



Annual Report 2022

"Investing for a better life". As an investment company, AEVIS VICTORIA pursues a strategy that focuses on three areas with high added value and strong growth potential: healthcare, lifestyle and infrastructure.

Table of Contents

04	Key Figures and Highlights
08	Letter to the Shareholders
11	Leading the way to integrated care in Switzerland Interview with Antoine Hubert & Raymond Loretan
16	Operating Report
22	Share and Bond Information
26	Corporate Governance
44	Remuneration Report
54	Consolidated Financial Statements
86	Statutory Financial Statement of AEVIS VICTORIA SA

Key Figures

Statutory key figures

(In thousands of CHF unless otherwise stated)	FY2022	FY2021
Net income	82'891	219'250
Net profit	67'387	197'556
Equity	624'013	639'407
Equity ratio	70.6%	69.3%
Market price per share at 31.12. (in CHF)	17.50	14.50
Number of outstanding shares	84'417'199	84'259'507
Market capitalisation	1'477'301	1'221'763
Distribution to shareholders (in CHF)*	0.75	1.00

* proposal to the Annual General Meeting

Consolidated key figures

(In thousands of CHF unless otherwise stated)	FY2022	FY2021
Total revenue	1'144'474	895'015
Net revenue	1'023'322	787'331
EBITDAR*	209'558	152'363
EBITDAR margin	20.5%	19.4%
EBITDA	129'965	78'443
EBITDA margin	12.7%	10.0%
EBIT	61'382	16'772
EBIT margin	6.0%	2.1%
Profit for the period	61'834	4'567
Cash flow from operating activities	114'300	33'534
Cash and cash equivalents	75'427	63'418
Equity	510'137	585'450
Equity ratio	28.5%	33.8%
Balance sheet total	1'790'726	1'730'429
Number of FTE at year-end	3'902	4'267

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

Highlights

Statutory income

82.9

in CHF million

Statutory net profit

67.4

in CHF million

Total revenue

1.14

in CHF billion

Net profit

61.8

in CHF million

EBITDAR

209.6

in CHF million

20.5%

of net revenues

Equity ratio

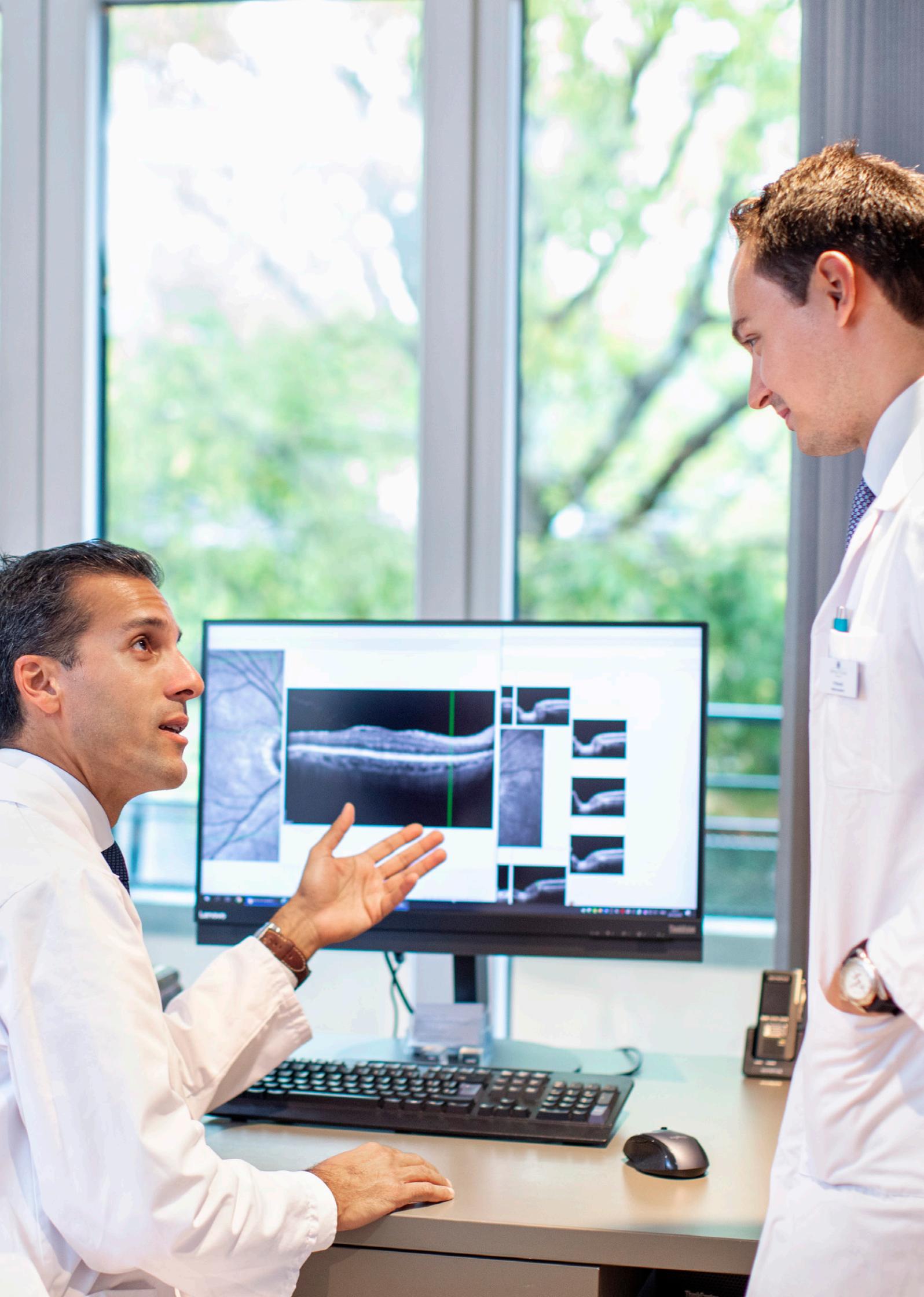
28.5%

of total assets

Distribution

0.75

in CHF per share (proposal)



LETTER TO THE SHAREHOLDERS

Dear Shareholder,

AEVIS VICTORIA SA (AEVIS) reports strong growth in all its operating activities, driven by acquisitions and the normalisation of the hospitality business. With the constitution of Réseau de l'Arc together with the Canton of Berne and Visana insurance group, Swiss Medical Network is emerging as a leader in the transformation of the Swiss health-care system. Victoria-Jungfrau, the hotel division of AEVIS, achieved a record year with the return of foreign guests. The investment activities, with the sale of the stake in Medgate, also contributed to the Group's good results.

In total, consolidated revenues at the AEVIS level amounted to CHF 1.14 billion, up by 27.9% from the prior year. On a like-for-like basis, organic growth amounted to 13.0%. The higher revenues were the basis for a significant increase in profitability, to which strict cost management also contributed. Consolidated EBITDAR (EBITDA before rent) reached CHF 209.6 million (2021: CHF 152.4 million), corresponding to a margin of 20.5% (2021: 19.4%). EBITDA amounted to CHF 130.0 million, 65.7% above the previous year (2021: CHF 78.4 million) and corresponding to an encouraging margin of 12.7% (2021: 10.0%). Net profit also surged from CHF 4.6 million in 2021 to CHF 61.8 million in the year under review. The Board of Directors will propose an increased ordinary dividend of CHF 0.45 per share and an extraordinary dividend of CHF 0.30 per share to the Annual General Meeting.

Swiss Medical Network SA, the Group's subsidiary that is active in hospitals and healthcare organizations, achieved revenues of CHF 916.5 million, up 20.6% (2021: CHF 760.1 million). Consolidated over 12 months, Hopital du Jura Bernois SA contributed significantly to this revenue increase. Organic growth amounted to 4.9%. From 2023 onwards, Swiss Medical Network will accelerate the development and acquisition of medical centers and homebased care organizations. Various investments in new private and public hospitals are also under evaluation.

Victoria-Jungfrau AG, the Group's hospitality division, grew by 35.1% to CHF 154.5 million (2021: CHF 114.3 million), with activity returning to levels seen in 2019. Organic growth was 30.2%, and even 72.9% when excluding hardship indemnities received in 2021. Victoria-Jungfrau wants to concentrate its activities in Switzerland on its city hotels (Zurich and Bern) as well as on the tourist destinations of Zermatt and Interlaken. The expansion abroad, initiated with the acquisition of the Hotel L'Oscar in London, is expected to accelerate with targeted acquisitions in leading destinations.

Following the return of the World Economic Forum to Davos and the success of the January 2023 edition, the group has received several indications of interest for acquiring the AlpenGold in Davos. The group is examining the possibility of such a sale, which would accelerate the refocusing of its hotel business on its flagship destinations.

AEVIS will continue to invest in its various subsidiaries and discussions are underway to expand the shareholding of Swiss Medical Network to other strategic partners for further development.

Portfolio adjustments: targeted transactions and foundation of the first integrated healthcare organization in Switzerland

AEVIS is consistently pursuing its path and made various transactions in the reporting year, including targeted, smaller acquisitions and a divestment in the area of telemedicine. The most important step for its development, however, was the cooperation with Visana Group and the Canton of Bern to launch the first genuine integrated healthcare solution in Switzerland.

Other transactions included:

- During 2022, the stake in Batgroup AG, the parent company of Batmaid, the leading on-demand home-cleaning platform in Switzerland, was increased in several transactions from 7.4% to 23.3%. In January 2023, the stake was further increased to 27.3%.
- In March 2022, AEVIS sold its entire 40% participation in the telemedicine company Medgate Group to the German Otto Group, resulting in significant cash proceeds and a decent return at both the Group and holding levels.
- In June 2022, AEVIS bought a stake in the digital health network Well to further advance integrated healthcare in Switzerland. Well enables patients living in Switzerland to benefit from easy digital access to a growing network of service providers. As a result, it is already possible for users to schedule appointments with Amavita, Coop Vitality or Sun Store pharmacies. AEVIS is invested in Well alongside its four founding partners CSS, Medi24, Visana and Zur Rose Group.

At the subsidiary level, with the three main focus areas healthcare, hospitality, real estate, the following transactions have been successfully completed:

- Swiss Medical Network has been the majority shareholder of Hôpital du Jura Bernois SA (HJB SA) since 2022. Its shareholding in HJB SA was reduced again to 35.1% at the end of the reporting period, as Visana Beteiligungen AG decided to subscribe to a capital increase of HJB SA to allow the creation of the first integrated healthcare organization in Switzerland. With its 32.4% stake, Visana became the third reference shareholder of the integrated healthcare organization, alongside Swiss Medical Network and the Canton of Bern (32.4%). Since Swiss Medical Network now only owns a minority, the entity and its subsidiaries were deconsolidated in the financial reporting at the end of 2022.

At the same time, HJB SA was renamed Réseau de l'Arc SA. The integrated healthcare organization will offer medical services combined with a new health insurance product to the residents of the Jura Arc region. The partnership with Visana Group will enable Réseau de l'Arc to offer its own health plan in September 2023, valid from 1 January 2024 and available to all residents of the Jura Arc.

The main focus is on ensuring members' health. The flat-rate financing per member ("full capitation") eliminates the current incentives to provide as many expensive treatments as possible, and also brings together the diverging interests of service providers and service suppliers in the Réseau de l'Arc that prevail in the current system. This will correct the current distortions in the healthcare system that are responsible for the explosion in costs and the continual increases in premiums.

- The hospitality segment was enlarged with the purchase of the 39-room boutique hotel L'Oscar in London in early 2022, as already reported last year. The segment was completed with the acquisition of the four-star superior hotel Adula in Flims in November 2022. The Adula offers 93 rooms, as well as three restaurants with a capacity of 235, a bar with 70 seats and a terrace for 50 guests. The spacious wellness oasis offers relaxation and recreation on 1'200 sqm.
- Swiss Hotel Properties, the hospitality real estate vehicle, acquired two buildings in London (the historic L'Oscar hotel building and an adjacent property) and in 2023 will also integrate the premises of the Adula hotel with a total surface area of 7'613 sqm, as well as 31 additional parking spaces in the nearby Promenade car park, in the booming mountain destination of Flims in the canton of Graubünden.
- The construction of Genolier Innovation Hub, a research and training center on the Genolier campus, advances according to plan and budget and is expected to be completed in March 2024. The building will accommodate various healthcare industries and will generate an annual rental income of approximately CHF 5 million for an investment of approximately CHF 65 million. A fully integrated conference center will also be available on site.

Balance sheet

AEVIS repaid the outstanding CHF 145 million AEV 161 bond at maturity in October 2022. AEVIS now has no bonds outstanding and has successfully repaid all bonds issued since 2012, totaling CHF 675 million. AEVIS will continue to monitor market conditions and could return to the capital markets, depending on opportunities and acquisitions.

The consolidated balance sheet grew slightly by 3.5% to CHF 1.79 billion. The equity ratio decreased from 33.8% to 28.5%, which is still above the pre-pandemic level, after the deconsolidation of HJB SA at the end of the reporting period.

The cash flow from operations amounted to CHF 114.3 million, reflecting the overall good performance in the reporting period.

Statutory profit of CHF 67.4 million

At the statutory level (holding, non-consolidated) revenues were CHF 82.9 million, mainly from dividend payments received from participations and the gain on the sale of the minority participation in Medgate. The statutory profit amounted to CHF 67.4 million. Based on the solid performance, the Board of Directors will thus propose to the Annual General Meeting a distribution of CHF 0.75 per share, composed of an ordinary distribution of CHF 0.45 per share and an extraordinary distribution of CHF 0.30 per share.

Outlook

In line with its investment activity, the Group's current investment portfolio should generate significant dividends and capital gains in 2023, which should allow it to continue and intensify its dividend policy in 2024.

Operationally, AEVIS expects a further positive development in its healthcare, hospitality and real estate businesses. Nevertheless, AEVIS's consolidated turnover for 2023 is likely to decrease following the deconsolidation of Réseau de l'Arc SA (formerly Hôpital du Jura Bernois SA). The overall profitability of the Group is, however, expected to increase. Due to the diversity of its participations and the current macroeconomic challenges, the Group is refraining from issuing consolidated revenue or margin targets for the financial year 2023.

Thank you

We would especially like to thank all our employees and physicians for their flexibility and high level of commitment under volatile and changing conditions in the past year. We would also like to 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

“Leading the way to integrated care in Switzerland”

“Réseau de l’Arc is the revolutionary approach to revitalizing the Swiss healthcare system. The aim is to move from a system of disease management to a system of health management.”



Antoine Hubert (AH) and Raymond Loretan (RL) in conversation.

What is the vision of Swiss Medical Network?

RL: Our company was built on the vision of managing the health capital of the Swiss people. In the two decades since it was founded, every step in the Group's development has been guided by this ambition. In quantitative terms, Swiss Medical Network's strategy has been successful.

The Group has expanded its presence in the three main language regions of the country. It operates a network of 21 clinics and hospitals, more than 30 medical centers, 9 emergency centers and 16 ophthalmology centers, as well as competence centers.

“Swiss Medical Network's strategy has been successful.”

So, more of the same in the years ahead?

AH: No. The Swiss healthcare system is heading for disaster, because a fee-for-service model creates the wrong incentives. As long as volume takes precedence over quality, attempts to curb rising costs will fail and premiums will continue to rise. And we are getting close to a breaking point in this vicious cycle. We therefore need a new approach, a paradigm shift, an act of liberation.

What is Swiss Medical Network's solution?

RL: Integrated healthcare is the solution. We are a company with a strong motivation to be a positive force for change. As such, we have the courage to take the first step and act as a gatekeeper.

We therefore joined forces with the Visana insurance group and the Canton of Bern in October 2022 to transform Hôpital du Jura bernois into an integrated healthcare organization, the first of its kind in Switzerland.

Under the new company name Réseau de l'Arc SA, this pioneering network includes the two hospital sites at Saint-Imier and Moutier, five Médicentres, a Mental Health Centre, ambulances and the Inter-Jurassic pharmacy.

Is integrated healthcare a new concept?

AH: No, not at all. It has proven its advantages in multiple countries, including the United States with the Kaiser Permanente system. Founded a hundred years ago, it is the oldest and largest integrated healthcare network in the world with 12.6 million members. Equally important, contrary to the status today, the canton, the insurers and the healthcare providers will work together under the same roof rather than being in a state of permanent negotiation as in the current system.

“The Réseau de l'Arc will offer an alternative basic insurance plan.”

Who can participate?

RL: The Réseau de l'Arc will offer the inhabitants of the Jura Arc region, from Neuchâtel to the Jura and the Bernese Jura, an alternative basic health insurance plan with a flat fee per member from 1 January 2024. The primary mission is to preserve the members' health and prevent accidents and illness.

This alternative basic insurance product, being developed by Visana, will be submitted to the Federal Office of Public Health in April 2023 for approval in June 2023. The premiums will then be officially published in September 2023 and the new insurance will come into effect on 1 January 2024.

How does it technically work?

RL: Healthcare providers will not be paid on a fee-for-service basis, but have a global budget based on the population for which they are responsible.

This principle is called full capitation. The aim is to keep people healthy by focusing on prevention and regular medical follow-up, rather than only intervening downstream when they fall ill.

“Healthcare providers will not be paid on a fee-for-service basis, but have a global budget.”

It is also motivating to carry out prevention. Many young doctors have been trained in prevention, but as it is not reimbursed in Switzerland, they cannot yet put this knowledge into practice. With our solution, this will change for the benefit of each individual.

What is the medical advantage of prevention?

AH: From a medical perspective, the results speak for themselves. Kaiser Permanente Mid-Atlantic (Washington DC, Maryland and Virginia), for example, has just published a study showing that the life expectancy of its members is 6 years higher than the national average. We will aim for comparable results in Switzerland.

“The challenge is to move from a medicine of repair to a medicine of prevention.”

This will require a different mindset among all participants?

AH: Yes. The challenge is to move from a medicine of repair to a medicine of prevention, from a system of disease management to a system of health management, which underpins our vision. Because it questions certainties and promises to disrupt habits, such an evolution is not self-evident. At the individual level, it requires the awakening of each citizen's responsibility for their own health.

Any plans to expand the concept into other regions of Switzerland?

RL: Indeed. We are exploring the feasibility of other integrated networks in regions where the network of our institutions is sufficiently dense to envisage the integration of care, such as our clusters in the Zurich area or the Arc lémanique region.

Why did you choose Visana as your partner?

AH: Of all the insurance groups we discussed with, Visana was the one that fully endorsed our integrated care project. One of the prerequisites was that our insurance partner should participate financially in the future care network, which Visana did by buying a stake in the Réseau de l'Arc through Visana Beteiligungen AG, resulting in equal shareholdings alongside Swiss Medical Network and the Canton of Bern.

Why make this effort? Is there an obligation to do so?

AH: Swiss Medical Network is an innovative company with an eye on the bigger picture. As a reform of the current health system is unavoidable, we believe that it is in the interest of private players to take the initiative.

As an example, for 12.6 million members, Kaiser Permanente has 150'000 hospitalizations per year. In Switzerland, for 8.6 million inhabitants, we have 1.4 million. Why do we do this? Because inpatient care pays well. On the contrary, in the full capitation model, everything is done to keep people at home as long as possible.

“Swiss Medical Network is an innovative company with an eye on the bigger picture.”

On the other hand, the project implies a decrease in specialized medicine. The very essence of integrated care is to direct the patient towards the most appropriate solution.

The current system tends to favor the most lucrative solution, which is often the right one, but is sometimes oversized in relation to the patient's needs.

“The very essence of integrated care is to direct the patient towards the most appropriate solution.”

What is required for success of the Réseau de l'Arc?

RL: It is a truly pioneering project in the Swiss healthcare landscape. As such, it will be observed, commented on, criticized and perhaps even copied. In any case, we will have to demonstrate its value, as similar networks in the United States, Spain and Israel have done before and for a long time.

To conclude: what would be a final wish?

AH: We hope to inspire other healthcare groups. However, to build such an organization requires cultural change and a willingness to relinquish control, as Swiss Medical Network agreed to do when it rendered its majority stake in Réseau de l'Arc. Only a few players are willing to do this so far. That will hopefully change over time.

“We hope to inspire other healthcare groups.”



OPERATING REPORT

Operating results improved on all levels

The participations in AEVIS's portfolio are managed independently and with a high degree of entrepreneurial freedom. Overall, the portfolio is diversified among the three focus sectors – healthcare, hospitality and infrastructure – with different risk return profiles, all sharing the mission of servicing people in the best possible way.

Swiss Medical Network continues to be the largest investment in AEVIS's portfolio, with consolidated revenues exceeding CHF 1 billion for the first time. Victoria-Jungfrau, the hospitality segment, recorded the best results in its history, well above the pre-pandemic level of 2019. The values of the hospitality and healthcare real estate properties have increased and contributed favorably to the stability of the portfolio, thanks to excellent locations and the absence of capex backlogs.

Swiss Medical Network turnover jumps temporarily due to consolidation of Réseau de l'Arc SA

In a challenging market environment, Swiss Medical Network achieved a good result in the 2022 financial year. After a slow start, the second and third trimesters in particular were characterized by good growth, as past investments in infrastructure and the higher number of admitting physicians paid off. In the course of the year, the diversification with hospitals of different sizes in all parts of the country, and the balanced mix of listed and contracted hospitals, proved their worth with a well-adjusted distribution of risk. In total, the Group consists of 21 hospitals with 1'443 beds, 2'250 admitting physicians and 4'095 employees.

Overall, Swiss Medical Network achieved revenues of CHF 916.5 million, 20.6% more than in the previous year (CHF 760.1 million). The increase was primarily driven by the extension of the scope of consolidation, as Hôpital du Jura bernois SA (renamed Réseau de l'Arc SA on 16 January 2023) was integrated for a full 12-month period. Organic growth amounted to 4.9%.

Surge in revenue

20.6%

However, this was a one-time effect, as Réseau de l'Arc was de-consolidated again at the end of the reporting period after Visana Beteiligungen AG decided to enter into the capital, thus reducing Swiss Medical Network's stake from 52% to 35.1%. Net revenues (medical fees excluded) amounted to CHF 795.4 million, or 21.9% more than a year ago (CHF 652.4 million).

EBITDAR Swiss Medical Network in CHF million

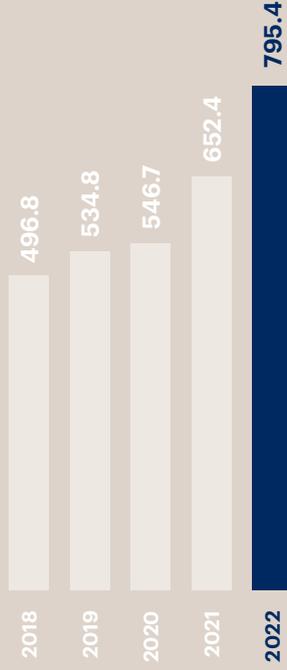
140.6

The second year in a row with revenue growth of around 20% was also reflected in the operating profit at the EBITDAR level, which surged by 15.6% from CHF 121.6 million to CHF 140.6 million, resulting in a margin of 17.7%, slightly below the previous year (18.6%), due to the temporary consolidation of Hôpital du Jura bernois SA and its subsidiaries.

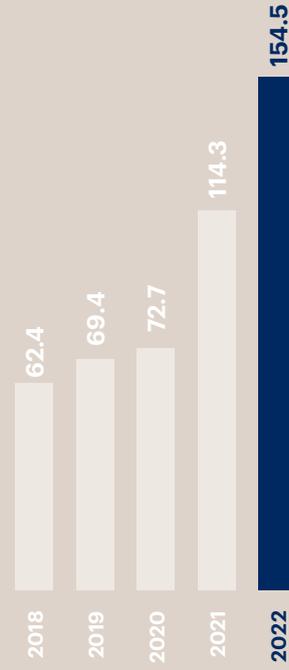
On a like-for-like basis, an additional EBITDAR of CHF 12.1 million was achieved with a CHF 44.9 million increase in revenues, corresponding to a margin of 26.9%, which underlines the great operating leverage that arises once the proportionally high block of fixed costs has been covered. Swiss Medical Network is well positioned to generate additional margins in the coming quarters and to further increase profitability, despite rising prices for energy and medicines.

On the cost side, higher energy prices were the main driver but had only a limited impact due to the tranche purchasing strategy. Nevertheless, the Group is doing its utmost to curb consumption on the one hand and to work more energy-efficiently on the other. Various corresponding projects have been and continue to be implemented, and a Chief Sustainability Officer has been appointed.

Net revenue hospital segment in CHF million



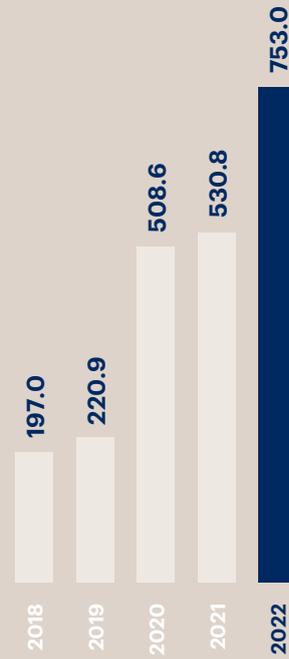
Net revenue hospitality segment in CHF million



Market value unconsoli- dated hospital real estate portfolio in CHF million



Market value consolidated hospitality real estate portfolio in CHF million



The procurement of medicines was also a challenge, not only because of increased prices but also because of delivery interruptions. As a result, Swiss Medical Network is increasingly relying on large suppliers with better delivery guarantees.

The most important individual project in the reporting year was the launch of Réseau de l'Arc (see also pages 11 to 13), which resulted from the name change of Hôpital du Jura bernois. This first integrated healthcare organization in Switzerland will accept its first insured persons as of 1 January 2024. In parallel, in the other regions where the Group operates, Swiss Medical Network will further consolidate our offering of outpatient care, community-based medicine and other services that are important links in the integrated care value chain.

In the year under review, Swiss Medical Network continued its investments in medical quality. The radiology institute at Hôpital de la Providence (NE) was expanded and equipped with the latest generation of equipment, the capacity of the operating theatres at Clinique de Montchoisi was increased with the opening of an additional room, and new operating theatres were put into operation at Privatklinik Siloah. As part of the Réseau de l'Arc project, significant investments were made in the two hospital sites in Saint-Imier and Moutier. In addition, the development of the electronic patient file was promoted and is already in use at three sites – Hôpital de la Providence, Clinique Valmont and Clinique de Valère – with the aim of adding further clinics in 2023.

Another key issue for Swiss Medical Network is quality assessment, especially from a clinical perspective. The fully digital tool PROMS (Patient-Reported Outcome Measures), which allows interventions to be assessed from the patient's point of view, is being gradually introduced at all Group facilities.

Recruiting qualified staff is an important and challenging management task. Swiss Medical Network places particular emphasis on good working conditions and a pleasant working atmosphere, characterized by appreciation, dialogue and goodwill. Regular employee surveys also show that the individual teams have a strong bond with Swiss Medical Network.

Other healthcare investments

As already reported last year, AEVIS sold its minority shareholding in Medgate, a leading telemedicine company, in March 2022 to German Otto Group. The exit of the Medgate participation led to a decent profit at the AEVIS level.

TCS Swiss Ambulance Rescue, of which AEVIS owns 40%, continued in its build-up of a nationwide rescue company with the integration of another three companies during 2022. Further potential acquisitions are currently being evaluated. The fleet includes 38 vehicles and more than 160 employees with a presence in five cantons on ten bases. Turnover in the reporting period rose significantly to CHF 17.4 million.

Hotel activities returning to pre-pandemic levels

Victoria-Jungfrau AG, the Group's hospitality division, achieved pleasing results as activities continued to recover and even exceeded 2019 levels, the best year in the company's history so far. Very good domestic demand compensated for international demand, which increased significantly but is still below pre-pandemic levels. The higher number of individual travelers, rather than groups, had a strong effect on average room rates, which could be increased significantly, from CHF 427 to CHF 618.

Overnight stays in hotels

258'266

A total of 258'266 overnight stays were registered, compared to 183'900 in the previous year. This resulted in a turnover of CHF 154.5 million, or 35.1% more than in 2021. The organic growth was 30.2%, and even 72.9% when excluding hardship indemnities received in the prior period.

EBITDAR reached CHF 33.4 million, corresponding to a margin of 21.6%. The operating profit margin has therefore remained at a high level. It can only be compared to a limited extent with the previous year, as the hardship payments of CHF 29.1 million, which were paid out in cash, completely contributed to the operating result.

All hotels contributed to the increase in EBITDAR, except for L'Oscar in London, which is at the beginning of a repositioning phase. Thanks to efficient operating processes and stringent cost management, the increase in turnover also translated into an improved operating result.

At the individual level, the very good result of the hotels in Zermatt stood out, above the previous record year 2019. Interlaken also achieved the best result in its history, boosted by the further improvement of its offering, which now includes renovated rooms and suites throughout. In addition, a large outdoor pool will be added to the Victoria-Jungfrau Grand Hotel & Spa this spring, further enhancing the resort character of the luxury hotel. In Zurich, La Réserve Eden au Lac enjoys high popularity and achieved a turnover that was more than twice as high as the best year before the takeover by AEVIS. And in Davos, the 2022 edition of the WEF, although held off-season in the spring, contributed to the result.

EBITDAR margin hotels

21.6%

The start of the new 2023 business year was promising, with a good winter season at the mountain hotels in Crans-Montana, Davos and Zermatt and equally pleasing occupancy rates at the city hotels, especially in Zurich.

With the purchase of the four-star Hotel Adula in Flims at the end of 2022, the portfolio now consists of 10 hotels in Switzerland and the L'Oscar in London, with a total of 1'030 rooms. The Group is confident that it will be able to further consolidate the achieved level of turnover and operating profit in the current year.

Consolidated real estate portfolio valued at CHF 753.0 million

The composition of Swiss Hotel Properties was enlarged with the acquisition in March 2022 of two buildings making up L'Oscar hotel in central London, with a total surface area of 5'200 sqm. The portfolio now consists of 20 unique buildings in six top locations with a market value of CHF 717.5 million as of 31 December 2022. Including the building of the Hotel Adula, the consolidated real estate portfolio amounted to CHF 753.0 million. Revenues amounted to CHF 22.6 million (mostly inter-company rent paid by the Group's hotels), up 7.9% compared to the previous year, and EBITDAR reached CHF 20.3 million, corresponding to an operating margin of 90.0%.

Value of hotel properties in CHF million

753.0

Unconsolidated real estate portfolio with best year ever

The healthcare real estate portfolio owned by Infracore, in which AEVIS directly and indirectly holds a 30% stake, achieved the strongest result in the history of the company. With an unchanged portfolio, rental income was in line with the previous year. The substantial increase of revaluation gains to CHF 71.2 million (2021: CHF 6.5 million) relates to rent indexations (effective from 2023), selective lease extensions, the Genolier Innovation Hub as well as a new development project in Ticino.

Total revenues including revaluation gain amounted to CHF 131.2 million, while EBITDA surged to CHF 125.6 million, corresponding to an operating margin of 95.7%. As a result, net profit jumped to a new high of CHF 103.7 million, which translates into earnings per share/non-voting equity share of CHF 8.94.

The Board of Directors will propose a distribution of CHF 3.70 per share/non-voting equity share based on the tax-adjusted net profit before revaluation gains of CHF 43.0 million. This will lead to a dividend inflow at the AEVIS level of nearly CHF 13 million in 2023. The Net Asset Value (NAV) before deferred taxes reached CHF 685.1 million, up by CHF 76.1 million or 12.5% compared to 2021.

NAV Infracore (before deferred taxes) in CHF million

685.1

At the end of the reporting period, the portfolio consisted of 36 high-quality investment properties and six development projects, representing a total rental surface of 195'930 sqm. The milestone development project Genolier Innovation Hub advances according to plan and budget and is expected to be completed in early 2024, representing a total rental surface of approximately 11'272 sqm.

The same applies to renovation works at Privatklinik Siloah in Bern and Clinique Valmont in Glion-sur-Montreux. After the significant value adjustments, the portfolio was valued at CHF 1.26 billion as of 31 December 2022.

Infracore and its main tenant Swiss Medical Network made a thorough analysis of all processes and introduced comprehensive, targeted energy-saving measures, enabling the various hospitals to run in an environmentally friendly manner. The sustainability program was started more than two years ago and includes master projects at Clinique de Genolier and Clinica Sant'Anna in Lugano.

Within the next few years, all the hospitals of the network will undergo similar efficiency and energy-saving programs. These include reporting and management tools, renewed energy recovery systems, and also renewed energy heating systems, which will lead to reduced energy use for space heating, cooling and water heating and also reduced electricity for lighting.

Furthermore, investments in e-mobility have been made at Clinique de Genolier, Clinique de Montchoisi, Privatklinik Villa im Park and Privatklinik Bethanien. Solar panels will be installed wherever possible. Finally, the development of the various hospital sites applies the latest and most environmentally friendly technologies.

Share and Bond Information

Number of shares

	31.12.2022	31.12.2021
Share capital (in CHF)	84'529'460	84'529'460
No. of registered shares issued	84'529'460	84'529'460
Nominal value per registered shares (in CHF)	1	1
No. of treasury shares	112'261	269'953
No. of registered shares outstanding	84'417'199	84'259'507

Data per share

	31.12.2022	31.12.2021
EBITDA per share* (in CHF)	1.54	0.94
High (in CHF)	22.00	15.20
Low (in CHF)	13.70	11.85
End price (in CHF)	17.50	14.50
Average volume per day	3'344	7'641
Market capitalisation (in CHF)	1'477'300'983	1'221'762'852

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

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:	CH0478634105		

Major shareholders

The following shareholders held more than 3% on 31 December 2022:

Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA	74.97%
MPT Medical Properties Trust, Inc.	4.56%
Kuwait Investment Office as agent for the Government of the State of Kuwait	3.15%
Total shareholders (31 December 2022)	1'646

Financial reporting

9 May 2023	Ordinary general shareholders' meeting for the year 2022
May 2023	Publication of 1Q 2023 Revenue
14 September 2023	Publication of the 2023 Half-Year Results
November 2023	Publication of 3Q 2023 Revenue
March 2024	Publication of 2023 Revenue
28 March 2024	Publication of the 2023 Annual Results

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CORPORATE GOVERNANCE

Corporate Governance Report

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/en/investor-relations/articles-of-incorporation/>

The reference date of this Corporate Governance report is 31.12.2022. The revised Swiss Company Law, which came into force on 01.01.2023, will impact some of the legal provisions and descriptions of the law cited in this Corporate Governance report. The Company's Articles of Association must be adapted within a transitional period of two years, which is by 01.01.2025 at the latest.

1. Group structure and shareholders

1.1. Group structure

1.1.1. Description of the issuer's 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 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 CH0478634105). As at 31.12.2022, its market capitalization stood at CHF 1.48 billion.

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

As at 31.12.2022, 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	78.42
GENERALE BEAULIEU HOLDING SA	Geneva (GE)	Holding company	2'500'000	69.49
Victoria-Jungfrau AG	Interlaken (BE)	Holding company	5'000'000	100.00
TCS Swiss Ambulance Rescue SA	Vernier (GE)	Holding company	2'000'000	40.00
Batgroup SA	Lausanne (VD)	Holding company	136'618	23.30
Heinz Hotz AG	Flims (GR)	Hospitality	660'000	100.00
Swiss Hotel Properties AG	Interlaken (BE)	Hospitality real estate	10'000'000	100.00
Infracore SA	Fribourg (FR)	Healthcare real estate	6'923'354	16.04
Klinik St. Raphael AG	Küsnacht (ZH)	Real estate development	11'505'700	73.54
NESCENS SA	Genolier (VD)	Better aging	4'850'000	100.00
SSCB SWISS STEM CELLS BIOTECH AG	Zürich (ZH)	Stem Cells	2'000'000	35.00
Genolier Innovation Hub SA	Genolier (VD)	Research & innovation	100'000	100.00
Generic Healthcare SA	Schwyz (SZ)	Trading company	100'000	70.00
Swiss Theranostics SA	Genolier (VD)	Medical radiation services	100'000	100.00
Société Clinique Spontini SAS	Paris (France)	No operating activity	EUR 2'000'000	100.00

More information can be found in note 35 (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 31.12.2022:

NAME	31.12.2022	31.12.2022	31.12.2021	31.12.2021
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Group Hubert/Reyber/M.R.S.I. Medical Research, Services and Investments SA*	63'369'421	74.97	63'270'745	74.85
MPT Medical Properties Trust, Inc.**	3'850'961	4.56	3'850'961	4.56
Kuwait Investment Office***	2'666'560	3.15	2'666'560	3.15

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

** Medical Properties Trust, Inc. is a Real Estate Investment Trust, listed on the New York Stock Exchange (NYSE: MPW)

*** Acting as agent for the Government of the State of Kuwait.

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 authorized capital is as follows:

31.12.2022	NUMBER OF SHARES	NOMINAL VALUE PER SHARE (in CHF)	TOTAL CAPITAL (in CHF)
Share capital	84'529'460	1	84'529'460
Authorized capital	42'264'730	1	42'264'730
Conditional capital	37'495'000	1	37'495'000

2.2. Authorised and conditional capital in particular

Authorized capital (article 10 of the Articles of Association)

The Board of Directors is authorized to increase the share capital by a maximum of CHF 42'264'730 through the issuance of a maximum of 42'264'730 fully paid up registered shares with a nominal value of CHF 1 each until 28.04.2024. 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 authorized 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 on 01.01.2020	80'391'035	80'391'035
Authorized capital increase (executed on 10.12.2020)	3'108'479	3'108'479
Balance on 01.01.2021	83'499'514	83'499'514
Authorized capital increase (executed on 13.07.2021)	1'029'946	1'029'946
Balance on 31.12.2021	84'529'460	84'529'460
Balance on 31.12.2022	84'529'460	84'529'460

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

On 13.07.2021, the Company registered an authorized capital increase against contribution in kind of CHF 1'029'946 to CHF 84'529'460, divided into 84'529'460 registered shares.

2.4. Shares and participation certificates

The Company's capital is composed of registered shares only. At 31.12.2022, the number of fully paid-up registered shares with a nominal value of CHF 1 each was 84'529'460. 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 31.12.2022, the Company had no convertible bonds outstanding. During 2022, 1'100'000 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.

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 31.12.2022, the Board of Directors of the Company was composed of the following members:

MEMBER	FUNCTION	YEAR OF BIRTH	NATIONALITY
Christian Wenger	Chairman	1964	Swiss
Raymond Loretan	Vice-chairman	1955	Swiss
Antoine Hubert	Delegate of the Board	1966	Swiss
Michel Reybier	Member	1945	French
Antoine Kohler	Member	1956	Swiss
Cédric 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.

3.2. Other activities and vested interests



Top row, from left to right: Raymond Loretan, Cédric George, Antoine Kohler
Bottom row, from left to right: Antoine Hubert, Christian Wenger, Michel Reybier

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 specializes 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 companies such as 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 Zürich.

In 2011, he launched the Blue Lion incubator for start-ups in the ICT and cleantech 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. 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 Fund, which created 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 (University of Fribourg) and a diploma in European Organizations (University of Strasbourg). Before joining the Group in 2007, Raymond Loretan held several positions within and outside the Swiss administration. 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 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. He was Chairman of the SSG SSR (2012–2015) and Swiss Leading Hospitals (2017–2021).

Within the Group, Raymond Loretan is Chairman of Swiss Medical Network SA, GSMN Suisse SA, Swiss Medical Network Hospitals SA, Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Centre Médico-Chirurgical des Eaux-Vives SA, Centre Médical Genolier SA, Ärzteteam Seewadel GmbH, Nescens Genolier SA and Swiss Medical Centers Network SA. He is Vice-chairman of Réseau de l'Arc SA, Hôpital de Moutier SA, Medizinisches Zentrum Biel MZB GmbH and Rosenklinik AG. He is Board member of Klinik Pyramide am See AG, Genolier Innovation Hub SA, Swiss Medical Network GesundheitsZentrum AG, Center Da Sandet AG, Centre d'Urologie Générale Beaulieu SA, TCS Swiss Ambulance Rescue SA, TCS Swiss Ambulance Rescue Genève SA, TCS Swiss Ambulance Rescue Vaud SA, Krankentransport Alpha Medic AG, and Victoria-Jungfrau AG. He is Chairman of Aevum Pension Fund, the Swiss Stem Cell Foundation and the Genolier Foundation for medical solidarity.

Furthermore, he is founding associate of the consultancy practice FBL Associés, Chairman of the Board of SSE Holding SA, 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 and the Foundation of the documentary film festival Fondation Visions du Réel. He is also member of the Hirschmann-Stiftung, the Foundation of the Pontifical Swiss Guard and the Fondation CIOMAL.

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 Générale Beaulieu Holding SA. He is Chairman of Genolier Innovation Hub SA, Swiss Hotel Properties SA and CACM hôtels SA. He is Vice-chairman of the Board of Directors of Infracore SA, Infracore Investments 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, Clinique Générale-Beaulieu SA, Réseau de l'Arc SA, Hôpital de Moutier SA, Swiss Medical Centers Network SA, Centre Médical Genolier SA, Swiss Medical Network GesundheitsZentrum AG, Ärzteteam Seewadel GmbH, Swiss Visio SA, Gutsehen.ch AG, Victoria-Jungfrau AG, Grand Hotel Victoria-Jungfrau AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG, AlpenGold Hotel AG, MRH-Zermatt SA, Heinz Hotz AG, Oldbourne & Oldbourne Hospitality Ltd., NESSENS SA, Laboratoires Genolier SA, Batgroup SA, Générale-Beaulieu Immobilière SA, Klinik St. Raphael AG, Fliptag Investment Ltd. and Havza Ltd. Antoine Hubert is Member of the foundation board of Aevum Pension Fund, the Swiss Stem Cell Foundation and the Genolier Foundation for medical solidarity.

Furthermore, Antoine Hubert is Board Member of Nouvelle Agence Economique et Financière SA and Well Gesundheit AG.

Michel Reybier

Member

Chairman of the Strategy and Investment Committee Member of the Audit and Compliance Committee

Michel Reybier, entrepreneur and business personality, has held several senior executive positions in the agro-food industry. He has managed a chain of supermarkets in the Lyon area. He subsequently built up a company producing chocolate and biscuits, which he eventually sold under the trade name Cemoi. Following this, he created a company producing meat products, under the trade names Aoste, Justin Bridou and Cochonou amongst others.

Currently, Michel Reybier is active in the hospitality industry and is a major shareholder of AEVIS VICTORIA SA. He is the founder and owner with his family of La Réserve Hotel Group and Domaines Reybier SA, specialized in viticulture and wine making (Cos d'Estournel, Tokaj, Jeeper, Mascaronne, La Lauzade). He is on the Supervisory Board of Domaines Reybier SA. He is also co-founder and shareholder of MOB Hotels.

Within the AEVIS 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, Laboratoires Genolier SA, Grand Hotel Victoria-Jungfrau AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG, AlpenGold Hotel AG, MRH-Zermatt SA, Heinz Hotz AG and CACM hôtels SA.

Antoine Kohler

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, Rosenklinik AG, Genolier Innovation Hub SA, Centre Médico-Chirurgical des Eaux-Vives SA, Swiss Medical Centers Network SA, CACM hôtels, Nescens Genolier SA, Oldbourne & Oldbourne Hospitality Limited, Fliptag Investment Ltd., Havza Limited and the Swiss Stem Cell Foundation.

In addition, Antoine Kohler is Board Member of APTG AG (Baar), Azalée Développement (GE), Charles Jourdan Holding AG (ZG), Dosim Holding SA (GE), IMM Inflight Media Marketing SA (GE), PackinG91 SA (BE), Patrimoines Holding SA (GE), Perréard de Boccard SA (GE), Sixt rent-a-car AG (BS), Soho Holding SA (GE) and Vroum SA (VD).

Dr Cédric A. George

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. Specialized 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, Générale Beaulieu Holding SA, Klinik Pyramide am See AG and Klinik St. Raphael AG.

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 organizations, 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 six members. In 2022, 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 and Antoine Hubert as Delegate of the Board.

MEMBER	ELECTION	EXPIRES
Christian Wenger	July 2012	2023
Raymond Loretan*	November 2006	2023
Antoine Hubert*	June 2009	2023
Michel Reybier	June 2011	2023
Antoine Kohler*	June 2008	2023
Cédric A. George	September 2010	2023

* 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 a non-executive Board Member and is composed of at least two 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	2023
Cédric A. George	June 2015	2023

Audit and Compliance Committee

The Audit and Compliance Committee is chaired by a non-executive Board Member and is composed of at least three Board Members. 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. Authorizations 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

MEMBER	AUDIT AND COMPLIANCE COMMITTEE	NOMINATION AND COMPENSATION COMMITTEE	STRATEGY AND INVESTMENT COMMITTEE
Christian Wenger	Member		Member
Raymond Loretan			Member
Antoine Hubert			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 2022, 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 2022, 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 2022, the Strategy and Investment Committee met once.

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

According to its organizational 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 2022, the Board of Directors was convened four times of which two times by means of videoconferencing. The average attendance at the Board meetings was 88%. 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.

In addition to the duties mentioned in Article 716a Swiss Code of Obligations and the Articles of Association, the organization rules of the Company confer the following non-transferable and inalienable duties to the Board of Directors:

- definition of the guiding principles of the Company's strategy;
- definition of the guiding principles of the Company's financing strategy
- adoption of annual budgets and investments;
- pass resolutions on forming, acquiring and disposing of Group and affiliated companies;
- set the principles of compensation and adopt the participation and option plans;
- definition and elaboration of the risk map (Article 728 CO);

According to the organizational 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 Senior Management, led by the Delegate of the Board, who can sub-delegate to members of the General Management of the Company and to the Executive Committee or Management teams of each subsidiary. The Senior Management is amongst others responsible for

- the implementation of the strategic decisions and guidelines taken by the Board of Directors;
- setting the company's remuneration policy, with the exception of the remuneration of the Board members and the Senior Management;
- authorizing the recruitment and dismissal of employees with management functions;
- defining the detailed organization of the company
- initiating legal proceedings when deemed necessary with a litigation value of max. CHF 100'000
- establishing the monthly reporting and financial statements
- ensuring the development and implementation of internal guidelines regarding risk management principles as well as risk management competencies and procedures
- ensuring that the organization in place safeguards quality, safety and an adequate internal control
- informing the Board of Directors of the ongoing business affairs.

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 organizational 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 analyzed 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 analyzed 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 31.12.2022, the Senior Management of the Company was composed of the following persons:

MEMBER	FUNCTION	YEAR OF BIRTH	NATIONALITY
Antoine Hubert	Delegate of the Board	1966	Swiss
Gilles Frachon	Chief Financial Officer	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. Previously, he has been Chief Financial Officer of Aoste, European leader in meat products, 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 until 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 foundation board of Aevum Pension Fund.

In addition, Gilles Frachon is Chairman of MJ France SAS (France) and Foncière PLM (France). He is Chairman and Member of the Surveillance Board of SCA Société Nationale de Propriété d'Immeubles (France). He is Chairman of the Board of Tokaj-Hetszolo Zrt (Hungary) and Board Member of MR HOSPITALITY GESTION SA, Bibarium SA, RDC SA (France), Moynesque Vignoble SA (Luxembourg), EMBASSAIR GROUP (Luxembourg), Asset Management RI S.A.-S.P.F (Luxembourg) and MR2A SA (Luxembourg). He is Member of the Steering committee of MOB Holding SAS (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 organizations, 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 authorizations 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.

The Board of Directors sets the requirements for the exercise and recognition of voting rights.

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. (www.aevis.com/en/news-reports/financial-reports)

According to article 14 bis of the Articles of Association, the Board of Directors decides on the venue of the General Meetings. The Board may authorize its shareholders to exercise their voting rights electronically. Virtual General Meetings are authorized, as long as an Independent proxy has been appointed by the Board in the invitation.

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 organizational 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 488'000 (excluding VAT and expenses) for the business year 2022.

8.3. Additional fees

During 2022, Berney Associés SA charged additional fees of CHF 6'828 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 analyzed 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 2022, 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 ad hoc releases pursuant to Article 53 of the Listing Rules (www.aevis.com/en/news-reports/news-alert-subscription), 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. It is also possible to receive the company's press releases and ad hoc releases pursuant to Article 53 of the Listing Rules through the News Alert subscription.

(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 2022 fiscal year will take place on Tuesday 9 May 2023. A full corporate calendar is available on the company's website.

(www.aevis.com/en/investor-relations/financial-calendar)

10. Quiet periods

AEVIS VICTORIA has a clear Insider Information Regulation, which contain provisions to prevent insider dealings. Any direct or indirect purchase, sale or other transaction relating to AEVIS VICTORIA securities based on insider information is prohibited, whether for the own account of the insider or for the account of another person. An insider must not disclose insider information to anyone inside or outside the company, other than a person whose position requires him or her to know the insider information. An insider may not recommend to, induce or instruct another person to sell, buy or deal in AEVIS VICTORIA securities. The Board of Directors of AEVIS VICTORIA has decided not to submit general quiet periods to its insiders and to rely upon the individual responsibility of each initiated person. However, when deemed necessary to introduce a quiet period, AEVIS VICTORIA will inform its insiders on an ad hoc basis. In 2022, no quiet periods have been applied.

Contact

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REMUNERATION REPORT 2022

Remuneration Report

The AEVIS VICTORIA Remuneration Report has been prepared in compliance with the requirements of the Ordinance against Excessive Compensation (OaEC) for the year under review. With effect from 1 January 2023, the OaEC has been replaced by provisions in the revised company law (Article 732 et seq. of the Swiss Code of Obligations), with certain amendments. The Company's Articles of Association must be adapted within a transitional period of two years, which is by 01.01.2025 at the latest.

The Remuneration Report will be submitted to the advisory vote of the shareholders at the Annual General Meeting of 2023. 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 a non-executive Board Member and is composed of at least two 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 31.12.2022, 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 considers 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 60 days VWAP of the share on the SIX Swiss Exchange at 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, considering 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 2022

(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	5.4	100.0	4.7
Raymond Loretan	Vice-chairman	-	-	-	-	-	-
Antoine Hubert	Delegate of the Board	-	-	-	-	-	-
Michel Reybier	Member	50.0	25.0	25.0	3.1	50.0	3.3
Antoine Kohler	Member	105.0	52.5	52.5	8.6	105.0	12.6
Cédric A. George	Member	53.0	42.4	10.6	3.4	50.0	3.3

* 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)

	2022	2021
Annual base Salary	485.6	485.6
Variable cash compensation	160.6	168.5
Social insurance and pension contributions	139.0	139.6
Total	785.3	793.7

2.3. Shareholding in 2022

NAME	POSITION	2022 NUMBER OF SHARES HELD*	2022 NUMBER OF OPTIONS HELD	2021 NUMBER OF SHARES HELD*	2021 NUMBER OF OPTIONS HELD
Christian Wenger**	Chairman	2'048'726	–	2'046'253	–
Raymond Loretan	Vice-chairman	213'100	–	213'100	–
Antoine Hubert and Michel Reybier***	Delegate of the Board	63'369'421	750'000****	63'270'745	–
Antoine Kohler	Member	24'950	–	21'704	–
Cédric A. George	Member	1'260'025	–	1'023'010	–

* 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 and HR Finance & Participations SA (HRFP). 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. 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.

**** Indirectly held through his companies.

2.4. Other audited information regarding the Board of Directors

2.4.1. Loans

As at 31.12.2022, the current accounts of companies which are controlled by Board members and related parties amounted to CHF 6'223'968 (2021: CHF 14'802'814), i.e. CHF 170'000 (2021: CHF 18'312) for M.R.S.I. Medical Research, Services and Investments SA, CHF 0 (2021: CHF 5'683'447) for EMER Holding SA, CHF 0 (2021: CHF 7'645'522) for HR Finance & Participations SA and CHF 6'053'968 (2021: CHF 1'455'534) for GCC Global Consulting et Communication S.à r.l.

During the fiscal year, EMER Holding SA and HR Finance & Participations SA reimbursed their loans for a total amount of CHF 12'404'490 (2021: nil). Interests at a rate of 2.92% have been accrued. As at 31.12.2022, Antoine Hubert had a current account with a subsidiary company of CHF 7'658'453 (2021: CHF 7'496'001).

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 (Article 23 octies of the Articles of Association).

2.4.2. Additional fees

During 2022, MR HOSPITALITY-GESTION SA, a company related to Michel Reybier, has received honoraria of CHF 4'292'490 (2021: CHF 1'889'732) from MRH-Zermatt SA, Heinz Hotz AG and various 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 Board Members in 2022, except for 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 2022 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 considers 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 to the level of responsibility of the beneficiary. In 2022, the Senior Management received variable compensation of 559.5% (2021: 136.0%) 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, considering 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 2022

The total remuneration of the Senior Management (including social insurance and pension contributions) amounts to CHF 3.0 million (2021: CHF 1.6 million). 750'000 stock options were granted to the Senior Management in 2022 (2021: nil). The highest compensation in 2022 was conferred to Antoine Hubert, Delegate of the Board.

(in thousands of CHF)	2022 HIGHEST COMPEN- SATION	2022 OTHER MEMBERS	2022 TOTAL SENIOR MANAGEMENT	2021 HIGHEST COMPEN- SATION	2021 OTHER MEMBERS	2021 TOTAL SENIOR MANAGEMENT
Annual base Salary	398.9	-	398.9	398.9	-	398.9
Variable cash compensation	817.2	-	817.2	930.4	-	930.4
Allocation stock options*	1'552.5	-	1'552.5	-	-	-
Social insurance and pension contributions	229.9	-	229.9	296.2	-	296.2
Total	2'998.5	-	2'998.5	1'625.6	-	1'625.6

* Black-Scholes Model/Indirectly held through his companies

3.3. Shareholding in 2022

NAME	POSITION	2022 NUMBER OF SHARES HELD	2022 NUMBER OF OPTIONS HELD	2021 NUMBER OF SHARES HELD	2022 NUMBER OF OPTIONS HELD
Antoine Hubert	Delegate of the Board	15'564'933*	750'000*	15'505'754*	-
Gilles Frachon	CFO	107'350	-	107'350	-

* Directly and indirectly held through his companies.

3.4. Share-based payment plans

In 2022, the Board of Directors adopted a stock option plan, allowing the attribution of a maximum of 2'475'000 options in favor of the management. During the year under review, 1'100'000 options were granted, each giving rights to subscribe for one share at a unit price of CHF 15.00 (2021: nil).

The details of the share based payment plans at the beginning of the schemes are as follows:

PLAN	BENEFICIARY/ GRANT DATE	NUMBER OF INSTRUMENTS/ EXERCISE PRICE	VESTING CONDITIONS	EXERCISE DATE	EXPIRY DATE
22-A	Group Senior Management, Group Management and Consultants March 2022	1'100'000 CHF 15.00 1:1	Service condition	As of grant	30.06.2025

There were no movements of share-based plans in 2022.

3.5. Other audited information regarding the Senior Management

3.5.1. Loans

See Section 2.4.1.

3.5.2. Additional fees

During 2022, no additional fees were paid to Gilles Frachon for his terms as Board Member of GSMN Suisse SA and Swiss Medical Network Hospitals SA (2021: nil).

There were no other additional fees or remuneration paid by the Company or any of its group companies to the Senior Management, except for Antoine Hubert, who is employed by a group company.

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

There is no compensation conferred during 2022 neither loan outstanding to former members of the Senior Management.

4. Activities of members of the Board of Directors and Senior Management in other companies

The activities of the Board members and Senior Management in other companies are listed in the Corporate Governance Report (see page 30 for the Board of Directors and page 38 for the Senior Management).

Berney Associés

Geneva, March 31, 2023

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

Report on the Audit of the Remuneration Report

Opinion

We have audited the remuneration report of AEVIS VICTORIA SA (the Company) for the year ended December 31, 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in sections 2.2 to 2.4 and sections 3.2 to 3.5 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the accompanying Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company 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.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections 2.2 to 2.4 and sections 3.2 to 3.5 of the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Berney Associés

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report 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 a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is 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 SA-CH 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 this Remuneration Report.

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

- Identify and assess the risks of material misstatement in the Remuneration Report, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

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.

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance

Berney Associés

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 to 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.

Berney Associés Audit SA

BA Qualified electronic signature



Gregory GRIEB
Licensed Audit Expert
Auditor in charge

BA Qualified electronic signature



Brandon MARQUES ANDRE
Licensed Audit Expert

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance

Page 3/3

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MUÑA
Miguel Ángel

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

(In thousands of CHF)	NOTE	2022	2021
Revenue from operations		1'030'550	823'256
Other revenue	5	113'924	71'759
Total revenue		1'144'474	895'015
External services		(121'152)	(107'684)
Net revenue		1'023'322	787'331
Production expenses		(224'869)	(183'474)
Personnel expenses	6	(432'525)	(332'867)
Other operating expenses	7	(156'370)	(118'627)
EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)		209'558	152'363
Rental expenses		(79'593)	(73'920)
EBITDA		129'965	78'443
Depreciation on tangible assets	15	(55'382)	(50'832)
Extraordinary depreciation on tangible assets	15	(1'993)	-
Amortisation on intangible assets	16	(11'208)	(10'839)
EBIT		61'382	16'772
Financial result	8	(25'059)	(16'789)
Share of profit of associates		30'190	5'402
Profit before taxes		66'513	5'385
Income taxes	9	(4'679)	(818)
Profit for the period		61'834	4'567
- Thereof attributable to shareholders of AEVIS VICTORIA SA		58'812	(4'265)
- Thereof attributable to minority interests		3'022	8'832
Non-diluted earnings per share (in CHF)	10	0.70	(0.05)
Diluted earnings per share (in CHF)	10	0.69	(0.05)

Consolidated Balance Sheet

(In thousands of CHF)	NOTE	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents		75'427	63'418
Trade receivables	11	159'075	175'402
Other receivables	12	74'917	48'812
Inventories	13	32'615	33'436
Accrued income and prepaid expenses	14	38'522	62'096
Total current assets		380'556	383'164
Tangible assets			
Tangible assets	15	1'106'483	1'101'106
Intangible assets	16	37'612	34'558
Financial assets	17	266'075	211'601
Total non-current assets		1'410'170	1'347'265
Total assets		1'790'726	1'730'429
Liabilities and shareholders' equity			
Liabilities			
Trade payables	18	144'128	130'969
Other current liabilities	19	49'867	38'759
Short-term financial liabilities	20	15'562	291'911
Other short-term borrowings	21	71'082	11'056
Accrued expenses and deferred income	22	53'011	71'064
Short-term provisions	23	66	521
Total current liabilities		333'716	544'280
Long-term financial liabilities	20	758'892	400'920
Other long-term borrowings	21	124'499	137'380
Other non-current liabilities	19	2'228	3'363
Long-term provisions	23	61'254	59'036
Total non-current liabilities		946'873	600'699
Total liabilities		1'280'589	1'144'979
Shareholders' equity			
Share capital	24	84'529	84'529
Capital reserves		186'528	227'681
Treasury shares	24.1	(2'050)	(3'685)
Offset goodwill		(81'886)	(95'002)
Currency translation differences		(8'087)	(1'324)
Retained earnings		290'305	273'721
Total shareholders' equity excl. minority interests		469'339	485'920
Minority interests		40'798	99'530
Total shareholders' equity incl. minority interests		510'137	585'450
Total liabilities and shareholders' equity		1'790'726	1'730'429

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 2021	83'500	222'209	(5'378)	(120'968)	(1'336)	183'207	361'234	58'406	419'640
Profit/(loss) for the period	-	-	-	-	-	(4'265)	(4'265)	8'832	4'567
Dividend distribution to minority interests	-	-	-	-	-	-	-	(18'385)	(18'385)
Capital increase	1'029	12'400	-	-	-	-	13'429	-	13'429
Acquisition of subsidiaries	-	-	-	6'883	-	-	6'883	55'898	62'781
Divestment of subsidiaries	-	-	-	2'419	-	-	2'419	-	2'419
Change in minority interests	-	(7'317)	-	16'664	-	94'779	104'126	(5'221)	98'905
Purchase of treasury shares	-	-	(7'251)	-	-	-	(7'251)	-	(7'251)
Sale of treasury shares	-	389	8'944	-	-	-	9'333	-	9'333
Currency translation differences	-	-	-	-	12	-	12	-	12
Balance at 31 December 2021	84'529	227'681	(3'685)	(95'002)	(1'324)	273'721	485'920	99'530	585'450
Profit for the period	-	-	-	-	-	58'812	58'812	3'022	61'834
Capital contribution distribution	-	(42'208)	-	-	-	-	(42'208)	-	(42'208)
Dividend distribution	-	-	-	-	-	(42'208)	(42'208)	(8'196)	(50'404)
Acquisition of subsidiaries	-	-	-	14'058	-	-	14'058	(515)	13'543
Divestment of subsidiaries	-	-	-	(937)	-	-	(937)	(52'991)	(53'928)
Change in minority interests	-	2	-	(5)	-	(20)	(23)	(52)	(75)
Purchase of treasury shares	-	-	(2'736)	-	-	-	(2'736)	-	(2'736)
Sale of treasury shares	-	523	4'371	-	-	-	4'894	-	4'894
Share-based payments	-	530	-	-	-	-	530	-	530
Currency translation differences	-	-	-	-	(6'763)	-	(6'763)	-	(6'763)
Balance at 31 December 2022	84'529	186'528	(2'050)	(81'886)	(8'087)	290'305	469'339	40'798	510'137

Consolidated Cash Flow Statement

(In thousands of CHF)	2022	2021
Profit for the period	61'834	4'567
Changes in provisions (incl. deferred taxes)	(1'264)	(1'320)
Depreciation and amortisation	66'590	61'671
Extraordinary depreciation	1'993	-
(Gain)/loss from sale of fixed assets	562	720
(Gain)/loss from sale/disposal of subsidiaries	(8'229)	(3'229)
Fair value (gains)/losses on financial assets	1'585	26
(Gain)/loss from sale of financial assets and marketable securities	(741)	(384)
(Gain)/loss from revaluation of associated companies	-	(3'068)
(Gain)/loss from sale of associated companies	(47'124)	-
Share of (profit)/loss from associates	(30'190)	(5'402)
Dividends received from associates	10'904	9'520
Share-based payments	530	-
Change in contribution reserve and other non-cash items	3'832	(853)
Cash flow from operating activities before changes in working capital	60'282	62'248
Change in trade receivables	(12'349)	(4'058)
Change in inventories	(670)	(645)
Change in other receivables and prepaid expenses	40'758	(22'059)
Change in trade payables	26'098	9'905
Change in other liabilities and accrued expenses	181	(11'857)
Cash flow from operating activities	114'300	33'534
Purchase of tangible assets	(55'494)	(42'127)
Proceeds from disposal of tangible assets	76	464
Purchase of intangible assets	(18'525)	(15'472)
Acquisition of subsidiaries, net of cash acquired	(12'434)	(9'679)
Divestment of subsidiaries, net of cash disposed	(5'466)	3'855
Investments in financial assets and marketable securities	(33'775)	(125'121)
Divestments of financial assets and marketable securities	68'876	110'806
Cash flow from investing activities	(56'742)	(77'274)
Distribution to shareholders	(84'416)	-
Dividends paid to minority interests	(8'196)	(18'385)
Repayment of bond	(145'000)	(150'000)
Sale/(purchase) of treasury shares	(1'249)	(1'914)
Change in minority interests	(75)	98'905
Change in short-term financial liabilities	(134'841)	(104)
Change in long-term financial liabilities	306'615	499
Change in other long-term liabilities and borrowings	21'631	112'598
Cash flow from financing activities	(45'531)	41'599
Currency translation effect on cash and cash equivalents	(18)	-
Change in cash and cash equivalents	12'009	(2'141)
Cash and cash equivalents at beginning of the period	63'418	65'559
Cash and cash equivalents at the end of the period	75'427	63'418

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 the listing rules of 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 30 March 2023. Final approval is subject to acceptance by the Annual General Meeting of Shareholders on 9 May 2023.

3. Accounting policies

3.1. Consolidation

The consolidated financial statements of the Company for the year ended 31 December 2022 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 with the objective 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. If minority interests in a fully consolidated subsidiary are acquired, the difference between the purchase price and the carrying amount of the minority interests is recognised directly in the retained earnings. A reduction in the ownership without a loss of control is also recognised directly in equity.

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 Group's share in capital in the joint venture.

3.1.3. Associates

Associates are those entities in which the Group has significant influence, but no control over the financial and operating policies. Significant influence is usually assumed when the Group owns 20% to 50% of the voting rights in the Company. 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, the gain resulting from the revaluation of investments in formerly associated companies due to the change in consolidation method 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 in order 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 substantially assumes 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, 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 judgments, 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 during which the circumstances change.

3.6. Changes in scope of consolidation

The following changes to the scope of consolidation took place in 2022:

ENTITY	EVENT/DATE	CAPITAL SHARE 31.12.2022	CAPITAL SHARE 31.12.2021
Batgroup SA	Increase in participation on 31.01.2022, 09.03.2022 and 15.07.2022	23.30%	7.44%
CLINICA SANTA CHIARA SA	Sold on 21.03.2022	-	29.77%
EuroMedTrans GmbH	Acquired on 13.12.2022	28.00%	-
Fliptag Investment Ltd. B.V.	Acquired on 01.03.2022	100.00%	-
FOPE HOLDING SA	Sold on 21.03.2022	-	29.29%
GENERALE BEAULIEU HOLDING SA	Increase in participation on 23.09.2022	69.49%	69.45%
Generic Healthcare AG	Established on 10.05.2022	70.00%	-
Havza Ltd.	Acquired on 01.03.2022	100.00%	-
Heinz Hotz AG	Acquired on 31.10.2022	100.00%	-
Infracore Investments SA	Established on 09.08.2022	25.63%	-
IRJB Institut de Radiologie du Jura Bernois SA	Decrease in participation on 31.12.2022	30.38%	66.12%
Krankentransport Alpha Medic AG	Acquired on 01.01.2022	28.00%	-
Medgate Holding AG	Sold on 18.03.2022	-	40.00%
Medizinisches Zentrum Biel MZB GmbH	Decrease in participation on 31.12.2022	30.38%	86.46%
Oldbourne & Oldbourne Hospitality Ltd.	Acquired on 01.03.2022	100.00%	-
Réseau de l'Arc SA (formerly HOPITAL DU JURA BERNOIS S.A.)	Decrease in participation on 31.12.2022	30.38%	44.96%
Swiss Medical Network SA	Increase in participation on 23.09.2022	86.46%	86.46%
SSCB SWISS STEM CELLS BIOTECH AG	Acquired on 01.03.2022	35.00%	-
Swiss Property Advisors SA	Sold on 31.12.2022	-	100.00%
SSCB SWISS STEM CELLS BIOTECH RO SRL	Established on 26.05.2022	35.00%	-
Swiss Stem Cell Science SA	Decrease in participation on 28.02.2022	35.00%	100.00%
Swiss Theranostics SA (formerly HerzGefässKlinik Bethanien AG)	Increase in participation on 10.06.2022	100.00%	17.29%
TCS Swiss Ambulance Rescue Vaud SA (formerly USR Unité de Secours Régional SA)	Acquired on 01.01.2022	36.00%	-

Batgroup SA, Medgate Holding AG, Réseau de l'Arc SA (formerly HOPITAL DU JURA BERNOIS S.A.), Swiss Medical Network SA and SSCB SWISS STEM CELLS BIOTECH AG are holding companies with several subsidiaries. All group companies are listed in note 35.

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.

2022 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	795'387	153'981	3'100	9'862	60'992	-	1'023'322
Net revenue IC	7	514	19'495	417	160	(20'593)	-
Net revenue	795'394	154'495	22'595	10'279	61'152	(20'593)	1'023'322
Production expenses	(198'324)	(23'483)	-	(3'176)	-	114	(224'869)
Personnel expenses	(349'184)	(69'167)	21	(4'953)	(9'242)	-	(432'525)
Other operating expenses	(107'308)	(28'403)	(2'291)	(3'907)	(15'512)	1'051	(156'370)
EBITDAR*	140'578	33'442	20'325	(1'757)	36'398	(19'428)	209'558
<i>EBITDAR margin</i>	17.7%	21.6%	90.0%	-	-	-	20.5%
Rental expenses	(73'206)	(21'972)	(14)	(2'259)	(1'570)	19'428	(79'593)
EBITDA	67'372	11'470	20'311	(4'016)	34'828	-	129'965
<i>EBITDA margin</i>	8.5%	7.4%	89.9%	-	-	-	12.7%

2021 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	652'424	113'774	5'213	11'652	4'268	-	787'331
Net revenue IC	8	555	15'726	393	150	(16'832)	-
Net revenue	652'432	114'329	20'939	12'045	4'418	(16'832)	787'331
Production expenses	(166'221)	(14'526)	-	(2'797)	-	70	(183'474)
Personnel expenses	(273'652)	(47'397)	(518)	(3'341)	(7'959)	-	(332'867)
Other operating expenses	(90'941)	(17'761)	(2'021)	(3'143)	(5'797)	1'036	(118'627)
EBITDAR*	121'618	34'645	18'400	2'764	(9'338)	(15'726)	152'363
<i>EBITDAR margin</i>	18.6%	30.3%	87.9%	-	-	-	19.4%
Rental expenses	(68'100)	(17'726)	(7)	(2'307)	(1'506)	15'726	(73'920)
EBITDA	53'518	16'919	18'393	457	(10'844)	-	78'443
<i>EBITDA margin</i>	8.2%	14.8%	87.8%	-	-	-	10.0%

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

5. Other revenue

(In thousands of CHF)	2022	2021
Gain on sale/disposal of subsidiaries	9'126	3'229
Gain on sale of associated companies	47'124	-
Gain on revaluation of associated companies	-	4'533
Gain on disposal of fixed assets	211	153
Other revenue	57'463	63'844
Total other revenue	113'924	71'759

The gain on sale of associated companies in 2022 resulted from the sale of the 40% stake in Medgate Holding AG.

Other revenue does include indemnities for cases of hardship related to the COVID-19 pandemic in the amount of CHF 1.8 million (2021: CHF 34.5 million).

6. Personnel expenses

(In thousands of CHF)	2022	2021
Salaries and wages	365'171	282'600
Social security expenses	37'739	30'637
Pension expenses	22'673	16'294
Other personnel expenses	6'942	3'336
Total personnel expenses	432'525	332'867
Number of employees		
Full Time Equivalents at year-end	3'902	4'267

The other personnel expenses include expenses for share-based payments in the amount of CHF 0.5 million (2021: nil). A new plan share-based payment plan was set up in 2022. Further information is mentioned under section 3.4 of the Remuneration Report 2022.

The reduction in full time equivalents at year-end mainly relates to the deconsolidation of Réseau de l'Arc Group at 31 December 2022 (see also note 3.6).

7. Other operating expenses

(In thousands of CHF)	2022	2021
Administrative expenses	32'105	32'648
Marketing expenses	17'691	12'012
Maintenance expenses	67'739	52'054
Energy expenses	15'712	11'963
Other expenses	23'123	9'950
Total other operating expenses	156'370	118'627

Other expenses include the loss resulting from a sale of a subsidiary in the amount of CHF 0.9 million.

In 2021, other expenses include the loss resulting from a revaluation of the investment in a subsidiary which was previously held as an associated company in the amount of CHF 1.5 million.

8. Financial result

(In thousands of CHF)	2022	2021
Interest income	766	1'566
Gain on sale of financial assets and marketable securities	741	384
Other financial income	401	3'099
Total financial income	1'908	5'049
Interest expenses	(22'747)	(19'257)
Fair value losses on marketable securities	(1'585)	(26)
Other financial expenses	(2'635)	(2'555)
Total financial expenses	(26'967)	(21'838)
Total financial result	(25'059)	(16'789)

In 2021 the other financial income includes the reversal of an impairment loss on a loan granted to a formerly associated company in the amount of CHF 2.5 million.

9. Income taxes

(In thousands of CHF)	2022	2021
Current taxes	(1'028)	(1'095)
Deferred taxes	(3'651)	277
Income taxes	(4'679)	(818)

(In thousands of CHF)	2022			2021		
	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)	66'513	14.45	9'611	5'385	14.54	783
Use of not recognised tax loss carryforwards			(52)			(133)
Tax losses not recognised from current period			2'654			866
Expiry of recognised tax loss carryforwards			203			80
Changes in recognition of tax loss carryforwards from prior years			(139)			(1'723)
Average applicable tax rate and income taxes as a proportion of ordinary earnings (after consideration of tax loss carryforwards)	66'513	18.46	12'277	5'385	(2.35)	(127)
Expenses disregarded for tax purposes			4'798			3'388
Non-taxable income			(12'713)			(2'355)
Effects from changes in tax rate			(181)			(1'265)
Other effects			498			1'177
Effective tax rate and income taxes according to income statement	66'513	7.03	4'679	5'385	15.20	818

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.

	2022	2021
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (In thousands of CHF)	58'812	(4'265)
Weighted average number of shares outstanding	84'411'866	83'800'232
Non-diluted earnings per share (in CHF)	0.70	(0.05)
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (In thousands of CHF)	58'812	(4'265)
Weighted average number of shares outstanding	84'411'866	83'800'232
Adjustment for assumed exercise of share-based payments	1'100'000	-
Weighted average potential number of shares outstanding	85'511'866	83'800'232
Diluted earnings per share (in CHF)	0.69	(0.05)

11. Trade receivables

(In thousands of CHF)	2022	2021
Third parties	163'167	183'123
Associates	116	629
Allowances for doubtful accounts	(4'208)	(8'350)
Total trade receivables	159'075	175'402

12. Other receivables

(In thousands of CHF)	2022	2021
Third parties	23'964	21'539
Associates	36'527	865
Shareholders	7'828	20'843
Other related parties	6'598	5'565
Total other receivables	74'917	48'812

The receivables from shareholders were charged interest with a rate of 2.92% (2021: 2.75%). The loans were granted at market conditions.

13. Inventories

(In thousands of CHF)	2022	2021
Medical supplies	16'765	16'895
Pharmaceutical products	7'037	8'616
Hotel and restaurant goods	5'300	4'785
Other inventories	3'513	3'140
Total inventories	32'615	33'436

14. Accrued income and prepaid expenses

(In thousands of CHF)	2022	2021
Third parties	38'122	62'096
Associates	400	-
Total accrued income and prepaid expenses	38'522	62'096

15. Tangible assets

(In thousands of CHF)	LAND AND BUILDINGS	LEASEHOLD IMPROVEMENTS	MACHINERY AND EQUIPMENT	UNDER CONSTRUCTION	OTHERS	TOTAL
Cost						
Balance at 1 January 2021	503'385	562'363	320'066	7'261	7'250	1'400'325
Increase in scope of consolidation	108'841	19'604	20'464	8'557	30	157'496
Decrease in scope of consolidation	-	(432)	(614)	-	(3'649)	(4'695)
Additions	3'729	10'063	21'235	16'978	684	52'689
Disposals	-	(6'306)	(7'788)	-	(243)	(14'337)
Reclassifications	(901)	10'574	8'098	(17'978)	10	(197)
Translation adjustments	(1)	-	(4)	-	-	(5)
Balance at 31 December 2021	615'053	595'866	361'457	14'818	4'082	1'591'276
Increase in scope of consolidation	121'684	3'197	12'144	-	1	137'026
Decrease in scope of consolidation	(105'284)	(2'448)	(21'611)	(8'610)	(27)	(137'980)
Additions	1'569	10'799	16'486	31'854	395	61'104
Disposals	(698)	(505)	(1'135)	(1'993)	(170)	(4'501)
Reclassifications	12'213	7'187	9'046	(28'487)	-	(41)
Translation adjustments	(8'528)	-	(1'159)	-	-	(9'687)
Balance at 31 December 2022	636'009	614'096	375'229	7'582	4'281	1'637'197
Accumulated depreciation						
Balance at 1 January 2021	8'243	238'944	182'996	-	5'203	435'386
Increase in scope of consolidation	38	5'552	14'470	-	16	20'076
Decrease in scope of consolidation	-	(399)	(530)	-	(2'970)	(3'899)
Depreciation of the year	3'686	20'102	26'473	-	571	50'832
Disposals	-	(6'313)	(6'649)	-	(188)	(13'150)
Reclassifications	(54)	89	880	-	10	925
Balance at 31 December 2021	11'913	257'975	217'640	-	2'642	490'170
Increase in scope of consolidation	-	-	5'467	-	-	5'467
Decrease in scope of consolidation	(2'584)	(868)	(14'236)	-	(23)	(17'711)
Depreciation of the year	7'037	19'401	28'501	-	443	55'382
Disposals	(698)	(505)	(654)	-	(144)	(2'000)
Reclassifications	-	(584)	579	-	-	(5)
Translation adjustments	(21)	-	(568)	-	-	(589)
Balance at 31 December 2022	15'647	275'419	236'730	-	2'918	530'714
Carrying amounts						
At 31 December 2021	603'140	337'891	143'817	14'818	1'440	1'101'106
At 31 December 2022	620'362	338'677	138'499	7'582	1'363	1'106'483
Net book value of leased equipment						
At 31 December 2021			48'958		1'265	50'223
At 31 December 2022			38'316		1'115	39'431

The additions in the category Under construction include own work capitalised in the amount of CHF 2.2 million (2021: CHF 2.3 million).

The disposal in the category Under construction is related to a development project in the real estate segment, where the legal basis has changed during the year. The disposal is shown as an extraordinary depreciation in the consolidated income statement.

16. Intangible assets

(In thousands of CHF)	TRADEMARKS	SOFTWARE AND OTHER INTAN- GIBLE ASSETS	INTANGIBLE ASSETS UNDER CONSTRUCTION	TOTAL
Cost				
Balance at 1 January 2021	25'750	53'827	2'948	82'525
Increase in scope of consolidation	-	10'115	185	10'300
Decrease in scope of consolidation	-	(627)	-	(627)
Additions	-	12'030	3'443	15'473
Disposals	-	(793)	-	(793)
Reclassifications	-	1'936	(237)	1'699
Balance at 31 December 2021	25'750	76'488	6'339	108'577
Increase in scope of consolidation	-	587	-	587
Decrease in scope of consolidation	(40)	(13'315)	(39)	(13'394)
Additions	240	7'060	11'225	18'525
Disposals	(10'874)	(2'517)	(87)	(13'478)
Reclassifications	-	591	(539)	52
Translation adjustments	-	(58)	-	(58)
Balance at 31 December 2022	15'076	68'836	16'899	100'811
Accumulated amortisation				
Balance at 1 January 2021	25'750	29'841	-	55'591
Increase in scope of consolidation	-	8'345	-	8'345
Decrease in scope of consolidation	-	(536)	-	(536)
Amortisation of the year	-	10'839	-	10'839
Disposals	-	(796)	-	(796)
Reclassifications	-	576	-	576
Balance at 31 December 2021	25'750	48'269	-	74'019
Increase in scope of consolidation	-	430	-	430
Decrease in scope of consolidation	(40)	(9'044)	-	(9'084)
Amortisation of the year	-	11'208	-	11'208
Disposals	(10'874)	(2'474)	-	(13'348)
Reclassifications	-	17	-	17
Translation adjustments	-	(43)	-	(43)
Balance at 31 December 2022	14'836	48'363	-	63'199
Carrying amounts				
At 31 December 2021	-	28'219	6'339	34'558
At 31 December 2022	240	20'473	16'899	37'612

The additions in the category Intangible assets under construction include own work capitalised in the amount of CHF 10.3 million (2021: CHF 2.8 million).

17. Financial assets

(In thousands of CHF)	2022	2021
Associated companies ¹⁾	222'663	153'942
Loans to associates ²⁾	5'376	14'816
Loans to other related parties	4'200	5'400
Employer contribution reserves	4'176	5'499
Investments in unconsolidated companies	15'211	13'770
Other financial assets	4'783	6'402
Deferred tax assets ³⁾	9'666	11'772
Total financial assets	266'075	211'601

¹⁾ Goodwill or badwill arising from acquisitions of associated companies have been directly offset with equity in the amount of CHF 45.8 million (2021: CHF 34.7 million). In 2022, associated companies are disclosed net of share losses for which the Group has no obligation, in the amount of CHF 1.3 million. In 2021, there were no associated companies with share losses.

²⁾ All loans granted to associates are assessed as valuable.

³⁾ The Group did not recognise deferred tax assets of CHF 12.6 million (2021: CHF 9.5 million) relating to unused tax losses amounting to CHF 73.9 million (2021: CHF 50.4 million), as it is not likely that future taxable profits will be available against which the Group could offset tax losses.

18. Trade payables

(In thousands of CHF)	2022	2021
Third parties	142'769	130'541
Other related parties	1'359	428
Total trade payables	144'128	130'969

19. Other liabilities

(In thousands of CHF)	2022	2021
Third parties	51'742	42'122
Associates	340	-
Other related parties	13	-
Total other liabilities	52'095	42'122
<i>of which short-term</i>	<i>49'867</i>	<i>38'759</i>
<i>of which long-term</i>	<i>2'228</i>	<i>3'363</i>

20. Financial liabilities

(In thousands of CHF, unless otherwise stated)	BOOK VALUE	AMOUNT IN FOREIGN CURRENCY	INTEREST RATE IN %
Current portion of bank loans	131'287		0.00–2.50
Current financial leases	12'649		1.24–5.50
Current portion of mortgage loans	2'975		1.00–1.85
Bonds (repayment within one year)	145'000		2.50
Short-term financial liabilities at 31 December 2021	291'911		
Bank loans	94'594		0.00–2.35
Non-current financial leases	16'287		1.29–3.94
Mortgage loans	290'039		1.00–2.80
Long-term financial liabilities at 31 December 2021	400'920		
Total financial liabilities at 31 December 2021	692'831		
Current portion of bank loans	2'016		0.00–1.94
Current financial leases	10'061		1.29–4.37
Current portion of mortgage loans	3'485		0.85–2.40
Short-term financial liabilities at 31 December 2022	15'562		
Bank loans	415'053		0.00–3.50
Non-current financial leases	11'337		1.29–4.37
Mortgage loans	286'674		0.85–3.15
Mortgage loans (in GBP)	45'828	41'000	6.76
Long-term financial liabilities at 31 December 2022	758'892		
Total financial liabilities at 31 December 2022	774'454		

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 38.6 million as at 31 December 2022 (2021: CHF 39.3 million). Mortgage loans are secured by real estate, pledged for an amount of CHF 619.9 million (2021: CHF 510.0 million).

21. Other borrowings

(In thousands of CHF)	2022	2021
Third parties	68'204	73'436
Associates	127'377	75'000
Total other borrowings	195'581	148'436
<i>of which short-term</i>	<i>71'082</i>	<i>11'056</i>
<i>of which long-term</i>	<i>124'499</i>	<i>137'380</i>

Other borrowings from associates in the amount of CHF 127.4 million consist of two loans (2021: CHF 75.0 million/single loan). The short-term loan in the amount of CHF 60.0 million (2021: nil) was charged interest with a rate of 4.2%. The long-term loan in the amount of CHF 67.4 million (2021: CHF 75.0 million) was charged interest with a rate of 2.5%. Both loans were granted by Infracore SA at market conditions.

22. Accrued expenses and deferred income

(In thousands of CHF)	2022	2021
Accrued personnel expenses	19'204	21'489
Accrued tax expenses	1'822	12'960
Deferred income	508	225
Other accrued expenses	31'477	36'390
Total accrued expenses and deferred income	53'011	71'064

The accrued personnel expenses include pension plan liabilities (contributions) for an amount of CHF 5.4 million (2021: CHF 3.4 million).

23. Provisions

(In thousands of CHF)	DEFERRED TAXES	LEGAL OBLIGATIONS	OTHER PROVISIONS	TOTAL
Balance at 1 January 2021	55'453	425	899	56'777
Increase in scope of consolidation	473	-	3'649	4'122
Decrease in scope of consolidation	(11)	-	-	(11)
Additions	1'274	-	11	1'285
Utilisation	-	-	(654)	(654)
Reversals	(1'708)	-	(244)	(1'952)
Translation adjustments	-	-	(10)	(10)
Balance at 31 December 2021	55'481	425	3'651	59'557
<i>of which short-term</i>	-	-	521	521
<i>of which long-term</i>	55'481	425	3'130	59'036
Increase in scope of consolidation	4'084	-	-	4'084
Decrease in scope of consolidation	(538)	-	(530)	(1'068)
Additions	2'389	-	-	2'389
Utilisation	-	-	(122)	(122)
Reversals	(761)	(425)	(2'326)	(3'512)
Translation adjustments	-	-	(8)	(8)
Balance at 31 December 2022	60'655	-	665	61'320
<i>of which short-term</i>	-	-	66	66
<i>of which long-term</i>	60'655	-	599	61'254

The weighted average applicable tax rate for deferred tax liabilities is 17.6% (2021: 18.0%).

24. Shareholders' equity

At 31 December 2022, the share capital of CHF 84.5 million (2021: CHF 84.5 million) consists of 84'529'460 fully paid-up registered shares (2021: 84'529'460) at a par value of CHF 1 each (2021: CHF 1). The legally non-distributable reserves of the Company amount to CHF 19.0 million (2021: CHF 20.6 million).

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

24.1. Treasury shares

	NUMBER OF SHARES		IN THOUSANDS OF CHF	
	2022	2021	2022	2021
Balance at 1 January	269'953	452'853	3'685	5'378
Purchase of treasury shares	151'122	538'526	2'736	7'251
Sale of treasury shares	(308'814)	(721'426)	(4'371)	(8'944)
Balance at 31 December	112'261	269'953	2'050	3'685

In 2022, the Group purchased 151'122 treasury shares at an average price of CHF 18.11 per share (2021: 538'526 at CHF 13.45) and sold 308'814 shares at an average price of CHF 15.85 (2021: 721'426 at CHF 12.94).

25. Non-cancellable operating leases

(In thousands of CHF)	2022	2021
Less than one year	72'250	72'368
Between one and three years	139'523	140'788
More than three years	1'532'361	1'293'430
Total non-cancellable operating leases	1'744'134	1'506'586

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

26. Capital commitments

As at 31 December 2022, the Group has commitments to complete new constructions, renovations, leasehold improvements and to purchase equipment for a total amount of CHF 8.9 million (2021: CHF 18.0 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)	2022	2021
Transactions with associates		
Net revenue	1'407	550
Production expenses	-	428
Personnel expenses	-	1
Rental expenses	55'791	54'743
Other operating expenses	2	335
Financial income	177	513
Financial expense	1'740	867
Transactions with shareholders		
Net revenue	2	5
Financial income	376	519
Sale of subsidiaries and associated companies (sales price)	170	34
Transactions with other related parties		
Net revenue	867	754
Rental expenses	469	1'196
Other operating expenses	5'506	2'531
Financial income	123	93
Purchase of intangible assets	3'224	1'441
Acquisition of subsidiary	3'407	13'575

Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements for 2022 and 2021.

The rental expenses shown in the category transactions with associates in the amount of CHF 55.8 million (2021: CHF 54.7 million) were paid to Infracore SA and its subsidiary GENERALE-BEAULIEU IMMOBILIERE SA.

In 2022, the Group made an earn-out payment for a company acquired in 2021 (see below) which was partially owned by a member of the Board of Directors of the Company. The amount of CHF 3.4 million shown in the transactions with other related parties was fully paid with treasury shares.

In 2021, the Group acquired a company which was partially owned by a member of the Board of Directors of the Company. The amount of CHF 13.6 million shown in the transactions with other related parties was fully paid with own shares from an authorised capital increase.

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 and 21).

29. Acquisitions and divestments of subsidiaries

Several changes in scope of consolidation made in 2022 and 2021 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	
	2022	2021	2022	2021
Cash and cash equivalents	913	12'573	(5'466)	(138)
Trade receivables	247	35'006	(28'912)	(1'023)
Other current assets	11'507	10'520	16'639	(312)
Tangible assets	131'560	137'421	(120'270)	(797)
Intangible assets	156	1'956	(4'310)	(91)
Other non-current assets	305	1'500	(3'073)	(465)
Assets	144'688	198'976	(145'392)	(2'826)
Short-term financial liabilities	198	442	(528)	(156)
Other current liabilities	11'931	41'624	(30'729)	(1'097)
Long-term financial liabilities	51'914	21'122	(1'251)	(400)
Other non-current liabilities	25'944	7'157	(1'564)	-
Long-term provisions	4'084	4'122	(1'048)	(11)
Liabilities	94'071	74'467	(35'120)	(1'664)
Total net assets	50'617	124'509	(110'272)	(1'162)

30. Goodwill

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

(In thousands of CHF)	2022	2021
Balance at 1 January	195'935	193'343
Additions through business combinations	25'115	17'378
Decrease in scope of consolidation	(5'982)	(2'582)
Disposals	-	(12'204)
Translation adjustments	(57)	-
Balance at 31 December	215'011	195'935
<i>Accumulated amortisation</i>		
Balance at 1 January	146'981	141'387
Decrease in scope of consolidation	(4'019)	(2'582)
Amortisation for the year (5 years)	16'637	13'465
Impairment	-	-
Disposals	-	(5'288)
Translation adjustments	(4)	-
Balance at 31 December	159'595	146'982
<i>Carrying amounts</i>		
At 31 December	55'416	48'953

Disposals in 2021 are related to formerly associated companies which are now fully consolidated due to an increase in participation during the year 2021. Where applicable, the new goodwill arising from the revaluation of those companies is included in the additions.

Impact on net earnings and balance sheet:

(In thousands of CHF)	2022	2021
Profit for the period	61'834	4'567
Amortisation goodwill	(16'637)	(13'465)
Impairment goodwill	-	-
Net earnings with capitalised goodwill	45'197	(8'898)
Equity including minority interests	510'137	585'450
Capitalised goodwill	55'416	48'953
Equity with capitalised goodwill	565'553	634'403

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 subsidiaries.

EMPLOYER CONTRIBUTION RESERVE – ECR	NOMINAL VALUE ECR	WAIVER OF USAGE	BALANCE SHEET	INCREASE IN	BALANCE SHEET	RESULT FROM ECR IN PERSONNEL EXPENSES	CHANGE IN SCOPE OF CONSOLIDATION
(In thousands of CHF)	31.12.2022	31.12.2022	31.12.2022	2022	31.12.2021	2022	2021
Patronage funds/ Patronage pension institutions	-	-	-	-	-	-	838
Pension institutions	4'176	-	4'176	-	5'499	-	-
Total	4'176	-	4'176	-	5'499	-	838

The patronage fund was liquidated in 2021 and the employer contribution reserve was thereafter transferred to the affiliated pension institution.

ECONOMICAL BENEFIT / OBLIGATION AND PENSION BENEFIT EXPENSES	SURPLUS / DEFICIT	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
(In thousands of CHF)	31.12.2022	31.12.2022	31.12.2021	PERIOD	2022
Pension institutions without surplus/deficit	-	-	-	-	22'673
Total	-	-	-	-	22'673

* Including result from employer contribution reserves.

32. Cash Flow Statement – Non-cash transactions

The following table shows the non-liquidity related investing and financing activities, which are not recognised in the cash flow statement.

(In thousands of CHF)	2022	2021
Additions in tangible assets (note 15)	61'104	52'689
Purchase of tangible assets through finance leasing	(6'405)	(12'265)
Change in other current liabilities for purchase of tangible assets	795	1'703
Outflow for purchase of tangible assets (cash flow statement)	55'494	42'127
Change in treasury shares (equity statement)	2'158	2'082
Acquisition of subsidiaries with treasury shares	(3'407)	(3'996)
Sale/(purchase) of treasury shares (cash flow statement)	(1'249)	(1'914)
Acquisition of subsidiaries through issuance of own shares	-	13'575
Unpaid receivables from divestment of subsidiaries	12'707	-
Unpaid liabilities from acquisitions of subsidiaries	(62)	-

33. Subsequent events

There are no subsequent events between the balance sheet date and the authorisation for issue by the Board of Directors.

34. 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.

35. List of Group companies

SEGMENT/COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
			31.12.2022	31.12.2021	
Corporate					
AEVIS VICTORIA SA	Fribourg	Holding company	a)	100.0%	100.0%
GENERALE BEAULIEU HOLDING SA	Geneva	Holding company	a)	69.5%	69.5%
Hospitals					
Swiss Medical Network SA	Genolier	Holding company	a)	86.5%	86.5%
Swiss Medical Centers Network SA	Fribourg	Holding company	a)	86.5%	86.5%
FOPE HOLDING SA	Lugano	Holding company	d)	-	29.3%
Center Da Sandet SA	Silvaplana	Health Center	a)	45.5%	45.5%
Centre Médical Genolier SA	Genolier	Health Center	a)	86.5%	86.5%
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a)	86.5%	86.5%
CLINIQUE GENERALE-BEAULIEU SA	Geneva	Hospital	a)	86.5%	86.5%
CLINICA SANTA CHIARA SA	Lugano	Hospital	d)	-	29.8%
GRGB Santé SA	Geneva	Hospital	b)	43.2%	43.2%
GSMN Suisse SA	Genolier	Hospitals	a)	86.5%	86.5%
Gutsehen.ch AG	Pfäffikon	Ophthalmology	a)	86.5%	86.5%
Hôpital de Moutier SA	Moutier	Hospital	c)	30.4%	45.0%
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	c)	30.4%	66.1%
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	44.1%	44.1%
Klinik Pyramide am See AG	Zurich	Hospital	a)	86.5%	86.5%
MEDICENTRE MOUTIER SA	Moutier	Health Center	c)	15.5%	22.9%
Médocentre Tavannes SA	Tavannes	Health Center	c)	30.4%	45.0%
Medizinisches Zentrum Biel MZB GmbH	Biel	Health center	c)	30.4%	86.5%
Permanence médicale de Fribourg SA	Fribourg	Health center	c)	28.8%	28.8%
Pharmacie Interjurassienne SA PIJ	Moutier	Institutional Pharmacy	c)	15.2%	22.5%
PIJ officine SA	Moutier	Pharmacy	c)	15.2%	22.5%
Réseau de l'Arc SA (formerly HOPITAL DU JURA BERNOIS S.A.)	Saint-Imier	Hospital	c)	30.4%	45.0%
Rosenklinik AG	Rapperswil-Jona	Hospital	a)	86.5%	86.5%
Swiss Medical Network GesundheitsZentrum AG	Reinach	Health Centers	a)	69.2%	69.2%
Swiss Medical Network Hospitals SA	Fribourg	Hospitals	a)	86.5%	86.5%
Swiss Visio SA	Genolier	Ophthalmology	a)	69.2%	69.2%
Hospitality					
Victoria-Jungfrau AG	Interlaken	Holding company	a)	100.0%	100.0%
AlpenGold Hotel AG	Davos	Hotel	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%
Heinz Hotz AG	Flims Waldhaus	Hotel	a)	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	Hotels	a)	100.0%	100.0%
Oldbourne & Oldbourne Hospitality Ltd	London (GB)	Hotel	a)	100.0%	-
Seiler Hotels AG (merged) ¹⁾	Zermatt	Hotels	a)	-	100.0%

¹⁾ Seiler Hotels AG was merged in June 2022 into Swiss Hotel Properties AG with retroactive effect from 01.01.2022. The operating hotel activities were subsequently transferred to MRH-Zermatt SA.

- a) Fully consolidated
- b) Proportional method
- c) Equity method
- d) At cost

SEGMENT/COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
			31.12.2022	31.12.2021	
Real estate					
Fliptag Investment Ltd. B.V.	British Virgin Islands (GB)	Hospitality real estate	a)	100.0%	-
GENERALE-BEAULIEU IMMOBILIERE SA	Geneva	Healthcare real estate	c)	25.6%	25.6%
Havza Ltd	Dublin (IR)	Hospitality real estate	a)	100.0%	-
Infracore SA	Fribourg	Healthcare real estate	c)	25.6%	25.6%
Infracore Investments SA	Fribourg	Healthcare real estate	c)	25.6%	-
Klinik St. Raphael AG	Küsnacht	Real estate development	a)	73.5%	73.5%
Swiss Property Advisors SA	Fribourg	Real estate management	a)	-	100.0%
Swiss Hotel Properties AG ¹⁾	Interlaken	Hospitality real estate	a)	100.0%	100.0%
Welcome Parking AG	Täsch	Parking	c)	50.0%	50.0%
Telemedicine					
Medgate Holding AG	Basel	Holding company	c)	-	40.0%
Medgate Integrated Care Holding AG	Basel	Holding company	c)	-	40.0%
Medgate (Asia) Holdings Pty Ltd	Darlinghurst (AU)	Holding company	c)	-	32.0%
Medgate (Indonesia) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	-	32.0%
Medgate (Philippines) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	-	32.0%
TMIP Holdings Pty Ltd	Sydney (AU)	Holding company	c)	-	32.0%
Medgate AG	Basel	Telemedicine	c)	-	40.0%
Health Professional Sourcing GmbH	Lörrach (DE)	Telemedicine	c)	-	40.0%
Health Professional Sourcing Spain SL	Madrid (ES)	Telemedicine	c)	-	32.0%
Medgate Deutschland GmbH	Bad Neustadt (DE)	Telemedicine	c)	-	40.0%
Medgate Mini Clinic AG	Basel	Mini clinics	c)	-	39.0%
Medgate Philippines Inc	Manila (PH)	Telemedicine	c)	-	32.0%
Medgate (Philippines) Holdings Pty Ltd-Branch	Manila (PH)	Telemedicine	c)	-	32.0%
Others					
<i>Nescens</i>					
NESCENS SA	Genolier	Holding company	a)	100.0%	100.0%
Laboratoires Genolier SA	Genolier	Cosmetics	a)	100.0%	100.0%
Nescens Genolier SA	Genolier	Patient hotel	a)	100.0%	100.0%
<i>Batgroup</i>					
Batgroup SA	Lausanne	Holding company	c)	23.30%	7.44%
Batmaid SA	Lausanne	Cleaning Services	c)	23.30%	7.44%
Batsoft SA	Lausanne	Cleaning Services	c)	23.30%	7.44%
Vanguard Internet SA	Lausanne	Cleaning Services	c)	23.30%	7.44%
Batmaid Dry Sàrl	Lausanne	Cleaning Services	c)	23.30%	7.44%
BFB Facility Services Sàrl	Lausanne	Cleaning Services	c)	23.30%	7.44%
Batmaid France SAS	Paris (FR)	Cleaning Services	c)	23.30%	7.44%
Batmaid Belgium Sàrl	Brussels (BE)	Cleaning Services	c)	23.30%	7.44%
Batmaid Italia SRL	Milano (IT)	Cleaning Services	c)	23.30%	7.44%
Batmaid Netherlands B.V.	Amsterdam (NL)	Cleaning Services	c)	23.30%	7.44%
Batmaid PL Sp. z o.o	Warsaw (PL)	Cleaning Services	c)	23.30%	7.44%
Batmaid Poland Sp. z o.o	Warsaw (PL)	IT services	c)	23.30%	7.44%
Batmaid Germany GmbH	Berlin (DE)	Cleaning Services	c)	23.30%	7.44%
Batmaid Austria GmbH	Vienna (AT)	Cleaning Services	c)	23.30%	7.44%

¹⁾ Seiler Hotels AG was merged in June 2022 into Swiss Hotel Properties AG with retroactive effect from 01.01.2022. The operational hotel activities were subsequently transferred to MRH-Zermatt SA.

- a) Fully consolidated
- b) Proportional method
- c) Equity method
- d) At cost

SEGMENT/COMPANY NAME	LOCATION	ACTIVITY		IN % ON GROUP LEVEL	
				31.12.2022	31.12.2021
<i>Healthcare incubator</i>					
TCS Swiss Ambulance Rescue SA	Vernier	Holding company	c)	40.0%	40.0%
EuroMedTrans GmbH	Glattbrugg	Ambulance services	c)	28.0%	-
Generic Healthcare AG	Schwyz	Trading company	a)	70.0%	-
Genolier Innovation Hub SA	Genolier	Research & Innovation	a)	100.0%	100.0%
Krankentransport Alpha Medic AG	Baar	Ambulance services	c)	28.0%	-
Société Clinique Spontini SAS	Paris (FR)	No operating activities	a)	100.0%	100.0%
TCS Swiss Ambulance Rescue Genève SA	Geneva	Ambulance services	c)	40.0%	40.0%
TCS Swiss Ambulance Rescue Vaud SA (formerly USR Unité de Secours Régional SA)	Villars-Sainte-Croix	Ambulance services	c)	36.0%	-
SSCB SWISS STEM CELLS BIOTECH AG	Zurich	Stem Cells	c)	35.0%	-
Swiss Stem Cell Science SA	Fribourg	Stem Cells	c)	35.0%	100.0%
SSCB SWISS STEM CELLS BIOTECH ITALIA SRL	Roma (IT)	Stem Cells	c)	35.0%	-
SWISS STEMCELLS BIOTECH IBERIA SL	Madrid (ES)	Stem Cells	c)	35.0%	-
SSCB SWISS STEM CELLS BIOTECH RO SRL	Bukarest (RO)	Stem Cells	c)	35.0%	-
Swiss Theranostics SA (formerly HerzGefässKlinik Bethanien AG)	Genolier	Medical radiation services	a)	100.0%	17.3%

- a) Fully consolidated
- b) Proportional method
- c) Equity method
- d) At cost

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Geneva, March 31, 2023

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 2022, the consolidated income statement, the consolidated statement of changes in equity and the 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 consolidated financial statements (pages 54 to 79) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance 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 Standards on Auditing (SA-CH). 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.

Key Audit Matters

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 1'106'483 on the consolidated balance sheet of the Group, representing a significant share of 62% 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 consolidated 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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Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements which 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 SA-CH 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.

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As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism 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.
- 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.

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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 SA-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the 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



Brandon MARQUES ANDRE
Licensed Audit Expert

Page 5/5

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STATUTORY FINANCIAL STATEMENTS

Statutory Balance Sheet

(In CHF)	NOTE	31.12.2022	31.12.2021
Assets			
Cash and cash equivalents		1'928'731	5'118'583
Current receivables	2.1	120'512'398	119'693'213
Prepaid expenses and accrued income		1'476'217	824'366
Current assets		123'917'346	125'636'162
Non-current assets			
Financial assets	2.2	485'420'997	520'885'949
Investments in subsidiaries and associates	4/7	265'923'659	260'429'874
Equipment/Leasehold improvements		23'000	31'000
Intangible assets	2.3	8'399'000	15'878'000
Non-current assets		759'766'656	797'224'823
Assets		883'684'002	922'860'985
Liabilities and shareholders' equity			
Trade payables (towards third parties)		1'193'812	2'531'585
Current interest bearing liabilities	2.4	70'884'831	37'871'050
Other current liabilities		-	1'153'777
Accrued expenses and deferred income		1'758'480	12'974'869
Interest bearing bonds issued by the company	5	-	145'000'000
Current liabilities		73'837'123	199'531'281
Non-current liabilities			
Long-term interest-bearing liabilities	2.5	185'834'365	83'923'068
Non-current liabilities		185'834'365	83'923'068
Liabilities		259'671'488	283'454'349
Shareholders' equity			
Share capital		84'529'460	84'529'460
Reserves from capital contributions		11'455'379	53'663'425
Other capital reserves		2'194'691	2'194'691
Legal capital reserves		13'650'070	55'858'116
General legal retained earnings		16'905'892	16'448'207
Legal retained earnings		16'905'892	16'448'207
Profit carried forward		443'590'010	288'699'363
Net profit		67'387'106	197'556'379
Balance sheet profit		510'977'116	486'255'742
Treasury shares	6	(2'050'024)	(3'684'889)
Shareholders' equity		624'012'514	639'406'636
Liabilities and shareholders' equity		883'684'002	922'860'985

Statutory Income statement

(In CHF)	NOTE	2022	2021
Dividend income		37'019'709	5'119'950
Other income	9	45'870'888	214'130'158
Total income		82'890'597	219'250'108
Expenses for obtained services		(8'712'147)	(7'959'751)
Administrative and other expenses		(16'178'274)	(7'623'665)
Operating expenses		(24'890'421)	(15'583'416)
EBITDA		58'000'176	203'666'692
Depreciation and amortisation on non-current assets		(7'487'000)	(7'371'541)
EBIT		50'513'176	196'295'151
Financial income	10	26'099'302	9'343'554
Financial expenses	10	(8'446'562)	(7'289'594)
EBT		68'165'916	198'349'111
Direct taxes		(778'810)	(792'732)
Net profit		67'387'106	197'556'379

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 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 and intangible assets

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

(In CHF)	31.12.2022	31.12.2021
2.1 Current receivables		
From third parties	6'687'536	2'039'913
From shareholders and governing bodies	6'223'968	14'802'814
From companies in which the entity holds an investment	114'963'158	110'333'572
<i>Thereof as subordinated claim</i>	-	17'500'000
Valuation adjustments	(7'362'264)	(7'483'086)
Total current receivables	120'512'398	119'693'213
2.2 Financial assets		
Securities	14'934'206	5'132'430
To third parties	4'200'000	3'900'000
<i>Thereof as subordinated claim</i>	1'000'000	1'000'000
Loans to companies in which the entity holds an investment	472'711'791	492'495'874
<i>Thereof as subordinated claim</i>	469'211'791	492'495'874
Valuation adjustments	(6'425'000)	(6'425'000)
Other financial assets	-	25'782'645
Total financial assets	485'420'997	520'885'949
2.3 Intangible assets		
Software/other intangible assets	1'605'000	5'685'000
Goodwill	6'794'000	10'193'000
Total intangible assets	8'399'000	15'878'000
2.4 Current interest bearing liabilities		
Other current interest bearing liabilities		
Due to third parties	1'600'000	800'000
Due to companies in which the entity holds an investment	9'284'831	37'071'050
Due to other group companies	60'000'000	-
Total current interest bearing liabilities	70'884'831	37'871'050
2.5 Long-term interest bearing liabilities		
Long-term bank loans	110'000'000	-
Other long-term interest bearing liabilities		
Due to third parties	8'456'973	8'923'068
Due to other group companies	67'377'392	75'000'000
Total long-term interest bearing liabilities	185'834'365	83'923'068

3. Full-time equivalents

AEVIS VICTORIA SA does not have any employees.

4. Investments in subsidiaries and associates

COMPANY, LEGAL FORM AND DOMICILE	31.12.2022 SHARE CAPITAL AND VOTING RIGHTS	31.12.2021 SHARE CAPITAL AND VOTING RIGHTS
Batgroup SA, Lausanne	23.3%	7.4%
GENERALE BEAULIEU HOLDING SA, Geneva	69.5%	69.5%
Generic Healthcare AG, Schwyz	70.0%	0.0%
Genolier Innovation Hub SA, Genolier	100.0%	100.0%
Heinz Hotz AG, Flims Waldhaus	100.0%	0.0%
Infracore SA, Fribourg	16.1%	16.1%
Klinik St. Raphael AG, Küsnacht	73.5%	73.5%
Medgate Holding AG, Basel	0.0%	40.0%
MRH-Zermatt SA, Zermatt ¹⁾	0.0%	100.0%
NESCENS SA, Genolier	100.0%	100.0%
Seiler Hotels AG, Zermatt ¹⁾	0.0%	100.0%
Société Clinique Spontini SAS, Paris	100.0%	100.0%
Swiss Hotel Properties AG, Interlaken	100.0%	100.0%
Swiss Medical Network SA, Genolier	78.4%	78.4%
Swiss Property Advisors AG, Fribourg	0.0%	100.0%
SSCB SWISS STEM CELLS BIOTECH AG, Zürich	35.0%	0.0%
Swiss Stem Cell Science SA, Fribourg ²⁾	0.0%	100.0%
Swiss Theranostics SA, Genolier	100.0%	0.0%
TCS Swiss Ambulance Rescue SA, Geneva	40.0%	40.0%
Victoria-Jungfrau AG, Interlaken	100.0%	100.0%

¹⁾ Swiss Hotel Properties AG has merged Seiler Hotels AG. Afterwards, the operations (ex. Seiler Hotels SA) were transferred to MRH-Zermatt SA. Subsequently, the participation in MRH-Zermatt SA (hotel operating company in Zermatt) was transferred to the subsidiary Victoria-Jungfrau AG

²⁾ The acquisition of the stake in SSCB SWISS STEM CELLS BIOTECH AG was partially realised by contribution in kind of the participation Swiss Stem Cell Science SA.

The table above only lists direct investments. AEVIS VICTORIA SA also has significant indirect investments. See also Note 35 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. Assets pledged to secure own liabilities, as well as assets with retention of title

(In CHF)	31.12.2022	31.12.2021
Pledged equity securities as collateral for bank loans (book value)	91'039'076	-

8. Contingent liabilities

(In CHF)	31.12.2022	31.12.2021
Guarantees in favour of subsidiaries	5'595'207	5'595'207
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 income

(In CHF)	31.12.2022	31.12.2021
Gain on sale of investments and financial assets (less third-party costs)	32'991'055	210'090'810
Other income	12'879'833	4'039'348
Total other income	45'870'888	214'130'158

10. Explanation of the financial result

(In CHF)	31.12.2022	31.12.2021
Interest income	11'959'046	7'854'289
Reversal of value adjustment on investments	13'596'281	295'770
Other financial income	543'975	1'193'496
Total financial income	26'099'302	9'343'554
Interest expenses	(6'238'704)	(6'595'152)
Other financial expenses	(2'207'858)	(694'442)
Total financial expenses	(8'446'562)	(7'289'594)

11. Additional information requested by the Swiss Code of Obligations

11.1 Share and stock options ownership

	31.12.2022 NUMBER OF SHARES HELD*	31.12.2022 NUMBER OF OPTIONS HELD	31.12.2021 NUMBER OF SHARES HELD*	31.12.2021 NUMBER OF OPTIONS HELD
Board of Directors				
Christian Wenger (Chairman) **	2'048'726	-	2'046'253	-
Raymond Loretan (Vice-chairman)	213'100	-	213'100	-
Antoine Hubert (Delegate of the Board) and Michel Reybier (Member) *** /****	63'369'421	750'000	63'270'745	-
Antoine Kohler (Member)	24'950	-	21'704	-
Cédric A. George (Member)	1'260'025	-	1'023'010	-
Senior Management				
Antoine Hubert (Delegate of the Board) ****	15'564'933	750'000	15'505'754	-
Gilles Frachon (CFO)	107'350	-	107'350	-

* 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 and HR Finance & Participations SA (HRFP). 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. 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.

**** Indirectly held through his companies.

11.2 Significant shareholders

	31.12.2022 NUMBER OF SHARES	31.12.2022 %	31.12.2021 NUMBER OF SHARES*	31.12.2021 %
Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA*	63'369'421	74.97	63'270'745	74.85
MPT Medical Properties Trust, Inc.**	3'850'961	4.56	3'850'961	4.56
Kuwait Investment Office***	2'666'560	3.15	2'666'560	3.15

* Antoine Hubert and Géraldine Reynard-Hubert indirectly hold AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments SA and HR Finance & Participations SA (HRFP). 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. 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.

** Medical Properties Trust, Inc. is a Real Estate Investment Trust, listed on the New York Stock Exchange (NYSE: MPW)

*** Acting as agent for the Government of the State of Kuwait.

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 long-term interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

12. Subsequent Events

Information regarding subsequent events is mentioned in note 33 of the Swiss GAAP FER consolidated financial statements.

Proposed appropriation of retained earnings

The Board of Directors proposes to the Annual General Meeting of Shareholders an ordinary distribution of CHF 0.45 (2021: CHF 0.20) and an extraordinary distribution of CHF 0.30 (2021: CHF 0.30) per share from retained earnings.

(In CHF)	2022	2021
Retained earnings available to the Annual General Meeting		
Profit carried forward	443'590'010	288'699'363
Net profit	67'387'106	197'556'379
Balance sheet profit	510'977'116	486'255'742
Treasury shares (held directly)	(2'050'024)	(3'684'889)
Total available to the Annual General Meeting	508'927'092	482'570'853
Proposal of the Board of Directors		
Balance sheet profit	510'977'116	486'255'742
./ Allocation to the legal retained earnings	-	(457'685)
./ Ordinary dividend distribution	(38'038'257)	(16'883'472)
./ Extraordinary dividend distribution	(25'358'838)	(25'324'574)
Balance brought forward	447'580'021	443'590'010

Proposed distribution from capital contribution reserve

(In CHF)	2022	2021
Account carried forward	11'455'379	41'263'083
Increase of capital contribution due to capital increase	-	12'400'342
Capital contribution reserve before proposed distribution	11'455'379	53'663'425
Proposed ordinary distribution from capital contribution reserve	-	(16'883'472)
Proposed extraordinary distribution from capital contribution reserve	-	(25'324'574)
Capital contribution reserve after proposed distribution	11'455'379	11'455'379

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Geneva, March 31, 2023

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 (the Company), which comprise the balance sheet as at 31 December 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 86 to 92) 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 Standards on Auditing (SA-CH). 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 Company 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.

Key Audit Matters

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 265'923'659 as of 31 December 2022, representing 30% 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 587'674'949. These loans are subject to valuation adjustments amounting to CHF 13'787'264. The net book value of CHF 573'887'685 represents 65% 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.

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.

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance

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Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities 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 Company'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 Company 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 SA-CH 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.

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As part of an audit in accordance with Swiss law and SA-CH, 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 the Company's 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 Company'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 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 Company 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.

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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 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 SA-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available 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



Brandon MARQUES ANDRE
Licensed Audit Expert

Page 5/5

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