

# Interim Report as at 30.06.2022

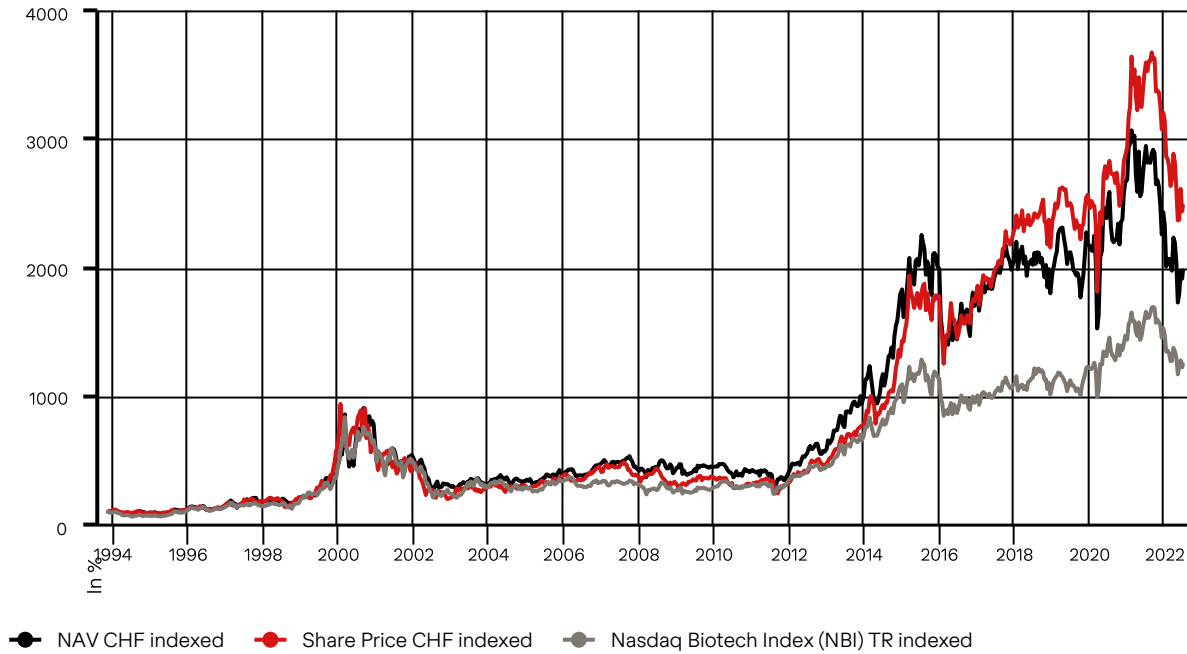
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# Performance/Multi-year comparison

## Indexed performance since launch

### BB Biotech AG (SIX)-CHF



### Rolling performance

	SHARE	NAV	NBI TR
30.06.2021 – 30.06.2022	(31.2%)	(32.4%)	(24.3%)
30.06.2020 – 30.06.2021	30.9%	17.0%	17.8%
28.06.2019 – 30.06.2020	11.7%	20.1%	22.3%
29.06.2018 – 28.06.2019	3.5%	4.1%	(1.7%)
30.06.2017 – 29.06.2018	18.8%	3.8%	10.6%

### Annual performance

	SHARE	NAV	NBI TR
2021	8.3%	(11.5%)	3.0%
2020	19.3%	24.3%	15.8%
2019	18.5%	23.4%	23.0%
2018	(5.2%)	(14.5%)	(8.0%)
2017	22.9%	23.4%	16.4%

### Cumulated performance

30.06.2022

	SHARE	NAV	NBI TR
YTD	(22.4%)	(16.8%)	(16.6%)
1 year	(31.2%)	(32.4%)	(24.3%)
3 years	0.7%	(5.0%)	9.0%
5 years	23.8%	2.7%	18.4%
since inception <sup>1)</sup>	2 380%	1 878%	1 148%

<sup>1</sup> 09.11.1993

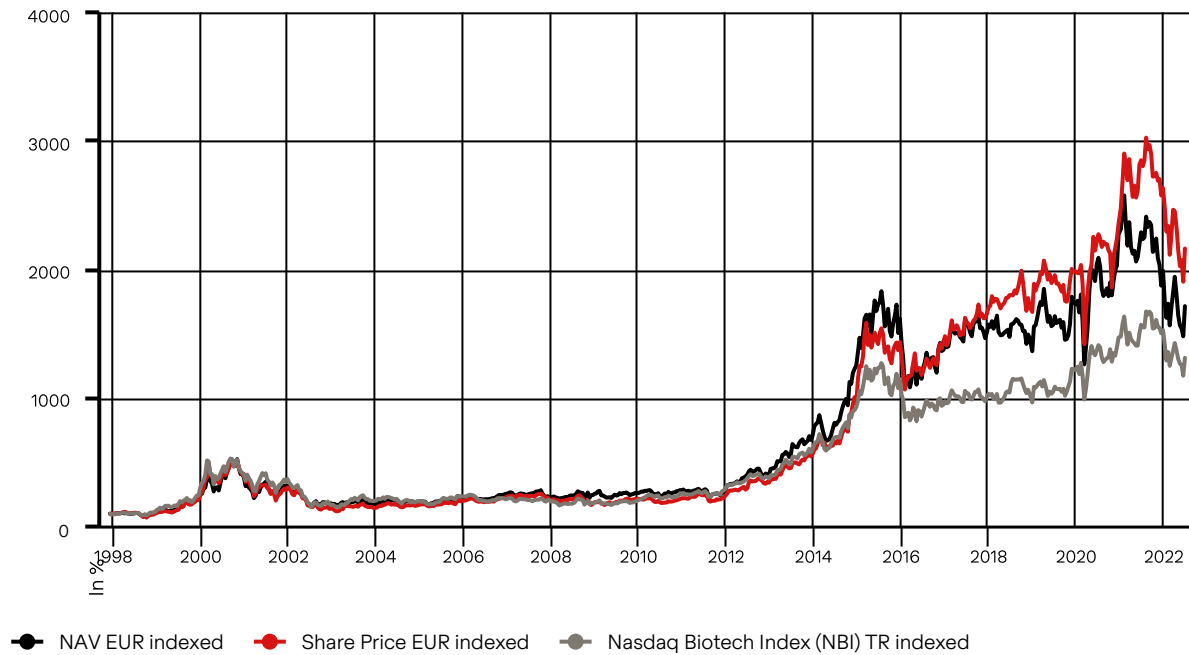
### Annualized performance

30.06.2022

	SHARE	NAV	NBI TR
1 year	(31.2%)	(32.4%)	(24.3%)
3 years	0.2%	(1.7%)	2.9%
5 years	4.4%	0.5%	3.4%
since inception <sup>1)</sup>	11.9%	11.0%	9.2%

<sup>1</sup> 09.11.1993

## BB BIOTECH AG (XETRA)-EUR



### Rolling performance

	SHARE	NAV	NBI TR
30.06.2021 – 30.06.2022	(23.9%)	(25.9%)	(17.0%)
30.06.2020 – 30.06.2021	26.5%	13.5%	14.4%
28.06.2019 – 30.06.2020	17.0%	25.3%	27.4%
29.06.2018 – 28.06.2019	8.1%	8.5%	2.6%
30.06.2017 – 29.06.2018	12.3%	(1.8%)	4.5%

### Annual performance

	SHARE	NAV	NBI TR
2021	13.3%	(7.8%)	7.4%
2020	18.1%	24.8%	16.1%
2019	23.4%	28.1%	27.6%
2018	(2.2%)	(11.1%)	(4.3%)
2017	12.9%	12.5%	6.7%

### Cumulated performance

30.06.2022

	SHARE	NAV	NBI TR
YTD	(18.6%)	(13.8%)	(13.4%)
1 year	(23.9%)	(25.9%)	(17.0%)
3 years	12.6%	5.4%	21.0%
5 years	36.7%	12.3%	29.7%
since inception <sup>1)</sup>	2 063%	1 615%	1 262%

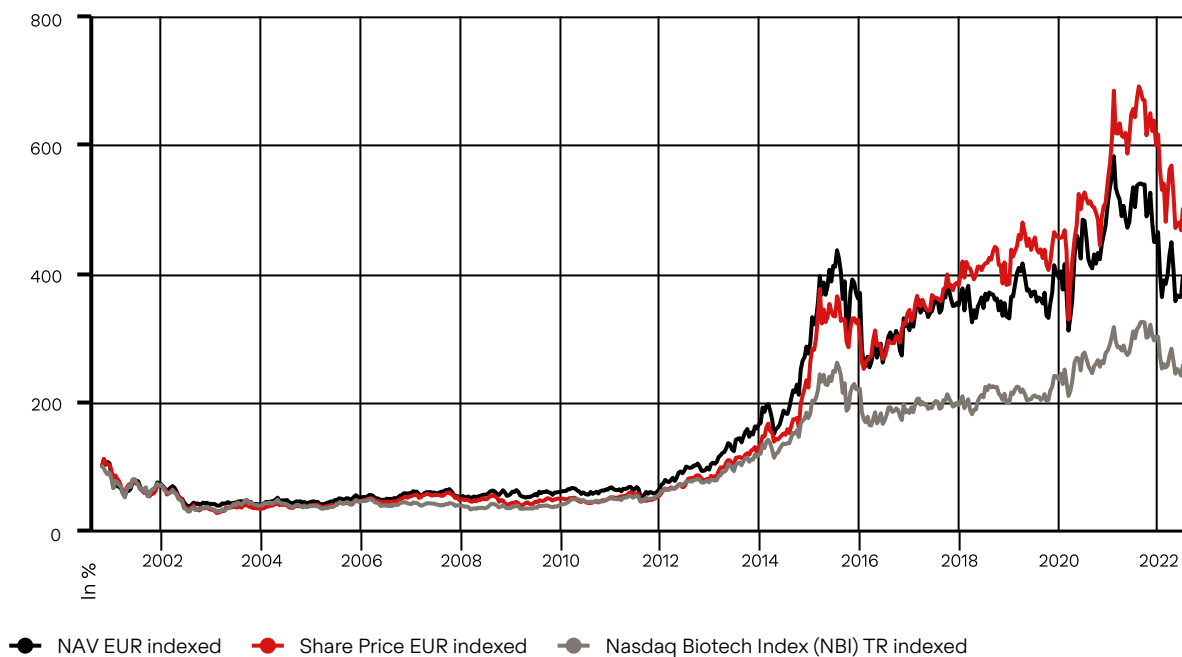
<sup>1</sup> 10.12.1997

### Annualized performance

30.06.2022

	SHARE	NAV	NBI TR
1 year	(23.9%)	(25.9%)	(17.0%)
3 years	4.0%	1.7%	6.5%
5 years	6.5%	2.3%	5.3%
since inception <sup>1)</sup>	13.3%	12.3%	11.2%

<sup>1</sup> 10.12.1997

**BB BIOTECH AG (MILAN)-EUR**

**Rolling performance**

	SHARE	NAV	NBI TR
30.06.2021 – 30.06.2022	(23.7%)	(25.9%)	(17.0%)
30.06.2020 – 30.06.2021	27.4%	13.5%	14.4%
28.06.2019 – 30.06.2020	15.1%	25.3%	27.4%
29.06.2018 – 28.06.2019	8.7%	8.5%	2.6%
30.06.2017 – 29.06.2018	12.5%	(1.8%)	4.5%

**Annual performance**

	SHARE	NAV	NBI TR
2021	13.0%	(7.8%)	7.4%
2020	19.7%	24.8%	16.1%
2019	22.6%	28.1%	27.6%
2018	(1.3%)	(11.1%)	(4.3%)
2017	12.2%	12.5%	6.7%

**Cumulated performance**

30.06.2022

	SHARE	NAV	NBI TR
YTD	(18.8%)	(13.8%)	(13.4%)
1 year	(23.7%)	(25.9%)	(17.0%)
3 years	11.9%	5.4%	21.0%
5 years	36.8%	12.3%	29.7%
since inception <sup>1)</sup>	401%	296%	157%

<sup>1</sup> 19.10.2000
**Annualized performance**

30.06.2022

	SHARE	NAV	NBI TR
1 year	(23.7%)	(25.9%)	(17.0%)
3 years	3.8%	1.7%	6.5%
5 years	6.5%	2.3%	5.3%
since inception <sup>1)</sup>	7.7%	6.5%	4.4%

<sup>1</sup> 19.10.2000

## Multi-year comparison

	<b>30.06.2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Market capitalization at the end of the period (in CHF mn)	3 135.6	4 274.1	4 107.9	3 670.3	3 235.4
Net Asset Value at the end of the period (in CHF mn)	2 519.8	3 283.5	3 887.5	3 393.0	2 884.5
Number of shares (in mn)	55.4	55.4	55.4	55.4	55.4
Trading volume (in CHF mn)	973.8	2 101.0	2 315.6	2 004.2	2 610.7
Profit/(loss) (in CHF mn)	(532.9)	(404.8)	691.2	677.4	(471.3)
Closing price at the end of the period in CHF	56.60	77.15	74.15	66.25	58.40
Closing price (G) at the end of the period in EUR	57.00	74.05	68.00	61.40	52.00
Closing price (I) at the end of the period in EUR	57.10	74.40	68.50	61.00	52.00
Stock performance (incl. distributions) <sup>1)</sup>	(22.4%)	8.3%	19.3%	18.5%	(5.2%)
High/low share price in CHF	78.15/51.00	92.20/73.40	74.70/45.44	73.20/59.35	74.10/56.10
High/low share price in EUR	75.40/49.60	86.20/67.80	69.00/43.04	64.70/52.10	64.80/48.60
Premium/(discount) (annual average)	29.9%	19.5%	9.2%	11.8%	9.7%
Dividend in CHF	N.A.	3.85	3.60	3.40	3.05
Degree of investment (quarterly figures)	113.1%	108.6%	106.8%	109.1%	108.4%
Total Expense Ratio (TER) p.a. <sup>2)</sup>	1.24%	1.22%	1.25%	1.26%	1.25%

<sup>1)</sup> All figures in CHF %, total return-methodology

<sup>2)</sup> Based on market capitalization

# Shareholder letter

## Dear Shareholders

Macroeconomic topics remained center stage in the second quarter. Inflation, initially dismissed as a short-term phenomenon, continued and perhaps increased so that central banks have started to take action. The US Federal Reserve tightened its balance sheet and raised interest rates. While the Swiss National Bank (SNB) took a cautious first rate hike, the European Central Bank (ECB) announced an increase by the end of July. Economic growth indicators such as the ISM manufacturing index fell in recent months, adding to concerns that central bank actions to forestall inflation may overshoot and lead to a recession. The substantial and continued equities sell-off during the second quarter hit growth stocks the most and spilled over to broad indices such as the S&P 500, which had its worst first half year since 1970.

Geopolitical and economic implications of the Russian invasion of Ukraine have become more obvious – especially for energy and food supply. The SARS-CoV-2 pandemic has re-surfaced. Novel subvariants of SARS-CoV-2 Omicron, BA.4 and BA.5, are rapidly spreading worldwide and hospitalizations are increasing once more even though death rates for now seem stable. In our view, COVID-19 is far from over its pandemic phases and researchers, healthcare systems, and government agencies need to remain highly active. This is no time for COVID-19 apathy.

During the second quarter 2022, US and European stock indices continued the correction that had begun earlier in the year. The S&P 500 (-16.1% in USD) and the Dow Jones (-10.8% in USD) ended the quarter with substantial losses. The Nasdaq Composite (-22.3% in USD) declined even more. European stock indices were similarly weak. The EuroStoxx 50 (-9.4% in EUR), the Dax (-11.3% in EUR) and the Swiss market SPI (-11.0% in CHF) suffered substantial declines.

The MSCI World Health Care Index, which was relatively stable in the first quarter, succumbed in the second quarter. Despite glimpses of resilience in June, the total return was down for the quarter (-7.1% in USD).

The biotechnology sector experienced similar downward pressure, as measured by the Nasdaq Biotechnology Index NBI (-9.8% in USD). As we have seen before, biotechnology companies with marketed products and favorable pipeline updates held up better than others. Yet overall, IPO activity and capital allocation into the sector were almost non-existent until first signs of M&A activity in June led to a late-quarter upswing in sector performance. Overall, we anticipate more deals with biotech by large pharmaceutical companies – but most are likely to be staged licensing deals rather than outright acquisitions. With private equity fund balance sheets strong, and valuations sometimes below cash, we may see more public biotech companies being taken private. We see these developments as a sure sign that the public market sell-off has been overdone and that the biotechnology sector is currently undervalued. That provides us with opportunities.

## BB Biotech's performance for the second quarter and first half 2022

For the second quarter 2022, BB Biotech shares' total return was -12.5% in CHF and -10.9% in EUR. Alongside benchmarks, and with the slight appreciation of the USD versus the CHF and EUR, the total return for the portfolio in the second quarter 2022 was -8.6% in CHF, -6.7% in EUR and -11.7% in USD. Consequently, the net loss for the second quarter of 2022 was CHF 233 mn compared to a net gain of CHF 129 mn for the same period in 2021.



For the first half of 2022, BB Biotech shares' total return – including the dividend payment of CHF 3.85 per share – was -22.4% in CHF and -18.6% in EUR. The total return for the portfolio was -16.8% in CHF, -13.8% in EUR and -20.5% in USD. This resulted in a net loss of CHF 533 mn compared to a net gain of CHF 349 mn last year.

## Maintained high investment level in the second quarter of 2022

We ended the second quarter with an investment level of 113.2%, close to the level at the end of the first quarter and within our normal guidance range of 95% to 115%. Liquidation of our Radius Health position following its acquisition by private equity firms, Gurnet Point Capital and Patient Square Capital in the third quarter will yield a cash inflow of approximately USD 90 mn on a pro forma basis. This will improve our investing capacity at an ideal time, since the investment management team is positive on several companies, now attractively valued after the correction of the last fifteen months.

## Second quarter portfolio activity

We initiated a new position in June 2022. Celldex is a clinical-stage company developing treatments for inflammatory and allergic conditions. Its lead product candidate, CDX-0159, is a monoclonal antibody against wild type c-KIT receptor and leads to depletion and/or inhibition of mast cell activation. The compound is currently in dose finding studies in patients with urticaria and other mast cell-driven diseases. We believe that Celldex is an attractive addition to our portfolio in autoimmune diseases alongside investments in Argenx and Kezar.

We liquidated our position in Nektar Therapeutics during the second quarter. Bempegaldesleukin (peg-IL2) in combination with Opdivo failed to achieve clinical benefit for unresectable or metastatic melanoma, renal cell carcinoma or bladder cancer.

We initiated a new position in June 2022. Celldex is a clinical-stage company developing treatments for inflammatory and allergic conditions.

We have adapted to these challenging times. At the end of the second quarter, BB Biotech's portfolio comprised 31 positions. The portfolio has been concentrated, so that two thirds is invested in eight revenue-generating companies, four of which have shown sustained profits for years, and the others have strong balance sheets and will soon be cash flow positive. The portfolio exposure is led by the rare disease category followed by oncology and neurology/psychiatry. We will look for new promising and undervalued positions as the market moves forward and returns to growth. Overall, we are well positioned.

## Second quarter updates from BB Biotech portfolio holdings

### Continued reports of key clinical trial results

Despite the challenging downturn in broad investor sentiment, our portfolio companies reported many important development milestones including late-stage clinical trial results:

- Ionis with partner AstraZeneca reported positive interim data for the NEURO-TTRansform Phase III study of eplontersen in patients with hereditary transthyretin-mediated amyloid polyneuropathy (ATTR-PN). The companies will file for regulatory review by year-end with a potential market launch in 2023. Eplontersen is an investigational medicine using advanced LICA-conjugated antisense technology, given with an autoinjector, and is being developed for the full range of ATTR subtypes.

- Argenx announced positive Phase III data for Vyvgart in patients with immune thrombocytopenia (ITP). Vyvgart, a fragment of an IgG antibody, is already approved for patients with myasthenia gravis. Argenx is also performing Phase III studies in patients with chronic inflammatory demyelinating polyneuropathy, with results expected in 2023.
- Vertex with partner Crispr Therapeutics, both current portfolio companies, presented additional data for their gene-edited autologous cell therapy – exagamglogene autotemcel (exa-cel) – in patients with transfusion-dependent beta thalassemia or severe sickle cell disease. Data from 75 patients with up to 3-year follow-up continue to demonstrate that exa-cel has the potential to be a one-time functional cure. Remarkably, 42 out of 44 patients with beta thalassemia were transfusion-free, with the two remaining patients reporting substantially reduced transfusion rates. All of the 31 patients with sickle cell disease were free of vaso-occlusive crisis. The companies guided for a regulatory filing in the second half of 2022 and a possible market launch in 2023.
- Sage with partner Biogen reported positive data for zuranolone in women with postpartum depression (PPD). Meaningful improvements in depression scores up to 45 days, indicating both rapid onset and sustained benefits. The companies plan to submit data for regulatory review for major depression disorder in the second half of 2022 and for PPD in early 2023.
- Moderna showed that its bivalent booster mRNA vaccine mRNA1273.214 achieved potent neutralizing antibody responses against the new Omicron subvariants BA.4 and BA.5. A 50 microgram single booster dose increased neutralizing titers more than 5-fold above baseline for all participants regardless of prior infection and by more than 6-fold in seronegative participants.
- Nektar with partner BMS announced cessation of development for bempegaldesleukin (BEMPEG) after negative studies in metastatic melanoma, untreated advanced or metastatic renal cell carcinoma and urothelial cancer.

Beyond these late clinical trial results, many important earlier stage clinical results were reported in the second quarter. Among them were Zetomipzomib from Kezar in lupus nephritis, SAGE-718 in Alzheimer’s disease, and bepirovirsen from Ionis/GSK in chronic hepatitis B. These and other portfolio pipeline assets are expected to advance towards registration data in the coming quarters.

#### **Key regulatory decisions in the second quarter of 2022**

A steady stream of portfolio company drug approvals was also evident in the second quarter. Alnylam received market authorization for Amvuttra (vutrisiran) in patients with polyneuropathy of hereditary transthyretin-mediated amyloidosis. Given 3-monthly by subcutaneous injections, Amvuttra offers practical advantages over Alnylam’s approved product, Onpattro which is given every three weeks by infusion.

Incyte with partner Eli Lilly received two label expansions for its JAK-inhibitor, Olumiant (baricitinib). First, for the treatment of high-risk hospitalized patients with COVID-19 and second for adults with severe alopecia areata. Olumiant is the first and only FDA-approved once-daily pill for this condition.

Myovant received European Commission approval for Orgovyx in advanced hormone-sensitive prostate cancer. Accord Healthcare is set to commercialize Orgovyx in Europe.

The US FDA has extended the review of Myovant’s Myfembree in endometriosis by three months to review additional data on bone mineral density. The FDA set the goal of August 6, 2022, to complete its review. Incyte’s application for Opzelura approval in vitiligo has also been delayed by the FDA with a decision now anticipated around July 18, 2022. We continue to believe that both of these products will be approved.

### Product launches with substantial revenue opportunities

We remain focused on product launch metrics as a predictor of revenue and profits. We are closely monitoring Argenx's global launch for Vyvgart in generalized myasthenia gravis, which has so far been ahead of Wall Street's expectations. Intra-Cellular Therapies reported strong first quarter sales for Caplyta, which was approved for bipolar depression in late 2021. Moderna reported strong first quarter sales of USD 6.1 bn for Spikevax, guided for lower second quarter sales but maintained its projection of USD 21 bn (excluding US government orders for fall 2022 boosters) for full year 2022. The dynamics of COVID-19 vaccine sales projections remain fluid given potential emergence of new strains and a range of potential late 2022–2023 ordering patterns from most countries.

### M&A transactions somewhat sparse but more anticipated in the second half of 2022

Pfizer acquired Biohaven Pharmaceuticals and Bristol-Myers Squibb offered to buy Turning Point in the second quarter. These are perhaps the first signs of a pick-up in M&A activities as valuations are now more attractive. Rumors of larger transactions (e.g., in oncology) have offered some hope to public investors for significant premium payouts. In contrast, private equity deals can reflect smart opportunism of buyers such as Gurnet Point Capital and Patient Square Capital, which acquired Radius Health at a disappointingly low valuation. The corrections in biotech markets and the disadvantaged position of some biotech firms may enable more bargain hunting by private equity players as the markets recalibrate in 2022–2023.

### Outlook for 2022

Equity markets will probably remain challenging in the face of inflation, possible recession, the war between Russia and Ukraine, and oscillating COVID-19 conditions. The ebbs and flows of the COVID-19 pandemic and the remarkable success of vaccines have demonstrated the astonishing value of biotechnology beyond all doubt. We believe that will continue – not only for COVID-19, but also as demonstrated by the remarkable news flow in all therapeutic areas and technologies we saw in the second quarter 2022 and which we anticipate ahead. While market corrections come and go, the fundamental value of improved biotechnology, development execution, and market opportunities we see maintain our strong optimism about the future growth of BB Biotech.

Overall, we expect deals to accelerate in the second half with a likely preference for licensing over M&A deals. Nevertheless, large pharmaceutical companies remain on the hunt for future revenues to replace current streams, which will end on patent expiry of their current products. Therefore, we do not rule out the potential for an increase in M&A over the coming year or more.

- Consequential clinical trials results such as Alnylam's Vutrisiran in ATTR amyloidosis patients with cardiomyopathy; and Incyte's BET inhibitor and ALK2 inhibitor in combination with Jakavi for patients with myelofibrosis
- Advancing approvals such as Myovant's Myfembree for endometriosis; and Incyte's Opzelura for vitiligo
- Promising product launches such as Argenx's Vyvgart in myasthenia gravis; Intra-Cellular's Caplyta in schizophrenia and bipolar disorder; Agios' Pyrukynd in adults with pyruvate kinase deficiency; Alnylam's Amvuttra in polyneuropathy of hereditary transthyretin-mediated amyloidosis; and Moderna's Spikevax revenues as we continue to adapt to COVID-19 pandemic evolution
- Major merger and acquisitions, which reflect the appetite and need for big pharma to grow and for biotech firms to commercialize the remarkable value that they are creating

The biotechnology sector has had a very difficult six months of valuation declines and negative sentiment. We see substantial opportunity in this environment. Our strategy remains focused on high quality companies with leading technologies, great leadership and management teams, and execution plans that offer real advances for patients and healthcare systems. In our view, the current risk-aversion is not warranted and the biotechnology sector offers many opportunities for attractive returns. The portfolio management team remained focused on i.) biotech companies with or close to revenue and/or profit growth, ii.) biotech companies we consider undervalued, and iii.) selective new public and private investments in the sector. We see a bright future for patients, for health systems, for entrepreneurs and for investors – and we expect to both help shape it and to benefit from it on behalf of our shareholders.

We thank you for the trust you have placed in the Company.

The Board of Directors of BB Biotech AG

**Dr. Erich Hunziker**

Chairman

**Laura Hamill**

Member

**Prof. Dr. Mads Krogsgaard Thomsen**

Member

**Dr. Clive Meanwell**

Vice Chairman

**Dr. Pearl Huang**

Member

**Dr. Thomas von Planta**

Member

# Portfolio at a glance

Securities as at June 30, 2022

Company	Number of securities	Change since 31.12.2021	Local currency	Share price	Market value in CHF mn	In % of securities	In % of shareholders' equity	In % of company
Ionis Pharmaceuticals	9 541 028	(691 945)	USD	37.02	337.3	11.8%	13.4%	6.7%
Argenx SE	902 503	(68 035)	USD	378.88	326.6	11.5%	13.0%	1.7%
Neurocrine Biosciences	2 798 437	(216 963)	USD	97.48	260.5	9.1%	10.3%	2.9%
Vertex Pharmaceuticals	950 523	(79 477)	USD	281.79	255.8	9.0%	10.2%	0.4%
Moderna	1 531 951	(131 398)	USD	142.85	209.0	7.3%	8.3%	0.4%
Incyte	2 691 077	(205 923)	USD	75.97	195.3	6.8%	7.8%	1.2%
Intra-Cellular Therapies	3 291 479	(246 940)	USD	57.08	179.4	6.3%	7.1%	3.5%
Alnylam Pharmaceuticals	1 028 929	(81 071)	USD	145.85	143.3	5.0%	5.7%	0.9%
Sage Therapeutics	2 950 278	(219 826)	USD	32.30	91.0	3.2%	3.6%	5.0%
Radius Health	8 733 538	1 027 824	USD	10.37	86.5	3.0%	3.4%	18.3%
Agios Pharmaceuticals	4 030 792	(281 500)	USD	22.17	85.4	3.0%	3.4%	7.4%
Arvinas	2 065 026	(111 877)	USD	42.09	83.0	2.9%	3.3%	3.9%
Fate Therapeutics	3 458 536	(242 800)	USD	24.78	81.9	2.9%	3.3%	3.6%
Myovant Sciences	5 872 639	(249 400)	USD	12.43	69.7	2.4%	2.8%	6.2%
Relay Therapeutics	3 977 762	(108 200)	USD	16.75	63.6	2.2%	2.5%	3.7%
Revolution Medicines	3 302 562	(118 900)	USD	19.49	61.5	2.2%	2.4%	4.4%
Exelixis	2 654 500	(180 500)	USD	20.82	52.8	1.9%	2.1%	0.8%
Crispr Therapeutics	888 605	(60 979)	USD	60.77	51.6	1.8%	2.0%	1.1%
Esperion Therapeutics	4 194 064	(283 900)	USD	6.36	25.5	0.9%	1.0%	6.7%
Celldex Therapeutics	925 000	925 000	USD	26.96	23.8	0.8%	0.9%	2.0%
Kezar Life Sciences	3 000 000	(1 918 148)	USD	8.27	23.7	0.8%	0.9%	5.0%
Generation Bio Co.	3 608 280	(244 900)	USD	6.56	22.6	0.8%	0.9%	6.3%
Beam Therapeutics	568 121	(38 700)	USD	38.71	21.0	0.7%	0.8%	0.8%
Macrogenics	7 275 564	–	USD	2.95	20.5	0.7%	0.8%	11.9%
Mersana Therapeutics	3 866 200	(268 800)	USD	4.62	17.1	0.6%	0.7%	4.0%
Essa Pharma	4 990 714	(25 100)	USD	3.15	15.0	0.5%	0.6%	11.3%
Wave Life Sciences	4 494 458	(108 400)	USD	3.25	14.0	0.5%	0.6%	5.2%
Scholar Rock Holding	2 132 725	(142 400)	USD	5.49	11.2	0.4%	0.4%	4.1%
Black Diamond Therapeutics	4 694 113	1 254 113	USD	2.46	11.0	0.4%	0.4%	12.9%
Molecular Templates	11 192 003	400 000	USD	0.91	9.7	0.3%	0.4%	19.9%
Homology Medicines	1 622 522	(114 600)	USD	1.97	3.1	0.1%	0.1%	2.8%
<b>Total securities</b>					<b>2 852.4</b>	<b>100.0%</b>	<b>113.2%</b>	
Other assets					1.9		0.1%	
Other payables					(334.5)		(13.3%)	
<b>Net asset value</b>					<b>2 519.8</b>		<b>100.0%</b>	

Exchange rate as at 30.06.2022: USD/CHF: 0.9551

# Consolidated balance sheet

in CHF 1 000	Notes	30.06.2022	31.12.2021
<b>Current assets</b>			
Cash and cash equivalents		1 724	2 835
Securities	4	2 852 415	3 641 112
Other assets		163	135
		<b>2 854 302</b>	<b>3 644 082</b>
<b>Total assets</b>		<b>2 854 302</b>	<b>3 644 082</b>
<b>Current liabilities</b>			
Short-term borrowings from banks	5	326 000	355 000
Payables to brokers		4 640	–
Other short-term liabilities		3 729	5 431
Tax liabilities		93	158
		<b>334 462</b>	<b>360 589</b>
<b>Total liabilities</b>		<b>334 462</b>	<b>360 589</b>
<b>Shareholders' equity</b>			
Share capital	6	11 080	11 080
Treasury shares	6	(27 689)	(9 205)
Retained earnings		2 536 449	3 281 618
		<b>2 519 840</b>	<b>3 283 493</b>
<b>Total liabilities and shareholders' equity</b>		<b>2 854 302</b>	<b>3 644 082</b>
Net asset value per share in CHF		45.80	59.40

The notes are an integral part of the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements were approved by the Board of Directors of BB Biotech AG on July 19, 2022.

# Consolidated statement of comprehensive income

in CHF 1 000	Notes	01.01.–30.06.2022	01.01.–30.06.2021	01.04.–30.06.2022	01.04.–30.06.2021
<b>Operating income</b>					
Net gains from securities	4	–	379 813	–	144 258
Foreign exchange gains		780	–	60	–
Other income		3	4	–	1
		<b>783</b>	<b>379 817</b>	<b>60</b>	<b>144 259</b>
<b>Operating expenses</b>					
Net losses from securities	4	(510 645)	–	(222 239)	–
Finance expenses		(591)	(397)	(343)	(354)
Foreign exchange losses		–	(474)	–	(681)
Administrative expenses	7	(19 900)	(25 985)	(9 415)	(12 907)
Other expenses		(2 534)	(3 428)	(1 108)	(1 751)
		<b>(533 670)</b>	<b>(30 284)</b>	<b>(233 105)</b>	<b>(15 693)</b>
<b>Profit/(loss) before tax</b>	8	<b>(532 887)</b>	<b>349 533</b>	<b>(233 045)</b>	<b>128 566</b>
Income taxes		(39)	(38)	(20)	(19)
<b>Profit/(loss) for the period</b>		<b>(532 926)</b>	<b>349 495</b>	<b>(233 065)</b>	<b>128 547</b>
<b>Total comprehensive profit/(loss) for the period</b>		<b>(532 926)</b>	<b>349 495</b>	<b>(233 065)</b>	<b>128 547</b>
Income per share in CHF	9	(9.66)	6.31	(4.23)	2.32
Diluted income per share in CHF	9	(9.66)	6.31	(4.23)	2.32

The notes are an integral part of the condensed consolidated interim financial statements.

# Consolidated statement of changes in equity

in CHF 1 000	Share capital	Treasury shares	Retained earnings	Total
<b>Balances at January 1, 2021</b>	<b>11 080</b>	<b>(8 241)</b>	<b>3 884 708</b>	<b>3 887 547</b>
Dividend	–	–	(199 440)	(199 440)
Trade with treasury shares (incl. change in balance)	–	8 241	1 157	9 398
Total comprehensive income for the period	–	–	349 495	349 495
<b>Balances at June 30, 2021</b>	<b>11 080</b>	<b>–</b>	<b>4 035 920</b>	<b>4 047 000</b>
<b>Balances at January 1, 2022</b>	<b>11 080</b>	<b>(9 205)</b>	<b>3 281 618</b>	<b>3 283 493</b>
Dividend	–	–	(212 242)	(212 242)
Trade with treasury shares (incl. change in balance)	–	(18 484)	–	(18 484)
Total comprehensive income for the period	–	–	(532 926)	(532 926)
<b>Balances at June 30, 2022</b>	<b>11 080</b>	<b>(27 689)</b>	<b>2 536 449</b>	<b>2 519 840</b>

The notes are an integral part of the condensed consolidated interim financial statements.



# Consolidated statement of cash flow

in CHF 1 000	Notes	01.01.–30.06.2022	01.01.–30.06.2021
<b>Cash flows from operating activities</b>			
Proceeds from sales of securities	4	328 734	539 046
Purchase of securities	4	(46 042)	(559 195)
Payments for services		(24 188)	(29 504)
Income taxes paid		(78)	(76)
<b>Total cash flows from operating activities</b>		<b>258 426</b>	<b>(49 729)</b>
<b>Cash flows from financing activities</b>			
Dividend		(212 242)	(199 440)
Proceeds from sales of treasury shares	6	–	9 398
Purchase of treasury shares	6	(18 484)	–
Borrowing/(repayment) of bank loans	5	(29 000)	237 000
Interest payments		(591)	(397)
<b>Total cash flows from financing activities</b>		<b>(260 317)</b>	<b>46 561</b>
Foreign exchange difference		780	(474)
<b>Change in cash and cash equivalents</b>		<b>(1 111)</b>	<b>(3 642)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>2 835</b>	<b>6 816</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1 724</b>	<b>3 174</b>

The notes are an integral part of the condensed consolidated interim financial statements.

# Notes to the consolidated financial statements

## 1. The Company and its principal activity

BB Biotech AG (the Company) is listed on the SIX Swiss Exchange, in the «Prime Standard Segment» of the German Exchange as well as in the «Star Segment» of the Italian Exchange and has its registered office in Schaffhausen, Schwertstrasse 6. Its principal activity is to invest in companies active in the biotechnology industry for the purpose of capital appreciation. The investments are held through its wholly owned subsidiaries.

Company	Capital in CHF 1 000	Capital and voting interest in %
Biotech Focus N.V., Curaçao	11	100
Biotech Growth N.V., Curaçao	11	100
Biotech Invest N.V., Curaçao	11	100
Biotech Target N.V., Curaçao	11	100

## 2. Accounting policies

The condensed consolidated interim financial statements of the Company and its subsidiary companies (the Group) have been prepared in accordance with International Accounting Standards (IAS) 34 «Interim Financial Reporting,» as well as the provisions of the rules of the SIX Swiss Exchange for Investment Companies and should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2021. The preparation of the condensed consolidated interim financial statements requires management to make assumptions and estimates that have an impact on the balance sheet values and items of the statement of comprehensive income in the current financial period. In certain circumstances, the actual values may diverge from these estimates.

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the consolidated annual financial statements.

The following amended standards, valid since January 1, 2022, have been applied in these condensed consolidated interim financial statements:

- IFRS 3 (amended, effective January 1, 2022) – Reference to the Conceptual Framework
- IAS 37 (amended, effective January 1, 2022) – Onerous Contracts – Cost of fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 (effective January 1, 2022) – IFRS 9, IFRS 16

The Group assessed the impact of the above-mentioned amended standards. Based on the analysis, the Group concluded that these amended standards have no material impact on the Group's accounting policies and overall results and financial position.

The following amended standards were approved, but will only be applicable for the Group prospectively and were not early adopted in these condensed consolidated interim financial statements:

- IAS 1 (amended, effective January 1, 2023) – Classification of Liabilities as Current or Non-current
- IAS 1 (amended, effective January 1, 2023) – Disclosure of Accounting Policies
- IAS 12 (amended, effective January 1, 2023) – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group assessed the potential impact of the above-mentioned amended standards. Based on the analysis, the Group concludes that these amended standards have no material impact on the Group's accounting policies and overall results and financial position.

### 3. Financial risk management

#### Currency risk

The Group holds assets denominated in currencies other than the Swiss franc, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Depending on the market situation the Group could use foreign currency options and/or forward contracts to reduce the currency risk.

The following exchange rates have been used for the preparation of these condensed consolidated interim financial statements:

Currency	30.06.2022	31.12.2021
USD	0.95510	0.91290
ANG	0.53657	0.51287
EUR	1.00114	1.03740
GBP	1.16290	1.23390

## Fair Values

The following table presents the Group's assets that are measured at fair value (in CHF 1 000):

30.06.2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Securities				
– Shares	2 852 415	–	–	2 852 415
– Derivative instruments	–	–	–	–
<b>Total assets</b>	<b>2 852 415</b>	<b>–</b>	<b>–</b>	<b>2 852 415</b>
<b>31.12.2021</b>				
<b>Assets</b>				
Securities				
– Shares	3 638 890	–	–	3 638 890
– Derivative instruments	–	–	2 222	2 222
<b>Total assets</b>	<b>3 638 890</b>	<b>–</b>	<b>2 222</b>	<b>3 641 112</b>

The table below summarizes the transactions in level 3 instruments (in CHF 1 000):

	01.01.–30.06.2022	01.01.–30.06.2021
Opening balance	2 222	2 155
Purchases/(Sales)/Reclassification	(5 071)	–
Gains/(losses) included in net gain/loss from securities	2 849	97
<b>Closing balance</b>	<b>–</b>	<b>2 252</b>
<b>Gains/(losses) on level 3 instruments included in net gain/loss from securities</b>	<b>2 849</b>	<b>97</b>

The level 3 instrument was allocated as part of a corporate action in 2019 and sold in March 2022. There were no transfers between level 1, 2 and 3 during the reporting period.

For assets and liabilities carried at amortised cost, their carrying values are a reasonable approximation of fair value.

## 4. Financial assets

### Securities

Securities comprise the following:

Company	Number 31.12.2021	Change	Number 30.06.2022	Market price in original currency 30.06.2022	Valuation CHF mn 30.06.2022	Valuation CHF mn 31.12.2021
Ionis Pharmaceuticals	10 232 973	(691 945)	9 541 028	USD	37.02	337.3
Argenx SE	970 538	(68 035)	902 503	USD	378.88	326.6
Neurocrine Biosciences	3 015 400	(216 963)	2 798 437	USD	97.48	260.5
Vertex Pharmaceuticals	1 030 000	(79 477)	950 523	USD	281.79	255.8
Moderna	1 663 349	(131 398)	1 531 951	USD	142.85	209.0
Incyte	2 897 000	(205 923)	2 691 077	USD	75.97	195.3
Intra-Cellular Therapies	3 538 419	(246 940)	3 291 479	USD	57.08	179.4
Alnylam Pharmaceuticals	1 110 000	(81 071)	1 028 929	USD	145.85	143.3
Sage Therapeutics	3 170 104	(219 826)	2 950 278	USD	32.30	91.0
Radius Health	7 705 714	1 027 824	8 733 538	USD	10.37	86.5
Agios Pharmaceuticals	4 312 292	(281 500)	4 030 792	USD	22.17	85.4
Arvinas	2 176 903	(111 877)	2 065 026	USD	42.09	83.0
Fate Therapeutics	3 701 336	(242 800)	3 458 536	USD	24.78	81.9
Myovant Sciences	6 122 039	(249 400)	5 872 639	USD	12.43	69.7
Relay Therapeutics	4 085 962	(108 200)	3 977 762	USD	16.75	63.6
Revolution Medicines	3 421 462	(118 900)	3 302 562	USD	19.49	61.5
Exelixis	2 835 000	(180 500)	2 654 500	USD	20.82	52.8
Crispr Therapeutics	949 584	(60 979)	888 605	USD	60.77	51.6
Esperion Therapeutics	4 477 964	(283 900)	4 194 064	USD	6.36	25.5
Celldex Therapeutics	–	925 000	925 000	USD	26.96	23.8
Kezar Life Sciences	4 918 148	(1 918 148)	3 000 000	USD	8.27	23.7
Generation Bio Co.	3 853 180	(244 900)	3 608 280	USD	6.56	22.6
Beam Therapeutics	606 821	(38 700)	568 121	USD	38.71	21.0
Macrogenics	7 275 564	–	7 275 564	USD	2.95	20.5
Mersana Therapeutics	4 135 000	(268 800)	3 866 200	USD	4.62	17.1
Essa Pharma	5 015 814	(25 100)	4 990 714	USD	3.15	15.0
Wave Life Sciences	4 602 858	(108 400)	4 494 458	USD	3.25	14.0
Scholar Rock Holding	2 275 125	(142 400)	2 132 725	USD	5.49	11.2
Black Diamond Therapeutics	3 440 000	1 254 113	4 694 113	USD	2.46	11.0
Molecular Templates	10 792 003	400 000	11 192 003	USD	0.91	9.7
Homology Medicines	1 737 122	(114 600)	1 622 522	USD	1.97	3.1
Biogen	500 000	(500 000)	–	USD	n.a.	–
Nektar Therapeutics	2 620 676	(2 620 676)	–	USD	n.a.	–
<b>Total shares</b>						<b>2 852.4</b>
						<b>3 638.9</b>
Alder Biopharmaceuticals – Contingent Value Right	2 766 008	(2 766 008)	–	USD	n.a.	–
<b>Total derivative instruments</b>						<b>–</b>
						<b>2.2</b>
<b>Total securities</b>						<b>2 852.4</b>
						<b>3 641.1</b>

The changes in value of securities at fair value through profit or loss by investment category are as follows (in CHF 1 000):

	Listed shares	Unlisted shares	Derivative instruments	Total
<b>Opening balance as at 01.01.2021 at fair values</b>	<b>3 952 504</b>	<b>–</b>	<b>2 155</b>	<b>3 954 659</b>
Purchases	955 515	–	–	955 515
Sales	(925 467)	–	–	(925 467)
Net gains/(losses) from securities	(343 662)	–	67	(343 595)
<i>Realized gains</i>	312 779	–	–	312 779
<i>Realized losses</i>	(1 831)	–	(2 330)	(4 161)
<i>Unrealized gains</i>	437 584	–	67	437 651
<i>Unrealized losses</i>	(1 092 194)	–	2 330	(1 089 864)
<b>Closing balance as at 31.12.2021 at fair values</b>	<b>3 638 890</b>	<b>–</b>	<b>2 222</b>	<b>3 641 112</b>
<b>Opening balance as at 01.01.2022 at fair values</b>	<b>3 638 890</b>	<b>–</b>	<b>2 222</b>	<b>3 641 112</b>
Purchases	50 682	–	–	50 682
Sales	(323 663)	–	(5 071)	(328 734)
Net gains/(losses) from securities	(513 494)	–	2 849	(510 645)
<i>Realized gains</i>	4 577	–	2 849	7 426
<i>Realized losses</i>	(79 585)	–	–	(79 585)
<i>Unrealized gains</i>	303 630	–	–	303 630
<i>Unrealized losses</i>	(742 116)	–	–	(742 116)
<b>Closing balance as at 30.06.2022 at fair values</b>	<b>2 852 415</b>	<b>–</b>	<b>–</b>	<b>2 852 415</b>

## 5. Short-term borrowings from banks

At June 30, 2022, a CHF 326 mn short-term loan is outstanding with interest payable at 0.40% p.a. (December 31, 2021: CHF 355 mn at 0.40% p.a.).

## 6. Shareholders' equity

The share capital of the Company consists of 55.4 mn fully paid registered shares (December 31, 2021: 55.4 mn) with a par value of CHF 0.20 each (December 31, 2021: CHF 0.20).

### Treasury shares

The Company can buy and sell treasury shares in accordance with the Company's articles of association and Swiss company law and in compliance with the listing rules of the SIX Swiss Exchange. During the period from January 1, 2022, to June 30, 2022, the Company has purchased 299 813 treasury shares at an average price of CHF 61.65 to the amount of TCHF 18 484 and the Company has not sold any treasury shares (01.01.–30.06.2021: no purchases; sales of 114 662 treasury shares to the amount of TCHF 9 398). As at June 30, 2022, the Company holds 407 239 treasury shares (December 31, 2021: 107 426 shares). The treasury shares as at June 30, 2022, were treated as a deduction from the consolidated shareholders' equity using cost values of TCHF 27 689 (December 31, 2021: TCHF 9 205).

## Share buyback 2nd line (bought for cancellation)

In April 2019, the Board of Directors approved the repurchase of a maximum of 5 540 000 own registered shares with a nominal value of CHF 0.20 each. Until the end of the program, at April 11, 2022, no shares had been repurchased under this share buy-back program.

The Board of Directors has approved the repurchase of a maximum of 5 540 000 own registered shares with a nominal value of CHF 0.20 each. The share buy-back program will run from April 13, 2022 until April 11, 2025 at the latest. Until June 30, 2022, no shares had been repurchased under this share buy-back program. The repurchase will take place via second trading line for the purpose of a subsequent capital reduction.

## 7. Administrative expenses

Administrative expenses comprise the following:

in CHF 1 000	01.01.–30.06.2022	01.01.–30.06.2021
<b>Investment manager</b>		
– Management fees (incl. VAT)	18 965	25 089
<b>Personnel</b>		
– Board of Directors remuneration	710	708
– Wages and salaries	153	129
– Social insurance contributions and duties	72	59
	<b>19 900</b>	<b>25 985</b>

The remuneration model of BB Biotech AG is determined by the Board of Directors.

Since 2014 the remuneration paid to the investment manager is based upon a 1.1% p.a. all-in fee on the average market capitalization without any additional fixed or performance-based elements of compensation. The compensation of the Board of Directors consists since 2014 of a fixed compensation.

## 8. Segment reporting

The sole operating segment of the Group reflects the internal management structure and is evaluated on an overall basis. Revenue is derived by investing in a portfolio of companies active in the biotechnology industry for the purpose of capital appreciation. The following results correspond to the sole operating segment of investing in companies active in the biotechnology industry.

The geographical analysis of the profit/(loss) before tax is as follows – all income from financial assets are attributed to a country based on the domiciliation of the issuer of the instrument.

<b>Profit/(loss) before tax in CHF 1 000</b>	<b>01.01.–30.06.2022</b>	<b>01.01.–30.06.2021</b>
Netherlands	34 179	19 788
Singapore	841	(2 098)
Switzerland	(12 586)	17 891
Great Britain	(14 283)	(15 689)
Curaçao	(20 247)	(27 118)
Canada	(49 864)	6 816
USA	(470 927)	349 943
	<b>(532 887)</b>	<b>349 533</b>

## 9. Earnings per share

	<b>01.01.–30.06.2022</b>	<b>01.01.–30.06.2021</b>
Total comprehensive profit/(loss) for the period (in CHF 1 000)	(532 926)	349 495
Weighted average number of shares in issue	55 141 541	55 382 172
<b>Income per share in CHF</b>	<b>(9.66)</b>	<b>6.31</b>
Income used to determine diluted income per share (in CHF 1 000)	(532 926)	349 495
Weighted average number of shares in issue following the dilution	55 141 541	55 382 172
<b>Diluted income per share in CHF</b>	<b>(9.66)</b>	<b>6.31</b>

## 10. Assets pledged

At June 30, 2022, securities in the amount of CHF 2 852.4 mn (December 31, 2021: CHF 3 641.1 mn) are collateral for a credit line of CHF 700 mn (December 31, 2021: CHF 700 mn). At June 30, 2022, a CHF 326 mn short-term loan is outstanding (December 31, 2021: CHF 355 mn).



## 11. Transactions with the Investment Manager and related party transactions

Detailed information regarding the remuneration model for the Board of Directors and the investment manager are mentioned under note «7. Administrative expenses».

## 12. Commitments, contingencies and other off-balance sheet transactions

The Group had no commitments or other off-balance sheet transactions open at June 30, 2022 and December 31, 2021.

The operations of the Group are affected by legislative, fiscal and regulatory developments for which provisions are made where deemed necessary. The Board of Directors concludes that as at June 30, 2022, no proceedings existed which could have any material effect on the financial position of the Group (December 31, 2021: none).

## 13. Significant shareholders

The Board of Directors is not aware of any major shareholder with a holding exceeding 3% of all votes as at June 30, 2022 and December 31, 2021.

## 14. Subsequent events

There have been no events subsequent to June 30, 2022, which would affect the condensed consolidated interim financial statements.

# Report on the review of condensed consolidated interim financial statements

## Introduction

In accordance with the terms of our engagement, we have reviewed the condensed consolidated interim financial statements (consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flow and selected explanatory notes) of BB Biotech AG for the period ended 30 June 2022.

These condensed consolidated interim financial statements in accordance with International Accounting Standard 34 «Interim Financial Reporting» and article 14 of the Directive and Financial Reporting of the SIX Swiss Exchange are the responsibility of the Board of Directors whereas our responsibility is to issue a report on these condensed consolidated interim financial statements based on our review.

## Scope of Review

We conducted our review in accordance with the Swiss Auditing Standard 910 (SAS 910) «Engagements to Review Financial Statements» and the International Standard on Review Engagements (ISRE) 2410 «Review of interim financial information performed by the independent auditor of the entity». This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed consolidated interim financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not give a true and fair view of all material respects of the net assets, the financial position and results of operations in accordance with International Accounting Standard 34 Interim Financial Reporting and article 14 of the Directive on Financial Reporting of the SIX Swiss Exchange.

Deloitte AG

**Marcel Meyer**  
Audit expert  
Auditor in charge

**Alexander Kosovan**  
Audit expert

Zurich, 20 July 2022

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# Company Profile

## Excellence in Biotech Investments

### The access to fast growing biotechnology companies

BB Biotech invests in companies in the fast growing market of biotechnology and is one of the world's largest investors in this sector with around 30 years of experience. The shares of BB Biotech are listed on the SIX Swiss Exchange, the Frankfurt Stock Exchange and the Stock Exchange in Milan. Its investments are focused on listed companies that are developing and commercializing novel drugs that offer sound value for the healthcare system.

The competent Board of Directors with its long-standing experience set the investment strategy and guidelines. Investment decisions are taken by the experienced investment management team of Bellevue Asset Management AG based on their extensive investment research.

Biotechnology is one of the most attractive of any sector today with estimated annual growth in the double-digits. Mega trends such as increasing life expectancy and a Westernized diet and lifestyle are powerful growth drivers. These mega trends have led to a tremendous increase in healthcare costs, which, in turn, only amplifies the need for more efficient and effective drugs.

# Investment strategy


BB Biotech invests in fast-growing biotechnology companies that are developing and marketing innovative drugs. It focuses on biotech companies whose products address areas of significant unmet medical needs and thus have above-average sales and profit-growth potential.

Besides profitable large cap companies, BB Biotech is building up its investments in promising small and mid cap companies.


## Diversified portfolio with focus on small and mid-cap biotech companies

The team of investment experts is concentrating not only on established target areas such as oncology, orphan diseases and neurological indications, but also on the technologies of tomorrow that could lead to novel treatment methods with attractive therapeutic profiles and substantial economic rewards. These future technologies include RNA platforms and cell and gene therapies. A total return of 15% p.a. over a medium- to longer-term investment horizon is targeted.

The asset classes available to BB Biotech are direct investments in the shares of listed companies, equity interests in unlisted companies, corporate bonds, and options on a range of underlying assets. BB Biotech invests almost exclusively in stocks for liquidity and risk/return reasons. At least 90% of its shareholdings must be in listed companies, while always holding more than 50% of its assets in equity investments. Corporate bonds are an alternative primarily when stock market trends are negative. Options on the stocks of portfolio companies can be bought and sold at opportune times and as a means of hedging currency exposure.



We are focussing on the technologies of tomorrow.



## Multi-stage due diligence process based on bottom-up fundamental analysis



Exhaustive, multi-stage due diligence precedes the selection of individual investments. We must have a thorough understanding of every company we invest in. Before an investment is made, the team analyzes a company's financial statements in detail and assesses its competitive environment, R&D pipeline, and patent portfolio as well as its customers' perceptions of its products and services.

Close contact with company executives is of high importance to us in this due diligence process, but also afterwards, as we believe that it takes strong leaders to achieve strong results.

The competent Board of Directors with its long-standing experience set the investment strategy and guidelines. Investment decisions are taken by the experienced investment

management team of Bellevue Asset Management AG based on their extensive investment research.

The Investment Management Team creates detailed financial models for all portfolio holdings and they must provide compelling arguments that these holdings have the potential to double in value over a four-year time frame. The team is guided by its convictions, not by benchmark considerations. Upside potential is driven in most cases by the power of innovation, the launch of new products for serious or significant illnesses, and successful company management. Each investment case is constantly monitored and evaluated within the scope of our stringent and disciplined risk management process and corrective action will be taken if and when necessary.



We follow our own conviction,  
not a benchmark.

## High conviction portfolio consisting of a maximum of 35 positions

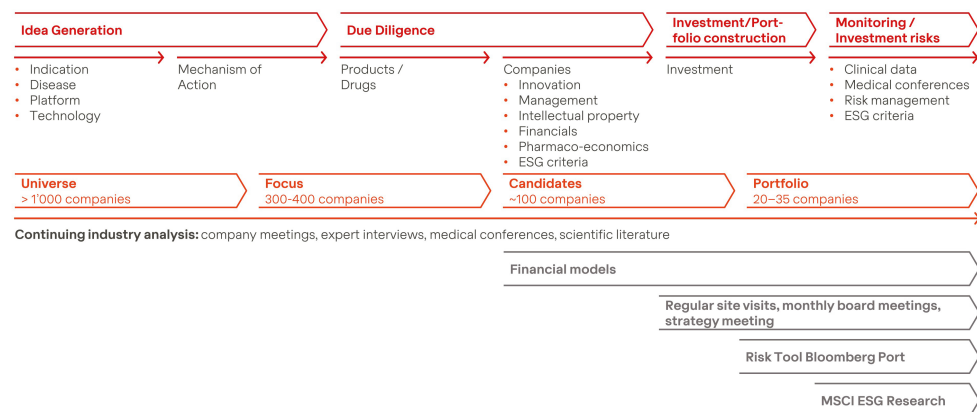
BB Biotech's investment portfolio will usually consist of between 20 to 35 biotechnology companies. There are established large cap companies as well as small and mid cap companies in the portfolio. Smaller positions will be taken in innovative biotech companies with promising R&D pipelines. From a regional perspective, the US biotech sector has displayed a high level of innovation and so this regional bias is also reflected in BB Biotech's portfolio. The predominance of the US biotech industry can be traced to the country's stellar research clusters, industry-friendly regulatory frameworks and myriad financing options, among other factors.

New investments in small and mid-cap companies will have a weighting of between 0.5% and a maximum of 4% to ensure that both upside potential and R&D risks are adequately addressed. Because it is a holding company, BB Biotech has the flexibility to increase portfolio weightings considerably over time as a position increases in value. Smaller positions may become a top holding as their business develops and milestones such as positive Phase III outcomes, drug approvals, the successful marketing of products, and a sustainable flow of profits are achieved. All positions and their valuations are continually monitored, taking into account their growth potential and other aspects, and will be reduced if and when appropriate.

# Investment process

During the investment selection process, BB Biotech relies on the well established experience of its Board of Directors and the fundamental analyses by the experienced management team of Bellevue Asset Management AG, with access to a network of physicians and specialists for the sectors in question.

## Investment process



Source: Bellevue Asset Management

Using a multi-stage process, the universe of around 1000 companies is systematically analyzed and evaluated. A detailed financial model is created for each investment, which must convincingly demonstrate the potential to double in value over a four-year period. This potential to double in value is based on innovative strength, new products for serious diseases and outstanding management. Each investment is systematically reviewed for sustainability risks and breaches of elementary human rights. Bellevue Asset Management AG is a signatory of UN Principles for Responsible Investment. Besides upholding strict exclusion criteria – such as serious controversies that violate universal norms regarding the environment, human rights or good corporate governance – environmental, social and governance factors are integrated into the fundamental analysis of every company through an ESG integration process in which the associated financial risks or opportunities are evaluated with respect to future stock market performance. The Investment Management Team strive to have an active and constructive dialogue with the management or other relevant stakeholders of the portfolio companies regarding environmental, social and governance aspects – and via proxy voting we use our voting rights actively at the general meetings.

All investments of BB Biotech AG are aligned with UN's Sustainable Development Goal number 3: «Good Health and Well-being. Ensure healthy lives and promote well-being for all at all ages». The investments of BB Biotech AG provide companies with capital in order to allow for drug development to ensure and improve healthy lives and well-being. Therapies to address high unmet medical needs such as for patients suffering from rare disorders, cancer, neurological diseases and chronic cardiovascular and metabolic disorders etc. are key investment selection criteria.

## Sustainability at portfolio level

Our investment process fully implements Bellevue Asset Management's formal ESG investment guidelines and therewith all BB Biotech investments are systematically reviewed for sustainability risks and breaches of elementary human rights (as defined, for example, by UN Global Compact principles). Besides upholding strict exclusion criteria – such as serious controversies that violate universal norms regarding the environment, human rights or good corporate governance – environmental, social and governance factors are integrated into the fundamental analysis of every company through an ESG integration process in which the associated financial risks or opportunities are evaluated with respect to future price development. ESG ratings compiled by the global leading ESG research provider MSCI ESG Research are referenced in this process, all the while exercising the necessary prudence and, in some cases, questioning the ESG score.



Before making a positive investment decision, intensive contact is established with the target company's management, since we are convinced that a superior performance can only be achieved with well managed companies.

After being incorporated into BB Biotech's portfolio, intense personal contact is maintained with members of the management of the relevant holdings. This closely knit monitoring of the portfolio companies enables BB Biotech to utilize all strategic options on a timely basis, including the early disposal of an equity interest should the fundamental situation significantly deteriorate.

# Board of Directors

The renowned Board of Directors of BB Biotech AG has many years of industrial and scientific experience.



## Chairman

### Dr. Erich Hunziker

Dr. Erich Hunziker has been on the Board of Directors of BB Biotech AG since 2011 and has been elected chairman in 2013. Dr. Hunziker previously served as CFO of Roche from 2001 until 2010. From 1983 until 2001 Dr. Hunziker held various executive positions at Corange, Boehringer Mannheim and, before joining Roche, at Diethelm-Keller-Gruppe, where he ultimately served as CEO. Dr. Hunziker earned a PhD in Industrial Engineering from the Swiss Federal Institute of Technology in Zurich. Dr. Hunziker is Chairman of the Board of Directors of Light Chain Biosciences (NovImmune SA), Entsia International AG and the following discoveric companies (all under common control): discoveric ag, discoveric bio alpha ag, discoveric bio beta ag, discoveric bio gamma ag, discoveric marina ag and discoveric marketplace ag. He is a member of the Board of Directors of LamKap Bio alpha AG, LamKap Bio beta AG and LamKap Bio gamma AG. Furthermore he is a member of the foundation board of the Swiss Arts Institute Foundation.



**Vice-Chairman****Dr. Clive Meanwell**

Dr. Clive Meanwell is Vice-Chairman and has been a member of the Board of Directors of BB Biotech AG since 2004. He founded and is the Executive Chairman of Population Health Partners LLC, an investment firm, and Chief Executive Officer of Population Health Investment Corporation, a special purpose acquisition company. Dr. Meanwell is Chairman of the Board of Directors of Population Health Partners LLC. Furthermore he is a member of the Board of Directors of Population Health Investment Corporation, EQRx Inc., Fractyl Health Inc., Comanche Biopharma and Saama Technologies, Inc. Previously, Dr. Clive Meanwell founded The Medicines Company in 1996 and from then until January 2020 he was a member of the board of directors and held a range of leadership positions including Chairman, Executive Chairman, Chief Executive and Chief Innovation Officer at The Medicines Company. From 1995 until 1996, he was a founding partner and managing director of MPM Capital L.P. Earlier in his career, Dr. Clive Meanwell held various positions at Hoffmann-La Roche in Basel and Palo Alto, California. Dr. Clive Meanwell received his MD and PhD from the University of Birmingham in the UK where he also trained in medical oncology.



**Member**

## Laura Hamill

Ms. Hamill brings more than 30 years of experience in the biopharma industry. She served most recently as Executive Vice President, Worldwide Commercial Operations at Gilead Sciences. Prior to Gilead, she worked at Amgen in a number of executive leadership roles in the United States and internationally for almost 20 years. She is currently a member of the Board of Directors of AnaptysBio, Y-mAbs Therapeutics, Pardes Biosciences and Unchained Labs. Ms. Hamill started her career at Hoffmann-La Roche with both sales and brand management roles over an eight year period. She holds a B.A. in business administration from the University of Arizona.

**Member**

## Dr. Pearl Huang

Dr. Huang studied life sciences at MIT as an undergraduate and earned a doctorate in Molecular Biology from Princeton University. She has spent over 30 years in the pharma and biotech industries, and to date, has contributed to the development of eight medicines that are used by patients every day. Dr. Huang has been appointed CEO of Dunad Therapeutics in June 2022. Prior to that she served as CEO of Cygnal Therapeutics. She is currently a member of the Board of Directors of Waters Corporation, KSQ Therapeutics and a member of the MIT Corporation.





### Member

## Prof. Dr. Mads Krogsgaard Thomsen

Prof. Dr. Mads Krogsgaard Thomsen has been on the Board of Directors of BB Biotech since 2020. In 2021 Prof. Dr. Krogsgaard Thomsen became CEO of the Novo Nordisk Foundation. Prof. Dr. Krogsgaard Thomsen was previously with Novo Nordisk where he served as Executive Vice President, Head of R&D and Chief Science Officer. Prof. Dr. Krogsgaard Thomsen has chaired Danish Research Council programs within endocrinology and he is a former president of Denmark's National Academy of Technical Sciences. Until 2019 Prof. Dr. Krogsgaard Thomsen chaired the governing board of the University of Copenhagen.

### Member

## Dr. Thomas von Planta

Dr. Thomas von Planta has been elected Board member of BB Biotech AG in March 2019. Since 2006, he is owner of CorFinAd AG – Corporate Finance Advisory (advisory for M&A transactions and capital market financings). He chaired the Bellevue Group from March 2015 until March 2019. Previously he worked for Vontobel Group from 2002 until 2006 as interim Head Investment Banking/Head of Corporate Finance and member of the extended executive board. Prior to that he was with Goldman Sachs from 1992 until 2002, lastly in London in the Equity Capital Markets Group/Investment Banking Division. Dr. von Planta holds a degree in law from the Universities of Basel and Geneva (Dr. iur.) and is also attorney at law. Dr. von Planta is the Chairman of the Board of Directors of Bâloise Holding AG and a member of the advisory board of Harald Quandt Industriebeteiligungen GmbH.



# Investment Manager

## Bellevue Asset Management AG

BB Biotech's Investment Manager is Bellevue Asset Management AG. Bellevue Asset Management AG is subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA) and it has been issued a license as an authorized manager of collective investment schemes. Bellevue Asset Management AG is wholly owned by Bellevue Group AG, an independent Swiss financial boutique listed on the SIX Swiss Exchange. Bellevue Asset Management provides administrative services in connection with the investment activities and organizational operations of BB Biotech AG. This basically comprises the following services:

- Portfolio Management
- Investor Relations
- Marketing & Communications
- Finance
- Administration

## Investment Management Team

Bellevue Asset Management AG has a team of proven biotech specialists with a successful track record who manage the investments in the biotech sector's most attractive players. The team's academic expertise and extensive experience, its long history of collaboration and interest in all fields of medicine as well as in biochemistry and business fundamentals ensure an inspiring and constructive interdisciplinary dialog within the team and with the Board of Directors as well as with external experts such as physicians and analysts.



### Head Investment Management Team

## Dr. Daniel Koller

Dr. Daniel Koller joined Bellevue Asset Management in 2004 as Portfolio Manager in the biotechnology segment specialized in cardiovascular diseases. Since 2010 he is head investment management team of the listed investment company BB Biotech AG. Before joining the company he spent four years in the financial sector, initially as an equity analyst at UBS Warburg and then as a private equity investor at equity4life. Dr. Daniel Koller studied biochemistry at the Swiss Federal Institute of Technology and earned a doctorate in biotechnology while working at Cytos Biotechnology.

**Portfolio Manager**

## Felicia Flanigan

Felicia Flanigan is a Portfolio Manager at Bellevue Asset Management and expert in infectious diseases and oncology. Before joining the team in 2004 she worked as a research analyst with Adams, Harkness & Hill. Previously she worked at SG Cowen in healthcare research. Felicia Flanigan received her MBA from Suffolk University, Boston, and her BA in communications from Boston College.

**Portfolio Manager**

## Dallas Webb

Dallas Webb has been a Portfolio Manager at Bellevue Asset Management since 2006. Previously, he worked as an equity analyst first at Sterling Financial Investment Group for 2 years and then at Stanford Group from 2004 onwards. His first stop as a biotechnology analyst was at Adams, Harkness & Hill, Boston. Dallas Webb holds an MBA from Texas Christian University of Fort Worth and a BA in Microbiotechnology and Zoology from Louisiana State University, Baton Rouge/Los Angeles.

**Portfolio Manager**

## Dr. Christian Koch

Dr. Christian Koch has been a Portfolio Manager at Bellevue Asset Management since 2014. From 2013–2014 he was a sell-side Pharma & Biotech equity analyst at Bank am Bellevue in Küsnacht and from 2010–2013 a Research Associate at the Institute of Pharmaceutical Sciences at ETH Zurich. He holds a PhD in Chemoinformatics & Computational Drug Design from ETH Zurich and a Master in Bioinformatics from Goethe University Frankfurt.

**Portfolio Manager**

## Dr. Stephen Taubenfeld

Dr. Stephen Taubenfeld has been with Bellevue Asset Management as a Portfolio Manager since 2013. From 2009 to 2013 he was senior analyst at Iguana Healthcare Partners, of which he was a founding partner. From 2008 to 2009 he was a consultant with Merlin BioMed Group and from 2004 to 2008 he was M.D./Ph.D. Fellow in Neuroscience at Mount Sinai Hospital, New York. He holds an M.D. and Ph.D. in Neuroscience from Brown University School of Medicine.

**Portfolio Manager**

## Dr. Maurizio Bernasconi

Dr. Maurizio Bernasconi joined Bellevue Asset Management as Portfolio Manager in 2017. Prior he was a sell-side equity analyst in the Pharma & Biotech department of Bank am Bellevue. Maurizio Bernasconi has a master's degree in chemistry at Swiss Federal Institute of Technology (ETH), Zurich, and has PhD in organic chemistry at the University of Basel.

**Portfolio Manager**

## Dr. Samuel Croset

Dr. Samuel Croset joined Bellevue Asset Management as Portfolio Manager and Digital Transformation Lead in 2020. He previously worked for Roivant Sciences from 2018–2020 as data scientist supporting investment decisions in drug projects as well as leading a team focused on the analysis of real-world data. Prior to that, he started his professional career at Roche as data scientist in the research department (2014–2018). Samuel holds a Ph.D. in Bioinformatics from the University of Cambridge, a MS in Bioinformatics and a MS in Biochemistry from the University of Geneva.

# Shareholder information

The Company publishes its Net Asset Value daily via the major stock market information services and on its website [www.bbbiotech.com](http://www.bbbiotech.com). The portfolio composition is published at least every three months within quarterly reports.

## Official listing and share structure as at June 30, 2022

<b>Foundation:</b>	November 9, 1993; Schaffhausen, Switzerland
<b>Issue price adj. November 15, 1993:</b>	CHF 4.75
<b>Official listing:</b>	December 27, 1993, in Switzerland; December 10, 1997, in Germany; October 19, 2000, in Italy
<b>Share structure:</b>	CHF 11.08 mn nominal, 55 400 000 registered shares with a par value of CHF 0.20 each
<b>Shareholders, free float:</b>	Institutional and private investors, 100.0% free float
<b>Security number Switzerland:</b>	3 838 999
<b>Security number in Germany and Italy:</b>	A0NFN3
<b>ISIN:</b>	CH0038389992

## Quotes and reports

Quotes and reports				
<b>NAV:</b>	<b>in CHF</b>	– Datastream: S:BINA	<b>in EUR</b>	– Datastream: D:BBNA
		– Reuters: BABB		– Reuters: BABB
		– Telekurs: BIO resp. 85, BB1		
		– (Investdata)		
		– Finanz & Wirtschaft (CH)		
<b>Stock price:</b>	<b>in CHF</b>	– Bloomberg: BION SW Equity	<b>in EUR</b>	– Bloomberg: BBZA GY Equity
	<b>(SIX)</b>	– Datastream: S:BIO	(Xetra)	– Datastream: D:BBZ
		– Reuters: BION.S		– Reuters: BION.DE
		– Telekurs: BIO	in EUR	– Bloomberg: BB IM Equity
		– Finanz & Wirtschaft (CH)	(STAR)	– Datastream: I:BBB
		– Neue Zürcher Zeitung (CH)		– Reuters: BB.MI



# Facts & figures

## BB Biotech

<b>Facts &amp; Figures</b>	
Foundation	November 9, 1993, Schaffhausen, Switzerland
Issue price adj. 15.11.1993	4.75
Official Listing	Switzerland: December 27, 1993 Germany: December 10, 1997 Italy: October 19, 2000
Share structure	CHF 11.08 mn nominal, 55 400 000 registered shares with a par value of CHF 0.20 each
Shareholders, free float as at 30.06.2022	Institutional and private investors 100% Free Float
Security number Switzerland	3 838 999
Security number Germany and Italy	A0NFN3
ISIN	CH0038389992
Ticker Bloomberg	Switzerland: BION SW Germany: BBZA GY Italy: BB IM
Ticker Reuters	Switzerland: BION.S Germany: BION.DE Italy: BIO.MI
Type / asset class	Investment company / equity
Investment style	Long only, long term
Index membership	Star Index, SMIM Index, SPI Index
Benchmark	Nasdaq Biotech Index (NBI) TR
Management Fee	All-in-Fee: 1.1% p.a.

## Analyst coverage

<b>Institute</b>	<b>Analyst</b>
Baader Helvea	Leonildo Delgado
Edison	Sarah Godfrey, Mel Jenner
Intesa Sanpaolo	Bruno Permutti
Kepler Cheuvreux	Arsene Guekam
Marten & Co	Matthew Read
Oddo BHF	Oussame Denguir
Pareto Securities	Dennis Berzhanin
Peel Hunt	Anthony Leatham
SEB	Carsten Lonborg Madsen

# Corporate calendar

<b>Interim Report as at September 30, 2022</b>	October 21, 2022, 7.00 AM CET
<b>Portfolio as at December 31, 2022</b>	January 20, 2023, 7.00 AM CET
<b>Annual Report 2022</b>	February 17, 2023, 7.00 AM CET
<b>Annual General Meeting 2023</b>	March 23, 2023, 3.00 PM CET

The BB Biotech interim report is published in English. A translated German and Italian version is also available. In case of any deviations the English shall prevail over the German and Italian text.

# Contact

## Investor Relations



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# BB Biotech Newsletter

Would you like to receive regular information about BB Biotech in the future? Register here for our newsletter.



