La Tour Holding SA Annual report

2021

Management report

Corporate Information

La Tour Holding SA (formerly HDLT Holding SA) owns and operates the largest private hospital in the Canton of Geneva, Hôpital de La Tour.

Hôpital de La Tour has an estimated market share of 29% in terms of private inpatient admissions in Geneva. Its focus is to provide medical services of outstanding quality to private inpatients, as well as offering state-of-the-art outpatient services to all patients with private or basic insurance. Hôpital de La Tour is also included in the Canton of Geneva's hospital list and is mandated to receive patients without additional private health insurance in certain specialties. Outpatient services are available to all those with basic national health insurance (LAMal and LAA).

Hôpital de La Tour overview

Founded in 1976, Hôpital de La Tour is a private, independent, human-sized facility offering high-level acute care. Committed to delivering the best possible quality of life to its patients, La Tour places continuous improvement and medical excellence at the heart of its priorities. The hospital's ambitions are backed by highly skilled doctors and nursing staff, as well as state-of-the-art infrastructure.

A private and full-service Hospital

Hôpital de La Tour has developed and expanded over the years to become Geneva's largest private full-service hospital in terms of beds, patient days and revenue, enjoying a unique position as the only hospital on Geneva's more densely populated right bank. As a leading institution in the canton of Geneva, Hôpital de La Tour stands apart from other private clinics mainly for its activities, with an organisational structure similar to that of a university hospital. It is the only private institution in French-speaking Switzerland to offer 24/7 emergency care, internal medicine, intensive and continuous care, as well as pulmonary services for acute care. It is also equipped with an intermediate neonatal care unit and a sports medicine facility benefiting from a Swiss Olympic Medical Center accreditation.
Hôpital de La Tour provides patients with comprehensive care, as well as personalised support. Thanks to a team-based approach and all specialists practicing in the same place, La Tour is able to deliver the best possible treatment for each patient specific condition as well as their overall health.
Teams at La Tour are constantly challenging themselves to stay competitive and to offer tailored support that surpasses the highest expectations, motivated by the difference they're able to make in the health of their patients. Every day, they deliver optimal care where human values are recognised, ensuring that each patient's experience is as pleasant as possible.

A strategy based on quality and medical outcomes

Hôpital de La Tour puts quality of care and patient safety at the heart of its priorities. To achieve this goal, La Tour develops quality indicators to monitor its clinical results and implement actions that will enable it to constantly achieve better outcomes. This is why each patient treated at Hôpital de La Tour benefits from an unrivalled quality of care and the best treatment adapted to their health condition.

Hôpital de La Tour health care services

Health care services cover all the specialties needed to ensure patients total safety and well-being. These include:

- an orthopedics and traumatology department with 11 joint specialists, ensuring high-quality patient outcomes;
- a sports-medicine facility as part of the Swiss Olympic Medical Center featuring a rehabilitation unit and high-tech infrastructure to help patients improve their mobility and speed up their recovery;
- a cancer center equipped with the latest technology;
- a center dedicated to women, mothers and children, offering cutting-edge expertise for high-risk pregnancies and childbirth complications;
- a metabolism and obesity center;
- a center dedicated to cardio-pulmonary diseases.

The leading private teaching hospital in the French speaking part of Switzerland

Medical education is a core activity of Hôpital de La Tour, with 11 post-graduate training programs currently accredited. Specialities include general internal medicine, emergency medicine, family practice, cardiology, pneumology, pediatrics, neonatology, orthopedics, sports medicine and pain management. 52 residents and fellows are trained each year and new training programs are constantly put in place, making La Tour the leading private teaching hospital in the French speaking part of Switzerland.

There is a close collaboration with the Faculty of Medicine of the University of Geneva offering pre-graduate medical education within several medical services of Hôpital de La Tour to around 100 medical students per year. Staff physicians also hold academic appointments within the Medical School. Their commitment to teaching assures a continuous improvement in the quality of medical education, which will ultimately enhance patient care and safety.

Ongoing training of nursing & paramedical staff

Hôpital de La Tour is strongly committed to training future generations of health care professionals in all main specialties such as nursing, physical therapy, ergotherapy, midwifery, medical imaging or nutrition as well as paramedics and OR technicians. As part of its partnership with Health teaching institutions (ES, HES and its partner institutions, Heds Geneva, Ecole de la Source Lausanne and IFSIS in neighbouring France), Hôpital de La Tour has a number of accredited training instructors supervising over 200 health care students each year.

Hôpital de La Tour genuinely believes in ongoing professional training as a means of constantly improving its patient services and employee satisfaction. Alongside a large spectrum of continuous medical education offerings, Hôpital de La Tour focuses on developing skills that allow flexibility and responsiveness in regards to patients' safety, medical excellence expertise and in anticipation of needs for new patient services.

Hôpital de La Tour's activity in 2021

The COVID-19 crisis continued to impact Hôpital de La Tour's operations in 2021. Despite this, La Tour continued to perform and showed good resilience in terms of profitability thanks to the implementation of appropriate actions.

Hôpital de La Tour also continued to reach for its goals in line with its unchanged vision of a private hospital that inspires trust well beyond the borders of its region and consolidates and strengthens expertise through interdisciplinary healthcare teams, driving its medical and nursing staff to care for patients.

Consolidated operating income for La Tour totalled 239'876 KCHF (in line with prior year) and consolidated EBITDA stood at 54'647 KCHF (+12.94% compared to prior year).

Our plans for 2022

Strategy based on continuous improvement and medical excellence

In 2022, Hôpital de La Tour will pursue the strategy first adopted in 2019, by continuing to invest in developing medical excellence. Specifically, Hôpital de La Tour will invest in technology to measure patient reported outcomes. Efforts will focus on measuring outcomes that matter to patients to drive continuous improvement, so providing patients with the right choice of medical options so they can regain the best qualityof life.

1 272
employees

511
independent physicians

7 707
inpatient admissions

6 601
surgeries

527
deliveries

44 056
inpatient days

398 308
outpatient visits

25 957
emergency visits

Key infrastructures

172 beds
1 certified intensive care unit
1 certified intermediate care unit
8 operating theatres
2 catheter labs
24/7 emergency services
4 delivery rooms
1 neonatal unit
1 sterilisation unit certified ISO 9001
2 ultrasound rooms
1 mammography room
4 conventional radiography rooms

State-of-the-art equipment

1 linear accelerator for radiation therapy (Varian Edge)
1 dedicated radiation therapy scanner
1 EOS system (whole of spine and lower extremities)
2 spectral scanners
4 MRI scanners
1 SPECT-CT scanner
1 PET-CT digital scanner
1 mineralometry scanner
Da Vinci Xi ®
O-arm™
1 Sonata System ®

Board of Directors of La Tour Holding SA

Name	Function	Domicile (country)	Citizenship
Evgenia Paizi	President, Chairman	Chambésy (CH)	Greece/Switzerland
John Spiro Latsis	Member	Bellevue (CH)	United Kingdom
Mira Isabella Petalas	Member	Geneva (CH)	Switzerland
Christopher Potter	Member	Commugny (CH)	United Kingdom
Aris Serbetis	Member	Collonge-Bellerive (CH)	Greece
Damien Tappy	Member	Coppet (CH)	Switzerland
Jean-Dominique Vassalli	Member	Collonge-Bellerive (CH)	Switzerland

Members of the Executive Management of Hôpital de La Tour SA

Rodolphe Eurin
CEO

Julien Heider
COO

Mehdi Bensouda
CFO

Dr med. François Cerruti
Chief Medical Officer

Axelle Alibert
Chief quality and patient experience officer

Jérôme Dayon
Director of nursing

Clément Guélain
Director of Information Systems and Digital

Florian Rossiaud-Fischer
Director of Strategic Partnerships and Innovation

Laure de Carné
Director of Human Ressources

Risk assessment

On a yearly basis, the Board of Directors conducts and approves an assessment of the risks facing the Group, with the participation and input of the Management. Identified risks are assessed according to their likelihood, severity and mitigation. Adequate measures to mitigate and manage risks are determined and responsibility is delegated to the management for the implementation of such measures.

Internal audits ensure the adequate implementation of such actions and findings are forwarded to the Board of Directors so that progress and identified risks can be monitored objectively and independently from Management.

Consolidated balance sheet

Amounts expressed in '000 CHF	Note	**31.12.2021**	31.12.2020
ASSETS			
Current assets			
Cash and cash equivalent		55 157	43 360
Trade receivables	[4]	41 664	44 850
Tax receivable		0	63
Other receivables		1 512	442
Inventories	[5]	6 454	6 309
Prepaid expenses		5 558	4 355
Total current assets		**110 344**	99 378
Non-current assets			
Property, plant and equipment	[6]	365 339	379 501
Goodwill	[7]	83 091	90 532
Intangible assets other than goodwill	[7]	10 639	9 536
Financial assets		1 592	1 626
Total non-current assets		**460 661**	481 194
TOTAL ASSETS		**571 005**	580 572

Consolidated balance sheet

Amounts expressed in '000 CHF	Note	**31.12.2021**	31.12.2020
LIABILITIES AND SHAREHOLDERS'EQUITY			
Current liabilites			
Trade payables		25 090	19 815
Other payables		3 585	8 357
Accrued taxes		3 018	2 894
Accrued expenses	[9]	21 063	14 115
Provisions	[14]	404	3 779
Bank loans	[10]	0	0
Bond Loan	[12]	82 000	0
Total current liabilities		**135 161**	48 961
Non-current liabilities			
Loans from parent company	[11]	143 210	157 510
Bank loans	[10]	180 000	180 000
Bond loan	[12]	0	82 000
Other loan	[13]	20 000	20 000
Provisions	[14]	2 718	3 274
Deferred tax liabilities	[8]	25 813	27 196
Total non-current liabilities		**371 741**	469 980
TOTAL LIABILITIES		**506 902**	518 941
Shareholders' equity			
Share capital	[16]	60 012	60 012
Capital reserve		443	443
Retained Earnings		3 648	1 176
Total Shareholders' equity		**64 103**	61 631
TOTAL LIABILITIES AND SHAREHOLDERS'EQUITY		**571 005**	580 572

Consolidated income statement

Amounts expressed in '000 CHF	Note	**31.12.2021**	31.12.2020
INCOME STATEMENT			
INCOME			
Net income		232 183	229 819
Other operating income	[17]	7 693	10 178
Total income		**239 876**	239 997
EXPENSES			
Personnel expenses	[18]	-81 519	-85 084
Doctors fees		-38 748	-39 894
Medical material and supplies		-43 880	-45 058
Rental expenses		-1 879	-2 691
Other operating expenses		-19 202	-18 882
Total expenses		**-185 228**	-191 610
Earnings before interest, taxes, depreciation,		**54 647**	48 387
amortization and non-operating items)			20%
Depreciation	[6]	-22 102	-30 910
Amortization	[7]	-11 991	-9 422
Operating Result		**20 554**	8 055
Financial expenses		-11 995	-6 428
Financial incomes		10	17
Financial Result		**-11 985**	-6 411
Ordinary Result		**8 569**	1 644
Other non-operating expenses		-325	93
Total non-operating expenses		**-325**	93
NET INCOME BEFORE TAX		**8 245**	1 737
Current taxes		-7 156	-3 532
Deferred taxes	[8]	1 384	1 230
Net (loss)/ profit for the year		**2 472**	-565
Earnings per share (EPS) expressed in CHF per share:			
Registered shares - Basic earnings per share		41	-9
Registered shares - Diluted earnings per share		41	-9

Consolidated cash flow statement

Amounts expressed in '000 CHF	Note	2021	2020
NET (LOSS) / PROFIT FOR THE YEAR		2 472	-565
Adjusting items			
Increase (decrease) in provisions	[14]	783	-937
Increase (decrease) in provisions for doubt. receivable	[4]	1 926	-1 127
Depreciation of property, plant and equipement	[6]	22 102	30 989
Gain / loss on disposal of property, plant and equipement	[6]	-2 649	370
Amortization on intangible assets	[7]	11 991	9 343
Taxation		5 773	2 302
Financial result		11 985	6 411
Working capital adjustments			
Decrease (increase) in accounts receivable	[4]	1 261	2 732
Decrease (increase) in inventories		-145	83
Decrease (increase) in other current assets		-2 632	654
Increase (decrease) in accounts payable		4 426	1 852
Increase (decrease) in other current liabilities		-2 545	-7 391
Income taxes payment		-6 970	-2 241
Utilazation of provision	[14]	-4 714	-2 921
Net cash flow from operating activities		**43 063**	39 553
Increase in financial assets		34	-1 164
Increase (decrease) in capex accounts payable		533	429
Disposal of property, plant and equipement	[6]	2 800	600
Purchase of property, plant and equipement	[6]	-10 567	-6 187
Purchase of intangible assets	[7]	-2 862	-4 725
Net cash flow from investing activities		**-10 062**	-11 047
Repayment of other loan from parent company		0	-20 000
Repayment of parent company loans		-14 300	-12 940
Repayment of bank loans	[10]	0	-154 250
Proceeds from new bank loan	[10]	0	180 000
Interest paid		-6 905	-4 357
Refinancing costs paid		0	-2 157
Net cash flow from financing activities		**-21 205**	-13 704
Net increase (decrease) in cash and cash equivalents		**11 797**	14 802
Cash and cash equivalents, beginning of the period		43 360	28 558
Cash and cash equivalents, end of the period		55 157	43 360

Consolidated change in equity statement

Amounts expressed in '000 CHF	Share capital	Capital reserve	Retained earnings	Total Equity
Balance at 31.12.2019	60 012	443	1 741	62 196
Loss for the period	0	0	-565	-565
Balance at 31.12.2020	60 012	443	1 176	61 631
Gain for the period	0	0	2 472	2 472
Balance at 31.12.2021	**60 012**	**443**	**3 648**	**64 103**

Notes

1. Corporate Information

La Tour Holding SA ("the Company"), a limited company, incorporated on 15 February 2013 in Geneva Switzerland, is based at 24, quai du Seujet, 1201 Geneva. On 26 February 2013, it acquired the group of companies owning and operating Hôpital de La Tour, the largest private hospital in the Canton of Geneva.

2. Activity of the Group

The main activity of the Company and its consolidated subsidiaries (collectively "the Group") is to operate hospitals in Geneva, Switzerland.
In 2021, the Group employed 873 full-time equivalent employees (2020: 921) and worked with more than 500 independent attending physicians with admission rights.

3. Consolidated Financial Statements

3.1 Basis of preparation

The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Group. They have been prepared in accordance with the complete set of Swiss GAAP Accounting and Reporting Recommendations (Swiss GAAP RPC) and are based on the subsidiaries' annual financial statements at 31 December 2021 prepared using uniform classification and accounting policies. The consolidated financial statements are prepared under the going concern assumption, based on the historical cost principle.
There is no segment reporting because the Group operates in a single business sector (medical) and a single geographical place (Geneva).

3.2 Basis of consolidation

The consolidated financial statements comprise the accounts of the Company and its wholly owned subsidiaries, after elimination of all material inter-company transactions and balances. Subsidiaries are consolidated from the date the parent obtains control until such time as control ceases.
The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets acquired, equity instruments issued or exchanged and liabilities undertaken at the date of acquisition. Costs related to the acquisition are expended as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of income.

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed below for 2020 and 2021:

Name	Place of incorporation	% equity interets and voting rights
La Tour Immobilière Sàrl	Meyrin, Switzerland	100
Hôpital de la Tour SA (previously named La Tour Hôpital Privé SA)	Meyrin, Switzerland	100
Permanence de la Clinique de Carouge SA	Meyrin, Switzerland	100

Permanance de la Clinique de Carouge SA is a dormant entity that is different from the business of Clinique de Carouge that was sold in 2020.

3.3 Summary of significant accounting policies

3.3.1 Basis of presentation

The consolidated financial statements are presented in thousand Swiss francs ('000 CHF), which is the Group's functional and presentation currency. Other Group companies also have Swiss francs as their functional currency.

3.3.2 Estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. If in the future, such assumptions and estimates deviate from the actual circumstances, the original assumptions and estimates will be modified as appropriate in the period during which the circumstances change.

The key assumptions and estimates which have a risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

- Impairment of non-financial assets

  The Group assesses whether there are any indicators of impairment for all non-financial assets

  at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit, and chooses a suitable discount rate in order to calculate the present value of those cash flows.

- Claims relating to services rendered

  In the case of litigation and claims relating to services rendered, the amount that is ultimately recorded is the result of an assessment of a number of variables, and relies on Management's informed judgement about the circumstances surrounding the past provision of services. It also relies on expert legal advice. Changes in estimates are reflected in the income statement in the period in which the change occurs.

- Contingent liabilities

  The Group has various outstanding contingent liabilities; management judgment is required in order to determine the probability of occurrence of the underlying risk, and to determine whether or not a provision should be recorded. The determination of the provision, if any, is also subject to management judgment.

3.3.3 Balance sheet

3.3.3.1 Cash and cash equivalents

Cash and cash equivalents with original maturities of three months or less comprise cash in hand, deposits in postal and bank accounts. They are stated at nominal value.

3.3.3.2 Trade and other receivables

Receivables are carried at nominal value less allowance for doubtful receivables. The allowance is based on the aging of trade receivables, specific risks and historical loss experience. Given the significant number of patients, the Group provides its receivables on a statistical basis, based on historical observations. Receivable balances which are overdue for more than 210 days from the date of the end of treatment are analysed and those for which there is a risk of non-payment are provisioned.

3.3.3.3 Inventories

Inventories, which are principally composed of medical material and drugs, are valued at the lower of cost and net realizable value, determined to use the weighted average cost. When necessary, provision is made for obsolete, slow-moving and defective stocks.

3. 3. 3. 4. Fixed and intangible assets

- Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Additions and improvements that significantly increase values or asset lives are capitalised if there is an increase in the value, usefulness, and / or efficiency of the equipment.

Borrowing costs related to construction-in-progress, premises and equipment, and costs of maintenance and repairs of fixed assets, are charged to the consolidated statement of income as incurred.

Assets under construction are not depreciated until the asset is available to be put in use.

Fixed assets are de-recognized upon disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is de-recognized.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year-end.

- Goodwill

Goodwill acquired in a business is initially measured at cost, being the excess of the cost of the business acquisition over the Group's interest in the fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Goodwill is stated at cost less accumulated amortization calculated on a straight-line basis over 20 years and less any accumulated impairment losses. Goodwill residual value, useful life and method of amortization are reviewed, and adjusted if appropriate, at each financial year-end.

- Intangible assets other than goodwill

Other intangible assets of the group are mainly composed of software. They are stated at cost less accumulated amortization calculated on useful economic life on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Assets under construction are not amortized until the asset is available to be put in use.

Intangible assets are de-recognized upon disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is de-recognized.

The assets' residual values, useful lives and methods of amortisation are reviewed, and adjusted if appropriate, at each financial year-end.

3. 3. 3. 5. Depreciation and amortization

Depreciation and amortisation are computed on a straight-line basis over the estimated useful life of assets, other than land (which is not depreciated), as follows:

Designation	Number of years
Buildings	33
Fixed assets	20
Technical installation	10
Medical equipment and software	8
Office furniture and equipment	5
Devices and other furniture	5
Vehicles	5
Temporary buildings	4
IT devices	4
Software	4
Intangibles assets 4 years	4
Software updates	3

Assets classifications and depreciation rates have changed in 2021 due to the hospital going to compliance with REKOLE® (H+) cost accounting norm. Assets were individually reclassified within REKOLE® (H+) categories. Depreciation of assets impacted by a change in depreciation period have been modified as from April 2021 based on the new residual period (prospective).

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

3.3.3.6 Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the consolidated statement of income. Capitalized leased assets are depreciated over the shorter of the useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating leases payments are recognized as an expense in the consolidated statement of income on a straight-line basis over the lease term.

3.3.3.7 Investments and other financial assets / liabilities

Purchases and sales of financial assets are recognized on the trade date, which is the date when the Group commits to purchase or sell the asset.

3.3.3.8 Impairment of financial assets

The Group assesses at each financial year end whether a financial asset or group of financial assets is impaired.

3.3.3.9 Trade and other payables

Trade and other payables are recognized at nominal value.

3.3.3.10 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.3.3.11 Employee benefits

The Group entities contribute to various benefit plans according to Swiss law. Pension plans from autonomous pensions institutions are accounted for in line with Swiss GAAP RPC 16. At the reporting date, it is assessed if the Group has an economic benefit or obligation based on the financial statements of the funds.

3.3.3.12 Share-based capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

3.3.4 Consolidated statement of income

3.3.4.1 Revenue recognition

Net revenue includes the inflow of economic benefits from sale of goods and services within the scope of ordinary business during the period under review. Any revenue reductions such as discounts have been deducted from net revenue reported. All intercompany revenue is eliminated during consolidation. Proceeds from the disposal of assets related to the activities of the Group are recognised as ordinary revenues. Revenue is recognized if significant risks and rewards of ownership have been transferred or services have been rendered and the recoverability of the related receivable is sufficiently secured.

3. 3. 4. 2. Financial items

Interest income and expenses are recognized on an accrual basis.

Financing costs are deferred and amortized over the remaining life of the debt.

The Group uses derivative financial instruments such as interest rates cap to manage its exposure to changes in floating interests' rates. The Group does not enter into derivative or other financial transactions which are unrelated to its business needs or for speculative purposes. Interests rate cap are accounted as cash-flow hedge and their cost are deferred and amortized over the remaining life of the debt.

3.3.4.3 Taxes

Income taxes comprise current and deferred taxes.

- Current income taxes

  Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

- Deferred income taxes

  Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are measured at the tax rate expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or carry forward of unused tax losses can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Trade receivables

Amounts expressed in '000 CHF	**31.12.2021**	31.12.2020
Trade receivables	50 213	51 474
Allowance for doubtful receivables	-8 550	-6 624
TOTAL TRADE RECEIVABLES	**41 664**	**44 850**

5. Inventories

Inventories are mainly composed of drugs and medical supplies.

6. Property, Plant and equipment

Amounts Expressed in '000 CHF	Lands and buildings	Fixtures and Fittings	Medical equipments	Assets under construction	Other fixed assets	Total
COST						
31.12.2019	471 892	21 463	59 737	6 235	12 448	571 775
Additions	0	0	0	6 144	0	6 144
Transfers	1 978	1 080	2 557	-6 190	619	44
Disposals	0	-1 005	-2 145	-620	-1 857	-5 627
31.12.2020	473 870	21 537	60 149	5 569	11 210	572 336
Additions	0	0	0	10 563	4	10 567
Transfers	3 036	440	-170	-6 991	1 060	-2 625
Disposals	-6	-14	-4 509	0	-2 194	-6 723
31.12.2021	**476 899**	**21 963**	**55 470**	**9 141**	**10 081**	**573 554**
ACCUMULATED DEPRECIATION						
31.12.2019	-124 745	-8 332	-26 206	0	-7 219	-166 501
Disposals	0	980	1 874	0	1 804	4 657
Depreciation	-21 791	-2 346	-5 393	0	-1 460	-30 989
31.12.2020	-146 536	-9 698	-29 725	0	-6 875	-192 833
Disposals	6	14	4 509	0	2 194	6 723
Depreciation	-15 701	-513	-4 004	0	-1 887	-22 104
31.12.2021	**-162 231**	**-10 196**	**-29 220**	**0**	**-6 568**	**-208 214**
NET BOOK VALUE						
31.12.2019	347 147	13 131	33 531	6 235	5 229	405 274
31.12.2020	327 334	11 840	30 424	5 569	4 335	379 502
31.12.2021	**314 669**	**11 767**	**26 250**	**9 141**	**3 513**	**365 340**

Interest expenses related to B2 building have been expensed in the consolidated income statement.
During 2021, KCHF 276 (2020: KCHF 0) of internal costs have been capitalised as tangible assets.

7. Intangible assets

Amounts expressed in '000 CHF	Goodwill	Assets under construction	Other intangible assets	Total
COST				
31.12.2019	148 819	5 453	7 882	162 154
Additions	0	3 380	1 382	4 762
Transfers	0	-3 037	3 000	-37
31.12.2020	148 819	5 795	12 264	166 879
Additions	0	3 031	0	3 031
Transfers	0	-4 723	7 344	2 621
Diposals	0	0	-627	-627
31.12.2021	**148 819**	**4 103**	**18 981**	**171 903**
ACCUMULATED DEPRECIATION				
31.12.2019	-50 847	0	-6 621	-57 468
Amortization	-7 441	0	-1 902	-9 343
31.12.2020	-58 288	0	-8 523	-66 811
Amortization	-7 441	0	-4 550	-11 991
Disposals	0	0	627	627
31.12.2021	**-65 729**	**0**	**-12 445**	**-78 174**
NET BOOK VALUE				
31.12.2019	97 972	5 453	1 261	104 686
31.12.2020	90 532	5 795	3 741	100 068
31.12.2021	**83 090**	**4 103**	**6 536**	**93 729**

During 2021, KCHF 1'115 (2020: KCHF 1'382) of internal costs have been capitalised as intangible assets and KCHF 627 (2020: KCHF 0) of other intangible assets have been scrapped.

8. Deferred tax assets and liabilities

The tax rate of 14% is applied for the measurement of deferred tax since 31.12.2019. Since December 2017, tax losses are carried forwards amount to 0.

Amounts expressed in '000 CHF	Deferred tax assets	Deferred tax liabilities	Net
31.12.2019	0	-28 426	-28 426
Credited/(charged) to income statement	0	1 230	1 230
31.12.2020	0	-27 196	-27 196
Credited/(charged) to income statement	0	1 384	1 384
31.12.2021	**0**	**-25 813**	**-25 813**

9. Accrued expenses

Amounts expressed in '000 CHF	31.12.2021	31.12.2020
Accrued interests	7 976	3 256
Accrued personnel expenses	2 976	3 513
Other accrued expenses	10 112	7 346
TOTAL ACCRUED EXPENSES	**21 063**	**14 115**

Accrued interests and accrued personnel expenses in the detailed table of accrued expenses have been corrected in 2020 comparison figures of the above table.

10. Bank loans

The Group has the following committed bank loans and facilities outstanding:

Amounts expressed in '000 CHF	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
Bank loans	180 000	0	0	180 000
31.12.2020	180 000	0	0	180 000
Amounts expressed in '000 CHF	Total	Less than 1 year	Between 1 to 5 years	More than 5 years
Bank loans	180 000	0	0	180 000
31.12.2021	**180 000**	**0**	**0**	**180 000**

The Group signed a Credit Facilities Agreement on 29.01.2020. The Group was granted a senior non-amortizing term loan of CHF 180'000'000 with a maturity date of 29.01.2026 and a floating interest rate. The maturity date can be extended by one year and the amount of the loan can be increased by CHF 60'000'000. The loan's covenants were adhered to in 2021.

The facility is secured collectively by:

- Transfer to the banks of the mortgage certificates with a minimum nominal amount of CHF 198'000'000 million over the Charged Real Estate Properties ;
- Assignment of all intercompany loans ;
- Guarantee from La Tour Holding SA ;

The Group has entered into two related interest rates cap cash flow hedges on 10th March 2020 with start dates on 31.07.2020 and end date on 31.01.2026. Each interest rate cap has a distinct strike and notional amount. The combined two interest rates cap hedge the entirety of the CHF 180'000'000 non-amortizing term loan from the Credit Facilities Agreement signed on 29.01.2020.

11. Loans from parent company

The parent company Pronia Health SCA SICAR (previously named Pronia Holding SA) had granted a facility for a total amount of CHF 200 million, of which CHF 143 million (2020: 157 million) has been drawn as of 31 December 2021. The loan is unsecured and the interest level is adjusted on an annual basis according to the annual tax circular of the Swiss Federal Tax Administration (amounting to the average cost of financing from third parties of La Tour Holding and a margin of 0.75%) and the maximal interest deduction authorized as per the thin capitalization rules of the Swiss Federal Tax Administration. The facility is repayable on 31 December 2035.

In 2015, the company issued a convertible loan, amounting to CHF 0.6 million. As specific milestones were not achieved at 31 December 2018 ("Milestone Date"), the loan could not be converted into shares of the Company and according to the contract's terms was renewed as a simple non-interest-bearing shareholder loan as per 31.12.2020. As per 31.12.2021, the loan was again renewed as a simple non-interest-bearing shareholder loan.

12. Bond loan

On November 30, 2015, the company issued a bond (ISIN: CH0299477387) for a nominal value of CHF 82 million with a maturity date on June 30, 2022 and a redemption at par. Interest rate is fixed at 2.50 % p.a., payable annually on June 30.

The Group plans to refinance the bond through private debt or a mix of bank debt and private debt. Discussions are at an advanced stage and several offers are under review by the Management. Should the new debt be raised after June 30, 2022, shareholders intend to grant a bridge loan to the Group.

13. Other loan in the non-current liabilities

The company issued loan notes for a total nominal value of CHF 20 million. The loan notes bear interest at 4.25% and are repayable on 31 July 2027.

14. Provision

Amounts expressed in '000 CHF	2021	2020
Opening balance	7 053	10 912
Addition of the period	783	2 910
Utilization of the period	-4 714	-6 768
TOTAL PROVISION	**3 122**	7 053
Short-term portion	404	3 779
Long-term portion	2 718	3 274

Provisions comprise estimations of risks identified by the Group and claims from insurance companies. The short term portion of the provisions is based on the Group's appraisal of amounts that are likely to be paid out in 2021. The long-term portion of the provisions corresponds to risks for which there is no foreseeable cash out so far. The provisions variations in the cash-flow statement are presented distinctly.

The decrease in provisions between 31.12.2020 and 31.12.2021 is mostly due to the settlement of the larger share of a risk identified in 2019 in relation to errors lasting over a period of 10 years, leading to the booking of provisions with a restatement in a retrospective approach in 2019 accounts. Further amounts were added to the provisions in relation to risks identified in 2020 and 2021.

15. Pension fund liability

The eligible Swiss employees of the Group are all affiliated to a pension plan in Switzerland. The Group sponsors an independent pension plan separate from the obligatory Swiss social security plans. Retirement benefits are based on contributions, computed as a percentage of salary, adjusted for the age of the employee and shared 50% / 50% by employee and employer. In addition to retirement benefits, the plan provides death and long-term disability benefits to the employees.

Financial detailed information is as follows:

Amounts expressed in '000 CHF	Fondation de prévoyance de La Tour SA	
	2021	2020
Surplus	**0**	0
Economic part of the group	**0**	0
Change of economic part impacting current result	**0**	0
Employer's contributions concerning business period	**4 127**	4341
Pension costs within personnel expenses	**4 127**	4341

The total pension fund expense in 2021 included in Personnel expenses amounts to KCHF 4'127 (2020: KCHF 4'341).

Fondation de Prévoyance de La Tour SA pension fund reported a cover ratio of 109 % as per 31.12.2020 (31.12.2019 : 107.3 %). The technical interest rate used was 2% in 2020 (2019: 2.0%).

The cover ratio as well as technical interest rate are not yet known at the end of 2021 but the cover ratio will exceed 100 %.

The pension fund liability of the Group as per December 31, 2021 amounted to KCHF 1'911 (2020: KCHF 2'085).

16. Shareholders' Equity

At 31 December 2021 and 2020, the share capital of the company amounts to CHF 60'012'000, fully paid, divided into 60'012 registered shares of nominal value CHF 1'000. In 2021, the EPS amounted to a profit of CHF 41 (2020: loss of CHF 9), corresponding to the net profit for the year divided by the number of shares.

17. Other operating income

Amounts expressed in '000 CHF	2021	2020
Canton COVID compensation	0	5 758
Proceeds from asset disposal	4 649	290
Other operating income	3 044	4 130
TOTAL OTHER OPERATING INCOME	**7 693**	10 178

In relation to the organisation of the COVID 19 crisis by Geneva Canton and the allocation of cases among public and private acute care facilities, Geneva Canton has paid a compensation to a selection of private clinics and hospital in 2020 (KCHF 5'758). There was no COVID related compensation granted in 2021.

In 2021, the Group has sold its dialysis activity. The proceeds from the sales is booked as other operating income. In 2021, the Group also entered into the sale process of a plot of land. The transfer could not be recorded in the land register as per 31.12.2021. A non-refundable down payment is booked as other operating income and the remaining proceeds from the sale will be booked at the date of the transfer of the land register. Proceeds from asset disposal in 2020 included the sale of the assets and businesses related to Clinique de Carouge and Centre Médical de Meyrin, and from sales of medical equipment.

18. Personnel expenses

Amounts expressed in '000 CHF	2021	2020
Salaries and wages	69 698	73 923
Short time compensation	0	-1 502
Social benefits	11 369	12 101
Other personnel costs	452	562
TOTAL PERSONNEL EXPENSES	**81 519**	85 084

19. Commitments and contingencies

Operating lease commitments

The Group has entered into operating leases for the use of administrative, support and care activities, and physician offices. These rental contracts have duration between 1 and 15 years, with tacit renewal options included in the contracts. In 2021, the Group has entered into an operating lease for the use of a premises located in Meyrin. Refurbishment and adaptation work are in progress as of the 31.12.2021. Rent are capitalised during the duration of the work. The Group has entered Guarantees for a total of KCHF 425 (2020: KCHF 422) were issued in favour of various third parties.

Future minimum rentals payable under non-cancellable operating leases are as follow:

Amounts expressed in '000 CHF	2021	2020
Due within 12 months	3 550	1 641
Due in 2-5 years	11 546	4 575
Due beyond 5 years	10 394	3 194
TOTAL NON-CANCELLABLE OPERATING LEASES	**25 490**	9 410

Contingent liabilities

One of the Group companies entered into a renewed agreement with the Association d'aide aux enfants malades du pavillon Gourgas («the Association») on 16 March 2009 (the old agreement was signed on 17 September 1991) whereby it was agreed that should the Company withdraw certain facilities, including hospital beds, and support to the Association then it would be obliged to repay CHF 9 million that the Association initially invested in the construction of the hospital.

Given its activity, the Group is potentially exposed to claims from patients. There are currently no claims outstanding against the Group that, in management's view, could materially affect the consolidated accounts.

Hospitalisation planning litigation (2013-2019)

Following a court decision related to the hospitalisation planning from 2013 to 2019, Geneva and Vaud Cantons had to reimburse insurers in relation to invoices from the hospital. Those reimbursements were paid to the hospital by the cantons in 2019, 2020 and 2021. The repayment by Hôpital de la Tour SA to insurers follows an allocation key based on the cost weight of each patient invoice. Some insurers expressed that the amount reimbursed was not sufficient but none have made any claims toward the Hospital.

20. Audit fees

Total audit fees paid to PricewaterhouseCoopers SA for the audit of the Company and the Group financial statements in 2021 amounted to KCHF 145 (2020: KCHF 130). Fees for other services including the audit of coding and consulting services amounted to KCHF 88 (2020: KCHF 120).

21. Approval of financial statements and subsequent events

The Board of Directors is responsible for the preparation and presentation of the financial statements. These financial statements were authorised for issue by the Board of Directors on 27 April 2022.

There are no events, after balance sheet date, other than the ones already mentioned above, that could materially impact financial statement.

Report of the statutory auditor

to the General Meeting of La Tour Holding SA

Meyrin

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of La Tour Holding SA and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

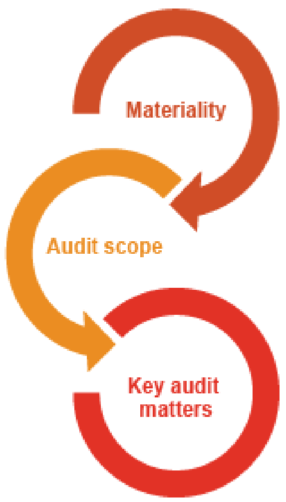
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. 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 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 1'350'000

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.

We concluded full scope audit work at three reporting units in Switzerland.

Our audit scope addressed 100% of the Group’s revenue.

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

Valuation of goodwill

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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 1'350'000
Benchmark applied	2,5 % of earnings before interest, tax, depreciation and amortisation (EBIT before depreciation and amortization)
Rationale for the materiality benchmark applied	We chose EBIT before depreciation and amortization as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and is a generally accepted benchmark within the hospital industry.

We agreed with the Board of Directors that we would report to them misstatements above CHF 135'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We 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.

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.

The Group operates one private clinic – Hôpital de la Tour - in one single geographical location – Switzerland. The Group’s financial statements are a consolidation of four reporting units, comprising the Group’s holding entity, one operating entity, one entity owning the operating buildings and one dormant entity. We conducted full scope audit procedures on three Group entities (excluding the dormant one) and those audit procedures addressed 100% of the Group's revenues and 100% of the Group’s assets.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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.

Valuation of goodwill

Key audit matter	How our audit addressed the key audit matter
Goodwill which resulted from the acquisition of Hôpital de La Tour SA and La Tour Immobilière Sàrl is amortised over a period of 20 years in accordance with Swiss GAAP FER. We considered the assessment of the carrying value of goodwill as of 31 December 2021 to be a key audit matter for the following reasons: • As of 31 December 2021, the consolidated balance sheet discloses goodwill of CHF 83 million, which is a significant amount. • In addition, the value of goodwill is judgmental by essence. Please refer to the notes to the consolidated financial statements, specifically the valuation principles (note 3.3.3.5) and the details of the goodwill (note 7).	We evaluated management's process applied to account for goodwill and to assess the carrying value of goodwill, by performing the following procedures: • Discussion with management on the approach to account for the goodwill. • Analytical procedures to identify a potential indication of impairment and to assess the goodwill's useful life. • Comparison of the goodwill carrying values with the investment values in the stand-alone financial statements. • Calculation of the annual amortization expense. • Recognition of the annual amortization expense in the consolidated financial statements. On the basis of the procedures performed, we concluded that management's process to account for goodwill and to assess the carrying value of goodwill was reasonable.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER 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 and Swiss Auditing Standards 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 and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers SA

Marc Secretan

Audit expert
Auditor in charge

Adélina Todorova

Genève, 27 April 2022

Enclosure:

- Consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes)

Financial report - Annual financial statements of La Tour Holding SA

Balance sheet

Amounts expressed in '000 CHF	Note	31.12.2021	31.12.2020
ASSETS			
Current assets			
Cash and cash equivalents		13 014	12 649
Other receivables and prepayments		374	101
Total current assets		**13 388**	12 750
Non-current assets			
Investments	[2]	311 165	311 165
Total non-current assets		**311 165**	311 165
TOTAL ASSETS		**324 553**	323 915

Amounts expressed in '000 CHF	Note	31.12.2021	31.12.2020
LIABILITIES AND SHAREHOLDERS'EQUITY			
Current liabilites			
Other payables		476	0
Accrued expenses			
- due to shareholders		5 876	1 152
- due to third parties		1 449	1 593
Loans from subsidiaries	[6]	36 684	15 848
Bond loan	[6]	82 000	0
Total current liabilities		**126 486**	18 592
Non-current liabilites			
Interest-bearing liabilities			
- due to shareholders	[4]	143 210	157 510
- due to third parties	[5]	20 000	20 000
- bond loan	[6]	0	82 000
Total non-current liabilities		**163 210**	259 510
TOTAL LIABILITIES		**289 696**	278 103
Shareholders' equity			
Share capital	[7]	60 012	60 012
Capital reserve		276	276
Accumulated deficit		-25 431	-14 475
Total Shareholders' equity		**34 857**	45 813
TOTAL LIABILITIES AND SHAREHOLDERS'EQUITY		**324 553**	323 915

Income statement

Amounts expressed in '000 CHF	Note	**2021**	2020
INCOME			
Financial income		0	72
Guarantee fees and commission income		0	73
Total Income		**0**	145
EXPENSES			
Financial expenses		-10 303	-4 107
Other operating expenses		-509	-81
Non-operating expenses		0	-190
Total Expenses		**-10 812**	-4 377
RESULT BEFORE TAX		**-10 812**	-4 232
Income tax		-144	0
Net result for the period		**-10 956**	-4 232
Accumulated deficit, beginning of the period		**-14 475**	-10 243
ACCUMULATED DEFICIT, END OF THE PERIOD		**-25 431**	-14 475

Notes

La Tour Holding SA ("the Company"), a limited company, incorporated on 15 February 2013 in Geneva Switzerland, is based at 24, quai du Seujet, 1201 Geneva. On 26 February 2013, it acquired the group of companies owning and operating the largest private hospital in the Canton of Geneva: Hôpital de La Tour.

The company had no employees during the year.

1. Significant accounting policies

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO).

Investments in subsidiaries
Investments in subsidiaries are valued individually at acquisition cost less an adjustment for impairment where appropriate.

All other assets and liabilities
All other assets and liabilities are recorded at nominal value.

2. Investments

Amounts expressed in '000 CHF	Place of incorporation (Switzerland)	Book value 31.12.2021	% equity interest and voting rights	Book value 31.12.2020	% equity interest and voting rights
Direct Investments					
Hôpital de la Tour SA (previously named La Tour Hôpital Privé SA)	Meyrin	48 475	100%	48 475	100%
La Tour Immobilière Sàrl	Meyrin	262 690	100%	262 690	100%
Total		**311 165**		**311 165**	
Indirect investments					
Permanence de la Clinique de Carouge SA			100%		100%

3. Loans from subsidiaries

Amounts expressed in '000 CHF	31.12.2021	31.12.2020
Hôpital de La Tour SA	36 684	15 848
TOTAL LOANS TO SUBSIDIARIES	**36 684**	15 848

4. Interest-bearing liabilities due to shareholders

The parent company Pronia Health SCA SICAR (previously named Pronia Holding SA) had granted a facility for a total amount of CHF 200 million, of which CHF 143 million (2020: 157 million) has been drawn as of 31 December 2021. The loan is unsecured and the interest level is adjusted on an annual basis according to the annual tax circular of the Swiss Federal Tax Administration (amounting to the average cost of financing from third parties of La Tour Holding and a margin of 0.75%) and the maximal interest deduction authorized as per the thin capitalization rules of the Swiss Federal Tax Administration. The facility is repayable on 31 December 2035.

In 2015, the company issued a convertible loan, amounting to CHF 0.6 million. As specific milestones were not achieved at 31 December 2018 ("Milestone Date"), the loan could not be converted into shares of the Company and according to the contract's terms was renewed as a simple non-interest-bearing shareholder loan as per 31.12.2020. As per 31.12.2021, the loan was again renewed as a simple non-interest-bearing shareholder loan.

5. Interest-bearing liabilities due to third parties

The company issued loan notes for a total nominal value of CHF 20 million. The loan notes bear interest at 4.25% and are repayable on 31 July 2027.

6. Bond loan

On November 30, 2015, the company issued a bond (ISIN: CH0299477387) for a nominal value of CHF 82 million with a maturity date on June 30, 2022 and a redemption at par. Interest rate is fixed at 2.50 % p.a., payable annually on June 30.

The Group plans to refinance the bond through private debt or a mix of bank debt and private debt. Discussions are at an advanced stage and several offers are under review by the Management. Should the new debt be raised after June 30, 2022, shareholders intend to grant a bridge loan to the Group.

7. Share capital

The share capital of the company as of December 31, 2021, amounts to CHF 60'012'000, fully paid, divided into 60'012 registered shares of nominal value CHF 1'000.

The Company has no treasury shares in 2021 and 2020.

8. Approval of financial statements and subsequent events

The Board of Directors is responsible for the preparation and presentation of the financial statements. These financial statements were authorised for issue by the Board of Directors on 27 April 2022.

There are no events, after balance sheet date, other than the ones already mentioned above, that could materially impact financial statement.

Report of the statutory auditor

to the General Meeting of La Tour Holding SA

Geneva

Report on the audit of the financial statements

Opinion

We have audited the financial statements of La Tour Holding SA, which comprise the balance sheet as at 31 December 2021, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements as at 31 December 2021 comply with Swiss law and the company's articles of incorporation.

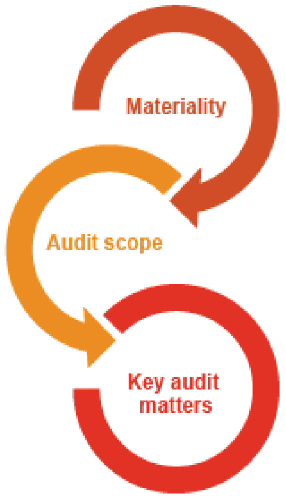
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. 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 entity 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 1'350'000

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 entity, the accounting processes and controls, and the industry in which the entity operates.

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

- Valuation of investments in subsidiaries

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.

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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 1'350'000
Benchmark applied	2,5% of Earnings before interest, tax, depreciation and amortization (EBITDA)
Rationale for the materiality benchmark applied	We chose EBITDA as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and is a generally accepted benchmark within the hospital industry.

We agreed with the Board of Directors that we would report to them misstatements above CHF 135'000 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.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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.

Valuation of investments in subsidiaries

Key audit matter	How our audit addressed the key audit matter
Investments in subsidiaries are valued individually at acquisition cost less an adjustment for impairment where appropriate. We considered the assessment of the carrying value of investments in subsidiaries as of 31 December 2021 to be a key audit matter for the following reasons: • As of 31 December 2021, the balance sheet discloses investments in subsidiaries of CHF 311 million, which is a significant amount. • In addition, judgement is required to assess the value of the buildings owned by the subsidiary La Tour Immobilière Sàrl. Please refer to the notes to the financial statements, specifically the valuation principles (note 1) and the details of the investments (note 2).	We discussed with management the method used in assessing the carrying value of the investments in subsidiaries. We found that management had followed their defined process for impairment testing purposes which is subject to oversight and challenge by the Board of Directors. The valuation of the investment in Hôpital de La Tour SA is supported by the net assets disclosed in the statutory financial statements of this subsidiary, which is higher than the book value of the investment. The investment value in La Tour Immobilière Sàrl was externally appraised based on the building value. Such value was determined by a third party and we have verified the independence, competencies and results of the appraiser. We consider the valuation process and the assumptions applied by management to be adequate and a sufficient basis for the impairment testing of investments in subsidiaries.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the 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 entity'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 entity 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 Swiss Auditing Standards 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 Swiss Auditing Standards, we exercise professional judgment 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 entity'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 entity'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 entity to cease to continue as a going concern.

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

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers SA

Marc Secretan	Adélina Todorova
Audit expert Auditor in charge	

Genève, 27 April 2022

Enclosures:

- Financial statements (balance sheet, income statement and notes)

ADDITIONAL INFORMATION

Information for bondholders:

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