

# Annual Report 2021



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

# Table of Contents

<b>04</b>	<b>Key Figures and Highlights</b>
<b>06</b>	<b>Letter to the Shareholders</b>
<b>09</b>	<b>Vision and Strategy</b> Interview with Antoine Hubert & Michel Reybier
<b>14</b>	<b>Operating Report</b>
<b>22</b>	<b>Share and Bond Information</b>
<b>26</b>	<b>Corporate Governance</b>
<b>44</b>	<b>Remuneration Report</b>
<b>52</b>	<b>Consolidated Financial Statements</b>
<b>83</b>	<b>Statutory Financial Statement of AEVIS VICTORIA SA</b>

# Key Figures

## Statutory key figures

(In thousands of CHF unless otherwise stated)	FY2021	FY2020
Net income	216'400	16'238
<b>Net profit</b>	<b>197'556</b>	<b>7'354</b>
<b>Equity</b>	<b>639'407</b>	<b>426'727</b>
Equity ratio	69.3%	54.6%
Market price per share at 31.12. in CHF	14.50	12.50
Number of outstanding shares	84'259'507	83'046'661
Market capitalisation	1'221'763	1'038'083
Distribution to shareholders in CHF*	1.00	-

\* proposal to the Annual General Meeting

## Consolidated key figures

(In thousands of CHF unless otherwise stated)	FY2021	FY2020
Total revenue	895'015	733'018
<b>Net revenue</b>	<b>787'331</b>	<b>641'214</b>
<b>EBITDAR*</b>	<b>152'363</b>	<b>99'294</b>
EBITDAR margin	19.4%	15.5%
<b>EBITDA</b>	<b>78'443</b>	<b>36'649</b>
EBITDA margin	10.0%	5.7%
<b>EBIT</b>	<b>16'772</b>	<b>(23'277)</b>
EBIT margin	2.1%	-3.6%
<b>Profit/(loss) for the period</b>	<b>4'567</b>	<b>(30'854)</b>
Cash flow from operating activities	33'534	23'770
Cash and cash equivalents	63'418	65'559
Equity	585'450	419'640
Equity ratio	33.8%	27.4%
<b>Balance sheet total</b>	<b>1'730'429</b>	<b>1'529'948</b>
Number of FTE at year-end	4'267	3'532

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

# Highlights

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Statutory income

**216.4**

in CHF million

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Statutory net profit

**197.6**

in CHF million

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Total revenue

**895.0**

in CHF million

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Net profit

**4.6**

in CHF million

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EBITDAR

**152.4**

in CHF million

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**19.4%**

of net revenues

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Equity ratio

**33.8%**

of total assets

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Distribution

**1.00**

in CHF per share (proposal)

# Dear Shareholder,

**AEVIS VICTORIA (AEVIS) achieved a strong result in fiscal year 2021. Strategically, the transformation process into a pure investment company was taken a further step forward with the initial sale of 10% of Swiss Medical Network to Medical Properties Trust, Inc. combined with several transactions to strengthen AEVIS' investment portfolio. At the holding level (unconsolidated) this led to a high statutory income of CHF 216.4 million and a strengthened balance sheet. The Board of Directors will therefore propose to the Annual General Meeting a total distribution of CHF 1.00 per share.**

Operationally, the performance of the hospital segment was back on track and very satisfying, while the hospitality segment, gradually recovering from the pandemic, remained affected by the crisis in 2021. Both operational segments also continued their growth strategy, further expanding their footprints with strategic acquisitions. On balance, the Group achieved total revenues of CHF 895.0 million, driven by solid organic growth of 9.8% and an enlarged scope of consolidation. Consolidated EBITDAR reached CHF 152.4 million, corresponding to an operating margin of 19.4%. This resulted in a net profit of CHF 4.6 million.

### Strategic portfolio adjustments pave way to a pure play investment company

The portfolio of participations was modified in the period under review and AEVIS took another important step towards becoming a pure play investment company. The transactions included the partial or full sell-down of participations that have been successfully developed and reached critical mass, as well as tactical acquisitions in all three major focus areas.

Highlights of investment activity at the holding level:

- 10% of **Swiss Medical Network** was sold to Medical Property Trust, Inc. at an enterprise value of CHF 1.7 billion. The goal is to further expand the shareholder base of the private hospital network and to add strategic investors to further develop the company within an integrated healthcare framework.
  - 60% of **Swiss Ambulance Rescue Genève** was sold to Touring Club Suisse, based on a strategic cooperation agreement to develop a nationwide rescue company. The Group will remain an important minority shareholder, participating in the future development of the firm.
  - On the other hand, the holding portfolio is being enlarged with the gradual acquisition of up to 27% of **Batgroup SA** (Batgroup), the parent company of Batmaid, the leading on-demand home-cleaning platform in Switzerland. In total, AEVIS will be investing up to CHF 25 million in Batgroup in several installments, mainly to finance international expansion.
  - After the reporting period, in March 2022, the entire 40% participation in **Medgate Group** was sold to the German Otto Group after AEVIS had accompanied and financially supported the development of Medgate for six years, allowing the creation of a key player in the telemedicine sector in Europe. The transaction has generated significant financial proceeds and a very attractive return for AEVIS.
- Within the three focus sectors of AEVIS, being healthcare, hospitality and infrastructure, the following acquisitions have been carried out:
- The hospital segment was enlarged by an increase in the participations in Hôpital du Jura bernois SA (up from 35% to 52%), Rosenklinik AG in Rapperswil (up from 40% to 100%) and Klinik Pyramide am See AG in Zurich (up from 20% to 100%) as well as the 80% acquisition of 11 Xundheitszentren of the Caisse des Médecins/Ärztelasse.
  - Since the creation of the strategic alliance with Touring Club Suisse for the creation of a nationwide rescue company, TCS Swiss Ambulance Rescue has already acquired two additional rescue companies in Lausanne and Aargau in March 2022, making it the largest rescue company in Switzerland.
  - The hospitality segment was strengthened in early 2022 with the acquisition of the boutique luxury hotel L'oscar London, a first international outlet for AEVIS's hospitality branch Victoria-Jungfrau.
  - Swiss Hotel Properties, the hospitality real estate vehicle, acquired the historic L'oscar hotel building and an adjacent property (both freehold), offering 39 rooms and a total surface of 5'200 sqm.

**Investment activity leads to substantial profit realisation at the holding level**

AEVIS' full-year 2021 statutory financials (holding, non-consolidated) show a very strong performance based on the transactions completed. The sale of a 10% stake in Swiss Medical Network, further transactions such as the sale of a 60% stake in Swiss Ambulance Rescue and the dividend payment received from Infracore contributed to a very strong statutory income of CHF 216.4 million and a statutory net profit of CHF 197.6 millions.

The balance sheet was further deleveraged as the Group repaid the maturing CHF 150 million bond in June 2021, and the capitalisation was thereby further strengthened. As a result, and in-line with the company's dividend policy, the Board of Directors will propose a distribution of CHF 1.00 per share to the Annual General Meeting.

**Strong operating results with consolidated revenues up by 22%**

On a consolidated basis, AEVIS recorded total revenues of CHF 895.0 million, significantly up by 22.1% compared to the previous year (CHF 733.0 million). Organically, the growth amounted to 9.8%. The higher revenues were converted into increased operating profits, which were further supported by strict cost management and lower expenses. Consolidated EBITDAR reached CHF 152.4 million (2020: CHF 99.3 million), corresponding to an operating margin of 19.4%, significantly above the previous year (2020: 15.5%). Consolidated net profit amounted to CHF 4.6 million, compared to a loss of CHF 30.9 million in the previous year.

**Solid consolidated balance sheet with an equity ratio of 33.8%**

The consolidated balance sheet grew by 13.1% to CHF 1.73 billion after the completion of various acquisitions. At the same time, the positive operating result contributed to an increased equity ratio, which surged from 27.4% to 33.8% in the reporting period. Cash flow from operations amounted to CHF 33.5 million, up by 41.1%.

**Outlook 2022**

In line with its investment activity, the Group's current investment portfolio should generate significant dividends and capital gains at the holding level in 2022, which should allow continuing and intensifying its dividend policy in 2023.

Operationally, AEVIS expects further growth at Swiss Medical Network and a positive development in the hotel business. The real estate segment will also be considerably strengthened with the ongoing projects. Due to the diversity of its participations and the current macroeconomic challenges, the Group is refraining from issuing consolidated revenue or margin targets for the financial year 2022.

**Thank you**

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

**Christian Wenger**

Chairman of the Board

**Antoine Hubert**

Delegate of the Board

# “We are long-term oriented entrepreneurs.”

“The transformation into a pure play investment company will be our key focus.”



Michel Reybier (MR) and Antoine Hubert (AH) in conversation.

## What is the common denominator of AEVIS’s various activities?

*AH:* Our vision is to contribute to a better life. Health, lifestyle and well-being are at the heart of our investment approach.

*MR:* I agree and would add pleasure and exploration of the senses.

## What is AEVIS’s business model?

*Both:* We have been pursuing a successful buy-and-build strategy for more than 10 years, in the three sectors of healthcare, hospitality and real estate. The goal is to develop the portfolio companies individually and, as soon as they have reached a critical size, to release them into independence or at least partial autonomy. We aim at a portfolio of actively managed participations with stakes of 30% to 60% to combine capital gains and stable annual returns for shareholders.

## And the role of the majority shareholders?

*MR:* Our role is to implement our strategy and convey our values, while ensuring the long-

term viability of our businesses through strong brands.

*AH:* As such, we are developers and companions, financial supporters and active entrepreneurs, promoting the companies with a strategic plan. We share the same values: respect and sustainability.

**“We have been pursuing a successful buy-and-build strategy for more than 10 years.”**

#### **So what drives you as entrepreneurs?**

*AH:* We are long-term oriented entrepreneurs who want to create something of lasting value. Our activity should contribute to doing good and bringing joy to people.

*MR:* To build. We have a key social role to play, we must grow our teams, which will allow us to be sustainable in the long-term.

#### **What is the common vision for the company?**

*Both:* We grow and manage companies for long-term value creation and our expertise and culture makes us a preferred investment partner in each field of activity. AEVIS is an established brand and as such attractive to emerging companies in our target segments.

#### **And the distribution of roles?**

*MR:* A common vision, fast decision-making and total transparency are powerful, extremely

efficient and essential to our partnership. We operate in different but complementary fields and each have our responsibilities.

*AH:* I for my part focus on healthcare, real estate, M&A and finance, Michel Reybier more on hospitality. The combination is what makes it work; we complement each other perfectly as a team and as investors.

#### **You just mentioned the different roles, where are the similarities?**

*Both:* We are both heavily involved in the business, we are active entrepreneurs. Leadership, development, staff issues, building and strengthening brands are our main tasks in addition to the strategic vision of each activity. One more in hospitality and lifestyle, the other more in the healthcare. But the spirit is the same.

**“Our expertise and culture makes us a preferred investment partner.”**

#### **Looking years back, how did your partnership start?**

*MR:* My encounter with Antoine and my desire to develop a brand in the field of preventive medicine and well-being are at the origin of our partnership.

*AH:* And that is now more than 10 years ago. Michel Reybier and I then joined forces in 2011 to make a tender offer for Genolier Swiss Medical Network SA and subsequently became the reference shareholders of the hos-

pital group. This move allowed the company to take a big step forward at the time and then also expand into Hospitality, the main domain of Michel.

#### **Mr. Reybier, and how did you get into the hotel business?**

*MR:* The thought that it is possible to build a global brand whilst retaining a human touch, combined with my knowledge of the end customer.

#### **So why create this division within AEVIS?**

*MR:* I was already operating luxury hotels with Michel Reybier Hospitality and it was natural and logical to share this expertise with AEVIS.

#### **More broadly, how has AEVIS developed in recent years?**

*Both:* With the exception of the Corona years, we have grown strongly and significantly strengthened all three main segments. In 2022, the consolidated revenue of our companies will be close to one billion Swiss francs.

**“With the exception of the Corona years, we have grown strongly and significantly strengthened all three main segments.”**

#### **You have pursued a buy and build strategy. With which ambition?**

*Both:* We buy companies that are in a phase of transition or

are about to take a major step in growth. So we enter at reasonable valuations and help the management to boost and exploit the company's potential with targeted measures to create value. We aim to develop and grow a company, make it more resilient and financially stronger.

**“We aim to develop and grow a company, make it more resilient and financially stronger.”**

**This model has proved successful?**

*Both:* Yes, very much so. We have achieved above-average returns with our partial disposals – such as with Lifewatch, Ikentoo, Infracore, Swiss Medical Network and recently Medgate. So AEVIS was able to create significant value with its buy and build model and then also release it in strategic transactions. The equity generated on the holding level is a confirmation: in the past 10 years, it surged by 743% and now stands at CHF 639 million.

**The 40% stake in Medgate was recently sold at a profit. An exemplary case?**

*Both:* Clearly, yes. We helped the founders to make Medgate the leading telemedicine provider in Switzerland. Now it was time for another investor to take over this role in international expansion. Financially, the commitment was associated with a gratifying return in just under six years.

**“Equity at holding level increased by 743% since 2011.”**

**What are the next investments?**

*AH:* We have just acquired a hotel in London, expanding hospitality outside Switzerland, in selected destinations, will be one priority. At the same time, we want also to develop our smaller investments in strategic companies such as Batgroup.

*MR:* And we have the ambition to position the better-aging brand Nescens as a reference brand in preventive medicine, health optimization and well-being. I strongly believe in Nescens and its medical expertise, with the ultimate goal to live a better and healthier life, for as long as possible. Next to this, we strongly focus on the development of our restaurant brands in and around our different hotels.

**“In 2022, the consolidated revenue of our companies will be close to one billion Swiss francs.”**

**Does the company need the SIX listing?**

*AH:* Yes, access to capital is important for us because, as I said, we also operate with outside capital and the stock exchange also gives an indication of the value of the company. That creates confidence for our investors.

**Why is AEVIS an attractive investment itself?**

*Both:* We have proven in recent years that we can create value. AEVIS is a unique opportunity to invest along entrepreneurs fully dedicated to their companies. The positive share price performance is complemented by regular dividend payments and special distributions when hidden reserves are realized (via the partial sale of parts of the company). The stock market price is one indication, but we are convinced that a sum of the parts approach, based on market values or realized partial sales, is much higher.

**Finally, what strategic steps are planned for the next quarters?**

*Both:* The transformation into a pure play investment company will be our key focus. On a participation level, Swiss Medical Network intends to form an alliance of relevant actors creating local integrated health systems. As such, we are looking for strategic investors that can help accelerate this process and would be willing to sell additional stakes in the hospital group.

**“AEVIS is a unique opportunity to invest along entrepreneurs fully dedicated to their companies.”**



# OPERATING REPORT



# Operating profitability increases significantly

The participations in AEVIS' portfolio are each managed independently and with a high degree of entrepreneurial freedom. Overall, the portfolio is diversified among the three focus sectors healthcare, hospitality and infrastructure with different risk return profiles, all sharing the mission of servicing people in the best possible way. Swiss Medical Network continues to be the largest investment in AEVIS's portfolio. The values of the hospitality and the healthcare real estate portfolio have slightly increased and contributed favorably to the portfolio stability, thanks to excellent locations and the absence of capex backlogs.

### Swiss Medical Network achieves record turnover of CHF 760.1 million

Swiss Medical Network grew strongly in the reporting year, thanks to a significant extension of the consolidation scope. At the same time, the Group's hospitals also grew organically, recovering and profiting from a normalization following the ban on elective surgery at the start of the COVID pandemic. Growth led to an important improvement of profitability.

On a standalone base, Swiss Medical Network achieved total revenue of CHF 800.1 million and an EBITDAR of CHF 161.6 million. Consolidated in AEVIS, after eliminations of intercompany restructuring effects, total revenues amount to CHF 760.1 million, implying a growth of 19.0% over the previous year (CHF 638.5 million). Net revenue (medical fees excluded) amounted to CHF 652.4 million, 19.3% higher than in 2020 (CHF 546.7 million). Organic growth was 6.4%, driven by the increased number of independent physicians and the growing attractiveness of the Group's hospitals and health centers for staff and patients.

The remaining increase in revenues was due to acquisitions and changes in the scope of consolidation. In 2021, the stake in Hôpital du Jura bernois SA was increased from 35% to 52%, and the stakes in Rosenklinik AG in Rapperswil and Klinik Pyramide am See AG in Zurich were each raised to 100% (from 40% and 20% respectively). In the primary care sector, Swiss Medical Network acquired 80% of the share capital of the 11 Xundheitszentren from the Caisse des Médecins/Ärztelasse.

### EBITDAR Swiss Medical Network in CHF million

# 121.6

The significantly higher revenues had a positive effect on operating profit due to the fixed cost structure of Swiss Medical Network. In combination with efficiency improvements and rigid cost management, EBITDAR increased to CHF 121.6 million (2020: CHF 100.5 million), corresponding to a solid operating margin of 18.6%. This significantly exceeded the 2019 pre-crisis level of CHF 87.7 million, both in absolute terms and in terms of margin (2019: 16.4%).

### Surge in net revenue (without medical fees)

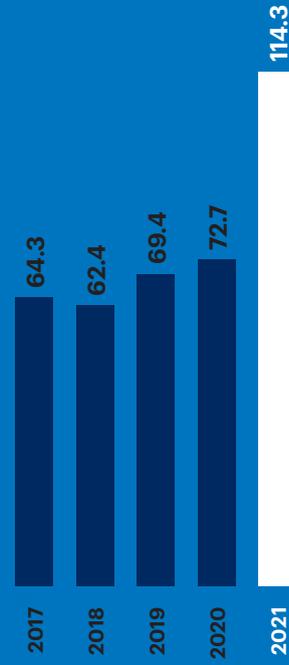
# 19.3%

Swiss Medical Network attaches great importance to autonomy and an entrepreneurial spirit and therefore relies on a highly decentralised organisation with a flat management hierarchy and regional hubs. The 22 hospitals of the Group, with 1'465 beds, 2'305 admitting physicians and 3'926 employees, are given considerable freedom to position themselves in their respective local markets in order to be close to their patients and preserve their local identity. This strategy is completed by strongly embedding the hospitals into local healthcare clusters in order to improve the efficiency of referral networks for both patients and healthcare professionals. This allowed the creation of an ecosystem in which all participants can benefit from each other, across cantonal and linguistic borders and specialties. This vision, alongside with Swiss Medical Network's agility and efficiency as well as ongoing investments in people and infrastructure attracted many new affiliated physicians during the reporting period who, as independent and entrepreneurial doctors, will contribute significantly to the growth and future expansion of the network.

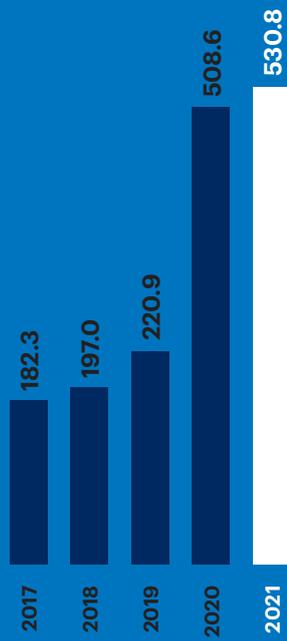
### Net revenue hospital segment in CHF million



### Net revenue hospitality segment in CHF million



### Market value consolidated real estate portfolio in CHF million



### De-consolidated real estate portfolio value in CHF million



As in previous years, Swiss Medical Network made targeted efforts in 2021 to advance the idea of value-based healthcare and thus promote integrated care models. This means putting the individual at the center and pivoting away from “repair” medicine (driven by fee for services models) to more holistic approaches including more prevention and alternative payment arrangements (e.g. full capitation model). This approach is long-term-oriented and will only work if all parties, including health insurers, are united and aligned in one system.

The goal is to implement such a system in the Arc Jurassien in order to establish the first Accountable Care Organization in this region. Numerous partnerships with actors such as general practitioners, medical centers, hospitals, outpatient centers and nursing homes have already been put in place. At the same time, as an accompanying measure, the technological platform must be further developed, the clinical data quality further refined, analysis possibilities promoted and thus prevention strengthened, and the interoperability of the technical systems increased – for example, to establish quality assurance via patient-reported outcome measures (PROMs).

2022 got off to a good start and was on a par with the reporting year. Swiss Medical Network expects this trend to continue for the rest of the year. In addition, the integration of the acquired hospitals will entail organizational adjustments to ensure that the hospital group remains agile and efficient. As in the past, Swiss Medical Network plans to continue investing in infrastructure, especially in new operating theatres at Privatklinik Siloah in Bern, as well as in medical practices and a hospital extension on the campus of Privatklinik Belair in Schaffhausen. In addition, Swiss Medical Network supports Hôpital du Jura bernois’ projects in St-Imier, Moutier and the Arc Jurassien, with planned investments of more than CHF 25 million over the next few years.

**Swiss Visio**, a network of state-of-the-art ophthalmology centers, fully consolidated in Swiss Medical Network SA, now comprises 16 centers in Switzerland. In the year under review, Swiss Visio successfully expanded into Canton Zurich with the aim of further strengthening its position in German-speaking Switzerland and also gaining a foothold in Ticino. Planned acquisitions in Bern (completed in March 2022) and Sion will further strengthen the network in 2022. Swiss Visio performed 39’861 consultations in the year under review, employs more than 70 people and works with 30 independent physicians. Great importance is attached to the training of young physicians in order to affiliate the next generation to the company at an early stage, and to convey the advantages of its system in offering great entrepreneurial freedom.

## Swiss Visio consultations

# 39’861

### Other healthcare investment

**Medgate**, a leading telemedicine company with a track record of more than 21 years and an internationally expanding footprint, achieved strongly improved results in 2021 as demand for telemedicine continued to increase during the pandemic. Medgate employs around 320 people in Switzerland alone as well as 130 experienced physicians who advise and treat patients around the clock via app, telephone, video and chat. AEVIS has owned 40% of Medgate since 2016 and has invested significantly in the company (via equity and shareholder loans), allowing the creation of a key player in the telemedicine sector in Switzerland and Europe.

In the context of a financing round initiated by Medgate in 2021 to finance various acquisitions, amongst others in Germany, AEVIS sold its entire stake in Medgate to the German Otto Group in March 2022, hence facilitating the envisioned majority position of the new reference shareholder. The exit of the Medgate participation generated net cash proceeds of CHF 66.0 million for AEVIS in 2022, combined with a very attractive exit return.

AEVIS owned 100% of Swiss Ambulance Rescue Genève and facilitated the regional growth of the company for almost ten years. In order to facilitate the build-up of a nation-wide rescue company, AEVIS established a joint venture with Touring Club Suisse (TCS), sold 60% of **Swiss Ambulance Rescue Genève** to TCS in early 2021 and subsequently deconsolidated the participation. AEVIS, as a 40% shareholder of the newly created holding company **TCS Swiss Ambulance Rescue**, will continue to be a partner and actively support the company's buy-and-build strategy. In early 2022, TCS Swiss Ambulance Rescue already completed two acquisitions, bringing the total vehicles to 38, with more than 160 employees and around 25'000 assignments per year, thereby becoming the largest rescue company in Switzerland. The disposal of 60% of Swiss Ambulance Rescue generated a profit of CHF 3.2 million in 2021.

## Medgate sale cash proceeds in CHF million

# 66.0

### Hotels remained impacted by pandemic but achieved higher revenues based on enlarged scope of consolidation and one-time effects

The hospitality segment continued to be impacted by the COVID-19 health crisis and the associated regulations that were put in place in different stages. Especially the winter season 2020/2021 and the alpine hotels in Davos and Zermatt were affected by travel bans, the absence of foreign guest and the cancellation of the WEF in the first semester of 2021.

A surge in domestic activity could only partially compensate for lower international demand. In the autumn, after a normalization during the summer months with good business in the hotels and restaurants, new restrictions led to the cancellation of many private events and also had a negative effect on the MICE activity (meetings, incentives, congresses, exhibitions), especially in the hotels in Bern, Davos and Interlaken. On the other hand, the smaller hotels in the portfolio like La Réserve Eden au Lac in Zurich and the Crans Ambassador in Crans Montana profited from strong weekend and leisure tourism throughout the year and achieved better results than anticipated.

## Overnight stays in hotels

# 183'900

In total, 183'900 overnight stays were registered (2020: 111'780) with an average room rate of CHF 423 (2020: CHF 517). Overall, operating revenues reached CHF 114.3 million, 57.2% more than in the previous year (CHF 72.7 million). This was mostly due to the larger scope of consolidation after the full consolidation of the hotels bought in the course of 2020, and also due to payments of nearly CHF 30 million received for hardship and insurance indemnities for the past two years (2020 and 2021). Organic growth amounted to 7.2%. Management reacted flexible to the challenges and further reduced costs and complexity in the Group, while total staff was adjusted to the lower operating activities, with a decrease in FTEs of approximately 10%. In combination, these measures contributed to a positive gross operating profit. EBITDAR was exceptionally high at CHF 34.6 million (30.3%), on the one hand due to the positive gross profit, but above all as a consequence of the one-time payments reported above.

AEVIS continues to actively invest in the hospitality sector and renovate rooms and facilities in the hotels in Bern and Interlaken. Further investments in the infrastructure are planned in 2022.

The start of the new business year was solid, the mountain destinations recorded higher frequencies, and the city hotels operated with good occupancy rates. All hotels are expected to be open and operational at pre-COVID levels. As such, the Group remains confident about achieving a result superior to the prior year. The newly acquired L'Oscar in London is expected to swiftly contribute to revenues once the hotel has been repositioned in 2022.

#### Highly resilient real estate portfolio

The composition of the hotel properties of Swiss Hotel Properties remained unchanged in the reporting period. The portfolio consisted of 18 unique buildings in five top locations, offering a total of 941 rooms with a market value of CHF 530.8 million as of 31 December 2021. Revenues amounted to CHF 20.9 million (mostly inter-company rent paid by the group's hotels), up by 35.6% compared to the previous year, based on the full consolidation of the properties acquired in 2020 in Davos and Zermatt. EBITDAR amounted to CHF 18.4 million, corresponding to an operating margin of 87.9%.

#### Value of hotel properties in CHF million

# 530.8

In the first quarter of 2022, two buildings making up L'Oscar hotel in central London were acquired. The transaction is the Group's first entry into the hospitality sector in the United Kingdom, and the property is expected to yield solid returns mid-term after an expansion and repositioning of the luxury boutique hotel has been completed.

The healthcare real estate portfolio owned by Infracore (30% stake) developed successfully in 2021. The acquisition of the property of Privatklinik Belair in Schaffhausen in late 2020, the improved contribution of the upgraded Privatklinik Villa im Park in Rothrist and the ongoing development of the different buildings on the site of Privatklinik Bethanien led to an increased portfolio value of CHF 1.2 billion. Operationally, rental income surged by 21.7% to CHF 58.9 million, as rental income normalised after exceptional rent waivers were granted due to the COVID crisis in 2020. EBITDA including revaluation gains of CHF 6.5 million amounted to CHF 58.8 million. Based on the net profit of CHF 43.5 million, the Board of Directors of Infracore has proposed a distribution of CHF 3.15 per share/non-voting equity share, which will lead to a dividend inflow at AEVIS level of around CHF 10.9 million in 2022. The Net Asset Value before deferred taxes amounted to CHF 609.0 million of which the share of AEVIS is CHF 181.7 million.

#### NAV Infracore (before deferred taxes) in CHF million

# 609.0

The Infracore portfolio currently consists of 40 high-quality properties on 17 sites, representing a rental surface of 188'109 sqm. Infracore plans to continuously develop its portfolio, with a clear strategic focus on value-added projects. One such example is the Genolier Innovation Hub, which will be constructed adjacent to Clinique de Genolier on a plot of land owned by Infracore and offering 13'834 sqm of rental surface once finished in early 2024. It has the dual purpose of focusing on all stages of the innovation process and facilitating the transition from pre-clinical experimentation to practical application. The total cost of the project is estimated at CHF 65 million.





# Share and Bond Information

## Number of shares

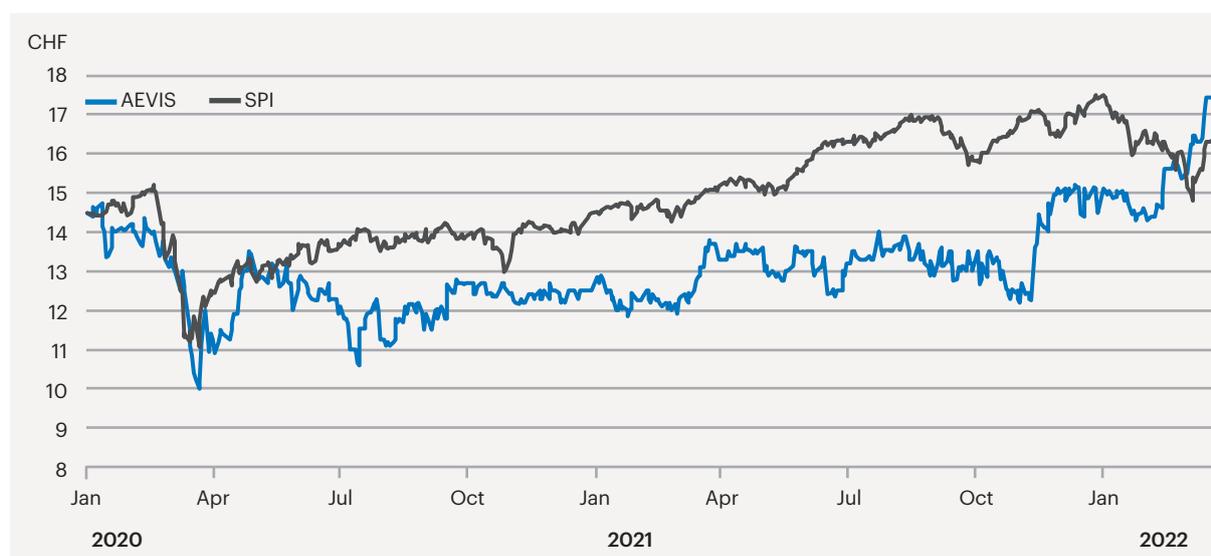
	31.12.2021	31.12.2020
Share capital (in CHF)	84'529'460	83'499'514
No. of registered shares issued	84'529'460	83'499'514
Nominal value per registered shares (in CHF)	1	1
No. of treasury shares	269'953	452'853
No. of registered shares outstanding	84'259'507	83'046'661

## Data per share

	31.12.2021	31.12.2020
EBITDA per share* (in CHF)	0.94	0.46
High (in CHF)	15.20	14.75
Low (in CHF)	11.85	10.00
End price (in CHF)	14.50	12.50
Average volume per day	7'641	6'955
Market capitalisation (in CHF)	1'221'762'852	1'038'083'263

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

## Share price performance



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

Valor symbol:	AEVS	Bloomberg:	AEVS:SW
Valor no.:	47'863'410	Reuters:	AEVS.S
ISIN:	CH0478634105		

## AEVIS VICTORIA SA Bond

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

## Major shareholders

The following shareholders held more than 3% on 31 December 2021:

Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA	74.85%
MPT Medical Properties Trust, Inc.	4.56%
Kuwait Investment Office as agent for the Government of the State of Kuwait	3.15%
Total shareholders (31 December 2021)	1'597

## Financial reporting

28 April 2022	Ordinary general shareholders' meeting for the year 2021
May 2022	Publication of 1Q 2022 Revenue
16 September 2022	Publication of the 2022 Half-Year Results
November 2022	Publication of 3Q 2022 Revenue
March 2023	Publication of 2022 Revenue
31 March 2023	Publication of the 2022 Annual Results

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# CORPORATE GOVERNANCE



# Corporate Governance Report

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

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

The complete Articles of Association of AEVIS VICTORIA SA can be consulted under the following link:

[www.aevis.com/\\_media/2021/07/210713\\_statuts\\_aevis.pdf](http://www.aevis.com/_media/2021/07/210713_statuts_aevis.pdf)

## 1. Group structure and shareholders

### 1.1. Group structure

#### 1.1.1. Description of the issuer's operational group structure

The AEVIS VICTORIA group (hereinafter “the Group”) is active in healthcare, lifestyle and infrastructure. The Group's operational structure is divided into the following main business segments: hospitals, hospitality, 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 CH0478634105). As at 31.12.2021, its market capitalisation stood at CHF 1.22 billion.

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

As at 31.12.2021, the company had the following subsidiaries, none of which are listed:

NAME	REGISTERED OFFICE	ACTIVITY	SHARE CAPITAL (IN CHF)	%
Swiss Medical Network SA	Genolier (VD)	Holding company	20'000'000	78.42
Générale Beaulieu Holding SA	Geneva (GE)	Holding company	2'500'000	69.45
Genolier Innovation Hub SA	Genolier (VD)	Research & innovation	100'000	100.00
Swiss Hotel Properties SA	Interlaken (BE)	Hospitality real estate	10'000'000	100.00
Swiss Property Advisors SA	Fribourg (FR)	Real estate management	100'000	100.00
TCS Swiss Ambulance Rescue SA	Vernier (GE)	Holding company	2'000'000	40.00
Victoria-Jungfrau AG	Interlaken (BE)	Holding company	5'000'000	100.00
MRH-Zermatt SA	Zermatt (VS)	Hospitality	100'000	100.00
Seiler Hotels SA	Zermatt (VS)	Hospitality	18'000'000	100.00
Klinik St. Raphael AG	Küsnacht (ZH)	Real estate development	11'505'700	73.54
Infracore SA	Fribourg (FR)	Healthcare real estate	6'923'354	16.04
Medgate Holding SA	Basel (BS)	Holding company	3'000'000	40.00
Société Clinique Spontini SAS	Paris (France)	No operating activity	EUR 2'000'000	100.00
Swiss Stem Cell Science SA	Fribourg (FR)	Stem Cells	100'000	100.00
Nescens SA	Genolier (VD)	Better aging	4'850'000	100.00

#### Material changes since the balance sheet date

On 07.03.2022, the Company became a 35% shareholder of SSCB SWISS STEM CELLS BIOTECH AG through a contribution in kind of Swiss Stem Cell Science SA. On 10.03.2022, the Company sold its 40.00% participation in Medgate Holding SA to the German Otto Group.

More information can be found in note 35 (List of group companies) from the Swiss GAAP FER consolidated financial statements.

### 1.2. Significant shareholders

According to the disclosure notifications filed with the Company, the following shareholders held directly or indirectly 3% or more of the Company's share capital on 31 December 2021:

NAME	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Group Hubert/Reybiel/M.R.S.I. Medical Research, Services and Investments SA*	63'270'745	74.85	64'132'518	76.81
MPT Medical Properties Trust, Inc.	3'850'961	4.56	3'850'961	4.61
Kuwait Investment Office as agent for the Government of the State of Kuwait	2'666'560	3.15	2'666'560	3.19

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

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

### 1.3. Cross-shareholdings

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

## 2. Capital structure

### 2.1. Capital

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

31.12.2021	NUMBER OF SHARES	NOMINAL VALUE PER SHARE (in CHF)	TOTAL CAPITAL (in CHF)
Share capital	84'529'460	1	84'529'460
Conditional capital	37'495'000	1	37'495'000
Authorised capital	35'156'575	1	35'156'575

### 2.2. Authorised and conditional capital in particular

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

The Board of Directors is authorised to increase the share capital by a maximum of CHF 35'156'575 through the issuance of a maximum of 35'156'575 fully paid up registered shares with a nominal value of CHF 1 each until 28.04.2023. The issue price, type of payment, timing, the beginning date for dividend entitlement and the conditions for the exercise of subscription rights attached to such shares would have to be determined by the Board of Directors. Preferred subscription rights which have been granted but not exercised are at the disposal of the Board of Directors, which can use them in the interest of the Company.

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

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

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

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

## 2.3. Changes in capital

	NUMBER OF SHARES	SHARE CAPITAL (IN CHF)
Balance on 01.01.2019	78'591'035	78'591'035
Conditional capital increase (executed on 17.02.2020)	1'800'000	1'800'000
Balance on 01.01.2020	80'391'035	80'391'035
Authorised capital increase (executed on 10.12.2020)	3'108'479	3'108'479
Balance on 01.01.2021	83'499'514	83'499'514
Authorised capital increase (executed on 13.07.2021)	1'029'946	1'029'946
Balance on 31.12.2021	84'529'460	84'529'460

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

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

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

## 2.4. Shares and participation certificates

The Company's capital is composed of registered shares only. At 31.12.2021, the number of fully paid-up registered shares with a nominal value of CHF 1 each was 84'529'460. According to article 16 of the Articles of Association, each share recorded in the share register as a share with voting rights confers the right to one vote to its holder. Shareholders have the right to receive dividends.

There are no participation certificates.

## 2.5. Dividend-right certificates

There are no dividend-right certificates.

## 2.6. Limitations on transferability and nominee registration

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

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

## 2.7. Convertible bonds and options

As at 31.12.2021, the Company had no convertible bonds outstanding. During 2021, no option rights were granted.

An overview of the option plans can be found in the Remuneration Report under Section 3.4 – Share-based payment plans.

### 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 31.12.2021, the Board of Directors of the Company was composed of the following members:

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

With the exception of Antoine Hubert and Raymond Loretan, who are employed by a group company, all Board Members are Non-executive Members.

#### 3.2. Other activities and vested interests



## Christian Wenger

### Chairman

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

With a doctor degree in law from the University of Zurich and following post-graduate studies at Duke University Law School in North Carolina, Dr Christian Wenger is partner and Board Member of the law firm Wenger Vieli AG in Zurich and specialises in commercial and business law with focus on private equity, venture capital and mergers & acquisitions. He serves as Chairman, Vice-chairman and Board Member of several listed and non-listed companies such as Breitling SA, Chemolio Holding AG, Hempel Special Metals AG, SIGNA Retail Selection AG, Trisport AG, UCC Holding AG, UCC Immobilien AG and Xeltis AG. He is Chairman of the BlueLion Stiftung and the UZH Foundation and Member of the Zoo Stiftung Zürich. 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 universities and corporations with the aim of positioning Switzerland as a leading technology nation across Europe. In spring of 2017, Christian Wenger was elected to the Board of Trustees of the UZH Foundation of the University of Zurich. Christian Wenger is also Chairman of Swiss Entrepreneurs Fund, which created a Swiss fund for venture and growth capital focusing on improving the framework conditions for entrepreneurship.

Dr Christian Wenger represents the shareholdings of CHH FINANCIERE SA.



## Raymond Loretan

### Vice-chairman

Member of the Strategy and Investment Committee

Raymond Loretan holds a law degree (University of Fribourg) and a diploma in European Organizations (University of Strasbourg). Before joining the Group in 2007, Raymond Loretan held several positions within and outside the Swiss administration. He served as diplomatic Assistant to the Secretary of State at the Federal Department of Foreign Affairs (1984–1987), personal adviser to Federal Councillor Arnold Koller (1987–1990), Counsellor for European Affairs of the Canton of Valais (1991–1992) and Secretary General of the Swiss Christian Democratic Party (1993–1997). In 1997, Raymond Loretan was appointed as Swiss Ambassador to the Republic of Singapore and to the Sultanate of Brunei Darussalam and in 2002 as Consul General of Switzerland in New York. He was Chairman of the SSG SSR (2012–2015) and Swiss Leading Hospitals (2017–2021).

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

Furthermore, he is founding associate of the consultancy practice FBL Associés, Chairman of the Board of SSE Holding SA, Société Suisse des Explosifs SA and Nouvelle Agence Economique et Financière SA. He is also Chairman of the Club Diplomatique de Genève, the Fondation du Grand Prix d'Horlogerie de Genève and the Fondation of the documentary film festival Fondation Visions du Réel. He is also member of the Fondation of the Pontifical Swiss Guard and the Fondation CIOMAL.



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

**Member of the Strategy and Investment Committee**

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

Within the Group, Antoine Hubert is Delegate of the Board of Swiss Medical Network SA and Générale Beaulieu Holding SA. He is Chairman of Genolier Innovation Hub SA, Swiss Hotel Properties SA, Swiss Property Advisors SA, CACM hôtels SA, Swiss Stem Cell Science SA and Société Clinique Spontini SAS. He is Vice-chairman of the Board of Directors of Infracore SA, Centre Médico-Chirurgical des Eaux-Vives SA, Medizinisches Zentrum Biel MZB GmbH and Nescens Genolier SA. He is Board Member of GSMN Suisse SA, Swiss Medical Network Hospitals SA, Clinique Générale-Beaulieu SA, Hôpital du Jura bernois SA, Hôpital de Moutier SA, Swiss Medical Centers Network SA, Centre Médical Genolier SA, Swiss Medical Network GesundheitsZentrum AG, Swiss Visio SA, Gutsehen.ch AG, Victoria-Jungfrau AG, Grand Hotel Victoria-Jungfrau AG, Hotel Eden au Lac AG, Hotel Bellevue Palace AG, AlpenGold Hotel AG, Seiler Hotels AG, MRH-Zermatt SA, Générale-Beaulieu Immobilière SA, NESSENS SA, Laboratoires Genolier SA, Batgroup SA, Oldbourne & Oldbourne Hospitality Limited (since 01.03.2022), Fliptag Investment Ltd. (since 01.03.2022) and Havza Limited (since 01.03.2022). Antoine Hubert is Member of the foundation board of Aevum Pension Fund and the Genolier Foundation for medical solidarity.

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



### **Michel Reybier** Member

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

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

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

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



### **Antoine Kohler** Member

**Chairman of the Audit and Compliance Committee**  
**Member of the Nomination and Compensation Committee**  
**Member of the Strategy and Investment Committee**

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

Within the Group, Antoine Kohler is Vice-chairman of Swiss Property Advisors SA. He is Board Member of Swiss Medical Network SA, Victoria-Jungfrau AG, Générale Beaulieu Holding SA, Clinique Générale-Beaulieu SA, Genolier Innovation Hub SA, Centre Médico-Chirurgical des Eaux-Vives SA, Swiss Medical Centers Network SA, CACM hôtels, Nescens Genolier SA, Oldbourne & Oldbourne Hospitality Limited (since 01.03.2022), Fliptag Investment Ltd. (since 01.03.2022) and Havza Limited (since 01.03.2022).

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



### **Dr Cédric A. George** Member

**Chairman of the Nomination and Compensation Committee**  
**Member of the Strategy and Investment Committee**

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

Within the Group, Dr Cédric A. George is Board Member of Swiss Medical Network SA, Générale Beaulieu Holding SA, Klinik Pyramide am See AG and Klinik St. Raphael AG.

### 3.3. Number of permitted activities

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

- Mandates in companies that are controlled by the Company
- Mandates which a Board Member holds at the request of the Company or companies controlled by it. No Board Member should hold more than ten such mandates.
- Mandates in associations, charitable 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 2021, 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	2022
Raymond Loretan*	November 2006	2022
Antoine Hubert*	June 2009	2022
Michel Reybier	June 2011	2022
Antoine Kohler*	June 2008	2022
Cédric A. George	September 2010	2022

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

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

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

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

MEMBER	ELECTION	EXPIRES
Antoine Kohler	June 2015	2022
Cédric A. George	June 2015	2022

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

The Audit and Compliance Committee is chaired by a non-executive Board Member and is composed of at least three Board Members. The members are elected by the Board of Directors.

### **Strategy and Investment Committee**

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

### **Independent Proxy**

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

## **3.5. Internal organisation structure**

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

<b>MEMBER</b>	<b>AUDIT AND COMPLIANCE COMMITTEE</b>	<b>NOMINATION AND COMPENSATION COMMITTEE</b>	<b>STRATEGY AND INVESTMENT COMMITTEE</b>
Christian Wenger	Member		Member
Raymond Loretan			Member
Antoine Hubert			Member
Michel Reybier	Member		Member
Antoine Kohler	Chairman	Member	Member
Cédric A. George		Chairman	Member
Dr Philippe Glasson*			Member

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

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

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

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

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

For the year 2021, 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 2021, the Audit and Compliance Committee met twice. The average length of meeting is two hours. The Chairman of the Audit and Compliance Committee prepares a report of each meeting, which is presented at the next Board meeting.

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

The Strategy and Investment Committee reviews the Group's strategic development in its core business as well as other businesses closely related thereto. It also coordinates the significant investment projects. The Strategy and Investment Committee has no decision-making powers. In 2021, 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 2021, the Board of Directors was convened six times of which two times by means of videoconferencing. The average attendance at the Board meetings was 100%. The average length of meeting is three hours. During its meetings, the Board reviews the activities of the Group with reference to operating reports. Meetings are prepared by the Chairman and the Delegate of the Board.

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

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

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

### 3.6. Definition of areas of responsibility

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

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

Provide the ultimate governance of the Company and issue the necessary instructions;

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

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

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

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

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

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

## 4. Senior Management

### 4.1. Senior Management

The Company wants the Senior Management to be focused on the long-term, with steady growth in turnover and profitability, allowing regular investments that will guarantee its sustainability. As at 31.12.2021, the Senior Management of the Company was composed of the following persons:

MEMBER	FUNCTION	YEAR OF BIRTH	NATIONALITY
Antoine Hubert	Delegate of the Board	1966	Swiss
Gilles Frachon	Chief Financial Officer	1950	French

### 4.2. Other activities and vested interests

#### Antoine Hubert

See Section 3.2.



#### Gilles Frachon

##### Chief Financial Officer

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

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

Within the Group, Gilles Frachon is Board Member of Swiss Medical Network Hospitals SA, GSMN Suisse SA, Swiss Hotel Properties SA and Société Clinique Spontini SAS (France). Gilles Frachon is Member of the foundation board of Aevum Pension Fund.

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) and Bibarium 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 rights**

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

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

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

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

#### **6.2. Quorums required by the Articles of Association**

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

### **6.3. Convocation of the General Meeting of Shareholders**

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

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

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

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

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

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

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

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

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

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

There are no such clauses.

## 8. Auditors

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

#### 8.1.1. Date of assumption of the current audit mandate

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

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

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

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

### 8.2. Auditing fees

Auditing fees of Berney Associés Audit SA for the Group amounted to CHF 458'000 (excluding VAT and expenses) for the business year 2021.

### 8.3. Additional fees

During 2021, Berney Associés Audit SA charged additional fees of CHF 14'900 for the delivery of certifications and attestations and for tax services.

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

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

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

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

During 2021, 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 ad hoc releases pursuant to Article 53 of the Listing Rules ([www.aevis.com/en/news-reports/ad-hoc-press-releases/](http://www.aevis.com/en/news-reports/ad-hoc-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. It is also possible to receive the company's press releases and ad hoc releases pursuant to Article 53 of the Listing Rules through the News Alert subscription.

([www.aevis.com/en/news-reports/news-alert-subscription/](http://www.aevis.com/en/news-reports/news-alert-subscription/))

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

The Annual General Meeting for the 2021 fiscal year will take place on Thursday 28.04.2022. A full corporate calendar is available on the company's website.

([www.aevis.com/en/investor-relations/financial-calendar/](http://www.aevis.com/en/investor-relations/financial-calendar/))

## 10. Quiet periods

AEVIS VICTORIA has a clear Insider Information Regulation, which contain provisions to prevent insider dealings. Any direct or indirect purchase, sale or other transaction relating to AEVIS VICTORIA securities based on insider information is prohibited, whether for the own account of the insider or for the account of another person. An insider must not disclose insider information to anyone inside or outside the company, other than a person whose position requires him or her to know the insider information. An insider may not recommend to, induce or instruct another person to sell, buy or deal in AEVIS VICTORIA securities. The Board of Directors of AEVIS VICTORIA has decided not to submit general quiet periods to its insiders and to rely upon the individual responsibility of each initiated person. However, when deemed necessary to introduce a quiet period, AEVIS VICTORIA will inform its insiders on an ad hoc basis. In 2021, no quiet periods have been applied.

### Contact

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# **REMUNERATION REPORT 2021**

# Remuneration Report

**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 2022. Article 23 ter to quinquies of the Articles of Association relate to the remuneration of Board Members and Senior Management.**

## 1. Governance

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

On 31.12.2021, the Nomination and Compensation Committee was composed of Cédric A. George (Chairman) and Antoine Kohler. The Nomination and Compensation Committee assists the Board of Directors in the establishment and the periodic revision of the compensation strategy and directives. The Committee prepares the proposals of the Board of Directors to the Annual General Meeting regarding the compensation of the Board Members and the Senior Management. It determines the principles for remuneration of the Board Members and the Senior Management and submits them to the Board of Directors for approval. It oversees and discusses the overall remuneration policy and the remuneration principles of the company and the Group and keeps the Board updated. The Committee determines the employee participation schemes, including an allocation of shares, share options or other financial instruments to the Board Members, the Senior Management and other beneficiaries and submits them to the Board for approval.

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

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

## 2. Board of Directors

### 2.1. Principles of compensation

According to article 23 quinquies of the Articles of Association, non-executive Board Members receive a fixed compensation, which takes into account the position and level of responsibility of the beneficiary. At least 20% and up to 50% of their compensation must be converted in AEVIS VICTORIA shares, with a two year vesting period. The number of AEVIS VICTORIA shares is determined by taking the closing price of the share on the SIX Swiss Exchange over a period of 30 days prior to the date of allocation. The payment in cash and the conversion in shares are executed yearly before the end of the term of office. From the date of allocation, the shares have both voting and dividend rights. The remuneration is accounted for using the accrual principle.

The Annual General Meeting approves the proposal of the Board of Directors in relation to the maximum aggregate amount of the compensation of the Board of Directors for the period until the next Annual General Meeting. The Board of Directors can submit to the approval of the Annual General Meeting different or additional proposals covering the same period or different periods. In the event the Annual General Meeting does not approve a proposal of the Board, the Board determines, taking into account all pertinent criteria, the total (maximum) amount or the partial respective (maximum) amounts and submits the(se) amount(s) thus determined to the approval of an Annual General Meeting.

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

### 2.2. Compensation in 2021

(In thousands of CHF)							
NAME	POSITION	TOTAL	OF WHICH CASH	OF WHICH BLOCKED SHARES	SOCIAL INSURANCE CONTRIBUTIONS*	PREVIOUS PERIOD	SOCIAL INSURANCE CONTRIBUTIONS*
Christian Wenger	Chairman	100.0	60.0	40.0	4.7	100.0	5.6
Raymond Loretan	Vice-chairman	-	-	-	-	-	-
Antoine Hubert	Delegate of the Board	-	-	-	-	-	-
Michel Reybier	Member	50.0	25.0	25.0	3.3	50.0	3.8
Anne-Flore Reybier	n/a	n/a	n/a	n/a	-	-	-
Antoine Kohler	Member	105.0	52.5	52.5	12.6	105.0	14.5
Cédric A. George	Member	50.0	25.0	25.0	3.3	50.0	3.8

\* The Company pays all social insurance contributions.

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

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

(In thousands of CHF)	2021	2020
Annual base Salary	485.6	485.6
Variable cash compensation	168.5	135.3
Social insurance and pension contributions	139.6	150.4
<b>Total</b>	<b>793.7</b>	<b>771.3</b>

## 2.3. Shareholding in 2021

NAME	POSITION	2021 NUMBER OF SHARES HELD*	2021 NUMBER OF OPTIONS HELD	2020 NUMBER OF SHARES HELD*	2020 NUMBER OF OPTIONS HELD
Christian Wenger**	Chairman	2'046'253	–	2'043'262	–
Raymond Loretan	Vice-chairman	213'100	–	213'100	–
Antoine Hubert and Michel Reybier***	Delegate of the Board Member	63'270'745	–	64'132'518	–
Anne-Flore Reybier	n/a	n/a	n/a	325'000	–
Antoine Kohler	Member	21'704	–	17'252	–
Cédric A. George	Member	1'023'010	–	91'195	–

\* Including the blocked shares received as Board Member compensation.

\*\* Representing the shareholding of CHH Financière SA.

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

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

### 2.4.1. Loans

As at 31.12.2021, the current accounts of companies which are controlled by Board members and related parties amounted to CHF 14'802'814 (2020: CHF 14'373'347), i.e. CHF 18'312 (2020: CHF 17'822) for M.R.S.I. Medical Research, Services and Investments SA, CHF 5'683'446 (2020: CHF 5'531'335) for EMER Holding SA, CHF 7'645'522 (2020: CHF 7'407'613) for HR Finance & Participations SA and CHF 1'455'534 (2020: CHF 1'416'578) for GCC Global Consulting et Communication S.à r.l.

During the fiscal year, no reimbursements have been made (2020: nil). Interests at a rate of 2.75% have been accrued. As at 31.12.2021 Antoine Hubert had a current account with a subsidiary company of CHF 7'496'001 (2020: CHF 5'260'637).

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 2021, 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 2021 neither loan outstanding to former Board Members.

### 3. Senior Management

#### 3.1. Principles of compensation

According to article 23 quinquies of the Articles of Association, the compensation of Senior Management is based on fixed and/or variable elements. Total compensation takes into account the position and level of responsibility of the beneficiary and their achievement of objectives. The remuneration is accounted for using the accrual principle. The fixed compensation includes the base salary and can include other elements of remuneration. The variable remuneration is linked to performance measures (business success, turnover and revenue goals) and to the level of responsibility of the beneficiary. In 2021, the Senior Management received variable compensation of 136.0% (2020: 171.9%) 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 2021

The total remuneration of the Senior Management (including social insurance and pension contributions) amounts to CHF 1.6 million (2020: CHF 1.0 million). No stock options were granted to the Senior Management in 2021 (2020: nil). The highest compensation in 2021 was conferred to Antoine Hubert, Delegate of the Board.

(in thousands of CHF)	2021 HIGHEST COMPEN- SATION	2021 OTHER MEMBERS	2021 TOTAL	2020 HIGHEST COMPEN- SATION	2020 OTHER MEMBERS	2020 TOTAL
Annual base Salary	398.9	–	398.9	398.9	–	398.9
Variable cash compensation	930.4	–	930.4	380.6	–	380.6
Social insurance and pension contributions	296.2	–	296.2	208.3	–	208.3
Total	1'625.6	–	1'625.6	987.8	–	987.8

### 3.3. Shareholding in 2021

NAME	POSITION	2021 NUMBER OF SHARES HELD	2021 NUMBER OF OPTIONS HELD	2020 NUMBER OF SHARES HELD	2020 NUMBER OF OPTIONS HELD
Antoine Hubert	Delegate of the Board	15'505'754*	–	16'558'724*	–
Gilles Frachon	CFO	107'350	–	77'350	–

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

### 3.4. Share-based payment plans

There are no active share-based payment plans in 2021 (2020: nil).

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

#### 3.5.1. Loans

See Section 2.4.1.

#### 3.5.2. Additional fees

During 2021, no additional fees were paid to Gilles Frachon for his terms as Board Member of GSMN Suisse SA and Swiss Medical Network Hospitals SA (2020: nil).

During 2021, GCC Global Consulting et Communication S.à r.l., a company related to Antoine Hubert, has perceived no honoraria from Swiss Property Advisors SA, which is fully-owned by the Company (2020: nil).

During 2021, MR HOSPITALITY-GESTION SA, a company related to Michel Reybier, has received honoraria of CHF 1'889'732 (2020: CHF 510'075) from Seiler Hotels AG, MRH-Zermatt SA and various subsidiaries of Victoria-Jungfrau AG, which are fully-owned by the Company.

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

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

There is no compensation conferred during 2021 neither loan outstanding to former members of the Senior Management.

# Berney Associés

Geneva, March 31, 2022

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

We have audited the remuneration report of AEVIS VICTORIA SA for the year ended December 31, 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the sections 2.2 to 2.4 and sections 3.2 to 3.5 of the remuneration report.

### Responsibility of the Board of Directors

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

### Auditor's responsibility

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

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

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

### Opinion

In our opinion, the remuneration report for the year ended December 31, 2021 of AEVIS VICTORIA SA complies with Swiss law and articles 14-16 of the Ordinance.

Berney Associés Audit SA

BA Qualified electronic signature



Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge

BA Qualified electronic signature



Frédéric BERNEY  
Licensed Audit Expert

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Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance





# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Income Statement

(In thousands of CHF)	NOTE	2021	2020
Revenue from operations		823'256	696'566
Other revenue	5	71'759	36'452
<b>Total revenue</b>		<b>895'015</b>	<b>733'018</b>
External services		(107'684)	(91'804)
<b>Net revenue</b>		<b>787'331</b>	<b>641'214</b>
Production expenses		(183'474)	(154'730)
Personnel expenses	6	(332'867)	(281'824)
Other operating expenses	7	(118'627)	(105'366)
<b>EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)</b>		<b>152'363</b>	<b>99'294</b>
Rental expenses		(73'920)	(62'645)
<b>EBITDA</b>		<b>78'443</b>	<b>36'649</b>
Depreciation on tangible assets	15	(50'832)	(47'232)
Extraordinary depreciation on tangible assets	15	-	(3'534)
Amortisation on intangible assets	16	(10'839)	(8'518)
Extraordinary amortisation on intangible assets	16	-	(642)
<b>EBIT</b>		<b>16'772</b>	<b>(23'277)</b>
Financial result	8	(16'789)	(16'559)
Share of profit of associates		5'402	5'825
<b>Profit/(loss) before taxes</b>		<b>5'385</b>	<b>(34'011)</b>
Income taxes	9	(818)	3'157
<b>Profit/(loss) for the period</b>		<b>4'567</b>	<b>(30'854)</b>
- Thereof attributable to shareholders of AEVIS VICTORIA SA		(4'265)	(31'795)
- Thereof attributable to minority interests		8'832	941
Non-diluted earnings per share (in CHF)	10	(0.05)	(0.40)
Diluted earnings per share (in CHF)	10	(0.05)	(0.40)

## Consolidated Balance Sheet

(In thousands of CHF)	NOTE	31.12.2021	31.12.2020
<b>Assets</b>			
Cash and cash equivalents		63'418	65'559
Trade receivables	11	175'402	137'363
Other receivables	12	48'812	39'091
Inventories	13	33'436	29'405
Accrued income and prepaid expenses	14	62'096	37'948
<b>Total current assets</b>		<b>383'164</b>	<b>309'366</b>
<b>Non-current assets</b>			
Tangible assets	15	1'101'106	964'939
Intangible assets	16	34'558	26'934
Financial assets	17	211'601	228'709
<b>Total non-current assets</b>		<b>1'347'265</b>	<b>1'220'582</b>
<b>Total assets</b>		<b>1'730'429</b>	<b>1'529'948</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade payables	18	130'969	109'729
Other current liabilities	19	38'759	36'093
Short-term financial liabilities	20	291'911	163'782
Other short-term borrowings	21	11'056	11'056
Accrued expenses and deferred income	22	71'064	62'972
Short-term provisions	23	521	800
<b>Total current liabilities</b>		<b>544'280</b>	<b>384'432</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities	20	400'920	645'381
Other long-term borrowings	21	137'380	21'518
Other non-current liabilities	19	3'363	3'000
Long-term provisions	23	59'036	55'977
<b>Total non-current liabilities</b>		<b>600'699</b>	<b>725'876</b>
<b>Total liabilities</b>		<b>1'144'979</b>	<b>1'110'308</b>
<b>Equity</b>			
Share capital	24	84'529	83'500
Capital reserves		227'681	222'209
Treasury shares	24.1	(3'685)	(5'378)
Offset goodwill		(95'002)	(120'968)
Currency translation differences		(1'324)	(1'336)
Retained earnings		273'721	183'207
<b>Shareholders' equity excl. minority interests</b>		<b>485'920</b>	<b>361'234</b>
Minority interests		99'530	58'406
<b>Shareholders' equity incl. minority interests</b>		<b>585'450</b>	<b>419'640</b>
<b>Total liabilities and equity</b>		<b>1'730'429</b>	<b>1'529'948</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 2020</b>	<b>80'391</b>	<b>186'827</b>	<b>(864)</b>	<b>(93'924)</b>	<b>(1'278)</b>	<b>215'161</b>	<b>386'313</b>	<b>57'522</b>	<b>443'835</b>
Profit/(loss) for the period	-	-	-	-	-	(31'795)	(31'795)	941	(30'854)
Dividend distribution to minority interests	-	-	-	-	-	-	-	(118)	(118)
Capital increase	3'109	35'592	-	-	-	-	38'701	-	38'701
Acquisition of subsidiaries	-	-	-	(27'044)	-	-	(27'044)	-	(27'044)
Change in minority interests	-	-	-	-	-	(159)	(159)	61	(98)
Purchase of treasury shares	-	-	(9'000)	-	-	-	(9'000)	-	(9'000)
Sale of treasury shares	-	(210)	4'486	-	-	-	4'276	-	4'276
Currency translation differences	-	-	-	-	(58)	-	(58)	-	(58)
<b>Balance at 31 December 2020</b>	<b>83'500</b>	<b>222'209</b>	<b>(5'378)</b>	<b>(120'968)</b>	<b>(1'336)</b>	<b>183'207</b>	<b>361'234</b>	<b>58'406</b>	<b>419'640</b>
Profit/(loss) for the period	-	-	-	-	-	(4'265)	(4'265)	8'832	4'567
Dividend distribution to minority interests	-	-	-	-	-	-	-	(18'385)	(18'385)
Capital increase	1'029	12'400	-	-	-	-	13'429	-	13'429
Acquisition of subsidiaries	-	-	-	6'883	-	-	6'883	55'898	62'781
Divestment of subsidiaries	-	-	-	2'419	-	-	2'419	-	2'419
Change in minority interests	-	(7'317)	-	16'664	-	94'779	104'126	(5'221)	98'905
Purchase of treasury shares	-	-	(7'251)	-	-	-	(7'251)	-	(7'251)
Sale of treasury shares	-	389	8'944	-	-	-	9'333	-	9'333
Currency translation differences	-	-	-	-	12	-	12	-	12
<b>Balance at 31 December 2021</b>	<b>84'529</b>	<b>227'681</b>	<b>(3'685)</b>	<b>(95'002)</b>	<b>(1'324)</b>	<b>273'721</b>	<b>485'920</b>	<b>99'530</b>	<b>585'450</b>

## Consolidated Cash Flow Statement

(In thousands of CHF)	2021	2020
Profit/(loss) for the period	4'567	(30'854)
Changes in provisions (incl. deferred taxes)	(1'320)	(2'634)
Depreciation and amortisation	61'671	55'750
Impairments	-	4'176
(Gain)/loss from sale of fixed assets	720	(16'028)
(Gain)/loss from sale of subsidiaries	(3'229)	-
Fair value (gains)/losses on marketable securities	26	(302)
(Gain)/loss from sale of financial assets and marketable securities	(384)	(20)
(Gain)/loss from revaluation of associated companies	(3'068)	-
Share of (profit)/loss from associates	(5'402)	(5'825)
Dividends received from associates	9'520	8'343
Change in contribution reserve and other non-cash items	(853)	(856)
<b>Cash flow from operating activities before changes in working capital</b>	<b>62'248</b>	<b>11'750</b>
Change in trade receivables	(4'058)	1'352
Change in inventories	(645)	(2'116)
Change in other receivables and prepaid expenses	(22'059)	3'536
Change in trade payables	9'905	8'027
Change in other liabilities and accrued expenses	(11'857)	1'221
<b>Cash flow from operating activities</b>	<b>33'534</b>	<b>23'770</b>
Purchase of tangible assets	(42'127)	(296'026)
Proceeds from disposal of tangible assets	464	38'168
Purchase of intangible assets	(15'472)	(11'203)
Acquisition of subsidiaries, net of cash acquired	(9'679)	626
Divestment of subsidiaries, net of cash disposed	3'855	-
Investments in financial assets and marketable securities	(125'121)	(34'969)
Divestments of financial assets and marketable securities	110'806	6'362
<b>Cash flow from investing activities</b>	<b>(77'274)</b>	<b>(297'042)</b>
Dividends paid to minority interests	(18'385)	(118)
Repayment of bond	(150'000)	(55'000)
Sale/(purchase) of treasury shares	(1'914)	(6'347)
Change in minority interests	98'905	(98)
Change in short-term financial liabilities	(104)	407
Change in long-term financial liabilities	499	344'719
Change in other long-term liabilities and borrowings	112'598	15'052
<b>Cash flow from financing activities</b>	<b>41'599</b>	<b>298'615</b>
Currency translation effect on cash and cash equivalents	-	(20)
<b>Change in cash and cash equivalents</b>	<b>(2'141)</b>	<b>25'323</b>
Cash and cash equivalents at beginning of the period	65'559	40'236
<b>Cash and cash equivalents at the end of the period</b>	<b>63'418</b>	<b>65'559</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 29 March 2022. Final approval is subject to acceptance by the Annual General Meeting of Shareholders on 28 April 2022.

## 3. Accounting policies

### 3.1. Consolidation

The consolidated financial statements of the Company for the year ended 31 December 2021 comprise the Company and its subsidiaries (“the Group”) and interests in associates.

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

#### 3.1.1. Subsidiaries

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

#### 3.1.2. Joint ventures

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

### 3.1.3. Associates

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

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

### 3.1.4. Goodwill accounting

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

### 3.1.5. Transactions eliminated on consolidation

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

### 3.2. Foreign currency

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

### 3.3. Income statement

#### 3.3.1. Revenue

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

#### 3.3.2. Lease payments

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

### 3.3.3. Income taxes

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

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

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

## 3.4. Balance sheet

### 3.4.1. Cash and cash equivalents

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

### 3.4.2. Marketable securities

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

### 3.4.3. Trade and other receivables

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

### 3.4.4. Inventories

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

### 3.4.5. Tangible assets

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

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

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

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

#### **3.4.6. Leased assets**

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

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

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

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

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

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

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

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

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

Trade and other payables are recognised at nominal value.

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

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

#### **3.4.12. Provisions**

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

### 3.4.13. Contingent liabilities

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

### 3.5. Accounting estimates and assumptions

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

### 3.6. Changes in scope of consolidation

The following changes to the scope of consolidation took place in 2021:

ENTITY	EVENT / DATE	CAPITAL SHARE 31.12.2021	CAPITAL SHARE 31.12.2020
Academy & Finance SA	Sold on 01.07.2021	-	22.50%
Agefi Com SA	Sold on 01.07.2021	-	49.00%
Center Da Sandet SA	Acquired on 01.07.2021	45.50%	-
Centre Médical Genolier SA	Established on 15.09.2021	86.46%	-
CLINICA SANTA CHIARA SA	Acquired on 14.06.2021	29.80%	-
CLINIQUE GENERALE-BEAULIEU SA	Increase in participation on 23.04.2021	86.46%	69.45%
FOPE HOLDING SA	Acquired on 14.06.2021	33.88%	-
Genolier Innovation Hub SA	Established on 28.10.2021	100.00%	-
GRGB Santé SA	Increase in participation on 23.04.2021	43.23%	34.73%
Gutsehen.ch AG	Acquired on 17.12.2021	86.46%	-
HOPITAL DU JURA BERNOIS S.A.	Increase in participation on 01.09.2021	44.96%	35.00%
Klinik Pyramide am See AG	Increase in participation on 01.07.2021	86.46%	20.00%
Klinik St. Raphael AG	Increase in participation on 01.07.2021	73.54%	-
Laboratoires Genolier SA	Increase in participation on 29.06.2021	100.00%	92.26%
NESSENS SA	Increase in participation on 29.06.2021	100.00%	43.40%
Publications de l'économie et de la finance AEF SA	Sold on 01.07.2021	-	49.00%
Publications Financières LSI SA	Sold on 01.07.2021	-	100.00%
Rosenklinik AG	Increase in participation on 01.07.2021	86.46%	40.00%
Swiss Medical Network SA	Decrease in participation on 16.04.2021 and 23.04.2021	86.46%	100.00%
Swiss Medical Network Gesundheits-Zentrum AG (formerly Gesundheits-Zentrum Reinach AG)	Acquired on 01.07.2021	69.17%	-
TCS Swiss Ambulance Rescue SA	Established on 03.12.2021	40.00%	-
TCS Swiss Ambulance Rescue Genève SA (formerly Swiss Ambulance Rescue Genève SA)	Decrease in participation on 08.03.2021	40.00%	100.00%

HOPITAL DU JURA BERNOIS S.A. and Swiss Medical Network SA are holding companies with several subsidiaries. All group companies are listed in note 35.

## 4. Segment information

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

2021 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	652'424	113'774	5'213	11'652	4'268	-	787'331
Net revenue IC	8	555	15'726	393	150	(16'832)	-
<b>Net revenue</b>	<b>652'432</b>	<b>114'329</b>	<b>20'939</b>	<b>12'045</b>	<b>4'418</b>	<b>(16'832)</b>	<b>787'331</b>
Production expenses	(166'221)	(14'526)	-	(2'797)	-	70	(183'474)
Personnel expenses	(273'652)	(47'397)	(518)	(3'341)	(7'959)	-	(332'867)
Other operating expenses	(90'941)	(17'761)	(2'021)	(3'143)	(5'797)	1'036	(118'627)
<b>EBITDAR*</b>	<b>121'618</b>	<b>34'645</b>	<b>18'400</b>	<b>2'764</b>	<b>(9'338)</b>	<b>(15'726)</b>	<b>152'363</b>
<i>EBITDAR margin</i>	18.6%	30.3%	87.9%	22.9%	-	-	19.4%
Rental expenses	(68'100)	(17'726)	(7)	(2'307)	(1'506)	15'726	(73'920)
<b>EBITDA</b>	<b>53'518</b>	<b>16'919</b>	<b>18'393</b>	<b>457</b>	<b>(10'844)</b>	-	<b>78'443</b>
<i>EBITDA margin</i>	8.2%	14.8%	87.8%	3.8%	-	-	10.0%

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

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

## 5. Other revenue

(In thousands of CHF)	2021	2020
Gain on sale of subsidiaries	3'229	-
Gain on revaluation of associated companies	4'533	-
Gain on disposal of fixed assets	153	16'270
Other revenue	63'844	20'182
<b>Total other revenue</b>	<b>71'759</b>	<b>36'452</b>

Other revenue does include indemnities for cases of hardship related to the COVID-19 pandemic as well as payments from a pandemic insurance at the amount of CHF 34.5 million (2020: nil).

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

## 6. Personnel expenses

(In thousands of CHF)	2021	2020
Salaries and wages	282'600	239'259
Social security expenses	30'637	26'078
Pension expenses	16'294	13'958
Other personnel expenses	3'336	2'529
<b>Total personnel expenses</b>	<b>332'867</b>	<b>281'824</b>
Number of employees		
<b>Full Time Equivalents at year-end</b>	<b>4'267</b>	<b>3'532</b>

The other personnel expenses include no expenses for share-based payments (2020: nil). There are currently no active share-based payment plans. Further information is mentioned under section 3.4 of the Remuneration Report 2021.

## 7. Other operating expenses

(In thousands of CHF)	2021	2020
Administrative expenses	32'648	31'978
Marketing expenses	12'012	10'231
Maintenance expenses	52'054	42'156
Energy expenses	11'963	10'224
Other expenses	9'950	10'777
<b>Total other operating expenses</b>	<b>118'627</b>	<b>105'366</b>

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

## 8. Financial result

(In thousands of CHF)	2021	2020
Interest income	1'566	1'123
Gain on sale of financial assets and marketable securities	384	20
Other financial income	3'099	861
<b>Total financial income</b>	<b>5'049</b>	<b>2'004</b>
Interest expenses	(19'257)	(16'661)
Fair value losses on marketable securities	(26)	-
Other financial expenses	(2'555)	(1'902)
<b>Total financial expenses</b>	<b>(21'838)</b>	<b>(18'563)</b>
<b>Financial result</b>	<b>(16'789)</b>	<b>(16'559)</b>

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

## 9. Income taxes

(In thousands of CHF)	2021	2020
Current taxes	(1'095)	(551)
Deferred taxes	277	3'708
<b>Income taxes</b>	<b>(818)</b>	<b>3'157</b>

The positive effect in 2020 results from the changes in income tax rates in connection with the Federal Act on Tax Reform and AHV Financing (TRAF) accepted by public referendum on 19 May 2019.

(In thousands of CHF)	2021			2020		
	RESULT	TAX RATE IN %	INCOME TAXES	RESULT	TAX RATE IN %	INCOME TAXES
<b>Average applicable tax rate and income taxes as a proportion of ordinary earnings (before consideration of tax loss carryforwards)</b>	<b>5'385</b>	<b>14.54</b>	<b>783</b>	<b>(34'011)</b>	<b>17.46</b>	<b>(5'937)</b>
Use of not recognised tax loss carryforwards			(133)			(138)
Tax losses not recognised from current period			866			2'294
Expiry of recognised tax loss carryforwards			80			866
Changes in recognition of tax loss carryforwards from prior years			(1'723)			189
<b>Average applicable tax rate and income taxes as a proportion of ordinary earnings (after consideration of tax loss carryforwards)</b>	<b>5'385</b>	<b>(2.37)</b>	<b>(127)</b>	<b>(34'011)</b>	<b>8.01</b>	<b>(2'726)</b>
Expenses disregarded for tax purposes			3'388			2'805
Non-taxable income			(2'355)			(1'905)
Effects from changes in tax rate			(1'265)			(1'373)
Other effects			1'177			42
<b>Effective tax rate and income taxes according to income statement</b>	<b>5'385</b>	<b>15.20</b>	<b>818</b>	<b>(34'011)</b>	<b>9.28</b>	<b>(3'157)</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.

	2021	2020
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (In thousands of CHF)	(4'265)	(31'795)
Weighted average number of shares outstanding	83'800'232	80'185'232
<b>Non-diluted earnings per share (in CHF)</b>	<b>(0.05)</b>	<b>(0.40)</b>
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (In thousands of CHF)	(4'265)	(31'795)
Weighted average number of shares outstanding	83'800'232	80'185'232
Dilution effects	-	-
Weighted average potential number of shares outstanding	83'800'232	80'185'232
<b>Diluted earnings per share (in CHF)</b>	<b>(0.05)</b>	<b>(0.40)</b>

## 11. Trade receivables

(In thousands of CHF)	2021	2020
Third parties	183'123	145'735
Associates	629	326
Allowances for doubtful accounts	(8'350)	(8'698)
<b>Total trade receivables</b>	<b>175'402</b>	<b>137'363</b>

## 12. Other receivables

(In thousands of CHF)	2021	2020
Third parties	21'539	15'421
Associates	865	3'546
Shareholders	20'843	18'217
Other related parties	5'565	1'907
<b>Total other receivables</b>	<b>48'812</b>	<b>39'091</b>

The receivables from shareholders were charged interest with a rate of 2.75% (2020: 2.72%). The loans were granted at market conditions.

## 13. Inventories

(In thousands of CHF)	2021	2020
Medical supplies	16'895	15'983
Pharmaceutical products	8'616	6'944
Hotel and restaurant goods	4'785	4'102
Other inventories	3'140	2'376
<b>Total inventories</b>	<b>33'436</b>	<b>29'405</b>

## 14. Accrued income and prepaid expenses

(In thousands of CHF)	2021	2020
Third parties	62'096	35'948
Associates	-	2'000
<b>Total other receivables</b>	<b>62'096</b>	<b>37'948</b>

## 15. Tangible assets

(In thousands of CHF)	LAND AND BUILDINGS	LEASEHOLD IMPROVEMENTS	MACHINERY AND EQUIPMENT	UNDER CONSTRUCTION	OTHERS	TOTAL
<b>Cost</b>						
<b>Balance at 1 January 2020</b>	<b>234'022</b>	<b>486'773</b>	<b>282'894</b>	<b>68'823</b>	<b>6'420</b>	<b>1'078'932</b>
Increase in scope of consolidation	51'242	1'815	3'212	-	33	56'302
Additions	211'083	8'757	35'366	52'742	1'248	309'196
Disposals	(21'960)	(8'834)	(12'235)	-	(420)	(43'449)
Reclassifications	29'191	73'933	10'843	(114'304)	(31)	(368)
Translation adjustments	(193)	(81)	(14)	-	-	(288)
<b>Balance at 31 December 2020</b>	<b>503'385</b>	<b>562'363</b>	<b>320'066</b>	<b>7'261</b>	<b>7'250</b>	<b>1'400'325</b>
Increase in scope of consolidation	108'841	19'604	20'464	8'557	30	157'496
Decrease in scope of consolidation	-	(432)	(614)	-	(3'649)	(4'695)
Additions	3'729	10'063	21'235	16'978	684	52'689
Disposals	-	(6'306)	(7'788)	-	(243)	(14'337)
Reclassifications	(901)	10'574	8'098	(17'978)	10	(197)
Translation adjustments	(1)	-	(4)	-	-	(5)
<b>Balance at 31 December 2021</b>	<b>615'053</b>	<b>595'866</b>	<b>361'457</b>	<b>14'818</b>	<b>4'082</b>	<b>1'591'276</b>
<b>Accumulated depreciation</b>						
<b>Balance at 1 January 2020</b>	<b>5'504</b>	<b>224'158</b>	<b>170'479</b>	-	<b>4'906</b>	<b>405'047</b>
Increase in scope of consolidation	-	470	383	-	1	854
Depreciation of the year	2'877	19'639	24'036	-	680	47'232
Impairment	-	3'534	-	-	-	3'534
Disposals	(138)	(8'834)	(11'899)	-	(359)	(21'230)
Reclassifications	-	-	10	-	(25)	(15)
Translation adjustments	-	(23)	(13)	-	-	(36)
<b>Balance at 31 December 2020</b>	<b>8'243</b>	<b>238'944</b>	<b>182'996</b>	-	<b>5'203</b>	<b>435'386</b>
Increase in scope of consolidation	38	5'552	14'470	-	16	20'076
Decrease in scope of consolidation	-	(399)	(530)	-	(2'970)	(3'899)
Depreciation of the year	3'686	20'102	26'473	-	571	50'832
Disposals	-	(6'313)	(6'649)	-	(188)	(13'150)
Reclassifications	(54)	89	880	-	10	925
<b>Balance at 31 December 2021</b>	<b>11'913</b>	<b>257'975</b>	<b>217'640</b>	-	<b>2'642</b>	<b>490'170</b>
<b>Carrying amounts</b>						
<b>At 31 December 2020</b>	<b>495'142</b>	<b>323'419</b>	<b>137'070</b>	<b>7'261</b>	<b>2'047</b>	<b>964'939</b>
<b>At 31 December 2021</b>	<b>603'140</b>	<b>337'891</b>	<b>143'817</b>	<b>14'818</b>	<b>1'440</b>	<b>1'101'106</b>
<b>Net book value of leased equipment</b>						
<b>At 31 December 2020</b>	-	-	<b>50'819</b>	-	<b>1'804</b>	<b>52'623</b>
<b>At 31 December 2021</b>	-	-	<b>48'958</b>	-	<b>1'265</b>	<b>50'223</b>

The additions in the category Under construction include own work capitalised at the amount of CHF 2.3 million (2020: CHF 1.9 million).

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

## 16. Intangible assets

(In thousands of CHF)	TRADEMARKS	SOFTWARE AND OTHER INTAN- GIBLE ASSETS	INTANGIBLE ASSETS UNDER CONSTRUCTION	TOTAL
<b>Cost</b>				
<b>Balance at 1 January 2020</b>	<b>27'184</b>	<b>69'476</b>	<b>3'331</b>	<b>99'991</b>
Additions	-	8'414	2'789	11'203
Disposals	(1'434)	(27'591)	-	(29'025)
Reclassifications	-	3'539	(3'172)	367
Translation adjustments	-	(11)	-	(11)
<b>Balance at 31 December 2020</b>	<b>25'750</b>	<b>53'827</b>	<b>2'948</b>	<b>82'525</b>
Increase in scope of consolidation	-	10'115	185	10'300
Decrease in scope of consolidation	-	(627)	-	(627)
Additions	-	12'030	3'443	15'473
Disposals	-	(793)	-	(793)
Reclassifications	-	1'936	(237)	1'699
<b>Balance at 31 December 2021</b>	<b>25'750</b>	<b>76'488</b>	<b>6'339</b>	<b>108'577</b>
<b>Accumulated amortisation</b>				
<b>Balance at 1 January 2020</b>	<b>27'184</b>	<b>48'077</b>	-	<b>75'261</b>
Amortisation of the year	-	8'518	-	8'518
Impairment	-	642	-	642
Disposals	(1'434)	(27'410)	-	(28'844)
Reclassifications	-	15	-	15
Translation adjustments	-	(1)	-	(1)
<b>Balance at 31 December 2020</b>	<b>25'750</b>	<b>29'841</b>	-	<b>55'591</b>
Increase in scope of consolidation	-	8'345	-	8'345
Decrease in scope of consolidation	-	(536)	-	(536)
Amortisation of the year	-	10'839	-	10'839
Disposals	-	(796)	-	(796)
Reclassifications	-	576	-	576
<b>Balance at 31 December 2021</b>	<b>25'750</b>	<b>48'269</b>	-	<b>74'019</b>
<b>Carrying amounts</b>				
<b>At 31 December 2020</b>	-	<b>23'986</b>	<b>2'948</b>	<b>26'934</b>
<b>At 31 December 2021</b>	-	<b>28'219</b>	<b>6'339</b>	<b>34'558</b>

The additions in the category Intangible assets under construction include own work capitalised at the amount of CHF 2.8 million (2020: CHF 0.7 million).

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

## 17. Financial assets

(In thousands of CHF)	2021	2020
Associated companies <sup>1)</sup>	153'942	177'468
Loans to associates <sup>2)</sup>	14'816	19'936
Loans to other related parties	5'400	2'903
Employer contribution reserves	5'499	4'661
Investments in unconsolidated companies	13'770	5'464
Other financial assets	6'402	6'135
Deferred tax assets <sup>3)</sup>	11'772	12'142
<b>Total financial assets</b>	<b>211'601</b>	<b>228'709</b>

<sup>1)</sup> Goodwill arising from acquisitions of associated companies has been directly offset with equity at the amount of CHF 34.7 million (2020: CHF 44.6 million). In 2021 there are no associated companies with share losses. In 2020 associated companies are disclosed net of share losses of CHF 1.0 million for which the Group has no obligation.

<sup>2)</sup> In 2021 all loans granted to associates are assessed as valuable. In 2020 loans to associates are partially depreciated and the gross value of the loans amounts to CHF 22.4 million.

<sup>3)</sup> The Group did not recognise deferred tax assets of CHF 9.5 million (2020: CHF 10.4 million) relating to unused tax losses amounting to CHF 50.4 million (2020: CHF 55.5 million), as it is not likely that future taxable profits will be available against which the Group can offset tax losses.

## 18. Trade payables

(In thousands of CHF)	2021	2020
Third parties	130'541	109'233
Associates	-	328
Other related parties	428	168
<b>Total trade payables</b>	<b>130'969</b>	<b>109'729</b>

## 19. Other liabilities

(In thousands of CHF)	2021	2020
Third parties	42'122	38'071
Associates	-	1'022
<b>Total other liabilities</b>	<b>42'122</b>	<b>39'093</b>
<i>of which short-term</i>	<i>38'759</i>	<i>36'093</i>
<i>of which long-term</i>	<i>3'363</i>	<i>3'000</i>

## 20. Financial liabilities

(In thousands of CHF, unless otherwise stated)	Book value	Interest rate in %
Bank overdrafts	93	4.75
Current financial leases	13'689	1.20 - 5.50
Bonds (repayment within one year)	150'000	2.5
<b>Short-term financial liabilities at 31 December 2020</b>	<b>163'782</b>	
Bank loans	211'005	0.00 - 2.50
Non-current financial leases	18'577	1.24 - 5.50
Mortgage loans	270'799	1.00 - 2.80
Bonds issued by the company	145'000	2
<b>Long-term financial liabilities at 31 December 2020</b>	<b>645'381</b>	
<b>Total financial liabilities at 31 December 2020</b>	<b>809'163</b>	
Current portion of bank loans	131'287	0.00 - 2.50
Current financial leases	12'649	1.24 - 5.50
Current portion of mortgage loans	2'975	1.00 - 1.85
Bonds (repayment within one year)	145'000	2.5
<b>Short-term financial liabilities at 31 December 2021</b>	<b>291'911</b>	
Bank loans	94'594	0.00 - 2.35
Non-current financial leases	16'287	1.29 - 3.94
Mortgage loans	290'039	1.00 - 2.80
<b>Long-term financial liabilities at 31 December 2021</b>	<b>400'920</b>	
<b>Total financial liabilities at 31 December 2021</b>	<b>692'831</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 39.3 million as at 31 December 2021 (2020: CHF 44.7 million). Mortgage loans are secured by real estate, pledged for an amount of CHF 510.0 million (2020: CHF 443.4 million). The information about the bond issued by AEVIS VICTORIA SA is detailed in the table below:

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

## 21. Other borrowings

(In thousands of CHF)	2021	2020
Third parties	73'436	29'044
Associates	75'000	3'530
<b>Total other liabilities</b>	<b>148'436</b>	<b>32'574</b>
<i>of which short-term</i>	11'056	11'056
<i>of which long-term</i>	137'380	21'518

The loan shown in the line other borrowings from associates at the amount of CHF 75.0 million (2020: nil) was granted by Infracore SA and was charged interest with a rate of 2.50%.

## 22. Accrued expenses and deferred income

(In thousands of CHF)	2021	2020
Accrued personnel expenses	21'489	14'311
Accrued tax expenses	12'960	15'503
Deferred income	225	53
Other accrued expenses	36'390	33'105
<b>Accrued expenses and deferred income</b>	<b>71'064</b>	<b>62'972</b>

The accrued personnel expenses include pension plan liabilities (contributions) for an amount of CHF 3.4 million (2020: CHF 3.1 million).

## 23. Provisions

(In thousands of CHF)	DEFERRED TAXES	LEGAL OBLIGATIONS	OTHER PROVISIONS	TOTAL
<b>Balance at 1 January 2020</b>	<b>57'012</b>	<b>645</b>	<b>672</b>	<b>58'329</b>
Increase in scope of consolidation	1'082	-	-	1'082
Additions	615	-	281	896
Utilisation	-	-	(7)	(7)
Reversals	(3'253)	(220)	(50)	(3'523)
Translation adjustments	(3)	-	3	-
<b>Balance at 31 December 2020</b>	<b>55'453</b>	<b>425</b>	<b>899</b>	<b>56'777</b>
<i>of which short-term</i>	-	-	800	800
<i>of which long-term</i>	55'453	425	99	55'977
Increase in scope of consolidation	473	-	3'649	4'124
Decrease in scope of consolidation	(11)	-	-	(11)
Additions	1'274	-	11	1'285
Utilisation	-	-	(654)	(654)
Reversals	(1'708)	-	(244)	(1'952)
Translation adjustments	-	-	(10)	(10)
<b>Balance at 31 December 2021</b>	<b>55'481</b>	<b>425</b>	<b>3'651</b>	<b>59'557</b>
<i>of which short-term</i>	-	-	521	521
<i>of which long-term</i>	55'481	425	3'130	59'036

The weighted average applicable tax rate for deferred tax liabilities is 18.0% (2020: 18.4%).

## 24. Equity

At 31 December 2021, the share capital of CHF 84.5 million (2020: CHF 83.5 million) consists of 84'529'460 fully paid-up registered shares (2020: 83'499'514) at a par value of CHF 1 each (2020: CHF 1). The legally non-distributable reserves of the Company amount to CHF 20.6 million (2020: CHF 22.1 million).

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

### 24.1. Treasury shares

	NUMBER OF SHARES		IN THOUSANDS OF CHF	
	2021	2020	2021	2020
<b>Balance at 1 January</b>	<b>452'853</b>	<b>65'771</b>	<b>5'378</b>	<b>864</b>
Purchase of treasury shares	538'526	750'681	7'251	9'000
Sale of treasury shares	(721'426)	(363'599)	(8'944)	(4'486)
<b>Balance at 31 December</b>	<b>269'953</b>	<b>452'853</b>	<b>3'685</b>	<b>5'378</b>

In 2021, the Group purchased 538'526 treasury shares at an average price of CHF 13.45 per share (2020: 750'681 at CHF 11.99) and sold 721'426 shares at an average price of CHF 12.94 (2019: 363'599 at CHF 11.76).

## 25. Non-cancellable operating leases

(In thousands of CHF)	2021	2020
Less than one year	72'368	66'948
Between one and three years	140'788	131'807
More than three years	1'293'430	1'342'570
<b>Total non-cancellable operating leases</b>	<b>1'506'586</b>	<b>1'541'325</b>

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

## 26. Capital commitments

The Group has commitments to complete new constructions, renovations, leasehold improvements and to purchase equipment for a total amount of CHF 18.0 million as at 31 December 2021 (2020: CHF 6.7 million).

## 27. Contingent liabilities

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

## 28. Transactions with related parties

(In thousands of CHF)	2021	2020
<b>Transactions with associates</b>		
Net revenue	550	602
Production expenses	428	225
Personnel expenses	1	-
Rental expenses	54'743	44'009
Other operating expenses	335	271
Financial income	513	528
Financial expense	867	87
<b>Transactions with shareholders</b>		
Net revenue	5	1
Financial income	519	486
Acquisition of subsidiaries	-	38'701
Sale of subsidiaries and associated companies (sales price)	34	-
<b>Transactions with other related parties</b>		
Net revenue	754	671
Personnel expenses	-	3
Rental expenses	1'196	1'118
Other operating expenses	2'531	1'598
Financial income	93	38
Purchase of intangible assets	1'441	3'009
Acquisition of subsidiary	13'575	-

Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements for 2021 and 2020.

The rental expenses shown in the category transactions with associates at the amount of CHF 54.7 million (2020: CHF 44.0 million) were paid to Infracore SA and its subsidiary GENERALE-BEAULIEU IMMOBILIERE SA.

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

In 2020 the Group acquired two companies from one of its shareholders. The transaction at the amount of CHF 38.7 million was fully paid with own shares from an authorised capital increase.

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

## 29. Acquisitions and divestments of subsidiaries

Several changes in scope of consolidation made in 2021 and 2020 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	
	2021	2020	2021	2020
Cash and cash equivalents	12'573	4'663	(138)	-
Trade receivables	35'006	2'187	(1'023)	-
Other current assets	10'520	2'387	(312)	-
Tangible assets	137'421	55'448	(797)	-
Intangible assets	1'956	-	(91)	-
Other non-current assets	1'500	573	(465)	-
<b>Assets</b>	<b>198'976</b>	<b>65'258</b>	<b>(2'826)</b>	-
Short-term financial liabilities	442	154	(156)	-
Other current liabilities	41'624	13'564	(1'097)	-
Long-term financial liabilities	21'122	24'178	(400)	-
Other non-current liabilities	7'157	30'179	-	-
Long-term provisions	4'122	1'082	(11)	-
<b>Liabilities</b>	<b>74'467</b>	<b>69'157</b>	<b>(1'664)</b>	-
<b>Total net assets</b>	<b>124'509</b>	<b>(3'899)</b>	<b>(1'162)</b>	-

## 30. Goodwill

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

(In thousands of CHF)	2021	2020
<b>Balance at 1 January</b>	<b>193'343</b>	<b>166'027</b>
<b>Additions through business combinations</b>	<b>17'378</b>	<b>27'316</b>
Decrease in scope of consolidation	(2'582)	-
Disposals	(12'204)	-
<b>Balance at 31 December</b>	<b>195'935</b>	<b>193'343</b>
<b>Accumulated amortisation</b>		
<b>Balance at 1 January</b>	<b>141'387</b>	<b>130'412</b>
Decrease in scope of consolidation	(2'582)	-
Amortisation for the year (5 years)	13'465	10'975
Impairment	-	-
Disposals	(5'288)	-
<b>Balance at 31 December</b>	<b>146'982</b>	<b>141'387</b>
<b>Carrying amounts</b>		
<b>At 31 December</b>	<b>48'953</b>	<b>51'956</b>

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

Impact on net earnings and balance sheet:

(In thousands of CHF)	2021	2020
Profit/(loss) for the period	4'567	(30'854)
Amortisation goodwill	(13'465)	(10'975)
Impairment goodwill	-	-
<b>Net earnings with capitalised goodwill</b>	<b>(8'898)</b>	<b>(41'829)</b>
Equity including minority interests	585'450	419'640
Capitalised goodwill	48'953	51'956
<b>Equity with capitalised goodwill</b>	<b>634'403</b>	<b>471'596</b>

### 31. Pension plan institutions

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

EMPLOYER CONTRIBUTION RESERVE – ECR	NOMINAL VALUE ECR	WAIVER OF USAGE	BALANCE SHEET	INCREASE IN	BALANCE SHEET	RESULT FROM ECR IN PERSONNEL EXPENSES	CHANGE IN SCOPE OF CONSOLIDATION
(In thousands of CHF)	31.12.2021	31.12.2021	31.12.2021	2021	31.12.2020	2021	2020
Patronage funds / Patronage pension institutions	-	-	-	-	4'661	838	-
Pension institutions	5'499	-	5'499	-	-	-	-
<b>Total</b>	<b>5'499</b>	<b>-</b>	<b>5'499</b>	<b>-</b>	<b>4'661</b>	<b>838</b>	<b>-</b>

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

ECONOMICAL BENEFIT / OBLIGATION AND PENSION BENEFIT EXPENSES	SURPLUS / DEFICIT	ECONOMICAL PART OF THE ORGANISATION	CHANGE TO PRIOR YEAR OR RECOGNISED IN THE CURRENT RESULT OF THE PERIOD	CONTRIBUTIONS CONCERNING THE BUSINESS PERIOD*	PENSION BENEFIT EXPENSES WITHIN PERSONNEL EXPENSES
(In thousands of CHF)	31.12.2021	31.12.2021	31.12.2020	2021	2020
Pension institutions without surplus / deficit	-	-	-	-	16'294
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16'294</b>

\* Including result from employer contribution reserves

### 32. Cash Flow Statement – Non-Cash transactions

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

(In thousands of CHF)	2021	2020
<b>Additions in tangible assets (note 15)</b>	<b>52'689</b>	<b>309'196</b>
Purchase of tangible assets through finance leasing	(12'265)	(16'253)
Change in other current liabilities for purchase of tangible assets	1'703	3'083
<b>Outflow for purchase of tangible assets (cash flow statement)</b>	<b>42'127</b>	<b>296'026</b>
<b>Change in treasury shares (equity statement)</b>	<b>2'082</b>	<b>(4'724)</b>
Acquisition of subsidiaries with treasury shares	(3'996)	(1'623)
<b>Sale / (purchase) of treasury shares (cash flow statement)</b>	<b>(1'914)</b>	<b>(6'347)</b>
Acquisition of subsidiaries through issuance of own shares	13'575	38'701

The acquisition of subsidiaries through issuance of own shares in 2020 includes the accession of shareholder loans granted to the acquired subsidiaries.

### 33. Subsequent events

On 1 March 2022 the Group acquired the hotel L'Oscar in London. The total investment amounts to CHF 75.8 million and includes the operating company as well as the hotel building and an adjacent property.

On 10 March 2022 the Company sold its 40% minority stake in Medgate Group. Based on provisional figures the transaction will generate a profit of approximately CHF 47.0 million in the consolidated financial statements of the Group. The net cash proceeds including the repayment of loans granted to Medgate amount to more than CHF 66.0 million.

### 34. Risk assessment disclosure

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

## 35. List of Group companies

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				31.12.2021	31.12.2020
<b>Corporate</b>					
AEVIS VICTORIA SA	Fribourg	Holding company	a)	100.0%	100.0%
GENERALE BEAULIEU HOLDING SA	Geneva	Holding company	a)	69.5%	69.5%
<b>Hospitals</b>					
Swiss Medical Network SA	Genolier	Holding company	a)	86.5%	100.0%
Swiss Medical Centers Network SA	Fribourg	Holding company	a)	86.5%	100.0%
FOPE HOLDING SA	Lugano	Holding company	d)	33.9%	-
Chirurgische Tagesklinik Biel CTK GmbH (merged) <sup>1)</sup>	Biel	Day clinic	a)	-	100.0%
Center Da Sandet SA	Silvaplana	Health Center	a)	45.5%	-
Centre Médical Genolier SA	Genolier	Health Center	a)	86.5%	-
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a)	86.5%	100.0%
CLINIQUE GENERALE-BEAULIEU SA	Geneva	Hospital	a)	86.5%	69.5%
CLINICA SANTA CHIARA SA	Lugano	Hospital	d)	34.4%	-
GRGB Santé SA	Geneva	Hospital	b)	43.2%	34.7%
GSMN Suisse SA	Genolier	Hospitals	a)	86.5%	100.0%
Gutsehen.ch AG	Pfäffikon	Ophthalmology	a)	86.5%	-
HerzGefässKlinik Bethanien AG	Zurich	Laboratory	c)	17.3%	20.0%
Hôpital de Moutier SA	Moutier	Hospital	a)	45.0%	35.0%
HOPITAL DU JURA BERNOIS S.A.	Saint-Imier	Hospital	a)	45.0%	35.0%
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	a)	66.1%	51.0%
IRJB Institut de Radiologie du Jura Bernois SA (held by HOPITAL DU JURA BERNOIS S.A.)	Saint-Imier	Radiology institute	c)	-	17.2%
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	44.1%	51.0%
Klinik Pyramide am See AG	Zurich	Hospital	a)	86.5%	20.0%
MEDICENTRE MOUTIER SA	Moutier	Health Center	a)	22.9%	17.9%
Médocentre Tavannes SA	Tavannes	Health Center	a)	45.0%	35.0%
Medizinisches Zentrum Biel MZB GmbH (formerly Walk-in-Clinic Biel WIC GmbH) <sup>1)</sup>	Biel	Health center	a)	86.5%	100.0%
Medizinisches Zentrum Biel MZB GmbH (merged) <sup>1)</sup>	Biel	Health center	a)	-	100.0%
Permanence médicale de Fribourg SA	Fribourg	Health center	c)	28.8%	33.3%
Pharmacie Interjurassienne SA PIJ	Moutier	Institutional Pharmacy	b)	22.5%	17.5%
PIJ officine SA	Moutier	Pharmacy	b)	22.5%	17.5%
Rosenklinik AG	Rapperswil-Jona	Hospital	c)	86.5%	40.0%
Swiss Medical Network GesundheitsZentrum AG (formerly GesundheitsZentrum Reinach AG)	Reinach	Health Centers	a)	69.2%	-
Swiss Medical Network Hospitals SA	Fribourg	Hospitals	a)	86.5%	100.0%
Swiss Visio SA	Genolier	Ophthalmology	a)	69.2%	80.0%
<b>Hospitality</b>					
Victoria-Jungfrau AG	Interlaken	Holding company	a)	100.0%	100.0%
AlpenGold Hotel AG (formerly Weriwald AG)	Davos	Hotel	a)	100.0%	100.0%
CACM hôtels SA	Sion	Hotel	a)	100.0%	100.0%
Golf Mischabel AG	Randa	Golf course	c)	23.9%	23.9%
Grand Hotel Victoria-Jungfrau AG	Interlaken	Hotel	a)	100.0%	100.0%
Hotel Bellevue Palace AG	Bern	Hotel	a)	100.0%	100.0%
Hotel Eden au Lac AG	Zurich	Hotel	a)	100.0%	100.0%
MRH-Zermatt SA	Zermatt	Hotel	a)	100.0%	100.0%
Seiler Hotels AG	Zermatt	Hotels	a)	100.0%	100.0%
Welcome Parking AG	Täsch	Parking	c)	50.0%	50.0%

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

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

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				31.12.2021	31.12.2020
<b>Real estate</b>					
GENERALE-BEAULIEU IMMOBILIERE SA	Geneva	Healthcare real estate	c)	25.6%	25.6%
Infracore SA	Fribourg	Healthcare real estate	c)	25.6%	25.6%
Klinik St. Raphael AG	Küsnacht	Real estate development	a)	73.5%	-
SCI Foncière François 1er (merged) <sup>2)</sup>	Paris (FR)	Healthcare real estate	a)	-	100.0%
Swiss Property Advisors SA	Fribourg	Real estate management	a)	100.0%	100.0%
Swiss Hotel Properties AG <sup>3)</sup>	Interlaken	Hospitality real estate	a)	100.0%	100.0%
ZEMER SA (merged) <sup>3)</sup>	Vouvry	Hospitality real estate	a)	-	100.0%
<b>Telemedicine</b>					
Medgate Holding AG	Basel	Holding company	c)	40.0%	40.0%
Medgate Integrated Care Holding AG	Basel	Holding company	c)	40.0%	40.0%
Medgate (Asia) Holdings Pty Ltd	Darlinghurst (AU)	Holding company	c)	32.0%	32.0%
Medgate (Indonesia) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
Medgate (Philippines) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
TMIP Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
Medgate AG <sup>4)</sup>	Basel	Telemedicine	c)	24.0%	24.0%
Health Professional Sourcing GmbH	Lörrach (DE)	Telemedicine	c)	24.0%	24.0%
Health Professional Sourcing Spain SL	Madrid (ES)	Telemedicine	c)	24.0%	24.0%
Medgate Deutschland GmbH	Bad Neustadt (DE)	Telemedicine	c)	40.0%	40.0%
Medgate Mini Clinic AG	Basel	Mini clinics	c)	39.0%	39.0%
Medgate Philippines Inc	Manila (PH)	Telemedicine	c)	32.0%	32.0%
Medgate Technologies AG (merged) <sup>4)</sup>	Basel	IT service company	c)	-	24.0%
Medgate (Philippines) Holdings Pty Ltd-Branch	Manila (PH)	Telemedicine	c)	32.0%	32.0%
<b>Others</b>					
<i>Nescens</i>					
NESCENS SA	Genolier	Holding company	a)	100.0%	43.4%
Laboratoires Genolier SA	Genolier	Cosmetics	a)	100.0%	92.3%
Nescens Genolier SA	Genolier	Patient hotel	a)	100.0%	100.0%
<i>Healthcare incubator</i>					
TCS Swiss Ambulance Rescue SA	Vernier	Holding company	c)	40.0%	-
Genolier Innovation Hub SA	Genolier	Research & Innovation	a)	100.0%	-
Société Clinique Spontini SAS <sup>2)</sup>	Paris (FR)	No operating activities	a)	100.0%	100.0%
TCS Swiss Ambulance Rescue Genève SA (formerly Swiss Ambulance Rescue Genève SA)	Geneva	Ambulance services	c)	40.0%	100.0%
Swiss Stem Cell Science SA	Fribourg	Stem Cells	a)	100.0%	100.0%
<i>Non-core participations</i>					
Academy & Finance SA	Geneva	Organisation of seminars	c)	-	22.5%
Agefi Com SA	Geneva	Publishing	c)	-	49.0%
Publications de l'économie et de la finance AEF SA	Lausanne	Publishing	c)	-	49.0%
Publications Financières LSI SA	Geneva	Publishing (dormant)	a)	-	100.0%

<sup>2)</sup> SCI Foncière François 1er was merged in April 2021 into Société Clinique Spontini SAS with retroactive effect from 01.01.2021.

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

<sup>4)</sup> Medgate Technologies AG was merged in June 2021 into Medgate AG with retroactive effect from 01.01.2021.

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

# Berney Associés

Geneva, March 31, 2022

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

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

#### Opinion

We have audited the consolidated financial statements of AEVIS VICTORIA SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 52 to 76) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

#### Basis for opinion

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

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

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

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

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

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### Valuation of tangible assets

#### Key audit matter

We consider the valuation of tangible assets to be a key audit matter because they amounted to TCHF 1'101'106 on the consolidated balance sheet of the Group, representing a significant share of 64% of total assets.

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

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

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

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

#### How our audit addressed the key audit matter

We performed the following audit procedures:

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

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

Audit

Comptabilité

Expertise &amp; Conseil

Fiscalité

Payroll

Corporate finance

## Berney Associés

### 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.

## Berney Associés

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

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

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

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

# Berney Associés

## Report on other legal and regulatory requirements

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

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

Berney Associés Audit SA

BA Qualified electronic signature



Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge

BA Qualified electronic signature



Frédéric BERNEY  
Licensed Audit Expert

Audit

Comptabilité

Expertise & Conseil

Fiscalité

Payroll

Corporate finance

Page 5/5

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# **STATUTORY FINANCIAL STATEMENTS**

## Statutory Balance Sheet

(In thousands of CHF)	NOTE	31.12.2021	31.12.2020
<b>Assets</b>			
Cash and cash equivalents		5'118'583	3'470'841
Marketable securities		-	2'837'077
Current receivables	2.1	119'693'213	117'864'984
Prepaid expenses and accrued income		824'366	1'630'692
<b>Current assets</b>		<b>125'636'162</b>	<b>125'803'594</b>
Financial assets	2.2	520'885'949	500'143'186
Investments in subsidiaries and associates	4	260'429'874	133'772'576
Equipment / Leasehold improvements		31'000	102'000
Intangible assets	2.3	15'878'000	22'333'000
<b>Non-current assets</b>		<b>797'224'823</b>	<b>656'350'762</b>
<b>Assets</b>		<b>922'860'985</b>	<b>782'154'356</b>
<b>Liabilities and shareholders' equity</b>			
Trade payables (towards third parties)		2'531'585	1'873'733
Current interest bearing liabilities	2.4	37'871'050	40'852'915
Other current liabilities		1'153'777	117'764
Accrued expenses and deferred income		12'974'869	17'582'976
Interest bearing bonds issued by the company	5	145'000'000	150'000'000
<b>Current liabilities</b>		<b>199'531'281</b>	<b>210'427'388</b>
Interest bearing bonds issued by the company	5	-	145'000'000
Long-term interest-bearing liabilities	2.5	83'923'068	-
<b>Non-current liabilities</b>		<b>83'923'068</b>	<b>145'000'000</b>
<b>Liabilities</b>		<b>283'454'349</b>	<b>355'427'388</b>
Share capital		84'529'460	83'499'514
Reserves from capital contributions		53'663'425	41'263'083
Other capital reserves		2'194'691	2'194'691
<b>Legal capital reserves</b>		<b>55'858'116</b>	<b>43'457'774</b>
General legal retained earnings		16'448'207	16'078'207
<b>Legal retained earnings</b>		<b>16'448'207</b>	<b>16'078'207</b>
Profit carried forward		288'699'363	281'714'937
Net profit		197'556'379	7'354'426
<b>Balance sheet profit</b>		<b>486'255'742</b>	<b>289'069'363</b>
Treasury shares	6	(3'684'889)	(5'377'890)
<b>Shareholders' equity</b>		<b>639'406'636</b>	<b>426'726'968</b>
<b>Liabilities and shareholders' equity</b>		<b>922'860'985</b>	<b>782'154'356</b>

## Statutory Income statement

(In thousands of CHF)	NOTE	2021	2020
Dividend income		5'119'950	14'786'642
Other operating income	9	211'280'158	1'451'090
<b>Total income</b>		<b>216'400'108</b>	<b>16'237'732</b>
Expenses for obtained services		(7'959'751)	(6'420'187)
Administrative and other expenses		(7'623'665)	(2'919'604)
<b>Operating expenses</b>		<b>(15'583'416)</b>	<b>(9'339'791)</b>
<b>EBITDA</b>		<b>200'816'692</b>	<b>6'897'941</b>
Depreciation and amortisation on non-current assets		(7'371'541)	(7'292'809)
<b>EBIT</b>		<b>193'445'151</b>	<b>(394'868)</b>
Financial income	10	9'343'554	18'432'881
Financial expenses	10	(7'289'594)	(10'036'392)
<b>EBT</b>		<b>195'499'111</b>	<b>8'001'621</b>
Direct taxes		2'057'268	(647'195)
<b>Net profit</b>		<b>197'556'379</b>	<b>7'354'426</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, other loans and securities.

### Investments in subsidiaries and associates and intangible assets

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

### Financial liabilities / Bonds issued by the company

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

### Treasury shares

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

## 2. Information on balance sheet

(In CHF)	31.12.2021	31.12.2020
<b>2.1 Current receivables</b>		
From third parties	2'039'913	5'195'091
From shareholders and governing bodies	14'802'814	14'373'347
From companies in which the entity holds an investment	110'333'572	106'075'401
<i>Thereof as subordinated claim</i>	17'500'000	-
Valuation adjustments	(7'483'086)	(7'778'855)
<b>Total current receivables</b>	<b>119'693'213</b>	<b>117'864'984</b>
<b>2.2 Financial assets</b>		
Securities	5'132'430	5'132'430
From third parties	3'900'000	-
<i>Thereof as subordinated claim</i>	1'000'000	-
Loans to companies in which the entity holds an investment	492'495'874	497'642'133
<i>Thereof as subordinated claim</i>	492'495'874	497'642'133
Valuation adjustments	(6'425'000)	(2'631'377)
Other financial assets	25'782'645	-
<b>Total financial assets</b>	<b>520'885'949</b>	<b>500'143'186</b>
<b>2.3 Intangible assets</b>		
Software / other intangible assets	5'685'000	8'741'000
Goodwill	10'193'000	13'592'000
<b>Total intangible assets</b>	<b>15'878'000</b>	<b>22'333'000</b>
<b>2.4 Current interest bearing liabilities</b>		
Other current interest bearing liabilities	800'000	-
Due to companies in which the entity holds an investment	37'071'050	40'852'915
<b>Total current interest bearing liabilities</b>	<b>37'871'050</b>	<b>40'852'915</b>
<b>2.5 Long-term interest bearing liabilities</b>		
Other long-term interest bearing liabilities		
Due to third parties	8'923'068	-
Due to other group companies	75'000'000	-
<b>Total long-term interest bearing liabilities</b>	<b>83'923'068</b>	<b>-</b>

## 3. Full-time equivalents

AEVIS VICTORIA SA does not have any employees.

#### 4. Investments in subsidiaries and associates

COMPANY, LEGAL FORM AND DOMICILE	31.12.2021 SHARE CAPITAL AND VOTING RIGHTS	31.12.2020 SHARE CAPITAL AND VOTING RIGHTS
Academy & Finance SA, Geneva	–	22.5%
Agefi Com SA, Geneva	–	49.0%
Générale-Beaulieu Holding SA, Geneva <sup>1)</sup>	69.5%	–
Genolier Innovation Hub SA, Genolier	100.0%	–
Infracore SA, Fribourg	16.1%	16.1%
Klinik St. Raphael AG, Küsnacht	73.5%	–
Laboratoires Genolier SA, Genolier <sup>2)</sup>	–	92.3%
Medgate Holding AG, Basel	40.0%	40.0%
MRH-Zermatt SA, Zermatt	100.0%	100.0%
NESCENS SA, Genolier	100.0%	43.4%
Publications de l'économie et de la finance AEF SA, Lausanne	–	49.0%
Publications Financières LSI SA, Geneva	–	100.0%
Seiler Hotels AG, Zermatt	100.0%	100.0%
Société Clinique Spontini SAS, Paris	100.0%	100.0%
Swiss Ambulance Rescue Genève SA, Geneva <sup>3)</sup>	–	100.0%
Swiss Hotel Properties AG, Interlaken	100.0%	100.0%
Swiss Medical Network SA, Genolier	78.4%	100.0%
Swiss Property Advisors AG, Fribourg	100.0%	100.0%
Swiss Stem Cell Science SA, Fribourg	100.0%	100.0%
TCS Swiss Ambulance Rescue SA, Geneva <sup>3)</sup>	40.0%	–
Victoria-Jungfrau AG, Interlaken	100.0%	100.0%
ZEMER SA, Vouvry <sup>4)</sup>	–	100.0%

The table above only lists direct investments. AEVIS VICTORIA SA also has significant indirect investments. See also Note 35 of the consolidated financial statements (List of Group companies).

<sup>1)</sup> Générale-Beaulieu Holding SA was transferred within the Group on 23 April 2021. The former parent company was Swiss Medical Network SA.

<sup>2)</sup> Laboratoires Genolier SA was transferred within the Group on 29 June 2021. The new parent company is Nescens SA.

<sup>3)</sup> Swiss Ambulance Rescue Genève SA was contributed in kind to TCS Swiss Ambulance Rescue SA on 1 December 2021

<sup>4)</sup> Zemer SA was merged with Swiss Hotel Properties AG with effect from 1 January 2021.

#### 5. Bonds issued by the company

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

#### 6. Treasury shares

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

## 7. Collateral provided for liabilities of third parties

(In CHF)	31.12.2021	31.12.2020
The Company pledged the shares of Swiss Medical Network SA for a total amount of CHF 20'000'000 (book value) as a guarantee for bank loans of	-	120'000'000

## 8. Contingent liabilities

(In CHF)	31.12.2021	31.12.2020
Guarantees in favour of subsidiaries	5'595'207	5'595'207
The company, as part of the group AEVIS VICTORIA SA, is subject to a group taxation with regards to Value Added Tax (VAT). The company is jointly liable for all VAT obligations towards the Federal Tax Authority.	n/a	n/a

## 9. Explanation of the other operating income

(In CHF)	31.12.2021	31.12.2020
Gain on sale of investments and financial assets (less third-party costs)	210'090'810	-
Other operating income	1'189'348	1'451'090
<b>Total other operating income</b>	<b>211'280'158</b>	<b>1'451'090</b>

## 10. Explanation to the financial result

(In CHF)	31.12.2021	31.12.2020
Interest income	7'854'289	10'685'186
Other financial income	1'489'265	7'747'695
<b>Total financial income</b>	<b>9'343'554</b>	<b>18'432'881</b>
Interest expenses	(6'595'152)	(9'132'279)
Other financial expenses	(694'442)	(904'113)
<b>Total financial expenses</b>	<b>(7'289'594)</b>	<b>(10'036'392)</b>

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

### 11.1 Share and stock options ownership

(In CHF)	31.12.2021 NUMBER OF SHARES HELD*	31.12.2021 NUMBER OF OPTIONS HELD	31.12.2020 NUMBER OF SHARES HELD*	31.12.2020 NUMBER OF OPTIONS HELD
<b>Board of Directors</b>				
Christian Wenger (Chairman)**	2'046'253	-	2'043'262	-
Raymond Loretan (Vice-chairman)	213'100	-	213'100	-
Antoine Hubert (Delegate of the Board) and Michel Reybier (Member)***	63'270'745	-	64'132'518	-
Anne-Flore Reybier (n/a)	n/a	n/a	325'000	
Antoine Kohler (Member)	21'704	-	17'252	-
Cédric A. George (Member)	1'023'010	-	91'195	-
<b>Senior Management</b>				
Antoine Hubert (Delegate of the Board)****	15'505'754	-	16'558'724	-
Gilles Frachon (CFO)	107'350	-	77'350	-

\* Including the blocked shares received as Board Member compensation.

\*\* Representing the shareholding of CHH Financière SA.

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

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

### 11.2 Significant shareholders

(In CHF)	31.12.2021 NUMBER OF SHARES	31.12.2021 %	31.12.2020 NUMBER OF SHARES*	31.12.2020 %
Group Hubert/Reybier/M.R.S.I. Medical Research, Services and Investments SA*	63'270'745	74.85	64'132'518	76.81
MPT Medical Properties Trust, Inc.	3'850'961	4.56	3'850'961	4.61
Kuwait Investment Office as agent for the Government of the State of Kuwait	2'666'560	3.15	2'666'560	3.19

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

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

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

## 12. Subsequent Events

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

## Proposed appropriation of retained earnings

The Board of Directors proposes to the Annual General Meeting of Shareholders a ordinary distribution of CHF 0.20 (2020: CHF 0.00) and a extraordinary distribution of CHF 0.30 per share from retained earnings.

(In thousands of CHF)	2021	2020
<b>Retained earnings available to the Annual General Meeting</b>		
Profit carried forward	288'699'363	281'714'937
Net profit	197'556'379	7'354'426
<b>Balance sheet profit</b>	<b>486'255'742</b>	<b>289'069'363</b>
Treasury shares (held directly)	(3'684'889)	(5'377'890)
<b>Total available to the Annual General Meeting</b>	<b>482'570'853</b>	<b>283'691'473</b>
<b>Proposal of the Board of Directors</b>		
Balance sheet profit	486'255'742	289'069'363
./ Allocation to the legal retained earnings	(457'685)	(370'000)
./ Ordinary dividend distribution	(16'905'892)	-
./ Extraordinary dividend distribution	(25'358'838)	-
<b>Balance brought forward</b>	<b>443'533'327</b>	<b>288'699'363</b>

## Proposed distribution from capital contribution reserve

The Board of Directors proposes to the Annual General Meeting of Shareholders a ordinary distribution of CHF 0.20 (2020: CHF 0.00) and a extraordinary distribution of CHF 0.30 per share from capital contribution reserve.

(In thousands of CHF)	2021	2020
Account carried forward	41'263'083	13'986'564
Increase of capital contribution due to capital increase	12'400'342	27'276'519
<b>Capital contribution reserve before proposed distribution</b>	<b>53'663'425</b>	<b>41'263'083</b>
Proposed ordinary distribution from capital contribution reserve	(16'905'892)	-
Proposed extraordinary distribution from capital contribution reserve	(25'358'838)	-
<b>Capital contribution reserve after proposed distribution</b>	<b>11'398'695</b>	<b>41'263'083</b>

# Berney Associés

Geneva, March 31, 2022

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

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of AEVIS VICTORIA SA, which comprise the balance sheet as at 31 December 2021, 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 83 to 89) as at 31 December 2021 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.

# Berney Associés

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

### Key audit matters

The company holds investments in subsidiaries and associates with a carrying value of CHF 260'429'874 as of 31 December 2021, representing 28% of total assets. The list of Group subsidiaries and associates can be found in note 4 to the financial statements. The valuation of these assets is dependent on the ability of these companies to generate positive cash flows in the future.

As described in notes 2.1 and 2.2 to the financial statements, the company has also provided loans to subsidiaries and associates for a total of CHF 602'829'446. These loans are subject to valuation adjustments amounting to CHF 13'908'086. The net book value of CHF 588'921'360 represents 64% of total assets.

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

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

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

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

### How our audit addressed the key audit matter

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

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

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

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

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

Audit

Comptabilité

Expertise & Conseil

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Payroll

Corporate finance

## Berney Associés

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

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

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

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

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

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

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

## Berney Associés

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

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

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

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

### Report on other legal and regulatory requirements

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

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

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

Berney Associés Audit SA

BA Qualified electronic signature



Gregory GRIEB  
Licensed Audit Expert  
Auditor in charge

BA Qualified electronic signature



Frédéric BERNEY  
Licensed Audit Expert

Page 4/4

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