

MLPCARE



MLP SAĞLIK HİZMETLERİ A.Ş.

**Interim Report of the Board of Directors for the Six Months Ended
as of September 30, 2023**

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1. Overview:

Founded in 1993, MLP Care (“MLP Care”, “the Group” or “the Company”) continue operations with the Liv Hospital and Medical Park brands as well as VM Medical Park concept. MLP Care is the most widespread Turkish private healthcare group, with 29 hospitals and around 5,700 beds, located in 13 cities across Turkey, Baku, Azerbaijan and Budapest, Hungary.

2. Corporate Structure:**2.1 Shareholder Structure:**

Shareholder Name	Ownership Interest (%)	Ownership Interest (thousand TL)
Lightyear Healthcare B.V.	34.67%	72,131
Sancak Yatırım İç ve Dış Ticaret Anonim Şirketi (*)	15.35%	31,943
Usta Group - Elbaşı Group	14.97%	31,130
Publicly Traded (**)	35.01%	72,833
Total	100.00%	208,037

(*) As of March 9, 2023, the title of Sancak İnşaat Turizm Nakliyat ve Dış Ticaret A.Ş. has been registered as Sancak Yatırım İç ve Dış Ticaret A.Ş..

(**) The shareholders of the Company purchased 6,827 thousand shares from the publicly traded portion of the capital. Distribution of the shares purchased is as follows; 3,642 thousand shares representing 5% of the publicly traded portion were purchased by Lightyear (“Lightyear Healthcare B.V.” ve “Hujori Financieringen B.V.”), 1,613 thousand shares representing 2.21% of the publicly traded portion of the capital were purchased by Sancak Yatırım, 943 thousand shares representing 1.29% of the publicly traded portion of the capital were purchased by Muharrem Usta, 314 thousand shares representing 0.43% of the publicly traded portion of the capital were purchased by Adem Elbaşı and lastly other shareholders purchased 314 shares representing 0.43% of the publicly traded portion. 1,613 thousand shares purchased by Sancak Yatırım 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.

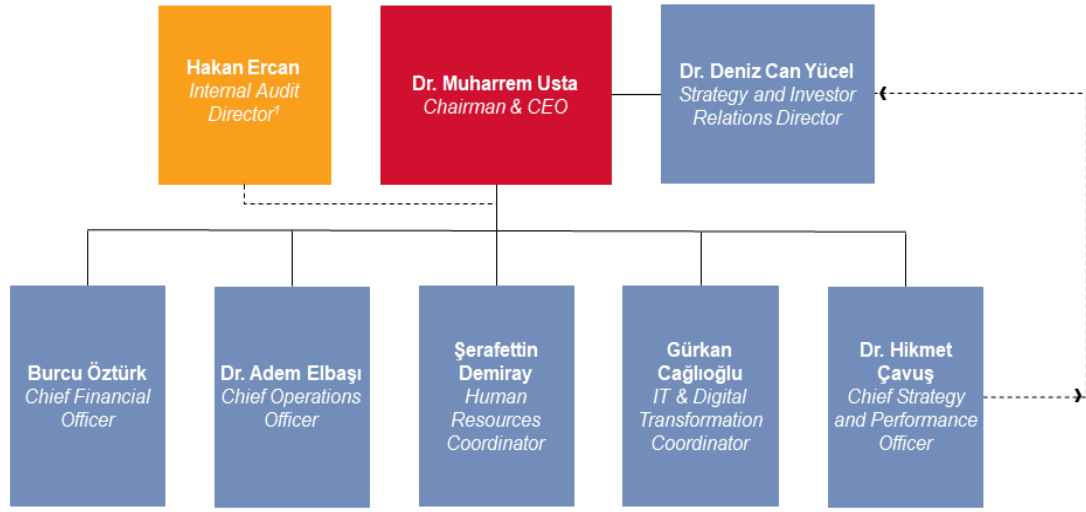
2.2 Major Participations (as of September 30, 2023):

Trade Name	Proportion of ownership and voting power held(%)
Temar Tokat Manyetik Rezonans Sağlık Hizmetleri ve Turizm A.Ş. (“Tokat Hastanesi”)	58.84%
Samsun Medikal Grup Özel Sağlık Hizmetleri A.Ş. (“Samsun Hastanesi”)	80.00%
Tasfiye Halinde Özel Samsun Medikal Tıp Merkezi ve Sağlık Hizmetleri Tic. Ltd. Şti. (“Samsun Tıp Merkezi”)	100.00%
MS Sağlık Hizmetleri Ticaret A.Ş. (“MS Sağlık”)	100.00%
Mediplaza Sağlık Hizmetleri Ticaret A.Ş. (“Mediplaza”)	75.00%
MA Group Sağlık ve Danışmanlık Hizmetleri Ticaret A.Ş. (“MA Group”)	51.00%
BTR Sağlık Hizmetleri A.Ş. (“BTR Sağlık”)	100.00%
İstanbul Meditime Sağlık Hizmetleri Ticaret Ltd. Şti. (“Meditime Sağlık”)	100.00%
MLP Gaziantep Sağlık Hizmetleri Anonim Şirketi (“MLP Gaziantep Sağlık”)*	100.00%

Sotte Sağlık Temizlik Yemek Medikal Turizm İnşaat San. ve Tic. A.Ş. ("Sotte Sağlık Temizlik Yemek")	100.00%
Kuzey Medikal Pazarlama İnşaat Taşımacılık San. ve Tic. Ltd. Şti. ("Kuzey")	100.00%
Artimed Medikal Sanayi ve Ticaret A.Ş. ("Artimed")	100.00%
21. Yüzyıl Anadolu Vakfı ("21.Yüzyıl Anadolu Vakfı")	100.00%
Kuzey Doğu Sağlık Hizmetleri ve Tic. A.Ş. ("Kuzey Doğu")	100.00%
Şile Cns Gayrimenkul Sağlık Hizmetleri A.Ş. ("Şile Cns")	25.00%

* Group's share on MLP Gaziantep Sağlık has increased to 100% as of July 18, 2023.

2.3 Organizational Chart:



¹ Independent directorate reporting to the Board

3. Developments During the Period:

– Announcement Regarding the Subsidiaries (July 18, 2023 Dated Announcement)

Our Company's board of directors has decided to,

- acquire 25% of the capital of the company named Şile Cns Gayrimenkul Sağlık Hizmetleri A.Ş. ("Şile Cns"), in order to develop a new hospital project on its land located in Istanbul, Ataşehir. In this context, all management rights of Şile Cns will be transferred to MLP Care, by registering and announcing the amendments of the articles of association of Şile Cns,
- increase the subsidiary MLP Gaziantep Sağlık Hizmetleri A.Ş., which owns Liv Hospital Gaziantep, share of MLP Care to 100% from 60%

on July 18, 2023, in line with its strategy of growing with medium and large-scale hospitals in metropolitan areas.

– **Issuance of Lease Certificate (August 1, 2023 Dated Announcement)**

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

– **Capital Markets Board Application Regarding The Issuance Of Lease Certificate (September 5, 2023 Dated Announcement)**

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

The application was made on September 5, 2023 to the Capital Markets Board of Türkiye for the aforementioned lease certificate issuance.

– **CMB Approval of the Domestic Debt Securities Issuance Certificate (September 15, 2023 Dated Announcement)**

Our Company's application was approved by the Capital Markets Board regarding the Board of Directors' decision at its meeting on May 31, 2023, in accordance with the Capital Markets Board's Communiqué on Debt Securities numbered II-31.1 and Article 31 of the Capital Market Law. Regarding this approval, our Company will be able to apply to issue debt securities to with a nominal amount up to 1,500,000,000 TL (One Billion Five Hundred Million Turkish Liras), maturity up to 5 (five) years, denominated in Turkish Lira, to be sold one or more at a time, without public offering to qualified investors in the domestic market within one year.

– **Opening Of Liv Hospital Duna Medical Center (October 2, 2023 Dated Announcement)**

In line with our strategy to increase foreign medical tourism revenue, Our Company and Duna Medical Center Kft. (“Duna”) have signed management service contract in order to operate Duna Hospital in Hungary.

Liv Hospital Duna Medical Center is the eighth hospital of Liv Hospital brand and our second hospital abroad, which has a total closed area of approximately 22,000 m2, 154 bed capacity, will play a major role in promoting strong brand name and high quality healthcare services of Liv Hospital in abroad.

– **The Amortization of Debt Securities (October 11, 2023 Dated Announcement)**

The amortization of debt securities amounting to TL 500,000,000 was realized on October 11, 2023.

– **Resolution of the Board of Directors Regarding Bonus Issue Capital Increase (October 30, 2023 Dated Announcement)**

Our Company's Board of Directors took the following decisions at its meeting dated October 30, 2023;

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

– **CMB Application Regarding the Capital Increase Regarding Bonus Issue Capital Increase (November 3, 2023 Dated Announcement)**

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

4. Corporate Governance Compliance Report:

4.1 Corporate Governance Principles Compliance Report:

In accordance with the resolution No. 2/49 made by the Capital Markets Board of the Prime Ministry of the Republic of Turkey on January 10, 2019, the Company disclosed the "Compliance Report Format (CRF)" which indicates the compliance status of the Company with the principles of voluntary compliance and the "Corporate Governance Information Form (CGIF)" which indicates the existing corporate governance practices, on the Public Disclosure Platform (KAP) in March 13, 2023. The aforementioned announcements can be reached through <https://www.kap.org.tr/en/sirket-bilgileri/ozet/2118-mlp-saglik-hizmetleri-a-s-link>.

4.2 Strategy and Investor Relations Department:

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

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

Dr. Deniz Can Yücel

Strategy and Investor Relations Director

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Fax: 0 212 227 23 28

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Strategy and Investor Relations Specialist

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Tuana Öztaş

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Tel: 0 212 227 55 55

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During the first nine months period of 2023, in order to inform shareholders and investors IR Department attended a total of 135 meetings, including domestic and abroad roadshows and conferences, which were organized with both domestic and foreign corporate and individual investors, shareholders and analysts to discuss about Company's operational results, performance, and other developments.

4.2.1 Stock Information

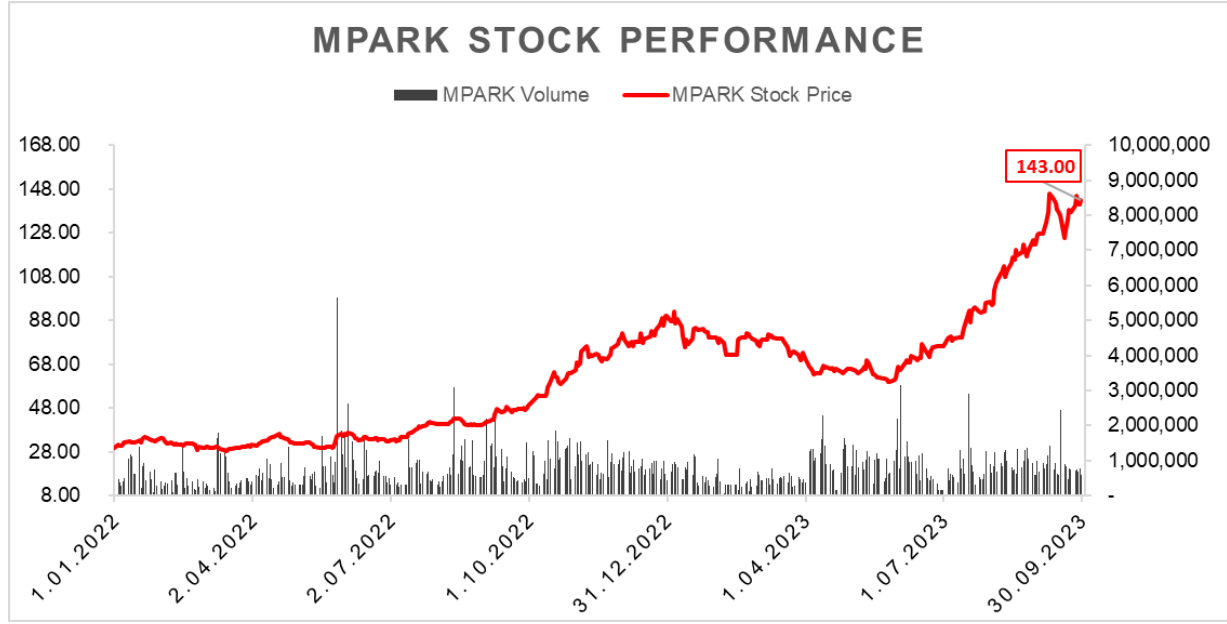
Number of Shares: 208,037,202 (each with a nominal value of TL 1.00 per share)

Date of IPO: February 13, 2018

Public: 35.01% (TFRS Report)

Stock Performance in 9M 2023:

January 1 – September 30, 2023	Lowest	Highest	Average	September 30, 2023
Stock Price (TL)	59.95	146.00	86.28	143.00
Market Value (million USD)	607	1,131	804	1,085

Stock Performance:**Independent Auditor:**

In our General Assembly Meeting held on April 26, 2023, **DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A Member of Deloitte Touche Tohmatsu Limited)** has been selected as the independent auditor to audit our Company's financial reports for the year 2023 accounting period and to fulfill all other obligations required for the auditors by Turkish Commercial Code numbered 6102 and Capital Markets Law numbered 6362 and related regulations.

4.3 The Structure and the Formation of the Board of Directors:

Company's Board of Directors comprises of six members:

- Muharrem Usta – Chairman and CEO
- Seymur Tarı – Vice Chairman
- Hatice Hale Özsoy Bıyıklı – Board Member
- Haydar Sancak – Board Member
- Meral Kurdaş – Independent Board Member
- Tayfun Bayazıt – Independent Board Member

4.4 Working Principles of the Board of Directors:

It's aimed to carry out the duties of the Board in accordance with the Corporate Governance Principles in a transparent, accountable, fair, and responsible manner. In this context, in line with the Corporate Governance Principles, the Board meetings are conducted regularly (at least four times a year) in a way that it can efficiently carry out its duties. The members of the Board also hold meetings whenever it is necessary.

Board members aim attending every meeting and present their opinions. When there are dissenting opinions on reasonable and detailed grounds regarding the questions asked or different opinions expressed by Board members, these are recorded in the meeting minutes.

4.5 The Number, the Structure and the Independence of the Committees within the Board of Directors:

In its meeting held on April 30, 2021, the Board of Directors resolved to appoint the members of the Committees in accordance with the provisions of the Corporate Governance Communiqué numbered II-17.1 of the Capital Markets Board,

- a) Appoint Tayfun Bayazıt as the Chairman of the Audit Committee; Meral Kurdaş as the member of the Audit Committee,
- b) Appoint Tayfun Bayazıt as the Chairman of the Corporate Governance Committee and Meral Kurdaş, Hatice Hale Özsoy Bıyıklı, and Deniz Can Yücel as the members of the Corporate Governance Committee,
- c) Appoint Meral Kurdaş as the Chairman of the Early Detection of Risk Committee and Tayfun Bayazıt and Hatice Hale Özsoy Bıyıklı as the members of the Early Detection of Risk Committee.
- d) Appoint Meral Kurdaş as the Chairman of the Nomination and Remuneration Committee and Tayfun Bayazıt and Hatice Hale Özsoy Bıyıklı as the members of the Nomination and Remuneration Committee.

There is no change in the committee structures and memberships in this year.

The resumes of the Committee Members and the Committee Charters, determining the principles of operation for each Committee, are available at our website "<http://investor.mlpcare.com/en/>".

In 2023, the Audit Committee held five meetings on January 6, February 28, April 27, August 2 and October 31, 2023. Corporate Governance Committee held four meetings on February 24, April 27, August 2, and October 31, 2023. Early Detection of Risk Committee held five meetings on February 24, April 27, June 15, August 2, and October 31, 2023. Nomination and Remuneration Committee held one meeting on August 10, 2023.

In the following period, they will continue to meet and perform their duties as often as their charters require.

5. 9M 2023 Earnings Release

Summary Financials

(TL million)	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
Revenues	12,035	6,893	74.6%	4,869	2,476	96.7%
EBITDA¹	2,952	1,629	81.2%	1,242	590	110.6%
EBITDA margin (%) ¹	24.5%	23.6%	89bps	25.5%	23.8%	169bps
Net Profit/(Loss) Before Tax	1,805	1,039	73.6%	708	382	85.4%
Net Profit/(Loss)	1,707	1,079	58.2%	724	475	52.5%
Net Profit/(Loss) equity holders of the parent	1,621	1,039	56.1%	689	462	49.2%
Free Cash Flow	1,017	434	134.6%	388	124	213.2%
Capital Expenditure	783	463	69.2%	538	164	227.7%
Net Debt	3,073	1,452	111.7%			
Net Debt / EBITDA	0.8x	0.7x				

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

Financial Highlights

- ✓ In Q3 2023, total revenues increased by 97% to TL 4,869 million (Q3 2022: TL 2,476 million). Private medical insurance segment posted the highest growth among all segments. Therefore, total revenues increased by 75% to TL 12,035 million in 9M 2023 (9M 2022: TL 6,893 million).
- ✓ In Q3 2023, EBITDA surged by 111% to TL 1,242 million, and the EBITDA margin expanded by 169 basis points to 25.5%. For 9M 2023, EBITDA grew by 81% to TL 2,952 million, and the EBITDA margin increased by 89 basis points to 24.5%.
- ✓ In Q3 2023, net profit increased by 53% to TL 724 million (Q3 2022: TL 475 million). Net profit allocated to equity holders of the parent increased by 49% to TL 689 million in Q3 2023 (Q3 2022: TL 462 million). Net profit increased by 58% to TL 1,707 million in 9M 2023 (9M 2022: TL 1,079 million). Net profit allocated to equity holders of the parent increased by 56% to TL 1,621 million in 9M 2023 (9A 2022: TL 1,039 million). All in all net profit improved on the back of strong operational performance.
- ✓ Net debt/EBITDA ratio decreased to 0.8x in Q3 2023 compared to 2022 year-end due to the strong EBITDA growth. In the same period, net debt excluding IFRS 16 increased by TL 401 million to TL 1,188 million.

Operating Highlights

- ✓ Private medical insurance segment grew by 126% and 107% in Q3 2023 and 9M 2023, respectively on the back of the ongoing penetration of top-up insurance.
- ✓ Foreign Medical Tourism (FMT) revenues grew by 56% and 48% in Q3 2023 and 9M 2023, respectively.
- ✓ Turkish Medical Association (TMA) price tariff was increased by %41 in December 26, 2022 which has been effective from July, 2023. Additionally, there was another 31% price hike in the TMA price tariff on June 22, 2023. The price increase resulting from the revision in June has been effective from July 1, 2023.
- ✓ The Social Security Insurance (SSI) price tariff saw a 31% increase on March 24, 2023. Furthermore, there was an additional 51% price hike to the SSI price tariff on August 24, 2023. The price adjustment made in August became effective as of September 1, 2023.

Dr. Muharrem Usta, Chairman and Chief Executive Officer of MLP Care, commented:

"We have achieved a successful financial and operational performance in the first nine months of 2023. As part of our strategy to grow our foreign medical tourism business, we have taken over a 154-bed hospital in Budapest, the capital of Hungary, and commenced operations under our Liv Hospital brand, while maintaining our solid financial position.

Furthermore, in line with our commitment to sustainability, we have released our third report adhering to the GRI standards. This accomplishment reaffirms our prominent position in Turkey's healthcare sector and reflects our dedication to responsible business practices. We acknowledge our role in promoting environmental and societal well-being and will continue to prioritize sustainability in our future endeavors."

Revenues

	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
Total Revenues (TL million)	12,035	6,893	74.6%	4,869	2,476	96.7%
Domestic Patient Revenues	9,931	5,461	81.9%	3,986	1,929	106.7%
Inpatient Revenues	5,413	3,081	75.7%	2,144	1,057	102.8%
Outpatient Revenues	4,517	2,380	89.8%	1,842	871	111.4%
Foreign Medical Tourism Revenues	1,800	1,217	47.8%	769	493	56.0%
Other Ancillary Business	305	214	42.4%	113	54	109.0%

Domestic Patient Revenues: Revenues from domestic patients increased by 106.7% and 81.9% in Q3 2023 and 9M 2023, respectively driven by increased patient numbers and average prices. The inpatient revenues grew by 102.8% and 75.7% in Q3 2023 and 9M 2023, respectively. On the other hand, the outpatient revenues grew by 111.4% and 89.8% in Q3 2023 and 9M 2023, respectively.

Foreign Medical Tourism (FMT) Revenues: FMT revenues increased by 56% and 47.8% in Q3 2023 and 9M 2023, respectively. As a proportion of total revenues, FMT revenues accounted for 15.8% in Q3 2023 and 15.0% in 9M 2023.

Other Ancillary Business: Revenues from other ancillary business increased by 109% and 42.4% in Q3 2023 and in 9M 2023, respectively driven by the management consultancy revenues from university hospitals. The consultancy revenues rose by 58% to reach TL 95 million in Q3 2023 and by 70.5% to reach TL 282 million in 9M 2023. (Currently, we have management service contracts with a total of 5 hospitals, including 3 university hospitals and 2 international hospitals).

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

	9M 2023	9M 2022	Change (bps)	Q3 2023	Q3 2022	Change (bps)
(% of Revenues)	75.5%	76.4%	(89)	74.5%	76.2%	(169)
Material	13.5%	17.5%	(394)	13.5%	15.0%	(149)
Doctor	23.6%	21.0%	254	23.5%	21.3%	225
Personnel	20.4%	16.5%	388	20.1%	17.4%	269
Rent	0.7%	1.1%	(46)	0.5%	1.0%	(48)
Outsourced services purchases	6.1%	7.1%	(100)	5.8%	6.7%	(93)
All other expenses	11.2%	13.1%	(191)	11.0%	14.7%	(373)

Material consumption as a percentage of total revenue decreased by 149 basis points to 13.5% in Q3 2023 and declined by 394 basis points to 13.5% in 9M 2023. This reduction can be attributed to the delayed impact of rising costs, which was made possible through efficient inventory management.

Doctor costs as a percentage of total revenue increased by 225 bps to 23.5% in Q3 2023 and increased by 254 bps to 23.6% in 9M 2023.

Personnel expenses as a percentage of total revenue increased by 269 bps to 20.1% in Q3 2023 and increased by 388 bps to 20.4% in 9M 2023 due to salary adjustments of the personnel in line with the minimum wage increase.

Outsourced services purchases that consists of laboratory, imaging, cleaning, catering, security expenses as a percentage of the total revenue decreased by 93 bps to 5.8% in Q3 2023 and decreased by 100 bps to 6.1% in 9M 2023. This decline was a result of the reduced volume of expenses associated with outsourced PCR test services.

All other expenses (energy, foreign and domestic marketing expenses, etc.) as a percentage of total revenue decreased by 373 bps to 11.0% in Q3 2023 and decreased by 191 bps to 11.2% in 9M 2023 due to the increase in energy expenses occurring below the inflation rate.

EBITDA

EBITDA increased by 110.6% to TL 1,242 million in Q3 2023 and increased by 81.2% to TL 2,952 million in 9M 2023. EBITDA margin increased by 169 bps to 25.5% in Q3 2023 and increased by 89 bps to 24.5% in 9M 2023. EBITDA margin increased, thanks to the positive impact of the SSI price increase in August, effective inventory management, the increase in energy expenses occurring below the inflation rate, and a decrease in outsourced services.

Cash Flow

The operating cash flow increased by 221.5% to TL 926 million in Q3 2023 and increased by 102.6% to TL 1,823 million in 9M 2023 due to the robust EBITDA growth and positive working capital. Therefore, the operating cash flow/EBITDA ratio come in at 74.5% in Q3 2023, and 61.8% in 9M 2023.

Free cash flow increased by 213.2% to TL 388 million in Q3 2023 and increased by 134.6% to TL 1,017 million in 9M 2023 on the back of strong EBITDA growth and improved working capital despite higher capital expenditure. Therefore, free cash flow/EBITDA ratio come in at 31.2% in Q3 2023 and 34.5% in 9M 2023.

Total capital expenditures as a percentage of revenues came in at 11.1% in Q3 2023 and 6.5% in 9M 2023.

Profit/(Loss) for the Period

In Q3 2023, net profit surged by 52.5% to reach TL 724 million, and for the first 9 months of 2023, it showed a remarkable increase of 58.2%, totaling TL 1,707 million. This impressive growth in net profit can be attributed to the strong performance in operations.

Net profit allocated to non-controlling interest was TL 35 million in Q3 2023 and TL 86 million in 9M 2023. Therefore, net profit allocated to equity holders of the parent increased by 49.2% to TL 689 million in Q2 2023 and 56.1% to TL 1,621 million in 9M 2023.

Borrowings and Indebtedness

Net debt by currency (TL million)	9M 2023	Vertical %	2022	Vertical %	Change
TL	1,758	57%	1,272	62%	38.2%
USD + Euro (*)	(570)	(19%)	(485)	(24%)	17.6%
Total loan, financial leasing	1,188	39%	787	38%	50.9%
TL (IFRS 16)	1,762	57%	1,170	57%	50.6%
USD + Euro (IFRS 16)	123	4%	95	5%	28.8%
Total lease liabilities (IFRS16)	1,885	61%	1,265	62%	49.0%
Total net debt	3,073	100%	2,053	100%	49.7%

(*)There is a net long position of USD 23.0 million in foreign currency.

The net debt/EBITDA ratio was decreased to 0.8x in 9M 2023 on the back of strong operating performance. (2022: 0.9x)

In 9M 2023, net debt excluding obligations under operational leases related to TFRS 16 increased by TL 401 million to TL 1,188 million (2022: TL 787 million). The net debt/EBITDA ratio without IFRS 16 lease liability remained constant at 0.4x in 9M 2023 (2022: 0.4x).

Total net debt including obligations under operational leases related to TFRS 16 increased by TL 1,021 million to TL 3,073 million due to lease agreements of existing hospitals and issued bonds (2022: TL 2,053 million).

Share Buy-Back Program

MLP Care Board of Directors have decided at their May 25, 2022 meeting to start a share buyback program to acquire up to 10% Company's issued capital. The rationale of this transaction is to support healthy share price formation. The fund of TL 650,000,000, which was previously allocated for the share buyback, was increased by TL 750,000,000 and determined as TL 1,400,000,000 and its duration was extended until May 25, 2024. As of September 30, 2023, total nominal value of purchased shares have become TL 14,467,000 which represents 6.9540% of the share capital. As of November 7, 2023 total nominal value of repurchased shares have become TL 15,520,000 which represents 7.4602% of the share capital.

EBITDA RECONCILIATION

TL million	9M 2023	9M 2022	Change	Q3 2023	Q3 2022	Change
Revenue	12,035	6,893	74.6%	4,869	2,476	96.7%
Cost of service (-)	(8,489)	(4,938)	71.9%	(3,368)	(1,749)	92.5%
Gross profit	3,547	1,954	81.5%	1,501	726	106.7%
General administrative expenses (-)	(1,159)	(642)	80.6%	(458)	(243)	88.5%
Depreciation and amortization expenses (Cost of service)	523	294	78.0%	183	98	87.7%
Depreciation and amortization expenses (General administrative expenses)	42	24	77.6%	16	9	81.6%
EBITDA¹	2,952	1,629	81.2%	1,242	590	110.6%
EBITDA margin (%)¹	24.5%	23.6%	89bps	25.5%	23.8%	169bps

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

SUMMARY CONSOLIDATED INCOME STATEMENT

TL million	Unaudited			Unaudited		
	9M 2023	9M 2022	Change (%)	Q3 2023	Q3 2022	Change (%)
Revenue	12,035	6,893	74.6%	4,869	2,476	96.7%
Cost of service (-)	(8,489)	(4,938)	71.9%	(3,368)	(1,749)	92.5%
Gross profit	3,547	1,954	81.5%	1,501	726	106.7%
General administration expenses (-)	(1,159)	(642)	80.6%	(458)	(243)	88.5%
Other income from operations	531	330	61.1%	206	124	66.2%
Other expenses from operations (-)	(422)	(353)	19.8%	(244)	(101)	141.1%
Operating profit/(loss)	2,496	1,289	93.6%	1,004	506	98.6%
Income from investing activities	56	129	(56.5%)	7	(15)	n.m.
Expense from investing activities (-)	(8)	(13)	(38.4%)	(5)	(4)	20.4%
EBIT	2,545	1,405	81.1%	1,006	486	106.8%
<i>EBIT margin</i>	<i>21.1%</i>	<i>20.4%</i>	<i>75bps</i>	<i>20.7%</i>	<i>19.6%</i>	<i>101bps</i>
Interest (expenses) / income, net (-)	(687)	(323)	112.6%	(293)	(99)	194.9%
Net foreign exchange profit / (loss) (including hedging cost)	(52)	(43)	22.9%	(5)	(5)	(6.3%)
Net profit / (loss) before tax	1,805	1,039	73.6%	708	382	85.4%
Tax income / (expense) from operations	(97)	40	n.m.	17	93	(81.9%)
Net profit / (loss)	1,707	1,079	58.2%	724	475	52.5%
Net profit / (loss) non-controlling interest	86	41	111.0%	35	13	163.4%
Net profit / (loss) equity holders of the parent	1,621	1,039	56.1%	689	462	49.2%

SUMMARY CONSOLIDATED BALANCE SHEET

TL million	Unaudited September 30, 2023	Unaudited September 30, 2022	Audited December 31, 2022
Cash and cash equivalents	1,177	994	766
Financial investments	-	214	214
Trade receivables	2,592	1,303	1,455
Inventory	847	539	661
Short term other assets	1,011	661	701
Current assets	5,627	3,711	3,798
Tangible and intangible fixed assets	3,044	1,853	2,368
Right of use assets	1,435	548	932
Deferred tax assets	950	491	740
Long term other assets	829	573	599
Non-current assets	6,258	3,466	4,638
Total assets	11,885	7,177	8,436
Trade payables	3,319	2,109	2,398
Short term other liabilities	1,256	712	746
Short term financial liabilities (incl, financial and operational leases)	2,578	1,560	1,646
Current liabilities	7,153	4,382	4,790
Long term other liabilities	423	144	424
Deferred tax liabilities	10	72	28
Long term financial liabilities (incl, financial and operational leases)	1,672	1,099	1,386
Non-current liabilities	2,105	1,315	1,838
Shareholders' equity	2,501	1,492	1,805
Non-controlling interest	127	(13)	2
Equity	2,627	1,479	1,807
Total liabilities & equity	11,885	7,177	8,436

