TVM Capital Healthcare

The ongoing COVID-19 pandemic underscores the universal need for investments that bolster healthcare accessibility. These investments must address the healthcare challenges of non-communicable diseases and global pandemics, among others, by improving the sector's infrastructure, encouraging its public-private collaborations, and accelerating its deployment of response systems worldwide.

In 2020, TVM Capital Healthcare began a collaborative agreement with GE Healthcare to accelerate the growth of healthcare companies across select emerging markets amongst the Association of Southeast Asian Nations (ASEAN) and in the MENA region. Both collaborating parties will contribute their complementary expertise to enable local healthcare companies to improve their clinical quality, refine their growth strategies, increase their market access, and hone their operations to reduce the cost of the healthcare they provide. Under the agreement, TVM Capital Healthcare's current and future portfolio companies will have access to GE Healthcare's strong market presence and network.

In March 2021, TVM Capital Healthcare exited portfolio company CMRC, divesting it to UAE-based publicly traded investment company Amanat Holdings PJSC for $232 million, a return 4.6 times the capital invested. CMRC is the leading post-acute care and rehabilitation services provider in the MENA region. TVM Capital Healthcare distributed to investors 2.4 times the funds invested to date, with two companies still in the portfolio. Its compounded returns amount to 28.0% the gross internal rate of return (IRR) and 19.7% net IRR, a performance that is in the upper quartile of similar vintage funds, benchmarked against Cambridge Associates Emerging Markets private equity and venture capital funds.

The portfolio companies of TVM Capital Healthcare comply with international sustainability standards issued by leading global bodies, such as the International Organisation for Standardisation (ISO) and the Occupational, Safety and Health Administration (OSHA). They also observe all local laws and regulations related to employment, the environment, medical waste, occupational, health and safety, biomedical waste, and pollution control.

Amecath Medical Technologies was established in 1991 and is the leading medical devices manufacturing company in Egypt. It offers high-quality, value-added products, including differentiated and selected intellectual property (IP) protected catheters and related accessories. Five of its products are approved by the US Food and Drug Administration (FDA). The company is ISO 26000:2010 social responsibility and ISO 45001:2018 occupational health and safety management systems certified. It also holds regulatory certificates to export to more than 55 markets, including in Europe, Southeast Asia, Latin America, Africa, and the Middle East.

The demand for Amecath products in the company's well-established markets of Egypt, Italy, and Spain rose in 2020. Amecath, however, faced the sluggish supply of raw materials from China, delays in product registration as regulatory bodies prioritised COVID-19–related equipment, and barriers to its expansion strategy amid pandemic-caused international travel restrictions.

By the end of 2020, Amecath had completed its implementation of a waste segregation programme. The results include reductions in non-hazardous waste of 33% and in hazardous waste of 37% compared with 2019.

Bourn Hall International (BHI), which was jointly developed in 2010 by TVM Capital Healthcare and the UK's Bourn Hall Clinic, operates two assisted reproduction technology, obstetrics, and gynaecology clinics in the UAE. One is in Dubai, and the other is in Al Ain.

Owing to the pandemic, BHI converted all initial consultations to telephone or virtual means throughout 2020 to comply with regulatory guidelines reducing on-site physical capacity. BHI also ceased non-clinical services, such as cosmetic gynaecology services, to minimise staff and patient exposure on-site.

BHI's Dubai clinic was re-accredited by Joint Commission International (JCI) in July 2019 until July 2022. And its clinic in Al Ain was audited by the Abu Dhabi Department of Health (DoH) and the Abu Dhabi Occupational Safety and Health Center (OSHAD) in November 2020.

BHI generated 4,108 kilograms of medical waste, all of it handled by companies specialised in treating medical waste.

Manzil is a leading independent, technology-enabled, multidisciplinary home healthcare services and disease management provider in the UAE. It cares for paediatric and adult patients and is a DoH-selected provider to the DoH's COVID-19 Home Isolation and Home Quarantine Programmes. Manzil thus collects samples and provides a patient management programme that combines home visits and remote patient monitoring to support COVID-19 patients in the UAE. In 2020, Manzil provided care for 566 such patients.

In 2017, Manzil began shifting from a paper-based to an electronic system of medical records. It completed that shift across all operations in all countries in 2019.

TVM Capital Healthcare portfolio companies (as at 31 December 2020)

Diversity and inclusion

1,365 employees

56% females

20+ nationalities

211 new hires
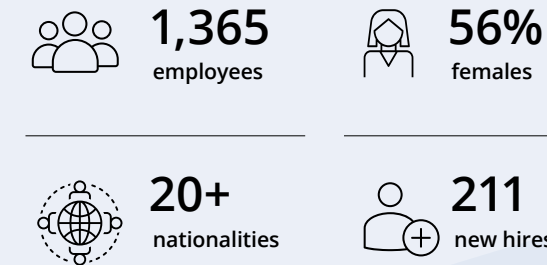
3 out of 4 boards have female representation (28%, 25%, 16%)

Community engagement

- **Amecath** donated 5,000 person-hours in support of the Save Our Families Initiative, an Egyptian government undertaking to raise awareness of COVID-19 in Egypt.

- **BHI** donated over 35 person-hours a month to support UAE community collaborations with third parties. BHI contributions involved offering free teleconsultations, raising awareness of female and male fertility issues, promoting healthy lifestyles to prevent infertility, and educating the public on COVID-19 safety measures and the impact of the virus on fertility.

- **Manzil** staff members provided 2,880 pro bono hours and 4,990 hours in shadow shifts in the UAE and 1,393 hours in shadow shifts in Qatar on top of insurance-covered care to maintain patient care at acceptable levels in both nations.

TVM Capital Healthcare exits a strongly positioned CMRC

TVM Capital Healthcare founded the CMRC in 2012 as a sustainable healthcare business intent on raising patient and caregiver quality of life. The CMRC is considered a pioneer in post-acute services in the MENA region and has grown to become the region's leading post-acute care and rehabilitation services provider.

The CMRC is fully accredited by some of the world's top clinical excellence accreditation organisations, including the JCI and the Commission on Accreditation of Rehabilitation Facilities (CARF). During the global COVID-19 pandemic, the CMRC has demonstrated the benefits of specialist care outside hospitals. It has relieved the public health system by unblocking acute care beds and delivered quality outcomes for post-acute patients.

Impact and ESG

TVM Capital Healthcare immediately equipped the CMRC with a robust ESG framework and environmental and social management system to mitigate its material risks and optimise its intangible assets. As a result, the CMRC contributes to SDGs 3, 5, 8, and 12.

During 2020, the CMRC served 347 inpatients and 29,968 outpatients at its three facilities, which offer a combined capacity of 256 beds.

Diversity and inclusion

As of December 2020, the CMRC employed 591 people. This includes 448 staff members of more than 20 nationalities in the UAE. Of these, 145 are male and 303 are female. Women, moreover, occupy 58% of management positions at the CMRC's UAE facilities.

In Saudi Arabia, the CMRC has 143 staff members of more than 20 nationalities, 57 of them male and 86 female. Women hold 33% of the management positions at the CMRC's operations in Saudi Arabia.

Human rights and labour practices

Fully 100% of the CMRC's workforce, including managers, is trained annually on

- working hours, legal wage rates, and benefits;

- rights to freedom of movement and to passports and from agent fees, etc.;

- all forms of harassment and discrimination; and

- grievance mechanisms.

The CMRC, therefore, was well positioned when in March 2021 TVM Capital Healthcare exited this portfolio company.