

Ad hoc announcement pursuant to Art. 53 of the SWX Listing Rules

Zurich, July 28, 2022

H1 2022 results

Bellevue reports a market related decline in net profit for the first half to CHF 14.3 mn – client base stable thanks to acknowledged investment expertise

- **Continual market turmoil reduced assets under management by 25% to CHF 9.6 bn – asset outflows marginal thanks to stable client base**
- **Consolidated operating income fell by 36% to CHF 46.8 mn compared to the record results from 2021 – of which approximately 40% reflects unrealized losses on investments in own products and financial investments**
- **On the cost side, total expenses were reduced by 32% to CHF 27.6 mn thanks to the entrepreneurial employee compensation model – cost/income ratio at 59.1%**
- **Group net profit declined by 36% to CHF 14.3 mn on market turmoil – above-average return on equity of 25.2%**
- **Successful development and expansion of the Private Markets unit, interesting revenue opportunities**
- **Integration of StarCapital in Germany completed**

André Rüegg, CEO of Bellevue, on the first-half results for 2022: “Bellevue Group was clearly challenged during the first half of 2022 as it contended with an increasingly difficult market environment. Its business model is mostly focused on growth companies with leading-edge innovative skills and could not escape the market downdraft despite our active management approach. Thanks to our entrepreneurial compensation model, we were able to reduce the cost base significantly and thus cushion the market related contraction on the income side. Our Private Markets operations are performing well. Here we see attractive earnings potential that we intend to take advantage of by hiring additional expert teams and launching new strategies. We are confident that health and healthcare stocks will remain a mega trend. The first signs of an upward trend in healthcare markets are already visible, although a sustained recovery will clearly depend on the future path of inflation and interest rates.”

Market related decline in assets under management

Almost every area of Bellevue’s business activities was exposed to the general market sell-off during the first six months of the year. This led to a market related decline in assets under management of more than CHF 2.8 bn during the reporting period. Alone the rate hike announced by the Swiss National Bank on June 16 lowered the valuation of assets under management by more than CHF 400 mn.

Thanks to Bellevue’s proven investment expertise and the long-term horizons of its loyal and long-standing investors, the broadly diversified client base has so far remained very stable.

Despite the negative market performance, asset outflows were moderate at CHF 326 mn, which corresponds to about 3% of the overall asset base. Bellevue's broad range of healthcare strategies accounted for approximately CHF 154 mn of this outflow and other investment strategies for the remaining CHF 172 mn, which also reflects the streamlining of the Group's product range after the full integration of StarCapital. Taking all factors into consideration, client assets under management declined by 25% from the year-end 2021 level to CHF 9.6 bn.

Earnings also impacted by unrealized losses

The negative developments in financial markets led to a significant drop in the average level of client assets under management and reduced the corresponding income by CHF 16.3 mn. The market downturn also resulted in unrealized losses of CHF 4.0 mn on investments in own products and in a CHF 4.7 mn net loss on financial investments in connection with employee compensation plans. The more than 36% decline in total operating income to CHF 46.8 mn compared with the record first-half results reported in 2021 therefore consists to more than 40% of unrealized losses.

The temporary erosion in Bellevue's earnings power was offset to some extent by its entrepreneurial compensation model, which made a significant reduction in personnel expenses possible. This demonstrates the substantial elasticity of its cost base. Operating expenses were reduced by 32% to CHF 27.6 mn. The cost/income ratio rose to 59.1%, which is at the upper end of the target range. Group net profit declined by 36% to CHF 14.3 mn. Return on equity for the period stood at 25.2%.

Successful establishment of Bellevue Private Markets – attractive earnings potential

The "Bellevue Private Markets" unit, established in 2019 with the acquisition of adbodmer AG, displayed pleasing developments during the reporting period. By offering private market investment solutions, Bellevue is targeting a structural growth market and raising its profile as a specialist asset manager. The careful, gradual expansion of this newly created business unit going forward will reduce the dependence of Bellevue's business model on the stock market and boost its earnings power.

An investor club consisting of wealthy individuals as well as selected institutionals was formed for the "Private Markets" unit. The business is focused on acquiring minority stakes in successful, privately owned mid-sized companies in the DACH region to actively support their corporate development. During the first half of the year, new members joined the investor club and progress was made in developing the pipeline of promising new investment opportunities. Two to three new investment transactions should be successfully concluded during the second half of 2022 and initial, high-potential exits from 2023 appear to be realistic.

Bellevue Group launched its first co-investment fund, Bellevue Entrepreneur Private LP, to offer a wider range of investors access to an exclusive portfolio of shareholdings in hidden champions. This fund was successfully closed in June 2022 with investment capital of CHF 63 mn and already has five attractive investments in its portfolio. Given the solid pipeline of investment opportunities, investment holding periods should be rather short, which would also facilitate the launch of a second co-investment fund.

Besides the targeted expansion of the existing direct equity operations, which are organizationally grouped under the Zug-based Bellevue Private Markets AG, the range of related products and services will be enhanced with a new unit focused on "scalable special strategies" by the end of the year.

Integration of StarCapital completed – expanded market reach and presence in Germany thanks to bundling of resources

The integration of StarCapital was successfully completed. In Germany, the Group's most important foreign market accounting for approximately one-third of its base business, Bellevue relocated all of its activities in the country to a new location in Frankfurt, where they now operate under the name Bellevue Asset Management (Deutschland), effective July 1. Gerit Heinz has been recruited to strengthen the management of Bellevue's operations in Germany. Heinz has many years of experience in asset and wealth management. The organizational unity of Bellevue's activities in Germany will simplify the deployment of the entire Group's investment expertise and speed up the execution of market penetration campaigns in the country.

Number of Group Executive Board members reduced to accelerate the development of Private Markets

In order to take full advantage of the considerable growth and earnings potential that the direct equity investment market offers, Jan Kollros, CEO of Bellevue Private Markets, will now be fully focused on the operational management of this newly established business unit. It was against this backdrop that the Board of Directors and the Executive Board jointly decided to release Jan Kollros from his duties on the Group Executive Board as of September 1, 2022.

Growing with existing products and selective market entry campaigns

Within the scope of its growth strategy, Bellevue is concentrating on expanding its capabilities and solutions in its Private Markets segment, further improving quality, and growing existing products. For example, the core competencies of the investment team at the Group's flagship product BB Biotech AG will be strengthened with the recruitment of additional highly qualified experts during the second half of 2022. These new talents will be focused on the increasingly important fields of clinical data science analytics as well as on the area of neurology.

In Bellevue's core markets of Switzerland, Germany and the UK, greater market penetration is targeted in all relevant business segments, while also taking advantage of the good growth momentum in its strategic secondary markets such as Austria, Spain and Italy. Bellevue's newly established Singapore hub will enable it to address growing momentum in Asian markets. Moreover, the development of new business activities in Latin America, primarily in Chile and Peru, will continue to be pursued. The pension fund markets in these select countries are structurally interesting and based on a system that is similar to that of Switzerland. Bellevue's family of Luxemburg-based funds are an ideal solution for institutional investors in Chile and Peru.

Healthcare remains a mega trend – early sector recovery depends on inflation and interest rate levels

Bellevue expects the general market environment to remain very volatile. High rates of inflation across different economies and the possibility of further interest rate hikes will continue to keep investors worried. Bellevue is confident that health and healthcare stocks will remain a mega trend. As a specialized asset manager, Bellevue has an excellent position in the attractive healthcare sector.

History has shown that the healthcare sector can be viewed to some extent as a leading indicator of broader financial market trends. Healthcare stocks already began to correct early last year. It is conceivable that the sector will be the first to recover, too, but when that may happen is not clear. Some sections of the healthcare industry, also in Asia, are now displaying clear signs of an upward trend. A sustained recovery will certainly depend on the future path of

inflation and interest rates. In this environment, Bellevue, as a "House of Investment Ideas", will maintain its agility and seize investment opportunities as they present themselves in the interests of its clients. Against this background, Bellevue management reiterates its long-term targets.

The half-year report 2022 and presentation material can be downloaded from www.bellevue.ch and report.bellevue.ch/H12022

Contact

Media Relations: Jürg Stähelin, IRF
Telephone: +41 43 244 81 51, staehelin@irf-reputation.ch

Investor Relations: Michael Hutter, CFO Bellevue Group
Telephone: +41 44 267 67 00, mhu@bellevue.ch

Bellevue – Excellence in Specialty Investments

Bellevue is a specialized asset manager listed on the SIX Swiss Exchange with core competencies covering healthcare strategies, alternative investments (including private equity) and selected niche strategies. Established in 1993, Bellevue, a House of Investment Ideas staffed by 100 professionals, generates attractive investment returns and creates value added for clients and shareholders alike. Bellevue managed assets of CHF 9.6 bn as of June 30, 2022.