

Media release as at July 25, 2025

BB Biotech Q2 2025: outperforms Nasdaq Biotech Index; strong USD returns, currency drag in CHF

- **Share price +10.2 % USD / -1.1% CHF / +0.8% EUR; discount to NAV tightens to 10.5%**
- **NAV +5.8% USD / -5.1% CHF / -2.8% EUR; beating NBI by 5.9 percentage points**
- **Net loss of CHF 100 mn in Q2; FX the main drag (USD vs CHF -10.2%)**
- **Macro backdrop steadied: April's Liberation-Day tariff shock triggered a sharp sell-off, but markets rebounded as tariff extensions, cooler inflation and rate-cut hopes lifted risk appetite**
- **US healthcare lagged: efforts to peg drug prices to international benchmarks, manufacturing reshoring driven by national security concerns and FDA leadership churn all weighed on sector**
- **Multiple portfolio companies notched a series of clinical, regulatory, and commercial wins, reinforcing the innovation thesis**
- **Sanofi's USD 9.5 bn bid for new holding Blueprint Medicines validates high-conviction approach**
- **Portfolio steady at 23 companies; increased Immunocore, Akero Therapeutics, Edgewise Therapeutics, Scholar Rock; exited Esperion Therapeutics**
- **Agentic-AI increasingly scaling into process with the potential to deepen our analytical edge**
- **Four launches and several Phase III read-outs slated for H2**

After a turbulent start to the year, BB Biotech delivered a resilient second quarter: both share price and NAV outperformed the Nasdaq Biotech Index (NBI), supported by key milestones across several portfolio companies. The macroeconomic environment showed signs of stabilization, with steady policy rates and moderating inflation boosting market sentiment. While technology stocks rebounded sharply, the healthcare sector lagged due to renewed policy uncertainty in the US.

In Washington, the debate over drug pricing intensified, driven by potential Most-Favored-Nation pricing and the next phase of IRA negotiations. The announcement of new pharmaceutical tariffs, combined with growing reshoring trends and leadership changes at the FDA, increased short-term uncertainty and made it more difficult to assess the regulatory landscape.

Despite this, strategic acquirers continued to pursue innovative assets. In June, Sanofi announced a USD 9.5 bn takeover bid for Blueprint Medicines – a new BB Biotech holding – highlighting how breakthrough science can attract meaningful premiums even in a cautious environment. BB Biotech's investment company structure enables it to seize such dislocations and create long-term value through time-arbitrage.

Q2 2025 performance

After a bruising first quarter, Q2 split into two distinct acts: April and May extended the Q1 slide as macro economic angst – plus a weakening US dollar (USD vs. CHF -10.2% in Q2) – drove our Net Asset Value (NAV) to year-to-date lows in Swiss francs. June then staged an equally sharp snapback, powered by strong clinical read-outs and Sanofi's bid for Blueprint Medicines. Sentiment flipped from restraint to cautious optimism, as bad news stopped accelerating, and fundamentals finally had some room to breathe.

NAV rose 5.8% in USD – beating the NBI by 5.9 points – but translated into -5.1% in CHF and -2.8% in EUR. Consequently, Q2 reported a net loss of CHF 100 mn, compared to Q2 2024's net loss of CHF 87 mn. Improving sentiment tightened our share-price discount to NAV from 14.1% at end-Q1 to 10.5% at end-Q2.

Performance	Q2 2025			Q2 2024		
Currency	CHF	EUR	USD	CHF	EUR	USD
BB Biotech share price	-1.1%	0.8%	10.2%	-12.0%	-11.3%	-11.7%
BB Biotech NAV	-5.1%	-2.8%	5.8%	-3.5%	-2.6%	-3.3%
NBI Index	-10.3%	-8.2%	-0.2%	2.5%	3.6%	2.8%
Net loss	-100 mn			-87 mn		

Portfolio highlights: innovation driving progress in Q2

Q2 2025 saw strong regulatory, commercial, and clinical progress across BB Biotech's portfolio, reinforcing the company's conviction that innovation is the primary engine of long-term value creation. Approvals for Argenx, Alnylam Pharmaceuticals, and Moderna expanded market opportunities and strengthened commercial positioning in key therapeutic areas such as neurology, cardiology, and infectious diseases.

At the same time, clinical breakthroughs at Ionis Pharmaceuticals, Vertex Pharmaceuticals, and Revolution Medicines demonstrated meaningful upside potential in high-need indications, including hereditary angioedema, type 1 diabetes, and KRAS-driven cancers – underlining the depth and translational relevance of BB Biotech's portfolio.

Additional momentum came from Incyte (myeloproliferative neoplasms), Scholar Rock (muscle preservation in obesity), Rivus Pharmaceuticals (fat-selective weight loss in MASH), Edgewise Therapeutics (cardiac biomarkers in HCM), and Relay Therapeutics (PI3K- α in breast cancer), each advancing differentiated programs with promising data.

Several assets advanced toward pivotal trials or commercialization, highlighting the value of BB Biotech's mid-cap focus. These developments not only validate scientific progress but also contribute directly to portfolio performance and shareholder value.

Sharpening the portfolio: active rotation and strategic focus

BB Biotech continued to apply its disciplined capital allocation strategy in Q2 2025, focusing on companies with strong science, clear value-creation potential, and attractive risk/reward profiles.

The position in Esperion Therapeutics was fully exited due to a weakened investment case, and the proceeds were redeployed into higher-conviction names. A new investment was made in Blueprint Medicines based on the strength of its lead programs – shortly before Sanofi's USD 9.5 bn takeover bid validated the company's strategic value.

In addition, positions in Immunocore, Akeru Therapeutics, Scholar Rock, and Edgewise Therapeutics were increased.

Advancing the strategy: executing with discipline, evolving with insight, deepening shareholder alignment

BB Biotech's strategy continues to rest on four key pillars: high-conviction concentration, dynamic capital allocation, process evolution, and shareholder alignment. The second quarter reinforced our belief that long-term value in biotech stems from combining scientific insight, disciplined execution, and strategic flexibility.

- **High-conviction concentration:** BB Biotech maintains a focused portfolio of 23 companies, backing innovation platforms with clear scientific and commercial potential. The investment company structure enables us to take a long-term view and capitalize on volatility through time-arbitrage. Q2's outperformance was driven by names like Ionis Pharmaceuticals, Akero Therapeutics, Alnylam Pharmaceuticals, and Blueprint Medicines – companies that embody our mid-cap innovation focus.
- **Dynamic capital allocation:** BB Biotech continuously rebalances the portfolio toward companies transitioning between late stage clinical and commercial stages, where valuation upside tends to be strongest. At the same time, the investment management team trims or exits positions with deteriorating risk/reward profiles, as seen with the Esperion Therapeutics exit in Q2. This disciplined rotation strengthens the portfolio's overall quality and resilience.
- **Process evolution and AI integration:** Agentic AI tools are being systematically integrated into the investment process. These systems can process vast amounts of clinical, regulatory, and market data with increasing autonomy in order to flag early signals and stress-test investment theses. This allows the analysts to focus on judgment and portfolio construction, improving decision quality over time.
- **Shareholder alignment:** Alongside the dividend policy, BB Biotech continues to prioritize open, professional engagement with investors. To further strengthen this commitment, Rachael Burri will join as Head Investor Relations in August 2025. Her experience in financial communications will support the goal of ensuring that BB Biotech is well-understood and appropriately valued.

Outlook: innovation as the catalyst, stability as the foundation

Looking ahead to the second half of 2025, BB Biotech maintains a constructive outlook. While macro conditions have stabilized, potential tariffs, healthcare policy and regulatory uncertainty in the US continue to weigh on sentiment. At the same time, biotech valuations are at historic lows and innovation is accelerating: several portfolio companies are preparing for major commercial and clinical milestones.

Four key product launches are expected in H2 – Apitegromab (Scholar Rock) for spinal muscular atrophy, Donidalorsen (Ionis Pharmaceuticals) for hereditary angioedema, Mitapivat (Agiros Pharmaceuticals) for α/β -thalassemia, and Troriluzole (Biohaven) for spinocerebellar ataxia. In addition, pivotal readouts from Ionis Pharmaceuticals, Agios Pharmaceuticals, and Moderna, as well as proof-of-concept data from companies such as Wave Life Sciences, Neurocrine Biosciences, Incyte, and Relay Therapeutics could provide further upside.

With a focused mid-cap portfolio and a long-term investment horizon, BB Biotech is well positioned to capture value from both innovation cycles and market inefficiencies. The conviction-led strategy, combined with disciplined capital allocation and an AI-augmented process, continues to offer a clear advantage in an increasingly selective market environment.

The interim report as at June 30, 2025, is available under report.bbbiotech.ch/Q225 or www.bbbiotech.com.

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*Starts on August 1, 2025

Company profile

BB Biotech AG is an investment company with its registered office in Schaffhausen/Switzerland and listed on the Swiss and German 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 June 30, 2025

(in % of securities, rounded values)

Ionis Pharmaceuticals	13.4%
Argenx SE	13.3%
Neurocrine Biosciences	9.8%
Alnylam Pharmaceuticals	9.3%
Vertex Pharmaceuticals	7.5%
Revolution Medicines	7.3%
Agios Pharmaceuticals	5.1%
Incyte	4.6%
Akero Therapeutics	4.6%
Scholar Rock Holding	4.5%
Immunocore	3.3%
Celldex Therapeutics	2.9%
Rivus Pharmaceuticals ¹⁾	2.3%
Beam Therapeutics	2.1%
Biohaven	1.7%
Blueprint Medicines	1.6%
Edgewise Therapeutics	1.6%
Moderna	1.5%
Relay Therapeutics	1.2%
Wave Life Sciences	1.1%
Annexon	0.5%
Macrogenics	0.5%
Black Diamond Therapeutics	0.3%
Molecular Templates – Warrants, 2.4.29	0.0%

Total securities **CHF 1 842.5 mn**

Other assets CHF 2.4 mn

Other payables CHF (2.4) mn

Net Asset Value **CHF 1 842.5 mn**

¹⁾ Unlisted company