

Media Release

Zug, 29 July 2016

HBM Healthcare Investments Quarterly Report June 2016

HBM Healthcare Investments closed a generally uneventful first quarter on 30 June 2016 with a loss of CHF 23 million. This was due to contraction in the prices of our public holdings. Factoring in the cash dividend of CHF 5.50 per share paid on 30 June 2016, net asset value (NAV) per share declined by 1.7 percent to CHF 132.40 during the reporting period. The share price slipped by 0.9 percent to CHF 93.20.

Key developments within the portfolio

The merger of **Skyepharma** with **Vectura Group** that was announced in mid-March was completed in June. For HBM Healthcare Investments, this yielded GBP 19.4 million in cash and 70.3 million shares in Vectura Group with a total value of GBP 113 million. With its 10.4 percent stake, HBM Healthcare Investments is now Vectura Group's second-largest shareholder.

In the portfolio, the most important success were Paratek's positive study results from omadacycline, an important step towards the approval for this promising broad-spectrum antibiotic. **Paratek Pharmaceuticals** published the data from this first phase-III trial of omadacycline for the treatment of acute skin and skin structure infections (ABSSSI) in mid-June. The compound achieved all of the primary endpoints set by the US Food and Drug Administration (FDA) and the European Medicines Agency (EMA), and has a favourable safety profile. After the positive results of the first study, a second phase-III trial is required before the new drug application for omadacycline can be submitted in the USA and Europe. This second study compares omadacycline with moxifloxacin in the treatment of community-acquired bacterial pneumonia (CABP), and has been running since November 2015. The findings are expected in the third quarter of 2017.

Outlook

At the end of June, Advanced Accelerator Applications announced that the FDA had accepted its new drug application for Lutathera®, and granted it priority review within the next six months. The target date for the approval decision is 28 December 2016.

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Also in June, **Ophthotech** completed patient recruitment for its third phase-III study, which will test Fovista® in combination with Eylea® and Avastin® for the treatment of age-related macular degeneration (AMD). Patient recruitment for two further phase-III approval trials of Fovista® in combination with Lucentis® was completed in October 2015. The data from all three studies are expected in the course of the fourth quarter of 2016.

Thanks to Advanced Accelerator Applications and Ophthotech, the current calendar year will remain exciting right to its close. We are also expecting clinical data from other portfolio companies before the end of the year.

HBM Healthcare Investments assumes that takeover activity in the healthcare sector will remain buoyant. The composition of its portfolio means that HBM Healthcare Investments should benefit from this. The financial markets will remain very volatile, which may result in fluctuations in NAV and share price. The HBM Healthcare Investments portfolio nonetheless offers a wealth of high-quality companies with promising outlook.

The online version of the Quarterly Report as at 30 June 2016 is available on the HBM Healthcare Investments Ltd website www.hbmhealthcare.com.

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Information on HBM Healthcare Investments Ltd

HBM Healthcare Investments actively invests in the human medicine, biotechnology, medical technology and diagnostics sectors, and related areas. The company holds and manages an international portfolio of some twenty five promising companies. Many of these companies have their lead products already available on the market or at an advanced stage of development. The focus of investment is on follow-on financing for existing portfolio companies. These portfolio companies are closely tracked and actively guided on their strategic directions. This is what makes HBM Healthcare Investments an interesting alternative to investing in big pharma and biotech companies. HBM Healthcare Investments has an international shareholder base and is listed on SIX Swiss Exchange (ticker: HBMN).

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