

Media Release

Zug, 16 Mai 2019

HBM Healthcare Investments announces share swap and revaluation of its stake in Cathay Industrial Biotech

- The carrying amount of the investment in Cathay increased by USD 34 million in the financial year ended March 31, 2019 based on a financing round. As a result, the net profit for the 2018/2019 fiscal year increased by CHF 29 million to CHF 209 million. The net asset value per share (NAV) as of 31 March 2019 increased by 2.2 percent to CHF 189.48.
- The book value of the investment in Cathay was increased by a further USD 61 million as of mid-May 2019 based on transaction values. Upon completion of an additional investment, the book value of the investment will amount to USD 196 million.
- Including the two value adjustments, the net asset value per HBM-share (NAV) amounts to CHF 201.46 as at 15 May 2019.
- The media release on the annual results 2018/2019 will be published tomorrow, Friday, 17 May 2019, pre-market.

HBM Healthcare Investments currently holds its stake in the Chinese company Shanghai Cathay Biotechnology R&D Center Co. Ltd. ("Cathay R&D Center") together with other shareholders indirectly via the holding company Cathay Industrial Biotech Ltd. based in the Cayman Islands ("CIB Cayman"). Cathay R&D Center is the parent company of the Cathay Group ("Cathay") in China, which owns the various operating subsidiaries.

HBM Healthcare Investments agreed to exchange its stake in CIB Cayman for a direct stake in Cathay R&D Center in view of a possible going public of Cathay R&D Center. HBM Healthcare Investments' shareholding in Cathay thus remains unchanged.

As part of the transaction, HBM Healthcare Investments and other new financial investors will acquire additional shares in Cathay R&D Center. HBM Healthcare Investments has committed USD 10 million.

As a consequence of these developments, HBM Healthcare Investments is revaluing its investment in Cathay. The book value of the investment increases by a total of USD 95 million to USD 196 million (including the additional investment). In accordance with our valuation principles and the provisions of IFRS, part of the increase in value of USD 34 million was recorded in fiscal year 2018/2019. This is based on a financing round conducted by Cathay R&D Center in 2018. As a result, the net profit in the audited financial statements 2018/2019, as approved today by the Board of Directors, increased by CHF 29 million, from previously announced CHF 180 million to new CHF 209 million.

The additional value increase of USD 61 million will be booked in the new 2019/2020 financial year and is included in the Net Asset Value per HBM-share (NAV) published today on 15 May 2019.

Upon completion of the share swap, HBM Healthcare Investments will change the investment currency for its investment in Cathay from previously US Dollars (USD) to Renminbi (RMB).

Contact

For further information, please contact Dr Andreas Wicki on +41 41 710 75 77, or at 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

HBM Healthcare Investments Ltd.

Bundesplatz 1 | CH-6300 Zug | Switzerland | Telephone: +41 41 710 75 77 | Fax: +41 41 710 75 78
info@hbmhealthcare.com | www.hbmhealthcare.com

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