



# SPAFID CONNECT

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Oggetto : Interim report of BB Biotech AG as of June  
30, 2020

*Testo del comunicato*

Vedi allegato.

Media release as of July 24, 2020

Interim report of BB Biotech AG as of June 30, 2020

## **Innovative biotech companies lead efforts in global challenge**

**Biotech stock markets demonstrated remarkable resiliency in the face of the COVID-19 crisis and biotech stocks made convincing gains. The Nasdaq Biotech Index advanced 26.9% in the second quarter (in USD). BB Biotech's share price rose by 32.1% in CHF and 32.9% in EUR over the quarter. The Net Asset Value of its portfolio showed even better gains of 48.2% in CHF, 47.7% in EUR and 51.2% in USD, resulting in net profit of CHF 1.18 bn for the second quarter compared to a net loss of CHF 336 mn for the same period in 2019. Net profit for the first half of 2020 amounted to CHF 422 mn, relative to the corresponding prior-year figure of CHF 544 mn. During the pandemic, BB Biotech's investment management team maintained its long-term investment strategy. It continues to focus on companies that are developing innovative medicines for severe and/or chronic diseases. One new position was added to the portfolio in the second quarter, namely Generation Bio. Fundamental developments in the biotech sector will support further IPOs and share offerings. Biotech companies are working hard to deliver solutions in the fight against COVID-19 and are also expected to make progress in treating many other diseases.**

Monetary, fiscal and economic interventions around the world triggered an equity market rebound from the first-quarter dip. Expectations of a prompt economic recovery gained appeal as lockdown measures were eased in China and European countries affected early in the SARS-CoV2 pandemic. Reports of rapid progress of leading COVID-19 vaccine and therapeutic candidates and their potential launches in late 2020 or early 2021 sustained the exuberance.

Healthcare stocks showed particular resilience and bounce. Diagnostic, medicines and vaccine developers working on COVID-19 remedies again fared better than consumer-oriented and cyclical subsectors. Within biotechnology, large caps gained ground, but the mid caps and select smaller cap firms made the greatest gains. Following a longer cycle of fund withdrawals from the biotech sector, inflows fueled the rebound throughout the second quarter – including numerous initial public offerings and secondary share and debt offerings.

### **Sharp gain in BB Biotech's share price and Net Asset Value**

In the second quarter of 2020 BB Biotech's share price gained 32.1% in CHF and 32.9% in EUR, while its Net Asset Value surged 48.2% in CHF, 47.7% in EUR and 51.2% in USD. This resulted in net profit of CHF 1.18 bn for the second quarter compared to a net loss of CHF 336 mn for the same period in 2019.

For the first half of 2020, the total share price return was 11.4% in CHF and 13.2% in EUR, including the dividend. This was slightly behind the Net Asset Value appreciation of 15.7% in CHF, 18.0% in EUR and 18.2% in USD. This resulted in a net profit of CHF 422 mn for the first half of 2020 compared to the CHF 554 mn figure reported for the same period of last year.

### **Portfolio focus unchanged – one new investment**

During the pandemic, BB Biotech's investment management team maintained its long-term investment strategy and focused on companies that are developing innovative medicines for severe and/or chronic diseases. It opened one new position in the second quarter, a small cap company called Generation Bio. Shares of BB Biotech's top holdings were sold at a profit and further gains were realized on its position in Moderna, which reported rapid progress with mRNA-1273, a vaccine candidate for COVID-19. The cash was re-invested to buy more shares of Molecular Templates, Fate Therapeutics, Arvinas and other recently opened positions.

Portfolio exposure to genetic medicines was further increased in the second quarter of 2020 through participation in Generation Bio's initial public offering. This comes on the heels of BB Biotech's successful investments in other gene therapy companies such as Avexis (acquired by Novartis) and Audentes (acquired by Astellas). Generation Bio is still at an early stage of the development cycle but it is developing promising new gene therapy approaches that have the potential to accommodate large genetic inserts or that could allow tissue targeting or re-dosing for patients with rare or common diseases.

**Outlook: Further pipeline progress as well as ongoing IPOs and capital increases expected**

With lockdowns putting pressure on the global economy and society, governments invested in diagnostic testing and began negotiating bulk buying arrangements for COVID-19 therapeutics and vaccines. These and other developments must be closely monitored.

Against the evolving picture of COVID-19 diagnosis, treatment and vaccination, trials of importance for both individual pipeline assets as well as platform technologies for the upcoming months include the following:

- Homology is expected to report results from its HMI-102 gene therapy program for adult patients with phenylketonuria
- Scholar Rock is expected to announce interim efficacy and safety findings from its Topaz program, testing SRK-015 in patients with type 2 and type 3 spinal muscular atrophy
- Moderna has announced it will publish further data on its SARS-CoV-2 vaccine candidate mRNA-1273 in the coming weeks
- Wave Life Sciences is expected to present data for the higher dose cohorts for WVE-120101 and WVE-120102 in Huntington's disease patients
- Arvinas has indicated that it will present data from the ARV-110 higher dose cohort in prostate cancer patients and initial data for ARV-471 for breast cancer patients

A number of regulatory review decisions are also expected in the second half of 2020, including:

- Lumasiran (Alynlam) for the treatment of primary hyperoxaluria type 1, with an FDA target action date of December 3, 2020
- Margetuximab (Macrogenics) for the treatment of breast cancer, with an FDA target action date of December 18, 2020
- Relugolix (Myovant) for the treatment of prostate cancer, with an FDA target action date of December 20, 2020
- Obeticholic acid (Intercept), with an FDA Type A meeting likely to be convened within the next few weeks to determine the way forward

In addition, the momentum in the biotechnology sector should support further IPOs and capital increases, strengthening the balance sheet of firms pursuing the development of next-generation technology and assets.

The interim report as of June 30, 2020 can be downloaded at [www.bbbiotech.com](http://www.bbbiotech.com).

**For further information:**

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**Company profile**

BB Biotech AG is an investment company domiciled in Schaffhausen/Switzerland and listed on the stock exchanges in Switzerland, Germany and Italy. Since 1993, the company has invested in innovative drug development companies that are mainly located in the US and Western Europe. BB Biotech is one of the leading investors in this sector. BB Biotech builds on the long-standing experience of its distinguished Board of Directors and on the fundamental analysis of the experienced Investment Management Team of Bellevue Asset Management AG when making its investment decisions.

**Disclaimer**

This release contains forward-looking statements and expectations as well as assessments, beliefs and assumptions. Such statements are based on the current expectations of BB Biotech, its directors and officers, and are, therefore, subject to risks and uncertainties that may change over time. As actual developments may significantly differ, BB Biotech and its directors and officers accept no responsibility in that regard. All forward-looking statements included in this release are made only as of the date of this release and BB Biotech and its directors and officers assume no obligation to update any forward-looking statements as a result of new information, future events or other factors.

## Composition of BB Biotech's portfolio as of June 30, 2020

(in % of securities, rounded values)

Ionis Pharmaceuticals	11.5%
Neurocrine Biosciences	8.9%
Incyte	7.6%
Vertex Pharmaceuticals	6.7%
Agios Pharmaceuticals	5.3%
Argenx SE	5.2%
Moderna	5.2%
Esperion Therapeutics	4.8%
Alnylam Pharmaceuticals	4.7%
Halozyme Therapeutics	4.4%
Alexion Pharmaceuticals	3.6%
Macrogenics	3.1%
Myokardia	2.8%
Myovant Sciences	2.4%
Radius Health	2.4%
Intra-Cellular Therapies	2.3%
Exelixis	1.7%
Fate Therapeutics	1.6%
Nektar Therapeutics	1.5%
Crispr Therapeutics	1.5%
Black Diamond Therapeutics	1.5%
Sage Therapeutics	1.5%
Arvinas	1.3%
Scholar Rock Holding	1.2%
Molecular Templates	1.2%
Sangamo Therapeutics	0.9%
Voyager Therapeutics	0.8%
Intercept Pharmaceuticals	0.8%
Generation Bio Co.	0.8%
Wave Life Sciences	0.7%
Homology Medicines	0.7%
Kezar Life Sciences	0.5%
G1 Therapeutics	0.4%
Cidara Therapeutics	0.3%
Akcea Therapeutics	0.2%
Bristol-Myers Squibb – CVR	0.1%
Alder Biopharmaceuticals – CVR	0.1%
<b>Total securities</b>	<b>CHF 3 794.6 mn</b>
Other assets	CHF 36.2 mn
Other payables	CHF (204.5) mn
<b>Net Asset Value</b>	<b>CHF 3 626.3 mn</b>

Fine Comunicato n.0472-27

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