

HALF-YEAR REPORT
2020

KEY FIGURES

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Total operating income	5,035	4,441
Income from management services	2,804	2,309
Income from investment property	1,949	1,906
Share of results of associated companies	148	-157
Other income	134	383
Administrative expense	-5,027	-5,404
Personnel expense	-2,956	-2,746
General expense	-2,071	-2,658
Earnings before depreciation, valuation adjustments, provisions, interest and taxes	8	-963
Depreciation, valuation adjustments and provisions	-740	419
Earnings before interest and taxes (EBIT)	-732	-544
Finance result, net (financial income, financial expense, market value adjustment)	-5,289	3,965
Net result from continued operations before taxes	-6,021	3,421
Income taxes	-12	-86
Net result from continued operations	-6,033	3,335
Net result from discontinued operations	-43	-49
Net result	-6,076	3,286
attributable to shareholders of Valartis Group AG	-4,286	2,172
attributable to non-controlling interests	-1,790	1,114
in CHF 1,000	30.06.2020	31.12.2019
Total assets	156,164	168,570
Current assets	56,491	60,319
Non-current assets	97,775	106,310
Non-current assets classified as held for sale	1,898	1,941
Total liabilities	43,577	44,879
Current liabilities	25,999	26,637
Non-current liabilities	17,578	18,242
Total shareholders' equity (including non-controlling interests)	112,587	123,691
Equity capital quota, in per cent	72.1	73.4
Staff (full-time equivalents, FTE)	68.5	65.5
Closing price of VLRT share, in CHF	8.90	10.20
Equity of Shareholders per share, in CHF	25.37	27.52

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Legal notice

This interim report is for information purposes only. Due to their nature, statements about future developments involve general and specific risks and uncertainties. In this context, it should be noted that forecasts, projections and results described or implied in forward-looking statements are not accurate.

Notes on the figures

The amounts shown in the figures are rounded. The total may therefore differ from the sum of the individual values.

This half-year report is also published in German, whereby the English version is binding. The half-year report 2020 is available online and in a pdf version (<https://www.valartisgroup.ch/en/#geschaeftsberichte>).

MANAGEMENT REPORT

BUSINESS PERFORMANCE AND ECONOMIC SITUATION OF VALARTIS

Valartis Group reported a half-year net loss of CHF 6.1 million primarily attributable to adverse market conditions in the context of the COVID-19 pandemic. Lower crude oil prices leading to a lower ruble against Swiss Franc. Operating income increased by 13 per cent and operating expenses lower by 7 per cent despite an increase of activity and the number of employees. As of 30 June 2020, Valartis Group employed a total of 68.5 full-time equivalent employees in operations (31 December 2019: 65.5 employees).

The ENR Group investment portfolio was impacted by lower valuations driven by ruble depreciation against the Swiss franc during the reporting period. Nevertheless, for the Investment property (Petrovsky Fort business centre) and despite the fact that the Russian government introduced legislation to protect certain tenants during the time where work from home restrictions applied requiring rental payment vacation or temporary discount to be granted, only a small number of tenants at the business centre were concerned by such measures. Nevertheless, few other tenants were not able to renew short term rental contracts due to adverse impact of the virus on their businesses. As such, the overall vacancies was 5 per cent higher than at 31 December 2019 and the impact on related income on investment property was contained. ENR Group's planned investments in Kaluga Flower Holding LLC have been realised in due course and further area of greenhouses have been upgraded. The facility is now in operation with the first flowers grown and sold. Various flower growing programmes are in progress and harvests are planned for the autumn and year-end.

The investment side was adversely affected by Russian ruble depreciation against the Swiss franc. Compared with the 2019 financial year, this currency lost 14 per cent in value. This resulted in impairment losses on various long-term investment assets.

During the first half of 2020, EPH European Property Holdings Ltd. (EPH or formerly "Eastern Property Holdings Ltd.") continued to focus on strengthening its portfolio through the acquisition of premium assets in Western Europe. As part of the expansion, EPH successfully acquired a majority stake in a twenty thousand square meter hotel property in Berlin Friedrichshain, Germany, which is currently leased by Nhow Hotel (part of the NH hotel group). In addition, Valartis Group has supported the acquisition process of a sixteen thousand square meter hotel property in Dresden, Germany, currently fully occupied by Meliá Hotels International. In the same period, EPH acquired a prominent and centrally located office property of twenty-nine thousand square meters in Vienna, Austria. Through these major acquisitions during a turbulent market period, Valartis Group has

demonstrated its skills and resilience in accompanying real estate transactions.

The Valartis German Residential Health Care Fund which invests in German real estate properties for the silver generation has not faced any negative impact resulting from the COVID-19 pandemic. Thanks to the protective measures taken by all the operators, no COVID-19 case has been reported. Furthermore, the German government protects in particular nursing home operators against loss of revenues as well higher costs related to the COVID-19 measures. As a result, rental income remained stable and even increased slightly due to agreed upon indexation clauses.

FINANCING SITUATION

The financing situation of Valartis Group was impacted by the market conditions but it remains well capitalised. Group shareholders' equity amounts to CHF 113 million as at 30 June 2020 (31 December 2019: CHF 124 million). This corresponds to an equity ratio, i.e. total equity in per cent of balance sheet total, of 72.1 per cent (31 December 2019: 73.4 per cent). Equity decreased comparing 30 June 2020 with 31 December 2019 due three main adverse effect: the net loss for the 1st semester 2020, the foreign exchange translation differences and the losses from financial assets whose fair value through adjustments are recognised through OCI.

During the half year 2020, cash flow statement is mainly influenced by additional investment into Kaluga Flower Holding LLC by way of various loans (CHF 2.9 million) financed by the divestment of short term investments CHF 7.4 million. The latter also reduced Group's market exposure during the period of high volatility. Net cash and cash equivalents increased compared to the previous period from CHF 7.5 million at the end of 2019 to CHF 9.2 million by mid-2020. Trading portfolio assets, held for short-term cash management purposes, amount to CHF 20.6 million (31 December 2019: CHF 27.7 million) after partial divestment as described above.

BUSINESS DEVELOPMENT IN THE FIRST HALF OF 2020

Income statement

Valartis Group AG reported a net operating income of CHF 5.0 million in the first half-year 2020 compared to CHF 4.4 million for the first half of 2019. The EBITDA was break-even versus a loss of CHF 1.0 million for the first six months of previous year. The net loss for the first six months of 2020 amounts to CHF 6.1 million

compared to the net profit for half-year 2019 of CHF 3.3 million. The net result for the first six months of 2020 was primarily effected by foreign exchange effect on the Investment property and investment portfolio. The turmoil on the global financial markets marked the first half of 2020 with the COVID-19 pandemic which has had a more negative impact on the global economy than anticipated, and the outlook for the recovery is to be more gradual than previously forecast with a high degree of uncertainty around the forecast.

Income from Management Services increased from CHF 2.3 million to CHF 2.8 million compared to the previous half-year due to additional special advisory and transaction mandates in 2020. Income from management services comprises fees for the development and management of real estate projects, management fees for administration and accounting services as well as investment fees for investment funds distributed abroad. Income from investment property 2020 (CHF 1.9 million) is in line with the previous half-year (CHF 1.9 million).

The value of the Valartis Group stake in Norinvest Holding SA is slightly lower than in the previous period due to a valuation adjustment. Associated companies are accounted for using the equity method. Norinvest Holding SA published its financial figures after Valartis Group. Valartis Group estimated the 2019 share in the result of Norinvest Holding SA for the accounting of the associated participation taking into account publicly available information. Differences between the actual results and these estimates are corrected in the Valartis Group's consolidated financial statements for the following year, i.e. 2020. On the other hand, the Valartis Group stake in Norinvest Holding SA increased from 27.1 per cent to 30.0 per cent due Norinvest buying back its own shares thus increasing the amount of treasury shares it holds.

Operating expenses fell by 7.0 per cent from CHF 5.4 million to CHF 5.0 million compared to the previous period due to further cost-cutting measures. Personnel expenses, the most important cost component, increase by 8 per cent at CHF 3.0 million compared to CHF 2.7 million in the previous period. At the end of June 2020, Valartis employed 68.5 full-time staff (3 people more than at year-end 2019). General expenses fell by 22 per cent from CHF 2.7 million to CHF 2.1 million. Nevertheless, expenses for travel and representation, consulting and auditing as well as other general expenses continue to be significant. Valuation adjustments, provisions and losses, CHF 0.4 million for the half-year 2020 (previous period: gain of CHF 0.7 million), is mainly due to the Russian ruble losing 14 per cent in value against the Swiss franc compared to 31 December 2019. This resulted in an impairment loss on a long-term investment asset.

Net finance result mid-2020 is significantly lower compared to the previous period: it amounts to a net loss of CHF 5.3 million as of 30 June 2020, compared to a net income of CHF 4.0 million as of 30 June 2019. This change, compared to June 2019, is mostly

due to the negative market development of the trading portfolio assets by CHF 1.5 million and currency development on loans and liabilities in foreign currencies which generated a loss of CHF 4.3 million. In the reporting period, there were no major shifts in the currency composition of the income statement compared with the end of 2019.

Balance sheet

Valartis reported equity of CHF 113 million as at 30 June 2020 in accordance with IFRS, lower than at 31 December 2019 (CHF 124 million). The balance sheet continues to be very liquid. Over the reporting period, total assets decreased by 7.4 per cent to CHF 156 million from CHF 169 million.

EXTRAORDINARY EVENTS

Significant events after the balance sheet date

There were no significant events after the balance sheet date. Events after the balance sheet date are also reported in the Valartis Group's consolidated financial statements, Note 23.

Segment reporting

Valartis Group has only one single segment and reporting is in accordance with IFRS 8 for the single component of the company. See also the note on segment reporting in Note 21.

OUTLOOK

Expected development of Valartis Group

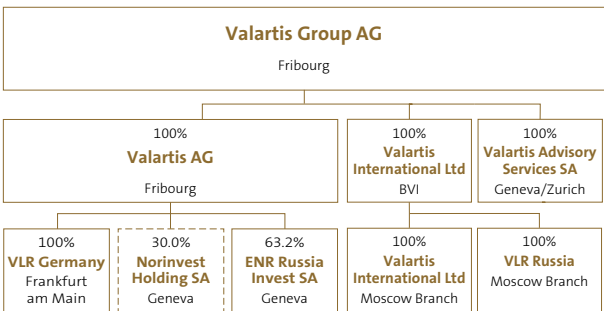
The focus for the front units Private Equity, Real Estate Project Management and Financial Services for 2020 continues to be the successful development of new profitable activities started in the last two years and on the further development of projects already underway, with a continued focus on results. Valartis Group continues to focus its market development and adapts its range of services to demand. The Group structure will be geared to new circumstances and project implementations, new requirements and an expanded range of services. The activities of 2020 continue to focus on building up and managing new participations and new projects in line within the strategic guidelines of Valartis Group.

VALARTIS GROUP

Valartis Group’s activities currently include financial services, real estate project management and equity investments. In financial services, Valartis Group concentrates on the comprehensive management of niche funds (investment satellites). As investment advisor, Valartis Group manages the Valartis German Residential Health Care Fund, which was launched exclusively for qualified investors. The fund focuses on the megatrend “Aging” and invests in nursing homes in Germany. Valartis Group assumes various administrative tasks for the fund. For these services, it is compensated with customary market fees. In addition, Valartis Group provides corporate finance advisory services for listed and unlisted medium-sized companies in Germany, Austria, Switzerland as well as in Eastern Europe. On the real estate side, Valartis Group combines the management of profitable commercial and residential properties with investments in promising development projects. In the case of participations, the focus is on equity participation as a shareholder.

Valartis Group currently has offices in Switzerland (Fribourg, Geneva, Zurich), Luxembourg, Russia (Moscow and St. Petersburg), Germany (Frankfurt am Main, Stuttgart, Hamburg) with 68.5 employees (full-time equivalents as of 30 June 2020; as of 31 December 2019: 65.5 employees). Valartis Group AG, headquartered in Fribourg, Canton Fribourg, Switzerland, is the holding company of the Group. The registered shares of Valartis Group AG are listed on the SIX Swiss Exchange (ISIN CH0367427686). The main shareholder is MCG Holding SA, Baar, Canton of Zug, Switzerland, which holds currently 45.33 per cent of the capital and voting rights as of 30 June 2020 according to its most recently published disclosure. Geographically, the Group has business activities in Switzerland, Europe and Russia.

Valartis Group – Operational Structure



Selected business activities in detail

Real estate projects

Valartis Group holds 63.2 per cent of the investment company ENR Russia Invest SA (ENR), which is listed on the SIX Swiss Exchange (ISIN CH0034476959) and is a member of the Swiss Association of Investment Companies. Since 1996, the company has been investing in private equity, listed shares, real estate and fixed-income instruments of Russian companies and companies of other states of the Commonwealth of Independent States and the Baltic States. Among others, ENR Russia Invest SA (www.enr.ch) owns a large office centre, Petrovsky Fort, in St. Petersburg, Russia (www.petrofort.ru/en/) and, through a wholly owned subsidiary, 50 per cent of interest in a 27.4 hectare greenhouse and engineering facility for flower growing in Kaluga Oblast in Russia (www.florentika.ru/).

EPH European Property Holdings Limited (EPH) is a stock corporation listed on the SIX Swiss Exchange. As a real estate investment and development company, EPH concentrates on commercial properties with trophy potential in Western Europe focusing on proven or upcoming locations in Germany’s larger cities and Vienna. On 19 December 2012, Valartis Group sold its entire stake in EPH (around 40 per cent). Today Valartis Group is still responsible for certain asset, property and investment management and corporate functions of EPH (www.european-propertyholdings.com) under several management contracts.

Investment activities

The focus is on equity participation as a shareholder. Valartis Group pursues a bottom-up approach and is constantly looking for special investments for its own investment portfolio.

Elements of the traditional portfolio management process such as portfolio realisation (asset allocation, monitoring, review) and portfolio control (performance measurement, attribution) are used for the selection investment opportunities. The disciplined implementation of these steps contributes to achieving the goal of a stringent profitability orientation with an appropriate risk/return ratio.

One of the central challenges in putting together own investment portfolio is to resolve the conflict between optimising the expected return (value growth including interest and dividends less costs) within a certain period on the one hand and limiting the risk of loss on the other hand. Typically, the structure of an investment portfolio will show a certain consistency over time, which implies an anti-cyclical behaviour and therefore risk-mitigating and risk-bearing behaviour.

Current investments

Norinvest Holding SA, headquartered in Geneva, Switzerland, is a Swiss investment company founded in 1984. It is listed on the OTC platform of the Cantonal Bank of Berne and is the 100 per cent owner of Banque Cramer & Cie SA which specialises in private banking and asset management. Following the completed sale of its two Swiss subsidiaries Valartis Bank AG and Valartis Wealth Management SA to Banque Cramer & Cie SA in 2014, Valartis Group AG acquired a 25 per cent stake in Norinvest Holding SA (this stake changes slightly over time due to Norinvest increasing or decreasing its treasury share holdings).

Whitebox Services AG, through its wholly owned subsidiary Whitebox GmbH, founded in July 2014, has been one of the first online asset management companies on the German market, as of January 2016. Whitebox aims at a return on investment that is significantly better than that of conventional offers at the same risk level. Whitebox GmbH, Weil am Rhein, is a wholly owned subsidiary of Whitebox Services AG which is based in Switzerland. The owners of Whitebox Services AG are the founders, former management members of leading banks and industry experts. Valartis has acquired a smaller stake in Whitebox Services AG.

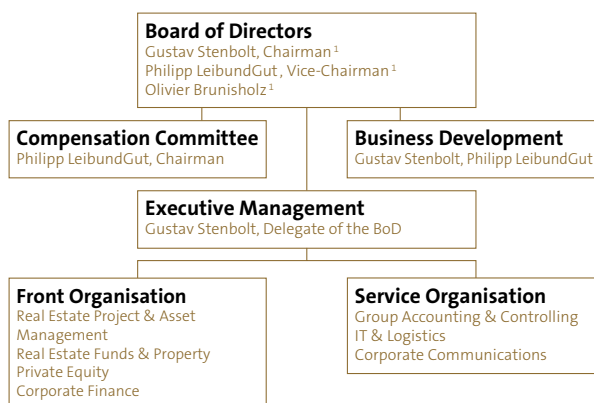
In 2018 and 2019, Valartis Group invested in three limited partnerships called Briese Schiffahrts GmbH & Co. KG MS, by way of a contribution as a limited partner a total of EUR 6.5 million or approximately CHF 7.2 million at the time of investments. Briese Schiffahrts GmbH & Co. KG MS operates a mid-size freight cargo and is in Leer, Germany.

Athris Holding AG, headquartered in Zug, Canton of Zug, Switzerland, is a Swiss investment company whose shares are traded on BX Bern eXchange which is a Swiss regulated stock exchange under the supervision of FINMA. Valartis Group holds this investment as a financial category Asset at fair value through OCI.

BOARD OF DIRECTORS

Gustav Stenbolt, Chairman, Philipp LeibundGut, Vice-Chairman, and Olivier Brunisholz, Member, were all re-elected to the Board of Directors of Valartis Group AG at the Annual General Meeting 2020:

Organisation Chart



¹ Member of the Compensation Committee

CONSOLIDATED INCOME STATEMENT

in CHF 1,000	Note	1.1.–30.06.2020	1.1.–30.06.2019
Income from management services	1	2,804	2,309
Income from investment property	2	1,949	1,906
Share of results of associated companies	3	148	-157
Other income	4	134	383
Total operating income		5,035	4,441
Personnel expenses	5	-2,956	-2,746
General expenses	6	-2,071	-2,658
Administrative expenses		-5,027	-5,404
Earnings before depreciation, valuation adjustments, provisions, interest and taxes		8	-963
Depreciation/amortisation of property, plant and equipment and intangible assets	7	-330	-282
Valuation adjustments, provisions and losses	8	-410	701
Earnings before interest and taxes (EBIT)		-732	-544
Financial income	9	934	4,555
Financial expenses	9	-6,223	-590
Net result from continued operations before taxes		-6,021	3,421
Income taxes	10	-12	-86
Net result from continued operations		-6,033	3,335
Net result from discontinued operations, after taxes	22	-43	-49
Net result		-6,076	3,286
Net gain/(loss) attributable to shareholders of Valartis Group AG		-4,286	2,172
Net gain/(loss) attributable to non-controlling interests		-1,790	1,114
in CHF			
Earnings per share			
Undiluted earnings attributable to shareholders of Valartis Group AG		-1.12	0.50
Diluted earnings attributable to shareholders of Valartis Group AG		-1.12	0.50
Earnings per share – continued operations			
Undiluted earnings attributable to shareholders of Valartis Group AG		-1.11	0.51
Diluted earnings attributable to shareholders of Valartis Group AG		-1.11	0.51
Earnings per share – discontinued operations			
Undiluted earnings attributable to shareholders of Valartis Group AG		-0.01	-0.01
Diluted earnings attributable to shareholders of Valartis Group AG		-0.01	-0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Net gain/(loss) in the income statement	-6,076	3,286
Other comprehensive income which will be reclassified to the income statement		
Foreign exchange translation differences	-2,812	1,149
Other comprehensive income which will be reclassified to the income statement	-2,812	1,149
Other comprehensive income which will not be reclassified to the income statement		
Change in fair value of financial assets at fair value through OCI	-2,289	-373
Remeasurement of defined benefit pension plans	73	-269
Other comprehensive income which will not be reclassified to the income statement	-2,216	-642
Total other comprehensive income, after tax	-5,028	507
Total comprehensive income	-11,104	3,793
Allocation of total comprehensive income		
attributable to shareholders of Valartis Group AG	-8,254	2,136
attributable to non-controlling interests	-2,850	1,657

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

in CHF 1,000	Note	30.06.2020	31.12.2019
Cash and cash equivalents		9,234	7,472
Trading portfolio assets	11	20,649	27,657
Other financial assets at fair value		1,631	1,633
Due from third parties	12	22,894	21,373
Accrued and deferred assets		2,083	2,184
Total current assets		56,491	60,319
Financial assets at fair value through OCI	13	26,674	28,963
Property, plant and equipment		1,471	1,788
Investment property	14	35,773	41,147
Goodwill		1,843	2,134
Associated companies		27,556	27,537
Non-current receivables	15	4,458	4,718
Deferred tax assets		-	23
Total non-current assets		97,775	106,310
Total current and non-current assets		154,266	166,629
Non-current assets classified as held for sale	22	1,898	1,941
Total assets		156,164	168,570

LIABILITIES

in CHF 1,000	Note	30.06.2020	31.12.2019
Liabilities			
Accounts payable		594	609
Current financial liabilities	16	20,381	20,621
Current tax liabilities		806	809
Other current liabilities		4,177	4,546
Current provisions		41	52
Total current liabilities		25,999	26,637
Non-current financial liabilities	17	15,614	16,190
Liabilities from defined benefit pension plans		1,809	1,882
Deferred tax liabilities		28	22
Non-current provisions		127	148
Total non-current liabilities		17,578	18,242
Total liabilities		43,577	44,879
Shareholders' equity			
Share capital	18	4,769	4,769
Treasury shares	19	-12,106	-12,106
Reserves		99,160	103,446
Cumulated income from financial assets at fair value through OCI		9,759	12,048
Foreign exchange translation differences		-4,669	-2,917
Remeasurement of defined benefit pension plans		404	331
Shareholders' equity of the shareholders of Valartis Group AG		97,317	105,571
Non-controlling interests		15,270	18,120
Total shareholders' equity (including non-controlling interests)		112,587	123,691
Total liabilities and shareholders' equity		156,164	168,570

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2019 in CHF 1,000	Share capital	Treasury shares	Capital reserves	Retained earnings
Opening balance at 1 January 2019	5,000	-9,277	-5,804	111,555
Gains/(losses) from financial assets at fair value through OCI	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Remeasurement of defined benefit pension plans	-	-	-	-
Other comprehensive income	-	-	-	-
Net result	-	-	-	2,172
Comprehensive income	-	-	-	2,172
Dividend payments	-	-	-	-432
Change in treasury shares	-	-4,274	-	-
Share-based compensation	-	-	-	-
Transaction with non-controlling interests	-	-	-	-
Ownership-related changes	-	-4,274	-	-432
Total shareholders' equity at 30 June 2019	5,000	-13,551	-5,804	113,295
2020 in CHF 1,000				
Opening balance at 1 January 2020	4,769	-12,106	-5,804	109,250
Gains/(losses) from financial assets at fair value through OCI	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Remeasurement of defined benefit pension plans	-	-	-	-
Other comprehensive income	-	-	-	-
Net result	-	-	-	-4,286
Comprehensive income	-	-	-	-4,286
Dividend payments	-	-	-	-
Change in treasury shares	-	-	-	-
Share-based compensation	-	-	-	-
Transaction with non-controlling interests	-	-	-	-
Ownership-related changes	-	-	-	-
Total shareholders' equity at 30 June 2020	4,769	-12,106	-5,804	104,964

Net unrealised gains/losses on financial assets at fair value through OCI	Foreign exchange translation difference	Remeasurement defined benefit pension plans	Total equity shareholders of Valartis Group AG	Non-controlling interests	Foreign exchange effect on non-controlling interests	Total non-controlling interests	Total shareholders' equity
9,675	-3,697	920	108,372	17,615	-1,993	15,622	123,994
-373	-	-	-373	-	-	-	-373
-	606	-	606	-	543	543	1,149
-	-	-269	-269	-	-	-	-269
-373	606	-269	-36	-	543	543	507
-	-	-	2,172	1,114	-	1,114	3,286
-373	606	-269	2,136	1,114	543	1,657	3,793
-	-	-	-432	-	-	-	-432
-	-	-	-4,274	-	-	-	-4,274
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-4,706	-	-	-	-4,706
9,302	-3,091	651	105,802	18,729	-1,450	17,279	123,081
12,048	-2,917	331	105,571	19,589	-1,469	18,120	123,691
-2,289	-	-	-2,289	-	-	-	-2,289
-	-1,752	-	-1,752	-	-1,060	-1,060	-2,812
-	-	73	73	-	-	-	73
-2,289	-1,752	73	-3,968	-	-1,060	-1,060	-5,028
-	-	-	-4,286	-1,790	-	-1,790	-6,076
-2,289	-1,752	73	-8,254	-1,790	-1,060	-2,850	-11,104
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,759	-4,669	404	97,317	17,799	-2,529	15,270	112,587

CONSOLIDATED CASH FLOW STATEMENT

in CHF 1,000	30.06.2020	30.06.2019
Net result after taxes from continued operations	-6,033	3,335
Net result after taxes from discontinued operations	-43	-49
Net result	-6,076	3,286
Depreciation of property, plant and equipment	330	282
Share of results of associated companies	-148	157
Change in valuation adjustments and provisions	410	-701
Finance result, net	5,289	-3,965
Change in taxes	12	86
Other non-cash income and expenses	-2,033	2,527
Operating cash flow before changes in the working capital and taxes	-2,216	1,672
Due from third parties	-1,981	-453
Accrued and deferred assets	78	-110
Accounts payables	-2	-384
Other current liabilities	-399	-1,837
Taxes paid	22	-159
Cash flow from/(used in) operating activities	-4,498	-1,271
Trading portfolio assets (including derivative financial instruments)	7,421	6,876
(Increase)/decrease other financial assets at fair value	-	1
Non-current receivables	109	254
Interest and dividends received	795	815
Purchase of property, plant and equipment, investment property and intangible assets	-180	-186
Sale of property, plant and equipment, investment property and intangible assets	22	-
Acquisition of associated companies	-	-5,604
Cash flow from/(used in) investment activities	8,167	2,156

in CHF 1,000	30.06.2020	30.06.2019
Proceeds from/(repayments of) current financial liabilities	-28	-245
Proceeds from/(repayments of) non-current financial liabilities	-125	59
Interest paid	-440	-363
Dividends paid to shareholders of the Company	-	-432
Change in treasury shares	-	-4,272
Change in non-controlling interests	-1,314	859
Foreign exchange effect on banking loan for the investment property	-	2,284
Cash flow used in financing activities	-1,907	-2,110
Increase/(decrease) in cash and cash equivalents	1,762	-1,225
Position at 1 January	7,472	6,051
Position at 30 June	9,234	4,826
Cash	2	2
Due from banks at sight/callable	9,232	4,824
Total cash and cash equivalents	9,234	4,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF BUSINESS

Valartis Group's activities include financial services, real estate project management and equity investments. In financial services, Valartis Group concentrates on the comprehensive management of niche funds (investment satellites). In addition, Valartis Group provides corporate finance advisory services for listed and unlisted medium-sized companies. On the real estate side, Valartis Group combines the management of profitable commercial and residential properties with investments in promising development projects. In the case of participations, the focus is on equity participations as a shareholder. Valartis Group currently has offices in Switzerland (Fribourg, Geneva, Zurich), Luxembourg, Frankfurt am Main, Hamburg, Stuttgart, St. Petersburg and Moscow with 68.5 employees (full-time equivalents as of 30 June 2020). Valartis Group AG, headquartered in Fribourg, Canton Fribourg, Switzerland, is the parent company of the Group and its registered shares are listed on the SIX Swiss Exchange. Geographically, the Group operates in Switzerland, Europe and Russia.

ACCOUNTING PRINCIPLES

The consolidated financial statements of Valartis Group AG comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). This interim report complies with the requirements of IAS 34 Interim Financial Reporting. As it does not contain all the information and disclosures required in the annual report, this interim report should be read in conjunction with the audited consolidated financial statements of the Annual Report 2019.

The consolidated financial statements are presented in Swiss francs (CHF). The following exchange rates apply for the translation of major currencies:

	30.06.2020 Balance sheet date rate	1.1.–30.6.2020 Annual average rate	30.06.2019 Balance sheet date rate	1.1.–30.6.2019 Annual average rate
EUR	1.0679	1.0645	1.1093	1.1272
USD	0.9518	0.9638	0.9740	0.9971
RUB (100)	1.3470	1.3718	1.5440	1.5383

The half-year report is based on the individual financial statements of the Group companies prepared in accordance with uniform principles. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, with the

exception of the below amendments which have been applied as of 1 January 2020. All these amendments had no material impact on the Group's financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not effective, yet.

AMENDMENTS TO ACCOUNTING POLICIES

Definition of a Business (amendments to IFRS 3)

The amendments clarify whether a transaction should be accounted for as a business combination or as an asset acquisition.

Definition of Material (amendments to IAS 1 and IAS 8)

The amendments clarify the definition of "Material": Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information.

Other new standards and interpretations

The following new and revised standards and interpretations had no material impact on the financial statements of Valartis Group at the time of their first application or were of no significance to it:

– IFRS 9/IFRS 7/IAS 39 – Interest Rate Benchmark Reform.

Other change

In the past, the net gain or loss on trading portfolio assets as part of respectively financial income or expenses included the foreign exchange effect as of the balance sheet date. In order, to increase the level of details in the Note 9 – Financial result, as of the 30 June 2020, the net foreign exchange loss was reported on a separate line from the net loss on trading portfolio assets. The comparative information of the previous period for the Note 9 – Financial result has been adjusted. There were no changes for the income statement, statement of comprehensive income, statement of financial position, statement of change in equity and the cash flow statement. The change had no effect on the result, the earning per share, the total and individual shareholder's equity components of the previous reporting period.

CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in the current period of review

There were no changes in the scope of consolidation for the first half of 2020.

Changes in the prior period of review

There were no changes in the scope of consolidation for the prior period of review.

DISCONTINUED OPERATIONS

The share in the associated company Darsi Investment Ltd. is shown in the Consolidated Financial statements as discontinued operations (same as 31 December 2019).

ESTIMATES, ASSUMPTIONS AND EXERCISE OF DISCRETION BY MANAGEMENT

There have been no material changes in management's estimates, assumptions and judgements for the half-year financial statements as of 30 June 2020 compared with the period ended on 31 December 2019.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The 2020 half-year report was approved by the Board of Directors of Valartis Group AG on 20 August 2020.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

1. INCOME FROM MANAGEMENT SERVICES

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Revenue from management services	2,804	2,309
Revenue from management services	2,804	2,309

Income from management services comprises fees for the development and management of real estate projects, management

fees for administration and accounting services as well as investment fees for investment funds distributed abroad.

2. INCOME FROM INVESTMENT PROPERTY

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Rental income	1,949	1,906
Total income from investment property	1,949	1,906

The rental income from investment property refers to the Petrovsky Fort investment property. For more detail please refer to Note 14.

3. SHARE OF RESULTS OF ASSOCIATED COMPANIES

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Share in net profit	384	56
Impairment	-236	-213
Total	148	-157

4. OTHER INCOME

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Other income	297	470
Other expenses	-163	-87
Total other income	134	383

5. PERSONNEL EXPENSES

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Salaries and bonuses	-2,086	-2,012
Social security benefits	-336	-309
Contributions to occupational pension plans	-145	-140
Other personnel expenses	-389	-285
Total	-2,956	-2,746

6. GENERAL EXPENSES

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Occupancy expense ¹⁾	-116	-198
IT and information expenses	-141	-148
Consultancy, audit, corporate communication and representation expense	-897	-1,120
Land lease expenses of investment property	-	-100
Operating expenses of investment property	-519	-645
Investment property tax and non-recoverable VAT	-194	-175
Other general expenses	-204	-272
Total	-2,071	-2,658

1) Lease contracts with a term of less than 12 months

7. DEPRECIATION AND AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Depreciation office leases ¹⁾	-307	-261
Depreciation of property, plant and equipment	-23	21
Total	-330	-282

1) Related to right-of-use of office leases

8. VALUATION ADJUSTMENTS, PROVISIONS AND LOSSES

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Impairments	-439	-
Impairment reversals	29	701
Total	-410	701

9. FINANCIAL RESULT

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019 ¹⁾
Interest and dividend income from trading portfolios	609	1,038
Other interest income third parties	325	5
Total interest income	934	1,043
Net gain on trading portfolio assets ¹⁾	-	1,494
Net foreign exchange gain ¹⁾	-	2,018
Total financial income	934	4,555
Interest expenses for loans	-22	-293
Interest expenses on leasing liabilities	-102	-12
Interest expenses for financial liabilities due to banks	-316	-285
Total interest expenses	-440	-590
Net loss on trading portfolio assets ¹⁾	-1,520	-
Net foreign exchange loss ¹⁾	-4,263	-
Total financial expenses	-6,223	-590
Total financial result, net	-5,289	3,965

1) Previous period figures have been restated, see page 20 – Amendments to accounting policies, Other change.

10. INCOME TAXES

in CHF 1,000	1.1.–30.06.2020	1.1.–30.06.2019
Current income taxes	14	-68
Change in deferred taxes	-26	-18
Total income taxes	-12	-86
Income tax as disclosed in the consolidated income statement	-12	-86
Effective income taxes	-12	-86

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

11. TRADING PORTFOLIO ASSETS

in CHF 1,000	30.06.2020	31.12.2019
Debt instruments	13,323	20,063
Equity instruments	5,130	5,347
Investment fund units	2,196	2,247
Total trading portfolio assets	20,649	27,657

12. DUE FROM THIRD PARTIES

in CHF 1,000	30.06.2020	31.12.2019
Due from third parties and associated companies	32,110	30,526
Total due from third parties and associated companies gross	32,110	30,526
Valuation adjustments for default risk	-9,216	-9,153
Total due from third parties and associated companies net	22,894	21,373

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

in CHF 1,000	30.06.2020	31.12.2019
Equity instruments	26,674	28,963
Total financial assets at fair value through OCI	26,674	28,963

14 INVESTMENT PROPERTY

in CHF 1,000	Investment property building	Investment property financial leasing	Investment property under construction	Total
Carrying amount at 31 December 2018	31,604	1,577	438	33,619
Investments	414	-	49	463
Disposals	-37	-	-	-37
Fair value adjustments	3,729	-5	-	3,724
Foreign exchange translation differences	3,220	158	-	3,378
Carrying amount at 31 December 2019	38,930	1,730	487	41,147
Carrying amount at 31 December 2019	38,930	1,730	487	41,147
Investments	178	-	-	178
Disposals	-	-	-20	-20
Fair value adjustments	-	-	-	-
Foreign exchange translation differences	-5,297	-235	-	-5,532
Carrying amount at 30 June 2020	33,811	1,495	467	35,773

Valuation

Valartis Group, through its group company ENR Russia Invest SA (Group), holds the business centre Petrovsky Fort in St. Petersburg, Russia (real estate). The fair value of this investment property is determined by independent real estate valuation experts using recognised valuation techniques on an annual basis. For the 2020 half-year financial statements, the fair value of the real estate investment property was verified by a discounted cash flow calculation. As of 30 June 2020, the verification did not result in any change in the fair value of the property in RUB.

Based on the input parameters of the valuation method used, the measurement of fair value is categorised under level 3 instruments.

Investment property under construction

The investment property under construction is a parking garage project in Geneva, Switzerland.

15 NON-CURRENT RECEIVABLES

in CHF 1,000	30.06.2020	31.12.2019
Tax receivables	3	1
Other receivables	4,455	4,717
whereof escrow accounts	3,472	3,658
Total non-current receivables	4,458	4,718

The residual purchase price of approximately CHF 0.1 million (31 December 2019: CHF 0.2 million) owed by the buyer of Valartis Bank AG Switzerland and of approximately CHF 3.4 million (31 December 2019: CHF 3.5 million) from the sale of the investment in EPH European Property Holdings Ltd. are reported as escrow accounts.

The claim of CHF 0.1 million will be fully settled until October 2020. The receivable from the buyers of EPH European Property Holdings Ltd. relates to a third party. The development of this position has not affected Valartis Group since 2015.

16 CURRENT FINANCIAL LIABILITIES

in CHF 1,000	30.06.2020	31.12.2019
Due to banks	8,462	8,498
Other current liabilities	11,919	12,123
Current financial liabilities	20,381	20,621

Liabilities to banks include the principal repayment portion (CHF 0.4 million) of a loan of CHF 12.9 million (31 December 2019: CHF 13.3 million) from UniCreditbank to finance the Petrovsky Fort investment property. The remaining CHF 12.5 million are disclosed under Non-current financial liabilities (31 December 2019: CHF 12.9 million).

The loan from UniCreditbank has been financed in EUR until 31 December 2023 with an interest rate of 4 per cent plus 3-month EUR Libor per year. In addition, an amortisation of the principle by EUR 0.1 million will be done on a quarterly basis.

17. NON-CURRENT FINANCIAL LIABILITIES

in CHF 1,000	30.06.2020	31.12.2019
Leasing liabilities	2,710	3,298
Non-current financial liabilities	12,904	12,892
Total non-current financial liabilities	15,614	16,190

Non-current financial liabilities include the partial principal repayment due in more than one year (CHF 12.5 million) of a loan of CHF 12.9 million (31 December 2019: CHF 13.3 million)

from UniCredit Bank to finance the Petrovsky Fort investment property.

18. SHARE CAPITAL

in CHF	30.06.2020	31.12.2019
Share capital, fully paid-in	4,769,295	4,769,295
Number of registered shares	4,769,295	4,769,295
Nominal value per share	1	1
Equity per share (attributable to shareholders of Valartis Group AG, before appropriation of profit)	25.4	27.5

19. TREASURY SHARES

	Number of shares
Position at 31 December 2018	638,003
Purchases	
of which for the purpose of cancellation (at an average price of CHF 10.24 each)	525,580
of which for other purposes	-
Sales	-
Cancellation	-230,705
Position at 31 December 2019	932,878
Purchases	
of which for the purpose of cancellation	-
of which for other purposes	-
Sales	-
Cancellation	-
Position at 30 June 2020	932,878
of which for the purpose of cancellation	470,000
of which for other purposes	462,878
Historical cost value at 31 December 2019 in CHF	12,107,971
of which held for the purpose of cancellation	4,807,701
of which held for other purposes	7,300,270
Historical average rate at 31 December 2019 in CHF	
of which held for the purpose of cancellation	10.23
of which held for other purposes	15.77
Historical cost value at 30 June 2020 in CHF	12,107,971
of which held for the purpose of cancellation	4,807,701
of which held for other purposes	7,300,270
Historical average rate at 30 June 2020 in CHF	
of which held for the purpose of cancellation	10.23
of which held for other purposes	15.77

Share buyback programme 2019

At its meeting on 14 May 2019, the Annual General Meeting approved the repurchase of treasury shares up to a maximum of 470,000 shares. Based on this authorisation, the Board of Directors of Valartis Group AG decided to buy back the maximum in two stages.

As part of the share buyback offer submitted by the Board of Directors of Valartis Group AG on 28 May 2019 for a maximum of 359,000 registered shares at a fixed price of CHF 10.30 per registered share for the purpose of capital reduction (stage 1), Valartis was tendered a total of 432,966 registered shares during the offer period from 11 June 2019 to 25 June 2019. After the number of registered shares tendered exceeded the volume of the buyback offer, the registered shares were repurchased from the tendering shareholders on a pro rata basis, i.e. the tender was reduced on a pro rata basis to a maximum of 359,000 registered shares.

As part of the share buyback offer submitted by the Board of Directors of Valartis Group AG on 21 October 2019 for a maximum of 111,000 registered shares at a fixed price of CHF 10.00 per registered share for the purpose of capital reduction (stage 2), Valartis was tendered a total of 239,436 registered

shares during the offer period from 28 October 2019 to 8 November 2019. After the number of registered shares tendered exceeded the volume of the buyback offer, the registered shares were repurchased from the tendering shareholders on a pro rata basis, i.e. the tender was reduced on a pro rata basis to a maximum of 111,000 registered shares.

The Annual General Meeting on 19 May 2020 has approved a capital reduction by cancellation of the registered shares repurchased under the share buyback programme 2019 and the amendment to the Articles of Association (capital reduction) with regard to the actual number of repurchased shares. The capital reduction will be registered with the Commercial Register of the Canton of Fribourg, Switzerland, the registered office of the Company, in September 2020.

Share buyback programme 2020-2023

At its meeting on 19 May 2020, the Annual General Meeting authorised the repurchase of treasury shares up to a maximum of 340,000 shares until April 2023. As of 30 June 2020, the Board of Directors of Valartis Group AG has not yet decided to begin the buyback programme.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of Fair value

The following table shows the carrying amounts and fair values of financial assets and liabilities:

Fair value of financial instruments

in CHF 1,000	30.06.2020			31.12.2019		
	Book value	Fair value	Variation	Book value	Fair value	Variation
Assets						
Cash and cash equivalents	9,234	9,234	-	7,472	7,472	-
Due from third parties	22,894	22,894	-	21,373	21,373	-
Accrued and deferred assets	2,083	2,083	-	2,184	2,184	-
Non-current receivables	4,458	4,458	-	4,718	4,718	-
Financial assets at amortised costs	38,669	38,669	-	35,747	35,747	-
Trading portfolio assets	20,649	20,649	-	27,657	27,657	-
Derivative financial instruments	-	-	-	-	-	-
Other financial assets at fair value	1,631	1,631	-	1,633	1,633	-
Financial assets at fair value through OCI	26,674	26,674	-	28,963	28,963	-
Financial assets at fair value	48,954	48,954	-	58,253	58,253	-
Liabilities						
Trade payables	594	594	-	609	609	-
Current financial liabilities	20,381	20,381	-	20,621	20,621	-
Current income taxes	806	806	-	809	809	-
Other current liabilities	4,177	4,177	-	4,546	4,546	-
Non-current financial liabilities	15,614	15,614	-	16,190	16,190	-
Financial liabilities at amortised costs	41,572	41,572	-	42,775	42,775	-
Derivative financial instruments	-	-	-	-	-	-
Financial liabilities at fair value	-	-	-	-	-	-

Level 1 instruments

Level 1 instruments are those financial instruments whose fair value is based on quoted prices in active markets. This category comprises almost all equity and debt instruments held by the Group. Investment funds for which a binding net asset value is published at least daily, exchange-traded derivatives and precious metals are also categorised as level 1 instruments. Closing prices are used for the valuation of debt instruments in the trading book. In the case of equity instruments, listed investment funds and exchange-traded derivatives, the closing or settlement prices of the relevant exchanges are used. In the case of unlisted investment funds, the published net asset values are used. In the case of currencies and precious metals, generally accepted prices are applied. No valuation adjustments were made in the case of level 1 instruments.

Level 2 instruments

Level 2 instruments are financial instruments whose fair value is based on quoted prices in markets that are not active. The same categorisation is used where the fair value is determined using a valuation method where significant inputs are observable, either directly or indirectly. If no active market exists, the fair value is determined on the basis of generally accepted valuation methods. If all of the significant inputs are directly observable in the market, the instrument is deemed to be a level 2 instrument.

The valuation models take into account the published net asset values. The credit risk is only taken into account when market participants would take it into account when determining prices.

Level 3 instruments

If at least one significant input cannot be observed directly or indirectly in the market, the instrument is classified as a level 3 instrument. These essentially comprise equity instruments and/or investment funds for which a binding net asset value is not published at least quarterly. The fair value of these positions is based on the estimates of external experts or on audited financial statements. Where possible, the underlying assumptions are supported by observable market quotes.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

The following table shows the assets and financial liabilities measured at fair value, classified according to a fair value hierarchy of three levels:

2020 in CHF 1,000	Quoted market prices (level 1)	Valuation method based on market data (level 2)	Valuation method not based on market data (level 3)	30.06.2020
Assets				
Trading portfolio assets	15,084	-	5,565	20,649
Other financial assets at fair value	-	-	1,631	1,631
Financial assets at fair value through OCI	-	26,674	-	26,674
Investment property	-	-	35,773	35,773
Assets at fair value	15,084	26,674	42,969	84,727
Liabilities				
Total financial liabilities at fair value	-	-	-	-
2019				
in CHF 1,000	Quoted market prices (level 1)	Valuation method based on market data (level 2)	Valuation method not based on market data (level 3)	31.12.2019
Assets				
Trading portfolio assets	21,983	-	5,674	27,657
Derivative financial instruments	-	-	-	-
Other financial assets at fair value	-	-	1,633	1,633
Financial assets at fair value through OCI	-	28,963	-	28,963
Investment property	-	-	41,147	41,147
Assets at fair value	21,983	28,963	48,454	99,400
Liabilities				
Derivative financial instruments	-	-	-	-
Total financial liabilities at fair value	-	-	-	-

Movements of level 3 positions

2020 in CHF 1,000	1.1.2020	Recognised in the income statement	Net income recognised in OCI	Transfer from/(to) level 1 and level 2	Purchase	Sales	30.06.2020
Trading portfolio assets	5,674	-109	-	-	-	-	5,565
Financial assets at fair value through OCI	-	-	-	-	-	-	-
Other financial assets at fair value	1,633	-2	-	-	-	-	1,631
Investment property	41,147	-	-5,532	-	178	-20	35,773
Total assets at fair value (level 3)	48,454	-111	-5,532	-	178	-20	42,969
Derivative financial instruments	-	-	-	-	-	-	-
Total financial liabilities at fair value (level 3)	-	-	-	-	-	-	-
2019 in CHF 1,000	1.1.2019	Recognised in the income statement	Net income recognised in OCI	Transfer from/(to) level 1 and level 2	Purchase	Sales	31.12.2019
Trading portfolio assets	4,637	-224	-	-	1,266	-5	5,674
Financial assets at fair value through OCI	-	-	-	-	-	-	-
Other financial assets at fair value	1,635	-2	-	-	-	-	1,633
Investment property	33,619	3,724	3,378	-	463	-37	41,147
Total assets at fair value (level 3)	39,891	3,498	3,378	-	1,729	-42	48,454
Derivative financial instruments	-	-	-	-	-	-	-
Total financial liabilities at fair value (level 3)	-	-	-	-	-	-	-

Explanation of unobservable input parameters

The valuation of trading positions and financial assets at fair value through OCI classified as level 3 is based on the annual financial statements of the corresponding securities and individual transactions observable on the market.

“Other financial assets at fair value” includes the stake in Whitebox Services AG, acquired in 2017. Whitebox offers one of the first online financial services provider in Germany (BAFIN-regulated). Furthermore, it includes the existing contingent purchase price payment from the sale of EPH European Property Holdings Ltd. (EPH) of CHF 0.4 million (31 December 2019: CHF 0.4 million) in level 3.

The amount of this remaining purchase price receivable depends on the completion and sale of an EPH real estate project. The valuation of the remaining purchase price receivable is based on an estimate of the property project by an external independent expert and a supplementary management assessment.

An increase or decrease of 1 per cent in the base value used would result in an increase (or decrease) of the remaining purchase price receivable of CHF 3,000.

Significant, unobservable inputs in the evaluation of the investment property Petrovsky Fort	30.06.2020	31.12.2019
Fair value of Petrovsky Fort (investment property)		
in RUB	2,510,058,000	2,497,000,000
in CHF	33,811,000	38,930,000
Capitalisation rate for income capitalisation	10.75%	10.75%
Discount rate for discounted cash flow	14.25%	14.25%
Estimated Rental Value (ERV) per square metre in RUB	11,500	11,500

Investment property

For the half-year report, the value of the investment property was verified using a discounted cash flow calculation, while an independent expert assesses the value once a year as of 31 December. For the discounted cash flow calculation, the future

cashflows were estimated, including rental income observing variable components, assumptions on vacancy rates, value maintenance costs and assumptions for the discount rate and a possible sales value.

ADDITIONAL INFORMATION

21. BUSINESS SEGMENTS

In the current organisational structure, there is only one management level in the sense of a leading decision-maker (the Delegate of the Board of Directors). Valartis Group has only a single segment and, in accordance with IFRS 8, reporting is done only for one component of the Group.

The Group's external segment reporting is based on internal reporting. Valartis Group prepares a monthly management report containing the consolidated financial information for Executive Management

and quarterly for the Board of Directors. The same principles apply to the valuation as to the consolidated financial statements. Management reviews the consolidated financial information and uses it in its management decisions to implement the overall strategy.

Information on geographical areas by the domicile of the reporting unit is shown below. This geographic information does not reflect the Group's management structure:

in CHF 1,000	1.1.–30.06.2020			1.1.–30.06.2019		
	Domestic	Non-domestic	Total	Domestic	Non-domestic	Total
Operating income	741	4,294	5,035	902	3,539	4,441
Total assets	53,610	102,554	156,164	57,916	110,432	168,348

22. SALE OF SUBSIDIARIES AND DISCONTINUED OPERATIONS

Divestments in the first half of 2020

There were no divestment transactions in the first half of 2020.

Divestments in the first half of 2019

There were no divestment transactions in the first half of 2019.

Results from discontinued operations

In the first half 2020, as in the first half 2019, the only effect from discontinued operations was related to the foreign exchange effect of the non-current asset held for sale:

in CHF 1,000	1.1. – 30.06.2020		1.1. – 30.06.2019	
Income statement of discontinued operations	Darsi Group	Total	Darsi Group	Total
Operating income	-	-	-	-
Administrative expense	-	-	-	-
Gross income	-	-	-	-
Valuation adjustments, provisions and losses				
Impairment loss recognised on the revaluation to fair value less costs to disposal	-	-	-	-
	-	-	-	-
(Loss) from reclassification of cumulated foreign currency translation differences formerly booked in equity	-43	-43	-49	-49
Net profit/(loss) from discontinued operations before tax	-43	-43	-49	-49
Income taxes	-	-	-	-
Net profit/(loss) from discontinued operations	-43	-43	-49	-49
whereof (loss) from reclassification of cumulated foreign currency translation differences formerly booked in equity	-43	-43	-49	-49
whereof result of discontinued operations before reclassification of cumulated foreign currency differences	-	-	-	-
Other comprehensive income of discontinued operations	-	-	-	-
Foreign exchange translation difference		-		-
Total recognised in other comprehensive income	-	-	-	-
Cash flow from discontinued operations	-	-	-	-
From operating activities	-	-	-	-
From investment activities	-	-	-	-
From financing activities	-	-	-	-
Net cash flow	-	-	-	-

Results from discontinued operations

in CHF 1,000		30.06.2020		31.12.2019
Balance Sheet	Darsi Group		Darsi Group	
Associated companies	1,898	1,898	1,941	1,941
Total non-current assets classified as held for sale	1,898	1,898	1,941	1,941
Liabilities directly associated with the non-current assets classified as held for sale				
Total liabilities directly associated with the non-current assets classified as held for sale	-	-	-	-
Net assets/(liabilities)	1,898	1,898	1,941	1,941

23. EVENTS AFTER THE BALANCE SHEET DATE

None.

ADDRESSES AND IMPRINT

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Valartis Market Information

Stock exchange listing: SIX Swiss Exchange
Security symbol: VLRT
Reuters: VLRT.S
Bloomberg: VLRT SW
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