

Quarterly Report

**December**

**2023**

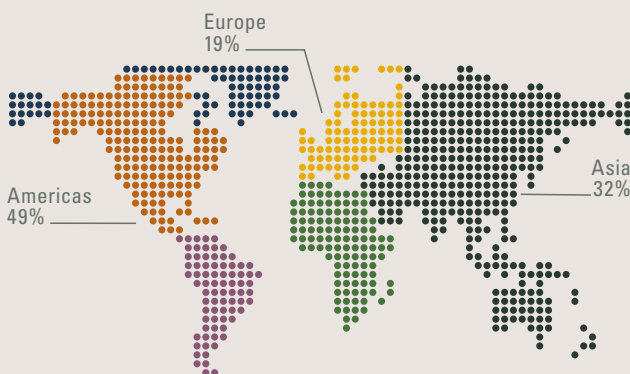
**HBM** Healthcare  
Investments

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).

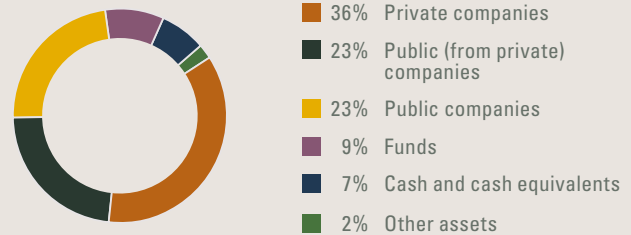
**Investments by continents<sup>2)</sup>**

Global portfolio.



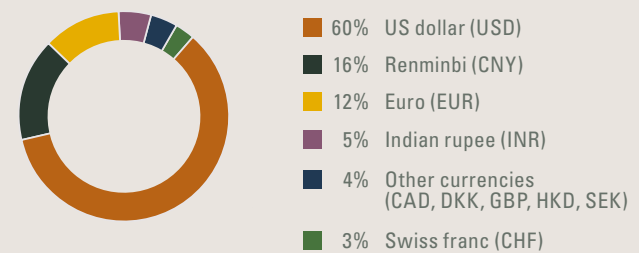
**Allocation of assets<sup>1)</sup>**

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



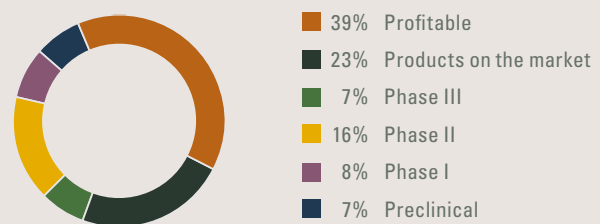
**Currency allocation of assets<sup>1)</sup>**

Emphasis on US dollar investments.



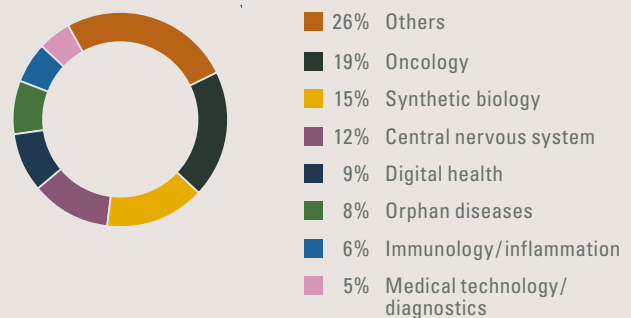
**Development phase of portfolio companies<sup>2)</sup>**

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.



1) Total consolidated assets as at 31.12.2023: CHF 1 680 million.

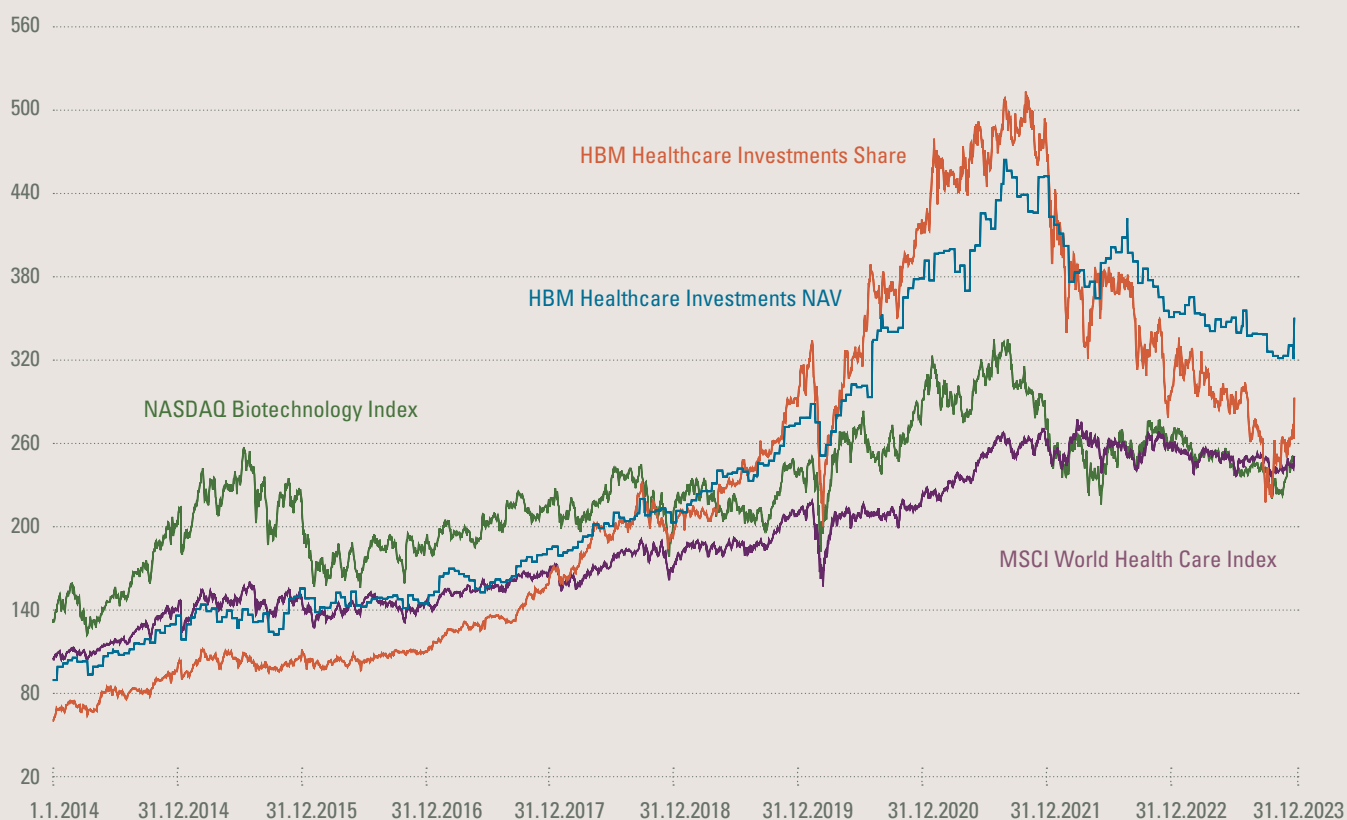
2) Total investments as at 31.12.2023: CHF 1 524 million.

<b>Key Figures</b>		31.12.2023	31.3.2023	31.3.2022	31.3.2021	31.3.2020
<b>Net assets</b>	CHF million	<b>1555.3</b>	<b>1772.7</b>	<b>1986.5</b>	<b>2151.5</b>	<b>1448.8</b>
Investments in private companies and funds		756.3	846.1	790.3	662.8	706.4
Investments in public companies		767.4	847.0	1130.2	1404.2	629.9
Cash and cash equivalents (net of liability from market hedging)		115.0	232.0	223.7	327.0	224.2
<b>Net result for the period</b>	CHF million	<b>-157.5</b>	<b>-146.3</b>	<b>-78.0</b>	<b>756.3</b>	<b>182.7</b>
Basic earnings per share	CHF	-22.68	-21.03	-11.22	108.71	26.26
Net asset value (NAV) per share	CHF	225.03	254.80	285.53	309.25	208.25
Share price	CHF	182.60	214.00	276.00	332.50	190.00
<b>Premium (+) / discount (-)</b>	%	<b>-18.9</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)	6.9	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.

<b>Performance (including distributions)</b>		2023/2024 (9 months)	2022/2023	2021/2022	2020/2021	2019/2020
Net asset value (NAV)	%	-8.7	-7.4	-3.6	52.2	13.9
Registered share HBMN	%	-11.2	-18.9	-13.2	79.1	17.0

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



HBM Healthcare Investments reported a loss of CHF 158 million for the first nine months of the 2023/2024 financial year as at 31 December 2023. The net asset value per share (NAV) fell by 8.7 percent. Unfavourable currency developments accounting for – 8.5 percent were the decisive factor. The performance of the portfolio companies was mixed. In the case of public companies, acquisitions and positive study results led to an overall increase in value, whereas several private companies were hit with impairments. As their value potential seems intact, however, these revaluations are expected to be only temporary in most cases. HBM Healthcare's asset allocation remained largely unchanged. Overall, the market environment in the biotech sector brightened, ensuring a pleasing start to the 2024 calendar year.

#### **Dear Shareholders**

The market environment for growth companies in the biotechnology sector brightened somewhat towards the end of 2023 following the weak summer months. This development was driven by the easing of the interest rate environment in the United States and convincing takeover activity at high premiums in the Biotech sector. On the other hand, the Swiss franc appreciated strongly against our investment currencies, which weighed on the result.

HBM Healthcare Investments recorded a loss of CHF 87 million in the third quarter of the 2023/2024 financial year ending 31 December. The net asset value per share (NAV) fell by 5.1 percent, whereas the share price rose by 3.9 percent.

For the first nine months of the 2023/2024 financial year, the loss sums up to CHF –158 million, with NAV down 8.7 percent. Impacting NAV by –8.5 percent, unfavourable currency developments were the decisive factor.

### **Heterogenous portfolio developments**

**Public companies** had a negative impact of CHF –30 million on the 9-month result. Market price increases totalling CHF 48 million net at constant exchange rates compare to adverse currency movements of CHF –78 million.

The acquisitions of ImmunoGen (by AbbVie), Chinook Therapeutics (by Novartis) and Prometheus Biosciences (by Merck) resulted in added value of CHF 27 million. Biohaven (CHF 12 million), Cytokinetics (CHF 11 million) and ALX Oncology (CHF 10 million) recorded positive value developments based on clinical trial data.

In India, portfolio companies benefited from the strong local market momentum and increased in value by CHF 17 million despite the sharp depreciation of the Indian rupee against the Swiss franc.

Although there were no significant company-specific news, Cathay Biotech (CHF –63 million) and Mineralys Therapeutics (CHF –18 million), both originating from the private companies' portfolio suffered decreases in value. Still, profit taking in Cathay Biotech with one seventh of the position, has so far led to initial gains and cash.

**Private companies** added a loss of CHF –96 million to the 9-month result. Of this, CHF –49 million net was attributable to unfavourable developments in market prices and CHF –47 million to adverse currency effects.

The value of ConnectRN (CHF –22 million), Farmalatam (CHF –18 million), Spingotec (CHF –9 million), Adrenomed, Odyssey Therapeutics and Valcare (CHF –4 million each) declined in value due to lower valuations at financing rounds or failure to achieve operational targets. In most cases, however, HBM Healthcare Investments considers the companies' potential to be intact and therefore assumes that the value corrections will be of a temporary nature. Upstream Bio (CHF +10 million) received a positive valuation.

The **fund** portfolio had a negative impact of CHF –22 million on the result. Of this, CHF –8 million is attributable to value adjustments and CHF –14 million to currency changes.

**Other assets** made a net positive contribution to earnings of CHF 9 million.

## Asset allocation

The asset allocation changed not much compared to the beginning of the financial year: 46 percent of assets are invested in public companies (23 percent were previously private companies). Private companies account for 36 percent, funds for 9 percent, cash and cash equivalents for 7 percent, and other assets for 2 percent.

Cash and cash equivalents amount to CHF 115 million. This does not include approx. CHF 30 million that is expected when the acquisition of ImmunoGen by AbbVie is finalised in the first quarter of 2024.

Around CHF 8 million was used for share repurchases within the current share buy-back programme.

## Outlook

The 2024 calendar year got off to a good start for HBM Healthcare Investments. At the beginning of January, Ambrx Biopharma, a formerly private portfolio company that is now listed on the stock exchange, agreed to a USD 2 billion takeover offer from Johnson & Johnson. The takeover price includes a premium to market capitalisation of more than 100 percent. The transaction, which is expected to be completed in the first half of 2024, will generate around USD 23 million for HBM Healthcare who sees this as a further indicator that takeover activity in the healthcare sector will remain at a high level in 2024.

Longboard Pharmaceuticals, another formerly private portfolio company, and listed on Nasdaq since 2021, published initial clinical data from a phase Ib/Ia trial for bexicaserin for the treatment of patients with developmental and epileptic encephalopathies (DEES) at the beginning of the year. Based on this data, the company's market capitalisation quadrupled. This illustrates how low stock market valuations have fallen for companies active in early clinical development. We assume that these companies' valuation level will normalise again over time, which should benefit many of our public portfolio companies.

From the portfolio of private companies, ArriVent Biopharma has published the IPO prospectus for its intended listing on the Nasdaq stock exchange. This raises hopes that the market environment for IPOs will improve again.

Last but not least, portfolio companies are successfully continuing their clinical development activities, generating added value, which, however, is not directly reflected in our net asset value. For example, following the positive phase Ib data for its lead programme in asthma, Upstream Bio announced the start of a further phase II study for chronic sinusitis at the beginning of the year, while Dren Bio is also about to enter phase II following promising initial data with its lead programme on leukaemia and lymphoma.

Overall, there are signs that the market environment is brightening. At the same time, however, volatility is likely to remain with us in 2024.

We would like to thank you, our valued shareholders, for the trust you have placed in us.



Dr Andreas Wicki  
CEO



Erwin Troxler  
CFO

<b>Balance sheet</b> (CHF 000)	Notes	31.12.2023	31.3.2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		7 884	5 732
Receivables		59	16
<b>Total current assets</b>		<b>7 943</b>	<b>5 748</b>
<b>Non-current assets</b>			
Investment in subsidiary	(3)	1 763 788	1 918 299
<b>Total non-current assets</b>		<b>1 763 788</b>	<b>1 918 299</b>
<b>Total assets</b>		<b>1 771 731</b>	<b>1 924 047</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Liability to subsidiary		115 000	0
Financial liabilities	(4)	0	49 978
Other liabilities		2 121	2 173
<b>Total current liabilities</b>		<b>117 121</b>	<b>52 151</b>
<b>Non-current liabilities</b>			
Financial liabilities	(4)	99 344	99 208
<b>Total non-current liabilities</b>		<b>99 344</b>	<b>99 208</b>
<b>Shareholders' equity</b>			
Share capital	(5.1)	84 216	136 416
Treasury shares	(5.2)	-8 129	-402
Capital reserve		142 250	142 201
Retained earnings		1 336 929	1 494 473
<b>Total shareholders' equity</b>		<b>1 555 266</b>	<b>1 772 688</b>
<b>Total liabilities and shareholders' equity</b>		<b>1 771 731</b>	<b>1 924 047</b>
Number of outstanding shares (in 000)		6 911	6 957
Net asset value (NAV) per share (CHF)		225.03	254.80



<b>Statement of comprehensive income for the period 1 April to 31 December (CHF 000)</b>	Notes	Quarter ended 31.12.2023	Quarter ended 31.12.2022	9-month period ended 31.12.2023	9-month period ended 31.12.2022
Net change in value of investment in subsidiary	(3)	-86 430	-119 524	-154 511	-151 672
<b>Result from investment activities</b>		<b>-86 430</b>	<b>-119 524</b>	<b>-154 511</b>	<b>-151 672</b>
Personnel expenses		-392	-184	-1 201	-559
Other operating expenses		-97	-139	-543	-503
<b>Result before interest and taxes</b>		<b>-86 919</b>	<b>-119 847</b>	<b>-156 255</b>	<b>-152 734</b>
Financial expenses		-327	-651	-1 370	-1 989
Financial income		11	0	81	0
Income taxes		0	0	0	0
<b>Net result for the period</b>		<b>-87 235</b>	<b>-120 498</b>	<b>-157 544</b>	<b>-154 723</b>
<b>Comprehensive result</b>		<b>-87 235</b>	<b>-120 498</b>	<b>-157 544</b>	<b>-154 723</b>
Number of outstanding shares, time-weighted (in 000)		6 932	6 957	6 946	6 957
Basic earnings per share (CHF)		-12.58	-17.32	-22.68	-22.24

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 31 December</b> (CHF 000)	9-month period ended 31.12.2023	9-month period ended 31.12.2022
Expenses paid (personnel and other operating expenses)	-1 254	-1 073
<b>Net cash flow from operating activities</b>	<b>-1 254</b>	<b>-1 073</b>
Interest received / paid	-2 314	-2 384
Redemption of financial liabilities	-50 000	0
Loan from subsidiary	115 000	71 500
Par value repayment	-52 151	-67 484
Purchase of treasury shares	-7 129	0
<b>Net cash flow from financing activities</b>	<b>3 406</b>	<b>1 632</b>
<b>Currency translation differences</b>	<b>0</b>	<b>0</b>
<b>Net change in cash and cash equivalents</b>	<b>2 152</b>	<b>559</b>
Cash and cash equivalents at beginning of period	5 732	5 388
Cash and cash equivalents at end of period	7 884	5 947

<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				-154 723	-154 723
Par value repayment (1.9.2022)	-67 512		28		-67 484
<b>Balance 31 December 2022</b>	<b>136 416</b>	<b>-402</b>	<b>142 201</b>	<b>1 486 068</b>	<b>1 764 283</b>
Comprehensive result				8 405	8 405
<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				-157 544	-157 544
Purchase of treasury shares		-7 727			-7 727
Par value repayment (7.8.2023)	-52 200		49		-52 151
<b>Balance 31 December 2023</b>	<b>84 216</b>	<b>-8 129</b>	<b>142 250</b>	<b>1 336 929</b>	<b>1 555 266</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 IFRS Accounting Standards 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)	31.12.2023	31.3.2023
CAD	0.6354	0.6772
CNY	0.1185	0.1332
DKK	0.1246	0.1332
EUR	0.9288	0.9921
GBP	1.0712	1.1292
HKD	0.1077	0.1166
INR	0.0101	0.0111
SEK	0.0835	0.0880
USD	0.8414	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 9-month period:

	9-month period ended 31.12.2023	9-month period ended 31.12.2022
<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	-154 511	-151 672
<b>Fair value at end of period</b>	<b>1 763 788</b>	<b>1 980 375</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	31.12.2023	31.3.2023	31.12.2022
Cash and cash equivalents		107 073	226 299	276 179
Receivables		56	31	58
Loan to parent company		115 000	0	71 500
Investments	(3.1)			
Private companies		599 906	671 994	629 888
Funds		156 433	174 060	163 566
Public companies		767 422	847 019	824 743
Shares of parent company		11 680	7 828	9 716
Financial instruments	(3.2)	1 963	210	11 782
Other financial assets	(3.3)	27 835	20 753	22 324
<b>Total assets</b>		<b>1 787 368</b>	<b>1 948 194</b>	<b>2 009 756</b>
Provision for deferred tax on capital gain and other taxes	(3.5)	-20 022	-29 130	-28 578
Liability for tax on capital gain and other taxes	(3.5)	-3 162	0	0
Other current liabilities		-396	-765	-803
<b>Total net assets at fair value</b>		<b>1 763 788</b>	<b>1 918 299</b>	<b>1 980 375</b>

During the 9-month period, the net assets of the investment in the Subsidiary have developed as follows:

	Notes	9-month period ended 31.12.2023	9-month period ended 31.12.2022
<b>Change in net assets at fair value (CHF 000)</b>			
Net result on investments	(3.1)	-147 955	-152 933
Change in provision and liability for deferred tax on capital gain and other taxes	(3.5)	5 946	9 956
Dividend income		1 511	12 543
Net result from financial instruments	(3.2)	1 753	10 229
Net result from other financial assets		779	-9 504
Net result from shares of parent company		-1 109	-1 795
<b>Result from investing activities</b>		<b>-139 075</b>	<b>-131 504</b>
Management fee	(3.4)	-17 437	-21 026
Personnel and other operating expenses		-796	-807
Financial result		2 797	1 665
<b>Change in value, gross</b>		<b>-154 511</b>	<b>-151 672</b>
<b>Net change in value of investment</b>		<b>-154 511</b>	<b>-151 672</b>

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

### 3.1 Investments

During the 9-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	24 816	7 817	138 771	171 404
Sales	-728	-3 695	-188 338	-192 761
Realised gains	78	112	69 462	69 652
Realised losses	-1 320	-5 711	-62 128	-69 159
Changes in unrealised gains/losses	-94 934	-16 150	-37 364	-148 448
Net result on investments	-96 176	-21 749	-30 030	-147 955
<b>Fair value 31 December 2023</b>	<b>599 906</b>	<b>156 433</b>	<b>767 422</b>	<b>1 523 761</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 31.12.2023	Fair value 31.12.2023	Ownership 31.12.2023	Fair value 31.12.2023	Fair value 31.3.2023
			IC million	IC million	IC million	IC million	%	CHF 000	CHF 000
Swixx BioPharma	CH	EUR	34.8		34.8	165.5	26.3	153 760	164 230
Neurelis	US	USD	24.4		24.4	56.2	10.5	47 309	51 464
Fangzhou (Jianke) <sup>1)</sup>	CN	USD	19.9		19.9	55.6	5.4	46 819	50 931
Upstream Bio	US	USD	20.0	2.5	22.5	36.5	7.1	30 711	18 306
ConnectRN	US	USD	13.9	6.0	19.9	36.5	20.0	30 687	47 649
Numab Therapeutics	CH	CHF	22.1		22.1	22.1	7.7	22 127	22 127
NiKang Therapeutics	US	USD	20.0		20.0	25.2	5.3	21 242	23 108
Dren Bio	US	USD	15.0		15.0	22.7	8.1	19 117	20 797
Tata 1mg	IN	INR	1 130.1		1 130.1	1 791.7	4.0	18 118	19 956
Nuance Biotech	CN	USD	14.0		14.0	18.7	3.7	15 711	17 091
Valo Health	US	USD	17.5		17.5	17.5	1.4	14 724	16 018
SAI Life Sciences	IN	INR	449.0		449.0	1 343.9	5.4	13 590	14 969
Odyssey Therapeutics	US	USD	13.0	1.3	14.3	15.2	2.6	12 769	16 060
River Renal	US	USD	14.0		14.0	14.0	14.0	11 780	12 814
Cure Everlife Holdings	MU	USD	7.2		7.2	12.3	6.8	10 391	11 304
Farmalatam	PA	USD	23.4	4.7	28.1	12.3	48.8	10 372	24 078
ArriVent Biopharma	US	USD	12.0		12.0	12.0	3.0	10 097	10 984
Fore Biotherapeutics	US	USD	11.3	3.2	14.5	10.8	10.3	9 113	8 328
Neuron23	US	USD	8.0		8.0	10.8	2.2	9 103	9 903
Shape Memory Medical	US	USD	10.1	0.6	10.7	10.7	16.0	9 023	9 275
Aculys Pharma	JP	USD	6.0		6.0	9.9	4.8	8 335	9 067
Genalyte (BaseHealth)	US	USD	8.8		8.8	9.7	3.6	8 161	8 878
C-Ray Therapeutics	CN	USD	6.0	3.0	9.0	9.0	4.0	7 588	5 492
1000Farmacie	IT	EUR	4.0	1.5	5.5	8.1	14.6	7 484	3 968
Mahzi Therapeutics	US	USD	8.0		8.0	8.0	10.3	6 731	7 322
Ignis Therapeutics	CN	USD	7.0		7.0	7.0	1.5	5 890	6 407
Arrakis Therapeutics	US	USD	7.0		7.0	7.0	4.6	5 890	6 407
FogPharma	US	USD	8.4		8.4	5.6	1.7	4 693	6 869
eGenesis Bio	US	USD	7.0		7.0	5.2	2.0	4 417	6 407
Karius	US	USD	15.0		15.0	4.4	6.3	3 711	6 865
ADARx Pharmaceuticals	US	USD	0.0	4.0	4.0	4.0	0.5	3 366	0
Others								17 078	34 920
<b>Total private companies</b>								<b>599 906</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	31.12.2023	31.12.2023
	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	45.5	38 292	42 166
MedFocus Fund II	USD	26.0			26.0	25.0	23.2	19 537	22 110
120 Capital	USD	25.0	3.8		22.5	0.0	20.6	17 304	15 810
6 Dimensions Capital	USD	25.0			25.0	32.3	15.6	13 118	14 387
C-Bridge Healthcare Fund IV	USD	10.0	0.2		10.1	0.2	14.8	12 475	12 368
WuXi Healthcare Ventures II	USD	20.0		0.5	20.0	6.4	11.8	9 902	17 486
C-Bridge Healthcare Fund V	USD	15.0	0.8		10.2	0.8	11.6	9 779	9 289
Tata Capital Healthcare Fund II	USD	20.0	3.4		12.7	1.6	10.9	9 144	5 435
HBM Genomics II	USD	15.0			10.8	0.0	9.8	8 251	9 252
LYZZ Capital Fund II	USD	15.0			7.0	0.0	6.7	5 638	6 497
Tata Capital HBM Fund I	USD	10.0			9.9	6.9	6.3	5 314	4 913
Others								7 679	14 347
<b>Total funds</b>								<b>156 433</b>	<b>174 060</b>

Public companies	Investment	Balance	Changes	Changes	Balance	Share price	Ownership	Fair value	Fair value
	currency	31.3.2023	9 months	3 months	31.12.2023	31.12.2023	31.12.2023	31.12.2023	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	-5 833 680	-4 943 222	35 621 436	54.98	6.1	232 092	332 984
Harmony Biosciences	USD	2 147 943	0	0	2 147 943	32.30	3.7	58 375	64 190
Y-mAbs Therapeutics	USD	3 297 800	0	0	3 297 800	6.82	7.6	18 924	15 123
ALX Oncology	USD	580 394	919 606	645 962	1 500 000	14.89	3.0	18 793	2 401
Mineralys Therapeutics	USD	2 905 606	-659 274	0	2 246 332	8.60	5.5	16 255	41 648
Pacira BioSciences	USD	451 324	0	0	451 324	33.74	1.0	12 813	16 858
Longboard Pharmaceuticals	USD	1 658 023	-310 056	0	1 347 967	6.03	6.3	6 839	6 086
Monte Rosa Therapeutics	USD	1 464 740	-57 700	0	1 407 040	5.65	2.8	6 689	10 444
IO Biotech	USD	2 365 545	1 578 947	0	3 944 492	1.88	6.0	6 240	4 060
Others								4 918	18 269
<b>Total companies originating from private companies' portfolio</b>								<b>381 938</b>	<b>512 063</b>
<b>Various companies</b>									
ImmunoGen <sup>2)</sup>	USD	0	1 258 738	0	1 258 738	29.65	0.5	31 402	0
Biohaven	USD	0	704 555	454 545	704 555	42.80	0.9	25 372	0
Cytokinetics	USD	250 000	40 000	0	290 000	83.49	0.3	20 372	8 052
Insmed	USD	750 000	0	0	750 000	30.99	0.5	19 556	11 704
Aurobindo Pharma	INR	1 604 630	0	0	1 604 630	1 084.00	0.3	17 589	9 260
Argenx	EUR	55 000	-5 000	5 000	50 000	343.50	0.1	15 953	18 590
Argenx (ADR)	USD	55 000	-10 000	0	45 000	380.43	0.1	14 404	18 756
Rocket Pharmaceuticals	USD	650 790	-25 790	0	625 000	29.97	0.7	15 760	10 204
Merus	USD	550 000	130 000	0	680 000	27.50	1.2	15 734	9 263
Natera	USD	290 948	0	0	290 948	62.64	0.2	15 335	14 785
Celldex Therapeutics	USD	237 760	187 240	0	425 000	39.66	0.8	14 182	7 830
Zymeworks	USD	1 499 259	20 000	0	1 519 259	10.39	2.2	13 282	12 405

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	9 months	3 months	31.12.2023	31.12.2023	31.12.2023	31.12.2023	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>									
Vicore Pharma	SEK	5 374 727	5 500 000	0	10 874 727	14.18	9.7	12 880	8 681
CymaBay Therapeutics	USD	0	600 000	178 710	600 000	23.62	0.5	11 924	0
Laurus Labs	INR	2 304 700	0	0	2 304 700	430.20	0.4	10 026	7 520
Ambrx Biopharma	USD	0	833 443	0	833 443	14.24	1.3	9 986	0
Dishman Carbogen	INR	5 560 116	0	0	5 560 116	170.95	3.6	9 611	7 726
Biomarin Pharmaceuticals	USD	0	102 445	102 445	102 445	96.42	0.1	8 311	0
Beigene	HKD	700 000	0	0	700 000	110.10	0.1	8 301	10 562
Beigene (ADR)	USD	50 000	0	0	50 000	180.36	0.1	7 588	9 864
Shenzhen Mindray	CNY	240 000	0	0	240 000	290.60	< 0.1	8 265	9 962
BioInvent	SEK	5 050 000	25 000	0	5 075 000	18.96	7.7	8 037	13 239
Hutchmed China	HKD	2 575 000	0	0	2 575 000	28.70	0.3	7 960	6 200
Abivax	EUR	700 000	0	0	700 000	9.82	1.1	6 385	4 827
Guangzhou Baiyunshan	HKD	2 609 000	0	0	2 609 000	21.75	0.2	6 112	7 362
Sakar Healthcare	INR	1 500 000	0	0	1 500 000	400.05	8.1	6 068	3 351
Travere Therapeutics	USD	500 000	224 196	0	724 196	8.99	1.0	5 478	10 293
Genmab	DKK	0	20 000	20 000	20 000	2 155.00	< 0.1	5 370	0
Polypeptide	CHF	204 087	95 913	0	300 000	17.52	0.9	5 256	3 778
Seagen <sup>3)</sup>	USD	150 000	-150 000	-100 000	0	n/a	0.0	0	27 798
Horizon Therapeutics <sup>3)</sup>	USD	0	0	-100 000	0	n/a	0.0	0	0
Chinook Therapeutics <sup>4)</sup>	USD	450 000	-450 000	0	0	n/a	0.0	0	9 535
Prometheus Biosciences <sup>4)</sup>	USD	50 000	-50 000	0	0	n/a	0.0	0	4 911
Others								28 985	68 498
Total various companies								385 484	334 956
<b>Total public companies</b>								<b>767 422</b>	<b>847 019</b>
<b>Total investments</b>								<b>1 523 761</b>	<b>1 693 073</b>

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

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

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

4) 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)	31.12.2023	31.3.2023
<b>Other financial instruments</b>		
Purchased call and put options	1 963	210
<b>Total financial instruments long</b>	<b>1 963</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 9-month period:

Income from financial instruments (CHF 000)	9-month period ended 31.12.2023	9-month period ended 31.12.2022
Gains from currency hedging transactions	0	10 294
Gains from other financial instruments	1 813	155
<b>Total gains from financial instruments</b>	<b>1 813</b>	<b>10 449</b>
Losses from other financial instruments	-60	-220
<b>Total losses from financial instruments</b>	<b>-60</b>	<b>-220</b>
<b>Net result from financial instruments</b>	<b>1 753</b>	<b>10 229</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 31 December 2023, CHF 27.8 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 31.12.2023</b>	<b>Cash flows minimum</b>	<b>Cash flows maximum</b>	<b>Expected period of payment</b>
Surface Logix <sup>1)</sup>	11.7	0.0	16.5	2024–2030
Forbius (Formation Biologics)	6.3	0.0	74.6	2024–2028
Corvidia Therapeutics	5.9	0.0	37.0	2025–2028
Vitaeris	3.5	0.0	75.1	2027–2031
Alydia Health	0.2	0.0	1.4	2024–2026
Tandem Life (Cardiac Assist)	0.2	0.0	2.1	2024
<b>Total</b>	<b>27.8</b>	<b>0.0</b>	<b>206.7</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 9-month period, HBM Partners was paid CHF 17.4 million (previous year: CHF 21.0 million).

No provision for a performance fee was made during the 9-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 and liability for deferred tax on capital gain and other taxes

Provisions and liabilities in the amount of CHF 23.2 million (as at 31 March 2023: CHF 29.1 million) are recognised for any tax on capital gain and other taxes owed in China that 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>31.12.2023</b>	<b>31.3.2023</b>
Other funds	23 532	33 264
Private companies	20 667	11 678
<b>Total investment commitments</b>	<b>44 199</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 98.3 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 48620 of its own shares (as at 31 March 2023: 2910) as at the balance sheet date. In the 9-month period, 45710 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	45710
<b>End of period 31 December 2023</b>	<b>48620</b>

In addition, the subsidiary HBM Healthcare Investments (Cayman) Ltd. holds 63966 treasury shares (as at 31 March 2023: 36580), acquired via the regular trading line. During the 9-month period, the Subsidiary acquired a total of 74155 treasury shares via the regular trading line at an average price of CHF 188.26 per share (previous year: 79880 at CHF 244.97) and sold 46769 treasury shares at an average price of CHF 183.41 (previous year: 47634 at CHF 256.78).

**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 31 December 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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