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| Informazione Regolamentata n. 0472-25-2021 | Data/Ora Ricezione 23 Luglio 2021 09:10:52 | MTA - Star |
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Societa' : BB BIOTECH
Identificativo : 150211
Informazione
Regolamentata
Nome utilizzatore : BIOTECHNSS01 - Alderuccio
Tipologia : 1.2
Data/Ora Ricezione : 23 Luglio 2021 09:10:52
Data/Ora Inizio : 23 Luglio 2021 09:10:53
Diffusione presunta
Oggetto : Interim report of BB Biotech AG as at June
30, 2021

Testo del comunicato

Vedi allegato.

Media release of July 23, 2021

Interim report of BB Biotech AG as at June 30, 2021

Solid second quarter for the biotech industry – BB Biotech raised its allocation to promising small and mid caps

Inflation moved higher during the second quarter as the economic recovery gathered steam, triggering temporary outflows of investor capital from growth sectors. Central banks signaled that the rise in inflation would be short-lived, after which capital began to flow back into tech and healthcare stocks. BB Biotech shares returned 5.8% in CHF and 6.1% in EUR in the second quarter of 2021. Their total return for the first half of 2021 including the dividend payout was 22.2% in CHF and 21.3% in EUR. BB Biotech took profits in Alexion, Biogen, Moderna, Agios and other positions during the second quarter and reinvested the proceeds in more recently established positions such as Fate Therapeutics, Revolution Medicines, Relay Therapeutics, Essa Pharma and Molecular Templates. The biotech sector's prominent role in developing solutions to the pandemic continues to fuel general momentum, which could lead to further stock listings and rights issues, as well as take-overs at attractive prices. Major regulatory decisions for several companies in BB Biotech's portfolio are also expected in the second half of the year.

During the second quarter, most indices' total returns reached high single digits such as the S&P 8.6%, the Dow Jones 5.1% and the Nasdaq Composite Index 9.7% (all values in USD). Some European markets indexes such as the EuroStoxx 50 (+5.3%, in EUR) and the Dax (+3.5%, in EUR) were slightly less up, with the Swiss SPI Index (+9.5%, in CHF) in line to the US markets.

Healthcare markets rebounded from the April sell-off to close the second quarter in positive territory. Driven by the SARS-CoV-2 vaccine players, the controversial approval of Aduhelm to treat Alzheimer's disease and substantial value appreciations for many gene editing companies, the broad MSCI World Healthcare Index (+9.3%, in USD), and Nasdaq Biotech Index (+9.2%, in USD) posted impressive gains.

BB Biotech's second quarter and half year 2021 performance

BB Biotech's share price was 5.8% in CHF and 6.1% in EUR during the second quarter 2021. The Net Asset Value (NAV) grew 3.3% in CHF, 4.2% in EUR and 5.3% in USD. Consequently, net profit for the second quarter was CHF 129 mn compared to the extraordinary net profit of CHF 1.18 bn for the same period in 2020.

For the first half of 2021, the total share price return was 22.2% in CHF and 21.3% in EUR, including the dividend. This was ahead of the Net Asset Value appreciation of 8.9% in CHF, 7.3% in EUR and 4.1% in USD. This resulted in a net profit of CHF 349 mn for the first half of 2021 compared to the CHF 422 mn figure reported for the same period of last year. Exchange-rate fluctuations in the USD/CHF currency pair contributed first half 2021 performance by approximately 4.8%.

Change to the Board of Directors of BB Biotech

AstraZeneca has announced that Dr. Susan Galbraith will be promoted to lead worldwide Oncology Research & Development from initial discovery through late-stage development, consequently, Dr. Galbraith informed BB Biotech that she will resign from the Board of Directors of BB Biotech AG with immediate effect. While the Board regrets the loss of Dr. Galbraith who has already made great contributions as a Board member, the Board fully understands her need to focus on her remarkably consequential new assignment and congratulates her on the new role and wishes Dr. Galbraith all the best in future endeavors. BB Biotech will launch a search for a new candidate for election to the Board of Directors at its next Annual General Meeting.

Second quarter 2021 portfolio activity

The investment management team focused on our existing smaller and mid cap companies and on the volatile situations such as the SARS-CoV-2 vaccine updates, the controversial approval of Biogen's Aduhelm and the many clinical trial updates from within our existing portfolio, and no additions were made to the portfolio. After the US Federal Trade Commission cleared AstraZeneca's acquisition of Alexion, Alexion shares traded within the range of the takeover price, after which the investment team sold its entire position in Alexion, locking in the significant profits. Capital released from the Alexion position together with continued profits from Halozyme were allocated to

build on our newer portfolio positions such as Fate Therapeutics, Revolution Medicines, Relay Therapeutics, Essa Pharma and Molecular Templates.

Additional capital was generated after gains in the Biogen share price following the Aduhelm approval, Moderna's continued rally to become the second largest market cap company in the biotech universe, and from Agios following the oncology division sale to Servier. These funds were re-deployed – adding to positions in companies with depressed prices consequent to certain short-term setbacks such as Vertex. Other capital was invested into innovative smaller and mid cap companies with substantial pipeline and growth opportunities including Sage, MacroGenics, Black Diamond and Ionis who each presented buying opportunities associated with pipeline updates or short-term clinical trial results.

Overall, actively managing 33 positions in the portfolio, the investment level decreased slightly from 109.2% to 107.5% during the second quarter 2021. This offers sufficient capital flexibility for the investment team to continue to identify and invest in novel opportunities within the boundaries of the established investment guidelines – an investment level of 95% to 115% and a maximum of 35 positions.

Outlook for second half 2021

In the second half of 2021, investors will likely monitor the launch of Aduhelm for treating Alzheimer's disease patients from Biogen. Some providers have already declared their dissatisfaction with the data. The strategic implications of FDA's controversial decision remain to be seen and the Agency has commissioned an investigation of its own conduct by the Office of the Inspector General. This story has further chapters to play out. Besides Aduhelm, investors will track other drugs expected to rebound in a post pandemic scenario include Neurocrine's Ingrezza, Esperion's Nexlizet/Nexletol franchise or Radius' Tymlos for women with osteoporosis.

More recently high expectations from Wall Street for genome editing companies have been reflected in valuations in the wake of initial in vivo clinical data from Intellia Therapeutics. The portfolio management team sees attractive valuations in other subsectors and expects to allocate further capital to attractive companies for superior mid and longer-term returns.

The second half of 2021 will continue to be dominated by the SARS-CoV-2 pandemic, with scientists and health experts carefully monitoring the emergence of virus variants. Vaccines already approved and widely used will be tested for their efficacy against new strains. Most importantly, booster injections are developed consisting of a third injection to boost the immune system of already vaccinated subjects or to be tailored specifically to address the challenging emergent strains.

Major regulatory decisions concerning several stocks in BB Biotech's portfolio are also expected. These include decisions on Argenx's filing for approval of efgartigimod, Agios filing for mitapivat and a label expansion for Caplyta, a drug developed by Intra-Cellular, for which an approval date for the treatment of depressive episodes associated with bipolar I or II disorder is set towards the end of 2021.

And lastly, an acceleration of data has been witnessed in biopharma and other life sciences industries. BB Biotech's investment team intends to take advantage of this trend and is therefore expanding its competency in advanced analytics and artificial intelligence. In particular, the democratizing force of cloud computing of recent years is enabling the team to leverage huge volumes of patient-centered data in its investment process. Machine learning and AI will enhance the team's proprietary investment processes and expand its investment universe.

The quarterly report of BB Biotech AG as at June 30, 2021 can be downloaded at report.bbbiotech.ch/Q221 or www.bbbiotech.com

For further information:

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Company profile

BB Biotech AG is an investment company registered in Schaffhausen/Switzerland and listed on the Swiss, German and Italian stock exchanges. It has invested in innovative drug developers headquartered primarily in the US and Western Europe. BB Biotech is one of the world's largest investors in this sector. BB Biotech relies on the long-standing experience of its distinguished Board of Directors and the investment research skills 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 at June 30, 2021
(in % of securities, rounded values)

| | |
|--------------------------------|-----------------------|
| Moderna | 12.2% |
| Ionis Pharmaceuticals | 7.7% |
| Argenx SE | 6.1% |
| Neurocrine Biosciences | 6.0% |
| Incyte | 5.2% |
| Agios Pharmaceuticals | 5.0% |
| Fate Therapeutics | 4.7% |
| Vertex Pharmaceuticals | 4.5% |
| Alnylam Pharmaceuticals | 4.0% |
| Biogen | 3.7% |
| Macrogenics | 3.6% |
| Arvinas | 3.6% |
| Crispr Therapeutics | 3.3% |
| Intra-Cellular Therapies | 3.0% |
| Radius Health | 2.9% |
| Sage Therapeutics | 2.8% |
| Myovant Sciences | 2.5% |
| Relay Therapeutics | 2.0% |
| Esperion Therapeutics | 2.0% |
| Beam Therapeutics | 1.7% |
| Molecular Templates | 1.6% |
| Essa Pharma | 1.5% |
| Generation Bio Co. | 1.4% |
| Scholar Rock Holding | 1.4% |
| Halozyne Therapeutics | 1.3% |
| Revolution Medicines | 1.2% |
| Exelixis | 1.1% |
| Nektar Therapeutics | 1.0% |
| Black Diamond Therapeutics | 0.9% |
| Mersana Therapeutics | 0.8% |
| Kezar Life Sciences | 0.5% |
| Wave Life Sciences | 0.4% |
| Homology Medicines | 0.3% |
| Alder Biopharmaceuticals – CVR | 0.1% |
| Total securities | CHF 4 349.3 mn |
| Other assets | CHF 7.8 mn |
| Other liabilities | CHF (310.1) mn |
| Net Asset Value | CHF 4 047.0 mn |

Fine Comunicato n.0472-25

Numero di Pagine: 6