

HALF-YEAR REPORT
2021

KEY FIGURES

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Total operating income	6,038	5,035
Income from management services	3,246	2,804
Income from investment property	1,857	1,949
Share of results of associated companies	849	148
Other income	86	134
Administrative expense	-4,695	-5,027
Personnel expense	-2,618	-2,956
General expense	-2,077	-2,071
Earnings before depreciation, valuation adjustments, provisions, interest and taxes	1,343	8
Depreciation, valuation adjustments and provisions	-465	-740
Earnings before interest and taxes (EBIT)	878	-732
Finance result, net (financial income, financial expense, market value adjustment)	4,043	-5,289
Net result from continued operations before taxes	4,921	-6,021
Income taxes	-126	-12
Net result from continued operations	4,795	-6,033
Net result from discontinued operations	-	-43
Net result	4,795	-6,076
attributable to shareholders of Valartis Group AG	4,179	-4,286
attributable to non-controlling interests	616	-1,790
in CHF million	30.06.2021	31.12.2020
Total assets	174,775	172,708
Current assets	64,439	76,084
Non-current assets	110,336	96,624
Total liabilities	60,412	65,335
Current liabilities	19,192	24,632
Non-current liabilities	41,220	40,703
Total shareholders' equity (including non-controlling interests)	114,363	107,373
Equity capital quota, in per cent	65.4	62.2
Staff (full-time equivalents, FTE)	71.0	69.5
Closing price of VLRT share, in CHF	8.90	9.00
Equity of Shareholders per share, in CHF	25.44	23.94

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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 2021 is available online and in a pdf version (<https://www.valartisgroup.ch/en/#geschaeftsberichte>).

MANAGEMENT REPORT

BUSINESS PERFORMANCE AND ECONOMIC SITUATION OF VALARTIS

Business development was very positive in the first half year 2021. Valartis Group reported a half-year net gain of CHF 4.8 million (previous year: net loss of CHF 6.1 million) attributable to an increase of operational activities and improved market conditions in the context of the global economy recovery. Operating business developed above budget with operating income increased by 20 per cent and operating expenses lower by 7 per cent. The net finance result amounted to a gain of CHF 4.0 million mainly due to an improvement of the ruble exchange rate against the Swiss franc. The level of ruble/Swiss franc did not yet reach its level before the COVID-19 pandemic. As of 30 June 2021, Valartis Group employed a total of 71 full-time equivalent employees in operations (31 December 2020: 69.5 employees).

On the real estate advisory side, Valartis Group successfully supported the acquisition of the real estate and commercial company “Société de l’Hôtel des Trois Couronnes, à Vevey, SA” operating a prestigious hotel palace in a historical building located on the border of the lake of Geneva.

The ENR Group investment portfolio was positively impacted by higher valuations driven by ruble appreciation against the Swiss franc during the reporting period. On operational side, the business centre Petrovsky Fort’s overall occupancy rate decreased by 2 per cent during the first half year 2021. On investment side, the ongoing improvement programme has successfully opened a passage between the business centre and the next-door 550 rooms Hotel Saint Petersburg allowing further joint development initiatives and enhancing the attractiveness of the business centre for tenants. The Kaluga Flower Holding successfully completed the planned renovations of the facilities in the course of the first half 2021 and obtained a major banking funding facility. The greenhouse areas are now over 80 per cent in operation.

During the first half of 2021, EPH European Property Holdings Ltd focused on implementing the 2020 acquisitions into operations. The forward purchase of QBC 1,2 & 7, which was closed in December, added 38,700 square metres of lettable office space and 680 parking lots to the portfolio. In addition, the refurbishment project LASS 1 at Lassallestrasse 1 in Vienna is being closely monitored. The office property, originally built in 1993, will provide intelligent and future-oriented workspaces on nine floors with a total area of approx. 29,000 square metres. The refurbishment is expected to be completed in mid-2022.

The Valartis German Residential Health Care Fund invests in healthcare real estate assets focusing on silver generation and manages 14 properties in Germany. The Fund has not faced any negative impact resulting from the COVID-19 pandemic thanks to the protective measures taken by all the operators. In addition, the German government protects nursing home operators

against loss of revenues and higher costs related to necessary COVID-19 measures. As a result, rental income remained stable.

In June 2021, we were able to celebrate the roofing ceremony in our new nursing home development in Saxony which will be opened in the first half year 2022. The project comprising of more than 100 nursing home places and 5 barrier-free living apartments was taken over end of 2020. Furthermore, the fund successfully closed the acquisition of “Haus Saline”, an apartment house with ten low-barrier flats for assisted living. The property is adjacent to “Haus Anna am Park” and is being managed by the same operator.

Our associated company Norinvest Holding (Banque Cramer & Cie SA) benefitted from a promising business development in the wealth management sector and from further cost optimisation measures. In the shipping business, our partnerships with Briese Schiffahrt took advantage of the current market situation in global shipping which has developed favourably in step with the global economic recovery that started in the beginning of the fourth quarter 2020.

FINANCING SITUATION

The financial situation of Valartis Group was positively impacted by business and market conditions with high capitalisation level. Group shareholders’ equity amounts to CHF 114 million as at 30 June 2021 (31 December 2020: CHF 107 million). This corresponds to an equity ratio, i.e. total equity in per cent of balance sheet total, of 65.4 per cent (31 December 2020: 62.2 per cent). Equity increased comparing 30 June 2021 with 31 December 2020 thanks to three main favourable effects: the net gain for the 1st semester 2021, the foreign exchange translation differences and the gains from financial assets whose fair value adjustments are recognised through OCI.

During the first half year 2021, cash flow statement was influenced by additional investments made into Kaluga Flower Holding LLC by way of various loans (CHF 1.1 million). The divestment of short-term investments generated CHF 2.1 million of cash. Net cash and cash equivalents increased compared to the previous period from CHF 10.0 million at the end of 2020 to CHF 10.9 million by mid-2021. Trading portfolio assets, held for short-term cash management purposes, amount to CHF 13.8 million (31 December 2020: CHF 15.9 million).

BUSINESS DEVELOPMENT IN THE FIRST HALF OF 2021

Income statement

Valartis Group AG reported a net operating income of CHF 6.0 million in the first half-year 2021 compared to CHF 5.0 million for the first half of 2020. The EBITDA was a gain of CHF 1.3 million

versus a break-even situation for the first six months of previous year. The net gain for the first six months of 2021 amounts to CHF 4.8 million compared to the net loss for half-year 2020 of CHF 6.1 million. The net result for the first six months of 2021 was influenced by an increase in operating income, foreign exchange effect on the Investment property and investment portfolio and positive market development on investment portfolio. The COVID-19 pandemic continues its impact on economic conditions worldwide. Economic activity started to pick up in many economies, coupled with inflation growth. New challenges and uncertain economic activity and recovery remain with new outbreaks linked to more infectious variants of the virus despite measures taken to fight the pandemic.

Income from Management Services increased from CHF 2.8 million to CHF 3.2 million compared to the previous half-year due to additional special advisory and transaction mandates in 2021. 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 advisory fees for investment funds distributed abroad. Income from investment property 2021 (CHF 1.9 million) was 7 per cent higher than in the previous half-year in ruble term but in line in Swiss franc term (CHF 1.9 million).

The value of the Valartis Group stake in Norinvest Holding SA is higher by CHF 0.8 million than in the previous period due to a valuation adjustment thanks to the satisfactory result of Banque Cramer in 2020. Associated companies are accounted for using the equity method. Norinvest Holding SA published its financial figures after Valartis Group. Valartis Group estimated the 2020 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. 2021. Valartis Group's stake in Norinvest Holding SA remained at 30.0 per cent due to Norinvest owning some of its treasury shares.

Operating expenses fell by 7.0 per cent from CHF 5.0 million to CHF 4.7 million driven by personnel-related expenses reduction of 11 per cent (despite an increase in the number of personnel) all compared to the previous period. Personnel expenses remains the most important cost component. General expenses remained stable at CHF 2.1 million in comparison with the previous period. 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 0.1 million loss for the half-year 2021 (previous period: loss of CHF 0.4 million), are due, on one hand, to a value adjustment on an investment property under construction, and on the other hand, to the Russian ruble gaining 6 per cent in

value against the Swiss franc compared to 31 December 2020 resulting in an impairment reversal on a long-term investment asset.

Net finance result as of 30 June 2021 is significantly higher compared to the previous period: it amounts to a net gain of CHF 4.0 million for the first six months 2021, compared to a net loss of CHF 5.3 million for the first six months 2020. This change is mostly due to the currency development on loans and liabilities in foreign currencies which generated a gain of CHF 3.0 million as well as positive fair value adjustments on the trading portfolio and other financial assets held at fair value by CHF 0.7 million. In the reporting period, there were no major shift in the currency composition of the income statement compared with the end of 2020.

Balance sheet

Valartis Group reported equity of CHF 114 million as at 30 June 2021 in accordance with IFRS, CHF 7 million higher than at 31 December 2020 (CHF 107 million). The balance sheet continues to be very liquid. Over the reporting period, total assets increased by 1.2 per cent to CHF 175 million from CHF 173 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 Group. See also the note on segment reporting in Note 21.

OUTLOOK

Expected development of Valartis Group

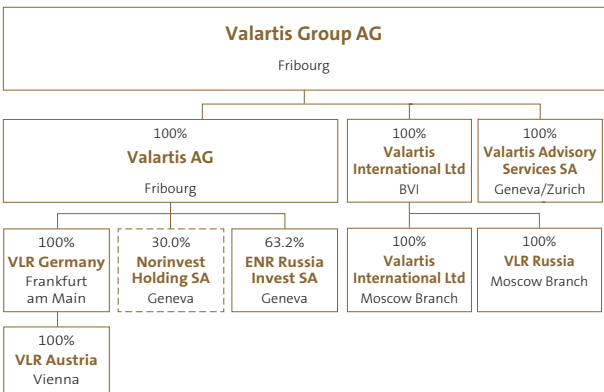
The focus for the front units Private Equity, Real Estate Project Management and Financial Services for 2021 continues to be the successful development of new profitable activities such as commercial real estate transaction support where Valartis Group has acquired prestigious credentials and on the further development of projects already underway with a continued focus on results together with the generation of recurring long-term income. Valartis Group continues to focus its market development, adapt its range of services to demand and strengthen relationships with its established clients. The Group structure will be geared to new circumstances and project implementations, new requirements and an expanded range of services. The activities of 2021 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) and Austria (Vienna) with 71.0 employees full-time equivalents as of 30 June 2021 (31 December 2020: 69.5 employees). Valartis Group AG, headquartered in Fribourg, Canton of 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 50.3 per cent of the capital and voting rights as of 30 June 2021 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 (formerly “EPH Eastern Property Holdings Limited”) is a stock corporation listed on the SIX Swiss Exchange. As a real estate investment and development company, EPH concentrates primarily on Russian and European commercial and residential property markets. In December 2020, Valartis Group acquired a 4.9 per cent stake in EPH. Valartis International Ltd, a company of Valartis Group, continues to be responsible for certain investment advisory, property management and administrative functions at EPH under a management contract.

Investment activities

The focus is on equity participations as an active shareholder. Valartis Group pursues a bottom-up approach and is constantly looking for investments for its own and its clients investment and property portfolio.

Elements of the traditional portfolio management process such as portfolio realisation and portfolio control are used to select investment opportunities. The disciplined implementation of these steps contributes to achieving the objective of a stringent profitability orientation with an appropriate risk/return ratio. One of the central challenges in putting together an 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 which involves both opportunities and risks.

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 Bern 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 in 2019, Valartis Group invested in three limited partnerships called Briese Schiffahrts GmbH & Co KG MS "Langeoog", Briese Schiffahrts GmbH & Co KG MS "Folmhusen" and Briese Schiffahrts GmbH & Co KG MS "Nesseborg", by way of contribution as a limited partner, a total of approximately CHF 7.2 million. All three companies operate Multi-Purpose Vessels and are based in Leer, Germany.

Athris AG (until August 2008 Jelmoli Beteiligungen AG), headquartered in Zug, Canton of Zug, Switzerland, is a Swiss investment company whose shares are traded on BX Swiss which is a Swiss regulated stock exchange under the supervision of FINMA. Valartis Group holds this investment as a financial category Assets 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 2021:

Organisation Chart



- 1 Business Development Committee
- 2 Compensation Committee

CONSOLIDATED INCOME STATEMENT

in CHF 1,000	Note	1.1.–30.06.2021	1.1.–30.06.2020
Income from management services	1	3,246	2,804
Income from investment property	2	1,857	1,949
Share of results of associated companies	3	849	148
Other income	4	86	134
Total operating income		6,038	5,035
Personnel expenses	5	-2,618	-2,956
General expenses	6	-2,077	-2,071
Administrative expenses		-4,695	-5,027
Earnings before depreciation, valuation adjustments, provisions, interest and taxes		1,343	8
Depreciation/amortisation of property, plant and equipment and intangible assets	7	-335	-330
Valuation adjustments, provisions and losses	8	-130	-410
Earnings before interest and taxes (EBIT)		878	-732
Financial income	9	4,580	934
Financial expenses	9	-537	-6,223
Net result from continued operations before taxes		4,921	-6,021
Income taxes	10	-126	-12
Net result from continued operations		4,795	-6,033
Net result from discontinued operations, after taxes		-	-43
Net result		4,795	-6,076
Net (loss)/gain attributable to shareholders of Valartis Group AG		4,179	-4,286
Net (loss)/gain attributable to non-controlling interests		616	-1,790
in CHF			
Earnings per share			
Undiluted earnings attributable to shareholders of Valartis Group AG		1.07	-1.12
Diluted earnings attributable to shareholders of Valartis Group AG		1.07	-1.12
Earnings per share – continued operations			
Undiluted earnings attributable to shareholders of Valartis Group AG		1.07	-1.11
Diluted earnings attributable to shareholders of Valartis Group AG		1.07	-1.11
Earnings per share – discontinued operations			
Undiluted earnings attributable to shareholders of Valartis Group AG		0.00	-0.01
Diluted earnings attributable to shareholders of Valartis Group AG		0.00	-0.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Net gain/(loss) in the income statement	4,795	-6,076
Other comprehensive income which will be reclassified to the income statement		
Foreign exchange translation differences	1,036	-2,812
Other comprehensive income which will be reclassified to the income statement	1,036	-2,812
Other comprehensive income which will not be reclassified to the income statement		
Change in fair value of financial assets at fair value through OCI	1,056	-2,289
Remeasurement of defined benefit pension plans	69	73
Other comprehensive income which will not be reclassified to the income statement	1,125	-2,216
Total other comprehensive income, after tax	2,161	-5,028
Total comprehensive income	6,956	-11,104
Allocation of total comprehensive income		
attributable to shareholders of Valartis Group AG	5,843	-8,254
attributable to non-controlling interests	1,113	-2,850

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

in CHF 1,000	Note	30.06.2021	31.12.2020
Cash and cash equivalents		10,864	10,022
Trading portfolio assets	11	13,794	15,851
Derivative financial instruments		4,993	5,143
Other financial assets at fair value		21,123	19,498
Due from third parties	12	11,517	23,356
Accrued and deferred assets		2,148	2,214
Total current assets		64,439	76,084
Financial assets at fair value through OCI	13	28,413	27,357
Property, plant, equipment and leases		830	1,152
Investment property	14	36,513	34,331
Goodwill		1,726	1,607
Associated companies		28,877	27,921
Non-current receivables	15	13,977	4,256
Total non-current assets		110,336	96,624
Total current and non-current assets		174,775	172,708
Non-current assets classified as held for sale		-	-
Total assets		174,775	172,708

LIABILITIES

in CHF 1,000	Note	30.06.2021	31.12.2020
Liabilities			
Accounts payable		533	640
Current financial liabilities	16	13,885	18,952
Derivative financial instruments		10	10
Current tax liabilities		792	771
Other current liabilities		3,950	4,189
Current provisions		22	70
Total current liabilities		19,192	24,632
Non-current financial liabilities	17	38,950	38,471
Liabilities from defined benefit pension plans		1,730	1,799
Deferred tax liabilities		496	393
Non-current provisions		44	40
Total non-current liabilities		41,220	40,703
Total liabilities		60,412	65,335
Shareholders' equity			
Share capital	18	4,299	4,299
Treasury shares	19	-6,525	-6,525
Reserves		94,498	90,319
Cumulated income from financial assets at fair value through OCI		11,499	10,443
Foreign exchange translation differences		-5,037	-5,576
Remeasurement of defined benefit pension plans		493	424
Shareholders' equity of the shareholders of Valartis Group AG		99,227	93,384
Non-controlling interests		15,136	13,989
Total shareholders' equity (including non-controlling interests)		114,363	107,373
Total liabilities and shareholders' equity		174,775	172,708

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2020 in CHF 1,000	Share capital	Treasury shares	Capital reserves	Retained earnings
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	-	-	-	-
Change in scope of consolidation	-	-	-	-
Transaction with non-controlling interests	-	-	-	-
Share capital reduction	-	-	-	-
Ownership-related changes	-	-	-	-
Total shareholders' equity at 30 June 2020	4,769	-12,106	-5,804	104,964
2021 in CHF 1,000				
Opening balance at 1 January 2021	4,299	-6,525	-5,804	96,123
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	-	-	-	4,179
Comprehensive income	-	-	-	4,179
Dividend payments	-	-	-	-
Change in treasury shares	-	-	-	-
Change in scope of consolidation	-	-	-	-
Transaction with non-controlling interests	-	-	-	-
Share capital reduction	-	-	-	-
Ownership-related changes	-	-	-	-
Total shareholders' equity at 30 June 2021	4,299	-6,525	-5,804	100,302

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
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
10,443	-5,576	424	93,384	17,534	-3,545	13,989	107,373
1,056	-	-	1,056	-	-	-	1,056
-	539	-	539	-	497	497	1,036
-	-	69	69	-	-	-	69
1,056	539	69	1,664	-	497	497	2,161
-	-	-	4,179	616	-	616	4,795
1,056	539	69	5,843	616	497	1,113	6,956
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	34	-	34	34
-	-	-	-	-	-	-	-
-	-	-	-	34	-	34	34
11,499	-5,037	493	99,227	18,184	-3,048	15,136	114,363

CONSOLIDATED CASH FLOW STATEMENT

in CHF 1,000	30.06.2021	30.06.2020
Net result after taxes from continued operations	4,795	-6,033
Net result after taxes from discontinued operations	-	-43
Net result	4,795	-6,076
Depreciation of property, plant and equipment	335	330
Value adjustment on investment property	487	-
Share of results of associated companies	-849	-148
(Gain)/loss from sale of participation	-11	-
Change in valuation adjustments and provisions	-406	410
Finance result, net	-4,043	5,289
Change in taxes	149	12
Other non-cash income and expenses	1,634	-2,033
Operating cash flow before changes in the working capital and taxes	2,091	-2,216
Due from third parties	3,751	-1,981
Accrued and deferred assets	-779	78
Accounts payables	-117	-2
Other current liabilities	-6,367	-399
Taxes paid	-63	22
Cash flow from/(used in) operating activities from continued operations	-1,484	-4,498
Cash flow from/(used in) operating activities from discontinued operations	-	-
Cash flow from/(used in) operating activities	-1,484	-4,498
Change in trading portfolio assets	2,102	7,421
Non-current receivables	-25	109
Interest and dividends received	230	795
Purchase of property, plant and equipment, investment property and intangible assets	-168	-180
Sale of property, plant and equipment, investment property and intangible assets	-	22
Sale of subsidiaries less attributable cash	-11	-
Cash flow from/(used in) investment activities	2,128	8,167

in CHF 1,000	30.06.2021	30.06.2020
Proceeds from/(repayments of) current financial liabilities	33	-28
Proceeds from/(repayments of) non-current financial liabilities	64	-125
Interest paid	-537	-440
Change in non-controlling interests	638	-1,314
Cash flow used in financing activities	198	-1,907
Increase/(decrease) in cash and cash equivalents	842	1,762
Position at 1 January	10,022	7,472
Position at 30 June	10,864	9,234
Cash	1	2
Due from banks on demand	10,863	9,232
Total cash and cash equivalents	10,864	9,234

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, Vienna, St. Petersburg and Moscow with 71.0 employees (full-time equivalents as of 30 June 2021). Valartis Group AG, headquartered in Fribourg, Canton of 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 2020.

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

	30.06.2021 Balance sheet date rate	1.1.–30.6.2021 Annual average rate	31.12.2020 Balance sheet date rate	1.1.–30.6.2020 Annual average rate
EUR	1.0970	1.0959	1.0822	1.0645
USD	0.9229	0.9113	0.8812	0.9638
RUB (100)	1.2610	1.2212	1.1740	1.3718

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 2020. 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

None.

CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in the current period of review

On the 1st June 2021, the Group sold 100 per cent of its stake in Valartis Immobilier AG, a dormant company, to MCG Holding SA, which is the main shareholder of Valartis Group.

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 2020) but has been fully impaired since as of 31 December 2020.

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 2021 compared with the period ended on 31 December 2020.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The 2021 half-year report was approved by the Board of Directors of Valartis Group AG on 25 August 2021.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

1. INCOME FROM MANAGEMENT SERVICES

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Revenue from management services	3,246	2,804
Revenue from management services	3,246	2,804

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 advisory fees for investment funds distributed abroad.

2. INCOME FROM INVESTMENT PROPERTY

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Rental income	1,857	1,949
Total income from investment property	1,857	1,949

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.–30.06.2021	1.1.–30.06.2020
Share in net profit	1,195	384
Impairments	-346	-236
Total	849	148

4. OTHER INCOME

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Other income	94	297
Other expenses	-8	-163
Total other income	86	134

5. PERSONNEL EXPENSES

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Salaries and bonuses	-1,949	-2,086
Social security benefits	-300	-336
Contributions to occupational pension plans	-121	-145
Other personnel expenses	-248	-389
Total	-2,618	-2,956

6. GENERAL EXPENSES

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Occupancy expense ¹⁾	-95	-116
IT and information expense	-117	-141
Consultancy, audit, corporate communication and representation expense	-1,100	-897
Operating expenses of investment property	-387	-519
Investment property tax and non-recoverable VAT	-207	-194
Other general expenses	-171	-204
Total	-2,077	-2,071

1) Lease contracts with a term of less than 12 months or with low value underlying asset.

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

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Depreciation office leases ¹⁾	-307	-307
Depreciation of property, plant and equipment	-28	-23
Total	-335	-330

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

8. VALUATION ADJUSTMENTS, PROVISIONS AND LOSSES

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Impairments	-	-439
Impairment reversals	357	29
Value adjustment on investment property	-487	-
Total	-130	-410

9. FINANCIAL RESULT

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Interest and dividend income from trading portfolio	382	609
Other interest income third parties	525	325
Total interest income	907	934
Net gain on trading portfolio assets	284	-
Net income from financial instruments measured at fair value through profit or loss	379	-
Net foreign exchange gain	3,010	-
Total financial income	4,580	934
Interest expenses for loans	-137	-22
Interest expenses on leasing liabilities	-87	-102
Interest expenses for financial liabilities due to banks	-313	-316
Total interest expenses	-537	-440
Net loss on trading portfolio assets	-	-1,520
Net foreign exchange loss	-	-4,263
Total financial expenses	-537	-6,223
Total financial result, net	4,043	-5,289

10. INCOME TAXES

in CHF 1,000	1.1.–30.06.2021	1.1.–30.06.2020
Current income taxes	-74	14
Change in deferred taxes	-52	-26
Total income taxes	-126	-12
Income tax as disclosed in the consolidated income statement	-126	-12
Effective income taxes	-126	-12

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

11. TRADING PORTFOLIO ASSETS

in CHF 1,000	30.06.2021	31.12.2020
Debt instruments	7,509	8,968
Equity instruments	4,035	4,663
Investment fund units	2,250	2,220
Total trading portfolio assets	13,794	15,851

12. DUE FROM THIRD PARTIES

in CHF 1,000	30.06.2021	31.12.2020
Due from third parties and associated companies	22,103	31,717
Total due from third parties and associated companies gross	22,103	31,717
Valuation adjustments for default risk	-10,586	-8,361
Total due from third parties and associated companies net	11,517	23,356

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

in CHF 1,000	30.06.2021	31.12.2020
Equity instruments	28,413	27,357
Total financial assets at fair value through OCI	28,413	27,357

14 INVESTMENT PROPERTY

in CHF 1,000	Investment property building	Investment property financial leasing	Investment property under construction	Total
Carrying amount at 31 December 2019	38,930	1,730	487	41,147
Investments	585	-	-	585
Transfer from property, plant and equipment	-	-	-	-
Disposals	-2	-	-	-2
Fair value adjustments	2,942	-4	-	2,938
Foreign exchange translation differences	-9,910	-427	-	-10,337
Carrying amount at 31 December 2020	32,545	1,299	487	34,331
Carrying amount at 31 December 2020	32,545	1,299	487	34,331
Investments	157	-	-	157
Transfer from property, plant and equipment	-	-	-	-
Disposals	-	-	-	-
Fair value adjustments	-	-	-487	-487
Foreign exchange translation differences	2,416	96	-	2,512
Carrying amount at 30 June 2021	35,118	1,395	-	36,513

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 2021 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 2021, 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 was a parking garage project in Geneva, Switzerland. As the project was rejected in the course of a referendum in March 2021, the investment in the project was fully impaired in the course of half year 2021.

15 NON-CURRENT RECEIVABLES

in CHF 1,000	30.06.2021	31.12.2020
Other receivables	13,977	4,256
whereof escrow accounts	3,297	3,272
Total non-current receivables	13,977	4,256

Other receivables include CHF 9.6 million promissory notes (loans) to Kaluga Flower Holding LLC. As of 31 December 2020, the loans (CHF 7.9 million) were presented under Due from third parties and were converted into promissory notes in the first half 2021 as part of the new bank financing facility to this entity. Other receivables also include CHF 3.3 million (31 December 2020: CHF 3.3 million) receivable from the buyers of EPH European Property Holdings as well as a claim of CHF 0.8 million (31 Dec-

ember 2020: CHF 0.8 million) for an investment under the agreement for the participation in shared construction together with contractual penalties related to a residential real estate development comprising of free standing multi-story apartment buildings in Zaytsevo in Odintsovsky district of south-west of Moscow. During 2021, the liquidation process of the project developer continued and the change compared to prior period is related to the development of the Russian ruble.

16 CURRENT FINANCIAL LIABILITIES

in CHF 1,000	30.06.2021	31.12.2020
Due to banks	7,501	7,449
Other current liabilities	6,384	11,503
Current financial liabilities	13,885	18,952

Liabilities to banks include the principal repayment portion (CHF 0.4 million) of a loan of CHF 12.8 million (31 December 2020: CHF 12.8 million) from UniCreditbank to finance the Petrovsky Fort investment property. The remaining CHF 12.4 million are disclosed under Non-current financial liabilities (31 December 2020: CHF 12.4 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	30.06.2021	31.12.2020
Leasing liabilities	1,995	2,254
Non-current financial liabilities	36,955	36,217
Total non-current financial liabilities	38,950	38,471

Non-current financial liabilities include the partial principal repayment due in more than one year (CHF 12.4 million) of a loan of CHF 12.8 million (31 December 2020: CHF 12.8 million)

from UniCredit Bank to finance the Petrovsky Fort investment property as well as an investment facility long term loan of CHF 24.1 million (31 December 2020: CHF 23.4 million).

18. SHARE CAPITAL

in CHF	30.06.2021	31.12.2020
Share capital, fully paid-in	4,299,295	4,299,295
Number of registered shares	4,299,295	4,299,295
Nominal value per share	1	1
Equity per share (attributable to shareholders of Valartis Group AG, before appropriation of profit)	25.4	23.9

19. TREASURY SHARES

	Number of shares
Position at 1 January 2020	932,878
Purchases	-
of which for the purpose of cancellation	-
of which for other purposes	-
Sales	-
Long Term Incentive Programme (LTI) (at an average price of CHF 8.50 each)	-64,500
Cancellation	-470,000
Position at 31 December 2020	398,378
Purchases	-
of which for the purpose of cancellation	-
of which for other purposes	-
Sales	-
Long Term Incentive Programme (LTI)	-
Cancellation	-
Position at 30 June 2021	398,378
of which for the purpose of cancellation	-
of which for other purposes	398,378
Historical cost value at 31 December 2020 in CHF	6,283,009
of which held for the purpose of cancellation	-
of which held for other purposes	6,283,009
Historical average rate at 31 December 2020 in CHF	-
of which held for the purpose of cancellation	-
of which held for other purposes	15.77
Historical cost value at 30 June 2021 in CHF	6,283,009
of which held for the purpose of cancellation	-
of which held for other purposes	6,283,009
Historical average rate at 30 June 2021 in CHF	-
of which held for the purpose of cancellation	-
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.

The share buyback took place within two stages in 2019 where Valartis Group repurchased 470,000 registered shares on a pro rata basis out of tendered 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 has been filled in October 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 2021, the Board of Directors of Valartis Group AG has not yet decided to begin the share 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	30.06.2021			31.12.2020		
	Book value	Fair value	Variation	Book value	Fair value	Variation
Assets						
Cash and cash equivalents	10,864	10,864	-	10,022	10,022	-
Due from third parties	11,517	11,517	-	23,356	23,356	-
Accrued and deferred assets	2,148	2,148	-	2,214	2,214	-
Non-current receivables	13,977	13,977	-	4,256	4,256	-
Financial assets at amortised costs	38,506	38,506	-	39,848	39,848	-
Trading portfolio assets	13,794	13,794	-	15,851	15,851	-
Derivative financial instruments	4,993	4,993	-	5,143	5,143	-
Other financial assets at fair value	21,123	21,123	-	19,498	19,498	-
Financial assets at fair value through OCI	28,413	28,413	-	27,357	27,357	-
Financial assets at fair value	68,323	68,323	-	67,849	67,849	-
Liabilities						
Accounts payables	533	533	-	640	640	-
Current financial liabilities	13,885	13,885	-	18,952	18,952	-
Current income taxes	792	792	-	771	771	-
Other current liabilities	3,950	3,950	-	4,189	4,189	-
Non-current financial liabilities	38,950	38,950	-	38,471	38,471	-
Financial liabilities at amortised costs	58,110	58,110	-	63,023	63,023	-
Derivative financial instruments	10	10	-	10	10	-
Financial liabilities at fair value	10	10	-	10	10	-

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. This category essentially comprises forex and interest-rate derivatives as well as illiquid debt instruments and investment funds for which a binding net asset value is not published on a daily basis. If no active market exists, the fair value is determined based on generally accepted valuation methods. If all the significant inputs are directly observable in the market, the instrument is deemed to be a level 2 instrument.

The valuation models consider the relevant input such as the contract specifications, market price of the underlying asset, the foreign exchange rate, the corresponding yield curve, default risks, and volatility. The valuation of interest rate instruments for which

no quoted prices exist is carried out using generally recognised methods. For the valuation of OTC derivatives, generally recognised option pricing models and quoted prices in markets that are not active are used. In the case of investment funds, the published net asset values are used. The credit risk is only considered 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 or investment funds for which a binding net asset value is not pub-

lished 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 reassessing 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:

2021 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)	30.06.2021
Assets				
Trading portfolio assets	8,278	-	5,516	13,794
Derivative financial instruments	-	-	4,993	4,993
Other financial assets at fair value	19,134	-	1,989	21,123
Financial assets at fair value through OCI	-	28,413	-	28,413
Investment property	-	-	36,513	36,513
Assets at fair value	27,412	28,413	49,011	104,836
Liabilities				
Derivative financial instruments	-	-	10	10
Total financial liabilities at fair value	-	-	10	10
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)	31.12.2020
Assets				
Trading portfolio assets	10,511	-	5,340	15,851
Derivative financial instruments	-	-	5,143	5,143
Other financial assets at fair value	17,894	-	1,604	19,498
Financial assets at fair value through OCI	-	27,357	-	27,357
Investment property	-	-	34,331	34,331
Assets at fair value	28,405	27,357	46,418	102,180
Liabilities				
Derivative financial instruments	-	-	10	10
Total financial liabilities at fair value	-	-	10	10

Movements of level-3 positions

2021 in CHF 1,000	1.1.2021	Recognised in the income statement	Net income recognised in OCI	Transfer from/(to) level 1 and level 2	Purchase	Sales	30.06.2021
Trading portfolio assets	5,340	176	-	-	-	-	5,516
Derivative financial instruments	5,143	-150	-	-	-	-	4,993
Financial assets at fair value through OCI	-	-	-	-	-	-	-
Other financial assets at fair value	1,604	385	-	-	-	-	1,989
Investment property	34,331	-487	2,512	-	157	-	36,513
Total assets at fair value (level 3)	46,418	-76	2,512	-	157	-	49,011
Derivative financial instruments	10	-	-	-	-	-	10
Total financial liabilities at fair value (level 3)	10	-	-	-	-	-	10
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	31.12.2020
Trading portfolio assets	5,674	-334	-	-	-	-	5,340
Derivative financial instruments	-	5,143	-	-	-	-	5,143
Financial assets at fair value through OCI	-	-	-	-	-	-	-
Other financial assets at fair value	1,633	-29	-	-	-	-	1,604
Investment property	41,147	2,938	-10,337	-	585	-2	34,331
Total assets at fair value (level 3)	48,454	7,718	-10,337	-	585	-2	46,418
Derivative financial instruments	-	10	-	-	-	-	10
Total financial liabilities at fair value (level 3)	-	10	-	-	-	-	10

Explanation of unobservable input parameters

Other financial assets at fair value includes the stake in Whitebox Services AG. The company 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 European Property Holdings Ltd. (EPH) of CHF 0.4 million (31 December 2020: 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	30.06.2021	31.12.2020
Fair value of Petrovsky Fort (investment property)		
in RUB	2,784,851,000	2,772,000,000
in CHF	35,118,000	32,545,000
Capitalisation rate for income capitalisation	10.25%	10.25%
Discount rate for discounted cash flow	13.50%	13.50%
Estimated Rental Value (ERV) per square metre in RUB	12,600	12,600

Investment property

For the half-year 2021, 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.–30.06.2021			1.1.–30.06.2020		
	Domestic	Non-domestic	Total	Domestic	Non-domestic	Total
Operating income	1,593	4,445	6,038	741	4,294	5,035
Non-current assets other than financial instruments	21,804	46,142	67,946	21,456	45,188	66,644
Total assets	52,376	122,399	174,775	53,610	102,554	156,164

22. SALE OF SUBSIDIARIES AND DISCONTINUED OPERATIONS

Divestments in the first half of 2021

On the 1st June 2021, the Group sold 100 per cent of its stake in Valartis Immobilier AG, a dormant company, to MCG Holding SA, which is the main shareholder of Valartis Group. Until then Valartis Immobilier had neither any operational activity nor hold

any kind of investment. The sale price of KCHF 83 represented the book value of the company as per the latest audited financial statements i.e. 31st December 2020.

in CHF 1,000	01.06.2021
Balance sheet at closing date	Valartis Immobilier AG
Assets	
Cash and cash equivalents	94
Accrued and deferred assets	1,000
Total assets	1,094
Liabilities	
Current financial liabilities	1,020
Other current liabilities	2
Total liabilities	1,022
Disposal of net assets	72
Sales price	83
Sales price in cash and cash equivalents	83
Gain from sale of subsidiary before currency translation differences	11
Transfer of cumulated foreign currency translation difference from equity of Valartis Group to income statement	-
Gain from sale of subsidiary	11
Sales price received in cash and cash equivalents	83
Cash and cash equivalents disposed of	-94
Net inflow of funds	-11

Divestments in the first half of 2020

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

Results from discontinued operations

The remaining investment in Darsi Investment Ltd had been fully impaired in 2020 and there was no further result from discontinued operations in the first half 2021. In first half 2020, the only

effect from discontinued operations was related to the foreign exchange effect of the non-current asset held for sale.

23. EVENTS AFTER THE BALANCE SHEET DATE

None.

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Valartis Market Information

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