



HBM Healthcare Investments

UNIQUE INVESTMENTS IN PRIVATE AND
LISTED LIFE SCIENCES COMPANIES

JULY 2023



About HBM Healthcare Investments

Profile

Swiss investment company with \$2.2 billion assets
holding a global portfolio of emerging life sciences companies

<p>Unique</p> <p>Swiss-based, permanent capital, healthcare-dedicated investment vehicle to invest in both private and public companies</p>	<p>Investments</p> <p>Focusing on growth companies in the biotech, medical technology, diagnostic and health IT sectors</p>	<p>Portfolio companies</p> <p>Achieved proof of concept and/or major clinical and regulatory milestones before investment</p>	<p>Expertise</p> <p>Dedicated investment teams for private equity and public equity with a global industry network and external business advisors</p>
<p>HBM strategy</p> <p>Validated by over 65 trade sales or IPOs since 2010</p>	<p>Portfolio mix</p> <p>Lower volatility of NAV through private equity and hedging of market and currency risk if situation deemed appropriate</p>	<p>Distribution</p> <p>Attractive distribution policy with 3-5% yield target p.a. (based on the share price)</p>	<p>Established in 2001</p> <p>and SIX Swiss Exchange-listed since 2008 with approx. 4'000 shareholders</p>

At a Glance

Registered Shares (CHF)

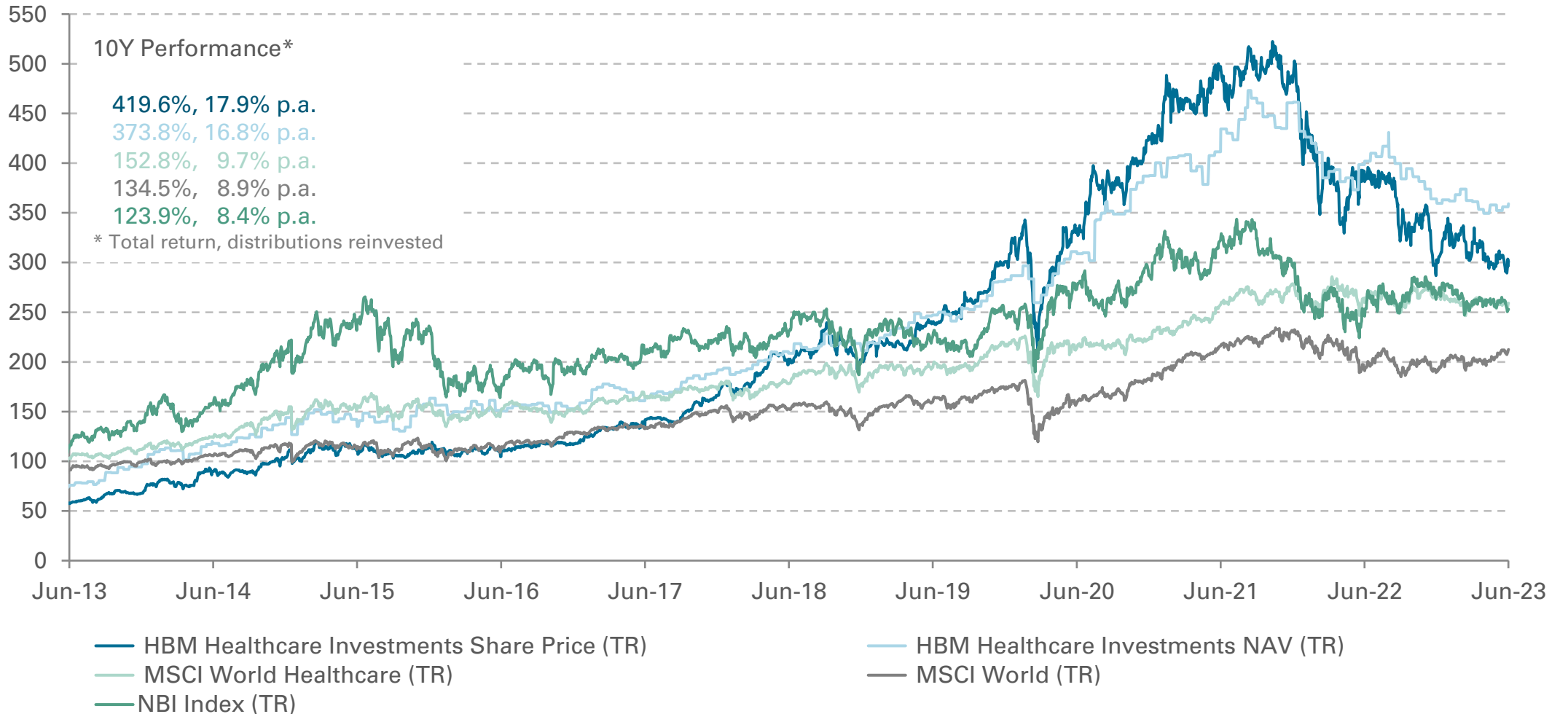
Total assets	1'942 million
Net assets (NAV)	1'761 million
Market capitalisation	1'406 million
Share price	202.00
NAV per share	253.25
Premium (+) / Discount (-)	-20.2%
Average daily liquidity <small>(1 year)</small>	~ 3'800 shares ~ 0.8 million
Number of issued shares	6.96 million
Number of shareholders	~ 4'000

Performance (CHF)

Net return <small>(including distribution)</small>	2023	2022	2021	2020	5Y Return p.a.	10Y Return p.a.
NAV	-0.1%	-21.7%	19.0%	36.7%	11.5%	16.8%
Share price	0.5%	-37.8%	15.2%	40.5%	8.2%	17.9%
Distribution CHF	7.50*	9.70	12.50**	7.70		
Distribution yield	3.5%	3.5%	3.8%	4.1%		
					5Y Volatility p.a.	1Y Volatility p.a.
Share price					27.6%	28.9%
NAV					16.2%	12.3%

Data as of 30 June 2023, * Approved by the AGM on 19 June 2023 - payment in August 2023;
** includes special distribution of CHF 3.00 in 2021 to mark the 20th anniversary of HBM

Indexed Performance Over 10 Years



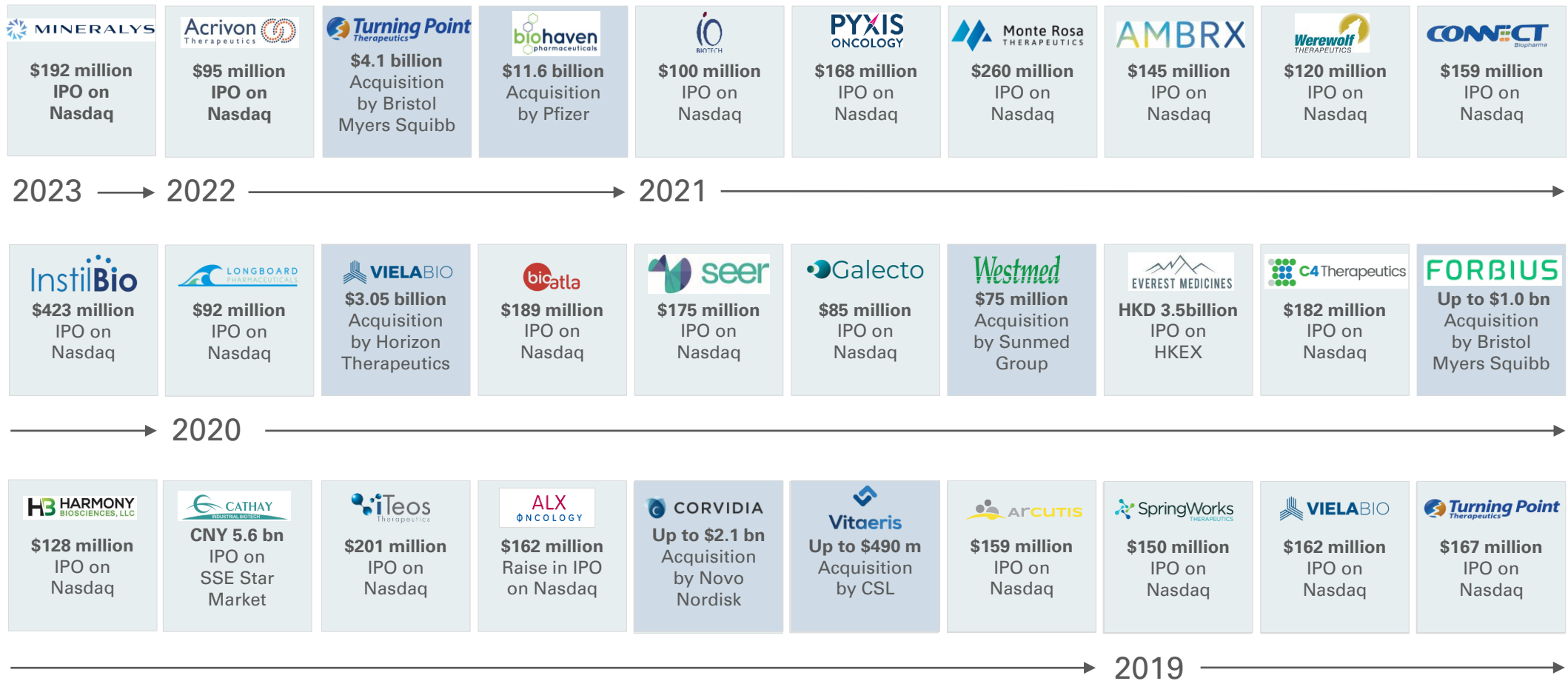
Source: Bloomberg, Data as of 30 June 2023, in CHF, indexed since inception (12.07.2001 = 100), distributions reinvested

Portfolio Highlights Over the last 3 Years



Data as of 30 June 2023

Proven Track Record of more than 60 Trade Sales and IPOs in 10 Years



Data as of 30 June 2023

Investment Strategy

Innovation

- Investment focus on companies with innovative platforms and drug candidates

Private and Public

- Portfolio of private and small-cap public companies (generally market capitalisation below USD 2 bn)

Proof of Concept

- Investments typically first made in a venture round when company has product(s) in clinical development and has achieved “proof of concept”

Follow-on

- Subsequently, investment may be increased substantially in follow-on financings, provided the value-creation potential is intact

Active Participation

- Active participation with companies to develop towards trade sale or IPO

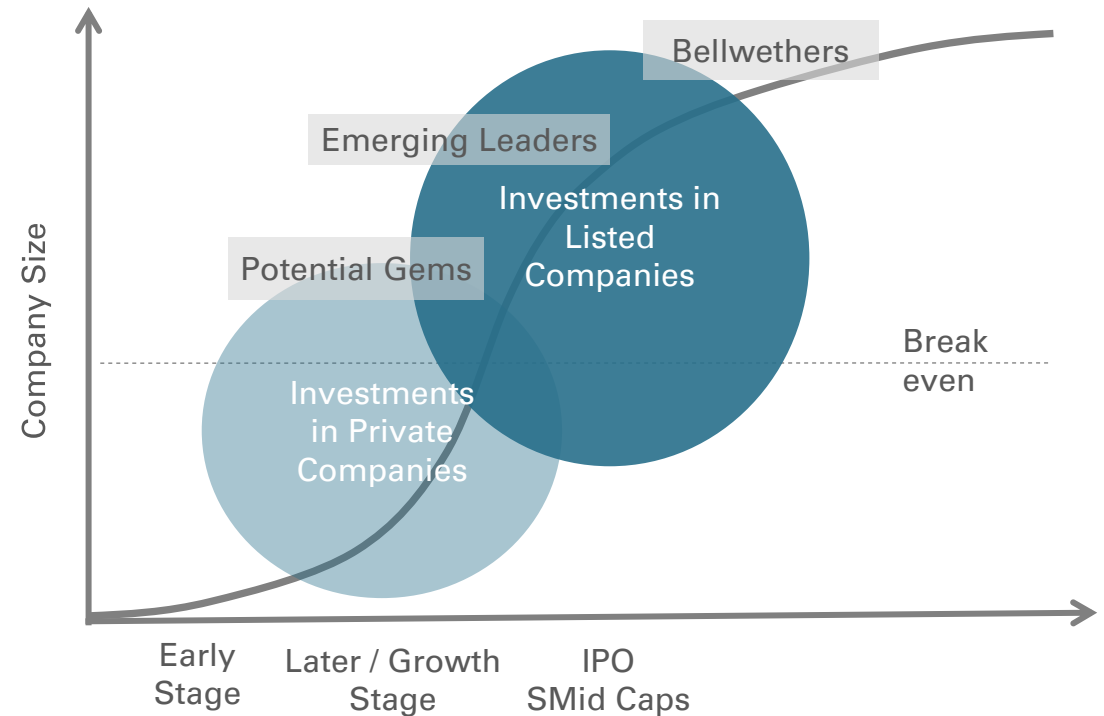
Flexibility

- Permanent capital structure provides flexibility to further increase investments at or after the IPO

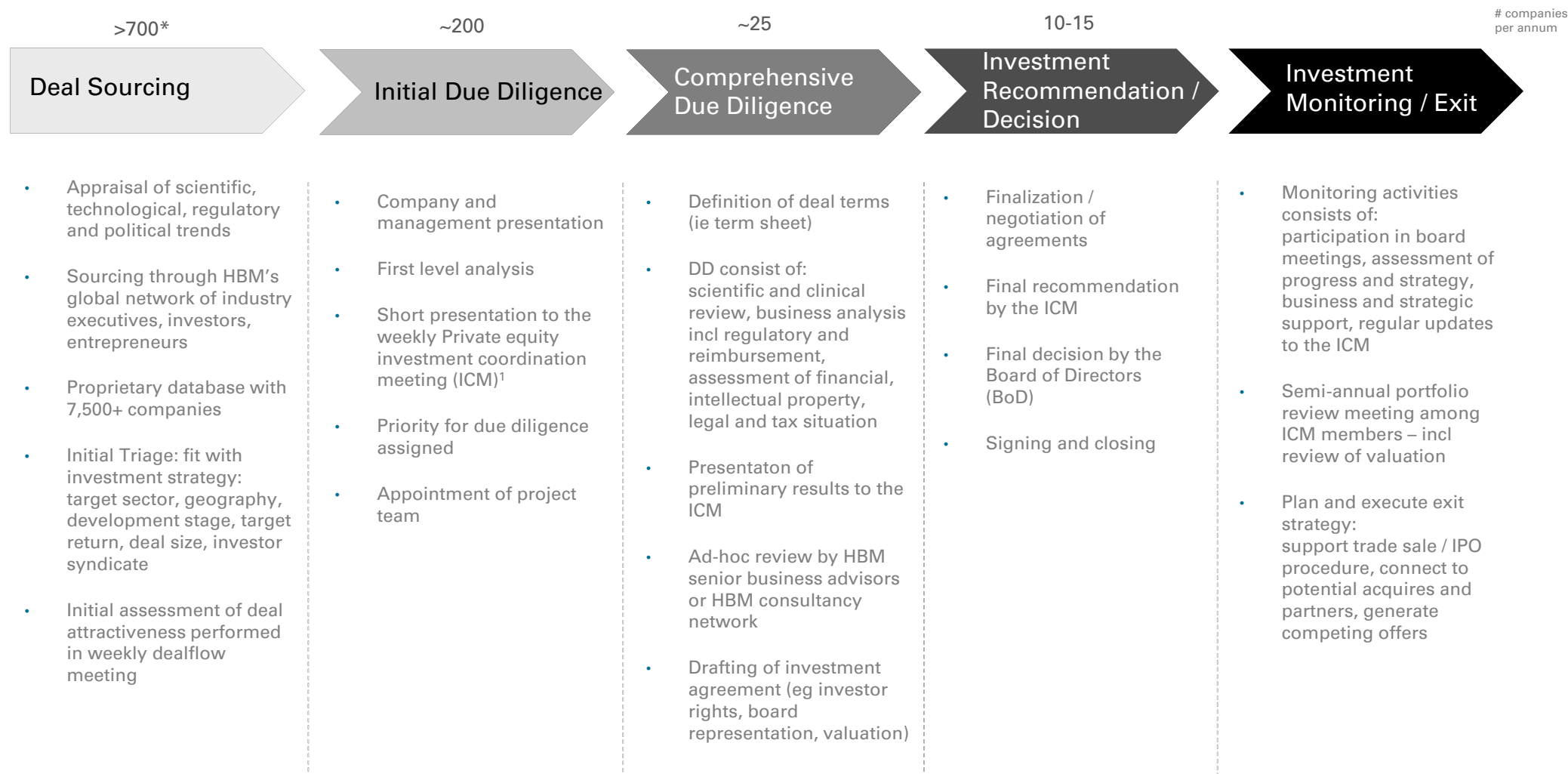
Investment Approach

Investment Approach

- Fundamental long with private and public healthcare investments
- Bottom-up selection of investments with solid long-term growth potential
- Diversified portfolio approach
- Sourcing of proprietary private deal flow
- Active lead/co-lead investor in private companies with board representation
- HBM takes an active role and assumes entrepreneurial responsibility together with the management team
- Maximum single position limit at time of investment up to 10% of NAV



Private Equity Investment Process



* Deal Flow: 45% USA/Canada, 40% Western Europe, 15% RoW; 60% Biotech, 30% Medtech & Diagnostics, 10% Other

¹ ICM: Regular meeting of all HBM investment professionals including CEO, CFO, Head Private Equity and Risk / Investment Compliance Officer.

Main function: Overall review and discussion of potential new investments and progress of existing investments. Consultative vote on new and follow-on investments.

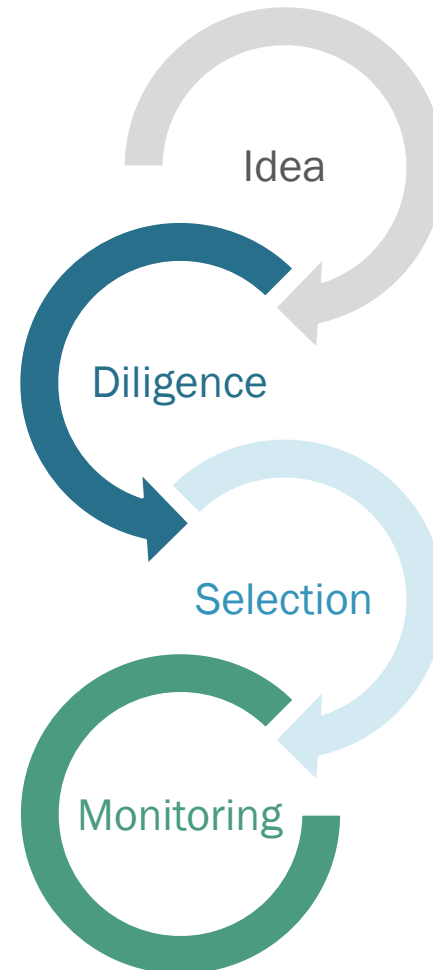
Public Equity Investment Process

Due Diligence

- Scientific and clinical review: Survey of scientific literature and journals, study of clinical trials and regulatory paths
- Business analysis: Detailed financial modelling and projections for companies, comparison vs market consensus, comparable company analysis
- Assessment of stakeholders and their track record
- Explore patent situation
- Issue investment thesis and rationale

Portfolio & Risk Management

- Survey of general market environment
- Continuous re-evaluation of investment theses and price targets
- Dynamically modify position sizes according to latest assessments
- Strictly stick to portfolio guidelines
- Risk controls through active exposure management and strict position limits



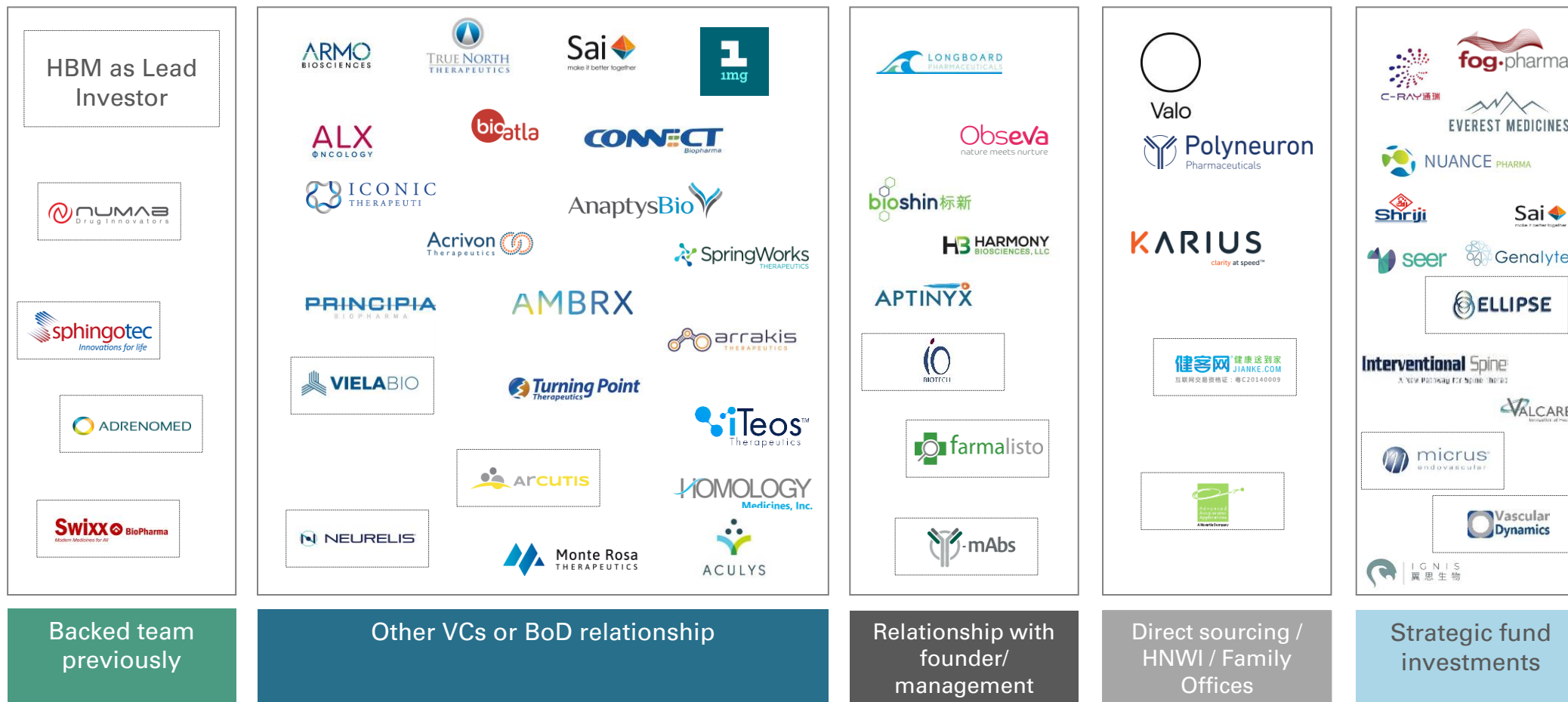
Idea Generation

- Appraisal of scientific, technological, regulatory and political trends
- Universe of >1,500 healthcare companies (approx. 15% are covered by stock market analysts)
- Proprietary database with 750+ companies
- Regular attendance of industry, medical and scientific conferences
- Close relationship to industry, medical experts and C-level executives
- Priority ratings for due diligence assigned

Stock Selection & Portfolio Construction

- Determine exposure and position size
- Investment decision is made by the portfolio manager
- Initiate new position based on risk/reward considerations, investment thesis, time to value inflection point and fit in overall portfolio
- Scale position size according to conviction level
- Portfolio is continuously analysed to identify new investments that offer more attractive opportunities

Deal Sourcing of Private Equity Investments



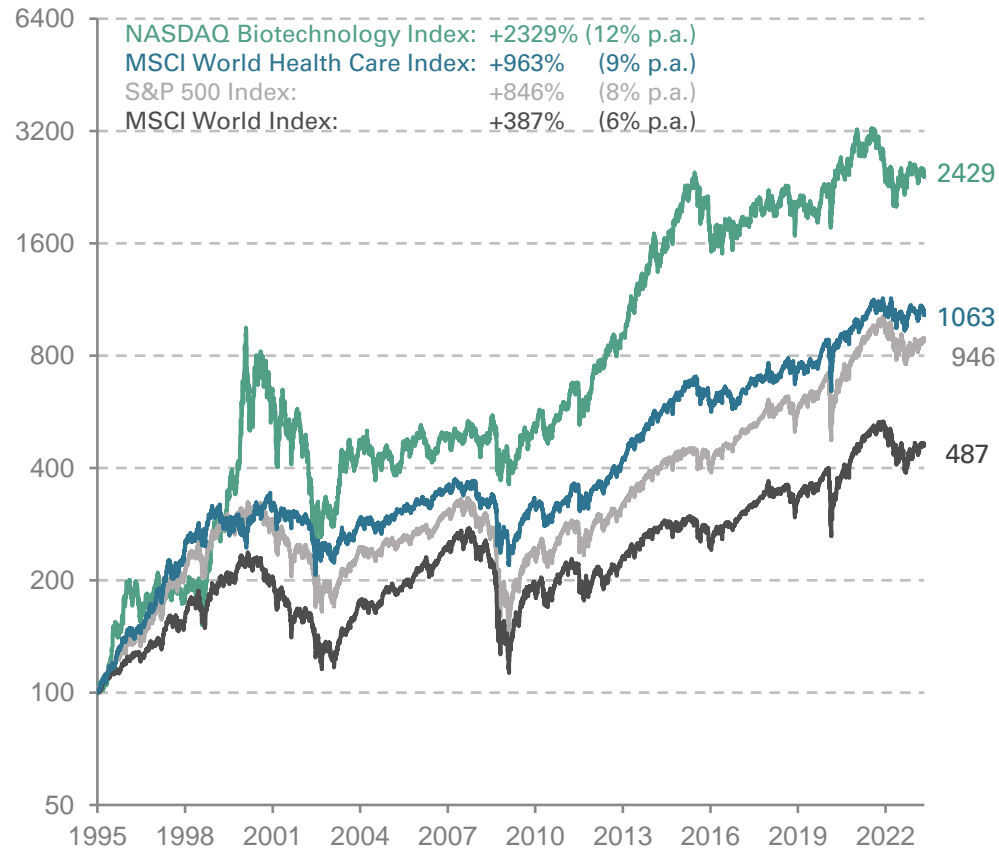
Investments > CHF 5 million; data as of 30 June 2023



Healthcare Sector

Attractive Growth Sector with Strong Fundamentals and Drivers

Biotech Outperformed the Market Over Short & Long Term

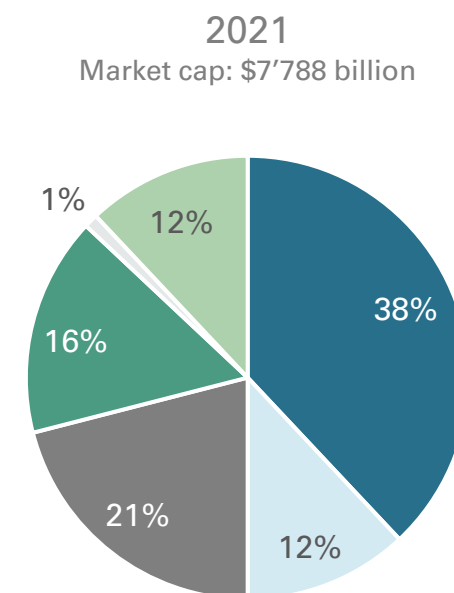
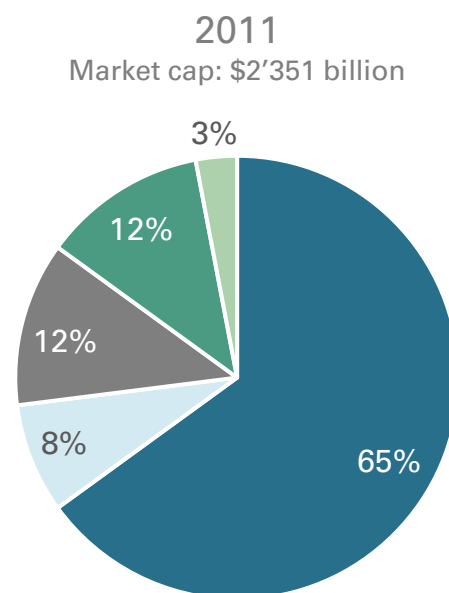
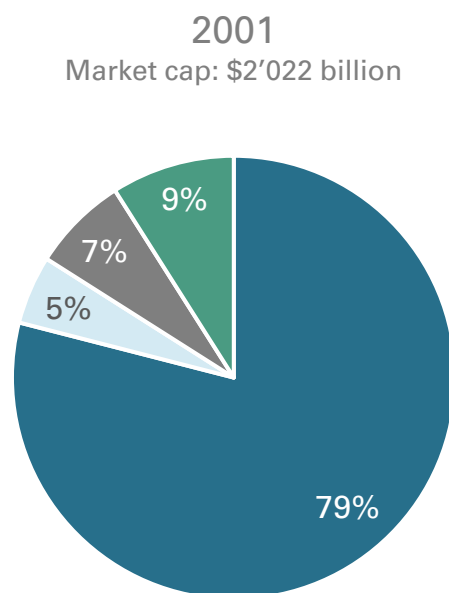


Source: Bloomberg, data as of 30 June 2023, in USD

- Healthcare sector’s fundamentals remain intact and are supportive for further outperformance
- Sales from drugs and medical devices > \$1.4 trillion p.a. representing more than 25% of the healthcare industry’s total revenues
- Biotech sector resilient to economic cycles with high profit margins, strong cash-flows and highest returns in healthcare
- > 90% of next-generation biotherapeutics (cell-, gene- and nucleotide-therapies) developed by emerging biopharma
- Sustainable market drivers such as ageing population, favorable regulatory environment, greater scientific understanding, and an increasingly affluent middle class
- Market positioned for further upside given attractive valuations, could be complemented by acceleration in M&A

Healthcare Sector Looks a Lot Different Today

It is not all about pharma



■ Pharmaceuticals
■ Healthcare providers & services

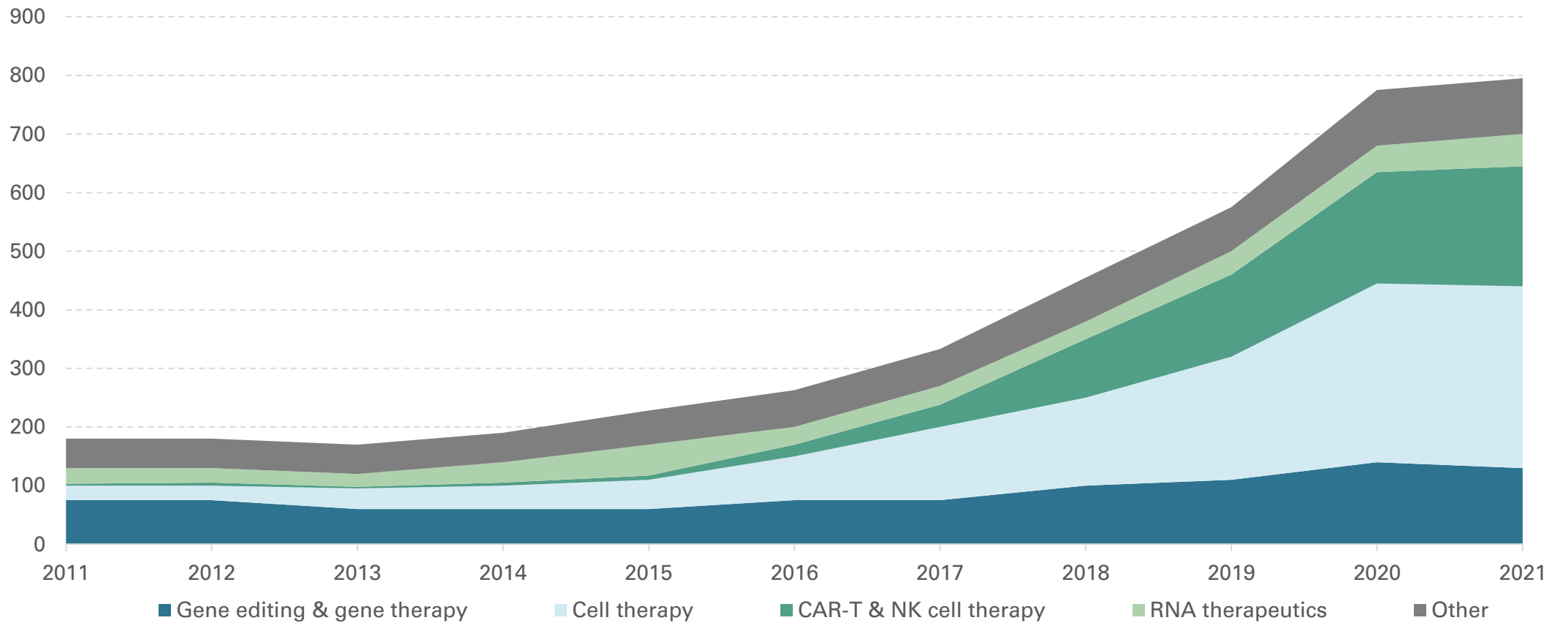
■ Biotechnology
■ Healthcare technology

■ Healthcare equipment & supplies
■ Life sciences tools & services

Source: MSCI World Healthcare, data as of 31 December each year

Novel Technologies Driving R&D Pipeline Growth

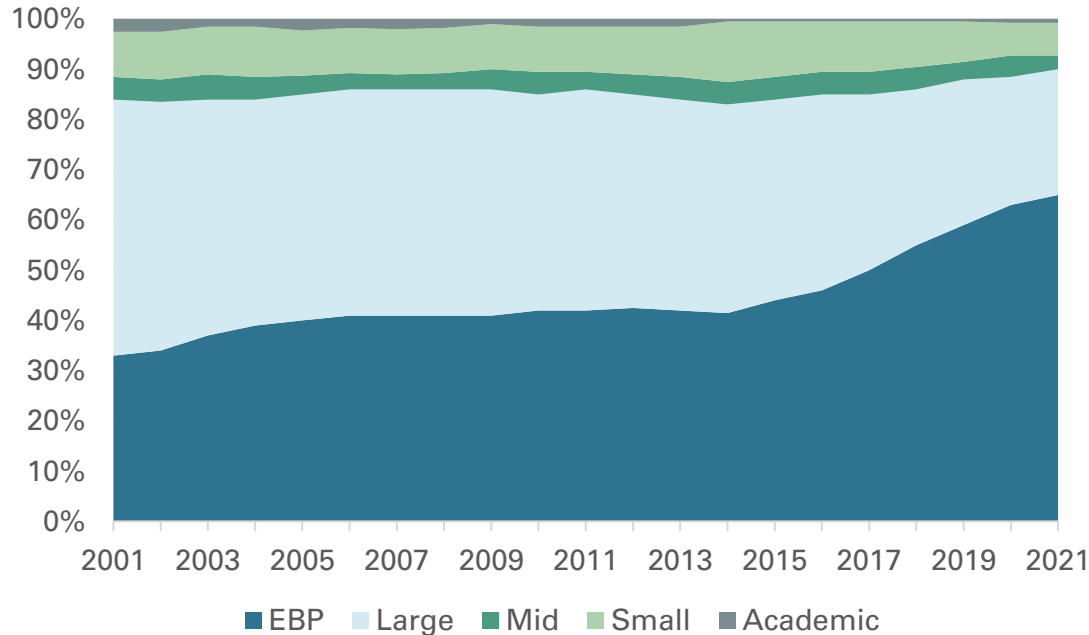
Next-generation biotherapeutics Phase I to regulatory submission pipeline by mechanism, 2011–2021



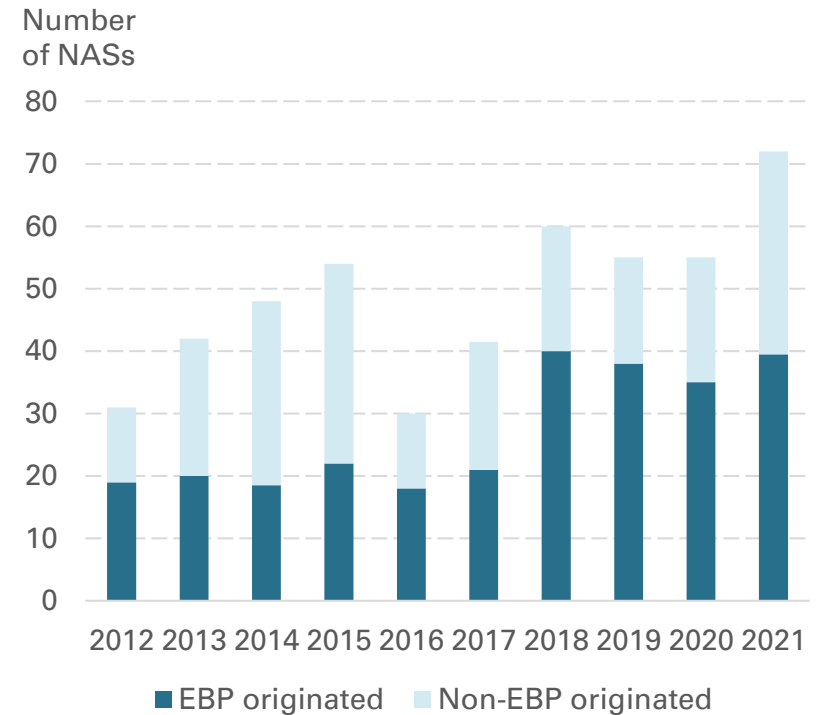
Source: IQVIA Pipeline Intelligence, Dec 2021; IQVIA Institute, Jan 2022

Emerging Biotech Companies as the Backbone of Innovation

Share of R&D Pipeline by Company Type



Source of Origination for Novel Active Substances (NAS) Launched

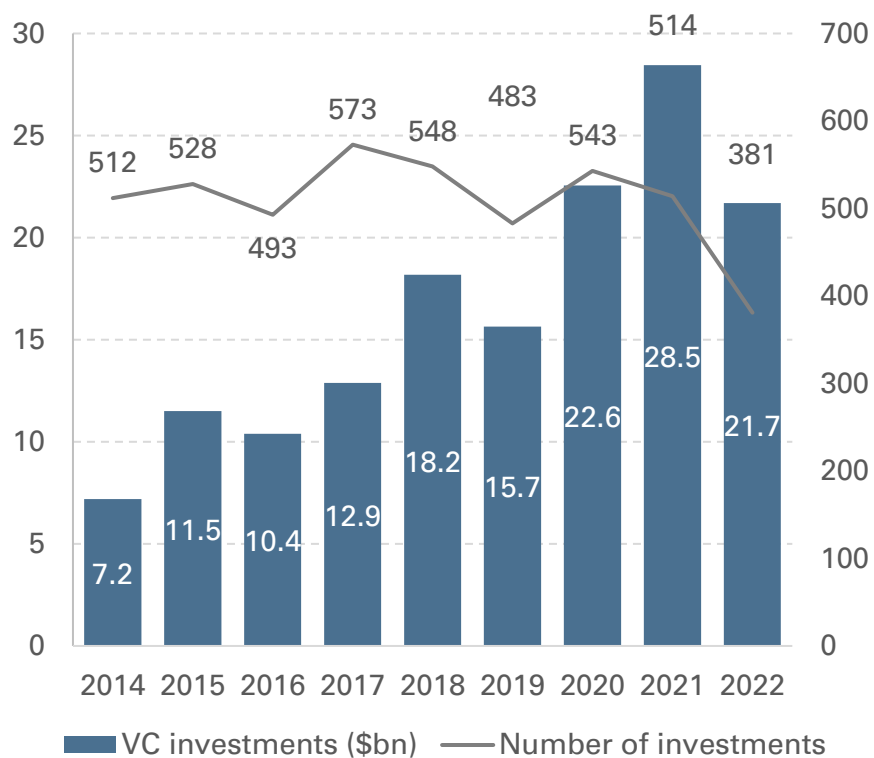


EBP: Emerging biopharma companies

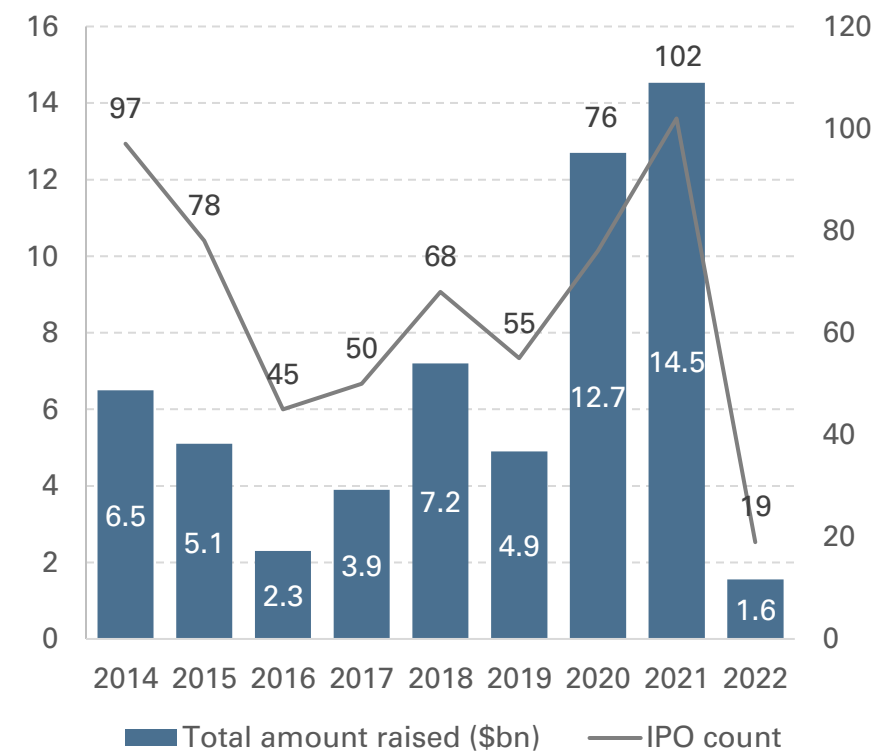
Source: IQVIA Pipeline Intelligence, Dec 2021; IQVIA Institute, Jan 2022

Steady Flow of New Investment Opportunities

Global venture investments into biotech

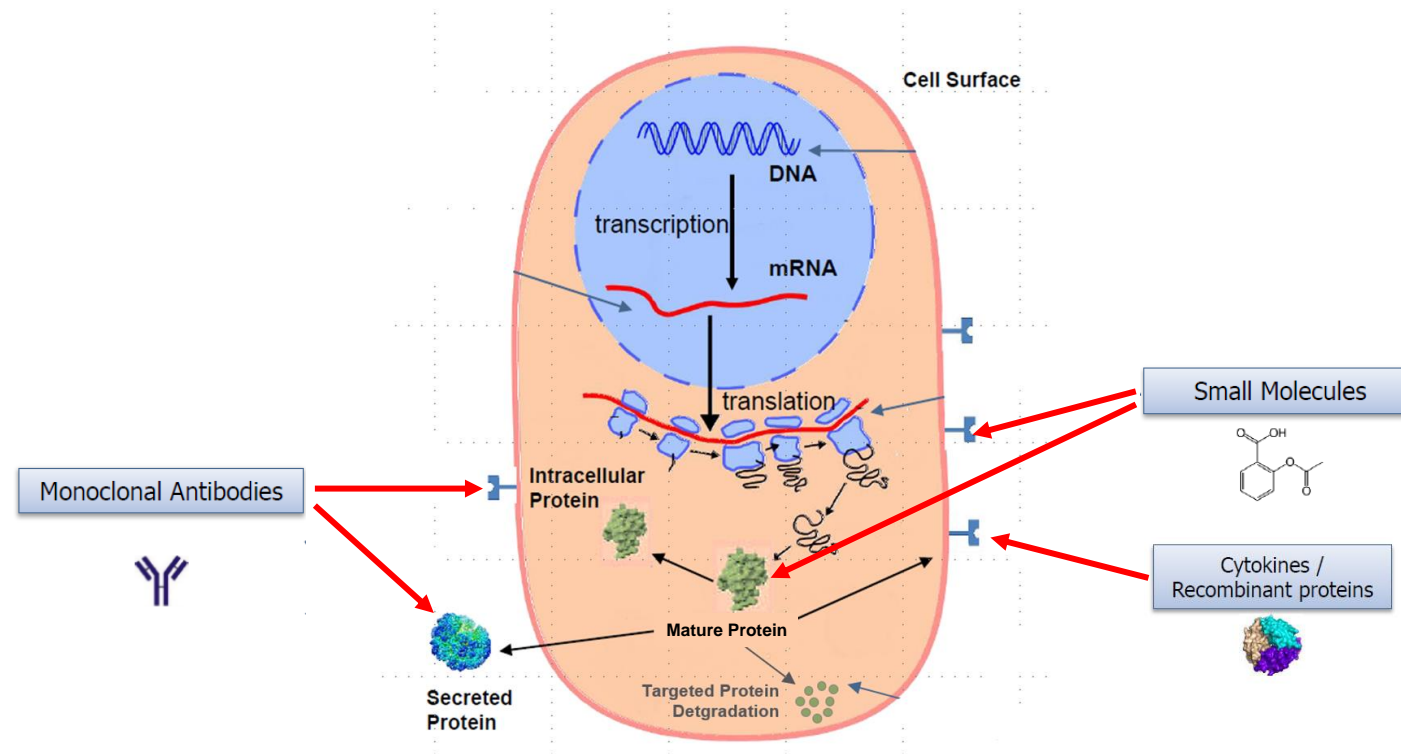


Biotech IPOs on western exchanges

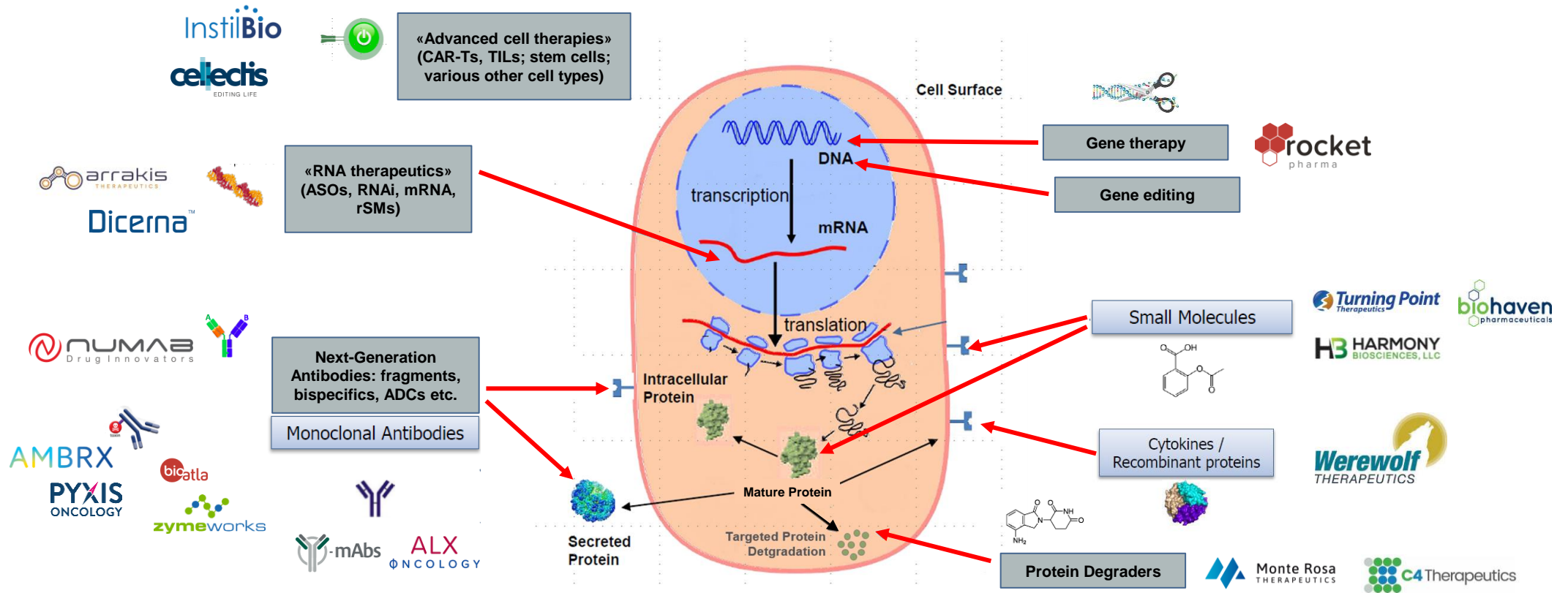


Source: Evaluate Pharma, (January 2023)

Selected Treatment Modalities – 30 Years Ago



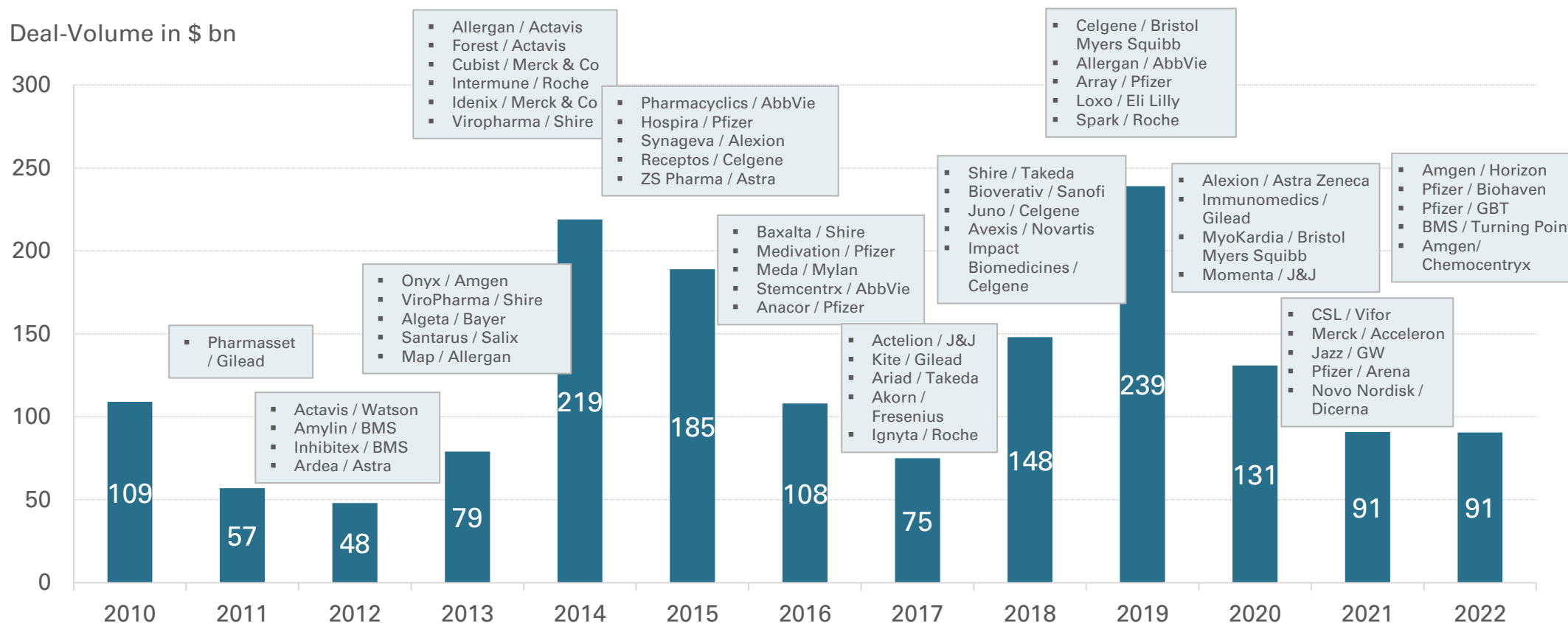
Treatment Modalities – Today and Tomorrow



Note: Previous and current HBM portfolio companies
Graphic adapted from: Orbimed

Pharma and Biotech M&A Activity

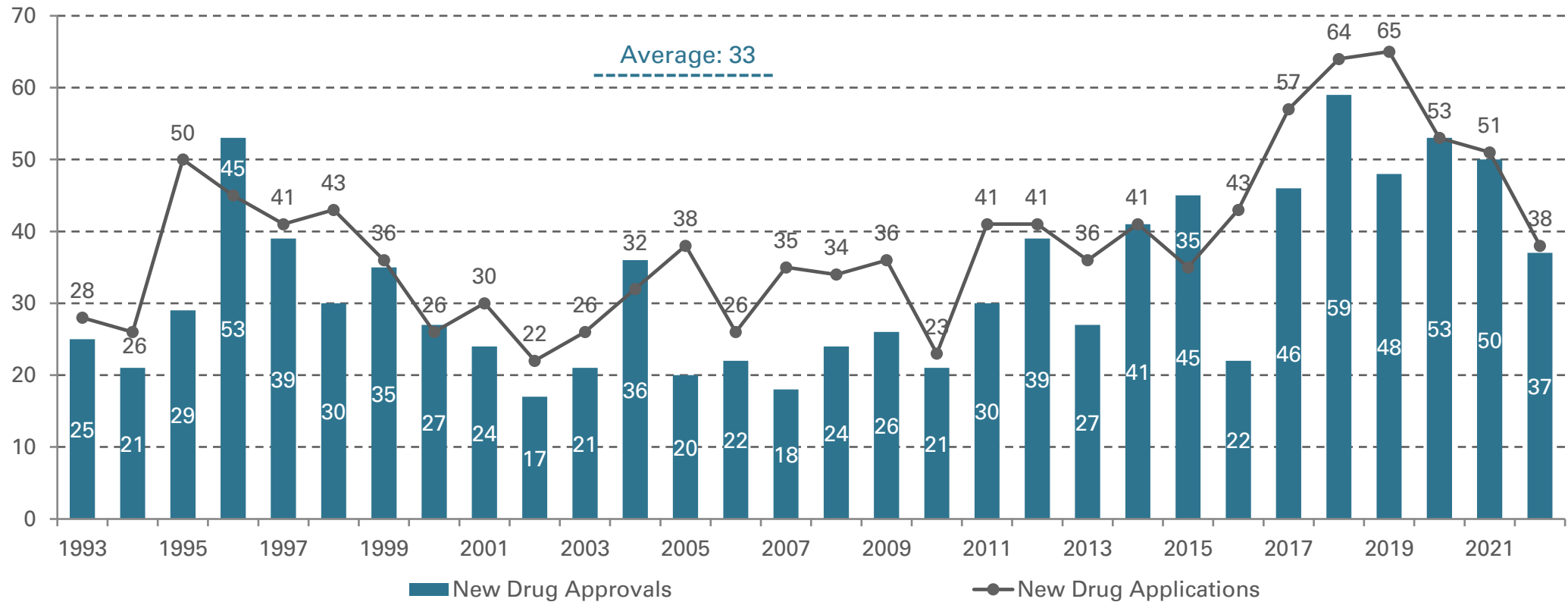
On average, 50% premium over stock price before acquisition



Source: Evaluate Pharma (2023)

Annual New Drug Approvals

Number of New Drug Approvals and Applications at the US FDA



Source: FDA, CDER (2022)



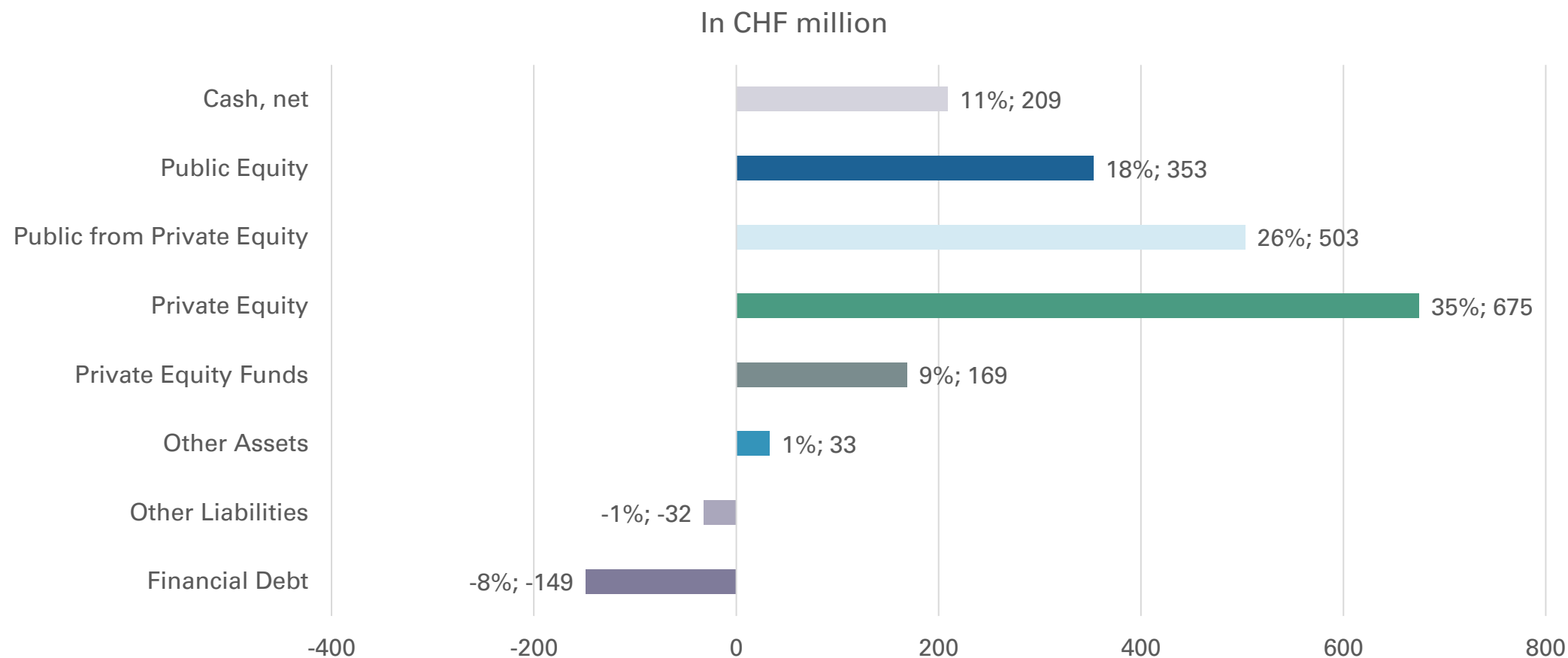
Investment Portfolio

A Global Portfolio



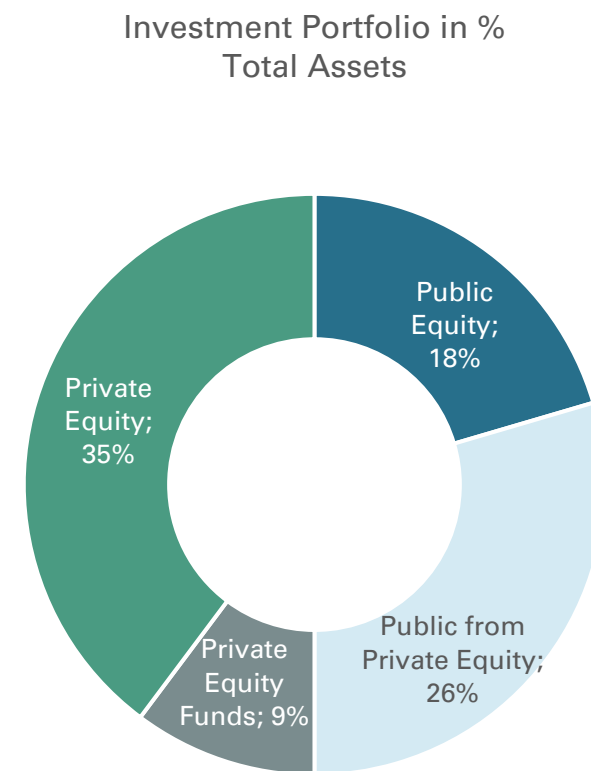
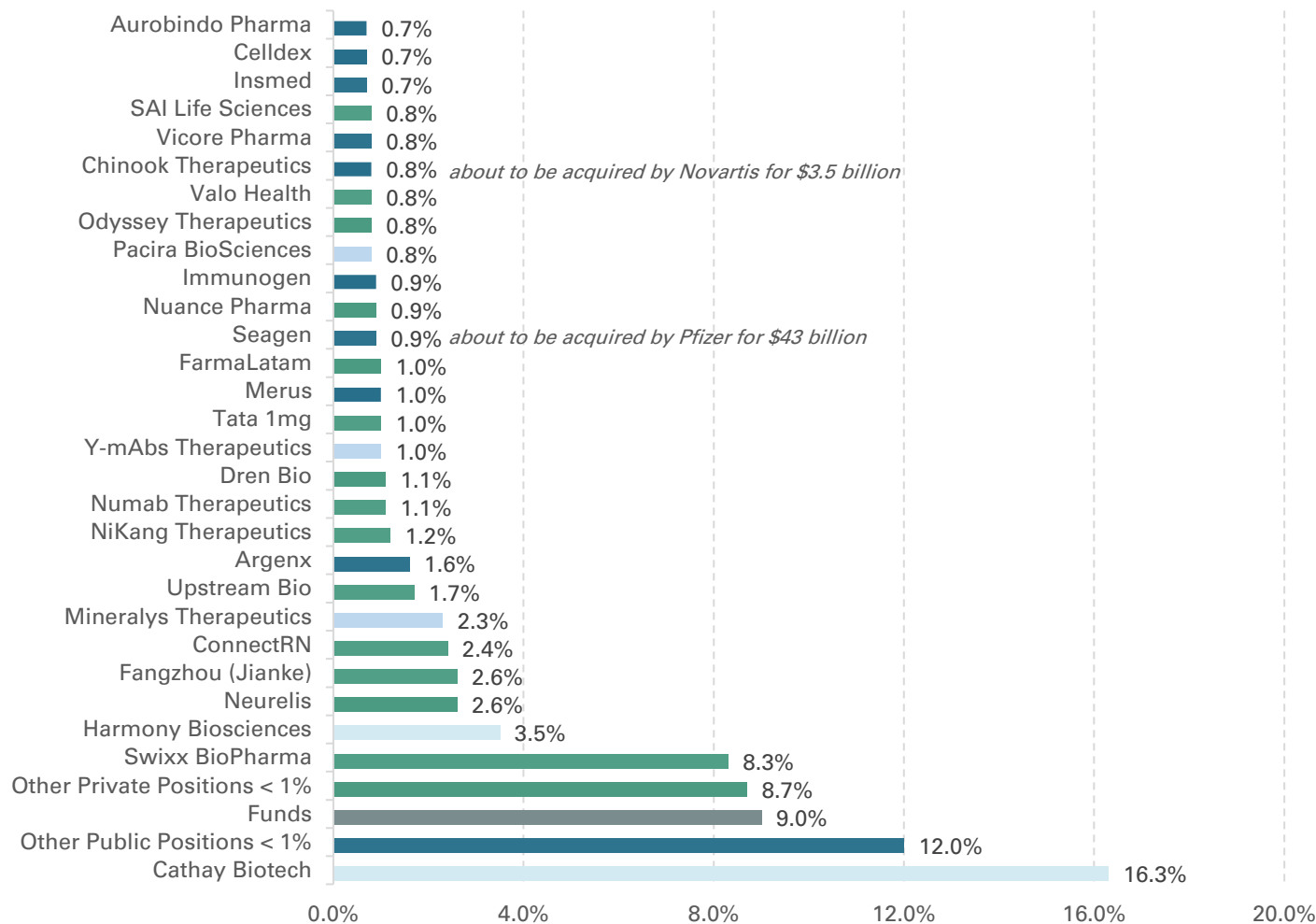
Data as of 30 June 2023 (Selection)

Asset Allocation



Data as of 30 June 2023, in % of total assets of CHF 1'942 million

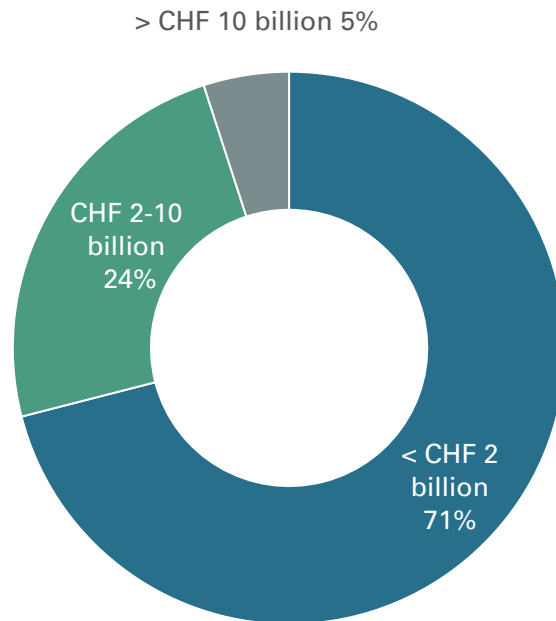
Diversified Investment Portfolio



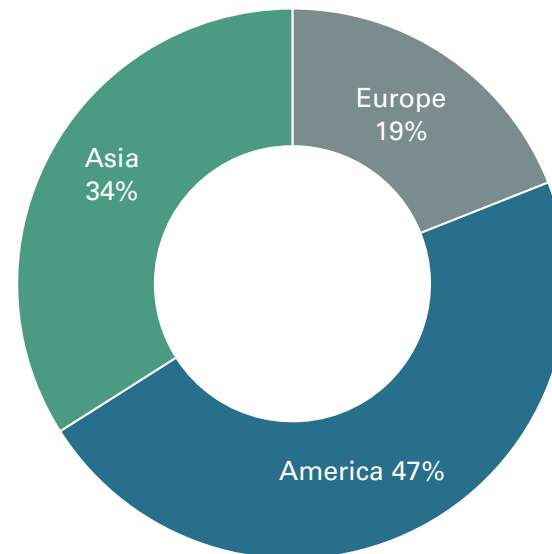
Data as of 30 June 2023, in % of total assets of CHF 1'942 million, Top 10: 42.5%

Portfolio Breakdown by Market Cap, Geography and Currency

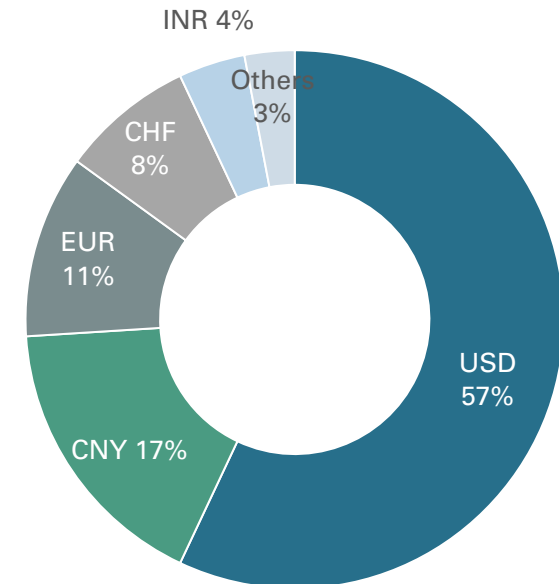
Market Capitalisation



Geography



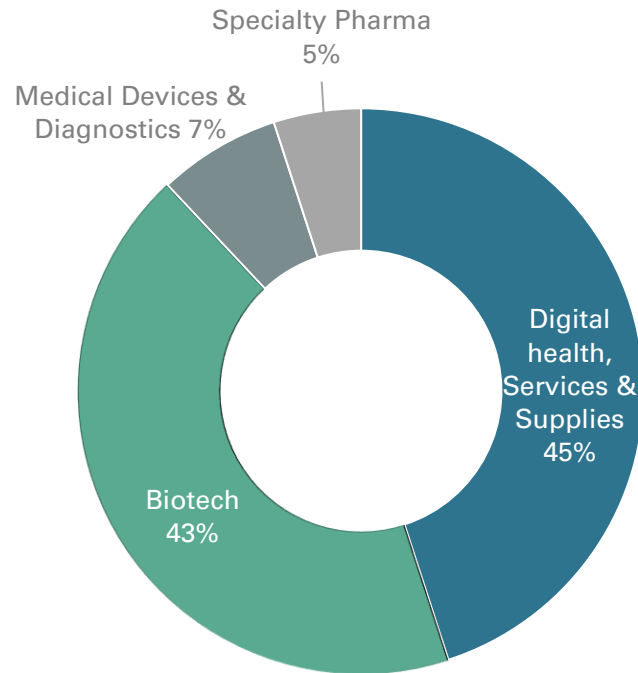
Currency



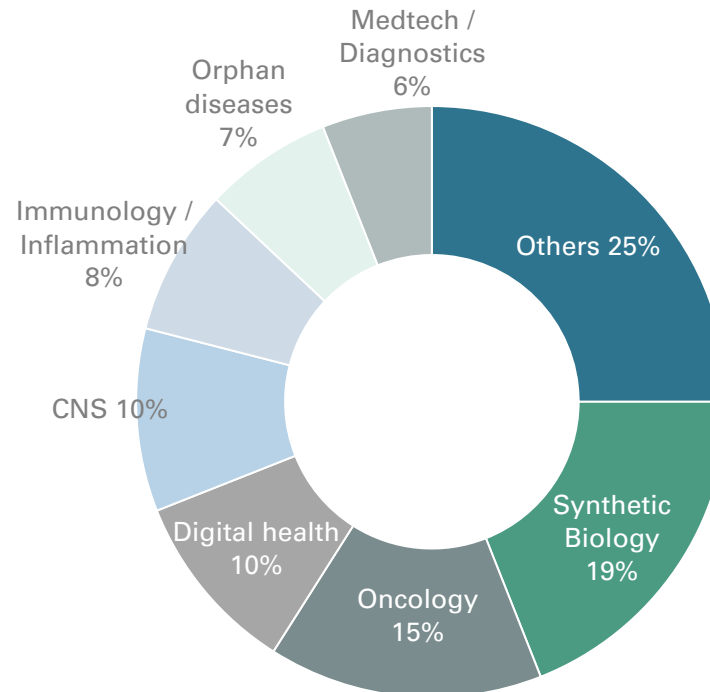
Data as of 30 June 2023, in % of investments, currency in % of total assets

Portfolio Breakdown by Sector, Therapy and Development Stage

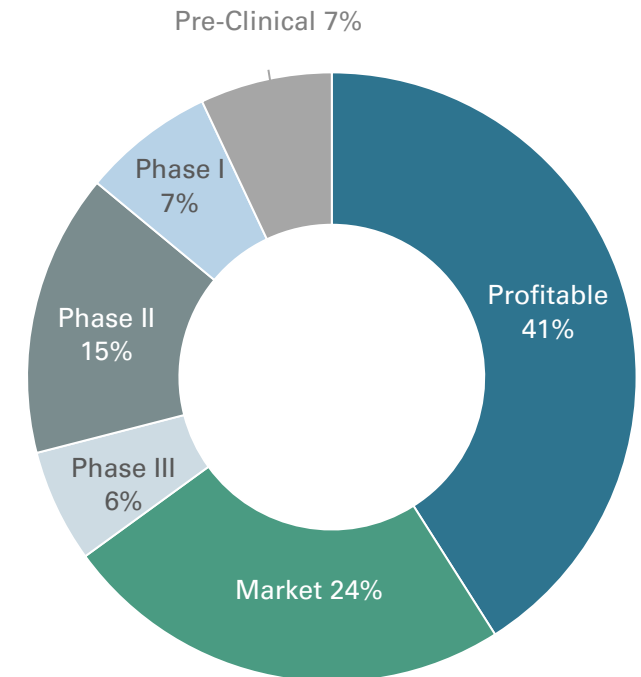
Sector Breakdown



Therapeutic Area

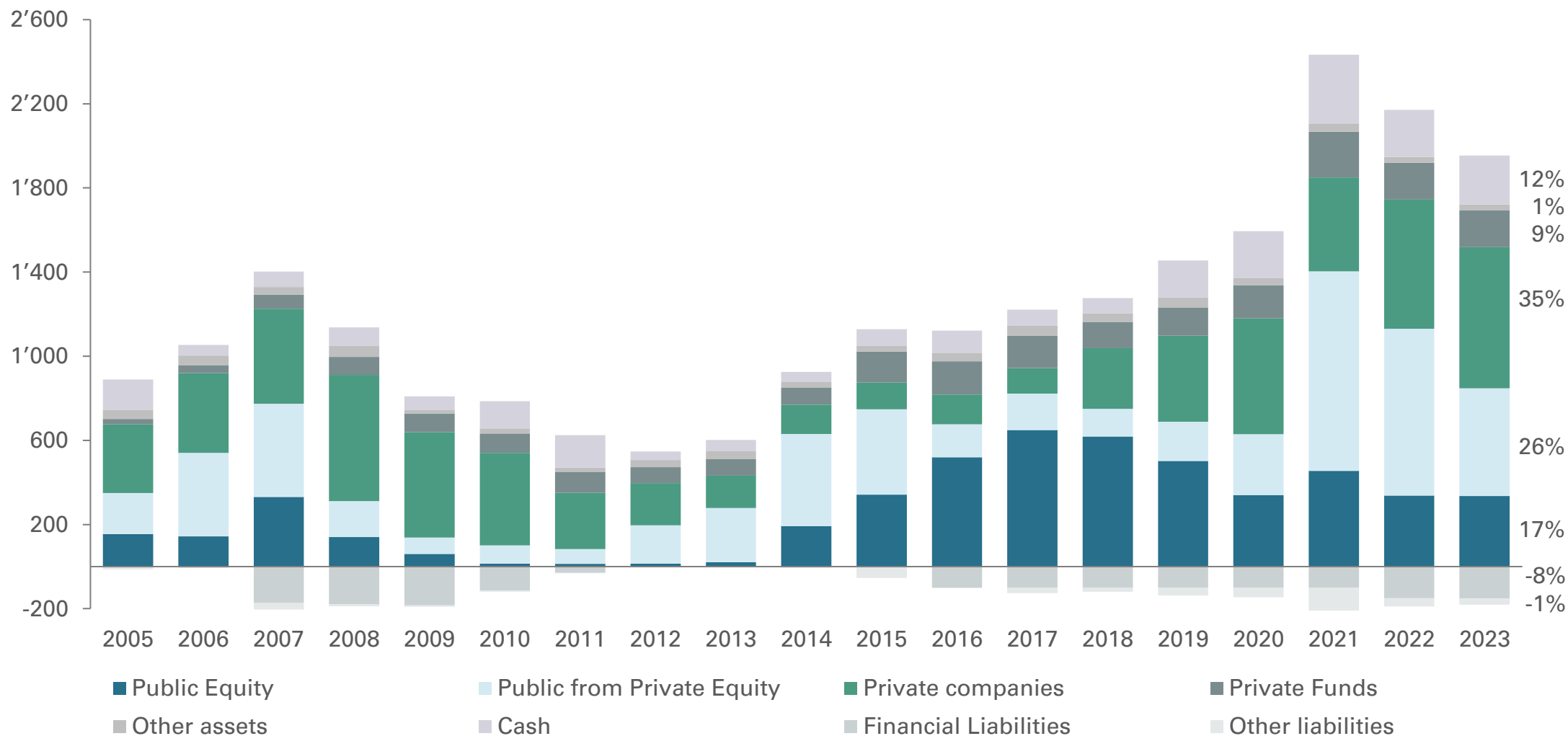


Development Stage

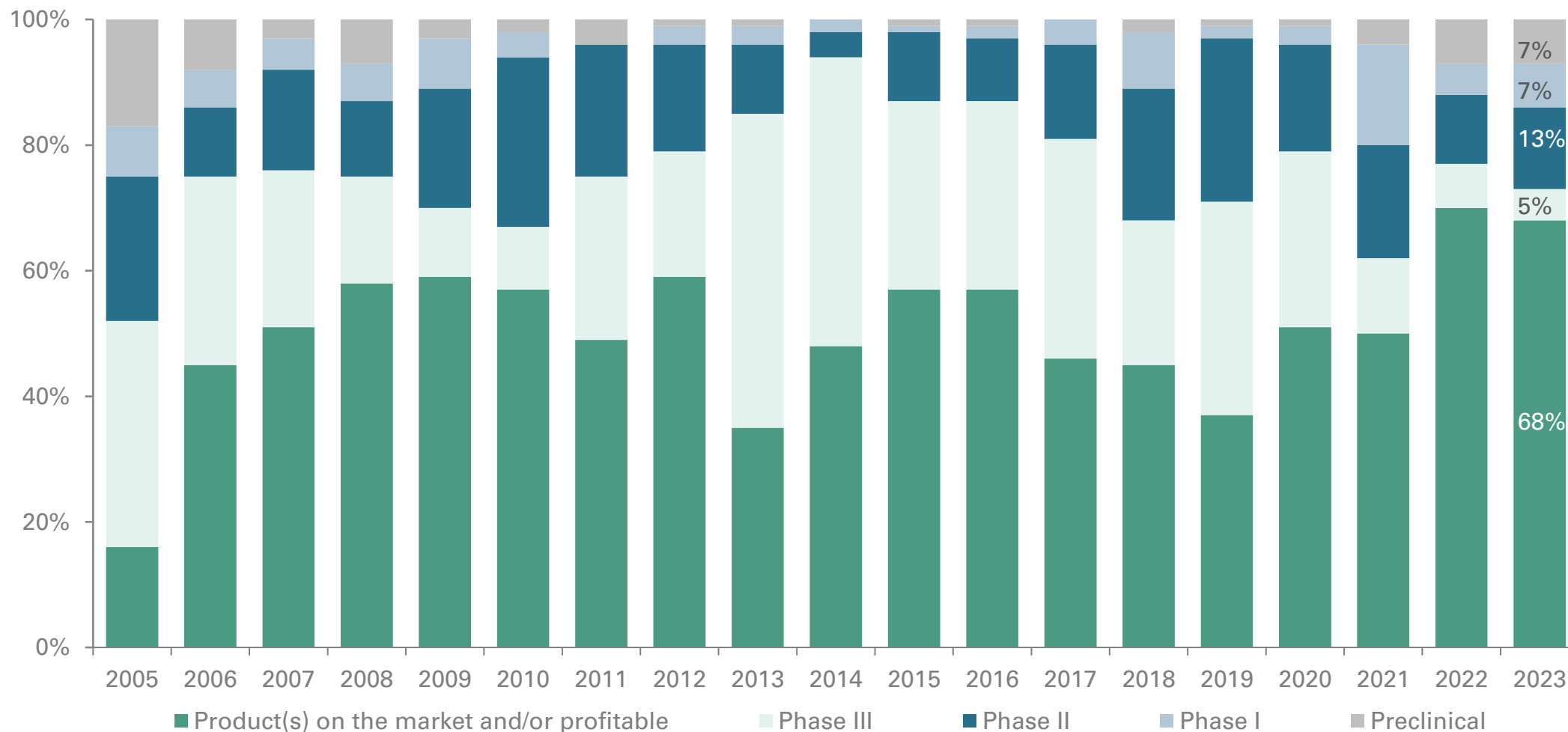


Data as of 30 June 2023, in % of investments

Development of Asset Allocation



Development Stage of Lead Product

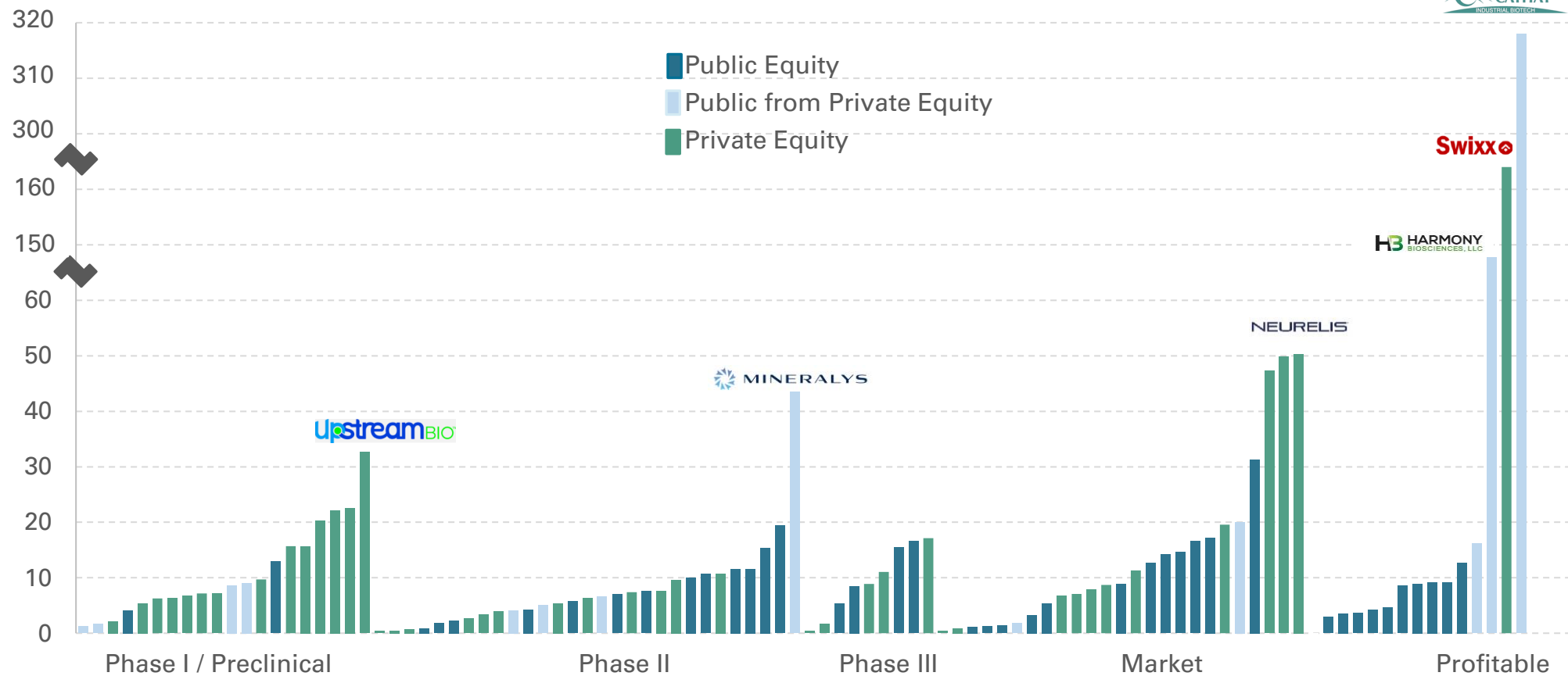


Data as of the end of each financial year (last column: 31 March 2023), in % of investments

Portfolio by Development Stage of Lead Asset







Well balanced portfolio from a risk perspective

HBM book value
in CHF m



Data as of 30 June 2023







Largest Investments (1/2)

Company	Core Business	Company Stage	Ticker	Market Capitalisation (CHF m)	Ownership (%)	Book Value (CHF m)	% of Total Assets
 CATHAY INDUSTRIAL BIOTECH	Synthetic biology (long chain diacids, carbohydrates, special enzymes, green nylon)	Profitable	688065 CH (ex private)	4'482	7.1	316.3 ¹⁾	16.3
 Swixx BioPharma Modern Medicines for All	Full representation of biopharma companies in central and eastern Europe	Market	Private	615*	26.3	161.7	8.3
 HB HARMONY BIOSCIENCES, LLC	Drug for the treatment of narcolepsy (with and without cataplexy)	Profitable	HRMY (ex private)	1'891	3.6	67.7	3.5
 NEURELIS	Nasal spray for the treatment of epileptic seizures	Market	Private	481*	10.5	50.4	2.6
 健客 买正品药上健客 jianke.com	China's leading B2C SmartCare service platform (online pharmacy, chronic disease management service center)	Market	Private	928*	5.4	49.8	2.6
 connect RN	Provider of the nurse-centric staffing app in the US	Market	Private	237*	20.0	47.3	2.4

1) Deferred tax on capital gain and VAT based on difference between potential selling and IPO price not included; lock up discount for 3 years starting August 2020 reflected

Data as of 30 June 2023, * Implied company valuation (for private companies)

Largest Investments (2/2)

Company	Core Business	Company Stage	Ticker	Market Capitalisation (CHF m)	Ownership (%)	Book Value (CHF m)	% of Total Assets
 MINERALYS	Developing therapies for the treatment of uncontrolled and resistant hypertension	Phase II	MLYS (ex private)	624	7.1	44.4	2.3
 UpstreamBIO™	Monoclonal antibody targeting TSLP receptor in allergic and inflammatory diseases	Phase I	Private	461*	7.1	32.7	1.7
 argenx	Drugs for the treatment of severe autoimmune diseases (MG, ITP, PV & PF, CIPD)	Market	ARGX	19'634	0.2	31.3	1.6
 NKT	Developing small molecule oncology medicines (eg HIF2a inhibition)	Phase I/II	Private	426*	5.3	22.6	1.2
 numab Drug Innovators	Next-generation multi-specific antibody platform for cancer and inflammation	Phase I	Private	288*	7.7	22.1	1.1
 drenbio	Antibody-based platform to deplete cells and other disease-causing agents	Phase I/II	Private	252*	8.1	20.3	1.0

Data as of 30 June 2023, * Implied company valuation (for private companies)

Largest Private Equity Investments

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Swixx BioPharma

- Full representation services for pharma/biotech in CEE (Central and Eastern Europe)
- Profitable company with net sales exceeding EUR 700m in 2022
- Targeting to reach low-double digit EBITDA margin
- Over 1'200 employees as of H1 2023

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Neurelis

- Diazepam (Valtoco®) nasal spray for use in breakthrough epilepsy seizures; US market approval with orphan status
- Major unmet need in epilepsy patients, where no drug is approved for controlling break through seizures
- Net sales expected to reach low triple-digit million US\$ in 2023

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Fangzhou (Jianke)

- China's leading B2C SmartCare service platform for chronic diseases management
- Closed strategic cooperation with Santen, Menarini, Zelgen, Novartis, Pfizer and many other pharmaceutical companies
- Achieved revenues of CNY 2.2 billion in 2022 (US\$ 300 million), it anticipates positive non-GAAP net income for H1 2023

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ConnectRN

- Tech-enabled platform providing online community and work opportunities to healthcare professionals
- Rapid uptake in the long-term care market with additional business lines in home health care and hospital staffing
- Collaboration with Amedisys (now United Health) is developing well and has been the base for home health market expansion

23

NiKang Therapeutics

- Potentially best-in-class differentiated HIF-2 alpha inhibitor for the treatment of renal cell carcinoma (RCC) – candidate entered clinic in July 2021. Possible expansion into other solid tumors
- Co. is working on leads against KRAS G12D (common genetic mutation in cancer)

20

Dren Bio

- Developing powerful protein engineering technologies to deplete cells, protein aggregates and other disease-causing agents
- Lead programs are initially focused on hematologic neoplasms and solid cancers

Largest Public Equity Investments

316

Cathay Biotech¹⁾

- Synthetic biology company: long-chain dicarboxylic acids / bio-based diamine 5 & bio-based polyamide / polyesteramide
- Profitable with revenues of CNY 2.4 billion (US\$350m) for 2022
- Significant collaboration (equity & supply contract) with CMG; contract worth up to several hundred-million-dollar revenue

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Harmony Biosciences

- Narcolepsy (with and without cataplexy)
- Wakix™ (Pitolisant) approved in the US and in the EU for narcolepsy (with or without cataplexy)
- Unlike other wake-promoting agents, Wakix is not scheduled as a DEA controlled substance

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Mineralys Therapeutics

- Targeted approach for the treatment of uncontrolled and hypertension and chronic kidney disease
- MLS-101 is an Aldosterone synthase inhibitor that showed significant effect size in a proof of concept trial
- Pivotal clinical trials for hypertension will start in 2023 (readout 2024 & 2025); phase II - chronic kidney disease - starts in H2 /23

31

Argenx

- Drugs for autoimmune diseases – lead drug market approved VYVGART for the treatment of myasthenia gravis (gMG) – potential indication expansion into CIPD, ITP & PV
- Novel antibody-based therapies, combining the diversity of the llama immune system with antibody engineering

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Merus

- Co. eyes tumor-agnostic path for cancer drug addressing rare genetic target
- Zenocutuzumab (Zeno), a Biclomics antibody, concentrates on helping patients with lung, pancreatic and other types of solid tumors

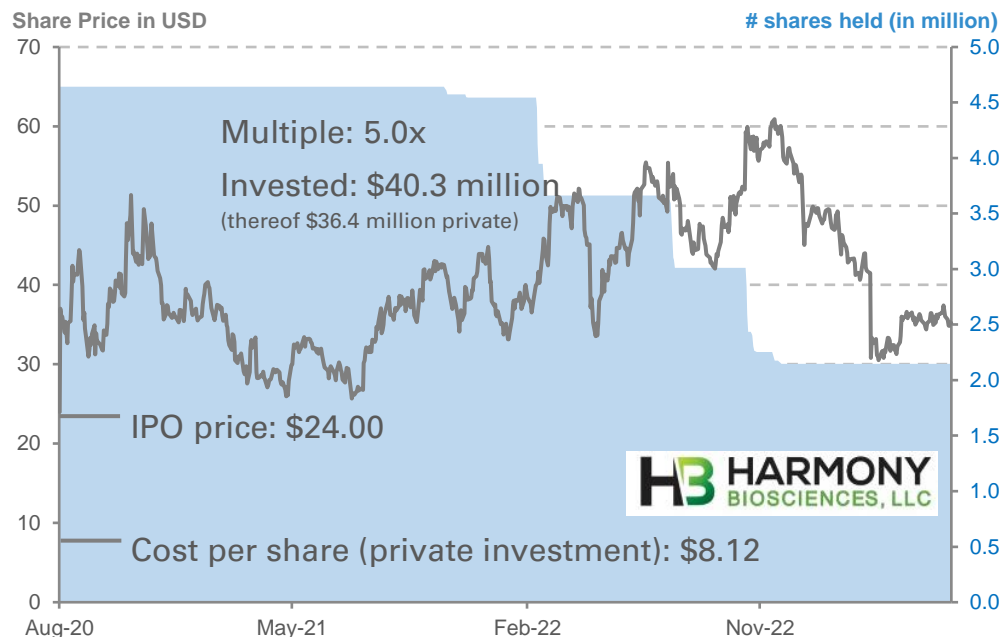
15

Vicore

- Clinical-stage biotechnology company focussed on developing innovative medicines in severe diseases
- The company released new clinical data of C21 in idiopathic pulmonary fibrosis (IPF) patients. The data reinforces the unprecedented, regenerative drug profile that shows stabilization of lung function. C21 could potentially be the first IPF drug that turns this deadly disease into a survivable one

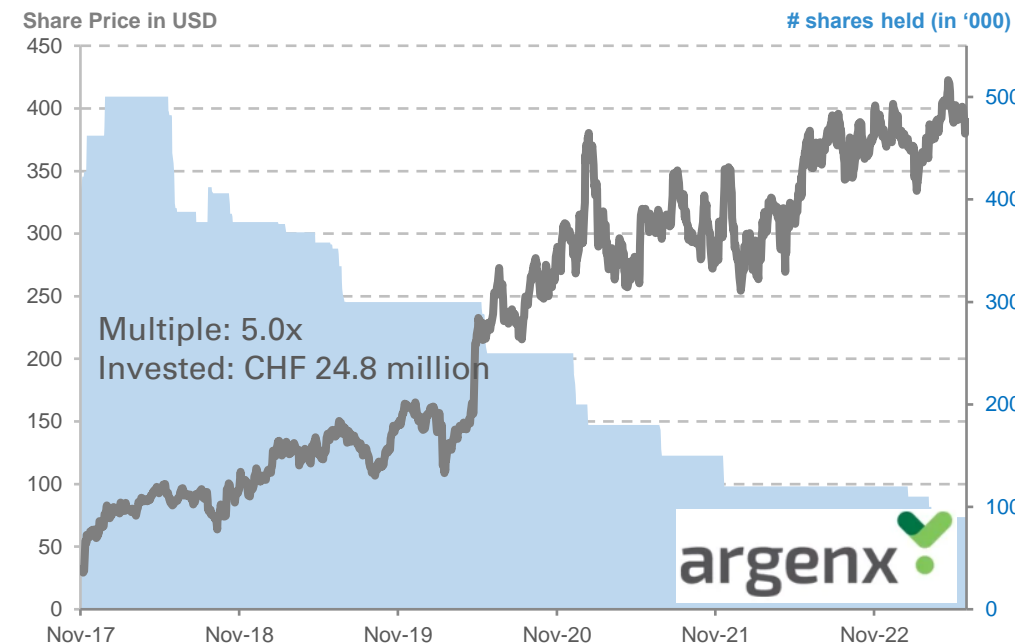
1) Deferred tax on capital gain and VAT based on difference between potential selling and IPO price not included; lock up discount for 3 years starting August, 2020 reflected.
Data as of 30 June 2023, Bookvalue in CHF million

Winners During Turbulent Times



Harmony

- Therapies for patients with neurological disorders
- Wakix™ (pitolisant) is market approved for the treatment of excessive daytime sleepiness (EDS) or cataplexy in adult patients with narcolepsy
- Pitolisant is a molecule with a novel mechanism of action specifically designed to increase histamine signaling in the brain by binding to H3 receptors



Argenx

- Drugs for autoimmune and cancer diseases – lead drug market approved VYVGART for the treatment of generalized myasthenia gravis (gMG)
- Severe autoimmune diseases (MG, ITP, PV) – VYVGART (“pipeline in a product”)
- Novel antibody-based therapies, combining the diversity of the llama immune system with antibody engineering

Strategic Fund Investments

Sector Focus (Early Stage Genomics and Medical Devices)

HBM Genomics

Vintage: 2015 | Commitment: \$22 m | TVPI 2.0x | Ownership: 100%

Early and development stage opportunities in Genomics

Access to early-stage investments in later rounds. Network of top Silicon Valley investors and companies with a focus on genomics



Co-investments



Medfocus Fund II

Vintage: 2005 | Commitment: \$26 m | TVPI 2.4x | Ownership: 100%

Incubator and accelerator concept, selective later stage investments in the medical device space

Access to promising early-stage investments in later rounds; "raised" by successful entrepreneurs



Co-investments



Geographic Focus (China and India)



6 Dimension Capital



Vintage: 2018 | Commitment: \$25 m | TVPI 2.0x | Ownership: 5%



VC with capabilities in China and U.S. to access innovation and build category leaders in healthcare sectors



WuXi Healthcare Ventures II

Vintage: 2015 | Commitment: \$20 m | TVPI 1.2x | Ownership: 7%

Access to early-stage investment opportunities with a focus on China

C-Bridge Capital IV

Vintage: 2018 | Commitment: \$10 m | TVPI 1.4x | Ownership: 1.3%

Invest and build quality platform companies currently missing in China



Tata Capital Fund I

Vintage: 2015 | Commitment: \$10 m | TVPI 1.3x | Ownership: 67%

Growth and expansion investments in Indian healthcare companies



Selected funds (based on quarterly numbers), data as of 30 June 2023

Latest IPOs from Private Equity Portfolio

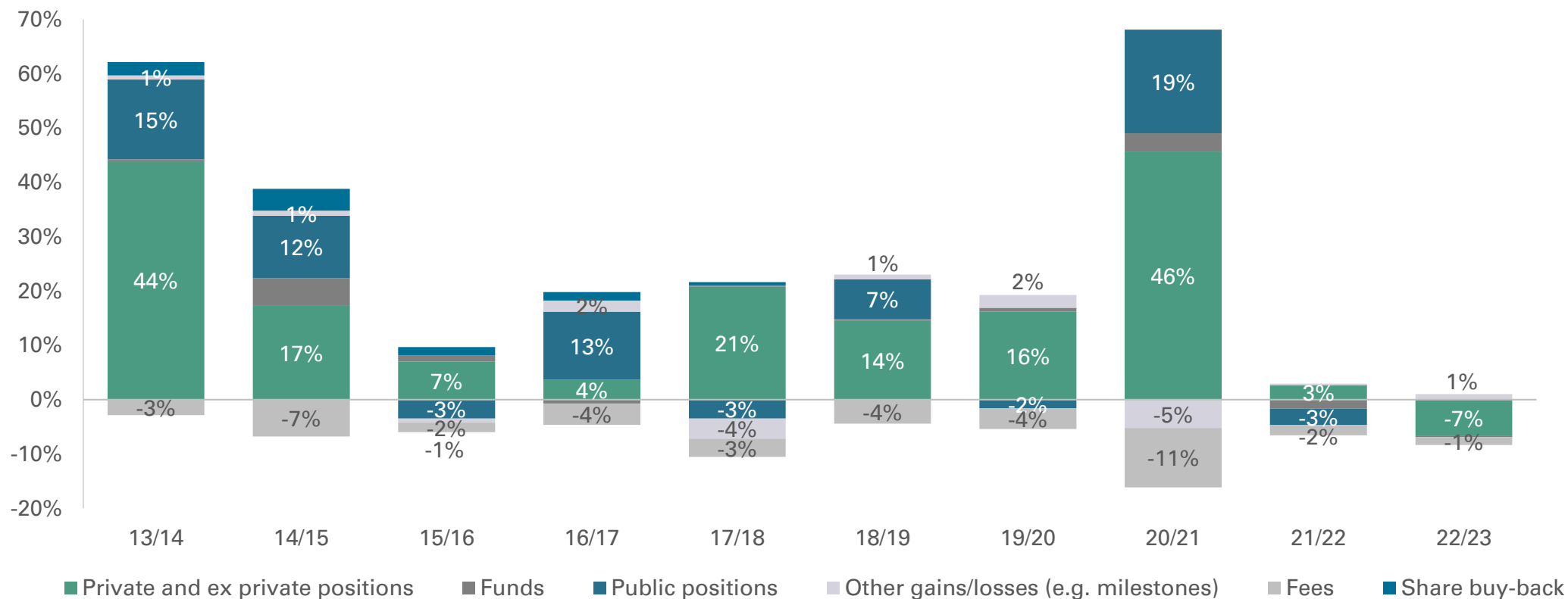
Company	Year of IPO	\$ Amount Invested Private	Multiple to IPO Price	\$ Amount Invested at IPO	Post IPO Performance (until end of Period or Sale)
Mineralys Therapeutics	2023	19.0	2.45x	0.3	0%
Acrivon Therapeutics	2022	8.0	0.89x	0.0	5%
IO Biotech	2021	23.2	1.47x	4.6	-86%
Pyxis Oncology	2021	6.0	1.53x	2.4	-83%
Monte Rosa Therapeutics	2021	14.0	2.44x	8.0	-66%
Ambrx	2021	20.0	1.56x	14.0	-55%
Werewolf Therapeutics	2021	5.0	2.00x	2.4	-81%
Connect Biopharma	2021	10.0	1.55x	5.1	-93%
Instil Bio	2021	12.5	3.10x	6.0	-97%
Longboard	2021	10.0	2.20x	8.0	-56%
Seer	2020	2.8	2.40x	0.1	23%
BioAtla	2020	11.5	2.69x	17.6	-81%
Galecto	2020	11.8	1.48x	5.0	-84%
C4 Therapeutics	2020	4.0	2.22x	5.7	75%
Harmony Biosciences	2020	36.4	2.96x	3.9	84%
Cathay	2020	38.0	14.02x	0.0	-31%
iTeos Therapeutics	2020	7.9	2.42x	10.0	150%
ALX Oncology	2020	5.0	2.00x	7.6	-61%
Arcutis	2020	15.0	1.46x	7.6	-49%
Viola Bio (Acquired by Horizon for \$3.1bn)	2019	20.0	1.19x	9.5	179%
SpringWorks Therapeutics	2019	12.0	1.90x	3.2	138%
Turning Point Therapeutics (Acquired by BMS for \$4.1bn)	2019	10.0	1.54x	4.5	322%
Y-mAbs	2018	23.3	1.71x	9.4	-59%
Principia (Acquired by Sanofi for \$3.7bn)	2019	12.0	1.18x	7.2	488%
ARMO Biosciences (Acquired by Eli Lilly for \$1.6bn)	2018	12.0	1.38x	10.0	194%
AnaptysBio	2017	7.0	2.02x	2.3	140%
Advanced Accelerator Applications (Acquired by Novartis for \$3.9bn)	2017	43.5	1.17x	4.8	413%

Data as of 30 June 2023

Contribution to Net Asset Value

Private and Ex Private Equity Positions Account for a Majority of Contribution

NAV change per year

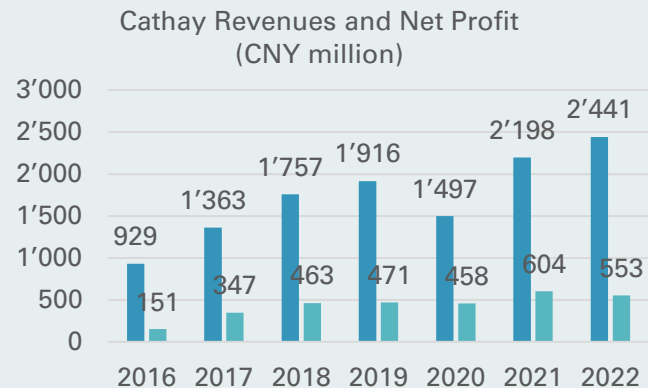


Note: IPO allocations in previously private companies are attributed to P&L from private positions, Data as of March 2023

Case Study Cathay Biotech



- Market cap: CNY 36.3 billion (CHF 4.5 billion), listed on Shanghai STAR Market since Aug 2020 (member of STAR 50 Index).
- Invested since May 2006: CNY 282 million (CHF 37 million) for 7.1% ownership.
- Current book value: CNY 2.6 billion (CHF 316 million, net of lock-up discount).



Source: Bloomberg and Company announcements; Financial figures as of 28 October 2022, all others as of 30 June 2023

Company Profile

- Cathay was founded in 2000 and engages in the research, development, production and sales of new bio-based materials based on synthetic biology and other technologies utilising bio-manufacturing technology

Investment Rationale

- Cathay is the leading supplier of biological long-chain dicarboxylic acids ("LCDA"), fine chemical intermediates, which are used for nylon, polyester, adhesives and organic solvents
- Cathay's proprietary technology allows production of pentamethylene diamine (PDA) from sustainable resources and provides downstream bio-based polyamide products, such as Cathay's high-performance textile material TERRYL[®] for broad applications in clothing, carpets, industrial yarns and other textile fields. Ecopent[®] is also a polyamide and can be used in the automotive and rail transit sectors, in electronics and electricals, in consumer and industrial goods, cable ties, film and others

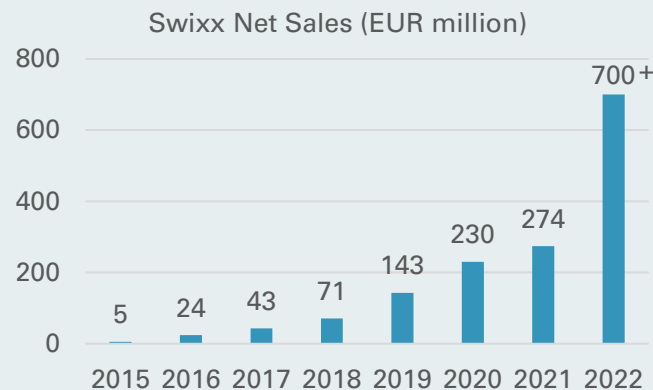
Achievements during Investment Period

- Company achieved revenue 5Y CAGR 2016-21 of 20% with a net profit margin of ~25%. Company reported subdued results for 2022 amid COVID-induced headwinds and rising raw material costs. Revenue and net income reached CNY 2441 million (+11.1% vs 2021) and CNY 553 million (-8.3% vs 2021).
- Cathay reported a disappointing Q1 2023. The weakness started in Q3 2022 and continued well into 2023. The company suffered a margin decline due to lower demand and unfavorable impact of fix costs (revenue: CNY 505 million -24% vs Q1 2022, net profit: CNY 57.4 million -67%).
- Lately a significant strategic collaboration with China Merchants Group (CMG), worth up to several hundred-million-dollar revenue, for Cathay's bio-based polyamide business, had been announced.

Case Study Swixx BioPharma



- HBM was the first institutional investor in the company along founders and management.
- Net sales exceeding EUR 700m in 2022.
- Significant ownership of 26.3% in the company (investment of EUR 34.8 million currently valued at EUR 165.5 million).



Data as of 30 June 2023

Company Profile

- Swixx BioPharma is designed to replace biopharma, OTC and medical device multinationals' subsidiaries or business units in those countries, or therapeutic areas of Central and Eastern Europe (CEE) and Russia, that the multinational chooses not to enter, or to exit

Investment Rationale

- Unique business model in fast growing economic area. Experienced management team, well known from former investment in PharmaSwiss
- Solid client and revenue base with potential for massive growth
- Opportunity to actively contribute to business development through HBM network
- Unrivalled market access capabilities, in particular for higher priced prescription medicines

Achievements during Investment Period (since 2017)

- Strong revenue growth from EUR 24 million (in 2016) to EUR 700+ million in 2022 – coupled with growing profitability (from 2023-24 targeting low double-digit EBITDA margin)
- Over 1'200 employees as of H1 2023
- Geographical presence now expanding into Central Asia, Belarus and Greece
- Newest investor Merieux Equity Partners purchased 20.2% of Swixx in fall 2021

Exit

- IPO or trade sale possible

Case Study

Mineralys Therapeutics



- Invested: USD 19.0 million for 7.1% ownership
- Book value: USD 49.5 million
- HBM was lead investor in February 2021 financing round, and is represented on the board
- The company pursues a targeted approach for the treatment of hypertension and related diseases such as chronic kidney disease
- MLS-101 is an aldosterone synthase inhibitor that showed significant effect size in a proof of concept phase II clinical trial
- First pivotal trials (approval relevant) started in May 2023

Company Profile

- Mineralys Therapeutics is a private, clinical-stage biopharmaceutical company developing novel therapies for the treatment of hypertension and related diseases such as chronic kidney disease

Investment Rationale

- Lack of innovation in the area of hypertension for many years
- Mode of action provides new treatment modality
- 2nd generation of molecules provide for better safety and enzyme selectivity
- Spin out from pharma company with pharma like pre-clinical data package

Achievements during Investment Period (since 2021)

- Hiring of clinical, regulatory and finance team
- Successful phase II interim analysis for dose finding and safety
- Successful phase II clinical trial confirming mode of action, dose dependency, effect size and safety
- USD 118m Series B financing round by outstanding US / EU syndicate at 90% higher valuation compared to Series A
- \$220m IPO on US NASDAQ in February 2023
- Pivotal clinical trials start in 2023

Case Study Upstream Bio



- Invested: USD 22.5 million for 7.1% ownership
- Book value: USD 36.5 million
- HBM invested in December 2020 Series A financing round, and is represented on the board
- The company pursues a targeted approach for the treatment of asthma and related inflammatory diseases
- UPB-101 is a monoclonal antibody targeting TSLP-Rc which sits at the top of the inflammatory cascade
- First, potentially pivotal trial (approval relevant) is to start in 2024

Company Profile

- Upstream Bio is a private, clinical-stage biopharmaceutical company developing novel therapies for the treatment of asthma and related diseases

Investment Rationale

- Inflammation and immunology spans a number of overlapping indications with a high unmet medical need and a large market potential
- Limited treatment options available for patients with non-allergic asthma
- Clinically validated MoA, with a potential to differentiate from the competition on the frequency of treatment
- Spin out from a pharma company with comprehensive pre-clinical and an early clinical data package

Achievements during Investment Period (since 2020)

- Hiring of clinical, regulatory and finance team
- Successful Ph1b clinical trial in asthma patients for dose finding and safety de-risking
- Clinical data from early trials in patients suggest the possibility to dose once every 3 months. This will offer significant benefit to patients over the currently used treatment options which are administered either every 2 or every 4 weeks
- Safety and early biomarker data from that trial are in line with the competition and warrant further clinical development
- Preparation for the Ph2b trial in asthma ongoing and on track for 2024

Case Study Arrivent Biopharma



- Invested: USD 12.0 million for 3.0% ownership
- Book value: USD 12.0 million (corresponds to post money valuation of USD 400 million)
- HBM invested in March 2023 Series B extension financing round, and is represented on the board
- The company pursues a targeted approach for the treatment of lung cancer
- Furmonertinib, an EGFR tyrosine kinase inhibitor, is already approved in China as a 1st line treatment for classic mutations EGFR mutated non-small cell lung cancer (NSCLC) patients
- Registrational trial ongoing in 1st line treatment for exon20 mutant EGFR mutated NSCLC patients

Data as of 30 June 2023

Company Profile

- Arrivent Bio is a private, clinical-stage biopharmaceutical company developing novel therapies for the treatment of lung cancer

Investment Rationale

- Exon 20 and atypical mutation EGFR mutant NSCLC patients are poorly served by available therapies which are plagued by poor tolerability, and inability to enter the brain where many metastases occur
- Having already gone through clinical development in China, furmonertinib's safety and efficacy profile are well defined
- ORR of 69% in 30 treatment-naïve patients, speaks well for the efficacy of the drug in 1L Exon20 mutations, while CNS penetration and a beneficial side effect profile set furmonertinib apart from the competition

Achievements during Investment Period (since March 2023)

- Enrolling patients in the global Phase 3 trial in exon 20 mutated EGFR mutant NSCLC patients, as well as in the Phase 1b trial in patients with atypical mutant NSCLC patients

Healthcare Market Outlook

The market is well positioned for further upside given attractive relative valuations, which could be complemented by an acceleration in M&A activity

































Tailwinds

- A new cycle of major biotech innovation and transformative technologies
- Financials provide some level of downside protection
- Changing FDA regulatory body allowing rapid development and approval of these drugs
- Later-stage M&A activity expected to continue as large pharma companies still need to fill their pipelines and have plenty of cash to spend
- Private financing activities proved resilient so far amid high level of dry powder available

Headwinds

- Macropolitical uncertainties
- Market-wide shift from growth to value
- Generalist money inflow remains muted (eg. ETF flows)
- IPOs have come to a halt after record-breaking 2021; limited secondary offerings
- Concern on the sustainability of drug pricing across the globe

Expected Catalysts for 2023

Phase I		Phase II		Phase III		Approval
<p>BI-1808: Phase I combination study with Pembrolizumab</p> 	<p>MCLA-129: Phase I dose expansion data</p> 	<p>Lirentelimab: Phase II data in CSU and AD</p> 	<p>Elahere: Phase II Piccolo single-arm study readout as 3L+ maintenance in PSOC (Pr-Resistant Ovarian Cancer)</p> 	<p>Efgartigimod SC: ADHERE phase III results, chronic inflammatory demyelinating polyneuropathy (CIDP)</p> 	<p>Aficamten: Phase III SEQUOIA readout in oHCM</p> 	<p>Brukinsa: US Approval, Zanibrutinib, CLL/SLL</p> 
<p>BI-1607: Phase I combination study with Trastuzumab</p> 	<p>MCLA-158: Phase I dose expansion update</p> 	<p>BMF-219: Menin inhibitor for type 2 diabetes (Covalent-111)</p> 	<p>LP352: DEEs and other refractory epilepsies (PACIFIC PoC study)</p> 	<p>Efgartigimod SC: ADDRESS phase III results, pemphigus vulgaris and foliaceus (PV/PF)</p> 	<p>Pitolisant: INTUNE data in IH</p> 	<p>Exparel: sciatic and adductor canal nerve blocks</p> 
<p>BMF-219: Menin inhibitor for AML/ALL, Phase I/Ib COVALENT-101 initial clinical data</p> 	<p>RP-L301: Pyruvate Kinase Deficiency (PKD), Phase 1 Data</p> 	<p>Barzolvolimab: Phase II in CSU</p> 	<p>RP-L102: Top-line data Phase II, Fanconi Anemia (FA)</p> 	<p>Efgartigimod SC: ADVANCE-SC phase III results, primary immune thrombocytopenia (ITP)</p> 	<p>Savolitinib: Global phase III SAFFRON and China Phase III SACHI/SANOVO data readouts</p> 	<p>Padcev: FDA Approval; 1L metastatic urothelial cancer (mUC)</p> 
<p>Barzolvolimab (CDX-0159): Anti-KIT antibody cholinergic urticaria, Phase I with 3.0mg/kg</p> 	<p>THE-630: Phase I GIST data</p> 	<p>Bezuclastinib: KIT D816V inhibitor, NonAdvSM, Phase II SUMMIT initial data</p> 	<p>VRDN-001: topline data from 3mg/kg cohort of Phase I/II study</p> 	<p>AXS-12: norepinephrine reuptake inhibitor for narcolepsy, Phase III SYMPHONY topline data</p> 	<p>Arikayce: multiple phase III (ARISE study), front-line NTM-MAC</p> 	<p>Zanidatamab: Approval in 2L HER2+ BTC (biliary tract cancer)</p> 
		<p>Bezuclastinib: update from Part 1 of the APEX study for AdvSM</p> 	<p>VRDN-002: PoC data (2mL 300mg SC formulation), TED patients</p> 	<p>Bezuclastinib: initial lead-in data from the PEAK trial for GIST</p> 	<p>Sparsentan: top-line data from DUPLEX study for FSGS</p> 	
		<p>Pitolisant: Proof-of-concept data in DM1</p> 	<p>Zanidatamab (ZW25): 1L HER2+ GEA</p> 		<p>Sparsentan: top-line results from PROTECT trial for IgAN</p> 	

--- Private / ex-private companies
 -> separate colour for each company

Source: HBM Research, updated in March 2023

Reasons to Invest

1. Investment in the innovation and the growth of the healthcare sector
 2. Unique investment approach in private and emerging listed companies
 3. Active contribution to performance
 4. Compelling exit markets (M&A and IPO)
 5. Attractive distribution policy
- Access to a well-diversified portfolio of private and listed healthcare companies with value increasing potential
 - Experienced investment team with specialized sector expertise and proven track record
 - Competitive edge over other investment vehicles focusing exclusively on private or listed investments
 - Global orientation with focus on the US, but increasing allocation in emerging markets such as China and India
 - Closed-end structure allows optimum exploitation of the value-increasing potential of healthcare companies with daily liquidity
 - Lower correlation to public market portfolios thanks to the substantial private capital allocation
 - Potential to achieve long-term capital growth with an attractive distribution policy (3-5% yield target)
 - Solid balance sheet with low debt and strong capital
 - Quarterly reporting with high level of transparency and direct access to the HBM portfolio management team



Appendix

Investor Informationen

Share Information

Swiss security number	1.262.725
German security number	984345
ISIN	CH0012627250
CUSIP	H 3553X112
Telekurs	126,126272
SIX Swiss Exchange Ticker	HBMN

Fees

Annual Management fee (paid quarterly)	0.75% of company net assets plus 0.75% of the company's market capitalisation
Performance fee (paid annually)	15% on increase in value above the highwater mark
High water mark (per share for all outstanding shares)	NAV of CHF 305.57

Largest shareholders

%	Shareholder	Notification
15-20	Nogra SA, Luxemburg	9.11.2016

Distribution policy

Withholding tax-exempt distribution yield of 3-5% p.a. (based on the share price) from par value repayment

Board of Directors



Hans Peter Hasler (2009)
Chairman

Swiss Federal Commercial Diploma. Various international management positions at Wyeth Pharmaceuticals, Biogen and Elan Corporation (1993 to 2013)



Mario G. Giuliani (2012)
Member

Economist. Executive positions and directorships at Giuliani SpA, Recordati SpA, and Nogra Group SA



Dr Elaine V. Jones (2021)
Member

Ph.D. in Microbiology. Formerly various management positions at Pfizer Ventures, EuclidSR Partners and GlaxoSmithKline



Dr Rudolf Lanz (2003)
Member

Economist and doctorate in law. Former Partner of The Corporate Finance Group and Head of Corporate Finance of Ernst & Young Switzerland (1980-2009)



Dr Stella X. Xu (2020)
Member

PhD in Immunology, BSc in Biophysics and Physiology. Managing Director of Quan Capital Management. Formerly various management positions at Roche and McKinsey & Co.

Management



Dr Andreas Wicki (2001)
CEO

Doctorate in chemistry and biochemistry.

Prior experiences as Chief Executive of several pharmaceutical companies (1988 to 2001), investment and venture capital advisor (1993 to 2001)



Erwin Troxler (2005)
CFO

Economist and Swiss Certified Accountant.

Prior experience as auditor at PwC (1996 to 2002) and account manager at Julius Baer Family Office (2002 to 2005)



Jean-Marc Lesieur (2001)
Managing Director HBM Cayman

Associate of the Chartered Institute of Bankers (ACIB trustee), a member of the Society of Trust and Estate Practitioners (STEP) and a Notary Public in the Cayman Islands. He was educated in the Cayman Islands and England.

Former director for Vontobel Private Equity Management Ltd



Dr Matthias Fehr (2002)
Head Private Equity

MSc and PhD in chemistry from ETH Zurich.

Former senior sell-side analyst at Lombard Odier for biotech and medical technology industries; former scientist at the Swiss Federal Institute of Technology



Dr Ivo Staijen (2003)
Head Public Equity

PhD in biotechnology from ETH Zurich and MSc in chemistry from the University of Groningen.

Previously senior biotechnology analyst at Bank Sarasin and department head at MDS Pharma Services

Private Equity Team



Dr Alexander Asam, MBA (2007)
Investment Advisor

MBA from ASTON Business School, Birmingham and MSc and PhD in chemistry from University of Heidelberg.

Former managing director and partner at Deutsche Venture Capital / Deutsche Bank. Various positions at Hoechst, Aventis and LION Bioscience



Dr Priyanka Belawat (2007)
Investment Advisor

PhD in molecular biology and genetics from the University of Zurich and a post-doc at HKUST.

Over 18 years of experience in venture and private equity investing in healthcare space and life sciences research



Dr Emil Bujak, CFA (2015)
Investment Advisor

PhD and MSc in Medicinal and Industrial Pharmaceutical Sciences from ETH Zurich. Chartered Financial Analyst (CFA) since 2019.

Prior experience as a registered pharmacist and in antibody technology research at Philogen



Dr Michael Buschle (2017)
Venture Partner Private Equity

PhD from University of London. Research at St. Jude's Children's Research Hospital, Boehringer Ingelheim-owned Institute of Molecular Pathology, Vienna.

Co-founder of Intercell with successful IPO, CSO of Glenmark Pharma



Dr Romain Kooger (2020)
Investment Advisor

PhD and postdoc in biophysics and microbiology at ETH Zurich. BSc and MSc in biochemistry from the university of Geneva with an emphasis on chemistry and neurosciences.

Year-long research internships at Leiden University and Nanjing University



Dr Chandra P. Leo, MBA (2007)
Investment Advisor

Doctor of Medicine from Freie Universität Berlin (Charité), MAS in Medicines Development from University of Basel, MBA with distinction from INSEAD.

Former postdoc at Stanford University, physician at University Hospital Leipzig and principal at Wellington Partners



Dr Asun Monfort (2020)
Investment Advisor

PhD in pharmaceutical development of innovative medicines from University of Navarra. Postdoc at the Stem Cell Institute in the University of Cambridge and postdoc at the Institute for Molecular Health Sciences at ETH.

Previously senior scientist at ETH



Raphael Weibel (2018)
Head Risk Management

Bachelor in Business and Economics and a Bachelor in Geography from Zurich University

Prior positions in auditing at KPMG and banking at Reichmuth & Co. Privatbank. Has previously worked in medical regulatory affairs

Public Equity Team



Steve Chen, CFA (2019)
Investment Advisor (Hong Kong)

MBA from Wharton Business School, MSc in Biochemistry and Molecular Biology from Georgetown and BSc from Nankai University.

Previously managed trading portfolio for Barclays (NY) and Huatais' HK subsidiary and was PM for a large closed-end listed fund in China



Thomas Heimann (2010)
Head Operations & Investment Solutions

MSc and BSc in Banking & Finance from the Lucerne University of Applied Sciences.

Previously in investment analysis and valuation and in client advisory at a Swiss bank



Gavin MacGregor (2017)
Investment Advisor

1st Class BSc in Biomedical Sciences, University of Manchester and a Chartered Management Accountant (CIMA).

Previously senior global healthcare analyst at Martin Currie Investment Management, European pharma analyst at Credit Suisse and Lehman Brothers



Miranda Guo (2020)
Investment Advisor (Hong Kong)

MSc in Biomedical Engineering from the Chinese University of HongKong.

Previously PE investment manager at LEPU Medical Technology and investment analyst at BGI Genomics



Michael Jasulavic (2012)
Advisor (USA)

MSc in Medical Science from MCP/Hahnemann University

Previously biotechnology analyst at Traxis Partners, Sivik Global Healthcare and Jefferies Asset Management



Miles Schofield (2007)
Trading & Execution

Bachelors of Science (Hons) degree from the Open University UK.

Previously in US Equities Middle Office activities at Salomon Smith Barney and Citigroup



Mirjam Heeb (2019)
Investment Advisor

MSc in Molecular Biology from the University of Basel and McGill University, Montreal.

Previously senior portfolio manager of GAM Health Innovation Fund, senior manager with Vifor Pharma, analyst and portfolio manager at Bellevue Group



Ny Ken (2004)
Investment Control

Bachelor in business administration from Zurich University of Applied Sciences.

Previously in administrative functions at HBM Partners AG



Dr Thomas Thaler (2006)
Investment Advisor

PhD in life sciences and MSc in biochemistry and a MBA from ETH Zurich.

Previously senior equity analyst at Bank Julius Baer and in senior management positions with Sulzer Medica, Schneider and Boston Scientific

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