



**Press Release**  
**Geneva, 27 August 2020**

## **ENR RUSSIA INVEST SA ANNOUNCES 2020 HALF-YEAR RESULTS**

For the six months ended 30 June 2020 ENR Russia Invest SA (“**ENR**”) and its subsidiaries produced a consolidated net loss of CHF 4.58 million (consolidated net profit of CHF 3.54 million for the similar period in 2019) due to lower valuations (mainly as a result of ruble depreciation of +/- 14% against the Swiss Franc in the reporting period). The consolidated equity decreased to CHF 40.66 million (CHF 48.13 million at 31 December 2019).

ENR invested a further ruble 195 million (+/- CHF 2.9 million) into Kaluga Flower Holding LLC. This was used to service, upgrade and/or replace engineering and production related systems at the greenhouses in Russia, to buy flower plants and bulbs and to part fund operations. To date, 11 hectares of greenhouses have been successfully upgraded and put into operation; a tulip and a seasonal flower growing program was completed; 5 hectares (“**ha**”) in greenhouses were planted with roses and 1.4 ha prepared and planted with gerberas; poinsettias were planted on 2 ha and preparations are underway for end of year tulips, lilies and hyacinths programs.

At the Petrovsky Fort business center in Saint- Petersburg, the COVID-19 pandemic impact was well managed. Depending on the industry or nature of the business, Russian legislation required a rental payment vacation or temporary discount with qualifying tenants. A small number of tenants at the business center fell into these categories and a few others were not able to renew short term rental contracts due to the adverse impact of the virus on their businesses. Consequently, there was a 5% increase in vacancies in the business center during the reporting period. There were no payment arrears. Capex programs for ongoing improvements continue as planned.

At the Turgenevskaya parking garage in Moscow, rental of parking bays to corporates and their employees remained relatively steady as hourly parking rentals slowed in the period when Moscow City had introduced work from home restrictions. In July hourly rentals started to recover again.

The COVID-19 pandemic caused growth in Russia to slow down and Gross Domestic Product contracted by 4.2% in the first half of 2020. Failed OPEC+ group talks on curbing production volumes and Saudi Arabia’s response to cut its crude oil prices and a threat to ramp up output had a very negative impact on oil prices which fell sharply by 65% between January and April. As more restrictions were introduced to slow the spread of the virus, demand for oil slowed meaningfully. Subsequently the OPEC+ group reached an agreement to reduce oil production until the end of July 2020 and oil prices stabilized at low USD 40 levels per barrel levels. Lower oil prices and earnings have a detrimental impact on the Russian economy and a negative impact on the ruble.

The ENR semi- annual report is available from today on ENR’s website at <https://enr.ch/wp-content/uploads/ENR-Semi-Annual-Report-2020.pdf>

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ENR Russia Invest SA is an investment company listed on the SIX Swiss Exchange. It specialises in the management of equities and equity-like investments, real estate as well as fixed income instruments in Russia, other members of the Commonwealth of Independent States and the Baltic States. Additional information on ENR Russia Invest SA is available on the company website [www.enr.ch](http://www.enr.ch)