



# Notice of 2018 Annual Meeting and Proxy Statement

**May 5, 2019**

**Annual Meeting Location**

**Lokman Hekim Akay Hastanesi  
Kucukesat, Ankara**



# Lokman Hekim

Dear Stockholder:

We cordially invite you to attend Lokman Hekim's 2018 Annual Stockholders' Meeting. The Annual Meeting will be held on Sunday, May 5, 2019, at 10:30 a.m. in the Conference Hall at Lokman Hekim Akay Hospital in Ankara, Turkey. Directions to the Annual Meeting location are provided in the Proxy Statement.

At the Annual Meeting, stockholders will vote on a number of important matters. Please take the time to carefully read each of the proposals described in the Proxy Statement. Thank you for your support of Lokman Hekim.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mustafa Sarioglu", written over a white rectangular area.

Mustafa Sarioglu  
Chairman of the Board  
Lokman Hekim



# Letter from the Board of Directors

**Comments on 2018 performance.** We have reported a marked improvement in both inpatient and outpatient revenues in the last quarter of 2018. The December quarter average revenue per admission grew 29% year-on-year (+8% QoQ). We are particularly pleased by the strong turnaround at Akay, where sales grew 39.7% on the year to make up 28% of our network total. We continue to deliver top-line growth with earnings. The net income for the full-year indeed grew 32.5%. We have posted TL0.12 in December quarter earnings per share versus TL0.04 reported in the previous quarter on the back of strong margin gains. Leverage metrics are manageable with net debt to EBITDA remaining below 3x mark. The results for the full year are broadly in line with our published guidance. We would like to thank our shareholders for their support and patience.

**Investments and what we are excited about.** The construction work to add a second hospital building in Etlik is well underway. The new capacity should become operational in 2020. We obtained a service outsourcing mandate to provide physiotherapy and rehabilitation (PTR) services at Elazig City Hospital for a 5-year period. The hospital became operational late 2018. Located between Ankara and Van, Elazig complements our geographical reach and the business model. We expect the project to be margin accretive. Lokman Hekim Medical School commenced its first academic year in 2018. Our mission is unchanged. We plan to remain a comprehensive provider of medical services with extensive footprint in maternity and cardiology across Turkey, a massive and underserved market. We will continue executing on strategic priorities to become the healthcare provider of choice to millions.



# Notice of Annual Meeting

Lokman Hekim's 2018 Annual Stockholders' Meeting will take place on Sunday, May 5, 2019, at 10:30 a.m. in the Conference Hall at Lokman Hekim Akay Hospital in Ankara.

Lokman Hekim Akay Hospital is located in the Central Ankara district of Kucukesat opposite the Turkish Parliament building.



# Agenda – Sunday, 5 May 2019

- 1-INTRODUCTORY STATEMENTS AND ELECTION AND APPOINTMENT OF MEETING CHAIR, THE CHAIR'S RECOGNITION OF AGM MINUTES,
- 2-PRESENTATION AND APPROVAL OF BOARD OF DIRECTORS' 2018 ANNUAL REPORT,
- 3-PRESENTATION AND APPROVAL OF THE COMPANY'S 2018 BALANCE SHEET AND PROFIT & LOSS ACCOUNT.
- 4-SUBMISSION AND SUBSEQUENT APPROVAL OF THE INDEPENDENT AUDITORS' REPORT FOR THE ACCOUNTING YEAR 2018
- 5-RESOLUTION ON THE ACQUITTAL OF THE MEMBERS OF BOARD OF DIRECTORS ON OPERATIONS AND ACCOUNTS OF THE COMPANY FOR FISCAL YEAR 2018.
- 6-REVIEW AND APPROVAL OF THE BOARD OF DIRECTORS; RECOMMENDATION FOR THE DISTRIBUTION OF 2018 PROFIT,
- 7-RECOMMENDATION AND APPROVAL OF COMPENSATION SCHEMES FOR BOARD MEMBERS INCLUDING ANY WAGES, BONUS, AND OTHER FINANCIAL CONSIDERATIONS.



# Agenda – Continued

- 8-RECOMMENDATION AND APPROVAL OF ANY CHARITABLE DONATIONS MADE DURING THE ACCOUNTING YEAR OF 2018 AND RECOMMENDATION AND APPROVAL OF 2019 CAPS AND CEILINGS TO GOVERN DONATIONS AND CHARITABLE CONTRIBUTIONS FOR 2019.
- 9- 2019 APPROVAL OF THE INDEPENDENT AUDITING FIRM DECIDED BY THE BOARD OF DIRECTORS
- 10- STATEMENT OF EXECUTIVE COMPENSATION POLICY AND OF ANY CHANGES TO THE POLICY INCLUDING SPECIFIC 2018 EXECUTIVE REMUNERATION IN LINE WITH TURKEY’S CAPITAL MARKET BOARD’S RULES AND REGULATIONS.
- 11- SHAREHOLDERS INFORMATION ON THE EXISTING SHARE BUY-BACK PROGRAM.
- 12- AUTHORIZATION OF THE BOARD OF DIRECTORS, THEIR RELATED PARTIES, THE TOP EXECUTIVES FOR WRITTEN TRANSACTIONS AS STIPULATED BY THE ARTICLES 395 AND 396 OF THE TURKISH COMMERCIAL CODE
- 13- INFORMING SHAREHOLDERS ABOUT TRANSACTIONS WITH RELATED PARTIES IN 2018,
- 14- SUBMISSION OF INFORMATION TO THE GENERAL ASSEMBLY WITH RESPECT TO SECURITY, PLEDGE, MORTGAGE AND SURETY PROVIDED BY THE COMPANY FOR THE BENEFIT OF THIRD PARTIES IN 2018 AND ANY INCOME AND BENEFITS DERIVED
- 15- RECOMMENDATIONS AND CLOSING

## Disclaimer

This document contains "prospective statements". Except for retroactive information, all statements including but not limited to the statements about group's operations, financial position and business strategies may contain prospective statements. In addition, prospective statements may be specified with prospective terms like "possibly", "inevitable", "expecting", "aim", "plan", "foresee", "estimate", "believe" ve "continue" in general.

Though the company believes that the expectations specified in prospective statements are reasonable as of today's expectations, it does not guarantee that these expectations will be realized. Due to this uncertainty, our readers should not take action based on the prospective statements in question. These cautionary explanations will be applied as a whole for all written or oral statements that may be stated by us from now on.

Lokman Hekim Group Consolidated Financial Statements can be reached from the following website <https://lokmanhekim.com.tr/page/general-assembly>