



SWISS MEDICAL
NETWORK

ANNUAL REPORT 2020



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Overview

<div>22</div> <div>Clinics</div>	<div>35</div> <div>Medical centers</div>
<div>2'538</div> <div>Doctors</div>	<div>3'802</div> <div>Employees</div>
<div>1'496</div> <div>Number of beds</div>	<div>39'420</div> <div>Inpatient admissions</div>
<div>59'189</div> <div>Surgical interventions</div>	<div>2'781</div> <div>Deliveries</div>
<div>Ca.</div> <div>360'000</div> <div>Consultations</div>	

Key financial figures

(x CHF 1'000)	2020	2019
Total revenues	638'534	622'566
Net revenues	546'730	534'835
EBITDAR*	100'514	87'651
Margin	18.4%	16.4%
EBITDA	46'262	32'813
Margin	8.5%	5.9%

* Earnings before interest, taxes, depreciation, amortization and rental expenses.

Two decades of development

2002	• Genolier
2003	• Montchoisi
2005	• Générale St-Anne
2006	• Valmont
2009	• Centre des Eaux-Vives
2010	• Bethanien
2011	• Lindberg Pyramide (20%)
2012	• Obach Ars Medica Sant'Anna Providence Valère
2013	• Villa im Park
2014	• Schmerzklinik
2015	• Montbrillant
2016	• Générale-Beaulieu
2018	• Siloah Ärztzentrum Solothurn & Oerlikon
2019	• Rosenklinik (40%) Belair
2020	• Hôpital du Jura Bernois (35%) Centre Médical Bienne

Swiss Medical Network is one of the two private hospital and clinic groups in Switzerland. It has a state-of-the-art medical infrastructure and offers patients personalized ambulatory and inpatient care in all specialties.

Present in 13 cantons and in the country's three main language regions, the network comprises 22 clinics and 35 medical centers, with a staff of more than 2'500 doctors and 3'800 other employees. The clinics have a total of 1'500 beds, with more than 59'000 surgical procedures performed each year.

The clinics in the cantons of Aargau, Basel-Stadt, Bern, Fribourg, Neuchâtel, Schaffhausen, St. Gallen, Solothurn, Ticino and Valais are on the hospital lists and fulfil a public service mandate. The inpatient services of the clinics in the cantons of Geneva, Vaud and Zurich are covered by supplementary insurance, while ambulatory services are accessible to all, regardless of insurance coverage.





MESSAGE FROM
THE CHAIRMAN
&
OPERATIONAL
REPORT



From vicious circle to virtuous circle

In less than two decades, Swiss Medical Network has become a key and respected player in the Swiss healthcare landscape. The group intends to continue its contribution to the transformation of a system that has reached its limits by creating the first integrated healthcare network in the country.



Raymond Loretan
Chairman of the Board
of Directors

Swiss Medical Network is the result of a vision that began to take shape at the turn of the 21st century. The Health Insurance Act (KVG) introduced a few years earlier had already proved unable to contain escalating healthcare costs and to quell the heated debate about the future of the Swiss system.

It was in this context that the project was born to create a private health network in Switzerland and to develop it throughout the country, making it a strong player capable of legitimately defending the added value of quality private medicine alongside the other players in the health system, including the insurance companies as well as the cantonal and federal authorities. Swiss Medical Network has never strayed from the watchword that underpins this ambition: managing citizens' health capital.

Clinique de Genolier, which was acquired in 2002 and remains the network's flagship, was the first element of a network that has gradually expanded nationwide with the integration, restructuring and repositioning of over 20 facilities, most of which were acquired over the past ten years.

A strong shareholder

Today, Swiss Medical Network is a key and respected player in the Swiss healthcare landscape, supported in its development by a solid and committed shareholder, AEVIS VICTORIA SA, listed on the SIX Swiss Exchange. The Group operates 22 clinics in the country's three main language regions, both listed and contracted, and 35 medical centers. These facilities, which employ more than 2'500 doctors and 3'800 additional staff, have an excellent infrastructure and the most innovative medical equipment. They have retained their own identity and autonomy, while practicing medicine with a philosophy of excellent care and empathy towards the patient.

The network has now come closer in size to its initial objectives. But the original commitment of the founders of Swiss Medical Network to an efficient system that puts the citizen at the center remains intact.

As a leading healthcare provider, the Group refuses to accept rising healthcare costs as inevitable, even though the burden is already far too great for the public. Swiss Medical Network believes that it has a duty to draw

on the sources of its success, its experience and its expertise, to find solutions and chart alternative paths for health policy in Switzerland. New directions are required that reconcile the need for quality, accessible medicine, the maintenance of healthy competition between providers and public-private complementarity.

An inevitable change

Because the current system is based primarily on the defense of special interests at the expense of patients, it is a vicious circle that leads to unnecessary treatments and endless cost inflation. Its flaws inescapably call for change. Swiss Medical Network believes that costs can only be contained when the current silo system and cantonal protectionism are abandoned. The large subsidies provided by some cantons to hospitals they own distort the regulatory process and prevent providers from operating on a level playing field, to the detriment of insured patients.

The sector is all the more obliged to renew itself as the Covid-19 crisis that has shaken it since the winter of 2020 promises to reshuffle the cards for good. Swiss Medical Network is determined to participate in this transformation with its flagship project of an integrated healthcare network, an innovative system for Switzerland, which will allow the convergence of the interests of all stakeholders: insurers, the state, doctors, hospitals, industry and insured patients.

The first network of this kind will probably be set up in the Jura Arc, where the Group has the necessary infrastructure and services to implement it. The integrated healthcare system is pioneering in Switzerland, but it is based on a model that has long been proven in the United States, and which once again demonstrated its effectiveness during the pandemic. The model is that of Kaiser Permanente, a healthcare system that is highly valued by its members and provides them with top-quality medical services at a much lower price than competing systems.

Opening up the capital of Swiss Medical Network

In the long term, the integrated healthcare network in the Jura Arc is intended to be replicated in other regions of Switzerland where the network is present. With this perspective, Swiss Medical Network intends to pursue its acquisition strategy, reorienting it towards medical centers, home care and other categories of facilities that are part of the integrated healthcare chain. The sale of 10% of Swiss Medical Network's share capital by AEVIS VICTORIA SA to Medical Properties Trust, Inc., a US-listed investment fund specializing in hospital real estate, which was concluded on 25 March 2021, is also closely aligned with this objective. This transaction marks the beginning of the opening of the Group's capital to strategic investors, a process that must accompany the creation of integrated healthcare networks.

The challenge is to create a virtuous circle that encourages the development of effective healthcare in the country, by ensuring consistent care for patients throughout their lives, and by focusing on prevention. Because the more that patients are maintained in good health, the more efficient the network will be. In other words, it's about transforming a system from which everyone profits into a system that provides benefits to everyone. This is Swiss Medical Network's ambition for healthcare in Switzerland. We believe in it and are working hard to achieve it!

Operational report

Against the backdrop of an unprecedented health crisis, and despite the six-week ban on elective procedures in the spring, Swiss Medical Network demonstrated resilience in 2020.



Dino Cauzza
CEO

The Federal Council's decision to ban elective procedures between 16 March and 27 April 2020, in response to the accelerated spread of the coronavirus, interrupted Swiss Medical Network's projected growth momentum. During these six weeks, capacity utilization dropped to 35%, before recovering to 90% in May and exceeding the previous year's levels in June due to a catch-up in operations that had had to be deferred. The situation then returned to normal during the summer, allowing growth to resume from the third quarter onwards. However, business from foreign patients remained weak due to the restrictions on international travel imposed because of the pandemic.

Overall, operating revenues amounted to CHF 625.7 million in 2020, a slight increase (0.5%) compared to 2019 (CHF 622.3 million). This increase is due in particular to the acquisitions made in 2019 and to the increased contribution of hospitals whose renovations were completed in 2020. On an organic basis, revenues declined 0.9%, as the losses in revenue during the lockdown in March and April 2020 could not be fully offset.

During the lockdown, Swiss Medical Network reduced overtime hours and introduced temporary partial unemployment measures in certain areas of activity. The Group also simplified its hotel services in hospitals and achieved savings through negotiations with some of the Group's contractual partners.

Increased profitability

These measures, coupled with the gain from the sale of Privatklinik Belair property to Infracore, Swiss Medical Network's real estate partner, resulted in operating income (EBITDAR) of CHF 100.5 million, up 14.7% from 2019 (CHF 87.7 million). The operating margin was 18.4% (2019: 16.4%). Swiss Medical Network also ensured efficient management of its working capital, resulting in the postponement of non-urgent investments to preserve liquidity.

A lean and agile organization

Swiss Medical Network reacted quickly to the Covid-19 crisis by adapting its operational processes without delay. In addition, the Group immediately volunteered to participate in the fight against the pandemic in all cantons. After further optimizing its processes, the organization is now able to adjust its resources and capacities in less than 48 hours. This responsiveness owes much to the flexibility of the employees, whose contribution in dealing with the pandemic was decisive. Thanks to their efforts, as well as that of the management teams and doctors, Swiss Medical Network was able to continue to offer its patients the best quality of service despite the unprecedented circumstances.

A first-class range of healthcare services

During the past year, Swiss Medical Network has continued to invest in the future and strengthen its medical services.

At Privatklinik Villa im Park (AG), 40 new rooms and two new operating rooms (with a third one in reserve), equipped with two Zimmer Biomet surgical robots, entered service. The day clinic was also fully modernized. At Clinique Générale-Beaulieu (GE), more than CHF 10 million was invested in the new radiotherapy department, which will be operational in the first half of 2021. On an area of 800 sqm, it will be equipped with the most modern technology, such as a CyberKnife (precision radiotherapy device) and a Radixact (standard radiotherapy). In Zurich, the Ladies Permanence Stadelhofen was opened and a new building for Group practices was inaugurated on the grounds of Privatklinik Bethanien. In Lugano, a new sports medicine center was opened at Clinica Ars Medica. In addition, a new pavilion for medical practices is to be built at Privatklinik Belair (SH), and new operating rooms are planned at Privatklinik Siloah (BE).

Acquisition strategy continues

Swiss Medical Network believes that the health crisis should help accelerate the consolidation process in the healthcare sector. More than ever, the pandemic has shown that a well-organized healthcare network with a flexible infrastructure is crucial. After acquiring a 35% stake in the Hôpital du Jura Bernois in January 2020 (with an option to acquire a majority stake within three years) and acquiring the Centre Médical Bienne in September 2020, Swiss Medical Network continues to have constructive discussions with various healthcare providers about possible acquisitions. These discussions are primarily focused on the ambulatory sector.

An exceptional effort to face the health crisis

Convinced that a coordinated pooling of all efforts was necessary to deal with the scale of the crisis caused by the coronavirus, Swiss Medical Network spontaneously made its resources in terms of personnel and equipment as well as its infrastructure available to the federal and cantonal authorities as soon as the first health alerts were issued in March 2020. The network's resources have been integrated into the 13 cantons where it is present, according to the modalities specific to each cantonal system. Swiss Medical Network is also actively involved in the Covid-19 testing and vaccination campaigns.

At the same time, Swiss Medical Network introduced the «Safe Clinic» concept in all its facilities, designed to guarantee a safe, Covid-free environment for its patients and employees, thanks to a strict range of control, screening and hygiene measures that go beyond the standards dictated by the cantonal and federal directives. In addition, remote working was extended to support services personnel.

«Safe Clinic» entails controlled access to hospitals, clinics, medical centers and doctors' offices, with PCR testing prior to any surgery, hospitalization in single rooms, monitoring of the patient during their stay and the establishment of limits on visits.

Swiss Medical Network would like to emphasize that this unprecedented mobilization would not have been possible without the flexibility and commitment of its employees and doctors, even though their working conditions were demanding. This exceptional effort was recognized with a bonus payment to employees in December 2020.

The ongoing shift towards ambulatory care is in fact irreversible. In addition to possible acquisitions, Swiss Medical Network is actively preparing for this shift in the area of surgery by adapting the infrastructure in its clinics to ensure the same process efficiency for ambulatory and inpatient operations. In the area of chronic diseases, the Group will continue its strategy of acquiring and setting up new medical centers in order to extend its influence throughout Switzerland, with a focus on proximity.

The challenges of 2021

The obstacles Swiss Medical Network has overcome since the onset of the Covid-19 pandemic have clearly demonstrated the resilience of its business model. Vigilance remains necessary until the crisis is over. The Group is nevertheless confident. The year has started well, with many clinics reporting higher revenues than last year. Business is expected to grow significantly for the year as a whole, due in part to the increased number of newly accredited doctors and the growing appeal of the Group's facilities to patients and prospective employees.

As for 2020, 2021 will involve a series of challenges. With the hospital planning period (10 years) coming to an end in some cantons, several facilities, particularly in Zurich, will have to attend to renewing their applications.

Another major project is the planned creation of an integrated healthcare network in the pilot region of the Jura Arc. This innovative model should enable a convergence in the interests of the healthcare players for the benefit of the patient (see box). Similarly, the digitalization of clinics and the gradual deployment of the Electronic Patient Record (EPR) in the network's facilities are high on the agenda for 2021.

Social responsibility

Swiss Medical Network is a dynamic, innovative company that cares about its social and environmental footprint. The Group has made the safety and quality of patient care its top priority. Its determination to encourage a shift from restorative to preventive medicine, through the development of integrated healthcare networks, attests to its commitment to sustainable medicine.

Swiss Medical Network's clinics are key players in the regions and population centers in which they are located. They are aware that with this proximity comes responsibility, and wherever possible, they have developed procurement networks with local suppliers. They use their energy resources efficiently and have a rigorous waste management policy. Several of them have started working closely with Swiss Federal Railways to develop a mobility plan. Some facilities have ISO-certified environmental management systems.

Swiss Medical Network is also very committed to its multicultural openness. The three main national languages are spoken in the Group, at all levels, and more than 53 nationalities are represented in the workforce. Fairness and equal treatment are the cornerstones of human resources management, and any form of discrimination is firmly condemned.

The professional and personal development of employees is an absolute priority for Swiss Medical Network. The Group introduced a four-week paternity leave in 2019. The possibility of working from home already existed before the Covid-19 pandemic. Balanced daily meals at CHF 5.- are offered to employees, as well as several other fringe benefits. These elements enabled Swiss Medical Network to come third in the «hospitals and clinics» category of the 2020 ranking of the best employers in French-speaking Switzerland established by Bilan magazine. In addition, regular surveys conducted by the clinics among their employees as part of their ISO certification attest to a high level of satisfaction.



Furthermore, while quality is a challenge that the network's facilities are continuously striving to meet, it will take on particular importance with the entry into force on 1 April 2021 of the amendment to the KVG to improve the quality of services in a systematic and structured manner. National targets will be set in 2022 by the Federal Quality Commission. Swiss Medical Network has already started to consolidate its approach by focusing on both the quality of indications and the quality of results. The PROMS (Patient-Reported Outcome Measures) methodology, which was introduced last year as part of a pilot project at Clinica Ars Medica (TI), will gradually be rolled out to other clinics in the Group. Finally, there remains the major task of renegotiating all supplementary health insurance contracts with insurers.

Soon an integrated healthcare system in the Jura Arc

Modern integrated healthcare models have several objectives. Beyond truly global patient care, these objectives include, though are not limited to, a more robust implementation of the principles of cost-effectiveness, a higher level of independence for doctors, and a convergence of interests of the insured and the different actors of the health ecosystem. All this, of course, in full respect of bioethical rules.

For many years, Swiss Medical Network has been advocating for a more efficient healthcare system that puts the patient at the center. The Group is convinced that the integrated healthcare model can help contain costs through comprehensive and harmonized patient care that emphasizes prevention and the avoidance of unnecessary treatments.

The implementation of an integrated healthcare network requires the involvement of a range of partners - family doctors, medical centers and hospitals, home care providers and medical/social institutions, supported by a high-performance technology platform and an adapted insurance architecture.

As a 35% shareholder in the Hôpital du Jura Bernois, Swiss Medical Network is now in a position to develop an integrated healthcare offering in the Jura Arc, as most of the necessary players are already organized in a network, or equivalent partnerships have already been established. In addition to the two hospital sites (St-Imier and Moutier), a mental health center (Bellelay) and medical centers (Medicentre in Moutier and Tavannes), the Interjurassien Pharmacy, the Institut de Radiologie du Jura Bernois and the Centre de radio-oncologie Bienne-Seeland-Jura are also part of the sphere of influence of the Hôpital du Jura Bernois.

The acquisition of the Centre Médical Bienne has further strengthened this network. The next step is to develop an integrated insurance product that will be offered to the approximately 250'000 inhabitants of the Jura region. Once launched, it is planned to replicate and extend this integrated healthcare model to other regions of Switzerland where Swiss Medical Network is well established.





CORPORATE GOVERNANCE

Corporate governance

Swiss Medical Network SA is a company incorporated under Swiss law with its headquarters in Genolier (VD) and a share capital of CHF 20'000'000. It is active in thirteen cantons and is dedicated to the operation of hospitals and medical centers.

Group structure

As of 31.12.2020, Swiss Medical Network SA had the following subsidiaries:

Name	Head office	Activity	Share capital in CHF	%
Swiss Medical Network Hospitals SA	Fribourg (FR)	Listed clinics	1'500'000	100.00
GSMN Suisse SA	Genolier (VD)	Contracted clinics	10'000'000	100.00
Générale Beaulieu Holding SA	Geneva (GE)	Holding company	2'500'000	69.45
Swiss Medical Centers Network SA	Fribourg (FR)	Holding company	100'000	100.00
Swiss Visio SA	Genolier (VD)	Ophthalmology	100'000	80.00
Rosenklinik AG	Rapperswil-Jona (SG)	Clinic	370'500	40.00
Hôpital du Jura Bernois SA	Saint-Imier (BE)	Hospital	3'950'000	35.00
Klinik Pyramide am See AG	Zürich (ZH)	Clinic	8'200'000	20.00

The complete list of subsidiaries of Swiss Medical Network SA can be found in Note 5 of the consolidated financial statements.

Shareholder structure

As of 31.12.2020, the sole shareholder of Swiss Medical Network SA is AEVIS VICTORIA AG.

Subsequent to the balance sheet date, 10% of the share capital of Swiss Medical Network SA was sold to Medical Properties Trust, Inc., an investment fund specializing in hospital real estate listed on the New York Stock Exchange. AEVIS VICTORIA SA directly and indirectly holds 90% of Swiss Medical Network SA.

Board of Directors

The company's Board of Directors is highly suited to the optimal management of its clinics and medical centers. Its members have in-depth knowledge of the healthcare sector and together possess the financial, legal, medical and political skills that are necessary to meet the challenges of the company's business area.

As of 31.12.2020, the Board of Directors of Swiss Medical Network SA consisted of the following nine members:



Raymond Loretan
Executive Chairman
1955
Swiss



Philippe Glasson
Vice-Chairman
1948
Swiss



Antoine Hubert
Delegate of the Board
1966
Swiss



Michel Reybier
Member
1945
French



Antoine Kohler
Member
1956
Swiss



Fulvio Pelli
Member
1951
Swiss



Cédric A. George
Member
1953
Swiss



Christian Le Dorze
Member
1951
French



Ruth Metzler-Arnold
Member
1964
Swiss

After the balance sheet date, Jacques Boschung (1967, Swiss national) will be proposed for election to the Board of Directors at the next Annual General Meeting.

The Boards of Directors of the two subsidiaries of Swiss Medical Network SA, which include the listed clinics (Swiss Medical Network Hospitals SA) and the contracted clinics (GSMN Suisse SA), are composed of the following members:

Nom	Fonction	Date de naissance	Nationalité
Raymond Loretan	Executive Chairman	1955	Swiss
Patricia Fehlmann Brinkmann	Vice-Chairman	1961	Swiss
Philippe Bauer	Member	1962	Swiss
Daniel Christen	Member	1956	Swiss
Carlo Conti	Member	1954	Swiss
Joseph Deiss	Member	1946	Swiss
Gilles Frachon	Member	1950	French
Antoine Hubert	Member	1966	Swiss
Ruth Humbel-Näf	Member	1957	Swiss
Volker Kirchner	Member	1960	Swiss
Daniel Savioz	Member	1961	Swiss
Ivan Tami	Member	1972	Swiss
Laurent Wehrli	Member	1965	Swiss
Vincent Maitre*	Member	1981	Swiss

* only a member of the Board of Directors of GSMN Suisse SA.

Advisory Board

Founded in 2013, the Swiss Medical Network Advisory Board is essentially a think tank supporting Swiss Medical Network in maintaining a liberal health-care policy in Switzerland and its cantons, including private hospitals and independent doctors, complementary to the public sector. The 33 members of the Advisory Board, the majority of whom are politicians and doctors, are also invited to discuss Swiss Medical Network's vision of creating an integrated healthcare system in different regions of Switzerland.

General and extended management

Swiss Medical Network expects its general management to be focused on the long term, with the objective of generating steady growth in revenue and profitability as well as enabling regular investments to ensure its sustainability.

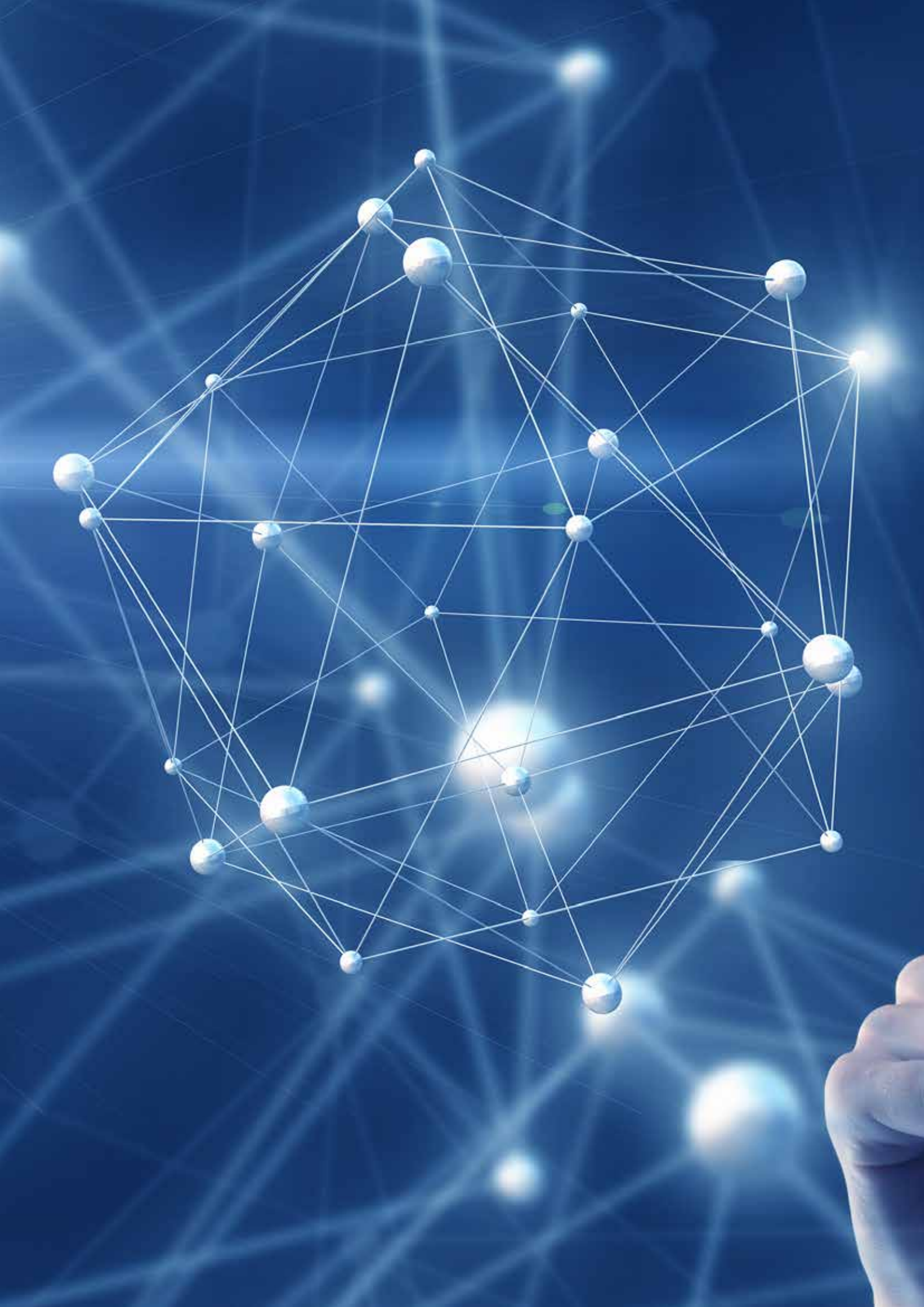
As of 31.12.2020, the general management of the company consisted of the following persons:

General management	Function
Dino Cauzza	CEO
Pietro Fabrizio	Deputy CEO, Regional Manager, Vaud
Philipp Gasche	CFO
Babs Siclet	Genolier Patient Services
Nello Castelli	Secretary General
Eric Frey	CDO, Regional Manager, Mittelland

Extended general management	Function
Cédric Alfonso (till 31 August 2021) Vincent Michellod (as of 1 September 2021)	Regional Manager, Geneva
Benoît Kuchler	Regional Manager, Valais-Fribourg
Alexandre Omont	Regional Manager, Neuchâtel
Fabio Rezzonico	Regional Manager, Ticino
Corina Müller-Rohr (as of 1 June 2021)	Regional Manager, Zurich

Swiss Medical Network promotes the role and responsibilities of women

Since its first acquisition with Clinique de Genolier in 2002, Swiss Medical Network has been particularly committed to promoting the role and responsibilities of women in its facilities. Women make up 75.6% of the total workforce and practice 195 different professions. They hold 60% of management positions and represent 61% of accredited doctors. Thirteen of the network's 22 clinics are now headed by women, most of whom have spent all or part of their careers with the Group. Every year, on International Women's Day (8 March), Swiss Medical Network highlights its female employees. In 2021, the entire month of March was dedicated to them with an original online campaign featuring the career paths of the thirteen female clinic directors in the three main language regions.





RESEARCH
& INNOVATION



Research and innovation

Research and innovation are a vital part of Swiss Medical Network's activities. Investment in quality research is essential for ensuring the constant improvement of diagnostic methods and the implementation of the most innovative and safest therapeutic solutions during the course of the patient's treatment.

It was with this objective that in 2009 Clinique de Genolier became the first facility in Switzerland to offer intraoperative radiotherapy (IORT), an innovative breast cancer treatment that offers significant advantages over conventional postoperative radiotherapy, particularly in terms of patient comfort.

Swiss Medical Network's research activities are supervised by the Scientific Advisory Board, whose mission is to define medium- and long-term strategies, to monitor the proper conduct of trials and to promote the Group's interactions and collaborations with academic institutions and research groups in Switzerland and abroad.

Swiss Medical Network has consolidated its research activities by creating the Genolier Innovation Network scientific platform. Its activities are organized into four main areas:

- The development of clinical and translational research programs
- The promotion of partnerships with the academic world and Swiss and international research institutions;
- The reinforcement of fundraising policies;
- The intensification of continuing education and exchanges in the field of education.

Regarding the development of research programs, Genolier Innovation Network has decided to focus its efforts on two key areas, orthopedics and oncology. In orthopedics, the focus is on developing PROMs (Patient-Reported Outcome Measures), i.e. indices that quantify the real benefit that a patient is likely to derive from an intervention or a new treatment. In the field of oncology, priority attention is given to biomolecular precision medicine, which aims to adapt treatments to patients' individual characteristics.

Strong collaborations in Switzerland and abroad

A number of Swiss Medical Network's clinical research programs are conducted in close collaboration with leading institutions. In Switzerland, these include:

- Lausanne University Hospital (CHUV)
- Geneva University Hospitals (HUG)
- Réseau romand d'oncologie
- Swiss Federal Institute of Technology in Lausanne (EPFL)
- Swiss Federal Institute of Technology in Zurich (ETHZ)
- Swiss Group for Clinical Cancer Research (SAKK)
- University Hospital of Basel

Internationally, the Group collaborates with the European Organization for Research and Treatment of Cancer (EORTC) and academic institutions based in New York and Houston.

Scientific report

Swiss Medical Network publishes an annual scientific report, presenting the strategies and operational aspects of the research carried out by the Group's clinics, whether in the context of clinical research developed internally or in programs conducted in collaboration with external institutions or networks, in Switzerland or internationally.

**Genolier
Innovation
Network**

Scientific report







MEDICAL
EXPERTISE



Medical expertise

In order to offer first-class ambulatory and inpatient care to its Swiss and foreign patients, Swiss Medical Network promotes medical excellence in all specialties. The Group's clinics are committed to recruiting the most qualified independent doctors, and more than 2'500 doctors are currently accredited by the network.

Everything is designed to allow these recognized professionals to fulfill their mission in optimal conditions and with respect for patient comfort. Swiss Medical Network is therefore continually investing to provide doctors with the best possible working platforms in terms of infrastructure – first-class technical facilities, flexibility in the allocation of operating slots, permanent and priority access to diagnostic resources, and investigation capabilities. They can rely on some of the most competent healthcare teams.

Doctors joining Swiss Medical Network have the option of becoming part of a group practice or opening a solo practice. Those who wish to do so can apply for financial support and be accompanied in the development of their medical entrepreneurship from the outset – a form of start-up package. Doctors who join the Group benefit from the visibility of Swiss Medical Network and extensive networking opportunities to develop their patient base. They can offer their patients the possibility of comprehensive, personalized and interdisciplinary care.

Swiss Medical Network believes that the independence of the medical profession is a prerequisite for ethical, quality medicine. Regardless of their specialty or the clinic where they practice, doctors are considered partners within the Group. Direct contact with management is encouraged and doctors are involved in the decision-making processes that affect them through their representation in the Medical Coordination Group.

Medical Coordination Group

The Medical Coordination Group (MCG) is the advisory body responsible for defining strategies related to medical issues that arise within Swiss Medical Network (patient admission strategy during the Covid-19 pandemic, development of the Group's fee schedule, hospital hygiene, recruitment of doctors, information exchange, etc.).

As a cross-functional body, the MCG has one medical representative per clinic in the person of the chairman of the medical commission elected by the college of physicians. The MCG enables the development of interpersonal relationships and exchanges between clinics, acting as an instrument of cohesion at the Group level.

The MCG meets once every two months. Since 2020, given the challenges posed by the pandemic, the frequency of its meetings has been significantly increased. The MCG has also strengthened its structure with the hiring of a secretary general to manage, among other things, the various medical digitalization projects.

Specialist and university training

Knowledge and skills are rapidly evolving in the medical field. Continuing education is both a professional duty for doctors and an essential condition for the practice of cutting-edge medicine.



Swiss Medical Network is involved in the continuing education of doctors by regularly hosting medical conferences and seminars to which the best specialists from around the world are invited. In 2019, a dozen scientific days were held in various clinics of the Group. Since the start of the Covid-19 pandemic, the organization of these events has been temporarily suspended.

Swiss Medical Network has always been actively involved in the training of young doctors. Offering students the opportunity to train in the various health professions each year is an investment in the future for the Group. The clinics therefore provide numerous training positions to assistant doctors. An important milestone for the Group was reached in Ticino. Since the start of the 2020 academic year, Clinica Sant'Anna and Ars Medica serve as teaching hospitals for medical students at the Università della Svizzera italiana. This is the first time in Switzerland that a medical faculty collaborates with private clinics.

Digital medicine

Like many other sectors, healthcare is the scene of disruptive innovations that will transform practices at all levels (administration, information exchange, treatment support). Artificial intelligence for medical diagnosis, computerized medical equipment, mobile applications for patients and healthcare professionals, telemedicine, patient records: while some of these developments are still in their infancy, in the long term no area will remain on the sidelines of digitalization, which is becoming the foundation of modern medicine.

Swiss Medical Network has fully embraced digitalization, with the conviction that it has the potential to improve the quality of care, particularly through secure prescriptions. The Group has also taken stock of the challenges associated with these developments in terms of data protection, and considers of paramount importance compliance with the regulations in force as well as the implementation of solutions offering the highest standards of cybersecurity.

The digitization of patient records (Electronic Patient Record, EPR) is currently under development. This long-term work represents an essential step for the Group. A pilot will soon be launched at Hôpital de la Providence before a gradual roll-out to all facilities.

The implementation of the EPR is all the more crucial as it is fully part of the integrated healthcare network project that Swiss Medical Network intends to develop in the Jura Arc. In such a system, it is essential to allow information to flow between the various health professionals in an environment of interoperable IT systems. The centralization of computerized medical records has considerable advantages over scattered filing systems: it makes it possible to standardize and index all data concerning the patient, while ensuring access to their medical record at all times. Swiss Medical Network will soon connect its own patient record and information systems to the federal government's electronic patient record.

Mobile applications for doctors and patients are also being developed. An application intended for patients will soon be launched at Clinique Valmont, which specializes in neurological and orthopedic rehabilitation.

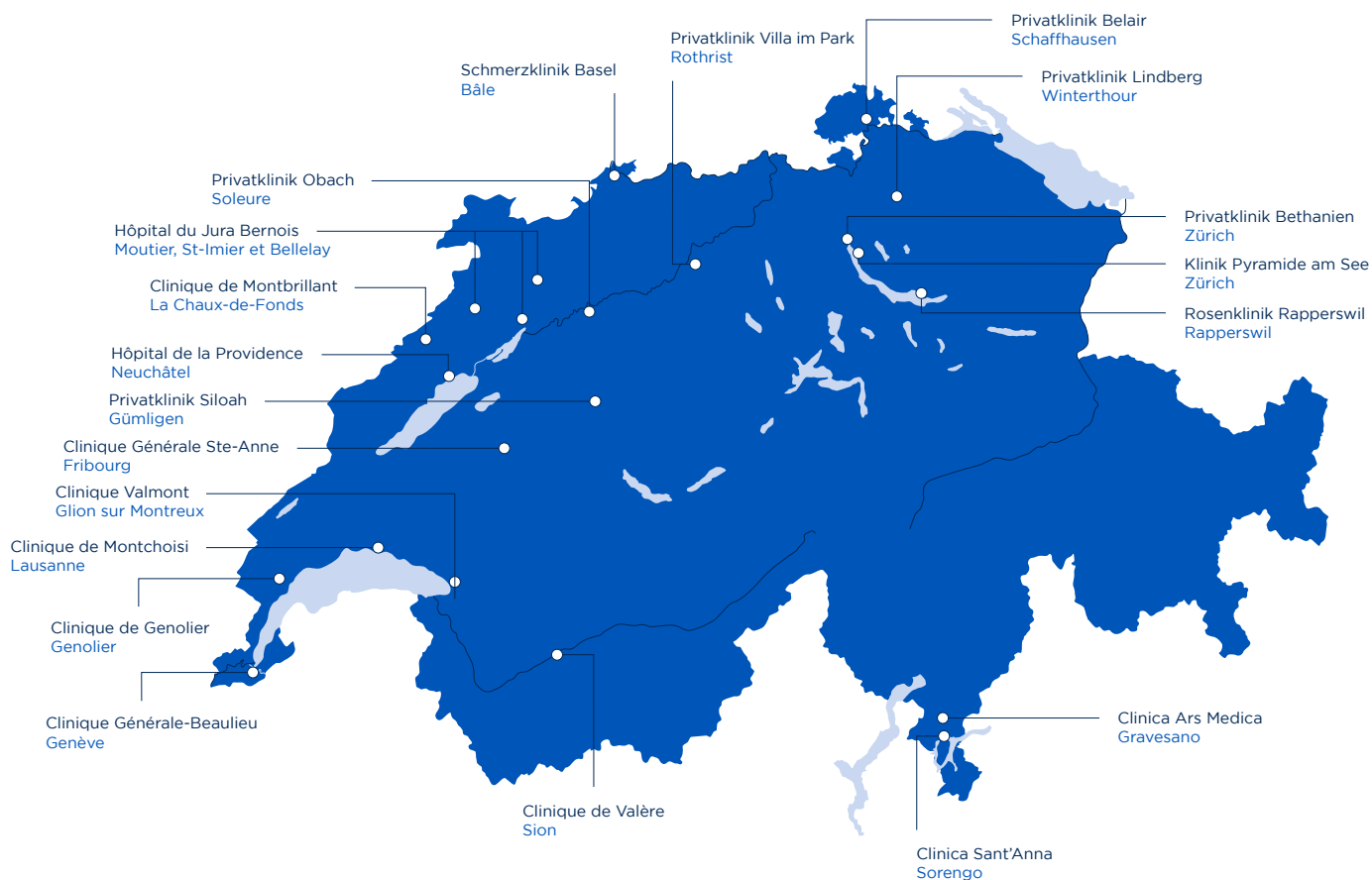




CLINICS
AND MEDICAL
CENTERS

COMPETENCE
CENTERS

Clinics and medical centers



The 22 clinics that make up the Swiss Medical Network are spread over seven different regions: Geneva, Vaud, Fribourg/Valais, Mittelland, Jura Arc, Zurich and Ticino. The 35 medical centers are mainly located in the catchment areas near the clinics.

While facing the challenges posed by the extraordinary health situation, in 2020 Swiss Medical Network continued to invest and innovate without slowing the pace, in line with its development objectives. The year was marked by several important developments:

• Relocation of Centre Médical Eaux-Vives

In order to offer better care to the Geneva population, Centre Médical Eaux-Vives moved to more spacious premises at Avenue de la Gare-des-Eaux-Vives 3, on the 3rd floor of the O'Centre building, located above the Eaux-Vives station of the Léman Express. The multidisciplinary center, which employs 45 doctors, now occupies a surface area of 1'300 m².

- **Opening of Centre Médical de Valère**

The new Centre Médical de Valère, located at Avenue de la Gare 27 in Sion, was inaugurated in September 2020. It offers services in radiology, gastroenterology, ophthalmology and primary care medicine (walk-in consultation). The building also houses Policlinique de Valère, which opened in April 2020 and receives patients for medical or surgical consultations that are non-vital, with or without appointment, regardless of insurance coverage. With its 6 emergency cubicles, the policlinic is able to guarantee optimal care.

- **Acquisition of 35% of Hôpital du Jura Bernois**

On 10 January 2020, Swiss Medical Network acquired a 35% stake in Hôpital du Jura Bernois, the only French-speaking hospital in the canton of Bern and the largest employer in the Bernese Jura. Hôpital du Jura Bernois is also a university and non-university training institution.

This transaction establishes a public-private partnership that is unique in Switzerland, and guarantees the maintenance of a comprehensive range of acute somatic and psychiatric care services that meet the current and future needs of the region's population. It is also part of the strategy to develop a regional integrated healthcare system.

The Hôpital du Jura Bernois owns the hospitals in Moutier and Saint-Imier, the mental health center, including the Bellelay clinic, and the Medicentre in Tavannes. It also has holdings in the Medicentre of Moutier, the Interjurassian Pharmacy, the Institut de Radiologie du Jura Bernois and the Centre de radio-oncologie Bienne-Seeland-Jura.

- **Acquisition of the Centre Médical Bienne**

Swiss Medical Network has strengthened its network in the Jura Arc by integrating the Centre Médical Bienne on 1 September 2020. Ideally located in the heart of Bienne's commercial area, this medical center practices innovative primary care medicine. This acquisition is a further step in the project to develop a regional integrated healthcare offering in the Jura Arc.

- **Inauguration of the Centro dello Sport Ars Medica**

The Centro dello Sport Ars Medica, inaugurated in 2020, is equipped with the latest infrastructure. It specializes in the comprehensive treatment of all pathologies, problems and challenges related to sports activities. The cooperation between doctors and therapists allows the definition of a treatment plan adapted to each patient, whether they are a professional, amateur or aspiring athlete.

- **New infrastructure for Privatklinik Villa im Park**

As one of the leading private clinics in western Aargau, Privatklinik Villa im Park specializes in the fields of orthopedics, surgery and urology. Its maternity department is also an important part of the region's healthcare landscape. It has benefited from an extensive investment program that enabled it to open 40 new rooms and two new operating rooms in 2020. The day clinic has also been completely modernized.

- **Opening of the Ladies Permanence Stadelhofen**

The Ladies Permanence in Stadelhofen, a center for gynecological and obstetrical consultations, started its activities at the end of 2020. Open 365 days a year, the center welcomes women with or without an appointment as well as for urgent consultations, so that they can benefit from advice, examinations or treatment by a competent medical team in an atmosphere of trust and empathy.

Competence centers

Swiss Medical Network is dedicated to providing first-class patient care. By bringing together the most competent medical experts in their fields and using state-of-the-art equipment, the Group's networks of expertise enable patients to benefit from multidisciplinary coordination to ensure prompt, personalized and accurate treatment and close follow-up throughout the course of their care.

Focus on Swiss Visio (80%)

Swiss Visio is the leading Swiss network for ophthalmology and ophthalmic surgery. It covers all the specialties of the field in a medical environment equipped with the latest technology and of premium quality. Swiss Visio's mission is to guarantee personalized, top-quality patient care, and to build up a network of specialists in order to guarantee local medical care for the population.

Swiss Visio currently has 15 centers in Switzerland's three main language regions. Swiss Visio Montchoisi and Swiss Visio Providence are recognized by the FMH as centers for postgraduate training (medical and surgical ophthalmology). In addition, the Swiss Visio Montchoisi center provides subspecialty training in glaucoma to doctors from outside Switzerland.



Genolier Foundation

Every year, the Genolier Foundation enables patients to benefit from advanced treatments to which they wouldn't have access.

In Switzerland and around the world, many patients don't have access to certain medical treatments that could help them recover, due to lack of financial means or sufficient insurance coverage. The Genolier Foundation is a Swiss charitable foundation whose mission is to provide patients with access to state-of-the-art medical treatments, based on the multidisciplinary expertise of Swiss Medical Network.

The Genolier Foundation aims to improve the quality of life of its patients by supporting them from the diagnosis of their disease to post-treatment follow-up. It is active in three areas:

- **Oncology care**

The Genolier Foundation is active in caring for patients who require state-of-the-art medical care to which they don't have access. In 2019, the foundation decided to step up its activities and programs for women with breast cancer. Since the beginning of 2021, it also supports men with prostate cancer. The Genolier Foundation also works with the doctors and clinics of Swiss Medical Network to enable the admission and treatment of patients from disadvantaged countries.

- **Oncology Research and Education**

The Genolier Foundation supports clinical research and training projects in biotechnology. Since 2014, the foundation has provided financial support for the treatment of around 30 women with breast cancer, enabling them to benefit from an innovative technique, IORT (intraoperative radiotherapy), which spared them a long course of radiotherapy.

- **Genolier Foundation Platform**

The Genolier Foundation Platform was created in 2017 with the aim of connecting the material resources and expertise present within Swiss Medical Network with Swiss and international humanitarian or charitable organizations founded or supported by doctors accredited by Swiss Medical Network.

The Genolier Foundation Platform's support to these organizations can take the form of donations of medical and non-medical equipment; connecting these organizations with Swiss Medical Network doctors, care staff and other employees wishing to undertake volunteer missions; or fundraising and media operations.

Association d'Entraide des Mutilés du Visage (AEMV), Groupe International Chirurgiens Amis de la Main (GICAM), Kataliko Action for Africa, the Sainte Jeanne-Antide Thouret Hospital in Galagala (Cameroon) and Aide Senior Animaux (ASA) are some of the organizations that benefit from the support of the Genolier Foundation Platform.

Other organizations which are not members of the platform have also been supported by the Genolier Foundation, through monetary or material donations: EssentialMed Foundation, Action for Development (AfD), the Order of Malta and the International Association of Physicians for the Promotion of Education and Health.





FINANCIAL REPORT 2020

Consolidated Income Statement

(In thousands of CHF)	Note	2020	2019
Revenue from operations		609'962	611'348
Other revenue	4	28'572	11'218
Total revenue		638'534	622'566
Medical fees		(91'804)	(87'731)
Net revenue		546'730	534'835
Production expenses		(138'152)	(139'310)
Personnel expenses		(225'969)	(226'600)
Other operating expenses		(82'095)	(81'274)
EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)		100'514	87'651
Rental expenses		(54'252)	(54'838)
EBITDA		46'262	32'813

Consolidated Balance Sheet

(In thousands of CHF)	31.12.2020	31.12.2019
Assets		
Total current assets	287'495	258'542
Total non-current assets	548'746	492'663
Total assets	836'241	751'205
Liabilities and equity		
Total current liabilities	174'231	159'094
Total non-current liabilities	250'407	91'335
Total liabilities	424'638	250'429
Equity		
Equity and subordinated loan from shareholder	411'603	500'776
Total liabilities and equity	836'241	751'205

Notes to the Consolidated Financial Statements

1. General information

Swiss Medical Network SA (hereafter “The Company”) has its registered offices at 1272 Genolier, Switzerland. The Company’s purpose consists of holding interests in financial, commercial and industrial enterprises in Switzerland and abroad, in areas such as medical treatment and healthcare.

2. Basis of preparation

2.1. Accounting principles

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

These financial statements are unaudited and presented in a condensed view. The accounting policies are the same as those described in the Consolidated Financial Statements for the year ended 31 December 2020 of the Company’s parent company AEVIS VICTORIA SA. This report should therefore be read in conjunction with AEVIS VICTORIA’s annual report.

The consolidated financial statements were authorised for issue by the Board of Directors on 29 June 2021. Final approval is subject to acceptance by the Annual General Meeting of Shareholders on 30 June 2021.

2.2. Consolidation

The consolidated financial statements are those of the Company and all subsidiaries in which the company holds either directly or indirectly more than 50% of the voting rights (together “The Group”). These entities are fully consolidated. Joint ventures in which the Company has a direct or indirect interest of 50% or for which the Company exercises joint control are included in the consolidated financial statements by applying the proportional consolidation method. Associates are those entities in which the Group has significant influence, but no control (between 20% and 50% of voting rights). Associates are included in the consolidated financial statements by applying the equity method.

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

2.3. Deviations to the accounting standards

To be in line with the Hospitals segment shown in the consolidated financial statements of the Company’s parent company, the Group decided to differ from the principles of Swiss GAAP FER in terms of the consideration of GENERALE-BEAULIEU IMMOBILIERE SA (GBI) in the scope of consolidation. Instead of applying the purchase method, GBI is considered at cost in the consolidated financial statements until the sale on 31 December 2019.

2.4. Segment Reporting

The Group comprises only one “reportable segment”. The decision makers measure the Group’s performance based on the financial information of the Group as a whole.

3. Changes in scope of consolidation

The following changes to the scope of consolidation took place in 2020:

Entity	Event / Date	Capital share 31.12.2020	Capital share 31.12.2019
Chirurgische Tagesklinik Biel CTK GmbH (merged)	Acquired on 01.09.2020	100.00%	-
Générale Beaulieu Holding SA	Increase in participation on 13.02.2020	69.45%	69.40%
Hôpital du Jura Bernois SA	Acquired on 01.01.2020	35.00%	-
Medizinisches Zentrum Biel MZB GmbH (formerly Walk-in-Clinic Biel WIC GmbH)	Acquired on 01.09.2020	100.00%	-
Medizinisches Zentrum Biel MZB GmbH (merged)	Acquired on 01.09.2020	100.00%	-

Générale Beaulieu Holding SA and Hôpital du Jura Bernois SA are holding companies with several subsidiaries. All group companies are listed in note 5.

4. Other revenue

(In thousands of CHF)	2020	2019
Gain on disposal of fixed assets	12'882	226
Other revenue	15'690	10'992
Total other revenue	28'572	11'218

The gain on disposal of fixed assets in 2020 mainly relates to the sale of one building.

5. List of Group companies

Company name	Location	Activity		In % on group level	
				31.12.2020	31.12.2019
Swiss Medical Network SA	Genolier	Holding company	a)	100.0%	100.0%
Générale Beaulieu Holding SA	Geneva	Holding company	a)	69.5%	69.4%
Swiss Medical Centers Network SA (formerly Swiss Medical Transport AG)	Fribourg	Holding company	a)	100.0%	100.0%
Chirurgische Tagesklinik Biel CTK GmbH (merged) 1)	Biel	Day clinic	a)	100.0%	-
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a)	100.0%	100.0%
Clinique Générale-Beaulieu SA	Geneva	Hospital	a)	69.5%	69.4%
GRGB Santé SA	Geneva	Hospital	b)	34.7%	34.7%
GSMN Suisse SA	Genolier	Hospitals	a)	100.0%	100.0%
HerzGefässKlinik Bethanien AG	Zurich	Laboratory	c)	20.0%	20.0%
Hôpital de Moutier SA	Moutier	Hospital	c)	35.0%	-
Hôpital du Jura Bernois SA	Saint-Imier	Hospital	c)	35.0%	-
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	a)	51.0%	51.0%
IRJB Institut de Radiologie du Jura Bernois SA (held by Hôpital du Jura bernois SA)	Saint-Imier	Radiology institute	c)	17.2%	-
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	51.0%	51.0%
Klinik Belair AG (merged) 2)	Schaffhausen	Hospital	a)	-	100.0%
Klinik Pyramide am See AG	Zurich	Hospital	c)	20.0%	20.0%
Medicentre Moutier SA	Moutier	Health Center	c)	17.9%	-
Médocentre Tavannes SA	Tavannes	Health Center	c)	35.0%	-
Medizinisches Zentrum Biel MZB GmbH (formerly Walk-in-Clinic Biel WIC GmbH) 1)	Biel	Health Center	a)	100.0%	-
Medizinisches Zentrum Biel MZB GmbH (merged) 1)	Biel	Health Center	a)	100.0%	-
Permanence médicale de Fribourg SA	Fribourg	Health Center	c)	33.3%	33.3%
Pharmacie Interjurassienne SA PIJ	Moutier	Institutional Pharmacy	c)	17.5%	-
Rosenklinik AG	Rapperswil-Jona	Hospital	c)	40.0%	40.0%
Swiss Medical Network Hospitals SA 2)	Fribourg	Hospitals	a)	100.0%	100.0%
Swiss Visio SA	Genolier	Ophthalmology	a)	80.0%	80.0%

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

2) Klinik Belair AG was merged in December 2020 into Swiss Medical Network Hospitals SA with retroactive effect from 01.07.2020.

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





CONTACTS



Contacts

Swiss Medical Network SA

www.swissmedical.net
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Clinics

Clinique de Genolier	www.genolier.net
Clinique de Montchoisi	www.montchoisi.ch
Clinique de Valère	www.cliniquevalere.ch
Clinique Générale Ste-Anne	www.cliniquegenerale.ch
Clinique Générale-Beaulieu	www.beaulieu.ch
Clinique Montbrillant	www.clinique-montbrillant.ch
Clinique Valmont	www.cliniquevalmont.ch
Hôpital de la Providence	www.hopital-providence.ch
Hôpital du Jura Bernois	www.hjbe.ch
Privatklinik Belair	www.belair.ch
Privatklinik Bethanien	www.klinikbethanien.ch
Privatklinik Lindberg	www.lindberg.ch
Privatklinik Obach	www.obach.ch
Privatklinik Siloah	www.privatkliniksiloah.ch
Privatklinik Villa im Park	www.villaimpark.ch
Rosenklinik Rapperswil	www.rosenklinik.ch
Schmerzlinik Basel	www.schmerzlinik.ch
Clinica Ars Medica	www.arsmedica.ch
Clinica Sant'Anna	www.clinicasantanna.ch
Klinik Pyramide am See	www.pyramide.ch

Medical Center

Centre Médical Eaux-Vives	www.eaux-vives.com
Centre Médical Montchoisi	www.centre-medical-montchoisi.ch
Institut de Radiologie du Jura Bernois, Saint Imier, Moutier	www.irjb.ch
Policlinique de Valère	www.cliniquevalere.ch/policlinique
Polyclinique de Genolier	www.genolier.net/polyclinique
Polyclinique la Providence	www.hopital-providence.ch/urgences
Polyclinique Montbrillant	www.clinique-montbrillant.ch/urgences
24-Stunden-Notfall Privatklinik Bethanien	www.klinikbethanien.ch/en/privatklinik-bethanien-direkt-der-24-7-notfalldienst
24-Stunden-Notfall Privatklinik Lindberg	www.lindberg.ch/de/24-stunden-notfall
Ärztzentrum Oerlikon	www.aerztezentrumsoerlikon.ch
Ärztzentrum Siloah Liebefeld	www.privatkliniksiloah.ch/de/aerztezentrum-siloah-liebefeld
Ärztzentrum Siloah Murten	www.privatkliniksiloah.ch/de/aerztezentrum-siloah-murten
Ärztzentrum Solothurn	www.aerztezentrumsolothurn.ch
Ambulatorio Visite Urgenti Clinica Sant'Anna	www.clinicasantanna.ch/it/i-nostri-servizi/ambulatorio-medicina-tradizionale-cinese
Pronto Soccorso Ortopedico, Clinica Ars Medica	www.arsmedica.ch/it/i-nostri-servizi/pronto-soccorso
Ladies Permanence Stadelhofen	www.ladies-permanence.ch
Pronto Soccorso Ostetrico, Clinica Ars Medica	www.clinicasantanna.ch/it/maternita/reparto-di-ostetrica

Competence centers

BrustCentrum Zürich, Bethanien & Zollikerberg	www.brustcentrum-zuerich.ch
Centre d'Urologie Générale Beaulieu	www.centre-urologie-beaulieu.ch
Centre de médecine du sport Providence	www.centre-medecine-du-sport-providence.ch
Centre du Sein GSMN	www.centre-du-sein.ch
Centre de l'Obésité et du Diabète Générale-Beaulie	www.centre-obesite-diabete-beaulieu.ch
Centro dello Sport - Ars Medica	www.centro-dello-sport-arsmedica.ch
Centro di Pelvi Perineologia e Proctologia	www.clinicasantanna.ch/it/cppp
Genolier Cancer Center	gcc.genolier.net
Genolier Swiss Oncology Network	www.genolier-swiss-oncology-network.ch
Institut de radiologie du Jura bernois	www.irjb.ch
Interdigest	www.interdigest.ch
Neurocentre GSMN	www.neurocentre-gsmn.ch
Urologiezentrum	www.klinikbethanien.ch/de/urologiezentrum
Wirbelsäulenzentrum	www.klinikbethanien.ch/de/wirbelsaeulenzentrum
Robotikzentrum	www.klinikbethanien.ch/de/robotikzentrum

Swiss Visio

Swiss Visio Network	www.swissvisio.net
Swiss Visio Beau-Rivage	www.beau-rivage.swissvisio.net
Swiss Visio La Providence	www.providence.swissvisio.net
Swiss Visio Eaux-Vives	www.swissvisio.net/centres/eaux-vives
Swiss Visio Genolier	www.swissvisio.net/centres/genolier
Swiss Visio La Tour-de-Peilz	www.swissvisio.net/centres/la-tour-de-peilz
Swiss Visio Lausanne Prélaz	www.swissvisio.net/centres/lausanne-prelaz
Swiss Visio Lindberg	www.lindberg.swissvisio.net
Swiss Visio Lutry	www.swissvisio.net/centres/lutry
Swiss Visio Montchoisi	www.swissvisio.net/centres/montchoisi
Swiss Visio St. Imier	www.swissvisio.net/centres/st-imier
Swiss Visio Lindberg	www.lindberg.swissvisio.net



