

Half-Year Report

September

2022

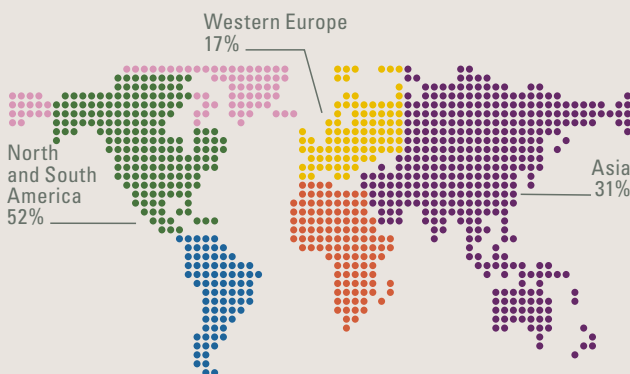
**HBM** Healthcare  
Investments

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 continents<sup>3)</sup>

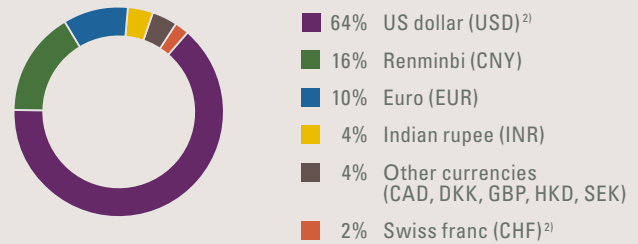
Global portfolio.



1) Total consolidated assets as at 30.9.2022: CHF 2 067 million.  
 2) Net of foreign currency hedge (USD/CHF): about USD 55 percent and CHF 11 percent respectively.  
 3) Total investments as at 30.9.2022: CHF 1 868 million.

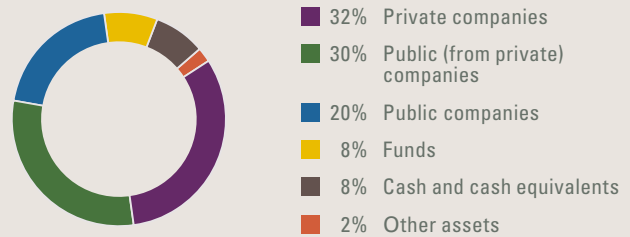
### Currency allocation of assets<sup>1)</sup>

Emphasis on US dollar investments.



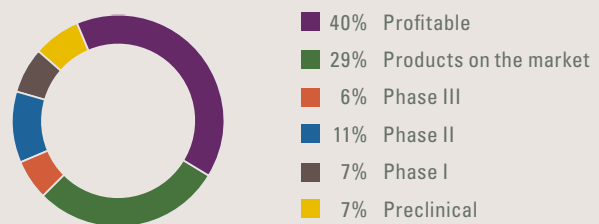
### Allocation of assets<sup>1)</sup>

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



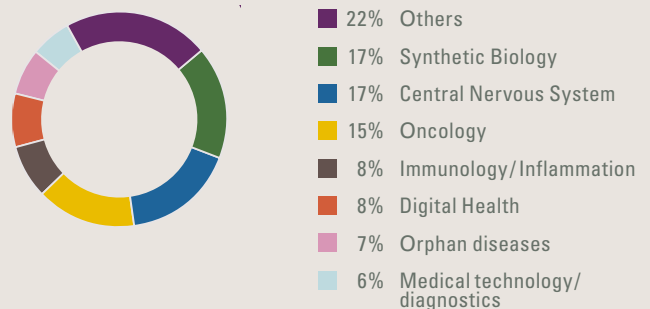
### Development phase of portfolio companies<sup>3)</sup>

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>3)</sup>

Broadly diversified areas of activity.



### Key Figures

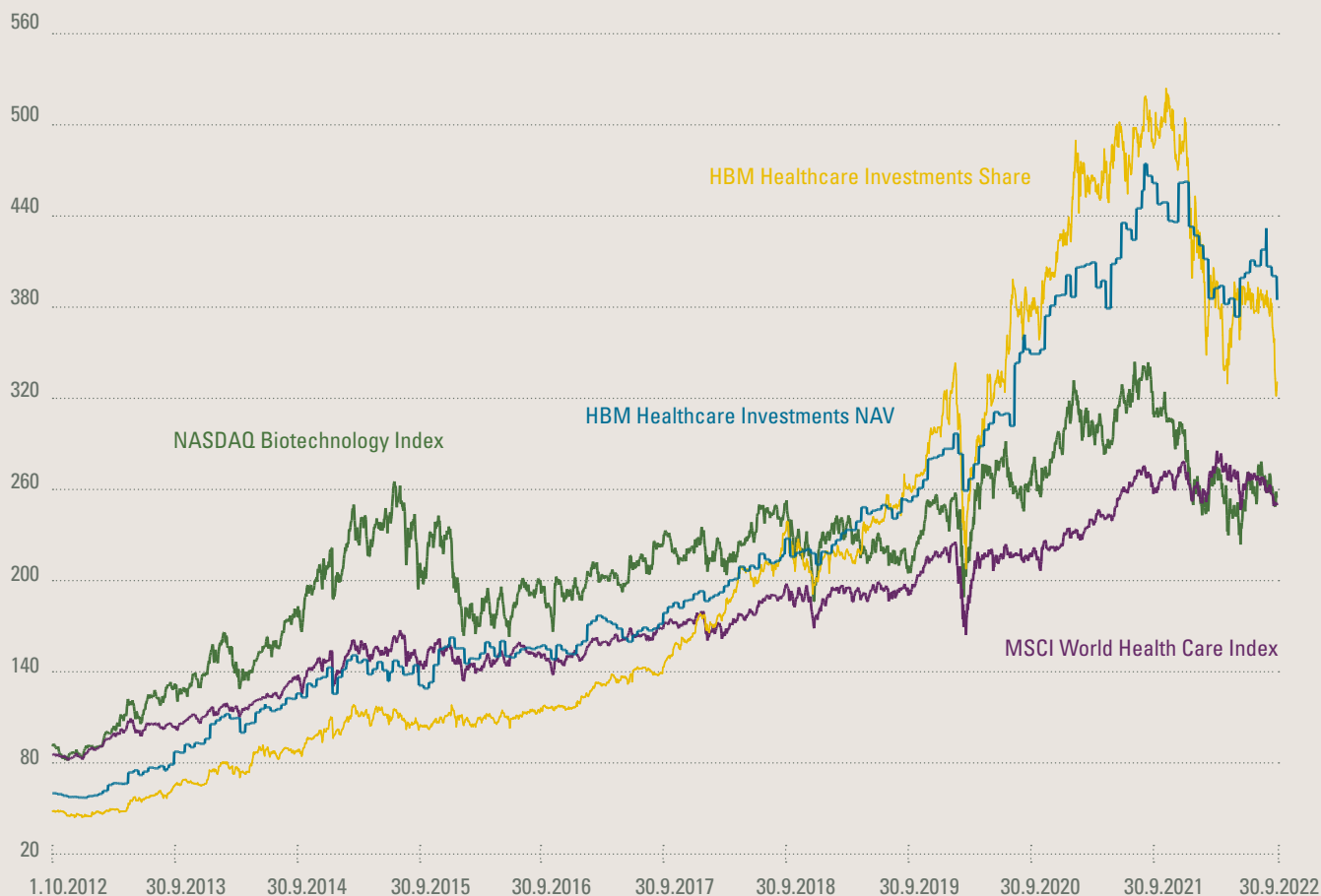
		30.9.2022	31.3.2022	31.3.2021	31.3.2020	31.3.2019
<b>Net assets</b>	CHF million	<b>1884.8</b>	<b>1986.5</b>	<b>2151.5</b>	<b>1448.8</b>	<b>1318.3</b>
Investments in private companies and funds		838.5	790.3	662.8	706.4	542.1
Investments in public companies		1029.7	1130.2	1404.2	629.9	688.2
Cash and cash equivalents (net of liability from market hedging)		159.7	223.7	327.0	224.2	176.2
<b>Net result for the period</b>	CHF million	<b>-34.2</b>	<b>-78.0</b>	<b>756.3</b>	<b>182.7</b>	<b>209.1</b>
Basic earnings per share	CHF	-4.92	-11.22	108.71	26.26	30.05
Net asset value (NAV) per share	CHF	270.92	285.53	309.25	208.25	189.48
Share price	CHF	221.50	276.00	332.50	190.00	168.80
<b>Premium (+) / discount (-)</b>	%	<b>-18.2</b>	<b>-3.3</b>	<b>+7.5</b>	<b>-8.8</b>	<b>-10.9</b>
Distribution per share	CHF		9.70	12.50 <sup>1)</sup>	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 (6 months)	2021/2022	2020/2021	2019/2020	2018/2019
Net asset value (NAV)	%	-1.7	-3.6	52.2	13.9	18.1
Registered share HBMN	%	-16.2	-13.2	79.1	17.0	22.1

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



HBM Healthcare Investments reported a decrease in value of CHF 86 million and a 4.2 percent decline in net asset value per share in the second quarter of the 2022/2023 financial year. This translated into a loss of CHF 34 million for the first half-year ended 30 September. In a declining market, the portfolio heavyweight Cathay Biotech in particular, posted a negative share price development. Four acquisitions and a strong US dollar supported the result. From an operational perspective, the portfolio's large holdings continued to be very successful. Moreover, the healthcare sector's fundamental factors also remained positive. Due to continuing market uncertainties, HBM Healthcare nevertheless acted cautiously and limited its investment activities to follow-on financing of private companies as well as selective profit-taking or additions in the portfolio of public companies. The hedging of one fifth of the US dollar currency risk remained in place. Thanks to a high level of cash and cash equivalents and a well-balanced portfolio, HBM Healthcare is well positioned for the current market environment.

#### **Dear Shareholders**

HBM Healthcare Investments recorded a decrease in value of CHF 86 million in the second quarter of the 2022/2023 financial year ended 30 September. The net asset value per share (NAV) declined by 4.2 percent.

For the first half of the financial year, the loss thus amounts to CHF 34 million, with a decline in NAV of 1.7 percent. The share price fell more sharply, by 16.2 percent, due to the negative market sentiment, and is currently trading at a significant discount to the net asset value.

In comparison, the Nasdaq Biotech Index traded 3.1 percent lower and the MSCI World Health Care Index was down 7.7 percent.

### **Acquisitions support results, decline in Cathay Biotech share price weighs on results**

The half-year result was significantly influenced by the holding in Cathay Biotech. The company's market capitalisation on the Shanghai Stock Exchange fell by slightly more than one fifth in line with the market trend. Due to the substantial weight of the investment in the portfolio, this burdened our result by CHF 91 million. However, the company, which is a leader in the growth market of synthetic biology, is debt-free, operates profitably and shows continuously increasing sales and profits. Our investment in Cathay Biotech is subject to a lock-up period until mid-August 2023.

The other assets in the portfolio showed positive value growth of CHF 74 million in total. This was partly favoured by the strength of the US dollar against the Swiss franc, but also thanks to four acquisitions from the portfolio of public companies: Sierra Oncology, Biohaven Pharmaceuticals, Turning Point Therapeutics, and most recently ChemoCentryx.

ChemoCentryx received a USD 3.7 billion takeover offer from Amgen in August 2022. HBM Healthcare Investments had invested a total of CHF 28 million in ChemoCentryx since November 2019, generating a profit of CHF 26 million. CHF 21 million of this is attributable to the current financial year.

The other changes in value in the private companies' portfolio were roughly balanced in the first six months of the financial year. Mineralys Therapeutics closed a financing round at a higher valuation based on positive phase II trial results, which led to an appreciation of our investment of CHF 9 million. Value adjustments totalling CHF 11 million were necessary for various smaller investments.

### **High level of cash and cash equivalents**

HBM Healthcare Investments made no new investments in private companies during the quarter under review. CHF 16 million was provided as follow-on financing to existing portfolio companies. Including the acquisition of Biohaven, which was completed after the balance sheet date at the beginning of October, HBM Healthcare Investments has cash and cash equivalents of CHF 227 million. The closing of the ChemoCentryx acquisition, also expected in the fourth calendar quarter, will increase cash and cash equivalents by a further CHF 38 million. HBM Healthcare Investments is thus well positioned for the current market environment.

In the portfolio of public companies, there were selective additions or profit-taking respectively on individual investments.

The portfolio remains well balanced. Half of the assets are invested in public companies, of which 30 percent come from the private companies' portfolio. Due to the completion of the Biohaven and ChemoCentryx acquisitions in the current quarter, the share of public companies will be reduced somewhat in favour of cash and cash equivalents. Private companies account for 32 percent, funds for 8 percent, cash and cash equivalents for 8 percent and other assets for 2 percent. A good fifth of the US dollar currency risk is hedged. An increase in currency hedging is being considered.

### **Outlook**

The general global market environment continues to be strongly influenced by macroeconomic developments (inflation, rising interest rates, economic downturn) and the tense geopolitical situation, and accordingly remains volatile and fraught with uncertainty. HBM Healthcare Investments is prepared for this not to change in the short term and is acting with corresponding caution.

Regarding private companies, the focus remains mainly on financing existing portfolio companies. With regard to the public companies' portfolio, opportunities are exploited selectively to build up new positions or expand existing ones.

The fundamental factors favouring the healthcare sector and our investment strategy have not changed. Various acquisitions this year confirm that small and medium-sized biotech companies with already approved drugs or innovative development programmes continue to be sought-after takeover targets for large pharmaceutical companies. Also, companies with promising trial data continue to see high investor demand at capital increases. These trends are likely to continue and contribute to improve the sector's market sentiment.

Many of the large holdings in the private companies' portfolio are developing very successfully operationally, which will translate into higher valuations over time. The largest position Swixx BioPharma is posting strong revenue and profit growth. This trend is likely to continue. Neurelis, the second largest position, is also seeing rising sales of its VALTOCO® nasal spray and should reach break-even soon. The digital healthcare platforms (ConnectRN, Tata 1mg, Fangzhou/Jianke) are growing strongly, though not yet profitably. In addition, Mineralys Therapeutics and other portfolio companies are making good progress in their clinical development programmes.

Several public companies have significant events coming up in the next six months. The most important approval decision concerns 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. Significant trial results are expected from Harmony Biosciences (phase II data for Prader-Willi syndrome) and Arcutis Biotherapeutics (phase III data for dermatitis).

Irrespective of external circumstances, we are confident about the operational development of our portfolio companies and we expect to realise significant added value from these existing investments.

We thank you, our valued shareholders, for your loyalty in these turbulent times.



Dr Andreas Wicki  
CEO



Erwin Troxler  
CFO

<b>Balance sheet</b> (CHF 000)	Notes	30.9.2022	31.3.2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		6 185	5 388
Receivables		42	20
<b>Total current assets</b>		<b>6 227</b>	<b>5 408</b>
<b>Non-current assets</b>			
Investment in subsidiary	(3)	2 099 899	2 132 047
<b>Total non-current assets</b>		<b>2 099 899</b>	<b>2 132 047</b>
<b>Total assets</b>		<b>2 106 126</b>	<b>2 137 455</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Liability to subsidiary		71 500	0
Financial liabilities	(4)	49 934	0
Other liabilities		792	2 045
<b>Total current liabilities</b>		<b>122 226</b>	<b>2 045</b>
<b>Non-current liabilities</b>			
Financial liabilities	(4)	99 119	148 920
<b>Total non-current liabilities</b>		<b>99 119</b>	<b>148 920</b>
<b>Shareholders' equity</b>			
Share capital	(5.1)	136 416	203 928
Treasury shares	(5.2)	-402	-402
Capital reserve	(5.1)	142 201	142 173
Retained earnings		1 606 566	1 640 791
<b>Total shareholders' equity</b>		<b>1 884 781</b>	<b>1 986 490</b>
<b>Total liabilities and shareholders' equity</b>		<b>2 106 126</b>	<b>2 137 455</b>
Number of outstanding shares (in 000)		6 957	6 957
Net asset value (NAV) per share (CHF)		270.92	285.53



<b>Statement of comprehensive income for the period 1 April to 30 September (CHF 000)</b>	Notes	Quarter ended 30.9.2022	Quarter ended 30.9.2021	6-month period ended 30.9.2022	6-month period ended 30.9.2021
Net change in value of investment in subsidiary	(3)	-84 640	135 640	-32 148	272 590
<b>Result from investment activities</b>		<b>-84 640</b>	<b>135 640</b>	<b>-32 148</b>	<b>272 590</b>
Personnel expenses		-196	-190	-375	-370
Other operating expenses		-266	-157	-364	-303
<b>Result before interest and taxes</b>		<b>-85 102</b>	<b>135 293</b>	<b>-32 887</b>	<b>271 917</b>
Financial expenses		-677	-731	-1 338	-1 367
Financial income		0	0	0	0
Income taxes		0	0	0	0
<b>Net result for the period</b>		<b>-85 779</b>	<b>134 562</b>	<b>-34 225</b>	<b>270 550</b>
<b>Comprehensive result</b>		<b>-85 779</b>	<b>134 562</b>	<b>-34 225</b>	<b>270 550</b>
Number of outstanding shares, time-weighted (in 000)		6 957	6 957	6 957	6 957
Basic earnings per share (CHF)		-12.33	19.34	-4.92	38.89

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

	6-month period ended 30.9.2022	6-month period ended 30.9.2021
<b>Statement of cash flows for the period 1 April to 30 September (CHF 000)</b>		
Expenses paid (personnel and other operating expenses)	-827	-9544
<b>Net cash flow from operating activities</b>	<b>-827</b>	<b>-9544</b>
Interest paid	-2392	-2356
Redemption of financial liabilities	0	-50000
Issuance of financial liabilities	0	98903
Loan from subsidiary	71500	48000
Par value repayment	-67484	-86964
<b>Net cash flow from financing activities</b>	<b>1624</b>	<b>7583</b>
<b>Currency translation differences</b>	<b>0</b>	<b>0</b>
<b>Net change in cash and cash equivalents</b>	<b>797</b>	<b>-1961</b>
Cash and cash equivalents at beginning of period	5388	6033
Cash and cash equivalents at end of period	6185	4072

	Share capital	Treasury shares	Capital reserve	Retained earnings	Total shareholders' equity
<b>Statement of changes in equity (CHF 000)</b>					
<b>Balance 31 March 2021</b>	<b>290928</b>	<b>-402</b>	<b>142137</b>	<b>1718822</b>	<b>2151485</b>
Comprehensive result				270550	270550
Par value repayment (9.9.2021)	-87000		36		-86964
<b>Balance 30 September 2021</b>	<b>203928</b>	<b>-402</b>	<b>142173</b>	<b>1989372</b>	<b>2335071</b>
Comprehensive result				-348581	-348581
<b>Balance 31 March 2022</b>	<b>203928</b>	<b>-402</b>	<b>142173</b>	<b>1640791</b>	<b>1986490</b>
Comprehensive result				-34225	-34225
Par value repayment (1.9.2022)	-67512		28		-67484
<b>Balance 30 September 2022</b>	<b>136416</b>	<b>-402</b>	<b>142201</b>	<b>1606566</b>	<b>1884781</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 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)	30.9.2022	31.3.2022
CAD	0.7137	0.7377
CNY	0.1387	0.1455
DKK	0.1301	0.1373
EUR	0.9675	1.0209
GBP	1.1025	1.2120
HKD	0.1257	0.1178
INR	0.0122	0.0122
SEK	0.0896	0.0982
USD	0.9870	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 6-month period:

	6-month period ended 30.9.2022	6-month period ended 30.9.2021
<b>Development fair value investment (CHF 000)</b>		
<b>Fair value at beginning of period</b>	<b>2 132 047</b>	<b>2 255 830</b>
Change in value, gross	-32 148	272 590
<b>Fair value at end of period</b>	<b>2 099 899</b>	<b>2 528 420</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	30.9.2022	31.3.2022	30.9.2021
Cash and cash equivalents		153 473	218 290	240 388
Receivables		86	29	136
Loan to parent company		71 500	0	48 000
Investments	(3.1)			
Private companies		658 990	614 348	496 693
Funds		179 522	175 915	221 481
Public companies		1 029 701	1 130 196	1 577 795
Shares of parent company		8 123	4 441	1 498
Financial instruments	(3.2)	1 708	1 512	0
Other financial assets	(3.3)	29 019	26 580	31 466
<b>Total assets</b>		<b>2 132 122</b>	<b>2 171 311</b>	<b>2 617 457</b>
Financial instruments	(3.2)	-3 266	0	-7 674
Liability from performance fee	(3.4)	0	0	-25 012
Provision for deferred tax on capital gain and other taxes	(3.5)	-28 456	-38 534	-55 868
Other current liabilities		-501	-730	-483
<b>Total net assets at fair value</b>		<b>2 099 899</b>	<b>2 132 047</b>	<b>2 528 420</b>

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

	Notes	6-month period ended 30.9.2022	6-month period ended 30.9.2021
<b>Change in net assets at fair value (CHF 000)</b>			
Net result on investments	(3.1)	-41 042	324 189
Change in provision for deferred tax on capital gain and other taxes	(3.5)	10 078	-31 143
Dividend income		2 114	3 351
Net result from financial instruments	(3.2)	-3 112	27 609
Net result from other financial assets		15 828	-8 850
Net result from shares of parent company		-989	305
<b>Result from investing activities</b>		<b>-17 123</b>	<b>315 461</b>
Management fee	(3.4)	-14 603	-17 298
Performance fee	(3.4)	0	-25 012
Personnel and other operating expenses		-532	-559
Financial result		110	-2
<b>Change in value, gross</b>		<b>-32 148</b>	<b>272 590</b>
<b>Net change in value of investment</b>		<b>-32 148</b>	<b>272 590</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 2022</b>	<b>614 348</b>	<b>175 915</b>	<b>1 130 196</b>	<b>1 920 459</b>
Purchases	33 908	11 673	224 497	270 078
Sales	-5 170	-13 252	-262 860	-281 282
Realised gains	702	5 161	84 139	90 002
Realised losses	-7 160	-239	-22 641	-30 040
Changes in unrealised gains/losses	22 362	264	-123 630	-101 004
Net result on investments	15 904	5 186	-62 132	-41 042
<b>Fair value 30 September 2022</b>	<b>658 990</b>	<b>179 522</b>	<b>1 029 701</b>	<b>1 868 213</b>

Details on investments can be found on pages 14 to 17.

Private companies	Domicile	Investment currency	Amount disbursed 31.3.2022	Changes in reporting period	Amount disbursed 30.9.2022	Fair value 30.9.2022	Ownership 30.9.2022	Fair value 30.9.2022	Fair value 31.3.2022
Swixx BioPharma	CH	EUR	34.8		34.8	141.7	26.3	137 050	144 625
Neurelis	US	USD	24.4		24.4	56.2	10.5	55 495	51 869
ConnectRN	US	USD	13.9		13.9	52.1	20.0	51 381	48 024
Mineralys Therapeutics	US	USD	10.0	9.0	19.0	27.1	10.1	26 768	9 224
NiKang Therapeutics	US	USD	20.0		20.0	25.2	5.3	24 918	23 290
Dren Bio	US	USD	15.0		15.0	22.7	7.8	22 426	20 960
Tata 1mg	IN	INR	971.1	159.0	1 130.1	1 791.7	4.0	21 739	19 873
FarmaLatam	PA	USD	14.8	3.7	18.5	21.4	47.7	21 149	16 329
Fangzhou (Jianke)	CN	USD	19.9		19.9	19.7	5.3	19 475	18 203
Nuance Pharma	CN	USD	14.0		14.0	18.7	3.7	18 430	17 225
Odyssey Therapeutics	US	USD	10.0	3.0	13.0	17.5	2.9	17 318	13 076
Numab Therapeutics	CH	CHF	17.0		17.0	17.0	6.5	17 000	17 000
SAI Life Sciences	IN	INR	449.0		449.0	1 343.9	5.5	16 306	16 359
Valo Health	US	USD	15.0		15.0	15.0	1.3	14 805	13 837
Karius	US	USD	15.0		15.0	15.0	4.9	14 805	13 837
Adrenomed	DE	EUR	12.7	2.5	15.2	15.2	10.5	14 671	12 929
River Renal	US	USD	10.0	4.0	14.0	14.0	12.5	13 818	9 225
Upstream Bio	US	USD	11.0		11.0	11.0	6.5	10 857	10 148
Neuron23	US	USD	8.0		8.0	10.8	2.2	10 678	9 980
Genalyte (BaseHealth)	US	USD	7.5		7.5	10.2	3.5	10 085	9 426
Shape Memory Medical	US	USD	8.8	1.3	10.1	10.1	16.8	10 002	8 118
Aculys Pharma	JP	USD	6.0		6.0	9.9	4.8	9 777	9 139
Sphingotec	DE	EUR	13.0	3.6	16.6	10.1	25.1	9 772	10 975
Valcare	IL	USD	5.7	0.6	6.3	9.2	8.0	9 057	7 867
Fore Biotherapeutics (NovellusDx)	IL	USD	9.0		9.0	9.0	12.7	8 883	8 303
Acrivon Therapeutics	US	USD	8.0		8.0	8.0	3.6	7 896	7 380
Arrakis Therapeutics	US	USD	7.0		7.0	7.0	4.6	6 909	6 457
eGenesis Bio	US	USD	7.0		7.0	7.0	2.0	6 909	6 457
Cure Everlife Holdings	MU	USD	8.9	-1.7	7.2	6.7	9.3	6 582	7 775
C Ray Therapeutics	CN	USD	2.0	4.0	6.0	6.0	3.2	5 922	1 845
FogPharma	US	USD	5.0		5.0	5.0	1.9	4 935	4 613
Ignis Therapeutics	CN	USD	4.2		4.2	4.2	1.2	4 145	3 875
Mahzi Therapeutics	US	USD	4.0		4.0	4.0	5.2	3 948	3 690
1000Farmacie	IT	EUR	4.0		4.0	4.0	14.6	3 870	4 084
Others								21 209	28 331
<b>Total private companies</b>								<b>658 990</b>	<b>614 348</b>

Funds	Investment currency	Total commitment	Payments	Repayments	Cumulative	Cumulative	Fair value	Fair value	Fair value
			in reporting period	in reporting period	payments 30.9.2022	repayments 30.9.2022	30.9.2022	30.9.2022	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	31.7	31 325	35 309
MedFocus Fund II	USD	26.0			26.0	25.0	24.5	24 214	21 868
WuXi Healthcare Ventures II	USD	20.0		2.0	20.0	5.9	22.5	22 240	22 982
6 Dimensions Capital	USD	25.0		4.8	25.0	30.8	19.5	19 270	21 594
120 Capital	USD	25.0	5.0		18.8	0.0	17.9	17 651	12 107
C-Bridge Healthcare Fund IV	USD	10.0			9.7	0.2	12.1	11 952	10 839
HBM BioCapital II <sup>1)</sup>	EUR	42.0		1.9	46.1	23.7	8.6	8 338	10 792
HBM Genomics II	USD	15.0	4.0		8.0	0.0	7.5	7 391	3 406
LYZZ Capital Fund II	USD	15.0	1.0		6.5	0.0	6.8	6 712	5 517
C-Bridge Healthcare Fund V	USD	15.0		0.2	5.6	0.8	6.5	6 417	4 315
Tata Capital HBM Fund I	USD	10.0			9.9	6.9	5.4	5 318	5 807
Tata Capital Healthcare Fund II	USD	20.0	1.7	0.7	7.5	1.6	4.6	4 542	3 824
Hatteras Venture Partners III	USD	10.0			10.2	2.9	3.7	3 615	4 001
BioVeda China IV	USD	5.0			4.0	0.9	3.4	3 394	3 234
BioMedInvest II	CHF	10.0			10.0	3.9	2.8	2 770	3 030
Galen Partners V	USD	10.0			10.4	8.8	1.6	1 598	3 836
BioMedInvest I	CHF	26.0		0.5	26.0	28.0	1.3	1 263	1 742
Nordic Biotech	DKK	31.0			31.0	221.7	6.7	875	1 116
Others								637	596
<b>Total funds</b>								<b>179 522</b>	<b>175 915</b>

1) The fair value of EUR 8.6 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	Balance	Changes	Changes	Balance	Share price	Ownership	Fair value	Fair value
	currency	31.3.2022	6 months	3 months	30.9.2022	30.9.2022	30.9.2022	30.9.2022	31.3.2022
	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	0	0	41 455 116	57.04	7.1	327 975	430 884
Harmony Biosciences	USD	3 663 228	-651 138	-651 138	3 012 090	44.29	5.1	131 671	164 404
Y-mAbs Therapeutics	USD	3 690 954	200 000	0	3 890 954	14.42	8.9	55 378	40 450
Pacira BioSciences	USD	451 324	0	0	451 324	53.19	1.0	23 694	31 776
Arcutis	USD	948 666	51 334	51 334	1 000 000	19.11	1.7	18 862	16 855
Monte Rosa Therapeutics	USD	1 798 516	0	0	1 798 516	8.17	3.9	14 503	23 261
BioAtla	USD	1 427 317	0	0	1 427 317	7.70	3.9	10 847	6 583
Longboard Pharmaceuticals	USD	1 880 000	0	0	1 880 000	3.72	11.1	6 903	9 261
IO Biotech	USD	2 420 484	0	0	2 420 484	2.71	8.4	6 474	11 834
ALX Oncology	USD	580 394	0	0	580 394	9.57	1.4	5 482	9 048
Instil Bio	USD	1 053 913	0	0	1 053 913	4.84	0.8	5 035	10 452
Others								11 902	38 039
Total companies originating from private companies' portfolio								618 726	792 847
<b>Various companies</b>									
Biohaven Pharmaceuticals <sup>2)</sup>	USD	428 094	20 713	0	448 807	151.17	0.6	66 964	46 825
ChemoCentryx <sup>2)</sup>	USD	739 842	0	0	739 842	51.66	1.0	37 723	17 110
BioInvent	SEK	3 985 204	1 080 361	1 065 565	5 065 565	47.45	7.8	21 393	17 362
Argenx	EUR	60 000	0	0	60 000	368.50	0.1	21 390	17 305
Argenx (ADR)	USD	60 000	0	0	60 000	353.05	0.1	20 908	17 452
Laurus Labs	INR	2 693 024	-388 324	-378 411	2 304 700	513.00	0.4	14 345	19 343
Vicore Pharma	SEK	4 620 302	54 545	0	4 674 847	28.95	6.5	12 046	10 273
Zymeworks	USD	1 763 372	80 000	0	1 843 372	6.15	3.0	11 189	10 655
Insmed	USD	236 167	261 565	261 565	497 732	21.54	0.4	10 582	5 120
Seagen	USD	0	75 151	75 151	75 151	136.83	<0.1	10 149	0
Shenzhen Mindray	CNY	0	240 000	240 000	240 000	299.00	<0.1	9 953	0
Viridian Therapeutics	USD	0	475 969	475 969	475 969	20.51	1.2	9 635	0
Aurobindo Pharma	INR	1 351 002	204 128	104 128	1 555 130	510.60	0.3	9 634	10 994
Blueprint Medicines	USD	145 000	0	0	145 000	65.89	0.2	9 430	8 545
Rocket Pharmaceuticals	USD	578 079	0	0	578 079	15.96	0.9	9 106	8 458

Continued on page 17

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 60.20 as at 30.9.2022 was adjusted by a discount of 5.25% to CNY 57.04. The company carried out a stock split in July 2022. The opening balance was adjusted accordingly.

2) The companies were acquired during the reporting period. The transactions will be completed after the reporting period.



Public companies	Investment currency	Balance 31.3.2022	Changes 6 months	Changes 3 months	Balance 30.9.2022	Share price 30.9.2022	Ownership 30.9.2022	Fair value 30.9.2022	Fair value 31.3.2022
	IC	Number of shares	Number of shares	Number of shares	Number of shares	IC	%	CHF 000	CHF 000
<b>Various companies</b>									
Natera	USD	43 869	157 079	157 079	200 948	43.82	0.2	8 691	1 646
Travere Therapeutics	USD	0	356 369	356 369	356 369	24.64	0.6	8 667	0
Mirati Therapeutics	USD	111 404	3 300	0	114 704	69.84	0.2	7 907	8 450
Iovance	USD	782 923	0	0	782 923	9.58	0.5	7 403	12 025
Beigene	HKD	700 000	0	0	700 000	81.05	0.1	7 134	9 992
Dishman Carbogen	INR	4 939 968	620 148	0	5 560 116	96.40	3.6	6 503	11 109
Hutchmed China	HKD	3 890 000	0	0	3 890 000	13.22	0.5	6 466	13 790
CTI Biopharma	USD	0	1 114 858	0	1 114 858	5.82	1.0	6 404	0
Polypeptide	CHF	0	204 087	204 087	204 087	29.00	0.6	5 919	0
Guangzhou Baiyunshan	HKD	2 609 000	0	0	2 609 000	16.96	0.2	5 564	6 376
Merus	USD	90 804	190 339	190 339	281 143	20.03	0.6	5 558	2 215
Cogent Biosciences	USD	0	344 255	-252 428	344 255	14.92	0.5	5 070	0
Nicox	EUR	3 019 102	0	0	3 019 102	1.73	7.0	5 041	6 041
Others								50 201	76 263
Total various companies								410 975	337 349
<b>Total public companies</b>								<b>1 029 701</b>	<b>1 130 196</b>
<b>Total investments</b>								<b>1 868 213</b>	<b>1 920 459</b>

### 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:

<b>Holdings of financial instruments</b> (CHF 000)	30.9.2022	31.3.2022
<b>Other financial instruments</b>		
Purchased call and put options	1 708	1 512
<b>Total financial instruments long</b>	<b>1 708</b>	<b>1 512</b>
<b>Currency hedging</b>		
Forward contracts for currency hedging purposes	3 266	0
<b>Total financial instruments short</b>	<b>3 266</b>	<b>0</b>

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 liability to this hedging position amounted to CHF 3.3 million as at the balance sheet date.

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

<b>Income from financial instruments</b> (CHF 000)	6-month period ended 30.9.2022	6-month period ended 30.9.2021
Gains from currency hedging transactions	0	23 503
Gains from market hedging transactions	0	6 487
Gains from other financial instruments	249	0
<b>Total gains from financial instruments</b>	<b>249</b>	<b>29 990</b>
Losses from currency hedging transactions	-3 266	-2 381
Losses from other financial instruments	-95	0
<b>Total losses from financial instruments</b>	<b>-3 361</b>	<b>-2 381</b>
<b>Net result from financial instruments</b>	<b>-3 112</b>	<b>27 609</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.

Of the total book value as at 30 September 2022, CHF 29.0 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 30.9.2022	Cash flows minimum	Cash flows maximum	Expected period of payment
Forbius (Formation Biologics)	15.5	2.2	89.4	2022–2029
Corvidia Therapeutics	7.7	0.0	43.4	2024–2029
Vitaeris	5.3	0.0	88.1	2024
TandemLife (Cardiac Assist)	0.3	0.0	2.4	2024
Alydia Health	0.2	0.1	1.7	2022–2026
Nereus <sup>1)</sup>	0.1	0.0	22.0	2023–2025
Tripex (former Mpex) <sup>2)</sup>	0.0	0.0	8.7	from 2022 onward
<b>Total</b>	<b>29.1</b>	<b>2.3</b>	<b>255.7</b>	

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 14.6 million (previous year: CHF 17.3 million).

No provision for a performance fee was made during the reporting period (previous year: CHF 25.0 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 305.57 (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 28.5 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:

<b>Investment commitments</b> (CHF 000)	<b>30.9.2022</b>	<b>31.3.2022</b>
Other funds	44 705	52 556
Private companies	25 188	38 293
<b>Total investment commitments</b>	<b>69 893</b>	<b>90 849</b>

### 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 143.8 million (as at 31 March 2022: CHF 149.0 million) with a carrying amount of CHF 149.1 million (as at 31 March 2022: CHF 148.9 million). The bonds are recognised under current and non-current liabilities, respectively.

## 5. Shareholders' equity

### 5.1 Share capital and capital reserve

As at the balance sheet date, the Company's share capital stood at CHF 136.42 million, divided into 6960000 registered shares at a par value of CHF 19.60 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 was made on 1 September 2022 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 2910 of its own shares (as at 31 March 2022: 2910) as at the balance sheet date. In the 6-month period, none of the Company's own shares were acquired (previous year: none).

In addition, the subsidiary HBM Healthcare Investments (Cayman) Ltd. holds 36673 treasury shares (as at 31 March 2022: 16091), acquired via the regular trading line. During the 6-month period, the Subsidiary acquired a total of 55535 treasury shares via the regular trading line at an average price of CHF 256.39 per share (previous year: 30553 at CHF 338.69) and sold 34953 treasury shares at an average price of CHF 266.06 (previous year: 33002 at CHF 346.18).

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

<b>Beginning of period 1 April 2022</b>	<b>2910</b>
Acquired via second trading line under share buy-back programme	0
<b>End of period 30 September 2022</b>	<b>2910</b>

**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 2022:

#### 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 2022/2023:  
NAV of CHF 305.57

#### 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

Design

Küng Art Direction

Layout and print

DAZ

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The German version is binding in all matters of interpretation.

