First half-year report of ENEFI Asset Management Plc.

H1

30.06.2023

Published on: 28.09.2023

INTRODUCTION

The ENEFI Asset Management Plc. Board of Directors' evaluation on the group-wide unaudited performance for the first half of 2023:

"We respectfully welcome all Shareholders, Readers and Interested Parties!

The ENEFI group has closed the first half of 2023 with loss. The consolidated comprehensive income for the period is a loss in thousand of HUF 332,890, EBITDA is HUF -158,393.

The total value of ENEFI Plc's claims in litigation proceedings is significant. The value of receivables supported by a final court judgement is recorded in the accounts at their fair value; in the absence of a court judgement, receivables are recorded at zero forints.

As part of our business, we continually evaluate the acquisition of new potential assets to be included in the Company. Our goal is to grow the Group essentially organically. We want to deliver significant results for our shareholders in the medium term.

The Board of Directors of ENEFI Asset Management Plc.

SELECTED FINANCIAL INFORMATION (Consolidated)

SELECTED FINANCIAL INFORMATION *in thousand HUF*	**30.06.2023**	**31.12.2022.**
Total capital and reserves	**3,315,782**	**3,712,111**
Attributable capital to company's shareholders	**2,690,405**	**3,022,659**
Total non-current liabilities	**840**	**840**

SELECTED PROFITABILITY INFORMATION (Consolidated)

SELECTED PROFITABILITY INFORMATION **in thousand HUF**	**30.06.2023**	**06.30.2022**

Sales revenues	**230,150**	**560,467**
Pre-tax profit	**(226,427)**	**(189,893)**
Total periodic comprehensive invome	**(332,890)**	**(193,935)**

The Company notes that as a publicly listed company, all significant events relating to ENEFI will be disclosed in the form of a statement, which can be found on its website (www.e-star.hu, www.enefi.hu), and on the Budapest Stock Exchange's website (www.bet.hu) and also on the website operated by the National Bank of Hungary (www.kozzetetelek.hu).

ACTIVITY

The ENEFI Asset Management Plc presents below its unaudited financial results for the period.

The report presents the Company's operations for the period based on the unaudited financial data of the Company and its consolidated companies.

The ENEFI Asset Management Plc., seated in Budapest is the parent company of a group of companies present in Hungary and Romania, whose member companies were mainly engaged in heat production and services in certain well-defined geographical areas of these two countries, and from 2019-2020 onwards its activities were divided into strategic pillars and complemented as follows:

BASIC STRATEGY (A, B, C PILLARS)

A. BASIC PILARS

1. Litigations

In the Company's books, the value of the litigation is recorded at HUF 0 in the auditor's valuation according to the principle of "utmost prudence". Conversely, the Company's management considers the litigation to be fully justified and, in its opinion, has a strong chance of success. In 2023 the Company has continued its litigation, the conduct (events) of which it has disclosed in its publications.

2. Energy efficiency

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

Commencement of activity: 2000.

Introduction

Municipalities and public institutions often use outdated and wasteful heating systems. In addition, it is becoming increasingly difficult to maintain aging systems at ever-increasing maintenance costs, and any equipment failure can result in significant - and unplanned - capital expenditure. As a result of the tightness of local government finances, the investment may have to be financed by borrowing, which is a further deterioration in borrowing capacity. Following an individual survey of the customer's buildings and a preliminary needs assessment with the customer, the company prepares a package of offers in this business area, including a proposal for a long-term solution for the provision of heating services at a higher level. Once the contract has been signed, the Company will carry out the energy upgrades identified in the impact study prepared during the appraisal, through its own investments, without using the customer's own resources, and will then provide long-term (10-25 years) heating services on the basis of the modern energy system, including operation and maintenance. Depending on individual needs, modernisation can include boiler replacement, making heat consumption controllable and measurable (multi-circuit heating systems, installation of thermostats, heat pumps, etc.). The Company purchases some of the ancillary factors required to provide heat (e.g. renting boiler houses, electricity, water, etc.) from customers. The equipment is mostly purchased by the Company from domestic representatives of global companies (e.g. in the case of boilers, these companies are typically Viessmann, Buderus, Hoval, etc.), who usually also carry out the installation. The Company also enters into long-term contracts with local subcontractors for the maintenance of the assets. The modernization - under the same conditions - will result in significant energy cost - savings up to 40-50%. The company's heat supply is generally gas-fired. Instead of the current direct relationship "gas supplier - municipality", the relationship "gas supplier (gas trader) - company" will be used for the purchase of gas and the supply of heat to customers. The customer gets heat at a lower cost while the heating system is modernized. The customer pays a basic or service charge, plus an additional charge proportional to consumption according to a pre-determined formula. The company will adjust the unit price for heat supply to the gas price charged by the local gas supplier.

The Company has not concluded any new heat supply contracts over the last few years. The practical timing of the termination of existing contracts depends on the continuation or termination of the contractual relationship and the behaviour of the parties in relation to the termination, continuation or formalisation of contracts.

The Company's associated company (RFV Józsefváros Kft.) is currently involved in a legal dispute with the Municipality of Józsefváros, which has a contractual relationship with the Company, and with the Inner Pest School District. The dispute arises from the fact that the parties have different legal positions regarding the expiry date of the contract. In addition, customers fail to meet their contractual obligations to pay. Having regard to the above, there is a risk that, in the absence of an agreement, the dispute between the parties will force the Company to commence legal proceedings to enforce its legitimate claims.
Key markets for energy efficiency (ENEFI's geographical scope)

• Initially, ENEFI Plc. successfully carried out projects in the heating, lighting and kitchen technology sectors in Hungary, mainly in the municipal sector.
• The changing economic and social expectations in our region have led to an increasing demand for the solutions offered by the company, which has allowed it to expand in the region, gaining strength and references in our country.
• As the municipalities in our region are even more underfunded and the heating technology of public institutions is even more outdated, and thus more significant savings can be made, ENEFI has increasingly turned its attention to neighboring countries, starting with Romania in 2010 and then Poland in 2011.

The Company sold its operations in Poland in 2016 and the issuer no longer has any operating projects in Romania, so its operations are limited to Hungary.
As of 01.01.2017, the Issuer's revenues are generated exclusively in Hungary, from the heat supply business, and it currently has no street lighting and kitchen technology businesses.

Key energy efficiency services across the Group

Key energy efficiency services across the Group are the following:
— efficient heat and district heating based on sustainable primary energy sources
— modernization and efficient use of energy supply and conversion facilities

c.) MAHART project

Date of acquisition: 20.12.2019

Introduction

On 08.12.2019. the Issuer informed its Honourable Investors that the Issuer won an accelerated open public procurement tender (EKR001321472019) for the 'Procurement of Fixed LNG – CNG Fueling Facilities' an open accelerated public procurement procedure worth HUF 1.5 billion.

Under the terms of the contract, ENEFI will be responsible for a complex charging station that is unique in Europe
- its concept plan
- licensee in principle,
- licensee and
- preparation of working drawings,
- the submission of plans to the authorising authorities,
- conducting the authorization procedures
- procurement of specific equipment on the basis of designs
- or manufacture/production and

- integration into a coherent system, and
- complete execution of,
- commissioning of the complex installation
- the preparation of all the documentation required for commissioning,
- training and education of staff involved in production.

Given that MAHART has already accumulated a significant amount of debt towards the Company and that substantive negotiations between the parties have stalled, there is a risk that, in the absence of an agreement, the dispute between the parties will force the Company to commence legal proceedings to enforce its legitimate claims.

The Group continues not to recognise any gross profit on the project and has made a provision for expected losses as at 31.12.2022.

B. REAL PILLARS

1. Finance

Basically, the acquisition of minority shareholdings in the following companies: bank, insurance company, investment bank (service provider). The objective is to acquire a stake in a company with a defined profile. The company is focused on the information technology sector. The Group does not have such an exposure currently.

2. Tourism

Identifying potential in the tourism and gastronomy sector that is primarily unique. Uniqueness means that the Company does not focus on the creation and acquisition of tourism and hospitality units and services in Hungary in general, but on unique projects based on niche, experience-rich hospitality that does not yet exist or is not yet operated efficiently enough.

SÍARÉNA Kft. - operator of the ski slope in Eplény

Date of acquisition: 09.01.2020.

Form of ownership: 100 percent share of business, total consolidation

Introduction

Síaréna Kft is owned by ENEFI PLC. It's major activity is the operation of the ski slope in Eplény. While operating the ski slope, it carries out the following business lines:

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

- ski instructions
- chairlift
- operation of bicycle routes
- catering

Eplény Ski Arena is the largest and most modern ski resort in Hungary thanks to continuous development and investment. There are more than 7 kilometres of ski slopes in Eplény, most of which (4 km) are blue-marked. The blue slops can be used after the dusk thanks to ski slope lighting Snow producing system provides the snow on the slopes. High-performance pumps transport water from reservoirs with a total capacity of more than 17,000 cubic metres to the ski slopes, where 51 snow cannons in the Ski Arena turn it into snow. The total snow production capacity of the system is 600 cubic metres per hour. This huge snow production capacity allows for ski seasons averaging 90-100 days. The Ski Arena has two chair lifts, three pulley lifts and three instructor lifts to transport skiers. We serve hungry and thirsty guests in a total of six locations, including a restaurant, a pizzeria, an oven buffet and a panorama bar.

Winter visitor numbers range between 40 and 60 thousand, depending on the length of the seasons. This is the number of registered ticket holders, which does not include the significant number of accompanying persons. Ski instructions and rental are dynamically growing business. The explanation is that with rising living standards, more and more people can afford to ski, so the market is growing. For two years we have been running the "learn skiing" campaign in the media in winter and summer. We are planning to further develop the capacity available for training (lift, area, rental equipment) so that this maneuver can be better utilised during the week. During last season, however, the number of visitors fell sharply, partly due to bad weather, an almost tenfold increase in electricity prices and a drop in solvent demand.

The facility operates four seasons. Usually the last weekend of the ski season is the start of the chair lift season, which lasts until November, ensuring year-round operation The number of chair lift visitors is significantly growing year by year. Notwithstanding the four seasons, the high season can in principle consist of December, January, February and the first half of March (weather permitting).

The Company is working to extend the peak season to four seasons. In order to achieve the above, further developments have been and are currently being carried out in the Ski Arena Bike Park area, including the creation and development of cycling trails and the organisation of cycling events. The company's aim is to make the Ski Arena Bike Park a popular training and racing venue for the national cycling community.

Year-round operations also have a stimulating effect on staff numbers. The larger the permanent staff number is, the more stable is the operation of the processes.

We have a dynamic development and a high level of publicity. Every year our circle of supporters grows.

The ski slopes are usually the venue for major events.

Because of our events and speciality salt production, we have a very high profile in the national media.

For further information, visit our website:http://siarena.hu/

3. Real estate

No exposure

4. Food industry

No exposure

C. CAPITAL MARKETS PILLAR

In its capital market activities, the Company is engaged in trading capital market investment instruments for profit.

The Company has previously published its detailed strategy, which can be found on its disclosure pages.

Consolidated mid-year financial statements

ENEFI Asset Management Plc.

Form of operation:Public Limited Company

and its consolidated subsidiaries for the six months ended 30 June 2023 in accordance with IAS 34

Content

Notes to abbreviations applied in the financial statements

IAS	International Accounting Standards
	International Financial Reporting Standards
IFRIC/SIC	International Financial Reporting Interpretations Committee /Standing Interpretations Committee
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
EPS	Earnings per Share (EPS)
CGU	Cash Generator Unit
FB	Supervisory Board
NCI	Non-controlling interest
CDO	Chief Development Officer
ECL	Expected Lending Loss

I. Consolidated comprehensive income statement

	Notes	30.06.2023	30.06.2022
Revenue	(1)	230,150	560,467
Material cost	(2)	(281,791)	(550,984)
Personnel cost	(3)	(129,320)	(203,216)
Other income/ expenses (-)	(4)	22,568	(22,402)
Depreciation	8-9	(48,926)	(38,580)
Net profit/loss from financial activities	(5)	(19,108)	64,822
Profit before tax		**(226,427)**	**(189,893)**
Income tax		(844)	(18,243)
Profit/loss after tax for current year		**(227,271)**	**(208,136)**
Parent company shareholders' share in profit or loss		(226,635)	(211,230)
Share of external owners in the result		(636)	3,094
Exchange differences resulting from the conversion of foreign operations	(6)	(105,619)	14,201
Total other comprehensive income		**(105,619)**	**14,201**
Total comprehensive income		**(332,890)**	**(193,935)**
Share of parent company shareholders		(332,254)	(197,117)
Share of external owners		(636)	3,182
Earnings per share (HUF)		**0**	**0**
Basic earnings per share	(7)	(20,99)	(19,56)
Diluted earnings per share	(7)	(17,71)	(16,51)
EBITDA	(7)	**(158,393)**	**(216 135)**

II. Mid-year consolidated balance sheet

Consolidated balance sheet - Assets	Notes	30.06.2023	31.12.2022
Intangible assets	(8)	30,079	31,346
Tangible assets	(9)	1,595,209	1,626,076
Long-term receivables from concession assets		-	52,160
Total non-current assets		**1,625,288**	**1,709,582**
Short-term receivables from concession assets		94,004	55,737
Inventories		3,969	6,135
Trade receivebles		164,524	164,853
FVTPL Securities	(10)	34,512	34,512
Income tax receivables		33,264	31,123
Other short-term receivables	(11)	312,495	431,448
Active Accruals		15,740	31,483
Cash and cash equivalents		1,067,985	1,247,238
Total current assets		**1,726,494**	**2,002,529**
Total assets		**3,351,782**	**3,712,111**

Consolidated statement of financial position - Equity and liabilities	Notes	30.06.2023	31.12.2022
Share capital		166,061	166,061
Share premium		4,698,538	4,698,538
Accumulated revaluation reserve		(19,028)	86,591
Share-based benefit reserve		65,520	65,520
Treasury shares		(1,405,717)	(1,405,717)
Retained earnings		(814,969)	(588,334)
Equity attributable to owners of the Company		**2,690,405**	**3,022,659**
Non-controlling interests		44,839	45,475
Total equity		**2,735,244**	**3,068,134**
Other long-term liabilities		840	840
		840	**840**

Continued on next page

Continued from previous page

Consolidated statement of financial position - Equity and liabilities	Notes	30.06.2023	31.12.2022
Provisions		216,715	216,715
Short-term bank loans	(11)	34,063	42,785
Trade payables		99,428	105,850
Other current liabilities	(12)	93,478	97,333
Passive Accruals		172,014	180,454
Total current liabilities		**615,698**	**643,137**
Total liabilities		**616,538**	**643,977**
Total equity and liabilities		**3,351,782**	**3,712,111**

III. Mid-year consolidated statement of changes in equity

	Subscribed capital	Reserves	Changes of provisions	Reserve of share-based payments	Own shares	Profit reserve	Own equity attributable to one equity holder of the parent company	Non-controlling interests	Total capital and reserves
.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	-	-	(211,319)	(197,118)	3,182	(193,936)
30 June, 2022	166,061	4,698,538	80,760	65,520	(1,405,717)	(620,314)	2,984,848	45,109	3,029,957
Total comprehensive income H2	0	0	5,831	0	0	31,980	37,811	366	38,177
31 December, 2022	166,061	4,698,538	86,591	65,520	(1,405,717)	(588,334)	3,022,659	45,475	3,068,134
Total comprehensive income H1	0	0	(105,619)	0	0	(226,635)	(332,254)	(636)	(332,890)
30 June, 2023	166,061	4,698,538	(19,028)	65,520	(1,405,717)	(814,969)	2,690,405	44,839	2,735,244

IV. Mid-year consolidated cash flow statement

	Notes	30.06.2023	30.06.2022
Cash flow from operations			
Profit/loss before tax		(226,427)	(189,893)
Net interest expenditure	(5)	3,653	2,677
Non-cash items			
Depreciation	8-9	48,926	38,581
Impairment	(5)	(52,584)	1,405
Result from sale of tangible assets		-	32,743
Profit/loss impact of exchange loss	(5;6)	(14,346)	42,285
Change in receivables from concession assets		13,924	126,579
Revaluation of securities	(5)	-	4,321
Profit/loss impact of expected credit loss	(5)	2,341	(24,637)
Interest income	(5)	(13,074)	(14,126)
Total non-cash items		**(14,813)**	**207,150**
Income tax paid		(2,988)	(10,096)
Interest paid		3,653	(2,716)
Adjusted profit/loss in the year concerned		**(244,228)**	**7,121**
Changes in working capital			
Changes in trade receivables and other current receivables		153,726	(688,884)
Change in accruals		7,303	(5,123)
Inventory changes		2,166	10,809
Change in trade payables and other liabilities		(10,276)	448,047
Net cash flow from operating activity		**(91,309)**	**(228,031)**

continued on next page

continued from previous page

Cash flows from investing activities			
Received interest		13,074	472
Acquisition of tangible and intangible assets	8-9	(17,049)	(61,098)
Revenue from the sale of tangible and intangible assets		-	451,400
Loan repayment	(11)	15,582	223,881
Sale/purchase of securities	(10)	-	150,837
Net cash flow from investing activity		**11,607**	**765,492**
Cash flows from financing activities			
Changes in bankloans (borrowing - repayment)	(12)	(8,723)	(18,699)
Net cash flow from financial activities		**(8,723)**	**(18,699)**
Currency translation on cash and cash equivalents	(5)	(91,015)	(33,731)
Expected credit loss on cash and cashequivalents	(5)	188	-
Change in cash and cash equivalents		**(179,253)**	**485,032**
Cash and cash equivalents at the beginning of the year		1,247,238	443,012
Cash and cash equivalents at the end of the year		1,067,985	928,044
Change of cash and cash equivalents		**(179,253)**	**485,032**

V. Standards of preparation of financial statements

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, so they do not include all the information presented in the year-end financial statements in accordance with IAS 1 Presentation of Financial Statements. These interim financial statements should be interpreted in connection with the financial statements for the financial year ending 31 December 2022 (hereafter referred to as the full financial statements).

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

The accounting policies and standards used in the preparation of the interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2022.

Changing standards

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) issued the following amendments in 2023:

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies
- IFRS 17 "Insurance Contracts", including amendments to IFRS 17
- Amendments to IAS 12 Income Taxes, deferred tax on assets and liabilities arising from a single transaction
- IAS 8 “Accounting policies, changes in accounting estimates and errors”, determining accounting estimates

Standards and interpretations issued by the IASB and not adopted by the EU

- Amendments to IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments in relation to vendor financing arrangements
- Amendments to IAS 12 Income Taxes Amendments to International Tax Reform - Second Pillar Model Regulations
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Current and Non-current Liabilities
- IFRS 16 'Leases' Standard Lease obligations and leasebacks

VII. Changes in the structure of the Group

There were no changes in the structure of the Group until 30.06.2023.

VII. Interim financial statement presentation, seasonality, fair value and other prominent disclos

The segment reporting in the notes follows the same structure as the full financial statements. Other supplementary information is only disclosed by the Group when required to do so by a qualifying event or by IAS 34 Interim Financial Reporting.

IAS 34 requires the Group to disclose information about fair value measurements.
The Group measures equity investments at fair value through profit or loss. For information on the fair value of securities, see Note X, paragraph 10.
While the consolidated Síaréna Kft has service revenues for the whole year (all months of the year), the volume of revenues from this activity is concentrated in the winter months.

V. Notes to the interim comprehensive income statement

1. Composition of the Group's revenue

	30.06.2023	30.06.2022
Revenues from lease	15,233	24,903
Income of other operations	10,526	4,124
Heat sales	34,880	259,661
Sales revenue from MAHART project	-	4,010
Operation of ski slope	169,511	267,769
Total	**230,150**	**560,467**

The revenues from the operation of the ski slopes were significantly lower than the Group's revenues for the 2021/2022 ski season. The reason for this is the lack of precipitation since 2021, which has meant that it has not been possible to use sufficient amounts of natural water for snowmaking. The Ski Arena has not been able to open enough slopes to meet the skiing needs and opportunities due to the lack of water.

Rental income decreased in proportion to the number of expired contracts.

The decrease in revenue from heat sales is due to a decrease in the number of contracts.

2. Material costs

Material costs	30.06.2023	30.06.2022
Cost of goods sold	(1,309)	(6,990)
Public utility fees	(136,750)	(262,892)
Maintenance materials	(1,784)	(8,929)
Fuel consumption	(5,673)	(11,012)
Use of office supplies and cleaning agents	(501)	(1,548)
Catering industry costs	(7,489)	(22,619)
Cost of sold services (ski training)	(1,086)	(6,795)
Other material cost	(672)	(1,074)
Total	**(155,264)**	**(321,859)**

The reason for the reduction in the catering industry costs is the narrowing of operations due to unfavorable weather, which also reduced catering expenses and ski instruction costs.

Service used	30.06.2023	30.06.2022
Bank charges	(14,086)	(10,471)
Rental fees	(23,133)	(39,759)
Insurance fees	(9,043)	(6,109)
Payment system fees (commission, transaction fee)	(2,794)	(5,223)
Official fees, charges	(4,068)	(1,854)
Advertising and publicity expenses	(960)	(18,485)
Legal fees	(27,359)	(32,467)
Maintenance costs	(13,030)	(29,268)
Office, communication costs	(6,315)	(5,794)
Accounting, auditing fee	(10,901)	(24,955)
Management fee	(3,203)	(401)
Postal fee	(233)	(759)
Events organisation	0	(1,902)
Advisory fees	(6,771)	(2,790)
Travel expenses and costs of foreign travel	(540)	(1,074)
Operating expenses	(3,757)	(46,306)
Other costs	(334)	(1,508)
Total services	(126,527)	(229,125)

The reduction in operating costs by thousand HUF 42,549 e was due to the sale of the M0 filling station, and the reduction in boiler house operating charges in line with the reduction in heat sales revenues.

3. Payments to personnel:

	30.06.2023	30.06.2022
Wages and benefits	(95,421)	(140,367)
Payroll taxes	(10,282)	(16,351)
Other personnel benefits	(275)	(17,471)
Temporary agency cost	(23,342)	(29,027)
Total	**(129,320)**	**(203,216)**

Average statistical number of headcount in 2022: 42 persons The number of employees reduced to 22 at Group level by 30.06.2023.

The number of persons employed by the individual members of the Group was as follows:

Business name	30.06.2023 (person)	31.12.2022 (person)
ENEFI Nyrt.	10	13
RFV Józsefváros Kft.	0	3
Síaréna Kft.	9	22
Romanian subsidiaries	3	4
Total	**(22)**	**42**

4. Other incomes and expenses:

	30.06.2023	30.06.2022
Net profit of sales of plants, real estates and equipment	-	9,724
Other income	312	69
Penalties, interests, compensation for damages	21,892	831
Subsidies received	3,779	3,779
Compensation of insurance	251	-
Unused vouchers	1,664	-
Reversal of uncollectible receivables	634	-
Total other revenue	**28,532**	**14,403**
Penalties	(418)	(684)
Other taxes	(1,754)	(7,232)
Other expenditures	1	(3,872)
Uncollectible receivables	(76)	-
Net loss of sales of plants, real estates and equipment	-	(24,868)
Salvage Value	455	(149)

Compensation for damage	(3,263)	-
Total other expenditure	**(5,965)**	**(36,805)**
Other income and expenses (net)	**22,567**	**(22,402)**

Fines, interest on arrears and damages received include interest on arrears relating to the concession fee claim of the subsidiary E-Star CDR SRL, which was awarded by a final judgment of a Romanian court, and interest on arrears relating to a trade receivable of the parent company.

5. Result from financial operations developed as follows:

	30.06.2023	30.06.2022
Interest income	13,074	471
IFRIC 12 interest income	11,590	13,655
Interest expense	3,653	(2,677)
Not realised exchange rate loss (-) / profit	(82,279)	34,078
Realised exchange rate loss (-) / profit	(3,298)	(47,823)
Revaluation of securities	-	(4,321)
Result of forward dealings	(4,500)	96,428
Dividend income	-	1,121
Impairment/reversal of impairment of customer receivables	51,950	(1,405)
Expected credit loss	(2,341)	(24,705)
Other financial income	349	-
Net profit of financial transactions loss (-) / profit	**(19,108)**	**64,822**

Among futures transactions, the Group reports the combined result of FX Forward transactions concluded by the Group and closed in the current year.

The realized exchange loss includes the loss realized due to the weakening of the forint exchange rate at the settlement for the foreign exchange partners, as well as the realized losses from the exchange of foreign exchange volumes during the year.

In the first half of 2023, the expense recognised as an expected credit loss relates to trade and other receivables and the loss has been reversed. 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.

The expected credit loss is recorded in relation to the following items:

	30.06.2023	30.06.2022
Created Impairment		
Impairment of trade receivables	(2,534)	(24,921)
Other receivables	(26)	
Cash and cash equivalent	-	(68)
Total	**(2,560)**	**(24,989)**
Reversal of impairment		
Impairment of concession receivables	31	284
Cash and cash equivalent	188	-
Total	**219**	**284**
Expected credit loss of financial instruments	**(2,341)**	**(24,705)**

6. Other comprehensive income for the period

The Group classifies the amount of exchange rate differences arising from the conversion of foreign subsidiaries into this earning category.

	30.06.2023	30.06.2022
Exchange rate differences	(105,619)	14,201
Total	**(105,619)**	**14,201**

The geographical areas and currency denominations of exchange rate differences are as follows:

	30.06.2023	30.06.2022
Romania - RON	(83,018)	6,465
Cyprus - EUR	(22,601)	7,736
Total	**(105,619)**	**14,201**

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

EPS:

Basic and diluted EPS	30.06.2023	30.06.2022
Profit for the period attributable to ordinary shareholders	(19,998,277)	(19,998,277)
Weighted average number of ordinary shares (shares)	6,710,959	6,710,959
Basic EPS (THUF/piece)	**(20.99)**	**(19.56)**
Profit for the period attributable to diluted EPS	(19,998,277)	(211,230,311)
Weighted average number of diluted shares	12,797,068	12,797,068
Diluted EPS from continuing operations(THUF/pieces)	**(17.71)**	**(16.51)**

The weighted average number of ordinary shares outstanding in the denominator of the EPS indicator published on 30 June 2022 has been corrected and the indicator has therefore been restated to the correct value.

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

According to industry practice, the Group also discloses the EBITDA indicator, which is not an IFRS indicator. The calculation of the indicator is included in the accounting policies. The details of EBITDA are as follows:

	30.06.2023	30.06.2022
Profit/loss before tax	(226,427)	(189,893)
Depreciation	48,926	38,580
Elimination of net profit/loss from financial activities	19,108	(64,822)
EBITDA	**(158,393)**	**(216 135)**

X. Notes to the interim balance sheet

8. Intangible assets

	Intangible assets	Total
Gross values		
Balance as of 31 December 2022	**82,629**	**82,629**
Procurement	720	720
Change in value due to exchange rate	-	-
Balance as of 30 June 2023	**83,349**	**83,349**
Depreciation		
Balance as of 31 December 2022	**(51,283)**	**(51,283)**
Interim depreciation	(1,987)	(1,987)
Change in value due to exchange rate	-	-
Balance as of 30 June 2023	**(53,270)**	**(53,270)**
Book value		
Balance as of 31 December 2022	31,346	31,346
Balance as of 30 June 2023	30,079	30,079

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.

The opening balance of depreciation shows the accumulated value of depreciation.

9. Tangible assets

The acquisition value and net value of tangible fixed assets were as follows:

	Properties and buildings	Plant and equipment	Other equipment	Investments	Total
Gross values					
Balance as of 31 December 2022	**1,312,461**	**1,032,674**	**107,496**	**16,188**	**2,468,819**
Change in value due to exchange rate	-	(404)	-	-	**(404)**
Procurement	19,430	8,339	1,933	-	**29,702**
Capitalisation	-	-	-	(13,374)	**(13,374)**
Balance as of 30 June 2023	**1,331,891**	**1,040,609**	**109,429**	**2,814**	**2,484,743**
Depreciation					
Balance as of 31 December 2022	**(221 312)**	**(557,702)**	**(63,034)**	**(695)**	**(842,743)**
Change in value due to exchange rate	-	147	-	-	**147**
Interim depreciation	(24,906)	(17,023)	(5,008)	-	**(46,937)**
Balance as of 30 June 2023	**(246,218)**	**(574,578)**	**(68,042)**	**(695)**	**(889,534)**
Book value					
Balance as of 31 December 2022	1,091,149	474,972	44,462	15,493	**1,626,076**
Balance as of 30 June 2023	1,085,673	466,030	41,386	2,119	**1,595,209**

The balance sheet value of property, plant and equipment was reduced by depreciation recorded in the first half of 2023 and by exchange rate differences related to the depreciation of the Romanian subsidiaries compared to their value at the end of 2022.

In addition to the acquisitions and commissioning in the year under review, the change in gross value was due to exchange rate differences at Romanian subsidiaries.

The opening balance of depreciation shows the accumulated value of depreciation.

10. 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.

	30.06.2023	31.12.2022
Opening balance	34,512	251,933
Cost of securities	-	292,142
Sale of securities	-	(495,329)
Revaluation to fair value	-	(14 234)
Carrying amount	**34,512**	**34,512**

The Group determined the fair value based on stock exchange prices and portfolio reports of investment funds. The number of shares held and their fair value did not change during the half-year.

11. Other short-term receivables

The amount of the litigation claim for 2022 includes the concession fee claim awarded to the E-Star CDR SRL subsidiary by the Romanian court in a final judgment, as well as the default interest reported on the entire claim until 30.06.2023.

	30.06.2023	31.12.2022
Given loans	1,285,287	1,300,869
Collaterals	47,165	50,428
VAT receivable	18,705	29,984
Foreign VAT receivable	5,149	3,154
Receivables from litigation	198,680	338,137
Advance payment to suppliers	213,551	213,471
Other receivables	3,340	3,301
Other tax receivables	7,839	267
Expected credit loss	(49)	(22)
Total other gross receivables	**1,779,667**	**1,939,589**
Impairment recognized	(1,467,172)	(1,508,141)
Total other receivables	**312,495**	**431,448**

The recognized impairment losses were incurred in connection with the following receivables in first-half of 2023:

30.06.2023	Gross value	Impairment/ECL	Net value
Given loans	1,285,287	(1,259,548)	25,739
Advance payment to suppliers	213,551	(207,624)	5,927
Receivables from litigation and other receivable	198,680	(49)	198,631
Total	**1,697,518**	**(1,467,221)**	**230,297**

Remaining balances of other current receivables after impairment are as follows:

	30.06.2023	31.12.2022
Collaterals	47,165	50,428
VAT receivable	18,705	29,984
Foreign VAT receivable	5,149	3,154
Other tax receivables	7,839	267
Other receivables	3,340	-
Total	**82,198**	**83,833**

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 belongs to the tax authority after all).

Details of loans:

Related loan and interest	30.06.2023	31.12.2022
E-Star Mures Energy SA loan	913,337	954,456
E-Star Mures Energy SA interest loan	345,975	345,975
E-Star ZA Distriterm SRL	-	82
E-Star Investment Management SRL	236	256
Loan to employee	-	100
Loan to Csaba Soós	25,000	-
Loan interest Csaba Soós	739	-
Total	**1,054,589**	**1,300,869**

12. Loans

	30.06.2023	31.12.2022
Long-term bank loans	-	-
Short-term bank loans	34,063	42,785
Total loans	**34,063**	**42,785**

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

Debtor	Expiry	Interest	30.06.2023	Due within 1 year	Due within 5 years	Due after more than 5 years
Síaréna Kft.	08.08.2024	**1-day BUBOR+2% interest margin**	34,063	34,063	-	-
Total			**34,063**	**34,063**	**-**	**-**

The loans include the current account loan of Síaréna Kft. provided by K&H Bank Zrt.

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

13. Other short-term liabilities

	30.06.2023	31.12.2022
MAHART's down payment	59,200	59,200
Penalties, surcharges	1,132	1,228
Other taxes payable	674	3,301
Wages and salaries	20,507	21,829
Received loan	7,230	5,942
Gift certificates	1,420	4,470
Other liabilities	3 315	1,363
Total	**93,478**	**97,333**

The issued gift vouchers are vouchers that can be used at the ski slopes operated by Síaréna.

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

14. 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 of 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 taken into account.

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

Evaluation Level 2: a measurement including inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

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	30.06.2023	31.12.2022
Securities	34,512	34,512
Trade receivables	164,524	164,853
Other receivables and accruals	280,803	398,043
Cash and cash equivalents	1,067,985	1,247,238
Total	**1,054,589**	**1,844,646**

Financial liabilities and balances

Description	30.06.2023	31.12.2022
Bank loans	34,062	42,785
Trade payables	99,428	105,850
Other liabilities and accruals	71,165	70,976
Total	**204,655**	**219,611**

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

Description	30.06.2023			31.12.2022		
	Evaluation level 1	Evaluation on level 2	Evaluation level 3	Evaluation level 1	Evaluation on level 2	Evaluation on level 3
Financial assets	-	-	-	-	-	-
Securities	34,512	-	-	34,512	-	-
Trade receivables	-	-	164,524	-	-	164,853
Other receivables and accruals	-	-	280,803	-	-	398,043
Cash and cash equivalents	1,067,985	-	-	6,966,488	-	-
Total assets	**1,054,589**	**-**	**445,327**	**1,281,750**	**-**	**562,896**
Financial liabilities	-	-	-	-	-	-
Bank loans	-	-	34,062	-	-	42,785
Advances received from customers	-	-	-	-	-	-
Trade payables	-	-	99,428	-	-	105,850
Other liabilities and accruals	-	-	71,165	-	-	70,976
Total liabilities	**-**	**-**	**204,655**	**-**	**-**	**219,611**

XI. Other disclosures

15. Transactions with related parties

The key managers of the company are related parties. During the period of the financial statements, the management of the Company determined the following related parties:

For the Board of Directors:

Csaba Soós, President of the Board of Directors since 30.12.2016.
László Bálint, Member of the Board of Directors from 30.12.2016.
Ferenc Virág, Member of the Board of Directors from 30.04.2019
Krisztina Tendli, Member of the Board of Directors from 12.09.2022 to 2023.03.19-ig

The Group conducted the following transactions with the above related parties in first-half of year 2023, and the following balances characterize the relationship:

Csaba Soós

Balance position	Amount
Loan and loaned interest to Csaba Soós	25,739

The below table shows the remuneration of executive officers.

	30.06.2023	31.12.2022
Wages	7,500	30,425
Benefits	-	32,646
Commission	24,924	18,000
Total	**32,424**	**81,071**

A detailed report on executive remuneration has previously been published by the Company for the information of investors under the Remuneration Policy, which is available at the places of publication.

Non-consolidated related parties (through senior management):

- 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 first half of year 2023, and the following key balances characterize the relationship (the transactions were essentially priced at arm's length):

Pannon Fuel Kft.

Balance position	Amount
Trade receivables	-1,700

E-STAR Mures Energy SA "under liquidation"

Balance position	Amount
Given loans	1,259,312
Trade receivables	18,485
Loan obligation	2,540

Profit/loss position	Amount
Revenue	399

Acél Manufaktúra Kft.

Balance position	Amount
Trade payables	495

Profit/loss position	Amount
Material cost	885

16. Segment report

Segment's Profit and loss statement

30.06.2023	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Revenue	50,113	176,639	-	3,398	230,150
Material cost	(105,998)	(171,767)	-	(4,026)	(281,791)
Personnel cost	(50,784)	(75,092)	-	(3,444)	(129,320)
Other income/ expenses (-)	19,619	1,618	-	1,331	22,568
Depreciation	(6,121)	(42,389)	-	(416)	(48,926)
Net profit/loss from financial activities	(18,126)	(3,332)	4,366	(2,016)	(19,108)
Profit before tax	**(111,297)**	**(114,323)**	**4,366**	**(5,173)**	**(226,427)**
Income tax	(184)	(647)		(13)	(844)
Profit/loss after tax	**(111,481)**	**(114,970)**	**4,366**	**(5,186)**	**(227,271)**

Reconciliation of segment revenue and profit:

Designation	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Sales revenue from external parties	50,113	176,639	-	3,398	230,150
Intragroup sales revenue	21,499	-	-	1,690	23,189
Sales revenue of the segment (including intersegment revenues)	**71,612**	**176,639**	**0**	**5,088**	**253,339**
Profit or loss of the segment (before tax)	**(111,297)**	**(114,323)**	**4,366**	**(5,173)**	**(226,427)**

Reconciliation of sales revenues	30.06.2023
Total sales revenues allocated to the segment	226,752
Elimination of intragroup sales revenues	23,189
Revenues not allocated to any segment	3,398
Reconciliation of profit or loss	**30.06.2023**
Profit or loss allocated to the segment	(222,085)
Profit or loss not allocated to the segment	(5,186)
Total	**(227,271)**

Corresponding figures

30.06.2022	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Revenue	288,531	271,936	-	-	560,467
Material cost	(373,788)	(206,223)	-	-	(580,011)
Personnel cost	(76,082)	(98,107)	-	-	(174,189)
Other income/ expenses (-)	(6,878)	(15,524)	-	-	(22,402)
Depreciation	(2,634)	(35,946)	-	-	(38,580)
Net profit/loss from financial activities	(5,333)	(20,273)	90,428	-	64,822
Profit before tax	**(176,184)**	**(104,138)**	90,428	-	**(189,893)**
Income tax	(9,392)	(8,851)			(18,243)
Profit/loss after tax	**(185,575)**	**(112,989)**	90,428	-	**(208,136)**

Designation	Energy sector	Real Segment	Capital market segment	Not allocated to any segment	Total
Sales revenue from external parties	288,531	271,936	-	-	560,467
Intragroup sales revenue	321,400	-	-	-	321,400
Sales revenue of the segment (including inter-segment revenues)	**609,931**	**271,936**	-	-	**881,867**
Profit or loss of the segment (before tax)	**(176,184)**	**(104,138)**	90,428	-	**(189,893)**

Reconciliation of sales revenues	30.06.2022
Total sales revenues allocated to the segment	560,467
Elimination of intragroup sales revenues	321,400
Revenues not allocated to any segment	-
Reconciliation of profit or loss	**30.06.2022**
Profit or loss allocated to the segment	(208,136)
Profit or loss not allocated to the segment	-
Total	**(208,136)**

The Group does not report segment assets and liabilities because the CDOs do not monitor this continuously.

XII. Authorizing the interim financial statements for publication, Issuer’s declarations

These interim financial statements have been reviewed and authorised for issue by the Group's Board of Directors on 28 September 2023.

The Company declares that the relevant consolidated interim financial statements and the half-yearly report for the first half of 2023 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, to the best of the Company's knowledge, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as issuer and of the companies included in the consolidation.

In addition, the company declares that its consolidated half-yearly report for the first half of 2023 gives a true and fair view of the position, development and performance of the issuer and the undertakings included in the consolidation, and describes the risks and uncertainties likely to arise for the rest of the financial year.

The company declares that the information in this interim report has not been reviewed by an independent auditor.

ISSUER’S STATEMENT:

To the best of our knowledge, the consolidated half-year financial statements and the individual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of ENEFI Asset Management Plc and the companies included in the consolidation, and of the development and performance of the companies included in the consolidation, together with a description of the principal risks and uncertainties that they face.

The Company declares that the management report gives a true and fair view of the issuer's position, development and performance, together with a description of the principal risks and uncertainties.

Csaba Soós Ferenc Virág László Bálint
Board members
ENEFI Energy Efficiency Plc

ENEFI Energy Efficiency Plc

CONSOLIDATED

MANAGEMENT REPORT TO

2023. H1

OBJECTIVE OF THE REPORT

The purpose of this report is to present an assessment of the annual financial statements of ENEFI Asset Management Plc. (hereinafter as: "Company" or " Entrepreneur" or "ENEFI" or "Issuer", together with the principal risks and uncertainties that may arise in the course of the entrepreneur's business, so as to present a true and fair view of the assets, liabilities, financial position and profit or loss of the "Company" or "Entrepreneur" or "ENEFI" or "Issuer", as the case may be, in accordance with the facts of the past and the expected future.

Information related to the Parent Company - ENEFI Asset Management Plc:

Basic information related to the Company

Company's name:	ENEFI Vagyonkezelő Nyrt.
Company's name in English:	ENEFI Asset Management Plc.
Registered office:	1031 Budapest, Nánási út 5-7. E. building 3rd floor 4
Branch office:	8413 Eplény, Veszprémi u. 66 Building A
Country of registered office:	Hungary
Phone number:	06-1- 279-3550
Fax:	06-1- 279-3551
Governing law:	Hungarian
Stock market introduction:	Budapest Stock Exchange
	Warsaw Stock Exchange
Form of operation:	Public Limited Company

Legal predecessors of the Company, changes is the company form

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

Regionális Fejlesztési Vállalat Korlátolt Felelősségű Társaság

Date of establishment:	05.17.2000
Registration date:	29.06.2000
Termination date:	12.06.2006

Regionális Fejlesztési Vállalat zártkörűen működő Részvénytársaság

Registration date:	12.06.2006

RFV Regionális Fejlesztési, Beruházó, Termelő és Szolgáltató Nyilvánosan Működő Részvénytársaság

Date of change:	12.03.2007

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

E-STAR Alternatív Energiaszolgáltató Nyrt.
Date of change: 17.02.2011
Entry date: 04.03.2011

ENEFI Energy Efficiency Plc. (ENEFI Energiahatékonysági Nyrt.)
Date of change: 09.12.2013
Entry date: 17.12.2013

ENEFI Energy Efficiency Plc
Date of change: 29.11.2019
Entry date: 09.01.2020.

Duration of the operation of the Company

The company was established for an indefinite period of time.

Share capital of the company

Share capital of the public limited company: HUF 166,061,090 (one hundred sixty millions sixty-one thousand ninety Hungarian Forints)

The Company's shares

The share capital consists of 11,150,000 dematerialised ordinary shares with a nominal value of HUF 10.00 each (Series A) and 5,456,109 dematerialised convertible preference shares with a nominal value of HUF 10.00 each (Series H). Number of shares issued by the company in total: 16,606,109 pcs.

The composition of the Company's share capital:

Stock series	ISIN	Nominal value (Ft/piece)	Issued volume	Total nominal value (HUF)
ORDINARY SHARES	HU0000089198	10	11,150,000	111,500,000
Convertible preference share	HU0000173737	10	5,456,109	54,561,090
Amount of share capital	-	-	16,606,109	166,061,090

Information related to entities involved into consolidation:

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

	Name of the company	Country/Registered office	Share capital	Ownership ratio (%) Direct and indirect	Voting right (%)
1	Ski43 Program Nonprofit Zrt.	Hungary 1031 Budapest, Nánási út 5-7. E. building 3rd floor 4	6,830,000 HUF	100%	100%
2	ENEFI Projekttársaság Kft.	Hungary 1031 Budapest, Nánási út 5-7. E. building 3rd floor 4	3,000,000 HUF	100%	100%
3	RFV Józsefváros Szolgáltató Kft.	Hungary 1031 Budapest, Nánási út 5-7. E. building 3rd floor 4	3,000,000 HUF	49%	70%
4	Síaréna Korlátolt Felelősségű Társaság	Hungary 8413 Eplény, Veszprémi utca 68/A.	210,000,000 HUF	100%	100%
5	Termoenergy SRL	Romania Gheorgheni, p-ța Libertății nr.14	6,960 RON	99.50%	99.50%
6	E-STAR Centrul de Dezvoltare Regionala SRL	Romania 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, p-ța Libertății nr.14	90,000 RON	99.99%	99.99%
9	SC Faapritek SA	Romania 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	355,000 EUR	100%	100%

Group companies in liquidation that are not included in the consolidation:

Name:	Country/Registered office	Share capital	Share rate	Voting rights
E-STAR Mures Energy SA "under liquidation"	Románia Marosvásárhely, Forradalom utca 1 (Tg. Mureș str. Revolutiei nr.1)	90,000 RON	99.99%	99.99%

THE BUSINESS ENVIRONMENT AND ITS DEVELOPMENT, A COMPREHENSIVE ANALYSIS OF THE COMPANY'S PERFORMANCE AND SITUATION, THE COMPANY'S BUSINESS POLICY:

Brief history of the Issuer

The legal predecessor of the Company was established in 2000 by four Hungarian individuals under the name of Regionális Fejlesztési Kft. The founders wanted to establish an Energy Service (ESCO, so energy saving) type of company. Initially, one of the company's core activities was the low-cost supply of electricity, which continues to generate revenue today. The Company provided ongoing advice to its customers on the choice of the best tariff package from their local electricity supplier. As part of this service, electricity was purchased by the company for sale to its customers at a lower price than previously. The cost savings were shared between the customer and the Company as part of a long-term contract between the two parties. However, since 1 January 2008, the free market in electricity prices has been opened up, which means that economic operators are free to choose their electricity supplier and set their own conditions. The Company is also adapting to the changed circumstances and is negotiating with several traders in the market, bringing its partners together to act collectively to achieve the best possible terms. Since it was founded, the company's other main activity has involved controlling luminous flux in street lighting. The company then expanded its product range to include heating refurbishment and heating services in 2004. The majority of the company's clients are municipalities and municipal institutions, but it also includes public institutions, churches, condominium owners and private companies. On 12 June 2006, the Company was incorporated as a private limited company. On 12 March 2007, the Companies Court registered the change from a private limited company to a public limited company. The shares were introduced on the Budapest Stock Exchange on 29 May 2007.

It was then that the company began to expand internationally, first in Romania and then in Poland. The Issuer's shares were listed on the Warsaw Stock Exchange on 22.03.2011. The Issuer went into bankruptcy in 2012, which was successfully concluded with a settlement with creditors. As a result of the municipalities' breach of contract, the company was forced to terminate its contracts in Romania prematurely. The Company sold its Polish operation in 2016 and its presence in Romania was reduced to the enforcement of claims arising from terminated contracts. The company's actual operations are currently limited to Hungary. In Romania, legal proceedings are pending in relation to the terminated contracts.

In 2016, the Company published its strategic objectives, focusing on the sale of projects in Hungary and Romania, downsizing its operations and buying its own shares.

In 2017, the Company sold street lighting projects previously purchased to Enerin Ltd at the originally calculated expected return. As a result of a successful transaction, the Company's street lighting business has been completely dissolved.

In June 2019, the Issuer adopted the Strategy, which is still in force, to put the company back on a growth path.

Company's litigation procedures:

Claimant	Defendant	Matter in dispute
EETEK LTD	National Bank of Hungary	Revision of an administrative decision

ROMANIA

No.	Claimant	Defendant	Matter in dispute
1.	E-Star Mures Energy SA	37 owners' association members	Validation of blocking
2.	E-Star Mures Energy SA		Bankruptcy protection application submission on 08.02.2013.
3.	Municipality of Târgu Mureș	E-Star Mures Energy SA	The objection disputes the compensation debt of RON 2,413,038 established in the court decision approving the enforcement, which still existed at the time, and the inflation rate of RON 3,334,712.09 established in the decision, since, according to the City's point of view, the value of the former was only RON 1,608,691.78, so it requests that it be reduced to this amount, while in relation to the inflation rate, it requests its cancellation.
4.	E-Star CDR SRL	247 residential consumers	payment of fees under the consumer contracts
5.	E-Star CDR SRL	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
6.	Szilágy County Finance Intervener:	Municipality of Zilah	- challenging the public interest expropriation price of a 623 m^2 land

	ENEFI Vagyonkezelő Nyrt. (ENEFI Asset Management Plc.)		
7.	Individuals	Termoenergy	The claimants request the annulment of the land registration of the 2,300 square metre 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' so far unregistered land.

THE COMPANY'S MAIN RESOURCES

Human resources

Average number of direct employees of ENEFI Plc. in first-half of year 2023 22 persons (RFV, SKI43, Romanian and Hungarian ENEFI operations)
Síaréna Kft., number of employees: in average in 2023 First half-year 9 persons

Financial resources

1. Own financial assets from continuing operations
2. Inactive own equity
3. Loan
4. Cash equivalents of invested assets [e.g. with restrictions on sale of own shares (liquidity, rights, etc.)]
5. Recovery of a lawsuit

The Company can finance the operation from its revenues. When launching new projects, it acts with due diligence, weighing up the risks. The clientele (municipalities and their institutions) carry the risk of non-payment. For the time being, the entire operation in Hungary is carried out without recourse to bank financing. The Company may require external financing if the capital requirements of new projects exceed available resources.

RISK FACTORS

Investing in securities involves a number of risks. Before deciding to buy shares, all investors should consider the risk factors. The Issuer draws your attention to the fact that the risk factors cannot be summarised in their entirety and that the possibility of additional risk factors cannot be excluded.

It is recommended that all investors considering investing in the Shares issued by the Issuer should be aware of the following risks because only by being fully aware of them can they form a true picture of the Issuer and assess the real risk of investing in the Shares.

The risk factors listed do not cover all risks to the Issuer and the securities it issues, but represent the most substantial risks currently known to the Issuer.

COMPANY-SPECIFIC RISKS ASSOCIATED WITH THE ISSUER

The risk inherent in the Issuer's new management and ownership and its new scope of activities

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

No guarantee can be given that the business strategy chosen by the Issuer will be successful and will not cause a reduction in efficiency and an excessive allocation of resources. As the focus of the Issuer's activities changes, it will enter new markets and, as a result, will be in contact with new partners, will be responsible for compliance with new regulatory areas and will be exposed to market competition in new markets.

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

Risk arising from high value contracts

The Issuer won (by subcontracting Pannon Fuel Kft) an open public procurement tender (EKR001321472019) for the 'Procurement of Fixed LNG – CNG Fueling Facilities' as an open accelerated public procurement procedure worth HUF 1.5 billion. Due to the nature, terms and high value of the agreement, the Issuer has identified it as a high risk.

Given that MAHART has already accumulated a significant amount of debt towards the Company and that substantive negotiations between the parties have stalled, there is a risk that, in the absence of an agreement, the dispute between the parties will force the Company to commence legal proceedings to enforce its legitimate claims.

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

Risk arising from significant agreements of limited duration

The Issuer's current revenue generating business, the heat supply business, is expected to operate under existing contracts until 2024, after which it may cease to operate or its revenues may be significantly reduced.

The Company's associated company (RFV Józsefváros Kft.) is currently involved in a legal dispute with the Municipality of Józsefváros, which has a contractual relationship with the Company, and with the Inner Pest School District. The dispute arises from the fact that the parties have different legal positions regarding the expiry date of the contract. In addition, customers fail to meet their contractual obligations to pay. **Having regard to the above, there is a risk that, in the absence of an agreement, the dispute between the parties will force the Company to commence legal proceedings to enforce its legitimate claims.**

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

Errors in the Issuer's financial statements

The Issuer draws attention to the fact that some of the Issuer's previously published audited annual and unaudited half-yearly reports may contain technical errors.

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

Financing risk

The Issuer's current operations do not require external financing, however, it cannot be excluded that in the future, along the new strategy announced in 2019, it may wish to seek external financing to implement its business strategy. There is no guarantee that the Issuer will be able to raise external financing for its operations and growth in the future. In extreme cases, a lack of resources may also result in the Issuer not being able to achieve its objectives, not being able to start new projects and thus being forced to change its strategy and business activities.

Risk level: environmental, social and 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 operators or service providers, which may have a significant market position, and therefore has no influence on their prices, which may have an adverse effect on the Issuer's costs and expenses and thus on its profitability.

A significant part of the Issuer's activity is energy services, where changes in the current regulation (e.g. gas price regulation, activities subject to authorisation, etc.) may result in significant changes for the Issuer. Regulatory change includes liberalisation processes affecting the sector, the impact of which on the business environment and on consumers and service providers cannot be fully predicted at this stage. Possible changes in utility price regulation may also affect the Issuer's operations and performance through the tariff formulas fixed in the Issuer's long-term contracts. The Issuer may also be affected by the direct and indirect economic impacts of climate change in unforeseen ways. Changes in circumstances may render a project insolvent or unprofitable after significant investment.

Risks related to weather conditions (e.g. water shortages), epidemics (e.g. COVID), economic and war situations remain, and energy costs have increased significantly, and it is expected that the operation of the resort will be adversely affected by these factors in the 2023/2024 season.

The above also had a negative impact on the Ski Arena Ltd. project, which was started earlier. The permitting phase of the project has been completed, but due to the uncertainty of investment costs, operating costs and demand conditions (COVID, war, runaway energy prices, inflation, etc.), the company has suspended the start of construction indefinitely.

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

Counterparty risk, change in the position of the customer base

The majority of the Issuer's services are provided to municipal customers (or institutions under the control of municipalities). The contractual considerations of local authorities and other municipal, public bodies, (public) institutions, as often politically influenced actors, may differ from those of a rational, profit-driven, market-oriented client, and therefore the performance of contracts with such clients entails risks for the client in this respect. The municipal/regional government structure is currently in transition. All of these developments, the outcome of which cannot be predicted today, may affect the ability to pay, willingness to pay, terms, purchasing practices of the Issuer's public/government/public sector customers, possibly with significant negative consequences for the Issuer.

It is possible that during the term of the long-term contracts the economic situation of one or more major customers may deteriorate, causing the Issuer to incur losses and, as a result, its growth, market, financial and liquidity position and profitability may be adversely affected.

The measure, colloquially known as a moratorium, carries the risk that the legislator will not allow the issuer to restrict or interrupt its service to non-paying customers, and thus reduce or limit the extent of the losses incurred by the customer due to payment problems. There is a risk that the counterparty may not be able to meet some or all of its obligations under the transaction, which could have a negative impact on the Issuer's results.

Based on currently available information, it is realistic to expect that a substantial portion of the Issuer's outstanding debt will not be recovered due to the significant deterioration in the financial and economic condition of the municipalities. For the reasons set out above, there can be no guarantee that, in such a case, the rights under the contract will actually be enforceable against the party in question in the given situation and that losses can be mitigated.

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

Key employee risks

The development, acquisition and technical activities of the Issuer may rely heavily on the work of key managers, employees and contractors of the Issuer who are employed or may be employed in the future. The possible loss or non-acquisition of these persons may have a temporary or permanent negative impact on the profitability of the Issuer. Whilst the Employee Share Plan may help to retain employees by allowing them to own shares in the Issuer, there can be no guarantee that they will retain the shares acquired under the Employee Share Plan in the longer term.

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

Risk of pending legal proceedings

The Issuer has been forced to take several legal actions to enforce its claim for consideration for the provision of services. As these proceedings have not yet been concluded, it is not possible to estimate the amount and timing of the proceeds to be received by the Issuer from these proceedings.

There is an increased risk of legal and tax proceedings being initiated and continuing in Romania, where the Romanian tax authority has initiated a comprehensive tax audit of the Group following the issuer's failure to register for bankruptcy proceedings due to non-payment of the registration fee. The Romanian tax authorities still have a significant claim against the issuer, the legitimacy of which is disputed by the issuer.
From 13 December 2012 until 30 August 2013, the Issuer was in a state of insolvency. If the bankruptcy proceedings have been successfully and finally concluded, holders of prior claims not registered in the bankruptcy proceedings may not enforce their claims against the Issuer, except in the case of liquidation proceedings initiated by another party. As a result of the above, it cannot be excluded that in a possible liquidation proceeding claims not registered in the previous bankruptcy

proceedings and not yet time-barred, and thus claims arising from bonds previously issued by the Issuer, will also be registered. The nominal value of these securities is HUF 217 million.

Risk level: legal and regulatory risk
Risk level: medium

RISKS RELATED TO SECURITIES

Risk arising from the conversion of Series “H” shares

The Issuer has issued a significant number of Series “H” Convertible Preference Shares in the capital increase. Although preference shares do not carry voting rights, they are entitled to dividends before other shareholders and are convertible at the unilateral discretion of the holder. Series “A” ordinary shares, which could significantly change the level of shareholder influence.

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

Risk of control of inluencing owners

It cannot be excluded that the interests of controlling shareholders may not always coincide with those of minority shareholders. The price of the Issuer's Shares may be significantly affected by the potential increased sale of Shares by controlling shareholders.

Risk level: related to the nature of the securities
Risk level: high

Dilution risk

In the event of a future capital increase, if a shareholder's pre-emptive rights are excluded or limited, or if the shareholder does not participate in the capital increase despite his pre-emptive rights, his shareholding in the Issuer will be relatively reduced (diluted).The Issuer has also authorised the Board of Directors to increase the share capital to HUF 400,000,000.00 for a period of 5 years by Resolution 18/2019 of the General Meeting of Shareholders (30 April 2019), on the basis of which the Board of Directors is authorised to carry out further capital increase(s) after the capital increase.

Risk level: related to the nature of the securities
Risk level: medium

Description Risk level

1 The risk inherent in the Issuer's new management and ownership and its new scope of activities	high
2. Risk arising from high value contracts	high
3. Risk arising from significant agreements of limited duration	high
4. Risk arising from the conversion of Series "H" shares	high
5. Risk of control of inluencing owners	high
6. Financing risk	medium
7. Risk related to the energy services market	high
8. Counterparty risk, change in the position of the customer base	medium
9. Key employee risks	medium
10. Risk of pending legal proceedings	medium
11. Risk of impact of the coronavirus epidemic	medium
12. Dilution risk	medium

THE SUMMARY FOR THE PERIOD UNDER REVIEW

The Company notes that as a publicly listed company, all significant events relating to ENEFI will be disclosed in the form of a statement, which can be found on its website (www.e-star.hu, www.enefi.hu), and on the Budapest Stock Exchange's website (www.bet.hu) and also on the website operated by the National Bank of Hungary (www.kozzetetelek.hu).

Significant events within the reporting period

- On 19.01.2023. The Municipality of Marosvásárhely previously objected in court to the enforcement of the amounts established in favor of the Parent Company in the compensation lawsuit
- On 17.02.2023: In connection with the claim filed by E-Star Mures Energy SA for late interest calculated on the compensation amounts awarded due to the breach of the concession contract, the Marosvásárhely Court of Appeal, acting as an appeals court, has decided as follows:

Rejected E-Star's claim for default interest on the damages awarded, rejected E-Star's claim to have the default interest and statutory interest calculated on the damages updated by the rate of inflation, and ordered E-Star to pay the costs of the proceedings. The Court of Appeal also annulled the interest of LEI 4,897,654.35 (i.e. EURO 990,256.20) awarded by the Court of First Instance in favour of E-Star (the decision is final but not justified).

- Krisztina Tendli has resigned from her position as director of ENEFI Vagyonkezelő Nyrt. with effect from 19 March 2023, and her position as managing director of Síaréna Kft. has also been terminated with effect from 19 March 2023.
- On 28 March 2023,ENEFI Asset Management Plc, as an intervener, won the legal dispute between the Szilágy County and the Municipality of Zilah over the price of the expropriation of -623 m2 of land in the public interest (the decision is not final, no reasons were specified)
- On 31 March 2023. the Mures County Court, as the court of appeal, dismissed the company's appeal in the following case concerning the cancellation of the claims still registered by the Treasury against ENEFI. As a result, the decision of the Court of First Instance, which partially upheld ENEFI's claim against Romanian Finance for the cancellation of the outstanding debt, became final.
- 14.04.2023 Pursuant to a resolution of the Board of Directors of the Company, the registered office of the Company will be changed to: 1031 Budapest, Nánási út 5-7. E. building 3rd floor 4 Following this decision, the registered offices of the companies belonging to the division will also be changed to: 1031 Budapest, Nánási út 5-7. E. building 3rd floor 4
- 02.05.2023. The Court of Tirgu Mures has rejected a request by E-Star Mures Energy to reopen the case in which Mures claimed interest on the damages awarded for breach of the concession contract.
- 03.05.2023. The Municipality of Gheorgheni has undertaken, before a notary public, to pay the following amounts (concession fee and its contributions) in four instalments by 1 March 2024, on the basis of the court decision that previously condemned it: - RON 2,590,665.32, corresponding to the concession fee paid and not owed by E-STAR - total amount of RON 100 - legal costs, - inflation rate, - statutory interest
- 22.05.2023. The Supreme Court has refused to transfer the request for a retrial of the case filed by E-Star Mures Energy to another court. Consequently, the previous decision of the Tirgu Mureș Trial Court rejecting our request for a retrial on the interest for late payment of the damages awarded for breach of concession cannot be annulled.
- 26.05.2023. The Supreme Court has refused to transfer the request for annulmentof the case filed by E-Star Mures Energy to another court. Consequently, the previous decision of the Tirgu Mureș Trial Court rejecting our request for a retrial on the interest for late payment of the damages awarded for breach of concession cannot be annulled.

Significant events after the reporting period

- ***there have been no significant events since the balance sheet date up to the date of approval of the interim financial statements.***

RESULTS AND OUTLOOK FOR THE REPORTING PERIOD

D. BASIC PILARS

1. Litigations

- Litigation risk (where the Group is a plaintiff in the litigation)
- Invalidity of the outcome of litigation
- Regulatory actions

2. Energy efficiency

- Deterioration in payment discipline (cross-debt)
- Regulatory actions

E. REAL PILLARS

1. Turisztika (Síaréna Kft.)

- Reduction in affordable demand
- Delays in the implementation of investments
- Reduction in volume of grants, tenders
- Regulatory actions

F. CAPITAL MARKETS PILLAR

- Exchange rate risk
- Return risk
- Risk of indemnification claims arising from the commitment of unrestricted assets
- Liquidity risk

The impact of the first half year on results by pillar:

PILLAR	PROFIT EFFECT

BASIC PILAR	-111,481 e Ft
REAL PILLAR	- 114,970 e Ft
CAPITAL MARKETS PILLAR	4,366 e Ft
Profit or loss after taxes (only pillars)	-222,085 e Ft

An addition necessary for the interpretation of the above table is that the negative value of the result of heat supply and renting included in the pillar is due to the valuation/devaluation of the assets of the activity carried out, whereas this pillar has a positive cash-generating capacity and experience. Az első féléves számokból nem lehet hosszú távú következtetéseket levonni az alábbi okok miatt:

- Cyclic operations
- Seasonal effects on results
- Changes in exchange rates
- Legal proceedings
- Regulatory changes

Quantitative and qualitative indicators and indicators for measuring performance

Indicator description	30 June 2023	30 June 2022	31 December 2022
Fixed assets ratio (%) (fixed assets/total balance sheet)	48.49%	38.18%	46,05%
Debt-to-equity ratio (liabilities/sources)	18.39%	35.58%	17,35%
Liquidity index (rotating assets/short-term liabilities)	280.41%	177,82%	311.37%
Liquidity ratio (current assets / short-term liabilities)	173,46%	56.75%	193,93%
Profitability on sales (profit before tax/net sales)	-98.38%	-33.88%	-21.40%
Profitability in proportion of equity (pre-tax profit / equity)	-8.28%	-6.27%	-5.47%

ISSUER'S STATEMENT:

The Company declares that the management report gives a true and fair view of the issuer's position, development and performance, together with a description of the principal risks and uncertainties.

Csaba Soós Ferenc Virág László Bálint

Board members

ENEFI Energy Efficiency Plc