

## Clearbridge to Acquire Controlling Stake in One of the Largest Clinical Laboratory Operators in Indonesia

- *Acquisition of controlling stake in PT Indo Genesis Medika (“IGM Labs”) that operates laboratories with partnering hospitals in Indonesia under joint operation contracts*
- *IGM Labs is in the process of having 12 joint operations contracts transferred to it, of which 6 of these contracts are in Grade A hospitals in Indonesia that comprises some of largest public hospitals in Indonesia*
- *With an estimated 2,500 hospitals in Indonesia, there is strong opportunity for IGM Labs to further expand its healthcare systems business*
- *Rising healthcare focus and expenditure with Indonesia’s health coverage program introduced in 2014 for the entire population of more than 260 million*
- *IGM Labs’ laboratory testing services in public hospitals are reimbursed by Indonesia health coverage program*

SINGAPORE, 3 April 2019 – Integrated healthcare company Clearbridge Health Limited (“Clearbridge” or the “Company” and together with its subsidiaries, the “Group”) (“明策集團”), is pleased to announce that its indirect wholly-owned subsidiary, SAM Laboratory Pte. Ltd. (“SAM”), has today entered into a conditional sale and purchase agreement with PT Kreasi Putra Nusantara (“KPN”) in relation to the proposed acquisition of IGM Labs.

IGM Labs is involved in the provision of laboratory testing services by partnering with medical device equipment manufacturers and hospitals. Through joint operation agreements with hospitals, IGM Labs operates laboratories co-located with the partnering hospitals.

In addition to managing a laboratory under an existing joint operation contract, IGM Labs is also in the process of having 12 joint operation contracts for the operation of laboratories in public hospitals in Indonesia (the “JO Contracts”) held by PT Indofarma Global Medika, an Indonesian incorporated company, to be transferred to it.

These 12 JO Contracts have generated a total revenue of approximately S\$14.7 million, EBITDA of S\$3.8 million and net profit after tax of S\$1.3 million in the financial year ended 31 December 2017. Total consideration for the transaction is approximately S\$9.4 million for an effective interest of 89.6% in IGM Labs which translates to an EV/EBITDA ratio of 2.8x.

To provide universal medical coverage to the Indonesian population, a new Mandatory Health Insurance Scheme (“JKN”) managed by *Badan Penyelenggara Jaminan Sosial (“BPJS”)*, Indonesia’s Social Security Organising Body, was started by the Indonesia government in January 2014.

Notably, the IGM Labs’ laboratory testing services in public hospitals are reimbursed by BPJS.

### **Rising Healthcare Focus and Expenditure in Indonesia**

Indonesia's healthcare expenditure has been one of the lowest in the region and the Indonesian government has included healthcare as one of its top priorities in the national industry developmental plan of 2015 – 2025.

Since then, the healthcare expenditure in Indonesia has grown significantly over the past few years. According to a report by BMI Research published in 2018, Indonesia's healthcare expenditure will rise as a percentage of its GDP, from 2.98% in 2017 to 3.29% by 2027. On a per capita basis, healthcare spending will more than double, from US\$114 in 2017 to US\$269 by 2027.

This growth is not only driven by the efforts and reformations of the government, but also by the growing middle-class population and increased awareness of healthier lifestyle practices.

Commenting on this acquisition in Indonesia, **Mr Jeremy Yee (余斌), Executive Director and Chief Executive Officer of Clearbridge**, said, *"The introduction of JKN has undoubtedly contributed significantly to the growth of the healthcare market in Indonesia, creating the next healthcare frontier in Asia."*

*With diagnostic testing becoming indispensable for diagnosing and monitoring diseases, IGM Labs' established presence in the public hospitals will immediately provide recurring stream of income under the JKN.*

*More importantly, the size and growth potential of this market provides us a catalyst to accelerate our business growth in this specialised field with our operational and management expertise."*

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***Issued on behalf of Clearbridge Health Limited by 8PR Asia Pte Ltd.***

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#### **About Clearbridge Health Limited**

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Clearbridge Health Limited is a healthcare company with a focus on the delivery of precision medicine in Asia. Its business comprises laboratory testing services, medical clinics/centres and strategic equity participation in complementary precision medical technology companies.

Through the delivery of precision medicine in Asia, it seeks to empower clinicians and healthcare professionals to make more reliable and accurate diagnoses, provide insights to disease management, and tailor personalised prevention and timely treatment programmes for patients. It is executing the above strategies by way of primary healthcare and healthcare systems that reside in nexus of high demand.

For more information, please visit us at [www.clearbridgehealth.com](http://www.clearbridgehealth.com).

*This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").*

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