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Swiss Biotech Report 2022 shows sector again performs exceptionally at all levels

- **Capital investments in Swiss biotech companies reached CHF 3.33B (USD 3.53B) with continuing strong international participation**
- **R&D investments increased to a record-high CHF 2.56B (USD 2.71B)**
- **The appetite for IPOs on the NASDAQ remains high and the new Sparks market of SIX Swiss Exchange for SMEs could offer an interesting alternative in the future**
- **The number of employees in Swiss R&D biotech companies increased in 2021 by 9.5%**
- **Public-Private Partnerships (PPPs) increasing in importance as drivers of innovation in existing and emerging areas**
- **Similar to 2020, significant contributions to address the impact of the COVID pandemic were made by the Swiss biotech sector in 2021**

During 2021, Switzerland's life sciences sector again played a major role in combating the COVID pandemic with two Swiss based companies developing in partnerships effective Covid-specific therapeutics (Humabs BioMed/Vir Biotechnology and Molecular Partners/Novartis). In addition, Swiss life science companies also continued their work developing innovative solutions for other high unmet medical needs. This resulted in another year of very strong capital investments totaling CHF 3.33B from domestic and international sources and R&D investments aggregating to a new record of CHF 2.56B. The latest edition of the Swiss Biotech Report launched today by the Swiss Biotech Association in conjunction with EY and seven other partner organizations provides an analysis of the 2021 biotech funding as well as other 2021 key ratios and statistics compared to prior years.

Of the CHF 2.56B R&D investment, the vast majority was directed to indications other than COVID, e.g., immunoncology and neurology or emerging fields such as the microbiome and cell-based regeneration. In parallel to the development of novel treatment options, investors also supported data-driven business models to enable the development of digital therapeutics or personalized medicine. The successful IPO of SOPHiA Genetics and the recent MDR certification for the Floodlight Application for multiple sclerosis patients from Roche demonstrated the attractiveness of such data-driven approaches.

COVID has also focused the attention on the life science sector's role as an innovator and this year's report examines in depth the «Sources of Swiss innovation», which have enabled the country to maintain its position at the head of the Global Innovation Index for over a decade. These include the growing number of successful Public-Private Partnerships (PPPs) nationwide, such as IOB in Basel for ophthalmology; the Balgrist Campus in Zurich for musculoskeletal health; the Wyss Centers in Zürich and Geneva and the Debiopharm program IDEAL.

«Last year, we expressed some caution that the COVID pandemic might take its toll and that the Swiss inclination not to intervene in the free market, and to avoid providing direct government support for venture-based startups and small/mid-sized R&D companies, could backfire and weaken the innovative power of Switzerland. However, record levels of financing in 2020 and 2021 suggest that not only Swiss, but global biotech investors continue to recognize the attractiveness of investment opportunities on offer. Sustaining innovation and growth, therefore, has to continue to be a key priority. I am pleased to see that in response Switzerland is continuing to prioritize attracting top talent and is also further expanding international collaborations. The flourishing start-up scene should also receive a further boost from the new Sparks capital markets segment, recently launched by SIX Swiss Exchange, which offers a cost-effective listing option facilitating access to global capital markets. New bilateral agreements, e.g. with Indonesia, support the extension of its global network, and Switzerland is also seeking to re-establish its full association with Horizon Europe», commented Michael Altorfer, CEO, Swiss Biotech Association.

«2021 was clearly an exceptional year. Investor interest was demonstrated by very high levels of financing, record R&D investments and the creation of new biotech-specific investment funds, such as Pureos Bioventures and Bernina Bioinvest. Further, it is encouraging that Swissmedic, the Swiss agency for therapeutic products, approved 45 new drugs in 2021, which was again higher than the 42 approvals for innovative new drugs in 2020», added Frederik Schmachtenberg, EY Partner, Global Life Sciences Lead for Financial Accounting Advisory Services.

Key Findings in the 2022 Swiss Biotech Report

Swiss biotechs raised a total of CHF 3.33B – the second-best year in terms of financing. In total, CHF 2.51B were invested in public companies, including SOPHiA Genetics with CHF 234M (IPO & follow on), Bachem (CHF 584M), Idorsia (CHF 600M), CRISPR Therapeutics (CHF 229M) and Polypeptide (CHF 191M). The largest portion of the private capital (which in total amounted to CHF 817M) was raised by Anaveon (CHF 110M) and Numab Therapeutics (CHF 100M).

The Swiss biotech industry generated revenues of CHF 6.7B, compared to CHF 4.9B in 2020. Such significant uptick was mainly driven by an increase in product sales, favorable one-time events from collaboration and licensing deals, as well as a general positive advancement of the product pipeline and, as a result of that, regulatory approvals continuing at very high levels.

2021 saw Swiss companies involved in a large number of mergers and acquisition transactions as well as collaboration and license agreements. Several Swiss biotech companies were acquired in 2021 by either (big) pharma or other biotech companies: Mestex was acquired by Grünenthal Pharma; Novartis acquired Cellerys and Inositec was acquired by Vifor Pharma, which itself was later acquired by Australia headquartered CSL Behring (with a strong footprint in Switzerland). In the area of collaborations and licensing arrangements, many successful new partnerships were established in 2021, with the most prominent one being the collaboration between Lonza and the US biotech Moderna to large scale produce in Visp one of the urgently needed, mRNA-based Covid vaccines.

Swiss Biotech Success Stories Awards for outstanding achievements

To recognize outstanding achievements, the Swiss Biotech Association again honored companies with the «Swiss Biotech Success Stories Awards». At this year's Swiss Biotech Day, Etienne Jornod and Genedata received the awards.

Etienne Jornod, who was Executive Chairman of the Vifor-Galenica Group, delivering 25 consecutive double-digit net profit growth, supporting millions of patients, and creating thousands of jobs. In 2020, he acquired OM Pharma with friends, aiming to create a unique biopharmaceutical company based on bacteria lysates expertise.

Genedata, global market leader for software solutions that digitalize data-rich and complex bio- pharmaceutical R&D processes, enables an R&D revolution driven by precision medicines and artificial intelligence approaches. It helps the industry to deliver innovative biotherapeutics, vaccines and cell & gene therapies faster.

Media Release

Media Contact

Swiss Biotech Association
Sabine Bamert
Head of Communications
bamert@swissbiotech.org
swissbiotech.org/media

The Swiss Biotech Report 2022

The **Swiss Biotech Report** sheds light on the most important trends, factors and sources of innovation, and summarizes topics and facts on the development of the Swiss biotech industry. This year's theme is «Sources of Swiss innovation».

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Swiss Biotech and the Swiss Biotech Association

Founded in 1998, the Swiss Biotech Association represents the interests of the Swiss biotech industry. To support its members in a competitive market, the association works to secure favorable framework conditions and facilitate access to talents, novel technologies and financial resources. To strengthen and promote the Swiss biotech industry, the Swiss Biotech Association collaborates with numerous partners and life science clusters globally under the brand Swiss Biotech™. For further information visit swissbiotech.org.

EY

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