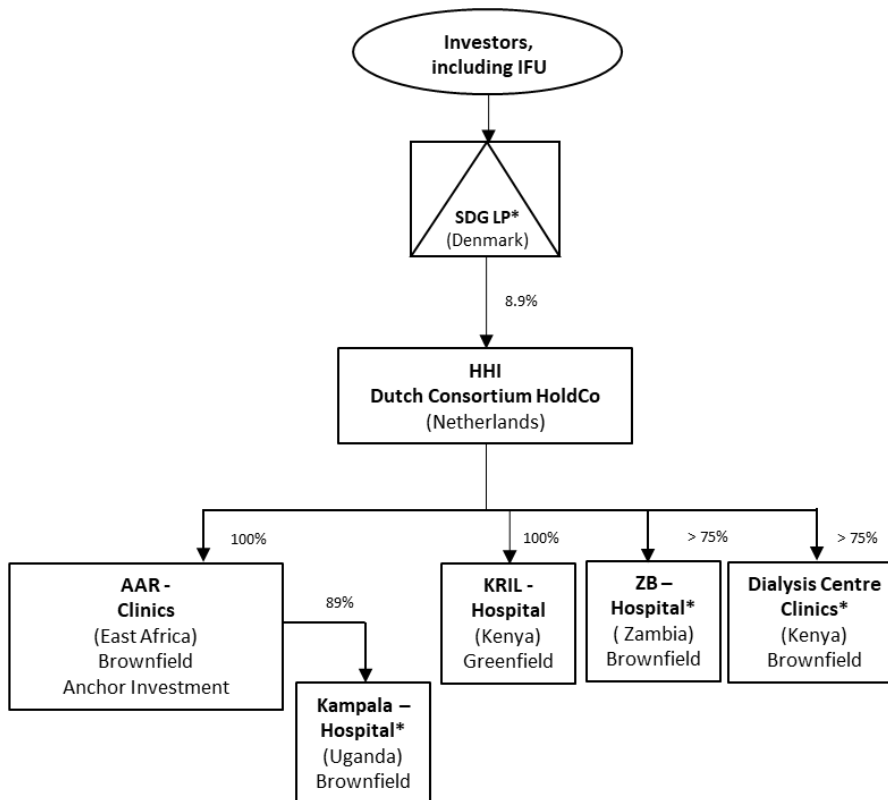



## Tax policy compliance statement for Hospital Holdings

### 1. The contemplated investment structure



 Taxable entity local and Danish tax perspective

 Tax transparent entity from DK tax perspective and a taxable entity from Dutch tax perspective

\* The initial investor is IFU, but the investment is expected to be transferred to SDG LP during 2019

Danish SDG I Fund K/S (SDG) will be providing finance for a pan African health care platform through investing with equity in HHI being a Dutch Consortium Holdco, holding the entire share capital or clear majority in various African operating companies being engaged in the health care sector. Some of the investments are not established yet (greenfield), while others are already up and running clinics.

## **2. Compliance with IFU's tax policy**

The investment structure has been subject to due diligence and based on the facts and circumstances made available, TaxRoom believes the investment structure complies with IFU's tax policy for the following main reasons:

- The operating companies in the various African countries are all subject to local corporate income tax in their respective jurisdictions.
- The established consortium Holdco (HHI) is established with Dutch substance and is needed to aggregate 7 different investors coming from at least 6 different jurisdictions. HHI will serve as investment platform for the anchor investment taking over as a part of the transaction and future brownfield as well as greenfield projects within the health care sector in Africa.
- Establishing HHI in the Netherlands is commercially the natural first choice of available holding jurisdictions as the lead investor for this investment is based in the Netherlands.
- Tax memorandum from CMS a Dutch law firm is confirming HHI to meet the principal purpose test and details how the Dutch substance requirements are complied with.
- Net interest expenses deducted locally in African countries are informed not to exceed 30% EBITDA or a yearly threshold amount of EUR 3 million.
- The Netherlands are not listed on EU's blacklist for non-cooperative jurisdictions and was in 2017 viewed to be largely compliant by OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes.

## **3. Disclosure, cf. EU Directive 2018/822/EU**

The contemplated equity investment does not meet any of the hallmarks for transactions that needs to be disclosed. Based on this no disclosure is needed for this investment.

TaxRoom P/S, 28 January 2019



Claus Kirkeby Olsen