

## Media Release

**Zug, 29 January 2016**

### **HBM Healthcare Investments Quarterly Report December 2015**

HBM Healthcare Investments closed the third quarter of the 2015/2016 financial year with a profit of CHF 208 million.

During the reporting period, from the beginning of October to the end of December, net asset value (NAV) per HBM Healthcare Investments' share recovered strongly, rising 23.6 percent to end 2015 at a new high of CHF 149.76. The share price climbed by 10.9 percent to CHF 102.00 in the same period.

For the first nine months of the current financial year (1.4.2015-31.12.2015) the consolidated profit stands at CHF 101 million.

#### **Successful IPO in the portfolio of private companies**

Activity in the portfolio of private companies centred around the successful IPO of Advanced Accelerator Applications (AAA). The French company raised USD 75 million in new capital. The share price has rocketed by 95 percent, resulting in a book profit of CHF 62 million. During the present quarter, AAA will submit applications for regulatory approval of its Lutathera cancer drug in Europe and the USA.

Meanwhile, Cathay Industrial Biotech closed a USD 135 million equity financing deal with the Chinese Lu'an Group. An assessment of the deal enabled us to revalue our holding upwards by CHF 30 million. The investment of CHF 8 million in Medimpulse Holding has been written off in full.

#### **High book profits at public companies**

Among the companies in our portfolio of public companies, Pacira Pharmaceuticals (CHF +41 million, share price +86.8% over the quarter) settled out of court with the US FDA, which confirmed the broad approval for the analgesic Exparel® that Pacira had requested. Pacira also reported rising sales revenues of USD 69.4 million for the fourth quarter and USD 249 million for the whole of 2015 – a rise of 26 percent compared with 2014.

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Further sizeable book profits were recorded during the quarter under review from our holdings in Ophthotech (CHF +27m / +93.8%), Skyepharma (CHF +20m / +12.5%) and Genmab (CHF +13m / +50.0%).

During the third quarter HBM Healthcare Investments cut the holding in Basilea Pharmaceutica by more than 80 percent and then sold the remaining shares in early January 2016. HBM Healthcare Investments thus closes out its first-ever investment in a private company, made 15 years ago, with a profit totalling CHF 156 million, and a capital-weighted annualised rate of return (IRR) of more than 15 percent.

### New investments

Four new investments in private companies were made during the quarter just ended. Eiger BioPharmaceuticals received a capital commitment of USD 10 million. The US company has a diversified portfolio of compounds in clinical development to treat four rare diseases.

As part of a syndicate, HBM Healthcare also invested CHF 10 million in Swiss company ObsEva, which has a clinical pipeline in the female reproductive health segment.

A further USD 7.5 million was committed to San Francisco-based Iconic Therapeutics. Iconic is conducting a Phase 2a study on a promising molecule for the treatment of age-related macular degeneration.

USD 4 million was invested in the profitable company SAI Life Sciences in Hyderabad, India. SAI is active internationally in the synthesis of complex pharmaceutical compounds and in medicinal chemistry.

### Outlook

The fourth quarter of the 2015/2016 financial year got off to an excellent start with the acquisition of the private company Ellipse Technologies by NuVasive in January 2016. This transaction generated a profit of over USD 100 million and an eightfold return on invested capital. Net asset value per share rose by CHF 9.70 (+6.5%) illustrating once more the enormous value potential of our portfolio of private companies.

The financial markets started calendar 2016 very volatile. We must continue to expect fluctuations in the value of the public companies in our portfolio. From the operational perspective, our portfolio companies are developing successfully, which makes them candidates for takeover. In addition, several companies are awaiting clinical data (Paratek, Ophthotech) or approval decisions (AAA, PTC Therapeutics) which will have a bearing on their value.

HBM Healthcare Investments will continue along its chosen value-generating path with new investments in private companies and an active approach to portfolio management. A considerable

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proportion of the funds HBM Healthcare Investments earns will be returned to shareholders in the form of share buy-backs and cash dividends.

The online version of the Quarterly Report as at 31 December 2015 is available on the HBM Healthcare Investments website [www.hbmhealthcare.com](http://www.hbmhealthcare.com).

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### Information on HBM Healthcare Investments Ltd

HBM Healthcare Investments invests in the healthcare sector. The Company holds and manages an international portfolio of some 25 promising companies in the human medicine, biotechnology, medical technology and diagnostics sectors and related areas. Many of these companies have their lead products already available on the market or at an advanced stage of development. The portfolio companies are closely tracked and actively guided in their strategic direction. This is what makes HBM Healthcare Investments an interesting alternative to investments in big pharma and biotechnology companies. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

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