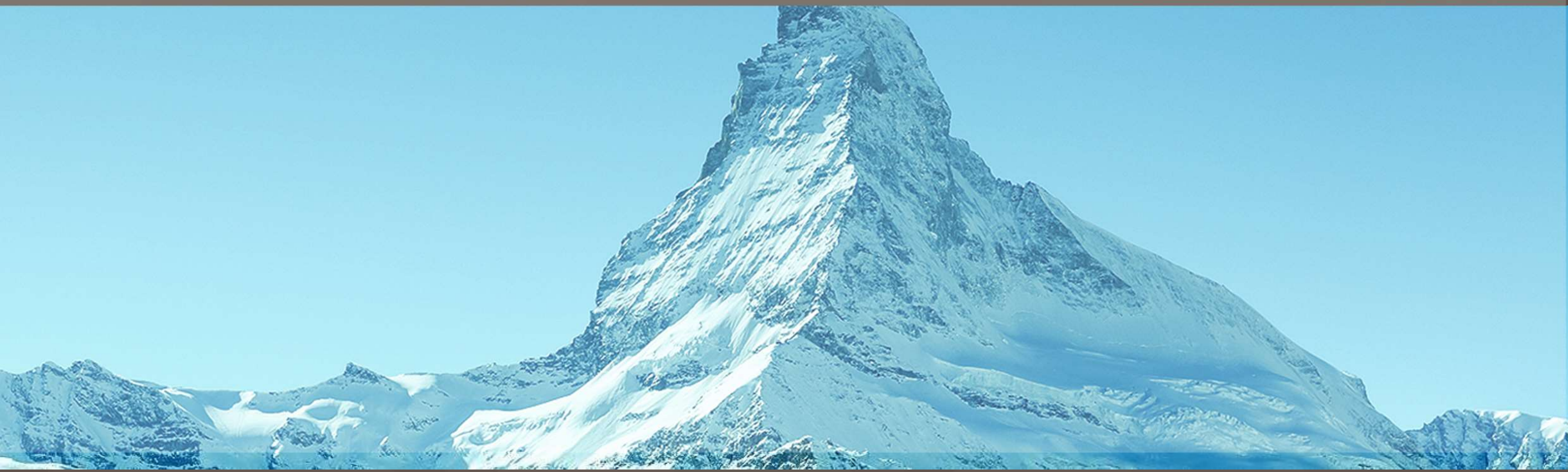


SEMI-ANNUAL REPORT 2018

28 September 2018

KONZUM

KONZUM BEFEKTETÉSI ÉS VAGYONKEZELŐ

Nyilvánosan Működő Részvénytársaság

SEMI-ANNUAL REPORT

H1 2018

(IFRS, consolidated, not audited)

28 September 2018

I. EXECUTIVE SUMMARY

KONZUM Nyrt. has had perhaps the most eventful period in its history. The company has been following consistently its business strategy defined in 2015 and in H1 2018 managed to lay down a strong foundation for growth potential above the average. The capital increases announced last December were completed with the exception of one, significantly improving the economic basis and financial position of the company.

The contribution in kind of 100 per cent business quota of KZH Invest Kft., 10 per cent business quota of KZBF Invest Kft. (indirectly made by HUNGUEST Hotels Szállodaipari Zrt.), the capital increase based on the strategic agreement with CIG Pannónia Életbiztosító Nyrt, the hotels contributed in kind and expanding the HUNGUEST Hotels chain, obtaining control over Appeninn Nyrt. and the acquisition of igetfürdő Kft. and its subsidiaries resulted in an overall capital increase of approximately HUF 26.3 billion issue value.

With the capital increases, the ownership control over HUNGUEST Hotels Szállodaipari Zrt. became stronger. As the controlling rights are exercised, from the 2018 financial year not only HUNGUEST Hotels Szállodaipari Zrt., but also Appeninn Nyrt. will be consolidated as subsidiaries. At the same time, the structure of KONZUM has become more transparent for the investors.

The Consolidated Prospectus published in September 2018 is another important milestone in the history of KONZUM. The Prospectus provides a complex and transparent overview of the activities, strategy, markets, management, capital structure of the holding company and the consolidated businesses as well as the operative transactions of the recent past.

The financial figures of the company improved further in H1 2018. With the impacts of the announced and closed capital increases, the equity of KONZUM grew from HUF 600 million at the end of December 2016 to HUF 58.4 billion by 30 June 2018. That equity figure does not yet include the approximately HUF 10 billion capital increase related to the acquisition of Ligetfürdő Kft. and the impact of the contribution of Balatontourist Group as contribution in kind through BLT Group Zrt. With these transactions, the total capital increase is expected to be higher than HUF 37 billion.

The Pro-Forma Financial Statements for 2017 included in the Consolidated Prospectus included the capital increase related to the acquisition of Ligetfürdő Kft., in relation to which the KONZUM management analysed how the main financial indicators of the company would have turned out if the capital increase related to the transaction had taken place in H1. On the basis of the calculation method, the pro-forma equity of KONZUM was HUF 68.4 billion on 30 June 2018.

KONZUM closed H1 2018 with HUF 11.329 billion net sales revenues, which is significantly higher than HUF 37,215 million reported for the same period of the previous year. The company reported HUF 2.287 billion EBITDA compared to the -HUF 10.110 million stated in H1 2017. Given the specificities of the tourism industry, namely, that the majority of income is generated in Q3, the net profit of the group in the second half of the year will be significantly higher than in the first half.

The negative goodwill associated with the acquisitions and the income from the re-valuation of the OPUS share package held by KONZUM MANAGEMENT Kft. were important factors in the 2017 H1 figures. As a holding company, we believe that these items are likely to positively affect KONZUM's results in the future and that, with the help of the capital increases, the profit generating capacity will also rise dynamically. The total comprehensive income of KONZUM, net of one-off items, reached HUF 2.253 billion in H1 2018 compared to the HUF 4.185 billion reported for the same period in 2017.

The 2017 pro-forma EBITDA was approximately HUF 5.8 billion. With the capital increases and acquisitions, the KONZUM Group has now reached a positon where it has stable operating profit which is expected to dynamically increase in the future. The EBITDA of KONZUM may reach HUF 10 billion a year even without any acquisition over the next two-three years; primarily as a result of the ambitious growth of HUNGUEST Hotels and Appeninn.

KONZUM is one of the leading investment holdings in the country, investing into strategically important sectors of the Hungarian economy and maintaining the same trends in the future too. We believe that the Hungarian economy has positive growth potential for the future and expect the Hungarian economy to be one of the most dynamically growing economies in the region in 2018 and in the subsequent years.

Our strategic objective is to become a dominant market actor not only in Hungary but also across the entire Central and Eastern Europe region in the medium term. We believe that KONZUM Nyrt. has all the capabilities required for it: high-quality management, strong capital and financial positon and business relations.

II. MAJOR EVENTS IN H1 2018

As it was also presented in the previous Semi-Annual and Annual Reports, in 2017 KONZUM Nyrt. began its dynamic and targeted growth in four major investment segments to achieve the goals stated in its strategy. The company management closed the successful and dynamic 2017 with the announcement of an ambitious capital increase series on 12 December 2017. This capital increase series in the Tourism Segment was completed in H1 2018, as a result of which:

- With 100 per cent business quota held in KZH Invest Kft. and 10 per cent business quota held in KZBF Invest Kft. Kft., KONZUM PE Private Equity Fund increased the capital of KONZUM Nyrt. through contribution in kind. In total, the contributions in kind made up HUF 16,164,893,000 according to the report of the experts of PricewaterhouseCoopers Magyarország Kft.

- On 3 April 2018, KONZUM PE Private Equity Fund transferred its 100 per cent business quota held in Holiday Resort Kreischberg-MurauGmbh. to KONZUM Nyrt. within the framework of a private capital increase as contribution in kind. In addition, Wellnesshotel Építő Kft. contributed its outstanding receivable from KONZUM Nyrt. under the title of purchase price debt as contribution in kind. With that transaction, KONZUM Nyrt. acquired the ownership of Saliris Resort Spa&Conference Hotel and Hotel Alpenblick, also situated in Murau. The total contributions in kind amounted to HUF 3,571,602,580 according to the report of the experts of PricewaterhouseCoopers Magyarország Kft.

- On 2 May 2018, KONZUM II Property Investment Fund increased capital in KONZUM Nyrt. by contribution Bál Resort Hotel in Balatonalmádi, owned by it, as contribution in kind in the amount of HUF 1.988,000,000, also according to the report of the experts of PricewaterhouseCoopers Magyarország Kft.

The volume of the above capital increase series was so great compared to the registered capital of the company that the public offering of the created new shares required the preparation and disclosure of an Issue Prospectus approved by the MNB. KONZUM Nyrt. fulfilled that requirement. The Prospectus was published on 24 September 2018.

There were also major business events and transactions outside the capital increase series indicated above in H1 2018, which further strengthened the investment portfolio of KONZUM Nyrt. in a number of segments. These events and transactions were as follows:

- On 11 January 2018, Konzum Befektetési Alapkezelő Zrt. controlled by KONZUM Nyrt. and Appeninn, entered into an agreement on the contribution of the Üllői út Ü48 Office Building as non-financial capital contribution within the framework of a 4.6 billion capital increase, which took place in May 2018. Thus KONZUM II Property Investment Fund managed by Konzum Befektetési Alapkezelő Zrt. acquired 13.68 per cent holding in Appeninn Nyrt. within the framework of a private capital increase. With this transaction, the former 24.51% participation of KONZUM Nyrt. was reduced to 18.7 per cent and, at the same time, the consolidated participation of KONZUM Group in Appeninn Nyrt. grew to 53.77 per cent (including 20.59 per cent held by KONZUM PE Private Equity Fund, 13.68 per cent held by Konzum II Property Investment Fund and 0.8 per cent held by KPE Invest Kft.).

- On 30 January 2018, the General Meeting of CIG Pannónia granted consent to the acquisition of 24.85 per cent holding in CIG Pannónia by the KONZUM Nyrt. with a capital increase. KONZUM NYRT. had an exclusive right to subscribe for the 23,466,020 'A' series registered, dematerialised ordinary shares with voting right of HUF 40 par value and HUF 350 issue value, issued as a result of the private capital increase. The Court of Registration registered the capital increase in CIG Pannónia with an effective date of 8 May 2018, as a result of which the KONZUM Nyrt. acquired 24.85 per cent qualifying holding in CIT Pannónia. Furthermore, the General Meeting of CIG Pannónia also granted consent to the sale of 1,368,851 ordinary shares of HUF 25 par value each, issued by the Company, to CIG Pannónia by the KONZUM PE Private Equity Fund, managed by Konzum Befektetési Alapkezelő Zrt., which is controlled by KONZUM Nyrt. at the price of HUF 3,000/share. The private equity fund made available the proceeds from the sale to KONZUM Nyrt. as a shareholder loan in order to make prepayment of its bank loan taken from the transaction. On the basis of a contract for the contribution in kind concluded on 8 May 2018, it increased the capital of KONZUM Nyrt. with that receivable.

- The purpose of the strategic co-operation involving the cross-ownership indicated above is to enable the KONZUM Nyrt. and CIG Pannónia to mutually assist and maximising the shareholder value and support each other's business activities, successful and profitable operation and improvement of the market position.

- KONZUM Nyrt. as buyer and KONZUM MANAGEMENT Kft. as seller entered into a sale and purchase agreement for 924,832 dematerialised ordinary shares of HUF 100 par value each, issued by Appeninn, at the closing price recorded by BÉT on 8 March 2018, i.e., for HUF 638/share. As a result of the transaction, KONZUM Nyrt. acquired 26.12 per cent holding in Appeninn and the joint holding of the Group in Appeninn changed to 51.40 per cent.

- On 12 March 2018, the KONZUM Nyrt sold 2,020,372 dematerialised ordinary shares of HUF 100 par value each, issued by Appeninn, to OTP Ingatlanbefektetési Alap within the framework of an OTC transaction. After the closing of the transaction, the Group's holding in Appeninn dropped to 46.46 per cent.

- On 6 June 2018, KONZUM PE Private Equity Fund, managed by Konzum Befektetési Alapkezelő Zrt., controlled by KONZUM Nyrt., proceeded in concert with OPUS Global Nyrt. and REPRO I. Private Equity Fund and entered into agreements for acquiring 50.28 per cent of the ordinary shares issued by, and obtaining a major holding in, 4iG Nyrt. Om the same day, KONZUM PE Private Equity Fund acquired 427,745 ordinary shares in 4IG Nyrt. representing 22.75 per cent holding in the first step of the implementation of the transaction.

- On 29 June 2018, KONZUM Nyrt.. acquired 100 per cent business quota in Ligetfürdő Kft. through a sale and purchase agreement. Thus KONZUM Nyrt. obtained direct and indirect holding and ownership over and the ownership of the following assets.

- Direct or indirect acquisition (with indirect acquisition, the company was acquired by KONZUM Nyrt.)	- Degree of ownership or holding	- Assets acquired by the Group as a result of the transaction
- Direct	- 1/1 holding	- HUNGUEST Hotel Forrás
- Direct	- 1/1 holding	- Napfényfürdő Aquapolis
- Indirect (Heiligenblut Hotel GmbH)	- 100% holding	- HUNGUEST Hotel Heiligenblut
- Indirect (Heiligenblut Hotel GmbH)	- 100% holding	- Landhotel Post
- Indirect (HUNGUEST Hotels Montenegro d.o.o.)	- 100% holding	- HUNGUEST Hotel Sun Resort

KONZUM PE Private Equity Fund paid the purchase price for the 100 per cent business quota of Ligetfürdő Kft. as a substitute. Following the payment of the purchase price, KONZUM PE Private Equity Fund will make available its receivable from KONZUM Nyrt. for the payment of the purchase price within the framework of a private capital increase, as non-financial capital contribution.

The transaction series indicated above significantly increased the equity of KONZUM Nyrt. and the asset value of the total group and also significantly improved the income generating capacity of KONZUM Nyrt. The quantified effect of the transactions are presented in the Pro-Forma Statements included in the Issue Prospectus.

III. MAJOR EVENTS AFTER THE CUT-OFF DATE (30.06.2018)

Some of the events that took place after the cut-off date of the Balance Sheet had already started before but the process has not yet been completed, while the rest were totally new transactions. Here are the most important ones:

- With a resolution adopted at an extraordinary General Meeting of KONZUM Nyrt. on 14 June 2018, the General Meeting approved the modification of the structure of 'A' series ordinary shares of currently HUF 25 par value in KONZUM Nyrt. As a result of the modification i.e., by dividing the par value of the ordinary shares issued by KONZUM Nyrt. by 10 (to 1/10), the share capital of the company is made up of 292,841,590 ordinary shares of HUF 2.5 par value each. The Split process is expected to be completed after the start of trading of the new shares produced in the series of capital increases.

- On 23 August 2018, KONZUM PE Private Equity Fund, managed by Konzum Befektetési Alapkezelő Zrt., controlled by KONZUM Nyrt., . entered into an agreement with BDPST Ingatlanforgalmazó és Beruházó Zrt. for 9,775,567 ordinary shares held by it in Appeninn Vagyonkezelő Holding Nyrt. After the closing of the transaction, the holding of KONZUM Nyrt. általi in Appeninn Nyrt. dropped to 33.2 per cent.

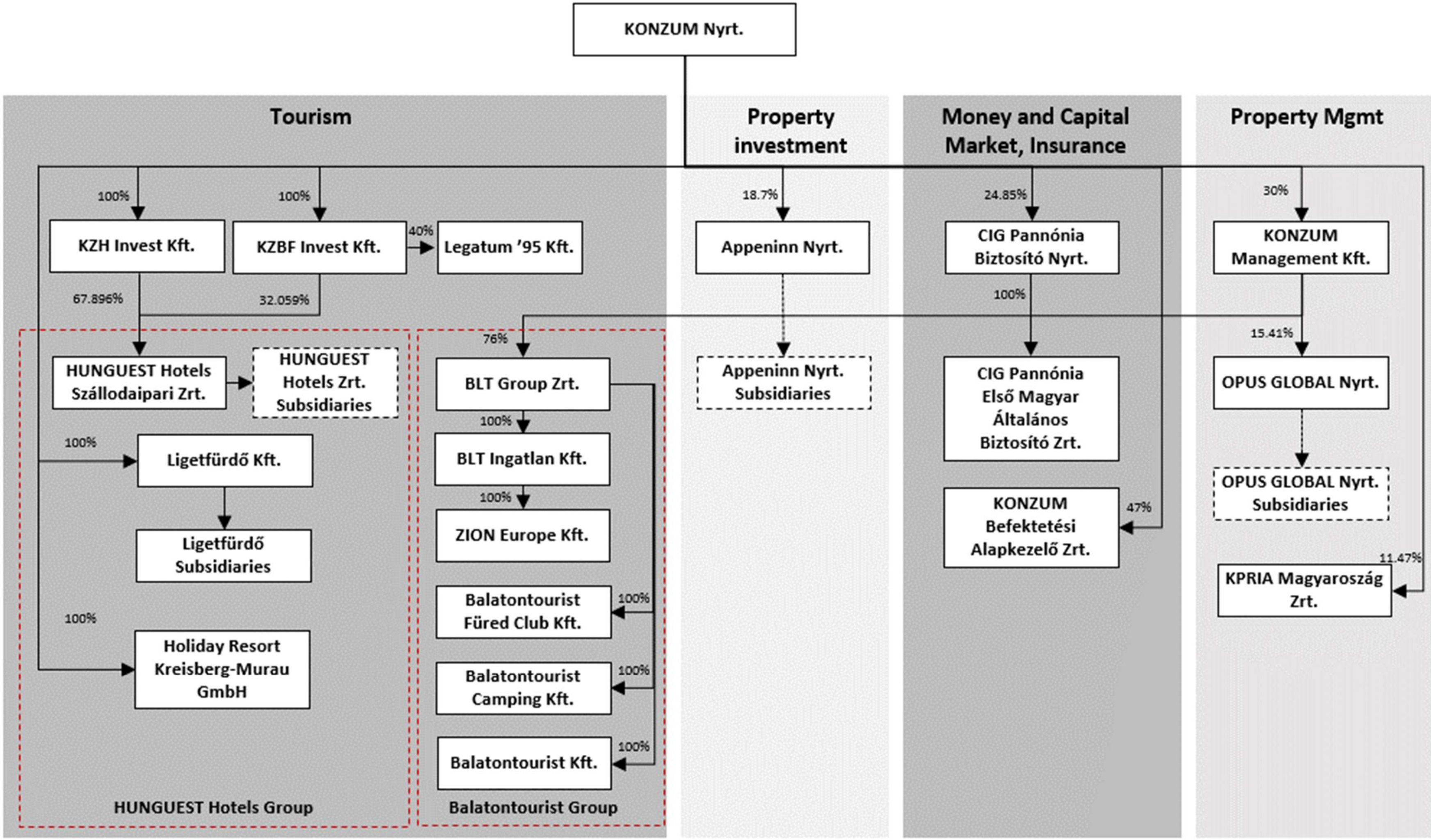
- According to the information disclosed previously, on 27 and 28 August 2018, KONZUM PE Private Equity Fund, managed by Konzum Befektetési Alapkezelő Zrt., controlled by KONZUM Nyrt., acquired 233,660 ordinary shares in 4IG Nyrt., increasing the number of shares held by it to 661,405 and its holding from 22.75 per cent to 35.18 per cent.

- In relation to the acquisition of the business quota in Ligetfürdő described in the previous chapter, KONZUM PE Private Equity Fund, managed by Konzum Befektetési Alapkezelő Zrt., controlled by KONZUM Nyrt., intends to use its receivable from the purchase price paid out by it as a substitute party to increase the capital of KONZUM Nyrt. The transaction will also take place after the Split procedure with HUF 80,122,000 registered capital increase and HUF 9,986,366,000 premium.

- In Q3 2018, KONZUM Nyrt. intends to decide on a private capital increase, as a result of which it will obtain indirect holding and ownership in the following assets.

Company in which KONZUM Nyrt. acquires holding	Degree of holding	Assets to be held by KONZUM Nyrt. as a result of the transaction
BALATONTOURIST Kft.	100% holding	Campsites operated by BALATONTOURIST Kft.
BALATONTOURIST CAMPING Kft.	100% holding	Campsites operated by BALATONTOURIST CAMPING Kft.
BALATONTOURIST FÜRED CLUB CAMPING Kft.	100% holding	Campsites operated by BALATONTOURIST FÜRED CLUB CAMPING Kft.
BLT Group Zrt.	100% holding	100% business quota of the holding company

IV. KONZUM GROUP STRUCTURE



KONZUM

V. PRESENTATION OF THE RESULTS OF THE KONZUM GROUP

This chapter presents the results of the members of the group who are part of consolidation, pursue activities and manage considerable assetes.

V.1. KONZUM Befektetési és Vagyonkezelő Nyrt.

(registered office: 1062 Budapest, Andrássy út 59.; company registration number: 01-10-049323)

The investment holding company KONZUM Nyrt. successfully overcame the challenges of the shift to new strategic objectives. The main shareholders and management of the company established a holding structure of four segments as already presented in the previous reports and successfully filled the framework with content over the past one-and-a-half years. The major profile change, the shift to new objectives and the establishment of an operable, simpler and more transparent structure, was a major challenge for the Group as they also had to adjust to investor expectations. Before analysing in detail the 2018 H1 figures of KONZUM Nyrt., let us take a brief look at the major financial indicators. To illustrate the development dynamism indicated above, the figures of the first six months of the year were compared not only to the same period of the previous but also to the data reported in the 2017 Annual Report.

(data in HUF thousand)

	actual 30 June 2018	actual 31 December 2017	actual 30 June 2017
Net sales revenues	11,329,722	16,823,847	37,215
EBITDA	2,287,044	3,497,731	-10,110
EBIT	1,768,200	2,613,471	-9,474
Profit/loss before taxation	2,485,576	11,340,161	2,855,676
Total comprehensive income	2,253,207	19,649,697	4,185,020
Total long-term assets	126,416,231	46,788,793	7,663,793
Total current assets	5,960,943	19,611,383	750,415
Total equity	58,319,324	40,847,908	4,805,722
Of which non-controlling participations	*12,017,491*	*22,288,880*	*319,884*

The management made a decision in H2 2017 to use the business quota held by the two major shareholders of HUNGUEST Hotels Szállodaipari Zrt. to enable KONZUM PE Private Equity Fund, a shareholder of HUNGUEST Hotels Szállodaipari Zrt., to increase the capital of KONZUM Nyrt. and thus make KONZUM Nyrt. the indirect major shareholder in the hotel chain. In view of that fact and as the

KONZUM Group already held controlling majority holding in the company, the financial figures of HUNGUEST Hotels Zrt. and its subsidiaries were fully consolidated in the complete annual report. This is why the net sales revenues increased so rapidly. Comparing this year's figure in that row on a time basis, it suggests another major annualised increase. This is partly due to the fact that this year KONZUM Nyrt. acquired a controlling majority holding in Appeninn Nyrt., with which that group is also fully consolidated in the financial statements of KONZUM Nyrt. The other factor is that the excellent economic environment has positive effect on the business performance of the consolidated businesses. As presented below, their own results also improved significantly compared to the same period of last year.

On the basis of the above, there is no need to present in detail the EBIT and EBITDA figures because they vary in the same way as net sales revenues. However, analysing the profit before taxation, the single profit impacts of the acquisitions can be observed. The badwill, which shows h ow much lower the purchase price was compared to its equity value is included among the revenues from financial transactions. As it was also shown in previous periods, these items can significantly improve the profitability of the Group but in the long term predictable operation cannot be guaranteed with one-off single items. In that respect, the EBITDA is reassuring.

The dynamism with which the holding was filled with content can be observed in the development of invested assets and, simultaneously, the equity. It is also clear that the efforts to make the structure transparent were also successful. That can be seen in the non-controlling participations in the table above. At the moment, the majority of the non-controlling participation is reported in Appeninn Nyrt., i.e., the other fully consolidated assets are directly or indirectly owned by KONZUM Nyrt. At the same time, the equity/debt ratio turned around, but the proportions are still close to 50-50 per cent.

Segments of KONZUM Nyrt.:

KONZUM Nyrt. is a diversified investment holding investing into strategically important sectors of the economy with the greatest growth potential in Hungary and in the Central and Eastern European region. KONZUM Nyrt. classifies its activities in the following four segments:

Tourism Segment: The Group operates in tourism through HUNGUEST Hotels Szállodaipari Zrt. acquired in 2016. The segment also includes Balatontourist Group, where the Group holds an indirect minority 22.8 per cent share through KONZUM MANAGEMENT Kft., and which is included in the Group's consolidated IFRS Annual Report as an associated company. KONZUM MANAGEMENT Kft. will contribute this participation to KONZUM Nyrt. as contribution in kind in Q3 2018. The scope of activities of the Tourism Segment includes the following:

- Rural health, wellness and event tourism in Hungary (HUNGUEST Hotels Group);
- Campsites around Lake Balaton (Balatontourist Group)
- Accommodation 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. 20 of the 26 hotels of the chain operate in Hungary's best known therapeutical 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. 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 municipalities.

Property Investment Segment: KONZUM pursues its property investment activities through Appeninn, which is one of the most dynamically growing property investment companies in Hungary. The main activities of Appeninn include property leasing and related maintenance, operation and marketing services as well as active property portfolio management. At the moment Appeninn manages a portfolio of 39 commercial properties, most of which are 'A' and 'B' category office blocks and retail and logistics facilities. KONZUM's objective is to increase its property market portfolio dynamically by purchasing and developing offices and developing retail facilities.

Money, Capital Market and Insurance Segment: The Money, Capital Market and Insurance Segment, the 2017 financial year was still dominated by the activities of Konzum Befektetési Alapkezelő Zrt. The managed portfolio grew during the year with the transfer of the METIS Private Equity Fund and the registration of METIS 2. Private Equity Fund which, at the time of the closing of this Prospectus, hold 49 per cent of the ordinary shares of MKB Bank Zrt. indirectly and directly and with the transfer of Diófa Property Investment Fund, which is one of the dominant actors in the market with its more than HUF 10 billion property assets. Following the closing of the transactions presented by the KONZUM Nyrt. in an extraordinary announcement on the BÉT website on 27 August 2018, the direct and indirect share of METIS Private Equity Fund and METIS 2. Private Equity Fund in MKB Bank Zrt. increased to 48.62 per cent of the ordinary shares of the Bank. The Group has no ownership interest in the funds listed above, they are managed by Konzum Befektetési Alapkezelő Zrt. Considering that in February 2017 the KONZUM Nyrt and KONZUM MANAGEMENT Kft. entered into an agreement pursuant to which, within the framework of their joint control over Konzum Befektetési Alapkezelő Zrt., KONZUM Nyrt will exercise direct control over Konzum Befektetési Alapkezelő Zrt. in compliance with the provisions of the Act on the prohibition of unfair market practices and restriction of competition on the concentration of companies (which direct control is limited to the KONZUM Nyrt's right to nominate the majority of the executive officers of Konzum Befektetési Alapkezelő Zrt.), the activities of the Group also include the fund management through Konzum Befektetési Alapkezelő Zrt. In compliance with the applicable IFRS rules, the KONZUM Nyrt. began consolidating Konzum Befektetési Alapkezelő Zrt. as a subsidiary in 2017. In December 2017, KONZUM Nyrt. announced its intention to obtain an interest in CIG Pannónia and in its subsidiaries. The core activity of CIG Pannónia is life insurance and related insurance and auxiliary financial services. CIG Pannónia pursues its non-life insurance activity through EMABIT, which is fully-owned subsidiary. EMABIT focuses on Hungarian small and medium-sized enterprises, public and municipality institutions, companies, professional chambers, associations and federations.

Asset Management Segment: One of the main profiles of the Group is asset management. KONZUM Nyrt. holds direct and indirect minority shares in strategic companies with considerable income generating capacity. KONZUM MANAGEMENT Kft. (in which KONZUM Nyrt. holds 30 per cent minority share) acquired 15.41 per cent share in OPUS in March 2017 under an OTC agreement, as a result of which it became one of Hungary's largest groups. In addition to the OPUS share, KONZUM Nyrt. also holds a 11.47 per cent minority share in KPRIA Zrt.

The market of each segment:

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

Tourism market. The performance of the Hungarian hotel industry may be described best with the following factors:

Revenues of the sector:

In 2017, the Hungarian commercial places of accommodation generated in total more than HUF 466.8 billion gross revenues. Within that the gross accommodation revenues were close to HUF 278 billion, indicating a 11.1 per cent increase since the previous year and exceeding the 7.9 per cent rise in the number of guest nights. 61 per cent of the gross accommodation revenues were generated by foreign guests.

Total number of guests using commercial places of accommodation and the number of their guest nights:

The total number of guests in Hungary and the number of guest nights continued to increase over the past few years. According to the KSH (Central Statistical Office) figures in 2017, in total 11,884,929 guests used commercial places of accommodation, which was up by 6.8 per cent since 2016, while the number of guest nights spent by them grew by 7.7 per cent to 27,769,770 nights. The average period of stay was 2.5 nights, reflecting a marginal 0.1 per cent drop since the previous year.

Compared to the data measured in 2012, the number of registered guest nights picked up by in total 36.5 per cent until 2017 owing to 42.4 per cent rise in domestic guest nights and 31.2 per cent increase in foreign guest nights. Primarily rural commercial hotels providing wellness and recreation services were able to increase their sales revenue from the increase in the number of guests.

Hotel utilisation:

According to the KSH figures, in 2017 the average room capacity utilisation of commercial places of accommodation was 49.7 per cent, within which the room occupancy of hotels was 59.3 per cent.

Property Investment KOMZUM Nyrt's property investment activity concentrates primarily on the office market and the market of logistics properties in Budapest.

Over the past three years, clearly the Budapest office market expanded. In 2015, there was a major drop in the vacancy rate, reaching 13 per cent. With a record lease volume, the net market absorption was 40 per cent higher than the figure measured in the previous year.

The tendency of the upturn in the Budapest office market also continued in 2016. New and new developments were announced, and simultaneously the vacancy rate declined and the lease market picked up. The greatest demand was generated by the SSC and ICT sectors and, as a result of the extremely few developments taking place during the years of the crisis the market which had been dominated by tenants for years turned into a lessor-dominated market in 2017. The vacancy rate dropped to 11 per cent and the average rent varied between 10 and 15.5 EUR on the Budapest office market. The dynamically and continuously growing office space demand significantly exceeded the supply by 2016. By 2017 the vacancy rate permanently dropped below 10 per cent. At the same time, the lease term also became longer.

In the market of industrial and logistics properties of Budapest and its agglomeration demand surpassed the level of the previous years in 2017. At the same time, the market vacancy rate fell to 4 per cent.

Money and Capital Market, Insurance KONZUM Nyrt. holds 24.85 per cent minority share in CIG Pannónia, which operates in the insurance market, more specifically and primarily in life insurance.

On the basis of the MNB statistics, the average growth rate of the insurance market was 4.5 per cent p.a. over the past five years. In 2017, the Hungarian insurance sector had outstanding performance: the premium revenues of the sector were up by 6.7 per cent compared to the previous year and reached HUF 948.1 billion. The life insurance sub-sector grew by almost 5 per cent, while the increase in the premium revenues of the non-life insurance sub-sector exceeded 9 per cent.

Under the Solvency II regulatory regime a new solvency margin requirement calculation was introduced in 2016 reflecting better the risk profile of insurance companies. The aggregated solvency margin level calculated for the entire sector from individual data is stable, as it was in the previous periods. The adequate solvency margin was 225.8% in Q4 2017, showing a moderate increase of 2.4 percentage points since the previous quarter and a major, 8.9 percentage point, increase since Q4 2016 and significantly exceeding both the 100% requirement specified in the law and the 150% requirement increased with the volatility capital buffer expected by the MNB.

The introduction of products with a more favourable cost structure and increased transparency for customers, complying with the requirements of the ethical life insurance concept, was a major factor in the life insurance market. Looking at the annual data, it may be concluded that the ethical life insurance expectations of the MNB worked well and the average total cost ratio dropped to 3.55 per cent.

In the non-life insurance market, the increase in the premium of mandatory third-party liability insurance (MTPL) continued to be the driving force behind the growth.

Results by segment:

30 June 2018 *(data in HUF thousand)*

	Tourism	Property Investment	Money and Capital Market, Insurance	Asset Management	**Consolidated**
Sales revenues from external parties	10,018,979	848,158	462,585	0	**11,329,722**
Direct costs	-7,124,705	-298,085	-172,771	-86,931	**-7,682,492**
Gross margin	**2,897,190**	**550,073**	**289,814**	**-34,380**	**3,647,230**
Indirect operating expenses	-1,084,606	-250,092	-48,071	-32,485	**-1,360,186**
Depreciation	-461416	-3,535	-4,563	-49,330	**-518,844**
Operating profit/loss	1,351,168	296,446	237,180	-116195	**1,768,200**
Profit/loss after taxation	**1,452,586**	**227,153**	**215,559**	**568,673**	**2,254,244**
Invested assets	**84,228,390**	**28,943,048**	**23,073**	**50,889,578**	**126,416,231**
Current assets	26,263,161	2,037,276	438,621	746,297	**7,906,430**
Equity	**51,809,751**	**14,543,126**	**365,906**	**27,405,371**	**58,319,325**
Long-term liabilities	25,306,358	12,586,757	0	1,447,272	**38,194,936**
Short-term liabilities	33,375,441	3,850,440	95,788	22,783,232	**27,741,912**

The income is absolutely dominated by the results of the Tourism Segment. 88.43 per cent of the sales revenues and 64.44 per cent of the profit is made by the segment. Thus, in terms of risks, the group exposure is significant in this segment. At the moment, the market environment is favourable in this constantly growing segment, but in a longer term the other three segments must be strengthened in order to mitigate the risks. In addition, HUNGUEST Hotels and Balatontourist are known and famous brands in the market. As owners, we are responsible for constantly developing the quality of services, thereby reducing the market risks. It is also important to mention that the above results are very impressive, yet in this segment the third and fourth quarters are very strong. The revenues of the summer season are actually collected and the autumn is also favourable in terms of long weekends, which is one of the boosting factors of wellness tourism. Consequently, there are higher expectations for the end of the year.

The revenue figures are much more moderate in property management and the money and capital market but their proportionate income generating capacity is higher. While they contribute less than 10 per cent to the consolidated sales revenues, they have 10 per cent contribution each to the profit after tax. In the long term, these segments should be strengthened with a truly ambitious strategy, especially regarding property investments.

In terms of capitalisation, each segment is capitalised according to the market standards. The debt/equity ratio is approximately 50 per cent, which is a healthy figure. Each company of each segment has the infrastructure that is required for profitable operation. As an owner, we intend to constantly expanding that infrastructure, which is a regular activity. In this respect, there is a risk in the balance sheet structure but it is not significant and is manageable. Looking at the composition of assets and liabilities, it is clear that the Group uses a slightly aggressive financing strategy, i.e., it finances some of its invested assets which short-term liabilities. That debt structure can be managed with restructuring.

In total it may be concluded that the former dynamism of growth, in relation to which often one-off items contributed to the profit of the Group, was replaced by the practice of operating the assets and companies under the holding on the basis of reasonable factors and synergies and any reorganisation will results in a predictable, stable, long-term income generating capacity free of one-off effects and a valuable set of assets for the shareholders. That can be used a stable basis of future selective and informed investment decisions for which capital may also be raised from international large investors.

V.2. HUNGUEST Hotels Szállodaipari Zrt.

(registered office: 2053 Herceghalom, Zsámbéki út 16.; company registration number: 13-10-041729)

HUNGUEST Hotels Szállodaipari Zrt. (hereinafter HH) is one of the leading hotel chains in Hungary. On the closing day of the valuation period, the company owned 17 hotels and one spa according to the provisions of the corporate law. Ten hotels have four stars and 7 hotels have three stars. The hotels contain in total 3,119 rooms and 6,382 beds, and each of them are situated in key tourism destinations (spa and holiday resorts - e.g., Hajdúszoboszló, Gyula, Hévíz, Bükfürdő, Zalakaros, Mátra, Balaton). The holding also includes a company operating Austrian ski hotels (Relax Resort**** and Alpenblick**** in Murau).

Erkel Hotel Kft., previously held in 100 per cent, also merged into the holding on 1 January 2018 and, as a result, HUNGUEST Hotel Erkel**** in Gyula, is now also operated by HUNGUEST Hotels Szállodaipari Zrt. On 10 January 2018, further three units were added to the holding. It became the operator of Saliris Resort Spa&Conference Hotel **** and Saliris Spa&Medicinal and Thermal Bath in Egerszalókand Lifestyle Hotel Mátra**** in Mátraháza.

New units were added to the hotel portfolio operated by HH after the closing date of the valuation period, i.e., 1 July 2018. HUNGUEST Hotel Forrás**** in Szeged and Napfényfürdő Aquapolis, directly interconnected with it, were also transferred into the operation of the company. In addition, simultaneously, the holding began to operate three hotels abroad, two of which are situated in Heiligenblut, Austria (HUNGUEST Hotel Heiligenblut and Landhotel Post) and one is in Herceg Novi, Montenegro (HUNGUEST Hotel Sun Resort****).

Assessing the performance of the company in the first half of the year, it is clear that HH closed a successful six-month period: both the revenue and profit figures are higher than projected. The net sales revenues were HUF 9,916.595,000, which was HUF 106,551,000 higher than projected and, by also including the additional revenues of the new units taken over for operation, the net sales revenues were HUF 3,696,514,000 higher than in the base period.

In terms of cost management, it should be stressed that the additional material-type expenses compared to the projected figure of HUF 73.4 million was closely related with an increase in the number of guests. The additional expenses occurred in material expenses (raw materials for catering) and in the purchase value of mediated services (mediated spa admission tickets) and were related to the higher than projected number of guests and sales revenues.

In terms of staff costs, the expenditure was managed according to the plan and small savings were made (HUF 10.2 million) despite the increasing wage pressure observed in the labour market. It is illustrated well by the fact that compared to the base period, staff costs increased by 18 per cent and, if the units taken over this year are also included, then the staff costs increased by HUF 1,019,918,000 (45.4 per cent).

The actual operating profit was HUF 1,673,422,000, exceeding the budget by HUF 348,804,000. The EBITDA adjusted by items without an actual cash flow was HUF 1,915,329,000 and exceeded the budget by HUF 385,047,000. Compared to the base figure, the same indicator was up by HUF 1,104,066,000.

The consolidated balance of the EBITDA items exceeded the budget by HUF 36,966,000. It mainly reflects the positive balance of exchange rate fluctuation, which could not be projected accurately due to the intensive fluctuation.

In H1 2018, the profit before tax of HUNGUEST Hotels Szállodaipari Zrt. was HUF 1,523,715,000 , reflecting a surplus of HUF 385,770,000 compared to the budget. The surplus compared to the base period reached HUF 900,136.000.

On the basis of the surplus income achieved compared to the semi-annual budget and the favourable revenue and profit projections for the rest of the year, the company expects sales revenues and profit reflecting or, under ideal conditions, exceeding, the budget also in the second half of the year, based on which the expectations for the achievement of the annual budget can be fulfilled.

V.3. Balatontourist Group

(Registered office: 8200 Veszprém, Jutasi út 23.)

The Balatontourist Group pursues well co-ordinated business activities and operates campsites on the shore of Lake Balaton. The group consists of three members. Balatontourist Kft., Balatontourist Camping Kft. and Balatontourist Füred Club Camping Kft. have the same profile and owners. All three companies belong to the Konzum Group.

The campsites operated by the Group are not owned but leased by the company from economic entities and municipalities.

The campsite operation by Lake Balaton is a strongly seasonal activity. The campsites are generally open between May and September.

The revenues are generated according to the season. Thus the sales revenues in the first half of the year have made up approximately 20 per cent of the annual sales revenues for years. The same statement also applies to H1 2018.

Compared to the first half of the previous year, the total net sales revenue increased by 19,1 per cent, as indicated below:

Net sales revenues (HUF thousand)	**H1 2017**	**H1 2018**	**index**
Balatontourist Füred Club Camping Kft	116,986,	137,312	117.4%
Balatontourist Camping Kft	133,143	155,909	117.1%
Balatontourist Kft	48,727	62,574	128.4%
Toital	**298,856**	**355,795**	**119.1%**

Most expenditure occurs evenly at the Company and mainly in the first half of the year in relation to the preparations for the tourist season. That is why the operating result is generally and necessarily loss in the first half of the year.

Profit/loss before taxation (HUF thousand)	**H1 2017**	**H1 2018**	**index**
Balatontourist Füred Club Camping Kft	-61,973	-52,337	84.5%
Balatontourist Camping Kft	-54,901	-51,577	93.9%
Balatontourist Kft	-86,709	-332,119	383.0%
Total	**-203,583**	**-436,033**	**214.2%**

At the two companies the loss is lower than the loss figure reported for the first half of the previous year. At Balatontourist Kft. the loss increased with the waiver of a HUF 301,160,000 receivable and not because of any changes in tourist activities. Without that one-off item, the profitability of the company would have been significantly better.

The expenditure recognised in relation to the waived receivable did not involve any cash outflow. The companies allow bookings for the subsequent tourist season in November each year. Thus they can use the collected advances and the profit accumulated from the previous years to finance the costs of preparation for the tourist season even despite the loss before taxation made in the first half of the year.

Given the seasonal nature of the activity, there are very few employees who are employed throughout the year. Such staff performs only the most important jobs. The majority of the business activities are outsources. Contracted contractors provide cleaning, gardening, animation, IT and water rescue services, employing a large number of students too.

The brand name of Balatontourist, which existed for many decades, is now associated with camping by Lake Balaton and a predictable and acceptable quality of service for guests.

As the group profile is campsite operation, at the moment the Balatontourist Group cannot apply for resources for development because the Kisfaludy Programme is designed for the development of hotels and bed and breakfast accommodation and campsites are not eligible applicants.

At the same time, a government decision has been adopted on the development of tourism at Lake Balaton and the development of campsites by Balaton is also included in the objectives.

If the call for application is published, the Balatontourist Group intends to take the option of applying for development support and the members of the Group plan to submit applications as operators or intend to support the applications submitted by the owners of the properties as professional co-operation partners.

The Balatontourist Group is controlled from the Veszprém headquarters of the companies.

Balatontourist Kft. leases campsites from the municipalities in Révfülöp and Balatonberény. The company has the assets required for operating campsites.

The company operates the Révfülöp campsite itself, while the naturist campsite in Balatonberény is operated by a third-party operator, Zala Kempingek Kft., which does not qualify as an associated company.

The long-term lease agreement for the Révfülöp campsite expires in 2018 but the company has proposed extending it.
The lease agreement of the Balatonberény campsite will expire in 2028.

Balatontourist Füred Club Camping Kft. has operated a campsite since 2016; it leases the largest campsite by Lake Balaton from the local government of the town. The lease agreement is effective until 2027.
The company has the assets required for operating campsites: some of the movable assets are owned by it and the rest are leased from Balatontourist Kft., a member of the Group.
The company operates the campsite itself.

Balatontourist Camping Kft. leases campsites from business organisations in Balatonakali, Keszthely, Balatonszemes and Zalakaros. In relation to the sale of the property, the lessor changed for all campsites in 2018.
At the moment, the lease agreements are for one year but the company proposed extending them.
The number of leased campsites reduced in 2018 when the Fonyód and Siófok campsites were taken out from lease.
The company has the assets required for operating campsites, some of which are owned by it, and the rest are leased from Balatontourist Kft., a member of the group.
The company operates the campsites in Balatonakali, Keszthely and Balatonszemes and employs an external operator at the Zalakaros campsite.

Within the Balatontgourist Group, the marketing and sales activities are pursued by Balatontourist Camping Kft. for a fee also for the other two companies of the Group.
The consistent management of the companies is guaranteed by the same executive director.
The companies earn the majority of their net sales revenues from individual guests. Accommodation revenues from re-sellers and revenues from the lease of areas and premises within campsites make up a minor share within the revenues.

The measures taken to improve the quality of services in 2018 were not dominated by the preparations for this year’s tourist season because the resources expected to be available in the future will hopefully be sufficient for a greater volume of development with the same amount of own funds.

However, the preparations for the development continued very intensively in 2018. High-level development plans have been completed for a number of campsites, which may be used to satisfy the basic requirement for accessing funds under application.

The replacement of service providing subcontractors offering higher-quality services in cleaning, gardening and animation with voluntarily paid, significantly higher fees than in the previous year, was aimed at improving the quality of operation and enhancing customer satisfaction.

The professional skills of the employees are improved with education, training and study trips, preparing them for operating accommodation facilities satisfying higher demand and using resources available on application in future.

All in all, the business results of the company are promising on the basis of the actual data of the first six months and the pro-forma financial statements prepared since then, as they comply with or are slightly higher than the budget.

V.4. APPENINN VAGYONKEZELŐ HOLDING Nyrt.

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

Since the acquisition of the KONZUM Group in 2017, the portfolio of Appeninn grew dynamically in H1 2018 with large capital increases and properties acquired through purchases. In line with the new strategic objectives, the Appeninn Group acquired ‘A’ category office buildings, such as the Andrássy 59 Palace Office Building, the Andrássy 105 Office Building and the Ü48 Corner Office Center. Besides new offices, Appeninn also began expanding in the market of retail properties, acquired as an investment for future lease in the spring of 2018 with the acquisition of 18 retail properties leased by SPAR Magyarország Kereskedelmi Kft.

The figures of the first half of the year match the company’s plans. Appeninn closed the first six months of 2018 with EUR 2.7million premium revenue and EUR 955,000 EBITDA. The revenues earned from the recently acquired properties of the company were a major factor in the change of the revenue figure. As the properties were acquired and leased at different times during the first half of the year (although the costs of certain acquisitions appeared in the books of the company during the six-month period), the profit generating capacity of Appeninn was also presented with pro-forma figures as if the impact of all transaction proceeds had also been present since 1 January 2018. On that basis, the pro-forma sales revenues of Appeninn in the first half of this year amount to EUR 5.1 million and the EBITDA figure is EUR 3.3 million, significantly superseding the 2017 and 2018 H1 results.

Appeninn Nyrt. published its strategic concept and five-year business plan in June 2018. As a member of the KONZUM Group, Appeninn receives effective support in the exploitation of market opportunities, the search for acquisition targets and the actual acquisitions; in addition, group-level synergies provide significant growth potential. For Appeninn the main sources of shareholder value creation include acquisition at a lower than market prices, higher than market returns and favourable financing resources. The company’s target is to increase the current EUR 100 million asset value by almost five times, driving up the present approximately HUF 400 net asset value/share to HUF 1,000 in the next five years.

Within the framework of the BÉT programme and based on a complex analysis of the company published by Concorde, the Appeninn shares were recommended for accumulation at a target price of HUF 743. The analysis also emphasised that Appeninn could be one of the major and most rapidly growing property companies of the region in the near future.

The appointment of the new management was announced on 23 August 2018. Gábor Tomcsányi joined the company as Chief Executive Officer, while Péter Somfalvi accepted the position of Deputy Chief Executive Officer. Both came from the property market after a long career and a great deal of professional experience.

Backed up by a new management, Appeninn is working on further major development and acquisition opportunities. Property development is an important element of the announced growth strategy, In the first step of the strategy, the company signed a sale and purchase agreement for the acquisition of 74.99 per cent business quota in Club Alige on the shore of Lake Balaton on 25 July 2018. The investment project implemented on 47 hectares may be one of the largest development projects by Lake Balaton over the next ten years and, according to preliminary expectations, its cost may reach EUR 400 million in the next five years.

KEY ITEMS OF THE APPENINN GROUP IN THE FIRST SIX MONTHS OF 2018

Key data - consolidated	Actual 30.06.2018 1-6 months	30.06.2017 1-6 months	PRO FORMA 30.06.2018 1-6 months
Consolidated profit and loss account			
Revenues from the lease of properties	2,700,452	2,604,313	5,098,945
Direct margin	1,751,378	1,866,572	4,149,871
EBITDA	955,111	718,058	3,353,604
EBIT	943,856	718,058	3,342,349
Profit/loss after tax in the current year	723,233	(37,971)	2,881,876
Assets, liabilities and equity			
Income generating properties held for investment purposes	87,408,473	64,561,364	100,908,473
Total long-term liabilities	38,304,192	36,099,404	46,704,192
Total current assets	6,217,248	1,826,705	8,375,891
Total short-term liabilities	9,341,518	5,674,604	14,441,518
Capital/shareholder	46,882,944	25,924,377	49,041,587

INFORMATION RELATING TO THE KEY ACTUAL DATA

- The Appeninn Group closed the first six months of 2018 with EUR 2.7 million premium revenues. The start of the income generation of the recently acquired properties of the Group was a major factor in the changes of the sales revenues, offsetting the revenue lost due to the same of the property in Mérleg utca (District 5) which was still in the portfolio in 2017 but was sold by 2018.

- The EUR 1.751 million direct margin of the Group was slightly lower than in 2017. The direct margin reduced primarily because the direct costs of the leased properties went up in the current year and that budgeting for the income for new properties began only in April 2018 or in the second half of the year, while certain direct expenses already appeared during the first half of the year. The direct margin of the Group was steadily above 60 per cent in 2018 showing the 60-72 per cent relative to the revenues, as observed at the Group.
- The Group reported EUR 723,000 profit after tax for the first half of 2018 compared to the loss after tax of EUR 38,000 in the first half of 2017. The main reason behind it was the EUR 1 million devaluation of a property held of investment, recognised in 2017 as a one-off item. There was no such devaluation in 2018 but the increase in the direct expenses reduced the profit.
- The Group acquired a number of new properties in the first half of this year and therefore the total value of its property portfolio was EUR 87 million at the end of the first half of 2018.

KEY EVENTS AFTER THE CUT-OFF DATE OF THE BALANCE SHEET

On 23 July 2018, a sale and purchase agreement was signed for the sale of the shares representing 100 per cent participation in AppeninnCredit Hitelezési Zrt. The transaction was closed on 31 July 2018.

On 25 July 2018, Appeninn BLT Kft. (one of the subsidiaries of the group) entered into a sale and purchase agreement for the acquisition of 74.99 per cent business quota in PRO-MOT HUNGÁRIA Ingatlanfejlesztő Kft. and the receivables of the business quota holders from PRO-MOT HUNGÁRIA Kft. As a result of the transaction, the group acquired an indirect ownership right to approximately 37 hectares of the properties constituting part of Club Aliga (Balatonvilágos, Aligai út 1, 8171) and the asset management right to approximately 10 hectares remaining Club Aliga. The final deadline of closing the transaction is 20 December 2018.

Appeninn E-Office Vagyonkezelő Zrt., one of the subsidiaries of the Group, took an EUR 11.6 million loan on 1 August 2018, maturing in 2025. The interest rate on the loan is 3-month EURIBOR + 2.1 per cent. Appeninn E-Office Zrt. used the loan and EUR 2.9 million own resources to pay the EUR 14.5 million price of the 18 retail properties purchased from ERSTE Open-End Property Investment Fund managed by ERSTE Alapkezelő Zrt. and from ERSTE Open-End Euro Property Investment Fund, leased by SPAR Magyarország Kereskedelmi Kft.

On 13 August 2018, Appeninn E-Office Zrt. prepaid its EUR 3.2 million debt with 3.5 per cent interest premium from the loan agreement with ERSTE Bank Hungary Zrt. seven years sooner than the original maturity of the loan in 2025.

On 22 August 2018, KONZUM Befektetési és Vagyonkezelő Nyrt., KONZUM PE Private Equity Fund, Konzum II Property Investment Fund, KONZUM MANAGEMENT Kft., and KPE Invest Kft. entered into an agreement pursuant to which KONZUM Nyrt. may appoint the majority of the executive officers of Appeninn Nyrt.

On 23 August 2018, the General Meeting recalled Members of the Board of Directors György Ádámosi and Sándor Juhász and acknowledged the resignation of the Members of the Board of Directors Dr. Orsolya Páricsi Mrs. Egyed and Dr. Dóra Halápi Dóra. The General Meeting elected Dr. Judit Tóth, Zoltán Malik, Aladin Ádám Linczényi and János Tima as Members of Board of Directors for an indefinite term.

KONZUM PE Private Equity Fund entered into an agreement with BDPST Ingatlanforgalmazó és Beruházó Zrt. on 23 August 2018 for the sale and purchase of 9,755,567 Appeninn shares in an OTC transaction, as a result of which the participation of KONZUM PE Private Equity Fund in Appeninn Nyrt. dropped from 20.59 per cent to 0.82 per cent.

The company redeemed 130 bonds of in total EUR 1.3 million par value in 2017. It paid out the remaining 20 bonds of EUR 200,000 par value and their interest coupons on 11 September 2018 and thereby all obligations of the company from the issue of bonds disappeared.

On the basis of a decision of the Vienna Stock Exchange (Wiener Börse AG), Appeninn Nyrt. will become part of the CECE index. The weight of Appeninn shares in the CECE index became final on 21 September 2018. The new basket composition became effective on 24 September 2018.

V.5. CIG Pannónia Életbiztosító Nyrt.

(registered office: 1033 Budapest, Flórián tér 1., company registration number: 01-10-045857)

KONZUM Nyrt. acquired actual holding in CIG Pannónia Életbiztosító Nyrt. and its subsidiaries in the second quarter of this year in accordance with the strategic co-operation framework system announced on 30 January 2018. Accordingly, in the framework of a private capital increase, KONZUM Nyrt. acquired 23,466,020 ordinary shares in CIG Pannónia Nyrt. for HUF 350/share issue value, obtaining 24.85 per cent owneship share in the insurer. CIG Pannónia Életbiztosító Nyrt. acquired 6.16 per cent holding in KONZUM Nyrt. by purchasing ordinary shares in an OTC transaction (1,368,851 shares).

As the size of neither the ownership share, nor the holding is such that would allow for full consolidation according to the accounting regulations, the results of the insurer are taken into account in the balance sheet of KONZUM Nyrt. with the equity method.

Main results of CIG Pannónia Group in H1 2018:

- The profit after tax of the group in H1 2018 was HUF 1,155 million.
- After the elimination of the one-off impacts from the profit/loss of H1 2017, the profit after tax increased by HUF 1,185 million compared to the HUF 30 million loss after profit of the then four insurers and the fund manager. This increase in profit is primarily due to the successful completion of portfolio clearing after the acquisition and the extension of the strict cost management activities of CIG Pannónia. At present, the Group strengthens the market presence with products that generate the required return and functions at optimum costs.
- The total comprehensive income of the Group is HUF 642 million profit, while the profit/share in H1 was HUF 15.1.
- The insurance premium revenue corresponds with 91 per cent of the premium collection in H1 2017 (HUF 11,468 million). By division, the premium revenue of the non-life insurance segment according to IFRS equals 96 per cent of the figure of the comparative period. The premium revenue of the life insurance segment according to IFRS corresponds to 88 per cent of the premium revenue in H1 2017. The decline was primarily caused by a major drop in one-off single premiums. The one-off/single premiums are decreasing because among the contracts

established by the Group in the current year considerably more are classified as investment contracts according to the EU IFRS and cannot be recognised as premium revenue under the standard.

- In the life segment, in H1 the acquired new contracts generated HUF 1,524 million premium, which figure is 7 per cent higher than in the same period of 2017. Portfolio clearing continued in the non-life segment. The net portfolio decreased by HUF 86 million in the six-month period compared to the HUF 538 million increase in the comparative period.

- The equity of CIG Pannónia Életbiztosító Nyrt. rose from HUF 9,015 million in 2017 to HUF 16,937 million. This change in equity was mainly the result of the private capital increase indicated above (+HUF 8,213 million), the dividend payment (-HUF 933 million) and the total comprehensive income of the six-month period (+HUF 642 million).

- The owners of CIG Pannónia Group approved the company's audited individual Annual Report and Business Report for the 2017 financial year, prepared according to the Hungarian accounting regulations and the consolidated financial statements and consolidated business report for the 2017 financial year, prepared according to EU IFRS Rules at the General Meeting of CIG Pannónia Nyrt. on 27 April 2018.

- The Board of Directors of the company recommended for approval to the General Meeting the payment of gross HUF 10/share, in total HUF 933,242,540 dividends for the 2017 financial year and the General Meeting approved the proposal on 27 April 2018. The dividend was paid out from 4 June 2018.

- At its General Meeting, the company elected Ernst&Young Könyvvizsgáló Kft-t (chamber registration number: 001165) as the permanent external auditor of the company and Gabriella Virágh as the auditor responsible in person (chamber registration number: 004245) until the closing of the 2019 financial year.

- At the General Meeting held on 27 April 2018, CIG Pannónia Életbiztosító Nyrt. elected Dr. Mária and Gergely Domonkos Horváth as Member of the Board of Directors for a period of five years. The MNB approved the appointments in its resolutions H-EN-II-57/2018 and H-EN-II-56/2018 of 20 June 2018

- In June 2018, CIG Pannónia Első Magyar Általános Biztosító Zrt. decided to terminate the retail casco portfolio, which was kept during the integration of MKB Általános Biztosító. The explanation behind that decision is that the profitability of the product lagged behind the indicators of other products of CIG Pannónia due to the fierce competition in the casco market. In line with its strategy, the insurer focuses on products that are competitive and serve better the interests of the owners.

- The capital adequacy of CIG Pannónia Életbiztosító Nyrt. according to Solvency II was 348 per cent on 30 June 2018, while the capital adequacy of CIG Pannónia Első Magyar Általános Biztosító Zrt. according to the same requirements is 180 per cent, and thereby both companies comply with the minimum requirement of the Supervisory Authority, which is 150 per cent.

V.6. Konzum Befektetési Alapkezelő Zrt.

(registered office: 1062 Budapest, Andrássy út 59., company registration number: 01-10-045654)
At the beginning of 2018, the Hungarian Competition Authority approved the change of ownership in Konzum Befektetési Alapkezelő Zrt., as a result of which KONZUM MANAGEMENT Kft. left the company and half of its ownership share was acquired by the former owner KONZUM Nyrt. officially, without any change in its overall, 47 per cent ownership share. Lőrinc Mészáros became the majority owner of Konzum Befektetési Alapkezelő Zrt. with 53 per cent ownership share.

Considering that in terms of the corporate law the managed funds do not have any direct relationship with KONZUM Nyrt, they do not qualify as associated companies, are not subject to consolidation and therefore they are not covered in detail in this report. The operation of KONZUM Nyrt. is affected only by KONZUM PE Private Equity Fund, as it is presented above.

The manager of the funds, Konzum Befektetési Alapkezelő Zrt., is included in the consolidation and therefore we present the semi-annual results of the fund manager.

In accordance with former information and reports, as all funds taken over in 2017 are managed by Konzum Befektetési Alapkezelő during the entire financial year, they produced the expected financial results. There were no movements with a significant impact on the net asset value. The events that should be mentioned are the establishment REPRO I. Private Equity Fund in January 2018, the merge rof KONZUM RE Institutional Property Investment Fund and KONZUM II Property Investment Fund and the separation of EIRENE Private Equity Fund frim METIS Private Equity Fund.

Considering that the net asset value practically has not changed, the assets managed by Konzum Befektetési Alapkezelő Zrt. continue to be significantly higher than HUF 100 billion.

In 2018, all funds are managed by Konzum Befektetési Alapkezelő Zrt., which can also be observed in its key figures in H1 2018. The fund manager’s sales revenues were HUF 462.6 million compared to the total annual HUF 261.6 million reported for 2017 (2017 H1: HUF 37.2 million). The new funds taken over for management last year naturally increased the work, which resulted in a significant increase in staff and material-type expenses because the increased responsibilities also demanded more human resources and tangible infrastructure (e.g., IT , office).

However, it may be said that the dynamism of the increase was different in revenues and expenses and therefore the fund manager closed the six-month period with HUF 239.6 million operating profit and HUF 218.0 million profit after tax as expected, with 490 per cent increase compared to the total annual profit earned last year.

V.7. KONZUM MANAGEMENT Kft.

(registered office: 1065 Budapest, Révay u. 10.); company registration number: 01-09-913725

KONZUM MANAGEMENT Kft. continued to maintain its asset manager's role iwithn the Group in H1 2018. As presented above, it assists the activities of the Group by reviewing acquisition opportunities as a secondary function. It implemented the acquisition of 924,832 Appeninn Nyrt. ordinary shares presented in the second chapter at the beginning of the year and then passed them on to KONZUM Nyrt. in that role.

The two largest assets managed by it are the 74 per cent business quota in BLT Group Zrt., through which it also holds the same stake in the Balatontourist Group. It intends to contribute that business quota to KONZUM Nyrt. as contribution in kind in H2 2018 in accordance with the plans described in the third chapter.

The other major asset is the 50,113,993 ordinary shares issued by OPUS GLOBAL Nyrt. The HUF 400,912,000 difference in the share price between the closing price of last year (HUF 700/share) and the closing price of the six-month period (HUF 692/share), must be recognised in the semi-annual report as a loss.

VI. ANALYSIS OF THE SEMI-ANNUAL REPORT

Konzum Befektetési és Vagyonkezelő Nyilvánosan Működő Részvénytársaság (hereinafter ''KONZUM' or 'Group') prepared its consolidated report for the first half of 2018 (hereinafter 'Report') in compliance with the International Accounting Standards (IFRS) approved by the European Union. The accounting principles applied in the report comply with the accounting policy used in the comparative period, with the exception of the IFRS 9 Financial Instruments Standard, the impact of which is presented in the statement of changes in equity.

These interim financial statements were not audited by an independent auditor.

The consolidated financial statements are presented in Hungarian forints, rounded to HUF thousands, unless otherwise indicated.

VII. CONCLUDING STATEMENT

KONZUM Nyrt. declares that the semi-annual report, prepared based on the applicable accounting requirements and complied according to the best knowledge of the Company, gives a true and fair view of the assets, liabilities, financial situation, profit and loss of the Company and the consolidated companies as well as on the situation, development and performance of the issuer and the companies involved in consolidation, without withholding any fact or information that is significant in terms of the assessment of the issuer's situation.

Budapest, 28 September 2018

Gellért Jászai　　　　Aladin Ádám Linczényi

Members of the Board of Directors:

KONZUM Befektetési és Vagyonkezelő Nyrt.

ANNEXES

ANNEX 1 - DATA SHEETS RELATED TO THE FINANCIAL STATEMENTS

PK1. General information on the financial data:

Audited: yes/no

Consolidated: yes/no

Accounting principles: Hungarian/IFRS/other

PK2. Consolidated companies

1. Financial performance of the KONZUM Group

1.1. Consolidated companies

Subsidiaries	Voting ratio		Ownership ratio	
	2018	2017	2018	2017
Appeninn Vagyonkezelő Holding Nyrt.	18.70%	23.86%	18.70%	23.86%
Heiligenblut Hotel GmbH	100.00%	-	100.00%	-
Holiday Resort Kreisberg Murau GmbH	100.00%	-	100.00%	-
HUNGUEST Hotels Montenegro d.o.o.	100.00%	-	100.00%	-
HUNGUEST Hotels Zrt.	99.96%	59.94%	99.96%	28.80%
Konzum Befektetési és Alapkezelő Zrt.	47.00%	46.80%	47.00%	46.80%
KZBF Invest Kft.	100.00%	90.00%	100.00%	90.00%
KZH Invest Kft.	100.00%	-	100.00%	-
Ligetfürdő Kft.	100.00%	-	100.00%	-
MB Hills Kft.	99.96%	-	99.96%	-
Pollux Hotel Kft.	99.96%	-	99.96%	-
Relax Gastro GmbH	99.96%	-	99.96%	-

Associated companies	Voting ratio		Ownership ratio	
	2018	2017	2018	2017
CIG Pannónia Biztosító Nyrt.	24.85%	-	24.85%	-
Legatum '95 Kft.	40.00%	36.00%	40.00%	36.00%
Konzum Management Kft.	30.00%	30.00%	30.00%	30.00%

The number of companies consolidated by KONZUM increased significantly with the companies acquired or contributed in kind in 2018. KONZUM consolidated all companies in which it has more than 50 per cent as subsidiaries and the other companies as associated companies. KONZUM has more than 50 per cent influence in the financial and operational acctivities of Appeninn Nyrt. and KONZUM Befektetési és Alapkezelő Zrt. and therefore Appeninn Nyrt-t was also fully consolidated in the Report.

The consolidated report of Konzum Management Kft. and its subsidiaries is presented with the equity method.

Subsidiary	Voting and ownership right
BLT Group Zrt.	100%
BLT Ingatlan Kft.	100%
Balatontourist Kft.	100%
Balatontourist Camping Kft.	100%
Balatontourist Füred Club Camping	100%
ZION Kft.	100%

1.2. Analysis of the comprehensive profit and loss account

In the analysis of the profit and loss account, the same period of last year (2017 H1) was used as the base period.

1.2.1. Sales revenue

	30.06.2018	30.06.2017	variation
Domestic sales	8,495,919	37,215	22729%
Export sales	2,833,803	-	100%
	11,329,722	37,215	

The revenues were generated by the following activities in the base and current period:

	30.06.2018	30.06.2017	variation
Hotel and accommodation services	3,726,087	-	100%
Catering	4,777,189	-	100%
Franchise fee	7,711	-	100%
Property lease and operation	918,996	-	100%
Fund management fee	462,585	37,215	1143%
Other	1,437,153	-	100%
	11,329,722	37,215	

While in 2017 the total revenues of the Group were generated from the activities of the fund manager, the revenues came from a number of segments in the reporting period as a result of a significantly extended activities. Tourism generates 75 per cent of the revenues (more than HUF 8 billion), all of which reflects the sales revenues of HUNGUEST Hotels Zrt. in the first six months of the year. The more than ten-fold increase in the revenues from fund management is the result of a rise in the number of funds managed by the fund manager and an increase in the tasks performed.

1.2.2. Operating expenses

	30.06.2018	30.06.2017	variation
Goods and services sold	779,833	-	100%
Capitalised own performance	(10,595)	-	100%
Material-type expenses	4,292,482	28,177	1,5134%
Staff costs	3,529,517	20,393	1,7207%
Depreciation and impairment	518,844	636	8,1479%
Other expenses / other revenues	451,441	(2,517)	-18,036%
	9,561,522	**46,689**	

There was a significant increase in each component of the *operating expenses*.

It results primarily from the legal expert and advisory service charges and regulatory fees relating to the important changes in the activities of KONZUM and the material and working capital demand of the tasks performed by the Group, which also reflect a major change, just as the Group that is in a growth phase.

Within the operating expenses, HUF 81,815,000 relates to the parent company and HUF 1,546,022,000 relates to the Tourism Segment, primarily to HUNGUEST Hotels Zrt. The report of Appeninn Nyrt. includes HUF 298 million direct and HUF 250 million indirect expenses.

The total amount of the *purchase value of goods sold*, and *capitalised own performance* reflects information relating to HUNGUEST Hotels Zrt. In the base period, HUNGUEST Hotels Zrt. was included in the consolidated financial statements with the equity method and therefore there are no comparative data for that period.

The *staff costs* are a major item primarily in the Tourism Segment with more than HUF 3 billion among the components of the operating expenses. In addition, the staff costs are the other major item in this category of expenses with HUF 103 million at Konzum Befektetési Alapkezelő Zrt. and HUF 120 million at Appeninn Nyrt.

1.2.3. Financial revenues/expenses

	30.06.2018	30.06.2017	variation
Revenues from financial transactions	1,364,547	13,837	9,762%
Expenses of financial transactions	(571,180)	(31,663)	1,704%
	793,367	(17,826)	

In 2018, badwill occurred in relation to the acquisition of the following companies:

Ligetfürdő Kft.	1,150,529
Appeninn Nyrt.	47,124
Total badwill	1,197,653

1.2.4. Share in the profit of companies consolidated with the equity method

	30.06.2018	30.06.2017
HUNGUEST Hotels Zrt.	0	2,759,308
Legatum '95 Kft.	3,087	150,360
KONZUM MANAGEMENT Kft.	(314,025)	(22,532)
CIG Pannónia Életbiztosító Nyrt.	234,947	-
Modifications of the previous years	-	(4,160)
	(75,991)	2,882,976

1.2.5. Share in the other comprehensive income of associated companies

	30.06.2018	30.06.2017
KONZUM MANAGEMENT Kft.	-	1,573,174

The KONZUM Group has 30 per cent holding in KONZUM MANAGEMENT Kft. KONZUM MANAGEMENT Kft. acquired 14 per cent of the shares of OPUS GLOBAL Nyrt. in 2017. In 2017, the shares were restated to fair value against the other comprehensive income.

The IFRS 9 Financial Instruments Standard mandatory from 2018 introduced new requirements for the classification, valuation and impairment of financial assets and financial liabilities. According to the standard, restatement to fair value was recognised against the profit and therefore the revaluation did not have any impact on the other comprehensive income.

Compared to the HUF 9,474,000 loss in the case period, the KONZUM Group generated HUF 1,768.200,000 operating profit in the reporting period. The profit after tax was lower than the HUF 2,611,846,000 reported for the base period, as the reporting period was closed with HUF 2,254,244,000 profit after tax.

Analysis of the Balance Sheet

In the presentation of the balance sheet data, the data of 31 December 2017 are considered as base data.

The Konzum Group closed the first half of the year with HUF 38,194,938,000 balance sheet total, reflecting an almost three-fold growth compared to the same period of 2017.

1.2.6. Long-term assets

	30.06.2018	2017.12.31	variation
Intangible assets	337,222	59,574	466%
Technical equipment, machines, vehicles	267,235	171,688	56%
Other equipment, fixtures, vehicles	328,795	363,878	-10%
Properties	63,287,121	34,120,502	85%
Income generating properties held for investment purposes	28,722,424	-	100%
Deferred tax receivables	11,253	455	2,373%
Financial investments	135,722	709	1,9043%
Participations in associated companies	17,603,099	12,071,987	46%
Goodwill	15,723,360	-	100%
			100%
	126,416,231	12,071,987	

Among the long-term assets, major changes can be observed in the Properties, Goodwill and Investments into associated companies rows.

Properties

The properties have grown by almost HUF 30 billion compared to the figure stated in the previous period, reflecting 85 per cent increase since the base period. The increase includes the properties acquired or received by Konzum Nyrt. as contribution in kind (Hotel Alpenblick, Hotel Bál Resort, Saliris Resort Spa&Conference Hotel), and the properties of the subsidiaries added to the Group (Ligetfürdő Kft, Heiligenblut Hotel GmbH, HUNGUEST Hotels Montenegro d.o.o., Holiday Resort Kreisberg Murau GmbH, Relax Gastro GmbH)

Properties held for investment purposes

The income generating properties held for investment purposes contain the property portfolio of Appeninn Nyrt. consolidated by Konzum Nyrt, from 2018 as a subsidiary.

Holding in associated companies

Company	30.06.2018	2017.12.31	variation
Konzum Áruház Kft.	30	30	0%
KPRIA Magyarország Zrt.	580	580	0%
KONZUM MANAGEMENT Kft.	9,062,154	9,376,179	-3%
Legátum 95 Kft.	298,518	295,430	1%
Appeninn Nyrt.	-	2,371,344	-100%
CIG Pannónia Életbiztosító Nyrt.	8,213,393	0	100%
Gyulai Várfürdő Kft.	28,000	28,000	0%
Gyulai Turisztikai Nonprofit Kft.	214	214	0%
Hévízi Turisztikai Nonprofit Kft.	210	210	0%
	17,603,099	12,071,987	

The Konzum Group acquired a controlling majority holding in Appeninn Nyrt. and therefore Appeninn was taken out from the associated companies during the reporting period.

In H2 2018, the Group acquired 24.85 per cent in CIG Pannónia Biztosító Nyr. and therefore KONZUM's share in the equity of the company on the cut-off date is sated in this Report in the amount of HUF 2,371,344,000.

Goodwill

	Consideration	Book value of equity at the time of acquisition	Of which share of the parent company	Goodwill
Heiligenblut Hotel GmbH	240,774	(1,090,865)	(1,090,865)	1,331,639
HUNGUEST Hotels Montenegro d.o.o.	2,414,806	1,667,813	1,667,813	746,993
Holiday Resort Kreisberg-Murau GmbH	897,131	390,128	390,128	507,003
KZH Invest Kft.	14,813,249	1,870,981	1,870,981	12,960,268
Pollux Hotel Kft.	10,000	(17,112)	(17,112)	27,111
MB Hills Kft.	3,000	2,880	2,880	120
Relax Gastro GmbH	10,855	(139,371)	(139,371)	150,226
				15,723,360

1.2.7. Current assets

The current assets amount to HUF 5,960,943,000, reflecting a 70 per cent drop from the HUF 19,611,383,000 stated in the base period.

The greatest change occurred in the Related receivables from associated companies balance sheet row, which decreased from HUF 15,557,299, 000 to HUF 14,373,000. The receivable stated in this balance sheet row was settled between KZH Invest Kft. and HUNGUEST Hotels Zrt. in 2017. From 2018, the two companies became associated companies and therefore this item was eliminated during debt consolidation.

Cash and cash equivalents

The closing balance of the cash and cash equivalents in the reporting period is not significantly different from the figure of the base period, as it is still around HUF 2.2 billion.

1.2.8. Subscribed capital and reserves

Subscribed capital, capital reserve

The subscribed capital of the company consists of 29,284,159 dematerialised, registered ordinary shares of HUF 25 par value each.

As a result of multiple share issues, in H1 2018 the subscribed capital of the company rose from HUF 521,500,000 to HUF 732,104,000. The premium gained on the share issues was higher than HUF 26 billion.

Valuation reserve, profit reserve, profit/loss in the current year

As a result of the revaluation of Konzum Management Kft. with the equity method, in 2017 the consolidated statements contained the change in the fair value of the securities held in OPUS GLOBAL Nyrt. related to the company, which Konzum Management Kft. valued through the other comprehensive income and thereby it increased the revaluation reserve of the Group. (Unclear Hungarian sentence.)

The IFRS 9 standard entered into force in 2018 and its impacts can be monitored through the variation of the components of the equity. Under the new standard, the changes in the fair value of the shares of OPUS GLOBAL Nyrt. must be recognised in the profit for the current year and therefore the change in the base period was restated among the components of the equity.

The valuation reserve of the company at the end of the reporting period reflects the impact of exchange rate changes recognised against other comprehensive income.

PK3. Consolidated balance sheet

ESZ KÖ ZÖK

	30 June 2018	31 December 2017
Long-term assets		
Intangible assets	337,222	59,574
Properties	63,287,121	34,120,502
Income generating properties held for investment purposes	28,722,424	-
Technical equipment, fittings, vehicles	267,235	171,688
Other equipment, fixtures, fittings, tools, vehicles	328,795	363,878
Deferred tax receivables	11,253	455
Financial investments	135,722	709
Holding in associated companies	17,603,099	12,071,987
Goodwill	15,723,360	-
Total long-term assets	**126,416,231**	**46,788,793**
Current assets		
Inventories	334,204	199,632
Trade receivables	354,959	254,259
Receivables from associated companies	14,373	15,557,299
Other short-term receivables	2,290,825	991,212
Corporate tax receivables	31,186	2,091
Prepayments and deferred expenses	671,447	427,262
Securities	200	200
Cash and cash equivalents	2,263,749	2,179,428
Assets for sale	-	-
Total current assets	5,960,943	19,611,383
Total assets	**132,377,174**	**66,400,176**

LIABILITIES

	30 June 2018	31 December 2017
Equity		
Subscribed capital	732,104	521,500
Capital reserve	26,037,094	-
Valuation reserve	(1,037)	9,303,162
Profit reserve	17,578,350	44,950
Profit/loss in the current year	1,955,322	8,689,416
Non-controlling participations	12,017,491	22,288,880
Total equity	**58,319,324**	**40,847,908**
Long-term liabilities		
Long-term credits, loans	21,929,949	10,499,623
Provisions for contingent liabilities	94,099	32,783
Deferred tax liabilities	3,733,631	2,782,478
Other long-term liabilities	12,437,259	2,056
Total long-term liabilities	**38,194,938**	**13,316,940**
Short-term liabilities		
Short-term credits and loans	8,762,855	4138,123
Trade payables	8,013,841	803,758
Liabilities to related parties	8,876,041	687,920
Other tax liabilities	58,195	122,953
Other liabilities	4,558,449	3,669,759
Corporate tax liability	21,753	16,460
Accruals and deferred income	5,571,778	2,796,355
Total short-term liabilities	35,862,912	12,235,328
Total liabilities and equity	**132,377,174**	**66,400,176**

PK4. Consolidated comprehensive profit and loss account

	30 June 2018	31 December 2017	30 June 2017
Net sales revenues	11,329,722	16,823,847	37,215
Goods and services sold	(779,833)	(1,414,033)	-
Capitalised own performance	10,595	15,452	-
Material type expenses	(4,292,482)	(6,158,508)	(28,177)
Staff costs	(3,529,517)	(5,497,418)	(20,393)
Depreciation and impairment	(518,844)	(884,260)	(636)
Other expenses / other revenues	(451,441)	(271,609)	2,517
Financial operations and profit/loss before taxation (EBIT)	**1,768,200**	**2,613,471**	**(9,474)**
Revenues from financial transactions	1,364,547	8,812,718	13,837
Expenses of financial transactions	(571,180)	(485,756)	(31,663)
Share in investments recognised with the equity method	(75,991)	399,728	2,882,976
Profit/loss before taxation	**2,485,576**	**11,340,161**	**2,855,676**
Tax liability	(80,134)	(75,346)	(243,830)
Deferred tax liabilities	(151,198)	(918,280)	-
Net profit/loss	**2,254,244**	**10,346,535**	**2,611,846**
Non-controlling participations	298,922	1,657,119	265,632
Profit/loss of the parent company	1,955,322	8,689,416	2,346,214
EPS base (HUF/share)	92,24 Ft	496,00 Ft	125,21 Ft
EPS diluted (HUF/share)	92,24 Ft	496,00 Ft	125,21 Ft
Exchange rate change impact	(1,037)		
Share in the other comprehensive income of associated enterprises	-	9.303.162	1.573.174
Deferred tax	-	-	-
Other comprehensive income	**(1,037)**	**9,303,162**	**1,573,174**
Total comprehensive income	**2,253,207**	**19,649,697**	**4,185,020**
Of which profit of non-controlling participations	298,922	1,657,119	265,632
Of which profit/loss of the parent company	1,954,285	17,992,576	3,919,388

PK5. Consolidated equity

Changes in the consolidated equity

	Subscribed capital	Capital reserve	Profit reserve	Revaluation reserve	Profit/loss in the current year	Total equity of the parent company	Non-controlling participation	Total equity
Balance on 31 December 2016	**521,500**	**-**	**122,536**	**-**	**(44,586)**	**599,450**	**(2,476)**	**596,974**
Profit/loss carried over from previous year			(44,586)		44,586			-
Acquisition of subsidiaries							56,728	**56,728**
Restatement of additional capital contribution from equity			(33,000)			**(33,000)**		**(33,000)**
Total comprehensive income				1,573,174	2346214	**3,919,388**	265,632	**4,185,020**
Balance on 30 June 2017	**521,500**	**-**	**44,950**	**1,573,174**	**2,346,214**	**4,485,838**	**319,884**	**4,805,722**
Profit/loss carried over from previous year								
Acquisition of subsidiaries							20,577,509	**20,577,509**
Restatement of additional capital contribution from equity								**0**
Total comprehensive income				7,729,988	6,343,201	**14,073,189**	1,391,487	**15,464,676**
Balance on 30 June 2017	**521,500**	**-**	**44,950**	**9,303,162**	**8,689,415**	**18,559,027**	**22,288,880**	**40,847,907**
Restatement of profit/loss			8,689,416	0	(8,689,416)	-		-
Changes in the Accounting Policy			9,303,162	(9,303,162)		-		-
Profit/loss in the current 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 new subsidiaries						-	11,638,886	**11,638,886**
Transactions with NCI with control			(453,924)			**(453,924)**	(22,214,449)	**(22,668,374)**
Dividend						-		-
Other			(5,252)			**(5,252)**	5,252	-
Balance on 30 June 2018	**732,104**	**26,037,094**	**17,578,352**	**(1,037)**	**1,955,321**	**46,301,833**	**12,017,491**	**58,319,324**

PK6. Consolidated cash flow

	30 June 2018	31 December 2017	30 June 2017
Operating cash flow			
Profit/loss after taxation	2,254,244	10,346,534	2,611,846
Adjustment:			
Depreciation for the year	518,844	884,260	636
Deferred tax	146,760	784,231	241,768
Change in provisions	3,815	-	-
Valuation of associated companies with the equity method	75,991	(399,728)	(2,690,928)
Proceeds from the sale of tangible assets	-		
Changes in working capital:			
Changes in inventories	(255,801)	-	
Changes in trade and other receivables	10,350,255	(117,196)	(46,147)
Changes in Prepayments and deferred expenses	(548,807)	(12,417)	(3,954)
Change in trade payables	(4,925,940)	(2,121)	(704)
Other short-term liabilities and deferrals	(4,409,426)	(1,297,096)	(600,747)
Changes in accruals and deferred income	5,568,827	3,195	10,014
Tax paid	(80134)	(75,346)	(2,062)
Net operating cash flow	***8,698,629***	***10,114,316***	***(480,278)***
Cash flow from investment activities			
Tangible and intangible assets (procurement)	(10,787,712)	(884,260)	(5,231)
Acquisition of associated companies	-	(1,314,934)	(168,794)
Dividend received	-		192,048
Acquisition of subsidiaries	2,291956	(6,354,034)	
Net cash flow from investment activities	***(8,495,756)***	***(8,553,228)***	***18,023***
Cash-flow from financing activities			
Borrowing/(repayment) of bank loans	(118,551)	594,937	549,625
Investment / (-) disinvestment	-	-	
Dividend payment	-	-	-
Loans given	-	-	-
Purchase / sale of securities	-	-	-
Net cash flow from financing activities	***(118,551)***	***594,937***	***549,625***
Net change in cash and cash equivalents	84,322	2,156,025	87,370
Balance of the year for cash and cash equivalents at the beginning of the year	2,179,428	23,403	23,403
Balance of cash and cash equivalents at the end of the year	***2,263,749***	***2,179,428***	***110,773***

ANNEX 2 - DATA SHEETS RELATED TO THE STRUCTURE OF SHARES AND OWNERS

RS1. Ownership structure, participation and voting ratio in the case of shares admitted to the Stock Exchange:

Shareholders	Quantity admitted to the Stock Exchange			
	At the beginning of the current year		At the end of the period	
	%	pcs	%	pcs
Domestic institutional /corporate	45.7	9,532,843	43.9	9,157,050
Foreign institutional / corporate	10.21	2,129,248	7.63	1,591,534
Domestic private individual	32.7	6,822,180	35.86	7,480,905
Foreign private individual	0.8	166,320	0.46	97,074
Employees, executive officials	10.43	2,175,706	10.43	2,175,706
Own property	-	-	-	-
Owner belonging to the general government sector [4]	-	-	-	-
National Development Institutions [5]	-	-	-	-
Other	0.16	33,703	1.72	357,731
T O T A L:	100.00	20,860,000	100.00	20,860,000

[2] Holding
[3] Voting right

The admitted series does not match the total share capital.
The ownership ratio and the voting ratio are identical.

RS1. Ownership structure, participation and voting ratio with regard to the total number of shares:

Shareholders	With regard to the total quantity of shares			
	At the beginning of the current year		At the end of the period	
	%	pcs	%	pcs
Domestic institutional /corporate	45.7	9,532,843	60.04	17,581,209
Foreign institutional / corporate	10.21	2,129,248	5.43	1,591,534
Domestic private individual	32.7	6,822,180	25.55	7,480,905
Foreign private individual	0.8	166,320	0.33	97,074
Employees, executive officials	10.43	2,175,706	7.43	2,175,706
Own property	-	-	-	-
Owner belonging to the general government sector [4]	-	-	-	-
National Development Institutions [5]	-	-	-	-
Other	0.16	33,703	1.22	357,731
T O T A L:	100.00	20,860,000	100.00	29,284,159

[2] Holding
[3] Voting right

The admitted series does not match the total share capital. (The privately issued shares were admitted on the Stock Exchange on 28 September 2018.)
The ownership ratio and the voting ratio are identical.

RS2. Number of shares owned by the company (number) in the current year:

	1 January	31 March	30 June
Company level	0	0	0
Subsidiaries	0	0	0
Grand total	0	0	0

KONZUM

RS3. List of shareholders holding more than 5% in relation to the admitted series (at the end of the period):

Name	Nationality[1]	Activity[2]	Quantity (unit)	Participation (%)[3]	Voting right (%)[3,4]	Note[5]
KONZUM PE Private Equity Fund	B	T	11,462,515	39.14	39.14	
Lőrinc Mészáros	B		4,082,300	13.94	13.94	
Gellért Jászai	B		2,175,706	7.43	7.43	

[1]Domestic (B), Foreign (K)
[2] Depositary (L) Business Association (T) Institutional (I)

The admitted series does not match the total share capital.
The ownership ratio and the voting ratio are identical.

RS4. The securities structure of the Issuer

The Issuer's subscribed capital	HUF 732,103,975
Method of production of the securities	Dematerialised
Type of the security	Ordinary share
Share type	Registered
Par value	HUF 25
Securities traded on the Stock Exchange (yes/no)	yes
Year of admission (for securities traded on the Stock Exchange)	01 Nov 1990
Stock exchange category	Premium
Rights associated with the securities	Identical rights
Series and serial number	'A'

2. ANNEX 3 - DATA SHEETS RELATED TO THE ORGANISATION AND OPERATION OF THE ISSUER

TSZ1. General company data

Date of the effective Articles of Association	14.06.2018
Place of the last entry by the Court of Registration	Court of Registration attached to the Metropolitan Court
Date of the last entry by the Court of Registration	26.06.2018
Number of the last entry by the Court of Registration	Cg.01-10-049323/30
Share capital of the Issuer at the time of closing of the financial year	HUF 521,500,000
Issuer's term of operation	Indefinite/definite
Issuer's financial year	01 January – 31 December
Name of the Issuer's auditor	ESSEL AUDIT Könyvvizsgáló Kft.
Address of the Issuer's auditor	1162 Budapest, Fertály u. 5-7.
Place of disclosure of the Announcements of the Issuer	the Company's website: www.konzum.hu website of BÉT: www.bet.hu
Description of the Issuer's principal activities	6820'08 Renting and operating of own or leased real estate

TSZ2. Executive officers and (strategic) employees affecting the operation of the Issuer

Type[1]	Name	Position	Start of the assignment	End/termination of the assignment	Own shares (number)
IT,SP	Gellért Zoltán Jászai	Chairman-Chief Executive Officer	30.04.2015	30.04.2019	2,175,706
IT	Ágnes Homlok-Mészáros	Member	26.04.2017	30.04.2019	0
IT,SP	Aladin Ádám Linczényi	Member, Deputy Chief Executive Officer	26.04.2016	30.04.2019	0
IT	Beatrix Mészáros	Member	26.04.2017	30.04.2019	0
IT	Lőrinc Mészáros jr.	Member	26.04.2017	30.04.2019	0
SB	János Tima	Chairman	26.04.2017	30.04.2019	0
SB	Dr. Orsolya Páricsi Mrs. Dr. Egyed	Member	26.04.2017	30.04.2019	0
SB	Dr. Ádám Balog	Member	26.04.2018	30.04.2019	0
SP	Péter Fekete	Deputy Chief Executive Officer	29.06.2018	indefinite	0
T O T A L number of own shares:					2,175,706

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

TSZ2/1. Number of fulltime employees (number)

	End of the base period	Beginning of the current year	End of the reporting period
Corporate level	1	1	3
Group level	1,377	1,377	1,398