



## Half year report

### 1 January – 30 June 2022

- IFRS NAV at the end of the period was SEK 171 million (647) and SEK 5.12 per share (19.38).
- Loss for the period amounted to SEK -530.1 million (-21.7) and SEK -15.87 per share (-0.63)
- The impact of extraordinary factors during this period is described in additional material included in the Financial Statements section of this Report.



## 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. There is also no official information yet on when, or even if, dividend payments from portfolio companies will be distributed to shareholders from "unfriendly" countries. Dividends have been decided at the AGMs of EOS Invest's portfolio companies. However, arrangements

regarding dividend payments to non-resident shareholders from "unfriendly" countries have yet to be finalized by the Russian authorities. While there have been some indications that these arrangements will involve paying such dividend monies into special S-type accounts which will be frozen until further notice, no official confirmation or implementation of any such arrangements was apparent at the time of publication of this Report.

**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.**

**Given that the Income Statement in this Report necessarily reflects these and some other extraordinary factors, the Report includes, alongside that Income Statement, a reasoned estimate of EOS Invest's financial position after adjusting for these one-off items (see page 12).**

## Operational and financial results

### Group

EOS recorded a net loss from investing activities of SEK -451.7 million (-15.9) of which SEK -457.7 million is related to a voluntary write down of the shares in the portfolio.

Operating expenses amounted to SEK -36.7 million (-5.8) of which SEK -31.6 million relates to a provision for tax costs. Net financial items for the period amounted to SEK -41.3 million (-0.0) of which SEK -40.9 million relates to valuation of share repurchases not yet cancelled.

The loss for EOS during the period was SEK -530.1 million (-21.7). Loss per share was SEK -15.87 (-0.63). Total comprehensive income for the period was SEK -474.3 million (3.8).

EOS' net asset value at June 30, 2022 was SEK 171 million (647). The decrease in net asset value can be derived from the negative total comprehensive income for the year, SEK -474.3 million. The accumulated effect from exchange rate differences in the translation reserve is SEK -132 million (-227).

## Parent Company

The parent company's income for the period amounted to SEK 3.4 million (3.4). Operating expenses amounted to SEK -35.2 (-3.4) million for the period, of which SEK -31.6 million relates to a provision for tax costs. Net financial items amounted to SEK -442.5 million (3.8) for the period of which SEK -401.2 (3.8) million is a write-down of shares in subsidiaries and SEK -40.9 million relates to valuation of share repurchases not yet cancelled. The loss for the period was SEK -474.3 million (3.8).

The total number of shares outstanding at June 30, 2022 was 33,403,586 (33,403,586).

## Other information

### Organization

The average number of employees in the group as of June 30, 2022 were two (2), of which one (1) was employed by the parent company.

### Related party transactions

#### Group

With regards to the management fee under the management advisory agreement with the two founders remaining with EOS Invest, covering the year 2022, the group has as of June 30 a net liability of SEK 0.5 million (0.5) and has during the period recognised expense of SEK 0.6 million (0.6).

#### Parent company

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. EOS Invest AB have pledged SEK 60.2 million in the buyback programme.

## 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. The main part of the group's assets is invested in shares on the Russian market, MOEX, and is currently closed for non-residents. Russian securities trading legislation is more rudimentary than in many other countries, and there are few effective directives or requirements for disclosures about offers, sales or equity trading. The stock market is less liquid and more volatile in Russia than the United States or Western Europe. As a result, the company's investment portfolio may exhibit greater price volatility and poorer liquidity than one that focuses on securities of listed companies in more highly developed countries.

A large percentage of securities transactions are brokered outside the regulated exchanges. The legislation covering fraud and insider trading is less developed and the market's disciplinary board lacks the resources to enforce the legislation that has been passed.

### 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.

EOS Invest is also exposed to other risks such as legal and political. For more information about EOS' risk exposure, please see the risk section of the 2021 Annual Report.

## Significant events during H1

*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 in the H1 reporting.

## 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.

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## 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 numbers are based on the same accounting and valuation policies as used in the company's 2021 annual report. The company estimates the value of investment in shares based on quoted prices on an active market (level 1). 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.

In thousands of SEK	2022-06-30		
	Level 1	Other	Total
<b>Assets</b>			
Other receivables	-	363	363
Shares and participations	162,749	-	162,749
Cash and cash equivalents	-	69,028	69,028
<b>Balance at June 30</b>	<b>162,749</b>	<b>69,391</b>	<b>232,140</b>

In thousands of SEK	2022-06-30		
	Level 1	Other	Total
<b>Liabilities</b>			
Lease agreements	-	618	618
Trade and other payables	-	301	301
Accrued expenses	-	2,991	2,991
Other payables	-	92,183	92,183
<b>Balance at June 30</b>	<b>0</b>	<b>96,093</b>	<b>96,093</b>

Stockholm August 17, 2022  
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

- 2023-03-16 Year end report 1 January – 31 December 2022
- 2023-05-16 Annual General Meeting

Reports and Press Releases in English are available on EOS' web site:  
**[www.eosinv.com](http://www.eosinv.com)**

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## Consolidated Income Statement and Statement of Comprehensive Income, in Summary

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2022	2021
Net change in fair value of securities	-451,712	-35,840
Dividends	0	19,898
<b>Net profit/loss - Investing activities</b>	<b>-451,712</b>	<b>-15,942</b>
Operating expenses*	-37,123	-5,757
<b>Result from operating activities</b>	<b>-488,835</b>	<b>-21,699</b>
Finance income	-40,862	140
Finance expenses	-397	-152
<b>Profit/loss before income tax</b>	<b>-530,094</b>	<b>-21,711</b>
Income tax expense	-	-
<b>Profit/loss for the period</b>	<b>-530,094</b>	<b>-21,711</b>
<b>Other Comprehensive Income for the period</b>		
<i>Items that have been or may be recycled to profit/loss for the period</i>		
Translation differences	55,762	25,536
<b>Total other Comprehensive Income for the period</b>	<b>55,762</b>	<b>25,536</b>
<b>Total Comprehensive Income for the period</b>	<b>-474,332</b>	<b>3,825</b>
<b>Attributable to equity holders of the Company</b>		
Profit/loss for the period	-530,094	-21,711
Total Comprehensive Income for the period	-474,332	3,825
<b>Earnings per share</b>		
basic (SEK)	-15.87	-0.63
diluted (SEK)	-15.87	-0.63

\* see note 1 for detailed information

## Consolidated Statement of Financial Position

<i>In thousands of SEK</i>	Jun 30	Dec 31
	2022	2021
<b>Assets</b>		
Property, plant and equipment	4,165	3,764
<b>Total non-current assets</b>	<b>4,165</b>	<b>3,764</b>
Income tax receivables	885	-56
Prepaid expenses and accrued income	650	476
Other receivables	29,692	58,348
Shares and participations	162,749	551,091
Cash and cash equivalents	69,028	93,521
<b>Total current assets</b>	<b>263,005</b>	<b>703,379</b>
<b>TOTAL ASSETS</b>	<b>267,170</b>	<b>707,144</b>
<b>Equity and liabilities</b>		
<b>EQUITY</b>		
Share capital	42,363	42,363
Other contributed equity	4,328,666	4,328,666
Reserves	-131,394	-187,156
Retained earnings, including profit/loss for the period	-4,068,667	-3,533,554
<b>Equity attributable to equity holders of EOS AB</b>	<b>170,968</b>	<b>650,319</b>
<b>Total Equity</b>	<b>170,968</b>	<b>650,319</b>
<b>LIABILITIES</b>		
Lease agreements	618	532
Trade and other payables	301	47
Other liabilities	92,183	52,818
Accrued expenses and deferred income	3,099	3,432
<b>Total current liabilities</b>	<b>96,202</b>	<b>56,828</b>
<b>Total liabilities</b>	<b>96,202</b>	<b>56,828</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>267,170</b>	<b>707,147</b>

## Consolidated Statement of Changes in Equity in Summary

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2022	2021
<b>Opening balance</b>	<b>650,319</b>	<b>656,689</b>
Total Comprehensive Income	-474,332	3,825
Share redemption		-12,945
Reversal of result from synthetic share buyback	-5,019	-289
<b>Closing balance</b>	<b>170,968</b>	<b>647,281</b>



## Consolidated Statement of Cash Flows

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2022	2021
<b>Cash flows from operating activities</b>		
Profit/loss before income tax	-530,094	-21,711
Adjustment for non-cash items		
Change in fair value of securities	448,959	34,591
Depreciation	103	99
Other	-674	475
Income tax paid	0	0
<b>Net cash used in operating activities before changes in working capital</b>	<b>-81,706</b>	<b>13,454</b>
<b>Cash flows from changes in working capital</b>		
Increase (-)/Decrease (+) in operating receivables	14,914	-5,838
Increase (+)/Decrease (-) in operating liabilities	51,837	6,161
<b>Net cash used in operating activities</b>	<b>-14,955</b>	<b>13,777</b>
<b>Cash flows from investing activities</b>		
Acquisition of shares and participations	-9,541	-10,123
Proceeds from sale of shares and participations	0	24,267
<b>Net cash used in investing activities</b>	<b>-9,541</b>	<b>14,145</b>
<b>Cash flows from financing activities</b>		
Share redemption	0	-12,945
<b>Net cash from financing activities</b>	<b>0</b>	<b>-12,945</b>
Net increase in cash and cash equivalents	-24,497	14,977
Cash and cash equivalents at January 1	93,525	33,552
<b>Cash and cash equivalents at the end of the period</b>	<b>69,028</b>	<b>48,529</b>

## Actual cash available

<i>In thousands of SEK</i>	30 June 2022
Cash in bank	7,700
Prepaid costs, cash with service partner	7,200
US T-bills	10,200
<b>Total cash available</b>	<b>25,100</b>

## Consolidated Key Figures \*

	Jan 1 - Jun 30	
	2022	2021
Number of shares outstanding, end of period	33,403,586	33,403,586
Average number of shares outstanding	33,403,586	34,207,249
Net asset value, end of period, TSEK	170,968	647,281
Net Income per average number of shares outstanding, SEK	-15.87	-0.63
Net asset value per share, end of period, SEK	5.12	19.38
<i>* before and after dilution</i>		

## Company Income Statement

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2022	2021
Other income	3,360	3,360
Other external expenses	-33,256	-1,218
Employee benefit expenses	-1,972	-2,151
Depreciation of property, plant and equipment	-	-
<b>Result from operating activities</b>	<b>-31,869</b>	<b>-9</b>
<b>Result from financial items</b>		
Result from participations in Group companies	-401,247	3,808
Other interest income and similar income	-40,862	138
Interest expense and similar charges	-352	-108
<b>Profit/loss before income tax</b>	<b>-474,330</b>	<b>3,828</b>
Income tax expense	-	-
<b>Profit/loss for the period</b>	<b>-474,330</b>	<b>3,828</b>

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## Company Balance Sheet

	Jun 30	Dec 31	Jun 30
<i>In thousands of SEK</i>	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	-	-	-
Financial assets			
Participations in group companies	260,123	661,371	662,528
Non-current receivables	60	60	-
<b>Total non-current assets</b>	<b>260,183</b>	<b>661,431</b>	<b>741,257</b>
<b>Current assets</b>			
Current receivables			
Receivables from Group companies	0	0	0
Income tax receivables	885	-56	200
Other receivables	29,275	57,971	2,871
Prepaid expenses and accrued income	422	334	537
<i>Total current receivables</i>	<i>30,581</i>	<i>58,249</i>	<i>3,608</i>
Cash and bank	61,953	60,085	7,895
<b>Total current assets</b>	<b>92,535</b>	<b>118,334</b>	<b>11,503</b>
<b>TOTAL ASSETS</b>	<b>352,718</b>	<b>779,765</b>	<b>674,031</b>
<b>EQUITY</b>			
<i>Restricted equity</i>			
Share capital, 33,403,586 (33,403,586) shares at 1.27 (1.27)	42,363	42,363	42,363
<i>Unrestricted equity</i>			
Share premium reserve	4,328,154	4,328,154	4,328,154
Retained earnings	-3,725,205	-3,727,049	-3,727,049
Profit/loss for the period	-474,330	6,866	3,828
<b>TOTAL EQUITY</b>	<b>170,982</b>	<b>650,335</b>	<b>647,296</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease agreements	-	-	-
<i>Total non-current liabilities</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Current liabilities</b>			
Accounts payable	301	47	165
Liabilities to Group companies	87,049	74,359	23,072
Current tax liabilities	31,588	-26	-40
Other liabilities	60,310	52,576	2,232
Accrued expenses and prepaid income	2,488	2,478	1,305
<i>Total current liabilities</i>	<i>181,736</i>	<i>129,434</i>	<i>26,735</i>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>352,718</b>	<b>779,768</b>	<b>674,031</b>

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## Note 1 Consolidated operating expenses

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2022	2021
Employee remuneration expenses	-2,509	-2,841
Depreciation of property, plant and equipment	-190	-187
Other	-33,808	-2,115
Consultancy agreements	-615	-615
<b>Total</b>	<b>-37,123</b>	<b>-5,757</b>

## Effect of one-time items on the Consolidated Income Statement

<i>In thousands of SEK</i>	Jan 1 - Jun 30		
	2022	one-time items	2022
Net change in fair value of securities	-451,712	457,656	5,944
Dividends	0	49,375	49,375
<b>Net profit/loss - Investing activities</b>	<b>-451,712</b>		<b>55,319</b>
Operating expenses*	-37,123	31,600	-5,523
<b>Result from operating activities</b>	<b>-488,835</b>		<b>49,796</b>
Finance income	-40,862	40,905	43
Finance expenses	-397		-397
<b>Profit/loss before income tax</b>	<b>-530,094</b>		<b>49,442</b>
Income tax expense	-		-
<b>Profit/loss for the period</b>	<b>-530,094</b>	<b>579,536</b>	<b>49,442</b>

Due to uncertainties over true market values arising from trading restrictions imposed by Russian regulators, EOS has decided to value its portfolio at 25% of observable prices on the Moscow Exchange.

Dividends as indicated by the AGM decisions in the portfolio companies.

Full provision for a tax penalty charge for incorrect tax filings. EOS has appealed the decision.

Accounting effect from SWAP agreement for synthetic buybacks. The number is the difference between the purchase price of the shares bought back and the market price of the shares on the balance date. This result will be reversed when the purchased shares have been cancelled - an action which usually occurs before the Half-Year Balance Sheet but which this year is planned to take place later.