

BUILDING BUSINESSES FOR LONG TERM SUCCESS

RESILIENCE CONSISTENCY TRANSFORMATION IMPACT

QUADRIA CAPITAL

ANNUAL REVIEW 2019 / 2020

VOLUME VI



MISSION STATEMENT

To help build great companies by being a preferred strategic partner and specialised capital provider across Asia

To become the investor of choice in Asian healthcare private equity by generating superior returns

To create value while benefiting the greater good of regional development

COVID-19

GLOBAL # OF CASES

32
MILLION

AS AT SEPTEMBER 2020

GLOBAL FATALITY

1,000,000

AS AT SEPTEMBER 2020

FATALITY %

APPROXIMATELY

3%

UNITED NATIONS' ESTIMATED
GLOBAL FINANCIAL IMPACT

US\$1
TRILLION

>200

NUMBER OF COUNTRIES &
TERRITORIES IMPACTED

QUADRIA PORTFOLIO

OF COVID
HOSPITAL BEDS

515

OF TELEHEALTH/VIRTUAL
HEALTH SESSION PROVIDED

7,200

OF COVID
PATIENTS TREATED

15,000

OF COVID TESTS RAN

APPROXIMATELY
165,000

OF COVID RELATED STAFF
TRAINING HOURS

14,500

HOME HEALTHCARE
VISITS

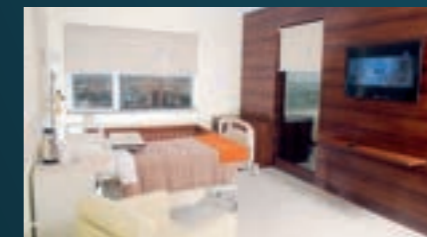
242,000

PORTFOLIO COMMENTARY



Lablink – Leading centre for COVID testing in Malaysia, with capacity to run ~2,500 tests a day. Conducted over 100,000 COVID tests to date.

Recorded 70% year on year EBITDA growth in 1H20



Medica – Dedicated one hospital exclusively for COVID patients and ~200 beds in other units. Treated over 2,000 COVID patients to date.


Reached 90% of pre-COVID patient volume by June 2020.



AIG – Dedicated 235 beds to COVID patients and has successfully treated 1,740 COVID patients to date.

Occupancy rose to 140% vs. pre-COVID level.





Jaipongan, Indonesia

A popular traditional dance of Sundanese people of West Java, Indonesia. The dance was created by Gugum Gumbira based on the traditional Sundanese Ketuk Tilu music and Pencak Silat movements.

01

Building Resilience

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Quadria's strategic investment and cultivation of best-in-class healthcare assets with strong fundamentals underpin stable, steady and sustainable returns.

CASE STUDY

AKUMS DRUGS AND PHARMACEUTICALS



BUILDING RESILIENCE

Quadria Capital partnered with Akums to establish it as a pharmaceutical leader and unlock further value for all stakeholders. The two partners are steering the business into a new direction, through three pillars of engagement and interventions: creating scaled-up sustainable revenue enhancing the quality of business, and strengthening internal processes and controls.

THE INVESTMENT

Akums Drugs and Pharmaceuticals Ltd ("Akums"), India's largest contract development and manufacturing organization ("CDMO"), has a diverse portfolio of clients including Abbott, Sun Pharmaceutical and Cipla. Akums manufactures over 10% of pharmaceutical products sold in India and enjoys a global presence in over 40 international markets. The company manufactures more than 12,000 different types of SKUs annually.

Quadria Capital's strategic investment in Akums in November 2019 was driven by the burgeoning demand for pharmaceutical products in India. Quadria Capital strongly believes that the pharmaceutical industry in India has the potential to grow, especially at a time when the Indian government is turning a corner in healthcare accessibility by making pharmaceutical products affordable to its 1.3 billion population. Quadria Capital capitalised the opportunity presented in Akums with its CDMO model, allowing production of affordable, quality pharmaceuticals trusted by leading global pharma companies. Akums has 13 WHO-GMP state-of-the-art manufacturing facilities in India and has injected US\$50 million over the last 5 years to build and upgrade these facilities. This capex positions the company well for increased scale and improved efficiencies. Within 15 years, Akums has indisputably grown and achieved an impressive top line growth of over US\$350 million.

PARTNERING FOR RESILIENCE

Quadria Capital has partnered with Akums to establish it as a pharmaceutical leader and unlock further value for all stakeholders. The two partners are steering the business into a new direction, through three pillars of engagement and interventions: creating scaled-up sustainable revenue sources, enhancing quality of business, and strengthening internal processes and controls.

Creating sustainable revenue sources

Akums has built a scalable business model with a large manufacturing capacity for producing 100 billion tablets per year and serves over 350 clients, including 27 of the top 30 players in the Indian Branded Formulation market. This is shown through their long-standing relationships with MNCs such as Sun, Lupin and Abbott.

Quadria Capital's key focus is to ensure long-term sustainability for all of Akums' businesses. Business strategy is focused on driving economies of scale and scope, entering attractive markets at a progressive pace, continually exploring opportunities to expand the manufacturing base and leverage its core competitive advantage, diversifying product portfolio, and driving down costs while maintaining high quality and standards.

For its flagship CDMO business, Akums is expanding into technologically complex products and therapies by strengthening its R&D and manufacturing capability. The company is also backward integrating into active pharmaceutical ingredients (APIs), acquiring additional API manufacturers to reduce dependency on external parties for its key APIs. The company plans to achieve this through both organic and inorganic routes. Akums is in the final stage of acquiring an API company which focuses on both domestic and international markets, which will help Akums strengthen its sourcing channel as well as increase its share of wallet in existing customers procurement.

For its International Business, Akums aspires to achieve leadership position for selected therapies in target markets by using a cluster-based approach and building long-term partnerships.

Akums is also strengthening its presence in the domestic branded formulation by realigning its product portfolio by launching niche products via in-licensing and partnerships, as well as enhancing sales & marketing. Akums is focused on increasing its distribution coverage by expanding geographical coverage and is gradually shifting its focus to high value customers.

In addition, Quadria Capital also continues to build Akums' growth trajectory through inorganic revenue streams.

Enhancing quality of business

Quadria Capital is actively working to ensure Akums takes a capital efficient approach by considering the "return on capital employed" to strengthen their cost-leadership and improve margins. Akums is closely observing all business sectors to identify and execute improvement opportunities such as salesforce productivity and quality of products. Quadria Capital's



proactive improvement initiatives include revamping Akums' procurement strategy and introducing digital initiatives to Akums' group businesses to help drive business growth.

In addition to growing its exports and building partnerships with India's healthcare institutions, Akums is also fostering strong alliances for licensing and collaborative research through its regional connectivity within India, Southeast Asia and Europe.

Bolstering internal processes and controls

Since its investment, Quadria Capital is also working closely with Akums Promoters to improve the corporate governance and strengthen its organisational structure. Akums has hired a CFO and CPO and is in the process of hiring other key strategic heads for its core businesses.

Akums is placing focus on leveraging technology to increase the efficiency of internal functions and become operationally resilient, through seamless integration and process automation initiatives, while ensuring appropriate training and upskilling to drive business adoption.

THE COVID-19 CHAPTER: FINDING SOLUTIONS THAT MATTER

COVID-19 has presented a unique situation where these interventions were brought to test. Despite India entering lockdown due to COVID-19, Akums ensured manufacturing operations continued, relentlessly working with its partners to ensure no supply chain disruption and facilitating working capital support where required. Aiming to ensure employee well-being and minimize manufacturing interruptions, Akums introduced several safety measures - providing PPEs, sanitisers and vitamin supplements to employees and their family. In addition to strictly enforcing social distancing measures, Akums also arranged transport for their employees to reduce the risk of contracting COVID-19.

Ultimately, Quadria Capital aims to help Akums build a future-proof pharmaceutical stronghold that is ready for long-term growth through a well-determined business strategy and sharp execution focus.



Water Puppet (Mua Roi Nuoc), Vietnam

Vietnamese Water Puppet originated from the Red River Delta of Vietnam in the tenth century. Some of the earliest troupes are in Nguyễn Xá commune, Đông Hưng district, Thái Bình province.

02

Consistent Strategy

Experience and expertise in diverse healthcare sub-sectors allow us to effectively improve and innovate the operational capabilities of our healthcare assets.

CASE STUDY

SOHO GLOBAL HEALTH



THE INVESTMENT

In 2015, Quadria Capital invested in SOHO Global Health, a leading integrated pharmaceutical and healthcare distribution company in Indonesia. SOHO has demonstrated strong financial performance since Quadria Capital's investment with double-digit top-line and bottom-line growth. Additionally, Quadria Capital supported SOHO's new in-licensing business which has today secured over 35 innovative, high-value in-licensed drugs across six therapeutic areas, many of which are on an exclusive basis.

SOHO is an integrated healthcare and pharmaceutical business with a nationwide distribution network covering 50,000 pharmacies, drugstores and outlets, accounting for 95% of pharmacies and hospitals nationwide. The company, which started its journey as an injectable-products focused pharma company, is today an end-to-end pharmaceutical company serving both local and international customers. Additionally, SOHO has strong innovation and growth capabilities, with a systematic product development process to consistently deliver innovative products to the market.

CONSISTENT STRATEGY

Value creation for all stakeholders is a central pillar of Quadria Capital's investment strategy and all management decisions during origination, screening, execution and exit, are driven by this. Through different stages of identifying an opportunity, unlocking its growth potential and eventually monetising its stake, Quadria's strategy has consistently delivered top quartile investment returns.

SOHO Global Health has built strong brand equity across the region, with a portfolio of well-known market-leading brands in Indonesia across multiple therapeutic categories. SOHO captured the top spot in multivitamins - with a market share of 13% and 37% across adult and children categories, respectively. SOHO's top-selling pharmaceutical product in Indonesia, Imboost, achieved record sales in the first half of 2020 amidst the COVID-19 pandemic.

Quadria Capital also helped to establish a compliance monitoring framework for SOHO, ensuring that the company is fully compliant with international standards, with a dedicated team for implementing and monitoring compliance processes. SOHO's standards have received recognition on par with global peers and SOHO is one of the few fully compliant domestic pharmaceutical companies in Indonesia.

INVESTMENT STRATEGY

Value creation for all stakeholders is a central pillar of Quadria Capital's investment strategy and all management decisions during origination, screening, execution and exit, are driven by this. Through different stages of identifying an opportunity, unlocking its growth potential and eventually monetising its stake, Quadria's strategy has consistently delivered top quartile investment returns.

Deep Understanding of Healthcare

Quadria Capital exclusively focuses on investments in the Asian healthcare sector. As one of the largest investment teams in Asia with combined experience of over 270 years in healthcare, their in-depth knowledge of Asia's healthcare markets paired with operational expertise from its Operating Partners enables Quadria Capital to execute an efficient investment process with an insights-backed approach to identify leadership potential in healthcare businesses. SOHO's strong presence in the Indonesian market with sustained growth over the past few years is a key success indicator of Quadria Capital's investment choice and Quadria's continued value-creation initiatives.

Focusing on Extraordinary Leaders

Quadria Capital focuses on investing in healthcare industry leaders for top quartile returns on investments. Market leaders with the best healthcare standards have competitive advantages allowing them to grow, profit and sustain their businesses during cyclical economic downturns. SOHO is one such healthcare industry leader with transformational value creation potential, with market-leading brands across pharma and consumer categories, a robust financial profile, and technology and R&D capabilities to drive innovation in the pharmaceutical sector.

Value Creation

Over the years, Quadria Capital has built strong relationships with global and regional healthcare companies and research institutions among other key stakeholders in the healthcare sector. Quadria Capital's in-house healthcare ecosystem has facilitated numerous commercial and business development opportunities, including SOHO's partnerships with over 30 global and regional pharma companies.

Quadria Capital takes a hands-on approach in driving value creation, sitting on key-decision making bodies including the Board and Executive Committees to support the overall business plan execution to realise growth potential. Additionally, Quadria Capital helped steer SOHO's business development activities including in-licensing of differentiated, high margin ethical drugs for Indonesia.

Quadria Capital acknowledges that it has a responsibility for positive social impact and adhering to well-defined ESG policies while unlocking the value proposition of its investment decisions. Demonstrating a similar commitment to corporate social responsibility, Quadria Capital's surveillance of SOHO's ESG frameworks and policies secured SOHO a Bronze medal with an overall score improvement for the GIRS Impact Ratings.

Maximising Value at Exit

To maximise shareholder value at exit and mitigate overall risk, while aligning the interests of Quadria Capital and SOHO, Quadria Capital has facilitated discussions with SOHO's promoters in the initial stages of the investment process to arrive at an alignment on the timing and preferred exit mechanisms.

Over the past 5 years, Quadria Capital has worked alongside SOHO to execute the business plan laid out for SOHO with success as SOHO has achieved its growth and financial objectives. To realise maximum value upon SOHO's exit, Quadria Capital has actively supported the positioning of the business as a well-diversified healthcare company by facilitating organic growth and inorganic value drivers. Coupled with the strengthening of the company's governance and systems, SOHO was well-positioned for an exit that delivers both certainty and value.



Holi, India

Holi celebrates the arrival of spring, the end of winter, the blossoming of love, and for many it's a festive day to meet others, play and laugh, forget and forgive, and repair broken relationships.

03

Shaping Transformation

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We remain focused on evaluating untapped opportunities to empower healthcare companies with potential to revolutionise healthcare in fast-growing markets.

CASE STUDY

LABLINK



THE INVESTMENT

In 2018, Quadria Capital invested in Lablink, Malaysia's first private medical laboratory equipped with Biosafety Level 3 (BSL-3) facilities. Headquartered in Kuala Lumpur, Lablink was established in 1989 as a wholly owned subsidiary of KPJ Healthcare Berhad to provide pathology laboratory services for the KPJ Group of Hospitals. KPJ Group acquired Lablink in 1991 to manage its hospital laboratories. Lablink provides a comprehensive suite of pathology and health screening services. Since the investment, Lablink has achieved an uplift of nearly 800 bps in EBITDA margin as of H1 2020 by shifting to higher margin specialised tests and inculcating greater discipline on operating expenditure. Lablink's growth as a leading diagnostics provider is proven with its consistent increases in both top-line revenue and EBITDA, with recorded growth CAGRs of 12% and 20% respectively from FY17 to FY19.

RETHINKING THE ORGANIZATION

Quadria Capital has been heavily involved in reinvigorating the organisation and leadership team. Notably, Quadria helped to recruit Lablink's CEO, a senior executive with years of experience running hospital, pharmaceutical and diagnostic businesses.

With a focus to improve corporate governance and culture, Quadria Capital has supported the executive committee in its push towards data-driven decision-making and imbibing a culture of "zero error" aspiration. Additionally, Lablink introduced independent appraisal management for its employees, which incentivises superior performance with a differentiated reward system.

To provide strategic oversight, Quadria joined the board of directors and continues to work closely with the executive committee to drive positive changes across the organisation. Various transformational initiatives are in-flight, such as decentralisation of business units by geography and improvements in reporting protocols, thus aiding in nimble decision-making.

REDEFINING INFRASTRUCTURE

Given the COVID-19 situation in 2020, a rapid scaling up was required for meeting the increased demand for testing. Lablink's BSL-3 laboratory facilities are well equipped to test for highly infectious pathogens, given high standards of operational and safety programmes in place.

Lablink's management also worked closely with Malaysia's Ministry of Health to gauge incoming demand for testing. By efficiently reallocating available capital expenditure and resources, Lablink was able to ramp up operational testing capacity and the machinery required. Lablink's direct relationship with principal medical device equipment manufacturers and distributors helped to speed up the capacity building required for COVID-19 testing. Within 3 weeks, PCR testing equipment for COVID-19 testing was ready and the first specific extraction was completed.

As COVID-19 cases increased, Lablink's management introduced further automation and specialised technology to increase the capacity. Within a span of two months, Lablink was able to scale up testing capacity from 15 tests per week to 2,600 tests per day.

In addition, Lablink introduced operational changes to capture the increased volume. From March onwards, Lablink introduced round-the-clock shift management, and within a month, staff were carefully reallocated to better manage increased workload and upskilled for leveraging automation.

In YTD 2020, Lablink has conducted over 100,000 COVID-19 tests, while lowering the cost of these tests by 33% relative to market norm.

DIVERSIFYING REVENUE

To reduce concentration risk for Lablink, Quadria Capital placed focus on increasing external third-party revenue from sources other than KPJ hospitals, with a focus on the B2B outsourcing segment from other hospitals and laboratories. As of H1 2020, the external revenue business contributed 16% to total group revenues, as compared to 6% in FY17.

Quadria has worked closely with Lablink's management to shift the focus of its product offerings. Product offerings have pivoted from routine testing to specialised tests (including molecular and autoimmune disease tests), which helped to transition revenues from a lower margin and volume-driven business to higher margin revenue streams. The percentage of specialised testing has continually increased from 20% in 2017 to 26% in H1 2020.

Additionally, Lablink has developed a new doctor engagement model for marketing and promoting greater awareness of its capabilities, as well as opportunistically evaluated vendor-led co-marketing for specific test segments.

Apart from accelerating growth through organic business development, Quadria Capital is taking the lead in exploring external strategic partnerships and evaluating M&A opportunities together with Lablink across the region. This focus has made significant progress: Lablink recently executed a Letter of Intent with a leading Indonesian hospitals group to explore a potential pathology carve-out from the group.

REAPING THE BENEFITS

Results of this business transformation are tangible and distinct, with Quadria Capital playing an active role in Lablink's successful change in corporate governance and culture, increase in business growth and profitability, operational efficiency and widening of partnership networks.

Since the investment, Lablink recorded top-line revenue and EBITDA growth CAGRs of 12% and 20% respectively from FY17 to FY19 with an uplift of nearly 800 bps in EBITDA margin as of H1 2020. Test volumes continue to grow, with 19.2 million tests conducted in FY19 compared to 17.0 million in FY18, while external third-party revenue grew from 6% of total group wide revenue in FY17 to 16% as of H1 2020.

Lablink's ESG measures have also shown fruition. With its strong focus on female empowerment, as of June 2020, approximately 68% of all Lablink staff are female. To support the Malaysia government in the fight against COVID-19, Lablink has invested nearly 1,000 hours of COVID-related training to upskill its staff. In 2019, Lablink also received a Silver for GIIRS Impact Rating, reflecting its commitment to positive social and environmental impact. As part of its journey to become a responsible regional leader in diagnostic services, Lablink is relentlessly pursuing the best ESG practices.



SHAPING TRANSFORMATION

Results of this business transformation are tangible and distinct, with Quadria Capital playing an active role in Lablink's successful change in corporate governance and culture, increase in business growth and profitability, operational efficiency and widening of partnership networks.



Khon Dance, Thailand

The traditional Thai masked dance drama, based on the classic Hindu Ramayana epics, is a traditional Thai dance drama with elaborately made costumes and masks.

04

**Positive
Impact**

Through Quadria's investments, we are realising a deep commitment to give a wider population better access to high-quality healthcare solutions.

CASE STUDY

ASIAN INSTITUTE OF GASTROENTEROLOGY

POSITIVE IMPACT

With its twin-engine business model focused on generating high volumes and driving process efficiencies, AIG drives bottom-line growth while creating social impact. Coupled with superior clinical skills, AIG streamlines medical procedures without compromising patient care, accelerating recovery time for patients at affordable costs.

THE INVESTMENT

Asian Institute of Gastroenterology (AIG) is a referral centre for gastric health and is amongst the 20 centres globally recognized as a Centre of Excellence by the World Gastroenterology Organisation. AIG's R&D centre is also recognized as a leading private research facility in India. In addition to its R&D capabilities, due to its clinical leadership in gastric sciences, it is the only single specialty hospital worldwide to partner with Mayo Clinic.

Quadria Capital invested in AIG in 2015, with a follow-on round in 2019. Quadria Capital worked closely with AIG to build and operationalise a new 780-bed hospital in Hyderabad, the world's largest single location gastric sciences hospital, in July 2018. AIG has established itself as a renowned referral centre, receiving patients from within India as well as from across Asia.

With its twin-engine business model focused on generating high volumes and driving process efficiencies, AIG drives bottom-line growth while creating social impact. Coupled with superior clinical skills, AIG streamlines medical procedures without compromising patient care, accelerating recovery time for patients at affordable costs.

DRIVING IMPACTFUL CHANGE

Quadria Capital understands the potential of positive impact that its investment decisions can have and worked closely with AIG to generate sustainable impact through its business operations. In addition to receiving a Silver Rating for the 2019 GIIRS Impact Business Model Ratings, AIG successfully underwent a stringent accreditation by National Accreditation Board for Hospitals & Healthcare Providers (NABH), the principal accreditation body for hospitals in India.

Notably, AIG has created immense social impact. With its leading clinical expertise, over 50% of its patients are referral patients. As many of these patients are unable to afford medical care, AIG ensures that medical needs are met by offering free treatment and hospital stays for over 1000 patients. Patient cross-subsidy is carefully implemented to ensure accessibility to all income classes, ensuring prices are kept 20% to 30% lower than other hospitals in the region. In addition to ensuring affordability, AIG also provides free gastroenterology services to rural areas through a well-equipped ambulance service.

AIG contributes heavily to gastric science research, with its numerous publications and research pieces contributing to reducing procedural complications and treatment cost. Over the years, AIG has furthered the cause of education and training, having trained over 750 doctors from Southeast Asia. These trained doctors have further extended AIG's mission of providing accessible quality care in the region, with over 50% of gastroenterology doctors in Indonesia and close to 100% of Myanmar gastroenterology doctors trained at AIG. Finally, AIG recognises the importance of providing equal opportunities to women and minorities and has ensured representation of women and minorities in management, seen in the increasing percentage of women in management positions every year. Through its proactive social impact creation initiatives, AIG is well on its way to achieving three of the social development goals (SDGs) laid out by the UNDP (Good Health and Well-being, Quality Education and Gender Equality).

Additionally, AIG places strong focus on minimising environmental impact, with established waste management procedures and is also licensed for biomedical, radioactive and hazardous waste disposal. Quadria Capital ensures AIG operates under a robust governance structure that focuses on transparency and accountability and has also bolstered its corporate management with an experienced team of professionals. AIG also ensures that a robust worker grievance redressal mechanism is implemented and schedules regular meetings of staff with heads of respective departments.

ADDRESSING THE COVID-19 THREAT

With over half of AIG's patients from Asia and the rest of India, India's lockdown in March caused patient occupancy levels to drop sharply. With supply chain disruptions, PPEs were also in shortage.



However, given its long-standing relationship with suppliers, AIG's procurement team was able to obtain required supplies to ensure services and operations continued as per normal. Subsequent easing of India's lockdown restrictions coupled with rise in COVID-19 cases eventually led to an increase in occupancy rates to 140% of pre-COVID capacities.

Fight against COVID-19

During this crisis, AIG provided strong staff support and engagement. Staff numbers were maintained to cope with increased COVID-19 related workload. AIG optimised staff management to increase efficiency and reduce operational costs by implementing an alternate shift system with longer shifts, to ensure round-the-clock service for its patients. Following government guidelines and advisories, AIG also instituted health safety measures within its facilities, with a dedicated wing for its COVID-19 patients, and reserved isolation wards for staff who displayed any COVID-like symptoms. AIG introduced flexible practices where possible and reserved rooms for hospital staff who chose not to return home and place family members at risk. With strategic space optimisation of its facilities, staffing was reduced in selected areas, thereby lowering electricity and utilities usage, providing cost optimisation and reducing overall operational costs.

Within 2 weeks of onset of COVID-19 in India, AIG implemented these operational and workflow changes with the utmost consideration for patient and staff safety.

CATALYST FOR A POSITIVE IMPACT

AIG is well-recognized for its quality and affordable medical services in gastroenterology. The viral pandemic has not deterred AIG's focus from maintaining highest levels of medical care towards its patients. Further, AIG remains committed to be an environmentally and socially responsible corporate, providing skill and social development activities for surrounding communities as well as leveraging its R&D capabilities to improve clinical outcomes.



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OUR
STAKEHOLDERS

Quadria Capital is an independent healthcare-focused private equity firm, with assets under management exceeding US\$2.4 billion spanning 22 companies across Asia. With one of the largest dedicated healthcare private equity teams in Asia, the firm's 21 investment and operations professionals bring together over 270 years of healthcare experience.

The firm has to date returned over US\$1 billion to its investors and continues to generate superior returns by applying its healthcare expertise to drive transformational change through its unique value-add platform, focus on market leaders with exceptional growth opportunities and alignment with management teams to ensure a clear pathway to value maximization.

Quadria Capital adheres to the philosophy of profit with purpose by delivering strong, consistent financial returns and constructive social impact. The firm incorporates both Environmental, Social and Governance (ESG) and social impact factors into decision-making and ownership practices. The firm is consistently ranked amongst the top funds globally for its ESG and social impact performance by the Global Impact Investing Ratings Systems (GIIRS).

OVERVIEW

KEY PERFORMANCE HIGHLIGHTS

US\$2.4
BILLION

AUM ACROSS 22 COMPANIES



5,400 DOCTORS & CLINICAL STAFF

US\$1
BILLION

CAPITAL RETURNED TO INVESTORS



21 PROFESSIONALS ACROSS REGIONAL OFFICES



270+
YEARS

COMBINED EXPERIENCE

20
MILLION

PATIENTS SERVED



2,100 HOSPITAL BEDS MANAGED

FOCUS ON MARKET LEADERS WITH EXCEPTIONAL GROWTH AND IMPACT OPPORTUNITIES

AKUMS
LARGEST
PHARMA CONTRACT DEVELOPMENT AND MANUFACTURING COMPANY IN INDIA

Medica Synergie
LARGEST
HOSPITAL GROUP IN EASTERN INDIA

SOHO Global Health
#1 SELLING PHARMA PRODUCTS IN INDONESIA

AIG
LARGEST
SINGLE SITE GASTRIC SCIENCES HOSPITAL IN THE WORLD

Concord Biotech
#1 IN IMMUNOSUPPRESSANT AND ONCOLOGY APIS GLOBALLY

Healthcare at Home
LARGEST
INTEGRATED HOME CARE NETWORK IN INDIA

Medical Specialists Asia
LEADING
SPECIALITY CARE GROUP IN SOUTHEAST ASIA

FV Hospital
FIRST JCI
ACCREDITED TERTIARY HOSPITAL IN SOUTH VIETNAM

Strand Life Sciences
GLOBALLY RECOGNIZED LEADER
IN BIOINFORMATICS

Lablink
LARGEST
PRIVATE HOSPITAL LABORATORY GROUP IN MALAYSIA

FUND OVERVIEW

QUADRIA'S INVESTMENT PORTFOLIO COMPRISED:

TOTAL
INVESTED CAPITAL

US\$525

MILLION

ACROSS 11 COMPANIES
DIVERSIFIED ACROSS
HEALTHCARE DELIVERY, LIFE
SCIENCES AND ASSOCIATED
HEALTHCARE SERVICES,
REFLECTING THE ASIA
HEALTHCARE PROFIT POOL

TOTAL
CO-INVESTMENTS

US\$146

MILLION

EQUIVALENT TO 39% OF CAPITAL
DEPLOYED FROM THE FUNDS



15% REVENUE GROWTH FOR
EXISTING PORTFOLIO



32% EBITDA GROWTH FOR
EXISTING PORTFOLIO

US\$850
MILLION
OF DRY POWDER

US\$150
MILLION

OF QUADRIA CAPITAL FUND II
ALREADY DEPLOYED (INCLUDING
CO-INVESTMENT)

ENVIRONMENTAL AND SOCIAL IMPACT RECOGNITION

Quadria Capital is part of the GIIRS network and undergoes annual GIIRS assessment at both the Fund and portfolio levels to assess the impact of the Fund's policies and practices and identify key gap areas to be addressed in the following year.



PORTFOLIO COMPANIES' 2019 GIIRS RATINGS

COMPANY	IBM RATING
STRAND	Gold
AIG	Silver
CONCORD BIOTECH	Silver
FV HOSPITAL	Silver
HEALTHCARE ATHOME	Silver
LABLINK	Silver
MEDICA SYNERGIE	Silver
MEDICAL SPECIALISTS ASIA	Silver
SOHO GLOBAL HEALTH	Bronze

SOCIAL IMPACT

Focusing on social good, Quadria's portfolio companies exhibit strong financial performance while also creating positive social impact on the communities they serve. Through Quadria's investments, our portfolio companies further our shared vision of increasing affordability and access to high-quality healthcare services and products for those who need it most.

20.0
MILLION
PATIENTS TREATED TO DATE,
INCLUDING
860,000
WHO ARE UNDERPRIVILEGED

OVER
26,000
ROAD ACCIDENT VICTIMS
RESCUED FREE OF CHARGE

OVER
20,000
HEALTH CAMPS
CONDUCTED

SERVING A CATCHMENT
POPULATION OF

2.1
BILLION
PEOPLE

MORE THAN
2.2
MILLION
PATIENTS SERVED ANNUALLY

US\$3.0
MILLION
SPENT ON CORPORATE SOCIAL
RESPONSIBILITY (CSR)

18
MILLION
DIAGNOSTIC TESTS
RUN ANNUALLY

Over
22,000
EMPLOYEES

50%
FEMALE EMPLOYEES

25%
BELOW PEER PRICING

2,100
HOSPITAL BEDS MANAGED
UNDER QUADRIA'S NETWORK

5,400
DOCTORS AND CLINICAL STAFF

MANAGING PARTNER'S STATEMENT



ABRAR MIR
Managing Partner

DR. AMIT VARMA
Managing Partner

“

Against these unprecedented market circumstances, we are heartened to be able to make notable progress over the past year. At Fund I, our portfolio companies continue to record strong and steady financial performance throughout the pandemic. We also marked our first exit in Fund I through the sale of SOHO Global Health that has achieved top-quartile returns for our investors.

”

We are facing one of the greatest health crises of our generation, one that has shaken the global economy and disrupted millions of lives and livelihoods. Above all, this is a humanitarian emergency that calls for unity and requires each one of us to take responsibility and to play our part.

At Quadria Capital, as the leading investor in healthcare in Asia, we feel a special responsibility at this time. We are committed to supporting our healthcare companies and our front-line workers as we fight this pandemic.

Our portfolio companies are carrying out major efforts in this battle that continues to ravage through lives, communities, and the economy. We will only realize in the coming months the full social and economic consequences of the pandemic.

Against these unprecedented market circumstances, we are heartened to be able to make notable progress over the past year. At Fund I, our portfolio companies continue to record strong and steady financial performance throughout the pandemic. We also marked our first exit in Fund I through the sale of SOHO Global Health that has achieved top-quartile returns for our investors. The firm also successfully raised Quadria Capital Fund II at US\$600mn - far exceeding our initial target. Within 6 months of fund closing, Fund II has made three investments into leading healthcare businesses.

As the rest of 2020 looks set to be full of uncertainties, we are focused – as always – on being careful stewards of our investors' capital and making decisions that enable our companies to emerge stronger.

NAVIGATING UNCHARTED TERRITORY

The COVID-19 pandemic is sweeping the globe leaving almost no community untouched. In Asia, the first epicentre of the pandemic, the situation remains markedly complex. While many countries are taking concrete steps towards recovery with strict lock-down measures, the threat of subsequent outbreaks persists.

We are actively working alongside our portfolio companies to ensure the continuation of essential healthcare services and products, which is even more critical in this time of crisis. Since the wake of the outbreak, we have proactively worked with our portfolio companies to understand the real-time impact, employ mitigant measures, implement operational protocols, and most importantly ensure the safety of our front-line workers, employees and patients. Business continuity is top-of-mind for us while ensuring our companies are well-capitalised to weather market challenges.

We are proud to share that many of our portfolio companies have been at the forefront in the fight against the novel coronavirus. For example, Lablink, our diagnostic business in Malaysia, has conducted more than 100,000 COVID tests so far with 12,000 more tests conducted each month. In India, Healthcare At Home has led the efforts in the COVID response in local communities by launching new services including home isolation services, COVID screening tests and a 24-hour COVID helpline. To date, it has treated over 15,000 patients for home isolation services.

We would like to take this opportunity to thank the real heroes, our frontline healthcare workers and employees, for their valiant efforts and sacrifice.

RECONFIGURING BUSINESSES FOR THE NEW NORMAL

In a very competitive and complex business environment, we are pleased to share that our funds continue to deliver strong operating and financial results. At Fund I, our portfolio has shown tremendous resilience, being value at 1.7x over invested capital. Several businesses are also experiencing a swift rebound and are now operating at above pre-COVID levels, including:

- Lablink: expanded testing capacity to cater for COVID test and recorded a 70% year on year EBITDA growth in 1H20;

MANAGING PARTNER'S STATEMENT

- SOHO Global Health: increased demand for health products led to EBITDA growth of more than [200%] in 1H20 compared the same period last year; and
- AIG: occupancy has increased to 140% of pre-COVID levels, with close to half of the volume constituted by COVID patients.

While the full economic consequences of the outbreak are yet to be seen, we firmly believe that our portfolio companies are staying on course to not only survive the pandemic, but also to thrive in the new normal. This outcome is a result of staying consistent in our strategy, one that is built around 4 key principles - resilience, consistency, transformation, and impact - enabling our portfolio to overcome short-term turbulence while focusing on long-term value realisation.

Testament to the quality of our portfolio is the recent exit of our Indonesian pharmaceutical business, SOHO Global Health. In the five years of our investment in SOHO, we have been able to execute our plan alongside a talented management team to improve cost structure and expand into new products and markets including the in-licensing of over 35 innovative pharma products. SOHO's flagship franchise, Imboost, is also today the top selling pharmaceutical product in Indonesia. Equally important, we are encouraged by the access to affordable medicines we were able to facilitate through our investment in SOHO, with our products being made available in over 20,000 locations across Indonesia. As a result of this hard work, we were able to deliver top-quartile returns for our investors from this divestment.

At the start of 2020, the firm achieved yet another milestone with an oversubscribed fundraise for our successor fund, Quadria Capital Fund II, at an increased hard cap of US\$600 million, far exceeding our initial US\$400 million target. Within the first six months of fund close, Quadria Capital Fund II has already deployed US\$150 million (including co-investments) in three leading healthcare businesses:

- AKUMS: the largest contract manufacturer in India which produces more than 10% of all drugs consumed in India;

- AIG: the world's leading gastric sciences hospital which we initially invested in through Fund I in 2015. AIG recently became the first specialty hospital in Asia to join the Mayo Clinic Network; and
- Project Horizon: leading mother and children hospital group in Southeast Asia which we are in the process of completing the investment.

CAPTURING OPPORTUNITIES EMERGING FROM THE CRISIS

Despite the repercussions arising from the pandemic, the Asian healthcare sector remains remarkably resilient and has shown a strong rebound in the last few months with many economies gradually resuming business and social activities. At the same time, the crisis has exacerbated vital gaps in the public healthcare system stemming from decades of underinvestment, bringing demand for private healthcare to an inflection point. These dynamics once again underline a compelling impetus for private capital participation.

The crisis has also led to a paradigm shift in healthcare landscape such as a renewed focus on healthcare infrastructure, consolidation to create companies of scale, diversification of supply chain avenues as well as the accelerated integration of technology, point-of-care testing, telemedicine, and artificial intelligence within healthcare ecosystem. These narratives will reshape the healthcare landscape in profound ways and give rise to new opportunities in the sector.

Against this backdrop, we firmly believe Quadria Capital is poised to capture the immense opportunity ahead. With a superior track record of investing and cultivating best-in-class Asian healthcare businesses, coupled with one of the largest healthcare-focused teams in Asia, we are uniquely positioned to source and execute opportunities emerging from the crisis.

Leveraging our competitive advantage, we have built a mature pipeline of high-quality companies that are or have the potential to become leaders in Asian healthcare. Many of these opportunities are actionable in the near-term with considerable co-investment potential and we remain confident in our progress to deploy most of our capital within the next few years.

DOING WELL BY DOING GOOD

The pandemic has had a profound impact globally, particularly in developing Asia where 70% of the population live in rural areas with very limited access to healthcare and an estimated 1 billion people in the region have never seen a doctor in their lifetimes.

If the current crisis has taught us anything, it is the understanding of what the healthcare industry must deliver today - namely, high quality, affordable healthcare for all. Healthcare must be available, accessible and affordable for all. We must build sustainable businesses that can stand the test of time.

It is aligned with Quadria Capital's purpose: invest in quality healthcare businesses that enhance the quality of life and contribute to a healthier future.

Across our portfolio, we operate over 2,100 beds and have treated over 20 million patients with over a million more patients treated each year. We continue to play an active role in enhancing access to affordable healthcare by investing for scale. For instance, at Medica Synergie, we have doubled the number of beds to over 900 beds, building the largest private hospital chain in the highly underserved region of Eastern India with over 500 million population.

Equally important, we are focused on improving the quality of healthcare provided in the region to ensure patient safety and improve patient outcomes. For example, through our investment in AIG, we were able to build the world's largest single-site gastric sciences hospital in Hyderabad and set up the first-ever partnership in Asia with the Mayo Clinic, all while keeping patients costs at a fraction of global prices.

We are also thankful that our impact work has been recognized and rewarded by our partners. Along with ING bank, we have put together the world's first sustainability improvement subscription financing facility with interest rates tied to our ESG performance. We believe that this partnership not only reduces the costs of financing for our investors but also allows us to further our impact mission in the region with more cost-effective, flexible financing.

We are also honoured to be consistently ranked amongst the top investment firms for ESG performance by the Global Impact Investing Ratings System (GIIRS). In 2020, the fund is awarded the highest, Platinum, rating for Governance and Workers impact business model by GIIRS. This recognition is another testimony for our commitment to drive positive social change.

LOOKING AHEAD

The world will not emerge from the COVID-19 crisis the same as it entered. Yet, as we start to look beyond the crisis, we firmly believe that Asian healthcare stands at a pivotal point for growth. With our track record as a strategic capital provider and close to US\$1bn of deployable capital, Quadria Capital is well positioned to capture the opportunities ahead.

Building on the success of SOHO exit, we are focused on exit planning for several other earlier investments and believe that we can continue to achieve optimal returns upon exit for our investors.

What gives us reassurance to be able to realise this target is the strengthening of our greatest asset - our people. In 2019/2020, our team has continued to grow with 6 new hires, bringing the team to a total of 22 professionals with collectively over 270 years of experience. Our new hires, 50% of them are women, hail from 4 countries and bring with them diverse backgrounds, skillsets, and perspectives.

When we founded Quadria Capital a decade ago, we never imagined the firm would achieve the size and scale that it has today. All this is only made possible by our investors' unwavering support over the years. We believe brighter days are still ahead for the firm, and look forward to working with our investors, portfolio companies, and stakeholders to create Asian healthcare champions for tomorrow.

As always, thank you for your continued support.

ABRAR MIR
Managing Partner

DR. AMIT VARMA
Managing Partner



The firm also successfully raised Quadria Capital Fund II at US\$600mn - far exceeding our initial target. Within 6 months of fund closing, Fund II has made three investments into leading healthcare businesses.



As the rest of 2020 looks set to be full of uncertainties, we are focused - as always - on being careful stewards of our investors' capital and making decisions that enable our companies to emerge stronger.





TRIBUTE TO A LEGEND

Remembering Bill for his significant contributions to Quadria Capital.

His leadership and influence will be sorely missed, but his legacy, integrity and passion will continue to guide us for a long time to come.

As we welcome bright individuals to our fold, we also take time to remember the giants that have stood before us.

We would like to pay tribute to William (Bill) Costello, a former Operating Partner and member of our Investment Committee, who recently passed away. Bill was a colleague and a friend.

Bill was a dedicated leader with a tireless passion to make the world a better place. He was uncompromising in his commitment not only to healthcare and sustainable development, but above all to people.

Over an extensive career as a healthcare investment banker and investor, Bill was active and influential in leading a broad range of healthcare transactions that shaped the business landscape of today. He possessed a quality in healthcare investment banking that made him stand out. His legendary market judgement, integrity and the impact and clarity of advice will be missed.

Bill certainly had an impressive and successful career, but those you knew him best understood that he was always much prouder of being a good dad and husband.



..... “

I feel privileged to have known Bill personally and to have worked alongside him. He was my mentor over several decades and a close friend. Bill will always be remembered for his intellect, kindness, sense of humour and joy for life. Bill was always a trailblazer inspiring people with his infectious enthusiasm to expand their boundaries and ideas of the possible.

Abrar Mir, Managing Partner

..... “

Bill was not just our advisor but someone who believed firmly in the need to democratize healthcare. He saw the promise in what we were building before the spreadsheets would prove it. He was extremely smart, insightful, open, forthright, and above all else always charmingly humorous.

Amit Varma, Managing Partner

..... “

From the moment I first met Bill, he left a very lasting impression on me. He was highly insightful and always caring and charming. I remember vividly how he took the time to give me advice despite being a junior analyst. I was grateful then, and still am today, for his unwavering encouragement. He will truly be missed.

Mervin Teo, Vice President

..... “

Bill's personality and humanity left a deep impression on all of us at Quadria Capital and will survive in our culture and his memories.



KNOWING OUR MARKETS, INSIDE OUT.



Asia is a complex region comprising exceptionally diverse markets, many of which are highly regulated. At Quadria, we believe that the key to understanding Asian healthcare lies in having a firsthand appreciation of country-specific market drivers and being deeply acquainted with on-the-ground challenges and opportunities. Our established networks and business relationships, coupled with fundamentals-based strategies that foster sustainable value creation and long-term profitability are the hallmarks of our success.



MEDICA SYNERGIE



Investment Date:
December 2013

Country:
India



Medica Synergie (Medica) offers affordable and quality healthcare services in the highly underserved region of Eastern India with a catchment population of 500 million for which just one-ninth of required beds as per WHO norms are supplied. Medica is the largest private hospital chain in Eastern India, operating five hospitals with 907 beds.

Medica provides comprehensive tertiary and secondary care hospital services with state-of-the-art facilities in cardiology, cardiac surgery, neurology and neurosurgery, orthopedics (focusing on the spine and joints), gastroenterology, ENT, renal diseases including nephrology, breast diseases and urology.

Under Quadria-Medica partnership, the bed capacity has been doubled, helping achieve a 20% CAGR in patient volume.

Kolkata-based Medica's network spans across four cities which are state capitals and key commercial hubs. The company aims to further penetrate into the region by adding ~400 beds over the next 2 years and continues to focus on providing access to affordable healthcare to low- and middle-income patients by pricing the services at ~10-15% discount vis-à-vis its peers.



KEY INITIATIVES AND PROGRESS

Creating a Formidable Regional Hospital Network in Eastern India
Under Quadria-Medica partnership the chain added three hospitals and doubled the bed capacity.

The anchor hospital is the 400-bed Medica super-specialty hospital in Kolkata that steers Medica's growth engine. The Medica network has presence in West Bengal, Bihar and Jharkhand.

In the last few months the company has been traversing tough waters to navigate around the disruption due to COVID. During the lockdown the revenue and occupancy dipped by 45-60% of usual levels. However, since the opening up of lockdown, the occupancy is inching towards normal and the company is expected to operate at 90% of usual level in Q2 FY21 and has been able to achieve positive EBITDA in June and July.

The company also used this opportunity to take few strategic steps such as closing a couple of loss-making hospitals and rationalise the cost structure for other hospitals.

MORE THAN
520,000
PATIENTS SERVED ANNUALLY

MORE THAN
57%
FEMALE WORKFORCE

MORE THAN
250+ BEDS
DEDICATED FOR COVID PATIENTS

Significant Improvement in Profitability

Since its investment, Quadria has worked closely with Medica on cost rationalization and productivity improvement initiatives, as a result of which Medica achieved 16% EBITDA growth between FY2019 and FY2020 despite the COVID disruptions.

Quadria's Support to Medica

- Implement structural changes in procurement and fixed cost management, streamlining expenses.
- Rationalize operations and close a few of loss-making hospitals to improve the financial performance.

Next Phase of Growth

Banking on Medica's proven business model, it aims to replicate its success throughout East Asia. Leveraging Medica's credentials as the leading regional player and focusing on an asset-light model will be instrumental in the rollout of new units. Expansion will focus on the states where Medica already has a presence in and will roll out tertiary and secondary care facilities in high growth potential cities without incurring high capital expenditure.

Quadria is in the process of exiting from Medica Synergies and had received non-binding offers from prospective investors last year. Our exit process was delayed due to advent of COVID, which prompted the interested bidders to put the discussion on hold for the near term amidst the prevailing economic uncertainty and temporary dip in performance of the hospitals. Now, with the improvement in Medica's performance, the exit process has resumed and we expect to complete the exit in FY March'21.

ESG UPDATE

Quadria has been working closely with Medica to implement the Environmental and Social Action Plan (ESAP) at all the units of the company.

Since Quadria's investment, the Company has successfully implemented SEMS which covers the international standards and requirements relevant to environmental management, stakeholder engagement, occupational health & safety, and labor and employee welfare. This also included the establishment of corresponding Environmental and Social Screening procedures and process together with the appointment of an Environmental and Social Officer who coordinates the management system's performance at each of the group's facilities.

The company has been at the forefront of community service, creating meaningful impact by ensuring affirmative action and delivering patient quality. Medica served more than 520,000 patients over last year with 20% of patients from East India's underprivileged and poorer segments of society. The company also reserves over 300 lower priced beds for patients from low-income strata. The allotted discounts and reduced rates accumulated to between USD 2.3 and USD 2.7 million per year. Medica regularly conducts health checkup camps in remote areas of Eastern India to provide doctors' consultation and drive public health awareness to the otherwise underserved members of the community.

Maintaining the world-class governance standards across the group is core to Medica's operations. The company ensures a robust level of corporate governance through establishing a strong board, conducting quarterly board meetings coupled with executive committee meetings, and implementing ESG Management principles and an anti-corruption management system.

Medica continues to emphasize on its ESG commitment in 2020 and ensures all the existing and new facilities comply with Quadria's ESG guidelines.

SOHO GLOBAL HEALTH



Investment Date:
March 2015

Country:
Indonesia

Quadria Capital has partnered with SOHO Global Health (SOHO) since 2015. This marked Quadria's first investment in Indonesia's burgeoning pharmaceutical sector. Over the investment period, Quadria Capital helped create access to innovative, differentiated drugs through in-licensing from developed markets, acquire strategic assets and support the growth of its strategic businesses. Leveraging Quadria's global network of relationships, SOHO has successfully expanded its portfolio of products and unlocked new growth opportunities for the business.

Over the course of its 70-year operating history, SOHO has built its reputation as an established leader of high-quality medicines in Indonesia. Today SOHO is Indonesia's fastest growing healthcare company with an EBITDA CAGR of over 60% in the last three years driven by strong topline growth and margin expansion. During the pandemic, SOHO has experienced positive momentum with EBITDA more than doubling during the first half of FY2020 – testament to the resilience of the business.

SOHO is an undisputed market leader across multiple categories. Today, it has the number one selling pharmaceutical product in the country through its Imboost franchise that has grown at a remarkable CAGR of 24% between 2013 to 2019. SOHO also captured the top spot in multivitamins and children's multivitamins with a market share of 13% and 37% respectively.

As of 2019, SOHO has 35 high value in-licensed drugs, many of which are on an exclusive basis. It is also the largest healthcare distribution company in Indonesia.

SOHO's sales force of over 1,000 covers 90% of the targeted 29,000 doctors across Indonesia. The company also delivers its pharmaceutical and healthcare products to over 95% of hospitals and pharmacies (over 40,000 outlets) nationwide across Indonesia.

The macro outlook of the Indonesian healthcare market remains highly favourable. As the largest economy in Southeast Asia, Indonesia is set to become the fifth largest world economy by 2030. The Indonesian pharmaceutical market in particular is poised for robust growth and projected to be worth over US\$11 billion by 2023.





KEY INITIATIVES AND PROGRESS

Positive and Sharply Increasing Profitability

In 2019, SOHO continued its strong financial performance recording a sustained double-digit top-line growth. Group EBITDA grew by 50% — marking three consecutive years of growth in excess of 50%.

Significant Manufacturing Efficiencies and Operating Cost Improvements

By focusing on structural cost rationalisation specifically in manufacturing, procurement and administrative services, SOHO has been able to make significant strides. "One Procurement" was launched to source group-wide goods and services. As a result of this streamlined and centralised procurement engine, the Group has enjoyed sustainable improvements in cost ratios and expedited the decision-making process. In 2018, HR, Legal & Compliance were integrated under one function; while IT and Finance were similarly integrated. This flatter, "fit for purpose" re-organisation is a vital step towards the goal of sustained top-line and bottom-line growth.

World Class Compliance and Governance Standards

Soho stands apart as a fully compliant company with a professional management team and an institutionalised governance framework in place through independent committees, robust internal controls and monitoring systems.



Market Leadership in Key Segments

SOHO has secured pole position in the total vitamin category based on national market share, as reported by Nielsen. This is led by Imboost — a supplement that supports the immune system, which is now the top body defense brand in Indonesia. This strong market leading position is driven by an effective consumer communications campaign. Supporting the success of its Imboost franchise is SOHO's leadership in the children's multivitamins space which the Company has retained for many years.

Solid Portfolio of Market-Leading Products

SOHO has built a portfolio comprising eight brands with sales in excess of IDR 30 billion per annum. Topping the league table is Imboost, one of the fastest growing brands in the Indonesian healthcare market, which grew at an exceptional 150% in Q1 2020. Curcuma Plus and Diapet make the top three household brands, delivering nutrition and wellness to the community. Leveraging the thriving product portfolio and the deep pipeline of new products, SOHO is well-positioned for sustainable growth in the future.

ESG UPDATE

Demonstrating SOHO's commitment to making a positive impact on society, the environment and to best-in-class governance standards, it was awarded the Bronze Medal for Consumer Impact Business Model (IBM) under the GIRS Impact Ratings in consecutive years 2018 and 2019.

60%+
EBITDA CAGR

OVER THE LAST THREE YEARS

DISTRIBUTES TO OVER

95%

HOSPITALS AND PHARMACIES
ACROSS INDONESIA

#1
BRAND

IN INDONESIA FOR PHARMA
PRODUCTS, MULTIVITAMINS AND
KIDS MULTIVITAMINS

ASIAN INSTITUTE OF GASTROENTEROLOGY



Investment Date:
November 2015

Country:
India

The Asian Institute of Gastroenterology (AIG) is one of South Asia's leading referral centers for gastric sciences. Located in Hyderabad, India, it is among 20 centers recognised globally as a Center of Excellence by the World Gastroenterology Organization. The hospital serves over 250,000 patients annually and holds two world records— performing the first robotic endoscopy; and doing the most endoscopic retrograde cholangio-pancreatography (ERCP) procedures (combining upper gastrointestinal endoscopy and X-rays to treat problems of the bile and pancreatic ducts) annually.



KEY INITIATIVES AND PROGRESS

Expansion of service offerings

AIG has made significant progress in expanding its service offerings and diversifying away from gastro procedures. As of May'20, nearly 40% of the revenue is contributed by non-gastro specialties, a significant improvement as compared to ~0% contribution at the time of Quadria's investment in 2015. The progress was facilitated by management's efforts and Quadria's support in establishing the departments and teams for key non-gastro specialties including Cardiac Sciences, Liver transplant, Kidney transplant, Nephrology, Vascular Surgery and Oncology. AIG was able to attract superior talent from renowned institutes like Stanford and Harvard, due to its established position as a world class referral center.

The hospital is renowned for research and education, having an affiliation with reputed global institutes like Imperial College of London, England, John Hopkins Hospital, USA and National University Hospital of Singapore, and consistently contributes publications in leading global medical journals. Each year, AIG trains gastroenterology specialists from US, Singapore, Indonesia, Australia, Chile, South Africa, Netherlands and the Philippines, and has trained over 750 doctors from some of the leading healthcare chains across the globe.

The company has been successful in managing the disruption caused by the advent of COVID in India by creating strong protocols and continuous staff training and engagement. Currently, 50% of the volume is constituted by COVID patients. AIG has dedicated 235 beds to COVID patients and has successfully treated and discharged 1,740 COVID patients till date.



Ramping up Volume in the new 780-bed facility - World's Largest Single-Site Hospital for Gastric Sciences

Quadria has worked closely with AIG for operationalization of its new 780-bed hospital in record time of two-and-a-half years. The company has been successful in rapidly increasing the occupancy during last year to 60% (excluding day care beds) and also achieved industry leading EBITDA margins of ~32%. Patient volume is expected to grow further, driven by initiatives implemented at AIG during last year, including establishment of a 25-member marketing team to increase AIG's visibility in domestic and international regions, and empanelment with GIPSA, a group of four public-sector general insurance companies, which will

provide access to insurance patients and tie-ups with corporates and Public Sector units for treating their employees.

Ensuring Superior Quality of Services

Delivering the best quality patient care has always been a top priority at AIG and it has strived to achieve this objective by ensuring best quality of infrastructure, medical protocols, and offering latest treatments. AIG has been continuously pursuing local and global accreditation and it received the National Accreditation Board for Hospitals & Healthcare Providers (NABH) accreditation during the last year, which is a public recognition of the hospital's standards conferred by an independent external peer assessment of its performance against prescribed benchmarks.

In order to manage the data generated in various functions, the company has successfully implemented SAP software for managing the data in Human Resources, finance and material management departments of both the old and new facilities. AIG also implemented hospital Information system and Picture Archiving and Communication Systems (PACS) to facilitate complete automation of information sharing.

The superior quality of AIG's operation is also validated by the partnership it has forged with Mayo Clinic, US, becoming the first Indian hospital to join the global Mayo Clinic Network as well as the only single-specialty hospital in the network. As a member of the global Mayo Clinic Network, AIG will get access to a range of medical practices, e-consults (free of cost for patients), Tumour Boards, the latest innovation, research and education.

ESG UPDATE

AIG is constantly striving to make significant impact on the communities it serves by increasing the affordability of healthcare services, furthering the cause of education and training, and ensuring environmental sustainability.

AIG serves more than 250,000 patients each year, with key procedures priced at 20-30% lower as compared to the competition. It operates an inclusive and efficient business model that reaches low-income patients through cross-subsidisation and reserving a dedicated share of bed capacity for underserved patients. AIG's highly trained and dedicated team of approximately 3,000 employees helps achieving these results. AIG actively contributes in professional development and growth of its employees through continuous training and sponsoring educational programs.



AIG recognises that being a responsible corporate citizen requires a firm commitment to best environmental practices and has established specific objectives and targets to continually reduce the environmental impact where possible. For example, AIG has implemented tools to actively reduce water and electricity usage, CO2 emissions, and waste generation.

AIG is focused on promoting best practices amongst all stakeholders through thoughtful engagement. AIG is led by a team of professionals who come with years of expertise of operating under a robust governance structure that enshrines transparency and accountability.

RECEIVED
NABH
Accreditation
FOR NEW FACILITY

~1,000
BEDS

WORLD'S
LARGEST
SINGLE SITE GASTRIC
SCIENCES HOSPITAL

CONCORD BIOTECH



Investment Date:
July 2016

Country:
India

Concord Biotech (Concord) is one of India's largest vertically integrated biopharma companies, focusing on development and manufacturing of advanced life-saving drugs across niche, high growth therapies such as Immunosuppressant, Hematology and Oncology. Concord has grown rapidly from a single product company in 2000 to a broad-spectrum solution provider, offering more than 30 products spreading across diversified therapeutic segments. It is among the world's largest suppliers of immunosuppressants Active Pharmaceutical Ingredients (APIs) and holds global leadership for some key products.



Concord is working with leading pharmaceutical companies globally and has presence in more than 50 countries worldwide with state-of-the-art distribution network & business infrastructure in markets such as North America, Europe, Japan, India, Central & Latin America, Africa, Australia, New Zealand, Asia – Pacific, CIS and MENA countries.

Concord has one of the largest, cutting-edge fermentation facilities, operating more than 22 biotech blocks featuring over 500 cubic meters of fermentation capacity, which has been approved by the top drug accreditation bodies worldwide including the USFDA and EU GMP. It is in process of ramping up its API production capacity three-fold to produce 1,500 plus cubic meters, making a mark as a global biotechnological leader.

KEY INITIATIVES AND PROGRESS

Quadria and Concord partnered with a vision of establishing the latter as a unique vertically-integrated biopharmaceutical company, focused on high-growth niche therapies. Together, we identified three approaches to attain the growth targets. First, by diversifying its therapeutic focus. Second, by launching new products. Third, through incubation of business development possibilities for a strong pipeline of new products. Concord has filed over 125 product registrations to date, cementing its strength in R&D and high-tech product innovation.



Strengthening Leadership in the API segment

Since Quadria's investment, Concord has solidified its position by strengthening its presence in existing therapies, launch of new products in additional therapies and expansion into new markets. Concord has increased its market share in existing therapies using a two-pronged approach – increasing share of wallet in existing customers and adding new customers. The API business is witnessing a strong demand in both, domestic and regulated markets. Concord continues to expand its products and customers portfolio to increase its market share globally. During 2019-20, the company filed for 80 new products and added 35 new customers. The Company is receiving favorable response for the immunosuppressant portfolio with the revenue from Japan growing at 15% CAGR in the last three years. To amplify the sales effort in Japan, the company has established presence in the market. Impressed by Concord's track record and advanced manufacturing capabilities, innovators too have started outsourcing critical captive small molecules to Concord. The company is confident to make further headway to onboard multiple innovator in coming years.

The company continues to have strong order book, which has grown three-fold since Quadria's investment. In order to serve the growing demand from patients, the Company is in process of setting up a state-of-the-art API facility that will more than triple its existing capacity. Completion of the facility has been delayed by 3-5 months on account of COVID and country-wide lockdown, and is now expected to be operationalised by end of 2020.

Concord's API business was impacted due to COVID and subsequent lockdown during the Q2 2020 as the facility was operating below optimal levels due to shortage of manpower and supply chain disruptions. With the lifting of lockdown, the company is now back to near optimal capacity and is witnessing a surge in demand from formulators, resulting in increase in prices.

Formulations

One of the key investment thesis at the time of Quadria's investment was for Concord to forward integrate into formulations. Since Quadria's investment, the company has successfully operationalised its formulation facility and launched the formulation business in the domestic market. Quadria worked closely with the company on the launch and ramp-up of the formulation business.

Over the last one year, Concord focused on improving the sales productivity, strengthening the product portfolio and widening geographic presence in the domestic formulation business. The company launched one new division during the year. In Q2 2020, Concord's business was impacted by nation wide lockdown imposed due to COVID, but the business has started picking up again and the Company is focussing on increasing the use of digital means to reach the key stakeholders.

The Company has been successful in ramping up its US business and has achieved a quarterly run rate of INR 35 Mn within 1 year of operations. Concord is continuously working on strengthening the product pipeline for US business and has filed 4 ANDAs so far, of which it has received an approval for 3 and is expecting approval of 1 critical ANDAs in Q2 FY21, which will further strengthen the US business. The Company is also actively working on its emerging market business and has submitted 140 dossiers so far, cleared 8 audits and has received 4 approvals. It has also identified partners in many of these emerging countries.

Within the domestic business, the Company is witnessing a strong pipeline of customers in the P2P business and is focusing on growing branded formulation business by targeting the specialist and large hospital channels.

ESG UPDATE

Concord is committed to sustainable development, evident in their holistic approach to ESG that is designed to engage meaningfully with the environment, the people and the wider community.

Concord is a zero-liquid discharge facility and undertook several initiatives such as rainwater harvesting and reducing water usage to achieve this milestone.

As a part of the company's social outreach program, it ensures that all the employees are subjected to a medical examination to ensure that medical safety and health of all employees is maintained.

During the year, several EHS training workshops were held to augment the ERT's efficiency to ensure swift response during any emergency. Concord established a medical mobile program where it provides primary healthcare for the poor, weak and needy in the surrounding communities, over last year ~15,000 people benefitted from this program. The company expanded the education programs to 8 new schools through which it supports students across various age groups on their school tuition fee and



competitive exams. This year, Concord started college scholarship program by offering full scholarships to 2 students from underprivileged background.

The company is also aggressively supporting the community in its fight against COVID, by way of setting up of COVID facility, and distribution of masks and ration kits to the needy.

Concord has also been able to maintain a diverse Board that enables efficient functioning through differences in perspective and skill. The Board had 4 meetings last year, while the ExCo had monthly discussions. Concord underwent its first GIIRS certification process and received a Silver rating for the Impact business model.

Quadria believes that Concord remains poised to create long-term impact in the region, while adhering to the highest levels of ESG standards. Numerous initiatives have been implemented as part of its ESAP which will be continuously monitored and maintained.

40%
EBITDA

MARGIN

MORE THAN
40%

GLOBAL MARKET SHARE IN
TACROLIMUS

158
NEW FILINGS

IN THE LAST 2 YEARS

HEALTHCARE AT HOME



Investment Date:
March 2017

Country:
India

HealthCare at HOME (HCAH) is India's second largest home health player, and the largest provider of integrated pharma services to specialty pharma companies in India. The company aims to serve patients throughout their disease journey, starting with creating disease awareness, diagnosis, intervention, post discharge care and rehabilitation. HCAH serves over 1.2 million patients across more than 75 cities annually and manages over 31 high-end drug infusion and administration projects across specialised therapies. HCAH's competitive edge lies in its focus on high-skill services such as ICU at home and outcome-driven pharmaceutical services that yield quantifiable returns to pharmaceutical companies.

KEY INITIATIVES AND PROGRESS

Since its investment in HCAH, Quadria and the HCAH management team have focused on achieving the vision set at the time of partnership – to establish HCAH into India's largest and most specialised integrated home healthcare platform. Together, they have made significant progress by increasing the offerings in the Clinical Services business and consolidating the company's position in Integrated pharma services.

Growth in Clinical Services Business

Since Quadria's investment, the clinical services business has strengthened its service offerings and has witnessed a sharp ascent in its flagship product – ICU at Home. The number of new patients served for 'ICU at home' service on a monthly basis has catapulted by over five times with the revenues spiralling over seven times as compared to when Quadria made its investment. HCAH has also seen a steady growth in other clinical services. Over the last year, they have made significant progress in improving the profitability of the Clinical Services business and has achieved positive EBITDA at pre-HO cost level.

HCAH has started utilizing digital programs to improve the service offerings and quality of services for patients including chronic condition management, tele-consultation etc.

In view of COVID, the company has also introduced new services and programs to meet the specific needs of COVID patients including:

- Home isolation for COVID patients: The company created a 17-day Home Isolation Program for COVID patients in association with a large hospital group. Currently, 14 hospitals have tied up with HCAH and 11,500 patients have been treated under this program
- COVID-screening tests – HCAH is partnering with diagnostic labs to provide the facility of COVID screening at home. Nearly 1,000 tests has been conducted so far.
- Home-isolation management for provincial governments – HCAH is providing home isolation facilities through provincial governments of Delhi and Karnataka

- 24 hours COVID helpline – HCAH has partnered with Lupin to provide 24*7 COVID helpline facility to municipal corporations of 3 cities including Mumbai, Pune and Indore. The Company is also tied-up with 4 corporates to provide this service for their employees.
- Helping the corporates restart production – HCAH has introduced a service to help corporates restart and manage the operations in their factories by formulating and auditing their SOPs, providing COVID related training to their employees, managing medical room at the sites and execution and supervision of medical screening. The company is providing this service to 8 corporates.

Insurance companies have now started covering home healthcare services for COVID-19 and other patients. HCAH has partnered with three insurance players - ICICI Lombard, Religare Health Insurance and Reliance General Insurance to provide cashless healthcare facilities at home. This is expected to drive the volumes of clinical services business rapidly.

HCAH continued its focus on achieving profitability and has undertaken various cost optimization initiatives. From a negative gross margin at the time of Quadria's investment, the company

has achieved positive EBITDA at pre-Ho level. The company has also started to demonstrate operating profitability in majority of the regions, three out of the five active regions have been profitable for last 3 month. HACH expects to become overall EBITDA positive in the next fiscal.

Maintaining Superior Quality of Services

HCAH continued its focus on improving the quality of care it delivers to the patients by ensuring that all its SOPs & processes (74+ clinical policies) are at par with CQC standards (Care Quality Commission is the regulator who monitors and inspects all organisations providing care) and regular training is provided to the entire staff. HCAH also became the first homecare company in India to be fully compliant with the QAI (Quality and Accreditation Institute) standards, clearing multiple audits by pharma multinationals including Novartis, insurance companies & other regulatory bodies. The company also regularly publishes papers across various journals and has a total of 18 publications in national and international journals.

HCAH gives utmost importance to customer satisfaction and has been maintaining a NPS score of more than 65% and has made NPS as a KPI for all its employee. The Company also has a dedicated feedback and customer support team.

Strengthening Integrated Pharma Services

Integrated pharma services business of HCAH has been focusing on enhancing its offerings including integration of digital platforms in its current programs and strengthening its customer pipeline. HCAH added eight new projects in its pharma services business and has strong pipeline of 80 projects. The company is focusing on building itself as an integrated platform, servicing all steps across patient engagement process to become a one-stop solution for pharma companies.

The pharmaceutical fulfilment business was able to realign the model towards a completely direct-to-patient service. HCAH plans to continue to add new products and services as part of its growth strategy. By capitalising on the customer-facing experience that the company is gaining in its day-to-day business, it plans to increase its specialised offerings and analytics to pharmaceutical companies.

The company is also focusing on acquiring new clients and deepening the working relationships with existing clients. Plans are also underway to add new products to its specialty pharmaceutical business.

ESG UPDATE

HCAH is committed to operate in a socially responsible way. It conducts the business fairly and honestly and recognizes that the long-term health of the organization is directly connected to the health of the environment and local communities. HCAH follows the best practices in medical care and maintains international protocols and standards.

HCAH is committed to increasing access to specialised healthcare services to the underserved population of India which is unable to visit the hospital by taking such services to patients' home. The Company is also making high end ICU care, nursing services and drug infusion services accessible to patients at a price points much lower compared to private hospitals. The Company has been contributing actively in serving the COVID patients and has treated more than ~11,500 such patients through its home isolation programs.

In addition to creating a positive impact for its customers, HCAH continues to strengthen its positive impact through progressive workplace policies. The company continuously invests in training and upskilling workforce. In 2019, HCAH introduced upskilling courses for nurses and physiotherapists in association with Fortis Memorial Research Institute. Additionally, they have institutionalised a formal training academy that puts together a series of programs to bridge the skill gap where necessary and to help build new skills across levels. In the 2019 GIRS certification process, HCAH achieved a Silver rating for its Impact Business Model.

1.2
MILLION

PATIENTS SERVED

ACROSS MORE THAN

75

CITIES



MEDICAL SPECIALISTS ASIA



Investment Date:
July 2017

Country:
Singapore



Medical Specialists Asia (MSA) continues to focus on integrating the latest advances in medicine for the prevention, early diagnosis and treatment of medical conditions. The Group adopts a unique “One Day, One Stop, One Centre” approach to be the region’s top tier healthcare provider of choice for patients. This patient-centric approach ensures that patients can complete various associated procedures such as laboratory tests, diagnostic imaging scans and outpatient procedures, all within the same location, on the same day following their consultation with MSA’s doctors.

Together with Quadria Capital, MSA has taken concrete steps to expand its specialty offerings and to invest in cutting-edge medical equipment. The Group offers a wide range of specialist practices in cardiology, gastroenterology, internal medicine, ophthalmology, orthopedics, otolaryngology, radiology, urology and aesthetics. At present, the Group has two multi-specialty medical centers, three medical aesthetics centers, and two diagnostic imaging centers, spread across two prime locations in Paragon and Royal Square Novena.

The comprehensive suite of services tailored to patients’ convenience makes it the destination of choice for quality, next-generation diagnostic and therapeutic medical care in Singapore and the Southeast Asia region.

KEY INITIATIVES AND PROGRESS

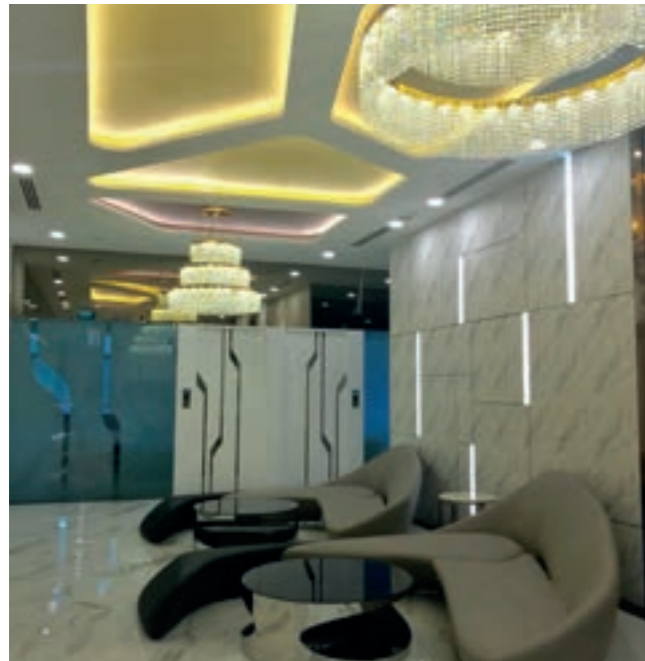
Asia Reference Centre by Siemens Healthineers

In 2018, MSA partnered Siemens Healthineers (Siemens), a trusted global medical technology leader, to launch the region’s first Asia Reference Centre (the Centre) in the newly-launched MSA Medical Centre. This partnership is a testament to the long and close working relationship between the Group and Siemens. Since the partnership, the Centre has been offering advanced diagnostic imaging, laboratory diagnostics and molecular medicine and serves as a hub for clinical training, education and best practices.

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Addition of world class Swiss Ziemer Z8 Lasik Technology enhances the ophthalmology specialty

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The newly-opened centre in Royal Square houses the region's first 3T Magnetom Vida Magnetic Resonance Imagine (MRI) machine which incorporates artificial intelligence with its BioMatrix Technology. The 3T MRI machine conducts faster examinations and produces results with higher resolution for better image quality and superior diagnostic accuracy. This technology can be customized to the specific needs of each patient to deliver consistent, high quality and personalised examination results that minimize unwarranted variations in imaging results. Hence, MSA is able to achieve superior medical precision and deliver better patient care.

This strategic union dovetails seamlessly with Singapore's "Smart Nation" drive, cementing the nation's reputation as the region's healthcare hub. The partnership takes an important step towards digitalising the healthcare experience for both patient and medical caregiver by improving the speed and efficacy of patient care. Doctors and patients alike can access their medical data remotely via the MSA app, and patients will now be able to participate in tele-collaboration with medical experts around the world together with their consulting doctor, reducing the need to leave the comfort of home.

MSA has adopted innovative methods of connecting with its patients amidst the pandemic by utilizing telemedicine and organizing health management webinars.

Growing Specialties Platform and Expanding Diagnostics Capacity

MSA has focused on strengthening its service platform through the targeted hiring of leading medical specialists to cater to the diverse medical needs of patients seeking convenient, time-saving care under one roof. The Group has also invested in more cutting-edge equipment to provide superior patient care and faster turnaround times. The latest addition at the end of 2019 includes the world class Swiss Ziemer Z8 Lasik Technology to enhance the ophthalmology specialty.



Expansion Strategy

Quadria and MSA have been driving the inorganic growth plan for the Group. There are currently two acquisition targets under evaluation, with the goal of completing at least one acquisition by 2020 that would be immediately accretive to the Group.

Operational Improvements

As the current cohort of full-time doctors continues to ramp up patient volumes, MSA has recruited several associate doctors to expand its scope of medical specialties on a fee-sharing model. In addition, MSA has set up a dedicated sales force to promote the differentiated imaging services featuring the region's most advanced equipment, software and techniques offered exclusively at its new Royal Square Centre, in partnership with Siemens. Additionally, MSA also looks to implement key value accretive initiatives to further enrich MSA's leading patient centric care.

ESG UPDATE

A comprehensive Environmental & Social Action Plan (ESAP) has been jointly developed between MSA and Quadria as part of Quadria's investments. It includes the appointment of MSA's Operations Manager as the dedicated point person to closely monitor the Group's compliance with the ESAP policies, procedures, and requirements. This commitment to ESG paid off when MSA was awarded a Silver rating for its Impact Business Model for consecutive years in 2018 and 2019 by the Global Impact Investing Ratings System (GIIRS).

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Experienced core of 9 specialist doctors supported by cohort of over 100 associate doctors

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FV HOSPITAL



Investment Date:
July 2017

Country:
Vietnam

Throughout the COVID crisis, FV Hospital (FVH) has demonstrated exceptional stability while staying on course to deliver its mission of bringing world class healthcare to Vietnam. Under the leadership of its founder CEO Dr. Jean-Marcel Guillon, and in partnership with Quadria, FVH has significantly enhanced its suite of clinical offerings and achieved significant milestones in its journey to transform into the leading tertiary healthcare provider in Vietnam. In 2019, FVH served more than 320,000 patients across 30-plus surgical and medical specialties from its hub hospital in District 7 of Ho Chi Minh City and its outpatient clinic in the central District 1 of Ho Chi Minh City. The group employs over 1,000 full-time staff, including approximately 130 local and expatriate doctors supported by 400 paramedical employees.

KEY INITIATIVES AND PROGRESS

Battling the Pandemic

Since the onset of COVID-19, the hospital has established a COVID taskforce comprising of hospital executives to monitor the situation and take prompt action in ensuring business continuity while protecting staff and patients. Safety measures for patients and all of FV's employees such as patient screening and segregation, setting up of a negative pressure room, regular temperature checking, routine hospital facility clean-up, provision of hand sanitizers and masks were implemented from the very onset of the outbreak.

Understanding the need to step up and assist the public system in limiting the spread of COVID, FVH has launched a COVID testing service using RT-PCR technology. The service offers two options

for sample collection: patients can collect test samples either at FV Hospital or at the safety and convenience of their homes. To date, the hospital has conducted over 1,000 tests for the community.

In addition, FVH launched its own telemedicine service in July 2020. FVH's telemedicine service is designed to support patients who face time or location constraints in accessing the hospital, and patients who suffer from chronic conditions such as high blood pressure, diabetes, cardiology, or chronic pain, that need to be monitored frequently. Within a phone call, patients can seek consultation from FVH's doctor and access services such as vital sign checking, blood test, and medication delivery. More importantly, the hospital is providing these services at the same price as face-to-face consultation.



Centre of Excellence

Quadria's partnership with FV Hospital has brought about significant progress in enhancing the hospital's clinical offerings in the key specialties such as oncology and cardiology.

Hy Vong Cancer Center, since its upgrade in 2018, has become one of the most advanced cancer centres in South East Asia. Through Quadria's investment, Hy Vong Centre is equipped with a state-of-the-art Linear Accelerator, the latest CT simulation, and latest generation of spectrophotometer systems, unlocking access to the most advanced treatment plans. To support the center's upgrade, Quadria facilitated a strategic partnership between FV Hospital and HealthCare Global Enterprises Ltd. (HCG), the largest oncology provider in India with over 27 hospitals. With its extensive experience, HCG has been continuously supporting FV Hospital with business development, sharing clinical and operational know-how while facilitating training of FVH's clinical technicians, paramedical staff, and doctors. On the clinical side, the FVH team is participating in HCG's weekly clinical review of complicated cases as part of an ongoing knowledge exchange initiative. HCG also brought in a team of paramedics to Vietnam for 2 months to train FV's paramedic. In business development, HCG assigned an experienced Business Leader to be based in FV Hospital to build and manage a business plan and coordinate the overall FVH-HCG collaboration. Under the partnership, Hy Vong Centre has provided treatment to over 10,000 patients and achieved exceptional revenue growth of over 70% p.a. in the past 2 years.

To complete the Cardiology Center of Excellence, Quadria worked closely with the FVH team to launch a new multi-disciplinary catheterization laboratory ("Cath-Lab") in Q2 2018. The Cath-lab is equipped with a state-of-the-art Philips DSA system to implement

Computerized Tomography (CT) scans and interventions to the heart, brain, and the body's whole blood vessel system. To ramp-up Cath-Lab activities, the FVH and Quadria teams have conducted a comprehensive review of the existing incentive structure for key doctors in the department. A FVH cardiology patient club and partnerships with external referral doctors have also been set up to ensure continuous ramping-up of patient volumes for the Cath-Lab.

Since the starting of the Quadria partnership, the hospital has invested over US\$20m to upgrade its infrastructure, open new facilities, and enhance its clinical offerings. The success of the oncology and cardiology Center of Excellence is testament to Quadria's unique portfolio ecosystem unlocks meaningful clinical partnerships and offers tangible value to portfolio companies. In addition to oncology and cardiology, the FV and Quadria teams are also in regular discussion to bring together resources for the upgrading of other specialties such as gastroenterology, orthopaedics (with a focus on joint & knee surgery), neurosurgery, ophthalmology, paediatrics, and OB & GYN.

Expansion Strategy

Quadria team continues to actively source potential acquisition targets and work with the FV Hospital management team to identify and facilitate appropriate opportunities that fit the group's expansion strategy. Currently, the team is in discussion with several potential acquisition targets across Vietnam spanning regional hospital chains to primary care clinic chains. Inorganic growth is a key performance target in 2020 as it will be an important step in helping FVH achieve scale and capture further market share in the Vietnam healthcare delivery market outside of Ho Chi Minh City.



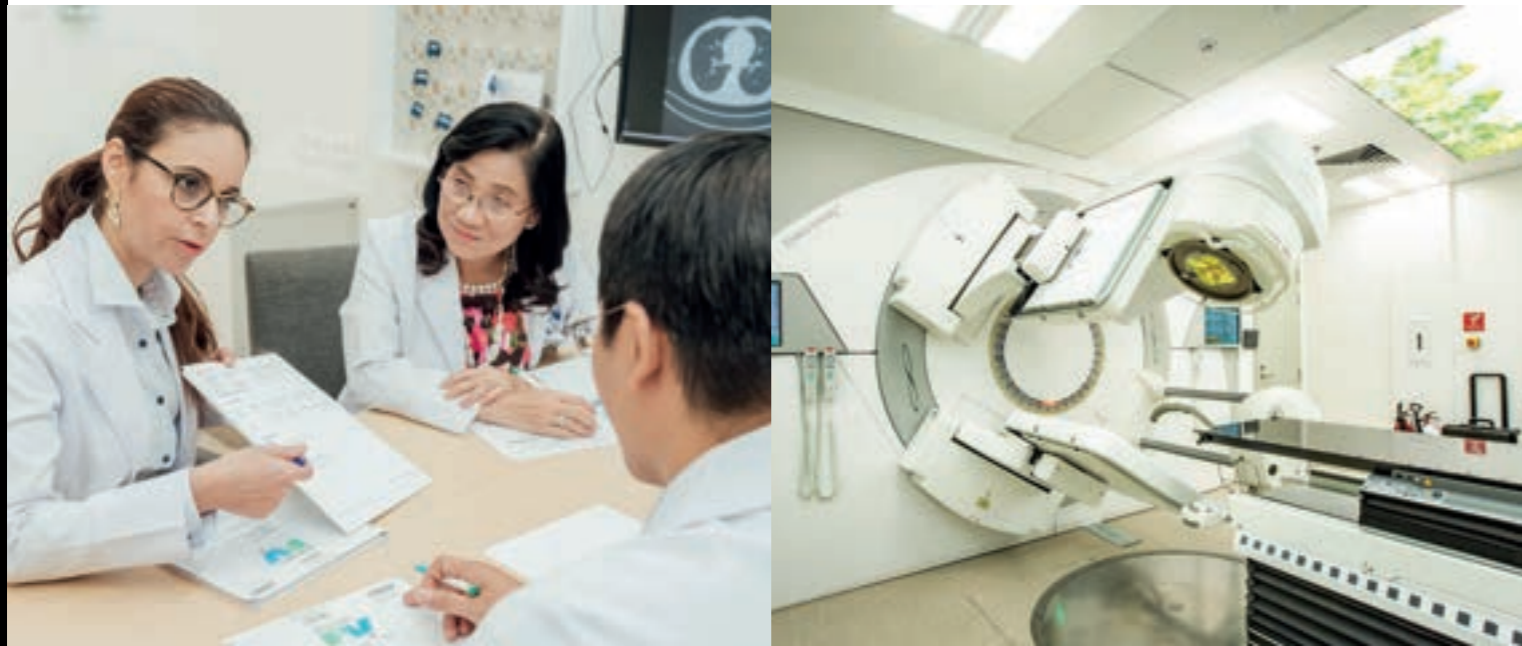
Governance and Operational Enhancements

Given the shortage of clinical and management talent, as well as the increasingly competitive hospital sector in Vietnam, the Board has formally set up the Remuneration Committee to advise on matters relating to talent incentivization and retention. An incentive structure has been approved by the committee to attract and retain the best clinical and healthcare management talent as FV Hospital continues to grow. This incentive structure ensures commitment from key management and heads of department to implement the Business Plan and optimize exit pathway.

ESG UPDATE

As a testament of the positive ESG impact that the company brings to the local community, FV Group continue to retain the Silver rating by GIIRS for the third time. Based on the Environmental and Social action plan implemented since Quadria's investment, the FVH team continues to focus on implementing the various policies at the operational level to ensure that ESG considerations are consistently and systematically incorporated in the day-to-day running of the Group.

Gender equality has always been at the forefront of FVH's impact thesis. FY 2019 figures reveal that a remarkable 72% of FVH employees are female. FVH understands that people are its most valuable assets and have dedicated substantial resources to training and continuous education, having invested in close to 37 health camps for staff in FY 2019 alone. In 2020, as the COVID pandemic escalated, FV Hospital has provided over 1,200 staff training hours to ensure that its clinical and non-clinical staff are well trained to protect themselves, the patients, and the community.



1st
JCI-Accredited

TERTIARY HOSPITAL IN
SOUTH VIETNAM

>320,000

PATIENT VISITS IN 2019

30+

SPECIALTIES

STRAND LIFESCIENCES



Investment Date:
February 2018

Country:
India

Strand Life Sciences (Strand) is among India's largest specialised diagnostic solutions provider, offering a complete range of capabilities in precision medicine, proprietary analytics, clinical research, genomic technologies, contract research services and assay development, and validation. Strand has created a niche for itself as among the pioneers in the bioinformatics space developing proprietary engines for genomic testing and a leader in genomic testing for cancer and inherited diseases in India. It is among the few players globally offering capabilities for testing and interpreting all the Next Generation Sequencing (NGS) tests in-house. Strand Center for Genomics and Personalised Medicine and Strand's laboratory in HCG's Center of Excellence in Bangalore are accredited by the College of American Pathologists (CAP)—the most stringent certification in India. The company offers a one-stop solution for oncology diagnostics, biomarker and translational research, laboratory services and clinical research services for several hospitals across India.

KEY INITIATIVES AND PROGRESS

Since Quadria's investment in 2018, the partners have embarked on a journey to develop Strand into one of India's largest integrated specialised diagnostic provider. Significant progress has been achieved across both the clinical diagnostic and the research informatics business segments. Quadria has built upon Strand's impressive credentials to achieve a 32% CAGR in two years of investment.

Strengthening the Research Informatics Business

To effectively leverage Strand's advanced capability in bioinformatics business, the company has enhanced its focus on growing this division by strengthening its existing relationships with key customers, while adding new ones. Recognising the significance of the US market, Strand is in the process of establishing a business development team there to drive growth.

The company has also setup a backend team constituting of 5 members, to support the BD team in proposal writing and mining of leads. This will support the BD process and help in rapid growth of customer pipeline.

Strand has developed a strong pipeline to ride this business trend and has also been able to diversify the type of customers it serves. Strand has been able to operationalize new sites, strengthened the operating team, streamlined back-end operations to improve efficiency and begun a few projects in new therapy areas.

The company vigorously focusses on research and development and has embarked upon many milestones, adding more than 3,000 citations in peer reviewed literature for its software tools since 2018. Strands was also granted a new patent for reporting combined effects of cancer markers from sequencing data in 2020.

Consolidation in Clinical Diagnostic Business

Strand continues to focus on building strength in high end specialised testing in oncology, rare diseases and infectious diseases segment. The company is continuously working on adding more tests to its offerings through enhanced focus on research and development and partnerships. With an aim to scale its clinical diagnostic business, Strands plans to use a two-pronged strategy – Penetrate deeper in its existing network of hospitals and strengthen sales force to add to its existing clientele.

As part of the strategy, the company revamped the sales strategy during the year which included optimising the sales org structure, launch initiatives to strengthen corporate brand as well as focus on enhancing sales force productivity.

Strand also continue to focus on increasing the test volumes from its exclusive partner – Healthcare Global Hospital, leading oncology chain in India, by increasing sales efforts and bridging the gaps in its offerings. The company plans to deepen its network,

doctor coverage and geographical coverage by strengthen its sales team. Quadria will continue to work with Strand to reinforce its leadership in genomics and oncology testing, as well as cross-pollinate Strand's strengths and resources through the Quadria network in South East Asia.

In its effort to improve the profitability of the business, the company has been focusing on a few initiatives to optimize cost. During the year, Strand divested the Quest lab division, that it has acquired in December 2018. Quest lab division constituted a significant share of the loss borne by the company, further amplified due to COVID.

Other areas of undivided focus include reduction in consumption costs through realigning the procurement process and partnerships, improving sales productivity and standardizing lab operations across the Group. These initiatives have led the company to earn positive EBITDA in Clinical Diagnostic business.



1st
CAP Accredited

LAB FOR NGS IN SOUTH ASIA

12
LABS

HOSPITAL LAB MANAGEMENT
(HLMS) AND CLINICAL REFERENCE
LABORATORIES (CRLS)

OVER
420k

TESTS RUN ANNUALLY

ESG UPDATE

Strand has always been committed to upholding the highest levels of ESG practices across all its laboratories and offices. The ESG strategy aims to develop a standardised approach, foster continuous improvement and ensure a safe and efficient working environment that minimizes any adverse environmental impact. To further strengthen the ESG practices, Quadria worked with the company to formulate an Environmental and Social Action Plan (ESAP) to strengthen and integrate the system. Quadria has been working with the company to ensure complete implementation of ESAP.

As one of the leading specialised diagnostics company in the country, Strand has been making it easier for its patients to access critical diagnostic testing across the country. Strand conducted over 1.1 million tests in 2019. In addition, the company continued to reduce the prices for NGS testing in India through R&D.

Strand is committed to minimising its impact on the environment through responsible business operations including making its facilities more energy efficient through the use of energy-star rated equipment and implementing policies for reduction of waste generation.

Ethics and compliance are deeply imbedded in Strand's functions and operations. The company cemented its governance mechanism by institutionalising an Executive Committee, committee of the Board of Directors, which meets on a monthly basis to discuss operational and compliance matters.

In 2019, the company also underwent GIRS certification process and received a Gold rating for the Impact business model.



LABLINK



Investment Date:
March 2018

Country:
Malaysia



Lablink was established in 1989 as a wholly-owned subsidiary of Malaysia's leading private healthcare provider, KPJ Healthcare Berhad, to provide pathology laboratory services to the KPJ group of hospitals. Subsequently, it was acquired by the KPJ Group in 1991 to manage the group's hospital laboratories. Over the years, Lablink also extended its diagnostic services to other healthcare providers, as well as directly to customers in Malaysia.

Headquartered in Kuala Lumpur, Lablink's comprehensive suite of service offerings includes hematology, chemical pathology, immunology & serology, histology, biosafety & mycobacteriology, cytology, medical microbiology, molecular diagnostics, and health screening packages. In 2019, Lablink ran 19.2 million tests, up from 17.0 million a year ago, representing a 13% year-on-year increase.

With a team of over 450 clinical, operational and management staff, Lablink is committed to the efficient delivery of reliable diagnostics services of the highest clinical quality. Besides establishing and managing Malaysia's first private laboratory certified with Biosafety Level 3 ("BSL3") facilities, which enables

the testing of highly-infectious diseases in accordance with World Health Organization ("WHO") standards, four of the in-hospital laboratories under Lablink's management have received Joint Commission International ("JCI") accreditation.

With its notable experience in managing hospital laboratories and strong operational track record, Lablink was identified by Quadria Capital as the ideal platform to build upon in its aim to create one of the leading pan-Southeast Asian diagnostic services providers. This partnership has allowed Lablink to leverage Quadria's experience in growing independent diagnostics providers and tap into its deep operating knowledge of building healthcare businesses across the region.

Lablink operates in a market supported by strong tailwinds. Demand for diagnostic services, now noticeably exacerbated by the recent COVID pandemic has been rising rapidly across Southeast Asia with growing health awareness and increase in disposable income. At the same time, the proliferation of small- to mid-sized hospitals created demand for outsourcing laboratory management to independent laboratory providers so as to streamline and optimize cost and operations. Quadria's partnership will help Lablink capture the organic growth of KPJ Group hospitals, as well as support Lablink's regional expansion plan through acquisitions and business partnerships to become the leader in diagnostics services across Southeast Asia.

KEY INITIATIVES AND PROGRESS

Resilient and Soaring Performance

Lablink emerged even stronger amidst the COVID pandemic; recording an overall 34% year-on-year increase in group-wide total revenues in YTD 1H 20 whilst in the same comparable period, Group EBITDA grew by 69%. Group EBITDA margins continue to showcase marked improvements whereby YTD 1H 20 Group EBITDA margins increased 600 basis points year-on-year.

There are three strategic growth pillars for Lablink:

- continuous growth of the existing KPJ business;
- capturing additional external third-party business; and
- inorganic growth through M&A and strategic partnerships.

(I) Existing KPJ business

Lablink's existing KPJ hospital business continues to exhibit solid growth, as reflected in its YTD 1H FY20 results, with revenue having grown 23% year-on-year. Between FY18 and FY19, healthy double-digit growth rates were recorded across the Molecular (66% increase), Histopathology (17%), Microbiology (14%), Blood Bank Services (18%) and General Test segments (12%). Most notably, the auto-immune test segment more than doubled between FY18 and FY19, and has continued to grow during 1H 2020 despite the impact of COVID-19. Whilst YTD 1H 20 performance of the other above-mentioned test segments were temporary impacted by COVID-19, COVID-19 test revenues have more than offset such drop in regular revenues. Further upside is expected as Lablink capitalizes on its established position as a leading center for COVID-19 testing and continues to work closely with the Malaysian authorities to manage growing test demands.

As it progresses into the future of healthcare, Lablink intends to strengthen its specialised test segments, most notably in Auto-Immune and Microbiology, to replicate the BSL3 success. On the operational front, Lablink has taken steps to formalize and implement its holistic integrated IT strategy as well as reinvigorate its clinical organization

through initiatives such as the Lab Managers' Competency Assessment. Management is also committed to new strategic initiatives to grow share of wallet with existing customers and to improve branding of the platform through participating in conferences and increasing KOL coverage. Lablink also intends to partner clinicians and pharma companies in disease management.

(II) Third-party business

Under the partnership with Quadria, Lablink's external test volumes have increased significantly, locking in a 151% year-on-year revenue increase as at YTD 1H FY20. The external revenue business contributed 16% to total group revenues YTD 1H FY20, up from 8% in the previous period. Growth was driven by increased penetration of test referrals from universities and third-party hospitals, as well as rising demand for Auto-immune and Tuberculosis testing.

The team is focusing on growing outsourced specialised tests from large / secondary care hospitals, led by recruitment of specialist marketing staff with domain knowledge in test segments such as Auto-immune and Microbiology. Lablink will also continue opportunistic evaluation of vendor-led co-marketing for tests like fibrosis.

(III) Inorganic growth through M&A and Strategic partnership

Quadria continues to work closely with the Lablink team to identify and develop M&A and strategic partnership opportunities both within Malaysia and across the region. At the moment, the team is in discussion with several groups to explore and develop laboratory management and partnership deals. Advanced discussion is ongoing with a leading Indonesian hospitals group, with a Letter of Intent recently executed to explore a potential pathology carve-out from the group.



Operational Enhancement

In order to sustain its competitive edge, the Lablink team conducted a comprehensive review of its existing operations and identified specific areas for improvement, such as to leverage insights from the implementation of a new holistic integrated IT system in decision making, improve business infrastructure like finance and LIS systems, as well as creating more efficient regionally-led business units. This is now being implemented with the support of Quadria and is believed to be able to bring about further topline growth and margin enhancement.

ESG UPDATE

Lablink continued to uphold its Silver rating in the FY19 GIIRS Impact Rating process. This is a fitting endorsement of the company's continued positive impact and ongoing efforts in adhering to high ESG standards in its operations.

During the COVID-19 outbreak, Lablink served as an important strategic partner to the Malaysian authorities as a leading test center. Leveraging its long-term relationship with the medical device principals, Lablink was able to respond quickly to scale up its COVID-19 testing capacity to 2,600 tests per day in less than two months. Given its scale and cost-efficient procurement, Lablink was also able to provide its COVID-19 tests at an approximate 33% discount, hence providing access to affordable testing services to the masses in Malaysia.

Contributing to its success is the strong female workforce participation at Lablink, which currently stands at 68%. The COO and dedicated personnel responsible for overseeing specific ESG areas will power ahead, with ongoing support and assistance from the Quadria team.

30
LABS

ONE CENTRAL LAB + 29 IN-HOSPITAL LABS, MAKING IT THE LARGEST HOSPITAL LAB OPERATOR IN MALAYSIA

19.2
MILLION

TESTS RAN IN 2019

2,600
PCR COVID-19

TESTS RUN DAILY

OVER
~450

FULL-TIME EMPLOYEES

AKUMS



Investment Date:
November 2019

Country:
India

Akums is India's largest Contract Development and Manufacturing Organization (CDMO) and vertically-integrated pharmaceutical company, manufacturing and supplying c.10-12% of all pharma dosage-forms sold in India. Akums is engaged in developing, manufacturing and marketing generic pharmaceutical formulations in markets spanning across India and other emerging markets.

Akums has an established clientele base of more than 350 marquee companies including 27 out of the top 30 companies in the Indian branded formulations market with the likes of multi-national companies (MNCs) & 'Big Pharma' companies of the country. The company manufactures over 4,000 products annually, including the top 70 (seventy) out of 100 (hundred) brands for all the leading Indian pharma names as well as MNCs.

The company's R&D prowess is proven by the fact that it has launched over 200 new drugs, by far one of the most by any Indian pharmaceutical company and has filed for over 70 patents. In addition to the CDMO business, the company has presence across the entire spectrum of the pharma value chain, including APIs, domestic branded formulation, retail pharma as well as export business. In the export business, the company supplies affordable drugs to over 40 countries.

Quadria's investment in Akums was driven by the attractive market opportunity, its leadership position in Indian

pharmaceuticals CDMO space, the potential to grow and emerge as an integrated pharma company in India and our ability to unlock transformational value creation.

Through the partnership, Quadria seeks to support Akums growth in domestic and international markets, and to achieve the following goals:

- Gain share in Indian CDMO market by adding attractive, complex and niche products to its portfolio and integrate vertically
- Strengthen share in branded formulation market by deepening product portfolio in existing therapy areas and expanding to adjacent therapies
- Expand the scale of international business division by penetrating deeper in current ROW markets and building capabilities to enter into fast growing semi-regulated markets
- Bolster its position in institutional drugs supplies business in India by expanding its reach to additional procurement channels including hospitals, pharmacies, e-pharmacies and mega-distributors

KEY INITIATIVES AND PROGRESS

Since the investment, Quadria has worked closely with management on the various key growth initiatives identified in the business plan, co-developed by Quadria and Akums management:

Gaining Share of Indian CDMO Market

The company has 13 state-of-the-art manufacturing facilities with WHO GMP accreditations and capabilities to manufacture such as tablets, capsules, soft gelatin, hard gelatin, dry syrup, liquid orals and jellies, injections (dry and liquid), pre-filled syringes, eye and ear drops, hormones, cosmetics, ointments, ayurvedic, herbal, nutraceuticals, veterinary formulation as well as feed preparations. It has a combined manufacturing capacity of over 60 billion tablets, 11 billion capsules and over 360 million ampoules.





Since Quadria's investment, our team has been closely working with the management to identify new focus product and customer segments, which would form the basis of future business growth while improving the quality and sustainability of business. Quadria is also working with the company on building partnerships to accelerate the implementation of growth opportunities identified in business plan.

In the last nine months, since Quadria's investment, the Company filed ~50 new product registration applications with Indian regulatory authorities including DGCI and FSSAI and launched ~1,000 new brands. The company also added ~60 new customers.

In early stages of our investment, Quadria assisted in the identification and acquisition of an API asset to facilitate backward integration for the company. This API asset will provide strong synergies with the CDMO business of Akums as 20% of its output

can be utilised by Akums and backward integration would improve Akums' margins, thereby making it more competitive in the market.

Quadria is also working with the Company on optimizing the procurement function as well as the manpower staffing, in order to improve the profitability as well as make it more sustainable.

During the COVID lockdown, the facility had to operate at below the optimal capacity because of shortage of manpower and supply chain disruption. However, the company has now been able to streamline the supply chain and is now operating at pre-COVID levels.

Quadria is also working closely with the Promoters and functional leadership to strengthen the systems and processes of the support departments including IT, finance and reporting in order to make it future-ready

Strengthen Akums share in Branded-Formulation market

Akums markets the products in India through a network of Market Representatives and Distributors. Currently, the Company has a network of 1,400 MRs and 167 distributors, spread across the Country.

Quadria team has been working with the Akums management for preparing medium term growth strategy for the business, identifying the focus therapies and key products. It is also working on levers to improve the sales force productivity and other parameters for increasing the business profitability.

Since Quadria's investment, Akums has acquired a domestic branded formulation firm, which has presence in multiple overlapping therapies, that will help strengthen the branded formulation business. Quadria is working along with Akums on the post-acquisition integration as well as on restructuring the branded formulation business of the group, including streamlining the product portfolio and sales force.

..... “
 Marquee clients includes 27 out of the top 30 companies
 in the Indian branded formulations market
 ”

12,185
SKUs

.....
MANUFACTURED

SUPPLIES
10-12%

.....
OF DRUGS MANUFACTURED
AND SOLD IN INDIA

FILED FOR OVER
70

.....
PATENTS

The sales of branded formulation products was negatively impacted during the first few months, post advent of COVID in India as the Company was unable to reach the key stakeholders. Now the Company is inching back towards pre-COVID level, as it is engaging with the stakeholders through newer mediums, such as webinars and digital engagement.

Expand scale of international business division

Akums markets its products in 40+ low-regulated markets across the globe. The international marketing division has 700+ product registrations globally across Anti-Diarrheal, Anti-infective, Cardiology, Neurology, Gastrointestinal, Gynecology therapeutic segments

The company is working on identification of focus emerging and semi-regulated markets which can drive the growth of international business over the medium term. Akums is also working on new product introduction in existing markets for increasing its market share in those markets. Since Quadria's investment, Akums has received ~30 new product registrations in international markets.

Strengthening the Organization Structure

Historically, the company has been promoter-led and managed. Quadria worked with the promoter group to align on the right organization structure required for the growth initiatives identified as part of the plan. Furthermore, Quadria has worked on the search initiative for some of the CXO positions and has already on-boarded some of them.

ESG UPDATE

Akum has firm belief in responsible business practices and takes holistic approach in understanding and managing various verticals across product life cycles to direct its operations in a sustainable manner.

Akums adheres to the highest standards of Environment, Health and Safety (EHS) performance by ensuring complete implementation of environmental efficiency initiatives at offices and plant facilities including energy saving strategies, systems for increasing water efficiency, and systems to monitor and improve air quality.

The company has also implemented procedures for reducing waste through periodic preventive maintenance of boilers & generators and internal & external inspections ensure the machines & equipment do not emit pollution. The fuels and lubricants used in the machines and equipment (especially generator sets) are of highest quality that confirms minimum discharge of pollutants.

Akums' healthcare solutions are focused on increasing access and affordability of drugs in India and other emerging markets. The company offers medicines across chronic therapeutic areas through its wide product portfolio and is contributing towards improving affordability of drugs, as 100% of its products are sold to global generics companies, who sell their products at a fraction of the sale price of global innovator/ MNC drugs.

Akums directly employs 11,000 employees in its 13 facilities with 2,700 female employees, 75% of the employees are from economically backward areas of Uttarakhand, India. The company conducts workshops for empowering female staff members with self-defence techniques and also provides safety kits to them.

In addition, Akums is supplying free medicines and sanitizers to support the Government in managing the COVID related requirement. The company is focusing on ensuring the safety of its employees by distributing adequate protective gears and immunity boosting drugs to all the employees at regular intervals.

Akums lays great emphasis on maintaining highest standards of corporate governance and had created a well-balanced board structure constituting of two independent directors and one woman director. Akums also institutionalised an Audit committee, Nomination & Remuneration committee to improve the effectiveness of the Company's internal control.

As part of Quadria's due diligence, a comprehensive ESG audit was conducted to evaluate Akums' compliance with ESG standards and best practices. One of the key outcomes of the ESG audit was the ESAP which provides a roadmap for bridging any identified gaps in ESG compliance. The Quadria team is working closely with Akums to ensure the on-track implementation of the ESAP, including the engagement of an external consultant to support and guide implementation efforts.

REINVENTING TOMORROW'S HEALTHCARE CHAMPION, TODAY.

As the leading specialist healthcare private equity firm in Asia, Quadria Capital selectively invests in leading healthcare companies across some of the world's fastest-growing economies. We empower businesses with aligned, long-term value-added capital to accelerate growth and build regional leaders. Quadria aims to revolutionize Asia's healthcare sector beyond achieving superior financial returns, by raising awareness and improving accessibility and affordability of high-quality healthcare products and services for those who need them most.

CULTIVATING BUSINESS TO MAKE A DIFFERENCE

Fundamental to Quadria Capital's investment philosophy is our value creation strategy. Rooted in deep domain knowledge built over years of on-the-ground experience in the healthcare sector in Asia, our value creation approach is formulated using four key principles – Resilience, Consistency, Transformation, and Impact. These principles are embedded throughout our investment cycle, thus enable our portfolio companies to focus on long term value realisation and facilitate portfolio synergies across our healthcare ecosystem.



BUILD RESILIENCE

We hand-pick and nurture best-in-class business with proven business model that can endure adverse changes



CONSISTENT STRATEGY

We apply a disciplined and systematic approach throughout the entire investment cycle to ensure sustainable returns for our investors



DRIVE TRANSFORMATION

We harness our proprietary expertise, strategic network, and operational insights to drive break-through in our portfolio companies



POSITIVE IMPACT

We believe that responsible and impact-oriented investment is critical to long term, sustainable value creation. We are committed to generating value while delivering meaningful social impact across the region

A PROVEN INVESTMENT PROCESS

At Quadria, we take a systematic approach towards value creation, focusing on Value Identification, Value Creation and ultimately, Value Realization. This strategy differentiates Quadria Capital from other investors across the entire investment process:

ORIGINATION

EXECUTION

VALUE
CREATION

EXIT

TRANSFORMING GOOD TO GREAT

4 Principles of Quadria Value Creation Roadmap



BUILD RESILIENCE

Our track record of partnering and supporting business creates a distinct competitive advantage in sourcing investments and creating proprietary deal flow.

We target growth stage companies with the following characteristics:

- Market leaders with established brand(s), services & products
- Differentiated and defensive services or products – by way of super specialisation, niche and scalable expertise, scale of footprint, unique products or technology
- Professional management teams with track record of execution

We then support them to solidify their market position by rigorously reviewing areas for improvement to optimise productivity, human resources, and capital structure.



DRIVE TRANSFORMATION

We seek to bring tangible value to the post-investment portfolio management process by leveraging our domain expertise, operational experience and industry network through a hands-on partnership approach.

100-day and 3-year plans are developed and agreed with the target shareholders and management. These are detailed plans setting out necessary steps to achieve strategic and operational goals.

To assist and support implementation of the agreed growth plan, we augmented the team with dedicated operating partners. The operating partners have collective expertise in specific healthcare subsectors, across various functional areas, and play an important role in helping to drive portfolio value creation by offering on-the-ground expertise.



CONSISTENT STRATEGY

Upon investment, we work continuously with our portfolio companies throughout the investment period, lending their management teams support in evaluating, analysing and executing each phase of the value-creation plan. We empower these companies with long-term insight into key decisions such as strengthening their presence in new markets and expanding their product and service offerings.



POSITIVE IMPACT

Responsible and impact-oriented investment is critical to our sustainable value creation strategy. An environmental and social action plan (ESAP) is developed to ensure that any gaps in adhering to ESG practices are addressed by the portfolio company. The inclusion of the ESAP as an ongoing obligation of the portfolio company ensures the portfolio companies continue to monitor ESG compliance and elevate ESG standards post-investment.

TRANSFORMING GOOD TO GREAT

Quadria Value Creation Formula at Work

STEP 1 Origination

Leveraging on our proprietary deal flow, we apply an active, fundamentals driven approach to identify and engage companies in our focused strike zone that are best positioned to emerge as market leaders:

- Established brand(s), services & products with proven business models
- Solid financial and operational performance that generate strong, regular and sustainable cash flows
- Potential for margin improvement through operational enhancement
- Strong management team with successful track record
- Mission of providing affordable healthcare at top quality for all

STEP 2 Execution

In addition to the standard due diligence process, at Quadria Capital, we create a comprehensive due diligence procedure that is unique to healthcare businesses including:

- Assessing management;
- Evaluating underlying clinical standards;
- Identifying value drivers;
- Creating a fully articulated bottom-up model; and
- Building a value creation plan

STEP 3 Value Creation

Quadria's strategy is to leverage its industry knowledge, operational experience, and extensive network to unlock and create value throughout the investment lifecycle. With a "hands-on approach", the team drives initiatives from strategy setting to frontline implementation. In every investment, we work side-by-side with portfolio companies to help them become more productive, efficient, and valuable.

Specific areas where Quadria has successfully helped create value include:

Defined Value Creation Methodology

Quadria's comprehensive due diligence on all its portfolio companies forms the basis of a detailed value creation plan which maps out the roles, responsibilities and targets for each and every individual in the organisation.

Dedicated Operating Partners Group

Quadria's Operating Partners are actively involved in advising and monitoring all portfolio companies. They also participate on the Executive Committees to drive the overall execution of the business plans.

Proprietary, Global Relationships Across Healthcare Ecosystem

Quadria's network of healthcare companies, investors, government agencies and the academia provides portfolio companies proprietary access to commercial opportunities as well as clinical development through training and education.

Synergies Across Portfolio

This includes cross-portfolio partnerships, knowledge sharing as well as procurement synergies that helps strengthen cash flows across the group and is a precursor to improved operating income and higher exit multiples.

STEP 4 Exit

Effective exit planning is an important element of every investment and we believe that exiting at the right time is critical to realize optimal value. To do this, even during pre-investment, exit timing & options are already considered and planned.

We proactively manage, position, and develop portfolio companies with a well-examined strategy to groom them into attractive acquisition targets, ensuring on-track exit.

Exit opportunities include strategic sales and IPO, often at premium valuation, reflecting the underlying growth and expansion of the portfolio company.

HEALTHCARE OUTLOOK

COVID-19 HAS CRITICALLY DISRUPTED THE REGIONAL HEALTHCARE ECOSYSTEM, BUT PRESENTS A POTENT CATALYST FOR LONG-OVERDUE STRUCTURAL CHANGE



THE COVID-19 SITUATION: HERE AND NOW

COVID-19 is first, and foremost, a humanitarian challenge. It has caused a massive disruption in all walks of life, infected tens of millions, and completely upended the way societies, and the businesses and individuals within them, operate. Despite the implementation of strict lockdown measures across South and Southeast Asia, COVID-19 has crossed the 4 million mark, claiming over 75,000 lives in the region. While the waning infection rates are encouraging for the regional economies, concerns surrounding a next wave persist, with an alarming uptick in infection counts recorded recently in several countries. It appears that the battle against the novel coronavirus is far from over.

NEAR-TERM CHALLENGE: STRETCHING AN ALREADY STRAINED SYSTEM

As the "Black Swan" event reached unprecedented proportions, countries across the world was put "on the clock" to adapt. For countries in Asia, this meant an urgent mobilisation of resources towards dealing with an unpredictable, swift-evolving, and debilitating health challenge. The pandemic, by stretching healthcare systems ill-equipped to deal with a crisis of this magnitude, has exposed gaps in the infrastructure and reliability of the Asian Healthcare system.

In coping with the crisis, key stakeholders in the industry principally face three major "collateral" issues—inadequate infrastructure, strained workforce, and supply chain disruption.

..... “

In coping with the crisis, key stakeholders in the industry principally face three major "collateral" issues—inadequate infrastructure, strained workforce, and supply chain disruption

..... ”

COVID-19 IS FIRST, AND FOREMOST, A HUMANITARIAN CHALLENGE



“

Regional healthcare industry players can emerge stronger from this crisis, should they adapt swiftly to industry trends accelerated by COVID-19 while allowing the present turmoil to catalyse long-overdue structural improvements.

”

Crisis control and response efforts in the early onset of COVID-19 were hindered by sharp deficiencies in the existing healthcare infrastructure. With infrastructure in many parts of the region already undersupplied in a pre-COVID environment, hospital systems in several countries were paralysed in the face of a sudden surge in healthcare demand. Vital hospital supplies and equipment such as ICU beds, PPE, ventilators, and testing kits all faced critical shortages as hospitals scrambled to keep the crisis under containment. Equally strained was the workforce – battling an unseen and deadly threat has placed frontline healthcare workers under unprecedented pressure and extreme working conditions, putting their physical and mental wellbeing at risk.

The crisis was also notable for its crippling effect on long-established global supply chains. For over a decade, healthcare businesses have relied on globally-integrated, product-specific, just-in-time supply chains. The border and trade activity shutdowns coupled with across-the-board workforce immobilisation have sparked a sudden disconnect between manufacturer, supplier, and distributor groups. In the field of Life Sciences, supply for active pharmaceutical ingredients (API) was dramatically cut due to the COVID-led lockdowns in key source markets China and India. With these markets contributing APIs for c.20% of global generic drugs supply, this has resulted in a sudden shortage for many of the world's essential drugs such as paracetamol, as well as antibiotic products such as tinidazole and erythromycin.

LONG-TERM VIEW: ADDRESSING A NEW REALITY WHILE REMAINING SUSTAINABLE

As economies struggle to limp back to recovery, developments over the past months has highlighted the need to address structural underinvestment and undersupply in the regional healthcare ecosystem. Regional healthcare industry players can emerge stronger from this crisis, should they adapt swiftly to industry trends accelerated by COVID-19 while allowing the present turmoil to catalyse long-overdue structural improvements.

It is important to note that the pre-COVID structural drivers of healthcare ecosystem expansion in the region remain robust. By 2030, Asia will be home to 60% of the global middle class and four of the top five global economies. This accompanies a corresponding ascent in population scale. With 65 million newborns each year, Asia's share of global population is expected to soon exceed the 50% mark. These demographic megatrends are further supported by a favourable backdrop for sustained growth in private healthcare spending - 7 out of every 10 new hospital beds is built by the private sector.

In healthcare delivery, this crisis has sharply accelerated the adoption of online medical platforms and telemedicine. The integration between online and offline modes of healthcare provision and the acceptance of virtual, home-based healthcare models as a credible alternative source of healthcare delivery have seen a strong boost. With telehealth, a single, digital-first “front door” for health services is being established, effectively bridging patients with optimal care regardless of physical or

virtual mode of provision. In Asia, where mobile adaptation is ahead of the curve, this presents exceptional promise in extending healthcare to population segments who would otherwise have been out of reach.

In the field of Life Sciences, the abrupt supply chain disruption observed during the onset of COVID-19 exposed unseen deficiencies in widely accepted operating models. With global supply chains facing a potentially uneven recovery, many governments have pushed to increase domestic manufacturing capabilities. Furthermore, demand for preventive healthcare is expected to further scale post-COVID, presenting a compelling case for many companies to shift their focus towards the provision of wellness products, nutraceuticals, and health supplements.

CONCLUSION

With Asia poised to be the global growth engine in the post-COVID world, healthcare in Asia stands at a unique inflection point. With burgeoning healthcare demand coupled with significant healthcare under penetration, there is need for a ground-up transformation to adapt to the “new normal”. This underlines the compelling case for private equity investment in this segment. As Asia's largest healthcare-focused team made up of members who are pioneers in the regional healthcare investment space, Quadria is well-positioned to continue blazing the trail in reshaping the Asian healthcare landscape of tomorrow.

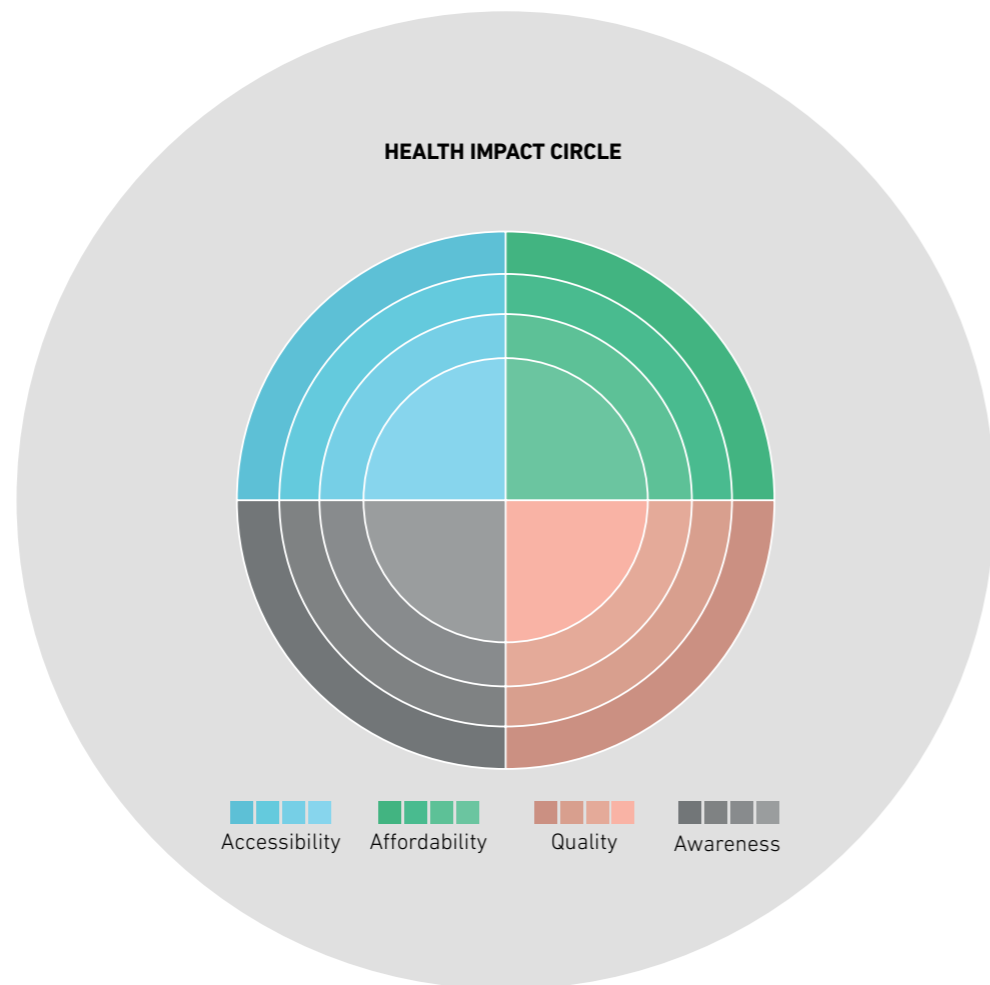






IMPACT CIRCLE

TRANSFORMING HEALTHCARE, TOUCHING LIVES

At Quadria, we believe that positive investment returns and constructive social impact can be mutually inclusive. Our investment approach, therefore, hinges on the symbiosis of our two primary objectives, social benefits and financial returns.

We have developed a clear and tangible approach to assess investment opportunities for their potential to generate impact. Intrinsic to this approach is the idea of value creation: developing and implementing solutions that create value for the target communities. Fundamental to Quadria Capital's idea of impactful healthcare are the four dimensions of access, affordability, quality and awareness.



<p>01</p> <p></p> <p>Accessibility</p> <p>TARGET MARKETS HAVE < 1 hospital bed & doctor per 1,000 people</p> <p>.....</p> <p>(COMPARED TO GLOBAL AVERAGE OF 5 BEDS AND 3 DOCTORS)</p>	<p>02</p> <p></p> <p>Affordability</p> <p>90%</p> <p>.....</p> <p>OF HEALTHCARE PAID OUT-OF-POCKET</p> <p>OVER</p> <p>2.6 billion</p> <p>.....</p> <p>PEOPLE LIVE WITH LESS THAN US\$2 PER DAY</p>	<p>03</p> <p></p> <p>Awareness</p> <p>70%</p> <p>.....</p> <p>OF ASIA'S POPULATION LIVE IN RURAL AREAS</p> <p>60%</p> <p>.....</p> <p>OF DIABETICS UNDIAGNOSED IN INDONESIA</p>	<p>04</p> <p></p> <p>Quality</p> <p>65%</p> <p>.....</p> <p>OF HEALTHCARE COVERED BY INFORMAL PROVIDERS IN INDIA</p> <p>DIVERSE, FRAGMENTED PRIVATE SECTOR RESULTS IN LOW QUALITY</p>
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..... “
 We believe that access to healthcare is an important human right which should not be based on where you are born.
 ”

Each of Quadria’s four impact-making dimensions is matched with a list of clearly-defined outputs, which in turn targets specific Sustainable Development Goals (SDG). This mapping helps to tackle the issues in the most resource-optimum manner. The SDG are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. They are a universal call to action to end poverty, protect the planet and ensure peace and prosperity for all. The SDG are a blueprint to achieve a better and more sustainable future for all, aptly selected by Quadria to align its strategic change drivers.

QUADRIA FOCUSES ON PROFIT WITH PURPOSE BY ADDRESSING KEY SUSTAINABLE DEVELOPMENT GOALS

- Accessibility**
 - Number of patients treated
 - Number of new drugs introduced
 - Extent of addressing unmet medical needs
 - Impact on local communities

- Affordability**
 - Hospital beds reserved for low-income patients
 - Total discounts offered to needs-based patients
 - Participation in schemes for the poor
 - Percentage of profits invested in social healthcare initiatives

- Awareness**
 - Resources spent on preventive health
 - Increase access to diagnosis services
 - Number of doctors / clinical staff trained
 - Number of health screening camps

- Quality**
 - Local and international accreditation
 - Regular clinical audits and reviews
 - Patient feedback / grievance mechanisms
 - Compliance with international ESG standards





IMPACT INVESTING PROCESS AND CONSIDERATIONS:

Quadria Capital has established a clearly defined approach in integrating ESG impact throughout the investment process, in order to ensure consistency in assessing and addressing ESG issues of investment targets and portfolio companies. The Firm's ten-step ESG driven, impact oriented approach, keeps it focused and disciplined from the investment phase all the way to the exit.



- | Pre-Investment → | Investment → | Monitoring → | Exit |
|--|---|--|--|
| <ol style="list-style-type: none"> 1 Identify relevant ESG areas involved 2 Assess ESG risks and value creation opportunities 3 Carry out due diligence | <ol style="list-style-type: none"> 4 Create an ESG Action Plan 5 Ensure effective ESG management systems are in place | <ol style="list-style-type: none"> 6 Perform detailed ESG reviews on the ESAP 7 Undergo GIRS certification annually 8 Measure against project specific KPIs | <ol style="list-style-type: none"> 9 Final status review of progress on ESG 10 Document ESG improvements and lessons learnt for case studies |



..... “
 Doing well by doing good
 ”

IMPACT CIRCLE IN ACTION – CASE STUDY OF AIG

According to WHO, more than 470 million or 39% of Indians suffer from gastrointestinal problems leading to a strong latent demand for Gastroenterology in India. AIG is one of the leading referral centers for gastric sciences and a Centre of Excellence that is constantly striving to make significant impact on the communities it serves by increasing the affordability of healthcare services, furthering the cause of education and training and ensuring environmental sustainability. Quadria invested in AIG to enable the Company to increase the accessibility for affordable and high-quality gastric treatment to the masses and to achieve this objective, Quadria supported AIG in operationalizing a 780 bedded hospital, world’s largest single-location gastric sciences facility in Hyderabad, India. This facility hospital offers the most advanced, cutting-edge medical equipment for gastroenterology, radiation oncology, and also includes a robotic occupational therapy facility.

The way by which AIG employs the four key dimensions in Quadria’s Health Impact Circle is illustrated below:



AIG’s case study demonstrates how Quadria’s strategic deployment of capital guided by Impact Circle has created enormous positive social impact in the local communities and stimulated broader regional development. This bears testament to Quadria’s proprietary strength and affirms the philosophy that profit with purpose triumphs in business.

**GROWING IN
KNOWLEDGE,
STRENGTHENING
OUR CORE**

A CULTURE OF EXCELLENCE

Quadria's culture shapes our firm and how we collaborate with our partners, and is integral to the way we do business and achieve our mission and objectives.

In every aspect of our organization and behavior, our shared values are fundamental in cultivating a culture of excellence amongst ourselves and our partners.

OUR VALUES



IMPACT

We aim to make a positive, transformative impact in the lives of people in our target region



BELIEVE

We have passion and believe in who we are and what we do



TRUST

We act with integrity and openness in our dealings with others



EXCELLENCE

We work hard to get it right the first time and keep our promises and commitments to others



PEOPLE

We are positive, enthusiastic and supportive of one another



QUADRIA TEAM

CREDIBLE • COHESIVE • COMMITTED

ABRAR MIR
Managing Partner



DR. AMIT VARMA
Managing Partner

“

Quadria Capital is led by a stable team of seasoned investment professionals with deep experience in clinical services, healthcare management and investments. With hub offices in Singapore and New Delhi, Quadria Capital, with its team of 21 professionals, is one of the largest healthcare-focused investment teams in Asia. The firm’s differentiated skills underlie Quadria Capital’s ability to originate proprietary deal flow, conduct rigorous due diligence and drive portfolio company growth.

”



HANK KLAKURKA
Operating Partner



WILDER FULFORD
Operating Partner



BHASKAR IYER
Operating Partner



PETER D. GOODSON
Quadria Strategic Advisor



CLAUDIA ZEISBERGER
Quadria Strategic Advisor



THOMAS C. FRANCO
Quadria Strategic Advisor



SUNIL THAKUR
Managing Director



EWAN DAVIS
Director



RAHUL AGARWAL
Director



MERVIN TEO
Vice President



ANJLI KAUSHAL
Clinical Manager



MELVIN LIM
Associate



ABHISHEK YADAV
Vice President



NICHOLAS LOW
Vice President



JANICE TRINH
Senior Associate



CHRISTY OI
Chief Operating Officer



DEVENDRA SHARMA
Financial Controller



JANICE YIP
Financial Controller



ARSHITA KAPOOR
Associate



ALVIN ONG
Associate



RAMANJOT KOHLI
Associate



CLARENCE GOH
Fund Accountant



SAMANTHA THAM
Office Manager



NIVEDITA PANT
Office Manager

QUADRIA EXECUTIVE PARTNERS

OUR PORTFOLIO COMPANIES ARE LED BY A
TALENTED GROUP OF EXECUTIVES

WITH OVER
22,000
EMPLOYEES ACROSS
5
COUNTRIES

50%
OF EMPLOYEES
ARE FEMALE



SANJEEV JAIN
Managing Director, AKUMS



ANKUR VAID
CEO, Concord



DR G V RAO
Chief of Surgical Gastro &
Minimally Invasive Surgery, AIG



DR JEAN-MARCEL GUILLON
Founder & Chairman, FV Hospital



VIVEK SRIVASTAVA
Co-founder & CEO,
HealthCare atHOME



K SRIVASTAN
CEO, LabLink



DR ALOK ROY
Chairman, Medica



DR MICHAEL LIM
Co-founder & Medical Director, MSA



ROGELIO C LA O JR
CEO, SOHO



DR VIJAY CHANDRU
Chairman, Strand

QUADRIA GOVERNANCE

LIMITED PARTNER ADVISORY COMMITTEE

The Limited Partner Advisory Committee comprises representatives of certain Limited Partners and is responsible for providing overall guidance to the General Partner and approving decisions relating to key operational matters of the Fund.

THE BOARD

The Board of Quadria Capital Investment Manager is responsible for the management and operation of the Fund. It consists of two Managing Partners, Abrar Mir and Dr. Amit Varma.

GENERAL PARTNER

The General Partner is responsible for decisions related to investments, divestment and portfolio management. The General Partner is advised by an appointed Investment Committee.

INVESTMENT COMMITTEE

The Investment Committee, appointed by the General Partner, is responsible for advising on investments, divestment and overall monitoring of the Funds' investments.

CONFLICTS OF INTEREST

Quadria Capital has instituted internal policies and guidelines that seek to reduce and address in a fair manner, instances of conflicts of interest including personal account dealings. Every employee is made aware of the potential for conflicts of interest to arise and is responsible for identifying and managing such conflicts.

BUSINESS PRINCIPLES

Quadria Capital is committed to maintaining the highest standards across all our activities. Quadria Capital has global policies to help ensure prudent management and operation of the business, with a positive impact on society, while complying with applicable laws and regulations.

These policies cover aspects such as risk management, confidentiality and security, environmental social governance (ESG), conflicts of interest, anti-corruption and anti-money laundering. In addition, Quadria Capital has a robust set of business principles to guide the behavior of all our professionals and underpin the way we operate. Our portfolio companies are also made aware of these principles.

COMPLIANCE

Quadria Capital is regulated by the Monetary Authority of Singapore. Therefore, compliance with applicable legislation is mandatory and of prime importance. The intent and spirit of compliance is practiced across all areas of business at Quadria Capital. As a responsible entity, Quadria Capital has instituted compliance and reporting policies that cover investments, client dealings, audit, record keeping, insider trading, personal dealing, outsourcing, AML, CFT and independence declarations, amongst other related investment and management activities. Further, there is an established protocol for review, escalations and reporting internally and externally with clear roles and responsibilities for each team member.

OUR STAKEHOLDERS

Regulatory Authority

Monetary Authority of Singapore

Fund Administrator

IQ-EQ Fund Services (Singapore) Pte. Ltd.
Alter Domus Singapore Pte. Ltd.

Legal Counsel

Herbert Smith Freehills LLP
Maples & Calder
Clifford Chance Pte Ltd

Statutory Auditors

Ernst & Young LLP

Internal Auditors

BDO LLP

Compliance Advisor

SolidTrack Compliance Pte. Ltd.

Depository Agent

IQ EQ Depository Company (UK) Limited

Corporate Secretary

Tricor Evatthouse Corporate Services

Portfolio Valuer

BDO LLP

Tax Agent

Ernst & Young LLP

GST Advisor

RSM Chio Lim LLP

Bankers

Standard Chartered Plc

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