

Informazione Regolamentata n. 0472-4-2023	Data/Ora Ricezione 20 Gennaio 2023 09:09:09	Euronext Star Milan
---	---	---------------------

Societa' : BB BIOTECH

Identificativo : 171647

Informazione  
Regolamentata

Nome utilizzatore : BIOTECHNSS01 - Alderuccio

Tipologia : 1.1

Data/Ora Ricezione : 20 Gennaio 2023 09:09:09

Data/Ora Inizio : 20 Gennaio 2023 09:09:11

Diffusione presunta

Oggetto : Portfolio of BB Biotech AG as at December  
31, 2022

*Testo del comunicato*

Vedi allegato.

Media release as at January 20, 2023

Portfolio of BB Biotech AG as at December 31, 2022

## Divergent biotech equity markets mirror value over growth theme in 2022 – Proposed dividend of CHF 2.85

**The year 2022 saw volatile market conditions for global equity and bond markets, with substantial stepwise increases in central bank rates, led by the US Federal Reserve Bank. Flight from growth into value sectors and into diversified, large, profitable companies was a major theme for 2022. In the heterogeneous biotechnology sector, large cap companies gained value throughout 2022 whereas pipeline-dependent small and mid cap companies experienced significant corrections. While the COVID-19 pandemic has been declared less threatening in the US, booster vaccination initiatives have continued, while the world watches China's about-face from restrictive isolation policies towards re-opening. The focus for the biotech sector is already shifting back to chronic diseases and seasonal vaccines. For the fourth quarter, a weaker USD and the challenging small and mid cap biotechnology equity market was accompanied by a small BB Biotech portfolio loss of 1.2% in CHF, 3.5% in EUR and a small gain of 5.4% in USD – deriving a net loss of CHF 35 mn. The share price increased by 4.7% in CHF and 4.4% in EUR. BB Biotech adjusted its portfolio carefully in the last three months of 2022, adding mostly to newer positions, or building on existing positions in oncology companies. For the full year, total share return was -24.3% in CHF and -19.0% in EUR, substantially behind the portfolio performance of -11.0% in CHF, -6.7% in EUR and -12.1% in USD. The net loss for BB Biotech in 2022 was CHF 358 mn. In line with the stated dividend policy of past years, the Board of Directors' dividend proposal at the Annual General Meeting on March 23, 2023, will be an ordinary dividend of CHF 2.85 per share – which corresponds to a 5% return on the volume-weighted average closing price of BB Biotech shares in December 2022.**

During the last quarter of the year major global equity indices rebounded and recovered some of 2022's earlier losses. Most equity and bond markets closed the year in negative territory associated with persistently high inflation and strong labor market data which surprised investors and central banks. Interest rate expectations for the US at the beginning of 2022 stayed below 1%, with the December 2022 rate hike pushing the Federal fund interest rate to 4.25% with more rate hikes to be expected in 2023.

The Dow Jones (-6.9% in USD), the Dax (-12.4% in EUR), and the SPI (-16.5% in CHF) indices each declined in 2022, while the technology-heavy Nasdaq Composite (-32.5% in USD) declined even more. The Nasdaq Biotech Index (NBI) traded in line with the broader markets for the year (-10.1% in USD).

BB Biotech's total share return of -24.3% in CHF and -19.0% in EUR in 2022 tracked European equity indices, performed worse than biotech indices and deviated from the underlying portfolio performance. Exchange rates fluctuated throughout the year but closed with a small gain for the USD relative to the CHF and the EUR which created some support for EUR-denominated performance. This meant that the BB Biotech portfolio Net Asset Value (NAV) declined 11.0% in CHF, 6.7% in EUR and 12.1% in USD for 2022. Consolidated, but not yet audited full year 2022 data showed a net loss of CHF 358 mn compared to a net loss of CHF 405 mn for 2021.

For the fourth quarter of 2022, BB Biotech's share price increased 4.7% in CHF and 4.4% in EUR. BB Biotech's Net Asset Value (NAV) decreased 1.2% in CHF, 3.5% in EUR and gained 5.4% in USD, impacted by currency fluctuations and by the underperformance of small and mid cap companies in the portfolio, while the NBI index gained 12.0% in USD for the same period – driving a net loss of CHF 35 mn compared to the net loss of CHF 546 mn for the fourth quarter 2021.

### **Stability in the Board of Directors of BB Biotech**

During 2022, BB Biotech expanded the Board of Directors. Dr. Pearl Huang, CEO of Dunad Therapeutics, and Laura Hamill, former Executive Vice President Worldwide Commercial Operations for Gilead joined the Board. All six current board members will stand for re-election by the shareholders at the Annual General Meeting (AGM) scheduled for March 23, 2023.

### **A proposed dividend of CHF 2.85 per share**

The Board of Directors will propose a regular dividend of CHF 2.85 per share at the AGM. A 5% dividend yield will be applied to the average share price of December 2022, consistent with the dividend policy introduced in 2013.

### **Portfolio adjustments in the fourth quarter 2022**

During the fourth quarter, the investment team made no new investments, but added to existing portfolio positions. The additions focused on oncology companies such as Revolution Medicines, Fate Therapeutics, Black Diamond Therapeutics and Essa Pharma – each of which suffered valuation dislocations. Additions in MacroGenics and Mersana followed important pipeline deals strengthening the companies' balance sheet. Additions in Relay Therapeutics followed positive clinical data reports for the firm's FGFR2 asset. BB Biotech also added shares of commercial stage Incyte and genetic medicines company Ionis. The investment management team took profits in Neurocrine following a rebound of Ingrezza growth, and from Alynham and Vertex – each trading close to their all-time high share prices. Taken together, these additional investments increased the BB Biotech investment level by 2.4% compared to the third quarter, closing 2022 at 113.6%.

### **2023: Exciting sector fundamentals and anticipated licensing deals/M&A**

During 2022, SARS-CoV-2 variant waves remained a focus for healthcare authorities. Yet the pandemic was said (more than once) to be over. Meanwhile, the US FDA tallied up 37 NDA (New Drug Application) approvals and 7 BLA (Biologics License Application) approvals (vaccines, blood and cell products) for the year.

BB Biotech believes that 2023 will include multiple catalysts for the sector and for its portfolio companies, including product launches, important clinical trial results, licensing deals and M&A activity.

Many clinical trial read-outs are eagerly anticipated from portfolio companies in 2023. The focus for mRNA vaccines shifts away from SARS-CoV-2 to seasonal respiratory viruses. Moderna is expected to report data from mRNA-1010, an influenza vaccine, and mRNA-1345, an RSV vaccine in 2023. Neurocrine will report Phase III data for Crinercerfont in congenital adrenal hyperplasia. Argenx, is expected to reveal Phase III data for chronic inflammatory demyelinating polyneuropathy (CIDP). Ionis plans to report late clinical data for Olezarsen, an ApoCIII antisense oligonucleotide for familial chylomicronemia syndrome. Esperion announced positive results for the CLEAR outcomes trial of bempedoic acid in late 2022 and is scheduled to disclose details at a late breaker presentation during the annual American College of Cardiology meeting on March 4, 2023. We also look forward to important results from smaller platform companies including Generation Bio, Homology Medicines, Wave Life Sciences and Fate Therapeutics.

Multiple product approvals and important label expansions are expected to drive future revenue and profit opportunities:

- Two antisense oligonucleotide drug candidates from Ionis: Eplontersen for TTR-polyneuropathy and Tofersen for SOD1 amyotrophic lateral sclerosis
- The first gene editing candidates from Crispr Therapeutics and Vertex: CTX001 for sickle cell disease and beta thalassemia
- A subcutaneous formulation of efgartigimod gMG from Argenx
- A second indication for Valbenazine for chorea in Huntington's disease from Neurocrine

- A Patisiran sNDA for TTR-CM from Alnylam
- Two mRNA vaccines, mRNA1010 for seasonal influenza, and mRNA1345 for seasonal RSV from Moderna
- Zuranolone for major depressive disorder and postpartum depression (PPD) from Sage/Biogen
- A bempedoic acid sNDA including cardiovascular outcomes data from Esperion

The challenging capital markets environment placed even greater investor focus on new product launch metrics including markers of sustainable profitability. Neurocrine Biosciences, Intra-Cellular Therapeutics, Incyte and Argenx will be in focus. The launch of Orgovyx and Myfembree by Myovant is less noteworthy since the firm has been acquired by Sumitomo Pharma.

Companies with earlier clinical programs and technology platforms may be challenged to raise capital. Consequently, some have fallen back on licensing deals with larger companies to avoid dilutive equity funding. Those needing immediate funding were obliged to raise money at unattractive valuations. BB Biotech sees compelling opportunities under these circumstances and also expects more M&A activity, with large companies constantly seeking pipeline opportunities.

### **A focus on big data and artificial intelligence**

BB Biotech is focusing more and more on large healthcare data sets which provide insights into R&D and commercial opportunities. BB Biotech has expanded the data science team recently – adding experts to the investment management team to strengthen the investment process. The investment management team continues to build and balance a portfolio of established mid capitalization companies and exciting earlier stage companies, as defined and outlined in its investment guidelines. BB Biotech's structure as an investment company enables and demands a long-term view which will continue to generate leading returns in our sector. In BB Biotech's view, the growth case for biotechnology and the value which the sector will create are compelling.

The complete annual report as of December 31, 2022, will be published on February 17, 2023.

### **For further information:**

#### **Investor Relations**

Bellevue Asset Management AG, Seestrasse 16, 8700 Küsnacht, Switzerland, tel. +41 44 267 67 00  
Dr. Silvia Siegfried-Schanz, ssc@bellevue.ch  
Maria-Grazia Alderuccio, mga@bellevue.ch  
Claude Mikkelsen, cmi@bellevue.ch

#### **Media Relations**

Bellevue Asset Management AG, Seestrasse 16, 8700 Küsnacht, Switzerland, tel. +41 44 267 67 00  
Tanja Chicherio, tch@bellevue.ch

TE Communications AG, Bleichstrasse 11, 9000 St. Gallen, Switzerland, tel. +41 79 423 22 28  
Thomas Egger, teg@te-communications.ch

**[www.bbbiotech.com](http://www.bbbiotech.com)**

**Company profile**

BB Biotech AG is an investment company with its registered office 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. 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.

**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 December 31, 2022

(in % of securities, rounded values)

Ionis Pharmaceuticals	11.0%
Argenx SE	10.2%
Neurocrine Biosciences	9.9%
Moderna	8.2%
Vertex Pharmaceuticals	8.1%
Incyte	7.0%
Alnylam Pharmaceuticals	6.4%
Intra-Cellular Therapies	5.3%
Myovant Sciences	4.8%
Revolution Medicines	3.4%
Agios Pharmaceuticals	3.4%
Sage Therapeutics	3.4%
Celldex Therapeutics	2.4%
Arvinas	2.2%
Relay Therapeutics	1.9%
Macrogenics	1.8%
Fate Therapeutics	1.5%
Exelixis	1.3%
Crispr Therapeutics	1.1%
Wave Life Sciences	1.0%
Beam Therapeutics	0.8%
Esperion Therapeutics	0.8%
Mersana Therapeutics	0.7%
Kezar Life Sciences	0.6%
Essa Pharma	0.6%
Scholar Rock Holding	0.6%
Rivus Pharmaceuticals <sup>1)</sup>	0.5%
Generation Bio Co.	0.4%
Black Diamond Therapeutics	0.3%
Molecular Templates	0.1%
Homology Medicines	0.1%
Radius Health – CVR	0.0%
<b>Total securities</b>	<b>CHF 3 051.3 mn</b>
Other assets	CHF 2.0 mn
Other payables	CHF (367.3) mn
<b>Net Asset Value</b>	<b>CHF 2 686.1 mn</b>

<sup>1)</sup> Unlisted company

Fine Comunicato n.0472-4

Numero di Pagine: 7