

MEDIA RELEASE

Ad Hoc announcement pursuant to Art. 53 LR

26 August 2021

Valartis Group AG – Consolidated financial statements for first half-year 2021

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. The net operating income was CHF 6.0 million in the first half-year 2021 compared to CHF 5.0 million for the first half of 2020 and 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.

Business development

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).

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.

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.

Outlook

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.

The Half-year Report is available in pdf-form under www.valartisgroup.ch under Investor Relations (www.valartisgroup.ch/wp-content/uploads/2021/08/HYR_2021_Valartis_Group_en.pdf).

Agenda

Annual Report 2021	5 April 2022
Annual General Meeting 2022	17 May 2022

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Valartis Group

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

www.valartisgroup.ch