



HBM Healthcare Investments

UNIQUE INVESTMENTS IN PRIVATE AND
LISTED LIFE SCIENCES COMPANIES

DECEMBER 2023



About HBM Healthcare Investments

Profile

Swiss investment company with \$1.9 billion assets
holding a global portfolio of emerging life sciences companies

Unique Swiss-based, permanent capital, healthcare-dedicated investment vehicle to invest in both private and public companies	Investments Focusing on growth companies in the biotech, medical technology, diagnostic and health IT sectors	Portfolio companies Achieved proof of concept and/or major clinical and regulatory milestones before investment	Expertise Dedicated investment teams for private equity and public equity with a global industry network and external business advisors
HBM strategy Validated by over 65 trade sales or IPOs since 2010	Portfolio mix Lower volatility of NAV through private equity and hedging of market and currency risk if situation deemed appropriate	Distribution Attractive distribution policy with 3-5% yield target p.a. (based on the share price)	Established in 2001 and SIX Swiss Exchange-listed since 2008 with approx. 3'900 shareholders

Data as at 30 November 2023

At a Glance

Registered Shares (CHF)

Total assets	1'695 million
Net assets (NAV)	1'569 million
Market capitalisation	1'218 million
Share price	175.00
NAV per share	226.62
Premium (+) / Discount (-)	-22.8%
Average daily liquidity (1 year)	~ 4'200 shares ~ 0.7 million
Number of issued shares	6.96 million
Number of shareholders	~ 3'900

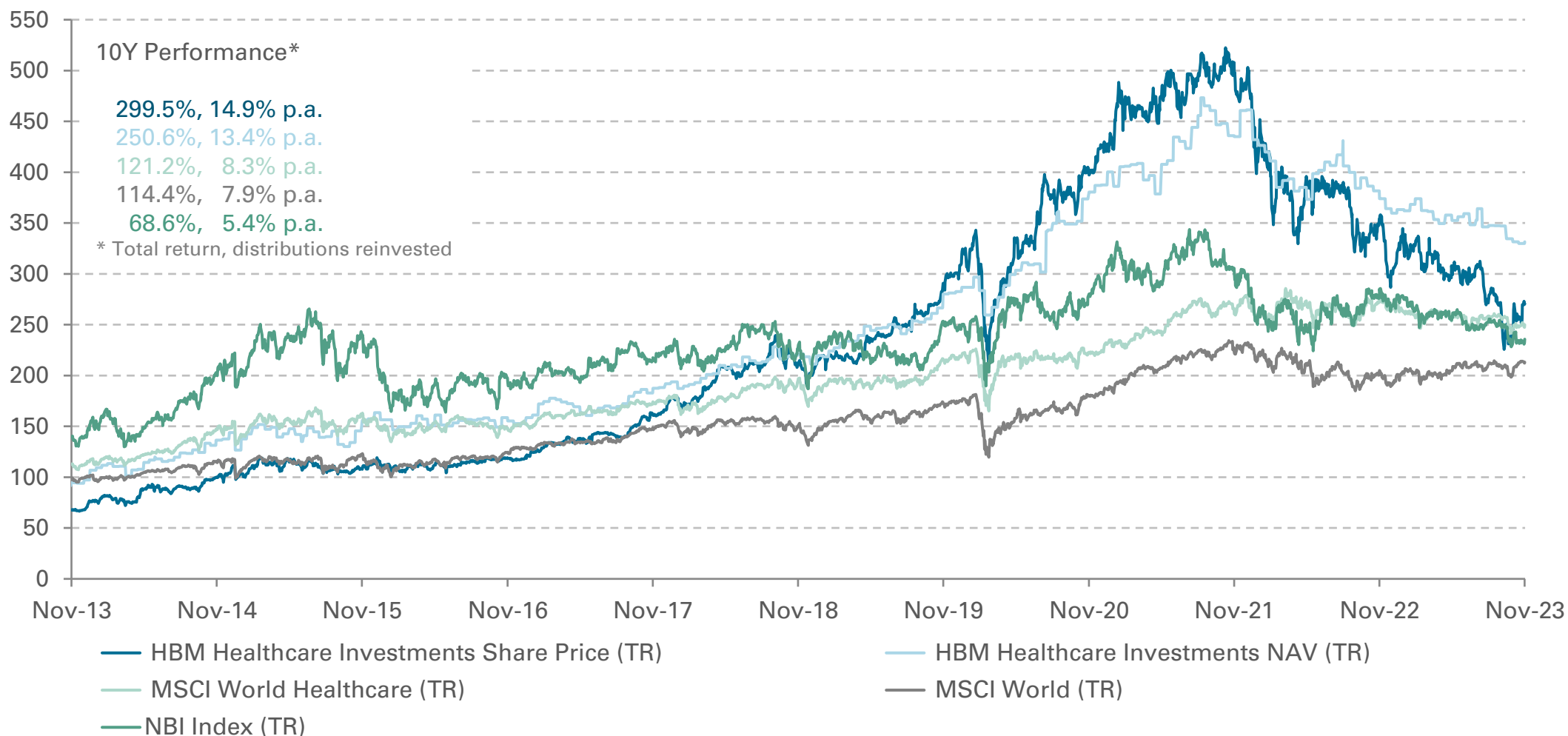
Performance (CHF)

Net return (including distribution)	2023	2022	2021	2020	5Y Return p.a.	10Y Return p.a.
NAV	-7.7%	-21.7%	19.0%	36.7%	8.4%	13.4%
Share price	-9.2%	-37.8%	15.2%	40.5%	5.0%	14.9%
Distribution CHF	7.50*	9.70	12.50**	7.70		
Distribution yield	3.5%	3.5%	3.8%	4.1%		
Share price					5Y Volatility p.a. 28.4%	1Y Volatility p.a. 30.2%
NAV					16.1%	11.0%

Data as of 30 November 2023, * Ex date 03.08.2023, payment date 07.08.2023;

** includes special distribution of CHF 3.00 in 2021 to mark the 20th anniversary of HBM

Indexed Performance Over 10 Years



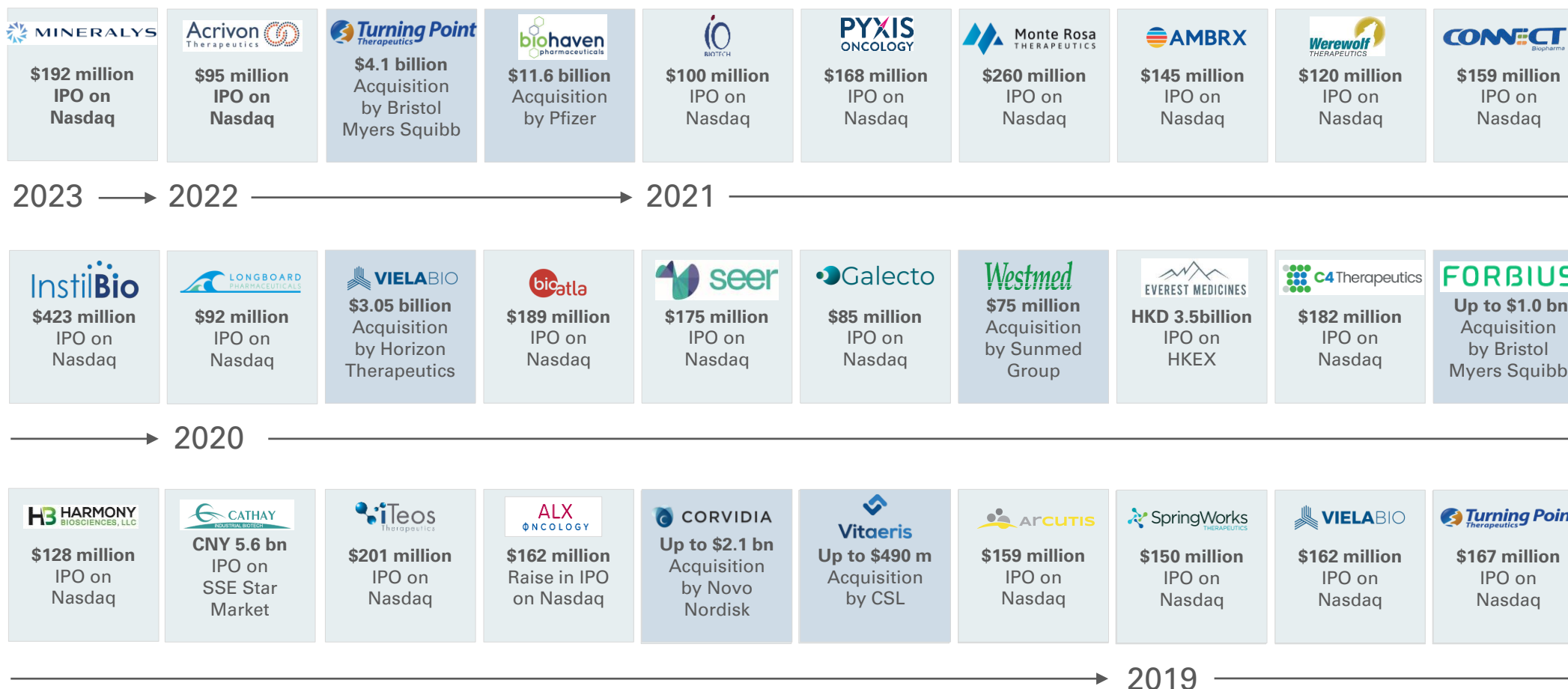
Source: Bloomberg, Data as of 30 November 2023, in CHF, indexed since inception (12.07.2001 = 100), distributions reinvested

Portfolio Highlights Over the last 3 Years

> 25 new private investments	
>20 IPOs	
12 Trade sales	
Positive clinical data	
7 market approvals	
Upcoming catalysts in 2023	

Data as of 30 November 2023

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



Data as of 30 November 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

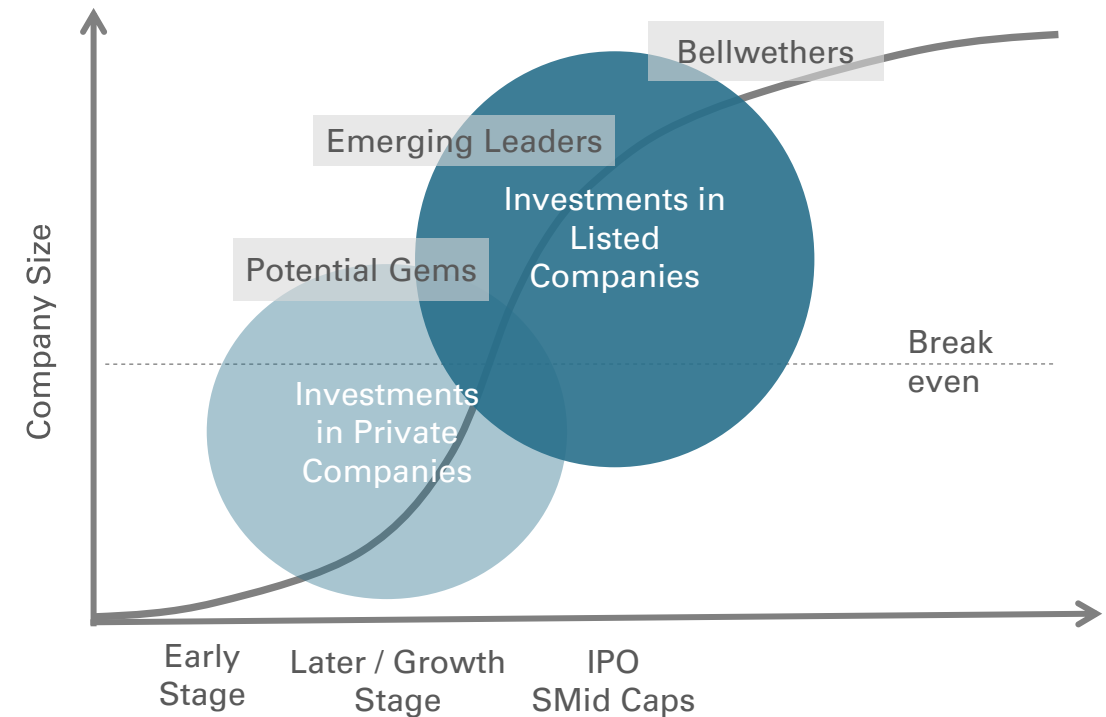
Flexibility

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

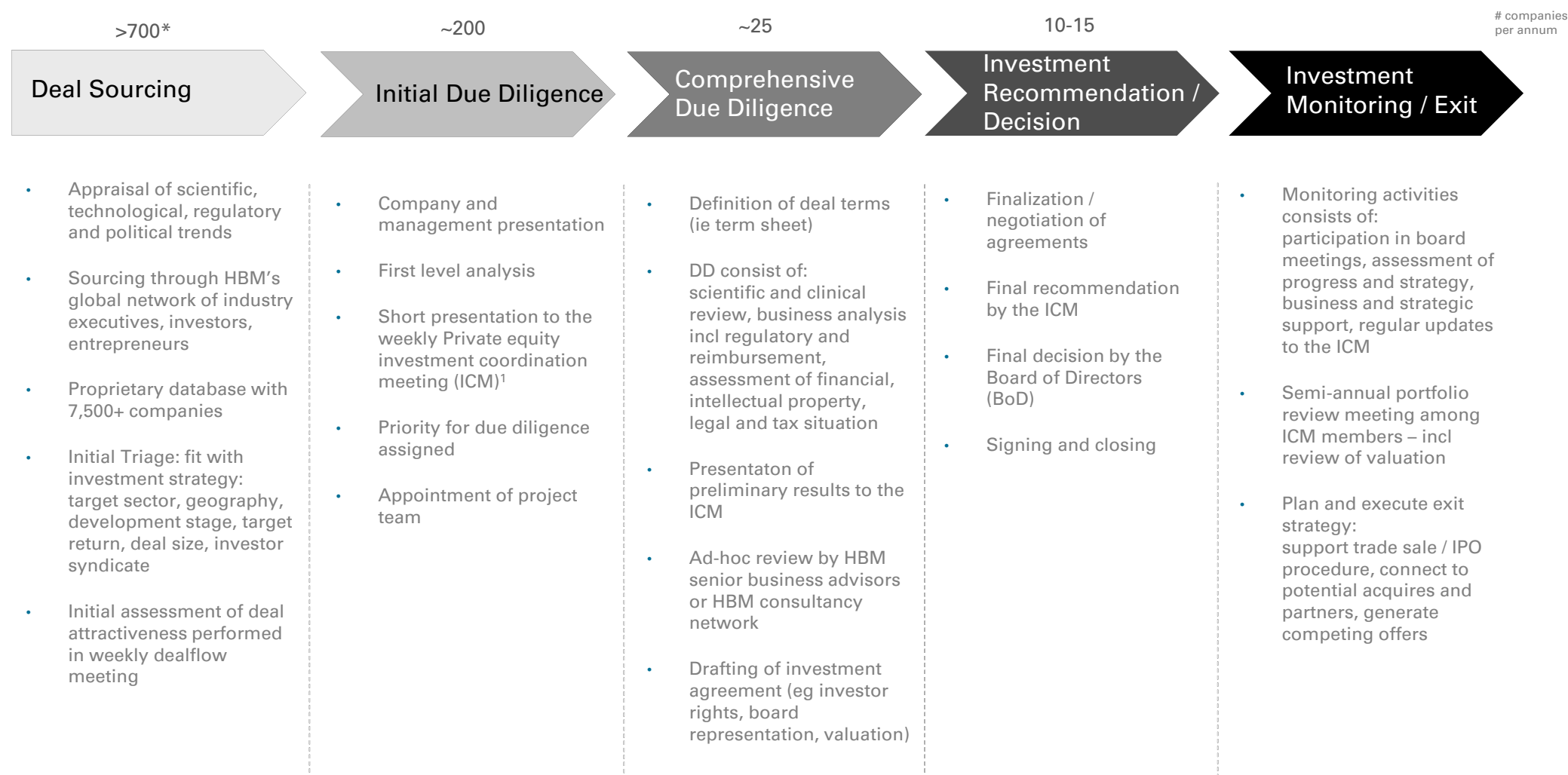
Investment Approach

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.

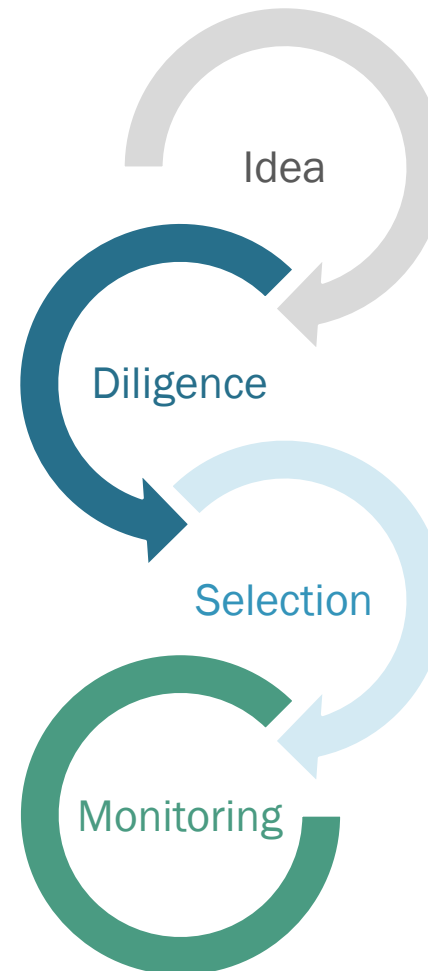
Public Equity Investment Process

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

HBM as Lead Investor    	                     	       	    	             	Backed team previously	Other VCs or BoD relationship	Relationship with founder/management	Direct sourcing / HNWI / Family Offices	Strategic fund investments
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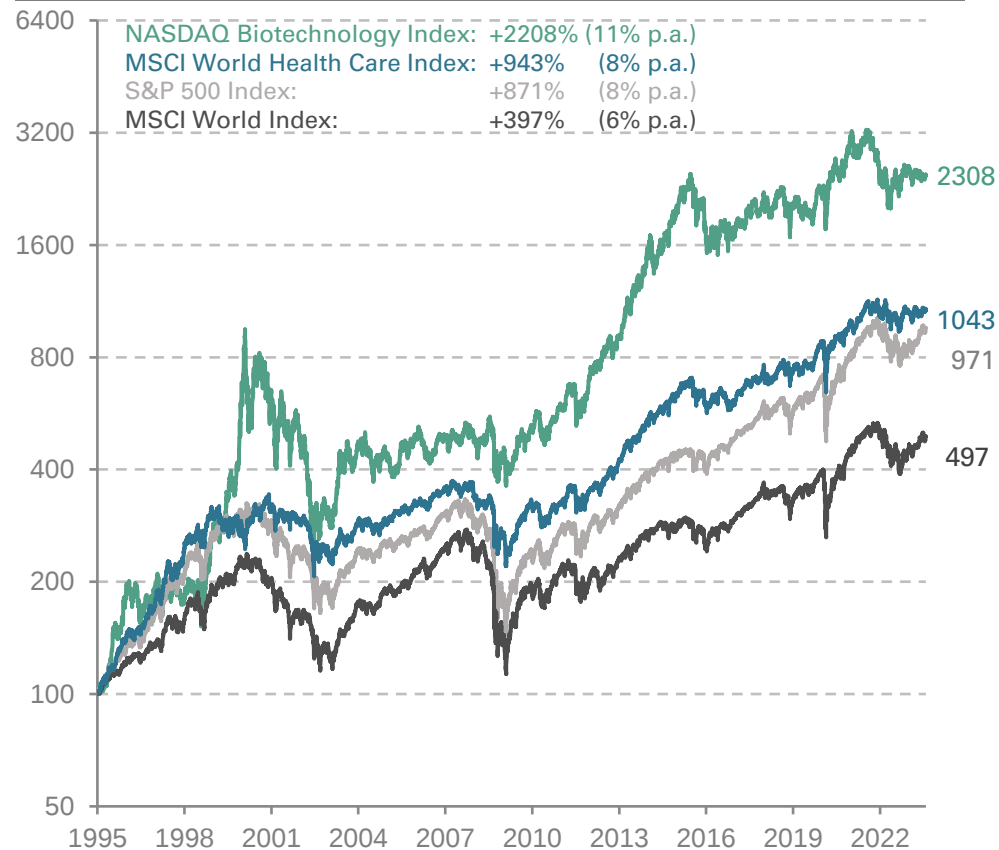
Investments > CHF 5 million; data as of 30 September 2023



Healthcare Sector

Attractive Growth Sector with Strong Fundamentals and Drivers

Biotech Outperformed the Market Over Short & Long Term

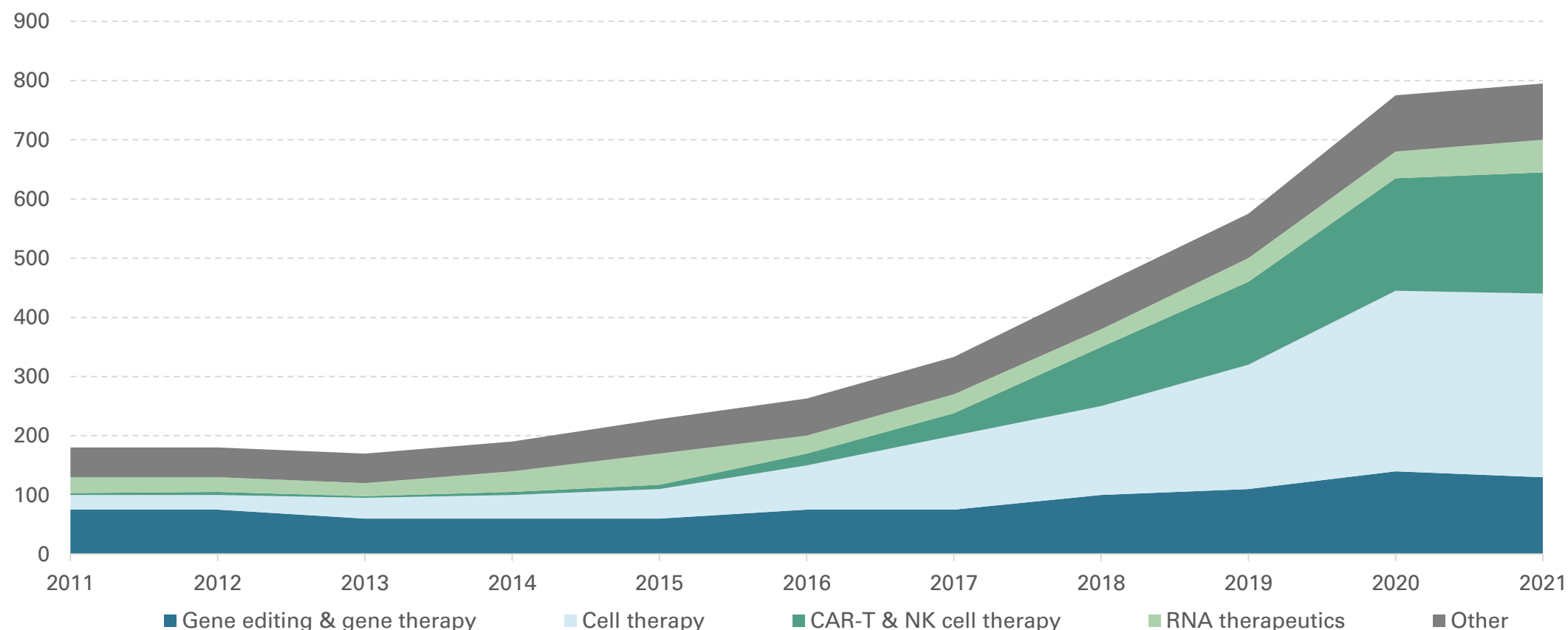


Source: Bloomberg, data as of 30 November 2023, in USD

- 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

Novel Technologies Driving R&D Pipeline Growth

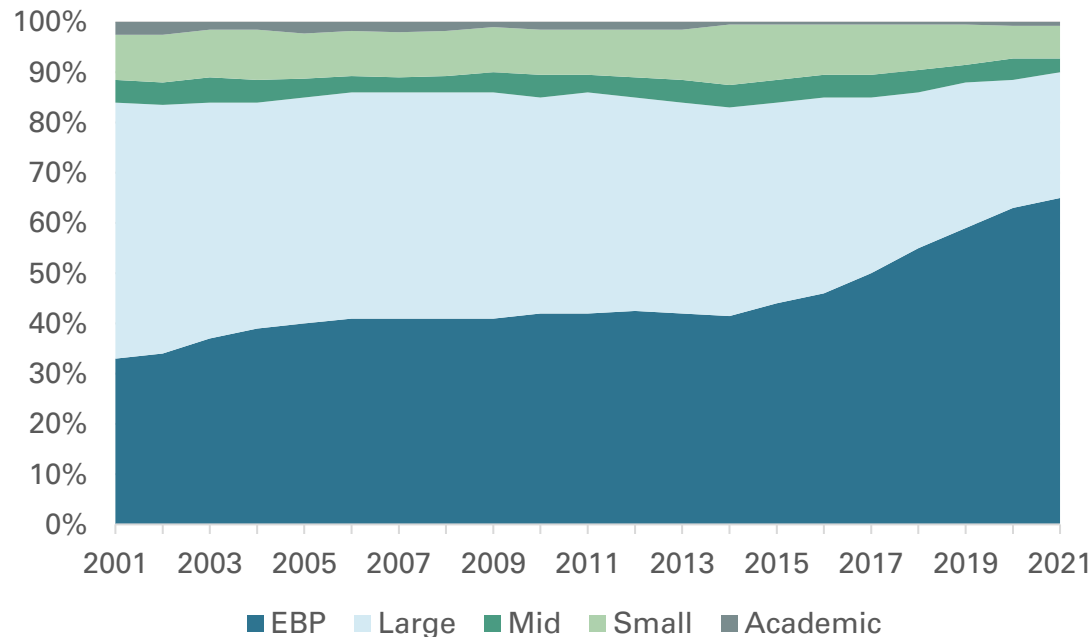
Next-generation biotherapeutics Phase I to regulatory submission pipeline by mechanism, 2011–2021



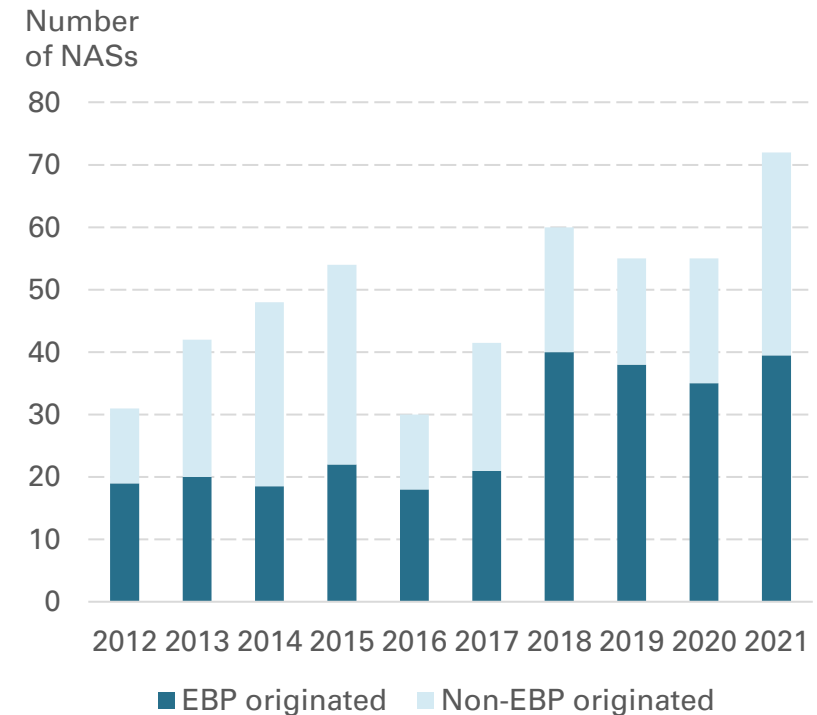
Source: IQVIA Pipeline Intelligence, Dec 2021; IQVIA Institute, Jan 2022

Emerging Biotech Companies as the Backbone of Innovation

Share of R&D Pipeline by Company Type



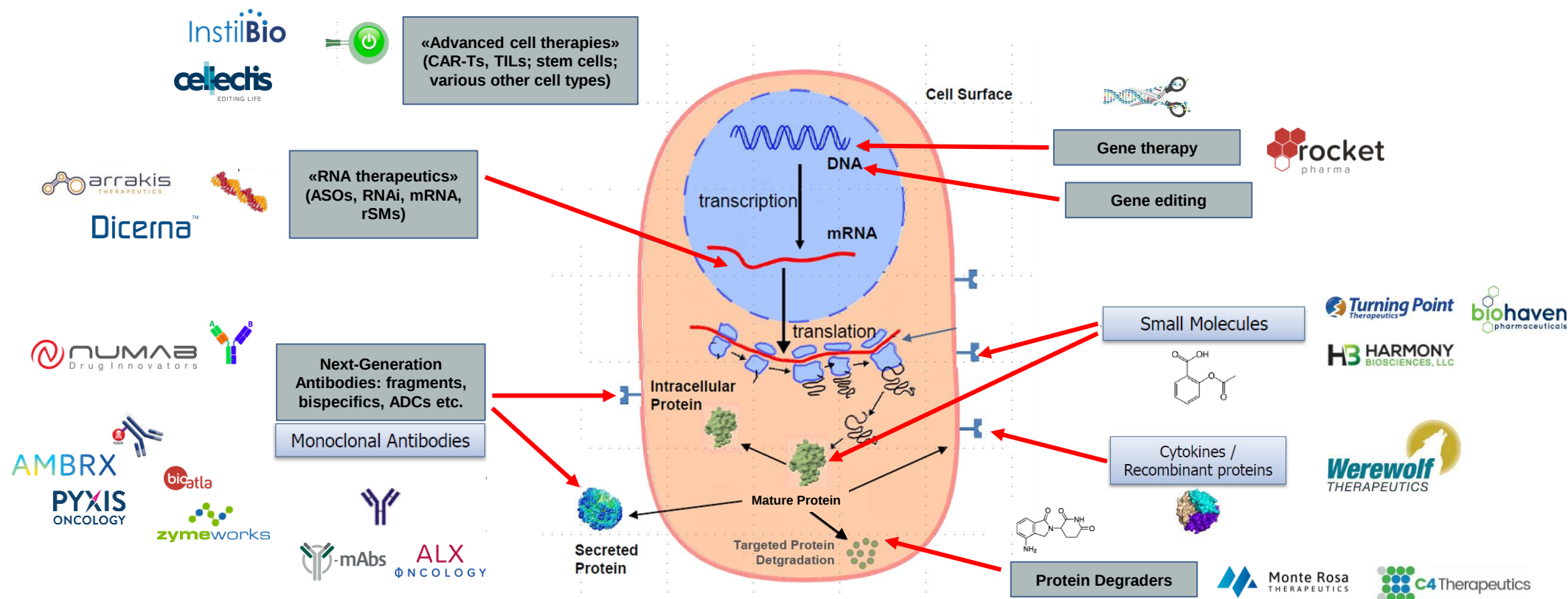
Source of Origination for Novel Active Substances (NAS) Launched



EBP: Emerging biopharma companies

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

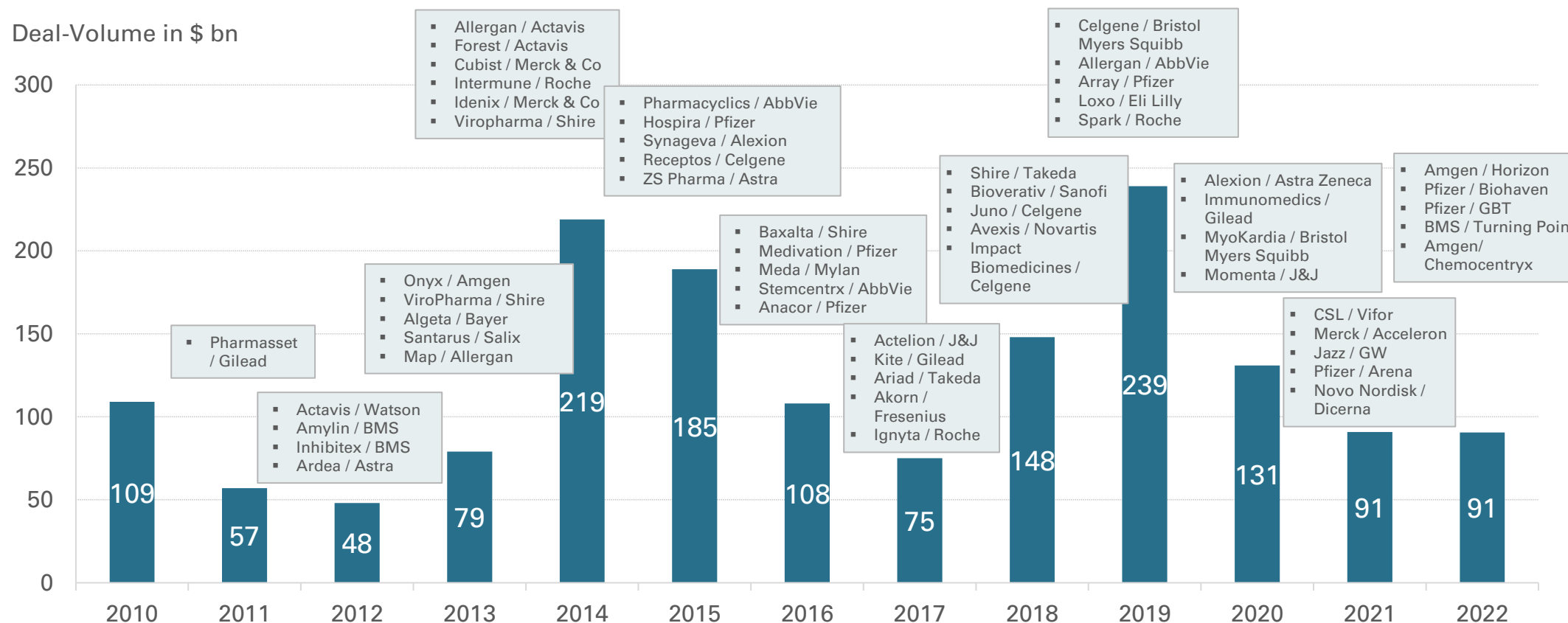
Treatment Modalities – Today and Tomorrow



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



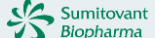
Source: Evaluate Pharma (2023)

Vivid Environment with High M&A Premiums

2023 Acquisitions

Date	Acquirer	Company acquired	Price	Premium*
14.8.23	 H3 HARMONY BIOSCIENCES	 Zynerba	\$60m	225%
9.8.23	 REGENERON	 Decibel THERAPEUTICS	\$107m	43%
28.7.23	 Biogen	 REATA PHARMACEUTICALS	\$7,300m	59%
20.6.23	 Lilly	 DICE	\$2,400m	42%
12.6.23	 NOVARTIS	 CHINOOK THERAPEUTICS	\$3,200m	67%
22.5.23	 Ironwood	 VectivBio	\$1,145m	45%
10.5.23	 sobi	 CTI	\$1,700m	89%
30.4.23	 astellas	 IVERIC BIO	\$5,900m	22%
18.4.23	 GSK	 Bellus HEALTH	\$2,000m	103%
16.4.23	 MERCK	 Prometheus Biosciences	\$10,800m	75%
13.3.23	 Pfizer	 Seagen	\$43,000m	33%
13.3.23	 SANOFI	 proventionbio	\$2,900m	273%
19.1.23	 SUN PHARMA	 CoNCERT Pharmaceuticals Inc.*	\$576m	16%
9.1.23	 AstraZeneca	 CINCOR	\$1,300m	121%
9.1.23	 IPSEN	 Albireo	\$952m	84%
8.1.23	 Chiesi	 AMRYT	\$1,250m	107%

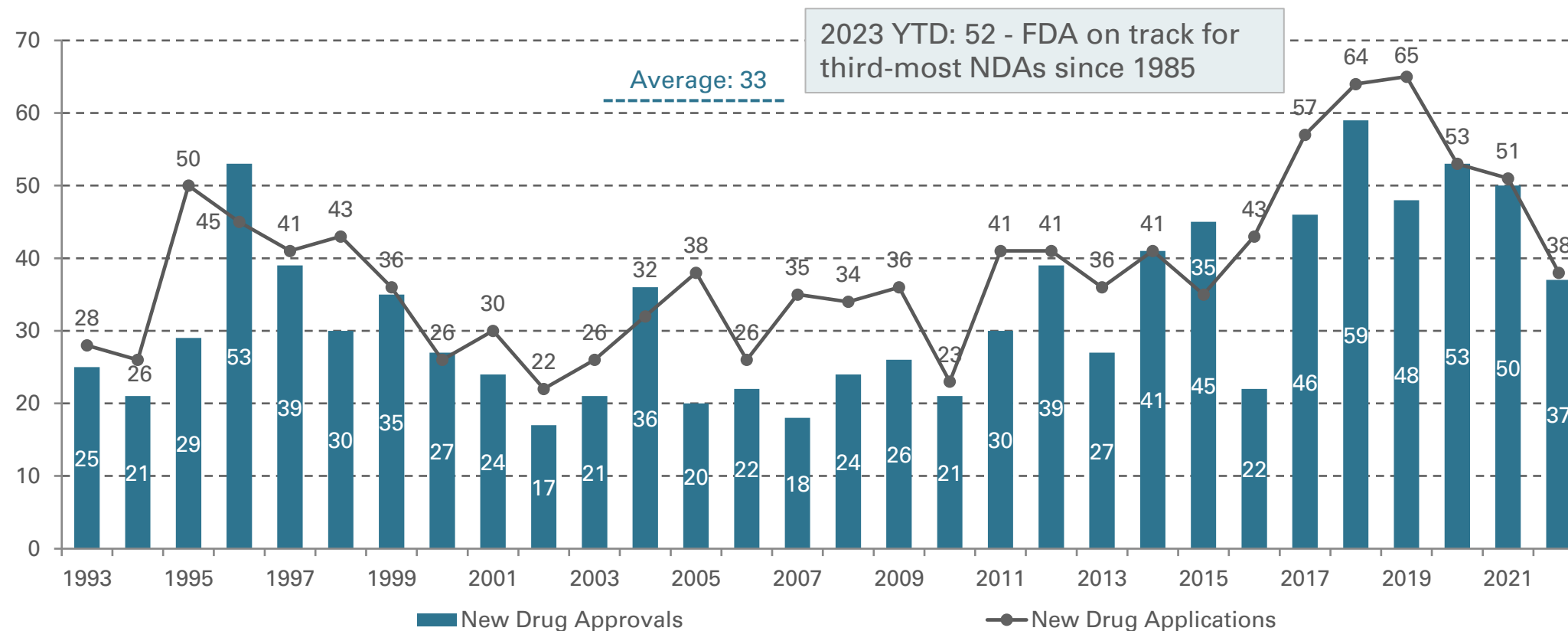
2022 Acquisitions

Date	Acquirer	Company acquired	Price	Premium*
12.12.22	 AMGEN	 HORIZON	\$27,800m	20%
21.11.22	 MERCK	 IMAGO BIOSCIENCES	\$1,350m	107%
24.10.22	 Sumitovant Biopharma	 MYOVANT SCIENCES	\$1,700m	10%
18.10.22	 Lilly	 AKQUOS	\$487m	78%
18.10.22	 LG Chem	 AVEO ONCOLOGY	\$566m	43%
3.10.22	 AstraZeneca	 LogicBio	\$68m	667%
1.9.22	 novo nordisk	 forma THERAPEUTICS	\$1,100m	49%
8.8.22	 Pfizer	 GBT	\$5,400m	7%
4.8.22	 AMGEN	 ChemoCentryx	\$4,000m	116%
11.7.22	 INNOVIVA	 La Jolla Pharmaceutical	\$149m	84%
3.6.22	 Bristol Myers Squibb	 Turning Point Therapeutics	\$4,100m	122%
31.5.22	 GSK	 Affinivax	\$2,100m	private
10.5.22	 Pfizer	 biohaven	\$11,600m	79%
19.4.22	 REGENERON	 CHECKMATE THERAPEUTICS	\$250m	335%
13.4.22	 GSK	 SIERRA ONCOLOGY	\$1,900m	39%
19.1.22	 ucb	 ZOGENIX	\$1,900m	66%

*Premiums are calculated from the closing price of the acquired company's shares on the previous trading day

Annual New Drug Approvals (NDAs)

Number of New Drug Approvals (NDAs) and Applications at the US FDA



Source: FDA, CDER (2022)

Individually, each of the top 9 pharma firms ...

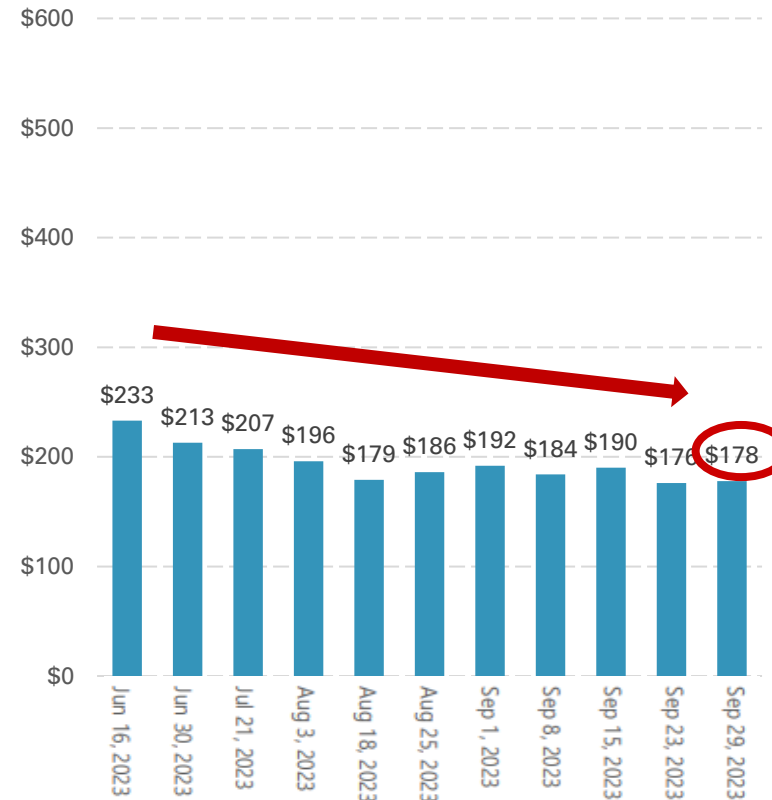
... is valued higher than all R&D-stage public biotech firms in the world, taken together

(chart shows pharma market caps, but true for EVs as well)

Pharma

Rank		Name	Market cap
1		Eli Lilly	\$525.57bn
2		Novo Nordisk	\$411.96bn
3		Johnson & Johnson	\$379.59bn
4		Merck	\$263.59bn
5		AbbVie	\$261.65bn
6		Roche	\$219.45bn
7		AstraZeneca	\$208.98bn
8		Novartis	\$200.91bn
9		Pfizer	\$187.05bn
10		Amgen	\$143.06bn

Biotech



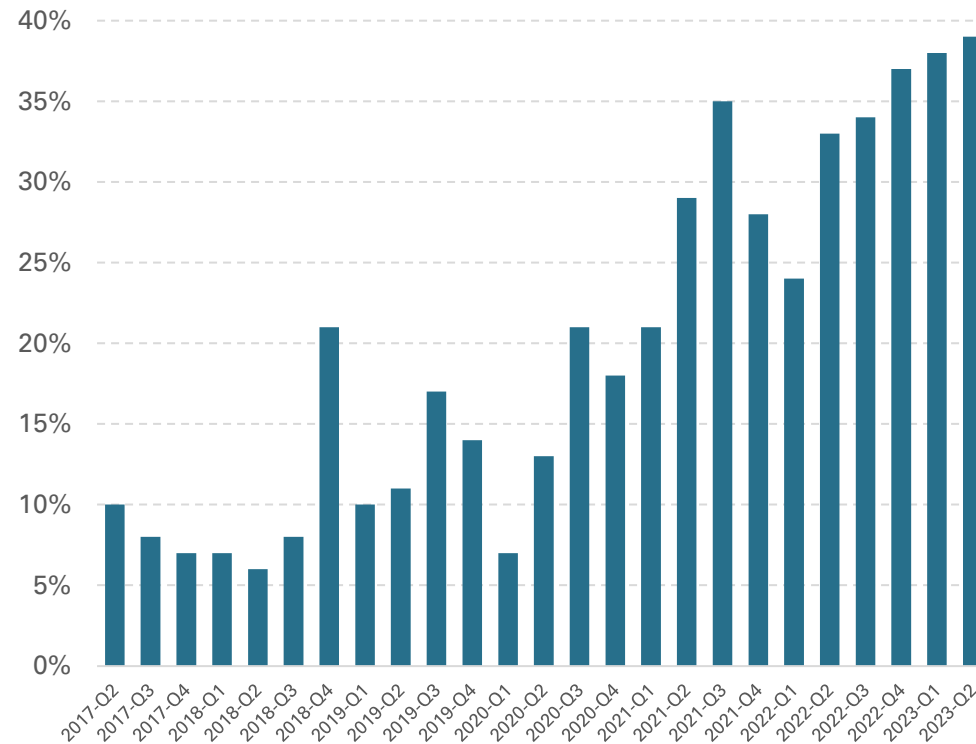
Quelle: Stifel & CapitalIQ, companiesmarketcap.com 2023

Value of Pipeline of R&D Companies Near Zero

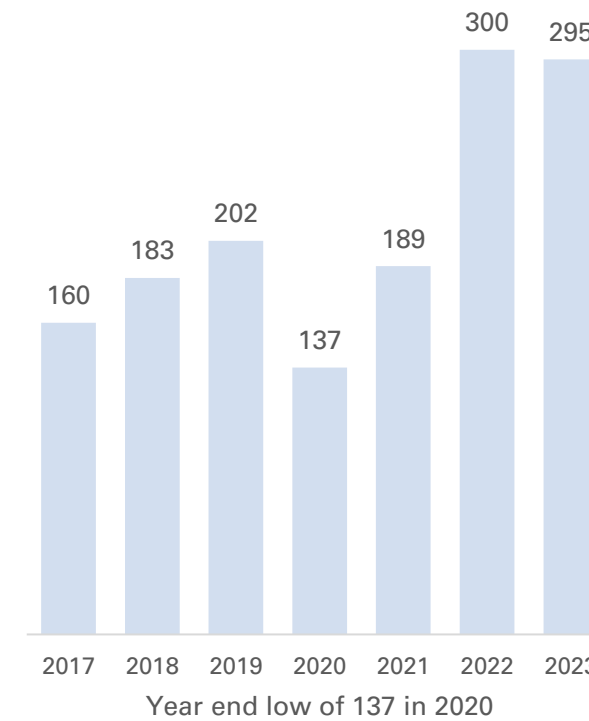
Record number of small companies* trading below cash

Nearly half of R&D-stage companies trade under \$100m

% trading below cash balance



R&D-stage biotechs with <\$100m mkt cap



Quelle: Bio & Factset (June 2023), *) U.S. companies with <500 FTEs current market cap (or end of Q) vs prior Q cash



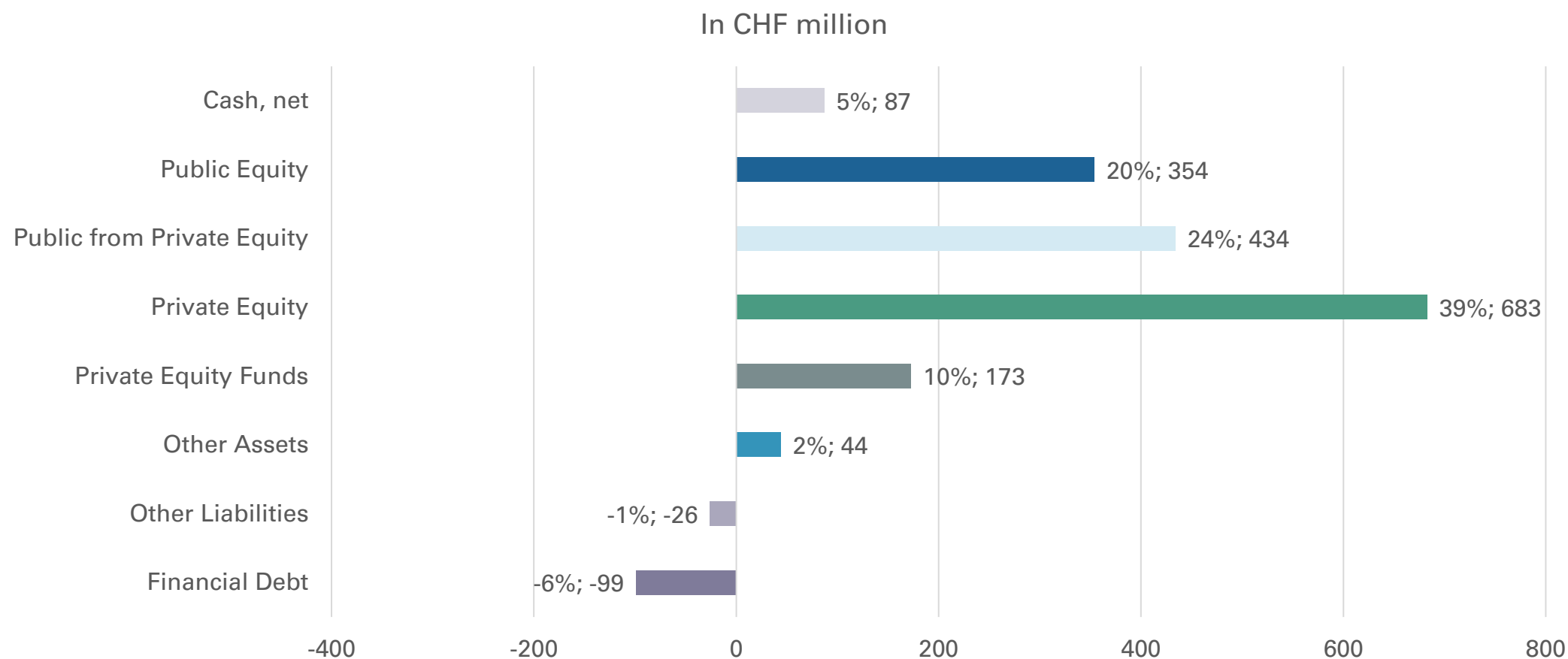
Investment Portfolio

A Global Portfolio



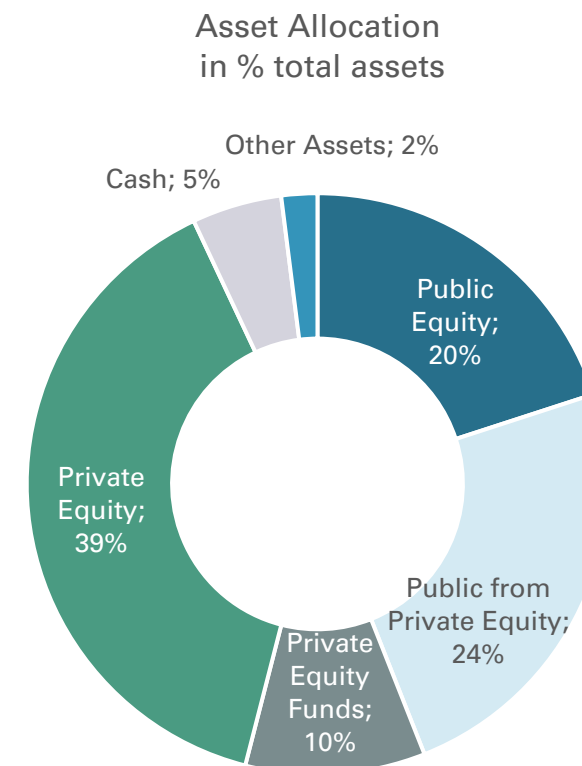
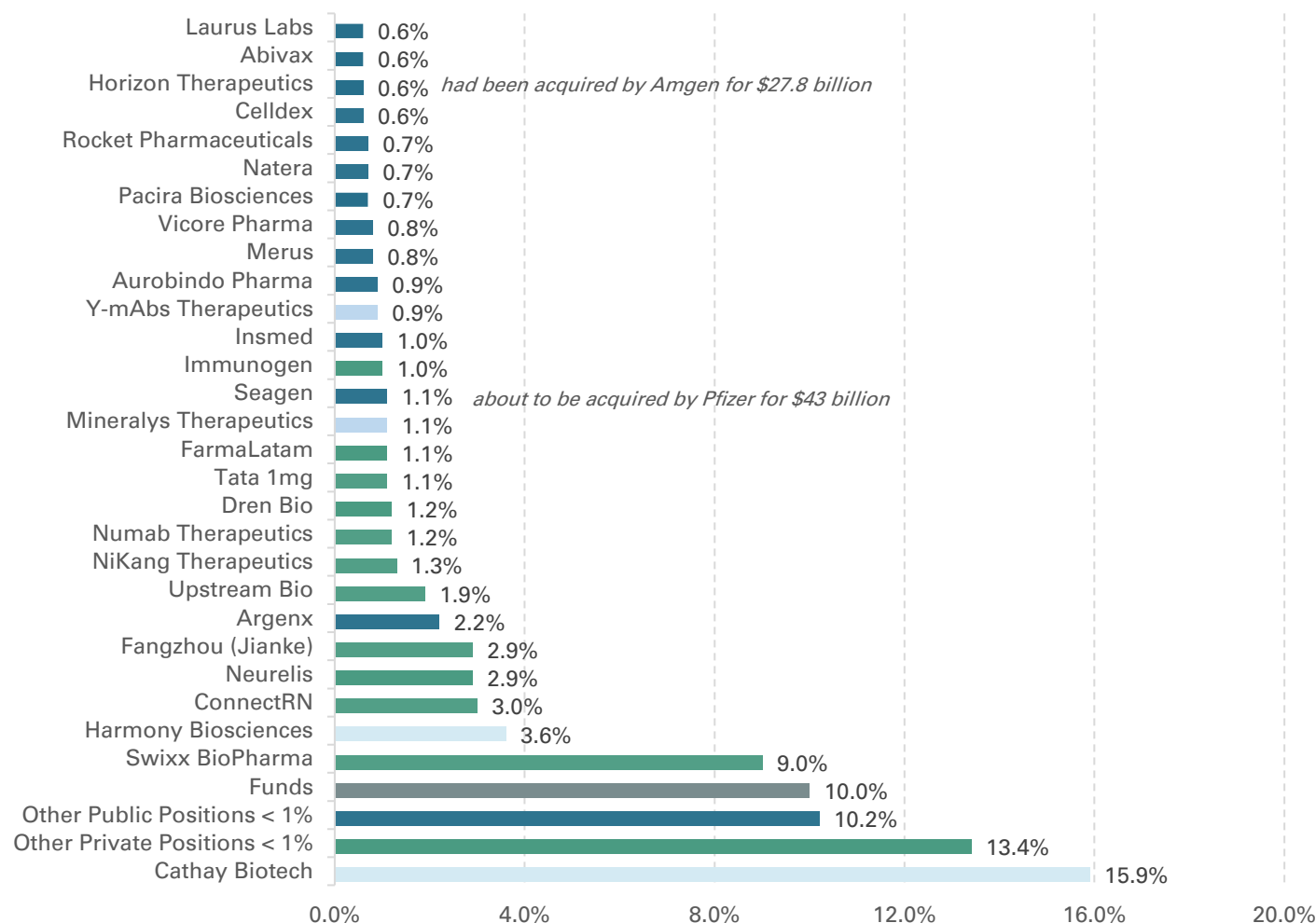
Data as of 30 September 2023 (Selection)

Asset Allocation



Data as of 30 September 2023, in % of total assets of CHF 1'775 million

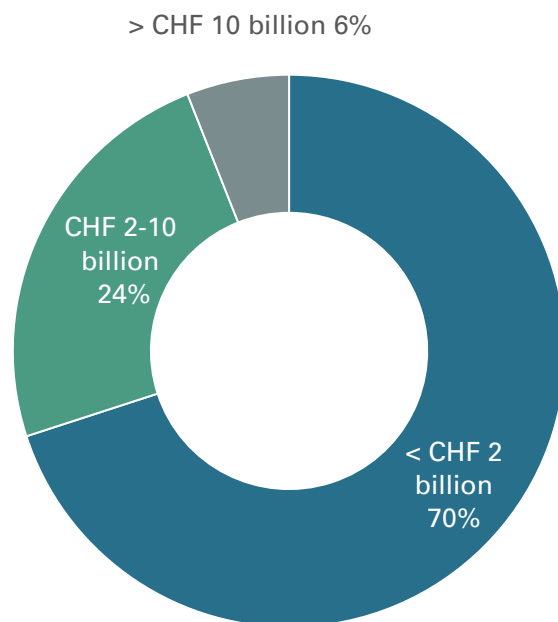
Diversified Investment Portfolio



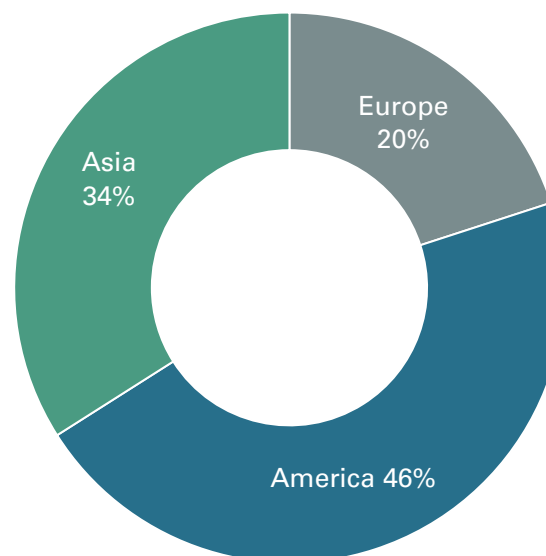
Data as of 30 September 2023, in % of total assets of CHF 1'775 million, Top 10: 43.9%

Portfolio Breakdown by Market Cap, Geography and Currency

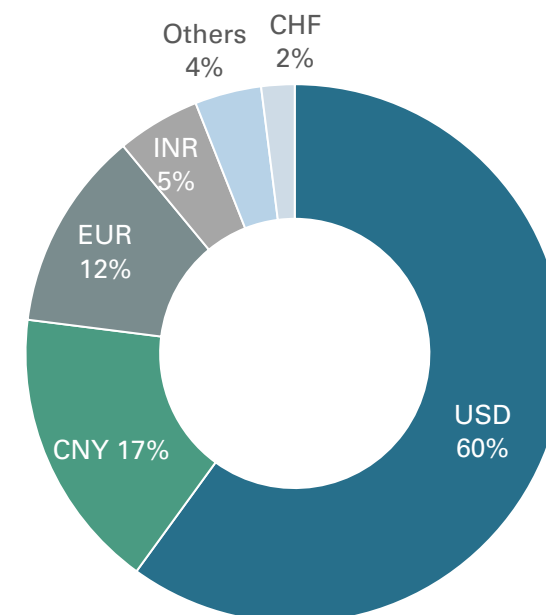
Market Capitalisation



Geography



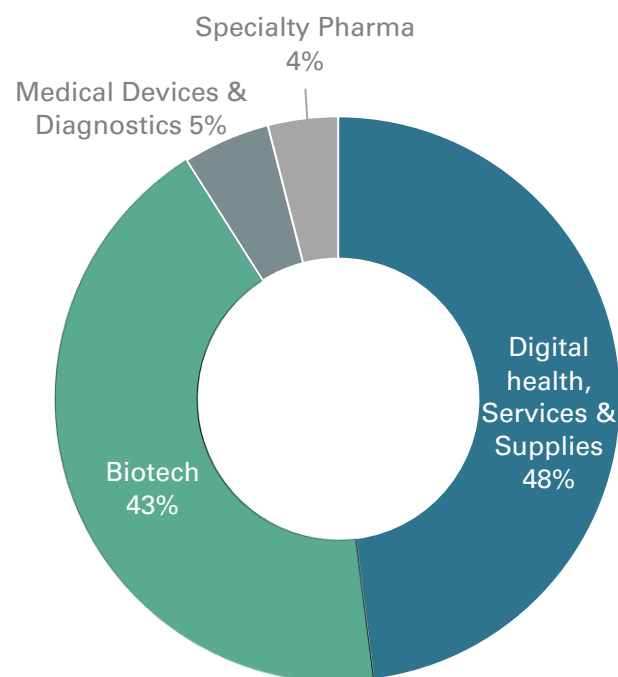
Currency



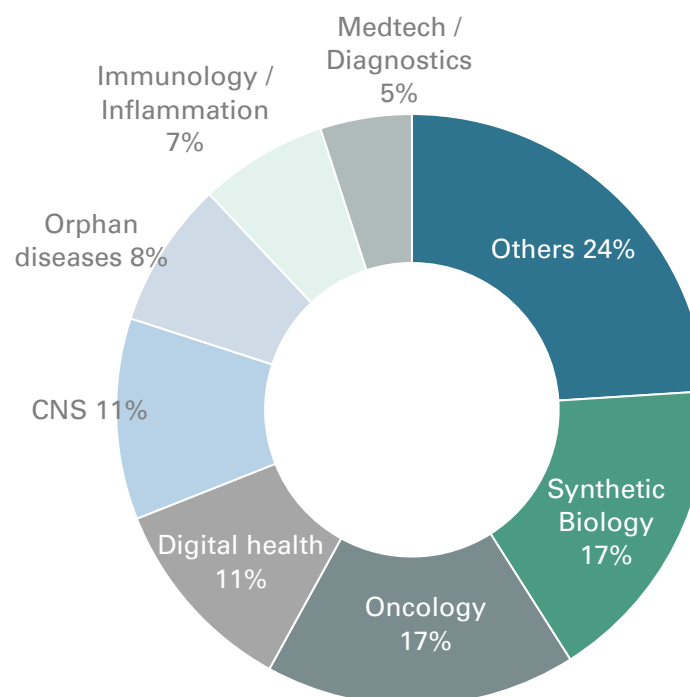
Data as of 30 September 2023, in % of investments, currency in % of total assets

Portfolio Breakdown by Sector, Therapy and Development Stage

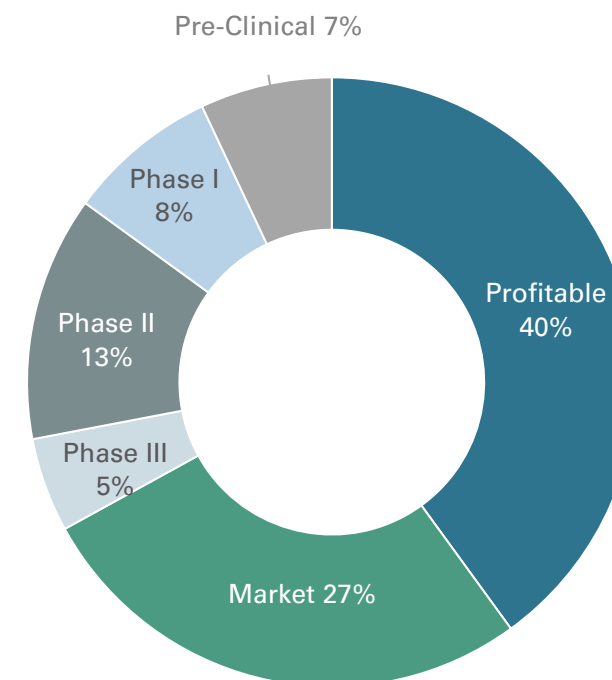
Sector Breakdown



Therapeutic Area

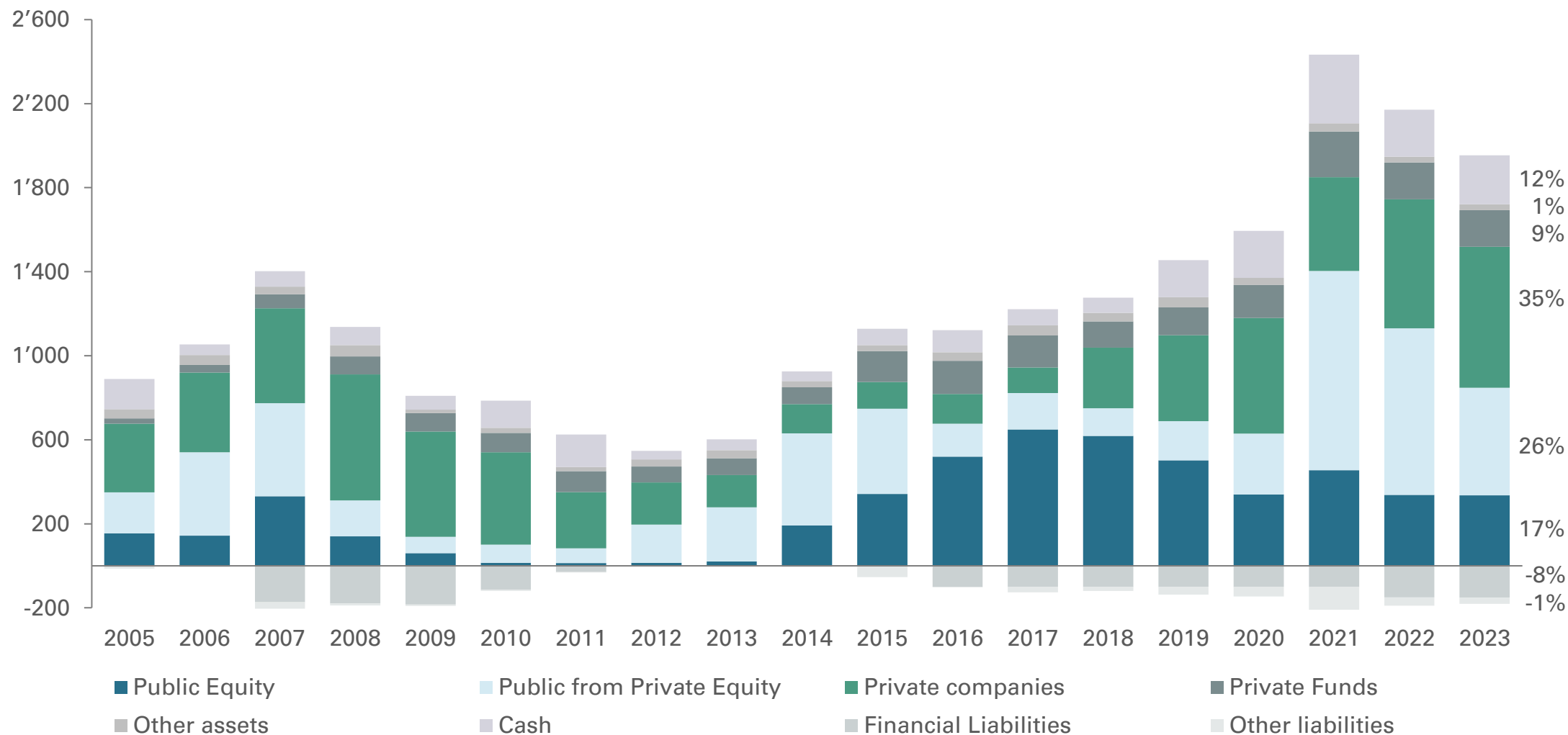


Development Stage



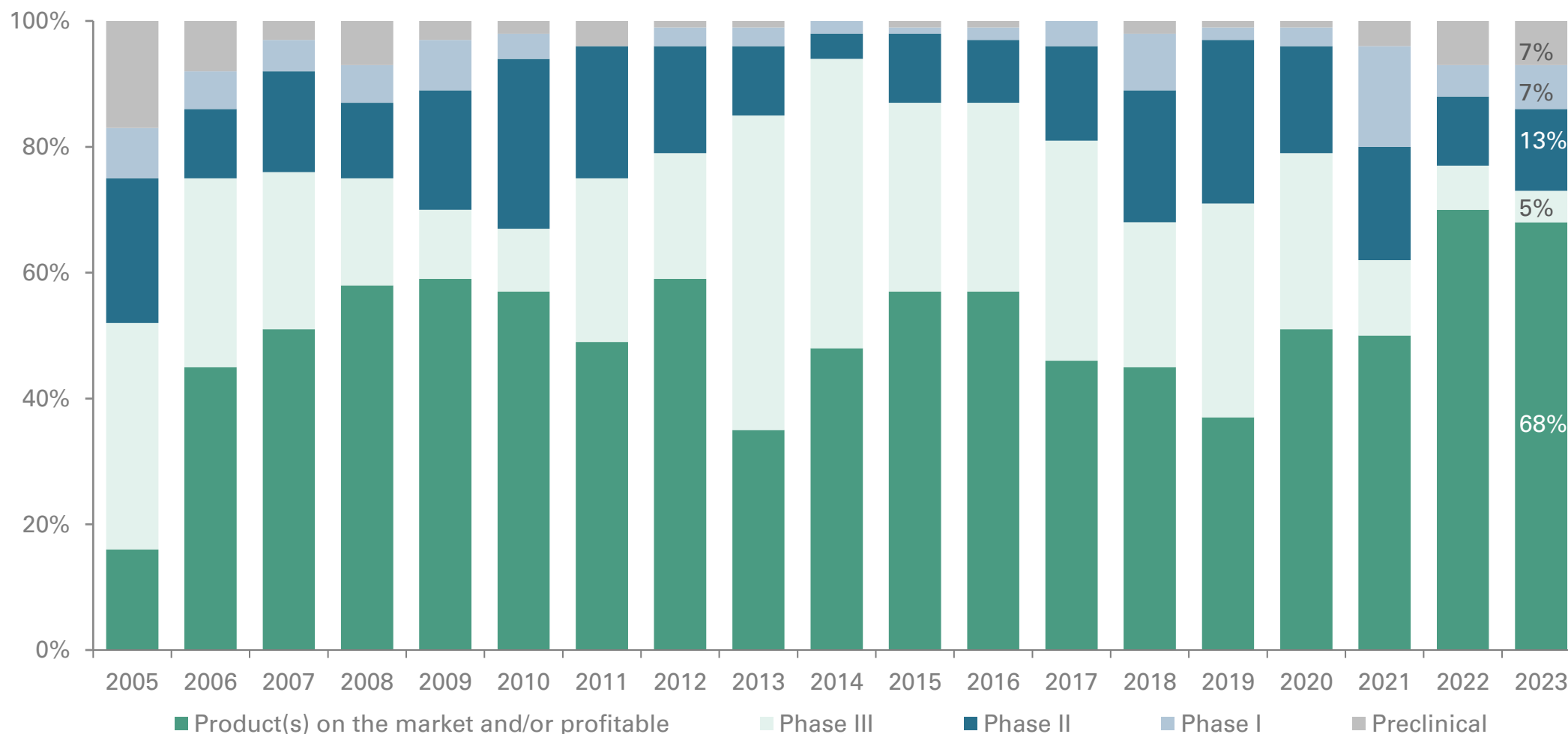
Data as of 30 September 2023, in % of investments

Development of Asset Allocation



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

Development Stage of Lead Product

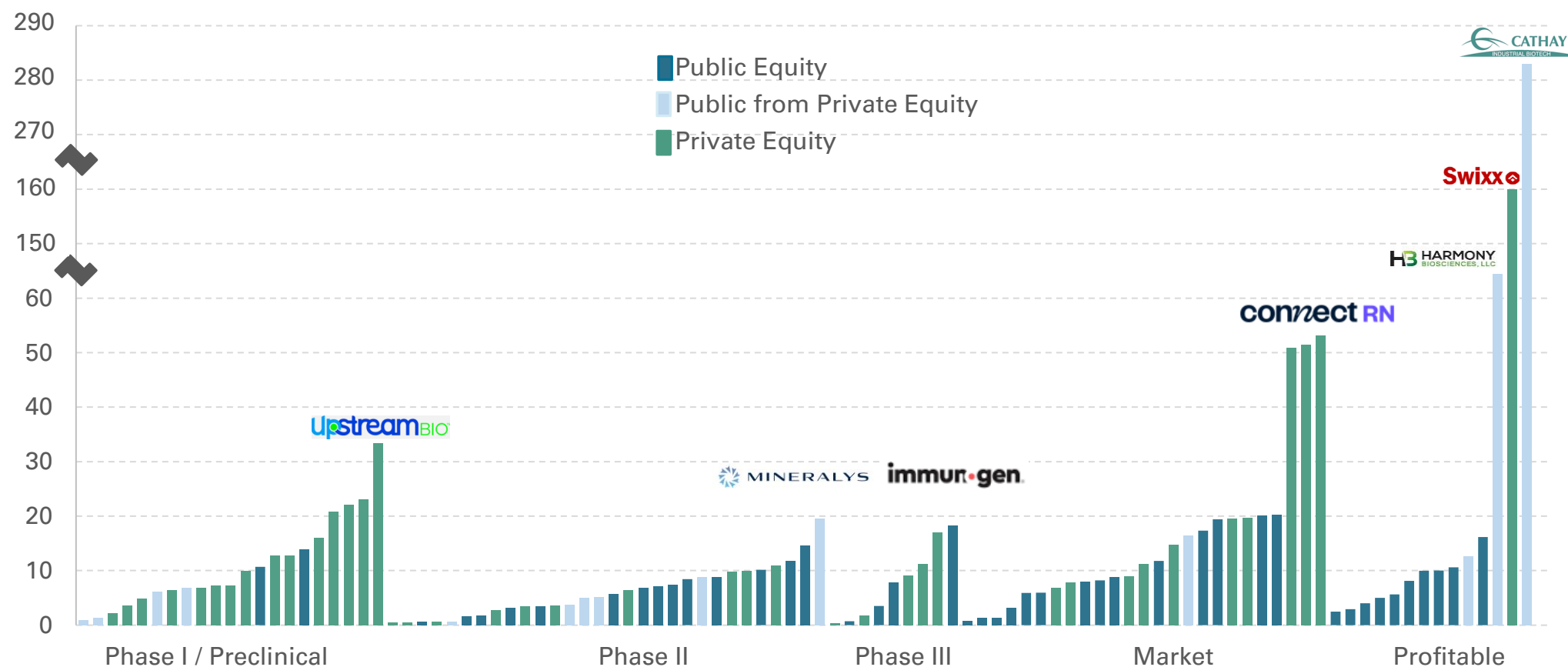


Data as of the end of each financial year (last column: 31 March 2023), in % of investments

Portfolio by Development Stage of Lead Asset

Well balanced portfolio from a risk perspective

HBM book value
in CHF m



Data as of 30 September 2023

Largest Investments (1/2)

Company	Core Business	Company Stage	Ticker	Market Capitalisation (CHF m)	Ownership (%)	Book Value (CHF m)	% of Total Assets
	Synthetic biology (long chain diacids, carbohydrates, special enzymes, green nylon)	Profitable	688065 CH (ex private)	4'064	7.0	282.5 ¹⁾	15.9
	Full representation of biopharma companies in central and eastern Europe	Market	Private	610*	26.3	160.2	9.0
	Drug for the treatment of narcolepsy (with and without cataplexy)	Profitable	HRMY (ex private)	1'800	3.6	64.4	3.6
	Provider of the nurse-centric staffing app in the US	Market	Private	266*	20.0	53.1	3.0
	Nasal spray for the treatment of epileptic seizures	Market	Private	492*	10.5	51.5	2.9
	China's leading B2C SmartCare service platform (online pharmacy, chronic disease management service center)	Market	Private	948*	5.4	50.9	2.6

1) Deferred tax on capital gain and VAT not included – separately accrued in the books of the company

Data as of 30 September 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
	Drugs for the treatment of severe autoimmune diseases (MG, ITP, PV & PF, CIPD)	Market	ARGX	25'312	0.2	40.3	2.2
	Monoclonal antibody targeting TSLP receptor in allergic and inflammatory diseases	Phase I	Private	471*	7.1	33.4	1.9
	Developing small molecule oncology medicines (eg HIF2a inhibition)	Phase I/II	Private	435*	5.3	23.1	1.3
	Next-generation multi-specific antibody platform for cancer and inflammation	Phase I	Private	288*	7.7	22.1	1.2
	Antibody-based platform to deplete cells and other disease-causing agents	Phase I/II	Private	257*	8.1	20.8	1.2
	India's leading consumer health platform. Part of the Tata Digital brand companies	Market	Private	500*	4.0	19.7	1.1

Data as of 30 September 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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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

51

Neurelis

- Nasal Diazepam (Valtoco®) approved with orphan status in managing breakthrough epilepsy seizures
- USD 100+ net sales in the US, and market leader in the space
- Pipeline of other neurology pipeline assets (novel drugs and generic medicines)

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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

33

Upstream Bio

- Acquired UPB-101 from Astellas, a clinical-stage monoclonal antibody targeting TSLP Receptor. Clinically validated target in asthma
- The only mechanism of action that showed efficacy in low-Th2 asthma - follower of Amgen's market approved Tezspire®

23

NiKang Therapeutics

- Developing small molecules for oncology capitalizing on structure-based drug design. NKT2152 is a HIF2α inhibitor. Phase 1/2 dose escalation and expansion trials ongoing in advanced renal cell carcinoma (RCC) – possible expansion into other solid tumors
- Co. is working on leads against KRAS G12D (common genetic mutation in cancer)

Largest Public Equity Investments

282

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

40

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

1) Deferred tax on capital gain and VAT not included – separately accrued in the books of the company

Data as of 30 September 2023, Bookvalue in CHF million

20

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

18

Immunogen

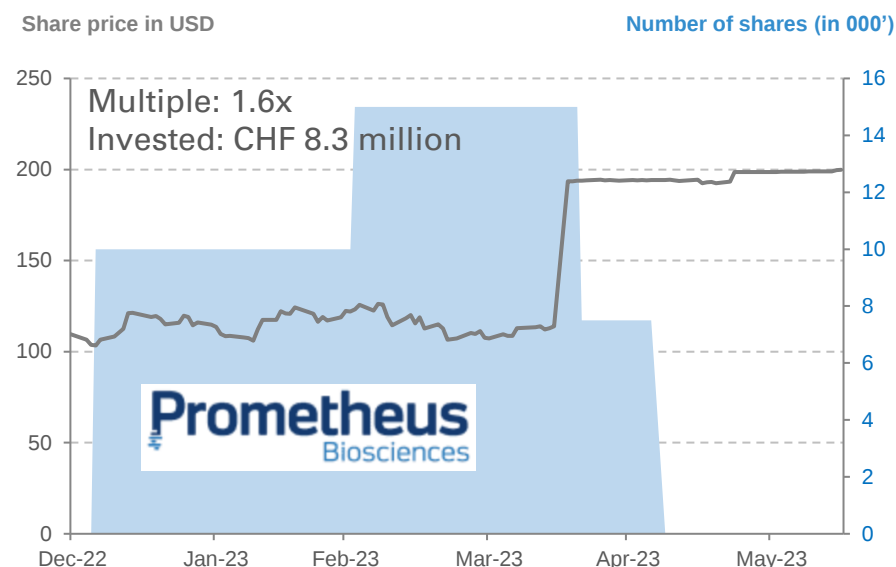
- Focused on developing and commercializing of antibody-drug conjugates (ADCs); partnership with Takeda for ELAHERE®
- ELAHERE® is the first ADC in its class to target a cell surface protein that is overexpressed in a number of epithelial tumors, including ovarian, endometrial and non-small cell lung cancer

14

Vicore

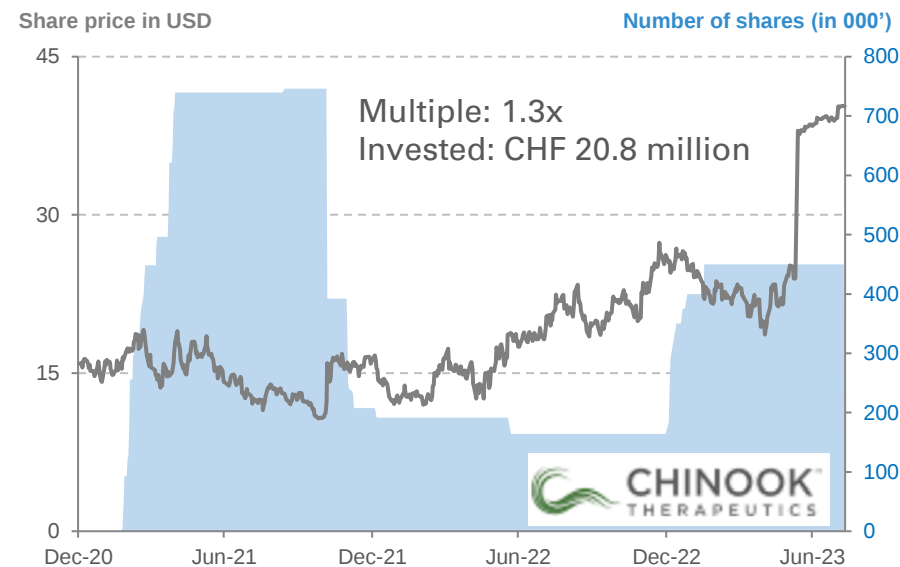
- Clinical-stage biotechnology company focussed on developing innovative medicines in severe diseases
- The company released new clinical data of C21 in idiopathic pulmonary fibrosis (IPF) patients. The data reinforces the unprecedented, regenerative drug profile that shows stabilization of lung function.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

M&As in the HBM Portfolio This Year



Prometheus

- Acquired for nearly \$11 billion by Merck & Co
- Therapeutic products for the treatment of immune-mediated diseases, inflammatory bowel disease (colitis ulcerosa, morbus crohn)
- Lead product candidate, PRA023, is a humanized IgG1 monoclonal antibody (mAb) that has been shown to block the tumor necrosis factor (TNF)



Chinook

- Acquired for over \$3 billion by Novartis
- Precision medicines for kidney diseases
- Lead product candidate, atrasentan, is a potent and selective endothelin A (ET_A) receptor antagonist
- Atrasentan is in phase III trials for the treatment of IgA nephropathy (IgAN) and proteinuric glomerular diseases

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 1.0x | Ownership: 7%

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

C-Bridge Capital IV

Vintage: 2018 | Commitment: \$10 m | TVPI 1.2x | 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 September 2023

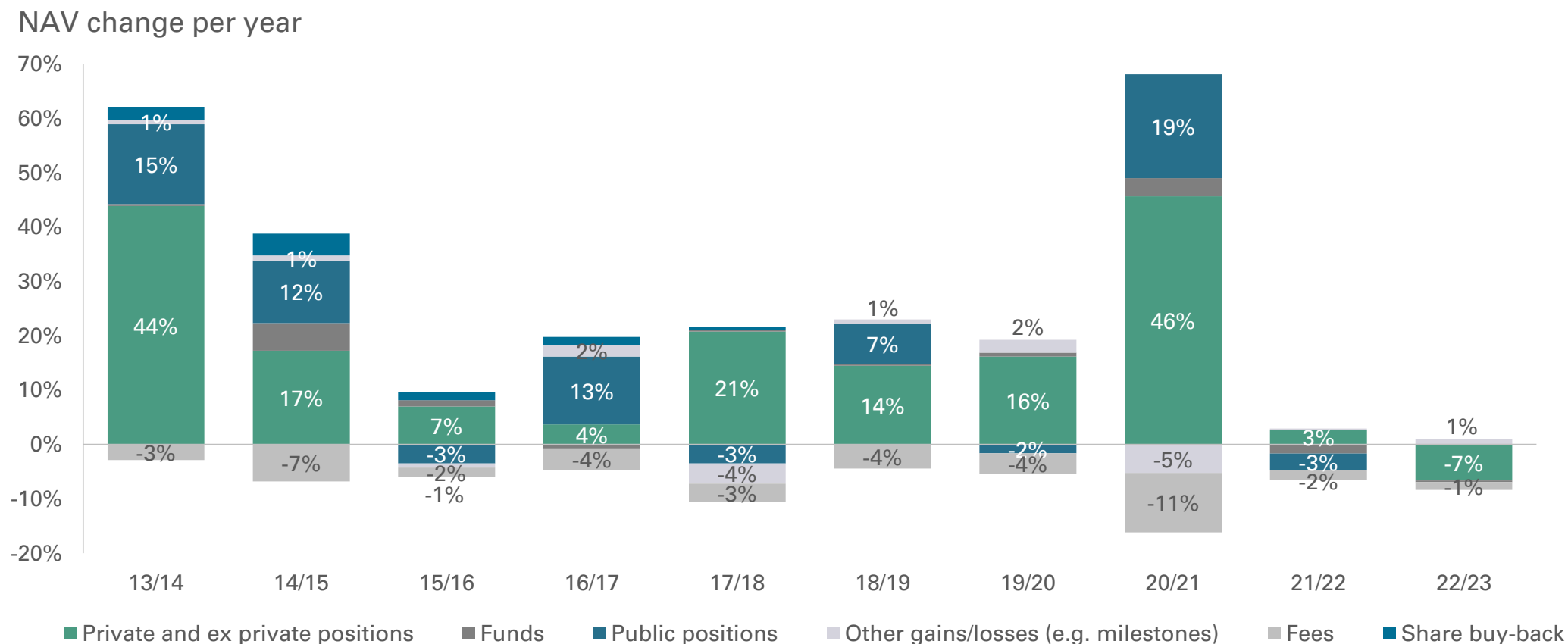
Latest IPOs from Private Equity Portfolio

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	-55%
Acrivon Therapeutics	2022	8.0	0.89x	0.0	-64%
IO Biotech	2021	23.2	1.47x	4.6	-91%
Pyxis Oncology	2021	6.0	1.53x	2.4	-90%
Monte Rosa Therapeutics	2021	14.0	2.44x	8.0	-84%
Ambrx	2021	20.0	1.56x	14.0	-55%
Werewolf Therapeutics	2021	5.0	2.00x	2.4	-84%
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	-75%
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	60%
Cathay	2020	38.0	14.02x	0.0	-43%
iTeos Therapeutics	2020	7.9	2.42x	10.0	150%
ALX Oncology	2020	5.0	2.00x	7.6	-58%
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	-62%
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 November 2023

Contribution to Net Asset Value

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



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

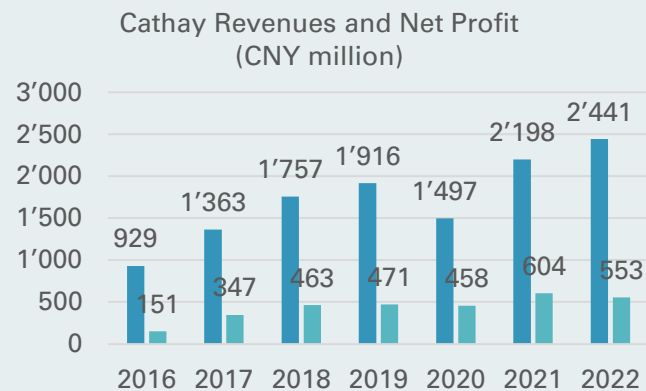


Case Studies HBM Portfolio Companies

Case Study Cathay Biotech



- Market cap: CNY 32.4 billion (CHF 4.1 billion), listed on Shanghai STAR Market since Aug 2020 (member of STAR 50 Index).
- Invested since May 2006: CNY 274 million (CHF 36 million) for 7.0% remaining ownership.
- Book value: CNY 2.2 billion (CHF 282 million)



Source: Bloomberg and Company announcements; Financial figures as of 28 October 2022, all others as of 30 September 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 TERRY[®] 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

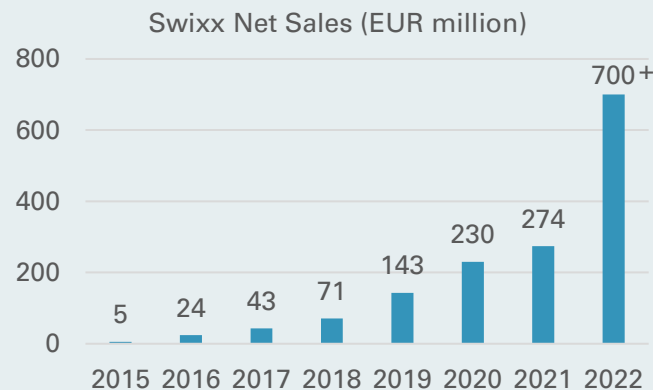
- Company achieved revenue 5Y CAGR 2016-21 of 20% with a net profit margin of ~25%. Company reported subdued results for 2022 amid COVID-induced headwinds and rising raw material costs. Revenue and net income reached CNY 2441 million (+11.1% vs 2021) and CNY 553 million (-8.3% vs 2021).
- Cathay reported 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 700 million 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 September 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

Neurelis



- Invested: USD 24.4 million for 10.6% ownership.
- Book value: USD 56.2 million.
- HBM represented on the Board of Directors.
- Neurelis lead product Valtoco® (nasal spray for epilepsy seizures) launched in March 2020.

Company Profile

- Specialty pharma company focusing on the development of product candidates for the broader central nervous system (CNS), including epilepsy and psychiatry; lead product is Diazepam nasal spray (NRL-for use in breakthrough epilepsy seizures).

Investment Rationale

- Major unmet need in epilepsy patients, where no drug is approved for controlling break through seizures.
- Convenient and efficient delivery approach. Approved molecule where efficacy and safety is well established.
- Late stage product with very limited competition - a number of formulations have failed in the past as nasal formulation of Diazepam has been a challenge.

Achievements during Investment Period (since 2016)

- Diazepam (Valtoco®) nasal spray approved for use in breakthrough epilepsy seizures.
- USD 100+ net sales in the US, and market leader in the space.
- Neurology pipeline assets (novel drugs and generic medicines).

Exit

- IPO or Trade sale possible.

Case Study

Mineralys Therapeutics



- Invested: USD 15.0 million for 5.5% ownership
- Book value: USD 20.0 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
- Closed \$200 million Series B financing round in June 2023 led by Enavate Sciences and Venrock, including new investors Bain Capital & Wellington
- 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

Data as of 30 September 2023

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 September 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

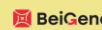
Tailwinds

- A new cycle of major biotech innovation and transformative technologies
- Financials provide some level of downside protection
- Accommodative FDA regulatory body allowing rapid development and approval of 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
- Biotech weakness continues amid Fed's higher-for-longer narrative
- 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 end of 2023 / H1 2024

Phase I		Phase II		Phase III		Approval
BI-1808: Phase I combination study with Pembrolizumab 	Zenocutuzumab (MCLA-128): NRG1+ lung & pancreatic data 	Lirentelimab: Phase II data in CSU and AD 	Pitolisant: phase II POC study, myotonic dystrophy (DM1) 	Efgartigimod SC: ADDRESS phase III results, pemphigus vulgaris and foliaceus (PV/PF) 	Brensocaticib: data in non-cystic fibrosis bronchiectasis, phase III data in 2Q24 	Brukina: Tislelizumab 1L+2L esophageal cancer 
BI-1607: Phase I combination study with Trastuzumab 	MCLA-158: 1L HNSCC Interim Pembrolizumab combo phase I/II data 	Results from full enrolment in phase II ASPEN-06 in gastric cancer in Q2 24 	TPIP (Treprostinil Palmitil Inhalation Powder) in PH-ILD phase II data in H1 24 	Aficamten: Phase III SEQUOIA readout in oHCM 	VRDN-001: Phase III IV data for acute and chronic TED patients 	RP-L201: lentiviral gene therapy for LAD-I. PDUFA date is March 31, 2024 
Barzolvolimab (CDX-0159): PN (prurigo nodularis) IV data 	GD2-SADA: Sarcoma, melanoma, SCLC phase I updated PK, tumor imaging data 	ARX788: Phase II in HER2+ mBC post-ENHERTU 	LP352: DEEs and other refractory epilepsies (PACIFIC PoC study) 	Pitolisant (Wakix): TEMPO phase III study Prader-Willi Syndrome 	Zanidatamab (ZW25): 1L HER2+ GEA 	RP-L102: lentiviral gene therapy for FA. BLA filing is expected soon, FDA approval ~mid-2024 
		Barzolvolimab: Phase II in CSU 	Lorundrostat: ADVANCE-HTN trial phase II uncontrolled and resistant hypertension in H2 24 	IO102-IO103: Phase III interim analysis, First Line Advanced Melanoma 		FILSPARI (sparsentan): focal segmental glomerulosclerosis (FSGS) 
		Bezuclastinib: KIT D816V inhibitor, NonAdvSM, Phase II SUMMIT initial data 	C21: IPF final data in phase IIa 			FILSPARI (sparsentan): approval in IgAN (immunoglobulin A nephropathy) 
		Bezuclastinib: update from Part 1 of the APEX study for AdvSM 	VRDN-002: PoC data (2mL 300mg SC formulation), TED patients 			Zanidatamab: Approval in 2L HER2+ BTC (biliary tract cancer) 

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

Source: HBM Research, updated in December 2023

Main Catalysts for HBM Public Portfolio Co's

Company	Therapeutic area	Phase	Description of catalyst
 ALX ONCOLOGY	Oncology	II	Results from full enrolment in phase II ASPEN-06 in gastric cancer
 AMBRX	Oncology	II	ARX788 in HER2+ mBC post-ENHERTU
 argenx	Immunology	III	Efgartigimod, Vyvgart in treating patients with PV in Q4 2023
 Celldex therapeutics	Immunology	II	CSU by year-end 2023
 cogent BIOSCIENCES	Immunology	II	SUMMIT trial with bezuclastinib for NonAdvSM in H2 2023
 cogent BIOSCIENCES	Immunology	II	APEX for bezuclastinib in AdvSM in 2H 2023
 Cytokinetics	Cardiovascular	III	Aficamten, SEQUOIA-HCM trial in Obstructive Hypertrophic Cardiomyopathy (oHCM)
 H3 HARMONY BIOSCIENCES	Neurology	II	POC study of pitolisant in myotonic dystrophy (DM1)
 Merus	Oncology	II	MCLA-158 (Petosemtamab) 1L HNSCC Interim Pembrolizumab combo phase I/II data
 rocket pharma	Gene therapy	Approval	RP-L201, lentiviral gene therapy for LAD-I (Leukocyte Adhesion Deficiency)
 rocket pharma	Gene therapy	Approval	RP-L102, lentiviral gene therapy for Fanconi Anemia (FA)
 vcore <i>pharma</i>	Pulmonary	II	IPF final data phase IIa in Q4

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 298.07

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)
Advisor to HBM Partners

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)
Advisor to HBM Partners

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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