

Media Release

Zug, 3 January 2019

**Strong performance of HBM Healthcare Investments
in calendar year 2018: net asset value per share (NAV)
+9.9%, share price +21.8%**

HBM Healthcare completed a challenging calendar year 2018 for equity investments with a close to double-digit percent increase in value. The net asset value per share (NAV) rose by 9.9% to CHF 171.12 as at 31 December 2018. The share price gained 21.8%.

By contrast, the general market development in the healthcare sector showed a mixed picture for 2018. While the MSCI World Health Care Index rose by 3.1% in Swiss Franc terms, the Nasdaq Biotech Index (-9.6%) and the S&P Biotech ETF (-16.3%) posted significant declines in value.

HBM Healthcare Investments benefited primarily from value contributions from the portfolio of private companies (takeovers, IPO's and revaluations of individual companies by third-party investors on the occasions of financing rounds). In addition, the partial market hedging on the portfolio of listed companies paid off. Due to the strong market correction in the fourth quarter of 2018, this hedging position was closed by about two-thirds.

HBM Healthcare Investments remains well positioned for the current volatile market environment. As of 31 December 2018, the Company had a high level of cash and cash equivalents of CHF 157 million (net of the CHF 46 million remaining repurchase obligation for market hedging). This corresponds to 13% of the net assets of about CHF 1.19 billion. With the expected completion of the acquisition of portfolio company Tesaro by GSK at the beginning of January 2019, cash and cash equivalents will increase by a further CHF 24 million or 2% of net assets. The share of listed companies is 53% (of which 7% hedged and 2% Tesaro) and that of private companies 43% of net assets. The volume of short-term and long-term liabilities of 9% of net assets remains moderate.

Result for the first 9 months of the financial year 2018/2019

Performance for the first nine months of the financial year 2018/2019, which ends on March 31, is also a positive, despite the sharp market correction in the 4th quarter of

2018. The net asset value per share rose by 7.0% and the share price by 12.8%. Based on the reported NAV as of 31 December 2018, HBM Healthcare Investments expects to report a net profit of about CHF 81 million for the first nine months of the financial year. In the same period of the previous year, net profit amounted to CHF 85.6 million.

These results are a preliminary based on the current state of the financial closing process. The definitive results will be published with the quarterly report December 2018 on 25 January 2019.

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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).

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