



Half year report

1 January – 30 June 2023

- IFRS NAV at the end of the period was SEK 146.8 million (171.0) and SEK 4.97 per share (5.12).
- Profit for the period amounted to SEK 5.9 million (-530.1) and SEK 0.18 per share (-15.87).
- The value of the assets in the portfolio, and any result from changes to that value, continues to be valued at 25% of observable prices on MOEX.
- As previously communicated, the Board continue its work to develop 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. This comprises a possible delisting, organizational changes and a cost-reduction program of which the cost-reduction program has already been implemented.

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 2022, 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. After the reporting date, EOS have received a small part of the outstanding 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.

Application for a delisting

EOS Invest has recently announced its intention to apply for a delisting from Nasdaq First North Growth Market. This is the first step in the plan to reduce costs and make organizational changes designed to increase EOS' chances of gaining access to the Moscow Exchange and to the dividends that have, and will be, paid out by EOS' portfolio companies.

The cost reductions resulting from these organizational changes will be supplemented by a newly launched cost deferral program. As a result of these cost cutting measures, EOS' cash requirements will be reduced by half, enabling the company to continue to operate for about twice as long as would otherwise have been the case before requiring any external cash injections. This cost deferral program comprises a 100% reduction of the current remuneration for all employees and consultants and it will run until EOS regains access to the dividends accrued.

An official request for a delisting has not been announced yet as EOS continues to evaluate the options available to the company.

Operational and financial results

Group

EOS recorded a net profit from investing activities of SEK 11.0 million (-451.7). The portfolio and consequently any results from the portfolio investments, continues to be valued at 25% of observable prices on MOEX.

Operating expenses amounted to SEK -5.0 million (-37.1). Net financial items for the period amounted to SEK 0.0 million (-41.3).

The profit for EOS during the period was SEK 5.9 million (-530.1). Profit per share was SEK 0.18 (-15.87). Total comprehensive income for the period was SEK 15.8 million (-474.3).

EOS' net asset value at June 30, 2023 was SEK 147 million (171). The accumulated effect from exchange rate differences in the translation reserve is SEK -91 million (-132).

Parent Company

The parent company's income for the period amounted to SEK 3.4 million (3.4). Operating expenses amounted to SEK -4.0 (-35.2) million for the period. Net financial items amounted to SEK 16.4 million (-442.5) for the period of which SEK 16.4 (-401.2) million is a write-up of shares in subsidiaries. The profit for the period was SEK 15.8 million (-474.3).

The total number of shares outstanding at June 30, 2023 was 29,548,954 (33,403,586).

Other information

Organization

The average number of employees in the group as of June 30, 2023 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, payment of fees and accrual of costs have been suspended under the cost deferral program.

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

No provisions, contingent assets/liabilities or pledged assets 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. 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 2022 Annual Report.

Significant events during 2023 and after the reporting period

6 April

EOS announced its intention to apply for a delisting of its shares on Nasdaq First North Growth Market.

17 May

EOS announced organizational changes and a cost deferral program.

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 2022 – 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 2022. 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.

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.

In thousands of SEK	2023-06-30		Total
	Level 3	Other	
Assets			
Other receivables	-	608	608
Shares and participations	158 586	-	158 586
Cash and cash equivalents	-	14 464	14 464
Balance at June 30	158 586	15 073	173 658

In thousands of SEK	2023-06-30		Total
	Level 3	Other	
Liabilities			
Lease agreements	-	443	443
Trade and other payables	-	698	698
Accrued expenses	-	2 719	2 719
Other payables	-	31 696	31 696
Balance at June 30	0	35 556	35 556

Stockholm August 25, 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

- 2023-08-25 Half year report 1 January – 30 June 2023

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

Contact information:

Ulf-Henrik Svensson, CEO

ir@eosinv.com

Mangold Fondkommission AB is the Certified Adviser.
Telephone: +46 8 5030 1550
e-mail: ca@mangold.se

Consolidated Income Statement and Statement of Comprehensive Income, in Summary

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2023	2022
Net change in fair value of securities	11 015	-451 712
Dividends	0	0
Net profit/loss - Investing activities	11 015	-451 712
Operating expenses*	-5 040	-37 123
Result from operating activities	5 974	-488 835
Finance income	20	-40 862
Finance expenses	-45	-397
Profit/loss before income tax	5 949	-530 094
Income tax expense	-	-
Profit/loss for the period	5 949	-530 094
Other Comprehensive Income for the period		
<i>Items that have been or may be recycled to profit/loss for the period</i>		
Translation differences	9 810	55 762
Total other Comprehensive Income for the period	9 810	55 762
Total Comprehensive Income for the period	15 759	-474 332
Attributable to equity holders of the Company		
Profit/loss for the period	5 949	-530 094
Total Comprehensive Income for the period	15 759	-474 332
Earnings per share		
basic (SEK)	0,18	-15,87
diluted (SEK)	0,18	-15,87

* see note 1 for detailed information

Consolidated Statement of Financial Position

<i>In thousands of SEK</i>	Jun 30	Dec 31
	2023	2022
Assets		
Property, plant and equipment	4 025	4 132
Total non-current assets	4 025	4 132
Income tax receivables	-157	237
Prepaid expenses and accrued income	385	930
Other receivables	5 198	7 045
Shares and participations	158 586	138 343
Cash and cash equivalents	14 464	16 762
Total current assets	178 476	163 318
TOTAL ASSETS	182 501	167 449
Equity and liabilities		
EQUITY		
Share capital	42 363	42 363
Other contributed equity	4 268 873	4 268 873
Reserves	-91 076	-100 886
Retained earnings, including profit/loss for the period	-4 073 381	-4 079 331
Equity attributable to equity holders of EOS AB	146 778	131 019
Total Equity	146 778	131 019
LIABILITIES		
Lease agreements	443	618
Trade and other payables	698	397
Other liabilities	31 696	31 998
Accrued expenses and deferred income	2 886	3 418
Total current liabilities	35 723	36 430
Total liabilities	35 723	36 430
TOTAL EQUITY AND LIABILITIES	182 501	167 449

Consolidated Statement of Changes in Equity in Summary

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2023	2022
Opening balance	131 019	650 319
Total Comprehensive Income	15 759	-474 332
Reversal of result from synthetic share buyback	-	-5 019
Closing balance	146 778	170 968

Consolidated Statement of Cash Flows

	Jan 1 - Jun 30	
<i>In thousands of SEK</i>	2023	2022
Cash flows from operating activities		
Profit/loss before income tax	5 949	-530 094
Adjustment for non-cash items		
Change in fair value of securities	-11 085	448 959
Depreciation	74	103
Other	520	-674
Income tax paid	0	0
Net cash used in operating activities before changes in working capital	-4 542	-81 706
Cash flows from changes in working capital		
Increase (-)/Decrease (+) in operating receivables	5 107	14 914
Increase (+)/Decrease (-) in operating liabilities	-2 863	51 837
Net cash used in operating activities	-2 298	-14 955
Cash flows from investing activities		
Acquisition of shares and participations	0	-9 541
Proceeds from sale of shares and participations	0	0
Net cash used in investing activities	0	-9 541
Cash flows from financing activities		
Share redemption	0	0
Net cash from financing activities	0	0
Net increase in cash and cash equivalents	-2 298	-24 497
Cash and cash equivalents at January 1	16 762	93 525
Cash and cash equivalents at the end of the period	14 464	69 028

Consolidated Key Figures *

	Jan 1 - Jun 30	
	2023	2022
Number of shares outstanding, end of period	29 548 954	33 403 586
Average number of shares outstanding	32 696 023	33 403 586
Net asset value, end of period, TSEK	146 778	170 968
Net Income per average number of shares outstanding, SEK	0,18	-15,87
Net asset value per share, end of period, SEK	4,97	5,12
<i>* before and after dilution</i>		

Company Income Statement

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2023	2022
Other income	3 360	3 360
Other external expenses	-2 891	-33 256
Employee benefit expenses	-1 100	-1 972
Depreciation of property, plant and equipment	-	-
Result from operating activities	-631	-31 869
Result from financial items		
Result from participations in Group companies	16 389	-401 247
Other interest income and similar income	2	-40 862
Interest expense and similar charges	-1	-352
Profit/loss before income tax	15 760	-474 330
Income tax expense	-	-
Profit/loss for the period	15 760	-474 330

EOS Invest AB (publ)

Styckjunkargatan 1, 114 35 Stockholm, Sweden

<http://www.eosinv.com> | ir@eosinv.com | Phone +46 (0) 8 407 31 50

Company Balance Sheet

	Jun 30	Dec 31	Jun 30
<i>In thousands of SEK</i>	2023	2022	2022
ASSETS			
Non-current assets			
Property, plant and equipment	-	-	-
Financial assets			
Participations in group companies	257 809	241 420	260 123
Non-current receivables	60	60	60
Total non-current assets	257 869	241 480	260 183
Current assets			
Current receivables			
Receivables from Group companies	0	0	0
Income tax receivables	-157	237	885
Other receivables	4 530	6 512	29 275
Prepaid expenses and accrued income	178	712	422
<i>Total current receivables</i>	<i>4 550</i>	<i>7 461</i>	<i>30 581</i>
Cash and bank	610	761	61 953
Total current assets	5 161	8 222	92 535
TOTAL ASSETS	263 030	249 702	352 718
EQUITY			
<i>Restricted equity</i>			
Share capital, 29,548,954 (33,403,586) shares at 1.43 (1.27)	42 363	42 363	42 363
<i>Unrestricted equity</i>			
Share premium reserve	4 268 361	4 268 361	4 328 154
Retained earnings	-4 179 691	-3 725 205	-3 725 205
Profit/loss for the period	15 760	-454 487	-474 330
TOTAL EQUITY	146 793	131 033	170 982
LIABILITIES			
Non-current liabilities			
Lease agreements	-	-	-
<i>Total non-current liabilities</i>	<i>0</i>	<i>0</i>	<i>0</i>
Current liabilities			301
Accounts payable	698	397	301
Liabilities to Group companies	81 608	83 899	87 049
Current tax liabilities	31 469	31 614	31 588
Other liabilities	164	143	60 310
Accrued expenses and prepaid income	2 299	2 617	2 488
<i>Total current liabilities</i>	<i>116 237</i>	<i>118 669</i>	<i>181 736</i>
TOTAL EQUITY AND LIABILITIES	263 030	249 702	352 718

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Note 1 Consolidated operating expenses

<i>In thousands of SEK</i>	Jan 1 - Jun 30	
	2023	2022
Employee remuneration expenses	-1 296	-2 509
Depreciation of property, plant and equipment	-161	-190
Other	-3 583	-33 808
Consultancy agreements	0	-615
Total	-5 040	-37 123

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