

# MEDIA RELEASE

9 April 2019

## **Group Financial Statements 2018 of Valartis Group – Business Development and Economic Situation**

*The course of business 2018 was more difficult on the investment side than in 2017 with both equity and fixed income markets worldwide generally declining. According to International Financial Reporting Standards (IFRS), an annual loss of CHF 6.9 million (previous year: annual loss of CHF 1.8 million) was incurred. Operational business developed in line with expectations for 2018, and the Group's restructuring measures had a positive impact.*

### **Consolidated Financial Statements**

Income from management services fell from CHF 3.7 million in the previous year to CHF 2.7 million in 2018. The decline is partly due to negative currency effects on services charged in other currencies than CHF, and partly due to projects in work which were not closed in 2018. Income from investment property 2018 – CHF 2.9 million – came in lower than last year's result (previous year: CHF 6.8 million) mainly due to a negative FX valuation of the financing loan for the investment property Petrovsky Fort of ENR Group amounting to CHF 4.2 million. Share of results of associated companies is up from CHF 0.3 million as of 31 December 2017 and amounts to CHF 3.0 million at year-end 2018. Valartis continues to hold a stake of 25 per cent in Norinvest Holding SA, the parent company of Banque Cramer Cie SA. Banque Cramer divested its subsidiary bank, Private Investment Bank Ltd., Bahamas, during 2018 with a significant profit. The value increase due to this sale is the main effect in this position.

Operating expenses fell by 18 per cent to CHF 11.3 million (31.12.2017: CHF 13.8 million) due to the resizing of the organisation and further cost-cutting measures and the reduction of consulting costs from previous years. Personnel expenses fell by 15 per cent year-over-year from CHF 6.1 million to CHF 5.2 million. General and administrative expenses were reduced to CHF 6.1 million (31.12.2017: CHF 7.7 million).

Consolidated equity at the end of 2018 amounts to CHF 124 million (31.12.2017: CHF 135 million). The decrease of CHF 11 million is due to the 2018 annual loss in the amount of roughly CHF 7 million and negative currency translation adjustments booked in equity (CTA) of roughly CHF 4 million. This CTA movement is due to the negative currency effect (RUB) during 2018 (-16 per cent) at the level of the fully consolidated group company ENR Russia Invest SA. Overall, this corresponds to an equity ratio (i.e. total equity in per cent of balance sheet total) of 75.6 per cent (previous year: 76.2 per cent). The equity of shareholders per share remains unchanged at CHF 24.84 (previous year: CHF 24.82).

### **Activities 2018**

ENR Group's Russian office building investment in St. Petersburg, Petrovsky Fort, showed an increase in fair value of 4 per cent in local currency according to an independent valuation from a licensed professional valuation specialist, Jones Lang LaSalle. However, the sharp decline of the FX rate had a negative impact. ENR also had to impair a real estate project due to late delivery of milestones. ENR successfully refinanced at year-end 2018 the Petrovsky Fort mortgage at attractive rates. This will lead to significantly reduced financing costs for ENR in 2019.

At the end of 2018, Valartis Group employed a total of 56 people in the Swiss front and service organisation and in Russian real estate management in Moscow and St. Petersburg – previous year: 54 employees.

The 2018 Annual General Meeting authorised the repurchase of up to a maximum of 400,000 shares of Valartis Group's own shares prior to the 2019 Annual General Meeting by way of a public share buy-back programme for cancellation purposes. The amendment of the Articles of Association (reduction of share capital) in respect of the actual number of shares repurchased will be submitted to the Annual General Meeting 2019 for approval. As of 5 April 2019, a total volume of shares had been purchased for CHF 2.5 million at an average purchase price of CHF 11.04. This corresponds to a total number of shares bought of 226,705 shares or 57 per cent of the programme total (400,000 shares). Please also refer to the corresponding transaction report at [www.valartisgroup.ch/en/share-buy-back-programme/](http://www.valartisgroup.ch/en/share-buy-back-programme/).

#### **Dividend**

The Board of Directors will propose a dividend of CHF 0.10 per share entitled to dividend (previous year: CHF 0.20 per share entitled to dividend) to the 31<sup>st</sup> Annual General Meeting on 14 May 2019. The Board of Directors thus expresses its appreciation to the shareholders and thanks them for the trust they have placed in Valartis.

A pdf version of the 2018 Annual Report is available in English at:  
[www.valartisgroup.ch/en/#geschaeftsberichte](http://www.valartisgroup.ch/en/#geschaeftsberichte).

#### **Key Figures at a Glance**

To be found on the following page.

#### **Agenda**

Closing date of the Shareholders' Register	26 April 2019
Annual General Meeting 2019	14 May 2019
Half-year results 2019	28 August 2019

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#### **Valartis Group**

*Valartis Group is an international finance group with offices in Switzerland, Luxembourg, as well as Moscow and St. Petersburg. Valartis Group AG (Fribourg, Switzerland) is listed on the Swiss stock exchange, SIX Swiss Exchange. Business operations encompass the fields of Financial Services, Real Estate Project Management and Participations.*

[www.valartisgroup.ch](http://www.valartisgroup.ch)

## KEY FIGURES AT GLANCE

### Key Figures

in CHF 1,000	1.1.–31.12.2018	1.1.–31.12.2017
<b>Total operating income</b>	<b>9,743</b>	<b>12,016</b>
Income from management services	2,714	3,660
Income from investment property	2,954	6,834
Share of results of associated companies	3,002	347
Other income	1,073	1,175
<b>Administrative expense</b>	<b>-11,344</b>	<b>-13,813</b>
Personnel expense	-5,231	-6,127
General expense	-6,113	-7,686
<b>Earnings before depreciation, valuation adjustments, provisions, interest and taxes</b>	<b>-1,601</b>	<b>-1,797</b>
Depreciation, valuation adjustments and provisions	-2,574	-1,768
<b>Earnings before interest and taxes (EBIT)</b>	<b>-4,175</b>	<b>-3,565</b>
Finance result, net (financial income, financial expense, market value adjustment)	-3,912	1,106
<b>Net loss from continued operations before taxes</b>	<b>-8,087</b>	<b>-2,459</b>
Income taxes	1,189	-287
<b>Net loss from continued operations</b>	<b>-6,898</b>	<b>-2,746</b>
<b>Net result from discontinued operations</b>	<b>-46</b>	<b>960</b>
<b>Net loss</b>	<b>-6,944</b>	<b>-1,786</b>
attributable to shareholders of Valartis Group AG	-5,026	-2,383
attributable to non-controlling interests	-1,918	597
in CHF 1,000	31.12.2018	31.12.2017
<b>Total assets</b>	<b>163,978</b>	<b>177,406</b>
Current assets	69,487	82,775
Non-current assets	91,831	91,896
Non-current assets classified as held for sale	2,660	2,735
<b>Total liabilities</b>	<b>39,984</b>	<b>42,202</b>
Current liabilities	22,970	37,683
Non-current liabilities	17,014	4,519
<b>Total shareholders' equity (including non-controlling interests)</b>	<b>123,994</b>	<b>135,204</b>
Equity capital quota, in per cent	75.6	76.2
Staff (full-time equivalents, FTE)	56	54
Closing price of VLRT share, in CHF	10.30	9.56
Equity of shareholders per share, in CHF	24.84	24.82