



## Semi-Annual Report 2022





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## Letter to Shareholders

Dear shareholders,

For the six months ended 30 June 2022, ENR Russia Invest SA and its subsidiaries produced a consolidated net profit of CHF 13.37 million (consolidated net profit of CHF 2.94 million for similar period in 2021).

The increase in net profit resulted from the strong ruble appreciation against the Swiss Franc in the reporting period, offset by fair value adjustment losses on our marketable securities and real estate assets.

At the LLC Kaluga Flower Holding flower production facility near Moscow ("Kaluga Flowers") greenhouses are near full capacity utilisation with 24.1 of 25.1 hectares in productive use. 15 hectares are planted with more than 40 rose varieties; 2 hectares are planted with more than 20 germini and gerbera varieties; 5 hectares are used for a large annual tulip program and seasonal flowers; 2 hectares are used for chrysanthemums and 0.1 hectares for flower plant propagation.

Flower growing and cutting increased as rose, gerbera and germini plants mature and yields improve. Sales volumes increased and flower sales prices also improved in the half-year. The client portfolio now includes major Russian retail and wholesale groups, and the smaller client base continues to grow.

Kaluga Flowers is the largest Russian domestic flower producer. It is well positioned with locally produced flowers to substitute imported flowers, and its flowers are high-quality, last longer and it can provide regular and reliable supply to customers. This has been relevant in recent months with sporadic supply chain disruptions, where offshore flower producers and importers face challenges due to sanctions, transport, logistical and payment challenges.

At the Petrovsky Fort business centre in Saint-Petersburg ("Petrovsky Fort") the business performed solidly (low vacancies on all office floors). A supermarket chain opened a new store in the building which brings convenience grocery shopping to tenants.

As part of the optimisation program on the retail floors, a 1'000 square meter area is under refurbishment to create a new value added rentable space. Regular ongoing improvements and capex programs continue.

The Turgenevskaya parking garage in Moscow, daily parking income is steadily increasing and the new card payment system makes it easier for customer payments. Rental of longer-term parking bays to corporates and to individuals are steadily improving.

Due to the sanctions against Russia, Russian entities, and individuals, the operating environment in Russia has changed, particularly with regards to imports/exports, currency conversions and capital controls.

Notwithstanding, our operational businesses are operating at levels comparable to or better than in 2021 and no material remedial action is presently required to sustain them in Russia.

The Central Bank of Russia decreased the key rate from 20% to 8% via number of rate cuts over the past few months, below the 9.5% at year-end 2021.

Sanctions against Russia have negative economic consequences and inflation increased to 15%. Growth is expected to be negative in 2022.

ENR continues to monitor geopolitical developments and the economic environment to evaluate how the situation is evolving, and to assess what actions to take.

Geneva, 25 August 2022



Gustav Stenbolt  
Chairman



Ben de Bruyn  
Chief Executive Officer

## Economic and Political Review

The COVID-19 pandemic still impacts on economic conditions worldwide as supply chains remain disrupted. Uncertainty remains with new outbreaks linked to new variants of the virus.

Sanctions against Russia, Russian entities, and individuals have a negative impact on the Russian economy. It has changed the operating environment, particularly with regards to imports/exports and currency conversions.

The Central Bank of Russia ("CBR") was sanctioned and a large part of Russia's offshore foreign reserves cannot be used. Large Russian companies are sanctioned from raising finance in western markets. Russia itself cannot raise funds on the sovereign debt market and there are prohibitions on trading of listed Russian state-owned entities. There are limitations on financial inflows from Russia to the European Union ("EU") and many Russian banks have been sanctioned to use the SWIFT interbank system.

The world's three largest container shipping groups suspended non-essential deliveries to Russia and all dual use export licenses, including export of electrical components used in military and civilian computers and machinery components were suspended. The export of hi-tech equipment has been sanctioned (semi-conductors and aircraft parts and products). Russian gold exports to the EU, the United Kingdom and the United States was banned.

The CBR increased the key rate in late February from 9.5% to 20%, stating at the time that external conditions for the economy had drastically changed and that the increase will result in higher deposit rates to compensate for the increased depreciation and inflation risks. At that time, it was required to support financial and price stability and protect savings from depreciation. Rapid ruble devaluation was halted.

Since then, the CBR has made a number of rate cuts and the key rate was reduced to 8% in July 2022 (below the 9.5% at year-end 2021).

Over the past months the ruble strengthened against major currencies (31% appreciation against the Swiss franc in the half-year) due to rising export revenues, ruble based gas payments by EU customers and falling imports.

Oil and gas prices remain key factors to the prospects of the Russian economy (the majority of exports and generating the bulk of federal budget revenues). Russian oil and gas income via exports is also a key source of rouble support.

In early March, the United States introduced a ban on imports from Russia crude oil, petroleum products, liquefied natural gas and coal. Russian oil exports to the United States is small at +/- 7% of its total oil product exports and it redirected the volumes to China and India.

Subsequently, the EU placed an embargo on crude oil and certain refined petroleum products from Russia. This was accompanied by a ban on the provision of related services, including insurance or reinsurance, in connection with the transport of oil and certain Russian petroleum products (United Kingdom did not put into place similar sanctions for the insurance industry).

Oil prices increased by 125% from US\$ 51 per barrel (Brent) at year-end 2021 to US\$ 115 per barrel (Brent) at 30 June 2022. At the same time natural gas prices in Europe increased by 100% during this period from 70 Euro/MWh to 140 Euro/MWh (all time high of 345 Euro/MWh in March 2022).

Gross Domestic Product ("GDP") growth in Russia contracted by 3.5% in the first quarter of 2022 and inflation was at 15.4% at the half-year.

Russia's trade surplus increased due to higher hydrocarbon prices and low imports from the West and China. Employment has been resilient, partly due to temporary job retention agreements (or constraints), part-time work and other measures.

Bilateral peace talks have stalled at the moment and Ukraine GDP is expected to contract by 45% in 2022 with low exports, widespread infrastructure damage and population migration.

## Portfolio Investments

### *Petrovsky Fort*

(<http://www.petrofort.ru/en/>)

Petrovsky Fort is a class B+ office and retail center in Saint-Petersburg near the embankment of the Neva river. There are nine office floors (15'328 square meters of rentable space) and two retail levels (5'815 square meters of rentable space), two technical floors and a large central atrium, together with underground parking for 118 cars and above ground parking for 36 cars.

The Saint-Petersburg based team of ENR is actively involved in the day-to-day management of the building and its tenants. A turnkey service offering is provided to the tenants (i.e. utility services, central heating, venting and air conditioning; telecommunication lines and high-speed internet access; daily cleaning; security services; reception services as well as engineering and maintenance services).

For office space, vacancies increased marginally to 3% (31 December 2021: 1.7%). For the two retail floors, vacancies increased to 44% (31 December 2021: 25%) when a retail tenant reduced rental space in June 2022. Overall, the vacancy rate increased to 14% (31 December 2021: 8%).

A supermarket chain opened a new store in the building during July 2022. This brings convenience grocery shopping to tenants. As part of the optimisation program on the two retail floors, a 1'000 square meter area is under refurbishment to create a new value added rentable space. Regular ongoing improvements and capex programs continue.

At the half-year, the Petrovsky Fort valuation was ruble 2.74 billion (31 December 2021: ruble 2.81 billion). As the ruble strengthened considerably against the Swiss Franc in the reporting period, the carrying value, in Swiss Franc, increased to CHF 50.63 million at 30 June 2022 (31 December 2021: CHF 36.20 million).

### *Kaluga Flower Holding LLC - Florentika*

(<https://www.florentika.ru/>)

ENR and its Russian partner each has a 50% interest in LLC Kaluga Flower Holding who owns a greenhouse complex for flower growing in the Kaluga Oblast in Russia (135 km south-west of Moscow) ("Flower Growing Facility"). The Flower Growing Facility is well engineered and equipped with five stand-alone greenhouses. Each greenhouse has gas driven combined cycle generators and heating systems, water treatment and distribution systems and flower growing and harvesting machinery and equipment (mainly Dutch manufactured).

Greenhouses are near full capacity utilisation with 24.1 of 25.1 hectares in productive use. 15 hectares are planted with more than 40 rose varieties; 2 hectares are planted with more than 20 germini and gerbera varieties; 5 hectares are used for a large annual tulip program and seasonal flowers; 2 hectares are used for chrysanthemums and 0.1 hectares for flower plant propagation. Flower growing and cutting increased as rose, gerbera and germini plants mature and yields improve.

Sales volumes increased and flower sales prices improved during the past six months. The client portfolio now includes major Russian retail and wholesale groups, and the smaller client base continues to grow.

ENR invested ruble 764.42 million in Kaluga Flower Holding LLC via promissary notes and ruble 32 million via equity.

At 30 June 2022, the carrying value of the investment in Kaluga Flower Holding LLC increased to CHF 16.76 million due to the stronger ruble against the Swiss Franc (31 December 2021: CHF 10.97 million).

#### *Turgenevskya parking garage* (<http://www.turgenevka-parking.ru/>)

The parking garage is well located in the central business district of Moscow at Turgenevskaya square on the Boulevard Ring. It has a gross built area of almost 10'000 square meters, with parking lot above ground and in six levels underground.

Parking lots are leased to corporate clients and to individuals and on an hourly basis for other users. There are several business centers and retail properties in the surrounding area, with three subway stations within close walking distance.

Daily parking income is steadily increasing and the new card payment system makes it easy for customer payments. Rental of longer-term parking bays to corporates and individuals are steadily improving.

At 30 June 2022 the carrying value of the Turgenevskaya parking garage increased to CHF 4.92 million due to the stronger ruble against the Swiss Franc (31 December 2021: CHF 3.76 million).

#### *Listed equities*

These are shares in Severstal, a vertically integrated steel and steel-related mining business listed on the Moex Moscow stock exchange, with an attributable value of CHF 0.22 million at 30 June 2022.

#### *Fixed Income Investments*

The fixed income investments are bonds of the VTB group, a large financial services group in Russia. The aggregate value of these investments declined from CHF 1.46 million at 31 December 2021 to CHF 0.11 million at half-year 2022.

## Net Asset Value and Attributable Net Asset Value

	30.06.2022		31.12.2021	
	Following IFRS presentation	Representing the existing shareholders' economic interest	Following IFRS presentation	Representing the existing shareholders' economic interest
<b>Assets</b>				
Treasury stock	-	1,636,318	-	1,108,654
Cash, investments and other assets	81,055,854	81,055,854	59,124,461	59,124,461
<b>Total assets</b>	<b>81,055,854</b>	<b>82,692,172</b>	<b>59,124,461</b>	<b>60,233,115</b>
<b>Liabilities</b>				
<b>Total liabilities</b>	<b>19,395,393</b>	<b>19,395,393</b>	<b>18,323,249</b>	<b>18,323,249</b>
<b>Shareholders' Equity</b>				
Treasury stock - at cost	- 2,370,696	-	- 2,370,696	-
Remaining Equity	64,031,157*	63,296,779*	43,171,908*	41,909,866*
<b>Total shareholders' equity</b>	<b>61,660,461</b>	<b>63,296,779</b>	<b>40,801,212</b>	<b>41,909,866</b>
<b>Total liabilities and shareholders' equity</b>	<b>81,055,854</b>	<b>82,692,172</b>	<b>59,124,461</b>	<b>60,233,115</b>
Number of shares outstanding		2,644,402		2,644,402
Net asset value per share		23.94**		15.85**
Attributable net asset value per share		23.94**		15.85**
Number of treasury shares		70,168		70,168

\* Net of a CHF 29.95 million dividend paid in July 2015

\*\* Net of a CHF 11.50 per share dividend paid in July 2015

### *Note*

The net asset value ("NAV") per share is calculated in Swiss Francs as the aggregate of the value of all investments and treasury shares less the aggregate amount of the liabilities and accrued expenses divided by the total number of shares issued.

The main differences between the NAV calculation and the International Financial Reporting Standards ("IFRS") based Shareholders Equity relate to the calculation of treasury shares and reclassifying out of shareholders' equity.

Treasury shares are shown at NAV in the column representing the shareholder's economic interest. Attributable NAV per share is the consolidated NAV, less the aggregate value of any minority interests, reflecting the economic value attributed to shareholders, divided by the total number of shares issued

### *Consolidated Results*

The consolidated shareholders' equity, based on IFRS representation, at 30 June 2022 was CHF 61.66 million (year-end 2021: CHF 40.80 million). The consolidated net profit for the 2022 half-year is CHF 13.37 million (2021 half-year: consolidated net profit of CHF 2.94 million). The consolidated accumulated profit as of 30 June 2022 is CHF 0.76 million (31 December 2021: CHF 12.61 million accumulated deficit)(see consolidated statement of changes in equity for the half-year ended 30 June 2022).

## Financial Statements

### Condensed consolidated statement of financial position (unaudited)

(Currency - CHF)

	Note	30.06.2022	31.12.2021
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	1,191,667	579,234
Accounts receivable and accrued interest	7	279,705	193,356
Investments at fair value through profit or loss	4.1	3,709,907	4,981,913
<b>Total Current Assets</b>		<b>5,181,279</b>	<b>5,754,503</b>
<b>Non-Current Assets</b>			
Accounts receivable and accrued interest	7	22,822,866	15,507,450
Investment in associates		130	130
Investment property	5.1.1	50,626,480	36,195,465
Goodwill	9	2,425,099	1,666,913
<b>Total Non-Current Assets</b>		<b>75,874,575</b>	<b>53,369,958</b>
<b>Total Assets</b>		<b>81,055,854</b>	<b>59,124,461</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	10	5,149,818	4,228,990
Loans from banks	11	283,365	399,235
Income tax liabilities	12	18,271	18,930
Other current liabilities	13	244,064	179,153
<b>Total Current Liabilities</b>		<b>5,695,518</b>	<b>4,826,308</b>
<b>Non-Current Liabilities</b>			
Loans from banks	11	10,970,437	11,465,175
Financial lease liabilities: Investment property	14	2,028,848	1,343,735
Deferred tax liabilities, net		656,893	657,996
Provisions	15	43,697	30,035
<b>Total Non-Current Liabilities</b>		<b>13,699,875</b>	<b>13,496,941</b>
<b>Total liabilities</b>		<b>19,395,393</b>	<b>18,323,249</b>
<b>Shareholders' Equity</b>			
Share capital	16.1; 16.2	32,790,585	32,790,585
Capital paid in excess of par value (share premium)	16.1	31,922,676	31,922,676
Treasury stock	16.3	-2,370,696	-2,370,696
Accumulated profit / (deficit)		755,229	-12,614,217
Cumulative translation adjustment	17	-1,437,333	-8,927,136
<b>Total shareholders' equity</b>		<b>61,660,461</b>	<b>40,801,212</b>
<b>Total liabilities and shareholders' equity</b>		<b>81,055,854</b>	<b>59,124,461</b>
Number of shares issued and fully paid-in	16.1	2,644,402	2,644,402
Nominal value (in CHF)		12.40	12.40

The notes on pages 16 to 35 are an integral part of these audited consolidated financial statements.

## Condensed consolidated statement of comprehensive income for the period (unaudited)

(Currency - CHF)

	Note	1.1.-30.06.2022	1.1.-30.06.2021
<b>Gross rental income</b>	5.1.5	<b>2,268,761</b>	<b>1,857,214</b>
Operating costs, land lease and tax	5.1.5	- 753,732	- 593,354
<b>Net rental income</b>	5.1.5	<b>1,515,029</b>	<b>1,263,860</b>
Interest income	19	615,785	545,204
Commission income		32,460	-
Dividend income		-	12,991
Other income		55,880	17,218
Realised and unrealised gain on investments through profit or loss, net	4.1	-	490,722
Foreign exchange result		15,602,619	1,781,613
Release of impairments	25	1,006	357,318
<b>Total income</b>		<b>17,822,779</b>	<b>4,468,926</b>
<b>Operating and financial expenses</b>			
Fair value adjustment on investment property	5.1.1	- 1,701,701	-
Realised and unrealised loss on investments through profit or loss	4; 4.1	- 1,272,006	-
Finance cost	5.1.6	- 382,003	- 352,285
Management fees	18.2	- 293,073	- 289,273
Staff remuneration		- 362,475	- 342,528
Professional fees	20	- 210,725	- 208,651
Legal fees	21	- 24,236	- 21,626
Other expenses	22	- 35,513	- 28,394
Directors' fees and expenses		- 37,500	- 76,096
Audit fees		- 45,439	- 50,500
Information technology	23	- 24,468	- 24,787
Administrative costs	24	- 16,828	- 25,033
Travel expenses		- 5,386	- 10,085
Tax other than on income		- 636	- 16,013
Impairments	25	- 262,042	-
<b>Total expenses</b>		<b>- 4,674,031</b>	<b>- 1,445,271</b>
<b>Gain for the year before taxes</b>		<b>13,148,748</b>	<b>3,023,655</b>
Taxes		220,698	- 81,202
<b>Gain for the year after taxes</b>		<b>13,369,446</b>	<b>2,942,453</b>
<b>Attributable to</b>			
Equity holders of the Company		13,369,446	2,942,453
<b>Other comprehensive income</b>			
Cumulative translation adjustment (net of tax) **			
whereof related to fully consolidated subsidiaries (see "Consolidated changes in Equity", page 15)		7,489,803	1,349,614
<b>Total comprehensive profit for the year (net of tax)</b>		<b>20,859,249</b>	<b>4,292,067</b>
<b>Attributable to</b>			
Equity holders of the Company		20,859,249	4,292,067
Earnings per share for profit attributable to equity holders during the period	1.1.-30.06.2022		1.1.-30.06.2021
Time-weighted average number of outstanding shares		2,574,234	2,574,234
Basic earnings per share (in CHF)		5.194	1.143
Diluted earnings per share (in CHF)		5.194	1.143

The notes on pages 16 to 35 are an integral part of these audited consolidated financial statements.

\*\* Will be reclassified subsequently to profit and loss when specific conditions are met

## Condensed consolidated statement of cash flows for the period (unaudited)

(Currency - CHF)

	30.06.2022	30.06.2021
<b>Consolidated cash flow statement</b>		
Gain before tax	13,148,748	3,023,655
<b>Adjustments for:</b>		
Impairments / (release of impairments)- net	261,036	- 357,318
Realised and unrealised result on investments through profit or loss, including exchange gains or losses	- 13,296,881	- 2,978,997
Fair value change on investment property	1,701,701	-
Other non-cash income and expenses	1,258,646	1,668,031
<b>Operating profit before working capital changes</b>	<b>3,073,250</b>	<b>1,355,371</b>
<b>Movement in working capital:</b>		
Investment portfolio movement, net	- 1,491,208	1,583,375
Change in accounts receivable and accrued interests	- 289,910	- 2,156,587
Change in accounts payable and accrued expenses	81,873	2,207
Change in other assets	5	11
Taxes paid	- 4,541	- 2,883
<b>Net cash flow from operating activities</b>	<b>1,369,469</b>	<b>781,494</b>
<b>Cash Flows from Investment Activities</b>		
Investments in investment property	- 188,197	- 156,937
Interest received	13,594	1,588
Dividends received	-	12,991
<b>Net cash flow (used in) investment activities</b>	<b>- 174,603</b>	<b>- 142,358</b>
<b>Cash Flows from Financing Activities</b>		
(Decrease) in long term debts	- 967,408	- 80,346
Loans repaid	489,187	126,138
Interest paid	- 377,510	- 342,250
<b>Net cash flow (used in) financing activities</b>	<b>- 855,731</b>	<b>- 296,458</b>
Foreign currency translation effects on cash and cash equivalents	273,298	17,708
<b>Net change in cash and cash equivalents</b>	<b>612,433</b>	<b>360,386</b>
Cash and cash equivalents at beginning of the period	579,234	461,289
Cash and cash equivalents at the end of the period	1,191,667	821,675

The notes on pages 16 to 35 are an integral part of these audited consolidated financial statements.

## Condensed consolidated statement of changes in equity for the period (unaudited)

(Currency - CHF)

	Share capital	Share premium	Treasury stock	Cumulative translation adjustment	Retained earnings	Total	Non-controlling interests	Total Shareholders
<b>Balance as at 1 January 2021</b>	<b>32,790,585</b>	<b>31,922,676</b>	<b>-2,370,696</b>	<b>-9,636,282</b>	<b>-15,950,027</b>	<b>36,756,256</b>		<b>36,756,256</b>
Profit for the year after tax	-	-	-	-	2,942,453	2,942,453	-	2,942,453
Other comprehensive income / (loss)	-	-	-	1,349,614*	-	1,349,614	-	1,349,614
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,349,614*</b>	<b>2,942,453</b>	<b>4,292,067</b>	<b>-</b>	<b>4,292,067</b>
<b>Balance as at 30 June 2021</b>	<b>32,790,585</b>	<b>31,922,676</b>	<b>-2,370,696</b>	<b>-8,286,668</b>	<b>-13,007,574</b>	<b>41,048,323</b>	<b>-</b>	<b>41,048,323</b>
<b>Balance as at 1 January 2022</b>	<b>32,790,585</b>	<b>31,922,676</b>	<b>-2,370,696</b>	<b>-8,927,136</b>	<b>-12,614,217</b>	<b>40,801,212</b>		<b>40,801,212</b>
Profit for the year after tax	-	-	-	-	13,369,446	13,369,446	-	13,369,446
Other comprehensive income / (loss)	-	-	-	7,489,803*	-	7,489,803	-	7,489,803
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,489,803*</b>	<b>13,369,446</b>	<b>20,859,249</b>	<b>-</b>	<b>20,859,249</b>
<b>Balance as at 30 June 2022</b>	<b>32,790,585</b>	<b>31,922,676</b>	<b>-2,370,696</b>	<b>-1,437,333</b>	<b>755,229</b>	<b>61,660,461</b>	<b>-</b>	<b>61,660,461</b>

\* Due to cumulative translation adjustments (net of tax) arising from Group subsidiaries denominated in currencies other than the Group presentation currency, i.e. Swiss Franc. The notes on pages 16 to 35 are an integral part of these audited consolidated financial statements.

## Condensed notes to the consolidated unaudited interim financial statements as of 30 June 2022 (Currency - CHF)

### *1. Incorporation and activity*

ENR Russia Invest SA (the "Company" or "ENR") was founded on 18 May 2007 for an unlimited duration. On 25 May 2007, it was registered with the Commercial Register of the Canton of Geneva under the reference number CH-660-1263007-3 and the Company name "ENR Russia Invest SA". The Company is incorporated as a limited company by shares under the laws of Switzerland. The Company's registered office is rue du Rhône 118, 1211 Geneva, Switzerland. The Company is trading under Swiss security number 3447695 with ISIN number of the shares CH0034476959 and the ticker symbol of the shares is RUS.

These condensed interim financial statements have been approved by the Board of Directors on 24 August 2022.

### *2. Basis for the presentation of the condensed consolidated interim financial statements*

These condensed interim consolidated financial statements represent the unaudited condensed interim consolidated financial statements for the half year ended 30 June 2022 of the Company and its subsidiaries (collectively the "Group") and are prepared in accordance with IAS 34 'Interim Financial Reporting'. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

### *3. Significant accounting policies*

#### *3.1 Accounting policies*

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021 with the following exception: The 'release of impairments/impairments' presented outside the operational result in the past are now part of the operational result. The comparative information of the previous period for the income statement were reclassified accordingly.

The following table shows the changes applied in the comparative figures for the previous reporting period:

in CHF	01.01-30.06.2021	Adjustments	01.01-30.06.2021
	before adjustment		after adjustment
Release of impairment	-	357,318	357,318
Total income	4,111,608	357,318	4,468,926
Total expenses	- 1,445,271	-	- 1,445,271
Reversal of impairments / (impairments)	357,318	- 357,318	-
Gain for the year before taxes	3,023,655	-	3,023,655
Gain for the year after taxes	2,942,453	-	2,942,453

### *3.2 New and amended standards and interpretation relevant to the Group.*

None.

### *3.3 Foreign currency translation*

Transactions denominated in foreign currencies are translated into the functional currencies of Group entities at the ruling exchange rates on the date of the transaction. At the balance sheet date, all monetary assets and liabilities denominated in foreign currencies are converted to the functional currencies using the closing exchange rate. Non-monetary items measured at historical cost are converted at the exchange rate on the date of the transaction.

The following exchange rates were used:

	30.06.2022	01.01-30.06.2022	31.12.2021	01.01-30.06.2021
	Balance Sheet date rates	Annual average rates	Balance Sheet date rates	Annual average rates
EUR/CHF	0.99780	1.02583	1.03391	1.09587
USD/CHF	0.95570	0.94422	0.91270	0.91130
CHF/RUB	56.43341	75.77669	82.10180	81.88888

#### 4. Investment portfolio

in CHF

	30.06.2022	31.12.2021
Fair value of trading portfolio assets at beginning of the period	4,981,913	6,601,995
<b>Investment Portfolio Movement for the Period</b>		
Purchase of investments	-	674,621
Sale of investments	-	-2,586,250
Net realised profit on disposal of investments	-	242,183
Net investment portfolio movement for the period	-	-1,669,446
(Decrease) / Increase in fair value	-1,272,006	49,364
Fair value of portfolio at the end of the period	3,709,907	4,981,913
- of which investments at fair value through profit or loss	3,709,907	4,981,913
<b>The investment portfolio is represented as follows on the Consolidated statement of financial position:</b>		
<b>Designated as Fair Value Through Profit or Loss:</b>		
Listed equity securities and bonds held for trading	326,877	1,751,096
Unlisted equity securities and fixed income instruments held for trading *	3,383,030	3,230,817
Total designated as fair value through profit or loss	3,709,907	4,981,913
<b>Total financial assets at fair value through profit or loss</b>	<b>3,709,907</b>	<b>4,981,913</b>
<b>Profit / (Loss) on investments at fair value through profit or loss</b>		
Realised net profit and foreign exchange impact	-	242,183
Changes in fair value (decrease) / increase and foreign exchange impact	-1,272,006	49,364
Total	-1,272,006	291,547

\* Please refer to note 4.2 for the attributable net asset value of Transterm



#### 4.1 Details of investments at fair value through profit or loss

in CHF

Balance as of 01.01.2022

	Quantity	CHF
<b>Listed equity securities</b>		
Reg Shs SEVERSTAL PAO	15,000	293,270
<b>Sub-total: Listed equity securities</b>		<b>293,270</b>
<b>Fixed income</b>		
VTB Capital SA 4.0725% , 24.10.2024, BOND	500,000	507,250
VTB EURASIA LIMITED 9.5 %, (perpetual), BOND	1,000,000	950,576
<b>Sub-total: Fixed income</b>		<b>1,457,826</b>
<b>Private equity</b>		
TRANSTERM HOLDINGS CYPRUS LTD - ordinary shares	9,310,000	3,230,817*
<b>Sub-total: Private equity</b>		<b>3,230,817</b>
<b>Total investments at fair value through profit and loss</b>		<b>4,981,913</b>
<b>Total investments</b>	-	<b>4,981,913</b>

\* Please refer to note 4.2 for the NAV in relation to Transterm.

Movement in period (CHF)		Realised (CHF)		Changes in fair value (CHF)		Balance as of 30.06.2022	
Purchases and Additions	Sales, Redemptions and Withdrawals	Gains	Losses	Gains	Losses	Quantity	CHF
-	-	-	-	-	-78,172	15,000	215,098
-	-	-	-	-	-78,172		215,098
-	-	-	-	-	-473,915	500,000	33,335
-	-	-	-	-	-872,132	1,000,000	78,444
-	-	-	-	-	-1,346,047		111,779
-	-	-	-	152,213	-	9,310,000	3,383,030*
-	-	-	-	152,213	-		3,383,030
-	-	-	-	152,213	-1,424,219		3,709,907
-	-	-	-	152,213	-1,424,219	-	3,709,907

#### 4.2 Transterm Holdings Cyprus Limited

Transterm uses loan distributions to distribute proceeds to its shareholders as it does not have sufficient distributable reserves for dividend distributions. These loans are only repayable at election of the borrower. ENR recognises these loans as part of "Accounts payable and accrued expenses" as they are not repayable and do not carry interest. Non-repayable loans will be set-off in a future Transterm capital reduction.

At 30 June 2022, the net book value attributable to Transterm was CHF 0.19 million (31 December 2021: CHF 0.18 million), i.e. the CHF equivalent of what may still be received in future distributions from Transterm. The valuation of the Transterm investment bears inherent uncertainties due to the absence of a liquid market and as the realisation of these proceeds is uncertain. This may impact expected future distributions from Transterm. Accordingly, the fair value attributed to this investment may differ from the realisable value.

The following table illustrates the calculation of the net carrying value at 30 June 2022 and at year-end 2021:

in CHF

	30.06.2022	31.12.2021
Carrying value at the beginning of the period (gross)	3,230,817	3,119,311
Non-repayable loans received	-3,048,440	-2,943,229
Carrying value at the beginning of the period (net)	182,377	176,082
Unrealised gain due to foreign exchange movements	8,592	6,295
Carrying value at the end of the period (gross)	3,383,030	3,230,817
Non-repayable loans received	-3,192,061	-3,048,440
Carrying value at the end of the period (net)	190,969	182,377

#### 4.3 Fixed income instruments

Fixed income instruments are issued by the VTB group and the aggregate value of these instruments declined from CHF 1.46 million at 31 December 2021 to CHF 0.11 million at half-year 2022.

#### 4.4 Listed equities

The Group owns Severstal shares listed on the Moex Moscow stock exchange. At 30 June 2022 the aggregate value of these shares was CHF 0.22 million.

## 5. Investment Property

### 5.1.1 Carrying value

The following table explains the movement in the carrying value of the investment property (as shown on the asset side of the balance sheet):

in CHF

	Investment Property Building	Investment Property Land Lease	Total
Opening balance at 1 January 2021	32,543,281	1,299,744	33,843,025
Investments	489,094	-	489,094
Disposals	-	-	-
Fair value adjustments including foreign currency effects	616,363	- 4,795	611,568
Foreign exchange translation differences	1,202,993	48,785	1,251,778
Carrying amount at 31 December 2021	34,851,731	1,343,734	36,195,465
Opening balance at 1 January 2022	34,851,731	1,343,734	36,195,465
Investments	188,197	-	188,197
Disposals	-	-	-
Fair value adjustments	- 1,756,754	55,053	- 1,701,701
Foreign exchange translation differences	15,314,459	630,060	15,944,519
Carrying amount at 30 June 2022	48,597,633	2,028,847	50,626,480
Carrying amount at 31 December 2021	34,851,731	1,343,734	36,195,465
Carrying amount at 30 June 2022	48,597,633	2,028,847	50,626,480

### 5.1.2 The business center

Petrovsky Fort is a 47,600 square meter Class B office and retail building located at Finlandsky Prospect 4 in central Saint-Petersburg. The building has nine office levels and two retail levels and a large central atrium. Of the net rentable space, 15,328 square meters are designated for office use and 5,815 square meters for retail space. The building has an underground parking facility with 118 parking spaces and an above-ground car park with 36 parking spaces.

### 5.1.3 Vacancies

At 30 June 2022, the vacancy rate (as percentage of total rentable space in the building) increased to 14% (31 December 2021: 8%). For office space, vacancies were 3% (31 December 2021: 1.7%). For the two retail floors, vacancies increased to 44% (31 December 2021: 25%).

### 5.1.4 Value and Valuation Method

At year-end, an independent third-party real estate valuation expert performs a valuation, using the yield method (within the income approach), where anticipated future cash flows from rental income are converted into the present value ("DCF Valuation"). For half-year periods, ENR determines the fair value of the investment property, based on the income approach, using a DCF Valuation. Due to the current exceptional situation in Ukraine and its impact on the Russian economy, an independent third-party real estate valuation was obtained for half-year 2022 to value the investment property. DMA Valuation LLC ("DMA")(ex JLL valuation team as JLL ceased operations in Russia) performed this valuation, using the DCF Valuation method and key assumptions are set out in the following table:

Property	Fair value as of 30 June 2022	Valuation technique	Key unobservable inputs	
			ERV *	
Petrovsky Fort	2'742'530'000 ruble	Income capitalisation	Discount rate	15.25%
			Capitalisation rate	10.50%

  

Property	Fair value as of 31 December 2021	Valuation technique	Key unobservable inputs	
			ERV *	
Petrovsky Fort	2'861'390'000 ruble	Income capitalisation	Discount rate	14.25%
			Capitalisation rate	10.25%

\* Estimated rental income per square meter

The carrying value of the investment property represents the fair value plus the adjustment for land lease liabilities for rent payments to the city of Saint-Petersburg for the long-term land lease of the land related to the business center. At 30 June 2022, the valuation was ruble 2.74 billion and the carrying value of the investment CHF 50.63 million (31 December 2021: valuation of 2.86 billion ruble and a carrying value of 36.20 CHF million). The increase in carrying value in Swiss Franc was driven by the strong increase in the value of the ruble against the Swiss Franc in the reporting period (see note 5.1.1).

Real estate investment property is a long-term asset class and hold periods are usually for longer than 5 years and investment decisions are made with a long-term perspective. During the holding period the underlying economy may accelerate or slow-down markedly for certain periods. At a particular valuation date, even though medium to longer term real estate fundamentals may be attractive, prevailing economic or political conditions could present an unrealistic picture of sustainable future rental rates when comparing current rates to rates that could be achievable over the medium to longer term. Movements in the exchange rate between the ruble and the Swiss Franc during a reporting period can have a meaningful impact on the carrying value of the investment property in Swiss Franc. All these factors are uncertain and may impact on the fair value attributed to this investment, which may differ from the realisable value.

### 5.1.5 Net rental income

The breakdown of net rental income for the half-years ending 30 June 2022 and 2021, respectively, is shown below:

in CHF		
	1.1.-30.06.2022	1.1.-30.06.2021
Gross rental income	2,268,761	1,857,214
Operating cost, land lease and tax expenses	- 753,732	- 593,354
of which : operating expenses	- 492,324	- 386,579
of which : property tax and non-recoverable VAT	- 261,408	- 206,775
<b>Net rental income</b>	<b>1,515,029</b>	<b>1,263,860</b>

### 5.1.6 Finance Costs

in CHF		
	1.1.-30.06.2022	1.1.-30.06.2021
Interest payments	- 235,148	- 260,039
Other bank interest, fees and charges	1,558	- 10,952
Interest expenses on land lease liabilities (Petrovsky Fort)	- 148,413	- 81,294
<b>Total</b>	<b>- 382,003</b>	<b>- 352,285</b>

The balance sheet movement on the bank loan is disclosed under note 11.

## 6. Cash and cash equivalents: current assets

This comprises cash at bank and in hand and short-term deposits with an original maturity of three months or less.

in CHF		
	30.06.2022	31.12.2021
Cash at bank and in hand	1,191,667	579,234
<b>Cash and cash equivalents</b>	<b>1,191,667</b>	<b>579,234</b>

## 7. Accounts receivable and accrued interest: current assets and non-current assets

in CHF		
	30.6.2022	31.12.2021
Loans to Inkonika LLC (Turgenevskaya parking)	4,922,117	3,757,258
Promissary notes and accrued interest to LLC Kaluga Flower Holding	16,764,122	10,968,922
Zaytsevo claim	1,136,626	781,270
Other	279,706	193,356
<b>Total accounts receivable and accrued interest</b>	<b>23,102,571</b>	<b>15,700,806</b>
whereof current assets	279,705	193,356
whereof non-current assets	22,822,866	15,507,450

### *7.1 Loans to Inkonika LLC - Turgenevskaya parking garage*

The Group has a 50% interest in an associate company, Vestive Limited, who owns the Turgenevskaya parking garage in Moscow (via a wholly owned subsidiary, Inkonika LLC). There are loans to Inkonika LLC which are treated as accounts receivable. On acquisition in 2017, these loans were recognised on the balance sheet at fair value (based on the transaction price paid for the investment in the parking garage). Each reporting period an impairment review is done by management to assess the recoverability of these loans. This takes into account the valuation of the parking garage. At year-end the valuation is made by a third-party appraiser. For half-year periods, ENR determines the valuation of the parking garage. Due to the current exceptional situation in Ukraine and its impact on the Russian economy, an independent third-party valuation was obtained for half-year 2022. DMA performed this valuation. As of 30 June 2022, 100% of the parking garage was valued at ruble 566.4 million (31 December 2021: ruble 625.4 million). Following an impairment review, an impairment of CHF 262'042 was made. However, due to the stronger ruble against the Swiss Franc at 30 June 2022, the attributable value for these loans, in Swiss Franc, increased from CHF 3.76 million to CHF 4.92 million (see note 7, Accounts Receivable).

### *7.2 Promissory notes (loans) to Kaluga Flower Holding LLC (flower greenhouse complex)*

The Group has a 50% interest in an associate company, Kaluga Flower Holding LLC (see note 8.2). At 30 June 2022, the Group had invested via loans ruble 764.42 million (31 December 2021: RUB 764.42 million) corresponding to CHF 10.76 million at the exchange rate at the time of these investments.

The loans were converted into promissory notes during the first half of 2021 as part of the new bank financing facilities to Kaluga Flower Holding LLC. There are two promissory notes, one for ruble 61.42 million and the other for ruble 703 million (interest rate: 12% interest; repayment date: 31 December 2031). The promissory notes are recognised on the balance sheet at fair value (amortised cost principle) based on actual rubles invested. Each reporting period an impairment review is made by management to assess the recoverability of these loans by considering, inter alia, the future cashflow generation of the business. No impairment was required at 30 June 2022 (31 December 2021: none)

### *7.3 Zaytsevo account receivable*

The Group participated in a residential real estate development comprising of free-standing multi-story apartment buildings at Zaytsevo south-west of Moscow. The investment was regulated via an agreement for the participation in shared construction. During late 2019, the developer was placed in liquidation. ENR, who has a mortgage over the landplot where its apartments were to be constructed, successfully registered its claim for what it had invested, together with contractual penalties. This claim is shown as an account receivable. The liquidation process is taking time and proceeds ENR may realise from this process is uncertain. In 2022, the auction process for the sale process of all land plots forming part of the residential real estate development was halted after events in Ukraine unfolded and will

start again after the summer 2022. At each reporting period an impairment review is made by management to assess the recoverability of this account receivable. Considering, inter alia, progress made to date and potential interest from third party buyers and market prices for similar properties in the region, no impairment was required at 30 June 2022 (31 December 2021: no impairment required) Due to the stronger ruble against the Swiss Franc at 30 June 2022, the attributable value for this receivable, in Swiss Franc, increased from CHF 0.78 million to CHF 1.14 million (see note 7, Accounts Receivable).

## *8. Other investments accounted for under the equity method.*

### *8.1 Inkonika LLC - Turgenevskaya parking garage*

In July 2017 the Group acquired its 50% interest in the Turgenevskaya parking garage via its 50% interest in Vestive Limited (see note 7.1). As per the corporate charter and shareholder agreement decisions are made on a joint basis and both shareholders must approve protected shareholder matters. Accordingly, the Group does not fully control Vestive Limited (treated as an associated company and accounted for under the equity method).

### *8.2 Kaluga Flower Holding LLC (investment in flower greenhouse complex)*

During late 2019 the Group acquired a 50% interest in a joint-venture company, LLC Kaluga Flower Holding, who owns a greenhouse complex for flower production in Russia (135 km south-west of Moscow). ENR teamed-up with a Russian investor, who owns the remaining 50% interest in LLC Kaluga Flower Holding. As per the corporate charter and shareholder agreement decisions are made on a joint basis and both shareholders must approve protected shareholder matters. Accordingly, the Group does not fully control LLC Kaluga Flower Holding, which is treated as a joint-venture and accounted for under the equity method. The same applies for Florentika Management Company LLC (see note 8.3).

### *8.3 Florentika Management Company LLC*

During the last quarter of 2021 ENR Investment Limited, a wholly owned subsidiary of ENR, acquired a 50% interest in Florentika Management Company LLC ("FMC") for ruble 10'000. The other shareholder is ENR's partner in LLC Kaluga Flower Holding. FMC was established to act as the corporate general director of LLC Kaluga Flower Holding in Russia.

## *9 Goodwill*

in CHF

	30.06.2022	31.12.2021
Balance at beginning of period	1,666,913	1,606,696
Currency Translations Adjustments in consolidated equity	758,186	60,217
Balance at the end of the period	2,425,099	1,666,913

Goodwill arose on the acquisition of the Petrovsky Fort business centre, Saint-Petersburg, Russia via a share deal. IFRS requires the recognition of deferred taxes on a nominal basis, whilst any share transaction in relation to the asset they relate to is based on the market value of these taxes. Any difference is reflected as goodwill. The impairment test compares the accounting value of goodwill and potential tax optimisation at the reporting date. No impairment was required at 30 June 2022 (31 December 2021: no impairment).

### 10 Accounts Payable and Accrued Expenses: current liabilities

in CHF

	30.06.2022	31.12.2021
Transterm Holdings Cyprus Ltd (note 4.2)	3,192,061	3,048,440
Other creditors	1,957,757	1,180,550
<b>Balance at the end of the period</b>	<b>5,149,818</b>	<b>4,228,990</b>
whereof current liabilities	5,149,818	4,228,990
whereof non-current liabilities	-	-

### 11 Loans from banks

in CHF

	30.06.2022	31.12.2021
<b>Balance at beginning of period</b>	<b>11,856,030</b>	<b>12,818,424</b>
Quarterly loan repayments	- 191,589	- 408,454
Foreign exchange translation differences	- 411,094	- 553,940
<b>Balance at the end of period</b>	<b>11,253,347</b>	<b>11,856,030</b>
<b>Credit facility</b>	<b>455</b>	<b>8,380</b>
<b>Balance at the end of the period</b>	<b>11,253,802</b>	<b>11,864,410</b>
of which in current liabilities	283,365	399,235
of which in non-current liabilities	10,970,437	11,465,175

The UniCredit bank loan to Stainfield Limited, a wholly owned ENR subsidiary, is an Euro based loan and has an expiry date of 31 December 2023. Key terms: Interest rate/margin (per annum) of 4% plus 3 months Euro LIBOR (if negative, then zero); Interest payments are made quarterly; Amortisation of Euro 0.09 million per quarter. Balance via a balloon payment in year of loan expiry date. At 30 June 2021, Petrovsky Fort LLC had registered one mortgage on the building, serving as part of the collateral package for the bank loan. ENR provided a guarantee in favour of the bank in relation to their loan to Stainfield Limited towards the Petrovsky Fort business center (payment of unpaid indebtedness, obligations and liabilities of Petrovsky Fort LLC for taxes payable in respect of the investment property). ENR also provided a guarantee of up to Euro 0.15 million in respect of the obligations of Stainfield Limited, a wholly owned Group subsidiary and borrower of the bank loan. Collateral provided to bank in respect of this loan include a pledge of shares of Stainfield Limited and Romsay Properties Limited; a pledge of the participatory interests in Petrovsky Fort LLC; a mortgage of the Petrovsky Fort LLC premises; a pledge over lease rights and movables and the subordination of inter-company loans.

## 12 Income Tax liabilities shown on the consolidated balance sheet

The following table shows the movement in income tax payable and receivable during the reporting period and resulting income tax liability at the end of the period.

in CHF		
	30.06.2022	31.12.2021
Balance at beginning of period	18,930	13,391
Payment during the period	- 1,200	- 23,234
Reversal of provision (net)	541	28,773
Balance at the end of the period	18,271	18,930

## 13 Other current liabilities

Other current liabilities		
	30.06.2022	31.12.2021
Third party service providers: Petrovsky Fort	102,579	57,853
Other *	141,485	121,300
Closing balance	244,064	179,153

\* Relates mainly to social contributions of staff.

## 14 Financial lease liabilities Petrovsky Fort: non-current liabilities

in CHF		
	30.06.2022	31.12.2021
Financial lease liabilities Petrovsky Fort: non-current	2,028,848	1,343,735
Financial Lease		

Finance lease liabilities represent non-current liabilities of Petrovsky Fort LLC in relation to rent payments to the city of Saint-Petersburg for the lease of the land of the Petrovsky Fort office center and the present value of these payments as at 30 June 2022 and 31 December 2021 are as presented above. The increase in liabilities is mainly due to a stronger ruble against the Swiss Franc at 30 June 2022.

## 15 Provisions

in CHF		
	30.06.2022	31.12.2021
Position at 1 January	30,035	40,363
Provisions released and credited to income statement	-	- 12,022
Foreign exchange translation differences	13,662	1,694
Balance at 31 December	43,697	30,035
Maturity of provisions		
Within one year	-	-
More than one year	43,697	30,035

## 16 Equity

### 16.1 Overview

As of 30 June 2022 the issued and authorised ordinary share capital of the ENR Russia Invest SA was CHF 32.8 million (31 December 2021: CHF 32.8 million), divided into 2'644'402 (31 December 2021: 2'644'402) bearer shares with a par value of CHF 12.40 (31 December 2021: CHF 12.40) each and one voting right per share. There are no restrictions on share transfers. Article 13 of the Company's articles of association contains an "Opting Out" clause regarding matters dealt with in pursuant to article 135 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 and waives the requirement to make a public tender offer whenever a shareholder acquires shares exceeding the threshold of 33 1/3 %, conversely 49 %, of the voting rights.

### 16.2 Issued capital

Issued Capital	30.06.2022		31.12.2021	
	Number of shares	CHF	Number of shares	CHF
Opening balance	2,644,402	32,790,585	2,644,402	32,790,585
Closing balance	2,644,402	32,790,585	2,644,402	32,790,585

### 16.3 Treasury stock

	30.06.2022		31.12.2021	
	Number of shares	Weighted average cost price	Number of shares	Weighted average cost price
Opening balance	70,168	-2,370,696	70,168	-2,370,696
Closing balance	70,168	-2,370,696	70,168	-2,370,696

## 17 Functional and presentation currency

Upon consolidation, assets and liabilities of foreign operations are converted into CHF at the closing exchange rate on the balance sheet date and income and expense items are translated at monthly ruling exchange rates for the prior month. The resulting foreign currency translation differences represents a cumulative translation adjustment ("CTA") attributable to ENR's shareholders, recognised directly within equity (forming part of total equity attributable to ENR's shareholders), whereas CTA differences attributable to non-controlling interests are shown within equity attributable to non-controlling interests. As subsidiaries and associate companies of the Group use different functional currencies than the Group's presentation currency (i.e. CHF), the cumulative amount of the exchange rate differences from the translation of those entities functional currencies to the Group's presentation currency is presented in accordance with IAS 21 as a separate component of equity, and in the Consolidated statement of comprehensive income in the sub-segment other comprehensive income.

## 18 Related Parties

### 18.1 Valartis Group

Persons and companies are considered related parties if they could control the Group or can exert a significant influence on operational and financial decisions.

### 18.2 Management fees

The consolidated financial statements comprise of the financial position of ENR Russia Invest SA, its subsidiaries and associates. Other than consolidated and associated entities disclosed in the annual report there is an investment management contract with Valartis International Ltd ("VI"), a wholly owned subsidiary of Valartis Group AG, Fribourg, Switzerland. Under the contract VI receives a management fee in Swiss Francs of 1.5% (plus VAT if applicable) per year based on the consolidated average attributable NAV (adjusted by adding back any outstanding debt issued by the Company or any of its subsidiaries or affiliates that is convertible into or exchangeable for shares of ENR Group).

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Management fees for the period	-293,073	-289,273

Out-of-pocket expenses incurred by VI in carrying out the investigative and "due diligence" analysis required in pursuing likely investment opportunities and in monitoring existing investments, based on contractual terms, are paid by the Group. In addition, based on contractual terms, VI is entitled to receive a performance fee equal to 17.5% (plus VAT if applicable) of the total net profits (sale proceeds less acquisition costs and transaction costs) realised by the Group on such investment in the event of a sale, another form of disposal or a refinancing of an investment held by the Group, provided an annual rate of 8% is reached.

The local Moscow branch of VI is appointed by Inkonika LLC, Vestive Limited's subsidiary holding the Turgenevskaya Moscow based parking garage, to perform management services relating to the parking garage (business development, management of tenant agreements; property administration and commercialisation, legal support, local accounting, financial and cash management, budgeting and preparation of monthly reports). For this a fee of ruble 2.23 million was paid in the first half of 2022. The local Moscow branch of VI and Valartis Advisory Services were appointed by Petrovsky Fort LLC to provide property management services relating to the Petrovsky Fort building (for example, business development, management of tenant agreements; third party broker agreements, property administration and commercialisation, legal support, local accounting, financial and cash management, budgeting and preparation of monthly feedback reports). For this an aggregate property management fee of US\$ 220'000 per annum (VAT exclusive) is paid. Stainfield Limited to who a bank advanced loan funding for the Petrovsky Fort business centre, also appointed VI to perform specific services with respect to ser-

ving the banking relationship. For this a fee of Euro 0.08 million per annum (VAT exclusive) is paid. The services rendered under the aforementioned contracts relate to the management of the Petrovsky Fort asset and the Turgenevskaya Moscow based parking garage (as opposed to investment management services rendered under the general investment management contract) and these fees are payable in addition to fees paid under the general investment management contract.

Valartis International Ltd, (Moscow branch) also provides accounting support to LLC Kaluga Flower Holding, for which it is paid ruble 3 million per year.

Mr. Gustav Stenbolt is a board member of both ENR and Valartis Group AG and did not take part in the decisions involving the property management contracts.

### *18.3 Significant shareholders as of 30 June 2022*

Valartis Group and Valartis AG jointly own 63.22% of the outstanding share capital (issued shares minus treasury shares) of the Company. Athris AG owns 33.76% of the outstanding share capital (issued shares minus treasury shares) of the Company.

### *18.4 Other*

Gustav Stenbolt, via MCG Holding SA, is the majority shareholder of the Valartis Group AG and he is a member of the Group's Board of Directors.

## *19 Interest Income*

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Interest income from fixed income instruments	10,454	59,400
Interest income LLC Kaluga Flower Holdings *	602,191	484,830
Interest income - other	3,140	974
<b>Interest income</b>	<b>615,785</b>	<b>545,204</b>

\* See note 7.2 for LLC Kaluga Flower Holdings promissary notes

## *20 Professional Fees*

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Property management fees : Petrovsky Fort LLC	- 149,508	- 145,975
Other professional fees	- 61,217	- 62,676
<b>Total</b>	<b>- 210,725</b>	<b>- 208,651</b>

Other professional fees comprise mainly of fees paid to entities supporting the Group's outsourced accounting functions as well as human resources functions and work done for the Group subsidiaries.

## 21 Legal Fees

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Legal and tax advice	- 24,236	- 21,626
<b>Total</b>	<b>- 24,236</b>	<b>- 21,626</b>

The majority of legal fees relate to the Zaytsevo matter (see note 7.3) and the other private equity investments of the Group in Russia.

## 22 Other Expenses

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Other expenses	- 35,513	- 28,394

Other expenses relate mainly to projects at Petrovsky Fort LLC.

## 23 Information Technology

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Information technology	- 24,468	- 24,787

These fees relate to payments for Bloomberg services and maintenance and support of ENR's information technology infrastructure.

## 24 Administrative Fees

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Administrative costs	- 16,828	- 25,033

Administrative fees relate mainly to direct and indirect costs to maintain the listing on SIX Swiss Exchange as well as the Group's subsidiaries administrative management.

## 25 Impairments

in CHF

	1.1.-30.06.2022	1.1.-30.06.2021
Impairment re Inkonika LLC	- 262,042	-
<b>Total : Impairments</b>	<b>- 262,042</b>	<b>-</b>
Release of impairments re Inkonika LLC (see note 8.1)	-	357,318
Release of impairments other	1,006	-
<b>Total : Release of impairments</b>	<b>1,006</b>	<b>357,318</b>

## 26 Fair value hierarchy

The following table shows the fair value hierarchy of the Group's financial assets and liabilities and investment property measured at fair value as of 30 June 2022:

	Level 1	Level 2	Level 3	Total
Financial assets, and investment properties at fair value through profit or loss:				
- Investments at fair value through profit or loss	111,779	215,098	3,383,030	3,709,907
- of which equity instruments	-	215,098	3,383,030	3,598,128
- of which fixed income	111,779	-	-	111,779
- Financial assets at fair value	-	-	-	-
- Total Financial assets, (liabilities) at fair value through profit or loss	111,779	215,098	3,383,030	3,709,907
- Investment property	-	-	50,626,480	50,626,480
- Total Financial assets and investment property at fair value through profit or loss	111,779	215,098	54,009,510	54,336,387

The following table shows the fair value hierarchy of the Group's financial assets and liabilities and investment property measured at fair value as of 31 December 2021:

in CHF	Level 1	Level 2	Level 3	Total
Financial assets, (liabilities) and investment properties at fair value through profit or loss:				
- Investments at fair value through profit or loss	1,751,096	-	3,230,817	4,981,913
- of which equity instruments	293,270	-	3,230,817	3,524,087
- of which fixed income	1,457,826	-	-	1,457,826
- Financial assets at fair value	-	-	-	-
- Total Financial assets at fair value through profit or loss	1,751,096	-	3,230,817	4,981,913
- Investment property	-	-	36,195,465	36,195,465
- Total Financial assets and investment property at fair value through profit or loss	1,751,096	-	39,426,282	41,177,378

The following presents the movement in level 3 investments for the six months ended 30 June 2022:

	CHF
Opening balance	39,426,282
- Transterm Holdings Cyprus Ltd: fair value adjustment	152,213
- Investment property: Investments	188,197
- Investment property Building and land lease: Fair value adjustment	- 1,701,701
- Investment property - foreign currency translation	15,944,519
Closing balance	54,009,510

The following presents the movement in level 3 investments for the year ended 31 December 2021:

	CHF
Opening balance	37,050,409
- Financial assets at fair value	- 88,073
- Transterm Holdings Cyprus Ltd: fair value adjustment	111,506
- Investment property: Investments	489,094
- Investment property Building and land lease: Fair value adjustment	611,568
- Investment property - foreign currency translation	1,251,778
Closing balance	39,426,282

### *27 Subsequent Events*

None.

## Investment Guidelines

### *1. Investment Objective*

To invest in private and public companies across different industry sectors as well as the real estate sector and to do so predominately in Russia and other Commonwealth of Independent States countries and in the Baltic States and to manage the asset portfolio to achieve long term capital appreciation on invested capital.

### *2. Investment Policy*

The investment philosophy is growth-oriented and the focus is primarily on longer term strategies and capital appreciation. However, from time to time there may be certain investments which have a shorter investment horizon, reflecting specific opportunities or taking account of prevailing market conditions. At times the asset portfolio may comprise entirely of cash or cash equivalents.

### *3. Investment Instruments*

Investments will be done primarily through equity and/or equity related and/or debt instruments or derivatives instruments.

Where capital resources have not been fully invested, same may be invested in a range of investment products, money market instruments, investment instruments issued by governments, financial institutions or companies, denominated in the currency of the country where investments are made or in any freely convertible currency. The Company may take temporary defensive positions if the investment manager

determines that opportunities for capital appreciation are limited or that significant diminutions in value may occur.

From time to time all or part of risks associated with investments may be hedged through the defensive use of derivative transactions, including, but not limited to, futures, options, swaps or any combination thereof.

From time to time leverage may be used in a manner commensurate with reasonable risk management to achieve investment objectives

### *4. Investment Process and Factors considered*

While investment criteria may vary depending upon the type of transaction, factors taken into consideration when analysing potential investments include:

- Attractive valuations and purchase prices;
- Strength, depth and commitment of the management team;
- Existence of a coherent and realistic long term business plan;
- Relevant asset values;
- Corporate governance issues;
- Identifiable exit strategies;
- Risk management; and
- Active post-acquisition investment approach.

Investment opportunities will be identified and analysed by the investment manager or its delegates or agents within the framework of the investment guidelines. The investment manager or its delegates or agents will manage the screening process and, inter alia, conduct interviews with management and owners with the objective of aligning differing interests. The investment manager's responsibilities include valuations, market analyses, competition analyses, debt capacity calculations, bid tactics, tax optimizing holding structures, financing structures, raising of debt finance, management incentives, personnel reinforcements required, due diligence processes and the intended exit strategy. Day-to-day investment decisions will be made by the investment committee in accordance with the investment guidelines, as determined by the board of directors.

### *5. Amendments*

The investment guidelines may be amended by the board of directors at any time, in whole or in part. Amendments will become effective upon their approval by the board of directors (after expiry of any notice period for regulatory publications which may be required). The company may from time to time impose further investment restrictions, compatible with or in the interest of investors, or, in certain circumstances, in order to comply with relevant country laws and regulations.

Updated with effect 26 November 2016.

## Shareholder Information and Corporate Details

### Board of Directors

Gustav Stenbolt  
Walter Fetscherin

### Chief Executive Officer

Ben de Bruyn

### Domicile

ENR Russia Invest SA  
118 rue du Rhône  
1211 Geneva  
Switzerland

### Auditors

BDO SA  
Route de Meyrin 123  
1219 Châtelaine  
Switzerland

### Investment Manager

Valartis International Limited  
c/o Hauteville Trust (BVI) Limited  
Maduro Building, Baughers Bay  
Tortola, British Virgin Islands

### SIX Security Number

3447695

### ISIN Number

CH0034476959

### Ticker Symbol

RUS

### Group Website

[www.enr.ch](http://www.enr.ch)



[www.enr.ch](http://www.enr.ch)

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