

MLPCARE



MLP SAĞLIK HİZMETLERİ A.Ş.

**Interim Report of the Board of Directors for the Nine Months Ended
as of September 30, 2024**

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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. MLP Care is the most widespread Turkish private healthcare group, with 35 hospitals and more than 6,300 beds in Türkiye, Azerbaijan, Hungary, Kosovo and Dubai.

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.

(***) On October 9, 2024, by redeeming 17,025,000 shares corresponding to 8.18% of the Company's capital in accordance with the capital reduction procedures that do not require fund outflow, the process of reducing the issued capital from TL 208,037,202 to TL 191,012,202 was completed.

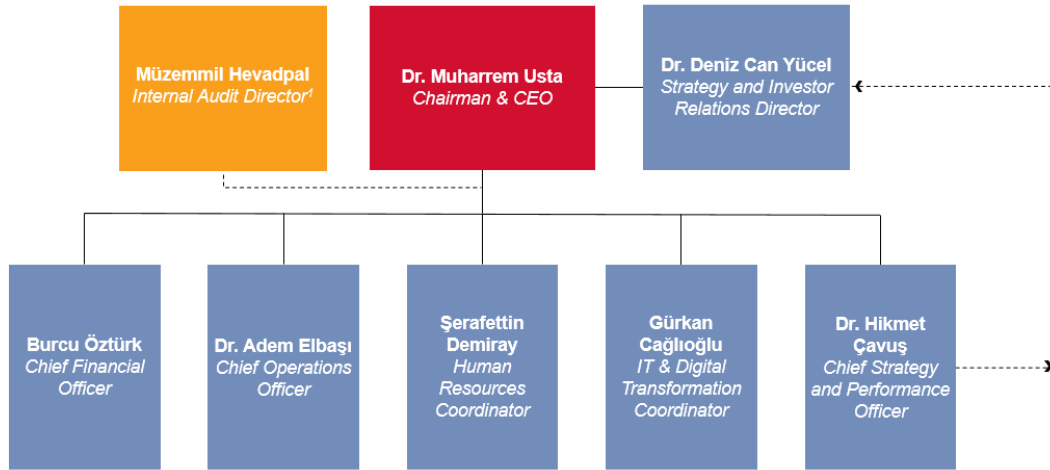
2.2 Major Participations (as of September 30, 2024):

Trade Name	Proportion of ownership
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%
MS Sağlık Hizmetleri Ticaret A.Ş. (“MS Sağlık”)	100.00%
Mediplaza Sağlık Hizmetleri Ticaret A.Ş. (“Mediplaza”)	75.00%
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 Ticaret A.Ş. (Kuzey Doğu)	100.00%
Livist Sağlık Hizmetleri A.Ş.	99.99%
MLP İzmir Sağlık Hizmetleri A.Ş.	65.00%

* 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:

– CMB Application Regarding the Suitability of Independent Board Member Candidates (February 26, 2024 Dated Announcement)

In accordance with the Turkish Commercial Code and Article 4.3.7 of the Corporate Governance Principles annexed to the Capital Markets Board's ("CMB") Corporate Governance Communiqué (II-17.1), the necessary application has been made to the CMB for the Independent Board Membership of Temel Güzelöğlu and Betül Ebru Edin, who have declared their candidacy to be elected at the first Ordinary General Assembly meeting of our Company. In the application, the independence declarations and resumes of the candidates and the Corporate Governance Committee's assessment report on the independence of the candidates were submitted to the CMB.

– CMB Approval Regarding the Suitability of Independent Board Member Candidates (March 14, 2024 Dated Announcement)

CMB has decided not to express any negative opinion on the independent board member candidates

– **The Announcement Regarding the Acquisition of a Hospital in Ankara (April 16, 2024 Dated Announcement)**

Our Company's Board of Directors has taken the following decisions;

1. To obtain the licence of Özel Ortadoğu Fizik Tedavi Hospital through our Company on March 29, 2024,
2. To change Özel Ortadoğu Fizik Tedavi Hospital's name to Özel Medical Park İncek Hospital on April 1, 2024,

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

– **JCR Eurasia Rating Action (April 25, 2024 Dated Announcement)**

Following its periodic annual review of the corporate credit rating, JCR Eurasia Rating rated the consolidated structure of MLP Sağlık Hizmetleri A.Ş. ("MLP Care") in investment level category with high credit quality at national level and upgraded the ratings as "AA- (Tr)" from "A+ (Tr)" on the Long-Term National Issuer Credit Rating and upgraded the Short-Term National Issuer Credit Rating as "J1+ (Tr)" from "J1 (Tr)" with "Stable" outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks have been assigned as "BB/Negative" which are capped with the sovereign ratings and outlooks of Republic of Turkey.

The rating upgrade was driven by the MLP Care's continuing strong revenue growth, sustainable EBITDA growth and improved operational profitability indicators, low level of leverage underpinned by asset light expansion strategy and successful ramp-up of acquired and newly opened hospitals, diversification funding structure through debt security issuances, strong equity level supported by internal resource generation capacity, diversification of income stream supporting predictable cash flow generation, national position in private healthcare industry supported by established brand-names and concepts, and enhanced practice of corporate governance principles.

– **The Announcement Regarding the Acquisition of a Hospital in İstanbul and Kocaeli (June 24, 2024 Dated Announcement)**

Our Company's Board of Directors has taken the following decisions on June 24, 2024;

1. To obtain the licence of Özel Gebze Medar Hospital (in Kocaeli) and Özel Medar Ataşehir Hospital (in İstanbul) through our Company by signing a lease agreement,
2. To change Özel Gebze Medar Hospital's name to Özel VM Medical Park Gebze Hospital, Özel Medar Ataşehir Hospitals's name to Özel Medical Park Ataşehir Hospital.

MLP Care start operations with Özel VM Medical Park Gebze Hospital (100 bed capacity) and Özel Medical Park Ataşehir Hospital (80 bed capacity).

– **The Announcement Regarding the Acquisition of a Hospital in İzmir (June 28, 2024 Dated Announcement)**

Our Company's Board of Directors has taken the following decisions on June 28, 2024;

1. To establish a subsidiary company named MLP İzmir Sağlık Hizmetleri A.Ş., with 65% ownership belonging to MLP Sağlık Hizmetleri A.Ş. on May 31, 2024,
2. To transfer the license of Özel Su Hospital operating in İzmir,
3. To change Özel Su Hospital's name to Özel Medical Park İzmir Hospital,
4. To acquire a hospital license with 36 beds that is not operational.

Özel Medical Park İzmir Hospital, whose licence transfer processes have been completed as of June 28, 2024, has 143 beds capacity.

– **The Announcement Regarding the Opening of Kosova Medical Park Hospital (July 25, 2024 Dated Announcement)**

MLP Sağlık Hizmetleri A.Ş.'s 80% owned subsidiary Samsun Medikal Grup Özel Sağlık Hizmetleri A.Ş. have signed hospital building acceptance agreement for Medical Park Hospital in Pristina, Kosovo on July 25, 2024.

Kosova Medical Park Hospital, which has a total closed area of approximately 10,000 m², 80 bed capacity, and 4 operating rooms, will play a major role in promoting Medical Park's strong brand and quality healthcare services abroad.

– **CMB Approval Regarding the Capital Reduction (August 24, 2024 Dated Announcement)**

Our application to the Capital Markets Board ("CMB") for the reduction of the issued capital from 208,037,202.00 TL to 191,012,202.00 TL by redeeming 17,025,000.00 shares with a nominal value of 17,025,000.00 TL, corresponding to 8.18% of our Company's capital, according to the capital reduction procedures that do not require fund outflow, and for the amendment of Article 8, titled "Capital," of the Articles of Association, has been approved by the CMB. The mentioned amendment of the Articles of Association will be submitted for the approval of the shareholders at the first General Assembly.

– **Resolution on Domestic Debt Securities Issuance (September 6, 2024 Dated Announcement)**

Our Company's Board of Directors took the following decisions at its meeting dated August 23, 2024, in accordance with the Capital Markets Board's Communiqué on Debt Securities numbered II-31.1 and Article 31 of the Capital Market Law;

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

– **The Announcement Regarding The Opening Of Liv Hospital Dubai (October 3, 2024 Dated Announcement)**

MLP Sağlık Hizmetleri A.Ş. (“MLP Care”) took over the management and operation of a hospital in Dubai, United Arab Emirates, under a management service agreement that came into force on October 3, 2024. Under this agreement, the hospital will operate as Liv Hospital Dubai.

Liv Hospital Dubai, which has a total closed area of approximately 15,500 m2 will play a major role in promoting strong brand name and high quality healthcare services of Liv Hospital in abroad.

– **The Announcement Regarding the Opening of Kosova Medical Park Hospital (July 25, 2024 Dated Announcement)**

The reduction of the issued capital from 208,037,202.00 TL to 191,012,202.00 TL by redeeming 17,025,000.00 shares with a nominal value of 17,025,000.00 TL, corresponding to 8.18% of our Company's capital, according to the capital reduction procedures that do not require fund outflow, will take place on October 9, 2024.

– **The Announcement Regarding the Resolution on Green Bond Issuance (November 7, 2024 Dated Announcement)**

Our Company's Board of Directors took the following decisions at its meeting dated November 7, 2024, in accordance with the Capital Markets Board's Communiqué on Debt Securities numbered VII-128.8, Green Debt Instrument, Sustainable Debt Instrument, Green Lease Certificate, Sustainable Lease Certificate Guidelines and other legislation;

Our Company will be authorized to apply to the Capital Markets Board regarding the issuance of green bond to with a nominal amount up to 2,000,000,000 TL (Two Billion Turkish Liras), maturity up to 5 (five) years, denominated in Turkish Lira, to be sold one or more at a time, without public offering to qualified investors in the domestic market within one year, in line with the validity period of the issuance of the certificate expected to be approved by the Capital Markets Board.

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 25, 2024. 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 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

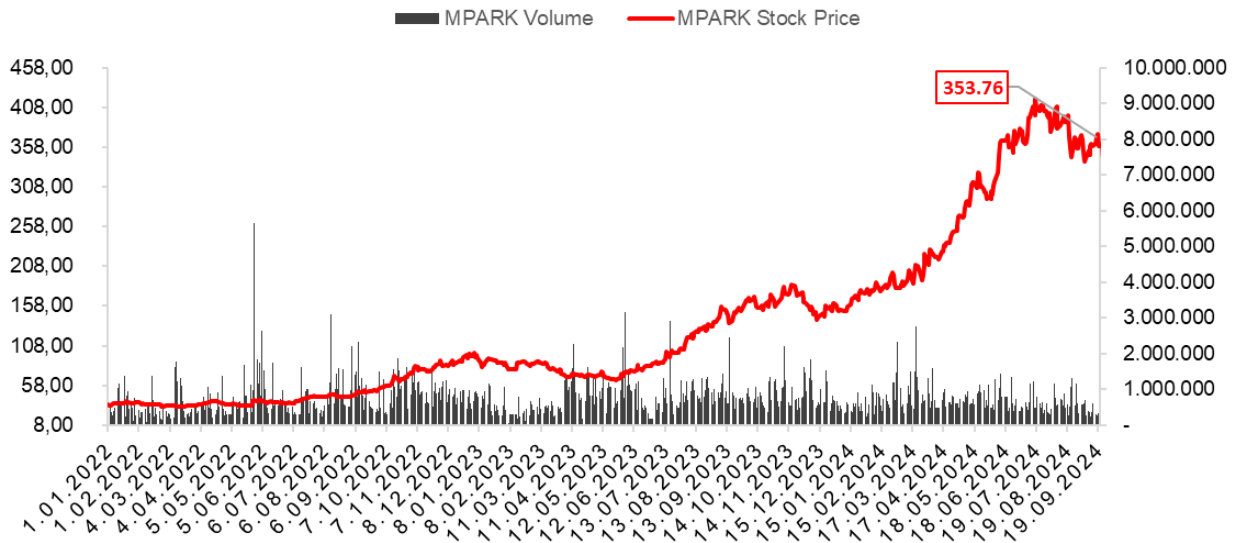
Public: 35.01% (TFRS Report)

Stock Performance in 9M 2024:

January 1 – September 30, 2024	Lowest	Highest	Average	September 30, 2024
Stock Price (TL)	151.35	418.40	281.97	353.76
Market Value (million USD)	1,051	2,635	1,801	2,152

Stock Performance:

MPARK STOCK PERFORMANCE



Independent Auditor:

In our General Assembly Meeting held on May 13, 2024, **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 2024 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 General Assembly Meetings:

Extraordinary General Assembly Meeting for the year 2024

According to the Article 18 “General Assembly Meetings” of the Articles of Association, the process of the General Assembly Meeting has been regulated by an internal directive. The aforementioned “Internal Directive on Working Principles and Procedures of the General Assembly” entered into force in 2013. Therefore, MLP Care’s Extraordinary General Assembly Meeting for the year 2024 has been arranged in accordance with this directive.

In its meeting dated September 4, 2024, our Board of Directors resolved by majority of votes to hold the Extraordinary General Assembly Meeting for the year 2024, on September 27, 2024 Friday at 10:00 a.m. at the address “Liv Hospital Vadistanbul Ayazağa Mahallesi, Kemerburgaz Caddesi, Vadistanbul Park Etabı, 7F Blok Sarıyer, İstanbul” with the agenda below, to make the related announcements and to take all the necessary actions required by the Turkish Commercial Code, the Articles of Association as well as other related regulations to materialize and finalize the meeting.

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

1. Opening of the meeting and establishment of the Board of the General Assembly,
2. Authorization of the Board of the General Assembly to sign the Meeting Minutes and the List of Attendees,
3. Discussion and resolving the Board of Directors' prepared Capital Reduction Report regarding the reduction of the company's issued capital from 208,037,202 TL to 191,012,202 TL by the cancellation of repurchased shares.
4. Discussion and resolving the proposal to amend the Articles of Association regarding the reduction of the company's issued capital from 208,037,202 TL to 191,012,202 TL by the cancellation of repurchased shares.
5. Petitions and requests.

4.4 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
- Betül Ebru Edin – Independent Board Member
- Temel Güzeloglu – Independent Board Member

4.5 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.

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

In its meeting held on May 13, 2024, 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) Temel Güzeloğlu has been elected as the chairman of the Audit Committee, while Betül Ebru Edin has been elected as a member.

b) Betül Ebru Edin has been elected as the chairman of the Corporate Governance Committee, with Temel Güzeloğlu, Hatice Hale Özsoy Bıyıklı, and Deniz Can Yücel elected as members.

c) Betül Ebru Edin has been elected as the chairman of the Early Detection of Risk Committee, with Temel Güzeloğlu and Hatice Hale Özsoy Bıyıklı elected as members.

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/>".

Corporate Governance Committee and Early Detection of Risk Committee held two meetings on May 22, 2024 and August 14, 2024, while the Audit Committee held two meetings on May 24, 2024 and August 14, 2024. They will continue to convene at the frequency required by their regulations and carry out their duties in the upcoming period.

5. 9M 2024 Earnings Release

Summary Financials

(TL million)	9M 2024	9M 2023	Change	Q3 2024	Q3 2023	Change
Revenues	27,570	21,880	26.0%	9,782	7,709	26.9%
EBITDA¹	7,088	5,169	37.1%	2,620	1,900	37.9%
EBITDA margin (%) ¹	25.7%	23.6%	209bps	26.8%	24.7%	213bps
Net Profit/(Loss) Before Tax	5,903	4,418	33.6%	2,426	1,712	41.7%
Net Profit/(Loss)	4,445	3,070	44.8%	2,207	1,211	82.3%
Net Profit/(Loss) equity holders of the parent	4,042	2,942	37.4%	2,091	1,177	77.7%
Net Debt*	3,777	4,406	(14.3%)			
Net Debt / EBITDA*	0.4x	0.6x				

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

* 9M 2023 data is calculated based on 31.12.2023 Balance Sheet data.

Financial Highlights

- ✓ In Q3 2024, total revenues increased by 27% to TL 9,782 million (Q3 2023: TL 7,709 million). Domestic private medical insurance posted the highest growth among all segments. Therefore, total revenues increased by 26% to TL 27,570 million in 9M 2024 (9M 2023: TL 21,880 million).
- ✓ In Q3 2024, EBITDA increased by 38% to TL 2,620 million (Q3 2023: TL 1,900 million). In 9M 2024, EBITDA grew by 37% to TL 7,088 million (9M 2023: TL 5,169 million).
- ✓ In Q3 2024, net profit increased by 82% to TL 2,207 million (Q3 2023: TL 1,211 million). Net profit allocated to equity holders of the parent increased by 78% to TL 2,091 million in Q3 2024 (Q3 2023: TL 1,177 million). In 9M 2024, net profit increased by 45% to TL 4,445 million (9M 2023: TL 3,070 million). Net profit allocated to equity holders of the parent increased by 37% to TL 4,042 million in 9M 2024 (9M 2023: TL 2,942 million).
- ✓ Net debt/EBITDA ratio came in at 0.4x in 9M 2024, while net debt excluding IFRS 16 decreased by TL 848 million to TL 486 million.

Operating Highlights

- ✓ Turkish Medical Association (TMA) price tariff was increased by 25% in June was effective from July 1, 2024. Previously, a 41% increase was made in January 2024.
- ✓ The Social Security Insurance (SSI) price tariff saw a ca. 50% increase on May 11, 2024.
- ✓ In 2024, we added six new hospitals to our Group, four in Turkey and two abroad.
 - On April 16, 2024, a hospital operating in Ankara was acquired. The hospital, with a capacity of 182 beds, continues its operations as Medical Park İncek Hospital.
 - On June 24, 2024, two hospitals operating in Kocaeli and Istanbul were incorporated into our company through long-term leasing. The hospital in Kocaeli, with a capacity of 100 beds, continues its operations as VM Medical Park Gebze Hospital, while the hospital in Istanbul, with a capacity of 80 beds, continues as Medical Park Ataşehir Hospital.
 - On June 28, 2024, a hospital operating in İzmir was acquired. The hospital, with a capacity of 143 beds, continues its operations as Medical Park İzmir Hospital.

- The Kosova Medical Park Hospital in Pristina, with a capacity of 80 beds, started its operations at October.
 - On October 3, 2024, a hospital in Dubai, United Arab Emirates, was acquired. The hospital continues its operations as Liv Hospital Dubai.
- ✓ With Medical Park Pendik Hospital receiving JCI certification, the total number of JCI-accredited hospitals has now reached seven.
 - ✓ On October 9, 2024, by redeeming 17,025,000 shares corresponding to 8.18% of the Company's capital in accordance with the capital reduction procedures that do not require fund outflow, the process of reducing the issued capital from TL 208,037,202 to TL 191,012,202 was completed.

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

"Our Group continues to successfully implement its growth strategies. In the third quarter of 2024, we achieved strong real growth compared to both the previous quarter and the same period last year. This growth was driven by the increase in capacity utilization at our large hospitals and the rise in patient traffic. Additionally, we have expanded our network by acquiring six new hospitals. We will begin to see the full contribution of our new hospitals in major cities within Turkey starting next year. Our international hospitals will enhance our brand recognition and contribute to health tourism.

We have completed our CDP and GRI reporting for 2023 and aim to publish our first integrated report next year. Furthermore, we became a signatory of the UN Global Compact. With our strong financial position and strategic growth, we will continue to create long-term value for our investors."

Revenues

	9M 2024	9M 2023	Change	Q3 2024	Q3 2023	Change
Total Revenues (TL million)	27,570	21,880	26.0%	9,782	7,709	26.9%
Domestic Patient Revenues	23,777	18,064	31.6%	8,492	6,307	34.7%
<i>Inpatient Revenues</i>	<i>12,638</i>	<i>9,855</i>	<i>28.2%</i>	<i>4,456</i>	<i>3,394</i>	<i>31.3%</i>
<i>Outpatient Revenues</i>	<i>11,139</i>	<i>8,209</i>	<i>35.7%</i>	<i>4,036</i>	<i>2,913</i>	<i>38.5%</i>
Foreign Medical Tourism Revenues	3,048	3,261	(6.5%)	1,080	1,224	(11.8%)
Other Ancillary Business	745	555	34.3%	211	178	18.3%

Domestic Patient Revenues: Revenues from domestic patients increased by 34.7% in Q3 2024, 31.6% in 9M 2024 due to increased patient numbers and average prices. The inpatient revenues grew by 31.3% in Q3 2024, 28.2% in 9M 2024. The outpatient revenues grew by 38.5% in Q3 2024, 35.7% in 9M 2024.

Foreign Medical Tourism (FMT) Revenues: FMT revenues decreased by 11.8% in Q3 2024, 6.5% in 9M 2024 due to lower patient flow and relatively stable USD/TL exchange rates compared to domestic unit price increases.

Other Ancillary Business: Revenues from other ancillary business increased by 18.3% in Q3 2024, 34.3% in 9M 2024 due to management consultancy revenues from hospitals.

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

	9M 2024	9M 2023	Change (bps)	Q3 2024	Q3 2023	Change (bps)
(% of Revenues)	74.3%	76.4%	(209)	73.2%	75.3%	(213)
Material	13.2%	14.1%	(86)	12.2%	13.7%	(155)
Doctor	25.0%	23.6%	140	25.2%	23.5%	166
Personnel	20.5%	20.5%	(3)	19.6%	20.2%	(52)
Outsourced services purchases	6.1%	6.2%	(10)	6.1%	5.8%	26
All other expenses	9.6%	12.1%	(249)	10.1%	12.1%	(199)

Material consumption as a percentage of total revenue decreased by 155 bps to 12.2% in Q3 2024 and decreased by 86 bps to 13.2% in 9M 2024 due to effective inventory management.

Doctor costs as a percentage of total revenue increased by 166 bps to 25.2% in Q3 2024 and increased by 140 bps to 25.0% in 9M 2024.

Personnel expenses as a percentage of total revenue decreased by 52 bps to 19.6% in Q3 2024 and decreased by 3 bps to 20.5% in 9M 2024.

Outsourced services purchases that consists of laboratory, imaging, cleaning, catering, security expenses as a percentage of the total revenue increased by 26 bps to 6.1% in Q3 2024 and decreased by 10 bps to 6.1% in 9M 2024.

All other expenses (energy, rent, foreign and domestic marketing expenses, etc.) as a percentage of total revenue decreased by 199 bps to 10.1% in Q3 2024 and decreased by 249 bps to 9.6% in 9M 2024 due to relatively lower utility expense.

Cash Flow

The operating cash flow increased by 37.9% to TL 4,271 million in Q3 2024 and increased by 37.1% to TL 7,642 million in 9M 2024 due to the positive working capital and robust EBITDA growth. Therefore, the operating cash flow/EBITDA ratio was at 163.0% in Q3 2024 and 107.8% in 9M 2024.

Free cash flow increased by 61.8% to TL 2,536 million in Q3 2024 and increased by 11.6% to TL 5,061 million due to increase in operating cash flow. Therefore, free cash flow/EBITDA ratio was at 96.8% in Q3 2024 and 71.4% in 9M 2024.

Maintenance-related capital expenditures as a percentage of revenues was at 16.3% in Q3 2024 and 8.2% in 9M 2024. Total capital expenditures as a percentage of revenues was at 16.5% in Q3 2024 and 8.9% in 9M 2024.

Borrowings and Indebtedness

Net debt by currency (TL million)	9M 2024	Vertical %	2023	Vertical %	Change
TL	1,790	47%	2,613	59%	(31.5%)
USD + Euro (*)	(1,304)	(35%)	(1,280)	(29%)	1.9%
Total loan, financial leasing	486	13%	1,334	30%	(63.6%)
TL (IFRS 16)	3,163	84%	2,905	66%	8.9%
USD + Euro (IFRS 16)	128	3%	167	4%	(22.9%)
Total lease liabilities (IFRS16)	3,291	87%	3,073	70%	7.1%
Total net debt	3,777	100%	4,407	100%	(14.3%)

(*)There is a net long position of USD 39.0 million in foreign currency.

The net debt/EBITDA ratio was decreased to 0.4x in 9M 2024 on the back of strong operating performance from 0.6x in 2023.

In 9M 2024, net debt excluding obligations under operational leases related to TFRS 16 decreased by TL 848 million to TL 486 million.

Total net debt including obligations under operational leases related to TFRS 16 decreased by 14% to TL 3,777 million.

EBITDA RECONCILIATION

TL million	9M 2024	9M 2023	Change	Q3 2024	Q3 2023	Change
Revenue	27,570	21,880	26.0%	9,782	7,709	26.9%
Cost of service (-)	(20,099)	(16,014)	25.5%	(6,852)	(5,478)	25.1%
Gross profit	7,470	5,866	27.4%	2,930	2,230	31.4%
General administrative expenses (-)	(2,297)	(2,168)	5.9%	(839)	(742)	13.1%
Depreciation and amortization expenses (Cost of service)	1,783	1,343	32.8%	495	374	32.3%
Depreciation and amortization expenses (General administrative expenses)	132	128	2.9%	35	38	(9.0%)
EBITDA¹	7,088	5,169	37.1%	2,620	1,900	37.9%
EBITDA margin (%)¹	25.7%	23.6%	209p	26.8%	24.7%	213p

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 9M 2024	Unaudited 9M 2023	Change (%)	Unaudited Q3 2024	Unaudited Q3 2023	Change (%)
Revenue	27,570	21,880	26.0%	9,782	7,709	26.9%
Cost of service (-)	(20,099)	(16,014)	25.5%	(6,852)	(5,478)	25.1%
Gross profit	7,470	5,866	27.4%	2,930	2,230	31.4%
General administration expenses (-)	(2,297)	(2,168)	5.9%	(839)	(742)	13.1%
Other income from operations	630	939	(32.9%)	225	319	(29.3%)
Other expenses from operations (-)	(797)	(730)	9.2%	(244)	(380)	(35.9%)
Operating profit/(loss)	5,006	3,907	28.1%	2,072	1,427	45.2%
Income from investing activities	1,737	105	1,554.9%	843	11	7,475.2%
Expense from investing activities (-)	(6)	(15)	(57.9%)	-	(9)	(100.0%)
EBIT	6,737	3,997	68.5%	2,915	1,429	104.0%
<i>EBIT margin</i>	<i>24.4%</i>	<i>18.3%</i>	<i>617bps</i>	<i>29.8%</i>	<i>18.5%</i>	<i>1,126bps</i>
Interest (expenses) / income, net (-)	(1,931)	(1,336)	44.5%	(616)	(448)	82.6%
Net foreign exchange profit / (loss) (including hedging cost)	(25)	(97)	(74.7%)	(12)	(7)	66.5%
Monetary gain / (loss)	1,122	1,855	(39.5%)	139	738	(77.8%)
Net profit / (loss) before tax	5,903	4,418	33.6%	2,426	1,712	41.7%
Tax income / (expense) from operations	(1,458)	(1,363)	7.0%	(219)	(501)	(56.2%)
Net profit / (loss)	4,445	3,070	44.8%	2,207	1,211	82.3%
Net profit / (loss) non-controlling interest	404	129	213.1%	116	34	243.1%
Net profit / (loss) equity holders of the parent	4,042	2,942	37.4%	2,091	1,177	77.7%

SUMMARY CONSOLIDATED BALANCE SHEET

TL million	Unaudited September 30, 2024	Audited December 31, 2023
Cash and cash equivalents	3,392	3,821
Trade receivables	5,831	4,969
Inventory	973	1,463
Short term other assets	1,252	1,241
Current assets	11,448	11,493
Tangible and intangible fixed assets	15,477	11,356
Right of use assets	10,389	9,838
Deferred tax assets	2,467	2,458
Long term other assets	3,795	3,460
Non-current assets	32,129	27,112
Total assets	43,577	38,605
Trade payables	5,691	5,546
Short term other liabilities	3,055	2,367
Short term financial liabilities (incl, financial and operational leases)	4,396	4,161
Current liabilities	13,143	12,074
Long term other liabilities	1,193	569
Deferred tax liabilities	5,264	4,380
Long term financial liabilities (incl, financial and operational leases)	2,772	4,067
Non-current liabilities	9,229	9,015
Shareholders' equity	20,507	17,220
Non-controlling interest	699	295
Equity	21,205	17,516
Total liabilities & equity	43,577	38,605