

Ad hoc announcement pursuant to Art. 53 LR

Zug, 8 April 2025

Alpine Select Ltd.: Annual results, portfolio development and investment activities 2024 | Ordinary shareholders meeting and outlook 2025

Looking back at the year 2024

Looking back on 2024 – which seems ages ago only three months into 2025 –, it can be described as a year characterized by significant economic shifts, geopolitical uncertainty, and rapid technological advancements. Inflationary pressures eased in key markets, central banks adjusted monetary policies, and global supply chains continued to recover. Meanwhile, the resurgence of AI-driven industries, the transition to clean energy, and ongoing market volatility tested investors' resilience.

For much of the year, markets anticipated significantly stronger interest rate cuts from the Federal Reserve (FED), the European Central Bank (ECB), and the Bank of England (BoE). In the U.S., expectations in January pointed to seven rate cuts, yet only four materialized. This was largely due to the continued strength of the U.S. economy, supported by high fiscal spending, which kept inflation above the FED's target.

A remarkable event unfolded in August with the unwinding of the JPY carry trade. As the Bank of Japan signaled a shift away from its ultra-loose monetary policy, a sharp appreciation of the yen forced investors to unwind leveraged positions, leading to significant volatility across global financial markets. This event underscored the sensitivity of global liquidity to shifts in central bank policies and added to the year's overall turbulence.

Equity markets posted solid gains in 2024. Enthusiasm for artificial intelligence and obesity medications (GLP-1) fueled strong performance, particularly among the largest firms, with the tech-heavy Nasdaq outperforming global markets – 'Magnificent Seven stocks' performed exceptionally in 2024.

Global economic resilience led to a muted response to geopolitical tensions in the Middle East and Ukraine. Meanwhile, concerns over policy risks associated with Donald Trump's re-election were largely disregarded, as the Republican party's sweeping victory fueled a wave of risk-on optimism that reached its peak in November 2024.

The diversified Alpine Select portfolio participated in the friendly sentiment of western markets to some degree. The Net Asset Value («NAV») increased +1.7% (from CHF 7.72 to CHF 7.86). Throughout the reporting period, the shares traded near the NAV.

In the FER financial reporting, Alpine Select (the "Company") reports an annual profit of CHF 1.267 million as of 31 December 2024. In the comparative period (year 2023) a loss of CHF 433,000 was reported.

Portfolio Development and Investment Activities

Special Situations / Discounted Assets

- Despite the negative press, Alpine Select holds firm to the conviction that Idorsia's convertible bonds are deeply undervalued. The company made notable strides during 2024 in addressing its operational challenges and extended their cash runway, however the transformational event could not happen in 2024. This high conviction position was -30% YTD. (See Outlook section a future-oriented assessment on Idorsia).

- IP Group, a leading investor in breakthrough science and innovation companies, had a strong 2024, achieving record cash exits. However, in line with broader UK market sentiment, its position declined by 7%. With subdued markets, the company adjusted some NAV valuations downward. A strong cash position allows for an extra GBP 10 million in share buybacks (GBP 80 million total since December 2023) as shares remain at a stubbornly high -55% discount to NAV.
- Alpine Select is receiving further cash distributions from its legacy position, Cheyne New Europe Fund. There is a foreseeable end to this long-term holding which Alpine Select inherited from an acquisition. Sentiment in the Czech residential market has continued to improve, as falling inflation has enabled the Czech National Bank to cut rates from 7% at the end of 2023 down to 3.75% (as at 8 April 2025), with further reductions expected. The Company expects most of the value to be realized by the end of 2027.

Diversified portfolio

One core position during 2024 was Cheyne Total Return Credit Fund, an actively managed, long-biased corporate credit strategy with a defined maturity of Dec-24. The return on a de-risked portfolio was +7.7%.

Furthermore, a notable part of the diversified portfolio remains in the Alpine Select Alternative Fund, which performed flat in 2025. Notable winners were Nishkama Fund, a long/short US Equity manager who posted a respectable +14% for 2024 and Aleutian Fund from Caygan Capital (Credit and Volatility strategy), which contributed +13%.

Digital Assets

The digital assets market experienced tailwinds in 2024. Several pivotal events significantly influenced its trajectory. One major achievement lies in a landmark decision by the U.S. SEC when the first Bitcoin Exchange-Traded Funds (ETFs) was approved granting institutional legitimacy to Bitcoin.

The re-election of President Trump in November brought an innovation oriented political group and a pro-crypto sentiment to the U.S. administration. President Trump expressed intentions to integrate Bitcoin into the national strategic reserve and proposed creating a national cryptocurrency reserve. Importantly, the new administration has a deregulatory stance and is aimed to position the U.S. as a global digital assets hub.

The digital assets industry celebrated new all-time highs in December when Bitcoin reached USD 106k.

The highlight for Alpine Select were the distributions received from our limited partnership in RockawayX Venture Fund I during Q4-2024. As the sentiment was overshooting, the Rockaway team sold partial stakes of their strategic Solana holding and we received USD 1.4 million during the quarter.

Alpine Select remains advocates of this new asset class and believes in the long-term value creation managed by professionals. Alpine Select's digital assets exposure is managed by specialists through carefully selected venture capital funds. These experts are adept at navigating the complexities of this very volatile and emerging asset class.

It's important to note that, due to the nature of venture capital investing, the valuations of target funds used in the NAV calculations of Alpine Select may lag current market values.

Outlook 2025

In February 2025, Idorsia restructured its unsustainable debt situation. Alpine Select has tracked Idorsia's journey since its inception and has been investing in its convertible bonds since 2022. Alpine Select's investment thesis is based on the conviction that Idorsia's clinical assets—both approved and in development—are worth significantly more than its outstanding debt.

Idorsia's restructuring marks a key turning point, resolving its debt overhang and allowing its innovation and execution to take the spotlight again. Alpine Select fully backed the restructuring and was active in this complex process. As backstop provider, the company is committed on a pro-rata basis to securing the new CHF 150 million funding facility, significantly extending Idorsia's cash runway. Over time, this transaction is expected to eliminate most of Idorsia's debt while preserving the long-term upside potential of its core assets—aprocitantan, cerenimod, and selatogrel—reinforcing Alpine Select's original investment thesis. Following the announcement, Alpine Select further increased its position, highlighting its continued confidence.

On 2 April 2025, President Trump announced major tariffs to drive U.S. reindustrialization. Markets reacted very negatively, with even the once high-flying Magnificent Seven stocks now down significantly from their November 2024 peaks.

Looking ahead, Alpine Select remains cautious amid geopolitical tensions and will adjust its portfolio accordingly, reporting on new positions, as it consistently does, in due course. While global market valuations remain elevated, experience reminds all to stay selectively invested with a prudent approach.

Ordinary shareholders' meeting on 19 May 2025: Agenda and proposals of the Board of Directors

At its meeting today, the board of directors approved the agenda items and proposals to be submitted to the ordinary shareholders' meeting 19 May 2025 as follows:

1. Annual report 2024: Approval of the annual report 2024 as well as the consultative voting on the compensation report 2024
2. Appropriation of available earnings: Carry forward the amount available for distribution to new account (no dividend distribution is proposed)
3. Discharge of the members of the board of directors and the management
4. Elections: All members of the board of directors, as well as the auditors and the independent proxy, stand for re-election for a further term of one year
5. Maximum compensation of the members of the board of directors and the management
6. Authorization to continue the share buyback program of 25 October 2023

Corporate calendar

- 8 April 2025 publication of the annual results 2024
- 11 April 2025 publication of the annual report as per 31 December 2024
- 16 April 2025 publication and distribution of the invitation to the ordinary shareholders' meeting with agenda items and proposals of the board of directors as well as further information regarding the ordinary shareholders' meeting to the shareholders
- 19 May 2025 ordinary shareholders' meeting of Alpine Select Ltd.

For further information, please contact Claudia Habermacher (chabermacher@alpine-select.ch) or visit the website www.alpine-select.ch.

About Alpine Select

Alpine Select Ltd is an investment company domiciled in Zug and has been listed on the SIX Swiss Exchange since 1998. The Company offers its shareholders the key benefit of investing into a diversified alternative investment portfolio. Alpine Select maintains an active and constructive dialogue with management and board of directors of its portfolio companies in the best interest of its shareholders. Alpine Select does not charge any management or performance fees.