

# Investing for a better life



## Investing for a better life

**CHF  
663M**  
TOTAL REVENUE  
INCREASED

**6.4%**  
EBITDA  
GROWTH

AEVIS VICTORIA SA invests in services to people, healthcare, hospitality, life sciences and lifestyle. AEVIS VICTORIA's main shareholdings are Swiss Medical Network SA, the second largest group of private hospitals in Switzerland, Victoria-Jungfrau Collection AG, a luxury hotel group managing five luxury hotels in Switzerland, a healthcare and hospitality real estate division, Medgate, the leading telemedicine provider in Switzerland, and NESSENS SA, a brand dedicated to better aging. AEVIS is listed on the Swiss Reporting Standard of the SIX Swiss Exchange (AEVS.SW).

[www.aevis.com](http://www.aevis.com)

**CHF  
1.2BN**  
REAL ESTATE  
PORTFOLIO OF  
45 PROPERTIES

**CHF  
0.55**  
DISTRIBUTION  
PER SHARE

## Key Figures

(In thousands of CHF  
unless otherwise stated)

	FY2017	FY2016
Total revenue	663'069	592'595
<b>Net revenue</b>	<b>582'494</b>	<b>517'106</b>
<b>EBITDAR*</b>	<b>93'066</b>	<b>87'141</b>
EBITDAR margin	16.0%	16.9%
<b>EBITDA</b>	<b>79'406</b>	<b>74'605</b>
EBITDA margin	13.6%	14.4%
<b>EBIT</b>	<b>26'276</b>	<b>31'448</b>
EBIT margin	4.5%	6.1%
<b>Profit for the period</b>	<b>1'132</b>	<b>2'692</b>
Number of FTE at year-end	2'887	2'856
Market price per share at 31.12. in CHF	58.10	64.00
Number of outstanding shares	15'463'618	15'016'768
Market capitalisation	898'436	961'073

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

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# Share and bond information

Share Register  
Computershare Schweiz AG  
Tel. +41 62 205 77 00  
share.register@computer-  
share.ch

## Number of shares

	31.12.2017	31.12.2016
Share capital (in CHF)	<b>78'091'035</b>	75'662'035
No. of registered shares issued	<b>15'618'207</b>	15'132'407
Nominal value per registered shares (in CHF)	<b>5</b>	5
No. of treasury shares	<b>154'589</b>	115'639
<b>No. of registered shares outstanding</b>	<b>15'463'618</b>	<b>15'016'768</b>

## Data per share

	31.12.2017	31.12.2016
EBITDA per share* (in CHF)	<b>5.19</b>	4.99
High (in CHF)	<b>66.20</b>	64.40
Low (in CHF)	<b>54.70</b>	37.50
End price (in CHF)	<b>58.10</b>	64.00
Average volume per day	<b>2'130</b>	1'692
<b>Market capitalisation (in CHF)</b>	<b>898'436'206</b>	<b>961'073'152</b>

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

## Share price performance



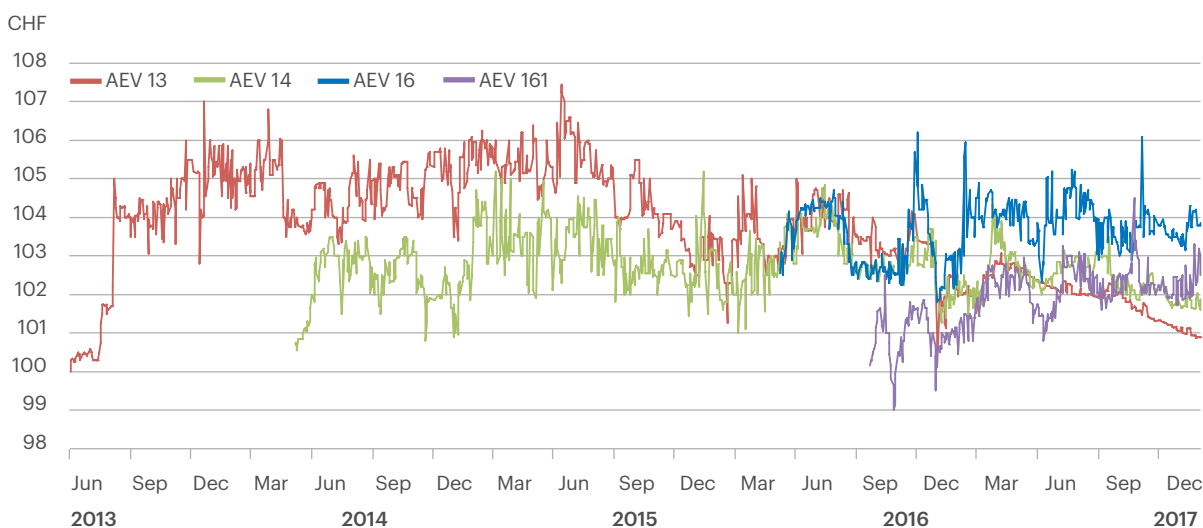
The registered shares of AEVIS VICTORIA SA are traded on the Swiss Reporting Standard of SIX Swiss Exchange and are part of the Swiss Performance Index SPI, the SXI Life Sciences Index (SLIFE) and the SXI Bio+Medtech Index (SBIOM).

Valor symbol:	AEVS	Bloomberg:	AEVS SW Equity
Valor no.:	1248819	Reuters:	AEVS.S.
ISIN:	CH0012488190		

## AEVIS VICTORIA SA Bonds

- In July/August 2013, AEVIS has issued a 5-year bond in the amount of CHF 100 million maturing on 02.07.2018. The coupon was set at 3.5%. The AEVIS VICTORIA bond is traded on SIX Swiss Exchange (Valor symbol: AEV13 / ISIN CH0214926096).
- In July/December 2014, AEVIS has issued a 5-year bond in the amount of CHF 145 million maturing on 04.06.2019. The coupon was set at 2.75%. The AEVIS VICTORIA bond is traded on SIX Swiss Exchange (Valor symbol: AEV14 / ISIN CH0240109592).
- In May/June 2016, AEVIS has issued a 5-year bond in the amount of CHF 150 million maturing on 07.06.2021. The coupon was set at 2.5%. The AEVIS VICTORIA bond is traded on SIX Swiss Exchange (Valor symbol: AEV16 / ISIN CH0325429162).
- In September/October 2016, AEVIS has issued a 6-year bond in the amount of CHF 145 million maturing on 19.10.2022. The coupon was set at 2.0%. The AEVIS VICTORIA bond is traded on SIX Swiss Exchange (Valor symbol: AEV161 / ISIN CH0337829276).

Media & Investor Relations  
c/o Dynamics Group AG  
Philippe Blangey  
Tel. +41 43 268 32 32  
investor.relations@aevis.com



## Major shareholders


The following shareholders held more than 3% on 31 December 2017:

Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA	77.67%
Kuwait Investment Office as agent for the Government of the State of Kuwait	3.41%
<b>Total shareholders (31 December 2017)</b>	<b>1'708</b>

## Financial reporting

May 2018	Publication of 1Q 2018 Revenue
24 May 2018	Ordinary general shareholders meeting for the year 2017
14 September 2018	Publication of the 2018 Half-Year Results
November 2018	Publication of 3Q 2018 Revenue
March 2019	Publication of 2018 Revenue
29 March 2019	Publication of the 2018 Annual Results



A dramatic, low-angle photograph of a modern, curved staircase. The staircase features a dark, textured wall on the left and a bright light source in the background, creating a strong contrast. The railing is made of dark metal with vertical bars. The overall atmosphere is sophisticated and architectural.

# Letter to the Shareholders

## Dear Shareholder,

In 2017, total revenues increased by 11.9% from CHF 592.6 million to CHF 663.1 million, mainly due to the integration of Clinique Générale-Beaulieu in Geneva into Swiss Medical Network in late 2016. Net revenue (medical fees excluded) reached CHF 582.5 million (CHF 517.1 million in 2016). On a Group level, EBITDA amounted to CHF 79.4 million, representing an EBITDA margin of 13.6% (CHF 74.6 million, 14.4% in 2016). During the reporting period, AEVIS VICTORIA proceeded with two divestments, which resulted in a financial gain of CHF 10.4 million. Net profit before taxes surged by 72.5% to CHF 7.9 million. However, due to substantially higher current and deferred taxes, net profit decreased to CHF 1.1 million (2016: CHF 2.7 million).

### **Investment strategy – 2017 gains from sale of participations**

AEVIS VICTORIA's investment strategy focuses on services to people. The strategy is based on an active mergers & acquisitions strategy combined with a long-term and entrepreneurial approach to restructure and grow companies and business concepts. Each of AEVIS VICTORIA's segments is managed as an independent entity to facilitate combinations with other market participants or a positioning on a stand-alone basis, if interesting opportunities arise.

To further develop its minority participation in LifeWatch of 11.9%, AEVIS VICTORIA launched a public takeover bid for all publicly held registered shares of LifeWatch AG (LifeWatch) in early 2017. On 9 April 2017, BioTelemetry communicated a competing offer for LifeWatch that was subsequently improved. As a consequence, AEVIS VICTORIA decided to tender all its shares in LifeWatch to the revised public offer of BioTelemetry. The sale of 11.9% of LifeWatch to BioTelemetry generated a financial profit of CHF 8.9 million and AEVIS VICTORIA retained a 1.6% shareholding in US based BioTelemetry (BEAT).

In May 2017, AEVIS VICTORIA, through its subsidiary Swiss Medial Network, submitted an acquisition offer in cash or shares to all shareholders of Linde Holding Biel/Bienne AG, owner of Clinique des Tilleuls in Bienne. Hirslanden Group launched a higher counter-offer which subsequently led to the acquisition of the company. As a consequence, Swiss Medical Network sold its entire minority stake in Linde to Hirslanden, resulting in a financial profit of CHF 1.5 million.

The Board of Directors of AEVIS VICTORIA is currently evaluating various strategic options for its real estate segment in order to optimally set the course for the future and maximise shareholder value.

### **Real Estate**

With a valuation of well over CHF 1 billion, the Group's real estate portfolio represents an important part of AEVIS VICTORIA's assets. The 45 properties are very well located and have an above-average standard because of intensive investment activity in the past. Long-term leases have been concluded with high quality tenants. Almost all properties are rented to the hospitals of Swiss Medical Network or the hotels of Victoria-Jungfrau Collection, and the vacancy rate is zero. The property portfolio focused on healthcare and hospitality represents an infrastructure asset class, which is highly resilient to economic downturns and not well represented on the Swiss Stock Exchange, while it is very present in most of European and American markets.

Net revenues in the real estate segment amounted to CHF 58.4 million, up from CHF 51.2 million in the previous year and EBITDAR soared by 12.2% from CHF 42.4 million to CHF 47.6 million.

### **Hospitals**

All hospitals of Swiss Medical Network but Privatklinik Lindberg achieved a positive operating result (EBITDAR) in 2017. At the same time, the focus going forward will be on further internal improvements. Organic growth will be boosted and profitability increased by exploiting synergies within the hospital Group, creating regional centres of excellence and increasing internal efficiencies. After having outsourced IT and standardised operational processes, a new cost-saving program of over CHF 15 million has been initiated as of September 2017 for 2018. The efficiency gains realised since 2016 have allowed the hospitals of Swiss Medical Network to be classified amongst the least expensive of Switzerland according to the Confederation's price comparator. This approach is also being taken in light of the current market environment, which will become even more challenging with the TARMED tariff reductions in 2018 and the ongoing political discourse. In addition, extensive investments were made in the digitisation of processes in order to ensure smooth communication within and between hospitals and thus further increase patient safety.

Total revenues of Swiss Medical Network reached CHF 586.0 million, up from CHF 521.0 million in the previous year, representing a growth of 12.5%. The increase was mainly due to the integration of Clinique Générale-Beaulieu in Geneva during the last quarter of 2016. Net revenues, excluding medical fees, grew by 13.4% from CHF 446.2 million last year to CHF 506.1 million in the reporting period. The hospital segment generated an EBITDAR of CHF 95.6 million, corresponding to an EBITDAR margin of 18.9%.

The Société coopérative médicale de Beaulieu has decided to keep the shares it owns in Générale Beaulieu Holding SA and therefore remains a 28.7% minority shareholder of Générale Beaulieu Holding SA alongside Swiss Medical Network SA.

### **Hospitality**

Regular investments in infrastructure combined with a constant expansion of the experience-oriented service offering are key factors for the development of the luxury hotels of Victoria-Jungfrau Collection. This strategy not only addresses new customer segments, but also offers the opportunity to gradually increase room rates and turnover in food and beverage. Once again, this strategy paid off in the reporting year.

Net revenues for the five hotels (4 fully consolidated; management fees for the Palace in Lucerne) reached CHF 64.3 million, up by 6.0% compared to the previous year. All hotels of Victoria-Jungfrau Collection achieved operational improvements. The gross operating profit surged significantly as the Average Room Rate increased by 7% to CHF 397. EBITDAR reached CHF 12.3 million, corresponding to an EBITDAR margin of 19.1%. It is important to note that these solid results were achieved despite the closure of the Eden au Lac in October 2017 and the Palace Lucerne in November 2017 for extensive renovation and refurbishment.



## **Other activities**

AEVIS VICTORIA invests in various other activities along the value chain of its main divisions. Although these ventures account for a small portion of total revenues, they reflect the Group's ambition to complement the main activities with innovative digitalisation initiatives. In the reporting period, revenues of CHF 10.7 million (2016: CHF 10.8 million) resulted in this incubator segment (excluding the 40% stake in Medgate, which is not consolidated). AEVIS VICTORIA works very closely together with Medgate, the leading provider of integrated out-patient healthcare in Switzerland, to create more integrated care offerings and make the health system more efficient and also safer. The participation in NESSENS, a better aging brand connecting preventive medicine, wellness and lifestyle, allows intertwined activities with the Group's hospital and hospitality businesses. Swiss Ambulance Rescue is the leading private ambulance company in Geneva. The Group aims to build an integrated rescue service platform together with partners. AEVIS VICTORIA also invested in iKentoo, a successful start-up operating the most advanced point of sale and business Management system on the market for the hospitality industry.

## **Considerable funds for continued growth**

AEVIS VICTORIA disposes of credit lines and authorised capital for further expansion projects and acquisitions, which will allow the Group to make targeted acquisitions in the quarters ahead and to support its existing portfolio companies.

## **Distribution of CHF 0.55 per share**

The Board of Directors will propose to the Annual General Meeting a distribution from capital contribution reserves of CHF 0.55 per share and studies the best strategic options to create and distribute value to its shareholders.


## **Outlook**

AEVIS VICTORIA will pursue its growth and collaboration strategy in the various Group segments whilst improving and optimising operational excellence. The acquisition pipeline of the Group is attractive, and several projects are being evaluated. Based on an unchanged portfolio, AEVIS VICTORIA expects to realise single digit revenue growth and to significantly improve profitability in the current business year 2018 by pursuing the initiated cost reduction programmes.

We would like to conclude by thanking our customers and partners for the gratifying development of our collaboration, our patients for their trust in our medical facilities, our shareholders for their confidence and all our employees and physicians for their great work and commitment.

Christian Wenger  
Chairman of the Board

Antoine Hubert  
Delegate of the Board



# Swiss Medical Network

# Swiss Medical Network – Key Figures 2017

The network's growth path continued with the integration of Clinique Générale-Beaulieu in Geneva. Overall, turnover of CHF 586.0 million, up from CHF 521.0 million in the previous year, represented growth of 12.5%.

## AARGAU

| Privatklinik Villa im Park

## BASEL

| Schmerzlinik Basel

## FRIBOURG

| Clinique Générale

## GENEVA

| Clinique Générale-Beaulieu  
| Centre Médical des Eaux-Vives

## NEUCHÂTEL

| Clinique Montbrillant  
| Hôpital de la Providence

## SOLOTHURN

| Privatklinik Obach

## TICINO

| Clinica Sant'Anna  
| Clinica Ars Medica

## VALAIS

| Clinique de Valère

## VAUD

| Clinique de Genolier  
| Clinique de Montchoisi  
| Clinique Valmont

## ZURICH

| Privatklinik Bethanien  
| Privatklinik Lindberg  
| Pyramide am See



## Boost in revenues in a challenging market environment

Swiss Medical Network achieved revenues of CHF 586.0 million compared to CHF 521.0 million in the previous year. This corresponds to a growth of 12.5%, which is attributable to the integration of Clinique Générale-Beaulieu in Geneva. Lower capacity utilisation led to a lower percentage contribution margin, even though all hospitals but Privatklinik Lindberg achieved positive operating returns. In total, EBITDAR amounted to CHF 95.6 million, up from CHF 92.0 million, representing a margin of 18.9%.

### Challenging market dynamics

The overall decrease in activity and subsequently lower contribution margins, combined with a rise in material costs, weighted on operational profitability. This resulted in an EBITDAR of CHF 95.6 million (2016: CHF 92.0 million), corresponding to a margin of 18.9% (20.6% a year ago). After a challenging year, Swiss Medical Network is well positioned to return to organic growth and improved margins in the coming quarters. A series of activity and efficiency initiatives to boost the Group's revenues and improve its profitability are being implemented.

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Revenue growth of 12.5% attributable to the integration of Clinique Générale-Beaulieu.

### Substantial investments

On the grounds of Privatklinik Villa im Park in Rothrist, an important expansion project began as planned and is expected to be completed by 2019. The integration of Clinique Générale-Beaulieu, acquired at the end of 2016, went smoothly and initial investments were made in the reconstruction and modernisation of the hospital. In Geneva, a closer cooperation between Clinique Générale-Beaulieu and Centre Médical des Eaux-Vives including the development of joint offerings has started. At Privatklinik Lindberg, the restructuring process was completed and a permit to build an additional 11'000 sqm was obtained.

### Continued expansion course

Since the integration of Clinique Générale-Beaulieu, the network consists of 15 hospitals as well as one affiliated hospital and one clinic, with 1'081 available beds, 1'997 admitting physicians and 2'927 employees. The objective of the Group remains unchanged, namely to establish a network of 20 to 25 hospitals in Switzerland with a presence in the majority of cantons. Acquisitions therefore remain a crucial part of the growth strategy. The pipeline is currently well filled and Swiss Medical Network is in discussions with potential partners.

CANTON	HOSPITAL	EMPLOYEES	ADMITTING PHYSICIANS	AVAILABLE BEDS
<b>Contracted hospitals</b>				
Genève	Clinique Générale-Beaulieu	435	617	121
Vaud	Clinique de Genolier	357	166	112
Vaud	Clinique de Montchoisi	88	132	27
Vaud	Clinique Valmont	122	8	60
Zurich	Privatlinik Bethanien	245	265	101
Zurich	Privatlinik Lindberg	139	111	84
Zurich	Pyramide am See*	125	132	40
<b>Listed hospitals</b>				
Neuchâtel	Clinique Montbrillant	62	92	26
Neuchâtel	Hôpital de la Providence	235	92	76
Fribourg	Clinique Générale	124	88	82
Valais	Clinique de Valère	154	48	71
Solothurn	Privatlinik Obach	115	36	61
Aargau	Privatlinik Villa im Park	84	38	34
Basel	Schmerzklinik Basel	70	23	26
Ticino	Clinica Ars Medica	185	44	74
Ticino	Clinica Sant'Anna	172	75	86
<b>Clinic</b>				
Genève	Centre Médical des Eaux-Vives	34	21	-
Lausanne and Neuchâtel	Genolier Swiss Visio Network	28	9	-
Echandens	Group	153	-	-
<b>Total</b>		<b>2'927</b>	<b>1'997</b>	<b>1'081</b>

Regrettably, the purchase of Linde Holding Biel/Bienne AG, operator of Clinique des Tilleuls in Biel, did not materialise in summer 2017. A bidding process emerged after Swiss Medical Network launched a public tender offer. In the end, the company was sold to Hirslanden Group. Nevertheless, the Group continues to implement its vision by establishing a regional platform in the Espace Mittelland with its existing hospitals.

Objective of the Group remains to establish a network of 20 to 25 hospitals in Switzerland



## Different strategy for contracted and listed hospitals

Swiss Medical Network's main goal is to provide best in class medical care for its patients and to defend the status of private medicine in Switzerland. That's why the Group assumes an active role in the political discourse and continues to strive to make a sustainable contribution to an efficient healthcare system. In this context, it is important to differentiate between hospitals focusing on base insured patients and those focusing on patients with supplementary insurance.

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The new TARMED regime will put further pressure on the system as a whole and it is expected to lead to a new round of consolidation

The network's contracted hospitals, especially located in the cantons of Zurich, Vaud and Geneva, mainly serve patients with private or semi-private insurance. These hospitals have the ambition to provide the best possible medical care combined with high-end amenities. To this end, Swiss Medical Network works with doctors and insurers to create attractive solutions offering exceptional services for its patients.

Listed hospitals, which account for the majority of the network's hospitals, predominantly serve patients with base insurance. In this market segment, Swiss Medical Network strives to offer the best possible medical care at the lowest cost for insurance companies and the cantons. To achieve this goal, Swiss Medical Network works hand-in-hand with the public sector and the base insurers trying to find solutions to better manage the ever-increasing healthcare costs. The list of the 20 most frequent inpatient treatments and their costs, published by the price supervisor in February 2018, clearly confirms that private hospitals, and in particular the hospitals of Swiss Medical Network, can do the job at lower costs.

To become the preferred supplier and gain market share, Swiss Medical Network continues to offer the lowest rates in basic insurance with a rate of CHF 8'900. The current base rates are substantially lower than the insurers' benchmark (CHF 9'500) and 10% below those of the public hospitals (above CHF 10'000). In addition, Swiss Medical Network would be ready to reduce prices by a further 10% if the following three conditions were fulfilled: a) extension of the hospital lists to enable private clinics to offer all the services in the catalogue of basic nursing insurance without restricting the number of cases and specialisations, b) abolition of moratoria on the recruitment of new doctors and c) free import of medicines and implants at the same prices as in the rest of Europe.

### **Focus on the outpatient sector to reduce healthcare costs**

The new TARMED regime will put further pressure on the system as a whole and it is expected to lead to a new round of consolidation. As the second largest network of private hospitals in Switzerland, Swiss Medical Network is able to take advantage from this trend, especially in outpatient surgery. A study published by PwC shows that a shift of services from inpatient to outpatient care should be anticipated based on advances in medicine and changing patient needs. In general, a stronger focus on outpatient treatment methods could save considerable costs. The PwC study estimates the savings potential in the long term to be up to CHF 1 billion if the existing false incentives in the tariff system are reduced and further interventions are shifted to the outpatient sector on a broad scale.

### **Subsequent events – management changes**

Beat Röthlisberger, CEO of Swiss Medical Network, and Valérie Dubois-Héquet, CEO of Genolier International, resigned from their positions in early 2018, but will be at the company's disposal until the end of September 2018. Daily operations are not affected, as Swiss Medical Network is managed by a broad and well-experienced team. Antoine Hubert took over the management of the network as Delegate of the Board on an interim basis until the positions have been replaced.

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Private hospitals, and in particular the ones of Swiss Medical Network, offer better tariffs than the public hospitals

### **Outlook 2018**

The development of Swiss Medical Network and the further integration of hospitals will continue as the pipeline currently looks promising. Recruitment of additional physicians is planned in order to bolster the network's leading market position. The focus on cost cuttings, the exploitation of synergies and efficiency gains will have a positive effect on profitability.

Raymond Loretan  
Executive Chairman

Antoine Hubert  
Delegate of the Board



# Victoria-Jungfrau Collection

## Victoria-Jungfrau Collection – Key Figures 2017

Net revenue of the fully consolidated hotels reached CHF 64.3 million, based on a well-diversified customer portfolio that once again proved advantageous in times where travel destinations change quickly.

### ZÜRICH

| Eden au Lac

### LUCERNE

| Palace Luzern

### BERNE

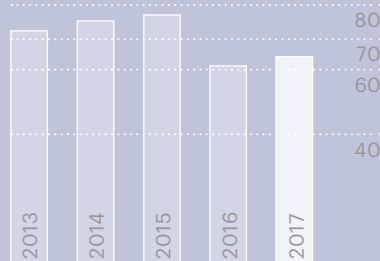
| Victoria-Jungfrau  
Grand Hotel & SPA  
| Bellevue Palace

### VALAIS

| Crans Ambassador



### NET REVENUE IN CHF MILLION



64.3 +6.0%

### EBITDAR MARGIN

19.1%

### EMPLOYEES

602

### OVERNIGHT STAYS

175'655

### ROOMS

579

### Ø ROOM RATE

397

## Hotels: Growth in all destinations

In all five hotels of the Victoria-Jungfrau Collection (of which four are fully consolidated and one is under management), demand developed pleasingly in the reporting period despite numerous challenges affecting the tourism industry in Switzerland. Overall, overnight stays rose to 175'655 and net revenues in 2017 increased to CHF 64.3 million. Intensified sales activities in the core markets, a well-diversified customer portfolio and new offers at the hotels in Interlaken and Berne contributed to the increase in earnings. EBITDAR reached CHF 12.3 million, corresponding to a margin of 19.1%.

### Revenue increase despite fewer opening days

Each hotel of the Victoria-Jungfrau Collection achieved operational improvements. Net revenues (four hotels fully consolidated, management fees for the Palace in Lucerne) increased by 6.0% to CHF 64.3 million (2016: 60.7 million). It is noteworthy that the increase was achieved despite the partial closure of the two established hotels Eden au Lac in Zurich in October 2017 and the Palace in Lucerne in November 2017. For these two hotels, the total opening period for the year was therefore 4.5 months less than the previous year. The luxury sport hotel Crans Ambassador in Crans-Montana, rented since the end of 2016, was on the other hand fully consolidated.

The gross operating profit surged as the Average Room Rate increased by 7% from CHF 372 to CHF 397. At the same time, lower contributions from the hotels in Zurich and Lucerne and the one-time closing costs incurred had a negative impact on the operating result. At the Crans Ambassador, the repositioning measures that had been initiated showed the desired effect and the setting in motion of a clear upward trend. However, this hotel has not yet achieved the profitability level of the other Group hotels. In total, the profit at EBITDAR level reached CHF 12.3 million, corresponding to a margin of 19.1% (2016: 20.1%). Further increases in efficiency and the exploitation of synergy potential remain important success factors for future margin improvements.

	TOTAL ROOMS	SUITES	SURFACE (sqm)	EMPLOYEES
Victoria-Jungfrau Grand Hotel and Spa	216	107	44'269	237
Eden au Lac	50	5	1'419	54
Palace Luzern	129	31	3'337	104
Bellevue Palace	128	25	3'296	137
Crans Ambassador	56	11	10'898	70
	<b>579</b>	<b>179</b>	<b>63'219</b>	<b>602</b>



## Broad customer base

Intensified national and international sales activities paid off. The number of international guests increased considerably, particularly from the strategically important target markets USA, China, India and Southeast Asia. Most additional overnight stays were achieved with guests from the Americas. Volumes in the domestic market, which continues to be the largest contributor to sales, remained on par with the previous year, while the number of travellers from the Middle East and the Gulf States fell due to the difficult political and changing economic situation.

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The Average Room Rate increased by 7% from CHF 372 to CHF 397

## Extensive investment program

Regular investments, additional comfort, the development of new services and additional food & beverage offerings are important factors for maintaining a good market position. For this reason, investments in all hotels were made during the reporting period and a far-reaching renovation project was started in Zurich.

New rooms and upgraded facilities contributed to higher chargeable room rates. At the Victoria-Jungfrau Grand Hotel & Spa in Interlaken, an additional 30 renovated rooms are now available, all of them with contemporary features. An additional 42 rooms will be equipped to the same standard in the course of 2018. The new Italian restaurant "Ristorante e Pizzeria Saponi" had a good start and was visited not only by hotel guests but increasingly also by the local population of Interlaken. Similarly, at the Bellevue Palace in Berne, renovated rooms were well received by travellers and the renovated "Restaurant Vue" and the modernised lobby area are becoming popular meeting places for locals.

As planned, the Eden au Lac in Zurich was closed in October 2017 for a radical makeover, and the reopening is foreseen for the first half of 2019. The fully modernised lakefront hotel will be a new product for Zurich and offer state-of-the-art city restaurants on the ground and top floors as well as outstanding hotel experiences. The Palace in Lucerne was also closed in November 2017 for a major renovation lasting until 2019. A reduced management fee will nevertheless continue to be applied during this closure, as the sales, marketing, IT and finance services remain active.

## Outlook 2018

At the three hotels currently open (Interlaken, Berne and Crans-Montana), demand was good during the first few months of 2018. The three luxury hotels are well established in the market, attracting a diverse clientele and servicing guests with new offers and amenities. Additionally, the ongoing efforts of the sales teams in the attractive MICE segment (meetings, incentives, conferences and exhibitions) show encouraging results on a mid- and long-term basis. It is therefore expected that the hotels will continue to deliver solid results.

Christian Seiler  
Chairman

Beat Sigg  
CEO



# Real Estate

# Real Estate Segment – Key Figures 2017

The Group owns a high-quality real estate investment portfolio including properties in the healthcare and hospitality sectors. In total, the portfolio consists of 45 properties in 18 locations across Switzerland.

**AARGAU**  
I Privatklinik Villa im Park

**BERNE**  
I Hotel Victoria-Jungfrau

**FRIBOURG**  
I Clinique Générale

**GENEVA**  
I Clinique Générale-Beaulieu

**NEUCHÂTEL**  
I Clinique Montbrillant

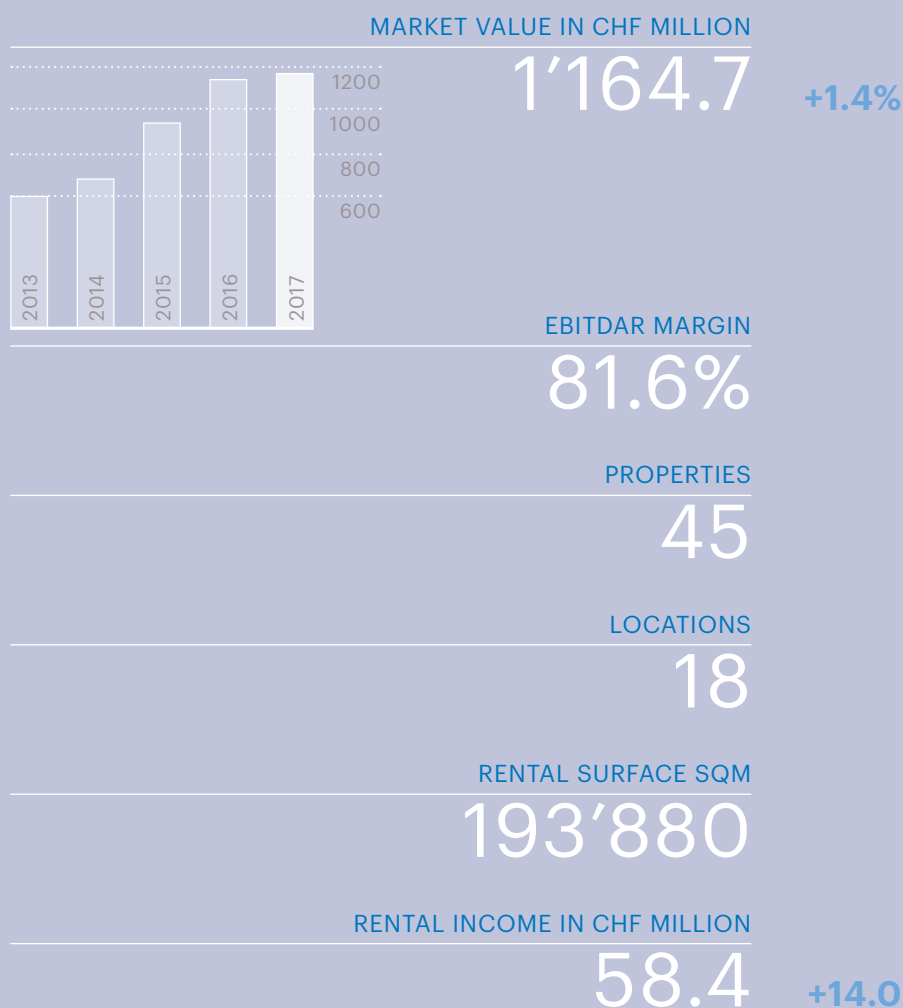
**SOLOTHURN**  
I Privatklinik Obach

**TICINO**  
I Clinica Sant'Anna  
I Clinica Ars Medica

**VALAIS**  
I Clinique de Valère  
I Hangar SHP (Air-Glacières)  
I Villa Notre-Dame

**VAUD**  
I Clinique de Genolier  
I Clinique de Montchoisi  
I Clinique Valmont  
I Chocolatière 21

**ZURICH**  
I Privatklinik Bethanien  
I Privatklinik Lindberg  
I Hotel Eden au Lac



## Real estate: Premium portfolio in Switzerland

The Group owns a high-quality real estate investment portfolio including properties in the healthcare and hospitality sectors. All properties are situated in prime locations in Switzerland. The portfolio is subdivided into Swiss Healthcare Properties SA (SHP I), Swiss Hospitality Properties SA (SHP II) and Générale-Beaulieu Immobilière SA (GBI). Combined, the 45 properties in 18 locations across Switzerland offer 193'880 sqm of rental space and have a market value of CHF 1'164.7 million as of 31 December 2017.

Rental income in the reporting period, which mostly corresponds to inter-company payments with AEVIS VICTORIA's hospital and hospitality segments, surged by 14.0% and amounted to CHF 58.4 million (2016: CHF 51.2 million), to which the healthcare properties contributed CHF 52.0 million and the hotel properties CHF 6.4 million. The 14.0% increase is mainly based on the full consolidation of the rental income of Clinique Générale-Beaulieu in Geneva. From October 2017, the Hotel Eden au Lac in Zurich was closed for refurbishment and thus only contributed to the rental income for the first nine months of the year. EBITDAR amounted to CHF 47.6 million, corresponding to an EBITDAR margin of 81.6%. The average interest on mortgages was 1.73% at the end of 2017 and the Loan to Value ratio remained low at 33.4%.

	2017	2016
Revenues	58.4	51.2
EBITDAR	47.6	42.4

### Portfolio value rising to CHF 1'164.7 million

SHP I owns most of the hospital buildings of Swiss Medical Network and some outbuildings next to the hospitals, used as doctors' practices and for administrative purposes. The healthcare portfolio is composed of 33 high quality properties on 14 sites with a rental surface of 133'318 sqm, a market value of CHF 790.2 million and additional development potential of up to 45'500 sqm.

The properties are well located and well maintained at highest quality standards

SHP II owns all hospitality related properties of AEVIS VICTORIA. It consists of seven properties in Interlaken (the Victoria-Jungfrau Grand Hotel & Spa and six smaller annex buildings), the Eden au Lac building in Zurich and a development property (land) in Crans-Montana, representing a total rental surface of 41'572 sqm and a market value of CHF 182.3 million.

With the acquisition of a majority stake in Générale-Beaulieu Holding SA in 2016, which owns a hospital building as well as several other buildings surrounding the hospital in Geneva, an additional 18'990 sqm of rental surfaces was added to the portfolio, representing a market value of CHF 192.2 million at the end of 2017.

### Regular investments contributing to high standards

In order to meet the expected future demand and maintain the highest building standards, development projects on various sites are being conducted or evaluated. The construction of a new state of the art hospital building for Privatklinik Villa im Park in Rothrist started in April 2017. The new building will increase the rental floor space by 2'300 sqm and offer 28 rooms and three operating theatres, as well as an underground parking with 90 places.



In Zurich, on a plot of 4'623 sqm adjacent to Privatklinik Bethanien, an old building will be replaced by a new structure, adding approximately 7'000 sqm to the hospital. In Winterthur, on the plot of Privatklinik Lindberg, a permit to build an additional 11'000 sqm was obtained in 2017. The specific project for the development of the plot in Winterthur is currently being evaluated. Municipality approval was received for a zoning change in Genolier (an additional 15'000 sqm) which the State of Vaud will now also have to approve. Progress was made with the commune and the State of Ticino regarding a new land use plan, enabling the expansion of Clinica Ars Medica in Gravesano.

Substantial investments were also made in the hotel properties. The renovation of a majority of the rooms at the Grand Hotel Victoria-Jungfrau in Interlaken will be completed by the end of 2018. One of the most important projects for the Group started in late 2017 in Zurich. The Hotel Eden au Lac is being completely modified and refurbished in a contemporary style. The renovation will transform the Hotel Eden au Lac to become the landmark for a truly unique city hotel experience. Re-opening is scheduled for the first semester of 2019.

NAME	MAIN USE	PLACE (CANTON / NUMBER OF BUILDINGS)	RENTAL AREA (sqm)	PARKING SPACES
Clinique de Genolier	Multi-specialty hospital	Genolier (VD / 4)	32'903.7	388
Clinique de Montchoisi	Multi-specialty hospital	Lausanne (VD)	3'441.0	43
Clinique Valmont	Rehabilitation hospital	Glion-sur-Montreux (VD)	6'733.0	22
Clinique Générale	Multi-specialty hospital	Fribourg (FR)	6'540.1	
Clinica Ars Medica	Multi-specialty hospital	Gravesano (TI)	8'075.0	123
Clinica Sant'Anna	Multi-specialty hospital	Sorengo (TI / 6)	14'508.7	188
Privatklinik Lindberg	Multi-specialty hospital	Winterthur (ZH / 4)	13'078.6	117
Privatklinik Obach	Multi-specialty hospital	Solothurn (SO / 2)	5'838.9	92
Clinique de Valère	Multi-specialty hospital	Sion (VS / 2)	9'565.0	110
Privatklinik Bethanien	Multi-specialty hospital	Zurich (ZH / 5)	18'546.0	210
Klinik Villa im Park	Multi-specialty hospital	Rothrist (AG / 2)	4'320.0	77
Hangar SHP (Air-Glacières)	Hangar (air rescue)	Sion (VS)	2'284.9	14
Clinique Montbrillant	Multi-specialty hospital	La Chaux-de-Fonds (NE / 2)	5'715.0	59
Chocolatière 21	Offices	Echandens (VD)	1'768.0	53
Clinique Générale-Beaulieu	Multi-specialty hospital	Genève (GE / 3)	18'990.0	310
Hotel Victoria-Jungfrau	Hotel	Interlaken (BE / 7)	37'120.0	170
Hotel Eden au Lac	Hotel	Zurich (ZH)	4'452.0	18
Villa Notre-Dame	Development property (land)	Crans-Montana (VS)		

## Outlook 2018

The real estate segment, on a stand-alone basis, is ideally positioned to continue delivering a solid performance. The properties are well located and well maintained at highest quality standards, the rental income (mostly intercompany payments with AEVIS VICTORIA's hospital and hospitality segments) is sustainable, and the portfolio shows no vacancies and includes interesting development potential. Combining all these factors with a low loan to value ratio and anticipated efficiency gains, we expect continued attractive yields.

Antoine Hubert  
Chairman

Christoph Syz  
CEO



Wüest Partner AG, Bleicherweg 5, 8001 Zurich

AEVIS VICTORIA SA  
Rue Georges-Jordil 4  
1700 Fribourg

Zurich, 28 March 2018

## Independent valuer's report

To the Executive Board of AEVIS VICTORIA SA  
(Swiss Healthcare Properties SA, Swiss Hospitality Properties AG, Générale-Beaulieu Immobilière SA)

Ref.  
108248.1801  
108492.1801

### Commission

Wüest Partner AG (Wüest Partner) was commissioned by the Executive Board of AEVIS VICTORIA SA (AEVIS) to perform a market valuation of the properties held by AEVIS as at 31 December 2017 (reporting date) for accounting purposes. The valuation encompasses 31 properties of Swiss Healthcare Properties SA (SHP I) and 8 properties of Swiss Hospitality Properties AG (SHP II). Furthermore, the valuation encompasses an indicative market valuation scenario for 3 properties of the Clinique Générale-Beaulieu, Genève, owned by Générale-Beaulieu Immobilière SA (GBI).

### Valuation standards

Wüest Partner hereby confirms that the valuations were performed in accordance with national and international standards and guidelines, in particular with the International Valuation Standards (IVS and RICS/Red Book) and the Swiss Valuation Standards (SVS).

41 properties are valued in terms of going concern. For one property a conversion scenario is taken into account (Glion-sur-Montreux, Clinique de Valmont).

### Definition of fair value

«Fair value» is defined as the amount for which a property would most probably be exchanged on the open market on the valuation date between two independent and knowledgeable parties, willing to buy and sell respectively, with due allowance made for a reasonable marketing period.

Each object is valued as an individual property and not as part of a property portfolio. The valuation excludes property transfer, real property gains and value-added taxes plus any other costs incurred, or commissions paid, during the process of selling real estate. Nor is any account taken of SHP's liabilities in respect of taxation (apart from ordinary property taxes) and financing costs.

**Wüest Partner AG**  
Alte Börse  
Bleicherweg 5  
8001 Zurich  
Switzerland  
T +41 44 289 90 00  
wuestpartner.com  
Regulated by RICS

### **Valuation method**

In valuing SHP's real estate holdings, Wüest Partner applied the discounted cash flow (DCF) method, by which the market value of a property is determined as the total of all projected future net earnings discounted to the valuation date. Net income is discounted separately for each property with due allowance for specific opportunities and threats and adjustment in line with market conditions and risks.

### **Basis of valuation**

Wüest Partner is familiar with all the properties, having carried out inspections and examined the documentation provided. The properties have been analysed in detail in terms of their quality and risk profiles (attractiveness and lettability of rented premises, construction type and condition, micro- and macro-location etc.). Currently vacant premises are valued with allowance made for a reasonable marketing period.

Wüest Partner inspects the properties at least once every three years as well as following purchase and upon completion of larger refurbishment and investment projects. Within the review period from 1 January 2017 to 31 December 2017, Wüest Partner visited 15 properties. For further details on the general assumptions underlying the property valuations, please refer to the Wüest Partner reporting as per 31 December 2017.

### **Results**

A total of 39 SHP I and SHP II investment properties were valued as at 31 December 2017 by Wüest Partner. The fair value of all 39 investment properties is estimated as at 31 December 2017 at 914,246,000 Swiss Francs.

The fair value (indicative market valuation scenario) of the 3 Clinique Générale-Beaulieu properties (GBI) is estimated as at 31 December 2017 at 192,170,000 Swiss Francs.

### **Changes during reporting period**

Within the review period from 1 January 2017 to 31 December 2017, concerning the SHP I and SHP II properties, neither properties were acquired nor sold in comparison with the previous period from 1 January 2016 to 31 December 2016.

### **Independence and confidentiality**

Wüest Partner performed the valuation independently and neutrally in conformity with its business policies. It was carried out solely for those purposes specified above; Wüest Partner shall accept no liability in respect of third parties.

### **Valuation fee**

The fee of the valuer's services is independent of the valuation results. The rate is based upon the numbers of the valuations performed and the letttable area of the property.

Zurich, 28 March 2018  
Wüest Partner AG



Matthias Weber  
Director



Marcel Scherrer  
Partner

Three of the 45 properties of AEVIS's real estate segment are not covered by the above report by Wüest Partner. Two represent development properties and hence follow different valuation metrics, one is a condominium ownership valued at acquisition value.



ANTOINE HUBERT  
Delegate of the Board

CHRISTIAN WENGER  
Chairman

ANTOINE KOHLER  
Member

RAYMOND LORETAN  
Vice-chairman

CÉDRIC A. GEORGE  
Member

MICHEL REYBIER  
Member

From left to right

# Corporate Governance report of AEVIS VICTORIA SA

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

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

The complete Articles of Association of AEVIS VICTORIA SA can be consulted under the following link: [www.aevis.com/aevis/pdf/171204\\_Statuts\\_AEVIS.pdf](http://www.aevis.com/aevis/pdf/171204_Statuts_AEVIS.pdf).

## 1. Group structure and shareholders

### 1.1. Group structure

#### 1.1.1. Operational group structure

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

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

AEVIS VICTORIA SA, the Group’s parent company (hereinafter “the Company”), is a listed corporation headquartered rue Georges-Jordil 4 at 1700 Fribourg, Switzerland. The company’s shares are listed on the Swiss Reporting Standard of SIX Swiss Exchange (ISIN CH0012488190). As at 31.12.2017, its market capitalisation stood at CHF 898 million.

On 31.12.2017, the Company held 1.6% of BioTelemetry, Inc., a corporation headquartered 1000 Cedar Hollow Road at 19355 Malvern, Pennsylvania, which shares are listed on the NASDAQ Stock Market (BEAT). As at 31.12.2017, its market capitalisation stood at USD 969 million.



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

As at 31.12.2017, 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	100'000	100.0
Victoria-Jungfrau Collection AG	Interlaken (BE)	Holding company	200'000	100.0
Swiss Healthcare Properties SA	Fribourg (FR)	Healthcare real estate	10'000'000	100.0
Swiss Hospitality Properties AG	Interlaken (BE)	Hospitality real estate	200'000	100.0
Patrimonium Healthcare Property Advisors AG	Baar (ZG)	Real estate management	100'000	50.0
Swiss Ambulance Rescue Genève SA	Geneva (GE)	Ambulance services	500'000	100.0
Swiss Medical Transport AG	Baar (ZG)	Ambulance services	100'000	40.0
Medgate Integrated Care Holding AG	Zug (ZG)	Holding company	2'001'700	40.0
Medgate Holding AG	Zug (ZG)	Holding company	2'819'020	40.0
NESCENS SA	Genolier (VD)	Better aging	300'000	36.2
Laboratoires Genolier SA	Genolier (VD)	Cosmetics	866'700	84.0
Swiss Stem Cell Science SA	Fribourg (FR)	Stem Cells	100'000	100.0
Société Clinique Spontini SAS	Paris (France)	Aesthetic hospital	2'000'000 EUR	100.0
Publications de l'économie et de la finance AEF SA	Lausanne (VD)	Publishing	665'000	49.0
Agefi Com SA	Geneva (GE)	Publishing	200'000	49.0
Academy & Finances SA	Geneva (GE)	Organisation of seminars	250'000	22.5
Publications Financières LSI SA	Geneva (GE)	Publishing (dormant)	100'000	100.0

More information can be found in note 32 (List of group companies) from the Swiss GAAP FER consolidated financial statements.

### 1.2. Significant shareholders

According to the information received by the Company, the shareholders holding directly or indirectly 3% or more of the share capital are:

NAME	31.12.2017 NUMBER OF SHARES	31.12.2017 %	31.12.2016 NUMBER OF SHARES	31.12.2016 %
Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA*	12'129'923	77.67	11'726'172	77.49
Kuwait Investment Office as agent for the Government of the State of Kuwait	533'312	3.41	533'312	3.52

\* Antoine Hubert and Géraldine Reynard-Hubert hold indirectly 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 holds indirectly 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.

During 2017, the Company published on the reporting and publication platform of the Disclosure Office of SIX Swiss Exchange a disclosure notification pertaining to the holding of Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA, which reported a change in the information subject to the obligation to notify.



### 1.3. Cross-shareholdings

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

## 2. Capital structure

### 2.1. Capital

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

31.12.2017	NUMBER OF SHARES	NOMINAL VALUE PER SHARE (IN CHF)	TOTAL CAPITAL (IN CHF)
Share capital	15'618'207	5	78'091'035
Conditional capital	6'117'000	5	30'585'000
Authorised capital	7'560'000	5	37'800'000

### 2.2. Authorised and conditional capital in particular

#### *Authorised capital (article 10 of the Articles of Association)*

The Board of Directors is authorised to increase the share capital of a maximum of CHF 37'800'000 through the issuance of a maximum of 7'560'000 fully paid-up registered shares with a nominal value of CHF 5 each until 12.06.2019. The issue price, type of payment, timing, the beginning date for dividend entitlement and the conditions for the exercise of subscription rights attached to such shares would have to be determined by the Board of Directors. Preferred subscription rights which have been granted but not exercised are at the disposal of the Board of Directors, which can use them in the interest of the Company.

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

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

The share capital may be increased, through the exercise of conversion rights by a maximum of CHF 25'000'000 through the issuance of a maximum of 5'000'000 fully paid-up registered shares with a nominal value of CHF 5 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 5'585'000 divided into a maximum of 1'117'000 fully paid-up registered shares with a nominal value of CHF 5 each. According to article 10ter of the Articles of Association, option rights can be granted to employees, consultants and directors of the Company or its subsidiaries and in accordance with a stock-option plan as defined by the Board of Directors. The preferred subscription rights of shareholders are withdrawn. Shares acquired through exercise of option rights have the same limitations of transferability as described under 2.6 below.

### 2.3. Changes in capital

	NUMBER OF SHARES	SHARE CAPITAL (IN CHF)
Balance at 01.01.2015	14'396'295	71'981'475
Ordinary capital increase (merger by absorption of Victoria-Jungfrau Collection AG)	638'912	3'194'560
Balance at 01.01.2016	15'035'207	75'176'035
Conditional capital increase (executed on 14.03.2017)	97'200	486'000
Balance at 01.01.2017	15'132'407	75'662'035
Conditional capital increase (executed on 04.12.2017)	485'800	2'429'000
Balance at 31.12.2017	15'618'207	78'091'035

On 29.06.2015, the Company registered an ordinary capital increase resulting from the merger by absorption of Victoria-Jungfrau Collection AG. The share capital was increased by CHF 3'194'560, divided into 638'912 new registered shares.

On 14.03.2017, the Company registered a conditional capital increase resulting from the exercise of 97'200 options rights at 31.12.2016. The share capital was increased by CHF 486'000, divided into 97'200 new registered shares.

On 04.12.2017, the Company registered a conditional capital increase resulting from the exercise of 485'800 options rights at 30.06.2017. The share capital was increased by CHF 2'429'000, divided into 485'800 new registered shares.

#### **Material changes since the balance sheet date**

100'000 options rights were exercised at 21.03.2018. The share capital was increased by CHF 500'000 to CHF 78'591'035, divided into 15'718'207 registered shares.

### 2.4. Shares and participation certificates

The Company's capital is composed of registered shares only. At 31.12.2017, the number of fully paid-up registered shares with a nominal value of CHF 5 each was 15'618'207. 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 is 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 31.12.2017, the Company had no convertible bonds outstanding. During 2017, no option rights were granted.

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

# 3. Board of Directors

## 3.1. Members of the Board of Directors

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

As at 31.12.2017, the Board of Directors of the Company was composed of the following members.

	FUNCTION	YEAR OF BIRTH	NATIONALITY
Christian Wenger	Chairman	1964	Swiss
Raymond Loretan	Vice-chairman	1955	Swiss
Antoine Hubert	Delegate of the Board	1966	Swiss
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. With the exception of Michel Reybier, all Non-executive Board Members are independent, were not part of the Company's management and have no important business connections with the Company.

### **3.2. Professional background and other activities and vested interests**

#### **Christian Wenger, Chairman**

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

With a doctor degree in law from the University of Zurich and following post-graduate studies at Duke University Law School in North Carolina, Dr Christian Wenger is partner and Member of the Board of the law firm Wenger & Vieli in Zurich and specialises in commercial and business law with focus on private equity, venture capital and mergers & acquisitions. He serves as Chairman and Board Member of several listed and non-listed companies such as amazinglab AG, Chemolio Holding AG, Hempel Special Metals AG, Trisport AG, Trüb Trading (International) AG, UCC Holding AG, UCC Immobilien AG and Xeltis AG. He is Chairman of the Blue Lion Stiftung, Member of the Zoo Stiftung Zurich and Member of the UZH Foundation. Furthermore, he is a member of the Swiss-American Chamber of Commerce. In 2003, he founded Swiss Startup Invest (formerly CTI Invest), the largest investor platform for growth companies in Switzerland, which he has chaired since its establishment. In 2011, he launched the Blue Lion incubator for start-ups in the ICT and 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 further 17 companies, universities and corporations with the aim of positioning Switzerland as a leading technology nation across Europe. He leads and presides over the Executive Committee of this Association. In spring of 2017, Christian Wenger was elected to the Board of Trustees of the UZH Foundation of the University of Zurich.

Dr Christian Wenger represents the shareholdings of CHH FINANCIERE SA.

#### **Raymond Loretan, Vice-chairman**

Member of the Strategy and Investment Committee

Raymond Loretan holds a law degree from the University of Fribourg and a diploma in European Organisations from the University of Strasbourg. Before joining the Group in January 2007, Raymond Loretan held several positions within and outside the Swiss administration for more than 20 years, serving as diplomatic Assistant to the Secretary of State at the Federal Department of Foreign Affairs (1984–1987), personal adviser to Federal Councillor Arnold Koller (1987–1990), Counsellor for European Affairs of the Canton of Valais (1991–1992) and Secretary general of the Swiss Christian Democratic Party (1993–1997). In 1997, Raymond Loretan was appointed by the Swiss government as Swiss Ambassador to the Republic of Singapore and to the Sultanate of Brunei Darussalam and in 2002 as Consul General of Switzerland in New York with ambassadorial ranking. From 2012 to 2015, he was Chairman of the Swiss Public Broadcasting Corporation.

Within the Group, Raymond Loretan is executive Chairman of the Board of Directors of Swiss Medical Network SA. He is Chairman of Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Générale-Beaulieu Immobilière SA, Centre Médico-Chirurgical des Eaux-Vives SA and Nescens Genolier SA. He is Vice-chairman of the Board of Directors of Clinique Générale Ste-Anne SA, GSMN Ticino SA, Privatklinik Obach AG, Clinique Médico-Chirurgicale de Valère SA, Klinik Villa im Park AG and Schmerzklinik Basel AG. Raymond Loretan is also Board Member of GSMN Suisse SA, GSMN Neuchâtel SA, Klinik Pyramide am See AG and Victoria-Jungfrau Collection AG. Raymond Loretan is Chairman of the Fondation de Prévoyance Swiss Medical Network and the Genolier Foundation for medical solidarity.

In addition, he is founding associate of the consultancy practice FBL associés in Geneva, Chairman of the Board of Directors of Société Suisse des Explosifs SA and Nouvelle Agence Economique et Financière SA, Vice-chairman of the Cave “Vins des Chevaliers” and Member of the Board of the Center for Humanitarian Dialogue. Raymond Loretan is Chairman of The Swiss Leading Hospitals.

#### **Antoine Hubert, Delegate of the Board**

Member of the Strategy and Investment Committee

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

Within the Group, Antoine Hubert is Delegate of the Board of Swiss Medical Network SA and Chairman of the Board of Swiss Healthcare Properties SA, Swiss Hospitality Properties SA, CACM hôtels SA and Société Clinique Spontini SAS. He is Vice-chairman of the Board of Directors of Centre Médico-Chirurgical des Eaux-Vives SA and Nescens Genolier SA. He is Board Member of GSMN Suisse SA, Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Clinique Générale Ste-Anne SA, Privatklinik Obach AG, GSMN Ticino SA, GSMN Neuchâtel SA, Clinique Médico-Chirurgicale de Valère SA, Klinik Villa im Park AG, Schmerzklinik Basel AG, Genolier Swiss Visio Network SA, Victoria-Jungfrau Collection AG, VJC-Management AG, Grand Hotel Victoria-Jungfrau AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG, Générale-Beaulieu Immobilière SA, Medgate Holding AG, Medgate Integrated Care Holding AG, NESSENS SA, Laboratoires Genolier SA, Swiss Stem Cell Science SA, Patrimonium Healthcare Property Advisors AG, iKentoo SA and Publications de l'économie et de la finance AEF SA. Antoine Hubert is Member of the Fondation de Prévoyance Swiss Medical Network and the Genolier Foundation for medical solidarity.

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



**Michel Reybier, Non-Executive Member**

Chairman of the Strategy and Investment Committee

Member of the Audit and Compliance Committee

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

Within the Group, Michel Reybier is Vice-chairman of the Board of Directors of Victoria-Jungfrau Collection AG and Board Member of Swiss Medical Network SA, Swiss Healthcare Properties SA, Swiss Hospitality Properties SA, Nescens Genolier SA, NESSENS SA, Swiss Stem Cell Science SA, Patrimonium Healthcare Property Advisors AG, VJC-Management AG, Grand Hotel Victoria-Jungfrau AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG and CACM hôtels SA.

In addition, Michel Reybier is Board Member of Seiler Hotels Zermatt AG.

**Antoine Kohler, Non-Executive Member**

Chairman of the Audit and Compliance Committee

Member of the Nomination and Compensation 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 Collection AG, Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Générale-Beaulieu Immobilière SA, Centre Médico-Chirurgical des Eaux-Vives SA, CACM hôtels and Nescens Genolier SA.

In addition, Antoine Kohler is, amongst others, Chairman of Airopack Technology Group AG (Baar), Board Member of Sixt rent-a-car AG (Basel) and Deputy Chairman of Mitsubishi UFJ Wealth Management Bank (Switzerland) Ltd.

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

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

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

### 3.3. Number of permitted activities

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

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

### 3.4. Elections and terms of office

The Board of Directors consists of three or more Members. The Chairman and the Board Members are elected individually by the Annual General Meeting for a period of one year until completion of the next Annual General Meeting. Re-election of the Chairman and the Board Members is permitted. If the office of the Chairman becomes vacant, the Board of Directors appoints a Chairman for the remaining term of office. The Board of Directors elects one Vice-chairman and the members of the committees other than the Nomination and Compensation Committee. The Board of Directors currently has six members. In 2017, the Annual General Meeting confirmed Christian Wenger as the Chairman of the Board of Directors. The Board of Directors appointed Raymond Loretan as Vice-chairman.

MEMBER	ELECTION	EXPIRES
Christian Wenger	July 2012	2018
Raymond Loretan*	November 2006	2018
Antoine Hubert*	June 2009	2018
Michel Reybier	June 2011	2018
Antoine Kohler*	June 2008	2018
Cédric A. George	September 2010	2018

\* Raymond Loretan, Antoine Hubert and Antoine Kohler were not member of the Board between 09.06.2010 and 06.09.2010.

### ***Nomination and Compensation Committee***

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

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

<b>MEMBER</b>	<b>ELECTION</b>	<b>EXPIRES</b>
Cédric A. George	June 2015	2018
Antoine Kohler	June 2015	2018

### ***Audit and Compliance Committee***

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

### ***Strategy and Investment Committee***

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

### ***Independent Proxy***

The independent proxy is elected by the Annual General Meeting for a period of one year until completion of the next Annual General Meeting. Re-election of the independent proxy is permitted. If the function of independent proxy is vacant, the Board of Directors appoints the independent proxy for the next Annual General Meeting.

### 3.5. Internal organisation structure

#### 3.5.1. Allocation of tasks within the Board of Directors

	AUDIT AND COMPLIANCE COMMITTEE	NOMINATION AND COMPENSATION COMMITTEE	STRATEGY AND INVESTMENT COMMITTEE
Christian Wenger	Member		Member
Raymond Loretan			Member
Antoine Hubert			Member
Michel Reybier	Member		Chairman
Antoine Kohler	Chairman	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.

In 2017, 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 2017, the Audit and Compliance Committee met twice, of which once by the means of telephone conferencing. 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 2017, the Strategy and Investment Committee met once.

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

According to its organisational rules, the Board of Directors of the Company meets at least four times a year. Extraordinary meetings, either formal or by means of telephone conferencing, may take place in the course of the year. In 2017, the Board of Directors met four times and two times by means of telephone conferencing.

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



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

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

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

### **3.6. Definition of areas of responsibility**

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

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

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

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

### **3.7. Information and control instruments with regard to the Senior Management**

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

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

The company has implemented an Internal Control System (ICS), which is coordinated by the ICS Manager on group level and 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 31.12.2017, the Senior Management of the Company was composed of the following persons:

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

### 4.2. Other activities and vested interests

Antoine Hubert

See Section 3.2.

Gilles Frachon

Chief Financial Officer

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

Gilles Frachon graduated from the EM Lyon business school and was a Professor in Finance & Controlling at this business school from 1976 till 1980. Within the Group, Gilles Frachon is Board Member of Clinique Générale Ste-Anne SA, GSMN Ticino SA, Swiss Healthcare Properties SA, Swiss Hospitality Properties SA and Société Clinique Spontini SAS (France).

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

### 4.3. Number of permitted activities

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

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

#### **4.4. Management contracts**

The Company has signed no management contracts with third parties.

### **5. Compensation, shareholdings and loans**

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

### **6. Shareholders' participation**

#### **6.1 Voting rights and representation restrictions**

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

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

No exceptions on voting right restrictions were granted in the year under review. The Board of Directors specifies the process and conditions for issuing authorisations and instructions to the independent proxy. Shareholders may issue voting instructions both for proposals relating to agenda items set out in the invitation to the Annual General Meeting and for undisclosed new proposals. In particular, general instructions to vote in favour of the Board of Directors on proposals that are set out in the invitation or have not yet been disclosed are considered to be valid instructions on the exercise of voting rights. Shareholders have the option to receive their documents for the Annual General Meeting or issue proxies and instructions to the independent proxy electronically via the "Sherpany" online platform.

#### **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 Annual 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.

(<http://www.aevis.com/websites/aevis/English/2200/financial-reports.html>)

#### **6.4. Inclusion of items on the agenda**

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

#### **6.5. Entries in the share register**

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

## **7. Changes of control and defense measures**

#### **7.1. Duty to make an offer**

The Company does not have a provision on opting out or opting up in the Articles of Association. Thus, according to article 9 of the Articles of Association, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover set out in article 32 of the Stock Exchange Act (SESTA) are applicable.

#### **7.2. Clauses on changes of control**

There are no such clauses.



## **8. Auditing body**

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

Berney & Associés SA Société Fiduciaire, 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.

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 SA Société Fiduciaire for the Group amounted to CHF 455'000 for the business year 2017.

### **8.3. Additional fees**

During 2017, Berney & Associés SA Société Fiduciaire charged additional fees of CHF 22'086 for the delivery of certifications and attestations.

### **8.4. Informational instruments pertaining to an external audit**

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

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

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

During 2017, 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](http://www.aevis.com)), the press releases, the presentation of the financial statements for media and financial analysts as well as the Annual General Meeting. Shareholders are in addition informed on important matters by letter.

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

([www.aevis.com/websites/aevis/French/4200/abonnement-news-alert.html](http://www.aevis.com/websites/aevis/French/4200/abonnement-news-alert.html))

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 of shareholders for the 2017 fiscal year will take place in Interlaken on Tuesday 24.05.2018. A full corporate calendar is available on the company's website.

(<http://www.aevis.com/websites/aevis/French/3600/calendrier-financier.html>)

### Contact

Séverine Van der Schueren  
Chief Administrative Officer  
Tel. +41 26 350 02 02  
[investor.relations@aevis.com](mailto:investor.relations@aevis.com)



# Remuneration Report

# Remuneration Report 2017

The AEVIS VICTORIA Remuneration Report has been prepared in compliance with the requirements of the Ordinance against Excessive Compensation (OaEC) and will be submitted to the advisory vote of the shareholders at the Annual General Meeting of 2018. Article 23 ter to quinquies of the Articles of Association relate to the remuneration of Board Members and Senior Management.

## 1. Governance

The Board of Directors has the overall responsibility of defining the compensation principles used within the Group, based on a proposal of the Nomination and Compensation Committee. The Board of Directors deals with compensation matters once a year, without consulting external advisors.

The Board of Directors approves the compensation of its Chairman, its Members and the Senior Management. The compensation of Board Members and Senior Management is subject to approval by the Annual General Meeting.

The Nomination and Compensation Committee is chaired by an independent and Non-executive Board Member and is composed of at least two independent Board Members. The Nomination and Compensation Committee Members are elected individually by the Annual General Meeting for a term of office until completion of the next Annual General Meeting. Members of the Nomination and Compensation Committee whose term of office has expired are immediately eligible for re-election.

On 31.12.2017, the Nomination and Compensation Committee was composed of Cédric George (Chairman) and Antoine Kohler. The Nomination and Compensation Committee assists the Board of Directors in the establishment and the periodic revision of the compensation strategy and directives. The Committee prepares the proposals of the Board of Directors to the Annual General Meeting regarding the compensation of the Board Members and the Senior Management. It determines the principles for remuneration of the Board Members and the Senior Management and submits them to the Board of Directors for approval. It oversees and discusses the overall remuneration policy and the remuneration principles of the company and the Group and keeps the Board updated. The Committee determines the employee participation schemes, including an allocation of shares, share options or other financial instruments to the Board Members, the Senior Management and other beneficiaries and submits them to the Board for approval.

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

The Board of Directors may assign additional tasks to the Nomination and Compensation Committee.

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

## 2. Board of Directors

### 2.1. Principles of compensation

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

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

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

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

### 2.2. Compensation in 2017

(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	75.0	25.0	2.9	100.0	2.7
Raymond Loretan	Vice-chairman	-	-	-	-	-	-
Antoine Hubert	Delegate of the Board	-	-	-	-	-	-
Cédric A. George	Member	59.0	29.5	29.5	4.2	68.0	8.7
Antoine Kohler	Member	99.0	74.2	24.8	12.8	93.0	11.2
Michel Reybier	Member	50.0	25.0	25.0	3.3	50.0	3.1
<b>Total</b>		<b>308.0</b>			<b>23.2</b>	<b>311.0</b>	<b>25.7</b>

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:

<b>(In thousands of CHF)</b>	<b>2017</b>	<b>2016</b>
Annual base salary	389.1	387.4
Variable cash compensation	187.4	139.9
Stock Options*	–	119.2
Social insurance and pension contributions	136.2	123.7
<b>Total</b>	<b>712.7</b>	<b>770.2</b>

\* Valued using the Black-Scholes model

### 2.3. Shareholding in 2017

<b>NAME</b>	<b>POSITION</b>	<b>2017 NUMBER OF SHARES HELD*</b>	<b>2017 NUMBER OF OPTIONS HELD</b>	<b>2016 NUMBER OF SHARES HELD*</b>	<b>2016 NUMBER OF OPTIONS HELD</b>
Christian Wenger**	Chairman	406'875	–	406'446	–
Raymond Loretan	Vice-chairman	29'620	40'000	49'050	40'000
Antoine Hubert and Michel Reybier***	Delegate and Member of the Board	12'129'923	250'000****	11'726'172	615'800****
Cédric A. George	Member	16'972	–	16'466	–
Antoine Kohler	Member	4'352	–	3'928	–

\* Including the blocked shares received as Board Member compensation

\*\* Representing the shareholding of CHH Financière S.A. – SPF

\*\*\* Antoine Hubert and Géraldine Reynard-Hubert hold indirectly AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments S.A. 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 holds indirectly 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.

\*\*\*\* Attributed to Antoine Hubert (HR Finance & Participations SA).

#### **Material changes since the balance sheet date**

100'000 options were exercised on 21.03.2018 and 150'000 options acquired on 14.02.2018. As at the publication date of this Annual Report, the total number of options held by Antoine Hubert (HR Finance & Participations SA) amounts to 300'000.

### 2.4. Other audited information regarding the Board of Directors

#### 2.4.1. Loans

As at 31.12.2017, the current accounts of companies which are controlled by Board members and related parties amounted to CHF 15'864'425 million (2016: CHF 17'825'513), i.e. CHF 507'910 (2016: CHF 2'920'154) for M.R.S.I. Medical Research, Services and Investments SA, CHF 6'059'096 (2016: CHF 5'878'622) for EMER Holding SA, CHF 7'784'746 (2016: CHF 7'552'873) for HR Finance & Participations SA and CHF 1'512'673 (2016: CHF 1'473'864) for GCC Global Consulting et Communication S.à r.l. During the fiscal year, a reimbursement of CHF 2'500'000 has been made. Interests at a rate of 3.07% have been accrued. As at 31.12.2017 Antoine Hubert had a current account with a subsidiary company of CHF 3'120'021 (2016: CHF 2'619'600). See also Note 12 Other Receivables from the Swiss GAAP FER consolidated financial statements. Loans to Board Members can be granted at market conditions and cannot exceed CHF 20 million in total.



#### **2.4.2. Additional fees**

There were no additional fees or remuneration paid by the Company or any of its group companies to Board Members in 2017, with the exception of Antoine Hubert and Raymond Loretan, who are employed by a group company.

#### **2.4.3. Compensation and loans for former Board Members**

There is no compensation conferred during 2017 neither loan outstanding to former Board Members.

### **3. Senior Management**

#### **3.1. Principles of compensation**

According to article 23 quinquies of the Articles of Association, the compensation of Senior Management is based on fixed and/or variable elements. Total compensation takes into account the position and level of responsibility of the beneficiary and their achievement of objectives. The fixed compensation includes the base salary and can include other elements of remuneration. The variable remuneration is linked to performance measures (business success, turnover and revenue goals and personal objectives) and to the level of responsibility of the beneficiary. In 2017, the Senior Management received variable compensation of 155.1% in relation to the fixed compensation. The Board of Directors or, if this competence has been delegated, the Nomination and Compensation Committee, determines the performance measures and the target levels of the elements of variable remuneration, as well as their fulfilment. The Compensation can be paid in cash, in shares and/or other types of benefits. It can also be paid in the form of financial instruments or share-based units. The Board of Directors or, if this competence has been delegated, the Nomination and Compensation Committee, determines the grant conditions, the vesting conditions and the revoking of rights. Remuneration can be paid by the company or companies controlled by it. The variable compensation is always paid in the following year, after the publication of the full year results.

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

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

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

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

### 3.2. Compensation in 2017

The total remuneration of the Senior Management (including social insurance and pension contributions) amounts to CHF 1.1 million (2016: CHF 1.4 million). No stock options were granted to the Senior Management in 2017 (2016: 150'000).

The highest compensation in 2017 was conferred to Antoine Hubert, Delegate of the Board.

(In thousands of CHF)	2017 HIGHEST COMPENSA- TION	2017 OTHER MEMBERS	2017 TOTAL SENIOR MANAGE- MENT	2016 HIGHEST COMPENSA- TION	2016 OTHER MEMBERS	2016 TOTAL SEN- IOR MAN- AGEMENT
Annual base salary	398.9	-	398.9	397.2	-	397.2
Variable cash compensation	618.8	-	618.8	422.7	-	422.7
Stock options*	-	-	-	447.0	29.8	476.8
Social insurance and pension contributions	221.6	-	221.6	112.9	-	112.9
<b>Total</b>	<b>1'239.3</b>	<b>-</b>	<b>1'239.3</b>	<b>1'379.8</b>	<b>29.8</b>	<b>1'409.6</b>

\* Black-Scholes model

### 3.3. Shareholding in 2017

NAME	POSITION	2017 NUMBER OF SHARES HELD	2017 NUMBER OF OPTIONS HELD	2016 NUMBER OF SHARES HELD	2016 NUMBER OF OPTIONS HELD
Antoine Hubert	Delegate of the Board	3'311'667*	250'000*	2'986'583*	307'900*
Gilles Frachon	CFO	31'350	10'000	31'350	10'000

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

#### *Material changes since the balance sheet date*

100'000 options were exercised on 21.03.2018 and 150'000 options acquired on 14.02.2018. As at the publication date of this Annual Report, the total number of options held by Antoine Hubert (HR Finance & Participations SA) amounts to 300'000.

### 3.4. Share-based payment plans

In 2012, a stock option plan 12-A in favour of management, employees and consultants was implemented. 630'500 options were granted, each giving rights to subscribe for one share at a unit price of CHF 28. In case of resignation, non-vested options are forfeited.

In 2014, a stock option plan 14-A in favour of the Delegate of the Board was implemented. 100'000 options were granted, each giving rights to subscribe for one share at a unit price of CHF 34.

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

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
12-A	Group Senior Management, Group Management and Consultants December 2012	630'500 CHF 28	Service condition	As of grant	30.06.2017
14-A	Delegate of the Board February 2014	100'000 CHF 34	Service condition	As of grant	30.03.2018
16-A	Group Senior Management, Group Management and Consultants April 2016	412'500 CHF 38	Service condition	As of grant	31.12.2019

The movements of share-based plans during 2016 and 2017 are the following:

	PLAN 12-A	PLAN 14-A	PLAN 16-A
Outstanding options at 01.01.2016	598'000	100'000	-
Expired during the year	-	-	-
Exercised during the year	107'200	-	2'500
Granted during the year	-	-	412'500
Forfeited options during the year	5'000	-	-
<b>Outstanding options at 31.12.2016</b>	<b>485'800</b>	<b>100'000</b>	<b>410'000</b>
Expired during the year	-	-	-
Exercised during the year	485'800	-	-
Granted during the year	-	-	-
Forfeited options during the year	-	-	-
<b>Outstanding options at 31.12.2017</b>	<b>-</b>	<b>100'000</b>	<b>410'000</b>

**Material changes since the balance sheet date**

100'000 options rights of the Stock Option Plan 14-A were exercised on 21.03.2018.

### **3.5. Other audited information regarding the Senior Management**

#### **3.5.1. Loans**

As at 31.12.2017, the current accounts of companies which are controlled by Board members and related parties amounted to CHF 15'864'425 million (2016: CHF 17'825'513), i.e. CHF 507'910 (2016: CHF 2'920'154) for M.R.S.I. Medical Research, Services and Investments SA, CHF 6'059'096 (2016: CHF 5'878'622) for EMER Holding SA, CHF 7'784'746 (2016: CHF 7'552'873) for HR Finance & Participations SA and CHF 1'512'673 (2016: CHF 1'473'864) for GCC Global Consulting et Communication S.à r.l. During the fiscal year, a reimbursement of CHF 2'500'000 has been made. Interests at a rate of 3.07% have been accrued. As at 31.12.2017 Antoine Hubert had a current account with a subsidiary company of CHF 3'120'021 (2016: CHF 2'619'600). 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.

#### **3.5.2. Additional fees**

During 2017, CHF 45'000 was paid to Gilles Frachon for his terms as Board Member of GSMN Ticino SA and Clinique Générale Ste-Anne SA (2016: CHF 45'000).

During 2017, GCC Global Consulting et Communication S.à r.l., a company related to Antoine Hubert, has perceived honoraria of CHF 233'430 (2016: CHF 233'430) from Patrimonium Healthcare Property Advisors AG, a company owned for 50% by the Company.

During 2017, HMC GESTION SA, a company related to Michel Reybier, has received honoraria of CHF 722'825 (2016: CHF 960'000) from Victoria-Jungfrau Collection, which is fully-owned by the Company.

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

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

There is no compensation conferred during 2017 neither loan outstanding to former members of the Senior Management.

## Report of the Statutory Auditor to the General Meeting of AEVIS VICTORIA SA, Fribourg

Geneva, March 29, 2018

We have audited the remuneration report of AEVIS VICTORIA SA for the year ended December 31, 2017. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the sections 2.2 to 2.4 and sections 3.2 to 3.5 of the remuneration report.

### **Board of Directors' responsibility**

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### **Auditor's responsibility**

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

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

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

**Opinion**

In our opinion, the remuneration report for the year ended December 31, 2017 of AEVIS VICTORIA SA complies with Swiss law and articles 14–16 of the Ordinance.

BERNEY & ASSOCIES SA  
Société Fiduciaire



Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge



Frédéric BERNEY  
Licensed Audit Expert





# Consolidated financial statements

# Consolidated Income Statement

(In thousands of CHF)	NOTES	2017	2016
Revenue from operations		652'076	584'453
Other revenue		10'993	8'142
<b>Total revenue</b>		<b>663'069</b>	<b>592'595</b>
External services		(80'575)	(75'489)
<b>Net revenue</b>		<b>582'494</b>	<b>517'106</b>
Production expenses		(130'668)	(115'383)
Personnel expenses	5	(268'468)	(236'985)
Other operating expenses	6	(90'292)	(77'597)
<b>EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)</b>		<b>93'066</b>	<b>87'141</b>
Rental expenses		(13'660)	(12'536)
<b>EBITDA</b>		<b>79'406</b>	<b>74'605</b>
Depreciation on tangible assets	14	(41'186)	(38'110)
Amortisation on intangible assets	15	(6'960)	(5'047)
Extraordinary depreciation on tangible assets	14	(4'984)	-
<b>EBIT</b>		<b>26'276</b>	<b>31'448</b>
Financial result	7	(17'299)	(24'969)
Share of profit / (loss) of associates		(1'042)	(1'784)
<b>Ordinary result</b>		<b>7'935</b>	<b>4'695</b>
Extraordinary result	8	-	(96)
<b>Profit before taxes</b>		<b>7'935</b>	<b>4'599</b>
Income taxes	9	(6'803)	(1'907)
<b>Profit for the period</b>		<b>1'132</b>	<b>2'692</b>
- Thereof attributable to shareholders of AEVIS VICTORIA SA		(932)	2'309
- Thereof attributable to minority interests		2'064	383
Non-diluted earnings per share (in CHF)	10	(0.06)	0.15
Diluted earnings per share (in CHF)	10	(0.06)	0.14

# Consolidated Balance Sheet

(In thousands of CHF)	NOTES	31.12.2017	31.12.2016
<b>Assets</b>			
Cash and cash equivalents		18'187	15'207
Marketable securities		15'115	9'829
Trade receivables	11	115'895	113'381
Other receivables	12	36'341	40'147
Inventories	13	20'444	19'201
Accrued income and prepaid expenses		32'325	35'108
<b>Total current assets</b>		<b>238'307</b>	<b>232'873</b>
<b>Non-current assets</b>			
Tangible assets	14	1'407'260	1'377'935
Intangible assets	15	44'384	40'249
Financial assets	16	60'689	68'704
<b>Total non-current assets</b>		<b>1'512'333</b>	<b>1'486'888</b>
<b>Total assets</b>		<b>1'750'640</b>	<b>1'719'761</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade payables	17	104'783	92'371
Other current liabilities	18	19'844	19'398
Short-term financial liabilities	19	119'778	23'172
Other short-term borrowings		800	800
Accrued expenses and deferred income	20	42'625	43'662
Short-term provisions	21	90	282
<b>Total current liabilities</b>		<b>287'920</b>	<b>179'685</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities	19	914'303	993'125
Other long-term borrowings		18'960	16'270
Other non-current liabilities	18	9'426	13'919
Long-term provisions	21	136'837	135'262
<b>Total non-current liabilities</b>		<b>1'079'526</b>	<b>1'158'576</b>
<b>Total liabilities</b>		<b>1'367'446</b>	<b>1'338'261</b>
<b>Equity</b>			
Share capital	22	78'091	75'662
Capital reserves		249'245	245'945
Treasury shares	22.1	(8'139)	(5'630)
Offset goodwill		(30'689)	(30'370)
Currency translation differences		(609)	(1'077)
Retained earnings		25'239	26'198
<b>Shareholders' equity excl. minority interests</b>		<b>313'138</b>	<b>310'728</b>
Minority interests		70'056	70'772
<b>Shareholders' equity incl. minority interests</b>		<b>383'194</b>	<b>381'500</b>
<b>Total liabilities and equity</b>		<b>1'750'640</b>	<b>1'719'761</b>

## 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
<b>Balance at 1 January 2016</b>	<b>75'176</b>	<b>251'075</b>	<b>(1'075)</b>	<b>(47'480)</b>	<b>(990)</b>	<b>24'021</b>	<b>300'727</b>	<b>(176)</b>	<b>300'551</b>
Profit for the period	-	-	-	-	-	2'309	2'309	383	2'692
Capital contribution distribution	-	(8'103)	-	-	-	-	(8'103)	-	(8'103)
Capital increase	486	2'236	-	-	-	-	2'722	-	2'722
Acquisition of subsidiaries	-	-	-	17'110	-	-	17'110	70'497	87'607
Purchase of minority interests	-	-	-	-	-	(132)	(132)	68	(64)
Purchase of treasury shares	-	-	(21'916)	-	-	-	(21'916)	-	(21'916)
Sale of treasury shares	-	189	17'361	-	-	-	17'550	-	17'550
Share-based payments	-	548	-	-	-	-	548	-	548
Currency translation differences	-	-	-	-	(87)	-	(87)	-	(87)
<b>Balance at 31 December 2016</b>	<b>75'662</b>	<b>245'945</b>	<b>(5'630)</b>	<b>(30'370)</b>	<b>(1'077)</b>	<b>26'198</b>	<b>310'728</b>	<b>70'772</b>	<b>381'500</b>
Profit for the period	-	-	-	-	-	(932)	(932)	2'064	1'132
Capital contribution distribution	-	(8'333)	-	-	-	-	(8'333)	(147)	(8'480)
Capital increase	2'429	10'994	-	-	-	-	13'423	-	13'423
Acquisition of subsidiaries	-	-	-	(319)	-	-	(319)	-	(319)
Purchase of minority interests	-	-	-	-	-	(27)	(27)	(2'633)	(2'660)
Purchase of treasury shares	-	-	(4'112)	-	-	-	(4'112)	-	(4'112)
Sale of treasury shares	-	207	1'603	-	-	-	1'810	-	1'810
Share-based payments	-	432	-	-	-	-	432	-	432
Currency translation differences	-	-	-	-	468	-	468	-	468
<b>Balance at 31 December 2017</b>	<b>78'091</b>	<b>249'245</b>	<b>(8'139)</b>	<b>(30'689)</b>	<b>(609)</b>	<b>25'239</b>	<b>313'138</b>	<b>70'056</b>	<b>383'194</b>

## Consolidated Cash Flow Statement

(In thousands of CHF)	2017	2016
Profit for the period	1'132	2'692
Changes in provisions (incl. deferred taxes)	1'359	(1'483)
Depreciation and amortisation	48'146	43'157
Impairments	4'984	-
(Gain)/loss from sale of fixed assets	11	13
(Gain)/loss from sale of subsidiaries	-	(4)
Fair value (gains)/losses on marketable securities	902	(17)
(Gain)/loss from sale of financial assets and marketable securities	(10'352)	-
Share of (profit)/loss from associates	1'042	1'793
Dividends received from associates	-	244
Share-based payments	432	548
Change in contribution reserve and other non-cash items	(710)	23
<b>Cash flow from operating activities before changes in working capital</b>	<b>46'946</b>	<b>46'966</b>
Change in trade receivables	(2'514)	13'112
Change in inventories	(1'524)	1'358
Change in other receivables and prepaid expenses	6'688	(4'346)
Change in trade payables	12'386	(98)
Change in other liabilities and accrued expenses	(1'888)	(1'392)
<b>Cash flow from operating activities</b>	<b>60'094</b>	<b>55'600</b>
Purchase of tangible assets	(55'227)	(45'925)
Proceeds from disposal of tangible assets	149	427
Purchase of intangible assets	(11'882)	(8'419)
Acquisition of subsidiaries, net of cash acquired	(312)	(126'525)
Divestment of subsidiaries, net of cash disposed	-	3
Investments in financial assets and marketable securities	(19'201)	(47'277)
Divestments of financial assets and marketable securities	29'448	2'934
<b>Cash flow from investing activities</b>	<b>(57'025)</b>	<b>(224'782)</b>
Distribution to shareholders	(8'333)	(8'103)
Dividends paid to minority interests	(147)	-
Proceeds from issuance of share capital, net of costs	13'423	2'722
Proceeds from issuance of bond	-	295'000
Repayment of bond	-	(80'000)
Sale/(purchase) of treasury shares	(2'302)	(11'365)
Change in minority interests	(2'660)	(64)
Change in short-term financial liabilities	(3'445)	1'915
Change in long-term financial liabilities	3'068	(28'888)
Change in other long-term liabilities and borrowings	283	109
<b>Cash flow from financing activities</b>	<b>(113)</b>	<b>171'326</b>
Currency translation effect on cash and cash equivalents	24	(5)
<b>Change in cash and cash equivalents</b>	<b>2'980</b>	<b>2'139</b>
Cash and cash equivalents at beginning of the period	15'207	13'068
<b>Cash and cash equivalents at the end of the period</b>	<b>18'187</b>	<b>15'207</b>



# Notes to the Consolidated Financial Statements

## 1. General information

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

## 2. Basis of preparation

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

The consolidated financial statements were authorised for issue by the Board of Directors on 27 March 2018. Final approval is subject to acceptance by the Annual General Meeting of Shareholders on 24 May 2018.

## 3. Accounting policies

### 3.1 Consolidation

The consolidated financial statements of the Company for the year ended 31 December 2017 comprise the Company and its subsidiaries (“the Group”) and interests in associates.

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

#### 3.1.1 Subsidiaries

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

### **3.1.2. Joint ventures**

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

### **3.1.3. Associates**

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

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

### **3.1.4. Goodwill accounting**

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

### **3.1.5. Transactions eliminated on consolidation**

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

## **3.2. Foreign currency**

The consolidated financial statements are presented in Swiss francs (CHF). Transactions in foreign currencies are translated to the respective functional currency of Group companies at exchange rates at the dates of the transactions. 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 and the profit resulting from the sale of subsidiaries.

#### **3.3.2. Lease payments**

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

#### **3.3.3. Income taxes**

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

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

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

### **3.4. Balance sheet**

#### **3.4.1. Cash and cash equivalents**

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

#### **3.4.2. Marketable securities**

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

### **3.4.3. Trade and other receivables**

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

### **3.4.4. Inventories**

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

### **3.4.5. Tangible assets**

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

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

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

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

### **3.4.6. Leased assets**

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

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

#### **3.4.7. Intangible assets**

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

#### **3.4.8. Financial assets**

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

#### **3.4.9. Impairment of assets**

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

#### **3.4.10. Trade and other payables**

Trade and other payables are recognised at nominal value.

#### **3.4.11. Financial liabilities and other borrowings**

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

#### **3.4.12. Provisions**

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

#### **3.4.13. Contingent liabilities**

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

#### **3.5. Accounting estimates and assumptions**

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

### 3.5.1. Changes in accounting policies

During 2017, the Group has re-evaluated the useful life of certain tangible assets. Based on the results the Group decided to increase the useful economic life of certain leasehold improvements as well as some assets from the category machinery and equipment.

### 3.6 Changes in scope of consolidation

The following changes to the scope of consolidation took place in 2017:

ENTITY	EVENT / DATE	CAPITAL SHARE 31.12.2017	CAPITAL SHARE 31.12.2016
GENERALE BEAULIEU HOLDING SA	Increase in participation during 2017	69.39%	67.99%
Swiss Ambulance Rescue Genève SA	Increase in participation during 2017	100.00%	93.40%
Swiss Stem Cell Science SA	Increase in participation on 10.03.2017	100.00%	70.00%
Medgate Mini Clinic AG	Established on 16.08.2017	24.00%	–
Swiss Medical Transport AG	Established on 11.12.2017	40.00%	–

GENERALE BEAULIEU HOLDING SA is a holding company with several subsidiaries. All group companies are listed in note 32.



## 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 EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rent). Thus, the financial information for each segment is shown up to EBITDAR. For reconciliation purposes between the consolidated financial statements and the segment information, the key figure EBITDAR is also disclosed in the consolidated income statement of the Group.

2017 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	503'501	63'247	5'426	10'320	-	-	582'494
Net revenue IC	2'555	1'071	52'967	373	1'400	(58'366)	-
<b>Net revenue</b>	<b>506'056</b>	<b>64'318</b>	<b>58'393</b>	<b>10'693</b>	<b>1'400</b>	<b>(58'366)</b>	<b>582'494</b>
Production expenses	(119'754)	(9'399)	-	(1'680)	-	165	(130'668)
Personnel expenses	(221'016)	(32'550)	(563)	(8'836)	(5'503)	-	(268'468)
Other operating expenses	(69'694)	(10'083)	(10'204)	(2'508)	(3'037)	5'234	(90'292)
<b>EBITDAR*</b>	<b>95'592</b>	<b>12'286</b>	<b>47'626</b>	<b>(2'331)</b>	<b>(7'140)</b>	<b>(52'967)</b>	<b>93'066</b>
<i>EBITDAR margin</i>	18.9%	19.1%	81.6%	-	-	-	16.0%

2016 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	443'187	59'888	3'525	10'483	23	-	517'106
Net revenue IC	3'046	782	47'705	285	1'093	(52'911)	-
<b>Net revenue</b>	<b>446'233</b>	<b>60'670</b>	<b>51'230</b>	<b>10'768</b>	<b>1'116</b>	<b>(52'911)</b>	<b>517'106</b>
Production expenses	(105'038)	(8'774)	-	(1'673)	-	102	(115'383)
Personnel expenses	(190'004)	(30'320)	(351)	(10'186)	(6'124)	-	(236'985)
Other operating expenses	(59'243)	(9'380)	(8'454)	(3'002)	(2'621)	5'103	(77'597)
<b>EBITDAR*</b>	<b>91'948</b>	<b>12'196</b>	<b>42'425</b>	<b>(4'093)</b>	<b>(7'629)</b>	<b>(47'706)</b>	<b>87'141</b>
<i>EBITDAR margin</i>	20.6%	20.1%	82.8%	-	-	-	16.9%

\* Earnings before interest, taxes, depreciation, amortisation and rent

## 5. Personnel expenses

(In thousands of CHF)	2017	2016
Salaries and wages	227'821	199'806
Social security expenses	24'111	20'734
Pension expenses	13'525	11'862
Other personnel expenses	3'011	4'583
<b>Total personnel expenses</b>	<b>268'468</b>	<b>236'985</b>
Number of employees		
<b>Full Time Equivalents at year-end</b>	<b>2'887</b>	<b>2'856</b>

The other personnel expenses include expenses for share-based payments at an amount of CHF 0.4 million (2016: 0.5 million). Further information regarding the active share-based payment plans is mentioned under section 3.4 of the Remuneration Report 2017.

## 6. Other operating expenses

(In thousands of CHF)	2017	2016
Administrative expenses	25'270	19'169
Marketing expenses	10'984	11'340
Maintenance expenses	34'554	30'404
Energy expenses	8'165	7'193
Other expenses	11'319	9'491
<b>Other operating expenses</b>	<b>90'292</b>	<b>77'597</b>

## 7. Financial result

(In thousands of CHF)	2017	2016
Interest income	928	841
Fair value gains on marketable securities	162	50
Gain on sale of financial assets and marketable securities	10'401	-
Other financial income	947	455
<b>Total financial income</b>	<b>12'438</b>	<b>1'346</b>
Interest expenses	(26'270)	(24'128)
Fair value losses on marketable securities	(1'064)	(33)
Loss on sale of financial assets and marketable securities	(49)	-
Other financial expenses	(2'354)	(2'154)
<b>Total financial expenses</b>	<b>(29'737)</b>	<b>(26'315)</b>
<b>Financial result</b>	<b>(17'299)</b>	<b>(24'969)</b>

The change compared to prior year mainly results from the gain on the sale of investments in unconsolidated companies (LifeWatch AG, Zug and Linde Holding Biel/Bienne AG, Biel).

## 8. Extraordinary result

The extraordinary result in 2016 (CHF 0.1 million) was related to legal cases from prior years.

## 9. Income taxes

(In thousands of CHF)	2017	2016
Current taxes	(3'333)	(1'974)
Deferred taxes	(3'470)	67
<b>Income taxes</b>	<b>(6'803)</b>	<b>(1'907)</b>

(In thousands of CHF unless otherwise stated)	2017 RESULT	2017 TAX RATE IN %	2017 INCOME TAXES	2016 RESULT	2016 TAX RATE IN %	2016 INCOME TAXES
<b>Average applicable tax rate and income taxes as a proportion of ordinary earnings (before consideration of tax loss carryforwards)</b>	<b>7'935</b>	<b>20.59</b>	<b>1'634</b>	<b>4'695</b>	<b>20.78</b>	<b>975</b>
Use of not recognised tax loss carryforwards			-			(280)
Tax losses not recognised from current period			1'276			1'459
Expiry of recognised tax loss carryforwards			422			-
Changes in recognition of tax loss carryforwards from prior years			741			293
<b>Average applicable tax rate and income taxes as a proportion of ordinary earnings (after consideration of tax loss carryforwards)</b>	<b>7'935</b>	<b>n/a</b>	<b>4'073</b>	<b>4'695</b>	<b>n/a</b>	<b>2'447</b>
Effects from extraordinary result	-	-	-	(96)	21.13	(20)
Expenses disregarded for tax purposes			6'086			6'699
Non-taxable income			(2'499)			(4'234)
Effects from changes in tax rate			(1'749)			(2'579)
Other effects			892			(406)
<b>Effective tax rate and income taxes according to income statement</b>	<b>7'935</b>	<b>n/a</b>	<b>6'803</b>	<b>4'599</b>	<b>n/a</b>	<b>1'907</b>

## 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.

	2017	2016
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	(932)	2'309
Weighted average number of shares outstanding	15'310'292	14'964'075
<b>Non-diluted earnings per share (in CHF)</b>	<b>(0.06)</b>	<b>0.15</b>
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	(932)	2'309
Weighted average number of shares outstanding	15'310'292	14'964'075
Adjustment for assumed exercise of share-based payments	510'000	995'800
Weighted average potential number of shares outstanding	15'820'292	15'959'875
<b>Diluted earnings per share (in CHF)</b>	<b>(0.06)</b>	<b>0.14</b>

## 11. Trade receivables

(In thousands of CHF)	2017	2016
Third parties	126'683	118'753
Associates	4	4
Other related parties	2	1
Allowances for doubtful accounts	(10'794)	(5'377)
<b>Total trade receivables</b>	<b>115'895</b>	<b>113'381</b>

## 12. Other receivables

(In thousands of CHF)	2017	2016
Third parties	13'935	16'296
Associates	3'421	3'377
Shareholders	17'472	18'971
Other related parties	1'513	1'503
<b>Total other receivables</b>	<b>36'341</b>	<b>40'147</b>

The receivables from shareholders and other related parties were charged interest with a rate of 3.07% (2016: 3.44%).

### 13. Inventories

(In thousands of CHF)	2017	2016
Medical supplies	13'295	12'678
Pharmaceutical products	4'344	3'325
Hotel and restaurant goods	1'741	1'888
Other inventories	1'064	1'310
<b>Total inventories</b>	<b>20'444</b>	<b>19'201</b>

### 14. Tangible assets

(In thousands of CHF)	LAND AND BUILDINGS	LEASE-HOLD IMPROVE- MENTS	MACHINERY AND EQUIPMENT	UNDER CONSTRUC- TION	OTHERS	TOTAL
<b>Cost</b>						
<b>Balance at 1 January 2016</b>	<b>874'173</b>	<b>362'943</b>	<b>173'862</b>	<b>9'472</b>	<b>6'216</b>	<b>1'426'666</b>
Increase in scope of consolidation	190'825	31'028	23'806	-	42	245'701
Additions	11'108	1'904	25'171	20'251	662	59'096
Disposals	-	(400)	(3'695)	-	(207)	(4'302)
Reclassifications	1'914	11'309	772	(13'972)	(23)	-
Translation adjustments	-	(63)	(13)	-	-	(76)
<b>Balance at 31 December 2016</b>	<b>1'078'020</b>	<b>406'721</b>	<b>219'903</b>	<b>15'751</b>	<b>6'690</b>	<b>1'727'085</b>
Additions	7'093	11'928	30'526	24'297	509	74'353
Disposals	(2'766)	(2'999)	(2'014)	-	(449)	(8'228)
Reclassifications	-	28'920	(6'397)	(22'543)	81	61
Translation adjustments	-	565	131	-	-	696
<b>Balance at 31 December 2017</b>	<b>1'082'347</b>	<b>445'135</b>	<b>242'149</b>	<b>17'505</b>	<b>6'831</b>	<b>1'793'967</b>

## 14. Tangible assets (continued)

(In thousands of CHF)	LAND AND BUILDINGS	LEASE-HOLD IMPROVE- MENTS	MACHINERY AND EQUIPMENT	UNDER CONSTRUC- TION	OTHERS	TOTAL
<i>Accumulated depreciation</i>						
<b>Balance at 1 January 2016</b>	<b>23'584</b>	<b>159'788</b>	<b>113'600</b>	-	<b>3'533</b>	<b>300'505</b>
Increase in scope of consolidation	-	4'884	9'508	-	32	14'424
Depreciation of the year	8'123	14'728	14'311	-	948	38'110
Disposals	-	-	(3'695)	-	(167)	(3'862)
Translation adjustments	-	(15)	(12)	-	-	(27)
<b>Balance at 31 December 2016</b>	<b>31'707</b>	<b>179'385</b>	<b>133'712</b>	-	<b>4'346</b>	<b>349'150</b>
Depreciation of the year	8'786	13'544	17'969	-	887	41'186
Impairment	2'181	1'908	895	-	-	4'984
Disposals	(2'766)	(2'999)	(2'014)	-	(290)	(8'069)
Reclassifications	(181)	4'885	(5'498)	-	9	(785)
Translation adjustments	-	137	104	-	-	241
<b>Balance at 31 December 2017</b>	<b>39'727</b>	<b>196'860</b>	<b>145'168</b>	-	<b>4'952</b>	<b>386'707</b>
<i>Carrying amounts</i>						
<b>At 31 December 2016</b>	<b>1'046'313</b>	<b>227'336</b>	<b>86'191</b>	<b>15'751</b>	<b>2'344</b>	<b>1'377'935</b>
<b>At 31 December 2017</b>	<b>1'042'620</b>	<b>248'275</b>	<b>96'981</b>	<b>17'505</b>	<b>1'879</b>	<b>1'407'260</b>
<i>Net book value of leased equipment</i>						
<b>At 31 December 2016</b>			<b>33'395</b>		<b>1'352</b>	<b>34'747</b>
<b>At 31 December 2017</b>			<b>44'167</b>		<b>1'192</b>	<b>45'359</b>

## 15. Intangible assets

(In thousands of CHF)	TRADEMARKS	SOFTWARE AND OTHER INTAN- GIBLE ASSETS	INTANGIBLE ASSETS UNDER CONSTRUCTION	TOTAL
<i>Cost</i>				
<b>Balance at 1 January 2016</b>	<b>16'310</b>	<b>26'353</b>	–	<b>42'663</b>
Increase in scope of consolidation	10'874	1'410	–	12'284
Additions	–	8'419	–	8'419
Translation adjustments	–	(6)	–	(6)
<b>Balance at 31 December 2016</b>	<b>27'184</b>	<b>36'176</b>	–	<b>63'360</b>
Additions	–	9'041	2'841	11'882
Disposals	–	(769)	–	(769)
Reclassifications	–	1'508	(1'292)	216
Translation adjustments	–	63	–	63
<b>Balance at 31 December 2017</b>	<b>27'184</b>	<b>46'019</b>	<b>1'549</b>	<b>74'752</b>
<i>Accumulated amortisation</i>				
<b>Balance at 1 January 2016</b>	<b>6'837</b>	<b>10'335</b>	–	<b>17'172</b>
Increase in scope of consolidation	–	892	–	892
Amortisation of the year	947	4'100	–	5'047
Translation adjustments	–	–	–	–
<b>Balance at 31 December 2016</b>	<b>7'784</b>	<b>15'327</b>	–	<b>23'111</b>
Amortisation of the year	1'553	5'407	–	6'960
Disposals	–	(769)	–	(769)
Reclassifications	–	1'062	–	1'062
Translation adjustments	–	4	–	4
<b>Balance at 31 December 2017</b>	<b>9'337</b>	<b>21'031</b>	–	<b>30'368</b>
<i>Carrying amounts</i>				
<b>At 31 December 2016</b>	<b>19'400</b>	<b>20'849</b>	–	<b>40'249</b>
<b>At 31 December 2017</b>	<b>17'847</b>	<b>24'988</b>	<b>1'549</b>	<b>44'384</b>



## 16. Financial assets

(In thousands of CHF)	2017	2016
Equity accounted investees <sup>1)</sup>	13'755	14'757
Loans to associates <sup>2)</sup>	12'460	6'000
Loans to other related parties	8'711	6'740
Employer contribution reserves	4'664	5'156
Investments in unconsolidated companies	8'294	22'601
Other financial assets	3'209	3'956
Deferred tax assets <sup>3)</sup>	9'596	9'494
<b>Total financial assets</b>	<b>60'689</b>	<b>68'704</b>

1) Equity accounted investees are disclosed net of share losses of CHF 1.0 million (2016: CHF 1.0 million) for which the Group has no obligation. Additionally goodwill has been directly offset with equity at the amount of CHF 3.9 million (2016: CHF 3.9 million).

2) Loans to associates are partially depreciated. The gross value of the loans amounts to CHF 16.2 million (2016: CHF 9.7 million).

3) The Group did not recognise deferred tax assets of CHF 8.4 million (2016: CHF 7.5 million) relating to unused tax losses amounting to CHF 34.8 million (2016: CHF 27.6 million), as it is not likely that future taxable profits will be available against which the Group can offset tax losses.

## 17. Trade payables

(In thousands of CHF)	2017	2016
Third parties	104'413	92'364
Associates	1	7
Other related parties	369	-
<b>Total trade payables</b>	<b>104'783</b>	<b>92'371</b>

## 18. Other liabilities

(In thousands of CHF)	2017	2016
Third parties	28'622	33'095
Associates	370	-
Other related parties	278	222
<b>Total other liabilities</b>	<b>29'270</b>	<b>33'317</b>
of which short-term	19'844	19'398
of which long-term	9'426	13'919

## 19. Financial liabilities

in thousands of CHF (unless otherwise stated)	BOOK VALUE	AMOUNT IN FOREIGN CURRENCY	INTEREST RATE in %
Bank overdrafts	139		3.00
Current portion of bank loans	6'000		1.25
Current portion of bank loans (in EUR)	555	518	2.75
Current financial leases	8'568		1.20 – 5.96
Current portion of mortgage loans	7'910		1.10 – 4.27
<b>Short-term financial liabilities at 31 December 2016</b>	<b>23'172</b>		
Bank loans	47'720		1.18 – 5.00
Bank loans (in EUR)	760	709	2.75
Non-current financial leases	16'201		1.20 – 4.88
Mortgage loans	388'444		1.10 – 4.27
Bonds issued by the company	540'000		2.00 – 3.50
<b>Long-term financial liabilities at 31 December 2016</b>	<b>993'125</b>		
<b>Total financial liabilities at 31 December 2016</b>	<b>1'016'297</b>		
Bank overdrafts	3		3.00
Current portion of bank loans (in EUR)	621	531	2.75
Current financial leases	10'862		1.20 – 4.88
Current portion of mortgage loans	8'292		1.10 – 4.27
Bonds (repayment within one year)	100'000		3.50
<b>Short-term financial liabilities at 31 December 2017</b>	<b>119'778</b>		
Bank loans	81'000		1.20 – 3.25
Bank loans (in EUR)	210	179	2.75
Non-current financial leases	21'123		1.20 – 4.88
Mortgage loans	371'970		1.10 – 4.27
Bonds issued by the company	440'000		2.00 – 2.75
<b>Long-term financial liabilities at 31 December 2017</b>	<b>914'303</b>		
<b>Total financial liabilities at 31 December 2017</b>	<b>1'034'081</b>		

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 70.5 million as at 31 December 2017 (2016: CHF 60.4 million). Mortgage loans are secured by real estate, pledged for an amount of CHF 1'033.2 million (2016: CHF 1'022.0 million). The information about the bonds issued by AEVIS VICTORIA SA is detailed in the table below:

	AEV13	AEV14	AEV16	AEV161
Bond type	Fixed rate	Fixed rate	Fixed rate	Fixed rate
Nominal amount	CHF 100.0 million	CHF 145.0 million	CHF 150.0 million	CHF 145.0 million
Securities number	CH0214926096	CH0240109592	CH0325429162	CH0337829276
Interest rate	3.50%	2.75%	2.50%	2.00%
Term	02.07.2013 to 02.07.2018	04.06.2014 to 04.06.2019	07.06.2016 to 07.06.2021	19.10.2016 to 19.10.2022
Maturity	02.07.2018 at par value	04.06.2019 at par value	07.06.2021 at par value	19.10.2022 at par value

## 20. Accrued expenses and deferred income

(In thousands of CHF)	2017	2016
Accrued personnel expenses	14'007	13'267
Accrued tax expenses	3'010	4'498
Deferred income	1'480	1'295
Other accrued expenses	24'128	24'602
<b>Accrued expenses and deferred income</b>	<b>42'625</b>	<b>43'662</b>

The accrued personnel expenses include pension plan liabilities (contributions) at the amount of CHF 2.9 million (2016: CHF 2.6 million).

## 21. Provisions

(In thousands of CHF)	DEFERRED TAXES	LEGAL OBLIGATIONS	OTHER PROVISIONS	TOTAL
<b>Balance at 1 January 2016</b>	<b>92'446</b>	<b>704</b>	<b>176</b>	<b>93'326</b>
Increase in scope of consolidation	41'329	2'375	-	43'704
Additions	3'904	27	39	3'970
Utilisation	-	(7)	(50)	(57)
Reversals	(5'202)	(134)	(60)	(5'396)
Translation adjustments	(3)	-	-	(3)
<b>Balance at 31 December 2016</b>	<b>132'474</b>	<b>2'965</b>	<b>105</b>	<b>135'544</b>
<i>Of which short-term</i>	-	177	105	282
<i>Of which long-term</i>	132'474	2'788	-	135'262
Additions	5'897	-	-	5'897
Utilisation	-	(161)	(15)	(176)
Reversals	(2'362)	(2'000)	-	(4'362)
Translation adjustments	24	-	-	24
<b>Balance at 31 December 2017</b>	<b>136'033</b>	<b>804</b>	<b>90</b>	<b>136'927</b>
<i>Of which short-term</i>	-	-	90	90
<i>Of which long-term</i>	136'033	804	-	136'837

The provisions for the legal obligations were discounted at an interest rate of 2.5%.

The average applicable tax rate for deferred tax liabilities is 20.9% (2016: 21.1%).

## 22. Equity

At 31 December 2017, the share capital of CHF 78.1 million (2016: 75.7 million) consists of 15'618'207 fully paid-up registered shares (2016: 15'132'407) at a par value of CHF 5 each. The legally non-distributable reserves of the Company amount to CHF 53.8 million (2016: CHF 55.8 million).

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

### 22.1 Treasury shares

	NUMBER OF SHARES		IN THOUSANDS OF CHF	
	2017	2016	2017	2016
<b>Balance at 1 January</b>	<b>115'639</b>	<b>25'116</b>	<b>5'630</b>	<b>1'075</b>
Purchase of treasury shares	71'224	499'752	4'112	21'916
Sale of treasury shares	(32'274)	(409'229)	(1'603)	(17'361)
<b>Balance at 31 December</b>	<b>154'589</b>	<b>115'639</b>	<b>8'139</b>	<b>5'630</b>

In 2017, the group purchased 71'224 treasury shares at an average price of CHF 57.73 per share (2016: 499'752 at CHF 43.85) and sold 32'274 shares at an average price of CHF 56.35 (2016: 409'229 at CHF 43.01).

## 23. Non-cancellable operating leases

(In thousands of CHF)	2017	2016
Less than one year	11'307	10'243
Between one and three years	21'651	19'647
More than three years	72'369	68'376
<b>Total non-cancellable operating leases</b>	<b>105'327</b>	<b>98'266</b>

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

## 24. Capital commitments

The Group has commitments to complete new constructions, renovations, leasehold improvements and to purchase equipment for a total amount of CHF 56.6 million as at 31 December 2017 (2016: CHF 6.1 million).

## 25. Contingent liabilities

The operations of the Group companies are exposed to risks from 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. The Group has currently no major contingent liabilities.

## 26. Transactions with related parties

Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements for 2017 and 2016.

The corresponding receivables and payables are reported separately in the respective notes to the consolidated financial statements (see notes 11, 12, 16, 17 and 18).

(In thousands of CHF)	2017	2016
<b>Transactions with associates</b>		
Net revenue	173	336
Production expenses	139	61
Personnel expenses	-	13
Other operating expenses	284	286
Financial income	276	367
<b>Transactions with shareholders</b>		
Net revenue	1	-
Financial income	530	630
Sale of subsidiary (sales price)	-	100
<b>Transactions with other related parties</b>		
Net revenue	66	1
Other operating expenses	1'476	1'544
Rental expenses	730	697
Financial income	39	49
Purchase of intangible assets	502	234

## 27. Acquisition and divestment of subsidiaries

There were no changes in the consolidation scope in 2017, which 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	
	2017	2016	2017	2016
Cash and cash equivalents	-	6'475	-	(97)
Marketable securities	-	12'496	-	-
Trade receivables	-	13'342	-	-
Other current assets	-	5'351	-	-
Tangible assets	-	231'276	-	-
Intangible assets	-	11'392	-	-
Other non-current assets	-	4'906	-	-
<b>Assets</b>	-	<b>285'238</b>	-	<b>(97)</b>
Short-term financial liabilities	-	1'065	-	-
Other current liabilities	-	9'783	-	(1)
Long-term financial liabilities	-	10'275	-	-
Other non-current liabilities	-	-	-	-
Long-term provisions	-	43'704	-	-
<b>Liabilities</b>	-	<b>64'827</b>	-	<b>(1)</b>
<b>Total net assets</b>	-	<b>220'411</b>	-	<b>(96)</b>



## 28. Goodwill

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

(In thousands of CHF)	2017	2016
<b>Cost</b>		
<b>Balance at 1 January</b>	<b>132'255</b>	<b>130'192</b>
Additions through business combinations	18	2'063
Disposals	-	-
<b>Balance at 31 December</b>	<b>132'273</b>	<b>132'255</b>
<b>Accumulated amortisation</b>		
<b>Balance at 1 January</b>	<b>122'078</b>	<b>114'778</b>
Amortisation for the year (5 years)	3'782	7'300
Impairment	-	-
Disposals	-	-
<b>Balance at 31 December</b>	<b>125'860</b>	<b>122'078</b>
<b>Carrying amounts</b>		
<b>At 31 December</b>	<b>6'413</b>	<b>10'177</b>

Impact on net earnings and balance sheet:

(In thousands of CHF)	2017	2016
Profit for the period	1'132	2'692
Amortisation goodwill	(3'782)	(7'300)
Impairment goodwill	-	-
<b>Net earnings with capitalised goodwill</b>	<b>(2'650)</b>	<b>(4'608)</b>
Equity including minority interests	383'194	381'500
Capitalised goodwill	6'413	10'177
<b>Equity with capitalised goodwill</b>	<b>389'607</b>	<b>391'677</b>

## 29. Pension plan institutions

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

EMPLOYER CONTRIBUTION RESERVE – ECR (in thousands of CHF)	NOMINAL VALUE ECR 31.12.2017	WAIVER OF USAGE 31.12.2017	BALANCE SHEET 31.12.2017	IN-CREASE IN 2017	BALANCE SHEET 31.12.2016	RESULT FROM ECR IN PERSONNEL EXPENSES		CHANGE IN SCOPE OF CONSOLIDATION
						2017	2016	2017
Patronage funds / Patronage pension institutions	4'661	–	4'661	–	4'661	–	–	–
Pension institutions	3	–	3	–	495	–	1	–
<b>Total</b>	<b>4'664</b>	<b>–</b>	<b>4'664</b>	<b>–</b>	<b>5'156</b>	<b>–</b>	<b>1</b>	<b>–</b>

ECONOMICAL BENEFIT / OBLIGATION AND PENSION BENEFIT EXPENSES (in thousands of CHF)	SURPLUS / DEFICIT 31.12.2017	ECONOMICAL PART OF THE ORGANISATION		CHANGE TO PRIOR YEAR OR RECOGNISED IN THE CURRENT RESULT OF THE PERIOD	CONTRIBUTIONS CONCERNING THE BUSINESS PERIOD*	PENSION BENEFIT EXPENSES WITHIN PERSONNEL EXPENSES	
		31.12.2017	31.12.2016			2017	2016
Pension institutions with surplus	–	–	–	–	–	13'501	11'585
Pension institutions without surplus / deficit	–	–	–	–	–	24	277
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>13'525</b>	<b>11'862</b>

\* Including result from employer contribution reserves

## 30. Subsequent events

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

## 31. Risk assessment disclosure

The management proceeds to 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.

## 32. List of Group companies

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
			31.12.2017	31.12.2016	
<b>Corporate</b>					
AEVIS VICTORIA SA	Fribourg	Holding company	a)	100.0%	100.0%
<b>Hospitals</b>					
Swiss Medical Network SA	Genolier	Holding company	a)	100.0%	100.0%
GENERALE BEAULIEU HOLDING SA	Geneva	Holding company	a)	69.4%	68.0%
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a)	100.0%	100.0%
CLINIQUE GENERALE-BEAULIEU SA	Geneva	Hospital	a)	69.4%	68.0%
Clinique Générale – Ste-Anne SA	Fribourg	Hospital	a)	100.0%	100.0%
Clinique médico-chirurgicale de Valère SA	Sion	Hospital	a)	94.7%	94.7%
Genolier Swiss Visio Network SA	Genolier	Ophthalmology	a)	80.0%	80.0%
GRGB Santé SA	Geneva	Hospital	b)	34.7%	34.0%
GSMN Neuchâtel SA	Neuchâtel	Hospitals	a)	100.0%	100.0%
GSMN Suisse SA	Genolier	Hospitals	a)	100.0%	100.0%
GSMN Ticino SA	Sorengo	Hospitals	a)	100.0%	100.0%
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	a)	51.0%	51.0%
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	51.0%	51.0%
Klinik Pyramide am See AG	Zurich	Hospital	c)	20.0%	20.0%
Klinik Villa im Park AG	Rothrist	Hospital	a)	100.0%	100.0%
Nescens Genolier SA	Genolier	Patient hotel	a)	100.0%	100.0%
Privatklinik Obach AG	Solothurn	Hospital	a)	100.0%	100.0%
Schmerzklinik Basel AG	Basel	Hospital	a)	100.0%	100.0%
<b>Hospitality</b>					
Victoria-Jungfrau Collection AG	Interlaken	Holding company	a)	100.0%	100.0%
CACM hôtels SA	Sion	Hotel	a)	100.0%	100.0%
Grand Hotel Victoria-Jungfrau AG	Interlaken	Hotel	a)	100.0%	100.0%
Hotel Bellevue Palace AG	Bern	Hotel	a)	100.0%	100.0%
Hotel Eden au Lac AG	Zurich	Hotel	a)	100.0%	100.0%
VJC-Management AG	Interlaken	Management	a)	100.0%	100.0%
<b>Real estate</b>					
GENERALE-BEAULIEU IMMOBILIERE SA	Geneva	Healthcare real estate	a)	69.4%	68.0%
Patrimonium Healthcare Property Advisors AG	Baar	Real estate management	b)	50.0%	50.0%
Swiss Healthcare Properties SA	Fribourg	Healthcare real estate	a)	100.0%	100.0%
Swiss Hospitality Properties AG	Interlaken	Hospitality real estate	a)	100.0%	100.0%

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY		IN % ON GROUP LEVEL	
				31.12.2017	31.12.2016
<b>Telemedicine</b>					
Medgate Holding AG	Zug	Holding company	c)	40.00%	40.00%
Medgate Integrated Care Holding AG	Zug	Holding company	c)	40.00%	40.00%
Medgate AG	Basel	Telemedicine	c)	24.00%	24.00%
Health Professional Sourcing GmbH	Lörrach (DE)	Telemedicine	c)	24.00%	24.00%
Medgate Asia-Pacific AG	Zug	Telemedicine	c)	40.00%	40.00%
Medgate Health Centers AG	Basel	Health centers	c)	40.00%	40.00%
Medgate International AG	Zug	Telemedicine	c)	40.00%	40.00%
Medgate Mini Clinic AG	Basel	Mini clinic	c)	24.00%	–
Medgate Technologies AG	Zug	IT service company	c)	24.00%	24.00%
<b>Others</b>					
<b>Healthcare incubator</b>					
Laboratoires Genolier SA	Genolier	Cosmetics	a)	84.0%	84.0%
NESCENS SA	Genolier	Better-aging	c)	36.2%	36.2%
Société Clinique Spontini SAS	Paris (FR)	Aesthetic clinic	a)	100.0%	100.0%
Swiss Ambulance Rescue Genève SA	Geneva	Ambulance services	a)	100.0%	93.4%
Swiss Medical Transport AG	Baar	Ambulance services	c)	40.0%	–
Swiss Stem Cell Science SA	Fribourg	Stem Cells	a)	100.0%	70.0%
<b>Non-core participations</b>					
Academy & Finance SA	Geneva	Organisation of seminars	c)	22.5%	22.5%
Agefi Com SA	Geneva	Publishing	c)	49.0%	49.0%
Publications de l'économie et de la finance AEF SA	Lausanne	Publishing	c)	49.0%	49.0%
Publications Financières LSI SA	Geneva	Publishing (dormant)	a)	100.0%	100.0%

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

## Report of the Statutory Auditor to the General Meeting of AEVIS VICTORIA SA, Fribourg

Geneva, 29 March 2018

### **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 2017, the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (page 58 to 85) give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and 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 Auditing Standards. Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

## VALUATION OF TANGIBLE ASSETS

Key audit matter	How the scope of our audit responded to the key audit matter
<p>We consider the valuation of tangible assets to be a key audit matter because they amounted to TCHF 1'407'260 on the consolidated balance sheet of the Group, representing a significant share of 80.4% of total assets.</p> <p>Tangible assets include lands and buildings, leasehold improvements, machinery and equipment, fixed assets under construction and others assets.</p> <p>Tangible assets are measured at cost less accumulated depreciation and impairment losses. Lands are not depreciated. Depreciation is recognised in the income statement on a straight-line basis over estimated useful lives and with no residual value.</p> <p>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.</p> <p>For further information on tangible assets, please refer to Accounting policies and note 14 – Tangible assets.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>– 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.</li> <li>– We tested the effectiveness of key controls related to the tangible assets process.</li> <li>– We assessed whether transactions were accurately recorded in the tangible assets register and the consolidated balance sheet.</li> <li>– We tested the existence of assets under construction.</li> <li>– We challenged the estimated useful lives determined by management and verified the accuracy of the calculation of depreciation of the year.</li> <li>– We read the minutes of the meeting of the Board of Directors in order to identify indicators of any impairment.</li> <li>– We assessed the management’s assumptions and calculations regarding impairment losses recognized in 2017.</li> </ul> <p>We obtained sufficient audit evidence to address the risk of valuation of tangible assets.</p>

### Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

#### **Report on other legal and regulatory requirements**

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of 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 & ASSOCIES SA  
Société Fiduciaire



Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge



Frédéric BERNEY  
Licensed Audit Expert



# Statutory financial statements

# Statutory Balance Sheet

In CHF	NOTES	31.12.2017	31.12.2016
<b>Assets</b>			
Cash and cash equivalents		1'677'370	525'739
Marketable securities		15'112'627	-
Current receivables	2.1	87'943'406	89'933'881
Prepaid expenses and accrued income		5'383'446	7'016'100
<b>Current assets</b>		<b>110'116'849</b>	<b>97'475'720</b>
Financial assets	2.2	468'201'373	452'287'557
Investments in subsidiaries and associates	4	91'673'803	113'688'092
Equipment		-	10'030
Intangible assets	2.3	26'289'000	27'188'000
<b>Non-current assets</b>		<b>586'164'176</b>	<b>593'173'679</b>
<b>Assets</b>		<b>696'281'025</b>	<b>690'649'399</b>
<b>Liabilities and shareholders' equity</b>			
Trade payables (towards third parties)		1'720'732	1'285'851
Current interest bearing liabilities	2.4	23'803'997	25'906'572
Other current liabilities		68'034	32'069
Accrued expenses and deferred income		7'033'484	7'343'907
Bonds issued by the company	5	100'000'000	-
<b>Current liabilities</b>		<b>132'626'247</b>	<b>34'568'399</b>
Bonds issued by the company	5	440'000'000	540'000'000
<b>Non-current liabilities</b>		<b>440'000'000</b>	<b>540'000'000</b>
<b>Liabilities</b>		<b>572'626'247</b>	<b>574'568'399</b>
Share capital		78'091'035	75'662'035
Reserves from capital contributions		81'436'237	78'775'118
Other capital reserves		2'194'691	2'194'691
<b>Legal capital reserves</b>		<b>83'630'928</b>	<b>80'969'809</b>
General legal retained earnings		83'000	83'000
<b>Legal retained earnings</b>		<b>83'000</b>	<b>83'000</b>
Loss carried forward		(35'003'823)	(27'100'869)
Net profit / loss		4'992'204	(7'902'954)
<b>Balance sheet loss</b>		<b>(30'011'619)</b>	<b>(35'003'823)</b>
Treasury shares	6	(8'138'567)	(5'630'021)
<b>Shareholders' equity</b>		<b>123'654'778</b>	<b>116'081'000</b>
<b>Liabilities and shareholders' equity</b>		<b>696'281'025</b>	<b>690'649'399</b>

## Statutory Income Statement

In CHF	2017	2016
Dividend income	17'970'000	5'850'000
Other operating income	1'400'000	800'000
<b>Total income</b>	<b>19'370'000</b>	<b>6'650'000</b>
Expenses for obtained services	(5'071'507)	-
Administrative and other expenses	(3'015'173)	(2'268'939)
<b>Operating expenses</b>	<b>(8'086'680)</b>	<b>(2'268'939)</b>
<b>EBITDA</b>	<b>11'283'320</b>	<b>4'381'061</b>
Depreciation and amortisation on non-current assets	(3'849'828)	(3'410'040)
<b>EBIT</b>	<b>7'433'492</b>	<b>971'021</b>
Financial expenses	(23'232'885)	(21'056'037)
Financial income	20'813'257	12'221'895
<b>EBT</b>	<b>5'013'864</b>	<b>(7'863'121)</b>
Direct taxes	(21'660)	(39'833)
<b>Net profit / loss</b>	<b>4'992'204</b>	<b>(7'902'954)</b>

# Notes to the Statutory Financial Statements

## 1. Significant accounting policies

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

### Current receivables

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

### Financial assets

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

### Investments in subsidiaries and associates

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

### Financial liabilities / Bonds issued by the company

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

### Treasury shares

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

## 2. Information on balance sheet and income statement items

In CHF	31.12.2017	31.12.2016
<b>2.1 Current receivables</b>		
From third parties	8'654'459	8'885'381
From shareholders and governing bodies	15'654'690	18'575'405
From companies in which the entity holds an investment	73'203'812	66'581'371
Valuation adjustments	(9'569'555)	(4'108'276)
<b>Total current receivables</b>	<b>87'943'406</b>	<b>89'933'881</b>
<b>2.2 Financial assets</b>		
Securities	8'186'798	-
From third parties	8'710'948	6'740'147
From companies in which the entity holds an investment	459'352'090	453'595'873
Thereof as subordinated claim	468'063'038	460'336'021
Valuation adjustments	(8'048'463)	(8'048'463)
<b>Total financial assets</b>	<b>468'201'373</b>	<b>452'287'557</b>
<b>2.3 Intangible assets</b>		
Software	2'500'000	-
Goodwill	23'789'000	27'188'000
<b>Total intangible assets</b>	<b>26'289'000</b>	<b>27'188'000</b>
<b>2.4 Current interest bearing liabilities</b>		
Current bank loans	-	84'829
Other current interest bearing liabilities		
Due to companies in which the entity holds an investment	23'803'997	25'821'743
<b>Total current interest bearing liabilities</b>	<b>23'803'997</b>	<b>25'906'572</b>

## 3. Full-time equivalents

AEVIS VICTORIA SA does not have any employees.



#### 4. Investments in subsidiaries and associates

COMPANY, LEGAL FORM AND DOMICILE	31.12.2017 SHARE CAPITAL AND VOTING RIGHTS	31.12.2016 SHARE CAPITAL AND VOTING RIGHTS
Swiss Medical Network SA, Genolier	100.0%	100.0%
Victoria-Jungfrau Collection AG, Interlaken	100.0%	100.0%
Swiss Healthcare Properties SA, Fribourg	100.0%	100.0%
Swiss Hospitality Properties AG, Interlaken	100.0%	100.0%
Patrimonium Healthcare Property Advisers AG, Baar	50.0%	50.0%
Medgate Integrated Care Holding AG, Zug	40.0%	40.0%
Medgate Holding AG, Zug	40.0%	40.0%
Swiss Ambulance Rescue Genève SA, Geneva	100.0%	93.4%
Société Clinique Spontini SAS, Paris	100.0%	100.0%
Laboratoires Genolier SA, Genolier	84.0%	84.0%
NESCENS SA, Genolier	36.2%	36.2%
Swiss Stem Cell Science SA, Fribourg	100.0%	70.0%
Swiss Medical Transport AG, Baar	40.0%	-
Publications Financières LSI SA, Geneva	100.0%	100.0%
Publications de l'économie et de la finance AEF SA, Lausanne	49.0%	49.0%
Agefi Com SA, Geneva	49.0%	49.0%
Academy & Finance SA, Geneva	22.5%	22.5%

## 5. Bonds issued by the company

Information regarding Bonds issued by the company is mentioned in note 19 of the Swiss GAAP FER consolidated financial statements.

## 6. Treasury shares

Information regarding treasury shares is mentioned in note 22.1 of the Swiss GAAP FER consolidated financial statements.

## 7. Collateral provided for liabilities of third parties

	31.12.2017 CHF	31.12.2016 CHF
The Company pledged the shares of Swiss Medical Network SA for a total amount of CHF 100'000 (book value) as a guarantee for bank loans of	70'000'000	39'000'000

## 8. Contingent liabilities

	31.12.2017 CHF	31.12.2016 CHF
Guarantees in favour of subsidiaries	5'329'340	7'714'440
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. Shares or options on shares for members of the board, consultants and employees

	2017		2016	
	QUANTITY	VALUE IN CHF	QUANTITY	VALUE IN CHF
Options allocated to members of the board	-	-	190'000	566'200
Options allocated to consultants and employees	-	-	222'500	663'050

## 10. Additional information requested by the Swiss Code of Obligations

### 10.1 Share and stock options ownership

NAME (POSITION)	31.12.2017 NUMBER OF SHARES HELD*	31.12.2017 NUMBER OF OPTIONS HELD	31.12.2016 NUMBER OF SHARES HELD*	31.12.2016 NUMBER OF OPTIONS HELD
<b>Board of Directors</b>				
Christian Wenger (Chairman) **	406'875	-	406'446	-
Raymond Loretan (Vice-chairman)	29'620	40'000	49'050	40'000
Antoine Hubert (Delegate of the Board) and Michel Reybier (Member)***	12'129'923	250'000****	11'726'172	615'800****
Cédric A. George (Member)	16'972	-	16'466	-
Antoine Kohler (Member)	4'352	-	3'928	-
<b>Senior Management</b>				
Antoine Hubert (Delegate of the Board)	3'311'667*****	250'000****	2'986'583*****	307'900****
Gilles Frachon (CFO)	31'350	10'000	31'350	10'000

\* Including the blocked shares received as Board Member compensation

\*\* Representing the shareholding of CHH Financière S.A. – SPF

\*\*\* Antoine Hubert and Géraldine Reynard-Hubert hold indirectly AEVIS VICTORIA shares through M.R.S.I. Medical Research, Services and Investments S.A. 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 holds indirectly 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.

\*\*\*\* Attributed to Antoine Hubert (HR Finance & Participations SA).

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

### 10.2 Significant shareholders

NAME	31.12.2017 NUMBER OF SHARES	31.12.2017 %	31.12.2016 NUMBER OF SHARES	31.12.2016 %
Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA*	12'129'923	77.67	11'726'172	77.49
Kuwait Investment Office as agent for the Government of the State of Kuwait	533'312	3.41	533'312	3.52

\* Antoine Hubert and Géraldine Reynard-Hubert hold indirectly 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 holds indirectly 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.

## Proposed distribution from capital contribution reserve

The Board of Directors proposes to the Annual General Meeting of Shareholders the distribution of CHF 0.55 (2016: CHF 0.55) per share from capital contribution reserve.

	2017	2016
Account carried forward	70'441'770	78'775'118
Increase of capital contribution due to capital increase	10'994'467	(8'333'348)
<b>Capital contribution reserve before proposed distribution</b>	<b>81'436'237</b>	<b>70'441'770</b>
Proposed distribution from capital contribution reserve	(8'504'990)	(8'333'348)
<b>Capital contribution reserve after proposed distribution</b>	<b>72'931'247</b>	<b>70'441'771</b>

This proposal is based on distribution of CHF 0.55 per share on 15'463'618 eligible issued shares as at 31.12.2017 (2016: CHF 0.55 per share on 15'151'541 eligible issued shares). The distribution from capital contribution reserve is not subject to withholding tax. Treasury shares are not entitled to distribution.

## Report of the Statutory Auditor to the General Meeting of AEVIS VICTORIA SA, Fribourg

Geneva, 29 March 2018

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of AEVIS VICTORIA SA, which comprise the balance sheet as at 31 December 2017, the income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion the accompanying financial statements (pages 92 to 98) as at 31 December 2017 comply with Swiss law and the company's articles of incorporation.

#### **Basis for Opinion**

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

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

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

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

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

**VALUATION OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES AND RELATED LOANS TO SUBSIDIARIES**

**Key audit matter**

**How the scope of our audit responded to the key audit matter**

The company holds investments in subsidiaries and associates with a carrying value of CHF 91'673'803 as of 31 December 2017, representing 13.2% 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 consideration of CHF 532'555'902. These loans are subject to valuation adjustments amounting to CHF 17'618'018. The net book value of CHF 514'937'884 represents 74% 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.

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.

### **Responsibility of the Board of Directors for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

BERNEY & ASSOCIES SA  
Société Fiduciaire



Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge



Frédéric BERNEY  
Licensed Audit Expert







