

3rd quarter 2020 report

// Overview

› In connection with the expected change of its anchor shareholder, EEII has completely withdrawn from Ukraine as an investment market and has further divested its KAZ Minerals PLC position. The NAV finished the quarter at CHF 2.67 down by 18.1% from the end of Q2 2020 (CHF 3.26)

// Investments

Portfolio composition and news:

› The divestment process in preparation of the new investment strategy was initiated during the course of Q3. All Ukrainian holdings were sold as well as the non-strategic position in KAZ Minerals.

› Gazprom remains the only investment holding in the portfolio. Given the current state of the energy markets with depressed valuations across the entire sector, management has decided to keep the position for the time being. While Gazprom's results continued to suffer (the company reported an 82% drop in pretax profit for the second quarter 2020 to USD 339 mln), it maintained its very substantial dividend payout as expected. With crude oil prices range bound between USD 38 to 42 per barrel (Brent) and with the onset of the second Covid-19 wave, expectations for a recovery of Gazprom's share price remains modest for the foreseeable future.

// Events during the reporting period

› As indicated in the interim report for the first six months of 2020, EEII's main shareholder, Gehold AG, Zug, entered into an agreement to sell its entire 92.41% stake in EEII AG to NACALA WORLDWIDE AG, Luzern. The closing of the transaction has been postponed, but is expected to be announced not later than November 20, 2020.

› Facts and figures

History	› Inception	8/97
	› Public listing (SWX)	1/99
	› Capital reduction	4/03
	› Capital decrease	8/14

Capital structure	› 1,527,510 bearer shares	
	› par value of CHF 7.10	
	› Last payment to the share-holders of CHF 1.12 derived from the capital decrease (ex-date 26/08/2014)	

Board of directors	› Victor Gnehm (Chairman)	
	› Christoph Offenhäuser	

Advisory fee	Flat fee, payable quarterly
--------------	-----------------------------

Share identification	› Valor 716 295
	› ISIN CH0007162958

Bloomberg	EEII SW Equity
-----------	----------------

Registered office	EEII AG
	Alpenstrasse 15
	P.O. Box 7863, 6302 Zug

CEO	› Marcus H. Bühler
-----	--------------------

Advisor	Weissenstein & Partner AG, Zurich
---------	-----------------------------------

Administrator	MSZ Group AG Zug
---------------	------------------

Custodians	› UBS AG, Zug
	› FUIB, Kiev

Auditor	BDO Ltd, Zurich
---------	-----------------

Independent Rep. of Shareholders	Philipp Andermatt, Zwicky Windlin & Partner
----------------------------------	---

› Portfolio	per share	MCHF	%
Net current assets		0.3	5.9%
Investments		4.9	94.2%
Total assets		5.2	100%
NAV (30/09/20)	2.67	4.1	
NAV (30/06/20)	3.26	5.0	
NAV (31/03/20)	2.87	4.4	
NAV (31/12/19)	audited 4.96	7.6	
NAV (30/00/19)	4.57	7.0	

› Investments (in 1,000 CHF)	at cost	fair value	ownership
Gazprom	8,143	2,985	0.00%
Total	8,143	2,985	