

Consolidated balance sheet

in CHF 1 000	Notes	31.03.2024	31.12.2023
Current assets			
Cash and cash equivalents		405	501
Receivables from brokers		5 310	1 829
Securities	3	2 822 175	2 634 714
Other assets		122	110
		2 828 012	2 637 154
Total assets		2 828 012	2 637 154
Current liabilities			
Short-term borrowings from banks	4	344 700	304 900
Payables to brokers		5 618	5 436
Other short-term liabilities		3 579	3 491
Tax liabilities		96	110
		353 993	313 937
Total liabilities		353 993	313 937
Shareholders' equity			
Share capital	5	11 080	11 080
Treasury shares	5	(36 508)	(36 508)
Retained earnings		2 499 447	2 348 645
		2 474 019	2 323 217
Total liabilities and shareholders' equity		2 828 012	2 637 154
Net asset value per share in CHF		45.10	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 April 23, 2024.

Consolidated statement of comprehensive income

in CHF 1 000	Notes	01.01.–31.03.2024	01.01.–31.03.2023
Operating income			
Gains from securities	3	270 709	–
Foreign exchange gains		–	644
Other income		5	5
		270 714	649
Operating expenses			
Losses from securities	3	–	(243 214)
Finance expenses		(1 435)	(1 108)
Foreign exchange losses		(16)	–
Administrative expenses	6	(7 525)	(8 943)
Other expenses		(1 225)	(1 223)
		(10 201)	(254 488)
Profit/(loss) before tax	7	260 513	(253 839)
Income taxes		(19)	(16)
Profit/(loss) for the period		260 494	(253 855)
Total comprehensive profit/(loss) for the period		260 494	(253 855)
Earnings per share in CHF	8	4.75	(4.63)
Diluted earnings per share in CHF	8	4.75	(4.63)

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	–	–	(253 855)	(253 855)
Balances at March 31, 2023	11 080	(36 508)	2 301 397	2 275 969
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	–	–	260 494	260 494
Balances at March 31, 2024	11 080	(36 508)	2 499 447	2 474 019

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

Consolidated statement of cash flow

in CHF 1 000	Notes	01.01.–31.03.2024	01.01.–31.03.2023
Cash flows from operating activities			
Proceeds from sales of securities	3	161 515	226 681
Purchase of securities	3	(81 566)	(12 907)
Payments for services		(8 667)	(10 656)
Income taxes paid		(35)	(32)
Total cash flows from operating activities		71 247	203 086
Cash flows from financing activities			
Dividend		(109 692)	(156 311)
Proceeds from borrowings	4	39 800	–
Repayment of borrowings	4	–	(47 500)
Interest payments		(1 435)	(1 108)
Total cash flows from financing activities		(71 327)	(204 919)
Foreign exchange difference		(16)	644
Change in cash and cash equivalents		(96)	(1 189)
Cash and cash equivalents at the beginning of the period		501	1 948
Cash and cash equivalents at the end of the period		405	759

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	31.03.2024	31.12.2023
USD	0.90140	0.84140
ANG	0.50640	0.47270
EUR	0.97307	0.92887
GBP	1.13740	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):

31.03.2024	Level 1	Level 2	Level 3	Total
Assets				
Securities				
- Shares	2 806 400	–	15 775	2 822 175
- Derivative instruments	–	–	–	–
Total assets	2 806 400	–	15 775	2 822 175
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.–31.03.2024	01.01.–31.03.2023
Opening balance	14 725	16 179
Unrealized gains/(losses) included in gains/losses from securities	1 050	(161)
Closing balance	15 775	16 019
Gains/(losses) on level 3 instruments included in gains/losses from securities	1 050	(161)

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

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 March 31, 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 March 31, 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	81 748	–	–	81 748
Sales	(164 996)	–	–	(164 996)
Gains/(losses) from securities	269 658	1 050	–	270 709
<i>Realized gains</i>	16 103	–	–	16 103
<i>Realized losses</i>	–	–	–	–
<i>Unrealized gains</i>	328 988	1 050	–	330 038
<i>Unrealized losses</i>	(75 433)	–	–	(75 433)
Closing balance as at 31.03.2024 at fair values	2 806 400	15 775	–	2 822 175

Securities comprise the following:

Company	Number 31.12.2023	Change	Number 31.03.2024	Market price in original currency 31.03.2024	Valuation CHF mn 31.03.2024	Valuation CHF mn 31.12.2023	
Ionis Pharmaceuticals	8 590 000	(330 000)	8 260 000	USD	43.35	322.8	365.6
Argenx SE	825 000	(55 000)	770 000	USD	393.72	273.3	264.1
Neurocrine Biosciences	2 410 000	(370 000)	2 040 000	USD	137.92	253.6	267.2
Vertex Pharmaceuticals	640 000	(60 000)	580 000	USD	418.01	218.5	219.1
Intra-Cellular Therapies	3 040 000	(240 000)	2 800 000	USD	69.20	174.7	183.2
Moderna	1 891 075	(191 075)	1 700 000	USD	106.56	163.3	158.2
Revolution Medicines	5 046 700	–	5 046 700	USD	32.23	146.6	121.8
Macrogenics	9 929 963	–	9 929 963	USD	14.72	131.8	80.4
Alnylam Pharmaceuticals	859 700	50 000	909 700	USD	149.45	122.5	138.5
Incyte	2 150 000	–	2 150 000	USD	56.97	110.4	113.6
Celldex Therapeutics	2 416 296	380 319	2 796 615	USD	41.97	105.8	80.6
Agios Pharmaceuticals	4 000 000	–	4 000 000	USD	29.24	105.4	75.0
Arvinas	2 494 531	(114 531)	2 380 000	USD	41.28	88.6	86.4
Sage Therapeutics	3 505 000	955 693	4 460 693	USD	18.74	75.4	63.9
Essa Pharma	7 879 583	–	7 879 583	USD	8.49	60.3	43.8
Biohaven	1 075 000	75 000	1 150 000	USD	54.69	56.7	38.7
Immunocore	965 654	–	965 654	USD	65.00	56.6	55.5
Relay Therapeutics	5 925 000	–	5 925 000	USD	8.30	44.3	54.9
Exelixis	2 000 000	(100 000)	1 900 000	USD	23.73	40.6	40.4
Black Diamond Therapeutics	8 517 839	–	8 517 839	USD	5.07	38.9	20.1
Crispr Therapeutics	880 000	(270 000)	610 000	USD	68.16	37.5	46.4
Beam Therapeutics	693 121	500 000	1 193 121	USD	33.04	35.5	15.9
Scholar Rock Holding	2 132 725	–	2 132 725	USD	17.76	34.1	33.7
Fate Therapeutics	4 839 779	–	4 839 779	USD	7.34	32.0	15.2
Esperion Therapeutics	4 194 064	5 750 000	9 944 064	USD	2.68	24.0	10.6
Wave Life Sciences	4 494 458	(400 000)	4 094 458	USD	6.17	22.8	19.1
Generation Bio Co.	3 608 280	253 295	3 861 575	USD	4.07	14.2	5.0
Annexon	–	2 182 290	2 182 290	USD	7.17	14.1	–
Molecular Templates	1 029 820	–	1 029 820	USD	2.24	2.1	3.2
Listed shares						2 806.4	2 620.0
Rivus Pharmaceuticals				USD		15.8	14.7
Unlisted shares						15.8	14.7
Total shares						2 822.2	2 634.7
Radius Health – Contingent Value Right	8 733 538	–	8 733 538	USD	0.00	–	–
Total derivative instruments						–	–
Total securities						2 822.2	2 634.7

4. Short-term borrowings from banks

At March 31, 2024, a CHF 344.7 mn short-term loan is outstanding with interest payable at 1.90% 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 March 31, 2024, the Company has not bought or sold any treasury shares (01.01.–31.03.2023: no transactions). As at March 31, 2024, the Company holds 554 000 treasury shares (December 31, 2023: 554 000 shares). The treasury shares as at March 31, 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 March 31, 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.–31.03.2024	01.01.–31.03.2023
Investment manager		
– Management fees	6 996	8 421
Personnel		
– Board of Directors remuneration	420	420
– Wages and salaries	70	64
– Social insurance contributions and duties	39	38
	7 525	8 943

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.–31.03.2024	01.01.–31.03.2023
USA	196 780	(231 814)
Netherlands	27 903	(8 383)
Canada	16 544	3 063
British Virgin Islands	15 237	–
Singapore	6 108	(11 273)
Switzerland	5 755	2 702
Great Britain	1 069	1 818
Curaçao	(8 884)	(9 952)
	260 513	(253 839)

8. Earnings per share

	01.01.–31.03.2024	01.01.–31.03.2023
Total comprehensive profit/(loss) for the period (in CHF 1 000)	260 494	(253 855)
Weighted average number of shares in issue	54 846 000	54 846 000
Earnings per share in CHF	4.75	(4.63)
Income used to determine diluted earnings per share (in CHF 1 000)	260 494	(253 855)
Weighted average number of shares in issue following the dilution	54 846 000	54 846 000
Diluted earnings per share in CHF	4.75	(4.63)

9. Assets pledged

At March 31, 2024, securities in the amount of CHF 2 822.2 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 March 31, 2024, a CHF 344.7 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

As of March 28, 2024, the Company has entered into an agreement, which intends the purchase of securities in Molecular Templates amounting to USD 1 mn. The purchase transaction closed on April 2, 2024, upon the execution of the capital increase of Molecular Templates.

The Group had no further commitments or other off-balance sheet transactions open at March 31, 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 March 31, 2024, no proceedings existed which could have any material effect on the financial position of the Group (December 31, 2023: none).

12. Significant shareholders

The Board of Directors is not aware of any major shareholder with a holding exceeding 3% of all votes as at March 31, 2024 and December 31, 2023.

13. Subsequent events

There have been no events subsequent to March 31, 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 flow and selected explanatory notes) of BB Biotech AG for the period ended 31 March 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 April 2024

Deloitte AG, Pfingstweidstrasse 11, CH-8005 Zurich
Phone: +41 (0)58 279 60 00, Fax: +41 (0)58 279 66 00, www.deloitte.ch