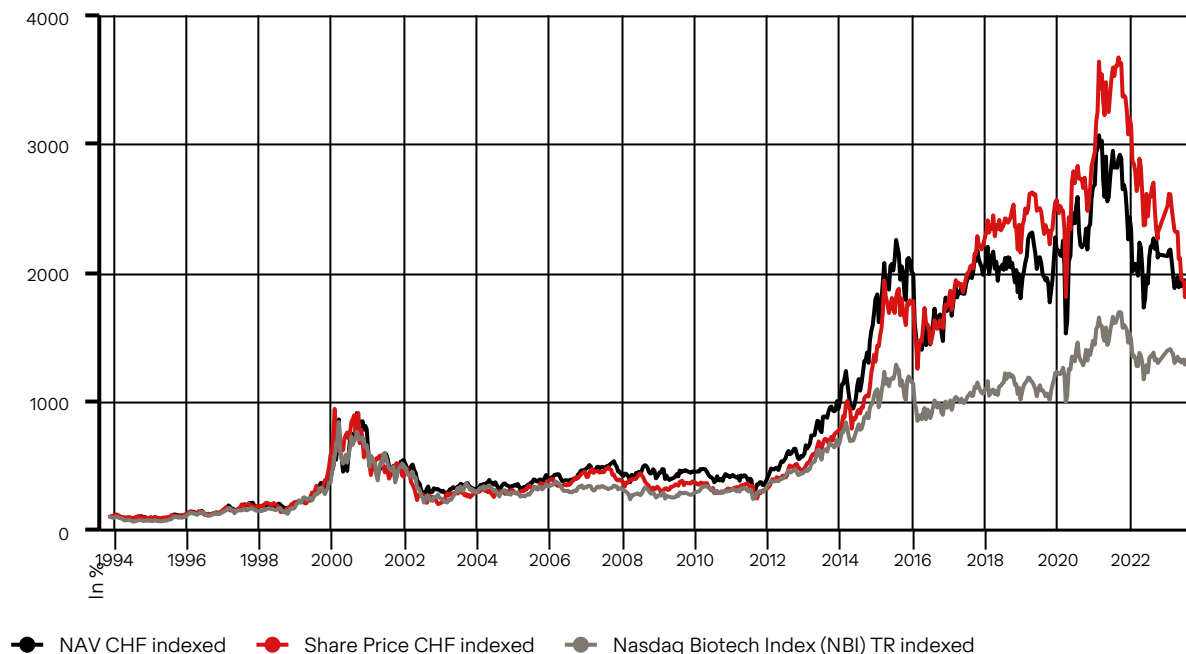


Performance/Multi-year comparison

Indexed performance since launch

BB Biotech AG (SIX)-CHF



Rolling performance

	SHARE	NAV	NBI TR
30.06.2022 – 30.06.2023	(27.1%)	(3.5%)	2.8%
30.06.2021 – 30.06.2022	(31.2%)	(32.4%)	(24.3%)
30.06.2020 – 30.06.2021	30.9%	17.0%	17.8%
28.06.2019 – 30.06.2020	11.7%	20.1%	22.3%
29.06.2018 – 28.06.2019	3.5%	4.1%	(1.7%)

Annual performance

	SHARE	NAV	NBI TR
2022	(24.3%)	(11.0%)	(9.1%)
2021	8.3%	(11.5%)	3.0%
2020	19.3%	24.3%	15.8%
2019	18.5%	23.4%	23.0%
2018	(5.2%)	(14.5%)	(8.0%)

Cumulated performance

30.06.2023

	SHARE	NAV	NBI TR
YTD	(25.2%)	(9.8%)	(5.7%)
1 year	(27.1%)	(3.5%)	2.8%
3 years	(34.3%)	(23.6%)	(8.4%)
5 years	(24.0%)	(4.5%)	10.1%
10 years	182%	140%	124%
since inception ¹⁾	1 708%	1 809%	1 183%

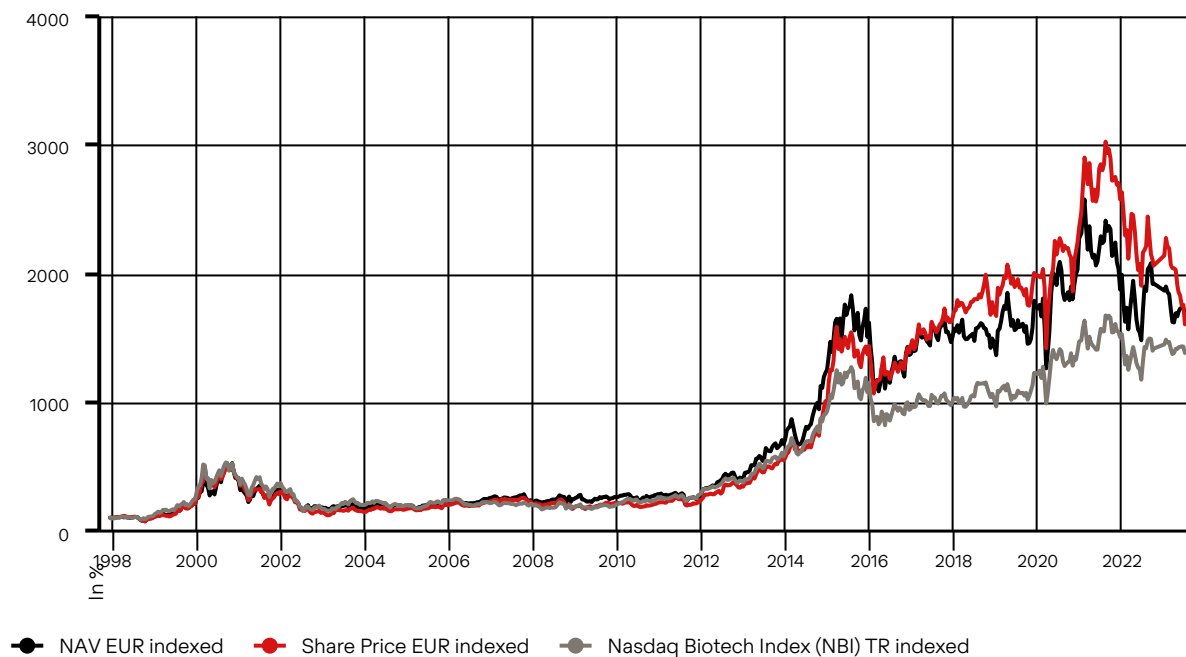
¹ 09.11.1993

Annualized performance

30.06.2023

	SHARE	NAV	NBI TR
1 year	(27.1%)	(3.5%)	2.8%
3 years	(13.1%)	(8.6%)	(2.9%)
5 years	(5.3%)	(0.9%)	1.9%
10 years	10.9%	9.2%	8.4%
since inception ¹⁾	10.3%	10.5%	9.0%

¹ 09.11.1993

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

	SHARE	NAV	NBI TR
30.06.2022 – 30.06.2023	(25.9%)	(1.2%)	5.2%
30.06.2021 – 30.06.2022	(23.9%)	(25.9%)	(17.0%)
30.06.2020 – 30.06.2021	26.5%	13.5%	14.4%
28.06.2019 – 30.06.2020	17.0%	25.3%	27.4%
29.06.2018 – 28.06.2019	8.1%	8.5%	2.6%

Annual performance

	SHARE	NAV	NBI TR
2022	(19.0%)	(6.7%)	(4.5%)
2021	13.3%	(7.8%)	7.4%
2020	18.1%	24.8%	16.1%
2019	23.4%	28.1%	27.6%
2018	(2.2%)	(11.1%)	(4.3%)

Cumulated performance

30.06.2023

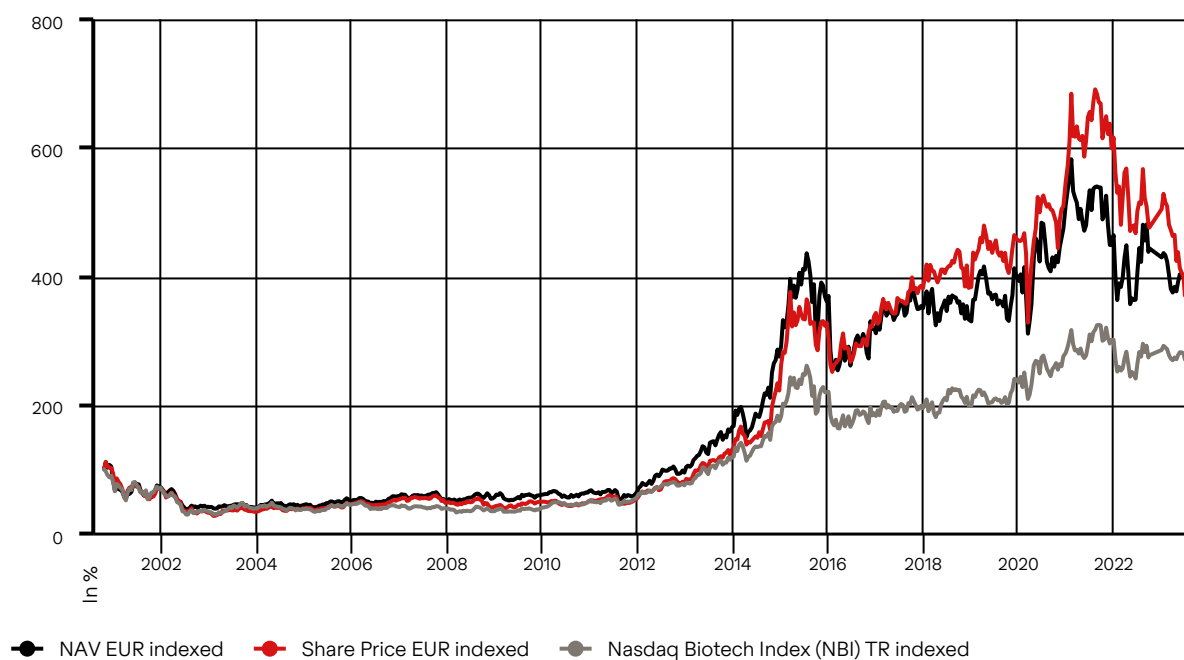
	SHARE	NAV	NBI TR
YTD	(25.5%)	(8.6%)	(4.7%)
1 year	(25.9%)	(1.2%)	5.2%
3 years	(28.6%)	(16.9%)	(0.1%)
5 years	(9.7%)	13.0%	30.6%
10 years	253%	202%	182%
since inception ¹⁾	1 504%	1 595%	1 281%

¹ 10.12.1997**Annualized performance**

30.06.2023

	SHARE	NAV	NBI TR
1 year	(25.9%)	(1.2%)	5.2%
3 years	(10.6%)	(6.0%)	(0.0%)
5 years	(2.0%)	2.5%	5.5%
10 years	13.4%	11.7%	10.9%
since inception ¹⁾	11.5%	11.7%	10.8%

¹ 10.12.1997

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

	SHARE	NAV	NBI TR
30.06.2022 – 30.06.2023	(26.0%)	(1.2%)	5.2%
30.06.2021 – 30.06.2022	(23.7%)	(25.9%)	(17.0%)
30.06.2020 – 30.06.2021	27.4%	13.5%	14.4%
28.06.2019 – 30.06.2020	15.1%	25.3%	27.4%
29.06.2018 – 28.06.2019	8.7%	8.5%	2.6%

Annual performance

	SHARE	NAV	NBI TR
2022	(19.6%)	(6.7%)	(4.5%)
2021	13.0%	(7.8%)	7.4%
2020	19.7%	24.8%	16.1%
2019	22.6%	28.1%	27.6%
2018	(1.3%)	(11.1%)	(4.3%)

Cumulated performance

30.06.2023

	SHARE	NAV	NBI TR
YTD	(25.2%)	(8.6%)	(4.7%)
1 year	(26.0%)	(1.2%)	5.2%
3 years	(28.1%)	(16.9%)	(0.1%)
5 years	(10.0%)	13.0%	30.6%
10 years	252%	202%	182%
since inception ¹⁾	270%	291%	171%

¹ 19.10.2000**Annualized performance**

30.06.2023

	SHARE	NAV	NBI TR
1 year	(26.0%)	(1.2%)	5.2%
3 years	(10.4%)	(6.0%)	(0.0%)
5 years	(2.1%)	2.5%	5.5%
10 years	13.4%	11.7%	10.9%
since inception ¹⁾	5.9%	6.2%	4.5%

¹ 19.10.2000

Multi-year comparison

	30.06.2023	2022	2021	2020	2019
Market capitalization at the end of the period (in CHF mn)	2 163.4	3 058.1	4 274.1	4 107.9	3 670.3
Net Asset Value at the end of the period (in CHF mn)	2 262.5	2 686.1	3 283.5	3 887.5	3 393.0
Number of shares (in mn)	55.4	55.4	55.4	55.4	55.4
Trading volume (in CHF mn)	460.0	1 482.0	2 101.0	2 315.6	2 004.2
Profit/(loss) (in CHF mn)	(267.3)	(357.8)	(404.8)	691.2	677.4
Closing price at the end of the period in CHF	39.05	55.20	77.15	74.15	66.25
Closing price (G) at the end of the period in EUR	40.00	56.70	74.05	68.00	61.40
Closing price (I) at the end of the period in EUR	40.00	56.50	74.40	68.50	61.00
Stock performance (incl. distributions) ¹⁾	(25.2%)	(24.3%)	8.3%	19.3%	18.5%
High/low share price in CHF	60.70/38.95	78.15/51.00	92.20/73.40	74.70/45.44	73.20/59.35
High/low share price in EUR	60.60/39.60	75.40/49.60	86.20/67.80	69.00/43.04	64.70/52.10
Premium/(discount) (annual average)	13.5%	20.5%	19.5%	9.2%	11.8%
Dividend in CHF	N.A.	2.85	3.85	3.60	3.40
Degree of investment (quarterly figures)	113.9%	112.8%	108.6%	106.8%	109.1%
Total Expense Ratio (TER) p.a. ²⁾	1.30%	1.27%	1.22%	1.25%	1.26%

¹⁾ All figures in CHF %, total return-methodology

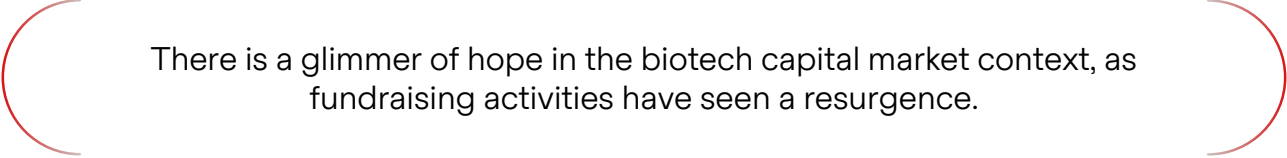
²⁾ Based on market capitalization

Shareholder letter

Dear Shareholders

During the second quarter of 2023, the broader equity markets persistently ascended amidst a climate of uncertainty. Despite looming concerns about potential central bank activities possibly steering the global economy towards a recession, investors remained undeterred. During this quarter, key indices like the Dow Jones, Euro Stoxx 50, Dax Index, and the Swiss Index SPI experienced gains ranging from low to mid-single digit percentages, reflecting their robust performance in local currencies. Furthermore, the valuations of large US tech companies surged, driven by the sustained momentum in the field of artificial intelligence. This trend significantly influenced the S&P 500, which saw an increase of 8.7%, and was even more pronounced in the Nasdaq 100, which rose by a staggering 15.4% during this period. This upward trajectory perpetuated the vigorous growth trends observed in the robust first quarter of the year.

In a departure from the first quarter, healthcare markets paralleled the performance of non-tech equity markets during Q2, with the MSCI World Healthcare Index securing a 2.6% total return. However, year-to-date analysis reveals a clear underperformance by healthcare markets relative to broader equity markets due to the challenging first quarter of 2023. With a total return of only 1.1%, the MSCI World Healthcare Index remained relatively stagnant throughout the first half of the year, a significant deviation from broader equity markets, which experienced high single-digit to mid-teen percentage gains. Meanwhile, the performance of large tech sectors notably boosted the Nasdaq 100 Index, propelling it up 39.4% during the first six months of 2023. This surge brought the index within striking distance of its late 2021 all-time highs. However, the Nasdaq Biotech Index (NBI) presented a rather underwhelming performance in the second quarter, remaining essentially flat (-1.0% in USD) and kept it in negative territory for the first half of 2023, down 2.8% in USD.



There is a glimmer of hope in the biotech capital market context, as fundraising activities have seen a resurgence.

In general, 2023 has brought disappointment for biotech investors, as a significant rotation out of the sector was observed towards the latter half of the second quarter. While this has been challenging, we remain patient, resolute, and more importantly, optimistic due to the industry's solid fundamentals and substance. The sector continues to offer positive developments, such as acquisitions, FDA approvals, and successful trial results, which have often led to significant stock appreciation. However, the sector's sideways performance indicates a balance of companies reporting unsuccessful trials or missed milestones, which resulted in substantial market penalties. Nonetheless, there is a glimmer of hope in the biotech capital market context, as fundraising activities have seen a resurgence. Selected companies have managed to raise considerable funds on the back of positive news, hinting at a potentially brighter future ahead.

BB Biotech's performance for the second quarter and first half of 2023

For the second quarter, BB Biotech's portfolio delivered a small gain of 1.6% in USD, slightly ahead of the Nasdaq Biotech Index. A devaluation of the US Dollar against the Swiss Franc resulted in a small loss of 0.6% in CHF for the second quarter 2023 for the Net Asset Value (NAV), corresponding to a net loss of CHF 13 mn. This compares to a net loss of CHF 233 mn for the same period in 2022. In stark contrast to the portfolio evolution, the share price of BB Biotech corrected by 21.8% in CHF in the second quarter. BB Biotech's shares, having traded for an extended period at a double-digit premium, traded at 5% discount to the NAV per share at the end of the second quarter.

For the first half of 2023, BB Biotech's NAV total return is a negative 9.8% in CHF, 8.6% in EUR and 6.9% in USD, all values including the dividend payment of CHF 2.85 per share, paid out on March 29, 2023. This resulted in a net loss of CHF 267 mn compared to a net loss of CHF 533 mn last year. Recovering some of the underperformance in the second quarter, we are about 4% behind the benchmark NBI since the beginning of 2023. More than half of the underperformance is due to not participating in any of the announced take-over targets in the first half of 2023. The remainder is due to our overweight in mid-cap companies, with some of them not keeping up with the benchmark in the first six months of 2023. The challenge for such mid-cap companies, albeit having established a high value single asset business/franchise are to repeat the initial success, and if taking longer and more resources to mature into multi product companies can result in intermittent underperformance. BB Biotech's share price, impacted substantially by the second quarter sell off, has lost around a quarter of its value since the beginning of 2023 (total return of -22.8% in USD; -25.2% in CHF, all values including the dividend payment).

Second quarter portfolio activity

During a relatively calm three-month period in terms of portfolio activity, the investment management team executed minor reallocations within the portfolio. The generated cash enabled participation in a capital increase and extending of existing positions in open market transactions without further increasing our investment degree. We ended the second quarter with an investment level of 113.7%, close to 114% at the end of the first quarter and 113.6% at the end of 2022.

The investment management team's conviction in the core holdings and the smaller positions, offering substantial upside versus the internal discounted cash flow models, is reflected in the below average turnover in the portfolio during the second quarter.

Minimal profit taking in Vertex, Ionis and Incyte financed additions in select development stage companies. Black Diamond Therapeutics presented early but promising clinical data for BDTX-1535 from a dose escalation trial. We maintained a 15% ownership in the company by participating in the company's capital increase as well as by increasing the position through open market transactions. The investment management team decided to opportunistically increase our position in Mersana following the correction due to a surprise partial clinical hold for their lead program UpRi to treat late line ovarian cancer patients.

Portfolio Update Q2 2023

An overall eventful second quarter for our portfolio resulted in a small gain in USD. Positive outliers include Black Diamond Therapeutics (+167%) rallying post early clinical results for BDTX-1535, Revolution Medicines (+24%) following an update on its pan RAS inhibitor RMC-6236, Agios Pharmaceuticals (+23% in USD) with a positive Phase II trial in sickle cell patients for mitapivat, Intra-Cellular Therapies (+17%) on positive Q1 23 results with strong Caplyta revenues, and Ionis (+15%) on an accelerated approval for Qalsody. Negative contributors in the same quarter have been MacroGenics (–25%) giving up previous gains post the royalty deal, Relay Therapeutics (–24%) following its PI3k alpha inhibitor update, Moderna (–21%) on its first quarter results and spending guidance, Mersana Therapeutics (–20%) on the partial clinical hold for UpRi, and Incyte (–14%) following underwhelming Q1 23 results that were mostly related to the recently launched Opzelura.



Outlook for 2023

Cognizant of our disappointing shareholder returns in the aftermath of the pandemic, we have conducted a thorough review of our investment strategy and portfolio holdings. For this purpose, we grouped our 28 positions into four categories:

1. Mature and sustainably profitable biotech companies that can deliver shareholder returns at least in line with their revenue and profit growth
2. Mid-cap companies with product revenues and generating profits, offering attractive shareholder returns if they were to achieve the status of a multi-product company or were to be acquired
3. Mid-cap companies with late stage clinical programs moving towards their first regulatory approval and market launch, offering attractive shareholder returns if they succeed to generate a strong product launch
4. Earlier stage pipeline companies that can generate shareholder returns if they successfully develop earlier stage clinical assets or establish a next generation platform

Our existing portfolio comprises two well-established large-cap corporations, a substantial number of companies of both mid-cap baskets that possess a robust business case, and a broad diversification into entities with smaller market capitalization. The top holdings, representing the majority of our invested capital, predominantly reside within the large and mid-cap sectors. These holdings are projected to significantly influence our short to mid-term performance. Small-cap companies account for a less substantial portion of the portfolio's total weight. Investments in these entities may experience heightened volatility following key disclosures. However, due to their lesser portfolio representation, their performance impact is anticipated to be more pronounced over mid to long-term periods. Given recent milestones demonstrating both, positive and negative stock movements, we eagerly anticipate significant clinical milestones in our portfolio holdings by the end of 2023 including, but not limited to.

- Argenx is expected to release findings from their Phase III trial investigating the use of efgartigimod for chronic inflammatory demyelinating polyneuropathy (CIDP). As efgartigimod is under evaluation in various other registrational trials, the forthcoming results are eagerly awaited by investors, given the sizable potential commercial opportunity it presents.
- Mersana Therapeutics has guided that their antibody-drug candidate upifitamab rilsodotin (UpRi) will present Phase III UPLIFT trial results in August 2023 for patients with platinum-resistant ovarian cancer. In addition to efficacy, an update on UpRi's safety profile will be of notable interest, particularly in light of the recent partial clinical hold.
- Neurocrine Biosciences is expected to report results for its two ongoing Phase III studies for crinicerfont for treating patients with congenital adrenal hyperplasia. The event is of high importance allowing Neurocrine to add a second large commercial product next to Ingrezza, if positive.
- Vertex is developing VX-548 for both acute and chronic pain management, with initial clinical outcomes for acute pain treatment anticipated by the end of 2023.
- Revolution Medicines has projected that they will present further findings on RMC-6236, a RAS multi-inhibitor with single agent activity, from the ongoing study by mid-2023. They expect to provide numerous updates throughout the year, starting from the third quarter in context of a mix of corporate presentations and scientific conferences.

Crucial regulatory decisions that could significantly influence future revenue and profit contributions from our portfolio holdings are anticipated for:

- Sage and partner Biogen announced an August 5 PDUFA action date for zuranolone, which would be indicated to treat patients with major depression disorder as well as postpartum depression.
- Alnylam anticipates feedback from the FDA by October 8, concerning Onpattro's use in treating cardiomyopathy in patients with ATTR amyloidosis. The company has announced that an FDA advisory panel meeting has been scheduled for September 13.
- Crispr Therapeutics and Vertex have announced the BLA filing for exa-cel for severe sickle cell disease (SCD) and transfusion dependent beta thalassemia (TDT). The PDUFA target action dates are set for December 8, 2023 for SCD and March 30, 2024 for TDT.
- Ionis, in partnership with AstraZeneca, anticipates a PDUFA action date for Eplontersen on December 22, 2023, aimed at treating polyneuropathy in patients with ATTR.

We remain optimistic that our commitment to high-quality assets that target substantial market opportunities, together with attractive valuations, will position us for active participation in future M&A activities. So far, take-over activity has not boosted our investment performance in 2023.

We remain optimistic that our commitment to high-quality assets that target substantial market opportunities, together with attractive valuations, will position us for active participation in future M&A activities.

In addition to the forces of innovation and business strategies within the biotechnology industry, healthcare policies and politics will persistently influence and shape the sector and drug development field. The United States, being the primary market for biotechnology, places significant emphasis on policy implementations, such as the Inflation Reduction Act, which aims to lower out-of-pocket expenses for prescription drugs and benefits patients. Investors eagerly anticipate the publication of the CMS' drug negotiation basket on September 1, 2023. However, ongoing legal actions initiated by pharmaceutical industry players like Merck and Bristol-Myers Squibb, as well as the Chamber of Commerce and the

PhRMA organization, against the Department of Health and Human Services (HHS) have further complicated matters. Notably, for emerging and developmental stage companies, the complexity of rules and variability of commercial time windows present a real challenge. Small molecule protection for nine years compared to thirteen years for complex biologics has created unintended consequences, requiring adjustments to pipeline projects and reprioritization within the industry.

Broader capital markets will be closely watching for additional guidance regarding interest rates, which will have an impact on capital costs and the overall financial stability of both the sector and individual companies. Importantly, the financial strength and resilience on our overall portfolio are outstanding, surpassing pre-pandemic levels significantly.

We are actively engaging with our existing shareholders, and recently with an increasing number of prospective investors. The correction in the share price in combination with the share price trading close to NAV may offer attractive returns ahead.

We thank you for the trust you have placed in the Company. The Board of Directors of BB Biotech AG

Dr. Erich Hunziker

Chairman

Laura Hamill

Member

Prof. Dr. Mads Krogsgaard Thomsen

Member

Dr. Clive Meanwell

Vice Chairman

Dr. Pearl Huang

Member

Dr. Thomas von Planta

Member

Portfolio at a glance

Securities as at June 30, 2023

Company	Number of securities	Change since 31.12.2022	Local currency	Share price	Market value in CHF mn	In % of securities	In % of shareholders' equity	In % of company
Ionis Pharmaceuticals	9 299 700	(335 300)	USD	41.03	341.7	13.3%	15.1%	6.5%
Argenx SE	865 000	(27 503)	USD	389.73	301.9	11.7%	13.3%	1.6%
Vertex Pharmaceuticals	850 000	(80 523)	USD	351.91	267.9	10.4%	11.8%	0.3%
Neurocrine Biosciences	2 590 000	(140 000)	USD	94.30	218.7	8.5%	9.7%	2.7%
Intra-Cellular Therapies	3 150 000	(141 479)	USD	63.32	178.6	6.9%	7.9%	3.3%
Moderna	1 475 000	(26 951)	USD	121.50	160.5	6.2%	7.1%	0.4%
Alnylam Pharmaceuticals	875 000	(15 000)	USD	189.94	148.8	5.8%	6.6%	0.7%
Incyte	2 617 000	(274 077)	USD	62.25	145.9	5.7%	6.4%	1.2%
Sage Therapeutics	3 080 000	129 722	USD	47.02	129.7	5.0%	5.7%	5.2%
Revolution Medicines	4 675 000	(102 562)	USD	26.75	112.0	4.4%	5.0%	4.4%
Agius Pharmaceuticals	4 000 000	(30 792)	USD	28.32	101.5	3.9%	4.5%	7.2%
Celldex Therapeutics	1 800 000	–	USD	33.93	54.7	2.1%	2.4%	3.8%
Arvinas	2 120 000	(16 412)	USD	24.82	47.1	1.8%	2.1%	4.0%
Relay Therapeutics	4 100 000	(20 720)	USD	12.56	46.1	1.8%	2.0%	3.4%
Macrogenics	9 579 963	650 000	USD	5.35	45.9	1.8%	2.0%	15.5%
Crispr Therapeutics	880 000	(8 605)	USD	56.14	44.2	1.7%	2.0%	1.1%
Exelixis	2 525 000	(129 500)	USD	19.11	43.2	1.7%	1.9%	0.8%
Black Diamond Therapeutics	8 117 839	2 740 000	USD	5.05	36.7	1.4%	1.6%	15.8%
Fate Therapeutics	4 839 779	–	USD	4.76	20.6	0.8%	0.9%	4.9%
Beam Therapeutics	693 121	–	USD	31.93	19.8	0.8%	0.9%	0.9%
Essa Pharma	7 879 583	–	USD	2.70	19.1	0.7%	0.8%	17.9%
Generation Bio Co.	3 608 280	–	USD	5.50	17.8	0.7%	0.8%	5.5%
Rivus Pharmaceuticals ¹⁾			USD		15.7	0.6%	0.7%	
Mersana Therapeutics	5 205 925	1 139 725	USD	3.29	15.3	0.6%	0.7%	4.6%
Wave Life Sciences	4 494 458	–	USD	3.64	14.7	0.6%	0.6%	4.6%
Scholar Rock Holding	2 132 725	–	USD	7.54	14.4	0.6%	0.6%	3.9%
Esperion Therapeutics	4 194 064	–	USD	1.39	5.2	0.2%	0.2%	4.4%
Molecular Templates	11 192 003	–	USD	0.48	4.8	0.2%	0.2%	19.9%
Radius Health – Contingent Value Right	8 733 538	–	USD	0.00	0.0	0.0%	0.0%	
Total securities					2 572.7	100.0%	113.7%	
Other assets					5.7		0.3%	
Other payables					(316.0)		(14.0%)	
Net Asset Value					2 262.5		100.0%	

¹⁾ Unlisted company

Exchange rate as at 30.06.2023: USD/CHF: 0.8956

Portfolio Update Q2 2023

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Clinical trial results continue to have the most substantial impact on valuation, mostly in perspective of less mature pipeline companies. For the second quarter, some key trial results included:

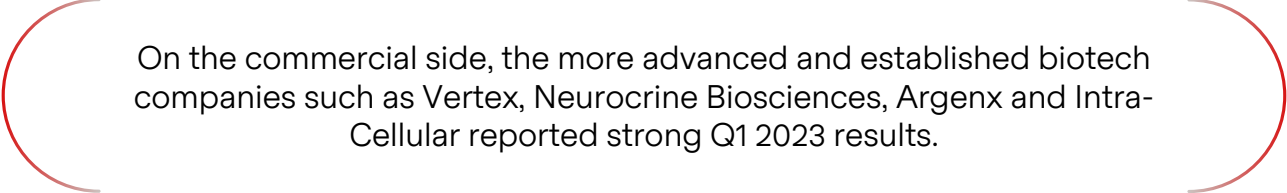
- Agios announced positive results of achieving significant hemoglobin responses by treating patients with sickle cell disease with mitapivat. Around half of the patients achieved equal or more than 1g/dl increase in hemoglobin, versus less than 5% for placebo patients. Of interest, trends in sickle cell pain crisis reduction were observed despite the small sample size of the trial. Agios has decided to start the Phase III part of the trial in late 2023, with the Phase III data expected in 2025. Mitapivat is approved for treating patients with PK deficiency and expected to report Phase III results in Thalassemia patients in 2024.
- Moderna and its development partner Merck presented positive and intriguing proof of concept data for the individualized cancer vaccine mRNA-4157. Patients with high-risk melanoma following a complete resection were randomized to receive either Keytruda alone or Keytruda in combination with mRNA-4157. A significant risk reduction of 65% for development of distant metastasis and survival was reported. Both companies have announced to start multiple adjuvant Phase III clinical trials including melanoma and lung cancer in 2023 for different solid tumors, for which Keytruda and the PD1/PDL1 antibody class are today's standard of care.
- Black Diamond Therapeutics updated investors on its dose escalation study for BDTX-1535, demonstrating anti-tumor activity in non small cell lung cancer (NSCLC) patients across multiple EGFR mutation families. Five confirmed and one unconfirmed partial response out of 12 NSCLC patients were reported. These early but very promising update triggered a share price rally for Black Diamond, with the company able to raise USD 75 mn in a capital increase supported by BB Biotech. These proceeds will strengthen the company and allow to enroll further patients in expansion cohorts in NSCLC patients with EGFR-acquired resistance and intrinsic driver mutations after progression on a third-generation EGFR inhibitor.
- Relay Therapeutics presented an early update for RLY-2608, an inhibitor targeting multiple PI3K alpha mutations. Albeit that the drug profile for RLY-2608 achieved goals such as substantial inhibition of PI3K alpha, ctDNA reduction and a good tolerability profile avoiding more severe hyperglycemia, rash and diarrhea, investors were underwhelmed by the efficacy in terms of response rate so far presented, resulting in a sell-off in the shares of Relay. Following the initial dose finding, the company will enroll more patients at higher doses and longer exposure with proof of clinical efficacy expected in 2024.
- Vertex presented positive early proof of concept for its stem cell program VX-880 for type I diabetes patients. VX-880 is an allogenic stem-cell derived, insulin producing islet cell therapy. Glucose sensing insulin production was shown for all six patients treated with VX-880, showing improved glycemic control while reducing or eliminating insulin use. With VX-880 generally well tolerated, the company is now allowed to enroll more patients at the highest planned dose of VX-880. For broader future adoption, Vertex is working on

further generation of stem cell therapies and novel delivery/encapsulation technology to avoid concomitant use of immunosuppressants required when dosing VX-880.

Following clinical trial results, regulatory filing and actions are yet another important milestone for drug development companies. We recorded the following regulatory updates in the second quarter for our portfolio companies:

- Ionis, in collaboration with its partner Biogen, announced the US FDA's approval of Qalsody for the treatment of ALS patients who are SOD1 carriers. This accelerated approval was achieved due to the drug's observed reduction of neurofilament, a biomarker associated with neuronal damage in ALS. Despite the small patient population, the urgency remains high due to the underserved nature of the condition. Consequently, the neuro division continues to adopt a more aggressive approach, with more drugs reaching patients through the accelerated approval pathway.
- Argenx has announced the US FDA's approval of Vyvgart Hytrulo injection for subcutaneous use in patients suffering from generalized myasthenia gravis. This novel formulation presents an alternative delivery method and additional choice for patients. In another significant development, Argenx's Chinese partner, Zai Lab, announced the approval of Vyvgart in China. Moving forward, Argenx is expected to expand its Vyvgart franchise globally. This expansion will be facilitated by launching the product in new countries, leveraging the new formulation's convenience, and securing approvals for additional indications.

On the commercial side, the more advanced and established biotech companies such as Vertex, Neurocrine Biosciences, Argenx and Intra-Cellular reported strong Q1 2023 results. Incyte on the other hand disappointed with Opzelura missing Wall Street's estimates.



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None of our portfolio holdings were part of the take-over transactions announced in the second quarter, however two of our smaller oncology companies announced relevant corporate updates. Black Diamond refinanced with a USD 75 mn capital increase following the positive Phase I update. The company has extended its cash reach allowing for multiple clinical assets to be developed and go through critical development steps. Molecular Templates informed investors that the debt was restructured, the company to reduce its cost base but further action will be required. In an unexpected move, Ionis issued a new convertible debt, despite the company's strong balance sheet bolstered by a comprehensive royalty deal carried out early in 2023. The company announced plans to sustain high cash levels by utilizing the proceeds from the newly issued convertible debt to repurchase most of an older convertible debt that matures in 2024.