SEMI-ANNUAL REPORT, 2019

30 September 2019

KONZUM

KONZUM BEFEKTETÉSI ÉS VAGYONKEZELŐ NYRT.

Nyilvánosan Működő Részvénytársaság (public limited company)

SEMI-ANNUAL REPORT

H1 2019

(IFRS, consolidated, non-audited)

30 September 2019

PREAMBLE

With consideration to the fact that on 30 June 2019, KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság ("KONZUM Nyrt.") was terminated by legal succession and merged into OPUS GLOBAL Nyilvánosan Működő Részvénytársaság (registered office: H-1062 Budapest, Andrássy út 59, company registration number: 01-10-042533; registered by: the Companies Court of the Court of the Metropolitan Court, hereinafter: "Company" or "OPUS GLOBAL Nyrt."), OPUS Global Nyrt. points out in relation to the consolidated, non-audited report of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság for H1 2019 ("Report") that due to the herein-specified semi-annual period of time, this Report separately includes all the KONZUM Nyrt.'s textual information and quantitative data that are suitable for providing a basis for an evaluation of the KONZUM Nyrt on the basis of the events and trends preceding the transformation.

That said, however, our Investors are kindly requested to remember that as a result of the merger of OPUS GLOBAL Nyrt. and KONZUM Nyrt., the Company's financial, capital market and economic weight has been viewed differently since 1 July 2019.

Since that date, the Company's share capital (subscribed capital) has been HUF 17,541,151,250 i.e. seventeen billion five hundred and forty one million one hundred and fifty one thousand two hundred and fifty Hungarian forints. HUF 826,307,870 i.e. eight hundred and twenty six million three hundred and seven thousand eight hundred and seventy Hungarian forints were provided from the Company's share capital (subscribed capital) simultaneously with KONZUM Nyrt.'s merger into the Company, and HUF 3,305,231,480 i.e. three billion three hundred and five million two hundred and thirty one thousand four hundred and eighty Hungarian forints were made available with a view to the calculation of the swap ratio determined during the merger of KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság into the Company and to the fulfilment of the obligations incurred in relation to the merger.
Thus the Company's share capital currently comprises 701,646,050 i.e. seven hundred and one million six hundred and forty six thousand fifty (Series A) ordinary shares, each representing HUF 25, i.e. twenty five, Hungarian forints, and equal rights.

I. EXECUTIVE SUMMARY

The first half of 2019 was the last interim reporting period of KONZUM Befektetési és Vagyonkezelő Nyrt (hereinafter: "Company" or "KONZUM Nyrt.") in its capacity as an independent stock-exchange issuer. The Company has had a highly impressing past. It has been listed on the stock exchange since nearly the start of operation by the Budapest Stock Exchange. Prior to its 2016 re-orientation to trade, its main activity was related to trade in construction materials, and then, significantly departing from the previous line, the new and predominant owners and the commissioned management prescribed an investment holding structure for the Company.

As a first step in progress, in 2016 KONZUM Nyrt., its subsidiary KZBF Invest Kft. and in liaison with the private capital fund KONZUM PE Magántőkealap, managed by Konzum Befektetési Alapkezelő Zrt., acquired more than 99 per cent of the shares in HUNGUEST Hotels Zrt. This provided impetus to trade in the previously dormant share on the Budapest Stock Exchange, the Company's share price hit records, and the management successfully supported it by fundamentals. As a result, a holding structure focusing on investment opportunities in ***property investment, money and capital market*** and ***asset management*** in addition to ***tourism***.

In 2017 and 2018 one acquisition and capital increase led to another. The Company successfully acquired Appeninn Nyrt.; through Konzum Befektetési Alapkezelő Zrt. it built significant positions in the money and capital market and in the property investment business; and the Company acquired 24.85 per cent of the ownership title to CIG Pannónia Nyrt. By organising KZH Invest Kft., Konzum Nyrt. further increased its tourism portfolio and performed successful acquisitions in order to expand its hotel portfolio. The Company purchased the Austrian Holiday Resort Kreischberg-Murau Hotel, and then it acquired the Austrian Alpenblick Hotel and in Hungary it became the owner of Saliris Resort at Egerszalók and BÁL Resort Hotel at Balatonalmádi. Its hotel portfolio was further expanded by the acquisition of Ligetfürdő Kft. (the owner of Hotel Forrás and Napfényfürdő Aquapolis in Szeged; Hotel Heiligenblut and Post Hotel in Austria and Sun Resort in Montenegro). The next company to become its direct subsidiary was BLT Group Zrt., a company that integrated the Balatontourist Group, holding interest in the operation of campsites around Lake Balaton.

Accompanied by significant interest from international investors, between 2016 and 2018, the Company operated as a prosperous company group that created outstanding value for its shareholders. From HUF 18 billion in late 2016, the Company's equity had increased to HUF 68 billion by the end of 2018, which already matched its market capitalisation.

Although the Company had investments in four sectors of the economy, its profitability was highly concentrated in tourism. The management had to assess how to reinforce the other business lines to offset the preponderance of tourism and offer additional growth opportunity for the Company. To this end, in October 2018, KONZUM Nyrt's Board of Directors decided to merge with OPUS GLOBAL Nyrt., a company undergoing parallel development, in order to achieve its regional growth plans and expand the Company's fund raising opportunities. As the fusion unprecedented in the history of the Budapest Stock Exchange was supported by the owners of both companies, following a long preparatory work, as of 30/06/2019, KONZUM Nyrt. merged into OPUS GLOBAL Nyrt. and will carry on its activity under the name OPUS GLOBAL Nyrt. in the strategic directions set by the management.

On the day of the merger, KONZUM Befektetési és Vagyonkezelő Nyrt. can close a very long and successful career.

DATASHEETS RELATED TO THE ISSUER'S ORGANIZATION AND OPERATION

General data

General corporate data

Date of the articles of association in force	08/04/2019
Companies court that made the last entry	Companies Court of the Court of Budapest
Number of the last entry made by the companies court	Cg. 01-10-049323/74
Amount of the Issuer's share capital on closing the business year (30/06/2019)	HUF 826,307,870
The Issuer closed its business as of the date of the merger (30/06/2019)	
The Issuer's business year	1 January – 31 December
Name of the Issuer's auditor	ESSEL AUDIT Könyvvizsgáló Kft.
Address of the Issuer's auditor	H-1162 Budapest, Fertály u. 5-7.
The Issuer discloses its public notices:	The Company's website: www.opusglobal.hu (News archives, KONZUM Nyrt.) Website of the Budapest Stock Exchange: www.bet.hu
The Issuer's core activity (up to 30/06/2019)	6820'08 Letting of own and rented property

Persons in executive positions and employees having an influence on the Issuer's operation up to 30/06/2019

Nature [1]	Name	Position	Start of appointment	Termination of the mandate	Own shares held (number)
BM, SP	Gellért Zoltán Jászai	Chairman and Chief Executive Officer	30/04/2015	26/04/2019	7,430,000
BM	Ágnes Homlok-Mészáros	member	26/04/2017	30/06/2019	0
IT, SP	Aladin Ádám Linczényi	member, Deputy CEO	26/04/2016 29/06/2018	30/04/2020 30/06/2019	0
BM	Dr Beatrix Mészáros	member	26/04/2017	30/06/2019	0
BM	Lőrinc Mészáros jr.	member	26/04/2017	30/06/2019	0
SBM	János Tima	chairman	26/04/2017	30/06/2019	0
SBM	Dr Orsolya Egyed Páricsi	member	26/04/2017	30/06/2019	0
SBM	Dr Ádám Balog	member	26/04/2018	30/06/2019	0
SP	Péter Fekete	Deputy CEO	29/06/2018	30/06/2019	
Equity ownership (number) T O T A L:					7,430,000

[1] Employee in a strategic position (SP), Member of the Board of Directors (BM), Supervisory Board Member (SBM)

Number of full-time employees

	Beginning of the reporting year	End of period
Corporate	4	0
Group level	1949	1926

DATASHEETS RELATED TO THE SHARE STRUCTIRE AND TO THE OWNERS

Composition of the Company's securities up to 30/06/2019

Issuer's subscribed capital	HUF 826,307,870
Method of producing the security	Dematerialized
Type of security	Ordinary share
Share type	Registered
Face value	HUF 2.5
Listed? (yes / no)	yes
Year of admission for listing (if listed on the stock exchange)	1990
List of the rights conferred by securities	Confers identical rights
Series	Grade A

List and presentation of owners holding more than 5% of the listed shares (at the end of the period), for the listed series, as at 30/06/2019

Name	Nationality[1]	Activity[2]	Volume (number)	Shares held (%)[3]	Voting right (%)[3,4]
KONZUM PE Magántőkealap	R	C	150,751,010	45.6098	45.6098
Lőrinc Mészáros	R		40,823,000	12.351	12.351
Gellért Jászai	R		7,430,000	2.25	2.25

[1] Resident (R), non-resident (NR)
[2] Depositary (D) Company (C) Institution (I)
[3] The value of the listed series equals the total share capital.
[4] The ownership ratio is identical to the voting rights.

Developments in the volume of own shares (RS2)

	01 January, 2019	30 June 2019
Corporate	0	0
Subsidiaries	0	0
Grand total	**0**	**0**

II. THE MOST IMPORTANT EVENTS IN H1 2019

In addition to the numerous results achieved in the Company's 2018 business year, one of the most significant events was the implementation of its merger into OPUS GLOBAL Nyrt., decided at the end of 2018. In relation to this, and in compliance with the relevant statutory and supervisory regulations, the Company's separate financial statements and final statement of assets and liabilities had to be compiled and audited according to a strict schedule, and in order to establish the swap ratio by the specified deadline, the consolidated financial statements also had to be compiled, and this required extraordinary efforts from the businesses. Finally, merger was decided at the special general meeting held on 8 April 2019, where the Company's separate IFRS 2018 annual report was approved, including the joint transformation plan and the merger contract. In addition, a resolution was also adopted at the special general meeting about a change in the auditor's person.

- Method of fusion: merger.
- Key data of the legal successor company:
  - Name: OPUS GLOBAL Nyilvánosan Működő Részvénytársaság
  - Short name: OPUS GLOBAL Nyrt.
  - Registered office: H-1062 Budapest, Andrássy út 59.
  - Core activity (NACE '08): 6420 Management activities of holding companies
- Executive officers:
  - Dr Beatrix Mészáros, Chairperson of the Board of Directors (H-8086 Felcsút, Fő u. 311/5.),
  - Tamás Halmi, member of the board (H-2800 Tatabánya, Szőlődomb u. 114.),
  - Ágnes Homlok-Mészáros, Member of the Board of Directors (H-8086 Felcsút, Fő u. 311/5.),
  - József Vida, Member of the Board of Directors (H-2060 Bicske, Magyar Sándor u. 3.)
- Date of signing the deed of foundation: 8 April 2019
- Balance-sheet date of the draft statement of assets and liabilities: 31 December 2018
- The Companies Court registered the Company's transformation by merger with effect from 30/06/2019.

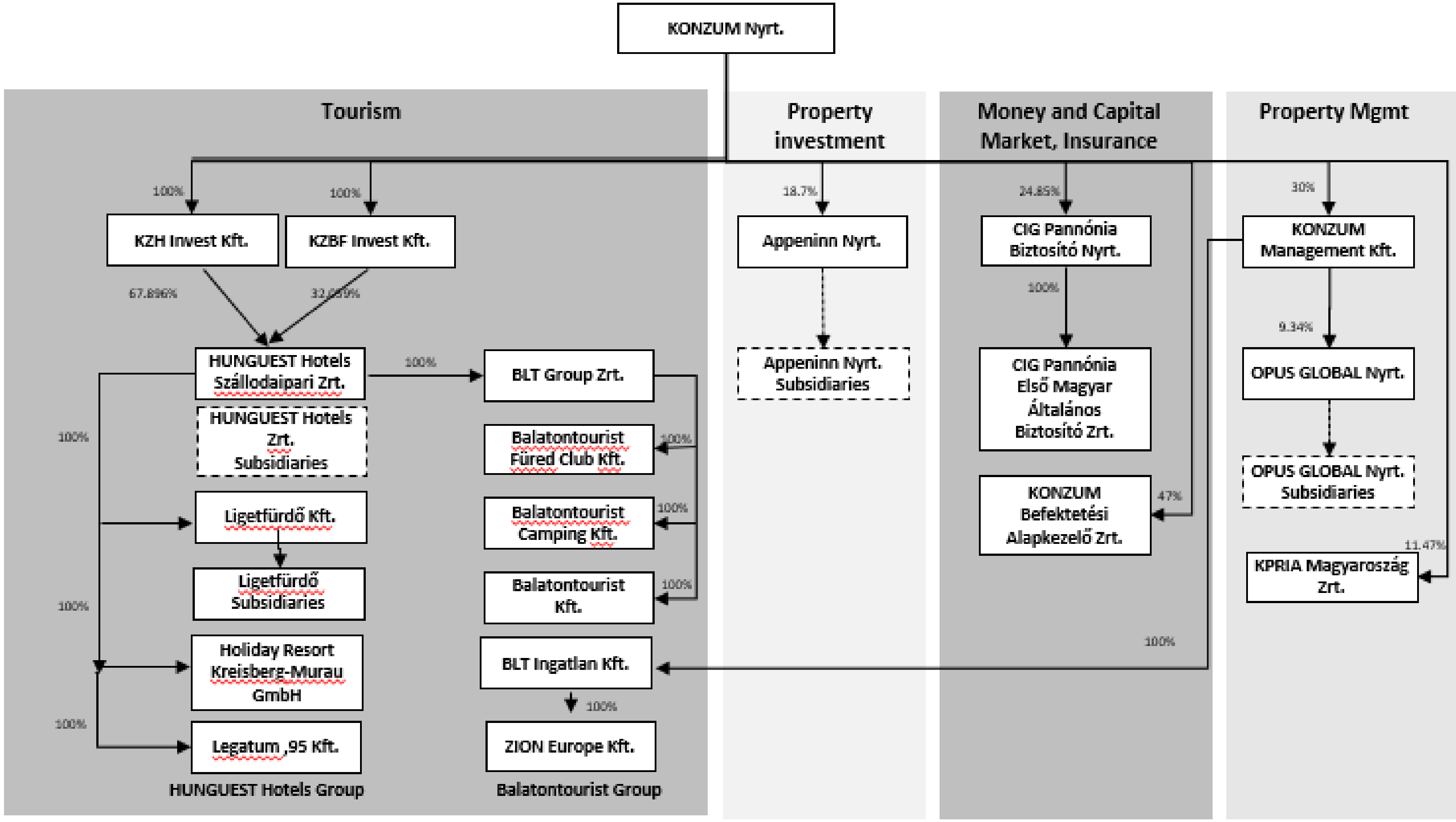
At the annual general meeting held on 26 April 2019, the Company's 2018 consolidated, audited, IFRS report was approved. Simultaneously, Gellért Zoltán Jászai's membership in the Board of Directors and his employment as the chief executive officer of the Company ceased by resignation. The general meeting also resolved about the Company's executive officers to serve up to the merger.

The Company did not have any significant transaction in H1 2019.

On 14 February 2019, KZF Vagyonkezelő Kft, a company in the ownership of KONZUM PE Magántőkealap, controlled by Konzum Befektetési Alapkezelő Zrt, which is in turn controlled by the Company, purchased 4,242,610 of 4iG Nyrt.'s shares from REPRO I. Magántőkealap, a company managed by Konzum Befektetési Alapkezelő Zrt.

Gellért Zoltán Jászai purchased 100 per cent of the shares in KZF Vagyonkezelő Kft. from KONZUM PE Magántőkealap on 14/06/2019.

III. STRUCTURE OF THE KONZUM GROUP (30/06/2019)



IV. KONZUM GROUP’S PERFORMANCE

This section presents the performances of consolidated group members actively engaged in business and/or managing considerable assets.

IV.1 KONZUM Befektetési és Vagyonkezelő Nyrt.

In H1 2019, KONZUM Nyrt.’s activity only included the operative management of the merger. As a holding company the Company has not performed business activity other than the utilisation of the property elements in KONZUM Nyrt.’s direct ownership in 2018 (for example, Hotel Saliris at Egerszalók or Hotel Alpenblick in Austria) by giving them into operation. However, at the end of 2018, it sold all its assets related to tourism, including business shares (for example in Ligetfürdő Kft. or in the Balatontourist Group) and the related real properties to HUNGUEST Hotels Szállodaipari Zrt., thus improving the transparency of the group structure. In the first six months, it realised sales revenues from the operation of Hotel Alpenblick, as its sale was delayed until this year. It incurred expenditures basically in two more significant fields. On the one hand, it incurred legal, expert and auditor charges within services used, and on the other, more significant amounts were paid as interest on loans among expenses on financial operations.

The real properties classified among assets in its balance sheet still include the above-mentioned Austrian hotel, and the “financial investments” line includes the indirect business share in HUNGUEST Hotels through KZH Invest Kft. and KZBF Invest Kft.; the 24.85 per cent share package in CIG Pannónia Életbiztosító Nyrt. and the 18.7 per cent share package in Appeninn Vagyonkezelő Holding Nyrt. As based on a shareholders’ agreement, KONZUM Nyrt. exercises the management rights over the latter company, it was included in the fully consolidated H1 financial statements as a subsidiary.

The most important item among accounts receivable is the HUF 17.2 billion claim from KZH Invest Kft. and KZBF Invest Kft., related to the acquisition of HUNGUEST Hotels HUNGUEST Hotels Zrt., and there are also considerable receivables outstanding from HUNGUEST Hotels Zrt. in respect of certain sold but unpaid assets.

No significant change took place in the Company’s equity or liability structure during the reporting year.

IV.2 Description of KONZUM Nyrt’s business lines up to 30/06/2019:

KONZUM Nyrt. is a diversified investment holding that invests into the strategic economic sectors having the highest growth potential in Hungary and in the Central and Eastern Europe region. KONZUM Nyrt. classified its activities into the following four segments:

Tourism business line: The company group performs its activity in tourism through HUNGUEST Hotels Szállodaipari Zrt., acquired in 2016. As from 2019, HUNGUEST Hotels Zrt. is the owner of 100 per cent of the business shares in the Balatontourist Group, this business line is directly under the control of a single company. Due both to expertise and to the concentration of processes, this change will considerably improve efficiency.

The tourism business line includes the following activities:

- Rural health, wellness and conference tourism in Hungary (HUNGUEST Hotels Group);
- Campsites around Lake Balaton (Balatontourist Group)
- Accommodations in Austria, Montenegro and Romania (HUNGUEST Hotels and Ligetfürdő Kft).

At the moment, HUNGUEST Hotels is one of Hungary's largest hotel chains, owned only by Hungarians. 21 of the 27 hotels of the chain operate in Hungary's best known therapeutic sites, resorts and mountains, as well as in large towns. In the region HUNGUEST Hotels are situated on the coast in Montenegro, at the feet of Großglockner and in Murau in Austria and in Transylvania, Romania. The hotels offer services that suit the widest range of demand, including classic health services, recreation, fitness, wellness services, conference facilities and various other programmes.

Balalontourist has a history of 67 years and operates ten campsites under its own brand name and under a franchise scheme around Lake Balaton. Most of the campsites are not owned but leased by the company from economic entities and local governments.

Property investment business line: KONZUM pursues its property investment activities through Appeninn Nyrt., which is one of the most dynamically growing property investment companies in Hungary. The main activities of Appeninn Nyrt. include property leasing and related maintenance, operation and marketing services as well as active property portfolio management. At the moment Appeninn Nyrt. manages a portfolio of 39 commercial properties, most of which are 'A' and 'B' category office blocks and retail and logistics facilities.

Money and capital market and insurance business line: The money and capital market and insurance business, the 2017 financial year was still dominated by the activities of Konzum Befektetési Alapkezelő Zrt. During the year, the managed portfolio increased, on the one hand by the transfer of the private fund METIS Magántőkealap and by the registration of METIS 2 Magántőkealap, which directly or indirectly owned 49 percent of MKB Bank Zrt at the time of closing the prospectus, and on the other, by the takeover of the property investment fund Diófa Ingatlanbefektetési Alap, one of the key participants of the market with its assets representing more than HUF 10 billion. The direct and indirect participations of METIS Magántőkealap and METIS 2 Magántőkealap in MKB Bank Zrt increased to 48.62 per cent after closing KONZUM Nyrt's transactions described in the special notice published on BÉT's website on 27 August 2018. The company group does not have any ownership interest in the above-listed funds, they are controlled by Konzum Befektetési Alapkezelő Zrt., as in February 2017, KONZUM Nyrt. and KONZUM MANAGEMENT Kft. entered into an agreement about KONZUM Nyrt.'s exercise of direct control over Konzum Befektetési Alapkezelő Zrt in the framework of their joint control over Konzum Befektetési Alapkezelő Zrt., based on the relevant provisions prohibiting the concentration of businesses in the Act on the Prohibition of Unfair Market Practice and Limitation of Competition. Such a direct management is manifest in KONZUM Nyrt.'s title to appoint the majority of Konzum Befektetési Alapkezelő Zrt.'s executive officers. Through Konzum Befektetési Alapkezelő Zrt, the company group's activity includes investment fund management. In agreement with the relevant

IFRS regulations, KONZUM Nyrt. has been consolidating Konzum Befektetési Alapkezelő Zrt as its subsidiary since 2017.

In December 2017, KONZUM Nyrt announced its intention to obtain influence in CIG Pannónia and its subsidiaries. The core activity of CIG Pannónia is life insurance and the related insurance and supplementary financial activities. CIG Pannónia pursues its non-life insurance activity through EMABIT, which is its fully-owned subsidiary. EMABIT focuses on Hungarian small and medium-sized enterprises, state and municipal institutions, corporations, professional chambers, unions and associations.

Asset management business line: One of the main profiles of the Company Group is asset management. KONZUM Nyrt has direct and indirect minority interests in strategic companies with significant income-generating capacity. In March 2017, pursuant to an over-the-counter agreement, KONZUM MANAGEMENT Kft (in which KONZUM Nyrt has a 30-percent minority share) acquired a 15.41 percent ownership share in OPUS GLOBAL Nyrt., and thus grew to become one of Hungary's largest company groups. In addition to its participation in OPUS GLOBAL, KONZUM Nyrt has a minority share amounting to 11.47 per cent in KPRIA Zrt.

IV.3 Market environment of the individual business lines:

The Company Group operates in separate markets through its subsidiaries belonging to the business segments indicated below.

Tourism market

The year 2018 was the most successful year ever in the Hungarian tourism market, marking the peak of a positive trend that began in 2010. Last year a total of 12.5 million visitors spent 30.9 million guest nights in Hungary, 58.1 per cent up on 2010. Within this, domestic and foreign visitors show a rise neck and neck. This sector is also significant in terms of the entire national economy, as tourism directly contributes 6.8 per cent to Hungary's GDP, while its contribution including indirect impacts is 10.7 per cent. As the number of people employed in tourism is 428,000, this sector directly generates 10 per cent of all jobs.

In the first six months of 2019 the previous trend continued: the revenues earned from accommodation approximated HUF 250 billion, 8.39 per cent up on a year earlier. The number of foreign visitors and the nights spent here rose by 5 and 3.7 per cent, respectively, while domestic guests and guest nights increased by 2.8 and 3.8 per cent, respectively. This shows that the per capita spending has also increased, due among others to the turnover transacted with SZÉP cards, as in the first two months, nearly HUF 15 billion was paid by SZÉP cards. In addition, the average tourism accommodation occupancy rate has increased (52%) along with a rise in room prices above the inflation rate, as in 2018 and up to now in 2019, the ratio of increase is between 5.5 and 6 per cent.

In addition to the sales revenue generated by the sector, efficiency deserves attention. Although interim data on the latter are unavailable, the labour market challenges required considerable wage increases from the sector participants.

Regarding the operational environment of the sector, it is important to consider that more significant hotel development projects began in the past few years in Hungary. 13 (844 rooms) were handed over in 2017, and 10 units (645 room) n 2018. There are 86 hotel industrial projects in a preparatory or implementation phase in the period between 2019 and 2021. The period past was also characterised by the trend that Budapest is overrepresented as a venue for constructing new hotels (81 per cent of the newly built rooms are located here), and this is also the trend in new projects: 53 of 86 projects focus on the capital city, containing 6130 rooms, while 33 hotels containing 1293 rooms are being built in other parts of the country.

Property investment

Its property investment activity concentrates primarily on the office market and the market of logistics properties in Budapest. MNB's regularly published report on the commercial property market provides an excellent basis for the presentation of the market environment. The last report was compiled in April 2019 jointly with property market professionals.
In this study it is clearly outlined that the 4 per cent economic growth recorded for last year, which exceeded the expectations, analysed within the year shows 5.1 per cent for the last quarter. Growth retained this pace in 2019, as GDP rise adjusted for calendar effects was also 5.1 per cent in Q2 2019 on a year earlier. Similarly to 2018, the economic sectors contributing to growth included industry, construction industry and market-based services. Last year manufacturing and the service sector contributed to 3.2 per cent to economic growth. These two sectors are the ones that generate relevant demand in the market of commercial properties. Demand for commercial properties is further enhanced by the market participants' vivid investment activity. Corresponding to the previous trends, in the last quarter of 2018 investments increased by 10 per cent. In this perspective, manufacturing, and more specifically the participants producing for foreign markets, and the logistics sector took the lead.

Simultaneously, after six years of decrease, the average vacancy of modern offices in Budapest fell to a historical low at 7.3 per cent. Recently, the predominance of demand has remained strong in the market. In 2018 the number of handovers was also outstandingly high on the demand side. The current projects are also significant and represent large volumes.

In the market of properties used for the logistics purposes, occupancy is at a historical low. By the end of 2018, the vacancy rate had dropped to 2.4 per cent, another 6-year record in the decline. In Budapest and its agglomeration free logistics properties are only available on about 52,000 square metres despite a recent 15 per cent price rise in this field. The handover of 130,000 square metres is planned in 2019, however, only 24 per cent of this project has been committed by contracts, and thus the developments presumably began with speculative purposes to a major extent.

In an investor's perspective of the market, the turnover of investments into the commercial properties amounted to EUR 1.8 billion for the entire year of 2018. In a breakdown office buildings remain the most popular investment products. By the last quarter of 2018, the prime yields that can be realised by investment into commercial properties had dropped by 25 basis points, which means that the average achievable yield is 5.75 per cent on offices, 7.50 per cent on logistics properties and 5.50 per cent on retail properties, which remain below the lowest level recorded in 2007.

Money and capital market, insurance

KONZUM Nyrt.'s money and capital market business line is represented primarily by CIG Pannónia Életbiztosító Nyrt. (hereinafter: "CIG Pannónia" or "Insurer"), holding 24.85 per cent of the shares, and by Konzum Befektetési Alapkezelő Zrt. (hereinafter: "Fund Manager"), in which it has 47 per cent ownership.

With a view to the fact that the Fund Manager only manages and more specifically, typically private capital funds, and the investment portfolios and investors are subject to securities secret, there is no use giving a flash-forward on the market environment. Let us survey the Hungarian insurance market instead.

The National Bank of Hungary acting as the supervisory authority compiles quarterly monitoring reports and acid-test analyses of the insurance market. Based on this, in Q2 2019 the insurance market earned HUF 275 billion on premiums, 9.6 per cent up on a year earlier. In a breakdown by business lines, the most powerful expansion was seen in the non-life line by +17.5 per cent (partly due to the integration of accident tax in the premium), while the life line showed a moderate 1.6 per cent rise. However, as a positive development, regular fees within premium revenues worked out fine.

In contrast, the sector's efficiency remains slightly below the previous year's figure. However, within the HUF 39.6 billion semi-annual profit, the life business line was the more powerful with its HUF 16.1 billion performance, exceeding the HUF 12.5 billion performance achieved by the non-life line.

By the end of the second quarter, the contract portfolio of insurance companies had increased by 3.8 per cent. Increase in the number of contracts means the conclusion of 510,000 new contracts, nearly completely in the non-life business by 4.5 per cent increase (the life business line rose by 0.3 per cent).

The insurance companies' regulatory capital under the Solvency II regulatory regime is topped up to 223 per cent, representing an increase by 7.1 per cent year on year.

Nearly 51 per cent of the instruments underlying insurance contracts were government bonds, and 97.1 per cent of government bonds are Hungarian government bonds. The other predominant instruments included fund units (34.6%) and shares (4%).

IV.4. Performance in a breakdown by business lines:

30 June 2019.	Tourism	Property investment	Money and capital market, insurance	Asset management	**Consolidated**
Sales revenue from external parties	13 689 202	1 368 425	327 372	21	**15 385 280**
Direct costs	-9 796 105	-443 751	-6 890	-11 302	**-10 258 048**
Gross coverage	**3 893 097**	**924 674**	**320 482**	**-11 021**	**5 127 232**
Indirect operating costs	-2 619 257	149 554	-335 660	-69 037	**-2 890 341**
Depreciation	-1 110 311	-8 167	-4 277	-11 490	**-1 134 245**
Operating P/L	163 529	1 066 060	-19 455	-91 548	**1 102 646**
Profit after taxes	**1 130 385**	**3 143 807**	**-26 152**	**-818 139**	**2 961 412**
Fixed assets	**105 317 704**	**47 817 961**	**19 697**	**28 213 404**	**143 096 123**
Current assets	7 941 365	2 451 037	255 451	264 575	**10 086 156**
Equity	**54 544 170**	**24 167 678**	**184 507**	**38 542 352**	**77 676 697**
Long-term liabilities	23 488 576	23 300 039	0	388 936	**47 877 386**
Short-term liabilities	12 904 258	2 774 404	90 641	11 858 889	**27 628 192**

(HUF '000')

The following are important to note in relation to the individual sector performances in the interest of a more accurate comparison with the 2018 figures:

- In 2019 the Balatontourist Group – as fully owned subsidiary of HUNGUEST Hotels Szállodaipari Zrt. – has already been fully consolidated. In the previous years, they were only consolidated by the equity method, similarly to the parent company, as subsidiaries of KONZUM MANAGEMENT Kft., a company consolidated as an affiliate business. At the end of the first six months, full consolidation has a considerably unfavourable impact on sector performance, as due to the nature of its activity, Balatontourist Group is highly seasonal.

- The reversal of a deferred tax in the amount of nearly HUF 900 million, recognised as adjustment for a property appraisal and being a technical item, had a significant impact on profit after taxes in tourism.

- In the property investment business line, the negative direct cost could be recognised because technically it contains the balance of other revenues and expenditures, which was positive in H1, as a result of the effect of the sale of property.

- Similarly, the profit made after taxes in the property investment business line was so high because in the course of the Club Aliga transaction, a considerable amount of a single badwill had been generated and according to the IFRS, it appears among the incomes from financial operations.

- Affiliated companies are presented in the management business line, including CIG Pannónia Nyrt.'s 24.85 per cent share package, which is included in consolidation by the equity method. As during the reporting period, CIG Pannónia Nyrt.'s equity increased, it contributed a positive figure to the profit. However, OPUS GLOBAL Nyrt.'s managed share package had a negative contribution, as drop in its price in the period past considerably deteriorated the outcome (by HUF 690 million, which affects the consolidated ownership ratio).

V.1 HUNGUEST Hotels Szállodaipari Zrt.

(registered office: H-1015 Budapest, Hattyú u. 14., company registration number.: 01-10-140409)

Evaluation of HUNGUEST Hotels Szállodaipari Zrt.'s activity in H1 2019

In evaluation of the H1 2019 performance it may be ascertained that HH closed a successful first six months. Although the sales revenue remained slightly below the planned figure, the time proportionate **P/L plan has been accomplished successfully.**

The **net sales revenue** amounted to HUF 11,870,900,000; 0.5 per cent less than planned.

Developments in our costs are fundamentally characterised by the fact that - due to the general labour market situation - the additional costs of wages and the services used, which are highly labour-intensive, are incurred right in January, while the sales revenue and consequently the majority of the surplus sales revenue are realised in the second half of the year. **The coverage for additional costs is provided from the volume of sales revenue generated in H2, which is always higher (nearly 60 per cent of the annual sales revenue is generated in the second half of the year, while the outflow of fixed costs remains nearly the same as in H1).**

For the above reasons, surplus costs represented a higher charge on the H1 profit, while our costs were incurred in line with the plans, and moreover, in the aggregate, they were realised in an amount that was less than planned.

In the reporting period, the **amortisation** affecting the operating P/L increased significantly, due to the depreciation of the two hotel properties (Hotel Saliris Spa & Conference Resort and Hotel Bál Resort) we acquired at the end of last year.

The **operating profit** was realized in the amount of HUF 1,181,300,000; up by HUF 180,70,000 on the reference period. Due to a depreciation above the plans, **EBITDA** exceeded the plan by even more, namely by HUF 277,500,000 (the generated EBITDA amounted to HUF 1,662,000,000).

Profit on financial operations was HUF 61.1 million less than planned, partly caused by the accrued and deferred interest on loans within the company group (HUF 3.3 million, not included in our plans), and partly by the interim (technical) revaluation of liquid assets denominated in foreign exchange and of bank liabilities (HUF -39.7 million, also not included in our plans). In the aggregate, these factors only entailed technical losses (not requiring cash disposal).

In H1 2019, HUNGUEST realised HUF 913.2 million **profit before taxes** on a corporate level, **showing a surplus of nearly HUF 120 million on the plans.** If the P/L is adjusted for the two unplanned items of a financial character, the surplus profit is even more significant and amounts to HUF 193 million.

Based on the additional profit made in the first half of the year in excess of the plan and on the performances expected in the rest of 2019 (as we are ahead of the months when the highest profits are generated), in 2019 our Company considers the accomplishment of the annual P/L plan realistically achievable.

V.2 Balatontourist Group

(Registered office: H-8200 Veszprém, Levendula u. 1.)

Evaluation of Balatontourist Kft's H1 2019 performance

This company operates campsites and holiday accommodations on leased property on the shores of Lake Balaton. The number of camp sites in the company's operation increased on 2019. Previously, the company only operated Napfény Kemping at Révfülöp, and ran Naturista Kemping at Balatonberény with the involvement of an external contractor.
On expiry of the previous lease and operating contract, in 2019 the Company started running Naturista Kemping at Balatonberény on its own.
In Révfülöp, under a long-term contract, the Company has rented an area next to a campsite that has been operative and from 2019 the Company runs it under the name Révfülöp Napfény Garden Kemping.
The Company's core activity, i.e. campsite operation around Lake Balaton, is highly seasonal: campsites are open between the end of April and September, and the predominant part of revenues are realised in Q3. In the pre-season, in addition to accommodation fees paid by guests, revenues are raised from advances paid on reservations. In addition to accommodation fees, the company also collects rental fees from businesses providing commercial, catering, sports and rental services.
The company's portfolio of fixed assets has increased by HUF 100 million year on year. The predominant part of this increase comprised assets purchased from its related companies back in the second half of 2018. In addition, the assets required for launching the new campsite at Révfülöp were purchased in H1 2019.
The accounts receivable have dropped considerably, as a high-amount claim incurred 5 years ago was forgiven. Forgiveness was part of a complex transaction package related to the previous change in ownership. The company's liquidity was uninterrupted throughout the year, and it does not have any overdue and unpaid trade or other debts.

In H1 2019 the company's net sales revenue increased by 29 per cent on the reference period. The main reason for this was the inclusion of Naturista Kemping campsite at Balatonberény and Napfény Garden Kemping at Révfülöp. The number of guest nights in the two campsites increased by 18 per cent in the aggregate, even if the data of the visitor turnover achieved by the external contractor are included in the reference data. Weather also affects visitor numbers. The April and May rainy weather was offset by the June beach weather. Thus the backlog in visitor turnover seen up to the end of May had completely disappeared by the end of H1, and had turned into increase.
In addition to costs, the ratio of recognised personal costs remains low despite the fact that this activity is highly live labour-intensive. The company performs it duties with an average headcount of only 16 persons. The reason for this is that due to the seasonality of the activity, numerous activities are outsourced. The costs of gardeners, janitors, security guards, animators and lifeguards are not included in staff costs.
Costs and expenditures are less seasonal than revenues. The preparation of campsites before opening and the a significant part of the pre-sale costs are in each case incurred prior to the start of the season. For this reason, the company recognises loss for the first half of the business year. This was also the case in 2019. The inclusion of Naturista Kemping campsite at Balatonberény and Napfény Garden Kemping campsite at Révfülöp increased the H1 losses as the majority of the net sales revenue is realised in Q3

also in the case of these campsites. The value of the forgiven account receivable deteriorated H1 2019 performance.

Evaluation of Balatontourist Camping Kft.'s H1 2019 performance

To a large extent the scope of the company's activity is identical with the activity performed by Balatontourist Kft., however, there are major differences in the operated locations. The number of business sites operated by the company remained unchanged in 2019. In addition to Vadvirág Kemping at Balatonszemes and Balatonakali Kemping, in 2018 the company also operated Zala Kemping in Keszthely, but on expiry of its rental agreement, the site closed.

On commission from HUNGUEST, its parent company, in 2019, the company assumed the operation of the facilities other than the hotel in the Club Aliga Komplexum and the 50 ha area. Within this framework, the company operates a beach and rents out certain facilities (catering units and the marina).

The company's portfolio of fixed assets has increased by HUF 27 million year on year. The predominant part of this increase meant the purchase of the water, sewage and electricity quota related to the Balatonakali Kemping campsite, which was purchased back in H2 2018. As the capitalisation of asset purchases related to the new area at Révfülöp is due in H2, in the balance sheet their value is included among capital investments.

The company's liquidity was uninterrupted throughout the year, and it does not have any overdue and unpaid trade or other debts.

The accounts receivable arise from increase in other receivables, nearly completely comprising changes in accounts receivable from the tax office.

In H1 2019 the company's net sales revenue increased by 64 per cent on the reference period. The principal reason for this is increase in the rental fees and other service charges earned on the operation of the Club Aliga site. In the campsites at Balatonszemes and Balatonakali, the number of guest nights dropped by 8 per cent in the aggregate. The underlying reason is the late conclusion of the rental contract for the campsite at Balatonszemes. As a result, pre-sale could not begin in the previous November, as usual, only this spring. Weather also affects guest numbers. The April and May rainy weather was offset by the June beach weather. Thus the backlog in the number of living units seen up to the end of May had completely disappeared by the end of H1, and had turned into increase.

In addition to costs, the ratio of recognised personal costs remains low despite the fact that this activity is highly live labour-intensive. The company performs it duties with an average headcount of only 21 persons. The reason for this is that due to the seasonality of the activity, numerous activities are outsourced. The costs of gardeners, janitors, security guards, animators and lifeguards are not included in staff costs.

Costs and expenditures are less seasonal than revenues. The preparation of campsites before opening and the a significant part of the pre-sale costs are in each case incurred prior to the start of the season. For this reason, the company recognises loss for the first half of the business year. This was also the case in 2019. The inclusion of Club Aliga and the elimination of the H1 loss made by the campsite in Keszthely reduced its losses. The large number of effects purchased for the operation of Club Aliga deteriorated the H1 profit, as the company depreciates the purchase of small-value assets in a lump sum.

Evaluation of Balatontourist Füred Club Camping Kft.'s H1 2019 performance

The number of business sites operated by the company remained unchanged in 2019. In the framework of a long-term letting agreement concluded with the Local Government of Balatonfüred, the company operates the largest capacity campsite in the country.

The company's portfolio of fixed assets has increased by HUF 49 million year on year. This is explained by the fact that the company sold part of its asset portfolio to another subsidiary included in the company group.

The company's liquidity was uninterrupted throughout the year, and it does not have any overdue and unpaid trade or other debts. The HUF 22 million decrease in its accounts receivable was caused by a drop in customers, which corresponds to the usual course of business.

In H1 2019 the company's net sales revenue is nearly identical to that of the reference period, with a view to the fact that the scope of activities has not changed. The number of guest nights spent at the campsite has increased by 2 per cent, while the average price has dropped at a similar rate. The campsite's price setting procedure is rather complex. As it depends on the size of the area and the number and ages of persons living on a lot, such a fluctuation in the average price is natural, and may change during the tourism season.

In addition to costs, the ratio of recognised personal costs remains low despite the fact that this activity is highly live labour-intensive. The company performs it duties with an average headcount of only 20 persons. The reason for this is that due to the seasonality of the activity, numerous activities are outsourced. The costs of gardeners, janitors, security guards, animators and lifeguards are not included in staff costs.

Costs and expenditures are less seasonal than revenues. The preparation of campsites before opening and the a significant part of the pre-sale costs are in each case incurred prior to the start of the season. During preparation, in 2019 extra costs were required for the maintenance of 3 sanitary units in the campsite over and above what regular maintenance would have cost, this included casing worth HUF 20 million and the replacement of building services equipment in the amount of another HUF 20 million.

Overall it can be said that the companies' business activities go as planned. The achievement of the annual plan seems to be reasonable.

V.3 Appeninn Vagyonkezelő Holding Nyrt.'s business management in H1 2019

(Registered office: H-1062 Budapest, Andrássy út 59, company registration number: 01-10-046538)

Brief summary of Appeninn Nyrt.'s H1 2019 operation

The Company's H1 performance has been going as planned. Due to the increased portfolio, direct hedging has also increased considerably. In the first six months, a review and streamlining of the contracts in force has begun with focus on general costs (IT costs, consultancy and legal fees, book-keeping). The first half of the year was closed by an investment project worth EUR 270,000, including the overhaul of the insurer's rented seat at 3-5 Bég Street in Budapest.

In June, the Company's trade customers outside the group amounted to EUR 445,117, down by 10 per cent on a year earlier. Reinforced by a new management, Appeninn is working on another significant development and acquisition opportunity.

The Appeninn Group closed H1 2019 with a revenue of EUR 4.7 million from fees. The newly acquired SPAR trade group, the incomes realised on the A59 property and the total amount of the rental fees paid for six months for the property located at 48 Üllői Street had an outstanding role in sales revenue changes. The Group's direct coverage of EUR 3.3 billion represents 87 per cent increase on a year earlier. The cause of this considerable improvement is that in the case of the 2018 portfolio expansion, the new properties only started to generate profit in the second half of the year, while certain direct costs were incurred already during H1. In 2019 the Group's direct coverage was 86 per cent, more favourable than in the previous years. The Company's profit after taxes for the first half of the year was EUR 10 million, of which EUR 8.2 was due to the acquisition of 74.99 per cent of PRO-MOT Hungária Kft.'s shares, while EUR 0.8 million was due to debt consolidation. The profit adjusted for individual items is EU 2 million, nearly three times the profit made in H1 2018. In H1 2019, the property Club Aliga was acquired, and sot the aggregate value of the Group's property portfolio was EUR 148 million at the end of H1 2019.

V.4 CIG Pannónia Életbiztosító Nyrt.'s business management, H1 2019

(Registered office: H-1033 BUDAPEST, Flórián tér 1, company registration number: 01-10-045857)

Due to its ownership ratio, CIG Pannónia Nyrt. was only consolidated by the capital method and not fully.

In the first half of the year CIG Group made HUF 610 million loss, while its comprehensive income was HUF 416 million. Year on year the profit after taxes amounted to HUF 1,765,000,000. Downturn can be traced to two fundamental causes:

- In the non-life business line, to the significant incidents that took place across the Italian border in relation to gaming insurances and deteriorated the group's performance by HUF 692 million; and
- The exchange rate loss made on the withdrawal of KONZUM shares amounted to HUF 1,057,000,000.

The revenue earned from insurance premiums was HUF 13,286,000,000 in H1, representing a 5 per cent rise on a year earlier. In addition, the non-life line increased by 11 per cent. New purchases amounted to HUF 2,276,000,000 in the non-life segment, 1.5 times the amount recorded a year earlier. The sales channels continued to expand, and the product mix moved significantly towards risk and traditional products, including a boom in group insurances.

CIG Pannónia Pénzügyi Közvetítő Zrt. is a subsidiary established last November (with the group's 95 per cent ownership), which started activity as a tied agent at the beginning of the year. Currently, the company has 188 registered financial advisor and in H1 it sold insurance bonds carrying premiums in the amount of HUF 187 million. On 23 May 2019, MNB authorised the company to provide financial services in the capacity of a multiple agent. The authorisation also includes a licence to mediate mortgage loans.

In May 2019 Első Magyar Általános Biztosító Zrt. and MKB-Pannónia Alapkezelő transferred HUF 1,127,000,000 and HUF 342 as dividend paid for 2018.

CIG Pannónia Nyrt.'s equity had increased from HUF 17,392,000,000 at the end of 2018 to HUF 17,956,000,000 by the end of H1 2019, representing 3 per cent increase. The capital adequacy ratio of

CIG Pannónia Nyrt. according to the Solvency II Directive was 321 per cent on 30/06/2019, and Első Magyar Általános Biztosító Zrt.'s capital adequacy ratio was 151 per cent.

V.5 Konzum Befektetési Alapkezelő Zrt.

(Registered office: H-1062 Budapest, Andrássy út 59, company registration number: 01-10-045654)

No change was made in Konzum Befektetési Alapkezelő Zrt.'s operation in H1 2019 in comparison to the 2018 business year. The aggregate value of the managed private capital funds and the property fund continues to exceed HUF 100 billion despite the fact that the prices of listed shares managed by the private funds has dropped considerably on a year earlier.

During H1 2019, the company invoiced fund management charges in the amount of HUF 327,300,000 and on the cut-off date of H1 its profit before taxes was HUF 16,600,000.

V.6 KONZUM MANAGEMENT Kft

(Registered office: H-1062 Budapest, Andrássy út 59, company registration number: 01-09-913725)

Previously, KONZUM MANAGEMENT Kft. had outstanding significance in the group's financial statements. On the one hand, the Balatontourist Group was in its indirect ownership and consolidation, and on the other, it held 50.1 million OPUS GLOBAL Nyrt. shares, and their price changes had significant impacts on KONZUM Nyrt.'s share price. With the in-kind contribution of BLT Group's interest into KONZUM Nyrt., the business line that included Balatontourist was removed from its control, and now it only has the OPUS shares.

V. CONSOLIDATED FINANCIAL STATEMENTS

After the presentation of the business lines and the consolidated businesses, in the last six months of KONZUM Nyrt.'s operation the following data were recognised in the financial statements:

KONZUM Nyrt. (consolidated)			*(HUF '000')*
Description	**H1 2018**	**H1 2019**	Change (%)
Net sales revenue	11,329,722	15,385,280	135.80%
Other revenues	0	0	
Raw materials, consumables and other external charges	5,061,720	6,941,820	137.14%
Staff costs	3,529,517	5,482,631	155.34%
Other expenditures	451,441	723,935	
Depreciation	518,844	1,134,247	
Profit or loss from operations	1,768,200	1,102,647	62.36%
Revenue from financial operations	717,376	1,041,845	145.23%
P/L before taxes	**2,485,576**	**2,144,492**	**86.28%**
Fixed (non-current) assets	126,416,231	143,096,124	113.19%
Current assets	5,960,943	10,086,158	169.20%
Assets, total	**132,377,174**	**153,182,282**	115.72%
Equity	58,319,324	77,676,697	133.19%

Long-term liabilities	38,194,938	47,877,386	125.35%
Short-term liabilities	35,862,912	27,628,200	77.04%
Total liabilities	**132,377,174**	**153,182,283**	115.72%

Rapid increase in the sales revenue is due to the acquisitions performed in the course of the year, however, what clearly had a massive impact on the operating profit was fast increase in costs in excess of revenue growth. Raw materials, consumables and other external charges rose in proportion to the capacity increased by acquisitions, however, wage costs exceeded this pace considerably. The reasons for this included, on the one hand, that the data from the reference period only contain the wage costs incurred by the companies consolidated during 2018 (see Section 2.1.2) in a time-proportionate manner, and on the other that tourism and catering being highly human resources-intensive sectors and the businesses engaged in them must meet the labour market requirements in order not to jeopardize their operation. P/L on financial operations includes a single item, and such a spike is less likely over the long term.

KONZUM Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság (hereinafter: "KONZUM" or "Group") has prepared its (consolidated) report of H1 2019 (hereinafter: "Report") in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. The accounting principles applied in the financial statements are identical with the accounting policy principles applied in the reference period.

These interim financial statements have not been audited by an independent auditor.

Unless otherwise indicated, the consolidated financial statements are presented in Hungarian forint, rounded to the thousand.

VI. CONCLUDING DECLARATION

KONZUM Nyrt. represents that the semi-annual report, compiled by the Company according to the applicable accounting requirements and to the best of its abilities, provides a fair and reliable representation of the assets, liabilities, financial position, profit and loss of the Company and of the consolidated businesses, and gives a reliable representation of the current situation, development and performance of the issuer and of the consolidated companies, giving details of the main risks and uncertainties, and does not withhold any fact or information that bears relevance to the assessment of the issuer's position.

Budapest, 30 September 2019

Dr Beatrix Mészáros — Miklós Gál

Chairperson of the Board of Directors — CEO

ANNEXES

ANNEX 1 DATASHEETS RELATED TO THE FINANCIAL STATEMENTS

general information on the financial data:

Audited? Yes/No
Consolidated? Yes/No
Accounting principles: Hungarian/IFRS/other

Consolidated companies

1. A KONZUM Group's business management

1.1. Consolidated businesses

Subsidiaries	Voting ratio		Ownership ratio	
	2019	2018	2019	2018
Appeninn Vagyonkezelő Holding Nyrt.	18.70%	18.70%	18.70%	18.70%
BLT Group Zrt.	100.00%	100.00%	100.00%	100.00%
Balatontourist Kft.	100.00%	100.00%	100.00%	100.00%
Balatontourist Camping Kft.	100.00%	100.00%	100.00%	100.00%
Balatontourist Füred Club Camping Kft.	100.00%	100.00%	100.00%	100.00%
Heiligenblut Hotel GmbH	100.00%	100.00%	100.00%	100.00%
Holiday Resort Kreischberg Murau GmbH	100.00%	100.00%	100.00%	100.00%
Hunguest Hotels Montenegro d.o.o.	100.00%	100.00%	100.00%	100.00%
HUNGUEST Hotels Zrt.	99.96%	99.96%	99.96%	99.96%
OPUS GLOBAL Befektetési Alapkezelő Zrt. (prior to name change: Konzum Befektetési Alapkezelő Zrt.)	47.00%	47.00%	47.00%	47.00%
KZBF Invest Kft	100.00%	100.00%	100.00%	100.00%
KZH Invest Kft.	100.00%	100.00%	100.00%	100.00%
Legatum '95 Kft.	100.00%	100.00%	100.00%	100.00%
Ligetfürdő Kft	100.00%	100.00%	100.00%	100.00%
MB Hills Kft.	99.96%	99.96%	99.96%	99.96%
Pollux Hotel Kft.	99.96%	99.96%	99.96%	99.96%
Relax Gastro GmbH	99.96%	99.96%	99.96%	99.96%

Affiliated companies	Voting ratio		Ownership ratio	
	2019	2018	2019	2018
CIG Pannónia Biztosító Nyrt.	24.85%	24.85%	24.85%	24.85%

Konzum Management Kft.	30.00%	30.00%	30.00%	30.00%

KONZUM Nyrt. consolidates the companies in its group as subsidiaries if it has an influencing participation in excess of 50 per cent in them and otherwise as affiliated business. As KONZUM has more than 50 per cent control over the financial and operative activities of Appeninn Nyrt. and Konzum Befektetési és Alapkezelő Zrt., Appeninn Nyrt. has also been fully consolidated during the compilation of the financial statements.

The consolidated report of KONZUM MANAGEMENT Kft. and its subsidiaries was prepared with the equity method:

Name of the subsidiary	Voting and ownership rights
BLT Ingatlan Kft	100%
ZION Kft.	100%

1.2. Analysis of the comprehensive income statement

1.2.1. Corresponding figures

The following subsidiaries were included in the KONZUM Group in H1 2018:

Date of inclusion	
Holiday Resort Kreischberg Murau GmbH	03/04/2018
Heiligenblut Hotel GmbH	29/06/2018
Hunguest Hotels Montenegro d.o.o	29/06/2018
Relax Gastro GmbH	30.04.2018
Ligetfürdő Kft	29/06/2018

The data given in the comprehensive income statement for the base period represents the subsidiaries' time-proportionate performance.

For an analysis of the income statement, the period on a year earlier is considered as the base period (H1 2018).

1.2.2. Sales revenue

Sales revenue	30/06/2019	30/06/2018	Change
Domestic sales	13,750,325	8,495,919	62%
Exports sales	1,634,955	2,833,803	-42%
	15,385,280	**11,329,722**	

In the base and reporting periods, revenues were earned on the following activities:

Composition of sales revenues	30/06/2019	30/06/2018	Change

Provision of accommodation	7,384,521	3,726,087	98%
Catering	4,079,136	4,777,189	-15%
Franchise fees	6,887	7711	-11%
Letting and operation of property	1,876,400	918,996	104%
Fund manager's charges	327,372	462,585	-29%
Other	1,710,964	1,437,153	19%
	15,385,280	**11,329,721**	

As a result of the acquisitions performed last year, the Group's sales revenue has increased by 35 per cent on the reference period. The distribution of revenues remains unchanged in comparison to the previous period. Tourism gives 75 per cent of the revenues in an amount exceeding HUIF 11 billion, comprising revenues by HUNGUEST Hotels Zrt. and the related domestic and foreign companies engaged in tourism, and the sales revenues generated in six months from services related to campsites around Lake Balaton. The property rental and operation activity reflects significant increase in the Appeninn company group's performance in the reporting half-year, and a change in the rental and operation activity performed in the tourism business line at Lake Balaton, showing an aggregate growth of 104 per cent.

1.2.3. Operating costs

Operating costs	30/06/2019	30/06/2018	Change
Goods and services sold	(1,438,232)	(779,833)	84%
Capitalised own performance	13,033	10,595	23%
Raw materials, consumables and other external charges	(5,516,621)	(4,292,482)	29%
Staff costs	(5,482,631)	(3,529,517)	55%
Depreciation and impairment	(1,134,247)	(518,844)	119%
Other expenditures and other revenues	(723,935)	(451,441)	60%
	(14,282,633)	**(9,561,522)**	

All the components of *operating costs* increased considerably.

This is partly due to the change in the scope of consolidated companies, as detailed in Section 1.2.1, and partly to the proportionate change due to the demand for materials and current assets required for the tasks performed by the Group in a stage of increase.

The largest part of the *cost of goods sold* and of *own performance capitalized* relate to the operation of the tourism business line.

Staff costs primarily represent a significant item in the tourism business line with an amount of exceeding HUF 5.2 billion, recognised among operation cost components. Other major items in staff costs include HUF 147 million incurred by the money and capital market business line and HUF 122 million by Appeninn Nyrt. The 55 per cent rise in this cost type is an outcome of the change in the consolidated companies detailed in Section 1.2.1, on the one hand, and it adjusts to the labour market trend, on the other.

1.2.4. Financial income/expenditures

	30/06/2019	30/06/2018	Change
Revenues from financial transactions	2,677,104	1,364,547	96%
Expenses on financial transactions	(1,066,109)	(571,180)	87%
	1,610,995	**793,367**	

1.2.5. P/L of businesses accounted by the equity method

	30/06/2019	30/06/2018
Legatum '95 Kft.	-	3087
Konzum Management Kft.	(696,878)	(314,025)
CIG Pannónia Életbiztosító Nyrt.	127,729	234,947
	(569,149)	**(75,991)**

1.2.6. Share in the other comprehensive income of the affiliated company

In the reporting period, the affiliated companies of Konzum group did not have any other item affecting the comprehensive income.

As against HUF 1,768,200,000 realised in the reference period, in the reporting period the KONZUM group realised HUF 1,102,647,000, i.e. 38 per cent less. Profit or loss after taxes In comparison to HUF 2,254,244,000 it increased by 31 per cent, and thus it closed the reporting period with a profit after taxes in the amount of HUF 2,961,414,000.

1.3. Balance sheet analysis

For the purpose of presenting the balance-sheet data, the data recorded on 31/12/2018 are considered as a benchmark.

KONZUM Group closed H1 2019 with a balance-sheet total of HUF 153,182,282,000, up by nearly 16 per cent on a year earlier.

1.3.1. Long-term assets

	30/06/2019	31/12/2018	Change
Intangible assets	276,673	305,585	-9%
Real property	110,741,316	101,395,705	9%
Right-of-use asset	285,104	0	100%
Plant, machinery, equipment and vehicles	705,224	677,536	4%
Other equipment, furniture, fittings, tools, fixtures, vehicles	273,615	364,000	-25%
Deferred tax assets	183,241	158,911	15%
Financial investments	163,900	1,010	16.128%
Participation in affiliated companies	14,287,074	14,855,120	-4%
Goodwill	16,179,977	16,179,977	0%
	143,096,124	**133,937,844**	

KONZUM

The most significant change in long-term assets is shown in the right-of-use assets and financial investments line.

Property

The portfolio of properties exceeds the value recorded in the previous period by nearly HUF 9 billion, representing a 9 per cent increase on the reference period. Growth is explained by Appeninn company group's acquisition of the Club Aliga property.

Right-of-use asset

The right-of-use asset category was adopted in 2019. The Company Group recognises the value of the rights of use established on the basis of rental and lease agreements, against long-term liabilities in accordance with the IFRS 16 standard.

Financial investments

It contains KONZUM Nyrt.'s loan vis-a-vis an affiliated company re-scheduled for a long term and expiring on 31/12/2022.

Participation in affiliated companies

Company name	30/06/2019	30/06/2018	Change
Konzum Áruház Kft.	0	30	-100%
KPRIA Hungary Zrt	580	580	0%
Konzum Management Kft.	5,790,350	9,062,154	-36%
Legátum 95 Kft.	0	298,518	-100%
CIG Pannónia Életbiztosító Nyrt.	8,466,616	8,213,393	3%
Gyulai Várfürdő Kft.	28,000	28,000	0%
Gyulai Turisztikai Nonprofit Kft.	214	214	0%
Gyulai Turisztikai Nonprofit Kft.	210	210	0%
Bioenergie Heiligenblut GmbH	1,104	0	100%
	14,287,074	**17,603,099**	

KONZUM Nyrt.'s affiliated businesses were added the 15 per cent share in Bioenergie Heiligenblut GmbH included in the group through Heiligenblut Hotel GmbH.

Goodwill

	Goodwill
Heiligenblut Hotel GmBH	1,419,481
Hunguest Hotels Montenegro d.o.o.	787,862
Holiday Resort Kreischberg Murau GmbH	526,241
KZH Invest Kft.	12,960,268
Pollux Hotel Kft.	31,588
MB Hills Kft.	135
Relax Gastro GmbH	150,598
BLT Group Zrt.	49,509
Legátum 95' Kft.	254,295
	16,179,977

1.3.2. Current assets

	30/06/2019	31/12/2018	Change
Inventories	357,119	413,579	-14%
Trade receivables	745,740	862,777	-14%
Receivables from related companies	211,694	550,740	-62%
Other short-term receivables	1,714,955	2,310,763	-26%
Corporate income tax assets	99,465	71,073	40%
Prepayments and accrued income	1,009,922	764,054	32%
Securities	200	200	0%
Cash and cash equivalents	5,947,063	6,028,109	-1%
	10,086,158	**11,001,295**	

Current assets show a 8 per cent decrease on the base period.

The most significant change is shown in the balance-sheet line "receivables from related companies:, as it dropped from HUF 550,740,000 to HUF 211,694,000. The accounts receivable between the affiliated companies recognised in this balance-sheet line, i.e. Konzum Management Kft. and Konzum Nyrt., decreased considerably during these six months, and the balance on the balance-sheet date was reclassified among financial investments in an amount of HUF 163,051,000.

Prepayments and accrued income

The 32 per cent rise in prepaid expenses and accrued income is due to the accruals of revenues earned in the previous period at a level higher than in the previous period.

Cash and cash equivalents

The closing portfolio of liquid assets does not considerably differ from the corresponding figure in the reference period, and it is around HUF 6 billion.

1.3.3.Subscribed capital and reserves

Equity	30/06/2019	31/12/2018	Change
Subscribed capital	826,308	826,308	0%
Capital reserve	37,458,643	37,458,643	0%
Valuation reserve	0	0	100%
Retained earnings	19,125,852	17,618,351	9%
P/L for the reporting year	359,505	1,507,501	-76%
Non-controlling shares	19,906,388	16,429,937	21%
	77,676,696	**73,840,741**	

Subscribed capital and capital reserves

On 30/06/2019, the Company's subscribed capital comprises 330,523,148 dematerialized, registered, ordinary shares with the nominal value of HUF 2.5 each.

Valuation reserve, retained earnings and P/L for the reporting year

2019. In the course of H1 2019, the profit of the reporting period to non-controlling participations increased by 21 per cent or HUF 3.4 billion, and as a result, the profit allocated to the Company Group's parent company shows decline despite a trend of increase.

1.3.4. Long-term liabilities

	30/06/2019	31/12/2018	Change
Long-term loans and advances	38,409,150	34,207,037	12%
Long-term liabilities to related companies	4,797,998	3,300,866	45%
Provisions for expected liabilities	400,103	93,638	327%
Deferred tax liabilities	3,708,969	4,650,342	-20%
Other long-term liabilities	561,166	261,876	114%
	47,877,386	**42,513,759**	

The Company Group's long-term liabilities have increased by 13 per cent on a year earlier.

Long-term loans and advances, and liabilities to related companies

The Company Group's long-term liabilities have grown by approximately HUF 5 billion, due to the increase in the long-term liability in the property business line.

Provisions for expected liabilities

The cause of the HUF 306,456,000 rise in the line showing provisions is the provisions made for the unused days of leave accumulated during H1 2019 in the tourism business line.

Other long-term liabilities

The reason for increase in the other long-term liabilities is that the Company Group adopted liabilities in this balance-sheet line because of the rental and lease agreements recognised against the right-of-use asset in relation to the IFRS 16 standard.

1.3.5. Short-term liabilities

	30/06/2019	31/12/2018	Change
Short-term loans and advances	14,073,946	14,702,240	-4%
Liabilities to creditors	1,551,314	2,984,267	-48%
Liabilities to related parties	1,797,267	374,356	380%
Other tax liabilities	386,180	460,085	-16%
Other liabilities	3,109,361	4,135,000	-25%
Corporate income tax liability	77,983	42,230	85%
Accrued expenses and deferred income	6,632,149	5,886,461	13%
	27,628,200	**28,584,639**	

The Company Group's short-term liabilities show a favourable 3 per cent trend.

Short-term loans and advances, and liabilities to trade creditors and to related companies

The short-term loans and advances show a decrease in liabilities in the reporting period in tourism and property development in a total amount of HUF 628,294,000, caused by the payment of the loan repayment instalments due in the reporting period.

In the reporting period, the consolidated balance of trade liabilities and liabilities to related parties remains unchanged on the reference period.

Other liabilities

The main reason for the nearly HUF 1 billion or 25 per cent reduction in other liabilities was that in the reporting period, Hunguest Hotels Zrt. recognised advances paid by customers in a nearly identical amount, and failed to invoice supplier services relative to the reporting period.

Accrued expenses and deferred income

In the tourism business line, the 13 per cent increase in accrued expenses and deferred income arises from the accruals and deferrals of costs incurred in the period preceding the balance-sheet period, which were higher than in the previous period.

Balance sheet

ASSETS	2019 30 June	2018 31 December	2018 30 June
Long-term loans			
Intangible assets	276,673	305,585	337,222
Real property	110,741,316	101,395,705	92,009,545
Right-of-use asset	285,104	0	0
Plant, machinery, equipment and vehicles	705,224	677,536	267,235
Other equipment, furniture, fittings, tools, fixtures, vehicles	273,615	364,000	328,795
Deferred tax assets	183,241	158,911	11,253
Financial investments	163,900	1,010	135,722
Participation in affiliated companies	14,287,074	14,855,120	17,603,099
Goodwill	16,179,977	16,179,977	15,723,360
Long-term assets, total	**143,096,124**	**133,937,844**	**126,416,231**
Current assets			
Inventories	357,119	413,579	334,204
Trade receivables	745,740	862,777	354,959
Receivables from related companies	211,694	550,740	14,373
Other short-term receivables	1,714,955	2,310,763	2,290,825
Corporate income tax assets	99,465	71,073	31,186
Prepayments and accrued income	1,009,922	764,054	671,447
Securities	200	200	200
Cash and cash equivalents	5,947,063	6,028,109	2,263,749
Assets held for sale	-	-	-
Current assets, total	**10,086,158**	**11,001,295**	**5,960,943**
Assets, total	**153,182,282**	**144,939,139**	**132,377,174**

LIABILITIES	2019 30 June	2018 31 December	2018 30 June
Equity			
Subscribed capital	826,308	826,308	732,104
Capital reserve	37,458,643	37,458,643	26,037,094
Valuation reserve	-	-	(1037)
Retained earnings	19,125,852	17,618,351	17,578,350
P/L for the reporting year	359,505	1,507,501	1,955,322
Non-controlling shares	19,906,388	16,429,937	12,017,491
Equity, total:	**77,676,696**	**73,840,741**	**58,319,324**
Long-term liabilities			
Long-term loans and advances	38,409,150	34,207,037	21,929,949
Long-term liabilities to related companies	4,797,998	3,300,866	-
Provisions for expected liabilities	400,103	93,638	94,099
Deferred tax liabilities	3,708,969	4,650,342	3,733,631
Other long-term liabilities	561,166	261,876	12,437,259
Long-term liabilities, total	**47,877,386**	**42,513,759**	**38,194,938**
Current liabilities			
Short-term loans and advances	14,073,946	14,702,240	8,762,855
Liabilities to creditors	1,551,314	2,984,267	8,013,841
Liabilities to related parties	1,797,267	374,356	8,876,041
Other tax liabilities	386,180	460,085	58,195
Other liabilities	3,109,361	4,135,000	4,558,449
Corporate income tax liability	77,983	42,230	21,753
Accrued expenses and deferred income	6,632,149	5,886,461	5,571,778
Current liabilities, total	**27,628,200**	**28,584,639**	**35,862,912**
Liabilities and equity, total	**153,182,282**	**144,939,139**	**132,377,174**

Comprehensive income statement

	2019 30 June	2018 30 June
Net sales revenue	15,385,280	11,329,722
Goods and services sold	(1,438,232)	(779,833)
Capitalised own performance	13,033	10,595
Raw materials, consumables and other external charges	(5,516,621)	(4,292,482)
Staff costs	(5,482,631)	(3,529,517)
Depreciation and impairment	(1,134,247)	(518,844)
Other expenditures and other revenues	(723,935)	(451,441)
Operating costs	**(14,282,633)**	**(9,561,522)**
Operating P/L	**1,102,647**	**1,768,200**
Financial income	2,677,104	1,364,547
Financial expenses	(786,481)	(571,180)
Share in the profits of entities valued with the equity method	(848,778)	(75,991)
P/L before taxes	**2,144,492**	**2,485,576**
Tax liability	(162,666)	(80,134)
Deferred tax liabilities	979,587	(151,198)
P/L after taxes	**2,961,413**	**2,254,244**
Impact of exchange rate changes	-	(1,037)
Share in the other comprehensive income of the affiliated company	-	
Deferred tax	-	-
Other comprehensive income	**0**	**(1,037)**
Total comprehensive income	**2,961,413**	**2,253,207**
Of the P/L after taxes		
Parent company's share	359,505	298,922
External owner's share	2,601,908	1,955,322
Of other comprehensive income		
Parent company's share	-	
External owner's share	-	(1,037)
Of other comprehensive income		
Parent company's share	359,505	298,922
External owner's share	2,601,908	1,954,285

KONZUM

Change in the shareholders' consolidated equity	Subscribed capital	Capital reserve	P/L reserve	Revaluation reserve	P/L in the reporting year	Equity allocated to the parent company total	Non-controlling participation	Equity, total
Balance as at 1 January 2018	**521,500**	**0**	**44,950**	**9,303,162**	**8,689,415**	**18,559,027**	**22,288,880**	**40,847,907**
Book transfer of profit and loss			8,689,415		(8,689,415)			
Change in the accounting policy			9,303,162	(9,303,162)				
P/L for the reporting year				(1,037)	1,955,322	1,954,285	298,922	2,253,207
Capital increase	210,604	26,037,094				26,247,698		26,247,698
Acquisition of a new subsidiary							11,638,886	11,638,886
Transactions with NCI control			(453,924)			(453,924)	(22,214,449)	(22,668,374)
Assigned cash contributions								
Dividend								
Other			(5252)			(5252)	5252	
Balance as at 30 June 2018	**732,104**	**26,037,094**	**17,578,351**	**(1,037)**	**1,955,322**	**46,301,833**	**12,017,491**	**58,319,325**
Book transfer of profit and loss								
Change in the accounting policy								
P/L for the reporting year				1,037	(447,821)	(446,784)	4,275,764	3,828,980
Capital increase	94,204	11,421,549				11,515,753		11,515,753
Acquisition of a new subsidiary							136,683	136,683
Transactions with NCI control			(33,000)			(33,000)		(33,000)
Assigned cash contributions			73,000			73,000		73,000
Dividend								
Other								
Balance as at 31 December 2018	**826,308**	**37,458,643**	**17,618,351**	**0**	**1,507,501**	**57,410,803**	**16,429,938**	**73,840,741**

Change in the shareholders' consolidated equity	Subscribed capital	Capital reserve	P/L reserve	Revaluation reserve	P/L in the reporting year	Equity allocated to the parent company total	Non-controlling participation	Equity total
Balance as at 1 January 2019	**826,308**	**37,458,643**	**17,618,351**	**0**	**1,507,501**	**57,410,803**	**16,429,938**	**73,840,741**
Book transfer of profit and loss			1,507,501		(1,507,501)			
Change in the accounting policy								
P/L for the reporting year					359,506	**359,506**	2,619,143	2,978,649
Capital increase								
Acquisition of a new subsidiary							857,353	857,353
Transactions with NCI control								
Assigned cash contributions								
Dividend							(46)	(46)
Other								
Balance as at 30 June 2019	**826,308**	**37,458,643**	**19,125,852**	**0**	**359,506**	**57,770,309**	**19,906,389**	**77,676,697**

Cash Flow Statement

	30 June 2019	30 June 2018
Cash-flow from business activity		
P/L after taxes	2,961,413	2,254,244
Adjustments:		
Depreciation in the reporting year	1,134,247	518,844
Deferred tax	(13,884)	1,091,553
Change in provisions	306,465	61,316
Valuation of an affiliated company with the equity method	848,778	75,991
Revenues from the sale of tangible assets	0	
Change in the working capital		
Change in inventories	56,460	(134,572)
Change in trade and other receivables	1,023,499	14,113,518
Change in prepayments and accrued income	(245,868)	(244,185)
Change in accounts payable	(1,432,953)	7,210,083
Other short-term liabilities and deferrals	444,509	9,017,346
Change in accrued expenses and deferred income	745,688	2,775,423
Tax paid	(162,666)	(80,134)
Net cash flow from business activity	***5,665,688***	***36,659,427***
Cash-flow from investment activity		
(Purchase of) tangible and intangible assets	(10,673,353)	(58,745,999)
Acquisition of affiliated companies	(443,622)	(5,743,153)
Dividends received		
Acquisition of a subsidiary		(26,828,352)
Net cash flow from investment activity	***(11,116,975)***	***(91,317,504)***
Cash flow from financing activity		
Borrowing from/(repayment to) banks	3,873,109	28,490,261
Contribution to / (-) withdrawal from the capital	0	26,247,698
Dividend payment	0	0
Loans granted	1,497,132	0
Purchase/sale of securities	0	0
Net cash flow from financing activity	***5,370,241***	***54,737,959***
Net change in cash and cash equivalents	(81,046)	79,882
Balance of cash and cash equivalents at the beginning of the year	6,028,109	2,179,428
Balance of cash and cash-like items at the end of the year	***8,210,812***	***2,263,749***

Changes in the accounting policy

On 13 January 2016, IASB published a new standard about the recognition of leasing transactions.
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The application of the new standard on lease is mandatory for companies that adopt the IFRS in respect of the reporting periods beginning on or after 1 January 2019. The new standard has replaced the current regulations set out in IAS 17 on lease, and have fundamentally changed the previous practice of accounting operative leasing.

Concerning the application of IFRS 16 on lease, the Company Group has decided the following:

- the Company Group will not apply the new standard on lease retroactively,
- the Company Group reviewed its contract portfolio to establish whether or not they were lease agreements or contained lease on 1 January 2019, i.e. at the time of the first application,
- the Company will not apply the standard to short-term lease contracts (maturing within a year) and to lease contracts that were concluded for an indefinite term and that can be terminated at any time;
- the Company will not apply the standard to leased, underlying assets of small value unless their one-off value exceeds (approximately) USD 5000 when new.

Impact of the new IFRS 16 accounting standard on the key indicators

HUF '000'	H1 2019		H1 2019
Description	In accordance with IAS 17	Impact of the adoption of IFRS 16	In accordance with IAS 17
Long term loans			
Asset use right	0	285,104	285,104
Equity			
P/L for the reporting year	77,642,369	34,327	77,676,696
Long-term liabilities			
Other long-term liabilities	47,626,609	250,777	47,877,386
Comprehensive income statement			
Raw materials, consumables and other external charges	(5,605,517)	88,896	(5,516,621)
Other expenditures and other revenues	(673,657)	(50,278)	(723,935)
Expenses on financial transactions	(1,061,818)	(4,291)	(1,066,109)

HUF '000'

Description	H1 2019
Profit after taxes, adjusted for the IFRS 16 impact	2,927,087
Impacts of the IFRS 16 standard	34,327
Profit after taxes, including the IFRS 16 impact	**2,961,414**