

Financial Report

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Consolidated income statement

CHF 1 000	Note	01.01.–31.12.2023	01.01.–31.12.2022	Change
Revenues from asset management services	2.1	81 793	104 383	- 22 590
Income from financial investments		- 915	- 10 002	+9 087
Net other income	2.2	1 013	1 481	- 468
Income		81 891	95 862	- 13 971
Personnel expenses	2.3	- 43 823	- 46 988	+3 165
Other operating expenses	2.4	- 14 362	- 14 056	- 306
Depreciation and amortization	2.5	- 3 663	- 3 624	- 39
Expenses		- 61 848	- 64 668	+2 820
Group profit before tax		20 043	31 194	- 11 151
Taxes	2.6	- 4 820	- 5 894	+1 074
Group net profit		15 223	25 300	- 10 077
Earnings per share				
Undiluted earnings per share (in CHF)	11	+1.15	+1.90	- 0.75
Diluted earnings per share (in CHF)	11	+1.15	+1.90	- 0.75

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

CHF 1 000	01.01.– 31.12.2023	01.01.– 31.12.2022	Change
Group net profit	15 223	25 300	- 10 077
Other comprehensive income			
Items that may be reclassified subsequently to net income			
Currency translation adjustments	- 1 573	- 1 754	+181
Items that will not be reclassified subsequently to net income			
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	39	- 184	+223
Remeasurements of post-employment benefit obligations	947	- 200	+1 147
Other comprehensive income (net of tax)	- 587	- 2 138	+1 551
Total comprehensive income	14 636	23 162	- 8 526

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated balance sheet

CHF 1 000	Note	31.12.2023	31.12.2022	Change
Cash and cash equivalents		38 834	64 681	- 25 847
Trade and other receivables	3.2	7 728	12 128	- 4 400
Financial investments	3.1/3.3	43 511	35 380	+8 131
Other assets	3.4	4 390	8 241	- 3 851
Current tax assets		544	276	+268
Current assets		95 007	120 706	- 25 699
Financial investments	3.1/3.3	6 714	7 850	- 1 136
Property and equipment	3.5	4 186	4 187	- 1
Goodwill and other intangible assets	3.6	43 151	45 371	- 2 220
Other assets	3.4	6 167	6 739	- 572
Deferred tax assets	2.6	318	358	- 40
Non-current assets		60 536	64 505	- 3 969
Assets		155 543	185 211	- 29 668
Trade and other payables	3.7	21 107	33 222	- 12 115
Lease liabilities		2 103	1 567	+536
Other financial liabilities	3.1	-	27	- 27
Current tax liabilities		781	1 245	- 464
Current liabilities		23 991	36 061	- 12 070
Trade and other payables	3.7	5 178	9 751	- 4 573
Lease liabilities		1 364	1 720	- 356
Deferred tax liabilities	2.6	2 542	3 792	- 1 250
Non-current liabilities		9 084	15 263	- 6 179
Liabilities		33 075	51 324	- 18 249
Share capital	3.9	1 346	1 346	-
Capital reserves		27 340	27 340	-
Unrealized gains and losses recognized in other comprehensive income		- 2 886	- 3 872	+986
Currency translation adjustments		- 5 011	- 3 438	- 1 573
Retained earnings		110 504	120 846	- 10 342
Treasury shares	3.10	- 8 825	- 8 335	- 490
Total shareholders' equity		122 468	133 887	- 11 419
Total liabilities and shareholders' equity		155 543	185 211	- 29 668

The accompanying notes are an integral part of the consolidated financial statements.

Statement of shareholders' equity

CHF 1000	Share capital	Capital reserves	Gains and losses recognized in other comprehensive income	Currency translation adjustments	Retained earnings	Treasury shares	Total
Balance as of 01.01.2023	1 346	27 340	- 3 872	- 3 438	120 846	- 8 335	133 887
Currency translation adjustments	-	-	-	- 1 573	-	-	- 1 573
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	-	-	39	-	-	-	39
Remeasurement of post-employment benefit obligations	-	-	947	-	-	-	947
Other comprehensive income	-	-	986	- 1 573	-	-	- 587
Group net profit	-	-	-	-	15 223	-	15 223
Total comprehensive income	-	-	986	- 1 573	15 223	-	14 636
Employee stock ownership plan	-	-	-	-	1 551	-	1 551
Acquisition of own shares	-	-	-	-	-	- 5 674	- 5 674
Disposal of own shares	-	-	-	-	- 748	5 184	4 436
Dividends and other distributions	-	-	-	-	- 26 368	-	- 26 368
Transactions with owners in their capacity as owners	-	-	-	-	- 25 565	- 490	- 26 055
Balance as of 31.12.2023	1 346	27 340	- 2 886	- 5 011	110 504	- 8 825	122 468

CHF 1000	Share capital	Capital reserves	Gains and losses recognized in other comprehensive income	Currency translation adjustments	Retained earnings	Treasury shares	Total
Balance as of 01.01.2022	1 346	27 340	- 3 488	- 1 684	129 155	- 6 079	146 590
Currency translation adjustments	-	-	-	- 1 754	-	-	- 1 754
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	-	-	- 184	-	-	-	- 184
Remeasurement of post-employment benefit obligations	-	-	- 200	-	-	-	- 200
Other comprehensive income	-	-	- 384	- 1 754	-	-	- 2 138
Group net profit	-	-	-	-	25 300	-	25 300
Total comprehensive income	-	-	- 384	- 1 754	25 300	-	23 162
Employee stock ownership plan	-	-	-	-	2 430	-	2 430
Acquisition of own shares	-	-	-	-	-	- 10 069	- 10 069
Disposal of own shares	-	-	-	-	- 226	7 813	7 587
Dividends and other distributions	-	-	-	-	- 35 813	-	- 35 813
Transactions with owners in their capacity as owners	-	-	-	-	- 33 609	- 2 256	- 35 865
Balance as of 31.12.2022	1 346	27 340	- 3 872	- 3 438	120 846	- 8 335	133 887

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated cash flow statement

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Cash flow from operating activities		
Total group profit	15 223	25 300
Reconciliation to net cash flow from operating activities		
Non-cash positions in Group results:		
Depreciation and amortization	3 663	3 624
Income taxes	4 820	5 894
Other non-cash items	1 481	1 600
Net (increase) / decrease in operating assets		
Receivables and other assets	8 653	9 892
Financial assets	- 7 058	9 679
Net increase / (decrease) in liabilities		
Payables and other financial liabilities	- 13 413	- 17 302
Paid income taxes	- 5 529	- 11 260
Interest paid	-	- 7
Interest received	457	179
Dividend received	589	570
Cash flow from operating activities	8 886	28 169
Cash flow from investing activities		
Purchase of property and equipment	- 69	- 974
Disposal of property and equipment	-	6
Net cash flow from investing activities	- 69	- 968
Cash flow from financing activities		
Dividends paid	- 26 368	- 35 813
Leasing payments	- 2 016	- 1 643
Purchases of treasury shares	- 5 674	- 10 069
Disposal of treasury shares	-	1 575
Net cash flow from financing activities	- 34 058	- 45 950
Currency translation effects	- 606	- 933
Net increase / (decrease) in cash and cash equivalents	- 25 847	- 19 682
Cash at the beginning of the period	64 681	84 363
Cash at the end of the period	38 834	64 681

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 Segment information

The Group Executive Board is the Group's chief operating decision maker and reviews the results from a product-related as well as a geographical perspective. Bellevue Group is focusing exclusively on the Asset Management business unit and therefore reports only one reportable segment. As of December 31, 2023, the segment consists of the operating business units Bellevue Asset Management and Bellevue Private Markets. The offering includes a broad-based range of investment funds as well as investment solutions for institutional, intermediary and private clients. Bellevue Asset Management has a clear focus on managing equity portfolios for selected sector and regional strategies, based on a fundamental and research-driven stock picking approach («bottom up»). A small part of the product range pursues a holistic asset management approach based on quantitative and experience-driven investment approaches. Bellevue Private Markets specializes in developing exclusive investment opportunities in unlisted companies for its investor group. In addition, it acts as investment advisor for private equity funds. This represents a further diversification of the investment universe with low correlation to the capital markets. The two business units operate in similar regions. Group Management monitors the results of the two business units both on a consolidated basis and separately.

The geographical breakdown of operating income is as follows:

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Operating income		
Switzerland	71 490	81 598
United Kingdom	8 662	10 717
Germany	4 098	4 504
Other countries	- 2 359	- 957
Total	81 891	95 862

Non-current assets for this purpose consist of property and equipment as well as goodwill and other intangible assets:

CHF 1 000	31.12.2023	31.12.2022
Non-current assets		
Switzerland	33 967	34 805
Germany	13 043	14 730
Other countries	327	23
Total	47 337	49 558

2 Details on the consolidated income statement

2.1 Revenues from asset management services

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Management fees	79 268	103 789
Performance fees	1 995	184
Other commission income	3 330	3 873
Fee and commission expense	- 2 800	- 3 463
Revenues from asset management services	81 793	104 383

Management fees are generated from asset management mandates with listed investment companies, regulated funds in various countries, private equity funds or institutional counterparties. The fees are mostly collected on a monthly basis.

Various funds and mandates as well as the exclusive investment opportunities of the investor group include performance fees. These are only taken into account when a formal claim exists and Bellevue Group has fulfilled its performance obligation. The definitions are set out in the respective legal documents and can be summarized as follows:

- Regulated funds: after the end of the calendar year
- Private equity funds: depending on the partnership agreement - in the case of distributions or closure of the fund
- Investment group: in the case of exits of investments
- Mandates: individual – quarterly or yearly

Other commission income includes transaction-related fees.

2.2 Net other income

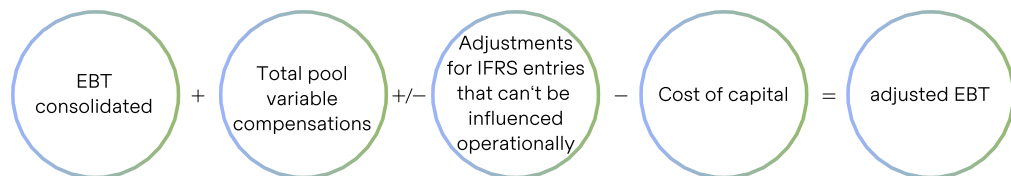
CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Dividend income	589	771
Interest income	500	192
Interest expenses	- 92	- 49
Net foreign exchange income/losses	- 18	389
Other	34	178
Total net other income	1 013	1 481

2.3 Personnel expenses

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Fix and variable salaries	37 943	41 588
Pension cost	1 929	1 829
Other social benefits	2 867	2 998
Other personnel expenses	1 084	573
Total personnel expenses	43 823	46 988

The compensation system for Bellevue Group employees is conceived to motivate employees at all operating units to do excellent work. It is a compensation model based on «personal ownership» and merit system principles. In setting fixed salaries, a restrained policy prevails from a business point of view. On the other hand, variable compensation is offered under an attractive ownership-oriented profit-sharing plan. This profit-sharing plan is tied directly to Bellevue Group's operating results. Moreover, part of this bonus is paid in the form of restricted stock awards and shares of in-house products. This system is conducive to a culture of high performance with a long-term horizon.

The basis for calculating Bellevue Group's variable compensation pool is adjusted consolidated earnings before taxes.



A fixed portion of the adjusted Group profit before taxes is allocated to the employees (total pool of variable compensation). Due to the direct link between the Group's results and the total pool of variable compensation, there is a mechanism in place to ensure that variable compensation is commensurate with the Group's operating performance (variabilization of profit-sharing).

2.4 Operating expenses

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Occupancy and maintenance expenses	717	1 036
IT and telecommunications	4 676	3 873
Travel and representation, PR, advertising	3 777	3 442
Consulting and audit fees	1 667	2 327
Research expenses	2 129	1 906
Other expenses	1 396	1 472
Total other operating expenses	14 362	14 056

2.5 Depreciation and amortization

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Depreciation of property and equipment	242	479
Depreciation of rights of use	1 989	1 676
Depreciation of intangible assets	1 432	1 469
Total Depreciation and amortization	3 663	3 624

2.6 Tax

2.6.1 Income taxes

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Current income taxes	6 215	7 182
Deferred income taxes	– 1 395	– 1 288
Total	4 820	5 894

Tax income reconciliation

Pre-tax result	20 043	31 194
Expected rate of income tax ¹⁾	19%	19%
Expected income tax	3 808	5 927
Reasons for higher/lower amounts:		
Difference between applicable local tax rates and assumed mixed tax rate	– 286	– 359
Non-deductible expenses	1 298	261
Tax income unrelated to accounting period	–	–
Effect change in tax rates	–	65
Total income taxes	4 820	5 894

¹⁾ The expected income tax rate is a mixed tax rate estimated by considering all the different businesses of the Group.

CHF 1 000	01.01.–31.12.2023		
Tax effect of other comprehensive income	Amount before taxes	Tax income/ (expense)	Amount after taxes
Currency translation adjustments	– 1 573	–	– 1 573
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	31	8	39
Remeasurement of post-employment benefit obligations IAS 19	1 168	– 221	947
Total	– 374	– 213	– 587

CHF 1 000	01.01.–31.12.2022		
Tax effect of other comprehensive income	Amount before taxes	Tax income/ (expense)	Amount after taxes
Currency translation adjustments	– 1 754	–	– 1 754
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	– 227	43	– 184
Remeasurement of post-employment benefit obligations IAS 19	– 248	48	– 200
Total	– 2 229	91	– 2 138

2.6.2 Deferred tax assets

CHF 1 000	Other	Total
Balance as of 01.01.2022	501	501
Credited/(charged)		
to profit or loss	– 107	– 107
Currency translation adjustments	– 36	– 36
Balance as of 31.12.2022	358	358
Balance as of 01.01.2023	358	358
Credited/(charged)		
to profit or loss	– 25	– 25
Currency translation adjustments	– 15	– 15
Balance as of 31.12.2023	318	318

CHF 1 000	31.12.2023	31.12.2022
Expiry of unrecognized loss carryforwards		
1 to 5 years	821	629
More than 5 years	4 114	1 566
Total	4 935	2 195

The non-capitalized loss carryforwards originate mainly from Swiss subsidiaries. It is uncertain whether there will be an income tax benefit for Bellevue Group. Based on this fact, no deferred tax asset was capitalized.

2.6.3 Deferred tax liabilities

CHF 1 000	Intangible assets	Assets from pension plans	Other ¹⁾	Total
Balance as of 01.01.2022	1 357	173	3 805	5 335
Charged/(credited)				
to profit or loss	- 388	8	- 1 015	- 1 395
to other comprehensive income	-	- 48	- 43	- 91
Currency translation adjustments	- 31	-	- 26	- 57
Balance as of 31.12.2022	938	133	2 721	3 792
Balance as of 01.01.2023	938	133	2 721	3 792
Charged/(credited)				
to profit or loss	- 307	22	- 1 136	- 1 421
to other comprehensive income	-	221	- 8	213
Currency translation adjustments	- 26	-	- 16	- 42
Balance as of 31.12.2023	605	376	1 561	2 542

¹⁾ Other deferred tax assets refer to the result of the adoption of IFRS 2 (share-based payment) and IAS 19 (other long-term employee benefits).

3 Details on the consolidated balance sheet

3.1 Financial assets and financial liabilities

3.1.1 Fair value of financial instruments

CHF 1 000	31.12.2023	31.12.2022
	Book value	Book value
Assets		
Financial investments		
Investments in own products	22 622	25 063
Investments in own products to fulfill long-term incentive plans	8 398	12 213
Other investments in equity instruments	866	878
Financial assets at fair value through profit and loss	31 886	38 154
Financial investments		
Investments in own products	6 129	5 076
Financial assets with OCI fair value measurement	6 129	5 076
Total financial assets at fair value	38 015	43 230
Liabilities		
Other financial liabilities	–	27
Financial liabilities at fair value through profit and loss	–	27
Total financial liabilities at fair value	–	27

The fair value of the other financial instruments (incl. time deposits of CHF 12.2 mn, previous period: none), which are measured at amortized cost, do not differ significantly from their book value and are mainly short-term.

3.1.2 Valuation methods of financial instruments

CHF 1 000	Level 1	Level 2	Level 3	Total
31.12.2023				
Assets				
Financial investments				
Investments in own products	–	22 223	6 528	28 751
Investments in own products to fulfill long-term incentive plans	8 398	–	–	8 398
Other investments in equity instruments	681	–	185	866
Financial assets at fair value	9 079	22 223	6 713	38 015

CHF 1 000	Level 1	Level 2	Level 3	Total
31.12.2022				
Assets				
Financial investments				
Investments in own products	87	22 526	7 526	30 139
Investments in own products to fulfill long-term incentive plans	12 213	–	–	12 213
Other investments in equity instruments	554	–	324	878
Financial assets at fair value	12 854	22 526	7 850	43 230
Liabilities				
Other financial liabilities	–	27	–	27
Financial liabilities at fair value	–	27	–	27

No transfer between levels of the fair value hierarchy took place in 2023 or in the previous period.

Level 1 instruments

If a financial instrument is traded in an active market, its fair value is based on listed market prices. In the fair value hierarchy prescribed in IFRS 13, this type of financial instrument is classified as a level 1 instrument. The fair value of these positions corresponds to the current price (e.g. settlement price or closing price) multiplied by the number of units of the financial instruments held.

Level 2 instruments

If there is no active market, the fair value is determined on the basis of valuation models or other generally accepted valuation methods (primarily option pricing and discounted cash flow models). If all the significant inputs can be observed directly or indirectly in the market, the instrument is classified as a level 2 instrument. The valuation models take account of the relevant parameters such as contract specifications, the market price of the underlying asset, foreign exchange rates, yield curves, default risks and volatility.

Level 3 instruments

If at least one significant input cannot be observed directly or indirectly in the market, the instrument is classified as a level 3 instrument. These instruments include private equity funds. The fair value of private equity funds is determined based on the last available net asset values, less necessary value adjustments according to own assessment.

3.1.3 Level 3 financial instruments

CHF 1 000	31.12.2023	31.12.2022
	Financial investments	Financial investments
Holdings at the beginning of the year as of 01.01.	7 850	7 867
Investments	1 106	1 775
Redemptions/Payments	– 162	– 38
Losses recognized in the income statement	– 2 112	– 1 527
Losses recognized in other comprehensive income	– 413	– 227
Gains recognized in the income statement	–	–
Gains recognized in other comprehensive income	444	–
Total book value at balance sheet date	6 713	7 850
Unrealized profit/losses from level 3 instruments which were held on the balance sheet date recorded in the income statement in the period	– 2 112	– 1 527

Key assumptions for the valuation of level 3 financial instruments vary from investment to investment. The following table shows the effect on the valuation when these assumptions are changed:

Sensitivity analysis	Fair value	Key assumption	Changes in key assumption	Change in fair value in CHF 1 000
Private equity funds	6 713	Net asset value	+ 5 percentage points	336
			- 5 percentage points	– 336

CHF 1 000	31.12.2023	31.12.2022
	Other financial liabilities	Other financial liabilities
Holdings at the beginning of the year as of 01.01.	–	27
Gains recognized in the income statement	–	– 27
Total book value at balance sheet date	–	–
Unrealized profit/losses from level 3 instruments which were held on the balance sheet date and recorded in the income statement in the period	–	–

The contingent purchase price payment from the acquisition of REALWERK AG in 2020 is included in the balance sheet item «Other financial liabilities» and represents the remaining purchase price liability owed. The valuation is mainly based on the underlying share purchase agreement provisions. In the first half year of 2021 a payment of TCHF 45 has taken place. The remaining liability was derecognized in profit or loss in the first half of 2022.

3.1.4 Derivative financial instruments

CHF 1 000	Positive replacement value	Negative replacement value	Contract volume
31.12.2023			
Futures ¹⁾	-	-	3 316
Total	-	-	3 316
31.12.2022			
Forward contracts (OTC) ²⁾	-	27	3 861
Futures ¹⁾	-	-	5 004
Total	-	27	8 865

¹⁾ Level 1: listed on an active market

²⁾ Level 2: valuated on the basis of models with observable input factors

Derivatives are used exclusively for economic hedging purposes and not as speculative investments. However, if derivatives do not meet the criteria for hedge accounting, they are classified as «Financial investments» and recognized at fair value through profit or loss for financial reporting purposes.

3.2 Trade and other receivables

CHF 1 000	31.12.2023	31.12.2022
Trade receivables	6 877	10 456
Prepayments	377	841
Other receivables	474	831
Total	7 728	12 128

3.3 Financial investments

CHF 1 000	31.12.2023	31.12.2022
Investments in own products	28 751	30 139
Investments in own products to fulfill long-term incentive plans	8 398	12 213
Other investments in equity instruments	866	878
Time deposits	12 210	-
Total	50 225	43 230
Current	43 511	35 380
Non-current	6 714	7 850
Total	50 225	43 230

3.4 Other assets

CHF 1 000	31.12.2023	31.12.2022
Assets related to other employee benefits	7 466	12 768
Assets from pension plans	1 986	706
Other	1 105	1 506
Total	10 557	14 980
Current	4 390	8 241
Non-current	6 167	6 739
Total	10 557	14 980

3.5 Property and equipment

CHF 1 000	IT equipment	Right of use	Other fixed assets	Total
Acquisition cost				
Balance as of 01.01.2022	2 323	8 496	2 098	12 917
Additions	–	2 373	974	3 347
Disposals	– 1 463	– 1 897	– 1 720	– 5 080
Foreign currency impact	– 2	– 56	– 8	– 66
Balance as of 31.12.2022	858	8 916	1 344	11 118
Additions	–	2 307	69	2 376
Disposals	–	– 6 487	–	– 6 487
Foreign currency impact	– 2	– 113	– 15	– 130
Balance as of 31.12.2023	856	4 623	1 398	6 877
Accumulated depreciation				
Balance as of 01.01.2022	– 2 073	– 5 982	– 1 829	– 9 884
Additions	– 251	– 1 676	– 228	– 2 155
Disposals	1 464	1 896	1 714	5 074
Foreign currency impact	2	28	4	34
Balance as of 31.12.2022	– 858	– 5 734	– 339	– 6 931
Additions	–	– 1 989	– 242	– 2 231
Disposals	–	6 435	–	6 435
Foreign currency impact	2	30	4	36
Balance as of 31.12.2023	– 856	– 1 258	– 577	– 2 691
Net carrying values				
Balance as of 01.01.2022	250	2 514	269	3 033
Balance as of 31.12.2022	–	3 182	1 005	4 187
Balance as of 31.12.2023	–	3 365	821	4 186

3.6 Goodwill and other intangible assets

CHF 1 000	31.12.2023	31.12.2022
Goodwill	40 299	40 996
Other intangible assets	2 852	4 375
Total	43 151	45 371

CHF 1 000	Total
Goodwill	
Acquisition cost	
Balance as of 01.01.2022	108 633
Write-offs	- 1 542
Foreign currency effect	- 1 274
Balance as of 31.12.2022	105 817
Foreign currency effect	- 1 550
Balance as of 31.12.2023	104 267
Accumulated valuation adjustments	
Balance as of 01.01.2022	- 67 088
Write-offs	1 542
Foreign currency effect	725
Balance as of 31.12.2022	- 64 821
Foreign currency effect	853
Balance as of 31.12.2023	- 63 968
Net carrying values	
Balance as of 01.01.2022	41 545
Balance as of 31.12.2022	40 996
Balance as of 31.12.2023	40 299

Bellevue Group basically examines the value of the goodwill annually, based on the estimated recoverable amount that can be obtained per each single cash-generating unit, or group of such units (depending on allocation). If events or a change of circumstances indicate a possible impairment, the test is carried out more frequently.

The recoverable amount is determined to be the value-in-use and is calculated using the discounted cash flow method. The projected free cash flows for the respective cash-generating units are estimated based on five-year financial plans. The business plans approved by management serve as the basis for these estimates of projected free cash flows. These cash flows are discounted to present value.

The following key parameters and their single components have been taken into account in the discounted cash flow method:

- Income on the average assets under management and the expected return on assets (management and performance fees)
- Transaction-related income
- Discount rate

An impairment test was carried out for all CGUs at the end of December 2023. The discount rate used in these calculations was 12.3% (31.12.2022: 12.3%) and the assumed growth rate was 1.5% (31.12.2022: 1%).

As of December 31, 2023, and December 31, 2022, Bellevue Group did not identify any impairment. The goodwill as of December 31, 2023 is attributable to the CGU-groups Bellevue Asset Management (Bellevue Asset Management AG, CHF 23.8 mn and Bellevue Asset Management (Deutschland) GmbH, CHF 10.7 mn) and Bellevue Private Markets (CHF 5.8 mn).

At the time of preparation of the consolidated financial statement, Bellevue Group's management does not assume that a reasonably possible change in a parameter underlying the impairment test would lead to a goodwill impairment.

CHF 1 000	Client base	Brand	Other	Total
Other intangible assets				
Acquisition cost				
Balance as of 01.01.2022	48 259	356	372	48 987
Disposals	- 969	-	-	- 969
Foreign currency effect	- 691	- 12	-	- 703
Balance as of 31.12.2022	46 599	344	372	47 315
Disposals	-	-	- 142	- 142
Foreign currency effect	- 834	- 15	-	- 849
Balance as of 31.12.2023	45 765	329	230	46 324
Accumulated valuation adjustments				
Balance as of 01.01.2022	- 42 519	- 356	- 159	- 43 034
Additions	- 1 376	-	- 93	- 1 469
Disposals	969	-	-	969
Foreign currency effect	582	12	-	594
Balance as of 31.12.2022	- 42 344	- 344	- 252	- 42 940
Additions	- 1 358	-	- 74	- 1 432
Disposals	-	-	142	142
Foreign currency effect	743	15	-	758
Balance as of 31.12.2023	- 42 959	- 329	- 184	- 43 472
Net carrying values				
Balance as of 01.01.2022	5 740	-	213	5 953
Balance as of 31.12.2022	4 255	-	120	4 375
Balance as of 31.12.2023	2 806	-	46	2 852

The other intangible assets are amortized over a period of 5 to 15 years and are included in the impairment test described under «Goodwill» (see above).

As of December 31, 2023, and December 31, 2022, no impairment was recognized in the review of the residual values. The discount rate used for this purpose was currently between 13.6% and 14.3% (December 31, 2022: between 13.5% and 13.8%) and the applied growth rate between 1% and 2% (December 31, 2022: between 1% and 2%).

3.7 Trade and other payables

CHF 1 000	31.12.2023	31.12.2022
Trade payables	419	567
Accrued expenses	25 469	41 313
Other payables	397	1 093
Total	26 285	42 973
Current	21 107	33 222
Non-current	5 178	9 751
Total	26 285	42 973

3.8 Employee benefit plans

There are pension plans for most of the employees at Bellevue Group. These plans provide benefits in the event of death, disability, retirement or termination of employment. There were no unfunded liabilities due to employee pension plans as at the balance sheet date (previous year: no liabilities either). In Switzerland, pension contributions are paid equally by the employer and the employee. The foundation board is composed of an equal number of employee and employer representatives. According to Swiss law and the pension regulations, foundation boards are obliged to act solely in the interest of the foundation and its beneficiaries (active workforce and recipients of pensions). Hence, the employer cannot single-handedly determine the benefits and the funding; all resolutions have to be agreed on by both sides. The members of the foundation board are responsible for defining the investment strategy, for deciding on amendments to the pension regulations, and in particular for determining the funding of the pension benefits.

In the events of death and disability, pension benefits are based on the insured salary. In the event of old age, they are based on pension assets. At the time of retirement, insured persons can choose between a life annuity, which includes a prospective spouse pension, and a lump sum payment. Apart from retirement benefits, pension benefits also include disability and surviving spouse or partner pensions. Furthermore, insured persons can improve their pension situation up to the regulatory maximum by paying in additional amounts, or withdraw money early to acquire property that they occupy themselves. At the time of termination of an employment contract, the vested benefits will be transferred to the pension plan of the new employer or a vested benefits scheme. This type of benefit can result in pension payments fluctuating considerably from year to year.

When determining the benefits, the minimum requirements of the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA) and its implementing provisions must be considered. The LOB defines minimum insured salary and minimum retirement assets. The Federal Council determines the minimum interest on these minimum retirement assets at least every two years. In 2022, it amounts to 1% (previous year: 1%).

Due to the nature of the pension plans and the provisions of the OPA, the employer is exposed to actuarial risks. The risks of death, disability and longevity are largely covered by an insurance policy. The major remaining risks include investment risk, interest risk and the risk of the insurer adjusting the premiums.

All employer and employee contributions are determined by the foundation board. The employer is to bear a minimum of 50% of the required contributions. In the case of underfunding, both employer and employee are entitled to pay in amounts to close the funding gap.

CHF 1 000	31.12.2023	31.12.2022
Consolidated balance sheet		
Fair value of plan assets	47 069	45 030
Present value of pension obligations	- 43 893	- 41 758
Assets not available to Company	- 1 190	- 2 566
Pension plan assets	1 986	706

The pension plan has a surplus that has not been fully recognized, on the basis that future economic benefit is only available to the Company in the form of a reduction in future contributions of CHF 1.3 mn and a cash refund of the employer contribution reserves of CHF 0.8 mn.

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Pension cost recognized in the income statement		
Service cost		
Current service cost	- 1 731	- 1 631
Past service cost (plan amendments)	- 76	-
Net interest expenses/income	43	6
Administrative expenses	- 53	- 53
Total pension cost for the period	- 1 817	- 1 678

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Revaluation components recorded in other comprehensive income		
Actuarial gains/losses		
Arising from changes in economic assumptions	– 2 417	2 069
Arising from experience	677	– 2 539
Return on plan assets (excluding amounts included in net interest expenses)	1 474	– 4 420
Changes in asset ceiling	1 434	4 643
Total of amounts recognized in other comprehensive income	1 168	– 247

CHF 1 000	2023	2022
Development of pension obligations		
At January 1	– 41 758	– 38 747
Current service cost	– 1 731	– 1 631
Employee contributions	– 574	– 515
Interest expenses on the present value of the obligations	– 917	– 117
Pension payments and vested benefits	4 055	1 433
Additions from admissions and voluntary contributions	– 1 152	– 1 711
Plan amendments	– 76	–
Actuarial gains/losses	– 1 740	– 470
At December 31	– 43 893	– 41 758
Development of plan assets		
At January 1	45 030	46 846
Interest income	1 018	146
Plan participants' contribution	574	515
Company contributions	1 929	1 718
Pension payments and vested benefits	– 4 055	– 1 433
Additions from admissions and voluntary contributions	1 152	1 711
Return on plan assets (excluding amounts in net interest)	1 474	– 4 420
Administration expense	– 53	– 53
At December 31	47 069	45 030
Actual return on plan assets	2 492	– 4 274

CHF 1 000	31.12.2023	31.12.2022
Allocation of plan assets		
Equities		
Listed investments	16 425	16 161
Bonds		
Listed investments	9 065	9 025
Real estate		
Investments in funds	4 084	3 223
Alternative investments	5 565	5 372
Qualified insurance policies	2 190	2 050
Liquidity	9 740	9 199
Total	47 069	45 030

The plan assets allocation as at December 31, 2023, as well as at December 31, 2022, do not include shares of Bellevue Group AG. The foundation board issues investment guidelines for the investment of plan assets. These guidelines include tactical asset allocation and benchmarks for comparing the results with a general investment universe. The plan assets are well diversified. In terms of diversification and security, the Swiss pension plan is subject to the provisions of the OPA. As a rule, bonds receive at least a rating of A.

The foundation board regularly reviews the selected investment strategy as to whether it meets the requirements of the pension plan and whether the risk budget is in line with the demographic structure. Adherence to investment guidelines as well as results achieved by investment advisors are reviewed on a quarterly basis. Furthermore, an external consultancy periodically examines the investment strategy with regard to whether it is effective and appropriate.

Through its defined benefit pension plan, the Company is exposed to a number of risks. These risks are shared between the employer, employees and the provider of the pension fund as the retirement benefits are currently financed over an insurance contract. The calculation of the defined benefit obligation allows for this risk sharing by reducing the defined benefit obligation related to employees. Further, the provider determines the level of conversion rates. Hence, the defined benefit obligation is based on the assumption that future conversion rates will change in line with the changes in future interest rates.

As at December 31, 2023, the retirement age for women was adjusted from 64 to 65 (due to a revision of the «Old Age and Survivors Insurance»). These adjustment result in a plan amendment and as a consequence in a past service cost loss of CHF 0.1 mn.

Defined-benefit obligations are distributed as follows:

CHF 1 000	31.12.2023	31.12.2022
Active workforce	41 703	39 708
Pensioners	2 190	2 050
Total	43 893	41 758

The maturity of the obligation is 16.5 years as at December 31, 2023 (previous year: 15.8 years). The expected employer's contributions for 2024 are estimated at CHF 1.6 mn.

	31.12.2023	31.12.2022
Actuarial assumptions		
Biometric assumptions	BVG 2020GT	BVG 2020GT
Life expectancy at the age of 65		
Year of birth	1958	1957
Men	22.82	22.70
Women	24.59	24.48
Year of birth	1978	1977
Men	25.07	24.97
Women	26.58	26.49
Discount rate	1.52%	2.25%
Expected rate of salary increases	2.25%	2.25%
Expected rate of pension increases	0.00%	0.00%
Interest on pension assets	1.52%	2.25%

Changes to the present value of a defined-benefit obligation

CHF 1 000	31.12.2023	31.12.2022
	+0.25%	+0.25%
Assumed interest rate	– 1 610	– 884
Salary development	233	176
Interest on pension assets	768	455
	+1 year	+1 year
Development of life expectancy	602	247

The most important factors influencing the development of pension obligations are assumed interest rate, salary development, pension index and development of life expectancy.

3.9 Share capital

	Number of shares	Par value CHF 1 000
Share Capital (registered shares)		
Balance as of 01.01.2022	13 461 428	1 346
Balance as of 31.12.2022	13 461 428	1 346
Balance as of 31.12.2023	13 461 428	1 346
Conditional capital		
Balance as of 01.01.2022	1 000 000	100
Balance as of 31.12.2022	1 000 000	100
Balance as of 31.12.2023	–	–

At the Annual General Meeting on March 21, 2023, the article on conditional capital was removed from the Articles of Association. As at December 31, 2023, there was neither conditional nor authorized capital nor a capital band.

3.10 Treasury shares

	Number	CHF 1 000
Balance as of 01.01.2022	155 631	6 079
Purchases	294 750	10 069
Disposals	– 208 305	– 7 813
Balance as of 31.12.2022	242 076	8 335
Purchases	214 649	5 674
Disposals	– 151 252	– 5 184
Balance as of 31.12.2023	305 473	8 825

4 Significant estimates, assumptions and judgments

4.1 Estimates, assumptions and the exercising of discretion by management

In applying the accounting principles, management must make estimates, assumptions and discretionary decisions that influence the level of reported assets and liabilities, expense and income, as well as the disclosure of contingent assets and liabilities. Management reviews its estimates and assumptions on an ongoing basis and adjusts them according to new findings and conditions. This may, among other things, have a material impact on the following positions of the consolidated financial statements.

Income taxes

Bellevue Group AG and its subsidiaries are liable for income tax in most related countries. The current tax assets and current tax liabilities reported as at the balance sheet date as well as the resulting current tax expense for the period under review are based on estimates and assumptions and may therefore differ from the amounts determined in the future by the tax authorities.

Provisions

A provision is recorded if, as the result of a past event, Bellevue Group has a current liability as at the balance sheet date that will probably lead to an outflow of funds and if the amount of the liability can be reliably estimated. When determining whether a provision should be recorded and whether the amount is appropriate, best possible estimates and assumptions as at the balance sheet date are applied. These estimates and assumptions may be subject to change according to new findings and conditions.

Level 3 financial instruments (fair value)

Level 3 financial instruments are valued based on the inputs that are not based on observable market data. For details to the valuation methods applied for level 3 financial instruments refer to the notes to the consolidated financial statements on note [3.1.2](#) «Fair value financial instruments».

For details to the effect of significant changes on the assumptions behind the classification method for level 3 financial instruments refer the notes to the consolidated financial statements on note [3.1.3](#) «Level 3 financial instruments».

Pension plan

Management sets the actuarial assumptions and determines whether a pension plan surplus can be capitalized as an economic benefit for Bellevue Group. Pension costs are also subject to estimates and assumptions. The management believes that the assumptions and estimates which have been made are appropriate.

Review of goodwill and other intangible assets for impairment

Bellevue Group basically examines the value of the goodwill annually, based on the estimated recoverable amount that can be obtained per each single cash-generating unit, or group of such units (depending on allocation).

Established that an event or any circumstances cause a reduction in value of the goodwill, examinations will be performed more frequently.

The Group's approach to determine the key assumptions and related growth expectations is based on management's knowledge and reasonable expectations of future business, using internal and external market information, planned business initiatives and other reasonable intentions of management. For that purpose, the Group uses historical information by taking into consideration the current and expected market situations.

Changes in key assumptions: deviations of future actual results achieved vs forecasted/ planned key assumptions, as well as future changes of any of the key assumptions based on a future different assessment of the development of relevant markets, and/or the businesses, may occur. Such deviations may result from changes in the market environment and the related profitability, required types and intensity of personnel resources, general and company specific driven personnel cost development and/or changes in the implementation of known or addition of new business initiatives and/or other internal and/or external factors. These changes may cause the value of the business to alter and therefore either increase or reduce the difference between the carrying value in the balance sheet and the unit's recoverable amount or may even lead to a partial impairment of goodwill.

5 Risk management and risk control

5.1 Risk evaluation and risk policy

Risk management is based on the evaluation of risks by the Board of Directors and is ensuing risk policy, which is reviewed periodically. Independent risk control bodies monitor the risks at the individual operating unit level and at Group level. The Group Executive Board is informed on a regular basis about the assets, financial positions, liquidity and earnings of the Group and all related risks by means of financial and risk reporting procedures commensurate with each particular level of management. Risk reports are prepared at the individual operating unit level as well as at the Group level.

5.2 Market risk

Market risks arise through fluctuations in market pricing of interest rates, exchange rates and equities as well as the corresponding volatilities. Market risk management entails the identification, measurement, control and regulation of market risk exposure. This exposure primarily pertains to the financial investments.

Market risks are monitored by an independent function on a daily basis. Risk reports are prepared at the individual operating unit level as well as at Group level. Market risks are minimized through constant monitoring of risk.

Price change risks

The Group's exposure to foreign exchange risk arises from financial assets held by the Group, which are either recognized at fair value through profit or loss or directly in equity. To manage the price risk, the Group diversifies the portfolio and partially hedges it with index futures or listed index options. Financial assets are mainly investments in own products (equities, investment funds and private equity funds) and other financial assets (equities, private equity funds and various). Investments in own products for the fulfillment of long-term incentive plans are held to secure liabilities from entitlements of such plans and are therefore considered as economic hedges. All positions in financial assets are valued at fair value. Wherever possible, stock market prices are automatically imported into our systems and used for valuation purposes. The positions are monitored on a daily basis. Any change in price is fully reflected in profit or loss or comprehensive income.

A change in fair value of 10% in relation to the year-end value (net after hedging) would result in a change in equity of CHF 5.0 mn (previous year: CHF 4.3 mn) for the financial assets measured at fair value, of which CHF 4.4 mn (previous year: CHF 3.8 mn) would be recognized in profit or loss.

Interest risk

The Group's exposure to interest rate risk is marginal. On the one hand, the Group's cash and cash equivalents available on demand bear interest at market rates and, on the other hand, the influence of debt interest is low due to the high equity ratio. If borrowings are necessary, these are short-term fixed loans that bear interest at market rates.

Currency risk

The Group's foreign currency risk consists of recognized assets and liabilities as well as future transactions (mainly management fees) that are denominated in a currency other than the functional currency of the Group company concerned. The Group deliberately refrains from hedging these currency risks. The net balance sheet items are as follows:

CHF 1 000	CHF	EUR	USD	Other
Net position as of 31.12.2023		22 238	7 577	13 380
10% change in fair value	+/- 4320			
Net position as of 31.12.2022		22 736	9 665	177
10% change in fair value	+/- 3258			

5.3 Default risk

The Group is exposed to default risk, which is the risk that a counterparty is unable to pay the amount due in full when due. The Group measures default risk and expected default losses based on the probability of default, exposure at default and loss given default. In determining expected default losses, the Group considers both historical analysis and forward-looking information. The Group manages and controls its default risk by maintaining business relationships only with counterparties with an acceptable credit rating.

The following table shows the maximum credit risk exposure of Bellevue Group at the balance sheet date:

CHF 1 000	31.12.2023	31.12.2022
Cash and cash equivalents	38 834	64 681
Trade and other receivables	7 728	12 128
Financial investments	12 210	–
Other assets	1 105	1 506
Total	59 877	78 315

As of December 31, 2023, there are no financial assets that are impaired (December 31, 2022: none) and there are no indications of material adverse effects on the credit quality of financial assets. In 2023, no impairments were identified on financial assets exposed to credit risk.

The following table provides an analysis of the maturity of financial assets with credit risk:

CHF 1 000	Due within 3 months	Due within 3 to 12 months	Due between 1 and 5 years	Total
31.12.2023				
Cash and cash equivalents	38 834	–	–	38 834
Trade and other receivables	7 305	423	–	7 728
Financial investments	12 210	–	–	12 210
Other assets	3	–	1 102	1 105
Total	58 352	423	1 102	59 877
31.12.2022				
Cash and cash equivalents	64 681	–	–	64 681
Trade and other receivables	11 186	942	–	12 128
Other assets	2	–	1 504	1 506
Total	75 869	942	1 504	78 315

As of December 31, 2023 and 2022, the ECL impairment model had no material impact as (i) the majority of financial assets are measured at fair value through profit or loss and the impairment requirements do not apply to such instruments; and (ii) the financial assets «at amortized cost» are mainly current. Consequently, no impairment loss has been recognized based on expected credit losses.

5.4 Liquidity risk

The CFO of Bellevue Group is responsible for managing liquidity and financing risks. Financing risks refer to the risk of Bellevue Group or one of its operating units being unable to refinance its current or anticipated obligations on an ongoing basis at acceptable conditions. Liquidity risks refer to the risk of Bellevue Group or one of its operating units being unable to fulfill its payment obligations when due. Whereas financing risks relate to the ability to finance business operations at all times, liquidity risks primarily concern the ability to ensure sufficient liquidity at any point in time.

Bellevue Group manages its liquidity and financing risks on an integrated basis at the consolidated level. Day-to-day liquidity management is performed at the level of the individual Group companies by functions responsible for this. Financing capacities are managed through appropriate diversification of funding sources and the provision of collateral, thereby reducing liquidity risks.

Risk management ensures that Bellevue Group always has sufficient liquidity to be able to fulfill its payment obligations, even in stress scenarios. The liquidity risk management system therefore comprises functional risk measurement and control systems to ensure its continuous ability to pay its obligations at any time. It also defines strategies and requirements for the management of liquidity risk under stress conditions as part of the defined liquidity risk tolerance. They mainly include risk mitigation measures, the holding of a liquidity buffer comprising highly liquid assets, and a contingency plan to manage any liquidity shortfalls. In the event of an unexpected tightening of liquidity, the Group can also access a portfolio of positions that retain their value and can easily be liquidated and has access to two existing credit lines at different banks.

The maturity structure of financial liabilities is as follows:

CHF 1 000	Due within 3 months	Due within 3 to 12 months	Due between 1 and 5 years	Total
31.12.2023				
Trade and other payables	15 891	5 216	5 178	26 285
Leasing liabilities ¹⁾	544	1 639	1 628	3 811
Total	16 435	6 855	6 806	30 096

¹⁾ According to IFRS 7 B11D, the undiscounted contractual cash flows relating to the gross lease liabilities must be disclosed. The corresponding undiscounted cash flows differ from the amount recognized in the balance sheet because the amount is based on discounted cash flows.

CHF 1 000	Due within 3 months	Due within 3 to 12 months	Due between 1 and 5 years	Total
31.12.2022				
Trade and other payables	26 283	6 939	9 751	42 973
Leasing liabilities ¹⁾	484	1 130	1 774	3 388
Other financial liabilities	27	–	–	27
Total	26 794	8 069	11 525	46 388

¹⁾ According to IFRS 7 B11D, the undiscounted contractual cash flows relating to the gross lease liabilities must be disclosed. The corresponding undiscounted cash flows differ from the amount recognized in the balance sheet because the amount is based on discounted cash flows.

5.5 Operational risk

Operational risks represent the risk of losses resulting from the inadequacy or failure of internal processes, people and systems or from external events.

All business activities entail operational risks, which are prevented, mitigated, transferred or even assumed based on cost/benefit considerations. During this process, potential legal, regulatory and compliance-related risks are taken into account, as are follow-on risks in the form of reputational risks.

The Group-wide process model represents the basis for the management of operational risks. As part of the systematic assessments that are performed annually, the operational risks in all critical processes and process entities are identified and evaluated. In addition, further attention is focused on core security topics such as data protection and business continuity management, which are guaranteed through the use of extra tools.

All measures to control operational risks from part of the Internal Control Systems (ICS).

5.6 Legal and compliance risks

Legal and compliance risks refer to risks related to legal and regulatory issues, primarily liability and default risks. These risks are minimized when processing orders by requiring standardized master agreements and individual agreements. Risk related to the acceptance of client assets and adherence to due diligence obligations are monitored at the respective operating unit level. When appropriate, external attorneys will be consulted to limit legal risks.

6 Major subsidiaries

Company name	Domicile	Purpose	Currency	Share capital/ Nominal capital	31.12.2023		31.12.2022	
					Share of Capital	Voting rights	Share of Capital	Voting rights
Fully consolidated companies								
Bellevue Group AG	Küsnacht, Switzerland	Holding	CHF	1 346 143	Parent company		Parent company	
Bellevue Asset Management AG	Küsnacht, Switzerland	Asset Management	CHF	1 750 000	100%	100%	100%	100%
Bellevue Asset Management (Deutschland) GmbH	Frankfurt am Main, Germany	Asset Management	EUR	540 000	100%	100%	100%	100%
Bellevue Asset Management (UK) Limited	London, UK	Asset Management	GBP	50 000	100%	100%	100%	100%
Asset Management BaB N.V.	Curaçao	Asset Management	USD	6 001	100%	100%	100%	100%
Bellevue Research Inc.	New York, USA	Research	USD	100	100%	100%	100%	100%
BB Biotech Ventures GP	Guernsey	Investment Advisor	GBP	10 000	100%	100%	100%	100%
BB Pureos Bioventures GP Limited	Guernsey	Investment Advisor	GBP	60 000	99%	99%	99%	99%
Bellevue Private Markets AG	Zug, Switzerland	Investment Advisor	CHF	1 000 000	100%	100%	100%	100%
adbodmer AG	Zug, Switzerland	Investment Advisor	CHF	100 000	100%	100%	100%	100%
Bellevue Komplementär AG	Küsnacht, Switzerland	Asset Management	CHF	200 000	100%	100%	100%	100%
Bellevue Private Markets Management I S.à.r.l.	Luxembourg	Asset Management	EUR	12 000	100%	100%	100%	100%

Minority shareholders' equity ownership of BB Pureos Bioventures GP Limited is 1%. Due to the non-materiality of this ownership with respect to the overall Bellevue Group's equity and comprehensive income, no separate disclosure of minority shareholders has been published on the Group's financial statements.

7 Guarantees and contingent liabilities

CHF 1 000	31.12.2023	31.12.2022
Rent deposit accounts in connection with leasing contracts	1 144	1 178
Contingent liabilities	3 468	4 731

8 Events after the balance sheet date

No events have occurred since the balance sheet date that would have a material impact on the information provided in the year 2023 consolidated financial statements and would therefore need to be disclosed.

9 Transactions with related companies and persons

9.1 Compensation paid to members of the Board of Directors and to members of the Group Executive Board

CHF 1 000	01.01.-31.12.2023		01.01.-31.12.2022	
	Board of Directors	Group Executive Board	Board of Directors	Group Executive Board
Fixed compensation	721	764	613	1 018
– in cash	531	764	613	1 018
– in shares ¹⁾	190	–	–	–
Non-monetary benefit from voluntary stock purchase programs ²⁾	14	–	34	63
Short-term variable compensation	–	611	147	915
– in cash	–	611	–	632
– in shares ³⁾	–	–	147	283
– in shares with vesting period ⁴⁾	–	665	–	1 136
Long-term variable compensation	–	– 65	–	– 110
– in shares ⁵⁾	–	– 65	–	– 110
Total	735	1 975	794	3 022

¹⁾ The allocation is made in freely available shares

²⁾ The purchase/allocation is made in 3 years blocked and discounted shares

³⁾ The allocation is made in 4 years restricted shares

⁴⁾ The allocation is made in 4 years restricted shares with one-year service period and right of redemption (taking into account the service/vesting period in accordance with IFRS 2)

⁵⁾ Members of the Group Executive Board partially participate in an employee stock ownership plan in connection with the asset management mandate of BB Biotech AG. Within the scope of these plans, some of the members of the Group Executive Board are entitled to receive a maximum number of shares in BB Biotech AG. The actual number of shares awarded depends on various conditions. Awarded shares are subject to a three-year vesting period beginning on the date of grant. In addition, the actual number of shares distributed will depend on the achievement of certain performance targets over the subsequent three fiscal years in connection with the respective investment mandates. The cost of this employee program is recognized as long-term variable compensation.

The amounts listed for fixed and variable compensation also include any employer contributions to statutory or regulatory social security schemes.

In the financial years 2023 and 2022, no compensation was paid to related parties of members of the Board of Directors and Group Executive Board, nor to former members of the Board of Directors.

9.2 Transactions with related companies and persons

As of December 31, 2023 and 2022, there were neither receivables nor liabilities to related companies and persons.

10 Share-based payments

10.1. Variable compensation (share of profit) with service conditions

According to the rules for the payment of variable compensation set by the Board of Directors, higher variable compensation (>TCHF 200) is partly paid in blocked shares with a 1-year (pro rata) service condition. The cost of this portion of the variable compensation is recognized over the service period from the grant date. In 2023, TCHF 1 653 (2022: TCHF 1 140) of share-based compensation costs were recognized in personnel expenses.

10.2. Voluntary employee stock ownership plan

In 2023, the Board of Directors approved a voluntary employee stock option program for a total of 135 000 shares (2022: 100 000 shares). Depending on the management level, the Board of Directors, Executive Board and employees were offered a certain number of Bellevue Group AG shares at a discounted purchase price of CHF 18.00 per share (2022: CHF 23.75 per share). This corresponded to a discount of almost 25% on the volume-weighted average price of the quarter prior to the grant date of the entitlements. The difference between the market value at the effective grant date and the purchase price corresponds to a monetary benefit of TCHF 25 (2022: CHF 0.6 Mio.), which was recognized in personnel expenses. 23 169 rights (2022: 66 310 rights) were exercised, thereof 10 000 (2022: 4 500) by the Board of Directors. The members of the Group Executive Board didn't exercise any rights (2022: 8 200) in 2023.

11 Earnings per share

CHF 1 000	01.01.–31.12.2023	01.01.–31.12.2022
Group net profit	15 223	25 300
Weighted average number of issued registered shares	13 461 428	13 461 428
Less weighted average number of treasury shares	– 230 813	– 170 904
Weighted average number of shares outstanding (undiluted)	13 230 615	13 290 524
Weighted average number of shares outstanding (diluted)	13 230 615	13 290 524
Earnings per share		
Undiluted earnings per share (in CHF)	1.15	1.90
Diluted earnings per share (in CHF)	1.15	1.90

12 Dividend payment

The Board of Directors will propose a dividend distribution of CHF 1.15 per registered share to the Annual General Meeting of Bellevue Group AG on March 20, 2024. This corresponds to a total distribution of CHF 15.5 mn.

13 Approval of the consolidated financial statements

The Audit & Risk Committee discussed and approved the consolidated financial statements at its meeting on February 16, 2024, and the Board of Directors at its meeting on February 19, 2024. The consolidated financial statement will be submitted to the Annual General Meeting on March 20, 2024, for approval.

14 Summary of significant accounting policies

14.1. Company and business activity

Bellevue Group AG is a public limited company listed on the SIX Swiss Exchange and has its registered office at Seestrasse 16, 8700 Küsnacht/Switzerland. The company acts as a pure asset manager with a multi-boutique approach and specializes in investment themes that require an active investment style.

14.2 Accounting principles

The consolidated financial statements of Bellevue Group AG have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the listing regulations of the Swiss Stock Exchange.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The application of the underlying principles is unchanged from the previous year, with the exception of the accounting standards newly applied in item [14.3](#).

14.3 New accounting standards used

The following new or revised standards and interpretations did not have any material impact on Bellevue Group when they were applied for the first time as of January 1, 2023:

	To be applied as of
IFRS 17: Insurance Contracts	01.01.2023
IAS 8 Amendments: Definition of Accounting Estimates	01.01.2023

14.4 International Financial Reporting Standards and interpretations which will be introduced in 2024 or later

Based on early stage analysis, the following new standards and/or standards' updates will not have a significant effect on Bellevue Group's financial statements:

	To be applied as of
IAS 1 Amendments: Classification of Liabilities as Current or Non-current	01.01.2024
IFRS 16 Amendments: Lease Liability in a Sale and Leaseback	01.01.2024
IAS 7 / IFRS 7 Amendments: Supplier Finance Arrangements	01.01.2024

14.5 Important accounting principles

14.5.1 Consolidation principles

Fully consolidated companies

The annual consolidated financial statements comprise the annual accounts of Bellevue Group AG and its subsidiaries. All companies that are directly or indirectly controlled by Bellevue Group AG are consolidated. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and deconsolidated from the date when control ceases.

Method of consolidation

The Group applies the acquisition method to account for business combinations. Under this method, the book value of the participation held by the parent company is offset against its share of the shareholders' equity of the subsidiary at the time of the acquisition. The effects of intercompany transactions are eliminated during the preparation of the consolidated financial statements.

Business combinations

In a business combination, the acquirer obtains control of the net assets of one or more businesses. The business combination is accounted for using the acquisition method. This requires the recognition of the identifiable assets acquired, including previously unrecognized intangible assets, and liabilities assumed of the acquired business at their fair values at the acquisition date. Any excess of the consideration transferred over the net identifiable assets acquired is recognized as goodwill. Consideration transferred is assets or equity instruments issued that are measured at fair value at the acquisition date. Transaction costs are immediately charged to the income statement.

Contingent consideration, which is accounted for as part of the consideration transferred for the acquiree, is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognized in the income statement in accordance with IFRS 9.

14.5.2 General principles

Foreign currency translation

The items included in the financial accounts of each of the Group's company are measured using the currency of the primary economic environment, in which the company operates (functional currency). The consolidated financial statements are presented in Swiss Francs, which is also the functional and presentation currency of Bellevue Group AG.

Assets and liabilities denominated in foreign currencies at foreign group member companies are converted into Swiss francs using the applicable exchange rates for the balance sheet date. For the income and cash flow statements, year-average exchange rates are used. The differences resulting from consolidation are booked directly in other comprehensive income.

In the individual year-end accounts of group member companies transactions are booked in foreign currency at the respective daily exchange rates. Monetary assets are translated at the respective daily exchange rate and any gains or losses are recognized in the income statement. Monetary items carried on the balance sheet at historical cost in a foreign currency are translated at the historical exchange rate.

The following exchange rates apply to the translation of significant currencies:

	2023		2022	
	Year-end rate	Average rate	Year-end rate	Average rate
EUR	0.92887	0.97071	0.98956	1.00295
USD	0.84140	0.89768	0.92450	0.95344
GBP	1.07160	1.11848	1.11870	1.17416

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current accounts as well as call money at banks with a maturity of less than three months. These are measured at nominal value, which corresponds to fair value due to the short-term maturities.

Accrual of income

The Group's revenue consists mainly of asset management fees. A distinction is made between the following fees: Management fees result from the management of collective capital contributions and institutional asset management mandates. Performance fees are only recognized when all performance criteria have been met. Interest is accrued on an accrual basis.

14.5.3 Financial instruments

Initial recognition

Purchases and disposals of financial assets are recognized in the balance sheet on the trade date. At the time of initial recognition, financial assets or financial liabilities are classified in the respective category according to criteria set forth in IFRS 9 and measured at the fair value of the consideration given or received, including directly attributable transaction costs. In the case of trading portfolio assets and other financial instruments carried at fair value, transaction costs are immediately recognized in the income statement, except of value changes of financial instruments, which are recorded in the comprehensive income.

Determination of fair value

At initial recognition, the fair value of financial instruments is ascertained from quoted market prices provided that the financial instrument is traded on an active market (level 1). Whenever possible, the fair value of other financial instruments is determined using generally recognized valuation models (level 2). These models are based on input parameters other than level 1 that can be observed on the market. For a residue of financial instruments, there

are no available market listings or valuation models or methods based on market prices. For such instruments, in-house valuation methods or models are used (level 3). In such cases, the fairness of the valuation is assured by clearly defined methods and processes and by independent checks.

Financial investments at amortized costs

Investments whereby the objective is to hold financial assets to collect contractual cash flows and for which the contractually agreed cash flows comprise only interest and the repayment of parts of the nominal value are entered on the balance sheet as amortized costs using the effective interest method. Any expected credit losses are deducted from the book value of the item.

Financial assets and liabilities from financial assets

Financial instruments that do not meet the criteria for recognition at amortized cost are recognized at fair value. The resulting income is reported under the item «Income from financial investments». Liabilities from financial assets are reported under the item «Other financial liabilities».

Investments at fair value with fair value changes recognized in other comprehensive income

Investments in equity instruments that are not held for trading purposes are carried fair value in the balance sheet. Changes in value are recognized in the income statement except in cases where Bellevue Group has irrevocably decided to recognize them at fair value through other comprehensive income.

Derivative financial instruments

Derivative financial instruments are recognized in the balance sheet under «Financial assets» or «Other financial liabilities». No offsetting takes place on the basis of master netting agreements. Realized and unrealized gains and losses are recognized in «Income from financial investments».

14.5.4 Other principles

Treasury shares

Bellevue Group AG shares held by Bellevue Group are designated as treasury shares and are deducted from shareholders' equity at weighted average cost. Changes in fair value are not recognized. The difference between the sales proceeds of treasury shares and the corresponding acquisition cost is recorded in retained earnings.

Share-based payments

Bellevue Group maintains various share-based payment plans in the form of share plans for selected employees. When such payments are made to these employees, the fair value of these payments at grant date serves as the basis for calculating the personnel expenses. Share-based payments that are not subject to any further conditions are expensed immediately at grant date. Share-based payments that are subject to the completion of a service period or to other vesting conditions are expensed over the respective vesting period starting at grant date. The amount recognized as an expense is adjusted to reflect the number of share awards for which the related services and non-market performance vesting conditions are expected to be met.

Property and equipment

Property and equipment include leasehold improvements, information technology and telecommunications equipment, capitalized right of use from leases and other fixed assets. The acquisition or production costs of property and equipment are capitalized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Bellevue Group mainly acts as a lessee in the context of the leasing of business premises. At the lease commencement date, a lease liability corresponding to the present value of lease payments over the lease term is recognized. The lease term basically corresponds to the non-cancellable period during which Bellevue Group has the right to use the business premises but it also takes account of the period covered by an option to extend the lease if Bellevue Group is reasonably certain to exercise that option, and the period covered by an option to terminate the lease if Bellevue Group is reasonably certain not to exercise that option.

At the same time as the lease liability is recognized, a right to use the underlying asset, which corresponds to the lease liability plus prepaid lease payments, directly attributable costs and any reinstatement obligations, is capitalized. After initial recognition, the interest component on the lease liability is accrued in the period in which it is incurred using the effective interest method and is recognized in «Net other income». The lease liability is adjusted to reflect interest recognized and lease payments made. The right-of-use asset is depreciated on a straight-line basis over the lease term. The depreciation charge and any impairment charge are recognized in the income statement in «Depreciation and amortization».

If there is any change to the lease term or if lease payments are adjusted to an index, the lease liability is remeasured. In the first case, the current incremental borrowing rate is used to calculate the present value; in the second case, the original incremental borrowing rate is used. The amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset. Right-of-use assets are recognized in the balance sheet item «Property and equipment». The carrying amount of the right-of-use assets and changes in that value are shown in note 3.5. Lease liabilities related to leased office space are recognized in the balance sheet item «Lease liabilities». Bellevue Group applies the accounting exceptions for short-term leases and leased assets of low value. Neither a lease liability nor a right-of-use asset is recognized for these leases.

Property and equipment are depreciated on a straight-line basis over their estimated useful life as follows:

Leasehold improvements	max. 10 years
Information technology and communications equipment	max. 5 years
Rights of use	over leasing contract duration
Other fixed assets	max. 5 years

Property and equipment are reviewed for impairment if events or circumstances indicate that the carrying amount may be impaired. If the carrying amount exceeds the realizable amount, an impairment loss is charged. Any reversals of impairments at a later date will be recognized in the income statement.

Goodwill and other intangible assets

Goodwill arises from the acquisition of subsidiaries and represents the future economic benefits from other assets acquired in a business combination that are not individually identified and are recognized separately. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs (cash-generating unit) or group's of CGUs, that is expected to benefit for synergies from combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the level of the CGU respectively group of CGUs, taking into account the internal reporting and management structure. Goodwill is capitalized and tested for impairment at least on an annual basis, or if events or changed circumstances indicate a potential impairment. The test is carried out more frequently to determine whether the book value exceeds its recoverable

amount. The recoverable amount is the higher of fair value less costs to sell and the value in use. If the book value exceeds the recoverable amount an impairment loss is recorded.

Other intangible assets include client relationships and brands acquired during business combination as well as softwares. Such intangible assets are capitalized if their fair value can be reliably determined. They are amortized on a straight-line basis over their useful life of not more than 5 years (software), 10 to 15 years (client relationships) or 5 years (brands). Other intangible assets are reviewed for impairment if events or circumstances indicate that the carrying amount may not be recoverable. If the carrying amount exceeds the realizable amount, an impairment loss is charged. Any reversals of impairments at later date will be recognized in the income statement. At present, there are no other intangible assets with an indefinite useful life capitalized in Bellevue Group's balance sheet.

Income taxes

The current income tax charge is calculated on the basis of the applicable tax laws enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income and recognized as expense in the period in which the related profits are made. Receivables or liabilities related to current income taxes are reported in the balance sheet in the items «Current tax assets» or «Current tax liabilities». Tax effects arising from temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their corresponding tax values are recognized as «Deferred tax assets» and «Deferred tax liabilities» respectively. Deferred tax assets arising from temporary differences and from tax loss carry forwards can be offset. Deferred tax assets and deferred tax liabilities are calculated at the tax rates expected to apply in the period in which the tax assets will be realized, or the tax liabilities settled. Tax receivables and tax liabilities are offset when they refer to the same taxable entity, fall under the same jurisdiction, and the enforceable rights to offset exists.

Current and deferred taxes are credited or charged directly to shareholders' equity if the taxes are related to items that are credited or charged under other comprehensive income in the same or a different period.

Provisions

A provision is recognized if Bellevue Group has, as a result of a past event, a current liability at the balance sheet date that will probably lead to an outflow of funds and whose amount can be reliably estimated. If an outflow of funds is unlikely to occur, or the amount of the liability cannot be reliably estimated, a contingent liability is shown. If there is, as a result of a past event, a possible liability as at the balance sheet date whose existence depends on future developments that are not fully under Bellevue Group's control, a contingent liability is likewise shown. The recognition and reversal of provisions are recognized under «Valuation adjustments and provisions» except for changes in actuarial pension provisions, which are recognized under «Other comprehensive income», with the exception of changes in actuarial provisions which are recorded in the income statement.

Pension funds

Bellevue Group maintains in Switzerland a defined-contribution pension plan. The pension fund is set up in accordance with Swiss defined-contribution regulations, but does not meet all of the criteria of a defined-contribution plan as defined by IAS 19. Therefore, this plan is treated as a defined-benefit plan.

Pension obligations are met exclusively with pension fund assets held by a pension foundation legally separated from and independent of Bellevue Group. It is managed by a Board of Trustees, consisting in equal parts of representatives of management and employees. The organization, operational management and financing of the pension fund are conducted in accordance with legal regulations, the foundation's charter and applicable pension fund regulations. Employees and pensioners, or their survivors, receive legally

determined benefits upon leaving the Company, during retirement, at death, and in the event of invalidity. These benefits are financed by employee's and employer's contributions.

For defined-benefit plans, pension costs are determined on the basis of different economic and demographic assumptions using the projected unit credit method. This method uses the number of service years until the key date. The assumptions to be evaluated by the Group include expectations of future salary development, long-term interest on retirement assets, retirement trends and life expectancy. The valuations are carried out by independent actuaries every year. The pension assets are valued annually at fair value.

Pension cost is composed of three components:

- Service cost, which is recorded as personnel expenses in the income statement;
- Net interest expenses, which are recorded in the position «Other financial income» in the income statement; and
- Revaluation components, which are recognized in the statement of comprehensive income.

Service cost encompasses the current service cost, past service cost, and gains and losses from non-routine plan settlements. Gains and losses from plan curtailments are treated the same way as past service cost. Employee contributions and third-party contributions reduce the service cost and are deducted from it, provided they are required by the benefit regulations or are the result of a factual obligation.

Net interest expenses are the result of the assumed interest rate multiplied by the pension obligations or the pension assets. Capital flows and changes of less than a year are included on a weighted basis.

Revaluation components include actuarial gains and losses from changes in the net present value of the pension obligations and the pension assets. Actuarial gains and losses are calculated on the basis of changes in assumptions and experience adjustments. Gains and losses on assets are the result of income on assets less the amounts contained in net interest expenses. The revaluation component also includes changes in unrecognized assets less effects included in net interest expenses. Revaluation components are recorded in the statement of comprehensive income and cannot be recycled. Amounts recorded in the statement of comprehensive income can be reallocated within equity.

Pension obligations or assets recorded in the consolidated financial statements correspond to the funding surplus or shortfall of the defined-benefit plans. However, pension assets are restricted to the net present value of the Group's economic benefit from future curtailments or repayments. Pension obligations in Swiss benefit plans are currently valued on the basis of employers and employees sharing the risk.

15 Alternative Performance Indicators (unaudited)

CHF 1 000	01.01.– 31.12.2023	01.01.– 31.12.2022	Change
Income	81 891	95 862	- 13 971
Personnel expenses	- 43 823	- 46 988	+3 165
Other operating expenses	- 14 362	- 14 056	- 306
Operating expenses	- 58 185	- 61 044	+2 859
Operating profit	23 706	34 818	- 11 112
Depreciation and amortization	- 3 663	- 3 624	- 39
Group profit before tax	20 043	31 194	- 11 151
Taxes	- 4 820	- 5 894	+1 074
Group net profit	15 223	25 300	- 10 077

Report of the statutory auditor to the General Meeting of Bellevue Group AG Küsnacht

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bellevue Group AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of shareholders' equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

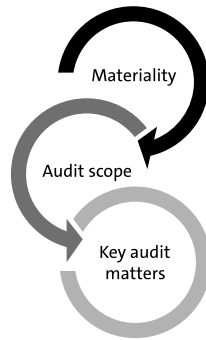
Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), 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.

Our audit approach

Overview



Overall Group materiality: CHF 818 000

We concluded full scope audit work at Bellevue Group AG and three group entities in three countries. For additional two group entities (one domiciled in Switzerland and one domiciled abroad), we have performed specified audit procedures in relation to one or more account balances and types of business transactions.

In addition, analytical procedures were conducted at a further six group entities in four countries. We assess the coverage of the balance sheet total and the net sales of the group as sufficient

As key audit matter the following area of focus has been identified:

Impairment of goodwill and other intangible assets

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality

CHF 818 000

Benchmark applied

Income

Rationale for the materiality benchmark applied

We chose the income as the benchmark because in our view, the income represents a generally recognized benchmark for materiality considerations for asset managers and accordingly depicts the economic and operational performance of the Group without the influence of volatile value adjustments.

We agreed with the Audit & Risk Committee that we would report to them misstatements above CHF 40 500 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

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

Impairment of goodwill and other intangible assets

Key audit matter

Goodwill in the amount of CHF 40.3 million and other intangible assets in the amount of CHF 2.8 million have been recognized in the financial statements under «Goodwill and other intangible assets».

Bellevue Group AG uses the discounted cash flow method in order to test goodwill and other intangible assets for impairment. The valuation is calculated based on the expected future cash flows to the investor.

We consider the assessment of the impairment of goodwill and other intangible assets as a key audit matter because the Board of Directors has to apply judgement in setting the assumptions relating to future business results and the discount rate to be applied on the fore-casted cash flows; significant estimation uncertainty exists and material impairments have been recognized in past financial years.

Please refer to note [4.1](#) Estimates, assumptions and the exercise of discretion by management and note [3.6](#) Goodwill and other intangible assets as well as note [14.5](#) important accounting principles.

How our audit addressed the key audit matter

We have analyzed and assessed the assumptions applied by the Board of Directors to the valuation of the goodwill and other intangible assets in the consolidated financial statements of Bellevue Group AG.

Management adheres to a documented process in forecasting cash flows. The Board of Directors monitored this process and regularly challenged the assumptions that were used. We assessed the appropriateness and proper application of the valuation method used to determine the value of the goodwill and other intangible assets.

We compared the business results of the year under review with the year's budgeted results, in order to retrospectively assess the accuracy of assumptions used in the forecasting of the cash flows.

We compared Management's assumptions concerning revenue growth and long-term growth rates with economic and industry-specific developments.

We compared the discount rate with the cost of capital of the Group and of comparable enterprises, taking into account country-specific particularities.

We assess the process of the impairment assessment and the determination of impairment applied by the Board of Directors as appropriate. The process ensured an analysis of the valuation factors and represented an appropriate and sufficient basis for the assessment of the recoverability of the goodwill and other intangible assets.

Other information

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

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards 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, ISAs and SA-CH will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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 regarding 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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

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

PricewaterhouseCoopers AG

Philippe Bingert

Licensed audit expert
Auditor in charge

Roland Holl

Licensed audit expert

Zürich, 23 February 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland

Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

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Profit and loss account

CHF 1 000	01.1.–31.12.2023	01.1.–31.12.2022
Dividend income from participations	30 000	38 000
Other ordinary income	18	50
Net revenue from operating activities	30 018	38 050
Personnel expenses	- 1 732	- 2 488
Other operating expenses	- 1 038	- 968
Operating expenses	- 2 770	- 3 456
Operating profit before financial result and taxes	27 248	34 594
Finance income	74	15
Finance expense	- 819	- 306
Profit for the year before taxes	26 503	34 303
Direct taxes	- 12	- 24
Profit for the year	26 491	34 279

Balance Sheet

CHF 1 000	31.12.2023	31.12.2022
Assets		
Current assets		
Cash and cash equivalent	450	1 239
Other short-term receivables	5 719	3 522
Prepaid expenses and accrued income	236	230
Total current assets	6 405	4 991
Non-current assets		
Financial investments	185	323
Participations	109 279	109 279
Total non-current assets	109 464	109 602
Total assets	115 869	114 593
Liabilities and shareholders' equity		
Short-term liabilities		
Short-term interest-bearing liabilities	2 304	–
Other short-term liabilities	11	94
Accrued expenses and deferred income	517	1 097
Total short-term liabilities	2 832	1 191
Shareholders' equity		
Share capital	1 346	1 346
Legal capital reserves	644	644
- Reserves from capital contributions	644	644
Legal retained earnings	2 225	2 225
- General legal retained earnings reserves	2 225	2 225
Voluntary retained earnings	19 506	19 506
Total disposable profit	98 141	98 017
- Profit brought forward	71 650	63 738
- Profit for the year	26 491	34 279
Treasury shares	– 8 825	– 8 336
Total shareholders' equity	113 037	113 402
Total liabilities and shareholders' equity	115 869	114 593

Notes to the financial statements

1 Accounting Principles

General approach

The annual financial statements of Bellevue Group AG were prepared in accordance with the guidelines of the Swiss Code of Obligations. Balance sheet items are valued at historical costs.

Cash and cash equivalents, receivables and liabilities

Assets are recognized at acquisition costs and liabilities are recognized at their nominal value. Specific valuation adjustments are made for identifiable risks of loan losses.

Participations

Participations are recognized at acquisition costs less impairments necessary for commercial reasons.

Accruals and deferrals

Accruals and deferrals are expenditures of the current financial year, which are recognized as expenses in the subsequent financial year as well as revenues of the current financial year, which are recognized as income in the subsequent financial year.

Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as profit or loss. For treasury shares held by subsidiaries, a reserve for treasury shares is booked to the value of the acquisition price.

Waiver of cash flow statement, management report and additional disclosures in the notes

As Bellevue Group AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to waive the disclosure of additional information on interest-bearing liabilities and audit fees in the notes, the management report as well as the cash flow statement in accordance with the law.

2 Notes to the financial statements

Cash and cash equivalent

CHF 1 000	31.12.2023	31.12.2022
Due from banks	450	1 239
Total	450	1 239

Other short-term receivables

CHF 1 000	31.12.2023	31.12.2022
Due from group companies	5 712	3 500
Due from third parties	7	22
Total	5 719	3 522

Other short-term receivables from group companies include short-term loans and bore interest of 1.5% in the financial year (2022: 0.25%). The recorded interest is shown in the position «Finance income».

Participations

Company	Domicile	Purpose	Currency	Share capital/ Nominal capital	31.12.2023		31.12.2022	
					Capital	Voting rights	Capital	Voting rights
Bellevue Asset Management AG	Küsnacht, Switzerland	Asset Management	CHF	1 750 000	100%	100%	100%	100%
Bellevue Asset Management (Deutschland) GmbH	Frankfurt am Main, Germany	Asset Management	EUR	540 000	100%	100%	100%	100%
Bellevue Asset Management (UK) Limited	London, UK	Asset Management	GBP	50 000	100%	100%	100%	100%
Asset Management BaB N.V.	Curaçao	Asset Management	USD	6 001	100%	100%	100%	100%
Bellevue Research Inc.	New York, USA	Research	USD	100	100%	100%	100%	100%
BB Biotech Ventures GP	Guernsey	Investment Advisor	GBP	10 000	100%	100%	100%	100%
BB Pureos Bioventures GP Limited	Guernsey	Investment Advisor	GBP	60 000	99%	99%	99%	99%
Bellevue Private Markets AG	Zug, Switzerland	Investment Advisor	CHF	1 000 000	100%	100%	100%	100%
adbodmer AG	Zug, Switzerland	Investment Advisor	CHF	100 000	100%	100%	100%	100%
Bellevue Komplementär AG	Küsnacht, Switzerland	Asset Management	CHF	200 000	100%	100%	100%	100%
Bellevue Private Markets Management I S.à.r.l.	Luxembourg	Asset Management	EUR	12 000	100%	100%	100%	100%

As a rule, participations are valued individually. For participations that are already managed and assessed together as an economic business unit within the company, the impairment test of the participations is performed analogously to the IFRS consolidated financial statements at the level of the economic business units.

Short-term interest-bearing liabilities

CHF 1 000	31.12.2023	31.12.2022
Due to group companies	2 304	–
Total	2 304	–

Short-term interest-bearing liabilities to Group companies include short-term loans and bore interest of 1.5% in the financial year. The recorded interest is shown in the position «Finance expense».

Other short-term liabilities

CHF 1 000	31.12.2023	31.12.2022
Due to third parties	11	94
Total	11	94

Treasury Shares

Treasury shares are held directly by the Company. All transactions are carried out at market prices.

	Average price in CHF	Number of shares
Balance as of 1.1.2022		155 631
Purchases	34.1625	294 750
Disposals	36.4208	– 208 305
Balance as of 31.12.2022		242 076
Purchases	26.4317	214 649
Disposals	29.3252	– 151 252
Balance as of 31.12.2023		305 473

3 Additional Information

Company name, legal form and domicile

The Bellevue Group AG is a joint stock company under the Swiss Code of Obligations and is domiciled in Küsnacht at Seestrasse 16.

Declaration on FTEs

The annual average of full-time employees has not exceeded 10 in the current financial year (previous year: not exceeded 10).

Information on shareholdings of members of the Board of Directors and the Group Executive Board

	31.12.2023	31.12.2022
	Shares	Shares
Share-holdings of members of the Board of Directors		
Veit de Maddalena, Chairman	268 705	287 024
Urs Schenker, Member	27 184	21 769
Katrin Wehr-Seiter, Member	20 570	14 958
Barbara Angehrn Pavik, Member ¹⁾	5 400	n/a
Daniel Sigg, Member ²⁾	n/a	51 705
Share-holdings of members of the Group Executive Board		
André Rüegg, CEO and CEO Bellevue Asset Management AG	93 009	300 000
Michael Hutter, CFO	38 125	71 162

¹⁾ Barbara Angehrn Pavik was elected to the Board of Directors by the Annual General Meeting on March 21, 2023.

²⁾ Daniel Sigg stepped down from the Board of Directors on March 21, 2023.

Events after the balance sheet date

No events have occurred since the balance sheet date that would have a material impact on the information provided in the year 2023 financial statements and would therefore need to be disclosed.

Information on major shareholders

Based on the notifications received and published by Bellevue Group AG, each of the following parties owns significant voting rights:

	31.12.2023		31.12.2022	
Shareholder or beneficial owner	Voting rights held	Number of shares	Voting rights held	Number of shares
Martin Bisang, Küsnacht	20.43%	2 750 000	20.43%	2 750 000
Hansjörg Wyss, Cambridge MA (USA)	9.66%	1 300 000	9.66%	1 300 000
Jürg and Manuela Schächli, Rapperswil-Jona	9.05%	1 217 799	9.05%	1 217 799

The shareholders Martin Bisang (Küsnacht), as well as Jürg and Manuela Schächli (Rapperswil-Jona) signed a shareholder agreement on October 25, 2018. Martin Bisang will represent the Group and controls 29.48% of the voting rights by December 31, 2023 (December 31, 2022: 29.48%).

4 Proposal to the Annual General Meeting

CHF 1 000	Proposal of the Board of Directors 2024	Resolution of the AGM 2023
Profit for the year	26 491	34 279
Balance brought forward from previous year	71 650	63 738
Total Profit	98 141	98 017
Dividend on eligible capital ¹⁾	– 15 481	– 26 367
Balance carried forward to new financial year	82 660	71 650

¹⁾ Including treasury shares possibly held directly by Bellevue Group AG.

Upon approval of this proposal, the dividend of CHF 1.15 per registered share of CHF 0.10 will be paid less the federal withholding tax of 35%.

Report of the statutory auditor to the General Meeting of Bellevue Group AG Küssnacht

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bellevue Group AG (the Company), which comprise the balance sheet as at 31 December 2023, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

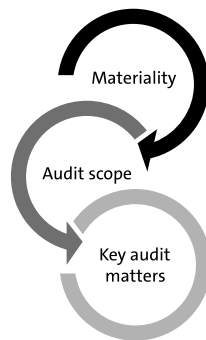
In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach Overview



Overall materiality: CHF 818 000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Impairment of participations

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality

CHF 818 000

Benchmark applied

Equity

Rationale for the materiality benchmark applied

We chose equity as the benchmark because the company considered for itself is conducting limited operational activities and, in our view, the equity is a generally accepted benchmark for holding companies.

We agreed with the Audit & Risk Committee that we would report to them misstatements above CHF 40 500 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Impairment of participations

Key audit matter

The shares of the capital of subsidiaries held by the Company are recognized in the financial statements under 'Participations' (TCHF 109 279).

Participations are recognized at acquisition cost less any economically necessary impairments. Bellevue Group AG uses the discounted cash flow method for selected subsidiaries in order to test whether any impairments are necessary. For other subsidiaries, the net asset value method respectively the net realizable-value method is used for the impairment assessment. The valuation is calculated based on the expected future cash flows to the investor respectively by comparing the book value of the participation to the equity of the respective subsidiary. For participations that are already managed and assessed internally as an economic business unit, the impairment of the participations is tested at the level of the economic business unit.

We consider the assessment of the impairment of participations as a key audit matter because the Board of Directors has to apply judgement in setting the assumptions relating to future business results and the discount rate to be applied on the forecasted cash flows; significant estimation uncertainty exists and moreover, participations represent a significant amount on the balance sheet (95% of total assets).

We refer to [note 1](#) (Accounting principles) and [note 2](#) (Notes to the financial statements).

How our audit addressed the key audit matter

We have analysed and assessed the assumptions applied by the Board of Directors to the valuation of the participations in the financial statements of Bellevue Group AG.

Management adheres to a documented process in forecasting cash flows. The Board of Directors monitors this process and regularly challenges the assumptions that are used. We assessed the appropriateness and proper application of the valuation method used to determine the value of the participations.

We compared the business results of the year under review with the year's budgeted results, in order to retrospectively assess the accuracy of assumptions used in the forecasting of the cash flows.

We compared Management's assumptions concerning revenue growth and long-term growth rates with economic and industry-specific developments.

We compared the discount rate with the cost of capital of the company and of comparable enterprises, taking into account country-specific particularities.

In respect of the analysis of the net asset value, we compared the book value of the participations recorded in the balance sheet with the proportionate equity of the subsidiaries.

Further, we assessed whether the subsidiaries had prepared their financial statements based on the assumption of continuing as going concern and whether this was appropriate.

We assess the process of the examination of recoverability and determination of value adjustments of participations as appropriate.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding 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 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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Philippe Bingert
Licensed audit expert
Auditor in charge

Roland Holl
Licensed audit expert

Zurich, 23 February 2024

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

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