ENEFI Vagyonkezelő Nyrt.
/ENEFI Asset Management Plc/

2022 first half-year report

H1

30. 06. 2022

Disclosure: 22. 09. 2022

INTRODUCTION

Evaluation of the events of the first half of the year 2022 prepared by the Board of Directors of ENEFI Vagyonkezelő Nyrt. on the group-level unaudited performance:

’Dear ENEFI Shareholder, Dear Reader, In the first half-year of 2022 ENEFI Group started its operations on entirely new bases. The Company’s asset management “portfolio” was transformed significantly in 2021, after the shares of Random Capital Zrt. had been sold, and of the property portfolio elements, the property in Budapest Meder Street and the Balatonfenyves plot had also been sold. At the beginning of the year, the operations of the Company-owned Síaréna Kft. were made difficult by water shortage and the potential visitors’ ski tourism abroad. With the start of the operation of the Capital Market Pillar, ENEFI Nyrt. closed the first half-year of 2022 with a roughly HUF 90 million profit, despite the war and the negative developments on the money and capital markets. It is important to point out that despite the HUF 208 million negative earnings of ENEFY Nyrt’s consolidated IFRS-based report for the first half-year, the volume of the Company’s funds reached historical heights and currently exceeds a HUF 1.5 billion stress-free value, which includes the roughly HUF 478 million proceed from the sales of the Zilah plot. The company keeps a significant part of its funds in dollars at a foreign financial institution.

The total value of ENEFI Nyrt’s receivables in litigations is significant and reported as zero on the Company’s books.

As a continuation of our operation, we are constantly investigating the acquisition of new, potential assets that can be included in asset management. Our goal is to basically be able to grow our group using our own resources and to provide significant results for our shareholders in the medium term."

Board of Directors of ENEFI Asset Management Plc.

KEY FINANCIAL INFORMATION (Consolidated)

KEY FINANCIAL INFORMATION	30.06.2022	30.06.2021	12.31.2021
		in thousand HUF	
Total capital and liabilities	**4,703,610**	**5,596,317**	**4,479,337**
Capital attributable to shareholders of the Company	**2,984,849**	**4,617,478**	**3,181,966**
Total non-current liabilities	**38,352**	**76,181**	**51,606**

KEY PROFITABILITY INFORMATION (Consolidated)

KEY PROFITABILITY INFORMATION	30.06.2022	30.06.2021
	in thousand HUF	
Sales revenue	560,467	727,424
Earnings before taxes	(189,893)	8,087
Total comprehensive income for the period	(193,935)	(10,600)

The Company draws attention to the fact that, as a public listed company, it publishes all significant events related to ENEFI in the form of a notice, which can be found on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and the Hungarian National Bank, (www.kozzetetelek.hu).

ACTIVITY

ENEFI Vagyonkezelő Nyrt. presents its unaudited financial results for the current period below.

The report presents its current period operations based on the financial data of the Company and its consolidated companies *unaudited* by an accountant.

The Budapest-based ENEFI Vagyonkezelő Nyrt. is the parent company of a group of companies present in Hungary and Romania, whose member companies' main activity was heat production and services in certain well-defined geographical areas of the two mentioned countries, and then, starting from 2019-2020, its activity was divided into strategic pillars and supplemented as follows:

BASIC STRATEGY (PILLARS A, B, C)

A. BASIC PILLARS

1. Lawsuits

In the Company's books, litigation values of HUF 0 are included in the auditors' assessment according to the "most prudent" principle. On the other hand, the management of the Company considers the course of the lawsuits to be fully justified and, in its opinion, there is a good chance of winning the claims formulated in the lawsuits detailed above.

2. Energy efficiency

The Company's current revenues come from the operation of the previously established energy efficiency business. These revenues are capable of generating a positive cash flow, i.e. the total value of revenues originating from and received on the revenue side in the ordinary course of ENEFI's annual activities exceeds the total cost-equivalent spending related to the cost on the expenditure side.

B. REAL PILLARS

1. Finance

Acquisition of essentially minority stakes in companies engaged in the following activities: bank, insurance company, investment bank (service provider). The goal is to acquire shares of business entities with a specific profile, i.e. with a focus on the field of information technology (IT).

2. Tourism

Exploring potential, primarily unique opportunities in the field of tourism and hospitality. Uniqueness means that the Company does not focus on the creation and acquisition of general tourism and hospitality units and services used in the territory of Hungary, but on such individual projects that fulfil a customer need for a service that fills an expectation gap, that offers an experience, that does not exist, or that does not operate efficiently enough.

3. Real Estate

ENEFI Management sees the existence of real estate investments as essential as part of a responsibly designed investment strategy. The property value represents a secure basis even in the long term, regardless of what happens in the world, including Hungary's economy.

4. Food industry

One of the basic needs of a person is food, therefore the developed food industry is an indispensable part of today's real economy. The Company would like to have exposure in the field of industry as well as in the dominant part of the real economy, according to its belief that all areas of the real economy bear investment potential.

C. CAPITAL MARKET PILLARS

1. Budapest Stock Exchange

The market of the Budapest Stock Exchange has undergone significant development in recent years and while an increasing number of retail and institutional investors thought that due to the limited size of the Hungarian market (turnover, number of instruments, product types, etc.) it was better to seek exposure in foreign stock markets, the management of the renewed ENEFI sees serious potential opportunities in the Hungarian capital market instruments, i.e. basically in the trading of shares of large and medium-sized issuers on the Budapest Stock Exchange.

2. International stock exchanges

Since March 2009 (i.e. for over 10 years), the key indicators of U.S. stocks, i.e. the DOW 30, SP500 and NASDAQ indices, have been rising almost without any interruption. Long periods of rise are followed by significantly shorter periods of decline over time, and the vehemence of these declining periods and trends can often lead to panic in the markets and undervalued stock prices. An essential element of ENEFI's capital market pillar is value-based investments, which promise interesting, profitable investment opportunities not only in Hungary but also in foreign markets. The goal in international trade is also to achieve yields by way of exchange rate gains and dividends through liquid investments.

3. OTC, - MTF market

ENEFI's management does not rule out a presence outside of the stock exchange. If you see an investment opportunity – such as a capital market investment opportunity – that can result in a meaningful return, you are ready to allocate resources to this type of investment as well.

The Company previously published its detailed strategy, which can be found in its publication locations.

Consolidated Interim Financial Statements

On ENEFI Asset Management

Public Company Limited by Shares and its consolidated subsidiaries

for the first half-year ending 30 June 2022 in accordance with the IAS 34 standard

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Definition of the abbreviation included in the financial reports

IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFRIC/SIC	Interpretations for International Financial Reporting Standards
FVTOCI	Fair Value through other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
EPS	Earnings per Share
CGU	Cash Generating Unit
FB	Supervisory Board
NCI	Non-Controlling Interest
CDO	Chief Data Officer
ECL	Expected Credit Loss

I. Interim consolidated comprehensive income statement

II.

	Notes	30.06.2022	30.06.2021	31.12.2021
Revenue	(1)	560 467	727 424	1 091 211
Material cost	(2)	(580 011)	(403 653)	(806 837)
Personnel cost	(3)	(174 189)	(278 909)	(510 686)
Other income/ expenses (-)	(4)	(22 402)	17 621	154 916
Depreciation		(38 580)	(58 744)	(113 596)
Net profit/loss from financial activities	(5)	64 822	(15 015)	(58 707)
Result of associated company granted for the group		-	19 363	19 363
Income from the sale of associated companies		-	-	53 263
Goodwill impairment		-	-	(335 406)
Profit before tax		**(189 893)**	**8 087**	**(506 479)**
Income tax		(18 243)	(14 694)	(24 398)
Profit/loss after tax for current year		**(208 136)**	**(6 607)**	**(530 877)**
Parent company shareholders' share in profit or loss		(211 230)	(7 672)	(530 775)
Share of external owners in the result		3 094	1 065	(102)
Exchange differences resulting from the conversion of foreign operations		14 201	(3 993)	15 078
Total other comprehensive income		**14 201**	**(3 993)**	**15 078**
Total comprehensive income		**(193 935)**	**(10 600)**	**(515 799)**
Share of parent company shareholders		(197 117)	(11 665)	(515 697)
Share of external owners		3 182	1 065	(102)
Earnings per share (HUF)				
Basic earnings per share	(6)	(14,58)	(0,53)	(37,79)
Diluted earnings per share	(6)	(14,00)	(0,80)	(35,83)
EBITDA	(6)	**(216 135)**	**81 846**	**(334 176)**

II. Interim consolidated balance sheet

III.

Consolidated balance sheet - Assets	Notes	30.06.2022	31.12.2021
Goodwill		-	-
Intangible assets	(7)	31 068	32 433
Investment properties		-	-
Tangible assets	(8)	1 684 512	1 662 819
Long-term receivables from concession assets		80 216	99 845
Investments in associates		-	0
Total non-current assets		**1 795 796**	**1 795 097**
Short-term receivables from concession assets		64 421	158 000
Inventories		5 439	16 248
Trade receivables		860 806	247 188
FVTPL Securities	(9)	96 775	251 933
Income tax receivables		2 922	11 069
Other short-term receivables	(10)	944 359	1 069 456
Active Accruals		5 048	11 066
Non-current assets held for sale		-	476 268
Cash and cash equivalents		928 044	443 012
Total current assets		**2 907 814**	**2 684 240**
Total assets		**4 703 610**	**4 479 337**

Consolidated statement of financial position - Equity and liabilities	Notes	30.06.2022	31.12.2021
Share capital		166 061	166 061
Share premium		4 698 538	4 698 538
Accumulated revaluation reserve		80 760	66 559
Share-based benefit reserve		65 520	65 520
Treasury shares		(1 405 717)	(1 405 717)
Retained earnings		(620 313)	(408 995)
Equity attributable to owners of the Company		**2 984 849**	**3 181 966**
Non-controlling interests		45 109	41 927
Total equity		**3 029 958**	**3 223 893**
Long-term bank loans	(11)	37 512	50 757
Other long-term liabilities		840	849
Total non-current liabilities		**38 352**	**51 606**

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	Notes	30.06.2022	31.12.2021
Short-term bank loans	(11)	28 797	34 252
Advance received from customers		124 657	119 665
Trade payables		268 833	260 879
Other current liabilities	(12)	1 031 703	596 591
Passive Accruals		181 310	192 451
Total current liabilities		**1 635 300**	**1 203 838**
Total liabilities		**1 673 652**	**1 255 444**
Total equity and liabilities		**4 703 610**	**4 479 337**

III. Interim consolidated equity statement

	Subscribed capital	Reserves	Accumulated revaluation reserve	Reserve of share-based payments	Own shares	Profit reserve	Own equity attributable to one equity holder of the parent company	Non-controlling interest	Total capital and reserves
31 December, 2020	**166 061**	**23 966 743**	**51 481**	**65 520**	**(474 237)**	**(19 178 849)**	**4 596 719**	**42 029**	**4 638 749**
Comprehensive income for the year 2020. (restatement)	-	-	-	-	-	32 424	32 424	-	32 424
Transfer to profit reserve	-	(19 268 205)	-	-	-	19 268 205	-	-	-
Total comprehensive income H1	-	-	(3 993)	-	-	(7 672)	(11 665)	1 065	(10 600)
30 June, 2021	**166 061**	**4 698 538**	**47 488**	**65 520**	**(474 237)**	**114 108**	**4 617 478**	**43 094**	**4 660 573**
Total comprehensive income H2	-	-	19 071	-	(931 480)	(523 103)	(1 435 512)	(1 167)	(1 436 679)
31 December, 2021	**166 061**	**4 698 538**	**66 559**	**65 520**	**(1 405 717)**	**(408 995)**	**3 181 966**	**41 927**	**3 223 893**
Total comprehensive income H1	-	-	14 201	-	-	(211 318)	(197 117)	3 182	(193 935)
30 June, 2022	**166 061**	**4 698 538**	**80 760**	**65 520**	**(1 405 717)**	**(620 313)**	**2 984 849**	**45 109**	**3 029 958**

IV. Interim consolidated cash-flow statement

	30.06.2022	30.06.2021	31.12.2021
Cash flow from operations			
Profit/loss before tax	(189 893)	8 087	(506 479)
Net interest expenditure	2 677	-	3 989
Non-cash items			-
Depreciation	38 581	58 744	113 596
Impairment	1 405	30 739	82 105
Result from sale of tangible assets	32 743	-	(40 250)
Profit/loss impact of exchange loss	42 285	(1)	26 808
Change in receivables from concession assets	126 579	89 607	166 931
Revaluation of securities	4 321	-	(3 785)
Result of associated company granted for the group	-	(19 363)	(19 363)
Other non-cash adjustments	-	4 569	-
Profit/loss impact of expected credit loss	(24 637)	(3 496)	(107)
Goodwill impairment	-	-	335 406
Interest income	(14 126)	(12)	(1 805)
Total non-cash items	207 150	160 787	659 536
Income tax paid	(10 096)	(1 482)	(13 775)
Interest paid	(2 716)	-	(3 989)
Adjusted profit/loss in the year concerned	**7 121**	**167 393**	**139 283**
Changes in working capital			
Changes in trade receivables and other current receivables	(688 884)	(333 101)	(232 243)
Change in accruals	(5 123)	19 497	27 165
Inventory changes	10 809	7 751	8 356
Change in trade payables and other liabilities	448 047	(12 313)	311 391
Net cash flow from operating activity	**(228 031)**	**(150 774)**	**253 952**

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Cash flows from investing activities			
Received interest	472	12	1 805
Acquisition of tangible and intangible assets	(61 098)	(19 755)	(126 784)
Revenue from the sale of tangible and intangible assets	451 400	-	955 000
Acquisition of an interest in an affiliated company	-	-	166 276
Loan repayment	223 881	-	-
Net cash flow from investing activity	**614 655**	**(19 743)**	**996 297**
Cash flows from financing activities			
Sale/purchase of own shares	-	-	(931 480)
Changes in bank loans (borrowing - repayment)	(18 699)	(37 497)	(27 497)
Sale/purchase of securities	150 837	-	(248 148)
Repayment of loan obligation	-	(25 014)	(25 338)
Net cash flow from financial activities	**132 138**	**(62 511)**	**(1 232 463)**
Currency translation on cash and cash equivalents	(33 731)	-	(315)
Change in cash and cash equivalents	**485 032**	**(223 028)**	**17 471**
Cash and cash equivalents at the beginning of the year	443 012	425 541	425 541
Cash and cash equivalents at the end of the year	928 044	192 513	443 012
Change of cash and cash equivalents	**485 032**	**(233 028)**	**17 471**

V. Basis for the preparation of financial statements

These interim financial statements were prepared in accordance with the IAS 34 Interim Financial Statements standard, so they do not contain all the information presented in the year-end financial statements – in accordance with the IAS 1 Presentation of Financial Statements standard. These interim financial statements must be interpreted together with the financial statements for the business year ending on 31 December 2021 (hereinafter: full financial statements) and the interim financial statements published in the current year but in previous quarters.

VI. Accounting policies and changing standards, corrections of previous period errors

The accounting policies and standards used for the preparation of the interim financial statements are the same as those used for the preparation of the financial statements as at 31 December 2021.

Changing standards

The International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee (IFRIC) issued the following amendments in 2022:

- IAS 1: Classification of current and non-current liabilities.
- IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies.
- IFRS 17 "Insurance contracts" standard, including amendments to IFRS 17 standard.
- IFRS 3 “Business Combinations”; IAS 16 “Property, machinery and equipment”; Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Receivables” Standards – Annual Developments
- Amendments to IAS 12 "Income Taxes" Standard, deferred tax related to assets and liabilities arising from a single transaction
- IAS 8 "Accounting policy, changes in accounting estimates and errors" Standard - Determination of accounting estimates

VII. Changes in the structure of the group

There were no changes in the structure of the Group until 30 June 2022.

VIII. Presentation of financial statements in interim financial statements, seasonality, fair value-related and other key disclosures

Compared to the full financial statements at the end of 2021, the Group partially changed the structure of the balance sheet and income statement

In the balance sheet, within current liabilities, advances received from customers were shown on a separate line. The Group classified the amounts related to this balance sheet as other current liabilities on 31 December 2021.

In the income statement, the direct cost, the gross earnings related to the direct cost, and the services used lines have been eliminated. From 01.01.2022, the direct cost and the services used are combined with the cost of raw materials on a single line, among material expenses.

In the notes to the statements, the segment report is prepared in the same structure as in the full financial statements. The Group publishes other notes to the statements only if an event judged to be significant or the IAS 34 Interim Financial Statements standard requires it.

IAS 34 requires the Group to publish information related to fair measurement. The Group values shares and investment units at fair value against earnings. Information on the fair value of securities is contained in point 9 of Chapter X.

The consolidated Síaréna Kft. has service revenue throughout the year (every month of the year), while the volume of the activity's revenue is concentrated in the winter months.

V. Notes to the interim comprehensive income statement

1. Composition of the Group's sales revenue:

	30.06.2022	30.06.2021	31.12.2021
Revenues from lease	24 903	58 129	108 840
Income of other operations	4 124	10 356	8 501
Heat sales	259 661	91 283	270 718
Sales revenue from MAHART project	4 010	6 612	9 036
Operation of ski slope	267 769	561 044	694 116
Total	**560 467**	**727 424**	**1 091 211**

The income from the Sípálya operation fell significantly short of the Group's income from the 2020/2021 ski season. The reason for this is the poor weather in 2021 and, unfortunately, 2022 as well, as a result of which it was not possible to use an adequate amount of naturally obtained water for snowmaking. As a result of water shortage, the Síaréna was not able to open a sufficient number of slopes to meet the needs and possibilities of skiing.

Rental income decreases in proportion to expired contracts.

The basic reason for the increase of sales revenue in heat sales is the increase of public utility fees.

2. Material expenses:

Unlike previous years, from 2022 the Group will report material expenses of the amount on this line. The lines of direct costs and costs of services used were merged with the costs of raw materials. The comparative data have been recalculated.

Material costs	30.06.2022	30.06.2021	31.12.2021
Cost of goods sold	(6 990)	(15 379)	(12 890)
Public utility fees	(262 892)	(119 318)	(288 366)
Maintenance materials	(8 929)	(6 792)	(24 035)
Fuel consumption	(11 012)	(9 739)	(15 107)
Use of office supplies and cleaning agents	(1 548)	(3 310)	(6 074)
Catering industry costs	(22 619)	(29 720)	(64 582)
Cost of sold services (ski training)	(6 795)	(9 625)	(10 993)
Other material cost	(1 074)	(7 572)	(3 835)
Total	**(321 859)**	**(201 455)**	**(425 882)**

Service used	30.06.2022	30.06.2021	31.12.2021
Bank charges	(10 471)	(6 511)	(17 580)
Rental fees	(39 759)	(28 597)	(54 854)
Insurance fees	(6 109)	(4 911)	(9 913)
Payment system fees (commission, transaction fee)	(5 223)	(545)	(1 995)
Official fees, charges	(1 854)	(1 048)	(2 008)
Advertising and publicity expenses	(18 485)	(10 631)	(21 911)
Legal fees	(32 467)	(19 205)	(25 676)
Maintenance costs	(29 268)	(46 499)	(72 467)
Office, communication costs	(5 794)	(6 979)	(8 584)
Accounting, auditing fee	(24 955)	(22 710)	(40 408)
Management fee	(401)	(1 531)	(1 594)
Temporary agency cost	(29 027)	(8 166)	(11 869)
Postal fee	(759)	(218)	(435)
Events organisation	(1 902)	(182)	(182)
Advisory fees	(2 790)	(9 236)	(22 974)
Travel expenses and costs of foreign travel	(1 074)	(4 128)	(16 987)
Operating expenses	(46 306)	(28 751)	(57 966)
Other costs	(1 508)	(2 352)	(13 552)
Total services	**(258 152)**	**(202 198)**	**(380 955)**

As a result of the energy price increases experienced in the European Union and worldwide, the utility fees charged by the Group have also increased significantly.

The fees of the payment systems have increased significantly compared to the year 2021. The reason for this is that a new payment system (FestiPay) was introduced in Síaréna Kft. in December 2021. In 2021, transaction fees and commissions are only reported in one monthly amount.

Due to its seasonal activity, Síaréna Kft.'s labour needs are not uniform throughout the year. In 2022, the increased requirement during the ski season was ensured to a significant extent by means of hired labour. For this reason, the amount of expenses related to hiring labour increased more than twice in the first half of 2022, while the amount of personal expenses decreased to a large extent.

The costs related to event management were incurred in connection with the Síaréna Vibe Park operated by Síaréna Kft. With the easing of epidemiological restrictions due to Covid-19, the number of organised leisure programs (concerts, sports days, programs related to important days) increased compared to 2021.

3. Evolution of personnel expenses:

	30.06.2022	30.06.2021	31.12.2021
Wages and benefits	(140 367)	(242 136)	(404 826)
Payroll taxes	(16 351)	(12 881)	(43 400)
Other personnel benefits	(17 471)	(23 892)	(62 459)
Total	**(174 189)**	**(278 909)**	**(510 686)**

The reason for the decrease in personnel expenses is that Síaréna Kft. partially secured the necessary seasonal workforce through labour hire, but the amount of personnel expenses decreased to a significantly greater extent, basically due to the lower winter sales of Síaréna Kft., the human resources requirement allocated to it, and the reorganisation measures implemented by management.

4. Evolution of other income and expenses:

The expenditure on the sale of plants, property and equipment increased in the first half of 2022 due to the sale of the M0 filling station in Szigetszentmiklós.

	2022.06.30	2021.06.30	2021.12.31
Net profit of sales of plants, real estates, and equipment	9 724	-	51 559
Other income	69	2	4 734
Penalties, interests, compensation for damages	831	472	54 004
Subsidies received	3 779	27 156	30 703
Compensation of insurance	-	-	5 270
Forgiveness of obligation	-	-	5 742
IFRIC 12 - amendment of contract	-	-	23 940
Total other revenue	**14 403**	**27 630**	**175 952**
Penalties	(684)	(16)	(82)
Other taxes	(7 232)	(8 256)	(6 930)
Other expenditures	(3 872)	(210)	(5 128)
Uncollectible receivables	-	(1 535)	(209)
Net loss of sales of plants, real estates and equipment	(24 868)	8	(8 687)
Salvage Value	(149)	-	-
Total other expenditure	**(36 805)**	**(10 009)**	**(21 036)**
Other income and expenses (net)	**(22 402)**	**17 621**	**154 916**

5. Evolution of profit from financial operations:

A more detailed breakdown of the rows of the table can be found in the "Capital Market Pillar C" chapter of the Management Report.

	30.06.2022	30.06.2021	31.12.2021
Interest income	471	46 584	1 805
IFRIC 12 interest income	13 655	14 162	26 461
Not realised exchange rate loss (-) / profit	34 078	(814)	521
Realised exchange rate loss (-) / profit	(47 823)	(560)	(3 989)
Interest expense	(2 677)	(47 143)	3 785
Revaluation of securities	(4 321)	0	3 785
Result of forward dealings	96 428	-	-
Dividend income	1 121	-	-
Net profit of financial transactions loss (-) / profit	**90 932**	**12 229**	**32 368**

Expected credit losses and write-offs and write-backs of receivables

	2022.06.30	2021.06.30	2021.12.31
Depreciation of customer receivables	(1 405)	(76 996)	(82 105)
Reversal of other receivables	-	46 256	-
Expected credit loss	(24 705)	3 496	6 589
Total	**(26 110)**	**(27 244)**	**(75 516)**

Dividends received for shares held for sale held by the Group were reported on the dividend received line.

In the first half of 2022, the expenditure recognised as expected credit losses is related to trade receivables. When reporting trade receivables that do not contain a significant financing component, the Group recognises the expected credit loss during lifetime, calculated at the loss rate specified in the accounting policy.

6. The EPS and EBITDA indicators of the Group evolved as follows:

EPS:

Basic and diluted EPS	2022.06.30	2021.06.30
Profit for the period attributable to ordinary shareholders	(131 266 891)	(4 767 410)
Weighted average number of ordinary shares (shares)	9 005 959	9 005 959
Diluted EPS from continuing operations (THUF/pieces)	**(14,00)**	**(0,80)**

In determining the diluted value, the profit had to be corrected by the part of shares for the preference shareholders and the number of shares had to be corrected by the number of preference shares issued and the number of potential ordinary share due to the option.

EBITDA

	2022.06.30	2021.06.30
Profit/loss before tax	(189 893)	8 087
Depreciation	38 580	58 744
Elimination of net profit/loss from financial activities	(64 822)	15 015
EBITDA	**(216 135)**	**81 846**

X. Notes to interim balance sheet

7. Intangible assets

	Intangible assets
Gross values	
Balance at 31 December 2021	**80 248**
Procurement	196
Change in value due to exchange rate	238
Balance at 30 June 2022	**80 682**
Depreciation	
Balance at 31 December 2021	**(47 815)**
Interim depreciation	(1 562)
Change in value due to exchange rate	(236)
Balance at 30 June 2022	**(49 614)**
Book value	
Balance at 31 December 2021	32 433
Balance at 30 June 2022	31 068

Among the intangible assets, the Group mostly reports computer software and licence agreements.

The value of intangible assets was reduced by the recognition of depreciation and the exchange difference resulting from the conversion of the assets of the Romanian subsidiaries into HUF.

8. Tangible assets

The cost and net value of tangible assets was as follows:

	Properties and buildings	Plant and equipment	Other equipment	Invest-ments	Total
Gross values					
Balance at 31 December 2021	**1 580 888**	**986 200**	**95 555**	**24 702**	**2 687 345**
Change in value due to exchange rate	6 023	377	-	-	**6 400**
Procurement	-	19 745	1 521	39 636	**60 902**
Derecognition due to sales	(7 875)	-	-	-	**(7 875)**
Balance at 30 June 2022	**1 579 036**	**1 006 322**	**97 076**	**64 338**	**2 746 772**

Book value					
Balance at 31 December 2021	1 139 883	457 445	41 484	24 007	**1 662 819**
Balance at 30 June 2022	1 116 553	464 751	39 565	63 643	**1 684 512**

The change in value due to the exchange rate comes from the conversion of the assets of the Romanian subsidiaries into HUF.

The balance sheet value of tangible assets was decreased by depreciation recognised in the I. half-year of 2022 and the exchange differences arising at the Romanian subsidiaries, related to depreciation, compared to their value at the end of 2021.

In the first half of 2022, the Group recognised a total of HUF 37,018,000 in depreciation and a related negative exchange difference of HUF 715,000.

9. Securities valued at fair value against profit and loss

The Group invested part of its free cash in shares at the stock exchange. The purpose of these shares is to achieve short-term profit, so they were placed in the FVTPL category by the Group.

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	30.06.2022	31.12.2021
Opening balance	251 933	-
Cost of securities	133 544	248 149
Sale of securities	(284 381)	-
Revaluation to fair value	(4 321)	3 784
Carrying amount	**96 775**	**251 933**

The Group determined the fair value based on stock market prices and portfolio reports of investment funds.

10. Other current liabilities

	30.06.2022	31.12.2021
Given loans	1 537 669	1 761 550
Collaterals	49 125	49 169
VAT receivable	14 507	53 172
Foreign VAT receivable	3 360	772
Receivables from litigation	10 610	75 439
Advance payment to suppliers	667 308	465 869
Other receivables	3 684	5 416
Other tax receivables	280	-
Expected credit loss	(11)	(11)
Total other gross receivables	**2 286 533**	**2 411 376**
Impairment recognized	(1 342 174)	(1 341 920)
Total other receivables	**944 359**	**1 069 456**

In the first half of 2022, part of the loans given were repaid.

The recognised impairment losses were incurred in connection with the following receivables in the first half of 2022:

30.06.2022	Gross value	Impairment/ECL	Net value
Given loans	1 537 588	(1 342 004)	195 583
Advance payment to suppliers	524 471	(170)	524 301
Receivables from litigation and other receivable	10 610	(11)	10 599
Total	**2 072 669**	**(1 342 185)**	**730 484**

The remaining balances of other current receivables after impairment consist of the following items:

	30.06.2022	31.12.2021
Collaterals	49 125	49 169
VAT receivable	14 507	53 172
Foreign VAT receivable	3 360	772
Advance payment to suppliers	142 837	-
Loan to employee	422	42
Other tax receivables	280	-
Other receivables	3 685	-
Total	**214 217**	**103 155**

The Group recognises the taxes recorded by the same tax authority on net basis. Debt-type tax balances are classified as liabilities (if the company has a debt towards the tax authority after all).

Related loan and interest	30.06.2022	31.12.2021
E-Star Mures Energy SA loan	1 190 938	1 415 458
E-Star Mures Energy SA interest loan	345 975	345 975
E-Star ZA Distriterm SRL	82	76
E-Star Investment Management SRL	254	-
Total	**1 537 248**	**1 761 509**

11. Loans

	30.06.2022	31.12.2021
Long-term bank loans	37 512	50 757
Short-term bank loans	28 797	34 252
Total loans	**66 310**	**85 009**

The division of loans by expiry is shown in the table below:

Debtor	Expiry	Interest	30.06.2022	Due within 1 year	Due within 5 years	Due after more than 5 years
Síaréna Kft.	31.03.2023	1-month BUBOR + 2.75% interest margin	27,510	27,510	-	-
Síaréna Kft.	05.04.2023	1-month BUBOR + 2.75% interest margin	10,002	10,002	-	-
Síaréna Kft.	08.08.2024	1-month BUBOR + 2% interest margin	10,000	-	10,000	-
Síaréna Kft.	08.08.2024	1-month BUBOR + 2% interest margin	18,798	18,798	-	-
Total			**66,310**	**56,310**	**10,000**	**-**

Síaréna Kft. concluded an investment loan agreement with K&H Bank in years 2017 and 2019. Both loans shall expire in 2023. Loans were disbursed in HUF.

K&H Bank Zrt. disbursed additional HUF 10,000 thousand to Síaréna Kft in year 2021 for current asset financing. The loan shall be payable in one sum upon expiry and interest in paid monthly in its duration. The loan is provided within the credit and therefore can be drawn for 12 months. During the maintenance period however the drawing period can be extended annually upon request.

Síaréna Kft. also has an overdraft facility, which was also made available by K&H Bank Zrt.

No significant items belong to the loans which would divert the effective interest from the nominal interest rate. The fair value of these items does not significantly differ from their book value.

12. Other short-term liabilities

	30.06.2022	31.12.2021
MAHART is a contractual obligation	597 114	157 124
MAHART's down payment	387 907	355 200
Penalties, surcharges	1 189	-
Other taxes payable	13 753	34 969
Wages and salaries	21 089	37 893
Received loan	5 919	3 181
Gift certificates	4 514	4 193
Other liabilities	218	4 032
Total	**1 031 703**	**596 591**

The amount already received but not yet accountable as revenue is included in MAHART contractual liability. The Group reports its receivable from the MAHART project under trade receivables. The Group's receivable from MAHART Zrt. on 30 June 2022 was HUF 563,880 thousand.

The vouchers issued for the ski slopes operated by Síaréna are valid until the end of year 2022.

The fair value of these items does not significantly differ from their book value.

13. Fair-value hierarchy

Under IFRS 13, in terms of the assets and liabilities of the Group valuated at fair value, the fair value hierarchy according to the three-level valuation shall be presented as follows for comparability:

The inputs used to determine the fair value o assets or liabilities may be classified at different levels within the fair value hierarchy. In these cases, the valuation at fair value shall be completely classified in the level of the fair value hierarchy in which the lowest level input is presented which is significant from the aspect of the entire valuation. In order to survey how significant an input is, the total valuation needs to be taken into consideration where the factors relevant to the asset or liability shall be considered.

Valuation level 1: quoted, usually stock market prices in active markets of homogeneous assets or liabilities to which the Group has access at the time of valuation.

Valuation level 2: a measurement that includes inputs that can be directly or indirectly observed in relation to the asset or liability, other than quoted prices.

Valuation level 3: measurement that also uses inputs that cannot directly observe the value of the asset or liability.

The Group possesses the following financial assets and liabilities:

Financial assets and balances

Description	30.06.2022	31.12.2021
Securities	96 775	251 933
Trade receivables	860 806	247 188
Other receivables and accruals	949 407	1 080 522
Cash and cash equivalents	928 044	443 012
Total	**2 835 032**	**2 022 655**

Financial liabilities and balances

Description	30.06.2022	31.12.2021
Bank loans	66 309	85 009
Advances received from customers	124 657	119 665
Trade payables	268 833	260 879
Other liabilities and accruals	1 213 013	789 042
Total	**1 672 811**	**1 254 595**

Individual instruments are placed in the fair value hierarchy as follows:

Description	30.06.2022			31.12.2021		
	Evaluation level 1	Evaluation level 2	Evaluation level 3	Evaluation level 1	Evaluation level 2	Evaluation level 3
Securities	96 775	-	-	251 933	-	-
Trade receivables	-	-	860 806	-	-	247 188
Other receivables and accruals	-	-	949 407	-	-	1 080 522
Cash and cash equivalents	928 044	-	-	443 012	-	-
Total (assets)	**1 024 818**	**-**	**1 810 213**	**694 945**	**-**	**1 327 710**
Bank loans	-	-	66 309	-	-	85 009
Advances received from customers	-	-	124 657	-	-	119 665
Trade payables	-	-	268 833	-	-	260 879
Other liabilities and accruals	-	-	1 213 013	-	-	789 042
Total (liabilities)	**-**	**-**	**1 672 811**	**-**	**-**	**1 254 595**

XI. Other disclosures

14. Transactions with Affiliated Parties

The key managers of the entity are related parties. During the period of the financial statements, the Group management specified the following related parties:

In the Board of Directors:

Csaba Soós, President of the Board of Directors, from 30.12.2016
László Bálint, Board of Directors member, from 30.12.2016
Ferenc Virág, Member of the Board of Directors, from 30.04.2019
Dr. Piroska Paksi member of the Board of Directors from 09.07.2021 to 14.02.2022.
Krisztina Tendli Board member, from 12.09.2022

The Group conducted the following transactions with the above related parties in the first half of 2022, and the following balances characterise the relationship:

Csaba Soós

Balance sheet position	Amount
Amount of member loan given to Síaréna Kft	493

The table below shows the remuneration of executive officers.

	30.06.2022	31.12.2021
Salary	12 019	26 945
Honorarium	14 010	33 759
Commission fee	9 000	12 000
Total	**35 029**	**72 704**

The company previously published its detailed report on the remuneration of executive officers based on the remuneration policy for the information of investors, which is available at its publication locations.

Non-consolidated affiliated parties (through executive officers):

- 43forfree Nonprofit Kft.
- Acél Manufaktúra Kft.

- CFB Projekt Kft.
- LNG-Tech Kft.
- Pannon Fuel Kft.
- Whiteless Rock Tanácsadó Zrt.
- E-STAR Mures Energy SA “under liquidation”

The Group carried out the following transactions with related companies in the first half of 2022, and the following key balances characterise the relationship (the transactions were essentially priced at arm’s length):

Pannon Fuel Kft.

Balance sheet position	Amount
Advance received from customers	324,000

E-STAR Mures Energy SA “under liquidation”

Balance sheet position	Amount
Loans given	1,536,913
Trade receivables	167

Profit/loss position	Amount
Sales revenue	377

15. Segment report

Segment income statement:

30.06.2022	Ski operation	MAHART project	Revenues from lease	Heat sales	Not allocated to segment	Total
Revenue	267 769	4 010	24 903	259 661	4 124	560 467
Material cost	(208 277)	(4 010)	(28 004)	(338 008)	(1 712)	(580 011)
Personnel cost	(104 754)	-	(7 261)	(61 879)	(295)	(174 189)
Other revenue and expenditures, net	3 779	-	-	-	(26 181)	(22 402)
Depreciation	(35 945)	-	-	-	(2 635)	(38 580)
Net profit/loss from financial activities	(2 716)	-	13 370	-	54 168	64 822
Result of associated company granted for the group	-	-	-	-	-	-
Profit before tax	**(80 145)**	**0**	**3 009**	**(140 226)**	**27 469**	**(189 893)**
Income tax expense	(2 424)	-	(271)	-	(15 548)	(18 243)
Profit for the year	**(82 569)**	**0**	**2 738**	**(140 226)**	**11 921**	**(208 136)**

Reconciliation of segment sales and earnings:

	Ski operation	MAHART project	Revenues from lease	Heat sales	Not allocated to segment	Total
Sales revenue from external parties	267 769	4 010	24 903	259 661	4 124	560 467
Intragroup sales revenue	-	-	-	305 449	3 747	309 196
Sales revenue of the segment (including inter-segment revenues)	**267 769**	**4 010**	**24 903**	**565 110**	**7 870**	**869 663**
Profit or loss of the segment (before tax)	**(80 145)**	**0**	**3 009**	**(140 226)**	**27 469**	**(189 893)**

Reconciliation of sales revenues	**2022.06.30**
Total sales revenues allocated to the segment	861 792
Elimination of intragroup sales revenues	(309 196)
Revenues not allocated to any segment	7 870
Reconciliation of profit or loss	
Profit or loss allocated to the segment	(220 057)
Profit or loss not allocated to the segment	11 921
Total	**(208 136)**

Comparative data:

30.06.2021	Ski operation	MAHART project	Revenues from lease	Heat sales	Not allocated to segment	Total
Revenue	561 044	6 612	58 129	91 283	10 356	727 424
Material cost	(206 004)	(6 612)	(68 872)	(118 850)	(3 316)	(403 653)
Personnel cost	(211 529)	-	(24 458)	(42 922)	-	(278 909)
Other revenue and expenditures, net	27 156	-	-	-	(9 535)	17 621
Depreciation	(33 168)	-	(9 422)	-	(16 154)	(58 744)
Net profit/loss from financial activities	(1 622)	-	14 162	-	(27 555)	(15 015)
Result of associated company granted for the group	-	-	-	-	19 363	19 363
Profit before tax	**135 876**	**-**	**(30 461)**	**(70 488)**	**(26 840)**	**8 087**

Income tax expense	(7 457)	-	2 741	-	(9 978)	(14 694)
Profit for the year	**128 419**	**-**	**(27 719)**	**(70 488)**	**(36 818)**	**(6 607)**

	Ski operation	MAHART project	Revenues from lease	Heat sales	Not allocated to segment	Total
Sales revenue from external parties	561 044	6 612	58 129	91 283	10 356	727 424
Intragroup sales revenue	-	-	-	178 132	-	178 132
Sales revenue of the segment (including inter-segment revenues)	**561 044**	**6 612**	**58 129**	**269 415**	**10 356**	**905 556**
Profit or loss of the segment (before tax)	**135 876**	**-**	**(30 461)**	**(70 488)**	**(26 840)**	**8 087**

Reconciliation of sales revenues	**2021.06.30**
Total sales revenues allocated to the segment	895 200
Elimination of intragroup sales revenues	(178 132)
Revenues not allocated to any segment	10 356
Reconciliation of profit or loss	
Profit or loss allocated to the segment	30 211
Profit or loss not allocated to the segment	(36 818)
Total	**(6 607)**

XII. Authorisation of the disclosure of interim financial statements, issuer's statements

These interim financial statements were discussed and approved for publication by the Group's Board of Directors on 22 September 2022.

The Company declares that the relevant combined (consolidated) Interim Financial Statements and Half-yearly Report for the first half of 2022 were prepared in accordance with the International Financial Reporting Standards adopted by the European Union, to the best of the Company's knowledge, and provide a true and fair view of the assets, liabilities, financial position, as well as profit and loss of the Company as issuer and the consolidated enterprises.

Furthermore, the Company declares that the combined (consolidated) half-yearly report for the first half of 2022 provides a reliable view of the position, development and performance of the issuer and the consolidated companies and presents the probable risks and uncertainty factors for the remaining period of the financial year.

The Company declares that the data of this half-yearly Report have not been examined by an independent auditor.

ISSUER'S STATEMENT

Based on the applied accounting standards, the Consolidated half-yearly statements, prepared to the best of our knowledge, give a true and fair view of the assets, liabilities, financial position and earnings of ENEFI Vagyonkezelő Nyrt. and the consolidated companies, as well as the position, development and performance of the consolidated companies, presenting the main risks and uncertainties.

The Company declares that the Management Report provides a reliable picture of the issuer's position, development and performance, outlining the main risks and uncertainties.

Tendli Krisztina - Csaba Soós - Ferenc Virág - László Bálint
Members of the Board of Directors
ENEFI Vagyonkezelő Nyrt.

ENEFI Vagyonkezelő Nyrt.

INTEGRATED (CONSOLIDATED)

MANAGEMENT REPORT

2022. For the H1 report

PURPOSE OF THE REPORT

The purpose of this report is to evaluate the data of the annual financial statements of ENEFI Vagyonkezelő Nyrt. (hereinafter: "Company", or "Contractor" or "ENEFI" or "Issuer") and thereby present its asset, financial and income position, including the main risks and uncertainties arising in the course of the contractor's activities, in order to give a true and fair view of them corresponding to the actual circumstances, based on past and expected future facts.

Information about the parent company of ENEFI Asset Management Plc.

Basic information about the Company

Company name: ENEFI Asset Managment Nyrt.
The English name of the company: ENEFI Asset Management Plc.
Seat: 1134 Budapest, Klapka utca 11.
Branch Office: 8413 Eplény, Veszprémi u. 66 A. ép.
Country of residence: Hungary
Telephone number: 06-1- 279-3550
Fax: 06-1- 279-3551
Governing law: Hungarian
Stock exchange introduction: Budapest Stock Exchange
Warsaw Stock Exchange
Form of operation: public company limited by shares (nyilvánosan működő részvénytársaság)

Legal predecessors of the company, changes in the company form

The Company was established as a limited liability company, then transformed into a private limited company and subsequently into a public limited company as follows:

(Regionális Fejlesztési Vállalat Korlátolt Felelősségű Társaság) Regional Development Company Limited Liability Company
Date of formation: 17.05.2000
Date of post: 29.06.2000
Expiration date: 12.06.2006

(Regionális Fejlesztési Vállalat Zártkörűen Működő Részvénytársaság) Regional Development Company Limited Liability Company
Date of post: 12.06.2006

(Regionális Fejlesztési Vállalat Zártkörűen Működő Részvénytársaság) RFV Regional Development, Investor, Producer and Service Public Limited Company

Date of change: 12.03.2007

The shares were listed on the Budapest Stock Exchange on 29 May 2007.

(E-STAR Alternatív Energiaszolgáltató Nyrt.) E-STAR Alternative Energy Service Plc.
Date of change: 17.02.2011
Registration Date: 04.03.2011

(ENEFI Energiahatékonysági Nyrt.) ENEFI Asset Management Plc.
Date of change: 09.12.2013
Registration Date: 17.12.2013

ENEFI Vagyonkezelő Nyrt.
Date of change: 29.11.2019
Registration date: 09.01.2020.

Duration of the Company's operation

The Company was established for an indefinite period of time.

Share capital of the Company

Share capital of the Joint Stock Company: HUF 166,061,090 (i.e. one hundred and sixty-six million sixty-one thousand and ninety forints).

The shares of the Company

The share capital consists of 11,150,000 registered, dematerialised ordinary shares with a nominal value of HUF 10 (Series A) and 5,456,109 registered, dematerialised, convertible dividend preference shares with a nominal value of HUF 10 (Series H). The total number of shares issued by the company is as follows: 16.606.109 pcs.

Composition of the Company's share capital:

Tranch of shares	ISIN:	Nominal value (Ft/piece)	Number of issued shares	Total nominal value (HUF)
ORDINARY SHARE	HU0000089198	10	11,150,000	111,500,000
Convertible dividend preference share	HU0000173737	10	5,456,109	54,561,090

Capital size	-	-	16,606,109	166,061,090

Information on companies included in the consolidation

The following companies are included in the scope of consolidation of ENEFI Asset Management Plc.

	The name of the Company	Country/Headquarters	Share capital	Direct and indirect ownership (%)	Voting rights (%)
1	Ski43 Program Nonprofit Zrt.	Hungary 1134 Budapest, Klapka utca 11.	HUF 5,000,000	100%	100%
2	ENEFI Projekttársaság Kft.	Hungary 1134 Budapest, Klapka utca 11.	HUF 3,000,000	100%	100%
3	RFV Józsefváros Szolgáltató Kft.	Hungary 1134 Budapest, Klapka utca 11.	HUF 3,000,000	49%	70%
4	Síaréna Korlátolt Feleősségű Társaság	Hungary 8413 Eplény, Veszprémi utca 68/A.	HUF 3,000,000	100%	100%
5	Termoenergy SRL	Romania Gheorgheni, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	6,960 RON	99,50%	99,50%
6	E-STAR Centrul de Dezvoltare Regionala SRL	Romania Gheorgheni, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	525,410 RON	100%	100%
7	E-Star Energy Generation SA	Romania Zilah, Nicolae Titulescu street, 4 , 2nd floor, room 5 (Zalău, Str. Nicolae Titulescu, nr. 4, Etaj 2, Ap. camera 5)	90,000 RON	99,99%	99,99%
8	E-Star Alternative Energy SA	Romania Gheorgheni, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	90,000 RON	99,99%	99,99%

9	SC Faapritek SA	Romania Gheorgheni, Szabadság tér 14 (Gheorgheni, p-ța Libertății nr.14)	90,000 RON	99,99%	99,99%
10	EETEK Limited	Cyprus 1 Arch. Makariou III Mitsi Building 3, 2nd Floor, Flat/Office 201 1065 Nicosia	1 000 000 EUR	100%	100%

Companies in liquidation belonging to the Group that have not been included in the consolidation

Name	Country/Headquarters	Share capital	Level of participation	Voting rights
E-STAR Mures Energy SA “under liquidation”	Romania Tirgu Mures, Forradalom utca 1 (Tg. Mureș str. Revolutiei nr.1)	90,000 RON	99,99%	99,99%

BUSINESS ENVIRONMENT, DEVELOPMENT, COMPANY PERFORMANCE, COMPREHENSIVE ANALYSIS OF THE SITUATION, COMPANY'S BUSINESS POLICY

A brief history of the Issuer

The legal predecessor of the Company, called Regionális Fejlesztési Kft. (Regional Development Ltd.) was founded in 2000 by four Hungarian private individuals. The founders' objective was to create an ESCO company (Energy Service Co., i.e. a company dealing with energy saving). Initially, one of the main activities of the Company was the cost-effective electricity service, which has been a source of revenue to this day. The Company provided continuous advice to its customers so that they could choose the most favourable tariff package from the electricity supplier relevant to the given area. As part of the service, the Company purchased the electricity and then passed it on to its customers at a more favourable price than previously. The cost savings were shared between the customer and the Company based on a long-term contract between the two. However, the free electricity market has been open since 1 January 2008, which means that all entities within the economy are free to choose their electricity supplier and to determine the conditions of the service individually. The Company is also adapting to the changed circumstances, negotiating with several electricity market traders, bringing its partners together, and ensuring a common representation to achieve the best possible conditions. The other main activity of the Company since its foundation has been the control of the luminous flux of public lighting. Subsequently, starting from 2004, the Company added heating upgrading and heat services as a business line to its product range. A significant part of the Company's clients were local governments and municipal institutions, but there were also state institutions, church institutions, condominiums (common space housing estates) and private companies. The Company was transformed into a private limited company on 12 June 2006 and then on 12 March 2007, the Registration Court registered the change of the company form "private limited company" to "public limited company". The Company's shares were listed on the Budapest Stock Exchange on 29 May 2007.

The Company then began international expansion, first in Romania and then in Poland. The Issuer's shares were listed on the Warsaw Stock Exchange on 22 March 2011. In 2012, the Issuer was subject to bankruptcy proceedings, which were successfully concluded by reaching an agreement with the creditors. Due to the breach of contract by the local governments, the Company was forced to terminate its contracts in Romania prematurely. The Company sold its Polish operation in 2016 while its presence in Romania was limited to enforcing its claims arising from terminated contracts. The actual operation of the Company is currently limited to the territory of Hungary; in Romania, legal proceedings related to its terminated contracts are pending.

In 2016, the Company published its strategic goals, in which it focused on selling projects in Hungary and Romania, downsizing its operations, and buying its own shares.

In 2017, the Company sold the public lighting projects previously purchased from EnerIn Kft. back to the same company, in addition to the originally calculated return expectation. As a result of a successful transaction, the Company's public lighting business was completely discontinued.

In June 2019, the Issuer adopted the Strategy, which is still in force, with which it intends to put the Company back on a growth path, according to the Strategy's stipulations.

The business environment of the Company

The Budapest-based Group of Companies consists of companies present in Hungary and Romania, whose member companies' main activity is heat production and service, and the economic activity of assets included in asset management, divided into pillars.

ENEFI no longer operates any project in Romania and its enforces its claims through court proceedings.

Presentation of business activity by field of activity

Breakdown by pillar (what the pillars mean)

In 2019, the Company decided to expand its business activities and formulated "PILLARS" for its activities to be expanded, as a division of new management areas to be activated later. It has decided on an asset management activity that allows it to conduct its business (Energy Efficiency) and to continue the litigation that has arisen in the past within the concept of "BASIC PILLARS". It created "REAL ECONOMY PILLARS" as a focus on 'finance', 'tourism', 'real estate', food industry' and it also classified its cash equivalents and investments and capital market instruments to be acquired under the heading "CAPITAL MARKET PILLARS".

Based on all this, its business activity in the first half of 2022 developed as follows:

A. BASIC PILLARS

1. LAWSUITS

The Company continued litigation cases, the course of which (and related events) it reported on in its disclosures.

Litigations of the Company

Plaintiff	Defendant	Matter in dispute
EETEK LTD	Magyar Nemzeti Bank (Central Bank of Hungary)	Revision of an administrative decision

ROMANIA

Item no.	Plaintiff	Defendant	Matter in dispute
1.	E-Star Mures Energy SA	**37** owners' association members	Validation of blocking
2.	E-Star Mures Energy SA		Filing of a bankruptcy protection application on 08.02.2013
3.	E-Star Mures Energy SA	Municipality of Târgu Mureș	Default interest on damages awarded for breach of the concession agreement, as follows: 1. RON 6,449,584,01 – statutory default interest calculated for the concession fee between 10.05.2013 and 26.05.2021. 2. RON 3,848,677,29 – contractual default interest calculated for the district heating subsidy for the period between 10.05.2013 and 26.05.2021. 3. RON 831,366,61 – contractual default interest calculated for the district heating consumption for the period between 10.05.2013 and 26.05.2021. 4. RON 2,933,940,45 – statutory default interest calculated for the unamortized investment consisting of reimbursable assets between 10.05.2013 and 26.05.2021. 5. In addition to the above amounts, the calculation and claim of default interest until the full payment of the principal debts. 6. Update the above amounts with the inflation rate
4.	E-Star CDR SRL	**247** residential consumers	payment of fees under the consumer contracts
5.	E-Star CDR SRL	The City of Gheorgheni	Lawsuit for the determination of the amount of damages. The lawsuit separated from the damages lawsuit, the subject of which is the receivable of RON 3,071,101,56 + interest on the repayment of the concession fee.
6.	E-Star CDR SRL	The City of Gheorgheni	Separated from the lawsuit for damages relating to damages for the investment stated in the underlying lawsuit for damages: RON 100,707,289 + related claims + 15% of the annual internal rate of return for the entire contracted period
7.	Private individual	E-Star CDR SRL	Report to police on suspicion of forgery of a public document. The claimant claims that CDR collected debt against it on the basis of 5 forged invoices. The prosecutor's office rejected it in the absence of a crime, but the claimant objected to the decision.
8.	Szilágy County Finance Authority Intervener:	Municipality of Zilah	- challenging the public interest expropriation price of a 623 m^2 land

	ENEFI Vagyonkezelő Nyrt.		
9.	ENEFI Vagyonkezelő Nyrt.	Finance	Cancellation of receivables still registered by the Finance Authority against ENEFI
10.	Private individuals	Termoenergy	The claimants request the annulment of the land registration of the 2,300 square meter land bought by Termoenergy in 2006, as well as the annulment of the sale contract between the former owner and Termoenergy on 21.12.2006, citing that the measurement of the referenced land was irregular and incorrect, because it was registered on the claimants' unregistered land.

2. ENERGY EFFICIENCY

a.) Energy efficiency (Heat supply with heating upgrade)

Start of activity: 2000

Presentation

Local governments and state institutions often implement the heating of their institutions in a wasteful manner, using outdated heating systems. In addition, outdated systems are becoming more and more difficult to maintain and lead to ever-increasing maintenance costs. Possible equipment failures can lead to significant - and unplanned - investments. Due to the scarce resources of local governments, the investment may only be realised through borrowing, thus further deteriorating their borrowing capacity. Following an individual survey of customers' buildings and a preliminary needs assessment with customers, the Company prepares a package of offers in this business line, which includes a proposal for the solution of heat supply at a higher level in the long run. Following the signing of a contract, the Company carries out the energy modernisation prepared in the impact study prepared during the survey as its own investment, without the involvement of the customer's own resources, and then provides long-term (10-25 years) heat services through the upgraded energy system, which includes operation and maintenance. tasks. Depending on individual needs, the upgrade may include boiler replacement, making heat use controllable and measurable (converting heating systems to multi-circuit, installing thermostats, installing a heat pump, etc.). The Company procures additional factors necessary for the provision of heat supply (e.g. boiler house rental, electricity, water, etc.) partly from customers. The Company procures the equipment mostly from the domestic representatives of global companies (e.g. in the case of boilers, these companies mainly are Viessmann, Buderus, Hoval, etc.), who usually also carry out the installation and construction tasks. The Company also enters into long-term contracts with a local subcontractor for the maintenance of the assets. Upgrading - under the same conditions - results in significant energy cost savings of up to 40-50%. In order to provide heat supply, the Company generally uses gas-operated equipment. Instead of the previous direct “gas supplier – local government” relationship, the Company buys gas and supplies heat to customers in the “gas supplier (gas trader) - Company” relationship. The customer uses the heat service at a lower cost and their heating system is upgraded. The customer pays a basic or service fee and, in addition, a fee in proportion to their consumption, according to a pre-fixed formula. The Company adjusts the unit price of the heat service to the gas price billed by the regional public utility gas supplier.

The Company has not entered into any new heat supply contracts in recent years. The practical outcome of the termination of existing contracts depends on the continuation or termination of contractual relationships, the conduct of the contractual partners in relation to the termination and continuation of contracts, and their formal procedures.

The Company's related company (RFV Józsefváros Kft.) is currently in a legal dispute with the Józsefváros municipality, which has a contractual relationship with it, as well as with Belső Pesti Tankerület, given that the parties have different legal positions regarding the date of expiry of the contract. In addition to the above, the customers do not fulfil their payment obligations according to the provisions of the contracts. In view of the above, there is a risk that, in the absence of an agreement, the legal dispute between the parties will force the company to initiate court proceedings in order to enforce its legitimate demands.

Key energy efficiency markets (Geographical scope of ENEFI)

• Initially, ENEFI Plc. implemented successful investments in heat supply, public lighting and kitchen technology in Hungary, mainly in the local government sector.
• Due to the changing economic and social expectations in our region, the demand for the solutions offered by the Company has increased, which has allowed the Company to expand in the region, strengthening its position in Hungary and gaining references.
• Due to the fact that local governments in our region are rather underfunded, the heating technology of public institutions is rather outdated, which means that significant savings can be achieved. As a result, from 2010 ENEFI turned its attention to the neighboring countries, mainly Romania, and from 2011 to Poland.

The Company sold its operation in Poland in 2016, the Issuer no longer operates any project in Romania, so its area of operation was limited to the territory of Hungary.
Since 1 January 2017, the Issuer has only received income from Hungary, i.e. from the heat services business. Currently, it does not currently have a public lighting and kitchen technology business branch.

The most important energy efficiency services for the group as a whole

The most important energy efficiency services for the group as a whole are:

- efficient heat and district heating supply based on sustainable primary energy sources
- modernisation of energy supply and conversion equipment and exploiting efficiency

c.) MAHART project

Date of acquisition: 20.12.2019

Presentation

On 08.12.2019, the Issuer informed its investors that the Issuer was awarded the contract tendered by MAHART Magyar Hajózási Zrt. in the open accelerated public procurement procedure in the matter of “Fixed LNG – CNG filling facilities procurement" (EKR001321472019), in value of approx. HUF 1.5 billion. On 20.12.2019, the Issuer, as the winning tenderer in the public procurement procedure, signed a procurement contract with the contracting authority MAHART Zrt. The subject of the contract is a fixed LNG-CNG river and public filling facility consisting of a water facility, a shore facility and the connection between the water facility and the shore facility, which will be owned and operated by MAHART Zrt. upon the implementation of the construction project. The public procurement is related to a project financed by EU funds.

According to the contract, ENEFI's task is to:
– prepare the concept plan,
– plan for the licence in principle,
– license and
– construction plans,
– to submit the plans to the licensing authorities,
– to conduct the licensing procedures
– to procure the individual assets based on the plans
– and to produce them/arrange for their production, and
– integrate them into a unified system as well as
– the full implementation,
– commissioning of the complex facility
– to prepare the complete documentation required for commissioning,
– to train and educate the personnel involved in production.

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The original expiration date of the contract was 22 June 2021, which has been extended by another 8 months as confirmed by the customer due to changes in the technical specifications in the meantime, and due to the pandemic.

Given the uniqueness of the goods and the fact that industry standards and best practices were/are not available, it was clear both at the time of the submission of the public procurement offer and at the time of signing the contract, both for the contracting authority and the tenderer, that the technical specifications and thus deadline and price may change significantly, as early as at the development of the concept design but also during the subsequent negotiations of the authority and the customer.

Negotiations are underway regarding the MAHART project, the outcome of the project depends on the completion of the negotiations.

Considering that even currently MAHART has accumulated a significant amount of debt to the company, and substantial negotiations between the parties have stalled, there is a risk that in absence of an agreement the parties' dispute will force the company to bring the case to court to enforce its legitimate interests.

ENEFI result

The Issuer reported the income and expenses related to the investment on the income and expenditure lines of the core activity; the earnings content of the project can be determined in the event or absence of an agreement on the completion of the project.

B. REAL ECONOMY PILLARS

1. FINANCE

Random Capital Zrt. - investment services, 9,46 percent share

Date of acquisition: 09.01.2020..

Date of acquisition: 01.09.2021.

Settlement status: The Buyer settled with ENEFI Vagyonkezelő Nyrt., except for the withheld part of the purchase price, the quantified value of which is HUF 59,598 thousand, while the contingent receivable reported by ENEFI Nyrt. in its books is HUF 27,991 thousand at discounted present value.

2. TOURISM

SÍARÉNA Kft. (SKI ARENA Plc.) - operator of Eplény ski resort

Date of acquisition: 09.01.2020

Form of ownership: 100 percent stake, full consolidation

Presentation

Síaréna Kft. (Plc.) is a company which operates in the ownership of ENEFI Plc. Its main activity is the operation of the Eplény ski resort. During the operation of the track, it performs activities in the following business lines:

- ski slope and ski lift operation (ski pass sales)
- ski equipment rental

- ski training
- catering

Through continuous developments and investments, Eplény Síaréna is the largest and most modern ski resort in Hungary. There are more than 7 kilometers of ski slopes in Eplény, a significant part of which (4 km) consists of sections marked in blue. The blue tracks can be used even after dark thanks to the track lighting. The snow safety of the slopes is ensured by the snow production system. High-performance pumps deliver water from reservoirs with a total capacity of more than 17,000 cubic meters to the ski slopes, where the 51 snow cannons of Síaréna convert it into snow. The total snow production capacity of the system is 600 cubic metres/hour. This is approximately the same as that of all other ski resorts in Hungary. This huge snow-making performance allows for an average of 90-100 days of ski seasons. In Síaréna, two chair lifts, three drag lifts and three training lifts provide the transport of skiers. Hungry and thirsty guests are served in a total of six places, including a restaurant, pizzeria, oven buffet and panoramic bar.

Winter guest traffic is somewhere between 40 and 60 thousand, depending on the length of the seasons. This is the number of registered ticket purchases that does not include the significant number of attendants. Education and lending is a dynamically developing business. This is explained by the fact that with rising living standards, more and more people can afford skiing, so the market is growing. To facilitate this, for the last two years, in winter and summer, we have been running our “learn to ski” campaign in the media. According to our plans, we will further develop the capacity available for education (elevator, area, rental equipment), so with this manoeuvrer, it will be possible to utilise better the capacity of working day operations.

The facility operates in four seasons. Usually, the closing weekend of the ski season is the start of the chairlift season, which lasts until November, ensuring year-round operation. The number of tourists visiting the cable car is increasing greatly year by year. Four-season operation is in place but the high season can consist of December, January, February, and the first half of March (depending on the weather). The Company is working to extend the high season to four seasons. Plans include the creation of an attraction for the spring, summer and autumn period that can attract up to 200-250 thousand people in the off-season.

The year-round operation also has a stimulating effect on the number of employees. The larger the permanent staff, the more stable the operation of the processes.

Through dynamic development and high publicity, the range of our supporters is expanding year by year.

The ski resort usually hosts large-scale events such as:

Due to the events and the special snow-making activity, we have an extremely significant presence in the national media.

More information can be found on our website: http://siarena.hu/

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The operation of Siaréna Kft. encountered extraordinary difficulties in the first half of 2022. On the one hand, the biggest problem was caused by a lack of water not seen in 10 years, which made it impossible to open several ski slopes simultaneously, and on the other hand, with the easing of the Covid-19 epidemic, many visitors chose foreign destinations instead of skiing in Hungary.

The reason for the problems is that Síaréna Kft's first half-year sales decreased from HUF 565 million in the same period of H1 2021 to HUF 272 million. The nearly HUF 300 million decrease in sales could only be partially offset by the reorganisation carried out by reducing costs.

It can be considered a significant result that simultaneously with the unexpected rough halving of the sales revenue, the largest cost element of the Síaréna, the personnel costs, was also halved.

The management of the Síaréna has started the permit application process for the drilling of a karst water well with a high water yield.

(At the time of the preparation of this report, Síaréna Kft. has the necessary planning documents for the karst well water rights establishment permit, the permit procedure is in progress.)

Risks arising from weather conditions (e.g. water shortage), epidemics (e.g. COVID), economic and war still exist, and energy costs have increased rather significantly, so the above factors are expected to have an adverse impact on the operation of the Ski Resort in the 2022/2023 season as well.

The above factors have adversely affected the Slide project of Síaréna Kft. which was started earlier. The planning phase of the project has been completed; however, due to the uncertainty of the investment costs, operating costs and the current situation of demand conditions (COVID, energy prices getting out of control, inflation, etc.), the company suspended the tasks related to the start of construction for an unspecified period of time.

The consolidation of Síaréna Kft. contributed to the performance of ENEFI Nyrt. in the first half of the year as follows

Standalone income statement of Síaréna	**SÍARÉNA 2022H1**	**SÍARÉNA 2022H1**	**% increase over baseline**
Sales revenue	271,936	564,631	- 52%
Material costs	(206,223)	(194,217)	6%
Personnel expenditures	(98,107)	(200,736)	-51%
Other income/ expense (-)	(380)	21,798	-102%
Depreciation	(35,946)	(34,186)	5%

Other expense (income) of financial transactions	(29,569)	(22,084)	34%
Earnings before taxes	(98,289)	135,205	-173%
Income tax	(1,922)	(7,457)	-74%
Profit/loss for the current year	(100,211)	127,748	-178%
Időszaki other general revenue total	0	0	0,00
Total comprehensive income for the period	(100,211)	127,748	-178%

3. *REAL ESTATE*

No exposure

4. FOOD (INDUSTRY)

No exposure

C. CAPITAL MARKET PILLAR

In December 2021, the Issuer began to actively deal primarily in the trading of shares listed on the Budapest Stock Exchange. This activity produced a positive, unrealised earnings for the less than one month of 2021.

ENEFI Nyrt. continued its capital market activities in the first half of 2022. As a result of the Russian-Ukrainian war starting in February 2022, the Company sold the major part of the purchased share portfolio at a loss, thereby reducing further exchange rate risk and loss.

The management of ENEFI Nyrt. evaluated the newly developed situation after the outbreak of the war and outlined the vision that the Russian-Ukrainian conflict could basically represent a significant political and economic risk for the European continent and stated the opinion that the crisis could become more and more serious as the winter season approaches. The underlying free cash supporting ENEFI Nyrt's capital market transactions was converted to USD dollars, and forward dollar positions were opened to strengthen the capital market pillar. The Company deposited a significant part of its funds in dollars at a foreign financial institution.

ENEFI Nyrt. turned the loss realised on its share portfolio in the first half of the year into a significant profit at the end of the half; this profit is the sum of the earnings achieved on the dollar positions and the revaluation difference resulting from the exchange of free cash.

ENEFI earnings

ENEFI Nyrt's capital market earnings classified under the capital market strategic pillar are reported on the "Net earnings on financial operations" line. The breakdown of the activity, excluding capital market activity items, is as follows:

Exchange rate loss realised when selling securities: – HUF 36 million

Securities valuation difference: – 4 million
Earnings of forward transactions: HUF 96 million
Period-end (H1) revaluation difference of free cash in USD: HUF 33 million
Dividend received for shares: HUF 1 million

Based on all of this, the "performance" of the Capital Market Pillar in the first half of 2022 was HUF 90 million. (the "performance" of the Capital Market Pillar evolved as follows after the reporting period: Earnings of forward transactions from 1 January 2022 to 22 September 2022 were approximately: HUF 174 million (which also includes HUF 96 million according to the H1). USD exchange rate gains for free cash from 1 January 2022 to 31 August 2022 were approximately: HUF 79 million, which also includes HUF 33 million according to the H1.

PURPOSE AND STRATEGY OF THE COMPANY'S MANAGEMENT

In 2019, the Issuer adopted its new uniform Strategy (https://bet.hu/newkibdata/128254583/ENEFI_Strat_gia.pdf).

MAIN RESOURCES OF THE COMPANY

The Company's headcount has been reduced to a minimum as a result of the previous, drastic downsizing of the operation. The number of staff is sufficient to maintain daily operations. Operating with a significantly reduced corporate headquarters is comparable to a basic investment operation. When starting new, large projects, additional staff may be required. The successful completion of the previous bankruptcy proceedings stabilised the Company's market position in Hungary. The stock of external liabilities in Hungary decreased essentially to the supplier accounts received during the day-to-day operations. The payment discipline of the remaining customer base is adequate. The Company can cover the financing of the operation from its revenues. Starting new projects required due care and weighing risks. The customer base (local governments and their institutions) carry the possibility of the risk of non-payment. At the moment, the entire Hungarian operation takes place without the use of bank financing. If the capital requirements of the newly launched projects exceed the available resources, the Company will need external financing.

RISK FACTORS

Investing in securities carries a number of risks. All investors are advised to consider risk factors before deciding to buy shares. The Issuer draws attention to the fact that the risk factors cannot be fully delineated, so the emergence of additional risk factors cannot be ruled out.

All investors intending to invest in shares issued by the Issuer are recommended to be be aware of the following risks because they can only form a true picture of the Issuer and assess the real risk of investing in the Shares if they are thoroughly familiar with them.

The listed risk factors do not cover all the risks arising for the Issuer or the securities issued by it. These factors include the range of the most significant risks currently known to the Issuer.

COMPANY-SPECIFIC RISKS ASSOCIATED WITH THE ISSUER

Risk inherent in the new management and ownership of the Issuer and in the new scope of activities

As a result of the decisions made at the General Meeting, the composition of the Issuer's management bodies has changed. The persons appointed by the members have been elected to them and the above changes may affect the further operation and decision-making procedure of the Issuer.

There can be no assurance that the business strategy chosen by the Issuer will be successful and will not result in a decrease in profitability or excessive allocation of resources. By changing the focus of the Issuer's activities, it will enter new markets. As a result, it will be in contact with new partners, will also be responsible for compliance with a new regulatory area and will be exposed to market competition in the new markets.

Risk category: risk relating to the issuer’s business activity and industry
Risk level: high

Risk arising from risky high-value and contracts

The Issuer (with the participation of Pannon Fuel Kft. as a subcontractor) was awarded the contract tendered by MAHART Magyar Hajózási Zrt. in the open accelerated public procurement procedure in the matter of “Fixed LNG – CNG filling facilities procurement" (EKR001321472019), in value of approx. HUF 1.5 billion. Based on the nature, terms and high value of the agreement, the Issuer has identified that as an increased risk.

Considering that even currently MAHART has accumulated a significant amount of debt to the company, and substantial negotiations between the parties have stalled, there is a risk that in absence of an agreement the parties’ dispute will force the company to bring the case to court to enforce its legitimate interests.

Risk category: risk relating to the issuer’s business activity and industry
Risk level: high

Risk arising from important fixed-term agreements

The Issuer's current revenue-generating business, the heat services business, is expected to operate with the already concluded contracts until 2024, after which it may cease, and its sales revenue may decrease significantly.

The Company's related company (RFV Józsefváros Kft.) is currently in a legal dispute with the Józsefváros municipality, which has a contractual relationship with it, as well as with Belső Pesti Tankerület, given that the parties have different legal positions regarding the date of expiry of the contract. In addition to the above, the customers do not fulfil their payment obligations according to the provisions of the contracts. **In view of the above, there is a risk that, in the absence of an agreement, the legal dispute between the parties will force the company to initiate court proceedings in order to enforce its legitimate demands.**

Risk category: risk relating to the issuer's business activity and industry
Risk level: high

Existence of a conflict of interest with another company connected to certain executive officers

The existing interest of Csaba Soós in Pannon Fuel Kft. – his position as managing director and qualified majority influence – and László Bálint's position as managing director in Pannon Fuel Kft. may cause a conflict of interest between the Issuer and Csaba Soós and László Bálint in the MAHART construction project, considering that, as managing director, he must act primarily in the interests of Pannon Fuel Kft., and it is there where his primary interest lies also in respect of his ownership. There is a relationship between Pannon Fuel Kft. and the Issuer and the interest of both Pannon Fuel Kft. and the Issuer in the successful completion of some projects, but at the same time, it cannot be ruled out that the interests of Pannon Fuel Kft. and the Issuer will come into conflict in possible legal disputes arising in connection with the projects.

Risk category: risk relating to the issuer's business activity and industry
Risk level: medium

Errors in the Issuer's financial statements

The Issuer draws attention to the fact that some previously published audited financial statements and unaudited half-yearly reports of the Issuer may contain numerical errors.

Risk category: risk relating to the issuer's business activity and industry
Risk level: medium

Financing risk

The current operation of the Issuer does not require external financing; however, it cannot be ruled out that in the future, in line with the new strategy announced in 2019, it may want to use external financing to implement the business strategy. There is no guarantee that the Issuer will be able to attract external funding for its operation and growth in the future. In extreme cases, the lack of resources may also result in the Issuer not being able to fulfil its objectives, not being able to start new projects, and thus being forced to change its strategy and business activities.

Risk category: environmental, social and corporate governance risk
Risk level: medium

Risk related to the energy services market

In order to provide its own services, the Issuer procures certain services from other market participants and service providers, which, in this case, occupy a significant market position, and on the prices of which the Issuer has no influence, which in turn may adversely affect the Issuer's expenditure and other inputs and thus its profitability.

A significant part of the Issuer's activity is constituted by energy services, changes in the current regulations of which (e.g. gas price regulations, activities subject to licensing, etc.) may result in significant changes for the Issuer. Regulatory changes also include the liberalisation processes affecting the sector, the impact of which on the business environment and on consumers and service providers is currently not fully predictable. Possible changes in the price regulation of public utilities may also affect the operation and profitability of the Issuer through the fee formulas fixed in the long-term contracts of the Issuer. The Issuer may also be affected by the direct and indirect economic effects of climate change in a way that is hard to predict. It cannot be ruled out that a project will become insolvent or unprofitable after a significant investment, due to changed circumstances.

Risks arising from weather conditions (e.g. water shortage), epidemics (e.g. COVID), economic and war still exist, and energy costs have increased rather significantly, so the above factors are expected to have an adverse impact on the operation of the Ski Resort in the 2022/2023 season as well.

The above factors have adversely affected the Slide project of Síaréna Kft. which was started earlier. The planning phase of the project has been completed; however, due to the uncertainty of the investment costs, operating costs and the current situation of demand conditions (COVID, energy prices getting out of control, inflation, etc.), the company suspended the tasks related to the start of construction for an unspecified period of time.

Risk category: risk relating to the issuer’s business activity and industry
Risk level: high

Partner risk, change in the position of the customer base

The Issuer provides a significant part of its services to local governments (or institutions under their control). The contractual considerations of local governments and other municipal, state persons, (public) institutions, as often politically influenced actors, may differ from the considerations of a rational, profit-oriented, market client, therefore the fulfilment of contracts signed with such clients carries risks in this regard. The municipal/regional government structure is currently undergoing a transformation. All these developments, the outcome of which is unpredictable today, may affect the solvency, willingness, conditions and procurement practices of the Issuer's state/ municipal/public sector customers, possibly with a significant negative impact on the Issuer.

It is possible that the economic position of one or more major clients will deteriorate during the term of long-term contracts, and the Issuer may suffer a loss as a result, which may cause it to lose growth, market, financial, liquidity position and profitability.

With a measure known colloquially as a moratorium, there is a risk that the legislator will not allow the restriction of the service of non-paying consumers, the suspension of the heat service, the Issuer may not limit or suspend its service in all cases, so it is not able to reduce or limit the size of its losses resulting from customer payment problems. There is a risk that the partner will not be able to meet all or part of its obligations included in the transaction, which could have a negative impact on the Issuer's results.

According to currently available information, it can realistically be expected that a significant part of the Issuer's outstanding receivables will not be repaid due to the large-scale deterioration of the financial and economic situation of the municipalities. Due to the above, no guarantee can be given that in such a case the rights arising from the contract can actually be enforced against the given party in the given situation and that the losses will be mitigated.

Risk category: risk relating to the issuer’s business activity and industry
Risk level: medium

Risk related to key employees

The development, business acquisition and technical activities of the Issuer can increasingly rely on the work of key managers, employees and contractual partners working for the Issuer and to be employed in the future. The possible loss or non-acquisition of such persons may, temporarily or permanently, adversely affect the Issuer's profitability. While the Employee Share Plan may help retain employees by letting them have a stake in the Issuer, there is no guarantee that employees will retain the shares acquired under the Employee Share Plan in the longer term.

Risk category: environmental, social and corporate governance risk
Risk level: medium

Risk of ongoing legal proceedings

On several occasions, the Issuer has been forced enter legal proceedings in order to execute its claims related to the equivalent of the performance of the services. Given that these procedures have not yet been completed, it is not possible to estimate the amount and due income of these procedures for the Issuer.

The risk of initiating and pursuing legal and tax proceedings is increased in Romania, where the Romanian tax authorities have initiated a comprehensive tax audit of the group of companies the Issuer had failed to register its bankruptcy proceedings due to non-payment of the registration fee. The Romanian tax authority is still claiming a significant amount of receivables from the Issuer, the legality of which the Issuer disputes.
From 13 December 2012 to 30 August 2013, the Issuer was subject to bankruptcy proceedings. The bankruptcy proceedings have reached a successful and legally binding conclusion; the holders of previous claims not registered in the bankruptcy proceedings may not assert their claims against the Issuer, except for liquidation proceedings initiated by another party. As a result of the above, it is not excluded that in a possible liquidation procedure, claims that were not registered in the previous bankruptcy proceedings and have not yet expired, such as claims arising from bonds previously issued by the Issuer, will also be registered. The face value of these bonds is HUF 217 million.

Risk category: legal and regulatory risk
Risk level: medium

Impact of the coronavirus epidemic on the Issuer

While the direct effects are small and not significantly higher than other similar health-related determining factors, the human responses to the epidemic are fundamentally different from those known to date. Namely, the real underlying risk factor is to be found in the human responses/reactions to the coronavirus epidemic. It is impossible to calculate the exact system of negative consequences. It follows from this that this announcement reckons with risks and not negative effects that can be clarified or quantifiable facts – the general approach is not of a scientific nature, it is the opinion of the Issuer's management.

The Issuer is also affected by known fundamental negative effects, such as changes in consumption patterns, periodic changes in community and social behaviour, central (governmental) restrictive measures, weakening of economic performance, the possibility of longer-term deflationary and inflationary trends in general.

The “pillars” of the Issuer as a trustee are energy efficiency, tourism-based matrix service (Eplény, Síaréna Kft.), real estate utilisation, development, litigation and enforceability of claims. Of these, the epidemic may have a more significant impact on:
From the point of view of the operation of Síaréna Kft., its operation risk may be constituted by the decrease in the number of visitors and the decrease in the amount of consumption/service per capita expressed in HUF. The issuer sees a significant risk of a possible further decline in service volume from a potential next wave, but the probability and timing of this is unpredictable. The real decrease in service volume may be caused by the time of the additional wave(s) coinciding with the high season (December-March).

Risk category: environmental, social and corporate governance risk
Risk level: medium

SECURITIES RISKS

Risk arising from the conversion of "H" series shares

As part of the Capital Raising, the Issuer issued a significant amount of "H" series convertible dividend preference shares. Although preference shares do not have voting rights, they give a right to dividends before other shareholders, and they can be converted as a result of the owner's unilateral decision to Series A ordinary shares, which can significantly change the degree of influence of shareholders.

Risk category: risk associated with the underlying asset
Risk level: high

Risk of controlling influencing owners

It cannot be ruled out that the interests of the controlling shareholders do not always coincide with the interests of the minority. The price of the Issuer's Shares can be significantly affected by the potential sale of a larger amount of shares by shareholders with a dominant shareholding.

Risk category: risk relating to the type of securities
Risk level: high

Risk of dilution

In a possible future capital increase, if the shareholder's preemptive right to subscribe is excluded or limited, or if the shareholder – despite his preemptive right to subscribe – does not participate in the capital increase, his shareholding in the Issuer will be relatively reduced (diluted). Furthermore, the Issuer, by its General Meeting Resolution 18/2019. (04.30.) authorised the Board of Directors to increase the share capital to HUF 400,000,000 within a period of 5 years. Based on this, the Board of Directors was authorised to carry out further capital increase(s) after the Capital Increase.

Risk category: risk relating to the type of securities
Risk level: medium

Designation	**Level of risk**
1. Risk inherent in the new management and ownership of the Issuer and in the new scope of activities	high
2. Risk arising from risky high-value and contracts	high
3. Important fixed-term agreements	high
4. Risk arising from the conversion of "H" series shares	high

5.	Risk of controlling influencing owners	high
6.	Financing risk	medium
7	Risk related to the energy services market	high
8.	Partner risk, change in the position of the customer base	medium
9.	Risk related to key employees	medium
10.	Risk of ongoing legal proceedings	medium
11.	Risk of the impact of the coronavirus epidemic	medium
12.	Risk of dilution	medium

SUMMARY OF THE CURRENT PERIOD

The Company draws attention to the fact that, as a public listed company, it publishes all significant events related to ENEFI in the form of a notice, which can be found on its website (www.e-star.hu, www.enefi.hu), as well as on the websites operated by the Budapest Stock Exchange (www.bet.hu) and the Hungarian National Bank (www.kozzetetelek.hu).

Significant events of the reporting period:

- The sales contract signed for the sale of the M0 filling station has been closed, and the purchase price has been paid to the Company.
- Dr. Piroska Paksi resigned from her board position at the Company and her position as managing director at Síaréna Kft. has also ceased.
- The Company and its Romanian affiliate, E-Star Energy Generation SRL, as sellers

sold the Zilah plot in their possession for a total purchase price of EUR 1.2 million (EUR 1m + EUR 200 thousand). The purchase price was received after the reporting period, so the closing took place in H2.

- Of the litigations relating to the amount of damages, initiated against the Municipality of Gheorgheni

the Gheorgheni Municipality paid RON 746,000 to the Company's Romanian affiliate (CDR) in connection with the legally won lawsuit for the enforcement of the claim arising from the residential district heating price difference for the period between March 2015 and February 2016. Given that the above amount does not include a part of the interest payable to CDR for this year, CDR is considering an enforcement procedure for the remaining amount.

– The following lawsuit is being closed in the first instance, with CDR winning the case: claimant: E-Star CDR SRL, defendant: City of Gheorgheni, subject of the lawsuit: Lawsuit for the determination of the amount of damages. A lawsuit separated from the damages lawsuit, the subject of which is the repayment of the concession fee and its interest. The decision has not been provided a reasoning and is not yet legally binding. With the above decision, the court approved the amount

RON 2,590,665.32 + interest (today approx. RON 1,331,388.99) according to the amended claim of CDR.

Material events following the reporting period:

- In the lawsuit brought by E-Star Mures Energy SA for late interest calculated on the damages amounts awarded due to breach of the concession contract, the Tirgu Mures County Commercial Court, in its first-instance decision, approved the interest starting from 03.11.2018 (the amount of this is approx. RON 4,897,654.35 i.e. EUR 990,256.20); in other aspects the claim was rejected. Considering that
  - it requested that interest be determined starting from 10.05.2013 (this amount would have been RON 14,063,568.36, i.e. EUR 2,844,399.17),
  - the Regional Court did not decide regarding late payment interest until full payment of principal debts,
  - the Regional Court rejected the claim for updating the principal debts with the inflation rate,

  Mures filed an appeal against the decision.

- The Court of Tirgu Mures in the first instance partially approved the claim of ENEFI Vagyonkezelő Nyrt, which it initiated for the cancellation of claims still registered against it by the Romanian Finance Authority. The Company will decide on the appeal after receiving the reasoned decision.

The purchase price resulting from the sale of the land in Zilah has been paid to the Company and its Romanian affiliate, E-Star Energy Generation SRL, as sellers.

- The general meeting elected Krisztina Tendli as a board member. Krisztina Tendli's right of representation and signing on behalf of the company is a joint right with board member Csaba Soós.

ACHIEVEMENTS IN THE REPORTING PERIOD AND OUTLOOK

The risk impact of COVID 19 by segment in the present and in the future

B. BASIC PILLARS

1. Lawsuits

- Risk of pursuing litigation (where the Company is litigating as a plaintiff)
- Invalidity of the outcome of lawsuits
- Regulatory measures

2. Energy efficiency

- Deterioration of payment discipline (cross-debts)
- Regulatory measures

C. REAL PILLAR

1. Tourism (Síaréna Kft.)

- Decrease in solvent demand
- Delay in the implementation of investments
- Decrease in the volume of subsidies and applications
- Regulatory measures

D. CAPITAL MARKET PILLAR

- Exchange rate risk
- Yield risk
- The risk of a demand for release resulting from the binding of free assets
- Liquidity risk

Impact of the first half-year activity on each pillar

The Issuer achieved pre-tax earnings of HUF -10,600 thousand.

The positive result achieved by pillar

PILLAR	RESULT EFFECT
BASIC PILLAR	-241.661.000,- Ft.
REAL PILLAR	-56,260,000,- Ft.
CAPITAL MARKET PILLAR	89,786,000,- Ft.
Profit/loss after tax	HUF -208,136,000

An addition necessary for the interpretation of the above table is that the negative value of the earnings of heat supply and rental included in the basic pillar results from the valuation/recognition of the assets of the activity, while this pillar has a positive cash production capacity and practice. Long-term conclusions cannot be drawn from the first half-year numbers for the following reasons:

- Cyclical activities
- Seasonal effects on earnings
- Exchange rate changes
- Legal proceedings
- Regulatory changes

Quantitative and qualitative indicators and marks of performance measurement

Name of the indicator	30 June 2022	30 June 2021	31 June 2021
Fixed assets ratio (fixed assets/balance sheet total)	38,18%	64,95%	40,08%
Debt ratio (liabilities/assets)	35,58%	16,72%	28,03%
Liquidity ratio (cash/current liabilities)	177,82%	228,19%	222,97%
Liquidity ratio (cash / current liabilities)	56,75%	22,40%	36,80%
Profitability as a proportion of sales (net profit before tax/sales)	33,88%	1,11%	46,41%
Return on equity (pre-tax profit/equity)	6,27%	0,17%	15,71%

Management supplement

The Issuer considers it important to present one-off items, the following values, based not on accounting but economic reporting of expected but not yet fulfilled items of first half-year earnings, as a breakdown of the first half of 2022:

The major result of the first half of 2022 is that the Zilah plot owned by the Company was sold. The land had a value of HUF 0 in ENEFI Nyrt's books and is not an accounting part of the H1 report of 2022, since, in accordance with the obligation relating to IFRS statements, the consideration of the land will increase the earnings of ENEFI Nyrt. in the second half of the year, by its full paid consideration. The entire purchase price from the sale of the land was paid to the Company and its consolidation group.

Therefore, the EUR 1,200,000 value not reported in the H1 accounting report for 2022, calculated at present value (middle EUR exchange rate of MNB on 20 September 2022 at HUF 398.9), i.e. the forint equivalent of the multiplied purchase price will increase ENEFI Nyrt's earnings in 2022 by HUF 478,680,000.

The Company's management is committed to the possibly most efficient implementation and operation of the announced strategy, and considers the maximisation of shareholder values to be its primary goal.

ISSUER'S STATEMENT

The Company declares that the Management Report provides a reliable picture of the issuer's position, development and performance, outlining the main risks and uncertainties.

Tendli Krisztina - Csaba Soós - Ferenc Virág - László Bálint
Members of the Board of Directors
ENEFI Vagyonkezelő Nyrt.