

Bellevue Group Results 2022

Presentation for investors, analysts and the media

Kusnacht, February 28, 2023

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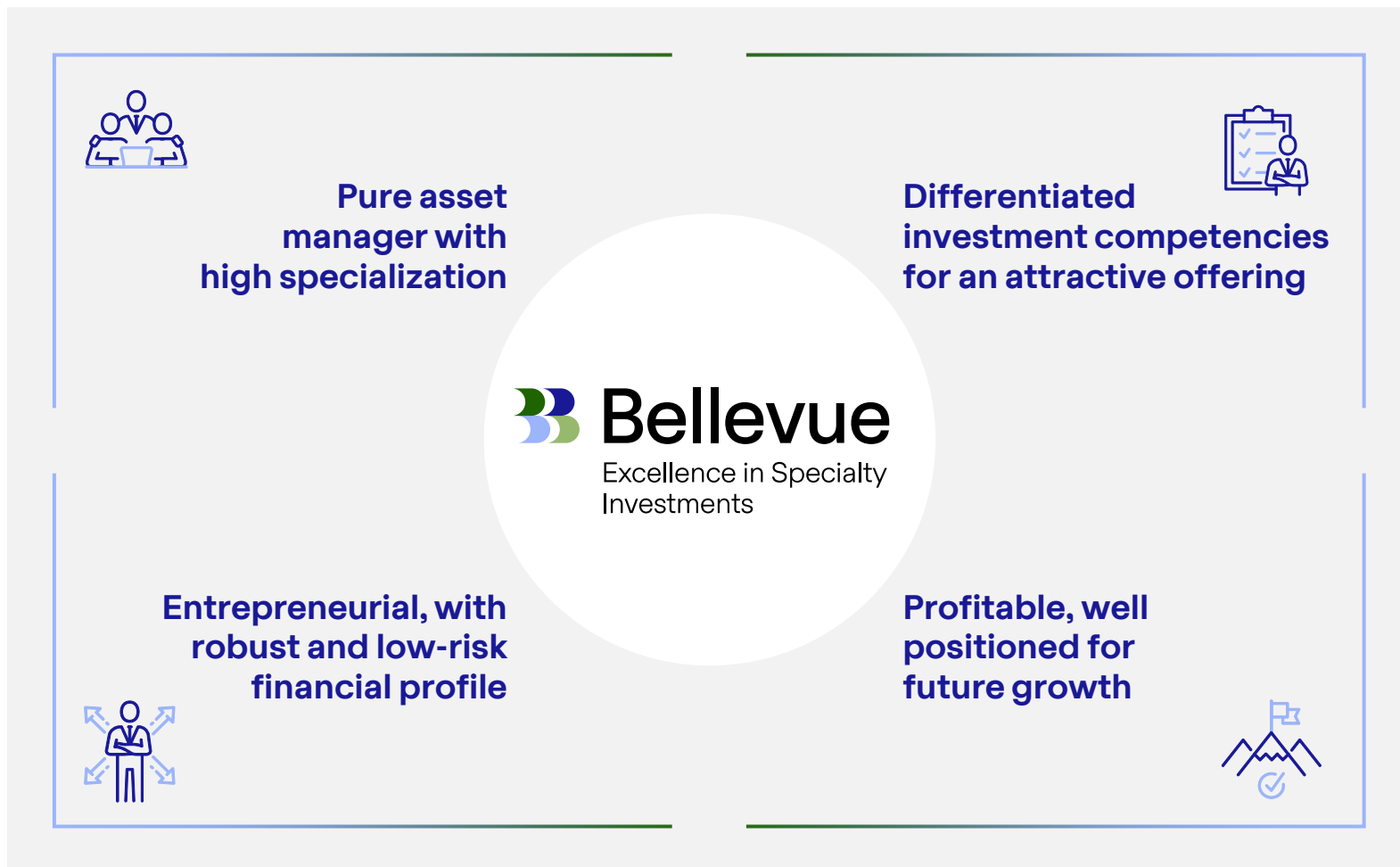
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Introduction

André Rüegg, Group CEO

Bellevue – a «pure play» asset manager

Company profile



Established

1993

Credo

“We eat our own cooking”

Market cap.

CHF 503 mn

Number of employees (in FTE)

97

AuM

CHF 9.4 bn

Shareholders' equity

CHF 134 mn

Shares held by anchor shareholders & employees

47.2%

Clear-cut strategy and distinctive business profile

Robust, time-tested foundation engenders trust and confidence during uncertain times

Simple & understandable

- Pure-play, highly specialized asset manager
- Clear differentiation thanks to niche focus and unique expertise
- Highly talented teams with strong track records
- High quality and strong innovation capabilities drive structural growth

Robust and low-risk

- High profitability underpinned by high earnings quality and agile cost base
- Simple balance sheet, zero debt
- Sound levels of equity capital and liquidity
- No legal issues or financial penalties thanks to strong risk culture
- Strong base of core shareholders

Business model

Purpose



Excellence in Specialty Investments

Financial profile

Culture

Creating value & responsibility

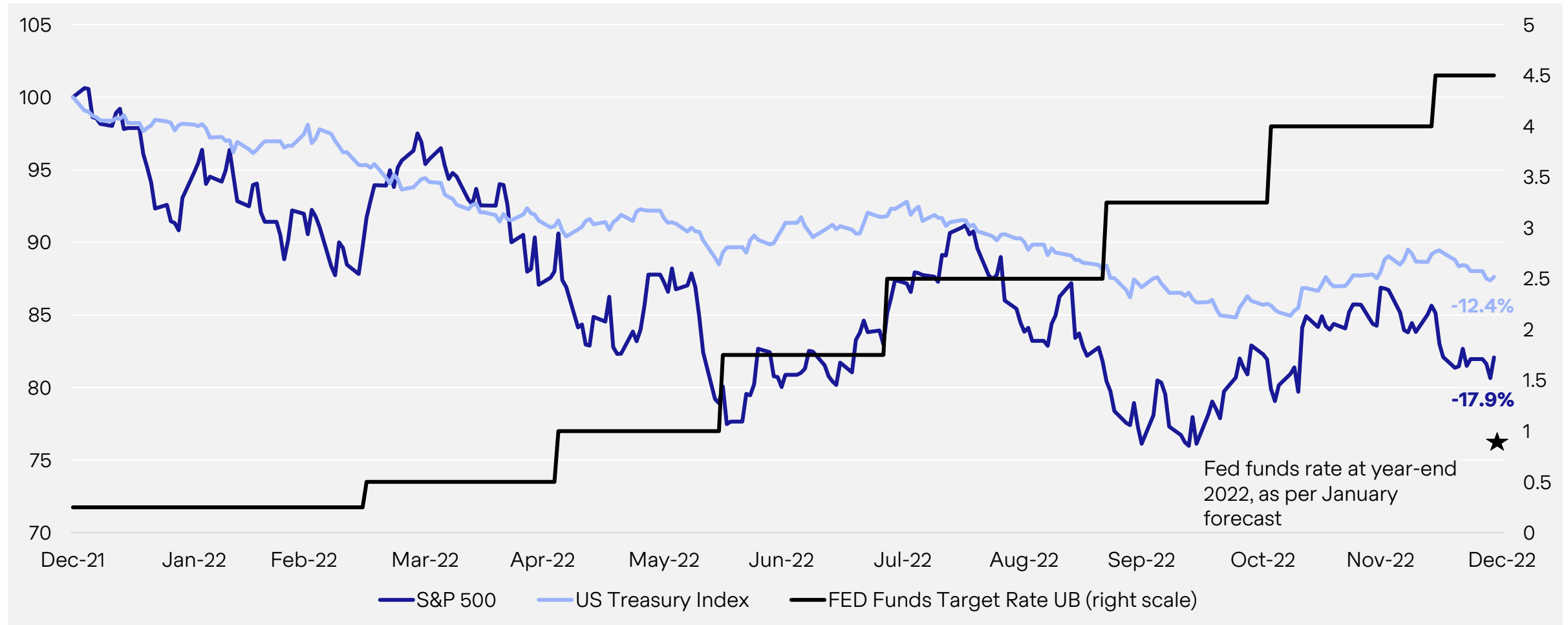
- Competitive investment performance and reliable service quality for clients
- Shareholder-friendly dividend policy and attractive return on equity
- Corporate responsibility and engagement in important issues facing society

Shaped by strong values

- Independent, efficient and entrepreneurial since 1993
- Strong financial commitment from management and staff – “we eat our own cooking”
- Trust and responsibility promote autonomy (“empowerment”) and unleash strong creative forces

The impact of Fed rate increases on US Treasury bonds and stocks

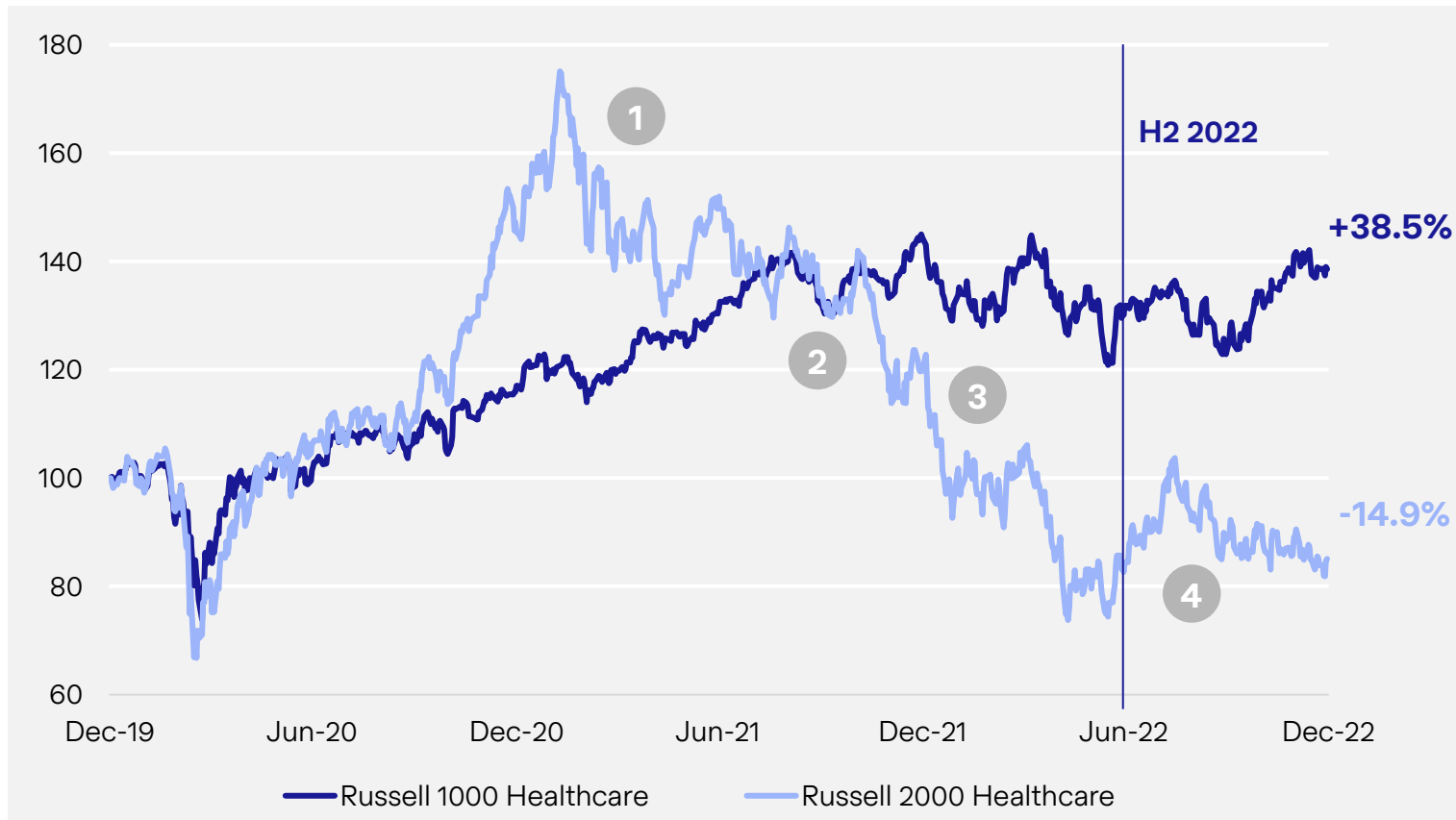
Rate hikes had the greatest impact early in the year, much less so at the end of the year



Large vs. Small- & Mid-Cap Healthcare performance

Picking up interest rate momentum as a turning point for small- & mid-cap stocks

Indexed performance in % (USD) December 31, 2019 – December 31, 2022



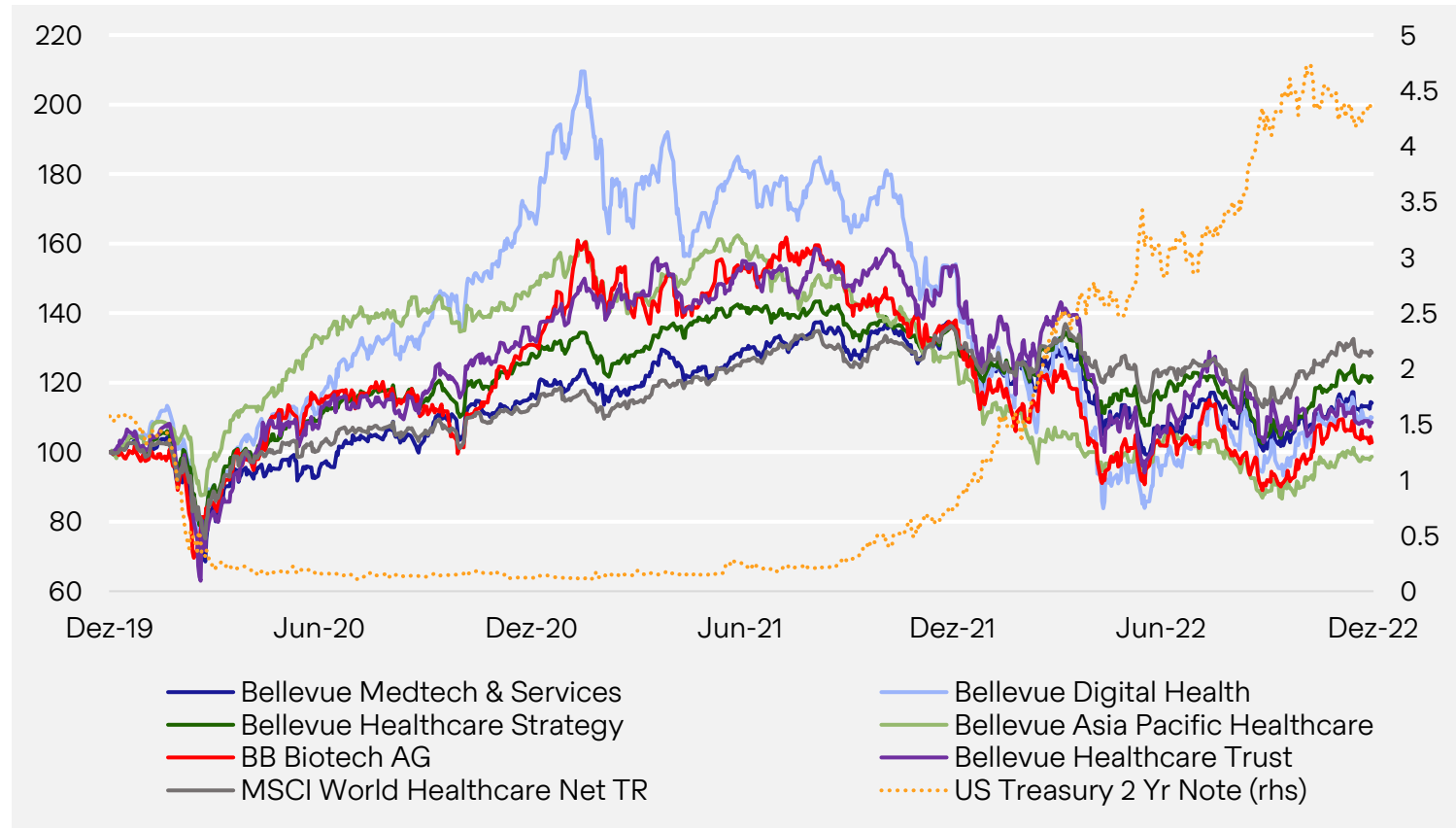
Small/mid-cap healthcare stocks in a "perfect storm" since spring 2021

- **1st phase:** Correction sets in after “COVID-19 booster” (digital services & systems providers, etc.), start of “pharma rally”
- **2nd phase:** Growing inflation worries, initial tapering by the Fed, and uncertain growth environment keep the pressure on small/mid-caps and lift the prices of large/mega caps
- **3rd phase:** Russia invades Ukraine, “risk-off” environment
- **4th phase:** Temporary easing of interest rate dynamics fuels an initial rebound in small/mid-caps, but no sustained recovery yet

Review of Bellevue healthcare strategy performance

Rising interest rates clearly hurt the performance of our healthcare strategies, but first signs of recovery were seen in H2 2022

Indexed Performance Bellevue Healthcare strategies (USD) December 31, 2019 – December 31, 2022



Performance in USD	H1 2022	H2 2022
BB Biotech AG – share	-25.6%	+0.9%
BB Biotech AG (NAV)	-20.5%	+10.7%
Bellevue Healthcare Trust – share	-31.4%	+3.0%
Bellevue Healthcare Trust (NAV)	-28.3%	+10.8%
Bellevue Medtech & Services	-23.1%	+8.3%
Bellevue Digital Health	-38.5%	+17.9%
Bellevue Healthcare Strategy	-15.6%	+5.5%
Bellevue Asia Pacific Healthcare	-20.2%	-3.7%
MSCI World Healthcare	-10.3%	+5.5%

Source: Bloomberg, Bellevue Group, Data as at December 31, 2022

Note: Performance of I2 share classes. Past performance is not a reliable indicator of future results and can be misleading

2

A Summary of Fiscal 2022

André Rüegg, Group CEO

Key figures 2022 – Under the spell of a miserable investment environment

High dependence on stock markets and positioning leave clear traces in performance criteria



Client assets

CHF 9.4 bn
(31.12.2021: CHF 12.8 bn)



Net new money

CHF -577.4 mn
(2021: CHF 67.2 mn)



Income from Asset Mgt. ¹⁾

CHF 104.4 mn
(2021: CHF 141.1 mn)



Other income (EBTDA) ²⁾

CHF -8.5 mn
(2021: CHF -0.5 mn)



Operating profit (EBTDA) ³⁾

CHF 34.8 mn
(2021: CHF 60.2 mn)



Consolidated result

CHF 25.3 mn
(2021: CHF 43.1 mn)



Return on equity ⁴⁾

23.2%
(2021: 38.6%)



Dividend yield ⁵⁾

5.3%
(2021: 6.6%)

1) Includes net management fees, performance fees and transaction-based revenue

2) Includes book gains/losses on own investments, net financial income (mainly for employee stock ownership plans) and other net income

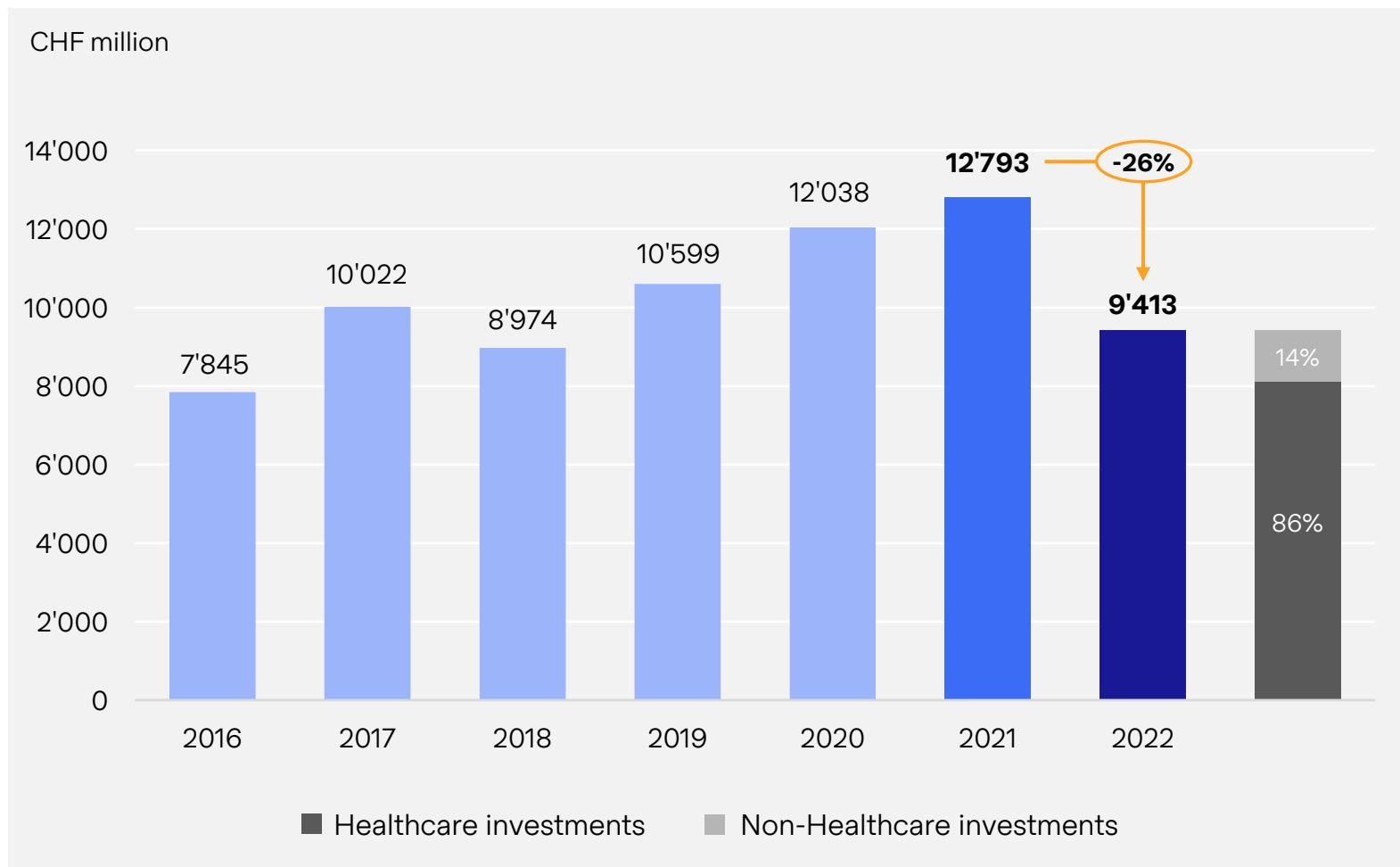
3) Earnings before depreciation, amortization, impairment losses and taxes

4) Based on reported net profit and average equity for the preceding 12-month period after distribution of the respective dividends

5) Based on the ordinary dividend of CHF 2.00 and the closing share price on December 31, 2022 (CHF 2.70 and closing share price on December 31, 2021)

Contraction in asset base due to market dynamics and positioning

Change in AuM 2016 – 2022

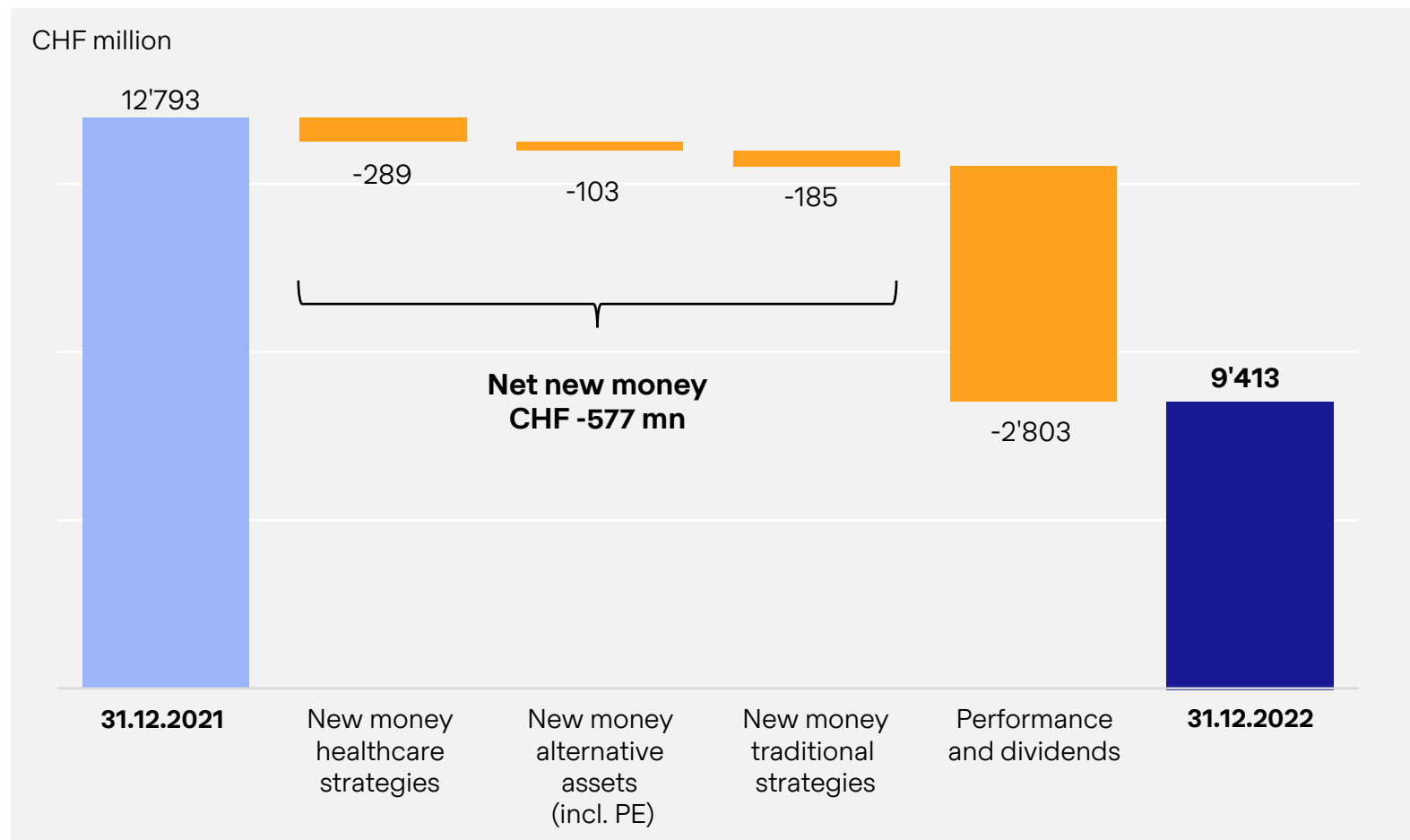


Temporary consolidation after AuM hit all-time highs in 2020/2021

- AuM shows significant decline of nearly CHF 3.4 bn or -26% to CHF 9.4 bn
- Sustained positive growth from 2018-2021 temporarily interrupted by market headwinds and strategic positioning
- The relatively few defensive investment strategies were likewise affected by interest rate developments and were unable to prevent the sharp contraction
- Still solid fundamentals and currently attractive valuations will boost asset growth when markets recover
- Alternative investment strategies (esp. private market investments) and product innovation will remain a priority in 2023

AuM contraction largely attributable to negative market performance

AuM in 2022

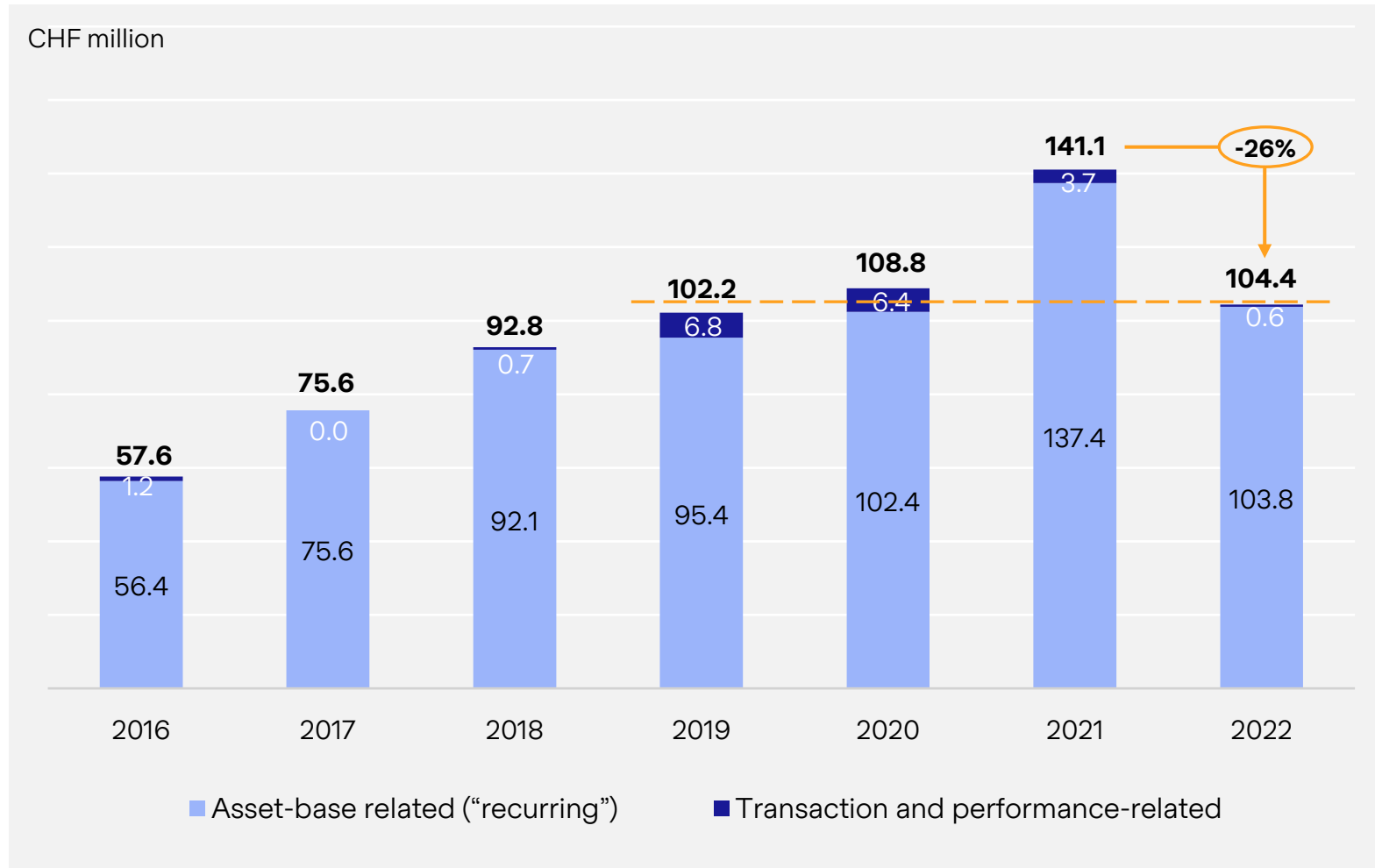


Negative investment performance has wider repercussions – very stable client base an important foundation for future results

- 83% of the decline in AuM attributed to negative market performance
- Despite the significant market volatility, client base remained very stable – outflows represent less than 5% of AuM!
- Outflows from alternative investment strategies limited to Global Macro strategy
- Promising developments in the new Private Markets business are not reflected in AuM base (direct investments)

Earnings recede to pre-pandemic levels after «COVID-19 bull-market»

Operating income from asset management activities, 2016 – 2022



Income from asset management activities declines by 26%, mirroring the decline in AuM

- Earnings have “normalized” around the 2019/20 level after the exceptionally strong performance in 2021
- High percentage of recurring income amounting to more than CHF 100 mn reflects the high-quality AuM base with a stable margin
- Contribution from transaction and performance fees still a low CHF 0.6 mn, which creates upside potential
- A mature portfolio of private market investments has been established as an attractive new source of income (“carry income“)

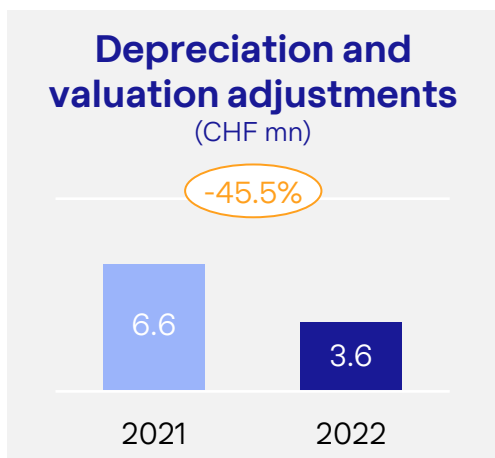
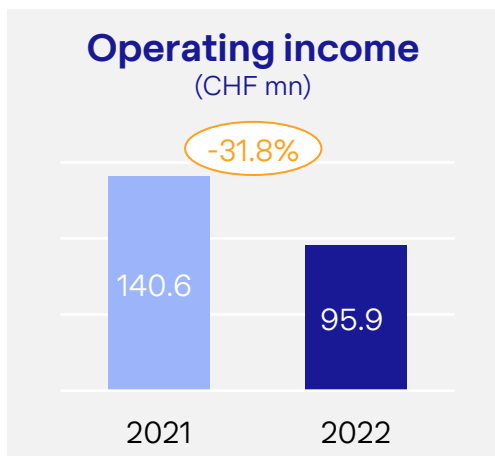
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Results for Fiscal 2022

Michael Hutter, Group CFO

Consolidated results

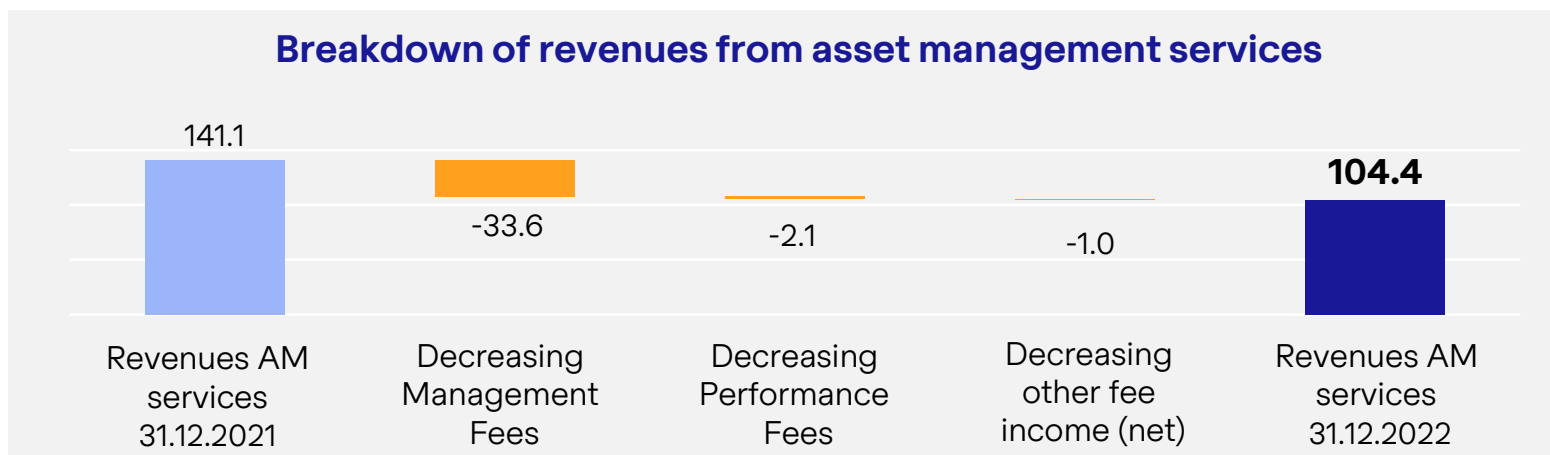
Group net profit



- Total operating income declined about 32%, but this includes unrealized losses of about CHF 10 mn (prior year: CHF -0.8 mn) on financial investments (investments in proprietary products and for compensation plans)
- Reduction of operating expenses thanks to entrepreneurial compensation model (variable compensation)
- Operating profit declined by 42%
- Lower tax expenses as expected, reflecting lower pretax profit
- Group net profit about 41% lower y-o-y

Consolidated results

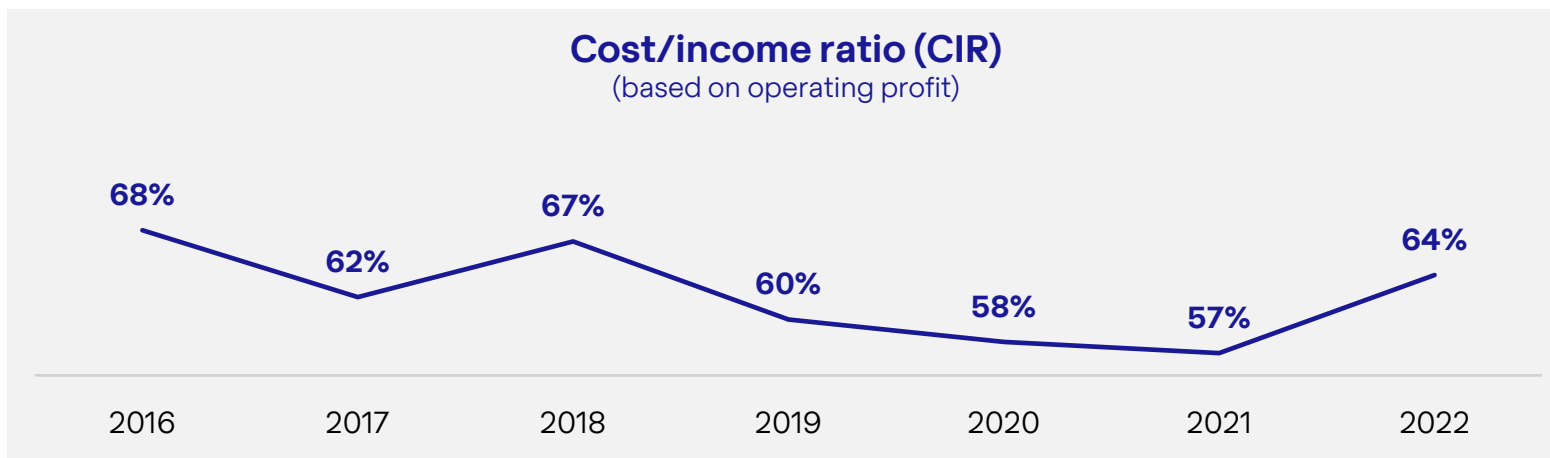
Revenues asset management services



- Market-induced decline in management fees by almost 25%, in line with AuM base over the course of the year
- Stable margin at an attractively high level
- Significantly lower performance fees compared to prior year (only from Private Markets activities)
- Other fee income (net) reflects transaction fees in the private equity business and other commission income/expense
- Earnings from asset management services back at pre-pandemic levels in 2020

Consolidated results

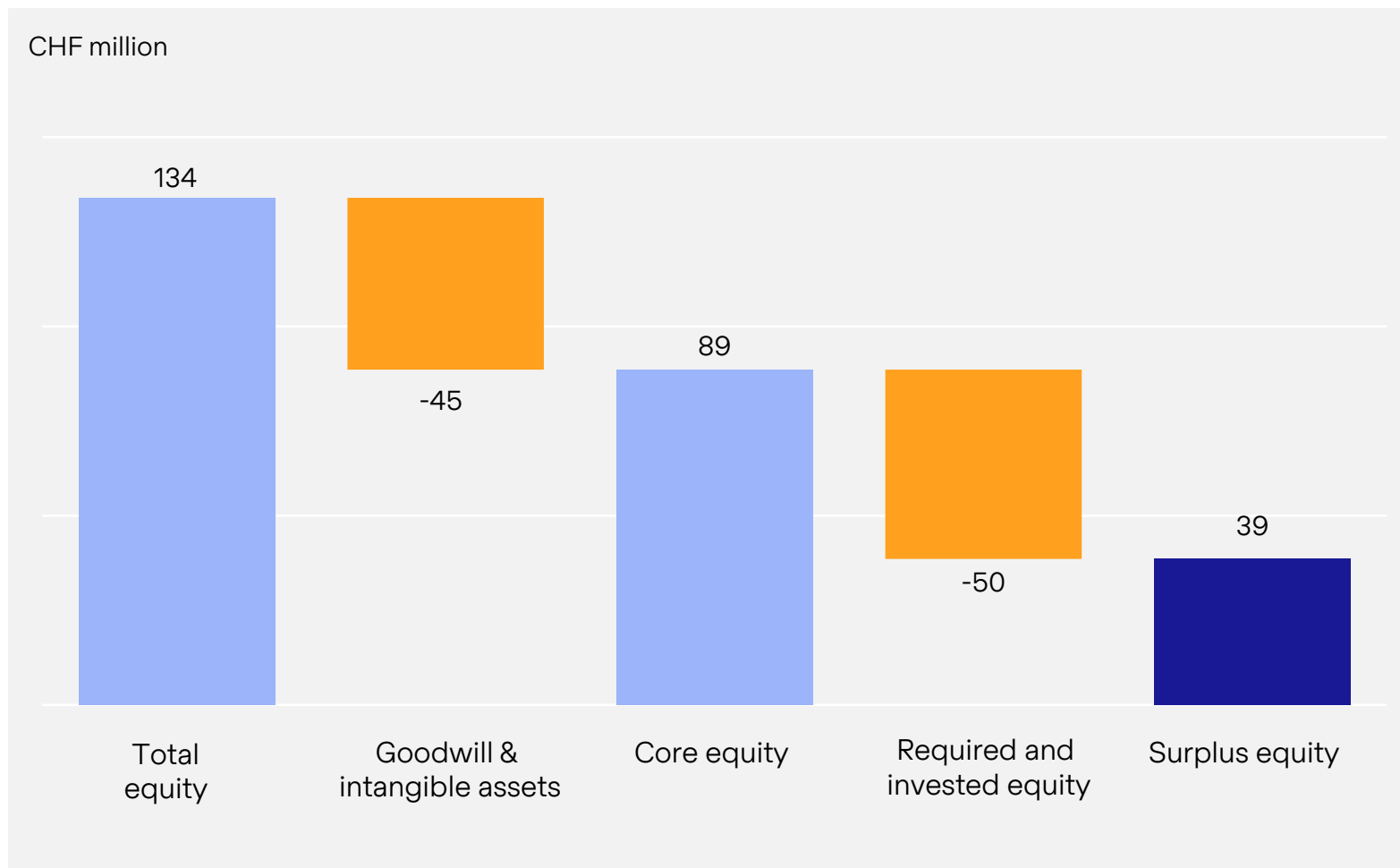
Operating expenses



- Significant reduction in personnel expenses despite ongoing expansion of talent pool
- Very elastic personnel expenses thanks to entrepreneurial compensation model (variable pay)
- General operating expenses remained stable y-o-y despite ongoing infrastructure investment projects
- Temporarily higher CIR of 64%, within the short-term target range of 60-65%
- Positive long-term CIR trend temporarily stalled due to losses on investments in own products and in financial assets
- High scalability of business model intact

Capital structure and management

As at December 31, 2022 (consolidated)

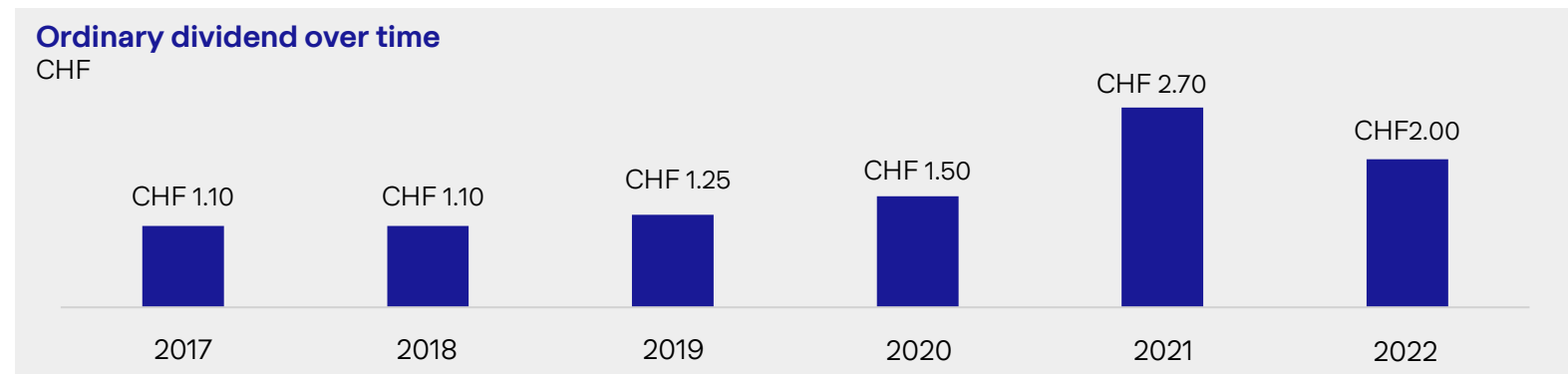
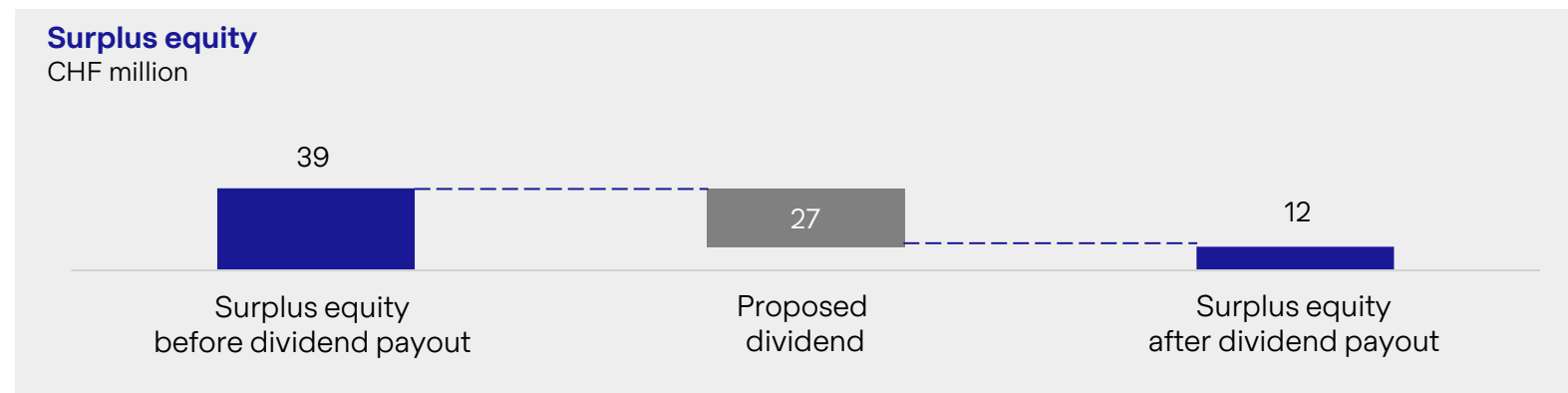


Robust and low-risk financial profile affords flexibility

- Equity capital remains solid thanks to sustained earnings power
- Reduction in goodwill & intangibles (prior year: CHF 48 mn), which reflects ordinary depreciation
- Required level of regulatory minimum capital as a pure asset manager is lower, enabling a very attractive return on equity
- Surplus equity of CHF 39 mn provides leeway for attractive payouts
- Simple and debt-free balance sheet

Attractive value creation for shareholders

Confidence in the business model is reflected in the dividend policy



¹⁾ Based on the ordinary dividend and closing share price at year-end
Source: Bellevue Group, as at December 31, 2022

Proposed dividend of CHF 2.00 per share

- Dividend proposal of CHF 2.00 per share reflects solid earnings power despite the difficult market environment
- The amount of the payout is based on operating income

Shareholder-friendly dividend policy confirmed

- Steady earnings ensures stable funding of an attractive dividend policy over the long term
- Steady trend reflects steady increase in earnings power (2021 being an exceptional year)
- High payout ratio underlines confidence

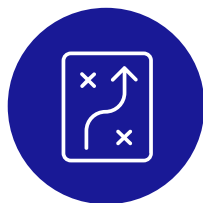
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Business Update & Outlook

André Rüegg, Group CEO

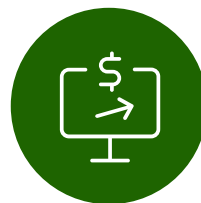
Highlights 2022

Business development milestones and priorities to ensure future success



Consistent strategy execution

- Positioning as a **pure-play specialized asset manager** established and strengthened
- Selective **development and strengthening of core healthcare business** are under way
- Constant monitoring and **fine-tuning of existing product offering and setup**
- Focus is on **product innovation and on establishing additional sources of income**



Development of expertise and performance

- Ongoing, successful **recruitment of proven teams of experts and new talent**
- Renewal and upgrading of existing **investment tools** (new systems in 2023), **processes and analytics** (incl. Big Data/AI)
- Improved **risk management functions and instruments**
- Constant monitoring and adjustment to further strengthen and refine **performance quality**



Anti-cyclical platform investments

- Substantial anti-cyclical **investments to ensure future success**
- Targeted **renewal and expansion in IT and infrastructure areas**
- **New operating locations in Zug, Frankfurt and Zurich (2024/25)**
- Expansion of **distribution capabilities, footholds to be established in new target markets**
- Ongoing development of **ESG as a new market reality**

Priorities of forwards and growth strategy

Profitable growth = product quality + innovation + client dynamics

Strategic product development

“Grow with the products”



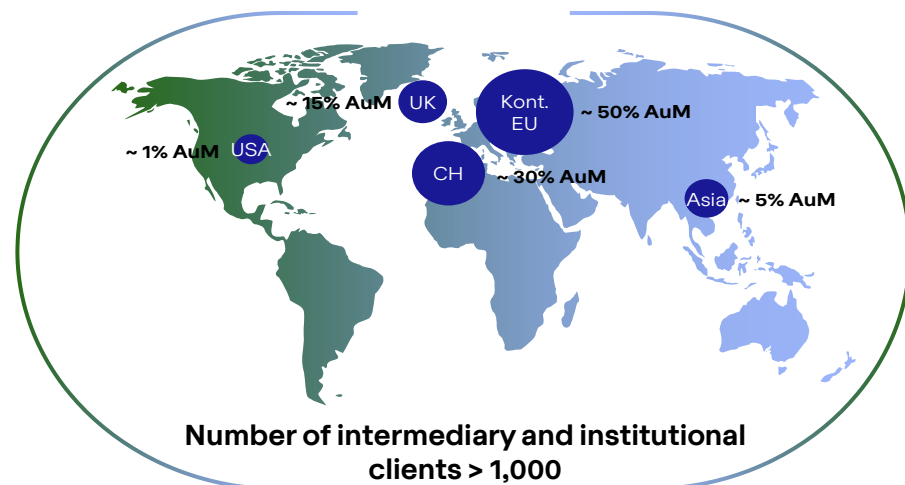
“Innovate”



“Renovate & clean up”



Strategic market and client developments



- Primary focus on the quality and growth of existing products, constantly strengthening "talent pool"
- Reduce dependency on the stock market and strengthen Group profitability through selective expansion of the new “Private Markets” and “Alternative Investments” business
- Constant review and adjustment of historical product range
- Increased penetration of "core markets" (CH, DE, UK) via new distribution capabilities
- Ongoing development and expansion of sales operations in "strategic non-core markets" in Europe (AT, ES, Benelux and Nordics)
- Development of Asian markets spurred by recently established hub in Singapore
- Exploratory moves in other non-core markets (e.g. Chile, Peru)

Development of the new «Bellevue Private Markets» unit

Strategic thrust and considerations based on 3 pillars

Pillars of expansion



Attractive Direct investments

- No management fees/AuM
- Fees from investor group
- Transaction commissions
- Performance fees (“carry”)



Distinctive “entrepreneur” fund

- AuM-based management fees
- Performance fees (“carry”)



Scalable special strategies

- AuM-based management fees
- Performance fees (“carry”)

Status 2022

- 15 investments currently in the portfolio, 3 new deals made in 2022
- Investment volume of > CHF 270 mn
- High-powered investor group expanded to around 30 members
- Team strengthened at multiple levels (research, deal sourcing and investment management)
- “Bellevue Entrepreneur Private I” with investment capital of CHF 63 mn (launched in October 2021)
- Fund currently has 7 investments (3 made in 2022) and is 50% invested
- Productive collaboration between Bellevue Asset Management and Bellevue Private Markets teams established
- Successful recruitment of a dedicated and proven teams of experts/onboarding completed
- Preparations to establish the organizational setup and implement tools & systems are under way
- Bellevue RAIF LUX Umbrella established

Priorities 2023-2025

- Continuous management/development of deal pipeline (2-4 p.a.) and deal size (CHF 20-40 mn per deal)
- First exits from H2 2023 on
- Targeted investment volume of > CHF 400 mn (2025)
- Further strengthening of teams (exit management) and investor group
- “Entrepreneur Private I” planned to be fully invested by the end of 2025
- First exits from 2023 onwards
- Launch of “Entrepreneur Private II” with target volume of >CHF 100 mn (once first vintage is >75% invested)
- Launch of “Bellevue PE Secondaries Fund” in H1 2023
- First investments made (Q2/3 2023)
- Final closing in H1 2024 with target investment capital of > USD 200 mn
- Further strategies under evaluation (2024/2025)

Strategic objectives

- Active participation in a structural **growth market**
- Even more **distinctive strategic profile** as a “specialty investor”
- **Stock-market dependency** of the current business model reduced
- **Further diversification/expansion of income flows:**
 - Investment volume: > CHF 1 bn
 - Recurring income: > CHF 10 mn p.a.
 - Carry income: > CHF 10 mn p.a. (long-term average)

Development of the new «Bellevue Private Markets» unit

New launch: Bellevue Global Private Equity 2023 – «Small transactions are beautiful»

Niche strategy for **secondaries**

- **Global**, with a focus on developed markets (USA and Europe)
- Focus on buyouts with top quartile primary funds (“**LP led**”)
- **High-conviction** transactions in small/mid market with low deal size (USD 1 – 30 mn segment)
- Broadly diversified portfolio with a “**barbell approach**” (early-stage investments with considerable potential vs. mature investments for quick paybacks)
- **Fundamental analysis** of all funds on a “look-through basis”

Attractive **market opportunity**

- **Record-high deal** flow in the secondaries market enables rapid portfolio construction
- **Attractive market environment for buying high-quality assets at low valuations** (discount to NAV on the rise) **due to the increasing number of “distressed sellers”** (funding gaps, overinvestment, deleveraging, etc.)
- **Attractive market access in bottom segment** (“under the radar”), which large players are unable to cover

Top **experts** with a strong **track record**



- **Highly experienced core team** that has already worked together for more than a decade and has > 35 years of combined experience
- Worldwide **transactions total of >USD 3 bn**
- **Extensive and proven know-how** in technical (proprietary financial modeling tools, databases, etc.), legal and tax (deal structure) terms

Bellevue platform as a strong foundation

- Offers the team **attractive entrepreneurial (profit-based) compensation, high level of autonomy and freedom**
- Team is supported by a strong and extensive **organization** with highly qualified and experienced **professionals** and modern **infrastructure**
- Enables access to a **large and attractive network** of international partners and clients
- A very **solid platform in financial and legal terms**

2023
Vintage

USD 200 mn
Target volume

12-15%
Target return (net IRR)

USD 1 mn
Min. capital
commitment

ESG – Highlights 2022

Summary of corporate developments

Climate strategy 2030

- Second annual **CO2 measurement**
- **Compensation of CO2 emissions** through top-tier offsetting projects
- **100% electricity sourced from renewable sources** at headquarters in Kuesnacht and in Zug
- Carbon emission reduction target: **30% reduction in carbon emissions per FTE by 2030**

Materiality analysis

- Identification of **material sustainability issues**
- Expectations/needs of **internal and external stakeholders taken into consideration**
- Basis for **business process management**

Employee survey

- **Group-wide** employee survey in 2022
- Employee **satisfaction measured**, room for **improvement identified**
- Very **high commitment/engagement and net promoter scores; issues** defined and addressed
- **Action areas** defined and addressed

Sustainability Report

- Improved **sustainability reporting** in 2022 annual report
- **SDGs** and **TCFD**: Partial application of global frameworks
- Sustainability reporting is **“GRI-referenced”**

Product-based initiatives

- Classification of investment products **Art. 8 EU SFDR** (“light green”) incl. BB Biotech AG
- Most products comply with MiFID II **target market sustainability preferences**
- Introduction **Proxy Voting** (ISS Governance)

UN PRI Report



- Standardized reporting of **all ESG measures within the investment process**
- First publication in September 2022

Second year in a row for Bellevue Group!



Bellevue Group is a member of Swiss Sustainable Finance



ESG – Highlights 2022

ESG integration across investment strategies – breakdown by EU SFDR categories

Equity

Sustainable Entrepreneur Europe (FNG Label)
Sustainable Healthcare (Austrian Ecolabel - UZ49)

Private Equity

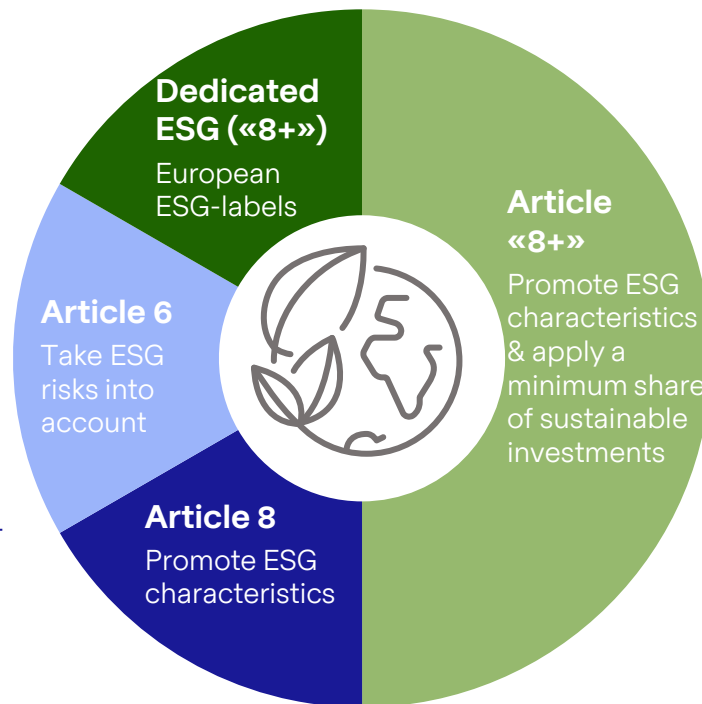
Entrepreneur Private KmGK

Multi Asset

Global Macro

Fixed Income

Global Income



Equity

Healthcare Strategy
Diversified Healthcare
Healthcare Trust

BB Biotech AG
Biotech

Medtech & Services
Digital Health

Asia Pacific Healthcare
Emerging Marktes Healthcare

Entrepreneur Switzerland
Entrepreneur Europe Small
Entrepreneur Swiss Small & Mid

African Opportunities
SC Equity Value

Fixed Income

SC Dynamic Bond
SC Premium Bond Plus

Mixed Asset

SC Strategy 1
SC Multi Income
Option Premium

Outlook for 2023 – base scenario and positioning

Structural market correction clearly had an impact – strong position enables a solid performance nevertheless

Cautious baseline scenario for 2023

- Market correction that began in H2 2021 is likely to transition into a highly volatile sideways movement in 2023
- A sustained market recovery is contingent on a decline in inflationary pressure, leading to a standstill or even rate cuts on the interest-rate front
- After observing signs of overheating, the global slowdown has led to healthier equity valuations
- Geopolitical developments and conflicts are grounds for caution

Positioning and future development

- Earnings growth will remain pressured by market environment (base effect)
- Intact fundamental data and more attractive valuation levels provide reasonable entry points
- Very stable client network, promising new client pipeline and entry into new markets create new growth prospects
- Focus is on innovation and product range add-ons that further reduce the business model's high dependency on the stock market

Strong financial basis

- High-quality and reliable operating income flows (high share of recurring revenue flows)
- Entrepreneurial business model with “agile” cost base, solid balance sheet and high level of liquidity create leeway for anti-cyclical investment
- Strong equity base permits further value creation for shareholders

Outlook for 2023: Long-term goals reiterated despite temporary setback

Our Key Performance Indicators

1 Assets under management (AuM)

- Steady expansion of business base targeted, but clearly depends on stock market developments
- Organic new money growth of 5-10% p.a. over a long-term horizon

2 Profitable top-line growth

- Asset-based revenues with higher margin quality and long-term growth of 7-10% p.a.
- Performance- and transaction-based revenues round out revenue mix

3 Cost/Income ratio (CIR)

- Short-term target range of 60-65% (adjusted, i.e. excl. non-recurring items)
- Medium-term target of <60%

4 Operating profit

- Proportionally faster growth thanks to economies of scale in business model
- Stable and strong operating profits ensure steady dividend policy

5 Return on equity (ROE)

- Continuation of shareholder-friendly dividend policy
- Attractive return on equity of >20%, due to strict capital management

6 Performance quality

- Most assets under management beat their benchmark
- Most assets under management are in the 1st and 2nd performance quartiles

5

Questions & Answers

A Appendix

Additional details of fiscal results 2022

Consolidated financial statements 2022

Consolidated income statement

CHF 1,000	1.1.-31.12.2022	1.1.-31.12.2021	Change
Revenues from asset management services	104 383	141 096	- 36 713
Income from financial investments	- 10 002	- 832	- 9 170
Net other income	1 481	354	+ 1 127
Operating income	95 862	140 618	- 44 756
Personal expenses	- 46 988	- 66 045	+ 19 057
Other operating expenses	- 14 056	- 14 344	+ 288
Depreciation and amortization	- 3 624	- 3 751	+ 127
Valuation adjustments	-	- 2 888	+ 2 888
Operating expenses	- 64 668	- 87 028	+ 22 360
Taxes	- 5 894	- 10 527	+ 4 633
Group net profit	25 300	43 063	- 17 763

Consolidated financial statements 2022

Consolidated balance sheet



- Asset mix is as follows:
 - CHF 120.7 mn current
 - CHF 64.5 mn non-current
- Liability mix is divided as follows:
 - CHF 36.0 mn current
 - CHF 15.3 mn non-current
- Goodwill and intangible assets are recoverable - no need for impairment visible
- Debt-free balance sheet
- Equity base is slim and strong

Consolidated financial statements 2022

Alternative Performance Indicators

CHF 1,000	1.1.-31.12.2022	1.1.-31.12.2021	Change
Operating income	95 862	140 618	- 44 756
Personnel expenses	- 46 988	- 66 045	+ 19 057
Other operating expenses	- 14 056	- 14 344	+ 288
Operating expenses	- 61 044	- 80 389	+ 19 345
Operating profit	34 818	60 229	- 25 411
Depreciation and amortization	- 3 624	- 3 751	+ 127
Valuation adjustments	-	- 2 888	+ 2 888
Group profit before tax	31 194	53 590	- 22 396
Taxes	- 5 894	- 10 527	+ 4 633
Group net profit	25 300	43 063	- 17 763

Consolidated financial statements 2022

Key figures (1/2)

	1.1.-31.12.2022	1.1.-31.12.2021	Change
Consolidate income statement			
Cost/Income ratio	63.7%	57.2%	-
Earnings per share (in CHF)	1.90	3.24	- 41.4%
	31.12.2021	31.12.2020	Change
Asset under management (in CHF million)			
Total managed assets	9 413	12 793	- 26.4%
Net new money	- 577	67	-
Consolidate balance sheet (in CHF 1 000)			
Total assets	185 211	226 622	- 18.3%
Total liabilities	51 324	80 032	- 35.9%
Total equity	133 887	146 590	- 8.7%
Equity per share (in CHF)	9.95	10.89	- 8.7%
Return on equity	23.2%	38.6%	-

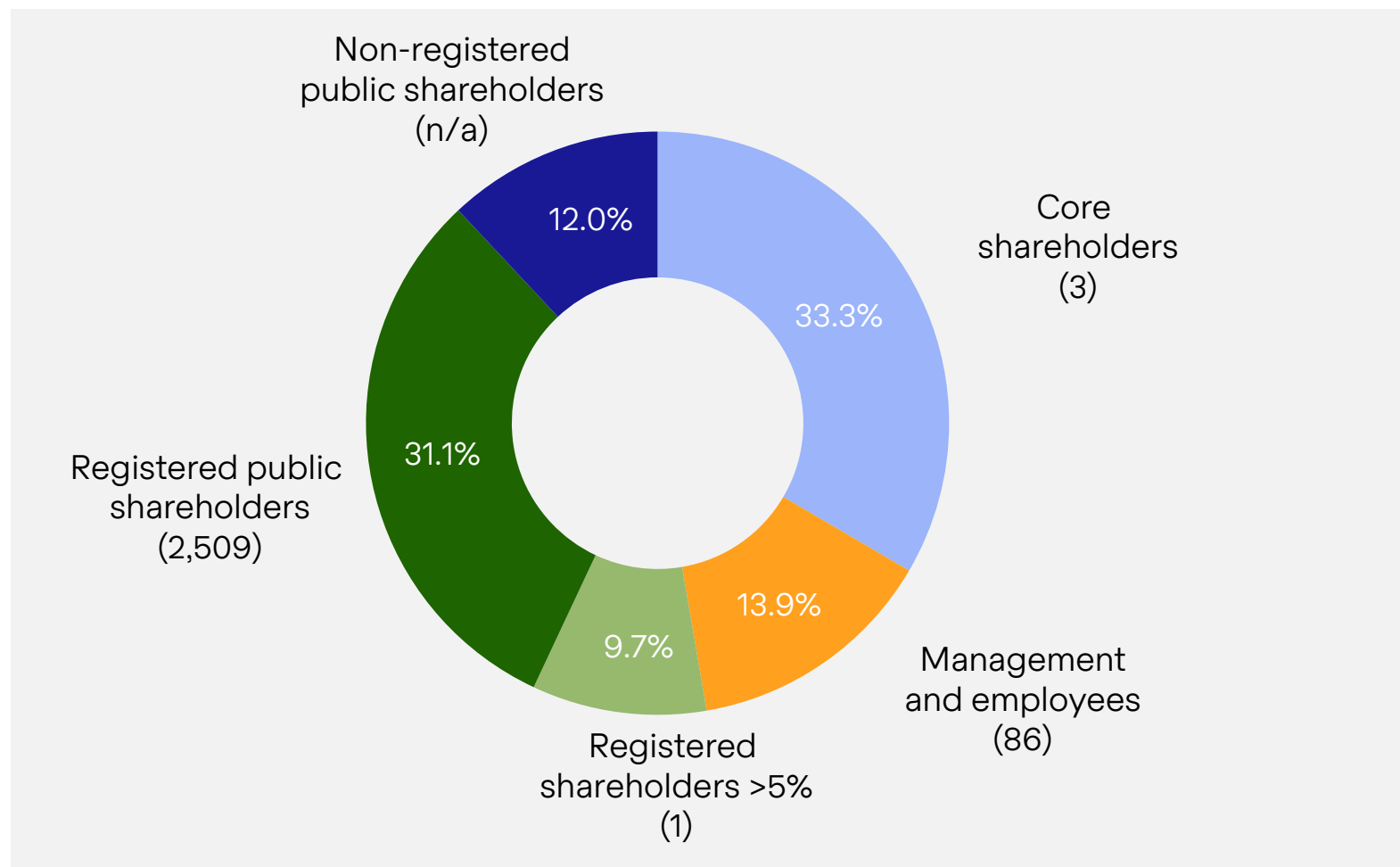
Consolidated financial statements

Key figures (2/2)

	31.12.2022	31.12.2021	Change
Dividend			
Ordinary dividend per share (in CHF)	2.00	2.70	- 25.9%
Dividend yield	5.3%	6.6%	-
Staff (FTEs)			
Number of staff (at cutoff date)	96.9	91.4	+ 6.0%
Share price			
Closing price, Bellevue Group registered shares (in CHF)	37.40	41.20	- 9.2%
High / Low (in CHF, 1.1. to 31.12.)	28.70 / 43.70	30.40 / 45.60	-
Market capitalization (in CHF million)	503	555	- 9.2%

Shareholder base

Structure of the shareholder base as of December 31, 2022



Attractive value creation leads to stable shareholder base

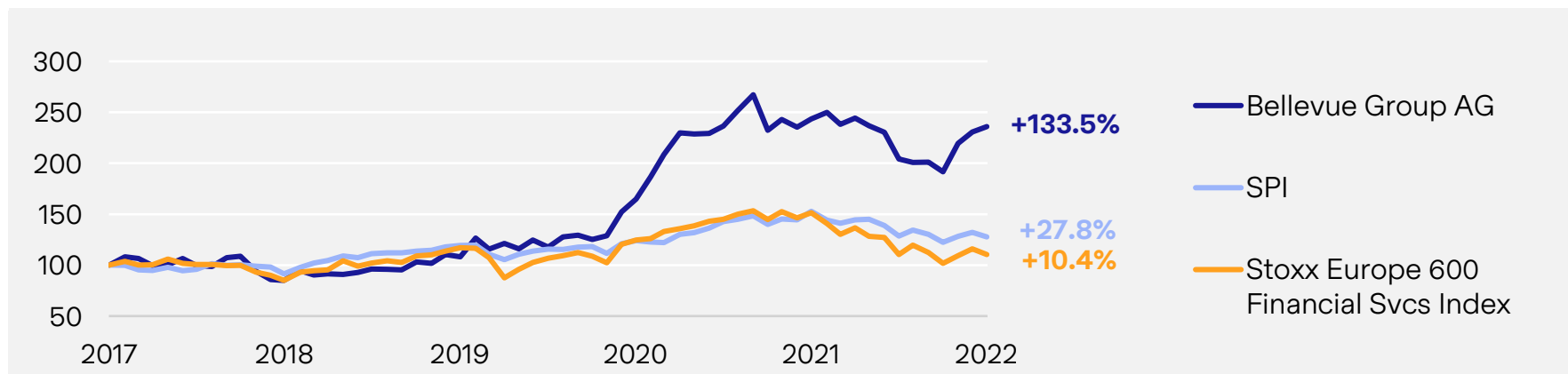
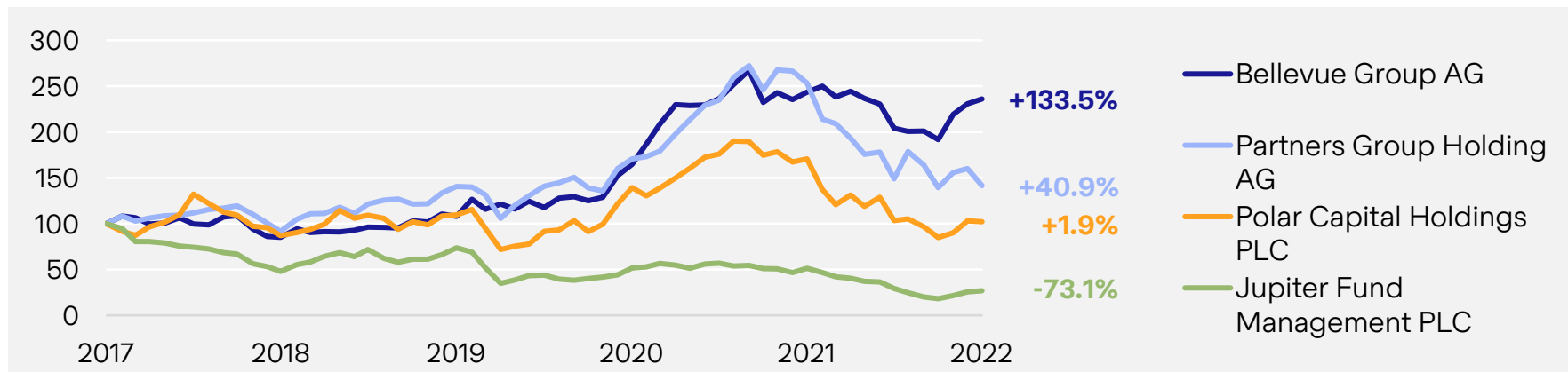
- Strong commitment of core shareholders
- Management/employee shareholders (31.12.2021: 13.7%)
- Hansjörg Wyss, a long-term oriented shareholder (9.7%) won in 2020
- Very transparent shareholder base: 88% registered (2,599 shareholders)
- Shareholder-friendly dividend policy unchanged, strengthening sense of continuity

Bellevue Group shares (BBN SW)

Compelling performance compared to relevant indices and other asset managers

Total return in CHF (5 years)

Indexed to 100 (in %)



Market capitalization as of 31.12.22

CHF 503 mn

Dividend for 2022

CHF 2.00

Dividend yield as of 31.12.22

5.3% ¹⁾

1) Based on ordinary dividend of CHF 2.00 and share price on December 31, 2022

Source: Bloomberg, Bellevue Group, as at December 31, 2022

Business profile & strategy

Bellevue a «pure play» asset manager

A clear mission statement

As a specialty investment manager, we create attractive returns and performance for our clients and shareholders. We apply our expertise and competence to important issues of our times and are a responsible corporate citizen.

What sets us apart?

Our most valuable asset are our talented experts, who stand for team spirit, superior performance and a high level of continuity. The reliable quality of our work and strong innovation skills are the basic building blocks for creating solid value for our stakeholders.

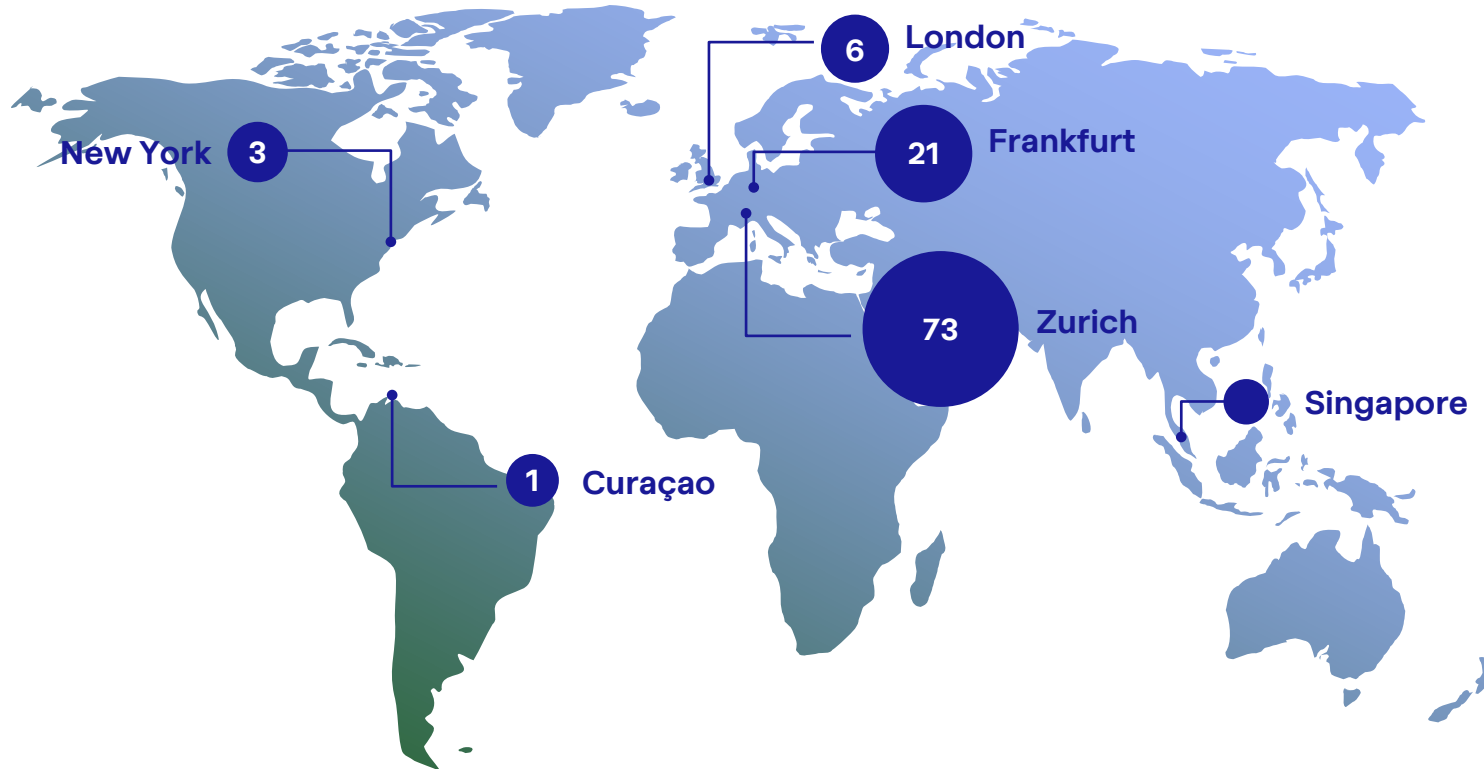
Our strong convictions in the investment decisions we make is why we also have a stake in our products – and thus in the success of the clients we serve.

Creating value with specialty investments backed by expertise and innovation.

Independent – entrepreneurial – committed.

International reach, locally anchored

Ongoing development of international office locations



High workforce stability and quality

- Very low voluntary turnover rate, thanks to high employee satisfaction
- Strong commitment from key individuals and talents in all business areas
- Strong power of attraction as an employer helps to establish and develop the “next-generation pool”

On a growth track

- International presence in Zürich, London and Frankfurt strengthened
- Ongoing strengthening in core “Healthcare” business and newly created “Private Markets” franchise
- Presence in Singapore via external network to strengthen and further develop the customer network

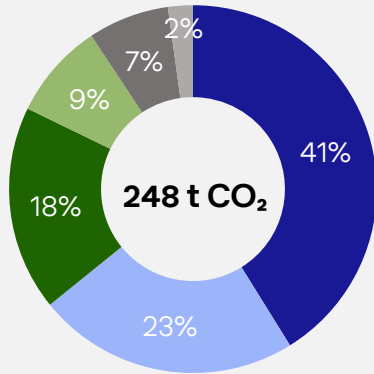
International market access

- Asset management licenses in 3 key markets: Switzerland, Germany/EU, UK
- Broad product range with clearly defined standards, easily deployable across international borders

ESG – Highlights 2022

Embedding environmental measures in the corporate objectives

CO₂ footprint: Total emissions 2021



- Business travel 102 t CO₂
- Heating 45 t CO₂
- IT equipment 18 t CO₂
- Commuting 57 t CO₂
- Electricity 21 t CO₂
- Waste, Paper & Water 5 t CO₂

Total emissions (in t CO ₂)	2021
CO ₂ emissions scope 1	27
CO ₂ emissions scope 2	28
CO ₂ emissions scope 3	193
Total CO ₂ emissions	248
CO ₂ emissions / FTE	2.7



Transportation & Mobility

- **Arrival in 1st prio. with public transport, bicycle** (good public transport connection, showers), parking liable to pay costs
- **Video conferencing infrastructure** at all sites
- **Work from home** reduces commute time
- **Traveling** by train instead of by air
- **Concentration/coordination** of required air travel



Energy consumption

- At the headquarters in Kuesnacht and in Zug: **100% electricity from renewable energies since 1.1.2022**
- Use of **energy-efficient** equipment
- Use of **natural lake water** for air conditioning



Waste management / recycling

- **Collection/recycling of materials** (cardboard, PET, glass, etc.)
- **Measures to reduce paper consumption** (iPads, Webex/Zoom, etc.)
- Standard printer settings

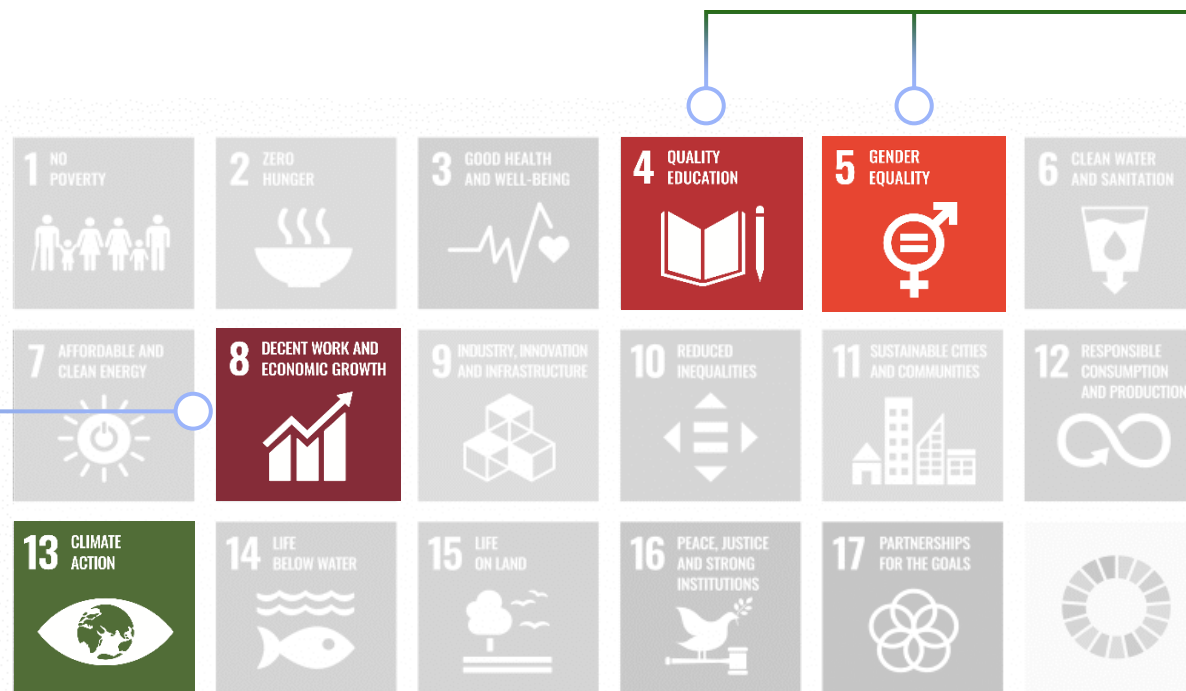


Procurement process

- Use of **local suppliers** (materials, furnishings, food & beverages)
- **Environmental practices** of suppliers
- Use of **long-lasting/recyclable** materials

Corporate ESG – Contributions to the UN SDGs

Active contributions at corporate level to the UN Sustainable Development Goals (SDGs)



Goal 8: Bellevue offers attractive, family-friendly working conditions, promotes diversity, operates a competitive pay policy with equal pay for women and men, and is committed to training and development for its employees

Goal 13: Bellevue ensures that responsible corporate environmentalism contributes to reducing carbon emissions. The remaining emissions are offset through the purchase of CO2 emission certificates equivalent to the greenhouse gases emitted annually

Goal 4: Bellevue supports training for all employees and encourages lifelong learning

Goal 5: Bellevue fosters a culture of gender equality and is committed to ensuring a balanced mixture of gender and age at all hierarchy levels and in all functions of the company

Corporate ESG – Social practices

Value for the client is created by employees



Health/Wellness

- **Free gym** memberships for employees
- **Company sport groups** (running, stand up paddling, crossfit)
- Healthy **refreshments**
- Flu vaccinations



Diversity

- Balanced **gender & age** mix
- **27% Women / 73% Male**
- **17 nationalities***



Talent

- Multi-stage, **participatory employee selection process** (assessment, 360 degree feedback model)
- **Talent development/training**
- High **identification/motivation**



Employee benefits

- Reimbursement of **public transit passes**
- **Employee mobile devices**
- **Company events** (lunch BBQs, ski events, etc.)



Employee stock ownership plan

- Voluntary **employee stock ownership plan**, shares blocked for 3 years
- **"Entrepreneurial compensation with commitment"**, share of variable compensation in stock or fund units, 4 years blocked



Workplace culture

- Flat hierarchy, **high levels of self-responsibility**
- **Flexible work arrangements**, remote work
- **Multilingual**
- Stimulating work/learning environment

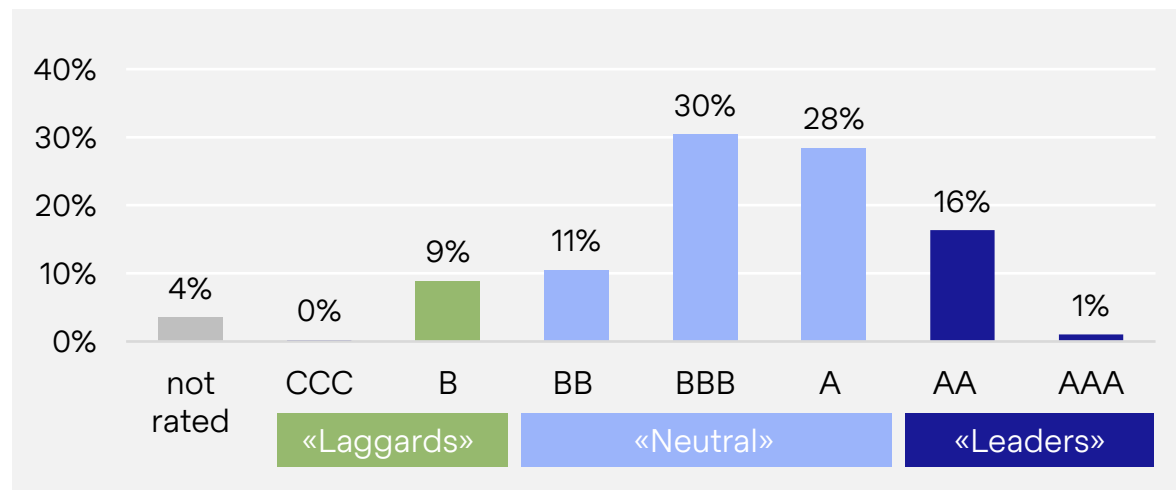


* incl. dual nationality

ESG at product level

Implementation of European ESG regulations – EU SFDR / RTS II / MiFID II

MSCI ESG rating distribution of the liquid investment strategies of Bellevue Asset Management¹⁾



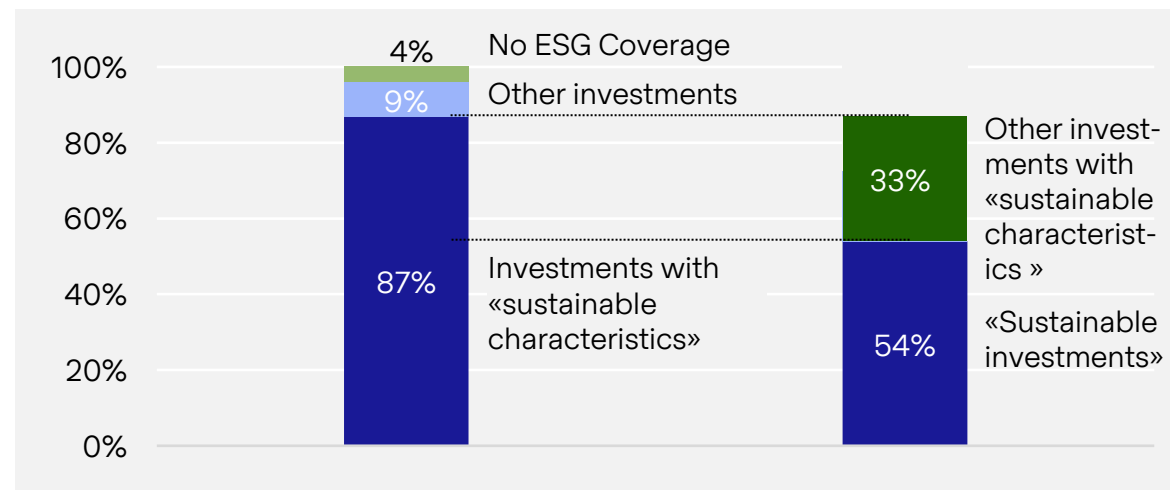
Exclusions

- UN Global Compact
- ILO Standards
- UNGPs (Human rights)
- Norms-based exclusions

UNGP: UN Guiding Principles on Business and Human Rights
 ILO: International Labour Organization's set of standards

1) Net invested assets of Bellevue Asset Management's equity and fixed income strategies excluding cash, private equity, ventures, pension plan, white label funds/mandates and dedicated derivative strategies
 2) Bellevue Sustainable Healthcare (Lux) Fund with best-in-class approach in accordance with the requirements of the Austrian Ecolabel UZ49
 Source: Bellevue Group, as at December 31, 2022

Share of investments with sustainable characteristics and investments of liquid investment strategies¹⁾ to EU SFDR / RTS II



ESG approach

- ESG Integration
- ESG Best-in-Class
- ESG Engagement
- Proxy Voting

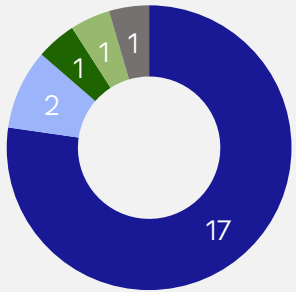
ESG at product level

Implementation of European ESG regulations – EU SFDR / RTS II / MiFID II

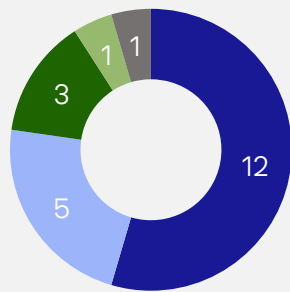


ESG Engagement

- Initiation of **22 formal Company Engagements**
- Introduction of a **proprietary engagement tool**



- Healthcare
- Communication
- Consumer Staples
- Industry
- Basic Materials

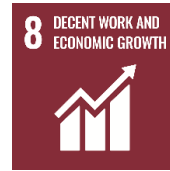


- US
- Europe
- Asia
- Africa
- Latam



Contributions UN SDG

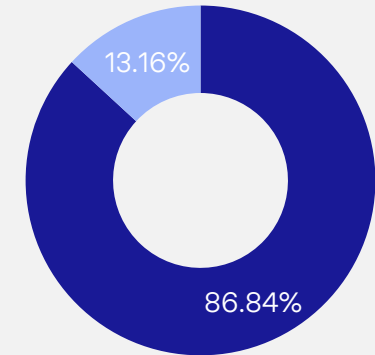
- For the purpose of determining the share of “sustainable investments”, the target contributions of the portfolio values **to the 17 UN SDGs are determined¹⁾**
- A company is only "sustainable" if it makes a positive contribution to **at least one of the 17 UN SDGs and does not harm another goal at the same time**
- **Good Governance:** minimum MSCI ESG Rating of BB
- At the portfolio level, predominantly contributions to goals 1, 3, 5 and 8



Proxy Voting

- Expansion of proxy voting under consideration of **ISS Proxy Voting recommendations**
- First-time publication of **engagement and voting statistics**

Vote Alignment with Management



- Votes with Mgmt
- Votes against Mgmt

¹⁾ Determined on the basis of the MSCI ESG UN SDG - Net Alignment Assessments
Source: Bellevue Group, as at December 31, 2022

Product offering and investment strategies

Attractive offering with clearly differentiated investment expertise

Good balance between “specialty” and “diversification” – for investors and shareholders!



Investment companies

- Biotech
- Healthcare Global

Investment funds

- Biotech
- Medtech & Services
- Digital Health
- Asia / Emerging markets
- Combined healthcare strategies
- ESG strategies

Mandates

- Custom fund mandates
- Institutional mandates



Attractive direct investments

- Proprietary "deal-by-deal" investments for dedicated investor group

Profiled co-investment funds

- Entrepreneur Private Strategies

Scalable specialized strategies

- Global Secondary Market Strategies (Q1 2023)



Alternative investment strategies

- Absolute return strategies (multi asset)
- Option premium strategy

Specialized equity strategies

- Entrepreneur strategies (CH/EU)
- Emerging & Frontier Markets
- Global value strategies

Fixed income & Multi-asset strategies

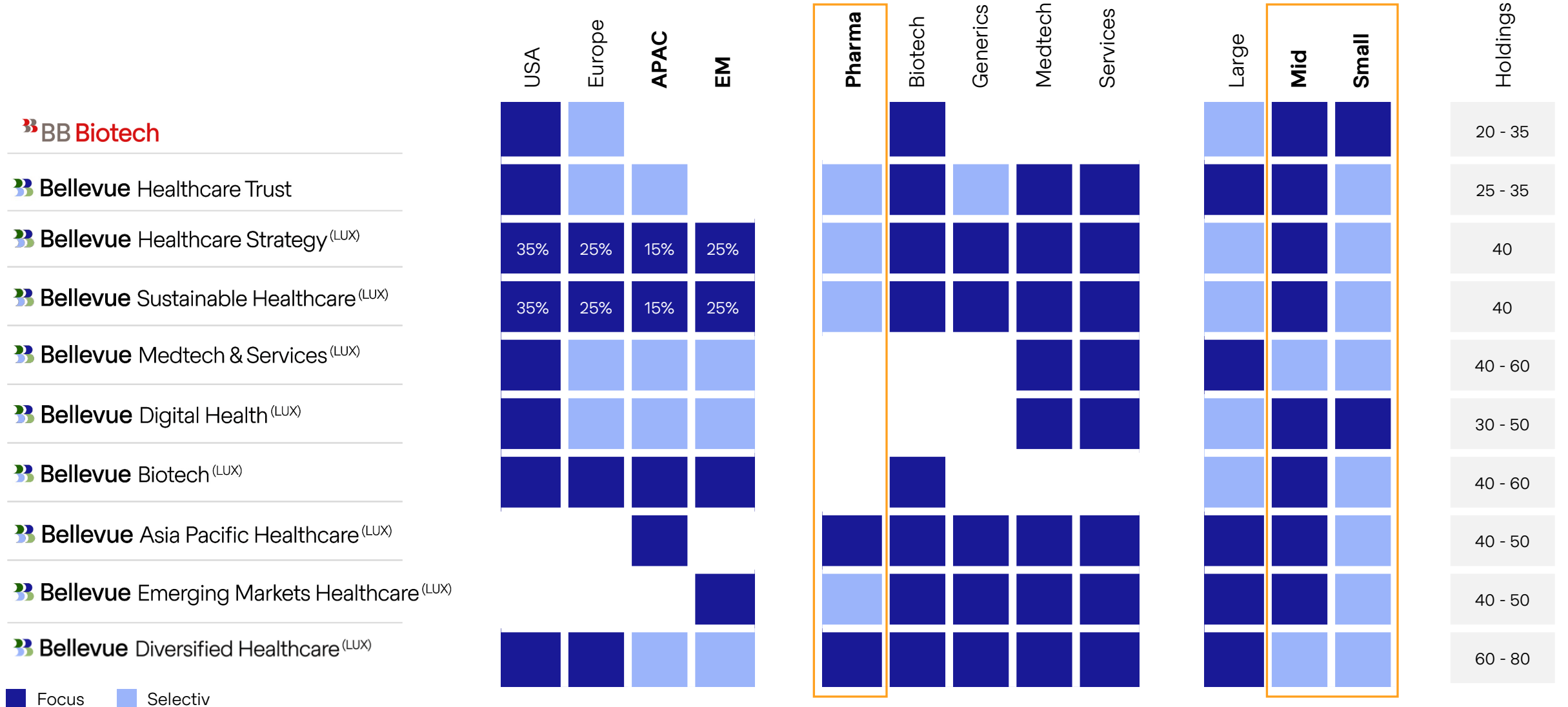
- Global fixed income strat. (unconstrained)
- Defensive / dynamic multi-asset strategies

Mandates

- Custom fund mandates
- Institutional mandates

Bellevue healthcare strategies in a "perfect storm"

Focus on innovation and above-average growth face headwinds



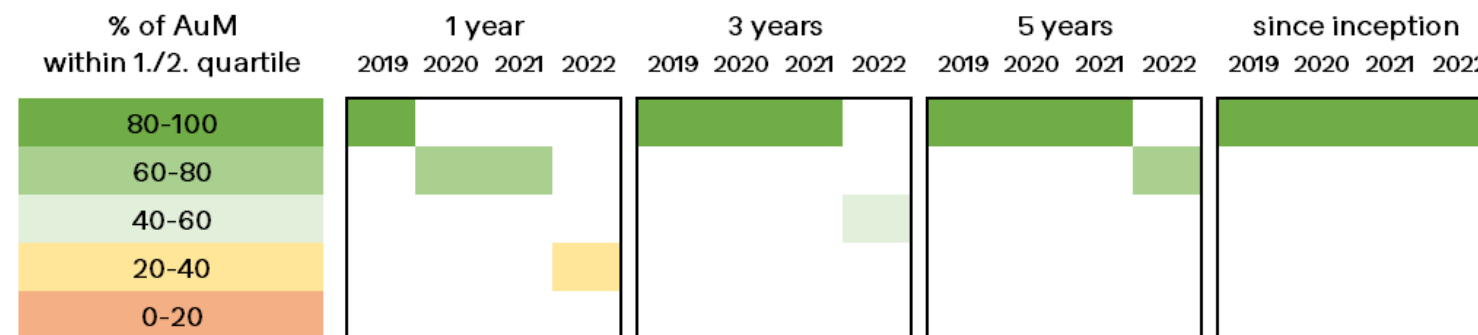
Source: Bellevue Group, Data as at December 31, 2022

Long-term competitive profile fully intact, short-term cyclical weakness

2022 was a particularly difficult year for strategies focused on growth and small & mid caps

Competitive performance of investment strategies

Percentage share of AuM¹⁾ in 1st or 2nd Lipper quartile based on 1, 3, 5 years performance and since launch

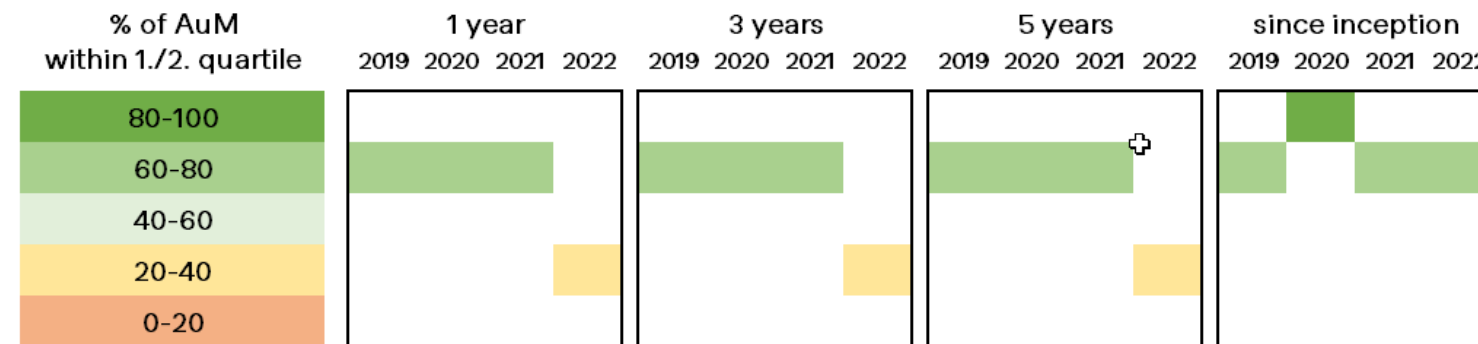


Relative performance pressured in 2022 but long term still very solid

- “Risk-off” sentiment led to the underperformance of innovative small/mid cap stocks and weighed on relative performance
- 2022 was an anomaly - asset-weighted AuM showed a relative underperformance vs. Lipper peers and strategy benchmarks
- From a mid- and long-term perspective, the competitive profile of Bellevue products is still robust

Value created for investors (“alpha”)

Percentage share of AuM that has outperformed²⁾ the benchmark

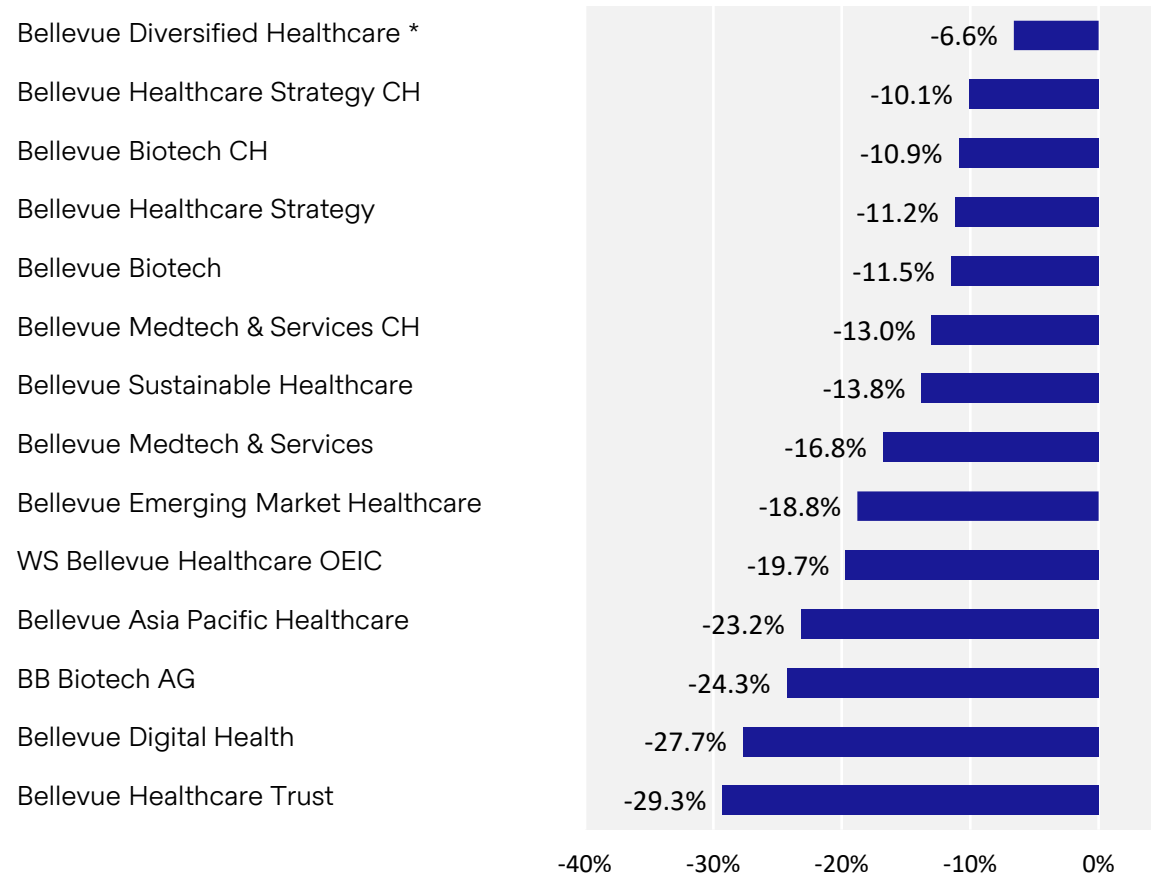


1) AuM comprises all Lux and CH funds, as well as BB Biotech AG and BB Healthcare Trust plc.
 2) Strategies without a benchmark were excluded from this analysis. Outperformance net of fees

Annual performance highlights scope of global financial market turmoil

Specialized healthcare strategies

Absolute Performance 2022, in USD



Traditional and alternative investment strategies **

Absolute Performance 2022, in base currency



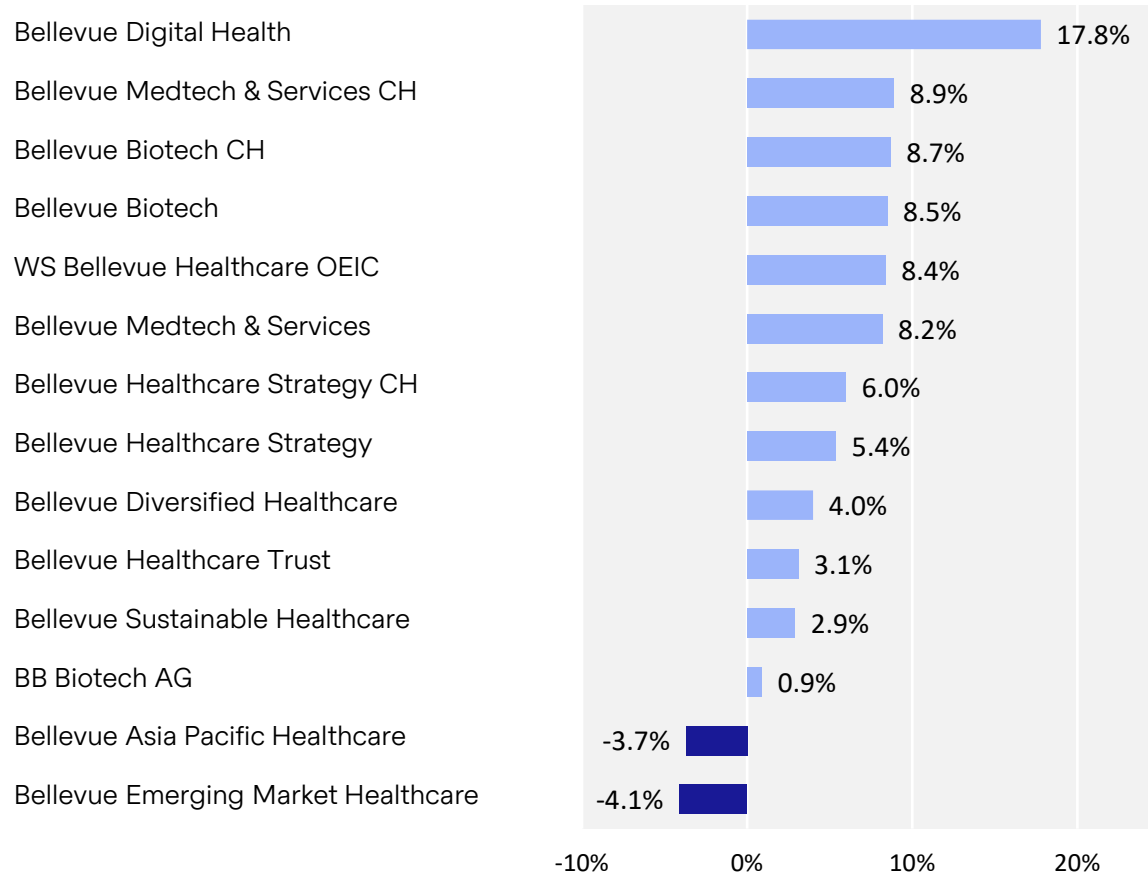
* Launched as of March 31, 2022

** Only related to liquid investment strategies (excl. Private Equity)

In the 2nd half of the year, some strategies already showed signs of recovery

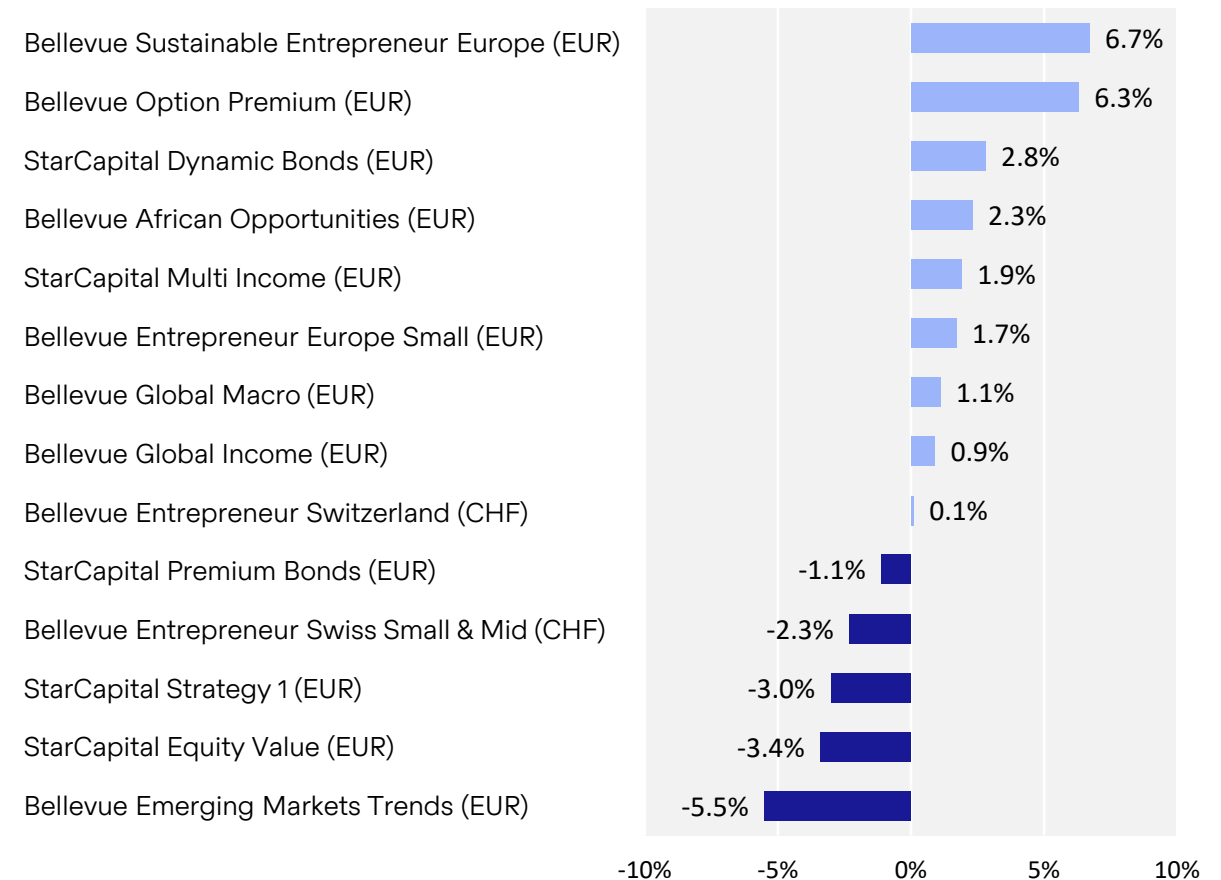
Specialized healthcare strategies

Absolute Performance H2 2022, in USD



Traditional and alternative investment strategies *

Absolute Performance H2 2022, in based currency

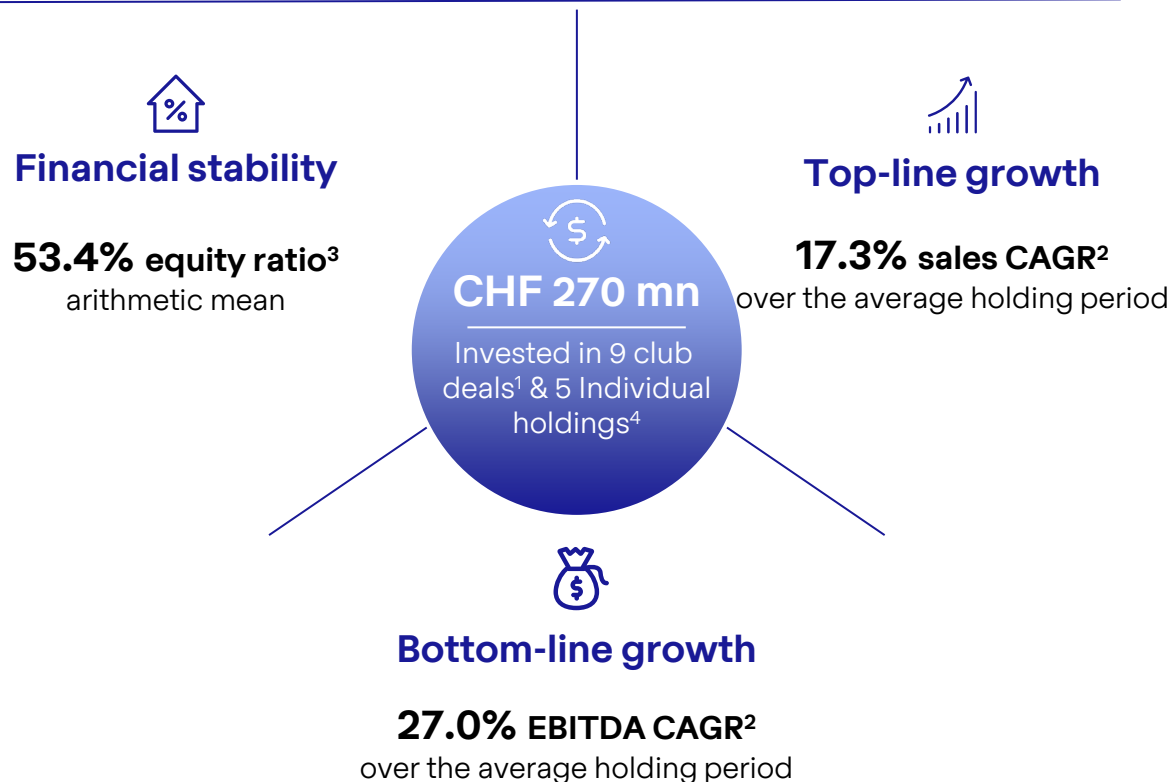


* Only related to liquid investment strategies (excl. Private Equity)

Targeted expansion of new «Bellevue Private Markets» unit

Attractive positioning in direct equity investment business

Facts & Figures¹



¹ Based on latest LTM results of active holdings or latest FY results at transaction closing.

² Arithmetic mean of the individual sales and EBITDA CAGR values of all exited investments and active holdings with a holding period >2 years (in local currency)

³ Average equity ratio of all active holdings.

⁴ Invested capital in CHF

Source: Bellevue Group, as at December 31, 2022

Profile & Highlights 2022

Strategy:

- "Deal-by-deal" investor club consisting of wealthy private investors (business owners and families)
- "Active" participation in **SME companies with compelling USP in the DACH region**
- Focus on **growth financing (mostly minority stakes)**
- Opportunities beyond the mainstream thanks to **proprietary network and deal sourcing (no auctions)**

Status & Developments 2022/23:

- Expansion of the investor group to over 30 members
- 2 attractive new investments in Germany and Austria, closed
- Promising pipeline for 2023
- Initial exits in 2023 are being prepared
- Ongoing strengthening of private markets team with a particular focus on management of active holdings and value creation

Development of the new «Bellevue Private Markets» unit

Bellevue Entrepreneur Private I

Growth capital for **SMEs in the DACH region**

- **Equity investments to fund the growth** of successful SMEs in the DACH region, with a focus on Switzerland
- **Co-investments together with** adbodmer investor group and other successful lead investors
- **Minority** stakes in most cases, yet with strong shareholder rights
- **CH investment company** for growth funding (no classic leveraged buyouts or turnaround situations)
- **Broad diversification** in terms of industries, regions and growth drivers

«Hidden Champions» in the SME space

- “Hidden champions”: **established, profitable, and financially very sound**
- **Strong management/business owner** teams with viable growth plans and medium-term exit **plans**
- **Success factor Switzerland:** Switzerland has a unique SME landscape that has helped to establish the country at the zenith of innovation worldwide

Competent team with many years of experience

- **Highly experienced team**, more than 70 years of combined experience in direct equity investing and advisory
- **Proprietary deal flow:** exclusive transaction volume > CHF 300 mn since 2010
- **Investor group & network:** Steadily growing, about 30 members have been admitted to the Bellevue adbodmer investor club so far and they bring highly valuable expertise, experience and network contacts to the group

Strategy **expansion continues**

- Attractive deal pipeline – more than **50% of capital commitments** have already been called up
- Investments have been made in **7 companies**, more in the pipeline
- **Operating performance** of portfolio companies has been very pleasing despite challenging business environment
- **First exits** possible in 2023

2021
Vintage

USD 63 mn
Volume of final closing

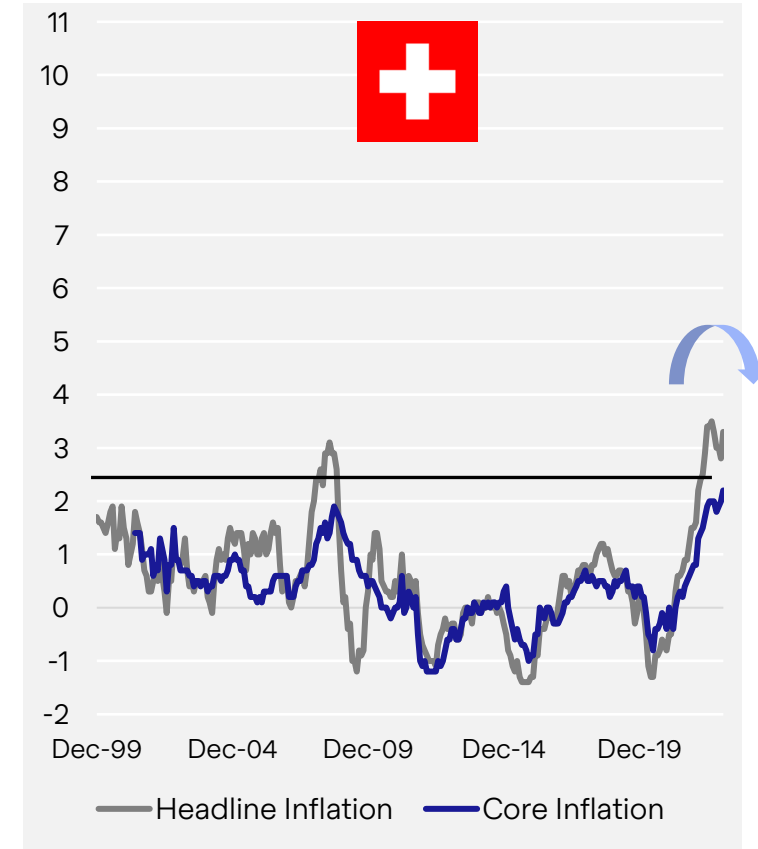
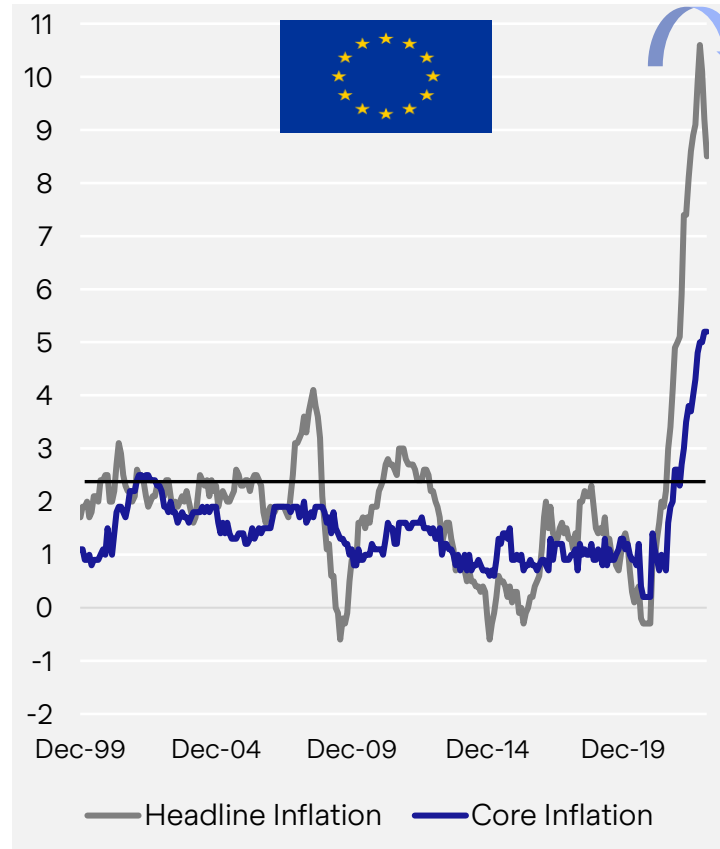
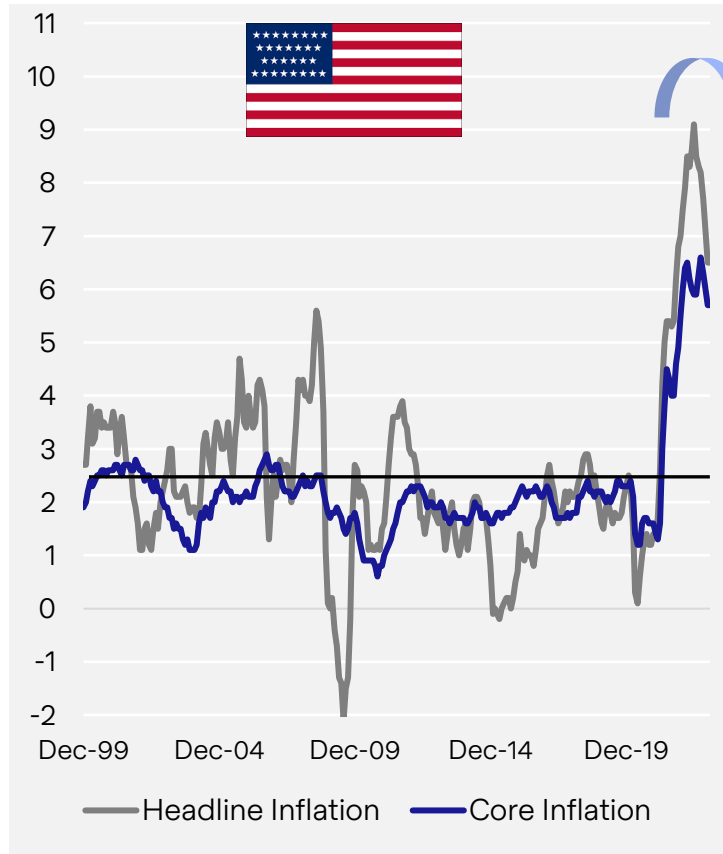
12-15%
Target return (net IRR)

12-18
companies
Target portfolio

Rapid rise in consumer prices

Inflation has already passed the turning point - return to target level unlikely

Headline and core inflation rates, % change yoy



Corporate Events & Contact

Corporate Events

March 21, 2023

Annual General Meeting 2023

July 27, 2023

Publication Half-year results 2023

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