

How India's healthcare focused fund HealthQuad disrupts health systems without compromising on financial and societal returns

Today, 3.8 billion people do not have access to quality healthcare. Some venture and private equity funds such as HealthQuad want to bridge the gap where public healthcare investments fail, and the Covid-19 crisis is a painful proof of this urgent need.

More than 50 million individual medical supplies delivered to remote areas of India, over 500,000 teleconsultations in underserved zones, creating a clinical data repository of more than 50 million patients... these are just some of the concrete results that HealthQuad, India's leading healthcare innovation fund, generated through its portfolio of companies over the past 4 years. HealthQuad just completed the successful first close of its second fund with commitments of more than USD 68 million, around 93% of the target corpus for the total fund which is an exceptional feat. The fund expects to have its final close in January 2021.

Within ten years India will be the world's most populous country and its third largest economy. The country's healthcare infrastructure and manpower are struggling to keep pace with the growing demand, which has only been amplified by the recent Covid-19 crisis. At the same time, India provides an endless talent pool of engineers, entrepreneurs and coders. This puts the country in prime position to develop an ecosystem of disruptive business models for affordable healthcare solutions which could not only solve the unmet medical needs of Indians but also cater to 3.8 billion people in other low- and middle-income countries.

Charles-Antoine Janssen, Co-founder and Chief Investment Officer of HealthQuad: *"If India has to fulfil its mission of 'Healthcare for All', it must focus on leveraging technology and digital health along with a focus on the promotion of wellness and preventive health. The healthcare industry needs to move beyond linear growth such as adding new hospitals and adding a fixed number of physicians every year, and instead look for ways to disrupt the existing operating models. The current pandemic has further stressed the need to leverage technology to cater to the healthcare needs of such a large population. Disruptive technological solutions have the potential to take vault over some of these issues and push India towards a more robust and reliable healthcare system in the foreseeable future."*

The platform is backed by two sponsors. The first is KOIS, a global pioneer in impact investing and innovative finance solutions, which co-manages more than USD 220 million of assets across three impact investment funds. The second sponsors are Dr. Amit Varma and Abrar Mir, who are founders of Quadria Capital. Quadria Capital is a leading healthcare focused private equity fund with over USD 2.2 billion of assets under management across four investment vehicles.

HealthQuad's second fund is supported by some of the leading global investors including Ackermans & van Haaren (AvH), Indian DFI SIDBI, global healthcare company MSD (Merck & Co. Inc), Nuveen- a TIAA company and Swedfund. Its current portfolio comprises seven disruptive companies seeking to address key healthcare challenges. Among them are Medikabazaar, India's largest portal for online medical supplies catering to more than 20,000 pin codes in India and Neurosynaptic Communications, the country's leading teleconsultation provider that covers a population of around 50 million. THB, India's leading clinical data repository and data analytics company is also part of HealthQuad's portfolio and has delivered more than 100 real world evidence publications across 20 therapeutic areas.

Dr. Amit Varma, Co-founder of HealthQuad: *"There is no need to compromise between financial and societal return. We are committed to creating an ecosystem of such category defining companies that improve accessibility and affordability and elevate the overall healthcare standards in India. We are pleased to be supported by like-minded global investors to deliver transformative impact beyond superior financial returns."*

Other quotes

Pinak Shrikhande, Principal at HealthQuad: *“Following Covid-19, European and US healthcare companies are likely to suffer from a realignment of public healthcare spending. In India, where 63% of the healthcare market is paid out-of-pocket by patients, demand for new affordable healthcare solutions will continue to grow very fast. Moreover, given the country’s high competition, the Indian low-cost approaches are proven solid and expandable. Low-income countries, as well as Europe, the US and the Middle East, are also keen to acquire and implement those models.”*

John-Eric Bertrand, member of the executive committee of Ackermans & van Haaren (AvH): *“We look forward to continuing our close partnership with the Healthquad team as anchor investor of Healthquad II. This investment fits within AvH’s strategy to invest in the fast-growing Indian healthcare sector, alongside local partners with deep sector expertise. As the anchor investor of Healthquad I, we have been able to observe firsthand the investment rigour and operational value-add that the Healthquad team brings to its participations. The team has clearly demonstrated its extensive knowledge and network in the healthcare sector and its capacity to be a true strategic partner for some of India’s most promising and disruptive healthcare companies.”*

Maria Håkansson, CEO at Swedfund: *“We are very proud to support HealthQuad in its mission to transform and disrupt the Indian healthcare ecosystem and provide healthcare solutions for the growing Indian population that are accessible, affordable and of high quality.”*

Rehan Khan, Managing Director of Merck Sharp and Dohme (MSD) India: *“Through our investment in HealthQuad, MSD demonstrates our commitment to inventive approaches to build a sustainable, resilient healthcare ecosystem in India. We are pleased to join with HealthQuad and many other global and Indian investors who share a common commitment to innovative healthcare solutions.”*

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About HealthQuad

HealthQuad, is an Indian Healthcare Fund, set up with a vision to nurture innovative models which would transform healthcare not only in India, but would also be relevant in countries with similar healthcare challenges. The platform leverages the rich clinical and operating experience of its team along with a vast global healthcare ecosystem to create high growth assets along with creating deep social impact. The platform is backed by strong sponsors, KOIS (global pioneers in impact investing and innovative finance) and Quadria Capital (Asia’s leading healthcare focused private equity fund).

About Quadria Capital

Quadria Capital is one of Asia’s leading specialist healthcare focused private equity group investing in the high growth healthcare sectors of some of the world’s fastest growing economies in South Asia

and Southeast Asia. To date, Quadria Capital has invested in over 20 companies in South Asia and Southeast Asia and has over USD 2.2 billion AUM.

Quadria Capital's key differentiator is its ability to leverage the deep healthcare operating experience and domain expertise of its team to drive tangible value creation at portfolio companies and help them emerge as regional industry leaders. Quadria Capital seeks to make meaningful, positive impact by increasing access to affordable, high quality healthcare to Asia's underserved populations.

About KOIS

KOIS specializes in impact finance and aims to transform projects with a high social and environmental impact into concrete investment proposals for the public and private sectors. Through its fund management and innovative financial advisory activities, KOIS deploys private and public capital in projects with high social or environmental utility, while offering attractive returns for investors. KOIS is namely an investor in several companies serving the dual goal of impact and profit. In Europe, KOIS created the Belgian social real estate fund, Inclusio. In India, KOIS manages two investment funds (Tara IV and Healthquad). KOIS is also a leader in structuring innovative financial mechanisms, including social impact bonds and development impact bonds, and namely developed the first Humanitarian Impact Bond in the world.