Swiss Institute for Translational
and Entrepreneurial Medicine

sitem-insel

sitem-insel Annual Report 2020

PERFORMANCE AND ACHIEVEMENTS

CEO Report

In the year 2020 sitem-insel was dominated by intensity. The efforts we made to establish processes after a first phase of "storming", were challenged by the COVID-19 pandemic. As in many other industries, the pandemic had an instant and unparalleled effect on almost all our business units.

While we are a center that embodies and accelerates innovation, the pandemic challenged us to adapt and innovate in almost every facet of our operations. We felt the pandemic's impact not only on our financial results, but also on our people and community. Yet, in the midst of the storm, the sitem-insel team responded to the pandemic with professionalism, candid devotion and exemplary strength.

The sitem-insel staff has used their experience and the building's infrastructure to go from zero digital to a total of 17 fully digital or hybrid events in order to connect our community and make sure that there was a regular transfer of knowledge.

In relation to our financial results, after looking back on a prosperous first half-year after entering the building in summer of 2019, all our business units were almost simultaneously impacted by the pandemic in March 2020. Social restrictions and change of priorities within the healthcare sector caused rather dramatic falls in our expected revenues. We responded swiftly by first securing the safety of the team. Second, while reducing costs and securing cash, we approached the Canton of Berne with a risk calculation and request for support to mitigate against the revenue shortfalls.

Nevertheless, I look back on various highlights this year. Within the sitem-insel School we created 12 Coworking spaces for startups and translational projects as well as a 100m² startup Lab with state-of-the art infrastructure. We completed our executive team and welcomed Julie Risse, who is now our Chief Business Developer. The sitem-insel brand was born and with it the CI/CD, which is visible on all our digital and printable assets. And our out.of.the.box.box concept featuring artwork attracted many people from inside and outside sitem-insel to step in, take a step back, and reflect during a time where the world was challenging us with chaos.

When it comes to the promotion of startups, I am particularly proud of the Sitem Startup Club (SSC), which was newly founded in November 2020, and is a private initiative of sitem-insel. The SSC offers startups in the MedTech sector access to consulting, coaching, potential investors and to workspace in the newly emerging Sitem MedTech Hub. The Sitem MedTech Hub is the logical and consistent continuation of the startup promotion in the MedTech sector at the Insel Campus Bern.

Crises are said not only to build character, but rather to reveal values, beliefs and strength that add up to character. The COVID crisis has brought out the very best in the sitem-insel team and showed the commitment, loyalty, and the power of working together that embody our vision and mission for sitem-insel.

We remain set for future success and continue to strive for organic revenue growth, expansion through match-making projects, international business endeavors and service contract opportunities.

This first official annual report will not merely give insight into performance metrics; rather it is a story of dedication and professionalism, which truly humbles me, and I thank each member of the sitem-insel team for their devotion and contribution to a team-spirit, that was extraordinary and will always be remembered in the history of sitem-insel.

Simon Rothen, CEO

> The sitem-insel team responded to the pandemic with professionalism, candid devotion and exemplary strength.

Simon Rothen
CEO sitem-insel

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Bringing innovation to the patient – by connecting people

sitem-insel is located at the Insel Campus Bern and benefits from its proximity to the largest Swiss University Hospital (Inselspital) as well as to the largest Medical Faculty in Switzerland (University of Bern). We strongly believe in an entrepreneurial team approach as a solution to speed up the leap from innovation in industrial development and basic research into clinical applications.

sitem+minds

For translational science to progress, professionalization is crucial. Our partnership with the University of Bern brings a fresh perspective to translational medicine and biomedical entrepreneurship. sitem-insel school is where you learn to be the future of translational research..

sitem+impact

Onsite access to state-of-the-art laboratories, workshops, hospital staff, training and business infrastructure is why sitem-insel with its Enabling Facilities has quickly become one of the leading translational research centers in Switzerland.

sitem+insight

The journey for any innovation from bench to bedside is arduous. We support translational entrepreneurs in getting to market faster by offering expert advice on navigating the complex Swiss and European regulation process.

YOUR PARTNER FOR EXCELLENCE IN TRANSLATIONAL MEDICINE

sitem-insel opens its doors to all disciplines of translational medicine. It has the goal of establishing, operating, and developing a National Center of Excellence that professionalizes translational research for the benefit of patients, society and science. We achieve this with our polyvalent team, who strive to provide the best possible support and matchmaking within this biotope of research.

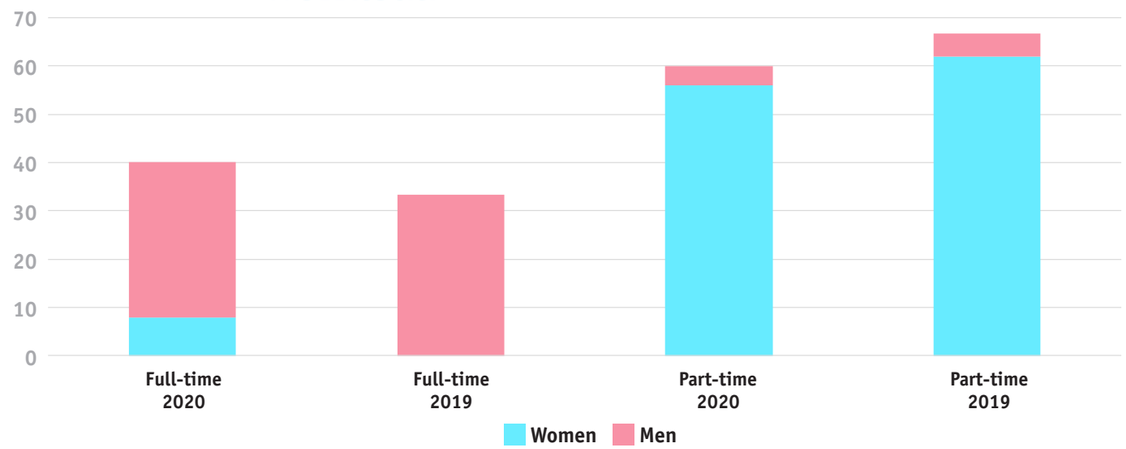
Team

In order to promote Bern as a medical location nationally and internationally, the cantonal government had encouraged the establishment of sitem-insel AG in 2014.

Felix Frey worked as a physician, researcher, and teacher at the University of California in San Francisco and at the Inselspital in Bern, Switzerland. He was a research councilor at the Swiss National Science Foundation, served as vice rector for research at the University of Bern and initiated the ARTORG Center for Biomedical Engineering Research. After retirement, he founded sitem-insel.

Deployment and workload	Year 2020	Year 2019
Employees including 3rd party-funded members	25	21
Total women	16	13
Total men	9	8
Total full-time (women)	2	0
Total full-time (men)	8	7
Total part-time (women)	14	13
Total part-time (men)	1	1
Women in executive committee	1	0
Men in executive committee	4	4
Total FTE	19.25	15.35
Total full-time (% women)	200	0
Total full-time (% men)	800	700
Total part-time (% women)	895	755
Total part-time (% men)	30	80

Workload



The majestic building as we know it at the Insel Campus Bern today did not exist in 2014. The offices of the sitem-insel employees were located in an old building on Schwarztorstrasse - this is where the plans were forged that have been implemented today.

In the summer of 2019, the sitem-insel building in the heart of Bern was inaugurated. Since construction of the new building began, the team has grown from 4 to 17 employees.

In the year 2020 sitem-insel is the third-party funder of eight employees of the University of Bern. Those employees are included in the sitem-insel core team within the building and therefore also in the section about ratios and workload.

The ratio of women to men working for sitem-insel is 2 to 1 with an Executive Committee ratio of 1 to 4. In 2020, two additional women have been invited to join the Executive Committee meetings, which now operates as the Extended Executive Committee. This management team now counts 4 men (two of which are selected by the university) and 3 women.

From the 17 sitem-insel employees, 7 work for the Centralized Services, 3 for Network and Communication (both departments supporting the three main pillars mentioned earlier), 3 work for sitem+impact, 2 for sitem+insight and 2 for sitem+minds.

Board

The Board of Directors constitutes itself. Its general responsibilities include:

- Overseeing the Company (both strategically and culturally).
- Defining the sitem-insel's purpose and setting its strategic objectives
- Overseeing management in its implementation of the strategic objectives
- Monitoring financial performance and reporting
- Assessing corporate risks and ensuring that appropriate risk identification, control and reporting mechanisms are maintained
- Ensuring that business is conducted ethically and transparently
- Evaluation of and decision-making regarding new business models

Director's name	Board member since	Position	Title and Expertise
Daniel Buser	2019	President	Prof. em. Dr. med. dent., former Director of the Clinic for Oral Surgery and Sto-ma-tology of the Dental Clinics, University of Bern
Uwe E. Jocham	2014	Vice President, Repre-sentative of Inselspital (University Hospital)	Dr. med. h. c., dipl. pharm., Chairman of the Executive Board of the Insel Group
Markus Brönnimann	2019	Representative of the University of Bern	lic. oec. HSG, Administrative Director of the University of Bern
Fiona C. Burkhard	2019	VCCI representative	Prof. Dr, med., Chief Physician, University Clinic for Urology Inselspital, Bern
Michèle Etienne Aeber-hard	2014	Industry representa-tive	Dr. rer. pol., Co-owner Innopool AG, Schüpfen
Cornelia Gehrig	2020	Finance Industry representa-tive	Certified Public Accountant, lic. rer. pol. CFO Bystronic Group, Member of Group Management, Niederönz
Niklaus Krähenbühl	2020	Lawyer Industry representa-tive	EMBA PHW, Lic. Jur., Associate General Counsel, Executive Director & Member of the Leadership Team, CSL Behring AG, Bern
Klaus-Arno Siebenrock	2019	VCCI representative	Prof. Dr. med. Clinic Director and Chief Physician, University Clinic for Orthope-dic Surgery and Traumatology Inselspital, Bern
Regula Egli	2017	Representative Con-federation (SBFI) (advisory function without vote)	Executive MPA, Scientific Advisor, Inno-vation Department, Federal Department of Economic Affairs, Education and Research (EAER), representing the State Secretariat for Education, Research and Innovation (SERI)
André Nietlisbach	2014	Representative of the Canton of Bern (advisory function without vote)	Dipl. Ing. Agr. ETH, Secretary General of the Department of Economic Affairs of the Canton of Berne

According to the Articles of Association, the Board of Directors of sitem-insel AG consists of a minimum of three and a maximum of eleven members. The members of the Board of Directors Gerhard Bauer, Urs Gasche and Pierre Caloz resigned at the Annual General Meeting on May 26, 2020. Subsequently, Cornelia Gehrig-Nell from the Bystronic Group and Niklaus Krähenbühl from CSL Behring AG were elected as new members of the Board of Directors.

Highlights

We are proud to present you our highlights of the year 2020 on the following pages.

OPENING OF THE NEW BSL-3 LABORATORY

The new biosafety laboratory within the sitem-insel building was completed on time despite the corona crisis and is now going into operation as planned. The biosafety-level 3 laboratory offers several advantages, as it combines state-of-the-art infrastructure for research and diagnostics. The laboratory is operated by the Institute for Infectious Diseases of the University of Bern. Within the biosafety laboratory, sitem-insel provides 2 lab units to all projects in translational medicine requiring BSL-3 classification, both public and private. These may be universities, universities of applied sciences, startups, or companies, both in Switzerland and internationally.

COMPLETION OF EXECUTIVE COMMITTEE

On September 1st, 2020, we complemented our executive board and welcomed Dr. Julie Risse as sitem-insel's new Chief Business Officer. Within the executive committee, Julie is the first point of contact for our partners and will continue to expand the business activities of sitem-insel.

"innovation@sitem"

Innovation at sitem-insel includes activities that create an innovative, inspiring environment and establish a culture of innovation. This is achieved through various instruments:

- Organization of events, e.g. learn@lunch, InnoForum
- Matchmaking of university and private partners according to demand
- art@sitem (in the out.of.the.box.box.)

With the opening of the building, the Learn@Lunch series was launched. With more than 20 editions on different topics since 2019, a great external impact could be achieved, especially in Switzerland. The series is a tool for the innovation management of sitem-insel AG, which brings together various internal and external partners during lunch time on a specific topic. The discussions can serve, for example, the generation or improvement of ideas or the search for innovative solutions to technical problems up to the joint use of human resources and equipment.

OUT.OF.THE.BOX.BOX

Art produces thinking. It is not the mechanics or technical skill that create art – the secret lies within the process of introspection and different levels of contemplation that generate it. At sitem-insel we are using the space in our Atrium A (our so called out.of.the.box.box) to allow artists to show their work and trigger the introspection as well as unfamiliar perspectives of the viewer. On display throughout 2020 and 2021 are the works of various artists, some of which are featured through a collaboration between sitem-insel and Galerie SOON.

PHYSICAL AND DIGITAL EVENTS AT SITEM-INSEL

In January 2020, the 7th Stroke Winter School was held at sitem-insel. The primary aim of the here was to bring together European stroke physicians and neurointerventionalists to enhance interdisciplinary management of patients with acute ischaemic stroke. In February 2020, the annual media conference of the government council Christoph Ammann (including approximately 15 media representatives) took place at sitem-insel. Just one week later the distinguished delegation of the "Berner Runde" met at sitem-insel to analyze the idea and tasks of this research center in the overall context of the medical location of Bern. Until then, many meetings and gatherings were held within the premises of sitem-insel. It became a place to connect and network. Of course, the Covid-19 pandemic also forced us to organize meetings and activities digitally to keep up the sitem-spirit and connect people. We were fortunate to switch to digital or hybrid events very swiftly and to continue our event series "learn@lunch" and launch our new event series the "InnoForum" successfully. We have held a total of 17 events with both series.

LAUNCH OF OUR BRAND AND SOCIAL MEDIA CAMPAIGN

Within marketing and communication the year 2020 was dedicated to setting up sitem-insel's brand identity and launching a very fist social media campaign:

When we started designing and implementing visuals with our graphic and branding partners, sitem-insel's story-telling featured "Infinite Innovation" with the fractal pattern as key visual. A story that was perceived as courageous, powerful, dynamic, and unique and thus embodied exactly what sitem-insel is and wants to radiate to the outside world in the future: having the courage to break new ground.

In the end a single image emerged from the original three fractal patterns: the "abstract spiral vortex". The whirl represents infinity (i.e., research can go on and on) and the spiral represents energy (translational medicine should allow research to benefit patients as quickly as possible and in the highest quality).

Thus, the original story was lastly broken down into all of sitem-insel's communication tools. Brochures, stationaries and templates, a website and the CI/CD were developed further and completed.

TICKETING SYSTEM

The sitem-insel Centralized Services are responsible for all support processes. By the end of 2020, the housekeeping services were outsourced to Vebego AG and a ticketing services for all operational customer concerns has successfully been established. Thus, we were able to initiate the installation of an info and meeting point at sitem-insel's entrance, which replaces the previous reception desk. Furthermore, the process manual is the basis for the future integration of the processes into the virtual business management tool my.sitem-insel, where ticketing is currently already running and the house rules of sitem-insel AG are published.

CLINICAL ANATOMY TRAINING AND RESEARCH UNIT (CATR)

The development of innovative diagnostic-therapeutic medtech products and learning how to use them correctly requires access to specimens from cadavers. Working with such specimens calls for compliance with high ethical standards and specific infrastructure. This has been set up in the sitem-insel building as CATR and is supported in its development and operation by, among others, the clinical anatomy of the University of Bern and Prof. Michael D. Mueller, Co-Director of the University Clinic for Gynecology. CATR was generously supported financially by the companies Storz and Anklin. The platform with its state-of-the-art infrastructure is extremely attractive for a variety of training courses not only for physicians of the Inselspital, but also of the canton, Switzerland and abroad. The CATR unit within sitem-insel was approved as a GESEA-certified center in December 2020.

SITEM STARTUP CLUB AND SITEM MEDTECH HUB

In November 2020 sitem-insel launched a new initiative. Namely a Startup Club (financing of startups) and a MedTech Hub (premises for startups). The latter will open by late summer 2021 right next to the Insel Campus Bern. This is intended to give further impetus to the promotion of the medicinal location in Bern. Among others, KPT, BEKB and Swisscom are already on board as leading partners.

MedTech startups have complex needs. In addition to financing, medical, technical, business management and regulatory issues need to be clarified. Moreover, startups need affordable space to drive their research and innovation.

The "Sitem StartUp Club" and, from an infrastructural point of view, the "Sitem MedTech Hub" are the logical and consistent continuation of the measures in the MedTech area on the Insel Campus Bern.

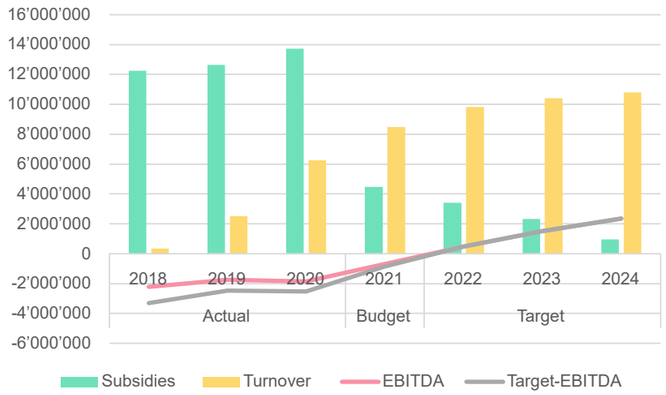
The Sitem StartUp Club will offer startups in the medtech sector access to consulting, coaching, potential investors and affordable workspace in the planned Sitem MedTech Hub. The hub with an area of around 1500m2 will be located on Weyermannstrasse at the end of the Insel Campus and thus within walking distance of sitem-insel. The hub is currently under renovation.

sitem StartUp Club

sitem MedTech HUB

Some numbers and performance metrics

The graph below shows the actual and anticipated figures from 2018-2024.



ACTUAL AND TARGET FIGURES 2018 - 2023

Included are subsidies, turnover, earnings before interest, tax, depreciation, and amortization (EBITDA), and the target EBITDA. Subsidies in 2020 are higher due to the additional Corona-credit granted by the Canton of Bern. The EBITDA numbers show, that sitem-insel is slightly ahead of its objective between 2018 and 2020.

SECURITY AND RISK-MANAGEMENT

Overall, sitem-insel AG has obtained all operational permits and is legally covered (legal compliance). All systems relevant to safety and fire protection were maintained in 2020 and completed with the corresponding logging. This ensures that the facilities are functioning properly and in accordance with regulations.

A risk assessment was also conducted as part of the safety report.

IMPACTFUL NUMBERS

25	EMPLOYEES SITEM-INSEL CORE
25	UNITS WITHIN SITEM-INSEL
364	EMPLOYEES WITHIN SITEM-INSEL COMMUNITY
8	GRANTS RECEIVED
1	PATENT
13	INTERNATIONAL PROJECTS
15	PUBLICATIONS
23	STARTUPS

Challenges that the COVID-19 crisis brought upon sitem-insel

The pandemic made the whole year an extraordinary event.

sitem+minds

In the case of the sitem-insel School, we felt the impact that the students - the majority of whom are physicians – were completely absorbed with the pandemic, with no time left to follow the courses offered by our School. Therefore, parts of the modules could not be carried out.

sitem+impact

Within the sitem-insel Enabling Facilities no clinical anatomy courses (CATR) could be held. The risk remains that postponed courses can only be held partially or not at all in the following year due to a lack of prosectural material.

sitem+insight

The sitem-insel Promoting Services provide their services through a network of regulatory institutions in the context of various networking events. Most events were cancelled.

sitem+insel COMMUNITY

Start-ups requested a rent reduction from sitem-insel AG as their landlord during the times of shut-down. We offered individual solutions with a sense of proportion, baring the risk in mind that we might not be able to pass on all ancillary costs in 2020.

The discontinuation of physical events in the building lead us to expect further significant reductions in income.

Last but definitely not least we were confronted with increased costs for hygiene and cleaning, increased security (Securitas) patrolling as well as for additional licenses for home offices.

CSR

Corporate Social Responsibility (CSR) is not a foreign term to sitem-insel and we strive to achieve excellent services and economic growth with sustainable, ethical, and responsible actions. In addition, we want to be able to count on satisfied and long-standing employees and be an employer whose work is built on a foundation of trust, team spirit, and fairness, in addition to caring for the environment.

- sitem-insel aims toward an environmentally friendly, resource-oriented management of material and products, as well as lean work processes
- Separation of waste (paper, PET, glass, and general waste) is supported through special containers at various locations within the building
- The roof of the sitem-insel is covered with solar panels and the building is heated by district heating
- The use of paper is replaced by digital solutions wherever possible
- sitem-insel's employees are offered a comfortable and fair workspace that supports a healthy lifestyle (e.g., through standing desks in offices and healthy meals at the on-site restaurant "Flavour Kitchen") and maintains mutual respect as its highest priority
- Innovation is promoted through regular networking events and the sharing of competences

OPERATIONAL LEVEL

At the operational level, all necessary management systems and service processes were implemented in 2020. All operational management and safety processes were defined and standardized in the process manual. In this context, the remaining operational approval processes were successfully completed. The areas of fiduciary services and accounting, including commercial facility management, were additionally professionalized in cooperation with BDO AG.

Role of Shareholders & special thanks

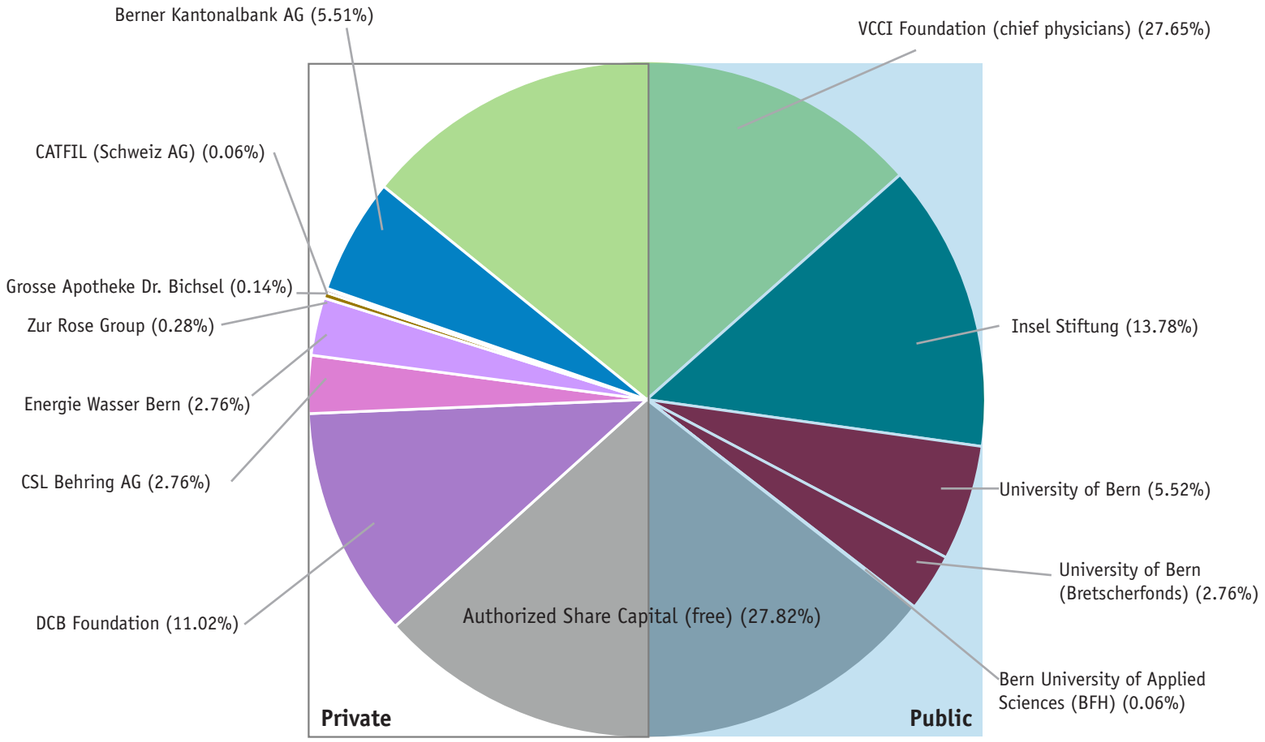
This last section is directed towards our Shareholders who have believed in sitem-insel's vision from the very beginning. We are humbled by your generosity.

Since successful translation depends on intensive interaction between public and private actors from various fields, public private partnerships such as sitem-insel are entrusted with the provision of services that have traditionally been provided by the public sector.

Accordingly, both the Swiss Confederation and the canton of Bern have supported sitem-insel 2017-2020 with approximately CHF 25 Mio. start-up funding each. Both political partners have granted sitem-insel additional subsidies of approximately CHF 5.6 Mio. each for the period of 2021-2024. Doing justice to the performance agreement with its political partners, sitem-insel AG is making effort to achieve financial independence of federal and cantonal subsidies from the year 2025 onwards. sitem-insel's strategy hereby refers to the three phases of (1) establishing, (2) growing, and (3) sustaining the business units.

sitem-insel AG was founded in 2014 with its main partners (academia, clinic, and industry) as part of the shareholder pool. The authorized share capital amounts to CHF 18.144 Mio. with CHF 5.048 Mio. free to subscribe. Between the foundation in 2014 and the official opening in August 2019, sitem-insel has witnessed a development which, regarding speed, is exceptional.

Being a sitem-insel shareholder means believing in the power of sitem-insel's interdisciplinary network, its value-creating connecting of people, and its operational excellence.



FIRST MOVER

As first mover, CSL Behring AG was as magnet for other partners to believe in sitem-insel. The company has established a research center for innovative therapeutic biologics within sitem-insel's premises.

Answering Your Questions

Who is sitem-insel's board and management?
see Website: https://sitem-insel.ch/en/about-us

Who works in the community at sitem-insel?
see Website: https://sitem-insel.ch/en/enabling-facilities

How do I become a sitem-insel AG Sharehoder?
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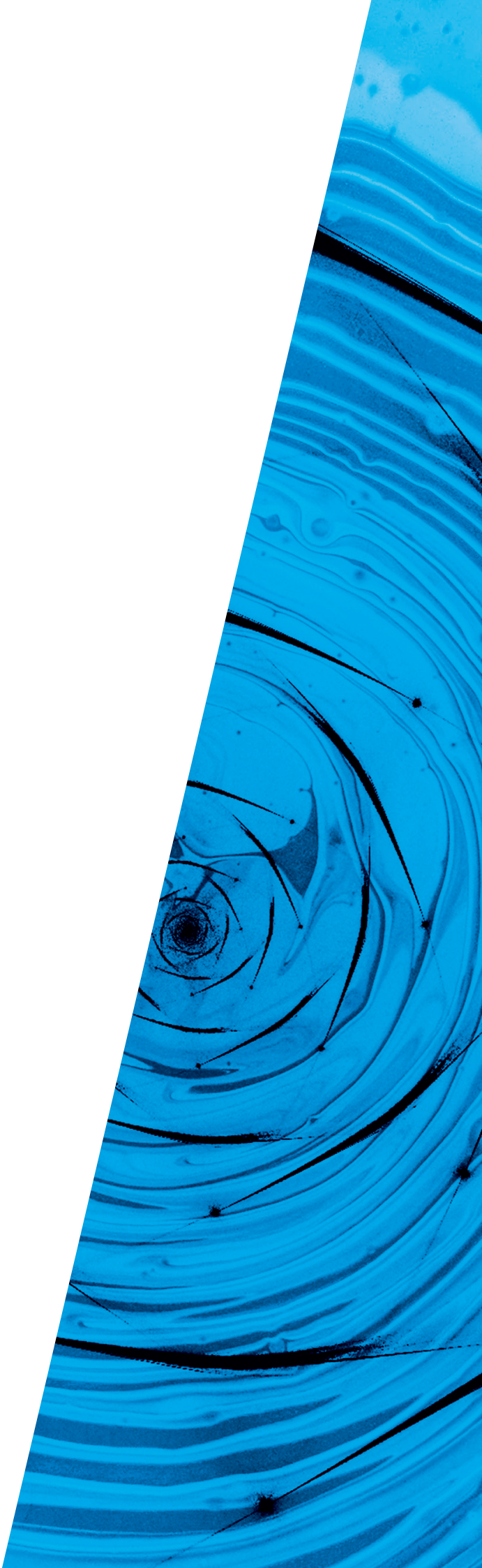

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