

Factsheet

Italian stock exchange (STAR)

Marketing document

Investment focus

BB Biotech invests worldwide in fast growing companies developing and marketing innovative biotech drugs. At least 90% of its shareholdings must be in listed companies, while always holding more than 50% of its assets in equity investments. The target portfolio of BB Biotech will generally consist of 20 to 35 companies. Large positions will be taken in five to eight companies, the top holdings. Together they will account for no more than two-thirds of the portfolio and no single position will have a weighting greater than 25% of portfolio investments. Due to their substantial portfolio weighting, the top holdings should be generating both revenues and income. The portfolio's smaller participations are companies with promising drug candidates in their R&D pipelines. Investments are selected according to a thorough, multi-level due diligence process, with a particular focus placed on the analysis of financial parameters, the respective competitive environment, the development pipeline, the patent portfolio, and end-client perception. ESG factors are taken into consideration while implementing the aforementioned investment objectives.

Facts

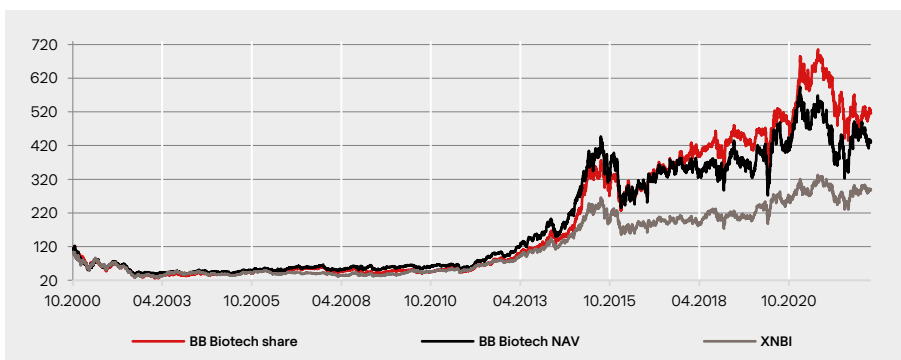
Share price	EUR 58.80
Net Asset Value (NAV)	EUR 50.05
Premium/(Discount)	17.5%
Market capitalization	EUR 3'257.5 mn
Investment manager	Bellevue Asset Management AG
AIC sector	Biotechnology
Benchmark (BM)	Nasdaq Biotech Index TR
Foundation	09.11.1993
Fiscal year end	31.12
Financial reports	Quarterly
Bloomberg	BB IM Equity
Valor	3838999
ISIN code	CH0038389992
WKN	A0NFN3
Legal structure	Incorporate company
Share type	Registered shares
Share structure	55.4 mn
Management fee	All-in 1.10%
EU SFDR 2019/2088	Article 8

Key figures

Beta	1.24
Correlation	0.94
Volatility	37.2%
Tracking Error	14.26
Active Share	83.48
Sharpe Ratio	0.32
Information Ratio	0.06
Jensen's Alpha	-1.64

Source: BB Biotech AG, 31.01.2023;
Calculation based on the Net Asset Value (NAV) over the last 3 years.

Indexed performance since launch



Cumulated & annualized performance

Cumulated

	1 M	YTD	1 Y	3 Y	5 Y	10 Y	ITD
Share	4.1%	4.1%	-4.9%	13.9%	23.9%	507.9%	415.4%
NAV	1.1%	1.1%	10.4%	15.5%	17.4%	323.8%	333.0%
BM	2.0%	2.0%	9.0%	27.1%	43.3%	276.5%	189.6%

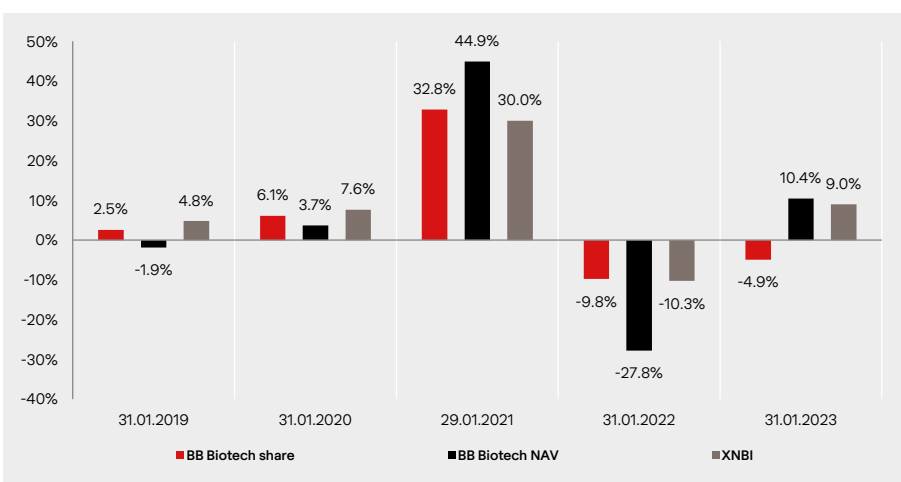
Annualized

	1 Y	3 Y	5 Y	10 Y	ITD
Share	-4.9%	4.4%	4.4%	19.8%	7.6%
NAV	10.4%	4.9%	3.3%	15.5%	6.8%
BM	9.0%	8.3%	7.5%	14.2%	4.9%

Annual performance

	2018	2019	2020	2021	2022	YTD
Share	-1.3%	22.6%	19.7%	13.0%	-19.6%	4.1%
NAV	-11.1%	28.1%	24.8%	-7.8%	-6.7%	1.1%
BM	-4.3%	27.6%	16.1%	7.4%	-4.5%	2.0%

Rolling 12-month-performance



Source: BB Biotech AG, 31.01.2023; all figures in EUR %, total return-methodology
Past performance is not a reliable indicator of future results and can be misleading. Changes in the rate of exchange may have an adverse effect on prices and incomes. All performance figures reflect the reinvestment of dividends and do not take into account the commissions and costs incurred on the issue and redemption of shares, if any. The reference benchmark is used for performance comparison purposes only (dividend reinvested). No benchmark is directly identical to the investment company, thus the performance of a benchmark is not a reliable indicator of future performance of BB Biotech it is compared to. There can be no assurance that a return will be achieved or that a substantial loss of capital will not be incurred.

Top 10 positions

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%
Total top 10 positions		74.3%
Total positions		31

Sector breakdown

Small Molecule		53.6%
RNA		26.6%
Antibody		15.9%
Gene- and cell therapy		3.9%

Currency breakdown

USD		100.0%
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Market commentary

January was an overall positive month for the biotech sector. The Nasdaq Biotech Index was up by 3.5% (in USD) in January, while BB Biotech's share price was positive by 5.8% (in CHF) and Net Asset Value was positive by 2.5% (in USD) during the same period.

The investment management team was on site at the annual JP Morgan Healthcare Conference in San Francisco in early January. This was a good opportunity to meet with the management teams of most of the portfolio companies as well as new potential investment candidates.

On January 20, BB Biotech published consolidated figures (unaudited) for the financial year 2022 as well as a portfolio update, BB Biotech AG reported a loss of approximately CHF 358 mn for the financial year 2022 which reflects the share price development of the companies held in the portfolio. During the fourth quarter, the investment team made no new investments, but added to existing portfolio positions.

It was also announced that the Board of Directors will propose a regular dividend of CHF 2.85 per share at the annual general meeting on March 23 corresponding to 5% of the average share price of December 2022, consistent with the dividend policy introduced in 2013.

The complete annual report will be published on February 17, 2023.

We have highlighted some of the latest news from our portfolio companies below.

Fate Therapeutics (-40.9%, in USD) announced on January 5 that it has declined a proposal from Janssen for continuation of the collaboration and option agreement between the parties on revised terms and conditions and, as a result, the agreement has been terminated and all collaboration activities will be wound down in the first quarter of 2023. In addition, the Company has completed a strategic review of its natural killer (NK) cell product pipeline and has elected to focus on advancing its most innovative and differentiated programs, which have a multiplexed-engineered cellular framework of novel synthetic controls designed to promote multi-antigen targeting, increase potency, extend functional persistence, and enable patient dosing with reduced conditioning chemotherapy.

Moderna (-2.0%, in USD) announced on January 17 positive topline data from its ConquerRSV Phase III pivotal efficacy trial of mRNA-1345, an investigational mRNA vaccine targeting respiratory syncytial virus (RSV) in older adults. Following review by an independent Data and Safety Monitoring Board (DSMB), the primary efficacy endpoints have been met. Based on these results, Moderna intends to submit for regulatory approval in the first half of 2023.

Outlook

We believe that 2023 will include multiple catalysts for the sector and for BB Biotech's portfolio companies, including product launches, important clinical trial results, licensing deals and M&A activity. We are still seeing attractive valuation levels and are looking forward to an interesting year with several key milestone events including new drug approvals from our portfolio.

Source: BB Biotech AG, 31.12.2022;

For illustrative purposes only. Holdings and allocations are subject to change. Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or securities. Where the Sub-Fund is denominated in a currency other than an investor's base currency, changes in the rate of exchange may have an adverse effect on price and income.

Risk and return profile

The investment company's objective is to generate attractive and competitive capital growth in the long term. It is therefore particularly suited to investors with an investment horizon of at least 5 years who want to selectively diversify their portfolio with investments in the biotechnology sector and who are willing to accept the equity risks typical of this sector.

Target market

The investment company is suitable for retail and professional investors in Switzerland as well as for professional and semi-professional investors in Germany and professional investors in the UK.

Board of Directors

- Dr. Erich Hunziker (Chairman)
- Dr. Clive Meanwell
- Dr. Pearl Huang
- Laura Hamill
- Prof. Dr. Mads Krosggaard Thomsen
- Dr. Thomas von Planta

Chances

- Unique opportunity for European investors to access the global biotech sector, a non-cyclical growth industry that is strongly supported by increasing demand, driven by demographic trends and life style changes.
- New innovative drugs and technologies are powering sustainable momentum in the biotech sector.
- Focus on a diversified portfolio of profitable companies as well as small and midcap companies with strong pipelines.
- Management Team with strong scientific and medical expertise. Renowned Board of Directors.
- Attractive dividend policy; Dividend payment of 5% p.a.

Inherent risks

- BB Biotech invests in equities. Equities are subject to strong price fluctuations and so are also exposed to the risk of price losses.
- Biotech equities can be subject to sudden substantial price movements owing to market, sector or company factors.
- BB Biotech invests in foreign currencies, which means a corresponding degree of currency risk against the reference currency.
- The price investors pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company.
- BB Biotech may take a leverage of up to 15%, which may lead to even higher price movements compared to the underlying market.

Sustainability Profile – ESG

Exclusions:	<input checked="" type="checkbox"/> Compliance UNGC, HR, ILO	<input checked="" type="checkbox"/> Controversial weapons
	<input checked="" type="checkbox"/> Norms-based exclusions	
ESG Risk Analysis:	<input checked="" type="checkbox"/> ESG Integration	<input type="checkbox"/> Best-in-Class
Stewardship:	<input checked="" type="checkbox"/> Engagement	<input checked="" type="checkbox"/> Proxy Voting

CO2 intensity (T CO2/mn USD sales):	28.3 t (low)	MSCI ESG coverage: 99%
MSCI ESG Rating (AAA - CCC):	BB	MSCI ESG coverage: 97%
EU SFDR 2019/2088 product category:	Article 8	

Based on portfolio data as per 30.12.2022 (quarterly updates) – ESG data base on MSCI ESG Research and are for information purposes only; compliance with global norms according to the principles of UN Global Compact (UNGC), UN Guiding Principles for Business and Human Rights (HR) and standards of International Labor Organisation (ILO); no involvement in controversial weapons; norms-based exclusions based on annual revenue thresholds; ESG Integration: Sustainability risks are considered while performing stock research and portfolio construction; Best-in-class: systematic exclusion of "ESG laggards"; MSCI ESG Rating ranges from "leaders" (AAA-AA), "average" (A, BBB, BB) to "laggards" (B, CCC). Note: in certain cases the ESG rating methodology may lead to a systematic discrimination of companies or industries, the manager may have good reasons to invest in supposed "laggards". The CO2 intensity expresses MSCI ESG Research's estimate of GHG emissions measured in tons of CO2 per USD 1 million sales; for further information c.f. www.bellevue.ch/sustainability-at-portfolio-level

Investor Relations



Dr. Silvia Siegfried-Schanz
Investor Relations
+41 44 267 72 66
ssc@bellevue.ch



Claude Mikkelsen
Investor Relations
+44 755 704 85 77
cmi@bellevue.ch



Maria-Grazia Alderuccio
Investor Relations
+41 44 267 67 14
mga@bellevue.ch

Investment Management Team



Dr. Daniel Koller
Head Investment Management Team



Dallas Webb
Investment Management Team



Dr. Christian Koch
Investment Management Team



Dr. Leonidas Georgiou
Investment Management Team



Dr. Maurizio Bernasconi
Investment Management Team



Dr. Stephen Taubenfeld
Investment Management Team



Dr. Samuel Crosset
Investment Management Team



Felicia Flanigan
Investment Management Team



Dr. Olivia Woolley
Investment Management Team



Dr. Can Bulduin
Investment Management Team

Bellevue Asset Management AG is responsible for portfolio management, finance, marketing, sales and administration of BB Biotech AG.



Important information

This marketing document relates to BB Biotech AG (hereinafter the "Company"). As defined under Swiss law, the Company is structured as an holding company with fixed capital (SICAF, cf. Art. 110 ff. of the Swiss Collective Investment Schemes Act, "CISA"), but it is not subject to the CISA due to its listing on the SIX Swiss Exchange, the German Stock Exchange and the Italian Stock Exchange (Art. 2 para. 3 and Art. 110 para. 1c CISA); instead the Company is subject to the supervision of the respective stock exchange authorities. This marketing document is issued by Bellevue Asset Management AG, which is an authorized asset manager subject to the supervision of the Swiss Financial Market Supervisory Authority (FINMA) and which acts as the Investment Manager of the Company.

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The prospectus, statutes, the annual and half-yearly reports, share price information and other data about the Company can be obtained free of charge in English and German from the Company, BB Biotech AG, Schwertstrasse 6, CH-8200 Schaffhausen, from the Investment Manager of the Company, Bellevue Asset Management AG, Seestrasse 16, CH-8700 Küsnacht, or online at www.bbbiotech.ch.

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