



Year-end report

1 January – 31 December 2022

- NAV at the end of the period was SEK 131 million (650) and SEK 4.43 per share (19.47).
- Loss for the period amounted to SEK -541 million (-59) and SEK -16.54 per share (-1.73).
- The Board is developing a new strategy for the company on the assumption that the extraordinary circumstances resulting from Russia's invasion of Ukraine persist for the foreseeable future. The Board expects to be able to provide initial information about this strategy by the time of the AGM in May.



EOS Invest

EOS Invest was founded in the spring of 2007 in order to capitalize on investment opportunities arising as a result of the deregulation, restructuring and privatization of the Russian electricity sector.

EOS Invest AB is the Group's parent company and is headquartered in Stockholm, Sweden. EOS Invest Ltd is a subsidiary of EOS Invest AB and is located in Limassol, Cyprus. All investment activity is conducted by the subsidiary, which holds the complete investment portfolio of EOS Invest. EOS Invest was founded in its present form in May 2007 when the company decided to carry out a directed share issue to a number of institutional investors, paid for in kind or in cash. The company listed on First North on June 25, 2007.

Recent Developments

The Moscow Stock Exchange (MOEX) is currently open to residents and the bonds and derivatives markets are also open to non-resident investors from countries defined by the Russian authorities as "friendly" – meaning countries which have not imposed sanctions on Russia. While it is possible that the Russian authorities may create a secondary market open to non-resident investors from "unfriendly" countries such as EOS Invest even while sanctions imposed by those countries remain in place, there is no official information confirming when such a market could open or how it would operate. In addition, Russia's National Settlement Depository was sanctioned by the European Union in June, and this makes it unclear whether and how settlements could be made, even if Russia were to create a secondary market or lift the trading ban for non-residents from "unfriendly" countries.

Dividends have been decided at the AGMs of EOS Invest's portfolio companies. Arrangements regarding dividend payments involve paying such dividend monies into special S-type accounts which will be frozen until further notice. EOS have not yet received any dividend payments into the S-type account.

Due to the uncertainties stemming from the developments explained above, EOS Invest has decided to value its portfolio holdings at 25% of the value observed on the MOEX. Furthermore, EOS Invest has decided not to record any dividend receivables for the time being.

Operational and financial results

Group

EOS recorded a net loss from investing activities of SEK -495.5 million (-51.6) comprising net dividends of SEK 0.0 million (46.9) and a negative development in the investment portfolio of SEK -495.5 million (-72.7) mainly due to a change in the valuation method used, where EOS discount observable values by 75% due to the uncertainties surrounding the liquidity and value of the portfolio .

Operating expenses amounted to SEK -44.6 million (-11.3) of which SEK -31.6 million is a provision for tax penalty charges.

Net financial items for the period amounted to SEK -0.6 million (4.3).

The loss for EOS during the period was SEK -540.8 million (-58.6). Loss per share was SEK -16.54 (-1.73). Total comprehensive income for the period was SEK -454.5 million (6.9).

EOS' net asset value at December 31, 2022 was SEK 131 million (650). The decrease in net asset value can mainly be derived from the negative total comprehensive income for the year, comprising loss for the year and a positive translation differens, less buybacks (shares redeemed only). The accumulated effect from exchange rate differences in the translation reserve is SEK -101 million (-187).

Parent Company

The parent company's income for the period amounted to SEK 6.7 million (6.7). Operating expenses amounted to SEK -40.7 million (-7.0) for the period, of which SEK -31.6 million is a reserve for penalty tax charges. Net financial items amounted to SEK -420.5 million (7.1) for the period of which SEK -420.0 million (2.7) is a depreciation of shares in subsidiaries. The profit/loss for the period was SEK -454.5 million (6.9).

The total number of shares outstanding at December 31, 2022 was 29,548,954 (33,403,586).

Other information

Organisation

The average number of employees in the Group as of December 31, 2022 was two (2), of which one (1) was employed by the parent company.

Related party transactions

With regards to the consultancy agreements with the two founders remaining with EOS Invest and the CEO the Group has as of December 31 booked a receivable of SEK 0.2 (0.0) million, a liability of SEK 0.3 million (0.3) and has during the period recognised expense of SEK 2.2 million (1.2).

EOS Invest AB has not granted any loans, warranties or guarantees to or for the benefit of board members or management. No agreements on benefits to board members or management following the completion of their respective assignments exist. None of the board members or management has any direct or indirect participation in business transactions with the Group, which are or were unusual in nature or with regards to terms, and which occurred in the current or previous fiscal year.

Provisions, contingent assets/liabilities and pledged assets

Apart from the items already outlined under “*Related party transactions*”, no provisions or contingent assets/liabilities have been accounted for.

Risks

Group

Almost all the Group’s assets are invested in shares of Russian power utility companies with no diversification in country or sector risk. As a consequence of the Russian invasion of Ukraine, the general risk in Russian assets have increased significantly. At the time of this report, there is no obvious way to trade assets in the portfolio. Dividends and transfer of capital is subject to special procedures and permits with uncertain outcome.

Parent Company

The risks associated with the activities for the Group may also affect the parent company indirectly via the ownership of the subsidiary. The shares in the parent company are issued and traded in SEK and the Group investments are held in USD or Russian Rubles, hence the parent company is subject to currency exchange risks. EOS policy is not to hedge such currency exposure.

For more information about EOS’ risk exposure, please see the risk section of the Annual Report for 2021.

Significant events during 2022 and after the reporting period

24 February

Russia invades Ukraine.

28 February

The Russian Central Bank suspends any trading on the Moscow Stock Exchange and also prohibits transfer of dividend payments to foreign shareholders resident in countries that have imposed sanctions on Russia

8 March

EOS share is suspended from trading on Nasdaq First North Growth Market

17 May

At the EOS AB annual general meeting the following board proposal was adopted:

- To renew the board’s authorization to resolve on synthetic buybacks of own shares to a maximum of 29.9 per cent of all shares in the company prior to the next annual general meeting.

23 May

EOS Russia changes its name to EOS Invest.

14 July

The Swedish Tax Agency decided on tax penalties amounting to SEK 31.6 million as a result of mistakes

in the reporting of losses in 2018 and 2020 in the tax returns. EOS will appeal these decisions but has made a provision for the full amount.

18 October

At the EOS AB extraordinary general meeting on October 18, 2022, the board proposal to redeem 3,854,632 shares from the synthetic buyback program was adopted.

Compliance with rules and regulations

EOS Invest reports its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS). This interim report was prepared in accordance with IAS 34 Interim Financial Reporting and relevant parts of the Annual Accounts Act.

The parent company applies the same accounting principles as the group, but taking into consideration RFR 2 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. In the Company's interim reporting the Annual Accounts Act chapter 9 is applied.

The same accounting principles have been applied as in the Annual Report for 2021 – in the accounts of both the Group and the Company.

For more detailed information about the principles used for the Group and the Company, please refer to the Annual Report 2021. Unless otherwise indicated, all amounts are rounded off to the nearest thousand SEK. By rounding the numbers in tables, totals may not always equal the sum of the included rounded numbers.

Synthetic repurchases of own shares (swap agreement)

Within the framework of the synthetic repurchase program, EOS enters into a swap agreement with a Counterparty. The swap agreement governs the relationship between EOS and the Counterparty. According to the swap agreement the Counterparty purchases EOS shares on the market subject to a limit of 29.9% of the currently outstanding number of EOS shares and the swap agreement is subsequently settled at the unilateral choice of EOS either (i) by gross settlement provided that the Annual Meeting confirms that the share capital should be reduced or

(ii) by settling the net amount between the purchase price paid by the Counterparty and the current market price of the shares. In the net settlement alternative EOS bears the up- and downside risk of the development of the EOS share price. For the performed services the Counterparty receives interest and a fee on EOS shares acquired. The fair value of the swap agreement is accounted for as a current derivative asset or liability in the Company Balance Sheet and the Consolidated Statement of Financial Position and the changes in fair values of the agreement as a finance income or finance expense in the Company Income Statement and the Consolidated Statement of Comprehensive Income.

Fair value measurement of financial instruments

In the table below information is presented regarding the financial instruments that have been accounted for at fair value using the fair value method. The company estimates the value of investment in shares based on quoted prices on an active market (level 1) but adjusted for the temporary illiquidity in EOS' case (level 3). For other assets and liabilities that are not measured at fair value, the carrying amount is considered to reflect the fair value because the remaining maturity is generally short.

<i>In thousands of SEK</i>	2022-12-31		
	Level 3	Other	Total
Assets			
Other receivables	-	474	474
Shares and participations	138 343	-	138 343
Cash and cash equivalents	-	16 762	16 762
Balance at December 31	138 343	17 236	155 579

<i>In thousands of SEK</i>	2022-12-31		
	Level 3	Other	Total
Liabilities			
Lease agreements	-	618	618
Trade and other payables	-	397	397
Accrued expenses	-	3 272	3 272
Other payables	-	31 998	31 998
Balance at December 31	0	36 285	36 285

Annual general meeting

The annual general meeting (AGM) will be held in Stockholm on 16 May 2023. Summons to the AGM will be sent out in April 2023.

Annual report

EOS's annual report will be made available on the company web site at the latest two weeks before the AGM.

Dividend

EOS's main objective is to generate shareholder value by investing in Russian power company shares. The Board of Directors of EOS AB proposes that no dividends be distributed

16 March, 2023
EOS Invest AB (publ)
Reg nr 556694-7684

Ulf-Henrik Svensson
CEO

*This Interim report has not been subject to review
by the company's auditors*

Financial calendar

- 2023-05-16 Annual General Meeting

Reports and Press Releases in English are available on EOS' web site:
www.eosinv.com

Contact information:

Ulf-Henrik Svensson, CEO

ir@eosinv.com

Certified Adviser

Mangold Fondkommission AB

ca@mangold.se

+46 8 503 015 50

Consolidated Income Statement and Statement of Comprehensive Income, in Summary

<i>In thousands of SEK</i>	Jul 1 - Dec 31		Jan 1 - Dec 31	
	2022	2021	2022	2021
Net change in fair value of securities	-43 831	-36 876	-495 543	-72 717
Dividends	0	1 235	0	21 134
Net profit/loss - Investing activities	-43 831	-35 641	-495 543	-51 583
Operating expenses*	-7 465	-5 569	-44 588	-11 326
Result from operating activities	-51 296	-41 210	-540 131	-62 909
Finance income	40 962	4 932	100	5 072
Finance expenses	-332	-575	-729	-727
Profit/loss before income tax	-10 665	-36 853	-540 759	-58 564
Income tax expense	-	-	-	-
Profit/loss for the period	-10 665	-36 853	-540 759	-58 564
Other Comprehensive Income for the period				
<i>Items that have been or may be recycled to profit/loss for the period</i>				
Translation differences	30 508	39 889	86 270	65 425
Total other Comprehensive Income for the period	30 508	39 889	86 270	65 425
Total Comprehensive Income for the period	19 843	3 036	-454 489	6 861
Attributable to equity holders of the Company				
Profit/loss for the period	-10 665	-36 853	-540 759	-58 564
Total Comprehensive Income for the period	19 843	3 036	-454 489	6 861
Earnings per share				
basic (SEK)	-0,33	-1,10	-16,54	-1,73
diluted (SEK)	-0,33	-1,10	-16,54	-1,73

* see note 1 for detailed information

Consolidated Statement of Financial Position

<i>In thousands of SEK</i>	Dec 31	Dec 31
	2022	2021
Assets		
Property, plant and equipment	4 132	3 764
Total non-current assets	4 132	3 764
Income tax receivables	237	-56
Prepaid expenses and accrued income	930	476
Other receivables	7 045	58 348
Shares and participations	138 343	551 091
Cash and cash equivalents	16 762	93 521
Total current assets	163 318	703 379
TOTAL ASSETS	167 449	707 144
Equity and liabilities		
EQUITY		
Share capital	42 363	42 363
Other contributed equity	4 268 873	4 328 666
Reserves	-100 886	-187 156
Retained earnings, including profit/loss for the period	-4 079 331	-3 533 554
Equity attributable to equity holders of EOS AB	131 019	650 319
Total Equity	131 019	650 319
LIABILITIES		
Lease agreements	618	532
Trade and other payables	397	47
Other liabilities	31 998	52 818
Accrued expenses and deferred income	3 418	3 432
Total current liabilities	36 430	56 828
Total liabilities	36 430	56 828
TOTAL EQUITY AND LIABILITIES	167 449	707 147

Consolidated Statement of Changes in Equity in Summary

<i>In thousands of SEK</i>	Jan 1 - Dec 31	
	2022	2021
Opening balance	650 319	656 689
Total Comprehensive Income	-454 489	6 861
Share redemption	-59 793	-12 945
Reversal of result from synthetic share buyback	-5 018	-287
Closing balance	131 019	650 319

Consolidated Statement of Cash Flows

<i>In thousands of SEK</i>	Jan 1 - Dec 31	
	2022	2021
Cash flows from operating activities		
Profit/loss before income tax	-540 759	-21 711
Adjustment for non-cash items		
Change in fair value of securities	493 196	34 591
Depreciation	214	99
Other	132	475
Income tax paid	0	0
Net cash used in operating activities before changes in working capital	-47 217	13 454
Cash flows from changes in working capital		
Increase (-)/Decrease (+) in operating receivables	31 551	-5 838
Increase (+)/Decrease (-) in operating liabilities	-1 586	6 161
Net cash used in operating activities	-17 253	13 777
Cash flows from investing activities		
Acquisition of shares and participations	-10 078	-10 123
Proceeds from sale of shares and participations	10 361	24 267
Net cash used in investing activities	283	14 145
Cash flows from financing activities		
Share redemption	-59 793	-12 945
Net cash from financing activities	-59 793	-12 945
Net increase in cash and cash equivalents	-76 763	14 977
Cash and cash equivalents at January 1	93 525	33 552
Cash and cash equivalents at the end of the period	16 762	48 529

Consolidated Key Figures *

	Jan 1 - Dec 31	
	2022	2021
Number of shares outstanding, end of period	29 548 954	33 403 586
Average number of shares outstanding	32 696 023	33 802 115
Net asset value, end of period, TSEK	131 019	650 319
Net Income per average number of shares outstanding, SEK	-16,54	-1,73
Net asset value per share, end of period, SEK	4,43	19,47
<i>* before and after dilution</i>		

Company Income Statement

<i>In thousands of SEK</i>	Jul 1 - Dec 31		Jan 1 - Dec 31	
	2022	2021	2022	2021
Other income	3 362	2 880	6 720	6 722
Other external expenses	-1 295	-1 366	-36 483	-2 513
Employee benefit expenses	-2 291	-1 431	-4 181	-4 442
Depreciation of property, plant and equipment	-	-	-	-
Result from operating activities	-224	83	-33 943	-233
Result from financial items				
Result from participations in Group companies	-1 158	-82 536	-419 951	2 650
Other interest income and similar income	4 932	334	47	5 070
Interest expense and similar charges	-512	-241	-639	-620
Profit/loss before income tax	3 038	-82 361	-454 487	6 866
Income tax expense	-	-	-	-
Profit/loss for the period	3 038	-82 361	-454 487	6 866

EOS Invest AB (publ)

Styckjunkargatan 1, 114 35 Stockholm, Sweden

www.eosinv.com | ir@eosinv.com | Phone +46 (0) 8 407 31 50

Company Balance Sheet

	Dec 31	Dec 31
<i>In thousands of SEK</i>	2022	2021
ASSETS		
Non-current assets		
Property, plant and equipment	-	-
Financial assets		
Participations in group companies	241 420	661 371
Non-current receivables	60	60
Total non-current assets	241 480	661 431
Current assets		
Current receivables		
Receivables from Group companies	0	0
Income tax receivables	237	-56
Other receivables	6 512	57 971
Prepaid expenses and accrued income	712	334
<i>Total current receivables</i>	<i>7 461</i>	<i>58 249</i>
Cash and bank	761	60 085
Total current assets	8 222	118 334
TOTAL ASSETS	249 702	779 765
EQUITY		
<i>Restricted equity</i>		
Share capital, 29,548,954 (33,403,586) shares at 1.43 (1.27)	42 363	42 363
<i>Unrestricted equity</i>		
Share premium reserve	4 268 361	4 328 154
Retained earnings	-3 725 205	-3 727 049
Profit/loss for the period	-454 487	6 866
TOTAL EQUITY	131 033	650 335
LIABILITIES		
Non-current liabilities		
Lease agreements	-	-
<i>Total non-current liabilities</i>	<i>0</i>	<i>0</i>
Current liabilities		
Accounts payable	397	47
Liabilities to Group companies	83 899	74 359
Current tax liabilities	31 614	-26
Other liabilities	143	52 576
Accrued expenses and prepaid income	2 617	2 478
<i>Total current liabilities</i>	<i>118 669</i>	<i>129 434</i>
TOTAL EQUITY AND LIABILITIES	249 702	779 768

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Styckjunkargatan 1, 114 35 Stockholm, Sweden

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Note 1 Consolidated operating expenses

<i>In thousands of SEK</i>	Jul 1 - Dec 31		Jan 1 - Dec 31	
	2022	2021	2022	2021
Employee remuneration expenses	-2 713	-2 576	-5 223	-5 417
Depreciation of property, plant and equipment	-199	-185	-389	-371
Other	-3 937	-2 193	-37 746	-4 308
Consultancy agreements	-615	-615	-1 230	-1 230
Total	-7 465	-5 569	-44 588	-11 326