

ANNUAL REPORT

2020





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INVESTING FOR A BETTER LIFE

AEVIS VICTORIA SA invests in healthcare, hospitality & lifestyle and infrastructure. AEVIS's main shareholdings are Swiss Medical Network SA, the only Swiss private network of hospitals present in the country's three main language regions, Victoria-Jungfrau AG, a luxury hotel group managing nine luxury hotels in Switzerland, Infracore SA (jointly controlled), a healthcare-related infrastructure company, Swiss Hotel Properties SA, a hospitality real estate division, Medgate group (40%), the leading telemedicine provider in Switzerland, and NESSENS SA, a brand dedicated to better aging. AEVIS is listed on the Swiss Reporting Standard of the SIX Swiss Exchange (AEVS:SW).

www.aevis.com

**CHF
733M**

TOTAL REVENUE

15.5%

EBITDAR MARGIN

**CHF
36.6M**

EBITDA

**CHF
1.04BN**

CAPITALISATION

Key Figures

(In thousands of CHF unless otherwise stated)

	FY2020	FY2019
Total revenue	733'018	933'169
Net revenue	641'214	844'845
EBITDAR*	99'294	308'424
EBITDAR margin	15.5%	36.5%
EBITDA	36'649	266'495
EBITDA margin	5.7%	31.5%
EBIT	(23'277)	179'130
EBIT margin	-3.6%	21.2%
Profit/(loss) for the period	(30'854)	173'690
Number of FTE at year-end	3'532	3'429
Market price per share at 31.12. in CHF	12.50	14.00
Number of outstanding shares	83'046'661	80'325'264
Market capitalisation	1'038'083	1'124'554

* Earnings before interest, taxes, depreciation, amortisation and rental expenses.

SHARE AND BOND INFORMATION

Share Register

Computershare Schweiz AG

Tel. +41 62 205 77 00

share.register@computershare.ch

Number of shares

	31.12.2020	31.12.2019
Share capital (in CHF)	83'499'514	80'391'035
No. of registered shares issued	83'499'514	80'391'035
Nominal value per registered shares (in CHF)	1	1
No. of treasury shares	452'853	65'771
No. of registered shares outstanding	83'046'661	80'325'264

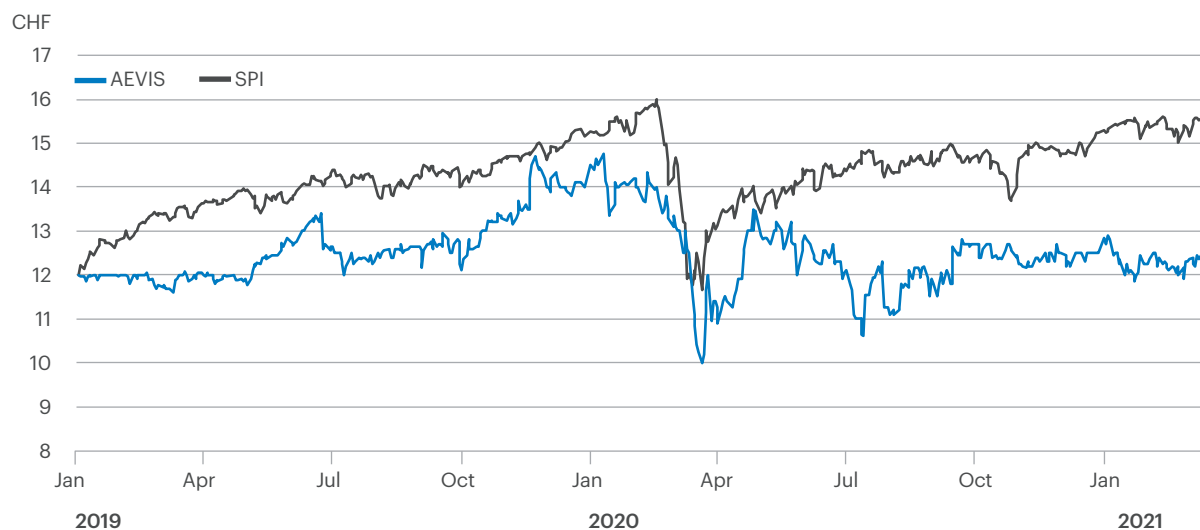
Data per share

	31.12.2020	31.12.2019
EBITDA per share* (in CHF)	0.46	3.42
High (in CHF)	14.75	14.70
Low (in CHF)	10.00	11.60
End price (in CHF)	12.50	14.00
Average volume per day	6'955	19'971
Market capitalisation (in CHF)	1'038'083'263	1'124'553'696

* EBITDA divided by the weighted average number of shares outstanding, excluding treasury shares.

4

Share price performance



The registered shares of AEVIS VICTORIA SA are traded on the Swiss Reporting Standard of SIX Swiss Exchange and are part of the Swiss Performance Index SPI, the SXI Life Sciences Index (SLIFE) and the SXI Bio+Medtech Index (SBIOM).

Valor symbol:	AEVS	Bloomberg:	AEVS:SW
Valor no.:	47'863'410	Reuters:	AEVS.S
ISIN:	CHO478634105		

AEVIS VICTORIA SA Bonds

- In May/June 2016, AEVIS has successfully issued a 5-year bond in the amount of CHF 150 million maturing on 07.06.2021. The coupon was set at 2.5%. The AEVIS VICTORIA bond is traded on SIX Swiss Exchange (Valor symbol: AEV16 / ISIN CH0325429162).
- In September/October 2016, AEVIS has successfully issued a 6-year bond in the amount of CHF 145 million maturing on 19.10.2022. The coupon was set at 2.0%. The AEVIS VICTORIA bond is traded on SIX Swiss Exchange (Valor symbol: AEV161 / ISIN CH0337829276).

Media & Investor Relations

c/o Dynamics Group AG

Philippe Blangey

Tel. +41 43 268 32 32

investor.relations@aevis.com



Major shareholders

The following shareholders held more than 3% on 31 December 2020:

Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA	76.81%
MPT Medical Properties Trust, Inc.	4.61%
Kuwait Investment Office as agent for the Government of the State of Kuwait	3.19%
Total shareholders (31 December 2020)	1'671

Financial reporting

29 April 2021	Ordinary general shareholders' meeting for the year 2020
May 2021	Publication of 1Q 2021 Revenue
16 September 2021	Publication of the 2021 Half-Year Results
November 2021	Publication of 3Q 2021 Revenue
February 2022	Publication of 2021 Revenue
25 March 2022	Publication of the 2021 Annual Results



LETTER TO THE
SHAREHOLDERS

DEAR SHAREHOLDER,

The results of AEVIS VICTORIA (AEVIS) in fiscal year 2020 were marked by the COVID-19 pandemic. AEVIS's various participations confirmed its high ability to adapt and react despite the difficult environment, especially in the hotel industry, and during the spring lockdown also in the hospital segment. A solid operating revenue of CHF 716.7 million resulted, 0.7% above the previous year's (CHF 711.5 million). Total revenues including gains from the sale of investments and assets amounted to CHF 733.0 million (2019: CHF 933.2 million). The year 2019 included the sale of the participations in Infracore SA and GENERALE-BEAULIEU IMMOBILIERE SA for CHF 221.4 million, while no participations were sold in 2020. The operating result amounted to CHF 99.3 million, corresponding to an EBITDAR margin of 15.5%. Depreciation of CHF 59.9 million contributed to the net loss of CHF 30.9 million. The financial consequences of the ongoing health crisis cannot yet be quantified and the Board of Directors of AEVIS has decided not to propose any ordinary dividend to the shareholders for the year under review.

High-quality investment portfolio

The investment company AEVIS VICTORIA made good progress in implementing its strategy in fiscal year 2020. The core holdings were strengthened, and the portfolio as a whole was further focused and optimized.

In 2020, Swiss Medical Network achieved important milestones on the road towards building an integrated healthcare system in the Arc Jurassien with the 35% participation in the public Hôpital du Jura bernois and the acquisition of Centre Médical Bienne.

In March 2021, after the end of the reporting period, Medical Properties Trust, Inc. acquired 10% of the share capital of Swiss Medical Network, at an enterprise value of CHF 1.7 billion, confirming the significant value creation achieved since the networks inception in 2002. With this sale, AEVIS will increase its liquidities by around CHF 145 million and this transaction marks the beginning of a process of opening-up the capital of the private hospital network to strategic investors, with the goal of creating integrated healthcare networks in the regions in Switzerland where it operates. AEVIS shortly intends to launch a targeted process to optimize Swiss Medical Network's shareholder base, strengthen its autonomy, and realize its vision.

In the hospitality sector, the portfolio was significantly expanded through the consolidation of the Seiler Hotels at the end of 2019 and the InterContinental in Davos at the beginning of 2020, and activities were spread more broadly. With the acquisition of the Schweizerhof in Zermatt at the end of the second half of the reporting year, the position in this attractive mountain resort was further strengthened, making the Group the most important private player in the luxury hotel sector in Switzerland.

The real estate segment includes hotel properties, which grew significantly due to the integration of several hotels in Davos and Zermatt and the reopening of La Réserve Eden au Lac in Zurich. In addition, AEVIS owns a substantial non-consolidated minority stake in Infracore, the Swiss healthcare infrastructure specialist. In terms of capital, the stake amounts to 30%; in terms of voting rights, however, it was increased to 50% in the year under review as part of a reorganization of the shareholder structure, while the remaining shares are held by Medical Properties Trust.

Portfolio adjustments include the sale of the buildings of Clinique Spontini in Paris and Privatlinik Belair in Schaffhausen in 2020 (to Infracore) and the 60% participation in Swiss Ambulance Rescue Genève at the beginning of 2021. Medgate, the leading telemedicine provider in Switzerland, in which AEVIS holds a 40% share, distinguished itself during the pandemic as a fundamental partner of the Federal Office of Public Health. For example, Medgate operated the official COVID-hotline for patients and professionals, supported the operation of testing facilities, and was able to quickly adjust capacity by hiring staff and expanding IT infrastructure to meet the much higher volumes. These factors had a positive impact on Medgate's position, development and valuation.

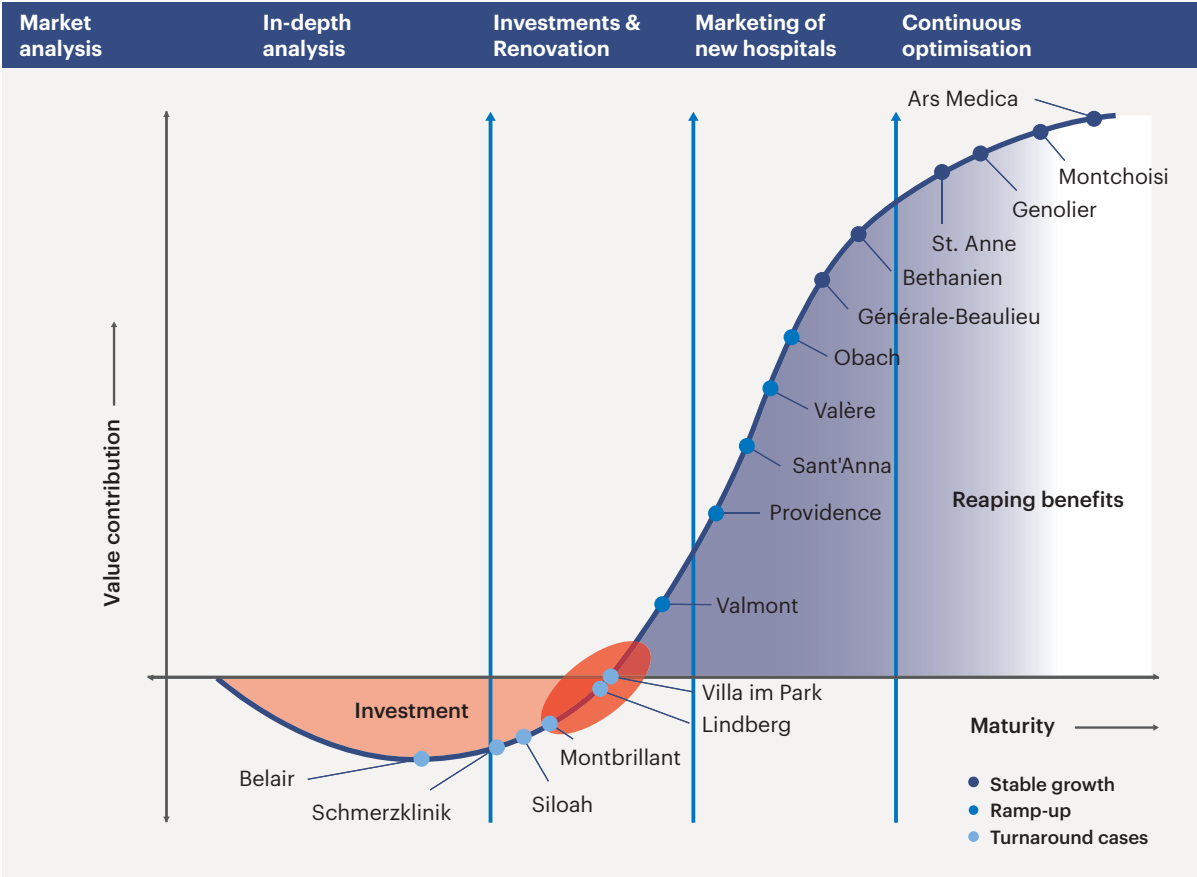
COVID-19 challenges well mastered

AEVIS mastered the crisis by focusing on adaptation, collaboration and reactivity, and immediately introduced comprehensive hygiene and protection measures. The Group's decentralized, agile structure proved to be a major advantage. At the same time, immediate actions were defined to preserve liquidity. Non-urgent investments were postponed, processes adjusted, contracts with partners redefined, cash management optimized and the dividend payment for the successful 2019 financial year waived. Above all, however, it was thanks to the dedicated hard work of our employees, physicians and partners that the results exceeded expectations.

Swiss Medical Network showed good resilience

The ban on elective surgery imposed by the Swiss Federal Council between 16 March and 27 April 2020 put a halt to activities that had been growing strongly. From May onwards the situation gradually improved, and growth has been recorded again since the third quarter of 2020. Despite the healthcare crisis, the hospital segment showed good overall resilience and achieved an operating revenue of CHF 625.7 million compared to CHF 622.3 million a year ago. Organically, the decline was limited to 0.9% but the loss of sales during the lockdown could not be compensated. Net revenue (medical fees excluded) amounted to CHF 546.7 million, 2.2% more than a year ago (2019: CHF 534.8 million). The operational performance remained solid despite the challenging environment due to close cost monitoring, support measures and realized savings. As a result, the operating result (EBITDAR) reached CHF 100.5 million, corresponding to a strong EBITDAR margin of 18.4% (2019: 16.4%).

Swiss Medical Network's portfolio is geographically well diversified, with hospitals in all language regions of Switzerland, and a combination of contracted hospitals with a focus on privately insured patients and listed hospitals with a majority of general insurance patients. The diversification is also reflected in the revenue mix, with the Vaud region accounting for around a quarter of revenues, while the Zurich and Geneva regions each generate around 15% and the Ticino, Mittelland and Fribourg/Valais regions around 10%. The operational maturity of the hospitals varies, with the major hospitals in Lausanne, Genolier, Lugano, Zurich and Geneva achieving stable growth and good margins, and progress in the other hospitals steadily increasing. The aim is to generate profitable growth in all hospitals and to increase this over time.



Strategically, Swiss Medical Network succeeded in further strengthening the Group by acquiring a participation of 35% in the Hôpital du Jura bernois in early 2020. Besides the two hospital sites (St-Imier and Moutier), a mental health facility (Bellelay) and medical centers (Medicentre in Moutier and Tavannes), the Pharmacie Interjurassienne, the Institut de radiologie du Jura bernois and the Biel-Seeland-Jura radiation oncology centre all also belong to the sphere of influence of the Hôpital du Jura bernois. An additional boost to the network in the Arc Jurassien was achieved with the acquisition of the Centre Médical Bienne, ideally located in the heart of Bienne's commercial zone. It covers 3'500 square meters on five floors, and physicians coordinate care and guide, advise and inform patients they treat on a long-term basis.

As such, the creation of an integrated care cluster in the Arc Jurassien made further progress. Swiss Medical Network's objective is to create integrated care clusters in various regions in Switzerland by integrating hospitals, outpatient centers, medical centers and health providers. Such a new approach will hugely benefit patients and the healthcare system as a whole, since it will bring together actors with currently diverging interests.

Hotels impacted by travel and event restrictions

The hospitality segment expanded significantly in 2020 with the integration of Seiler Hotels in Zermatt and InterContinental in Davos, as well as the reopening of La Réserve Eden au Lac in Zurich. This expansion resulted in operating revenue growth of 4.7% to CHF 72.7 million (2019: CHF 69.4 million). Organically, however, a decline of 41.9% (excluding La Réserve Eden au Lac) was recorded, mainly resulting from the regulations issued by the governments. Taking into account the absence of foreign guests, the almost complete lack of MICE business (meetings, incentives, congresses, exhibitions) and the closure of restaurants, the result can nevertheless be qualified as satisfactory.

The management took quick measures, the staff were very flexible, and the Group remained consistent with its pricing policy. An operating result (EBITDAR) of CHF 6.2 million was achieved, corresponding to an EBITDAR margin of 8.6%. The product range continues to be adapted to the changing regulations. Currently, only La Réserve Eden au Lac, Bellevue Palace (since 1 March 2021) and, from April, Victoria-Jungfrau Grand Hotel & Spa are open, while the Alpine hotels, after a good winter season, remain closed until further notice. It is expected that with the removal of restrictions in the travel and event sectors from later in 2021 and in 2022, a catch-up effect should set in and the hotels will be able to return to growth.

Real estate portfolio doubled

The value of the consolidated hotel real estate portfolio increased by more than 100% to CHF 509 million, boosted by the acquisitions of Seiler Hotels and Schweizerhof in Zermatt and the InterContinental in Davos. The unconsolidated healthcare infrastructure portfolio (Infracore) had a total value of CHF 1.1 billion at the end of the reporting period and is expected to yield substantial annual dividend payments. For the 2020 financial year, AEVIS expects dividend income from its Infracore participation in the amount of CHF 9.5 million.

In the wake of the acquisitions made, ordinary revenue grew by 79%. However, the reported revenue decreased by 54.5% from CHF 33.9 million to CHF 15.4 million because the 2019 figures included Infracore SA (until 26 May 2019) and GENERALE-BEAULIEU IMMOBILIERE SA (until year-end 2019). EBITDAR amounted to CHF 13.0 million, corresponding to a margin of 84.1%.

Solid cash flow

The capital base and reserves were further strengthened in the year under review. The operating cash flow of CHF 23.8 million is encouraging. Total equity amounted to CHF 419.6 million, corresponding to a solid equity ratio of 27.4%.

Outlook 2021

The start of 2021 is promising in both the hospital and hospitality segments. Swiss Medical Network expects a significant increase in activities compared to the previous year, as the Group is steadily gaining in attractiveness for physicians, patients and employees. The hospitality segment noted a difficult winter because of the constraints imposed on the hospitality industry and the continued absence of foreign tourists. With the end of the winter season, the visibility for the coming months remains difficult. Currently, only four hotels are in operation and the Victoria-Jungfrau Grand Hotel & Spa reopens its doors today. Real estate valuations are not directly affected by the pandemic. Due to the ongoing restrictions imposed by the Confederation and the cantons, the Group refrains from publishing revenue or margin targets at Group level for the financial year 2021.

Thank you

We would especially like to thank all our employees and physicians for their flexibility and high level of commitment under very challenging conditions throughout the past year. We also thank our customers and partners for their good cooperation, and our shareholders for their trust.

Christian Wenger
Chairman of the Board

Antoine Hubert
Delegate of the Board



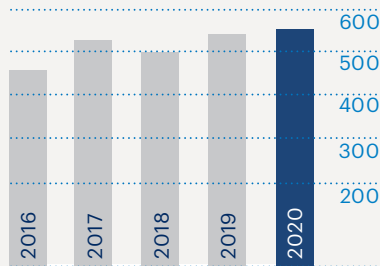
S W I S S M E D I C A L
N E T W O R K

SWISS MEDICAL NETWORK KEY FIGURES 2020

The network's growth path continued with the integration of Hôpital du Jura bernois in January 2020 (35% participation with the option to acquire a majority). As such, Swiss Medical Network has extended its footprint to 22 hospitals and a network of health centers in 13 cantons in all three language regions of Switzerland.

NET REVENUE IN CHF MILLION

546.7



TOTAL REVENUE IN CHF MILLION

625.7

EBITDAR MARGIN

18.4%

EMPLOYEES (HEADCOUNT)

3'802

ADMITTING PHYSICIANS

2'538

BEDS

1'496

INTERVENTIONS

59'189



AARGAU

| Privatklinik Villa im Park

BASEL

| Schmerzlinik Basel

BERNE

| Privatklinik Siloah
| Hôpital du Jura Bernois
Bernois (35%) (3 sites)

FRIBOURG

| Clinique Générale Ste-Anne

GENEVA

| Clinique Générale-Beaulieu

NEUCHÂTEL

| Clinique Montbrillant
| Hôpital de la Providence

SCHAFFHAUSEN

| Privatklinik Belair

SOLOTHURN

| Privatklinik Obach

ST. GALLEN

| Rosenklinik Rapperswil (40%)

TICINO

| Clinica Sant'Anna
| Clinica Ars Medica

VALAIS

| Clinique de Valère

VAUD

| Clinique de Genolier
| Clinique de Montchoisi
| Clinique Valmont

ZURICH

| Privatklinik Bethanien
| Privatklinik Lindberg
| Pyramide am See (20%)

HOSPITALS: SOLID RESULT IN A DIFFICULT ENVIRONMENT

Despite the health crisis and the ban on elective surgery for several weeks during the spring of 2020, the hospital segment showed good overall resilience and was able to achieve operating revenues of CHF 625.7 million, slightly higher (0.5%) than in 2019 (CHF 622.3 million). EBITDAR reached CHF 100.5 million, corresponding to an operating margin of 18.4%. In 2021, a significant increase in activities is expected, based on the increased number of new affiliated physicians, the extended patient infrastructure as well as the growing attractiveness of the Group's facilities for employees and patients.

Stable turnover

While business developed well and within budget until mid-March, the ban on non-urgent medical surgery imposed by the Swiss Federal Council between 16 March and 27 April 2020 led to a significant drop in activity for 45 days. Capacity utilization was only 35% in March and April, back to 90% in May, and even above the previous year in June, when some of the postponed operations could be made up. The situation normalized in the summer and growth returned from the third quarter onwards. Activities with foreign patients remained low, as wealthy foreigners are hardly travelling to Switzerland due to the prevailing restrictions.

Overall, Swiss Medical Network generated operating revenues of CHF 625.7 million compared to CHF 622.3 million a year ago. The slight increase was due in particular to acquisitions in the previous year and the increased contribution from hospitals whose renovations were completed in 2020 (Privatklinik Villa im Park in Rothrist). Organically, revenues decreased by 0.9% because the lost revenues during the lockdown could not be fully compensated. Net revenues (medical fees excluded) amounted to CHF 546.7 million, 2.2% more than a year ago (2019: CHF 534.8 million).

EBITDAR margin of 18.4%

During the lockdown, a focus was set on reducing overtime, temporarily introducing short-time work in some areas, simplifying hotel services in the hospitals, and achieving cost savings through negotiations with the Group's contractual partners. These measures, combined with the gain on the sale of the Privatklinik Belair property to Infracore, contributed significantly to the good operating result (EBITDAR) of CHF 100.5 million, 14.7% more than in the previous year (CHF 87.7 million). This corresponds to an EBITDAR margin of 18.4% (2019: 16.4%). Furthermore, the Group focused on an efficient management of its net working capital, and non-urgent investments were postponed to safeguard liquidity.

Agile and lean organization

Swiss Medical Network reacted promptly to the crisis in spring 2020 and operating processes were adjusted without delay. The Group immediately worked with all cantons to support efforts to combat the pandemic. Swiss Medical Network's organization continued to optimize processes and is now able to adapt resources and capacities in less than 48 hours. The employees were and remain very flexible and made a crucial contribution to coping with the ongoing pandemic.

Together with the excellent management teams and the physicians, the best services were offered even under difficult conditions.

High-quality hospitals

In the year under review, Swiss Medical Network once again invested in the future and further improved its medical offering. At Privatklinik Villa im Park, 40 new patient rooms and two operating rooms (and a third as a reserve), including two surgical robots from Zimmer, were put into operation, while the day clinic was entirely modernized. At Clinique Générale-Beaulieu in Geneva, a new radiotherapy ward on an area of 800 square meters, offering the most modern technology available, such as a Cyberknife (precise robotic radiotherapy treatment) and a Radixact (standard radiation therapy), will be finalized by the first semester of 2021 after an investment of more than CHF 10 million. In Zurich, next to the Stadelhofen railway station, a Ladies Permanence was opened, and on the grounds of Privatklinik Bethanien a new building with group practices was put into operation. A new sports medicine center is available at Clinica Ars Medica in Lugano, and a new pavilion with medical practices will be built at the Privatklinik Belair in Schaffhausen, while new operating theaters are planned at Privatklinik Siloah in Berne.

Integrated Care model

For many years, Swiss Medical Network has been committed to shaping a more efficient healthcare system, putting the patient at the center. Starting in 2021, AEVIS plans to form an alliance of relevant actors to create local integrated health systems. Besides prevention and the avoidance of unnecessary treatments, this requires a whole range of partners, from general practitioners, medical centers and hospitals to home care and nursing homes, framed by a powerful technological platform and an insurance architecture. With the Hôpital du Jura bernois, a supra-regionally active hospital in which Swiss Medical Network already has a 35% stake, an integrated care offer in the Arc Jurassien will be set up, as most of the players are already part of the network, or corresponding partnerships exist. In a next step, an integrated insurance product will be developed and offered to the approximately 250'000 people in the Jura region. It is planned to offer this model in the coming years in other regions where Swiss Medical Network has a strong position.

Acquisition strategy continues

Swiss Medical Network believes that the healthcare crisis is an additional catalyst for further consolidation in the healthcare sector. Indeed, this pandemic demonstrates the importance of a well-organized care network with flexible healthcare infrastructures. As such, Swiss Medical Network is currently discussing possible acquisitions with several healthcare providers, mainly in the outpatient sector.

Outlook 2021

Swiss Medical Network clearly demonstrated the resilience of its business model in the crisis year 2020. The clouds on the horizon are clearing and a significant increase in activity is expected in fiscal year 2021, based on the increased number of new affiliated physicians as well as the growing attractiveness of the Group's facilities for employees and patients. The first few months of the new year have been good, with revenues in numerous hospitals higher than in the previous year. Cooperation opportunities are being explored in several cantons to further advance the integrated care model with the aim of offering a first integrated platform in 2022.



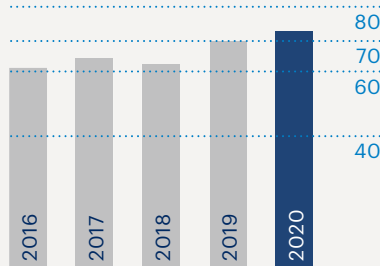
HOSPITALITY &
LIFESTYLE

HOSPITALITY & LIFESTYLE KEY FIGURES 2020

With the reopening of La Réserve Eden au Lac in Zurich (January 2020), the acquisition of the Hotel InterContinental in Davos (January 2020) and the acquisition of the Hotel Schweizerhof in Zermatt (December 2020), the portfolio of operating hotels increased to nine luxury establishments in attractive locations. The portfolio is well diversified between typical alpine destinations, summer locations and city hotels.

NET REVENUE IN CHF MILLION

72.7



EBITDAR MARGIN

8.6%

EMPLOYEES

772

OVERNIGHT STAYS

111'780

TOTAL ROOMS

940

SUITES

306

Ø ROOM RATE

517



BERNE

- | Victoria-Jungfrau Grand Hotel & SPA
- | Bellevue Palace

GRISONS

- | InterContinental Davos

VALAIS

- | Crans Ambassador
- | Mont Cervin Palace
- | Hotel Monte Rosa
- | Hotel Schweizerhof Zermatt
- | Le Petit Cervin

ZURICH

- | La Réserve Eden au Lac

HOTELS: MASTERING DEMANDING COVID-19-RELATED CHALLENGES

The hospitality segment was greatly impacted by the COVID-19 health crisis and the associated restrictions and regulations. The absence of foreign guests, the almost complete absence of MICE business (meetings, incentives, congresses, exhibitions) and the closure of restaurants have made it impossible to achieve the set targets. Nevertheless, an increase in operating revenue to CHF 72.7 million resulted because the scope of consolidation was enlarged by the integration of the Seiler Hotels in Zermatt (consolidated since November 2019) and the Intercontinental in Davos (consolidated since 1 January 2020), and by the reopening of La Réserve Eden au Lac in Zurich in January 2020 after an extensive makeover. The operating result (EBITDAR) amounted to CHF 6.2 million, corresponding to a margin of 8.6%.

The COVID-19 pandemic and the closure of all hotels for several weeks between March 2020 and May 2020 had a lasting impact on the results of the hospitality segment, despite a very encouraging start to the year. Following the staggered reopening of four hotels (La Réserve Eden au Lac, Bellevue Palace, Victoria-Jungfrau Grand Hotel & Spa and Mont Cervin Palace), activity levels in the remaining months were well below previous years but surpassed the initial expectations. In addition to the lack of foreign guests, the almost complete absence of MICE business (meetings, incentives, congresses, exhibitions) in Interlaken, Berne and Davos was a particular burden.

Alpine hotels: Good performance in key months

Despite the health crisis, the Alpine hotels achieved a good result, as the 2020 winter season was very strong. Until the lockdown in mid-March 2020, the hotels in Crans-Montana, Davos and Zermatt performed better than the year before. From spring to fall, the traditionally weaker half of the season, most properties remained closed with the exception of one hotel in Zermatt. With the start of the new winter season at the end of the year, hotels in the canton of Valais reopened, and demand quickly materialized among domestic guests. Due to the various travel restrictions, the number of international guests was significantly lower than in previous years.

City and summer hotels strongly affected by the health crisis

The Group's city and summer hotels, which are heavily dependent on MICE business, were more strongly impacted. At the Bellevue Palace and the Victoria-Jungfrau Grand Hotel & Spa, demand decreased considerably, hardly any events were held, and in addition, during the important summer season, there was an almost complete absence of foreign tourists in Interlaken, especially from the USA, India and Asia. Foreign clients and MICE business account for around two-thirds of the guest volume. Higher than expected domestic demand compensated part of this, but to a limited extent and at lower room rates. As a consequence, the Group decided to close the Victoria-Jungfrau Grand Hotel & Spa during Q4 and used the time to renovate resort facilities for the coming summer season.

The positive exception was La Réserve Eden au Lac, which reopened shortly before the COVID-19 outbreak in January 2020, after an extensive renovation, but immediately closed again with the lockdown in March 2020. Nevertheless, the establishment resumed operations in early summer and remained open for most of the year. The achieved turnover of CHF 7 million, which is comparable to the revenue generated by the Hotel Eden au Lac before its renovation in a regular year, is very encouraging and underlines the successful repositioning of the boutique hotel in the competitive Zurich market. This trend continued in 2021, with occupancy rates exceeding 50% in the first two months, despite ongoing restrictions.

Increase in turnover due to acquisitions

Overall, revenue reached CHF 72.7 million, 4.7% more than last year (2019: CHF 69.4 million). This increase was mainly based on the integration of Seiler Hotels in Zermatt and the InterContinental in Davos, as well as the reopening of La Réserve Eden au Lac in Zurich. In organic terms, however, revenues declined by 41.9% (excluding La Réserve Eden au Lac), as the hotel industry suffered enormously from the restrictions and regulations imposed by the Confederation and the cantons. Compared to the previous year, the number of overnight stays decreased to 111'780 (2019: 124'819) and an average room rate of CHF 517 (2019: CHF 412) was achieved.

High flexibility

The management of the hotel segment reacted quickly to the unprecedented crisis, and the entire organization and staff were extremely flexible, allowing for agile work schedules at various sites. Although the hotels were opened, closed, reopened and in some cases closed again, it was possible to respond quickly to the changing situations and offer guests luxurious hotel and gastronomic experiences.

The Group remained consistent with its pricing policy even in the difficult year 2020 and, excluding the usual marketing measures, appeared on the market without aggressive pricing, as used by some competitors. This approach paid off, as the high-quality positioning was strengthened and the margin maintained at a solid level. An operating result (EBITDAR) of CHF 6.2 million was achieved thanks to stringent cost management, corresponding to an EBITDAR margin of 8.6%.

Outlook 2021

The visibility of the business remains low, and predictions for the coming months are overshadowed by a lot of uncertainty. Currently, La Réserve Eden au Lac, Bellevue Palace (since 1 March 2021) and, from April 2021, Victoria-Jungfrau Grand Hotel & Spa are open. A decision on the reopening of the Alpine hotels (closed from the end of the winter season in March) will be made in the spring, depending on the restrictions and travel options in force at that time. Therefore, no concrete outlook can be given for the current business year. Nevertheless, the Group assumes that demand will gradually normalize with the further anticipated easing measures, and that a return to growth could be expected from 2021 onwards, particularly driven by Food & Beverage demand, the MICE business and cross-border tourism. A noticeable catch-up effect should become apparent in 2022. With their strong foundation in high quality hospitality, the Group hotels are well positioned to benefit from this expected trend.



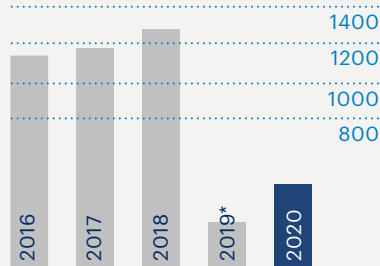
REAL ESTATE

REAL ESTATE KEY FIGURES 2020

The real estate segment consist of hotel properties in Davos, Interlaken, Zermatt and Zurich as well as a plot of land in Crans Montana. The portfolio was enlarged by the acquisition of several properties in Zermatt (Seiler Hotels, Schweizerhof) and Davos (InterContinental) while the property of Clinique Nescens in Paris was sold.

MARKET VALUE IN CHF MILLION

508.6



* Deconsolidation of healthcare infrastructure portfolio

EBITDAR MARGIN

84.1%

PROPERTIES

18

LOCATIONS

5

RENTAL SURFACE SQM

100'913

RENTAL INCOME IN CHF MILLION

15.4

LOAN TO VALUE

58.0%



BERNE

| Victoria-Jungfrau Grand Hotel & SPA Interlaken

GRISONS

| InterContinental Davos

VALAIS

| Mont Cervin Palace Zermatt
 | Hotel Schweizerhof Zermatt
 | Le Petit Cervin Zermatt
 | Commercial properties and land reserves (Zermatt and Crans-Montana)

ZURICH

| La Réserve Eden au Lac

REAL ESTATE: RESILIENT HOTEL AND HEALTHCARE INFRASTRUCTURE PORTFOLIO

The ordinary revenue of the hotel property portfolio increased by 79% after the integration and consolidation of the newly acquired buildings in Davos and Zermatt. However, the reported revenue decreased by 54.5% after the deconsolidation of the healthcare infrastructure portfolio (Infracore SA and GENERALE-BEAULIEU IMMOBILIERE SA) to CHF 15.4 million. EBITDAR amounted to CHF 13.0 million, corresponding to a margin of 84.1%. The portfolio value of the consolidated real estate (Swiss Hotel Properties SA and ZEMER SA) reached CHF 509 million while the unconsolidated healthcare infrastructure portfolio (Infracore SA) had a total value of CHF 1.1 billion at the end of the reporting period.

Infracore: Unconsolidated real estate portfolio yields substantial dividends for AEVIS

The former AEVIS subsidiary focusing on healthcare infrastructure became independent in mid-2019 and was subsequently deconsolidated. However, AEVIS continued to hold, directly and indirectly, a significant minority stake of 30% in Infracore. The shareholder structure of Infracore changed again in the year under review as Medical Properties Trust Inc., listed on the New York Stock Exchange and specialized for 20 years in acquiring and managing healthcare facilities, increased its stake in Infracore by acquiring the 30% stake of Baloise Group. This new participation was converted into non-voting equity shares, in order to maintain the shareholder balance between Medical Properties Trust and AEVIS. As a result, each company holds 50% of the voting rights of Infracore and they exercise joint control.

Further investments were made in the high-quality infrastructure portfolio. At Privatlinik Villa im Park, 40 new patient rooms and two operating rooms (and a third as a reserve) were put into operation. At Clinique Générale-Beaulieu in Geneva, a new radiotherapy center will be finalized by the first semester of 2021. Privatlinik Siloah in Berne and Privatlinik Belair in Schaffhausen will be extended and renovated. One of Infracore's most important projects will be the development of the Genolier Innovation Hub, an extension of 10'000 square meters at Clinique de Genolier in the canton of Vaud, for which the authorities have granted the final building permit. Genolier Innovation Hub is currently in preparation for construction and scheduled to enter into operation by early 2023.

Following the acquisition of the building of Privatlinik Belair in Schaffhausen in December 2020, the portfolio consists of 39 high-quality investment and development properties on 17 sites, representing a rental surface of 184'199 square meters. As of 31 December 2020, the portfolio was valued at CHF 1.1 billion. The current vacancy rate of 1.0% is only temporary and due to renovation works in some buildings.

The results of Infracore were characterized by two developments. On the one hand, target rent increased by more than 20% due to the integration of the buildings on the site of Clinique Générale-Beaulieu in Geneva. On the other hand, the result was negatively impacted by a special effect due to the two-month rent waiver granted on a one-off basis to Infracore's main tenant, Swiss Medical Network, in the context of the COVID-19 pandemic, the six-week lockdown in Switzerland in spring 2020 and the associated ban on elective surgery. Overall, Infracore achieved rental income of CHF 57.2 million (before COVID-19 rent reductions), an EBITDA of CHF 45.2 million and net income of CHF 34.0 million. The distribution of CHF 2.75 per share will be proposed to the Annual General Meeting, which will lead to a cash pay-out to AEVIS of CHF 9.5 million in June 2021.

Swiss Hotel Properties: Consolidated real estate portfolio

After the deconsolidation of Infracore, the hospitality segment was strengthened with targeted acquisitions in prime locations. As such, Swiss Hotel Properties became the largest private owner of luxury hotel real estate in Switzerland. After the integration of the Seiler Hotels and Hotel Schweizerhof in Zermatt as well as the Intercontinental in Davos, the high-quality portfolio consists of 18 unique properties with a total value of around CHF 509 million. Combined, the hotels offer 940 rooms. In order to ensure optimal long-term cooperation between its various hotels, Swiss Hotel Properties will continue to focus on developing its portfolio in the luxury hospitality real estate segment, focused only on four- and five-star hotels in order to ensure optimum long-term cooperation between its different hotels.

Pleasing result

Revenues amounted to CHF 15.4 million compared to CHF 33.9 million a year ago. Comparison with 2019 is not meaningful, following the deconsolidation of the healthcare real estate portfolio. The average interest on mortgages was 2.45% and the LTV (loan-to-value) reached 58.0%.

Outlook

All buildings are in prime locations and are maintained to the highest standards. The rental income of the hotel property portfolio is expected to increase in the next years, while the minority stake in Infracore is expected to yield further substantial annual dividend payments.



C O R P O R A T E
G O V E R N A N C E



CORPORATE GOVERNANCE REPORT OF AEVIS VICTORIA SA

The AEVIS VICTORIA Corporate Governance Report has been prepared in compliance with the requirements of the Directive on Information relating to Corporate Governance (DCG) prepared by SIX Swiss Exchange and the SIX Exchange Regulation Guideline regarding the DCG.

Cross-references are made to other sections of the Annual Report in order to avoid duplication.

The complete Articles of Association of AEVIS VICTORIA SA can be consulted under the following link: https://www.aevis.com/_media/2021/01/201210_statuts_aevis-victoria.pdf

1. Group structure and shareholders

1.1. Group structure

1.1.1. Operational group structure

The AEVIS VICTORIA group (hereinafter “the Group”) is active in healthcare, lifestyle and infrastructure. The Group’s operational structure is divided into the following main business segments: hospitals, hospitality, telemedicine and real estate. The other smaller subsidiaries are amongst other active in life sciences (better aging) and in ambulance services. An Executive Committee or Management team, reporting to their respective Boards of Directors, manage each business segment.

1.1.2. All listed companies belonging to the issuer’s group

AEVIS VICTORIA SA, the Group’s parent company (hereinafter “the Company”), is a listed corporation headquartered rue Georges-Jordil 4 at 1700 Fribourg, Switzerland. The company’s shares are listed on the Swiss Reporting Standard of SIX Swiss Exchange (ISIN CHO478634105). As at 31.12.2020, its market capitalization stood at CHF 1.04 billion.

1.1.3. All unlisted companies belonging to the issuer's group

As at 31.12.2020, the company had the following subsidiaries, none of which are listed:

NAME	REGISTERED OFFICE	ACTIVITY	SHARE CAPITAL IN CHF	%
Swiss Medical Network SA	Genolier (VD)	Holding company	20'000'000	100.00
Victoria-Jungfrau AG	Interlaken (BE)	Holding company	5'000'000	100.00
Seiler Hotels SA	Zermatt (VS)	Hospitality	18'000'000	100.00
MRH-Zermatt SA	Zermatt (VS)	Hospitality	100'000	100.00
Swiss Hotel Properties AG	Interlaken (BE)	Hospitality real estate	10'000'000	100.00
ZEMER SA	Vouvry (VS)	Hospitality real estate	100'000	100.00
Swiss Property Advisors SA	Fribourg (FR)	Real estate management	100'000	100.00
Swiss Ambulance Rescue Genève SA	Geneva (GE)	Ambulance services	500'000	100.00
Swiss Stem Cell Science SA	Fribourg (FR)	Stem Cells	100'000	100.00
Société Clinique Spontini SAS	Paris (France)	No operating activity	EUR 2'000'000	100.00
Laboratoires Genolier SA	Genolier (VD)	Cosmetics	866'700	92.26
Medgate Holding AG	Basel (BS)	Holding company	3'000'000	40.00
NESCENS SA	Genolier (VD)	Better aging	300'000	43.40
Infracore SA	Fribourg (FR)	Healthcare real estate	6'923'354	26.90
Publications de l'économie et de la finance AEF SA	Lausanne (VD)	Publishing	665'000	49.00
Agefi Com SA	Geneva (GE)	Publishing	200'000	49.00
Academy & Finance SA	Geneva (GE)	Organisation of seminars	250'000	22.50
Publications Financières LSI SA	Geneva (GE)	Publishing (dormant)	100'000	100.00

Material changes since the balance sheet date

Nescens Genolier SA, the patient hotel registered in Genolier (Vaud), with a share capital of CHF 200'000, became a subsidiary of AEVIS VICTORIA SA with retroactive effect as of 01.01.2021. The two sister companies Swiss Hotel Properties SA and Zemer SA proceeded with a simplified merger, which resulted in the removal of Zemer SA from the trade register, effective on 16.03.2021. On 08.03.2021, AEVIS VICTORIA SA sold 60% of Swiss Ambulance Rescue Genève SA, thus remaining a 40% shareholder of this company.

More information can be found in note 34 (List of group companies) from the Swiss GAAP FER consolidated financial statements.

1.2. Significant shareholders

According to the disclosure notifications filed with the Company, the following shareholders held directly or indirectly 3% or more of the Company's share capital on 31 December 2020:

NAME	31.12.2020	31.12.2020	31.12.2019	31.12.2019
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA*	64'132'518	76.81	61'005'129	75.89
MPT Medical Properties Trust, Inc.	3'850'961	4.61	3'850'961	4.79
Kuwait Investment Office as agent for the Government of the State of Kuwait	2'666'560	3.19	2'666'560	3.32

* Antoine Hubert and Géraldine Reynard-Hubert indirectly hold AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments SA, HR Finance & Participations SA (HRFP) and EVC Investments Holding SA (EVC). Antoine Hubert and Géraldine Reynard-Hubert hold 100% of the share capital and voting rights of HRFP. HRFP holds 50% of the share capital and voting rights of MRSI and 100% of the share capital and voting rights of EVC. Michel Reybier indirectly holds AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments S.A. and EMER Holding SA (EMER). Michel Reybier holds 100% of the share capital and voting rights of EMER. EMER holds 50% of the share capital and voting rights of MRSI.

The Company received no disclosures of shareholdings for the year under review.

1.3. Cross-shareholdings

There are no cross-shareholdings exceeding 5% of capital shareholdings or voting rights on both sides.

2. Capital structure

2.1. Capital

The structure of the issued capital, conditional capital and authorised capital is as follows:

31.12.2020	NUMBER OF SHARES	NOMINAL VALUE PER SHARE (IN CHF)	TOTAL CAPITAL (IN CHF)
Share capital	83'499'514	1	83'499'514
Conditional capital	37'495'000	1	37'495'000
Authorised capital	36'186'521	1	36'186'521

2.2. Authorised and conditional capital in particular

Authorised capital (article 10 of the Articles of Association)

The Board of Directors is authorised to increase the share capital by a maximum of CHF 36'186'521 through the issuance of a maximum of 36'186'521 fully paid up registered shares with a nominal value of CHF 1 each until 26.05.2021. The issue price, type of payment, timing, the beginning date for dividend entitlement and the conditions for the exercise of subscription rights attached to such shares would have to be determined by the Board of Directors. Preferred subscription rights which have been granted but not exercised are at the disposal of the Board of Directors, which can use them in the interest of the Company.

The Board of Directors is authorised to set the preferred subscription rights of existing shareholders aside and issue new shares by means of a firm underwriting through a bank or another institution with a subsequent offer of such shares to the existing shareholders. The Board of Directors may also withdraw the preferred subscription rights of shareholders in case of the acquisition of an enterprise, parts of an enterprise or participations in a company or any similar transaction.

Conditional capital (articles 10bis and 10ter of the Articles of Association)

The share capital may be increased, through the exercise of conversion rights by a maximum of CHF 34'210'000 through the issuance of a maximum of 34'210'000 fully paid-up registered shares with a nominal value of CHF 1 each. According to article 10bis of the Articles of Association, conversion rights can be granted to holders of convertible bonds.

The share capital may be increased, through the exercise of option rights by a maximum of CHF 3'285'000 divided into a maximum of 3'285'000 fully paid-up registered shares with a nominal value of CHF 1 each. According to article 10ter of the Articles of Association, option rights can be granted to employees, consultants and directors of the Company or its subsidiaries and in accordance with a stock-option plan as defined by the Board of Directors. The preferred subscription rights of shareholders are withdrawn. Shares acquired through exercise of option rights have the same limitations of transferability as described under 2.6 below.

2.3. Changes in capital

	NUMBER OF SHARES	SHARE CAPITAL (IN CHF)
Balance at 01.01.2018	78'091'035	78'091'035
Conditional capital increase (executed on 15.05.2018)	500'000	500'000
Balance at 01.01.2019	78'591'035	78'591'035
Conditional capital increase (executed on 17.02.2020)	1'800'000	1'800'000
Balance on 01.01.2020	80'391'035	80'391'035
Authorised capital increase (executed on 10.12.2020)	3'108'479	3'108'479
Balance on 31.12.2020	83'499'514	83'499'514

On 15.05.2018, the Company registered a conditional capital increase resulting from the exercise of 100'000 options rights at 30.03.2018. The share capital was increased by CHF 500'000 to CHF 78'591'035, divided into 78'591'035 registered shares.

On 17.02.2020, the Company registered a conditional capital increase resulting from the exercise of 360'000 options rights at 31.12.2019. The share capital was increased by CHF 1'800'000 to CHF 80'391'035, divided into 80'391'035 registered shares.

On 10.12.2020, the Company registered an authorised capital increase against contribution in kind of CHF 3'108'479 to CHF 83'499'514, divided into 83'499'514 registered shares.

2.4. Shares and participation certificates

The Company's capital is composed of registered shares only. At 31.12.2020, the number of fully paid-up registered shares with a nominal value of CHF 1 each was 83'499'514. According to article 16 of the Articles of Association, each share recorded in the share register as a share with voting rights confers the right to one vote to its holder. Shareholders have the right to receive dividends. There are no participation certificates.

2.5. Dividend-right certificates

There are no dividend-right certificates.

2.6. Limitations on transferability and nominee registration

Article 7 of the Articles of Association defines the restrictions on transferability. Registered shares of the Company can be transferred without restriction, save that the Company requires the holder to declare that the shares have been acquired on own account and own benefit to register the holder in the share register with voting rights. There are no further registration restrictions (e.g. percentage limitation).

The registration of nominees with voting rights is permitted but subject to the consent of the Board of Directors and is conditional upon the signature by the nominees of an agreement specifying their status.

2.7. Convertible bonds and options

As at 31.12.2020, the Company had no convertible bonds outstanding. During 2020, no option rights were granted.

An overview of the option plans can be found in the Remuneration Report under Section 3.4 – Share-based payment plans. The only options issued by the Company are for its management, employees' and consultants' compensation plans.

3. Board of Directors

3.1. Members of the Board of Directors

The Board of Directors of the Company is adapted to the optimal management of its holdings and relations with its shareholders. Its members cover the necessary financial, legal and political skills to address the challenges of the Company's scope of business.

As at 31.12.2020, the Board of Directors of the Company was composed of the following members:

	FUNCTION	YEAR OF BIRTH	NATIONALITY
Christian Wenger	Chairman	1964	Swiss
Raymond Loretan	Vice-chairman	1955	Swiss
Antoine Hubert	Delegate of the Board	1966	Swiss
Anne-Flore Reybier	Member	1976	French
Michel Reybier	Member	1945	French
Antoine Kohler	Member	1956	Swiss
Cedric A. George	Member	1952	Swiss

With the exception of Antoine Hubert and Raymond Loretan, who are employed by a group company, all Board Members are Non-executive Members. With the exception of Michel Reybier, all Non-executive Board Members are independent, were not part of the Company's management and have no important business connections with the Company.

3.2. Professional background and other activities and vested interests

Christian Wenger, Chairman

Member of the Audit and Compliance Committee

Member of the Strategy and Investment Committee

With a doctor degree in law from the University of Zurich and following post-graduate studies at Duke University Law School in North Carolina, Dr Christian Wenger is partner and Board Member of the law firm Wenger & Vieli AG in Zurich and specialises in commercial and business law with focus on private equity, venture capital and mergers & acquisitions. He serves as Chairman, Vice-chairman and Board Member of several listed and non-listed companies such as Breitling SA, Chemolio Holding AG, Hempel Special Metals AG, SIGNA Retail Selection AG, Trisport AG, UCC Holding AG, UCC Immobilien AG and Xeltis AG. He is Chairman of the BlueLion Stiftung and the UZH Foundation and Member of the Zoo Stiftung Zurich. Furthermore, he is a member of the Swiss-American Chamber of Commerce. In 2003, he founded Swiss Startup Invest (formerly CTI Invest), the largest investor platform for growth companies in Switzerland, which he has chaired since its establishment.

In 2011, he launched the Blue Lion incubator for start-ups in the ICT and clean-tech sector, with the City of Zurich, Zürcher Kantonalbank, Swisscom AG, the University of Zurich and ETH. In 2015, Christian Wenger founded the digitalswitzerland movement with universities and corporations with the aim of positioning Switzerland as a leading technology nation across Europe. He is member of the Executive Committee of this Association. In spring of 2017, Christian Wenger was elected to the Board of Trustees of the UZH Foundation of the University of Zurich. Christian Wenger is also Chairman of Swiss Entrepreneurs AG, which created the Swiss Entrepreneurs Fund, a Swiss fund for venture and growth capital focusing on improving the framework conditions for entrepreneurship.

Dr Christian Wenger represents the shareholdings of CHH FINANCIERE SA.

Raymond Loretan, Vice-chairman

Member of the Strategy and Investment Committee

Raymond Loretan holds a law degree from the University of Fribourg and a diploma in European Organizations from the University of Strasbourg. Before joining the Group in January 2007, Raymond Loretan held several positions within and outside the Swiss administration for more than 20 years. He served as diplomatic Assistant to the Secretary of State at the Federal Department of Foreign Affairs (1984–1987), personal adviser to Federal Councillor Arnold Koller (1987–1990), Counsellor for European Affairs of the Canton of Valais (1991–1992) and Secretary

General of the Swiss Christian Democratic Party (1993–1997). In 1997, Raymond Loretan was appointed by the Swiss government as Swiss Ambassador to the Republic of Singapore and to the Sultanate of Brunei Darussalam and in 2002 as Consul General of Switzerland in New York with ambassadorial ranking. From 2012 to 2015, he was Chairman of the Swiss Public Broadcasting Corporation.

Within the Group, Raymond Loretan is executive Chairman of the Board of Directors of Swiss Medical Network SA. He is Chairman of GSMN Suisse SA, Swiss Medical Network Hospitals SA, Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Centre Médico-Chirurgical des Eaux-Vives SA, Nescens Genolier SA and Swiss Medical Centers Network SA. Raymond Loretan is also Board Member of Hôpital du Jura Bernois SA, Hôpital de Moutier SA (since March 2021), Klinik Pyramide am See AG, Rosenklinik AG, Swiss Ambulance Rescue Genève SA and Victoria-Jungfrau AG. Raymond Loretan is Chairman of the Fondation de Prévoyance Swiss Medical Network and the Genolier Foundation for medical solidarity. He is also Chairman of The Swiss Leading Hospitals.

Furthermore, he is founding associate of the consultancy practice FBL Associés in Geneva, Chairman of the board of Société Suisse des Explosifs SA and Nouvelle Agence Economique et Financière SA. He is also Chairman of the Club diplomatique de Genève, the Fondation du Grand Prix d'Horlogerie de Genève (GPHG) and the Foundation of the documentary film festival Vision du Réel. He is also member of the Foundation of the Swiss Guard and the CIOMAL (Campagne Internationale de l'Ordre de Malte contre la Lèpre).

**Antoine Hubert, Delegate of the Board
Member of the Strategy and Investment Committee**

Prior to acquiring a stake in Clinique de Genolier in 2002 and founding Swiss Medical Network in 2004, Antoine Hubert was mainly active in the property and real estate industry and has set up businesses and served as a director to several companies in various industries.

Within the Group, Antoine Hubert is Delegate of the Board of Swiss Medical Network SA and Chairman of Swiss Hotel Properties SA, CACM hotels SA and Société Clinique Spontini SAS. He is Vice-chairman of the Board of Directors of Infracore SA, Centre Médico-Chirurgical des Eaux-Vives SA and Nescens Genolier SA. He is Board Member of GSMN Suisse SA, Swiss Medical Network Hospitals SA, Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Hôpital du Jura Bernois SA, Hôpital de Moutier SA (since March 2021), Swiss Medical Centers Network SA, Swiss Visio SA, Victoria-Jungfrau AG, Grand Hotel Victoria-Jungfrau AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG, Weriwald AG, Seiler Hotels AG, MRH-Zermatt SA, Générale-Beaulieu Immobilière SA, Medgate Holding AG, Medgate Integrated Care Holding AG, NESSENS SA, Laboratoires Genolier SA, Swiss Stem Cell Science SA and Swiss Property Advisors AG. Antoine Hubert is Member of the Fondation de Prévoyance Swiss Medical Network and the Genolier Foundation for medical solidarity.

Furthermore, Antoine Hubert is Board Member of Nouvelle Agence Economique et Financière SA.

Anne-Flore Reybier, Non-Executive Member
Member of the Audit and Compliance Committee
Member of the Strategy and Investment Committee

Anne-Flore Reybier obtained a Bachelor Degree of Science of Hospitality Management from Glion Institute of higher education in 1998. After several internship in hotel facilities in France and Asia, she joined the Four Seasons group and more particularly The Pierre Hotel in New York. Since 2000, she is Board member of the family holding company CMJ Holding SA (Luxembourg), investing in hospitality, wine & champagne and healthcare. She is also Board member of H.M.C. Hôtel Management Corporation SA.

Michel Reybier, Non-Executive Member
Chairman of the Strategy and Investment Committee
Member of the Audit and Compliance Committee

Michel Reybier has held several senior management positions within the nutrition industry. In particular, he has managed a group of supermarket stores in the Lyon area, a company producing chocolate and biscuits sold under the trade name Cemoi as well as a company producing meat products, amongst others, under the trade names Aoste, Justin Bridou and Cochonou. Michel Reybier is currently active in the hotel industry and is a major shareholder of AEVIS VICTORIA SA. He is founder and owner with his family of the La Réserve hotel Group and Domaines Reybier SA, specialised in vine growing (Cos d'Estournel, Tokaj, Jeeper). He is a member of the Supervisory Board of Domaines Reybier SA. He is also co-founder and shareholder of the Mama Shelter and Mob Hotels.

Within the Group, Michel Reybier is Vice-chairman of the Board of Directors of Victoria-Jungfrau AG and Board Member of Swiss Medical Network SA, Swiss Hotel Properties SA, Nescens Genolier SA, NESSENS SA, Swiss Stem Cell Science SA, Swiss Property Advisors AG, Seiler Hotels AG, Grand Hotel Victoria-Jungfrau AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG, Weriwald AG, MRH-Zermatt SA and CACM hôtels SA.

Antoine Kohler, Non-Executive Member
Chairman of the Audit and Compliance Committee
Member of the Nomination and Compensation Committee
Member of the Strategy and Investment Committee

With a law degree from the University of Geneva and following postgraduate studies at the Graduate Institute of International Studies, Geneva, Antoine Kohler has been practicing law as a qualified attorney in Geneva since 1983. He is a senior partner of the law firm Perréard de Boccard SA, with offices in Geneva and Zurich.

Within the Group, Antoine Kohler is Board Member of Swiss Medical Network SA, Victoria-Jungfrau AG, Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Centre Médico-Chirurgical des Eaux-Vives SA, Swiss Medical Centers Network SA, CACM hôtels and Nescens Genolier SA.

In addition, Antoine Kohler is, amongst others, Board Member of APTG AG (Baar) and Sixt rent-a-car AG (Basel).

Dr Cédric A. George, Non-Executive Member
Chairman of the Nomination and Compensation Committee
Member of the Strategy and Investment Committee

Dr Cédric A. George obtained a Medical degree and doctor's diploma at the Medical Faculty of Zurich University. Specialised in Plastic, Reconstructive and Aesthetic Surgery (Swiss Board Certified), he is the Head physician and Delegate of the Board of Klinik Pyramide am See AG, which he founded in 1993. Dr George also founded a private Centre for Plastic Surgery in Zurich where he runs a private medical practice.

Within the Group, Dr Cédric A. George is Board Member of Swiss Medical Network SA.

3.3. Number of permitted activities

No Board Members may hold more than five additional mandates in listed companies and 25 mandates in non-listed companies. The following mandates are not subject to these limitations:

- Mandates in companies that are controlled by the Company
- Mandates which a Board Member holds at the request of the Company or companies controlled by it. No Board Member should hold more than ten such mandates.
- Mandates in associations, charitable organisations, foundations, trusts and employee welfare foundations. No Board Member should hold more than ten such mandates.

3.4. Elections and terms of office

The Board of Directors consists of three or more Members. The Chairman and the Board Members are elected individually by the Annual General Meeting for a period of one year until completion of the next Annual General Meeting. Re-election of the Chairman and the Board Members is permitted. If the office of the Chairman becomes vacant, the Board of Directors appoints a Chairman for the remaining term of office. The Board of Directors elects one Vice-chairman and the members of the committees other than the Nomination and Compensation Committee. The Board of Directors currently has seven members. In 2020, the Annual General Meeting confirmed Christian Wenger as the Chairman of the Board of Directors. The Board of Directors appointed Raymond Loretan as Vice-chairman.

MEMBER	ELECTION	EXPIRES
Christian Wenger	July 2012	2021
Raymond Loretan*	November 2006	2021
Antoine Hubert*	June 2009	2021
Anne-Flore Reybier	April 2020	2021
Michel Reybier	June 2011	2021
Antoine Kohler*	June 2008	2021
Cédric A. George	September 2010	2021

* Raymond Loretan, Antoine Hubert and Antoine Kohler were not Board Members between 09.06.2010 and 06.09.2010.

Nomination and Compensation Committee

The Nomination and Compensation Committee Members are elected individually by the Annual General Meeting for a period of one year until completion of the next Annual General Meeting. Members of the Nomination and Compensation Committee whose term of office has expired are immediately eligible for re-election.

The Nomination and Compensation Committee is chaired by an independent and Non-executive Board Member and is composed of at least two independent Board Members. The Board of Directors elects the Chairman of the Nomination and Remuneration Committee amongst the elected Nomination and Remuneration Committee Members. If the Nomination and Compensation Committee is no longer complete, the Board of Directors designates substitutes amongst its Members for the remaining term of office. The Nomination and Compensation Committee currently has two members.

MEMBER	ELECTION	EXPIRES
Antoine Kohler	June 2015	2021
Cédric A. George	June 2015	2021

Audit and Compliance Committee

The Audit and Compliance Committee is chaired by an independent Non-executive Board Member and is composed of at least three Board Members, of which one has to be independent. The members are elected by the Board of Directors.

Strategy and Investment Committee

The Strategy and Investment Committee is composed of at least two Board Members, elected by the Board of Directors.

Independent Proxy

The independent proxy is elected by the Annual General Meeting for a period of one year until completion of the next Annual General Meeting. Re-election of the independent proxy is permitted. If the function of independent proxy is vacant, the Board of Directors appoints the independent proxy for the next Annual General Meeting. Authorisations and instructions that have already been issued will remain valid for the new independent proxy.

3.5. Internal organisation structure

3.5.1. Allocation of tasks within the Board of Directors

	AUDIT AND COMPLIANCE COMMITTEE	NOMINATION AND COMPENSATION COMMITTEE	STRATEGY AND INVESTMENT COMMITTEE
Christian Wenger	Member		Member
Raymond Loretan			Member
Antoine Hubert			Member
Anne-Flore Reybier	Member		Member
Michel Reybier	Member		Member
Antoine Kohler	Chairman	Member	Member
Cédric A. George		Chairman	Member
Dr Philippe Glasson*			Member

* Vice-chairman of the Board of Directors of Swiss Medical Network SA.

3.5.2. Tasks and area of responsibility for each Committee of the Board of Directors

Nomination and Compensation Committee

The Nomination and Compensation Committee assists the Board of Directors in the establishment and the periodic revision of the compensation strategy and directives. The Committee prepares the proposals of the Board of Directors to the Annual General Meeting regarding the compensation of the Chairman of the Board, the Board Members and the Senior Management. It determines the principles for remuneration of the Board Members and the Senior Management and submits them to the Board of Directors for approval. It oversees and discusses the overall remuneration policy and the remuneration principles of the Company and the Group and keeps the Board updated. The Committee also determines the employee participation schemes, including an allocation of shares, share options or other financial instruments to the Board Members, the Senior Management and other beneficiaries and submits them to the Board for approval. The Nomination and Compensation Committee also establishes the principles for the selection of candidates to the Board, selects candidates for election or re-election and submits them to the Board. The Board of Directors may assign additional tasks to the Nomination and Compensation Committee.

The Nomination and Compensation Committee is a preparatory committee for the Board of Directors and has no decision-making powers. The Chairman of the Board and the Delegate of the Board are invited to the Nomination and Compensation Committee but have no right to a say in the decisions.

For the year 2020, the Nomination and Compensation Committee met once. The average length of meeting is one hour. The Chairman of the Nomination and Compensation Committee prepares a report of each meeting, which is presented to the next Board meeting.

Audit and Compliance Committee

The Audit and Compliance Committee supports the Board in ensuring the accuracy of the financial statements, the quality of the Internal Control System and the information provided to the shareholders and third parties. Its main duties include the preliminary examination of the financial statements, the discussion of the accounting principles, the supervision of the Internal Control System, the review of the Group's risk assessment, the relation with the external auditors and the assessment of the quality of their audit.

The Audit and Compliance Committee is a preparatory committee for the Board of Directors and has no decision-making powers. Once a year at least, the auditor is invited to take part in an Audit and Compliance Committee meeting, in the course of which the results of the auditor's work are presented.

In 2020, the Audit and Compliance Committee met twice. The average length of meeting is two hours. The Chairman of the Audit and Compliance Committee prepares a report of each meeting, which is presented at the next Board meeting.

Strategy and Investment Committee

The Strategy and Investment Committee reviews the Group's strategic development in its core business as well as other businesses closely related thereto. It also coordinates the significant investment projects. The Strategy and Investment Committee has no decision-making powers. In 2020, the Strategy and Investment Committee met once.

3.5.3. Working methods of the Board of Directors and its Committees

According to its organisational rules, the Board of Directors of the Company meets at least four times a year. Extraordinary meetings, either formal or by means of telephone conferencing, may take place in the course of the year. In 2020, the Board of Directors was convened four times.

The average attendance at the Board meetings was 100%. The average length of meeting is three hours. During its meetings, the Board reviews the activities of the Group with reference to operating reports. Meetings are prepared by the Chairman and the Delegate of the Board.

The Board can decide when more than half of its members are present. It decides by majority of votes. In case of a tie, the vote of the Chairman decides. No quorum is necessary to complete formalities regarding share-capital increases, subsequent paying-up of capital or the issuing of participation certificates.

The Senior Management and members of the Executive Committees or Management teams of the Company's subsidiaries may take part in Board of Directors meetings, at the invitation of the Delegate of the Board and/or the Chairman. The auditor can also be invited to participate in Board meetings when deemed necessary.

The Company's main subsidiaries hold separate Board meetings. The Chairman of the Board of the Company attends the Board meetings of Swiss Medical Network SA, the Company's most important subsidiary.

3.6. Definition of areas of responsibility

The Board of Directors is the ultimate governing body of the Company. It fulfils the function of defining the Group strategy, monitoring and directly controlling the Company's Senior Management. It represents the company externally and makes decisions on all matters that do not fall under the responsibility of another body within the Company by law or pursuant to the Articles of Association or other regulations.

Pursuant to Swiss Code of Obligations, the Articles of Association and the organization rules of the Company, the Board of Directors of the Company has in particular the following non-transferable and inalienable duties:

- Provide the ultimate governance of the Company and issue the necessary instructions;
- Determine the Company's organisation;
- Set the principles of accounting including the consolidation, financial control and financial planning as far as required for the Company's management;
- Appoint and revoke the persons entrusted with the management and representation of the Company;
- Provide the ultimate supervision of the persons entrusted with the management of the Company, especially in view of their compliance with the law, the Articles of Association, regulations and instructions given;
- Pass resolutions on acquiring and disposing of Group and affiliated companies;
- Set the principles of compensation and adopt the participation and option plans;
- Establish the Annual Report, prepare the Annual General Meeting and carry out its resolutions;
- Notify the judge in the event of over-indebtedness.

According to the organisational rules, the Board has delegated the day-to-day management, the controlling of ongoing operations as well as the risk analysis follow-up to the Delegate of the Board, who can sub-delegate to members of the Senior Management of the Company and to the Executive Committee or Management teams of each subsidiary. The Delegate of the Board is responsible for the implementation of the decisions taken by the Board of Directors.

3.7. Information and control instruments vis-à-vis the Senior Management

The Delegate of the Board of the Company conducts the operational management of the Company pursuant to the organisational rules and reports to the Board of Directors of the Company on a regular basis. The Chairman of the Board also holds regular coordination and information meetings with the Delegate of the Board. The Senior Management of the Company and the Executive Committees or Management teams of its subsidiaries, of which the Delegate of the Board is a member, convene regularly to report on operational business issues.

The Group's Financial Department compiles monthly data regarding all its subsidiaries and a condensed report with the most important key figures of all operational units. This information is transmitted to Senior Management and analysed during the regular coordinating meetings. The Board of Directors meets regularly and receives prior to the Board meetings all relevant key data, including the condensed report. The data is analysed in detail during each Board meeting and Board Members are informed on the operational business.

The company has implemented an Internal Control System (ICS) on group level, which is also implemented in its subsidiaries. The risk management was introduced in 2009 and is reviewed yearly by the Senior Management and the Audit and Compliance Committee. The Board of Directors yearly discusses and approves the identified risks.

4. Senior Management

4.1. Senior Management

The Company wants the Senior Management to be focused on the long-term, with steady growth in turnover and profitability, allowing regular investments that will guarantee its sustainability. As at 31.12.2020, the Senior Management of the Company was composed of the following persons:

	FUNCTION	YEAR OF BIRTH	NATIONALITY
Antoine Hubert	Delegate of the Board	1966	Swiss
Gilles Frachon	CFO	1950	French

4.2. Other activities and vested interests

Antoine Hubert

See Section 3.2.

Gilles Frachon

Chief Financial Officer

Gilles Frachon is Chief Financial Officer of AEVIS VICTORIA SA and member of the Senior Management. He is also Board Member of MR HOSPITALITY-GESTION SA, the holding company of Director Michel Reybier, since 1997, and Chairman of the Executive Committee of Domaines Reybier SA. Previously, he has been Chief Financial Officer of Aoste, European leader in charcuterie, and General Manager of the holding company Fournier, owned by the founders of the hypermarkets Carrefour.

Gilles Frachon graduated from the EM Lyon business school and was a Professor in Finance & Controlling at this business school from 1976 till 1980.

Within the Group, Gilles Frachon is Board Member of Swiss Medical Network Hospitals SA, GSMN Suisse SA, Swiss Hotel Properties SA and Société Clinique Spontini SAS (France). Gilles Frachon is Member of the Fondation de Prévoyance Swiss Medical Network.

In addition, Gilles Frachon is Chairman of MJ France SAS (France), Société Foncière PLM (France) and SCA Société Nationale de Propriété d'Immeubles (France). He is Board Member of RDC SA (France).

4.3. Number of permitted activities

No member of the Senior Management may hold more than three additional mandates in listed companies and ten mandates in non-listed companies. The following mandates are not subject to these limitations:

- Mandates in companies that are controlled by the Company
- Mandates which a Member of the Senior Management holds at the request of the Company or companies controlled by it. No Member of the Senior Management should hold more than ten such mandates.
- Mandates in associations, charitable organisations, foundations, trusts and employee welfare foundations. No Member of the Senior Management should hold more than ten such mandates.

4.4. Management contracts

The Company has signed no management contracts with third parties.

5. Compensation, shareholdings and loans

All information on the compensation of the Company's Board of Directors and Senior Management is provided in the separate Remuneration Report.

6. Shareholders' participation rights

6.1 Voting rights restrictions and representation

All shareholders recorded in the share register with voting rights are entitled to attend and vote at the Annual General Meetings. Each share recorded in the share register with a right to vote entitles the holder to one vote at Annual General Meetings.

In accordance with article 16 of the Articles of Association, any shareholder recorded in the share register may be represented at the Annual General Meeting by the independent proxy, another shareholder or a third party.

No exceptions on voting right restrictions were granted in the year under review. The Board of Directors specifies the process and conditions for issuing authorisations and instructions to the independent proxy. Shareholders may issue voting instructions both for proposals relating to agenda items set out in the invitation to the Annual General Meeting and for undisclosed new proposals. If new proposals or amendments to proposals are made at the General Assembly by a shareholder or the Board of Directors, shareholders can instruct the independent proxy to vote in accordance with the proposal of the Board of Directors, to vote against such new proposals or to abstain from voting. Shareholders also have the option to issue proxies and instructions to the independent proxy electronically via the online platform provided by Computershare Schweiz AG.

6.2. Quorums required by the Articles of Association

Pursuant to article 703 Swiss Code of Obligations, the Annual General Meeting passes resolutions and makes elections, if not otherwise required by law (article 704 Swiss Code of Obligations) or the Articles of Association, with an absolute majority of the votes represented at the meeting.

6.3. Convocation of the General Meeting of Shareholders

In accordance with articles 13 and 14 of the Articles of Association, the Annual General Meeting is convened once a year within six months of the end of the financial year. The Board of Directors, the auditor, the liquidator or one or a number of shareholders together representing at least 10% of the share capital may request that an Extraordinary General Meeting be convened.

Invitations to the Annual General Meeting are issued at least 20 days before the date set for the meeting, by being published in the Swiss Official Gazette of Commerce or by means of a letter sent by priority mail to all shareholders, if these are known in the share register. The invitation must set out all agenda items together with the proposals of the Board of Directors and any shareholders who have requested that an Annual General Meeting be convened. The Annual Report and the auditor's report are available for consultation by the shareholders at the company's registered office and on the Company's website, no later than 20 days prior to the Annual General Meeting.

(<https://www.aegis.com/en/news-reports/financial-reports/>)

6.4. Inclusion of items on the agenda

The invitation to the meeting must indicate the items on the agenda and the motions of the Board of Directors and of those shareholders who have requested that the meeting be convened or that an item be included in the agenda. In compliance with article 699 paragraph 3 Swiss Code of Obligations, shareholders representing shares amounting to a nominal value of CHF 1 million may submit a written request for an item to be included in the agenda.

6.5. Entries in the share register

As common practice, the share register is closed approximately one week after the publication date. The closing date is mentioned in the notice. For organisational reasons, subsequent to closing the share register, no further registrations can be executed, except that shares that have been declared sold are withdrawn and cannot be voted.

7. Changes of control and defense measures

7.1. Duty to make an offer

The Company does not have a provision on opting out or opting up in the Articles of Association. Thus, according to article 9 of the Articles of Association, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover set out in article 135 of the Financial Market Infrastructure Act (FinMIA) are applicable.

7.2. Clauses on changes of control

There are no such clauses.

8. Auditors

8.1. Duration of the mandate and term of office of the lead auditor

8.1.1. Date of assumption of the current audit mandate

Berney Associés Audit SA, Geneva was first appointed on 09.06.2010 as auditor of the Company and of the Consolidated Financial Statements of the Group. The term of office is renewable each year for a period of one year by the Annual General Meeting.

8.1.2. Date on which the lead auditor responsible for the current audit mandate took up office

Gregory Grieb is the auditor in charge for supervising the auditing of the statutory annual accounts and consolidated accounts of AEVIS VICTORIA SA since 01.07.2017.

The Group's audit firms have no "business consultancy" mandates.

8.2. Auditing fees

Auditing fees of Berney Associés Audit SA for the Group amounted to CHF 498'000 (excluding VAT and expenses) for the business year 2020.

8.3. Additional fees

During 2020, Berney Associés Audit SA charged additional fees of CHF 49'100 for the delivery of certifications and attestations and for tax services.

8.4. Informational instruments pertaining to an external audit

The Audit and Compliance Committee is responsible for the evaluation of the external auditors and examines the mission, independence, planning and conduct of the work of the external auditors on an annual basis.

At least once a year, the auditor is invited to take part in an Audit and Compliance Committee meeting in the course of which the results of the auditor's work are presented. At the beginning of each interim and final audit, the Delegate of the Board and the Chief Financial Officer of the Group meet with the auditor in charge. A report is regularly made to the Board of Directors. The auditor is also invited to participate in Board meetings when deemed necessary.

The Audit and Compliance Committee reviews the remuneration for the services provided by the external auditors on an annual basis. The external auditors submit a detailed report of their main findings, which are analysed and discussed with the Audit and Compliance Committee before being drawn up for the Board of Directors prior to the approval of the annual financial statements by the Board of Directors.

During 2020, the auditor participated to one meeting of the Audit and Compliance Committee.

9. Information policy

The Company has an open and up-to-date information policy that treats all target groups of the capital investment market equally. The most important information tools are the financial reporting, the website (www.aevis.com), the press releases, the presentation of the financial statements for media and financial analysts as well as the Annual General Meeting. Shareholders are in addition informed on important matters by letter.

The Company is subject to the obligation in respect of ad hoc publicity pursuant to Article 72 of the listing rules. It is possible to receive the company's ad hoc press releases through the News Alert subscription.

(<https://www.aevis.com/en/news-reports/news-alert-subscription/>)

Financial reporting takes the form of semi-annual and annual reports. The consolidated annual financial statements are prepared in accordance with Swiss GAAP FER. They comply with the requirements of the Swiss law and with the listing rules of the SIX Swiss Exchange.

The Annual General Meeting for the 2020 fiscal year will take place on Thursday 29.04.2021. A full corporate calendar is available on the company's website.

(<https://www.aevis.com/en/investor-relations/financial-calendar/>)

Contact

Investor Relations

AEVIS VICTORIA SA

Rue Georges-Jordil 4

CH-1700 Fribourg

Tel. +41 26 350 02 02

E-mail: investor.relations@aevis.com



REMUNERATION
REPORT

Remuneration Report 2020

The AEVIS VICTORIA Remuneration Report has been prepared in compliance with the requirements of the Ordinance against Excessive Compensation (OaEC) and will be submitted to the advisory vote of the shareholders at the Annual General Meeting of 2021. Article 23 ter to quinquies of the Articles of Association relate to the remuneration of Board Members and Senior Management.

1. Governance

The Board of Directors has the overall responsibility of defining the compensation principles used within the Group, based on a proposal of the Nomination and Compensation Committee. The Board of Directors deals with compensation matters once a year, without consulting external advisors. The Board of Directors approves the compensation of its Chairman, its Members and the Senior Management. The compensation of Board Members and Senior Management is subject to approval by the Annual General Meeting. The Nomination and Compensation Committee is chaired by an independent and Non-executive Board Member and is composed of at least two independent Board Members. The Nomination and Compensation Committee Members are elected individually by the Annual General Meeting for a term of office until completion of the next Annual General Meeting. Members of the Nomination and Compensation Committee whose term of office has expired are immediately eligible for re-election.

On 31.12.2020, the Nomination and Compensation Committee was composed of Cédric A. George (Chairman) and Antoine Kohler. The Nomination and Compensation Committee assists the Board of Directors in the establishment and the periodic revision of the compensation strategy and directives. The Committee prepares the proposals of the Board of Directors to the Annual General Meeting regarding the compensation of the Board Members and the Senior Management. It determines the principles for remuneration of the Board Members and the Senior Management and submits them to the Board of Directors for approval. It oversees and discusses the overall remuneration policy and the remuneration principles of the company and the Group and keeps the Board updated. The Committee determines the employee participation schemes, including an allocation of shares, share options or other financial instruments to the Board Members, the Senior Management and other beneficiaries and submits them to the Board for approval.

The Nomination and Compensation Committee also establishes the principles for the selection of candidates to the Board, selects candidates for election or re-election and submits them to the Board. The Board of Directors may assign additional tasks to the Nomination and Compensation Committee.

A Nomination and Compensation Committee Charter governs the Nomination and Compensation Committee.

2. Board of Directors

2.1. Principles of compensation

According to article 23 quinquies of the Articles of Association, non-executive Board Members receive a fixed compensation, which takes into account the position and level of responsibility of the beneficiary. At least 20% and up to 50% of their compensation must be converted in AEVIS VICTORIA shares, with a two-year vesting period. The number of AEVIS VICTORIA shares is determined by taking the closing price of the share on the SIX Swiss Exchange over a period of 30 days prior to the date of allocation.

The payment in cash and the conversion in shares are executed yearly before the end of the term of office. From the date of allocation, the shares have both voting and dividend rights. The remuneration is accounted for using the accrual principle. The Annual General Meeting approves the proposal of the Board of Directors in relation to the maximum aggregate amount of the compensation of the Board of Directors for the period until the next Annual General Meeting. The Board of Directors can submit to the approval of the Annual General Meeting different or additional proposals covering the same period or different periods.

In the event the Annual General Meeting does not approve a proposal of the Board, the Board determines, taking into account all pertinent criteria, the total (maximum) amount or the partial respective (maximum) amounts and submits the(se) amount(s) thus determined to the approval of an Annual General Meeting.

Notwithstanding the previously stated information, the Company or companies controlled by it can pay remunerations prior to the approval of the Annual General Meeting, subject to the approval by the Annual General Meeting.

2.2. Compensation in 2020

(In thousands of CHF)							
NAME	POSITION	TOTAL	OF WHICH CASH	OF WHICH BLOCKED SHARES	SOCIAL INSURANCE CONTRIBUTIONS*	PREVIOUS PERIOD	SOCIAL INSURANCE CONTRIBUTIONS*
Christian Wenger	Chairman	100.0	60.0	40.0	5.6	100.0	4.9
Raymond Loretan	Vice-chairman	-	-	-	-	-	-
Antoine Hubert	Delegate of the Board	-	-	-	-	-	-
Anne-Flore Reybier	Member	-	-	-	-	-	-
Michel Reybier	Member	50.0	25.0	25.0	3.8	50.0	3.4
Antoine Kohler	Member	105.0	52.5	52.5	14.5	105.0	13.4
Cedric A. George	Member	50.0	25.0	25.0	3.8	50.0	3.4
Total		305.0	162.5	142.5	27.8	305.0	25.1

* The Company pays all social insurance contributions.

Antoine Hubert is employed by a group company and does not receive any Board Member compensation. His remuneration is detailed in Section 3 of the Remuneration Report.

Raymond Loretan is employed by a group company and does not receive any Board Member compensation. His remuneration is detailed hereafter:

(In thousands of CHF)	2020	2019
Annual Base Salary	485.6	485.6
Variable cash compensation	135.3	172.2
Social insurance and pension contributions	150.4	265.6
Total	771.4	923.4

2.3. Shareholding in 2020

NAME	POSITION	2020 NUMBER OF SHARES HELD*	2020 NUMBER OF OPTIONS HELD	2019 NUMBER OF SHARES HELD*	2019 NUMBER OF OPTIONS HELD
Christian Wenger**	Chairman	2'043'262	-	2'039'805	-
Raymond Loretan	Vice-chairman	213'100	-	348'100	-
Antoine Hubert and Michel Reybier***	Delegate of the Board / Member	64'132'518	-	61'005'129	-
Anne-Flore Reybier	Member	325'000	-	n.a.	n.a.
Antoine Kohler	Member	17'252	-	12'065	-
Cédric A. George	Member	91'195	-	89'035	-

* Including the blocked shares received as Board Member compensation.

** Representing the shareholding of CHH Financière SA.

*** Antoine Hubert and Géraldine Reynard-Hubert indirectly hold AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments SA, HR Finance & Participations SA (HRFP) and EVC Investments Holding SA (EVC). Antoine Hubert and Géraldine Reynard-Hubert hold 100% of the share capital and voting rights of HRFP. HRFP holds 50% of the share capital and voting rights of MRSI and 100% of the share capital and voting rights of EVC. Michel Reybier indirectly holds AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments S.A. and EMER Holding SA (EMER). Michel Reybier holds 100% of the share capital and voting rights of EMER. EMER holds 50% of the share capital and voting rights of MRSI.

2.4. Other audited information regarding the Board of Directors

2.4.1. Loans

As at 31.12.2020, the current accounts of companies which are controlled by Board members and related parties amounted to CHF 14'373'347 (2019: CHF 13'992'744), i.e. CHF 17'822 (2019: CHF 17'350) for M.R.S.I. Medical Research, Services and Investments SA, CHF 5'531'335 (2019: CHF 5'384'866) for EMER Holding SA, CHF 7'407'613 (2019: CHF 7'211'461) for HR Finance & Participations SA and CHF 1'416'578 (2019: CHF 1'379'067) for GCC Global Consulting et Communication S.à r.l.

During the fiscal year, no reimbursements have been made (2019: nil). Interests at a rate of 2.72% have been accrued. As at 31.12.2020 Antoine Hubert had a current account with a subsidiary company of CHF 5'260'637 (2019: CHF 4'905'918).

See also Note 12 Other Receivables from the Swiss GAAP FER consolidated financial statements. Loans to Board Members can be granted at market conditions and cannot exceed CHF 20 million in total.

2.4.2. Additional fees

There were no additional fees or remuneration paid by the Company or any of its group companies to Board Members in 2020, with the exception of Antoine Hubert and Raymond Loretan, who are employed by a group company.

2.4.3. Compensation and loans for former Board Members

There is no compensation conferred during 2020 neither loan outstanding to former Board Members.

3. Senior Management

3.1. Principles of compensation

According to article 23 quinquies of the Articles of Association, the compensation of Senior Management is based on fixed and/or variable elements. Total compensation takes into account the position and level of responsibility of the beneficiary and their achievement of objectives. The remuneration is accounted for using the accrual principle. The fixed compensation includes the base salary and can include other elements of remuneration. The variable remuneration is linked to performance measures (business success, turnover and revenue goals and personal objectives) and to the level of responsibility of the beneficiary. In 2020, the Senior Management received variable compensation of 171.9% (2019: 164.1%) in relation to the fixed compensation. The Board of Directors or, if this competence has been delegated, the Nomination and Compensation Committee, determines the performance measures and the target levels of the elements of variable remuneration, as well as their fulfilment. The Compensation can be paid in cash, in shares and/or other types of benefits. It can also be paid in the form of financial instruments or share-based units. The Board of Directors or, if this competence has been delegated, the Nomination and Compensation Committee, determines the grant conditions, the vesting conditions and the revoking of rights. Remuneration can be paid by the company or companies controlled by it. The variable compensation is always paid in the following year, after the publication of the full year results.

The Annual General Meeting approves the proposal of the Board of Directors in relation to the maximum aggregate amount of the compensation of the Senior Management of the previous fiscal year.

The Board of Directors can submit to the approval of the Annual General Meeting different or additional proposals covering the same period or different periods.

In the event the Annual General Meeting does not approve a proposal of the Board, the Board determines, taking into account all pertinent criteria, the total (maximum) amount or the partial respective (maximum) amounts and submits the(se) amount(s) thus determined to the approval of an Annual General Meeting. Notwithstanding the previously stated information, the company or companies controlled by it, can pay remunerations prior to the approval of the Annual General Meeting, subject to the approval by the Annual General Meeting.

According to article 23 quater of the Articles of Association, an additional amount of 40% of the total amount of compensation payable to the Senior Management that was last approved by the Annual General Meeting for the relevant period is available for the member(s) of the Senior Management appointed after the Annual General Meeting that voted on the total amount of compensation.

3.2. Compensation in 2020

The total remuneration of the Senior Management (including social insurance and pension contributions) amounts to CHF 1.0 million (2019: CHF 1.4 million). No stock options were granted to the Senior Management in 2020 (2019: nil).

The highest compensation in 2020 was conferred to Antoine Hubert, Delegate of the Board.

(In thousands of CHF)	2020 HIGHEST COMPEN- SATION	2020 OTHER MEMBERS	2020 TOTAL SENIOR MANAGE- MENT	2019 HIGHEST COMPEN- SATION	2019 OTHER MEMBERS	2019 TOTAL SENIOR MANAGE- MENT
Annual base salary	398.9	-	398.9	398.9	-	398.9
Variable cash compensation	380.6	-	380.6	745.4	-	745.4
Social insurance and pension contributions	208.3	-	208.3	279.4	-	279.4
Total	987.8	-	987.8	1'423.7	-	1'423.7

3.3. Shareholding in 2020

NAME	POSITION	2020 NUMBER OF SHARES HELD	2020 NUMBER OF OPTIONS HELD	2019 NUMBER OF SHARES HELD	2019 NUMBER OF OPTIONS HELD
Antoine Hubert	Delegate of the Board	16'558'724	-	16'262'974	-
Gilles Frachon	CFO	77'350	-	77'350	-

* Directly and/or indirectly held through his companies.

3.4. Share-based payment plans

In 2016, a stock option plan 16-A in favor of the management, employees and consultants was implemented. 412'500 options were granted, each giving rights to subscribe for five shares at a unit price of CHF 38.

The details of the share based payment plan at the beginning of the scheme is as follows:

PLAN	BENEFICIARY / GRANT DATE	NUMBER OF INSTRUMENTS / EXERCISE PRICE	VESTING CONDITIONS	EXERCISE DATE	EXPIRY DATE
16-A	Group Senior Management, Group Management and Consultants April 2016	412'500 CHF 38 1:5	Service condition	As of grant	31.12.2019

The movements of share-based plans during 2019 and 2020 are the following:

	PLAN 16-A
Outstanding options at 01.01.2019	410'000
Expired during the year	-
Exercised during the year	410'000
Granted during the year	-
Forfeited options during the year	-
Outstanding options at 31.12.2019	-
Outstanding options at 31.12.2020	-

3.5. Other audited information regarding the Senior Management

3.5.1. Loans

See Section 2.4.1.

3.5.2. Additional fees

During 2020, no additional fees were paid to Gilles Frachon for his terms as Board Member of GSMN Suisse SA and Swiss Medical Network Hospitals SA (2019: nil).

During 2020, GCC Global Consulting et Communication S.à r.l., a company related to Antoine Hubert, has perceived no honoraria from Swiss Property Advisors SA, which is fully-owned by the Company (2019: CHF 45'500).

During 2020, MR HOSPITALITY-GESTION SA, a company related to Michel Reybier, has received honoraria of CHF 510'075 (2019: CHF 498'964) from subsidiaries of Victoria-Jungfrau AG, which are fully-owned by the Company.

There were no other additional fees or remuneration paid by the Company or any of its group companies to the Senior Management.

3.5.3. Compensation and loans for former members of the Senior Management

There is no compensation conferred during 2020 neither loan outstanding to former members of the Senior Management.

Report of the statutory auditor to the General meeting of AEVIS VICTORIA SA, Fribourg

We have audited the remuneration report of AEVIS VICTORIA SA for the year ended December 31, 2020. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the sections 2.2 to 2.4 and sections 3.2 to 3.5 of the remuneration report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14-16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14-16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report for the year ended December 31, 2020 of AEVIS VICTORIA SA complies with Swiss law and articles 14-16 of the Ordinance.

Berney Associés Audit SA

BA Qualified electronic signature



Gregory GRIEB
Licensed Audit Expert
Auditor in charge

BA Qualified electronic signature



Frédéric BERNEY
Licensed Audit Expert

1207 Genève
Rue du Nant 8
+41 58 234 90 00

1003 Lausanne
Rue Étraz 4
+41 58 234 91 00

1700 Fribourg
Boulevard de Pérolles 37
+41 58 234 93 00

1896 Vouvry
Rue Arthur Parchet 1
+41 58 234 90 20

1950 Sion
Place de la Gare 2
+41 27 322 75 40

En ligne
berneyassociés.com
info@berneyassociés.com



C O N S O L I D A T E D
F I N A N C I A L S T A T E M E N T S

Consolidated Income Statement

(In thousands of CHF)	NOTE	2020	2019
Revenue from operations		696'566	697'234
Other revenue	5	36'452	235'935
Total revenue		733'018	933'169
External services		(91'804)	(88'324)
Net revenue		641'214	844'845
Production expenses		(154'730)	(150'216)
Personnel expenses	6	(281'824)	(281'559)
Other operating expenses	7	(105'366)	(104'646)
EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)		99'294	308'424
Rental expenses		(62'645)	(41'929)
EBITDA		36'649	266'495
Depreciation on tangible assets	15	(47'232)	(44'714)
Extraordinary depreciation on tangible assets	15	(3'534)	(1'499)
Amortisation on intangible assets	16	(8'518)	(12'990)
Extraordinary depreciation on intangible assets	16	(642)	(28'162)
EBIT		(23'277)	179'130
Financial result	8	(16'559)	(17'354)
Share of profit/(loss) of associates		5'825	(2'440)
Profit/(loss) before taxes		(34'011)	159'336
Income taxes	9	3'157	14'354
Profit/(loss) for the period		(30'854)	173'690
- Thereof attributable to shareholders of AEVIS VICTORIA SA		(31'795)	163'195
- Thereof attributable to minority interests		941	10'495
Non-diluted earnings per share (in CHF)	10	(0.40)	2.09
Diluted earnings per share (in CHF)	10	(0.40)	2.09

Consolidated Balance Sheet

(In thousands of CHF)	NOTE	31.12.2020	31.12.2019
Assets			
Cash and cash equivalents		65'559	40'236
Marketable securities		–	845
Trade receivables	11	137'363	136'530
Other receivables	12	39'091	41'708
Inventories	13	29'405	26'738
Accrued income and prepaid expenses	14	37'948	36'780
Total current assets		309'366	282'837
Tangible assets	15	964'939	673'885
Intangible assets	16	26'934	24'730
Financial assets	17	228'709	209'109
Total non-current assets		1'220'582	907'724
Total assets		1'529'948	1'190'561
Liabilities and equity			
Trade payables	18	109'729	100'632
Other current liabilities	19	36'093	28'742
Short-term financial liabilities	20	163'782	68'221
Other short-term borrowings	21	11'056	1'856
Accrued expenses and deferred income	22	62'972	60'568
Short-term provisions	23	800	573
Total current liabilities		384'432	260'592
Long-term financial liabilities	20	645'381	410'231
Other long-term borrowings	21	21'518	15'065
Other non-current liabilities	19	3'000	3'082
Long-term provisions	23	55'977	57'756
Total non-current liabilities		725'876	486'134
Total liabilities		1'110'308	746'726
Equity			
Share capital	24	83'500	80'391
Capital reserves		222'209	186'827
Treasury shares	24.1	(5'378)	(864)
Offset goodwill		(120'968)	(93'924)
Currency translation differences		(1'336)	(1'278)
Retained earnings		183'207	215'161
Shareholders' equity excl. minority interests		361'234	386'313
Minority interests		58'406	57'522
Shareholders' equity incl. minority interests		419'640	443'835
Total liabilities and equity		1'529'948	1'190'561

Consolidated Statement of Changes in Equity

(In thousands of CHF)	SHARE CAPITAL	CAPITAL RESERVES	TREASURY SHARES	OFFSET GOODWILL	CURRENCY TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EXCL. MINORITY INTERESTS	MINORITY INTERESTS	TOTAL INCL. MINORITY INTERESTS
Balance at 1 January 2019	78'591	244'114	(13'575)	(36'037)	(825)	51'960	324'228	120'798	445'026
Profit for the period	-	-	-	-	-	163'195	163'195	10'495	173'690
Capital contribution distribution	-	(73'832)	-	-	-	-	(73'832)	-	(73'832)
Dividend distribution to minority interests	-	-	-	-	-	-	-	(24'821)	(24'821)
Capital increase	1'800	11'880	-	-	-	-	13'680	-	13'680
Acquisition of subsidiaries	-	-	-	(29'738)	-	-	(29'738)	-	(29'738)
Divestment of subsidiaries	-	-	-	(28'149)	-	-	(28'149)	(48'919)	(77'068)
Change in minority interests	-	-	-	-	-	6	6	(31)	(25)
Purchase of treasury shares	-	-	(40'237)	-	-	-	(40'237)	-	(40'237)
Sale of treasury shares	-	4'341	52'948	-	-	-	57'289	-	57'289
Share-based payments	-	324	-	-	-	-	324	-	324
Currency translation differences	-	-	-	-	(453)	-	(453)	-	(453)
Balance at 31 December 2019	80'391	186'827	(864)	(93'924)	(1'278)	215'161	386'313	57'522	443'835
Profit/(loss) for the period	-	-	-	-	-	(31'795)	(31'795)	941	(30'854)
Dividend distribution to minority interests	-	-	-	-	-	-	-	(118)	(118)
Capital increase	3'109	35'592	-	-	-	-	38'701	-	38'701
Acquisition of subsidiaries	-	-	-	(27'044)	-	-	(27'044)	-	(27'044)
Change in minority interests	-	-	-	-	-	(159)	(159)	61	(98)
Purchase of treasury shares	-	-	(9'000)	-	-	-	(9'000)	-	(9'000)
Sale of treasury shares	-	(210)	4'486	-	-	-	4'276	-	4'276
Currency translation differences	-	-	-	-	(58)	-	(58)	-	(58)
Balance at 31 December 2020	83'500	222'209	(5'378)	(120'968)	(1'336)	183'207	361'234	58'406	419'640

Consolidated Cash Flow Statement

(In thousands of CHF)	2020	2019
Profit/(loss) for the period	(30'854)	173'690
Changes in provisions (incl. deferred taxes)	(2'634)	(18'376)
Depreciation and amortisation	55'750	57'704
Impairments	4'176	29'661
(Gain)/loss from sale of fixed assets	(16'028)	465
(Gain)/loss from sale of subsidiaries	-	(221'424)
Fair value (gains)/losses on marketable securities	(302)	-
(Gain)/loss from sale of financial assets and marketable securities	(20)	(1'245)
Share of (profit)/loss from associates	(5'825)	2'440
Dividends received from associates	8'343	-
Share-based payments	-	324
Change in contribution reserve and other non-cash items	(856)	(484)
Cash flow from operating activities before changes in working capital	11'750	22'755
Change in trade receivables	1'352	(9'993)
Change in inventories	(2'116)	(2'595)
Change in other receivables and prepaid expenses	3'536	6'962
Change in trade payables	8'027	(5'266)
Change in other liabilities and accrued expenses	1'221	6'999
Cash flow from operating activities	23'770	18'862
Purchase of tangible assets	(296'026)	(91'239)
Proceeds from disposal of tangible assets	38'168	30
Purchase of intangible assets	(11'203)	(8'129)
Acquisition of subsidiaries, net of cash acquired	626	(29'591)
Divestment of subsidiaries, net of cash disposed	-	376'771
Investments in financial assets and marketable securities	(34'969)	(11'353)
Divestments of financial assets and marketable securities	6'362	6'753
Cash flow from investing activities	(297'042)	243'242
Distribution to shareholders	-	(73'832)
Dividends paid to minority interests	(118)	(24'821)
Proceeds from issuance of share capital, net of costs	-	13'680
Repayment of bond	(55'000)	(145'000)
Sale/(purchase) of treasury shares	(6'347)	1'810
Change in minority interests	(98)	(25)
Change in short-term financial liabilities	407	652
Change in long-term financial liabilities	344'719	17'195
Change in other long-term liabilities and borrowings	15'052	(45'859)
Cash flow from financing activities	298'615	(256'200)
Currency translation effect on cash and cash equivalents	(20)	(34)
Change in cash and cash equivalents	25'323	5'870
Cash and cash equivalents at beginning of the period	40'236	34'366
Cash and cash equivalents at the end of the period	65'559	40'236

Notes to the Consolidated Financial Statements

1. General information

AEVIS VICTORIA SA (hereafter “The Company”) has its registered offices at 1700 Fribourg, Switzerland. The Company’s purpose consists of holding interests in financial, commercial and industrial enterprises in Switzerland and abroad, in areas such as medical treatment, healthcare and hotels.

2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis in accordance with Swiss GAAP FER. They comply with the requirements of the Swiss law and with the listing rules of the SIX Swiss Exchange. The Swiss GAAP FER apply to all companies included in the scope of consolidation. The principle of individual valuation has been applied to assets and liabilities.

The consolidated financial statements were authorised for issue by the Board of Directors on 25 March 2021. Final approval is subject to acceptance by the Annual General Meeting of Shareholders on 29 April 2021.

3. Accounting policies

3.1. Consolidation

The consolidated financial statements of the Company for the year ended 31 December 2020 comprise the Company and its subsidiaries (“the Group”) and interests in associates.

The assets and liabilities of newly acquired companies are recognised at fair value at the date of acquisition. Entities controlled by the Group are consolidated by applying the purchase method.

3.1.1. Subsidiaries

Subsidiaries are companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control effectively commences until the date control ceases. The net assets of a newly acquired company are measured at fair values at the date of acquisition. Any difference between purchase price and net assets is offset with equity. In an acquisition achieved in stages (step acquisition), the difference between purchase price and net assets is determined on each separate transaction at the corresponding acquisition date. The full consolidation method is used, whereby all assets, liabilities, income and expenses of the subsidiaries are included in the consolidated financial statements.

3.1.2. Joint ventures

A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control means that the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing the control and the capital. The Group's share of each of the assets, liabilities, income and expense is shown on each item of the consolidated financial statements on a pro rata basis in accordance with the share in capital the Group holds in the joint venture.

3.1.3. Associates

Associates are those entities in which the Group has significant influence, but no control (between 20% and 50% of voting rights) over the financial and operating policies. Associates are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group's share of the profit or loss of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

3.1.4. Goodwill accounting

The assets and liabilities of consolidated and associated companies included in the consolidation for the first time are valued at current values which do include a purchase price allocation. The goodwill arising from this revaluation is offset against equity.

3.1.5. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, have been eliminated in the consolidated financial statements. Unrealised gains and losses arising from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are only eliminated to the extent that there is no evidence of impairment.

3.2. Foreign currency

The consolidated financial statements are presented in Swiss francs (CHF). Transactions in foreign currencies are translated to the respective functional currency of Group companies at exchange rates at the transaction dates. Foreign currency differences arising on retranslation are recognised in the income statement. Financial statements of subsidiaries reporting in foreign currencies are translated into Swiss francs (CHF) during consolidation process using year-end rates for balance sheet items, historical rates for equity and average rates of the year for income and cash flow statements. The translation differences are recognised in equity. Exchange differences arising from long-term intercompany loans with an equity character are booked to equity.

3.3. Income statement

3.3.1. Revenue

Revenue is recognised at the fair value of the consideration received or receivable, net of discounts, losses on accounts receivables and changes in allowances for doubtful accounts. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the services at the reporting date. The stage of completion is assessed by reference to surveys of work performed. Other revenue does include gain from disposal of assets, the profit resulting from the sale of subsidiaries and own work capitalised.

3.3.2. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.3.3. Income taxes

Income taxes comprise current and deferred taxes. Current taxes are the expected tax payables on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payables in respect of previous years.

Deferred taxes are recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.4. Balance sheet

3.4.1. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

3.4.2. Marketable securities

Listed securities (incl. OTC securities with a market price) are valued at the market values prevailing on the balance sheet date. All realised and unrealised gains and losses resulting from variations in market values are recorded in the income statement.

3.4.3. Trade and other receivables

Receivables are carried at nominal value less allowance for doubtful receivables. The allowance is based on the aging of trade receivables, specific risks and historical loss experience.

3.4.4. Inventories

Inventories are measured at the lower of acquisition costs and net realisable value. The cost of inventories is based on the weighted average cost principle. Inventories are regularly adjusted to their net realisable value by the systematic elimination of out-of-date items. Cash discounts are accounted for as reduction of the acquisition value.

3.4.5. Tangible assets

Building position includes the building structure (roof, building facade, structure and basic installation such as heating) while all interior elements are included in leasehold improvements. Lands are not depreciated. Tangible assets are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. The cost of replacing part of an item of tangible assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of tangible assets are recognised in profit or loss as incurred.

Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible assets. The estimated useful lives are as follows:

- Buildings 67–100 years
- Machinery and equipment 5–10 years
- Furniture 5–10 years
- Vehicles 4–8 years
- Leasehold improvements are depreciated over the shorter of their useful life or lease term: 10–33 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

3.4.6. Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified at inception as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets under finance leases are depreciated over their estimated useful lives (4 to 10 years).

Leases where substantially all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases.

3.4.7. Intangible assets

Intangible assets include IT software, internet websites, trademarks and other intangible assets. Intangible assets are amortised over their estimated useful lives (3 to 15 years). Amortisation is recognised in income statement on a straight-line basis.

3.4.8. Financial assets

The Group has investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These securities are initially recognised at cost and subsequently measured at cost less accumulated impairment losses. The related long-term loans are recognised at nominal value less impairment losses.

3.4.9. Impairment of assets

Assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

3.4.10. Trade and other payables

Trade and other payables are recognised at nominal value.

3.4.11. Financial liabilities and other borrowings

Financial liabilities and other borrowings are recognised at nominal value. Transaction costs are recognised in the income statement over the fixed period of the loans or borrowings. Financial liabilities and other borrowings are classified as short-term liabilities when payable within 12 months.

3.4.12. Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and when it is probable that an outflow of economic benefits will be required to settle the obligation.

3.4.13. Contingent liabilities

Contingent liabilities are valued on the balance sheet date based on the agreements in place and other supporting documents. If an outflow of funds is likely, a provision is created.

3.5. Accounting estimates and assumptions

The preparation of financial information requires Group management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. If in future, such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the period in which the circumstances change.

3.6. Changes in scope of consolidation

The following changes to the scope of consolidation took place in 2020:

ENTITY	EVENT / DATE	CAPITAL SHARE 31.12.2020	CAPITAL SHARE 31.12.2019
Chirurgische Tagesklinik Biel CTK GmbH (merged)	Acquired on 01.09.2020	100.00%	-
GENERALE BEAULIEU HOLDING SA	Increase in participation on 13.02.2020	69.45%	69.40%
HOPITAL DU JURA BERNOIS S.A.	Acquired on 01.01.2020	35.00%	-
Laboratoires Genolier SA	Increase in participation on 07.01.2020	92.26%	89.13%
Medgate Deutschland GmbH	Increase in participation on 01.09.2020	40.00%	19.60%
Medizinisches Zentrum Biel MZB GmbH (formerly Walk-in-Clinic Biel WIC GmbH)	Acquired on 01.09.2020	100.00%	-
Medizinisches Zentrum Biel MZB GmbH (merged)	Acquired on 01.09.2020	100.00%	-
MRH-Zermatt SA	Acquired on 15.12.2020	100.00%	-
NESCENS SA	Increase in participation on 07.01.2020	43.40%	36.17%
Weriwald AG	Acquired on 01.01.2020	100.00%	-
ZEMER SA (merged)	Acquired on 15.12.2020	100.00%	-

GENERALE BEAULIEU HOLDING SA and HOPITAL DU JURA BERNOIS S.A. are holding companies with several subsidiaries. All group companies are listed in note 34.

4. Segment information

The Group consists of the reported segments in the tables below. The decision makers measure the performance of the segments using the key figure EBITDA (Earnings before interest, taxes, depreciation and amortisation). The financial information for each segment is thus shown up to EBITDA.

2020 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	546'730	72'710	5'709	14'914	1'151	-	641'214
Net revenue IC	-	15	9'728	242	300	(10'285)	-
Net revenue	546'730	72'725	15'437	15'156	1'451	(10'285)	641'214
Production expenses	(138'152)	(13'891)	-	(2'730)	-	43	(154'730)
Personnel expenses	(225'969)	(39'234)	(554)	(9'647)	(6'420)	-	(281'824)
Other operating expenses	(82'095)	(13'369)	(1'906)	(5'217)	(3'293)	514	(105'366)
EBITDAR *	100'514	6'231	12'977	(2'438)	(8'262)	(9'728)	99'294
<i>EBITDAR margin</i>	<i>18.4%</i>	<i>8.6%</i>	<i>84.1%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>15.5%</i>
Rental expenses	(54'251)	(14'693)	(1)	(2'816)	(612)	9'728	(62'645)
EBITDA	46'263	(8'462)	12'976	(5'254)	(8'874)	-	36'649
<i>EBITDA margin</i>	<i>8.5%</i>	<i>-11.6%</i>	<i>84.1%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5.7%</i>

2019 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	534'460	68'350	4'075	15'497	222'463	-	844'845
Net revenue IC	375	1'091	29'862	4'420	-	(35'748)	-
Net revenue	534'835	69'441	33'937	19'917	222'463	(35'748)	844'845
Production expenses	(139'310)	(11'731)	-	(3'339)	-	4'164	(150'216)
Personnel expenses	(226'600)	(35'101)	(397)	(12'243)	(7'218)	-	(281'559)
Other operating expenses	(81'274)	(10'692)	(3'475)	(5'177)	(5'772)	1'744	(104'646)
EBITDAR *	87'651	11'917	30'065	(842)	209'473	(29'840)	308'424
<i>EBITDAR margin</i>	<i>16.4%</i>	<i>17.2%</i>	<i>88.6%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>36.5%</i>
Rental expenses	(54'838)	(11'417)	(1'526)	(3'245)	(742)	29'840	(41'929)
EBITDA	32'813	500	28'539	(4'087)	208'731	-	266'495
<i>EBITDA margin</i>	<i>6.1%</i>	<i>0.7%</i>	<i>84.1%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>31.5%</i>

* Earnings before interest, taxes, depreciation, amortisation and rental expenses.

The gain on sale of subsidiaries resulting from the divestment of Infracore SA and GENERALE-BEAULIEU IMMOBILIERE SA in 2019 is shown in the Corporate segment.

5. Other revenue

(In thousands of CHF)	2020	2019
Gain on sale of subsidiaries	–	221'424
Gain on disposal of fixed assets	16'270	226
Other revenue	20'182	14'285
Total other revenue	36'452	235'935

The gain on disposal of fixed assets in 2020 mainly relates to the sale of two buildings.

The gain on sale of subsidiaries in 2019 results from the partial divestment of Infracore SA and the sale of GENERALE-BEAULIEU IMMOBILIERE SA to Infracore SA.

6. Personnel expenses

(In thousands of CHF)	2020	2019
Salaries and wages	239'259	238'998
Social security expenses	26'078	25'062
Pension expenses	13'958	14'013
Other personnel expenses	2'529	3'486
Total personnel expenses	281'824	281'559
Number of employees		
Full Time Equivalents at year-end	3'532	3'429

The other personnel expenses include no expenses for share-based payments (2019: CHF 0.3 million). There are currently no active share-based payment plans. Further information is mentioned under section 3.4 of the Remuneration Report 2020.

7. Other operating expenses

(In thousands of CHF)	2020	2019
Administrative expenses	31'978	30'211
Marketing expenses	10'231	13'742
Maintenance expenses	42'156	40'054
Energy expenses	10'224	10'067
Other expenses	10'777	10'572
Total other operating expenses	105'366	104'646

8. Financial result

(In thousands of CHF)	2020	2019
Interest income	1'123	1'061
Gain on sale of financial assets and marketable securities	20	1'245
Other financial income	861	228
Total financial income	2'004	2'534
Interest expenses	(16'661)	(17'753)
Other financial expenses	(1'902)	(2'135)
Total financial expenses	(18'563)	(19'888)
Financial result	(16'559)	(17'354)

The gain on sale of financial assets and marketable securities in 2019 results from the divestment of the stake held in iKentoo Inc.

9. Income taxes

(In thousands of CHF)	2020	2019
Current taxes	(551)	(4'664)
Deferred taxes	3'708	19'018
Income taxes	3'157	14'354

The positive effect in 2020 and 2019 results from the changes in income tax rates in connection with the Federal Act on Tax Reform and AHV Financing (TRAF) accepted by public referendum on 19 May 2019. The Group has adjusted the applicable tax rates for the calculation of the deferred tax assets and liabilities on assets and liabilities in those cantons where the legislative process has been completed and an enactment date of the new law defined.

(In thousands of CHF unless otherwise stated)	2020			2019		
	RESULT	TAX RATE IN %	INCOME TAXES	RESULT	TAX RATE IN %	INCOME TAXES
Average applicable tax rate and income taxes as a proportion of ordinary earnings (before consideration of tax loss carryforwards)	(34'011)	17.46	(5'937)	159'336	18.48	29'442
Use of not recognised tax loss carryforwards			(138)			(1'653)
Tax losses not recognised from current period			2'294			621
Expiry of recognised tax loss carryforwards			866			344
Changes in recognition of tax loss carryforwards from prior years			189			1'207
Average applicable tax rate and income taxes as a proportion of ordinary earnings (after consideration of tax loss carryforwards)	(34'011)	8.01	(2'726)	159'336	18.80	29'961
Expenses disregarded for tax purposes			2'805			7'847
Non-taxable income			(1'905)			(39'559)
Effects from changes in tax rate			(1'373)			(16'162)
Other effects			42			3'559
Effective tax rate and income taxes according to income statement	(34'011)	9.28	(3'157)	159'336	n/a	(14'354)

The effects from tax rate changes results from the changes in income tax rates in connection with the Federal Act on Tax Reform and AHV Financing (TRAF). The other effects in 2019 are mainly related to a revaluation of real estate in France during acquisition, which was partially taxable by the parent company.

10. Earnings per share

For the calculation of the earnings per share, the number of shares has been reduced by the weighted average number of shares held by the Group.

	2020	2019
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (In thousands of CHF)	(31'795)	163'195
Weighted average number of shares outstanding	80'185'232	77'942'706
Non-diluted earnings per share (in CHF)	(0.40)	2.09
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (In thousands of CHF)	(31'795)	163'195
Weighted average number of shares outstanding	80'185'232	77'942'706
Dilution effects	-	-
Weighted average potential number of shares outstanding	80'185'232	77'942'706
Diluted earnings per share (in CHF)	(0.40)	2.09

11. Trade receivables

(In thousands of CHF)	2020	2019
Third parties	145'735	143'193
Associates	326	223
Other related parties	-	50
Allowances for doubtful accounts	(8'698)	(6'936)
Total trade receivables	137'363	136'530

12. Other receivables

(In thousands of CHF)	2020	2019
Third parties	15'421	19'140
Associates	3'546	3'197
Shareholders	18'217	17'520
Other related parties	1'907	1'851
Total other receivables	39'091	41'708

The receivables from shareholders and other related parties were charged interest with a rate of 2.72% (2019: 2.78%).

13. Inventories

(In thousands of CHF)	2020	2019
Medical supplies	15'983	14'856
Pharmaceutical products	6'944	5'264
Hotel and restaurant goods	4'102	4'560
Other inventories	2'376	2'058
Total inventories	29'405	26'738

14. Accrued income and prepaid expenses

(In thousands of CHF)	2020	2019
Third parties	35'948	36'780
Associates	2'000	-
Total other receivables	37'948	36'780

15. Tangible assets

(In thousands of CHF)	LAND AND BUILDINGS	LEASEHOLD IMPROVE- MENTS	MACHINERY AND EQUIPMENT	UNDER CONSTRUC- TION	OTHERS	TOTAL
<i>Cost</i>						
Balance at 1 January 2019	1'104'944	464'598	262'955	52'259	6'987	1'891'743
Increase in scope of consolidation	54'420	63	6'902	-	91	61'476
Decrease in scope of consolidation	(926'559)	-	(436)	(34'524)	-	(961'519)
Additions	1'528	9'787	26'631	65'383	490	103'819
Disposals	-	(337)	(14'072)	(94)	(1'148)	(15'651)
Reclassifications	-	12'916	979	(14'201)	-	(306)
Translation adjustments	(311)	(254)	(65)	-	-	(630)
Balance at 31 December 2019	234'022	486'773	282'894	68'823	6'420	1'078'932
Increase in scope of consolidation	51'242	1'815	3'212	-	33	56'302
Additions	211'083	8'757	35'366	52'742	1'248	309'196
Disposals	(21'960)	(8'834)	(12'235)	-	(420)	(43'449)
Reclassifications	29'191	73'933	10'843	(114'304)	(31)	(368)
Translation adjustments	(193)	(81)	(14)	-	-	(288)
Balance at 31 December 2020	503'385	562'363	320'066	7'261	7'250	1'400'325
<i>Accumulated depreciation</i>						
Balance at 1 January 2019	48'823	208'843	156'087	-	5'298	419'051
Increase in scope of consolidation	-	17	3'988	-	32	4'037
Decrease in scope of consolidation	(48'740)	-	(209)	-	-	(48'949)
Depreciation of the year	5'421	15'579	23'013	-	701	44'714
Impairment	-	241	1'258	-	-	1'499
Disposals	-	(432)	(13'599)	-	(1'125)	(15'156)
Reclassifications	-	-	(2)	-	-	(2)
Translation adjustments	-	(90)	(57)	-	-	(147)
Balance at 31 December 2019	5'504	224'158	170'479	-	4'906	405'047
Increase in scope of consolidation	-	470	383	-	1	854
Depreciation of the year	2'877	19'639	24'036	-	680	47'232
Impairment	-	3'534	-	-	-	3'534
Disposals	(138)	(8'834)	(11'899)	-	(359)	(21'230)
Reclassifications	-	-	10	-	(25)	(15)
Translation adjustments	-	(23)	(13)	-	-	(36)
Balance at 31 December 2020	8'243	238'944	182'996	-	5'203	435'386
<i>Carrying amounts</i>						
At 31 December 2019	228'518	262'615	112'415	68'823	1'514	673'885
At 31 December 2020	495'142	323'419	137'070	7'261	2'047	964'939
<i>Net book value of leased equipment</i>						
At 31 December 2019			45'879		1'186	47'065
At 31 December 2020			50'819		1'804	52'623

The additions in the category Under construction include own work capitalised at the amount of CHF 1.9 million (2019: CHF 1.9 million).

The impairment on tangible assets in 2020 relates to assets in the Others segment, which are no longer used due to a discontinuance of business in one entity. The impairment on tangible assets in 2019 relates to assets in the Hospitals segment, which are no longer used due to a repositioning of activities in one entity.

16. Intangible assets

(In thousands of CHF)	TRADEMARKS	SOFTWARE AND OTHER INTAN- GIBLE ASSETS	INTANGIBLE ASSETS UNDER CONSTRUCTION	TOTAL
Cost				
Balance at 1 January 2019	27'184	58'080	1'227	86'491
Increase in scope of consolidation	-	20	-	20
Additions	-	14'718	3'107	17'825
Disposals	-	(4'344)	(266)	(4'610)
Reclassifications	-	1'031	(737)	294
Translation adjustments	-	(29)	-	(29)
Balance at 31 December 2019	27'184	69'476	3'331	99'991
Additions	-	8'414	2'789	11'203
Disposals	(1'434)	(27'591)	-	(29'025)
Reclassifications	-	3'539	(3'172)	367
Translation adjustments	-	(11)	-	(11)
Balance at 31 December 2020	25'750	53'827	2'948	82'525
Accumulated amortisation				
Balance at 1 January 2019	10'892	27'829	-	38'721
Increase in scope of consolidation	-	10	-	10
Amortisation of the year	1'553	11'437	-	12'990
Impairment	14'739	13'423	-	28'162
Disposals	-	(4'609)	-	(4'609)
Reclassifications	-	(11)	-	(11)
Translation adjustments	-	(2)	-	(2)
Balance at 31 December 2019	27'184	48'077	-	75'261
Increase in scope of consolidation	-	-	-	-
Amortisation of the year	-	8'518	-	8'518
Impairment	-	642	-	642
Disposals	(1'434)	(27'410)	-	(28'844)
Reclassifications	-	15	-	15
Translation adjustments	-	(1)	-	(1)
Balance at 31 December 2020	25'750	29'841	-	55'591
Carrying amounts				
At 31 December 2019	-	21'399	3'331	24'730
At 31 December 2020	-	23'986	2'948	26'934

The additions in the category Intangible assets under construction include own work capitalised at the amount of CHF 0.7 million (2019: CHF 1.7 million).

The impairment on tangible assets in 2020 relates to assets in the Others segment, which are no longer used due to a discontinuance of business in one entity.

The impairment on intangible assets in 2019 mainly relates to acquired trademarks and client base in the Hospitals segment. Due to the strategic change to become an integrated care provider in Switzerland, the regional trademarks of a hospital will no longer be used under the new strategy.

17. Financial assets

(In thousands of CHF)	2020	2019
Equity accounted investees ¹⁾	177'468	160'634
Loans to associates ²⁾	19'936	19'936
Loans to other related parties	3'121	4'327
Employer contribution reserves	4'661	4'661
Investments in unconsolidated companies	5'464	5'461
Other financial assets	5'917	3'586
Deferred tax assets ³⁾	12'142	10'504
Total financial assets	228'709	209'109

1) Equity accounted investees are disclosed net of share losses of CHF 1.0 million (2019: CHF 1.0 million) for which the Group has no obligation. Additionally goodwill has been directly offset with equity at the amount of CHF 44.6 million (2019: CHF 35.3 million).

2) Loans to associates are partially depreciated. The gross value of the loans amounts to CHF 22.4 million (2019: CHF 22.4 million).

3) The Group did not recognise deferred tax assets of CHF 10.4 million (2019: CHF 8.8 million) relating to unused tax losses amounting to CHF 55.5 million (2019: CHF 48.2 million), as it is not likely that future taxable profits will be available against which the Group can offset tax losses.

18. Trade payables

(In thousands of CHF)	2020	2019
Third parties	109'233	97'294
Associates	328	435
Other related parties	168	2'903
Total trade payables	109'729	100'632

19. Other liabilities

(In thousands of CHF)	2020	2019
Third parties	38'071	30'986
Associates	1'022	838
Total other liabilities	39'093	31'824
<i>of which short-term</i>	<i>36'093</i>	<i>28'742</i>
<i>of which long-term</i>	<i>3'000</i>	<i>3'082</i>

20. Financial liabilities

(In thousands of CHF, unless otherwise stated)	BOOK VALUE	INTEREST RATE in %
Current financial leases	12'721	1.20 – 4.88
Current portion of mortgage loans	500	1.25 – 1.50
Bonds (repayment within one year)	55'000	2.25
Short-term financial liabilities at 31 December 2019	68'221	
Bank loans	44'700	1.40 – 2.00
Non-current financial leases	18'056	1.20 – 4.88
Mortgage loans	52'475	1.25 – 2.15
Bonds issued by the company	295'000	2.00 – 2.50
Long-term financial liabilities at 31 December 2019	410'231	
Total financial liabilities at 31 December 2019	478'452	
Bank overdrafts	93	4.75
Current financial leases	13'689	1.20 – 5.50
Bonds (repayment within one year)	150'000	2.50
Short-term financial liabilities at 31 December 2020	163'782	
Bank loans	211'005	0.00 – 2.50
Non-current financial leases	18'577	1.24 – 5.50
Mortgage loans	270'799	1.00 – 2.80
Bonds issued by the company	145'000	2.00
Long-term financial liabilities at 31 December 2020	645'381	
Total financial liabilities at 31 December 2020	809'163	

Mortgage loans and bank loans are classified as short-term when payable or redeemed within 12 months.

As a guarantee for bank overdrafts and bank loans, the Group pledged trade receivables for an amount of CHF 44.7 million as at 31 December 2020 (2019: CHF 54.9 million). Mortgage loans are secured by real estate, pledged for an amount of CHF 443.4 million (2019: CHF 205.9 million).

The information about the bonds issued by AEVIS VICTORIA SA is detailed in the table below:

	AEV16	AEV161
Bond type	Fixed rate	Fixed rate
Nominal amount	CHF 150.0 million	CHF 145.0 million
Securities number	CH0325429162	CH0337829276
Interest rate	2.50%	2.00%
Term	07.06.2016 to 07.06.2021	19.10.2016 to 19.10.2022
Maturity	07.06.2021 at par value	19.10.2022 at par value

21. Other borrowings

(In thousands of CHF)	2020	2019
Third parties	29'044	16'921
Associates	3'530	–
Total other liabilities	32'574	16'921
<i>of which short-term</i>	<i>11'056</i>	<i>1'856</i>
<i>of which long-term</i>	<i>21'518</i>	<i>15'065</i>

22. Accrued expenses and deferred income

(In thousands of CHF)	2020	2019
Accrued personnel expenses	14'311	13'866
Accrued tax expenses	853	2'356
Deferred income	53	1
Other accrued expenses	47'755	44'345
Accrued expenses and deferred income	62'972	60'568

The accrued personnel expenses include pension plan liabilities (contributions) for an amount of CHF 3.1 million (2019: CHF 3.2 million).

23. Provisions

(In thousands of CHF)	DEFERRED TAXES	LEGAL OBLIGATIONS	OTHER PROVISIONS	TOTAL
Balance at 1 January 2019	140'137	595	85	140'817
Increase in scope of consolidation	3'730	-	537	4'267
Decrease in scope of consolidation	(68'123)	-	-	(68'123)
Additions	891	50	50	991
Reversals	(19'615)	-	-	(19'615)
Translation adjustments	(8)	-	-	(8)
Balance at 31 December 2019	57'012	645	672	58'329
<i>of which short-term</i>	-	-	573	573
<i>of which long-term</i>	57'012	645	99	57'756
Increase in scope of consolidation	1'082	-	-	1'082
Additions	615	-	281	896
Utilisation	-	-	(7)	(7)
Reversals	(3'253)	(220)	(50)	(3'523)
Translation adjustments	(3)	-	3	-
Balance at 31 December 2020	55'453	425	899	56'777
<i>of which short-term</i>	-	-	800	800
<i>of which long-term</i>	55'453	425	99	55'977

The weighted average applicable tax rate for deferred tax liabilities is 18.4% (2019: 19.0%).

24. Equity

At 31 December 2020, the share capital of CHF 83.5 million (2019: CHF 80.4 million) consists of 83'499'514 fully paid-up registered shares (2019: 80'391'035) at a par value of CHF 1 each (2019: CHF 1). The legally non-distributable reserves of the Company amount to CHF 22.1 million (2019: CHF 16.9 million).

Information regarding authorised and conditional capital is mentioned under section 2.2 of the Corporate Governance Report. The significant shareholders are mentioned under section 1.2 of the Corporate Governance Report.

24.1 Treasury shares

	NUMBER OF SHARES		IN THOUSANDS OF CHF	
	2020	2019	2020	2019
Balance at 1 January	65'771	1'171'830	864	13'575
Purchase of treasury shares	750'681	3'680'288	9'000	40'237
Sale of treasury shares	(363'599)	(4'786'347)	(4'486)	(52'948)
Balance at 31 December	452'853	65'771	5'378	864

In 2020, the group purchased 750'681 treasury shares at an average price of CHF 11.99 per share (2019: 3'680'288 at CHF 10.93) and sold 363'599 shares at an average price of CHF 11.76 (2019: 4'786'347 at CHF 11.97).

25. Non-cancellable operating leases

(In thousands of CHF)	2020	2019
Less than one year	66'948	66'051
Between one and three years	131'807	131'535
More than three years	1'342'570	1'412'590
Total non-cancellable operating leases	1'541'325	1'610'176

The non-cancellable lease rentals are mainly related to the third party buildings and buildings from associated companies in which some group entities are operating.

26. Capital commitments

The Group has commitments to complete new constructions, renovations, leasehold improvements and to purchase equipment for a total amount of CHF 6.7 million as at 31 December 2020 (2019: CHF 24.7 million).

27. Contingent liabilities

The operations of the Group companies are exposed to risks related to political, legal, fiscal and regulatory developments. The nature and frequency of these developments and events, which are not covered by any insurance, are not predictable. Possible obligations that are dependent on future events are disclosed as contingent liabilities.

28. Transactions with related parties

(In thousands of CHF)	2020	2019
Transactions with associates		
Net revenue	602	72
Production expenses	225	577
Rental expenses	44'009	-
Other operating expenses	271	308
Financial income	528	533
Financial expense	87	-
Transactions with shareholders		
Net revenue	1	2
Financial income	486	462
Acquisition of subsidiary	38'701	13'129
Transactions with other related parties		
Net revenue	671	714
Personnel expenses	3	19
Rental expenses	1'118	1'095
Other operating expenses	1'598	1'854
Financial income	38	37
Purchase of intangible assets	3'009	9'679

Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements for 2020 and 2019.

The corresponding receivables and payables are reported separately in the respective notes to the consolidated financial statements (see notes 11, 12, 14, 17, 18, 19, 21 and 22).

29. Acquisitions and divestments of subsidiaries

Several changes in scope of consolidation made in 2020 and 2019 were accounted for using the purchase method. The following table shows the amounts of assets and liabilities acquired or sold at the respective transaction date (see note 3.6).

(In thousands of CHF)	ACQUISITIONS		DIVESTMENTS	
	2020	2019	2020	2019
Cash and cash equivalents	4'663	8'139	-	(1'130)
Marketable securities	-	845	-	-
Trade receivables	2'187	2'183	-	(535)
Other current assets	2'387	3'683	-	(2'291)
Tangible assets	55'448	57'438	-	(912'570)
Intangible assets	-	10	-	-
Other non-current assets	573	2'181	-	(344)
Assets	65'258	74'479	-	(916'870)
Short-term financial liabilities	154	4	-	(6'273)
Other current liabilities	13'564	7'871	-	(10'850)
Long-term financial liabilities	24'178	5'389	-	(472'023)
Other non-current liabilities	30'179	1'997	-	(5'398)
Long-term provisions	1'082	3'829	-	(68'372)
Liabilities	69'157	19'090	-	(562'916)
Total net assets	(3'899)	55'389	-	(353'954)

30. Goodwill

The impact of a theoretical capitalisation of goodwill on balance sheet and net earnings is presented in the tables below:

(In thousands of CHF)	2020	2019
Cost		
Balance at 1 January	166'027	132'283
Additions through business combinations	27'316	34'862
Decrease in scope of consolidation	-	(1'118)
Balance at 31 December	193'343	166'027
Accumulated amortisation		
Balance at 1 January	130'412	129'011
Decrease in scope of consolidation	-	(1'118)
Amortisation for the year (5 years)	10'975	2'519
Impairment	-	-
Balance at 31 December	141'387	130'412
Carrying amounts		
At 31 December	51'956	35'615

Impact on net earnings and balance sheet:

(In thousands of CHF)	2020	2019
Profit/(loss) for the period	(30'854)	173'690
Amortisation goodwill	(10'975)	(2'519)
Impairment goodwill	-	-
Net earnings with capitalised goodwill	(41'829)	171'171
Equity including minority interests	419'640	443'835
Capitalised goodwill	51'956	35'615
Equity with capitalised goodwill	471'596	479'450

31. Pension plan institutions

There exist various pension schemes within the Group, which are based on regulations in accordance with Swiss pension fund law, except for the foreign subsidiary.

EMPLOYER CONTRIBUTION RESERVE – ECR (In thousands of CHF)	NOMINAL VALUE ECR 31.12.2020	WAIVER OF USAGE 31.12.2020	BALANCE SHEET 31.12.2020	IN-CREASE IN 2018	BALANCE SHEET 31.12.2019	RESULT FROM ECR IN PERSONNEL EXPENSES		CHANGE IN SCOPE OF CONSOLIDATION
						2020	2019	2020
Patronage funds / Patronage pension institutions	4'661	-	4'661	-	4'661	-	-	-
Total	4'661	-	4'661	-	4'661	-	-	-

ECONOMICAL BENEFIT / OBLIGATION AND PENSION BENEFIT EXPENSES (In thousands of CHF)	SURPLUS / DEFICIT 31.12.2020	ECONOMICAL PART OF THE ORGANISATION		CHANGE TO PRIOR YEAR OR RECOGNISED IN THE CURRENT RESULT OF THE PERIOD	CONTRIBUTIONS CONCERNING THE BUSINESS PERIOD*	PENSION BENEFIT EXPENSES WITHIN PERSONNEL EXPENSES	
		31.12.2020	31.12.2019			2020	2019
Pension institutions with surplus	-	-	-	-	-	13'958	13'993
Pension institutions without surplus / deficit	-	-	-	-	-	-	20
Total	-	-	-	-	-	13'958	14'013

* Including result from employer contribution reserves

32. Subsequent events

There are no subsequent events.

33. Risk assessment disclosure

The management proceeds with an annual review of the risks and protection measures. Risk assessment is reviewed by the Senior Management, discussed in the audit committee and approved by the Board of Directors.

34. List of Group companies

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				31.12.2020	31.12.2019
Corporate					
AEVIS VICTORIA SA	Fribourg	Holding company	a)	100.0%	100.0%
Hospitals					
Swiss Medical Network SA	Genolier	Holding company	a)	100.0%	100.0%
GENERALE BEAULIEU HOLDING SA	Geneva	Holding company	a)	69.5%	69.4%
Swiss Medical Centers Network SA (formerly Swiss Medical Transport AG)	Fribourg	Holding company	a)	100.0%	100.0%
Chirurgische Tagesklinik Biel CTK GmbH (merged) ¹⁾	Biel	Day clinic	a)	100.0%	-
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a)	100.0%	100.0%
CLINIQUE GENERALE-BEAULIEU SA	Geneva	Hospital	a)	69.5%	69.4%
GRGB Santé SA	Geneva	Hospital	b)	34.7%	34.7%
GSMN Suisse SA	Genolier	Hospitals	a)	100.0%	100.0%
HerzGefässKlinik Bethanien AG	Zurich	Laboratory	c)	20.0%	20.0%
Hôpital de Moutier SA	Moutier	Hospital	c)	35.0%	-
HOPITAL DU JURA BERNOIS S.A.	Saint-Imier	Hospital	c)	35.0%	-
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	a)	51.0%	51.0%
IRJB Institut de Radiologie du Jura Bernois SA (held by HOPITAL DU JURA BERNOIS S.A.)	Saint-Imier	Radiology institute	c)	17.2%	-
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	51.0%	51.0%
Klinik Belair AG (merged) ²⁾	Schaffhausen	Hospital	a)	-	100.0%
Klinik Pyramide am See AG	Zurich	Hospital	c)	20.0%	20.0%
MEDICENTRE MOUTIER SA	Moutier	Health Center	c)	17.9%	-
Médocentre Tavannes SA	Tavannes	Health Center	c)	35.0%	-
Medizinisches Zentrum Biel MZB GmbH (for- merly Walk-in-Clinic Biel WIC GmbH) ¹⁾	Biel	Health center	a)	100.0%	-
Medizinisches Zentrum Biel MZB GmbH (merged) ¹⁾	Biel	Health center	a)	100.0%	-
Permanence médicale de Fribourg SA	Fribourg	Health center	c)	33.3%	33.3%
Pharmacie Interjurassienne SA PIJ	Moutier	Institutional Pharmacy	c)	17.5%	-
Rosenklinik AG	Rapperswil- Jona	Hospital	c)	40.0%	40.0%
Swiss Medical Network Hospitals SA ²⁾	Fribourg	Hospitals	a)	100.0%	100.0%
Swiss Visio SA	Genolier	Ophthalmology	a)	80.0%	80.0%
Hospitality					
Victoria-Jungfrau AG	Interlaken	Holding company	a)	100.0%	100.0%
CACM hôtels SA	Sion	Hotel	a)	100.0%	100.0%
Golf Mischabel AG	Randa	Golf course	c)	23.9%	23.9%
Grand Hotel Victoria-Jungfrau AG	Interlaken	Hotel	a)	100.0%	100.0%
Hotel Bellevue Palace AG	Bern	Hotel	a)	100.0%	100.0%
Hotel Eden au Lac AG	Zurich	Hotel	a)	100.0%	100.0%
MRH-Zermatt SA	Zermatt	Hotel	a)	100.0%	-
Seiler Hotels AG	Zermatt	Hotels	a)	100.0%	100.0%
Welcome Parking AG	Täsch	Parking	c)	50.0%	50.0%
Weriwald AG	Davos	Hotel	a)	100.0%	-

¹⁾ Chirurgische Tagesklinik Biel CTK GmbH and Medizinisches Zentrum Biel MZB GmbH were merged in March 2021 into Walk-in-Clinic Biel WIC GmbH which was then renamed to Medizinisches Zentrum Biel MZB GmbH with retroactive effect from 01.01.2021.

²⁾ Klinik Belair AG was merged in December 2020 into Swiss Medical Network Hospitals SA with retroactive effect from 01.07.2020.

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				31.12.2020	31.12.2019
Real estate					
GENERALE-BEAULIEU IMMOBILIERE SA	Geneva	Healthcare real estate	c)	29.8%	29.8%
Infracore SA	Fribourg	Healthcare real estate	c)	29.8%	29.8%
SCI Foncière François 1er	Paris (FR)	Healthcare real estate	a)	100.0%	100.0%
Swiss Property Advisors SA	Fribourg	Real estate management	a)	100.0%	100.0%
Swiss Hotel Properties AG ³⁾	Interlaken	Hospitality real estate	a)	100.0%	100.0%
ZEMER SA (merged) ³⁾	Vouvry	Hospitality real estate	a)	100.0%	-
Telemedicine					
Medgate Holding AG ⁴⁾	Basel	Holding company	c)	40.0%	40.0%
Medgate Integrated Care Holding AG	Basel	Holding company	c)	40.0%	40.0%
Medgate (Asia) Holdings Pty Ltd	Darlinghurst (AU)	Holding company	c)	32.0%	32.0%
Medgate (Indonesia) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
Medgate (Philippines) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
TMIP Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
Medgate AG	Basel	Telemedicine	c)	24.0%	24.0%
Health Professional Sourcing GmbH	Lörrach (DE)	Telemedicine	c)	24.0%	24.0%
Health Professional Sourcing Spain SL	Madrid (ES)	Telemedicine	c)	24.0%	24.0%
Medgate Asia-Pacific AG (merged) ⁴⁾	Basel	Telemedicine	c)	-	40.0%
Medgate Deutschland GmbH	Bad Neustadt (DE)	Telemedicine	c)	40.0%	19.6%
Medgate International AG (merged) ⁴⁾	Basel	Telemedicine	c)	-	40.0%
Medgate Mini Clinic AG	Basel	Mini clinic	c)	39.0%	39.0%
Medgate Philippines Inc	Manila (PH)	Telemedicine	c)	32.0%	32.0%
Medgate Technologies AG	Basel	IT service company	c)	24.0%	24.0%
Medgate (Philippines) Holdings Pty Ltd-Branch	Manila (PH)	Telemedicine	c)	32.0%	32.0%
Others					
Nescens					
Laboratoires Genolier SA	Genolier	Cosmetics	a)	92.3%	89.1%
Nescens Genolier SA	Genolier	Patient hotel	a)	100.0%	100.0%
NESCENS SA	Genolier	Better-aging	c)	43.4%	36.2%
Healthcare incubator					
Société Clinique Spontini SAS	Paris (FR)	No operating activities	a)	100.0%	100.0%
Swiss Ambulance Rescue Genève SA	Geneva	Ambulance services	a)	100.0%	100.0%
Swiss Stem Cell Science SA	Fribourg	Stem Cells	a)	100.0%	100.0%
Non-core participations					
Academy & Finance SA	Geneva	Organisation of seminars	c)	22.5%	22.5%
Agefi Com SA	Geneva	Publishing	c)	49.0%	49.0%
Publications de l'économie et de la finance AEF SA	Lausanne	Publishing	c)	49.0%	49.0%
Publications Financières LSI SA	Geneva	Publishing (dormant)	a)	100.0%	100.0%

³⁾ ZEMER SA was merged in March 2021 into Swiss Hotel Properties AG with retroactive effect from 01.01.2021.

⁴⁾ Medgate Asia-Pacific AG and Medgate International AG were merged in May 2020 into Medgate Holding AG with retroactive effect from 01.01.2020.

- a) Fully consolidated
- b) Proportional method
- c) Equity method

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Geneva, March 26, 2021

Statutory auditor's report to the general meeting of AEVIS VICTORIA SA, Fribourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AEVIS VICTORIA SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 54 to 81) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of tangible assets

Key audit matter

We consider the valuation of tangible assets to be a key audit matter because they amounted to TCHF 964'339 on the consolidated balance sheet of the Group, representing a significant share of 63% of total assets.

Tangible assets include lands and buildings, leasehold improvements, machinery and equipment, fixed assets under construction and other tangible assets.

Tangible assets are measured at cost less accumulated depreciation and impairment losses. Lands are not depreciated. Depreciation is recognised in the income statement on a straight-line basis over estimated useful lives and with no residual value.

The valuation of tangible assets depends on whether the initial recognition and the choice of an estimated useful life are correct and depends on the assessment by the management of the risk of impairment at the reporting date.

For further information on tangible assets, please refer to Accounting policies and note 15 - Tangible assets.

How our audit addressed the key audit matter

We performed the following audit procedures:

- We obtained an understanding of the process from capital expenditure budgeting to the assessment of the valuation of the tangible assets in the consolidated balance sheet.
- We tested the effectiveness of key controls related to the tangible assets process.
- We assessed whether transactions were accurately recorded in the tangible assets register and the consolidated balance sheet.
- We tested the existence of assets and assets under construction by visiting the major hospitals.
- We challenged the estimated useful lives determined by management and verified the accuracy of the calculation of depreciation of the year.
- We read the minutes of the meetings of the Board of Directors in order to identify indicators of any impairment.
- We challenged the valuations of the independent expert of the lands and buildings and compared them with the value of tangible assets in the consolidated balance sheet.

We obtained sufficient audit evidence to address the risk of valuation of tangible assets.

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Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Berney Associés Audit SA

BA Qualified electronic signature



Gregory GRIEB
Licensed Audit Expert
Auditor in charge

BA Qualified electronic signature



Frédéric BERNEY
Licensed Audit Expert

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1207 Genève
Rue du Nant 8
+41 58 234 90 00

1003 Lausanne
Rue Étraz 4
+41 58 234 91 00

1700 Fribourg
Boulevard de Pérolles 37
+41 58 234 93 00

1896 Vouvry
Rue Arthur Parchet 1
+41 58 234 90 20

1950 Sion
Place de la Gare 2
+41 27 322 75 40

En ligne
berneyassociés.com
info@berneyassociés.com

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STATUTORY
FINANCIAL STATEMENTS

Statutory Balance Sheet

(In CHF)	NOTE	31.12.2020	31.12.2019
Assets			
Cash and cash equivalents		3'470'841	1'013'098
Marketable securities		2'837'077	782'424
Current receivables	2.1	117'864'984	74'945'447
Prepaid expenses and accrued income		1'630'692	3'050'517
Current assets		125'803'594	79'791'486
Financial assets	2.2	500'143'186	543'879'694
Investments in subsidiaries and associates	4	133'772'576	142'213'938
Equipment		102'000	75'000
Intangible assets	2.3	22'333'000	27'891'000
Non-current assets		656'350'762	714'059'632
Assets		782'154'356	793'851'118
Liabilities and shareholders' equity			
Trade payables (towards third parties)		1'873'733	1'336'013
Current interest bearing liabilities	2.4	40'852'915	30'189'592
Other current liabilities		117'764	62'512
Accrued expenses and deferred income		17'582'976	18'761'168
Interest bearing bonds issued by the company	5	150'000'000	55'000'000
Current liabilities		210'427'388	105'349'285
Interest bearing bonds issued by the company	5	145'000'000	295'000'000
Non-current liabilities		145'000'000	295'000'000
Liabilities		355'427'388	400'349'285
Share capital		83'499'514	80'391'035
Reserves from capital contributions		41'263'083	13'986'564
Other capital reserves		2'194'691	2'194'691
Legal capital reserves		43'457'774	16'181'255
General legal retained earnings		16'078'207	15'718'207
Legal retained earnings		16'078'207	15'718'207
Profit carried forward		281'714'937	24'885'460
Net profit		7'354'426	257'189'477
Balance sheet profit		289'069'363	282'074'937
Treasury shares	6	(5'377'890)	(863'601)
Shareholders' equity		426'726'968	393'501'833
Liabilities and shareholders' equity		782'154'356	793'851'118

Statutory Income Statement

(In CHF)	NOTE	2020	2019
Dividend income		14'786'642	6'757'475
Other operating income	9	1'451'090	260'327'381
Total income		16'237'732	267'084'856
Expenses for obtained services		(6'420'187)	(6'894'047)
Administrative and other expenses		(2'919'604)	(5'971'100)
Operating expenses		(9'339'791)	(12'865'147)
EBITDA		6'897'941	254'219'709
Depreciation and amortisation on non-current assets		(7'292'809)	(8'737'681)
EBIT		(394'868)	245'482'028
Financial income	10	18'432'881	24'812'584
Financial expenses	10	(10'036'392)	(12'976'218)
EBT		8'001'621	257'318'394
Direct taxes		(647'195)	(128'917)
Net profit		7'354'426	257'189'477

Notes to the Statutory Financial Statements

1. Significant accounting policies

These financial statements were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). When not legally prescribed, the significant accounting and valuation principles applied are described below.

Current receivables

Receivables are carried at nominal value less allowance for doubtful receivables. The allowance is based on the aging of trade receivables, specific risks and historical loss experience.

Financial assets

The financial assets comprise intercompany loans granted to subsidiaries, other loans and securities.

Investments in subsidiaries and associates

Investments and intangible assets are valued at acquisition costs less accumulated depreciation and impairment losses.

Financial liabilities / Bonds issued by the company

Financial liabilities are recognised at nominal value. They are classified as current liabilities when payable within 12 months.

Treasury shares

Treasury shares are recognised at acquisition cost and deducted from shareholders' equity at the time of acquisition.

2. Information on balance sheet and income statement items

(In CHF)	31.12.2020	31.12.2019
2.1 Current receivables		
From third parties	5'195'091	5'348'022
From shareholders and governing bodies	14'373'347	13'992'744
From companies in which the entity holds an investment	106'075'401	67'422'627
Valuation adjustments	(7'778'855)	(11'817'946)
Total current receivables	117'864'984	74'945'447
2.2 Financial assets		
Securities	5'132'430	5'132'430
Loans to companies in which the entity holds an investment	497'642'133	544'530'359
Thereof as subordinated claim	497'642'133	544'530'359
Valuation adjustments	(2'631'377)	(5'783'095)
Total financial assets	500'143'186	543'879'694
2.3 Intangible assets		
Software / other intangible assets	8'741'000	10'900'000
Goodwill	13'592'000	16'991'000
Total intangible assets	22'333'000	27'891'000
2.4 Current interest bearing liabilities		
Other current interest bearing liabilities		
Due to companies in which the entity holds an investment	40'852'915	30'189'592
Total current interest bearing liabilities	40'852'915	30'189'592

3. Full-time equivalents

AEVIS VICTORIA SA does not have any employees.

4. Investments in subsidiaries and associates

COMPANY, LEGAL FORM AND DOMICILE	31.12.2020 SHARE CAPITAL AND VOTING RIGHTS	31.12.2019 SHARE CAPITAL AND VOTING RIGHTS
Swiss Medical Network SA, Genolier	100.0%	100.0%
Klinik Belair AG, Schaffhausen (merged) ¹⁾	0.0%	100.0%
Victoria-Jungfrau AG, Interlaken	100.0%	100.0%
MRH-Zermatt SA, Zermatt	100.0%	0.0%
Seiler Hotels AG, Zermatt	100.0%	100.0%
Infracore SA, Fribourg	16.1%	16.1%
Swiss Property Advisors AG, Fribourg	100.0%	100.0%
Swiss Hotel Properties AG, Interlaken	100.0%	100.0%
ZEMER SA, Vouvry	100.0%	0.0%
Medgate Holding AG, Basel	40.0%	40.0%
Medgate Integrated Care Holding AG, Basel ²⁾	0.0%	40.0%
Laboratoires Genolier SA, Genolier	92.3%	89.1%
NESCENS SA, Genolier	43.4%	36.2%
Société Clinique Spontini SAS, Paris	100.0%	100.0%
Swiss Ambulance Rescue Genève SA, Geneva	100.0%	100.0%
Swiss Medical Centers Network AG, Fribourg (formerly Swiss Medical Transport AG, Baar) ³⁾	0.0%	100.0%
Swiss Stem Cell Science SA, Fribourg	100.0%	100.0%
Academy & Finance SA, Geneva	22.5%	22.5%
Agefi Com SA, Geneva	49.0%	49.0%
Publications de l'économie et de la finance AEF SA, Lausanne	49.0%	49.0%
Publications Financières LSI SA, Geneva	100.0%	100.0%

¹⁾ Klinik Belair AG was merged with a subsidiary of Swiss Medical Network SA as of 1 July 2020.

²⁾ As a result of the restructuring of the Medgate Group, Medgate Integrated Care Holding AG was contributed in kind to Medgate Holding AG.

³⁾ Swiss Medical Centers Network AG was transferred within the Group as of 30 September 2020. The new parent company is Swiss Medical Network SA.

The table above only lists direct investments. AEVIS VICTORIA SA also has significant indirect investments. See also Note 34 of the consolidated financial statements (List of Group companies).

5. Bonds issued by the company

Information regarding Bonds issued by the company is mentioned in note 20 of the Swiss GAAP FER consolidated financial statements.

6. Treasury shares

Information regarding treasury shares is mentioned in note 24.1 of the Swiss GAAP FER consolidated financial statements.

7. Collateral provided for liabilities of third parties

(In CHF)	31.12.2020	31.12.2019
The Company pledged the shares of Swiss Medical Network SA for a total amount of CHF 20'000'000 (book value) as a guarantee for bank loans of	120'000'000	22'000'000

8. Contingent liabilities

(In CHF)	31.12.2020	31.12.2019
Guarantees in favour of subsidiaries	5'595'207	4'695'212
The company, as part of the group AEVIS VICTORIA SA, is subject to a group taxation with regards to Value Added Tax (VAT). The company is jointly liable for all VAT obligations towards the Federal Tax Authority.	n/a	n/a

9. Explanation of the other operating income

(In CHF)	2020	2019
Gain on sale of investments and financial assets (less third-party costs)	-	259'289'032
Other operating income	1'451'090	1'038'349
Total other operating income	1'451'090	260'327'381

10. Explanation to the financial result

(In CHF)	2020	2019
Interest income	10'685'186	11'853'950
Other financial income	7'747'695	12'958'634
Total financial income	18'432'881	24'812'584
Interest expenses	(9'132'279)	(12'031'218)
Other financial expenses	(904'113)	(945'000)
Total financial expenses	(10'036'392)	(12'976'218)

11. Additional information requested by the Swiss Code of Obligations

11.1 Share and stock options ownership

NAME (POSITION)	31.12.2020 NUMBER OF SHARES HELD*	31.12.2020 NUMBER OF OPTIONS HELD	31.12.2019 NUMBER OF SHARES HELD*	31.12.2019 NUMBER OF OPTIONS HELD
Board of Directors				
Christian Wenger (Chairman) **	2'043'262	-	2'039'805	-
Raymond Loretan (Vice-chairman)	213'100	-	348'100	-
Antoine Hubert (Delegate of the Board) and Michel Reybier (Member)***	64'132'518	-	61'005'129	-
Anne-Flore Reybier (Member)	325'000		n.a	n.a
Antoine Kohler (Member)	17'252	-	12'065	-
Cédric A. George (Member)	91'195	-	89'035	-
Senior Management				
Antoine Hubert (Delegate of the Board)****	16'558'724	-	16'262'974	
Gilles Frachon (CFO)	77'350	-	77'350	

* Including the blocked shares received as Board Member compensation.

** Representing the shareholding of CHH Financière SA.

*** Antoine Hubert and Géraldine Reynard-Hubert indirectly hold AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments SA, HR Finance & Participations SA (HRFP) and EVC Investments Holding SA (EVC). Antoine Hubert and Géraldine Reynard-Hubert hold 100% of the share capital and voting rights of HRFP. HRFP holds 50% of the share capital and voting rights of MRSI and 100% of the share capital and voting rights of EVC. Michel Reybier indirectly holds AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments S.A. and EMER Holding SA (EMER). Michel Reybier holds 100% of the share capital and voting rights of EMER. EMER holds 50% of the share capital and voting rights of MRSI.

**** Directly and/or indirectly held through his companies.

11.2 Significant shareholders

NAME	31.12.2020 NUMBER OF SHARES	31.12.2020 %	31.12.2019 NUMBER OF SHARES	31.12.2019 %
Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA*	64'132'518	76.81	61'005'129	75.89
MPT Medical Properties Trust, Inc.	3'850'961	4.61	3'850'961	4.79
Kuwait Investment Office as agent for the Government of the State of Kuwait	2'666'560	3.19	2'666'560	3.32

* Antoine Hubert and Géraldine Reynard-Hubert indirectly hold AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments SA, HR Finance & Participations SA (HRFP) and EVC Investments Holding SA (EVC). Antoine Hubert and Géraldine Reynard-Hubert hold 100% of the share capital and voting rights of HRFP. HRFP holds 50% of the share capital and voting rights of MRSI and 100% of the share capital and voting rights of EVC. Michel Reybier indirectly holds AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments S.A. and EMER Holding SA (EMER). Michel Reybier holds 100% of the share capital and voting rights of EMER. EMER holds 50% of the share capital and voting rights of MRSI.

11.3 Foregoing a cash flow statement and additional disclosures in the notes

As the company has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

Proposed appropriation of retained earnings

(In CHF)	2020	2019
Retained earnings available to the Annual General Meeting		
Profit carried forward	281'714'937	24'885'460
Net profit	7'354'426	257'189'477
Balance sheet profit	289'069'363	282'074'937
Treasury shares (held directly)	(5'377'890)	(863'601)
Total available to the Annual General Meeting	283'691'473	281'211'336
Proposal of the Board of Directors		
Balance sheet profit	289'069'363	282'074'937
./. Allocation to the legal retained earnings	(370'000)	(360'000)
./. Dividend payment	-	-
Balance brought forward	288'699'363	281'714'937

Proposed distribution from capital contribution reserve

(In CHF)	2020	2019
Account carried forward	13'986'564	2'106'564
Increase of capital contribution due to capital increase	27'276'519	11'880'000
Capital contribution reserve before proposed distribution	41'263'083	13'986'564
Proposed distribution from capital contribution reserve	-	-
Capital contribution reserve after proposed distribution	41'263'083	13'986'564

Berney Associés

Geneva, March 26, 2021

Statutory auditor's report to the general meeting of AEVIS VICTORIA SA, Fribourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AEVIS VICTORIA SA, which comprise the balance sheet as at 31 December 2020, the income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion the accompanying financial statements (pages 88 to 94) as at 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of investments in subsidiaries and associates and related loans to subsidiaries

Key audit matters

The company holds investments in subsidiaries and associates with a carrying value of CHF 133'772'576 as of 31 December 2020, representing 17% of total assets. The list of Group subsidiaries and associates can be found in note 4 to the financial statements. The valuation of these assets is dependent on the ability of these companies to generate positive cash flows in the future.

As described in notes 2.1 and 2.2, to the financial statements, the company has also provided loans to subsidiaries and associates for a total of CHF 603'717'534. These loans are subject to valuation adjustments amounting to CHF 10'410'232. The net book value of CHF 593'307'302 represents 76% of total assets.

In accordance with Article 960 CO, these investments are valued individually and the values must be tested annually for impairment. An impairment would need to be recorded if any of the recoverable values of investments were lower than the associated carrying values, or if loan balances were no longer considered recoverable from the associated entities.

The company uses the "income approach" for its impairment tests of investments and prepares a discounted cash flow forecast for each significant balance. The inputs to the impairment testing model which have the most significant impact on the recoverable value include :

- Projected revenue growth, EBITDA margins and operating cash-flows in the years 1-6;
- Stable long-term growth rates in perpetuity and
- Discount rates.

The annual impairment testing is considered to be a risk area for the Board of Directors and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the statutory financial statements as a whole.

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How our audit addressed the key audit matter

We discussed with Management the adequate implementation of accounting policies and controls regarding the valuation of investments in subsidiaries and associates and related loans. We tested the design and implementation of controls to determine whether appropriate controls are in place. We critically assessed the methodology applied and the reasonableness of the underlying assumptions and judgements.

We assessed the discounted cash flow (DCF) models and calculations by :

- Checking the mechanical accuracy of DCF models.
- Challenging the significant inputs and assumptions used in the impairment testing for investments in AEVIS VICTORIA SA companies, such as the weighted average cost of capital and the projected revenues and EBITDA margin.

We tested balances on a sample basis to evidence the financial position of the entities concerned and challenged the recoverability of loans to subsidiaries and associates by assessing the projected cash flows.

Based on the audit procedures performed above, we consider Management's estimates in the assessment of the recoverable value of investments in subsidiaries and associates and related loans to be fairly stated.

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Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Berney Associés

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of retained earnings complies with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Berney Associés Audit SA

BA Qualified electronic signature



Gregory GRIEB
Licensed Audit Expert
Auditor in charge

BA Qualified electronic signature



Frédéric BERNEY
Licensed Audit Expert

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1207 Genève
Rue du Nant 8
+41 58 234 90 00

1003 Lausanne
Rue Étraz 4
+41 58 234 91 00

1700 Fribourg
Boulevard de Pérolles 37
+41 58 234 93 00

1896 Vouvry
Rue Arthur Parchet 1
+41 58 234 90 20

1950 Sion
Place de la Gare 2
+41 27 322 75 40

En ligne
berneyassociés.com
info@berneyassociés.com

Audit

Comptabilité

Expertise & Conseil

Fiscalité

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Corporate finance



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