

# Investing for a better life



## Investing for a better life

**CHF  
319M**  
TOTAL REVENUE

**13.8%**  
EBITDAR  
MARGIN

AEVIS VICTORIA SA invests in services to people, healthcare, hospitality, life sciences and lifestyle. 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 luxury hotels in Switzerland, a healthcare and hospitality real estate division, Medgate, the leading telemedicine provider in Switzerland, and NESSENS SA, a brand dedicated to better aging. AEVIS is listed on the Swiss Reporting Standard of the SIX Swiss Exchange (AEVS.SW).

[www.aevis.com](http://www.aevis.com)

**CHF  
1.2BN**  
REAL ESTATE  
PORTFOLIO OF  
45 PROPERTIES

**CHF  
918M**  
MARKET  
CAPITALISATION

## Key Figures

(In thousands of CHF  
unless otherwise stated)

	HY 2018	HY 2017	FY 2017
Total revenue	319'125	336'628	663'069
<b>Net revenue</b>	<b>280'566</b>	<b>295'245</b>	<b>582'494</b>
<b>EBITDAR*</b>	<b>38'828</b>	<b>50'197</b>	<b>93'066</b>
EBITDAR margin	13.8%	17.0%	16.0%
<b>EBITDA</b>	<b>31'807</b>	<b>42'944</b>	<b>79'406</b>
EBITDA margin	11.3%	14.5%	13.6%
<b>EBIT</b>	<b>5'926</b>	<b>18'936</b>	<b>26'276</b>
EBIT margin	2.1%	6.4%	4.5%
<b>Profit/(loss) for the period</b>	<b>(1'576)</b>	<b>12'156</b>	<b>1'132</b>
Market price per share at end of period (in CHF)	59.00	61.00	58.10
Number of outstanding shares	15'560'726	15'381'588	15'463'618
Market capitalisation	918'083	938'277	898'436

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

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## Share and bond information

### Number of shares

	30.06.2018	31.12.2017
Share capital (in CHF)	<b>78'591'035</b>	78'091'035
Number of registered shares issued	<b>15'718'207</b>	15'618'207
Nominal value per registered share (in CHF)	<b>5</b>	5
Number of treasury shares	<b>157'481</b>	154'589
<b>Number of registered shares outstanding</b>	<b>15'560'726</b>	<b>15'463'618</b>

### Data per share

	30.06.2018	31.12.2017
EBITDA per share* (in CHF)	<b>2.04</b>	5.19
High	<b>62.80</b>	66.20
Low	<b>57.20</b>	54.70
End price	<b>59.00</b>	58.10
Average volume per day (in units)	<b>2'764</b>	2'130
<b>Market capitalisation</b>	<b>918'082'834</b>	<b>898'436'206</b>

\* EBITDA divided by the weighted average number of shares outstanding, excluding treasury shares.

### 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.:	1248819	Reuters:	AEVS.S.
ISIN:	CH0012488190		

## AEVIS VICTORIA SA Bonds

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

in million	AEV13	AEV14	AEV16	AEV161	AEV18
Bond type	Fixed rate	Fixed rate	Fixed rate	Fixed rate	Fixed rate
Nominal amount	CHF 100.0	CHF 145.0	CHF 150.0	CHF 145.0	CHF 55.0
Securities number	CH0214926096	CH0240109592	CH0325429162	CH0337829276	CH0420465954
Interest rate	3.50%	2.75%	2.50%	2.00%	2.25%
Term	02.07.2013 to 02.07.2018	04.06.2014 to 04.06.2019	07.06.2016 to 07.06.2021	19.10.2016 to 19.10.2022	29.06.2018 to 29.06.2020
Maturity	02.07.2018 at par value	04.06.2019 at par value	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 2018.

Group A. Hubert / M. Reybier / M.R.S.I. Medical Research, Services and Investments SA	79.54%
Kuwait Investment Office as agent for the Government of the State of Kuwait	3.39%
<b>Total shareholders (30 June 2018)</b>	<b>1'679</b>

## Financial reporting

November 2018	Publication of 3Q 2018 Revenue
February 2019	Publication of 2018 Revenue
29 March 2019	Publication of the 2018 Annual Results
May 2019	Publication of 1Q 2019 Revenue
27 May 2019	Ordinary general shareholders meeting for the year 2018
13 September 2019	Publication of the 2019 Half-Year Results
November 2019	Publication of 3Q 2019 Revenue

## Share register

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## Media & Investor Relations

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## Dear Shareholder,

AEVIS VICTORIA continued with the implementation of its investment strategy, which is based on mergers & acquisitions combined with a long-term and entrepreneurial approach to restructure and grow companies and business concepts. In the reporting period, AEVIS VICTORIA's participations achieved important milestones: extensive restructuring, standardisation and important investments within the hospital segment, steady improvements in the running hotels as well as on schedule refurbishment of the hotel in Zurich, attractive options for the real estate segment and further clean ups in the other participations segment.

### **Swiss Medical Network: transition year with measures to increase efficiency take effect from the second semester 2018 onwards**

The results in the hospital segment were influenced by a challenging market environment as well as several hospitals currently being under construction, which temporarily lowers capacity. Regardless, the growth strategy of Swiss Medical Network continued and is highlighted by the 100% integration of Medgate Health Centers AG as of 30 June 2018, after which the network became the operator of two health centres in Solothurn and Zurich. After the reporting period, Swiss Medical Network announced the acquisition of the surgical hospital of Siloah AG as of 1 October 2018, offering a strengthened and high-quality range of services in the Berne region. Swiss Medical Network is thereby extending its footprint in a new canton as well as its activity in general (45 beds, 38 affiliated physicians, approx. 2'400 interventions per year). These two acquisitions will contribute an additional annual turnover of more than CHF 30 million. Additional very interesting potential acquisitions are being negotiated in both the German- and French-speaking parts of the country.

Total revenues of Swiss Medical Network reached CHF 283.2 million (2017: CHF 301.7 million). Net revenues (excluding medical fees) decreased by 6.1% to CHF 245.0 million (2017: CHF 260.8 million). EBITDAR amounted to CHF 42.2 million, 22.4% less than in the first half-year 2017, representing a margin of 17.2% (2017: 20.9%). The lower activity and operational profitability were mainly impacted by lower TARMED tariffs applied since the beginning of 2018, a one-off write-down following a judgment of the federal court allowing a retroactive TARMED reduction for the fiscal years 2014 to 2017 and a temporarily reduced activity due to construction works in the hospitals in Rothrist, Geneva and Sion. Factoring out these one-off factors revenues experienced a slight organic growth and profitability remained on the level of 2017.

In September 2017, Swiss Medical Network initiated a cost-saving program, which is expected to reduce operating expenses by around CHF 15 million per annum. The restructuring measures will start to impact the results in the second half of 2018. Savings of CHF 12 million (annualised) are expected from a leaner structure with lower personnel and overhead costs, while the IT outsourcing to Swisscom will lead to savings of CHF 2 million annually. Further efficiency gains are targeted in facility management, laundry services and from medical equipment purchases. The digitalisation of various processes continues and the investment programs in most hospitals have been completed.

In the same context, Swiss Medical Network merged the six legal entities operating the listed hospitals of the group into one. This rationalised legal structure allows Swiss Medical Network to realise important cost savings thanks to simplified governance, a reduced administration and increased fiscal efficiency. The legal reorganisation has no impact on patients, employees or physicians. The names and internal organisations of the hospitals remain the same.

The recruitment of 63 additional independent physicians in the first six months 2018 as well as an increase in foreign patients, enabled by Genolier Patient Services that offers premium care from prestigious doctors and full trip planning for international patients, will further bolster the network's leading market position and facilitate revenue growth in the future.

Dino Cauzza, who joined Swiss Medical Network in April 2017 as Delegate of the Board of the two Lugano-based hospitals, was appointed new CEO of Swiss Medical Network in spring 2018. A graduate of the University of St. Gallen, he has many years of experience in the health sector in Switzerland, amongst which almost 15 years at the Ente Ospedaliero Cantonale. His experience has already considerably strengthened the Swiss Medical Network management.

#### **Victoria-Jungfrau Collection: further margin improvements**

The Victoria-Jungfrau Collection hotels performed very well during the reporting period and results improved compared to last year in terms of sales, operational profits and margins. The three hotels achieved net revenues of CHF 28.2 million in the first half-year of 2018 compared to CHF 28.8 million in 2017. Factoring out a CHF 3.5 million contribution in the 2017 figures from the Eden au Lac in Zurich, which is closed since late 2017, revenues surged by more than 11% in the reporting period. In particular, the hotels in Interlaken and Crans-Montana achieved better results based on a well-diversified customer portfolio, intensified marketing activities and new amenities in the hotels. Overall, overnight stays rose to 56'393. The gross operating profit surged, as the Average Room Rate increased from CHF 354 to CHF 364. EBITDAR reached CHF 3.9 million, corresponding to a margin of 13.7%, up from CHF 3.2 million and 11.3%, respectively. Results in the second semester are expected to be positively impacted by seasonality effects, the strong results during the summer and efficiency gains based on the completion of extensive restructuring program which was initiated in 2017.

Investments in upgraded facilities continue. By summer 2019, 80% of the rooms at the Victoria-Jungfrau Grand Hotel & Spa in Interlaken will have been updated and be air-conditioned, which is very important for guests from the Middle East and Asia. At the Bellevue Palace in Berne, a new restaurant will be opened in November 2018. The ongoing extensive renovation by world-famous designer Philippe Starck will transform the Hotel Eden au Lac into a landmark for a truly unique city hotel experience. Reopening is scheduled for summer 2019. The management contract for Palace Luzern, which has been closed since November 2017, will expire at the end of September 2018.

Beat Sigg, who has led Victoria-Jungfrau Collection for almost 10 years, decided to step down from his function as CEO at the end of August 2018. He will remain active on a strategic level as a Board member of Victoria-Jungfrau Collection. He has been succeeded by Raouf Finan, who has been working for the Michel Reybier Group for twenty years.

#### **Healthcare and Hospitality Properties: portfolio value reaches CHF 1.2 billion**

In the real estate segment, net revenues amounted to CHF 28.9 million (2017: CHF 29.3 million), to which healthcare real estate contributed CHF 26.0 million, while the hospitality-related buildings contributed CHF 2.9 million. The hotel Eden au Lac in Zurich remains closed for a complete makeover and refurbishment and thus did not contribute any rent in the reporting period. EBITDAR reached CHF 24.9 million, corresponding to an EBITDAR margin of 86.1%, compared to CHF 24.8 million and 84.7%, respectively, in the previous year. The 45 properties are very well located and have an above-average standard because of the intensive investment activity in the last few years. The market value of the entire property portfolio amounts to CHF 1.2 billion. The loan to value remained very low at 35.0% and the average interest on mortgages was 1.66% at the end of the reporting period.

After having analysed several strategic options for the healthcare real estate portfolio, AEVIS VICTORIA believes that important value can be created by increasing the independence of Swiss Healthcare Properties SA to allow the company to continue growing its healthcare infrastructure portfolio in Switzerland. Therefore, Swiss Healthcare Properties SA is renamed Infracore SA, a new Board of Directors and management will be appointed while a partial spin-off is evaluated.

#### **Other activities**

In the period under review, revenues of CHF 6.3 million (2017: CHF 5.2 million) resulted from the incubator segment (excluding the 40% stake in Medgate, which is consolidated at equity). iKentoo continued its development with the launch of iKentoo 3.0, including blockchain technology to secure data and improve fiscal records.

Two divestments are envisaged, which should positively impact both balance sheet and profit and loss statement of AEVIS VICTORIA. The stake in Clinique Nescens Paris Spontini will be sold and replaced with a management contract. The participation in Swiss Ambulance Rescue will be reduced from 100% to 40% with the subsequent deconsolidation of the company, and be accompanied by an investment of CHF 5 million for the development of Swiss Ambulance Rescue in Switzerland.



### **Substantial gain from LifeWatch/BioTelemetry investment**

AEVIS VICTORIA SA sold its 1.6% stake in US-based BioTelemetry, Inc. (BEAT), obtained as a result of their public acquisition and exchange offer on LifeWatch AG. This transaction led to a financial gain of CHF 6.6 million, which has positively impacted first half-year results in 2018. Combined with the realised gain of CHF 7.8 million in 2017, AEVIS VICTORIA's capital gain on its investment in LifeWatch reached a total of CHF 14.3 million.

### **Total revenues on Group level grow 3.0% on a comparable basis**

Overall, reported total revenues of AEVIS VICTORIA decreased by 5.2% to CHF 319.1 million (2017: CHF 336.6 million). Factoring out the various described one-off effects, total revenues would have grown by 3.0%. Net revenues (medical fees excluded) reached CHF 280.6 million (2017: CHF 295.2 million). On a Group level, EBITDA amounted to CHF 31.8 million, representing an EBITDA margin of 11.3% (2017: CHF 42.9 million, 14.5%). Factoring out the described one-off effects, the consolidated EBITDA margin would have been 12.8%. A net loss of CHF 1.6 million was achieved for the period, in comparison to a net profit of CHF 12.2 million in the first half of 2017 (of which CHF 11.7 million was generated by two divestments). Without one-offs, a net profit of CHF 2.0 million would have resulted in the first six months 2018.

### **Successful bond issuance**

In June 2018, AEVIS VICTORIA issued a 2-year CHF 55 million straight bond with a coupon of 2.25%. The net proceeds of the bond were used for the redemption of a CHF 100 million, 3.5% bond that matured in early July 2018, in addition to the funds already available to the company. With this refinancing and reimbursement, AEVIS VICTORIA will significantly reduce its annual financial expenses, positively impacting the results in in the second half-year 2018.

### **Outlook**

AEVIS VICTORIA will pursue its growth and collaboration strategy in the various Group segments whilst improving and optimising operational excellence. The acquisition pipeline of the Group is attractive, and several projects are being evaluated. Based on an unchanged portfolio and excluding one-off factors, AEVIS VICTORIA expects to realise single-digit revenue growth and improve profitability in the current business year 2018 by pursuing the initiated cost reduction programmes. The cost-savings measures will be fully effective as of fiscal year 2019 with an expected annual contribution of CHF 25 million on Group level.

Christian Wenger  
Chairman of the Board

Antoine Hubert  
Delegate of the Board

# Swiss Medical Network – Key Figures

Net revenues reached CHF 245.0 million in the first half-year 2018. The network growth path continued after the end of reporting period with the acquisition of the surgical activities of Siloah AG in Gümlingen/Berne. On 1 October 2018, Swiss Medical Network will regroup 17 hospitals and will be active in 11 cantons.

## AARGAU

| Privatklinik Villa im Park

## BASEL

| Schmerzlinik Basel

## FRIBOURG

| Clinique Générale

## GENEVA

| Clinique Générale-Beaulieu  
| Centre Médical des Eaux-Vives

## NEUCHÂTEL

| Clinique Montbrillant  
| Hôpital de la Providence

## SOLOTHURN

| Privatklinik Obach

## TICINO

| Clinica Sant'Anna  
| Clinica Ars Medica

## VALAIS

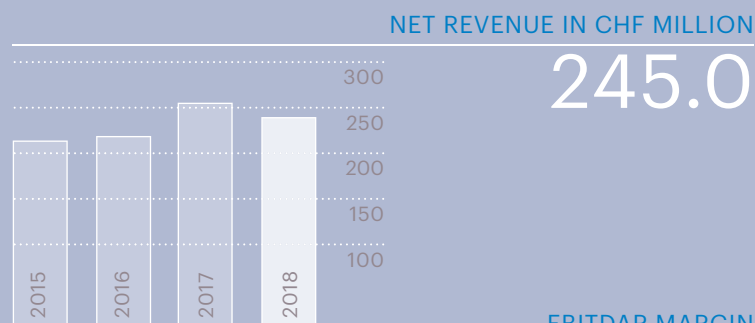
| Clinique de Valère

## VAUD

| Clinique de Genolier  
| Clinique de Montchoisi  
| Clinique Valmont

## ZURICH

| Privatklinik Bethanien  
| Privatklinik Lindberg  
| Pyramide am See



## EBITDAR MARGIN

17.2%

## EMPLOYEES

2'855

## ADMITTING PHYSICIANS

2'020

## BEDS

1'062

## INTERVENTIONS (ON AN ANNUAL BASIS)

51'263

## Swiss Medical Network – Profile

Swiss Medical Network, founded in 2002, is one of Switzerland's leading private hospitals groups. Its hospitals, which are located in all three of the country's main language regions, provide first-class hospital treatment, care and assistance to patients from Switzerland and abroad.

All Swiss Medical Network hospitals are renowned for the quality of their services, their excellent medical facilities, their top-notch hotellerie and their pleasant ambience. With their state-of-the-art medical technology and their comprehensive specialist expertise, the hospitals of Swiss Medical Network offer reliable medical care of the very highest calibre which puts the patient's comfort and well-being firmly centre stage.

Swiss Medical Network continues to develop and expand its Swiss-wide network by acquiring and restructuring further hospital facilities. As at 30 June 2018, the network extends to 16 private institutions and one affiliated hospital in Switzerland, which count 2'020 doctors and employ 2'855 other personnel. Swiss Medical Network is linked with Klinik Pyramide am See AG, which operates a hospital in the canton of Zürich.

The medical competences of the Swiss Medical Network hospitals are recognised beyond the Swiss borders with, for example, the first Breast Centre of a group of private hospitals to be certified in French speaking Switzerland, a pain clinic in Basel, expertise and high-tech oncology equipment and recognised maternity wards.

Swiss Medical Network SA is a fully-owned subsidiary of AEVIS VICTORIA.

[www.swissmedical.net](http://www.swissmedical.net)

## Victoria-Jungfrau Collection – Key Figures

Net revenues of the fully consolidated hotels reached CHF 28.2 million, based on a well-diversified customer portfolio. The Eden au Lac in Zurich remained closed for the entire period due to extensive renovations works and did therefore not contribute to the results.

### ZURICH

| Eden au Lac

### LUCERNE

| Palace Luzern

### BERNE

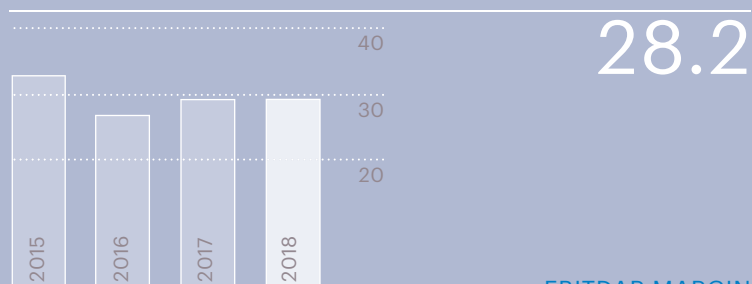
| Victoria-Jungfrau  
Grand Hotel & SPA  
| Bellevue Palace

### VALAIS

| Crans Ambassador



### NET REVENUE IN CHF MILLION



28.2

### EBITDAR MARGIN

13.7%

### EMPLOYEES

458

### OVERNIGHT STAYS

56'393

### ROOMS IN OPERATION

400

### Ø ROOM RATE

364

## Victoria-Jungfrau Collection – Profile

The Victoria-Jungfrau Collection is a small but exclusive hotel group with a unique portfolio of luxury five-star hotels of long standing: the Victoria-Jungfrau Grand Hotel & Spa in Interlaken, the Eden au Lac in Zurich, the renowned Bellevue Palace in Bern and the Crans Ambassador Hotel in Crans-Montana.

All hotels are individually managed but share a commitment to personal hospitality and top-quality service. The historic establishments with Swiss tradition offer luxurious accommodation, gourmet cuisine, wellness and contemporary infrastructure to their guests. The Victoria-Jungfrau Collection yearly counts around 175'000 overnight bookings.

AEVIS VICTORIA owns 100% of the Interlaken based luxury hotel group.

[www.vjc.ch](http://www.vjc.ch)

## Real Estate Segment – Key Figures

The Group owns a high-quality real estate investment portfolio including properties in the healthcare and hospitality sectors. As of 1 October 2018, the portfolio will consist of 46 properties in 19 locations across Switzerland after the integration of the building of Klinik Siloah.

### AARGAU

| Privatklinik Villa im Park

### BERNE

| Hotel Victoria-Jungfrau

### FRIBOURG

| Clinique Générale

### GENEVA

| Clinique Générale-  
Beaulieu

### NEUCHÂTEL

| Clinique Montbrillant

### SOLOTHURN

| Privatklinik Obach

### TICINO

| Clinica Sant'Anna  
| Clinica Ars Medica

### VALAIS

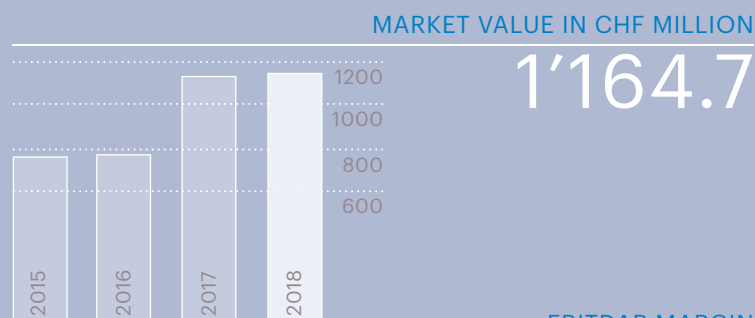
| Clinique de Valère  
| Hangar SHP (Air-Glaciers)  
| Villa Notre-Dame

### VAUD

| Clinique de Genolier  
| Clinique de Montchoisi  
| Clinique Valmont  
| Chocolatière 21

### ZURICH

| Privatklinik Bethanien  
| Privatklinik Lindberg  
| Hotel Eden au Lac



### EBITDAR MARGIN

86.1%

### PROPERTIES

45

### LOCATIONS

18

### RENTAL SURFACE SQM

193'880

### RENTAL INCOME IN CHF MILLION

28.9

## Swiss Healthcare Properties and Swiss Hospitality Properties

Swiss Healthcare Properties AG (SHP I), founded in 1997, is a unique healthcare-related real estate company in Switzerland. The portfolio of SHP I, with a market value of CHF 790.2 million and a rental surface of 133'318 sqm consists of 33 quality entities situated in premium locations. All properties are fully let, mainly to the various Swiss Medical Network hospitals, and have been bought or constructed in the context of the development of the group. SHP I's properties present a development potential of 45'000 sqm. SHP I has a buy/build & hold strategy with a long-term perspective of ongoing renovation and maintenance programs.

The real estate company is committed over the long-term to the hospital's operations growth but also aims to realise healthcare-related real estate acquisitions with reliable operators outside the Swiss Medical Network. SHP I is a 100% subsidiary of AEVIS VICTORIA.

Générale-Beaulieu Immobilière SA owns the hospital premises of Clinique-Générale-Beaulieu as well as several other buildings surrounding the hospital. The three properties represent a rental surface of 18'990 sqm and a market value of CHF 192.2 million.

Swiss Hospitality Properties (SHP II) in Interlaken AG owns the buildings of the hotels Eden au Lac in Zurich and Victoria-Jungfrau Grand Hotel & Spa in Interlaken, as well as six smaller annex properties in Interlaken and a development property (land) in Crans-Montana. The properties represent a rental surface of 41'572 sqm and a market value of CHF 182.3 million. SHP II is a 100% subsidiary of AEVIS VICTORIA.

[www.shp.net](http://www.shp.net)

# Consolidated Income Statement

(In thousands of CHF)	NOTES	HY 2018	HY 2017
Revenue from operations		312'893	331'122
Other revenue		6'232	5'505
<b>Total revenue</b>		<b>319'125</b>	<b>336'627</b>
External services		(38'559)	(41'382)
<b>Net revenue</b>		<b>280'566</b>	<b>295'245</b>
Production expenses		(64'523)	(66'864)
Personnel expenses		(131'966)	(135'241)
Other operating expenses		(45'249)	(42'943)
<b>EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rental expenses)</b>		<b>38'828</b>	<b>50'197</b>
Rental expenses		(7'021)	(7'253)
<b>EBITDA</b>		<b>31'807</b>	<b>42'944</b>
Depreciation on tangible assets		(21'781)	(20'909)
Amortisation on intangible assets		(4'100)	(3'099)
<b>EBIT</b>		<b>5'926</b>	<b>18'936</b>
Financial result	6	(7'409)	(1'740)
Share of profit/(loss) of associates		(66)	(776)
<b>Profit/(loss) before taxes</b>		<b>(1'549)</b>	<b>16'420</b>
Income taxes		(27)	(4'265)
<b>Profit/(loss) for the period</b>		<b>(1'576)</b>	<b>12'155</b>
- Thereof attributable to shareholders of AEVIS VICTORIA SA		(2'924)	10'075
- Thereof attributable to minority interests		1'348	2'080
Non-diluted earnings per share (in CHF)	7	(0.19)	0.67
Diluted earnings per share (in CHF)	7	(0.18)	0.64



# Consolidated Balance Sheet

<i>(In thousands of CHF)</i>	<b>30.06.2018</b>	<b>31.12.2017</b>
<b>Assets</b>		
Cash and cash equivalents	9'358	18'187
Marketable securities	–	15'115
Trade receivables	117'454	115'895
Other receivables	48'535	36'341
Inventories	20'096	20'444
Accrued income and prepaid expenses	41'838	32'325
<b>Total current assets</b>	<b>237'281</b>	<b>238'307</b>
Fixed assets	1'436'977	1'407'260
Intangible assets	45'966	44'384
Financial assets	67'813	60'689
<b>Total non-current assets</b>	<b>1'550'756</b>	<b>1'512'333</b>
<b>Total assets</b>	<b>1'788'037</b>	<b>1'750'640</b>
<b>Liabilities and equity</b>		
Trade payables	94'351	104'783
Other current liabilities	28'954	19'844
Short-term financial liabilities	118'573	119'778
Other short-term borrowings	9'843	800
Accrued expenses and deferred income	51'841	42'625
Short-term provisions	90	90
<b>Total current liabilities</b>	<b>303'652</b>	<b>287'920</b>
Long-term financial liabilities	935'684	914'303
Other long-term borrowings	16'800	18'960
Other non-current liabilities	12'350	9'426
Long-term provisions	135'119	136'837
<b>Total non-current liabilities</b>	<b>1'099'953</b>	<b>1'079'526</b>
<b>Total liabilities</b>	<b>1'403'605</b>	<b>1'367'446</b>
<b>Equity</b>		
Share capital	78'591	78'091
Capital reserves	252'303	249'245
Treasury shares	(8'874)	(8'139)
Offset goodwill	(30'354)	(30'689)
Currency translation differences	(685)	(609)
Retained earnings	22'031	25'239
<b>Shareholders' equity excl. minority interests</b>	<b>313'012</b>	<b>313'138</b>
Minority interests	71'420	70'056
<b>Shareholders' equity incl. minority interests</b>	<b>384'432</b>	<b>383'194</b>
<b>Total liabilities and equity</b>	<b>1'788'037</b>	<b>1'750'640</b>

# 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
<b>Balance at 1 January 2017</b>	<b>75'662</b>	<b>245'945</b>	<b>(5'630)</b>	<b>(30'370)</b>	<b>(1'077)</b>	<b>26'198</b>	<b>310'728</b>	<b>70'772</b>	<b>381'500</b>
Profit for the period	-	-	-	-	-	10'075	10'075	2'080	12'155
Dividend payments	-	-	-	-	-	-	-	(147)	(147)
Capital increase	1'829	8'391	-	-	-	-	10'220	-	10'220
Acquisition of subsidiaries	-	-	-	(86)	-	-	(86)	-	(86)
Purchase of minority interests	-	-	-	-	-	258	258	(2'883)	(2'625)
Purchase of treasury shares	-	-	(1'403)	-	-	-	(1'403)	-	(1'403)
Sale of treasury shares	-	147	1'204	-	-	-	1'351	-	1'351
Share-based payments	-	252	-	-	-	-	252	-	252
Currency translation differences	-	-	-	-	106	-	106	-	106
<b>Balance at 30 June 2017</b>	<b>77'491</b>	<b>254'735</b>	<b>(5'829)</b>	<b>(30'456)</b>	<b>(971)</b>	<b>36'531</b>	<b>331'501</b>	<b>69'822</b>	<b>401'323</b>
<b>Balance at 1 January 2018</b>	<b>78'091</b>	<b>249'245</b>	<b>(8'139)</b>	<b>(30'689)</b>	<b>(609)</b>	<b>25'239</b>	<b>313'138</b>	<b>70'056</b>	<b>383'194</b>
Profit/(loss) for the period	-	-	-	-	-	(2'924)	(2'924)	1'348	(1'576)
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)
<b>Balance at 30 June 2018</b>	<b>78'591</b>	<b>252'303</b>	<b>(8'874)</b>	<b>(30'354)</b>	<b>(685)</b>	<b>22'031</b>	<b>313'012</b>	<b>71'420</b>	<b>384'432</b>

# Consolidated Cash Flow Statement

(In thousands of CHF)	HY 2018	HY 2017
Profit/(loss) for the period	(1'576)	12'155
Changes in provisions (incl. deferred taxes)	(1'910)	(1'696)
Depreciation and amortisation	25'881	24'008
(Gain)/loss from sale of fixed assets	(20)	19
(Gain)/loss from sale of financial assets and marketable securities	(6'638)	(11'651)
Share of (profit)/loss from associates	66	776
Share-based payments	176	252
Change in contribution reserve and other non-cash items	(925)	(177)
<b>Cash flow from operating activities before changes in working capital</b>	<b>15'054</b>	<b>23'686</b>
Change in trade receivables	(1'100)	7'109
Change in inventories	420	(542)
Change in other receivables and prepaid expenses	(20'562)	(21'954)
Change in trade payables	(10'501)	(10'876)
Change in other liabilities and accrued expenses	16'512	10'043
<b>Cash flow from operating activities</b>	<b>(177)</b>	<b>7'466</b>
Purchase of tangible assets	(40'071)	(21'980)
Proceeds from disposal of tangible assets	87	66
Purchase of intangible assets	(5'716)	(2'206)
Acquisition of subsidiaries, net of cash acquired	(1'573)	(79)
Investments in financial assets and marketable securities	(8'378)	(9'224)
Divestments of financial assets and marketable securities	24'773	30'092
<b>Cash flow from investing activities</b>	<b>(30'878)</b>	<b>(3'331)</b>
Dividends paid to minority interests	(98)	(147)
Proceeds from issuance of share capital, net of costs	3'400	10'220
Proceeds from issuance of bond	55'000	-
Sale/(purchase) of treasury shares	(754)	(53)
Change in minority interests	(170)	(2'625)
Change in short-term financial liabilities	(1'206)	(5'097)
Change in long-term financial liabilities	(41'691)	(10'509)
Change in other long-term liabilities and borrowings	7'748	(2'133)
<b>Cash flow from financing activities</b>	<b>22'229</b>	<b>(10'344)</b>
Currency translation effect on cash and cash equivalents	(3)	3
<b>Change in cash and cash equivalents</b>	<b>(8'829)</b>	<b>(6'206)</b>
Cash and cash equivalents at beginning of the period	18'187	15'207
<b>Cash and cash equivalents at the end of the period</b>	<b>9'358</b>	<b>9'001</b>

# 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 2018. 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 2017.

The consolidated interim financial statements were authorised for issue by the Board of Directors on 13 September 2018.

### 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.

The Group has applied the same accounting policies as described in the 2017 Annual Report.

### 3. Changes in scope of consolidation

The following changes to the scope of consolidation took place in the first half of 2018:

ENTITY	EVENT / DATE	CAPITAL SHARE 30.06.2018	CAPITAL SHARE 31.12.2017
Clinique médico-chirurgicale de Valère SA	Increase in participation on 19.06.2018	100.00%	94.72%
Medgate Health Centers AG	Increase in participation on 30.06.2018	100.00%	40.00%
Health Professional Sourcing Spain SL	Established on 04.06.2018	24.00%	-
TMIP Holdings Pty Ltd	Acquired on 15.05.2018	32.94%	-

TMIP Holdings Pty Ltd is a holding company with several subsidiaries. All group companies are listed in note 9.

### 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 EBITDAR (Earnings before interest, taxes, depreciation, amortisation and rent). Thus, the financial information for each segment is shown up to EBITDAR. For reconciliation purposes between the consolidated financial statements and the segment information, the key figure EBITDAR is also disclosed in the consolidated income statement of the Group.

<b>HY 2018</b> <b>(In thousands of CHF)</b>	<b>HOSPITALS</b>	<b>HOSPITA- LITY</b>	<b>REAL ESTATE</b>	<b>OTHERS</b>	<b>CORPO- RATE</b>	<b>ELIMINA- TIONS</b>	<b>TOTAL</b>
Net revenue 3rd	244'006	27'819	2'531	6'062	148	-	280'566
Net revenue IC	953	425	26'403	259	-	(28'040)	-
<b>Net revenue</b>	<b>244'959</b>	<b>28'244</b>	<b>28'934</b>	<b>6'321</b>	<b>148</b>	<b>(28'040)</b>	<b>280'566</b>
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)
<b>EBITDAR*</b>	<b>42'204</b>	<b>3'860</b>	<b>24'922</b>	<b>(967)</b>	<b>(4'788)</b>	<b>(26'403)</b>	<b>38'828</b>
<i>EBITDAR margin</i>	<i>17.2%</i>	<i>13.7%</i>	<i>86.1%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>13.8%</i>

<b>HY 2017</b> <b>(In thousands of CHF)</b>	<b>HOSPITALS</b>	<b>HOSPITA- LITY</b>	<b>REAL ESTATE</b>	<b>OTHERS</b>	<b>CORPO- RATE</b>	<b>ELIMINA- TIONS</b>	<b>TOTAL</b>
Net revenue 3rd	259'216	28'498	2'560	4'971	-	-	295'245
Net revenue IC	1'583	279	26'770	216	110	(28'958)	-
<b>Net revenue</b>	<b>260'799</b>	<b>28'777</b>	<b>29'330</b>	<b>5'187</b>	<b>110</b>	<b>(28'958)</b>	<b>295'245</b>
Production expenses	(61'592)	(4'504)	-	(849)	-	81	(66'864)
Personnel expenses	(111'233)	(16'332)	(215)	(4'428)	(3'033)	-	(135'241)
Other operating expenses	(33'586)	(4'676)	(4'271)	(1'314)	(1'204)	2'108	(42'943)
<b>EBITDAR*</b>	<b>54'388</b>	<b>3'266</b>	<b>24'844</b>	<b>(1'404)</b>	<b>(4'127)</b>	<b>(26'769)</b>	<b>50'197</b>
<i>EBITDAR margin</i>	<i>20.9%</i>	<i>11.3%</i>	<i>84.7%</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>17.0%</i>

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

## 6. Financial result

(In thousands of CHF)	HY 2018	HY 2017
Interest income	273	32
Gain on sale of financial assets and marketable securities	6'638	11'700
Dividend income	6	-
Other financial income	43	102
<b>Total financial income</b>	<b>6'960</b>	<b>11'834</b>
Interest expenses	(13'599)	(12'839)
Loss on sale of financial assets and marketable securities	-	(49)
Other financial expenses	(770)	(686)
<b>Total financial expenses</b>	<b>(14'369)</b>	<b>(13'574)</b>
<b>Financial result</b>	<b>(7'409)</b>	<b>(1'740)</b>

The change compared to prior year mainly results from the gain on sale of investments in unconsolidated companies. In 2018 the Group sold its stake in Bio-Telemetry Inc, Malvern (USA) and in 2017 the Group sold its investments in LifeWatch AG, Zug and Linde Holding Biel/Bienne AG, Biel.

## 7. 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 2018	HY 2017
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	(2'924)	10'075
Weighted average number of shares outstanding	15'401'002	15'147'285
<b>Non-diluted earnings per share (in CHF)</b>	<b>(0.19)</b>	<b>0.67</b>
Net profit/(loss) attributable to AEVIS VICTORIA SA shareholders (in thousands of CHF)	(2'924)	10'075
Weighted average number of shares outstanding	15'401'002	15'147'285
Adjustment for assumed exercise of share-based payments	410'000	510'000
Weighted average potential number of shares outstanding	15'811'002	15'657'285
<b>Diluted earnings per share (in CHF)</b>	<b>(0.18)</b>	<b>0.64</b>

## 8. Subsequent events

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

## 9. List of Group companies

SEGMENT / COMPANY NAME	LOCATION	ACTIVITY	IN % ON GROUP LEVEL		
				30.06.2018	31.12.2017
<b>Corporate</b>					
AEVIS VICTORIA SA	Fribourg	Holding company	a)	100.0%	100.0%
<b>Hospitals</b>					
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%
Clinique médico-chirurgicale de Valère SA (merged) <sup>1)</sup>	Sion	Hospital	a)	100.0%	94.7%
Genolier Swiss Visio Network SA	Genolier	Ophthalmology	a)	80.0%	80.0%
GRGB Santé SA	Geneva	Hospital	b)	34.7%	34.7%
GSMN Neuchâtel SA (merged) <sup>1)</sup>	Neuchâtel	Hospitals	a)	100.0%	100.0%
GSMN Suisse SA	Genolier	Hospitals	a)	100.0%	100.0%
GSMN Ticino SA (merged) <sup>1)</sup>	Sorengo	Hospitals	a)	100.0%	100.0%
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%
Klinik Villa im Park AG (merged) <sup>1)</sup>	Rothrist	Hospital	a)	100.0%	100.0%
Medgate Health Centers AG	Basel	Health centers	a)	100.0%	40.0%
Nescens Genolier SA	Genolier	Patient hotel	a)	100.0%	100.0%
Privatklinik Obach AG (merged) <sup>1)</sup>	Solothurn	Hospital	a)	100.0%	100.0%
Schmerzklinik Basel AG (merged) <sup>1)</sup>	Basel	Hospital	a)	100.0%	100.0%
Swiss Medical Network Hospitals SA (formerly Clinique Générale – Ste-Anne SA) <sup>1)</sup>	Fribourg	Hospitals	a)	100.0%	100.0%
<b>Hospitality</b>					
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	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	Interlaken	Management	a)	100.0%	100.0%
<b>Real estate</b>					
GENERALE-BEAULIEU IMMOBILIERE SA	Geneva	Healthcare real estate	a)	69.4%	69.4%
Patrimonium Healthcare Property Advisors AG	Baar	Real estate management	b)	50.0%	50.0%
Swiss Healthcare Properties SA	Fribourg	Healthcare real estate	a)	100.0%	100.0%
Swiss Hospitality Properties AG	Interlaken	Hospitality real estate	a)	100.0%	100.0%

<sup>1)</sup> Clinique médico-chirurgicale de Valère SA, GSMN Neuchâtel SA, GSMN Ticino SA, Klinik Villa im Park AG, Privatklinik Obach AG and Schmerzklinik Basel AG were merged in June 2018 into Clinique Générale – Ste-Anne SA which was then renamed to Swiss Medical Network Hospitals SA with retroactive effect from 31.12.2017.



SEGMENT / COMPANY NAME	LOCATION	ACTIVITY		IN % ON GROUP LEVEL	
				30.06.2018	31.12.2017
<b>Telemedicine</b>					
Medgate Holding AG	Zug	Holding company	c)	40.0%	40.0%
Medgate Integrated Care Holding AG	Zug	Holding company	c)	40.0%	40.0%
Medgate (Asia) Holdings Pty Ltd	Darlinghurst (AU)	Holding company	c)	32.9%	-
Medgate (Indonesia) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	32.9%	-
Medgate (Philippines) Holdings Pty Ltd	Sydney (AU)	Holding company	c)	29.6%	-
TMIP Holdings Pty Ltd	Sydney (AU)	Holding company	c)	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%	-
Medgate Asia-Pacific AG	Zug	Telemedicine	c)	40.0%	40.0%
Medgate International AG	Zug	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)	29.6%	-
Medgate Technologies AG	Zug	IT service company	c)	24.0%	24.0%
Medgate (Philippines) Holdings Pty Ltd-Branch	Manila (PH)	Telemedicine	c)	29.6%	-
<b>Others</b>					
<b>Healthcare incubator</b>					
Laboratoires Genolier SA	Genolier	Cosmetics	a)	84.0%	84.0%
NESCENS SA	Genolier	Better-aging	c)	36.2%	36.2%
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)	40.0%	40.0%
Swiss Stem Cell Science SA	Fribourg	Stem Cells	a)	100.0%	100.0%
<b>Non-core participations</b>					
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

