



September 03, 2021

**National Stock Exchange of India Limited,**  
Compliance Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400051,  
Maharashtra, India

**BSE Limited,**  
Compliance Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001,  
Maharashtra, India

Dear Sir/Madam,

**Subject : Press release**

**Stock Code : BSE – 539787, NSE – HCG**

Please find enclosed herewith the communication being released to the Press.

Request you to take this on record.

Thanking you,

For **HealthCare Global Enterprises Limited**

A handwritten signature in blue ink, appearing to read 'Sunu Manuel'.

**Sunu Manuel**  
**Company Secretary & Compliance Officer**

**Encl: a/a.**

## HCG acquires oncology labs and divests stake in Strand Lifesciences to Reliance; will focus on integrated & specialized diagnostics scale-up

**Bangalore, 3<sup>rd</sup> September 2021:** HealthCare Global Enterprises Limited (HCG), the leading specialty healthcare service provider in India, focused on oncology, announced the acquisition of oncology hospital labs and clinical trials business from Strand Lifesciences as well as simultaneous divestment of its ~38.5% stake (on paid-up capital basis and 34.5% on fully diluted basis) in Strand to Reliance Industries group company. HCG received consideration of ~INR 157cr for sale of its ownership in Strand and acquired labs and clinical research business through a Business Transfer Agreement (BTA) from Strand for a consideration of ~INR 81cr with a set-off of ~INR 7cr towards receivables. The transactions resulted in net cash inflow of ~INR 83cr for HCG in addition to the take-over of the labs and clinical research business.

HCG is one of the largest oncology-focused private hospital groups in India with a significant network of oncology centers located across leading cities and treating thousands of 'new cancer patients' every year. Strand Lifesciences is a precision diagnostics company with strong track record in bioinformatics and genomic testing in India; Strand will no longer continue to be an associate company of HCG post completion of this transaction.

**Dr. BS Ajaikumar ('Dr. Ajai'), Executive Chairman of HCG,** said, *"HCG continues on its path to optimize capital allocations around Indian Cancer Care and this step is an action in that direction. Specialized diagnostics is the backbone of successfully cancer treatment and outcomes. HCG has been the pioneer in launching PET CT scans, conducting multi-disciplinary tumor boards and offering genomic testing towards improving quality of care for oncology patients. Our partnership with Strand was with a similar vision to further HCG's leadership in precision medicine. Now, with the acquisition of Strand's hospital labs and clinical research business, HCG not only enhances in-house diagnostic and research capabilities and offerings, but will also be able to drive higher awareness and adoption across the network and thus positively impact a much larger patient population. We will continue to work with Strand to utilize their strengths in bioinformatics and data analytics as we generate valuable cancer patients' data and implement EMR / digitization across the network to emerge as the leading precision medicine company focused on oncology in India. HCG also gets the ability to pursue clinical trials business in-house which given the diversity and scale of HCG Cancer operations would be an attractive proposition to build upon".*

In Jan'2018, HCG had executed a business combination of its hospital labs and clinical trials business, which operated under Triesta brand, with Strand's clinical diagnostics vertical to jointly focus on specialized oncology space, which also led to HCG becoming the single largest shareholder in Strand. Subsequently, the newly combined Strand entity had raised capital from PE investors and also acquired Quest Labs India business, which was later divested during onset of the Covid-19 pandemic.

HCG has acquired hospital labs in 12+ cities, which includes state-of-the art lab at flagship COE (Center of Excellence) in Bengaluru, labs in Mumbai, Kolkata, Jaipur, Ahmedabad etc. and an 'industry first' digital pathology network. Digital Pathology is a paradigm shift in approach to cancer cases. It not only ensures availing expertise of subspecialist histopathologists reporting from anywhere without physical transfer of slides and blocks, but also accurate primary diagnosis, helping genomic, imaging and clinical data

integration through image analysis software and AI based algorithms. HCG's acquisition of the hospital labs and clinical trials business, with simultaneous divestment of HCG's stake in Strand, will be a substantially 'net cash positive' transaction for the Company.

**Raj Gore, CEO of HCG added,** *"Unlike developed countries, the under-diagnosis as well as late-diagnosis in oncology in India is far more severe than most other specialties, and is therefore a grave situation given the direct impact on quality and expectancy of life and overall mortality for patients. Further, we see a huge gap, and therefore immense potential, with respect to focus, quality and specialization in oncology diagnostics, not just within HCG, but overall at an industry level. These high-quality NABL/CAP accredited full-service labs, located across key hospitals and geographies, with comprehensive oncology focused test menu, including specialized histopathology, molecular diagnostics and liquid biopsy capabilities, are a strategic fit for HCG's oncology care model. Integration of these labs in our ecosystem will augment patient quality of care and also offer scaling-up and margin improvement opportunities over the long-term. Now with the re-acquisition of our labs, which have also progressed in scale, profitability and quality of offerings over the past few years, and additional capital we have received from the stake divestment transaction, we are already seeing returns from our consolidation initiatives. We feel there continues to be more opportunity to generate significant upside on operating and financial areas of our business in the near future. HCG is going from strength to strength towards realizing its vision of leadership in oncology in India and delivering value to all our stakeholders."*

**About HealthCare Global Enterprises Ltd.**

HealthCare Global Enterprises Ltd. (HCG), headquartered in Bengaluru, is the largest provider of cancer care in India. Through its network of 22 comprehensive cancer centers across India and Africa, HCG has brought advanced cancer care to the doorstep of millions of people. HCG's comprehensive cancer centers provide expertise and advanced technologies for the effective diagnosis and treatment of cancer under one roof. Under the "Milann" brand, HCG operates 7 fertility centers. For further information, visit [www.hcgel.com](http://www.hcgel.com) or contact: Company Secretary and Compliance Officer: Sunu Manuel, [investors@hcgoncology.com](mailto:investors@hcgoncology.com)