

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

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
JANUARY 1 - JUNE 30, 2021**



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT  
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

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

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of MLP Sağlık Hizmetleri A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2021 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

*Scope of review*

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

Accordingly, we do not express an audit opinion.

*Conclusion*

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



#### *Other information*

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

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

Ediz Günsel, SMMM  
Partner

Istanbul, 12 August 2021

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE PERIOD ENDED JANUARY 1 - JUNE 30, 2021**

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

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL  
POSITION AS AT JUNE 30, 2021**

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

	Notes	Current period Reviewed June 30, 2021	Prior period Audited December 31, 2020
<b>Assets</b>			
<b>Current assets</b>		<b>2,430,707</b>	<b>2,185,278</b>
Cash and cash equivalents	4	579,921	374,997
Trade receivables	6	1,278,624	1,155,116
- Due from related parties	3	9,229	23,654
- Trade receivables from third parties		1,269,395	1,131,462
Other receivables	7	95,590	84,367
- Due from related parties	3	48,280	41,059
- Other receivables from third parties		47,310	43,308
Inventories	8	117,927	113,482
Prepaid expenses	9	317,611	414,263
Other current assets	13	41,034	43,053
<b>Non-current assets</b>		<b>2,660,664</b>	<b>2,386,572</b>
Trade receivables		1,053	1,053
Other receivables	7	2,851	2,740
Property and equipment	10	838,808	764,245
Intangible assets		679,336	676,849
- Goodwill		38,661	38,661
- Other intangible assets	10	640,675	638,188
Right of use assets	11	396,906	257,440
Prepaid expenses	9	322,358	282,714
Deferred tax assets	22	419,352	401,531
<b>Total assets</b>		<b>5,091,371</b>	<b>4,571,850</b>

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

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

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021**

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

	Notes	Current period Reviewed June 30, 2021	Prior period Audited December 31, 2020
<b>Liabilities and equity</b>			
<b>Current liabilities</b>		<b>2,745,624</b>	<b>2,386,700</b>
Short term borrowings	5	499,230	363,743
Short term portion of long term borrowings	5	432,949	392,485
Obligations under finance leases	5	116,707	102,825
Short term lease liabilities	5	149,680	118,792
Trade payables	6	1,117,721	987,130
- Due to related parties	3	19,925	18,206
- Trade payables to third parties		1,097,796	968,924
Payables related to employee benefits	12	99,987	91,379
Other payables	7	64,521	51,684
- Due to related parties	3	799	799
- Other payables to third parties		63,722	50,885
Deferred revenues	9	187,455	221,497
Short term provisions		51,652	39,457
- Short term provisions for employment benefits	12	23,170	19,090
- Other short term provisions	14	28,482	20,367
Current tax liabilities	22	25,722	17,708
<b>Non-current liabilities</b>		<b>1,832,036</b>	<b>1,836,293</b>
Long term borrowings	5	811,490	944,203
Obligations under finance leases	5	109,905	93,239
Long term lease liabilities	5	586,109	476,310
Other payables		100,027	106,471
- Other payables to third parties	7	100,027	106,471
Deferred income	9	4,558	2,211
Long term provisions		32,926	30,207
- Long term provisions for employee benefits	12	32,926	30,207
Deferred tax liabilities	22	187,021	183,652
<b>Equity</b>		<b>513,711</b>	<b>348,857</b>
<b>Equity attributable to the owner of the company</b>		<b>420,812</b>	<b>282,387</b>
Share capital	16	208,037	208,037
Share premium	16	556,162	556,162
Other comprehensive income or expenses that will not be reclassified subsequently to profit or loss		1,595	1,896
- Revaluation reserve	16	37,747	37,747
- Accumulated loss on remeasurement of defined benefit plans		(36,152)	(35,851)
Restricted reserves	16	10,260	10,260
Accumulated deficit		(502,547)	(558,898)
Net profit/(loss) for the period		147,305	64,930
<b>Non-controlling interest</b>		<b>92,899</b>	<b>66,470</b>
<b>Total liabilities and equity</b>		<b>5,091,371</b>	<b>4,571,850</b>

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

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

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED JANUARY 1 - JUNE 30, 2021**

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

		<u>Current period</u>		<u>Prior period</u>	
		Reviewed January 1 - June 30, 2021	Reviewed April 1 - June 30, 2021	Reviewed January 1 - June 30, 2020	April 1 - June 30, 2020
<b>Profit or loss</b>					
Revenue	17	2,542,274	1,330,970	1,738,296	759,426
Cost of sales (-)	17	(1,906,906)	(998,650)	(1,350,673)	(600,647)
<b>Gross profit</b>		<b>635,368</b>	<b>332,320</b>	<b>387,623</b>	<b>158,779</b>
General administration expenses (-)	18	(193,587)	(108,813)	(112,696)	(38,720)
Other income from operating activities	19	226,855	142,000	161,072	78,853
Other expenses from operating activities (-)	19	(191,683)	(134,654)	(125,818)	(58,490)
<b>Operating profit</b>		<b>476,953</b>	<b>230,853</b>	<b>310,181</b>	<b>140,422</b>
Income from investing activities	20	2,563	2,329	84,616	2,154
Expense from investing activities (-)	20	(42)	(40)	(104)	(6)
<b>Operating profit before finance expenses</b>		<b>479,474</b>	<b>233,142</b>	<b>394,693</b>	<b>142,570</b>
Finance expenses (-), net	21	(291,274)	(159,668)	(330,377)	(164,771)
<b>Net profit before tax</b>		<b>188,200</b>	<b>73,474</b>	<b>64,316</b>	<b>(22,201)</b>
<b>Tax income/(expense) from operations</b>		<b>(13,772)</b>	<b>21,073</b>	<b>(25,079)</b>	<b>68</b>
Current tax expense	22	(28,149)	(15,217)	(8,597)	(4,464)
Deferred tax income/(expense)	22	14,377	36,290	(16,482)	4,532
<b>Net profit</b>		<b>174,428</b>	<b>94,547</b>	<b>39,237</b>	<b>(22,133)</b>
Non-controlling interest		27,123	12,890	11,747	743
Equity holders of the parent		147,305	81,657	27,490	(22,876)
		<b>174,428</b>	<b>94,547</b>	<b>39,237</b>	<b>(22,133)</b>
<b>Basic gain/(loss) per share</b>	23	<b>0,71</b>	<b>0,39</b>	<b>0,13</b>	<b>(0,11)</b>
<b>Other comprehensive income/(expense)</b>		<b>(301)</b>	<b>(2,551)</b>	<b>(5,424)</b>	<b>(5,235)</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurement of defined benefit plans		(376)	(3,189)	(6,780)	(6,544)
Income tax relating to items that will not be reclassified subsequently		75	638	1,356	1,309
<b>Total comprehensive income/(loss)</b>		<b>174,127</b>	<b>91,996</b>	<b>33,813</b>	<b>(27,368)</b>
<b>Total comprehensive income/(loss) distribution:</b>					
Non-controlling interest		27,123	12,890	11,747	743
Equity holders of the parent		147,004	79,106	22,066	(28,111)

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

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

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JANUARY 1 - JUNE 30, 2021**

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

	Share capital	Share premium	Property revaluation reserve	Accumulated other comprehensive income or expenses that will not be reclassified subsequently to profit or (loss)		Accumulated deficit	Net profit/ (loss) for the period	Accumulated Profit		
				Accumulated loss on remeasurement of defined benefit plans	Legal reserves			Attributable to equity holders of the Parent	Non-controlling interest	Total
<b>Balance as at January 1, 2020</b>	<b>208,037</b>	<b>556,162</b>	<b>37,747</b>	<b>(23,306)</b>	<b>10,260</b>	<b>(595,149)</b>	<b>36,251</b>	<b>230,002</b>	<b>8,403</b>	<b>238,405</b>
Other comprehensive loss for the period, net of tax	-	-	-	(5,424)	-	-	-	(5,424)	-	(5,424)
Net profit/(loss) for the period	-	-	-	-	-	-	27,490	27,490	11,747	39,237
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,424)</b>	<b>-</b>	<b>-</b>	<b>27,490</b>	<b>22,066</b>	<b>11,747</b>	<b>33,813</b>
Transfers	-	-	-	-	-	36,251	(36,251)	-	-	-
<b>Balance as at June 30, 2020</b>	<b>208,037</b>	<b>556,162</b>	<b>37,747</b>	<b>(28,730)</b>	<b>10,260</b>	<b>(558,898)</b>	<b>27,490</b>	<b>252,068</b>	<b>20,150</b>	<b>272,218</b>
<b>Balance as at January 1, 2021</b>	<b>208,037</b>	<b>556,162</b>	<b>37,747</b>	<b>(35,851)</b>	<b>10,260</b>	<b>(558,898)</b>	<b>64,930</b>	<b>282,387</b>	<b>66,470</b>	<b>348,857</b>
Other comprehensive loss for the period, net of tax	-	-	-	(301)	-	-	-	(301)	-	(301)
Net profit/(loss) for the period	-	-	-	-	-	-	147,305	147,305	27,123	174,428
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(301)</b>	<b>-</b>	<b>-</b>	<b>147,305</b>	<b>147,004</b>	<b>27,123</b>	<b>174,127</b>
Transfers	-	-	-	-	-	64,930	(64,930)	-	-	-
Dividend paid	-	-	-	-	-	(8,579)	-	(8,579)	(694)	(9,273)
<b>Balance as at June 30, 2021</b>	<b>208,037</b>	<b>556,162</b>	<b>37,747</b>	<b>(36,152)</b>	<b>10,260</b>	<b>(502,547)</b>	<b>147,305</b>	<b>420,812</b>	<b>92,899</b>	<b>513,711</b>

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

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

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
AS AT JUNE 30, 2021**

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

	Notes	Current period Reviewed January 1 - June 30, 2021	Prior period Reviewed January 1 - June 30, 2020
<b>Cash flows from operating activities</b>		<b>685,170</b>	<b>358,501</b>
Net profit/(loss) for the period		174,428	39,237
<b>Profit (loss) continuing operations</b>		<b>467,791</b>	<b>391,852</b>
Adjustments related to depreciation and amortization expenses	10, 11	154,241	125,370
Adjustments related to impairment (reversal)		1,767	1,673
Adjustments related to impairment (reversal) of receivables	6	1,767	1,673
Adjustments related to provisions		27,825	2,269
Adjustments related to (reversal) of provision for employment benefits		12,363	3,171
Adjustments related to lawsuit (reversal) of provision for lawsuit		15,462	(902)
Adjustments related to interest (income) expense		250,623	214,517
Adjustments related to interest income	19	(12,384)	(12,207)
Adjustments related to interest expense	21	263,007	226,724
Adjustments related to gain (loss) on fair value	21	-	(23,592)
Loss (gain) arising on derivatives	21	-	(23,592)
Adjustments related to tax (gain) loss	22	13,772	25,079
Other adjustments related to non-cash items		22,084	131,048
Adjustments regarding to (gain) loss on sale of bargain purchase		-	(81,980)
Adjustments regarding to (gain) loss on sale of fix assets		(2,521)	(2,532)
Adjustments regarding to (gain) loss on sale of tangible assets		(2,521)	(2,532)
<b>Changes in working capital</b>		<b>73,740</b>	<b>(61,481)</b>
Adjustments related to increase in trade receivables		(136,918)	(99,719)
Adjustments related to increase in inventories		(4,445)	(16,197)
Adjustments related to increase in trade payables		134,844	(20,211)
Adjustments related to inrcrease in other payables from operations		(19,019)	110,830
Adjustments related to inrcrease in other payables from other asset		99,278	(36,184)
<b>Cash generated from operations</b>		<b>715,959</b>	<b>369,608</b>
Payments related with provision for employee benefits		(5,941)	(3,325)
Tax paid	22	(20,135)	(8,534)
Payments for other provisions		(5,022)	-
Other cash inflows (outflows)	6	309	752

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

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

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
AS AT JUNE 30, 2021**

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

	Notes	Current period Reviewed January 1 - June 30, 2021	Prior period Reviewed January 1 - June 30, 2020
<b>Cash flows from investing activities</b>		<b>(192,373)</b>	<b>(52,655)</b>
Proceeds from sales of property, plant, equipment and intangible assets		2,694	3,065
Proceeds from sales of property, plant, equipment	10	2,694	3,065
Payment for purchase of property, plant and equipment, intangible assets		(169,131)	(56,848)
Payment for purchase of property, plant and equipment	10	(161,901)	(42,968)
Payment for purchase of intangible assets	10	(7,230)	(13,880)
Cash payments for capital expenditures	9	(38,320)	(11,079)
Interest received	19	12,384	12,207
<b>Cash flows from financing activities</b>		<b>(287,873)</b>	<b>(141,088)</b>
Proceeds from bank loans		470,000	322,371
Proceeds from borrowings		-	220,820
Proceeds from bonds		470,000	101,551
Repayment of lease liabilities		(154,154)	(118,261)
Bank borrowings paid		(438,610)	(188,060)
Cash used for repayment of borrowings		(215,320)	(86,509)
Cash used for repayment of bonds		(223,290)	(101,551)
Repayment of obligations under finance leases		8,351	(21,197)
Interest paid		(164,187)	(135,941)
Dividend paid		(9,273)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>204,924</b>	<b>164,758</b>
<b>Cash and cash equivalents at the beginning of the period</b>	4	<b>374,997</b>	<b>305,663</b>
<b>Cash and cash equivalents at the end of the period</b>	4	<b>579,921</b>	<b>470,421</b>

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

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

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

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021**

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

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#### **NOTE 1 - ORGANIZATION AND OPERATIONS OF THE GROUP**

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

As of June 30, 2021, MLP is the holding company of 17 subsidiaries (December 31, 2020: 17) (collectively referred as the 'Group'), each operating in the healthcare sector in Turkey.

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

The ultimate parent are Elinor B.V. and Sullivan B.V., which are Netherland based, owned by Turkish Private Equity Fund III, and Muharrem Usta.

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

The Company is registered to the Capital Markets Board ('CMB') and its shares have been quoted on the Borsa İstanbul A.Ş. ('BİAŞ' or 'Borsa' or 'BİST') since February 13, 2018. In accordance with the resolution numbered 21/655 on July 23, 2010 of CMB; according to the records of Central Registry Agency (CRA); shares representing 33.36% as of June 30 2021, of MLP Sağlık are accepted as 'in circulation'. As of July 1, 2021, this ratio is 33.36% (Note 16).

#### *Approval of financial statements*

Board of Directors has approved the financial statements and delegated authority for publishing it on August 12, 2021.

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

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

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

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

As of June 30, 2021 the subsidiaries of the Company are:

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

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

##### 2.1 Basis of Presentation

###### Statement of Compliance with TFRS

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

The Company prepared its condensed interim financial statements for the period ended 30 June 2021 in accordance with IAS 34, 'Interim Financial Reporting'. The condensed interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information. In compliance with the IAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Company preferred to present its interim financial statements in condensed.

Interim condensed financial statements of the Group do not include all the information and disclosures required in the annual financial statements, therefore should be read in conjunction with the Company's annual financial statements as of 31 December 2020.

###### Currency Used

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

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

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

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

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

##### 2.1 Basis of Presentation (Continued)

###### Inflation accounting

In accordance with the CMB's decision dated March 17, 2005 and numbered 11/367, for companies operating in Turkey and preparing financial statements in accordance with the Turkish Accounting Standards, the application of inflation accounting has been terminated as of January 1, 2005. Accordingly, as of January 1, 2005, "Financial Reporting in High Inflation Economies" Standard ("TAS 29") has not been applied.

###### Restatement and errors in the accounting policies and estimates

The Group's consolidated financial statements have been prepared in comparison with the previous period in order to give accurate trend analysis regarding the financial position and performance. Where necessary, comparative figures have been reclassified to conform to the presentation of the current period consolidated financial statements and significant changes are explained.

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

###### Going concern assumption

Company's current liabilities in the enclosed financial statements for the period ending 30 June 2021 and 31 December 2020, exceeded its total current assets by TRY314,917 and TRY201,422 respectively. The most important share in current liabilities consists of short-term financial borrowings, trade payables and lease liabilities from financial institutions. The most important portion of the current liabilities is the short-term financial borrowings which the Group obtained from financial institutions, since a significant portion of the borrowings was obtained in the form of short-term loans the current ratio is a liability, and this indicates a need for a source to meet the Company's short-term liabilities.

The Group management has made their assessment according to the Communiqué Amending the Communiqué on the Procedures and Principles Regarding the Implementation of the Article 376 of the Turkish Commercial Code ("TCC") numbered 6102 ("Amending Communiqué") which is published in the Official Gazette dated December 26,2020 and numbered 31346 and "Capital Loss and Financial Distress" of Turkish Commercial Code 376.

In the calculations made according to the Communiqué, in addition to the unrealized exchange difference losses arising from foreign currency liabilities that have not yet been fulfilled, depreciation and half of the total personnel expenses arising from leases accrued on 2020 may not be taken into account. Accordingly, the shareholders' equity was determined by deducting the unrealized foreign exchange losses amounting to TRY153,734 regarding the loans and other debts of the Group, the expenses arising from the leases amounting to TRY144,804 and the depreciation and personnel expenses amounting to TRY91,909 and the equity amounting to the amount of TRY414,904 and it was concluded that more than two-thirds of the capital is protected.

In addition, revenue has increased by 46% compared to 2020 with the normalization steps after pandemic measures in Turkey. For the period ending 30 June 2021, the net profit amounted to TRY174,428 due to the improvement in operational performance and cost savings.

In the light of all this information, the Group management does not anticipate a significant risk regarding the continuity of the business and the consolidated financial statements have been prepared with the assumption that the company will continue its activities in the predictable future.

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

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

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

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

##### 2.1 Basis of Presentation (Continued)

###### Basis of Consolidation

The details of the Company's subsidiaries as at June 30, 2021 and December 31, 2020 are as follows:

Subsidiaries	Place of incorporation and operation	Proportion of ownership and voting power held (%)		Principal activity
		June 30, 2021	December 31, 2020	
Sentez Hastaneleri	Batman-İzmir-Gaziantep	56.00%	56.00%	Hospital services
Tokat Hastanesi	Tokat	58.84%	58.84%	Hospital services
Samsun Hastanesi	Samsun	80.00%	80.00%	Hospital services
Samsun Tıp Merkezi (1)	Samsun	100.00%	100.00%	Hospital services
MS Sağlık	Ankara	75.00%	75.00%	Hospital services
Mediplaza	Gebze-İzmit	75.00%	75.00%	Hospital services
MA Group (3)	İstanbul	51.00%	51.00%	Hospital services
BTR Sağlık Hizmetleri	İstanbul	100.00%	100.00%	Hospital services
Meditime Sağlık	İstanbul	100.00%	100.00%	Hospital services
MLP Gaziantep Sağlık	Gaziantep	60.00%	60.00%	Hospital services
Sotte Sağlık Temizlik Yemek	İstanbul-Ankara	100.00%	100.00%	Hospital services
Kuzey	Ankara	100.00%	100.00%	Ancillary services
Artimed	Ankara	100.00%	100.00%	Ancillary services
21. Yüzyıl Anadolu Vakfı (1) (2)	İstanbul	100.00%	100.00%	Ancillary services
BTN Sigorta (4)	İstanbul	100.00%	100.00%	Ancillary services
Kuzey Hastaneler Birliği ('KHB')	İstanbul	99.90%	99.90%	Ancillary services
BTN Asistans (4)	İstanbul	100.00%	100.00%	Ancillary services

(1) Represents voting power held.

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

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

(4) Company has decided to cease all its activities on September 15, 2020 as of September 18, 2020.

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

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

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

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

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

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

##### 2.1 Basis of Presentation (Continued)

###### Basis of Consolidation (Continued)

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

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

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

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

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

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

###### Changes in the Group's ownership interests in existing subsidiaries

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

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

##### 2.2 Changes in Accounting Policies

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

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

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

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

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

##### **2.3 Changes in the Accounting Estimates and Errors**

If changes in accounting estimates are for only one period, changes are applied on the current year but if the changes in accounting estimates are for the following periods, changes are applied both on the current and the following years prospectively. In the current period, the Group has no changes in the accounting estimates and errors.

##### **2.4 Significant Accounting Estimates and Decisions**

Preparation of consolidated financial statements requires management to make estimations and assumptions which may affect the reported amounts of assets and liabilities as of the statement of financial position date, the disclosure of contingent assets and liabilities and the reported amounts of income and expenses during the financial period. The accounting assessments, estimates and assumptions are reviewed considering past experiences, other factors and reasonable expectations about future events under current conditions. Although the estimations and assumptions are based on the best estimates of the management's existing incidents and operations, they may differ from the actual results.

##### ***Effect of Covid 19 Outbreak on Group Activities***

The spread and continuity of Covid-19 outbreak effect with in the world as well as in Turkey can not be estimated clearly. As the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. However, while preparing the interim condensed consolidated financial statements as of 30 June 2021, the possible effects of the Covid-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the financial statements were reviewed. In this context, the Group has tested possible impairment in the values of financial assets, stocks, tangible and intangible fixed assets included in the interim condensed consolidated financial statements as of 30 June 2021 and no impairment was detected.

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

##### 2.5 Changes in Accounting Policies

###### a) *Standards, amendments and interpretations applicable as at 30 June 2021:*

- **Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2;** effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.
- **Amendments IFRS 4, ‘Insurance contracts’, deferral of IFRS 9;** effective from annual periods beginning on or after 1 January 2021. These amendments change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial Instrument until 1 January 2023.

These amendments do not have any significant impact on Group’s financial condition and performance.

###### b) *Standards, amendments and interpretations that are issued but not effective as at 30 June 2021:*

- **IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
  - **Amendments to IFRS 3, ‘Business combinations’** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

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

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

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

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

##### 2.5 Changes in Accounting Policies (Continued)

###### *b) Standards, amendments and interpretations that are issued but not effective as at 30 June 2021:*

- **Amendments to IAS 16**, ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37**, ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.
- Annual improvements make minor amendments to IFRS 1, ‘First-time Adoption of IFRS’, IFRS 9, ‘Financial instruments’, IAS 41, ‘Agriculture’ and the Illustrative Examples accompanying IFRS 16, ‘Leases’.
- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8**; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction**; from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

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

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 3 - RELATED PARTY DISCLOSURES**

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

The details of short-term receivables and payables as of 30 June 2021 are as follows:

Shareholders	<b>June 30, 2021</b>			
	<b>Receivable Current</b>		<b>Payables Current</b>	
	<b>Trade</b>	<b>Non-trade</b>	<b>Trade</b>	<b>Non-trade</b>
Muharrem Usta (*)	-	46,551	-	50
Adem Elbaşı	-	1,576	-	-
	-	<b>48,127</b>	-	<b>50</b>
<b>Other companies controlled by the shareholders</b>				
A ve A Sağlık A.Ş. (2)	7,247	-	349	-
Livart Tüp Bebek Özel Sağlık Hiz. A.Ş.	1,793	-	2,857	-
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	157	-	1,868	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	-	509	-
Sanport Gayrimenkul Geliştirme İnş. Ve Tic. A.Ş	-	-	4,659	-
Atk Sağlık Hizmetleri Ve Danışmanlık A.Ş.	-	-	113	-
Konca Özel Sağlık Hizmetleri Ltd.Şti.	-	-	-	-
Miniso Mağazacılık A.Ş.	-	-	-	-
Supra A.Ş.-Sonotom Ltd Şti.	-	-	-	-
-Ledmar Ltd Şti. - Mlp A.Ş. İş Ortaklığı	-	-	-	-
Cotyora Med, Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	1,453	-
Saray Eczanesi	-	-	150	-
Mp Sağlık ve Tic. A.Ş.	-	-	2,895	733
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	132	-
Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	3,663	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	7	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	449	-
Other	30	153	821	16
	<b>9,229</b>	<b>153</b>	<b>19,925</b>	<b>749</b>
	<b>9,229</b>	<b>48,280</b>	<b>19,925</b>	<b>799</b>

- (\*) Non-trade receivables from Muharrem Usta is short term due date and interest is charged from the current value of internal interest rate 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 construction of the Group hospitals.
- (2) A ve A Özel Sağ. Hiz. ve Cih. Tekn. 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.

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

Shareholders	31 December 2020			
	Receivables		Payables	
	Current	Trade	Current	Trade
Muharrem Usta (*)	-	39,564	-	50
Adem Elbaşı	-	1,343	-	-
	-	<b>40,907</b>	-	<b>50</b>
<b>Other companies controlled by the shareholders</b>				
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	15,064	-	1,868	-
A ve A Sağlık A.Ş. (2)	8,309	-	9,125	-
Konca Özel Sağlık Hizmetleri Ltd.Şti.	208	-	-	-
Miniso Mağazacılık A.Ş.	42	-	-	-
Pozitif Medikal Sistemler San. ve Tic. Ltd. Şti.	2	-	509	-
Supra A.Ş.-Sonotom Ltd Şti.				
-Ledmar Ltd Şti. - Mlp A.Ş. İş Ortaklığı	-	-	-	-
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	-	-	1,407	-
Saray Eczanesi	-	-	216	-
Mp Sağlık ve Tic. A.Ş.	-	-	1,291	733
Mt Sağlık Ürünleri San. ve Tic. A.Ş.	-	-	116	-
Samsunpark Özel Sağlık Tıbbı Malz. İnş. Tur. Tem. Tic. A.Ş. (3)	-	-	3,146	-
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş.	-	-	14	-
Tokat Emar Sağlık Hiz. Ltd. Şti.	-	-	514	-
Other	29	152	-	16
	<b>23,654</b>	<b>152</b>	<b>18,206</b>	<b>749</b>
	<b>23,654</b>	<b>41,059</b>	<b>18,206</b>	<b>799</b>

(\*) Non-trade receivables from Muharrem Usta is short term due date and interest is charged from the current value of internal interest rate 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. Tekn. 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.

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

**Advance given to related parties, prepaid expenses**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	6,282	108,782
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş.	327	-
A ve A Sağlık A.Ş.	277	296
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	-	323
	<b>6,886</b>	<b>109,401</b>

**Fixed asset advances given to related parties**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (1)	158,200	124,364
Mp Sağlık ve Tic. A.Ş.	68,200	68,200
	<b>226,400</b>	<b>192,564</b>

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

**Related parties (sale and leaseback transactions)**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within long-term prepaid expenses)	2,417	2,811
Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. (within short-term prepaid expenses)	787	787
	<b>3,204</b>	<b>3,598</b>

The balances above are resulting from sale and leaseback transactions of Efes Hospital (branch of Sentez Hospital) and Bahçelievler Hospital's land and buildings and are deferred under prepaid expenses and amortised in proportion to the lease payments over the period for which the asset is expected to be used since such losses are compensated for by future lease payments at below market price. Land of Efes Hospital was sold to Sancak Grup Mimarlık İnşaat ve Tic. A.Ş in 2010, resulting in a loss of TRY6,211, which was totally booked under the other current and non-current assets as of December 31, 2010 since the operational leasing agreement would become effective in 2011 and will be effective for 15 years. The building of Bahçelievler Hospital has been sold to Sancak Grup Mimarlık İnşaat ve Tic. A.Ş. in 2009, resulting in a loss of TRY5,591. The duration of leasing agreement of the building is 15 years starting from December, 2009. As at June 30, 2021, the Group has incurred rent expense amounting to TRY394 due to amortization of prepaid rent (December 31, 2020: TRY787).

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

Lease liabilities from related parties	June 30, 2021		December 31, 2020	
	Current	Non-current	Current	Non-current
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş.	68,604	70,363	52,327	75,766
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	20,246	55,731	16,332	57,562
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş.	7,563	-	6,471	3,214
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş.	7,052	-	3,034	-
Atakum Özel Sağlık Hizmetleri İnş. Turizm ve San. Tic. A.Ş.	4,481	6,992	7,696	8,681
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	1,672	269	2,268	1,011
Mp Sağlık ve Tic. A.Ş.	451	-	2,475	-
	<b>110,069</b>	<b>133,355</b>	<b>90,603</b>	<b>146,234</b>
Purchases from related parties	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Fom Grup Mimarlık İnşaat ve Tic. A.Ş. (2) (3)	132,412	125,946	9,691	5,204
A ve A Sağlık A.Ş. (1)	6,341	3,620	5,893	2,239
	<b>138,753</b>	<b>129,566</b>	<b>15,584</b>	<b>7,443</b>

(1) Cleaning material purchases  
 (2) Hospital rent expenses and construction services  
 (3) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.

Operating expenses (including purchase of services)	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Sanport Gayrimenkul Geliştirme İnş. ve Tic. A.Ş (1)(7)	56,336	28,428	39,901	14,934
Samsunpark Özel Sağ. Tibbi Malz. İnş. Tur. Tem. Tic. A.Ş. (4)	10,230	4,615	7,242	3,081
Atakum Özel Sağlık Hiz. İnş. Turizm ve San. Tic. A.Ş. (1)(7)	6,911	3,294	4,797	1,977
Livart Tüp Bebek Özel Sağlık Hizm. A.Ş. (2)	5,599	-	2,689	772
Özel Gebze Sentez Sağlık Hizmetleri ve Tic. A.Ş. (1)(7)	4,261	2,131	3,156	1,265
Gazi Medikal Sağlık Tesisleri ve Tic. A.Ş. (1)(7)	4,111	2,101	3,073	1,229
Mp Sağlık ve Tic. A.Ş. (1)(7)	3,820	1,907	2,768	1,084
Cotyora Med. Özel Sağ. Taah. Hz. İnş. Tr. Loj. Ltd. Şti. (4)	3,341	1,556	3,230	1,426
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş. (1)(7)	1,735	867	1,404	704
Tokat Emar Sağlık Hiz. Ltd. Şti. (2) (5)	816	409	475	159
Saray Eczanesi (6)	403	175	344	150
Özdenler Sağ. Hiz. Dan. Turz. Gid. San. Tic. Ltd. Şti. (2)	329	166	117	17
Mt Sağlık Ürünleri Sanayi ve Ticaret A.Ş. (3)	121	63	99	35
Salih Usta (Lojman)	-	-	90	90
Diasan Basım ve Form Matbaacılık San. ve Tic. A.Ş. (3)	-	-	10	-
	<b>98,013</b>	<b>45,712</b>	<b>69,395</b>	<b>26,923</b>

(1) Hospital rent expenses  
 (2) Doctor expenses  
 (3) Stationary and consumable expenses  
 (4) Cleaning, catering and laundry services  
 (5) Medical equipment rent expenses  
 (6) Drug purchase expenses  
 (7) Represents the paid rent expenses of the related period, evaluated within the scope of TFRS 16.

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

<b>Sales to related parties</b>	<b>January 1 - June 30, 2021</b>	<b>April 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>	<b>April 1 - June 30, 2020</b>
A ve A Sağlık A.Ş.(1)	7,854	4,237	5,423	2,235
Adem Elbaşı	156	88	74	34
Samsunpark Özel Sağlık Hiz. İş Sağlığı ve Güvenlik. Dan. Eğitim. Müh. Tic. Ltd. Şti.	127	127	9	9
Fom Grup Mimarlık İnşaat ve Tic. A.Ş.	100	94	5	3
Miniso Mağazacılık A.Ş.	85	43	94	56
Cotyora Med. Özel Sağlık Taah. Hz. İnş. Tr. Loj. Ltd. Şti.	53	31	47	14
Tokat Medikal Grup Sağlık Turizm İnş. San. Tic. A.Ş.	42	20	-	-
Samsunpark Özel Sağlık Tıbbi Malz. İnş. Turizm. Tem. Tic. A.Ş.	11	(49)	113	47
Sanport Gayrimenkul Geliştirme İnş. Ve Tic. A.Ş.	2	1	-	-
Saray Eczanesi	-	-	4	1
	<b>8,430</b>	<b>4,592</b>	<b>5,769</b>	<b>2,399</b>

(1) Outsourcing laboratory services

<b>Interest income from related parties</b>	<b>January 1 - June 30, 2021</b>	<b>April 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>	<b>April 1 - June 30, 2020</b>
Muharrem Usta	4,628	2,614	2,169	1,000
	<b>4,628</b>	<b>2,614</b>	<b>2,169</b>	<b>1,000</b>

Compensation of key management personnel:

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

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

	<b>January 1 - June 30, 2021</b>	<b>April 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>	<b>April 1 - June 30, 2020</b>
Salaries and other short-term benefits	11,178	5,914	8,521	3,597
	<b>11,178</b>	<b>5,914</b>	<b>8,521</b>	<b>3,597</b>

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Cash on hand	32,996	26,746
Cash at banks	535,174	338,224
- <i>Demand deposit</i>	260,154	252,229
- <i>Time deposit</i>	275,020	85,995
Other cash equivalents (*)	11,751	10,027
	<b>579,921</b>	<b>374,997</b>

The effective interest rate of the time deposits of the Group in TRY, USD and EUR as of 30 June 2021 rates respectively 15% - 19% (31 December 2020: 15.25% - 19%), 0.10% (31 December 2020: 0.10%), 0.1% (31 December 2020: 0.01%) and their maturities are less than 3 months.

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

**NOTE 5 - FINANCIAL INSTRUMENTS**

**Financial Liabilities**

**Bank Loans and Bonds**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Short-term bank borrowings	-	41,223
Short-term bonds issued	499,230	322,520
Current portion of long term borrowings	372,781	348,666
- <i>Current portion of long term bank loans</i>	372,781	348,666
Interest accruals	60,168	43,819
	<b>932,179</b>	<b>756,228</b>
Long-term bank loans	741,490	944,203
Bond issued	70,000	-
	<b>811,490</b>	<b>944,203</b>
<b>Total borrowings</b>	<b>1,743,669</b>	<b>1,700,431</b>

As of June 30, 2021 and December 31, 2020 the repayment schedule of the total borrowings as follows:

**June 30, 2021**

<b>Currency Type</b>	<b>Effective Interest Rate</b>	<b>Weighted Average</b>		
		<b>Current</b>	<b>Non-current</b>	<b>Total</b>
TRY	21.57%	596,336	99,472	695,808
TRY	TLRef+4%-TRLibor+3.50%-5.80%-DIBS+5.50%	241,608	712,018	953,626
EUR	Euribor + %5.50%	94,235	-	94,235
		<b>932,179</b>	<b>811,490</b>	<b>1,743,669</b>

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**NOTE 5 - FINANCIAL INSTRUMENTS (Continued)**

**December 31, 2020**

<b>Currency Type</b>	<b>Weighted average effective interest rate</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
TRY	18%	447,991	57,770	505,761
TRY	TRLibor +3.50%- 4.00%- 4.50%- 5.80	142,865	472,148	615,013
EUR	Euribor + 5.50%	165,372	414,285	579,657
		<b>756,228</b>	<b>944,203</b>	<b>1,700,431</b>

As of June 30, 2021, there are no blocked cash accounts related to the group's loans (December 31, 2020: None).

As at June 30, 2021 and December 31, 2020 the repayment schedule of the borrowings in TRY are as follows:

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Interest accruals	60,168	43,819
To be paid within 1 year (*)	872,011	712,409
To be paid between 1 - 2 years	434,063	381,087
To be paid between 2 - 3 years	266,929	315,170
To be paid between 3 - 4 years	73,159	174,021
To be paid between 4 - 5 years	37,339	73,925
To be paid between 5 - 6 years	-	-
	<b>1,743,669</b>	<b>1,700,431</b>

(\*) TRY499.230 part consists of bond and sukuk payments which will be redeemed within 1 year.

**Covenants:**

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

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

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

Net debt to EBITDA Ratio cannot be above, x3.0 for the year ended December 31, 2019 and for the six months period ended June 30, 2020, x2.5 for the year ended December 31, 2020 and for the six months period ended June 30, 2021 and x2.5 for the remaining period of the syndicate loan. The Group is meeting the related financial commitments as of 30 June 2021.

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**NOTE 5 - FINANCIAL INSTRUMENTS (Continued)**

The reconciliation of the liabilities arising from financing activities as of 1 January - 30 June 2021 and 1 January- 30 June 2020 are as follows:

	<b>January 1, 2021</b>	<b>Financing cash flows</b>	<b>Foreign exchange effect (Note 21)</b>	<b>Disposal of subsidiary</b>	<b>Other (*)</b>	<b>June 30, 2021</b>
Bank loans	1,700,431	47,739	(4,501)	-	-	1,743,669
Finance lease obligations	196,064	8,351	22,197	-	-	226,612
Lease obligations	595,102	(154,154)	10,571	-	284,270	735,789
	<b>2,491,597</b>	<b>(98,064)</b>	<b>28,267</b>	-	<b>284,270</b>	<b>2,706,070</b>

  

	<b>January 1, 2020</b>	<b>Financing cash flows</b>	<b>Foreign exchange effect (Note 21)</b>	<b>Disposal of subsidiary</b>	<b>Other (*)</b>	<b>June 30, 2020</b>
Bank loans	1,534,863	151,495	92,314	-	-	1,778,672
Finance lease obligations	211,880	(21,197)	25,834	-	-	216,517
Lease obligations	601,940	(118,261)	9,097	-	141,285	634,061
	<b>2,348,683</b>	<b>12,037</b>	<b>127,245</b>	-	<b>141,285</b>	<b>2,629,250</b>

(\*) Some of the lease obligations within the scope of TFRS 16 are due to the re-measurement of the reduced lease obligations and interest expenses due to the change in the lease payments realized within the period.

**Lease Obligations**

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

	<b>Minimum lease payments</b>		<b>Present value of minimum lease payments</b>	
	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Within one year	130,687	113,476	116,707	102,825
In the second to fifth years inclusive	136,240	98,260	109,905	93,239
	<b>266,927</b>	<b>211,736</b>	<b>226,612</b>	<b>196,064</b>
Less: Future finance charges	(40,315)	(15,672)	-	-
<b>Present value of finance lease obligations</b>	<b>226,612</b>	<b>196,064</b>	<b>226,612</b>	<b>196,064</b>
<b>Less: Amounts due to settlement within twelve months (shown under current liabilities)</b>	<b>116,707</b>	<b>102,825</b>	<b>116,707</b>	<b>102,825</b>
<b>Amounts due for settlement after 12 months</b>	<b>109,905</b>	<b>93,239</b>	<b>109,905</b>	<b>93,239</b>

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**NOTE 5 - FINANCIAL INSTRUMENTS (Continued)**

**Liabilities arising from lease transactions**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Within one year	149,680	118,792
More than one year	586,109	476,310
<b>Present value of finance lease obligations</b>	<b>735,789</b>	<b>595,102</b>

**NOTE 6 - TRADE RECEIVABLES AND PAYABLES**

**Trade Receivables**

<b>Current trade receivables</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Trade receivables	1,025,164	932,886
Income accruals from continuing treatments	229,091	162,290
Other trade income accruals	24,403	35,699
Trade receivables from related parties (Note 3)	9,229	23,654
Notes receivables	8,891	17,283
Allowance for doubtful receivables (-)	(18,154)	(16,696)
	<b>1,278,624</b>	<b>1,155,116</b>

Trade receivables due from the SSI constitute 43% (December 31, 2020: 43%) and receivables due from foreign patients constitute 22% (December 31, 2020: 21%) of total trade receivables.

The Group has trade receivables arising from health services given to foreign patients amounting to TRY228,071 as at June 30, 2021. These receivables have a longer maturity and higher profitability compared to other institutions that the Group works such as SSI and private insurance companies. Collections of these receivables are followed up regularly by the Group. In the period January 1, 2019 - June 30, 2021, the Group has receivables from the Government of Libya amounting to TRY144,664. The Group Management expect to collect remaining receivables in 2021.

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

As of June 30, 2021, trade receivables of an initial value of TRY18,154 (December 31, 2020: TRY16,696) were fully impaired and fully provided for. No collaterals are received in relation to these trade receivables.

**Movement of allowance for doubtful receivables**

	<b>January 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>
<b>Balance at beginning of the period</b>	<b>16,696</b>	<b>13,929</b>
Charge for the period	1,767	1,673
Collections	(309)	(752)
<b>Balance at closing of the period</b>	<b>18,154</b>	<b>14,850</b>

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**NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)**

**Trade Payables**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Trade payables	816,366	756,834
Trade payables due to related parties (Note 3)	19,925	18,206
Other expense accruals	275,785	210,452
Other trade payables	5,645	1,638
	<b>1,117,721</b>	<b>987,130</b>

**NOTE 7 - OTHER RECEIVABLES AND PAYABLES**

**Other Receivables**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Non-trading receivables due from related parties (Note 3)	48,280	41,059
Receivables from tax office	22,305	10,983
Deposits given	5,060	4,449
Other miscellaneous receivables	19,945	27,876
	<b>95,590</b>	<b>84,367</b>

**Other non-current receivables**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Deposits given	2,851	2,740
	<b>2,851</b>	<b>2,740</b>

**Other Payables**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Other taxes and funds payable	32,180	19,916
Payables relating to business combinations	29,436	29,068
Non-trading payables due to related parties (Note 3)	799	799
Other miscellaneous payables	2,106	1,901
	<b>64,521</b>	<b>51,684</b>

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Payables relating to business combinations	100,027	106,471
	<b>100,027</b>	<b>106,471</b>

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**NOTE 8 - INVENTORIES**

<b>Inventories</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Pharmaceutical inventory	54,872	44,779
Laboratory inventory	32,195	37,395
Medical consumables inventory	30,119	29,668
Other inventory	741	1,640
	<b>117,927</b>	<b>113,482</b>

**NOTE 9 - PREPAID EXPENSES AND DEFERRED INCOME**

**Prepaid Expenses**

<b>Short term prepaid expenses</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Order advances	283,938	366,738
Prepaid insurance expenses	18,230	19,069
Prepaid rent expenses	7,022	16,759
Prepaid sponsorship expenses	2,572	2,586
Other	5,849	9,111
	<b>317,611</b>	<b>414,263</b>

**Long term prepaid expenses**

<b>Long term prepaid expenses</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Fixed asset advances given	315,551	277,231
Prepaid rent expenses	3,012	3,480
Other	3,795	2,003
	<b>322,358</b>	<b>282,714</b>

**Deferred Income**

<b>Short term accrued income</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Advances received	183,685	217,754
Deferred revenue	3,770	3,743
	<b>187,455</b>	<b>221,497</b>
<b>Long term accrued income</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Deferred revenue	4,558	2,211
	<b>4,558</b>	<b>2,211</b>

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

Cost	Buildings	Machinery and equipment	Vehicles	Furniture and fixture	Leased assets	Leasehold improvements	Construction in progress	Total
<b>Opening balance as of January 1, 2021</b>	817	753,417	1,546	361,807	371,073	601,052	65,220	2,154,932
Additions	-	19,242	80	24,436	67,978	20,658	29,507	161,901
Assets acquired by business combinations	-	-	-	-	-	-	-	-
Disposals	-	(205)	-	(1,000)	-	(2,177)	-	(3,382)
Transfers	-	25,364	-	15,806	(4,370)	-	(36,800)	-
<b>Closing balance as of June 30, 2021</b>	<b>817</b>	<b>797,818</b>	<b>1,626</b>	<b>401,049</b>	<b>434,681</b>	<b>619,533</b>	<b>57,927</b>	<b>2,313,451</b>
<b>Accumulated depreciation</b>								
<b>Opening balance as of January 1, 2021</b>	<b>(96)</b>	<b>(527,196)</b>	<b>(1,550)</b>	<b>(241,003)</b>	<b>(322,872)</b>	<b>(297,970)</b>	<b>-</b>	<b>(1,390,687)</b>
Charge for the period (*)	(8)	(38,202)	(38)	(16,429)	(11,116)	(21,372)	-	(87,165)
Disposals	-	999	-	150	-	2,060	-	3,209
Transfers	-	-	-	-	-	-	-	-
<b>Closing balance as of June 31, 2021</b>	<b>(104)</b>	<b>(564,399)</b>	<b>(1,588)</b>	<b>(257,282)</b>	<b>(333,988)</b>	<b>(317,282)</b>	<b>-</b>	<b>(1,474,643)</b>
<b>Carrying value as of June 31, 2021</b>	<b>713</b>	<b>233,419</b>	<b>38</b>	<b>143,767</b>	<b>100,693</b>	<b>302,251</b>	<b>57,927</b>	<b>838,808</b>

(\*) Depreciation and amortization expense of TRY82,745 (January 1 - June 30, 2020: TRY83,251) has been charged in 'cost of service', TRY9,163 (January 1 - June 30, 2020: TRY7,080) has been charged in 'operating expenses' for the period ended between January 1 - June 30, 2021.

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

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

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

Cost	Licenses	Rights	Other	Total
<b>Opening balance as of January 1, 2021</b>	<b>596,072</b>	<b>82,384</b>	<b>3,245</b>	<b>681,701</b>
Assets acquired by business combinations	-	-	-	-
Additions	-	7,230	-	7,230
Transfers	-	-	-	-
<b>Closing balance as of June 30, 2021</b>	<b>596,072</b>	<b>89,614</b>	<b>3,245</b>	<b>688,931</b>
<b>Accumulated amortization</b>				
<b>Opening balance as of January 1, 2021</b>	<b>-</b>	<b>(42,629)</b>	<b>(884)</b>	<b>(43,513)</b>
Charge for the period	-	(4,604)	(139)	(4,743)
<b>Closing balance as of June 30, 2021</b>	<b>-</b>	<b>(47,233)</b>	<b>(1,023)</b>	<b>(48,256)</b>
<b>Carrying value as of June 30, 2021</b>	<b>596,072</b>	<b>42,381</b>	<b>2,222</b>	<b>640,675</b>
Cost	Licenses	Rights	Other	Total
<b>Opening balance as of January 1, 2020</b>	<b>477,982</b>	<b>64,449</b>	<b>3,224</b>	<b>545,655</b>
Assets acquired by business combinations (Note 26)	118,090	-	-	118,090
Additions	-	13,858	22	13,880
Transfers	-	-	-	-
<b>Closing balance as of June 30, 2020</b>	<b>596,072</b>	<b>78,307</b>	<b>3,246</b>	<b>677,625</b>
<b>Accumulated amortization</b>				
<b>Opening balance as of January 1, 2020</b>	<b>-</b>	<b>(33,790)</b>	<b>(605)</b>	<b>(34,395)</b>
Charge for the period	-	(4,428)	(139)	(4,567)
<b>Closing balance as of June 30, 2020</b>		<b>(38,218)</b>	<b>(744)</b>	<b>(38,962)</b>
<b>Carrying value as of June 30, 2020</b>	<b>596,072</b>	<b>40,089</b>	<b>2,502</b>	<b>638,663</b>

**NOTE 11 - RIGHT OF USE ASSETS**

	Hospital Buildings	Total
<b>Opening balance as of January 1, 2021</b>	<b>257,440</b>	<b>257,440</b>
Additions	201,799	201,799
Charge for the year (*)	(62,333)	(62,333)
<b>Closing balance as of June 30, 2021</b>	<b>396,906</b>	<b>396,906</b>

(\*) For the period ended June 30, 2021, right of use assets depreciation expenses of TRY 61,446 has been charged to 'cost of service' (1 January - 30 June 2020: TRY 34,233), TRY 887 to 'general administrative and marketing expenses' (1 January - 30 June 2020: TRY 806).

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

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

**NOTE 12 - PAYABLES FOR EMPLOYEE BENEFITS**

<b>Payables for employment benefits:</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Fees payable to doctors and other personnel	82,052	76,191
Social security premiums payable	17,935	15,188
	<b>99,987</b>	<b>91,379</b>
<b>Short term provision for employment benefits:</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Unused vacation provision	23,170	19,090
	<b>23,170</b>	<b>19,090</b>
<b>Long term provision for employment benefits:</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Retirement pay provision	20,207	21,311
Unused vacation provision	12,719	8,896
	<b>32,926</b>	<b>30,207</b>

**NOTE 13 - OTHER ASSETS AND LIABILITIES**

<b>Other current assets:</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
VAT carried forward	36,554	38,408
Other miscellaneous current assets	4,480	4,644
	<b>41,034</b>	<b>43,052</b>

**NOTE 14 - PROVISIONS**

<b>Other short-term provisions:</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Litigation provisions	24,173	13,733
Social Security discounts provisions	4,309	6,634
	<b>28,482</b>	<b>20,367</b>

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**NOTE 15 - COMMITMENTS**

<b>June 30, 2021</b>	<b>Total</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>
<b>A. CPM given on behalf of its own legal entity</b>	79,337	75,647	156	225
- <i>Collateral</i>	79,337	75,647	156	225
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<b>B. CPM given on behalf of the subsidiaries included in full consolidation (*)</b>	48,556	48,556	-	-
- <i>Collateral</i>	48,556	48,556	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<b>C. CPM given for execution of ordinary commercial activities to collect third parties debt</b>	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<b>D. Total amount of other CPM given</b>				
<i>i. Total Amount of CPM on behalf of the main partner</i>	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<i>ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C</i>	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<i>iii. Total amount of CPM on behalf of third parties that do not cover C.</i>	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<b>TOTAL</b>	<b>127,893</b>	<b>124,203</b>	<b>156</b>	<b>225</b>

(\*) The Group has given guarantees amounting to TRY69,026 related to the loans in Note 5 for the companies under full consolidation.

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

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**NOTE 15 - COMMITMENTS (Continued)**

<b>31 December 2020</b>	<b>Total</b>	<b>TRY</b>	<b>USD</b>	<b>EUR</b>
A.CPM given on behalf of its own legal entity	71,194	66,968	156	342
- <i>Collateral</i>	71,194	66,968	156	342
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
B. CPM given on behalf of the subsidiaries included in full consolidation (*)	58,959	56,555	-	267
- <i>Collateral</i>	58,959	56,555	-	267
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
C. CPM given for execution of ordinary commercial activities to collect third parties debt	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
D. Total amount of other CPM given				
i. Total Amount of CPM on behalf of the main partner	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
ii. Total amount of CPM given on behalf of other Company companies that do not cover B and C	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
iii. Total amount of CPM on behalf of third parties that do not cover C.	-	-	-	-
- <i>Collateral</i>	-	-	-	-
- <i>Pledge</i>	-	-	-	-
- <i>Mortgage</i>	-	-	-	-
<b>Total</b>	<b>130,153</b>	<b>123,523</b>	<b>156</b>	<b>609</b>

(\*) The Group has given guarantees amounting to TRY64,991 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 16 - SHARE CAPITAL/OTHER RESERVES**

Shareholders	(%)	June 30, 2021	(%)	December 31, 2020
Lightyear Healthcare B.V.	30.69	63,844	30.69	63,844
Sancak İnşaat Turizm Nakliyat ve Dış Ticaret A.Ş.	15.35	31,943	15.35	31,943
Muharrem Usta	8.98	18,678	8.98	18,678
Hujori Financieringen B.V.	3.98	8,287	3.98	8,287
Adem Elbaşı	2.99	6,226	2.99	6,226
İzzet Usta	1.20	2,490	1.20	2,490
Saliha Usta	0.90	1,868	0.90	1,868
Nurgül Dürüstkan Elbaşı	0.90	1,868	0.90	1,868
Publicly Traded (*)	35.01	72,833	35.01	72,833
<b>Nominal capital</b>	<b>100.00</b>	<b>208,037</b>	<b>100.00</b>	<b>208,037</b>

(\*) The shareholders of the Company purchased 6,827 thousand shares from the publicly traded portion of the capital. Distribution of the shares purchased is as follows; 3,224 thousand shares representing 4.43% of the publicly traded portion were purchased by Lightyear Healthcare B.V., 1,613 thousand shares representing 2.21% of the publicly traded portion of the capital were purchased by Sancak İnşaat, 943 thousand shares representing 1.29% of the publicly traded portion of the capital were purchased by Muharrem Usta, 418 thousand shares representing 0.57% of the publicly traded portion of the capital were purchased by Hujori Financieringen B.V., 314 thousand shares representing 0.43% of the publicly traded portion of the capital were purchased by Adem Elbaşı and lastly other shareholders purchased 314 shares representing 0.43% of the publicly traded portion. 1,613 thousand shares purchased by Sancak İnşaat from the publicly traded portion were sold on September 24, 2018. 126 thousand shares purchased by İzzet Usta and 18 thousand shares purchased by Adem Elbaşı from the publicly traded portion were sold.

As of June 30, 2021 the total number of ordinary shares is 208,037 thousand shares (2020: 208,037 thousand shares) with a par value of TRY1 per share (2020: TRY1 per share).

The share capital is divided into 208,037 thousand shares (December 31, 2020: 208,037 thousand shares), with 88,229 thousand A type shares and 119,808 thousand B type shares.

In accordance with the Capital Markets Board's (the 'CMB') Resolution No: 21/655 issued on July 23, 2010, it is regarded that 33.36% of the shares are in circulation in accordance with CSD as of June 30, 2021 (Note 1). Shares in circulation rate is 33.36% as of July 1, 2021.

**Share premiums:**

	June 30, 2021	December 31, 2020
Share premiums	556,162	556,162
	<b>556,162</b>	<b>556,162</b>

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

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

<b>Reserves:</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Legal reserves	302	302
Restricted reserves appropriated from profit	9,958	9,958
Revaluation reserves	37,747	37,747
	<b>48,007</b>	<b>48,007</b>

**Legal reserves**

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

**NOTE 17 - REVENUE AND COST OF SERVICES**

<b>Revenue</b>	<b>January 1 - June 30, 2021</b>	<b>April 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>	<b>April 1 - June 30, 2020</b>
Hospital services (*)	2,542,274	1,330,970	1,738,296	759,426
	<b>2,542,274</b>	<b>1,330,970</b>	<b>1,738,296</b>	<b>759,426</b>

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

<b>Cost of services</b>	<b>January 1 - June 30, 2021</b>	<b>April 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>	<b>April 1 - June 30, 2020</b>
Doctor expenses	(565,977)	(303,307)	(356,234)	(152,582)
Material consumption	(489,012)	(247,619)	(392,823)	(181,337)
Personnel expenses	(338,920)	(178,371)	(245,783)	(100,768)
Services rendered by third parties	(208,701)	(108,384)	(121,574)	(53,078)
Depreciation and amortization expenses (Note 10, 11)	(144,191)	(76,207)	(117,484)	(58,821)
Rent expenses (Hospitals)	(17,395)	(8,465)	(13,806)	(7,053)
Other (*)	(142,710)	(76,297)	(102,969)	(47,008)
	<b>(1,906,906)</b>	<b>(998,650)</b>	<b>(1,350,673)</b>	<b>(600,647)</b>

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

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**NOTE 18 - GENERAL ADMINISTRATIVE AND MARKETING EXPENSES**

General administrative and marketing expenses	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Personnel expenses	(75,984)	(40,445)	(46,280)	(13,596)
Sponsorship and advertising expenses (*)	(58,365)	(32,911)	(35,639)	(10,948)
Depreciation and amortization expenses (Note 10, 11)	(10,050)	(5,179)	(7,886)	(4,076)
Outsourcing expenses	(7,247)	(3,989)	(4,690)	(2,200)
Rent expenses	(4,180)	(2,078)	(4,134)	(1,984)
Communication expenses	(3,443)	(1,843)	(1,398)	(772)
Representation and entertainment expenses	(2,095)	(1,158)	(1,044)	(463)
Bad debt allowance	(1,767)	(1,493)	(1,673)	(1,077)
Taxes and duties	(1,428)	(667)	(2,872)	(1,391)
Maintenance and repair expenses	(1,352)	(567)	(959)	(334)
Utility expenses	(517)	(251)	(667)	(233)
Other	(27,159)	(18,232)	(5,454)	(1,646)
	<b>(193,587)</b>	<b>(108,813)</b>	<b>(112,696)</b>	<b>(38,720)</b>

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

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

Other income from operating activities	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Foreign exchange gains from operations	199,895	126,343	145,038	71,668
Interest income	12,384	7,867	12,207	7,068
Trade payables discount	4,681	2,445	(5,129)	(3,890)
Bank commission income	1,246	635	-	-
Collected provisions for doubtful (Note 6)	309	293	752	223
Other income	8,340	4,417	8,204	3,784
	<b>226,855</b>	<b>142,000</b>	<b>161,072</b>	<b>78,853</b>
Other expenses from operating activities	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Foreign exchange losses from operations	(157,018)	(116,354)	(105,294)	(49,025)
SSI return expenses	(5,756)	(3,342)	(2,834)	(1,208)
Biomedical equipment damage	(5,634)	(2,661)	-	-
Non-operational hospital expenses	(2,932)	(1,482)	(859)	(61)
Trade receivables discount	(428)	355	1,936	1,353
Other expenses	(19,915)	(11,170)	(18,767)	(9,549)
	<b>(191,683)</b>	<b>(134,654)</b>	<b>(125,818)</b>	<b>(58,490)</b>

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

Income from investing activities	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Gain on sale of fixed assets	2,563	2,329	2,636	2,154
Gain on bargain purchase	-	-	81,980	-
	<b>2,563</b>	<b>2,329</b>	<b>84,616</b>	<b>2,154</b>
Expense from investing activities	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Loss on sale of fixed assets	(42)	(40)	(104)	(6)
	<b>(42)</b>	<b>(40)</b>	<b>(104)</b>	<b>(6)</b>

**NOTE 21 - FINANCE EXPENSES**

Finance expenses	January 1 - June 30, 2021	April 1 - June 30, 2021	January 1 - June 30, 2020	April 1 - June 30, 2020
Interest expenses from bank borrowings	(92,263)	(50,660)	(106,489)	(59,507)
Interest expenses from financial lease obligations	(82,471)	(46,551)	(73,599)	(36,860)
Interest expenses from bonds issued	(50,396)	(24,476)	(19,897)	(9,688)
Bank commissions	(13,505)	(7,133)	(9,660)	(3,599)
Interest expenses from lease liabilities	(6,479)	(3,170)	(6,786)	(2,787)
Other interest expenses	(17,893)	(8,509)	(10,293)	(5,834)
<b>Total interest expenses</b>	<b>(263,007)</b>	<b>(140,499)</b>	<b>(226,724)</b>	<b>(118,275)</b>
Net foreign exchange loss	(17,696)	(14,637)	(118,148)	(54,615)
Net foreign exchange loss from lease liabilities (Note 5)	(10,571)	(4,532)	(9,097)	(4,185)
Fair value differences of derivative financial instruments, net	-	-	23,592	12,304
	<b>(291,274)</b>	<b>(159,668)</b>	<b>(330,377)</b>	<b>(164,771)</b>

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

<b>Short term payables due to current tax</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>		
Current period tax liabilities	25,722	17,708		
	<b>25,722</b>	<b>17,708</b>		
<b>Current tax liabilities</b>	<b>June 30, 2021</b>	<b>December 31, 2020</b>		
Current corporate tax provision	28,149	34,119		
Less: Prepaid taxes and funds	(2,427)	(16,411)		
	<b>25,722</b>	<b>17,708</b>		
<b>Tax income/(expense)</b>	<b>January 1 - June 30, 2021</b>	<b>April 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>	<b>April 1 - June 30, 2020</b>
Current tax income/(expense)	(28,149)	(15,217)	(8,597)	(4,464)
Deferred tax income/(expense)	14,377	36,290	(16,482)	4,532
<b>Loss per share</b>	<b>(13,772)</b>	<b>21,073</b>	<b>(25,079)</b>	<b>68</b>

Corporate Tax

The Group is subject to Turkish corporate tax. Provision is made in the accompanying consolidated financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

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

The advance corporate income tax rate is 25% in 2021 (2020: 22%).

In Turkey, temporary tax is calculated and accrued on a quarterly basis. With the change in the Corporate Tax Law, which came into force after being published in the Official Gazette dated April 22, 2021 and numbered 31462, the corporate tax rate applied in Turkey is 25% for 2021 corporate earnings, 23% for 2022, and 20% for 2023 and the following years. Losses can be carried forward for a maximum of 5 years, to be deducted from the taxable profits that will arise in future years. However, the losses incurred cannot be deducted retrospectively from the profits of previous years.

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

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

##### Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TAS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TAS and tax purposes and they are given below. Tax rate used in the calculation of deferred tax assets and liabilities was 25% over temporary timing differences expected to be reversed in 2021, 23% for after 2022 and 20% for following years. (2020: 22%).

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

##### Investment Incentive Certificate

The Group has various investment incentive certificates that were signed by the Turkish Ministry of Economy and approved by General Directorate of Incentive Implementation and Foreign Capital. With those incentives, the Group is eligible for a corporate tax deduction rate ranging between 40% - 80% for an unlimited time, which amounts to a total deferred tax asset of TRY170,153 (December 31, 2020: TRY160,332). Respective deferred tax asset was calculated to be 15% - 40% of total investment contribution with regards to the respective investment incentive certificates. Additionally, the Group is entitled to social security premium support from the Turkish Ministry of Economy, related to the hospitals that have completed their greenfield investments. Such investment income of TRY3,546 will be netted off against personnel expenses over the period of 2020 - 2026.

As of June 30, 2021, the Group has tax loss amounting to TRY228,312 (December 31, 2020: TRY426,574). TRY57,078 (December 31, 2020: TRY85,316) deferred tax assets have been recorded concerning this loss.

Deferred tax assets/(liabilities):	June 30, 2021	December 31, 2020
Tax losses carried forward	57,078	85,316
Depreciation differences of tangible and intangible assets	(175,717)	(174,096)
Provision for employment termination benefits	4,041	4,262
Vacation pay liability	7,178	5,597
Temporary difference between the tax base and carrying amount of financial liabilities	(7,291)	(3,778)
Prepaid building expenses	(2,321)	(3,033)
Tax advantage from investment incentive	170,153	160,332
Right of use asset	67,777	67,532
Other	111,433	75,747
	<b>232,331</b>	<b>217,879</b>
Deferred tax asset	419,352	401,531
Deferred tax liability	(187,021)	(183,652)
	<b>232,331</b>	<b>217,879</b>

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

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

<b>Expiration schedule of carryforward tax losses</b>	<b>June 30, 2021</b>	
	<b>Losses carried forward for which deferred tax assets recognized</b>	<b>Losses carried forward for which deferred tax assets not recognized</b>
Expiring in 2021	37,935	-
Expiring in 2022	26,856	-
Expiring in 2023	28,600	-
Expiring in 2024	63,708	-
Expiring in 2025	55,608	-
Expiring in 2026	15,605	-
	<b>228,312</b>	-
<b>December 31, 2020</b>		
<b>Expiration schedule of carryforward tax losses</b>	<b>Losses carried forward for which deferred tax assets recognized</b>	<b>Losses carried forward for which deferred tax assets not recognized</b>
Expiring in 2021	43,063	-
Expiring in 2022	142,458	-
Expiring in 2023	120,453	-
Expiring in 2024	64,998	-
Expiring in 2025	55,602	-
	<b>426,574</b>	-

Movement of deferred tax assets/(liabilities) for the period ended June 30, 2021 and June 30, 2020 are as follows:

<b>Movement of deferred tax liabilities:</b>	<b>January 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>
<b>Opening balance as at January 1</b>	<b>(217,879)</b>	<b>(243,138)</b>
Charged to profit or loss	(14,377)	16,482
Charged to equity	(75)	(1,356)
<b>Closing balance as at year end</b>	<b>(232,331)</b>	<b>(228,012)</b>

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

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

<b>Reconciliation of tax provision:</b>	<b>January 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>
Loss before tax	188,200	64,316
Tax at the domestic income tax rate of 25% (2020: 22%)	(47,050)	(14,150)
Tax effects of:		
- Expenses that are not deductible in	(23,530)	(14,458)
- Effect of tax advantage from investment incentive	9,821	3,391
- Tax losses carried forward not subject to deferred tax	-	(587)
- Change in income tax rate from 20% to 25%	32,118	1,077
- Reduced corporate tax effect	13,378	333
- Other	1,491	(685)
<b>Income tax income recognised in profit or loss</b>	<b>(13,772)</b>	<b>(25,079)</b>

**NOTE 23 - EARNINGS PER SHARE**

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

<b>Earnings/(loss) per share</b>	<b>January 1 - June 30, 2021</b>	<b>April 1 - June 30, 2021</b>	<b>January 1 - June 30, 2020</b>	<b>April 1 - June 30, 2020</b>
Weighted average number of shares	208,037	208,037	208,037	208,037
Net loss for the period for the equity holders of the parent	147,305	81,657	27,490	(22,876)
<b>Loss per share</b>	<b>0.71</b>	<b>0.39</b>	<b>0.13</b>	<b>(0.11)</b>

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### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

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

##### Financial Risk Factors

###### *Foreign currency risk management*

###### **Foreign currency risk**

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

**June 30, 2021**

	TRY Equivalent (Functional currency)	USD	EUR	GBP
1. Trade receivables	116,231	12,020	1,121	(2)
2a. Monetary financial assets	277,529	5,586	22,077	7
2b. Non monetary financial assets	28,029	1,045	1,822	4
3. Other	5,562	-	537	-
<b>4. CURRENT ASSETS</b>	<b>427,351</b>	<b>18,651</b>	<b>25,557</b>	<b>9</b>
6b. Non monetary financial assets	27,265	3,132	-	-
7. Other	22	-	2	-
<b>8. NON CURRENT ASSETS</b>	<b>27,287</b>	<b>3,132</b>	<b>2</b>	<b>-</b>
<b>9. TOTAL ASSETS</b>	<b>454,638</b>	<b>21,783</b>	<b>25,559</b>	<b>9</b>
10. Trade payables	(11,067)	(1,032)	(201)	-
11a. Financial liabilities (loans)	(94,234)	-	(9,092)	-
11b. Financial liabilities (leasing)	(94,843)	(907)	(8,389)	-
11c. Lease Liabilities	(20,242)	-	(1,953)	-
12a. Other monetary liabilities	(90,806)	(4,864)	(4,676)	-
<b>13. CURRENT LIABILITIES</b>	<b>(311,192)</b>	<b>(6,803)</b>	<b>(24,311)</b>	<b>-</b>
15a. Financial liabilities (loans)	-	-	-	-
15b. Financial liabilities (loans) (leasing)	(52,083)	(549)	(4,564)	-
15c. Lease Liabilities	(55,730)	-	(5,377)	-
<b>17. NON CURRENT LIABILITIES</b>	<b>(107,813)</b>	<b>(549)</b>	<b>(9,941)</b>	<b>-</b>
<b>18. TOTAL LIABILITIES</b>	<b>(419,005)</b>	<b>(7,352)</b>	<b>(34,252)</b>	<b>-</b>
<b>19. Net assets/(liabilities) position of off- balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off balance sheet foreign currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off balance sheet foreign currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset liability position (9-18+19)</b>	<b>35,633</b>	<b>14,431</b>	<b>(8,693)</b>	<b>9</b>
<b>21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+10+11+12a+14+15+16a)</b>	<b>(25,245)</b>	<b>10,254</b>	<b>(11,054)</b>	<b>5</b>

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

**December 31, 2020**

	<b>TRY Equivalent (Functional currency)</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>
1. Trade receivables	93,743	11,708	866	-
2a. Monetary financial assets	288,602	2,726	29,814	3
2b. Non monetary financial assets	41,783	2,782	2,367	4
3. Other	3,845	55	382	-
<b>4. Current Assets</b>	<b>427,973</b>	<b>17,271</b>	<b>33,429</b>	<b>7</b>
6b. Non monetary financial assets	22,990	3,132	-	-
7. Other	27	-	3	-
<b>8. Non-current assets</b>	<b>23,017</b>	<b>3,132</b>	<b>3</b>	<b>-</b>
<b>9. Total assets</b>	<b>450,990</b>	<b>20,403</b>	<b>33,432</b>	<b>7</b>
10. Trade payables	(22,966)	(2,747)	(311)	-
11a. Financial liabilities (loans)	(165,376)	-	(18,359)	-
11b. Financial liabilities (leasing)	(87,529)	(881)	(8,999)	-
11c. Lease Liabilities	(16,331)	-	(1,813)	-
12a. Other monetary liabilities	(67,214)	(3,740)	(4,414)	-
<b>13. Current liabilities</b>	<b>(359,416)</b>	<b>(7,368)</b>	<b>(33,896)</b>	<b>-</b>
15a. Financial liabilities (loans)	(408,833)	-	(45,386)	-
15b. Financial liabilities (leasing)	(83,864)	(1,010)	(8,487)	-
15c. Lease Liabilities	(57,560)	-	(6,390)	-
<b>17. Non-current liabilities</b>	<b>(550,257)</b>	<b>(1,010)</b>	<b>(60,263)</b>	<b>-</b>
<b>18. Total liabilities</b>	<b>(909,673)</b>	<b>(8,378)</b>	<b>(94,159)</b>	<b>-</b>
<b>19. Net assets/(liabilities) position of off-balance sheet derivatives (19a-19b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19a. Off balance sheet foreign currency derivative assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Off balance sheet foreign currency derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net foreign currency asset liability position (9+18+19)</b>	<b>(458,683)</b>	<b>12,025</b>	<b>(60,727)</b>	<b>7</b>
<b>21. Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a+10+11+12a+14+15+16a)</b>	<b>(527,328)</b>	<b>6,056</b>	<b>(63,479)</b>	<b>3</b>

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

Foreign currency sensitivity

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

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

<b>June 30, 2021</b>	<b>Profit/(Loss)</b>	
	<b>Valuation of foreign currency</b>	<b>Devaluation o foreign currency</b>
<b>In the case of US dollar gaining 20% value against TRY</b>		
1 - USD net asset/(liability)	25,125	(25,125)
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1+2)</b>	<b>25,125</b>	<b>(25,125)</b>

**In the case of EUR gaining 20% value against TRY**

4 - EUR net asset/(liability)	(18,020)	18,020
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<b>(18,020)</b>	<b>18,020</b>
<b>TOTAL (3+6)</b>	<b>7,105</b>	<b>(7,105)</b>

**December 31, 2020**

<b>December 31, 2020</b>	<b>Profit/(Loss)</b>	
	<b>Valuation of foreign currency</b>	<b>Devaluation of foreign currency</b>
<b>In the case of US dollar gaining 20% value against TRY</b>		
1 - USD net asset/(liability)	17,654	(17,654)
2 - Portion hedged against USD risk (-)	-	-
<b>3 - USD net effect (1 +2)</b>	<b>17,654</b>	<b>(17,654)</b>

**In the case of EUR gaining 20% value against TRY**

4 - EUR net asset/(liability)	(109,405)	109,405
5 - Portion hedged against EUR risk (-)	-	-
<b>6 - EUR net effect (4+5)</b>	<b>(109,405)</b>	<b>109,405</b>
<b>Total (3+6)</b>	<b>(91,751)</b>	<b>91,751</b>

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

None.

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**OTHER SUPPLEMENTARY INFORMATION AS OF 30 JUNE 2021**

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**APPENDIX I OTHER SUPPLEMENTARY INFORMATION**

**EARNINGS BEFORE INTEREST TAXES DEPRECIATION AND AMORTISATION ('EBITDA')**

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

The EBITDA calculation movements for the period ended June 30, 2021 and June 30, 2020 are as follow:

<b>EBITDA CALCULATION</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
i. Net profit/(loss) before tax	188,200	64,316
ii. Depreciation and amortization of tangible and intangible		
Fixed assets including non-cash provisions related to assets		
Such as goodwill	154,241	125,370
iii. Total net finance expenses, net of interest income	250,623	214,517
iv. Fx gains/(losses), net under finance expenses	28,267	127,245
v. Fair value differences of derivative instruments (Note 21)	-	(23,592)
vi. Extraordinary income/(expenses)	36,525	24,074
vii. Rediscount income/(expense), net imputed interest	(4,253)	3,193
viii. Gain on bargain purchase price	-	(81,980)
viii. Legal case provision expenditures which are reflected to		
financial statements by the general accounting principles	10,440	(902)
xi. Unused vacation pay provision expenses which are reflected to		
financial statements by the general accounting principles	7,903	1,678
x. Retirement pay provision expenses which are reflected to		
financial statements by the general accounting principles	4,460	1,493
xi. Doubtful receivables provision expenses which are reflected to		
financial statements by the general accounting principles	1,458	921
xii. Non cash sale and lease back expenses which are reflected to		
financial statements by the general accounting principles (Note 3)	394	394
xiii. Incomes/(expenses) from investment operations	(2,521)	(2,532)
<b>EBITDA</b>	<b>675,737</b>	<b>454,195</b>
TFRS 16, 'Lease' payment effect	(154,154)	(118,261)
<b>Adjusted EBITDA</b>	<b>521,583</b>	<b>335,934</b>

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