

Consolidated balance sheet

in CHF 1 000	Notes	30.06.2024	31.12.2023
Current assets			
Cash and cash equivalents		317	501
Receivables from brokers		–	1 829
Securities	3	2 708 893	2 634 714
Other assets		214	110
		2 709 424	2 637 154
Total assets		2 709 424	2 637 154
Current liabilities			
Short-term borrowings from banks	4	319 400	304 900
Payables to brokers		–	5 436
Other short-term liabilities		2 973	3 491
Tax liabilities		114	110
		322 487	313 937
Total liabilities		322 487	313 937
Shareholders' equity			
Share capital	5	11 080	11 080
Treasury shares	5	(36 508)	(36 508)
Retained earnings		2 412 365	2 348 645
		2 386 937	2 323 217
Total liabilities and shareholders' equity		2 709 424	2 637 154
Net asset value per share in CHF		43.50	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 July 23, 2024.

Consolidated statement of comprehensive income

in CHF 1 000	Notes	01.01.–30.06.2024	01.01.–30.06.2023	01.04.–30.06.2024	01.04.–30.06.2023
Operating income					
Gains from securities	3	192 908	–	–	–
Interest income		32	17	32	17
Foreign exchange gains		–	500	6	–
Other income		5	5	–	–
		192 945	522	38	17
Operating expenses					
Losses from securities	3	–	(246 320)	(77 801)	(3 106)
Finance expenses		(3 005)	(2 550)	(1 570)	(1 442)
Foreign exchange losses		(10)	–	–	(144)
Administrative expenses	6	(14 324)	(16 295)	(6 799)	(7 352)
Other expenses		(2 156)	(2 660)	(931)	(1 437)
		(19 495)	(267 825)	(87 101)	(13 481)
Profit/(loss) before tax	7	173 450	(267 303)	(87 063)	(13 464)
Income taxes		(38)	(30)	(19)	(14)
Profit/(loss) for the period		173 412	(267 333)	(87 082)	(13 478)
Total comprehensive profit/(loss) for the period		173 412	(267 333)	(87 082)	(13 478)
Earnings per share in CHF	8	3.16	(4.87)	(1.60)	(0.24)
Diluted earnings per share in CHF	8	3.16	(4.87)	(1.60)	(0.24)

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	–	–	(267 333)	(267 333)
Balances at June 30, 2023	11 080	(36 508)	2 287 919	2 262 491
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	–	–	173 412	173 412
Balances at June 30, 2024	11 080	(36 508)	2 412 365	2 386 937

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

Consolidated statement of cash flows

in CHF 1 000	Notes	01.01.–30.06.2024	01.01.–30.06.2023
Cash flows from operating activities			
Proceeds from sales of securities	3	297 341	260 313
Purchase of securities	3	(182 219)	(28 135)
Interest receipts		32	17
Payments for services		(17 096)	(20 307)
Income taxes paid		(35)	(75)
Total cash flows from operating activities		98 023	211 813
Cash flows from financing activities			
Dividend		(109 692)	(156 311)
Proceeds from borrowings	4	14 500	–
Repayment of borrowings	4	–	(54 500)
Interest payments		(3 005)	(2 550)
Total cash flows from financing activities		(98 197)	(213 361)
Foreign exchange difference		(10)	500
Change in cash and cash equivalents		(184)	(1 048)
Cash and cash equivalents at the beginning of the period		501	1 948
Cash and cash equivalents at the end of the period		317	900

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	30.06.2024	31.12.2023
USD	0.89880	0.84140
ANG	0.50494	0.47270
EUR	0.96282	0.92887
GBP	1.13640	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):

30.06.2024	Level 1	Level 2	Level 3	Total
Assets				
Securities				
- Shares	2 693 025	–	15 729	2 708 754
- Derivative instruments	–	139	–	139
Total assets	2 693 025	139	15 729	2 708 893
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.–30.06.2024	01.01.–30.06.2023
Opening balance	14 725	16 179
Unrealized gains/(losses) included in gains/losses from securities	1 005	(506)
Closing balance	15 729	15 673
Gains/(losses) on level 3 instruments included in gains/losses from securities	1 005	(506)

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

The fair value of the level 2 instruments at initial recognition represents the transaction price (purchase of warrants / prefunded warrants of Molecular Templates in April 2024 at TCHF 316), which was paid as part of a financing round together with other investors. The

valuation as of June 30, 2024, is based on a model that takes current market conditions into account.

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 June 30, 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 June 30, 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	176 467	–	316	176 783
Sales	(295 512)	–	–	(295 512)
Gains/(losses) from securities	192 081	1 005	(176)	192 908
<i>Realized gains</i>	37 111	–	–	37 111
<i>Realized losses</i>	–	–	–	–
<i>Unrealized gains</i>	362 097	1 005	–	363 102
<i>Unrealized losses</i>	(207 127)	–	(176)	(207 303)
Closing balance as at 30.06.2024 at fair values	2 693 025	15 729	139	2 708 893

Securities comprise the following:

Company	Number 31.12.2023	Change	Number 30.06.2024	Market price in original currency 30.06.2024	Valuation CHF mn 30.06.2024	Valuation CHF mn 31.12.2023	
Ionis Pharmaceuticals	8 590 000	(380 000)	8 210 000	USD	47.66	351.7	365.6
Argenx SE	825 000	(137 000)	688 000	USD	430.04	265.9	264.1
Neurocrine Biosciences	2 410 000	(527 047)	1 882 953	USD	137.67	233.0	267.2
Vertex Pharmaceuticals	640 000	(120 000)	520 000	USD	468.72	219.1	219.1
Alnylam Pharmaceuticals	859 700	50 000	909 700	USD	243.00	198.7	138.5
Revolution Medicines	5 046 700	(40 000)	5 006 700	USD	38.81	174.6	121.8
Moderna	1 891 075	(351 075)	1 540 000	USD	118.75	164.4	158.2
Intra-Cellular Therapies	3 040 000	(590 000)	2 450 000	USD	68.49	150.8	183.2
Agios Pharmaceuticals	4 000 000	(126 452)	3 873 548	USD	43.12	150.1	75.0
Incyte	2 150 000	–	2 150 000	USD	60.62	117.1	113.6
Celldex Therapeutics	2 416 296	555 319	2 971 615	USD	37.01	98.8	80.6
Biohaven	1 075 000	965 853	2 040 853	USD	34.71	63.7	38.7
Arvinas	2 494 531	(114 531)	2 380 000	USD	26.62	56.9	86.4
Sage Therapeutics	3 505 000	955 693	4 460 693	USD	10.86	43.5	63.9
Macrogenics	9 929 963	–	9 929 963	USD	4.25	37.9	80.4
Relay Therapeutics	5 925 000	450 000	6 375 000	USD	6.52	37.4	54.9
Essa Pharma	7 879 583	–	7 879 583	USD	5.26	37.3	43.8
Exelixis	2 000 000	(200 000)	1 800 000	USD	22.47	36.4	40.4
Black Diamond Therapeutics	8 517 839	–	8 517 839	USD	4.66	35.7	20.1
Immunocore	965 654	182 400	1 148 054	USD	33.89	35.0	55.5
Beam Therapeutics	693 121	725 000	1 418 121	USD	23.43	29.9	15.9
Crispr Therapeutics	880 000	(270 000)	610 000	USD	54.01	29.6	46.4
Edgewise Therapeutics	–	1 428 929	1 428 929	USD	18.01	23.1	–
Annexon	–	5 157 290	5 157 290	USD	4.90	22.7	–
Esperion Therapeutics	4 194 064	5 750 000	9 944 064	USD	2.22	19.8	10.6
Wave Life Sciences	4 494 458	(400 000)	4 094 458	USD	4.99	18.4	19.1
Scholar Rock Holding	2 132 725	–	2 132 725	USD	8.33	16.0	33.7
Fate Therapeutics	4 839 779	–	4 839 779	USD	3.28	14.3	15.2
Generation Bio Co.	3 608 280	310 576	3 918 856	USD	2.82	9.9	5.0
Molecular Templates	1 029 820	250 000	1 279 820	USD	1.15	1.3	3.2
Listed shares						2 693.0	2 620.0
Rivus Pharmaceuticals				USD		15.7	14.7
Unlisted shares						15.7	14.7
Total shares						2 708.8	2 634.7
Molecular Templates – Prefunded Warrant	–	134 667	134 667	USD	1.15	0.1	–
Molecular Templates – Warrants, 2.4.29	–	769 334	769 334	USD	0.00	0.0	–
Radius Health – Contingent Value Right	8 733 538	–	8 733 538	USD	0.00	0.0	–
Total derivative instruments						0.1	–
Total securities						2 708.9	2 634.7

4. Short-term borrowings from banks

At June 30, 2024, a CHF 319.4 mn short-term loan is outstanding with interest payable at 1.65% 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 June 30, 2024, the Company has not bought or sold any treasury shares (01.01.–30.06.2023: no transactions). As at June 30, 2024, the Company holds 554 000 treasury shares (December 31, 2023: 554 000 shares). The treasury shares as at June 30, 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 June 30, 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.–30.06.2024	01.01.–30.06.2023
Investment manager		
– Management fees	13 227	15 231
Personnel		
– Board of Directors remuneration	835	840
– Wages and salaries	189	158
– Social insurance contributions and duties	73	66
	14 324	16 295

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.–30.06.2024	01.01.–30.06.2023
USA	186 761	(244 215)
Netherlands	48 716	(1 375)
Singapore	1 700	(14 434)
Switzerland	(3 158)	8 598
Canada	(6 505)	696
British Virgin Islands	(9 557)	–
Curaçao	(17 098)	(18 391)
Great Britain	(27 408)	1 818
	173 450	(267 303)

8. Earnings per share

	01.01.–30.06.2024	01.01.–30.06.2023
Total comprehensive profit/(loss) for the period (in CHF 1 000)	173 412	(267 333)
Weighted average number of shares in issue	54 846 000	54 846 000
Earnings per share in CHF	3.16	(4.87)
Income used to determine diluted earnings per share (in CHF 1 000)	173 412	(267 333)
Weighted average number of shares in issue following the dilution	54 846 000	54 846 000
Diluted earnings per share in CHF	3.16	(4.87)

9. Assets pledged

At June 30, 2024, securities in the amount of CHF 2 708.9 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 June 30, 2024, a CHF 319.4 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

The Group had no commitments or other off-balance sheet transactions open at June 30, 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 June 30, 2024, no proceedings existed which could have any material effect on the financial position of the Group (December 31, 2023: none).

12. Subsequent events

There have been no events subsequent to June 30, 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 flows and selected explanatory notes) of BB Biotech AG for the period ended 30 June 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 July 2024

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