



Eastern Energy & Infrastructure Invest

Interim Report as at June 30, 2023

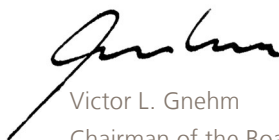
## Dear Shareholders

As reported earlier this year, EEII AG's former anchor shareholder, Gehold SA, has sold its majority stake to SEBRINA HOLDING SUISSE SA and the transaction was completed in H1 2023. Consequently, as of the annual General Meeting of Shareholders, the majority shareholder of SEBRINA HOLDING SUISSE SA, Mr. Alexandre Uldry, has stepped in as the Company's new CEO and Delegate of the Board. Since then, EEII has revised its strategy and investment focus, and we will communicate these and the next steps to be taken to the public in H2 2023.

With regard to EEII's only remaining asset in its portfolio, its PJSC Gazprom shares listed on the Moscow Stock Exchange, the situation has not changed since the publication of our last annual report. No reliable information can be obtained if the Company can eventually gain access to those shares, and their valuation therefore remains unchanged.

The decrease in the Company's NAV is wholly attributable to the on-going operational costs of the Company which were kept to an absolute minimum.

Yours sincerely,



Victor L. Gnehm

Chairman of the Board of Directors

# Determination of the Net Asset Value

as of June 30

in CHF

	2023	2023	2022	2022
	Following IFRS presentation	Representing the shareholders, economic interest	Following IFRS presentation	Representing the shareholders, economic interest
Cash and other assets	299,828	299,828	693,933	693,933
Financial assets at fair value through profit or loss	24,854	24,854	411,739	411,739
<b>Total assets</b>	<b>324,682</b>	<b>324,682</b>	<b>1,105,672</b>	<b>1,105,672</b>
<b>Total current liabilities</b>	<b>27,685</b>	<b>27,685</b>	<b>66,528</b>	<b>66,528</b>
Share capital	10,845,321	10,845,321	10,845,321	10,845,321
(Accumulated deficit)	(10,548,324)	(10,548,324)	(9,806,177)	(9,806,177)
<b>Total shareholders' equity</b>	<b>296,997</b>	<b>296,997</b>	<b>1,039,144</b>	<b>1,039,144</b>
<b>Total liabilities and shareholders' equity</b>	<b>324,682</b>	<b>324,682</b>	<b>1,105,672</b>	<b>1,105,672</b>
Total shares outstanding	–	1,527,510	–	1,527,510
Number of treasury shares	–	–	–	–
Net Asset Value per share		CHF 0.19		CHF 0.68

# Interim IFRS Financial Statements

## IFRS Statement of Financial Positions

as of June 30

in CHF (unaudited)	Notes	30.06.2023	31.12.2022
<b>Assets</b>			
Cash and cash equivalents		299,828	491,810
Other assets		–	6,305
<b>Total current assets</b>		<b>299,828</b>	<b>498,115</b>
Financial Assets at fair value through profit or loss	5/6	24,854	30,641
<b>Total non current assets</b>		<b>24,854</b>	<b>30,641</b>
<b>Total assets</b>		<b>324,682</b>	<b>528,756</b>
<b>Liabilities and shareholders' equity</b>			
Accounts payable		2,311	5,982
Accrued expenses and other liabilities		25,374	49,000
<b>Total current liabilities</b>		<b>27,685</b>	<b>54,982</b>
Share capital		10,845,321	10,845,321
(Accumulated deficit)		(10,548,324)	(10,371,547)
<b>Shareholders' equity</b>		<b>296,997</b>	<b>473,774</b>
<b>Total liabilities and shareholders' equity</b>		<b>324,682</b>	<b>528,756</b>

# Interim IFRS Statement of Income

for the period from January 1<sup>st</sup> to June 30

in CHF (unaudited)	Notes	2023	2022
<b>Operating income</b>			
Interest income		3,526	–
Unrealised (loss)/gain on financial assets at fair value through profit or loss	6	(5,787)	(5,852,552)
Foreign exchange (loss)/gain		(6,308)	7,366
<b>Net operating (loss)</b>		<b>(8,569)</b>	<b>(5,845,186)</b>
<b>Operating expenses</b>			
Management & Advisory fees		(57,680)	(57,680)
Administrative fees		(26,704)	(18,704)
Directors fees		(17,261)	(17,261)
Personnel cost		(7,379)	(7,917)
Professional fees		(35,876)	(43,186)
Other expenses		(21,220)	(23,131)
Bank charges and interest expenses		(2,088)	(2,764)
Capital tax expense		–	(550)
<b>Total operating expenses</b>		<b>(168,208)</b>	<b>(171,193)</b>
<b>(Loss) before tax</b>		<b>(176,777)</b>	<b>(6,016,379)</b>
Income taxes		–	–
<b>Net (loss) after tax</b>		<b>(176,777)</b>	<b>(6,016,379)</b>
<b>Net earnings per share</b>			
Net (loss)		(176,777)	(6,016,379)
Weighted Average Number of shares (basic and diluted)		1,527,510	1,527,510
Net (loss)per share – (basic and diluted)		(0.12)	(3.94)

# Interim IFRS Statement of Comprehensive Income

in CHF (unaudited)	2023	2022
<b>Net (loss) for the year</b>	<b>(176,777)</b>	<b>(6,016,379)</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive (loss) for the year</b>	<b>(176,777)</b>	<b>(6,016,379)</b>

# Interim IFRS Cash Flow Statement

for the period from January 1<sup>st</sup> to June 30

in CHF	2023	2022
<b>Operating activities</b>		
(Loss) before tax	(176,777)	(6,016,379)
<b>Adjustments to reconcile loss before tax to net cash flows</b>		
Interest income	–	–
Foreign exchange loss/(gain) on cash and cash equivalents	6,308	(7,366)
Unrealized loss/(gain) on financial assets at fair value through profit or loss	5,787	5,852,552
<b>Working capital adjustments</b>		
Dividends received	–	–
Decrease in short term receivables from shareholder (net after set off with loan)	–	–
Decrease in other assets	6,305	6,305
(Decrease)/increase in accounts payable	(3,671)	(6,857)
(Decrease)/increase in accrued expenses and other liabilities	(23,626)	(86,237)
<b>Net cash flows used in operating activities</b>	<b>(185,674)</b>	<b>(257,982)</b>
<b>Investing activities</b>		
<b>Net cash flows from investing activities</b>	<b>–</b>	<b>–</b>
<b>Financing activities</b>		
<b>Net cash flows from financing activities</b>	<b>–</b>	<b>–</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(185,674)</b>	<b>(257,982)</b>
Cash and cash equivalents at the beginning of the year	491,810	944,549
Foreign exchange gain on cash and cash equivalents	(6,308)	7,366
<b>Cash and cash equivalents at the end of the period</b>	<b>299,828</b>	<b>693,933</b>
<b>Cash and cash equivalents consist of:</b>		
Cash at banks	299,828	693,933
Short-term deposits	–	–
<b>Cash and cash equivalents as defined for the cash flow statement</b>	<b>299,828</b>	<b>693,933</b>

# Interim IFRS Statement of Changes in Equity

in CHF (unaudited)	Share capital	Share premium	Accumulated deficit	Total equity
<b>Balance as of January 1<sup>st</sup>, 2022</b>	<b>10,845,321</b>	–	<b>(3,789,798)</b>	<b>7,055,523</b>
Net (loss) for the period (January – June 2022)	–	–	(6,016,379)	(6,016,379)
<b>Balance as of June 30<sup>th</sup>, 2022</b>	<b>10,845,321</b>	–	<b>(9,806,177)</b>	<b>1,039,144</b>
Net (gain) for the period (July – December 2022)	–	–	(565,370)	(565,370)
<b>Balance as of December 31<sup>st</sup>, 2022</b>	<b>10,845,321</b>	–	<b>(10,371,547)</b>	<b>473,774</b>
Net (loss) for the period (January – June 2023)	–	–	(176,777)	(176,777)
<b>Balance as of June 30<sup>th</sup>, 2023</b>	<b>10,845,321</b>	–	<b>(10,548,324)</b>	<b>296,997</b>

# Notes to the IFRS Financial Statements

as of June 30, 2023

## // Note 1 – Changes in accounting principles

In accordance with International Financial Reporting Standards, the interim financial statements have been prepared using the same accounting policies and methods of computation and valuation as used in the 2022 financial statements and are in compliance with IAS 34 interim financial reporting.

## // Note 2 – Fair value of the investment portfolio

The fair value measurement of the Company utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into three different levels based on how observable the inputs used in the valuation technique utilised are (the “fair value hierarchy”):

- › Level 1: Quoted prices in active markets for identical items
- › Level 2: Observable direct or indirect inputs other than Level 1 inputs
- › Level 3: Unobservable inputs (i.e. not derived from market data) The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item

The situation around the investment in Gazprom has not changed since the publication of our last annual report. It remains unclear how and when international investors will have access to their investment again.

At the time of printing of this report, there is no indication that the conflict between Ukraine and Russia will develop in a way that would allow for a different assessment in the foreseeable future.

On this basis, Gazprom shares remain classified as a Level 3 asset. On the Moscow Stock Exchange meanwhile, the shares traded in a range of RUB 150 to RUB 185 and closed on the last day of the reporting period at RUB 166.85, equivalent to CHF 1.67 per share at the exchange rate of 99.73 against the Swiss Franc.

## // Note 3 – Exchange Rate

The Company holds assets denominated in currencies other than Swiss Francs, its functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The exchange rates used against the CHF were:

	2023	2022
USD	0.90110	0.92290
EUR	0.97670	1.00134

## // Note 4 – Retirement benefit plan

No retirement benefit plan is in place as the current salary structure of the Company is not subject to pension obligations.



## // Note 5 – Investments

as of June 30, 2023

Financial assets at fair value through profit or loss	Balance as of January 1 <sup>st</sup> , 2023		Balance as of June 30, 2023	
	Quantity	CHF	Quantity	CHF
<b>Oil &amp; Gas Investments</b>				
Gazprom OAO ADR	1,485,600	30,641	1,485,600	24,854
<b>Total Oil &amp; Gas Investments</b>		<b>30,641</b>		<b>24,854</b>
<b>Total financial assets at fair value through profit or loss</b>		<b>30,641</b>		<b>24,854</b>

**// Note 6 – Financial Assets at fair value through profit or loss**

in CHF	30.06.2023	31.12.2022
<b>Financial Assets at fair value through profit or loss brought forward</b>	<b>30,641</b>	<b>6,264,291</b>
Purchase	–	–
Sale	–	–
Unrealised gain on financial assets at fair value	–	–
Unrealised loss on financial assets at fair value	(5,787)	(6,233,650)
Realised gain on financial assets at fair value	–	–
Realised loss on financial assets at fair value	–	–
<b>Financial Assets at fair value through profit or loss</b>	<b>24,854</b>	<b>30,641</b>

Listed shares	CHF	%	CHF	%
Liquid shares (Level 1 in fair value hierarchy IFRS 13)	–	0	–	0
Shares with limited liquidity (Level 3 in fair value hierarchy IFRS 13)	24,854	100	30,641	100
<b>Total</b>	<b>24,854</b>	<b>100</b>	<b>30,641</b>	<b>100</b>
Russia	24,854	100	30,641	100
<b>Total</b>	<b>24,854</b>	<b>100</b>	<b>30,641</b>	<b>100</b>

**Shares with limited liquidity (Level 3 in fair value hierarchy IFRS 13)**

in CHF	30.06.2023	31.12.2022
<b>Financial Assets at fair value through profit or loss</b>		
At fair value		
as of January 1 <sup>st</sup>	30,641	–
Reclassification Level 1	–	6,264,291
Reclassification Level 2	–	–
Reclassification Level 3	–	–
Sale	–	–
<b>Unrealised (Loss)/gain in profit or loss</b>	<b>(5,787)</b>	<b>(6,233,650)</b>
as of June 30	24,854	30,641

# Fees, Securities and Capital Structure

## // Advisory Contracts/Mandate agreements

Since the beginning of the year 2017 Weissenstein & Partner AG, Zürich ("W&P") serves as an advisor to EEII on the basis of a mandate agreement. Since then W&P provides services to EEII on the basis of a Mandate Agreement. EEII's Board of Directors conferred on W&P responsibilities for tasks such as financial & investment advisory, monitoring, reporting as well as regulatory and compliance. W&P's compensation is fixed with no variable components. W&P's compensation amounted to CHF 57,680 for the first half of 2023.

## // Shares

Listed on Swiss Exchange (SWX) on January 21<sup>st</sup>, 1999 (Valor 716295). Nominal value: CHF 7.10. In total, 1,527,510 shares have been issued (see capital structure).

## // Weekly NAV information

Bloomberg: EEII SW  
[www.eeii.ch](http://www.eeii.ch)

## // Capital structure

As of June 30<sup>th</sup>, 2023 the Company's share capital consisted of 1,527,510 ordinary bearer shares with a nominal value of CHF 7.10 per share (Security No. 716 295/ISIN Code CH007162958). Each share represents one voting right. As per June 30<sup>th</sup>, 2023 SEBRINA HOLDING SUISSE SA, Geneva owned 92.41 % of the outstanding shares of the Company.

# Organization, Related Parties, Management, Advisor and Address

**Registered office EEII AG**

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**Management of the Company**

Alexandre U. Uldry, CEO

**Advisor**

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Switzerland

**Team of the Advisor**

- › Barbara Kuhn, Weissenstein & Partner AG
- › Christoph Offenhäuser, Weissenstein & Partner AG

**Custodians**

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**Administrator**

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6300 Zug  
Switzerland

**Auditor**

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