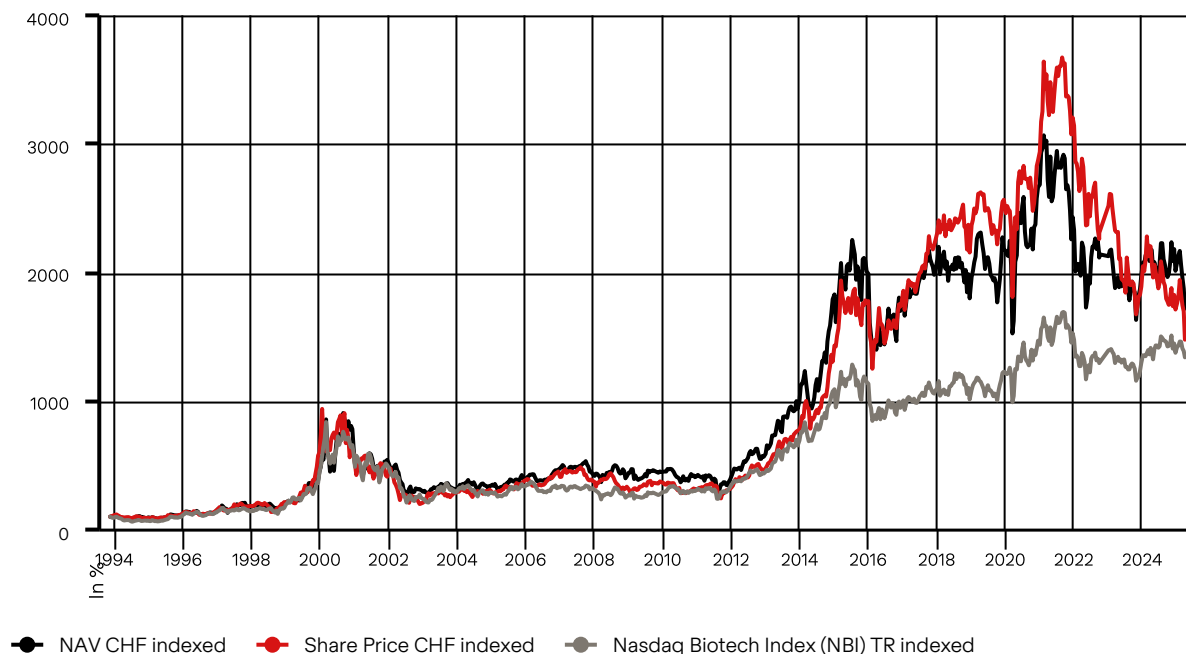


# Performance/Multi-year comparison

## Indexed performance since launch

### BB Biotech AG (SIX)-CHF



### Rolling performance

	SHARE	NAV	NBI TR
31.03.2024 – 31.03.2025	(29.1%)	(17.4%)	(5.2%)
31.03.2023 – 31.03.2024	(4.8%)	13.5%	6.8%
31.03.2022 – 31.03.2023	(18.4%)	(11.2%)	(1.1%)
31.03.2021 – 31.03.2022	(16.7%)	(23.6%)	(13.0%)
31.03.2020 – 31.03.2021	63.3%	67.9%	36.7%

### Annual performance

	SHARE	NAV	NBI TR
2024	(13.5%)	3.0%	7.6%
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%

### Cumulated performance

31.03.2025

	SHARE	NAV	NBI TR
YTD	(8.8%)	(10.8%)	(3.9%)
1 year	(29.1%)	(17.4%)	(5.2%)
3 years	(44.9%)	(16.8%)	0.2%
5 years	(25.1%)	6.8%	19.0%
10 years	(14.5%)	(5.9%)	14.1%
since inception <sup>1)</sup>	1 462%	1 700%	1 240%

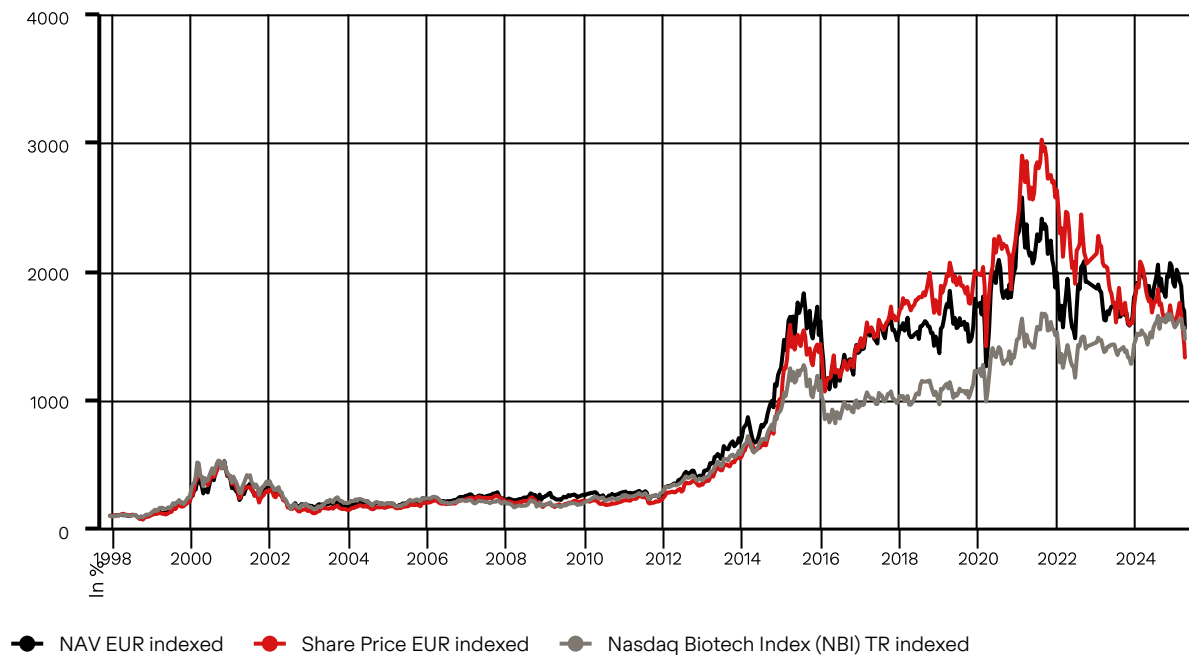
<sup>1)</sup> 09.11.1993

### Annualized performance

31.03.2025

	SHARE	NAV	NBI TR
1 year	(29.1%)	(17.4%)	(5.2%)
3 years	(18.0%)	(5.9%)	0.1%
5 years	(5.6%)	1.3%	3.5%
10 years	(1.6%)	(0.6%)	1.3%
since inception <sup>1)</sup>	9.1%	9.6%	8.6%

<sup>1)</sup> 09.11.1993

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

	SHARE	NAV	NBI TR
31.03.2024 – 31.03.2025	(28.4%)	(16.1%)	(3.5%)
31.03.2023 – 31.03.2024	(2.1%)	15.8%	9.0%
31.03.2022 – 31.03.2023	(17.4%)	(8.6%)	1.8%
31.03.2021 – 31.03.2022	(9.4%)	(17.2%)	(5.8%)
31.03.2020 – 31.03.2021	58.5%	60.7%	30.8%

**Annual performance**

	SHARE	NAV	NBI TR
2024	(14.1%)	1.7%	6.3%
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%

**Cumulated performance**

31.03.2025

	SHARE	NAV	NBI TR
YTD	(10.3%)	(12.3%)	(5.5%)
1 year	(28.4%)	(16.1%)	(3.5%)
3 years	(42.1%)	(11.2%)	7.0%
5 years	(16.8%)	18.2%	31.9%
10 years	(7.0%)	2.7%	24.6%
since inception <sup>1)</sup>	1 306%	1 533%	1 373%

<sup>1</sup> 10.12.1997**Annualized performance**

31.03.2025

	SHARE	NAV	NBI TR
1 year	(28.4%)	(16.1%)	(3.5%)
3 years	(16.6%)	(3.9%)	2.3%
5 years	(3.6%)	3.4%	5.7%
10 years	(0.7%)	0.3%	2.2%
since inception <sup>1)</sup>	10.2%	10.8%	10.3%

<sup>1</sup> 10.12.1997

## Multi-year comparison

	<b>31.03.2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Market capitalization at the end of the period (in CHF mn)	1 692.5	1 961.2	2 368.4	3 058.1	4 274.1
Net Asset Value at the end of the period (in CHF mn)	1 944.5	2 286.3	2 323.2	2 686.1	3 283.5
Number of shares (in mn)	55.4	55.4	55.4	55.4	55.4
Trading volume (in CHF mn)	280.7	974.0	906.3	1 482.0	2 101.0
Profit/(loss) (in CHF mn)	(240.9)	75.9	(206.6)	(357.8)	(404.8)
Closing price at the end of the period in CHF	30.55	35.40	42.75	55.20	77.15
Closing price at the end of the period in EUR	31.80	37.45	45.50	56.70	74.05
Stock performance (incl. distributions) <sup>1)</sup>	(8.8%)	(13.5%)	(18.1%)	(24.3%)	8.3%
High/low share price in CHF	40.65/30.55	49.35/35.30	60.70/35.60	78.15/51.00	92.20/73.40
High/low share price in EUR	43.00/31.80	52.00/37.45	60.50/37.10	75.40/49.60	86.20/67.80
Premium/(discount) (annual average)	(12.4%)	(6.6%)	7.5%	20.5%	19.5%
Dividend in CHF	N.A.	1.80	2.00	2.85	3.85
Degree of investment (quarterly figures)	95.6%	111.3%	113.7%	112.8%	108.6%
Total Expense Ratio (TER) p.a. <sup>2)</sup>	1.34%	1.33%	1.34%	1.27%	1.22%

<sup>1)</sup> All figures in CHF %, total return-methodology

<sup>2)</sup> Based on market capitalization

# Shareholder letter

## Dear Shareholders

Q1 2025 was characterized by elevated volatility across global financial markets, driven by increasing political uncertainty and evolving trade policies. Tariffs reintroduced by the Trump administration weighed on US consumer sentiment and contributed to a rise in inflation expectations, prompting growing concerns about a potential stagflationary environment.

Against this turbulent macroeconomic backdrop, the biotech sector faced a particularly challenging quarter. Healthcare policy uncertainties, coupled with sustained market volatility, continued to weigh heavily on the industry, testing the resilience of both companies and investors alike.

BB Biotech remains focused on its mission: to invest in companies developing breakthrough therapies that can transform patient outcomes. We remain committed to innovation while recognizing that the sector's fragile structural recovery requires heightened awareness of emerging risks.

## Navigating market challenges

The quarter began with on a high note with Johnson & Johnson's announced acquisition of Intra-Cellular Therapies, a core holding in our portfolio. This strongly validated the long-term value embedded in our high-conviction positions. However, following this transaction, M&A activity stalled again, and investor sentiment softened in parallel with the shifting macro and policy dynamics in the US.

The total shareholder return of -8.8% in CHF and -10.3% in EUR, including dividends, mirrors broader market forces, especially in small- and mid-cap biotech. The Net Asset Value (NAV) declined by 10.8% in CHF and 12.3% in EUR.

Performance Q1 2025	Q1 2025		Q1 2024	
	CHF	EUR	CHF	EUR
BB Biotech share price	-8.8%	-10.3%	11.3%	7.6%
BB Biotech NAV	-10.8%	-12.3%	11.2%	6.3%
NBI Index	-3.9%	-5.5%	9.1%	4.1%
<b>Net profit/loss</b>	<b>-241 mn</b>		<b>260 mn</b>	

As of March 31, 2025, BB Biotech's share price was trading at a 14.1% discount to NAV in CHF, which is broadly in line with the level at the end of 2024. This persistent discount continues to reflect the prevailing volatility and subdued investor sentiment across the biotech sector. We report a net loss of CHF 241 mn for the quarter and a payout of nearly CHF 100 mn in dividends in March compared to a net profit of CHF 260 mn in the previous year.

## AGM: all proposals approved

At the Annual General Meeting on March 19, 2025, Dr. Thomas von Planta was re-elected as Chairman of the Board of Directors. Dr. Clive Meanwell, Laura Hamill, Camilla Soenderby, Dr. Pearl Huang and Prof. Dr. Mads Krogsgaard Thomsen were also re-elected as members of the Board.

Shareholders approved all resolutions at the Annual General Meeting including the dividend payout of CHF 1.80 per share as a continuation of BB Biotech's dividend policy implemented in 2013.

## Sharpening strategic focus on transformative innovation

Our strategy focuses on companies pursuing transformative approaches in areas with high unmet medical needs. These include autoimmune therapies, central nervous system disorders, cardiometabolic diseases, oncology, hematology and genetic medicines.

However, we are operating with increased caution. The US regulatory landscape has become more unpredictable. Recent changes at HHS, FDA, and CDC have raised concerns about continuity in review timelines and science-based decision-making. Proposals such as pharmaceutical tariffs and pricing index mechanisms pose risks to biopharma margins.

In this context, we are intensifying engagement with our portfolio companies to ensure preparedness across financing, manufacturing and supply chains, clinical development plans, regulatory pathways, and commercial execution.

## Addressing structural challenges with pragmatism


We continue to build on three strategic pillars that support our long-term growth ambitions. First, we are further strengthening our experienced investment team, expanding the analyst group that serves as the research and idea engine of our strategy. This enhances our ability to assess both long-term value and near-term positioning, while enabling close collaboration with the management teams of our portfolio companies to ensure preparedness for an evolving US policy and thereby impacted global market environment.

Second, our active portfolio management approach focuses on maintaining a high-conviction portfolio by exiting positions with weakening risk/reward profiles or unsustainable capital requirements. We are prioritizing companies with strong balance sheets and differentiated clinical assets, and we are approaching new investments cautiously – emphasizing near-term catalysts and capital efficiency.


Third, we maintain capital flexibility through disciplined capital allocation, allowing us to respond effectively to valuation dislocations or seize promising opportunities, even in the face of continued market headwinds and ongoing dividend payouts.

## Portfolio actions and investment highlights in Q1 2025

We initiated a new position in Akeru Therapeutics following the company's breakthrough Phase II results in patients with cirrhotic MASH (F4 population). The data demonstrated strong efficacy in a segment with tremendous unmet medical need, and we have confidence in Akeru's differentiated clinical profile. This conviction led us to participate in the company's subsequent capital increase, supporting its progress toward registrational clinical data.

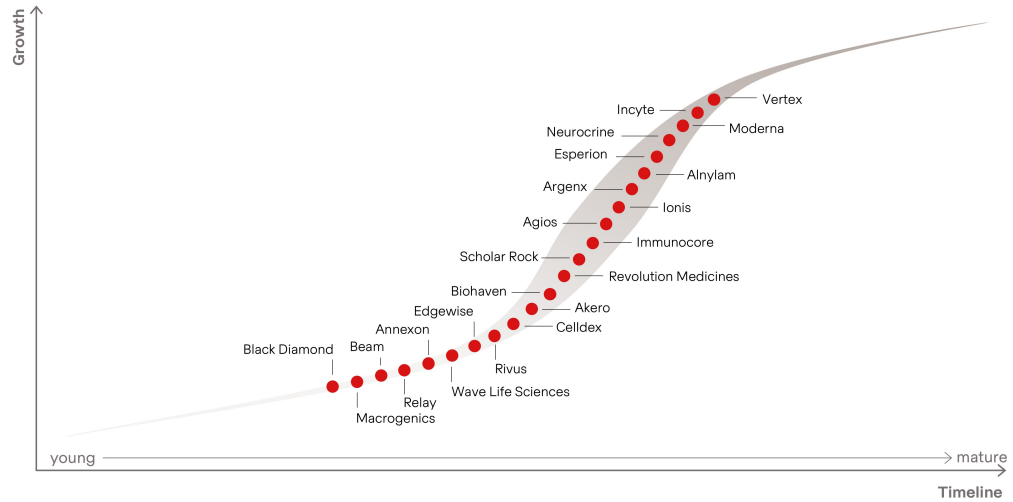


We initiated a new position in Akeru Therapeutics following the company's breakthrough Phase II results in patients with cirrhotic MASH.



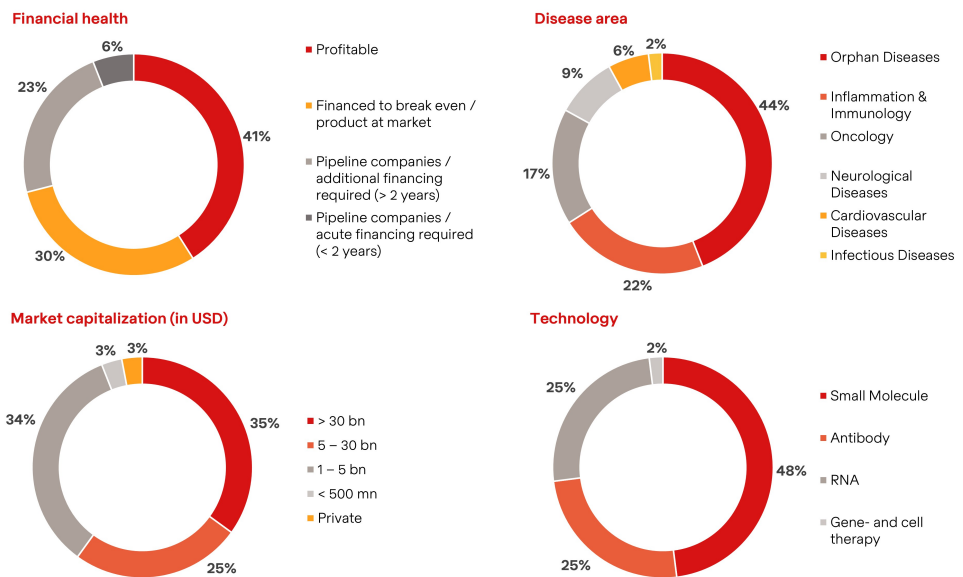
On the exit side, we closed our position in Intra-Cellular Therapies following the approval of its acquisition under the Hart-Scott-Rodino Act. We also fully exited our holding in Fate Therapeutics due to a significant contraction of its development pipeline. Our position in Sage Therapeutics was sold during Biogen’s acquisition bid, and we exited Arvinas following mixed Phase III results that showed benefit only in ESR1-mutant subgroups, limiting the broader commercial potential.

**BB Biotech’s S-curve model**



These adjustments reduced our portfolio positions to 23 – reflecting active management based on more pronounced avoidance of financing and dilution risks while keeping growth and innovation in focus. As a result, our portfolio now has a stronger focus on over USD 1 bn market cap companies, aligning with our conviction in their innovation potential and relative resilience.

**Portfolio breakdown of BB Biotech as of March 31, 2025**



## Q1 portfolio updates – Key approvals, transformative deals, and R&D milestones

In contrast to the generally subdued market sentiment and continued investor caution toward the biotech sector, the first quarter of 2025 was marked by a number of encouraging regulatory approvals, transformative transactions, and clinical progress across key therapeutic areas such as pain, obesity, genetic diseases, and oncology – highlighting the sector's underlying innovation strength.

Companies like Vertex, Intra-Cellular Therapies, and Alnylam were key drivers of this momentum. Vertex received FDA approval for JOURNAVX (suzetrigine), a non-addictive treatment for moderate-to-severe acute pain and also secured a positive CHMP opinion for the label expansion of KAFTRIO in cystic fibrosis. Johnson & Johnson announced the acquisition of Intra-Cellular Therapies for approximately USD 14.6 bn, while Sage Therapeutics received an unsolicited acquisition proposal from Biogen. We used the liquidity resulting from this offer to exit the position before the board of Sage officially turned it down.

Wave Life Sciences advanced its pipeline by reporting positive clinical proof of concept data in Duchenne muscular dystrophy. Wave plans to expand its DMD franchise by entering the clinic with multiple candidates for adjunct patient populations. Argenx reported USD 2.2 bn in full-year product sales for 2024 and continues to execute across ten Phase III and ten Phase II programs to expand the label and addressable patient population. Alnylam gained FDA approval for Amvuttra in ATTR-cardiomyopathy, which will tremendously expand the label and the peak sales potential of the product.

However, not all developments were positive – Arvinas reported disappointing Phase III results in breast cancer. We used the liquidity on the day of the event to exit the position in full, as our thesis was based on a broad patient population. Incyte's STOP-HS trial in hidradenitis suppurativa failed to meet expectations due to higher than anticipated placebo responses. Looking ahead, we anticipate numerous further milestones from our portfolio companies throughout the remainder of the year. More details can be found in the shareholder letter included in our [Annual Report 2024](#).

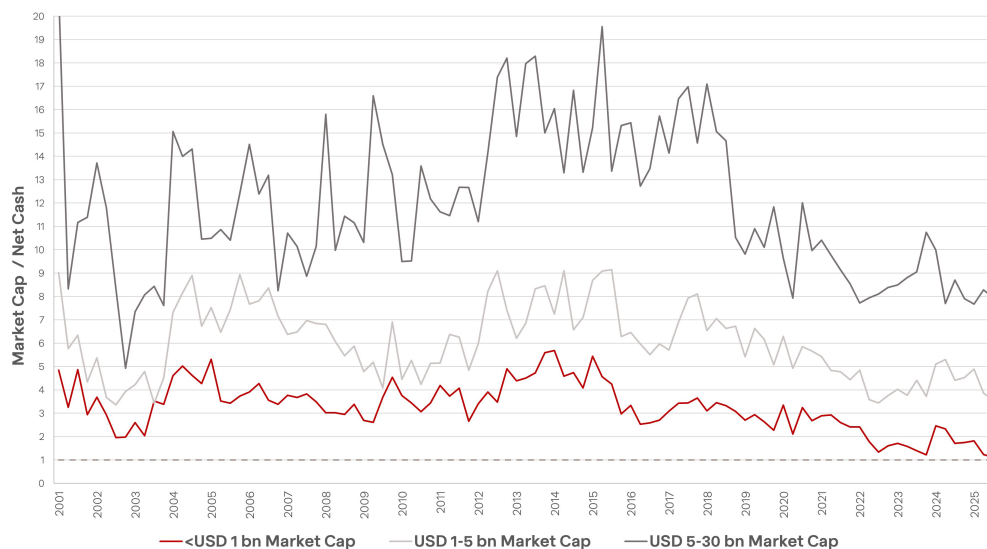
### Looking ahead

As we enter the second quarter of 2025, our stance remains cautious and grounded, yet focused on constructive opportunities. Shifts in trade policy, regulatory direction, and capital allocation are reshaping the opportunity set for long-term biotech investors. While policy unpredictability and tight capital markets continue to weigh on sentiment, the latest tariff escalation under the Trump administration has had minimal fundamental impact on our portfolio companies. Most of our holdings either manufacture locally for the US market or focus on rare diseases – segments characterized by high pricing power and low cost of goods sold. This includes small molecules, which represent roughly half our portfolio and have negligible COGS, as well as RNA-focused, biologics-based, and gene editing companies – many of which target rare diseases, retain pricing flexibility, or rely predominantly on domestic production. Pre-commercial companies remain strategically adaptable in managing their supply chains.

While policy unpredictability and tight capital markets continue to weigh on sentiment, the latest tariff escalation under the Trump administration has had minimal fundamental impact on our portfolio companies.



While trade policy may indirectly affect the broader pharmaceutical landscape – through rising supply chain costs or regulatory friction – our portfolio exposure remains limited. At the same time, sector valuations have reached historically depressed levels. Small caps are frequently trading near or below cash, while mid-cap companies are priced at cash multiples last seen in the aftermath of the dot-com bubble. This dislocation presents an opportunity-rich environment, and we intend to deploy our cash reserves selectively, yet actively – building exposure to both new and existing positions at attractive entry points.



Market Cap	Category	# Companies in NBI	% of Companies
>USD 30 bn	Large Cap	7	3%
USD 5-30 bn	Mid Cap	29	11%
USD 1-5 bn	SMid Cap	76	29%
< USD 1 bn	Small Cap	150	57%
	All	262	100%

One potential outcome of the current macro and trade realignment is a structural shift that could benefit the biopharma industry over the mid- to long term. If it leads to increased pharmaceutical spending outside the US – rather than the feared erosion of US pricing – it could trigger a meaningful expansion of global medicines markets. Among developed economies, Japan is structurally better positioned to adapt quickly, with a single payor, unified regulation, and one market. Europe remains more fragmented and inconsistent, yet the recent warning by the European Federation of Pharmaceutical Industries and Associations (EFPIA) to the EU Commission – citing the risk of an industry shift to the US – underscores the pressure: without significantly higher pricing and leaner regulatory processes, investment may increasingly favor the US. Johnson & Johnson, Eli Lilly, and most recently Novartis – with its USD 23 bn commitment to US manufacturing – illustrate this trend and the mounting momentum.

The Trump administration's April 15th Executive Order on drug pricing reflects early signs of this potential shift. It signals a more market-aligned approach to managing drug costs – potentially leveraging tools such as most-favored-nation pricing, drug importation, enhanced support for generics and biosimilars, and tariff incentives to stimulate competition while preserving innovation incentives. By removing the «pill penalty» from the Inflation Reduction Act, it restores parity between small molecules and biologics in Medicare negotiations, rebalancing incentives for oral drug innovation. The order also reinforces the IRA's negotiation framework, calling for clearer guidance and prioritization of high-cost drugs. While this may lead to stricter price caps post-exclusivity, it could also bring greater predictability and offer a more level playing field for long-term innovators versus the lifecycle management strategies typical of larger incumbents. Additional pilot efforts around value-based reimbursement and a reassessment of middlemen across the pharmaceutical value chain may further promote transparency and therapeutic differentiation – though meaningful impact will depend on execution.

On the regulatory front, concerns remain around the FDA's independence from HHS, the growing influence of political factors over evidence-based decision-making, and operational resource constraints amid potential restructurings. Statements by HHS Secretary Kennedy – questioning the safety of vaccines, expressing skepticism about the industry's proximity to regulators, and highlighting perceived financial conflicts tied to user fees – have raised particular concern. While these views have not yet translated into formal policy shifts, they introduce uncertainty around the future direction of regulatory oversight and the agency's scientific posture. Some companies have reported reduced visibility and weaker alignment with the FDA during earlier stages of drug development, though operational continuity in later-stage review has so far been preserved. Key performance indicators – such as adherence to PDUFA timelines – continue to be met. Early reforms under Commissioner Makary, including the shift away from animal testing for monoclonals, suggest a willingness to modernize regulatory frameworks. We are also closely monitoring developments under new CMS leadership, particularly as they relate to Medicare pricing policy and IRA implementation.

In this environment, we continue to prioritize long-term value creation by investing in deeply differentiated products and companies with clear clinical and commercial pathways. We are backing companies with sharpened investment hypotheses, improved risk-adjusted entry points, and greater capital discipline. Structural changes may take time to settle, but we view this period as one of strategic positioning – laying the groundwork for strong shareholder returns as policy, valuation, and innovation cycles reset.

Thank you for your continued trust and partnership.

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 Krogsgaard Thomsen**

Member

# Portfolio at a glance

Securities as at March 31, 2025

Company	Number of securities	Change since 31.12.2024	Local currency	Share price	Market value in CHF mn	In % of securities	In % of shareholders' equity	In % of company
Argenx SE	576 000	(15 000)	USD	591.87	301.5	16.2%	15.5%	0.9%
Ionis Pharmaceuticals	7 850 000	–	USD	30.17	209.4	11.3%	10.8%	4.9%
Alnylam Pharmaceuticals	760 000	–	USD	270.02	181.5	9.8%	9.3%	0.6%
Neurocrine Biosciences	1 820 000	–	USD	110.60	178.0	9.6%	9.2%	1.8%
Vertex Pharmaceuticals	400 000	(75 000)	USD	484.82	171.5	9.2%	8.8%	0.2%
Revolution Medicines	4 374 300	–	USD	35.36	136.8	7.4%	7.0%	2.4%
Incyte	2 087 302	(62 698)	USD	60.55	111.8	6.0%	5.7%	1.1%
Agios Pharmaceuticals	3 515 150	–	USD	29.30	91.1	4.9%	4.7%	6.1%
Scholar Rock Holding	2 486 707	–	USD	32.15	70.7	3.8%	3.6%	2.6%
Celldex Therapeutics	3 071 615	–	USD	18.15	49.3	2.7%	2.5%	4.6%
Rivus Pharmaceuticals <sup>1)</sup>			USD		48.2	2.6%	2.5%	
Akero Therapeutics	1 250 666	1 250 666	USD	40.48	44.8	2.4%	2.3%	1.6%
Biohaven	2 040 853	–	USD	24.04	43.4	2.3%	2.2%	2.0%
Beam Therapeutics	2 395 930	877 809	USD	19.53	41.4	2.2%	2.1%	2.4%
Moderna	1 508 577	(91 423)	USD	28.35	37.8	2.0%	1.9%	0.4%
Immunocore	1 221 794	16 330	USD	29.67	32.1	1.7%	1.7%	2.4%
Wave Life Sciences	4 094 458	–	USD	8.08	29.3	1.6%	1.5%	2.7%
Edgewise Therapeutics	1 428 929	–	USD	22.00	27.8	1.5%	1.4%	1.5%
Relay Therapeutics	7 375 000	–	USD	2.62	17.1	0.9%	0.9%	4.4%
Esperion Therapeutics	9 694 064	(250 000)	USD	1.44	12.3	0.7%	0.6%	4.9%
Macrogenics	9 929 963	–	USD	1.27	11.2	0.6%	0.6%	15.7%
Annexon	5 157 290	–	USD	1.93	8.8	0.5%	0.5%	4.7%
Black Diamond Therapeutics	2 733 547	(5 784 292)	USD	1.55	3.7	0.2%	0.2%	4.8%
Molecular Templates – Warrants, 2.4.29	769 334	–	USD	0.00	0.0	0.0%	0.0%	
<b>Total securities</b>					<b>1 859.3</b>	<b>100.0%</b>	<b>95.6%</b>	
Other assets					89.6		4.6%	
Other payables					(4.4)		(0.2%)	
<b>Net Asset Value</b>					<b>1 944.5</b>		<b>100.0%</b>	

<sup>1)</sup> Unlisted company

Exchange rate as at 31.03.2025: USD/CHF: 0.8843