

As at 10/31/2018	Share price	1 month (October)	YTD	NAV
Switzerland: BION SW	CHF 63.30	-12.0%	+2.9%	CHF 56.20
Germany: BBZA GY	EUR 55.85	-11.1%	+5.3%	EUR 49.25
Italy: BB IM	EUR 55.40	-12.1%	+5.3%	EUR 49.25

MARKET REVIEW

The Nasdaq Biotech Index (NBI) ended the month of October down 14.6% in USD. BB Biotech's NAV was down 14.6% in USD, -11.7% in CHF and -11.8% in EUR. BB Biotech's share price was down 14.8% in USD, -12.0% in CHF and -11.0% in EUR.

The month of October was a difficult one for the entire biotechnology sector. Besides the obvious broader market weakness, trade-wars and rising interest rates issues, there were additional factors that contributed to the selloff in biotech stocks: Following a significant mid-cap rally, these stocks were susceptible for broad profit taking. Furthermore, there have been no major M&A transactions since the beginning of the year and a general risk-off attitude was observed. President Trump's speech on reduction of prescription drug prices further increased volatility.

Incyte (-5.8%, in USD) published positive data of pemigatinib, Incyte's FGFR inhibitor, at this year's ESMO (European Society for Medical Oncology) conference. While the data was in second-line cholangiocarcinoma, the key focus for this asset is the larger bladder-cancer opportunity.

Celgene (-20.3%, in USD) reported Q3 earnings that were in-line with our expectations. The yearly guidance was increased a bit for both total revenues and Otezla, partially due to ex-US sales and inventory buildup. The company emphasized the late stage pipeline with five new product launches expected by 2020 to offset Revlimid's inevitable decline.

Akcea (-33.7%, in USD) and Ionis (-1.0% in USD) received US approval of Tegsedi for the treatment of polyneuropathy of hereditary transthyretin-mediated amyloidosis, a rare genetic disease. Tegsedi belongs to a class of drugs that uses the Nobel-prize winning RNA-interference mechanism.

Tesaro (-25.6%, in USD) shares suffered due to competitive newsflow. At ESMO, data of Astra Zeneca's PARP inhibitor Lynparza was published that provided a sound basis for use in first-line ovarian cancer maintenance.

OUTLOOK

In November, the entire BB Biotech team and Board of Directors will meet at their annual strategy meeting in San Francisco and San Diego. Besides meetings with both existing and potential portfolio companies mainly located on the US West Coast, the team will take the opportunity to discuss its strategy going forward.

SHARE PRICE TREND SINCE FOUNDATION (IN CHF)



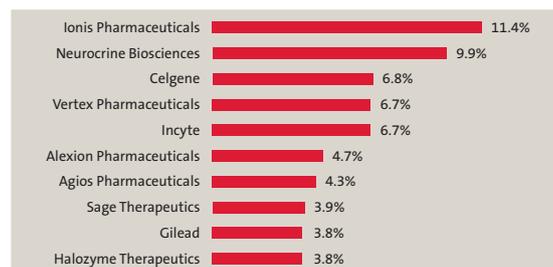
■ BB Biotech Share price ■ BB Biotech Net Asset Value
■ Nasdaq Biotech Index

Source: Bloomberg, 10/31/2018

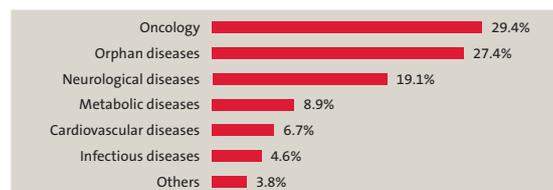
PERFORMANCE AS OF OCTOBER 31, 2018 (adjusted for dividends)

	Currency	1 month	YTD	3 years	11/15/93
BION SW	CHF	-12.0%	+2.9%	+32.6%	+2179%
BBZA GY	EUR	-11.1%	+5.3%	+26.9%	n.a.
BB IM	EUR	-12.1%	+5.3%	+25.7%	n.a.

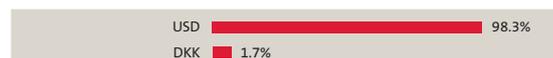
TOP 10 POSITIONS AS AT SEPTEMBER 30, 2018



BREAKDOWN BY SECTOR AS AT SEPTEMBER 30, 2018



BREAKDOWN BY CURRENCY AS AT SEPTEMBER 30, 2018



Weight in % of securities

INVESTMENT FOCUS

BB Biotech aims to achieve an average annual double-digit return over the long term, thus outperforming the broad market indices by a significant margin.

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. Positions in emerging-market biotech companies will be taken on a selective basis.

The target portfolio of BB Biotech will generally consist of 20 to 35 participations. 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.

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 Group, with access to a network of physicians and specialists for the sectors in question. In doing so, a detailed financial model is created for each holding, which guarantees a compelling illustration of the potential for doubling asset values in a period of four years. This potential is based on the power for innovation, new products for serious or significant illnesses and outstanding management.

INVESTMENT SUITABILITY

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.

LISTING

Stock exchange	Segment	Ticker	Market capitalization
Swiss	SIX Swiss Exchange	BION SW	CHF 3'507 mn
German	Prime Standard Segment, TecDax	BBZA GY	EUR 3'074 mn
Italian	Star Segment	BB IM	EUR 3'074 mn

DISCLAIMER

This material is not intended as an offer or solicitation for the purchase or sale of shares of BB Biotech. Opinions and estimates constitute the judgement of Bellevue Asset Management and BB Biotech and are subject to change without notice. Past performance is not indicative of future results. This material may not be distributed within the United States or any other country where it may violate applicable law. Information herein is believed to be reliable, but Bellevue Asset Management and BB Biotech do not guarantee its completeness or accuracy.

FIVE GOOD REASONS

- Strong growth driven by innovative, high-margin new therapies
- Attractive valuations for fast-growing companies
- Long-term track record of 25 years with above average performance
- Long-term outperformance to industry benchmarks
- Experienced management with strong Board of Directors

MANAGEMENT TEAM



Dr. Daniel Koller



Dallas Webb



Felicia Flanigan



Dr. Stephen Taubenfeld



Dr. Christian Koch



Dr. Maurizio Bernasconi

GENERAL INFORMATION

Board of Directors	Dr. Erich Hunziker (Chairman) Dr. Clive A. Meanwell Prof. Dr. Dr. Klaus Strein
Portfolio management	Jan Bootsma Nathalie Isidora-Kwidama Hugo van Neutegem
Legal structure	Incorporated company
Foundation	November 9, 1993
Share type	Registered shares
Share structure	55.4 mn registered shares
ISIN	CH0038389992
Security number (CH)	3838999
Security number (G/I)	AoNFN3
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