

Half-Year Report 2019



Table of Contents

<u>Share and Bond Information</u>	4
<u>Letter to the Shareholders</u>	6
<u>Portfolio Companies</u>	10
<u>Consolidated Financial Statements</u>	16

**CHF
501M**
TOTAL REVENUE
STRONGLY UP

45.9%
EBITDA
MARGIN

Investing for a better life

AEVIS VICTORIA SA invests in healthcare, hospitality & lifestyle and infrastructure. AEVIS VICTORIA's main shareholdings are Swiss Medical Network SA, the second largest group of private hospitals in Switzerland, Victoria-Jungfrau Collection AG, a luxury hotel group managing four luxury hotels in Switzerland, Infracore SA (19%), a real estate company dedicated to healthcare-related infrastructure, a hospitality real estate division, Medgate (40%), the leading telemedicine provider in Switzerland, and NESSENS SA, a brand dedicated to better aging. AEVIS VICTORIA is listed on the Swiss Reporting Standard of the SIX Swiss Exchange (AEVS.SW).

www.aevis.com

**CHF
202M**
PROFIT
FOR THE PERIOD

**CHF
998M**
MARKET
CAPITALISATION

Key Figures

(In thousands of CHF unless otherwise stated)	HY 2019	HY 2018 (restated)	FY 2018
Total revenue	545'587	319'125	657'205
Net revenue	501'182	280'566	577'028
EBITDAR*	241'676	38'828	84'682
EBITDAR margin	48.2%	13.8%	14.7%
EBITDA	229'988	31'807	70'088
EBITDA margin	45.9%	11.3%	12.1%
EBIT	201'083	5'926	16'672
EBIT margin	40.1%	2.1%	2.9%
Profit/(loss) for the period	202'118	(1'571)	(6'615)
Market price per share at end of period (in CHF)	12.70	11.80	12.20
Number of outstanding shares	78'576'061	77'803'630	77'419'205
Market capitalisation	997'916	918'083	944'514

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

For a better comparability, the market figures in the table above have been retrospectively adjusted to take the 1:5 share split into account.

Share and Bond Information

Number of Shares

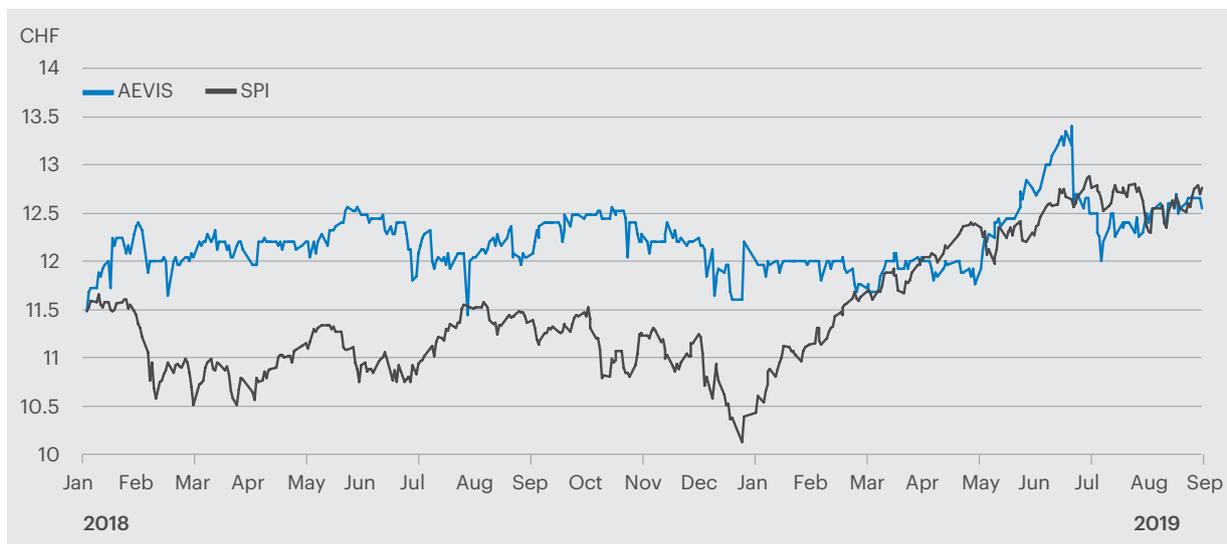
		30.06.2019	31.12.2018
Share Register Computershare Schweiz AG Tel. +41 62 205 77 00 share.register@computershare.ch	Share capital (in CHF)	78'591'035	78'591'035
	Number of registered shares issued	78'591'035	78'591'035
	Nominal value per registered share (in CHF)	1	1
	Number of treasury shares	14'974	1'171'830
	Number of registered shares outstanding	78'576'061	77'419'205

Data per Share

	(in CHF unless otherwise stated)	30.06.2019	31.12.2018
Media & Investor Relations c/o Dynamics Group AG Philippe Blangey Tel. +41 43 268 32 32 investor.relations@aevis.com	EBITDA per share	2.93	0.91
	High	13.40	12.56
	Low	11.60	11.44
	End price	12.70	12.20
	Average volume per day (in units)	38'075	27'568
	Market capitalisation	997'915'975	944'514'301

On 27 May 2019, the General Meeting of the Company approved the split of one existing share into five new shares. For a better comparability, the figures in the tables above have been retrospectively adjusted for 2018. The historical stock market prices were adjusted by the SIX Swiss Exchange.

Share Price Performance



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 Equity
Valor no.:	47863410	Reuters:	AEVS.S.
ISIN:	CH0478634105		

AEVIS VICTORIA SA Bonds

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

	AEV16	AEV161	AEV18
Bond type	Fixed rate	Fixed rate	Fixed rate
Nominal amount	CHF 150.0 million	CHF 145.0 million	CHF 55.0 million
Securities number	CH0325429162	CH0337829276	CH0420465954
Interest rate	2.50%	2.00%	2.25%
Term	07.06.2016 to 07.06.2021	19.10.2016 to 19.10.2022	29.06.2018 to 29.06.2020
Maturity	07.06.2021 at par value	19.10.2022 at par value	29.06.2020 at par value



Major Shareholders

The following shareholders held more than 3% on 30 June 2019:

Group A. Hubert / M. Reybier / M.R.S.I. Medical Research, Services and Investments SA	75.87%
Medical Properties Trust, Inc.	4.90%
Kuwait Investment Office as agent for the Government of the State of Kuwait	3.39%
Total shareholders (30 June 2019)	1'671

Financial Reporting

November 2019	Publication of 3Q 2019 Revenue
February 2020	Publication of 2019 Revenue
27 March 2020	Publication of the 2019 Annual Results
May 2020	Publication of 1Q 2020 Revenue
30 April 2020	Ordinary general shareholders meeting for the year 2019
18 September 2020	Publication of the 2020 Half-Year Results
November 2020	Publication of 3Q 2020 Revenue



Letter to the Shareholders

Mercedes-Benz

Dear Shareholder,

In the first half-year 2019, AEVIS VICTORIA (AEVIS) made substantial progress in the implementation of its strategy to sharpen its profile as an investment company. The transformation process encompassed the placement of an additional 61% stake and subsequent deconsolidation of the healthcare infrastructure company Infracore. The transaction has fundamentally transformed AEVIS' balance sheet structure, as financial leverage was drastically reduced by more than 65% from CHF 1'048.5 million to CHF 363.2 million, while equity increased to CHF 596.4 million, corresponding to a very strong equity ratio of 48.3%. The hospitals of Swiss Medical Network achieved substantial growth of 10.5% and the hotels of Victoria-Jungfrau Collection performed well in a dynamic market environment. AEVIS' total revenues surged by 71.0% to CHF 545.6 million, including the gain on the sale of the Infracore stake of CHF 193.8 million. The EBITDA margin reached 45.9% and the net profit in the reporting period amounted to CHF 202.1 million.

Well prepared for the next growth leap

AEVIS has reduced its stake in Infracore, its subsidiary specialising in healthcare infrastructure, from 100% to 19% in two steps. In December 2018, Baloise acquired a 20% stake in Infracore; in May 2019, Baloise acquired a further 15% and Medical Properties Trust 46%. Infracore envisages a pay-out ratio of 80% to 90% of net income (excluding results from revaluation), which should allow AEVIS to benefit from annual dividend payments in excess of CHF 5 million. The transaction did generate substantial cash inflows for AEVIS and led to the envisaged deconsolidation of Infracore per 31 May 2019. This resulted in a significant gain on the sale of the participation of CHF 193.8 million and a much asset-lighter balance sheet, which decreased from CHF 1'854.9 million to CHF 1'234.9 million, while the Group's leverage diminished significantly by more than 65% from CHF 1'048.5 million to CHF 363.2 million. At the same time, the Group's equity increased strongly from CHF 445.0 million to CHF 596.4 million, corresponding to a high equity ratio of 48.3%.

A solid equity base combined with cash reserves and available credit lines of more than CHF 260 million give the Group considerable flexibility and scope to further strengthen its portfolio through carefully chosen participations, acquisitions or partnerships. In line with its growth strategy based on targeted mergers and acquisitions, AEVIS is currently reviewing several opportunities in each of its focus sectors, i.e. healthcare, hospitality and lifestyle as well as infrastructure. As an active reference shareholder and investment company led by entrepreneurs, AEVIS aims to leverage its accumulated investment experience, in-depth industrial expertise and strong network in the investment sectors to achieve operational excellence and long-term value creation for its holdings and shareholders alike.

Swiss Medical Network: strong growth and margin increase to 19%

Swiss Medical Network continued its growth strategy with the integration of 40% of Rosenklinik in Rapperswil in early 2019, the acquisition of the surgical hospital on the Siloah Campus in Gümliigen and two health centres in Zurich and Solothurn in the second half-year of 2018. In addition, Klinik Belair in Schaffhausen was acquired from the Hirslanden Group and will be integrated as of 1 October 2019. The takeover ensures the continued existence of the hospital, with its strong local and regional roots, and secures valuable jobs. With these latest integrations, the network now operates 18 hospitals in 13 different cantons.

Additional attractive potential acquisitions are being analysed in both the German and French-speaking parts of the country. Within the Group, the contracted hospitals achieved an excellent performance, favoured by a markedly higher number of affiliated physicians. The development in the listed hospitals was less dynamic, due to the shift towards outpatient treatments. Swiss Medical Network is well prepared for this trend and new or renovated facilities have already been put into operation in several hospitals. The cost-cutting and efficiency program was successfully continued across the entities.

In total, Swiss Medical Network achieved revenues of CHF 313.0 million, up by 10.5% compared to the previous year, and net revenues (excluding medical fees) of CHF 268.9 million. Organic growth amounted to 6.8% despite lower TARMED tariffs introduced a year ago. EBITDAR increased from CHF 42.2 million to CHF 51.1 million, corresponding to an EBITDAR margin of 19.0%. Activity levels are expected to remain significantly above 2018 and therefore Swiss Medical Network expects to achieve a new record turnover in the business year 2019. The newly acquired hospitals and medical centres will continue their integration process in order to bring them to the same operational performance as the established hospitals of the network.

Victoria-Jungfrau Collection: revenues up by 3.5%

In a challenging market environment highlighted by a moderate development in the first quarter and good momentum in the second quarter, the Victoria-Jungfrau Collection hotels performed well and achieved net revenues of CHF 29.2 million, up by 3.5% compared to the previous year. Overall, overnight stays reached 54'809. The Average Room Rate continued to surge and reached CHF 383, up from CHF 364, leading to an improved gross operating profit. EBITDAR increased to CHF 4.0 million, corresponding to an EBITDAR margin of 13.7%, unchanged from the previous year. Results in the second semester are expected to be positively impacted by seasonality effects and good performance during the summer months. Finally, the re-opening of the Eden au Lac in December 2019, slightly behind schedule due to construction delays, will bring back the total operating hotels to four and further improve revenues and margins. Investments will continue in the second half-year, especially in Interlaken, and by the first trimester of 2020 all rooms at the Victoria-Jungfrau Grand Hotel & Spa will have been renovated and equipped with air-conditioning. Further acquisitions are currently pending in the hospitality segment.

Consolidated real estate portfolio: attractive buildings in top locations, with a market value of CHF 400 million

The healthcare properties of Générale-Beaulieu Immobilière SA in Geneva and the hotel properties of Swiss Hospitality Properties SA are not part of Infracore and were not affected by the deconsolidation of this entity. The consolidated real estate portfolio consists of 13 properties in prime locations in Geneva, Interlaken and Zurich with a market value of CHF 393.1 million as at 31 December 2018. Rental income in the reporting period amounted to CHF 26.3 million (including Infracore until 26 May 2019), and the EBITDAR reached CHF 23.6 million, corresponding to a margin of 89.8%. All properties are fully let. Important investments to improve the offering are bearing fruit, including the opening of a day hospital at Clinique Générale-Beaulieu in Geneva in the first quarter. AEVIS plans to further develop its hospitality real estate platform in the future.

Unconsolidated real estate portfolio: unique healthcare infrastructure portfolio in Switzerland, with a market value of CHF 900 million

Infracore owns a portfolio of hospital buildings and other healthcare-related properties, including 35 high-quality properties on 15 sites, representing a rental surface of 157'499 sqm. The portfolio, with a total market value of CHF 891.4 million as at 31 December 2018, consists of investment properties in all regions of Switzerland, investment properties under construction and development projects at several sites. With its new and broadened shareholder base, Infracore will continue to pursue its strategy of growth and consolidation in healthcare infrastructures in Switzerland, in both the private and public sectors. The Swiss market offers enormous potential for an experienced specialist such as Infracore, as significant investments will be needed in the Swiss healthcare infrastructure in the coming years.

Divestment

After the reporting period, one divestment was successfully executed: AEVIS sold its 15.5% holding in iKentoo SA to Lightspeed POS Inc., one of the world's leading POS and e-commerce software providers listed on the Toronto Stock Exchange. With this disposal, AEVIS realised a gain on the sale of its participation of CHF 1.3 million, representing a return on investment of approximately 30%.

Profit on Group level jumps to CHF 202.1 million

Total revenues jumped from CHF 319.1 million in the first half of 2018 to CHF 545.6 million as at 30 June 2019, including the gain on the Infracore transaction of CHF 193.8 million. As a result, EBITDAR amounted to CHF 241.7 million, corresponding to an EBITDAR margin of 48.2% (first half 2018: CHF 38.8 million, 13.8%). The net profit jumped to CHF 202.1 million, compared to a net loss of CHF 1.6 million in the previous year.

Successful bond repayment

In June 2019, AEVIS repaid its CHF 145 million bond at 2.75% that arrived at maturity. The average coupon of the outstanding bonds is thus reduced to 2.25%. The company will also carefully monitor the debt markets, in order to benefit from extra-low interest rates.

Outlook

AEVIS will favour investments as a reference shareholder in companies active in its focus sectors. As an active investor, AEVIS exerts significant influence on the strategies of the companies it holds shares in, leaving them with full responsibility for operational management. AEVIS will continue to partner with other market participants to further develop and grow the activities of its participations as was done with Infracore.

AEVIS wants to offer its shareholders a combination of capital gains generated by value creation in its subsidiaries and a stable annual return. It is foreseen that the ordinary distribution (CHF 0.22 per share in 2018) will be substantially increased for the 2019 business year.

Christian Wenger
Chairman of the Board

Antoine Hubert
Delegate of the Board

Swiss Medical Network – Key Figures

The network's growth path continued with the integration of 40% of Rosenklinik AG in Rapperswil and Klinik Belair in Schaffhausen (as of 1 October 2019). As such, Swiss Medical Network has extended its footprint to 18 hospitals and a network of health centres in 13 different cantons. www.swissmedical.net

AARGAU

I Privatklinik Villa im Park

BASEL

I Schmerzlinik Basel

BERNE

I Privatklinik Siloah

FRIBOURG

I Clinique Générale

GENEVA

I Clinique Générale-Beaulieu

NEUCHÂTEL

I Clinique Montbrillant
I Hôpital de la Providence

SOLOTHURN

I Privatklinik Obach

ST. GALLEN

I Rosenklinik AG (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 Privatklinik Bethanien
I Privatklinik Lindberg
I Pyramide am See (20%)

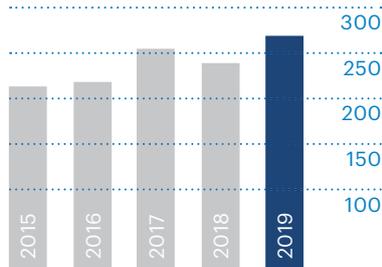


10

Swiss Medical Network | Hospitals

NET REVENUE IN CHF MILLION

268.9



TOTAL REVENUE IN CHF MILLION

313.0

EBITDAR MARGIN

19.0%

EMPLOYEES (FTE)

1'869

ADMITTING PHYSICIANS

2'213

BEDS

1'080

INTERVENTIONS

27'253

Victoria-Jungfrau Collection – Key Figures

Results in the three operational hotels improved in the first half-year 2019 and revenues surged by 3.5%. The Eden au Lac in Zurich will be re-opened in December 2019 and be an important contributor to the performance of Victoria-Jungfrau Collection in the future. www.vjc.ch

BERNE

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

ZURICH

- | Eden au Lac (under construction)

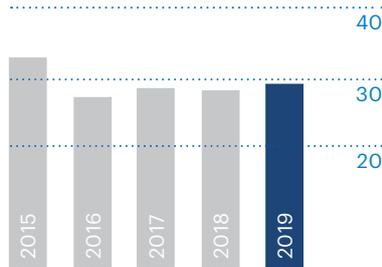
VALAIS

- | Crans Ambassador



NET REVENUE IN CHF MILLION

29.2



EBITDAR MARGIN

13.7%

EMPLOYEES

662

OVERNIGHT STAYS

54'809

ROOMS

400

Ø ROOM RATE

383

SURFACE SQM

59'882

Real Estate Segment – Key Figures

After the sale of 81% in Infracore to Baloise Group and Medical Properties Trust, the consolidated real estate segment now consists of the properties of Générale-Beaulieu Immobilière SA in Geneva and the hotel properties of Swiss Hospitality Properties SA in Interlaken and Zurich.

BERNE

| Hotel Victoria-Jungfrau

ZURICH

| Hotel Eden au Lac

GENEVA

| Clinique Générale-Beaulieu

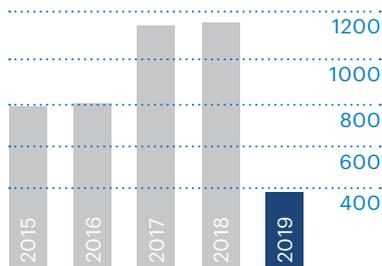


12

Real Estate | Hospital & Hospitality

MARKET VALUE IN CHF MILLION

393.1



EBITDAR MARGIN

89.8%

PROPERTIES

13

LOCATIONS

3

RENTAL SURFACE SQM

60'562

RENTAL INCOME IN CHF MILLION

26.3

LOAN TO VALUE

0%

Consolidated Financial Statements

Consolidated Income Statement

(In thousands of CHF)	NOTE	HY 2019	HY 2018 (restated)
Revenue from operations		345'102	312'893
Other revenue	6	200'485	6'232
Total revenue		545'587	319'125
External services		(44'405)	(38'559)
Net revenue		501'182	280'566
Production expenses		(71'753)	(64'523)
Personnel expenses		(139'660)	(131'966)
Other operating expenses		(48'093)	(45'249)
EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)		241'676	38'828
Rental expenses		(11'688)	(7'021)
EBITDA		229'988	31'807
Depreciation on tangible assets		(22'480)	(21'781)
Amortisation on intangible assets		(6'425)	(4'100)
EBIT		201'083	5'926
Financial result	7	(11'951)	(7'409)
Share of profit / (loss) of associates		(1'701)	(66)
Profit/(loss) before taxes		187'431	(1'549)
Income taxes	8	14'687	(22)
Profit/(loss) for the period		202'118	(1'571)
- Thereof attributable to shareholders of AEVIS VICTORIA SA		192'312	(2'919)
- Thereof attributable to minority interests		9'806	1'348
Non-diluted earnings per share (in CHF)	9	2.49	(0.04)
Diluted earnings per share (in CHF)	9	2.44	(0.04)

For a better comparability, the earnings per share figures in the table above have been retrospectively adjusted for 2018 to take the 1:5 share split into account.

Consolidated Balance Sheet

(In thousands of CHF)	30.06.2019	31.12.2018
Assets		
Cash and cash equivalents	34'530	34'366
Trade receivables	121'370	123'863
Other receivables	27'665	44'707
Inventories	22'545	21'147
Accrued income and prepaid expenses	37'138	42'387
Total current assets	243'248	266'470
Tangible assets	779'166	1'472'692
Intangible assets	46'524	47'770
Financial assets	165'914	67'946
Total non-current assets	991'604	1'588'408
Total assets	1'234'852	1'854'878
Liabilities and equity		
Trade payables	80'181	107'539
Other current liabilities	25'383	22'931
Short-term financial liabilities	67'523	163'840
Other short-term borrowings	1'056	1'056
Accrued expenses and deferred income	56'327	47'155
Short-term provisions	85	85
Total current liabilities	230'555	342'606
Long-term financial liabilities	313'233	901'034
Other long-term borrowings	15'873	16'905
Other non-current liabilities	3'000	8'575
Long-term provisions	75'832	140'732
Total non-current liabilities	407'938	1'067'246
Total liabilities	638'493	1'409'852
Equity		
Share capital	78'591	78'591
Capital reserves	249'071	244'114
Treasury shares	(157)	(13'575)
Offset goodwill	(54'516)	(36'037)
Currency translation differences	(971)	(825)
Retained earnings	244'278	51'960
Shareholders' equity excl. minority interests	516'296	324'228
Minority interests	80'063	120'798
Shareholders' equity incl. minority interests	596'359	445'026
Total liabilities and equity	1'234'852	1'854'878

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 2018	78'091	249'245	(8'139)	(35'799)	(609)	25'310	308'099	70'056	378'155
Profit/(loss) for the period (restated)	-	-	-	-	-	(2'919)	(2'919)	1'348	(1'571)
Dividend payments	-	-	-	-	-	-	-	(98)	(98)
Capital increase	500	2'900	-	-	-	-	3'400	-	3'400
Acquisition of subsidiaries	-	-	-	335	-	-	335	-	335
Purchase of minority interests	-	-	-	-	-	(284)	(284)	114	(170)
Purchase of treasury shares	-	-	(9'982)	-	-	-	(9'982)	-	(9'982)
Sale of treasury shares	-	(18)	9'247	-	-	-	9'229	-	9'229
Share-based payments	-	176	-	-	-	-	176	-	176
Currency translation differences	-	-	-	-	(76)	-	(76)	-	(76)
Balance at 30 June 2018 (restated)	78'591	252'303	(8'874)	(35'464)	(685)	22'107	307'978	71'420	379'398
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

Consolidated Cash Flow Statement

(In thousands of CHF)	HY 2019	HY 2018 (restated)
Profit/(loss) for the period	202'118	(1'571)
Changes in provisions (incl. deferred taxes)	(18'868)	(1'915)
Depreciation and amortisation	28'905	25'881
(Gain)/loss from sale of tangible assets	(43)	(20)
(Gain)/loss from sale of subsidiaries	(193'799)	-
(Gain)/loss from sale of financial assets and marketable securities	-	(6'638)
Share of (profit)/loss from associates	1'701	66
Share-based payments	182	176
Change in contribution reserve and other non-cash items	2'069	(925)
Cash flow from operating activities before changes in working capital	22'265	15'054
Change in trade receivables	3'186	(1'100)
Change in inventories	(1'400)	420
Change in other receivables and prepaid expenses	20'079	(20'562)
Change in trade payables	(33'137)	(10'501)
Change in other liabilities and accrued expenses	(3'856)	16'512
Cash flow from operating activities	7'137	(177)
Purchase of tangible assets	(46'195)	(40'071)
Proceeds from disposal of tangible assets	101	87
Purchase of intangible assets	(5'176)	(5'716)
Acquisition of subsidiaries, net of cash acquired	(62)	(1'573)
Divestment of subsidiaries, net of cash disposed	305'957	-
Investments in financial assets and marketable securities	(7'911)	(8'378)
Divestments of financial assets and marketable securities	1	24'773
Cash flow from investing activities	246'715	(30'878)
Dividends paid to minority interests	(1'592)	(98)
Proceeds from issuance of share capital, net of costs	-	3'400
Proceeds from issuance of bond	-	55'000
Repayment of bond	(145'000)	-
Sale/(purchase) of treasury shares	18'193	(754)
Change in minority interests	(25)	(170)
Change in short-term financial liabilities	(45)	(1'206)
Change in long-term financial liabilities	(81'376)	(41'691)
Change in other long-term liabilities and borrowings	(43'940)	7'748
Cash flow from financing activities	(253'785)	22'229
Currency translation effect on cash and cash equivalents	(3)	(3)
Change in cash and cash equivalents	64	(8'829)
Cash and cash equivalents at beginning of the period	34'466	18'187
Cash and cash equivalents at the end of the period	34'530	9'358

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 and accounting policies

Accounting principles

These consolidated financial statements cover the unaudited interim results for the six months ended 30 June 2019. 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 2018.

The consolidated interim financial statements were authorised for issue by the Board of Directors on 10 September 2019.

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.

Restatement

The group has carried out the following restatement in the 2018 Annual Report.

During the acquisition of a company by one of the Company's subsidiaries in 2013 and the subsequent merger by absorption between these two group entities in 2014, some temporary differences were misinterpreted. The Group has therefore adjusted the deferred tax liabilities against offset goodwill. This change has no significant impact on the 2018 interim income statement as shown in the table below.

(In thousands of CHF)	HY 2018
Profit for the period before restatement	(1'576)
Changes in deferred income taxes on temporary differences previously classified as exempt from deferred taxes	5
Profit for the period after restatement	(1'571)

3. Changes in scope of consolidation

The following changes to the scope of consolidation took place in the first half of 2019:

ENTITY	EVENT / DATE	CAPITAL SHARE 30.06.2019	CAPITAL SHARE 31.12.2018
GENERALE BEAULIEU HOLDING SA	Increase in participation on 30.01.2019	69.40%	69.39%
Swiss Medical Transport AG	Increase in participation on 28.06.2019	100.00%	40.00%
HerzGefässKlinik Bethanien AG	Established on 27.05.2019	20.00%	-
Permanence Médicale de Fribourg SA	Established on 12.06.2019	33.33%	-
Rosenklinik AG	Acquired on 23.01.2019	40.00%	-
Infracore SA	Decrease in participation on 26.05.2019	18.62%	80.00%
TMIP Holdings Pty Ltd	Decrease in participation in 2019	31.95%	32.94%

GENERALE BEAULIEU HOLDING SA and TMIP Holdings Pty Ltd 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 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%

HY 2018 (In thousands of CHF)	HOSPITALS	HOSPITALITY	REAL ESTATE	OTHERS	CORPORATE	ELIMINATIONS	TOTAL
Net revenue 3rd	244'006	27'819	2'531	6'062	148	-	280'566
Net revenue IC	953	425	26'403	259	-	(28'040)	-
Net revenue	244'959	28'244	28'934	6'321	148	(28'040)	280'566
Production expenses	(59'099)	(4'576)	-	(926)	-	78	(64'523)
Personnel expenses	(107'418)	(15'438)	(308)	(5'027)	(3'775)	-	(131'966)
Other operating expenses	(36'238)	(4'370)	(3'704)	(1'335)	(1'161)	1'559	(45'249)
EBITDAR*	42'204	3'860	24'922	(967)	(4'788)	(26'403)	38'828
<i>EBITDAR margin</i>	17.2%	13.7%	86.1%	-	-	-	13.8%
Rental expenses	(26'420)	(5'535)	(727)	(523)	(219)	26'403	(7'021)
EBITDA	15'784	(1'675)	24'195	(1'490)	(5'007)	-	31'807
<i>EBITDA margin</i>	6.4%	-5.9%	83.6%	-	-	-	11.3%

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

6. Other revenue

(In thousands of CHF)	HY 2019	HY 2018
Gain on sale of subsidiaries	193'799	–
Other revenue	6'686	6'232
Total other revenue	200'485	6'232

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

7. Financial result

(In thousands of CHF)	HY 2019	HY 2018
Interest income	280	273
Gain on sale of financial assets and marketable securities	–	6'638
Dividend income	–	6
Other financial income	63	43
Total financial income	343	6'960
Interest expenses	(11'160)	(13'599)
Other financial expenses	(1'134)	(770)
Total financial expenses	(12'294)	(14'369)
Financial result	(11'951)	(7'409)

The gain on sale of financial assets and marketable securities in 2018 resulted from the divestment of the stake held in BioTelemetry Inc.

8. Income taxes

The positive effect in 2018 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 2019	HY 2018 (restated)
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	192'312	(2'919)
Weighted average number of shares outstanding	77'136'079	77'005'010
Non-diluted earnings per share (in CHF)	2.49	(0.04)
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	192'312	(2'919)
Weighted average number of shares outstanding	77'136'079	77'005'010
Adjustment for assumed exercise of share-based payments	1'800'000	2'050'000
Weighted average potential number of shares outstanding	78'936'079	79'055'010
Diluted earnings per share (in CHF)	2.44	(0.04)

On 27 May 2019, the General Meeting of the Company approved the split of one existing share into five new shares. The conversion took place on 7 June 2019. For a better comparability, the figures in the table above have been retrospectively adjusted for 2018 to take the 1:5 share split into account.

10. Subsequent events

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

11. List of Group companies

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				30.06.2019	31.12.2018
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)	69.4%	69.4%
Centre Médico-Chirurgical des Eaux-Vives SA	Geneva	Day clinic	a)	100.0%	100.0%
CLINIQUE GENERALE-BEAULIEU SA	Geneva	Hospital	a)	69.4%	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%	-
IRJB Institut de Radiologie du Jura Bernois SA	Saint-Imier	Radiology institute	a)	51.0%	51.0%
IRP Institut de Radiologie Providence SA	Neuchâtel	Radiology institute	a)	51.0%	51.0%
Klinik Pyramide am See AG	Zurich	Hospital	c)	20.0%	20.0%
Medgate Health Centers AG	Basel	Health centers	a)	100.0%	100.0%
Permanence médicale de Fribourg SA	Fribourg	Health center	c)	33.3%	-
Rosenklinik AG	Rapperswil-Jona	Hospital	c)	40.0%	-
Swiss Medical Network Hospitals SA	Fribourg	Hospitals	a)	100.0%	100.0%
Swiss Visio SA (formerly Genolier Swiss Visio Network SA)	Genolier	Ophthalmology	a)	80.0%	80.0%
Hospitality					
Victoria-Jungfrau Collection AG	Interlaken	Holding company	a)	100.0%	100.0%
CACM hôtels SA	Sion	Hotel	a)	100.0%	100.0%
Grand Hotel Victoria-Jungfrau AG ¹⁾	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%
VJC-Management AG (merged) ¹⁾	Interlaken	Management	a)	100.0%	100.0%
Real estate					
GENERALE-BEAULIEU IMMOBILIERE SA	Geneva	Healthcare real estate	a)	69.4%	69.4%
Infracore SA (partially sold)	Fribourg	Healthcare real estate	-	-	80.0%
Patrimonium Healthcare Property Advisors AG	Baar	Real estate management	b)	50.0%	50.0%
Swiss Hospitality Properties AG	Interlaken	Hospitality real estate	a)	100.0%	100.0%

¹⁾ VJC-Management AG was merged in June 2019 into Grand Hotel Victoria-Jungfrau AG with retroactive effect from 01.01.2019.

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				30.06.2019	31.12.2018
Telemedicine					
Medgate Holding AG	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%	32.9%
Medgate (Indonesia) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.9%
Medgate (Philippines) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	29.6%
TMIP Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.0%	32.9%
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	Basel	Telemedicine	c)	40.0%	40.0%
Medgate International AG	Basel	Telemedicine	c)	40.0%	40.0%
Medgate Mini Clinic AG	Basel	Mini clinic	c)	24.0%	24.0%
Medgate Philippines Inc	Manila (PH)	Telemedicine	c)	32.0%	29.6%
Medgate Technologies AG	Basel	IT service company	c)	24.0%	24.0%
Medgate (Philippines) Holdings Pty Ltd-Branch	Manila (PH)	Telemedicine	c)	32.0%	29.6%
Others					
Nescens					
Laboratoires Genolier SA	Genolier	Cosmetics	a)	89.1%	89.1%
Nescens Genolier SA	Genolier	Patient hotel	a)	100.0%	100.0%
NESCENS SA	Genolier	Better-aging	c)	36.2%	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%	40.0%
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%

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

