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Apex Healthcare W.L.L
Doha, State of Qatar

31 May 2025

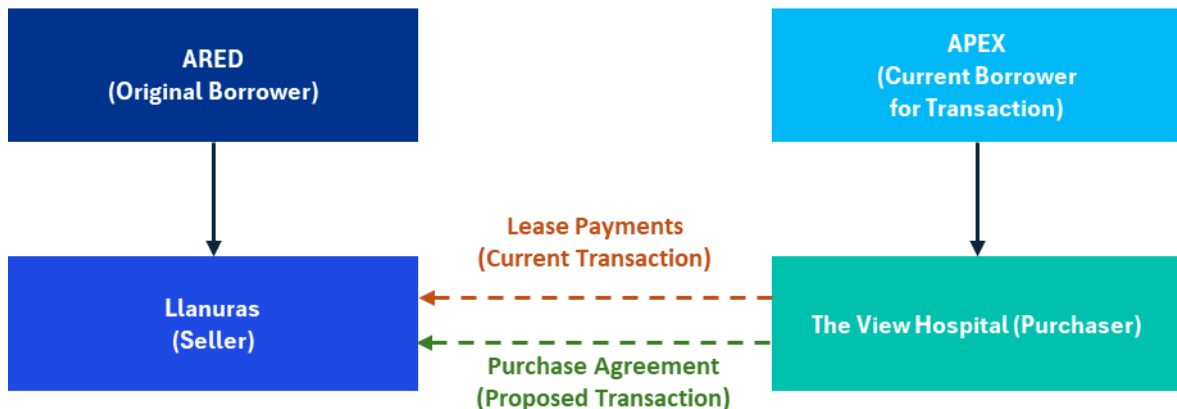
Dear Sirs,

Independent Advisor Letter on the reasonableness of the purchase consideration for purchase of the Hospital Facility by The View Hospital from Llanuras Trading and Contracting (“Transaction”)

1. Introduction

- **The View Hospital WLL (TVH, Purchaser)** - in affiliation with Cedar – Sinai, is a healthcare institution in Qatar, providing clinical care across a range of specialties.
- **Llanuras Trading and Contracting W.L.L (Llanuras, Owner / Seller)** - The hospital facilities are owned by Llanuras Trading and Contracting WLL.
- **Apex Healthcare (Current Borrower, Apex Health)** – (formerly known as Elegancia Healthcare) a subsidiary of Estithmar Holding, provides healthcare services in the Middle East and North Africa (MENA).
- **Assets Group (ARED, Original Borrower)** - a subsidiary of Power International Holding, is a regional developer offering a unique collection of properties worldwide. ARED is the borrower on an existing loan granted for the development of the hospital facility on behalf of the Seller.

**Transaction
Background**





2. Transaction Summary

The View Hospital (TVH) entered into a long-term lease agreement dated 25th October 2021 (commenced in August 2022) with Llanuras Trading and contracting (“Llanuras”) for the use of the healthcare facility. This facility includes land, buildings, plant and machinery, furniture and fixtures, and medical equipment (“Hospital Facilities”). The lease agreement stipulated a base monthly rental of **QAR 9,271,704/- subject to an annual escalation of 3%**. This arrangement enabled TVH to gain immediate operational access to a critical healthcare asset without requiring significant upfront capital investment.

Subsequently, we understand that TVH is considering a transaction (buy) for the Hospital facility. To support an independent assessment, two professional firms in **2025** were engaged to conduct a comprehensive study for **lease-versus-buy analysis**. The purpose of the analysis was to assess the financial and operational merits of continuing under the existing lease agreement versus acquiring the property.

The detailed review by the third-party firms considered a range of critical factors, including:

- International Financial Reporting Standards 16 (IFRS 16),
- Tax saving on amortization of ROU and interest expense on lease liability for rentals,
- Credit facility from QNB,
- Loan repayment schedule,
- Tax advantages on interest expense and depreciation,
- Replacement CAPEX
- Useful life of the asset,
- Terms and conditions lease Agreement,
- Security deposit arrangement and
- Cash flow associated with the lease etc.

Both the professional firms concluded that acquiring the Hospital Facility was more financially and operationally viable option than leasing them for the remaining term.

Based on these findings, APEX appointed three independent property valuation firms, **Property Consultants** (Cushman & Wakefield, Nelson Park, and Roots Real Estate) in May 2025 to conduct fair valuation of hospital facility for the purpose of determining an appropriate purchase price. The valuation provided by these firms in May 2025 estimated fair value of property to be in the range of **QAR 2.06 bn to QAR 2.11 bn**.

Following the assessment, we understand that the **purchase price** for the transaction was finalized at **QAR 2.06 bn** which is proposed to be 70% financed by Qatar National Bank (QNB).

3. Terms of Reference

KPMG has been appointed by APEX to assist in review of purchase consideration for the Hospital facility (“Property”) and provide an advisor letter on the reasonableness of the purchase consideration.

In formulating our view, we have drawn upon the documents and related facts indicated in Point 4 below; provided to us by APEX (the “Management”). Notwithstanding any of the foregoing, we have nevertheless made reasonable enquiries and used our judgment as we deemed necessary or appropriate in assessing relevant documents and are not aware of any reason to doubt the reliability of the information.

We were neither a party to the negotiations, if any, that led to the transaction, nor were we involved in the deliberations leading up to the decision by APEX to enter such negotiations and its subsequent actions relating thereof. We do not, by this letter, warrant the merits of the transaction other than to form a recommendation to APEX with respect of the Purchase Price.

Our view is based upon market, economic, industry, monetary and other conditions prevailing on, and the information available to us as of 31 May 2025 (the “Reviewed Date”). Our view does not reflect any developments that may have

occurred after the Reviewed Date, and we assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Reviewed Date that may in any way affect our view contained herein.

4. Assessment of the Purchase Consideration

In order to assess the Purchase Consideration, below is a list of key information sources which have formed the basis of our analysis.

- Sale Purchase Agreement (the “Agreement”) (*not activated yet*)
- Independent Property Valuation Reports for 3 property consultants (i.e. Ahmed M. A. Al Arouqi, NelsonPark and Cushman and Wakefield)
- The View Hospital Asset Register
- Two Advisory reports on Buy vs Lease option (dated May 2025)
- Lease Agreement
- Amendment to Sale Purchase Agreement (*not activated yet*)

i. Valuation methodology:

All three property consultants adopted the Depreciated Replacement Cost (DRC) method, using the market approach for land, for the fair valuation of the hospital facility. This is one of the generally accepted valuation methodologies for this type of property. A summary of the valuations provided by the consultants is presented below:

Description	Independent Property Consultant		
	Ahmed M. A. Al Arouqi	Nelson Park - RICS	Cushman and Wakefield
Inspection date	28-Apr-25	10-Nov-24	16-Feb-23
Valuation date	01-May-25	30-Sep-24 (retrospective)	14-May-25
Valuation Approach	DRC	DRC	DRC
Land			
Land Area (sqm)	12,486	12,486	12,486
Land Area (sq.ft.)	134,399	134,399	134,398
Land rate (QAR / sq.ft.)	3,000	3,750	2,250
Land Value (QAR)	403,197,912	504,000,000	302,395,500
Building			
BUA (sqm)	94,482	94,148	94,899
Useful life (years)		50	50
Age (years)		2	1.2
Depreciation		4%	2%
Building Cost (QAR / sqm)	10,533	15,000	18,562
Building Value (QAR)	995,223,718	1,412,200,000	1,761,515,238
Equipment			
Medical machinery and equipment (QAR)	716,277,972	197,000,000	-
Total estimated Property value (QAR)	2,114,699,602	2,113,200,000	2,063,910,738

ii. Valuation Inputs and Assumptions:

- Land Area** - The Land area considered by all three property consultants is **12,486 sqm (134,398 sq.ft.)** which has been validated against the Sale Purchase Agreement.
- Land Rate** – The land rate adopted by the property consultants ranges from **QAR 2,250/sqm to QAR 3,750/sqm**. Based on our independent assessment, and analyzing macroeconomic factors and recent comparable transactions in similar locations, the prevailing market land rates with premium for strategic location, sea frontage, visibility, accessibility and land use of the subject property, the comparable land rates for similar property would be in the range of **QAR 2,100 / sqm to QAR 2,250 / sqm**.

- c. **Built up Area** - The Built-Up Area (BUA) considered by Property Consultants is in the range of **94,189 sqm to 94,899 sqm**, with only minor variations across the three valuation reports. In our independent assessment, we have considered **BUA of 94,899** as the same was confirmed by Management.
- d. **Building Construction cost** - The Construction rate estimated by the property consultants varies from **QAR 10,533 / sqm to QAR 18,562 / sqm**. As per our independent assessment, a construction cost between **QAR 16,416 / sqm to QAR 16,790 / sqm** has been considered derived from AECOM 2024 Middle East Property & Construction Handbook, which outlines construction costs for healthcare properties, specifically district hospitals. Further, an additional premium has been adopted to reflect the property's condition and strategic location near the Corniche and Lusail Road.
- e. **Useful Life and age of Building:** The total useful life of the building, as considered by the property consultants, is 50 years, which is deemed reasonable for such property. The age of the building used in property consultant assessment's ranges from **1.2 to 2 years**. For our analysis, we have considered the building age of **2 years**.
- f. **Medical Machines and Equipment** – Two of the three property consultant included a valuation for medical machinery and equipment, with estimates ranging from **QAR 197 mn to QAR 716 mn**. Our independent assessment considers a value of **QAR 253.79 mn**, based on the carrying amount reported in the asset register provided by Management.

Independent Assessment:

The following section presents our independent assessment of the fair value of the property:

Description	KPMG Analysis	
	Low	High
Land		
Land Area (sqm)	12,486	12,486
Land Area (sq.ft.)	134,398	134,398
Land rate (QAR / sq.ft.)	2,100	2,250
Land Value (QAR)	282,235,800	302,395,500
Building		
BUA (sqm)	94,899	94,899
Useful life (years)	50	50
Age (Years)	2	2
Depreciation	4%	4%
Base Construction Cost (QAR / sqm)	14,924	14,924
Other cost %	10%	12.5%
Construction Cost (QAR / sqm)	16,416	16,790
Building Value (QAR / sqm)	1,557,899,944	1,593,306,761
Depreciated Replacement cost (QAR)	1,495,583,946	1,529,574,490
Equipment		
Medical machinery and equipment (QAR)	253,795,581	253,795,581
Total estimated Property value (QAR)	2,031,615,327	2,085,765,571
Estimated Property value (Mid-point) (QAR)	2,058,690,449	

5. Our Conclusion

After carefully considering the information available to us as at the Reviewed Date, based upon the property consultant reports and other industry, market, economic and other relevant conditions subsisting as at the Reviewed Date and based on our considerations above, we are of the view that the **purchase consideration of QAR 2.06 bn appears to be reasonable**.



This view is provided solely for the benefit of APEX and may not be used / or relied on for any other purposes, or distributed to any other person, without the prior written consent of KPMG (except for the permitted party identified as QFMA in Engagement Letter dated 28 May 2025). This opinion is governed by, and construed in accordance with, the laws of the State of Qatar, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of KPMG LLC

Venkat Krishnaswamy
Partner, Head of Advisory

