Asian Healthcare Opportunity For Social & Financial Returns

August 2020
Asian Healthcare Opportunity

“We have a unique opportunity to invest in sustainable healthcare in Asia. Our businesses are making an enormous social impact on the development of communities and have the power to generate superior returns for our investors.”
This Will Be Asia’s Century
Asia Is Becoming the World’s Largest Healthcare Market

**USD 4.2 trillion**
Asian healthcare market by 2024

**7 out of 10**
New Hospital Beds in Asia Built By Private Sector

**12%**
Asian healthcare market growth vs. 5% globally

**60%** of global healthcare growth

Robust Asian demand driving
Asian Healthcare Is Driven By Secular Mega Trends

4 of 5
Largest economies will be in Asia by 2030

7 out of 10
Of the largest cities will be in Asia by 2025

65 million
Number of annual newborns – size of the UK

60%
Of the world’s diabetics live in Asia

Two-thirds
Of global 65+ population by 2030

50%
Global burden of chronic diseases by 2030
Historic Underspend in the Sector  
Private Sector to Lead the Way in Bridging the Gap

Number of Hospital Beds

- Per 1,000 population
- "116,000 beds needed for Eastern region to meet national average in India"

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD Average</td>
<td>3.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.9</td>
</tr>
<tr>
<td>India</td>
<td>0.7</td>
</tr>
<tr>
<td>Eastern India</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Number of Physicians

- Per 1,000 population
- "90,000 physicians needed for Eastern region to meet national average in India"

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Physicians</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD Average</td>
<td>2.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>1.2</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.9</td>
</tr>
<tr>
<td>India</td>
<td>0.7</td>
</tr>
<tr>
<td>Eastern India</td>
<td>0.5</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.2</td>
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</table>

Public Healthcare Expenditure

- Percent of GDP
- "India ranks 208th out of 248 countries on % of GDP spent on healthcare by the Government"

<table>
<thead>
<tr>
<th>Country</th>
<th>Public Exp. % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>8.3%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>7.6%</td>
</tr>
<tr>
<td>India</td>
<td>1.4%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Public Healthcare Expenditure

- Percent of total healthcare expenditure

<table>
<thead>
<tr>
<th>Country</th>
<th>Exp. % of Total Healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Avg.</td>
<td>60%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>54%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>38%</td>
</tr>
<tr>
<td>India</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: Quadria Capital, Tata Capital, Credit Suisse AG; Data as at May 2019
Despite Challenges, Asia’s Healthcare Is Geared For Growth Across Sectors

Asian Healthcare Expenditure Pool Growth 2010 – 2020 (US$b)

- 40% of profit pool growth
- 32% of profit pool growth
- 14% of profit pool growth
- 10% of profit pool growth
- 4% of profit pool growth
- 17.6% CAGR (10-20)

Note: OTC includes ~60% health nutrition, other providers include outpatient services, clinics and specialist services such as obstetrics and paediatrics

Source: IMS, BMI, Espicom, annual reports, analyst reports, Bain
Quadria is Positioned as a Strategic Healthcare Investor

Active, Proprietary Approach for Value Creation

Value Add Focused Investment Process

Quadria works with portfolio companies at the onset to co-develop a value creation roadmap that is translated into a business plan that oversees the company's growth and development over the investment period.

Operating Partners Driving Value Creation

Dedicated Operating Partners comprising of ex-senior healthcare investing and operations executives working on-the-ground alongside portfolio companies to drive value creation activities.

Leverage In-house Healthcare Ecosystem

Proprietary relationships with global & regional healthcare companies, research institutions and key stakeholders to facilitate cross-pollination of knowledge, technology, best practices and commercial opportunities.

Hands-on Quadria Involvement

Quadria investment team remains active as board and executive committee members and advisors throughout the life of the investment and takes lead on specific value creation initiatives.
Quadria Healthcare Ecosystem

Value Add to Portfolio Companies

✓ Best-in-class operators across healthcare subsectors to facilitate cross-pollination
✓ Top research and teaching facilities to provide world class clinical training and access to talent
✓ Global innovators providing access to cutting edge medical technology, techniques and medicine
✓ In-house early stage platform that offers access to disruptive technologies
Innovative Financing Solutions To Further Financial & Social Impact

Quadria-ING World’s First Sustainability Improvement Fund Financing

Overview

▪ In October 2019, Quadria and ING Bank co-launched the world’s first sustainability improvement capital call facility that links Quadria’s fund financing rate to the sustainability performance of its portfolio companies

▪ Sustainability performance is based on key performance indicators provided by B Analytics, a data platform that measures impact for investors, fund managers and individual companies; Quadria’s own ESG framework; and an independent materiality assessment

▪ Quadria’s interest rate will go down if B Analytics’ yearly assessment proves that Quadria is meeting its sustainability targets

Benefit To Investors & Community

✓ Lowers effective interest cost below market benchmarks that improves investors’ net returns

✓ Limited downside with no recourse to the fund’s investments or investors

✓ Additional cost savings can be further reinvested in portfolio companies to further access to affordable healthcare products and services
Quadria’s Impact Focused on Addressing Key Healthcare Gaps

**Accessibility**
- Target markets have <1 hospital bed & doctor per 1,000 people (compared to global average of 5 beds and 3 doctors)

**Affordability**
- 90% of healthcare paid out-of-pocket
- Over 2.6 billion people live below $2 per day

**Awareness**
- 70% of Asia’s population live in rural areas
- 60% of diabetics undiagnosed in Indonesia

**Quality**
- 65% of healthcare covered by informal providers in India
- Diverse, fragmented private sector results in low quality
Quadria Focuses on Profit with Purpose by Addressing Key Sustainable Development Goals

<table>
<thead>
<tr>
<th>Quadria Impact</th>
<th>Select Outputs</th>
</tr>
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</table>
| Accessibility  | • No. of patients treated  
|                | • No. of new drugs introduced  
|                | • Extent of addressing unmet medical need  
|                | • Impact on local communities |
| Affordability  | • Hospital beds reserved for low income  
|                | • Total discounts to needs-based patients  
|                | • Participation in schemes for the poor  
|                | • % profits for social healthcare initiatives |
| Awareness      | • Resources spend on preventive health  
|                | • Increase access to diagnostic services  
|                | • No. of doctors / clinical staff trained  
|                | • No. of health screening camps |
| Quality        | • Local and international accreditation  
|                | • Regular clinical audits and reviews  
|                | • Patient feedback / grievance mechanisms  
|                | • Compliance with international ESG standards |
Opportunity for Social and Financial Returns

Investment Process Aligned to Maximize Impact

<table>
<thead>
<tr>
<th>Pre-investment</th>
<th>Investment</th>
<th>Monitoring</th>
<th>Post-Exit</th>
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<tbody>
<tr>
<td>Due Diligence By Third Party Specialists Against 150+ Impact And ESG Performance Criteria / Benchmarks</td>
<td>Identified Performance Gaps Addressed By ESG / Impact Action Plan With Specific Timeline And Targets</td>
<td>Ongoing Monitoring And External Audit Through Annual GIIRS(1) Certification &amp; ESG Review</td>
<td>Established Impact &amp; Governance Framework within portfolio companies to ensure impact intent maintained after Quadria’s exit</td>
</tr>
</tbody>
</table>

Note: (1) Refers to Global Impact Investing Ratings System
Business Model Innovation To Deliver Quality Healthcare At Low Cost

Building Scale
- Maximize volume through Hub & Spoke Model
- Expand healthcare access beyond the Metropolis
- Economies of scale to lower costs
- Enhanced profitability and shareholder value

Single-Specialty Model
- Lower cost of care provision
- Improve quality of life outcomes
- Greater patient satisfaction
- Create healthcare awareness through education & technology

Out of Hospital
- Expansion into Tier II / III cities
- Individualized, high-end care
- Cost efficient care provision
- Improve patient comfort and satisfaction

Business Model Innovation
- Scalable, asset-light “hospital without a hospital” model
- Higher margins with lower cost
- Business model supports regional expansion
- Differentiation by best-in-class clinical expertise
OVERVIEW
Region: Indonesia
Sector: Lifesciences
Investment Date: March 2015

INVESTMENT THESIS
- One of Indonesia’s largest integrated pharmaceutical manufacturing and healthcare distribution companies
- High quality professional management team with deep local and international pharma experience
- Operational improvement through reshaping principal portfolio, optimizing working capital and expense rationalization
- Strong balance sheet to drive growth plan focused on new product development, in-licensing and domestic acquisitions
SOHO GLOBAL: GROWTH PLAN & QUADRIA VALUE ADD

2015 – 2017
Improve Operations
- Reshape PPG principal portfolio
- Working capital optimization
- Expense rationalization
- SAP Implementation

2017 – 2018
Focus on Topline Growth
- Accelerate product in-licensing programme
- Internal new product development, extensions and OTX-OTC switches
- Domestic brand acquisitions

Quadria Value Add
- Operational efficiency initiatives
- Partners for strategic value (e.g., Stryker, B. Braun, J&J)
- 20 products in-licensed and another 15 in discussions
- Partnership with Gilead for Hepatitis B drugs
- Help identify and evaluate 4 potential acquisition targets
- Supporting execution of 2 opportunities

2019 – 2020
Establish Market Leadership
- Leading integrated pharma and healthcare distribution company
- Robust topline growth and defensible margins
- Corporate governance and systems in place
- Well-positioned for exit
OVERVIEW
Region: Southeast Asia
Sector: Associated Healthcare
Investment Date: June 2017

INVESTMENT THESIS
- Asia’s leading multi-specialty care platform with core expertise in cardiology, interventional radiology, ENT, gastroenterology, orthopedic and ophthalmology
- Team of 13 highly regarded specialists across 11 specialties and over 100 affiliate doctors, led by renowned interventional cardiologist
- Established multi-specialty care brand in Singapore with strong referral network including target network of 300 GPs by 2018
- Innovative, asset-light business model to bring high quality, affordable healthcare in developing regions
MSA: GROWTH PLAN & QUADRIA VALUE ADD

2017 – 2018
Cement Domestic Position

- Leading interventional cardiac procedures
- Expand 9 to 11 specialties
- 50 GP network to reach 300 by 2018

2018 – 2019
Expand Regionally

- Regionalize via asset-light implants
- Focus on priority markets
- Cambodia diagnostics facility
- Strategic acquisitions

2020 – 2021
Asia’s Leading Multi-specialty Network

- Implant across ASEAN
- Strong top-line trajectory, profitability and diversified business model
- Corporate governance for IPO

Quadria Value Add

- Siemens Asia Reference Centre
- Support new Royal Square, Novena center

- Pilot implant into Quadria network
- Supported acquisition of 3 clinics
- Supporting execution of 2 acquisitions

- Establish corporate governance
- Structure management incentive
OVERVIEW
Region: Vietnam
Sector: Healthcare Delivery
Investment Date: July 2017

INVESTMENT THESIS

- Rare opportunity to enter the emerging and fast-growing private healthcare delivery sector in Vietnam via an established player
- Attractive sector fundamentals driven by a young, increasingly urbanized population with rising affluence and an overburdened public healthcare sector
- JCI accredited hospital with an excellent clinical reputation well positioned to develop into a regional tertiary healthcare provider
- Dedicated and localized management with 15 years of seasoned track record and a clear vision for growth
FV HOSPITAL: GROWTH PLAN & QUADRIA VALUE ADD

2017 – 2018
Enhance Clinical Offerings

- Centres of Excellence
- New cath-lab and oncology centre
- Improve surgical mix

2018 – 2019
Establish Hub-and-Spoke

- Opportunistic acquisitions
- Access medical patients from Laos, Cambodia and Myanmar

Quadria Value Add

- Implant model for cardiac care
- Partnership with AIG for Gastroenterology
- Leverage HCG for Oncology
- Proprietary acquisition pipeline
- Expansion via clinics network
- Supporting expansion strategy
- Strategic procurement
- Data analytics
- CFO & Internal Audit Officer hiring

2020 – 2021
Emerge As National Leader

- Best tertiary care in Vietnam
- Highest quality care
- Diversified and fast growth
OVERVIEW
Region: Southeast Asia
Sector: Lifesciences
Investment Date: Mar 2018

INVESTMENT THESIS
- Positive growth outlook for ASEAN pathology market; 7% to 12% CAGR over 2017-22 for targeted countries
- Established scale and track record with Lablink emerging as one of the largest pathology players in Malaysia
- Scalable business model (25 hospital labs, one central reference lab); robust financial metrics (RoE over 28%)
- Unique proprietary deal via decade long connect with Lablink parent, Quadria entry valuation at over 50% discount to market
LABLINK: GROWTH PLAN & QUADRIA VALUE ADD

2018 – 2019
Enhance Testing Offerings
- Introduce high-end molecular, oncology and genomics tests
- Harness technology for clinical and operating excellence

Quadria Value Add
- Centre of excellence partnership with Strand Lifesciences
- Harness Quadria relationships with global firms
- Quadria’s proprietary acquisition pipeline in Southeast Asia
- Leverage Quadria’s network for third-party lab management contracts
- Help in execution of business plan, made with Quadria’s help
- Help hire and retain high quality talent

2019 – 2020
Expand Geographical Reach
- Organic expansion in Malaysia
- Inorganic growth in three key Southeast Asian markets

2021 – 2022
Emerge As Regional Leader
- One of the largest pan-Southeast Asian lab players
- Comprehensive test menu offering high-end tests
- Diversified business with low dependence on parent
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