

MEDIA RELEASE

28 August 2019

Valartis Group AG – Consolidated financial statements for first half-year 2019

According to International Financial Reporting Standards (IFRS), Valartis Group reports a net profit for the first half-year of 2019 of CHF 3.3 million (previous year: net loss of CHF 0.4 million). Even though operating business developed in line with planning, the half-year profit is primarily attributable to the recovery of the Russian ruble value. Compared with the 2018 financial year, this currency gained 9 per cent in value. This resulted in reversals of previous year's impairment losses on various long-term investment assets.

Business development

Income from management services increased from CHF 1.1 million to CHF 2.3 million compared to the previous half-year. Income from management services includes fees for the development and management of real estate projects, management fees for administrative and accounting services and investment fees for investment funds distributed abroad. Income from investment property 2019 (CHF 1.9 million) was lower than in the first half of the previous year (CHF 3.4 million). Income includes rental income and, only for prior periods, the effect of embedded derivatives on rental contracts. At the end of 2018, it was no longer necessary to recognise embedded derivatives. Administrative expenses fell by 3.6 percent from CHF 5.6 million to CHF 5.4 million due to further cost reduction measures. Personnel expenses remained stable at CHF 2.7 million. General expenses fell by 7 percent from CHF 2.8 million to CHF 2.6 million. The financial result mid-2019 is significantly higher than in the previous period: it amounted to a net profit of CHF 4.0 million as at 30 June 2019 compared with a net loss of CHF 4.6 million as at 30 June 2018. This change is mainly attributable to market and currency developments for the valuation of the trading portfolio and the currency effect of the valuation of the financing loan for the investment property, with the Russian ruble rising 9 percent against the Swiss franc and 7 percent against the US dollar.

Financing situation

The Group's equity amounted to CHF 123 million as at 30 June 2019 (31 December 2018: CHF 124 million). This corresponds to an equity ratio, i.e. equity as a percentage of total assets, of 73.1 percent (31 December 2018: 75.6 percent), as equity remained stable but total balance sheet assets increased. Shareholders' equity remained stable due to two opposing effects: shareholders' equity increased as a result of the 2019 half-year profit; on the other hand, shareholders' equity decreased due to the purchase of additional treasury shares under the share buyback programmes.

Outlook

The focus in the front units Private Equity, Real Estate Project Management and Financial Services for 2019 will be on continuing the successful development of new profitable activities and on the further development of projects already underway. From a strategic and tactical point of view, the activities of 2019 continue to focus on building up and managing new participations and new projects in line with the strategic guidelines of Valartis Group.

The Half-year Report is available in pdf-form under www.valartisgroup.ch under Investor Relations (www.valartisgroup.ch/wp-content/uploads/2019/08/HYR-2019-Valartis-Group_en.pdf).

Valartis Group AG
rue de Romont 29/31
CH-1700 Fribourg FR
Switzerland

Phone +41 58 501 62 20
Fax +41 58 501 62 22
www.valartisgroup.ch

Agenda

Annual Report 2019	7 April 2020
Annual General Meeting 2020	19 May 2020

For further information please contact:

Corporate Communications & Marketing, Valartis Group AG
Tel. +41 44 503 54 10, corporate.communications@valartis.ch

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