



HALF-YEAR REPORT 2020



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**CHF
347M**
TOTAL REVENUE
STABLE

12.7%
EBITDAR
MARGIN

Investing for a better life

AEVIS VICTORIA SA is an investment company founded in 2006 and listed under the Swiss Reporting Standard of the SIX Swiss Exchange. In keeping with its mission, investing for a better life, the company pursues an investment strategy that focuses on three areas with high added value and strong growth potential: healthcare, lifestyle and infrastructure. AEVIS VICTORIA's main shareholdings are Swiss Medical Network SA, the only Swiss private network of hospitals present in the country's three main language regions, Victoria-Jungfrau AG, a luxury hotel group managing eight luxury hotels in Switzerland, Infracore SA (30%, directly and indirectly), a real estate company dedicated to health-care-related infrastructure, Swiss Hotel Properties AG, a hospitality real estate division, Medgate (40%), the leading telemedicine provider in Switzerland, and NESCEMS SA, a brand dedicated to better aging.

www.aevis.com

**CHF
452M**
REAL ESTATE
PORTFOLIO OF
18 PROPERTIES

**CHF
984M**
MARKET
CAPITALISATION

Key Figures

(In thousands of CHF unless otherwise stated)	HY 2020	HY 2019	FY 2019
Total revenue	346'554	545'587	933'169
Net revenue	302'791	501'182	844'845
EBITDAR*	38'343	241'676	308'424
EBITDAR margin	12.7%	48.2%	36.5%
EBITDA	14'416	229'988	266'495
EBITDA margin	4.8%	45.9%	31.5%
EBIT	(9'411)	201'083	179'130
EBIT margin	-3.1%	40.1%	21.2%
Profit/(loss) for the period	(14'101)	202'118	173'690
Market price per share at end of period (in CHF)	12.30	12.70	14.00
Number of outstanding shares	79'983'797	78'576'061	80'325'264
Market capitalisation	983'801	997'916	1'124'554

*Earnings before interest, taxes, depreciation, amortisation and rental expenses

Share and bond information

Number of shares

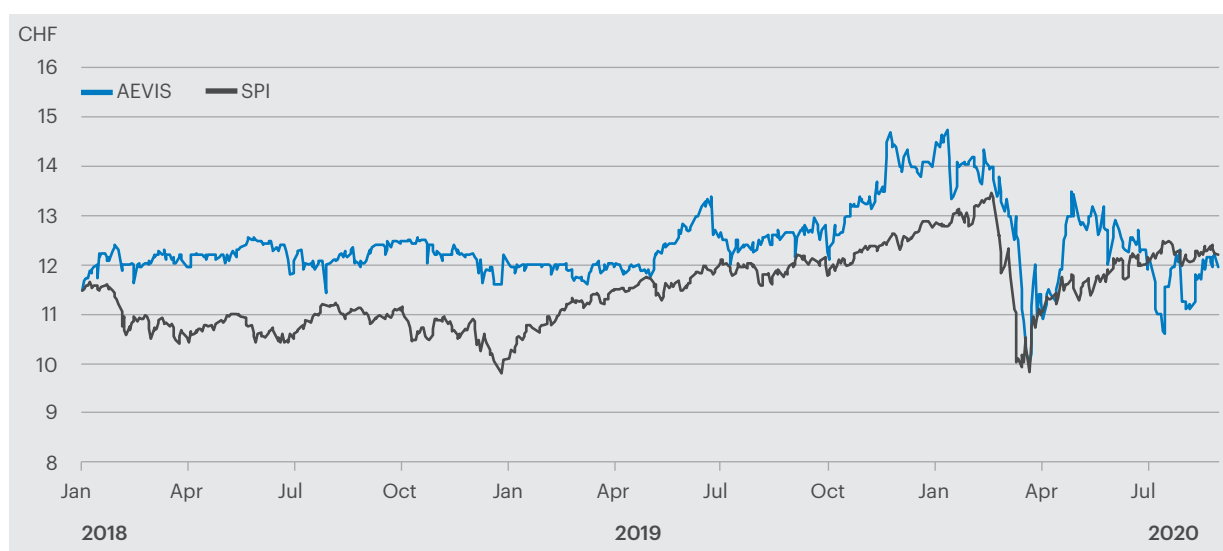
		30.06.2020	31.12.2019
Share Register Computershare Schweiz AG Tel. +41 62 205 77 00 share.register@computer- share.ch	Share capital (in CHF)	80'391'035	80'391'035
	Number of registered shares issued	80'391'035	80'391'035
	Nominal value per registered share (in CHF)	1	1
	Number of treasury shares	407'238	65'771
	Number of registered shares outstanding	79'983'797	80'325'264

Data per share

(in CHF unless otherwise stated)	30.06.2020	31.12.2019
EBITDA per share	0.18	3.42
High	14.75	14.70
Low	10.00	11.60
End price	12.30	14.00
Average volume per day (in units)	9'167	29'789
Market capitalisation	983'800'703	1'124'553'696

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Share price performance



Registered shares

The registered shares of AEVIS VICTORIA SA are traded on the Swiss Reporting Standard of SIX Swiss Exchange and are part of the Swiss Performance Index SPI, the SXI Life Sciences Index (SLIFE) and the SXI Bio+Medtech Index (SBIOM).

Valor symbol:	AEVS	Bloomberg:	AEVS SW
Valor no.:	47863410	Reuters:	AEVS.S.
ISIN:	CH0478634105		

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Major shareholders

The following shareholders held more than 3% on 30 June 2020:

Group A. Hubert / M. Reybier / M.R.S.I. Medical Research, Services & Investments SA	75.75%
Medical Properties Trust, Inc.	4.79%
Kuwait Investment Office as agent for the Government of the State of Kuwait	3.32%
Total shareholders (30 June 2020)	1'752

AEVIS VICTORIA SA Bonds

AEVIS VICTORIA SA has issued two fixed rate bonds shown in the table below.

	AEV16	AEV161
Bond type	Fixed rate	Fixed rate
Nominal amount	CHF 150.0 million	CHF 145.0 million
Securities number	CH0325429162	CH0337829276
Interest rate	2.50%	2.00%
Term	07.06.2016 to 07.06.2021	19.10.2016 to 19.10.2022
Maturity	07.06.2021 at par value	19.10.2022 at par value

Financial reporting

November 2020	Publication of 3Q 2020 Revenue
February 2021	Publication of 2020 Revenue
26 March 2021	Publication of the 2020 Annual Results
29 April 2021	Ordinary general shareholders meeting for the year 2020
May 2021	Publication of 1Q 2021 Revenue
17 September 2021	Publication of the 2021 Half-Year Results
November 2021	Publication of 3Q 2021 Revenue



LETTER TO THE SHAREHOLDERS

Dear Shareholder,

In the first half-year 2020, AEVIS VICTORIA SA (AEVIS) achieved revenues of CHF 346.6 million, 1.5% below the previous year on an adjusted basis (1H2019: CHF 351.8 million). Progress in the year 2020, which for the hospitality segment had begun under the best possible prospects with the integration of the Seiler Hotels in Zermatt, the InterContinental in Davos and the reopening of the Eden au Lac in Zurich under the brand “La Réserve”, was suddenly interrupted by the Covid-19 pandemic. The hospital segment, which had also benefited from a promising start to the year, saw its activities severely disrupted by the federal ban on elective surgery, despite active participation in the cantonal schemes of the various cantons in which Swiss Medical Network is present.

The management of each entity reacted quickly and implemented various operational optimisation and cost-cutting measures, with a view to preserving liquidity, which resulted in a positive cash flow in both key segments and an increase in the cash flow from operating activities at the Group level by 76% to CHF 12.6 million (1H2019: CHF 7.1 million). After repayment of the CHF 55.0 million bond at maturity in June 2020, short- and medium-term liquidity is secured with cash and available credit lines in the amount of CHF 65.5 million at the end of the reporting period. Overall, in view of the exceptional circumstances, all the participations of the Group performed honourably well, with an EBITDAR margin of 12.7%, corresponding to an EBITDAR of CHF 38.3 million (1H2019: CHF 47.9 million). Due to the debt reduction, the Group's financial expenses strongly decreased to CHF 7.9 million (1H2019: CHF 12.3 million). The covenants did not have to be renegotiated and were all well respected as at 30 June 2020. Since the beginning of the second half of the year, business is almost back to normal for Swiss Medical Network, which was able to recover some of the business lost due to Covid-19. On the other hand, occupancy rates and activity in the hotels remain well below normal levels.

Swiss Medical Network: Solid growth outside the period of forced slow-down in activity

The results of Swiss Medical Network in the first half of the year were impacted by the restrictions related to the outbreak of Covid-19. While business was still developing well and in line with the budget until mid-March, the ban on non-urgent medical interventions imposed by the Swiss Federal Council between 16 March and 27 April 2020 led to a significant decline in activity during 45 days. As a direct consequence of the ban and the fact that in various cantons some employees and medical equipment were temporarily transferred to cantonal hospitals, capacity utilization was only 35% in March and April but 90% in May and even above previous year in June. Since the beginning of the second half of the year, the situation has almost returned to normal, and Swiss Medical Network's hospitals are operating again, although in budget catch-up mode. Collaboration with the cantons within the framework of health systems has been adapted to each situation, and Swiss Medical Network has now organised itself so that it can make its resources and capacities available in less than 48 hours, which should make a preventive interruption of activity in the event of a recurrence unnecessary.

Swiss Medical Network responded quickly to the pandemic. Externally, the group immediately cooperated with all cantons in a flexible way in order to support efforts to fight the pandemic. Internally, Swiss Medical Network immediately adapted operating processes to mitigate the impact of the forced slowdown in activity of its hospitals. Cost savings were achieved by introducing short-time work during the lockdown and simplifying the hotel services as well as negotiating with property owners or suppliers. The 5-year business plan was extended by one year and certain non-urgent investments were postponed by one year or more. In total, Swiss Medical Network limited the decline in turnover to 5.9%, or CHF 294.6 million (1H2019: CHF 313.0 million). EBITDAR fell from CHF 51.1 million

in the previous year to CHF 39.4 million in the reporting period. The solid margin of 15.7% (1H2019: 19.0%) in these challenging times proves the resilience of the business model.

With the exception of technical unemployment, no compensation has for now been paid by the Confederation, the cantons or insurance companies for the losses caused by the ban on consultations and non-urgent medical interventions promulgated by the Federal Council and the ensuing measures.

Swiss Medical Network believes that this health crisis will be an additional catalyst for the healthcare services sector. Indeed, this crisis shows the importance of a well-organized care network, with strong and flexible healthcare infrastructure. Furthermore, the development of integrated care clusters is being pursued in various regions of Switzerland. The integration of Medizinisches Zentrum Biel, a large medical center with a broad array of medical specialties in the city center of Biel, in September 2020, is a good example of the Group's strategy in the Arc Jurassien. Swiss Medical Network is currently discussing possible acquisitions with several healthcare providers, mainly in outpatient activity. Also, as previously disclosed, AEVIS could progressively reduce its stake in Swiss Medical Network if new strategic investors were to come on board.

Hospitality: Higher operating result due to strong winter season

After an excellent 2019/2020 winter season, particularly in the mountain hotels, the closure of all hotels as of 19 March 2020 had a lasting impact on the results of the hospitality segment. Since the staggered reopening of four hotels (La Réserve Eden au Lac, Bellevue Palace, Grand Hotel Victoria-Jungfrau and Mont Cervin Palace), the level of activity and the average prices in the summer season 2020 were well below previous years. In addition to the lack of foreign guests, the almost complete absence of MICE business (meetings, incentives, conventions, exhibitions), especially in the Bellevue Palace in Berne, was a particular burden. Greater popularity among domestic guests and the growing restaurant business were only partially able to compensate for this decline. The Group reacted quickly and with targeted measures to the pandemic. The InterContinental in Davos and the Crans Ambassador in Crans Montana were not reopened for economic reasons while only one hotel was returned to operation in Zermatt. Additionally, with the introduction of short-time working and Group-wide personnel planning, the Group succeeded in outperforming its competitors even under difficult conditions.

The number of overnight stays rose by 13.6% to 62'238, while the average room rate remained stable at CHF 384. Revenues in the hospitality segment increased by 49.8% to CHF 43.8 million (1H2019: CHF 29.2 million) driven by the acquisitions of the Mont Cervin Palace and Monte Rosa hotels in Zermatt (consolidated since 1 November 2019) and the Hotel InterContinental in Davos (consolidated since 1 January 2020). In organic terms, the recorded decrease in revenues was 51.5%. The increase of the mountain hotel portfolio led to a positive operating result, as highlighted by an EBITDAR of CHF 5.5 million, corresponding to a margin of 12.6%.

Growing high-quality hotel real estate portfolio

In order to ensure optimum long-term cooperation between its different hotels, the real estate subsidiary Swiss Hotel Properties SA will focus on owning four- and five-star hotels. It now controls 17 unique landmark properties in its portfolio, located in the most sought-after locations of Switzerland, totalling 92'272 sqm and 663 rooms. The total value of the portfolio amounts to approximately CHF 435 million,

with yearly rental income between CHF 15 million and CHF 20 million. The properties in Zermatt, namely the Mont Cervin Palace hotel and Petit Cervin buildings, were formally added to the portfolio in July 2020, after the balance sheet date, and will reduce rental charges in the consolidated result.

Operating margin remains at a solid 12.7%

Total revenues reached CHF 346.6 million, 1.5% below the CHF 351.8 million (adjusted, excluding the investment gain of CHF 193.8 million in 2019) achieved a year ago. EBITDAR amounted to CHF 38.3 million compared to CHF 47.9 million (excluding the investment gain of 193.8 million) in the previous year. This corresponds to a very solid operating margin of 12.7% and confirms the good work that AEVIS delivered in the challenging reporting period.

Successful bond repayment

In June 2020, AEVIS repaid its CHF 55.0 million bond that reached maturity. In the reporting period, the company's balance sheet was extended to CHF 1.3 billion after the addition of further real estate assets, while it continues to be solidly capitalized with an equity ratio of 31.2%.

Outlook

The start to 2020 was encouraging in all of AEVIS's focus sectors and helped to mitigate the negative effects of the Covid-19 crisis during the spring and early summer. In recent weeks, visibility improved in the hospital segment, while developments in the hospitality sector, which contributes approximately one fifth of Group revenues, remain impossible to predict as long as the Confederation maintains its policy of quarantines with variable geometry. AEVIS is therefore refraining from publishing revenue objectives at the Group level for the remainder of 2020, but the EBITDA margin and cash flow from operating activities will remain largely positive, provided that the current trend continues and no further restrictive measures are resumed.

Capacity utilization in the hospitals is very good again since June, but the losses in revenue and margins suffered in the second quarter will not be offset until the end of the year. Swiss Medical Network benefits from its decentralised organisation and agility. Teleworking was already introduced in the Group five years ago, and the administration is largely digitised, with a cloud-based IT architecture implemented in recent years with Swisscom.

The coming months will of course continue to be challenging for the tourism and hotel industry. The Group's hotels cannot rely on additional domestic tourism to cushion the cancellations of international guests and the continuing weak MICE activities. The planning of the coming winter season is still subject to the Swiss framework policies that will be applicable, and bookings are being received more slowly and at much shorter notice than in previous years. AEVIS will probably take the opportunity of this troubled period to close several hotels and perform the planned substantial makeover and transformation works, in order to be able to reinforce its market share and remain a leader in the industry when the situation normalizes. The hotel portfolio is solely made up of the jewels of the Swiss hotel industry and its value can only continue to increase once the crisis is over.

Christian Wenger
Chairman of the Board

Antoine Hubert
Delegate of the Board

Swiss Medical Network – Key Figures HY-2020

The network's growth path continued with the integration of Klinik Belair in Schaffhausen (4Q2019) and the two clinics of Hôpital du Jura bernois in January 2020. As such, Swiss Medical Network has extended its footprint to 21 hospitals and a network of health centres in 13 different cantons in all three language regions of Switzerland.

AARGAU

I Privatlinik Villa im Park

BASEL

I Schmerzlinik Basel

BERNE

I Privatlinik Siloah
I Hôpital du Jura Bernois
(35%, from 2020)

FRIBOURG

I Clinique Générale Ste-Anne

GENEVA

I Clinique Générale-Beaulieu

NEUCHÂTEL

I Clinique Montbrillant
I Hôpital de la Providence

SCHAFFHAUSEN

I Privatlinik Belair

SOLOTHURN

I Privatlinik Obach

ST. GALLEN

I Rosenklinik Rapperswil (40%)

TICINO

I Clinica Sant'Anna
I Clinica Ars Medica

VALAIS

I Clinique de Valère

VAUD

I Clinique de Genolier
I Clinique de Montchoisi
I Clinique Valmont

ZURICH

I Privatlinik Bethanien
I Privatlinik Lindberg
I Pyramide am See (20%)

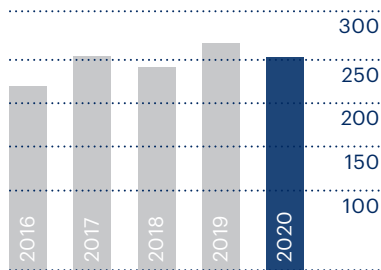


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Swiss Medical Network | Hospitals

NET REVENUE IN CHF MILLION

250.8



TOTAL REVENUE IN CHF MILLION

294.6

EBITDAR MARGIN

15.7%

EMPLOYEES

3'830

ADMITTING PHYSICIANS

2'467

BEDS

1'193

INTERVENTIONS

26'937

Hospitality – Key Figures HY-2020

With the acquisition of the Seiler Hotels in Zermatt (4Q2019) and the InterContinental in Davos as well as the reopening of the La Réserve Eden au Lac in Zurich in January 2020, the portfolio of operating hotels increased to eight luxury establishments in attractive locations. The portfolio is diversified between typical winter destinations, summer locations and city hotels.

BERNE

- | Victoria-Jungfrau Grand Hotel & SPA
- | Bellevue Palace

GRISONS

- | InterContinental Davos

VALAIS

- | Crans Ambassador
- | Mont Cervin Palace
- | Le Petit Cervin
- | Hotel Monte Rosa

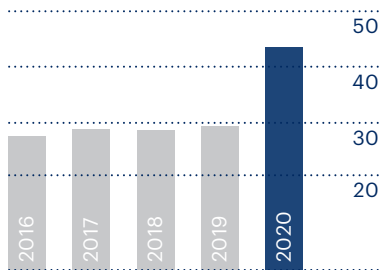
ZURICH

- | La Réserve Eden au Lac



NET REVENUE IN CHF MILLION

43.8



EBITDAR MARGIN

12.6%

EMPLOYEES

827

OVERNIGHT STAYS

62'238

TOTAL ROOMS

847

SUITES

279

Ø ROOM RATE

384

Real Estate – Key Figures HY-2020*

Following the deconsolidation of the healthcare infrastructure properties, the real estate segment consists of hotel properties, the building of Clinique Nescens Paris Spontini and a plot of land in Crans Montana. The portfolio was strengthened by acquiring several properties in Zermatt and Davos and the Group progressed to become a major player in the Swiss luxury hotel industry.

BERNE

I Victoria-Jungfrau
Grand Hotel & SPA

INTERNATIONAL

I Clinique Nescens Paris
Spontini

GRISONS

I InterContinental Davos

VALAIS

I Mont Cervin Palace
I Le Petit Cervin
I Villa Notre-Dame

ZURICH

I La Réserve Eden au Lac



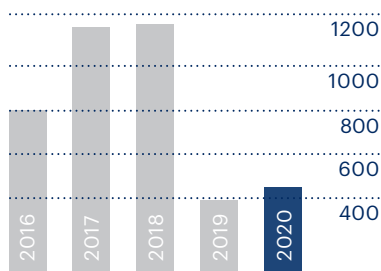
* As of July 2020

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Real Estate | Hospital & Hospitality

MARKET VALUE IN CHF MILLION*

452.4



EBITDAR MARGIN

70.8%

RENTAL SURFACE SQM

93'382

PROPERTIES

18

RENTAL INCOME IN CHF MILLION

15–20

LOCATIONS

6

ROOMS

663

Consolidated Financial Statements

Consolidated Income Statement

(In thousands of CHF)	NOTE	HY 2020	HY 2019
Revenue from operations		338'350	345'102
Other revenue	6	8'204	200'485
Total revenue		346'554	545'587
External services		(43'763)	(44'405)
Net revenue		302'791	501'182
Production expenses		(76'253)	(71'753)
Personnel expenses		(138'007)	(139'660)
Other operating expenses		(50'188)	(48'093)
EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)		38'343	241'676
Rental expenses		(23'927)	(11'688)
EBITDA		14'416	229'988
Depreciation on tangible assets		(20'577)	(22'480)
Amortisation on intangible assets		(3'250)	(6'425)
EBIT		(9'411)	201'083
Financial result	7	(7'374)	(11'951)
Share of profit/(loss) of associates		3'047	(1'701)
Profit/(loss) before taxes		(13'738)	187'431
Income taxes	8	(363)	14'687
Profit/(loss) for the period		(14'101)	202'118
- Thereof attributable to shareholders of AEVIS VICTORIA SA		(15'777)	192'312
- Thereof attributable to minority interests		1'676	9'806
Non-diluted earnings per share (in CHF)	9	(0.20)	2.49
Diluted earnings per share (in CHF)	9	(0.20)	2.44

Consolidated Balance Sheet

(In thousands of CHF)	30.06.2020	31.12.2019
Assets		
Cash and cash equivalents	41'819	40'236
Marketable securities	845	845
Trade receivables	124'223	136'530
Other receivables	38'693	41'708
Inventories	27'786	26'738
Accrued income and prepaid expenses	47'780	36'780
Total current assets	281'146	282'837
Tangible assets	785'005	673'885
Intangible assets	25'311	24'730
Financial assets	226'580	209'109
Total non-current assets	1'036'896	907'724
Total assets	1'318'042	1'190'561
Liabilities and equity		
Trade payables	82'497	100'632
Other current liabilities	41'437	28'742
Short-term financial liabilities	165'314	68'221
Other short-term borrowings	11'056	1'856
Accrued expenses and deferred income	62'986	60'568
Short-term provisions	572	573
Total current liabilities	363'862	260'592
Long-term financial liabilities	458'193	410'231
Other long-term borrowings	16'981	15'065
Other non-current liabilities	10'366	3'082
Long-term provisions	57'062	57'756
Total non-current liabilities	542'602	486'134
Total liabilities	906'464	746'726
Equity		
Share capital	80'391	80'391
Capital reserves	186'777	186'827
Treasury shares	(5'037)	(864)
Offset goodwill	(107'358)	(93'924)
Currency translation differences	(1'561)	(1'278)
Retained earnings	199'225	215'161
Shareholders' equity excl. minority interests	352'437	386'313
Minority interests	59'141	57'522
Shareholders' equity incl. minority interests	411'578	443'835
Total liabilities and equity	1'318'042	1'190'561

Consolidated Statement of Changes in Equity

(In thousands of CHF)	SHARE CAPITAL	CAPITAL RESERVES	TREASURY SHARES	OFFSET GOODWILL	CURRENCY TRANSLATION DIFFERENCES	RETAINED EARNINGS	TOTAL EXCL. MINORITY INTERESTS	MINORITY INTERESTS	TOTAL INCL. MINORITY INTERESTS
Balance at 1 January 2019	78'591	244'114	(13'575)	(36'037)	(825)	51'960	324'228	120'798	445'026
Profit for the period	-	-	-	-	-	192'312	192'312	9'806	202'118
Dividend payments	-	-	-	-	-	-	-	(1'592)	(1'592)
Acquisition of subsidiaries	-	-	-	(663)	-	-	(663)	-	(663)
Disposal of subsidiaries	-	-	-	(17'816)	-	-	(17'816)	(48'918)	(66'734)
Purchase of minority interests	-	-	-	-	-	6	6	(31)	(25)
Purchase of treasury shares	-	-	(23'522)	-	-	-	(23'522)	-	(23'522)
Sale of treasury shares	-	4'775	36'940	-	-	-	41'715	-	41'715
Share-based payments	-	182	-	-	-	-	182	-	182
Currency translation differences	-	-	-	-	(146)	-	(146)	-	(146)
Balance at 30 June 2019	78'591	249'071	(157)	(54'516)	(971)	244'278	516'296	80'063	596'359
Balance at 1 January 2020	80'391	186'827	(864)	(93'924)	(1'278)	215'161	386'313	57'522	443'835
Profit/(loss) for the period	-	-	-	-	-	(15'777)	(15'777)	1'676	(14'101)
Dividend payments	-	-	-	-	-	-	-	(118)	(118)
Acquisition of subsidiaries	-	-	-	(13'434)	-	-	(13'434)	-	(13'434)
Purchase of minority interests	-	-	-	-	-	(159)	(159)	61	(98)
Purchase of treasury shares	-	-	(5'279)	-	-	-	(5'279)	-	(5'279)
Sale of treasury shares	-	(50)	1'106	-	-	-	1'056	-	1'056
Currency translation differences	-	-	-	-	(283)	-	(283)	-	(283)
Balance at 30 June 2020	80'391	186'777	(5'037)	(107'358)	(1'561)	199'225	352'437	59'141	411'578

Consolidated Cash Flow Statement

(In thousands of CHF)	HY 2020	HY 2019
Profit/(loss) for the period	(14'101)	202'118
Changes in provisions (incl. deferred taxes)	(769)	(18'868)
Depreciation and amortisation	23'827	28'905
(Gain)/loss from sale of tangible assets	70	(43)
(Gain)/loss from sale of subsidiaries	-	(193'799)
(Gain)/loss from sale of financial assets and marketable securities	(20)	-
Share of (profit)/loss from associates	(3'047)	1'701
Dividends received from associates	8'343	-
Share-based payments	-	182
Change in contribution reserve and other non-cash items	(4)	2'069
Cash flow from operating activities before changes in working capital	14'299	22'265
Change in trade receivables	13'495	3'186
Change in inventories	(764)	(1'400)
Change in other receivables and prepaid expenses	(7'030)	20'079
Change in trade payables	(18'278)	(33'137)
Change in other liabilities and accrued expenses	10'858	(3'856)
Cash flow from operating activities	12'580	7'137
Purchase of tangible assets	(124'764)	(46'195)
Proceeds from disposal of tangible assets	9	101
Purchase of intangible assets	(3'841)	(5'176)
Acquisition of subsidiaries, net of cash acquired	1'376	(62)
Divestment of subsidiaries, net of cash disposed	-	305'957
Investments in financial assets and marketable securities	(32'784)	(7'911)
Divestments of financial assets and marketable securities	1'575	1
Cash flow from investing activities	(158'429)	246'715
Dividends paid to minority interests	(118)	(1'592)
Repayment of bond	(55'000)	(145'000)
Sale/(purchase) of treasury shares	(4'223)	18'193
Change in minority interests	(98)	(25)
Change in short-term financial liabilities	2'093	(45)
Change in long-term financial liabilities	186'401	(81'376)
Change in other long-term liabilities and borrowings	18'401	(43'940)
Cash flow from financing activities	147'456	(253'785)
Currency translation effect on cash and cash equivalents	(24)	(3)
Change in cash and cash equivalents	1'583	64
Cash and cash equivalents at beginning of the period	40'236	34'466
Cash and cash equivalents at the end of the period	41'819	34'530

Notes to the Consolidated Financial Statements

1. General information

AEVIS VICTORIA SA (hereafter “The Company”) has its registered offices at 1700 Fribourg, Switzerland. The Company’s purpose consists of holding interests in financial, commercial and industrial enterprises in Switzerland and abroad, in areas such as medical treatment, healthcare and hotels.

2. Basis of preparation

Accounting principles

These consolidated financial statements cover the unaudited interim results for the six months ended 30 June 2020. They have been prepared in accordance with Swiss GAAP FER 31 “Supplementary recommendation for listed companies”. They comply with the Swiss law and with the listing rules of the SIX Swiss Exchange.

The Swiss GAAP FER apply to all companies included in the scope of consolidation. As the consolidated interim financial statements do not include all the information contained in the consolidated annual financial statements, they should be read in conjunction with the consolidated financial statements for the year ended 31 December 2019.

The consolidated interim financial statements were authorised for issue by the Board of Directors on 17 September 2020.

Consolidation

The consolidated interim financial statements are those of the Company and all subsidiaries in which the company holds either directly or indirectly more than 50% of the voting rights (together “The Group”). These entities are fully consolidated. Joint ventures in which the Company has a direct or indirect interest of 50% or for which the Company exercises joint control are included in the consolidated financial statements by applying the proportional consolidation method. Associates are those entities in which the Group has significant influence, but no control (between 20% and 50% of voting rights). Associates are included in the consolidated financial statements by applying the equity method.

The assets and liabilities of fully consolidated and associated companies included in the consolidation for the first time are valued at current values which do include a purchase price allocation. The goodwill arising from this revaluation is offset against equity.

Impact of the coronavirus pandemic

The coronavirus pandemic has had a significant impact on the Group's business performance during the first half of 2020. The Group's subsidiaries, which operate in different sectors, were affected to varying degrees by this global pandemic. The Board of Directors and the Management have analysed the possible scenarios depending on the pandemic's course and have defined and initiated corresponding measures. The situation is continuously reassessed and the implementation of the measures systematically monitored. The Board of Directors also analysed the effects of the global pandemic in regards to the recognition of income and expenses in the extraordinary result.

3. Changes in scope of consolidation

The following changes to the scope of consolidation took place in the first half of 2020:

ENTITY	EVENT / DATE	CAPITAL SHARE 30.06.2020	CAPITAL SHARE 31.12.2019
GENERALE BEAULIEU HOLDING SA	Increase in participation on 07.02.2020	69.45%	69.40%
Laboratoires Genolier SA	Increase in participation on 07.01.2020	92.26%	89.13%
Weriwald AG	Acquired on 01.01.2020	100.00%	-
HOPITAL DU JURA BERNOIS S.A.	Acquired on 01.01.2020	35.00%	-
NESCENS SA	Increase in participation on 07.01.2020	43.40%	36.17%

GENERALE BEAULIEU HOLDING SA and HOPITAL DU JURA BERNOIS S.A. are holding companies with several subsidiaries. All group companies are listed in note 11.

4. Seasonality effect

As a result of higher activity levels in the Hospitality segment during the second half year, the Hospitality segment could generate higher revenues and margins than in the first half year. This seasonality effect has an impact on the revenues and operating results of the Group. For the other segments, the seasonality effect is more equally spread over the entire year.

5. Segment information

The Group consists of the reported segments in the tables below. The decision makers measure the performance of the segments using the key figure EBITDA (Earnings before interest, taxes, depreciation, amortisation). The financial information for each segment is thus shown up to EBITDA.

HY 2020 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	250'718	43'777	4	8'207	85	-	302'791
Net revenue IC	76	-	3'631	124	-	(3'831)	-
Net revenue	250'794	43'777	3'635	8'331	85	(3'831)	302'791
Production expenses	(66'183)	(8'868)	-	(1'229)	-	27	(76'253)
Personnel expenses	(107'174)	(21'608)	(295)	(5'753)	(3'177)	-	(138'007)
Other operating expenses	(37'996)	(7'793)	(768)	(2'309)	(1'495)	173	(50'188)
EBITDAR*	39'441	5'508	2'572	(960)	(4'587)	(3'631)	38'343
<i>EBITDAR margin</i>	15.7%	12.6%	70.8%	-	-	-	12.7%
Rental expenses	(21'176)	(4'847)	-	(1'203)	(332)	3'631	(23'927)
EBITDA	18'265	661	2'572	(2'163)	(4'919)	-	14'416
<i>EBITDA margin</i>	7.3%	1.5%	70.8%	-	-	-	4.8%

HY 2019 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	268'770	28'358	2'620	7'457	193'977	-	501'182
Net revenue IC	138	871	23'706	1'745	-	(26'460)	-
Net revenue	268'908	29'229	26'326	9'202	193'977	(26'460)	501'182
Production expenses	(67'233)	(4'796)	-	(1'368)	-	1'644	(71'753)
Personnel expenses	(113'435)	(15'992)	(169)	(6'569)	(3'495)	-	(139'660)
Other operating expenses	(37'133)	(4'427)	(2'520)	(2'461)	(2'662)	1'110	(48'093)
EBITDAR*	51'107	4'014	23'637	(1'196)	187'820	(23'706)	241'676
<i>EBITDAR margin</i>	19.0%	13.7%	89.8%	-	-	-	48.2%
Rental expenses	(27'279)	(5'410)	(727)	(1'607)	(371)	23'706	(11'688)
EBITDA	23'828	(1'396)	22'910	(2'803)	187'449	-	229'988
<i>EBITDA margin</i>	8.9%	-4.8%	87.0%	-	-	-	45.9%

* Earnings before interest, taxes, depreciation, amortisation and rent

6. Other revenue

(In thousands of CHF)	HY 2020	HY 2019
Gain on sale of subsidiaries	-	193'799
Other revenue	8'204	6'686
Total other revenue	8'204	200'485

The gain on sale of subsidiaries in 2019 resulted from the partial sale of Infracore SA.

7. Financial result

(In thousands of CHF)	HY 2020	HY 2019
Interest income	300	280
Gain on sale of financial assets and marketable securities	20	-
Dividend income	10	-
Other financial income	229	63
Total financial income	559	343
Interest expenses	(7'251)	(11'160)
Other financial expenses	(682)	(1'134)
Total financial expenses	(7'933)	(12'294)
Financial result	(7'374)	(11'951)

8. Income taxes

The positive effect in 2019 results from the changes in income tax rates in connection with the Federal Act on Tax Reform and AHV Financing (TRAF) accepted by public referendum on 19 May 2019. The Group has adjusted the applicable tax rates for the calculation of the deferred tax liabilities on assets and liabilities in those cantons where the legislative process has been completed and an enactment date of the new law defined.

9. Earnings per share

For the calculation of earnings per share, the number of shares has been reduced by the weighted average number of shares held by the Group.

	HY 2020	HY 2019
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	(15'777)	192'312
Weighted average number of shares outstanding	80'149'263	77'136'079
Non-diluted earnings per share (in CHF)	(0.20)	2.49
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	(15'777)	192'312
Weighted average number of shares outstanding	80'149'263	77'136'079
Adjustment for assumed exercise of share-based payments	-	1'800'000
Weighted average potential number of shares outstanding	80'149'263	78'936'079
Diluted earnings per share (in CHF)	(0.20)	2.44

10. Subsequent events

There are no subsequent events between the balance sheet date and the authorization for issue by the Board of Directors.

11. List of Group companies

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				30.06.2020	31.12.2019
Corporate					
AEVIS VICTORIA SA	Fribourg	Holding company	a)	100.0%	100.0%
Hospitals					
Swiss Medical Network SA	Genolier	Holding company	a)	100.0%	100.0%
GENERALE BEAULIEU HOLDING SA	Geneva	Holding company	a)	69.5%	69.4%
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a)	100.0%	100.0%
CLINIQUE GENERALE-BEAULIEU SA	Geneva	Hospital	a)	69.5%	69.4%
GRGB Santé SA	Geneva	Hospital	b)	34.7%	34.7%
GSMN Suisse SA	Genolier	Hospitals	a)	100.0%	100.0%
HerzGefässKlinik Bethanien AG	Zurich	Laboratory	c)	20.0%	20.0%
Hôpital de Moutier SA	Moutier	Hospital	c)	35.0%	-
HOPITAL DU JURA BERNOIS S.A.	Saint-Imier	Hospital	c)	35.0%	-
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	a)	51.0%	51.0%
IRJB Institut de Radiologie du Jura Bernois SA (held by HOPITAL DU JURA BERNOIS S.A.)	Saint-Imier	Radiology institute	c)	17.2%	-
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	51.0%	51.0%
Klinik Belair AG	Schaffhausen	Hospital	a)	100.0%	100.0%
Klinik Pyramide am See AG	Zurich	Hospital	c)	20.0%	20.0%
MEDICENTRE MOUTIER SA	Moutier	Health center	c)	17.9%	-
Médocentre Tavannes SA	Tavannes	Health center	c)	35.0%	-
Permanence médicale de Fribourg SA	Fribourg	Health center	c)	33.3%	33.3%
Pharmacie Interjurassienne SA PIJ	Moutier	Institutional pharmacy	c)	17.5%	-
Rosenklinik AG	Rapperswil-Jona	Hospital	c)	40.0%	40.0%
Swiss Medical Network Hospitals SA	Fribourg	Hospitals	a)	100.0%	100.0%
Swiss Visio SA	Genolier	Ophthalmology	a)	80.0%	80.0%
Hospitality					
Victoria-Jungfrau AG	Interlaken	Holding company	a)	100.0%	100.0%
CACM hôtels SA	Sion	Hotel	a)	100.0%	100.0%
Golf Mischabel AG	Randa	Golf course	c)	23.9%	23.9%
Grand Hotel Victoria-Jungfrau AG	Interlaken	Hotel	a)	100.0%	100.0%
Hotel Bellevue Palace AG	Bern	Hotel	a)	100.0%	100.0%
Hotel Eden au Lac AG	Zurich	Hotel	a)	100.0%	100.0%
Seiler Hotels AG	Zermatt	Hotels	a)	100.0%	100.0%
Welcome Parking AG	Täsch	Parking	c)	50.0%	50.0%
Weriwald AG	Davos	Hotel	a)	100.0%	-
Real estate					
GENERALE-BEAULIEU IMMOBILIERE SA	Geneva	Healthcare real estate	c)	29.8%	29.8%
Infracore SA	Fribourg	Healthcare real estate	c)	29.8%	29.8%
SCI Foncière François 1er	Paris (FR)	Healthcare real estate	a)	100.0%	100.0%
Swiss Property Advisors AG	Fribourg	Real estate management	a)	100.0%	100.0%
Swiss Hotel Properties AG	Interlaken	Hospitality real estate	a)	100.0%	100.0%

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				30.06.2020	31.12.2019
Telemedicine					
Medgate Holding AG ¹⁾	Basel	Holding company	c)	40.0%	40.0%
Medgate Integrated Care Holding AG	Basel	Holding company	c)	40.0%	40.0%
Medgate (Asia) Holdings Pty Ltd	Darlinghurst (AU)	Holding company	c)	32.0%	32.0%
Medgate (Indonesia) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
Medgate (Philippines) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
TMIP Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.0%
Medgate AG	Basel	Telemedicine	c)	24.0%	24.0%
Health Professional Sourcing GmbH	Lörrach (DE)	Telemedicine	c)	24.0%	24.0%
Health Professional Sourcing Spain SL	Madrid (ES)	Telemedicine	c)	24.0%	24.0%
Medgate Asia-Pacific AG (merged) ¹⁾	Basel	Telemedicine	c)	-	40.0%
Medgate Deutschland GmbH	Bad Neustadt (DE)	Telemedicine	c)	19.6%	19.6%
Medgate International AG (merged) ¹⁾	Basel	Telemedicine	c)	-	40.0%
Medgate Mini Clinic AG	Basel	Mini clinic	c)	39.0%	39.0%
Medgate Philippines Inc	Manila (PH)	Telemedicine	c)	32.0%	32.0%
Medgate Technologies AG	Basel	IT service company	c)	24.0%	24.0%
Medgate (Philippines) Holdings Pty Ltd-Branch	Manila (PH)	Telemedicine	c)	32.0%	32.0%
Others					
Nescens					
Laboratoires Genolier SA	Genolier	Cosmetics	a)	92.3%	89.1%
Nescens Genolier SA	Genolier	Patient hotel	a)	100.0%	100.0%
NESCENS SA	Genolier	Better-aging	c)	43.4%	36.2%
Healthcare incubator					
Société Clinique Spontini SAS	Paris (FR)	Aesthetic clinic	a)	100.0%	100.0%
Swiss Ambulance Rescue Genève SA	Geneva	Ambulance services	a)	100.0%	100.0%
Swiss Medical Transport AG	Baar	Ambulance services	c)	100.0%	100.0%
Swiss Stem Cell Science SA	Fribourg	Stem Cells	a)	100.0%	100.0%
Non-core participations					
Academy & Finance SA	Geneva	Organisation of seminars	c)	22.5%	22.5%
Agefi Com SA	Geneva	Publishing	c)	49.0%	49.0%
Publications de l'économie et de la finance AEF SA	Lausanne	Publishing	c)	49.0%	49.0%
Publications Financières LSI SA	Geneva	Publishing (dormant)	a)	100.0%	100.0%

¹⁾ Medgate Asia-Pacific AG and Medgate International AG were merged in Mai 2020 into Medgate Holding AG with retroactive effect from 01.01.2020.

- a) Fully consolidated
- b) Proportional method
- c) Equity method

