



Interim Report as at 30.06.2024

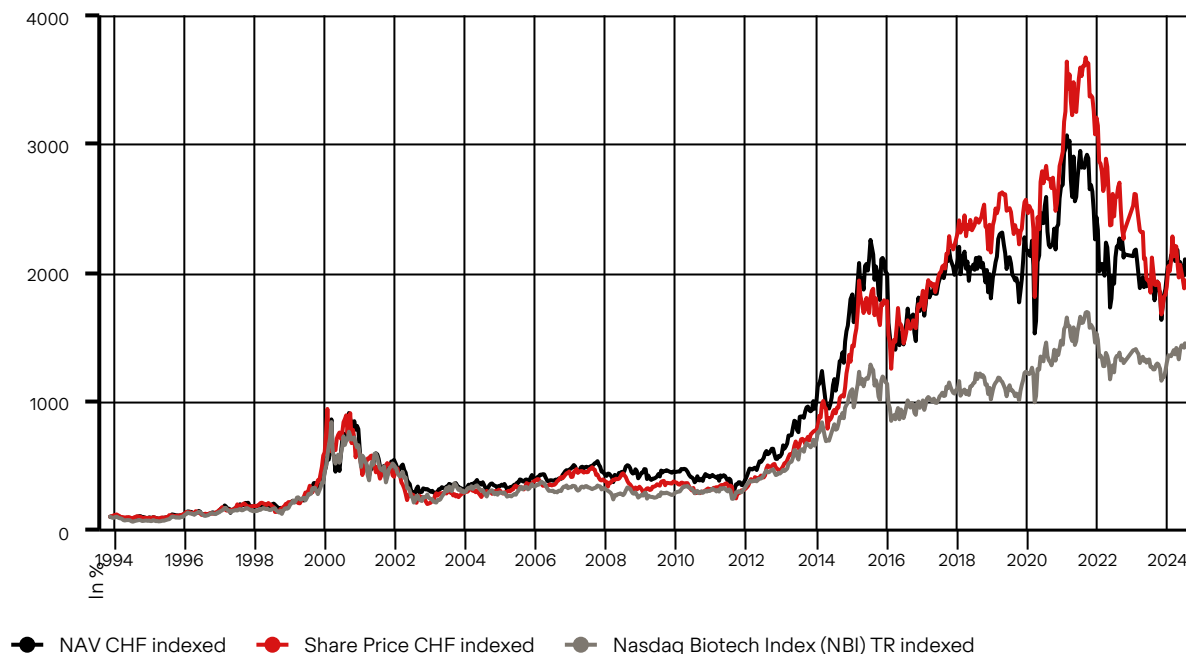
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Performance/Multi-year comparison

Indexed performance since launch

BB Biotech AG (SIX)-CHF



Rolling performance

	SHARE	NAV	NBI TR
30.06.2023 – 30.06.2024	7.2%	10.2%	12.9%
30.06.2022 – 30.06.2023	(27.1%)	(3.5%)	2.8%
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%

Annual performance

	SHARE	NAV	NBI TR
2023	(18.1%)	(7.4%)	(4.8%)
2022	(24.3%)	(11.0%)	(9.1%)
2021	8.3%	(11.5%)	3.0%
2020	19.3%	24.3%	15.8%
2019	18.5%	23.4%	23.0%

Cumulated performance

30.06.2024

	SHARE	NAV	NBI TR
YTD	(2.0%)	7.3%	11.9%
1 year	7.2%	10.2%	12.9%
3 years	(46.2%)	(28.1%)	(12.1%)
5 years	(21.3%)	1.0%	26.5%
10 years	109%	86.4%	81.6%
since inception ¹⁾	1 839%	2 002%	1 349%

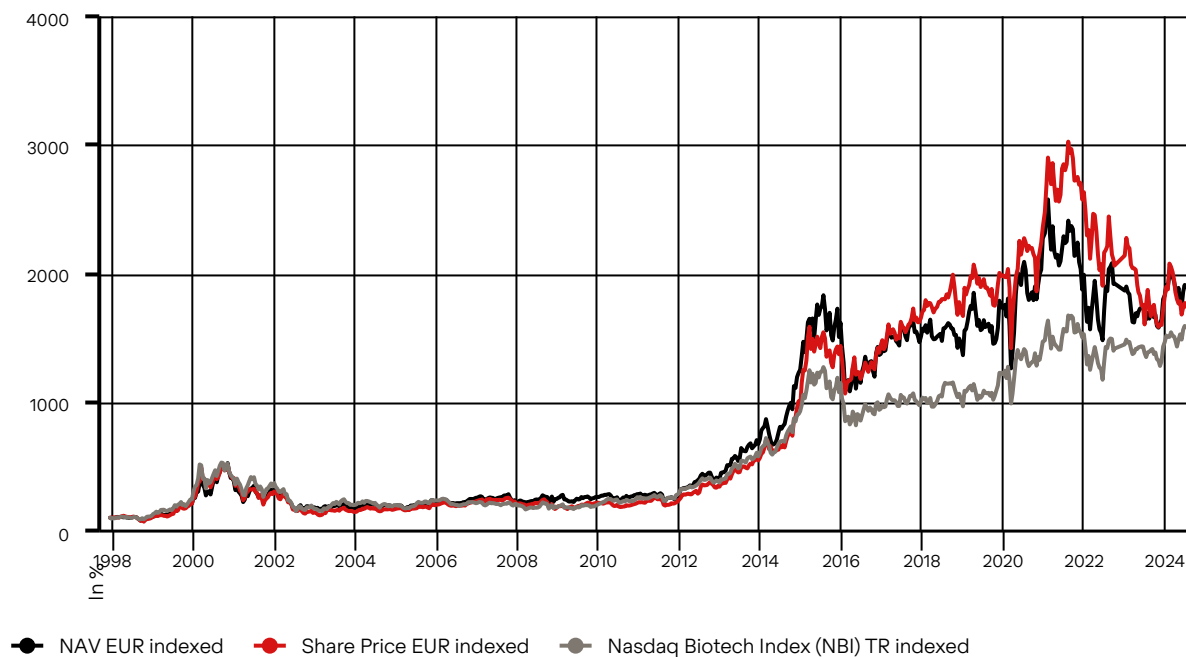
¹⁾ 09.11.1993

Annualized performance

30.06.2024

	SHARE	NAV	NBI TR
1 year	7.2%	10.2%	12.9%
3 years	(18.7%)	(10.4%)	(4.2%)
5 years	(4.7%)	0.2%	4.8%
10 years	7.6%	6.4%	6.1%
since inception ¹⁾	10.2%	10.5%	9.1%

¹⁾ 09.11.1993

BB BIOTECH AG (XETRA)-EUR**Rolling performance**

	SHARE	NAV	NBI TR
30.06.2023 – 30.06.2024	8.6%	11.9%	14.5%
30.06.2022 – 30.06.2023	(25.9%)	(1.2%)	5.2%
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%

Annual performance

	SHARE	NAV	NBI TR
2023	(15.2%)	(1.3%)	1.3%
2022	(19.0%)	(6.7%)	(4.5%)
2021	13.3%	(7.8%)	7.4%
2020	18.1%	24.8%	16.1%
2019	23.4%	28.1%	27.6%

Cumulated performance

30.06.2024

	SHARE	NAV	NBI TR
YTD	(4.6%)	3.5%	7.9%
1 year	8.6%	11.9%	14.5%
3 years	(38.7%)	(18.0%)	0.1%
5 years	(9.3%)	16.5%	45.8%
10 years	162%	135%	129%
since inception ¹⁾	1 641%	1 796%	1 482%

Annualized performance

30.06.2024

	SHARE	NAV	NBI TR
1 year	8.6%	11.9%	14.5%
3 years	(15.1%)	(6.4%)	0.0%
5 years	(1.9%)	3.1%	7.8%
10 years	10.1%	8.9%	8.6%
since inception ¹⁾	11.3%	11.7%	10.9%

¹ 10.12.1997¹ 10.12.1997

Multi-year comparison

	30.06.2024	2023	2022	2021	2020
Market capitalization at the end of the period (in CHF mn)	2 221.5	2 368.4	3 058.1	4 274.1	4 107.9
Net Asset Value at the end of the period (in CHF mn)	2 386.9	2 323.2	2 686.1	3 283.5	3 887.5
Number of shares (in mn)	55.4	55.4	55.4	55.4	55.4
Trading volume (in CHF mn)	501.6	906.3	1 482.0	2 101.0	2 315.6
Profit/(loss) (in CHF mn)	173.4	(206.6)	(357.8)	(404.8)	691.2
Closing price at the end of the period in CHF	40.10	42.75	55.20	77.15	74.15
Closing price at the end of the period in EUR	41.60	45.50	56.70	74.05	68.00
Stock performance (incl. distributions) ¹⁾	(2.0%)	(18.1%)	(24.3%)	8.3%	19.3%
High/low share price in CHF	49.35/38.70	60.70/35.60	78.15/51.00	92.20/73.40	74.70/45.44
High/low share price in EUR	52.00/40.15	60.50/37.10	75.40/49.60	86.20/67.80	69.00/43.04
Premium/(discount) (annual average)	(1.2%)	7.5%	20.5%	19.5%	9.2%
Dividend in CHF	N.A.	2.00	2.85	3.85	3.60
Degree of investment (quarterly figures)	113.8%	113.7%	112.8%	108.6%	106.8%
Total Expense Ratio (TER) p.a. ²⁾	1.35%	1.34%	1.27%	1.22%	1.25%

¹⁾ All figures in CHF %, total return-methodology

²⁾ Based on market capitalization

Shareholder letter

Dear Shareholders

In the second quarter 2024, equity markets extended their rally, reaching new all-time highs. Markets are carefully monitoring economic data to assess possible rate decisions by the US central bank and continue to expect one or two rate cuts in late 2024. Large technology stocks continued to be a dominant factor in the equity markets run-up, with the Nasdaq significantly outperforming the broader equity indices.

The healthcare sector did not keep up with the technology indices or other broad equity indices and consolidated in the second quarter. Biotechnology stocks traded slightly better with small gains for the index driven by larger cap holdings and select midcap companies. In general, smaller capitalized biotech companies have been lagging and have given back some of the fourth quarter 2023 and Q1 2024 rally.

The S&P 500 saw an increase of 4.3% in USD, and the Nasdaq Composite Index advanced by almost double that at 8.5% in USD. European stocks, with the Euro Stoxx 50 as a measure, consolidated and slightly declined by 1.6% in EUR. Similarly, the MSCI World Healthcare Index traded sideways and closed the quarter with a small gain of 0.6% in USD, with the Nasdaq Biotechnology Index surpassing the broad healthcare markets with a modest total return of 2.8% in USD.

Small-cap biotechnology companies, mostly in the sub 1 bn market cap segment, corrected. M&A activity, often a crucial element and performance contributor, was muted in the second quarter. Illustrative of this trend is the XBI, which achieved a total return of -2.2% in USD, underperforming the large-cap-dominated NBI Index's return by 5.0% in USD.

BB Biotech's performance for the second quarter and first half of 2024

For BB Biotech AG, the share price return in the second quarter of 2024 was -12.0% in CHF and -11.3% in EUR. This disappointing second quarter development was driven by BB Biotech shares trading from a small premium at the beginning of Q2 2024 to a high single-digit discount by the end of the second quarter, and a negative development for the portfolio during the same time frame. The portfolio's total return was -3.5% in CHF, -2.6% in EUR, and -3.3% in USD. Overall, the net loss for the second quarter of 2024 amounted to CHF 87 mn, in contrast to a net loss of CHF 13 mn during the same period in 2023.

For the first six months of 2024, the total return for BB Biotech's shares was -2.0% in CHF and -4.6% in EUR. The portfolio performance was +7.3% in CHF, +3.5% in EUR, and +0.4% in USD. Over the last few years, central bank policies impacted not just the equity markets; notably, the Swiss National Bank's second rate cut in 2024 caused the Swiss Franc to weaken against other major currencies like the USD. This devaluation provided some support to the portfolio performance in CHF in the first half of 2024 due to the USD's strengthening against the Swiss Franc. All results reported for H1 2024 include the dividend payment of CHF 2.00 per share in late March 2024. The net profit in the first half of 2024 amounted to CHF 173 mn compared to a loss of CHF 267 mn in H1 2023.

Leadership change in the Investment Management Team

Dr. Daniel Koller has informed the Board of Directors of his intention to retire from his position as head of BB Biotech's Investment Management Team. He has served 20 years in BB Biotech's Investment Management Team, since 2010 as its head. The Board and Dr. Koller will ensure an orderly transition until the end of 2024. In his role Dr. Koller has made significant contributions over the years. The Board would like to thank Daniel for his outstanding service and dedication to BB Biotech's shareholders, the Investment Management Team, and the Biotech sector as a whole.

Dr. Christian Koch, one of the two deputy heads of the Investment Management Team and a portfolio manager at Bellevue Asset Management since 2014, will become head of the Investment Management Team at the beginning of 2025. The Board is convinced that Dr. Koch has excellent skills to lead the next phase of BB Biotech’s evolution in a complex market environment.

From 2013 to 2014, Dr. Koch was a sell-side pharma & biotech equity analyst at Bank am Bellevue in Küsnacht and from 2010 to 2013 a research associate at the Institute of Pharmaceutical Sciences at the ETH Zurich. He holds a PhD in Computer-Assisted Drug Design from the ETH Zurich and studied Bioinformatics at the Goethe University Frankfurt.

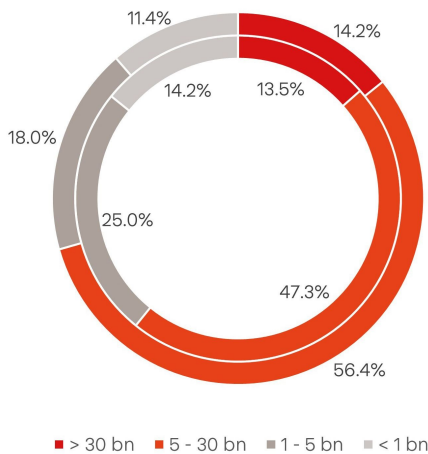
Portfolio update Q2 2024

In the second quarter, portfolio adjustments primarily involved capitalizing on gains from larger, established long-term holdings, following through on the investment team’s portfolio rejuvenation that started in the fourth quarter of 2023. This strategy allowed for participation in capital increases, augmenting the more recently initiated holdings and introducing one new position, Edgewise Therapeutics, a company focused on developing therapeutic candidates aimed at regulating key muscle proteins, both for skeletal and cardiac muscles.

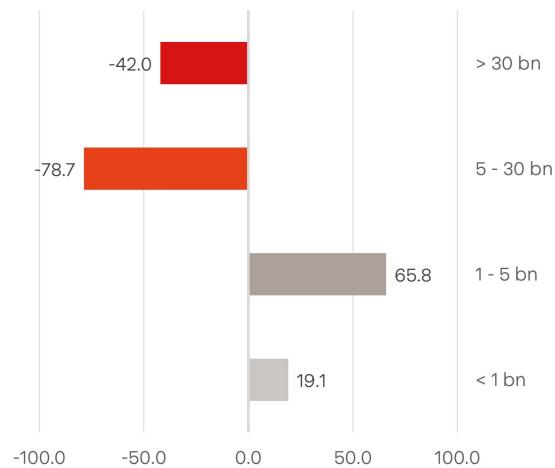
Profit-taking activities targeted mid-to-larger entities such as Vertex, Argenx, Intra-Cellular Therapies, Moderna, Neurocrine and Agios, generating a cash influx of USD 139 mn (CHF 126 mn). Capital allocation activity during the quarter included USD 75 mn (CHF 68 mn) to bolster mostly existing newer positions and USD 25 mn (CHF 23 mn) to establish a new stake in Edgewise Therapeutics. BB Biotech participated in the capital increase for Biohaven, a newer position initiated in Q4 2023. Further portfolio enhancements involved additions to our holdings in Annexon, new in the portfolio since Q1 2024, and Immunocore, a holding initiated in Q4 2023. Our shareholding in Celldex was increased, following pipeline progression and a strengthened balance sheet.

Portfolio distribution by market capitalization (in CHF)

Inner circle Q1 2024
Outer circle Q2 2024



Purchases/sales (net) during the second quarter of 2024 per segment
(in mn CHF)



By the end of Q2 2024, BB Biotech’s portfolio held 31 positions, maintaining a focus on mid-cap biotechnology firms poised for profitability or with sufficient financial backing to achieve profitability, given their current balance sheet strength. As of June 30, 2024, 28% of the portfolio was invested in early-stage pipeline companies anticipated to require additional funding in the forthcoming years.

Continued high investment level

As the second quarter concluded, our investment level remained near the upper limit of our target range, reaching 113.5%. This sustained high level of investment underscores the management team's continued optimistic outlook with an increasing percentage of the holdings having a de-risked and solid business case at an attractive valuation. The team is committed to adhering to our proven investment guidelines, maintaining investment levels between 95% and 115%.

Portfolio milestones for the second quarter of 2024

Biotechnology markets remained volatile, with substantial valuation gains as well as declines in our investments. Three of our larger holdings, Alnylam, Intra-Cellular Therapies and Agios, have all substantially improved their business outlook following positive Phase III read-outs in the second quarter of 2024. These positive Phase III read-outs are expected to drive significant mid- and long-term revenue and profit growth. Conversely, we experienced substantial performance detractors in some of our smaller capitalized holdings in the second quarter. Such setbacks and valuation losses can result in difficult situations for smaller capitalized companies given high capital required to drive their pipeline assets forward.

The most important milestone for BB Biotech's portfolio over the last three months was reported by Alnylam. The positive clinical trial result for vutrisiran propelled Alnylam's share price from a negative year-to-date performance of 20% prior to data read-out to a positive 30% after data read-out.

Alnylam reported positive top-line results for the HELIOS B trial for TTR cardiomyopathy patients. Vutrisiran achieved a 28% and 33% reduction in composite of all-cause mortality and recurrent cardiovascular events, the primary endpoint for HELIOS B in the overall and monotherapy population, respectively. Secondary endpoints were all met. Wall Street's concerns after Alnylam had to adjust the trial design and statistical plan earlier in 2024 were laid to rest by the positive outcome of the monotherapy arm of the study and, more importantly, by the overall population replicating the positive and clinically meaningful results, which led to the significant rally. The large multi-billion revenue opportunity for vutrisiran to treat cardio TTR patients puts Alnylam in a very good position to become a high growth and profitable large biotechnology company.

Additionally, it triggered a positive cross-read reaction for our largest holding Ionis, albeit much more muted, with Ionis down by about 10% for the first six months of 2024. Ionis and its partner AstraZeneca are developing eplontersen in a large clinical trial for patients with TTR cardiomyopathy, with results expected in the next 18 to 24 months.

The biggest negative detractor in this quarter was MacroGenics, which not only reversed its significant gains seen in the first quarter but also traded back to multi-year lows. Its most recent update for the TAMARACK study for vobra duo in prostate cancer patients disappointed, with the safety profile having worsened substantially from an earlier data cut given higher cumulated drug exposure. MacroGenics lost two-thirds of its valuation and resulted in a drop of 4% for our NAV. Further safety and, more importantly, efficacy data will be presented by the company in the second half of 2024, and a next generation ADC program against the same target is expected to report updates in 2025.

In the second quarter of 2024, our portfolio holdings witnessed significant activity with multiple positive Phase III trials and numerous proof of concept studies yielding results, including:

- Alnylam Phase III HELIOS B trial testing vutrisiran in TTR cardiomyopathy patients reported positive results for both its primary and secondary outcome, as summarized above. With Amvuttra (vutrisiran) approved for patients with TTR polyneuropathy, we

expect Alnylam to file for a supplemental NDA in 2024 and to launch Amvuttra in the much larger cardiomyopathy patient population in 2025

- Agios announced that the Phase III ENERGIZE-T clinical study of mitapivat met the primary endpoint and all key secondary endpoints in adults with transfusion dependent alpha- or beta-thalassemia. Mitapivat tested positive to reduce red blood cell transfusion units compared to placebo, with a higher proportion of patients treated with mitapivat achieving transfusion independence. Agios plans a regulatory submission by the end of 2024, for all forms of thalassemia (alpha and beta, transfusion dependent and non-transfusion dependent patients), with a potential approval in 2025. Importantly, Agios expects the Phase III mitapivat trial for sickle cell patients to read out in 2025.
- Intra-Cellular Therapies reported positive topline results in the second Phase III trial evaluating lumateperone as adjunctive therapy in patients with major depressive disorder. Similarly to the first Phase III trial reported in the first quarter 2024, the active arm achieved statistically significant and clinically meaningful results in both the primary endpoint and in key secondary endpoints. Patients treated with lumateperone reported a change in the depression rating scale versus placebo. Intra-Cellular Therapies plans to file a supplemental NDA for the adjunct treatment of major depression disorder in the second half of 2024. If approved in 2025, Caplyta (lumateperone) will be accessible to MDD patients, a much larger market opportunity than the already approved indications to treat patients with schizophrenia and bipolar disorder.
- Annexon, a new position initiated in the first quarter 2024, announced that a single infusion of ANX005 resulted in a significant improvement on the Guillain-Barré Syndrome (GBS)-disability scale. GBS is a rapid and acute neurological disease and treatment with ANX005, an antibody blocking the complement system's C1q, resulted in a faster recovery. Following the positive update, the company strengthened its balance sheet with a USD 125 mn public offering.
- Moderna is investing heavily in its respiratory virus vaccine franchise and reported on multiple studies in the second quarter. One highlight was the positive Phase III data for the combination vaccine against influenza and COVID-19. mRNA-1083 met its primary endpoint eliciting higher immune response against influenza virus and SARS-CoV2 than when a high-dose licensed flu (Fluzone HD) and COVID vaccines were co-administered in adults 50 years and older. The company is developing single injections covering double and one triple combinations of influenza, RSV and SARS-CoV2, with double vaccines available in 2025 and the triple vaccine expected in 2026.

Negative outcomes, or updates that fell short of Wall Street expectations in early pipeline assets included:

- MacroGenics' lead asset (vobra duo) Phase II update in metastatic castration resistant prostate cancer, as described above. The deterioration of vobra duo's side effect profile, with the company reporting multiple grade five (death) events, led many investors to fully discount the asset.
- Sage Therapeutics, still in recovery mode following the complete response letter for zuranolone as treatment for major depression disorder in 2023, is currently launching Zurzuvae for women with postpartum depression (PPD) with its partner Biogen. The company is investing in its pipeline, with dalzanemdor (SAGE-718) being an important mid-stage pipeline asset. SAGE-718 failed to improve cognitive impairment in Parkinson's disease patients versus placebo in a Phase II trial. Further Phase II trials will read out in the second half of 2024, testing SAGE-718 in patients with Alzheimer disease and Huntington's disease.
- Immunocore disappointed versus Wall Street's focus on objective response rate (ORR) of Tebentafusp. With immune oncology targeting agents not achieving tumor shrinkage but rather long-term disease control resulting in survival benefits, the company's valuation dropped post an early data cut for the company's PRAME program.

The second quarter also saw one product approval and a notable product label addition:

- Moderna saw FDA approval and CDC recommendation of its RSV vaccine mRESVIA.
- Argenx's Vyvgart Hytrulo, the subcutaneously administered version of Vyvgart, was approved by the US FDA to treat patients with chronic inflammatory demyelinating polyneuropathy (CIDP).

The flurry of M&A deals and high transaction values in late 2023 cooled off in the first half of 2024, with smaller deals announced. BB Biotech did not participate in any of these smaller to mid-sized public M&A transactions. Vertex, the most heavily capitalized holding in our portfolio, continues to invest in external innovation and announced the acquisition of Alpine Immune for USD 4.9 bn, building out its kidney disease pipeline.

Other corporate actions of note were the substantial purchase agreement announced by Agios for the vorasidenib royalty with Royalty Pharma. Agios is entitled to receive in total USD 1.1 bn upon FDA approval, with the PDUFA action date set on August 20, 2024. Moreover, Incyte announced a share repurchase program, buying back 33.3 mn shares for USD 2 bn, citing the company's substantial undervaluation and increased pipeline confidence.

Outlook for 2024

As we look towards the second half of 2024, several key factors will play a significant role in shaping the biotechnology landscape and BB Biotech's performance.

Central bank interest rate decisions remain a pivotal influence on biotech investments. The sector's valuations are notably sensitive to interest rates due to the long-term nature of expected returns. Investors are closely monitoring potential rate adjustments, which will likely impact capital flows into biotech assets in late 2024.

The upcoming US presidential election and potential shifts in congressional power are critical factors to watch. Although healthcare and drug pricing have not dominated early campaign discussions, the focus on specific issues such as pricing of obesity treatments could gain prominence. Policy developments in these areas will be closely monitored for their potential impact on the sector.

Many of our portfolio companies have strengthened their financial positions and de-risked their growth trajectories. This includes significant milestones achieved in the second quarter by Alnylam, Intra-Cellular Therapies, and Agios. These improvements enhance the quality and growth potential of our portfolio. We expect a robust news flow from our portfolio companies, including:

- Arvinas to present pivotal top-line Phase III data from the Veritac-2 clinical study, testing vepdegestrant as monotherapy in second line ER+/HER2- breast cancer patients
- Scholar Rock as well as Biohaven to announce top-line Phase III results for their TGF-beta antibodies for spinal muscle atrophy patients
- Revolution Medicine will provide further clinical data for RMC-6236, its KRAS multi-inhibitor, as well as its G12D inhibitor RMC-9805
- Black Diamond will present initial Phase II results for second and third line non-small cell lung cancer patients with EGFR mutations
- MacroGenics's update on the Phase II TAMARACK study for vobra duo in metastatic castration-resistant prostate cancer patients
- Edgewise to report proof of concept data for EDG-7500 for hypertrophic cardiomyopathy patients and further data for Sevasseten for Becker and Duchenne patients
- Rivus Pharmaceuticals is expected to report Phase IIa clinical data in obese HFpEF for its mitochondrial uncoupler HU6, potentially triggering a further investment by the Series B investors, including BB Biotech

- Relay Pi3K α is expected to have a top line safety and efficacy data release for its doublet treatment (endocrine therapy plus RLY-2608) and initial safety & tolerability data for a triplet treatment for RLY-2608 combined with endocrine therapy and ribociclib, a CDK4/6 inhibitor

Product approvals expected for H2 2024 include:

- Crinecerfont, from Neurocrine, in congenital adrenal hyperplasia patients for children, adolescents and adults
- Olezarsen, from Ionis, as treatment for familial chylomicronemia syndrome patients
- Axatilimab, from Incyte and Syndax, for the treatment of chronic graft-versus-host disease after failure of at least two prior lines of systemic therapy

The US healthcare system's focus on cost control will intensify with the implementation of the Inflation Reduction Act (IRA). The negotiated discounts for the first ten drugs, set for implementation in 2026/27, will be announced in the fall of 2024. This will be a critical development to monitor.

The expiration of patents for established pharmaceutical pipelines is likely to drive M&A activity. Attractive valuations and promising assets will characterize potential acquisition targets. Following a slow start to the year with mostly smaller deals by pharmaceutical companies, we anticipate increased takeover activity in H2 2024.

Capital markets have improved for pipeline biotech companies, with increased capital-raising activities. Investors are demonstrating renewed willingness to support these companies, enabling them to pursue independent development. Although IPO activity has been limited, the sector is poised for potential equity re-allocation. BB Biotech remains optimistic about the biotechnology sector and its portfolio's prospects. The combination of strengthened fundamentals, anticipated clinical milestones, and supportive capital market dynamics positions us well to capitalize on opportunities and navigate challenges in the remainder of 2024.

We thank you for your continued trust.

The Board of Directors of BB Biotech AG

Dr. Thomas von Planta

Chairman

Laura Hamill

Member

Camilla Soenderby

Member

Dr. Clive Meanwell

Vice-Chairman

Dr. Pearl Huang

Member

Prof. Dr. Mads Krosgaard Thomsen

Member

Portfolio at a glance

Securities as at June 30, 2024

Company	Number of securities	Change since 31.12.2023	Local currency	Share price	Market value in CHF mn	In % of securities	In % of shareholders' equity	In % of company
Ionis Pharmaceuticals	8 210 000	(380 000)	USD	47.66	351.7	13.0%	14.7%	5.6%
Argenx SE	688 000	(137 000)	USD	430.04	265.9	9.8%	11.1%	1.2%
Neurocrine Biosciences	1 882 953	(527 047)	USD	137.67	233.0	8.6%	9.8%	1.9%
Vertex Pharmaceuticals	520 000	(120 000)	USD	468.72	219.1	8.1%	9.2%	0.2%
Alnylam Pharmaceuticals	909 700	50 000	USD	243.00	198.7	7.3%	8.3%	0.7%
Revolution Medicines	5 006 700	(40 000)	USD	38.81	174.6	6.4%	7.3%	3.0%
Moderna	1 540 000	(351 075)	USD	118.75	164.4	6.1%	6.9%	0.4%
Intra-Cellular Therapies	2 450 000	(590 000)	USD	68.49	150.8	5.6%	6.3%	2.3%
Agios Pharmaceuticals	3 873 548	(126 452)	USD	43.12	150.1	5.5%	6.3%	6.8%
Incyte	2 150 000	–	USD	60.62	117.1	4.3%	4.9%	1.0%
Celldex Therapeutics	2 971 615	555 319	USD	37.01	98.8	3.6%	4.1%	4.5%
Biohaven	2 040 853	965 853	USD	34.71	63.7	2.4%	2.7%	2.3%
Arvinas	2 380 000	(114 531)	USD	26.62	56.9	2.1%	2.4%	3.5%
Sage Therapeutics	4 460 693	955 693	USD	10.86	43.5	1.6%	1.8%	7.4%
Macrogenics	9 929 963	–	USD	4.25	37.9	1.4%	1.6%	15.9%
Relay Therapeutics	6 375 000	450 000	USD	6.52	37.4	1.4%	1.6%	4.8%
Essa Pharma	7 879 583	–	USD	5.26	37.3	1.4%	1.6%	17.8%
Exelixis	1 800 000	(200 000)	USD	22.47	36.4	1.3%	1.5%	0.6%
Black Diamond Therapeutics	8 517 839	–	USD	4.66	35.7	1.3%	1.5%	15.1%
Immunocore	1 148 054	182 400	USD	33.89	35.0	1.3%	1.5%	2.4%
Beam Therapeutics	1 418 121	725 000	USD	23.43	29.9	1.1%	1.3%	1.7%
Crispr Therapeutics	610 000	(270 000)	USD	54.01	29.6	1.1%	1.2%	0.7%
Edgewise Therapeutics	1 428 929	1 428 929	USD	18.01	23.1	0.9%	1.0%	1.5%
Annexon	5 157 290	5 157 290	USD	4.90	22.7	0.8%	1.0%	4.9%
Esperion Therapeutics	9 944 064	5 750 000	USD	2.22	19.8	0.7%	0.8%	5.2%
Wave Life Sciences	4 094 458	(400 000)	USD	4.99	18.4	0.7%	0.8%	3.3%
Scholar Rock Holding	2 132 725	–	USD	8.33	16.0	0.6%	0.7%	2.7%
Rivus Pharmaceuticals ¹⁾			USD		15.7	0.6%	0.7%	
Fate Therapeutics	4 839 779	–	USD	3.28	14.3	0.5%	0.6%	4.3%
Generation Bio Co.	3 918 856	310 576	USD	2.82	9.9	0.4%	0.4%	5.9%
Molecular Templates	1 279 820	250 000	USD	1.15	1.3	0.0%	0.1%	19.4%
Molecular Templates – Prefunded Warrant	134 667	134 667	USD	1.15	0.1	0.0%	0.0%	
Molecular Templates – Warrants, 2.4.29	769 334	769 334	USD	0.00	0.0	0.0%	0.0%	
Radius Health – Contingent Value Right	8 733 538	–	USD	0.00	0.0	0.0%	0.0%	
Total securities					2 708.9	100.0%	113.5%	
Other assets					0.5		0.0%	
Other payables					(322.5)		(13.5%)	
Net Asset Value					2 386.9		100.0%	

¹⁾ Unlisted company

Exchange rate as at 30.06.2024: USD/CHF: 0.8988

Composition of BB Biotech’s portfolio
(in % of securities)

Purchases/sales (net) during Q2 2024
(in mn CHF)



Consolidated balance sheet

in CHF 1 000	Notes	30.06.2024	31.12.2023
Current assets			
Cash and cash equivalents		317	501
Receivables from brokers		–	1 829
Securities	3	2 708 893	2 634 714
Other assets		214	110
		2 709 424	2 637 154
Total assets		2 709 424	2 637 154
Current liabilities			
Short-term borrowings from banks	4	319 400	304 900
Payables to brokers		–	5 436
Other short-term liabilities		2 973	3 491
Tax liabilities		114	110
		322 487	313 937
Total liabilities		322 487	313 937
Shareholders' equity			
Share capital	5	11 080	11 080
Treasury shares	5	(36 508)	(36 508)
Retained earnings		2 412 365	2 348 645
		2 386 937	2 323 217
Total liabilities and shareholders' equity		2 709 424	2 637 154
Net asset value per share in CHF		43.50	42.35

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 23, 2024.

Consolidated statement of comprehensive income

in CHF 1 000	Notes	01.01.–30.06.2024	01.01.–30.06.2023	01.04.–30.06.2024	01.04.–30.06.2023
Operating income					
Gains from securities	3	192 908	–	–	–
Interest income		32	17	32	17
Foreign exchange gains		–	500	6	–
Other income		5	5	–	–
		192 945	522	38	17
Operating expenses					
Losses from securities	3	–	(246 320)	(77 801)	(3 106)
Finance expenses		(3 005)	(2 550)	(1 570)	(1 442)
Foreign exchange losses		(10)	–	–	(144)
Administrative expenses	6	(14 324)	(16 295)	(6 799)	(7 352)
Other expenses		(2 156)	(2 660)	(931)	(1 437)
		(19 495)	(267 825)	(87 101)	(13 481)
Profit/(loss) before tax	7	173 450	(267 303)	(87 063)	(13 464)
Income taxes		(38)	(30)	(19)	(14)
Profit/(loss) for the period		173 412	(267 333)	(87 082)	(13 478)
Total comprehensive profit/(loss) for the period		173 412	(267 333)	(87 082)	(13 478)
Earnings per share in CHF	8	3.16	(4.87)	(1.60)	(0.24)
Diluted earnings per share in CHF	8	3.16	(4.87)	(1.60)	(0.24)

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
Balances at January 1, 2023	11 080	(36 508)	2 711 563	2 686 135
Dividend (CHF 2.85 per share)	–	–	(156 311)	(156 311)
Total comprehensive income for the period	–	–	(267 333)	(267 333)
Balances at June 30, 2023	11 080	(36 508)	2 287 919	2 262 491
Balances at January 1, 2024	11 080	(36 508)	2 348 645	2 323 217
Dividend (CHF 2.00 per share)	–	–	(109 692)	(109 692)
Total comprehensive income for the period	–	–	173 412	173 412
Balances at June 30, 2024	11 080	(36 508)	2 412 365	2 386 937

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

Consolidated statement of cash flows

in CHF 1 000	Notes	01.01.–30.06.2024	01.01.–30.06.2023
Cash flows from operating activities			
Proceeds from sales of securities	3	297 341	260 313
Purchase of securities	3	(182 219)	(28 135)
Interest receipts		32	17
Payments for services		(17 096)	(20 307)
Income taxes paid		(35)	(75)
Total cash flows from operating activities		98 023	211 813
Cash flows from financing activities			
Dividend		(109 692)	(156 311)
Proceeds from borrowings	4	14 500	–
Repayment of borrowings	4	–	(54 500)
Interest payments		(3 005)	(2 550)
Total cash flows from financing activities		(98 197)	(213 361)
Foreign exchange difference		(10)	500
Change in cash and cash equivalents		(184)	(1 048)
Cash and cash equivalents at the beginning of the period		501	1 948
Cash and cash equivalents at the end of the period		317	900

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 as well as in the «Prime Standard Segment» of the German 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, 2023. 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, 2024, have been applied in these condensed consolidated interim financial statements:

- IFRS 16 (amended, effective January 1, 2024) – Lease Liability in a Sale and Leaseback
- IFRS 7/IAS 7 (amended, effective January 1, 2024) – Disclosures Supplier Finance Arrangements
- IAS 1 (amended, effective January 1, 2024) – Classification of Liabilities as Current or Non-current
- IAS 1 (amended, effective January 1, 2024) – Non-current Liabilities with Covenants

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

- IAS 21 (amended, effective January 1, 2025) – Lack of Exchangeability

The Board of Directors do not expect that the adoption of the above-mentioned standard will have a material impact on the financial statements of the Group in future periods.

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

Currency	30.06.2024	31.12.2023
USD	0.89880	0.84140
ANG	0.50494	0.47270
EUR	0.96282	0.92887
GBP	1.13640	1.07160

3. Financial assets

Fair Values

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

30.06.2024	Level 1	Level 2	Level 3	Total
Assets				
Securities				
- Shares	2 693 025	–	15 729	2 708 754
- Derivative instruments	–	139	–	139
Total assets	2 693 025	139	15 729	2 708 893
31.12.2023				
Assets				
Securities				
- Shares	2 619 989	–	14 725	2 634 714
- Derivative instruments	–	–	–	–
Total assets	2 619 989	–	14 725	2 634 714

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

	01.01.–30.06.2024	01.01.–30.06.2023
Opening balance	14 725	16 179
Unrealized gains/(losses) included in gains/losses from securities	1 005	(506)
Closing balance	15 729	15 673
Gains/(losses) on level 3 instruments included in gains/losses from securities	1 005	(506)

There were no transfers between level 1, 2 and 3 during the reporting period.

The fair value of the level 2 instruments at initial recognition represents the transaction price (purchase of warrants / prefunded warrants of Molecular Templates in April 2024 at TCHF 316), which was paid as part of a financing round together with other investors. The

valuation as of June 30, 2024, is based on a model that takes current market conditions into account.

The fair value of the level 3 instrument at initial recognition represents the transaction price (purchase of Series B-1 Preferred Stock of Rivus Pharmaceuticals in August 2022 for TCHF 16 875), which was paid in a financing round together with other investors. For the valuation as at June 30, 2024, it is deemed to be appropriate to use the transaction price in USD, as it is a reasonable approximation of fair value at the valuation date given the fact that no events occurred which significantly impact the fair value.

In August 2022, 8 733 538 Radius Health – Contingent Value Rights were allocated from a corporate action. The valuation as of June 30, 2024, is CHF 0.

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

Securities

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
Opening balance as at 01.01.2023 at fair values	3 035 170	16 179	–	3 051 349
Purchases	201 147	–	–	201 147
Sales	(451 169)	–	–	(451 169)
Gains/(losses) from securities	(165 158)	(1 454)	–	(166 613)
<i>Realized gains</i>	28 749	–	–	28 749
<i>Realized losses</i>	(46 543)	–	–	(46 543)
<i>Unrealized gains</i>	276 764	–	–	276 764
<i>Unrealized losses</i>	(424 128)	(1 454)	–	(425 582)
Closing balance as at 31.12.2023 at fair values	2 619 989	14 725	–	2 634 714
Opening balance as at 01.01.2024 at fair values	2 619 989	14 725	–	2 634 714
Purchases	176 467	–	316	176 783
Sales	(295 512)	–	–	(295 512)
Gains/(losses) from securities	192 081	1 005	(176)	192 908
<i>Realized gains</i>	37 111	–	–	37 111
<i>Realized losses</i>	–	–	–	–
<i>Unrealized gains</i>	362 097	1 005	–	363 102
<i>Unrealized losses</i>	(207 127)	–	(176)	(207 303)
Closing balance as at 30.06.2024 at fair values	2 693 025	15 729	139	2 708 893

Securities comprise the following:

Company	Number 31.12.2023	Change	Number 30.06.2024	Market price in original currency 30.06.2024	Valuation CHF mn 30.06.2024	Valuation CHF mn 31.12.2023	
Ionis Pharmaceuticals	8 590 000	(380 000)	8 210 000	USD	47.66	351.7	365.6
Argenx SE	825 000	(137 000)	688 000	USD	430.04	265.9	264.1
Neurocrine Biosciences	2 410 000	(527 047)	1 882 953	USD	137.67	233.0	267.2
Vertex Pharmaceuticals	640 000	(120 000)	520 000	USD	468.72	219.1	219.1
Alnylam Pharmaceuticals	859 700	50 000	909 700	USD	243.00	198.7	138.5
Revolution Medicines	5 046 700	(40 000)	5 006 700	USD	38.81	174.6	121.8
Moderna	1 891 075	(351 075)	1 540 000	USD	118.75	164.4	158.2
Intra-Cellular Therapies	3 040 000	(590 000)	2 450 000	USD	68.49	150.8	183.2
Agios Pharmaceuticals	4 000 000	(126 452)	3 873 548	USD	43.12	150.1	75.0
Incyte	2 150 000	–	2 150 000	USD	60.62	117.1	113.6
Celldex Therapeutics	2 416 296	555 319	2 971 615	USD	37.01	98.8	80.6
Biohaven	1 075 000	965 853	2 040 853	USD	34.71	63.7	38.7
Arvinas	2 494 531	(114 531)	2 380 000	USD	26.62	56.9	86.4
Sage Therapeutics	3 505 000	955 693	4 460 693	USD	10.86	43.5	63.9
Macrogenics	9 929 963	–	9 929 963	USD	4.25	37.9	80.4
Relay Therapeutics	5 925 000	450 000	6 375 000	USD	6.52	37.4	54.9
Essa Pharma	7 879 583	–	7 879 583	USD	5.26	37.3	43.8
Exelixis	2 000 000	(200 000)	1 800 000	USD	22.47	36.4	40.4
Black Diamond Therapeutics	8 517 839	–	8 517 839	USD	4.66	35.7	20.1
Immunocore	965 654	182 400	1 148 054	USD	33.89	35.0	55.5
Beam Therapeutics	693 121	725 000	1 418 121	USD	23.43	29.9	15.9
Crispr Therapeutics	880 000	(270 000)	610 000	USD	54.01	29.6	46.4
Edgewise Therapeutics	–	1 428 929	1 428 929	USD	18.01	23.1	–
Annexon	–	5 157 290	5 157 290	USD	4.90	22.7	–
Esperion Therapeutics	4 194 064	5 750 000	9 944 064	USD	2.22	19.8	10.6
Wave Life Sciences	4 494 458	(400 000)	4 094 458	USD	4.99	18.4	19.1
Scholar Rock Holding	2 132 725	–	2 132 725	USD	8.33	16.0	33.7
Fate Therapeutics	4 839 779	–	4 839 779	USD	3.28	14.3	15.2
Generation Bio Co.	3 608 280	310 576	3 918 856	USD	2.82	9.9	5.0
Molecular Templates	1 029 820	250 000	1 279 820	USD	1.15	1.3	3.2
Listed shares						2 693.0	2 620.0
Rivus Pharmaceuticals				USD		15.7	14.7
Unlisted shares						15.7	14.7
Total shares						2 708.8	2 634.7
Molecular Templates – Prefunded Warrant	–	134 667	134 667	USD	1.15	0.1	–
Molecular Templates – Warrants, 2.4.29	–	769 334	769 334	USD	0.00	0.0	–
Radius Health – Contingent Value Right	8 733 538	–	8 733 538	USD	0.00	0.0	–
Total derivative instruments						0.1	–
Total securities						2 708.9	2 634.7

4. Short-term borrowings from banks

At June 30, 2024, a CHF 319.4 mn short-term loan is outstanding with interest payable at 1.65% p.a. (December 31, 2023: CHF 304.9 mn at 2.10% p.a.).

5. Shareholders' equity

The share capital of the Company consists of 55.4 mn fully paid registered shares (December 31, 2023: 55.4 mn) with a par value of CHF 0.20 each (December 31, 2023: 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, 2024, to June 30, 2024, the Company has not bought or sold any treasury shares (01.01.–30.06.2023: no transactions). As at June 30, 2024, the Company holds 554 000 treasury shares (December 31, 2023: 554 000 shares). The treasury shares as at June 30, 2024, were treated as a deduction from the consolidated shareholders' equity using cost values of TCHF 36 508 (December 31, 2023: TCHF 36 508).

Share buyback 2nd line (bought for cancellation)

In April 2022, 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, 2024, 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.

6. Administrative expenses

Administrative expenses comprise the following:

in CHF 1 000	01.01.–30.06.2024	01.01.–30.06.2023
Investment manager		
– Management fees	13 227	15 231
Personnel		
– Board of Directors remuneration	835	840
– Wages and salaries	189	158
– Social insurance contributions and duties	73	66
	14 324	16 295

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.

7. 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.

Profit/(loss) before tax in CHF 1 000	01.01.–30.06.2024	01.01.–30.06.2023
USA	186 761	(244 215)
Netherlands	48 716	(1 375)
Singapore	1 700	(14 434)
Switzerland	(3 158)	8 598
Canada	(6 505)	696
British Virgin Islands	(9 557)	–
Curaçao	(17 098)	(18 391)
Great Britain	(27 408)	1 818
	173 450	(267 303)

8. Earnings per share

	01.01.–30.06.2024	01.01.–30.06.2023
Total comprehensive profit/(loss) for the period (in CHF 1 000)	173 412	(267 333)
Weighted average number of shares in issue	54 846 000	54 846 000
Earnings per share in CHF	3.16	(4.87)
Income used to determine diluted earnings per share (in CHF 1 000)	173 412	(267 333)
Weighted average number of shares in issue following the dilution	54 846 000	54 846 000
Diluted earnings per share in CHF	3.16	(4.87)

9. Assets pledged

At June 30, 2024, securities in the amount of CHF 2 708.9 mn (December 31, 2023: CHF 2 634.7 mn) are collateral for a credit line of CHF 700 mn (December 31, 2023: CHF 700 mn). At June 30, 2024, a CHF 319.4 mn short-term loan is outstanding (December 31, 2023: CHF 304.9 mn).

10. 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 «6. Administrative Expenses».

11. Commitments, contingencies and other off-balance sheet transactions

The Group had no commitments or other off-balance sheet transactions open at June 30, 2024 and December 31, 2023.

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, 2024, no proceedings existed which could have any material effect on the financial position of the Group (December 31, 2023: none).

12. Subsequent events

There have been no events subsequent to June 30, 2024, 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 flows and selected explanatory notes) of BB Biotech AG for the period ended 30 June 2024.

These condensed consolidated interim financial statements in accordance with International Accounting Standard 34 «Interim Financial Reporting» and article 14 of the Directive on 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

Severin Holder
Audit expert

Zurich, 24 July 2024

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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 30 years of experience. The shares of BB Biotech are listed on the SIX Swiss Exchange and the Frankfurt Stock Exchange. 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 long-term 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. An overall weighted average cost of capital (WACC) of at least 15% is applied to the discounted cash flow models of our portfolio, aligned with our mid-to long term investment objectives.

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.

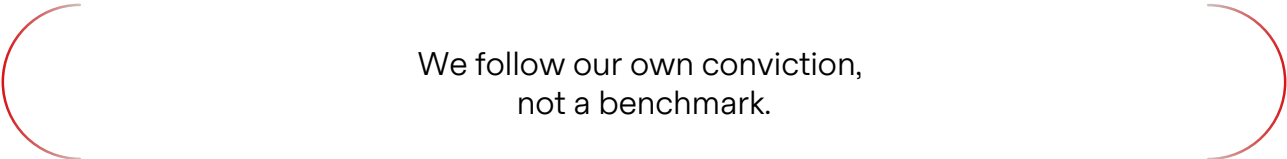
Multi-stage due diligence process based on bottom-up fundamental analysis

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.

BB Biotech relies on the long-standing experience of its distinguished Board of Directors and on the fundamental analysis of the experienced Investment Management Team of Bellevue Asset Management AG when making its investment decisions. It can also turn to an extensive international network of physicians and specialists in individual sub-segments of the biotech industry for further support and advice.

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

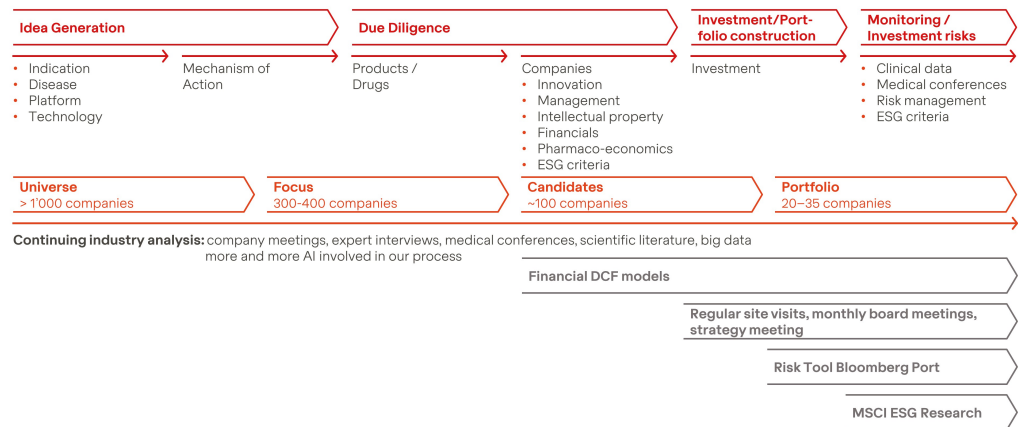
BB Biotech's investment portfolio will usually consist of between 20 to 35 biotechnology companies. There are established large cap companies as well as small and mid cap companies in the portfolio. Smaller positions will be taken in innovative biotech companies with promising R&D pipelines. From a regional 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 1 000 companies is systematically analyzed and evaluated. The use of artificial intelligence is being explored to deepen our knowledge and understanding. 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.

With all of BB Biotech's investments focusing on biotechnology as a subsector of the healthcare industry, the UN's Sustainable Development Goal number 3: «Good Health and Well-being», is at the core of BB Biotech's investment strategy and our portfolio companies. 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 Board of Directors of BB Biotech consists of the following members:

- Dr. Thomas von Planta (Chairman)
- Dr. Clive Meanwell (Vice-Chairman)
- Laura Hamill
- Dr. Pearl Huang
- Camilla Soenderby
- Prof. Dr. Mads Krogsgaard Thomsen

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.

The following experts are member of the Investment Management Team:

- Dr. Daniel Koller (Head)
- Dr. Maurizio Bernasconi (Deputy Head)
- Dr. Christian Koch (Deputy Head)
- Dr. Can Buldun-Gora
- Dr. Samuel Croset
- Dr. Leonidas Georgiou
- Dr. Stephen Taubenfeld
- Dallas Webb
- Dr. Olivia Woolley

Shareholder information

The Company publishes its Net Asset Value daily via the major stock market information services and on its website 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, 2024

Foundation:	November 9, 1993; Schaffhausen, Switzerland
Issue price adj. November 15, 1993:	CHF 4.75
Official listing:	Switzerland: December 27, 1993 Germany: December 10, 1997
Share structure:	CHF 11.08 mn nominal, 55 400 000 registered shares with a par value of CHF 0.20 each
Shareholders, free-float:	Institutional and private investors, 100% free-float
Security number Switzerland:	3 838 999
Security number Germany:	A0NFN3
ISIN:	CH0038389992

Quotes and reports

NAV:	in CHF	– Datastream: S:BINA – Reuters: BABB – Telekurs: BIO resp. 85, BB1 – Finanz & Wirtschaft (CH)	in EUR	– Datastream: D:BBNA – Reuters: BABB
Stock price:	in CHF (SIX)	– Bloomberg: BION SW Equity – Datastream: S:BIO – Reuters: BION.S – Telekurs: BIO – Finanz & Wirtschaft (CH) – Neue Zürcher Zeitung (CH)	in EUR (Xetra)	– Bloomberg: BBZA GY Equity – Datastream: D:BBZ – Reuters: BION.DE

Facts & figures

BB Biotech

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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 30.06.2024	Institutional and private investors 100% free-float
Security number Switzerland	3 838 999
Security number Germany	A0NFN3
ISIN	CH0038389992
Ticker Bloomberg	Switzerland: BION SW Germany: BBZA GY
Ticker Reuters	Switzerland: BION.S Germany: BION.DE
Type / asset class	Investment company / equity
Investment style	Long only, long term
Index membership	SPI Index, SPI ESG Index
Benchmark	Nasdaq Biotech Index (NBI) TR
Management Fee	All-in-Fee: 1.1% p.a.

Analyst coverage

Institute	Analyst
Baader Helvea	Leonildo Delgado
Edison	Joanne Collins
Kepler Cheuvreux	Nicolas Pauillac
Marten & Co	Matthew Read
Oddo BHF	Oussame Denguir
Pareto Securities	Marietta Miemietz
SEB	Martin Parkhoi

Corporate calendar

Interim Report as at September 30, 2024	October 25, 2024, 7.00 AM CET
Portfolio as at December 31, 2024	January 24, 2025, 7.00 AM CET
Annual Report 2024	February 21, 2025, 7.00 AM CET
Annual General Meeting 2025	March 19, 2025, 3.00 PM CET

Contact

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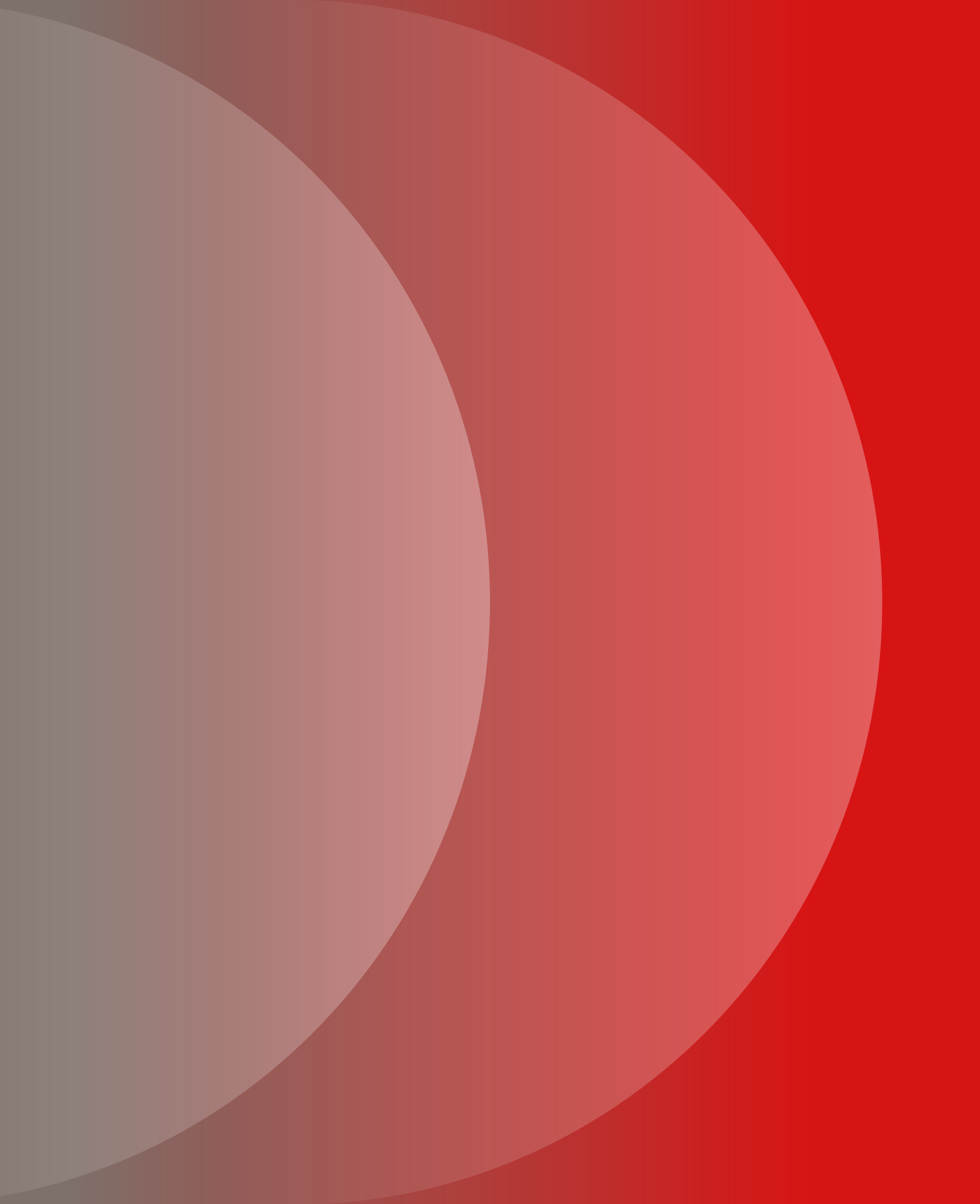
The BB Biotech interim report is published in English. A translated German version is also available. In case of any deviations the English shall prevail over the German text.

«For reasons of readability, the masculine form is used for gender-specific designations and personal nouns in this interim report. Corresponding terms apply to all genders in line with equal treatment. The abbreviated language form is only for editorial reasons and does not contain any value judgements. All genders may feel equally addressed by this content. We thank you for your understanding.»

BB Biotech Newsletter

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





BB Biotech AG

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