



2023

Half-Year Report

September

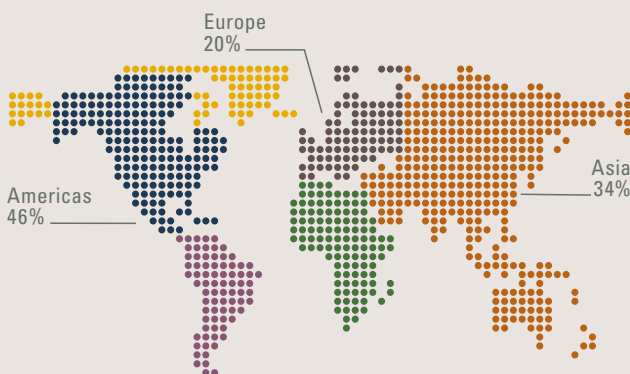
**HBM** Healthcare  
Investments

HBM Healthcare Investments invests in the human medicine, biotechnology, medical technology and diagnostics sectors and related areas. The company holds and actively manages an international portfolio of promising companies.

Many of these companies have their lead products already available on the market or at an advanced stage of development. The portfolio companies are closely tracked and actively guided on their strategic directions. This is what makes HBM Healthcare Investments an interesting alternative to investing in big pharma and biotech companies. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

### Investments by continents<sup>2)</sup>

Global portfolio.

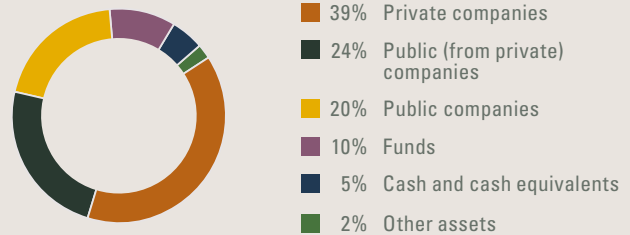


1) Total consolidated assets as at 30.9.2023: CHF 1 775 million.

2) Total investments as at 30.9.2023: CHF 1 644 million.

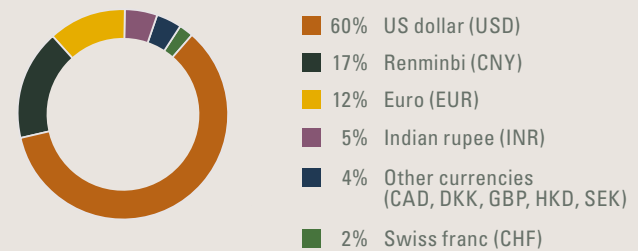
### Allocation of assets<sup>1)</sup>

Mainly invested in private companies or in companies originating from the private companies portfolio.



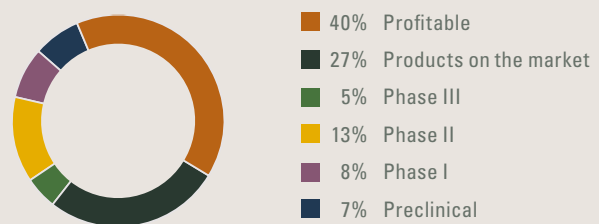
### Currency allocation of assets<sup>1)</sup>

Emphasis on US dollar investments.



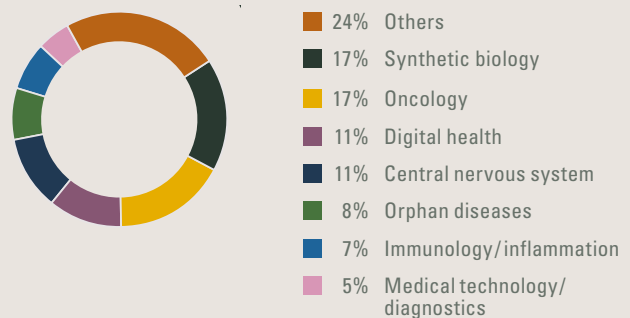
### Development phase of portfolio companies<sup>2)</sup>

Mainly invested in revenue generating companies or in companies with products at an advanced stage of development.



### Therapeutic area of the lead product of portfolio companies<sup>2)</sup>

Broadly diversified areas of activity.



### Key Figures

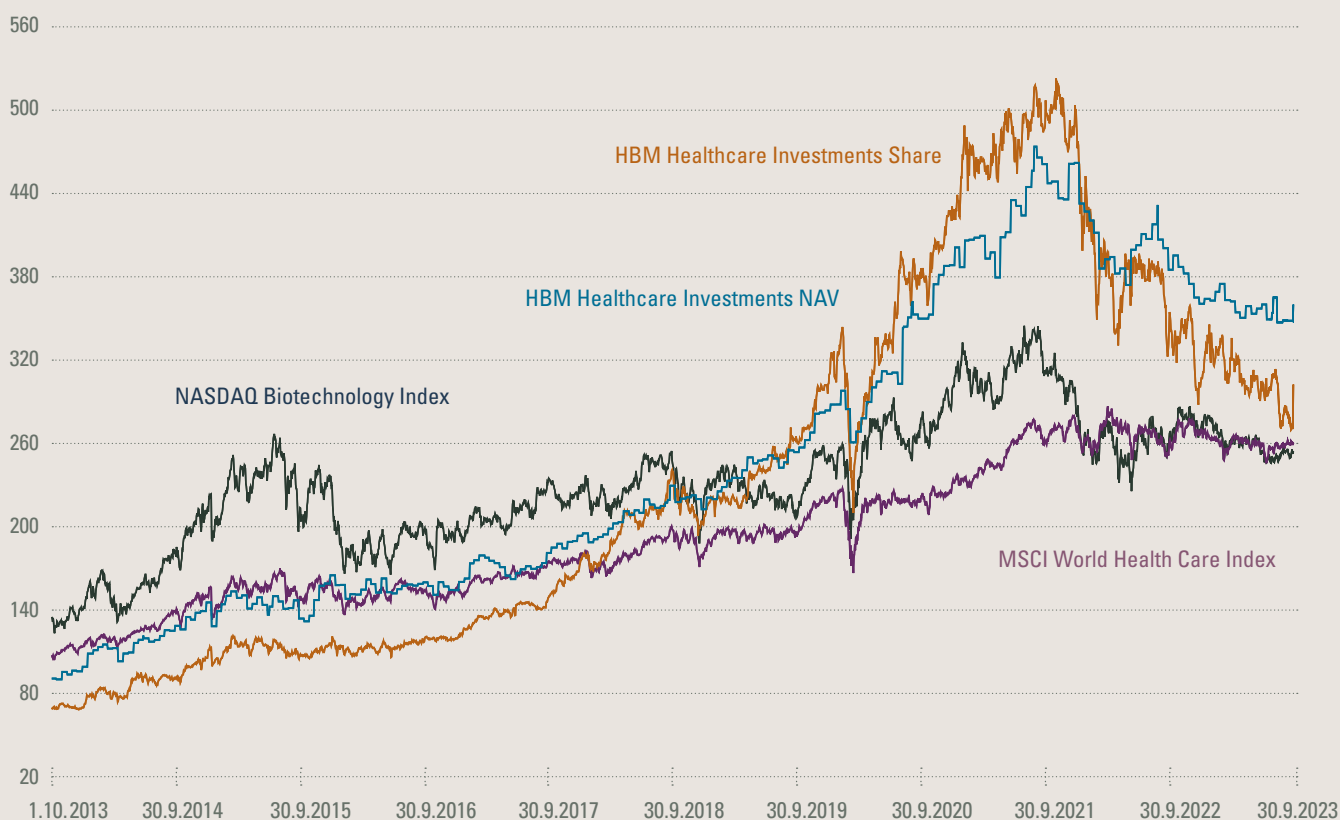
		30.9.2023	31.3.2023	31.3.2022	31.3.2021	31.3.2020
<b>Net assets</b>	CHF million	<b>1 649.5</b>	<b>1 772.7</b>	<b>1 986.5</b>	<b>2 151.5</b>	<b>1 448.8</b>
Investments in private companies and funds		856.1	846.1	790.3	662.8	706.4
Investments in public companies		787.8	847.0	1 130.2	1 404.2	629.9
Cash and cash equivalents (net of liability from market hedging)		86.9	232.0	223.7	327.0	224.2
<b>Net result for the period</b>	CHF million	<b>-70.3</b>	<b>-146.3</b>	<b>-78.0</b>	<b>756.3</b>	<b>182.7</b>
Basic earnings per share	CHF	-10.11	-21.03	-11.22	108.71	26.26
Net asset value (NAV) per share	CHF	237.22	254.80	285.53	309.25	208.25
Share price	CHF	175.80	214.00	276.00	332.50	190.00
<b>Premium (+) / discount (-)</b>	%	<b>-25.9</b>	<b>-16.0</b>	<b>-3.3</b>	<b>+7.5</b>	<b>-8.8</b>
Distribution per share	CHF		7.50	9.70	12.50 <sup>1)</sup>	7.70
Distribution yield	%		3.5	3.5	3.8	4.1
Shares issued	Registered shares (m)	7.0	7.0	7.0	7.0	7.0
Shares outstanding	Registered shares (m)	7.0	7.0	7.0	7.0	7.0

1) Thereof CHF 9.50 as ordinary distribution and CHF 3.00 as a special distribution to mark the 20th anniversary of the Company.

### Performance (including distributions)

		2023/2024 (6 months)	2022/2023	2021/2022	2020/2021	2019/2020
Net asset value (NAV)	%	-4.0	-7.4	-3.6	52.2	13.9
Registered share HBMN	%	-14.3	-18.9	-13.2	79.1	17.0

### Indexed performance since launch in CHF (12.7.2001 = 100), distributions reinvested



HBM Healthcare Investments posted a loss of CHF 70 million for the first six months of the 2023/2024 financial year. With a 4 percent decline in net asset value (NAV), HBM Healthcare's performance was in line with the general performance of the biotechnology sector. The result is owed mainly to declining valuations of some public companies, which overall led to a loss of CHF –59 million in the quarter ended 30 September. However, the situation is not homogeneous. While the market environment in China remains very challenging, companies in India benefited from good growth prospects. Notwithstanding the current negative market sentiment, many private companies in HBM Healthcare's well-diversified portfolio are growing successfully and thus gradually create value that is not immediately reflected in the Company's net asset value. HBM Healthcare therefore remains confident but proceeds cautiously in line with the current market environment.

#### **Dear Shareholders**

HBM Healthcare Investments reports a loss of CHF 59 million for the second quarter of the 2023/2024 financial year as at 30 September. The net asset value per share (NAV) declined by 3.4 percent.

For the first half of the financial year, this adds up to a loss of CHF 70 million, with a 4.0 percent decline in NAV. This is in line with the general performance of the biotechnology sector. In the same period, the Nasdaq Biotechnology Index lost 3.7 percent and the S&P SPDR Biotech declined 4.1 percent. The more broadly based MSCI World Health Care Index was more stable, down 0.1 percent.

### Market environment remains challenging

The biotechnology sector continues to be characterised by significant investor restraint and few developments with relevance to valuation. Accordingly, HBM Healthcare's half-year result was mainly influenced by the decline in market valuation of **public companies** to the tune of CHF 58 million.

The picture is not homogeneous though: A few public, formerly private companies depressed the result by a total of CHF 70 million, primarily Cathay Biotech with CHF –44 million and Mineralys Therapeutics with CHF –15 million. The other public companies increased in value by a total of CHF 12 million benefitting also from biopharma companies in India with good local growth prospects.

The market environment in China in particular is challenging. Here, Cathay Biotech's share price gave back some of the gains the company had made following the announcement of the advantageous strategic agreement with China Merchants Group. Nevertheless, after a holding period of more than 15 years and the expiry of the 3-year lock-up period, HBM Healthcare Investments was able to realise its first gains on the investment.

The **funds'** portfolio recorded a slight decline in value of CHF 5 million. In the reporting period, the funds called CHF 6 million from existing investment commitments. This was offset by repayments of CHF 2 million from realisations.

The portfolio of **private companies** burdened the result with CHF 10 million. Of this, CHF 4 million was due to unfavourable currency developments and CHF 6 million net to value adjustments. A positive revaluation was made on the investment in Upstream Bio (CHF +13 million), which was acquired only about one and a half years ago. Value adjustments were made for Farmalatom (CHF –8 million), Adrenomed (CHF –4 million), Valcare (CHF –3 million), Odyssey Therapeutics (CHF –3 million) and other companies (CHF –1 million, net).

**Other assets** increased by CHF 16 million net, primarily due to the revaluation of milestone and royalty claims from previous company sales. The focus is on an asset of the former private portfolio company Surface Logix. Due to a lack of financing, Kadmon Pharmaceuticals took over the company's rights in 2011, while the shareholders of Surface Logix – including HBM Healthcare – were granted claims to future sales proceeds. In 2021, Kadmon was in turn acquired by Sanofi, and the FDA granted market approval in the USA for the drug Rezurock™ – originally developed by Surface – for the treatment of chronic graft-versus-host disease (GvHD). The successful launch led to the revaluation of the corresponding asset at HBM Healthcare. The first licence payment of CHF 2 million received from these claims underlines the substance of the revaluation.

The financial result amounted to CHF 1 million. Administrative costs decreased to CHF 14 million.

### **Asset allocation and new investment**

In the first six months of the financial year, HBM Healthcare Investments provided CHF 18 million in follow-on financing to existing portfolio companies. In addition, a new investment of USD 4 million was made in the private company ADARx Pharmaceuticals. ADARx has developed a promising siRNA platform designed to generate differentiated clinical data from multiple programmes. For now, the company is focusing on three therapeutic areas: genetic diseases, cardiometabolic diseases and central nervous system diseases. The lead programme, ADX-324 for the treatment of hereditary angioedema (HAE), is in phase I clinical development. HAE is a rare genetic disease that causes painful and potentially life-threatening episodes of swelling.

Following the repayment of the straight bond with a par value of CHF 50 million in July and the cash distribution to shareholders in August, cash and cash equivalents stood at CHF 87 million at the end of September. With the completion of the acquisitions of Horizon Therapeutics and Seagen in the coming months, around CHF 30 million of additional liquidity is to be expected.

The portfolio remains well balanced with public companies accounting for 44 percent of total consolidated assets (24 percent were formerly private companies), 39 percent private companies, 10 percent funds, 5 percent cash and cash equivalents, and 2 percent other assets.

### **Outlook**

The market sentiment towards growth companies in the biotechnology sector is currently characterised by a great deal of pessimism. This is reflected not least in the valuation of our share, which is again trading at a high discount to its net asset value. Regardless of this, however, the value creation of many companies is progressing, which should lead to corresponding added value in the coming years.

Portfolio companies with strong operations such as Cathay Biotech or Swixx BioPharma as well as digital healthcare platforms such as Fangzhou (Jianke), Tata 1mg or ConnectRN are growing successfully and continue to have excellent prospects. We also see progress as planned in many portfolio companies focusing on clinical development such as Upstream Bio, NiKang Therapeutics, Dren Bio or ArriVent Biopharma – to name but a few. They are all gradually creating value potential which, however, is not directly reflected in our net asset value.

Due to expiring patents at large pharmaceutical and biotech companies in the coming years, we also expect takeover activity in the sector to pick up further. The best example of this is the takeover bid of up to USD 5.8 billion made after the balance sheet date by Bristol Myers Squibb for HBM Healthcare's portfolio company Mirati Therapeutics, which is active in cancer research.

Accordingly, we continue to look to the future with confidence, but will act with the necessary caution as befits the current business climate. We are convinced that significant value can be realised from HBM Healthcare Investments' portfolio as soon as market conditions begin to improve.

We thank you, our valued shareholders, for your trust.



Dr Andreas Wicki  
CEO



Erwin Troxler  
CFO

<b>Balance sheet</b> (CHF 000)	Notes	30.9.2023	31.3.2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4 553	5 732
Receivables		64	16
<b>Total current assets</b>		<b>4 617</b>	<b>5 748</b>
<b>Non-current assets</b>			
Investment in subsidiary	(3)	1 850 218	1 918 299
<b>Total non-current assets</b>		<b>1 850 218</b>	<b>1 918 299</b>
<b>Total assets</b>		<b>1 854 835</b>	<b>1 924 047</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Liability to subsidiary		105 000	0
Financial liabilities	(4)	0	49 978
Other liabilities		1 042	2 173
<b>Total current liabilities</b>		<b>106 042</b>	<b>52 151</b>
<b>Non-current liabilities</b>			
Financial liabilities	(4)	99 298	99 208
<b>Total non-current liabilities</b>		<b>99 298</b>	<b>99 208</b>
<b>Shareholders' equity</b>			
Share capital	(5.1)	84 216	136 416
Treasury shares	(5.2)	- 1135	- 402
Capital reserve		142 250	142 201
Retained earnings		1 424 164	1 494 473
<b>Total shareholders' equity</b>		<b>1 649 495</b>	<b>1 772 688</b>
<b>Total liabilities and shareholders' equity</b>		<b>1 854 835</b>	<b>1 924 047</b>
Number of outstanding shares (in 000)		6 953	6 957
Net asset value (NAV) per share (CHF)		237.22	254.80



<b>Statement of comprehensive income for the period 1 April to 30 September (CHF 000)</b>	Notes	Quarter ended 30.9.2023	Quarter ended 30.9.2022	6-month period ended 30.9.2023	6-month period ended 30.9.2022
Net change in value of investment in subsidiary	(3)	-58 395	-84 640	-68 081	-32 148
<b>Result from investment activities</b>		<b>-58 395</b>	<b>-84 640</b>	<b>-68 081</b>	<b>-32 148</b>
Personnel expenses		-399	-196	-809	-375
Other operating expenses		-291	-266	-446	-364
<b>Result before interest and taxes</b>		<b>-59 085</b>	<b>-85 102</b>	<b>-69 336</b>	<b>-32 887</b>
Financial expenses		-382	-677	-1 043	-1 338
Financial income		65	0	70	0
Income taxes		0	0	0	0
<b>Net result for the period</b>		<b>-59 402</b>	<b>-85 779</b>	<b>-70 309</b>	<b>-34 225</b>
<b>Comprehensive result</b>		<b>-59 402</b>	<b>-85 779</b>	<b>-70 309</b>	<b>-34 225</b>
Number of outstanding shares, time-weighted (in 000)		6 954	6 957	6 955	6 957
Basic earnings per share (CHF)		-8.54	-12.33	-10.11	-4.92

As the Company does not have options or similar instruments outstanding, diluted earnings per share are identical to basic earnings per share.

<b>Statement of cash flows for the period 1 April to 30 September</b> (CHF 000)	6-month period ended 30.9.2023	6-month period ended 30.9.2022
Expenses paid (personnel and other operating expenses)	-969	-827
<b>Net cash flow from operating activities</b>	<b>-969</b>	<b>-827</b>
Interest received / paid	-2 326	-2 392
Redemption of financial liabilities	-50 000	0
Loan from subsidiary	105 000	71 500
Par value repayment	-52 151	-67 484
Purchase of treasury shares	-733	0
<b>Net cash flow from financing activities</b>	<b>-210</b>	<b>1 624</b>
<b>Currency translation differences</b>	<b>0</b>	<b>0</b>
<b>Net change in cash and cash equivalents</b>	<b>-1 179</b>	<b>797</b>
Cash and cash equivalents at beginning of period	5 732	5 388
Cash and cash equivalents at end of period	4 553	6 185

<b>Statement of changes in equity</b> (CHF 000)	Share capital	Treasury shares	Capital reserve	Retained earnings	Total shareholders' equity
<b>Balance 31 March 2022</b>	<b>203 928</b>	<b>-402</b>	<b>142 173</b>	<b>1 640 791</b>	<b>1 986 490</b>
Comprehensive result				-34 225	-34 225
Par value repayment (1.9.2022)	-67 512		28		-67 484
<b>Balance 30 September 2022</b>	<b>136 416</b>	<b>-402</b>	<b>142 201</b>	<b>1 606 566</b>	<b>1 884 781</b>
Comprehensive result				-112 093	-112 093
<b>Balance 31 March 2023</b>	<b>136 416</b>	<b>-402</b>	<b>142 201</b>	<b>1 494 473</b>	<b>1 772 688</b>
Comprehensive result				-70 309	-70 309
Purchase of treasury shares		-733			-733
Par value repayment (7.8.2023)	-52 200		49		-52 151
<b>Balance 30 September 2023</b>	<b>84 216</b>	<b>-1 135</b>	<b>142 250</b>	<b>1 424 164</b>	<b>1 649 495</b>

## General Statements

### 1. Information about the Company and its business

HBM Healthcare Investments Ltd (HBM Healthcare or Company) is a SIX Swiss Exchange-listed holding company domiciled at Bundesplatz 1, Zug (Switzerland). The purpose of the Company is the acquisition, holding and sale of positions in other companies as well as the management and financing of such positions in the human medicine, biotechnology, medical technology and diagnostics sectors, and related areas.

### 2. Accounting policies

The condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) IAS 34 on Interim Financial Reporting, and the provisions of the SIX Swiss Exchange Additional Rules on the Listing of Investment Companies. These interim financial statements should be read in conjunction with the Group Financial Statements for the financial year ended 31 March 2023, as they provide an update to the latest full financial report.

In preparing the interim financial statements, the same accounting policies and methods of computation have been applied as in the preparation of the annual financial statements as at 31 March 2023. The Group Financial Statements comprise HBM Healthcare Investments Ltd and the non-consolidated investment in the HBM Healthcare Investments (Cayman) Ltd. subsidiary (Subsidiary). A summary of the newly applied IFRS/IAS standards and interpretations in the reporting period is provided on pages 64 and 65 of the Group Financial Statements of the 2022/2023 Annual Report.

The newly applied standards and interpretations had no material impact on the Group's accounting policies, overall results or financial position.

Unless indicated otherwise, the values are in thousands of CHF.

The following exchange rates were used in the preparation of the financial statements:

Exchange rates (CHF)	30.9.2023	31.3.2023
CAD	0.6742	0.6772
CNY	0.1254	0.1332
DKK	0.1298	0.1332
EUR	0.9677	0.9921
GBP	1.1166	1.1292
HKD	0.1169	0.1166
INR	0.0110	0.0111
SEK	0.0839	0.0880
USD	0.9153	0.9153

## Notes to the Balance Sheet and Statement of Income

### 3. Investment in Subsidiary

The fair value of the investment in the Subsidiary HBM Healthcare Investments (Cayman) Ltd. developed as follows during the 6-month period:

	6-month period ended 30.9.2023	6-month period ended 30.9.2022
<b>Development fair value investment (CHF 000)</b>		
<b>Fair value at beginning of period</b>	<b>1 918 299</b>	<b>2 132 047</b>
Change in value, gross	-68 081	-32 148
<b>Fair value at end of period</b>	<b>1 850 218</b>	<b>2 099 899</b>

Net assets of the investment in the Subsidiary comprised the following as at the balance sheet date:

<b>Composition net assets (CHF 000)</b>	Notes	30.9.2023	31.3.2023	30.9.2022
Cash and cash equivalents		82 323	226 299	153 473
Receivables		84	31	86
Loan to parent company		105 000	0	71 500
Investments	(3.1)			
Private companies		682 725	671 994	658 990
Funds		173 363	174 060	179 522
Public companies		787 802	847 019	1 029 701
Shares of parent company		11 922	7 828	8 123
Financial instruments	(3.2)	1 872	210	1 708
Other financial assets	(3.3)	30 314	20 753	29 019
<b>Total assets</b>		<b>1 875 405</b>	<b>1 948 194</b>	<b>2 132 122</b>
Financial Instruments	(3.2)	0	0	-3 266
Provision for deferred tax on capital gain and other taxes	(3.5)	-24 944	-29 130	-28 456
Other current liabilities		-243	-765	-501
<b>Total net assets at fair value</b>		<b>1 850 218</b>	<b>1 918 299</b>	<b>2 099 899</b>

During the 6-month period, the net assets of the investment in the Subsidiary have developed as follows:

	Notes	6-month period ended 30.9.2023	6-month period ended 30.9.2022
<b>Change in net assets at fair value (CHF 000)</b>			
Net result on investments	(3.1)	-73 497	-41 042
Change in provision for deferred tax on capital gain and other taxes	(3.5)	4 186	10 078
Dividend income		1 319	2 114
Net result from financial instruments	(3.2)	1 661	-3 112
Net result from other financial assets		10 187	15 828
Net result from shares of parent company		-1 587	-989
<b>Result from investing activities</b>		<b>-57 731</b>	<b>-17 123</b>
Management fee	(3.4)	-12 052	-14 603
Personnel and other operating expenses		-528	-532
Financial result		2 230	110
<b>Change in value, gross</b>		<b>-68 081</b>	<b>-32 148</b>
<b>Net change in value of investment</b>		<b>-68 081</b>	<b>-32 148</b>

For details of individual items of net assets (balance and change), please refer to the following explanations.

### 3.1 Investments

During the 6-month period, the investments held by the Subsidiary comprised the following and they performed as follows:

<b>Development of investments (CHF 000)</b>	Private companies	Funds	Public companies	Total investments
<b>Fair value 31 March 2023</b>	<b>671 994</b>	<b>174 060</b>	<b>847 019</b>	<b>1 693 073</b>
Purchases	21 867	6 445	106 713	135 025
Sales	-585	-2 246	-107 880	-110 711
Realised gains	75	0	51 868	145 868
Realised losses	-1 100	-5 469	-60 146	-66 715
Changes in unrealised gains/losses	-9 526	573	-49 772	-152 650
Net result on investments	-10 551	-4 896	-58 050	-73 497
<b>Fair value 30 September 2023</b>	<b>682 725</b>	<b>173 363</b>	<b>787 802</b>	<b>1 643 890</b>

Details on investments can be found on pages 14 to 16.

Private companies	Domicile	Investment currency	Amount disbursed 31.3.2023	Changes in reporting period	Amount disbursed 30.9.2023	Fair value 30.9.2023	Ownership 30.9.2023	Fair value 30.9.2023	Fair value 31.3.2023
Swixx BioPharma	CH	EUR	34.8		34.8	165.5	26.3	160 204	164 230
ConnectRN	US	USD	13.9	6.0	19.9	58.1	20.0	53 141	47 649
Neurelis	US	USD	24.4		24.4	56.2	10.5	51 464	51 464
Fangzhou (Jianke) <sup>1)</sup>	CN	USD	19.9		19.9	55.6	5.4	50 931	50 931
Upstream Bio	US	USD	20.0	2.5	22.5	36.5	7.1	33 408	18 306
NiKang Therapeutics	US	USD	20.0		20.0	25.2	5.3	23 108	23 108
Numab Therapeutics	CH	CHF	22.1		22.1	22.1	7.7	22 127	22 127
Dren Bio	US	USD	15.0		15.0	22.7	8.1	20 797	20 797
Tata 1mg	IN	INR	1 130.1		1 130.1	1 791.7	4.0	19 749	19 956
Farmalatam	PA	USD	23.4	3.7	27.1	21.4	48.8	19 578	24 078
Nuance Biotech	CN	USD	14.0		14.0	18.7	3.7	17 091	17 091
Valo Health	US	USD	17.5		17.5	17.5	1.4	16 018	16 018
SAI Life Sciences	IN	INR	449.0		449.0	1 343.9	5.4	14 814	14 969
River Renal	US	USD	14.0		14.0	14.0	14.0	12 814	12 814
Odyssey Therapeutics	US	USD	13.0		13.0	13.9	3.0	12 714	16 060
Cure Everlife Holdings	MU	USD	7.2		7.2	12.3	6.8	11 304	11 304
Sphingotec	DE	EUR	18.1		18.1	11.6	25.4	11 227	11 509
ArriVent Biopharma	US	USD	12.0		12.0	12.0	3.0	10 984	10 984
Fore Biotherapeutics	US	USD	11.3	3.2	14.5	10.8	10.3	9 914	8 328
Neuron23	US	USD	8.0		8.0	10.8	2.2	9 903	9 903
Shape Memory Medical	US	USD	10.1	0.6	10.7	10.7	16.0	9 816	9 275
Aculys Pharma	JP	USD	6.0		6.0	9.9	4.8	9 067	9 067
Genalyte (BaseHealth)	US	USD	8.8		8.8	9.7	3.6	8 878	8 878
1000Farmacie	IT	EUR	4.0	1.5	5.5	8.1	14.6	7 797	3 968
C-Ray Therapeutics	CN	USD	6.0	2.0	8.0	8.0	3.3	7 322	5 492
Mahzi Therapeutics	US	USD	8.0		8.0	8.0	10.3	7 322	7 322
FogPharma	US	USD	8.4		8.4	7.5	1.7	6 869	6 869
Karius	US	USD	15.0		15.0	7.5	6.3	6 865	6 865
Ignis Therapeutics	CN	USD	7.0		7.0	7.0	1.5	6 407	6 407
Arrakis Therapeutics	US	USD	7.0		7.0	7.0	4.6	6 407	6 407
eGenesis Bio	US	USD	7.0		7.0	5.2	2.0	4 805	6 407
ADARx Pharmaceuticals	US	USD	0.0	4.0	4.0	4.0	0.5	3 661	0
Others								16 219	23 411
<b>Total private companies</b>								<b>682 725</b>	<b>671 994</b>

1) The fair value of the position takes into account a performance fee to a third party.

Funds	Investment	Total	Payments	Repayments	Cumulative	Cumulative	Fair value	Fair value	Fair value
	currency	commitment	in reporting	in reporting	payments	repayments	30.9.2023	30.9.2023	31.3.2023
	IC	IC million	IC million	IC million	IC million	IC million	IC million	CHF 000	CHF 000
HBM Genomics	USD	25.3	0.5		25.3	3.5	45.7	41 870	42 166
MedFocus Fund II	USD	26.0			26.0	25.0	23.8	21 764	22 110
120 Capital	USD	25.0	2.5		21.3	0.0	19.5	17 839	15 810
6 Dimensions Capital	USD	25.0			25.0	32.3	16.3	14 951	14 387
C-Bridge Healthcare Fund IV	USD	10.0	0.2		10.0	0.2	15.4	14 077	12 368
WuXi Healthcare Ventures II	USD	20.0		0.5	20.0	6.4	13.6	12 487	17 486
C-Bridge Healthcare Fund V	USD	15.0	0.8		10.2	0.8	11.6	10 573	9 289
HBM Genomics II	USD	15.0			10.8	0.0	9.9	9 103	9 252
Tata Capital Healthcare Fund II	USD	20.0	3.3		12.6	1.6	9.5	8 688	5 435
LYZZ Capital Fund II	USD	15.0			7.0	0.0	6.8	6 203	6 497
Tata Capital HBM Fund I	USD	10.0			9.9	6.9	5.9	5 380	4 913
Others								10 428	14 347
<b>Total funds</b>								<b>173 363</b>	<b>174 060</b>

Public companies	Investment	Balance	Changes	Changes	Balance	Share price	Ownership	Fair value	Fair value
	currency	31.3.2023	6 months	3 months	30.9.2023	30.9.2023	30.9.2023	30.9.2023	31.3.2023
	IC	Number of shares	Number of shares	Number of shares	Number of shares	IC	%	CHF 000	CHF 000
<b>Companies originating from private companies' portfolio</b>									
Cathay Biotech <sup>1)</sup>	CNY	41 455 116	-890 458	-890 458	40 564 658	55.52	7.0	282 460	332 984
Harmony Biosciences	USD	2 147 943	0	0	2 147 943	32.77	3.6	64 426	64 190
Mineralys Therapeutics	USD	2 905 606	-659 274	-659 274	2 246 332	9.51	5.5	19 553	41 648
Y-mAbs Therapeutics	USD	3 297 800	0	0	3 297 800	5.45	7.6	16 451	15 123
Pacira BioSciences	USD	451 324	0	0	451 324	30.68	1.0	12 674	16 858
Ambrx Biopharma	USD	0	833 443	833 443	833 443	11.50	1.3	8 773	0
Longboard Pharmaceuticals	USD	1 658 023	-310 056	-32 033	1 347 967	5.56	6.6	6 860	6 086
Monte Rosa Therapeutics	USD	1 464 740	-57 700	0	1 407 040	4.79	2.8	6 169	10 444
IO Biotech	USD	2 365 545	1 578 947	1 578 947	3 944 492	1.41	6.0	5 091	4 060
Others								11 570	20 670
Total companies originating from private companies' portfolio								434 027	512 063
<b>Various companies</b>									
Argenx (ADR)	USD	55 000	-10 000	0	45 000	491.63	0.1	20 250	18 756
Argenx	EUR	55 000	-10 000	0	45 000	460.60	0.1	20 058	18 590
Seagen <sup>2)</sup>	USD	150 000	-50 000	0	100 000	212.15	< 0.1	19 418	27 798
Immunogen	USD	0	1 258 738	276 838	1 258 738	15.87	0.5	18 284	0
Insmed	USD	750 000	0	0	750 000	25.25	0.5	17 333	11 704
Aurobindo Pharma	INR	1 604 630	0	0	1 604 630	914.35	0.3	16 172	9 260
Merus	USD	550 000	130 000	-141 665	680 000	23.58	1.2	14 676	9 263
Vicore Pharma	SEK	5 374 727	5 500 000	0	10 874 727	15.30	9.7	13 957	8 681
Natera	USD	290 948	0	0	290 948	44.25	0.3	11 784	14 785
Rocket Pharmaceuticals	USD	650 790	-25 790	-25 790	625 000	20.49	0.7	11 722	10 204
Celldex Therapeutics	USD	237 760	187 240	0	425 000	27.52	0.9	10 705	7 830
Horizon Therapeutics <sup>2)</sup>	USD	0	100 000	0	100 000	115.69	< 0.1	10 589	0

Continued as well as footnotes on page 16

Public companies	Investment	Balance	Changes	Changes	Balance	Share price	Ownership	Fair value	Fair value
	currency	31.3.2023	6 months	3 months	30.9.2023	30.9.2023	30.9.2023	30.9.2023	31.3.2023
	IC	Number of shares	Number of shares	Number of shares	Number of shares	IC	%	CHF 000	CHF 000
<b>Various companies</b>									
Abivax	EUR	700 000	0	0	700 000	15.00	1.7	10 161	4 827
Laurus Labs	INR	2 304 700	0	0	2 304 700	395.40	0.4	10 044	7 520
Dishman Carbogen	INR	5 560 116	0	0	5 560 116	162.55	3.6	9 962	7 726
Zymeworks	USD	1 499 259	20 000	20 000	1 519 259	6.34	2.2	8 816	12 405
Beigene	HKD	700 000	0	0	700 000	107.60	0.1	8 804	10 562
Beigene (ADR)	USD	50 000	0	0	50 000	179.87	0.1	8 232	9 864
Cogent Biosciences	USD	947 776	0	0	947 776	9.75	1.1	8 458	9 360
Shenzhen Mindray	CNY	240 000	0	0	240 000	269.81	< 0.1	8 121	9 962
Hutchmed China	HKD	2 575 000	0	0	2 575 000	26.65	0.3	8 021	6 200
Cytokinetics	USD	250 000	40 000	0	290 000	29.46	0.3	7 820	8 052
Mirati Therapeutics	USD	0	185 671	185 671	185 671	43.56	0.3	7 403	0
BioInvent	SEK	5 050 000	25 000	0	5 075 000	16.68	7.7	7 101	13 239
Guangzhou Baiyunshan	HKD	2 609 000	0	0	2 609 000	22.55	0.2	6 877	7 362
Biohaven	USD	0	250 010	250 010	250 010	26.01	0.4	5 952	0
Travere Therapeutics	USD	500 000	224 196	75 000	724 196	8.94	1.0	5 926	10 293
Cymabay Therapeutics	USD	0	421 290	421 290	421 290	14.91	0.4	5 749	0
Sakar Healthcare	INR	1 500 000	0	0	1 500 000	340.40	8.1	5 628	3 351
Polypeptide	CHF	204 087	95 913	50 000	300 000	16.72	0.9	5 016	3 778
Chinook Therapeutics <sup>3)</sup>	USD	450 000	-450 000	-450 000	0	n/a	0.0	0	9 535
Prometheus Biosciences <sup>3)</sup>	USD	50 000	-50 000	0	0	n/a	0.0	0	4 911
Others								30 736	59 138
Total various companies								353 775	334 956
<b>Total public companies</b>								<b>787 802</b>	<b>847 019</b>
<b>Total investments</b>								<b>1 643 890</b>	<b>1 693 073</b>

1) The tax on capital gain and other taxes which may be owed in China upon the sale of the investment are accrued separately (note 3.5).

2) The company was acquired during the previous financial year. The transaction will be completed after the reporting period.

3) The company was acquired and the transaction completed during the reporting period.



### 3.2 Financial instruments

The Subsidiary buys and sells derivative financial instruments in the course of its ordinary business

activities and as part of its risk management. The following positions were held as at the balance sheet date:

Holdings of financial instruments (CHF 000)	30.9.2023	31.3.2023
<b>Other financial instruments</b>		
Purchased call and put options	1 872	210
<b>Total financial instruments long</b>	<b>1 872</b>	<b>210</b>

As at the balance sheet date, no foreign currency hedge or general market risk hedge was in place.

The following gains and losses resulted from derivatives transactions conducted during the 6-month period:

Income from financial instruments (CHF 000)	6-month period ended 30.9.2023	6-month period ended 30.9.2022
Gains from other financial instruments	1 687	249
<b>Total gains from financial instruments</b>	<b>1 687</b>	<b>249</b>
Losses from currency hedging transactions	0	-3 266
Losses from other financial instruments	-26	-95
<b>Total losses from financial instruments</b>	<b>-26</b>	<b>-3 361</b>
<b>Net result from financial instruments</b>	<b>1 661</b>	<b>-3 112</b>

### 3.3 Other financial assets

Other financial assets consist primarily of contractual claims to purchase price payments from earlier trade sales that are contingent on the achievement of defined targets (milestone payments). These claims are recognised at fair value through profit and loss by applying a probability-weighted valuation approach based on the assessment of the likelihood of attaining the underlying targets. These claims are discounted over time at a discount rate of 11.0 percent (previous year: 11.0 percent). The valuation

measures applied refer to commonly used industry statistics as well as own guidelines and estimates.

The total book value as at 30 September 2023, CHF 30.3 million, was carried as other financial assets.

If the companies concerned are successful, these contractual claims could result in future payments which are many times the reported book value.

The following summary shows the value carried in the balance sheet compared with the potential cash flows:

<b>Balance sheet value and potential cash flows (CHF million)</b>	<b>Book value 30.9.2023</b>	<b>Cash flows minimum</b>	<b>Cash flows maximum</b>	<b>Expected period of payment</b>
Surface Logix <sup>1)</sup>	12.8	0.0	18.5	2023–2030
Forbius (Formation Biologics)	6.6	0.0	81.1	2025–2028
Corvidia Therapeutics	6.3	0.0	40.3	2025–2028
Vitaeris	4.1	0.0	81.7	2026–2031
Alydia Health	0.3	0.1	1.6	2023–2026
Tandem Life (Cardiac Assist)	0.2	0.0	2.3	2024
<b>Total</b>	<b>30.3</b>	<b>0.1</b>	<b>225.5</b>	

1) The valuation is based on a previous sale of license rights, formerly owned by Surface Logix, to Kadmon Pharmaceuticals, which was acquired by Sanofi. HBM Healthcare is entitled to receive royalty payments on sales.

### 3.4 Management fee and performance fee

The management fee due to HBM Partners amounts to 0.75 percent per year of the Company's assets plus 0.75 percent per year of its market capitalisation, payable quarterly at the beginning of a quarter. In the 6-month period, HBM Partners was paid CHF 12.1 million (previous year: CHF 14.6 million).

No provision for a performance fee was made during the 6-month period (previous year: none) because net assets as at the balance sheet date did not exceed the highest net assets (high water mark) used as the calculation basis for the last performance fee payment.

The high water mark for all outstanding shares is CHF 298.07 (adjusted for any dividends and capital repayments to shareholders). The cut-off date for the payment of any performance fee is 31 March of a financial year.

### 3.5 Provision for deferred tax on capital gain and other taxes

A provision in the amount of CHF 24.9 million (as at 31 March 2023: CHF 29.1 million) has been made for any tax on capital gain and other taxes owed in China that may arise on the sale of the investment in Cathay Biotech. The tax on capital gain is calculated on the difference between the relevant tax base and the disclosed fair value or the price realised on the sale of shares up to the reporting date, respectively. In addition, a sales tax may arise, which is calculated on the difference between the potential selling price and the issue price of the shares at the IPO.

### 3.6 Off-balance-sheet commitments

The Subsidiary had the following investment commitments as at the balance sheet date:

<b>Investment commitments (CHF 000)</b>	<b>30.9.2023</b>	<b>31.3.2023</b>
Other funds	27 029	33 264
Private companies	15 967	11 678
<b>Total investment commitments</b>	<b>42 996</b>	<b>44 942</b>

#### 4. Financial liabilities

The following financial liability was outstanding as at the balance sheet date: one straight bond listed on SIX Swiss Exchange with a par value of CHF 100 million, coupon of 1.125 percent and maturing on 12 July 2027; to be redeemed at 100 percent of par value.

The bond could become due for early repayment, if the outstanding investment commitments to investment funds exceed the amount of CHF 200 million, or the fair value of all investments in public portfolio companies plus cash and cash equivalents is less than two and a half times the amount of the interest-bearing financial liabilities.

The straight bond is carried at amortised cost, subject to the effective interest method. The difference between the net proceeds and the amount repayable when the bond falls due for redemption is amortised over the term of the bond and charged to financial expenses along with the interest that has been paid. The effective interest rate applied is 1.32 percent.

The fair value of the straight bond amounts to CHF 96.7 million (as at 31 March 2023: CHF 92.7 million) with a carrying amount of CHF 99.3 million (as at 31 March 2023: CHF 99.2 million). The bond is recognised under non-current liabilities.

On 10 July 2023, a bond with a par value of CHF 50 million became due for repayment. It was repaid without refinancing.

#### 5. Shareholders' equity

##### 5.1 Share capital and capital reserve

As at the balance sheet date, the Company's share capital stood at CHF 84.22 million, divided into 6960000 registered shares at a par value of CHF 12.10 each.

The Shareholders' Meeting of 19 June 2023 approved a cash distribution of CHF 7.50 per share

by means of a withholding tax exempt par value repayment. The cash payment was made on 7 August 2023 after the expiration of the legal deadlines.

##### 5.2 Treasury shares

The Shareholders' Meeting of 10 June 2022 authorised the Board of Directors to repurchase a maximum of 696000 of the Company's own shares via a second trading line. The aim of this share buy-back programme is to cancel the shares as part of a capital reduction. It will be completed no later than 27 June 2025 ("2022 share buy-back programme").

The Company holds 6570 of its own shares (as at 31 March 2023: 2910) as at the balance sheet date. In the 6-month period, 3660 of the Company's own shares were acquired (previous year: none).

##### Holdings from second trading line (number of own shares)

Beginning of period 1 April 2023	2910
Acquired via second trading line under share buy-back programme	3660
End of period 30 September 2023	6570

In addition, the subsidiary HBM Healthcare Investments (Cayman) Ltd. holds 67813 treasury shares (as at 31 March 2023: 36580), acquired via the regular trading line. During the 6-month period, the Subsidiary acquired a total of 53452 treasury shares via the regular trading line at an average price of CHF 197.08 per share (previous year: 55535 at CHF 256.39) and sold 22219 treasury shares at an average price of CHF 199.46 (previous year: 34953 at CHF 266.06).

**hbmhealthcare.com**  
Company website

**CH 0012627250**  
ISIN

**HBMN**

SIX Swiss Exchange Ticker

#### Significant shareholders

Based on the notifications received by the Company, the following shareholders reported equity holdings in HBM Healthcare Investments Ltd of three percent or more as at 30 September 2023:

#### Shareholding

15–20% Nogra Pharma Invest S.à.r.l.,  
Luxemburg

#### Fees

Management fee (paid quarterly):  
0.75% of Company assets plus  
0.75% of the Company's market capitalisation  
Performance fee (paid annually):  
15% on increase in value above the high water mark  
High water mark (per share for all outstanding  
shares) for financial year 2023/2024:  
NAV of CHF 298.07

#### Board of Directors and Management

Hans Peter Hasler, Chairman

Mario G. Giuliani, Member

Dr Elaine V. Jones, Member

Dr Rudolf Lanz, Member

Dr Stella X. Xu, Member

Dr Benedikt Suter, Secretary

Dr Andreas Wicki, Chief Executive Officer

Erwin Troxler, Chief Financial Officer

#### Investment Advisor

HBM Partners Ltd, Zug [www.hbmpartners.com](http://www.hbmpartners.com)

**Credits**

Editorial

HBM Healthcare Investments Ltd

Concept and realisation

Weber-Thedy Strategic Communication

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Küng Art Direction

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DAZ

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