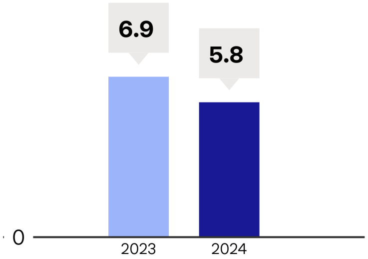
Bellevue
Excellence in Specialty Investments

Annual Report 2024

Key figures

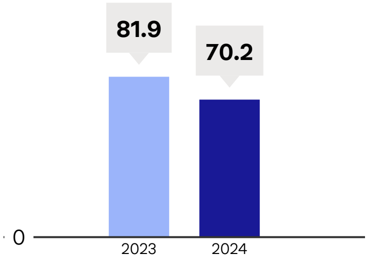
Assets under management
(in CHF bn)

5.8



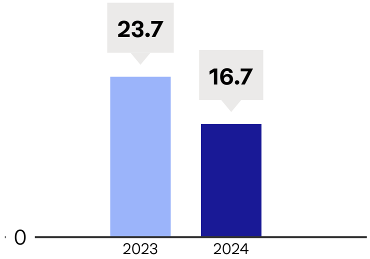
Operating Income
(in CHF mn)

70.2



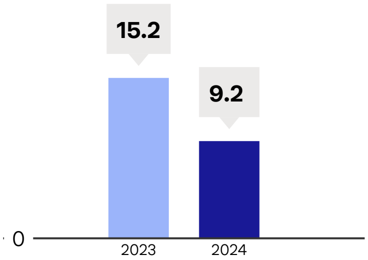
Operating profit (EBTDA) [1]
(in CHF mn)

16.7



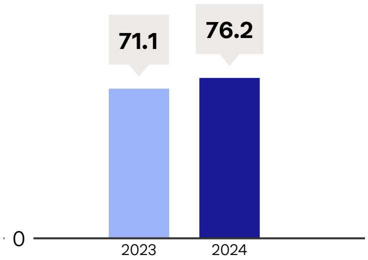
Group net profit
(in CHF mn)

9.2



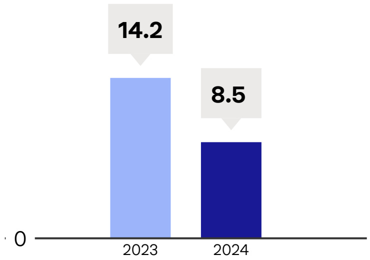
Cost/Income ratio (CIR)
in %

76.2



Return on equity [2]
in %

8.5



[1] Earnings before taxes, depreciation and amortization
[2] Based on reported net profit and average equity for the preceding 12-month period after distribution of the respective dividends
Source: Bellevue Group, as at December 31, 2024

Developments

Market environment

- Healthcare sector still one of the sectors with the lowest investment performance in 2024
- At current levels, the healthcare sector offers a historically attractive valuation with intact growth drivers
- Fed, ECB and SNB initiated the interest rate turnaround and cut the key interest rate several times

Financial figures

- AuM base declined to CHF 5.8 bn (-17%)
- Group net profit declined to CHF 9.2 mn (-40%)
- Attractive dividend proposal: CHF 0.70 per share (dividend yield of 6.2%)
- Well-capitalized, debt-free balance sheet

Milestones 2024

- Rationalization of product landscape and complementary new products launched
- New senior executives appointed from internal talent pool (Healthcare, BB Biotech)
- Sales subsidiary established in Singapore
- Company head office relocated to Theaterstrasse 12 / Bellevue district in Zurich

Outlook 2025

- Healthcare sector off to a good start in 2025
- Attractive investment performance of selected core products
- Further focus on product landscape, investment performance and sales

At a glance

	2024	2023	Change
Consolidated income statement (in CHF 1'000)			
Revenues from asset management services	69 581	81 793	– 14.9%
Total operating income	70 173	81 891	– 14.3%
Total operating expenses	– 53 483	– 58 185	– 8.1%
Total operating profit	16 690	23 706	– 29.6%
Group profit before tax from continuing operations	11 987	20 043	– 40.2%
Group net profit	9 159	15 223	– 39.8%
Cost-Income-ratio [1]	76.2%	71.1%	–
Undiluted/Diluted earnings per share (in CHF)	+0.69	+1.15	– 40.0%
Asset under management (in CHF million)			
Total managed assets	5 755	6 933	– 17.0%
Net new money	– 1 117	– 1 228	+9.0%
Consolidated balance sheet (in CHF 1'000)			
Total assets	162 271	155 543	+4.3%
Total liabilities	43 751	33 075	+32.3%
Total shareholders' equity	118 520	122 468	– 3.2%
Total shareholders' equity after the proposed dividend	109 097	106 987	+2.0%
Equity per share (in CHF)	8.80	9.10	– 8.7%
Return on equity [2]	8.5%	14.2%	–
Dividend			
Dividend per share (in CHF) [3]	0.70	1.15	– 39.1%
Dividend yield [4]	6.2%	4.7%	–
Staff (FTE)			
Number of staff at cutoff date	85.6	94.4	– 9.3%
Year average number of staff	88.2	98.8	– 10.7%
Share price			
Share price of Bellevue Group registered shares (in CHF) as at 31.12.	11.25	24.50	– 54.1%
Year low / Year high (in CHF) [5]	11.25 / 24.20	18.60 / 40.90	
Market capitalization (in CHF million)	151	330	– 54.1%

[1] Defined as: operating expenses/operating income
[2] Based on group net profit and average shareholders' equity after deduction of the proposed dividend
[3] Proposal of the Board of Directors to the Annual General Meeting
[4] Calculated from share price as at 31.12.
[5] End of day prices

Table of contents

Table of contents (continued)

Business report

Shareholder letter

Veit de Maddalena, Chairman of the Board and Gebhard Giselbrecht, Chief Executive Officer

Dear Shareholders,

Bellevue Group had to contend with stubborn market headwinds in 2024 stemming from the prolonged underperformance of the healthcare sector, Bellevue's primary investment universe. Those headwinds held back the performance of our healthcare strategies and the weaker performance of healthcare in general compared to the global stock market intensified the reallocation of client assets to other sectors. Strict cost management and the measures taken to streamline the Group's product portfolio and strengthen its investment processes were unable to completely offset the negative impact of these market developments.

The healthcare sector continues to offer attractive prospects. The positive market setting in the US and the widespread deployment of artificial intelligence systems that enable the huge amounts of data that are available across the healthcare landscape to be used even more efficiently in the pursuit of medical innovation are fertile grounds for promising investment opportunities. The currently low valuations also offer an interesting entry. The MSCI World Healthcare Index is trading at an 11% discount to the MSCI World Index (based on forward 1-year P/E ratios), whereas, historically, healthcare has traded at an average premium of 3% to the total market over the past 10 years.

Still no upturn in the healthcare sector – attractive upside potential

2024 was another positive year for most of the world's stock markets. Driven by declining rates of inflation, the pivot in monetary policy across the globe, and high investor expectations about the future potential of artificial intelligence systems, a number of stock markets climbed to new record highs, with Wall Street taking the lead.

The global healthcare sector ended 2024 with a gain of 1.6% in USD (+9.9% in CHF), which placed it near the bottom of the sector performance rankings. After a promising start, healthcare stocks corrected during the latter half of 2024 although Donald Trump's second term as president is expected to provide positive impetus to the healthcare sector, as already seen during his first term.

Lower earnings base due to market-induced reallocation of client assets

After a stable period during the first six months of the year, assets under management at the end of 2024 were 17% lower yoy at CHF 5.8 bn. Investors shifted more of their assets from healthcare to other sectors such as IT and communication services. Total outflows amounted to almost CHF 1.5 bn and were only partially offset by new client assets of more than CHF 600 mn, most of which flowed into Bellevue's traditional healthcare strategies. Non-healthcare strategies also experienced a slight outflow.

The average level of assets under management for 2024 was 18% lower compared to the previous year, which resulted in a corresponding decline in management fees to CHF 65.4 mn. Thanks to an increase in other net fee and commission income and in financial income, total operating income declined by only 14% to CHF 70.2 mn. Operating expenses declined by 8% to CHF 53.5 mn. Additional expenses due to personnel changes and organizational optimization as well as the company's move back to its original location in the city of Zurich prevented a more significant reduction in the cost base. Consolidated net profit for 2024 came in at CHF 9.2 mn. The resulting cost-income ratio of 76% is clearly above our target range of 60–65%.

The reported results are not consistent with our ambitions. We want to generate value for clients and shareholders as a specialist asset manager but we managed to achieve that with only a few of our products last year. We have taken action to further optimize our organization and structure to ensure that we are well-positioned to take full advantage of a change in trend for the healthcare sector.

A sturdy financial foundation

Dividend 2025
(proposed)
CHF 0.70

Our strong balance sheet gives us the resilience we need to successfully navigate adverse market conditions such as today's while enabling us to continue to refine and develop our business activities and our product range. A strong financial foundation also enables us to maintain our shareholder-friendly dividend policy. The Board of Directors will propose a dividend of CHF 0.70 per share at the Annual General Meeting of Bellevue Group. This corresponds to a dividend yield of approximately 6.2% based on the stock's closing price on the final day of trading in 2024.

Pleasing returns from selected strategies

Despite the difficult market environment, Bellevue managed to create value with several of its healthcare investment strategies. The Bellevue Medtech & Services Lux Fund gained 8.8% in USD (+17.2% in CHF), for example, beating its benchmark. The Bellevue Digital Health Fund also showed a pleasing return of 4.7% in USD (+12.7% in CHF). Bellevue AI Health and Bellevue Obesity Solutions, two recently launched funds that invest in attractive long-term growth trends, had a successful start in 2024. After performing very well during the first half of the year, both funds came under pressure towards the end of the year, resulting in full-year returns, respectively, of 2.8% and 0.5% in USD (+10.7% and +8.3% in CHF).

> The Bellevue Medtech & Services Lux gained 8.8% in USD (+17.2% in CHF) and also exceeded its benchmark.

Our flagship product BB Biotech reported a 3% increase in the Net Asset Value (NAV) of its portfolio, but its share price declined by 13.5%. As a result the discount to NAV widened, especially towards the end of the year. Its new leadership is strongly committed to guiding the company back to its former growth trajectory. The new year began on a good note for BB Biotech with Johnson & Johnson's announcement in January 2025 of a USD 14.6 bn bid for Intra-Cellular Therapies, a core position in BB Biotech's portfolio.

Turning to Bellevue's traditional and alternative investment solutions, Bellevue Option Premium stood out with a positive return of 7.8% in EUR. The Bellevue Global Macro Fund also showed a solid investment performance of 6.5% in EUR. The Bellevue Entrepreneur Europe Small Fund returned 3.5% in EUR and outperformed its benchmark.

Thanks to a well-diversified and mature portfolio, our Private Markets business remains a source of attractive additional income flows that we intend to tap. Bellevue Private Markets focuses on proprietary growth equity investments in SMEs in the DACH region. Bellevue's exclusive group of investors enhances its prospective investment opportunities while giving it access to a deep pool of entrepreneurial know-how. This led to two new investments in 2024. In view of the currently still challenging environment for M&A, any exits in the near future are likely to be arranged in a very opportunistic manner. We offer a broader group of investors access to attractive direct equity opportunities through Bellevue Entrepreneur Private. There are plans to expand this product range as soon as the targeted exits from the first vintage have been successfully executed.

Development of investment solutions

Inflation did come down in key areas of the global economy, the US and the eurozone for example, during the course of 2024, but it was not yet completely tamed. The US Federal Reserve, the ECB and the SNB were nevertheless able to reverse course on monetary policy and have already lowered their benchmark lending rates several times. Against this backdrop, several major stock indices set new all-time highs. Healthcare was not very high on investor buy lists, but several Bellevue healthcare investment strategies still delivered a very pleasing performance.

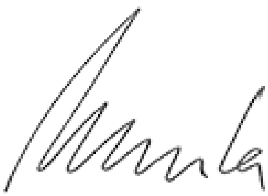
Various measures taken to increase efficiency – improving environment for healthcare

We continued to optimize the Group's organizational structure last year in order to further improve operating efficiency. The Group Executive Board was strengthened through the appointment of Fabian Stäbler as Chief Operating Officer. Client activity picked up after the sales team for our domestic Swiss market was enlarged. Our move back to the Group's original location in the city of Zurich should help boost client activity as well. The establishment of our own office in Singapore marks another milestone in the Group's development. A greater local presence enables us to build on our existing client base and assets under management and to take better advantage of the growth opportunities that Asia offers. As for our product portfolio, some minor adjustments were made and we merged or closed smaller funds. Changes were also made to the organizational and management structures of our fixed income and multi-asset strategies. Initial, encouraging signs were observed during the course of 2024.

Returning to a growth path in small steps

Bellevue Group has had to contend with a very challenging market environment and, consequently, a slower-than-expected business development for the past few years. In 2024 we continued to focus on the optimization of our Group to ensure that we are optimally prepared for a sustained recovery in our investment universe. We are convinced that the healthcare sector remains an enticing investment proposition. In the US, the most important market for the healthcare industry, the Republican Party has traditionally stood for private-sector innovation and a strong economy. Tax breaks and fewer regulatory constraints represent clearly positive factors for companies active in the fields of biopharmaceuticals and medical technology. There are also expectations that the regulatory approval process for new drugs and medical devices will be shortened. These considerations are another reason why we view the current valuations in the healthcare sector as attractive, especially for the small and mid-sized companies that we focus on.

The various measures we have taken represent stepping stones that will bring Bellevue back to its former growth path in small steps. We strive to create value for our clients and shareholders as a specialist asset manager, even in difficult markets. A more constructive market environment is also needed for us to resume our former growth dynamics. Bellevue employees are working diligently every day to optimally meet the needs and expectations of our clients. We thank them for their dedication and can-do spirit. We thank our valued clients and shareholders for their enduring trust and loyalty, which is clearly appreciated in the current situation.



Veit de Maddalena
Chairman of the Board

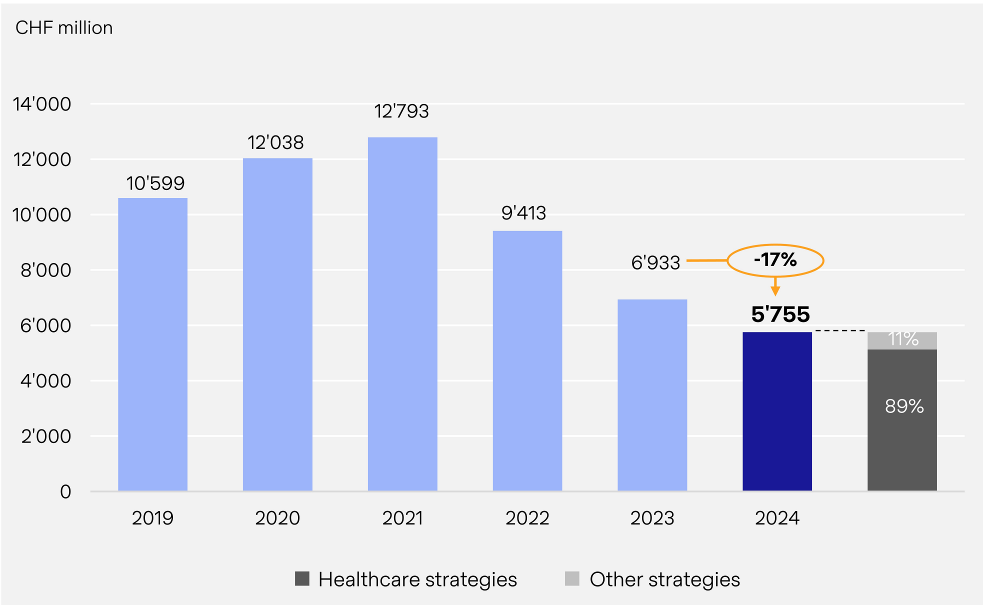
Gebhard Giselbrecht
Chief Executive Officer

Summary of fiscal 2024

Investor presentation

AuM reduced by around 17% compared to the previous year...

Change in AuM 2019 – 2024



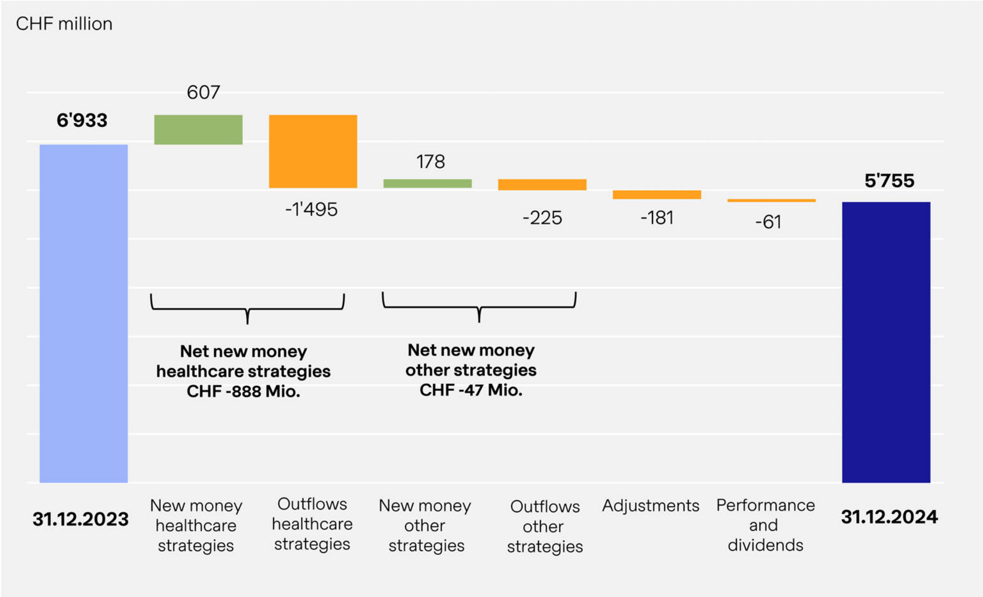
Source: Bellevue Group, as at Decemeber 31, 2024

Development of assets under management

- Assets under management down 17% or around CHF 1.2 bn compared to the previous year
- Healthcare strategies represent around 89% of assets under management

...with customer reallocations as the main drivers

Development of AuM base in 2024



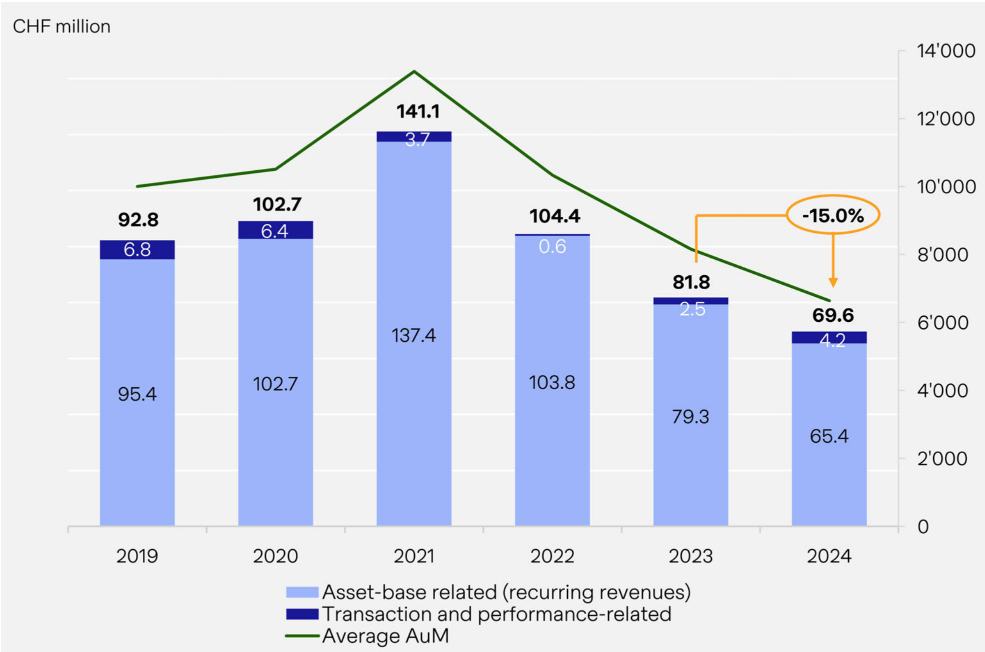
Source: Bellevue Group, as at December 31, 2024

Development of assets under management

- Reduction due to client reallocations
- Gross new money won of around CHF 785 mn shows that our investment expertise continues to be sought after and appreciated
- Adjustment of investment strategies with lower net income

Asset Management service income declines with assets under management

Operating income from asset management activities, 2019 – 2024



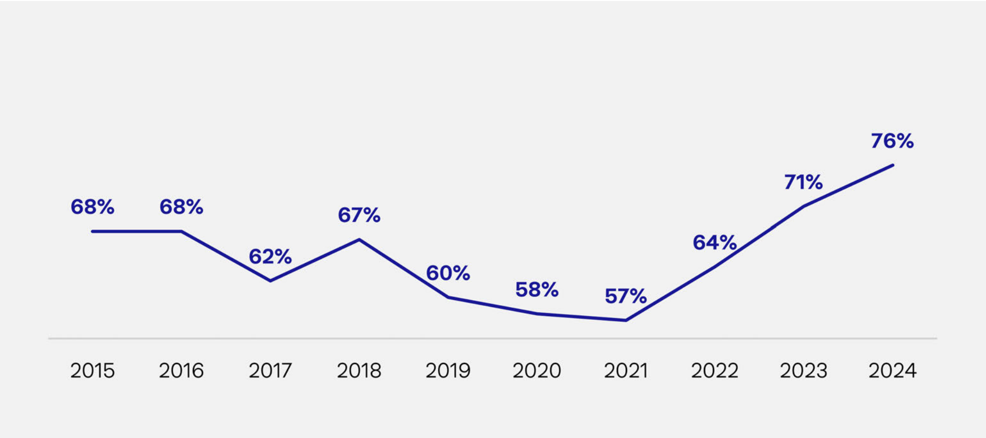
Source: Bellevue Group, as at December 31, 2024

Development of income from asset management services

- Decline in revenues from asset management services of around 15% due to the lower average AuM base
- Average AuM base of around CHF 6.7 bn (prior year 8.2 bn)
- High proportion of recurring income (management fees)
- Only a small contribution from transaction-based fees and performance fees

Cost-income-ratio (CIR)

Development of cost-income ratio (CIR)
(based on operating profit)

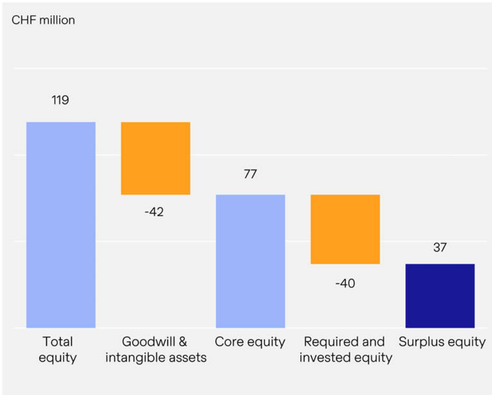


Source: Bellevue Group, as at December 31, 2024

- Increase in cost-income ratio (CIR) to 76% due to lower earnings base

Continued solid capitalised and equity-financed balance sheet

As at December 31, 2024 (consolidated)



Balance sheet (as of December 31, 2024)

26.8 CHF mn cash	**118.5** CHF mn Shareholders' equity
73.0% Equity ratio*	**8.5%** Return on equity

Source: Bellevue Group, as at December 31, 2024
* Balance sheet without leverage, debt relates to operating liabilities, accruals and deferrals

- Strong balance sheet creates resilience for difficult market phases, enables the launch of innovative products and allows for an attractive dividend policy

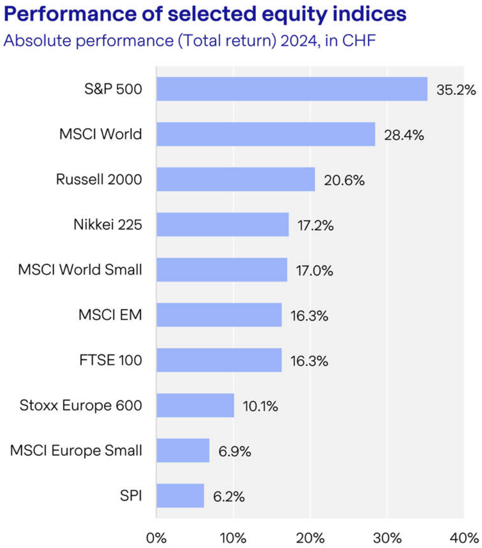
Development of investment solutions

Inflation did come down in key areas of the global economy, the US and the eurozone for example, during the course of 2024, but it was not yet completely tamed. The US Federal Reserve, the ECB and the SNB were nevertheless able to reverse course on monetary policy and have already lowered their benchmark lending rates several times. Against this backdrop, several major stock indices set new all-time highs. Healthcare was not very high on investor buy lists, but several Bellevue healthcare investment strategies still delivered a very pleasing performance.

Despite the ongoing war in Ukraine and a further escalation of hostilities in the Middle East that led to a period of heightened volatility in financial markets, a number of major stock indices rose to new record highs last year. The S&P 500 closed above 6000 points for the first time ever in 2024 and the Dax also marched past its previous record high. Once again, tech stocks couldn't be stopped and the Nasdaq 100 rose to new heights, briefly trading above the 22 000 threshold. Falling interest rates and geopolitical crisis also made gold shine, which likewise rose to a new high of USD 2790 per troy ounce.

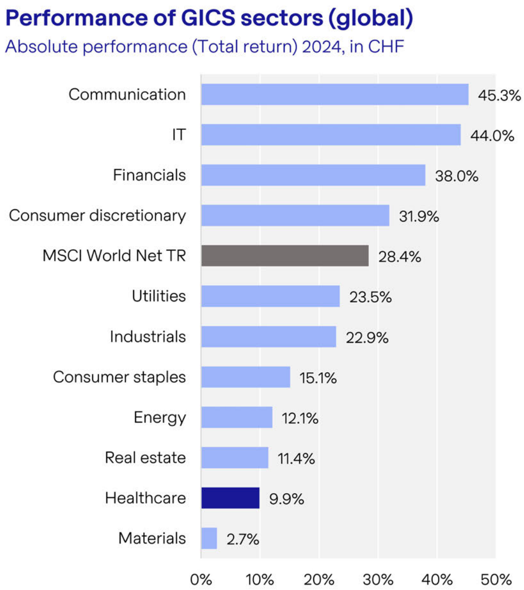
The outcome of the closely followed 2024 US elections was quickly clear. Donald Trump beat Kamala Harris and the Republican Party also won a majority in both the Senate and the House of Representatives. Donald Trump's second term as president could bring some positive momentum into the healthcare sector, but his nomination of Robert F. Kennedy Jr. as the new head of the Department of Health and Human Services injected a dose of extra uncertainty into the industry.

The US central bank's federal funds rate, which had stood at 5.5% early in the year, was reduced for the third time in a row at the Fed's December meeting, bringing the target range to 4.25% to 4.5%. At the same time the Fed projected a more cautious monetary outlook for 2025 and mentioned that its future rate policy decisions would also have to take into consideration the impact of any new tariffs or tax cuts introduced by the Trump administration, in addition to job and inflation data. In Switzerland, the new SNB Chairman Martin Schlegel caused a stir in December when the SNB announced an unexpectedly large rate cut. The Swiss central bank reduced its key lending rate by half a percentage point to 0.5%, citing a significant decrease in inflationary pressure. The European Central Bank reduced its key interest rate, too, and also lowered its growth and inflation forecasts. The election of Donald Trump and the political vacuum in France and Germany are negative factors for Europe's economy, which clearly weakened over the course of the year.



Source: Bellevue Group, as of December 31, 2024

Investors were able to achieve positive returns in most of the major stock exchanges last year. US stocks performed particularly well. They were led higher by the very resilient US economy, Fed rate cuts, enduring high expectations regarding the potential of artificial intelligence (AI), and by the outcome of the US November elections. The European Stoxx Europe 600 Index (+10.1%) and the SPI (+6.2%) also closed higher last year but were again unable to match the strong gains of the S&P 500 (+35.2%). Small caps advanced as well but were unable to keep pace with the broader market, at both the global and regional level. As for sector performance, communication services (+45.3%), IT (+44.0%) and financials (+38.0%) were the best performers, while basic materials (+2.7%), healthcare (+9.9%) and real estate (+11.4%) brought up the rear. All performance data is in CHF.

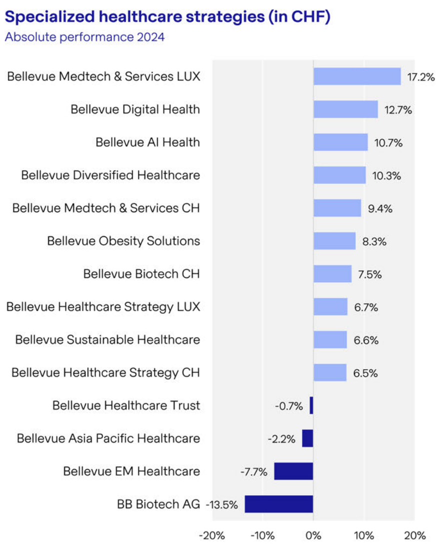


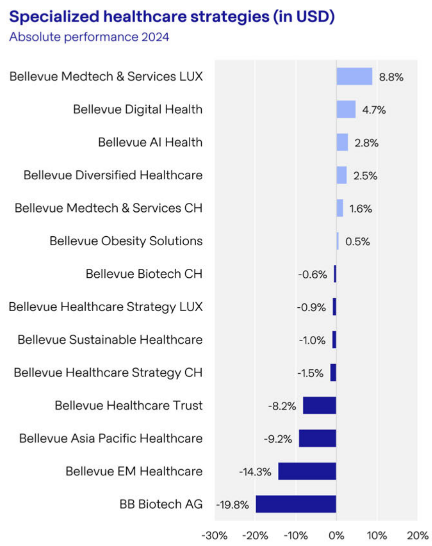
Source: Bellevue Group, as at December 31, 2024

Healthcare – several highlights in 2024, no broad upturn

Shares of pharmaceutical heavyweights such as Eli Lilly and AbbVie delivered double-digit returns last year. Innovative large-cap medtech companies led by excellent management teams, Intuitive Surgical, Boston Scientific and Stryker, for example, also achieved significant gains and continued to build on their successful business strategy. In the biotech sector, positive clinical trial data and good operating results lifted the stock prices of companies such as Argenx. The global healthcare sector as measured by the MSCI World Healthcare Index (+9.9% in CHF) ended 2024 in positive territory but underwent a correction during the second half of the year.

Donald Trump's second term as president will very likely build on the key cornerstones of his first term and could provide an overall favorable setting for the healthcare sector. Republican policies have traditionally promoted innovation and a strong economy. Tax breaks and fewer regulatory constraints are clearly positive factors for companies active in the fields of biopharmaceuticals and medical technology. The new administration is also expected to embrace policies that would speed up approval processes for new drugs and medical devices, further sharpening the country's competitive edge. What's more, the anticipated more business-friendly stance at the Federal Trade Commission (FTC) could lead to an increase in M&A activity, and that has often led to higher valuations, especially for small- and mid-cap stocks. The new political agenda in Washington and the ongoing implementation of the Inflation Reduction Act are not without risks though. Issues such as lower drug prices and changes to the general framework for government health insurance programs in the US must be carefully considered when making investment decisions in 2025.





Source: Bellevue Group, as at December 31, 2024

BB Biotech AG's Net Asset Value (NAV) increased by 3.0% in CHF in 2024 (NBI +6.7%) while its share price declined by 13.5%. The stock began the year with a slight premium of 0.9% to NAV and ended the year with a discount of 14.6% to NAV. Winning stocks in the portfolio were led by Argenx, Revolution Medicines and Scholar Rock, while Ionis, Moderna and Sage were performance detractors. Shares of Bellevue Healthcare Trust ended the year with a negative return of 0.7% in CHF.

With a return of 17.2% in CHF, Bellevue Medtech & Services clearly outperformed the broad healthcare sector. Generally positive earnings reports from medical technology companies were attributed to high growth rates in surgical procedure volumes, which also benefited hospital stocks. The approval and market launch of major new products also contributed to the medtech sector's good sales growth. Individual subsegments of the medtech and services sector, such as health insurers that are focused on Medicaid health insurance programs for low-income households, traded lower after the Republican sweep of the November elections because the party wants to cut federal spending on Medicaid. However, this correction had only a marginal impact on the fund's performance due to the low portfolio weighting of this particular subsegment.

The Bellevue Digital Health Fund (+12.7% in CHF) recovered over the course of the year. From a fundamentals standpoint, digital health companies active in a highly diverse range of areas are displaying a stable path of above-average growth. The IPO window reopened in 2024 and the fund's portfolio managers participated in three IPO transactions. The prospect of more rate cuts from the US central bank and an acceleration in M&A activity are additional arguments in favor of this investment solution.

Bellevue's two newest products, Bellevue AI Health (+10.7% in CHF) and Bellevue Obesity Solutions (+8.3% in CHF), which were launched at the end of November 2023, also closed 2024 with a positive return. The healthcare industry, more than almost any other industry, is predestined for the application of artificial intelligence. The huge amount of data that is generated within the industry every day creates virtually unlimited possibilities for AI applications. Procept BioRobotics, for example, has taken a decisive step with its Hydros Robotic System for the resection of prostate tissue. Hydros is an AI-powered platform that surgeons use to define and plan surgical prostate treatment, which is then performed in a robot-assisted operation using a disposable endoscope. This translates into faster and safer treatment, and more consistent treatment outcomes. Solutions for obesity prevention and treatment are also in greater demand than ever before and the major clinical milestones on the horizon in 2025 will advance the development of what could become the largest class of drugs ever created. A number of companies active in this field have already performed very well and made positive contributions to the fund's overall performance. Zealand Pharma, for example, released positive Phase Ib data from its trial of petrelintide, an amylin analog. Negative price movements, as witnessed towards the end of the year in Novo Nordisk, underscore the advantages of portfolio diversification in this rapidly growing market.

The global healthcare funds Bellevue Diversified Healthcare (+10.3%), Bellevue Healthcare Strategy (+6.7%) and its sustainable counterpart Bellevue Sustainable Healthcare (+6.6%) achieved positive returns. The two regional healthcare strategies Bellevue Asia Pacific Healthcare (-2.2%) and Bellevue Emerging Markets Healthcare (-7.7%) were unable to stage a recovery in 2024. Positive R&D news flow from numerous Chinese biotech companies has been overshadowed by the passage of the Biosecure Act in Washington as well as other factors, and the positive performance of other local healthcare markets such as India was not enough to turn around the general trend. All performance data is in CHF.

Broadly speaking, the long-term outlook for the healthcare sector remains positive. Demographic challenges, unhealthy lifestyle habits (keyword obesity) and the rising cost of healthcare act as an incubator for medical innovation. Not only that, thanks to the huge amount of available data, the healthcare system has a decisive advantage when it comes to AI, which is still at an early stage of deployment.

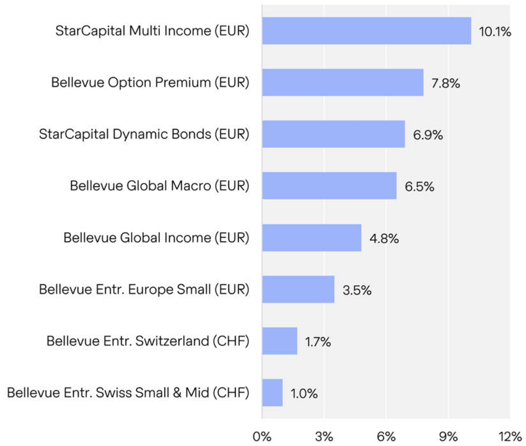
Regional strategies and multi-asset solutions – positive amid the volatile environment

Unlike in the US (Magnificent 7 stocks), European index heavyweights as tracked by GRANOLAS (+3.2%) lost momentum during the period under review. European stocks generally ended 2024 in positive territory, but investors became more worried about new punitive US tariffs and the impact they could have on growth in the eurozone, and political uncertainty in France and Germany also weighed on sentiment. The ECB cut its key lending rate four times in 2024 in response to growing concern about the eurozone economy.

Against this market backdrop, the Bellevue Entrepreneur Europe Small Fund delivered a positive return of 3.5% and outperformed its benchmark. The Switzerland-focused equity strategies Bellevue Entrepreneur Switzerland (+1.7%) and Bellevue Entrepreneur Swiss Small & Mid (+1.0%) also generated positive returns, slightly below that of their European sister fund. The SPI Extra Index closed the year 3.8% higher yoy.

The sub-par performance of European small- and mid-cap stocks in 2024 is the latest chapter of a prolonged period of underperformance that began in 2021. The EU is displaying modest economic growth and PMI readings for the manufacturing sector have been below the growth threshold of 50 since the summer of 2022. Meanwhile many US investors are keeping away from European equities, sending the relative overweight of US equities to its highest level in 24 years. As stock pickers, we like to be contrarian and are maintaining our focus on promising, attractively valued companies. We believe an excessive amount of pessimism has been priced into our targeted market segments, and that alone could lead to a more constructive performance in 2025.

Traditional and alternative investment strategies
Absolute performance 2024, in base currency



Source: Bellevue Group, as at December 31, 2024

The positive performance of the Bellevue Global Macro Fund (+6.5% in EUR) was well supported, its multi-asset portfolio having benefited from investments in precious metals as well as in equities and bonds. The StarCapital Multi Income Fund generated a positive return of 10.1% in 2024. The bond strategies Bellevue Global Income (+4.8%) and StarCapital Dynamic Bonds (+6.9%) also gained in value last year and clearly outperformed the Bloomberg Global Aggregate Bond EUR Hedged Index (+1.7%). Within the fixed income allocation, corporate bonds performed the best, while government bonds yielded very slim returns. After gaining 11.4% in 2023, the volatility strategy Bellevue Option Premium once again proved its worth in 2024 and generated a return of 7.8% in EUR.

Private Markets – focus on growth investments in SMEs

Bellevue Private Markets focuses on proprietary growth equity investments in SMEs in the DACH region. While 2024 was distinguished by a highly dynamic market and a well-filled deal pipeline, portfolio management activity was primarily engaged in operational value creation and growth initiatives. The timing of the planned exits turned out to be unfavorable: The average valuation of M&A transactions in Europe in terms of EV/EBITDA dropped by about 30% from the previous peak seen in 2021 and now stands at a 10-year low. This consolidation was even more pronounced in the lower market segment (deal volumes of less than EUR 100 mn).

However, declining bond yields and an obvious normalization on the inflation front in developed countries are overall positive factors for private market transactions and valuations. Even Trump's trade tariff threats have not dampened investor enthusiasm in the stock market, and key leading indicators such as the ISM Services PMI (purchasing managers' index for the US services sector), which is currently well above the 50 threshold and higher than it has been in the past two years, are pointing up.

However, the «special situation» in Germany is also a significant factor for the LPCI, given its focus on the DACH region. In 2024, Germany's economy shrank 0.2%, which marked the second consecutive year of a negative GDP reading. A significant improvement is not expected in 2025 either. The current political paralysis after the break-up of Germany's so-called traffic light coalition government is not exactly good news either. Germany's biggest political parties reached an agreement to hold early elections on February 23, 2025. Although forming a new coalition after the elections could be a difficult exercise, Berlin is then expected to wield more political power again and will hopefully be better at making and following through on decisions. Germany's economy is in urgent need of some stimulus because the typical business model of entire industries (especially the auto industry) is currently feeling the heat from foreign competition and other challenges at a time of fundamental upheaval.

With adbodmer AG's exclusive group of investors and Bellevue Entrepreneur Private LPCI («LPCI») – our specialist investment company – Bellevue can raise significant amounts of capital and also has access to an extensive pool of entrepreneurial experience and collective know-how as well as a vast and valuable business network. These qualities are appreciated and valued by existing portfolio companies as well as potential investment targets.

Two new investments were made for the LPCI in 2024. In January, acting as co-investor, we invested in a company that offers highly specialized B2B customer retention services for the global luxury goods industry. Its business activities are grouped under three subsegments with significant cross-selling potential: product visualization (point-of-sale displays for branded luxury products), product packaging and creative interior solutions. An investment in a second company, a holding company that owns several ambulatory healthcare centers, was made towards the end of the year. The healthcare centers mostly provide outpatient procedures and integrative cancer care.

The operational performance of the existing portfolio companies of the LPCI was mixed due to the challenging economic environment. Cyclical companies had to contend with economic headwinds. Continued subdued consumer sentiment and greater competitive pressure from Asia had an impact on the sales of several companies. But there were also companies in the portfolio that celebrated major operational achievements, successfully executed key projects and reached strategic milestones, extending their growth trajectories. In the absence of strong economic tailwinds – especially in Europe – attention will remain focused on efficiency gains, the optimization of business operations, core business activities and on profitability. Although interest rates have moved lower, prudent and selective use of leverage is still called for; global economic growth currently seems too shaky for overly ambitious investment proposals riding on a lot of optimism. Instead, targeted investment programs must contribute to profitable growth in as short a time frame as possible. After years of growth-at-all-cost strategies, the market is now clearly acknowledging the value of this approach.

One private equity transaction took place in the fourth quarter that was financed exclusively by members of the investor group due to the more distant exit horizon. It involved a Swiss company that specializes in the development and production of small and micro-sized rechargeable lithium-ion batteries that are primarily sold to the medical technology sector.

Once again, Bellevue adbodmer's strategic focus on companies with a very clear USP, solid financials and low levels of debt served the company well given the volatile environment.

Sales and distribution highlights

Bellevue has an established client network in its three core markets of Switzerland, Germany and the United Kingdom, augmented by operations in its strategic secondary markets of Austria, the Benelux, Spain and, most recently, with the new subsidiary in Singapore. Investor demand in the targeted European markets was weak in 2024, especially for specialized healthcare investment vehicles. This is attributed to a challenging market environment as well as persisting political and economic uncertainty.

Expansion of Bellevue's distribution power

We continued to strengthen our sales team in Switzerland so we can address the specific needs of our domestic clientele even better.

A new key client coverage function was introduced to further enhance Bellevue's key account management, helping clients to take full advantage of the entire range of Bellevue's services. This new function serves as a single point of contact that pools our company-wide expertise and enables us to offer exclusive solutions of the utmost quality.

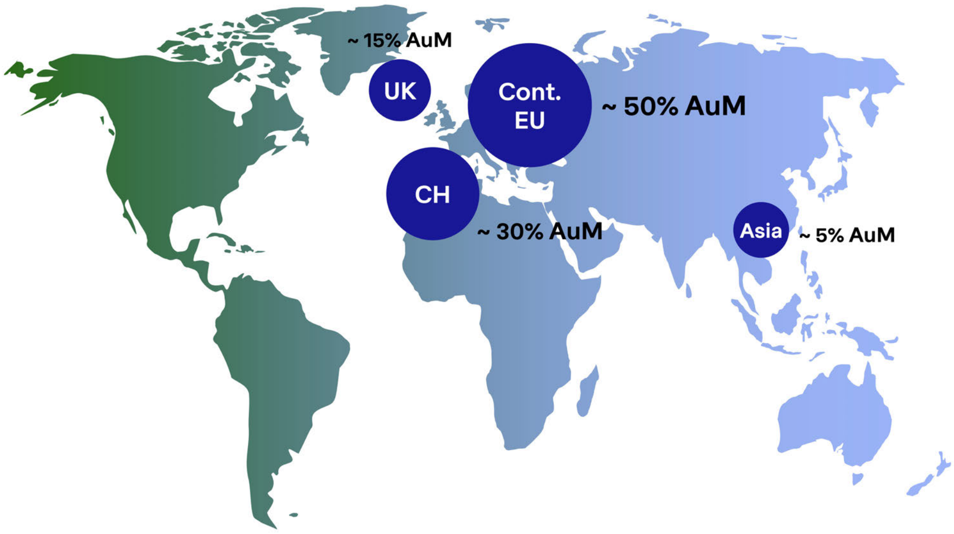
The ongoing refinement of our CRM capabilities and the integration of a marketing tool are strategic investments in our digital infrastructure. The ultimate aim – optimal client engagement – will increase the efficiency of our marketing and sales processes, improve one-on-one communications and lead to better data-driven decisions.

International expansion and diversification

A core element of Bellevue's business strategy is the steady expansion of its international presence. Switzerland, Germany and the United Kingdom are Bellevue's core markets and are covered by dedicated country teams. These three markets account for the bulk of Bellevue's total assets under management. The importance of Spain has grown in recent years thanks to successful collaboration with a local partner and the country is now Bellevue's fourth-largest market.

Bellevue's sales and distribution activities in its domestic market were intensified, especially in the French- and Italian-speaking parts of the country. The organizational structure of the sales and distribution team for Germany was modified, allowing it to engage more closely with all relevant client segments. In 2024 the team shifted its focus towards local savings and cooperative banks. Bellevue has a stable client base in Austria with growth potential and continues to build up its market presence in the Benelux. The United Kingdom was an attractive market for the investment companies BB Biotech AG and Bellevue Healthcare Trust in past years, but this was not the case in 2024, especially for Bellevue Healthcare Trust. However, signs of a change for the better in the healthcare sector have been observed early in 2025 and this could benefit BB Biotech AG in particular.

Regional breakdown



Source: Bellevue Group, as at December 31, 2024

Local subsidiary established in Singapore

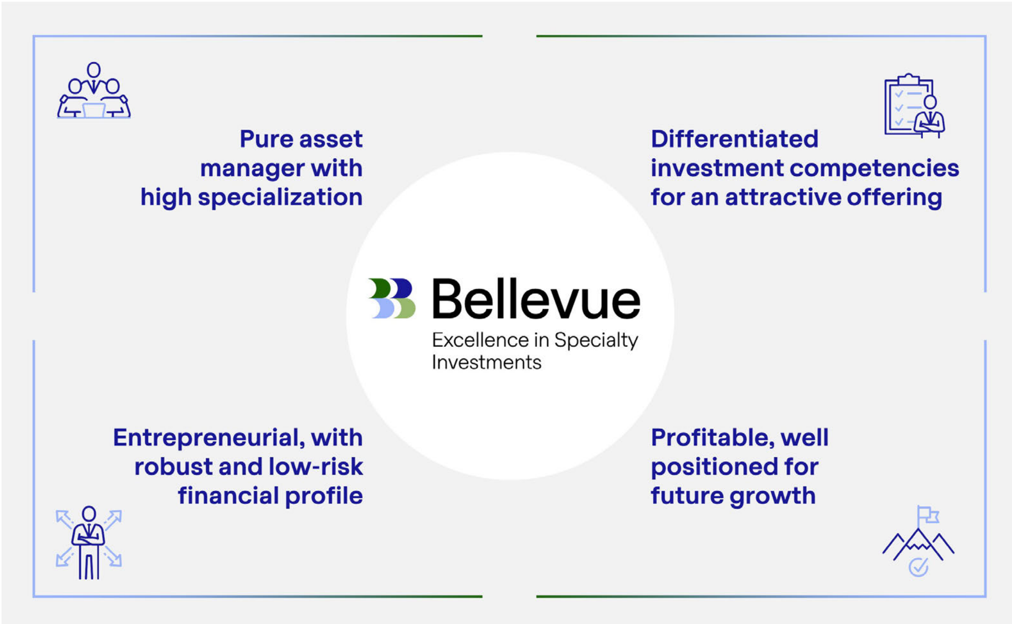
In keeping with its growth strategy, Bellevue is selectively developing new markets and client groups to enhance its operating efficiency and expand its international reach. In this context, a new sales and distribution company was established in Singapore to cover local markets, with a focus on Singapore and Hong Kong. Bellevue's Singapore office is primarily targeting professional investors such as banks, asset managers and family offices. This local presence attests to the region's strategic importance and growth potential. Management plans to gradually expand its existing Asia team.

Business model and strategy

A proudly independent company founded in 1993, Bellevue Group – based in Kusnacht/Switzerland – and its approximately 90 employees offer access to attractive and innovative investment ideas that generate value for investors and the company's shareholders. We employ highly qualified investment specialists with many years of experience in the areas that are relevant to us – with a particular focus on healthcare and other growth strategies. As a «House of Investment Ideas», we know that quality and innovation are vital for creating value. We are constantly exploring and exploiting promising opportunities for value growth. Our teams are guided by an entrepreneurial mindset distinguished by mutual trust and creative autonomy at all points of interaction. Our strong convictions in the investment decisions we make is why we also have an active stake in our investments – and thus in the success of the clients we serve.

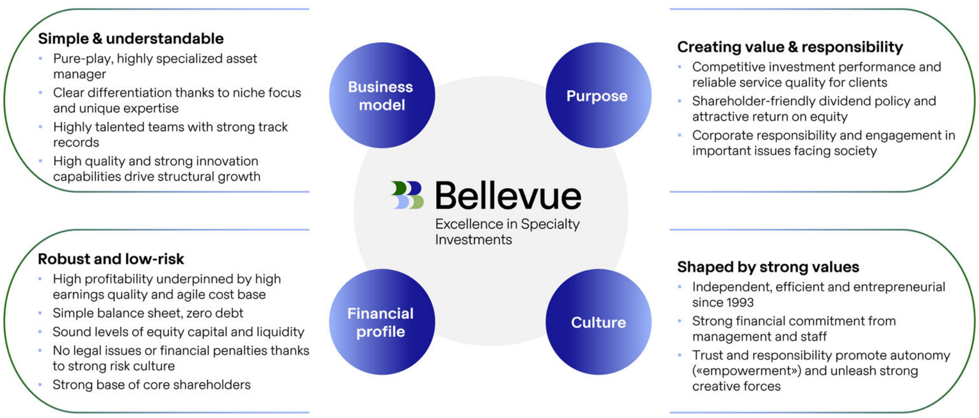
At a glance

- Bellevue is a pure play, highly specialized asset manager with a distinctive focus on healthcare and other attractive growth strategies
- Expertise and innovation are what make us unique
- Creating value for clients and shareholders is our mission
- Our business model is straightforward, transparent and highly scalable
- Our financial profile is robust and low on risk
- Responsibility towards all employees, business partners and the environment is non-negotiable



Clear-cut strategy and distinctive business profile

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



A forward- and growth-oriented strategy focused on profitability

Future growth will primarily be fueled by the investment performance of existing products, the development of interesting new products and the acquisition of new clients. We have a sound platform and clear strategy to grow on all three fronts.

Growing with our established products is a priority. Our existing products offer us substantial growth potential and the best returns. «Grow with the products» is only possible by maintaining and innovating top-quality products. Continuous investment in modern platforms and infrastructure ensures our ability to meet that goal.

A steady expansion of the underlying client base is also needed to «Grow with the products». Here we are pursuing various strategies to expand already strong positions in existing markets and to establish new positions in strategic secondary markets.

Reliable quality and strong innovation are the basic prerequisites for generating high value for our stakeholders.

Besides quality, innovation is another key growth driver. The development of innovative concepts for non-traditional and traditional products enables us to take full advantage of our business model's growth potential. We therefore strive to expand «Bellevue Private Markets» and in other specialized areas.

The pipeline of ideas and products for the coming years is well-filled. At the same time, existing products or services that no longer have a truly distinctive or sharp competitive edge will be re-positioned or discontinued. We are not seeking growth in and of itself, but rather sustained, quality earnings potential with an attractive cost/income ratio.

Financial Report

Financial Report 29–89

Consolidated income statement

CHF 1 000	Note	01.01.–31.12.2024	01.01.–31.12.2023	Change
Revenues from asset management services	2.1	69 581	81 793	– 12 212
Income from financial investments		379	– 915	+1 294
Net other income	2.2	213	1 013	– 800
Income		**70 173**	**81 891**	**– 11 718**
Personnel expenses	2.3	– 39 944	– 43 823	+3 879
Other operating expenses	2.4	– 13 539	– 14 362	+823
Depreciation and amortization	2.5	– 4 227	– 3 663	– 564
Valuation adjustments and provisions	2.6	– 476	–	– 476
Expenses		**– 58 186**	**– 61 848**	**+3 662**
Group profit before tax		**11 987**	**20 043**	**– 8 056**
Taxes	2.7	– 2 828	– 4 820	+1 992
Group net profit		**9 159**	**15 223**	**– 6 064**
Earnings per share				
Undiluted earnings per share (in CHF)	11	+0.69	+1.15	– 0.46
Diluted earnings per share (in CHF)	11	+0.69	+1.15	– 0.46

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

Consolidated statement of comprehensive income

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023	Change
Group net profit	**9 159**	**15 223**	**– 6 064**
Other comprehensive income			
Items that may be reclassified subsequently to net income			
Currency translation adjustments	914	– 1 573	+2 487
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	– 387	39	– 426
Remeasurements of post-employment benefit obligations	– 1 271	947	– 2 218
Other comprehensive income (net of tax)	**– 744**	**– 587**	**– 157**
Total comprehensive income	**8 415**	**14 636**	**– 6 221**

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

Consolidated balance sheet

CHF 1 000	Note	31.12.2024	31.12.2023	Change
Cash and cash equivalents		26 849	38 834	– 11 985
Trade and other receivables	3.2	8 032	7 728	+304
Financial investments	3.1/3.3	45 789	43 511	+2 278
Other assets	3.4	3 393	4 390	– 997
Current tax assets		2 416	544	+1 872
Current assets		**86 479**	**95 007**	**– 8 528**
Financial investments	3.1/3.3	7 209	6 714	+495
Property and equipment	3.5	22 781	4 186	+18 595
Goodwill and other intangible assets	3.6	42 063	43 151	– 1 088
Other assets	3.4	3 332	6 167	– 2 835
Deferred tax assets	2.6	407	318	+89
Non-current assets		**75 792**	**60 536**	**+15 256**
Assets		**162 271**	**155 543**	**+6 728**
Trade and other payables	3.7	19 863	21 107	– 1 244
Lease liabilities	3.8	2 252	2 103	+149
Current tax liabilities		316	781	– 465
Current liabilities		**22 431**	**23 991**	**– 1 560**
Trade and other payables	3.7	2 918	5 178	– 2 260
Lease liabilities	3.8	16 997	1 364	+15 633
Deferred tax liabilities	2.7	1 405	2 542	– 1 137
Non-current liabilities		**21 320**	**9 084**	**+12 236**
Liabilities		**43 751**	**33 075**	**+10 676**
Share capital	3.10	1 346	1 346	–
Capital reserves		27 340	27 340	–
Unrealized gains and losses recognized in other comprehensive income		– 4 544	– 2 886	– 1 658
Currency translation adjustments		– 4 097	– 5 011	+914
Retained earnings		103 529	110 504	– 6 975
Treasury shares	3.11	– 5 054	– 8 825	+3 771
Total shareholders' equity		**118 520**	**122 468**	**– 3 948**
Total liabilities and shareholders' equity		**162 271**	**155 543**	**+6 728**

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

Statement of shareholders' equity

CHF 1 000	Share capital	Capital reserves	Gains and losses recognized in other compre-hensive income	Currency translation adjust-ments	Retained earnings	Treasury shares	Total
Balance as of 01.01.2024	**1 346**	**27 340**	**– 2 886**	**– 5 011**	**110 504**	**– 8 825**	**122 468**
Currency translation adjustments	–	–	–	914	–	–	914
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	–	–	– 387	–	–	–	– 387
Remeasurement of post-employment benefit obligations	–	–	– 1 271	–	–	–	– 1 271
Other comprehensive income	**–**	**–**	**– 1 658**	**914**	**–**	**–**	**– 744**
Group net profit	–	–	–	–	9 159	–	9 159
Total comprehensive income	**–**	**–**	**– 1 658**	**914**	**9 159**	**–**	**8 415**
Employee stock ownership plan	–	–	–	–	317	–	317
Acquisition of own shares	–	–	–	–	–	– 99	– 99
Disposal of own shares	–	–	–	–	– 1 313	3 870	2 557
Dividends and other distributions	–	–	–	–	– 15 138	–	– 15 138
Transactions with owners in their capacity as owners	**–**	**–**	**–**	**–**	**– 16 134**	**3 771**	**– 12 363**
Balance as of 31.12.2024	**1 346**	**27 340**	**– 4 544**	**– 4 097**	**103 529**	**– 5 054**	**118 520**

CHF 1 000	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**

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

Consolidated cash flow statement

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Cash flow from operating activities		
Total group profit	**9 159**	**15 223**
Reconciliation to net cash flow from operating activities		
Non-cash positions in Group results:		
Depreciation and amortization	4 227	3 663
Valuation adjustments (impairment)	476	–
Income taxes	2 828	4 820
Other non-cash items	– 1 788	1 481
Net (increase) / decrease in operating assets		
Receivables and other assets	3 613	8 653
Financial assets	– 2 747	– 7 058
Net increase / (decrease) in liabilities		
Payables and other financial liabilities	– 2 237	– 13 413
Paid income taxes	– 5 196	– 5 529
Interest paid	– 1	–
Interest received	650	457
Dividend received	418	589
Cash flow from operating activities	**9 402**	**8 886**
Cash flow from investing activities		
Purchase of property and equipment	– 4 267	– 69
Disposal of property and equipment	36	–
Disposal of subsidiaries, less cash and cash equivalents	– 576	–
Net cash flow from investing activities	**– 4 807**	**– 69**
Cash flow from financing activities		
Dividends paid	– 15 138	– 26 368
Leasing payments	– 2 205	– 2 016
Purchases of treasury shares	–	– 5 674
Disposal of treasury shares	303	–
Net cash flow from financing activities	**– 17 040**	**– 34 058**
Currency translation effects	460	– 606
Net increase / (decrease) in cash and cash equivalents	**– 11 985**	**– 25 847**
Cash at the beginning of the period	**38 834**	**64 681**
Cash at the end of the period	**26 849**	**38 834**

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 focuses exclusively on the Asset Management business unit and reports one reportable segment. The segment consists of the operating business units Bellevue Asset Management and Bellevue Private Markets. The two business units are aggregated into one reportable segment as they have similar economic characteristics. 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 with pronounced anti-cyclicality. 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.–31.12.2024	01.01.–31.12.2023
Operating income		
Switzerland	57 078	71 490
United Kingdom	7 134	8 662
Germany	3 328	4 098
Other countries [1]	2 633	– 2 359
Total	**70 173**	**81 891**

[1] The negative operating income from other countries in the previous period is mainly due to negative income from financial investments.

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

CHF 1 000	31.12.2024	31.12.2023
Non-current assets		
Switzerland	52 357	33 967
Germany	12 377	13 043
Other countries	110	327
Total	**64 844**	**47 337**

2 Details on the consolidated income statement

2.1 Revenues from asset management services

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Management fees	65 359	79 268
Performance fees	2 293	1 995
Other commission income	3 583	3 330
Fee and commission expense	– 1 654	– 2 800
Revenues from asset management services	**69 581**	**81 793**

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.–31.12.2024	01.01.–31.12.2023
Dividend income	418	589
Interest income	698	500
Interest expenses	– 195	– 92
Net foreign exchange income/losses	– 328	– 18
Other	– 380	34
Total net other income	**213**	**1 013**

2.3 Personnel expenses

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Fix and variable salaries	34 554	37 943
Pension cost	1 927	1 929
Other social benefits	2 825	2 867
Other personnel expenses	638	1 084
Total personnel expenses	**39 944**	**43 823**

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.–31.12.2024	01.01.–31.12.2023
Occupancy and maintenance expenses	642	717
IT and telecommunications	4 520	4 676
Travel and representation, PR, advertising	2 899	3 777
Consulting and audit fees	2 173	1 667
Research expenses	1 648	2 129
Other expenses	1 657	1 396
Total other operating expenses	**13 539**	**14 362**

2.5 Depreciation and amortization

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Depreciation of property and equipment	125	242
Depreciation of rights of use	2 864	1 989
Depreciation of intangible assets	1 238	1 432
Total depreciation and amortization	**4 227**	**3 663**

2.6 Valuation adjustments and provisions

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Value adjustment Property and equipment (impairment)	476	–
Total valuation adjustments and provisions	**476**	**–**

2.7 Tax

2.7.1 Tax expenses

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Current income taxes	3 691	6 215
Deferred income taxes	– 863	– 1 395
Total tax expenses	**2 828**	**4 820**

Tax expenses reconciliation		
Pre-tax result	11 987	20 043
Expected rate of income tax [1)]	19%	19%
Expected income tax	2 277	3 808
Reasons for higher/lower amounts:		
Difference between applicable local tax rates and assumed mixed tax rate	251	– 286
Non-deductible expenses	300	1 298
Total tax expenses	**2 828**	**4 820**

[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.–31.12.2024	
Tax effect of other comprehensive income	**Amount before taxes**	**Tax income/ (expense)**	**Amount after taxes**
Currency translation adjustments	914	–	914
Gains and losses arising on revaluation of financial assets at fair value through other comprehensive income	– 453	66	– 387
Remeasurement of post-employment benefit obligations IAS 19	– 1 568	297	– 1 271
Total	**– 1 107**	**363**	**– 744**

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**

2.7.2 Deferred tax assets

CHF 1 000	Total
Balance as of 01.01.2023	358
Credited/(charged)	
to profit or loss	– 25
Currency translation adjustments	– 15
Balance as of 31.12.2023	**318**
Balance as of 01.01.2024	318
Credited/(charged)	
to profit or loss	74
Currency translation adjustments	15
Balance as of 31.12.2024	**407**

CHF 1 000	31.12.2024	31.12.2023
Expiry of unrecognized loss carryforwards		
1 to 5 years	2 195	821
More than 5 years	3 316	4 114
Total	**5 511**	**4 935**

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.

2.7.3 Deferred tax liabilities

CHF 1 000	Intangible assets	Assets from pension plans	Other [1]	Total
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**
Balance as of 01.01.2024	605	376	1 561	2 542
Charged/(credited)				
to profit or loss	– 275	– 2	– 513	– 790
to other comprehensive income	–	– 297	– 66	– 363
Currency translation adjustments	6	–	10	16
Balance as of 31.12.2024	**336**	**77**	**992**	**1 405**

[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	31.12.2024	31.12.2023
	Book value	Book value
Assets		
Financial investments		
Investments in own products	22 189	22 622
Investments in own products to fulfill long-term incentive plans	3 699	8 398
Other investments in equity instruments	672	866
Financial assets at fair value through profit and loss	**26 560**	**31 886**
Financial investments		
Investments in own products	7 211	6 129
Financial assets with OCI fair value measurement	**7 211**	**6 129**
Total financial assets at fair value	**33 771**	**38 015**

The fair value of the other financial instruments (incl. time deposits of CHF 19.2 mn, previous period: 12.2 mn), 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
31.12.2024				
Assets				
Financial investments				
Investments in own products	2 454	19 735	7 211	29 400
Investments in own products to fulfill long-term incentive plans	3 699	–	–	3 699
Other investments in equity instruments	672	–	–	672
Financial assets at fair value	**6 825**	**19 735**	**7 211**	**33 771**

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**

No transfer between levels of the fair value hierarchy took place in 2024 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. The instruments categorised as Level 2 are regulated investment funds. These funds publish a daily net asset value (NAV), but there is no active market for the trading of fund units in these investment funds. The valuation of the single fund units is based on the published NAVs. The valuation of these published NAVs is mainly determined by the listed investments held by the investment funds and therefore by parameters that are directly or indirectly observable on the market.

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, taking into account any value adjustments according to own assessment.

3.1.3 Level 3 financial instruments

CHF 1 000	31.12.2024	31.12.2023
	Financial investments	**Financial investments**
Holdings at the beginning of the year as of 01.01.	6 713	7 850
Investments	1 536	1 106
Redemptions/Payments	– 705	– 162
Losses recognized in the income statement	– 31	– 2 112
Losses recognized in other comprehensive income	– 787	– 413
Gains recognized in the income statement	151	–
Gains recognized in other comprehensive income	334	444
Total book value at balance sheet date	**7 211**	**6 713**
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**

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	7 211	Net asset value	+ 10 percentage points	721
			- 10 percentage points	– 721

3.1.4 Derivative financial instruments

CHF 1 000	Positive replacement value	Negative replacement value	Contract volume
31.12.2024			
Futures [1]	–	–	2 745
Total	**–**	**–**	**2 745**
31.12.2023			
Futures [1]	–	–	3 316
Total	**–**	**–**	**3 316**

[1] Level 1: listed on an active market

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	31.12.2024	31.12.2023
Trade receivables	5 901	6 877
Prepayments	723	377
Other receivables	1 408	474
Total	**8 032**	**7 728**

3.3 Financial investments

CHF 1 000	31.12.2024	31.12.2023
Investments in own products	29 400	28 751
Investments in own products to fulfill long-term incentive plans	3 699	8 398
Other investments in equity instruments	672	866
Time deposits	19 227	12 210
Total	**52 998**	**50 225**
Current	45 789	43 511
Non-current	7 209	6 714
Total	**52 998**	**50 225**

3.4 Other assets

CHF 1 000	31.12.2024	31.12.2023
Assets related to other employee benefits	5 212	7 466
Assets from pension plans	408	1 986
Other	1 105	1 105
Total	**6 725**	**10 557**
Current	3 393	4 390
Non-current	3 332	6 167
Total	**6 725**	**10 557**

3.5 Property and equipment

CHF 1 000	IT equipment	Right of use	Other fixed assets	Total
Acquisition cost				
Balance as of 01.01.2023	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
Additions	64	18 124	4 203	22 391
Disposals	–	– 2 105	–	– 2 105
Foreign currency impact	–	47	3	50
Balance as of 31.12.2024	**920**	**20 689**	**5 604**	**27 213**
Accumulated depreciation				
Balance as of 01.01.2023	– 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
Additions	–	– 2 864	– 125	– 2 989
Impairment	–	–	– 476	– 476
Disposals	–	1 738	–	1 738
Foreign currency impact	–	– 14	–	– 14
Balance as of 31.12.2024	**– 856**	**– 2 398**	**– 1 178**	**– 4 432**
Net carrying values				
Balance as of 01.01.2023	–	3 182	1 005	4 187
Balance as of 31.12.2023	–	3 365	821	4 186
Balance as of 31.12.2024	**64**	**18 291**	**4 426**	**22 781**

Additions to the cost of the capitalized right of use assets amounted to CHF 18.1 million in 2024 and relate to the relocation to Zurich. In accordance with IFRS, Bellevue recognised the right of use asset and the corresponding lease liability at the inception of the lease. In addition, other fixed assets with a total value of CHF 4.2 million were capitalized in connection with the fit-out and furnishing of the new buildings. Of this amount, CHF 0.4 million relates to furniture and CHF 3.8 million to leasehold improvements. Due to the relocation, an impairment of CHF 0.5 million was also required on existing other fixed assets. The right of use assets recognised as at 31 December 2024 and 31 December 2023 mainly consist of right-of-use assets for properties.

3.6 Goodwill and other intangible assets

CHF 1 000	**31.12.2024**	**31.12.2023**
Goodwill	40 428	40 299
Other intangible assets	1 635	2 852
Total	**42 063**	**43 151**

CHF 1 000	**Total**
Goodwill	
Acquisition cost	
Balance as of 01.01.2023	105 817
Foreign currency effect	– 1 550
Balance as of 31.12.2023	104 267
Foreign currency effect	286
Balance as of 31.12.2024	**104 553**
Accumulated valuation adjustments	
Balance as of 01.01.2023	– 64 821
Foreign currency effect	853
Balance as of 31.12.2023	– 63 968
Foreign currency effect	– 157
Balance as of 31.12.2024	**– 64 125**
Net carrying values	
Balance as of 01.01.2023	40 996
Balance as of 31.12.2023	40 299
Balance as of 31.12.2024	**40 428**

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 2024. The discount rate used in these calculations was between 9.9% and 12% (31.12.2023: 12.3%) and the assumed growth rate was 1% (31.12.2023: 1.5%).

As of December 31, 2024, and December 31, 2023, Bellevue Group did not identify any impairment. The goodwill as of December 31, 2024 is attributable to the CGU-groups Bellevue Asset Management (Bellevue Asset Management AG, CHF 23.8 mn and Bellevue Asset Management (Deutschland) GmbH, CHF 10.8 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 01.01.2023	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
Foreign currency effect	154	3	–	157
Balance as of 31.12.2024	**45 919**	**332**	**230**	**46 481**
Accumulated valuation adjustments				
Balance as of 01.01.2023	– 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
Additions	– 1 192	–	– 46	– 1 238
Disposals	–	–	–	–
Foreign currency effect	– 133	– 3	–	– 136
Balance as of 31.12.2024	**– 44 284**	**– 332**	**– 230**	**– 44 846**
Net carrying values				
Balance as of 01.01.2023	4 255	–	120	4 375
Balance as of 31.12.2023	2 806	–	46	2 852
Balance as of 31.12.2024	**1 635**	**–**	**–**	**1 635**

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, 2024, and December 31, 2023, no impairment was recognized in the review of the residual values. The discount rate used for this purpose was 13.5% (December 31, 2023: between 13.6% and 13.8%) and the applied growth rate between 1% and 2% (December 31, 2023: between 1% and 2%).

3.7 Trade and other payables

CHF 1 000	31.12.2024	31.12.2023
Trade payables	398	419
Accrued expenses [1]	21 343	25 469
Other payables	1 040	397
Total	**22 781**	**26 285**
Current	19 863	21 107
Non-current	2 918	5 178
Total	**22 781**	**26 285**

[1] This item mainly includes accruals for variable compensation and for long-term incentive plans

3.8 Lease liabilities

CHF 1 000	2024	2023
At January 1	3 467	3 287
Additions	18 124	2 307
Disposals	– 367	– 54
Interest expense on lease liabilities	195	91
Payments	– 2 205	– 2 076
Foreign currency effect	35	– 88
At December 31	**19 249**	**3 467**
Current	2 252	2 103
Non-current	16 997	1 364
Total	**19 249**	**3 467**

Additions to lease liabilities in the 2024 financial year amount to CHF 18.1 million and relate to the relocation to Zurich. Bellevue recognised the right of use asset and the corresponding lease liability in accordance with IFRS at the inception of the lease.

3.9 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 2024, it amounts to 1.25% (previous year: 1.25%).

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	**31.12.2024**	**31.12.2023**
Consolidated balance sheet		
Fair value of plan assets	49 481	47 069
Present value of pension obligations	– 49 073	– 43 893
Assets not available to Company	–	– 1 190
Pension plan assets	**408**	**1 986**

As at December 31, 2023 the pension plan had a surplus that had 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.–31.12.2024**	**01.01.–31.12.2023**
Pension cost recognized in the income statement		
Service cost		
Current service cost	– 1 816	– 1 731
Past service cost (plan amendments)	–	– 76
Net interest expenses/income	48	43
Administrative expenses	– 53	– 53
Total pension cost for the period	**– 1 821**	**– 1 817**

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Revaluation components recorded in other comprehensive income		
Actuarial gains/losses		
Arising from changes in economic assumptions	– 3 253	– 2 417
Arising from experience	98	677
Return on plan assets (excluding amounts included in net interest expenses)	358	1 474
Changes in asset ceiling	1 207	1 434
Total of amounts recognized in other comprehensive income	**– 1 568**	**1 168**

CHF 1 000	2024	2023
Development of pension obligations		
At January 1	– 43 893	– 41 758
Current service cost	– 1 816	– 1 731
Employee contributions	– 589	– 574
Interest expenses on the present value of the obligations	– 617	– 917
Pension payments and vested benefits	6 012	4 055
Additions from admissions and voluntary contributions	– 5 037	– 1 152
Plan amendments	–	– 76
Actuarial gains/losses	– 3 133	– 1 740
At December 31	**– 49 073**	**– 43 893**
Development of plan assets		
At January 1	47 069	45 030
Interest income	682	1 018
Plan participants' contribution	589	574
Company contributions	1 811	1 929
Pension payments and vested benefits	– 6 012	– 4 055
Additions from admissions and voluntary contributions	5 037	1 152
Return on plan assets (excluding amounts in net interest)	358	1 474
Administration expense	– 53	– 53
At December 31	**49 481**	**47 069**
Actual return on plan assets	**1 040**	**2 492**

CHF 1 000	31.12.2024	31.12.2023
Allocation of plan assets		
Equities		
Listed investments	19 671	16 425
Bonds		
Listed investments	11 538	9 065
Real estate		
Investments in funds	4 681	4 084
Alternative investments	5 863	5 565
Qualified insurance policies	2 195	2 190
Liquidity	5 533	9 740
Total	**49 481**	**47 069**

The plan assets allocation as at December 31, 2024, as well as at December 31, 2023, 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 led to a plan amendment in the 2023 financial year 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	**31.12.2024**	**31.12.2023**
Active workforce	46 794	41 703
Pensioners	2 279	2 190
Total	**49 073**	**43 893**

The maturity of the obligation is 16.4 years as at December 31, 2024 (previous year: 16.5 years). The expected employer's contributions for 2025 are estimated at CHF 1.8 mn.

	31.12.2024	**31.12.2023**
Actuarial assumptions		
Biometric assumptions	BVG 2020GT	BVG 2020GT
Life expectancy at the age of 65		
Year of birth	1 959	1 958
Men	22.95	22.82
Women	24.70	24.59
Year of birth	1 979	1 978
Men	25.17	25.07
Women	26.67	26.58
Discount rate	0.98%	1.52%
Expected rate of salary increases	1.25%	2.25%
Expected rate of pension increases	0.00%	0.00%
Interest on pension assets	1.70%	1.52%

Changes to the present value of a defined-benefit obligation

CHF 1 000	31.12.2024	31.12.2023
	+0.25%	+0.25%
Assumed interest rate	– 1 781	– 1 610
Salary development	253	233
Interest on pension assets	888	768

	+1 year	+1 year
Development of life expectancy	695	602

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

3.10 Share capital

	Number of shares	Par value CHF 1 000
Share Capital (registered shares)		
Balance as of 01.01.2023	13 461 428	1 346
Balance as of 31.12.2023	13 461 428	1 346
Balance as of 31.12.2024	**13 461 428**	**1 346**
Conditional capital		
Balance as of 01.01.2023	1 000 000	100
Balance as of 31.12.2023	–	–
Balance as of 31.12.2024	**–**	**–**

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, and December 31, 2024 there was neither conditional nor authorized capital nor a capital band.

3.11 Treasury shares

	Number	CHF 1 000
Balance as of 01.01.2023	242 076	8 335
Purchases	214 649	5 674
Disposals	– 151 252	– 5 184
Balance as of 31.12.2023	305 473	8 825
Purchases	5 661	99
Disposals	– 134 225	– 3 870
Balance as of 31.12.2024	**176 909**	**5 054**

Disposals and purchases of treasury shares also include any deliveries or returns of treasury shares as part of share-based payments, which are not cash-effective in such cases.

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. In general, these changes may cause the value of the business units 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 5.3 mn (previous year: CHF 5.0 mn) for the financial assets measured at fair value, of which CHF 4.6 mn (previous year: CHF 4.4 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 31.12.2024		**21 272**	**7 451**	**8 118**
10% change in fair value	**+/– 3684**			
Net position as of 31.12.2023		22 238	7 577	13 380
10% change in fair value	+/– 4320			

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	31.12.2024	31.12.2023
Cash and cash equivalents	26 849	38 834
Trade and other receivables	8 032	7 728
Financial investments	19 227	12 210
Other assets	1 105	1 105
Total	**55 213**	**59 877**

As of December 31, 2024, there are no financial assets that are impaired (December 31, 2023: none) and there are no indications of material adverse effects on the credit quality of financial assets. In 2024, 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
31.12.2024				
Cash and cash equivalents	26 849	–	–	26 849
Trade and other receivables	7 230	802	–	8 032
Financial investments	19 227	–	–	19 227
Other assets	–	–	1 105	1 105
Total	**53 306**	**802**	**1 105**	**55 213**
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**

As of December 31, 2024 and 2023, 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	Due after 5 years	Total
31.12.2024					
Trade and other payables	15 063	4 800	2 918	–	22 781
Leasing liabilities [1]	706	1 829	8 716	9 353	20 604
Total	**15 769**	**6 629**	**11 634**	**9 353**	**43 385**

[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
31.12.2023				
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.

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

					31.12.2024		31.12.2023	
					Share of		Share of	
Company name	**Domicile**	**Purpose**	**Currency**	**Share capital/ Nominal capital**	**Capital**	**Voting rights**	**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 [1]	Guernsey	Investment Advisor	GBP	60 000	0%	0%	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%
Bellevue Asset Management (Singapore) Pte Ltd. [2]	Singapore	Distribution	SGD	1 000 000	100%	100%	n/a	n/a

[1] The company was sold in the 2024 financial year.
[2] The company was established on 17 December 2024. The share capital of SGD 1 000 000 had not yet been paid in as at December 31, 2024.

Minority shareholders’ equity ownership of BB Pureos Bioventures GP Limited was 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	31.12.2024	31.12.2023
Rent deposit accounts in connection with leasing contracts	1 104	1 144
Contingent liabilities [1]	2 034	3 468

[1] The contingent liabilities include capital commitments to private equity funds in the 2024 financial year and in the previous year.

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 2024 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.-31.12.2024		01.01.-31.12.2023	
	Board of Directors	Group Executive Board	Board of Directors	Group Executive Board
Fixed compensation	763	1 445	721	764
– in cash	572	1 445	531	764
– in shares [1]	191	–	190	–
Fixed compensation	–	866	–	–
– in cash	–	239	–	–
– in shares [4]	–	627	–	–
Non-monetary benefit from voluntary stock purchase programs [2]	29	–	14	–
Short-term variable compensation	–	940	–	611
– in cash	–	618	–	611
– in shares [3]	–	322	–	–
– in shares with vesting period [4]	–	–	–	665
Long-term variable compensation	–	44	–	– 65
– in shares [5]	–	44	–	– 65
Total	**792**	**3 295**	**735**	**1 975**

[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. In the 2024 financial year, this item also includes a long-service award in the form of Bellevue Group shares with an equivalent value of CHF 18 750 plus employer contributions to statutory social insurance.

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

In the financial years 2024 and 2023, 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, 2024 and 2023, 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 variable compensation set by the Board of Directors, higher variable compensation (>TCHF 200) is partly paid or allocated in blocked shares of Bellevue Group with a 1-year (pro rata) service condition. The cost of this share-based payment component is recognised over the service period from the grant date, which is usually at the end of April. The shares allocated are measured at market value based on the weighted average price on the ten trading days prior to allocation. The individual allocations take into account function, experience, personal performance and market development. These elements are weighted at individual level. The structure of the variable remuneration and the conditions for vesting, service period and clawback rights are determined by the Board of Directors or the Compensation Committee depending on the function and the amount of the individual variable remuneration. In 2024, TCHF 371 (2023: TCHF 1 653) of share-based compensation costs were recognized in personnel expenses.

10.2. Voluntary employee stock ownership plan

In 2024, the Board of Directors approved a voluntary employee stock option program for a total of 135 000 shares (2023: 135 000 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 12.75 per share (2023: CHF 18.00 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 67 (2023: TCHF 25), which was recognized in personnel expenses. 23 750 rights (2023: 23 169 rights) were exercised, thereof 9 500 (2023: 10 000) by the Board of Directors. The members of the Group Executive Board didn't exercise any rights in 2024 (2023: none).

11 Earnings per share

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Group net profit	9 159	15 223
Weighted average number of issued registered shares	13 461 428	13 461 428
Less weighted average number of treasury shares	– 226 740	– 230 813
Weighted average number of shares outstanding (undiluted)	13 234 688	13 230 615
Weighted average number of shares outstanding (diluted)	13 234 688	13 230 615
Earnings per share		
Undiluted earnings per share (in CHF)	0.69	1.15
Diluted earnings per share (in CHF)	0.69	1.15

12 Dividend payment

The Board of Directors will propose a dividend distribution of CHF 0.70 per registered share to the Annual General Meeting of Bellevue Group AG on March 18, 2025. This corresponds to a total distribution of CHF 9.4 mn.

13 Approval of the consolidated financial statements

The Audit & Risk Committee discussed and approved the consolidated financial statements at its meeting on February 17, 2025, and the Board of Directors at its meeting on February 18, 2025. The consolidated financial statement will be submitted to the Annual General Meeting on March 18, 2025, 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. As of January 1, 2025, the registered office will be relocated to Theaterstrasse 12, 8001 Zurich/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 IFRS Accounting Standards 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 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, 2024:

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

14.4 IFRS Accounting Standards and interpretations which will be introduced in 2025 or later

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

	To be applied as of
Amendments to IAS 21: Lack of exchangeability	01.01.2025

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:

	2024		2023	
	Year-end rate	**Average rate**	**Year-end rate**	**Average rate**
EUR	0.94008	0.95223	0.92887	0.97071
USD	0.90740	0.88279	0.84140	0.89768
GBP	1.13560	1.12746	1.07160	1.11848

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 recognized 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 pro-visions 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.–31.12.2024	01.01.–31.12.2023	Change
Income	**70 173**	**81 891**	**– 11 718**
Personnel expenses	– 39 944	– 43 823	+3 879
Other operating expenses	– 13 539	– 14 362	+823
Operating expenses	**– 53 483**	**– 58 185**	**+4 702**
Operating profit	**16 690**	**23 706**	**– 7 016**
Depreciation and amortization	– 4 227	– 3 663	– 564
Valuation adjustments and provisions	– 476	–	– 476
Group profit before tax	**11 987**	**20 043**	**– 8 056**
Taxes	– 2 828	– 4 820	+1 992
Group net profit	**9 159**	**15 223**	**– 6 064**

Report of the statutory auditor to the General Meeting of Bellevue Group AG, Zurich

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 2024, the consolidated income statement, the consolidated statement of comprehensive income, the statement of shareholders' equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2024 and of 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.

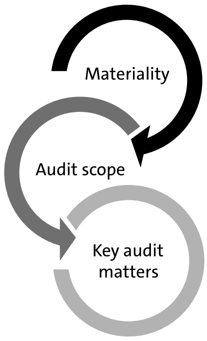
Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) 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 700 000

We concluded full scope audit work at Bellevue Group AG and three group entities in three countries. For additional three group entities (two domiciled in Switzerland, one domiciled abroad), we have performed specified audit procedures in relation to one or more account balances and types of business transactions. Our scope addressed 96% of the Group's income.

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 700 000

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 35 000 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 40.4 million and other intangible assets in the amount of CHF 1.6 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 the goodwill and other intangible assets represent a material asset in the consolidated balance sheet.

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, ISA 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or the Audit & Risk 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 the Audit & Risk 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 the Audit & Risk 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, 21 February 2025

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Profit and loss account

CHF 1 000	01.01.–31.12.2024	01.01.–31.12.2023
Dividend income from participations	20 000	30 000
Other ordinary income	14	18
Net revenue from operating activities	**20 014**	**30 018**
Personnel expenses	– 1 014	– 1 732
Other operating expenses	– 810	– 1 038
Operating expenses	**– 1 824**	**– 2 770**
Operating profit before financial result and taxes	**18 190**	**27 248**
Finance income	99	74
Finance expense	– 1 353	– 819
Profit for the year before taxes	**16 936**	**26 503**
Direct taxes	– 5	– 12
Profit for the year	**16 931**	**26 491**

Balance Sheet

CHF 1 000	31.12.2024	31.12.2023
Assets		
Current assets		
Cash and cash equivalent	3 263	450
Other short-term receivables	6 005	5 719
Prepaid expenses and accrued income	250	236
Total current assets	**9 518**	**6 405**
Non-current assets		
Financial investments	–	185
Participations	109 944	109 279
Total non-current assets	**109 944**	**109 464**
Total assets	**119 462**	**115 869**
Liabilities and shareholders' equity		
Short-term liabilities		
Short-term interest-bearing liabilities	–	2 304
Other short-term liabilities	697	11
Accrued expenses and deferred income	164	517
Total short-term liabilities	**861**	**2 832**
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	99 934	98 141
- Profit brought forward	83 003	71 650
- Profit for the year	16 931	26 491
Treasury shares	– 5 054	– 8 825
Total shareholders' equity	**118 601**	**113 037**
Total liabilities and shareholders' equity	**119 462**	**115 869**

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 a the cash flow statement in accordance with the law.

2 Notes to the financial statements

Cash and cash equivalent

CHF 1 000	31.12.2024	31.12.2023
Due from banks	3 263	450
Total	**3 263**	**450**

Other short-term receivables

CHF 1 000	31.12.2024	31.12.2023
Due from group companies	5 972	5 712
Due from third parties	33	7
Total	**6 005**	**5 719**

Other short-term receivables from group companies include short-term loans and bore interest of 1.50% in the financial year (2023: 1.50%). The recorded interest is shown in the position «Finance income».

Participations

					31.12.2024		31.12.2023	
Company	**Domicile**	**Purpose**	**Currency**	**Share capital/ Nominal capital**	**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 [1]	Guernsey	Investment Advisor	GBP	60 000	0%	0%	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%
Bellevue Asset Management (Singapore) Pte Ltd [2]	Singapore	Distribution	SGD	1 000 000	100%	100%	n/a	n/a

[1] The company was sold by subsidiary Bellevue Asset Management AG in the 2024 financial year.
[2] The company was established on December 17, 2024. The share capital of SGD 1 000 000 had not yet been paid in as at December 31, 2024.

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	31.12.2024	31.12.2023
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 1.50% in the financial year (2023: 1.50%). The recorded interest is shown in the position «Finance expense».

Other short-term liabilities

CHF 1 000	31.12.2024	31.12.2023
Due to group companies	665	–
Due to third parties	32	11
Total	**697**	**11**

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 1.1.2023		242 076
Purchases	26.4317	214 649
Disposals	29.3252	– 151 252
Balance as of 31.12.2023		**305 473**
Purchases	17.5685	5 661
Disposals	19.0471	– 134 225
Balance as of 31.12.2024		**176 909**

Disposals and purchases of treasury shares also include any deliveries or returns of treasury shares as part of share-based payments, which are not cash-effective in such cases.

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 8700 Küsnacht at Seestrasse 16. As of January 1, 2025, the head office will be relocated to Theaterstrasse 12, 8001 Zurich, Switzerland.

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

	31.12.2024	31.12.2023
	Shares	**Shares**
Share-holdings of members of the Board of Directors		
Veit de Maddalena, Chairman	275 189	268 705
Urs Schenker, Member	32 068	27 184
Katrin Wehr-Seiter, Member	25 164	20 570
Barbara Angehrn Pavik, Member	10 111	5 400

Share-holdings of members of the Group Executive Board		
Gebhard Giselbrecht, CEO [1]	44 403	n/a
Markus Peter, Head Products & Investments [2]	174 832	n/a
Patrick Fischli, Head Distribution [2]	55 452	n/a
Stefano Montalbano, CFO [2]	16 861	n/a
Fabian Stäbler, COO [3]	–	n/a
André Rüegg, CEO [4]	n/a	93 009
Michael Hutter, CFO [5]	n/a	38 125

[1] Gebhard Giselbrecht was appointed as a member of the Group Executive Board with effect from January 1, 2024.
[2] Markus Peter, Patrick Fischli and Stefano Montalbano were appointed as members of the Group Executive Board with effect from March 1, 2024.
[3] Fabian Stäbler was appointed as a member of the Group Executive Board with effect from July 1, 2024.
[4] André Rüegg stepped down from the Group Executive Board with effect from December 31, 2023.
[5] Michael Hutter stepped down from the Group Executive Board with effect from February 29, 2024.

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 2024 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:

	31.12.2024		31.12.2023	
Shareholder or beneficial owner	**Voting rights held**	**Number of shares**	**Voting rights held**	**Number of shares**
Martin Bisang, Küsnacht	23.91%	3 218 400	20.43%	2 750 000
Hansjörg Wyss, Cambridge MA (USA)	9.66%	1 300 000	9.66%	1 300 000
Jürg and Manuela Schäppi, Rapperswil-Jona	9.18%	1 235 299	9.05%	1 217 799

The shareholders Martin Bisang (Küsnacht), as well as Jürg and Manuela Schäppi (Rapperswil-Jona) signed a shareholder agreement on October 25, 2018. The Group was represented by Martin Bisang and controlled 29.48% of the voting rights as at December 31, 2023. The group was terminated on February 20, 2024.

4 Proposal to the Annual General Meeting

CHF 1 000	**Proposal of the Board of Directors 2025**	**Resolution of the AGM 2024**
Profit for the year	16 931	26 491
Balance brought forward from previous year	83 003	71 650
Total Profit	**99 934**	**98 141**
Dividend on eligible capital [1]	– 9 423	– 15 138
Balance carried forward to new financial year	**90 511**	**83 003**

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

Upon approval of this proposal, the dividend of CHF 0.70 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, Zurich

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 2024, the profit and loss account 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.

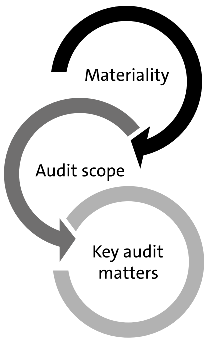
Basis for opinion

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 700 000

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 700 000

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 35 000 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 109 944).

Participations are recognized at acquisition cost less anyeconomically 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 (93% 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 the Audit & Risk 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 the Audit & Risk 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 the Audit & Risk 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.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal 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, 21 February 2025

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

Corporate Governance

Information relating to Corporate Governance

Bellevue Group views good corporate governance as a challenge that must be met and an essential precondition for achieving strategic company goals and for creating sustainable value for the Company's shareholder and all other stakeholders. Bellevue Group is committed to open and consistent information policies and procedures.

As a listed company, Bellevue Group reports annually on matters relating to corporate governance in accordance with the Directive on Information relating to Corporate Governance (DCG). A remuneration report that is audited by independent auditors provides information on compensation paid to the members of the Board of Directors and the Group Executive Board. The four-member Board of Directors is international and interdisciplinary in its composition and has profound knowledge in various subjects.

A clearly defined, balanced separation of roles and responsibilities between the Board of Directors and the Group Executive Board is an important element of corporate governance. All country-specific legal requirements are adhered to.

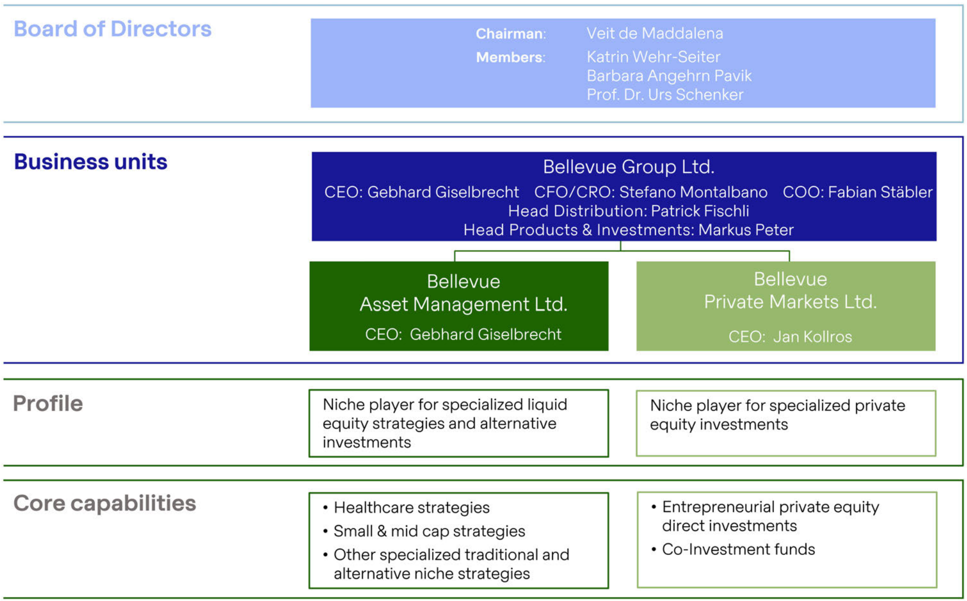
Law and regulations

Bellevue Group is subject to Swiss law, in particular to stock corporation and stock exchange law, the regulations of the Swiss stock exchange (SIX Swiss Exchange).

The Swiss stock exchange SIX Swiss Exchange Ltd has published a Directive on Information Relating to Corporate Governance for the first time with effect from July 1, 2002. The following information complies with the requirements of this directive (in the current version dated June 29, 2022) taking into account the SIX commentary last updated as of January 1, 2023, including the requirements imposed by reference to the Swiss Code of Obligations (CO). If the information required by the directive is disclosed in the notes to the financial statements, reference is made to the corresponding note in the notes.

Group structure and shareholders

Corporate structure as of December 31, 2024



Source: Bellevue Group, as of December 31, 2024

In the financial year 2024, the company's head office was located at Seestrasse 16, 8700 Küsnacht, Switzerland. As of January 1, 2025, the head office will be relocated to Theaterstrasse 12, 8001 Zurich, Switzerland.

Scope of consolidation

Bellevue Group AG is the only listed company within the Group. The investment companies we manage, BB Biotech AG and Bellevue Healthcare Trust plc, are independent companies listed on their respective stock exchanges. The companies consolidated by Bellevue Group are listed, together with information regarding their domicile and share capital and the interest held by the Group, in the notes to the consolidated financial statements, note 6 «Major subsidiaries».

Major shareholders

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

Shareholder or beneficial owner	31.12.2024 Voting rights held	31.12.2024 Number of shares held	31.12.2023 Voting rights held	31.12.2023 Number of shares held
Martin Bisang, Küsnacht	23.91%	3 218 400	20.43%	2 750 000
Hansjörg Wyss, Cambridge MA (USA)	9.66%	1 300 000	9.66%	1 300 000
Jürg und Manuela Schäppi, Rapperswil-Jona	9.18%	1 235 299	9.05%	1 217 799

The shareholders Martin Bisang (Küsnacht), as well as Jürg and Manuela Schäppi (Rapperswil-Jona) signed a shareholder agreement on October 25, 2018. The Group was represented by Martin Bisang and controlled 29.48% of the voting rights as at December 31, 2023. The group was terminated on February 20, 2024.

Disclosure notifications are retrievable from the SIX Swiss Exchange website at: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/

Cross-shareholdings

There are no cross-shareholdings between Bellevue Group AG or its subsidiaries and other corporations.

Capital structure

Capital

The share capital of Bellevue Group AG amounts to CHF 1 346 143 and is divided into 13 461 428 registered, fully paid-in unit shares with a par value of CHF 0.10. The registered shares of Bellevue Group AG (Valor 2 842 210, ISIN CH0028422100) are listed on the SIX Swiss Exchange. The market capitalization as of December 31, 2024, was CHF 151 mn.

Bellevue Group AG does not have any participation certificates or non-voting equity certificates outstanding nor has it issued any.

Conditional and authorized capital as well as capital band in particular

As at 31 December 2024, there was neither conditional nor authorized capital nor a capital band. For prior-year figures, please refer to the disclosures on conditional and authorized capital in the Notes to the Consolidated Financial Statements, «Share capital».

Capital changes

Information on the composition of capital, changes in capital over the last two years, and conditional and authorized capital is provided in the statement of changes in equity and in the notes to the consolidated financial statements, «Share capital». For information dating back further, please refer to the Annual Report 2023 (statement of change in equity and note to the consolidated financial statements, note 3.9 «Share capital»).

Restriction of the transferability and nominee registrations

The restrictions on transfer and the rules concerning nominee registrations are governed by Art. 5 of the Articles of Association. The relevant provisions of the Articles of Association may be amended by the General Meetings of Shareholders with the quorum pursuant to Art. 11 of the Articles of Association or with a higher legal quorum, if any.

Board of Directors

The Board of Directors of Bellevue Group AG consists of the following persons as per December 31, 2024:

Name	Function	Nationality	Member of Board Committee [1]	First elected	Elected until
Veit de Maddalena	Chairman	CH	CC	2018	2025
Prof. Dr. Urs Schenker	Member	CH	ARC [2]	2019	2025
Katrin Wehr-Seiter	Member	DE	ARC/CC [3]	2019	2025
Barbara Angehrn Pavik	Member	CH	ARC/CC	2023	2025

[1] Further information on the committees is given below under «Internal organization».
[2] Chair Audit & Risk Committee.
[3] Chair Compensation Committee.

No member of the Board of Directors of Bellevue Group AG had any operational management responsibilities for the company or a subsidiary in 2024 or in the three preceding financial years, nor do they maintain any significant business relationships with the company or a subsidiary.

CHAIRMAN OF THE BOARD

Veit de Maddalena (born 1967)

Veit de Maddalena is lic. rer. pol. (Economics) from the University of Berne and holds an MSc/ Master in Finance from the London Business School. He has many years of leadership experience in the financial industry and is now exclusively active as an independent director on the boards of several family-owned companies. He was elected to the Board of Directors of Bellevue Group in 2018 and has served as its chairman since 2019. Earlier in his career Veit de Maddalena was a Global Partner and Executive Board member with Rothschild & Co Group, where he was responsible for its global private banking business. He concurrently acted as CEO of Rothschild & Co Bank AG, Switzerland. He began his professional career at Credit Suisse.

MEMBER OF THE BOARD

Prof. Dr. Urs Schenker (born 1957)

Urs Schenker holds a doctorate in law from the University of Zurich (Dr. iur.) and Harvard (LLM). He is a titular professor at the University of St. Gallen and an attorney at Walder Wyss in Zurich, where he specializes in corporate, finance and capital markets law. Prior to that he worked for approx. 20 years as a lawyer (14 years as a partner) for Baker & McKenzie in Zurich. Urs Schenker has been a member of the Board of Directors of Bellevue Group since 2019.

MEMBER OF THE BOARD

Katrin Wehr-Seiter (born 1970)

Katrin Wehr-Seiter holds a degree in engineering from the Technical University of Chemnitz/DE as well as an MBA from INSEAD Business School, Fontainebleau/FR. Katrin Wehr-Seiter is Partner and CEO of BIP Capital Partners, Luxembourg. Previously, she was a Principal at the international private equity firm Permira and worked as an independent advisor for medium-sized companies and as a Senior Advisor for the financial investor Bridgepoint. She started her professional career at Siemens AG. Since 2019, she has been a member of the Board of Directors of Bellevue Group.

MEMBER OF THE BOARD

Barbara Angehrn Pavik (born 1974)

Barbara Angehrn Pavik holds a Master's degree in economics from the University of St. Gallen. She has worked in the international healthcare industry for over 20 years in various management positions, currently as CEO of Asceneuron SA, Lausanne. Prior to that, she held management positions at Vifor Pharma Group, Stepstone Pharma, Exelixis Pharmaceuticals International, Onyx Pharmaceuticals International and Amgen International, among others. Since 2023, she has been a member of the Board of Directors of Bellevue Group.

The other mandates of the members of the Board of Directors are shown in the remuneration report.

Election procedures

All members of the Board are elected individually by the general meeting of shareholders. The Board of Directors constitutes itself. The members of the Board of Directors are elected to a term of one year and may be reelected. There is no restriction in the number of reelections.

Statutory rules in relation to the number of permissible activities of the Board of Directors pursuant to Art. 62 (2)(1) CO

Pursuant to Article 30 of the Articles of Association, the members of the Board of Directors may each execute a maximum of 20 activities, of which a maximum of five in listed companies. Excluded from this are activities in legal entities controlled by the company or which control the company. Also excluded from the restrictions are activities in foundations, charitable institutions and employee pension funds; however, these are restricted to a maximum of ten such activities.

According to Art. 30 of the Articles of Association, the term «activity» within the meaning of this provision refers to membership in the highest management and administrative bodies of other companies with a commercial purpose. Several activities in legal entities which are under unitary control or under the control of the same beneficial owner are considered to be one activity.

Internal organization

The Board of Directors meets as often as necessary to perform its duties but at least once per quarter. The Board of Directors constitutes a quorum when an absolute majority of its members is present. Board resolutions and elections are decided in accordance with the internal rules and regulations by an absolute majority of the votes cast. In the event of a tie vote, the Chairman has the casting vote. Decisions by way of circular letter need to be passed by majority of all members of the Board of Directors. The Board of Directors carries out an annual self-assessment of its work and that of its committees.

The following table provides an overview of the meetings, conference calls and circular resolutions of the Board of Directors in 2024:

	Meetings	**Video calls**	**Circular resolutions**
Total	4	2	–
Average duration (in hours)	3:21	0:40	–
Participation:			
Veit de Maddalena, Chairman	4	2	–
Prof. Dr. Urs Schenker	4	2	–
Katrin Wehr-Seiter	4	2	–
Barbara Angehrn Pavik	4	2	–

The Board of Directors can delegate some of its duties to committees. The standing committees are as follows: Compensation Committee (CC) and Audit & Risk Committee (ARC).

Compensation Committee (CC)

The CC assists the Board of Directors in the definition and implementation of the compensation principles. It is the applicant in regards of the compensation policy for the Board of Directors and the Executive Board. Furthermore, it is responsible for the employment conditions for senior executives and for the shares and profit sharing plans. It takes position on all compensation related affairs, which are situated in the decision making authority of the Board of Directors. The Compensation Committee meets as often as business requires, at least every six months.

The following table provides an overview of the meetings, conference calls and circular resolutions of the Compensation Committee in 2024.

	Meetings	**Video calls**	**Circular resolutions**
Total	5	–	–
Average duration (in hours)	1:41	–	–
Participation:			
Katrin Wehr-Seiter, Chairwoman	5	–	–
Veit de Maddalena	5	–	–
Barbara Angehrn Pavik	5	–	–

Audit & Risk Committee (ARC)

The ARC examines whether all systems created to monitor compliance with legal and statutory provisions are appropriate and whether they are being applied properly. It reports to the Board of Directors and makes recommendations to the same.

The ARC also monitors and evaluates the integrity of the financial reports, internal controls, the effectiveness of the external auditor and the Internal Audit as well as risk management and compliance, taking into consideration the risk profile of Bellevue Group. It guides and monitors the activities of the Internal Audit, maintains Board level contact with the external auditors and monitors their performance and independence as well as their collaboration with the Internal Audit.

All members of the ARC are independent. The ARC meets at least once a quarter.

The following table provides an overview of the meetings, conference calls and circular resolutions of the Audit & Risk Committee in 2024.

	Meetings	**Video calls**	**Circular resolutions**
Total	4	1	–
Average duration (in hours)	1:32	0:25	–
Participation:			
Prof. Dr. Urs Schenker, Chairman	4	1	–
Katrin Wehr-Seiter	4	1	–
Barbara Angehrn Pavik	4	1	–

Internal Audit

PEQ GmbH has been assigned the function of Internal Audit by the Board of Directors since the 2008 fiscal year. The Internal Audit helps the Board of Directors to exercise its statutory supervisory duties within Bellevue Group and it performs the audit functions assigned to it. It has an unlimited right of inspection within all Group companies and may inspect any and all business documents at any time. The Internal Audit coordinates its activities with the external auditors and reports directly to the Chairman of the Board of Directors.

Definition of powers of authorization

Board of Directors

The Board of Directors is responsible for the ultimate direction of the company and the supervision and oversight of Bellevue Group. It passes and periodically revises Company strategy, issues directives and guidelines as necessary and determines Bellevue Group's organizational structure and risk policies. It also receives reports about the existence, appropriateness and effectiveness of the internal control system. It supervises and monitors persons entrusted with executive management duties. The Board of Directors is responsible for appointing and dismissing the CEO. It approves the appointment, promotion, and dismissal of Bellevue Group's senior management. Furthermore, it performs the duties assigned to it by law (Art. 716a CO). The delegation of powers between the Board of Directors, its committees, the CEO and the Group Executive Board is specified in Bellevue Group's regulations. The competencies of the Board of Directors include the purchase and disposal of shareholdings, the establishment of group subsidiaries and regional offices, securing loans, issuing bonds as well as granting credit above certain limits. Investment plans and other decisions having an impact on cash flows must likewise be approved by the Board of Directors above a certain threshold.

Group Executive Board

The Group Executive Board is Bellevue Group's executive body and reports to the Board of Directors. It is responsible for all Group issues that do not expressly fall within the remit of the Board of Directors of Bellevue Group AG or of a Group company according to legislation, the Articles of Association or the internal rules and regulations. It functions as a committee and all decisions have to be reached by the entire body. It is responsible, in particular, for developing a Group-wide business strategy for presentation to the Board of Directors, implementing the decisions reached by the Board of Directors within the Group, monitoring the execution of these decisions, and managing and supervising Bellevue Group's everyday operations, which must be effected within the scope of the financial plan, annual objectives, annual budget and risk policy and in accordance with the other regulations and instructions issued by the Board of Directors. It is responsible for ensuring compliance with legal and regulatory requirements as well as applicable industry standards.

Its responsibilities also include drawing up and application of the annual budget and defining annual targets for Bellevue Group. The Group Executive Board is responsible for issuing rules and regulations relating to the implementation of the risk policy, i.e. governing the basic aspects of risk responsibility, risk management and risk control. It reports to the Board of Directors and the ARC about the existence, appropriateness and effectiveness of the internal controls and issues corresponding directives as necessary. It is responsible for issuing directives regarding compliance. Its competencies include granting loans in accordance with the powers of authorization defined in the internal rules and regulations as well as entering proprietary trading positions within the defined limits. The Group Executive Board can delegate the permissible limits to the competent divisions and units within Bellevue Group.

Information and control instruments relating to the Group Executive Board

The Board of Directors meets at least four times a year as specified in the internal rules and regulations. The ordinary meetings usually last half a day. The members of the Group Executive Board attend these meetings. The Board of Directors receives monthly reports about the course of business and is periodically informed about risk exposure developments as well as the adherence to legal, regulatory and internal rules and regulations. Its control instruments include the semi-annual reporting requirements, the annual budget process, the external audits and, in particular, the internal audit, which reports directly to the Chairman of the Board of Directors (see also Internal organization).

During the meetings of the Board of Directors, every director can request other board members or the CEO to provide them with information about any matters relating to Bellevue Group. In the interim between meetings every Board member can request information about the course of business from the CEO and can also, upon approval by the Board Chairman, receive information about specific business transactions and inspect business documents.

Group Executive Board

The Group Executive Board comprised the following persons as at December 31, 2024:

Name	Function	Nationality
Gebhard Giselbrecht	CEO	DE
Stefano Montalbano	CFO	CH
Fabian Stäbler	COO	CH
Markus Peter	Head Products & Investments	CH
Patrick Fischli	Head Distribution	CH

Gebhard Giselbrecht has been CEO of Bellevue Group and a member of the Group Executive Board since 1 January 2024. Michael Hutter (former CFO) stepped down from the Group Executive Board on 29 February 2024 and left Bellevue Group at the end of March 2024. His function as CFO and member of the Group Executive Board was taken over by Stefano Montalbano as of 1 March 2024. Markus Peter (Head Products & Investments) and Patrick Fischli (Head Distribution) were also appointed members of the Group Executive Board as of 1 March 2024. Fabian Stäbler (COO) was also appointed as a member of the Group Executive Management with effect from 1 July 2024.

Additional information on the members of the Group Executive Board:

CEO BELLEVUE GROUP

Gebhard Giselbrecht

Gebhard Giselbrecht has been CEO of Bellevue Group since 2024. He has extensive experience in asset management in the areas of strategy, sales, management/COO and in the development of new business areas. He has held key positions in asset management at Credit Suisse since 2006 and worked for McKinsey & Company for seven years. Gebhard Giselbrecht holds a degree from the University of St. Gallen and an MBA/MBI from the Rotterdam School of Management.

CFO BELLEVUE GROUP

Stefano Montalbano

Stefano Montalbano joined Bellevue Group in 2014 as Head of Finance & Controlling and has held the position of CFO and CRO since 2024. Prior to this, he worked for over 3 years as an auditor at KPMG, where he worked in the Audit Financial Services division. Prior to that, he gained extensive experience in accounting and controlling at various Swiss banks. He holds a federal diploma in accounting and controlling.

HEAD DISTRIBUTION

Patrick Fischli

Patrick Fischli joined Bellevue Asset Management in 2009 and is currently Head Distribution and has been a member of the Group Executive Board since 2024. He previously held various management positions during his almost 10 years with Julius Baer Group, where he rose to the rank of executive director and ultimately held sales responsibility for the group's investment funds in Switzerland. He was previously responsible for sales activities in Germany. Prior to joining Julius Baer, he spent 2 years with UBS AG working on various strategic projects. Patrick Fischli has a degree in operational engineering from the Swiss Federal Institute of Technology at Zurich (ETH) and is a CEFA charterholder.

HEAD PRODUCTS & INVESTMENTS

Markus Peter

Markus Peter has been Head Products & Investments at Bellevue Asset Management since 2009 and a member of the Group Executive Board since 2024. He previously held several management positions during his 10 years with Julius Baer Group, including head product management and development, investment advisory as well as a product specialist for absolute return products. Prior to joining Julius Baer he was employed by IBM, treasury and project finance, as well as by Swiss Bank Corporation, equity and equity derivative trading. Markus Peter holds a master in business economics from the University of St. Gallen (HSG).

COO BELLEVUE GROUP

Fabian Stäbler

Fabian Stäbler has been COO of Bellevue Group since 2024. He has many years of experience in asset management, both in strategic and operational functions. He has worked for Credit Suisse Asset Management since 2009, including as Head Business Management for the Equities business in Zurich, as COO Asset Management in Singapore and as part of the Regional Management Team for Switzerland and the EMEA region. He previously worked for Swiss Life Asset Management. Fabian Stäbler studied industrial engineering at the University of Applied Sciences Northwestern Switzerland (Dipl. Ing. FH).

Further mandates of the members of the Group Executive Board are shown in the remuneration report.

Statutory rules in relation to the number of permissible activities of the Executive Board pursuant to Article 626(2)(1)

Pursuant to Art. 30 of the Articles of Association, subject to prior approval of the Board of Directors or the Compensation and Nomination Committee, the members of the Executive Board may each execute a maximum of ten activities, of which a maximum of two in listed companies. Excluded from this are activities in legal entities controlled by the company or which control the company. Also excluded from the restrictions are activities in foundations, charitable institutions and employee pension funds; however, these are restricted to a maximum of ten such activities.

According to Art. 30 of the Articles of Association, the term «activity» within the meaning of this provision refers to membership in the highest management and administrative bodies of other companies with a commercial purpose. Several activities in legal entities which are under unitary control or under the control of the same beneficial owner are considered to be one activity.

Compensations, shareholdings and loans

The information on compensation, shareholdings and loans can be found in the remuneration report (Board of Directors, Group Executive Board).

Participatory rights of shareholders

Voting rights restrictions, shareholder representation and electronic participation

In relation to the Company, a person entered in the share register is considered to be a shareholder. The shareholder may represent his shares at the general meeting of shareholders himself, based on a written or electronic proxy (incl. issuance of instructions), by the independent proxy or electronically (including issuing instructions) by the independent proxy or, based on a written power of attorney, have another representative of his choice to represent them. The Board of Directors may specify or supplement the requirements in the invitation to the General Meeting or in general regulations or guidelines. The Board of Directors may also provide that shareholders who are not present on site can exercise their rights electronically or waive the requirement to specify a meeting venue and order a purely virtual Annual General Meeting to be held. The provisions pursuant to Art. 5 and 9 f. of the Articles of Association shall apply.

There are no restrictions on voting rights; each share entitles the holder to one vote (the rules on nominee registrations are governed by Art. 5 of the Articles of Association cf also the above remarks under «Restriction on the Transferability and Nominee registrations»).

Statutory quorums

There are no resolution quorums that are higher than provided for in the law.

Notice convening the general meeting of shareholders

The notice convening the general meeting of shareholders shall be in conformity with Article 9 of the Articles of Association.

Placing items on the agenda

Shareholders who represent at least 0.5% of the share capital may request an item to be added to the agenda. The agenda must be sent in writing at least fifty days before the meeting, including a list of agenda items to be discussed and the shareholder's motions to be voted on.

No resolutions may be adopted regarding motions on agenda items which have not been properly announced. This does not include motions for convening an Extraordinary General Meeting, for the performance of a special investigation and for the election of an auditor at the request of a shareholder. Prior notice is not required for the submission of motions in relation to the agenda items or for deliberations not resulting in the adoption of resolutions.

Entry in the share register

In the invitation to the general meeting of shareholders, the Board of Directors announces the cut-off date of the entry in the share register that is decisive for the right to attend and vote. Normally, for administrative reasons, the share register is blocked eight to ten days before the General Meeting.

Change of control and defense measures

Mandatory public offer («opting out»)

Persons who purchase or acquire Bellevue Group AG shares are not required to issue a public offer as stipulated by Art. 135 FMIA («opting out» to Art. 125 FMIA).

Change of control clause

Members of the Board of Directors, executive Board members and employees of Bellevue Group are not contractually entitled to any severance payments. Employment contracts of Bellevue Group employees may be terminated within a maximum period of six months.

Transparency on non-financial matters

Bellevue Group is not obliged under Swiss law to report on non-financial matters. Nevertheless, as sustainability and social responsibility are key concerns of Bellevue Group, it reports these topics on a voluntary basis. The relevant information can be found in the Sustainability report.

Statutory auditor

Duration of mandate and term of office of Lead auditor

The financial statements and the consolidated financial statements of Bellevue Group AG are audited by PricewaterhouseCoopers (PwC). In addition, most of the subsidiaries are also audited by PwC. As the responsible Group auditor, PwC ensures an appropriate and sufficient audit of the consolidated companies.

The group and statutory auditor of Bellevue Group AG is elected for a one-year period at the general meeting of shareholders. PwC was elected for the first time for the 1999 fiscal year. The auditor in charge is Philippe Bingert. He has exercised this function since the 2021 fiscal year. The rotation period for this function is seven years.

Fees paid to auditor

CHF 1 000	**01.01.–31.12.2024**	**01.01.–31.12.2023**
Auditing fees	474	426
- thereof PwC	436	380

In the business years 2024 and 2023 no additional fees were charged by the auditor.

If an auditor is considered for additional mandates, there is no prescribed catalogue of criteria that has to be consulted when approving these types of additional mandates. The Audit & Risk Committee (ARC) decides on an individual basis whether the issuing of an additional mandate would impact on the auditor’s independence.

Instruments for supervising and monitoring the auditors

The Board of Directors is responsible for the supervision and control of the statutory auditor and the group auditor and it is supported in this function by the Audit & Risk Committee (ARC). The ARC receives and evaluates reports from representatives of the external auditors on a regular basis. It confers regularly with the head auditor about the effectiveness of the internal control systems taking into consideration Bellevue Group's risk profile. In addition, the ARC reviews the scope of the auditing work, the quality of the work performed and the independence of the external auditors. The external auditors have direct access to the ARC at all times. The external auditors usually attend meetings of the ARC twice a year. The external auditors attended three ARC meetings in the reporting year. The internal auditors usually attend all meetings of the ARC. In the reporting year, the internal auditors attended three meetings of the ARC.

Trading blackout periods

Bellevue Group has defined recurring trading blackout periods and may introduce additional trading blackout periods at any time.

During the semi-annual trading blackout periods, transactions in securities and/or related financial instruments of Bellevue Group are prohibited for the company, all employees and members of the Board of Directors of Bellevue Group as well as their related parties.

Exceptions to this rule are share allocations (no market transactions) to employees under «Long-Term Incentive Plans».

The trading blackout periods are communicated by «Legal & Compliance» to all persons involved.

The trading blackout periods begin at least 30 days before publication of the annual or interim financial statements and end on the day of publication of the financial results. The trading blackout periods are set out in Bellevue Group's Regulations on employee transactions.

The trading blackout periods start on December 24 for the annual financial statements and 30 days before publication for the interim financial statements.

Bellevue Group will generally implement special trading blackout periods when the Company is aware of material developments that have not yet been disclosed to the public. For example, the Company may institute a special trading blackout period in anticipation of the announcement of a preliminary earnings forecast or a significant transaction or business development. However, special trading blackout periods may be implemented for any reason.

Bellevue Group will notify those persons subject to a special trading blackout period. Any person so identified and notified by the Company shall not engage in any transactions in securities and/or related financial instruments of the Company unless otherwise instructed by «Legal & Compliance».

Information policy

As a company listed on the stock exchange, Bellevue Group AG pursues a consistent and transparent information policy in relation to its shareholders, clients and employees as well as to the financial community and the general public. Its regular reporting activities and venues comprise the publication of the annual and semi-annual reports and letters to shareholders as well as a media conference on the annual results and the general meeting of shareholders. When important events occur, the above-mentioned stakeholders will be concurrently informed by way of press releases.

Information to shareholders

02/25/2025: Reporting Year-end Results

03/18/2025: Annual General Meeting

07/24/2025: Reporting Half-Year Results

Additional information regarding Bellevue Group AG for ad hoc publicity can be found at the following websites:

Media Releases
Ad hoc Releases
Newsletter
Contact

Remuneration Report

1. Introduction

The remuneration report provides an overview of Bellevue Group's compensation policy and stock ownership plans. It describes the method used to calculate compensation and provides detailed information on the compensation paid to the members of Board of Directors and the Group Executive Board in the 2024 financial year. The report presents the information shareholders need in order to make informed decisions regarding the votes on the compensation of the Board of Directors and the Group Executive Board at the Annual General Meeting 2025.

The content and scope of this remuneration report are based on Articles 734 et seq. of the Swiss Code of Obligations (CO), the Directive on Information Relating to Corporate Governance (DCG) issued by the SIX Swiss Exchange, as well as the Swiss Code of Best Practice for Corporate Governance.

2. Compensation policy

2.1 Basic principles

The following basic compensation principles apply throughout Bellevue Group:

- The methods used to determine compensation for the Board of Directors and the Group Executive Board and for all Company employees are transparent, understandable, fair and reasonable.
- All pay packages are well balanced and take into consideration the operational and strategic responsibilities of each individual role as well as individual performance levels and the demands placed on each individual.
- Compensation is commensurate with the position held and should reflect individual achievement of specific quantitative as well as qualitative goals as well as the operating results of Bellevue Group and the relevant Group companies.
- Pay packages should be appropriate and competitive compared to the compensation offered by companies operating in the same field and labor market, and they must be sound and sustainable irrespective of the current course of business.
- Variable compensation will be reduced or forfeited in the event of serious violations of internal or external rules, regulations or the law (incl. ESG/sustainability).

All governing bodies and individuals at Bellevue Group with the authority to make decisions concerning compensation policies and payouts must abide by and uphold these basic compensation principles.

2.2 Pay-for-performance principle

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.

3. Determination of compensations

3.1 Articles of Association

As required by the CO, the principles of compensation for the members of the Board of Directors and the Group Executive Board is presented in the Company's Articles of Association. They include the following provisions:

- Compensation paid to the Board of Directors that is subject to approval of shareholders at the Annual General Meeting (Art. 24)
- Compensation paid to the Group Executive Board that is subject to approval of shareholders at the Annual General Meeting (Art. 25)
- Basic principles of performance-based variable compensation (Art. 26)
- An additional amount of compensation for persons who are promoted or appointed to the Group Executive Board after the Annual General Meeting (Art. 27)
- Reimbursement of business expenses (Art. 28)
- Loans, credit lines and other benefits (Art. 29)

The provisions of the Articles of Association are formulated in general terms to give the Board of Directors the flexibility to adjust compensation levels, the compensation policy and employee stock ownership plans if and when necessary.

3.2 Compensation Committee

In accordance with the Company's Articles of Association and organizational regulations, the Compensation Committee supports the Board of Directors in the performance of its duties pertaining to compensation and personnel policy. These include:

- Formulation of compensation policy for the members of the Board of Directors and the Group Executive Board and presentation thereof to the Board of Directors for approval
- Monitoring of compliance with the compensation principles of Bellevue Group AG («the Company») and Bellevue Group and advising and informing the Board of Directors on all matters relating to compensation policy and issues
- Presenting proposals regarding the maximum aggregate fixed compensation for the Board of Directors and the Group Executive Board and the aggregate variable compensation for the Group Executive Board that will subsequently be submitted to the Annual General Meeting for approval
- Presenting proposals to the Board of Directors regarding the approval of individual compensation paid to members of the Board of Directors and the Group Executive Board, subject to and based on the aggregate compensation approved by the Annual General Meeting
- Presenting proposals to the Board of Directors regarding changes to the Articles of Association concerning compensation policy that will be subsequently submitted to the Annual General Meeting for approval
- Preparation of the remuneration report and presentation thereof to the Board of Directors for approval
- Formulating bonus guidelines for variable compensation elements in accordance with the provisions of the Articles of Association and presentation of the bonus guidelines to the Board of Directors for approval

Power and authority regarding compensation matters:

Decision on	CEO	CompC	BOD	AGM
Compensation policy and guidelines	–	Proposal	Approval	–
Maximum total compensation of the Board of Directors	–	Proposal	Review	Approval
Individual compensation of the members of the Board of Directors	–	Proposal	Approval	–
Maximum total compensation of the Group Executive Board	–	Proposal	Review	Approval
Individual compensation of the CEO	–	Proposal	Approval	–
Individual compensation of the other members of the Group Executive Board	Proposal	Review	Approval	–
Remuneration report	–	Proposal	Approval	Consultative approval

The Compensation Committee holds at least four meetings a year and consists exclusively of independent, non-executive Board members who are elected to one-year terms by shareholders at the Annual General Meeting. Katrin Wehr-Seiter (chair), Veit de Maddalena and Barbara Angehrn Pavik have been elected at the Annual General Meeting 2024 as members of the Compensation Committee. All members were present at every meeting during the period under review. In principle, all Compensation Committee members, the CEO, the CFO and the head of Human Resources attend the meetings of the Compensation Committee – unless their own compensation is being discussed. The committee chair may invite other employees to attend the meetings if necessary.

3.3 Say-on-pay

In accordance with the requirements of the Articles of Association and the CO, the proposed compensation for the members of the Board of Directors and the Group Executive Committee is computed by Bellevue Group as an annual figure and submitted to a vote at the Annual General Meeting. If one or more compensation proposals are rejected at the Annual General Meeting, the Board of Directors may submit new proposals at the same Annual General Meeting. If it does not submit any new proposals or if these are likewise rejected, the Board of Directors may either convene an Extraordinary General Meeting or submit new aggregate compensation proposals at the next scheduled Annual General Meeting. The following table summarizes the results of shareholder votes on compensation matters at the last three Annual General Meetings:

	FOR votes AGM 2024	FOR votes AGM 2023	FOR votes AGM 2022
Maximum total amount of fixed compensation for the Board of Directors (prospective)	93.73%	93.02%	97.44%
Total amount of variable compensation for the Board of Directors (retrospective) [1)]	n/a	93.01%	81.35%
Maximum total amount of fixed compensation and long-term variable compensation for the Group Executive Board (in part prospective)	95.27%	97.81%	88.62%
Total amount of short-term variable compensation for the Group Executive Board (retrospective)	95.27%	94.82%	86.09%
Consultative vote on the remuneration report	95.61%	86.77%	n/a

[1)] Since the 2023 Annual General Meeting, the Board of Directors will no longer receive a variable remuneration.

3.4 Pool for variable compensation

The basis for calculating Bellevue Group's variable compensation pool is adjusted consolidated earnings before taxes. It is derived by adding the total pool of variable compensations (share of profit) to the earnings before taxes (according to the audited IFRS financial statements), eliminating adjustments for IFRS entries that cannot be influenced operationally and by deducting the cost of capital employed. The interest rate for the cost of capital is determined annually by the Board of Directors. For the business year 2024 the rate amounted to 10% (2023: 10%). A fixed proportion of the adjusted consolidated earnings before taxes (total pool of variable compensation) is allocated to employees. This is understood to be the employee share of the Company's financial results.

The adjusted consolidated earnings before taxes is an important internal indicator of the performance of Bellevue Group and is considered by the Compensation Committee to be a reliable metric. It already reflects the effects of other key indicators such as the cost/income ratio and changes in AuM or net new money.

The Compensation Committee also prepares a qualitative performance review for the Group Executive Board. This covers issues such as conduct, leadership and corporate development.

Taking the above parameters into account, the Compensation Committee determines the total pool of variable compensation (share of profit).

4. Compensation system framework

4.1 Board of Directors

4.1.1 Fixed compensation

Each member of the Board of Directors receives a fixed compensation, which is prospectively determined by the Annual General Meeting, which can vary depending on their function on the Board of Directors and board committees. The compensation system thus takes into account the responsibility and roles assigned to individual members of the Board of Directors. The additional duties of the Chairman in leading the Board of Directors and his function as a link between the Company's operational and strategic management are compensated with a higher fee. The amount of fixed compensation paid is determined at the Board's own discretion, in compliance with the general compensation principles (see section 2.1 above).

The base compensation of every member of the Board of Directors is determined annually and paid out on a quarterly basis. If a director leaves the Board before their term of office expires, the fixed compensation will be calculated on a pro rata basis to the end of the quarter of separation.

4.1.2 Variable compensation
Since the 2023 Annual General Meeting, the Board of Directors will no longer receive a variable remuneration.

4.1.3 Business expenses
Members of the Board of Directors do not receive fixed expense allowances; the actual expenses incurred are reimbursed.

4.1.4 Pension plan coverage
The members of the Board of Directors are not covered by the Company's pension plan.

4.1.5 Voluntary employee stock ownership plan
The Board of Directors occasionally offers voluntary employee stock ownership plans under which members of the Board of Directors may also be entitled to purchase Company shares at a discount to the given market price. The maximum discount on the date of the offer is 25%. The difference between the 10-day VWAP at the time the shares are transferred and the purchase price corresponds to the monetary benefit. The allotment is made in shares blocked for 3 years.

4.1.6 Advisory services
Subject to approval at the Annual General Meeting, members of the Board of Directors can be compensated in cash at standard market rates for advisory services benefiting the Company or a Group subsidiary that go beyond their duties and responsibilities as a director.

4.2 Group Executive Board
The components of compensation paid to the Group Executive Board are generally as follows:

	Fixed compensation	Variable compensation			
Functions	Criteria	Assessment criteria and distribution		Payout [1)]	
				in cash	in shares
Members of the Group Executive Board	• Management/ functional responsibility • Seniority • Regional location	CEO	• Profit contribution of the directly managed operating unit • Individual performance assessment based on Group KPIs	50%	50%
		Other members	• Individual performance assessment based on Group KPIs	50%	50%

[1)] Please refer to the chart under 4.2.2 for the detailed payout provisions.

4.2.1 Fixed compensation
The members of the Group Executive Board receive a fixed amount of base compensation that is determined annually for each financial year and that is partial prospective approved by the Annual General Meeting. The payout is in cash. These amounts are determined individually at the Board's own discretion in compliance with the general compensation principles (see section 2.1 above), taking into account the duties and responsibilities assigned to each member of the Group Executive Board. From an entrepreneurial point of view, a restrained policy is applied to the determination of fixed compensation of the members of the Group Executive Board.

4.2.2 Variable compensation (share of profit)

The variable compensation of the members of the Group Executive Board is based on a performance review, measured against goals and expectations that are fixed in advance annually. The pool for variable remuneration described under 3.4 changes depending on target achievement. The individual allocation takes into account each individual's role, experience and personal performance as well as the market environment. The weighting of these elements is determined individually.

Variable compensation is basically structured and paid out as follows:

- Short-term variable compensation in cash
- Short-term variable compensation in the form of restricted shares
- Short-term variable compensation in the form of restricted shares with a vesting period and claw back provisions
- Other short-term variable compensation
- Long-term variable compensation

The structure of the variable compensation and the lock-up, vesting and claw back provisions are determined by the Board of Directors or its Compensation Committee, depending on the role and the amount of the designated individual variable compensation.

Variable compensation in the form of restricted shares is reported as short-term compensation despite the long-term nature of such compensation. This is because there are no stock option plans that confer a right to acquire shares of the Company; Company stock awards are exclusively direct grants of shares.

Short-term variable compensation components are subject to retrospective approval by the Annual General Meeting, while the long-term variable compensation components are partially subject to a prospective vote.

The following provisions apply with respect to the payment of short-term variable compensation:

up to TCHF 100	**above TCHF 100 and up to TCHF 200**	**above TCHF 200**
• Payout in cash	• Payout in shares of the Company • Shares are blocked for 4 years from the day of allocation	• 50% payout in cash • 50% payout in shares of the Company • Shares are blocked for 4 years from the day of allocation • Shares are subject to a one-year clawback right • Shares are subject to a one-year service period

Long-term variable compensation is paid out in shares.

4.2.3 Business expenses

Members of the Group Executive Board do not receive fixed expense allowances; the actual expenses incurred are reimbursed.

4.2.4 Pension plan coverage

The members of the Group Executive Board are enrolled in the standard pension plan offered to all employees in Switzerland. This pension plan only covers the base pay of all employees.

4.2.5 Long-term incentive plans at investment companies

BB Biotech AG and Bellevue Healthcare Trust plc, Bellevue Group's investment companies, are independent companies listed on multiple stock exchanges and they are managed and overseen by their own independent Board of Directors. Among the requirements stipulated by the boards of these companies with respect to the investment teams at Bellevue Group that have been retained by these companies was the establishment of long-term incentive plans that are in alignment with the expectations and interests of the shareholders of the investment companies.

Team members in the operating units who provide services related to mandates from the listed investment companies may participate in employee stock ownership plans that have been set up in conjunction with the asset management mandates of BB Biotech AG and Bellevue Healthcare Trust plc. Within the scope of these plans, some of the members of the Group Executive Board can be entitled to receive a maximum number of shares in BB Biotech AG and/or Bellevue Healthcare Trust plc. 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 maximum number of shares will be distributed only if the absolute performance of the respective mandates during the subsequent three years exceeds the mark of 10% p.a. and the relative performance of the respective mandates is better than that of the relevant indexes. There is no entitlement of shares if the absolute performance of the respective investment mandates during the three-year period is less than 5% p.a. and does not exceed the performance of at least one of the relevant indexes.

The long-term incentive plans in place at the investment companies are treated as long-term variable compensation.

4.2.6 Voluntary employee stock ownership plan

The Board of Directors occasionally offers voluntary employee stock ownership plans under which all Company employees are entitled to purchase Company shares at a discount to the market price. The maximum discount on the date of the offer is 25%. The difference between the 10-day VWAP at the time the shares are transferred and the purchase price corresponds to the monetary benefit. The allotment is made in shares blocked for 3 years.

In essence, the voluntary employee stock ownership plans described above are not elements of the Company's compensation policy.

4.2.7 Employment conditions

Members of the Group Executive Board have permanent employment contracts with a notice period of three months. Members of the Group Executive Board are not entitled to severance pay.

4.3 Management and employees

Compensation components paid to management and other employees are as follows:

	Fixed compensation	Variable compensation			
Functions	**Criteria**	**Assessment criteria and distribution**		**Payout** [1]	
				in cash	**in shares** [2] [3]
Member of Executive Board of operating Units (excl. Lead PM)	• Specialization • Management/ functional responsibility • Seniority • Regional location	• Executive Board Members with monitoring and control functions: discretionary compensation based on market standards. • Individual performance assessment		50%	50%
PM Teams	• Specialization • Management/ functional responsibility • Seniority • Regional location	Investment companies	• Base: net income from products • Addition: LTI with quantitative and qualitative KPIs (defined by BoD of investment company) • Team distribution defined by Lead PM	50%	50%
		Funds and mandates	• Base: net income from products • Addition: relative outperformance against bench-mark and peer group • Team distribution defined by Lead PM	50%	50%
Other Management and Staff	• Specialization • Management/ functional responsibility • Seniority • Regional location	• Bandwidth based on functional responsibility and Seniority • Individual performance assessment		50%	50%

[1] Please refer to the chart under 4.2.2 for the detailed payout provisions.
[2] Portfolio managers have the choice between shares of the Company or funds, which are managed by the team.
[3] Employees from foreign subsidiaries receive also this part in cash, with a one-year deferral.

As with the Group Executive Board, a restrained policy applies to the determination of fixed compensation for management and employees from an entrepreneurial point of view. For further details on the compensation system for middle management and other employees, please refer to section 4.2, as it does not differ from the compensation system in place for the Group Executive Board.

5. Board of Directors: Compensation, loans and stock ownership

5.1 Compensation

CHF	Veit de Maddalena	Katrin Wehr-Seiter	Urs Schenker	Barbara Angehrn Pavik	Total
01.01.–31.12.2024					
Fixed compensation	258 000	168 000	163 000	153 000	742 000
– in cash	193 500	126 000	122 250	114 750	556 500
– in shares [1]	64 500	42 000	40 750	38 250	185 500
Non-monetary benefit from voluntary stock purchase programs [2]	7 771	6 217	7 771	7 771	29 530
Social insurance contributions	105	–	9 309	11 369	20 783
Total compensation	**265 876**	**174 217**	**180 080**	**172 140**	**792 313**

[1] Compulsory employee contributions to social insurance plans on the amounts above were settled in cash, not in the form of shares.
[2] This is the amount of the monetary benefit which reflects the difference between the discounted purchase price and the 10-day VWAP for the effective share allocation.

CHF	Veit de Maddalena	Katrin Wehr-Seiter	Urs Schenker	Barbara Angehrn Pavik [1]	Daniel Sigg [2]	Total
01.01.–31.12.2023						
Fixed compensation	250 375	154 875	150 875	114 750	36 625	707 500
– in cash	185 875	112 875	110 125	76 500	36 625	522 000
– in shares [3]	64 500	42 000	40 750	38 250	–	185 500
Non-monetary benefit from voluntary stock purchase programs [4]	3 373	3 373	3 373	3 373	–	13 492
Social insurance contributions	–	–	8 355	5 666	–	14 021
Total compensation	**253 748**	**158 248**	**162 603**	**123 789**	**36 625**	**735 013**

[1] Barbara Angehrn Pavik was elected to the Board of Directors by the Annual General Meeting on March 21, 2023.
[2] Dr. Daniel H. Sigg stepped down from the Board of Directors on March 21, 2023.
[3] This is the amount of the monetary benefit which reflects the difference between the discounted purchase price and the 10-day VWAP for the effective share allocation.
[4] Compulsory employee contributions to social insurance plans on the amounts above were settled in cash, not in the form of shares.

The fixed compensation must be approved by the Annual General Meeting for the term of office extending to the next scheduled Annual General Meeting in accordance with Art. 8 para. 1, section 1 of the Articles of Association. For the period from the 2023 AGM to the 2024 AGM, fixed compensation (including the monetary benefit from voluntary employee stock ownership plans and compulsory employer contributions to social insurance plans) of CHF 880 000 (2022/2023: CHF 618 000) was approved. The actual amount paid (including compulsory employer contributions to social insurance plans and compulsory employer contributions to social insurance plans) for the aforementioned period amounted to CHF 791 635 (2022/2023: CHF 610 617). For the current period from 2024 AGM to the 2025 AGM, fixed compensation (including compulsory employer contributions to social insurance plans and compulsory employer contributions to social insurance plans) of CHF 880 000 was approved.

The resolutions of the Annual General Meeting regarding the fixed remuneration for the Board of Directors for the period from the Annual General Meeting 2023 to the Annual General Meeting 2024 were therefore complied with.

In 2024 and 2023, the Board of Directors authorized a voluntary employee stock ownership plan. The members of the Board of Directors were allocated to purchase 9 500 shares (2023: 10 000 shares) of the Company from the given pool at a discounted price of CHF 12.75 per share (2023: CHF 18.00 per share). This represented a discount of approximately 25% on the quarterly VWAP prior to the date the purchase right was granted. The difference between the 10-day VWAP on the date the shares are actually transferred and the purchase price corresponds to the monetary benefit. This cash compensation is subject to the approval of shareholders at the Annual General Meeting. The shares were blocked for three years from the date of transfer.

The compensation of the Board of Directors has not changed significantly compared to the previous year. The changes shown are related to the valuation of the shares allocated or acquired under the voluntary participation programs.

In fiscal year 2024, no compensation was paid (2023: none) to related parties of members of the Board of Directors on conditions other than the customary market conditions.

No compensation was paid to former members of the Board of Directors after their resignation in the 2024 financial year, nor in the preceding year.

5.2 Loans and credits

As of the end of 2024 and 2023, no loans and no credits had been granted either to members of the Board of Directors or to former members of the Board of Directors or any related parties.

5.3 Holdings of shares in the Company

The number of shares in the Company held by the members of the Board of Directors at the end of 2024 and 2023 were as follows:

Number of shares	**31.12.2024**	**31.12.2023**
Veit de Maddalena, Chairman	275 189	268 705
Urs Schenker, Member	32 068	27 184
Katrin Wehr-Seiter, Member	25 164	20 570
Barbara Angehrn Pavik, Member	10 111	5 400

5.4 Activities in other companies

Veit de Maddalena, Chairman

Klosters-Madrisa Bergbahnen AG	Switzerland	Chairman of the Board of Directors	Private
de Maddalena & Co. AG	Switzerland	Chairman of the Board of Directors	Private
Loft Dynamics AG	Switzerland	Chairman of the Board of Directors	Private
BG (Suisse) Private Bank SA	Switzerland	Chairman of the Board of Directors	Private
Marigin AG	Switzerland	Member of the Board of Directors	Private
Candor Board Services GmbH	Switzerland	Partner	Private

Urs Schenker, Member

Swisa Holding AG	Switzerland	Chairman of the Board of Directors	Private
EBV Immobilien AG	Switzerland	Chairman of the Board of Directors	Private
Geschäftshaus City AG Dübendorf	Switzerland	Chairman of the Board of Directors	Private
Invico Asset Management AG	Switzerland	Chairman of the Board of Directors	Private
Ornak AG	Switzerland	Member of the Board of Directors	Private
Indicium Technologies AG	Switzerland	Member of the Board of Directors	Private
Ufenau Capital Partners AG	Switzerland	Member of the Board of Directors	Private
Pfizer Personalvorsorgestiftung	Switzerland	Chairman of the Board of Trustees	Private
Arctos Capital AG	Switzerland	Member of the Board of Directors	Private
Erlen Capital Management AG	Switzerland	Chairman of the Board of Directors	Private

Katrin Wehr-Seiter, Member

SES S.A.	Luxembourg	Member of the Board of Directors, member of the Audit & Risk Committee, member of the Remuneration Committee	Listed
BIP Capital Partners [1]	Luxembourg	Member of the Board of Directors	Private
BIP (GP) Sarl [1]	Luxembourg	Member of the Board of Managers	Private
BIP General Partner [1]	Luxembourg	Member of the Board of Managers	Private
The Simpleshow Company S.A.	Luxembourg	Member of the Board of Directors	Private
Unite Holding SE [2]	Germany	Member of the Supervisory Board	Private
Unite Network SE [2]	Germany	Member of the Supervisory Board	Private
Mercateo Deutschland AG [2]	Germany	Member of the Supervisory Board	Private
Wellcosan Beteiligungs GmbH	Germany	Member of the Advisory Board	Private

1) BIP (GP) Sarl (with wholly owned subsidiary Coquelicots Holdings Sarl as holding vehicle) and BIP General Partner Sarl (with wholly owned subsidiaries Bleuets Holdings Sarl and Marguerites Holdings Sarl as holding vehicles) are wholly owned subsidiaries of BIP Capital Partners.
2) Unite Network SE and Mercateo Deutschland AG are wholly owned subsidiaries of Unite Holding SE.

Barbara Angehrn Pavik, Member

medmix AG	Switzerland	Member of the Board of Directors, member of the Nomination & Compensation Committee	Listed
Asceneuron SA	Switzerland	Member of the Board of Directors	Private
Stepstone Pharma GmbH	Switzerland	Partner	Private

6. Group Executive Board: Compensation, loans and stock ownership

6.1 Goals and achievement of goals

For the 2024 financial year, the following goals were defined for the Group Executive Board and assessed by the Compensation Committee:

Quantitative targets		Target	Assessment
KPIs	– Assets under management	5-10% Growth	Performance below expectation
	– Cost-Income ratio	<75%	Expected Performance
	– Return on equity	>20%	Performance below expectation
Qualitative targets			
KPIs	– Performance quality of products	50% outperform benchmark	Performance below expectation
	– Organisation, structure and efficiency	Optimisation of the organisation	Performance above expectation
	– ESG	Further development of the ESG-initiatives	Performance above expectation

2024 was a challenging year for the company and its employees and was characterised by the persistently very challenging market environment for small and mid-cap growth stocks in the healthcare sector with below-average developments on the capital market, which led to a partial reallocation of client assets. Despite the measures taken to streamline the product portfolio and focus the investment process, Bellevue was unable to counter these developments with the realised investment performance of its products and had to report a reduction in client assets under management. The business results achieved, with a reduced earnings base and consolidated net income, did not match Bellevue's ambitions and the performance of the Group Executive Board fell short of expectations in the overall evaluation.

In addition to focusing on stabilising business development, the Group Executive Board worked consistently on optimising the product portfolio and organisation as well as on increasing efficiency in 2024. A number of structural goals were achieved, such as the definition of an Asian strategy and the repositioning of fixed income/multi-asset class investment strategies and the German business. In addition, the year was used to concretise new growth initiatives. In addition to some established healthcare strategies such as Bellevue Medtech & Services and Bellevue Digital Health, the newly launched products such as Bellevue Obesity Solutions and Bellevue AI Health also performed well. By further expanding its investment expertise and focusing the organisation, Bellevue aims to further underpin its medium- to long-term growth prospects as a specialist asset manager.

6.2 Compensation

CHF	01.01.–31.12.2024		01.01.–31.12.2023	
	Gebhard Giselbrecht CEO	Total [1]	André Rüegg CEO	Total [2]
Fixed compensation – in cash	350 000	1 151 250	350 000	605 000
Fixed compensation as indemnification for valuable claims against the previous employer [3]	1 135 564	1 135 564	–	300 000
– in cash [3]	225 000	225 000	–	300 000
– in shares	910 564	910 564	–	–
– of which in restricted shares with a vesting period and claw back right provisions [3] [6] [7]	910 564	910 564	–	–
Non-monetary benefit from voluntary stock purchase programs [4]	–	–	–	–
Social insurance contributions [5]	152 243	353 747	92 998	178 259
Total fixed compensation	**1 637 807**	**2 640 561**	**442 998**	**1 083 259**
Short-term variable compensation (profit-based compensation)	350 000	950 000	350 000	570 000
– in shares	175 000	375 000	–	–
– of which in restricted shares [6]	100 000	300 000	–	–
– of which in restricted shares with a vesting period and claw back right provisions [6] [7]	75 000	75 000	–	–
– in cash	175 000	575 000	350 000	570 000
Social insurance contributions [8]	26 000	71 000	25 000	41 000
Total short-term variable compensation	**376 000**	**1 021 000**	**375 000**	**611 000**
Long-term variable compensation	54 000	219 000	93 900	93 900
– in shares [9]	54 000	237 750	93 900	93 900
– of which long-term incentive plans, investment companies [10]	54 000	219 000	93 900	93 900
Social insurance contributions [8]	4 000	17 502	7 000	7 000
Total long-term variable compensation	**58 000**	**255 252**	**100 900**	**100 900**
Total compensation	**2 071 807**	**3 916 813**	**918 898**	**1 795 159**

[1] As of December 31, 2024, the Group Executive Board consists of Gebhard Giselbrecht, CEO, Markus Peter, Head Products & Investments, Patrick Fischli, Head Distribution, Stefano Montalbano, CFO and Fabian Stäbler, COO. André Rüegg (former CEO) stepped down from the Group Executive Board as of December, 31, 2023. Michael Hutter (former CFO) stepped down from the Group Executive Board at the end of February 2024.
[2] As of December 31, 2023, the Group Executive Board consisted of André Rüegg, CEO and CEO Bellevue Asset Management AG, and Michael Hutter, CFO.
[3] Gebhard Giselbrecht, CEO, was paid compensation in the 2024 and 2023 financial years for valuable claims against the previous employer that expired due to the change of company. The compensation was paid partly in cash and partly in restricted shares. The compensation for the 2023 financial year in the amount of CHF 300 000 was subsequently approved by the 2024 Annual General Meeting.
[4] This is the amount of the monetary benefit which reflects the difference between the discounted purchase price and the 10-day VWAP for the effective share allocation.
[5] The social insurance contributions include compulsory employer contributions to social insurance plans, employer contributions to pension plans and employer contributions to health and accident insurance plans.
[6] All shares of the Company were or are valued at market value (volume-weighted average prices during the 10-day trading preceding the date of grant). Compulsory employee contributions to social insurance plans on these amounts were settled in cash, not in the form of shares.
[7] The shares are subject to a one-year service period and a one-year claw back right clause.
[8] The social insurance contributions include compulsory employer contributions to social insurance plans. With respect to variable compensation that has not yet been paid out, a prospective rate of 7.0% is used to calculate prospective employer contributions to social insurance plans and rounded up. The actual amount due (in the subsequent year) may be lower. Pension plan contributions are not levied on any components of variable compensation, which is not included in the respective insurance coverage.

[9] This position includes a long-service award in the form of Bellevue Group shares with an equivalent value of CHF 18 750.
[10] Entitlement to a maximum of 5 100 shares of BB Biotech (2023: 1 700 shares of BB Biotech), valued at fair value (closing price on 31.12.2023 and 31.12.2022, respectively).

In accordance with Art. 8 para. 1, section 2 of the Articles of Association, fixed compensation for the current financial year is subject to approval by the Annual General Meeting. For the 2024 financial year (the following figures are presented with the total amount of CHF 300 000 in fixed compensation and CHF 18 920 in social insurance contributions, which were subsequently approved by the 2024 Annual General Meeting for the 2023 financial year), fixed compensation (including fixed remuneration as compensation for valuable claims against the previous employer and the monetary benefit from voluntary stock purchase programs) of CHF 3 284 580 (2023: CHF 1 391 320) was approved. These are made up as follows:

- Maximum fixed compensation of CHF 1 170 000 (2023: CHF 620 000);
- Valuable Claims against previous employers in cash CHF 225 000 (2023: CHF 300 000)
- Valuable Claims against previous employer in shares of the Company CHF 911 000 (2023: none)
- Maximum non-monetary benefit from voluntary stock purchase programs of a maximum of CHF 565 000 (2023: CHF 270 000);
- Maximum employer contributions of CHF 413 580 for compulsory social insurance schemes, as well as other insurance schemes and pension plans (2023: CHF 201 320).

The remuneration actually paid (including social insurance contributions) for the financial year mentioned amounted to CHF 2 640 561 (2023: CHF 1 083 259).

The resolutions of the Annual General Meeting regarding the fixed remuneration for the Group Executive Board for the 2024 financial year were therefore complied with.

The increase in the fixed compensation of the Group Executive Board is mainly related to the expansion of the Group Executive Board by three to a total of five members and the compensation of valuable claims against the new CEO's previous employer.

The reported short-term variable compensation totaling CHF 1 021 000 must be approved by the 2025 Annual General Meeting in compliance with Art. 8 para. 1 section 3 of the Articles of Association.

Subject to approval, the variable remuneration of CHF 1 021 000 will be paid out in the first half of 2025 as described under 4.2.2. For the portion paid out in shares, the market value of the shares is calculated using the weighted prices over ten days prior to the respective allocation date. The shares are blocked for four years from the grant date (three years for the voluntary participation programme).

The Board of Directors approved a voluntary employee stock ownership plans in each of the 2024 and 2023 financial years. In 2024 and 2023, the Group Executive Board did not exercise any rights from this pool to purchase shares in the company at a discounted purchase price.

The short-term variable compensation (profit-sharing) of the Group Executive Board increased in the financial year compared to the previous year, which is mainly due to the expansion of the Group Executive Board by three to a total of five members. At the same time, these increases were partially offset by the company's lower operating performance, which had a reducing effect on short-term variable remuneration (profit-sharing).

Under the «BB Biotech Long-term Incentive Plan 2024», certain members of the Group Executive Board have received entitlements of 5 100 shares (2023: 1 700 shares) in

BB Biotech. The following performance criteria apply to the entitlement for the assessment period from January 1, 2024 to December 31, 2026:

KPIs	Weighting in %	Parameter
Absolute Performance	60	> 10% p.a. = 100%
(share price incl. dividends)		> 9% p.a. = 90%
		> 8% p.a. = 80%
		> 7% p.a. = 70%
		> 6% p.a. = 60%
		≥ 5% p.a. = 50%
		<5% p.a. = 0%
Performance relative to NBI	20	Outperform = 100%
(Nasdaq Biotech Index)		Underperform = 0%
Performance relative to SPI	20	Outperform = 100%
(Swiss Performance Index)		Underperform = 0%

The effective number of shares will be allocated based on the KPIs achieved in January 2027.

The percentage ratio of fixed compensation to variable compensation for the entire Group Executive Board is 67% fixed compensation and 33% variable compensation (2023: 52% fix and 48% variable). For the CEO, the total amount of fixed compensation amounts to 79% and the variable compensation is 21% (2023: 48% fix and 52% variable). The increase in the fixed remuneration component in the 2024 financial year is due to the compensation paid to the CEO for valuable claims against the previous employer.

The values in the table above differ in certain respects from the remuneration report in note 9 «Transactions with related companies and persons» of the consolidated financial statements 2024 of Bellevue Group AG , which were prepared in accordance with the International Financial Reporting Standards (IFRS). The differences relate to the valuation date of stock awards in connection with the bonus and the individual long-term incentive plans, which are subject to service period conditions. Under IFRS, their value is spread over the future vesting period («service period»), but for the purposes of this report, the amount granted is fully recognized on the date of grant.

During the reporting year, no compensation was paid to related parties of members of the Group Executive Board on conditions other than the customary market conditions.

The company had concluded a one-year non-competition and non-solicitation agreement with André Rüegg, former CEO of Bellevue Group AG and Bellevue Asset Management AG and member of the Group Executive Board, which the company considers to be commercially justified and subject to compensation in accordance with Art. 31 para. 4 of the Articles of Association. In this context, compensation of CHF 396 000 was paid for the months of January to December 2024. This compensation was regulated in a termination agreement. André Rüegg left Bellevue Group on December 31, 2023. In addition, CHF 108 000 was paid to André Rüegg for consulting services for various Group projects.

The company had concluded a one-year non-competition and non-solicitation agreement with Michael Hutter, former CFO of Bellevue Group AG and member of the Group Executive Board, which in the company's view was commercially justified and subject to compensation in accordance with Art. 31 para. 4 of the Articles of Association. In this context, compensation of CHF 135 000 was paid for the months of April to December 2024. Additional costs of CHF 8 514 were incurred on this amount for employer contributions to statutory social insurance. This compensation was regulated in a termination agreement. Michael Hutter left Bellevue Group on March 31, 2024.

6.3 Loans and credits

At the end of 2024 and 2023, no loans and no credits had been granted either to the members of the Group Executive Board or former members of the Group Executive Board or any related parties.

6.4 Holdings of shares in the Company

The members of the Group Executive Board owned the following Company shares at the end of 2024 and 2023:

Number of shares	**31.12.2024**	**31.12.2023**
Gebhard Giselbrecht, CEO [1]	44 403	n/a
Markus Peter, Head Products & Investments [2]	174 832	n/a
Patrick Fischli, Head Distribution [2]	55 452	n/a
Stefano Montalbano, CFO [2]	16 861	n/a
Fabian Stäbler, COO [3]	–	n/a
André Rüegg, CEO [4]	n/a	93 009
Michael Hutter, CFO [5]	n/a	38 125

[1] Gebhard Giselbrecht was appointed as a member of the Group Executive Board with effect from January 1, 2024.
[2] Markus Peter, Patrick Fischli and Stefano Montalbano were appointed as members of the Group Executive Board with effect from March 1, 2024.
[3] Fabian Stäbler was appointed as a member of the Group Executive Management with effect from July 1, 2024.
[4] André Rüegg stepped down from the Group Executive Board with effect from December 31, 2023.
[5] Michael Hutter stepped down from the Group Executive Board with effect from February 29, 2024.

6.5 Activities in other companies

Gebhard Giselbrecht, CEO

Bellevue Funds (Lux) SICAV	Luxembourg	Member of the Board of Directors	Private

Markus Peter, Head Products & Investments

Personalvorsorgestiftung der Bellevue Group	Switzerland	Chairman of the Board of Trustees	Private

Patrick Fischli, Head Distribution

Bellevue Funds (Lux) SICAV	Luxembourg	Member of the Board of Directors	Private

7. Compensation of the Board of Directors and Executive Board subject to approval at the Annual General Meeting in 2025

7.1 Approval of maximum total compensation for the Board of Directors

The proposed maximum remuneration of the Board of Directors remains basically unchanged from the previous year's proposal. The effectively lower fixed remuneration is related to the assumptions used to determine the imputed maximum value of the non-monetary value of the potential shares allocated under the voluntary share purchase programs. Maximum total compensation thus consists of the following components:

- Maximum fixed compensation of CHF 742 000 (previous period: CHF 742 000 approved)
- Maximum non-monetary benefit of CHF 64 000 applicable toward voluntary stock purchase programs (previous period: CHF 114 000 approved)
- Maximum employer contributions of CHF 22 000 for compulsory social insurance schemes (previous period: CHF 24 000 approved)

The Board of Directors proposes approval of maximum total compensation of CHF 828 000 (previous period: CHF 880 000 approved) for the Board of Directors for the term of office ending with the conclusion of the next Annual General Meeting. The payment will be made partly in Company shares and in cash.

7.2 Approval of the maximum total fixed compensation and long-term variable compensation for the Group Executive Board

The amount to be approved by the Annual General Meeting for the fixed compensation of the Group Executive Board is higher than in the previous year, as the expansion of the Group Executive Board from two to initially four and later five members was decided in the previous year. In the previous year, the remuneration for the new members was only approved on a pro rata basis for the respective term of office. For the coming year, approval of remuneration for the full 12 months will now be requested for all members of the Group Executive Board. However, no salary adjustments were made. The CEO was compensated in 2024 for valuable claims against the previous employer. Analogous to the Board of Directors, fixed compensation includes a potential non-monetary benefit for participation in voluntary stock purchase programs (restricted shares) at a discount. Fixed compensation for 2025 thus consists of the following components:

- Maximum fixed compensation of CHF 1 500 000 (2024: CHF 1 170 000);
- Valuable Claims against previous employers in cash CHF 0 (2024: CHF 225 000)
- Valuable Claims against previous employer in shares of the Company CHF 0 (2024: CHF 911 000)
- Maximum non-monetary benefit from voluntary stock purchase programs of a maximum of CHF 315 000 (2024: CHF 565 000);
- Maximum employer contributions of CHF 409 000 for compulsory social insurance schemes, as well as other insurance schemes and pension plans (2024: CHF 432 500).

The proposed amount of fixed compensation for the Group Executive Board for the 2025 financial year is thus CHF 2 224 000 (2024: 3 603 500). The changes shown are mainly related to the compensation for valuable claims against the previous employer of the new CEO in the financial year 2024.

Certain members of the Group Executive Board participate in a long-term incentive plan in connection with the asset management mandate of BB Biotech AG. In 2025 they are entitled to receive a maximum of 5 200 shares (2024: 5 100 shares) of BB Biotech AG. Based on the closing price as of December 31, 2024, this corresponds to a maximum compensation of CHF 185 000 (2024: 219 000) plus compulsory social security contributions of CHF 14 000 (2024: 16 500). This corresponds to a maximum total amount of CHF 199 000 (2024: CHF 235 500).

The Board of Directors proposes the approval of maximum total fixed and long-term variable compensation of CHF 2 423 000 (2024: CHF 3 839 000) that can be awarded and paid to the members of the Group Executive Board during the current 2025 fiscal year.

7.3 Approval of the total short-term variable compensation for the Group Executive Board

Subject to approval by the Annual General Meeting, the members of the Group Executive Board will be paid short-term variable compensation related to performance based on annually agreed targets and expectation. The following proposal is based on performance and target achievement in the 2024 fiscal year. The components and the calculation of the variable compensation for the Group Executive Board are described in section 4.2 and disclosed in section 6.2.

The Board of Directors proposes the approval of total short-term variable compensation of CHF 1 021 000 (2023: CHF 611 000) for the Group Executive Board for the 2024 financial year.

Report of the statutory auditor to the general meeting of Bellevue Group AG, Zurich

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Bellevue Group AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f of the Swiss Code of Obligations (CO) in the tables in chapters 5 and 6 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying remuneration report (chapters 5 and 6) complies 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 remuneration report» section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the audited information in the tables 5 and 6 of the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

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

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

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

PricewaterhouseCoopers AG

Philippe Bingert
Licensed audit expert
Auditor in charge

Roland Holl
Licensed audit expert

Zurich, 21 February 2025

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

Foreword

Further progress in sustainability strategy execution

To secure the success of our company over the long term and at the same time create value for all stakeholders, we have embedded our 2030 sustainability goals into Bellevue Group's business strategy.

In 2023 we set ourselves important ESG goals and guideposts and during 2024 we were able to build on our ESG agenda and make further progress. For example, our ESG report now includes a section with data that is relevant to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Here we report on the action Bellevue is taking to mitigate climate change. We also cover opportunities and risks that arise for us along the anticipated path towards a decarbonized/low-carbon and climate-resilient economy.

The updated sustainability materiality matrix from 2023 was reviewed again in 2024 and the results of this review proved the value of the «double materiality» principle we follow. With this concept, we report on the impact that the relevant ESG issues have on Bellevue's business operations, reputation and financial results while at the same time examining the impact that our business activities have on environmental, social and community issues.

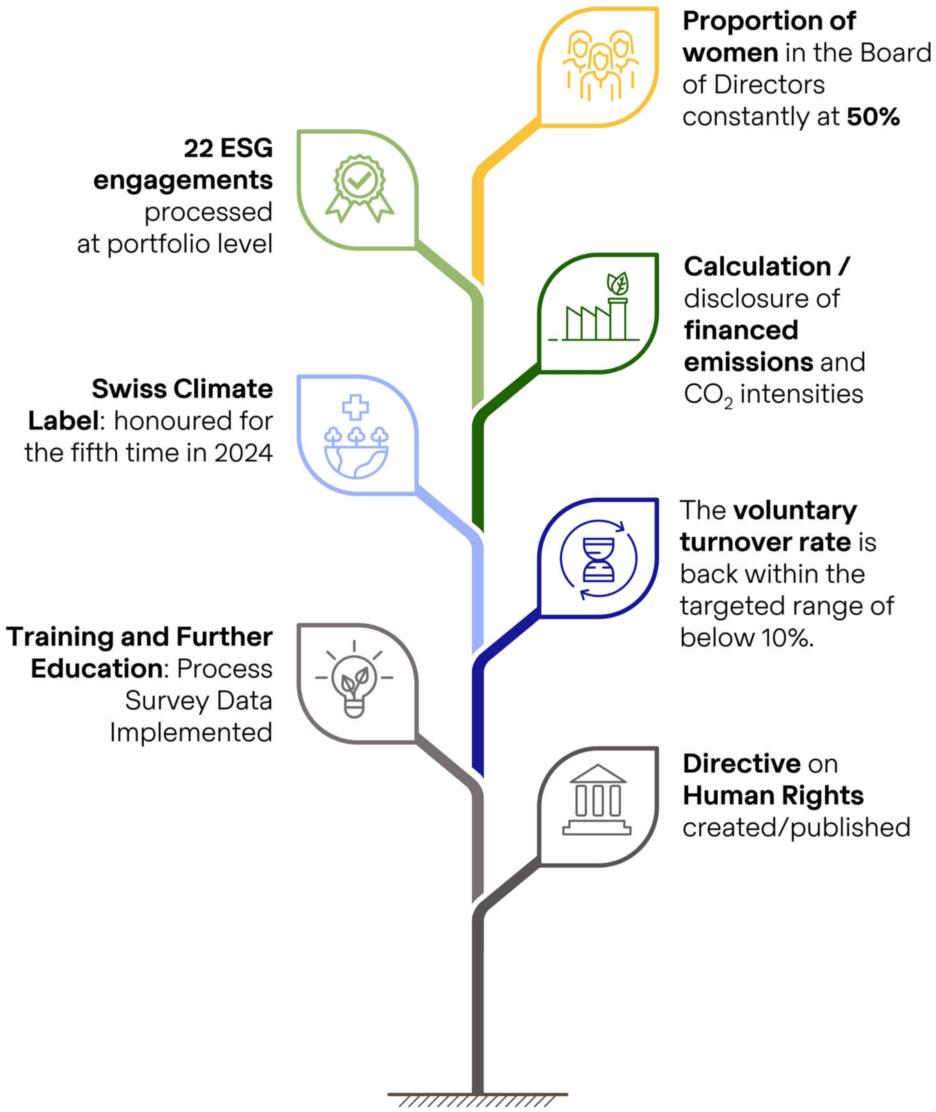
We also strive to protect the long-term, sustainability interests of our investors by making active use of our voting rights at the general meetings of the companies in our portfolios via proxy voting. In 2024, our portfolio managers and analysts participated in 409 general meetings and cast votes on 781 of a total of 804 votable proposals – which represents a high participation rate of 97.1%.

For a services company like Bellevue, employees are critical for its long-term success. We are pleased to note that the employee turnover rate fell back to the targeted range of less than 10% in 2024. We stayed in constant dialog with employees during the course of 2024 and plan to conduct another employee survey in 2025/2026. This is intended to bring employee needs and priorities into the best possible alignment with the goals and demands of our company.

Veit de Maddalena
Chairman of the Board of Directors

Gebhard Giselbrecht
Chief Executive Officer

Sustainability achievements 2024



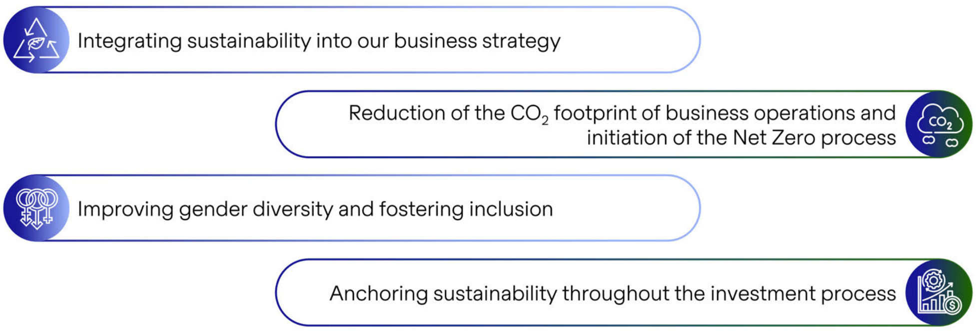
Sustainability strategy

GRI 2-22

Sustainability is an important factor in the Bellevue Group's business strategy. It is the key to securing our long-term success and at the same time creating value for all of our stakeholders. In line with the «triple bottom line» principle, we seek to generate growth while simultaneously taking into account the needs of the environment and society. As an independent asset manager, we are in a position to promote sustainable development to the benefit of all of our stakeholders.

Our sustainability thrusts 2030 support our aspiration and was developed as part of our stakeholder engagement process, which also incorporated a materiality assessment.

2030 sustainability agenda



Integration of sustainability into business strategy
The importance of ESG and sustainable investing is now widely recognized. Bellevue Group endeavors to continuously increase and integrate sustainability at corporate as well as portfolio level. Our values lay the foundation for the sustainable, responsible and values-driven business practices that guide our employees every day and they are absolutely essential for creating long-term value for our stakeholders. Based on these core values, we have established clearly defined, transparent ESG policies and investment guidelines that integrate binding environmental, social and governance aspects into our standards and conduct. Please consult the ESG policy document that we have published on our website for further information.

Reducing the CO_2 footprint of business operations and initiation of the net zero process
We measured Bellevue's carbon footprint at company level for the first time in 2021 for the year 2020. Business travel, commuting travel, heating and electricity are the main sources of our carbon emissions and we have therefore introduced sustainability measures in all of these areas. Having offset its CO_2 emissions by supporting top-quality climate projects in Europe, Bellevue was certified by Swiss Climate for the fifth consecutive year in 2024. We are

also committed to achieving net zero by 2050 and our 2030 climate strategy therefore includes a pledge to reduce our carbon emissions per employee (FTE) by 30%.

Improving gender diversity and fostering inclusion
Bellevue Group values employee diversity and believes this is an integral part of its success as a business. Our approach is founded upon mutual respect and a collaborative work culture across languages, cultures and nationalities. This variety of perspectives and approaches, experiences, ideas and talents leads to innovation and underpins Bellevue's success on a lasting basis – including its ability to attract qualified specialist personnel. Our goal of increasing the proportion of women on the Board of Directors to 30% was achieved in 2023. The proportion of women on the board as of December 31, 2024, was 50%. The targeted minimum proportion of women at executive management level remains 20%. This goal should be achieved by 2030 within the scope of our succession planning.

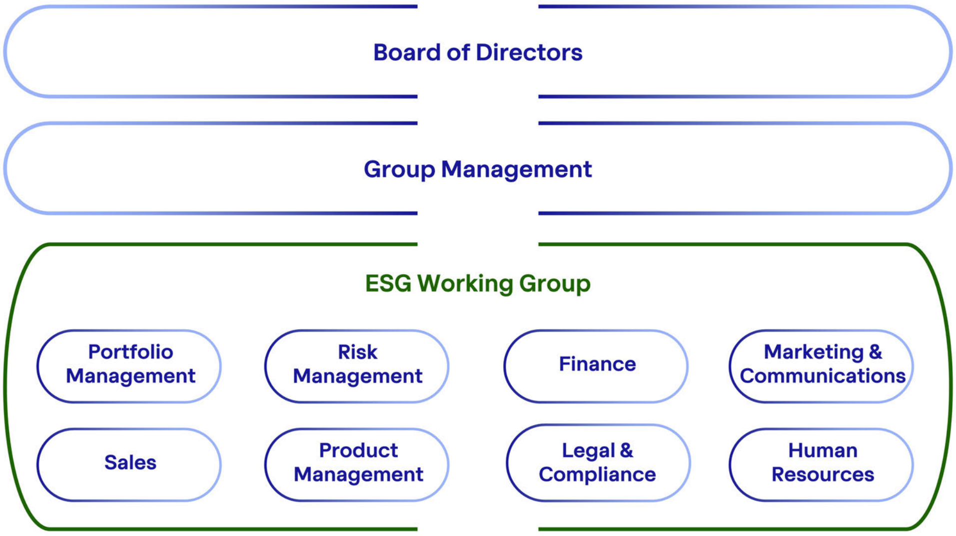
Anchoring sustainability throughout the investment process
Sustainability aspects have been an integral part of Bellevue's investment and risk management processes for many years. In 2018, we launched the Bellevue Sustainable Healthcare Fund, which adheres to strict formal ESG requirements. Environmental, social and governance factors are taken into consideration across all portfolios within the scope of our ESG integration policy. In addition to clearly defined exclusion criteria based on global norms and values, these include, in particular, the relevant ESG risks are integrated into the fundamental analysis of investment candidates. The ESG profiles of potential investments and their impact alignment in connection with the UN's sustainable development goals are also screened. Potentially adverse effects of our investments on sustainability factors are monitored centrally and are formally included in the assessment of an investment as part of its sustainability profile. An internal working paper «Consideration of PAI» regulates the details. Environmental and climate aspects are an integral part of the overall assessment. Financed greenhouse gas emissions have also been systematically measured in accordance with the PCAF standards (Partnership for Carbon Accounting Financials) since 2023 and disclosed in accordance with the TCFD recommendations. Lastly, our portfolio managers are actively engaged in a constructive dialog with executive managers and relevant stakeholders on ESG matters. Bellevue Asset Management AG firmly embraces the United Nations Principles for Responsible Investment (UN PRI) and continuously adapts its ESG investment guidelines to meet the latest PRI reporting framework.

Sustainability governance

GRI 2-12 GRI 2-13 GRI 2-14

Over the past three years, Bellevue has strengthened its sustainability governance practices and its corporate sustainability framework and introduced new roles and responsibilities at management level as well as throughout the organization.

Sound sustainability governance is essential for ensuring that we continue to embed sustainability within our business practices and product offer, achieve steady progress towards our sustainability targets, and identify potential opportunities and challenges at an early stage. In September 2023, the Board of Directors introduced a new corporate framework for sustainability.



- Responsibility for sustainability-related performance, the monitoring of sustainability-related developments and the adoption of sustainability policies and strategies lies with the Board of Directors. It is also responsible for approving the sustainability report.
- The Group Executive Board is responsible for developing and implementing measures to achieve the sustainability strategy and objectives defined by the Board of Directors. Further information about the members of the Board of Directors and the Group Executive Board can be found in the Corporate Governance report.
- A sustainability working group has also been tasked with overseeing the implementation and integration of sustainability policies across all areas of the business. This working group is headed by the Group's CFO and includes representatives from various functions/departments, as shown in the diagram above. It monitors the latest developments on the sustainability front and forecasts their impact on Bellevue Group's business model. It supports the Group Executive Board in formulating and developing the sustainability strategy. The sustainability working group meets at least once every quarter and reports to the Group Executive Board and the Board of Directors. It is additionally responsible for managing and implementing sustainability-related projects within the various business areas and functions and areas of activity.

Stakeholder engagement

GRI 2-29

We believe interaction with our stakeholders is crucial in identifying, analyzing, planning, prioritizing and implementing our 2030 sustainability goals, as well as the underlying objectives and measures. That is why we maintain regular contact with internal as well as external stakeholders.

In 2023, the following stakeholders were asked to participate in our double materiality assessment:

- Shareholders (interview and survey)
- Employees (survey)
- Clients/distribution partners (interview and survey)
- Suppliers (survey)
- Portfolio companies (survey)

Stakeholder	Engagement	Activities	Topics discussed
Shareholders and analysts	Bellevue is in regular contact with its shareholders and analysts, in particular through the publication of its semi-annual and annual results. Investor Relations maintains a constant dialog with investors and analysts through the year. In accordance with the Listing Rules of SIX Exchange Regulation, key business developments are published via media releases or ad-hoc notices on at least two electronic information systems. These announcements are simultaneously published on the corporate website, having been sent to SIX Exchange Regulation in advance. The shareholder notices required under Swiss company law are published in the Swiss Official Gazette of Commerce (SOGC).	• Annual general meeting • Conferences and events • Corporate website • Media releases • Annual and interim reports • ESG survey • Interview major shareholder	• Business performance • Share price performance • Sales developments • Product developments • Sustainability
Employees	Employees are given information about business developments, changes within the company and product updates on a regular basis. Communication is via various channels including e-mails and employee information meetings. In addition, Bellevue conducts a group-wide survey every three years to monitor employee satisfaction and commitment as well as ensure employees understand the business. Employee feedback is passed on to the Group Executive Board, which uses the findings to devise concrete measures.	• ESG survey • Training • Talent management	• Job satisfaction • Health & safety • Sustainability • Strategy • Next generation
Clients and sales partners	Our clients and partners are served by a committed sales team comprising industry experts. Clients and partners have regular personal contact with their key account manager and receive a regular newsletter containing product and business information. They can also subscribe to a free e-mail service.	• ESG survey • Key account manager relationships • One-to-one meetings • Conferences and events • Complaint handling	• Products • Sustainable products • Client relationships and satisfaction
Suppliers	Bellevue is in constant contact with its suppliers and service providers. Local suppliers and service providers are preferred where possible. Every supplier or service provider is subject to pre-qualification to ensure compliance with the rules, while correspondence continues throughout the business relationship in order to review requirements, make payments and negotiate contracts.	• ESG survey • Assessments • Direct dialog	• Responsible procurement • Traceability
Portfolio companies	In the interests of our investors, best possible corporate performance, role as professional investor, etc. Activities: meetings with company representatives at all levels (top management, board, IR, etc.)	• ESG survey • Management meetings (top management, board, IR) • Proxy voting • Sharing of experience	• Sustainability • Innovation • Costs • Capital structure • Corporate governance
ESG rating agencies	Bellevue uses sustainability research produced by ESG rating agencies MSCI ESG and Sustainalytics for the purpose of integrating ESG into investment processes.	• Meetings	• Small vs. large caps • Coverage • Rating methodology

Material topics identified

GRI 3-1 GRI 3-2 GRI 2-29

The materiality analysis supports the Group Executive Board and the management teams of the subsidiaries in identifying key sustainability issues by considering the expectations and needs of external and internal stakeholders. The results of the materiality analysis are used to continuously improve sustainability management by sharpening the company's understanding of stakeholder needs and their shifting perceptions of what they regard as material sustainability issues. The materiality matrix forms the basis for managing corporate processes and helps to identify and manage potential opportunities and risks.

Bellevue thoroughly revised its materiality matrix in 2023. Since the 2023 financial year its sustainability reporting is now based on the principle of «double materiality».

Outside in: The impact of sustainability issues on Bellevue's business operations, reputation or financial success. Here the term «impact» refers to the actual or potential impacts on Bellevue's business model or value drivers (e.g., sales, cash flow, margins) in the short, medium or long term. For example, Bellevue depends on electricity to operate and it is likely to be significantly affected by rising energy prices.

Inside out: Bellevue's impact on sustainability issues. Here the term «impact» refers to the actual or potential effect, negative or positive, that Bellevue has or could have on the environment, the economy and on society, including basic human rights, in the short, medium or long term.

To ensure that all of the most important issues for Bellevue are identified, we have taken the following measures in 2023:

- Peer review
- Assessment of sector requirements
- Interviews with key stakeholders
- Surveys of all stakeholders

For the survey, the working group reviewed a list of 150 potential topics, including the topics of the previous year, discussed their relevance to our business and our sector, and drew up a definitive list of 20 topics that were then included in the survey. 200 stakeholders were asked to evaluate the topics on a scale ranging from «no impact» (1) to «very high impact» (5). 57% of the stakeholders contacted completed the survey.

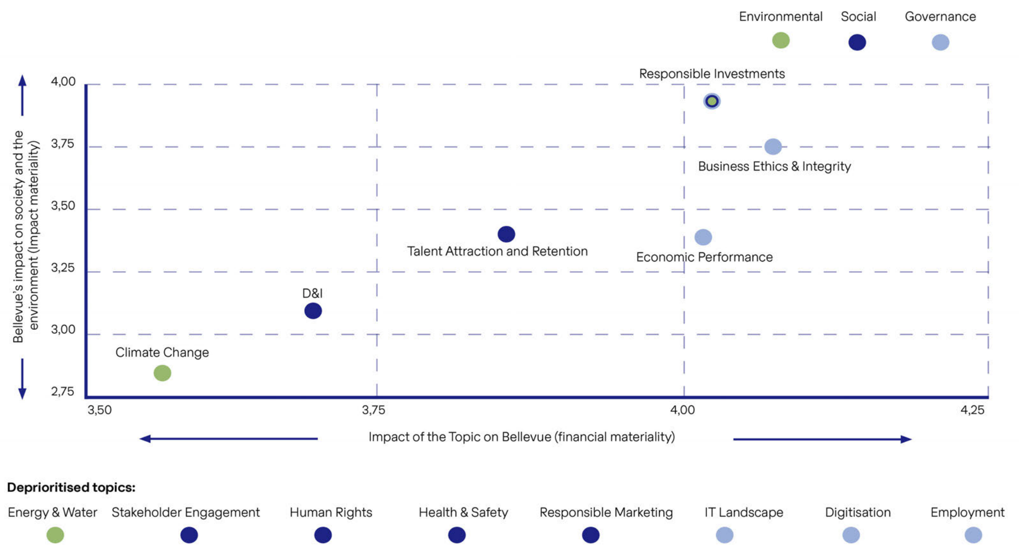
Respondents assessed the materiality of the 20 topics from both an outside-in and an inside-out perspective. Material topics were discussed with senior management during two meetings at which all survey responses were presented and evaluated.

The Group Executive Board made the final decisions to ensure alignment with long-term strategy.

In the 2024 financial year, Bellevue determined that the result of the 2023 materiality analysis is also relevant for the 2024 reporting year for the following reasons:

- The 2023 materiality matrix continues to be in line with Bellevue's long-term strategy
- There were no material changes in the organisational structure and business activities of the company
- There were no material changes in key suppliers
- There were no other relevant events that had a material impact on Bellevue's materiality matrix

Materiality matrix



Change in material topics from year to year

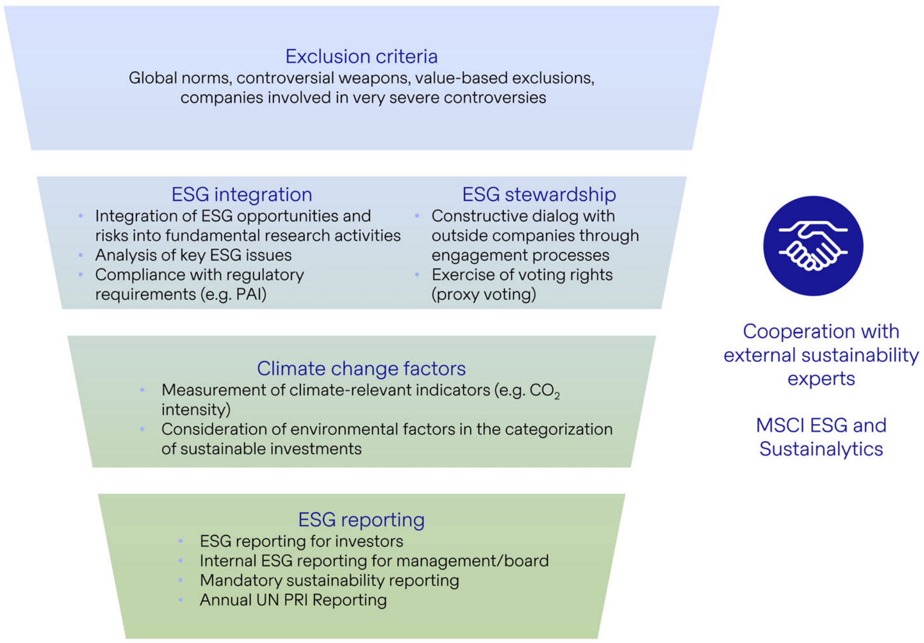
There were no changes to the material topics in the 2024 financial year compared to the previous year.

Responsible investment

GRI 3-3

The materiality analysis shows that responsible investing is a key sustainability issue. Bellevue comprehensively implements ESG criteria in its investment processes and portfolios, taking into account the growing regulatory requirements.

Various sustainability approaches have been embedded into our ESG framework, which we have systematically implemented and are continuously developing.



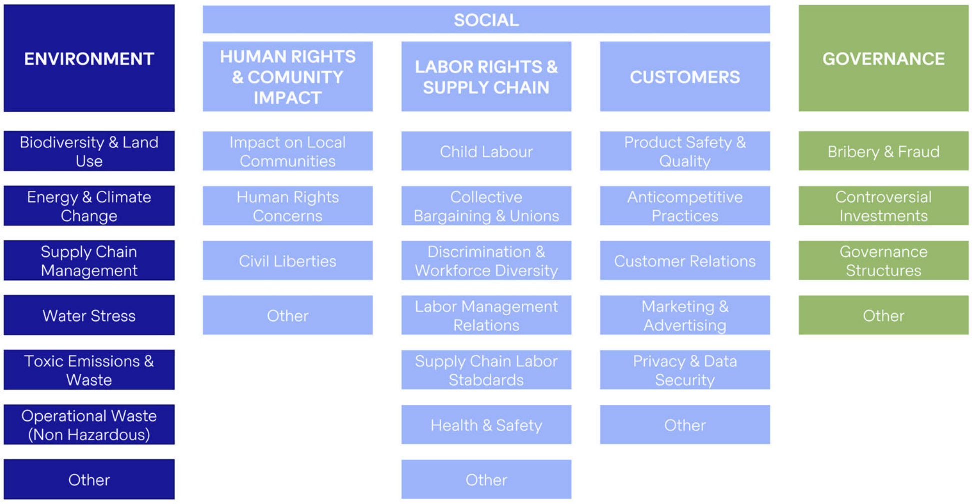
Source: Bellevue Asset Management AG, as of December 31, 2024

Bellevue's ESG investment guidelines basically comprise the following elements:

Exclusion criteria based on norms and values

We are committed to adhering to internationally recognized norms and systematically exclude from the managed investment portfolios any companies that seriously violate human rights, the environment or labor norms, or are involved in corruption. To this end, we apply the MSCI ESG controversies methodology and standards. MSCI ESG Controversies is intended to reflect all areas of adverse impact covered by the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct. In addition, MSCI ESG Research provides a mapping of ESG controversy cases to the underlying principles of the following global norms: the UN Global Compact (UNGC), the UN General Principles of Business and Human Rights (UNGP) and the International Labor Organization (ILO) Conventions (both core and broad).

MSCI ESG Research has a dedicated team of analytical staff who identify and assess the severity of controversy cases that involve companies in its coverage universe on an ongoing basis. ESG analytical staff review the reported allegations and apply consistent scoring and a color-coded flag for each controversy case, based on the severity of impact in each case, the alleged role of the company in each case and the status of each case (which is determined by the state of resolutions, if any, between involved stakeholders). MSCI ESG Controversies – evaluation framework:



Source: MSCI ESG Research Inc.

In contrast to exclusions based on violations of global principles and standards, value-based exclusions are based on social, ethical or moral values. Thresholds have been defined for the percentage of overall revenues that can be generated from business areas with high ESG risk scores such as conventional weapons, thermal coal and tobacco production. Companies that exceed the generally accepted annual revenue thresholds in the business areas below are excluded:

Business area	Revenue threshold
Controversial weapons	0%
Conventional weapons	10%
Thermal coal	5%
Fracking/oil sands	5%
Production of tobacco	5%
Sale of tobacco	20%
Adult entertainment	5%
Gambling	5%
Palm oil	5%

Controversial business areas and the sales limits defined therein are unchanged compared to the previous year.

Compliance with these sales limits is systematically monitored, even though our core investments are in healthcare facilities. The specified revenue thresholds serve primarily for the practical implementation of the exclusion criteria and are based on empirical values in collaboration with institutional investors and industry experts. More far-reaching and/or stringent exclusion criteria may be applied for individual strategies with a dedicated sustainability focus.

Bellevue maintains an exclusion list, which is monitored and updated on a quarterly basis. Based on this list, just short 900 companies from across our investment universe were excluded from direct investment as at the end of 2024. Compliance with exclusion criteria is monitored monthly by an internal risk management unit.

ESG integration

Environmental, social and governance factors are integrated into the fundamental analysis of every company through an ESG integration process in which the associated financial risks or opportunities are evaluated with respect to future stock market performance. This approach gives our portfolio managers a holistic picture of an enterprise.

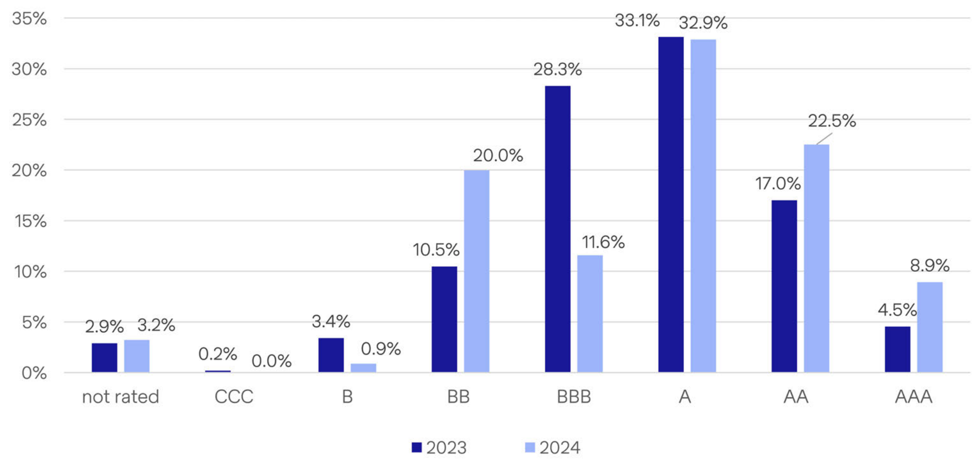
The environment subcategory focuses on aspects such as whether a company systematically measures and discloses its emissions or carbon intensity or such as monitoring the CO_2 intensities of companies in the context of the average value for the relevant industry. The Social subcategory covers aspects such as product quality, data privacy policies, employee development and gender balance/diversity at management level. Examples of Governance issues are board independence, board compensation and corporate ethics.

To integrate sustainability criteria into the investment decision-making process, we use an ESG rating per issuer consisting of various sub-scores. These are based on data from MSCI ESG Research and Morningstar Sustainalytics, the relevance of which varies depending on the sector. The analysis focuses on the ESG key issues, i.e. the sustainability aspects in which a company performs particularly well or poorly.

However, ESG ratings should always be interpreted with caution and scrutinised critically. ESG rating methods are based on a predefined systematic approach that does not always result in an objective or «fair» assessment of risks. In fact, such methods often systematically disadvantage start-ups and small-cap companies relative to large-cap companies. A lack of manpower and experience in handling ESG issues can result in a company being underrated. Also, the given comparison group used to determine ESG ratings within a certain industry may not be entirely applicable. That is why our portfolio managers always take a closer look at potential or ostensible «ESG laggards» (CCC, B rating) and reach out to the ESG specialists at our external ESG research providers and at the companies with lagging ESG ratings. Investments in «ESG laggards» must be documented in detail. Bellevue Asset Management does not apply a «best-in-class» approach for the reasons mentioned above, unless otherwise dictated by a specific investment strategy.

A breakdown of Bellevue's liquid investment strategies (net invested assets of Bellevue's equity and fixed income strategies excluding cash, Private Equity, Ventures, company pension fund and dedicated derivative strategies) by MSCI ESG rating is given below:

Breakdown of MSCI ESG ratings as of December 31, 2024



Source: Bellevue Asset Management, MSCI ESG Research

Compared to the previous year, ESG leaders (MSCI ESG ratings of AA and AAA) once again increased from 21.5% to 31.4% of net invested assets. Similarly, ESG laggards (CCC and B) were reduced from 3.6% to 0.9%. In the middle of the good MSCI ESG ratings, individual portfolio reallocations resulted in a shift in strength from BBB to BB, although this is not particularly significant from a sustainability perspective. 3.2% of net invested assets could not be rated (2.9% in the previous year). The MSCI ESG rating distribution shown above covers around 97% of Bellevue's total assets under management (previous year: 94%).

Following the introduction of the EU Sustainable Finance Disclosure Regulation in March 2021 and the Delegated Regulation (EU) 2017/565 on MiFID II sustainability preferences (art. 2, para. 7–9), Bellevue established the two investment categories of «investments with sustainable characteristics» and «sustainable investments». In the absence of a uniform European-wide classification system, the two categories are applied in the investment processes of the respective strategies to the best of our knowledge based on current practices and the, in some cases limited, data available, in accordance with clearly defined principles.

Investments with sustainable characteristics (EU SFDR)

Most of Bellevue's investment strategies take into account social, environmental as well as governance-related characteristics (ESG), in accordance with the provisions of Article 8 of the EU Disclosure Regulation 2019/2088 (EU SFDR), but do not have sustainability as their objective. In principle, the aim is to invest all of the assets of the relevant strategies in investments with sustainable characteristics. However, as there is not yet a sufficient amount of ESG data available in every asset class and sector and, given that some companies do not yet have an ESG rating, a minimum allocation threshold to investments with sustainable characteristics has been set as a percentage of total invested fund assets.

For strategies with a considerable allocation to small and mid-cap investments and/or significant emerging market exposure where ESG research coverage is low, the minimum allocation threshold to «investments with sustainable characteristics» is 50%. Strategies that are less affected by these factors must adhere to a higher minimum allocation of 75% to «investments with sustainable characteristics». Taking into account the new ESMA guidelines on the use of sustainability terms in fund names, this minimum proportion was raised from 75% to 80% for the Bellevue Sustainable Healthcare Fund.

Detailed information on the individual investment strategies as well as the methodology can be found in the product-specific documents available via the following link:

https://www.bellevue.ch/all-en/all/about-us/sustainability/responsible-investment

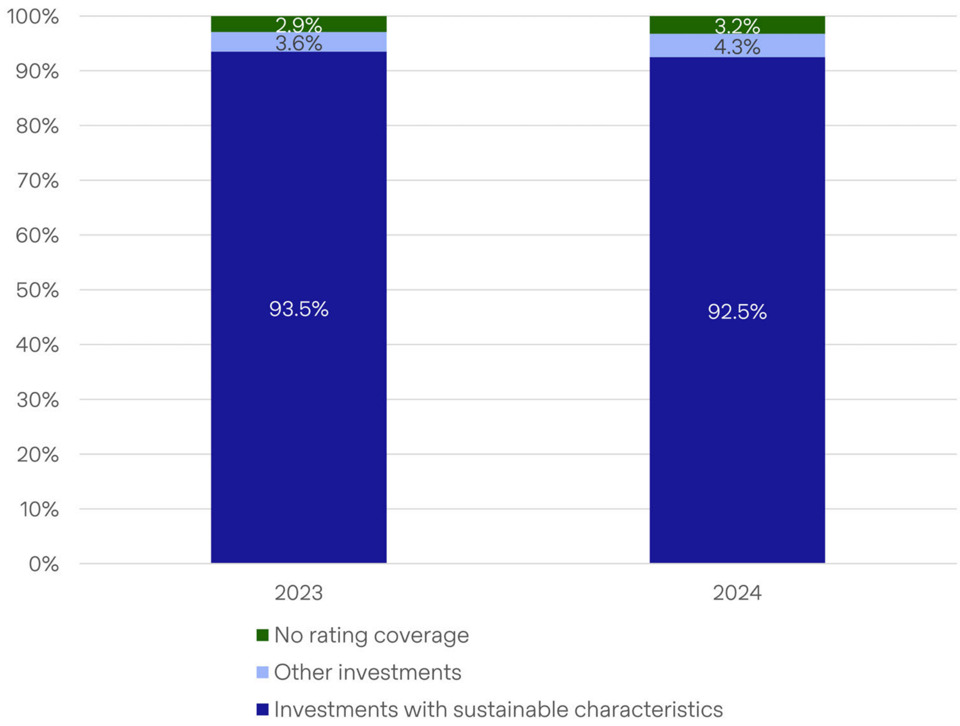
Sustainable investments (MiFID II and EU SFDR)

In addition to taking into account the most important adverse effects on sustainability factors (PAIs) at portfolio level, Bellevue has defined minimum allocations to sustainable investments for every investment strategy pursuant to Article 2 (17) of the Disclosure Regulation 2019/2088. This defines a «sustainable investment» as an investment in an economic activity that contributes to the achievement of an environmental and/or social objective and does not significant harm with respect to such objectives. Furthermore, the investee companies must follow good governance practices.

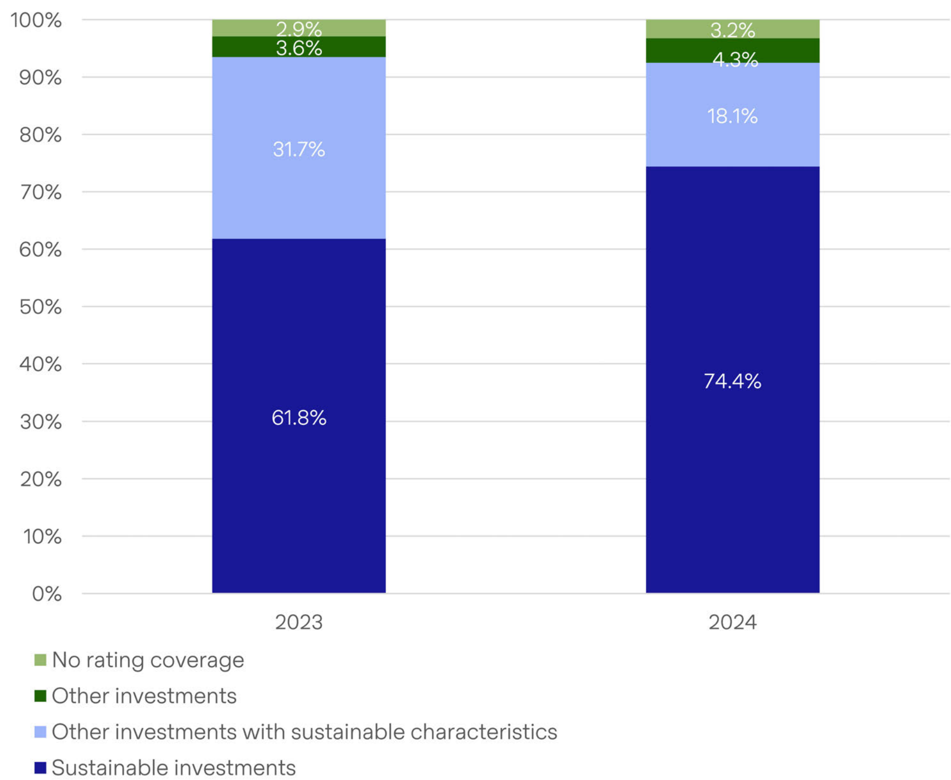
Investments are included under the «sustainable investment» allocation if, firstly, they have a positive alignment with at least on of the 17 UN Sustainable Development Goals and, secondly, if they meet the aforementioned sustainability characteristics and, thirdly, if they have no significant adverse impact on sustainability factors. The MSCI ESG methodology is also used to measure contributions towards the UN SDGs (see section on «Alignment with UN SDGs»). Minimum thresholds of 25% and 50% were defined for the sustainable investment category. Here as well, the existing ESG-related research coverage and the specific investment focus (e.g. small and mid caps) play an important role.

Based on the above definitions and the methodologies applied, approximately 92% (94% in the previous year) of the liquid net invested assets at Bellevue as of December 31, 2024, qualified as «investments with sustainable characteristics» and 74% (62% in the previous year) as «sustainable investments»:

Investment products with sustainable characteristics (based on EU SFDR)



Sustainable investment (based on EU SFDR)



A sector-wide comparison of these ratios within the meaning of the EU SFDR is still not possible due to a lack of harmonization of the applicable classification schemes and valuation methods.

Principal adverse impacts on sustainability factors (PAI)

Bellevue takes into account the principal adverse impact (PAI) of its investment decisions on sustainability factors in its investment processes and portfolio management activities. PAI indicators can be considered both explicitly and implicitly. In explicit consideration, thresholds are determined for each PAI criterion, defining when a specific PAI criterion has a «principal adverse impact» on a sustainability factor («supercritical»). If an issuer is assessed as having a «principal adverse impact», it cannot be categorized as a sustainable investment, no matter if the issuer makes a positive contribution to one of the UN's 17 Sustainable Development Goals.

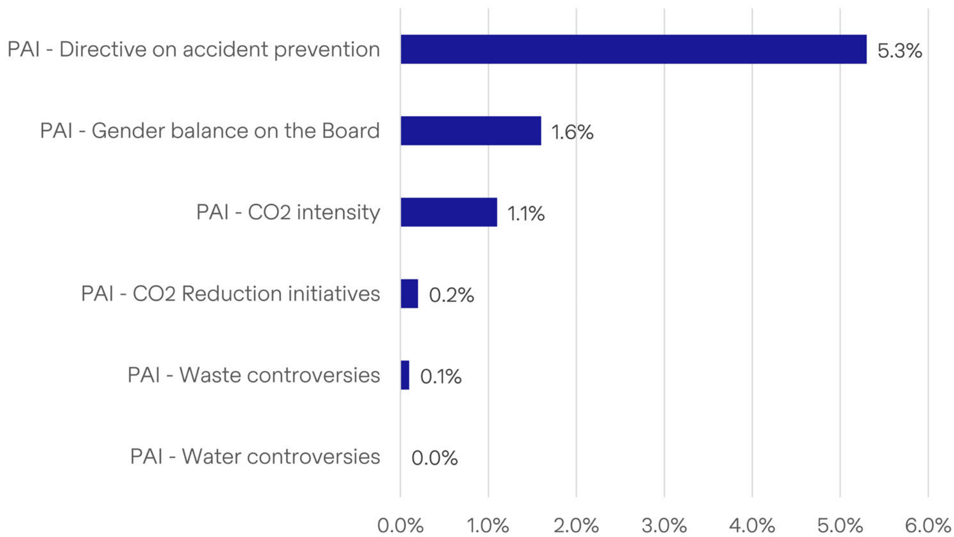
In implicit consideration, aspects of the relevant PAI indicators are incorporated into the ESG ratings methodology developed by MSCI ESG, resulting in indirect consideration of PAI performance by defining minimum rating scores that are used to calculate the share of sustainable investments or of investments with sustainable characteristics for each investment fund.

Within the framework of a PAI analysis, sustainability factors such as carbon intensity, programs to reduce carbon emissions, water- and waste-related controversies, or gender mix at board level, for example, are explicitly taken into account.

The consideration of adverse impacts on sustainability is subject to data availability. The required data is not always available in sufficient quantity and quality for every entity in which Bellevue invests. As a result, the list of PAI indicators taken into account is continuously reviewed based on data availability and data quality.

As at 31 December 2024, 8.3% of net invested assets had a supercritical PAI value (19.2% in the previous year), with 2.8% (7.7% in the previous year) attributable to originally sustainable investments, which were therefore downgraded to 'unsustainable' by this proportion. The investments with supercritical PAI values are distributed across the following categories:

Proportion of 'supercritical' PAI values by category



ESG stewardship

As a responsible long-term investor, Bellevue supports all measures and proposals designed to increase the value of portfolio companies over the long term in the interests of shareholders and investors. This includes engagement activities as well as the exercising of voting rights at general meetings of shareholders.

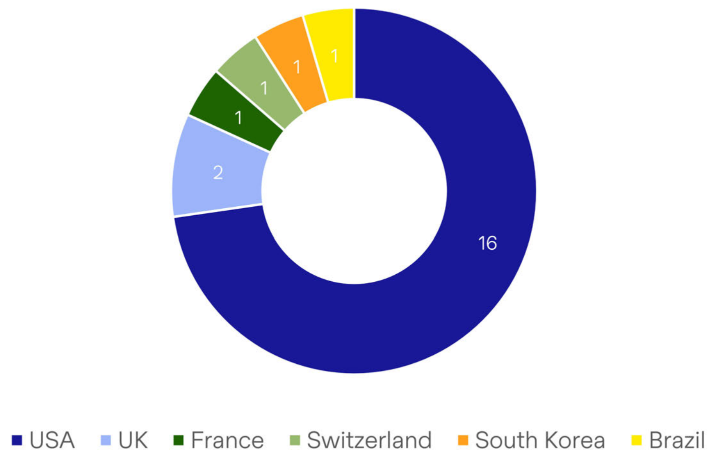
Engagement

This commitment to active investment management also highlights the importance of engagement as a key element of our ESG framework. Portfolio managers are engaged in an active and constructive dialog with the executives and other relevant representatives of portfolio companies on environmental, social and governance issues. If there are any indications of a significant controversy related to ESG issues, they are constructively discussed with the investee company and subsequent developments (e.g. change in strategy or processes, improvement of ESG rating) documented over time. Engagement activities are undertaken in the context of materiality and proportionality considerations. The level of engagement can vary depending (among other things) on the size of the position held by an investment strategy, the market capitalization of the investee company, and the entity's stage of corporate development.

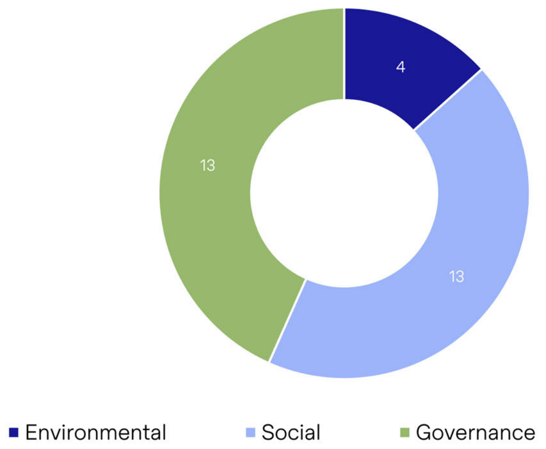
ESG engagement activities are recorded as part of the regular documentation for company meetings and have been systematically recorded in a proprietary tool since 2022.

In 2024, our portfolio managers worked on a total of 22 engagements, with 7 engagements being finalised. In 3 cases, a full success was recorded and in 4 cases our engagement activities were at least partially successful. A further 4 exposures were terminated as the position was sold for fundamental reasons.

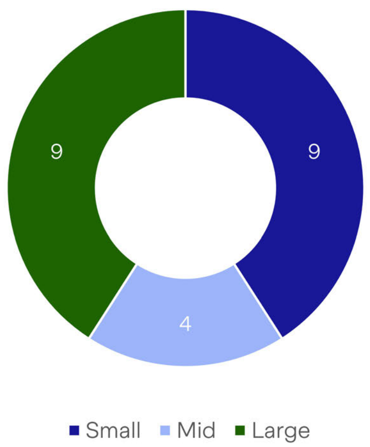
Breakdown of ESG engagements by country in 2024



Breakdown of ESG engagements by dimension in 2024



Breakdown of ESG engagements by company size 2024



Selected ESG engagement case studies show that our portfolio managers and analysts are in very close contact with companies and through constructive dialog they endeavor to bring about the best possible corporate performance in terms of sustainability criteria too. Qualified opinions of third parties such as proxies are included in the process, although ultimately we always act in the interests of our investors.

Engagement Case (Example) – Ypsomed (Switzerland)
In 2024, we conducted a very constructive and goal-oriented engagement with Ypsomed. The Swiss company offers, among other things, a comprehensive range of technologies and services for injection systems used in self-medication. For example, the highly demanded GLP-1 medications can be administered using Ypsomed pens. Our engagement activities focused on the following two key areas:

1) Is the company engaged in a satisfactory exchange with MSCI ESG analysts, and does it consider the ESG rating of A, which was in place at the beginning of the engagement, to be appropriate?

2) Has Ypsomed already taken steps to further optimize the area of «Product Safety & Quality»?

In addition to our interactions with Ypsomed representatives, we maintained a direct dialog with MSCI ESG analysts and acted as an intermediary between the two parties in our role as an asset manager. Thanks to the intensified exchange, it was ensured that Ypsomed's high standards for product safety and quality, as well as the existing quality mechanisms (e.g., in supplier management), were fully reflected in publicly available reports and duly recognized by MSCI ESG.

As a result of the engagement, a rating upgrade was successfully achieved. Since May 2024, Ypsomed has held an AA rating, which corresponds to the second-highest rating category at MSCI ESG.

Proxy voting

Bellevue also protects the long-term interests of its investors by making active use of its voting rights at the general shareholder meetings of investee companies through proxy voting.

International Shareholder Services (ISS) provides us with proxy advisory services. ISS has many years of experience in proxy advisory and sets the bar with its voting policies. However, there is no obligation to vote in the same way as ISS recommends. Bellevue may vote against the recommendations of third-party organizations if it deems that their voting recommendations are not in the best interests of investors. Bellevue Asset Management AG actively exercises its voting rights as a rule.

Voting rights can be exercised in person by attending a general meeting; electronically via online voting platforms or through an appointed representative or representatives/proxy voting firms.

Overview of voting activities in 2024

In 2024, our portfolio managers and analysts participated in 409 general meetings (2023: 572) and cast votes on 781 (909) of a total of 804 (934) possible proposals, which represents a participation rate of 97.1% (97.3%). This figure can be below 100% because some markets require an equity blocking period in connection with voting, which would in turn restrict trading in the securities concerned. In order to maintain portfolio liquidity, however, no voting takes place in such cases.

Detailed information on our voting activity is given in the following tables:

Meeting overview

	2024		2023	
Category	**Number**	**Percentage**	**Number**	**Percentage**
Number of votable meetings	419		589	
Number of meetings voted	409	97.6%	572	97.1%
Number of meetings with at least 1 vote against, withhold or abstain	221	52.7%	313	53.1%

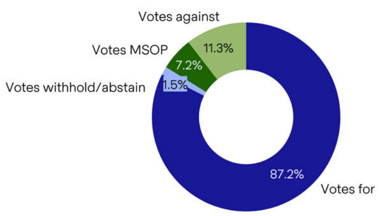
Ballot overview

	2024		2023	
Category	Number	Percentage	Number	Percentage
Number of votable ballots	804		934	
Number of ballots voted	781	97.1%	909	97.3%

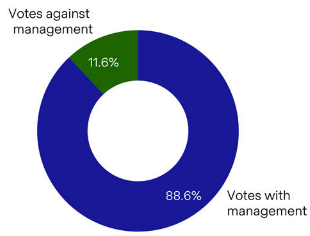
Proposal overview

	2024		2023	
Category	Number	Percentage	Number	Percentage
Number of votable items	5 361		7 475	
Number of items voted	5 221	97.4%	7 127	96.6%
Number of votes FOR	4 552	87.2%	6 060	85.0%
Number of votes AGAINST	589	11.3%	799	11.1%
Number of votes ABSTAIN	33	0.6%	137	1.9%
Number of votes WITHHOLD	48	0.9%	98	1.4%
Number of votes on MSOP	376	7.2%	425	6.0%
Number of votes with policy	5 207	99.7%	7 059	99.1%
Number of votes against policy	25	0.5%	88	1.2%
Number of votes with management	4 426	88.6%	6 294	88.3%
Number of votes against management	606	11.6%	867	12.2%
Number of votes on shareholder proposals	135	2.6%	147	2.1%

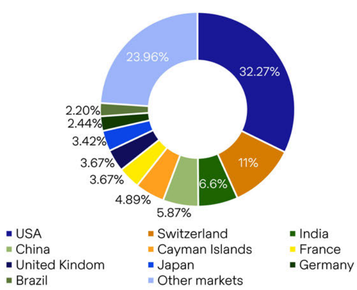
Vote cast statistics



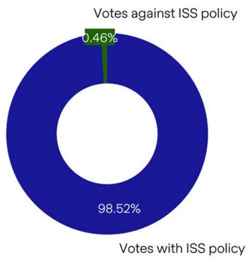
Vote alignment with management



Meetings voted by market



Vote alignment with policy

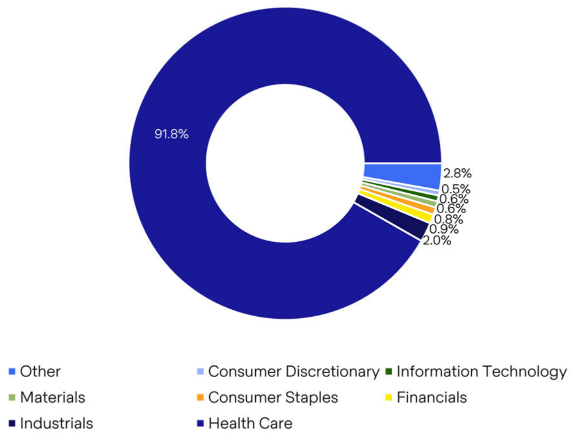


Climate-change factors – CO_2 emissions at portfolio level

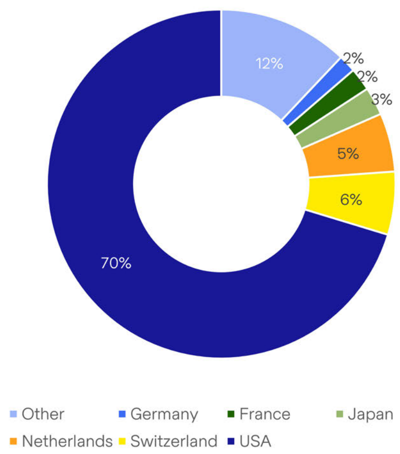
As at 31 December 2024, for the second time in succession the environmental and climate-related portfolio evaluations refer exclusively to our investment strategies for listed securities (approx. 98% of total assets under management); private equity investments (approx. 1%) and derivatives-based strategies (approx. 1%) cannot be systematically assessed at the present time due to the lack of data and/or of viable methodological approaches.

In order to categorize financed carbon emissions, we have broken down invested assets by investment sector and investment region, as depicted below:

AuM by sector



AuM by country



As a highly specialized provider of healthcare investment solutions, approx. 92% of our investments are in the healthcare sector, 4% are in the manufacturing, consumer, tech, communications, and financial sectors, and only 2% are in the energy, commodities, utilities and real estate sectors. Around 70% of the invested positions are domiciled in the US, European positions account for 23% of total investments and 7% is domiciled in Asia and emerging markets.

With respect to the TCFD, as of December 31, 2024, financed CO_2 emissions – i.e., the CO_2 emissions at the investment portfolio level – were systematically calculated for the second time. Using the PCAF method (Partnership for Carbon Accounting Financials, see box below for methodology), the respective Scope 1, Scope 2 and (largely estimated) Scope 3 emissions per portfolio position were recorded as of the reporting date using MSCI ESG data. The table below lists the calculated financed Scope 1, 2 and 3 emissions (absolute amount in million metric tons of CO_2e) at portfolio level as of December 31, 2024, as well as the respective data quality score (Data Quality Score according to PCAF)[3]:

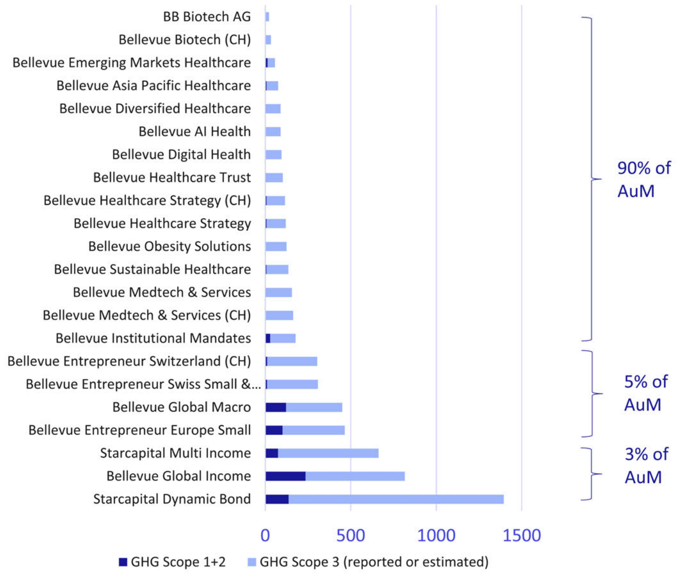
Financed GHG Emissions (t CO_2e)	Scope 1 & 2 [1]	Scope 3 [2]	Data Coverage in %	PCAF Data Quality Score [3] Scope 1 & 2	PCAF Data Quality Score [3] Scope 3
BB Biotech AG	3 745.97	39 721.33	91.00	3	3
Bellevue AI Health	27.91	833.00	98.90	2	3
Bellevue Asia Pacific Healthcare	796.60	6 964.29	98.40	2	3
Bellevue Biotech (CH)	70.52	886.51	85.45	3	3
Bellevue Digital Health	506.83	24 829.88	98.00	3	4
Bellevue Diversified Healthcare	68.64	1 714.08	99.00	2	3
Bellevue Emerging Markets Healthcare	884.90	2 754.49	97.00	2	3
Bellevue Entrepreneur Europe Small	11 820.75	42 671.95	97.00	2	2
Bellevue Entrepreneur Swiss Small & Mid	699.70	19 811.49	97.40	2	3
Bellevue Entrepreneur Switzerland (CH)	702.31	18 762.42	97.00	2	3
Bellevue Global Income	2 912.58	7 190.54	49.00 [4]	2	2
Bellevue Global Macro	7 407.37	19 981.51	34.00 [4]	2	2
Bellevue Healthcare Strategy	2 535.95	37 227.52	100.00	2	3
Bellevue Healthcare Strategy (CH)	1 346.00	19 650.41	96.60	2	3
Bellevue Healthcare Trust	1 472.82	41 047.06	91.70	3	3
Bellevue Medtech & Services	5 016.59	221 034.41	100.00	2	3
Bellevue Medtech & Services (CH)	196.46	11 474.01	100.00	2	3
Bellevue Obesity Solutions	109.97	4 086.15	99.00	2	3
Bellevue Option Premium	n/a	n/a	n/a	n/a	n/a
Bellevue Sustainable Healthcare	551.18	10 594.04	100.00	2	2
Starcapital Dynamic Bond	8 185.18	75 246.21	80.90	2	2
Starcapital Multi Income	6 043.85	47 794.70	82.60	2	2
Bellevue Institutional Mandates	4 466.27	23 163.94	95.00	2	3
Rule Based Mandate	n/a	n/a	n/a	n/a	n/a
Private Equity	n/a	n/a	n/a	n/a	n/a
Total	**59 568.36**	**677 439.92**			

[1] Aggregate GHG emissions financed for Scope 1 and 2 (on the basis of EVIC). Based on reported emissions data when available. Otherwise estimated. Units: t CO_2e. Calculated using MSCI ESG data inputs and methodology.
[2] Aggregate GHG emissions financed for Scope 3 (on the basis of EVIC). Based on reported emissions data when available. Otherwise estimated. Units: t CO_2e. Calculated using MSCI ESG data inputs and methodology.
[3] PCAF Data Quality Score: Standardized measure for determining the data quality of the financed emissions; score 1 = highest quality/certain (reported and verified emissions of issuer in line with the GHG protocol); score 5 = lowest quality/uncertain (calculated based on emissions factors for the sector per unit of revenue). Calculated using MSCI ESG data inputs and methodology.
[4] The strategy also invests to a large extent in government bonds and derivatives, which cannot be covered by this methodology. This explains the comparatively lower data coverage ratios.

IMPORTANT NOTE: The given CO_2 emissions must only be understood as abstract absolute amounts that will rise or fall as portfolio assets (AUM) increase or decline. Changes in portfolio assets, for example through subscriptions or redemptions of fund shares by investors, will have a significant impact on reported CO_2 emissions. As such, this data is NOT suitable for comparative purposes, i.e., these figures cannot be used for historical or comparative contextual analysis, nor as KPI/target values.

In contrast, the CO_2 footprint, i.e. the ratio of financed emissions (GHG Scope 1 and 2 and GHG Scope 3) to total invested assets, is more meaningful:

Financed emissions – CO_2 footprint (in t CO_2/mn CHF invested)



CO2 Footprint Scope 1+2 (t CO2 / mn CHF invested)	CO2 Footprint Scope 3 (t CO2 / mn CHF invested)	CO2 Footprint Scope 1+2+3 (t CO2 / mn CHF invested)
1.9	20.3	22.2
2.5	30.9	33.3
13.8	42.9	56.7
7.7	67.4	75.1
3.4	86.1	89.6
2.9	87.1	90.0
1.9	93.2	95.1
3.6	99.3	102.9
7.4	107.7	115.1
7.6	112.2	119.8
3.3	121.6	124.9
6.7	128.6	135.3
3.5	152.8	156.2
2.7	160.0	162.8
28.7	148.7	177.4
11.0	293.2	304.1
10.5	297.5	308.0
121.8	328.6	450.5
100.9	364.3	465.2
74.4	588.6	663.0
235.3	580.8	816.1
136.9	1258.3	1395.2

Source: Bellevue Asset Management AG, MSCI ESG Research

In addition to the financed emissions, the asset-weighted sum of aggregate CO_2 intensity, i.e. total portfolio carbon emissions in metric tons per USD 1 mn turnover (WACI Scope 1, 2, 3), has been calculated for each strategy:

CO_2 intensity	WACI Scope 1, 2 [1)]	WACI Scope 3 [1)]	WACI Scope 1, 2 & 3 [1)]	Data Coverage in %	Est. EU Taxonomy Alignment [2)]
BB Biotech AG	32.80	271.40	304.10	91.00	0.0%
Bellevue AI Health	12.48	375.32	387.81	98.90	1.2%
Bellevue Asia Pacific Healthcare	37.34	309.18	346.52	98.40	0.0%
Bellevue Biotech (CH)	25.48	232.40	257.88	85.45	0.0%
Bellevue Digital Health	12.44	774.48	786.92	98.00	0.2%
Bellevue Diversified Healthcare	13.65	361.39	375.04	99.00	0.1%
Bellevue Emerging Markets Healthcare	84.19	232.70	316.89	97.00	0.0%
Bellevue Entrepreneur Europe Small	128.98	543.40	672.38	97.00	12.2%
Bellevue Entrepreneur Swiss Small & Mid	16.66	496.98	513.64	100.00	2.2%
Bellevue Entrepreneur Switzerland (CH)	16.53	490.62	507.14	100.00	2.1%
Bellevue Global Income	291.42	671.38	962.79	58.00	3.5%
Bellevue Global Macro	142.67	356.24	498.91	38.00	2.4%
Bellevue Healthcare Strategy	27.74	347.39	375.13	100.00	0.0%
Bellevue Healthcare Strategy (CH)	25.69	342.51	368.20	96.60	0.0%
Bellevue Healthcare Trust	18.78	492.93	511.71	91.70	0.0%
Bellevue Medtech & Services	15.73	829.73	845.47	100.00	0.1%
Bellevue Medtech & Services (CH)	9.74	636.61	646.35	100.00	0.1%
Bellevue Obesity Solutions	14.67	411.14	425.81	99.00	0.1%
Bellevue Option Premium	n/a	n/a	n/a	n/a	n/a
Bellevue Sustainable Healthcare	24.62	393.07	417.69	100.00	0.0%
Starcapital Dynamic Bond	129.79	695.91	825.69	91.00	6.60%
Starcapital Multi Income	73.91	473.41	547.31	91.00	5.4%
Bellevue Institutional Mandates	44.58	381.08	425.66	95.00	2.3%
Rule Based Mandate	n/a	n/a	n/a	n/a	n/a
Private Equity	n/a	n/a	n/a	n/a	n/a
Asset weighted average	**31.27**	**493.35**	**524.63**		

[1)] GHG emissions in tons of CO_2 per USD 1 mn turnover for Scope 1, 2 and 3 emissions. Based on reported emissions data, if available, otherwise estimated emissions; units: Calculated using MSCI ESG data inputs and methodology.
[2)] Estimated EU Taxonomy Alignment: Estimated maximum percent of weighted-average investee turnover that makes a substantial contribution to one or more of the EU Taxonomy's climate or environmental objectives without having a significant adverse impact on the other objectives and that is also in compliance with minimum human and labor rights. Calculated using MSCI ESG data inputs and methodology.

The Starcapital Dynamic Bond and the Bellevue Global Income Fund are Bellevue's most carbon-intensive investment funds. Both invest in energy and mining companies, two industries with the highest amounts of CO_2 emissions. Healthcare funds, in contrast, have lower if not the lowest CO_2 intensities. Examples here are the Bellevue Biotech (CH), Bellevue Sustainable Healthcare and Bellevue Healthcare Strategy funds as well as BB Biotech AG. The Bellevue Emerging Markets Healthcare Fund also has a very low carbon of 292 t CO_2/USD 1 mn turnover, which reflects the high weighting of healthcare services providers on the one hand and the in some case still moderate estimates of Scope 3 emissions on the other. The diversified healthcare strategies are therefore all within the range of the MSCI World Healthcare Index, which had a CO_2 intensity of 360.6 t CO_2/USD 1 mn turnover as of December 31, 2024.

By comparison, the Entrepreneur funds, the Bellevue Global Macro Fund and the StarCapital funds invest in a wide range of industries, including the energy and manufacturing industries, and therefore have higher average intensities than the healthcare strategies.

With 524.6 t CO_2/USD 1 mn turnover for all measurable Bellevue investment strategies (approx. 97% of Bellevue's total AUM), the CO_2 intensity or WACI Scope 1, 2, 3, is approximately 30% below the calculated carbon intensity of the index-weighted constituents of the MSCI AC World Index (733.7 t CO_2/USD 1 mn turnover) and slightly below the previous year's level (528.3 tonnes of CO_2/million USD sales).

With reference to the alignment of Bellevue's investment strategies with the EU Taxonomy's climate and environmental objectives, the Bellevue Entrepreneur Europe Small Fund with 12.2%, the StarCapital Dynamic Bond Fund (6.6%) and the StarCapital Multi Income Fund (just under 5.4%) also make moderate contributions to the environmental objectives of the EU Commission. Based on the total assets under management of Bellevue, the share of weighted-average turnover that meets at least one of the EU Taxonomy environmental and climate objectives is around 0.6%. This is mainly due to the fact that 92% of our investments are in the healthcare sector, which, by its very nature, cannot make a substantial contribution to any of the 6 environmental objectives of the EU Taxonomy (the weighted-average turnover within our EU Taxonomy-aligned healthcare investments is 0.04%; of the almost 300 healthcare investees, a mere 8 meet the applicable Taxonomy requirements to substantially contribute to at least one of the EU Taxonomy's environmental objectives and their level of alignment is very low).

We therefore again emphasize that our investment strategies seek to provide long-term capital growth by investing in companies with positive sustainable characteristics. None of our investment strategies has specified a minimum proportion of portfolio investment in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852). The EU Taxonomy-aligned turnover data above is for informational purposes only.

PCAF methodology (Partnership for Carbon Accounting Financials):
The financed emissions of a loan or an investment in a company are determined by multiplying the attribution factor by the emissions of the borrower or investee. Total funded emissions of a portfolio of listed equities and corporate bonds are calculated as follows:

$$Financed\ emissions = \sum_c Attribution\ factor_c \times Company\ emissions_c$$
$$(with\ c = borrower\ or\ investee\ company)$$

The attribution factor represents the proportional share of a given company, i.e., the outstanding amount divided by EVIC for listed equity or the outstanding amount divided by total equity and debt for traded bonds to private companies:

For listed companies:

$$Financed\ emissions = \sum_c \frac{Outstanding\ amount_c}{Enterprise\ Value\ Including\ Cash_c} \times Company\ emissions_c$$

For bonds to private companies:

$$Financed\ emissions = \sum_c \frac{Outstanding\ amount_c}{Total\ equity + debt_c} \times Company\ emissions_c$$

The financed emissions from listed equity and corporate bonds can be calculated in different ways depending on the availability of financial and emissions data specific to the borrower and investee: Overall, PCAF distinguishes three different options to calculate the financed emissions from listed equity and corporate bonds depending on the emissions data used: Option 1: Reported emissions (verified/unverified); Option 2: emissions are estimated based on data collected from the borrower or investee company; Option 3: emissions are estimated based on sector-specific average emissions per economic activity.

The definitions of the PCAF data quality scores for listed equities and corporate bonds are as follows:

Data quality	Options for estimating the financed emissions		When to use each option
Score 1	Option 1: Reported emissions	1a	Outstanding amount in the company and EVIC are known. Verified emissions of the company are available.
Score 2		1b	Outstanding amount in the company and EVIC are known. Unverified emissions of the company are available.
	Option 2: Physical activity-based emissions	2a	Outstanding amount in the company and EVIC are known. Reported company emissions are not known. Emissions are calculated unsing primary physical activity data of the company's energy consumption and emission factors specific to that primary data. Relevant process emissions are added.
Score 3		2b	Outstanding amount in the company and EVIC are known. Reported company emissions are not known. Emissions are calculated unsing primary physical activity data of the company's production and emission factors specific to that primary data.
Score 4	Option 3: Economic activity-based emissions	3a	Outstanding amount in the copmany, EVIC, and the company's revenue are known. Emission factors for the sector per unit of revenueare known (e.g., tCO_2e per euro or dollar of asset in a sector) are known.
Score 5		3b	Outstanding amount in the company is known. Emission factors for the sector per unit of asset (e.g., tCO_2e per euro or dollar of asset in a sector) are known.
		3c	Outstanding amount in the company is known. Emission factors for the sector per unit of revenue (e.g., tCO_2e per euro or dollar of asset in a sector) and asset turnover ratios for the sector are known.

Score 1 = highest data quality; Score 5 = lowest data quality
Source: Financed Emissions, The Global GHG Accounting & Reporting Standard, PCAF Partnership for Carbon Accounting Financials, December 2022

Climate-related goals and measures at the investment portfolio level

1) Bellevue Asset Management invests approximately 92% of its assets primarily in healthcare companies, thereby making a significant contribution to achieving social goals. The healthcare sector generally has significantly lower CO_2 emissions compared to other investment sectors. Nevertheless, we acknowledge our responsibility as an asset manager and contribute to global climate goals through the following measures: Limiting the absolute investment quota for issuers whose CO_2 intensity exceeds a critical PAI value (CO_2 intensity of more than 70 t CO_2 per million USD revenue AND higher than 50% of the relevant industry average) to a maximum of 50% of the assets of the respective investment strategy (for emerging markets and small-cap strategies, this limit is set at 75%).

2) Measuring the share of issuers that already have validated Science-Based Targets Initiative (SBTi) goals or have signed an intent to do so. The first measurement was conducted at the end of 2024 to establish a target range for future development. As of December 31, 2024, 12.5% of the managed assets had committed to an SBTi goal, while 20.6% of portfolio companies had already their SBTi targets, approved.

3) Conducting climate-related corporate engagements.

As mentioned under the ESG Integration/PAI Consideration section, CO_2 emissions are factored into sustainability assessments. This occurs in two ways: Implicitly, via the MSCI

ESG rating, which is relevant for determining investment quotas with sustainable characteristics. Explicitly, by assessing the CO_2 intensity of each issuer. If an issuer's CO_2 intensity exceeds 70 t CO_2 per million USD revenue (i.e., higher than the «low» value according to MSCI ESG methodology) and if this value is also 50% higher than the relevant industry average, then the issuer cannot be classified as a «sustainable investment», regardless of its contribution to any of the 17 UN SDGs.

Based on this methodology, a total of 22 issuers (equivalent to 1.1% of managed assets) were classified as not sustainable due to their CO_2 intensity as of the end of 2024. Additionally, according to MSCI ESG Research, 6 issuers (representing 0.2% of managed assets) had no initiatives in place to reduce carbon emissions.

Greenhouse gas emissions and the CO_2 footprint are also integral components of a company's MSCI ESG rating and are therefore implicitly factored into the assessment and weighting of sustainable investments.

Regarding investments in the carbon sector (oil, gas, coal), the investment share, measured against managed assets, stood at 0.31% at year-end (previous year: 0.19%).

KPIs of responsible investments

	Target	**2024**	**2023**
ESG Coverage as % of AuM at year-end	>90%	96.8%	97.1%
Investments with sustainable characteristics as % of AuM at year-end	>75%	92.5%	94.0%
Sustainable investments as % of AuM at year-end	>25%	74.4%	61.0%
Reduction in the sustainability rate due to supercritical PAI values	–	2.8%	7.7%
ESG-Stewardship - Number of processed engagements in the calendar year	–	22	32
ESG-Stewardship - Exercise of voting rights in % of the proposals eligible for voting	>90%	97.1%	97.3%
Asset-weighted GHG intensity (WACI Scope 1, 2, 3) of total assets at the end of the year	–	524.6 t CO_2	528.3 t CO_2
Investments in the carbon sector as % of AuM at year-end	–	0.2%	0.2%
Investments with committed or approved SBTi targets in % of AuM	–	32.0%	n/a

Business ethics and integrity

GRI 3-3 GRI 2-23 GRI 2-24

As a specialty investment manager, our mission is to provide access to attractive and innovative investment opportunities, thereby creating value for investors and shareholders. We commit to doing so in alignment with applicable legal requirements, in particular including counterterrorism and anti-corruption efforts.

Reputation and trust are the cornerstones of our business success as a specialty investment manager. Reputation and trust amongst stakeholders must be earned over the long haul. For a financial group with regulated asset management operations in Switzerland, Germany and the UK, compliance with all relevant laws and regulations, including best practice guidelines, is vital from both a regulatory and a business perspective.

We have built a solid reputation based on a history of transparency and respect towards our stakeholders. Integrity is part of our DNA, and our stakeholders expect it in everything we do. We place great importance on accountability and ethics in our business practices to maintain our good reputation. We adhere to the highest ethical and corporate governance standards, to which every Bellevue employee is contractually obligated. Infringements can lead to disciplinary measures. The existing whistleblower hotline (https:/bellevue.inegrity.com/) gives internal and external stakeholders the opportunity to identify potential cases.

As an international financial services group headquartered in Switzerland and listed on the SIX Swiss Exchange, we meet the requirements of the Directive on Information Relating to Corporate Governance of the SIX Swiss Exchange as well as all of the national and local requirements wherever we do business.

Bellevue is committed to respecting, protecting and promoting the human rights enshrined in the Swiss Federal Constitution and the European Convention on Human Rights in all its activities (Bellevue implemented the human rights directive on 1 July 2024).

Training everyone on our staff on relevant compliance topics (including anti-corruption) is an important part of adhering to our compliance requirements. New employees receive compliance training when they join the company. Specific online training courses were also held in 2024.

We communicate our corporate governance approach to our shareholders, potential investors and the public through our Corporate Governance Report and this Sustainability Report. The following important directives and regulations can also be downloaded from our website:

Rules/Policies	Short description	Last changes	Responsible for content	Implementation
Code of conduct	As a FINMA-regulated manager of collective assets, Bellevue endeavours to comply with all regulatory requirements. In doing so, it adheres to the principles and rules of conduct of the Asset Management Association Switzerland "AMAS".	01.01.2022	For Information purposes to the Executive Committee. Issued by the AMAS	n/a
Compliance policy	Bellevue endeavours to comply with all regulatory requirements at all times and to implement them accordingly. It has an exemplary control and compliance culture, with individual employees leading by example and complying with all applicable laws, regulations and directives at all times	21.10.2024	Legal & Compliance	Executive Committee
Best execution policy	The directive covers the execution principles and the best execution approach in accordance with local regulatory requirements, the Federal Act on Financial Services (FinSA) and Markets in Financial Instruments Directive 2014/65/EU (MIFID II).	13.11.2023	Legal & Compliance	Executive Committee
Conflict of interest policy	Bellevue takes the necessary precautions to identify and avoid conflicts of interest in its business activities and to protect investors from disadvantages. The aim is to ensure its reputation as an honest and fair manager of collective assets, to fulfil regulatory requirements and to maintain the trust of clients and business partners.	10.10.2020	Legal & Compliance	Executive Committee
Proxy voting policy	As a responsible and long-term investor, Bellevue supports all measures and initiatives that increase the value of the company in the interests of shareholders and investors in the long term. Management proposals to the AGM are scrutinised with regard to the long-term interests of shareholders as well as environmental and social aspects. Proposals that BAM considers to be contrary to these interests may be rejected in the interests of investors.	14.06.2021	Legal & Compliance	Executive Committee
ESG policy	The directive provides a binding framework for portfolio managers with regard to ethical, responsible and sustainable corporate practices.	15.06.2023	Legal & Compliance	Executive Committee
Whistleblowing policy	Bellevue endeavours to comply with all regulatory requirements at all times and to implement them accordingly. To support this purpose, Bellevue expects its employees to speak up if they know of or suspect behaviour or incidents that violate laws, regulations or internal instructions.	14.07.2022	Legal & Compliance	Executive Committee
Human rights policy	Bellevue respects human rights in all employment policies and practices and is committed to diversity and inclusion.Bellevue has a strict zero-tolerance of any form of discrimination.	01.07.2024	Legal & Compliance	Executive Committee

Bellevue has a directives system in place, and we disclose these directives to the public. These are reviewed semi-annually with the head of sales and supplemented as necessary or as requested by clients (in RFPs). All regulations and directives are scrutinized annually and adapted if necessary. Regulations are submitted to executive management and are subject to approval by Bellevue’s Board of Directors. Directives are approved by executive management case by case. Certification through an online tool provided by ComplySci is issued to employees annually, requiring each individual to understand and adhere to the content at all times. Violations of regulations and directives may have employment law consequences and possibly entail claims for damages.

New employees are informed about regulations and directives upon joining the organization and must confirm their understanding and compliance within one month.

Bellevue recognizes the importance of having and consistently upholding a robust human rights framework, both for Bellevue itself and the investee companies in its investment portfolios. Investments undergo systematic assessment for sustainability risks and human rights violations, with MSCI's ESG data and ratings used for reference. In the event of issues, discussions are initiated with portfolio companies, and investments may be subject to review. Bellevue upholds human rights in its employment policies and practices. Bellevue does not invest in entities responsible for serious environmental damage or human rights violations, or in those subject to targeted sanctions. Due diligence is conducted before making any investment decisions.

Bellevue pledges to prevent incidents related to corporate ethics and integrity as far as possible. In addition, these aspects will be considered in management performance evaluations.

Activities carried out in 2024 to achieve set goals included the following:

- Online training courses were held for all employees on the introduction of the human rights and training and development directives and the updating of the regulations on employee transactions and ad hoc publicity. In addition, online IT training courses were held on the topic of Generative A.I.
- Team-specific training is mandatory in certain areas (cross-border for the sales team).
- Annual certification of compliance with all regulations and directives by all employees
- New employees undergo presence training, including an explanation of the directives system, followed by confirmation of understanding and compliance.
- Annual reviews of all regulations and directives are conducted by internal departments and external auditors, and adjustments are made in-year in response to any changes.

Despite the absence of incidents or major violations in 2024 and 2023, vigilance remains high in this area because potential incidents can have serious consequences.

Anti-corruption

GRI 205-1 GRI 205-2 GRI 205-3

Bellevue is committed to complying with internationally recognized standards, with anti-corruption being a crucial part of our compliance requirements. Effective compliance is the basis for long-term business success and therefore a linchpin of our operations. Bellevue implements comprehensive measures to ensure consistent compliance with laws and regulatory requirements. As part of a Group-wide risk analysis and using appropriate compliance processes, all subsidiaries and business units are checked at least annually for compliance with the law.

A major focus of our risk analysis is identifying risks related to money laundering or funding terrorism, with the aim of avoiding business relationships susceptible to these and other such risks. Additionally, Bellevue avoids establishing relationships with politically exposed persons (PEPs). Any PEP relationships established by way of exception are closely monitored. Compliance adherence is reported to management monthly. Significant cases are presented to Bellevue's Audit and Risk Committee.

In addition to compliance, our Group-wide risk management also covers fraud and cyber risks, encompassing all our locations in the reporting year and the previous year.

The Anti-Money Laundering Unit is part of the Compliance Office. New employees are told about the compliance obligations applicable to them and how they are implemented in day-to-day operations. The Compliance Office keeps employees informed about new rules and their consequences. All Bellevue employees, including the Board of Directors, are regularly required to complete e-learning modules in the area of cyber security, including anti-corruption and data privacy.

There were no cases of corruption or suspicious activity reports to the Money Laundering Reporting Office Switzerland («MROS») in the 2024 and 2023 fiscal years.

Corporate Governance

GRI 2-9 | GRI 2-10 | GRI 2-11 | GRI 2-17 | GRI 2-18

Bellevue Group AG acknowledges that robust corporate governance practices and a clear management structure with clearly defined roles and responsibilities are critical to the company's long-term success. The corporate governance practices of Bellevue Group AG comply with the rules and regulations of SIX Swiss Exchange. We disclose transparent information about our governance practices. This enables our stakeholders to analyze qualitative aspects of the company and supports investors in their investment decisions.

Corporate Governance Directive: As a listed company, we disclose transparent information on corporate governance matters in our annual report in accordance with the Directive on Information relating to Corporate Governance (DCG).

Compensation: A remuneration report that is audited by independent auditors contains information on compensation paid to members of the Board of Directors and the Group Executive Board.

Competence: The four-member Board of Directors is an international and interdisciplinary body of experts with profound knowledge in various subjects. A clearly defined, balanced separation of roles and responsibilities between the Board of Directors and the Group Executive Board is an important element of corporate governance. All country-specific legal requirements are adhered to. The issue of sustainability is addressed at every regular meeting.

Please consult the Corporate Governance section for further information on the leadership structure, the composition, the nomination and selection process for the highest governance body, the chair of the highest governance body, the aggregate knowledge of the highest governance body, and the measurement and evaluation of the performance of the highest governance body.

Compliance with laws and regulations

GRI 2-16 GRI 2-25 GRI 2-26 GRI 2-27

Responsibilities for compliance with laws and regulations are clearly assigned at Bellevue. Our employees are informed about their individual duties and responsibilities and receive regular training on legal requirements at least once a year to ensure they possess the knowledge they need to act correctly. There were no significant breaches of laws or regulations in the reporting year or the previous year and no fines were paid or non-monetary sanctions imposed on Bellevue.

If there are critical concerns or cases of suspected violations of legal or regulatory provisions, internal guidelines or ethical standards, employees and third parties have the opportunity to report these incidents anonymously via the external Bellevue whistleblowing platform. Employees can access the whistleblowing tool straight from the start menu of their PCs. Third parties can access it directly via the Bellevue website (using the link in the Whistleblowing Directive). If an incident is reported, the HR department will be notified. The HR department, CFO and/or Head of Legal & Compliance agree on how to proceed and which governing body should be involved, depending on the severity. Bellevue investigates every incident brought to its attention. In the last two fiscal years, no incidents were reported by internal employees or third parties via the whistleblowing platform.

If Bellevue receives a customer complaint in writing or by telephone, Legal & Compliance ensures that it is dealt with appropriately. Compliance responds to and documents complaints in writing within three working days of receipt. In addition, a «complaints register» log is maintained for all complaints, recording the type and reason for the complaint, date of receipt of the complaint, and complainant’s name. If any irregularity is discovered, the necessary steps and optimizations are initiated to prevent a recurrence. If a complaint cannot be resolved to the satisfaction of the complainant, the customer is referred to Bellevue’s ombudsman’s office, FINOS. Information about the ombudsman’s office is provided in the «Legal information» section of the Bellevue website. The Legal & Compliance Department always informs the Group Executive Board. The Board of Directors is notified if necessary. The «Complaints» directive is not made public but can be provided at any time at a client’s request.

Conflicts of interest

GRI 2-15

Bellevue commits to the transparent disclosure of potential or existing conflicts of interest to ensure that reporting and decision-making are objective and responsible. We have established mechanisms to identify potential conflicts of interest. All employees and members of the Board of Directors are obligated to report conflicts of interest as soon as they become aware of them. This includes personal interests, financial interests, family relationships or other relevant connections that could cause a conflict of interest. Bellevue has issued a «Conflicts of Interest Directive» outlining the company's guidelines for managing conflicts of interest, with the aim of protecting Bellevue's reputation as an honest and fair manager of collective assets and pension fund assets, complying with regulatory requirements and maintaining the trust of clients and business partners. Transactions with related entities or individuals are disclosed in Annex 9 to the consolidated financial statements.

Client data confidentiality

GRI 418-1

The trust our clients place in us is the basis for long-term and successful collaboration and a valuable asset that we prize and prioritize at Bellevue. Protection of client identifying data and compliance with all applicable legal provisions are therefore paramount in our organization. Any privacy breach could have major implications for our business, reputation and client relationships.

We mitigate this threat with the following measures:

- **Privacy policy on the website and directive:** Our privacy policy can be accessed via the following link.
- **Training:** Our employees receive regular training on cybersecurity and the importance of protecting client data. All new employees must successfully complete privacy training within three months. Everyone on staff has been trained or retrained within the last two years.
- **Technology:** We use the latest security technology and procedures to ensure integrity and confidentiality.
- **Risk assessment:** We conduct regular, at least annual, risk assessments to identify and proactively address potential vulnerabilities. We identified no losses of client data in fiscal years 2024 and 2023, and no sanctions were imposed by any authorities for breaches of client privacy or client data losses.
- **Compliance:** Compliance with the legal provisions relating to the protection of customer data (such as the various data protection laws) is specified and monitored by the cross-divisional Legal & Compliance and IT departments. The checks carried out in 2024 did not reveal any significant risks of data protection breaches.

The controls from 2024 show no significant risks and data protection violations.

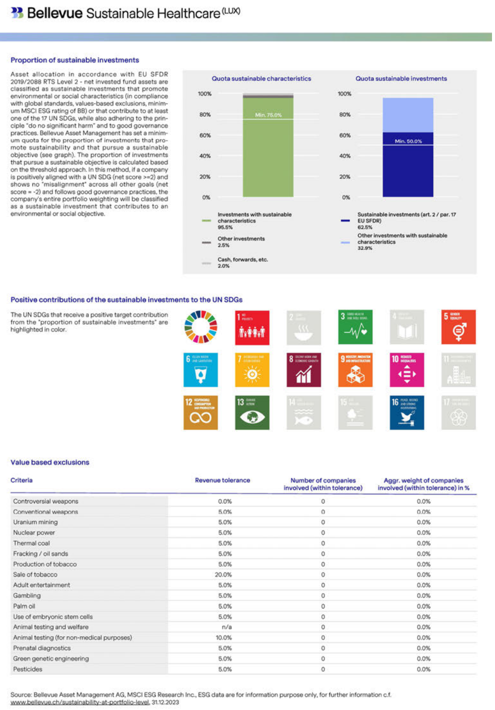
Consult our website for more details on how we collect and process personal data.

ESG reporting

Bellevue Asset Management AG became a signatory to the United Nations Principles for Responsible Investment (UN PRI) on August 19, 2019. PRI reporting is the world's largest responsible investment reporting project. It was developed with investors for investors. Reporting on our sustainability efforts and our goal progress is one of the UN's six Principles for Responsible Investment (PRI) and such disclosures are a high priority.

We fulfill our ESG reporting responsibilities as follows in the interests of our stakeholders:

Investment fund fact sheets
Monthly updates are published for the various investment funds containing information on key ESG data, in addition to information on portfolio activity and performance. As of the year 2023, we have also published ESG-specific fact sheets for our investment funds. These contain information on ESG research coverage, ESG rating ranges, ESG rating trend, CO_2 intensity, and contributions to the UN Sustainable Development Goals at the portfolio level of each fund. The ESG fact sheets are published on a quarterly basis and have been well received by our clients.



Bellevue website
On our website www.bellevue.ch we have created a sustainability section that details our ESG approach at both the corporate and portfolio level. Progress toward our ESG goals and other news concerning our sustainability efforts are updated on a continual basis. Information about the latest regulatory requirements (EU SFDR / MiFID II sustainability preferences) is also available in this section.

UN Principles for Responsible Investment (PRI) reporting
The UN PRI reporting must be completed every year. This reporting ensures accountability and transparency regarding the responsible investment activities of the UN PRI signatories and supports dialog among and within the signatories' organizations as well as with their clients and other stakeholders. The latest report can be viewed on our website or directly on the UN's PRI website.

Internal ESG reporting
ESG reporting on every investment strategy is presented to executive management and the Board of Directors on at least a quarterly basis for review and the aforementioned bodies may formulate specific measures based on the information reported.

Economic performance

GRI 3-3 GRI 201-1 GRI 201-2 GRI 201-3

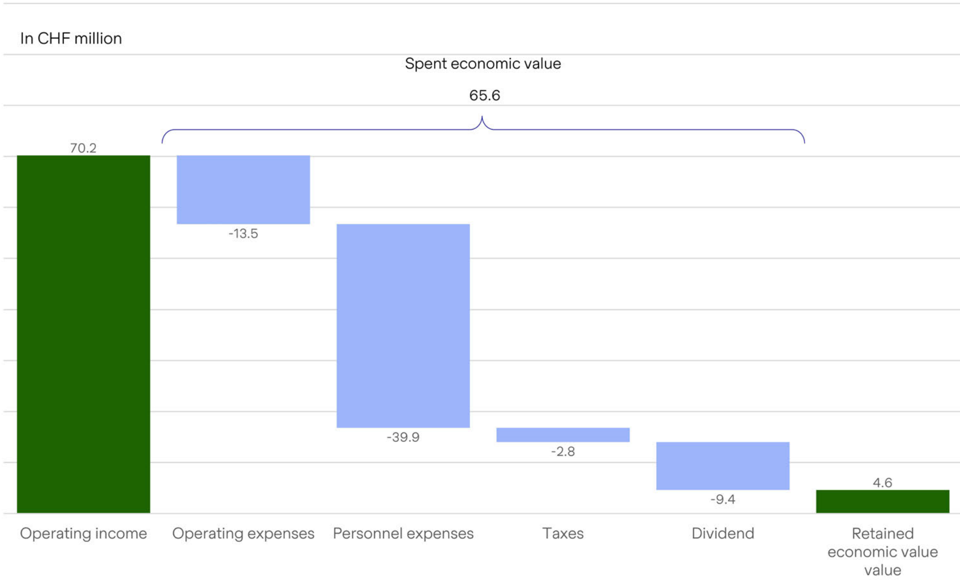
As a pure-play, specialized asset manager with a particular focus on the healthcare sector and other promising growth strategies, Bellevue pledges value creation for customers and shareholders. Our entrepreneurial business model is straightforward, clear and highly scalable. Our financial profile is robust and low-risk.

Financial solidity and long-term profitability are the qualities underpinning Bellevue's reputation as a reliable and value-adding partner for all its stakeholders.

The organization's sound economic performance enables Bellevue to invest in infrastructure and employee development, provide long-term profitability for shareholders, and be a responsible corporate citizen that gives back to the community through tax payments and support for charitable causes, culture, and sports.

Overall responsibility for economic performance lies with the Board of Directors and the Group Executive Board. Long-term goals and performance records are available in the Business Report and Consolidated financial statements sections of our website.

The economic value directly generated and distributed for 2024 is made up as follows:



Bellevue creates sustainable value for its clients, the supply chain, and other stakeholder groups. The company contributes significantly to the state (taxes), employees (compensation and social insurance contributions), shareholders (dividends), and suppliers and service providers (purchased goods and services). A portion of the generated value is retained in the company for future investments.

Further details on pension expense and liabilities are provided in appendix 3.8 of the consolidated financial statements. For information on the financial implications of climate change for the company, please refer to the TCFD section. Bellevue did not receive any financial support from the public sector in the fiscal years 2024 and 2023.

Employee development and retention

GRI 3-3

For a service company like Bellevue, employees are the most critical asset for long-term success. High employee engagement and strong identification with the company underpin our success. We foster a strong entrepreneurial culture with flat hierarchies, high self-responsibility, and flexibility in terms of working hours, workload and work location. The historically low voluntary turnover rate and high average length of service are testimony to strong employee identification with the company.

The value Bellevue creates for clients is inseparable from the expertise, motivation and high identification of Bellevue employees with the company, so we attach great importance to selecting the right kind of talent. The suitability of a candidate is typically evaluated in a process involving multiple selection stages and assessments, with special consideration given to soft skills such as teamwork and compatibility with company values, in addition to professional expertise. From an employee perspective, the manageable size of the company and resultant ease in establishing personal connections is a major success factor. Discrimination by criteria such as age, background and gender is not acceptable.

Our goals:

- Bellevue aims for a voluntary turnover rate of under 10%
- Bellevue also aims for an employee survey response rate above 80%

In the 2024 financial year, the voluntary fluctuation rate fell to around 9% (2023: 10.8%) and thus returned to the target range of less than 10%.

The last employee survey took place in 2022. Findings from the last survey were addressed by measures implemented in 2023 (see «Employee engagement» for further details). The next employee survey is planned for 2025/2026.

Employment

GRI 2-7 GRI 401-1 GRI 401-2 GRI 401-3

The following tables provide an overview of the number and type of employees. The figures refer to the actual number of employees as of December 31 of the respective year.

Total number of employees	**2024**	**2023**	**2022**
Switzerland	71	72	74
- thereof men	*49*	*51*	*55*
- thereof women	*22*	*21*	*19*
Europe	20	24	26
- thereof men	*14*	*16*	*18*
- thereof women	*6*	*8*	*8*
Other	2	4	4
- thereof men	*1*	*3*	*3*
- thereof women	*1*	*1*	*1*
Total	**93**	**100**	**104**
- thereof men	*64*	*70*	*76*
- thereof women	*29*	*30*	*28*

Apart from interns, Bellevue does not employ temporary workers or workers who do not have guaranteed hours.

Split full vs part-time employees	**2024**		**2023**		**2022**	
	Full-time	**Part-time**	**Full-time**	**Part-time**	**Full-time**	**Part-time**
Switzerland	52	19	54	18	57	17
- thereof men	*41*	*8*	*44*	*7*	*48*	*7*
- thereof women	*11*	*11*	*10*	*11*	*9*	*10*
Europe	18	2	21	3	21	5
- thereof men	*13*	*1*	*15*	*1*	*16*	*2*
- thereof women	*5*	*1*	*6*	*2*	*5*	*3*
Other	2	–	4	–	4	–
- thereof men	*1*	–	*3*	–	*3*	–
- thereof women	*1*	–	*1*	–	*1*	–
Total	**72**	**21**	**79**	**21**	**82**	**22**
- thereof men	*55*	*9*	*62*	*8*	*67*	*9*
- thereof women	*17*	*12*	*17*	*13*	*15*	*13*

Part-time employees at Bellevue enjoy the same social insurance benefits as full-time employees. All permanent employees are given the option to increase their pension contributions. Pension contribution rates can be changed once every calendar year. In fiscal 2024, 4% of employees made use of this opportunity. Since Bellevue is not a party to any collective bargaining agreements, the terms and conditions of employment for its employees are not affected by such agreements.

In fiscal 2024, a total of 11 employees were hired across all regions.

Number of new hires	**2024**	**2023**	**2022**
Switzerland	9	6	13
- thereof men	*5*	*3*	*10*
- thereof women	*4*	*3*	*3*
Europe	1	4	2
- thereof men	*1*	*3*	*2*
- thereof women	–	*1*	–
Other	1	–	–
Total	**11**	**10**	**15**
- thereof men	*6*	*6*	*12*
- thereof women	*5*	*4*	*3*
By age groups			
>50	3	2	1
30-50	7	7	11
<30	1	1	3
Total	**11**	**10**	**15**
Recruitment rate [1)]	**11.4%**	**9.8%**	**14.8%**
- thereof men	*6.2%*	*5.9%*	*11.8%*
- thereof women	*5.2%*	*3.9%*	*3.0%*

[1)] The recruitment rate is calculated as follows: Number of new employees / ([Number of employees at the start of the year + Number of employees at year-end] / 2)

The fluctuation rate at Bellevue is calculated on the basis of voluntary departures and is therefore within the target range.

	2024	**2023**	**2022**
Employee turnover rate	9.3%	10.8%	3.9%
- thereof men	*5.2%*	*8.8%*	*2.0%*
- thereof women	*4.1%*	*2.0%*	*1.9%*
- thereof Switzerland	*4.2%*	*7.9%*	*2.9%*
- thereof Europe	*4.1%*	*2.9%*	*1.0%*
- thereof Other	*1.0%*	*0.0%*	*0.0%*

Bellevue employees receive the parental leave prescribed by law in each country, which is utilised by all those entitled to it without exception. Further parental leave (as part of unpaid leave) was also granted without exception in 2024. With one exception, all employees then returned to work.

	2024	**2023**	**2022**
Total number of employees with entitlement	4	3	5
- Male	*1*	*2*	*3*
- Female	*3*	*1*	*2*
Total number of employees who have received	4	3	5
- Male	*1*	*2*	*3*
- Female	*3*	*1*	*2*
Return after parental leave	3	3	3
- Male	*1*	*2*	*3*
- Female	*2*	*1*	–
Return and still employed after 12 months	2	3	3
- Male	*2*	*3*	*3*
- Female	–	–	–

Training and education

GRI 404-3

As a highly specialized investment boutique, Bellevue employs dedicated, reliable, and well-trained staff who stay current and upgrade their skills. The company supports its employees in maximizing their development potential by providing an environment and tools that foster personal and professional growth and continuing education at all levels and in all areas of responsibility. Through regular employee performance and career development reviews (MBO approach), individual profiles are identified and strengthened by targeted measures such as specialist education, leadership and management training, upgrading of skills in various work techniques, internal and/or external IT training, and language courses.

The company distinguishes between two career paths: «executive» and «expert». These are considered to be of equal value and can be pursued complementarily based on personal aptitude. Potential employees suited for an executive career undergo a management development program to prepare them for their future role.

Every employee has a formal, structured annual review to evaluate their progress, discuss individual career development measures and define next steps, with the emphasis on evaluating individual education opportunities. Bellevue covers a significant portion of the costs and, if necessary, provides paid time off for training.

Bellevue currently has no consolidated data available to show the average number of hours of training and development per employee. A process was implemented in the 2024 financial year that will make it possible to disclose these figures from the 2025 financial year onwards. The process is set out in the new training and development directive, which comes into force on January, 1 2025.

Training and education was provided as follows in 2024:

- **Cyber security:** All Bellevue employees are required to complete online cyber security courses.
- **Compliance:** The following internal training courses were held in the area of compliance: Market Conduct (all employees), Code of Conduct (portfolio managers), Cross-Border (all employees), Cyber Security (all employees) and general compliance/directive training (all new employees).
- **Executive career path:** In 2024, 6 people attended a management training program consisting of various modules and individual coaching inputs.

Employee engagement

In 2022, Bellevue carried out a group-wide employee survey for the first time. This was done in cooperation with iCommit, an independent research firm. The aim was to measure employee satisfaction and any attendant need for improvement. The results were discussed by the Group Executive Board, then at team level with employees. Specific action points were defined jointly with the employees so that improvements can then be brought about.

Employee information channels
In order to address employees' increased need for internal information updates, a total of 4 quarterly employee information events were also held in 2024. Besides the latest operating results, information is given about specific products, new developments, the projects being developed and pursued by individual teams and so on. The presentations are prepared in collaboration with the directly involved employees, which gives them an opportunity to present their specific tasks and related challenges in their own words.

Employee development
Due to Bellevue's flat organizational hierarchy, employee development activities focus more on advancement as an expert and less on the executive career path. In addition to the annual review, employees have opportunities during the year to suggest and pursue suitable training and education initiatives (see «Training and education» for further details).

Collaboration between executive management teams
Due to its historically and geographically diverse structure, Bellevue operates with multiple executive management teams. A level of merging and consolidation has now taken place, and interaction has been stepped up through regular meetings.

Employee bonus programs

In the spirit of identification with the company and the entrepreneurial activities of each employee at his or her level, we give employees across all hierarchical levels a share in the success of the company.

The compensation system for Bellevue employees is conceived to motivate employees at all operating units to strive for excellence. This is «entrepreneurial compensation with commitment» – a meritocratic model. It comprises an attractive entrepreneurial profit-sharing bonus as variable compensation. This profit-sharing bonus is directly linked to the operational financial performance of Bellevue. In addition, part of this variable profit-sharing bonus is paid out in the form of blocked shares and stakes in the products we manage. This approach promotes a long-term high-performance culture. Further information is disclosed in the annual remuneration report.

Furthermore, Bellevue periodically offers an employee share ownership program. The Board of Directors approves a voluntary employee stock ownership plan on an annual basis under which employees are entitled to purchase shares of Bellevue Group at a discount to the market price.

Diversity and inclusion

GRI 3-3 | GRI 405-1 | GRI 405-2 | GRI 406-1

Bellevue provides equal employment and advancement opportunities to all individuals regardless of age, race, gender, sexual orientation, disabilities, religion or other characteristics, as laid down in its internal employment regulations. We therefore benefit from a diverse workforce and the competitive advantages that offers: With their different perspectives and approaches, experiences, ideas and skills, employees inspire and learn from each other. This, in turn, enhances the company's creativity, innovation and success.

We foster a culture of gender equality and promote a balanced mix of gender and age across all hierarchical levels and functions of the company. Employee compensation is periodically reviewed (every 2 years) for unjustified differences and adjusted if necessary. In August 2023, an analysis of salaries was carried out using the federal government's standard software ('Logib'). No gender effect was identified. The next analysis is planned for Q3/2025.

Both genders should be represented on the Group Executive Board and on the Board of Directors. Discriminatory behavior will not be tolerated and improper conduct will be punished by line managers. To that end, a whistleblowing policy was approved and an internal reporting system created in 2022.

The diversity and equity highlights of 2024 are as follows:

- Re-election for a further term of office for female members of the Board of Directors, thus maintaining the quota of 50%.
- To date, no complaints or reports of discrimination have been submitted through the aforementioned whistleblowing or internal reporting system.

The following tables provide a breakdown of diversity by employee category. The figures refer to the actual number of employees as of December 31 of the respective year.

Diversity – Board of Directors	**2024**	**2023**	**2022**
Male	50%	50%	75%
Female	50%	50%	25%
>50 years	75%	75%	100%
30 - 50 years	25%	25%	–

Diversity – Group Executive Board	**2024**	**2023**	**2022**
Male	100%	100%	100%
Female	–	–	–
>50 years	60%	100%	100%
30 - 50 years	40%	–	–

Diversity – permanent employees	**2024**	**2023**	**2022**
Male	69%	68%	70%
Female	31%	32%	30%
>50 years	40%	35%	31%
30 - 50 years	57%	63%	62%
<30 years	3%	2%	7%

Climate change

GRI 3-3

Bellevue recognizes that climate change, if left unchecked, will have negative effects on the environment, on society and on the world economy. We actively support the transition to a low-carbon and climate-resilient economy and are committed to making a positive contribution to climate change mitigation. Bellevue has integrated sustainability and climate-related aspects into the risk management processes that govern its business operations and assesses the actual and potential impacts of climate-related risks and opportunities on its business activities and financial planning. These risks and potential impacts are reported to the Board of Directors on an annual basis.

Since Bellevue does not operate in a carbon-intensive industry, the impact of climate change on its business activities is rather small. Climate change does, however, have a major impact on investment product regulations and transparency requirements, and Bellevue must meet these requirements in order to continue offering attractive products going forward. Please refer to the material topic of «Responsible investment» for further information.

The Bellevue has set the following goals with respect to climate change mitigation:

- 30% reduction in carbon emissions per FTE by 2030 (Baseline year: 2020 adjusted for COVID-19 effects on commuting/remote work/business travel)
- Reduction of carbon emissions from business travel and commuting
- Net zero by 2050 in compliance with applicable law

Business travel and commuting travel are the two main sources of our carbon emissions. The emissions data for 2019 adjusted for the impact of COVID-19 was used as the baseline for the carbon reduction goal. In the initial phase of the «post-COVID period», the annual reduction targets were exceeded by a significant margin. 2023 was the first year in which travel activity increased again. Nevertheless, Bellevue is still on target to achieve the targeted reduction per FTE by 2030. In order to raise employee awareness of carbon emissions, a training course taught by a climate expert was organized in 2023.

Bellevue has published a section with information regarding the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in its ESG report. It provides an overview of Bellevue's efforts to address climate change and how it is managing physical risks and the risks and opportunities arising from the transition to a low-carbon and climate-resilient economy.

Emissions in our own operations

GRI 305-1 | GRI 305-2 | GRI 305-3 | GRI 305-4 | GRI 305-5

Bellevue has produced a greenhouse gas inventory since 2021. This is calculated in accordance with the requirements of the ISO 14064-1 standard and the accounting principles of the GHG Protocol. All figures comprise all «Kyoto greenhouse gases» (CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF_3) and are reported as units of CO_2e (CO_2 equivalent). Bellevue does not burn biomass to produce electricity and/or heat.

The normalized GHG inventory data for 2020 is used as a reference to assess the effectiveness of the measures implemented within the scope of our climate policy and to track improvements in the company's carbon balance. Due to the far-reaching impact of the COVID-19 pandemic, the 2020 carbon balance was not chosen as the baseline carbon balance, instead the data from the commuting and business travel categories was normalized. Under commuting travel, the assumed share of teleworking was 0%. Under business air travel, it was assumed that the number of kilometers flown in the various travel classes is a linear function of air travel costs. The number of kilometers flow was extrapolated based on average air travel expenses for 2018 and 2019.

At Bellevue, the organizational boundaries are determined by operational control and the assets and activities subject to operational control are included within the system boundaries.

Total emissions (in t CO_2e)	**Base year [1]**	**2024**	**2023**	**2022**
CO_2e-emissions scope 1 [2]	32	12	10	21
- Heating	27	6	7	15
- Business trips	5	6	3	6
CO_2e-emissions scope 2 [3]	44	10	23	20
- Electricity	26	4	15	12
- Heating	18	6	8	8
Co_2e-emissions scope 3 [4]	725	581	575	576
- Energy supply	20	13	10	14
- Business trips	499	471	468	396
- Commuting	186	70	90	152
- IT equipment	14	23	2	7
- Other	6	4	5	7
Total CO_2e-emissions	**801**	**603**	**608**	**617**
CO_2e-emissions/full-time position	**8.2**	**6.9**	**6.1**	**6.2**

[1] Baseline year: 2020 adjusted for COVID-19 effects (on commuting/remote work/business travel)
[2] Scope 1: Direct greenhouse gas emissions
[3] Scope 2: Indirect greenhouse gas emissions from externally sourced energy
[4] Scope 3: Energy supply (emissions arising from the use of energy not covered by Scope 1 or 2): Business travel (external vehicles), commuting, IT equipment, paper, print jobs, waste, water

Bellevue does not emit significant amounts of ozone-depleting substances, nitrogen oxides (NOx), sulfur oxides (SOx) or any other air pollutants.

As it is active in the financial sector, its Scope 1 and Scope 2 emissions are rather low. Areas of focus are heating, electricity and business travel with company cars. Most of its CO_2 emissions relate to Scope 3 emissions and are mainly attributed to business travel and commuting. In 2020 and 2021, action to prevent the spread of the coronavirus led to a sharp reduction in business air travel (air travel) and commuting travel. From 2022 on, CO_2 emissions in these two areas has increased significantly, but are still below pre-pandemic levels.

Bellevue has been working with Swiss Climate since 2020 to calculate its CO_2 emissions and develop measures to reduce them. Up to and including 2023, Bellevue has been certified with the highest climate label from Swiss Climate (a pioneer with its exemplary, holistic CO_2 management at all levels). By purchasing CO_2 emission certificates equivalent to the amount of greenhouse gas emissions emitted each year, we support projects that save the same amount of emissions. In 2024, we opted for a project in Bulgaria focussing on 'renewable energy from sawdust'. The project illustrates a prime example of a regenerative system: the production of raw material for paper manufacturing produces sawdust. This is reused as biomass for the production of water vapour. The steam in turn is the energy source for the production of raw material. This regenerative system can therefore replace fossil fuels as a source of heat.

Since the first publication of its greenhouse gas inventory, Bellevue has striven to reduce its greenhouse gas emissions. Currently available data does not allow it to measure the direct impact of its efforts. These efforts can only be analyzed on an aggregate basis per category. The reductions achieved in the individual categories compared to the baseline year can be summarized as follows:

- **Business travel**
  Total distance traveled by air has been reduced by 7% (or 41 775 km). This led to a decline in emissions of 30 t CO_2. Motor vehicle travel increased by 28% (or 11 978 km) over the same period. This led to an increase in emissions of 4 t CO_2e. Consequently the share of sustainable business travel has increased from 3% to 11%.
- **Commuting travel**
  Commuting emissions were reduced by 63% (or 117 t CO_2e) due to the widespread use of teleworking arrangements. The share of sustainable commuting travel was increased from 49% to 70%, which is well above the Swiss average.
- **Electricity**
  Absolute electricity consumption was reduced by 21%, which led to a corresponding reduction in emissions. At the same time, a significant proportion of energy consumption has been sourced from renewable sources since 2021. In the 2024 financial year, this share will be 95%.

Mobility

All of our offices are easily accessible by public transit. Employees are requested to use public transit to commute to work. We actively encourage this by offering financial incentives. Employees must pay to use a parking space at company locations. Showers and changing rooms are available at company headquarters, which makes commuting to work by bicycle an attractive alternative. With the relocation of company headquarters from Küsnacht to Zurich City in 2025, access to public transportation will become even more attractive. We expect this will lead to a significant reduction in commuting emissions.

International contacts are important given our global investment strategies and distribution activities with employees at different locations. All locations have video conferencing infrastructure. Most of the meetings are through telephone and video conferencing instead of physical meetings to limit travel. Where possible and appropriate, we substitute air travel with public transportation such as train travel and coordinate joint site visits.

The Group Executive Board is regularly informed about the travel activities of the employees.

Key climate-relevant memberships

GRI 2-28

Bellevue is a member of various organizations and a signatory of various investor initiatives as part of its active engagement to promote sustainability for the benefit of the planet. The following memberships and collaborations are climate-relevant:

- Signatory of the United Nations Principles for Responsible Investment (UN PRI) (08-2019)
- Member of Swiss Sustainable Finance (11-2022)
- Certification by Swiss Climate (from December 2021)

Signatory of:

Sustainable Development Goals (SDGS)

The UN Sustainable Development Goals are the centerpiece of the Agenda 2030 adopted by the United Nations in autumn 2015. They define the social, economic and environmental milestones that are to be jointly achieved on a worldwide basis by 2030. Companies can make a crucial contribution to the Agenda 2030. Bellevue takes its responsibilities seriously and its sustainability management and core business are aligned as closely as possible with the SDGs.

Four SDGs play a central role: quality education (4), gender equality (5), decent work and economic growth (8) and climate action (13). It is in these areas that Bellevue can have the greatest impact at company level.

Source: MSCI ESG Inc.

Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Bellevue supports the training and development for all employees and promotes lifelong learning. For further information, please consult the section on Employee development and retention.

Goal 5: Achieve gender equality and empower all women and girls

Bellevue fosters a culture of gender equality and promotes a balanced mix of gender and age across all hierarchical levels and functions of the company. For further information, please refer to the section on Diversity and inclusion.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Bellevue offers attractive, family-friendly working conditions, promotes diversity, has established competitive pay policies with equal pay for women and men, and is committed to training and education for its employees. For further details, please refer to the sections on Economic performance, Employee development and retention and Diversity and equity.

Goal 13: Take urgent action to combat climate change and its impacts

Bellevue ensures that responsible corporate environmentalism contributes to reducing carbon emissions. The remaining emissions are offset by purchasing carbon offsets equal to the annual greenhouse gas emissions. Further information can be found in the section on Climate change.

Climate-related Financial Disclosures (TCFD)

About this Chapter

This chapter describes Bellevue's progress towards implementing our climate change commitment in accordance with the Swiss regulation and global best practice standards. It serves as a summary and overview on our endeavours in advancing how we manage climate-related risks and opportunities. Bellevue recognizes that climate change poses a significant risk to society, nature, our business, our customers and partners. Our goal is to support the economy-wide transition to net zero with our ongoing climate engagement at corporate as well as at the level of our investment portfolio. A transition to a net zero future yields not only environmental but also long-term financial benefits for all our stakeholders including our clients, shareholders, employees and society in general.

This chapter has been prepared in accordance with the Swiss Federal Council's adopted ordinance on mandatory climate disclosures for large Swiss companies and thus, the binding implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As a medium-sized enterprise, Bellevue is not obliged by the Ordinance on Climate Disclosures to publish a TCFD report. Nevertheless, as a responsible investor committed to the goals of the Paris Agreement, we have sought to incorporate the requirements laid out in the articles of the Ordinance on Climate Disclosures, the recommendations of the TCFD (2017), the cross-sectoral and sector-specific guidance outlined in the TCFD Implementation Guidance (2021) and, where possible and appropriate, the «Guidance on Metrics, Targets, and Transition Plans» (2021).

[1] See communication by Federal Council on bringing the ordinance on mandatory climate disclosures for large companies into force as of 1 January 2024.
[2] Final Report – Recommendations of the Task Force on Climate-related Financial Disclosures, June 2017.
[3] Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, October 2021.
[4] TCFD Guidance on Metrics, Targets, and Transition Plans, October 2021.

Governance

A) DESCRIBE THE BOARD'S OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related opportunities and risks can potentially affect all areas of Bellevue and its business – in terms of our own business activities as well as the investments (portfolio level) – hence the fact that ultimate responsibility for this issue lies with Bellevue's Board of Directors (BoD).

The BoD has ultimate responsibility for sustainability (including climate- and ESG-related matters). It approves the Group's sustainability and climate strategy and plan. The BoD is informed and decides upon climate-related matters, such as goals and targets (including performance objectives), strategy, internal organisation, major plans of action, monitoring implementation and performance, risk management, and associated major capital expenditures (including acquisitions, and divestitures).

As the highest authority for strategic issues, the BoD is informed quarterly by the Group Executive Board and/or the ESG Working Group (management function) about measures and progress in the areas of sustainability and climate and is involved in the decision-making process.

The Audit & Risk Committee (ARC) oversees risk management activities for the company, including those associated with climate. It examines whether all systems created to monitor compliance with legal provisions are appropriate and whether they are being applied properly, and guides and monitors Bellevue's risk policy and profile, which covers climate-related risks amongst other topics. Other Board-level committees further integrate ESG including climate-related considerations into their agendas and mandates. The ARC reports to the BoD and makes recommendations to the same via the Group Executive Board. The ARC is regularly informed by Risk Management (management function), including on climate- and ESG-related risks.

Reference
Annual Report: ESG - Sustainability strategy
Annual Report: Corporate Governance - Internal organization
Internal documents: Sustainability guidelines, Sustainability organization regulations

B) DESCRIBE MANAGEMENT'S ROLE IN ASSESSING AND MANAGING RISKS AND OPPORTUNITIES

The Group Executive Board is the highest management body in matters of sustainability and is responsible for the sustainability strategy, including climate. Within the Group Executive Board, sustainability is headed by the Group CFO, in collaboration with the CFO of Bellevue Asset Management AG. To this end, the Group Executive Board defines climate-related operational objectives and approves the implementation plans. The Group Executive Board is responsible for managing risks and ensures that the risk assessment process is conducted in an encompassing manner. It is also responsible for the enaction of the relevant directives for risk assessment, risk management and risk control and the adequacy of the internal control system. This assessment is driven by a yearly strategic risk review. The Group CFO (at the same time CRO) is responsible for any risk control activities.

The ESG Working Group is responsible for coordinating and managing the measures at Group level. It monitors the latest developments on the sustainability and climate front and anticipates their impact on the business model of Bellevue Group. It supports the Group Executive Board with formulating and developing the sustainability strategy. The Group Executive Board ensures that the defined focal points of the Group-wide sustainability strategy are integrated and implemented in the divisions. The ESG Working Group also ensures that the Group Executive Board is involved as a steering body, reports on progress and liaises with key stakeholder groups at Group level.

The organization of the ESG Working Group is based on the Bellevue Group organization and is made up of sustainability officers from the various departments and teams. The ESG Working Group is led by a co-management team. This consists of one corporate and a product representative. The sustainability managers of the departments/teams ensure that the Group-wide sustainability and climate strategy is implemented through corresponding measures and initiatives, considering local regulatory requirements. It also initiates and supports relevant ESG training courses together with the ESG managers of the departments/teams.

The management of the ESG Working Group reports to the Group Executive Board on a quarterly basis. This in turn reports to the Board of Directors on a quarterly basis. In the event of urgent matters, the Group Executive Board should be informed immediately by the chairperson of the ESG Working Group.

The portfolio management team is responsible for implementing the investment strategy, with a focus on sustainability and climate themes as well as overarching principles and policies. It is also responsible of calculating and managing the financed emissions of our portfolio.

Reference
Annual Report: ESG – Sustainability strategy
Internal documents: Sustainability guidelines, Sustainability organization regulations

Strategy

A) DESCRIBE THE CLIMATE-RELATED RISKS AND OPPORTUNITIES THE ORGANIZATION HAS IDENTIFIED OVER THE SHORT, MEDIUM, AND LONG TERM

Bellevue places great emphasis on environmental and climate protection. We consider the wide-ranging impact of climate change on its own business, shareholders, customers, and partners. We endorse and are committed to the goals of the Paris Agreement. We can play our part in achieving them through the way we structure our portfolios, as well as by analyzing climate-related risks and showing how they influence our investment decisions. Naturally, we apply exclusions for controversial industries (e.g. fracking/oil sands, thermal coal), maintain an active dialog with companies or other stakeholders regarding their climate strategy, and exercise our voting rights. We have worked to embed climate-related considerations into our group-wide sustainability strategy. To accelerate the pace of our own climate action and the support for our customers in an orderly transition to net zero, we have identified the relevant climate-related opportunities for our business model and assessed associated risks over short, medium, and long term.

We have applied the TCFD recommendations to identify climate-related physical and transition risks and opportunities that may not only influence our overall reputational standing but also our market, operations and regulatory exposure or financial outcomes. The identification of the relevant risks and opportunities was performed by an interdisciplinary group of executives from management, the heads of relevant departments (sustainability, strategy, finance, controlling, communication) and selected subject-matter experts. The process was mediated and supported by an external consulting company (Swiss Climate).

Our major priorities for future climate-related opportunities are anchored in the following streams:

- **Clean operations:** We are committed to reduce the carbon footprint from our own operations to support the goals of the international and Swiss community that aim to attain net zero greenhouse gas emissions by 2050. We have set clear targets to reduce our operational emissions and assess our direct and indirect emission from Scope 1, Scope 2 and operational Scope 3 categories (mainly: business trips and employee commuting) as well as Scope 3 financed emissions. The decarbonization targets are outlined in the section Metrics & Targets c). We outline our measures to reduce the carbon footprint and communicate on our short-, medium- and long-term climate targets transparently. Our locations are very easy to reach by public transport. Employees are motivated to travel by public transport. We actively support this through financial incentives. Showers and changing rooms are available at company headquarters, which makes commuting to work by bicycle an attractive alternative. Public transport options will become even more attractive when the head office is relocated from Küsnacht to central Zurich in 2025. International contacts are important given our global investment strategies and distribution activities with employees at different locations. All locations have video conferencing infrastructure. Most of the meetings are through telephone and video conferencing as a substitute for physical meetings to limit travel. Where possible and appropriate, we substitute air travel with public transportation such as train travel and coordinate joint site visits.

- **Low Carbon Investment Portfolios:** Bellevue invests mainly in healthcare industries, thus we contribute to the well-being of millions of people throughout the world. We also contribute to improving the medical research and technological improvement in the healthcare sector. When investing, we take special care to select firms, which have limited impact on the environment and that have a clear climate transition plan in place. For example, the first calculation of the carbon intensity of our financed emissions at portfolio level in 2023 revealed that Bellevue is not heavily invested in climate-sensitive sectors. Using the WACI (Weighted Average Carbon Intensity) methodology, we were able to analyze our different funds and we have determined the funds that were more carbon intensive than others. We aim to increase the proportion of low carbon investments over time. This allows us to manage the future carbon intensity of the portfolio in a direction that reduces the carbon intensity (see section on Metrics & Targets). We are committed to adhering to internationally recognized norms and systematically exclude from the managed investment portfolios any companies that seriously harm the environment and climate. No investments may be made in companies that are implicated in serious environmental issues. Compliance with the principles and guidelines of the UN Global Compact and the UN Principles for Responsible Investment (UN PRI) serve as an indicator in such cases. ESG factors, including climate-related factors, are integrated into the fundamental analysis of every company through an ESG integration process in which the associated financial risks or opportunities are evaluated with respect to future stock market performance. This approach gives our portfolio managers a holistic picture of an enterprise. Within the scope of our ESG integration approach, strict exclusion criteria are applied and climate-related factors are an integral part of our fundamental research and analysis across all portfolios and funds. At the same time, our experts strive to build climate-friendly portfolios and they maintain an active and constructive dialog on ESG aspects with company executives and relevant stakeholders. In 2023, a dedicated focus on climate-related metrics in our ESG integration process to measure and manage carbon intensity has been established. For example, the environment sub-category focused on aspects such as whether a company systematically measures its carbon footprint and discloses the related data. A system of ESG ratings forms the basis by which sustainability and climate-related criteria are integrated into the asset manager's investment decision process. Every issuer of securities in its investment universe is assigned an ESG rating based on various sub-scores. These scores are based on data from independent third-party providers MSCI ESG Research and Morningstar Sustainalytics. Bellevue believes in the importance to interpret ESG scores with caution and a critical eye. Most ESG rating methods are based on a predefined systematic approach that does not always result in an objective or «fair» assessment of risks. In fact, such methods often systematically disadvantage start-ups and small cap companies relative to large cap companies. A lack of manpower and experience in handling ESG issues can result in a company being underrated. That is why our portfolio managers always take a closer look at potential or ostensible «ESG laggards» (CCC, B rating) and reach out to the ESG specialists at our external ESG research providers and at the companies with lagging ESG ratings. Investments in «ESG laggards» must be documented in detail. Bellevue does not apply a «best-in-class» approach for the reasons mentioned above, unless otherwise dictated by a specific investment strategy.
- **ESG Stewardship:** Bellevue acts as a responsible long-term investor on behalf of its clients. We believe that the enduring influence of climate risk can be impacting businesses and economies worldwide. While the impact may vary across sectors and geographical locations, we consider this transition a significant investment factor with the potential to significantly affect numerous companies. To that end, we consider ESG Stewardship a fundamental tool to effectively investing in and promoting sustainable enterprises. Sustainable financial investments and services not only help reduce investment risks, but also positively support desired economic, societal and environmental changes. Bellevue integrates ESG Stewardship into its investment processes to promote a more sustainable and value-enhancing economy, and also to help increase the long-term return for our clients, adjusted for sustainability and climate risks. For example, in 2022, Bellevue established a proprietary tool in which ESG engagement activities are systematically recorded and subsequent developments documented over time. During the financial year

2024, Bellevue lead a total of 22 ESG engagements (32 in 2023), out of which 6 were related to climate and/or environmental issues. Bellevue is firmly committed to the UN Principles for Responsible Investment (UN PRI) and continuously adapts its ESG investment guidelines to reflect the latest findings, including on climate-related aspects. For the near future (see section on Metrics & Targets), Bellevue's ambition is to be compliant with the Swiss Stewardship Code, drawn up by the Asset Management Association Switzerland and Swiss Sustainable Finance, which provides recommendation and guidance for integrating stewardship into investment processes. The Code includes nine stewardship principles – governance, stewardship policies, voting, engagement, escalation, monitoring of investee entities, delegation of stewardship activities, conflicts of interest, transparency and reporting – and describes the most important elements for effective and successful implementation.

While changes associated with a transition to a lower-carbon economy presents substantial opportunities to Bellevue, they also create significant climate-related risks for the organization. We have identified the following major climate-related risks for our business model:

- **Strategy risk:** Strategy risk(s) arises due to climate-related market developments such as increasingly changing behaviour of current and future customers concerning climate-friendly investments. Relating thereto are potential untapped strategic opportunities (see climate-related opportunities) if realized by competitors, which may lead to losses in market share or lower revenues from transition savvy clients. This risk is mostly related to our sustainable product/investment offerings, such as a lack of climate-friendly ESG investment solutions and related loss of clients/market share.
  TCFD risk category: Transition risk – Market
- **Reputation risk:** Bellevue is exposed to reputation risk related to climate change due to increased stakeholder concerns, e.g. through rating agency channels (e.g. S&P ESG Rating), clients or shareholders. The reputation risk is tied to changing customer or community perceptions of Bellevue's relative contribution to or detraction from the transition to a low-carbon economy. The risk is thus directly related to Bellevue's current and future climate engagement and measures to realize its transition plan, such as the relative speed and magnitude of Bellevue's transition in comparison to peers and other market participants (or rather the transition of Bellevue's AuMs).
  TCFD risk categories: Transition risk – multiple (Policy and Legal, Reputation)
- **ESG (Compliance) Risk:** A compliance risk may emerge for Bellevue if existing and emerging regulatory requirements are not met by the Company. Bellevue has identified two types of climate-related compliance risks:
  – Type 1: Policy actions that attempt to constrain actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change.
  – Type 2: Legal risk in the form of litigation in case of «non-adherence» with law/regulation or if climate-related litigation claims are being brought forward.
  Direct consequences may be additional compliance efforts for internal processes and reporting (increased internal cost), and potential litigation cost.
  TCFD risk category: Transition risk – Policy and Legal
- **Market risk:** Climate-born market risk may adversely affect the performance of Bellevue's investment portfolio and strategies (including default of a company in the investment portfolio). Market volatility or capital market fluctuations may occur due to technological progress (e.g. due to the substitution of lower emissions services/goods) and/or market-side developments (e.g. due to changes in customer demand/preferences).
  TCFD risk categories: Transition risk – multiple (Technology, Market)
- **Counterparty (credit) risk:** Counterparty default risk due to climate change for relevant financial institutions such as banks, brokers, custodians is considered rather low (e.g. due to technological progress, changes to policy, legal and market-side developments).
  TCFD risk category: Transition risk – Market

- **Physical risk:** Physical risks resulting from climate change mainly materializes in the investment portfolio, for example due to acute or chronic physical risk for a specific company in our portfolio. We consider immediate physical risks to be rather low for Bellevue.
  TCFD risk category: Physical risk – Acute, Chronic

An important aspect for organizations to consider is the time horizon for assessing climate-related risks and opportunities. While some of those risks or opportunities may materialize in the short term, others may be of higher relevance in the long-term. Bellevue thus carefully considered the relevant time horizons that are used to evaluate any impact from climate-related issues in alignment with our transition plan. We have defined time horizons consistent with the one mentioned in the Explanatory Report to the Ordinance on Climate Disclosures issued by the Swiss Federal Council on November 23, 2022:

- Short term is 1 – 5 years
- Medium term is 6 – 15 years
- Long term is 16 – 30 years

The above-mentioned time horizons were determined based on considerations on our business activities, existing targets and goals, existing law, emerging Swiss and EU regulations, current market developments and the national and international climate agenda.

In the sections that follow, we provide an overview on the impact of climate-related risks and opportunities for the above mentioned short-, medium- and long-term horizons.

Reference
Annual Report: ESG – Sustainability strategy
Internal documents: Sustainability guidelines, Sustainability organization regulations

B) DESCRIBE THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANIZATION’S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING

The impacts of climate change on Bellevue are driven by the identified climate-related opportunities and risks. Bellevue has assessed the impact of the relevant risks and opportunities on the organization in terms of:

- **Likelihood (Low/Medium/High):** The probability that the climate-related risk might materialize or the climate-related opportunity can be realized in the given time horizon
- **Impact (Low/Medium/High):** Qualitative assessment of the impact on Bellevue in the defined time horizon
- **Time horizon (Short term/Medium term/Long term):** The time horizon in which the impact will occur (earliest possible), in accordance with the relevant time horizons for Bellevue

The results of the assessment are described below:

	Impacts	Probability	Time horizon
Top opportunities			
Clean operations	Low	High	Short term
Low Carbon Investment Portfolios	High	High	Short term
ESG Stewardship	Medium	Medium	Medium term
Top risks			
Strategy risk	High	Medium	Medium term
Reputation risk	High	Medium	Medium term
ESG (Compliance) Risk	Medium	Medium	Short term
Market risk	High	High	Medium term
Counterparty (credit) risk	Low	Low	Medium term
Physical risk	Low	Low	Medium term

The impact assessment was performed by an interdisciplinary group of executives from management, heads of relevant departments (sustainability, strategy, finance, controlling, communication) and selected subject-matter experts. The analysis in terms of impact and likelihood also serves as an indication on our prioritization for future climate-related initiatives, action plans and the relative importance of each stream during the respective time horizon.

Overall, the impact assessment indicates that implementing Low Carbon Investment Portfolios is considered the most material climate-related opportunity for Bellevue in terms of impact. We also consider ESG Stewardship as medium impact opportunity. While the impact for further measures to establish Clean Operations is considered rather low, the likelihood is considered high. The latter also applies for implementing Low Carbon Investment Portfolios.

For climate-related risks, market risks associated with our societies' climate transition are considered most material, both in terms of impact and likelihood. Climate-related risks considered high in terms of impact and medium in terms of likelihood are strategy risks related to climate-related market developments and our ability to offer sustainable product/ investment solutions, as well as reputation risks related to Bellevue's current and future climate engagement and measures to realize its transition plan. Further, climate-related risks considered medium in terms of impact and likelihood are ESG (compliance) risks related to Bellevue's compliance to existing and emerging regulatory requirements. Counterparty (credit) risks as well as physical risks are considered low both in terms of impact and likelihood.

Generally, the fact that all opportunities and risks are expected to materialize or are to be realized in the short to medium term indicates our commitment to our ongoing and future climate engagement. However, climate-related risks with high impact are rather to be expected to materialize in the medium term. This is mainly driven by current market expectations and regulatory developments.

See further details on the process to assess climate-related risks and opportunities outlined in the section Risk Management.

C) DESCRIBE THE RESILIENCE OF THE ORGANIZATION'S STRATEGY, TAKING INTO CONSIDERATION DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2°C OR LOWER SCENARIO

We are convinced that our strategy is directly affected by climate-related risks and opportunities. It is for this reason that we have established a transition plan that serves as a blueprint for our own business in the transition to a low-carbon economy. It is our assumption that such a transition occurs in an orderly fashion that is consistent with a 2°C or lower scenario. Targets and measures taken by Bellevue are consistent with this assumption.

Our encompassing identification and impact assessment of climate-related opportunities described under Strategy a)/b) of this report was guided by questions such as:

- How do we believe is our strategy affected by climate-related risks and opportunities?
- Which strategic changes need to be addressed such that these opportunities can be realized, or the risks can be managed?
- What is the impact and relevance of these climate-related issues for our company and business model?
- What is the associated time horizon?

Currently, multiple elements contribute to the resiliency of our climate strategy:

- The top climate-related opportunity (Low Carbon Investment Portfolios) is directly related to Bellevue's investment focus in the healthcare sector. When investing, we take special care to select firms, which have limited impact on the environment and that have a clear climate transition plan in place in line with the Paris Agreement. According to the carbon intensity of our financed emissions at the portfolio level in 2023, Bellevue is not heavily invested in climate-sensitive sectors.
- Bellevue measures its carbon footprint and has set ambitious targets to reduce its emissions over short, medium and long term. The ambitious targets are backed by effective measures to decarbonize our direct and indirect emissions (see section on Metrics & Targets).
- We continuously integrate climate-related risks as a risk driver in our existing risk management framework and the associated processes.
- Diversity in geographic areas in terms of investments and clients, which mitigates both physical and transition risks.

While we have not yet performed a climate-related scenario analysis to assess the resiliency of our strategic considerations under different scenarios, we plan to perform such an assessment in the upcoming years. Any additional regulatory requirements by the Swiss Financial Market Supervisory Authority (FINMA) will be considered in the development of such an analysis.

Risk Management

A) DESCRIBE THE ORGANIZATION'S PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS
B) DESCRIBE THE ORGANIZATION'S PROCESSES FOR MANAGING CLIMATE-RELATED RISKS
C) DESCRIBE HOW PROCESSES FOR IDENTIFYING, ASSESSING AND MANAGING CLIMATE-RELATED RISKS ARE INTEGRATED INTO THE ORGANIZATION'S OVERALL RISK

Our climate-related risk management framework
In accordance with FINMA's understanding on climate risk management, we consider climate risk as a risk driver to other «classical» financial sector risk categories. Climate-related risks – in the form of physical risks and transition risks – are thus not considered a separate risk category but are rather managed as part of the existing risk management framework. Transition risks driven by technology, policy and legal, market or reputational concerns or chronic and acute physical risks in accordance with the TCFD categorization are managed through the existing processes for managing financial and non-financial risks. The mapping of climate-related risks against our traditional risk categories is disclosed in the section Strategy a).

The existing risk governance is outlined in the section Governance and applies to climate-related risks. As part of the existing risk policy and our framework for risk management and risk control, we have established processes for:

- Risk identification and assessment;
- Risk management and control; and
- Risk reporting and disclosure.

To ensure that climate-related risks are identified, assessed and managed, they are integrated as part of the Group-wide risk policy and in the above-mentioned processes for risk management and risk control.

Risk identification and assessment
We identified the relevant climate-related risks for Bellevue and assessed their impact as part of the encompassing analysis outlined in section Strategy a)/b). The analysis was performed by an interdisciplinary group with the participation of executives from management, the heads of relevant departments (sustainability, strategy, finance, controlling, communication) and selected subject-matter experts. The identification of relevant risks for Bellevue was performed in accordance with the TCFD recommendations and was based on guidance by regulatory bodies, best practice, peers and professional judgement by the relevant stakeholders within the company. The encompassing analysis also included a qualitative assessment for all relevant climate-related risks of Bellevue with regards to impact, likelihood and the associated time horizons. The results of this assessment are outlined in section Strategy b).

Bellevue has risk identification and assessment processes in place that are performed by risk management at Group level but also at the individual operating unit level on a regular basis. To ensure that the initial assessment of climate-related risks outlined above is institutionalized, we are planning to integrate the encompassing analysis as part of the existing risk- and/or business-specific processes (e.g. annual Risk Assessment).

In addition to this overarching process, the assessment of relevant climate-related risks is further performed as follows (see further details under Metrics & Targets):

- Strategy risks: Our ESG Working Group is assessing the transition risk related to climate-related market developments and our ability to offer sustainable product/investment solutions, and informs our Group Executive Board and the BoD on a regular basis. A quantitative and qualitative metric are in place to ensure that our proportion of AuM linked to carbon-related assets is assessed.
- Climate-related reputation risks are periodically assessed by the Group Executive Board. The Group Executive Board directly manages and supervises those risks, recognizing their significance for Bellevue and the difficulty to quantify them.
- Climate-related compliance risks are overseen by the ARC and managed by Compliance where an active monitoring on existing and emerging laws and regulation related to climate change (e.g. Climate and Innovation Act, EU regulation, regulatory requirements or communications by the FINMA, etc.) is implemented.
- Climate-related market risks are periodically assessed by the Group Executive Board and are measured and monitored as part of the existing risk management processes. A quantitative measure is in place to monitor the Weighted Average Carbon Intensity (WACI) of all funds over time.

Risk management and control
We are convinced that the limitation of climate-related risks is crucial to ensure that the understanding of the level and type of those risks that is accepted in pursuit of our strategy is aligned. Bellevue has processes in place that allow the company to mitigate, transfer, accept and control risks, including climate-related risks:

- Definition and monitoring of risk appetite / limits / tolerances (incl. escalation procedure in case of breach). Limitation of climate-related risks serve as a crucial decision-making tool for the BoD and the Group Executive Board. Our risk appetite and tolerance limit framework is approved by the BoD and integrated in our risk policy. For example, the BoD approved a quantitative tolerance to limit the reduction path for GHG emissions for our defined climate reduction targets to assess Bellevue‘s progress in the transition towards a net zero economy.
- Climate-related ESG criteria integration in investment processes: When investing, we take special care to select firms, which have limited impact on the environment and that have a clear climate transition plan in place. ESG factors, including climate-related factors, are systematically integrated into the fundamental analysis of every company through an ESG integration process in which the associated financial risks or opportunities are evaluated with respect to future stock market performance. This approach gives our portfolio managers a holistic picture of an enterprise. It includes climate change factors to be considered to measure climate-relevant indicators (e.g. carbon intensity) and plans as well as intentions to reduce carbon emissions at portfolio level. Additionally, while considering principal adverse impact on sustainability criteria (PAI) analysis, if a security exhibits an absolute CO_2-Intensity in the range of «mid» to «very high» (according to MSCI ESG) and if its intensity exceeds the industry average by more than 50%, the security cannot be classified as a sustainable investment which then impacts our sustainable investment quota (most investment products under EU SFDR article 8 require a minimum quota of sustainable investments). Moreover, this can culminate in an ESG engagement. Furthermore, in the frame of our TCFD implementation process, we have identified Low Carbon Investment Portfolios as one key climate-related opportunity, for which we will further elaborate strategic priorities and actions as well as related risk management criteria in the short term (next 1 – 5 years) (see chapter on Strategy).
- Mitigation through ESG stewardship with investees: Our portfolio managers are engaged in an active and constructive dialog with the executives and other relevant stakeholders of portfolio companies on ESG issues. Climate change is amongst our key priorities of engagement in terms of ESG considerations. If there are any indications of a significant controversy related to ESG issues, including climate-related, they are constructively discussed with the company and subsequent developments (e.g. change in strategy or processes, improvement of ESG rating) documented over time.. Engagement activities are undertaken in the context of materiality and proportionality considerations. Written

records of ESG engagement activities are maintained as part of the regular documentation of conversations with company representatives. In 2022 we also established a proprietary tool in which ESG engagement activities are systematically recorded and subsequent developments documented over time. In addition, Furthermore, we seek compliance with the Swiss Stewardship Code and its 9 principles (governance, stewardship policies, voting, engagement, escalation, monitoring of investee entities, delegation of stewardship activities, conflicts of interest, transparency and reporting) in order to effectively manage our climate-related risks.

Risk reporting and disclosure

The relevant climate-related risks are continuously monitored and reported as part of the existing risk governance structures (see also section Governance), notably the following:

- The BoD, assisted by the ARC, is ultimately responsible for the management of climate-related risks as part of Bellevue's risk management framework and sustainability mandate.
- The ARC oversees risk management activities for the company, including those associated with climate, on a regular basis.
- The Group Executive Board is responsible for managing risks and ensures that the risk assessment process is conducted in an encompassing manner. It is also responsible for the enaction of the relevant directives for risk assessment, risk management and risk control and the adequacy of the internal control system. This assessment is driven by a yearly strategic risk review.
- The CFO (at the same time CRO) is responsible for any risk control activities

Reporting provided to any of those bodies covers the specific climate-related risks and includes, if appropriate, respective assessments of these risks (e.g. metrics) and the climate-related risk tolerance.

Bellevue fulfils its responsibilities in relation to ESG and climate reporting via the following channels:

- Monthly factsheets on individual strategies, with information on portfolio positioning and performance as well as summarized ESG and climate data (CO_2-intensity Scope 1 and 2). In addition, our investors receive dedicated sustainability factsheets on a quarterly basis.
- Our website www.bellevue.ch includes a dedicated page focused on sustainability at both corporate and portfolio level. Advances and news on sustainability matters are posted on a continuous basis, including information regarding the regulatory requirements (EU SFDR/MiFID II sustainability preferences).
- Annual UN PRI Report to provide accountability and transparency regarding our responsible investment activities.
- Annual Report including a dedicated section on ESG, including our TCFD disclosure.

References

Internal documents: Risk Management Framework, Risk Management and Risk Control Directive

Metrics and Targets

A) DISCLOSE THE METRICS USED BY THE ORGANIZATION TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS

Based on the recommendations by TCFD, and our sustainability and risk strategy, we measure and monitor metrics that allow us to assess the climate-related risks and opportunities identified under section Strategy a). The following metrics are considered relevant for Bellevue to further accelerate the transition of our business model towards a net zero economy:

GHG emissions

- Measure, monitor and manage the absolute carbon emissions based on our carbon footprint for Scope 1, Scope 2 and operational Scope 3 (Scope 3.1–3.14) in accordance with the GHG Protocol.
- Measure, monitor and manage the financed emissions associated with the investment portfolio in accordance with the PCAF Standard, and based on MSCI ESG data.

Short to long term targets have been defined for this metric (see Metrics & Targets c) to assess and monitor our ongoing measures to reduce our carbon footprint as well as our exposure to climate-sensitive sectors. These metrics and associated targets are crucial to monitor our key climate-related opportunities such as Clean Operations and Low Carbon Emissions Portfolio.

Exclusion criteria

- Apply thresholds for the percentage of overall revenues that can be generated from morally or ethically controversial business areas, in particular carbon-intensive such as fracking/oil sands or thermal coal. Exclude companies that exceed the generally accepted annual revenue thresholds in their specific business areas.

The metric and associated targets is important to monitor our key climate-related opportunity on Low Carbon Emissions Portfolio.

ESG integration

- Assess ESG ratings as basis by which climate-related criteria are integrated into asset manager's investment decision process.
- Detailed documentation of investments in «ESG laggards».
- Bellevue does not apply a «best-in-class» approach for the reasons mentioned below, unless otherwise dictated by a specific investment strategy.

ESG stewardship

- Qualitative description of our ESG Stewardship engagement processes over time by systematically recording and documenting subsequent developments with our established proprietary ESG engagement tool.
- Qualitative assessment of compliance to the 9 principles of the Swiss Stewardship Code (governance, stewardship policies, voting, engagement, escalation, monitoring of investee entities, delegation of stewardship activities, conflicts of interest, transparency and reporting).
- Note: Climate-related voting is currently not in scope for Bellevue.

Transition risk

- Strategy risk: Scanning of sustainable finance journals to get an understanding of the ESG trends, and report on the findings (qualitative metric). Tolerance limit: When a specific topic is reported more than 5 times from different sources, then report to Management. Control frequency: semi-annually.

- Strategy risk: Assess the proportion of AuM linked to carbon-related assets as share of carbon-intensive AuM (classified as unsustainable) of total AuM. Tolerance limit: A carbon-intensive AuM is considered unsustainable if the absolute intensity of an emitter exceeds 70 t CO_2 / USD 1 mn turnover (i.e. higher than «low» value according to the MSCI ESG methodology), and if this value of the emitter exceeds 50% of the relevant industry average. Control frequency: quarterly. Based on this methodology, a total of 22 emitters (or 1.1% of AuM) whose carbon intensity was classified as unsustainable were identified in the portfolio under management as at the end of 2024.
- Reputation risk: Assess the transition of Bellevue's AuMs, peers and other market participants towards a low-carbon economy by scanning ESG ratings (e.g. S&P) and review Bellevue's transition plan considering peers' commitments and the evolution of market players (e.g. commitments to SBTi or NZAM). Tolerance limit: When a specific climate-related issue (e.g. a specific firm or sub-sector is impacted by a scandal) is reported more than 5 times from different sources, then report to Management. Control frequency: semi-annually.
- Reputation risk: Assess the total exposure to climate-sensitive sectors (in mn USD). Bellevue identifies climate-sensitive assets through industry-identifying attributes. As defined by the TCFD, Bellevue includes the following non-financial sectors addressed by the TCFD: fossil fuel extraction, carbon-based power generation, transportation (air, sea, rail, and auto manufacture), metals production and mining, manufacturing industries, real estate development, chemicals, petrochemicals, and pharmaceuticals, building and construction materials and activities, forestry, agriculture, fishing, food and beverage production, as well as trading companies that may trade any of the above (e.g., oil trading or agricultural commodity trading companies). This metric is agnostic of risk rating, and therefore may include exposures of companies that may be already transitioning or adapting their business models to climate risks. According to the European Union's definition, the NACE («nomenclature statistique des activités économiques dans la Communauté européenne») sectors A - H and L are classified as «high climate impact sectors». As of December 31, 2024, 58.4% of assets under management are allocated to these sectors according to the EU nomenclature.
- ESG (compliance) risk: Assess the future development of climate-related legislation and regulation (Switzerland, EU, US), relevant market developments, and the national and international climate agenda. Tolerance limit: When new regulations or market best practices arise, the Management should be informed and decide on actions to be taken. Control frequency: annually.
- Market risk: Monitor and assess the Weighted Average Carbon Intensity (WACI Scope 1, 2, 3) of all AuM (in t CO_2e / USD 1 mn turnover). Currently no specific tolerance limit defined, but comparison with the index-weighted positions of the MSCI AC World Index. Control frequency: annually. In 2024, the carbon intensity (WACI Scope 1, 2, 3) of our measurable investment strategies (approx. 97% of all AuM) was 524.6 t CO_2e / USD 1 mn turnover, which is 30% below the index-weighted positions of the MSCI AC World Index (733.7 t CO_2e / $M USD turnover).
- Counterparty (credit) risk: Monitor and assess the likelihood of possible default from counterparties due to climate-related impacts. Tolerance limit: If there are signs, then report to Management. Control frequency: annually.

Internal carbon pricing
Bellevue does not apply an internal carbon price mainly due to the following reasons:

- We are not directly exposed to the EU or Swiss emission trading system (EU ETS).
- We are not subject to a complex organization and/or business model, which requires an elaborated carbon price system.
- The existing metrics outlined above are considered sufficient to incentivise and drive business decisions to facilitate a transition to a net zero economy.

While such a carbon price mechanism is helpful for larger organizations to incentivize the business and mobilise resources by allocating the effective cost of carbon, such an instrument does not add any additional benefit to the existing metrics and targets at Bellevue. The necessity to implement an internal carbon price (e.g. on business travel) is and further will be assessed on a regular basis.

Reference

Annual Report: ESG - Climate change, ESG - Responsible investments

B) DISCLOSE SCOPE 1, SCOPE 2, AND, IF APPROPRIATE, SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS, AND THE RELATED RISKS

Our measurement and disclosure of the GHG emissions for Scope 1, Scope 2 and operational Scope 3, as well as the financed emissions of our portfolio are included in the Annual Report under the chapter ESG.

Reference

Annual Report: ESG - Climate change, ESG - Responsible investments

C) DESCRIBE THE TARGETS USED BY THE ORGANIZATION TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS

We have established short term, medium term and a long term target to ensure that we uphold our commitment to facilitate the transition to a net zero economy. The targets are aligned with our relevant time horizons on the short- medium- and long-term.

The following targets are in place:

- Short term target for 2026 to reduce the absolute carbon emissions from commuting Scope 3.7) by 40% (basis year).
- Medium term target for 2030 to reduce the absolute carbon emissions from Scope 1, Scope 2 and operational Scope 3 (scope 3.1.–3.14) per employee (FTE) by 30% (basis year).
- Medium term target for 2035 to reduce the absolute carbon emissions from Scope 1, Scope 2 and operational Scope 3 (Scope 3.1.–3.14) by 40% (basis year).
- Net zero target in 2050 that includes Scope 1, Scope 2 and operational Scope 3 (Scope 3.1.–3.14) emissions (basis year), as well as a reduction of the Scope 3.15 emissions (financed emissions) by 90%.

A detailed decarbonization plan with concrete reduction measures will be developed in 2024, based on the transition plan outlined in this TCFD reporting.

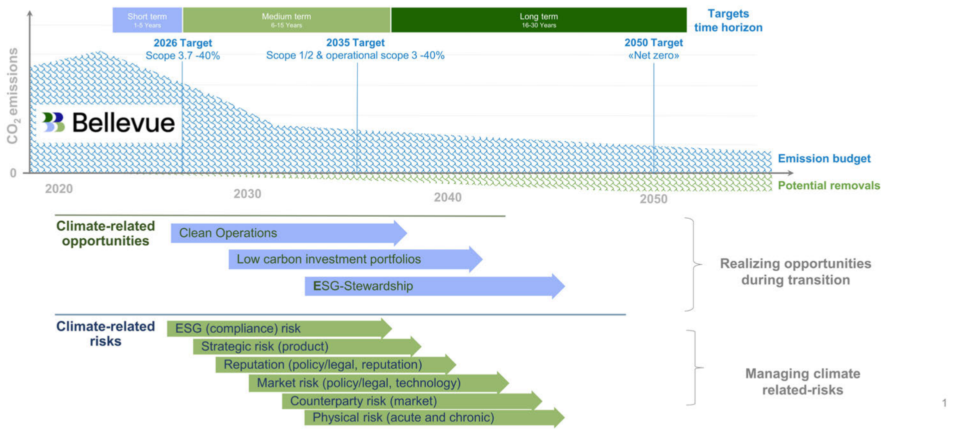
Reference

Annual Report: ESG – Sustainability strategy

Bellevue's transition plan

Bellevue's transition plan outlines the path to reducing CO_2 emissions and achieving net zero by 2050. The plan is divided into three phases: short-term (2026), medium-term (2035) and long-term (2050). The company aims to reduce emissions by 40% in Scope 3.7 by 2026 and by 40% in Scope 1, 2 and operational Scope 3 by 2035, with the ultimate goal of carbon neutrality by 2050.

The plan highlights climate-related opportunities, including clean operations, low-carbon investment portfolios and ESG stewardship, which can create value during the transition. At the same time, it addresses climate-related risks such as ESG compliance, strategic product risks, reputational risks, market risks, counterparty risks and physical risks. By effectively managing risks and capitalising on opportunities, Bellevue aims to achieve sustainability goals and ensure economic stability.



GRI

GRI-Index

GRI content index	
Statement of use	Bellevue Group AG, Kusnacht/Switzerland has reported in accordance with GRI Standards for the period from 01/01/2024 to 12/31/2024.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location in Annual Report	Requirement(s) omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	Business report - Business model and strategy Corporate Governance - Group structure and shareholders			
	2-2 Entities included in the organization's sustainability reporting	This sustainability report covers of all consolidated entities of Bellevue Group. Information to the scope of consolidation can be found in Note 6 «Major subsidiaries» to the consolidated financial statements.			
	2-3 Reporting period, frequency and contact point	GRI 1 and About us - Contact This report is prepared on an annual basis.			
	2-4 Restatements of information	There were no corrections or adjustments to information published as part of the sustainability report.			
	2-5 External assurance	This sustainability report was not audited.			
	2-6 Activities, value chain and other business relationships	Business report - Business model and strategy			
	2-7 Employees	Talent attraction and retention			
	2-8 Workers who are not employees	N/A	Yes	Not applicable	Not taken into account. Only occurs with consultants and project managers who are employed in other companies.
	2-9 Governance structure and composition	Corporate Governance - Board of Directors			
	2-10 Nomination and selection of the highest governance body	Corporate Governance - Board of Directors			

	2-11 Chair of the highest governance body	Corporate Governance - Board of Directors			
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance			
	2-13 Delegation of responsibility for managing impacts	Sustainability governance			
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance			
	2-15 Conflicts of interest	Conflicts of interest			
	2-16 Communication of critical concerns	Compliance with laws and regulations			
	2-17 Collective knowledge of the highest governance body	Corporate Governance - Board of Directors			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance - Internal organization			
	2-19 Remuneration policies	Remuneration report - Compensation policy			
	2-20 Process to determine remuneration	Remuneration report - Determination of compensation			
	2-21 Annual total compensation ratio	N/A	Yes	Confidentiality constraints	This information is not disclosed for reasons of confidentiality. Information on the remuneration of the members of the Board of Directors, the remuneration of the members of the Group Executive Management, the highest total remuneration for the financial year and our remuneration system is disclosed in the remuneration report.
	2-22 Statement on sustainable development strategy	Sustainability strategy			
	2-23 Policy commitments	Business ethics and integrity			
	2-24 Embedding policy commitments	Business ethics and integrity			
	2-25 Processes to remediate negative impacts	Compliance with laws and regulations			
	2-26 Mechanisms for seeking advice and raising concerns	Compliance with laws and regulations			
	2-27 Compliance with laws and regulations	Compliance with laws and regulations			
	2-28 Membership associations	Important climate related memberships			
	2-29 Approach to stakeholder engagement	Stakeholder engagement Material topics identified			
	2-30 Collective bargaining agreements	N/A	Yes	Not applicable	As Bellevue has no collective bargaining agreements and the working and employment

					conditions of our employees are not influenced by collective bargaining agreements, the requirements of GRI Standard 2-30 with regard to collective bargaining agreements are not applicable.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material topics identified			
	3-2 List of material topics	Material topics identified			
	3-3 Management of material topics	See various chapters of material topics identified			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic performance			
	201-2 Financial implications and other risks and opportunities due to climate change	Economic performance			
	201-3 Defined benefit plan obligations and other retirement plans	Economic performance			
	201-4 Financial assistance received from government		Yes	Not applicable	No public funding support
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-corruption			
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption			
	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions			
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions			
	305-3 Other indirect (Scope 3) GHG emissions	Emissions			
	305-4 GHG emissions intensity	Emissions			
	305-5 Reduction of GHG emissions	Emissions			
	305-6 Emissions of ozone-depleting substances (ODS)		Yes	Not applicable	Air emissions not applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant		Yes	Not applicable	Air emissions not applicable
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		Yes	Structured training data collection missing	Data will be collected and reported in Financial year 2025
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Yes	Structured training data collection missing	Data will be collected and reported in Financial year 2025
	401-3 Parental leave	Employment			

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and education			
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and education			
	404-3 Percentage of employees receiving regular performance and career development reviews	Training and education			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and inclusion			
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and inclusion			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity and inclusion			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protection of customer data			

Glossary

Terms	Short description
Sustainable investments	Sustainable investments are classified in accordance with the EU SFDR regulation, Article 2 (17). A company is considered sustainable if it makes a positive contribution to at least one of the 17 Sustainable Development Goals of the United Nations (UN SDGs) while upholding the "do no significant harm" principle and good corporate governance practices.
CO2-intensity	CO2-emissions measured in tons of CO2 per USD 1 million in revenues
Engagement	Portfolio managers are engaged in an active and constructive dialog with company representatives in selected ESG areas in an effort to improve qualitative or quantitative measures of sustainability.
ESG	ESG stands for Environment, Social and Governance. ESG refers to non-financial factors and criteria that are taken into account during the investment process and can have a significant impact on the financial performance of portfolios.
ESG exclusions	Companies involved in severe controversies concerning the environment, human rights and business ethics are excluded. Compliance with the principles and guidelines of the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the standards and rights of the International Labor Organization serves as a measure of sustainability. Values-based exclusions exclude companies that exceed certain revenue thresholds in controversial business areas. Exclusions are made on the basis of MSCI ESG data.
ESG Coverage	Shows the respective ESG research coverage as measured by the weighting of individual securities in the portfolio.
ESG Integration	The relevant industry- or company-specific ESG factors are integrated into the fundamental analysis. Environmental, social and governance aspects are thus taken into consideration during the fundamental analysis of securities and in the investment process.
MSCI ESG Rating	The MSCI ESG rating evaluates companies based on environmental, social and corporate governance factors that can have a material impact on the sustainability risks of a particular industry. MSCI ESG rating scores range from "leader" (AAA, AA) to "average" (A, BBB, BB) to "laggard" (B, CCC). Note: Because ESG rating methodologies can lead to the systematic underrating of certain companies or industries, portfolio managers can, in justifiable cases, invest in apparent "laggards".
Sustainable characteristics	The Fund takes social and environmental characteristics into consideration. These basically comprise the following elements: 1) Severe controversies involving global norms are excluded; 2) Very severe ESG controversies are excluded; 3) Values-based investment exclusions based on maximum revenue thresholds; 4) ESG integration; 5) ESG stewardship through constructive corporate dialog (engagement) and the exercise of voting rights (proxy voting).
UN SDG	Using the MSCI SDG alignment methodology, qualitative assessments are made and scores assigned with respect to each of the 17 UN SDGs. The business activities, operations, practices and products of a company are evaluated based on their contributions to the UN Sustainable Development Goals, resulting in an aggregated score for each UN SDG (+10 to - 10, with +2.0 or higher indicating a positive goal contribution and -2.0 or lower indicating a negative goal contribution).
Proxy Voting	Portfolio managers represent the long-term interests of our investors by actively exercising the voting rights of our portfolio companies through proxy voting. Voting recommendations issued by independent sustainability consultants and proxy advisors will be taken into account. However, it is possible to deviate from third-party voting recommendations if, in our view, they are not aligned with the best interests of investors.
UN PRI	Principles for Responsible Investment (UNPRI or PRI) is a United Nations-supported international network of financial institutions working together to implement its six aspirational principles. Its goal is to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decisionmaking and stewardship practices. In implementing these principles, signatories contribute to the development of a more sustainable global financial system. Bellevue Asset Management AG is a signatory since August 2019.
PCAF	PCAF (Partnership for Carbon Accounting Financials) is a global initiative that helps financial institutions measure and disclose the greenhouse gas (GHG) emissions associated with their loans and investments. It provides a standardized framework for assessing financed emissions, enabling banks, investors, and asset managers to track their climate impact and align with net-zero goals. The PCAF methodology supports transparency and accountability in sustainable finance.
GRI	The Global Reporting Initiative (GRI) is a globally recognized framework that supports all types of organizations (companies, governments, and non-governmental organizations) in their sustainability reporting. Among other things, the guidelines include KPIs that make environmental, economic, and social performance measurable.
TCFD	TCFD stands for the "Task Force on Climate-related Financial Disclosures." It is a working group established by the Financial Stability Board (FSB) aimed at increasing transparency regarding climate-related financial information. The goal is to enable investors to incorporate this information more effectively into their decision-making

processes. Improved reporting is intended to support financial decisions that contribute to a more sustainable global economy.

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