

HALF-YEAR REPORT  
**2023**

## KEY FIGURES

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
<b>Total operating income</b>	<b>6,175</b>	<b>11,056</b>
Income from management services	1,948	2,585
Income from investment property	1,984	2,269
Share of results of associated companies	2,132	6,096
Other income	111	106
<b>Administrative expense</b>	<b>-4,173</b>	<b>-4,562</b>
Personnel expense	-2,474	-2,712
General expense	-1,699	-1,850
<b>Earnings before depreciation, valuation adjustments, provisions, interest and taxes</b>	<b>2,002</b>	<b>6,494</b>
Depreciation, valuation adjustments and provisions	-120	-3,001
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,882</b>	<b>3,493</b>
Finance result, net (financial income, financial expense, market value adjustment)	-6,419	13,699
<b>Net result from continued operations before taxes</b>	<b>-4,537</b>	<b>17,192</b>
Income taxes	-50	182
<b>Net result from continued operations</b>	<b>-4,587</b>	<b>17,374</b>
<b>Net result from discontinued operations</b>	<b>-</b>	<b>436</b>
<b>Net result</b>	<b>-4,587</b>	<b>17,810</b>
attributable to shareholders of Valartis Group AG	-2,345	12,892
attributable to non-controlling interests	-2,242	4,918
in CHF 1,000	30.06.2023	31.12.2022
<b>Total assets</b>	<b>143,401</b>	<b>204,295</b>
Current assets	42,064	44,149
Non-current assets	101,337	160,146
Non-current assets classified as held for sale	-	-
<b>Total liabilities</b>	<b>46,541</b>	<b>78,254</b>
Current liabilities	20,270	20,633
Non-current liabilities	26,271	57,621
<b>Total shareholders' equity (including non-controlling interests)</b>	<b>96,860</b>	<b>126,041</b>
Equity capital quota, in per cent	67.5	61.7
Staff (full-time equivalents, FTE)	38.0	67.0
Closing price of VLRT share, in CHF	13.85	18.00
Equity of Shareholders per share, in CHF	29.94	27.60

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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.



# MANAGEMENT REPORT

## BUSINESS PERFORMANCE AND ECONOMIC SITUATION OF VALARTIS

The first half of 2023 was characterised by a challenging environment. Valartis Group reported a half-year net loss of CHF 4.6 million (previous half-year: net gain of CHF 17.8 million) primarily attributable to the impact of the ruble exchange rate against Swiss franc, which adversely affected the investments held by ENR giving a negative net finance result of CHF 6.4 million for Valartis. The operating income decreased due mainly to lower contribution of associated companies compared to the previous year, while administrative expenses shrank by 9 per cent. However, the half-year EBITDA amounted to a profit of CHF 2.0 million.

During the first semester 2023, Valartis Group acquired 27.3 per cent of its own shares held by one of its large shareholders. As a consideration for the Valartis shares, the Group has delivered a significant portion of its holdings in Athris AG thereby realising a gain of CHF 6.9 million. In accordance with IFRS, the gain on the sale has been recognised over the entire period of ownership rather than being recorded as a one-time gain at the date of disposal. This fact is reflected within the Consolidated statement of change in equity where the realised gain is transferred to retained earnings. The share buyback transaction was approved by the Annual General Meeting of 16 May 2023. The acquired shares were subsequently cancelled in June 2023 reducing the number of outstanding shares in the Valartis Group to 3,126,295 as of 30 June 2023 from 4,299,295 as of 31 December 2022.

The ENR Group investment portfolio was impacted by the ruble depreciation by 18.9 per cent against the Swiss Franc during the first half year 2023 whereas local business operations continue to operate normally. Kaluga Flower Holding locally produces flowers substitute of imported flowers. Its greenhouses are at full capacity utilisation with 25.1 hectares in productive use. Flower growing, cutting and sales remain solid. At the Petrovsky Fort business centre in Saint- Petersburg, the 1,000 square metres area under refurbishment to create a new value added co-working rentable space is progressing well. Due to sanctions, the Russian operating environment was impacted by import and export restrictions, import substitution, new regional and international sourcing and distribution routes, capital controls, and a lower growth environment.

The associated company Norinvest Holding (Banque Cramer & Cie SA) continues its recurrent profitable niche banking business with a positive first semester 2023 benefitting from the higher interest rate environment and on the shipping side, the multi-purpose vessel (MPP) market are showing reduced but still very profitable daily rates, with growing demand for versatile and efficient ships that can handle multiple cargo types. Thanks to their flexibility, our joint-venture companies remained highly

profitable despite the normalisation of daily charter rates. The Group and its partner has also initiated to diversify its investment in that sector in ordering a new container ship that will be delivered during the second half 2023.

In the first half year 2023, EPH European Property Holdings PLC ("EPH"), successfully disposed its entire Russian portfolio. This transaction closed in April 2023, contributes to the strategic realignment of the company. From now on, Valartis Group will continue to provide real estate advisory and management services exclusively to the remaining European portfolio of EPH. Consequently Valartis Group has restructured its local subsidiaries and reduced its operations in Russia. All third party advisory business outside the mandate from ENR have ceased with most employees in Moscow having been reassigned.

As of 30 June 2023, Valartis Group employed a total of 38 full-time equivalent employees in operations (31 December 2022: 67 employees).

## FINANCING SITUATION

The consolidated shareholders' equity amounts to CHF 97 million as at 30 June 2023 (31 December 2022: CHF 126 million). This corresponds to an equity ratio, i.e. total equity in per cent of balance sheet total, of 67.5 per cent (31 December 2022: 61.7 per cent). Equity decreased comparing 30 June 2023 with 31 December 2022 mainly because of the realised share buyback transaction and the subsequent capital reduction in addition to the net loss for the first semester 2023.

During the first half year 2023, the net cash from operating activities amounted to CHF 1.7 million. Investment activities cash flow was mainly influenced by the early reimbursement of a EUR 30.5 million promissory note by EPH. The group used part of the cash flow from investment activities to reimburse external funding which was reflected in the cash flow from financing activities. Net cash and cash equivalents decreased compared to the previous period from CHF 8.3 million at the end of 2022 to CHF 6.7 million by mid-2023. Trading portfolio assets, held for short-term cash management purposes, amounted to CHF 8.8 million (31 December 2022: CHF 8.6 million).

## BUSINESS DEVELOPMENT IN THE FIRST HALF OF 2023

### Income statement

Valartis Group AG reported a total operating income of CHF 6.2 million in the first half-year 2023 compared to CHF 11.1 million for the first half of 2022. The EBITDA was a gain of CHF 2.0 million versus a gain of CHF 6.5 million for the first six months of previous year. The net result for the first six months of 2023 was a loss of CHF 4.6 million compared to the net gain for half-year 2022 of CHF 17.8 million. The net result for the first six months of 2023 was mainly influenced by lower contribution of associated companies compared to the previous year comparative period and adverse foreign exchange effect on the Investment property and the receivables denominated in ruble.

Income from Management Services decreased from CHF 2.6 million to CHF 1.9 million compared to the previous half-year reflecting the absence of major one-off transaction fees as well as the restructuring of the Group local subsidiaries serving former EPH Russian assets. However, management fees related to recurring services remained stable.

Income from investment property, CHF 2.0 million compared to CHF 2.3 million during the previous half-year, was almost exclusively impacted by foreign exchange effect as the income remained stable in base currency.

The result of associated companies, a gain of CHF 2.1 million compared to a gain of CHF 6.1 during the previous half-year was driven by the Valartis Group stake in Norinvest Holding SA, which is higher by CHF 1.3 million than in the previous period thanks to the satisfactory result of Banque Cramer and an income of CHF 0.8 million was generated by our multi-purpose vessels, which faced a normalisation of time charter rates.

Operating expenses fell by 9 per cent from CHF 4.6 million to CHF 4.2 million driven mainly by the restructuring of some Russian subsidiaries, which allowed the Group to streamline operations and optimise costs.

Net finance result as of 30 June 2023 is significantly lower compared to the previous period: it amounts to a net loss of CHF 6.4 million compared to a net gain of CHF 13.7 million for the first six months 2022. The financial expenses set at CHF 8.1 million included a foreign exchange loss of CHF 7.4 million mainly in relation to the ruble denominated assets held by ENR, i.e. the investment property and the loans to associated companies. One positive effect was the revaluation of marketable securities held by the Group, i.e. a net gain of CHF 0.8 million compared to a loss of CHF 2.9 million in the previous comparable period.

### Balance sheet

Valartis Group reported equity of CHF 97 million as at 30 June 2023 in accordance with IFRS, CHF 29 million lower than at 31 December 2022 (CHF 126 million). Over the reporting period, total assets decreased by 30 per cent to CHF 143 million from CHF 204 million. This decrease to the 31 December 2022 is mainly due to the reimbursement of EUR 30 million promissory notes from EPH European Property Holdings, the disposal of CHF 21 million value Athris as proceed for the acquisition of treasury shares, as well as the depreciation of the ruble value against the Swiss franc which impacted the value of the investment property and loans granted mainly to the flower business company.

## EXTRAORDINARY EVENTS

### Significant events after the balance sheet date

There were no significant events after the balance sheet date.

### Segment reporting

Valartis Group has only one single segment and reporting is in accordance with IFRS 8 for the single component of the Group.

## OUTLOOK

### Expected development of Valartis Group

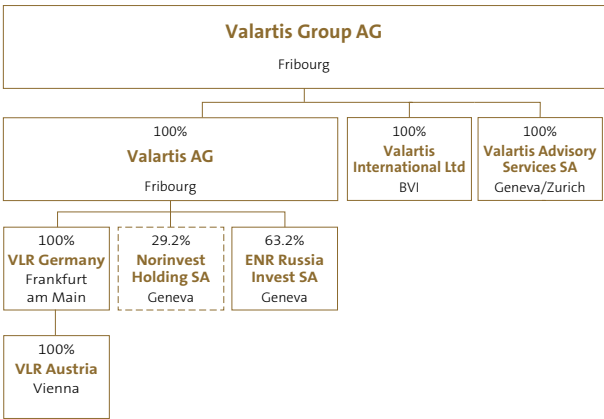
The Group's strategy remains focused on creating value through its investments in Private Equity, Real Estate Project Management, and Financial Services. In an evolving market environment, we continue to adapt our approach to ensure the long-term success of our business. This includes developing new initiatives and advancing ongoing projects to meet the changing needs of our clients and stakeholders. In response to the ongoing conflict in Ukraine, we have already taken steps to mitigate any potential risks to our business and have adapted our operations to the new reality. We have also been able to leverage our diversified portfolio and strong risk management practices to navigate the challenges posed by inflation and the rise of interest rates. Despite these challenges, we remain committed to our strategy and are confident that our proactive approach will enable us to continue delivering value to our stakeholders. Our experience and expertise in navigating complex environments have allowed us to identify opportunities and capitalise on them, and we are well-positioned to continue to do so in the future.

# 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 and Switzerland. 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 and Stuttgart) and Austria (Vienna) with 38 employees full-time equivalents as of 30 June 2023 (31 December 2022: 67 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). Geographically, the Group has business activities in Switzerland, Europe and Russia.

### Valartis Group – Operational Structure



### Selected business activities in detail

#### Real estate projects

ENR is an investment company listed on the SIX Swiss Exchange and a member of the Swiss Association of Investment Companies. Since 1996. It has been investing in private equity, listed shares, real estate and non-current income instruments of Russian companies and companies from other states of the Commonwealth of Independent States and the Baltic States. ENR has an investment property in St. Petersburg, Russia, being the business centre Petrovsky Fort. This is a class B+ office and retail property, completed in 2003, located in the centre of St. Petersburg with a total net rental area of approximately 21,000 square metres. ENR also owns 50 per cent of a parking garage located very centrally on Moscow’s Turgenevskaya Square. The underground car park offers spaces for approximately 290 cars on 6 underground floors. Via a wholly owned subsidiary, ENR acquired in 2019 a 50 per cent interest in a 27.4-hectare greenhouse and engineering facility for flower growing in the Kaluga Oblast in Russia.

EPH European Property Holdings PLC is a stock corporation listed on the SIX Swiss Exchange. As a real estate investment and development company, EPH concentrates primarily on the European commercial and residential property markets. Valartis Group holds a 4.9 per cent stake in EPH. Valartis International Ltd, a company of Valartis Group, is 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 through the merger of Valartis Bank AG and Banque Cramer & Cie SA. This stake has been raised to 29.2 per cent in 2022 following Norinvest capital reduction.

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.

Since 2019, Valartis Group invested in two limited partnerships called Briese Schiffahrts GmbH & Co KG MS "Folmhusen" and Briese Schiffahrts GmbH & Co KG MS "Nesseborg", who each owned a mid-size multipurpose vessel. In 2021, the Group has further invested in a new joint venture called Briese Schiffahrts GmbH & Co KG MS "Marz". The latter is investing in a new mid-size container cargo vessel which will be delivered during the second half year 2023.

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 2023 and Diana Stenbolt was appointed as a new Board of Directors member:

### Organisational chart



Valartis Group employs a total of 38 people (full-time equivalent).





# CONSOLIDATED INCOME STATEMENT

in CHF 1,000	Note	1.1.–30.06.2023	1.1.–30.06.2022
Income from management services	1	1,948	2,585
Income from investment property	2	1,984	2,269
Share of results of associated companies	3	2,132	6,096
Other income	4	111	106
<b>Total operating income</b>		<b>6,175</b>	<b>11,056</b>
Personnel expenses	5	-2,474	-2,712
General expenses	6	-1,699	-1,850
<b>Administrative expenses</b>		<b>-4,173</b>	<b>-4,562</b>
<b>Earnings before depreciation, valuation adjustments, provisions, interest and taxes</b>		<b>2,002</b>	<b>6,494</b>
Depreciation/amortisation of property, plant and equipment and intangible assets	7	-266	-324
Valuation adjustments, provisions and losses	8	146	-2,677
<b>Earnings before interest and taxes (EBIT)</b>		<b>1,882</b>	<b>3,493</b>
Financial income	9	1,687	17,465
Financial expenses	9	-8,106	-3,766
<b>Net result from continued operations before taxes</b>		<b>-4,537</b>	<b>17,192</b>
Income taxes	10	-50	182
<b>Net result from continued operations</b>		<b>-4,587</b>	<b>17,374</b>
Net result from discontinued operations, after taxes	22	-	436
<b>Net result</b>		<b>-4,587</b>	<b>17,810</b>
Net (loss)/gain attributable to shareholders of Valartis Group AG		-2,345	12,892
Net (loss)/gain attributable to non-controlling interests		-2,242	4,918
in CHF			
<b>Earnings per share</b>			
Undiluted earnings attributable to shareholders of Valartis Group AG		-0.62	3.27
Diluted earnings attributable to shareholders of Valartis Group AG		-0.62	3.27
<b>Earnings per share – continued operations</b>			
Undiluted earnings attributable to shareholders of Valartis Group AG		-0.62	3.16
Diluted earnings attributable to shareholders of Valartis Group AG		-0.62	3.16
<b>Earnings per share – discontinued operations</b>			
Undiluted earnings attributable to shareholders of Valartis Group AG		0.00	0.11
Diluted earnings attributable to shareholders of Valartis Group AG		0.00	0.11

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
<b>Net result in the income statement</b>	<b>-4,587</b>	<b>17,810</b>
<b>Other comprehensive income which will be reclassified to the income statement</b>		
Foreign exchange translation differences	-3,189	6,536
<b>Other comprehensive income which will be reclassified to the income statement</b>	<b>-3,189</b>	<b>6,536</b>
<b>Other comprehensive income which will not be reclassified to the income statement</b>		
Change in fair value of financial assets at fair value through OCI <sup>1)</sup>	-484	-1,663
Remeasurement of defined benefit pension plans <sup>2)</sup>	-241	712
Associated companies – attributable comprehensive income	-	-
<b>Other comprehensive income which will not be reclassified to the income statement</b>	<b>-725</b>	<b>-951</b>
<b>Total other comprehensive income, after tax</b>	<b>-3,914</b>	<b>5,585</b>
<b>Total comprehensive income</b>	<b>-8,501</b>	<b>23,395</b>
Allocation of total comprehensive income		
attributable to shareholders of Valartis Group AG	-5,058	15,722
attributable to non-controlling interests	-3,443	7,673

1) The tax effect on change in fair value of financial assets at fair value through OCI is CHF 0 (previous year: tax effect CHF 0).

2) The tax effect on the remeasurement for defined benefit pension plans is CHF 0 (previous year: tax effect CHF 0).

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## ASSETS

in CHF 1,000	Note	30.06.2023	31.12.2022
Cash and cash equivalents		6,718	8,275
Trading portfolio assets	11	8,767	8,614
Derivative financial instruments		4,694	3,180
Other financial assets at fair value		20,322	22,417
Due from third parties	12	933	1,039
Accrued and deferred assets		630	624
<b>Total current assets</b>		<b>42,064</b>	<b>44,149</b>
Financial assets at fair value through OCI	13	8,603	29,766
Property, plant, equipment and leases		721	1,262
Investment property	14	30,060	36,719
Goodwill		1,404	1,731
Associated companies		40,193	38,379
Non-current receivables	15	20,356	52,289
<b>Total non-current assets</b>		<b>101,337</b>	<b>160,146</b>
<b>Total current and non-current assets</b>		<b>143,401</b>	<b>204,295</b>
Non-current assets classified as held for sale		-	-
<b>Total assets</b>		<b>143,401</b>	<b>204,295</b>

## LIABILITIES

in CHF 1,000	Note	30.06.2023	31.12.2022
<b>Liabilities</b>			
Accounts payable		701	482
Current financial liabilities	16	15,712	15,956
Derivative financial instruments		272	27
Current tax liabilities		156	147
Other current liabilities		3,429	4,021
<b>Total current liabilities</b>		<b>20,270</b>	<b>20,633</b>
Non-current financial liabilities	17	25,560	57,118
Liabilities from defined benefit pension plans		385	144
Deferred tax liabilities		324	356
Non-current provisions		2	3
<b>Total non-current liabilities</b>		<b>26,271</b>	<b>57,621</b>
<b>Total liabilities</b>		<b>46,541</b>	<b>78,254</b>
<b>Shareholders' equity</b>			
Share capital	18	3,126	4,299
Treasury shares	19	-4,542	-4,542
Reserves		87,391	102,365
Cumulated income from financial assets at fair value through OCI		5,490	12,852
Foreign exchange translation differences		-8,151	-6,163
Remeasurement of defined benefit pension plans		1,669	1,910
<b>Shareholders' equity of the shareholders of Valartis Group AG</b>		<b>84,983</b>	<b>110,721</b>
Non-controlling interests		11,877	15,320
<b>Total shareholders' equity (including non-controlling interests)</b>		<b>96,860</b>	<b>126,041</b>
<b>Total liabilities and shareholders' equity</b>		<b>143,401</b>	<b>204,295</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<b>2022</b> in CHF 1,000	Share capital	Treasury shares	Capital reserves	Retained earnings
<b>Opening balance at 1 January 2022</b>	<b>4,299</b>	<b>-5,584</b>	<b>-5,804</b>	<b>100,905</b>
Gains/(losses) from financial assets at fair value through OCI	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Remeasurement of defined benefit pension plans	-	-	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net result	-	-	-	12,892
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,892</b>
Dividend payments	-	-	-	-
Purchase of treasury shares	-	-	-	-
Transaction with non-controlling interests	-	-	-	-
<b>Ownership-related changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholders' equity at 30 June 2022</b>	<b>4,299</b>	<b>-5,584</b>	<b>-5,804</b>	<b>113,797</b>
<b>2023</b> in CHF 1,000				
<b>Opening balance at 1 January 2023</b>	<b>4,299</b>	<b>-4,542</b>	<b>-5,597</b>	<b>107,962</b>
Gains/(losses) from financial assets at fair value through OCI	-	-	-	6,878
Foreign exchange translation differences	-	-	-	-
Remeasurement of defined benefit pension plans	-	-	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,878</b>
Net result	-	-	-	-2,345
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,533</b>
Dividend payments	-	-	-	-
Purchase of treasury shares	-	-20,680	-	-
Transaction with non-controlling interests	-	-	-	-
Share capital reduction	-1,173	20,680	-	-19,507
<b>Ownership-related changes</b>	<b>-1,173</b>	<b>-</b>	<b>-</b>	<b>-19,507</b>
<b>Total shareholders' equity at 30 June 2023</b>	<b>3,126</b>	<b>-4,542</b>	<b>-5,597</b>	<b>92,988</b>

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
<b>13,187</b>	<b>-5,768</b>	<b>1,050</b>	<b>102,285</b>	<b>18,279</b>	<b>-3,284</b>	<b>14,995</b>	<b>117,280</b>
-1,663	-	-	-1,663	-	-	-	-1,663
-	3,781	-	3,781	-	2,755	2,755	6,536
-	-	712	712	-	-	-	712
<b>-1,663</b>	<b>3,781</b>	<b>712</b>	<b>2,830</b>	<b>-</b>	<b>2,755</b>	<b>2,755</b>	<b>5,585</b>
-	-	-	12,892	4,918	-	4,918	17,810
<b>-1,663</b>	<b>3,781</b>	<b>712</b>	<b>15,722</b>	<b>4,918</b>	<b>2,755</b>	<b>7,673</b>	<b>23,395</b>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>11,524</b>	<b>-1,987</b>	<b>1,762</b>	<b>118,007</b>	<b>23,197</b>	<b>-529</b>	<b>22,668</b>	<b>140,675</b>
<b>12,852</b>	<b>-6,163</b>	<b>1,910</b>	<b>110,721</b>	<b>18,343</b>	<b>-3,023</b>	<b>15,320</b>	<b>126,041</b>
-7,362	-	-	-484	-	-	-	-484
-	-1,988	-	-1,988	-	-1,201	-1,201	-3,189
-	-	-241	-241	-	-	-	-241
<b>-7,362</b>	<b>-1,988</b>	<b>-241</b>	<b>-2,713</b>	<b>-</b>	<b>-1,201</b>	<b>-1,201</b>	<b>-3,914</b>
-	-	-	-2,345	-2,242	-	-2,242	-4,587
<b>-7,362</b>	<b>-1,988</b>	<b>-241</b>	<b>-5,058</b>	<b>-2,242</b>	<b>-1,201</b>	<b>-3,443</b>	<b>-8,501</b>
-	-	-	-	-	-	-	-
-	-	-	-20,680	-	-	-	-20,680
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-20,680	-	-	-	-20,680
<b>5,490</b>	<b>-8,151</b>	<b>1,669</b>	<b>84,983</b>	<b>16,101</b>	<b>-4,224</b>	<b>11,877</b>	<b>96,860</b>

# CONSOLIDATED CASH FLOW STATEMENT

in CHF 1,000	30.06.2023	30.06.2022
Net result after taxes from continued operations	-4,587	17,374
Net result after taxes from discontinued operations	-	436
<b>Net result</b>	<b>-4,587</b>	<b>17,810</b>
Depreciation of property, plant and equipment	266	324
Value adjustment on investment property	-52	1,702
Share of results of associated companies	-2,132	-6,096
Change in valuation adjustments and provisions	-94	975
Finance result, net	6,419	-13,700
Change in taxes	50	-180
Other non-cash income and expenses	2,261	-3,214
<b>Operating cash flow before changes in the working capital and taxes</b>	<b>2,131</b>	<b>-2,379</b>
Due from third parties	119	-296
Accrued and deferred assets	-15	-94
Accounts payables	233	36
Other current liabilities	-728	165
Taxes paid	-	-47
<b>Cash flow from/(used in) operating activities from continued operations</b>	<b>1,740</b>	<b>-2,615</b>
Cash flow from/(used in) operating activities from discontinued operations	-	-
<b>Cash flow from/(used in) operating activities</b>	<b>1,740</b>	<b>-2,615</b>
Change in trading portfolio assets	478	-1,624
Non-current receivables	29,438	-30,515
Interest and dividends received	406	229
Purchase of property, plant and equipment, investment property and intangible assets	-267	-181
Sale of property, plant and equipment, investment property and intangible assets	275	-9
Acquisition of associated companies	-1,247	-
Dividend income from associated companies	1,368	4,585
<b>Cash flow from/(used in) investment activities</b>	<b>30,451</b>	<b>-27,515</b>



in CHF 1,000	30.06.2023	30.06.2022
(Repayments of) / proceeds from current financial liabilities	-1	-100
(Repayments of) / proceeds from non-current financial liabilities	-31,250	31,749
Interest paid	-663	-458
Change in non-controlling interests	-1,717	3,422
<b>Cash flow (used in) / from financing activities</b>	<b>-33,631</b>	<b>34,613</b>
Effect of foreign exchange translation differences on cash and cash equivalents (including non-controlling interests)	-117	378
<b>Decrease / (Increase) in cash and cash equivalents</b>	<b>-1,557</b>	<b>4,861</b>
Position at 1 January	8,275	7,493
Position at 30 June	6,718	12,354
Cash	1	1
Due from banks on demand	6,717	12,353
Total cash and cash equivalents	6,718	12,354





# 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, Stuttgart, Vienna, St. Petersburg and Moscow with 38 employees (full-time equivalents as of 30 June 2023). 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 2022.

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

	30.06.2023	1.1.–30.6.2023	31.12.2022	1.1.–30.6.2022
	Balance sheet date rate	Annual average rate	Balance sheet date rate	Annual average rate
EUR/CHF	0.9767	0.9882	0.9839	1.0258
USD/CHF	0.9011	0.9149	0.9233	0.9442
CHF/RUB	97.47	85.65	79.05	75.78

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 2022. 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

No amendments or new standards have been applied as of 1<sup>st</sup> January 2023.

## CHANGES IN THE SCOPE OF CONSOLIDATION

### Changes in the current period of review

Since the 27<sup>th</sup> June 2023, the Group entity Valartis M LLC has been liquidated and removed from the scope of Group consolidation accordingly.

### Changes in the prior period of review

Since the 10<sup>th</sup> February 2022, the Group entity Vaba1 Holding GmbH in liquidation has been dissolved and removed from the scope of Group consolidation accordingly.

## 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 2022) but is fully impaired.

## 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 2023 compared with the period ended on 31 December 2022.

## APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The 2023 half-year report was approved by the Board of Directors of Valartis Group AG on 23 August 2023.

# NOTES TO THE CONSOLIDATED INCOME STATEMENT

## 1. INCOME FROM MANAGEMENT SERVICES

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
Revenue from management services	1,948	2,585
<b>Revenue from management services</b>	<b>1,948</b>	<b>2,585</b>

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.–30.06.2023	1.1.–30.06.2022
Rental income	1,984	2,269
<b>Total income from investment property</b>	<b>1,984</b>	<b>2,269</b>

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.–30.06.2023	1.1.–30.06.2022
Share in net profit	2,132	6,096
Impairments	-	-
<b>Total</b>	<b>2,132</b>	<b>6,096</b>

## 4. OTHER INCOME

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
Other income	112	112
Other expenses	-1	-6
<b>Total other income</b>	<b>111</b>	<b>106</b>

## 5. PERSONNEL EXPENSES

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
Salaries and bonuses	-1,852	-2,052
Social security benefits	-287	-328
Contributions to occupational pension plans	-129	-125
Other personnel expenses	-206	-207
<b>Total</b>	<b>-2,474</b>	<b>-2,712</b>

## 6. GENERAL EXPENSES

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
Occupancy expense <sup>1)</sup>	-82	-129
IT and information expense	-128	-165
Consultancy, audit, corporate communication and representation expense	-706	-676
Operating expenses of investment property	-446	-492
Investment property tax and non-recoverable VAT	-197	-261
Other general expenses	-140	-127
<b>Total</b>	<b>-1,699</b>	<b>-1,850</b>

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.–30.06.2023	1.1.–30.06.2022
Depreciation office leases <sup>1)</sup>	-245	-300
Depreciation of property, plant and equipment	-21	-24
<b>Total</b>	<b>-266</b>	<b>-324</b>

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

## 8. VALUATION ADJUSTMENTS, PROVISIONS AND LOSSES

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
Impairments	-	-976
Impairment reversals	94	1
Value adjustment on investment property	52	-1,702
Change in provisions	-	-
<b>Total</b>	<b>146</b>	<b>-2,677</b>

## 9. FINANCIAL RESULT

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
Interest and dividend income from trading portfolios	293	193
Other interest income	644	913
<b>Total interest and dividend income</b>	<b>937</b>	<b>1,106</b>
Net gain on trading portfolio assets	750	-
Net foreign exchange gain	-	16,359
<b>Total financial income</b>	<b>1,687</b>	<b>17,465</b>
Interest expenses for loans	-149	-381
Interest expenses on leasing liabilities	-82	-157
Interest expenses for financial liabilities due to banks	-432	-314
<b>Total interest expenses</b>	<b>-663</b>	<b>-852</b>
Net loss on trading portfolio assets	-	-2,914
Net foreign exchange loss	-7,443	-
<b>Total financial expenses</b>	<b>-8,106</b>	<b>-3,766</b>
<b>Total financial result, net</b>	<b>-6,419</b>	<b>13,699</b>

## 10. INCOME TAXES

in CHF 1,000	1.1.–30.06.2023	1.1.–30.06.2022
Current income taxes	-9	-42
Change in deferred taxes	-41	224
<b>Total income taxes</b>	<b>-50</b>	<b>182</b>
Income tax as disclosed in the consolidated income statement	-50	182
<b>Effective income taxes</b>	<b>-50</b>	<b>182</b>



# NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 11. TRADING PORTFOLIO ASSETS

in CHF 1,000	30.06.2023	31.12.2022
Debt instruments	4,279	5,161
Equity instruments	2,543	1,481
Investment fund units	1,945	1,972
<b>Total trading portfolio assets</b>	<b>8,767</b>	<b>8,614</b>

## 12. DUE FROM THIRD PARTIES

in CHF 1,000	30.06.2023	31.12.2022
Due from third parties and associated companies	5,322	5,533
<b>Total due from third parties and associated companies gross</b>	<b>5,322</b>	<b>5,533</b>
Valuation adjustments for default risk	-4,389	-4,494
<b>Total due from third parties and associated companies net</b>	<b>933</b>	<b>1,039</b>

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

in CHF 1,000	30.06.2023	31.12.2022
Equity instruments	8,603	29,766
<b>Total financial assets at fair value through OCI</b>	<b>8,603</b>	<b>29,766</b>

## 14 INVESTMENT PROPERTY

in CHF 1,000	Investment property building	Investment property financial leasing	Total
Carrying amount at 31 December 2021	34,853	1,342	36,195
Investments	894	-	894
Transfer from property, plant and equipment	-	-	-
Disposals	-	-	-
Fair value adjustments	-1,867	-15	-1,882
Foreign exchange translation differences	1,458	54	1,512
<b>Carrying amount at 31 December 2022</b>	<b>35,338</b>	<b>1,381</b>	<b>36,719</b>
Carrying amount at 31 December 2022	35,338	1,381	36,719
Investments	265	-	265
Transfer from property, plant and equipment	-	-	-
Disposals	-	-	-
Fair value adjustments	49	3	52
Foreign exchange translation differences	-6,714	-262	-6,976
<b>Carrying amount at 30 June 2023</b>	<b>28,938</b>	<b>1,122</b>	<b>30,060</b>

### Valuation

Valartis Group, through one of its subsidiaries, holds the business centre real estate Petrovsky Fort in St. Petersburg, Russia. The fair value of real estate investment property is determined by independent real estate valuation experts using recognised valuation techniques on an annual basis. Based on the input parameters of the valuation method used, the measurement of fair value is categorised under level 3 instruments.

As of 30 June 2023, the fair value was determined internally using the same valuation techniques as per year end. The value increased by CHF 0.1 million on ruble basis (30 June 2022: decrease by CHF 1.8 million). This effect has been offset in 2023 due to the adverse development of the ruble currency rate against the CHF with an effect of CHF 7.0 million.

## 15 NON-CURRENT RECEIVABLES

in CHF 1,000	30.06.2023	31.12.2022
<b>Total non-current receivables gross</b>	<b>25,377</b>	<b>57,667</b>
Valuation adjustments for default risk	-5,021	-5,378
<b>Total non-current receivables net</b>	<b>20,356</b>	<b>52,289</b>

Non-current receivables mainly CHF 10.6 million promissory notes (loans) to Kaluga Flower Holding LLC (31 December 2022: CHF 12.6 million) as well as due from the associated companies Inkonika LLC and Société des Carrières SA.

The promissory note to EPH European Property Holding PLC, CHF 29.5 million as of 31 December 2022, has been reimbursed before its maturity date.

## 16 CURRENT FINANCIAL LIABILITIES

in CHF 1,000	30.06.2023	31.12.2022
Due to banks	15,618	15,881
Other current liabilities	94	75
<b>Current financial liabilities</b>	<b>15,712</b>	<b>15,956</b>

Due to banks include a bank loan of CHF 10.6 million (31 December 2022: CHF 10.9 million) to finance the Petrovsky Fort investment property.

## 17. NON-CURRENT FINANCIAL LIABILITIES

in CHF 1,000	30.06.2023	31.12.2022
Leasing liabilities	1,674	2,457
Non-current financial liabilities	23,886	54,661
<b>Total non-current financial liabilities</b>	<b>25,560</b>	<b>57,118</b>

Non-current financial liabilities mainly include a long term investment facility loan of CHF 23.6 million (31 December 2022: CHF 54.3 million). During the first half 2023, the Group has pro-

ceeded with an early redemption of one of its facility loan before term (31 December 2022: CHF 30.2 million).

## 18. SHARE CAPITAL

in CHF	30.06.2023	31.12.2022
Share capital, fully paid-in	3,126,295	4,299,295
Number of registered shares	3,126,295	4,299,295
Nominal value per share	1	1
Equity per share (attributable to shareholders of Valartis Group AG, before appropriation of profit)	29.9	27.6

### Share buyback and capital reduction

During the Ordinary General Meeting held on 16 May 2023, the shareholders approved the buyback of 1,173,000 Valartis Group shares for cancellation purpose, which took place subsequently. The ordinary share capital reduction has been filed in June 2023.

## 19. TREASURY SHARES

	Number of shares
<b>Position at 1 January 2022</b>	<b>353,978</b>
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 17.00 each)	-66,000
Cancellation	
<b>Position at 31 December 2022</b>	<b>287,978</b>
Purchases	
of which for the purpose of cancellation (at an average price of CHF 17.63 each)	1,173,000
of which for other purposes	-
Sales	-
Long Term Incentive Programme (LTI)	-
Cancellation	-1,173,000
<b>Position at 30 June 2023</b>	<b>287,978</b>
of which for the purpose of cancellation	-
of which for other purposes	287,978
Historical cost value at 31 December 2022 in CHF	4,541,838
of which held for the purpose of cancellation	-
of which held for other purposes	4,541,838
Historical average rate at 31 December 2022 in CHF	
of which held for the purpose of cancellation	-
of which held for other purposes	15.77
Historical cost value at 30 June 2023 in CHF	4,541,838
of which held for the purpose of cancellation	-
of which held for other purposes	4,541,838
Historical average rate at 30 June 2023 in CHF	
of which held for the purpose of cancellation	-
of which held for other purposes	15.77

## 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	30.06.2023			31.12.2022		
	Book value	Fair value	Variation	Book value	Fair value	Variation
<b>Assets</b>						
Cash and cash equivalents	6,718	6,718	-	8,275	8,275	-
Due from third parties	933	933	-	1,039	1,039	-
Accrued and deferred assets	630	630	-	624	624	-
Non-current receivables	20,356	20,356	-	52,289	52,289	-
<b>Financial assets at amortised costs</b>	<b>28,637</b>	<b>28,637</b>	<b>-</b>	<b>62,227</b>	<b>62,227</b>	<b>-</b>
Trading portfolio assets	8,767	8,767	-	8,614	8,614	-
Derivative financial instruments	4,694	4,694	-	3,180	3,180	-
Other financial assets at fair value	20,322	20,322	-	22,417	22,417	-
Financial assets at fair value through OCI	8,603	8,603	-	29,766	29,766	-
<b>Financial assets at fair value</b>	<b>42,386</b>	<b>42,386</b>	<b>-</b>	<b>63,977</b>	<b>63,977</b>	<b>-</b>
<b>Liabilities</b>						
Accounts payable	701	701	-	482	482	-
Current financial liabilities	15,712	15,712	-	15,956	15,956	-
Current tax liabilities	156	156	-	147	147	-
Other current liabilities	3,429	3,429	-	4,021	4,021	-
Non-current financial liabilities	25,560	25,560	-	57,118	57,118	-
<b>Financial liabilities at amortised costs</b>	<b>45,558</b>	<b>45,558</b>	<b>-</b>	<b>77,724</b>	<b>77,724</b>	<b>-</b>
Derivative financial instruments	272	272	-	27	27	-
<b>Financial liabilities at fair value</b>	<b>272</b>	<b>272</b>	<b>-</b>	<b>27</b>	<b>27</b>	<b>-</b>

#### 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:

2023 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)	30.06.2023
<b>Assets</b>				
Trading portfolio assets	6,688	134	1,945	8,767
Derivative financial instruments	-	-	4,694	4,694
Other financial assets at fair value	18,861	-	1,461	20,322
Financial assets at fair value through OCI	-	8,603	-	8,603
Investment property	-	-	30,060	30,060
<b>Assets at fair value</b>	<b>25,549</b>	<b>8,737</b>	<b>38,160</b>	<b>72,446</b>
<b>Liabilities</b>				
Derivative financial instruments	-	272	-	272
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>272</b>	<b>-</b>	<b>272</b>
<b>2022</b>				
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)	31.12.2022
<b>Assets</b>				
Trading portfolio assets	6,592	50	1,972	8,614
Derivative financial instruments	-	-	3,180	3,180
Other financial assets at fair value	20,956	-	1,461	22,417
Financial assets at fair value through OCI	-	29,766	-	29,766
Investment property	-	-	36,719	36,719
<b>Assets at fair value</b>	<b>27,548</b>	<b>29,816</b>	<b>43,332</b>	<b>100,696</b>
<b>Liabilities</b>				
Derivative financial instruments	-	27	-	27
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>27</b>

### Movements of level-3 positions

<b>2023</b>	1.1.2023	Recognised	Net income	Transfer	Purchase	Sales	30.06.2023
in CHF 1,000		in the	recognised in	from/(to)			
		income	OCI	level 1 and			
		statement		level 2			
Trading portfolio assets	1,972	-16	-	-		-11	1,945
Derivative financial instruments	3,180	1,514	-	-	-	-	4,694
Financial assets at fair value through OCI	-	-	-	-	-	-	-
Other financial assets at fair value	1,461	-	-	-	-	-	1,461
Investment property	36,719	52	-6,976	-	265	-	30,060
<b>Total assets at fair value (level 3)</b>	<b>43,332</b>	<b>1,550</b>	<b>-6,976</b>	<b>-</b>	<b>265</b>	<b>-11</b>	<b>38,160</b>
Derivative financial instruments	-	-	-	-	-	-	-
<b>Total financial liabilities at fair value (level 3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2022</b>	1.1.2022	Recognised	Net income	Transfer	Purchase	Sales	31.12.2022
in CHF 1,000		in the	recognised in	from/(to)			
		income	OCI	level 1 and			
		statement		level 2			
Trading portfolio assets	5,323	-168	-	-		-3,183	1,972
Derivative financial instruments	5,586	-2,406	-	-	-	-	3,180
Financial assets at fair value through OCI	-	-	-	-	-	-	-
Other financial assets at fair value	1,629	-168	-	-	-	-	1,461
Investment property	36,195	-1,882	1,512	-	894	-	36,719
<b>Total assets at fair value (level 3)</b>	<b>48,733</b>	<b>-4,624</b>	<b>1,512</b>	<b>-</b>	<b>894</b>	<b>-3,183</b>	<b>43,332</b>
Derivative financial instruments	-	-	-	-	-	-	-
<b>Total financial liabilities at fair value (level 3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Explanation of unobservable input parameters

The valuation of trading positions classified as level 3 is based on the annual financial statements of the corresponding securities and individual transactions observable on the market. Significant

unobservable input parameters for the valuation of investment property are the following:

<b>Significant, unobservable inputs in the evaluation of the investment property Petrovsky Fort</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Fair value of Petrovsky Fort (investment property)		
in RUB	2,820,230,000	2,793,330,000
in CHF	28,938,000	35,338,000
Capitalisation rate for income capitalisation	10.50%	10.50%
Discount rate for discounted cash flow	15.00%	15.00%
Estimated Rental Value (ERV) per square meter in RUB	12,762	12,750

### Investment property

For the half-year 2023, the value of the investment property was verified using a discounted cash flow calculation, for which the future cashflows were estimated, including rental income obser-

ving 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.–30.06.2023			1.1.–30.06.2022		
	Domestic	Non-domestic	Total	Domestic	Non-domestic	Total
Operating income	2,390	3,785	6,175	1,732	9,324	11,056
Total assets	30,586	112,815	143,401	53,220	174,934	228,154

## 22. SALE OF SUBSIDIARIES AND DISCONTINUED OPERATIONS

### Divestments in the first half of 2023

During the first half year 2023, the Group finalised the liquidation of the Group Company Valartis M LLC, which was dormant with no asset or liabilities. No gain or loss has been recognised following the liquidation of this entity.

### Divestments in the first half of 2022

During the first half year 2022, the Group finalised the liquidation of the Group Company Vaba1 Holding GmbH in Liquidation.

### Result from discontinued operations

The result from discontinued operations is related to gain on liquidation of Vaba1 Holding GmbH in Liquidation due to transfer of cumulated foreign currency translation difference from equity to income statement.

in CHF 1,000	10.02.2022
Balance sheet at closing date	Vaba1 Holding GmbH in Liquidation
<b>Assets</b>	
Cash and cash equivalents	37
Total assets	37
<b>Liabilities</b>	
Total liabilities	-
<b>Net assets</b>	<b>37</b>
Gain from sale of subsidiary before currency translation differences	-
Transfer of cumulated foreign currency translation difference from equity of Valartis Group to income statement	435
<b>Gain from liquidation of subsidiary</b>	<b>435</b>

## 23. EVENTS AFTER THE BALANCE SHEET DATE

None.



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## Valartis Market Information

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Bloomberg: VLRT SW  
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