.431
Net profit for the period	--	--	--	--	--	--	4.741.597	4.741.597	149.847	4.891.444
Total comprehensive gain/(loss) for the period	**--**	**--**	**--**	**18.431**	**--**	**--**	**4.741.597**	**4.760.028**	**149.847**	**4.909.875**
Transfers	--	--	--	--	924	785.168	(786.092)	--	--	--
Increase/(decrease) due to share repurchase transactions (Note 19)	--	--	(650.344)	--	--	--	--	(650.344)	--	(650.344)
Loss of control in subsidiaries	--	--	--	--	--	307.072	--	307.072	(544.624)	(237.552)
Changes in non-controlling interests	--	--	--	--	--	(164.296)	--	(164.296)	46.725	(117.571)
Dividend distribution	--	--	--	--	--	(51.300)	--	(51.300)	--	(51.300)
Balance as at December 31, 2022	**2.337.520**	**2.645.882**	**(650.344)**	**18.431**	**64.571**	**734.003**	**4.741.597**	**9.891.660**	**5.340**	**9.897.000**
Balance as at January 1, 2023	**2.337.520**	**2.645.882**	**(650.344)**	**18.431**	**64.571**	**734.003**	**4.741.597**	**9.891.660**	**5.340**	**9.897.000**
Other comprehensive income for the period, net of tax	--	--	--	(59.219)	--	--	--	(59.219)	--	(59.219)
Net profit for the period	--	--	--	--	--	--	4.529.594	4.529.594	218.338	4.747.932
Total comprehensive gain/(loss) for the period	**--**	**--**	**--**	**(59.219)**	**--**	**--**	**4.529.594**	**4.470.375**	**218.338**	**4.688.713**
Transfers	--	--	--	--	940	4.740.657	(4.741.597)	--	--	--
Increase/(decrease) due to share repurchase transactions	--	--	(1.275.247)	--	--	--	--	(1.275.247)	--	(1.275.247)
Changes in non-controlling interests	--	--	--	--	--	(366.798)	--	(366.798)	(6.386)	(373.184)
Dividend distribution	--	--	--	--	--	(44.959)	--	(44.959)	--	(44.959)
Balance as at December 31, 2023	**2.337.520**	**2.645.882**	**(1.925.591)**	**(40.788)**	**65.511**	**5.062.903**	**4.529.594**	**12.675.031**	**217.292**	**12.892.323**

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Audited Consolidated Statement of Cash Flows for the Period 1 January - 31 December 2023

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

	Notes	Audited 1 January 2023-31 December 2023	Audited 1 January-31 December 2022
CASH FLOWS FROM OPERATING EXPENSES		**4.475.698**	**3.626.483**
Profit loss for the period		4.747.932	4.891.444
Adjustments related to reconcilation of net profit / (loss) for the period		**(414.384)**	**(2.088.424)**
Adjustments related depreciation and amortisation expense	12-13	1.542.287	1.261.724
Adjustments related to impairment (reversal)		15.528	5.554
Adjustments related to impairment (reversal) of receivables	*8*	*15.528*	*5.554*
Adjustments related to provisions		87.642	59.065
Adjustments related to (reversal) of provision of provision for employment benefits		*87.555*	*31.410*
Adjustments related to lawsuit (reversal) of provision for lawsuit		*87*	*27.655*
Adjustments related to interest (income) expense		963.943	688.270
Adjustments related to interest income	*24*	*(314.794)*	*(199.551)*
Adjustments related to interest expense	*24*	*1.278.737*	*887.821*
Adjustments related to tax (gain) loss	25	1.077.008	(110.881)
Other adjustments related to non-cash items		(81.940)	(3.723)
Adjustments regarding to (gain) loss on sale of fixed assets		3.498	137.328
Adjustments regarding to (gain) loss on sale of property, plant and equipment		*3.498*	*137.328*
Adjustments related to losses (gains) on disposal of subsidiaries or joint operations		--	58.061
Monetary loss/gain		(4.022.350)	(4.183.823)
Changes in working capital		**580.117**	**886.857**
Adjustments related to (increase) decrease in trade receivables		(2.087.308)	(593.922)
Adjustments related to (increase) decrease in inventories		97.198	(296.808)
Adjustments related to increase (decrease) in trade payables		1.853.437	1.403.348
Adjustments related to increase (decrease) in other payables related with operations		689.193	266.043
Adjustments related to other increase (decrease) in working capital		27.597	108.196
Decrease (increase) in other operating assets		*27.597*	*108.196*
Cash flows from operating activities		**4.913.665**	**3.689.877**
Payments related to provisions for employee benefits		(77.500)	(26.311)
Tax payments	25	(359.672)	(46.235)
Payments related to other provisions		(1.268)	8.229
Other cash inflows	6	473	923
CASH FLOWS FROM INVESTING ACTIVITIES		**(1.821.583)**	**(2.195.636)**
Cash outflows related to share purchases in subsidiaries		(373.184)	(117.571)
Proceeds from sale of property, plant and equipment and intangible assets		6.851	700.603
Proceeds from sale of property, plant and equipment and intangible assets		6.851	700.603
Cash outflows from the acquisition of property, plant and equipment and intangible assets		(1.371.645)	(1.795.521)
Cash outflows from purchase of property, plant and equipment	*12*	*(1.272.221)*	*(992.355)*
Cash outflows from purchase of intangible assets	*12*	*(99.424)*	*(803.166)*
Cash advances given and payables		(507.418)	(435.799)
Interest received		70.904	43.111
Cash outflows related to disposals that result in the loss of control of subsidiaries		--	(237.550)
Other cash outflows		352.909	(352.909)
CASH FLOWS FROM FINANCING ACTIVITIES		**(656.656)**	**(1.743.966)**
Cash inflows from borrowings		**3.670.220**	**1.106.190**
Cash inflows from loans		420.220	230.890
Cash inflows from debt instruments issued		3.250.000	875.300
Cash outflows related to debt payments		**(1.844.447)**	**(1.078.940)**
Cash outflows related to loan repayments		(424.447)	(403.640)
Cash outflows related to other financial debt payments		(1.420.000)	(675.300)
Cash outflows related to debt payments arising from lease agreements		(718.551)	(390.005)
Cash outflows related to debt payments arising from financial lease agreements		(136.688)	(432.995)
Interest paid		(550.874)	(403.012)
Interest received		243.890	156.440
Dividend payment		(44.959)	(51.300)
Cash Outflows Related to Repurchase of Own Shares or Reduction in Capital (-)		(1.275.247)	(650.344)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		**1.997.459**	**(313.119)**
INFLATION EFFECT ON CASH		(447.047)	(266.141)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1.550.412**	**(579.260)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	1.261.961	1.841.221
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	**2.812.373**	**1.261.961**

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP

MLP Sağlık Hizmetleri A.Ş. (the “Company” or “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 31 December 2023, MLP is the holding company of 14 subsidiaries (31 December 2022: 14) (collectively referred as the “Group”), each operating in the healthcare sector in Türkiye.

The Group’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 13 February 2018. Pursuant to the CMB's Principle Decision dated 30 October 2014 and numbered 31/1059, as per the Principle Decision dated 23 July 2010 and numbered 21/655; according to the Merkezi Kayıt Kuruluşu A.Ş. (“MKK”) records; as of 31 December 2023, the shares representing 33.16% of MLP Sağlık’s capital are considered to be in circulation. As of 1 January 2024, this ratio is 33.16% (Note 19).

The number of employees of the Group as at 31 December 2023 is 12,677 (31 December 2022: 11,699).

Approval of consolidated financial statements

The consolidated financial statements have been approved by the Group Management and authorized for issue on 19 March 2024. Although there is no such intention, the General Assembly and certain regulatory bodies have the power to make changes following the publication of the financial statements.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023
(Amounts expressed in thousands Turkish Lira ("TL") unless otherwise stated.)

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

As of 31 December 2023, the subsidiaries of the Group are as summarized below:

Name	Place of incorporation and activity
Temar Tokat Manyetik Rezonans Sağlık Hizmetleri ve Turizm A.Ş. ("Tokat Hastanesi")	Tokat
Samsun Medikal Grup Özel Sağlık Hizmetleri A.Ş. ("Samsun Hastanesi")	Samsun-İstanbul
Tasfiye Halinde Özel Samsun Medikal Tıp Merkezi ve Sağlık Hizmetleri Tic. Ltd. Şti. ("Samsun Tıp Merkezi")	Samsun
Kuzey Medikal Pazarlama İnşaat Taşımacılık San. ve Tic. Ltd. Şti. ("Kuzey")	Ankara
Artımed Medikal Sanayi ve Ticaret A.Ş. ("Artımed")	Ankara
MS Sağlık Hizmetleri Ticaret A.Ş. ("MS Sağlık")	Ankara
Mediplaza Sağlık Hizmetleri Ticaret A.Ş. ("Mediplaza")	Gebze – İzmit
21. Yüzyıl Anadolu Vakfı ("21. Yüzyıl Anadolu Vakfı")	İstanbul
Sotte Sağlık Temizlik Yemek Medikal Turizm Insaat San. ve Tic. A.Ş. ("Sotte Sağlık Temizlik Yemek")	İstanbul – Ankara
MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş. ("MA Group")	İstanbul
BTR Sağlık Hizmetleri A.Ş. ("BTR Sağlık")	İstanbul
İstanbul Meditime Sağlık Hizmetleri Ticaret Ltd. Şti. ("Meditime Sağlık")	İstanbul
MLP Gaziantep Sağlık Hizmetleri Anonim Şirketi ("MLP Gaziantep Sağlık")	Gaziantep
Kuzey Doğu Sağlık Hizmetleri ve Tic. A.Ş. ("Kuzey Doğu")	İstanbul

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, the financial statements have been prepared in accordance with "Announcement on TFRS Taxonomy" published by POA on 4 October 2022 and with the "Examples of Financial Statements and the User Guide" issued by CMB.

The consolidated financial statements are prepared on the basis of historical cost, except for financial assets recognized at fair value and derivative financial instruments carried at fair value. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as basis.

Currency Used

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

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

2.1 Basis of Presentation (Continued)

Restatement of financial statements during periods of high inflation

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

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

In this framework, while preparing the consolidated financial statements dated 31 December 2023, 31 December 2022 and 2021, inflation adjustment has been made in accordance with TAS 29.

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

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

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

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

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2023	1,859.38	1,000	268%
31.12.2022	1,128.45	1,647	156%
31.12.2021	686.95	2,706	74%

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

• As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

• Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

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

2.1 Basis of Presentation (Continued)

Restatement of financial statements during periods of high inflation (cont'd)

• Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.

• All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.

• The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 Inflation Accounting is summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate.

When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

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

2.1 Basis of Presentation (Continued)

Comparative Information and Restatement of Prior Period Consolidated Financial Statements

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassed, and significant changes are disclosed if necessary.

Basis of Consolidation

The details of the Company and its subsidiaries as of 31 December 2023 and 31 December 2022 are as follows:

Subsidiaries	Place of establishment and operation	31 December 2023	31 December 2022	Principal Activity
Tokat Hastanesi	Tokat	58.84%	58.84%	Hospital Services
Samsun Hastanesi	Samsun	80.00%	80.00%	Hospital Services
Samsun Tıp Merkezi (1)	Samsun	100.00%	100.00%	Hospital Services
MS Sağlık	Ankara	100.00%	100.00%	Hospital Services
Mediplaza	Gebze-İzmit	75.00%	75.00%	Hospital Services
MA Group (3)	İstanbul	51.00%	51.00%	Hospital Services
BTR Sağlık Hizmetleri	İstanbul	100.00%	100.00%	Hospital Services
Meditime Sağlık	İstanbul	100.00%	100.00%	Hospital Services
MLP Gaziantep Sağlık (4)	Gaziantep	100.00%	60.00%	Hospital Services
Sotte Sağlık Temizlik Yemek	İstanbul - Ankara	100.00%	100.00%	Hospital Services
Kuzey	Ankara	100.00%	100.00%	Ancillary Services
Artımed	Ankara	100.00%	100.00%	Ancillary Services
21. Yüzyıl Anadolu Vakfı (2)	İstanbul	100.00%	100.00%	Ancillary Services
Kuzey Doğu	İstanbul	100.00%	100.00%	Ancillary Services

(1) Represents voting power held. In 2022, the liquidation process was started.
(2) Represents voting power held. In 2011, the Group with the help of its real person shareholders decided to establish a medical university. Based on current legislation, foundations have to be owned by real persons rather than companies and since MLP Sağlık could not be the shareholder of an association, Muharrem Usta, one of the shareholders in the company, was assigned as the chairman of the board of the foundation. The purpose of the foundation is to establish a medical university in order to align one of the hospitals of the Group to that university. Although, MLP Sağlık has no shareholder interest in the foundation, the financial statements of the foundation are consolidated to the financial statements in accordance with TFRS 10 as the Company achieved the control by having power and the ability to use its power on the future benefit and cost of the foundation. In addition, the Company has rights to the financial and operating policies of the university from its involvement with the investee.
(3) The Company decided to liquidate on 25 December 2017.
(4) The Company's share has increased to 100% as of 31 December 2023.

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

2.1 Basis of Presentation (Continued)

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group 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.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. 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 of acquisition to the date of disposal.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full 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 Group.

When the Group loses control of a subsidiary, a gain or loss is recognized 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.

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

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

2.1 Basis of Presentation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

All amounts previously recognized 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 TFRSs). 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 TFRS 9 *Financial Instruments*, 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.

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 New and Amended Turkish Accounting Standards

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to TAS 12	*International Tax Reform — Pillar Two Model Rules*

Amendments to TAS 1 *Disclosure of Accounting Policies*

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

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

Amendments to TAS 8 *Definition of Accounting Estimates*

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

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

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

2.4 New and Amended Turkish Accounting Standards (Continued)

a) Amendments that are mandatorily effective from 2023 (Continued)

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

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

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

Amendments to TAS 12 *International Tax Reform — Pillar Two Model Rules*

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023.

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

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

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*
Amendments to TAS 7 and TFRS 7	*Supplier Finance Arrangements*
TSRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*
TSRS 2	*Climate-related Disclosures*

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

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

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

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

Amendments are effective with the first application of TFRS 17.

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

2.4 New and Amended Turkish Accounting Standards (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

TSRS 1 *General Requirements for Disclosure of Sustainability-related Financial Information*

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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

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

2.4 New and Amended Turkish Accounting Standards (Continued)

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

TSRS 2 *Climate-related Disclosures*

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

2.5 Summary of Significant Accounting Policies

Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements
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(Amounts expressed in thousands Turkish Lira ("TL") unless otherwise stated.)

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

2.5 Summary of Significant Accounting Policies (Continued)

(b) An entity is related to a reporting entity if any of the following conditions applies:

(iv) The entity and the company are members of the same group.
(v) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(vi) Both entities are joint ventures of the same third party.
(vii) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(viii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(ix) The entity is controlled or jointly controlled by a person identified in (a).
(x) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(xi) The entity or another member of the group of which it is a part provides key management personnel services to the reporting entity or the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 *Income Taxes* and TAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 *Share-Based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with TFRS 5.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

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

2.5 Summary of Significant Accounting Policies (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. The fair value of other contingent consideration is remeasured and changes are recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill

Business combinations are accounted for by using the purchase method in the scope of TFRS 3 "Business combinations". Any excess of the cost of acquisition over the acquirer's interest in the (i) net fair value of the acquiree's identifiable assets and contingent liabilities as of the acquisition date, (ii) amount of any non-controlling interest in the acquired entity and (iii) fair value of any equity interest previously held by acquirer is accounted for as goodwill. If those amounts are less than fair value of the net identifiable assets of the business acquired, the difference is recognised directly in "Gains from investment activities" as a gain from bargain purchase.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

2.5 Summary of Significant Accounting Policies (Continued)

Foreign Currency Transactions

Foreign Currency Transactions and Balances

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Revenue

When a performance obligation is satisfied by transferring promised goods or services to a customer, the Group recognises the revenue as the amount of the transaction price that is allocated to that performance obligation. The goods or services are transferred when the control of the goods or services is delivered to the customers. Returns, discounts and provisions are reduced from the related amount.

Group recognises revenue based on the following five principles:

(a) Identification of customer contracts,
(b) Identification of performance obligations,
(c) Determination of the transaction price in the contracts,
(d) Allocation of transaction price to the performance obligations,
(e) Recognition of revenue when the performance obligations are satisfied.

Group recognises revenue from its customer when all of the following criteria are met:

(a) The parties have approved the contract (written or orally or in accordance with other customer business practices) and are committed to perform their respective obligations,
(b) Group can identify the right of parties related to goods and services,
(c) Group can identify the payment terms of goods and services to be transferred,
(d) The contract has commercial substance,
(e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods and services that will be transferred to the customer. In evaluating whether collectabilitiy of a consideration is probable, the entity shall consider only the customer's ability and intention to pay the consideration when it is due.

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

2.5 Summary of Significant Accounting Policies (Continued)

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity and when the revenue amount, the completion level of the transaction as of the reporting date and the cost required for the completion of the transaction can be measured reliably.

The assumptions for the reliability of revenue recognition after the agreement of third parties are as follows:

- Contractual rights of each parties under sanction according to the agreement,
- Service fee,
- Payment terms and conditions.

The Group recognises revenue from the following major sources:

- Treatment services provided at hospitals
- Trading of medical products
- Laboratory services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Rebates, sales discounts, stock protection and other similar allowances obtained from the suppliers are accrued on an accrual basis when the rights of parties arise.

Revenue is generated from the healthcare services provided and some medical products sold. The main streams of revenue are policlinic revenue, revenue from surgical operations, x-ray revenue and all other revenue from hospital services.

Income is recognized in the period in which services are provided. Income relating to patient treatments which are partially complete at the financial year end is accrued and apportioned across financial years by reference to percentage of completion.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment. Depreciation is provided on all property and equipment using the straight-line method at rates which approximate estimated useful lives of the related assets as follows:

	Useful life
Buildings	35 years
Machinery and equipment	5-20 years
Motor vehicles	4-5 years
Furniture and fixtures	2-20 years
Leasehold improvements	5-15 years
Leased assets	2-11 years

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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

2.5 Summary of Significant Accounting Policies (Continued)

The useful life and depreciation method are regularly reviewed and accordingly whether the method and the depreciation period are in line with the economic benefits to be obtained from the related asset are reviewed.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

If events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable, the carrying amount of the asset is written down to its recoverable amount, less any provision for impairment. The recoverable amount of an item of property, plant and equipment is the higher of future net cash flows from its current use and its net selling price.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets mainly comprise software rights, hospital licenses obtained through business combinations or acquired separately and advances given for the purchase of hospital licenses. Intangible assets acquired separately are initially recorded at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets (computer software) are amortized on a straight line basis over the best estimate of their useful lives (1 to 5). The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year-end. The amortization expense on intangible assets is recognized in the statement of profit or loss.

Intangible assets acquired in a business combination; Hospital licences

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The hospital licenses are not amortized since there is no definite useful life for licenses. However, licenses are tested for impairment annually at the cash-generating unit level. As of 31 December 2023, there has been no indication regarding impairment of licenses.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

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

2.5 Summary of Significant Accounting Policies (Continued)

Impairment of property, plant and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If it is impracticable to calculate the recoverable value of an asset, the recoverable value of the cash generating unit to which it belongs is calculated.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives are tested for impairment annually at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

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

2.5 Summary of Significant Accounting Policies (Continued)

Deferred Tax

Deferred tax liability or asset is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis which are used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities or assets arising from the initial recognition of assets or liabilities in the financial statements due to temporary timing differences, excluding goodwill or business combinations, are not calculated. These differences do not affect both commercial and financial profits or losses.

The company and its subsidiaries within the scope of consolidation have reflected deferred tax assets and liabilities in their financial statements by offsetting them, but no offsetting has been made on a consolidated basis. Deferred tax is calculated based on the tax rates expected to be applicable when the assets are realized or the liabilities are settled, and is recorded in the income statement as an expense or income. However, if the deferred tax is related to assets directly associated with equity in the same or different period, it is associated with the equity account group.

Prepaid corporation taxes and corporate tax liabilities are offset when they relate to income taxes levied by the same taxation authority.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Employee Termination Benefits

Defined benefit plans

In accordance with existing social legislation in Turkey, the Company and its subsidiaries in Turkey are required to make lump-sum termination indemnities to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Per revised International Accounting Standard No. 19 "Employee Benefits" ("TAS 19"), these payments are regarded as defined benefit plans.

The severance pay liability recognised in the balance sheet is calculated by estimating the net present value of the future probable liability of the Company arising from the retirement of all employees and reflected in the financial statements. All actuarial gains and losses are recognised in other comprehensive income. All actuarial gains and losses are recognized in the statement of other comprehensive income.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

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

2.5 Summary of Significant Accounting Policies (Continued)

Defined contribution plans

The Group and its subsidiaries pay contributions to Social Security Institution on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Vacation Pay Liability

Vacation pay liability recognized in the consolidated financial statements represents the probable liability of the Group related to the unused vacation days of the employees.

Foreign Currency Transactions

The functional and presentation currency of the Company and all of its subsidiaries is Turkish Lira ("TL"). Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of such transactions. Assets and liabilities denominated in foreign currencies are translated by exchange rates valid on the balance sheet date. Exchange differences arising from the translation of foreign currency transactions and financial statement items into Turkish Lira are recognised in the statement of comprehensive income.

Earnings / (loss) per share

Basic earnings/(loss) are calculated by dividing the net profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the period.

Sale and leaseback transactions

Under sale and leaseback transactions which are established at fair value and resulting in an operating lease, profits and losses are recognized immediately in the statement of comprehensive income. When the sale price is below fair value, any profits or losses are recognized immediately in the profit or loss except that, if the loss is compensated for by future lease payments at below market price, the losses are deferred and amortized in proportion to the lease payments over the period for which the asset expected to be used.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

2.5 Summary of Significant Accounting Policies (Continued)

Leases (Continued)

<u>The Group as lessee (Continued)</u>

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Right-of-use assets include initial recognition of lease liabilities, prepayments and other direct costs made on or before commencement date of the lease. These assets are then measured by cost value after reduction of accumulated depreciation and impairment losses.

The Group accounts a provision under TAS 37 in case of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. These costs are included in cost of right-of-use assets unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right of use assets are presented as different item in consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements
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(Amounts expressed in thousands Turkish Lira ("TL") unless otherwise stated.)

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

2.5 Summary of Significant Accounting Policies (Continued)

Leases (Continued)

The Group as lessee (Continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'cost of sales' and "general administrative and marketing expenses" in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group leases hospital buildings and offices. Rental contracts are typically made for fixed periods of 3 to 15 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise information technology-equipment and small items of office furniture.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Group classifies its financial assets as (a) Business model used for managing financial assets, (b) financial assets subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the characteristics of contractual cash flows. The Company reclassifies all financial assets effected from the change in the business model it uses for the management of financial assets. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustment is made to gains, losses (including any gains or losses of impairment) or interest previously recognized in the financial statements.

<u>Classification of financial assets</u>

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset; the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

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Notes to the Consolidated Financial Statements
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(Amounts expressed in thousands Turkish Lira ("TL") unless otherwise stated.)

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

2.5 Summary of Significant Accounting Policies (Continued)

(i) Amortised cost and effective interest method

Interest income on financial assets carried at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

(a) Credit-impaired financial assets when purchased or generated. For such financial assets, the Company applies the effective interest rate on the amortized cost of a financial asset based on the loan from the date of the recognition in the financial statements.

(b) Non-financial assets that are impaired at the time of acquisition or generation but subsequently become a financial asset that has been impaired. For such financial assets, the Company applies the effective interest rate to the amortized cost of the asset in the subsequent reporting periods.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

Interest income is recognised in profit or loss and is included in the "interest income" line item (Note 24).

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss and
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income.

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

2.5 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group utilizes a simplified approach for trade receivables, contract assets and lease receivables that does not have significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The expected credit loss of financial assets is the present value of the difference between the Group's contractually realized cash flows and all the cash flows (all cash deficits) that the Group expects to receive, calculated over the initial effective interest rate (or credit-adjusted effective interest rate for credit-impaired financial assets when purchased or created).

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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

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

2.5 Summary of Significant Accounting Policies (Continued)

Financial liabilities

Financial liabilities are classified as at FVTPL on initial recognition. On initial recognition of liabilities other than those that are recognised at FVTPL, transaction costs directly attributable to the acquisition or issuance thereof are also recognised in the fair value.

A financial liability is subsequently classified at amortized cost except:

a) Financial liabilities at FVTPL: These liabilities including derivative instruments are subsequently measured at fair value.

b) Financial liabilities arising if the transfer of the financial asset does not meet the conditions of derecognition from the financial statements or if the ongoing relationship approach is applied: When the Group continues to present an asset based on the ongoing relationship approach, a liability in relation to this is also recognised in the financial statements. The transferred asset and the related liability are measured to reflect the rights and liabilities that the Company continues to hold. The transferred liability is measured in the same manner as the net book value of the transferred asset.

c) A contingent consideration recognized in the financial statements by the entity acquired in a business combination where TFRS 3 is applied: After initial recognition, the related contingent consideration is measured as at FVTPL.

The Group does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

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

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

2.5 Summary of Significant Accounting Policies (Continued)

Contingent Assets and Liabilities

Contingent liability

(a) Possible obligations that arise from past events and of which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

(b) Possible assets or obligations that arise from past events but nor reflected to the financial statements because of the reasons below:

   (i) A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote,

   (ii) A contingent asset is disclosed, where an inflow of economic benefits is probable.

Contingent Assets

Possible assets that arise from past events and of which existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. If the possibility of transfer of assets is probable, contingent liability is recognized in the financial statements. A contingent asset is disclosed, when an inflow of economic benefits is highly probable.

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

Segmental Information

In accordance with TFRS 8 "Operating Segments", an operating segment is a component of an entity: (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available. The Group's chief operating decision maker ("CODM") receives financial information on both an aggregate and on an individual hospital basis. No individual hospital exceeds 10% of the combined internal and external revenue of all the hospitals and it is not practicable to disclose segment information by individual hospital. Further, investment decisions are focused on potential acquisitions of new hospitals or further investment in the Group's existing hospitals in the aggregate. Therefore, the Group is considered as one single operating segment.

Subsequent Events

The Group adjusts the amounts recognised in its consolidated financial statements to reflect the adjusting events after the reporting date. If non-adjusting events after the reporting date have material influence on the economic decisions of users of the financial statements, they are disclosed in the notes to the consolidated financial statements.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 3 - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires the disclosure of the amounts of assets and liabilities reported as of the reporting period, the disclosure of contingent assets and liabilities, and the determination of estimates and assumptions by the management that may affect the amounts of income and expenses reported during the accounting period. Accounting evaluations are evaluated by taking into account estimations and assumptions, past experience, other factors and reasonable expectations about future events under current conditions. Although these estimates and assumptions are based on management's best knowledge of current events and transactions, actual results may differ from their assumptions.

3.1 Critical judgments in applying the entity’s accounting policies

In the process of applying the entity’s accounting policies, which are described in note 2.6, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt with below under notes 3.2).

Deferred Tax Assets

The Group accounts deferred tax assets and liabilities from the temporary differences between the statutory financial statements and the financial statements in accordance with TFRS.

Deferred tax assets calculation based on carry forward tax losses

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The subsidiaries of the Group have deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be recognized. The recoverable amount of deferred tax assets, partially or fully, is estimated under the current conditions. During the assessment, future profit projections, losses incurred in current periods, the expiry dates of unused losses and other tax assets and tax planning strategies that can be used when necessary were taken into consideration.

Based on information gathered, if the future profit projections cannot enable the Group benefit from accumulated fiscal losses, allowance can be calculated fully or partially. Based on future profit projections, the Group estimates whole utilization of deferred tax assets.

As of 31 December 2023, the Group has a deductible tax loss of TL 70,400 (31 December 2022: TL 59,902) (Note 25).

The Group assess the recoverability of deferred tax assets related carried forward tax losses based on business models that contain management estimations related to taxable profit for future periods. The models include key management estimations such as growth rate, hospital capacities and foreign exchange rates. Based on the sensitivity analysis about carried forward tax losses performed, it is concluded that 10% increase/decrease in related estimations does not have any effect on the assessment of recoverability of deferred tax assets.

Government Grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received (Note 25).

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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NOTE 3 - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below;

Provision for Impairment of Trade Receivables

The Group calculates the provision for impairment of trade receivables to cover the estimated losses resulting from the possible unconfirmed balances by the SSI and the inability of the patients to make required payments. The services rendered to patients covered by the SSI are subject to administrative review and audit by the SSI. The receivables that are not confirmed by the SSI are written off by the Group Management when the outcome is certain. As of 31 December 2023, provision for impairment of trade receivables amounting to TL 140,633 (31 December 2022: TL 198,515) (Note 8).

In addition, the Group has trade receivables arising from health services provided to foreign patients. 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 and the Group Management's expectation is that foreign patient receivables will be collected in 2023. The Group has overdue but not impaired trade receivables amounting to TL 857,137 as of 31 December 2023 (31 December 2022: TL 682,804).

In addition, the calculation of expected credit loss is performed based on the past experience of the Group and its expectations for the future indications.

Provision for Legal Cases and Social Security Discount Provisions

As explained in Note 17, the Group management make provision amounting to TL 47,057 (31 December 2022: TL 67,995) for the lawsuits where the legal proceedings and penalties are still uncertain and there is a possibility of an outflow.

Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.6. The recoverable amounts of cash-generating units have been determined based on fair value less costs of disposal calculations. These calculations require the use of estimates (Note 14).

The impairment test was conducted as of 31 December 2023 and the "discounted cash flows method" calculation was used.

Intangible assets acquired through business combination; Hospital licenses

Business combinations are accounted for using the acquisition method. The cost of the business combination is calculated as the total of fair values of assets acquired, liabilities assumed and the equity instruments issued at the date of the acquisition and other costs directly attributable to the business combination. Purchase price allocation is made in order to allocate purchase price to identifiable assets as defined in TFRS 3 "Business Combinations" and TAS 38 "Intangible Assets". As per TFRS 3 and TAS 38, fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". Based on the evaluation of the Group's transactions accounted as business combinations, the hospital licenses are identified as intangible assets. The fair values of the hospital licenses are determined based on income approach.

In accordance with the accounting policy for the hospital licenses which have indefinite useful lives stated in Note 2.6, these assets are reviewed for impairment annually or whenever events or changes in circumstances indicate impairment by the Group.

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NOTE 3 - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment tests for hospital licenses are performed by comparing the amount calculated according to the discounted cash flows of each cash generating unit based on long term projections, with the carrying value of the hospital licenses. These calculations require the use of estimates. As of 31 December 2023, there is no impairment on hospital licenses resulting to impairment test (Note 12).

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of its property, plant and equipment at the end of each reporting period. The Group takes into consideration the intended use of the property, plant and equipment, the advancement in technology related to the particular type of property, plant and equipment as well as other factors that may require management to extend or shorten the useful lives and the assets' related depreciation (Note 12).

NOTE 4 - INTERESTS IN OTHER ENTITIES

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below:

In Liquidation Samsun Tıp Merkezi	31 December 2023	31 December 2022
Current assets	934	1.163
Non-current assets	--	15
Current liabilities	208	2.318
Equity	(1.142)	(1.142)

	1 January-31 December 2023	1 January-31 December 2022
Other income/(expense), net	(262)	(1.807)
Loss for the period	--	(1.807)
Net cash inflow/(outflow) from operating activities	(9)	(6)
Net cash inflow/(outflow) from investing activities	9	6
Net cash inflow/(outflow)	--	--

21.Yüzyıl Anadolu Vakfı	31 December 2023	31 December 2022
Current assets	14.156	22.858
Non-current assets	201.122	167.485
Current liabilities	68.018	103.290
Equity	147.260	87.053
Non-controlling interests	38.651	38.651

	1 January-31 December 2023	1 January-31 December 2022
Revenue	1.302	739
Other income/(expense), net	34.281	34.522
Loss for the period	35.583	35.261
Net cash inflow/(outflow) from operating activities	33.636	43.717
Net cash inflow/(outflow) from investing activities	(33.637)	(41.949)
Net cash inflow/(outflow)	(1)	1.768

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

NOTE 5 - 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.

As of 31 December 2023, the details of short-term receivables and payables as follows:

	31 December 2023			
	Receivables		Payables	
	Short-term		Short-term	
Shareholders	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Muharrem Usta (*)	--	130.149	--	50
Adem Elbaşı	--	4.599	--	--
Other companies controlled by the shareholders				
A ve A Sağlık A.Ş. (2)	--	--	17.345	--
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	6	--	18.882	--
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	--	--	7.951	--
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	1	--	509	--
Saray Eczanesi	--	--	985	--
Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	--	--	13.782	--
Tokat Emar Sağlık Hiz. Ltd. Şti.	--	--	578	--
Özel Gebze Sentez Sağlık Hizmetleri Ve Tic. A.Ş.	--	--	--	7
Other	106	117	--	4
	113	**134.865**	**60.032**	**61**

(*) Non-trade receivables from Muharrem Usta is short term due date and interest charge from the current value of internal debt ratio of Group.

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

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

(3) Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. provides cleaning, catering and laundry services for the Group.

(4) Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. provides cleaning and catering services for the Group.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

	31 December 2022			
	Receivables		Payables	
	Short-term		Short-term	
Shareholders	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Muharrem Usta (*)	--	122.102	--	82
Adem Elbaşı	--	4.271	--	--
Other companies controlled by the shareholders				
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	10	--	37.540	--
A ve A Sağlık A.Ş. (2)	--	--	35.172	--
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	--	--	5.426	--
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	--	839	--
Saray Eczanesi	--	--	1.214	--
Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	--	--	9.644	--
Mp Sağlık ve Tic. A.Ş.	--	--	--	1.208
Tokat Emar Sağlık Hiz. Ltd. Şti.	--	--	845	--
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	--	--	227	--
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	--	--	12	--
Sanport Gayrimenkul Geliştirme İnş.ve Tic. A.Ş	--	--	--	--
Atk Sağlık Hizmetleri ve Danışmanlık A.Ş.	--	--	963	--
Other	74	234	--	6
	86	**126.607**	**91.882**	**1.296**

(*) Non-trade receivables from Muharrem Usta is short term due date and interest charge from the current value of internal debt ratio of Group.

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

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

(3) Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. provides cleaning, catering and laundry services for the Group.

(4) Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. provides cleaning and catering services for the Group.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

Advances given to related parties and Prepaid expenses	31 December 2023	31 December 2022
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	13.850	22.821
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	--	1.651
Sanport Gayrimenkul Geliştirme İnş.Ve Tic. A.Ş	279	459
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	--	126
	14.129	**25.057**

Fixed asset advances given to related parties	31 December 2023	31 December 2022
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	992.760	606.710
	992.760	**606.710**

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

Related parties (sale and leaseback transactions)	31 December 2023	31 December 2022
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (peşin ödenmiş giderler kalemi içerisinde)	367	653
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (uzun dönem peşin ödenmiş giderler kalemi içerisinde)	33	605
	400	**1.258**

Lease liabilities from related parties

	31 December 2023		31 December 2022	
Lease liabilities from related parties	**Short-term**	**Long-term**	**Short-term**	**Long-term**
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş	102.120	--	97.653	--
Fom Grup Mimarlık İnşaat Ve Tic. A.Ş.	29.047	102.375	25.167	132.169
Atakum Özel Sağlik Hizmetleri İnş.Turizm ve San. Tic. A.Ş.	8.397	237.772	40.822	78.878
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	8.284	--	7.922	--
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	5.864	--	4.849	--
	153.712	**340.147**	**176.413**	**211.047**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

Purchases from related parties	1 January-31 December 2023	1 January-31 December 2022
A ve A Sağlık A.Ş. (1)	49.751	105.344
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2)	46.852	239.857
	96.603	**345.201**

(1) Cleaning material purchase
(2) Building rent expense

Operating expenses (including purchase of services)	1 January-31 December 2023	1 January-31 December 2022
Sanport Gayrimenkul Geliştirme İnş. ve Tic.A.Ş (1)(7)	234.160	207.249
Samsunpark Özel Sağ. Tıbbi Malz. İnş. Tur. Tem. Tic. A.Ş. (4)	89.344	74.262
Atakum Özel Sağlik Hiz. İnş. Turizm ve San. Tic. A.Ş. (1)(7)	52.933	35.901
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş. (1)(7)	6.633	23.462
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş. (1)(7)	--	21.413
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	33.897	22.998
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	42.669	36.244
Mp Sağlık ve Tic.A.Ş. (1)(7)	--	42.015
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	11.553	--
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1)(7)	10.074	10.636
Miniso Mağazacılık A.Ş.	--	1.196
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (5)	6.965	4.405
Saray Eczanesi (6)	4.859	5.168
Özdenler Sağ. Hiz. Dan. Turz. Gıd. San. Tic. Ltd. Şti. (2)	1.907	2.191
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş. (3)	--	492
	494.994	**487.632**

(1) Hospital rent expenses
(2) Doctor expenses
(3) Stationary and consumable expenses
(4) Cleaning, catering and laundry services
(5) Medical equipment rent expenses
(6) Pharmacological product expenses
(7) Evaluated within the scope of TFRS 16 and represents the rent expenses paid in the related period.

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NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

Sales to related parties	**1 January-31 December 2023**	**1 January-31 December 2022**
A ve A Sağlık A.Ş. (1)	660	6.001
Cotyora Med.Özel Sağ.Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	531	421
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turizm. Tem. Tic. A.Ş.	1.330	1.157
Miniso Mağazacılık A.Ş.	--	365
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	230	64
Adem Elbaşı	1.742	950
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	466	300
Samsunpark Özel Sağlık Hiz.İş Sağlığı ve Güvenlik. Dan. Eğitim. Müh.Tic.Ltd. Şti.	6	--
	4.965	**9.270**

(1) Outsourcing laboratory services

Interest Income from Related Parties	**1 January-31 December 2023**	**1 January-31 December 2022**
Muharrem Usta	49.204	32.001
	49.204	**32.001**

<u>Compensation of key management personnel:</u>

Key management personnel comprise general managers, deputy general managers and chief physicians of hospitals and head office management team. Remuneration to key management personnel include benefits such as wages, premiums, health insurances and transport. The remuneration of key management during the year were as follows:

	1 January-31 December 2023	**1 January-31 December 2022**
Salaries and other short term benefits	103.313	77.494
	103.313	**77.494**

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2023	**31 December 2022**
Cash on hand	23.621	13.760
Cash at banks	2.780.898	1.235.517
- Demand deposit	*703.346*	*160.771*
- Time deposit	*2.077.552*	*1.074.746*
Other cash equivalents (*)	7.854	12.684
	2.812.373	**1.261.961**

As of 31 December 2023, the interest rates of the Group's time deposits in TL are respectively 10%-46%. (As of December 31, 2022, the effective interest rates for the Group's time deposits denominated in Turkish Lira, US Dollar, and Euro are respectively 9%-17%, 0.15%-0.20%, and 0.15%, and are short-term, less than 3 months).

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

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NOTE 7 - FINANCIAL INSTRUMENTS

Financial Assets

	31 December 2023	31 December 2022
Time Deposits (*)	--	352.909
	--	**352.909**

(*) Currency Protected TL Time Deposit Account is a deposit product that offers foreign exchange protection in case the USD exchange rate in TL increases more than the interest rate at the end of the term. Currency protected deposit accounts are accounted for as financial assets at fair value through profit or loss. The Group has currency hedged deposit financial assets amounting to TL 152,833 with an interest rate of 15% and TL 200,076 with an interest rate of 17% maturing on 1 January 2023 and 13 February 2023, respectively. There are no currency protected deposits as of 31 December 2023.

Financial Liabilities

Bank Loans and Bonds

	31 December 2023	31 December 2022
Short-term bank borrowings	666.870	418.098
Short-term bonds issued	1.500.000	1.103.979
Current portion of long term borrowings	173.615	692.844
Current portion of long-term bank loans	173.615	692.844
Interest expense accruals	326.510	104.988
	2.666.995	**2.319.909**
Long-term bank loans	72.954	401.122
Long-term bonds issued	1.000.000	--
	1.072.954	**401.122**
Total borrowings	**3.739.949**	**2.721.031**

The Group issued sukuk totaling 500,000 TL with a maturity of 6 months on July 14, 2023, to be sold to qualified investors. The principal repayment will be made on the maturity date of January 9, 2024, with an interest rate of 41%.

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

The Group issued sukuk totaling 1,000,000 TL with a maturity of 18 months on December 12, 2023, to be sold to qualified investors. The principal repayment will be made on the maturity date of June 12, 2025, with an interest rate of 50%.

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NOTE 7 - FINANCIAL INSTRUMENTS (Continued)

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

31 December 2023

Currency Type	Weighted average effective interest rate	Current	Non-current	Total
TL	47,50%	1.502.106	1.000.000	2.502.106
TL	TLRef+4,+ 13,55%- TRLibor+4%-5,80%	1.164.889	72.954	1.237.843
		2.666.995	**1.072.954**	**3.739.949**

31 December 2022

Currency Type	Weighted average effective interest rate	Current	Non-current	Total
TL	25,40%	1.492.602	3.470	1.496.072
TL	TLRef+4- TRLibor+%3,50- %4,00-%4,50-%5,80	827.307	397.652	1.224.959
		2.319.909	**401.122**	**2.721.031**

As of 31 December 2023, the Group does not have any cash blocked accounts for the loans used (31 December 2022: None).

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

	31 December 2023	31 December 2022
Interest expense accruals	326.510	104.988
To be paid within 1 year (*)	2.340.485	2.214.922
To be paid between 1-2 years (**)	1.072.954	279.312
To be paid between 2-3 years	--	121.809
	3.739.949	**2.721.031**

(*) TL 670,000 of the loans to be paid within one year consists of revolving loans and TL 1,500,000 part consists of bond and sukuk payments which will be redeemed within 1 year.

(**) TL 1,000,000 part of the loans consists of bond payments which will be redeemed between 1-2 years.

Provisions of the bank loan agreement

A syndicate loan agreement was signed on 31 December 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. Regarding the loan, lien on the 25% of the Group's non-public shares have been removed. The Company's shares in companies that are subsidiaries of the Group, and the commercial enterprise lien on all fixed assets owned by the Company and the Group's bank account lien continue. In addition, the Group's receivables arising from medical tourism contracts and insurance policies have also been assigned.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 7 - FINANCIAL INSTRUMENTS (Continued)

The syndicated loan also includes certain financial covenants mentioned below;

Debt Service Coverage Ratio ("DSCR") cannot fall below 1.1 during the contract period (2016-2024). The BSCR is tested every six months starting from 31 December 2016.

Net debt to EBITDA Ratio cannot be above x3.5 for the year ended 31 December 2017 and for the six months period ended June 30, 2018, x3.0 for the year ended 31 December 2018 and for the six months period ended 30 June 2019, x2.5 for the year ended 31 December 2019 and for the six months period ended 30 June 2020 and x2.5 for the remaining period of the syndicate loan. As of 31 December 2023, the Group has fulfilled the rates in the contract provisions stated above.

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Reconciliation of obligations arising from financing activities as of 1 January - 31 December 2023 and 1 January - 31 December 2022:

	1 January 2023	Financing cash flows(net)	Foreign exchange effect (Note 22)	Disposal of subsdiary	Other (*)	Inflation effect	31 December 2023
Bank Loans	2.721.031	2.088.567	--	--	--	(1.069.649)	3.739.949
Finance lease obligations	191.058	(73.889)	16.168	--	--	(78.968)	54.369
Lease liabilities	2.084.761	(718.551)	73.806	--	1.658.523	(837.163)	2.261.376
	4.996.850	**1.296.127**	**89.974**	**--**	**1.658.523**	**(1.985.780)**	**6.055.694**

	1 January 2022	Financing cash flows(net)	Foreign exchange effect (Note 22)	Disposal of subsdiary	Other (*)	Inflation effect	31 December 2022
Bank Loans	4.400.585	42.151	--	--	--	(1.721.705)	2.721.031
Finance lease obligations	624.052	(239.712)	61.387	--	--	(254.669)	191.058
Lease liabilities	2.416.534	(642.623)	53.431	(92.251)	1.304.278	(954.608)	2.084.761
	7.441.171	**(840.184)**	**114.818**	**(92.251)**	**1.304.278**	**(2.930.982)**	**4.996.850**

(*) It arises from the addition of new building contracts in some lease obligations within the scope of TFRS 16, the effect of remeasurement of discounted lease obligations and business combination arising from changes in lease payments realized during the period and interest expenses.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 7 - FINANCIAL INSTRUMENTS (Continued)

Lease Liabilities:

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

	Minimum Lease Payments		Present value of minimum lease payments	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Within one year	56.032	163.234	39.451	126.320
In the second to fifth years inclusive	10.455	70.363	14.918	64.738
	66.487	**233.597**	**54.369**	**191.058**
Less: Future finance charge	(12.118)	(42.539)	--	--
Present value of finance lease obligations	**54.369**	**191.058**	**54.369**	**191.058**

Finance leases mainly include equipment with lease term of 7 years. The ownership of the leased items will be transferred to the Group by the end of the lease term. Interest rates on financial lease transactions at the contractual date were fixed during the lease term. The contractual effective interest rate TL is 19.17% (2022: 19.17%,). The contractual effective interest rate EUR is 6.36% (2022: 6.36%). The contractual effective interest rate USD is 5.25% (2022: 5.25%).

There is no amount in short-term finance lease payables that comprise hospital equipments and devices leased from third parties which are not financial institutions (31 December 2022: None).

Lease Liabilities:

	31 December 2023	31 December 2022
Within one year	355.985	266.395
More than one year	1.905.391	1.818.366
	2.261.376	**2.084.761**

When measuring lease payables, the Group discounted the lease payments using the alternative borrowing rate on 1 January 2019. The average lessee's incremental borrowing rate applied to the TL lease liabilities is 28.50%, 22.25% and EUR lease liabilities is 16.07% on 1 January 2019.

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Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES

Trade Receivables

Current trade receivables	31 December 2023	31 December 2022
Trade receivables	2.738.473	2.258.602
Notes receivables	916	68.175
Trade receivables from related parties (Note 5)	113	86
Income accruals from continuing treatments	1.001.828	817.827
Other trade income accruals	56.501	63.719
Allowance for doubtful receivables (-)	(140.633)	(198.515)
	3.657.198	**3.009.894**

Non-current trade receivables	31 December 2023	31 December 2022
Income accruals	1.053	1.735
	1.053	**1.735**

Trade receivables due from the SSI constitute 46% (31 December 2022: 54%) and receivables due from foreign patients constitute 3,8% (31 December 2022: 4.4%) of total trade receivables.

The Group has trade receivables arising from health services given to foreign patients amounting to TL 104,617 as at 31 December 2023. 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.

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

As of 31 December 2023, trade receivables of an initial value of TL 140,633 (31 December 2022: TL 198,515) were fully impaired and fully provided for. No collaterals are received in relation to these trade receivables.

Movement of allowance for doubtful receivables	1 January-31 December 2023	1 January-31 December 2022
Opening balance	198.515	339.165
Charge for the period (Note 21)	15.528	5.554
Collections	(473)	(923)
Inflation effect	(72.937)	(133.788)
Disposal of subsidiary	--	(11.493)
Ending balance	**140.633**	**198.515**

The average maturity of trade receivables and notes receivables is 68 days (31 December 2022: 50 days).

Explanations for the nature and level of risks in trade receivables are given in Note 27.

Trade Payables

Current trade payables	31 December 2023	31 December 2022
Trade payables	3.011.369	2.818.400
Trade payables due to related parties (Note 5)	60.032	91.882
Other expense accruals	996.438	1.036.038
Other trade payables	14.382	4.862
	4.082.221	**3.951.182**

The average maturity of trade payables and notes payable is 125 days (31 December 2022: 153 days).

Explanations for the nature and level of risks in trade payables are given in Note 27.

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Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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NOTE 9 -OTHER RECEIVABLES AND PAYABLES

Other Receivables

Other current receivables	31 December 2023	31 December 2022
Receivables from tax office	50.757	39.796
Non-trading receivables due from related parties (Note 5)	134.865	126.607
Deposits given	21	13.635
Other miscellaneous receivables	27.338	23.658
	212.981	**203.696**

Other non-current receivables	31 December 2023	31 December 2022
Deposits and guarantess given	222.539	4.050
	222.539	**4.050**

Other Payables

Other current payables	31 December 2023	31 December 2022
Other taxes and funds payable	128.111	102.225
Payables relating to business combinations (*)	48.259	77.104
Non-trading payables due to related parties (Note 5)	61	1.296
Other miscellaneous payables	8.551	3.882
	184.982	**184.507**

Other non-current payables	31 December 2023	31 December 2022
Payables relating to business combinations (*)	272.231	484.576
	272.231	**484.576**

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

NOTE 10 – INVENTORIES

	31 December 2023	31 December 2022
Medical consumables inventory	864.105	891.310
Pharmaceutical inventory	212.098	246.921
Laboratory inventory	--	35.374
Other inventories	393	189
	1.076.596	**1.173.794**

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NOTE 11 - PREPAID EXPENSES AND DEFERRED INCOME

Prepaid Expenses

Short term prepaid expenses	31 December 2023	31 December 2022
Advances given	369.663	564.033
Prepaid insurance expenses	80.132	66.522
Prepaid rent expenses	10.554	479
Prepaid sponsorship expenses	2.242	2.984
Other	29.057	30.358
	491.648	**664.376**

Long term prepaid expenses	31 December 2023	31 December 2022
Fixed asset advances given	2.317.115	1.809.697
Prepaid rent expenses	55	1.040
Other	5.694	7.395
	2.322.864	**1.818.132**

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

Deferred Income

Short term accrued income	31 December 2023	31 December 2022
Advances received (*)	808.762	561.176
Deferred revenue	48.382	76.996
	857.144	**638.172**

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

Long term accrued income	31 December 2023	31 December 2022
Deferred revenue	33.681	113.024
	33.681	**113.024**

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NOTE 12 - PROPERTY, PLANT, EQUIPMENT AND OTHER INTANGIBLE ASSETS

	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixtures	Leased assets	Leasehold improvements	Construction in progress	Total
Cost									
Opening balance as of 1 January 2023	--	9.665	5.254.230	15.168	1.634.456	3.629.476	5.218.762	133.812	15.895.569
Additions	144.611	--	414.456	732	284.924	--	356.527	70.971	1.272.221
Disposals	--	--	(30.316)	(36)	(11.330)	(7.881)	(1.481)	(5.626)	(56.670)
Transfers	--	--	170.250	--	100.151	(136.168)	(421)	(133.812)	--
Closing balance as of 31 December 2023	**144.611**	**9.665**	**5.808.620**	**15.864**	**2.008.201**	**3.485.427**	**5.573.387**	**65.345**	**17.111.120**
Accumulated depreciations									
Opening balance as of 1 January 2023	--	(3.152)	(4.023.083)	(14.184)	(1.663.882)	(3.328.682)	(3.352.615)	--	(12.385.598)
Charge for the period (*)	--	(182)	(355.739)	(379)	(131.201)	(83.864)	(334.641)	--	(906.006)
Disposals	--	--	26.761	36	10.713	7.881	933	--	46.324
Closing balance as of 31 December 2023	**--**	**(3.334)**	**(4.352.061)**	**(14.527)**	**(1.784.370)**	**(3.404.665)**	**(3.686.323)**	**--**	**(13.245.280)**
Carrying value as of 31 December 2023	**144.611**	**6.331**	**1.456.559**	**1.337**	**223.831**	**80.762**	**1.887.064**	**65.345**	**3.865.840**

(*) For the period ended 1 January - 31 December 2023, depreciation and amortisation expense amounting to TL 844,070 (1 January - 31 December 2022: TL 783,971) is included in cost of goods sold and TL 127,079 (1 January - 31 December 2022: TL 114,572) is included in marketing and general administrative expenses.

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NOTE 12 - PROPERTY, PLANT, EQUIPMENT AND OTHER INTANGIBLE ASSETS (Continued)

	Land	Buildings	Machinery and equipments	Vehicles	Furniture and fixtures	Leased assets	Leasehold improvements	Construction in progress	Total
Cost									
Opening balance as of 1 January 2022	--	9.665	5.086.100	15.374	1.514.009	3.763.327	4.849.850	239.732	15.478.057
Additions	--	--	173.185	486	281.526	--	372.215	164.943	992.355
Disposals	--	--	(30.722)	(801)	(68.375)	(102)	(3.394)	(31.131)	(134.525)
Disposal of associate	--	--	(145.229)	--	(156.863)	(138.226)	--	--	(440.318)
Transfers	--	--	130.896	109	104.159	4.477	91	(239.732)	--
Closing balance as of 31 December 2022	**--**	**9.665**	**5.214.230**	**15.168**	**1.674.456**	**3.629.476**	**5.218.762**	**133.812**	**15.895.569**
Accumulated depreciations									
Opening balance as of 1 January 2022	--	(2.970)	(3.846.544)	(14.571)	(1.631.392)	(3.312.755)	(3.031.809)	--	(11.840.041)
Charge for the period (*)	--	(182)	(302.093)	(277)	(116.291)	(101.679)	(323.620)	--	(844.142)
Disposals	--	--	17.930	664	6.012	101	2.814	--	27.521
Disposal of associate	--	--	107.624	--	77.789	85.651	--	--	271.064
Closing balance as of 31 December 2022	**--**	**(3.152)**	**(4.023.083)**	**(14.184)**	**(1.663.882)**	**(3.328.682)**	**(3.352.615)**	**--**	**(12.385.598)**
Carrying value as of 31 December 2022	**--**	**6.513**	**1.191.147**	**984**	**10.574**	**300.794**	**1.866.147**	**133.812**	**3.509.971**

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NOTE 12 - PROPERTY, PLANT, EQUIPMENT AND OTHER INTANGIBLE ASSETS (Continued)

	Licenses (*)	Rights	Other	Total
Cost				
Opening balance as of 1 January 2023	3.677.848	1.122.819	--	4.800.667
Additions	--	99.424	--	99.424
Disposals	--	(1.477)	--	(1.477)
Closing balance as of 31 December 2023	**3.677.848**	**1.220.766**	**--**	**4.898.614**
Accumulated amortization				
Opening balance as of 1 January 2023	--	(854.631)	--	(854.631)
Charge for the period	--	(65.143)	--	(65.143)
Disposals	--	1.474	--	1.474
Closing balance as of 31 December 2023	**--**	**(918.300)**	**--**	**(918.300)**
Carrying value as of 31 December 2023	**3.677.848**	**302.466**	**--**	**3.980.314**

	Licenses (*)	Rights	Other	Total
Cost				
Opening balance as of 1 January 2022	3.634.956	928.464	308	4.563.728
Disposal of associate	(560.832)	(2.432)	--	(563.264)
Additions	--	199.442	--	199.442
Acquired through business combination (Note 29)	603.724	--	--	603.724
Disposals	--	(2.655)	(308)	(2.963)
Closing balance as of 31 December 2022	**3.677.848**	**1.122.819**	**--**	**4.800.667**
Accumulated amortization				
Opening balance as of 1 January 2022	--	(804.476)	(308)	(804.784)
Disposal of associate	--	1.809	--	1.809
Charge for the period	--	(54.401)	--	(54.401)
Disposals	--	2.437	308	2.745
Closing balance as of 31 December 2022	**--**	**(854.631)**	**--**	**(854.631)**
Carrying value as of 31 December 2022	**3.677.848**	**268.188**	**--**	**3.946.036**

(*) The projection period for the purposes of impairment testing was taken as 5 years between 2024 -2028 and a discount rate of 63%, 43%, 30%, 25%, 25%. Estimated cash flows beyond the five-year period are calculated 15% growth rate and existing profitability is estimated to be maintained. Management believes that an 15% per annum growth rate is reasonable since there will be no capacity increase over the projection period and this growth rate is considered to be mostly inflationary. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the hospitals to exceed its recoverable amount. If the estimated discount rate and growth rate in original assumption, used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate, fair value of hospital licences is respectively 10% and 12% below of calculated fair value of these asset and no provision is needed for impairment.

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NOTE 13 - RIGHT OF USE ASSETS

	Hospital Buildings	Total
Cost		
1 January 2023	4.485.867	4.485.867
Additions	3.326.720	3.326.720
Charge of the period	(571.138)	(571.138)
31 December 2023	**7.241.449**	**7.241.449**

	Hospital Buildings	Total
Cost		
1 January 2022	2.962.399	2.962.399
Additions	1.978.900	1.978.900
Charge of the period	(363.181)	(363.181)
Disposal of associate	(92.251)	(92.251)
31 December 2022	**4.485.867**	**4.485.867**

(*) For the period ended 31 December 2023, depreciation and amortisation expenses of right-of-use assets amounting to TL 560,517 (1 January-31 December 2022: TL 356,427) is included in cost of sales and TL 10,621 (1 January-31 December 2022: TL 6,754) is included in marketing and general administrative expenses.

NOTE 14 – GOODWILL

	Date of acquisition	31 December 2023	31 December 2022
Saray Hospital	2005	298.616	298.616
Yükseliş Hospital	2006	154.414	154.414
Elazığ Hospital	2007	46.046	46.046
Tokat Hospital	2007	10.841	10.841
Acarkent Hospital	2011	2.362	2.362
		512.279	**512.279**

The Group Management regards each hospital as a single cash generating unit for the purpose of determining fair value less costs of disposal for impairment testing. In assessing value in use, the estimated future cash flows, which are based on financial budgets approved by the directors covering a five year period, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Fair value calculations include TRY based after-tax cash flow projections based on financial budgets approved by Group Management covering five-year period. Estimated cash flows beyond the five-year period are calculated by taking into account of the growth rates that stated below on a hospital basis and it is foreseen that the current profitability structure will be preserved. During the financial year, the Group assessed the recoverable amount of goodwill, and determined that there was no impairment.

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NOTE 14 - GOODWILL (Continued)

The key assumptions used in the value in use calculations for above hospitals are as follows;

Yükseliş and Acarkent Hospitals:

The projection period for the purposes of impairment testing was taken as 5 years between 2024-2028 and a discount rate of 63%, 43%, 30%, 25%, 25%. Estimated cash flows beyond the five-year period are calculated 15% growth rate and existing profitability is estimated to be maintained. Management believes that an 15% per annum growth rate is reasonable since there will be no capacity increase over the projection period and this growth rate is considered to be mostly inflationary. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the hospitals to exceed its recoverable amount. If the estimated discount rate and growth rate in original assumption, used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate, fair value of hospital licences is respectively 10% and 12% below of calculated fair value of these asset and no provision is needed for impairment.

Saray Hospital:

The projection period for the purposes of impairment testing was taken as 5 years between 2024-2028 and a discount rate of 63%, 43%, 30%, 25%, 25%. Estimated cash flows beyond the five-year period are calculated 15% growth rate and existing profitability is estimated to be maintained. Management believes that an 15% per annum growth rate is reasonable since there will be no capacity increase over the projection period and this growth rate is considered to be mostly inflationary. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the hospitals to exceed its recoverable amount. If the estimated discount rate and growth rate in original assumption, used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate, fair value of hospital licences is respectively 10% and 12% below of calculated fair value of these asset and no provision is needed for impairment.

Tokat Hospital:

The projection period for the purposes of impairment testing was taken as 5 years between 2024-2028 and a discount rate of 63%, 43%, 30%, 25%, 25%. Estimated cash flows beyond the five-year period are calculated 15% growth rate and existing profitability is estimated to be maintained. Management believes that an 15% per annum growth rate is reasonable since there will be no capacity increase over the projection period and this growth rate is considered to be mostly inflationary. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the hospitals to exceed its recoverable amount. If the estimated discount rate and growth rate in original assumption, used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate, fair value of hospital licences is respectively 10% and 12% below of calculated fair value of these asset and no provision is needed for impairment.

Kocaeli Hospital:

The projection period for the purposes of impairment testing was taken as 5 years between 2024-2028 and a discount rate of 63%, 43%, 30%, 25%, 25%. Estimated cash flows beyond the five-year period are calculated 15% growth rate and existing profitability is estimated to be maintained. Management believes that an 15% per annum growth rate is reasonable since there will be no capacity increase over the projection period and this growth rate is considered to be mostly inflationary. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount of the hospitals to exceed its recoverable amount. If the estimated discount rate and growth rate in original assumption, used for the calculation of discounted cash flows had been 1% higher/lower than the management's estimate, fair value of hospital licences is respectively 10% and 12% below of calculated fair value of these asset and no provision is needed for impairment.

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NOTE 15 - PAYABLES FOR EMPLOYEE BENEFITS

Payables for employment benefits:

	31 December 2023	31 December 2022
Fees payable to doctors and other personnel	206.356	183.368
Social security premiums payable	139.539	89.310
	345.895	**272.678**

Short-term provision for employment benefits:

	31 December 2023	31 December 2022
Unused vacation provision	78.409	56.715
	78.409	**56.715**

Long-term provision for employment benefits:

	31 December 2023	31 December 2022
Unused vacation provision	51.080	33.357
Retirement pay provision	61.743	67.850
	112.823	**101.207**

Provision for employment termination benefits:

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed 25 years of service and whose employment is terminated without due cause, is called up for military service, dies or achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 35,058.58 for each period of service as of 31 December 2023 (2022: TL 15,371.40)

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. TAS 19 requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

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NOTE 15 - PAYABLES FOR EMPLOYEE BENEFITS (Continued)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual salary inflation rate of 13% and a discount rate of 22,68%, resulting in a real discount rate of approximately 8.57% (31 December 2022: 8.57%). The employment termination benefit that will not be paid and that will stay on the Company for those employees who leave voluntarily is estimated to be 10% (2022: 10%). The basis considered in calculating the provisions is the amount of maximum liability of TL 35,058.58 which became effective as of 1 January 2024 (1 January 2023: TL 19,982.83).

- If the discount rate is 1% higher, the severance pay liability will be TL 3,058 less. If the discount rate is 1% lower, the severance pay liability will be TL 2,644 more.
- Leaving the other assumptions the same if the probability of leaving the job voluntarily is 1% lower, the severance pay liability will be TL 3,115 more. Leaving the other assumptions the same if the probability of leaving the job voluntarily is 1% higher, the severance pay liability will be TL 3,667 less.

Movement of provision for employment termination benefit as of 31 December 2023 and 2022 is as follows:

Movement of retirement pay provision:	**1 January-31 December 2023**	**1 January-31 December 2022**
Opening balance	67.850	67.208
Actuarial (gain)/loss	(78.959)	24.575
Service cost	6.078	21.328
Interest cost	6.652	6.344
Termination benefits paid	(77.500)	(26.311)
Inflation effect	137.622	(20.095)
Disposal of associate	--	(5.199)
Closing balance	**61.743**	**67.850**

NOTE 16 - OTHER CURRENT ASSETS

Other current assets:

	31 December 2023	**31 December 2022**
VAT carried forward	197.545	232.509
Other miscellaneous current assets	11.204	65.422
	208.749	**297.931**

NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short-term provisions:

	31 December 2023	**31 December 2022**
Litigation provisions	30.587	50.257
Social Security discounts provisions	16.470	17.738
	47.057	**67.995**

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NOTE 17 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Movement of provision for litigation as of 31 December 2023 and 2022 is as follows:

Movement of litigation provision:	1 January-31 December 2023	1 January-31 December 2022
Opening balances	50.257	69.062
Charge for the period (Note 21)	40.213	45.568
Payment regarding cases	(40.126)	(33.833)
Inflation effect	(19.757)	(27.020)
Disposal of associate	--	(3.520)
Closing balance	**30.587**	**50.257**

NOTE 18 - COMMITMENTS

31 December 2023	Total TRY Equivalent	TL	USD	EUR
A.CPM given on behalf of its own legal entity				
- Collateral	538.904	431.472	156	3.157
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	--	--	--	--
- Collateral	143.042	143.042	--	--
- 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	**681.946**	**574.514**	**156**	**3.157**

(*) The Group has given guarantees amounting to TL 83,206 related to the loans in Note 5 for the companies under full consolidation.

Commitments mostly comprise guarantee letters obtained from banks to be able to participate in state tenders, courts and to be given to suppliers.

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NOTE 18 - COMMITMENTS (Continued)

31 December 2022	Total TRY Equivalent	TL	USD	EUR
A.CPM given on behalf of its own legal entity				
- Collateral	564.611	554.877	156	150
- Pledge	--	--	--	--
- Mortgage	--	--	--	--
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	--	--	--	--
- Collateral	113.162	113.162	--	--
- 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	**677.773**	**668.039**	**156**	**150**

(*) The Group has given guarantees amounting to TL 61.727 related to the loans in Note 5 for the companies under full consolidation.

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

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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NOTE 19 - SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Shareholders	%	31 December 2023	%	31 December 2022
Lightyear Healthcare B.V.	34,67%	72.131	34,67%	72.131
Sancak İnşaat Turizm Nakliyat ve Dış Tic.A.Ş.	15,35%	31.943	15,35%	31.943
Muharrem Usta	8,98%	18.678	8,98%	18.678
Adem Elbaşı	2,99%	6.226	2,99%	6.226
İzzet Usta	1,20%	2.490	1,20%	2.490
Saliha Usta	0,90%	1.868	0,90%	1.868
Nurgül Dürüstkan Elbaşı	0,90%	1.868	0,90%	1.868
Publicly Traded (**)	35,01%	72.833	35,01%	72.833
	100%	**208.037**	**100%**	**208.037**
Capital adjustment differences		2.129.483		2.129.483
Share capital		**2.337.520**		**2.337.520**

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

(**) 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 ("Lightyear Healthcare B.V." and "Hujori Financieringen B.V."), 1,613 thousand shares representing 2.21% of the publicly traded portion of the capital were purchased by Sancak Yatırım, 943 thousand shares representing 1.29% of the publicly traded portion of the capital were purchased by Muharrem Usta, 418 thousand shares representing 0.57% of the publicly traded portion of the capital were purchased by Hujori, 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 Yatırım from the publicly traded portion were sold on 24 September 2018. 126 thousand shares purchased by İzzet Usta and 18 thousand shares purchased by Adem Elbaşı from the publicly traded portion were sold.

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

The share capital is divided into 208,037 thousand shares (31 December 2022: 208,037 thousand shares), with 88,229 thousand A type shares and 119,808 thousand B type shares.

In accordance with the Principle Decision No. 21/655 dated 23 July 2010, as amended by the CMB's Principle Decision No. 31/1059 dated 30 October 2014, it is regarded that 33.16% of the shares are in circulaton in accordance with CSD as of 31 December 2022 (Note 1). Shares in circulation rate is 33.16% as of 1 January 2024.

Share Premium

	31 December 2023	31 December 2022
Share premium	2.645.882	2.645.882
	2.645.882	**2.645.882**

On 7 February 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, TL 600,000 was generated to the Group. After the IPO related expenses amounting to TL 12,259 that were deducted from proceeds, out of amounting TL 587,741, share capital increase was made with the amount of TL 31,579 and the remaining amount was used in the share premium increase by TL 556,162. Share premiums represents the difference between the nominal amount and the sales amount of the publicly offered shares.

The related amount became 2,645,882 TL after applying inflation accounting.

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NOTE 19 - SHARE CAPITAL / OTHER RESERVES (Continued)

Reserves:

	31 December 2023	31 December 2022
Legal reserves	3.738	2.798
Restricted reserves appropriated from profit	61.773	61.773
	65.511	**64.571**

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.

Treasury shares

Treasury share procedures have been initiated and pursuant to the decision of the Board of Directors of the Company on 19 December 2023 for Company to continue to the share buyback program. Within the scope of the decision, the shares with a nominal value of TL 17,025, corresponding to 8.18% of the Company's capital, has been bought back at the amount of TL 1,275,247 including transaction costs as of 31 December 2023. As of the report date, there are no treasury shares that have been sold.

Additional Information for Capital, Legal Reserves and Other Equity Items

A comparison of the Group's equity items restated for inflation in the consolidated financial statements as of 31 December 2023 and the restated amounts in the financial statements prepared in accordance with statutory accounting are as follows:

31 December 2023	Inflation adjusted amounts in the financial statements prepared in accordance with statutory accounting	Inflation adjusted amounts in the financial statements prepared in accordance with TAS/TFRS	Differences recognized in retained earnings
Share Capital Adjustment Differences	3.489.772	2.129.483	1.360.289
Share premium	4.941.840	2.645.882	2.295.958
Restricted Reserves Appropriated from Profit	87.432	65.511	21.921

NOTE 20 - REVENUE AND COST OF SERVICES

Revenue	1 January-31 December 2023	1 January-31 December 2022
Hospital services (*)	22.449.345	18.902.871
	22.449.345	**18.902.871**

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

Cost of services	1 January-31 December 2023	1 January-31 December 2022
Doctor expenses	(5.276.758)	(4.017.817)
Personnel expenses	(3.441.131)	(2.441.315)
Material consumption	(3.098.306)	(3.386.621)
Depreciation and amortization expenses (Note 12,13)	(1.404.587)	(1.130.181)
Services rendered by third parties	(1.267.128)	(1.251.379)
Rent expenses	(138.784)	(200.421)
Other (*)	(1.392.268)	(1.587.801)
	(16.018.962)	**(14.015.535)**

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

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NOTE 21 - GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses	1 January-31 December 2023	1 January-31 December 2022
Personnel expenses	(940.846)	(650.566)
Sponsorship and advertising expenses (*)	(818.602)	(817.924)
Depreciation and amortization expenses (Note 12,13)	(137.700)	(131.543)
Outsourcing expenses	(73.830)	(86.212)
Lawsuit provision (Note 17)	(40.213)	(45.568)
Rent expenses	(31.410)	(26.331)
Communication expenses	(17.489)	(26.625)
Bad debt allowance (Note 8)	(15.528)	(5.554)
Maintenance expenses	(7.944)	(11.981)
Taxes and duties	(6.824)	(7.697)
Service expenses	(4.319)	(6.057)
Representation and entertainment expenses	(2.196)	(5.241)
Other	(92.040)	(48.152)
	(2.096.901)	**(1.821.299)**

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

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services rendered by the independent audit firms, which is based on the POA's letter dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021 are as follows:

	2023(*)	2022(*)
The independent audit fee for the reporting period	2.479	1.974
Fees for tax advisory services	--	--
Fee for other assurance services	145	172
Fees for services other than independent audit	--	--
	2.624	**2.146**

(*) The fees above have been determined by including the statutory audit and other related service fees for all subsidiaries and joint ventures.

NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other income from operating activities	1 January-31 December 2023	1 January-31 December 2022
Foreign exchange gains from operations	647.147	724.232
Trade payables discount	169.172	111
Other income	136.870	173.531
	953.189	**897.874**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 22 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (Continued)

Other expenses from operating activities	1 January-31 December 2023	1 January-31 December 2022
Foreign exchange losses from operations	(344.064)	(490.441)
Trade receivables discount	(85.964)	(4.617)
Non-operational hospital expenses	(56.369)	(35.317)
SSI return expenses	(29.118)	(67.714)
Other expenses	(307.431)	(342.522)
	(822.946)	**(940.611)**

NOTE 23 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investment activities	1 January-31 December 2023	1 January-31 December 2022
Exchange rate-protected time deposits	70.904	43.111
Income from sale in shares of associates	--	867.294
Income from business combinations	--	50.162
Gain on sale of fixed assets	7.225	39.372
	78.129	**999.939**

Expenses from investment activities	1 January-31 December 2023	1 January-31 December 2022
Loss on sale of fixed assets	(10.723)	(176.699)
	(10.723)	**(176.699)**

NOTE 24 - FINANCE EXPENSES

	1 January-31 December 2023	1 January-31 December 2022
Interest expenses from bonds issued	(714.561)	(249.396)
Interest expenses from lease liabilities (*)	(588.392)	(395.148)
Bank commissions	(223.903)	(117.046)
Interest expenses from bank borrowings	(175.929)	(393.310)
Other interest expenses	(146.637)	(97.465)
Interest expenses from financial lease obligations	(17.707)	(30.603)
Total interest expenses	**(1.867.129)**	**(1.282.968)**
Interest expenses from lease liabilities (*)	(73.806)	(53.431)
Net foreign exchange loss (Note 7)	(16.168)	(61.387)
Total financial expenses	**(1.957.103)**	**(1.397.786)**
Interest income	243.890	156.440
Finance expenses, net	**(1.713.213)**	**(1.241.346)**

(*) Consists of interest expense and foreign exchange loss related to the lease liabilities under TFRS 16.

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NOTE 25 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Short term payables due to current tax	31 December 2023	31 December 2022
Current period tax liabilities	228.825	84.158
	228.825	**84.158**

Current tax liabilities	31 December 2023	31 December 2022
Current corporate tax provision	537.422	101.578
Less: Prepaid taxes and funds	(308.597)	(17.420)
	228.825	**84.158**

Tax income/(expense)	1 January-31 December 2023	1 January-31 December 2022
Current tax expense	(534.583)	(106.007)
Deferred tax expense	(542.425)	216.887
	(1.077.008)	**110.880**

1 January-31 December 2023	Before tax amount	Tax benefit	Net of tax amount
Actuarial gains/(loss)	(78.959)	19.740	(59.219)
Other comprehensive income	(78.959)	19.740	(59.219)

1 January-31 December 2022	Before tax amount	Tax benefit	Net of tax amount
Actuarial gains/(loss)	24.575	(6.144)	18.431
Other comprehensive income	24.575	(6.144)	18.431

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NOTE 25 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Corporate Tax

The Group is subject to corporate tax applicable in Turkey. Estimated tax liabilities related to the current period's operating results have been provided for in the attached financial statements. Turkish tax legislation does not allow the parent company, which consolidates subsidiary financial statements, to submit tax returns based on consolidated financial statements. Therefore, the tax liabilities reflected in these consolidated financial statements have been separately calculated for all companies included in the consolidation scope.

Corporate income tax to be accrued on taxable corporate income is calculated based on the difference between deductible expenses in determining commercial profits and additions for non-deductible expenses, as well as deductions for tax-exempt gains, non-taxable income, and other deductions (such as previous year losses and investment deductions if preferred), calculated on the remaining basis.

In Turkey, the general corporate tax rate is 25%. However, according to Law No. 7316 published in the Official Gazette dated April 22, 2021, which makes amendments to the Law on the Procedure for the Collection of Public Receivables and Some Other Laws, as of July 1, 2023, the rate for corporate profits for the 2023 tax period, to be submitted from that date, will be applied at 25% (December 31, 2022: 23%).

The corporate tax rate is applied to the net corporate income determined by adding non-deductible expenses according to tax laws and deducting exemptions and deductions provided for in tax laws. Corporate tax is declared by the twenty-fifth evening of the fourth month following the end of the relevant year and is paid in a single installment by the end of the same month.

Companies calculate provisional tax at a rate of 25% on their quarterly financial profits and declare and pay it by the fourteenth day of the second month following that period, until the seventeenth evening. The provisional tax paid during the year is offset against the corporate tax to be calculated for the year to be filed, and if there is any remaining amount after offsetting, it can be refunded in cash or offset against any other financial liability to the state.

According to the Corporate Tax Law, declared financial losses shown on the tax return can be deducted from the corporate tax base for up to five years. Declarations and related accounting records can be audited by the tax office within five years, and tax calculations can be revised.

Deferred Tax

The Group accounts for deferred tax assets and liabilities arising from temporary timing differences resulting from differences between tax-based statutory financial statements and financial statements prepared in accordance with IFRS. These differences typically stem from certain income and expense items appearing in different periods in tax-based financial statements compared to those prepared under IFRS, and are detailed below. The tax rate used in calculating deferred tax assets and liabilities is 25% based on temporary timing differences expected to reverse in 2023 (2022: 23%), and 25% based on temporary timing differences expected to reverse after 2023 (2022: 23%). Due to the inability of businesses in Turkey to declare consolidated tax refunds, deferred tax assets of subsidiaries are not offset against deferred tax liabilities of subsidiaries and are shown separately.
The Group has revalued its properties and their related depreciations as of December 31, 2023, in accordance with the General Communiqué on Tax Procedure Law (Serial No: 530) issued by the Ministry of Treasury and Finance. However, it continues to account for them using the cost method in its IFRS financial statements. The Group has calculated the deferred tax asset/liability based on the temporary difference between the Tax Procedure Law (VUK) and IFRS financial statements using the updated VUK values resulting from revaluation, and has recognized the deferred tax income of 217,487 TL resulting from this practice in the income statement as a one-time effect, to the extent it is considered recoverable.

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

NOTE 25 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Investment Incentive Certificate

The Group holds various investment incentive certificates signed by the Ministry of Economy of the Republic of Turkey and approved by the Directorate General of Incentive Implementation and Foreign Capital. With these incentive certificates, the Group is entitled to a corporate tax reduction rate ranging from 40% to 80% with unlimited duration, corresponding to a total deferred tax asset of 266,296 TL (December 31, 2022: 193,864 TL). The relevant deferred tax assets are calculated as 15% to 40% of the total incentive contribution amount arising from the respective investment incentive certificates. Additionally, the Group has qualified for employer's share of social security premium support from the Ministry of Economy of the Republic of Turkey for hospitals that have completed investments from scratch.

As of December 31, 2023, the Group has accumulated tax losses amounting to 70,400 TL (December 31, 2022: 59,902 TL). A deferred tax asset of 17,600 TL related to these losses has been recognized (December 31, 2022: a deferred tax asset of 22,701 TL has been recognized).

Deferred tax assets/(liabilities):	31 December 2023	31 December 2022
Tax losses carried forward	17.600	22.701
Depreciation differences of tangible and intangible assets	(963.136)	(671.198)
Provision for employment termination benefits	21.851	36.538
Vacation pay liability	32.372	18.015
Temporary difference between the tax base and carrying amount of financial liabilities	(3.981)	(6.082)
Prepaid building expenses	186	(260)
Tax advantage from investment incentive	632.806	603.910
Right of use asset	(1.245.016)	(480.221)
Other	92.720	82.030
	(1.414.598)	**(394.567)**
Deferred tax asset	1.809.220	1.373.437
Deferred tax liability	(3.223.818)	(1.768.004)
	(1.414.598)	**(394.567)**

The years in which the right to utilize the deferred tax asset created from the accumulated tax losses will expire are as follows:

	31 December 2023	
Expiration schedule of carryforward tax losses	**Losses carried forward for which deferred tax assets recognized**	**Losses carried forward for which deferred tax assests not recognized**
Expiring in 2024	3.654	--
Expiring in 2025	12.113	--
Expiring in 2026	7.182	--
Expiring in 2027	12.421	--
Expiring in 2028	35.030	--
	70.400	**--**

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NOTE 25 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

	31 December 2022	
Expiration schedule of carryforward tax losses	**Losses carried forward for which deferred tax assets recognized**	**Losses carried forward for which deferred tax assests not recognized**
Expiring in 2023	12.257	--
Expiring in 2024	4.379	--
Expiring in 2025	14.375	--
Expiring in 2026	9.320	--
Expiring in 2027	19.571	--
	59.902	**--**

Movement of deferred tax (assets)/liabilities for the period ended 1 January - 31 December 2023 and 2022 are as follows:

Deferred tax (assets)/liabilities	**1 January-31 December 2023**	**1 January-31 December 2022**
Opening balance as of January 1	**(394.567)**	**(299.493)**
Charged to profit or loss	(542.425)	216.887
Effect of inflation	(457.866)	(318.105)
Charged to equity	(19.740)	6.144
	(1.414.598)	**(394.567)**

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

Reconcilation of tax provision:	**1 January-31 December 2023**	**1 January-31 December 2022**
Loss Before Tax	**5.824.940**	**4.780.562**
Tax at the domestic income tax rate of %25 (2022: %23)	(1.456.235)	(1.099.529)
Tax effects of:		
Expenses that are not deductible in determining taxable profit	(175.884)	(76.117)
Effect of tax advantage from investment incentive	266.296	196.683
Change in income tax rate from % 23 to %25	70.813	(394)
Discounts and exemptions	206.934	193.864
Effect on revaluation of immovables and other economic assets subject to depreciation (*)	217.487	514.030
Other (**)	(206.419)	382.343
Income tax income recognised in profit/(loss)	**(1.077.008)**	**110.880**

(*) With Article 11 of the Law No. 7326 published in the Official Gazette on 9 June 2021, the opportunity to revalue the immovables and depreciable economic assets in the legal financial statements on the effective date of the law was introduced. The included assets will be subject to depreciation over the amount they are revalued with the D-PPI ("domestic producer price index"), and a 2% tax will be paid on the resulting value increase. Within the scope of the aforementioned law amendment, deferred tax asset has been calculated in the statement of financial position based on the revaluation records for fixed assets in the legal book, and the deferred tax income related to this asset has been recorded in the consolidated statement of profit or loss.

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

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NOTE 26 - EARNINGS PER SHARE

Weighted average of group shares and profit per unit share calculations are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Weighted average number of shares	208.037	208.037
Net gain/(loss) for the period for the equity holders of the parent	4.529.594	4.741.597
Earnings/(loss) per share for equity holder of the parent	**21,77**	**22,79**

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES

Capital Risk Management

The Group manages its capital through the optimization of the debt and the equity balance that minimizes the financial risk.

Through the forecasts regularly prepared by the Group, the future capital amount, debt to equity ratio and similar ratios are forecasted and required precautions are taken to strengthen the capital.

The Group's capital structure consists of equity items including debts, cash and cash equivalents and reserves, and retained earnings, including loans explained in Note 7.

The Group's Board of Directors analyze the capital structure in regular meetings. During these analyses, the Board of Directors also evaluates the risks associated with each class of capital together with the cost of capital. The Group, by considering the decisions of the Board of Directors, aims to balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

As of 31 December 2023 and 31 December 2022, the net (receivable) debt / total capital ratio is as follows:

	31 December 2023	31 December 2022
Total Borrowings	6.055.694	4.996.849
Less: Cash and Cash Equivalent	(2.812.373)	(1.261.961)
Net Debt	**3.243.321**	**3.734.888**
Total Equity	12.892.323	9.897.000
Total Capital	**16.135.644**	**13.631.888**
Net Debt/Total Capital Rate	**20%**	**27%**

There has been no significant change in Group's financial risk policies and credit risk management implementations compared to prior periods.

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Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk management

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group monitors the credibility of the parties with whom they perform transactions and also takes into account the credit rating of the related instruments when making the investment preference. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Before accepting any new customer, credit limits by customer are determined and defined after the assessment of the potential customer's credit quality.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimize the credit risk, the Group has performed credit ratings considering the default risks of the counterparties and categorized the related parties.

The Group's current credit risk rating methodology includes the following categories:

Category	Description	Basis for recognizing expected credit loss
Secured receivables	Consist of secured receivables The counterparty has a low	Not generating credit loss
Recoverable receivables	risk of default and secured Amount is past due or	Not generating credit loss
Doubtful or past due receivables	there has been a significant evidence	%100 allowance for unsecured receivables
Write-off	There is evidence indicating the asset off is credit-impaired	Amount is write

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

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

Trade receivables include a large number of customers scattered in various regions. There is no risk concentration on a specific customer or a group of customers. The credit reviews are performed continuously over the accounts receivable balance of the customers. The Group does not have a significant credit risk arising from any customer.

	Receivables				
	Trade Receivables		Other Receivables		
31 December 2023	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Deposits in bank**
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	113	3.658.138	134.865	300.655	2.780.898
- The part of maximum risk under guarantee with collateral etc	--	--	--	--	--
A. Net book value of financial assets that are neither past due or impaired	113	2.801.001	134.865	300.655	2.780.898
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	--	--	--	--	--
C. Carrying value of financial assets that are past due but not impaired	--	857.137	--	--	--
- the part under guarantee with collateral	--	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--
- Past due (gross carrying amount)	--	140.633	--	--	--
- Impairment (-)	--	(140.633)	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--

(*) Tutarın belirlenmesinde, alınan teminatlar gibi, kredi güvenirliliğinde artış sağlayan unsurlar dikkate alınmamıştır.

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

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

Trade receivables include a large number of customers scattered in various regions. There is no risk concentration on a specific customer or a group of customers. The credit reviews are performed continuously over the accounts receivable balance of the customers. The Group does not have a significant credit risk arising from any customer.

	Receivables				
	Trade Receivables		Other Receivables		
31 December 2022	**Related Party**	**Third Party**	**Related Party**	**Third Party**	**Deposits in bank**
Maximum net credit risk as of balance sheet date (A+B+C+D+E) (*)	86	3.011.543	126.607	81.139	1.235.517
- The part of maximum risk under guarantee with collateral etc	--	--	--	--	--
A. Net book value of financial assets that are neither past due or impaired	86	2.327.090	126.607	81.139	1.235.517
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	--	--	--	--	--
C. Carrying value of financial assets that are past due but not impaired	--	682.804	--	--	--
- the part under guarantee with collateral	--	--	--	--	--
D. Net book value of impaired assets	--	--	--	--	--
- Past due (gross carrying amount)	--	198.515	--	--	--
- Impairment (-)	--	(198.515)	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--
- Not past due (gross carrying amount)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- The part of net value under guarantee with collateral etc.	--	--	--	--	--
E. Off-balance sheet items with credit risk	--	--	--	--	--

(*) The factors that increase credibility such as guarantees received are not taken into account in determination of amount.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements
for the Period 1 January - 31 December 2023

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

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

Explanations on the credit quality of financial assets

Allowances for doubtful receivables are recognized against financial assets based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty.

The aging of overdue receivables is as follows:

31 December 2023	**Trade receivables**	**Total**
Total overdue by 1-30 days	210.607	210.607
Total overdue by 1-3 months	163.964	163.964
Overdue by more than 3 months	482.566	482.566
Total overdue receivables	**857.137**	**857.137**
The part under guarantee with collateral etc.	--	--

31 December 2022	**Trade receivables**	**Total**
Total overdue by 1-30 days	125.208	125.208
Total overdue by 1-3 months	194.956	194.956
Overdue by more than 3 months	362.640	362.640
Total overdue receivables	**682.804**	**682.804**
The part under guarantee with collateral etc.	--	--

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities and maintaining adequate funds and reserves.

Liquidity risk tables

Conservative liquidity risk management includes maintaining sufficient cash, availability of sufficient amount of borrowings and funds and ability to settle market positions.

The Group manages its funding of actual and forecasted financial obligations by maintaining the availability of sufficient number of high quality loan providers.

The following table details the Group's expected maturity for its non-derivative financial liabilities. Interests which will be paid on borrowings in the future are included in the relevant columns in the following table.

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NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

31 December 2023	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months(I)	3-12 months(II)	1-5 years (III)	More than 5 years(IV)
Non-derivative financial liabilities						
Bank loans	1.239.949	1.498.292	450.384	734.081	313.827	--
Debt instruments issued (Bond)	2.500.000	3.755.014	823.486	1.675.972	1.255.556	--
Finance lease obligations	54.369	66.488	56.032	10.455	--	--
Lease liability	2.261.376	3.664.859	202.843	515.865	2.094.479	851.672
Trade and other payables	4.539.434	6.151.488	4.845.690	939.627	318.226	47.945
Payables for employment benefits	345.895	345.895	--	--	--	--
	10.941.023	**15.482.036**	**6.378.435**	**3.876.000**	**3.982.088**	**899.617**

31 December 2022	Carrying value	Total cash outflow according to contract (I+II+III+IV)	Less than 3 months(I)	3-12 months(II)	1-5 years (III)	More than 5 years(IV)
Non-derivative financial liabilities						
Bank loans	1.617.052	1.857.443	541.349	827.113	488.981	--
Debt instruments issued (Bond)	1.103.979	1.244.254	123.367	1.120.886	--	--
Finance lease obligations	191.057	233.597	39.690	92.177	101.729	--
Lease liability	2.084.761	3.902.687	199.445	499.926	2.217.056	986.260
Trade and other payables	4.620.266	4.816.058	2.598.871	1.590.565	428.895	197.728
Payables for employment benefits	272.678	272.678	272.678	--	--	--
	9.889.793	**12.326.717**	**3.775.400**	**4.130.667**	**3.236.661**	**1.183.988**

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Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

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 utilizing forward foreign exchange contracts. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

31 December 2023	TL Equivalents (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	192.395	4.930	1.451	--	--
2a. Monetary financial assets	969.315	21.503	9.819	440	--
2b. Non monetary financial assets	7.122	28	190	3	--
3. Other	2.254	18	53	--	--
4. Current Assets	**1.171.086**	**26.479**	**11.513**	**443**	**--**
5. Trade receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b.Non monetary financial assets	122.874	3.842	300	--	--
7. Other	138.820	2.943	1.602	--	--
8. Non-current assets	**261.694**	**6.785**	**1.902**	**--**	**--**
9. Total assets	**1.432.780**	**33.264**	**13.415**	**443**	**--**
10. Trade payables	(256.192)	(8.261)	(400)	--	--
11a. Financial liabilities (loans)	--	--	--	--	--
11b. Financial liabilities (leasing)	(9.385)	--	(288)	--	--
11c. Lease liabilities	(29.056)	--	(892)	--	--
12a. Other monetary liabilities	(220.690)	(3.968)	(3.111)	(68)	--
13. Current liabilities	**(515.323)**	**(12.229)**	**(4.691)**	**(68)**	**--**
14. Trade payables	--	--	--	--	--
15a. Financial liabilities (loans)	--	--	--	--	--
15b. Financial liabilities (leasing)	--	--	--	--	--
15c. Lease liabilities	(102.380)	--	(3.143)	--	--
16a. Other monetary liabilities	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--
17. Non-current liabilities	**(102.380)**	**--**	**(3.143)**	**--**	**--**
18.Total liabilities	**(617.703)**	**(12.229)**	**(7.834)**	**(68)**	**--**
19. Net assets / liability position of off-balance sheet derivatives (19a-19b)	**--**	**--**	**--**	**--**	**--**
19a. Off balance sheet foreign currency derivative assets	**--**	**--**	**--**	**--**	**--**
19b. Off balance sheet foreign currency derivative liabilities	**--**	**--**	**--**	**--**	**--**
20. Net foreign currency asset liability position (9-18+19)	**815.077**	**21.035**	**5.581**	**375**	**--**
21. . Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+10+11+12a+14+15+16a)	**544.007**	**14.205**	**3.436**	**372**	**--**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

31 December 2022	TL Equivalents (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	109.345	3.061	460	(2)	--
2a. Monetary financial assets	888.770	26.834	1.737	134	--
2b. Non monetary financial assets	56.336	37	1.677	3	--
3. Other	14.759	--	449	--	--
4. Current Assets	**1.069.210**	**29.932**	**4.323**	**135**	**--**
5. Trade receivables	--	--	--	--	--
6a. Monetary financial assets	--	--	--	--	--
6b.Non monetary financial assets	102.751	3.335	--	--	--
7. Other	(306)	--	(9)	--	--
8. Non-current assets	**102.445**	**3.335**	**(9)**	**--**	**--**
9. Total assets	**1.171.655**	**33.267**	**4.314**	**135**	**--**
10. Trade payables	(16.372)	(332)	(187)	--	--
11a. Financial liabilities (loans)	--	--	--	--	--
11b. Financial liabilities (leasing)	(75.964)	(280)	(2.050)	--	--
11c. Lease liabilities	(25.235)	--	(768)	--	--
12a. Other monetary liabilities	(212.888)	(4.026)	(2.653)	(46)	--
13. Current liabilities	**(330.459)**	**(4.638)**	**(5.658)**	**(46)**	**--**
14. Trade payables	--	--	--	--	--
15a. Financial liabilities (loans)	--	--	--	--	--
15b. Financial liabilities (leasing)	(9.460)	--	(288)	--	--
15c. Lease liabilities	(132.524)	--	(4.035)	--	--
16a. Other monetary liabilities	--	--	--	--	--
16b. Other non-monetary liabilities	--	--	--	--	--
17. Non-current liabilities	**(141.984)**	**--**	**(4.323)**	**--**	**--**
18.Total liabilities	**(472.443)**	**(4.638)**	**(9.981)**	**(46)**	**--**
19. Net assets / liability position of off-balance sheet derivatives (19a-19b)	**--**	**--**	**--**	**--**	**--**
19a. Off balance sheet foreign currency derivative assets	**--**	**--**	**--**	**--**	**--**
19b. Off balance sheet foreign currency derivative liabilities	**--**	**--**	**--**	**--**	**--**
20. Net foreign currency asset liability position (9-18+19)	**699.212**	**28.629**	**(5.667)**	**89**	**--**
21. . Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+10+11+12a+14+15+16a)	**525.673**	**25.257**	**(7.784)**	**86**	**--**

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 value indicates an increase in profit before tax.

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Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 27 - FINANCIAL RISK MANAGEMENT AND POLICIES (Continued)

31 December 2023 **In the case of US dollar gaining 20% value against TRY**	**Valuation of foreign currency**	**Devaluation of foreign currency**
1 - USD net asset/liability	123.853	(123.853)
2 - Portion hedged against USD risk (-)	--	--
3- USD net effect (1 +2)	**123.853**	**(123.853)**
In the case of EUR dollar gaining 20% value against TRY		
4 - EUR net asset/liability	36.352	(36.352)
5 - Portion hedged against EUR risk (-)	--	--
6- EUR net effect (4+5)	**36.352**	**(36.352)**
TOTAL (3+6)	**160.205**	**(160.205)**

31 December 2023 **In the case of US dollar gaining 20% value against TRY**	**Valuation of foreign currency**	**Devaluation of foreign currency**
1- USD net asset/liability	176.411	(176.411)
2 - Portion hedged against USD risk (-)	--	--
3- USD net effect (1+2)	**176.411**	**(176.411)**
In the case of EUR dollar gaining 20% value against TRY		
4 - EUR net asset/liability	(37.227)	37.227
5 - Portion hedged against EUR risk (-)	--	--
6- EUR net effect (4+5)	**(37.227)**	**37.227**
TOTAL (3+6)	**139.184**	**(139.184)**

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 27 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest risk management

The value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Group is subject to interest risk in relation to its variable rate bank borrowings and financial lease obligations.

31 December 2023	Increase/(decrease) in basis points	Effect on loss before tax in nominal amount	Effect on Equity
- TL	2,5	(29.217)	--
	(2,5)	29.217	--

31 December 2022	Increase/(decrease) in basis points	Effect on loss before tax in nominal amount	Effect on Equity
- TL	2,5	(40.509)	--
	(2,5)	40.509	--

Interest rate swap contracts:

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

Market risk

The Group is exposed primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group utilizes the following financial instruments to manage the risks associated with the foreign exchange rates and interest rates. Also, the Group follows price changes and market conditions regularly and takes action in pricing instantaneously.

The Group prefers floating interest rates for long term borrowings. To hedge against the interest risk the Group uses interest swap contracts for some of its borrowings.

In the current period, there is no significant change in the Group's exposure to the market risks or the manner which it manages and measures risk when compared to the previous year.

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

NOTE 28 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

Classes and fair values of financial instruments

31 December 2023	Financial assets liabilities at amortized cost	Derivative financial instruments through other comprehensive income/(loss)	Derivative financial instruments through profit or loss	Carrying value	Notes
Financial Assets					
Cash and cash equivalents	2.812.373	--	--	2.812.373	6
Trade receivables (related parties included)	3.658.251	--	--	3.658.251	8
Other receivables (related parties included)	435.520	--	--	435.520	9
Financial Liabilities					
Financial liabilities	3.794.318	--	--	3.794.318	7
Trade payables	4.082.221	--	--	4.082.221	8
Lease liabilities	2.261.376	--	--	2.261.376	7
Other liabilities (related parties included)	457.213	--	--	457.213	9
Payables for employee benefits	345.895	--	--	345.895	15

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 28 – FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

31 December 2022	Financial assets liabilities at amortized cost	Derivative financial instruments through other comprehensive income/(loss)	Derivative financial instruments through profit or loss	Carrying value	Notes
Financial Assets					
Cash and cash equivalents	1.261.961	--	--	1.261.961	6
Trade receivables (related parties included)	3.011.629	--	--	3.011.629	8
Finansal yatırımlar	352.909	--	--	352.909	7
Other receivables (related parties included)	207.746	--	--	207.744	9
Financial Liabilities					
Financial liabilities	2.912.088	--	--	2.912.088	7
Trade payables	3.951.182	--	--	3.951.182	8
Lease liabilities	2.084.761	--	--	2.084.761	7
Other liabilities (related parties included)	669.084	--	--	669.084	9
Payables for employee benefits	272.678	--	--	272.678	15

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 28 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (Continued)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, estimates are necessary in interpreting market data to determine fair value. Accordingly, the estimates presented herein may not be indicative of the amounts the Group could realize in a current market transaction.

The following methods and assumptions were used to estimate the fair value of financial instruments:

Monetary assets

It is assumed that the registered values of financial assets, including cash and cash equivalents, are equal to their fair values due to their short-term nature.

It is assumed that the registered values of trade receivables reflect the fair value together with the relevant impairment provisions.

Monetary liabilities

It is assumed that the fair values of short-term bank loans and other monetary debts are close to their recorded values due to their short-term nature.

It is assumed that the book values as of the reporting date are approaching their fair values due to long-term financial debts mostly have variable interest rates and are repriced in the short term.

NOTE 29 - BUSINESS COMBINATIONS

The Company acquired Özel Adana Metro Hastanesi and Özel Adana Hastanesi, located in Adana as of 1 December 2022. 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 the same dates. As purchase price, the Company will pay a total of TL 240,000 through machinery lease payments over the course of 10 years. As this transaction includes "Input – Process and Output" elements mentioned in TFRS, they are accounted as business combination. As of 31 December 2022 it has been provisionally accounted for in the consolidated financial statements under the rules of TFRS 3 "Business Combinations Standard", within the scope of TFRS 3. The amounts recognized as provisionals within the scope of TFRS 3 have been revalued in the current year and no difference has been observed.

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

Total acquisition amount	(555.082)
Net assets acquired	606.363
Gain on bargain purchase (*)	**51.281**

(*) Deferred tax expense and negative goodwill balance are presented gross.

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Notes to the Consolidated Financial Statements for the Period 1 January - 31 December 2023

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

NOTE 29 - BUSINESS COMBINATIONS (Continued)

Assets/Liabilities acquired	Adana Fair value on Acqusition
Duran Varlıklar	
Property, plant and equipment	98.679
Intangible assets	507.683
	606.363
Long Term Liabilities	
Deferred tax liabilities	10.255
	10.255
Net assets acquired	**596.107**
Gain on the bargain purchase	41.025
Non-controlling interests	8.206

NOTE 30 - EVENTS AFTER THE REPORTING PERIOD

None.

MLP SAĞLIK HİZMETLERİ A.Ş. AND ITS SUBSIDIARIES

Other Additional Information for the Period 1 January - 31 December 2023

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

APPENDIX I OTHER ADDITIONAL INFORMATION

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

Earnings before interest taxes depreciation and amortization ("EBITDA") is calculated by the Group Management with the addition of the period's depreciation and amortization, financial expenses, other adjustments and tax expenses to net profit before tax.

The EBITDA calculation movements for the period ended 31 December 2023 and 31 December 2022 are as follow:

EBITDA CALCULATION	31 December 2023	31 December 2022
Net loss before tax	5.824.940	4.780.562
Depreciation and amortization of property, plant and equipment and intangible assets, including non-cash provisions for assets such as all kinds of fixed assets and goodwill that are not considered within the scope of working capital;	1.542.287	1.261.724
Total net finance cost, net of interest income;	1.552.335	1.083.418
Realized and unrealized foreign exchange gains deducted from and foreign exchange losses added to financial liabilities;	89.975	114.817
Fair value differences of derivative instruments (net) (Note 20);	-	-
Extraordinary (income)/expense	266.450	188.861
Rediscount income/expense, net (Note 20)	(83.208)	4.506
Income on bargain purchase price	-	-
Legal case provision expenditures which are reflected to financial statements by the general accounting principles;	40.213	45.568
Unused vacation pay provision expenses which are reflected to financial statements by the general accounting principles;	39.417	54.664
Employment termination benefit provision expenses which are reflected to financial statements by the general accounting principles;	12.730	27.672
One-off doubtful receivables provision expenses which are reflected to financial statements by the general accounting principles;	15.055	4.631
Non-cash sale and lease back expenses which are reflected to financial statements by the general accounting principles (Note 3);	653	602
Non-cash profit added to non-cash losses from the disposal or deactivation of property, plant and equipment or intangible assets;	3.498	(729.966)
Monetary gain /(loss)	3.099.062	2.223.522
EBITDA	**6.205.283**	**4.613.537**
TFRS 16 Lease payment effect	(718.551)	(642.623)
Adjusted EBITDA	**5.486.732**	**3.970.914**

Abbreviations and Glossary

A.Ş.	Joint-stock company
EBITDA	(Earnings Before Interest, Taxes, Depreciation and Amortization) A financial measure that we derive from our Financial Statements. EBITDA calculated by deducting general administrative expenses from gross profit and adding depreciation and amortization expenses.
HIMS	The Hospital Information Management System
JCI	Joint Commission International
Middle-Upper Mass	It includes patients demanding and has the power to pay for high-quality healthcare services.
n.m.	not meaningful
Payor Mix	The distribution of patients treated in MLP Care's hospitals according to payment types (private healthcare insurance, SSI, contracted institutions, etc.)
Premium Mass	The segment between middle-upper mass and premium segments
Premium Segment	It includes patients demanding and has the power to pay for Premium healthcare services.
Protocol	Each record opened or created for a patient treatment
SSI	The Social Security Institution (Sosyal Güvenlik Kurumu) of the Republic of Türkiye, authorized under the Social Security and Universal Health Insurance (UHI) Law as the only governmental social security and health insurance organization providing general health insurance privileges to individuals in exchange for premiums. The SSI was formed through the merger and dissolution of three previous social security funds: Social Insurance Institution (Sosyal Sigortalar Kurumu-SSK), Government Employees Retirement Fund (Emekli Sandığı) and Social Security Institution for Artisans and the Self-Employed (Bağ-Kur).
SSI Agreement(s)	The Agreement for Purchase of Healthcare Services executed with the SSI to provide healthcare services to individuals with general health insurance financed by the SSI, as amended or restated from time to time by the SSI.
Top-up Insurance	A healthcare insurance type that covers additional fees and other expenses that are not paid by SSI
TTSG (Türkiye Ticaret Sicili Gazetesi)	Turkish Trade Registry Gazette

Hospitals

YİÜ Medical Park Ankara Hospital
Opening Year
2014
Location
Ankara

VM Medical Park Ankara Hospital
Opening Year
2020
Location
Ankara

Medical Park Antalya Hospital Complex
Opening Year
2008
Location
Antalya

Medical Park Bahçelievler Hospital
Opening Year
2007
Location
Istanbul

VM Medical Park Bursa Hospital
Opening Year
2006
Location
Bursa

Medical Park Çanakkale Hospital
Opening Year
2014
Location
Çanakkale

IAU VM Medical Park Florya Hospital
Opening Year
2017
Location
Istanbul

ISU Medical Park Gaziosmanpaşa
Opening Year
2015
Location
Istanbul

Medical Park Gebze Hospital
Opening Year
2011
Location
Kocaeli

BAU Medical Park Göztepe Hospital Complex
Opening Year
2008
Location
Istanbul

VM Medical Park Kocaeli Hospital
Opening Year
2015
Location
Kocaeli

VM Medical Park Maltepe Hospital
Opening Year
2019
Location
Istanbul

VM Medical Park Mersin Hospital
Opening Year
2018
Location
Mersin

Medical Park Ordu Hospital
Opening Year
2009
Location
Ordu

VM Medical Park Pendik Hospital
Opening Year
2018
Location
Istanbul

VM Medical Park Samsun Hospital
Opening Year
2009
Location
Samsun

Medical Park Tokat Hospital
Opening Year
2007
Location
Tokat

Medical Park Karadeniz Hospital
Opening Year
2014
Location
Trabzon

Medical Park Yıldızlı Hospital
Opening Year
2014
Location
Trabzon

Liv Hospital Ankara
Opening Year
2014
Location
Ankara

İSU Liv Hospital Bahçeşehir
Opening Year
2016
Location
Istanbul

Liv Hospital Gaziantep
Opening Year
2020
Location
Gaziantep

Liv Hospital Samsun
Opening Year
2017
Location
Samsun

Liv Hospital Ulus
Opening Year
2013
Location
Istanbul

Liv Hospital Vadistanbul
Opening Year
2021
Location
Istanbul

Liv Bona Dea Hospital
Opening Year
2022
Location
Baku – Azerbaijan

Medical Park Adana Hospital
Opening Year
2022
Location
Adana

Medical Park Seyhan Hospital
Opening Year
2022
Location
Adana

Liv Duna Medical Center
Opening Year
2023
Location
Budapest - Hungary

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