

Media Release

Zug, 20 January 2025

Ad hoc announcement pursuant to Art. 53 LR

## **HBM Healthcare Investments publishes Quarterly Report as at 31 December 2024 with key figures for the first nine months of the 2024/2025 financial year**

- Profit of CHF 66 million in the first nine months
- NAV up 4.3 percent, share price down 5.2 percent, discount widens to just under 30 percent
- Private portfolio companies as main profit drivers

### **Positive result for the first nine months ended 31 December 2024**

HBM Healthcare Investments generated a profit of CHF 66 million in the first nine months of the 2024/2025 financial year ended 31 December 2024.

The performance in the first nine months was mainly driven by private companies, which contributed CHF 100 million to profits thanks to the sale of Yellow Jersey Therapeutics and four IPOs. The public companies recorded a slight decline in value totalling CHF 18 million. The funds and other assets each contributed CHF 3 million to the profit. Foreign currencies had no significant influence on the result.

Net asset value (NAV) per share increased by 4.3 percent. The share price declined by 5.2 percent. As a result, the share's discount to NAV has widened to just under 30 percent. This is almost equivalent to the book value of the portfolio of private companies. HBM Healthcare continues to work to correct this unsatisfactory situation, by unlocking value from investments, broadening the investor base and returning funds to shareholders through share buy-backs and dividends. HBM Healthcare will also continue to make new investments to secure future growth.

### **Developments in the portfolio of private companies in the quarter under review**

The private companies recorded positive performance.

- > The IPOs of Upstream Bio and Sai Life Sciences added CHF 53 million in value in the final quarter.
- > Neurelis Pharmaceuticals sold its licensing rights to the neffy<sup>®</sup> epinephrine nasal spray for USD 208 million and is now debt-free. Neurelis is expected to reach break-even in the current year.

- > HBM made a new investment of CHF 8.4 million in OneSource Speciality Pharma, a private Indian contract development and manufacturing organisation (CDMO), which is aiming for a listing on the Indian stock exchange in early 2025.

## Developments in the portfolio of public companies in the quarter under review

The public companies recorded a slight overall decline in value.

- > A number of companies saw their share prices rise in the final quarter, supported by solid sales figures and/or clinical trial data: Argenx (share price +23.6%), Travere Therapeutics (+24.5%), Natera (+24.7%) and Arrivent Biopharma (+13.4%).
- > Negative performance was seen in Y-mAbs Therapeutics (-40.5%), Cathay Biotech (-18.4%) and Kura Oncology (-55.4%).

## Asset allocation

The asset allocation is virtually unchanged from the previous quarter and remains well balanced. Private companies account for 31 percent of total assets. Public companies comprise 49 percent (26 percent are formerly private companies). 10 percent are in funds, 8 percent are in cash and cash equivalents, and 2 percent are in other assets.

The US dollar currency hedge was closed out in mid-October 2024 at a profit of CHF 5 million.

## Outlook

The macroeconomic market environment remains challenging. China is experiencing mild deflation. In the United States, markets are anticipating higher interest rates in the longer term. Uncertainty about the future shape of healthcare policy led to sharp price falls in the healthcare sector following the US elections.

We expect more clarity to emerge during the course of 2025, leading to an improvement in market sentiment. This should also revive M&A activity in the sector. There is undoubtedly a need for this, given the impending decline in sales at large pharmaceutical companies because of patent expiries over the next few years.

HBM Healthcare Investments' portfolio is attractively structured, with a mix of emerging private companies and public companies at different stages of development and operating in different regions of the world. We expect value-enhancing events in several of our portfolio companies during the year, in the form of clinical trial results, regulatory approvals or strategic transactions. Recent transactions in Yellow Jersey Therapeutics and Sai Life Sciences also demonstrate that smaller holdings can add significant value.

The Quarterly Report December 2024 is available on the Company's website at [www.hbmhealthcare.com/en/investors/financial-reports](http://www.hbmhealthcare.com/en/investors/financial-reports).

## Contact us

For further information, please contact Dr Andreas Wicki on +41 41 710 75 77, or at [andreas.wicki@hbmhealthcare.com](mailto:andreas.wicki@hbmhealthcare.com)

## About HBM Healthcare Investments

HBM Healthcare Investments invests in the healthcare sector. The Company holds and manages an international portfolio of 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).

## Disclaimer

The publication is for information purposes only and does not constitute an offer to sell or a solicitation to buy or subscribe for securities. This news release does not constitute a prospectus within the meaning of Art. 35ff FinSA, or securities prospectus in the sense of the German securities prospectus law. This news release and the information contained therein is not intended for distribution to the United States of America (USA) or within the USA and may not be distributed or forwarded to U.S. persons (including legal persons) or to publications with a general distribution in the USA. This news release is not an offer or solicitation to buy securities in the United States. HBM Healthcare Investments Ltd's securities were not issued in accordance with the U.S. securities laws, and may not be sold, offered for sale, or delivered in the U.S. or to U.S. individuals without prior registration or without a registration exemption. Some information quoted was obtained from external sources HBM considers to be reliable. HBM cannot guarantee the adequacy, accuracy, timeliness or completeness of or be held responsible or liable for errors of fact regarding such data and information obtained from third parties, and this data may change with market conditions.