Deloitte.

Project Sunderland

Buy versus Lease Analysis Report

16 April 2025

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16 April 2025

Dear Sirs,

Project Sunderland: Final Report for evaluating buy versus lease scenario of assets leased by The View Hospital

We enclose our final buy vs lease analysis report (the "Report") for Project Sunderland, which has been prepared for the sole purpose of assisting Estithmar Holding Q.P.S.C. ("Client" or "You" or "Principal) with an independent assessment of the buy versus ("vs") lease scenario analysis of the hospital facility including land, buildings, plant and machinery, furniture and fixtures and medical equipment ("Hospital facilities") owned by Llanuras Trading and Contracting WLL in accordance with our contract dated 16 April 2025 (the "Contract").

A draft of this report was earlier provided to Management for their confirmation of certain facts and matters. Management's feedback is reflected in this version of the report.

We draw your attention to the Appendices A1 and A2, in which we refer to the scope of our work, sources of information and the limitations of the work undertaken.

The Executive Summary Section is not intended to be exhaustive but highlights the most significant matters that have come to our attention in respect of our analysis. It should, therefore, be read in conjunction with the with the full Report.

Our analysis was completed based on the information received up to 14 April 2025 (the "Cut-off Date") and we have not updated our work since that date.

Yours faithfully,

Walid Slim Partner, License number 319 Deloitte & Touche – Qatar Branch	Laky Chhina Partner, Strategy & Transactions Deloitte & Touche – Qatar Branch

Scope and basis

Our work, which is summarised in this Report, has been limited to matters we believe significant within the context of the agreed scope

Background and scope

- We understand that Apex Healthcare is considering a transaction for its hospital facility including land, buildings, plant and machinery, furniture and fixtures and medical equipment in relation to The View Hospital (“Hospital facilities”). The Hospital facilities are owned by Llanuras Trading and Contracting WLL (“Llanuras”).
- We have been engaged by Estithmar Holdings Q.P.S.C (the “Client” or “Estithmar”) to perform an assessment of Buy vs Lease scenario for the Hospital facilities, for submission to Qatar Financial Markets Authority (“QFMA”) for regulatory compliance ("Purpose").
- Our analysis, Buy vs Lease summary findings and all financial information were assessed as at 01 April 2025 (“Analysis Date”).
- The financial analysis under both the scenarios considers only the relevant cashflows to arrive at the Net Present Value (“NPV”) at the Analysis Date. Our work, which is summarised in this Report, is limited to matters we believe significant within the context of the engagement based on our discussion with you and the management of Client (“Management”).

Source of information	• We held discussions with Management and relied on information provided to us. Please refer to Appendix A2 for further details. • Below is a list of key information sources which have formed the basis of our analysis. – Sale Purchase Agreement signed between Llanuras Trading and Contracting WLL and The View Hospital WLL on 11 May 2023 (“SPA”); – Lease Agreement between Llanuras Trading and Contracting WLL and The View Hospital WLL; – Facility Offer Letter (FOL) between Apex Healthcare (previously Elegancia Healthcare) represented by Estithmar Holding “Borrower” and Qatar National Bank (Q.P.S.C.); and – International Financial Reporting Standards 16: Leases (“IFRS 16”) accounting.
Scope limitations	• Refer to key consideration section and Appendix A1 for details on further considerations and limitations.

Content

Executive summary | Overview

The View Hospital, affiliated with Cedars-Sinai, with a 240-bed capacity, offers comprehensive services across various specialties

Company overview

- The View Hospital, in affiliation with Cedars-Sinai, is a healthcare institution in Qatar, providing clinical care across a range of specialties delivering comprehensive healthcare and is equipped with advanced medical technologies to support a broad spectrum of clinical specialties with the help of more than 6,000 medical staff.

- The View Hospital offers a wide range of patient accommodations and specialized facilities. It has 240 beds across various categories, including 3 royal suites, 3 Elegant Presidential Suites, 6 Ambassador Suites, 62 VIP Suites, 26 Deluxe Rooms, and 103 Private En-suite Rooms. The hospital also provides 6 Labor, Delivery, and Recovery Rooms, 8 Neonatal Intensive Care Units (NICU), 12 Critical Care Units, and 10 Intensive Care Units. In addition, there are 10 operating rooms, ensuring comprehensive medical care for patients.

Background

- Apex Healthcare is considering a transaction (buy or lease) for its hospital facility including land, buildings, plant and machinery, furniture and fixtures and medical equipment in relation to The View Hospital. The Hospital facilities are owned by Llanuras Trading and Contracting WLL.

Approach and conclusion

- We have performed a Buy vs Lease analysis of the Hospital facilities, estimating the NPV of relevant cash outflows under each scenario based on available information to assess the financially preferred option.

- Given the proposed lease term is for 25 years, the cash flows under both scenarios have been assessed for a period of 25 years without considering the terminal. The Buy scenario indicates 'lower' NPV for Apex Healthcare, and as such maybe considered as the financially preferred option.

Scenarios	Low (QARm)	High (QARm)	Preferred
Present Value of cashflows under Buy Scenario	1,409	1,507	✓
Present Value of cashflows under Lease Scenario	1,575	1,712	

Note: Notional cost of capital assumed at 8% for discounting cashflows

Source: Deloitte analysis

Executive summary | Summary of Key Agreements

Lease Agreement

- **Parties Involved:** Llanuras Trading and Contracting WLL (“Grantor”) and The View Hospital WLL (“Concessionaire”);
- **Date of Agreement :** 25 October 2021;
- **Term of Agreement and renewal:** 1 September 2022 to 31 August 2047. The Agreement may be extended for an additional period of ten (10) years, subject to mutual agreement of both parties prior to the expiration of the initial term;
- **Rent amount and escalation:** The Concessionaire shall pay a monthly rent of QAR 9.3m in the first year i.e., April 2025. The rent will be subject to an annual escalation of three percent (3.0%) each year as per the lease schedule in the agreement;
- **Bank Guarantee:** The Concessionaire shall provide a security deposit of QAR 28.0m to the Grantor by way of a bank guarantee;
- **License:** The Concessionaire shall obtain the operation license prior to the start of operations in order for the grantor to provide the healthcare facilities from the start date; and
- **Utilities, Maintenance & Repair and Capital Expenditure:** In accordance with Clause 7.5 and 7.6 of the lease agreement, the Concessionaire is obligated, throughout the lease term, to bear all charges and, at its sole cost and expense, maintain and repair the healthcare facility as required. As outlined in Appendix 4 of the lease agreement, the Concessionaire shall also ensure the implementation of an appropriate infrastructure maintenance program, applying capital expenditures where necessary to maintain and enhance the infrastructure.
- ***Note:*** *As of the Analysis Date, the lease agreement has not yet been executed and, therefore, has not been accounted for in the books of accounts of The View Hospital.*

Sale Purchase Agreement

- **Parties Involved:** Llanuras Trading and Contracting WLL “Seller” and The View Hospital WLL “Buyer” and Assets real Estate Development Co WLL “Borrower”;
- **Date of Agreement/Completion date:** 11 May 2023 ;
- **Assets being sold:** The Hospital Facilities which includes land, building, plant and machinery, furniture and fixtures and medical equipment;
- **Third party to the SPA:** The Borrower is a third party to the SPA and is the recipient of an existing loan granted for the development of the property on behalf of the Seller. The Borrower shall transfer the full loan amount, which was obtained from Qatar National Bank for the purpose of this SPA, to the Purchaser;
- **Purchase Price:** The aggregate purchase price for the property is QAR 2.06bn to be paid on the signing of the agreement;
- **Payment Terms:** The Purchaser shall pay the purchase price, subject to adjustment based on the loan amount as outlined in Clause 3.2 of the Agreement, either in cash or through the issuance of shares in the Parent Company of the Purchaser, Estithmar Holding Q.P.S.C, to the Seller; and
- **Sale Transfer Agreement (“STA”):** The Seller shall deliver the Purchaser the STA signed by the Seller and attested by the Ministry of Justice and containing consent from all the relevant government authorities, No Objection certificate from Qatar National Bank and issuing a new title deed in name of the Purchaser.
- ***Note:*** *As of the Analysis Date, the SPA is not executed.*

Credit Facility Agreement

- **Borrower and Lender:** Apex Healthcare (previously Elegancia Healthcare) represented by Estithmar Holding “Borrower” and Qatar National Bank (Q.P.S.C.) ("The Bank“ or “Lender”);
- **Original facility agreement date and amendments:** The Bank and the Borrower have agreed to amend the total amounts of the facilities, and some terms of the original facility agreement dated 20 October 2022, and the Amended and Renewed Facility Agreement dated 27 March 2023, and its amendments set forth in this Amended and Renewed Facilities Agreement;
- **Purpose:** To finance a maximum of 70.0% of QAR 2.06bn of the purchase price of the healthcare facility and the hospital owned by Llanuras Trading and Contracting WLL and registered in the name of The View Hospital (LLC);
- **Facility limit:** QAR 1.44bn ;
- **Withdrawal period**: One month from the date of signing the amended and renewed facilities agreement ;
- **Loan period:** Until 31 December 2038;
- **Interest:** Interest is calculated on the amounts owed by the Borrower according to the Bank's books and records at the rate of the "Qatar Market Lending Rate" - as announced from time to time, plus a margin (none) and not less than the "Minimum Interest Rate" of 5.4% per annum; and
- The loan amount is repaid under 48 quarterly installments.

Executive Summary | Sale Purchase Agreement

Below is the breakdown by asset category as per the SPA

Summary of breakdown by asset category in SPA

Asset category	As per SPA (QARm)	Useful life (years)
SPA Date	**11 May 2023**	
Land	403.0	NA
Buildings	1,373.6	50
Furniture and fixtures	29.6	5
Medical equipment	228.1	8
Other machinery	25.7	5
Total	**2,060.0**	**NA**

Executive summary | Snapshot view of key costs

Below is a summary of the relevant costs considered under both scenarios. Please refer to page numbers 11 to 14 for further details

Sr. no.	Subject	Buy scenario	Lease scenario
1	Lease rentals	n/a	✓
2	Charges on bank guarantee at 0.5% per annum as security to cover 3 months lease	n/a	✓
3	Annual ‘other costs’ to be borne by concessionaire of QAR 0.4m	n/a	✓
4	Credit facility (loan) for financing 70% of the value of Hospital facilities as per SPA	✓	n/a
5	Loan instalment - Principal repayment	✓	n/a
6	Repayment of interest on loan at 5.4%	✓	n/a
7	30% of the value of Hospital facilities as per SPA financed from cash reserves of Estithmar Holding	✓	n/a
8	Replacement capex	✓	✓
9	Tax savings on interest on credit facility mentioned in point 6	✓	n/a
10	Tax savings on amortisation/depreciation on owned Hospital facilities	✓	n/a
11	Tax savings on amortisation/depreciation on replaced Hospital facilities	✓	n/a
12	Tax savings on interest on lease liability (IFRS 16)	n/a	✓
13	Tax savings on amortisation of Right of Use Asset (IFRS 16)	n/a	✓

✓ = considered in analysis n/a = not applicable

Executive summary | Key considerations (1 of 2)

Below we present the key considerations for our analysis

Subject	Scenario(s)	Key considerations
General		
International Financial Reporting Standards 16: Leases (“IFRS 16”) accounting	**Lease**	• Under IFRS 16, leases are recognized on the balance sheet, with a right-of-use (RoU) asset and a corresponding lease liability, reflecting the lessee's right to use the leased asset and the obligation to make lease payments over the lease term.
Right Of Use (ROU)	**Lease**	• Under IFRS 16 a ROU asset is recognized on the balance sheet along with a corresponding lease liability
Tax saving on amortization of ROU and interest expense on lease liability for rentals	**Lease**	• The cash flow associated with the lease scenario qualifies for tax savings. Therefore, we have applied the minimum tax rate of 15.0%, as provided by Management, to calculate the tax savings on the amortization of the RoU asset and interest on the lease liability. However, it is important to note that Management will account for the lease under IFRS 16, which results in tax savings on the amortization and interest, rather than on the actual rent paid during the year.
Tax saving on amortization of ROU and interest expense on lease liability for replacement capex	**Lease**	• Under IFRS 16, the replacement capex obligations have been treated as in-substance lease payments, as they are contractually required for the Concessionaire to obtain and use the right-of-use asset. These costs have been included in the initial measurement of the right-of-use asset and lease liability. Additionally, as the expenditures qualify for tax depreciation, the related tax impact has been incorporated into the financial analysis.
Credit facility from QNB	**Buy**	• We understand that Management has entered into a Credit Facility Agreement to finance the acquisition of the Hospital facility. Based on discussions with Management, we have assumed the terms of this agreement for our analysis. The Credit Facility Agreement amends and renews the original facility agreement dated 20 October 2022, along with subsequent amendments incorporated into the Amended and Renewed Facility Agreement dated 27 March 2023.
Loan repayment schedule	**Buy**	• The Credit Facility Agreement dated 27 March 2023, although not executed, outlines repayment terms, including a loan amortization over 48 equal quarterly installments. Based on discussions with Management, and in the absence of material changes, we have assumed that these terms remain applicable as of the Analysis Date. Accordingly, interest has been calculated using an interest of 5.4% per annum (1.35% per quarter) for the purposes of this analysis.
Tax saving on interest expense	**Buy**	• The interest on the loan qualifies for tax savings, and a 15% tax rate (as provided by Management) has been applied to estimate the tax benefit
Tax saving on depreciation	**Buy**	• Building, Furniture and Fixtures, Medical Equipment, and Other Machinery qualify for tax savings on depreciation, and a 15% tax rate have been applied to estimate the benefit of tax savings.
Replacement Capex	**Buy and Lease**	• The assets including furniture and fixtures, other machinery, and medical equipment (with a useful life of 5-8 years) need to be replaced. Based on discussion with the Client, the replacement rate is expected to be 65% and hence, the replacement capital expenditure covers 65.0% of the gross block (as of the Analysis Date) for these assets.

Executive summary | Key considerations (2 of 2)

Below we present the key considerations for our analysis

Subject	Scenario(s)	Key considerations
General		
Discount rate	**Buy and Lease**	• We have assumed a discount rate of 8% (+/- 5% for low and high range) based on Estithmar's recent ROE and expected yield on Real Estate assets.
Useful life of asset	**Buy**	• As confirmed by the Management the actual and accounting useful life should be considered as the same for the purpose of replacement in this analysis. Following are the useful life assumed in our analysis as confirmed by the Management : - Building - 50 years; - Furniture and Fixtures – 5 years ; - Machinery and equipment – 5 years ; and - Medical equipment – 8 years
Lease Agreement	**Lease**	• As per our discussions with Management, while the Original Lease Agreement between Llanuras Trading and Contracting WLL and The View Hospital WLL was signed on 25 October 2021, the lease has not been executed yet. For the purpose of our analysis, we have assumed the lease payments starting from 01 September 2024 to 31 August 2025, with an Analysis Date of 01 April 2025, as per Management's guidance. Additionally, we have continued to apply a 3.0% annual escalation beyond 31 August 2047, extending the agreement to 31 March 2050, effectively creating a 25-year scenario based on the assumption that the lease commences from the Analysis Date.
Security Deposit	**Lease**	• As per the Original Lease Agreement, the Concessionaire shall provide a security deposit of QAR 28.0m to the Grantor by way of a bank guarantee. We have assumed a 0.5% annual charge on the bank guarantee, as confirmed by the Management
Costs not considered for the analysis	**Buy and Lease**	• Based on discussions with management, costs such as legal and professional fees, maintenance costs of Hospital facilities, and other administrative expenses are considered common in both the scenario and, therefore, not considered in our analysis.
General	**NA**	• This report has been prepared using numeric tables prepared in excel spreadsheets. As figures have been rounded, apparent summing errors of a magnitude up to the value of the lower relevant unit may appear in certain of the tables in this report. • We draw your attention to other limitations to our scope and basis of work, as highlighted in Appendix A1.

Buy versus Lease analysis | Buy scenario (1 of 2)

Key considerations for estimating cash outflow under the Buy scenario

Overview and key assumptions of the buy scenario

- Llanuras Trading and Contracting WLL have prepared two agreements with The View Hospital WLL i.e. a Lease Agreement dated 25 October 2021 and a Sale and Purchase Agreement dated 11 May 2023. Refer to page 6 for further details on the aforementioned agreements;
- Initially in FY2021, Management planned to lease out the Hospital facilities for a term of 25 years
- In FY2023, Management planned to acquire the Hospital facilities and prepared a Sale and Purchase Agreement;
- Neither of the above agreements were executed; and
- Management has entered into a Credit Facility Agreement while planning to acquire the hospital facility. Based on discussions with Management, we have assumed the terms of this agreement for our analysis. The agreement amends and renews the original facility agreement dated 20 October 2022, along with subsequent amendments incorporated into the Amended and Renewed Facility Agreement dated 27 March 2023.

Approach

- The NPV is estimated by assessing the cash outflows associated with purchasing the asset. The purchase price is the total selling price provided in the SPA and breakdown by asset category as provided by the Management for each of the Hospital facilities;
- We understand that the Client has a Facility Offer Letter (FOL) from QNB to finance up to 70.0% of the total selling price of the Hospital facilities by way of a debt facility at an interest rate of 5.4% per annum (1.35% per quarter). The loan amount is scheduled to be repaid in 48 quarterly installments, starting from the Analysis Date, with the final payment to be made in the year 2037. We have assumed that the balance 30% will be paid from Estithmar Holding's cash reserves.
- The Hospital facilities include depreciable assets with varying useful lives. Based on discussions with the Management, we understand that the breakdown and useful lives respectively of the respective Hospital facilities include:
  - furniture and fixtures, along with other machinery: useful life of 5 years, at a value of QAR 55.2m;
  - medical equipment: useful life of 8 years, at a value of QAR 228.2m; and
  - Building: useful life of 50 years, at a value of QAR 1,373.6m.
- According to Management, these assets are depreciated on a Straight-Line Method ("SLM") basis. Therefore, we have applied the SLM method to depreciate these assets;

Approach (Contd.)

- As discussed above, the assets, including furniture and fixtures, other machinery, and medical equipment with a useful life of 5-8 years, need to be replaced. The replacement capital expenditure pertains to the replacement of the gross block (as of the Analysis Date) for these assets at a replacement rate of 65%;
- The above-mentioned assets qualify for tax savings on their depreciation. Therefore, we have applied the minimum tax rate of 15%, as provided by Management, to calculate the tax savings on the depreciation of these assets. Due to the unavailability of information on the gross block, we have assumed the value as of the Analysis Date to represent the gross block and applied the depreciation accordingly;
- Additionally, we have applied a tax rate of 15.0% basis discussions with Management to calculate the after-tax savings on the interest expense associated with the loan;
- Given the life of the building is estimated at 50 years, Written Down Value (WDV) at the end of the 25th year (term for analysis) discounted to present value (at 8%) has been considered as a proxy for the residual value of the building. It may be noted that maintenance expenses for upkeep of the building would be regarded as an expense and therefore not adjusted to arrive at the WDV;
- Replacement value of the equipment during the last three years in the term of our analysis (2047 to 2049) discounted to present value (at 8%) is considered as a proxy for the residual value of the equipment; and
- The value of land as per SPA is considered as a prudent proxy for 'land value' at the end of 25 years.

Buy versus Lease analysis | Buy scenario (2 of 2)

The present value of cash outflows of the buy scenario (at 8% Discount Rate) is estimated to be in the range of QAR 1,409m to QAR 1,507m as at the Analysis Date

														For the period ending 31 Dec,													
QARm		YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Buy Proposal																											
Debt financing	*70.0%*	-																									
Funding outflow (Equity)	*30.0%*	618.0																									
Total cash outflow pre tax		**618.0**																									
Principal repayment		50.1	120.2	120.2	120.2	120.2	120.2	120.2	120.2	120.2	120.2	120.2	120.2	70.1													
Interest on borrowing		39.3	73.7	67.0	60.3	53.6	46.8	40.1	33.4	26.6	19.9	13.2	6.4	0.7													
Replacement capex		-	-	-	-	-	41.7	-	-	189.2	-	45.2	-	-	-	-	49.4	239.7	-	-	-	54.2	-	-	-	303.7	59.3
Tax savings on interest on borrowi	*15.0%*	5.9	11.1	10.1	9.0	8.0	7.0	6.0	5.0	4.0	3.0	2.0	1.0	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax savings on depreciation	*15.0%*	7.5	10.1	10.1	10.1	10.1	9.6	9.6	9.6	8.9	8.9	9.0	9.0	9.0	9.0	9.0	9.2	10.1	10.1	10.1	10.1	10.2	10.2	10.2	10.2	11.4	2.9
Total cash outflow post tax savings (Impact on Net profit)		**693.9**	**172.8**	**167.1**	**161.4**	**155.6**	**192.0**	**144.6**	**138.9**	**323.1**	**128.2**	**167.6**	**116.6**	**61.7**	**(9.0)**	**(9.0)**	**40.2**	**229.6**	**(10.1)**	**(10.1)**	**(10.1)**	**43.9**	**(10.2)**	**(10.2)**	**(10.2)**	**292.2**	**56.4**
Stub period		0.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.3
Time period		0.4	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	10.3	11.3	12.3	13.3	14.3	15.3	16.3	17.3	18.3	19.3	20.3	21.3	22.3	23.3	24.3	24.9
Discounting factor low	*7.6%*	1.0	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Discounting factor high	*8.4%*	1.0	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Present value of cash outflow after-tax savi		**675.1**	**157.7**	**141.7**	**127.2**	**114.0**	**130.7**	**91.5**	**81.7**	**176.6**	**65.1**	**79.1**	**51.2**	**25.1**	**(3.4)**	**(3.2)**	**13.2**	**69.8**	**(2.9)**	**(2.7)**	**(2.5)**	**10.0**	**(2.2)**	**(2.0)**	**(1.9)**	**49.5**	**9.1**
Present value of cash outflow after-tax savi		**673.2**	**156.2**	**139.3**	**124.1**	**110.5**	**125.7**	**87.3**	**77.4**	**166.1**	**60.8**	**73.3**	**47.1**	**23.0**	**(3.1)**	**(2.9)**	**11.8**	**61.9**	**(2.5)**	**(2.3)**	**(2.1)**	**8.6**	**(1.8)**	**(1.7)**	**(1.6)**	**41.3**	**7.6**

QARm	Low	High
Present value of cash outflow	1,977	2,047
Less: Present value of equipment at the end of 25th year	59	49
Less: Present value of building at the end of 25th year	107	89
Less: Present value of land at the end of 25th year	403	403
Total cash outflow	**1,409**	**1,507**

Source: Management information and Deloitte analysis

Buy versus Lease analysis | Lease scenario (1/2)

Key considerations for estimating cash outflow under the Lease scenario

Overview and key assumptions of the lease scenario

- Llanuras Trading and Contracting WLL have prepared a lease agreement with The View Hospital WLL. The lease agreement is dated 25 October 2021. Refer to page 6 for further details on the lease agreement; and
- Initially in FY2021, Management planned to lease out the Hospital facilities for a term of 25 years. This agreement was not executed.

Approach and key assumptions

- As per our discussions with Management, a lease agreement was prepared between Llanuras Trading and Contracting WLL and The View Hospital WLL on 25 October 2021 (the 'Original Lease Agreement'), which has been used as the basis for the lease payments. We note that the term of the Original Lease Agreement spans from 01 September 2022 to 31 August 2047 however, for the purpose of our analysis, and based on discussions with Management, as the Original Lease Agreement has not been executed, we have assumed the lease payments for the period from 01 September 2024 to 31 August 2025 as the starting point for our analysis, with a Analysis Date of 01 April 2025. Beyond 31 August 2047, we have assumed a 3.0% annual escalation and extended the agreement until 31 March 2050, thereby creating a 25-year scenario, assuming the lease commenced from the Analysis Date;
- As per the Original Lease Agreement, the Concessionaire shall provide a security deposit of QAR 28.0m to the Grantor by way of a bank guarantee. We have assumed a 0.5% annual charge on the bank guarantee, as confirmed by the Management;
- Based on our discussion with the Management, an annual fixed cost of QAR 0.4m (increased by an inflationary rate of 3.0% for each years) is estimated to be incurred by the Concessionaire. This cost relates specifically to the Lease scenario and is assumed to cover operational expenditures tied to lease obligations;
- Additionally, as stipulated in Clauses 7.5 and 7.6 of the Lease Agreement, the Concessionaire is responsible for bearing all charges throughout the lease term. It is also required to maintain and repair the Hospital facilities, at its sole cost and expense, as necessary. In accordance with Appendix 4 of the Lease Agreement, the Concessionaire must implement a suitable infrastructure maintenance program, including applying capital expenditures when required to preserve and enhance the facility's infrastructure;
- As discussed in section “Buy scenario”, the assets, including furniture and fixtures, other machinery, and medical equipment with a useful life of 5-8 years, need to be replaced. Hence, we have estimated the replacement capex for the gross block (as of the Analysis Date) for these assets at a replacement rate of 65%.

Approach and key assumptions (Contd.)

- Under IFRS 16, the above replacement capex obligations have been assessed as in-substance lease payments, as they are a condition for obtaining and using the right-of-use asset. Although these expenditures are not paid directly to the lessor, they are contractually required and essential to enable the Concessionaire to derive the intended economic benefits from the leased Hospital facilities. Accordingly, the present value of these unavoidable capital outflows have been included in the initial measurement of the right-of-use asset and the corresponding lease liability in accordance with IFRS 16. In addition, as these capital expenditures are treated as part of the lease asset and meet the relevant criteria under applicable tax regulations, they are considered eligible for tax benefit. The resulting tax benefit has been factored into the overall financial analysis, reflecting the deferred tax impact associated with the recognition and amortization of the right-of-use asset.
- The cash flow associated with the lease scenario qualifies for tax savings. Therefore, we have applied the minimum tax rate of 15.0%, as provided by Management, to calculate the tax savings on the amortization of the RoU asset and interest on the lease liability. However, it is important to note that Management will account for the lease under IFRS 16, which results in tax savings on the amortization and interest, rather than on the actual rent paid during the year; and
- We have assumed a mid-period discounting factor, given that the lease rentals are to be paid on a quarterly basis. This approach is based on the assumption of an even cash outflow throughout the lease term.

Buy versus Lease analysis | Lease scenario (2/2)

The present value of cash outflows of the lease scenario (at 8% Discount Rate) is estimated to be in the range of QAR 1,575m to QAR 1,712m as at the Analysis Date

		For the period ending 31 Dec,																									
QARm		YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Lease Proposal																											
Lease rental		88.8	121.9	125.5	129.3	133.2	137.2	141.3	145.5	149.9	154.4	159.0	163.8	168.7	173.8	179.0	184.4	189.9	195.6	201.5	207.5	213.7	220.1	226.7	233.5	240.5	61.8
escalation %		*na*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*
Charges related to Bank guarantee	*0.5%*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other cost borne by the Concessionaire		0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8
Replacment capex		-	-	-	-	-	41.7	-	-	189.2	-	45.2	-	-	-	-	49.4	239.7	-	-	-	54.2	-	-	-	303.7	59.3
Total cash outflow pre tax		**89.4**	**122.4**	**126.1**	**129.9**	**133.8**	**179.4**	**141.9**	**146.2**	**339.8**	**155.1**	**204.9**	**164.5**	**169.4**	**174.5**	**179.7**	**234.5**	**430.4**	**196.4**	**202.3**	**208.3**	**268.8**	**221.0**	**227.6**	**234.5**	**545.2**	**122.1**
Tax savings on cash outflow	*15.0%*	29.4	37.3	37.5	37.6	37.7	37.5	37.5	37.5	35.9	35.8	35.2	34.9	34.6	34.2	33.7	32.8	30.3	29.4	28.5	27.5	26.0	24.7	23.4	21.9	17.8	3.5
Total cash outflow post tax savings		**60.0**	**85.1**	**88.6**	**92.3**	**96.0**	**142.0**	**104.4**	**108.7**	**303.9**	**119.3**	**169.7**	**129.6**	**134.8**	**140.3**	**146.0**	**201.7**	**400.1**	**166.9**	**173.7**	**180.8**	**242.8**	**196.3**	**204.3**	**212.6**	**527.4**	**118.6**
Stub period		0.8	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.3
Time period		0.4	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	10.3	11.3	12.3	13.3	14.3	15.3	16.3	17.3	18.3	19.3	20.3	21.3	22.3	23.3	24.3	24.9
Discounting factor	*7.6%*	1.0	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Discounting factor	*8.4%*	1.0	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Present value of Lease rentals after-tax savings High		**58.3**	**77.7**	**75.2**	**72.7**	**70.4**	**96.7**	**66.1**	**63.9**	**166.0**	**60.6**	**80.1**	**56.8**	**55.0**	**53.2**	**51.4**	**66.0**	**121.7**	**47.2**	**45.6**	**44.1**	**55.1**	**41.4**	**40.0**	**38.7**	**89.3**	**19.2**
Present value of Lease rentals after-tax savings Low		**58.2**	**76.9**	**73.9**	**71.0**	**68.2**	**93.0**	**63.1**	**60.6**	**156.2**	**56.6**	**74.3**	**52.3**	**50.2**	**48.2**	**46.3**	**58.9**	**107.9**	**41.5**	**39.9**	**38.3**	**47.4**	**35.4**	**33.9**	**32.6**	**74.6**	**15.9**

QARm	Low	High
Sum of present value of Lease rentals	**1,575**	**1,712**

Source: Management information and Deloitte analysis

Appendix

Appendices | A1: Scope of work (1 of 2)

Scope of work

Step 1 – Kickoff and data gathering:

- Engage with key stakeholders (finance team and senior management) to understand financial objectives, key challenges, benefits, and constraints under buying and leasing scenarios separately.
- Assess the existing Lease Agreements to understand lease costs, terms, escalation clauses, renewal conditions, buyout clauses, restoration clauses, any penalties / financial obligations for early termination.
- Assess any previous studies or benchmarking conducted (if any) before entering into the current lease agreement to understand if it is aligned to market rates and the reasonableness of the lease terms.
- Obtain third-party independent valuation reports from the Client for valuation of Facilities and all inputs related to the purchase costs including purchase price for Facilities.
- Understand from Client the available financing options and potential loan terms (interest rates, tenure, down payment).
- Gather information related to the expected maintenance, insurance, and other ownership costs. Compare these with any such costs incurred while leasing the assets.

Step 2 – Financial Analysis - Buy vs. Lease Comparison:

- Based on available information, prepare financial workings in Excel to compare the two scenarios
    - Lease Scenario:
        - Incorporate projected lease costs over a defined period (e.g., 20-25 years).
        - Consider adjustments for lease escalations as per contract.
        - In case of restoration clause, incorporate Client's estimate of restoration required at the end of the lease term.
        - Consult Client's finance team to highlight lease pros and cons such as tax considerations, etc.
    - Buy Scenario:
        - Incorporate initial capital expenditure for asset acquisition based on Sale Purchase Agreement.
        - Consider financing costs based on Client's existing or expected negotiations with their lead bankers for loan repayments, interest rates, etc.
        - Consult Client's finance team to include appropriate depreciation and tax considerations.
        - Consider maintenance and operational cost estimates if the Facilities were acquired.

Scope of work (Cont'd)

Step 2 – Financial Analysis - Buy vs. Lease Comparison:

- Financial summary:
    - Net Present Value (NPV): Compare the long-term financial impact of buying vs. leasing.
    - Discuss at a high-level the cash flow, P&L, and BS impact under both scenarios.
    - Sensitivity Analysis: If and as maybe relevant, prepare scenarios based on interest rates, lease escalations, and asset appreciation/depreciation.

- **Step 3 – Summary and findings:**
    - Prepare a final Executive Summary Style Report in PDF (8-10 pages) outlining the key findings around the comparison between the "buy" versus "lease" scenarios to assist the Principal in making an informed decision.

Note: We have not relied on the valuation reports, but we have limited the assessment based on the SPA and breakdown provided.

Appendices | A1: Scope of work (2 of 2)

Scope considerations and limitations

- The study is limited to a financial analysis of the buy vs lease scenarios. It does not include any strategic or operational assessment under each scenario.
- The information, agreements, breakdown of assets amounting to QAR 2.06bn as per SPA and related assumptions provided to us are the sole responsibility of Management. Unless otherwise noted herein, for the purposes of our Report, we have assumed that the presentation of financial information, other details and all other aspects of the business have been accurately stated and as such, we have not sought to independently verify this information.
- Our scope has not included the analysis of any real estate assets or fixed assets held by The View Hospital.
- Our analysis does not account for any potential special interest a purchaser or lessee may have in the assets. Such 'special purchasers' or lessees may be willing to offer a higher price due to factors such as reduced competition, cost savings, or synergies resulting from a business combination. Furthermore, transaction prices for the purchase or lease of the assets may be influenced by circumstances beyond standard market considerations. These factors could include, but are not limited to, the strategic opportunities presented by the transaction, the profile of the parties involved, and the urgency or specific conditions surrounding the sale or lease. These considerations have not been factored into our analysis. Refer to page "Key considerations" for the specific considerations factored into our analysis.
- Our work has not included an audit or been carried out in accordance with auditing or other standards and practices generally accepted in the Qatar or other jurisdictions ("Audit Procedures") and accordingly should not be relied upon as if it has been carried out in accordance with those standards and practices.
- The Report is limited to reviewing the information made available to us by the principal as per the Contract (mainly lease agreement, FOL agreement with QNB, SPA and useful life assumptions). Whilst we have no reason to believe that these sources are not reliable or accurate, we do not warrant their accuracy, completeness or correctness
- Given the useful life estimate of the Hospital building is 50 years, ESG or restoration costs have not been considered at the end of the analysis period.
- The Client is responsible to provide all information requested during Step 1 of the engagement. In the absence of documented information, any information verbally obtained is noted as a Management input in our report.

Appendices | A2: Basis of information

Information provided and relied upon

- In preparing our analysis, we considered and relied upon the following documents and information provided by Management:
  - Sale Purchase Agreement;
  - detailed break down of the sale price referred in SPA;
  - Lease Agreement;
  - Credit facility Agreement; and,
  - Clarifications regarding the information provided which were obtained verbally or by electronic mail correspondence.

Discussions and meetings attended

- We held discussions and/or attended meetings with management of The View Hospital WLL.

Publicly available sources

- As part of our analysis, we may have relied upon data available in the public domain including information sourced from:
  - Standard & Poor's Capital IQ ("Capital IQ");
  - The website of Professor Aswath Damodaran;
  - Economic Intelligence Unit ("EIU"); and
  - Other publicly available information.
- We have assumed such information (and its source) to be reliable and correct in all material respects.
- The Report has been prepared using numeric tables prepared in Excel spreadsheets. As figures have been rounded apparent summing errors of a magnitude up to the value of the lower relevant unit may appear in certain of the tables herein.

Appendices | A3: Buy scenario – Impact on Balance Sheet

Estimated Balance Sheet impact under the Buy scenario

	For the period ending 31 Dec,														
QARm	YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Impact on Balance sheet															
Land	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0
Building	1,353.0	1,325.6	1,298.1	1,270.6	1,243.1	1,215.7	1,188.2	1,160.7	1,133.3	1,105.8	1,078.3	1,050.8	1,023.4	995.9	968.4
Furniture and fixtures	25.1	17.7	11.8	5.9	-	18.0	13.5	9.0	4.5	-	20.8	15.6	10.4	5.2	-
Medical equipment	206.7	171.1	142.6	114.1	85.6	57.0	28.5	(0.0)	165.6	141.9	118.3	94.6	71.0	47.3	23.7
Other machinery	21.8	15.4	10.3	5.1	-	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-
Credit facility	(1,391.9)	(1,271.8)	(1,151.6)	(1,031.4)	(911.3)	(791.1)	(670.9)	(550.8)	(430.6)	(310.4)	(190.3)	(70.1)	-	-	-
Net impact on Balance sheet	617.8	661.0	714.2	767.3	820.4	917.9	973.8	1,029.6	1,279.6	1,340.3	1,445.5	1,505.5	1,515.4	1,455.2	1,395.1

	For the period ending 31 Dec,										
QARm	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Impact on Balance sheet											
Land	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0	403.0
Building	940.9	913.5	886.0	858.5	831.1	803.6	776.1	748.6	721.2	693.7	686.8
Furniture and fixtures	24.1	18.1	12.1	6.0	-	28.0	21.0	14.0	7.0	-	38.1
Medical equipment	-	209.8	179.8	149.8	119.9	89.9	59.9	30.0	-	265.7	256.2
Other machinery	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-	18.3
Credit facility	-	-	-	-	-	-	-	-	-	-	-
Net impact on Balance sheet	1,383.4	1,555.9	1,488.5	1,421.2	1,353.9	1,339.8	1,271.5	1,203.3	1,135.0	1,362.4	1,402.4

Source: Management information and Deloitte analysis

We have estimated the impact on the balance sheet of The View Hospital on a year-on-year basis for a term of 25 years under the buy scenario, assuming that these assets will be owned by The View Hospital. This estimation is in accordance with the applicable provisions of International Financial Reporting Standard ("IFRS"), reflecting the ownership of assets by the hospital over the specified term.

Appendices | A3: Lease scenario – Impact analysis (1 of 3)

Estimated Balance Sheet and Profit & Loss impact under the Lease scenario

QARm	Opening BS impact	YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
		For the period ending 31 Dec,														
Impact analysis on Balance Sheet																
Right of use asset	2,205.2	2,139.0	2,050.8	1,962.6	1,874.4	1,786.2	1,698.0	1,609.8	1,521.6	1,433.4	1,345.1	1,256.9	1,168.7	1,080.5	992.32	904.12
Lease liability	(2,205.2)	(2,205.3)	(2,201.8)	(2,194.5)	(2,182.8)	(2,166.5)	(2,145.2)	(2,118.4)	(2,085.9)	(2,047.0)	(2,001.3)	(1,948.3)	(1,887.5)	(1,818.3)	(1,740.0)	(1,652.1)
Net impact on Balance sheet	-	(66.2)	(151.0)	(231.9)	(308.4)	(380.3)	(447.2)	(508.7)	(564.3)	(613.6)	(656.2)	(691.4)	(718.8)	(737.8)	(747.7)	(747.9)

QARm	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
	For the period ending 31 Dec,										
Impact analysis on Balance Sheet											
Right of use asset	815.91	727.70	639.50	551.29	463.08	374.88	286.67	198.46	110.26	22.05	0.00
Lease liability	(1,553.7)	(1,444.2)	(1,322.7)	(1,188.5)	(1,040.7)	(878.2)	(700.2)	(505.5)	(293.0)	(61.5)	(0.0)
Net impact on Balance sheet	(737.8)	(716.5)	(683.2)	(637.2)	(577.6)	(503.3)	(413.5)	(307.0)	(182.7)	(39.5)	(0.0)

QARm	YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
	For the period ending 31 Dec,														
Impact analysis on Profit and loss statement															
Amortisation each year	66.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2
Interest on lease liability	88.9	118.5	118.2	117.6	116.9	115.9	114.6	113.0	111.0	108.7	106.1	103.0	99.5	95.5	91.0
Net impact on Profit and loss statement	155.1	206.7	206.4	205.8	205.1	204.1	202.8	201.2	199.2	196.9	194.3	191.2	187.7	183.7	179.2

QARm	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
	For the period ending 31 Dec,										
Impact analysis on Profit and loss statement											
Amortisation each year	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	88.2	22.1
Interest on lease liability	86.0	80.4	74.1	67.2	59.6	51.3	42.1	32.0	21.1	9.1	0.3
Net impact on Profit and loss statement	174.2	168.6	162.3	155.5	147.8	139.5	130.3	120.2	109.3	97.3	22.3

Source: Management information and Deloitte analysis

We have estimated the impact on the opening balance sheet and profit and loss statement of the concessionaire, as well as the closing impact year on year for contracted term of the lease period, in accordance with IFRS 16 - Leases.

Appendices | A3: Lease scenario – Impact analysis (2 of 3)

Estimated Balance Sheet and Profit & Loss impact under the Lease scenario

Financial Impact for Replacement capex - IFRS 16

QARm	Opening BS impact	YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
								For the period ending 31 Dec,								
Impact analysis on Balance Sheet																
Right of use asset	429.6	412.4	395.2	378.0	360.9	343.7	326.5	309.3	292.1	274.9	257.8	240.6	223.4	206.2	189.0	171.8
Lease liability	(429.6)	(452.8)	(477.2)	(503.0)	(530.2)	(558.8)	(545.1)	(574.5)	(605.5)	(438.8)	(462.5)	(439.7)	(463.5)	(488.5)	(514.9)	(542.7)
Net impact on Balance sheet	-	(40.4)	(82.0)	(125.0)	(169.3)	(215.1)	(218.6)	(265.2)	(313.4)	(163.8)	(204.7)	(199.2)	(240.1)	(282.3)	(325.9)	(370.9)

QARm	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
					For the period ending 31 Dec,						
Impact analysis on Balance Sheet											
Right of use asset	154.7	137.5	120.3	103.1	85.9	68.7	51.6	34.4	17.2	-	-
Lease liability	(520.0)	(295.4)	(311.3)	(328.1)	(345.8)	(307.4)	(324.0)	(341.5)	(359.9)	(59.3)	0.0
Net impact on Balance sheet	(365.3)	(157.9)	(191.0)	(225.0)	(259.9)	(238.7)	(272.5)	(307.1)	(342.8)	(59.3)	0.0

QARm	YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
							For the period ending 31 Dec,								
Impact analysis on Profit and loss statement															
Amortisation each year	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
Interest on lease liability	23.2	24.5	25.8	27.2	28.6	27.9	29.4	31.0	22.5	23.7	22.5	23.7	25.0	26.4	27.8
Net impact on Profit and loss statement	40.4	41.6	43.0	44.3	45.8	45.1	46.6	48.2	39.7	40.9	39.7	40.9	42.2	43.6	45.0

QARm	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
					For the period ending 31 Dec,						
Impact analysis on Profit and loss statement											
Amortisation each year	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	-
Interest on lease liability	26.6	15.1	15.9	16.8	17.7	15.7	16.6	17.5	18.4	3.0	(0.0)
Net impact on Profit and loss statement	43.8	32.3	33.1	34.0	34.9	32.9	33.8	34.7	35.6	20.2	(0.0)

Source: Management information and Deloitte analysis

We have estimated the impact on the opening balance sheet and profit and loss statement of the concessionaire, as well as the closing impact year on year for contracted term of the lease period, in accordance with IFRS 16 - Leases.

Appendices | A3: Lease scenario – Impact analysis (3 of 3)

Estimated Balance Sheet and Profit & Loss impact under the Lease scenario

Net Financial Impact - IFRS 16

		For the period ending 31 Dec,														
QARm	Opening BS impact	YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Impact analysis on Balance Sheet																
Right of use asset	2,634.8	2,551.4	2,446.0	2,340.6	2,235.2	2,129.9	2,024.5	1,919.1	1,813.7	1,708.3	1,602.9	1,497.5	1,392.1	1,286.7	1,181.3	1,076.0
Lease liability	(2,634.8)	(2,658.0)	(2,679.1)	(2,697.5)	(2,713.0)	(2,725.3)	(2,690.2)	(2,692.9)	(2,691.4)	(2,485.7)	(2,463.8)	(2,388.1)	(2,351.0)	(2,306.8)	(2,254.9)	(2,194.8)
Net impact on Balance sheet	-	(106.6)	(233.0)	(356.8)	(477.7)	(595.4)	(665.8)	(773.9)	(877.7)	(777.4)	(860.9)	(890.6)	(958.9)	(1,020.1)	(1,073.6)	(1,118.8)

	For the period ending 31 Dec,										
QARm	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Impact analysis on Balance Sheet											
Right of use asset	970.6	865.2	759.8	654.4	549.0	443.6	338.2	232.8	127.4	22.1	0.0
Lease liability	(2,073.7)	(1,739.5)	(1,634.1)	(1,516.7)	(1,386.5)	(1,185.6)	(1,024.2)	(847.0)	(652.9)	(120.8)	(0.0)
Net impact on Balance sheet	(1,103.1)	(874.4)	(874.3)	(862.3)	(837.5)	(742.0)	(686.0)	(614.1)	(525.5)	(98.8)	(0.0)

	For the period ending 31 Dec,														
QARm	YTG25	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Impact analysis on Profit and loss statement															
Amortisation each year	83.34	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4
Interest on lease liability	112.1	142.9	143.9	144.8	145.5	143.8	144.0	144.0	133.5	132.4	128.6	126.7	124.5	121.9	118.8
Net impact on Profit and loss statement	195.5	248.3	249.3	250.2	250.9	249.2	249.4	249.4	238.9	237.8	234.0	232.1	229.9	227.3	224.2

	For the period ending 31 Dec,										
QARm	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Impact analysis on Profit and loss statement											
Amortisation each year	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	22.1
Interest on lease liability	112.6	95.5	90.1	84.1	77.4	67.0	58.7	49.5	39.5	12.1	0.3
Net impact on Profit and loss statement	218.0	200.9	195.5	189.4	182.7	172.4	164.1	154.9	144.9	117.5	22.3

Source: Management information and Deloitte analysis

We have estimated the impact on the opening balance sheet and profit and loss statement of the concessionaire, as well as the closing impact year on year for contracted term of the lease period, in accordance with IFRS 16 - Leases.

Appendices | A4: Summary of replacement capex - asset category wise

Replacement capex has been estimated for each asset category based on respective useful life of 5 to 8 years

		For the period ending 31 Dec,																									
QARm		**YTG25**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**
Opening block Furniture and Fixtures - Useful life of 5 years		29.6	23.7	17.7	11.8	5.9	-	18.0	13.5	9.0	4.5	-	20.8	15.6	10.4	5.2	-	24.1	18.1	12.1	6.0	-	28.0	21.0	14.0	7.0	-
Add: Replacement capex	65.0%	-	-	-	-	-	22.4	-	-	-	-	26.0	-	-	-	-	30.2	-	-	-	-	35.0	-	-	-	-	40.1
Less: Depreciation		5.9	5.9	5.9	5.9	5.9	4.5	4.5	4.5	4.5	4.5	5.2	5.2	5.2	5.2	5.2	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0	8.0
Closing block		23.7	17.7	11.8	5.9	-	18.0	13.5	9.0	4.5	-	20.8	15.6	10.4	5.2	-	24.1	18.1	12.1	6.0	-	28.0	21.0	14.0	7.0	-	32.1

		For the period ending 31 Dec,																									
QARm		**YTG25**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**
Opening block Machinery & Equipment - Useful life of 5 years		25.7	20.5	15.4	10.3	5.1	-	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-
Add: Replacement capex	65.0%						19.2	-	-	-	-	19.2	-	-	-	-	19.2	-	-	-	-	19.2	-	-	-	-	19.2
Less: Depreciation		5.1	5.1	5.1	5.1	5.1	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Closing block		20.5	15.4	10.3	5.1	-	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-	15.4	11.5	7.7	3.8	-	15.4

		For the period ending 31 Dec,																									
QARm	**Notes**	**YTG25**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**
Opening block Medical equipment - Useful life of 8 years		228.1	199.6	171.1	142.6	114.1	85.6	57.0	28.5	-	165.6	141.9	118.3	94.6	71.0	47.3	23.7	-	209.8	179.8	149.8	119.9	89.9	59.9	30.0	-	265.7
Add: Replacement capex	65.0%									189.2	-	-	-	-	-	-	-	239.7	-	-	-	-	-	-	-	303.7	-
Less: Depreciation		28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	23.7	23.7	23.7	23.7	23.7	23.7	23.7	23.7	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	38.0	38.0
Closing block		199.6	171.1	142.6	114.1	85.6	57.0	28.5	-	165.6	141.9	118.3	94.6	71.0	47.3	23.7	-	209.8	179.8	149.8	119.9	89.9	59.9	30.0	-	265.7	227.8

Source: Management information and Deloitte analysis

The replacement capex has been calculated based on the assumption that 65.0% of the block, as at the Analysis Date, will be replaced. This pertains to furniture and fixtures, other machinery, and medical equipment, all of which have a useful life ranging from 5 or 8 years. The replacement expenditure has been scheduled in alignment with the useful life of these assets, i.e., either at 5 or 8 years as applicable. Furthermore, this expenditure has been escalated at an inflation rate of 3% annually, up until the respective year of replacement. The base block considered for this calculation is as at the Analysis Date

Appendices | A6: Glossary

Borrower	Assets real Estate Development Co WLL
Buyer	The View Hospital WLL
Capex	Capital Expenditure
Capital IQ	Standard & Poor’s Capital IQ
Client	Estithmar Holdings Q.P.S.C
CSRP	Company specific risk premium
Cut-off Date	31 March 2025
EIU	Economic Intelligence Unit
Estithmar	Estithmar Holdings Q.P.S.C
Grantor	Llanuras Trading and Contracting WLL
Hospital facilities	hospital facility including land, buildings, plant and machinery, furniture and fixtures and medical equipment
Lender	Qatar National Bank Q.P.S.C.
Llunara	Llanuras Trading and Contracting WLL
Management	Management of Client
Minimum Interest Rate	5.4%
NPV	Net Present Value
Purpose	Internal decision making
Seller	Llanuras Trading and Contracting WLL
SLM	Straight-Line Method
SPA	Sale Purchase Agreement
STA	Sale Transfer Agreement
The Bank	Qatar National Bank (Q.P.S.C.)
vs	Versus
Analysis Date	01 April 2025

Deloitte.