

# SIX-listed biotechs light up exceptional trading year



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*Embedded in one of the world's most comprehensive life sciences ecosystems, biotech companies listed on the Swiss Stock Exchange benefited from outstanding visibility among investors and the media in 2020.*

Rarely before has so much been written about the sector as in the past year, and numerous companies made a name for themselves with studies, applications for approval and trial results.

Despite a challenging market environment, most biotech companies managed to further develop their product pipelines over the course of the year and in some cases were able to report considerable successes – certainly an indication of the sector's high level of agility and innovation.

Of the total announcements made by biotech companies<sup>1</sup> listed on SIX, 84% had a positive impact on the company's share price with an average rise of 9.6%<sup>2</sup> recorded on the day of the announcement.

Compared to 2019, trading volumes rose sharply by 177% and the total free float market capitalization of all SIX-listed biotech companies was up 30% on 2020.

## Funding growth and resilience in challenging times

An IPO is more than a one-time capital raising event, and listed companies can more efficiently raise additional capital through follow-on equity capital transactions. Especially last year, the public capital markets played a very important role in ensuring companies' ongoing access to capital.

In 2020, companies listed on SIX raised a total of CHF 5.7B in fresh equity capital aimed at driving growth or strengthening capital structure. In this respect, 2020 was one of the most active years in a long time on the Swiss Stock Exchange, with several biotech companies involved.

This demonstrates the Swiss capital market's ability to satisfy the funding needs of biotech companies, even in uncertain times with high market volatility. Most notable amongst these were the transactions outlined in the following table.

COMPANY	AMOUNT	PURPOSE	DATE 2020
Idorsia	CHF 330M CHF 536M	Market launch of daridorexant and financing of further pipeline products	May 20 October 23
Molecular Partners	CHF 80M	Development MP0420 (SARS-CoV-2) and expansion of pipeline resources	July 7
Cassiopea	CHF 25M	Finance of operations and preparations for the US launch of 'clascoterone cream 1%'	June 18
Kuros Biosciences	CHF 19M	Advance and accelerate commercial rollout of MagnetOs	October 20
ObsEva	CHF 18M	Financing of further pipeline development	September 20

Source: SIX

Two months after the Idorsia share placement in May 2020, Molecular Partners successfully raised fresh capital in early July through an accelerated book building process. In the transaction, 5.53 million new shares were issued at a share price of CHF 14.50. The proceeds were used to accelerate the development of its novel antiviral SARS CoV-2 candidates ensovibep (MP0420) and MP0423, and to expand the early-stage clinical and preclinical pipeline resources.

<sup>1</sup> The sample group includes: Addex, Basilea, Evolva, Idorsia, Kuros Biosciences, Molecular Partners, Newron Pharma, ObsEva, Polyphor, Relief Therapeutics and Santhera  
<sup>2</sup> Source: Bloomberg and Factset (average stock return on negative news: -19.6%)

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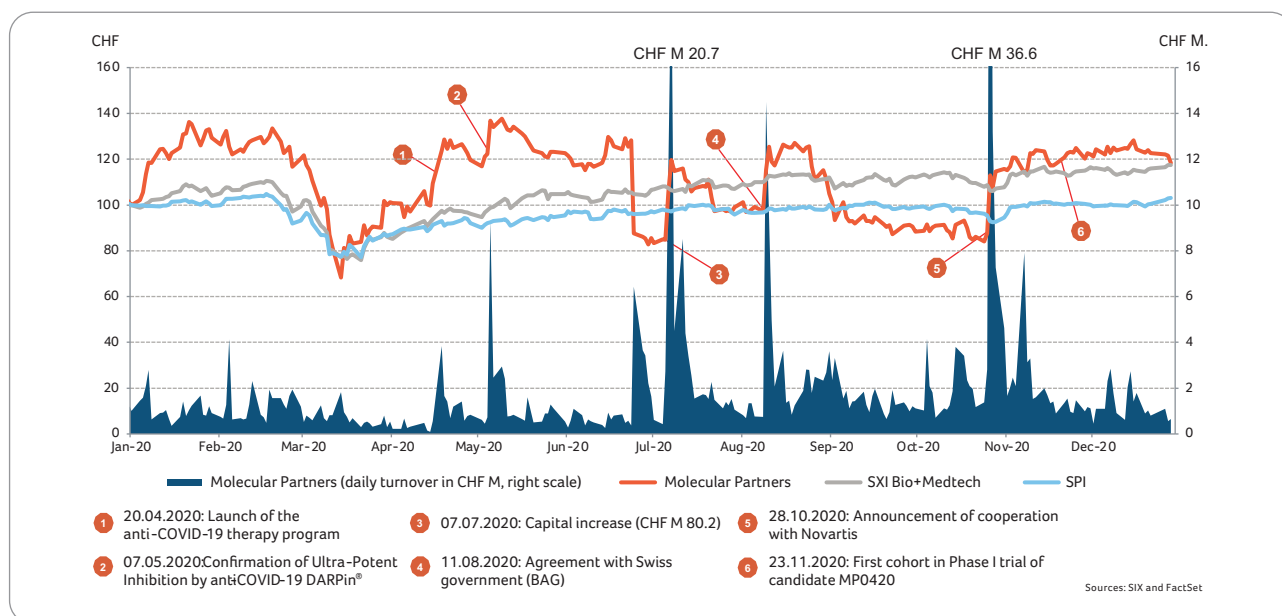
The offering included the participation of selected new and existing institutional investors in Switzerland and the European Union. However, the large majority of investors involved in this transaction came from the United States, illustrating the high visibility and attention the company achieved with its SIX primary listing among US investors.

## Molecular Partners moves into the spotlight

Along with existing oncology programs, Molecular Partners unveiled in April 2020, that it had been working on developing multiple antiviral compounds against the rapidly spreading pandemic and announced the testing of its DARPin® technology to combat the coronavirus.

As early data began to emerge at the beginning of May 2020, the identified drug candidates showed very high antiviral activity in the laboratory, completely neutralizing the virus. The share price took off with high trading volumes but fell back at the end of June 2020 when the FDA rejected the application for the ophthalmic drug abicipar because in the cost/benefit assessment, the risks associated with the present formulation were weighted higher. However, investor confidence returned fast in the second half of the year as positive announcements followed in quick succession.

The increased interest in the company is reflected in both price movements and impressive trading volumes, which went up sharply in the second half of 2020 and settled at substantially higher average levels compared with previous years. This development was also driven by the strong upward swings on the days corresponding with official announcements, which can be seen in the chart below.



The chart also shows that Molecular Partners, with an annual performance of +18.3% in 2020, was able to outperform the SPI (+3.0%) and finished the year slightly better than the SXI Bio+Medtech Index<sup>3</sup> (+17.5%), which once more clearly outperformed the SPI, highlighting the underlying attractiveness of the sector.

The increased investor interest and positive share price development enabled Molecular Partners to absorb the capital increase of early July 2020 and its free-float market capitalization increased by 72.8% year-on-year to CHF 490M by the end of 2020.

More insights on Molecular Partners' eventful year 2020 and their plans for 2021 can be found in the following [interview with the company's CEO Patrick Amstutz](#)

<sup>3</sup> The SXI Bio+Medtech is the more narrowly defined sub-index of the SXI Life Sciences Index (Biotech, Medtech, Pharma), that consists of SIX primary listed companies from these sectors that have a minimum free float market capitalization of at least CHF 100M. The weighting of individual stocks on the index is limited at 10%.