

Quarterly Report

June

2022

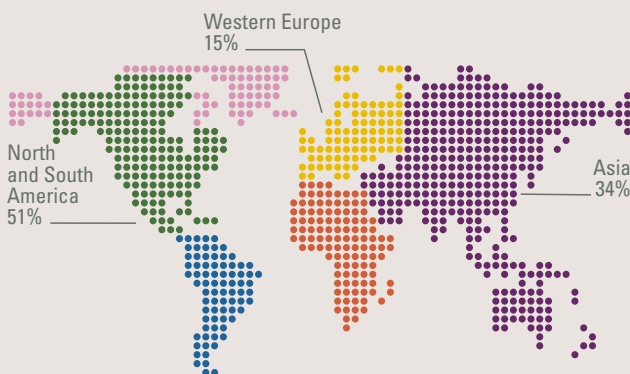
HBM Healthcare
Investments

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 continents³⁾

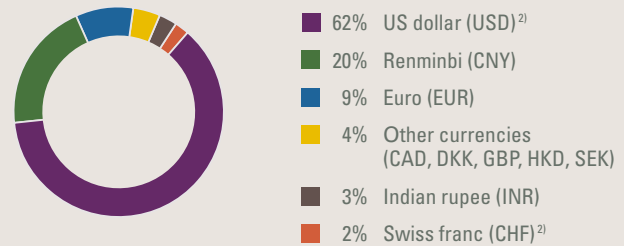
Global portfolio.



1) Total consolidated assets as at 30.6.2022: CHF 2230 million.
 2) Net of foreign currency hedge (USD/CHF): about USD 54 percent and CHF 10 percent respectively.
 3) Total investments as at 30.6.2022: CHF 2021 million.

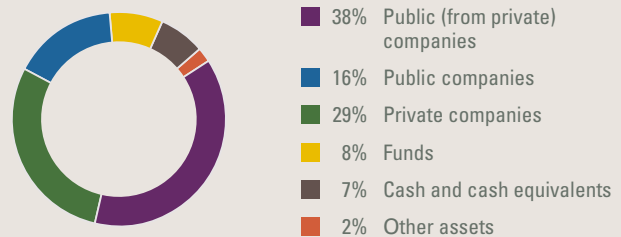
Currency allocation of assets¹⁾

Emphasis on US dollar investments.



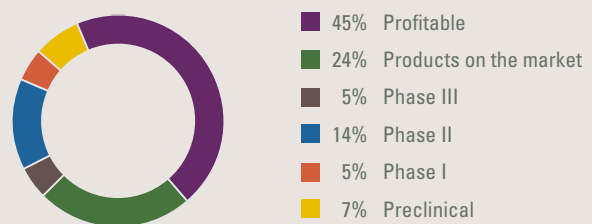
Allocation of assets¹⁾

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



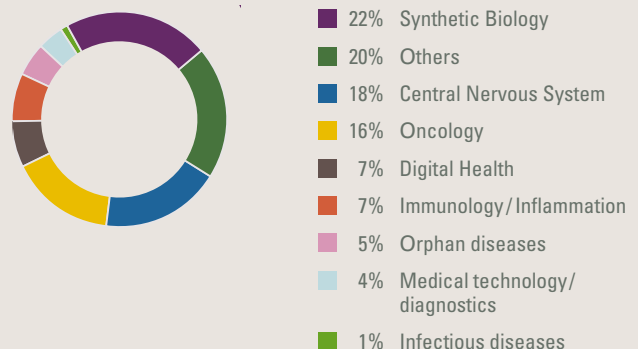
Development phase of portfolio companies³⁾

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 companies³⁾

Broadly diversified areas of activity.



Key Figures

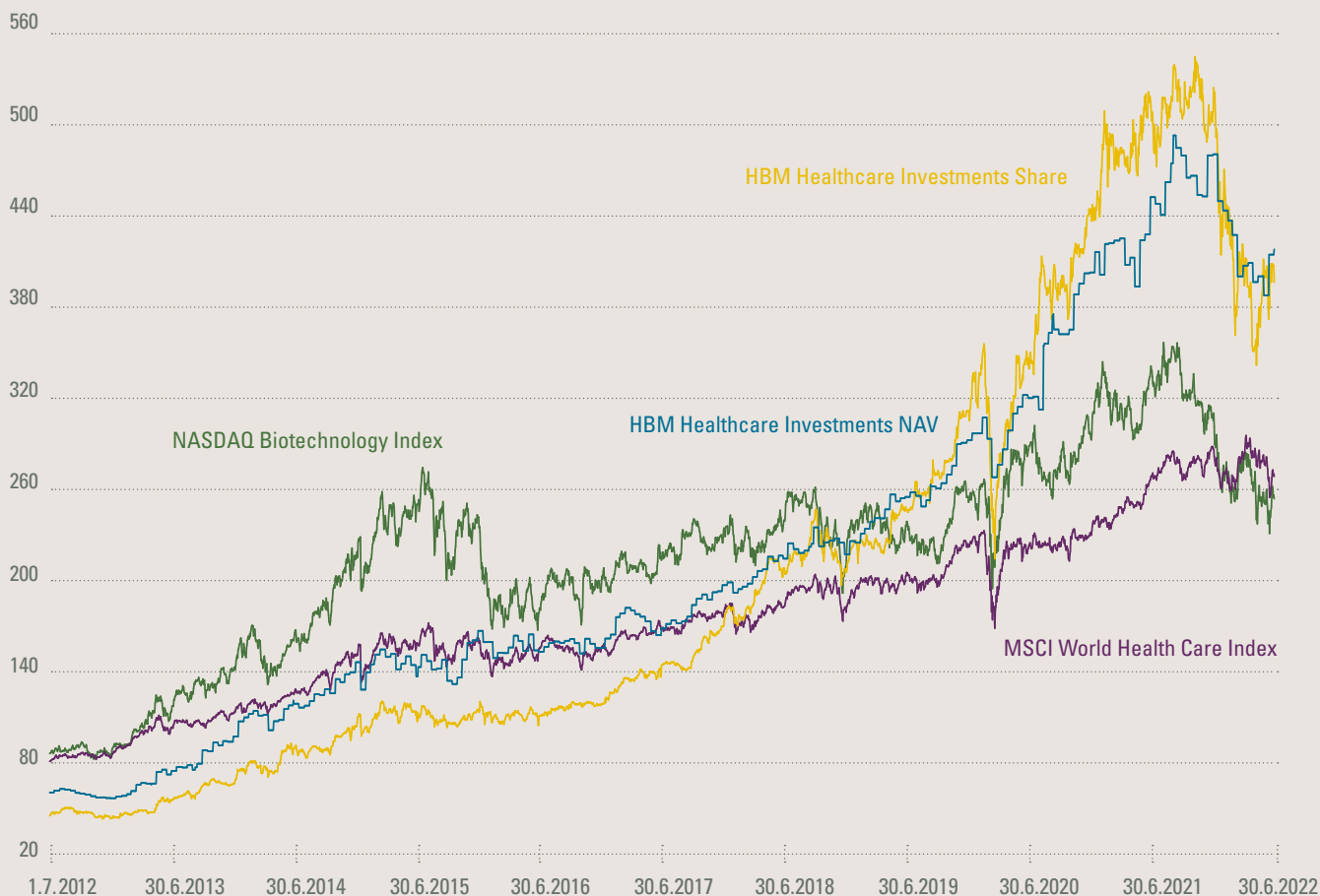
		30.6.2022	31.3.2022	31.3.2021	31.3.2020	31.3.2019
Net assets	CHF million	2038.0	1986.5	2151.5	1448.8	1318.3
Investments in private companies and funds		820.2	790.3	662.8	706.4	542.1
Investments in public companies		1200.7	1130.2	1404.2	629.9	688.2
Cash and cash equivalents (net of liability from market hedging)		166.7	223.7	327.0	224.2	176.2
Net result for the period	CHF million	51.6	-78.0	756.3	182.7	209.1
Basic earnings per share	CHF	7.41	-11.22	108.71	26.26	30.05
Net asset value (NAV) per share	CHF	292.94	285.53	309.25	208.25	189.48
Share price	CHF	265.00	276.00	332.50	190.00	168.80
Premium (+) / discount (-)	%	-9.5	-3.3	+7.5	-8.8	-10.9
Distribution per share	CHF		9.70	12.50 ¹⁾	7.70	7.50
Distribution yield	%		3.5	3.8	4.1	4.4
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)

		2022/2023 (3 months)	2021/2022	2020/2021	2019/2020	2018/2019
Net asset value (NAV)	%	2.6	-3.6	52.2	13.9	18.1
Registered share HBMN	%	-4.0	-13.2	79.1	17.0	22.1

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



HBM Healthcare Investments achieved a net profit of CHF 52 million in the first quarter of the 2022/2023 financial year in an overall declining market environment. The net asset value per share rose by 2.6 percent, while the share price fell by 4 percent. The positive quarterly result is largely owed to three acquisitions from the portfolio of public companies. With an operationally successful portfolio and a high level of cash and cash equivalents, HBM Healthcare Investments is well positioned in an environment that continues to be characterised by volatility and uncertainty. The Company hedged one fifth of the US dollar Swiss franc currency risk.

Dear Shareholders

HBM Healthcare Investments closed the first quarter of the 2022/2023 financial year as at 30 June 2022 with a net profit of CHF 52 million. The net asset value per share (NAV) increased by 2.6 percent, while the share price declined by 4 percent. Overall, the equity markets in the healthcare sector recorded declining valuations (MSCI World Health Care Index –3.9 percent, Nasdaq Biotechnology Index –6.6 percent, SPDR S&P Biotech –14.6 percent).

Three acquisitions of portfolio companies led to quarterly profit

Three acquisitions from the portfolio of public companies dominated the reporting quarter and contributed a total of CHF 70 million to quarterly profits. All companies were acquired at significant premiums of between 40 and 120 percent over the prices traded on the stock exchange.

- > In mid-April, GlaxoSmithKline announced the acquisition of Sierra Oncology for USD 1.9 billion. HBM Healthcare Investments began building a small stake in Sierra in February 2021 and increased this investment to around CHF 17 million in the first quarter of 2022 following the publication of phase III trial results for momelotinib for the treatment of myelofibrosis patients. In total, the investment resulted in a gain of CHF 21 million. CHF 16 million of this is attributable to the current financial year.

- > In May, Pfizer announced the acquisition of Biohaven Pharmaceuticals for USD 11.6 billion. This followed a strategic partnership between the two companies at the end of 2021 for the marketing of Biohaven's migraine drug Nurtec® ODT by Pfizer outside the United States. In the wake of this partnership, Biohaven acquired all the shares not already held in its subsidiary Bioshin, which is developing Nurtec® ODT for the Chinese market. HBM Healthcare invested around CHF 34 million in Biohaven since 2019 and also took a CHF 7 million stake in Bioshin in 2020. The acquisitions of Biohaven and Bioshin resulted in a profit of around CHF 63 million for HBM Healthcare Investments. Thereof, CHF 14 million was generated in the quarter just ended.
- > Lastly, at the beginning of June, Bristol-Myers Squibb signed an agreement to acquire Turning Point Therapeutics for USD 4.1 billion. HBM Healthcare Investments has held a stake in Turning Point since 2018, still a private company at the time, and invested around CHF 15 million before and at the time of the IPO. The position was actively managed after flotation. Overall, HBM Healthcare Investments generated a profit of CHF 65 million from the investment, of which CHF 40 million was generated in the current financial year.

The other assets were CHF 10 million lower in value overall.

High level of cash and cash equivalents

As of the balance sheet date at the end of June 2022, the company reported cash and cash equivalents of CHF 167 million. This does not include the proceeds of approximately CHF 125 million from the acquisitions of Turning Point Therapeutics and Biohaven Pharmaceuticals, which are expected to close in the third quarter of 2022 and early 2023, respectively.

No new investments were made in private companies during the quarter under review. CHF 18 million went to existing private companies as follow-on financing. Mineralys Therapeutics accounted for just under half of this. The company closed a USD 118 million financing round at a higher company valuation. The funds will be used for further clinical development of MLS-101, a novel treatment approach for patients with hypertension.

In the public companies' segment, new positions were selectively added to the portfolio and existing holdings were increased.

Overall, the composition of the portfolio changed little compared to the previous quarter. Due to the strong rise of the US dollar against the Swiss franc, about one fifth of the US dollar currency risk was hedged.

Outlook

The market environment is likely to remain volatile over the summer months. However, thanks to its high level of cash and cash equivalents, HBM Healthcare Investments is well positioned for this.

For the second half of 2022, a number of relevant approval decisions are pending in the portfolio of public companies. For example, Arcutis Biotherapeutics expects to receive approval for the drug roflumilast, a PDE-4 inhibitor, for the topical treatment of psoriasis, in the third quarter. At the same time, Arcutis is conducting further phase III trials with the same compound for the treatment of other skin diseases.

At Y-mAbs Therapeutics, the US Food and Drug Administration (FDA) will decide in the fourth quarter whether to approve OMBLASTYS® (omburtamab) for the treatment of childhood cancer. With DANYELZA®, Y-mAbs already has a drug approved in the US for the treatment of neuroblastoma. The drug is currently also undergoing the approval process in China. In addition, Y-mAbs is conducting numerous other clinical trials for the treatment of various cancers.

Several other public companies are also due to report important study results, which, if successful, should have a positive impact on the value of these companies.

The portfolio remains well positioned. Operationally, many of the companies are developing successfully and – as demonstrated by the recent acquisitions – are attractive for strategic buyers.

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



Dr Andreas Wicki
CEO



Erwin Troxler
CFO

Balance sheet (CHF 000)	Notes	30.6.2022	31.3.2022
Assets			
Current assets			
Cash and cash equivalents		4 972	5 388
Receivables		28	20
Total current assets		5 000	5 408
Non-current assets			
Investment in subsidiary	(3)	2 184 539	2 132 047
Total non-current assets		2 184 539	2 132 047
Total assets		2 189 539	2 137 455
Liabilities			
Current liabilities			
Other liabilities		2 509	2 045
Total current liabilities		2 509	2 045
Non-current liabilities			
Financial liabilities	(4)	148 986	148 920
Total non-current liabilities		148 986	148 920
Shareholders' equity			
Share capital	(5.1)	203 928	203 928
Treasury shares	(5.2)	-402	-402
Capital reserve	(5.1)	142 173	142 173
Retained earnings		1 692 345	1 640 791
Total shareholders' equity		2 038 044	1 986 490
Total liabilities and shareholders' equity		2 189 539	2 137 455
Number of outstanding shares (in 000)		6 957	6 957
Net asset value (NAV) per share (CHF)		292.94	285.53

	Notes	Quarter ended 30.6.2022	Quarter ended 30.6.2021
Statement of comprehensive income for the period 1 April to 30 June (CHF 000)			
Net change in value of investment in subsidiary	(3)	52 492	136 950
Result from investment activities		52 492	136 950
Personnel expenses		- 179	- 180
Other operating expenses		- 98	- 146
Result before interest and taxes		52 215	136 624
Financial expenses		- 661	- 636
Financial income		0	0
Income taxes		0	0
Net result for the period		51 554	135 988
Comprehensive result		51 554	135 988
Number of outstanding shares, time-weighted (in 000)		6 957	6 957
Basic earnings per share (CHF)		7.41	19.55

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

Statement of cash flows for the period 1 April to 30 June (CHF 000)	Quarter ended 30.6.2022	Quarter ended 30.6.2021
Expenses paid (personnel and other operating expenses)	-416	-7 756
Net cash flow from operating activities	-416	-7 756
Interest paid	0	-19
Loan from subsidiary	0	8 000
Net cash flow from financing activities	0	7 981
Currency translation differences	0	0
Net change in cash and cash equivalents	-416	225
Cash and cash equivalents at beginning of period	5 388	6 033
Cash and cash equivalents at end of period	4 972	6 258

Statement of changes in equity (CHF 000)	Share capital	Treasury shares	Capital reserve	Retained earnings	Total shareholders' equity
Balance 31 March 2021	290 928	-402	142 137	1 718 822	2 151 485
Comprehensive result				135 988	135 988
Balance 30 June 2021	290 928	-402	142 137	1 854 810	2 287 473
Comprehensive result				-214 019	-214 019
Par value repayment (9.9.2021)	-87 000		36		-86 964
Balance 31 March 2022	203 928	-402	142 173	1 640 791	1 986 490
Comprehensive result				51 554	51 554
Balance 30 June 2022	203 928	-402	142 173	1 692 345	2 038 044

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 2022, 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 2022. 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 65 and 66 of the Group Financial Statements of the 2021/2022 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)	30.6.2022	31.3.2022
CAD	0.7419	0.7377
CNY	0.1426	0.1455
DKK	0.1346	0.1373
EUR	1.0013	1.0209
GBP	1.1631	1.2120
HKD	0.1217	0.1178
INR	0.0121	0.0122
SEK	0.0934	0.0982
USD	0.9551	0.9225

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 in the period under review:

	Quarter ended 30.6.2022	Quarter ended 30.6.2021
Development fair value investment (CHF 000)		
Fair value at the beginning of period	2 132 047	2 255 830
Change in value, gross	52 492	136 950
Fair value at the end of period	2 184 539	2 392 780

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

Composition net assets (CHF 000)	Notes	30.6.2022	31.3.2022	30.6.2021
Cash and cash equivalents		161 690	218 290	187 724
Receivables		29	29	99
Loan to parent company		0	0	8 000
Investments	(3.1)			
Private companies		641 604	614 348	504 353
Funds		178 558	175 915	199 882
Public companies		1 200 690	1 130 196	1 507 190
Shares of parent company		4 818	4 441	223
Financial instruments	(3.2)	9 191	1 512	0
Other financial assets	(3.3)	28 213	26 580	30 601
Total assets		2 224 793	2 171 311	2 438 072
Financial instruments	(3.2)	0	0	-9 565
Liability from performance fee	(3.4)	0	0	-1 266
Provision for deferred tax on capital gain and other taxes	(3.5)	-39 548	-38 534	-34 336
Other current liabilities		-706	-730	-125
Total net assets at fair value		2 184 539	2 132 047	2 392 780

During the reporting period, the net assets of the investment in the Subsidiary have developed as follows:

	Notes	Quarter ended 30.6.2022	Quarter ended 30.6.2021
Change in net assets at fair value (CHF 000)			
Net result on investments	(3.1)	44 344	135 774
Change in provision for deferred tax on capital gain and other taxes	(3.5)	-1 014	-9 611
Dividend income		98	80
Net result from financial instruments	(3.2)	7 679	30 510
Net result from other financial assets		8 841	-10 157
Net result from shares of parent company		96	272
Result from investing activities		60 044	146 868
Management fee	(3.4)	-7 325	-8 371
Performance fee	(3.4)	0	-1 266
Personnel and other operating expenses		-235	-280
Financial result		8	-1
Change in value, gross		52 492	136 950
Net change in value of investment		52 492	136 950

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

3.1 Investments

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

Development of investments (CHF 000)	Private companies	Funds	Public companies	Total investments
Fair value 31 March 2022	614 348	175 915	1 130 196	1 920 459
Purchases	17 801	8 844	120 822	147 467
Sales	-1 696	-9 575	-80 147	-91 418
Realised gains	7	1 484	21 556	23 047
Realised losses	-47	-239	-698	-984
Changes in unrealised gains/losses	11 191	2 129	8 961	22 281
Net result on investments	11 151	3 374	29 819	44 344
Fair value 30 June 2022	641 604	178 558	1 200 690	2 020 852

Details on investments can be found on pages 13 to 15.

Private companies	Domicile	Investment currency	Amount disbursed 31.3.2022	Changes in reporting period	Amount disbursed 30.6.2022	Fair value 30.6.2022	Ownership 30.6.2022	Fair value 30.6.2022	Fair value 31.3.2022
			IC million	IC million	IC million	IC million	%	CHF 000	CHF 000
Swixx BioPharma	CH	EUR	34.8		34.8	141.7	26.3	141 848	144 625
Neurelis	US	USD	24.4		24.4	56.2	10.5	53 702	51 869
ConnectRN	US	USD	13.9		13.9	52.1	21.7	49 721	48 024
Mineralys Therapeutics	US	USD	10.0	9.0	19.0	27.1	10.1	25 903	9 224
NiKang Therapeutics	US	USD	20.0		20.0	25.2	5.3	24 113	23 290
Dren Bio	US	USD	15.0		15.0	22.7	7.8	21 701	20 960
FarmaLatam	PA	USD	14.8	3.7	18.5	21.4	47.7	20 465	16 329
Tata 1mg	IN	INR	971.1		971.1	1 632.7	3.9	19 745	19 873
Fangzhou (Jianke)	CN	USD	19.9		19.9	19.7	6.0	18 846	18 203
Nuance Pharma	CN	USD	14.0		14.0	18.7	3.7	17 834	17 225
Numab Therapeutics	CH	CHF	17.0		17.0	17.0	6.5	17 000	17 000
Odyssey Therapeutics	US	USD	10.0	3.0	13.0	17.5	2.9	16 759	13 076
SAI Life Sciences	IN	INR	449.0		449.0	1 343.9	5.5	16 253	16 359
Valo Health	US	USD	15.0		15.0	15.0	1.3	14 326	13 837
Karius	US	USD	15.0		15.0	15.0	4.9	14 326	13 837
Adrenomed	DE	EUR	12.7		12.7	12.7	10.5	12 681	12 929
Upstream Bio	US	USD	11.0		11.0	11.0	6.5	10 506	10 148
Neuron23	US	USD	8.0		8.0	10.8	2.2	10 333	9 980
Genalyte (BaseHealth)	US	USD	7.5		7.5	10.2	3.5	9 759	9 426
River Renal	US	USD	10.0		10.0	10.0	12.5	9 551	9 225
Aculys Pharma	JP	USD	6.0		6.0	9.9	4.8	9 461	9 139
Fore Biotherapeutics (NovellusDx)	IL	USD	9.0		9.0	9.0	10.4	8 596	8 303
Shape Memory Medical	US	USD	8.8		8.8	8.8	16.8	8 405	8 118
Valcare	IL	USD	5.7		5.7	8.5	8.0	8 145	7 867
Acrivon Therapeutics	US	USD	8.0		8.0	8.0	3.6	7 641	7 380
Visen Pharmaceuticals	CN	USD	7.5		7.5	7.5	0.6	7 163	6 919
Arrakis Therapeutics	US	USD	7.0		7.0	7.0	4.6	6 686	6 457
eGenesis Bio	US	USD	7.0		7.0	7.0	2.0	6 686	6 457
Cure Everlife Holdings	MU	USD	8.9	-1.7	7.2	6.7	9.3	6 369	7 775
Cardialen	US	USD	6.5		6.5	6.5	17.8	6 208	5 996
Sphingotec	DE	EUR	13.0	1.5	14.5	5.5	14.2	5 507	10 975
FogPharma	US	USD	5.0		5.0	5.0	1.9	4 776	4 613
Ignis Therapeutics	CN	USD	4.2		4.2	4.2	1.2	4 011	3 875
1000Farmacie	IT	EUR	4.0		4.0	4.0	14.6	4 005	4 084
Mahzi Therapeutics	US	USD	4.0		4.0	4.0	5.2	3 820	3 690
Vascular Dynamics	US	USD	12.5	1.1	13.6	3.7	8.0	3 568	2 450
MicroOptx	US	USD	3.0		3.0	3.0	8.3	2 865	2 767
Freenome Holdings	US	USD	3.0		3.0	3.0	0.2	2 865	2 767
Polyneuron Pharmaceuticals	CH	CHF	9.9		9.9	2.5	16.1	2 482	2 482
C Ray Therapeutics	CN	USD	2.0		2.0	2.0	1.6	1 910	1 845
Antiva Biosciences	US	USD	1.5		1.5	1.5	1.8	1 433	1 384
Others								3 630	3 566
Total private companies								641 604	614 348

Funds	Investment currency	Total commitment	Payments	Repayments	Cumulative	Cumulative	Fair value	Fair value	Fair value
			in reporting period	in reporting period	payments 30.6.2022	repayments 30.6.2022	30.6.2022	30.6.2022	31.3.2022
	IC	IC million	IC million	IC million	IC million	IC million	IC million	CHF 000	CHF 000
HBM Genomics	USD	24.4	0.5	3.5	24.4	3.5	32.3	30 871	35 309
MedFocus Fund II	USD	26.0			26.0	25.0	24.7	23 628	21 868
WuXi Healthcare Ventures II	USD	20.0		2.0	20.0	5.9	22.5	21 481	22 982
6 Dimensions Capital	USD	25.0		1.5	25.0	27.5	21.9	20 904	21 594
120 Capital	USD	25.0	5.0		18.8	0.0	18.0	17 229	12 107
C-Bridge Healthcare Fund IV	USD	10.0			9.7	0.2	11.3	10 812	10 839
HBM BioCapital II ¹⁾	EUR	42.0		1.9	46.1	23.7	9.0	8 981	10 792
LYZZ Capital Fund II	USD	15.0			5.6	0.0	6.4	6 141	5 517
C-Bridge Healthcare Fund V	USD	15.0		0.2	5.6	0.8	6.3	6 004	4 315
Tata Capital HBM Fund I	USD	10.0			9.9	6.9	5.6	5 362	5 807
HBM Genomics II	USD	15.0	2.0		6.0	0.0	5.6	5 347	3 406
Tata Capital Healthcare Fund II	USD	20.0	1.7	0.7	7.5	1.6	4.6	4 438	3 824
Galen Partners V	USD	10.0			10.4	8.8	4.2	3 971	3 836
Hatteras Venture Partners III	USD	10.0			10.2	2.9	4.0	3 773	4 001
BioVeda China IV	USD	5.0			4.0	0.9	3.5	3 359	3 234
BioMedInvest II	CHF	10.0			10.0	3.9	2.8	2 820	3 030
BioMedInvest I	CHF	26.0			26.0	27.6	1.7	1 737	1 742
Nordic Biotech	DKK	31.0			31.0	221.7	8.1	1 084	1 116
Others								616	596
Total funds								178 558	175 915

1) The fair value of EUR 9.0 million takes into account the fund's cumulative management fees of EUR 6.0 million. This amount has been reimbursed in full to HBM Healthcare so that fees are not levied twice.

Public companies	Investment currency	Balance 31.3.2022	Changes in reporting period	Balance 30.6.2022	Share price 30.6.2022	Ownership 30.6.2022	Fair value 30.6.2022	Fair value 31.3.2022
	IC	Number of shares	Number of shares	Number of shares	IC	%	CHF 000	CHF 000
Companies originating from private companies portfolio								
Cathay Biotech ¹⁾	CNY	29 610 798	0	29 610 798	104.25	7.1	440 109	430 884
Harmony Biosciences	USD	3 663 228	0	3 663 228	48.77	6.2	170 634	164 404
Turning Point Therapeutics ²⁾	USD	633 520	237 639	871 159	75.25	1.8	62 611	15 692
Y-mAbs Therapeutics	USD	3 690 954	200 000	3 890 954	15.13	8.9	56 227	40 450
Pacira BioSciences	USD	451 324	0	451 324	58.30	1.0	25 131	31 776
Arcutis Biotherapeutics	USD	948 666	0	948 666	21.31	1.9	19 308	16 855
Monte Rosa Therapeutics	USD	1 798 516	0	1 798 516	9.67	3.9	16 611	23 261
IO Biotech	USD	2 420 484	0	2 420 484	4.67	8.4	10 796	11 834
Ambrx Biopharma	USD	2 408 081	0	2 408 081	2.65	6.2	6 095	9 152
Longboard Pharmaceuticals	USD	1 880 000	0	1 880 000	3.09	11.1	5 548	9 261
Others							24 001	39 278
Total companies originating from private companies portfolio							837 071	792 847
Various companies								
Biohaven Pharmaceuticals ²⁾	USD	428 094	20 713	448 807	145.71	0.6	62 459	46 825
Argenx (ADR)	USD	60 000	0	60 000	378.88	0.1	21 712	17 452
Argenx	EUR	60 000	0	60 000	357.50	0.1	21 478	17 305
ChemoCentryx	USD	739 842	0	739 842	24.78	1.0	17 510	17 110
BioInvent	SEK	3 985 204	14 796	4 000 000	44.90	6.8	16 778	17 362
Laurus Labs	INR	2 693 024	-9 913	2 683 111	464.70	0.5	15 079	19 343
Vicore Pharma	SEK	4 620 302	54 545	4 674 847	26.40	6.5	11 529	10 273
Zymeworks	USD	1 763 372	80 000	1 843 372	5.30	3.2	9 331	10 655
Hutchmed China	HKD	3 890 000	0	3 890 000	19.34	0.5	9 158	13 790
Aurobindo Pharma	INR	1 351 002	100 000	1 451 002	513.10	0.3	9 004	10 994
Beigene	HKD	700 000	0	700 000	98.50	0.1	8 393	9 992
Iovance	USD	782 923	0	782 923	11.04	0.5	8 255	12 025
Rocket Pharmaceuticals	USD	578 079	0	578 079	13.76	0.9	7 597	8 458
Dishman Carbogen	INR	4 939 968	620 148	5 560 116	112.95	3.6	7 595	11 109
Mirati Therapeutics	USD	111 404	3 300	114 704	67.13	0.2	7 354	8 450
Guangzhou Baiyunshan	HKD	2 609 000	0	2 609 000	23.00	0.2	7 304	6 376
Blueprint Medicines	USD	145 000	0	145 000	50.51	0.2	6 995	8 545
Epizyme	USD	0	4 693 089	4 693 089	1.47	2.8	6 589	0
CTI Biopharma	USD	0	1 114 858	1 114 858	5.97	1.0	6 357	0
Index Pharmaceuticals	SEK	52 916 667	0	52 916 667	1.10	9.9	5 418	7 512
Nicox	EUR	3 019 102	0	3 019 102	1.72	7.0	5 194	6 041
Cogent Biosciences	USD	0	596 683	596 683	9.02	0.7	5 140	0
Others							87 390	77 732
Total various companies							363 619	337 349
Total public companies							1 200 690	1 130 196
Total investments							2 020 852	1 920 459

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). The shares are subject to a holding period until August 2023 and the disclosed fair value of the investment includes a lock-up discount. The share price of CNY 111.80 as at 30.6.2022 was adjusted by a discount of 6.75% to CNY 104.25.

2) The companies were acquired during the reporting period. The transactions will be completed after 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)	30.6.2022	31.3.2022
Currency hedging		
Forward contracts for currency hedging purposes	7 737	0
Other financial instruments		
Purchased call and put options	1 454	1 512
Total financial instruments long	9 191	1 512
Total financial instruments short	0	0

As at the balance sheet date, the foreign currency risk derived from the USD/CHF exchange rate was partially hedged by means of a forward sale of USD 0.3 billion. The market value of the hedging position amounted to CHF 7.7 million as at the balance sheet date.

The following gains and losses resulted from derivatives transactions conducted during the period under review:

	Quarter ended 30.6.2022	Quarter ended 30.6.2021
Income from financial instruments (CHF 000)		
Gains from currency hedging transactions	7 737	24 024
Gains from market hedging transactions	0	6 486
Gains from other financial instruments	43	0
Total gains from financial instruments	7 780	30 510
Losses from other financial instruments	- 101	0
Total losses from financial instruments	- 101	0
Net result from financial instruments	7 679	30 510

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.

Of the total book value as at 30 June 2022, CHF 28.2 million were carried as other financial assets (claims from investments held directly by HBM Healthcare). An additional CHF 0.1 million are reported under "Investments - Other private companies" (claims from investments held indirectly via HBM BioCapital I).

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:

Balance sheet value and potential cash flows (CHF million)	Book value 30.6.2022	Cash flows minimum	Cash flows maximum	Expected period of payment
Forbuis (Formation Biologics)	14.6	2.1	86.5	2022–2029
Corvidia Therapeutics	7.3	0.0	42.0	2024–2029
Vitaeris	5.0	0.0	85.3	2024
TandemLife (Cardiac Assist)	1.0	0.0	2.3	2024
Alydia Health	0.3	0.1	1.7	2022–2026
Nereus ¹⁾	0.1	0.0	21.3	2023–2025
Tripex (former Mpex) ²⁾	0.0	0.0	8.4	from 2022 onwards
Total	28.3	2.2	247.5	

1) The valuation is based on a previous asset sale to Triphase Accelerator and on the share price of BeyondSpring, and thus depends on the share price development.

2) Not including any revenue-sharing agreement. The potential return may be higher than this figure.

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 reporting period, HBM Partners was paid CHF 7.3 million (previous year: CHF 8.4 million).

No provision for a performance fee was made during the reporting period (previous year: CHF 1.3 million)

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 315.27 (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 39.5 million (as at 31 March 2022: CHF 38.5 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. 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:

Investment commitments (CHF 000)	30.6.2022	31.3.2022
HBM BioCapital I+II	0	0
Other funds	46 093	52 556
Private companies	35 709	38 293
Total investment commitments	81 802	90 849

4. Financial liabilities

The following financial liabilities were outstanding as at the balance sheet date: two straight bonds listed on SIX Swiss Exchange with a par value of CHF 50 and CHF 100 million, coupons of 2.5 and 1.125 percent and maturing on 10 July 2023 and 12 July 2027 respectively; to be redeemed at 100 percent of par value.

The bonds could become due for early repayment, if the outstanding investment commitments to investment funds exceed the amount of CHF 100 or CHF 200 million, respectively, 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 bonds are carried at amortised cost, subject to the effective interest method. The difference between the net proceeds and the amount repayable when the bonds fall due for redemption is amortised over the term of the bonds and charged to financial expenses along with the interest that has been paid. The effective interest rates applied are 2.67 and 1.32 percent, respectively.

The fair value of the two straight bonds amounts to CHF 144.0 million (as at 31 March 2022: CHF 149.0 million) with a carrying amount of CHF 149.0 million (as at 31 March 2022: CHF 148.9 million). The bonds are recognised under non-current liabilities.

5. Shareholders' equity

5.1 Share capital and capital reserve

As at the balance sheet date, the Company's share capital stood at CHF 203.93 million, divided into 6960000 registered shares at a par value of CHF 29.30 each.

The Shareholders' Meeting of 10 June 2022 approved a cash distribution of CHF 9.70 per share by means of a withholding tax exempt par value repayment. The cash payment will be made after the expiration of the legal deadlines in the third quarter of calendar year 2022.

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 2910 of its own shares (as at 31 March 2022: 2910) as at the balance sheet date. In the reporting period, none of the Company's own shares were acquired (previous year: none).

In addition, the subsidiary HBM Healthcare Investments (Cayman) Ltd. holds 18181 treasury shares (as at 31 March 2022: 16091), acquired via the regular trading line. During the reporting period, the Subsidiary acquired a total of 25149 treasury shares via the regular trading line at an average price of CHF 256.47 per share (previous year: 15765 at CHF 334.69) and sold 23059 treasury shares at an average price of CHF 267.51 (previous year: 21991 at CHF 345.79).

Holdings from second trading line (number of own shares)

Beginning of period 1 April 2022	2910
Acquired via second trading line under share buy-back programme	0
End of period 30 June 2022	2910

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 June 2022:

Shareholding

15–20%	Nogra Pharma Invest S.à.r.l., Luxemburg
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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 2022/2023:
NAV of CHF 315.27

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

Credits

Editorial

HBM Healthcare Investments Ltd

Concept and realisation

Weber-Thedy Strategic Communication

Design

Küng Art Direction

Layout and print

DAZ

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