

Alliance Medical Company for Establishing and Managing Hospitals K.S.C.C.

Feasibility Study Report

Al Assima Hospital

December 2022



MOORE Kuwait



Al Aiban & Al Qatami Co.
Advisory / Member of Grant Thornton /



Alliance for Establishing & Managing Hospitals Company W.L.L.
Kuwait

18 December 2022

Dear Sir

Final Report – Feasibility study

We enclose our final report for the feasibility study conducted on Assima Hospital ('the Project'), the construction and operation of a hospital in Sharq, Kuwait in accordance with our engagement letter dated 15 June 2022.

This report has been prepared based on the feasibility study conducted by Moore Kuwait including financial projections, underlying assumptions and the market assessment up to 15 December 2022. We have not undertaken to update our report for events and circumstances arising after that date.

In carrying out our work, we have also relied upon information provided by various third parties, including the project manager, real estate valuer, construction manager and official government statistics as well as other publicly available information.

The terms of reference for this report have been agreed with the client and we will not accept responsibility to any other party to whom this report may be shown or who may acquire a copy of it. Our report must be considered in its entirety, selecting and relying on specific portions of the analysis or factors considered by us might be misleading.

We wish to take this opportunity to thank the management of the project for the co-operation and assistance extended to us during the course of our engagement.

Yours sincerely

Moore Kuwait
Kuwait

Alliance for Establishing & Managing Hospitals Company W.L.L.
Kuwait

18 December 2022

Dear Sir

Independent Second Firm Review – Feasibility study

We have carried out an independent review of the feasibility study prepared by Moore Kuwait on Assima Hospital ('the Project'), dated 18 December 2022. The purpose and scope of our assessment (hereinafter "review") is only to confirm that the calculations included in this feasibility study are performed correctly.

The feasibility study report prepared by Moore Kuwait contains –

1. Financial Projections
2. Underlying Assumptions
3. Key indicators such as NPV and IRR
4. Operational Model
5. Market Assessment
6. SWOT Analysis
7. Sensitivity Analysis

We have reviewed the above sections of the report and based on that we agree with the overall conclusions made by Moore Kuwait in their report.

All the materials included in this feasibility study are based on data/information gathered from the data provided by Moore Kuwait.

In our work, we have employed Moore Kuwait's assumptions, recognizing them to be hypothetical, without further verification, testing, or any other direct or indirect assessment for future financial statement projections, nor tested the accuracy of assets and liabilities as of date.

Yours sincerely

*Al Aiban & Al Qatami Co.,
A Member Firm of Grant Thornton International
Kuwait*

CONTENTS



Content	Page No.
Scope of Work and Limitations	6
Introduction	10
Executive Summary	16-47
Main Highlights	17
Projected Financial Returns	20
Financial Summary	22
Medical Services Summary	26
Project Cost	30
Investment – Funding	31
Market Summary	32
Projections Summary	39
Project Update	48
Business Model	56-81
Business Operational Model	57
Business Concept - Overview	59
Content	Page No.
Business Model – Services	64
Business Model – Patients	77
Business Model – Staffing	78
Business Model – Revenues	79
Business Model – Pricing	80
Business Model – Costs	81
SWOT Analysis	82
Project Management Team	84
Market Assessment	90-135
Kuwait Healthcare Market	91
Private Healthcare Market & Statistics	98
Government (MoH) Healthcare Market & Statistics	111
Kuwait Demographics	121
Market Outlook	136

CONTENTS



Content	Page No.
Competitor Analysis	144
Governance Structure	154-166
Governance Structure Overview	155
Independent Commissioning Board	156
Clinical Governance & Clinical Advisory Board	158
Roles & Responsibilities – Hospital Operator	160
Organizational Structure	167
Hospital Operator	170
Hospital Building Design	183
Concept Design & Drawings	189
Hospital Information System	201
Key Financial Assumptions	205-252
Project Cost	207

Content	Page no.
Medical Equipment	211
Fixed Assets	215
Bank Borrowings	218
Revenue Assumptions	220
Direct Costs	243
Staff Costs	244
Other Costs	250
Project Returns (IRR, NPV)	253
Projected Financial Statements	257
Sensitivity Analysis	271
Key Ratios & Analysis	273

A close-up photograph of a doctor's hands. The doctor is wearing a white medical coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

MOORE KUWAIT

- **RESPONSIBILITY STATEMENT**
- **FORWARD LOOKING STATEMENT**
- **SCOPE OF WORK & LIMITATIONS**

RESPONSIBILITY STATEMENT



Moore Kuwait is an individual member firm of the worldwide network of Moore Global. (All rights reserved).

Moore Kuwait have assisted the management team of Assima Hospital in the preparation of this report which has been developed in connection with the construction of private general hospital in Kuwait. The business plan is continuously evolving and Moore Kuwait takes no responsibility for any variation to Assima Hospital's final business plan from that proposed in this report.

Moore Kuwait have not carried out any independent validation, verification or audit of the information provided in this report and do not express or imply any opinion thereon. Further, Moore Kuwait disclaim any liability relating to the achievability of the financial projections and the report should not be relied upon as a promise or representation as to the future.

This report is confidential and has been prepared solely for the internal use of the owners and management of Assima Hospital in connection with the proposed operation of the general hospital. Accordingly, this report and the information which is contained in it must be held in complete confidence. Furthermore, this report may not be copied, disclosed or distributed to any other person without prior consent of the management of Assima Hospital or Moore Kuwait.

The financial information contained and produced by the financial model (the "Model") is in part based on the information provided by the management and no representation or warranty of any kind (whether expressed or implied) is given by Moore Kuwait as to the accuracy of the information supplied by the management.

Moore Kuwait accepts no duty of care to any person except solely to its client to whom it has provided services under the relevant terms of engagement for the above Project. Accordingly, regardless of the form of action, whether in contract, tort or otherwise, and to the extent permitted by the applicable law, Moore Kuwait accepts no liability of any kind and disclaims all responsibility for the consequences of any person (other than its client on the above basis) using or being unable to use the report or acting or refraining from acting in reliance on the report.

FORWARD LOOKING STATEMENT



NOTE ON FORWARD-LOOKING INFORMATION: This presentation, the related discussions and projected financial information contain forward-looking statements that reflect the management of Assima Hospital's ("management") current views with respect to, among other things, future events and financial performance. These forward-looking statements can be identified by the use of forward-looking words such as "will," "may," "plan," "estimate," "project," "believe," "anticipate," "expect," "foresee," "intend," "should," "would," "could," "target," "goal," "continue to," "positioned to," "are confident," or the negative versions of those words or other comparable words. Any forward-looking statements contained in this presentation, the related discussions and projected financial information are based upon historical data and on current management plans, estimates and expectations considering information currently available to them. The inclusion of this forward - looking information in this presentation, the related discussions and projected financial information should not be regarded as a representation by management that the future plans, estimates, or expectations contemplated by them will be achieved. Their expectations and targets are not predictions of actual performance of the proposed Project and this presentation, the related discussions and projected financial information are subject to various risks and uncertainties and assumptions relating to operations, financial results, financial condition, business prospects, growth strategy and liquidity. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in this presentation, the related discussions and projected financial information. Management believe that these factors include, but are not limited to: the ultimate impact that the COVID-19 pandemic may have on the projected financial information, including the results of operations, financial condition and cash flows; the cyclical nature of the future business and that the future prices of the services may lead to periods of reduced profitability and net losses in the future; the possibility that management of the project may be unable to implement business strategies, including their ability to secure and maintain longer-term contracts, in an effective manner; the risks and uncertainties associated with litigation, arbitration and like disputes; the possibility that local demand and supply may adversely affect the prices; the sensitivity of the business and operating results to economic conditions and the possibility others may not be able to fulfill their obligations in a timely fashion or at all; dependence on the need of medical services; the competitiveness of the industries; dependence on the availability of medical staff; the possibility that medical services are subject to changes in, or more stringent enforcement of, health, safety and environmental regulations applicable to medical facilities operations; the legal, compliance, economic, social and political risks associated with substantial operations; the possibility that the standard of medical services to be provided could deteriorate if the services were substantially disrupted for an extended period, including as a result of equipment failure, regulatory issues, natural disasters, public health crises, such as the COVID-19 pandemic, political crises or other catastrophic events; dependence on third parties for certain construction, maintenance, engineering services; the possibility that the management of the project are unable to recruit or retain key management personnel; the possibility that the project is subject to information technology systems failures, cybersecurity attacks, network disruptions and breaches of data security; the possibility that third parties may claim that the services or processes infringe their intellectual property rights; the possibility that planned indebtedness could limit financial and operating activities or that cash flows may not be sufficient to service the indebtedness; the possibility that restrictive covenants in the financing agreements could restrict or limit future operations.

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements. The projected financial information made in this presentation relate only to events as of the date on which the presentations has been dated. We do not undertake any obligation to publicly update or review this presentation, whether as a result of new information, future developments or otherwise.

SCOPE OF WORK & LIMITATIONS



Moore Kuwait's scope of work was to prepare a feasibility study report based on the draft financial projections of Assima Hospital with all assumptions, analysis, market assessment, financial model, etc. ("the project").

The task required Moore Kuwait to :

- Prepare the assumptions used to develop the projected financial information for the general hospital based on discussions with the management and our own independent research and expertise of the Kuwait healthcare projects.
- Develop the overall financial projections for the general hospital
- Calculate the financial indicators such as net present ("NPV"), internal rate of return ("IRR"), Investor payback.
- Prepare the feasibility study report based on the above underlying assumptions, financial projections, operational analysis, market study, and market assessment conducted by Moore Kuwait.

The following did not form part of the Moore Kuwait's scope on the engagement :

- Independent valuation of the proposed business
- Due diligence or any other assurance procedure in relation to the information provided

We wish to point out that information in the financial model containing key assumptions related to capital costs, revenues and operating costs was in part provided by the management of Assima Hospital.

The financial projections do not include an identification, or independent assessment, of certain key risk factors, such as changes in regulations, changes in market dynamics, interest rate movements, etc. These projections have been prepared based on expectations and assumptions of future events and planned management actions that might not necessarily occur. We cannot express an opinion as to whether the projections will be met. We must emphasize that the realization of the projections is dependent on the continuing validity of the assumptions on which they are based. Since the projections and /or forecasts related to the future, actual results are likely to be different from the projected and/or forecast result because events and circumstances frequently do not occur as expected and the differences may be material.

A photograph of a doctor's hands and a white lab coat. The doctor is holding a blue stethoscope. The background is a light blue gradient.

INTRODUCTION

ASSIMA HOSPITAL

Assima Hospital is a new general hospital located in Sharq with magnificent views of the sea front and the city skyline. This general hospital has been designed in 2 distinct phases to provide specialty medical services for all manner of patients as well as a significant element focused on women wellness and pediatrics.

The healthcare facility being built in Sharq will be split between two towers. The construction of phase 1 commenced in 2019, and is currently in line for the completion and commissioning by 2nd quarter of 2023 with a planned soft launch on 1 June 2023. The construction of phase 2 is planned to begin in early 2024 and expected to be completed by the end of 2026. The necessary MoH approvals for the design of the healthcare facilities have now been received and the licensing with the MOH & municipality is complete.

Assima Hospital will apply the best international healthcare standards and protocols with the aim to exceed those followed currently in Kuwait and will be affiliated to an International hospital operator.

The hospital plans to have a team of more than 1,000 employees at full operations, consisting of specialists, consultants, physicians, nurses, other healthcare professionals and support staff trained to offer quality healthcare to the patients.



ASSIMA HOSPITAL

The hospital will have 2 towers to provide Out Patient services (OPD), Inpatient services, Surgical services, Radiology & Imaging, Laboratory, Pharmacy and other related services.

Phase 1 (Tower 1) will provide services focused on women wellness, pediatrics, cardiology and family medicine. There will be **48 Inpatient beds** and **48 OPD clinics** as well as a Cath lab, Operation Theatres and maternity delivery rooms. All these facilities are set to be in a super luxurious surroundings to provide care and wellness.

Phase 2 (Tower 2) will have **67 Inpatient beds, 50-60 OPD clinics, Operation Theatres** and a **45 beds Daycare** hospital. Tower 2 services will be focused on orthopedics, physical rehabilitation, dental medicine and Internal medicine.

The hospital is targeting the growing private healthcare market in Kuwait for all the above mentioned services and will target Kuwaiti as well as expatriate private healthcare users guaranteeing the highest quality of individualized care to help improve total care and wellness and meet or even exceed patients' expectations.

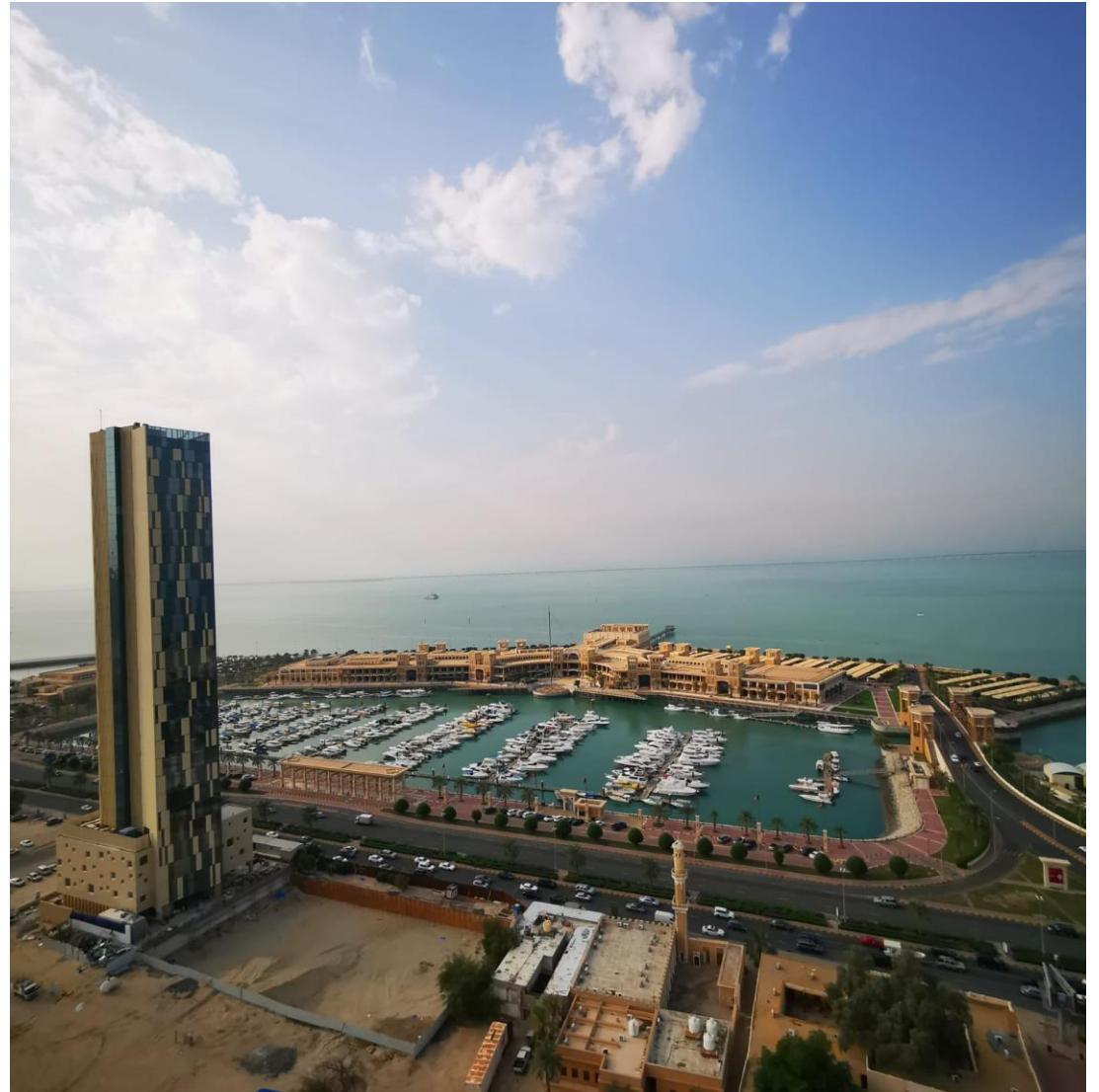


ASSIMA HOSPITAL



The hospital will provide different medical sub-specialty services for Tower 1 and Tower 2 through its outpatient and inpatient departments. These medical specialties will be in order of the need of the population in line with the current needs of the private healthcare sector in Kuwait. The top ranking medical specialty services in need are as follows:

- Obstetrics and Gynecology
- Pediatrics
- Cardiology and respiratory diseases
- Endocrinology and Diabetes
- Dermatology, Plastic Surgery and burns
- Internal Medicine including Gastroenterology & Nephrology
- Orthopedics
- Dental Medicine
- Ophthalmology
- ENT
- Others – Physiotherapy, Infertility, Urology, General Surgery etc.



ASSIMA HOSPITAL



The greater focus will be on the outpatient services from the start of operations. Of the 52 floors across the 2 Towers, **20 to 25 floors will be assigned for OPD clinics and 14 for Inpatients**. The remaining floors will be utilised for a Daycare hospital, procedure & observation rooms, surgical theatres, allied health services such as radiology and imaging, laboratories and pharmacies along with mechanical services, utilities and administration.

The total cost of the project for all the healthcare facilities is expected to be **KD 43.75 million** excluding the land, which includes concrete works, MEP, internal and exterior finishes as well as the costs of the medical equipment, soft furnishings and the IT systems. The **gross total built** up area of the general hospital on completion will be **46,800 sq. meters** across both towers.

To date, **KD 16.6 million** have been spent and Tower 1 is near completion.

The general hospital has been designed as a lean building (green building) and takes into consideration the environment, sustainability and the usage of energy in the most efficient manner.

The land upon which the hospital is being constructed is fully owned by the current owners of the project.





Healthcare need in Kuwait

The hospital's target is to capture a significant market share of the most important medical services required in Kuwait. The need for a high standard of medical services has been identified and the management of the hospital will look towards fulfilling that gap in the growing private healthcare market in Kuwait by providing quality in care surrounded by luxurious settings.

It is important to note that over the last few years there has been a phenomenal growth in the use of healthcare services in both the public sector and the private sector by the Kuwaiti population in particular (approximately 21% increase across both public and private sectors) over the last 5 years. There has been increase in use of private healthcare services among expatriates as well.

The main factors for growth in the of private healthcare sector are:

1. Increase in use of private healthcare sector by 21% between 2016 and 2021 by Kuwaiti citizens due to changes in government policies.
2. 14% increase in overall use of private healthcare sector between 2016 and 2021
3. Age profile of Kuwaiti population and greater disposable income (baby boomers)
4. Continued Kuwaiti population growth between 2016 to 2021 of 12%

* Adjusted for Covid (2020-2021)

(Source: CSB Annual Kuwait Health Statistics, PACI)



A photograph of a doctor's hands and part of their white coat. The doctor is holding a blue stethoscope. The background is a light blue gradient.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY - MAIN HIGHLIGHTS



- The **general hospital** will provide high quality medical services focusing on sub-specialties targeting women, children and the elderly for both the Kuwaiti and the non-Kuwaiti population.
- Great **Location** in Sharq with **panoramic views of the sea and the city skyline**, this general hospital will give patients ease of access in luxurious surroundings with the highest standard of quality and care.
- Growing **demand of private healthcare sector in Kuwait**, especially among Kuwaitis, provides major opportunity to gain significant market share.
- **Health care services** to be provided with a focus on the top medical sub-specialties in need in the private sector.
- **Construction of the general hospital** commenced in 2019 and expected completion and commissioning of the 1st tower by the **2nd quarter of 2023**, a soft launch has been planned for 1 June 2023 with **operations to commence from 1 January 2024**.
- **Construction of phase 2** of the general hospital will commence in early 2024 with a planned **completion by 2026** and **full operations commencing in 1st quarter of 2027**.
- The cost of the construction has been financed through **debt and equity** at a ratio of **46%-54%** respectively.
- Projected visits to grow from **OPD visits – 25,159; Inpatients – 80 in 2024** to **OPD visits – 280,592; Inpatients – 8,339 in 2030** at full **operations**.
- The hospital will provide **a large number of medical services** through its departments such as Outpatient, Inpatient, Emergency, Operation Theatres, Maternity Rooms, Radiology and imaging, laboratory and pharmacies.
- **Daycare hospital** to serve patients not requiring to stay overnight for a diagnosis, surgery or procedure.
- **Cath lab** to treat the patients with heart and respiratory diseases which is one of the major causes of death in Kuwait.

EXECUTIVE SUMMARY - MAIN HIGHLIGHTS



- The **projected total revenues** for the hospital will be approximately **KD 65mn** per annum at full operations.
- Expected **Operational Cash Flows** of **KD 52.4mn** over the projected period of operations.
- Projected **cost of construction** for both phases (including finance costs) of **KD 43.75mn** for Fully Furnished & Equipped hospital of which **KD 16.6mn** has already been spent.
- **Freehold land** acquired and fully paid for **KD 33.3mn** with licenses for the construction of the hospital on the land **approved by the MoH**.
- **Projected EBITDA** at full operations to be **37% (KD 24mn)**.
- **The vision of the hospital is to be the 6th largest private hospital in Kuwait within 10 years of operations.**
- Recruitment of medical specialists and consultants with **greater emphasis on female physicians and specialists**.
- **Bank Borrowings** of **KD 38mn** received at a finance cost of 5% per annum.
- **Hospital Licenses** have been obtained providing significant opportunities for growth with complete access to healthcare value chain locally and regionally.
- Total **gross built-up area** of approximately **46,800 sqm** of which medical facilities will be **32,800 sqm** and the remaining for utilities, service areas and parking facilities.
- The hospital operator will have number of associations with well known international healthcare services providers with great reputations in the region to provide best in class services to the patients in accordance with international healthcare standards in place along with MoH required standards.

EXECUTIVE SUMMARY - MAIN HIGHLIGHTS



- **Relationship with private doctors** and clinics to refer their patients to the hospitals for secondary care, which will be one of the major sources for generation of OPD visits and overall revenue.
- **70% to 30%** ratio for the patient revenues to be generate from **insurance and walk-in payments** respectively.
- In house **marketing** team to run the Digital as well as traditional marketing campaigns.
- Main **target areas** will be **Assima, Farwaniya and Hawally** healthcare region as the population in these areas will have easy access to the hospital and due to the larger Kuwaiti population in these regions.
- Significant **increase in healthcare usage** over the last 5 years (Increase of 35% of private healthcare usage by the Kuwaiti population).
- Kuwaiti **population** is expected to **grow at CAGR of at least 2.5%** over the next 10 years.
- **Private healthcare usage** per visit per population among the Kuwaiti citizens is expected to grow from **1.68 visits to 2.2 visits** over the next 10 years, **a 30% increase**.
- **Increase in population** and increase in usage of private hospital services to create **significant market gap in Kuwait's private hospital market** which the general hospital targets to fulfill.

PROJECTED FINANCIAL RETURNS – INVESTORS' RETURNS



- The following is the summary of the key financial indicators relating to the business plan:

	KD 000s
Equity Investment	41,500
Internal Rate of Return (“IRR”)	33.46%
Project Net Present Value(“NPV”)	95,666
Investor Payback	7 years 1 month
Discount Rate	13.02%

(Source: [Moore Kuwait Calculation](#))

Remarks

- In order to arrive at the Investors NPV, we have used the discounted cash flow approach
- Under the discounted cash flow method, we have developed the financial projections based on information from the management of the hospital. We have used free cash flow to equity approach and accordingly, used the cost of equity as a discount factor.
- Project NPV and IRR are positive and therefore the project is feasible
- Based on the feasibility study, the project will be able to recover the investment in 7 years 1 month

DISCOUNTED CASHFLOW METHOD



Methodology

- We have developed the financial projections and key assumptions of Assima Hospital as provided by the management of the Project for the purpose of calculating the NPV based on secondary research and information freely available in the market benchmarked to industry standards and our expertise in the healthcare sector.
- The financial projections do not include an identification, or independent assessment, of certain key risk factors, such as changes in regulations, changes in market dynamics, interest rate movements, etc. These projections have been developed by us with the input of the management and are based on hypothetical assumptions of future events and management actions that are not necessarily expected to occur. We cannot express an opinion as to whether the projections will be met. We must emphasize that the realization of the projections is dependent on the continuing validity of the assumptions on which they are based. These financial projections are based on expectations of future events. Since the projections and /or forecasts related to the future, actual results are likely to be different from the projected and/or forecast result because events and circumstances frequently do not occur as expected and the differences may be material.
- The NPV calculation has been carried out based on the discounted cash flow method. In the discounted cash flow method, we have followed free cash flow to equity approach and have accordingly used cost of equity as a discount factor.
- The discounted cash flow valuation method discounts the anticipated cash flow stream from future operations to their present value by applying an appropriate discount rate. It thus involves estimation of cash flows and discount rate.

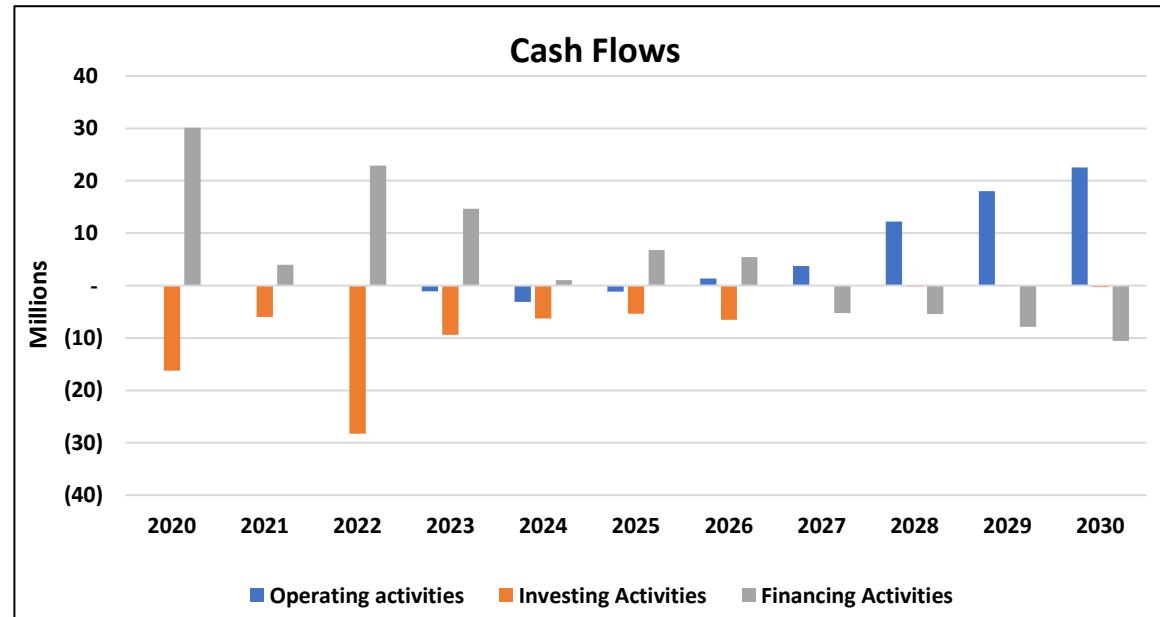
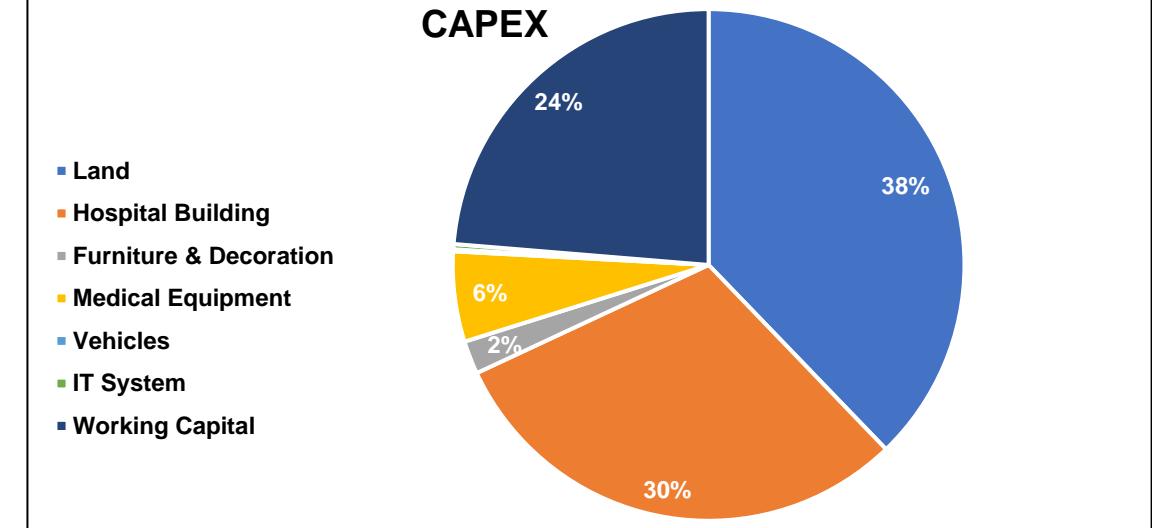
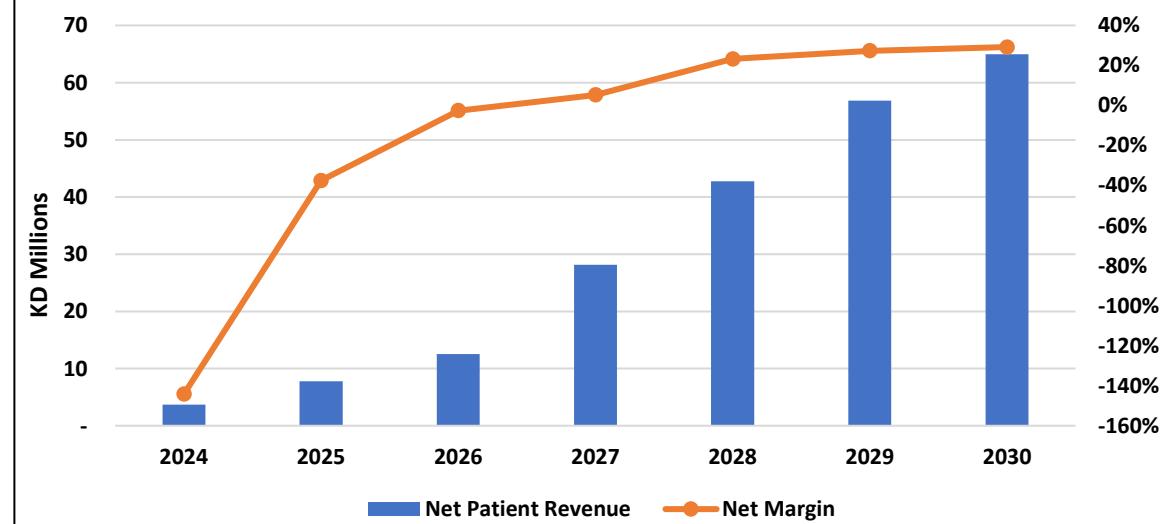
Discount Factor

- **Risk free rate:** For estimation of risk free rate we have followed the “Consistency Principle”, which states that “The risk free rate used to arrive at expected returns should be measured consistently with the cash flows. Thus if cash flows are estimated in nominal US dollar terms, the risk free rate will be US treasury bond rate. This also implies that it is not where a project or firm is domiciled that determines the choice of a risk free rate but the currency in which the cash flow on the project or firm are estimated” (**Source: Estimating Risk Free Rates, Aswath Damodaran**).

Since the project is Kuwait based we have considered 4.00% which is based on the Risk free rate of the Central Bank of Kuwait. (**Source: Central Bank of Kuwait**).

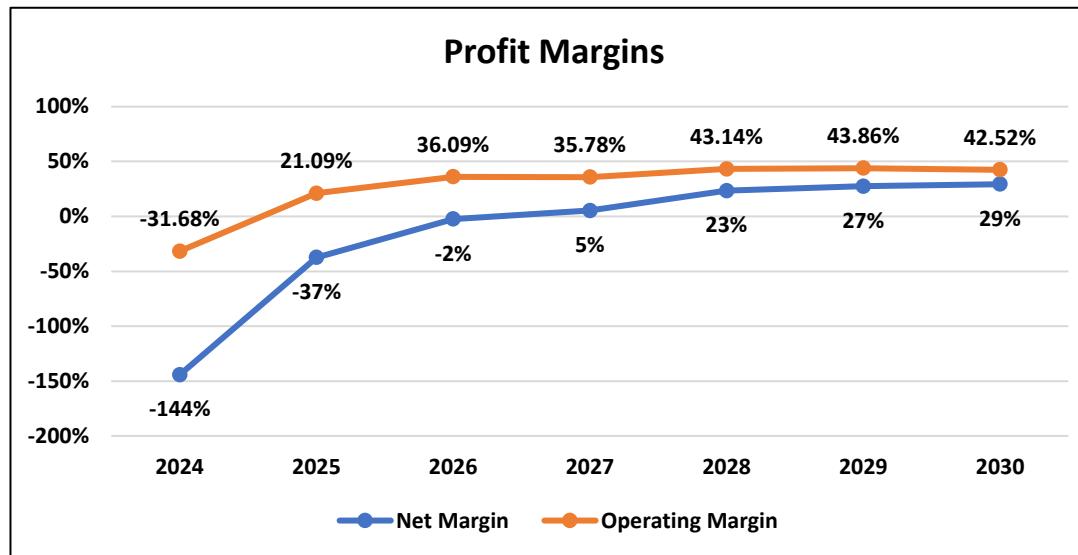
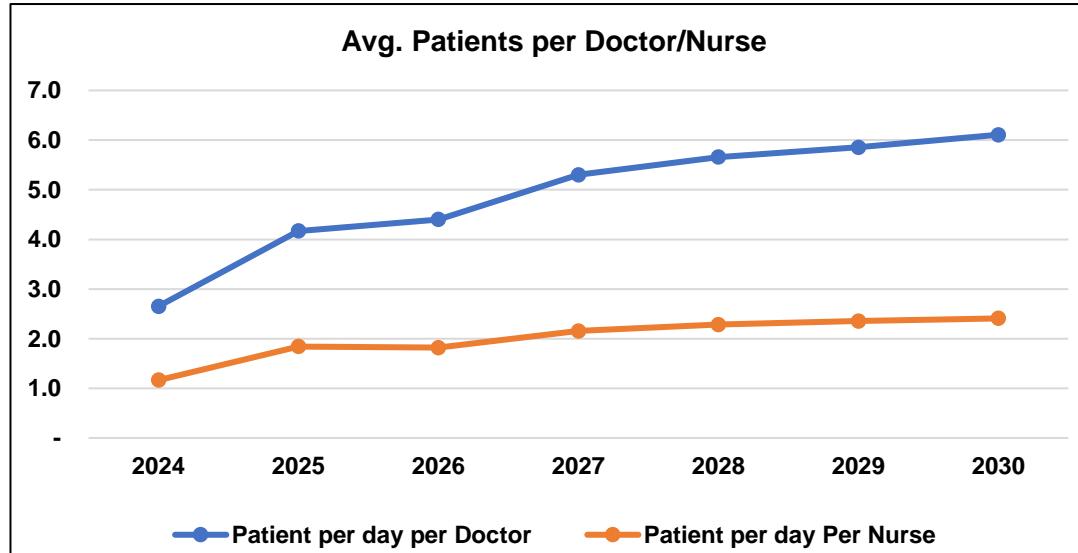
- **Market risk premium:** We have used the Kuwait's market risk premium as of January 2023, 7.16% (**Source: Damodaran**).
- **Specific Risk:** Considering nature of the business, we have applied 1.00% as company specific risk to the project cost of equity.

FINANCIAL SUMMARY – KEY HIGHLIGHTS



- Phase 1 (1st Tower) of the hospital is expected to commence operations from 1 January 2024 with planned soft launch in 4th quarter 2023.
- The projected total revenues for the hospital will be approximately KD 65mn at full operations.
- The high Y-o-Y growth in revenues for 2026 to 2027 is due to increase in market share and the start of operations of Phase 2 (2nd Tower).
- The projected operating cashflows over the projected period will be KD 51mn.
- The net margin is expected to remain between 25% to 30%.
- The capex required to construct the fully equipped general hospital buildings is projected to be around KD 43.75mn including cost of finance and total project cost including land is expected to be KD 88mn.

FINANCIAL SUMMARY – KEY ANALYSIS OPERATIONS



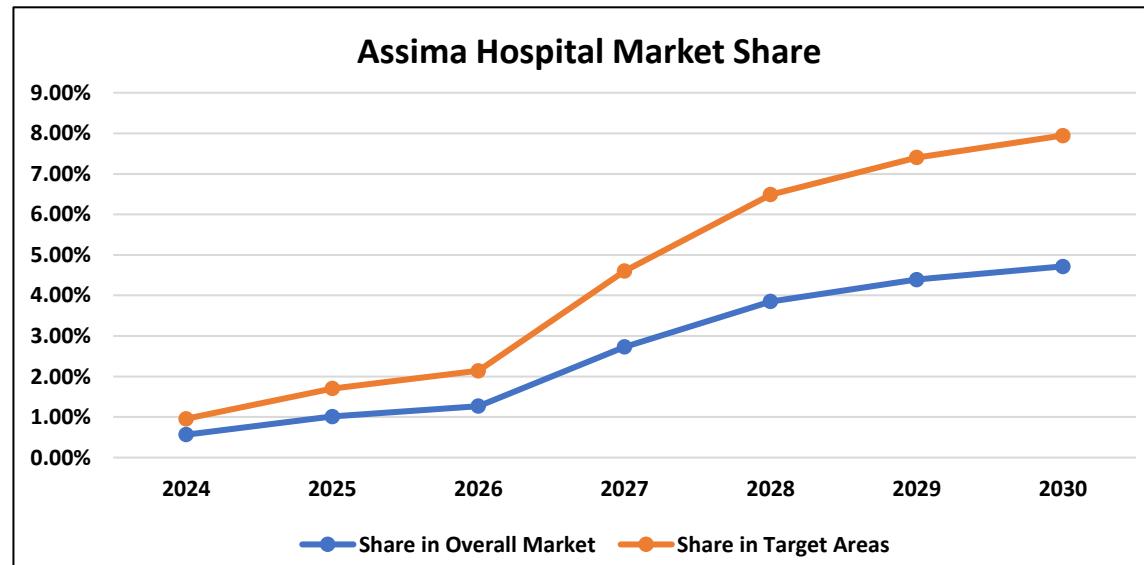
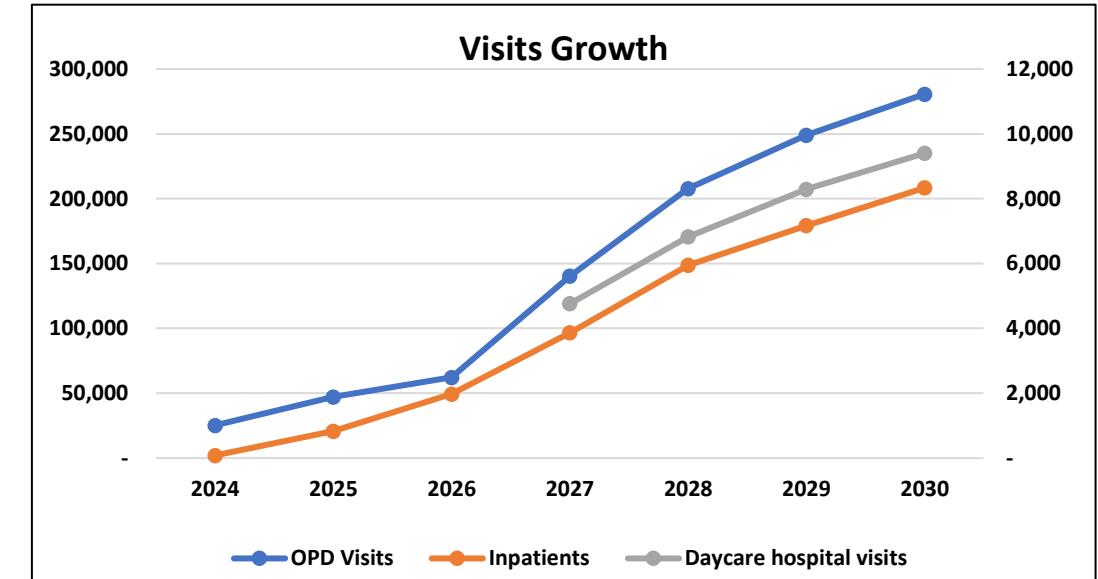
	Avg. Fee per Patient at Full Operations	KD per Visit
OPD Visit		80 – 110
Inpatient		600 – 1200
Inpatient – Maternity packages		1,500 – 6,000
Surgical Procedures		1,000 – 1,500
Daycare Hospital		350 – 400
Allied Services		50 – 70

- The average patient visit per day per doctor will be around 3 in 2024 which is expected to go up to 7 visits by 2030 as the operational efficiency will increase over time and the hospital obtains greater market share.
- Avg. patient per Nurse will be 2.5 at full operations.
- Avg. Revenue per OPD visit will be KD 80 initially which will increase up to KD 110 at full operations (27% increase).
- The overall business is expected to breakeven from 2027 which will be when the hospital will be operating at the full planned capacity in terms of beds and patient numbers.

FINANCIAL SUMMARY – VISITS



Projected Visits	2024 (Phase 1 operations commence)	2027 (Phase 2 operations commence)	2030 (Full operations)
OPD Visits	27,440	141,371	281,870
Inpatient admissions	80	3,866	8,339
Daycare hospital admissions	-	4,789	9,434
Patient Revenues (KD 000s)	4,225	28,394	63,385



- The projected OPD visits are based on increase in population (at a CAGR of 2.5%) and increase in usage of private hospitals (from 1.62 visits to 2.2 visits per population) over the next 10 years by the population.
- The hospital targets to fulfill the market gap to be created by the increase in demand of private hospitals and the available facilities.
- The high Y-o-Y growth in no. of visits from 2026 to 2027 is due to the start of operations of Phase 2 with additional medical services.
- The increase in Inpatient and Daycare hospital visits are directly related to the increase in OPD visits.

STAFFING AT FULL OPERATIONS (2030)



	Expected Staff	Total cost (KD)	Average annual cost per employee
Physicians & Nurses	585	13,071,411	22,344
Other Medical Staff	184	1,979,276	10,756
Admin staff	303	1,349,689	4,454
Total staff and cost at full operations	1,072	16,470,716	15,364

Doctors at full operations	Expected FTE	Avg. Monthly Salary costs
Registrars	74	2,658
Specialists	65	4,926
Consultants	19	6,061
Nursing staff	Expected FTE	Avg. Monthly Salary costs
Head Nurses	19	1,617
Registered Nurses	189	1,082
Assistant Nurses	189	903

- The above staff cost is based on the manpower required for the 2 shifts and across the 2 towers.
- The doctors required have been projected based on the FTE required per patient, assumed to be average of 30 minutes per visit, and the overall capacity of the hospital.
- The medical staff's training hours and efficiency factor have also been taken into account while estimating the total staff
- The staff includes other staff benefits such as housing allowance, medical insurance, residency for expatriate staff, air tickets, leave salary and end of service indemnity.

(Source: Moore Kuwait Calculations)

MEDICAL SERVICES - OPD SPECIALTIES



Based on the projected demand and the analysis of the top medical sub-specialties that are being diagnosed in the OPD departments of the other private hospitals, the management have planned to provide following services:

Tower 1	Tower 2
1. Obstetrics & Gynecology <ul style="list-style-type: none">- Maternity services- Delivery services- Premature	1. Dental medicine
2. Pediatrics <ul style="list-style-type: none">- Pediatric Surgery- Neonatal	2. ENT
3. Infertility <ul style="list-style-type: none">- IVF- Auditory Planning	3. Endocrinology and Diabetes
4. Plastic surgery & burns/Cosmetic Surgery	4. Physiotherapy
5. Dental medicine	5. Orthopedics
6. Cardiology <ul style="list-style-type: none">- Respiratory Diseases	6. Ophthalmology
7. Family Medicine	7. General surgery
8. Dermatology	8. Urology
9. Emergency	9. Internal Medicine <ul style="list-style-type: none">- Gastroenterology- Nephrology
	10. Neurosurgery
	11. Nutrition

As per the current planning for the provision of OPD services, some of the specialties will be provided in both the towers based on the sub-branches of those specialties.

(Source: Assima Hospital Management)

MEDICAL SERVICES - INPATIENT



The general hospital's business model is OPD focused and it is expected that the inpatients will flow from the OPD departments. The inpatient patients flow will also depend on the available beds, bed capacity and the average bed occupancy.

Based on this –

- In Tower 1, the management has planned to provide inpatient services to a number of specialties as it targets to market mainly to the women and pediatrics patients in the initial phase of the project due to higher need of the medical services among this sub-population.
- In Tower 1, the hospital will also offer “package” services for maternity and delivery and for cardiology patients. Tower 1 will consist of VVIP and VIP rooms offering luxurious services with sea facing rooms.
- In Tower 2, it is planned that only standard inpatient rooms will be built and it will be focused more as a general hospital but with the luxurious services to be provided to the inpatient in terms of the facilities and healthcare services.

Room Type	Building	Nos.	Avg. size (Sqm)
VVIP	Tower 1	2	112
VIP	Tower 1	8	52.5
Standard Rooms 1	Tower 1	38	35.75
Standard Rooms 2	Tower 2	67	35.75
Cath Lab	Tower 1	1	60
Operation Theatres	Tower 1 & 2	11	70
Total		115	
Avg. Bed Occupancy		55%	

Capacity Assumptions	
Total No. of Beds (A)	115
VIP 1	2 Rooms
VIP 2	8 Rooms
Standard Rooms	105 Rooms
Average Length of Stay (B)	3 Days
Total Available Capacity (A*365 days)/B	13,992 bed days
Avg. Bed Occupancy	55%

(Source: Assima Hospital Management)

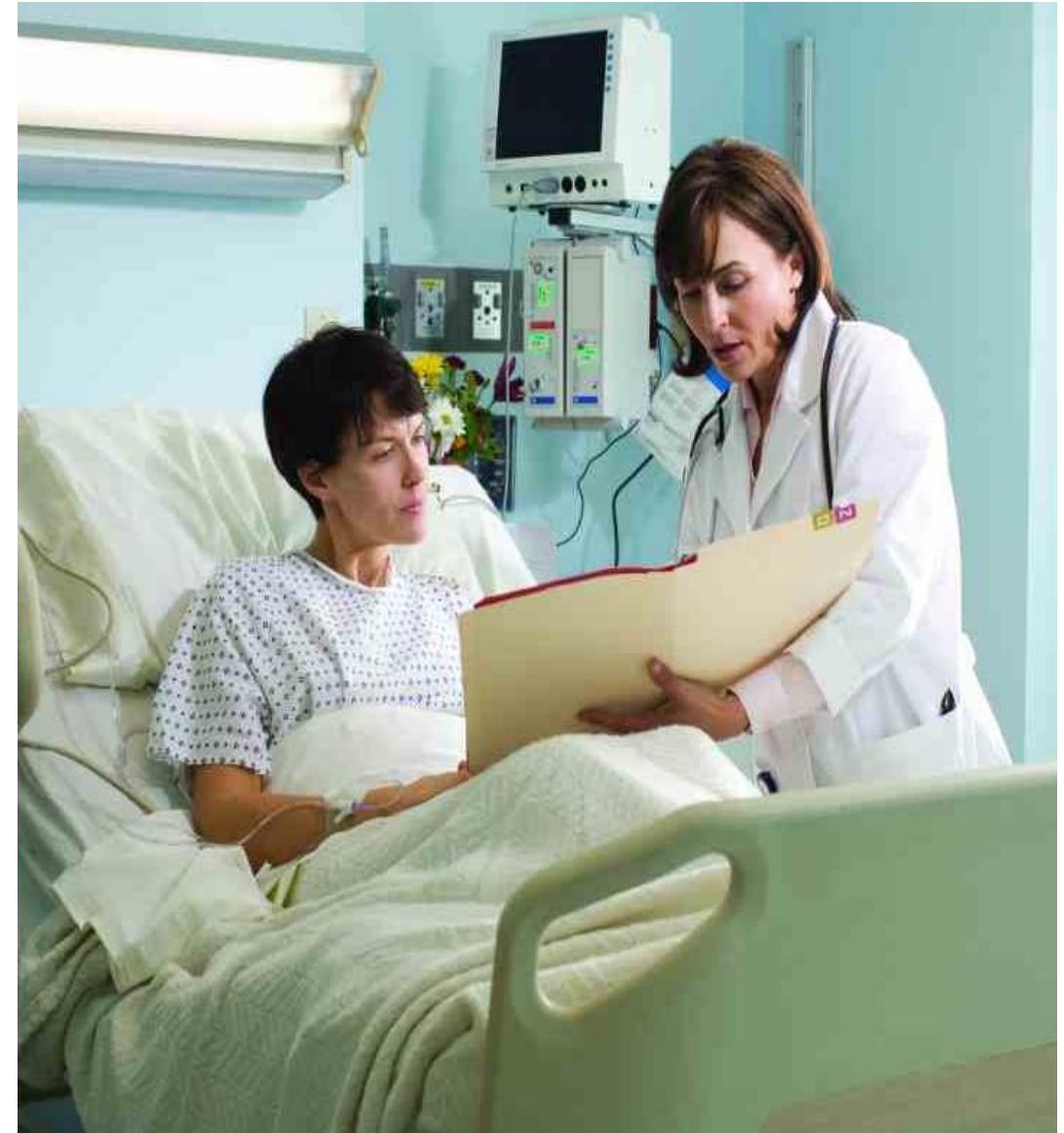
MEDICAL SERVICES – DAYCARE HOSPITAL



Daycare Hospitals will provide the full-range of sub-specialty healthcare services which will include consultation with specialists or consultants across multiple departments, comprehensive diagnostic services that will be on par with traditional inpatient services, a range of preventive health-checkup services, minor Operation Theatre and Pharmacy services. Daycare services are majorly going to be used for:

- Cataract surgery
- ENT procedures
- Minor surgeries that do not require hospitalization
- Patients requiring periodic physical rehabilitation
- Outpatient Dialysis
- Endoscopic procedures or minimally-invasive surgeries
- Preventive healthcare
- Antibiotic treatment for OPD patients

We have assumed that 3% to 10% of the OPD patients will utilize the Daycare services in above mentioned specialties.



INITIAL PROJECT COST - CONSTRUCTION



CAPEX	Incurred to date	Costs to complete	Total Project Cost
Land	33,288,000	-	33,288,000
Construction (incl. conting.)	11,173,500	15,467,360	26,640,860
Furniture & Decoration	-	1,850,230	1,850,230
Medical Equipment	-	5,016,000	5,016,000
Vehicles	-	111,970	111,970
IT System	-	291,203	291,203
Total Capex	44,461,500	22,736,764	67,198,264
Working Capital			
Salary – 2 years of operations	-	5,139,431	5,139,431
Marketing – 2 years of operations	-	1,812,400	1,812,400
Other Expenses - 2 years of operations	-	4,086,457	4,086,457
Pre-Operating & Finance Costs Capitalised	5,464,526	4,359,888	9,824,414
Total Working Capital	5,464,526	15,398,176	20,862,702
Total Project Cost	49,926,026	38,134,940	88,060,966

- The land for the hospital have been purchased through bank borrowings and equity from the owners.
- From the beginning of the construction in 2019 till date in 2022, the project has incurred building construction cost worth KD 11.17 million on construction of the Tower 1 building and land of KD 11.2 million for Tower 1
- The promoters have paid KD 3.8 million of financing costs during the pre-operating period and other expenses of KD 1.66 million. These costs were entirely paid by equity of the owners.
- Further, in 2022, the project acquired neighbouring land worth KD 22.1 million for the construction of Tower 2, to be commenced in early 2023.
- The buildings are constructed on owned Freehold land for which appropriate licenses have been received and therefore there will be no time limits for the operational period or restrictions for the use.

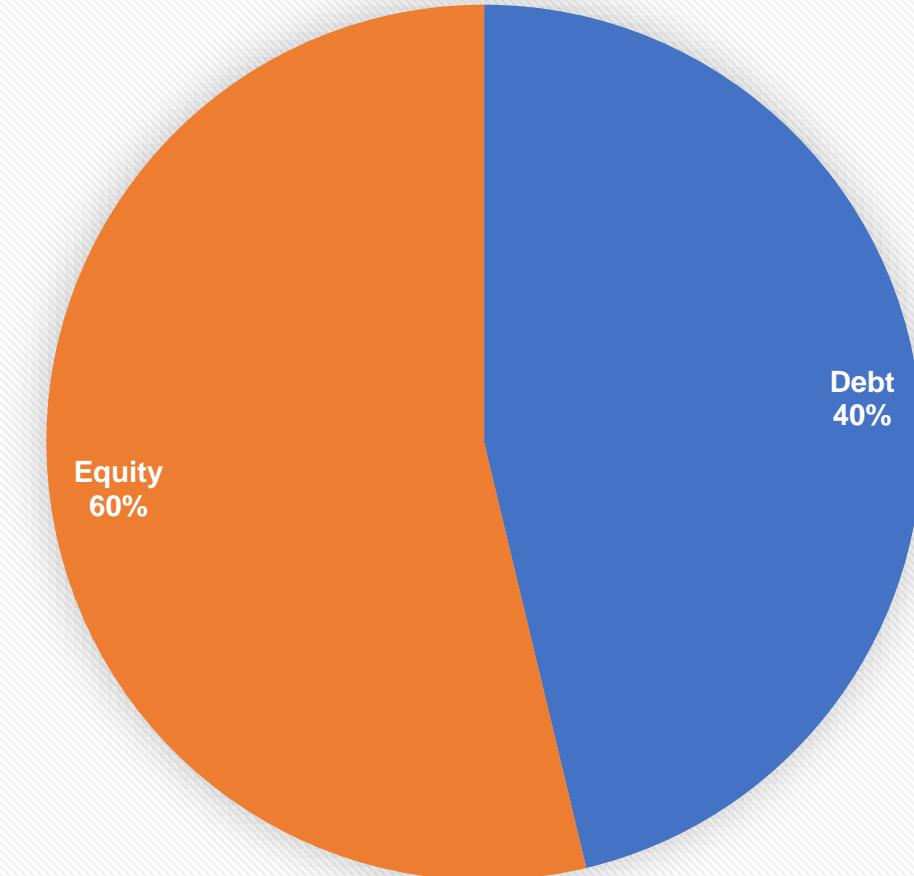
(Source: Construction Manager, Real Estate Valuer, Project Manager)

INITIAL INVESTMENT – FUNDING



Funding	Total
Total bank borrowings	40,000,000
Equity (Investment Property) – in kind	41,500,000
<hr/>	
Total Funding till date	81,500,000
Equity – to be invested	20,000,000
<hr/>	
Total funding	101,500,000

Funding Structure – Assima Hospital



(Source: Moore Kuwait Calculations)

MARKET SUMMARY – PRIVATE HEALTHCARE SECTOR



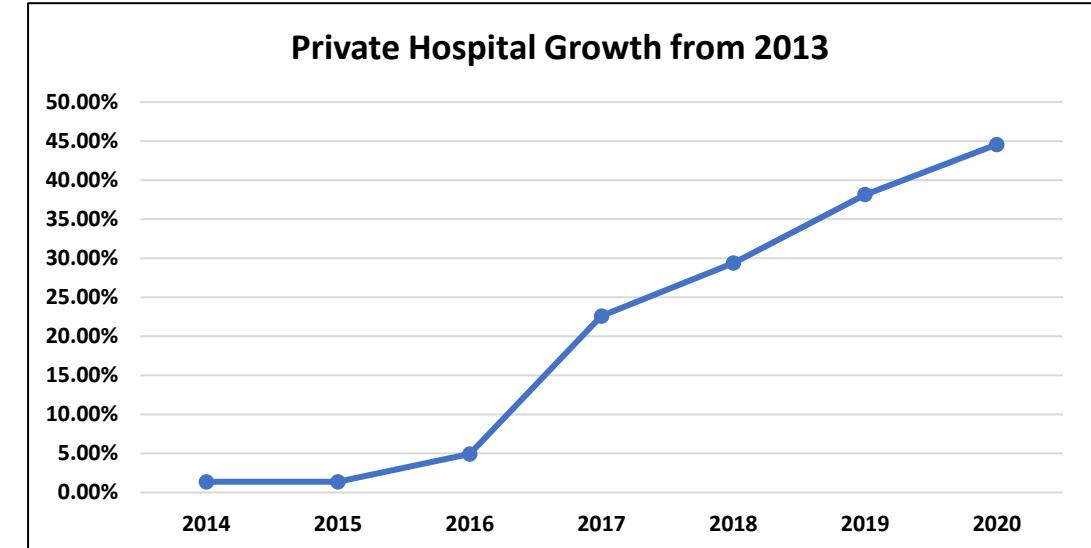
From 2013, there has been constant growth in the use of private hospitals by the overall Kuwaiti population. The private hospital market has grown by almost 50% as compared to 2013 and is expected to continue to grow at a CAGR of at least 5% over the next 10 years.

The key indicators of the national statistical information provided by the government, there are almost 6 beds per doctor in the MoH hospitals whereas there is only 1 bed per doctor in the private hospitals. This has led to a difference in the quality of treatment and the time given to the patients between MoH hospitals and private hospitals.

Most of these patients are served by 6 major private hospitals - known as big 6 - in the private sector in Kuwait, which are –

1. Dar Al Shifa
2. Al Salam hospital
3. Al Seef hospital
4. Royale Hyatt (maternity hospital)
5. Al Mowasat hospital
6. Hadi hospital

These hospitals cover 79% of the total private hospital market.



Key Indicators	MOH Hospitals	Private Hospitals
No. of Beds	8,377	1,375
Doctors/Physicians	1,582	1,123
Nurses	5,009	3,305

(Source: [Moore Kuwait Projections](#))

MARKET SUMMARY – PRIVATE HEALTHCARE SECTOR



There is a significant shortfall in the healthcare facilities to meet the need of the population of Kuwait. Further, Kuwait as a country currently stands 3rd in the for number of beds, doctors, nurses etc. and is below the OECD standard for healthcare facilities.

Current Resources – GCC Health Indicators 2020	Beds	Doctors	Nurses
KSA	78,600	115,020	197,904
UAE	18,005	28,175	60,446
Kuwait	9,752	15,178	32,587
Oman	5,266	12,013	22,459
Qatar	3,283	8,793	19,345
Bahrain	3,198	4,545	8,041

Health resource indicator / 1,000 population	OECD Average	GCC Maximum	Kuwait	GCC Average
Beds	4.4	2.2	1.8	1.9
Physicians	3.4	3.4	2.8	2.9
Nurses	8.8	7.3	5.6	5.7

- Kuwait has highest rate of mortality rate for NCD-related deaths compare to GCC, OECD as well as global rate.
- Also, over the last few years the infant mortality rate has decreased and the life expectancy has increased throughout the region.
- This highlights the growing need for the medical support for age-related ailments in the region which is likely to intensify the demand for healthcare services.
- Whilst significant improvements have occurred in Kuwait, there is still a significant gap to be fulfilled in terms of hospital beds and services.

MARKET SUMMARY – PRIVATE HOSPITALS



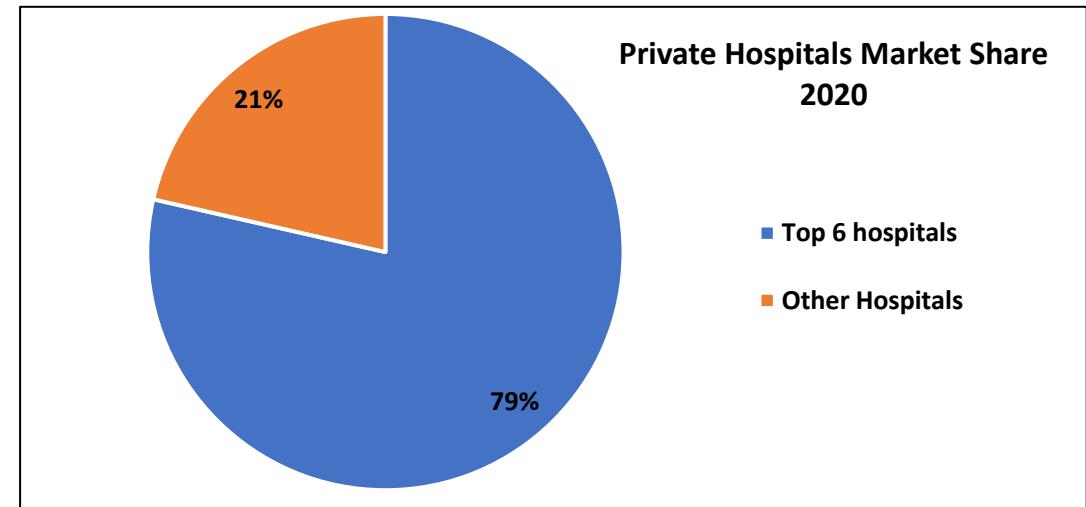
In the private healthcare sector, there are 12 major hospitals as recognized by the insurance companies here in Kuwait. The top 6 hospitals as mentioned earlier, covers **79%** of the overall private healthcare market in Kuwait. Each of these hospitals provide a different set of medical specialty services. The Top 10 medical specialty services provided by these hospitals in order of the needs of the population are:

1. Obstetrics & Gynecology
2. Pediatrics
3. Internal Medicine
4. General Surgery
5. Dental Medicine
6. Casualty
7. Orthopedics
8. Cardiology and Respiratory diseases
9. ENT
10. Ophthalmology

The above Top 10 specialty medical services contributes to the 80% of total private hospitals market.

(Source: Annual Health Report 2020)

Hospitals in 2020	Beds	OPD	Inpatient
Dar Al-Shifa	129	489,440	16,988
Al-Salam	192	455,518	10,437
Al-Seef	105	447,630	11,510
Hadi	91	343,190	10,108
Al-Mowasat	114	261,499	7,288
Royale Hayat	341	193,371	7,744
Total Top 6	972	2,190,648	64,075
Other 6 Hospitals	403	597,866	22,137
Total	1,375	2,788,514	86,212



MARKET SUMMARY – ASSIMA HOSPITAL MARKET POSITION



Hospitals Projections	Beds	Projected OPD Visits 2024	Projected OPD Visits 2033
Dar Al-Shifa	129	583,640	830,701
Al-Salam	192	548,412	780,561
Al-Seef	105	538,915	767,044
Hadi	91	413,177	588,079
Al-Mowasat	114	314,826	448,096
Assima Hospital	115	25,159	389,165
Royale Hayat	341	235,044	364,630
Total Top 7	972	2,659,172	4,168,277
Other 6 Hospitals	403	719,789	22,137
Total	1,490	3,378,961	5,232,981

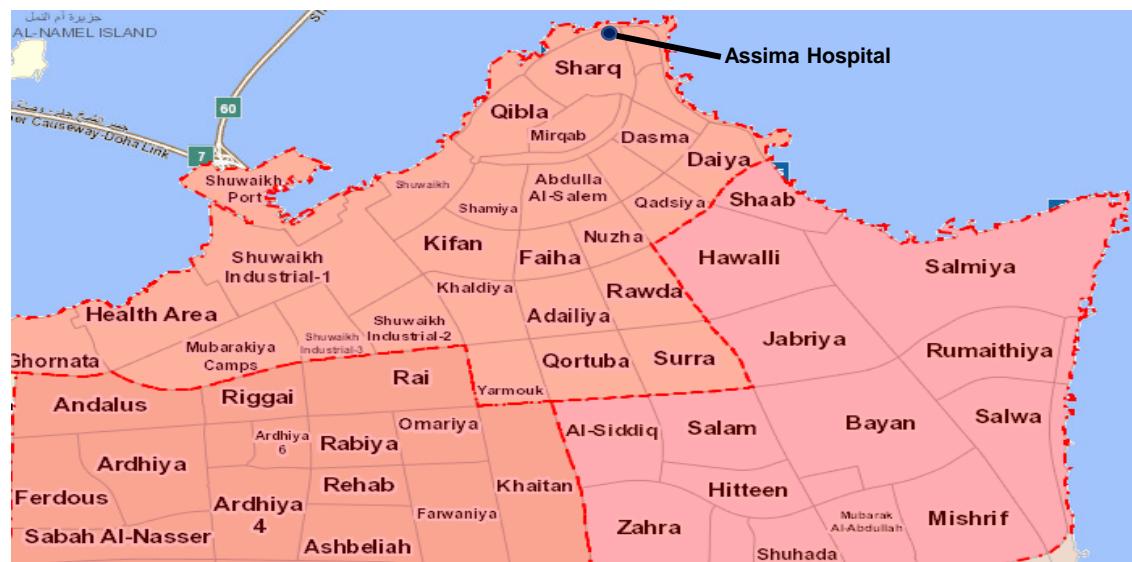
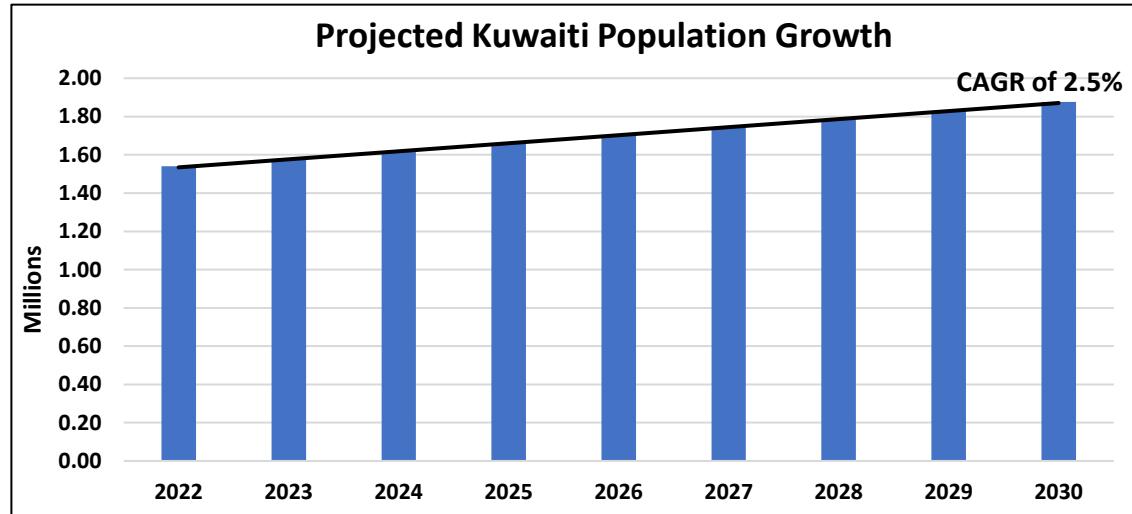
- The management's vision for Assima hospital is to be among the Top 6 private hospitals in Kuwait by 2033.
- There is significant market gap in the Kuwait with increase in life expectancy over last 10 years has increased the demand for better healthcare services and it is expected to continue to grow by at least 5% per annum.
- The OPD visits in the Assima hospital is expected to grow at a CAGR of 8% per annum until full operations and at 5% per annum there on.

The hospital aims to achieve this growth primarily through:

- Highest quality of services
- Recruitment of more specialists over the time
- Affiliate program with one of the best healthcare providers in the region
- Great location and facilities

(Source: Annual Health Report 2020)

ASSIMA HOSPITAL – POPULATION DEMOGRAPHICS



(Map Source: PACI)

2021	
Kuwaiti	
Male	736,514
Female	765,624
Total	1,502,138
Non-Kuwaiti	
Male	1,962,404
Female	999,885
Total	2,962,289
Total Population	4,464,427

From the above total population, 66% of the population is between age 15 to 50 which are less vulnerable to diseases as compare to other 34%.

However, only 50% of the total Kuwaiti population is between age 15 to 50 indicating the ageing profile of the Kuwaiti population and the higher requirement of medical services among Kuwaitis.

52% of the Kuwaitis lives in the areas indicated here and therefore has been marked by the management as the target areas for the general hospital.

HEALTHCARE USAGE – KUWAIT



The usage of healthcare services in Kuwait based on government and private hospitals is as follows:

Sector	OPD Visits 2021*	% Usage	Inpatients	% Usage	OPD Visits per Kuwaiti population
MoH hospitals	6,934,178	69%	252,112	72%	1.55
Private hospitals	3,165,516	31%	97,395	28%	1.68
Total	10,099,694		349,507		

*adjusted for Covid-19 impact

OPD Visits Private hospitals Kuwait	2021*		Projected 2030	
	OPD Visits	Visit per population	OPD Visits	Visit per population
Kuwaiti				
Male	917,415	1.31	1,396,675	1.52
Female	1,488,614	2.04	2,412,541	2.52
Total	2,406,029	1.68	3,809,216	2.03
Non-Kuwaiti				
Male	345,915	0.15	437,830	0.17
Female	413,572	0.40	586,081	0.44
Total	759,487	0.23	1,023,910	0.26
Total Market	3,165,516	0.66	4,833,127	0.94

*adjusted for Covid-19 impact

(Source: CSB Annual Kuwait Health Statistics)

HEALTHCARE USAGE – KUWAIT



The healthcare facility usage in Kuwait by the Kuwaitis and Expats is as follows:

Service Type	Nationality	Private	Government	Total	Avg. OPD visit per patient in Private Sector	
					Historical	Projected by 2030
OPD	Kuwaiti	76%	67%	72%	1.68	2.2
	Non- Kuwaiti	24%	33%	28%	0.23	0.3
Inpatient	Kuwaiti	51%	82%	61%		
	Non- Kuwaiti	49%	18%	39%		

The above highlight that the Kuwaiti population prefer to use the private healthcare facility due to 2 reasons:

1. Trust & competency
2. Shorter waiting time

Over the last few years there have been a significant increase In the use of private healthcare facilities by Kuwaiti population.

Service Type	2015	2016	2017	2018	2019	2020 (Covid impact)	CAGR (2013-2020)
OPD	1,691,530	1,759,182	2,170,942	2,277,209	2,406,029	2,132,609	6%
Inpatient	74,196	72,982	79,233	79,376	82,191	86,212	3%

(Source: CSB Annual Kuwait Health Statistics, PACI)

OPERATIONAL SUMMARY – EXPECTED VISITS



Visits	2024	2025	2026	2027	2028	2029	2030
OPD Patient Visits	27,440	49,761	63,234	141,371	209,000	249,009	281,870
Inpatient	32	327	1,353	3,046	4,923	6,139	7,302
Inpatient – Maternity Package	47	501	618	820	1,025	1,030	1,037
Surgical Operations	42	433	1,106	2,304	4,164	5,260	6,316
Procedures	6,986	12,199	15,443	31,943	46,754	55,229	62,272
Daycare Hospital Patients	-	-	-	4,789	6,852	8,291	9,434
Radiology Referrals (% of OPD Visits)	6,860	12,440	15,809	22,507	31,285	33,949	37,447
Diagnostics & Imaging Referrals (% of OPD Visits)	-	-	-	12,836	20,965	28,303	33,021
Laboratory Referrals (% of OPD Visits)	13,720	24,881	31,617	70,686	104,500	124,505	140,935
Pharmacy Referrals (% of OPD and Inpatient)	25,875	47,040	60,852	133,368	196,594	233,868	264,669

FINANCIAL SUMMARY - PROJECTED INCOME STATEMENT



P&L Statement (in KD 000s)	2024	2025	2026	2027	2028	2029	2030
Revenues	4,310	8,679	13,387	29,806	45,139	59,467	68,192
Total Operating Expenses	(3,727)	(5,049)	(6,676)	(15,970)	(21,464)	(28,207)	(33,351)
Operating Profit	584	3,629	6,710	13,836	23,676	31,260	34,840
Total Non-Operating Expenses	(1,935)	(2,611)	(3,204)	(5,161)	(6,450)	(7,778)	(8,780)
Finance Costs	(1,250)	(875)	(750)	(750)	(750)	(750)	(750)
Depreciation	(1,331)	(1,337)	(1,342)	(1,966)	(2,143)	(1,960)	(1,345)
NLST, Zakat & KFAS	-	-	(64)	(268)	(645)	(935)	(1,078)
Net Earnings	(3,932)	(1,193)	1,350	5,691	13,688	19,838	22,886
NP Margin %	(91%)	(14%)	10%	19%	30%	33%	34%

(Source: Moore Kuwait Projections)

FINANCIAL SUMMARY - PROJECTED FINANCIAL POSITION



Balance Sheet (in KD 000s)	2023	2024	2025	2026	2027	2028	2029	2030
Assets								
Non-Current Assets	97,680	101,863	109,411	113,314	111,819	109,846	108,026	106,956
Total Current Assets	37,073	17,055	6,007	3,898	11,852	25,750	42,444	57,401
Total Assets	134,753	118,918	115,418	117,211	123,671	135,596	150,470	164,357
Equity & Liabilities								
Total Equity	99,505	95,573	99,380	100,730	105,681	116,321	129,567	142,387
Bank Borrowings	30,000	20,000	15,000	15,000	15,000	15,000	15,000	15,000
Other Non-Current Liabilities	1	108	133	154	360	639	969	1,351
Total Current Liabilities	5,247	3,237	905	1,327	2,631	3,636	4,934	5,619
Total Equity & Liabilities	134,753	118,918	115,418	117,211	123,671	135,596	150,470	164,357

(Source: Moore Kuwait Projections)

FINANCIAL SUMMARY - PROJECTED CASH FLOWS STATEMENT



Cash Flows Statement (in KD 000s)	2023	2024	2025	2026	2027	2028	2029	2030
Operating Cash before change in Working Capital	(485)	(1,245)	1,043	3,464	8,613	16,860	22,878	25,364
Change in Working Capital	72	(514)	(730)	(762)	(2,879)	(2,825)	(2,841)	(1,606)
Net cash from Operating Activities	(414)	(1,759)	313	2,701	5,734	14,035	20,037	23,758
Net Cash from Investing Activities	(8,419)	(5,513)	(3,884)	(5,245)	(472)	(170)	(140)	(275)
Net cash from Financing Activities	45,881	(13,750)	(8,550)	(750)	(1,491)	(3,797)	(7,342)	(10,817)
Net Cash Increase/(Decrease) during the year	37,048	(21,022)	(12,122)	(3,294)	3,771	10,068	12,555	12,667
Cash at the beginning	25	37,073	16,051	3,929	636	4,407	14,475	27,030
Net Cash at the End of the Year	37,073	16,051	3,929	636	4,407	14,475	27,030	39,697

(Source: Moore Kuwait Projections)

SUMMARY – SENSITIVITY ANALYSIS



		KD 000s
Base Case		
NPV		95,666
IRR		33.46%

Factors	Worse Case	Best Case
Total OPD & Inpatient Visits	-10%	10%
NPV	93,998	111,645
IRR	17.40%	31.20%
Pricing	-10%	10%
NPV	80,683	124,952
IRR	26.15%	31.14%
Staff Costs	-10%	10%
NPV	93,255	112,498
IRR	27.70%	29.90%
Discount Factor	-10%	10%
NPV	77,562	136,364
IRR	27.30%	30.60%

The sensitivity analysis of the project is based on the 4 main operational and financial factors that will affect the overall performance and returns of the project. These factors are:

- OPD & Inpatient visits** – the main revenue driver for the projects are OPD visits and the Inpatient. Any significant change will impact the overall financial position of the project and the market position in the private sector market.
- Pricing** – the pricing of the services is one of the major factor that will attract the patients to the Assima hospital and therefore project is highly sensible to the change in pricing.
- Staff Costs** – Staff costs form a significant part of overall costs (40% of the revenues) and therefore the project returns and financial performance are highly sensitive to the change in staff costs.
- Discount Factor** – indicates the expectation from the investors for the returns on the investment. The sensitivity of the discount factor to the returns of the hospital is highest due to the risks associated with the healthcare sector.

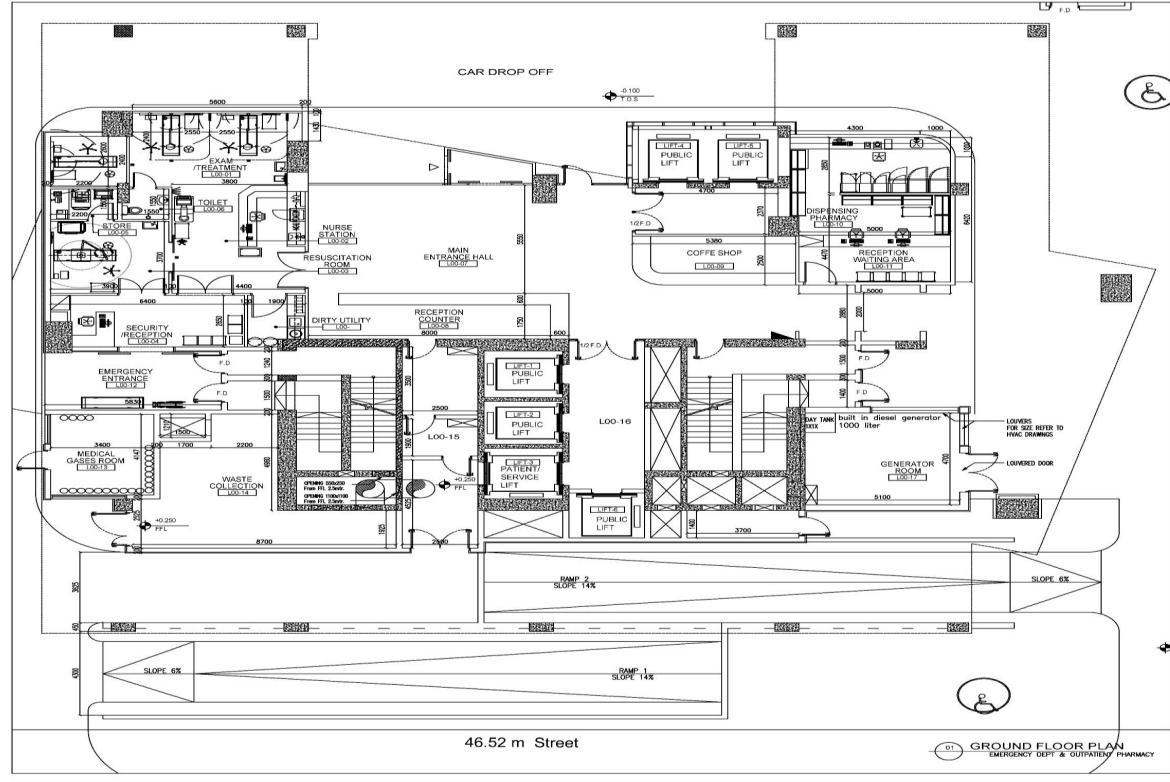
SUMMARY – HEALTHCARE FACILITIES



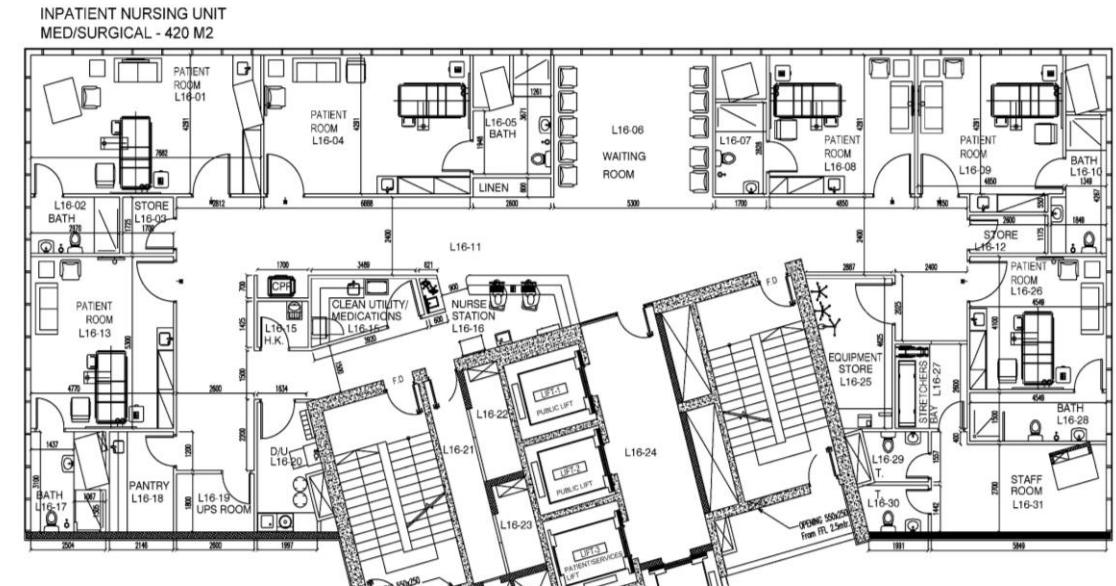
The hospital will have the following healthcare facilities available to serve the patients with:

TOWER 1		Floor Plan	TOWER 2		Floor Plan
Emergency Room		Ground Floor	Reception		Ground Floor
Pharmacy for OPD		Ground Floor	OPD Pharmacy		Ground Floor
Reception		Ground Floor	Diagnostics & Imaging		TBD
Radiology & Imaging		1 st Floor	45 beds Daycare Hospital		TBD
4 maternity delivery rooms		2 nd floor	Operation/surgical theaters		TBD
3 operation/surgical theaters		3 rd floor	Inpatient Pharmacy & Laboratory		TBD
Cath Lab		TBD	OPD Clinics & Procedure Rooms		TBD
5 dental clinics		6 th floor	67 Standard Inpatient Rooms		16 th Floor – 24 th Floor
Inpatient Pharmacy & Laboratory		5 th floor	Rehab Center		TBD
OPD Clinics & Procedure Rooms		7 th to 15 th floor	Staff Training & Conference rooms		TBD
Inpatient Rooms	VIP 1	2 Rooms – 24 th Floor			
	VIP 2	8 Rooms – 22 nd & 23 rd Floor			
	Standard Rooms	16 th to 21 st floor			

DRAWINGS - FLOOR PLAN



Ground Floor

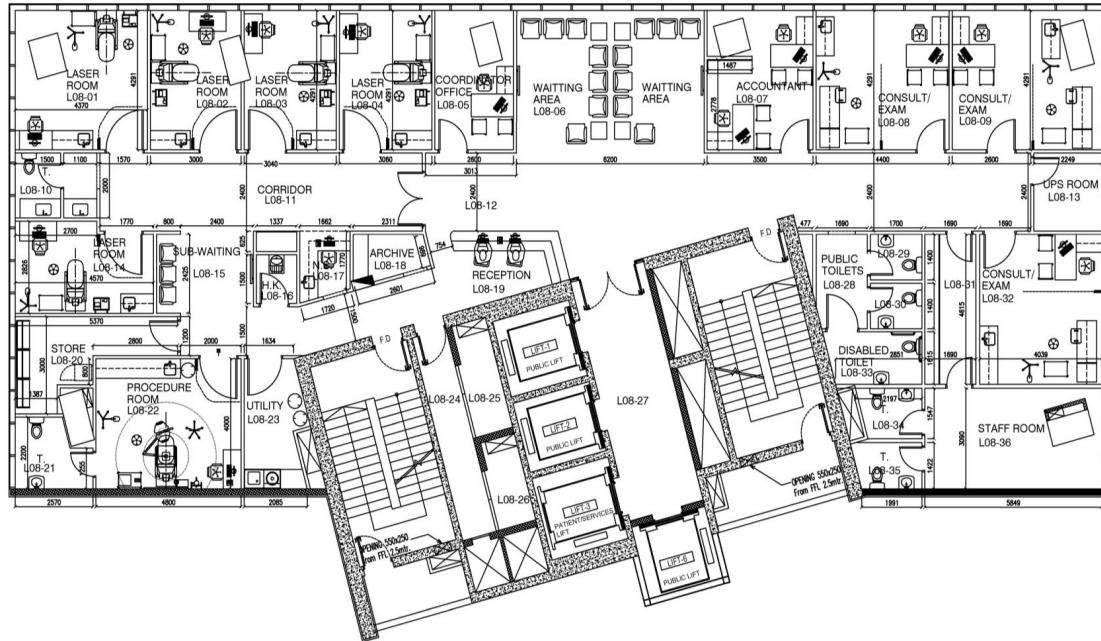


Inpatient Rooms

DRAWINGS - FLOOR PLAN



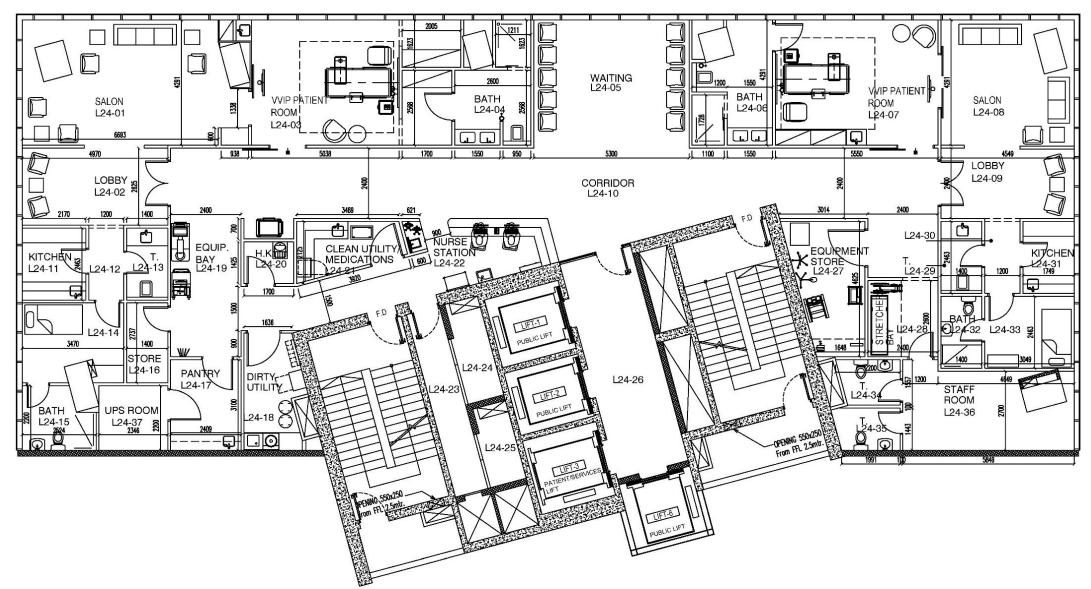
DERMATOLOGY CLINICS - (3 CLINICS + 5 TREATMENT + 1 PROCEDURE)
420 M²



01 8TH FLOOR PLAN
DERMATOLOGY CLINICS 1:100

OPD Clinics

VVIP INPATIENT NURSING UNIT - 2
420 M²



01 24TH FLOOR PLAN
VVIP NURSING UNIT 1:100

Top Floor – VVIP Rooms

PROJECT SUMMARY – KEY INFORMATION



Operational

30 Mins

Avg. FTE per patient

2.5

Nurses per Physician

Healthcare Market

1.62

Visit per Kuwaiti population in private hospital

1 of 33

Inpatient to OPD ratio in private healthcare

Revenue

KD 155 to KD 170

Avg. revenue per OPD patient over the projected period

70:30

Ratio of revenue generated from insurance and walk-in payment

Other Financial

~KD 550,000

Marketing expenses per month including referral commissions at full operations

KD 44mn

Total expected capex required to build 2 fully furnished towers

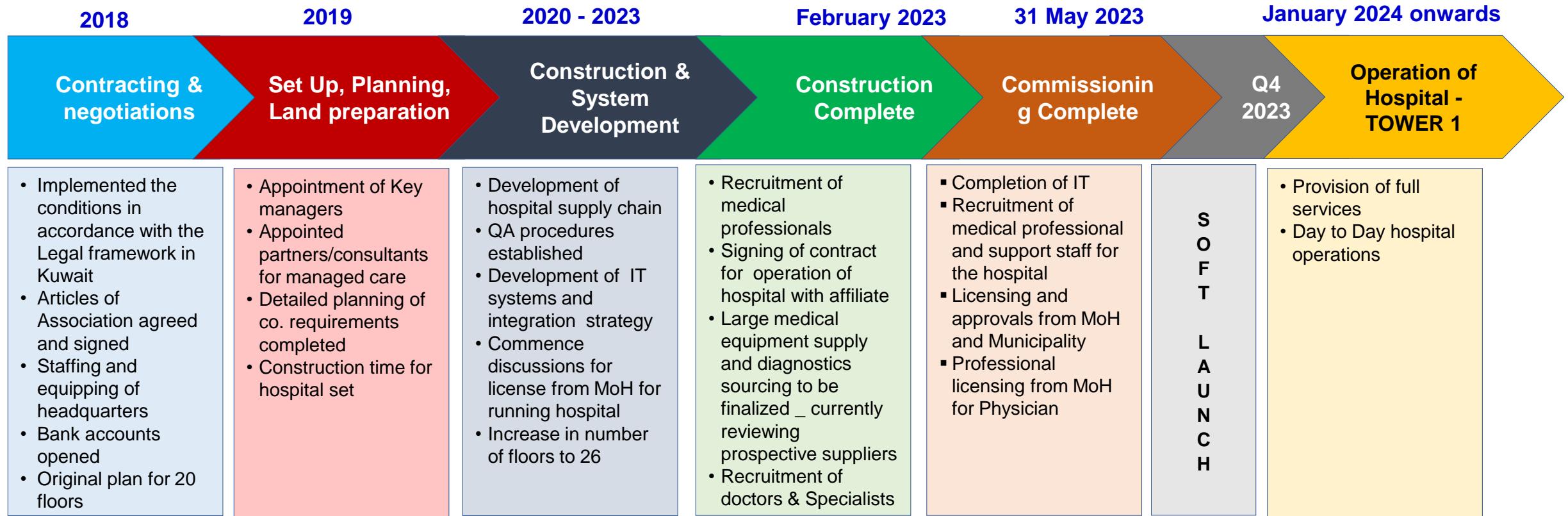
A close-up photograph of a doctor's hands. The doctor is wearing a white medical coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

PROJECT UPDATE

- **Construction**

- ❖ Tower 1 – Completion – February 2023
- ❖ Tower 2 – Expected Completion – 2027

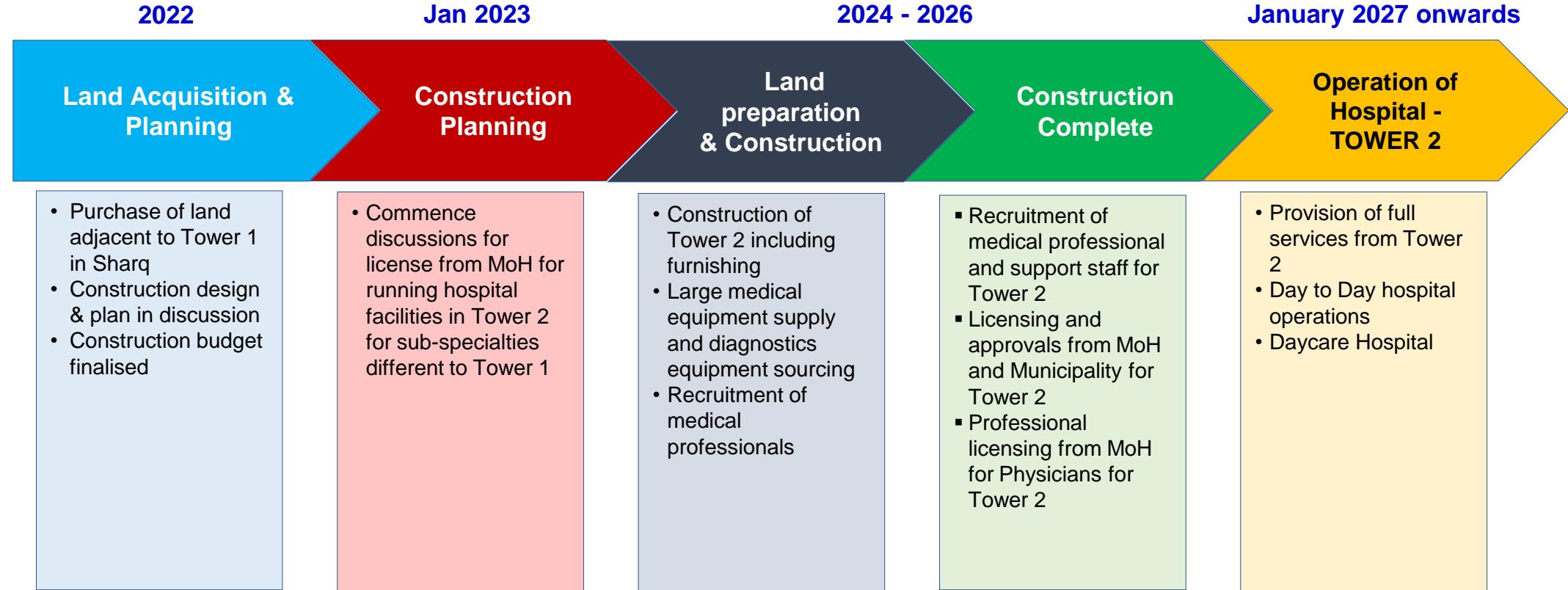
PROJECT TIME LINE – HOSPITAL TOWER 1



Project Cost Summary – Tower 1 (KD)

Costs incurred on Tower 1 until date (Construction & pre-operating finance costs)	15,838,026
Costs be incurred to complete Tower 1 (Construction & Equipment)	8,736,062
Land Acquisition costs	11,200,000
Working Capital (2 years Operations)	5,759,951
Total Project Cost of Tower 1	41,534,039

PROJECT TIME LINE – HOSPITAL TOWER 2



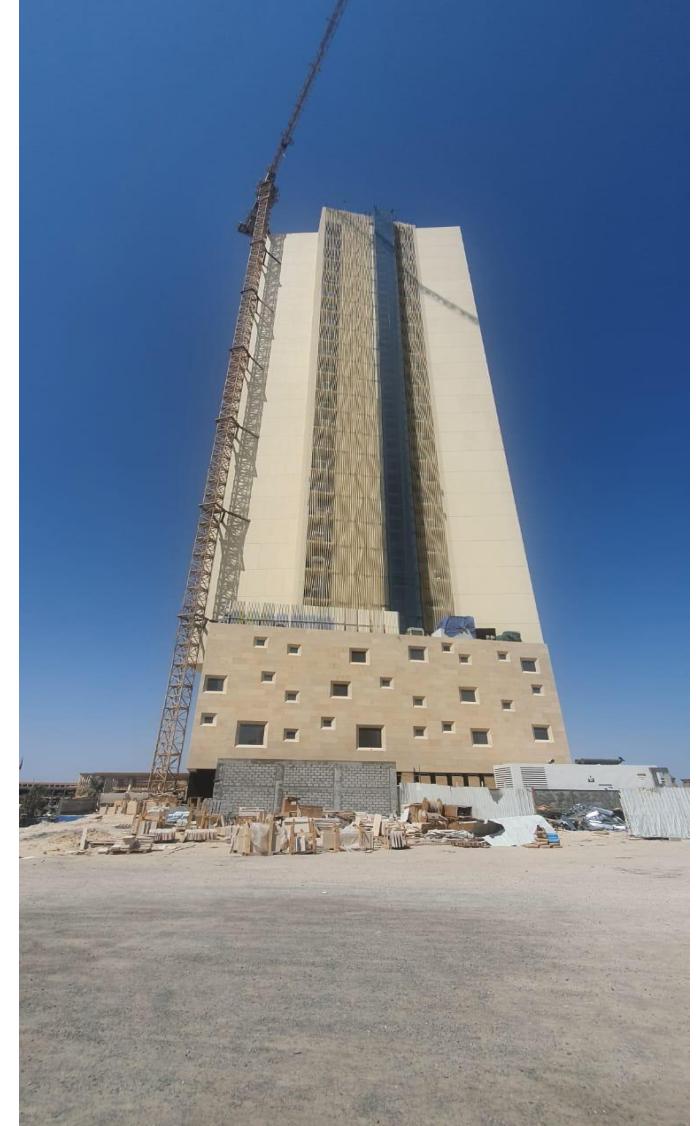
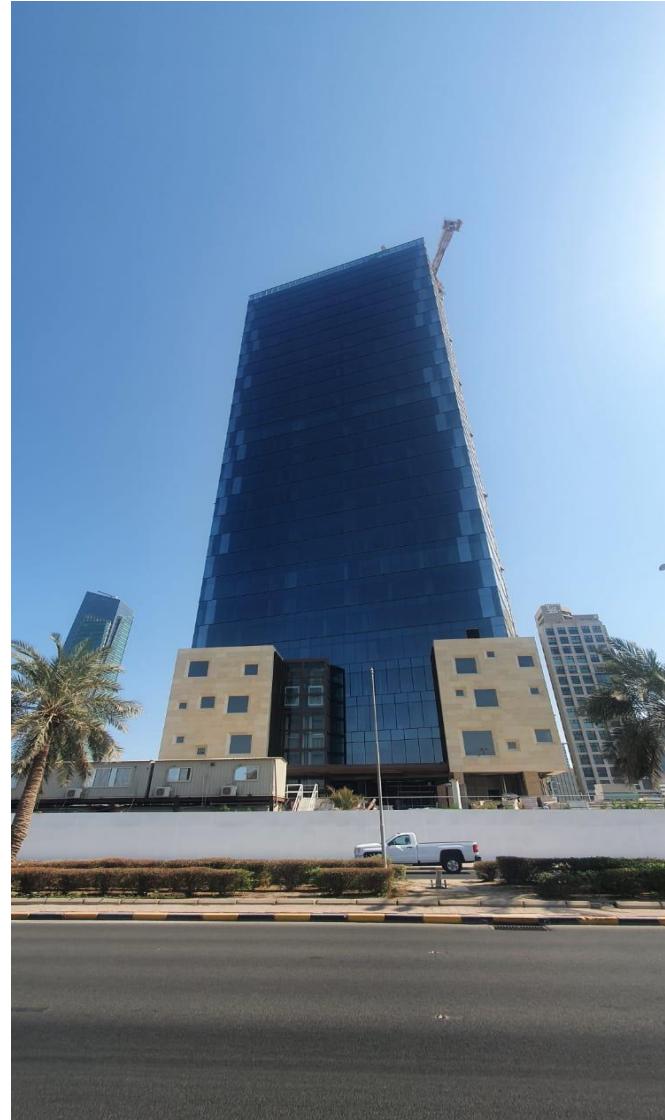
Project Cost Summary – Tower 2 (KD)

Costs incurred on Tower 2 until date (Pre-operating finance costs)	800,000
Costs be incurred to complete Tower 2 (Construction, finance costs & Equipment)	18,985,245
Land Acquisition costs	22,088,000
Working Capital (2 years Operations)	4,709,725
Total expected Project Cost of Tower 2	46,582,970

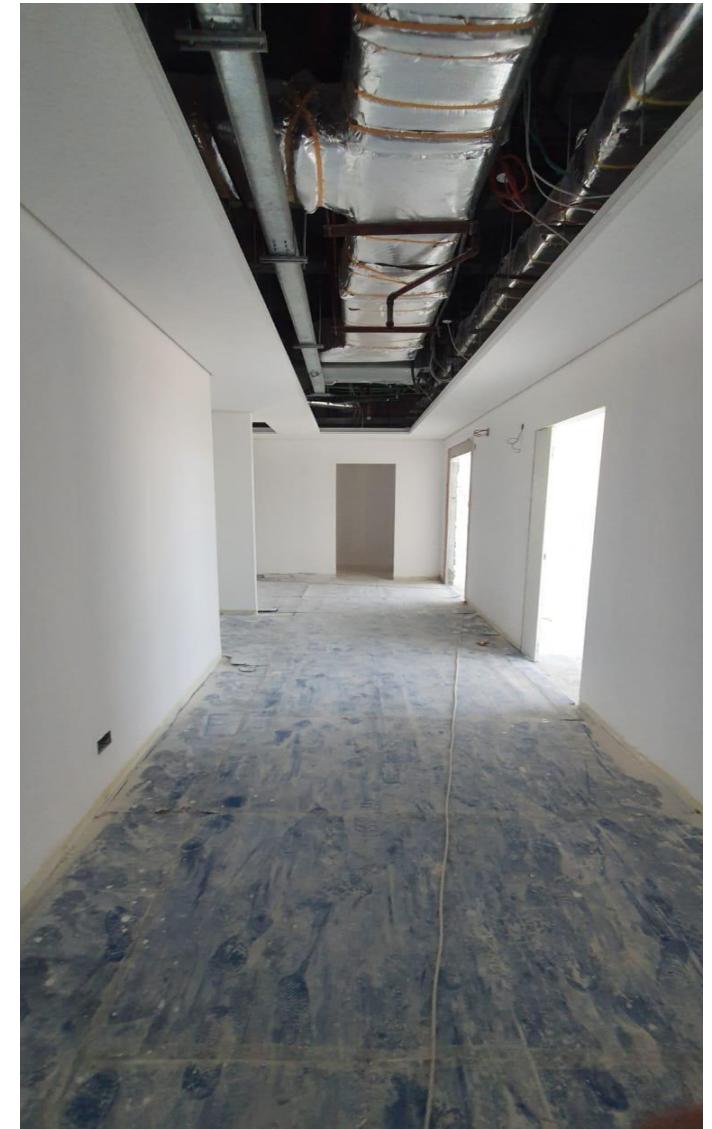
PHASE 1



PHASE 1



PHASE 1

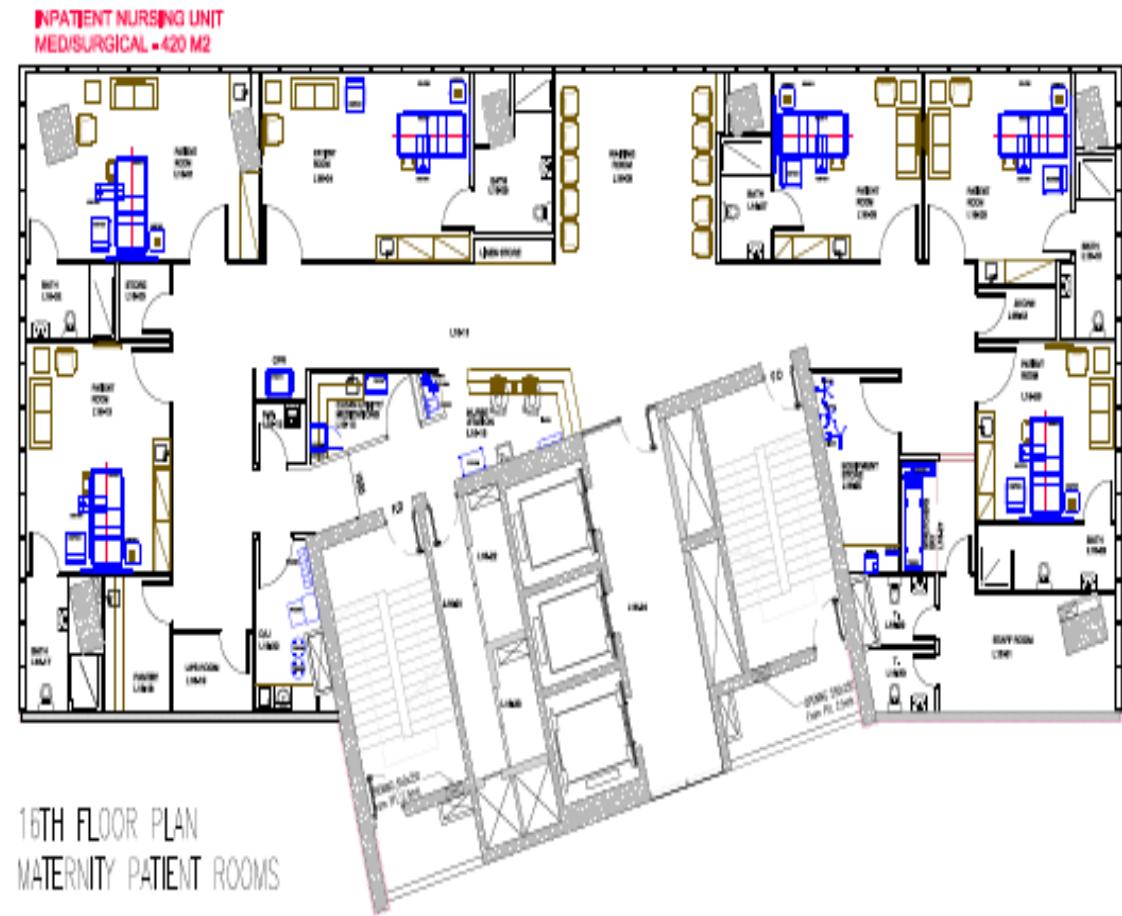


BUSINESS MODEL – HEALTHCARE FACILITIES PHASE 1



The Tower 1 of the hospital will have the following healthcare facilities available to serve the patients with:

Emergency Room		Ground Floor
Pharmacy for OPD		Ground Floor
Reception		Ground Floor
Imaging		1 st Floor
4 maternity delivery rooms		2 nd floor
3 operation/surgical theaters		3 rd floor
Cath Lab		TBD
5 dental clinics		6 th floor
Inpatient Pharmacy & Laboratory		5 th floor
OPD Clinics & Procedure Rooms		7 th to 15 th floor
Inpatient Rooms	VIP 1	2 Rooms – 24 th Floor
	VIP 2	8 Rooms – 22 nd & 23 rd Floor
	Standard Rooms	16 th to 21 st floor

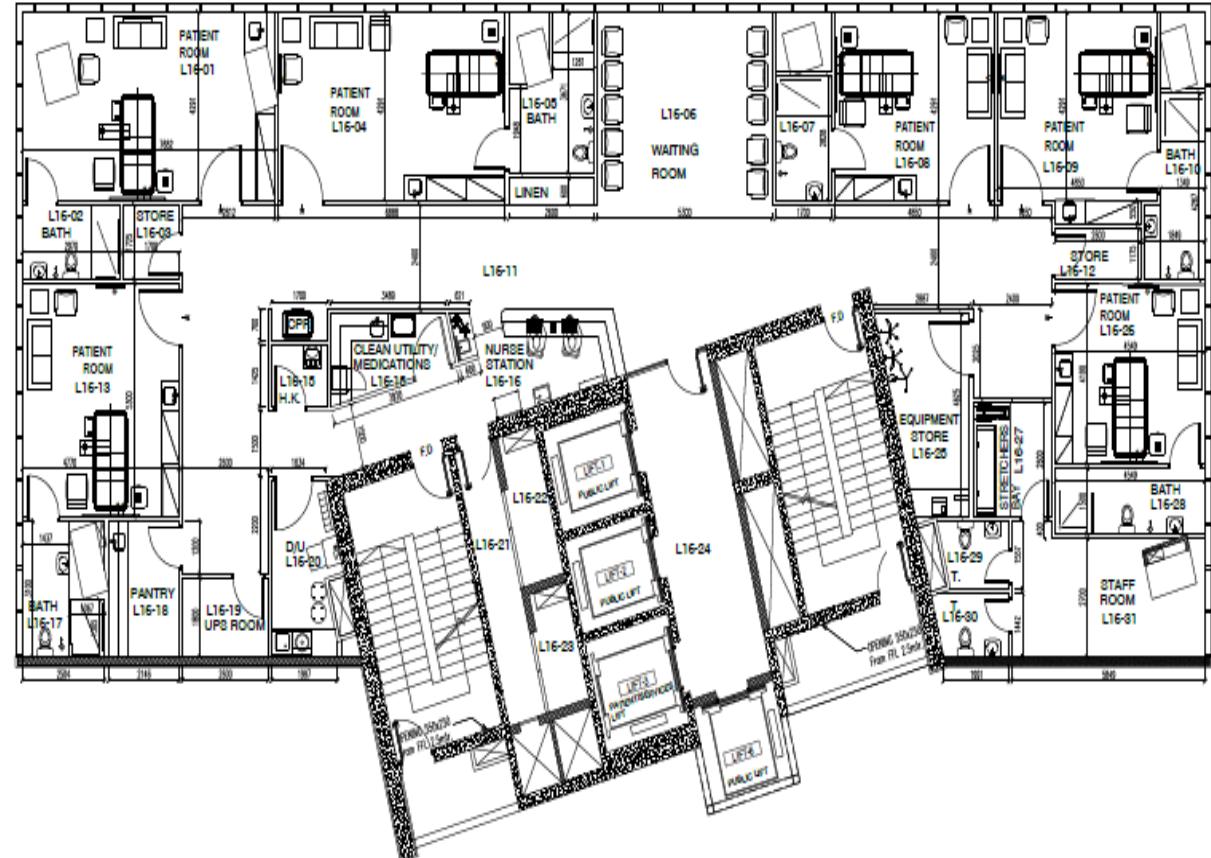


BUSINESS MODEL – HEALTHCARE FACILITIES PHASE 2



The Tower 2 of the hospital will have the following healthcare facilities available to serve the patients with:

Reception	Ground Floor
OPD Pharmacy	Ground Floor
Diagnostics & Imaging	TBD
45 beds Daycare Hospital	TBD
Operation/surgical theaters	TBD
Laboratory	TBD
OPD Clinics & Procedure Rooms	TBD
67 Standard Inpatient Rooms	16 th Floor – 24 th Floor
Rehab Center	TBD
Staff Training & Conference rooms	TBD

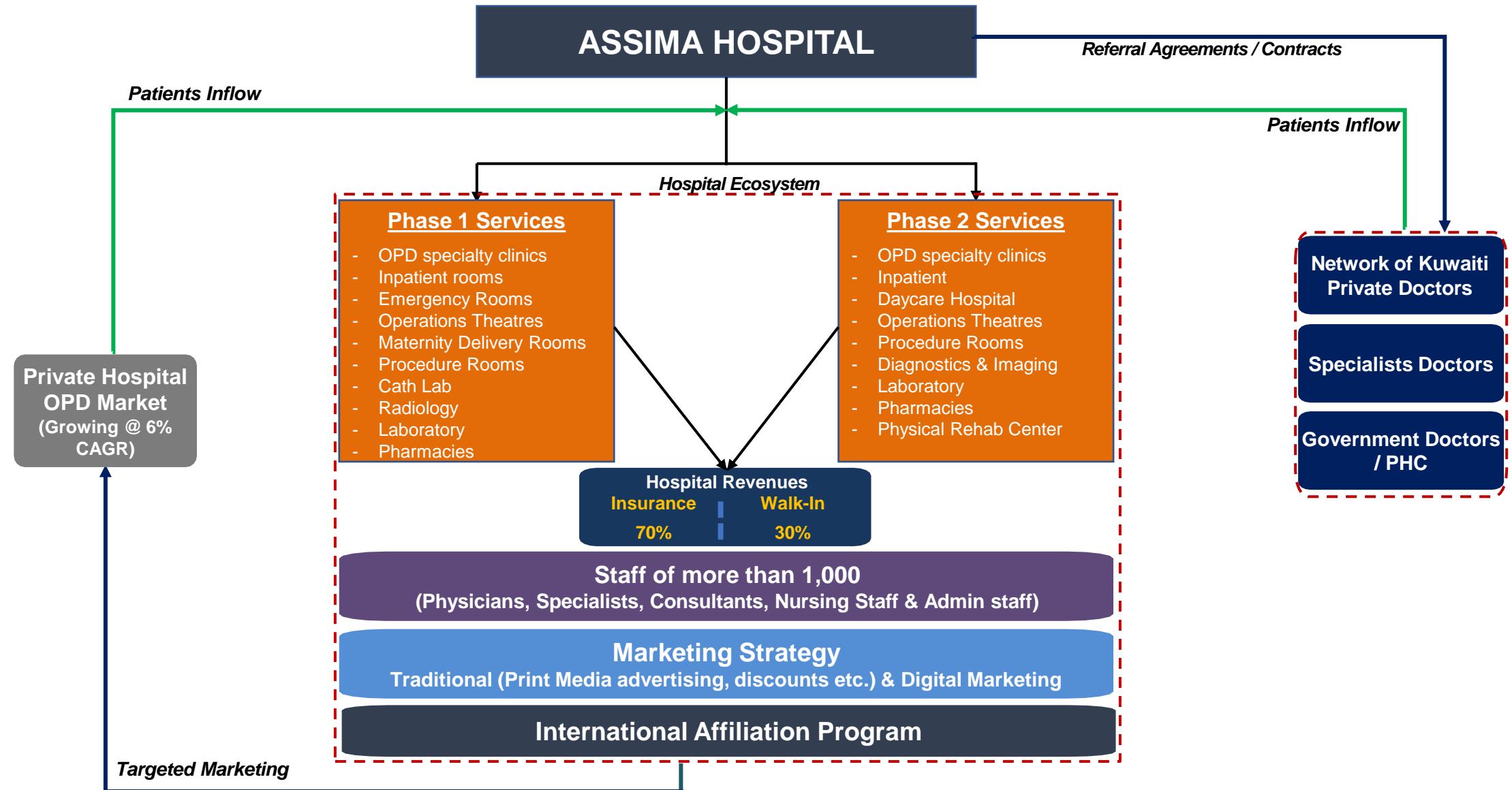


Inpatient Nursing Unit Floor Plan

A close-up photograph of a doctor's hands. The doctor is wearing a white lab coat over a light blue shirt. A blue stethoscope is draped over their left hand, which is resting on their right. The background is a soft, out-of-focus blue.

BUSINESS MODEL

BUSINESS OPERATIONAL MODEL



BUSINESS OPERATIONAL MODEL



The main business model of the general hospital is to provide the specialty medical services for all manner of patients in a luxurious landscape setting. The hospital will provide the following main services across 2 towers:

1. **OPD Clinics** – Initial, Follow-up and investigative consultations including procedures
2. **Inpatient services** - diagnosis, operations and maternity delivery services
3. **Day care hospital services** - diagnosis, operations and investigative services
4. **Other Allied Services** – Laboratory, Radiology, Diagnostics & Imaging, Pharmacy, Physical Rehab etc.

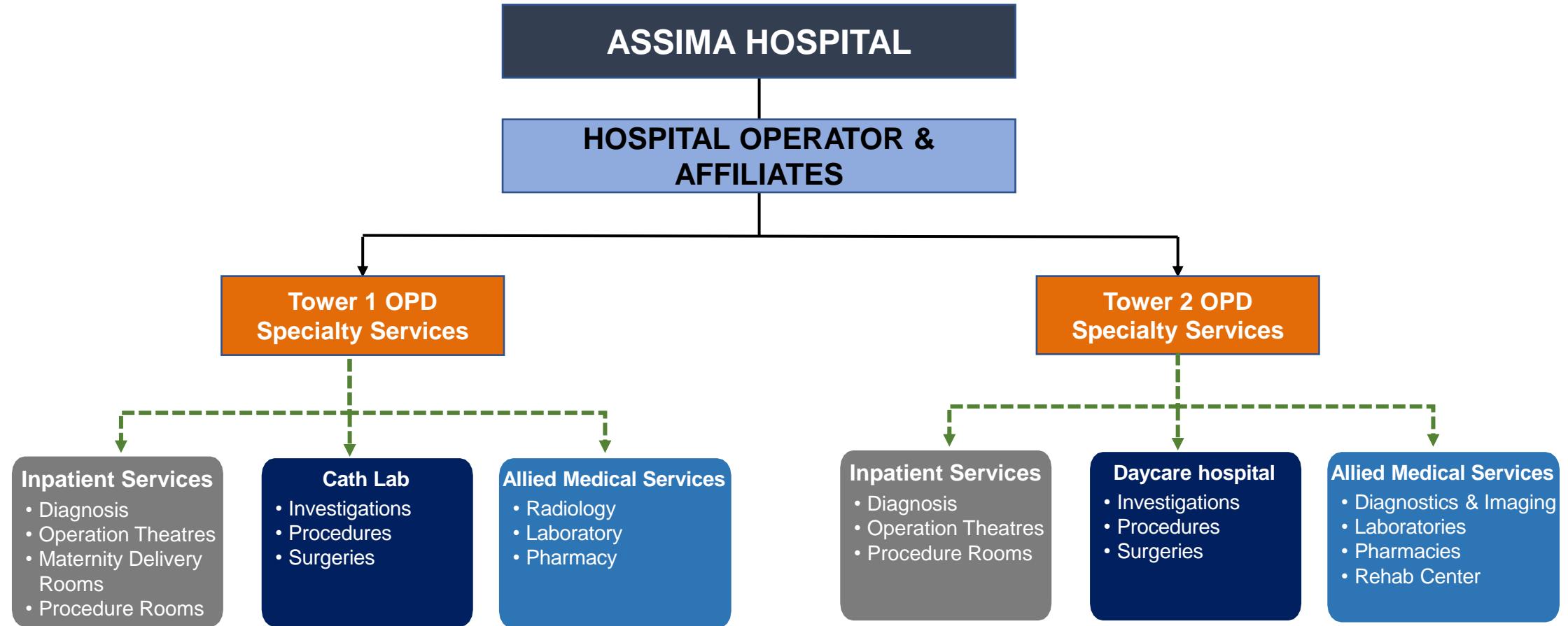
The services to be provided will be OPD focused as that will drive the patient numbers for other services in the hospital. The general hospital will provide different medical sub-specialty services for Tower 1 and Tower 2. These medical specialties have been identified by the management based on the order of the need of the population in line with the current needs of the private healthcare sector in Kuwait.

To offer the best quality services, the hospital will have staff of more than 1,000 employees consisting physicians, specialists, consultants, nurses and other admin staff.

The hospital will offer the services to the general public through different marketing strategies to generate patients numbers, which include –

1. **Referral and Affiliation contracts** with the private doctors and the smaller private clinics in Kuwait to refer their patients to the hospital for better quality services
2. **Internal Marketing** using traditional and digital marketing means to market the hospital services to the target market
3. **Affiliate program** by hospital operator with well-known healthcare service providers in the region to guarantee best quality of healthcare services.

BUSINESS CONCEPT - OVERVIEW



BUSINESS CONCEPT



- The main objective of the hospital is to provide **healthcare services for the most needed specialty medical services in the Kuwait**.
- The main operational financial driver will be the **OPD services for the medical specialties** where management has identified a market gap in the provision of quality services.
- The hospital will provide **2 types of OPD services** –
 - **Primary consultations** – it mainly includes first & follow-up consultation visits from the patients
 - **Investigative consultations** – it will include more specialist investigation and diagnosis as required by the patient
- The inpatient numbers and daycare hospital patient numbers for the hospital will be dependent and flow from the OPD patients based on the type of treatment required for each patient
- Other allied services in the hospital will be dependent on OPD services as it includes services like Radiology, laboratory and pharmacy which are mainly OPD focused services
- For the above services to be provided by the general hospital, the main target market will be -
 - the female population of age above 15 which requires women centric healthcare services mainly like **Obstetrics & Gynecology (delivery & non-delivery, infertility), Dental care, dermatology, plastic/cosmetic treatment & surgeries, ENT, Family Medicine, Cardiology**
 - children – both male & female – requiring pediatric services
 - old age population – both male & female above 60 years of age – which will require healthcare services like **Orthopedics, Eyecare, Internal Diseases, Cardiology and Dental care** among others

BUSINESS CONCEPT



- **Tower 1** of the hospital will be a **48 bed** hospital divided **into 3 categories** namely
 - **VIP 1 – 2 beds**, super executive 2 sea facing rooms at the top floors of building with an approximate area of **150 sq. meters each**
 - **VIP 2 – 8 beds**, executive sea facing rooms on upper floors of building with an approximate area of **100 sq. meters each**
 - **Standard rooms - 38 beds**, normal rooms not necessarily sea facing with an approx. area of **35 sq. meters each**
- **Tower 2** of the hospital will have **67 inpatient beds** standard size normal rooms, not necessarily sea facing, with an approx. area of 35 sq. meters each. These rooms will be equipped with all the best quality medical equipment and furnishings. The Inpatient rooms for Tower 2 have been planned keeping in mind it will be general hospital facilities with better quality services.
- **Tower 2** will also have a **45 beds daycare hospital** facility mainly for the patients who do not require to stay overnight in the hospital especially after a surgery or procedure. It will also be used by the patients who are under observation for a diagnosis or treatment.
- The hospital's other allied services for the patients with best quality equipment and medicines include -
 - Cath Lab
 - Laboratory;
 - Radiology;
 - Diagnostics & Imaging; and
 - Pharmacies
 - Rehabilitation facilities
- The hospital will also provide emergency clinical and surgical services for the casualty cases in the target areas.

MEDICAL SERVICES - OPD SPECIALTIES



Based on the projected demand and the analysis of the top specialties that are being diagnosed in the OPD of the other private hospitals, the management have planned to provide following services:

Tower 1	Tower 2
1. Obstetric & Gynecology <ul style="list-style-type: none">- Maternity services- Delivery services- Premature	1. Dental medicine
2. Pediatrics <ul style="list-style-type: none">- Pediatric Surgery- Neonatal	2. ENT
3. Infertility <ul style="list-style-type: none">- IVF- Auditory Planning	3. Endocrinology and Diabetes
4. Plastic surgery & burns/Cosmetic Surgery	4. Physiotherapy
5. Dental medicine	5. Orthopedics
6. Cardiology <ul style="list-style-type: none">- Respiratory Diseases	6. Ophthalmology
7. Family Medicine	7. General surgery
8. Dermatology	8. Urology
9. Emergency	9. Internal Medicine <ul style="list-style-type: none">- Gastroenterology- Nephrology
	10. Neurosurgery
	11. Nutrition

As per the current planning for the provision of OPD services, some of the specialties will be provided in both the towers based on the sub-branches of those specialties. These specialties have been highlighted above in bold.

(Source: Assima Hospital Management)

BUSINESS MODEL – SERVICES



Healthcare services

The hospital will provide following services based on the market gap identified by the management and the need of the population:

❖ OPD Services

Initial and Follow-up consultation Services

These are generally family medicine and recurring chronic patients or first visit by the patients for general health problem where patients does not want to utilize the governmental facilities

Emergency Services

This will be patients who will use emergency services of the hospital due to ease of access and trust in the services being provided by the hospital.

Investigative Consultation Services

These are longer term patients who have serious complaints and require consultation with specialists and/or additional procedure to deal with their medical cases.



BUSINESS MODEL – SERVICES



❖ **Inpatient Services**

These will be the patients who will require to stay overnight in the hospital.

❖ **Daycare Patient Services**

These will be the patients who will require to stay for half a day or full day in the hospital either before or after any procedural treatment.

❖ **Operation/Surgical Services**

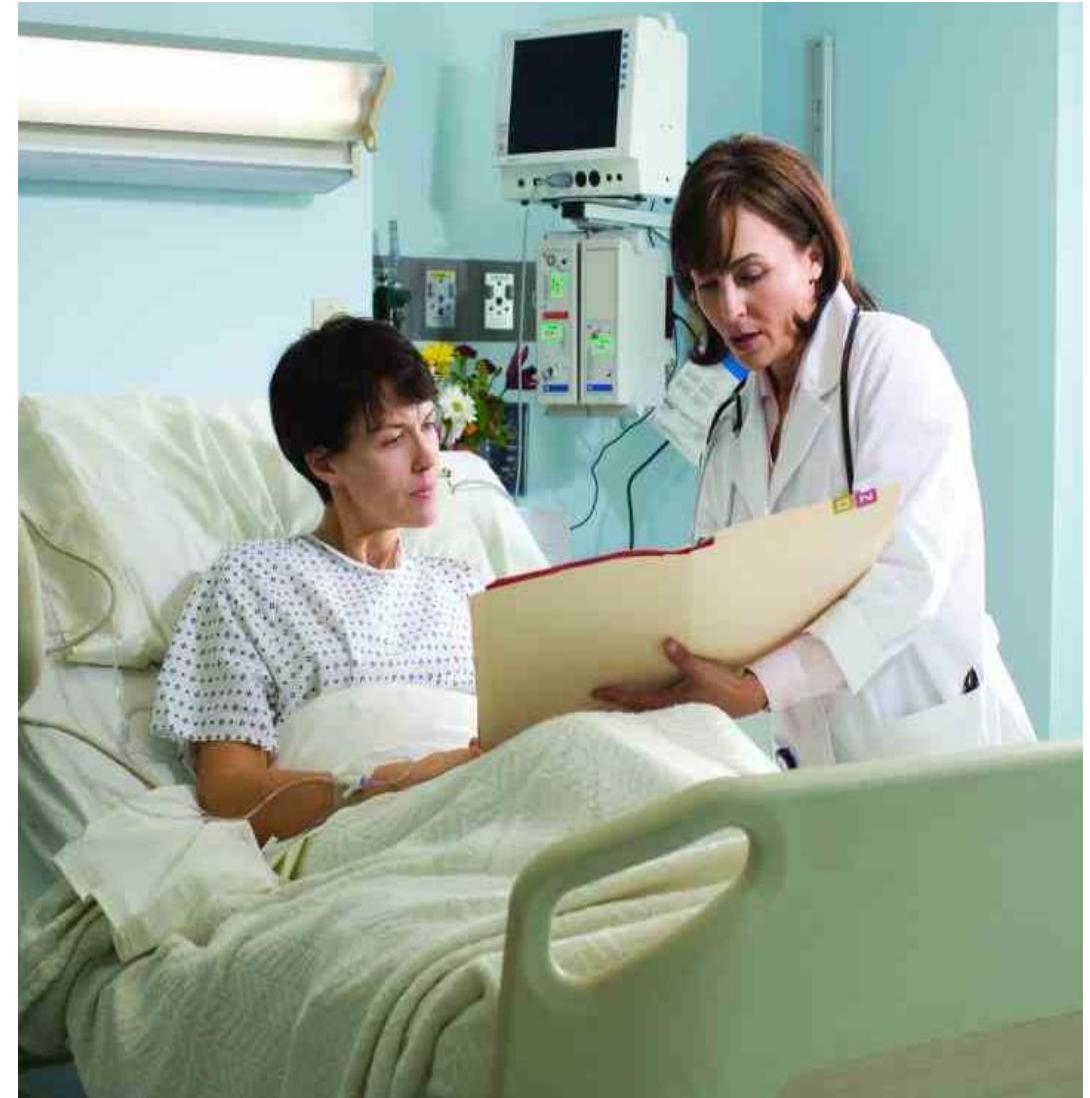
The patients will have the facility to avail the surgical or laser treatment operations services in the hospital.

❖ **Cath Lab**

Cath Lab will be for the cardiology services patients consisting special imaging equipment to visualize the arteries of the heart and the chambers of the heart and treat any stenosis or abnormality found.

❖ **Other Allied Services**

These include laboratories, Radiology and Imaging Services, Pharmacies and Cath Lab for Cardiology patients



BUSINESS MODEL – OPD SERVICES PHASE 1



- **Obstetrics & Gynecology**

This service will cater to the needs to pregnancy & delivery, infertility and other obstetrics and gynecology related medical cases such as gestation problems, mammograms, genetic counselling etc.

- **Pediatrics**

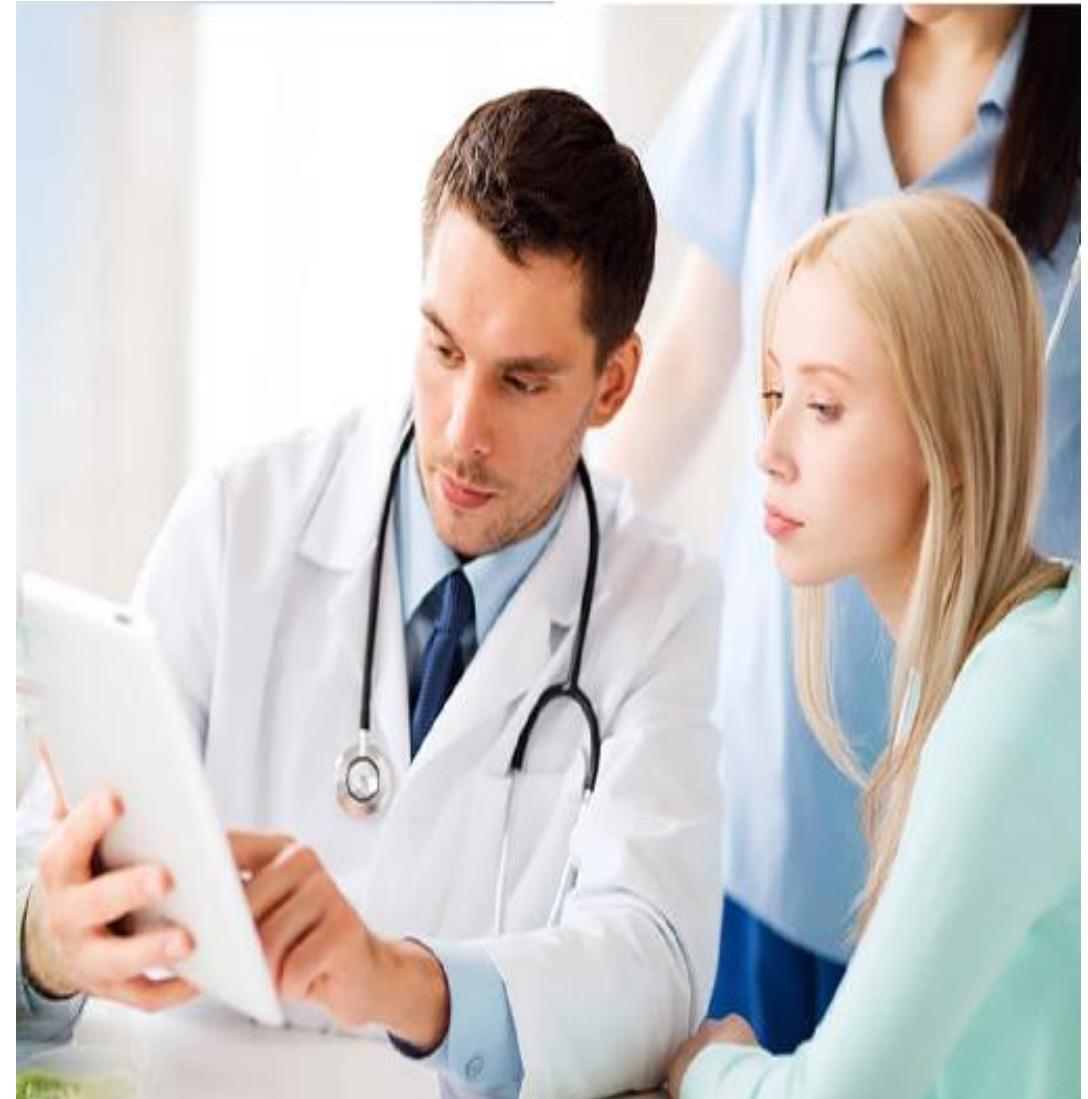
All the medical cases of patients under age 15 will be treated under pediatrics services and includes pediatric surgeries such as circumcision. It will also cater to the inpatient pediatrics cases.

- **Family Medicine**

Family medicine will serve predominantly chronic disease patients such as diabetic patients, high blood pressure, obesity etc.

- **Dermatology**

This service is for skin related problems and considered as one of main service to be provided by hospital as due to the Kuwait climate, the skin related problems like eczema are common in Kuwaiti population.



BUSINESS MODEL – OPD SERVICES PHASE 1



- **General Surgery**

General surgery will serve patients with abdominal medical cases such as intestinal problems, stomach issues, gall bladder, kidney stone etc. among many other related issues

- **Plastic surgery & burns/Cosmetic Surgery**

This service is aimed at Kuwaiti female population and will serve patients with skin burns problems, restoration, reconstruction or alteration of any body part.

- **Cardiology**

Cardiology service will look after all the patients with disorders related heart, cardiovascular system and respiratory system.

- **Other Services**

Includes Emergency, ENT, Orthopedics, Dental Medicine, Nutrition, Internal Medicine, Gastroenterology and Neurosurgery which will serve the patients with medical cases related to bone diseases, nerve illness, organs and weight related issues etc.



BUSINESS MODEL – OPD SERVICES PHASE 2



- **Internal Medicine**

This service will cater to the needs of those patients who have multiple simultaneous problems or complex comorbidities related to multiple organs of the body.

- **Gastroenterology**

It is the branch of internal medicine which will focus on the digestive system diseases affecting the gastrointestinal tract, including the organs from mouth into anus, along the alimentary canal.

- **Nephrology**

It is the subspecialty of Internal Medicine that deals with the diagnosis and treatments of the kidney diseases in adults and children.

- **Dental Medicine**

This service will focus on providing diagnosis, prevention, management, and treatment of diseases, disorders, and other conditions related to the mouth, gums and teeth of the patients.



BUSINESS MODEL – OPD SERVICES PHASE 2



- **ENT**

This service will provide diagnosis and treatment to the patients with Ear, Nose and Throat related diseases, infections and allergies.

- **Orthopedics**

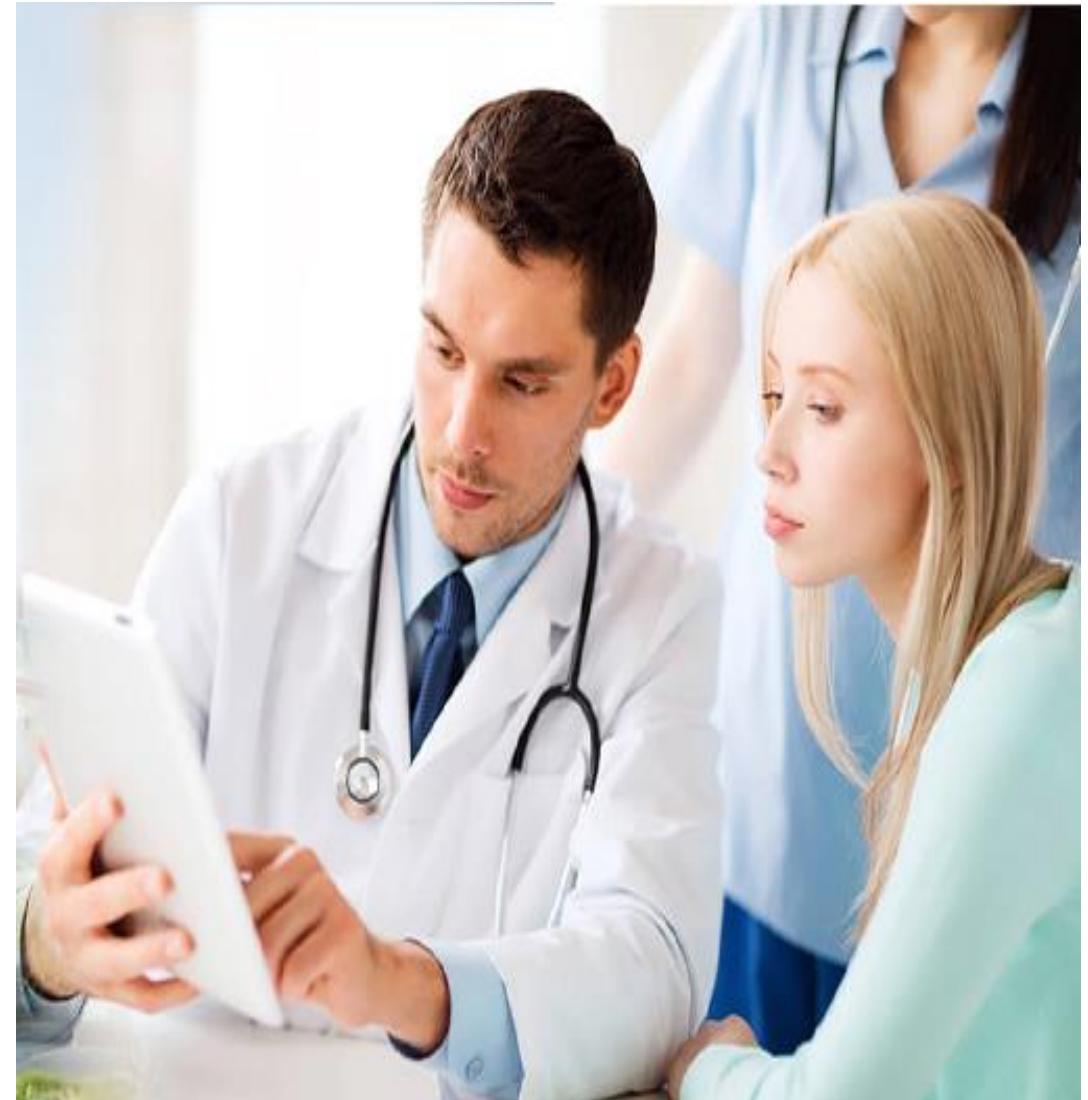
Orthopedics will provide both surgical and nonsurgical services to patients with musculoskeletal trauma, spine diseases, sports injuries, degenerative diseases, infections, tumors and congenital disorders.

- **Ophthalmology**

Ophthalmology service will look after all the patients with issues eyes related issues to provide diagnosis and treatments.

- **Endocrinology & Diabetes**

This service will focus on the diagnosis and care of diseases related to the endocrine glands, hormones, and metabolism including type 1 and type 2 diabetes; disorders of the pituitary, thyroid, parathyroid, adrenal, and other glands; and metabolic disorders.



BUSINESS MODEL – OPD SERVICES PHASE 2



- **Physiotherapy**

Physiotherapy services will cater to the patients in need of maintaining, restoring and functioning of the body parts after injury, illness or disorders.

- **Urology**

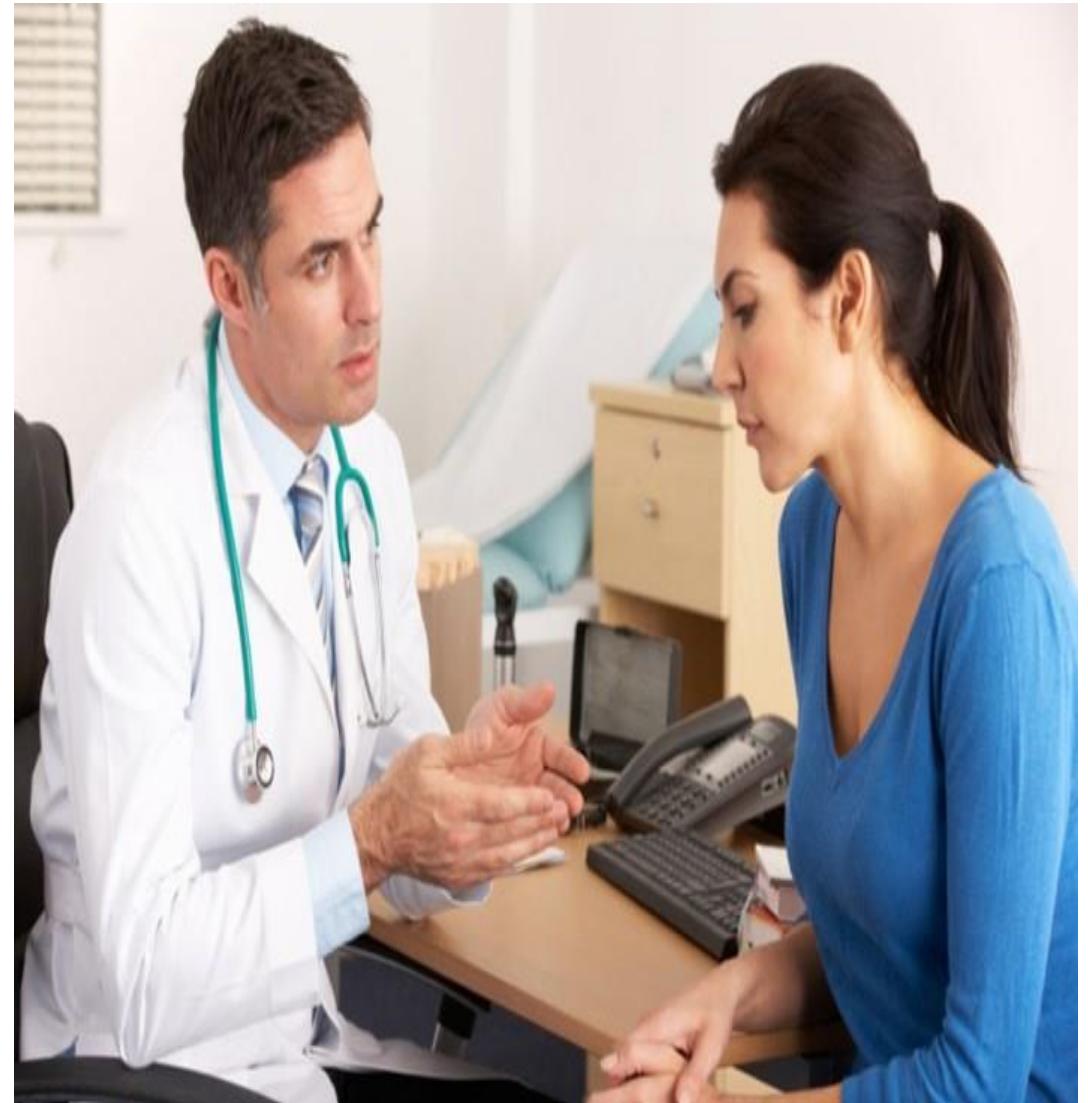
This service is aimed to provide diagnosis and treatment of surgical and medical diseases of the urinary-tract system and the reproductive organs.

- **Neurology**

This service will be dealing with the diagnosis and treatment of all categories of conditions and disease involving the brain, the spinal cord and the peripheral nerves and also includes Neurosurgery.

- **Nutrition**

This service will look after the patients in need of the diagnosis and treatments related to weight disorders and diet related issues.



BUSINESS MODEL – INPATIENT SERVICES

The hospital will provide Inpatient services in both the towers to the OPD patients as well as other patients coming through referrals from contracted doctors. The service is aimed mainly at Kuwaiti Population in the target areas as well as the high earning expatriate population in the target areas.

The main focus for the Inpatient services will be to provide the services of the highest standards of healthcare along with the luxurious stay experience at the hospital due to its location and the quality of rooms. The built of the inpatient rooms will be based on luxurious real estate rooms divided into 3 categories namely –

- **VVIP Rooms** – 2 sea facing rooms at the top floor of Tower 1 with each room size being 125 sqm. These rooms will have separate salon, pantry, dining and TV areas.
- **VIP Rooms** – 8 sea facing rooms on 22nd and 23rd floor (4 rooms on each floor) of Tower 1 where each room will have a dedicated salon, pantry, sitting and dining areas along but smaller in size as compare to VVIP rooms above.



BUSINESS MODEL – INPATIENT SERVICES

- **Standard Rooms** – The hospital is planned to have **105 standard inpatient rooms, 38 in tower 1 & 67 in tower 2**, which will be luxurious but smaller in size and without few of the additional facilities compare to VVIP and VIP rooms as mentioned above. These rooms will not be necessarily sea facing. They are aimed to serve mainly the inpatients of non-maternity medical specialty services across two towers.
- In Tower 1, the inpatient department has been planned with the aim of serving mainly patients of medical specialty and sub-specialty in Obstetrics & Gynecology, Maternity & Delivery, Cardiology, Pediatrics, and Plastic Surgery and Cosmetics services.
- In Tower 2, the inpatient department will be planned to provide more of general hospital services to serve the patients of medical specialty and sub-specialty in Internal Medicine, Orthopedics, General Surgery, ENT, Urology and Neurosurgery services.
- In Tower 1 of the hospital, it has been planned to build a fully-equipped Cath Lab to serve the cardiology patients



BUSINESS MODEL – DAYCARE SERVICES

The management has planned to build 45 beds daycare hospital in tower 2 for daycare services which will be a state-of-the-art system that provides diagnostic and therapeutic services to patients on the day of admission. Daycare services will be provided to patients with minor surgeries, treatments or specialized care without having to spend overnight in the hospital and they can be discharged on the same day.

To ensure the quality and standard of services, the department of Daycare services will offer facilities like:

- Well-equipped beds
- Advanced Surgical Techniques
- Anesthesiology
- Effective Pain Relief Treatment
- Superior Post-Operative Care
- Trained and experienced Physicians, nurses and technicians



BUSINESS MODEL – DAYCARE SERVICES

Day-care Hospital will provide the full-range of super specialty healthcare services which will include consultation with specialists or consultants across multiple departments, comprehensive diagnostic services that will be on par with traditional inpatient services, a range of preventive health-checkup services, minor Operation Theatre and Pharmacy services.

Daycare services are majorly going to be used for:

- Cataract surgery
- ENT procedures
- Minor surgeries that do not require hospitalization
- Patients requiring periodic physical rehabilitation
- Outpatient Dialysis
- Endoscopic procedures or minimally-invasive surgeries
- Preventive healthcare
- Antibiotic treatment for OPD patients



BUSINESS MODEL – ALLIED SERVICES PHASE 1 & PHASE 2



- **Laboratory**

Laboratories will provide services of conducting pathological test on patients specimens such as blood tests, urine tests, organ tissue tests etc.

- **CT-Scan**

CT scans will be referred by the physicians mainly to get the detail images on the problem area like bones, blood vessels, internal organ, cardiology related medical cases etc. for diagnosis purposes

- **MRI-SCAN**

MRI Scan are important part of cardiology and neurology services and will provide services to the patients to produce scans to diagnose a variety conditions related to medical cases as referred by the doctor.

- **Ultrasound**

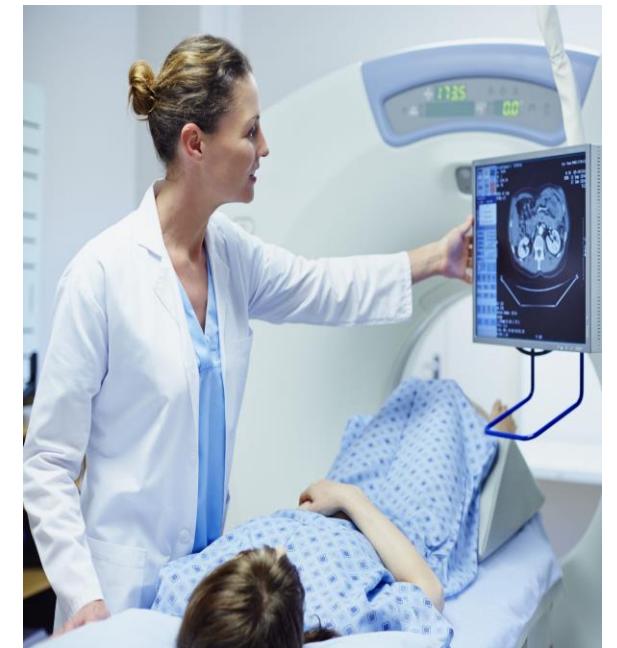
Ultrasound facility will mainly serve pregnancy and other obstetrics and gynaecology patients that will use hospital facilities.

- **X-Ray**

X-rays will be mainly commonly used in orthopaedics and paediatrics services for bone and internal organs related cases.

- **Pharmacy**

The hospital will have an OPD Pharmacy and an Inpatient with availability of widely used medicines required by the doctors in various fields of medical cases



BUSINESS MODEL – PATIENTS

The strategy for patient inflow to the hospital will be mainly driven by the medical specialty services to be provided by the hospital. Based on the type and quality of services, the factors which will generate patients and for which the management have devised the strategies are as follows:

- **Patients electing** to use the private healthcare facility due to better quality of services and treatment
- **Affiliation** with the leading private healthcare provider will enable the hospital to generate patients because of the assurance of the quality of the services that will be provided by the hospital
- **Referral agreements** with private doctors in Kuwait to refer their patients to the hospital
- **Doctors in the governmental facilities** recommending their patients to use the facility due to shorter waiting time
- **Marketing aimed and targeted** specifically at the private healthcare patients among Kuwaiti population in the surrounding region as they meet their healthcare requirements and will have ease of access due to the location of the hospital
- **Recruitment of specialists and consultants** who are renowned in their field to engender patients to trust them and in return come to the hospital



BUSINESS MODEL – STAFFING



Recruitment

The hospital will require around 300 staff in the first year of operations and the recruitment is to commence from now to ensure that the healthcare staff are available on opening.

The hospital staff will recruit a greater proportion of female specialists and consultants then registrars as the management believes that this is what will draw in the patients. The number of physicians, Nurses & other staff required is as follows:

	2024 (Phase 1 only)	2030 (Phase 1 & 2)
Specialists	17	65
Consultants	7	19
Registrars	12	74
Nurses	88	425
Other Medical Staff	41	100
Total Medical Staff	165	683
Admin & support Staff	131	389

The hospital will require around 2.5 nurses per doctor as per the best practices in the healthcare sector.



BUSINESS MODEL – REVENUES



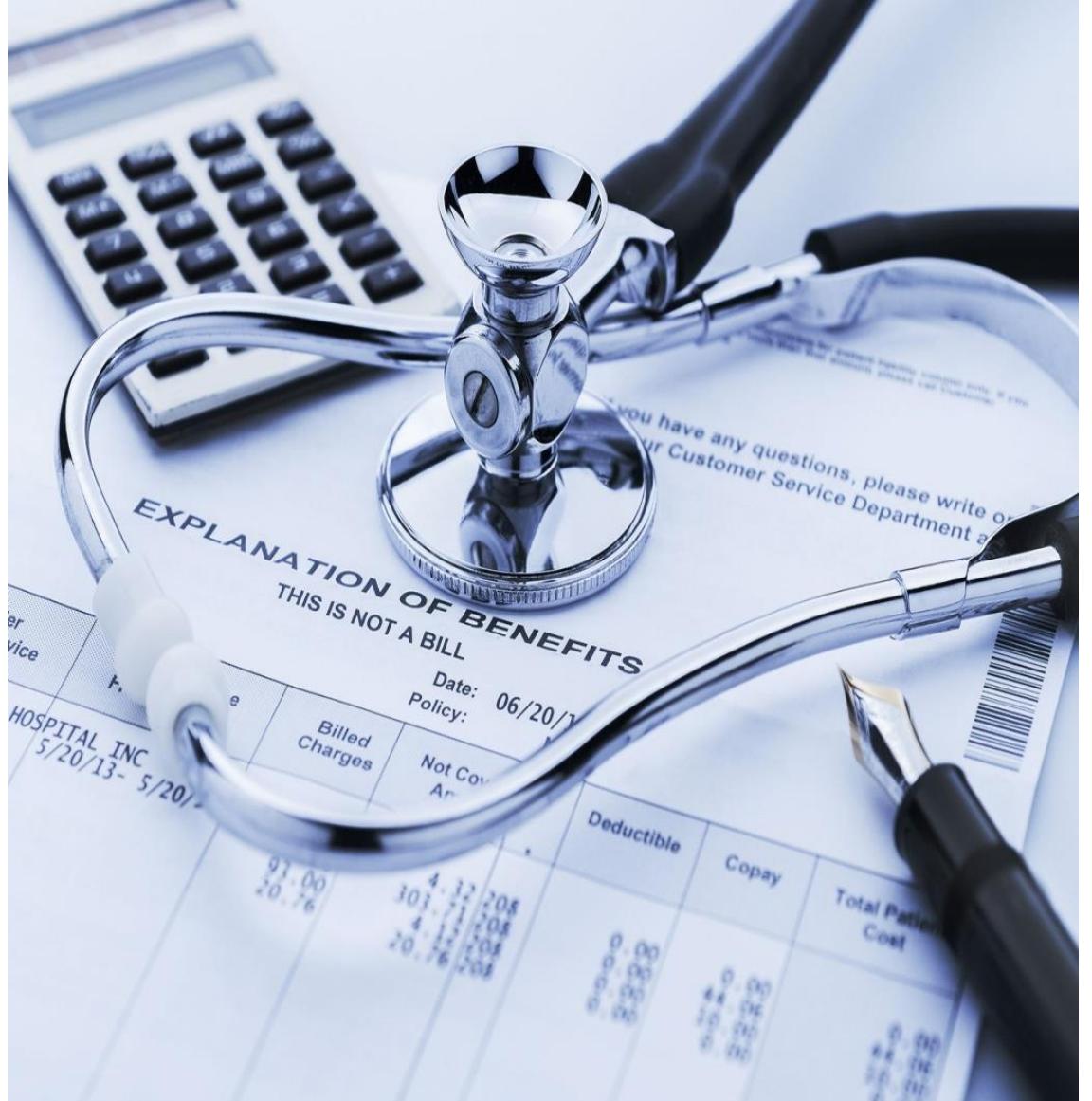
Revenues

The primary revenue driver for the general hospital will be from providing different types of medical specialty **OPD services**. It will also have **115 inpatient beds (VVIP, VIP and Standard Rooms) & 45 Daycare patient beds** to provide Inpatient services.

Hospital will collect the fee from patient either in cash or through private insurance as opted by the patient. The private hospital OPD services market is growing rapidly and management has identified gaps in OPD services market which it aims to fill through the general hospital.

The hospital will generate revenue from:

- a) Per OPD visit consultation charge (based on sub-specialty and type of consultation i.e. initial consultation or investigative consultation)
- b) Procedure Charges
- c) Inpatient & Day care hospital per day stay charge
- d) Operations/Surgical procedures charges
- e) Maternity delivery & service Packages
- f) Allied services charges



BUSINESS MODEL – PRICING



The following pricing structure has been set for healthcare services which has been benchmarked against other healthcare service providers in the market. The pricing is deliberately set for its target market with discretionary discount available to the management.

OPD Services Consultation Fees	2024 to 2030
Initial Consultation	KD 70 to KD 90 per visit
Follow-up Specialised consultations	KD 90 to KD 110 per visit
Procedures	KD 120 to KD 200 per procedure
Operations	KD 750 to KD 1,500 per operation
Inpatient Charges	Year 1 to Year 10
Maternity Package	
VIP 1	KD 4,250 to KD 5,000
VIP 2	KD 3,250 to KD 3,750
Standard Rooms	KD 1,000 to KD 1,500
Other Inpatient Services	
Standard Room Charges per day	KD 100 to KD 200
Daycare Hospital	
Day Care Charges per Visit	KD 100 to KD 120
Allied Services	
Radiology & Imaging	KD 50 to KD 70 per referral
Laboratory	KD 30 to KD 50 per test
Pharmacy	KD 20 to KD 40 per prescription
Cath Lab	KD 300 to KD 350 per procedure



(Source: Assima Hospital Management)

BUSINESS MODEL- COSTS



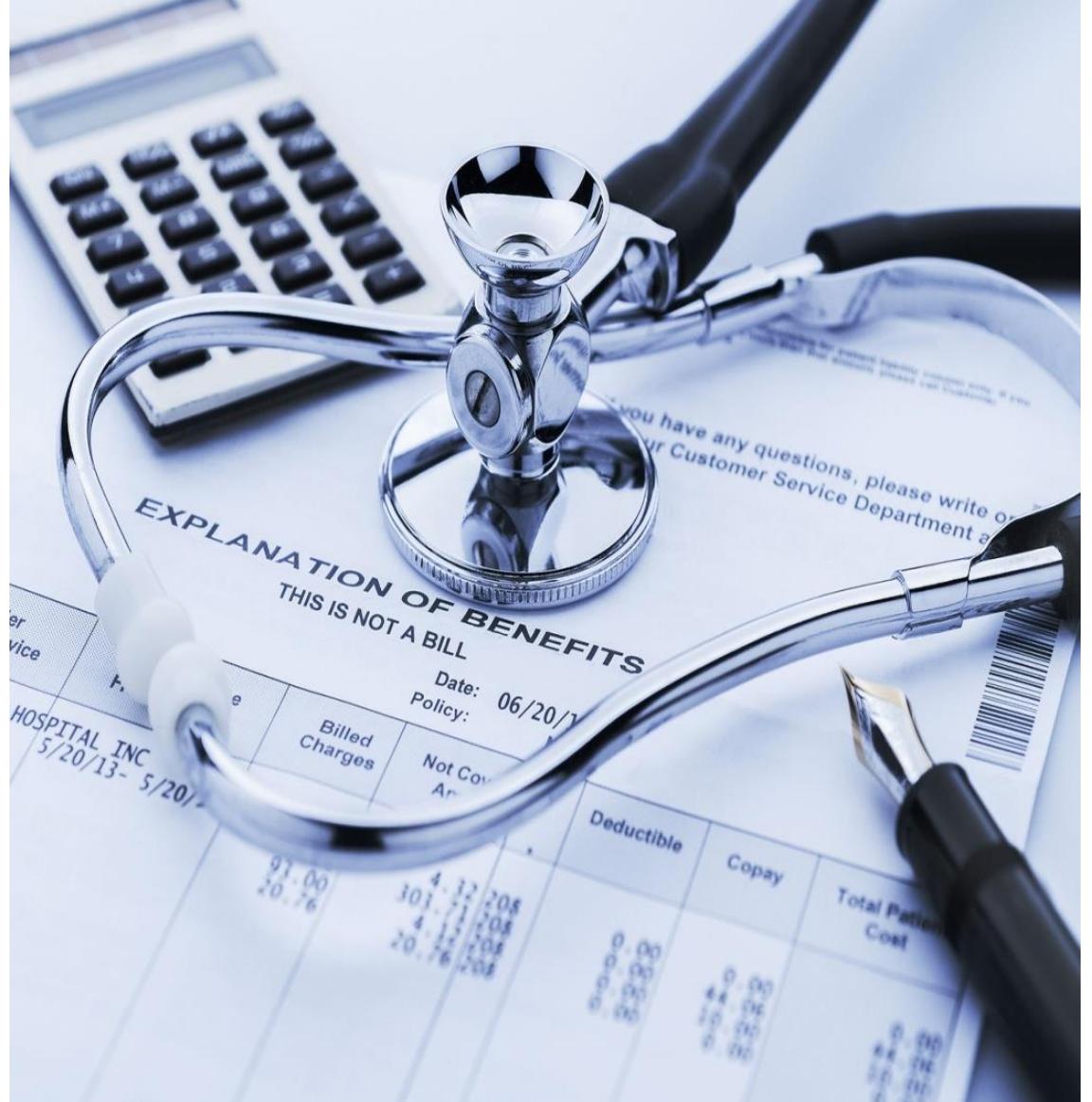
Costs

The following are the main costs of operating the general :

- a) Healthcare professionals and support staff salaries
- b) Staff benefits
- c) Allied services operational costs
- d) Pharmaceutical and medical consumables
- e) Referral Commissions to doctors – Internal & External
- f) Hospital Operator fees
- g) Other Hospital operating costs
- h) Admin & General Costs

Apart from above, there will be capital expenditure on replacement or repair of the fixed assets of the general hospital.

The hospital management has planned to equip and furnish both the towers of the general hospital with best quality medical equipment and furnishings to provide luxurious landscape to the patients and family.





SWOT

SWOT



<p><u>Strength</u></p> <ul style="list-style-type: none"> General hospital with luxurious setting and best in class facilities on par with some of the well established private hospitals in Kuwait Location of the hospital providing easy access to the patients In house laboratory, radiology, Cath Lab and pharmacy which will reduce treatment time Sea-view inpatient rooms promoting concept of close to nature Conservative pricing compare to competitors 	<p><u>Weakness</u></p> <ul style="list-style-type: none"> Competitors offering similar services with established patient base Key management staff not yet appointed High levels of marketing expenditure to attract patients High regulatory and compliance risks
<p><u>Opportunity</u></p> <ul style="list-style-type: none"> Expected growth in use of private healthcare services among Kuwaitis and non-Kuwaitis Government plans to include private hospitals in its ecosystem to reduce burden on government facilities Increase in healthcare spending due to Afiya health insurance scheme To partner with one of the best hospital operators in Kuwait and GCC region Establish a network of clinics and hospital 	<p><u>Threat</u></p> <ul style="list-style-type: none"> Potential competitors who will enter into the market in near future Staff Recruitment timeline and government regulations Planned new government healthcare facilities and increase in number of beds in government hospitals Economic slowdown affecting expenditure



PROJECT MANAGEMENT TEAM

PROJECT MANAGEMENT COMPANY – ZAWAYA



Zawaya is a Kuwaiti based real estate development management company, a delivery oriented service provider, providing project, construction and complete program management model from inception to completion all the way into operation.

Zawaya is focused on facilitating its customers with affordable luxury solutions while delivering commercial success to the clients and investors.

Zawaya assemble the project teams to handle all necessary consents, planning and building permits. It work with contractors to deliver construction work in an efficient and cost-effective way – delivering works on time and within budget.

Zawaya provides:

- Project team appointment
- Securing necessary planning approvals
- Cost and program management
- Monthly reporting
- Maximizing commercial value through optimized design and market positioning

Zawaya's other services include –

- Design Management
- Construction Management
- Building Information Modelling (BIM)
- Program Management
- Facilities Management
- Asset Management
- Marketing Communications



Zawaya //

PROJECT MANAGEMENT – FAYEZ SUWWAN



Fayez Suwwan

Position	Project Financing
Education	Bachelor's degree – Accounting – S.V University / India – 1989
Professional highlights	<p>Kuwait Securities Co. – CFO, Aug 2013 – Present</p> <ul style="list-style-type: none">○ Maintain day to day financial control and ensure that all Company activities and operations are carried out in compliance with Company policies, procedures, and laws governing business operations.○ Monitoring financial operations in Saudi Arabia, Jordan and Cyprus. <p>Al-Fouz Investment Co. – CFO, Aug 2009 – Aug 2013</p> <ul style="list-style-type: none">○ Cash flow Management on daily basis and monitoring payments and bank transfers○ Preparing monthly Alfouz fund NAV○ Maintain day to day financial control and ensure that all Company activities and operations are carried out in compliance with Company policies, procedures, and laws governing business operations.○ Preparing and reporting CBK reports (weekly, monthly, quarterly and yearly) <p>International Financial Advisors (IFA) – VP – Finance, Aug 2004 to Aug 2009</p> <ul style="list-style-type: none">○ Preparing the consolidated financial statements for the entire group quarterly and yearly basis.○ Responsible for the Kuwait Stock exchange disclosures and announcements.○ Following up investments valuations and movements. <p>Grant Thornton Kuwait (Al Aiban & Al Qatami Co.) – Audit Supervisor, Feb 1993 to Aug 2004</p> <ul style="list-style-type: none">○ In- charge for number of companies with various activities○ Participate in several projects: feasibility and economic study, listing in Kuwait Stock Exchange and Business Valuations.

CONSTRUCTION CONTRACTOR – UNITED EMIRATES COMPANY

United Emirates Company (UEC) was established in 1982. UEC consists of a large consulting engineering team, skilled technicians and other staff in the field of planning and implementation who put their expertise and energies in order to provide the best results to its customers.

UEC operations are designed in an organic regulatory environment that includes decentralization to improve the speed of service delivery and the ability to respond and adapt to meet the needs of the client. The company has innovative construction and construction methods and the application of a quality management system and the continuous development of this system in accordance with international quality specifications (ISO).

In addition the successful planning department, accurate implementation, innovative performance, international quality and great credibility enhances UEC in integrated services in the field of contracting.

The company is certified with ISO and RoyalCert International Registrars.



MEDICAL INTERIOR – AAARCHITECTS-DESIGN COMMUNITY



AAarchitects-DesignCommunity is an Architectural and Urban Design firm established in Tokyo and London with the aim of transforming and enriching the built environment, through a constant questioning and reshaping of the tools, processes, and dynamics that impact it.

The standalone expertise of founders of AAarchitects and Design Community have now converged to establish AA-DC as an enhanced collaborative and global design platform that nurtures innovations through a dynamic team drawn from a diverse multinational and multi-generational workforce.

Progettisti Associati Tecnarc srl is a partner firm of AA-DC. It is an architectural and engineering with over 50 years of experience now. It is highly specialized in healthcare, having developed projects, supervisions of works and consultancies of important realizations all over Italy.

The highly qualified team guarantees the delivery of the project within time and budget constraints and reliability in the project process and its control.



EQUIPMENT PLANNING – HEALTHCARE CONSULTING & PLANNING SAL



HCP is a Lebanese medical consultancy company with its headquarters in Beirut. Its services cover the full range of facility and medical equipment related functions from project inception to post-commissioning. HCP services can be offered to newly starting projects as well as for ongoing projects (partially or fully designed) in the form of peer review or design review for one or more components of the services spectrum.

HCP services helps the client all along the road of healthcare, it will help you plan a new facility or re-visit the plans of existing ones. HCP's ultimate aim is to help its client achieve a world class patient focused healthcare environment with state of the art technologies that are upgradable along a program that guarantees non- obsolescence. HCP combines the knowledge of site specifics, medical technology and space programming, which results in transforming our client's goals into unique and meaningful functional solutions.

HCP has planned more than 9,000 beds across 335 projects and 44 countries in MENA region and globally.





MARKET ASSESSMENT

KUWAIT HEALTHCARE MARKET



Kuwait Healthcare Sector has been mainly dominated by the MoH hospitals and PHCs for the provision of OPD as well as Inpatient services to the population of Kuwait – Kuwaitis and non-Kuwaitis. However, major upgrades to the country's healthcare infrastructure and facilities are underway mainly from the private healthcare providers. The private healthcare market is estimated to grow by 10-15% in the coming years. Currently, a total of 12 private hospitals (totaling 1,375 hospital beds) provide private medical services in Kuwait.

80% of the health expenditure in Kuwait continues to be met by the government and Ministry of Health (MOH) Hospitals constitute 83% of total beds.

The healthcare sector is witnessing some reform initiatives. One of the reforms includes broadening public-private partnerships and giving the private sector a larger role in the provision of healthcare services. Recently, public healthcare centers began referring patients to private medical care providers for services like IVF treatment and physiotherapy.

This provides a significant opportunity for the Assima Hospital to fill in the market gap and acquire a significant market share from growing private healthcare market.

(Source: [World Bank, Middle East Medical Portal](#))

Healthcare Market	2016	2017	2018	2019	2020 (Covid Year)
OPD Visits					
MoH	3,109,044	3,235,403	2,967,026	3,288,907	1,951,058
Private	2,437,225	2,847,495	3,005,246	3,165,516	2,788,514
Inpatient					
MoH	261,185	259,726	250,416	252,112	211,913
Private	92,027	96,613	96,941	97,395	86,212

Key Indicators	MOH Hospitals	Private Hospitals
No. of Beds	8,377	1,375
Doctors/Physicians	1,582	1,123
Nurses	5,009	3,305



Some of the leading causes of death in Kuwait and the main risk factors

Heart disease, respiratory system diseases, stroke and diseases related to diabetes and vital organs are some of the top causes of death in Kuwait over the last 10 years.

Some of the main risk factors for these diseases include –

1. The high levels of obesity in the Kuwaiti population cause numerous healthcare-related issues, including Type 2 Diabetes.
2. As per a report, 36% of adults over the age of 18 in Kuwait are overweight and 44% are obese which leads to chronic diseases like diabetes, heart and respiratory diseases and vital organ diseases.
3. Due to the Kuwait topography, air and dust pollution is one of the main risk factors for heart and respiratory diseases.

The effect of this on Kuwait's entire population, mainly on women and children, is disproportionate and increases with age and therefore the consequences are long term and regular.



(Source: MoH Annual Health Report 2020)



Lifestyle and Risk factors

More than 90% of the diabetes patients are either obese or over weight. 12.27% of those who are insufficiently active have diabetes compared to 8.53% of those who are sufficiently active.

Females in Kuwait are markedly more overweight and obese than males; such results differ from those found in developed Western nations.

Healthcare expenditure

Out-of-pocket expenditure as a proportion of private health expenditure is markedly higher than the GCC average, given levels of private health insurance is relatively low compared to the GCC. Healthcare Expenditure in Kuwait has increased at a CAGR of 8% over the last 10 years. Healthcare expenditure in Kuwait is expected to be 5% of GDP and 11% of total government budget. Given these figures are realized, healthcare expenditure in Kuwait will be around \$6.55 billion.



(Source: World Bank, Middle East Medical Portal)

PUBLIC SECTOR – MINISTRY OF HEALTH



Kuwait's public sector healthcare facilities are managed by Ministry of Health, Kuwait which also issues all the licenses and guidelines for the public as well as private sector healthcare providers. Public Sector has a state-funded health system that is 'free at the point of entry' for Kuwaiti nationals. Non-citizens who are resident in Kuwait are entitled to a health insurance card for which they pay an annual fee.

Around 70% of the healthcare market in Kuwait is derived from MoH operated facilities. This is because most of the labor class expatriates including domestic workers use MoH facilities due to higher affordability as compare to the private hospitals.

MOH have six general hospitals (one in each health region) plus the specialized Sabah Medical Centre (including the Sabah General Hospital), 14 specialized hospitals; 98 primary health care clinics and 83 diabetic clinics. There are 8,377 beds in 21 hospitals operated by Ministry of Health – 5,104 beds in General hospitals and 3,273 beds in specialized hospitals.

The Government also has a system where for Kuwaiti nationals it pays for the cost of overseas medical treatment if treatment is not available locally.



© DNA BARCELONA ARCHITECTS

(Source: [World Bank, Middle East Medical Portal](#))

PRIVATE SECTOR

Kuwait's private healthcare sector mainly consists of 12 Major hospitals and other private clinical facilities across Kuwait. Private healthcare sector generates 30% of the total Kuwait healthcare market.

The overall private healthcare sector has grown at a CAGR of 6% over the last 5 to 7 years.

Out of the 12 major hospitals as recognized by the insurance companies here in Kuwait, the top 6 hospitals covers 79% of the overall private healthcare market in Kuwait. These hospitals, which will be major competitors for the new general hospital, are:

1. Dar Al Shifa
2. Al Salam hospital
3. Al Seef hospital
4. Royale Hyatt (maternity hospital)
5. Al Mowasat hospital
6. Hadi hospital

(Source: [World Bank, Middle East Medical Portal](#))

Several new private hospitals are expected to open in the next few years, adding 1,800 hospital beds. Although the government offers free healthcare services, patients are willing to pay a premium for private treatment in order to reduce waiting times and treatment schedules. In certain fields, such as obstetrics and gynecology, local patients pay a premium for high-end services offered by private hospitals.

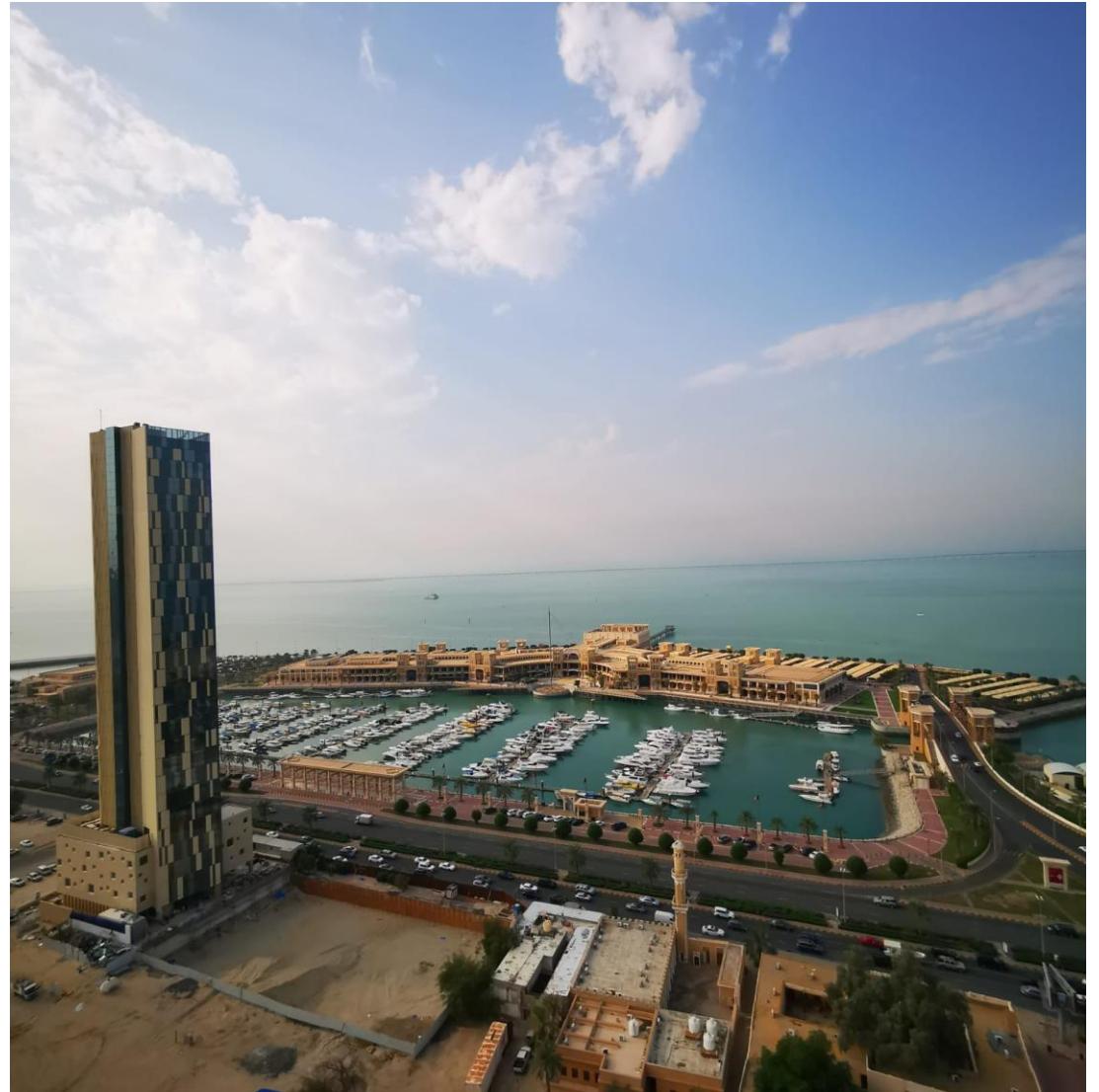




Medical Services to be provided

The management has identified the market gap in the medical services to address these leading causes of deaths in Kuwait. The general hospital, therefore, has been planned to provide following medical specialty services in order of the need of the population and to target this gap in the market –

- Cardiology and respiratory diseases
- Endocrinology and diabetes
- Obstetrics and Gynecology
- Pediatrics
- Dermatology, Plastic Surgery and burns
- Internal Medicine including Gastroenterology & Nephrology
- ENT
- Infertility
- Nutrition; and
- Others – Physiotherapy, Urology, General Surgery, Orthopedics, dental medicine, Ophthalmology etc.

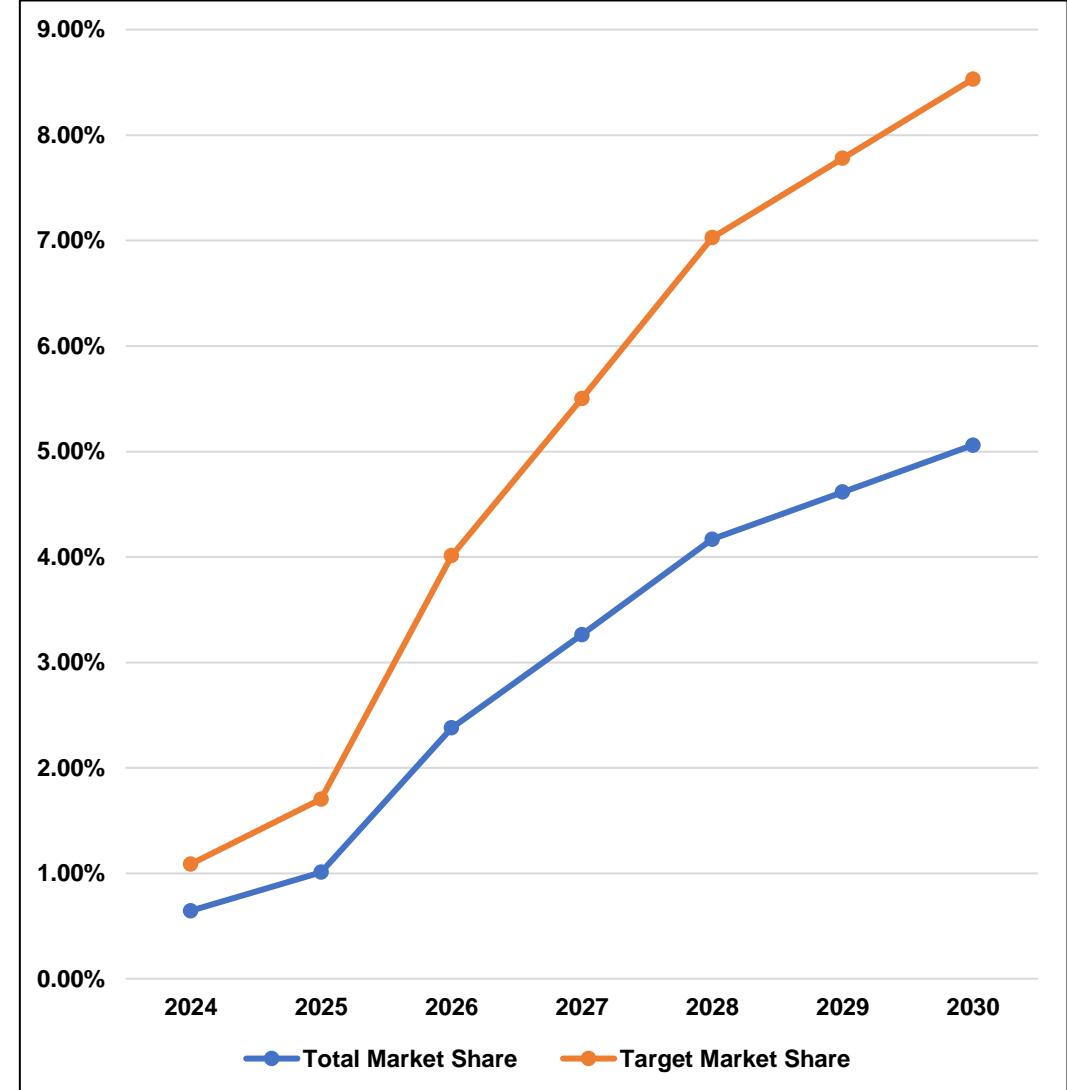


ASSIMA HOSPITAL - MARKET SHARE



The private sector market has been projected to grow at a CAGR of 10% to 15% over the next 10 years by majority of the reports. The management looks to exploit the available market gap and the services listed earlier will help acquire a significant market share from the growing private healthcare market.

- The management has projected that the hospital will have 1% to around 6% market share of the overall market over the projected period
- As it has been already discussed, the 2 towers will provide different set of services and the early operations at Tower 1 will help the hospital in acquiring more market traction at a faster rate for the new services to be provided from beginning of the tower 2
- The hospital will target Capital, Farwaniya and Hawally health region for the maximum market share. These areas have been targeted due to their easy accessibility to the hospital as well as the majority of the Kuwaiti population residing in these areas.
- The hospital is projected to acquire 1% to 9% of the target market for the areas mentioned above



(Source: Moore Kuwait Projections)

HEALTHCARE STATISTICS PRIVATE SECTOR

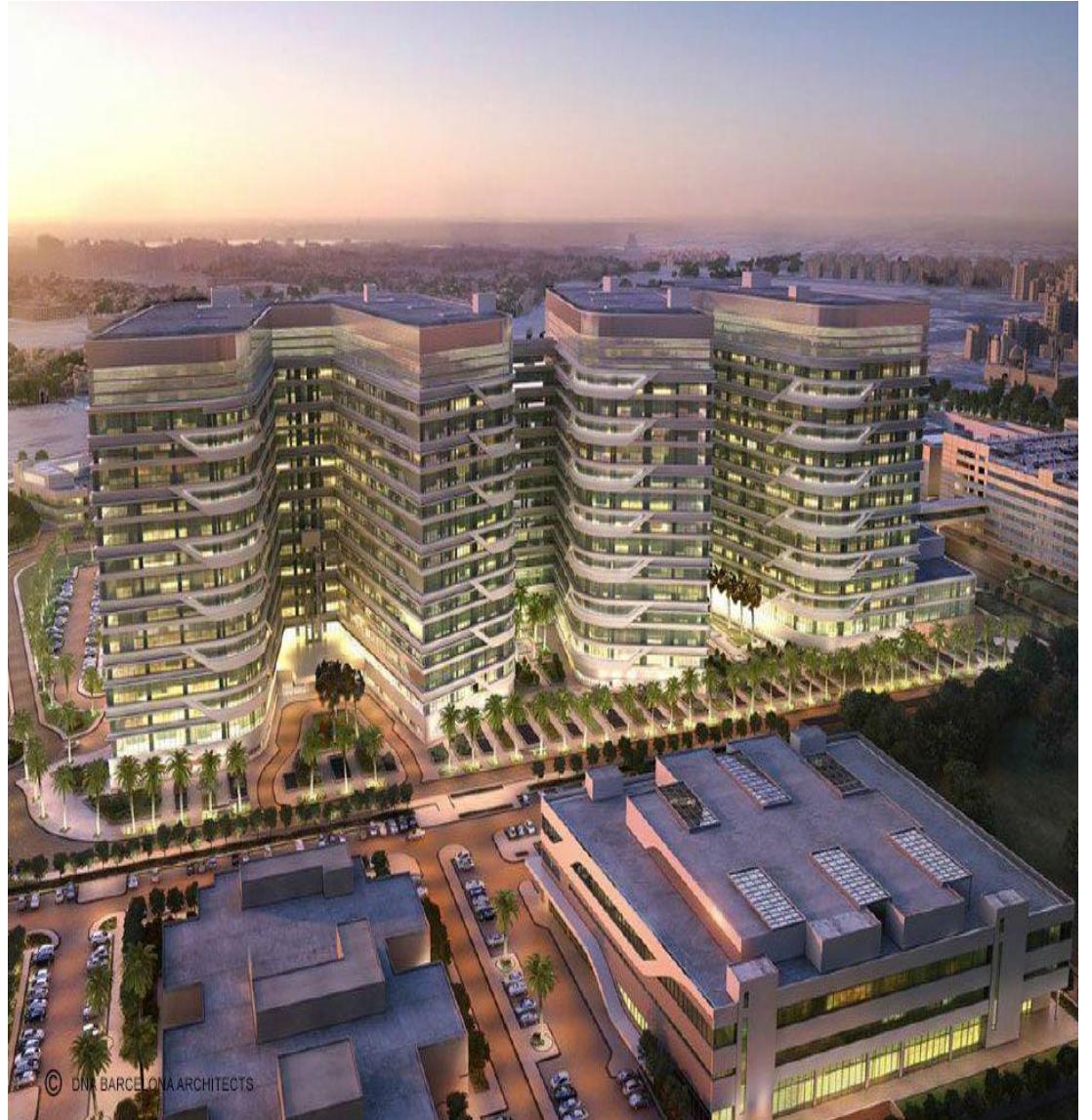
HEALTHCARE MARKET – PRIVATE SECTOR



Kuwait's healthcare sector is in transition, with growing trend of private sector usage and participation despite government dominance of the funding and provision of care. The government's role in healthcare is extensive which is increasingly getting unsustainable. Over the last years, increased private sector usage is facilitating greater access to healthcare and is improving the quality of services and treatments being provided in Kuwait.

The private healthcare usage among Kuwaitis and non-Kuwaitis has increased at a CAGR of 6% from 2014 to 2021 (with 2020 and 2021 being covid years). The number of visits by Kuwaitis to private healthcare facilities has increased by 35% from 2014 to 2021. This is mainly because of the following reasons:

- a. Private sector provides reduced waiting times, faster appointments and better quality services as compare to the public healthcare facilities
- b. Kuwaitis willing to pay for high-end services offered by private hospitals
- c. Private sector offering such critical services realizing the need for facilities that cater to life-threatening diseases that previously required Kuwaitis to fly out of the country for treatment



(Source: CSB Annual Kuwait Health Statistics)

HEALTHCARE MARKET – PRIVATE SECTOR



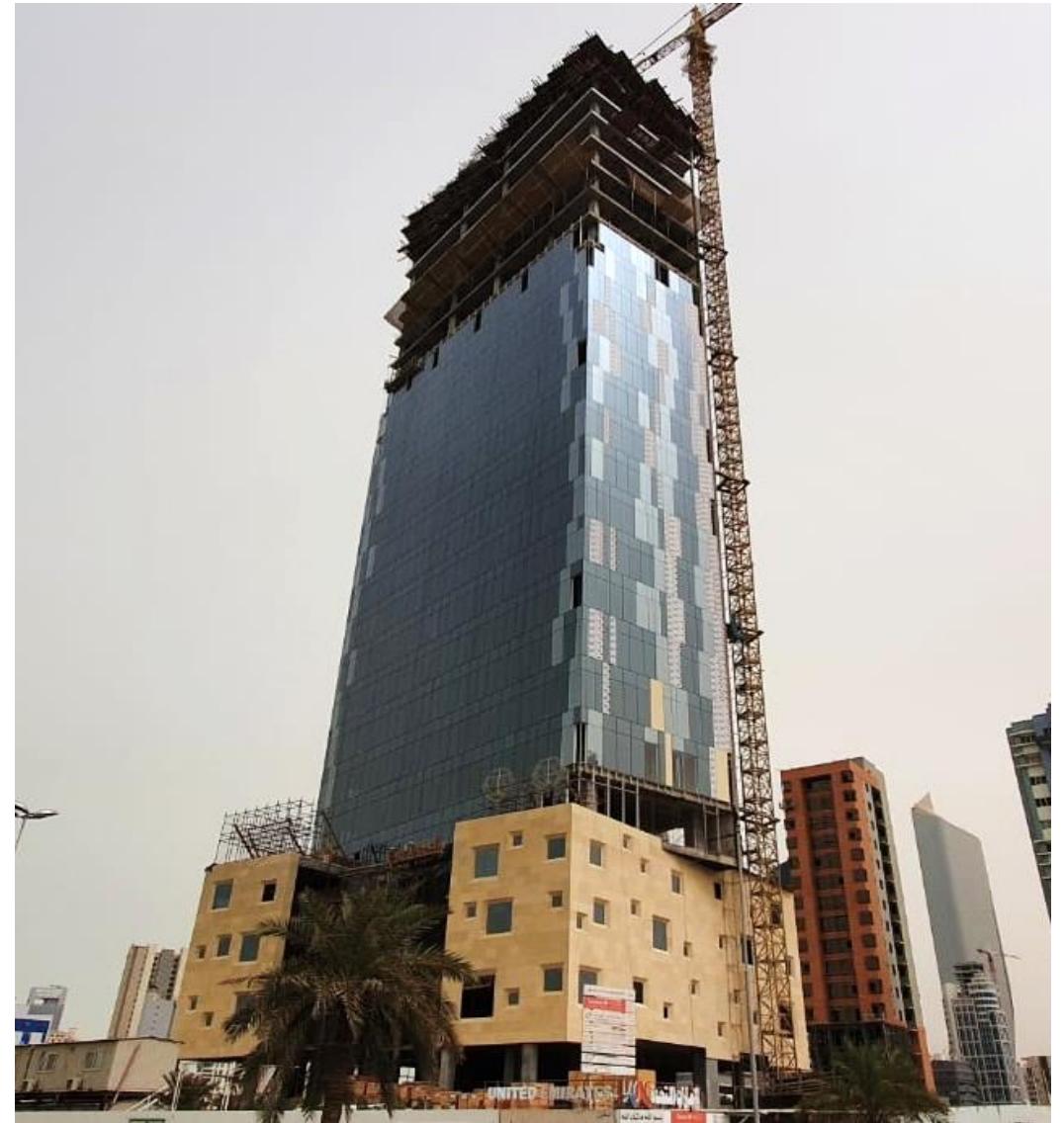
- d. The government has introduced in the last few years a new insurance policy for those over the age of 45 where by each individual has the right that they can spend approximately KD17,000 on their healthcare requirements in the private health sector in Kuwait.

There has been a significant increase in the usage of Healthcare in the private sectors across all ages and genders.

The average number of visits per population in 2020 by Kuwaitis in private healthcare sector was 1.62 and for non-Kuwaitis it was 0.23 signifying the higher use of private healthcare among Kuwaitis due to their higher income.

In 2020 and 2021, despite of Covid-19 and the public healthcare facilities being the major source of healthcare for most part of the year, the average of number of visits per person has remain relatively same as compare to 2019.

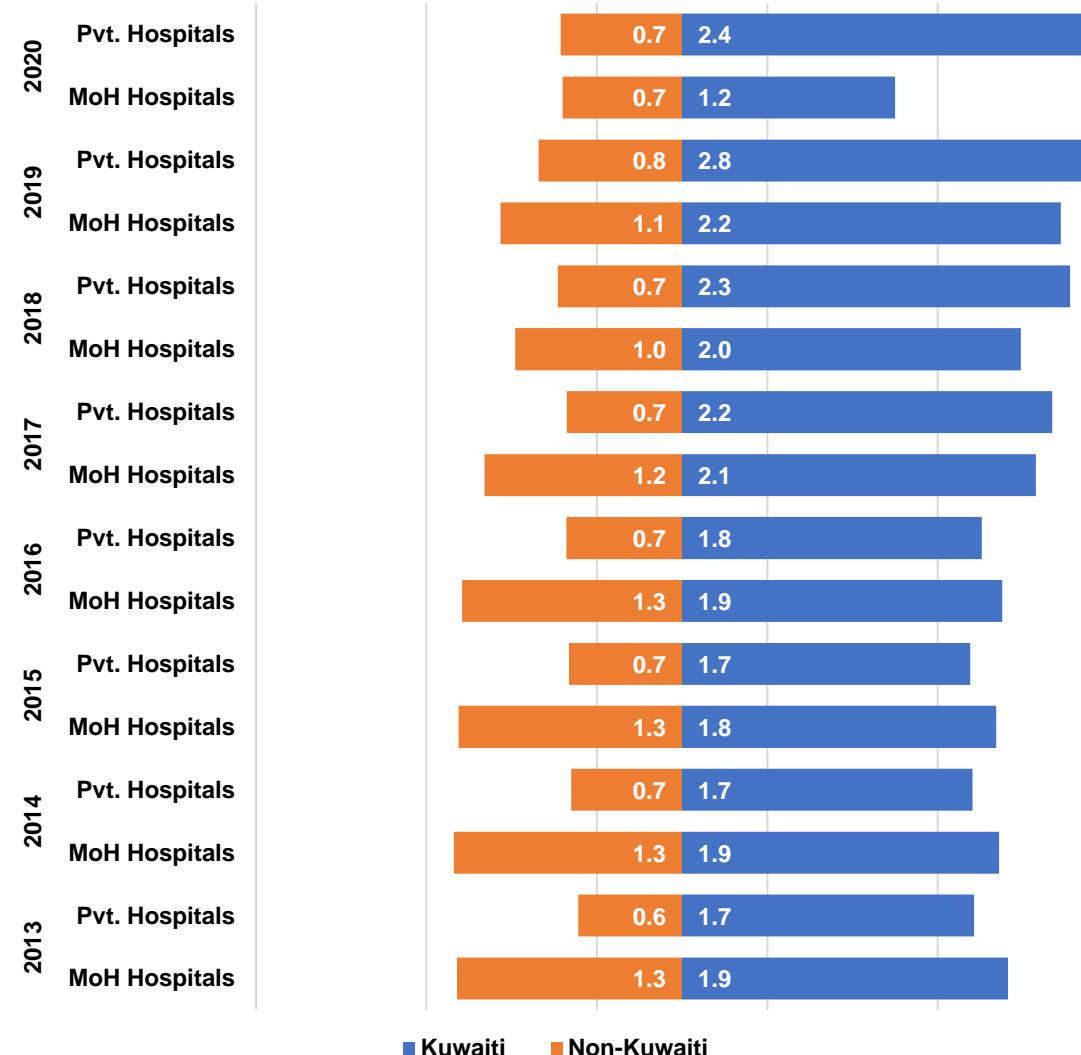
Currently, there are 12 major private hospitals in Kuwait with the capacity of 1,375 beds. The healthcare expenditure in Kuwait is estimated to grow at a CAGR of 7.5% over the next 10 years and is expected to be centered around women wellness and treatment of critical diseases for which the citizens are often required to travel abroad.



HISTORICAL HEALTHCARE STATISTICS



Historical Outpatient Visits (in million)



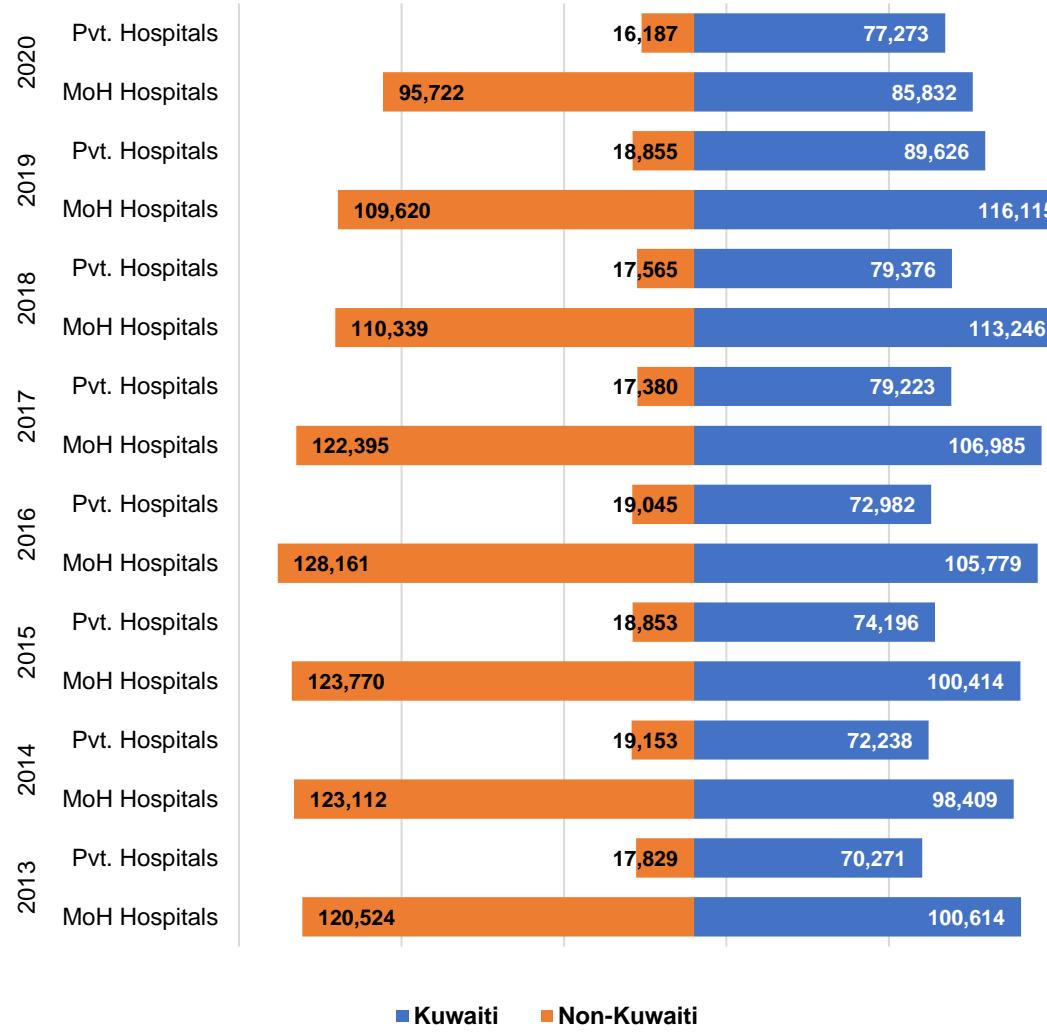
- The chart here shows the distribution of healthcare facilities usage by Kuwaiti and non-Kuwaiti between MoH Hospitals and private hospitals for the outpatient services.
- From 2017 onwards, Kuwaitis have used more private healthcare facilities than the public sector facilities.
- There is a constant rise in number of visits to private hospitals from 2015 onwards which is mainly due to the introduction of health insurance scheme for citizens over age 45 by the government.
- Among the non-Kuwaitis, the use of private sector has remained relatively unchanged mainly due to the fact that the majority of the non-Kuwaitis are low income class population and the mandatory MoH health insurance doesn't cover the use of private healthcare facilities.
- From 2014 to 2020, the overall use of private sector has increased at a CAGR of 6% whereas the use of public sector has decreased.

(Source: CSB Annual Kuwait Health Statistics)

HISTORICAL HEALTHCARE STATISTICS



Historical Inpatients



- The chart here shows the distribution of healthcare facilities usage by Kuwaiti and non-Kuwaiti between MoH Hospitals and private hospitals Inpatient services.
- The use of public sector inpatient facilities remain high among both Kuwaitis and non-Kuwaitis.
- However, there is a constant rise in number of inpatients in private hospitals from 2014 onwards which is mainly due to the introduction of health insurance scheme for citizens over age 45 by the government.
- Among the non-Kuwaitis, the use of private sector has increased in 2018 & 2019 due to the quality of services offered by private hospitals and partly due to increase in service charges in MoH hospitals for the inpatient services.
- From 2014 to 2020, the overall use of private sector has increased at a CAGR of 1% whereas the use of public sector has relatively remain same. The fall in 2020 is due to Covid-19 pandemic.

(Source: CSB Annual Kuwait Health Statistics)

PRIVATE HOSPITALS – OPD VISITS 2020



Hospitals	Kuwaiti			Non- Kuwaiti			Grand Total
	Male	Female	Total	Male	Female	Total	
Dar Al-Shifa	150,696	218,920	369,616	56,797	63,027	119,824	489,440
Al-Salam	138,685	225,187	363,872	44,876	46,770	91,646	455,518
Al-Seef	123,789	206,341	330,130	56,365	61,135	117,500	447,630
Hadi	104,559	167,480	272,039	31,586	39,565	71,151	343,190
Al-Mowasat	55,678	98,107	153,785	51,314	56,400	107,714	261,499
Taiba	98,757	133,656	232,413	10,897	17,650	28,547	260,960
Royale Hayat	30,825	129,099	159,924	9,623	23,824	33,447	193,371
Al-Orf	35,050	51,084	86,134	5,036	11,995	17,031	103,165
Sidra	17,894	68,506	86,400	2,131	9,691	11,822	98,222
Alia	15,636	33,789	49,425	11,995	15,106	27,101	76,526
Al-Rashid	5,666	11,987	17,653	7,528	11,119	18,647	36,300
London	3,476	7,742	11,218	3,857	7,618	11,475	22,693
Total	780,711	1,351,898	2,132,609	292,005	363,900	655,905	2,788,514

(Source: MoH Annual Health Report 2020)

- The table gives the number of OPD visits by Kuwaitis and non-Kuwaitis in 2020 in each of the major private hospitals in Kuwait.
- Dar Al-Shifa, Al Salam and Al Seef hospital has a market share of 50% in total private healthcare market.
- In 2020, around 75% of the visits were from Kuwaiti population which comes to around 1.5 visit per person as compare to only 1 visit per 5 non-Kuwaitis in private sector.
- The visits at private hospitals are increasing at a CAGR of around 6% over the last 5 years and is expected to grow at the CAGR of 5% to 6% over the next 10 years.

HEALTHCARE USAGE – KUWAIT



The healthcare facility usage in Kuwait by the Kuwaitis and Expats is as follows:

Service Type	Nationality	Private	Government	Total	Avg. OPD visit per patient in Private Sector
OPD	Kuwaiti	76%	67%	72%	1.62
	Non- Kuwaiti	24%	33%	28%	0.23
Inpatient	Kuwaiti	51%	82%	61%	
	Non- Kuwaiti	49%	18%	39%	

The above highlight that the Kuwaiti population prefer to use the private healthcare facility due to 2 reasons:

1. Trust & competency
2. Shorter waiting time

Over the last few years there have been a significant increase In the use of private healthcare facilities by Kuwaiti population.

Service Type	2015	2016	2017	2018	2019	2020	CAGR (2013-2020)
OPD	1,691,530	1,759,182	2,170,942	2,277,209	2,453,561	2,132,609	6%
Inpatient	74,196	72,982	79,233	79,376	82,191	71,001	3%

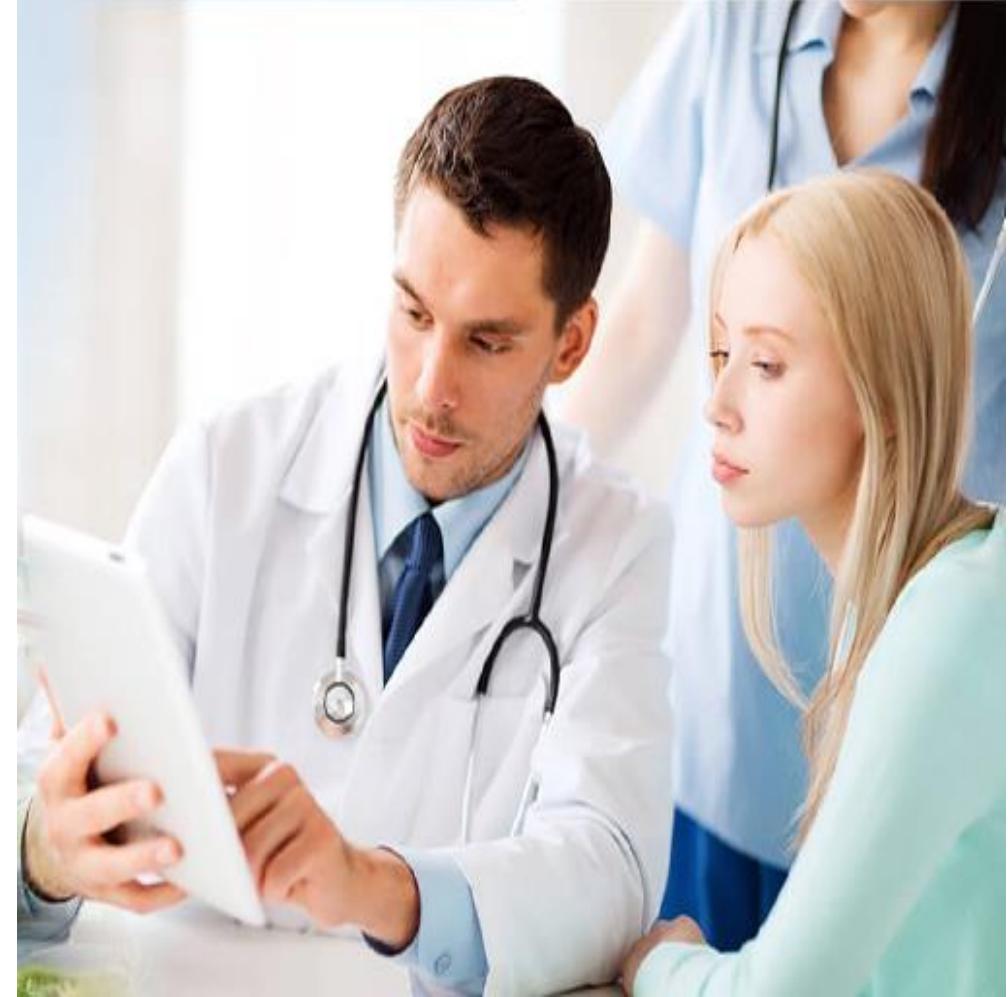
(Source: CSB Annual Kuwait Health Statistics)

TOP CAUSES OF OPD VISITS



Below is the list of top specialities for which the patient visits the OPD facilities in the private hospitals in Kuwait. The highest number of visits are in Obstetrics and Gynecology which includes pregnancy and child birth.

1. Obstetrics and Gynecology
2. Casualty/Emergency
3. Pediatrics
4. Internal Medicine
5. Orthopedics
6. E.N.T.
7. Dermatology
8. Physiotherapy
9. Dental medicine
10. General Surgery
11. Ophthalmology
12. Urology
13. Cardiology
14. Plastic Surgery and burns
15. Gastroenterology
16. Infertility & IVF
17. Radiology
18. Endocrinology and Diabetes
19. Family Medicine
20. Nephrology
21. Anesthesia & Pain Management
22. Respiratory Diseases
23. Neurosurgery
24. Pediatric Surgery
25. Nutrition
26. Rheumatology
27. Neurology
28. Vascular diseases & Surgery
29. Auditory Planning
30. Hematology



(Source: MoH Annual Health Report 2020)

OPD VISITS BY SPECIALITY



Specialty	Total OPD Visits by Specialty				
	2016	2017	2018	2019	2020
Obstetrics and Gynecology	383,313	450,827	451,434	451,153	469,427
Casualty/Emergency	383,831	398,454	404,871	430,601	349,889
Pediatrics	376,655	356,816	321,033	369,630	201,500
Internal Medicine	188,915	256,945	273,725	335,337	331,841
Orthopedics	137,766	184,195	201,848	216,142	192,709
E.N.T.	143,395	157,809	165,874	170,354	147,597
Dermatology	145,751	157,246	158,535	168,356	139,613
Physiotherapy	76,899	119,350	151,248	161,476	134,024
Dental medicine	130,754	138,442	138,701	139,814	144,909
General Surgery	76,259	108,604	119,241	121,880	116,152
Ophthalmology	81,797	105,465	114,994	115,466	107,384
Urology	49,435	69,122	70,740	72,116	70,057
Cardiology	35,379	50,645	55,935	64,604	65,335
Plastic Surgery and burns	60,188	60,554	57,069	53,187	31,424
Gastroenterology	21,854	35,349	44,700	52,749	58,874
Infertility & IVF	35,546	47,100	53,017	49,889	44,107
Radiology	25,119	34,263	36,425	40,245	38,882
Endocrinology and Diabetes	17,922	26,159	31,287	36,048	33,090
Family Medicine	-	-	21,195	25,064	24,049
Nephrology	17,057	19,208	19,745	24,392	22,880
Anesthesia & Pain Management	11,131	15,187	18,277	21,257	19,697
Respiratory Diseases	-	-	13,348	14,958	8,818
Neurosurgery	11,537	17,888	16,183	14,509	18,713
Pediatric Surgery	5,206	5,281	49,698	5,658	3,839
Nutrition	5,050	4,586	3,856	4,043	2,321
Rheumatology	-	-	11,279	2,929	3,135
Neurology	-	-	-	1,773	1,377
Vascular diseases & Surgery	3,838	74	51	869	6,265
Auditory Planning	-	-	793	686	-
Hematology	-	-	115	306	572
Others	12,628	27,926	29	25	34
Total	2,437,225	2,847,495	3,005,246	3,165,516	2,788,514

(Source: MoH Annual Health Report 2020)

- The table here presents the number of OPD Visits over the last 5 years in each of the specialty available in the private hospitals in Kuwait.
- The use of the private hospitals among Kuwaitis have been 3 times more than non-Kuwaitis over the last 5 years and the trend is projected to continue over the foreseeable period for the greater demand and need of the better quality medical specialty services among Kuwaitis.
- Kuwaitis prefer private hospitals because of shorter waiting time and better quality of services leading to trust in private services
- Most of the top 6 private hospitals on Kuwait provide majority of the medical services listed in the table.

INPATIENTS BY SPECIALITY



Department	2016	2017	2018	2019	2020
Obstetrics and Gynecology	39,121	39,653	38,858	37,565	38,537
General surgery	12,471	13,540	14,356	14,906	14,270
Pediatrics	9,353	8,046	7,904	8,055	4,949
Internal Medicine	6,339	6,972	6,695	7,379	5,528
E.N.T.	5,724	5,636	4,770	5,074	2,980
Orthopedics	2,693	4,009	3,968	4,090	3,768
Plastic Surgery and burns	3,924	3,441	3,837	3,972	1,313
Ophthalmology	2,128	4,129	4,113	3,485	2,963
Urology	2,119	2,641	2,852	2,890	3,170
NICU	-	-	1,445	1,543	1,683
Cardiology & Respiratory Diseases	1,283	1,196	1,009	1,365	1,457
Infertility & IVF	1,939	1,762	1,630	1,291	508
Radiology	-	-	1,122	1,174	1,127
Respiratory	-	-	974	946	233
Neurosurgery	687	896	735	935	763
Dermatology	9	3	3	813	4
Gastroenterology	626	485	617	583	626
Endocrinology and Diabetes	-	-	164	423	322
Pediatric surgery	340	286	271	285	273
ICU	1,135	1,164	208	251	175
Nephrology	-	-	237	232	213
Anesthesia & Pain Management	-	-	-	41	139
Vascular Surgery	-	-	9	32	326
Others	1,279	2,011	-	28	-
Diabetes	-	-	38	24	10
Family Medicine	-	-	24	13	8
Dental medicine	857	743	882	-	730
Neurology	-	-	196	-	103
Physiotherapy	-	-	6	-	1
Casualty	-	-	3	-	-
Rheumatology	-	-	13	-	31
Hematology	-	-	2	-	2
Grand Total	92,027	96,613	96,941	97,395	86,212

(Source: MoH Annual Health Report 2020)

- The table here lists out the number of Inpatients over the last 5 years for each of the specialty in the private hospitals in Kuwait.
- On an average over the last 5 years, 1 out of every 33 OPD visits patients require inpatient services in private hospitals
- Over the last 5 to 7 years, 80% of the inpatients have been Kuwaitis as they are willing to pay for the high-end services being provided by the private hospitals.
- The top needed medical specialty services for inpatient have been obstetrics and gynecology, including maternity related inpatients and child birth. General surgery is mostly defined as a sub-specialty of other departments in most of the major private hospitals and therefore represents a major share in .

PRIVATE HOSPITALS – INPATIENTS 2020



Hospitals	Kuwaiti			Non- Kuwaiti			Grand Total
	Male	Female	Total	Male	Female	Total	
Dar Al-Shifa	4,651	9,691	14,342	1,002	1,644	2,646	16,988
Al-Seef	2,904	6,467	9,371	887	1,252	2,139	11,510
Al-Salam	2,975	6,100	9,075	467	895	1,362	10,437
Hadi	2,004	6,449	8,453	469	1,186	1,655	10,108
Royale Hayat	391	6,627	7,018	79	647	726	7,744
Al-Mowasat	1,678	3,407	5,085	1,036	1,167	2,203	7,288
Sidra	1,014	5,040	6,054	116	692	808	6,862
Al-Orf	646	3,784	4,430	104	348	452	4,882
Alia	644	1,828	2,472	589	1,205	1,794	4,266
Taiba	1,513	2,026	3,539	169	311	480	4,019
London	101	629	730	80	502	582	1,312
Al-Rashid	61	371	432	53	311	364	796
Total	18,582	52,419	71,001	5,051	10,160	15,211	86,212

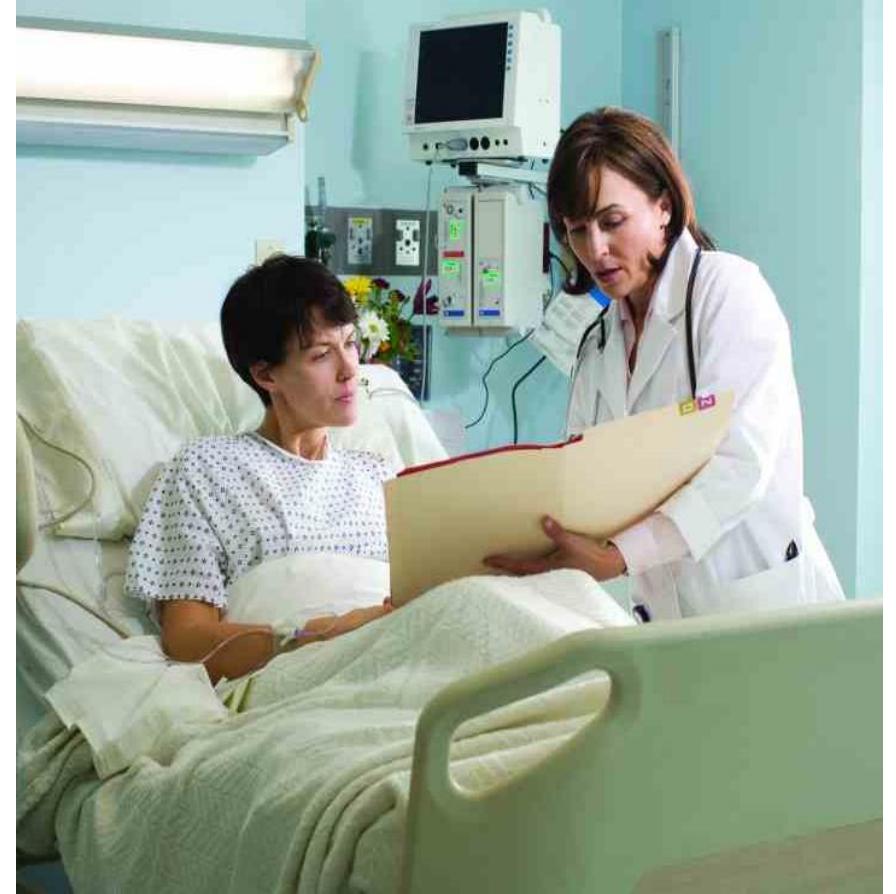
(Source: MoH Annual Health Report 2020)

- The table gives the number of Inpatients by Kuwaitis and non-Kuwaitis in 2020 in each of the major private hospitals in Kuwait.
- In comparison to OPD visits, Dar Al-Shifa, Al Salam and Al Seef hospital has a market share of only 43% in total private healthcare market implying that these top 3 hospitals are provide OPD focussed services whereas hospitals like Hadi and Royale Hayat relies more on Inpatient.
- Kuwaitis contribute 80% to the total inpatient services used in private healthcare market mainly due to higher disposable income and willingness to pay for high-end services provided by these hospitals

TOP CAUSES OF DEATH



- 1 Certain infectious & parasitic diseases
- 2 Neoplasms
- 3 Diseases of the blood & blood-forming organs & certain disorders involving the immune mechanism
- 4 Endocrine, nutritional & metabolic diseases
- 5 Mental & behavioural disorders
- 6 Diseases of the nervous system
- 7 Diseases of the circulatory system
- 8 Diseases of the respiratory system
- 9 Diseases of the digestive system
- 10 Diseases of the skin and subcutaneous tissue
- 11 Diseases of the musculoskeletal system & connective tissue
- 12 Diseases of the genitourinary system
- 13 Pregnancy, childbirth & puerperium
- 14 Certain conditions originating in the perinatal period
- 15 Congenital malformations, deformations & chromosomal abnormalities
- 16 Symptoms, signs & abnormal clinical & laboratory findings, not elsewhere classified
- 17 External causes of morbidity & mortality



(Source: MoH Annual Health Report 2020)

KEY STATISTICS – PRIVATE HOSPITALS 2020



Hospitals	Beds	Doctors		Nurses		Others		Total	
		No.	per bed	No.	per bed	No.	per bed	No.	per bed
Royale Hayat	341	47	0.14	306	0.90	52	0.15	405	1.19
Al-Salam	192	156	0.81	474	2.47	89	0.46	719	3.74
Dar Alshifa	129	187	1.45	605	4.69	160	1.24	952	7.38
Al-Mowasat	114	127	1.11	314	2.75	74	0.65	515	4.52
Al-Seef	105	127	1.21	402	3.83	93	0.89	622	5.92
Al- Rashid	100	32	0.32	55	0.55	23	0.23	110	1.10
Hadi	91	114	1.25	286	3.14	37	0.41	437	4.80
Taiba	66	101	1.53	314	4.76	44	0.67	459	6.95
Al-Orf	64	93	1.45	240	3.75	34	0.53	367	5.73
London	60	27	0.45	38	0.63	12	0.20	77	1.28
Sidra	58	64	1.10	150	2.59	23	0.40	237	4.09
Alia	55	48	0.87	121	2.20	46	0.84	215	3.91
Total	1,375	1,123	0.82	3,305	2.40	687	0.50	5,115	3.72

- Dar Al Shifa and Taiba has the highest ratio of doctors and nurses per bed
- Dar Al-Shifa, Al Seef and Al Salam hospitals are mainly focused on OPD centric model of services and have significant amount of manpower in general surgery and emergency departments as compare to other hospitals.
- Apart from above 3 hospitals, other hospitals mainly have an specialty based services for example Royale Hayat is the largest private hospital in terms of number of beds in Kuwait but it mainly specializes in maternity and child birth services.

(Source: MoH Annual Health Report 2020)

HEALTHCARE STATISTICS PUBLIC SECTOR – MoH

HEALTHCARE STATISTICS – PUBLIC SECTOR

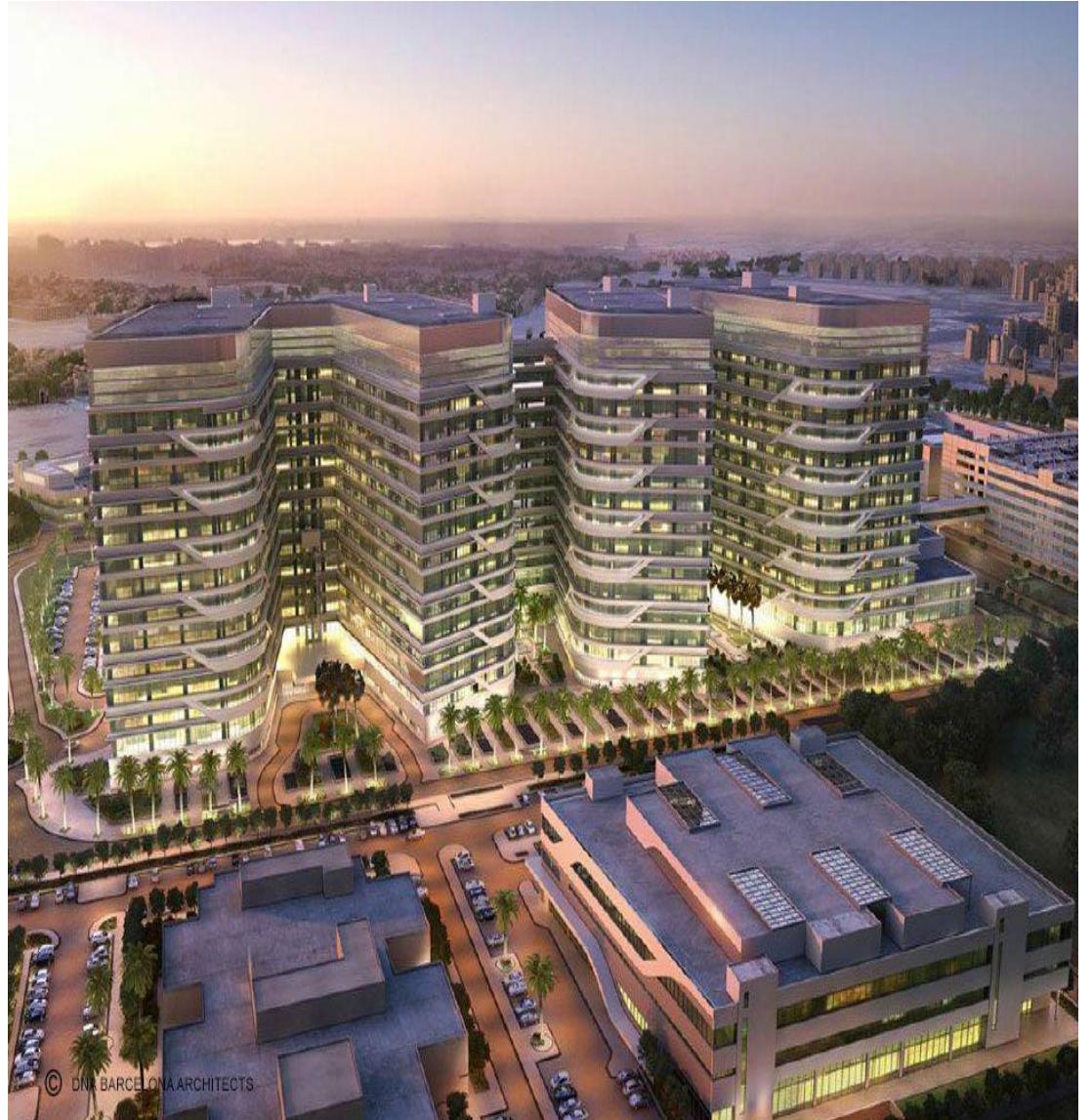


Kuwait's public sector healthcare facilities are managed by Ministry of Health, Kuwait which also issues all the licenses and guidelines for the public as well as private sector healthcare providers. More than 70% of the healthcare market in Kuwait is derived from MoH operated facilities. This is because most of the labor class expatriates including domestic workers use MoH facilities due to higher affordability as compare to the private hospitals.

Kuwait government provide 3 tier healthcare which is:

- **Primary care** - offered through over 100 health centers spread across Kuwait and include services like general medicine, childcare, dentistry, maternity care and preventive medicine.
- **Secondary Care** – provided through 6 public hospitals namely Al-Amiri, Al-Adan, Al-Sabah, Mubarak Al Kabeer, Al-Farwaniya and Al-Jahra hospitals
- **Tertiary Care** – it is offered through specialized hospitals and medical centers like Ibn Sina, Al-Razi, Kuwait Cancer Control Center etc.

As per 2020 MoH Annual Health report, there are 8,377 beds in 21 hospitals operated by Ministry of Health – 5,104 beds in General hospitals and 3,273 beds in specialized hospitals.



© DNA BARCELONA ARCHITECTS

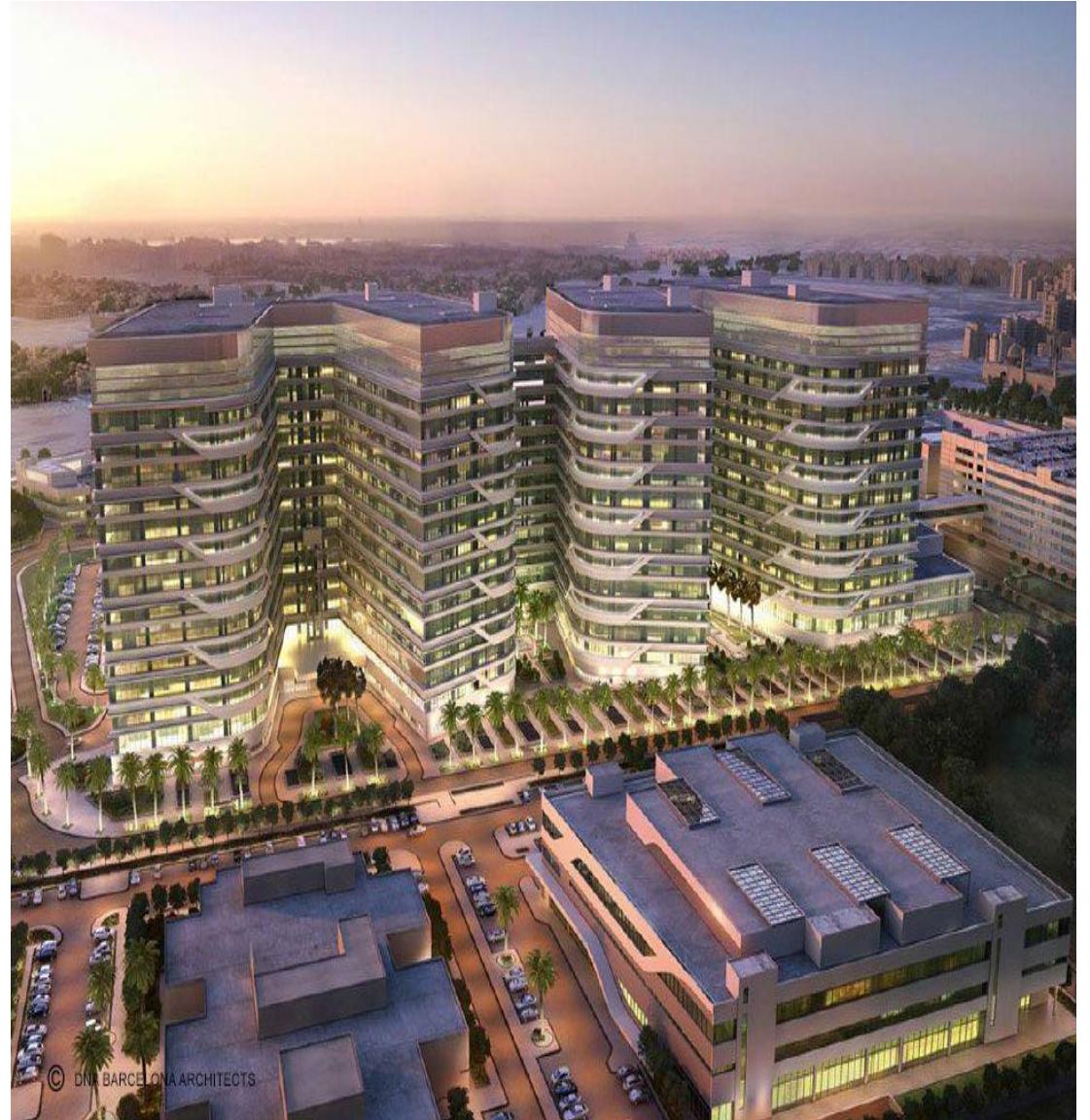
HEALTHCARE STATISTICS – PUBLIC SECTOR



MOH have six general hospitals (one in each health region) plus the specialized Sabah Medical Centre (including the Sabah General Hospital), 14 specialized hospitals; 98 primary health care clinics and 83 diabetic clinics. As per 2020 statistics, a total of 61,353 individuals works in the Ministry of Health.

44% of the outpatient visits to MoH hospitals were in Farwaniya, Adan and Jahra hospital. 67% of the total outpatient visits in MoH hospitals were Kuwaiti compare to 33% outpatient visits to MoH hospitals by Expatriates.

In 2020, primary health care centres in Kuwait attracted a total of approximately 11.1 million patient visits. Of these 64.1% were Kuwaitis and 35.9% were non-Kuwaitis. The maximum number of patient visits was in Ahmadi health region (24.9%) and the minimum was in the Capital health region (14.7%). This is mainly due to covid-19 pandemic and due to the fact that most number of expatriate labor class workers are populated in Ahmadi health region.

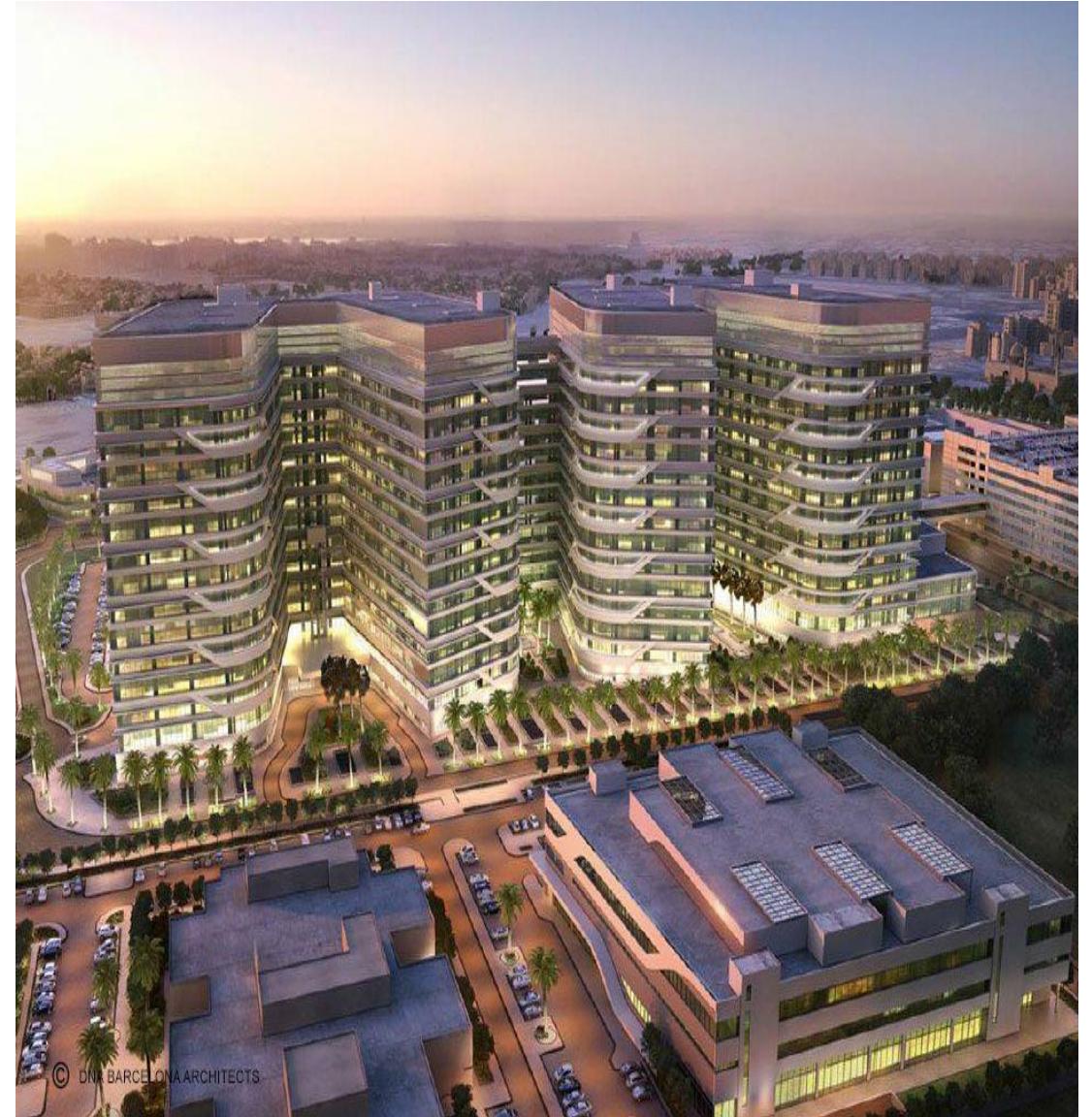


HEALTHCARE STATISTICS – PUBLIC SECTOR



Hospitals	No. of Beds (2018)
General Hospitals	
Al-Sabah	370
Al-Amiri	513
Mubarak Al-Kabir	678
Al-Farwania	848
Al-Adan	810
Al -Jahra	818
Jaber	1,067
Specialized Hospitals	
Al-Razi	339
Physical Med. & Rehab	71
Maternity	406
Chest Disease	327
Infectious Disease	173
Psychological Medicine	613
Ibn Sina	355
Kuwait Cancer Control Center	218
Allergy Center	
Palliative Care	30
Sabah Al- Ahmad Urology Center	96
Zain	96
Addiction	275
National Bank Hospital	62
Razi Tower	212
Total	8,377

(Source: CSB Annual Kuwait Health Statistics 2020)

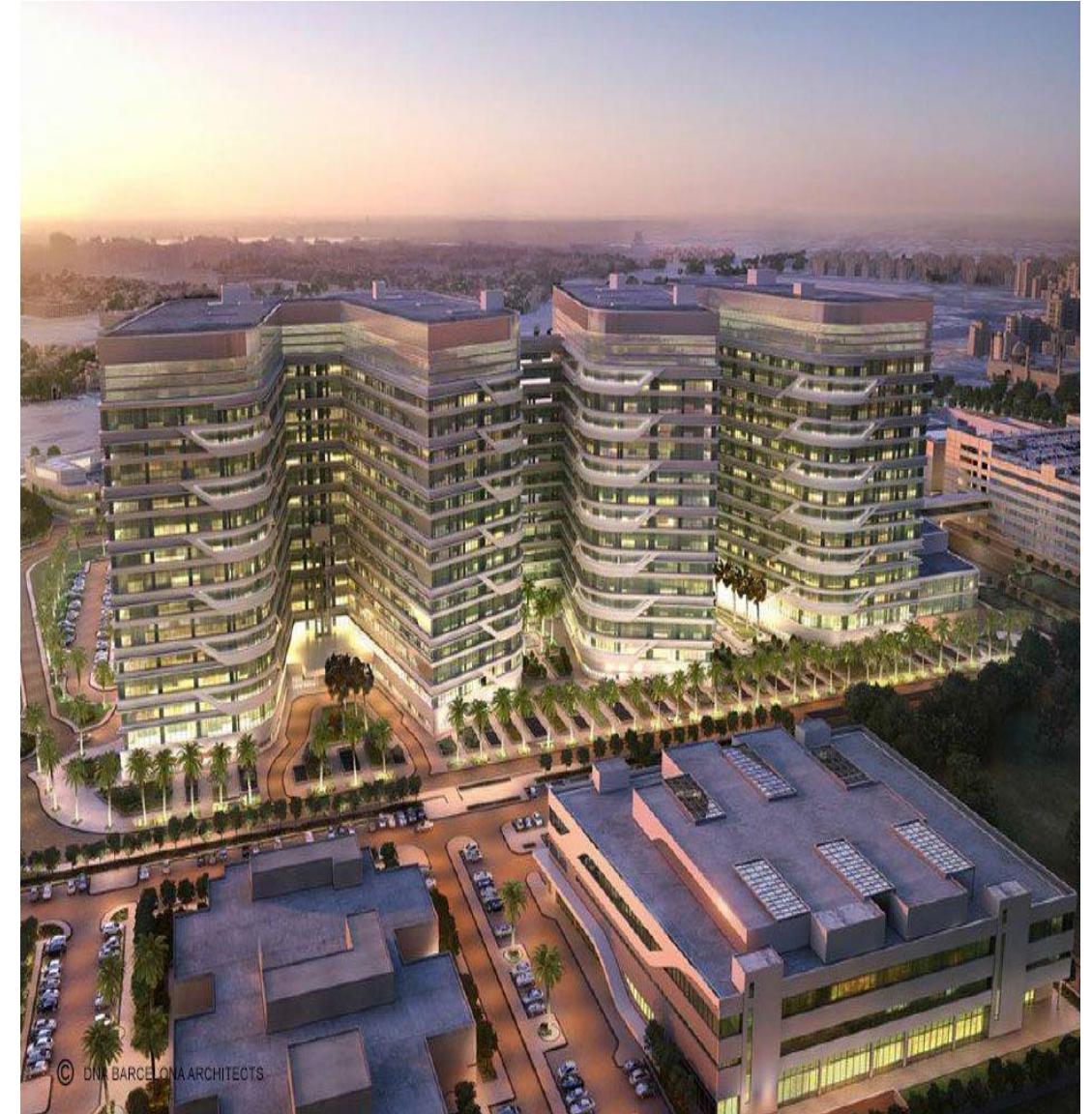


HEALTHCARE STATISTICS – PUBLIC SECTOR



Category	Expenditure in 2020 (in KD)
Medicines	293,617,768
Equipment	96,386,199
Laboratories	50,650,005
Medical Disposables	36,312,905
Total	476,966,877

- In 2019, the total expenditure was KD 509.6mn. Kuwait government also spent around KD 300 million in 2019 for the patients sent abroad for the treatment of critical diseases for which no facilities are available in Kuwait.
- MoH also provides afya insurance to more than 117,000 retirees in Kuwait which can be used for services in private hospitals.



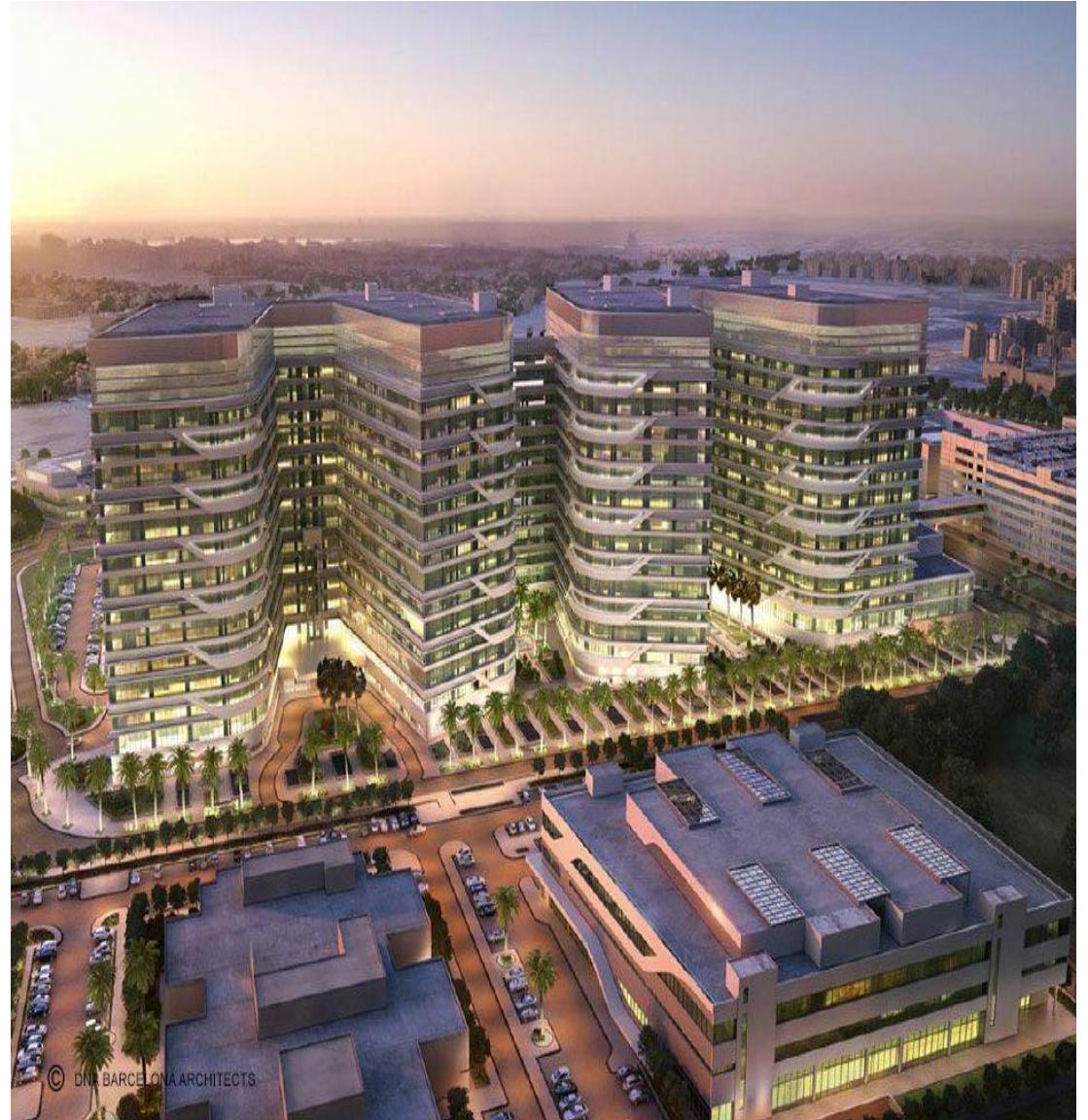
(Source: CSB Annual Kuwait Health Statistics)

HEALTHCARE STATISTICS



Beds per 1,000 Population

Years	MOH	Private	Total
2011	1.8	0.3	2.0
2012	1.8	0.3	2.1
2013	1.8	0.3	2.2
2014	1.8	0.3	2.1
2015	1.8	0.3	2.1
2016	1.7	0.3	2
2017	1.7	0.3	2
2018	1.6	0.3	1.9
2019	1.7	0.2	1.9
2020	1.9	0.3	2.2



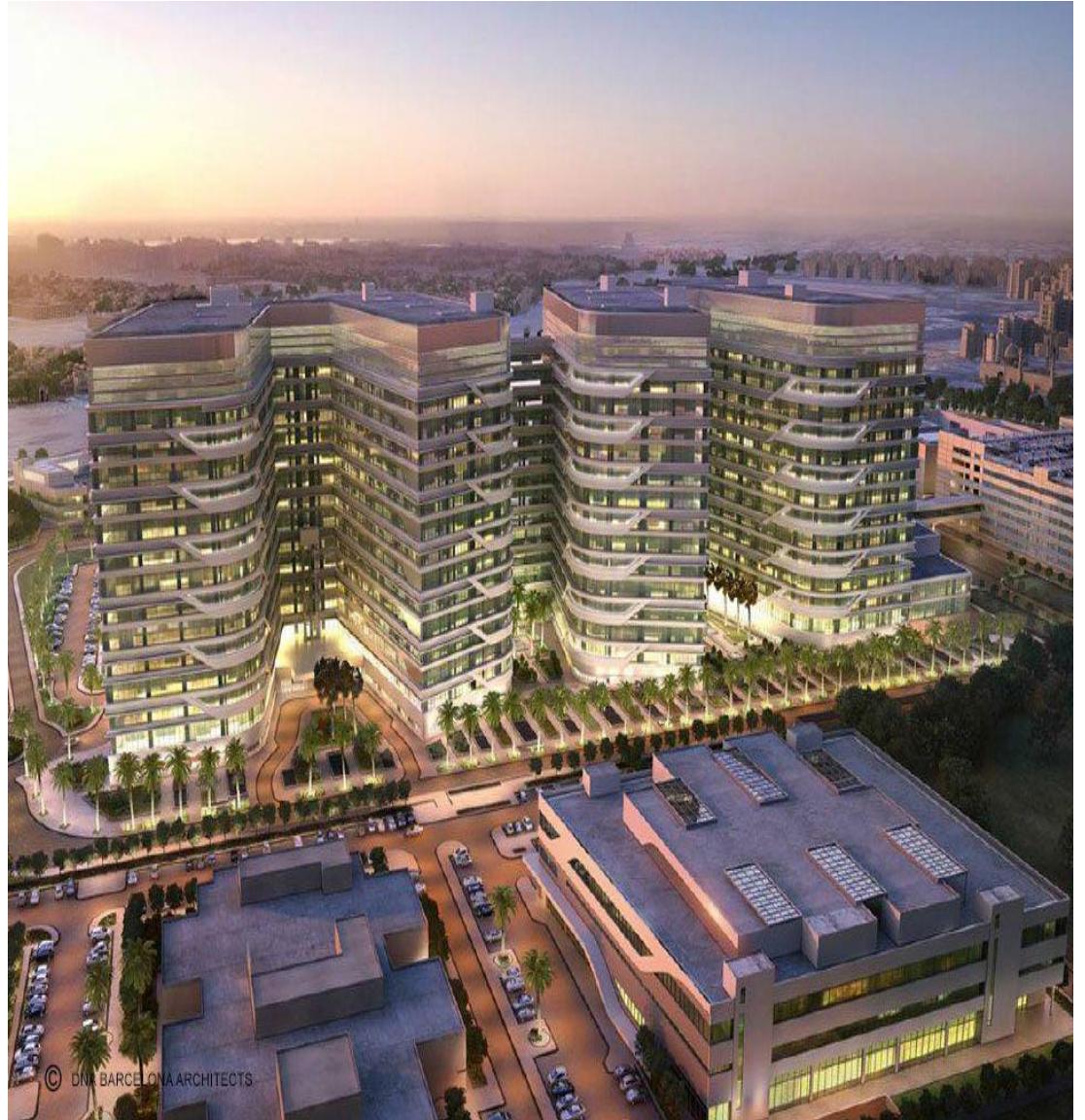
(Source: CSB Annual Kuwait Health Statistics)

HEALTHCARE STATISTICS



Rate of Physicians per 1,000 Population

Years	MOH	Private	Total
2011	1.9	0.6	2.4
2012	1.9	0.6	2.5
2013	2.0	0.6	2.6
2014	2.1	0.6	2.7
2015	2.2	0.6	2.9
2016	1.9	0.5	2.4
2017	1.9	0.5	2.4
2018	1.9	0.4	2.4
2019	2.1	0.6	2.7
2020	2.3	0.9	3.2



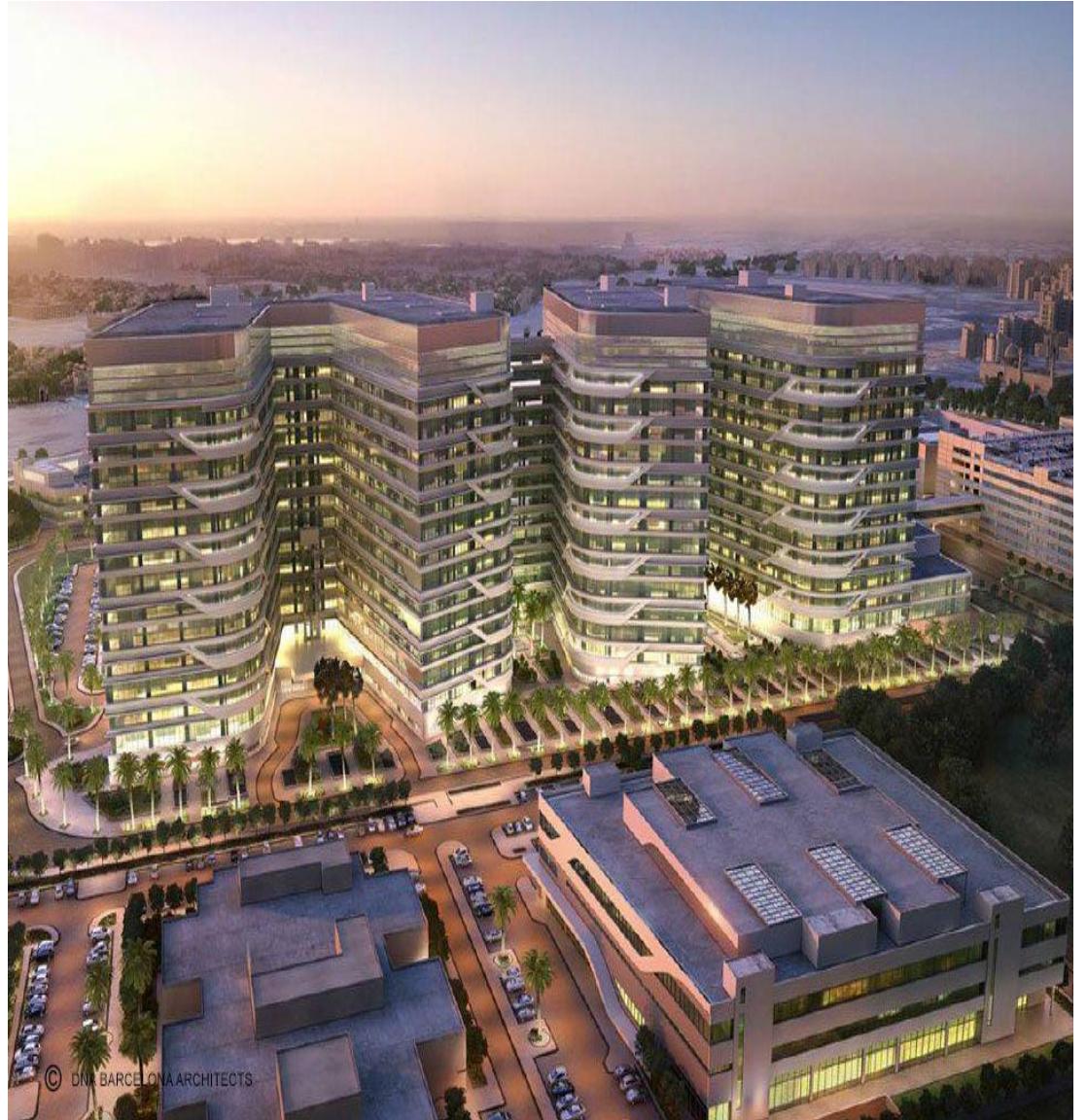
(Source: CSB Annual Kuwait Health Statistics)

HEALTHCARE STATISTICS



Rate of Nurses per 1,000 Population

Years	MOH	Private	Total
2011	3.9	1.1	5
2012	4.3	1.2	5.5
2013	4.4	1.2	5.7
2014	4.3	1.3	5.6
2015	4.3	1.3	5.6
2016	4.5	1.4	5.9
2017	5	1.5	6.6
2018	5.2	1.3	6.5
2019	4.9	1.9	6.9
2020	5.0	2.9	7.9

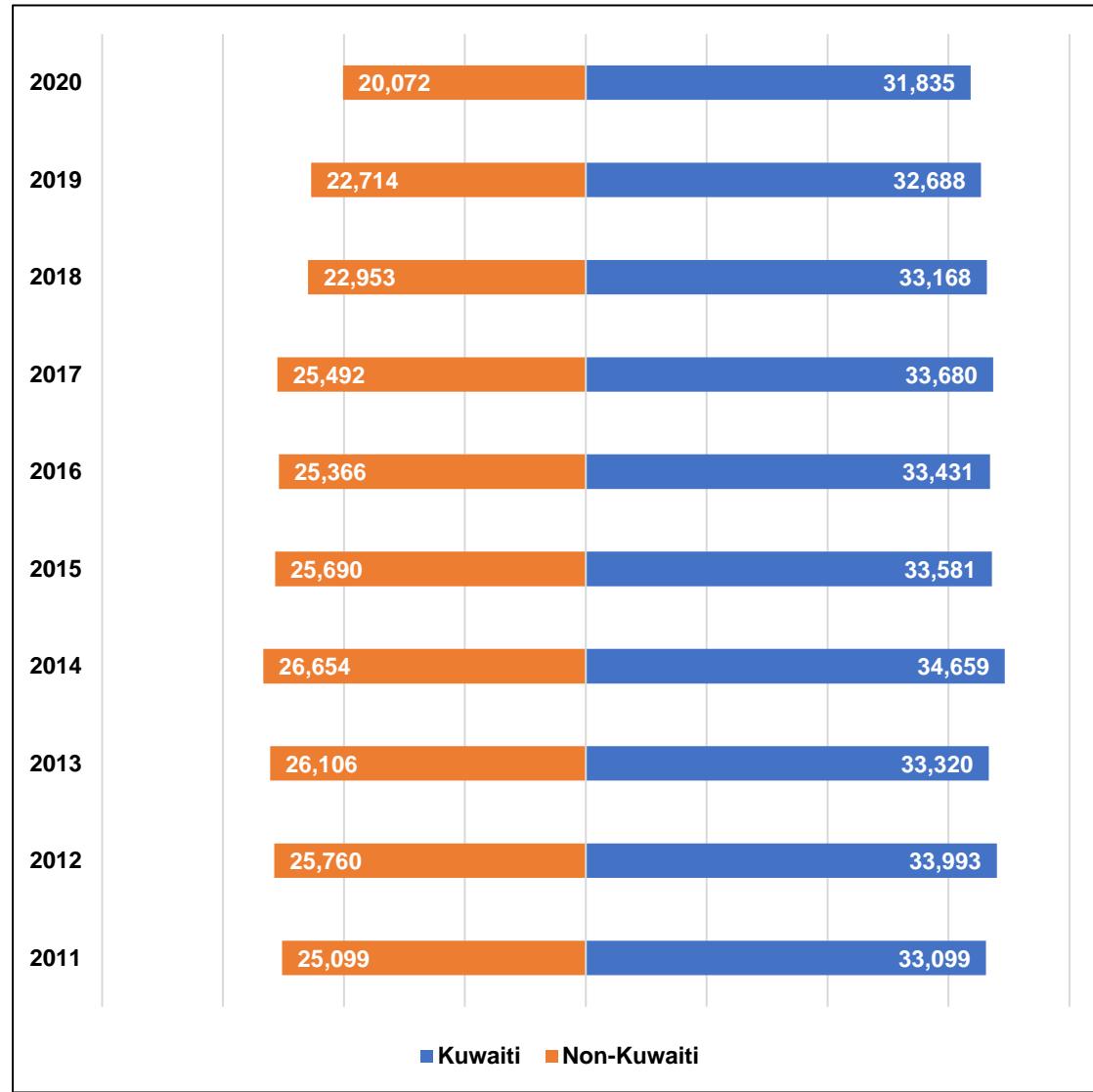


(Source: CSB Annual Kuwait Health Statistics)

HISTORICAL BIRTHS STATISTICS



Year	Kuwaiti	Non-Kuwaiti	Total
2011	33,099	25,099	58,198
2012	33,993	25,760	59,753
2013	33,320	26,106	59,426
2014	34,659	26,654	61,313
2015	33,581	25,690	59,271
2016	33,431	25,366	58,797
2017	33,680	25,492	59,172
2018	33,168	22,953	56,121
2019	32,688	22,714	55,402
2020	31,835	20,072	51,907

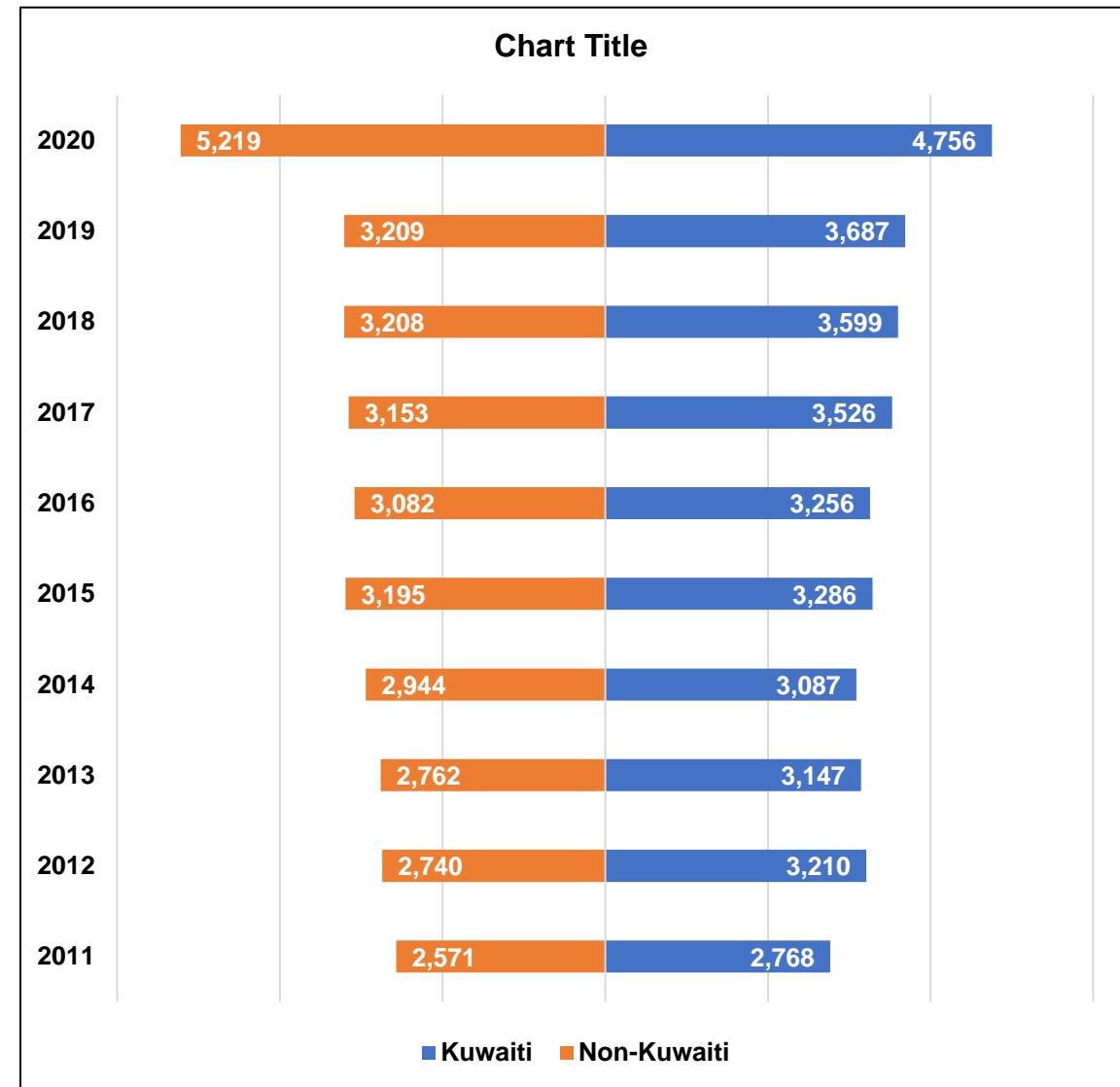


(Source: PACI)

HISTORICAL DEATH STATISTICS



Year	Kuwaiti	Non-Kuwaiti	Total
2011	2,768	2,571	5,339
2012	3,210	2,740	5,950
2013	3,147	2,762	5,909
2014	3,087	2,944	6,031
2015	3,286	3,195	6,481
2016	3,256	3,082	6,338
2017	3,526	3,153	6,679
2018	3,599	3,208	6,807
2019	3,687	3,209	6,896
2020	4,756	5,219	9,975



(Source: PACI)

KUWAIT DEMOGRAPHICS



Kuwait, officially State of Kuwait, is a country in the Middle East known mainly for its rich oil reserves and is one of the biggest oil supplier in the world. Kuwait is bordered by Iraq in the north and Saudi Arabia in the South. Kuwait forms part of a 6 countries Gulf Cooperation Council (GCC) along with Saudi Arabia, UAE, Bahrain, Qatar and Oman.

Kuwait has a high-income economy backed by the world's sixth largest oil reserves. The Kuwaiti dinar is the highest valued currency in the world.

As of 2021, Kuwait has a population of **4.4 million comprising 34% Kuwaitis and 66% expatriate population**. The majority of expatriates are workers, small business owners, laborers and domestic helpers.

Kuwait is divided in 6 governorates:

- Capital
- Farwaniya
- Hawalli
- Ahmadi
- Jahra
- Mubarak Al Kabeer

(Source: PACI)



KUWAIT GOVERNORATES



Capital – Capital governorate consists mainly of commercial areas such as Sharq, Maliya, Shuwaikh and Shuwaikh industrial area. The residential areas in capital governorate include Dasma, Daiya, Bneid Al Qar, Shamiya etc. which are mainly Kuwaitis residential areas.

The hospital is located in Sharq in the capital governorate and is easily accessible through Gulf Road (route 25) which is further connected to different ring roads of Kuwait.

Farwaniya – Farwaniya mainly include residential areas of expatriate population which are Farwaniya, Khaitan, Jleeb Al Shuyoukh and Kuwaiti residential areas of Firdous, Andalous and Ardiyah. The main commercial areas in the governorate are Ardiyah Industrial, Dajeej, Al Rai, Jleeb Al Shuyoukh and Farwaniya. Kuwait International Airport is also located in Farwaniya Governorate.

Hawalli – Hawalli governorate is mainly a residential area comprising both the Kuwaitis and expatriate population. It includes areas residential areas of maidan Hawalli, Salmiya, Rumaithiya, Salwa, Shaab, Bayan, Jabriya etc. all these are dominantly Kuwaiti population with very high net worth.



(Source: PACI)

KUWAIT GOVERNORATES

Ahmadi - It is located in the southern part of the country and is famous in Kuwait for its greenery and British architecture. Ahmadi forms an important part of Kuwaiti economy as several of Kuwait's oil refineries are located here. Main residential areas include Fahaheel, Abu Halifa, Riqqah and Mangaf. It also contains farmlands of Wafra and borders Saudi Arabia in south and west.

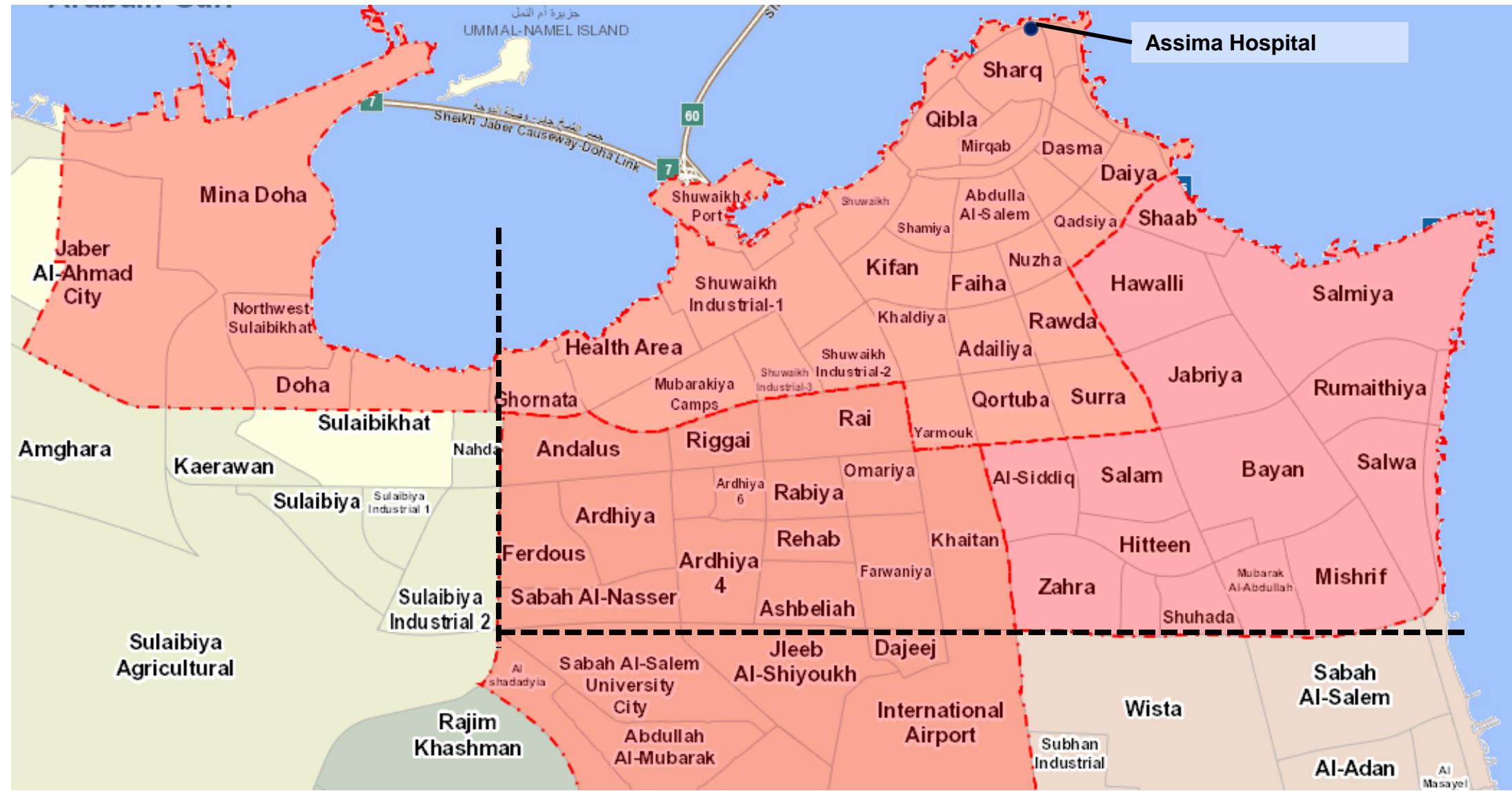
Jahra - It is the largest Governorate in Kuwait. It includes the town of Al-Jahra, most of the northern and western parts of Kuwait, several islands (among them Bubiyan Island) and other suburb desert areas. Jahra includes farmlands like Abdali and Kabd and industrial areas such as Amgara. In Mutla'a areas one of Kuwait's biggest housing project is under way and is an important area of Kuwait's vision 2035.

Mubarak Al Kabeer – this is the newest Kuwait governorate which mainly houses residential areas of Kuwait City. It was formed in 2000 when the Hawalli Governorate was split in two. Qurain, Mubarak Al Kabeer, Adan, Qusoor and Sabah al Salem are biggest areas in this governorate.



(Source: PACI)

ASSIMA HOSPITAL – TARGET AREAS



(Map Source: PACI)

KUWAIT – POPULATION DEMOGRAPHICS

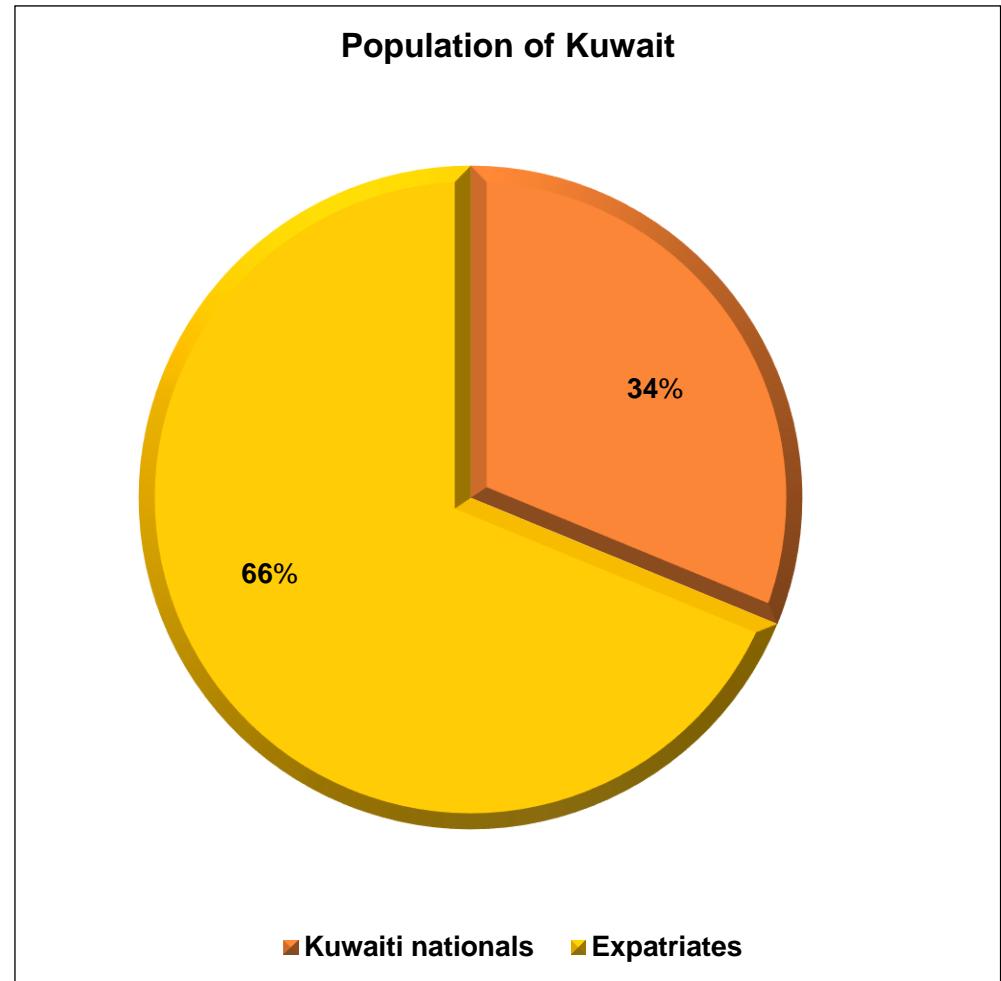


As of 2021, Kuwait has a population of 4.46 million comprising 34% Kuwaitis and 66% expatriate population. Most Kuwaitis live in the governorates of Capital, Hawalli, and Farwaniya. 75% of the population is between age 15 to 60 years. The children age 0-14 years comprise 19% of the population whereas rest of the 6% population is above 60 years age.

The ratio Kuwaiti male to female population is 49% male and 51% female. Over the past 10 years, the Kuwaiti population has grown at CAGR of 2.5% and is expected to grow at same rate over the next 10 years. Life expectancy among Kuwaitis are very high at 77 years and is one of the highest in the world.

Expatriate population belongs to several ethnic groups and regions. The major expatriate nationalities are Indians, Egyptians, Philippines, Bangladesh, Syria, Iran, Lebanon etc. among others. More than 70% of expatriates are workers, small business owners, laborers and domestic helpers.

Expatriate female population is only 1/3rd of total expatriate population and mainly consists of domestic helpers and housewives.

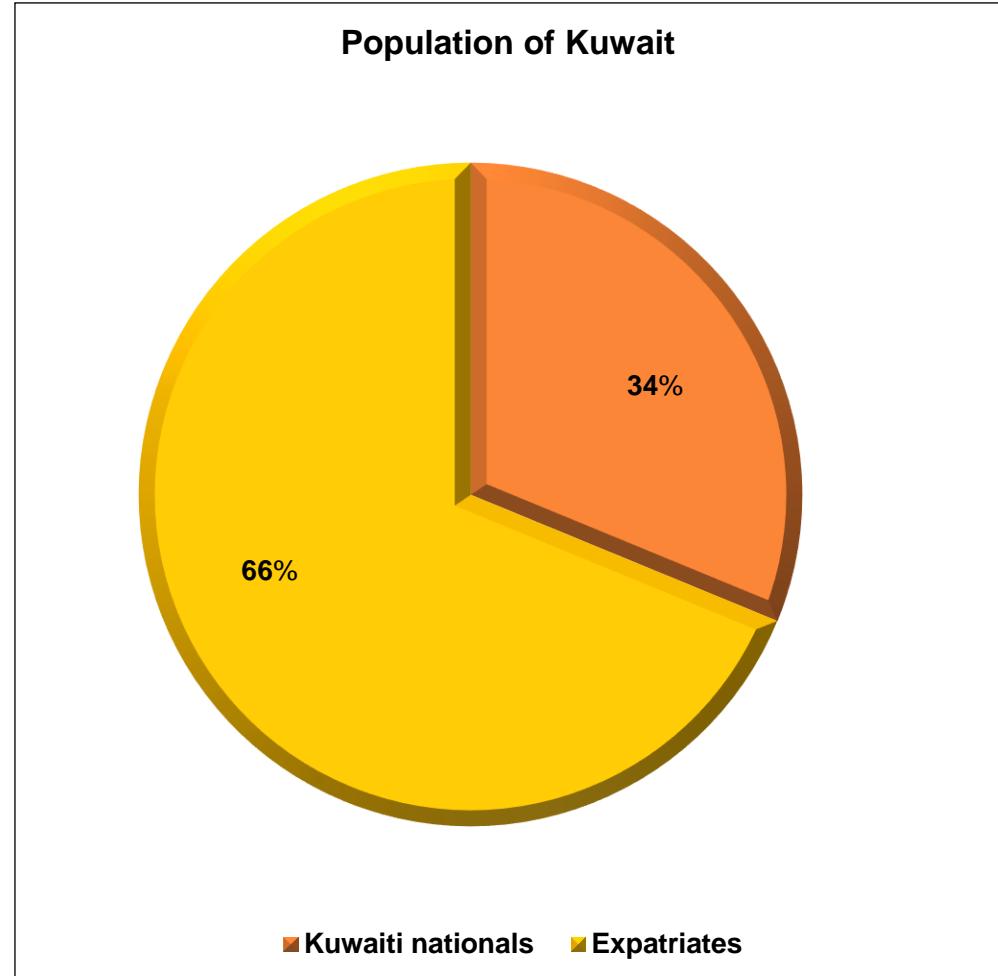


(Source: PACI)

KUWAIT – POPULATION 2021



Governorate	Kuwaiti	Non-Kuwaiti	Total
Capital	285,581	302,594	588,175
Hawalli	245,393	696,037	941,430
Farwaniya	245,914	872,507	1,118,421
Ahmadi	334,073	610,229	944,302
Jahra	213,520	365,110	578,630
Mubarak Al-Kabeer	177,394	111,412	288,806
Total	1,502,138	2,962,289	4,464,427

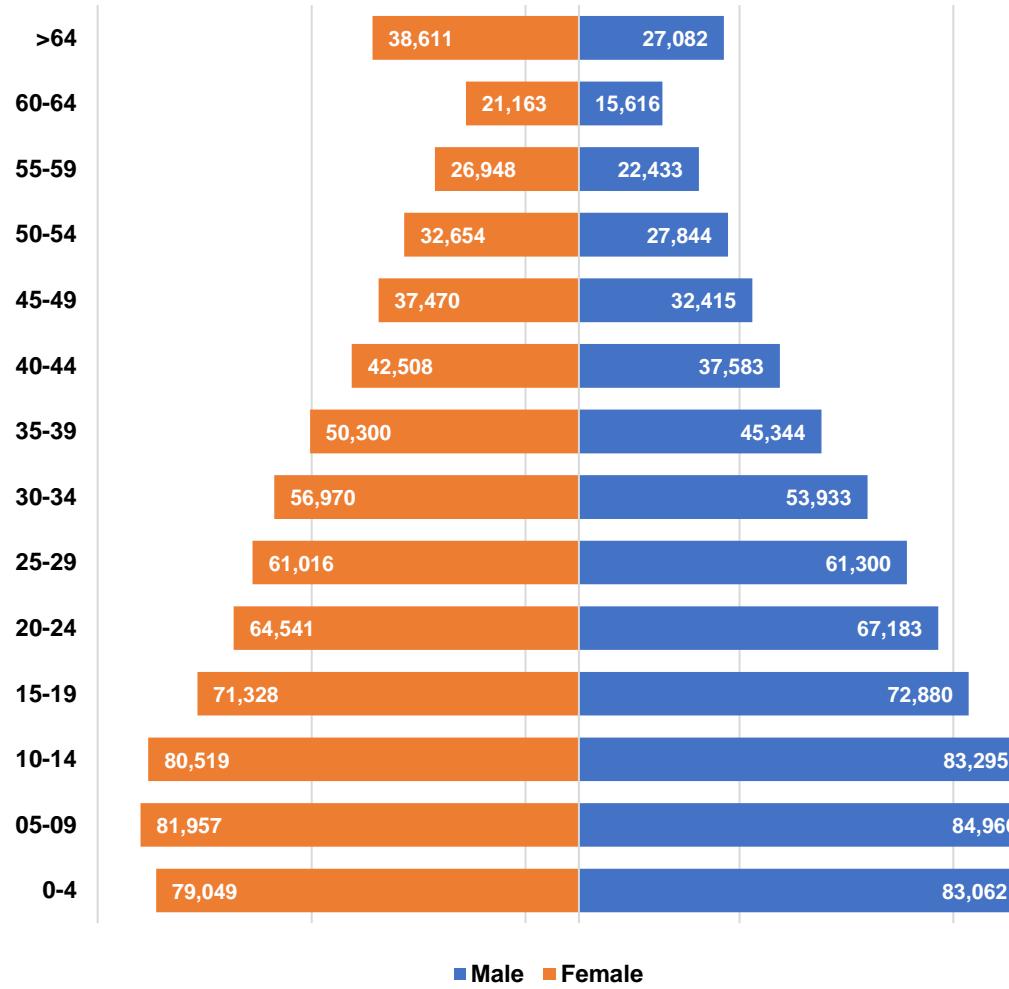


(Source: PACI)

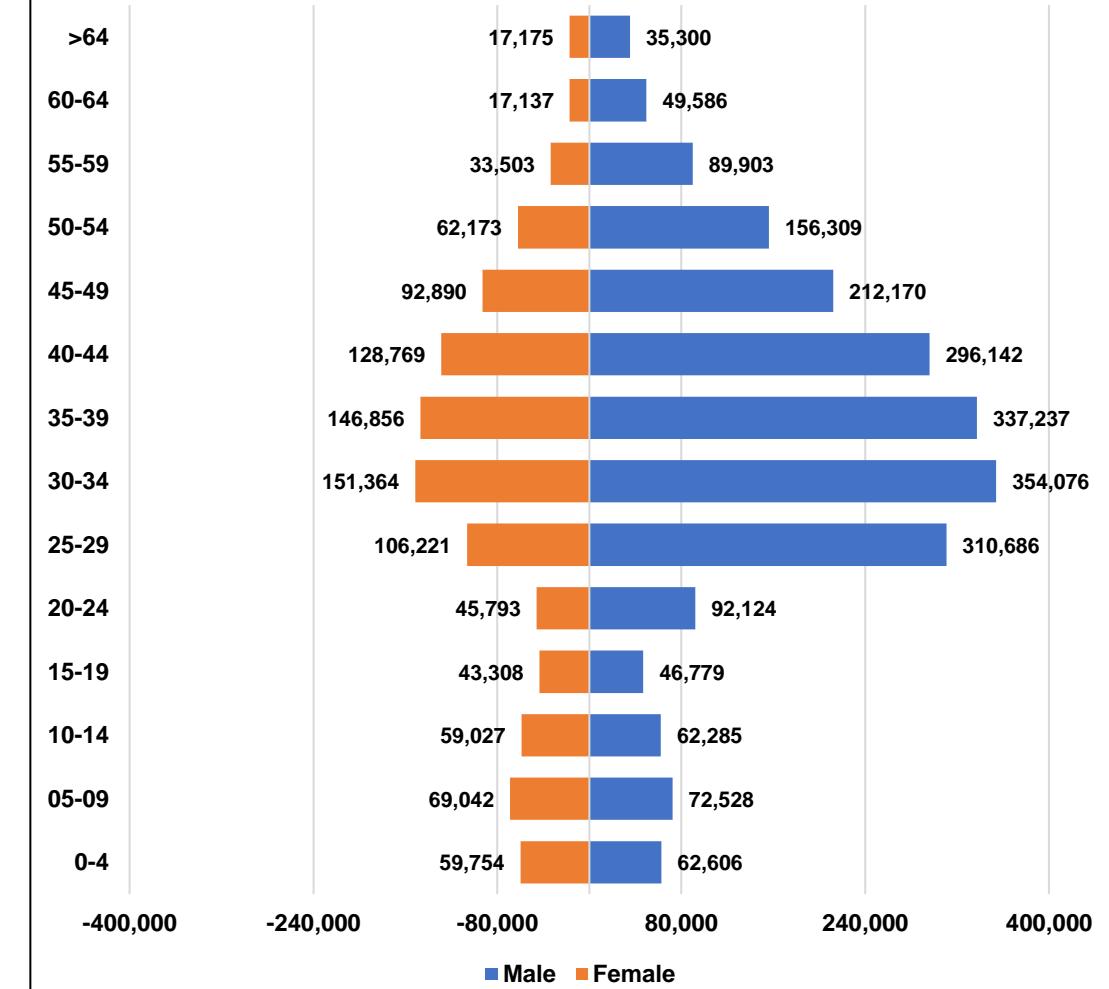
AGE-WISE POPULATION DISTRIBUTION – 2021



Kuwaiti Population



Expatriate Population



(Source: PACI)

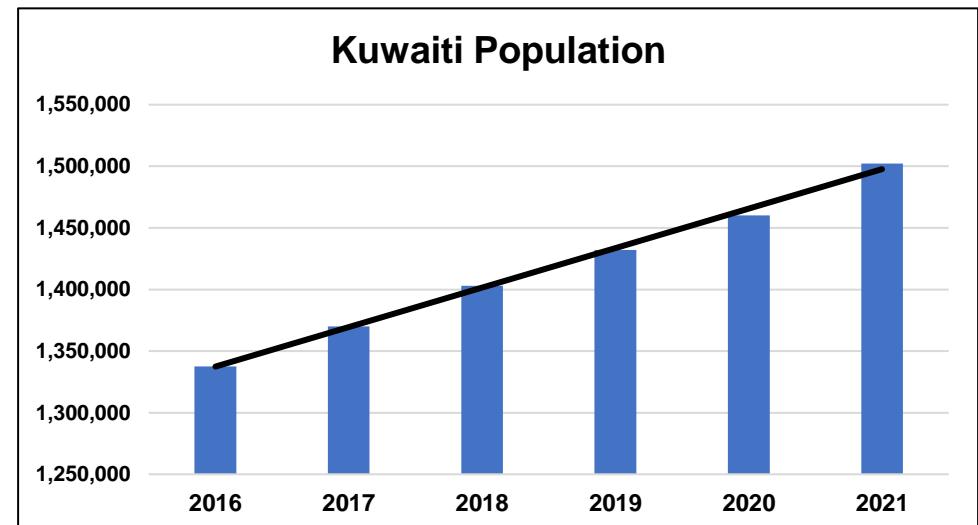
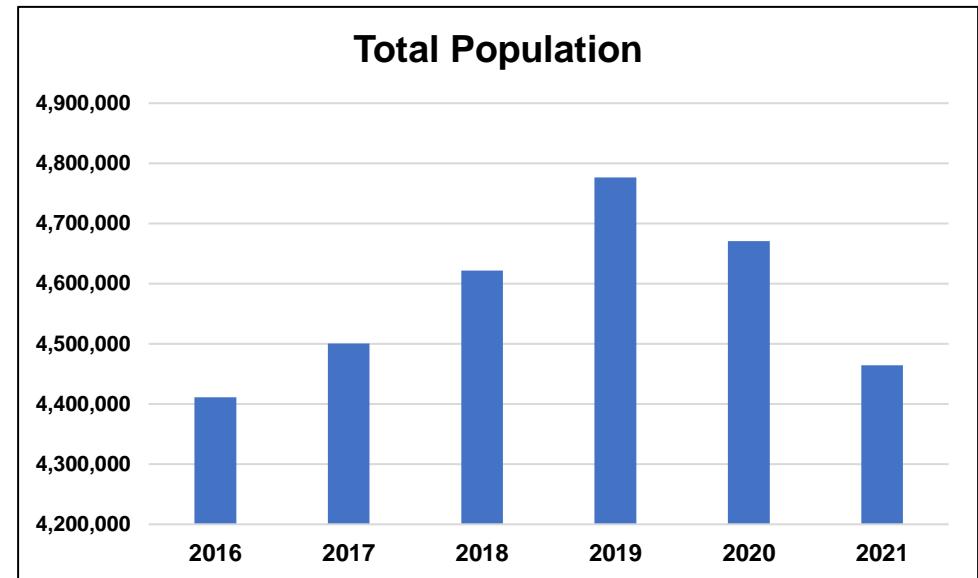
KUWAIT – HISTORICAL POPULATION



	2016	2017	2018	2019	2020	2021
Kuwaiti						
Male	656,084	671,012	686,475	700,742	714,936	736,514
Female	681,609	699,001	716,638	731,303	745,034	765,624
Total	1,337,693	1,370,013	1,403,113	1,432,045	1,459,970	1,502,138
Non-Kuwaiti						
Male	2,089,302	2,167,409	2,253,768	2,303,549	2,177,731	1,962,404
Female	984,129	963,054	964,757	1,040,813	1,033,012	999,885
Total	3,073,431	3,130,463	3,218,525	3,344,362	3,210,743	2,962,289
Total Population	4,411,124	4,500,476	4,621,638	4,776,407	4,670,713	4,464,427

Over the past 10 years, the Kuwaiti population has grown at CAGR of 2.35% and is expected to grow by at least 2.5% over the next 10 years.

The expatriate population has decreased over last two years mainly due to the cancellations of residencies during covid-19 pandemic and restriction on issuance of new residency visas. However, with the increase in requirement of labor class jobs in Kuwait market post pandemic, it is expected that the expatriate population will grow although at a minimal rate of 1% per annum.



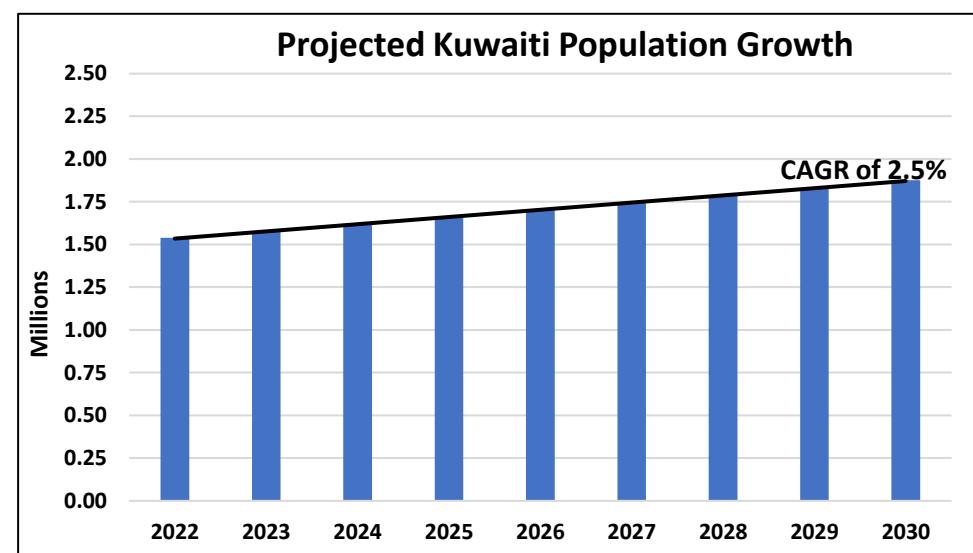
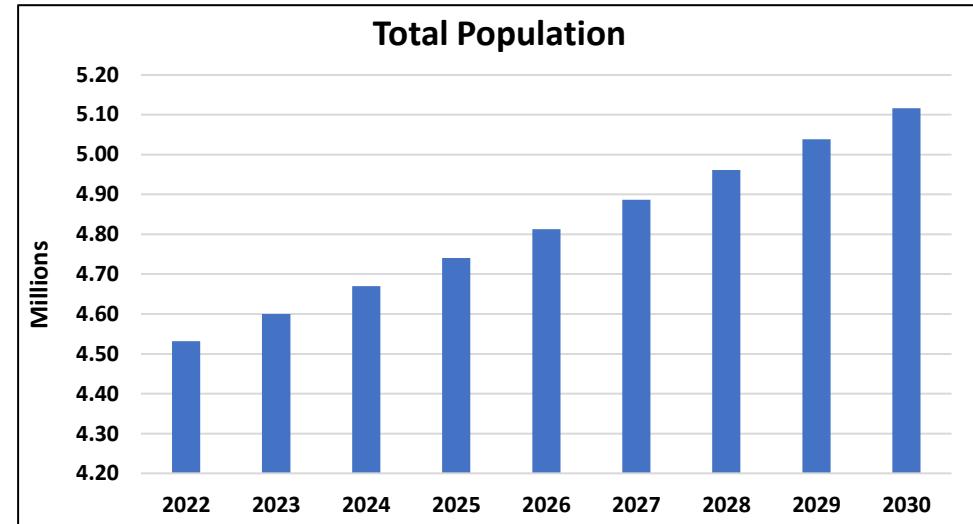
(Source: PACI)

KUWAIT – PROJECTED POPULATION



	2022	2023	2024	2025	2026
Kuwaiti					
Male	754,927	773,800	793,145	812,974	833,298
Female	784,765	804,384	824,493	845,106	866,233
Total	1,539,691	1,578,184	1,617,638	1,658,079	1,699,531
Non-Kuwaiti					
Male	1,982,028	2,001,848	2,021,867	2,042,085	2,062,506
Female	1,009,884	1,019,983	1,030,183	1,040,484	1,050,889
Total	2,991,912	3,021,831	3,052,049	3,082,570	3,113,396
Total Population	4,531,603	4,600,015	4,669,688	4,740,649	4,812,927

	2027	2028	2029	2030	Growth p.a.
Kuwaiti					
Male	854,130	875,484	897,371	919,805	
Female	887,889	910,086	932,839	956,159	
Total	1,742,020	1,785,570	1,830,209	1,875,965	2.5%
Non-Kuwaiti					
Male	2,083,131	2,103,963	2,125,002	2,146,252	
Female	1,061,398	1,072,012	1,082,732	1,093,559	
Total	3,144,529	3,175,975	3,207,735	3,239,812	1.0%
Total Population	4,886,549	4,961,545	5,037,944	5,115,776	1.5%



(Source: PACI)



Kuwait has a geographically small, but wealthy, relatively open economy with crude oil reserves of about 102 billion barrels - more than 6% of world reserves.

Kuwait's GDP in 2020 is expected to reach \$131 bn. Petroleum accounts for over half of GDP, 92% of export revenues, and 90% of government income.

In terms of GDP value, Kuwait is fourth in GCC after KSA, UAE and Qatar and account for only 8% of total GDP of the GCC region. Globally, Kuwait's GDP value is 0.11% of total global GDP.

Kuwait's annual per capita income is around KD 10,000 however this is higher for Kuwaitis only as KD 10,000 per capita takes into account expatriate population also which is mainly labor class.

Kuwait's public finances were relatively healthy until 2020, with a debt-to-GDP ratio of 19.3% that year.



(Source: [World Bank](#), [Trading Economics](#))



Government spending is also expected to increase in the coming years amid plans to boost credit, employment and wages. At the same time, tax collection remains low as the government has delayed the introduction of a VAT. Despite Kuwait's dependence on oil, the government has cushioned itself against the impact of lower oil prices, by saving annually at least 10% of government revenue in the Fund for Future Generations.

The country depends particularly on imports of food products, consumer goods and semi-finished products. Imports have increased quickly in recent years due to the country's undertaking of large projects and a high private consumption demand.

Agriculture is very limited in the country due to lack of water and fertile land. The agricultural sector is constituted mainly by fishing activities and contributed only 0.5% to the GDP, employing 2% of the workforce in 2020.



(Source: [World Bank](#), [Trading Economics](#))

KUWAIT – ECONOMY



By 2030, Kuwait is planning to invest more than USD 87 billion in the oil sector, especially in creating new oil refineries. Overall, the industrial sector contributed more than half of GDP (57.5%) and employed 24% of the total workforce in 2020.

The services sector represented around 54.2% of the GDP and employed 74% of the active population in 2020. The most important sub-sectors are mostly real estate and financial services.

As per an IMF report, Inflation is forecasted to reach 2.3% in 2021 and 2.5% in 2022.



(Source: [World Bank](#), [Trading Economics](#))

KUWAIT – CLIMATE



In Kuwait, there's a subtropical desert climate, with mild winters and very hot summers. The sun usually shines all year round.

Rainfall, occurs mainly from November to April, in the form of rare showers, which can sometimes be so intense and concentrated as to cause flooding.

Winter, from December to February has daily average temperature of 13.5 degrees Celsius. Nights are cool, on average about 8/10 °C, but sometimes, the temperature can drop to 0 °C. Days are mild or pleasantly warm, around 19 °C in January and 21/22 °C in December and February, but the temperature can reach even lower when the wind blows from the south.

In spring, the prevailing weather is sunny; the temperature rises rapidly, and already in April, highs are around 40 °C. The wind from the Arabian desert can raise the temperature and bring sandstorms. As early as in April, it can exceed 40 °C, while in May, it exceeds 45 °C.

Season	Months	Avg. Temperature
Summer	May to August	45 °C to 50 °C
Winter	December to February	13 °C to 19 °C
Spring	March to April	35 °C to 40 °C



(Source: [Kuwait Meteorological Center](#))

KUWAIT – CLIMATE



Summer in Kuwait is scorching hot and windy; the prevailing wind blows from the interior, and therefore the influence of the sea is minimal. From June to August, the temperature is normally around 45 °C to 50 °C during the day and around 30 °C to 35 °C at night. High-temperature records are around 55 °C. Relative humidity is very low (it often falls below 10%), and in combination with the wind, it can cause dehydration.

September and October are most humid months with humidity mostly over 60%. The sea and land breezes occur much during this period and the clouds begin to increase. It is noted that the weather is exhausting summer if the winds are humid south easterly whereas the weather becomes refreshing autumn if the winds are north westerly. Fortunately, public buildings and hotels are equipped with air conditioning.

Such extreme weather conditions leads to many allergic and seasonal health problems including skin problems and respiratory problems.



(Source: [Kuwait Meteorological Center](#))

A photograph of a doctor's hands and part of their white coat. The doctor is holding a blue stethoscope. The background is a light blue gradient.

MARKET OUTLOOK

MARKET OUTLOOK – KUWAIT

Amidst the backdrop of ballooning government budget, Kuwait continues to experience growth of the healthcare sector. This will stimulate the development of new public-private initiatives such as those seen early on with Dhaman and Afya health insurance.

Kuwait has drastically increased the number of healthcare professionals and ramped up its health sector capital expenditure since its independence, but this growth has languished in the last twenty years. The Kuwaiti healthcare sector has not improved significantly in terms of quality and access. The burden of disease in Kuwait remains startlingly high, with some of the highest rates of obesity and diabetes in the world. This will have ripple effects on the country's medical infrastructure which, given the New Kuwait Vision 2035, is only now starting to meet the population demand in stride.

The slow-paced growth of the burgeoning private healthcare sector is driven by new medical centers, each looking to cement their own cosmetic or outpatient niche. Medical centers are in line with patient desires and a few even present quality and accreditation not seen in the public sector.

(Source: [Kuwait 2020 Health Report](#))



MARKET OUTLOOK – KUWAIT

Kuwait spends around 4% of its GDP on healthcare, while other countries of similar population size and GDP spend far more. This may have to do with the size of the private market in Kuwait compared to more developed nations. Illustrating this is the fact that Kuwait's primary driver of healthcare expenditure is the public sector, which accounts for 84% of the roughly 2.5 bn KD (\$8.23 bn) spent per year.

Meanwhile, the private sector within Kuwait spends roughly 150 mn KD (\$500 mn), which is dwarfed by the 188 mn KD (\$620 mn) that the Ministry of Health alone has budgeted in 2018. Moreover, it is reported that 313 mn KD (\$1.03 bn) to 1.37 bn KD (\$4.5 bn) was spent by the government on sending Kuwaiti patients abroad for treatment in the last five years alone.

It is necessary to delineate private vs. public health care usage in Kuwait. Kuwaiti nationals are entitled to free public health care, while all expatriates or their employer must pay a fee, albeit diminutive (50KD), with each residency renewal to access government health care. It should also be stated that the large majority of expatriates in Kuwait are male laborers that tend to earn less and hence use more of public healthcare.

(Source: [Kuwait 2020 Health Report](#))



MARKET OUTLOOK – PRIVATE HEATLHCARE SECTOR



There are 12 private hospitals in Kuwait, but the majority share of outpatient visits occurs in the older hospitals established in the 1960s & 1970s: Al-Salam, Dar Al Shifa, Al-Mowasat, Hadi. Relative to these, Taiba Hospital (est. 2002) has captured a good share of outpatient visits, but newer hospitals such as Al-Omooma (est. 2009) do not occupy a significant stake in the market.

There is also an abundance of new clinics that specialize in medical and cosmetic services around Kuwait, as the business model is in line with patient expectations. Private clinics and medical centers represent a burgeoning segment in Kuwait due to their alignment with patient demand as well as attractive operating income margins. This is reflected in the 25 new medical centers around Kuwait that are either completed (yet mostly empty) or nearing completion.

These medical centers contain 550 clinics & it is estimated around 500+ doctors will be employed in these new medical centers. The two specializations in highest demand are Obstetrics & Gynecology and pediatrics. Despite the growth of new medical centers and clinics, Kuwait's health care sector is still experiencing a shortage of physicians.

(Source: [Kuwait 2020 Health Report](#))



MARKET OUTLOOK – AFYA HEALTH INSURANCE



The Private Health Insurance Initiative, known colloquially as Afya, is also a prime example of Kuwait's movement towards increased privatization. The initiative aimed to provide insurance to retired Kuwaitis, usually over the age of 55, however, those citizens opting for early retirement may also qualify.

The Gulf Insurance Group (GIG) secured the first tender advertised by the government in 2016 and began offering "Afya" health insurance cards to approximately 123,000 individuals. Members are entitled up to KD17,000 per year of coverage, with the exclusion of cosmetic additions. As of July 2019, the second edition of the Afya health insurance, also won by GIG plan has expanded coverage to include removal of benign and malignant tumors/neoplasms, cardiac catheterization (including three stents per year), kidney stone removal, dental implants and crowns, and joint articulation with prosthetics.

This is a highly strategic move, as Kuwait's elderly population is gradually increasing in proportion along with this demographic's burden of disease.

(Source: [Kuwait 2020 Health Report](#))

 MOORE Kuwait

 Al Aiban & Al Qatami Co.
Advisory / Member of Grant Thornton



MARKET OUTLOOK – HEALTH INSURANCE



The medium-term outlook for Kuwait's insurance industry is positive, with both the life and non-life sectors expected to record steady premium growth. Most households can afford insurance and while there are significant gaps in cover, insurers are reaching more first-time users through the expansion of distribution channels and development of more market-appropriate products.

Major new entrants are unlikely, as the competitive landscape is already highly fragmented, though the market is open to foreign participation and there is room for consolidation among smaller, less well-capitalised providers.

Kuwait's insurance market was estimated to be \$0.16 billion in 2018 and is expected to grow steadily over the coming years specially due to reforms in health insurance sector.

The Kuwaiti market remains accessible to foreign insurers, with 100% foreign ownership permitted and the Kuwait Direct Investment Promotion Authority offering a one-stop shop to foreign applicants.

(Source: Oxford Business Group Kuwait 2019 Insurance Sector Outlook)



MARKET OUTLOOK – HEALTH INSURANCE



Insurance premium amounts to just 1.3% of GDP. The insurance sector has seen rapid growth in recent years. Total premium rose by 20% from KD347.3m (\$1.1bn) in 2016 to KD417.6m (\$1.4bn) in 2017, and by a further 7.5% to KD449.1m (\$1.5bn) in 2018, with approximately 1.8m people holding insurance policies.

Of the 31 local firms operating in Kuwait, non-takaful companies accounted for 72.1% of market premium in 2018. Within this figure, 87.5% was accounted for by five businesses. GIG and its subsidiary Gulf Insurance and Reinsurance Company dominated with a combined 59% share. Given its strength in the market, GIG has looked abroad for expansion, with investments in Egypt, Jordan, the UAE and elsewhere. The others holding positions in the top five are KIC (11%), Ahliya Insurance (10%) and Warba Insurance (7.5%). The many remaining players accounted for a combined 12.5% of local, non-takaful premium in 2018.

Pure, local takaful companies accounted for 20.4% of total premium in 2018.

(Source: Oxford Business Group Kuwait 2019 Insurance Sector Outlook)



MARKET OUTLOOK – HEALTH INSURANCE



Medical insurance made up 43.2% of market premium in 2018 and is outperforming other segments. The line received a boost as a result of the November 2017 announcement by the Ministry of Health and the Health Assurance Hospitals Company – a public-private venture created to handle the primary and secondary care needs of expatriates living in Kuwait – that the annual health insurance fee charged to foreign residents would rise 260% from KD50 (\$165) to KD130 (\$428).

Life insurance is a line with potential for growth, as corporate policies accounted for 10% of premium in 2018 and individual life policies for 2%.

In 2019 Kuwait's insurance companies continue to reinsure a relatively large portion of their risk, at around 50%, according to GIG, which compares to a regional average of 30%.

Given the competitive environment and low premium rates of recent years, excessive risk is likely to have built up in the sector. Profits have risen as premium income has been healthy, reinsurance costs low and investment income strong.



(Source: Oxford Business Group Kuwait 2019 Insurance Sector Outlook)

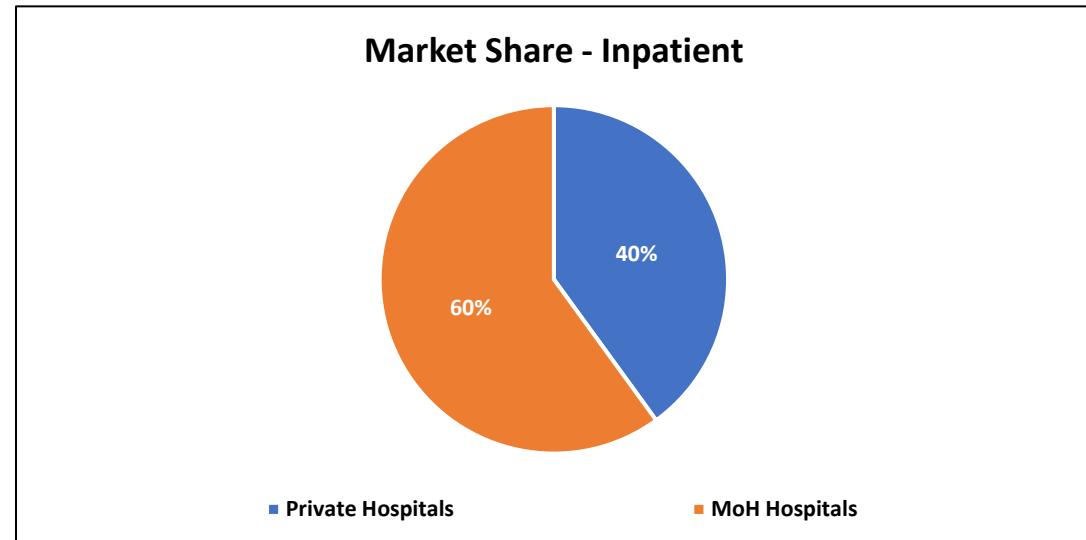
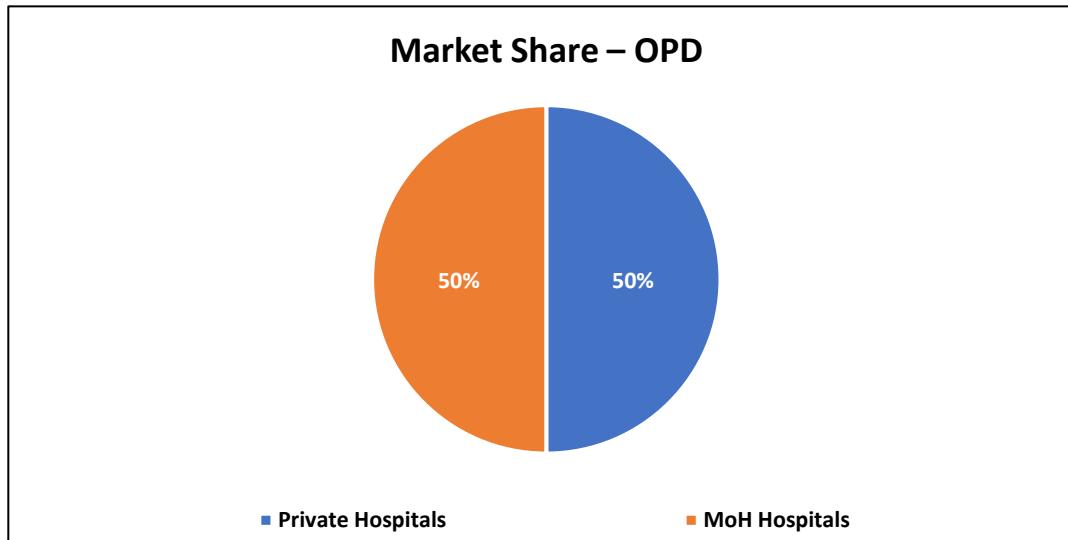
A photograph of a doctor's hands and a white lab coat. The doctor is holding a blue stethoscope. The background is a light blue.

COMPETITOR ANALYSIS

PRIVATE HEALTHCARE HOSPITALS



There are currently 14 Private Hospitals in Kuwait that acquires a significant share of the healthcare expenditure in Kuwait.



The above shows that for the Kuwaiti population, their healthcare requirements are met 50:50 by private sector and government sector. Further, over the last 5 years there have been a significant increase in the number of visits across both the private and government hospitals

(Source: CSB Annual Kuwait Health Statistics)

PRIVATE HEALTHCARE HOSPITALS

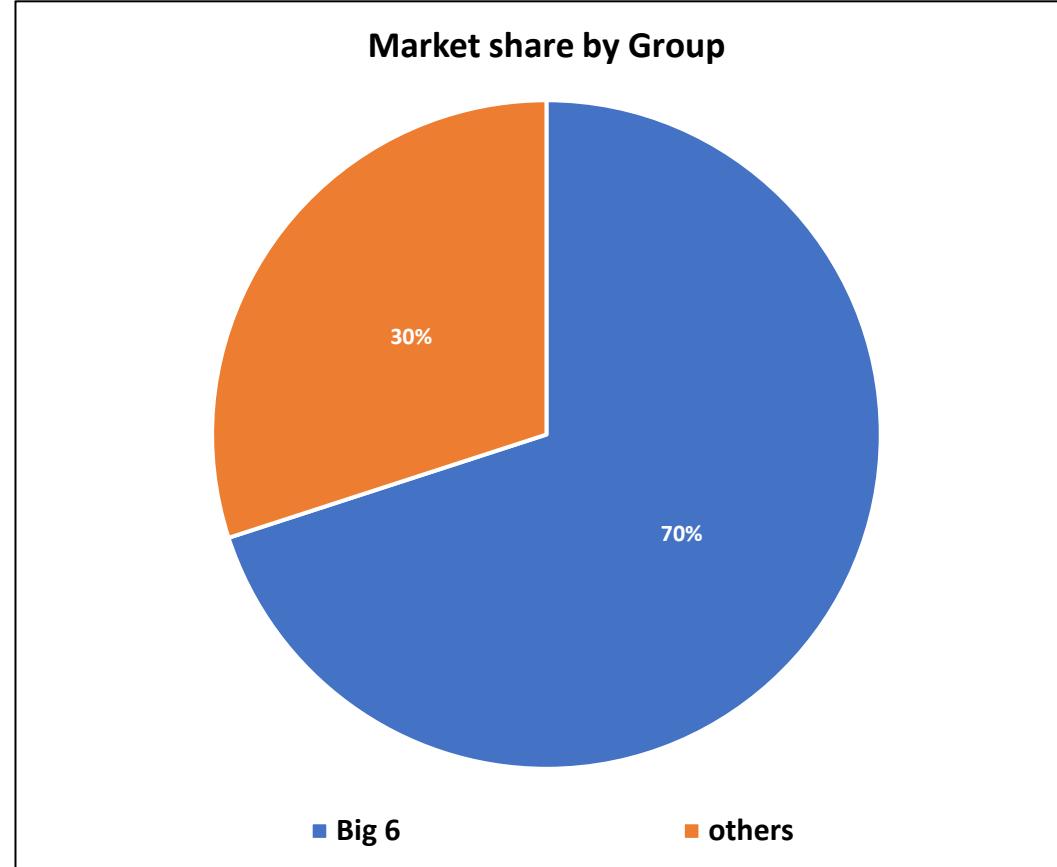


The private healthcare market is generally grouped into 2 groups by the insurance market. The big 6 and the others. The big 6 includes:

- Al Salam hospital
- Dar al Shifa hospital
- Hadi clinic
- Al Seef hospital
- Al Mowasat hospital
- Royal Hyatt (maternity hospital)

The other group includes:

- Al Rashid
- London
- Taiba
- Al Omooma
- Wara hospital
- Kuwait Hospital
- Sidra



The private market is very competitive however for the targeted areas for Assima Hospital there are two main players – Royal Hyatt and Al Seef.

The competition with these two hospitals are in terms of pricing and facility.

The following slides provide more detailed analysis of the competitors.

MAIN COMPETITORS BACKGROUND



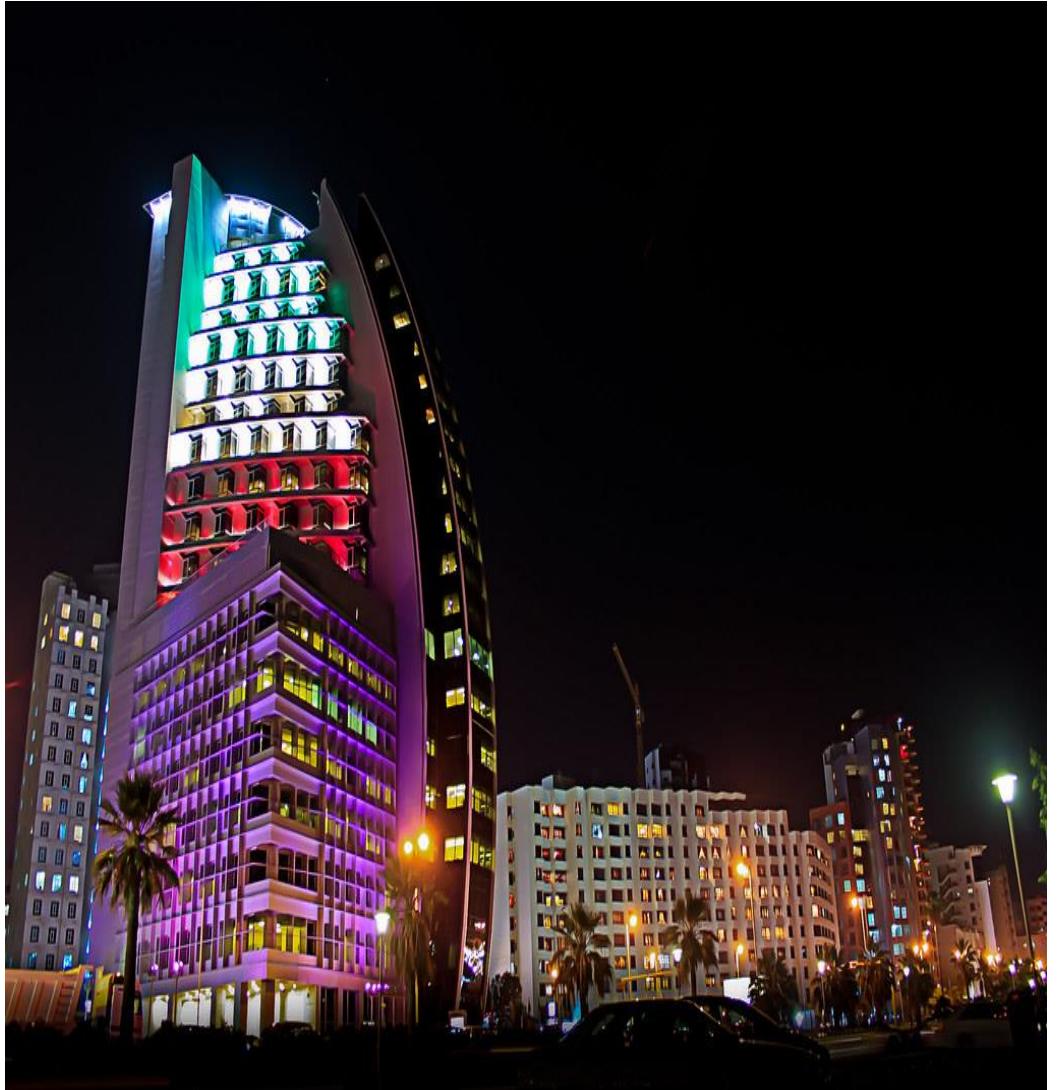
Al Seef Hospital

Al Seef Hospital was established in 2009, with a steadfast resolution to substantially alter the healthcare landscape in Kuwait and subsequently the region as well. Al Seef aspire towards being the largest, most reputed and authoritative family healthcare provider in the GCC by principally focusing on specialized women's and children's health services, as well as medical and surgical specialties.

Through affiliations with renowned healthcare institutions and medical schools in the United States, Europe and Australia, Al Seef have adopted and aim to contribute to global best practices and healthcare standards.

Al Seef encompass unique services such as digital Operating Rooms, the state of technology Neo-natal Intensive Care Unit (NICU) in Kuwait, an Intensive Care Unit (ICU), Oral Maxillofacial Surgery and Dental department and a well-equipped Surgical Oncology clinic.

Al Seef shares a knowledge-sharing partnership with group companies such as Al Maidan Clinic for Oral Health Services Co. that provide complete one-stop dental services; and United Laboratories Company (ULC).



MAIN COMPETITORS BACKGROUND



Dar Al Shifa Hospital

In 1963, Dar Al Shifa Hospital (DASH) was established as the first private hospital in the State of Kuwait. Originally, it was a maternity hospital located in Sharq, Kuwait city. In 1992, DASH went through a notable expansion and developed into a fully-fledged general hospital that included a wide scope of services.

Dar Al Shifa Hospital is 130 bedded accredited facility constitutes of inpatient rooms (Al Dana, Imperial, Royal, Junior and Standard), labor rooms, neonatal units, Intensive Care Units, Operation Theatres, Emergency Room, Cath Lab, Outpatient clinics and sub-specialized medical/surgical fields. Also it has well-equipped ancillary services with latest technologies. Currently, the hospital is adopting an expansion plan to 230 beds.

As of 2020, the hospital employed 952 medical and non-medical staff. It provides patient/family-centered care through a competent and diverse team of health care professionals utilizing the latest technology and applying evidence-based practices



MAIN COMPETITORS BACKGROUND



Al Salam Hospital

Al-Salam International Hospital was originally established in 1964, as a small ten bedded Maternity Hospital. In May 1992, the hospital widened its scope of services and became a full-fledged secondary care General Hospital. In January 2001, an ambitious expansion program led to the commencement of the construction of the new facility, which was commissioned on April 16th, 2006.

Today, Al-Salam International Hospital is a 192 bedded hospital, providing Obstetric Gynecology, Surgical, Medical, Pediatric and Critical Care Services.

Utilizing the Accreditation Canada Performance Improvement Standards as a mean of fulfilling the organizational mission and vision, SIH ensures the acquisition of state-of-art technology, recruitment of highly qualified and trained clinical and non-clinical workforce, in addition to the provision of continuing education programs and keeping abreast with evidence-based practices.



MAIN COMPETITORS BACKGROUND

Al Mowasat Hospital

The New Mowasat Hospital is one of the first private hospital in Kuwait established over half a century ago. Ever since, the hospital has grown to become a leading provider of premium healthcare in Kuwait. The New Mowasat Hospital is a 112-bedded facility that expands over an area of 27,000 square meters and offers a full range of medical services within its luxurious premises.

It has employed an staff of more than 500 – 127 doctors, 314 nurses and other admin and support staff.

Royale Hayat Hospital

Royale Hayat hospital was established in 2006 as a women's and children's hospital. Over the years, it has evolved to become Kuwait's leading multi-disciplinary healthcare provider.

Alongside the medical services, it provides many other related services such as event management, spa services, photography services among others to its patients.

It is a 341 beds hospital, most in any private hospital in Kuwait specialized in maternity and child birth services.



COMPETITORS MARKET SHARE – KUWAIT



OPD Visits 2020	Kuwaiti			Non- Kuwaiti			Grand Total
	Male	Female	Total	Male	Female	Total	
Dar Al-Shifa	150,696	218,920	369,616	56,797	63,027	119,824	489,440
Al-Salam	138,685	225,187	363,872	44,876	46,770	91,646	455,518
Al-Seef	123,789	206,341	330,130	56,365	61,135	117,500	447,630
Hadi	104,559	167,480	272,039	31,586	39,565	71,151	343,190
Al-Mowasat	55,678	98,107	153,785	51,314	56,400	107,714	261,499
Taiba	98,757	133,656	232,413	10,897	17,650	28,547	260,960
Royale Hayat	30,825	129,099	159,924	9,623	23,824	33,447	193,371
Al-Orf	35,050	51,084	86,134	5,036	11,995	17,031	103,165
Sidra	17,894	68,506	86,400	2,131	9,691	11,822	98,222
Alia	15,636	33,789	49,425	11,995	15,106	27,101	76,526
Al-Rashid	5,666	11,987	17,653	7,528	11,119	18,647	36,300
London	3,476	7,742	11,218	3,857	7,618	11,475	22,693
Total	780,711	1,351,898	2,132,609	292,005	363,900	655,905	2,788,514

(Source: MoH Annual Health Report 2020)



- The table gives the number of OPD visits by Kuwaitis and non-Kuwaitis in 2020 in each of the major private hospitals in Kuwait.
- Dar Al-Shifa, Al Salam and Al Seef hospital has a market share of 50% in total private healthcare market.
- In 2020, around 75% of the visits were from Kuwaiti population which comes to around 1.5 visit per person as compare to only 1 visit per 5 non-Kuwaitis in private sector.
- The visits at private hospitals are increasing at a CAGR of around 6% over the last 5 years and is expected to grow at the CAGR of 5% to 6% over the next 10 years.

COMPETITORS MARKET SHARE – KUWAIT



Inpatients 2020	Kuwaiti			Non- Kuwaiti			Grand Total
	Male	Female	Total	Male	Female	Total	
Dar Al-Shifa	4,651	9,691	14,342	1,002	1,644	2,646	16,988
Al-Seef	2,904	6,467	9,371	887	1,252	2,139	11,510
Al-Salam	2,975	6,100	9,075	467	895	1,362	10,437
Hadi	2,004	6,449	8,453	469	1,186	1,655	10,108
Royale Hayat	391	6,627	7,018	79	647	726	7,744
Al-Mowasat	1,678	3,407	5,085	1,036	1,167	2,203	7,288
Sidra	1,014	5,040	6,054	116	692	808	6,862
Al-Orf	646	3,784	4,430	104	348	452	4,882
Alia	644	1,828	2,472	589	1,205	1,794	4,266
Taiba	1,513	2,026	3,539	169	311	480	4,019
London	101	629	730	80	502	582	1,312
Al-Rashid	61	371	432	53	311	364	796
Total	18,582	52,419	71,001	5,051	10,160	15,211	86,212

(Source: MoH Annual Health Report 2020)

- The table gives the number of Inpatients by Kuwaitis and non-Kuwaitis in 2020 in each of the major private hospitals in Kuwait.
- In comparison to OPD visits, Dar Al-Shifa, Al Salam and Al Seef hospital has a market share of only 43% in total private healthcare market implying that these top 3 hospitals are provide OPD focussed services whereas hospitals like Hadi and Royale Hayat relies more on Inpatient.
- Kuwaitis contribute 80% to the total inpatient services used in private healthcare market mainly due to higher disposable income and willingness to pay for high-end services provided by these hospitals

MANPOWER – PRIVATE HEATLHCARE SECTOR



Hospitals	Beds	Doctors		Nurses		Others		Total	
		No.	per bed	No.	per bed	No.	per bed	No.	per bed
Royale Hayat	341	47	0.14	306	0.90	52	0.15	405	1.19
Al-Salam	192	156	0.81	474	2.47	89	0.46	719	3.74
Dar Alshifa	129	187	1.45	605	4.69	160	1.24	952	7.38
Al-Mowasat	114	127	1.11	314	2.75	74	0.65	515	4.52
Al-Seef	105	127	1.21	402	3.83	93	0.89	622	5.92
Al- Rashid	100	32	0.32	55	0.55	23	0.23	110	1.10
Hadi	91	114	1.25	286	3.14	37	0.41	437	4.80
Taiba	66	101	1.53	314	4.76	44	0.67	459	6.95
Al-Orf	64	93	1.45	240	3.75	34	0.53	367	5.73
London	60	27	0.45	38	0.63	12	0.20	77	1.28
Sidra	58	64	1.10	150	2.59	23	0.40	237	4.09
Alia	55	48	0.87	121	2.20	46	0.84	215	3.91
Total	1,375	1,123	0.82	3,305	2.40	687	0.50	5,115	3.72

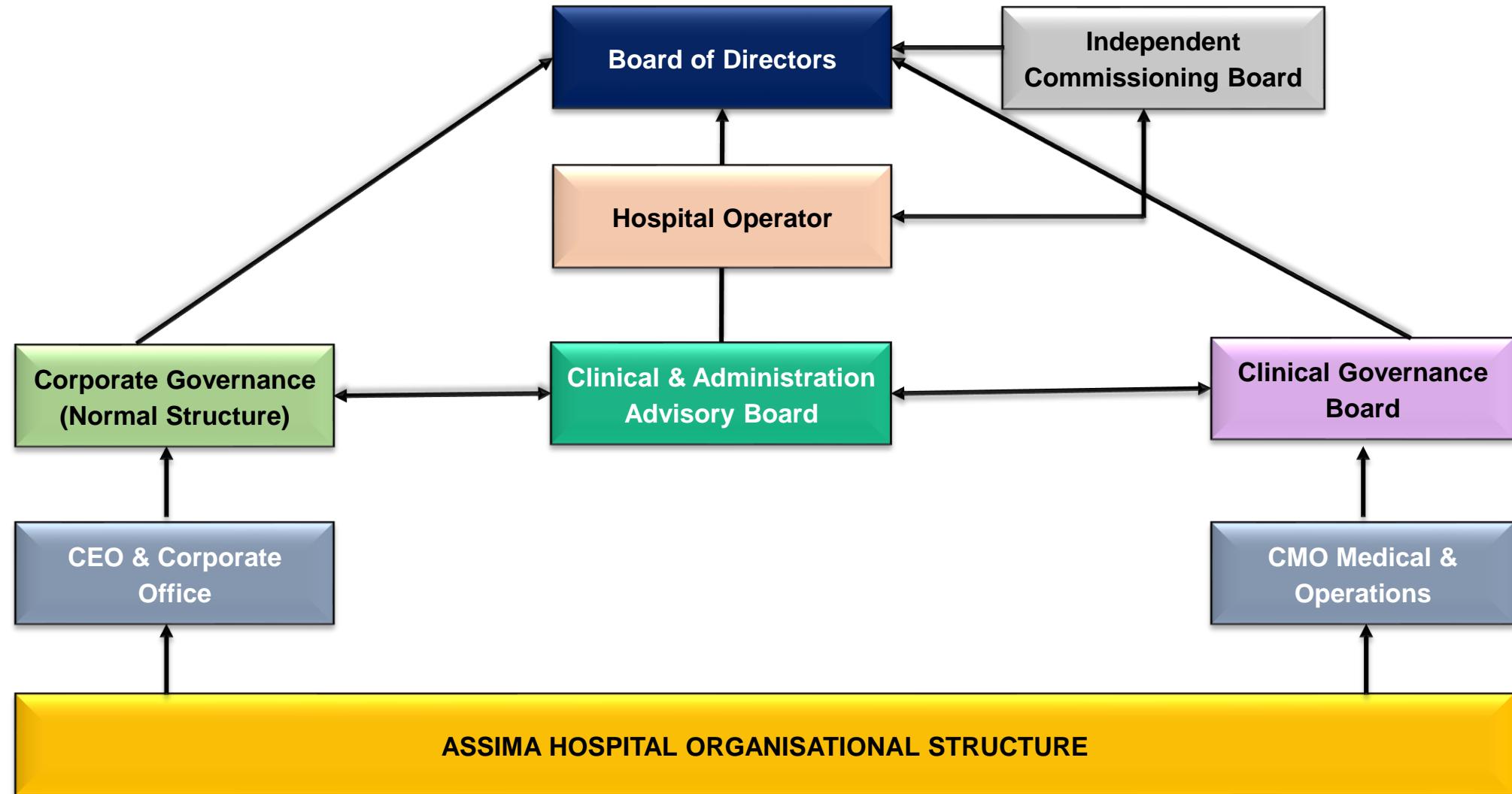
- Dar Al Shifa and Taiba has the highest ratio of doctors and nurses per bed
- Dar Al-Shifa, Al Seef and Al Salam hospitals are mainly focused on OPD centric model of services and have significant amount of manpower in general surgery and emergency departments as compare to other hospitals.
- Apart from above 3 hospitals, other hospitals mainly have an specialty based services for example Royale Hayat is the largest private hospital in terms of number of beds in Kuwait but it mainly specializes in maternity and child birth services.

(Source: MoH Annual Health Report 2015)

A photograph of a doctor's hands and part of their white coat. The doctor is holding a blue stethoscope. The background is a light blue.

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE



INDEPENDENT COMMISSIONING BOARD



An Independent body “the commissioning board” will be established from renowned healthcare practitioners and managers with the experience of delivering healthcare at the highest level of best practice in Kuwait & throughout the world.

They will be responsible for monitoring and reviewing the work carried out by hospital operator and the assessment of the outcomes against which hospital operator will be measured. The board will take into consideration the following work streams and representatives when assessing hospital operator:

- Patients served
- Estates management
- Workforce
- Clinical & Corporate Governance
- Quality standards
- Patient engagement
- Information Technology

The Single Framework

The Board will establish a single framework of operations on which hospital operator will be assessed and measured; the single framework will be based on the following seven principles:

1. Ensuring that all Patients have an excellent and equitable experience of care and support, with care organised around the patient
2. Treating and caring for all people in a safe environment and protecting them from avoidable harm.
3. Developing an organisational culture of joined-up working, patient-centred care, empowered staff and effective information-sharing.



The Single Framework

4. Prevention - early intervention to promote health, wellbeing and independence.
5. Hospital-based intervention and immediate rehabilitation, treatment and/or support during an acute episode of ill health.
6. Primary care assessment and referral
7. Specialist triage, assessment and management

A Performance regime will be developed based on the above, which will include a number of KPI's/Measures/outcomes which will be weighed and a value added, against which hospital operator, and as a consequence, the whole of the Assima Hospital ecosystem and infrastructure will be measured against.

The hospital operator will validate the accuracy, transparency and completeness of information provided to the Independent commissioning board in relation to the Performance Regime (including that contained in the Quarterly Performance Report) prior to submission thereto;

- a) Indicate the original source(s) of such data; and
- b) Indicate in such submission if there is any data or information the accuracy of which has not been validated or in respect of which hospital operator believes such data may not be objectively supported to the extent thereof.
- c) Ensure that the information provided is approved by hospital operator's authorised officer.

CLINICAL GOVERNANCE & CLINICAL ADVISORY BOARD



Clinical Governance

This body will be responsible solely for clinical outcomes and measures relating to clinical matters independent to the corporate structure and will not be influenced or affected by their decisions.

The Chief Medical Officer, the Medical department and the Operations department will report into this board on operational matters and clinical decision making.

This body will be primarily responsible for addressing the healthcare standards and protocols as well as ensuring that the quality assurance standards are maintained.

It will also be responsible for the clinical KPI to be set for the operator and the medical professionals.

Clinical Advisory Board

This body will sit between the corporate governance structure and the clinical governance structure and will primarily advise the board and the managing partner on the corporate effect of clinical decisions including but not limited to litigation as well as the cost of clinical outcomes.

This body will also be set the requirements of clinical recruitments and the cost of such recruitments. They will ensure that the budgets set are sufficient to run the hospital so that they fully adhere to the clinical standards and protocols without consideration of the impact on the corporate profitability.

GOVERNANCE STRUCTURE MODEL



Advantages of the Model

- Simple for investors to manage
- Enables pathways management
- Shifts clinical accountability to hospital operator & Assima Hospital
- Holds hospital operator to account for achieving outcomes
- Increase value by commissioning through a programmed of well defined and designed care.
- Strengthens relationships between investors and hospital operator
- Clear governance arrangements through contractual/sub- contractual mechanisms

Disadvantages of the Model

- High financial and relational risk for hospital operator
- Concern over management of co-morbidities and other boundaries
- hospital operator may not have sufficient skills in contracting, supply chain management and commissioning
- Risk of weak leadership and accountability unless strong governance arrangements are established



Planning, Design, & Construction Standards

The hospital operator will plan, design, and construct the complement of healthcare delivery facilities in accordance with the same set of standards and codes currently implemented by the MOH of Kuwait.

Medical Planning Standards

Hospital operator through its management will ensure that a specialized medical/healthcare planning firm is appointed with proven expertise to:

- Develop the scope of clinical, clinical support, non-clinical support, and administrative services that Assima Hospital will provide.
- Develop the Key Planning Units and related capacities for clinical, non-clinical, administrative, and support services.
- Develop detailed Functional Space Programs for respective healthcare delivery facilities.
- Develop the Room Data Sheets for respective healthcare delivery facilities.
- Work with the appointed architectural and engineering firm to realize the design of the hospital.
- Comply with all applicable local codes and requirements

Architecture & Engineering Standards

Hospital operator will ensure that all of Assima Hospital's healthcare delivery facilities are designed and engineered to meet local Kuwaiti codes and regulations, and international standards

ROLES & RESPONSIBILITIES – HOSPITAL OPERATOR



Medical Furniture & Medical Equipment Standards

Hospital operator will ensure that the healthcare delivery facilities are furnished and equipped to meet local Kuwaiti codes and regulations and that the manufacturers it selects for medical equipment and medical furniture.

Workforce

Recruitment

Hospital operator will be responsible for the recruitment of Doctors, nurses, technicians, pharmacists and all personnel in the medical and assistant medical professions as necessary to work in Assima Hospital.

They will be responsible for the recruitment of non medical specialists for the administration and management of Assima Hospital.

Hospital operator through Assima Hospital will obtain the necessary approvals and licenses from the MOH to enable medical works to be carried out.

Training & development

Hospital operator & affiliates will be responsible for the continued training of Doctors, nurses, technicians, pharmacists and all personnel in the medical and assistant medical professions as necessary



Operational Phase

Hospital operator will be responsible for the following during the operational phase:

- Providing primary and secondary care services to patients through the healthcare facilities being constructed in Sharq by meeting and exceeding world-class quality and safety standards and key performance indicators; as well as efficient and profitable management and operations.
- Operate hospital in accordance with published and internationally accepted quality, safety and operational standards; and attain over the term world-class healthcare and results by meeting and exceeding the Key Performance Indicators.
- Endeavor to develop revenues to leverage the knowledge and know how created within Assima Hospital by hospital operator's commercial and business experience from vertical and horizontal integration as well new and innovative means of delivering care to maximize the returns to all the shareholders.
- Create efficiency measures by ensuring effective back office rationalisation; robust supply chain management and procurement, effective hospital pharmacy and estates plans; efficient and effective rostering systems and job planning to ensure correct utilisation of staff and increase clinical productivity; implementing a Getting It Right First Time programme; and implementing new models of acute service collaboration for a more integrated primary and secondary services through the Assima Hospital facilities.
- Deliver an integrated healthcare system which has at its heart a world class information technology strategy to ensure that patient needs are met and that the optimum clinical outcomes are delivered.

ROLES & RESPONSIBILITIES – HOSPITAL OPERATOR



Operational Phase

Hospital operator & affiliates will apply at all the times the following guiding principles in carrying out its responsibilities:

Quality of care - safe, effective, caring, responsive

- Finance and use of resources: financial efficiency and financial control to strengthen financial performance and accountability.
- Operational performance: continuous improvement and performance against international standards of quality and monitoring including A&E and walk in waiting times, referral to treatment times, ambulance response times, and accessibility etc.
- Strategic improvement: creation of 5 year forward looking plans updated annually to allow for change ahead of time to deliver meaningful transformation.
- Leadership and improvement (well-led): the creation of a “well-led framework”, to develop a shared system view of good governance and leadership, including Assima Hospital’s ability to learn and improve and pass through its entire Ecosystem so that all stakeholders including, investors, MOH, Suppliers, Staff, Managers and others adhere to Assima Hospital’s principals of good governance and leadership.



Hospital operator's Financial Business Plan

Two months before the start of each Contract Year Hospital operator must provide the Board of Directors and the Independent Commissioning Board with an updated version of its Financial Business Plan for review. Hospital operator must give due regard to any comments or observations made by the Board Of Directors and the Independent Commissioning Board ("the Boards") in respect of Hospital operator's Financial Business Plan.

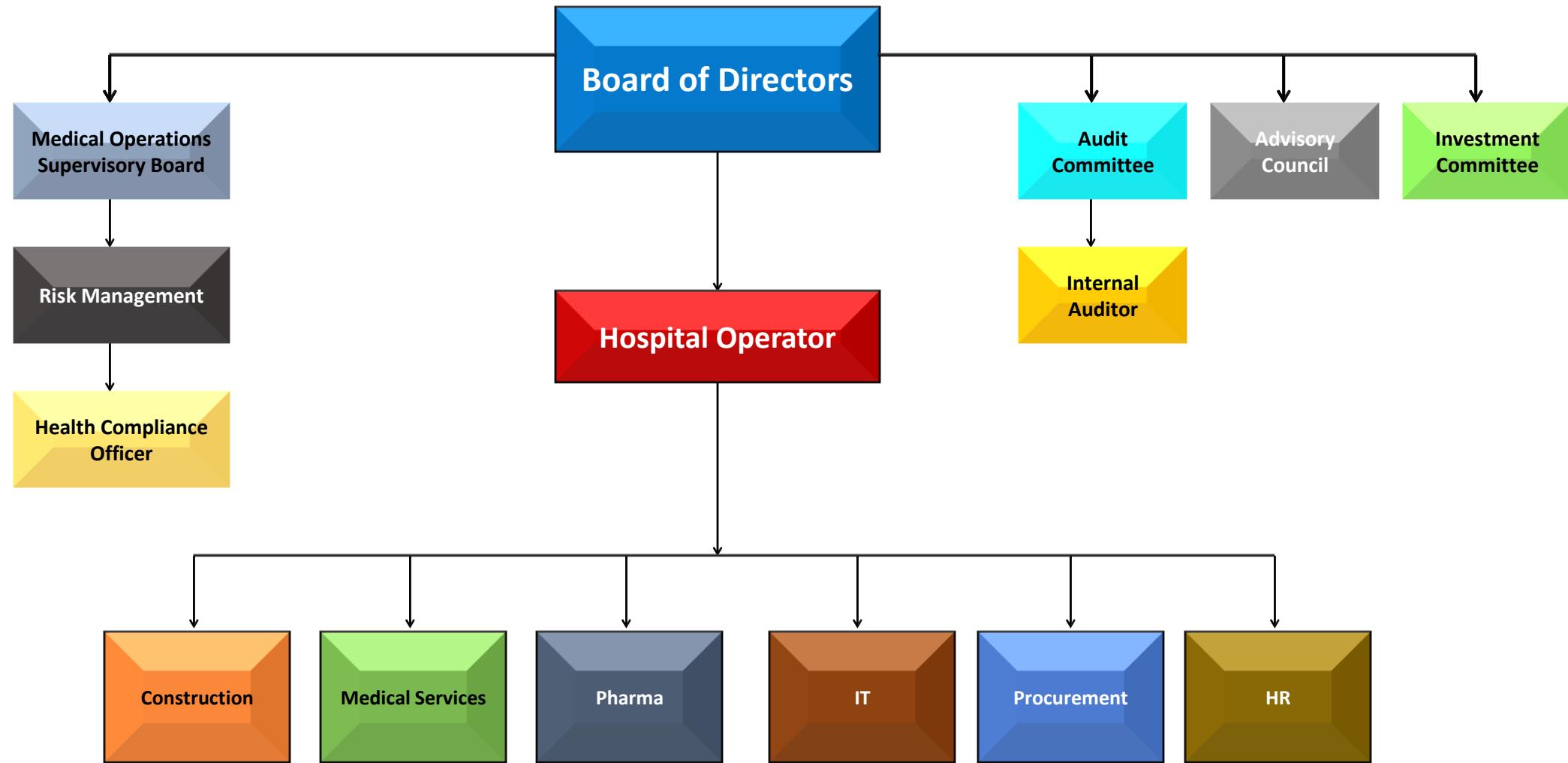
Any revised Financial Business Plan must be audited, at the cost of Hospital operator, by an independent firm of accountants acceptable to the Board of Directors.

Any revised Financial Business Plan will not become effective until those accountants have confirmed to the Boards that in their opinion Hospital operator's Financial Business Plan (as revised) is accurate and is based on reasonable and prudent assumptions.

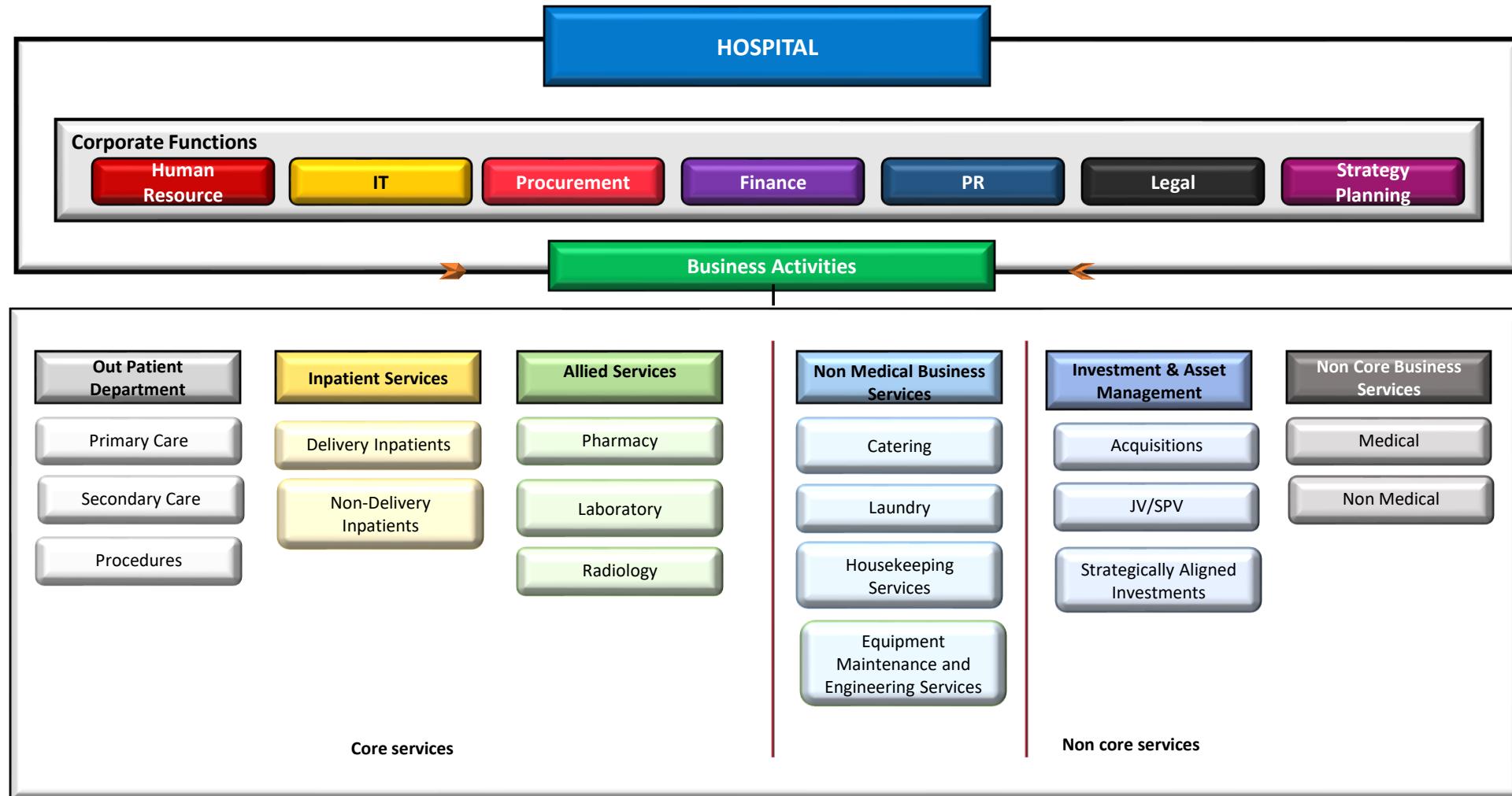
Hospital operator's Financial Business Plan (revised and audited annually) must be used as the basis for assessing and agreeing the financial and other consequences of:

- any Variation; and
- any adjustment of the Percentage payment of the hospital operator fee

GOVERNANCE STRUCTURE – FUNCTIONAL



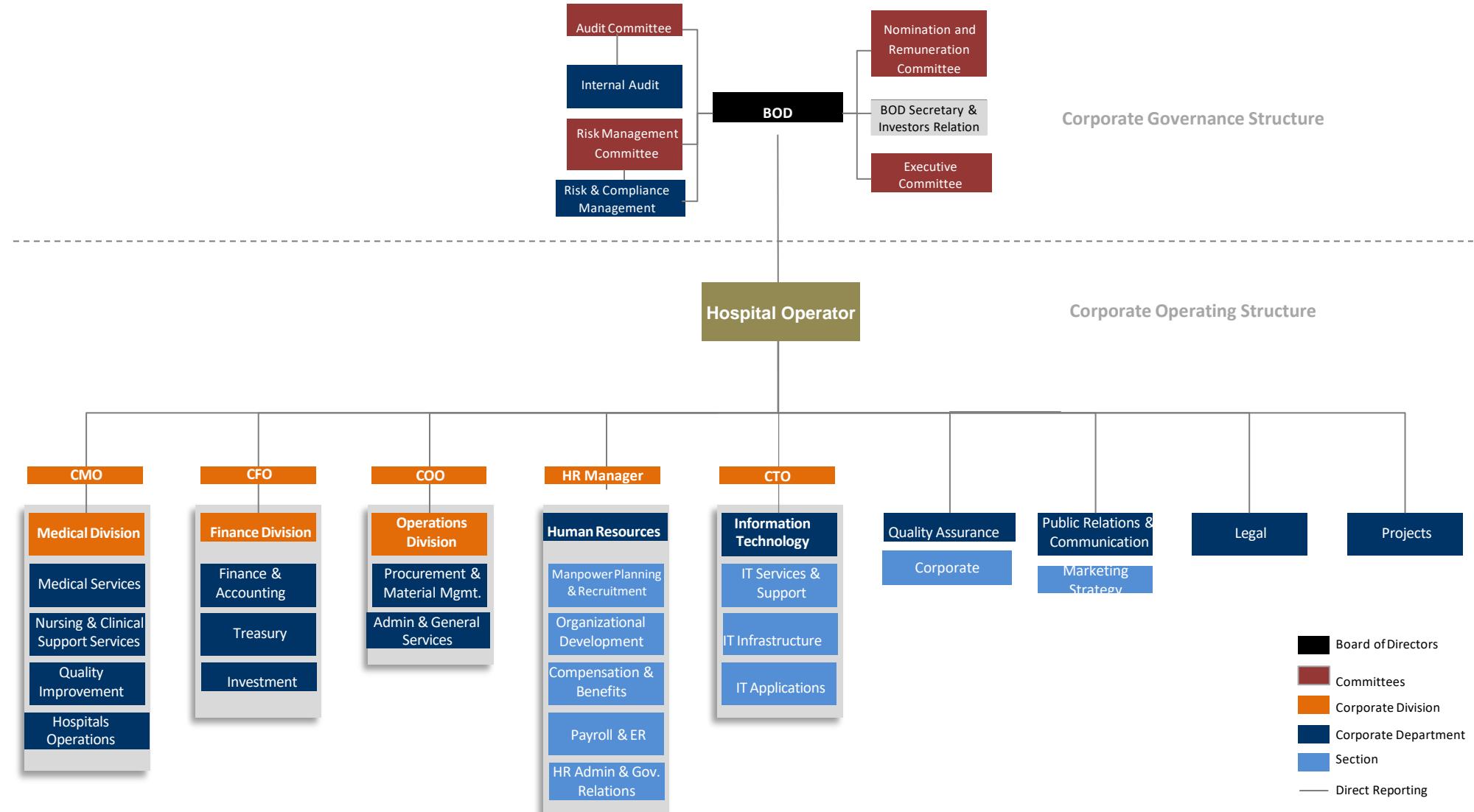
CORPORATE AND BUSINESS STRUCTURE



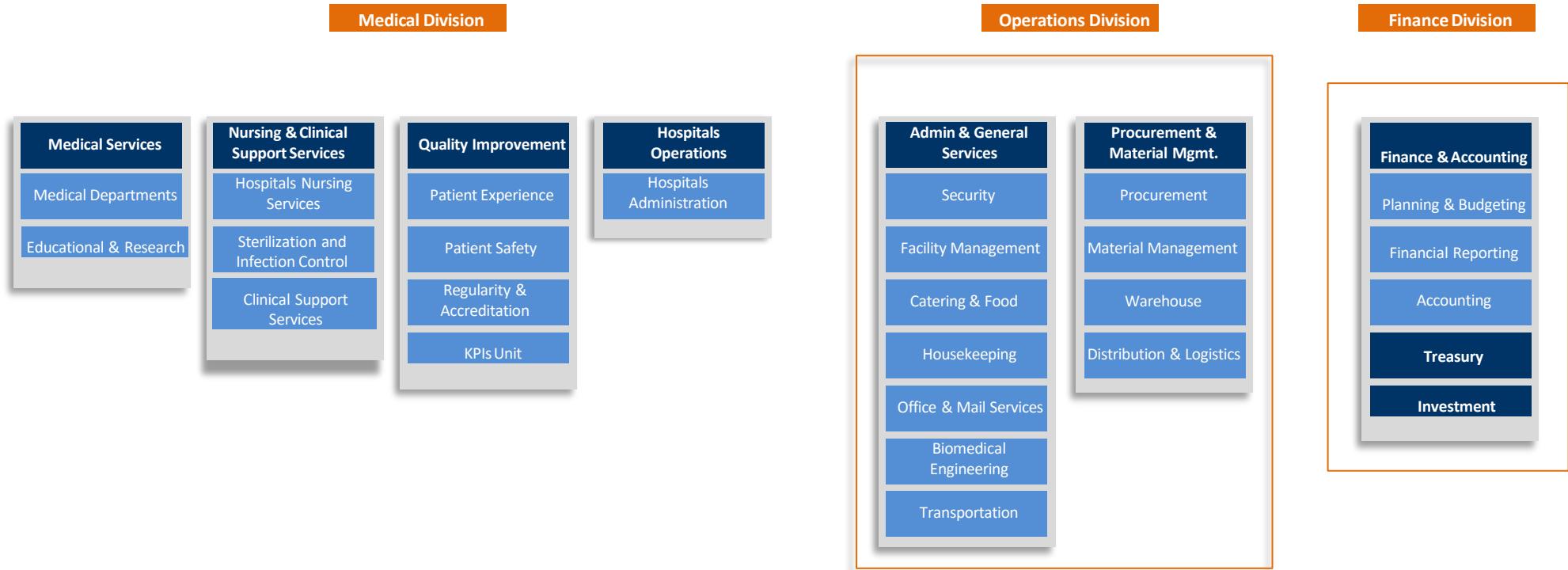
A close-up photograph of a doctor's hands. The doctor is wearing a white medical coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

ORGANIZATIONAL & MANAGEMENT STRUCTURE

ORGANIZATIONAL STRUCTURE



ORGANIZATIONAL STRUCTURE



■ Corporate Division
■ Corporate Department
■ Section

A close-up photograph of a doctor's hands. The doctor is wearing a white lab coat over a light blue shirt. A blue stethoscope is draped over their left hand, which is resting on their right. The background is a soft, out-of-focus blue.

HOSPITAL BUILDING DESIGN

BUILDING DESIGN PLAN

The Sharq Maternity Hospital has been specifically designed to be a people – centered building with a long overall useful life but a very short lifetime for specific rooms. The building planning and design takes into consideration the complex circulation patterns of patients and staff and constant use of the hospital and its technical systems. The current design provides a safe, comfortable environment that reduces stress and confusion for patients, families, and staff as well as enabling efficient operation of the hospitals in a luxurious surrounding.

The hospital has been designed taking into consideration the following:

Patient-centered care as part of the care process, since the patient is the hospital's reason for being

Efficient operations, clinical safety, optimal functional relationships, value for money, modern systems, low upkeep requirements

Flexibility for expansion and new technology in unexpected ways over long useful life

Sustainable lean design, reduced energy usage, intense 24 hr. use and high occupancy



Healing environment to include comfort, art and hospitality, not just science and technology

When designing the hospital building, the architects have planned for the extensive mechanical, electrical, plumbing and medical gas systems as well. The structural design also accounts for future expansion of the hospital as changes to all interior layouts are expected to change many times over the years.

(Source: Construction Manager, Real Estate Valuer, Project Manager)

DESIGN SUMMARY



The following slides illustrate the design summary.

Inpatient Care

The hospital will have compact blocks of patient rooms or wards with associated decentralized nursing support, not the long corridors of traditional hospitals, and with a high amount of building perimeter to allow maximum patient room windows.

Groups of patient units will share centralized support spaces, such as conference and staff facilities, but each unit will have close by space for medications, clean supply and soiled disposal rooms, staff charting work stations for physicians and non-nursing staff, and adequate storage for supplies and equipment.

Inpatient care areas are very specialized spaces, and are not planned to be used for other purposes. Bed units are grouped by an efficient number of beds for most effective nurse staffing and shortest traffic flow for staff. Patient rooms will have views of the sea front and the city skyline and in consideration of climate and environmental needs, and of local codes.

The layout of nursing units will provide clear and separate circulation for clean and soiled materials to support services such as food service, materials management, pharmacy and laundry.



Critical care beds will be on the same level adjacent to Surgery to simplify transportation of these patients as quickly as possible. In the interest of greatest flexibility, all critical care units are located together on the same levels.

Inpatient units will have fairly direct access to diagnostic and treatment services, efficient support services access, but will be separated from ambulatory care areas and back of house support areas.

(Source: Construction Manager, Real Estate Valuer, Project Manager)

DESIGN SUMMARY



Ambulatory Care

Ambulatory care modules have been planned to provide light and views, in the waiting areas and in staff offices behind the patient contact area and not in the exam rooms.

The ambulatory area will be closely adjacent to functions such as Diagnostic Imaging and Non- Invasive testing area. The ambulatory care entrance is convenient to parking and patient arrivals and separate from other hospital public and visitor and inpatient areas.

Ambulatory care also has convenient access to patient and public services, such as food services, registration, and amenities, and is apart from inpatient areas and from back of house support.



Diagnostic and Treatment Functions

Centralized technical services assist in the diagnosis and treatment of patients, and have been planned to be accessible easily to both types of patients without mixing the two.

Small, highly specific rooms have been designed in which specific diagnostic services are performed including Imaging (X-ray, CT scan, MRI Scan, Ultra Sound, and Mammography), Clinical Laboratory services, and Non-Invasive testing (EEG, EKG, Stress Test).



(Source: Construction Manager, Real Estate Valuer, Project Manager)

DESIGN SUMMARY

Diagnostic and Treatment Functions

Treatment functions may be invasive (Surgery, Endoscopy, Interventional Radiology, Biopsy, all with patient preparation and recovery areas) or non-invasive services such as physical medicine and respiratory therapy.

All of these services have similar requirements- patient registration, waiting, dressing or preparation, staff work areas, office space- and a similar pattern of separate patient and staff circulation.

The building planning for diagnostic and treatment functions has large blocks of space with multiple circulation paths to separate patients, staff, visitors, clean, and soiled traffic.

The design also takes into consideration that these diagnostic and treatment areas, have changing equipment needs and frequent additions of new technology and new services which require very specialized rooms that will be adapted to house extremely costly equipment.

The overall structural envelope for these spaces has been optimized for flexibility for practices which may change in unpredictable ways.



(Source: Construction Manager, Real Estate Valuer, Project Manager)

DESIGN SUMMARY



Support Services

The building design includes staff facilities, lockers, education and training, on-call rooms for on-site medical staff, lounges and staff rooms for employees and overall administration and office activities.

They also include dietary kitchens and services, materials management for clean supplies and equipment, pharmacy services, housekeeping, loading bays, waste management, and engineering and maintenance functions.

These support functions, are planned to utilize larger rooms and large blocks of space and have their own direct access from an industrial loading dock, well apart from visitor and patient traffic, with good vertical connections to inpatient and diagnostic and treatment areas.

Public Spaces

The design takes into consideration entrance lobbies, meeting places, food services, amenities such as shops and public services, and access to administration and registration functions.

The design has convenient parking and pick up and drop off areas, separated from service functions and loading areas.



Directly adjacent to these public spaces are the principal ambulatory care area, access to major diagnostic services such as Imaging and Noninvasive testing, and visitor access to inpatient nursing units but is separated from major treatment functions such as Emergency and Surgery and from support services.

(Source: Construction Manager, Real Estate Valuer, Project Manager)

A close-up photograph of a doctor's hands. The doctor is wearing a white lab coat over a light blue shirt. A blue stethoscope is draped over their left hand, which is resting on their right. The background is a soft, out-of-focus blue.

CONCEPT DESIGN & DRAWINGS

HOSPITAL DESIGN – GROUND FLOOR



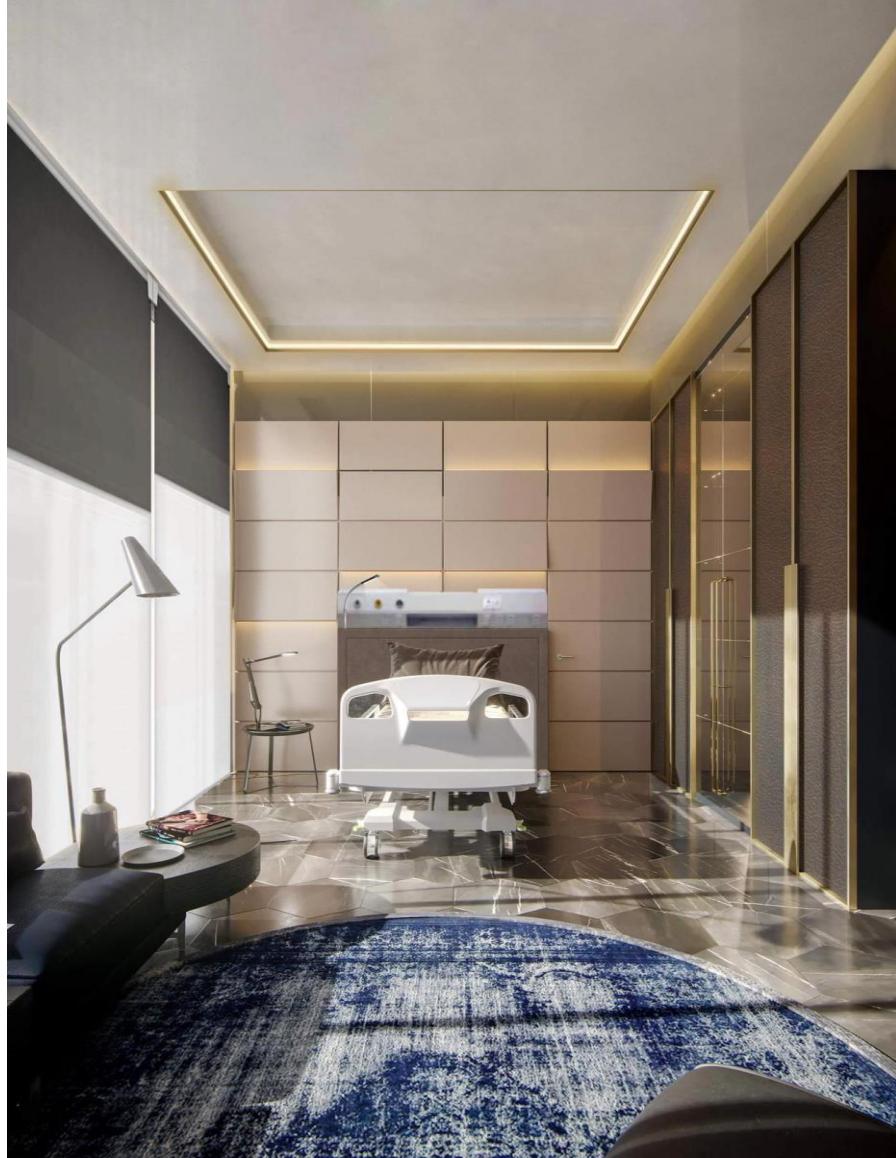
(Source: Construction Manager, Project Manager)

HOSPITAL DESIGN – MEETING AREA



(Source: Construction Manager, Project Manager)

HOSPITAL DESIGN – INPATIENT ROOM



(Source: Construction Manager, Project Manager)

HOSPITAL DESIGN – CORRIDOR



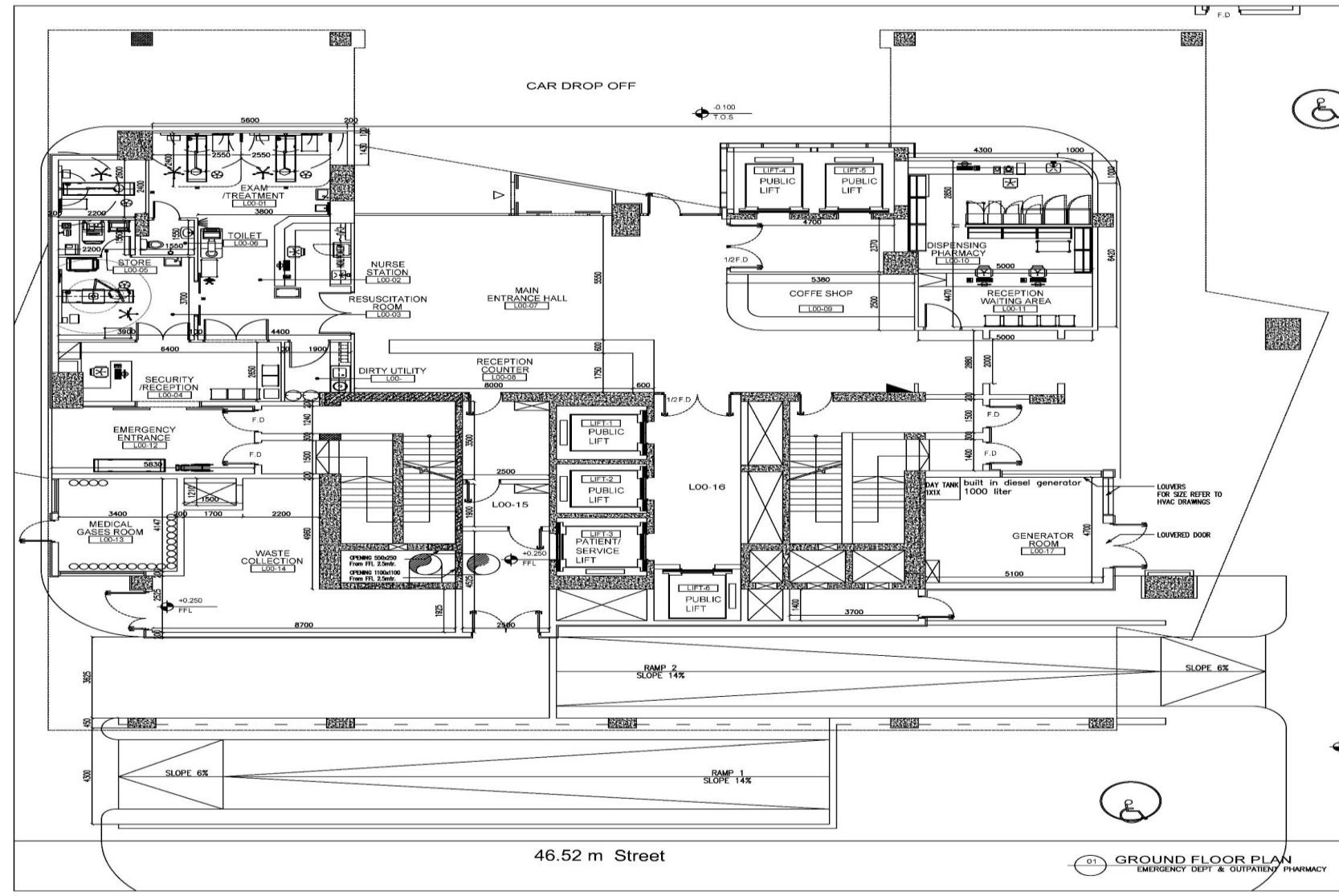
(Source: Construction Manager, Project Manager)

HOSPITAL DESIGN – CORRIDOR



(Source: Construction Manager, Project Manager)

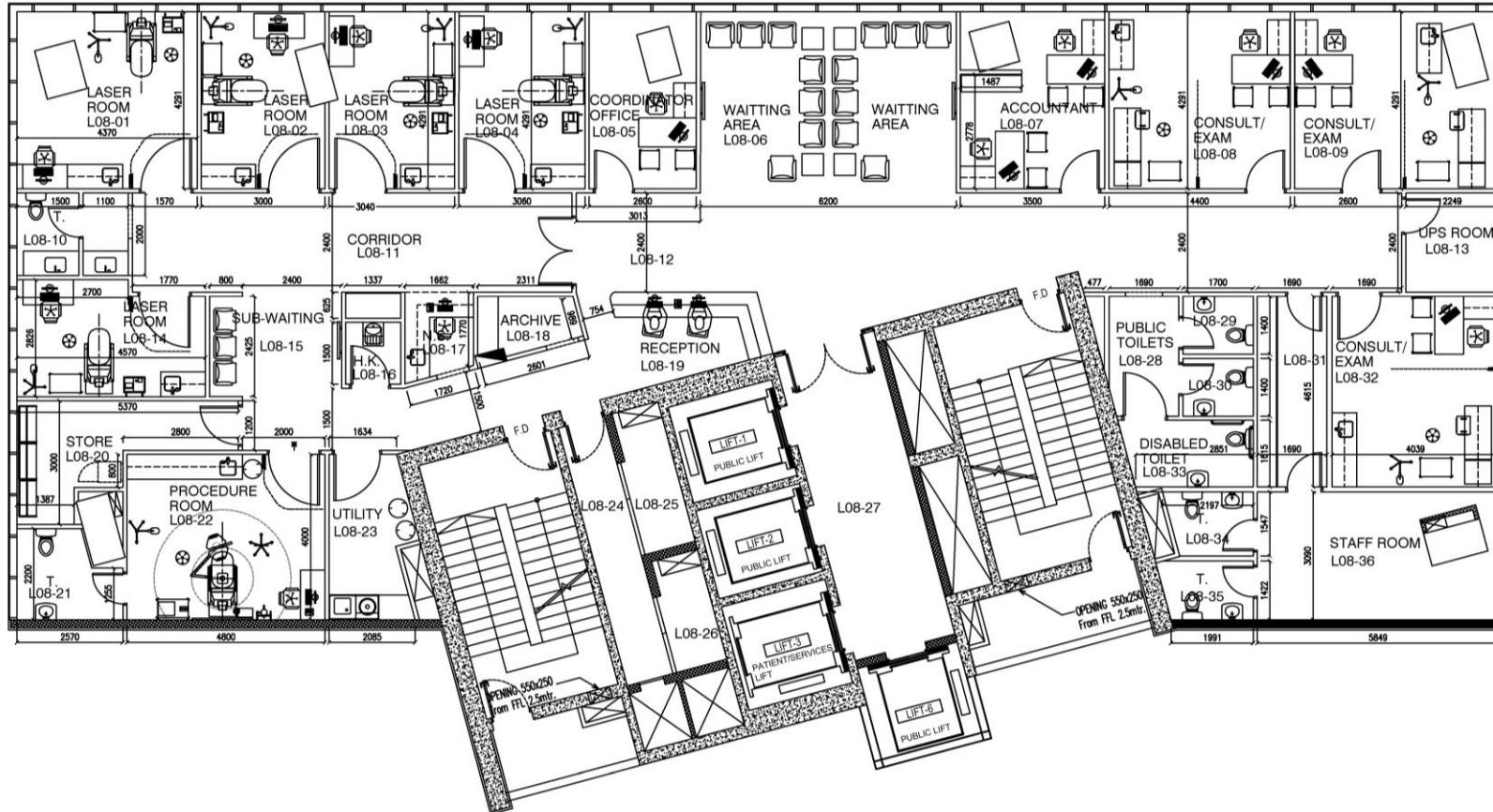
FLOOR PLAN – GROUND FLOOR



FLOOR PLAN – OPD CLINICS



DERMATOLOGY CLINICS - (3 CLINICS + 5 TREATMENT + 1 PROCEDURE)
420 M2



01 8TH FLOOR PLAN
DERMATOLOGY CLINICS 1:100

(Source: Construction Manager, Project Manager)

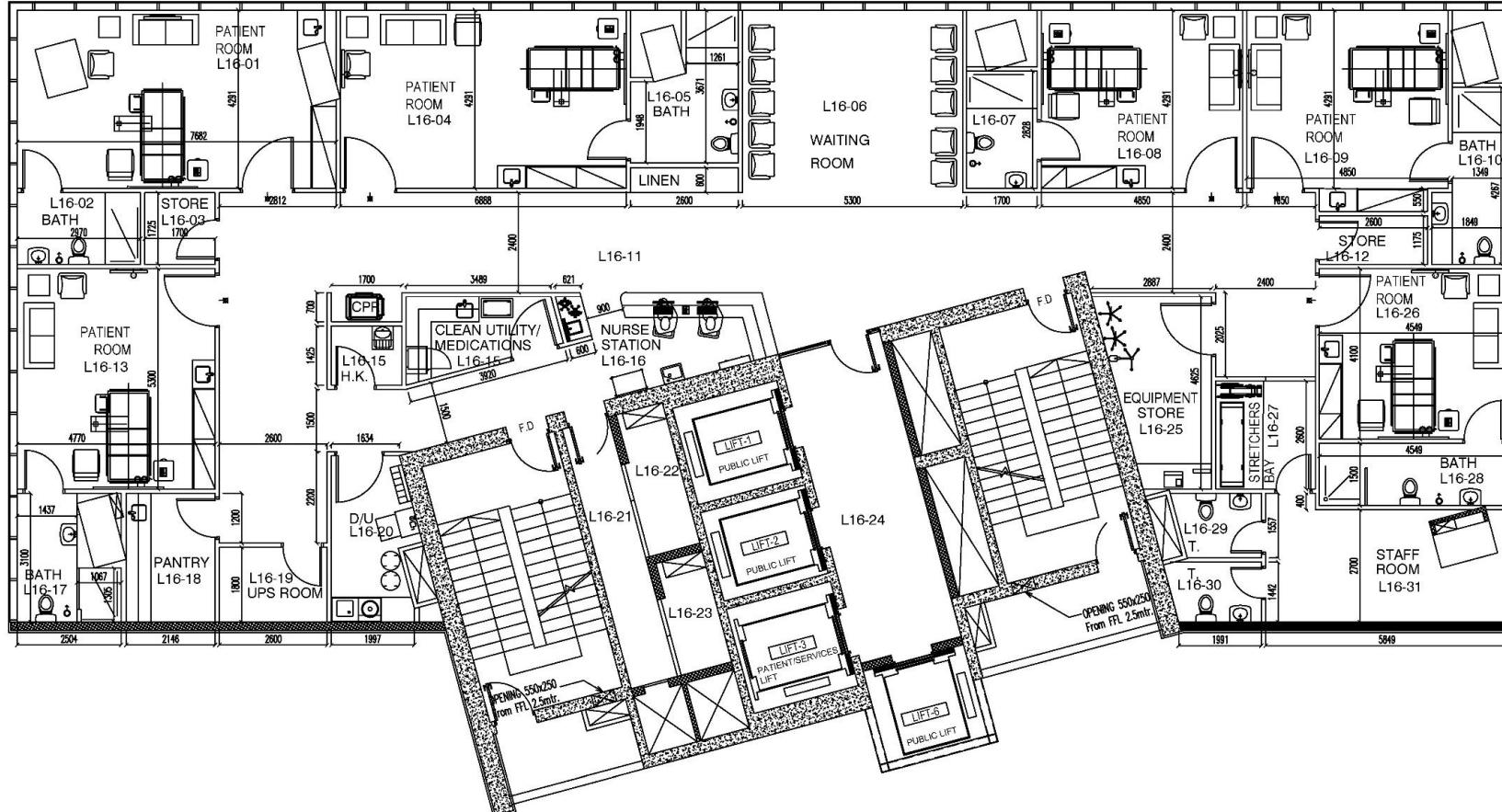
The drawing here is a representative plan for OPD clinics floor in Tower 1. It will include

- OPD clinics
- Procedure rooms
- Nurse station
- Waiting area for the patients as well as family
- Utility rooms
- Filing room
- The total floor size is around 420 sqm including service areas

FLOOR PLAN – INPATIENT



INPATIENT NURSING UNIT
MED/SURGICAL - 420 M2



01 16TH FLOOR PLAN
MATERNITY PATIENT RMS 1:100

(Source: Construction Manager, Project Manager)

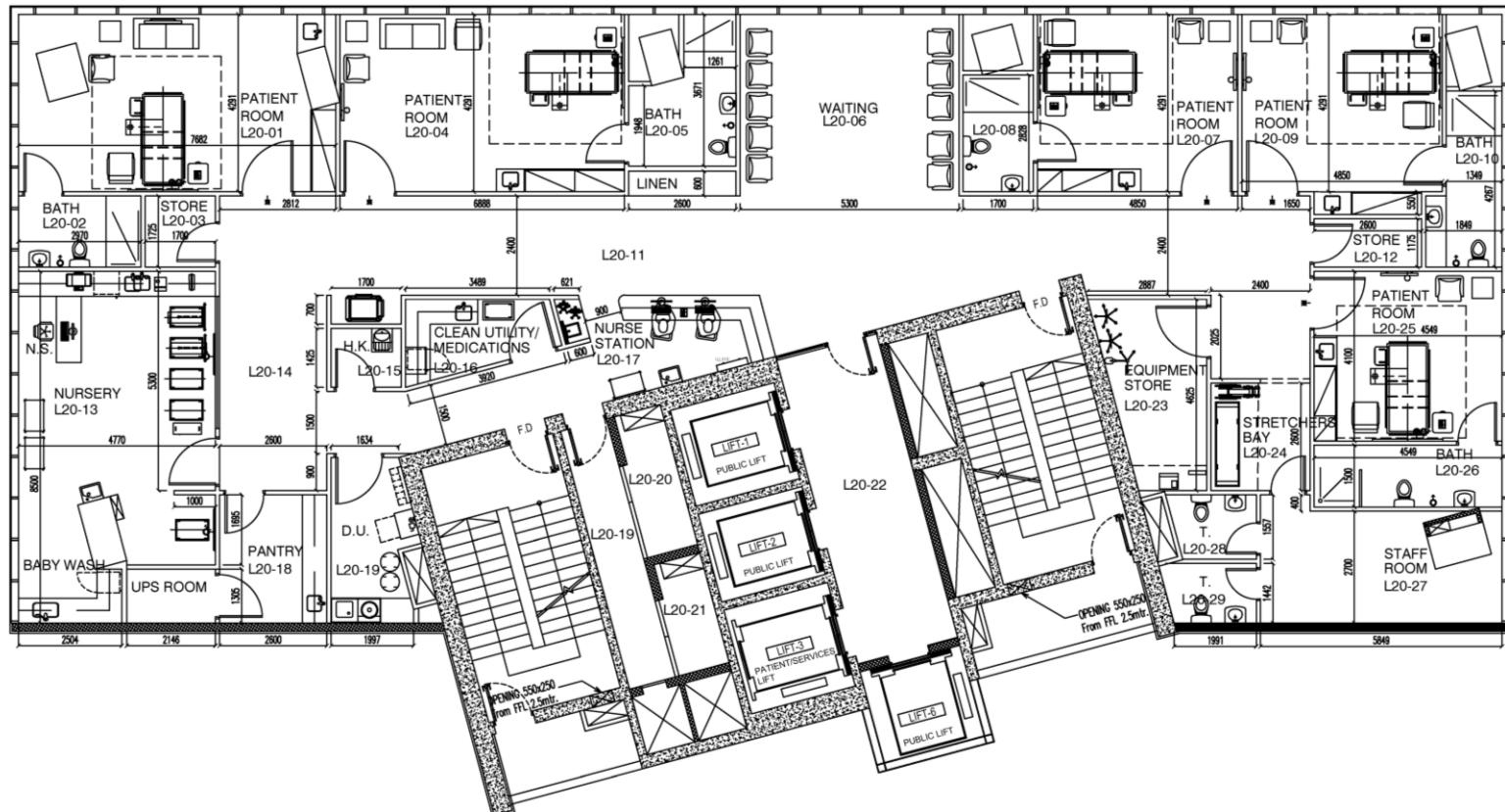
The drawing here is a representative plan for Inpatient Standard Rooms in Tower 1. It will include

- 6 inpatient rooms
- Inpatient medication storage
- Nurse station
- Waiting area for the patients as well as family
- Utility rooms
- Staff Rooms
- Equipment store
- Pantry
- The total floor size is around 420 sqm including service areas

FLOOR PLAN – MATERNITY INPATIENT



INPATIENT NURSING UNIT
MATERNITY - 420 M2



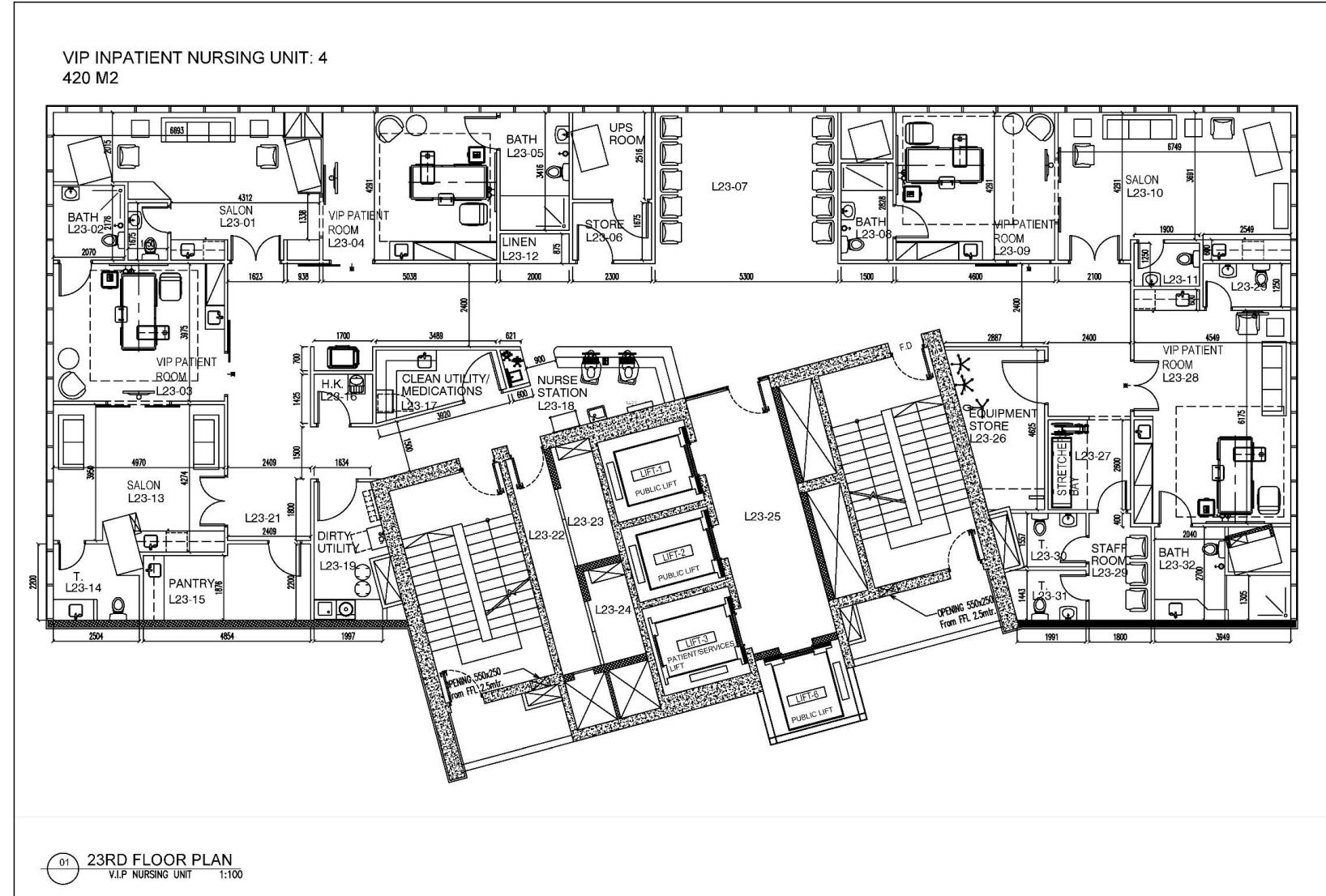
01 20TH FLOOR PLAN
MATERNITY PATIENT RMS 1:10

The drawing here is a representative plan for Inpatient Standard Rooms in Tower 1. It will include

- 5 inpatient rooms
- 1 nursery and baby wash room
- Inpatient medication storage
- Nurse station
- Waiting area for the patients as well as family
- Utility rooms
- Staff Rooms
- Equipment store
- Pantry
- The total floor size is around 420 sqm including service areas

(Source: Construction Manager, Project Manager

FLOOR PLAN – INPATIENT VIP ROOMS



The drawing here is a representative plan for Inpatient VIP Rooms in Tower 1. It will include

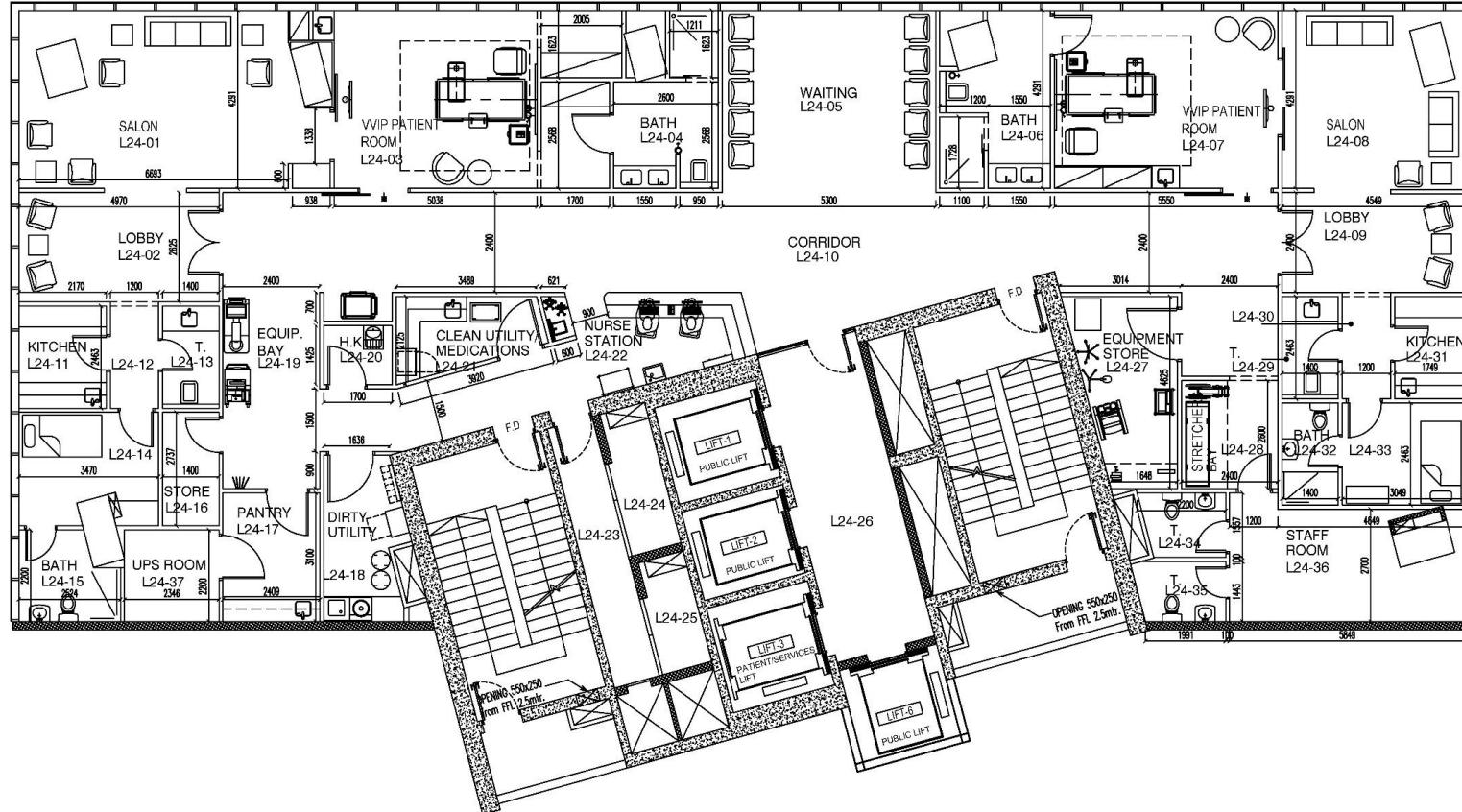
- 4 inpatient rooms
- Salon per room
- Inpatient medication storage
- Nurse station
- Waiting area for the patients as well as family
- Utility rooms
- Staff Rooms
- Equipment store
- Pantry
- The total floor size is around 420 sqm including service areas

(Source: Construction Manager, Project Manager)

FLOOR PLAN – INPATIENT VVIP ROOMS



VVIP INPATIENT NURSING UNIT - 2
420 M2



01 24TH FLOOR PLAN
VV.I.P NURSING UNIT 1:100

The drawing here is a representative plan for Inpatient VVIP Rooms in Tower

1. It will include
 - 2 inpatient rooms
 - Salon per room
 - Lobby per room
 - Kitchen per Room
 - Separate TV area
 - Inpatient medication storage
 - Nurse station
 - Waiting area for the patients as well as family
 - Utility rooms
 - Staff Rooms
 - Equipment store
 - Pantry
- The total floor size is around 420 sqm including service areas

A close-up photograph of a doctor's hands. The doctor is wearing a white lab coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

HOSPITAL INFORMATION SYSTEM

HOSPITAL INFORMATION SYSTEM

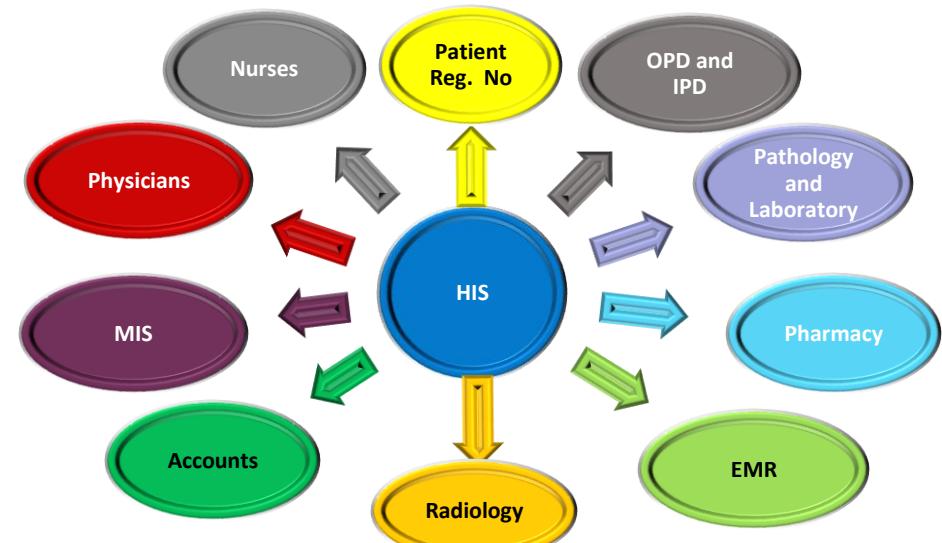


The planned **Hospital Information System (HIS)** will be a centralized information system that enables the integration of all clinical, financial and administrative applications. It will have many applications addressing the needs of the various departments of Hospital. It will manage the data related to the clinic, finance department, laboratory, nursing, pharmacy and also the radiology and pathology departments and other Hospital facilities including maintenance & engineering and facilities management.

It will enable physicians, nurses, pharmacists and lab technicians access to information including patients' records illustrating details about their demographics, gender, age etc., data pertaining to hospital finance systems, diet of patients, and even the distribution of medications, drug usage in the facility. It will be flexible to accommodate future growth.

The main components of Hospital's information systems will be as follows:

Nurses' Information Systems (NIS) – This will aid in improving staff schedules, accurate patient charting, admission information, care plan, prescribed drugs and all relevant nursing notes. The nursing department managers will be able to handle and improve clinical data integration and achieve more cost-effective staffing which will ultimately lead to a reduction in planning time and decrease chances of prescribing the wrong medication.



HOSPITAL INFORMATION SYSTEM



Physician Information Systems (PIS) – This will give physicians access to electronic medical records (EMRs), electronic health records (EHRs). With the help of clinical data integration, the physicians would be able to diagnose, prescribe treatment and monitor the patients' progress and intimate necessary information to the nurses, pharmacy and lab.

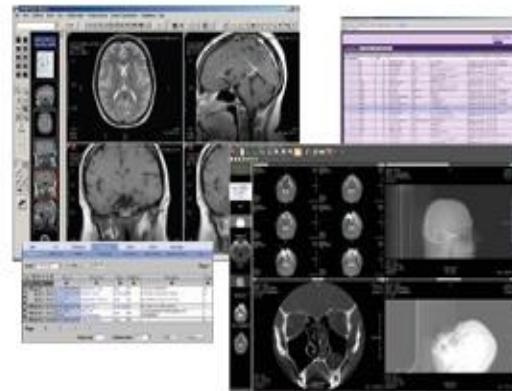
Diagnostic Information System (DIS) – This system along with PACS will provide radiology and laboratory billing services, appointment scheduling as well as reporting and patient database storage.

Pharmacy Information Systems - The Pharmacy information systems helps pharmacists monitor how medication is used in hospitals. The system will help pharmacists supervise drug allergies and other medication-related complications. The system helps detect drug interactions and administer the proper drugs based on the patient's physiologic factors, this is highly important as the Hospital has a license to use the unit dose mechanism whereby the pharmaceutical used would be based on the individual exact needs as a consequence the costs of wastage is expected to reduce drastically.

Hospital's planned information systems has various benefits such as:

- ✓ Enhances information integrity
- ✓ Reduces transcription errors
- ✓ Reduces duplication of information entries
- ✓ Optimizes report turnaround times

The HIS will use consoles connected to one another through an optimized network. These consoles will be programmed to collect, process, and retrieve patient care and administrative information ensuring better delivery of service. All data will be stored in highly optimized core library that ensures the delivery of operational and administrative information required by users.



(Source: Construction Manager, Project Manager)

BREAKDOWN OF HOSPITAL INFORMATION SYSTEM



Equipment	
A	Hospital Information Systems
	<p>Hospital Information System Software Consulting</p> <ul style="list-style-type: none">• Nurses' Information system• Physicians' Information systems• Diagnostic Information systems (including Radiology and Path lab)• Pharmacy Information systems
	HIS for Hospitals (Total)
	<p>Hardware</p> <ul style="list-style-type: none">• Consoles• Cabling, switches and other hardware• Servers• IT equipment
	<p>Microsoft SQL server Licenses per user)</p> <p>Other licenses</p>
B	Picture Archiving and Communications
	PACS (For radiological and interventional medicine)
C	Electronic Medical Patient Records
D	Telephone and PBX Systems

(Source: Construction Manager, Project Manager)

A close-up photograph of a doctor's hands. The doctor is wearing a white medical coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

KEY FINANCIAL ASSUMPTIONS

- Fixed Assets
- Working Capital
- Bank Borrowings
- Revenue Assumptions
- Staff Cost Assumptions
- Direct Costs
- Indirect Costs

FINANCIAL ASSUMPTIONS – METHODOLOGY



The financial assumptions are developed to prepare projected financials for a period of 10 years in order to capture the expected performance of the project.

The key assumptions used in the projections are summarized as follows:

Profit and Loss	Direct costs	Indirect expenses	Balance Sheet
<p>Revenue</p> <p>✓Pricing of visit</p> <p>✓Delivery packages</p> <p>✓Per day charges for inpatient</p> <p>✓Charges to use Allied services like radiology, laboratory and pharmacy</p>	<p>✓Staffing costs</p> <ul style="list-style-type: none">▪ Doctors, Nurses and Health care professionals▪ Non medical staff <p>✓Pharmaceutical and consumables supplies</p> <p>✓Hospital operator fees</p> <p>✓Catering expenses</p> <p>✓Public Liability Insurance</p>	<p>✓Maintenance expenses</p> <p>✓General and Administration</p> <p>✓Laundry and Housekeeping</p>	<p>Fixed Assets Assumptions</p> <ul style="list-style-type: none">▪ Initial Investment▪ CAPEX▪ Depreciation▪ Maintenance schedule▪ Replacement of equipment▪ Bank Borrowings▪ Working Capital

The financial projections and resulting conclusions included in the Report are based on assumptions for the Hospital Business Model. The information set forth is subject to economic conditions and other assumptions and factors that are dependent upon future events, which cannot be assured. Therefore, the actual results achieved may vary from the information shown and such variations may be material. The following financial assumptions and projections highlight the management's ideas with regard to the project.

(Source: Moore Kuwait Methodology)

PROJECT COST – CAPEX



The project is to construct a general hospital with all the luxurious facilities to serve the patients. As per the planned project, two 24 floors towers are to be built on an owned sea-facing land in Sharq area in Kuwait city which is a prime real estate location.

The two towers will be constructed on a combined 46,000 sqm built-up area including basement, parking and utility area. The towers will be equipped with best in class modern medical and non-medical equipment, furnishings, IT system and Medical & non-Medical vehicles.

The construction costs includes building towers, land preparation, electrical systems, architecture and other professional fees, contractors fees and building-design costs.

Construction of Tower 1 commenced in 2020 and is expected to finish by the end of 2023 for the operations to begin from early 2024.

Construction of Tower 2 is planned to commence from the beginning of 2023 and to end by the end of 2025 for the operations to begin from early 2026.



PROJECT COST

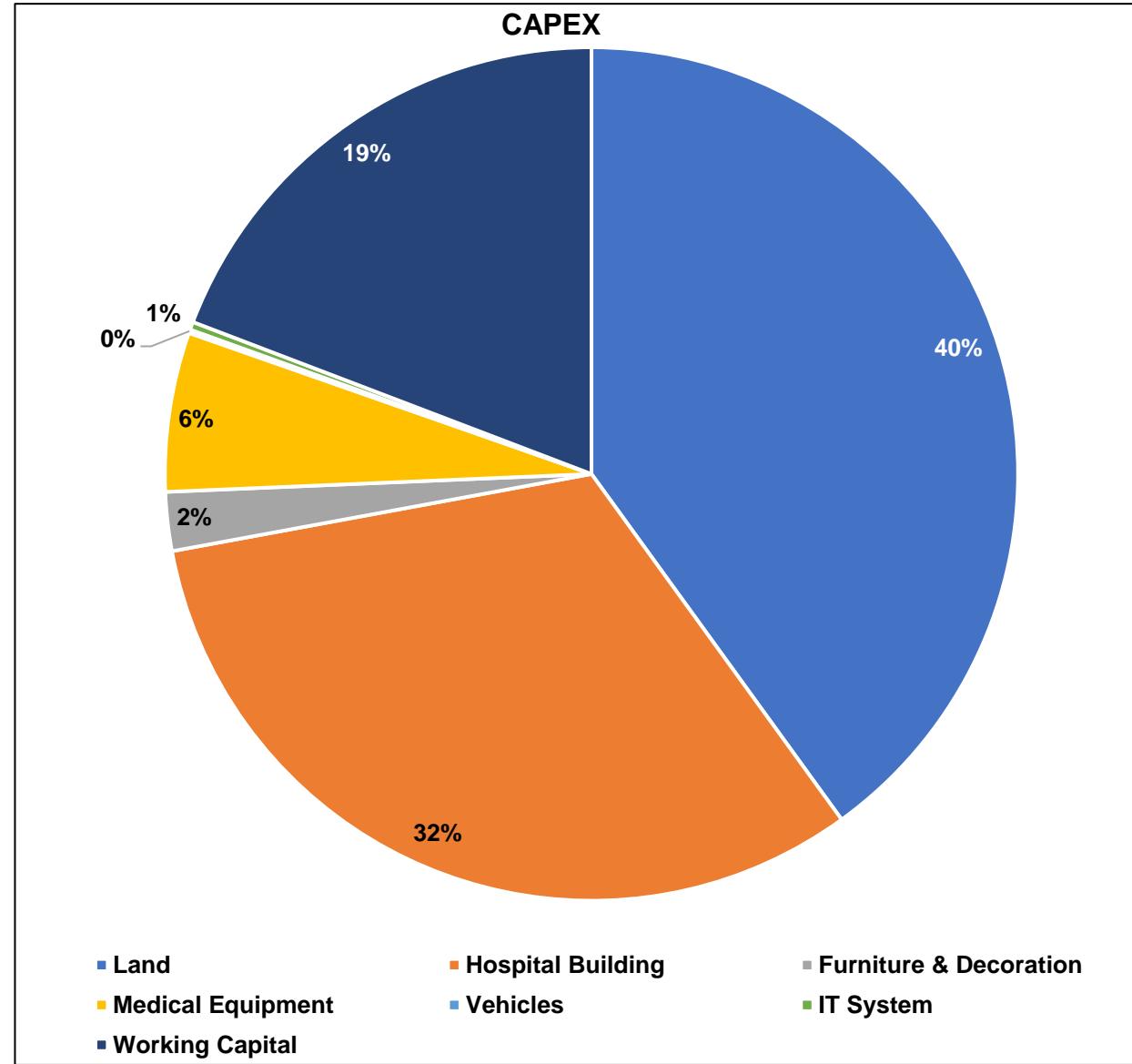


CAPEX	Incurred to date	Costs to complete	Total Project Cost
Land	33,288,000	-	33,288,000
Construction (incl. conting.)	11,173,500	15,505,509	26,679,009
Furniture & Decoration	-	1,853,446	1,853,446
Medical Equipment	-	5,016,012	5,016,012
Vehicles	-	112,586	112,586
IT System	-	249,699	249,699
Total Capex	44,461,500	22,737,252	67,198,752
Working Capital			
Salary – 2 years of operations	-	4,581,678	4,581,678
Marketing – 2 years of operations	-	1,410,010	1,410,010
Other Expenses - 2 years of operations	-	3,810,643	3,810,643
Pre-Operating Finance Costs	5,464,526	2,999,308	8,463,834
Total Working Capital	5,464,526	12,801,639	18,266,165
Total Project Cost	49,926,026	35,538,891	85,464,917

- The land for the hospital have been purchased through bank borrowings and equity from the owners.
- From the beginning of the construction in 2019 till date in 2022, the project has incurred building construction cost worth KD 11.17 million on construction of the Tower 1 building and land of KD 11.2 million for Tower 1
- The promoters have paid KD 3.8 million of financing costs during the pre-operating period and other expenses of KD 1.66 million. These costs were entirely paid by equity of the owners.
- Further, in 2022, the project acquired neighbouring land worth KD 22.1 million for the construction of Tower 2, to be commenced in early 2023.
- The buildings are constructed on owned Freehold land for which appropriate licenses have been received and therefore there will be no time limits for the operational period or restrictions for the use.

(Source: Construction Manager, Real Estate Valuer, Project Manager)

PROJECT COST



- The majority of the project cost (40%) has been incurred on purchasing the land for the general hospital. The total gross built up area of the hospital will be 46,800 sqm. – 10,800 sqm for Tower 1 and 36,000 sqm for Tower 2
- 32% of the total project cost is expected to be incurred on construction of the building of 2 towers. Tower 1 building construction is near completion and Tower 2 building cost has been estimates based on actual costs of Tower 1 building. However, the final actual cost upon completion of Tower 2 may vary due to factors such as change in construction material prices, contractor's fee, any change in construction timeline etc.
- The medical equipment for both the towers will be sourced from best suppliers globally and the potential suppliers have already been identified.
- The hospital will also have ambulance to serve the patients for the emergency cases

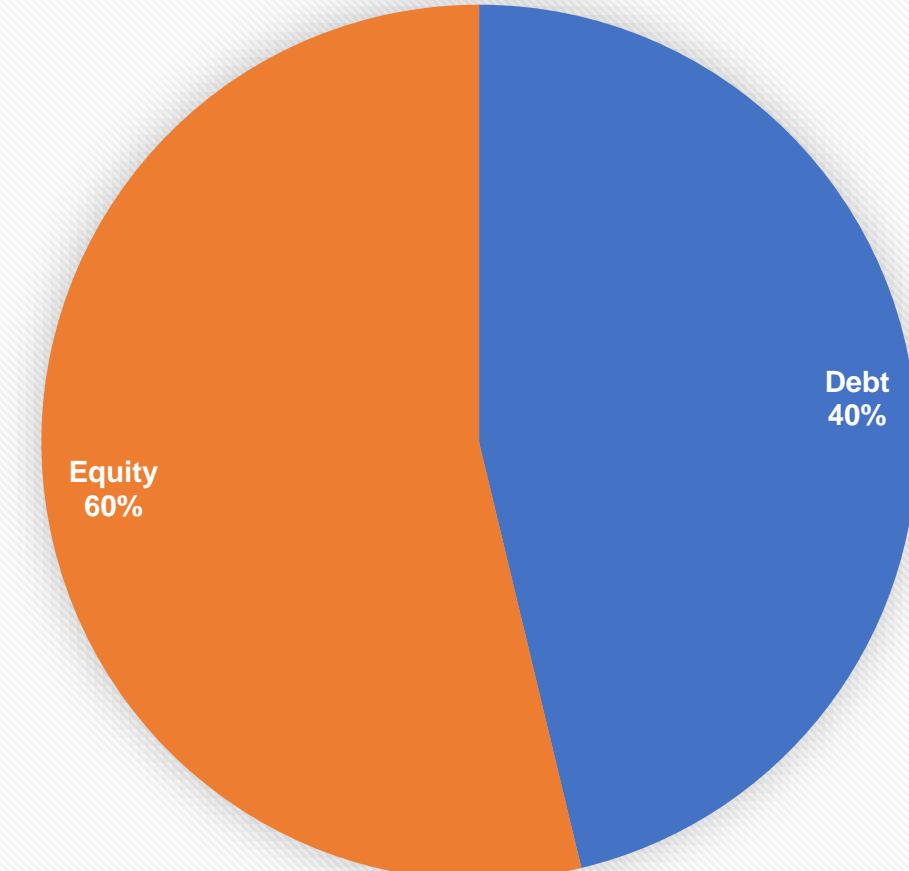
(Source: Construction Manager, Real Estate Valuer, Project Manager)

INITIAL INVESTMENT – FUNDING



Funding	Total
Total bank borrowings	40,000,000
Equity (Investment Property) – in kind	41,500,000
<hr/>	
Total Funding till date	81,500,000
Equity – to be invested	20,000,000
<hr/>	
Total funding	101,500,000

Funding Structure – Assima Hospital



(Source: Moore Kuwait Calculations)

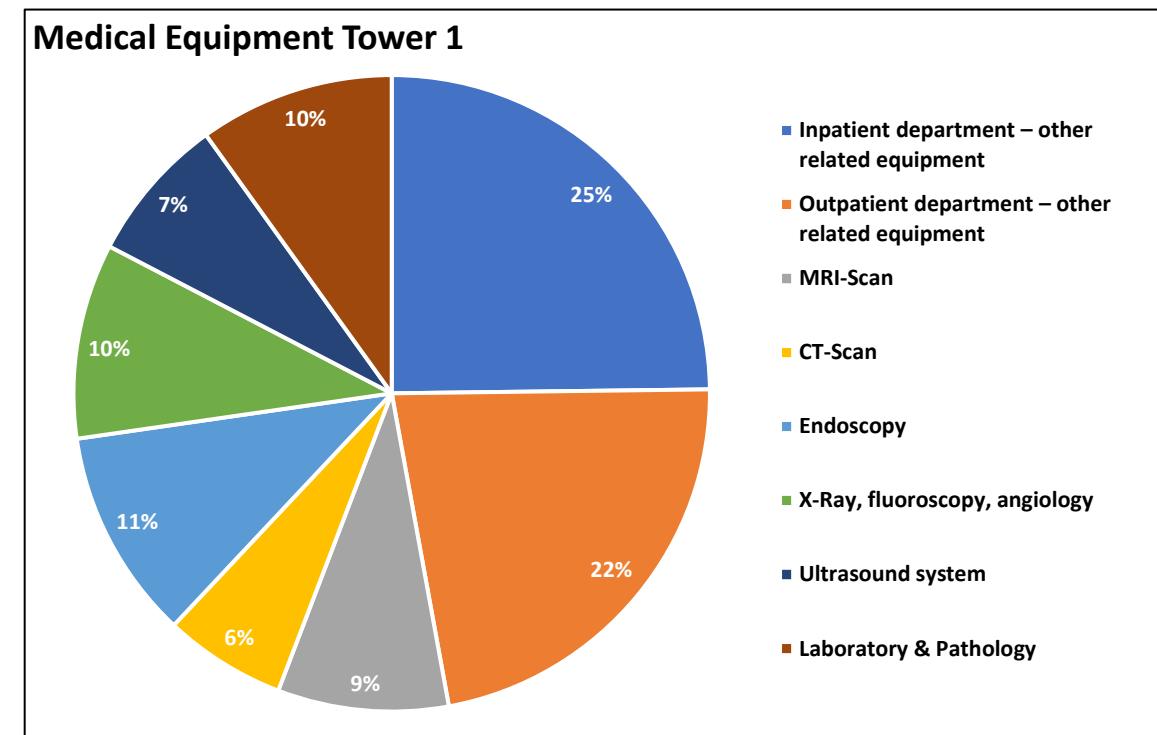
MEDICAL EQUIPMENT – TOWER 1



The medical equipment requirements for the Hospital are quite extensive and a budget of approximately KD 2 mn has been allocated to equip the Tower 1 of the hospital with best products. The cost listed below is taken from the quotes received from different suppliers.

The provisional budget has been allocated as follows:

Department	Cost (KD)
Inpatient department – other related equipment	500,000
Outpatient department – other related equipment	450,000
MRI-Scan	175,000
CT-Scan	125,000
Endoscopy	216,000
X-Ray, fluoroscopy, angiology	200,000
Ultrasound system	150,000
Laboratory & Pathology	200,000
Total	2,016,000



The above will cover the medical equipments required for the 48 beds and 48 OPD clinics of the hospital, the IT infrastructure costs of approximately KD 170,000 are separate and are not included in the above.

(Source: Construction Manager, Project Manager)

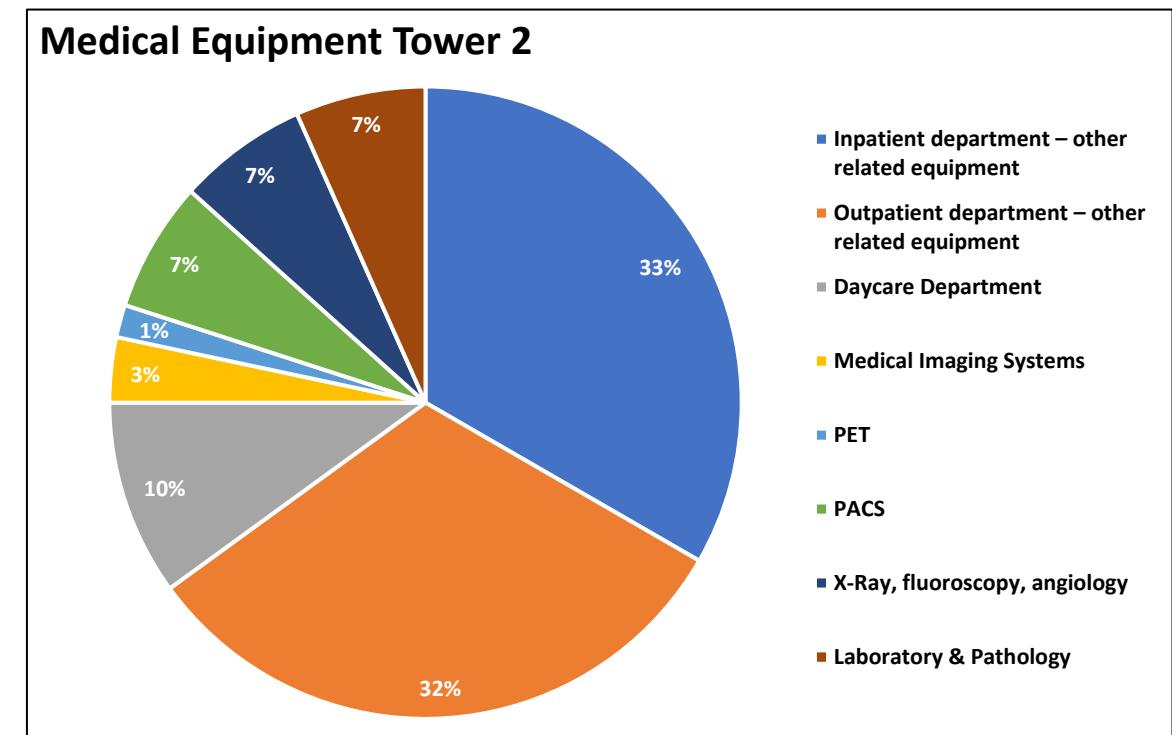
MEDICAL EQUIPMENT – TOWER 2



The medical equipment requirements for the Hospital are quite extensive and a budget of approximately KD 3 mn has been allocated to equip the Tower 2 of the hospital with best products. The cost listed below is taken from the quotes received from different suppliers.

The provisional budget has been allocated as follows:

Department	Cost (KD)
Inpatient department – other related equipment	1,000,000
Outpatient department – other related equipment	950,000
Daycare Department	300,000
Medical Imaging Systems	100,000
PET	50,000
PACS	200,000
X-Ray, fluoroscopy, angiology	200,000
Laboratory & Pathology	200,000
Total	3,000,000



The above will cover the medical equipments required for the 67 beds, 60 OPD clinics and 44 Daycare beds of the hospital, the IT infrastructure costs of approximately KD 80,000 are separate and are not included in the above.

LIST OF MEDICAL EQUIPMENT



Vital signs
Crash Cart
Defibrillator
ECG
Examination Light
Treatment trolley- small
IV stand
Nebulizer
Stethoscope
Stepping Stool
Wall mounted dx
Weighing Scale
Wheel Chair
Glucometer
Outcall bag
Ear Washer
First Aid Kit
Ambu-bag
Laryngoscope with different blade sizes (Adult & Peds)
Tuning Forceps



LIST OF MEDICAL EQUIPMENT



Examination Bed with drawers
Stretcher with rails
Basic examination bed
Recliner
Folding Screen / Partition
Vacuum
Oxygen Cylinder
IV Pump
Phlebotomy Chair
Incubator
Microscope
Centrifuge
Dental Instruments
MRI-Scan
CT-Scan
BMD
X-Ray
Ultrasound
Laboratory Microscope
Other Laboratory Equipment



FIXED ASSETS ASSUMPTIONS



Maintenance Schedule

In addition to the above the project will strictly comply with the International Standards issued by the World Health Organization in addition to complying with the local guidelines of healthcare issued by the Ministry of Health. It is strictly forbidden to import pre-owned medical devices into Kuwait and hence the project will not buy used or refurbished Medical Devices.

Keeping the above in mind, the maintenance schedule developed and applied for fixed assets is as follows:

Maintenance Schedule - %	Maintenance rate	2024	2025	2026	2027	2028	2029	2030
Building	1%	0%	10%	10%	10%	10%	10%	10%
Medical-Equipment	5%	0%	10%	25%	25%	25%	25%	25%
IT and Communication-System	10%	0%	50%	50%	50%	50%	50%	50%
Non-Medical-Equipment	7.5%	0%	25%	25%	50%	50%	50%	50%
Vehicles	5%	0%	10%	10%	25%	25%	25%	25%

The maintenance cost is calculated by multiplying the maintenance rate and the original capital expenditure adjusted for inflation, times by the percentages above. The maintenance rates are more conservative than industry norms.

(Source: [Moore Kuwait Projections](#))

FIXED ASSETS ASSUMPTIONS



The Medical Equipment will comply with the following most important standards namely:

- IEC – International standards for the electrical safety of electrical and electromechanical equipment, and apply to refrigerators for example. IEC 601 is the international standard specifically for electrical and mechanically safe medical equipment for use by staff and with patients.
- ISO – International standards for quality management and systems.
- ISO 9000–9004: A series of standards covering the quality of manufacturing processes, design and development, construction, installation and service. ISO standards do not currently exist for all medical supplies and equipment, but do apply to syringes, needles, gloves, instruments and scales, for example. CE mark – which indicates that a product meets European Union directive standards, and apply to sterile medical supplies for example.

Hospital will incorporate these important international standards as provided by the World Health Organization (WHO) into its business model and its maintenance schedule for its fixed assets and developed the business model and maintenance schedule adhering to these standards.



Source: WHO

FIXED ASSETS ASSUMPTIONS



We have assumed the following depreciation rates in our financial model with regard to the capital expenditure

Depreciation Rates	%	Years
Buildings	5%	20
Medical-Equipment	15%	7
IT and Communication-System	33%	3
Vehicles	25%	4
Non-Medical-Equipment	15%	7



(Source: [Industry Standards](#))

BANK BORROWINGS



It has been assumed that the project will finance 46% of the initial project cost through bank borrowings. The company will borrow further loan as when required to maintain a minimum operational cash balance after the capex.

For the bank borrowings availed for the project cost including purchase of Land and construction of Tower 1 of the hospital, the following has been assumed and projected:

Borrowings for Project Cost

Total loan amount	40,000,000
Loan interest	5%
Loan term – grace period	3 years on principal
First principal repayment	In 2023
Subsequent repayments	2027 onwards (at full operations of the hospital)



(Source: Moore Kuwait Calculations)

BANK BORROWINGS



It has been assumed that the management will finance 46% of the initial project cost (Land, Construction, Equipment, Furnishings etc.) through bank borrowings.

The company will borrow further as when required to maintain a minimum operational cash balance in Tower 1 and to fund the capex of Tower 2.

Based on the above, the following bank borrowings schedule has been projected:

Loan Schedule (in 000s)	2023	2024	2025	2026	2027	2028	2029	2030
Loan Outstanding at the beginning	40,000	30,000	20,000	15,000	15,000	15,000	15,000	15,000
Additions	-	-	-	-	-	-	-	-
Interest	1,038	1,250	875	750	750	750	750	750
Principal Repayment	10,000	10,000	5,000	-	-	-	-	-
Loan Outstanding at the end	30,000	20,000	15,000	15,000	15,000	15,000	15,000	15,000

The company will pay interest of 5% per annum on the outstanding loan amount, irrespective of the drawdown of the funds.

(Source: Moore Kuwait Calculations)

KEY ASSUMPTIONS – REVENUE

The hospital operational revenue model is focused on OPD department's sub-specialty services to be provided by the hospital and therefore the main revenue driver for other services as well will be the flow from OPD department to other services of the hospital. The hospital will provide a large number of medical services through its departments such as Outpatient, Inpatient, Daycare hospital, Emergency, Cath Lab, Operation Theatres, Maternity Rooms, Radiology and imaging, laboratory and pharmacies.

We have used the following 2 factors to identify the most needed OPD medical sub-specialty services in Kuwait -

1. Comparison of historical OPD visits by medical sub-specialty to MoH and Private hospitals
2. Comparison of OPD medical sub-specialty services being provided by top 6 private hospitals in Kuwait

Based on the above two factors and in line with the need of the medical services by the population, the management have identified the market and the types of OPD medical specialty services to be provided by the general hospital. Based on the identified OPD services, the hospital will also provide Inpatient services in the same specialty.

Sub-Specialty OPD Department Services



Increase in need of private hospital market due to increase in demand of highest quality of care and services



Increase in population due to higher life expectancy among Kuwaitis



OPD visits to generate flow to other services to be provided by the hospital

KEY ASSUMPTIONS – REVENUE



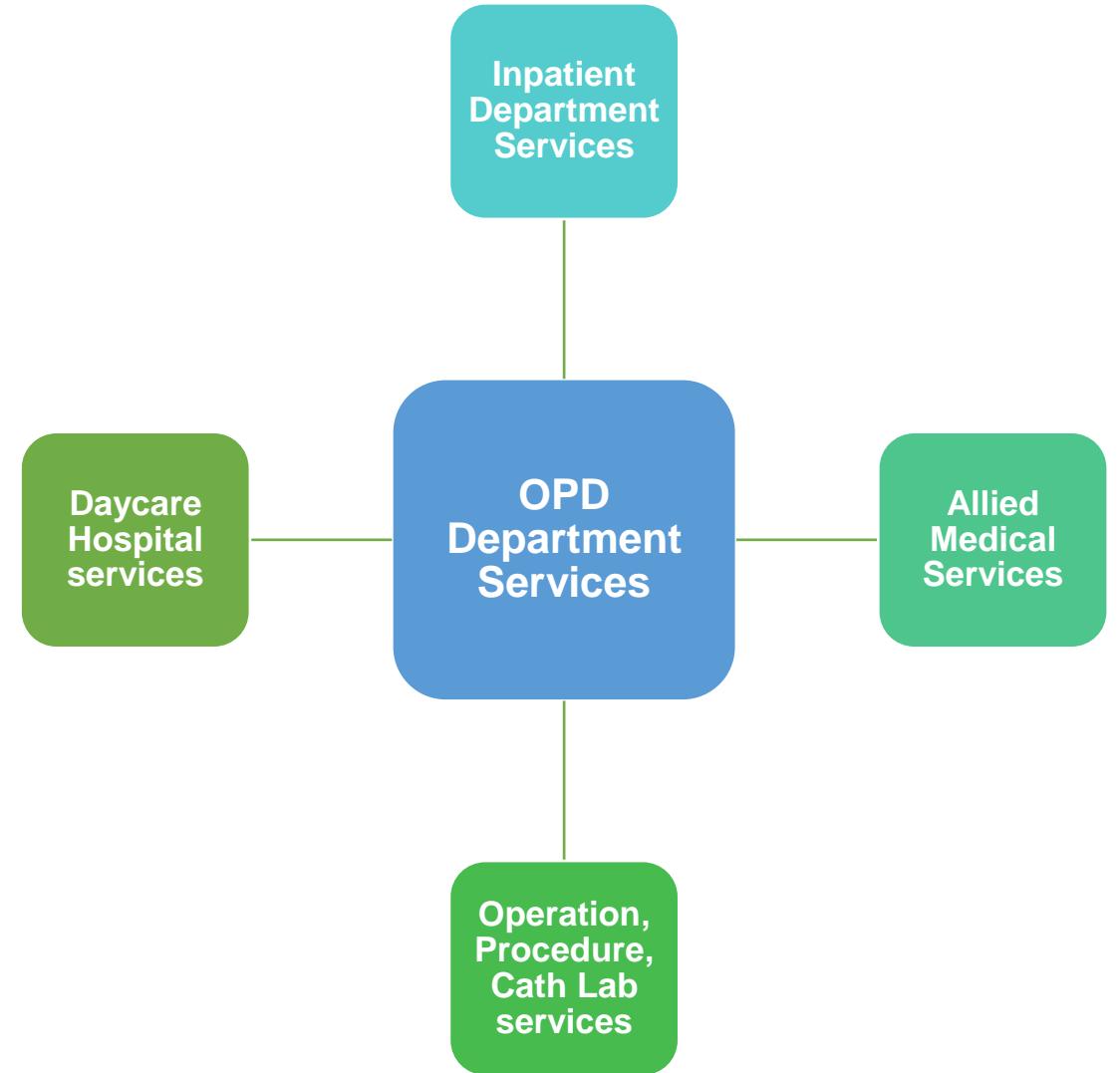
For the purpose of projecting market share from the target market, we have used –

- The expected growth in the usage of OPD visit per population of private healthcare sector in Kuwait, projected to grow from 1.68 visits in 2021 to 2.03 visits in 2030
- The growth in population of target areas (Capital, Farwaniya and Hawally health region) and the need of private healthcare services in these areas especially among the Kuwaiti population.

It has been assumed that the inpatients will flow from OPD department patients based on the conversion rate of the OPD visits into inpatients over the last 5 years in the private healthcare sector as well as MoH hospitals which reflects the number of patients that need greater level of care.

For the daycare hospital patients, we have assumed that 3% to 10% of the OPD visits will utilize daycare hospital services. This is based on the general analysis of the services provided in the daycare hospitals globally.

The revenue from other services such as procedures, surgical & non-surgical operations, Cath Lab, Laboratory, Radiology & Imaging and pharmacy is based upon the OPD visits and the general need of the patient.



KEY ASSUMPTIONS – REVENUE - OPD SPECIALTIES



Based on the projected demand and the analysis of the top medical sub-specialties that are being diagnosed in the OPD departments of the other private hospitals, the management have planned to provide following services:

Tower 1	Tower 2
1. Obstetrics & Gynecology <ul style="list-style-type: none">- Maternity services- Delivery services- Premature	1. Dental medicine
2. Pediatrics <ul style="list-style-type: none">- Pediatric Surgery- Neonatal	2. ENT
3. Infertility <ul style="list-style-type: none">- IVF- Auditory Planning	3. Endocrinology and Diabetes
4. Plastic surgery & burns/Cosmetic Surgery	4. Physiotherapy
5. Dental medicine	5. Orthopedics
6. Cardiology <ul style="list-style-type: none">- Respiratory Diseases	6. Ophthalmology
7. Family Medicine	7. General surgery
8. Dermatology	8. Urology
9. Emergency	9. Internal Medicine <ul style="list-style-type: none">- Gastroenterology- Nephrology
	10. Neurosurgery
	11. Nutrition

As per the current planning for the provision of OPD services, some of the specialties will be provided in both the towers based on the sub-branches of those specialties.

(Source: Project Management)

KEY ASSUMPTIONS – REVENUE - OPD VISITS BY SPECIALITY (HISTORICAL PRIVATE HOSPITALS)



Specialty	Total OPD Visits by Specialty				
	2016	2017	2018	2019	2020
Obstetrics and Gynecology	383,313	450,827	451,434	451,153	469,427
Casualty/Emergency	383,831	398,454	404,871	430,601	349,889
Pediatrics	376,655	356,816	321,033	369,630	201,500
Internal Medicine	188,915	256,945	273,725	335,337	331,841
Orthopedics	137,766	184,195	201,848	216,142	192,709
E.N.T.	143,395	157,809	165,874	170,354	147,597
Dermatology	145,751	157,246	158,535	168,356	139,613
Physiotherapy	76,899	119,350	151,248	161,476	134,024
Dental medicine	130,754	138,442	138,701	139,814	144,909
General Surgery	76,259	108,604	119,241	121,880	116,152
Ophthalmology	81,797	105,465	114,994	115,466	107,384
Urology	49,435	69,122	70,740	72,116	70,057
Cardiology	35,379	50,645	55,935	64,604	65,335
Plastic Surgery and burns	60,188	60,554	57,069	53,187	31,424
Gastroenterology	21,854	35,349	44,700	52,749	58,874
Infertility & IVF	35,546	47,100	53,017	49,889	44,107
Radiology	25,119	34,263	36,425	40,245	38,882
Endocrinology and Diabetes	17,922	26,159	31,287	36,048	33,090
Family Medicine	-	-	21,195	25,064	24,049
Nephrology	17,057	19,208	19,745	24,392	22,880
Anesthesia & Pain Management	11,131	15,187	18,277	21,257	19,697
Respiratory Diseases	-	-	13,348	14,958	8,818
Neurosurgery	11,537	17,888	16,183	14,509	18,713
Pediatric Surgery	5,206	5,281	49,698	5,658	3,839
Nutrition	5,050	4,586	3,856	4,043	2,321
Rheumatology	-	-	11,279	2,929	3,135
Neurology	-	-	-	1,773	1,377
Vascular diseases & Surgery	3,838	74	51	869	6,265
Auditory Planning	-	-	793	686	-
Hematology	-	-	115	306	572
Others	12,628	27,926	29	25	34
Total	2,437,225	2,847,495	3,005,246	3,165,516	2,788,514

(Source: MoH Annual Health Report 2020)

- The table here presents the number of OPD Visits over the last 5 years in each of the specialty available in the private hospitals in Kuwait.
- The use of the private hospitals among Kuwaitis have been 3 times more than non-Kuwaitis over the last 5 years and the trend is projected to continue over the foreseeable period for the greater demand and need of the better quality medical specialty services among Kuwaitis.
- Kuwaitis prefer private hospitals because of shorter waiting time and better quality of services leading to trust in private services
- Most of the top 6 private hospitals on Kuwait provide majority of the medical services listed in the table.

KEY ASSUMPTIONS – REVENUE - OPD VISITS



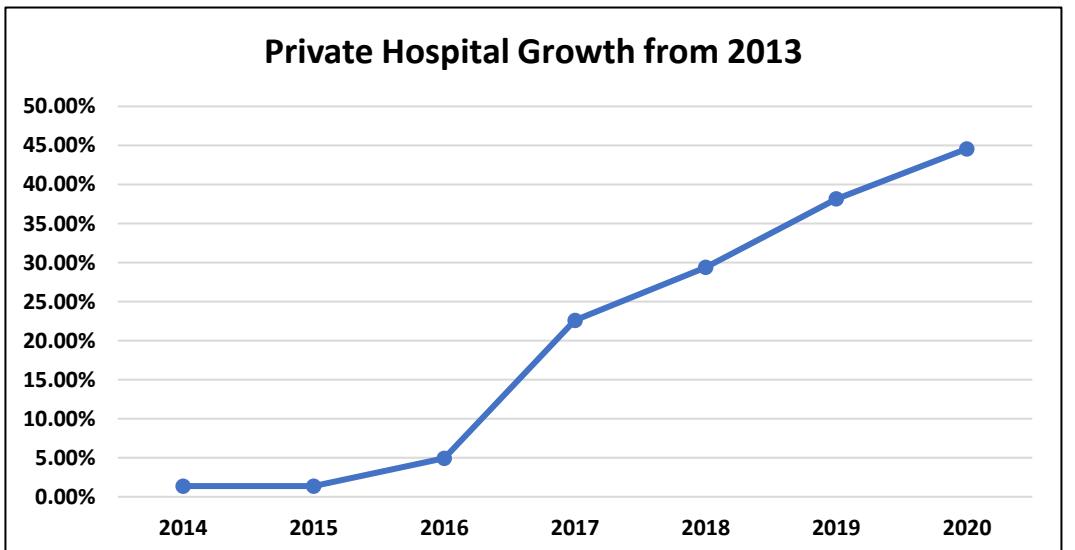
The OPD visits as well as overall use of the private healthcare sector has grown at a CAGR of 6% over the last 5 to 7 years. It is expected that over the next 10 years the private healthcare sector in Kuwait will grow at a CAGR of 5%. The reasons for the growth are mainly the reduced waiting time at private hospitals and the change in the government insurance policy with the launch of afya insurance scheme for retired Kuwaiti population.

Over the last 10 years, MoH hospitals market share from the total healthcare market has reduced from 75% to around 60% in 2020. This is mainly because of the following reasons:

- Private sector provides reduced waiting times, faster appointments and better quality services as compare to the public healthcare facilities
- Kuwaitis willing to pay for high-end services offered by private hospitals
- Private hospitals provide some of those critical services that cater to life-threatening diseases for which previously Kuwaitis were required to fly out of the country for treatment

The management of Assima Hospital has, realizing the need for such facilities, have identified a market gap in the healthcare market.

Healthcare Market	2016	2017	2018	2019	2020 (Covid Year)
OPD Visits					
MoH	3,109,044	3,235,403	2,967,026	3,288,907	1,951,058
Private	2,437,225	2,847,495	3,005,246	3,165,516	2,788,514
Inpatient					
MoH	261,185	259,726	250,416	252,112	211,913
Private	92,027	96,613	96,941	97,395	86,212



HISTORICAL HEALTHCARE USAGE – KUWAIT



The healthcare facility usage in Kuwait by the Kuwaitis and Expats is as follows:

Service Type	Nationality	Private	Government	Total	Avg. OPD visit per patient in Private Sector	
					Historical	Projected by 2030
OPD	Kuwaiti	76%	67%	72%	1.68	2.03
	Non- Kuwaiti	24%	33%	28%	0.23	0.26
Inpatient	Kuwaiti	51%	82%	61%		
	Non- Kuwaiti	49%	18%	39%		

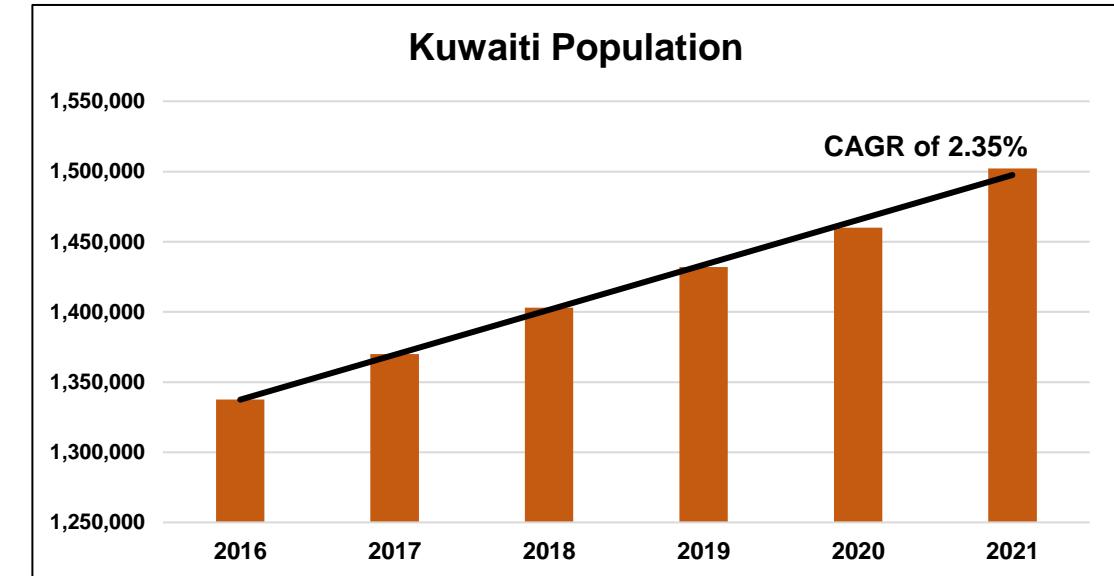
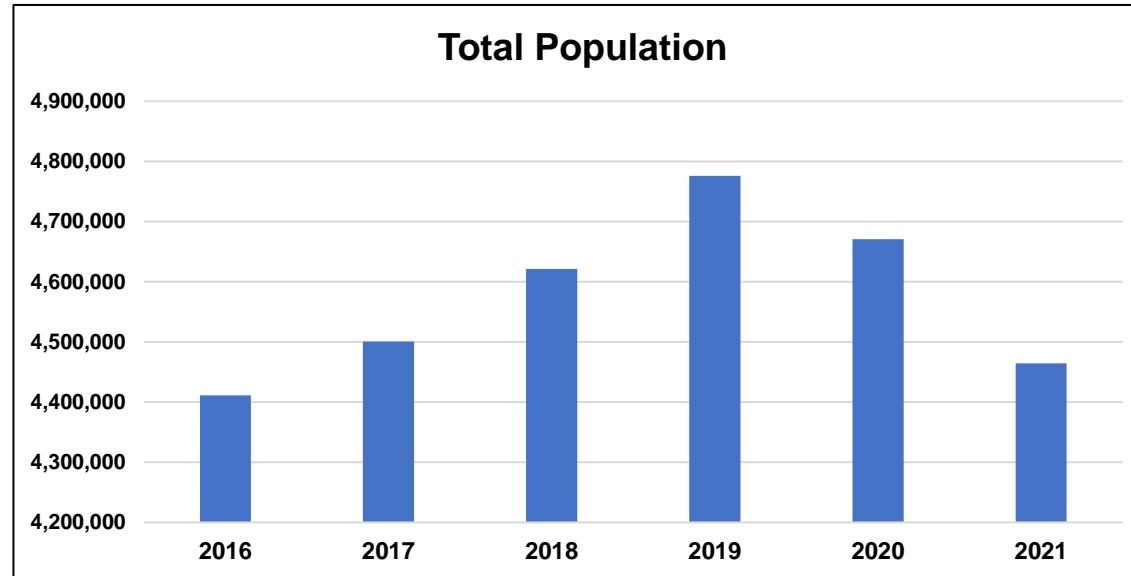
The above highlight that the Kuwaiti population prefer to use the private healthcare facility due to 2 reasons:

1. Trust & competency
2. Shorter waiting time

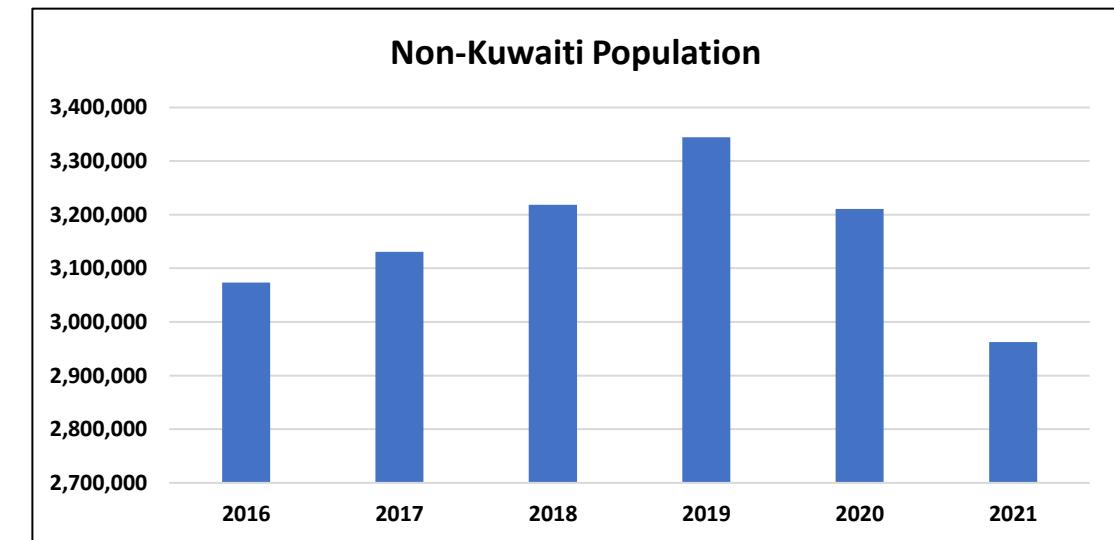
Over the last few years there have been a significant increase In the use of private healthcare facilities by Kuwaiti population.

Service Type	2015	2016	2017	2018	2019	2020 (Covid impact)	CAGR (2013-2020)
OPD	1,691,530	1,759,182	2,170,942	2,277,209	2,406,029	2,132,609	6%
Inpatient	74,196	72,982	79,233	79,376	82,191	86,212	3%

(Source: CSB Annual Kuwait Health Statistics)



- Over the past 10 years, the Kuwaiti population has grown at CAGR of 2.35%.
- The non-Kuwaiti population has decreased over last two years mainly due to the cancellations of residencies during covid-19 pandemic and restriction on issuance of new residency visas.
- The government's residency policy have also led to the decrease in number of non-Kuwaitis from 2019 to 2021.



(Source: Project Management)

KEY ASSUMPTIONS – REVENUE – PROJECTED POPULATION



Projected Population	2021 actual	2022	2023	2024	2025	2026	2027	2028	2029	2030
Kuwaiti										
Male	736,514	754,927	773,800	793,145	812,974	833,298	854,130	875,484	897,371	919,805
Female	765,624	784,765	804,384	824,493	845,106	866,233	887,889	910,086	932,839	956,159
Total	1,502,138	1,539,691	1,578,184	1,617,638	1,658,079	1,699,531	1,742,020	1,785,570	1,830,209	1,875,965
Non-Kuwaiti										
Male	1,962,404	1,982,028	2,001,848	2,021,867	2,042,085	2,062,506	2,083,131	2,103,963	2,125,002	2,146,252
Female	999,885	1,009,884	1,019,983	1,030,183	1,040,484	1,050,889	1,061,398	1,072,012	1,082,732	1,093,559
Total	2,962,289	2,991,912	3,021,831	3,052,049	3,082,570	3,113,396	3,144,529	3,175,975	3,207,735	3,239,812
Total Population	4,464,427	4,531,603	4,600,015	4,669,688	4,740,649	4,812,927	4,886,549	4,961,545	5,037,944	5,115,776

- The Kuwaiti population is expected to grow at 2.5% per annum over the next 10 years
- The decrease in infant mortality and increase in life expectancy of the Kuwaitis will result in the expected population growth
- The non-Kuwaiti population is expected to grow at 1% per annum over the next 10 years.
- The increase in demand of laborer's and domestic workers post pandemic will lead the rise non-Kuwaiti population. However, the residency law of the government will have an impact on the overall non-Kuwaiti population.

(Source: Project Management)

HEALTHCARE USAGE – KUWAIT



The usage of healthcare services in Kuwait based on government and private hospitals is as follows:

Sector	OPD Visits 2021*	% Usage	Inpatients	% Usage	OPD Visits per Kuwaiti population
MoH hospitals	6,934,178	69%	252,112	72%	1.55
Private hospitals	3,165,516	31%	97,395	28%	1.68
Total	10,099,694		349,507		

*adjusted for Covid-19 impact

OPD Visits Private hospitals Kuwait	2021*		Projected 2030	
	OPD Visits	Visit per population	OPD Visits	Visit per population
Kuwaiti				
Male	917,415	1.31	1,396,675	1.52
Female	1,488,614	2.04	2,412,541	2.52
Total	2,406,029	1.68	3,809,216	2.03
Non-Kuwaiti				
Male	345,915	0.15	437,830	0.17
Female	413,572	0.40	586,081	0.44
Total	759,487	0.23	1,023,910	0.26
Total Market	3,165,516	0.66	4,833,127	0.94

*adjusted for Covid-19 impact

- The private healthcare usage has increased at a CAGR of 6% over the last 7 years.
- The visit per Kuwaiti population in the private hospital is 1.68 visits which is expected to grow at 2.5% p.a.
- It has been assumed that the overall private hospitals market will grow at 5% p.a. over the next 10 years.
- The expected growth in the Kuwaiti population (2.5% p.a. and the increase in private healthcare usage (5% p.a.) will lead to the growth of the overall market.**
- The expected visit per Kuwaiti population will reach 2.03 visits in 2030.**
- Approximately, the private healthcare market covers 30% of the need of the total healthcare services required in Kuwait.

(Source: CSB Annual Kuwait Health Statistics)

KEY ASSUMPTIONS – REVENUE – PROJECTED MARKET GROWTH



	2023	2024	2025	2026	2027	2028	2029	2030
Projected OPD Visits	3,440,106	3,611,315	3,791,046	3,979,723	4,177,790	4,385,715	4,603,989	4,833,127
Assima Hospital Market Share								
Overall Market	0.34%	0.70%	1.24%	1.56%	3.36%	4.74%	5.41%	5.81%
In Assima Target Areas	0.48%	1.37%	2.44%	3.06%	6.58%	9.29%	10.60%	11.38%
Of sub-specialties to be provided by hospital	0.49%	1.01%	1.80%	2.26%	4.86%	6.85%	7.82%	8.40%
Projected Assima OPD visits	11,612	25,159	47,113	62,163	140,262	207,839	249,009	280,592
Projected Assima Inpatient Visits	-	79	828	1,971	3,866	5,948	7,169	8,339

The projected growth in the private healthcare sector is based on the following factors:

1. Growth in population by 1.5% p.a. over the next 10 years; 2.5% growth in Kuwaitis & 1.0% p.a. growth in non-Kuwaitis
2. Growth in private healthcare usage from 1.68 visit per population in 2019 to 2.03 visit per population by 2030.

The projected OPD visits market over the projected operational period have been calculated based on visit per population multiplied by the total population.

The projected OPD visits for the hospital have been calculated based on the projected market share for the sub-specialty services to be provided by the hospital multiplied by the overall market for those sub-specialties.

The overall market share have been projected based on the target areas of the hospitals which are Assima, Hawally and Farwaniya health regions and the target Kuwaiti population in these areas.

For the inpatient, historically 1 out 33 OPD visits are converted into inpatient for the more medical care needed by the patient.

(Source: Project Management)

KEY ASSUMPTIONS – REVENUE – OPD MARKET SHARE



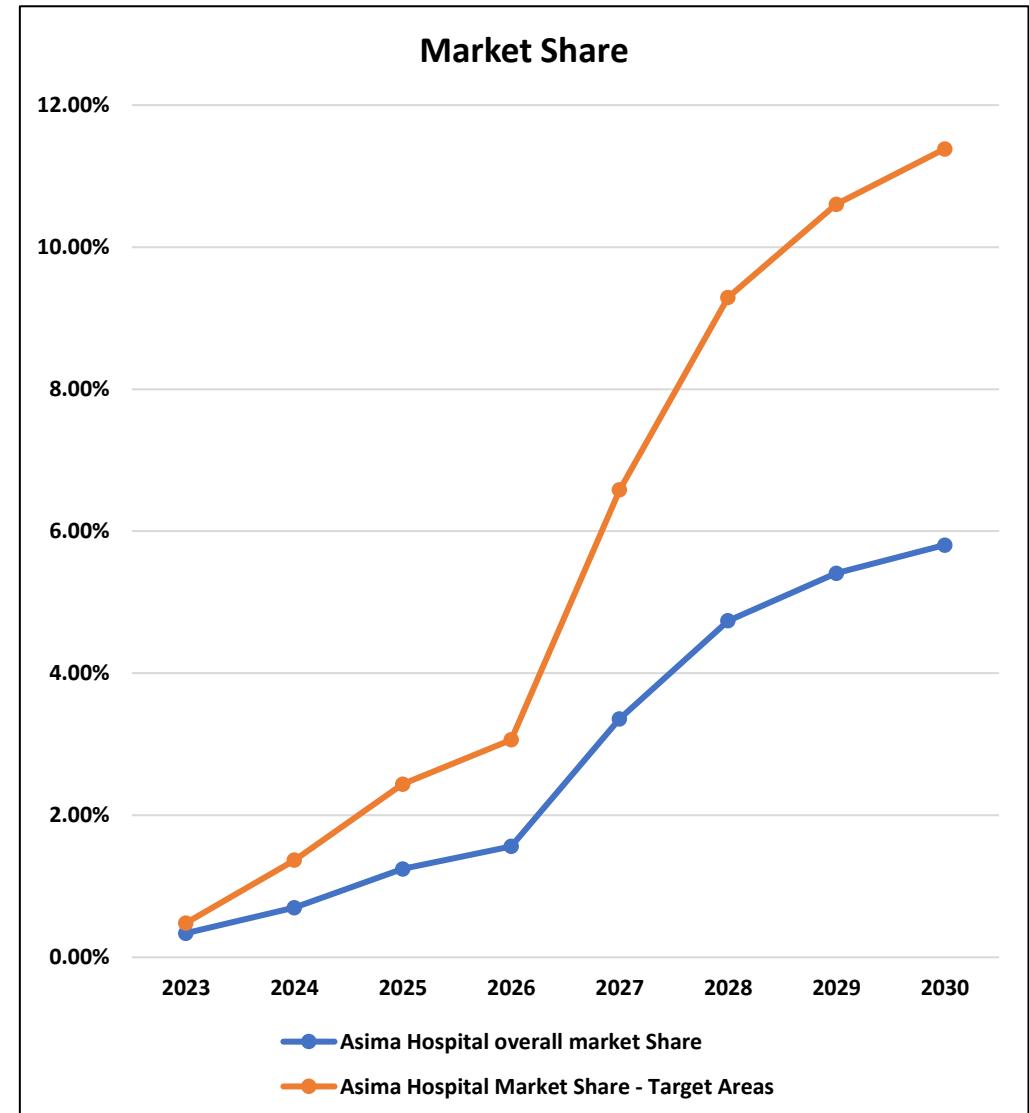
There is a significant market gap that management have identified and look to fulfill in the private healthcare services.

The hospital aims to achieve this market share primarily through:

- Highest quality of services
- Recruitment of more specialists over the time
- Affiliate program with one of the best healthcare providers in the region
- Great location and facilities

It has been assumed that the hospital will get a market share of

- 1% to 2.5% of the overall market in phase 1 of operations beginning 2024
- 4% to 8% share of the overall market from the commencement of phase 2 until full operations
- The high growth in phase 2 is due to the start of additional medical sub-specialties and other services in tower 2 which will attract more new patients and hence the higher market share



(Source: Moore Kuwait Projections)

PROJECTED OPD VISITS – TOWER 1



OPD Services	2024	2025	2026	2027	2028	2029	2030
Projected Market Share of per sub-specialty	1.10%	1.60%	2.55%	3.55%	4.80%	5.00%	5.30%
Obstetric & Gynecology - Non Delivery	3,224	4,923	8,239	12,044	17,099	18,702	20,815
Obstetric & Gynecology - Delivery	390	4,870	5,840	7,790	9,730	9,730	9,730
- Premature	27	41	69	101	143	157	174
Pediatrics	2,640	8,065	13,496	19,728	28,008	30,634	34,095
- Pediatric Surgery	45	139	232	339	481	526	586
Infertility	352	537	899	1,315	1,866	2,041	2,272
- Auditory Planning	2,600	3,971	6,645	9,713	13,790	15,083	16,787
Plastic surgery & burns/Cosmetic Surgery	1,966	3,002	2,512	3,672	5,213	5,702	6,346
Dental medicine	2,518	3,845	3,217	4,703	6,677	7,303	8,128
Cardiology	3,285	5,017	4,198	6,137	8,712	9,529	10,606
- Respiratory Diseases	1,789	2,733	2,286	3,342	4,745	5,190	5,776
Family Medicine	761	1,162	1,944	2,842	4,034	4,413	4,911
Dermatology	1,006	1,537	2,571	3,759	5,336	5,837	6,496
ENT	228	348	582	850	1,207	1,321	1,470
Orthopedics	700	1,070	1,790	2,617	3,715	4,063	4,522
General surgery	37	56	94	137	195	213	237
Internal Medicine	2,415	3,689	4,115	4,512	6,405	7,006	7,798
- Gastroenterology	773	1,180	988	1,444	2,050	2,242	2,495
- Nephrology	367	560	468	685	972	1,063	1,183
Neurosurgery	294	448	375	548	778	851	948
Nutrition	68	104	87	127	181	198	220
Emergency	1,955	2,464	2,587	3,622	3,803	3,993	4,193
Total	27,440	49,761	63,234	90,027	125,140	135,797	149,788

(Source: Moore Kuwait Projections)

PROJECTED OPD VISITS – TOWER 2



OPD Services	2024	2025	2026	2027	2028	2029	2030
Projected Market Share of per sub-specialty	-	-	-	2.25%	3.50%	4.50%	5.00%
Dental medicine	-	-	-	4,655	7,603	10,264	11,974
ENT	-	-	-	5,961	9,737	13,145	15,335
Endocrinology and Diabetes	-	-	-	1,374	2,245	3,030	3,536
Physiotherapy	-	-	-	5,744	9,381	12,665	14,776
Orthopedics	-	-	-	7,779	12,705	17,152	20,011
Ophthalmology	-	-	-	4,090	6,680	9,018	10,521
General surgery	-	-	-	4,237	6,920	9,342	10,899
Urology	-	-	-	2,511	4,101	5,537	6,460
Internal Medicine	-	-	-	11,438	18,682	25,221	29,425
- Gastroenterology	-	-	-	1,830	2,989	4,035	4,708
- Nephrology	-	-	-	868	1,418	1,914	2,233
Neurosurgery	-	-	-	695	1,135	1,533	1,788
Nutrition	-	-	-	162	264	356	416
Total	-	-	-	51,344	83,860	113,212	132,082

(Source: Moore Kuwait Projections)

KEY ASSUMPTIONS – REVENUE – INPATIENTS



As discussed earlier, the general hospital will be OPD medical services focused and the inpatients numbers will flow from OPD services. The inpatient services will also depend on the available beds, bed capacity and the average bed occupancy.

Based on this –

- In Tower 1, the management have planned to provide inpatient services to limited number of specialties only as it targets to acquire majority of the women and pediatrics patient in the initial phase of the project due to higher need of the medical services among these population
- In Tower 1, management will also offer package services for maternity and child delivery as well as for cardiology patients. Tower 1 will consist of VVIP and VIP rooms offering luxurious services with sea facing rooms to the patients
- In Tower 2, it is being planned that only standard inpatient rooms will be built and it will be more of a general hospital but with the luxurious services to be provided to the inpatient in terms of the facilities

The number of patients, thus, for both the towers have been calculated based on the historical OPD to inpatient conversion rate for each of the inpatient medical specialty services to be provided by the hospital.

Room Type	Building	Nos.	Avg. size (Sqm)
VVIP	Tower 1	2	112
VIP	Tower 1	8	52.5
Standard Rooms 1	Tower 1	38	35.75
Standard Rooms 2	Tower 2	67	35.75
Cath Lab	Tower 1	1	60
Operation Theatres	Tower 1 & 2	11	70
Total		115	
Avg. Bed Occupancy		55%	

Capacity Assumptions	
Total No. of Beds (A)	115
VIP 1	2 Rooms
VIP 2	8 Rooms
Standard Rooms	105 Rooms
Average Length of Stay (B)	3 Days
Total Available Capacity (A*365 days)/B	13,992 bed days
Avg. Bed Occupancy	55%

(Source: Moore Kuwait Projections)

KEY ASSUMPTIONS – REVENUE - INPATIENTS BY SPECIALITY (HISTORICAL PRIVATE HOSPITALS)



Department	2016	2017	2018	2019	2020
Obstetrics and Gynecology	39,121	39,653	38,858	37,565	38,537
General surgery	12,471	13,540	14,356	14,906	14,270
Pediatrics	9,353	8,046	7,904	8,055	4,949
Internal Medicine	6,339	6,972	6,695	7,379	5,528
E.N.T.	5,724	5,636	4,770	5,074	2,980
Orthopedics	2,693	4,009	3,968	4,090	3,768
Plastic Surgery and burns	3,924	3,441	3,837	3,972	1,313
Ophthalmology	2,128	4,129	4,113	3,485	2,963
Urology	2,119	2,641	2,852	2,890	3,170
NICU	-	-	1,445	1,543	1,683
Cardiology & Respiratory Diseases	1,283	1,196	1,009	1,365	1,457
Infertility & IVF	1,939	1,762	1,630	1,291	508
Radiology	-	-	1,122	1,174	1,127
Respiratory	-	-	974	946	233
Neurosurgery	687	896	735	935	763
Dermatology	9	3	3	813	4
Gastroenterology	626	485	617	583	626
Endocrinology and Diabetes	-	-	164	423	322
Pediatric surgery	340	286	271	285	273
ICU	1,135	1,164	208	251	175
Nephrology	-	-	237	232	213
Anesthesia & Pain Management	-	-	-	41	139
Vascular Surgery	-	-	9	32	326
Others	1,279	2,011	-	28	-
Diabetes	-	-	38	24	10
Family Medicine	-	-	24	13	8
Dental medicine	857	743	882	-	730
Neurology	-	-	196	-	103
Physiotherapy	-	-	6	-	1
Casualty	-	-	3	-	-
Rheumatology	-	-	13	-	31
Hematology	-	-	2	-	2
Grand Total	92,027	96,613	96,941	97,395	86,212

(Source: MoH Annual Health Report 2020)

- The table here lists out the number of Inpatients over the last 5 years for each of the specialty in the private hospitals in Kuwait.
- On an average over the last 5 years, 1 out of every 33 OPD visits patients require inpatient services in private hospitals
- Over the last 5 to 7 years, 80% of the inpatients have been Kuwaitis as they are willing to pay for the high-end services being provided by the private hospitals.
- The top needed medical specialty services for inpatient have been obstetrics and gynecology, including maternity related inpatients and child birth. General surgery is mostly defined as a sub-specialty of other departments in most of the major private hospitals and therefore represents a major share in .

PROJECTED INPATIENT – TOWER 1



	2024	2025	2026	2027	2028	2029	2030
Expected Annual Bed Occupancy	2.00%	25.00%	30.00%	40.00%	50.00%	50.00%	50.00%
Pediatrics	12	51	219	321	292	292	292
Obstetric & Gynecology - Non Maternity	16	68	292	428	389	389	389
Plastic surgery & burns/Cosmetic Surgery	27	119	511	749	681	681	681
Cardiology	8	69	292	642	584	584	584
Subtotal - Non Maternity Inpatient	63	307	1,314	2,140	1,946	1,946	1,946
Maternity Delivery Inpatients	39	487	584	779	973	973	973
Total Inpatient	102	794	1,898	2,919	2,919	2,919	2,919
Expected Market Share of Target Market	0.13%	1.22%	3.37%	4.98%	4.56%	4.42%	4.30%

(Source: Moore Kuwait Projections)

PROJECTED INPATIENT – TOWER 2



Inpatient Services (Standard)	2026	2027	2028	2029	2030
Expected Annual Bed Occupancy	-	11.62%	37.16%	52.14%	66.49%
Dental medicine	-	-	31	44	61
ENT	-	-	291	416	583
Orthopedics	-	93	266	373	469
Ophthalmology	-	65	186	261	328
General surgery	-	424	1,212	1,697	2,139
Urology	-	66	188	264	332
Internal Medicine	-	235	672	940	1,185
- Gastroenterology	-	32	92	128	162
Neurosurgery	-	32	91	127	161
Total Inpatient	-	947	3,029	4,250	5,420
Expected Market Share of Target Market		2.82%	8.58%	11.47%	13.93%

(Source: [Moore Kuwait Projections](#))

PROJECTED DAYCARE HOSPITAL SERVICES – TOWER 2

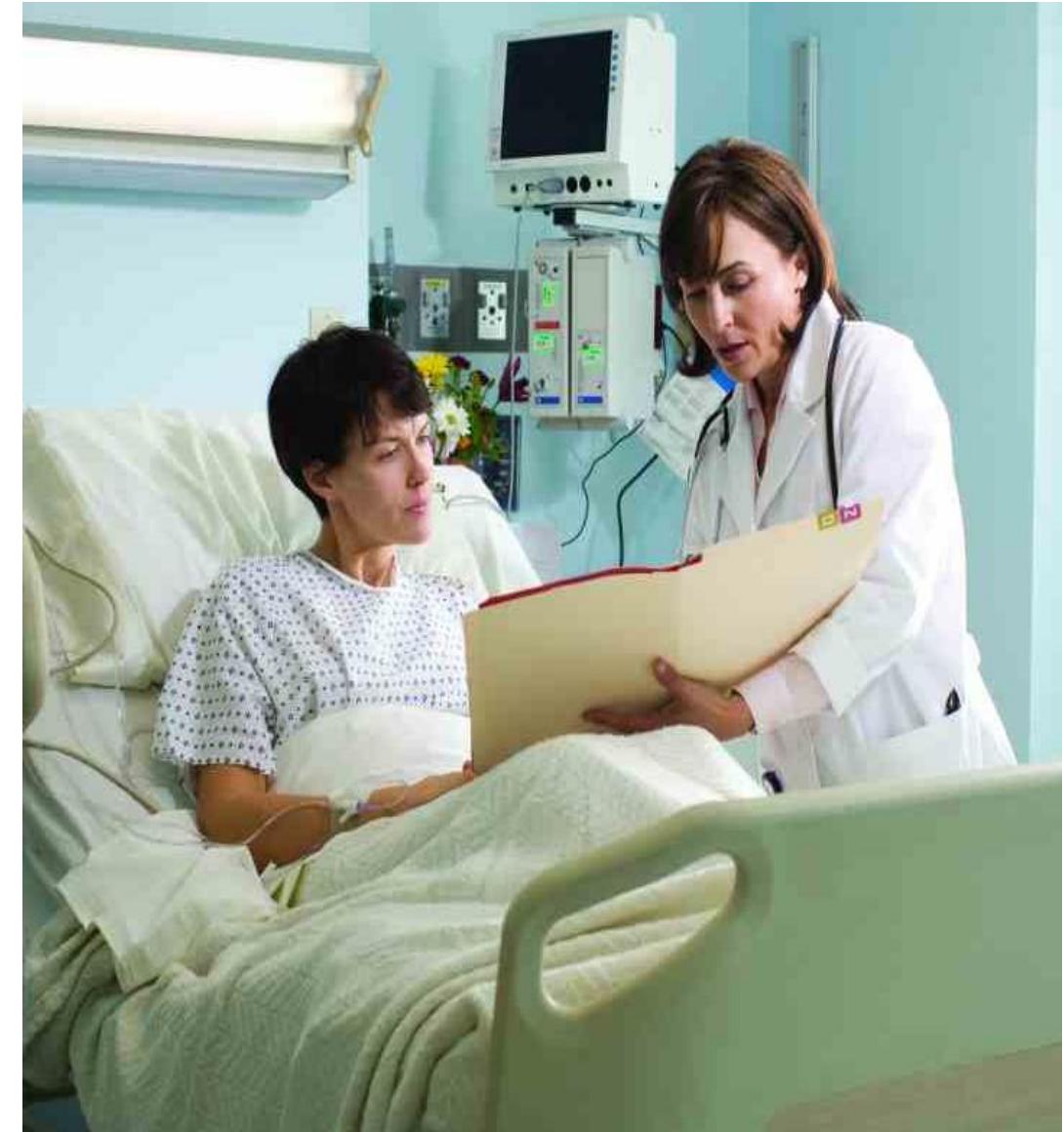


Day-care Hospitals will provide the full-range of super specialty healthcare services which will include consultation with specialists or consultants across multiple departments, comprehensive diagnostic services that will be on par with traditional inpatient services, a range of preventive health-checkup services, minor Operation Theatre and Pharmacy services.

Daycare services are majorly going to be used for:

- Cataract surgery
- ENT procedures
- Minor surgeries that do not require hospitalization
- Patients requiring periodic physical rehabilitation
- Outpatient Dialysis
- Endoscopic procedures or minimally-invasive surgeries
- Preventive healthcare
- Antibiotic treatment for OPD patients

We have assumed that 3% to 10% of the OPD patients will require Daycare services in above mentioned specialties



PROJECTED DAYCARE HOSPITAL PATIENTS – TOWER 2



Daycare	2027	2028	2029	2030
Pediatrics	592	840	919	1,023
- Pediatric Surgery	51	72	79	88
Family Medicine	131	186	203	226
ENT	289	449	565	650
General surgery	509	813	1,066	1,237
Cardiology	486	690	754	839
- Respiratory Diseases	235	334	365	406
Internal Medicine	479	753	967	1,117
- Gastroenterology	98	151	188	216
- Nephrology	47	72	89	102
Emergency	906	951	998	1,048
Physiotherapy	574	938	1,267	1,478
Ophthalmology	205	334	451	526
Diagnostic and endoscopic procedures	94	135	189	238
Anesthesia & Pain Management	95	136	190	239
Total	4,789	6,852	8,291	9,434

KEY ASSUMPTIONS – REVENUE – PRICING



The following pricing structure has been set for healthcare services which has been benchmarked against other healthcare service providers in the market. The pricing is deliberately set for its target market with discretionary discount available to the management.

OPD Services Consultation Fees	2024 to 2030
Initial Consultation	KD 80 to KD 90 per visit
Follow-up Specialised consultations	KD 90 to KD 100 per visit
Procedures	KD 120 to KD 200 per procedure
Operations	KD 750 to KD 1,500 per operation
Inpatient Charges	Year 1 to Year 10
Maternity Package	
VIP 1	KD 4,250 to KD 5,000
VIP 2	KD 3,250 to KD 3,750
Standard Rooms	KD 1,000 to KD 1,500
Other Inpatient Services	
Standard Room Charges per day	KD 100 to KD 200
Daycare Hospital	
Day Care Charges per Visit	KD 100 to KD 120
Allied Services	
Radiology & Imaging	KD 50 to KD 70 per referral
Laboratory	KD 30 to KD 50 per test
Pharmacy	KD 20 to KD 40 per prescription
Cath Lab	KD 300 to KD 350 per procedure



(Source: Assima Hospital Management)

KEY ASSUMPTIONS – REVENUE – PRICING OPD SERVICES



OPD Services	Description	Assumed % of visits per service from total visits
Initial & Follow up	The primary care service will be the first point of consultation for a patient coming to the hospital.	65%
Consultation		
Follow-up Specialised consultations	The secondary care services will be provided to the patient requiring extensive and more specialized treatment will the medical condition	35%
Procedures	Procedure services will be provided to patients requiring emergency and non-emergency small surgical treatment including wounds and injections.	20% of total OPD Visits on an average
Operations	It includes surgical as well as laser based operations required by the patient.	50% of the total inpatients will require operations services

All the rates (see page 211) have been taken based on the prevailing market rates and benchmarked specifically against Al-Seef hospital and Royal Hayat Hospital. Although it is to be noted that the charges are very conservative keeping in mind the quality of services hospital will provide.

The average revenue per OPD patient visit is expected to be KD 88 which will go up to KD 105 by 2030

(Source: Assima Hospital Management)

KEY ASSUMPTIONS – REVENUE – PRICING INPATIENT SERVICES



Room Category	Description	% Occupancy
VIP 1	There will be 2 rooms under this category which will be located at the top floor. These premium rooms with sea facing view will be available only for delivery patients on package	35% in 2025 to 60% in 2030
VIP 2	There will be 8 rooms under this category which will be located at upper floors. These Semi-premium rooms will be available only for delivery patients on package	20% in 2025 to 50% by 2030
Standard Rooms Tower 1	There will be 38 standard rooms that will be available to all the other inpatients under different medical services such as pediatrics, cosmetic surgery, Obstetrics and gynecology – Non Delivery patients and to Delivery patients as well	20% in 2025 to 50% by 2030
Standard Rooms Tower 2	There will be 67 standard rooms that will be available to all the inpatients under different medical specialties The high occupancy in Tower 2 is based on the assumption that it will be a general hospital and will require more inpatient services because of the type of medical specialties that are expected to be served there. All the rates (see page 211) have been taken based on the prevailing market rates and benchmarked specifically against Al-Seef hospital and Royal Hayat Hospital.	14% in 2027 to 65% by 2030

The package prices will be inclusive of room rate, catering charges, test charges and all other room service charges

(Source: Assima Hospital Management)

KEY ASSUMPTIONS – REVENUE – COLLECTION



The hospital will collect the revenues in two ways:

Insurance claims 70%

Walk-in cash 30%

It has been assumed that 70% of the revenues will be collected through insurance claims and 30% of the revenue will be collected in cash mainly on OPD visits.

It has been assumed that 20% of the insurance claims will not be approved by the insurance provider. On cash collection, the hospital will provide a discount of 30% on cash payment to encourage the patients to pay in cash rather than through insurance.

The total revenue from all the services to be provided by the hospital including allied services are assumed to be covered through the above split between insurance claim and walk-in revenue. The pharmacy is also covered under health insurance as per the prevailing Kuwait insurance laws.



(Source: [Moore Kuwait Projections](#))

KEY ASSUMPTIONS – DIRECT COSTS



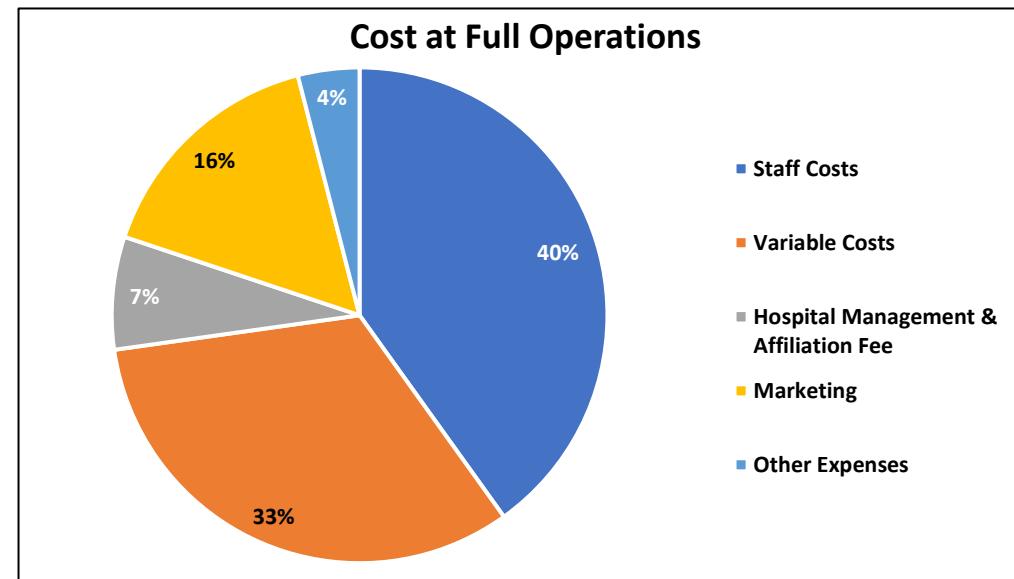
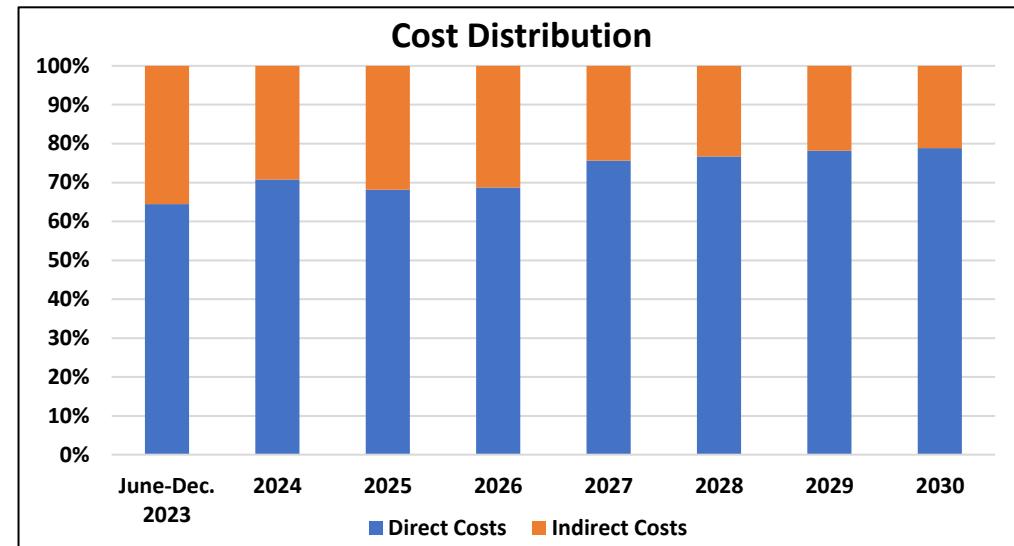
Direct cost will form 65% of the total costs in year 1 and will increase up to 78% of the total cost by year 10.

Staff costs, hospital management & affiliation fee and variable expenses incurred for the operation of the hospital constitute a major portion of the total costs with staff cost being 40%, and variable costs 33% and hospital management & affiliation fee 7% of total expenses.

Staff costs represents the costs of various physicians, nurses, technicians and other healthcare professionals that the hospitals will require. The base cost has been taken from prevailing salary levels in the market and then this has been flexed up by an additional 3% and then flexed again to reflect the increase in demand year on year.

Variable expenses include pharmaceutical cost, laboratory and radiology medical supplies and consumable cost, medical & public liability insurance and other medical consumables. These costs are directly related to the number patients using the services.

Other direct expenses include laundry, housekeeping, catering and utility expenses of the hospital.



(Source: Moore Kuwait Projections)

KEY ASSUMPTIONS – STAFF COST



The hospital physician staffing is done based on the staff productivity. The underlying assumption used to determine the required physicians is as explained below.

- We have used the standard median per FTE for each of the OPD medical services to be provided by the hospital to determine the number of physicians required to serve the patients at the Hospitals.
- The nurses required are assumed to maintain a ratio of 1:2.5 per physician.
- We have further assumed a growth in the estimated staff cost over the forecasted period to incorporate the effects of inflation and growth in the number of services and patient visits to be served by hospital.
- In projecting the staff required we have also taken into account the staff efficiency factor for OPD visits. The efficiency will be affected as the doctors will also have to attend to the inpatients, day care hospital patients, perform surgeries and procedures and to attend to the immediate follow-up patients
- As per the above underlying assumptions, the hospital will have to employ staff of around 300 persons in 2024 which will be beginning of full operations in Tower 1

Medical Staff Productivity	Median
Internal Medicine	3,504
Cardiology	2,185
Gastroenterology	1,477
Endocrinology & Diabetes	2,967
Dermatology	5,033
Nephrology	2,032
Neurology	2,149
Physiotherapy	1,920
Pediatrics	4,476
General surgery	1,563
E.N.T	3,397
Ophthalmology	4,987
Obstetrics & Gynecology	2,892
Plastic Surgery & Burns	2,214

KEY ASSUMPTIONS – STAFF COST



The operating staff costs will be 50% to 25% of the revenues over the projected period.

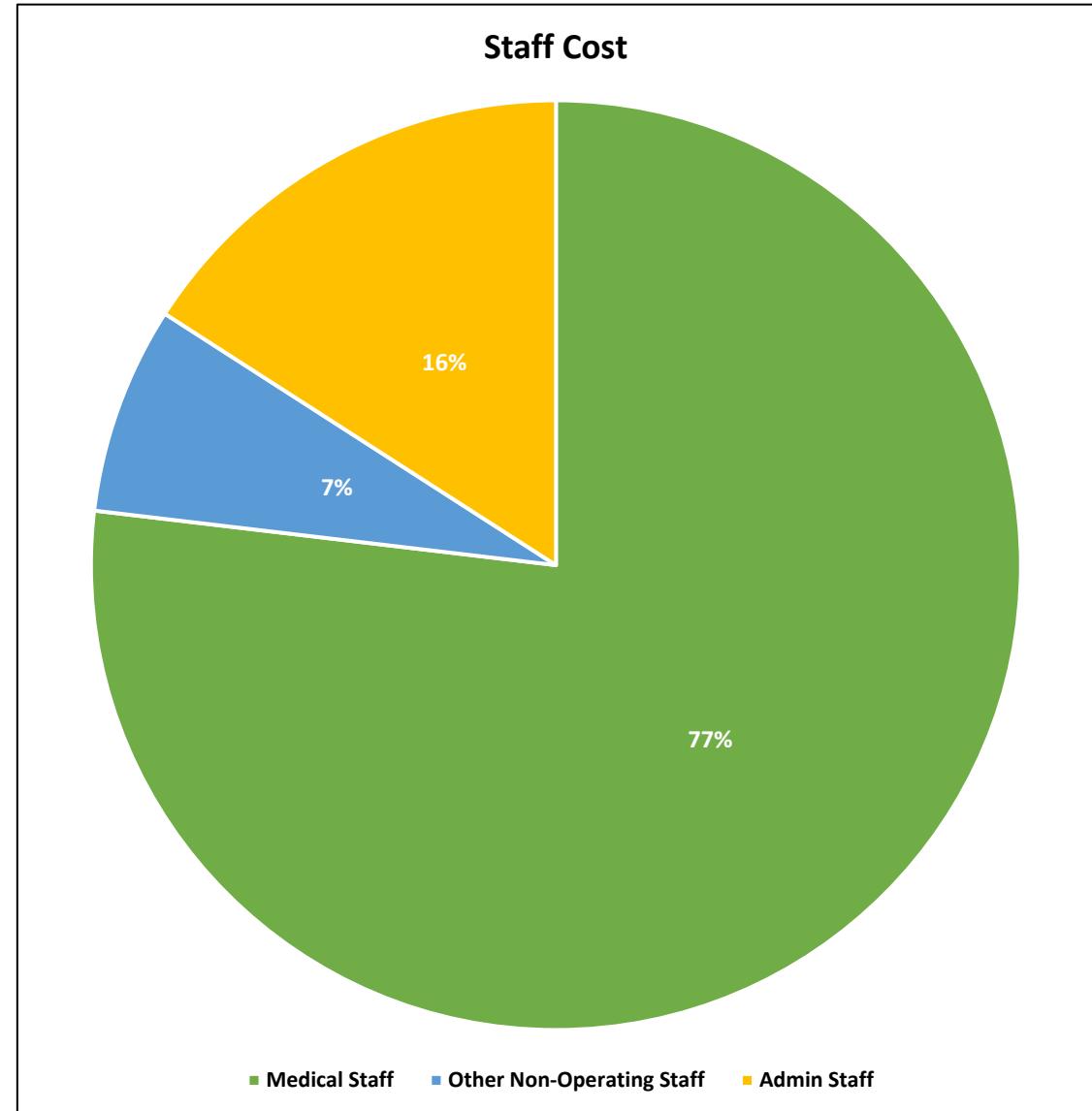
Operating staff costs relate to the Medical staff consisting doctors, nurses, medical technicians for different services and pharmacists.

The hospital plans to recruit more specialists compare to registrars to maintain the high standard of medical consultancy the management aims to provide. The nurses required are assumed to maintain a ratio of 2.5 per doctor as followed generally in the industry.

Staffing costs reflect the general market salaries rates and inflation and increase in demand then adjusted them proportionally to adjust for those increases in the operation of hospital.

The staff costs also include other staff benefits as listed below:

- Housing allowance
- Medical insurance
- Residency for expatriate staff
- Others – Travel allowance, air travel tickets for expatriate staff



(Source: Moore Kuwait Projections)



Recruitment Source

1. Local Market
2. Affiliation to private practicing doctors
3. Hire from outside Kuwait
4. Hospital needs to start hire medical staff at least 6 months before beginning of operations



MoH Licensing

1. Obtain license of practice for Doctor hired from outside Kuwait.
2. Non-Kuwaiti doctor working in public sector cannot be hired directly unless served one year away from Kuwait.



Staff Requirement

1. Specialists
2. Consultants
3. Registrars
4. Dentists
5. Nurses
6. Pharmacists
7. Radiology, imaging and Laboratory technicians
8. Other Non – Operating Staff



Medical Staff

1. Emphasis on hiring more female doctors
2. Doctor to Nurse ratio of 1:2.5
3. More specialists and consultants compare to Registrars as management thinks that is key to drive more patient numbers

KEY ASSUMPTIONS – STAFF COST AT FULL OPERATIONS



	Expected Staff	Total cost (KD)	Average annual cost per employee
Physicians & Nurses	585	13,071,411	22,344
Other Medical Staff	184	1,979,276	10,756
Admin staff	303	1,349,689	4,454
Total staff and cost at full operations	1,072	16,470,716	15,364

Doctors at full operations	Expected FTE	Avg. Monthly Salary costs
Registrars	74	2,658
Specialists	65	4,926
Consultants	19	6,061
Nursing staff	Expected FTE	Avg. Monthly Salary costs
Head Nurses	19	1,617
Registered Nurses	189	1,082
Assistant Nurses	189	903

- The above staff cost is based on the manpower required for the 2 shifts and across the 2 towers.
- The doctors required have been projected based on the FTE required per patient, assumed to be average of 30 minutes per visit, and the overall capacity of the hospital.
- The medical staff's training hours and efficiency factor have also been taken into account while estimating the total staff
- The staff includes other staff benefits such as housing allowance, medical insurance, residency for expatriate staff, air tickets, leave salary and end of service indemnity.

(Source: Moore Kuwait Calculations)

KEY ASSUMPTIONS – HOSPITAL OPERATOR FEES



The hospital will be run and managed by 3rd party operator who will look after day to day operations of the hospital. The operator will be paid a fee based on assessment of the work done by the operator. This fee will include:

- a) Project management fee
- b) Operations performance fee
- c) Administrative & support fee
- d) Other services fee

The amount of operations performance fee will be based on KPIs and is to be determined by the Independent Commissioning Board governed by Board of Directors.

The fee will include:

- a) overhead and internal costs
- b) all other costs and expenses that may be incurred by operator in the performance of its obligations



KEY ASSUMPTIONS – HOSPITAL OPERATOR FEES



The hospital operator will be from the best health system providers in the region which will help hospital in:

- a) Recruit best doctors from the affiliate
- b) Establish best medical practices and standards
- c) Attract more patients to use the services
- d) tap the financial and clinical leverage from linking to another organization
- e) improving the quality and delivery of care in Women Wellness in Kuwait
- f) gain the expertise of a prominent health system
- g) Better training and development program for the medical staff
- h) Connect with international consultants to answer questions about diagnosis, care management or therapy.



KEY ASSUMPTIONS – OTHER COSTS



Staff costs	Cost Assumption	Basis of Assumptions
Staff benefits	2.5% p.a.	It includes medical insurance, end of service indemnity and other allowances to be paid to the staff.
Other Direct costs		Basis of Assumptions
Referral Commission	15%	The external referral commission will be paid to the doctors referring their patients to the hospitals and the internal referral commission will be paid to the hospital physicians for referring the patients to the allied services. The general market rate for external commission varies between 15% to 20% and Internal Commission varies between 7.5% to 12.5%. For the purpose of our study we have taken an average referral commission rate.
Hospital operator fee	5% of Net Revenue	The hospital management fees is based on the prevailing market rates in Kuwait which varies from 2% to 7% on Net Revenues and therefore we have taken an average rate of 5% for the purpose of our study
Medical Consumables	1% p.a.	Of total revenue from operations, in line with normal market in Kuwait`.
Medical Waste Management	KD 250 per month	Based on the prevailing market rate of KD 0.5 per kg of waste

(Source: Moore Kuwait Projections)

KEY ASSUMPTIONS – OTHER COSTS



Other Direct costs	Cost Assumption	Basis of Assumptions
Operational Costs Laboratory	50% of laboratory revenue	The operational costs include purchase of consumables, use of electricity and other utilities costs.
Operational Costs Radiology & Imaging	25% of radiology and imaging revenue	The operational costs include purchase of consumables, use of electricity and other utilities costs.
Operational Costs Pharmacy	75% of pharmacy revenue	The operational costs include purchase of inventory, use of electricity and other utilities costs.
Medical & Public liability insurance	1% of Net Revenue	It is the cost of the insurance for any damage claim on account of medical and public liability.
Other Direct Costs	1.5% to 2% of Net Revenue	Includes electricity, catering, housekeeping and service utility costs
Other Indirect costs	Cost Assumption	Basis of Assumptions
Marketing Costs	KD 100,000 per month	Includes traditional as well as digital marketing and any discretionary marketing discount to be given by the management.
Other Costs	KD 7,500 per month	Includes fuel costs for vehicles, telephone communication expenses and other utility expenses by the hospital.

(Source: [Moore Kuwait Projections](#))

MARKETING STRATEGY



The marketing strategy of the company will revolve mainly around referral and affiliation programs of the hospital along with the traditional and digital marketing to be targeted towards Kuwaiti population in the Capital, Farwaniya and Hawally health region.

To achieve the financial goal, the hospital will use digital as well as traditional marketing means to reach the new as well as returning patients. The company's bigger emphasis will be on digital marketing as it is the easiest and most effective way to reach the target population. It will also enter into referral and affiliation contracts with local clinics and private doctors to refer there patients to the hospital.

The digital marketing will be done mainly through ads on YouTube, Instagram, Facebook and other major social media platforms.

The traditional marketing strategy will include:

1. Exhibitions for the target population
2. Collaboration with private clinics
3. Marketing discounts and offers

The target market will be mid to high net worth Kuwaitis and Non-Kuwaitis. The hospital will have an in-house marketing team that will develop and implement the marketing strategy.

The projected marketing expenses are KD 100,000 per month in year 1 to 150,000 per month at full operations. The marketing strategy of the hospital will be very important to attract the patients in the growing private healthcare sector.



A photograph of a doctor's hands and coat. The doctor is wearing a white lab coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

FINANCIAL RETURNS (IRR, NPV)

SUMMARY OF FINANCIAL RETURNS – INVESTOR RETURNS



- The following is the summary of the key financial indicators relating to the business plan:

	KD 000s
Equity Investment	41,500
Internal Rate of Return (“IRR”)	33.46%
Project Net Present Value(“NPV”)	95,666
Investor Payback	7 years 1 month
Discount Rate	13.02%

(Source: [Moore Kuwait Calculation](#))

Remarks

- In order to arrive at the Investors NPV, we have used the discounted cash flow approach
- Under the discounted cash flow method, we have developed the financial projections based on information from the management of the hospital. We have used free cash flow to equity approach and accordingly, used the cost of equity as a discount factor.
- Project NPV and IRR are positive and therefore the project is feasible
- Based on the feasibility study, the project will be able to recover the investment in 7 years 1 month

DISCOUNTED CASH FLOW – PROJECT RETURNS



Discounted Cash Flows (in KD 000s)	2023	2024	2025	2026	2027	2028	2029	2030
Discount Factor	1.00	0.88	0.78	0.69	0.61	0.54	0.48	0.42
Initial investment	(31,889)	-	-	-	-	-	-	-
Free Cash Flows to the Firm	(414)	(1,759)	313	2,701	5,262	13,865	19,897	23,483
Terminal Value	-	-	-	-	-	-	-	228,822
Total free cash flows - undiscounted	(32,303)	(1,759)	313	2,701	5,262	13,865	19,897	252,305
Cash Flows - Discounted	(32,303)	(1,556)	245	1,871	3,225	7,519	9,547	107,118
Project NPV	95,666	Terminal value calculations <ul style="list-style-type: none"> ▪ We have valued the proposed business as a going concern and hence used maintainable earnings approach for terminal value calculation. ▪ A terminal growth rate of 2.5% is considered for the region. 						
IRR	33.46%							
Profitability Index	1.02							

(Source: Moore Kuwait Calculations)

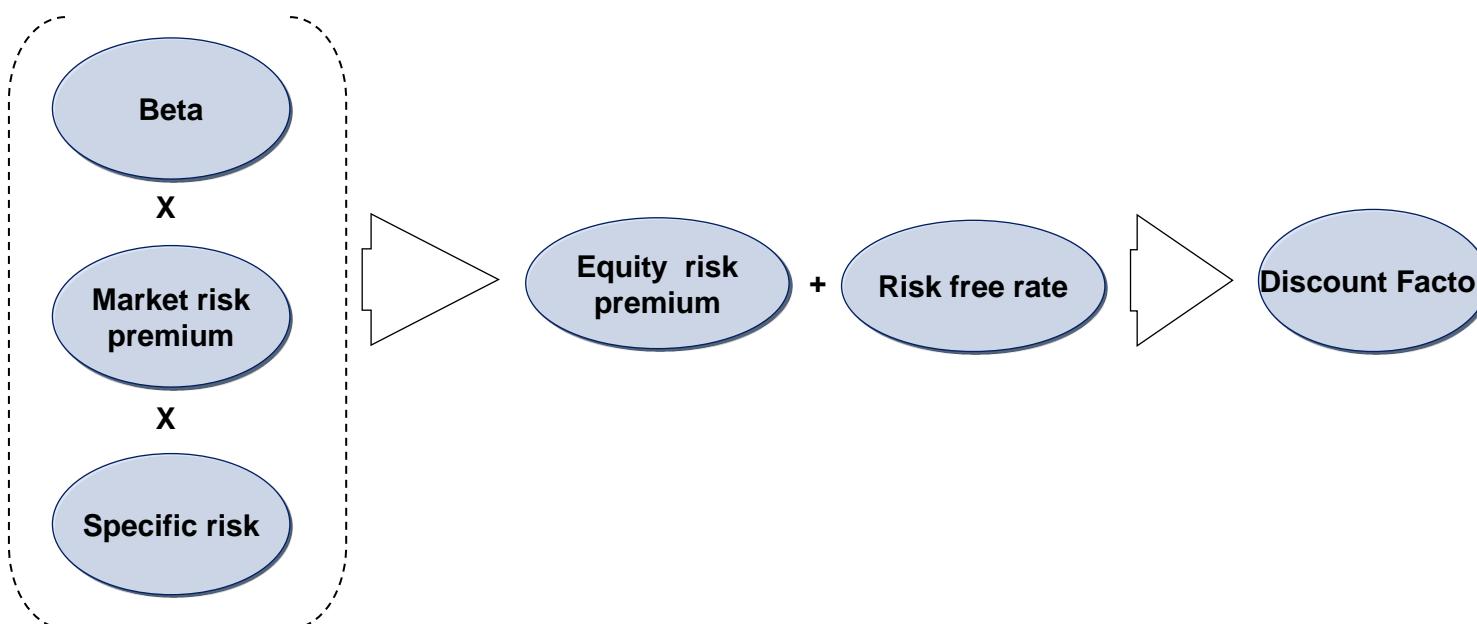
DISCOUNT FACTOR



- **Risk free rate:** For estimation of risk free rate we have followed the “Consistency Principle”, which states that “The risk free rate used to arrive at expected returns should be measured consistently with the cash flows. Thus if cash flows are estimated in nominal US dollar terms, the risk free rate will be US treasury bond rate. This also implies that it is not where a project or firm is domiciled that determines the choice of a risk free rate but the currency in which the cash flow on the project or firm are estimated”. (**Source: Estimating Risk Free Rates, Aswath Damodaran**)

Since Assima hospital is based in Kuwait, we have considered 3.50% which is based on the Risk free rate of the Central Bank of Kuwait. (**Source: Central Bank of Kuwait**)

- **Beta:** We have adjusted the beta of 1.41 for healthcare industry. (**Source: Damodaran**)
- **Market risk premium:** We have used the Kuwaiti market risk premium of 4.94% as of January 2022. (**Source: Damodaran**).
- **Specific Risk:** Considering nature of the business & industry outlook we have applied 2.5% as company specific risk to the project discount factor.



(Source: Moore Kuwait Assumptions)

Calculation of discount factor	
Risk free rate of return	4.00%
Unlevered Beta	1.12
Market premium	7.16%
Specific risk	1.00%
Discount Factor	
	13.02%



PROJECTED FINANCIAL STATEMENTS

PROJECTED VISITS



Visits	2024	2025	2026	2027	2028	2029	2030
OPD Patient Visits	27,440	49,761	63,234	141,371	209,000	249,009	281,870
Inpatient	32	327	1,353	3,046	4,923	6,139	7,302
Inpatient – Maternity Package	47	501	618	820	1,025	1,030	1,037
Surgical Operations	42	433	1,106	2,304	4,164	5,260	6,316
Procedures	6,986	12,199	15,443	31,943	46,754	55,229	62,272
Daycare Hospital Patients	-	-	-	4,789	6,852	8,291	9,434
Radiology Referrals (% of OPD Visits)	6,860	12,440	15,809	22,507	31,285	33,949	37,447
Diagnostics & Imaging Referrals (% of OPD Visits)	-	-	-	12,836	20,965	28,303	33,021
Laboratory Referrals (% of OPD Visits)	13,720	24,881	31,617	70,686	104,500	124,505	140,935
Pharmacy Referrals (% of OPD and Inpatient)	25,875	47,040	60,852	133,368	196,594	233,868	264,669

PROJECTED INCOME STATEMENT



KD 000s	2023	2024	2025	2026	2027	2028	2029	2030
Net Patient Revenues	-	4,310	8,679	13,387	29,806	45,139	59,467	68,192
Direct Costs								
Operating Staff Costs	(118)	(1,974)	(2,544)	(3,021)	(7,270)	(9,878)	(12,053)	(14,094)
Affiliation and operator fee	-	(750)	(750)	(750)	(2,250)	(2,250)	(2,250)	(3,000)
Medical Consumables	-	(859)	(1,522)	(2,597)	(5,666)	(8,300)	(12,343)	(13,951)
Other costs	(13)	(144)	(233)	(309)	(784)	(1,036)	(1,561)	(2,307)
Gross Profit	(131)	584	3,629	6,710	13,836	23,676	31,260	34,840
Indirect Expenses								
G&A Expenses	(106)	(747)	(787)	(820)	(1,640)	(1,688)	(1,949)	(2,160)
Marketing Expenses	(250)	(1,189)	(1,825)	(2,384)	(3,520)	(4,761)	(5,829)	(6,620)
EBITDA	(486)	(1,352)	1,018	3,506	8,676	17,226	23,482	26,060
Finance Costs	(119)	(1,250)	(875)	(750)	(750)	(750)	(750)	(750)
Depreciation	-	(1,331)	(1,337)	(1,342)	(1,966)	(2,143)	(1,960)	(1,345)
NLST, Zakat & KFAS	-	-	-	(64)	(268)	(645)	(935)	(1,078)
Net Profit	(605)	(3,932)	(1,193)	1,350	5,691	13,688	19,838	22,886

(Source: Management Assumptions & Projections)

PROJECTED INCOME STATEMENT - DETAILED



KD 000s	2023	2024	2025	2026	2027	2028	2029	2030
Revenues								
OPD	-	2,585	4,619	6,462	14,103	20,815	27,092	30,722
Inpatient Revenue	-	164	1,568	2,250	3,663	5,364	6,077	7,735
Operations	-	189	360	1,062	2,045	3,575	4,584	5,431
Procedures	-	945	1,646	2,402	5,095	8,119	9,963	11,471
Day Care	-	-	-	-	1,437	2,398	2,902	3,302
Radiology	-	343	622	949	1,350	1,877	2,376	2,621
Diagnostics & Imaging	-	-	-	-	701	1,145	1,803	2,103
Laboratory	-	480	871	1,423	3,077	4,533	6,568	7,425
Pharmacy	-	647	1,176	2,130	4,668	6,881	10,524	11,910
Rehabilitation Services	-	-	-	-	823	1,315	1,556	1,608
Gross Patients Revenues	-	5,353	10,862	16,677	36,962	56,021	73,444	84,327
- Insurance	-	3,685	8,045	12,227	26,128	39,472	51,690	59,412
- Walk-in	-	1,513	2,818	4,450	10,834	16,549	21,754	24,915
Less: Insurance claims not received	-	(646)	(1,444)	(2,147)	(4,572)	(6,931)	(8,865)	(10,215)
Less: Discount on Walk-in payment	-	(396)	(739)	(1,143)	(2,583)	(3,951)	(5,112)	(5,920)
Net Patients Revenue	-	4,310	8,679	13,387	29,806	45,139	59,467	68,192
- Insurance	-	3,039	6,600	10,080	21,556	32,541	42,825	49,197
- Walk-in	-	1,117	2,078	3,307	8,251	12,598	16,642	18,995

(Source: Management Assumptions & Projections)

PROJECTED INCOME STATEMENT - DETAILED



KD 000s	2023	2024	2025	2026	2027	2028	2029	2030
Net Patients Revenue	-	4,310	8,679	13,387	29,806	45,139	59,467	68,192
Operating Expenses								
Medical Staff Costs - Doctors	(54)	(903)	(1,264)	(1,565)	(3,702)	(5,258)	(6,437)	(7,543)
Medical Staff Costs - Nursing Staff	(64)	(1,070)	(1,280)	(1,456)	(3,568)	(4,619)	(5,616)	(6,550)
Subtotal - Operating Staff Costs	(118)	(1,974)	(2,544)	(3,021)	(7,270)	(9,878)	(12,053)	(14,094)
Affiliation Fee	-	(500)	(500)	(500)	(1,000)	(1,000)	(1,000)	(1,250)
Hospital Management Fee	-	(250)	(250)	(250)	(1,250)	(1,250)	(1,250)	(1,750)
Laboratory	-	(240)	(435)	(711)	(1,538)	(2,266)	(3,284)	(3,712)
Radiology & Diagnostics Imaging	-	(86)	(156)	(237)	(513)	(755)	(1,045)	(1,181)
Pharmacy	-	(485)	(882)	(1,597)	(3,501)	(5,161)	(7,893)	(8,933)
Medical Consumables	-	(48)	(49)	(51)	(114)	(118)	(121)	(125)
Medical & Public Liability Insurance	-	(43)	(87)	(134)	(298)	(451)	(595)	(682)
Laundry	-	(25)	(26)	(27)	(52)	(54)	(55)	(57)
Housekeeping	(3)	(15)	(15)	(16)	(32)	(33)	(34)	(35)
Catering	(7)	(40)	(41)	(42)	(85)	(87)	(90)	(93)
Electricity	(4)	(18)	(19)	(19)	(38)	(39)	(41)	(42)
Repair & Maintenance	-	-	(42)	(68)	(62)	(98)	(97)	(128)
Medical Waste Management	-	(3)	(3)	(3)	(6)	(7)	(7)	(7)
Staff Training, seminars and other direct costs	-	-	-	-	(210)	(267)	(643)	(1,264)
Total Operating Expenses	(131)	(3,727)	(5,049)	(6,676)	(15,970)	(21,464)	(28,207)	(33,351)
Operating Profit	(131)	584	3,629	6,710	13,836	23,676	31,260	34,840

(Source: Management Assumptions & Projections)

PROJECTED INCOME STATEMENT - DETAILED



KD 000s	2023	2024	2025	2026	2027	2028	2029	2030
Operating Profit	(131)	584	3,629	6,710	13,836	23,676	31,260	34,840
Non-Operating Expenses								
Other Staff Costs	(78)	(659)	(696)	(726)	(1,481)	(1,524)	(1,779)	(1,986)
Utilities	(12)	(24)	(25)	(25)	(51)	(52)	(54)	(56)
Marketing	(250)	(1,189)	(1,825)	(2,384)	(3,520)	(4,761)	(5,829)	(6,620)
Fuel	(1)	(4)	(4)	(4)	(6)	(6)	(7)	(7)
Communication	(15)	(60)	(62)	(64)	(103)	(106)	(109)	(112)
Total Non-Operating Expenses	(356)	(1,935)	(2,611)	(3,204)	(5,161)	(6,450)	(7,778)	(8,780)
EBITDA	(486)	(1,352)	1,018	3,506	8,676	17,226	23,482	26,060
Finance Costs	(119)	(1,250)	(875)	(750)	(750)	(750)	(750)	(750)
Depreciation	-	(1,331)	(1,337)	(1,342)	(1,966)	(2,143)	(1,960)	(1,345)
NSLT, Zakat & KFAS	-	-	-	(64)	(268)	(645)	(935)	(1,078)
Net Earnings	(605)	(3,932)	(1,193)	1,350	5,691	13,688	19,838	22,886

(Source: Management Assumptions & Projections)

PROJECTED FINANCIAL POSITION



KD 000s	June 2023 (Audited)	2023 Projected (Annualised)	2024	2025	2026	2027	2028	2029	2030
Assets									
Non-Current Assets									
Investment Property	49,261	85,000	85,000	90,000	90,000	105,408	105,408	105,408	105,408
Work in Progress (Phase 2)		4,382	9,895	13,754	15,408	-	-	-	-
Furnishings	-	1,037	829	626	828	867	538	370	205
Medical Equipment	-	3,276	2,785	2,302	4,817	3,881	2,819	1,785	1,112
Vehicles	-	75	60	45	67	45	62	47	31
IT System	-	168	113	64	134	121	83	42	200
Pre-Operating Expenses	-	3,742	3,181	2,620	2,058	1,497	936	374	-
Total Non-Current Assets	49,261	97,680	101,863	109,411	113,314	111,819	109,846	108,026	106,956
Current Assets									
Cash & Bank Balance	25	37,073	16,051	3,929	635	4,407	14,475	27,030	39,697
Inventory	-	-	255	450	777	1,754	2,577	3,865	4,373
Net Receivables & Other Debit Balances	-	-	749	1,627	2,485	5,691	8,698	11,549	13,331
Total Current Assets	25	37,073	17,055	6,007	3,898	11,852	25,750	42,444	57,401
Total Assets	49,286	134,753	118,918	115,418	117,211	123,671	135,596	150,470	164,357
Equity & Liabilities									
Equity									
Share Capital	41,500	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Reserves	11	11	11	11	281	1,419	4,156	8,124	12,701
Fair Value Reserve	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000
Retained Earnings	100	(505)	(4,438)	(5,631)	(4,551)	(738)	7,165	16,443	24,686
Total Equity	41,611	99,505	95,573	99,380	100,730	105,681	116,321	129,567	142,387
Liabilities									
Non-Current Liabilities									
Borrowings	-	30,000	20,000	15,000	15,000	15,000	15,000	15,000	15,000
EOS Provision	1	1	108	133	154	360	639	969	1,351
Current Liabilities									
Payables & Other Credit Balances	-	72	562	905	1,327	2,631	3,636	4,934	5,619
Due to a Major Shareholder	7,675	5,175	2,675	-	-	-	-	-	-
Total Current Liabilities	7,675	35,248	23,345	16,038	16,481	17,991	19,274	20,903	21,970
Total Equity & Liabilities	49,286	134,753	118,918	115,418	117,211	123,671	135,596	150,470	164,357

(Source: Management Assumptions & Projections)

PROJECTED CASH FLOWS STATEMENT



KD 000s	2023	2024	2025	2026	2027	2028	2029	2030
Net Profit	(605)	(3,932)	(1,193)	1,350	5,691	13,688	19,838	22,886
Adjustments:								
Depreciation	-	1,331	1,337	1,342	1,966	2,143	1,960	1,345
EOS Indemnity	1	107	25	21	206	279	330	382
Finance Costs	119	1,250	875	750	750	750	750	750
Operating Cash before change in Working Capital	(485)	(1,245)	1,043	3,464	8,613	16,860	22,878	25,364
Inventory	-	(255)	(195)	(326)	(977)	(823)	(1,288)	(509)
Receivables and other Debit Balances	-	(749)	(878)	(858)	(3,206)	(3,007)	(2,851)	(1,782)
Payables and other Credit Balances	72	490	343	422	1,304	1,005	1,298	685
Net cash from Operating Activities	(414)	(1,759)	313	2,701	5,734	14,035	20,037	23,758
Hospital Buildings Construction	(4,382)	(5,513)	(3,859)	(1,654)	-	-	-	-
Furnishings	(518)	-	(5)	(412)	(412)	(50)	(10)	(15)
Medical Equipment	(3,276)	-	(10)	(3,010)	(10)	(60)	(110)	(60)
Purchase of Other Fixed Assets	(244)	-	(10)	(170)	(50)	(60)	(20)	(200)
Net Cash from Investing Activities	(8,419)	(5,513)	(3,884)	(5,245)	(472)	(170)	(140)	(275)
Capital Investment - Equity	58,500	-	-	-	-	-	-	-
Repayment of Long-term Borrowings	(10,000)	(10,000)	(5,000)	-	-	-	-	-
Repayment to main shareholder	(2,500)	(2,500)	(2,675)	-	-	-	-	-
Finance Costs	(119)	(1,250)	(875)	(750)	(750)	(750)	(750)	(750)
Dividend Paid	-	-	-	-	(741)	(3,047)	(6,592)	(10,067)
Net cash from Financing Activities	45,881	(13,750)	(8,550)	(750)	(1,491)	(3,797)	(7,342)	(10,817)
Net Cash Increase/(Decrease) during the year	37,048	(21,022)	(12,122)	(3,294)	3,771	10,068	12,555	12,667
Cash at the beginning	25	37,073	16,051	3,929	636	4,407	14,475	27,030
Net Cash at the End of the Year	37,073	16,051	3,929	636	4,407	14,475	27,030	39,697

(Source: Management Assumptions & Projections)

A close-up photograph of a doctor's hands. The doctor is wearing a white medical coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

SENSITIVITY ANALYSIS

SENSITIVITY ANALYSIS



		KD 000s
Base Case		
NPV		95,666
IRR		33.46%

Factors	Worse Case	Best Case
Total OPD & Inpatient Visits	-10%	10%
NPV	93,998	111,645
IRR	17.40%	31.20%
Pricing	-10%	10%
NPV	80,683	124,952
IRR	26.15%	31.14%
Staff Costs	-10%	10%
NPV	93,255	112,498
IRR	27.70%	29.90%
Discount Factor	-10%	10%
NPV	77,562	136,364
IRR	27.30%	30.60%

The sensitivity analysis of the project is based on the 4 main operational and financial factors that will affect the overall performance and returns of the project. These factors are:

- OPD & Inpatient visits** – the main revenue driver for the projects are OPD visits and the Inpatient. Any significant change will impact the overall financial position of the project and the market position in the private sector market.
- Pricing** – the pricing of the services is one of the major factor that will attract the patients to the Assima hospital and therefore project is highly sensible to the change in pricing.
- Staff Costs** – Staff costs form a significant part of overall costs (40% of the revenues) and therefore the project returns and financial performance are highly sensitive to the change in staff costs.
- Discount Factor** – indicates the expectation from the investors for the returns on the investment. The sensitivity of the discount factor to the returns of the hospital is highest due to the risks associated with the healthcare sector.

A close-up photograph of a doctor's hands. The doctor is wearing a white medical coat over a light blue shirt. A blue stethoscope is draped around their neck and held in their hands. The background is a soft, out-of-focus blue.

KEY ANALYSIS

KEY RATIOS



	2024	2025	2026	2027	2028	2029	2030
Net Margin	(91.2%)	(13.8%)	10.1%	19.1%	30.3%	33.4%	33.6%
Gross Margin	5.7%	33.3%	41.8%	38.5%	44.5%	44.8%	43.2%
EBITDA Margin	(31.4%)	11.7%	26.2%	29.1%	38.2%	39.5%	38.2%
Y-o-Y Revenue Growth	-	101.3%	54.2%	122.7%	51.4%	31.7%	14.7%
Total Medical & non-Medical Staff Costs	(61.1%)	(37.3%)	(28.0%)	(29.4%)	(25.3%)	(23.3%)	(23.6%)
Hospital Management & Affiliation Fee to Revenue	17.4%	8.6%	5.6%	7.5%	5.0%	3.8%	4.4%
Hospital Management & Affiliation Fee to Net Earnings	(19.1%)	(62.8%)	55.5%	39.5%	16.4%	11.3%	13.1%
Radiology Operating Margin	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Diagnostics & Imaging Operating Margin	-	-	-	25.0%	25.0%	25.0%	25.0%
Laboratory Operating Margin	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Pharmacy Operating Margin	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%

KEY RATIOS



	2024	2025	2026	2027	2028	2029	2030
Shareholders ratios							
Return on equity	(4.1%)	(1.2%)	1.4%	5.6%	12.3%	16.0%	16.8%
Return on assets	(3.3%)	(1.0%)	1.2%	4.8%	10.6%	13.8%	14.6%
Liquidity ratios							
Current ratio	5.3	6.6	2.9	4.5	7.1	8.6	10.2
Quick ratio	5.2	6.1	2.4	3.8	6.4	7.8	9.4
Efficiency ratios							
Assets turnover	0.04	0.07	0.12	0.25	0.35	0.42	0.43
Gearing ratios							
Debt service coverage ratio	(0.1)	0.2	4.7	11.6	23.0	31.3	34.7
Interest coverage ratio	(0.0)	2.7	6.5	14.2	25.8	33.9	36.5
Debt-to-Equity ratio	0.2	0.2	0.2	0.2	0.2	0.2	0.2

KEY ANALYSIS – NO. OF VISITS



Visits	2024	2025	2026	2027	2028	2029	2030
OPD Patient Visits	27,440	49,761	63,234	141,371	209,000	249,009	281,870
Inpatient	32	327	1,353	3,046	4,923	6,139	7,302
Inpatient – Maternity Package	47	501	618	820	1,025	1,030	1,037
Surgical Operations	42	433	1,106	2,304	4,164	5,260	6,316
Procedures	6,986	12,199	15,443	31,943	46,754	55,229	62,272
Daycare Hospital Patients	-	-	-	4,789	6,852	8,291	9,434
Radiology Referrals (% of OPD Visits)	6,860	12,440	15,809	22,507	31,285	33,949	37,447
Diagnostics & Imaging Referrals (% of OPD Visits)	-	-	-	12,836	20,965	28,303	33,021
Laboratory Referrals (% of OPD Visits)	13,720	24,881	31,617	70,686	104,500	124,505	140,935
Pharmacy Referrals (% of OPD and Inpatient)	25,875	47,040	60,852	133,368	196,594	233,868	264,669

KEY ANALYSIS - OPERATIONAL SUMMARY



Average Fee	2024	2025	2026	2027	2028	2029	2030
Avg. Fees per OPD Visit	89	88	97	95	95	104	104
Avg. Fees per Inpatient	300	300	300	378	450	450	548
Avg. Fees per Inpatient – Maternity Package	3,282	2,934	2,984	3,064	3,072	3,217	3,597
Avg. Fees per Operation	835	832	960	888	858	871	860
Avg. Fees per Procedure	135	135	156	159	174	180	184
Avg. Fees per Daycare Patient	-	-	-	300	350	350	350
Avg. Fees per Radiology Referral	50	50	60	60	60	70	70
Avg. Fees per Diagnostics & Imaging Referral	-	-	-	55	55	64	64
Avg. Fees per Laboratory Referral	30	30	40	39	39	48	48
Avg. Pharmacy Revenue per Patient	20	20	30	30	30	40	40

KEY ANALYSIS - OPERATIONAL SUMMARY



Key Milestones	2024	2025	2026	2027	2028	2029	2030
No. of Doctors Recruited	36	38	42	89	119	143	158
For OPD Clinics (actually required for Operational Purposes)	36	38	42	89	119	143	158
For Inpatient - not Required	-	-	-	-	-	-	-
For Licensing Purposes (Inpatient + OPD)	36	38	42	89	119	143	158
Registrar	12	12	14	40	53	67	74
Specialists	17	18	20	36	50	59	65
Consultants	7	8	8	13	16	17	19
Patient per Doctor FTE ratio	2.9	5.3	6.4	6.8	7.6	7.6	7.7
No. of Nurses Recruited	84	89	100	224	306	368	417
Patient per Nurse FTE ratio	1.0	1.8	2.2	2.2	2.4	2.4	2.4
Other Medical Staff	45	45	45	94	94	104	108
Admin Staff	130	137	140	299	299	349	389
Avg. Monthly Salaries - Doctors	3,734	3,891	3,948	3,783	3,878	3,920	4,035
Avg. Monthly Salaries - Nurses	835	859	885	924	941	972	1,025
Avg. Monthly Salaries - Other Medical Staff	1,025	1,055	1,086	1,100	1,133	1,159	1,187
Avg. Monthly Salaries - Non Medical Staff	422	424	432	413	425	425	425

Moore Kuwait

Moore Kuwait is the member firm of Moore Global Network Limited. We are committed to providing an international level of quality, knowledge, and services that form the basis of our commitment towards our clients, utilizing our active network throughout the world to provide a comprehensive range of services in line with professional work practices and to add value to our clients.

Our firm focuses on providing professional services marked with depth, technical experience, and flexibility in meeting the local, regional, and international business requirements.

The Kuwait office provides external audit, tax, and other financial consulting services, (including Internal Audit, Risk Management and Corporate Finance).

Moore Global

Moore Global Network Limited is a global network of independent professional service firms. With our headquarters in London, our roots go back over 100 years. Throughout our history, we've provided solutions to meet our clients' national and international objectives.

Our objective is simple to provide clients with the support they require to meet their objectives. This strategy has not only proved beneficial to our clients, but has been one of the driving forces behind our significant growth over the last few years.

Our aim is to react quickly to our clients' needs. With member firms in over 600 locations across the globe, clients can feel confident that there is a Moore Stephens expert in close proximity to them. And as Moore Stephens International grows, so does our global reach.

Moore Stephens Kuwait

Sharq – Jaber Al Mubarak Street
6th Floor - Al Shourouq Tower (2)
P.O. Box 11965, Al Dasmah 35160
State of Kuwait

Email: info@moore-kuwait.com

Tel : +965 22463115

Mob: +965 97434688



We believe the information contained herein to be correct at the time of going to press, but we cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein. Printed and published by © Moore Kuwait. (January 2022) Moore Global Network Limited, a company incorporated in accordance with the laws of England, provides no audit or other professional services to clients. Such services are provided solely by member and correspondent firms of Moore Global Network Limited in their respective geographic areas. Moore Global Network Limited and its member firms are legally distinct and separate entities. They are not and nothing shall be construed to place these entities in the relationship of parents, subsidiaries, partners, joint ventures or agents. No member firm of Moore Global Network Limited has any authority (actual, apparent, implied or otherwise) to obligate or bind Moore Global Network Limited or any other Moore Global Network Limited member or correspondent firm in any manner whatsoever. January 2022