



**NAVIGATOR  
INVESTMENTS**

**INVESTOR OF THE  
INDUSTRY ORIENTED  
SME SECTOR**

NAVIGATOR GROUP  
SEMI-ANNUAL REPORT  
2022 I.HALF  
(NON AUDITED)

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## 1. LETTER TO SHAREHOLDERS

Esteemed Shareholders,

Year 2022 is a busy period in the life of the NAVIGATOR Group. A capital increase and a company acquisition also took place, and we entered the BSE Xtend market as an Issuer.

**As a NOMAD - NOMinated ADvisor for our clients, we provide support for BSE XTEND to enter the market, and from September 27, 2022 NAVIGATOR shares can be traded on the same platform.**

NAVIGATOR as a NOMAD, has now become a market-leading service provider. By the end of this year, out of the nearly twenty companies listed on Xtend, including the introduction of our own shares, ten deals can be linked to NAVIGATOR. Among the first market entrants, we helped Gloster, DMKER, Épduferr and, - in the initial period Megakrán - in their preparation for entering Xtend and also after their successful listing. Based on the contracts concluded in the first half of this year the NAVIGATOR team gained the confidence of, Goodwill Pharma Zrt., Multi Home Zrt., CDSys Zrt., and Vertikal Zrt. This means that every second company entering Xtend currently considers NAVIGATOR's experience exemplary. Among our customers there are companies

already registered in the Standard category. We are proud that they were able to change categories so quickly after the introduction on Xtend. It may be an important factor in the decision of our partners choosing us that NAVIGATOR itself is an investor in the SME sector, and therefore very familiar with it. Owing to this special position we are able to give our clients much more in connection with capital market transactions than if we were involved in the transactions "only" as consultants.

With all this, we do not consider Xtend introductions to be the main activity of the NAVIGATOR Group. Today, a significant part of the sales revenue and profit of the company group comes from the industry; from the performance of our production companies. **The NAVIGATOR Group has become primarily an industrial, production company!** We have been building our current business model since 2015. We acquire and operate productive enterprises with an experienced, motivated management team. Basically, the companies that NAVIGATOR acquires are small and medium-sized companies struggling with generational change problems. The main focus is on wood and metalworking, as well as on production of







machine parts. In line with our experience gained and besides the numerous counselling projects NAVIGATOR's business model is driven by the issue of succession problems of retiring founding owners of businesses that have achieved success in the industry. Several domestic and regional companies show a definite intention to sell their companies, which represent a significant price discount for NAVIGATOR.

Many domestic industrial and production enterprises have strong technical and professional foundations and have well-equipped production capacity. In addition, the stable customer base, the continuously cash-positive operation and low indebtedness make this sector a favourable target for a specialized investment group. Overall, our strategy is going according to plan; from 2020 NAVIGATOR acquired Trifolium International Ltd. performing carpentry and metal industry activities, and Tököl-based Instrum Ltd., producing machine parts, will join the group in 2022.

For further expansion – in addition to the capital previously made available by me as founder – the company will need fresh funding. For this reason, in 2022, in addition to our listing on the stock market, capital was raised and loans were secured, which actions – given the current economic situation –

represent a significant achievement deserving special recognition. **NAVIGATOR PLC. has raised a total of EUR 1.05 million in fresh capital in 2022**, moreover it secured an additional amount of EUR 1.08 million in frame of a 10-year maturity Széchenyi Restart Investment Loan with a favourable interest rate of 1.5%. These funds were used and will continue to be used entirely for company acquisition purposes.

In total, these transactions represent EUR 2.12 million fresh financing for the NAVIGATOR Group. In the Company's statements published on June 30, 2022, however, only a part of these items (the capital increase and borrowing) are registered since the borrowing and a significant part of the capital increase took place subsequently.

Domestic institutional and private investors have placed their trust in NAVIGATOR despite the fact that – by the time of our listing – bond yields on the market soared to the exceptionally high levels last experienced during the 2008 crisis. Following that, on September 27, 2022, trading of the Company's shares started on the BSE Xtend market. In terms of effectiveness, our affiliate companies significantly improved their business performance in the first half of 2022.





Compared to the same period of the previous year, the company group's first-half net sales increased from EUR 1.45 million to EUR 2.32 million.

**EBITDA improved** from EUR -469 thousand to EUR +312 thousand, which represents a positive change of EUR +781 thousand compared to the first half of 2021.

In the same period, the **profit after tax increased** from EUR -495.1 thousand to EUR +240.8 thousand, which generated an

improvement of EUR +735.9 thousand compared to the same period of the previous year.

The Company's balance sheet total on June 30, 2022 was EUR 4.11 million, and the shareholder's equity was EUR 2.66 million. The balance sheet total shows 39% growth, and equity shows 62%, also positive growth.

I would also like to thank everyone who contributed to our success and helped the NAVIGATOR team on this exciting journey!

September 29, 2022

**Zoltán Jutasi**

Chairman of the Board  
NAVIGATOR Investments Plc.





## 2. REPORTING INFORMATION

Present report was prepared in accordance with Appendix No. 6 of Xtend's general business regulations prescribed by the Budapest Stock Exchange. Purpose of this document is to provide information on the business performance of NAVIGATOR and its consolidated subsidiaries, the results of the company group, as well as the events, changes and trends that occurred during the given six-month period. The report was prepared in accordance with the accounting principles defined in Act C of 2000 on accounting. NAVIGATOR Investments Publicly Operating Joint Stock Company (hereinafter referred to as "NAVIGATOR" or "Company") has prepared its semi-annual report on the first half of the 2022 business year in line with Act CXX of 2001, Annex No. 6 of the Xtend general business regulations of the Budapest Stock Exchange, as well as decree # 24/2008. (VIII. 15.) of the Minister of Finance. NAVIGATOR's 2022 first semester report was compiled on the basis of the Company's individual financial statements for the unaudited first semester ended June 30, 2022 in accordance with Hungarian accounting rules.

REPORTING PERIOD	The period between 01 January – 30 June 2022.
LAST PERIOD	---
REPORTING CYCLE	Since 2022 the Company issues – in line with the regulations set by the Budapest Stock Exchange and in harmony with the business rules of Xtend – in a semi-annual reporting cycle its informative half-yearly report.
REPORTING SCOPE	The report covers all functional fields, business lines and branches of the NAVIGATOR Group.

REPORTING  
INFORMATION





### 3. DATA OF THE COMPANY

COMPANY NAME	NAVIGATOR INVESTMENTS PLC.
REGISTRATION NUMBER	01-10-140965
COMPANY FORM	public limited company
STATISTICAL NUMBER	22702463-7022-114-01
TAX NUMBER	22702463-2-42
EU TAX NUMBER	HU22702463
REGISTERED ADDRESS	H-1075 Budapest, Madách Imre street 13-14.
PRINCIPAL ACTIVITY	7022. Business & other management consulting
WEB ADDRESS	<a href="http://www.navigatoinvest.com">www.navigatoinvest.com</a>
ELECTRONIC ADDRESS	<a href="mailto:info@navigatoinvest.com">info@navigatoinvest.com</a>
PHONE	+36 (30) 338 9865

#### INVESTOR RELATIONS

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COMPANY  
DATA







## 4. PRESENTATION OF NAVIGATOR

As an investor, NAVIGATOR primarily acquires and operates industrial, production and service enterprises. The manufacturing and production member companies of the own portfolio are active in the wood industry, metal structure production, and tool and component production. Through Trifolium International Ltd., the company group's portfolio was expanded in 2020 with wood manufacturing, fit-out and exhibition construction activities. In accordance with the investment strategy, in 2022 NAVIGATOR also acquired Tököl-based Instrum Ltd., which works in the field of machine tools and spare parts production. Currently, the NAVIGATOR group is in the acquisition and growth phase, so in addition to the existing enterprises, it is working on the acquisition of several Hungarian small and medium-sized enterprises with its specialized professional team.

NAVIGATOR's team, the founding owner of the Company, as well as its management, have successfully closed several company acquisition and investment transactions and assisted the workflow of many companies as advisor in the past decades.

NAVIGATOR, as one of BSE's Xtend leading NOMinated ADvisor, has managed and continues to manage the IPO, share issue and capital increase of several companies worth several billions of HUF.

**Members of the NAVIGATOR GROUP as of June 30th 2022 are:**



**NAVIGATOR**  
Investments Plc.



**Trifolium**  
International Ltd.



**Instrum Ltd.**



**NIS** | Navigator  
Internet  
Solutions

**NAVIGATOR Internet**  
Solutions Ltd.







## 5. INVESTMENT STRATEGY OF NAVIGATOR

For NAVIGATOR as a holding primary acquisition targets have become those industrial production companies where generational change / succession has not been resolved and which could be operated more efficiently and profitably as part of a larger group by taking advantage of the synergies given the similarities in terms of their scope of activities and markets.

NAVIGATOR Investments PLC.				
Central group services	Wooden- and metal structures production and construction		Mechanical engineering tool and component production	
	<ul style="list-style-type: none"> <li>Strategic management</li> <li>Company financing</li> <li>Accounting &amp; finance</li> <li>Controlling</li> <li>Sales &amp; marketing</li> <li>Acquisition</li> </ul>	<b>Trifolium International Ltd.</b> Wooden & metal structure design, production & installation <b>2022</b>	<b>Acquisition</b>  Metal works production company <b>2023</b>	<b>Instrum Ltd.</b> Machine tool & components production <b>2022</b>
<b>Consulting services</b> <ul style="list-style-type: none"> <li>Capital market services (Xtend)</li> <li>Transaction counselling</li> <li>Due diligence</li> <li>Financial services</li> <li>Capital market fundraising (Xtend)</li> </ul>	<b>Acquisition</b>  Metal / Glass / Plastic production <b>2023/2025</b>	<b>Acquisition</b>  Steel production company Acélipari <b>2023</b>	<b>Acquisition</b>  Machine tool & components production <b>2022</b>	<b>Acquisition</b>  Machine tool & components production <b>2024</b>



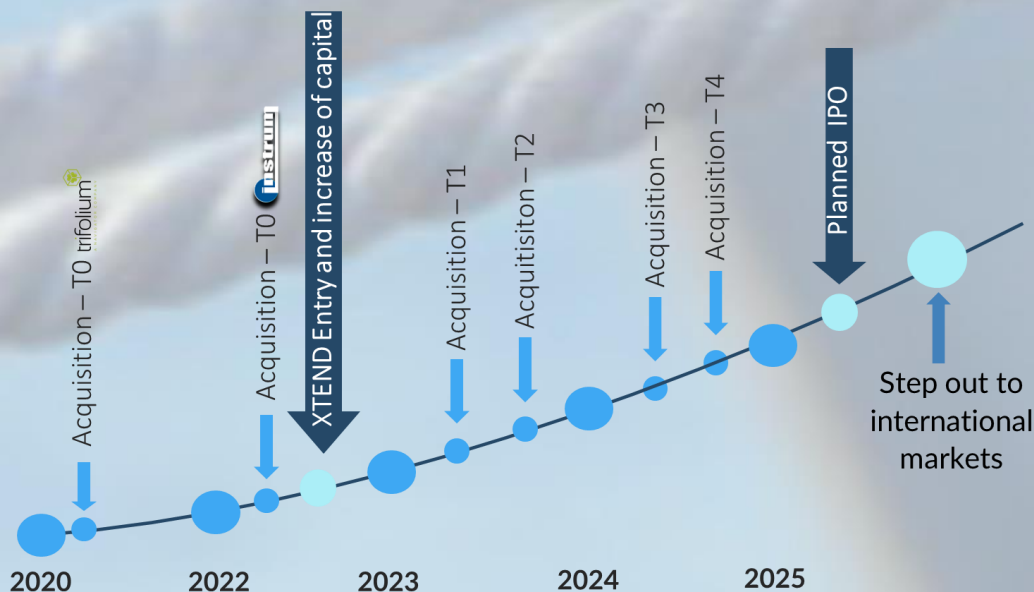


Among the generational change companies, those companies can be considered as target investment, where the EBITDA multiplier is around 3 prior to the acquisition, however, it has a potential after integration into the Company Group to be evaluated based on its improved business performance with an EBITDA multiplier of 5 or 6.

In the medium term, the owners and management intend to develop NAVIGATOR into a medium-sized company with a complex, wide-ranging production capacity and a returning clientele that provides regular work, on the one hand, based on the existing clientele and markets and by entering new markets on the other hand and – last but not least - by acquiring further companies whose activities can be linked to and combined with the activities of the existing group members.

The implementation of the above strategy requires long-term active cooperation from the Company in its capacity of a parent company, therefore it regards the purchased companies as long-term investments, which it will hold as majority shareholder after putting them on the growth path and will also control after their future listing on the stock exchange.

Transactions planned by the Company and the major milestones are illustrated in the following diagram:





## 6. PROJECTS OF AFFILIATE COMPANIES

### 6.1. TRIFOLIUM International Ltd. – carpentry & metal industry

NAVIGATOR Investments PLC. has a 100% stake in Trifolium International Limited Liability Company (headquarters: 1075 Budapest, Madách Imre út 13-14, company registration number: 01-09-372195; abbreviated name: Trifolium International Ltd.).

The company deploys its carpentry and metal industry design and manufacturing capacity in interior design & outfitting as well as in the exhibition construction and is a key player in these sectors of the industry.

In 2021 and in the first half of 2022 the company laid emphasis primarily on the fit-out projects due to the complete stoppage of the exhibition market caused by the Covid pandemic.

In order to ensure continuous operation, the management of the company decided to open up to new, domestic clients after the appearance of the Covid.

The sale of interior design services, the management of new and existing customer relationships, project management and provision of services representing high added value had to be developed under the umbrella of Trifolium International Ltd. By employing professional management, introduction of a modern corporate management system, the efficiency of the existing activities and the utilization of capacities have improved significantly and are improving continuously.

Previously, the company activities were almost exclusively based on the event industry and delivered exhibition installations all over the world, which was shut down unexpectedly due to the coronavirus epidemic. At the same time, the capacities that have become obsolete due to the pandemic could be used in the market of other type of design and production services (such as the full-scale interior design of premium residential properties, offices and commercial buildings) to make up for the lost revenue even in a short term.





Currently, processes with the opposite sign are taking place and the resumption of the exhibition market may significantly overcompensate for the expected slowdown in the construction industry.




**ALSÓNÉMEDI,  
HUNGARY**

**FACTORY &  
WAREHOUSE**








### 6.1.1. The exhibitions market

As a result of repeat orders from the exhibition market in 2022, the number of Trifolium projects increased significantly by the middle of the year. Trifolium's factory in Alsónémedi produced installations that won the hearts of visitors at the Budapest housing fair, Construma, and Mach-Tech exhibitions.

In 2022 the „Álmok Álmodói 2.0” exhibition opened at the Millenáris where the company, as a subcontractor of SpecEffect, built a significant part of the exhibition paying tribute to domestic scientific achievements & disciplines. The space science and industry section of the is still open to the public.

The video of the exhibition can be found on the LinkedIn platform: [Álmok Álmodói 2.0](#) 





The Company also undertook a significant number of stand construction projects at the international level in the first half of 2022. The upswing in the exhibition market can be observed both at the domestic and international level.

The main client on Trifolium's exhibition market is the German-based MB Capital, from whom many orders were received again in this period. In the first half of the year, the company built exhibition spaces and individual stands at the Bus2bus exhibition in Berlin. We also received an order from MB Capital for the ATM exhibition in Dubai and the IMEX trade fair in Frankfurt.

The company also built the Georgian national stand at the Prowein exhibition in Düsseldorf, one of Europe's largest wine & spirits exhibition.

The original strategy was formulated with the aim that Trifolium be present in a diversified way in markets with different characteristics and clientele.

As a result of the lifting of the pandemic closures, the acceleration of the exhibition market will continue in the second half of the year, and Trifolium will be able to profit from this scenario significantly; the company expects sales revenue of hundreds of millions HUF in value within the framework of 35-40 projects. In the second half of the year, the company also cooperates with MB Capital expecting the largest orders to be placed with venues at Berlin and London. In addition, Trifolium undertook works at exhibitions in Budapest, Milan, Amsterdam, Hanover, Vienna, Stuttgart and Paris. The company also built an installation for Coca-Cola at the Sziget festival (Budapest).

**13+**  
EXHIBITION  
PROJECTS

**FINISHED  
IN 2022 H1**







## OMAN

ARABIAN TRAVEL  
MARKET  
DUBAI, UAE



## GEORGIA

PROWEIN  
DÜSSELDORF,  
GERMANY





### 6.1.2. Fit-out projects

In the first semester of 2022, Trifolium undertook several interior design, production and on-site assembly jobs. One of the most significant projects in this area is Elysium House, reconstructed on the site of the former SZOT Hotel, in frame of which Trifolium manufactured and installed furniture, doors and windows, as well as textile and wooden wall coverings on a total of 1,500 m<sup>2</sup>.

One of Budapest's most exclusive entertainment venues - ROMKERT - opened in the spring of 2022. The entire design, production and on-site installation of the project was carried out by Trifolium in 2021. The entire design, production and on-site installation of the project was carried out by Trifolium in 2021.

During this period, a fit-out order was received from MCC Vocational College for the preparation of a management office and also from Semmelweis University for the construction of an experimental laboratory. The construction of the Single Parent Center in Buda and the construction of the TippmixPro studio were completed in April.

Due to the slowdown in the construction industry, Trifolium is expecting to experience a smaller decline in fit-out orders in the second half of 2022. The slowdown is compensated by the previously mentioned growing orders in the exhibition market. The complex installation of the Robert Capa Museum was also completed in this semester. Additional fit-out projects include reception desks at different locations (Baja, Zalaegerszeg and Nagykanizsa).







## 6.2 INSTRUM Ltd. – machine tool, parts & components production

In accordance with its investment strategy, in 2022 NAVIGATOR acquired Tököl-based Instrum Ltd., a company workings in the field of machine tool and component production. NAVIGATOR holds 95% stake in INSTRUM Component Manufacturer and Metal Services Limited Liability Company (head office: 2316 Tököl, Csépi u 101., company registration number: 13-09-060720; abbreviated name: Instrum Ltd.).

INSTRUM Ltd. operates in Tököl, Pest county, since 1989. The Company carries out production on its own property with a land area of 2,290 m<sup>2</sup>, in a production hall of nearly 1,000 m<sup>2</sup>. Its main activity is CNC longitudinal turning and related post-work, as well as the on-demand assembly of the parts produced by them.

The company also has various grinding and traditional CNC lathes, drilling machines and special machines developed on demand.

Semi-finished and finished products are typically made using non-ferrous metals, steel, stainless steel, and industrial plastics. The company specifically manufactures small stainless steel and industrial plastics. The company specifically manufactures small parts. The raw materials are between 3-23 mm in diameter.

Instrum is specifically a component manufacturing company, where 20 out of the 24 employees work in the workshop with the required specialist qualification and work experience.

The Company produces CNC-turned metal or plastic parts for the automotive, plastics industries, hydraulics and pneumatics, electronics, food industry machinery manufacturing (household machine parts) and the health sector (medical instruments and aids).

There is an internationally recongnized multinational railway and commercial vehicle industry company among its main customers. Key customers of Instrum Ltd. include Knorr-Bremse, Pex, Zelisko and Norsk Hydro.





The company has ISO 9001 quality assurance certification since 1998. With continuous technological developments and by implementation of the internationally well-known 5S productivity development method, it is a stable, reliable and competitive supplier to its customers.





### 6.3 NAVIGATOR Internet Solutions Ltd. – software development

NAVIGATOR Investments PLC. has a 100% stake in NAVIGATOR Internet Solutions Limited Liability Company (headquarters: 1075 Budapest, Madách Imre út 13-14., company registration number: 01-09-372213; abbreviated name: Navigator Internet Solutions Ltd.).

NAVIGATOR Internet Solutions Ltd. is a micro-enterprise, currently without employees, and carries out its activities with the assistance of external specialists. Its income for 2021 did not reach HUF three million.

Its main activity is computer programming, which it uses for specific purposes, and it currently prepares smaller tailor-made applications for the parent company.





## 7. INFORMATION ON SHARES

### 7.1. Composition of share capital of the Company

Share series	Nominal value (HUF/piece)	Quantity (pieces)	Total nominal value (HUF)
„A” series NAVIGATOR ordinary share ISIN: HU0000198221	1000	340 100	340 100 000
Total share capital	-	340 100	340 100 000

### 7.2. The shareholders of the Company's Board and Supervisory Board

Name of shareholder	Ownership (%)	Quantity of shares (pieces)
Zoltán Zsolt Jutasi	88,21	300 000
Ivett Réka Jutasi	0,06	216

### 7.3. The shareholders of the Company with a holding above 5%

Name of shareholder	Ownership (%)	Quantity of shares (pieces)
Zoltán Zsolt Jutasi	88.21	300 000
Held by the public	11.79	40 100

Owners who own at least 5% of the total stock of securities were not taken into account when determining the freefloat, nor the part of the stock of securities held by custodians, for which it can be determined based on the available certificate of the custodian that the total stock of securities of one owner is at least 5% of securities.







## 8. CORPORATE GOVERNANCE<sup>1</sup>

### 8.1. General Meeting

The supreme body of the Company is the General Meeting, whose duties and powers are referred by the Articles of Association.

### 8.2. Board of Directors

The executive body of the Company is the 3-member Board of Directors. The members of the Board of Directors are elected by the General Meeting for an indefinite period.

The members of the Board of Directors:



**Zoltán Jutasi**  
Chairman of the Board



**Yvette Jutasi**  
Member of The Board



**Thomas Frater**  
Member of the Board

### 8.3. Supervisory Board and Audit Committee

The Supervisory Board and the Audit Committee fulfil the statutory roles.

The members of the Supervisory Board and the Audit Committee:



**Erzsébet Englóner**



**Péter Szabó**



**Andrea Vincze**

<sup>1</sup> Status September 25, 2022





On May 24, 2022, the Issuer elected the members of the Supervisory Board as members of the Audit Committee with effect from the date of the Issuer becoming a public limited company until May 31, 2023.

## 8.4. Auditor

The General Meeting elected CONTROLLING-AUDIT Könyvvizsgálói Ltd. (H-1037 Budapest, Góbé utca 23. fszt. 1., company registration number: 01-09-717920), Chamber of Auditors registration number: 000076) as the Company's auditor.

**Person responsible as auditor:** Zoltán Török

**Chamber membership number:** 001379

The Company continued to elect the auditor in an unchanged form on May 24, 2022, with a mandate lasting until May 31, 2023, which the Auditor accepted on the same day.

## 8.5. Management

Chief Executive Officer is responsible for daily overall operation of the Company, including delegating and directing individual specialist managers. **The members of NAVIGATOR Group's management:**



**Gyöngyvér Bajtek**  
Chief Executive Officer



**Gyula Bárány**  
Customer Relationship Director



**Dr. Miklós Bencze**  
Legal and Transaction Director





**Adrienn Földi**  
Director of Finance and  
Controlling



**Krisztina Gerőcs**  
Accounting Director



**Andrea Horgos**  
Enterprise Director



**Zsolt Horváth**  
Capital Markets Director



**László Ignát**  
Production Management  
Director



**Róbert Pallag**  
Investment and Business  
Development Director

The Company provides centralized back-office activities for its subsidiaries. NAVIGATOR provides, among other things, financial, accounting, legal, IT, HR, sales and marketing activities for the other member companies in the company group. Subsidiaries essentially focus exclusively on operational operations. Company group fully takes advantages using of centralized services, so the continuous provision of professional work at the individual subsidiaries, preparatory and control tasks related to investments, economic management, central IT and marketing services are carried out within the parent company during the daily operations.







## 9. ORGANIZATION, STAFF AND INTERNAL PROCESSES

Company group employs a total of 54 people, including the company acquired in 2022. Of these, 7 people are employed by NAVIGATOR Investments, 23 by Trifolium, and 24 by Instrum.

NAVIGATOR Group – number of employees	2021 H1	2022 H1 without acquisition	2022 H1 with acquisition
NAVIGATOR Investments Plc.	8	7	7
Trifolium International Ltd.	25	23	23
Instrum Ltd.	*0	0	24
<b>Total</b>	<b>33</b>	<b>30</b>	<b>54</b>

The Company also places special emphasis on the organizational integration of its subsidiaries, as a result of which, in addition to HR and professional benefits, attention is also paid to cost reduction opportunities that can be achieved by eliminating duplicate processes or by implementing them more efficiently and centrally (HR, marketing, finance, etc.). Their impact is not yet significant in the first half of 2022 but in parallel with the growth of the group, better utilization of these potential cost reduction opportunities is expected. The positive effects of the synergies created through acquisitions can be demonstrated in financial data in the next 1-2 years.





## 10. AWARDS, RECOGNITIONS, SOCIAL RESPONSIBILITY

The Company has received several recognitions and awards in the past. An important principle is responsible communication, which includes social responsibility and the pursuit of sustainable operation. In the spirit of this, NAVIGATOR supported and continues to support the Démétér House, which helps the recovery of children who have undergone bone marrow transplantation. Thanks to the institution, the children can be in constant proximity to their families and can enrich the difficult days of their recovery with positive experiences.

In recent years, NAVIGATOR has been part of the team led by Prof. Dr. László Puskás received the Dénes Gábor award. An important aspect in the awarding of the award was Mr. Puskás' work in the field of Alzheimer's research, to which NAVIGATOR also contributed with its activities at APERUS Pharma Zrt. NAVIGATOR was responsible for the Company's financial processes and financing.





## 11. MAIN RISK FACTORS AND RISK MANAGEMENT

Investing in securities involves a number of risks. All investors are advised to consider the general risk factors and the risks associated with the Issuer and its industries before deciding to purchase Shares issued by the Issuer. The Issuer draws the attention of investors to the fact that the risk factors cannot be summarised in their entirety and that the possibility of additional and new risk factors cannot be excluded. It is recommended that all investors who intend to invest in the Shares issued by the Issuer should familiarise themselves with the risks described in this Report, because only by familiarising themselves with these risks can they form a true picture of the Issuer and determine the real risk of investing in the Shares. The risk factors listed do not cover all the risks relating to the Issuer, its markets, or the securities it issues, but represent the most significant risks currently known to the Issuer.

### 11.1. Strategic risks

The Company's strategy is based on business growth, which not only includes current services, but also diversification, new services, market segments, and acquisition opportunities to keep the company on a sustainable growth path. The results and performance of the Company's market activities are dependent on many factors. These factors and their effects are difficult to assess and prepare for it. Therefore, the execution of the planned strategy involves a degree of natural business risk. The Company's future revenues will depend on the growth of the domestic SME sector (and the large corporate sector in its target market) affected by the general economic and business environment. In addition, the growth of the domestic SME sector is also significantly stimulated by the level of subsidies available. The business performance and business expectations of the Hungarian SME and large corporate sector may negatively affect the successful execution of the Company's strategy. Changes in the macroeconomic environment may also have a significant impact on the Company's growth. Hungary has a typically export-oriented







economy, which is mostly dependent on the economic performance of Western European economies, including Germany.

## 11.2. Acquisition risks

Growth through acquisitions is part of the Company's short and medium-term strategy. However, the implementation of acquisitions can involve significant risks, the most important of which are:

- The preparation and implementation of an acquisition will divert attention and resources away from the core activities already existing in the group;
- The purchase price of an acquisition is too high a financial burden;
- The acquired company is not delivering the expected results;
- The acquired company reveals hidden liabilities and risks;
- The integration process is not completed, or only slowly, perhaps at the cost of losses;
- Key people leave the acquired company;
- The business management process of the acquired company is in a worse situation than previously estimated.

## 11.3. Recession

The world economic and political situation is extremely complex. As a result of the COVID pandemic, individual countries are implementing different lockdown measures affecting the economy. The global shortage of raw materials, the disruption of global supply chains, the Russian-Ukrainian war, the sharp increase in raw material and energy prices, the supply problems of natural gas and crude oil affecting primarily Europe, the slowdown of the world economy and the rate of inflation are a heavy burden for economic players. Due to the large increase in energy prices, the increased costs of companies may have a negative impact on the results. Due to the nature of this risk, it does not only affect the NAVIGATOR group, it is not NAVIGATOR's own risk but a global risk that affects many areas of the economy.





## 11.4. Labour shortage

The Company has a strong network of contacts available to it through its managers and has managed to deal successfully with periodic labour shortages through conscious workforce planning. The trend of labour shortages in Hungary may be a negative factor for the management of the Issuer and its interests. If there is a significant reduction in highly skilled labour or physical staff, this will have an impact on the revenue generated from projects. The replacement of the workforce should also be considered when implementing the Issuer's strategy. If the Issuer grows too fast, there may be temporary labour shortages in certain fields. The Issuer will seek to reduce this risk through appropriate competitive salaries and continuous employee training.

## 11.5. Risk of lack of expertise

The Company's current area of operation and the new competencies that will emerge from the future expansion of the service portfolio require specific expertise and experience in the field. The Company's priorities include the retention of experts and the training of both employed professionals and the Company's staff. In recent years, wages have been largely brought to competitive market wage levels, so that no further resulting extra wage increases are expected in the future, while strong inflationary effects will lead to further wage cost increases. In the current labor market situation, a further increase in wage levels related to the retention and availability of skilled workers is certainly expected and the Company needs to be prepared for this in order to reduce the resulting risks. The Company has an experienced team of external experts in addition to the employees employed in each of its interests so that any shortage of staff can be compensated for temporarily.

## 11.6. Risk management

The Issuer's CEO is responsible for defining the risk management principles and processes. The primary objective is to identify risks as early as possible and to manage them effectively





and quickly. The Issuer has implemented and operates a special project management (PM) system to manage its projects. The PM system is an internationally referenced application called TeamWork, which will be implemented in all group companies. The PM system has been used by the issuer since 2017. On this basis, it is the first level management's task and responsibility to identify and manage operational risks and errors. At the moment, the CEO of the Issuer briefs the managers on a weekly basis, mainly verbally. As a result of the system development which is currently underway, the controlling organisation produces a monthly report on the company's activities, which is sent directly to the CEO. The controlling report also covers the identified shortcomings and the expected risks. The Company tries to accumulate a large amount of liquid assets, which - if necessary - it can partially use for possible crisis management. The liquid assets can be used in the parent company as well as in the subsidiaries.







## 12. FINANCIAL INFORMATION OF NAVIGATOR GROUP

The aggregated and detailed data of NAVIGATOR Group's pro-forma consolidated financial results for the first half of 2021 and 2022 are presented below. The data for the year 2021 includes the pro-forma consolidated data of NAVIGATOR Investments Plc. and Trifolium International Ltd., while the data for the year 2022 is supplemented with the data of Instrum Ltd. NAVIGATOR Internet Solutions Ltd. (NIS Ltd.) will only be presented in the consolidated report at the end of 2022, as neither its sales revenue nor its pre-tax profit are significant. NAVIGATOR Investments Plc. owns 100% of Trifolium International Ltd. and NIS Ltd., and 95% of Instrum Ltd.

### 12.1. Profit and loss statement of NAVIGATOR Group

The NAVIGATOR Group's total net sales in the first half of 2022 increased by 80% compared to the same period in 2021 and reached EUR 2.32 million.

The engine of the increase in sales was the entry into machine and parts production, as well as reopening of the exhibition market after the complete shutdown caused by Covid, and also thanks to this year's boom in the service business. Compared to the same period of the previous year, the Company can show a significant positive result thanks to both the acquisition of Instrum Ltd. and the organic growth. Group-level EBITDA rose from EUR minus 469 thousand to EUR 312 thousand, which represents an increase of EUR 781 thousand compared to the first six months of 2021.

All important indicators (net sales, EBITDA and profit after tax) increased significantly due to the excellent performance of Instrum Ltd., which newly joined the company group, and on the other hand, the former company group can also show a significant improvement in business performance. The proportional value of the subsidy income connected to the contract with Budapest Stock Exchange (BSE) for the first half of the year was accounted for in other income.





## First half of 2021 and first half of 2022

NAVIGATOR Group PROFIT AND LOSS STATEMENT (in thousand EUR)	H1 2021	H1 2022	Change
TOTAL NET SALES	1453.1	2316.6	863.5
Other income	0.6	109.2	108.6
Material costs	1656.4	1539.8	-116.5
Staff costs	241.8	515.3	273.5
Other operating charges	24.6	37.2	12.6
EBITDA	-469.0	312.0	781.1
Depreciation	22.7	68.3	45.6
Results of operating (business) activities	-491.7	243.8	735.5
Profit or loss from financial transactions	-3.4	26.5	29.9
Profit or loss before tax	-495.1	270.3	765.4
Tax expense	0.0	29.5	29.5
Profit after tax	-495.1	240.8	735.9

The value of material costs changed less than the inflation experienced in the market, increasing by 5% in the first half of 2022 compared to the first half of 2021. The reason for this is complex:

1. in the production of machinery and parts and in the services business, we experienced a cost increase equal to the rate of inflation in the market, which we managed to incorporate into the sales prices;
2. in the fit-out and exhibition business divisions, however, the purchased materials and the amount of material services used were reduced compared to the same period of the previous year, we are constantly looking for cost-effective solutions, such as reducing the proportion of subcontractor implementation and increasing the extent of our own implementation.

The value of staff costs increased significantly in all business areas, on the one hand due to the increase in wages – keeping up with changes in the labor market – and on the other hand due to the increase in staff related to the growth strategy. The increase in financial operations is due to the fact that the amount of interest income exceeded the amount of interest expenses, and that the company group had an exchange rate gain after the export revenue.





## 12.2. NAVIGATOR Group's net sales by divisions

### First half of 2021 and first half of 2022

Net sales by divisions (in thousand EUR)	H1 2021	H1 2022	Change
Production, assembly	1415.3	2144.9	729.5
Services	37.8	171.7	133.9
Total	1453.1	2316.6	863.5

The net sales revenue of production and assembly in the first half of 2022 increased by 71% compared to the same period of 2021, and exceeded EUR 2.15 million. The sales from services shows a significant increase of 413%, which represents a positive change of EUR 133.9 thousand. The significant growth in sales from services is primarily due to the fact that in 2022, the number of projects that NAVIGATOR implements as authorised advisor to Budapest Stock Exchange (BSE) has doubled. The changes in the sales of the production and assembly division are detailed in the table below:

Net sales of production, assembly (in thousand EUR)	H1 2021	H1 2022	Change
Machine tool, parts and components production	0.0	906.4	906.4
Fit-out projects	1415.3	646.7	-768.6
Exhibitions	0,0	591.8	591.8
Total	1415.3	2144.9	729.5

The production of machine tool, parts and components, which is a new activity in the NAVIGATOR Group from 2022, contributed EUR 906.4 thousand to the growth in the first half of the year. A restructuring took place between the fit-out and the exhibition divisions. The exhibition market came to a complete halt in 2020 due to closures caused by Covid and has only started again in 2022. Thus, in 2021, sales only came from the fit-out projects, which represented the entry into a completely new market for the Company to compensate for the sales that would cease from exhibitions. In 2022, the international exhibition market has reopened, although 2-3 months later, as was usual before Covid crises. Thus, in the first







half of 2022, we achieved net sales almost identical to the level of the whole 2021 and we can implement the strategy of standing on several legs.

## 12.3. Balance sheet of NAVIGATOR Group

As of December 31, 2021 and June 30, 2022

NAVIGATOR Group BALANCE SHEET (in thousand EUR)	Dec 31, 2021	Jun 30, 2022	Change
<b>FIXED ASSETS</b>	1108.6	1717.6	609.0
Intangible assets	27.5	31.1	3.6
Tangible assets	698.2	1331.1	632.9
Financial investments	382.9	355.4	-27.5
<b>CURRENT ASSETS</b>	1299.7	1830.9	531.2
Inventories	0.0	5.7	5.7
Receivables	735.5	1089.0	353.5
Securities	2.7	2.5	-0.2
Cash	561.5	733.6	172.1
PREPAYMENTS, ACCRUED AND DEFERRED ASSETS	769.1	557.1	-212.0
<b>TOTAL ASSETS</b>	<b>3177.5</b>	<b>4105.7</b>	<b>928.3</b>
<b>SHAREHOLDER'S EQUITY</b>	1760.1	2655.8	895.7
Issued capital	813.0	766.3	-46.8
Capital reserve	0	0	0
Accumulated profit reserve	470.9	1196.5	725.6
Revaluation reserve	161.1	452.2	291.1
Profit or loss for the year	315.1	240.8	-74.4
PROVISIONS	107.0	65.0	-42.0
<b>LIABILITIES</b>	1005.6	1104.6	99.1
Long-term liabilities	119.6	50.6	-69.0
Current liabilities	886.0	1054.0	168.0
ACCRUALS AND DEFERRED INCOME	304.8	280.3	-24.4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3177.5</b>	<b>4105.7</b>	<b>928.3</b>





### 12.3.1. Total assets

Total assets increased by 39%, EUR 928.3 thousand, to EUR 4.11 million as of June 30, 2022 compared to December 31, 2021. Both fixed assets and current assets increased due to the assets of the purchased Instrum Ltd.

The fixed assets increased by EUR 609 thousand, of which EUR 573 thousand is related to the fixed assets of Instrum Ltd., while the remaining amount can be attributed to the capex of the other members of the company group, significant part of which is capitalized value of formation/reorganization expenses related to NAVIGATOR in 2022.

The value of current assets increased by EUR 531.2 thousand, which can be attributed entirely to the current assets of Instrum Ltd. Looking at it from the other side, one third of the increase in current assets comes from the increase of cash and two thirds from the increase of receivables. At the same time, on June 30, 2022, there were no significant long-overdue receivables from outside the company group.

### 12.3.2. Total equity and liabilities

Thanks to the acquisition, shareholder's equity increased from EUR 1.76 million to EUR 2.66 million on December 31, 2021. This is due to the fact that a company with high profit margins joined the company group, and the real estate value adjusted to the market value increased the revaluation reserve.

Liabilities increased by EUR 99.1 thousand, and within this, long-term liabilities decreased, while short-term liabilities increased. Instrum Ltd. has no bank loan, only accounts payable and other short-term liabilities, and this accounts for half of the increase in short-term liabilities of the company group. Looking at the group's loan portfolio, the fit-out project loan decreased until June 30, 2022, but we expect an increase in the use of the credit facility by the end of the year. Adding to the increase in liabilities is the fact that, in connection with NAVIGATOR's capital increase at the beginning of July 2022, among other short-term liabilities, we record EUR 131 thousand of issued capital paid but not registered until June





30. On June 30, 2022, there were no significant, long-expired, external obligations of accounts payable.

## 12.4. Financial indicators

As of December 31, 2021 and June 30, 2022

NAVIGATOR Group FINANCIAL INDICATORS (in thousand EUR)	Dec 31, 2021	Jun 30, 2022
Equity to debt	175.03%	240.42%
Equity	1760.1	2655.8
Debt	1005.6	1104.6
Debt to equity	57.13%	41.59%
Debt	1005.6	1104.6
Equity	1760.1	2655.8
Equity to assets	55.39%	64.68%
Equity	1760.1	2655.8
Total assets	3177.5	4105.7
Current ratio	146.70%	173.71%
Current assets	1299.7	1830.9
Current liabilities	886.0	1054.0
Quick ratio	146.70%	173.16%
Current assets minus inventories	1299.7	1825.2
Current liabilities	886.0	1054.0
Return on equity	17.90%	9.07%
Profit for the year	315.1	240.8
Equity	1760.1	2655.8
Return on sales	5.42%	10.39%
Profit for the year	315.1	240.8
Net sales	5816.1	2316.6
Return on assets	9.92%	5.86%
Profit for the year	315.1	240.8
Total assets	3177.5	4105.7

The positive impact of the acquisition is clearly visible on the most important financial indicators. On one hand, the company's indebtedness decreased; debt to equity ratio decreased from 169% measured on June 30, 2021 to 42% by June 30, 2022. At the same time, the company's liquidity improved rapidly; the current ratio increased from 68% on June 30, 2021 to 174% by the end of the first half of 2022.

FINANCIAL  
INDICATORS  
2022 H1







## 12.5. Cash Flow of NAVIGATOR Group

### First half of 2021 and first half of 2022

NAVIGATOR Group CASH FLOW (in thousand EUR)	H1 2021	H1 2022
<b>I. Operating cash flow</b>	-323.5	225.0
1a. Profit before tax +	-495.1	270.3
showing separately: financially settled aid received for operation funding		
1b. Adjustments in profit before tax +		
1. Adjusted profit before tax (1a+ 1b) +	-495.1	270.3
2. Depreciation write-off +	22.7	68.3
3. Impairment loss and reversal +		
4. Difference between formation and utilization of provisions +		-34.5
5. Fixed assets sold +		
6. Changes in accounts payable +	209.5	270.7
7. Changes in other short-term liabilities +	755.6	40.9
8. Changes in accrued and deferred liabilities +	-55.3	-59.9
8a. Correction of passive accruals due to tender support		
9. Changes in trade receivables +	-66.5	-190.7
10. Changes in current assets (without receivables and liquid assets) +	-308.4	31.8
11. Changes in accrued and deferred assets +	-385.9	160.3
12. Tax paid (on profit) -		-29.5
13. Dividends and profit-sharing paid -		-302.5
<b>II. Investment cash flow</b>	-92.3	-133.3
14. Purchase of fixed assets -	-92.3	-133.3
15. Sale of fixed assets +		
16. Repayment, termination or redemption of long-term loans and bank deposits +		
17. Long-term loans and bank deposits -		
18. Dividends and profit-sharing received +		
<b>III. Financial cash flow</b>	60.0	-228.0
19. Receipts from shares issue, capital raising (capital increase) +		
20. Receipts from issue of bonds and debt securities +		
21. Borrowings +	112.0	
22. Non-repayable assets received +		
23. Cancellation of shares, disinvestment (capital reduction) -		
24. Redeemed bonds and debt securities -		
25. Loan installment payments, repayment of loans -	-52.0	-228.0
26. Non-repayable liquid assets transferred -		
<b>IV. Changing in liquid assets (rows I+II+III.)</b>	-355.8	-136.2
27. Revaluation of funds held in foreign currencies +		
<b>V. Changes in funds as shown in the balance sheet (IV+27. line)</b>	-355.8	-136.2





## 13. PUBLICATIONS ISSUED BY THE COMPANY UNTIL SEPTEMBER 27, 2022

Publication date	Object
27 Sep 2022 17:34	Information on the results of the share subscription process
27 Sep 2022 17:31	Information on the start of share trading
23 Sep 2022 16:33	Decision of the Market Operator No. 41/Xtend/2022 on the commencement of trading of NAVIGATOR INVESTMENTS Plc. shares on the Xtend market and on the amendment of the Securities List with effect from 27 September 2022. First Trading Day: 27 September 2022.
22 Sep 2022 12:21	Information on language use, investor relations and share register information
22 Sep 2022 12:12	Information on ownership structure
19 Sep 2022 16:13	Information on the creation of new shares
14 Sep 2022 16:50	Addition No 1 to Information Document
14 Sep 2022 15:16	Resolution No. 38/Xtend/2022 of the Budapest Stock Exchange Ltd. on the approval of Addition No. 1 to the Information Document of NAVIGATOR INVESTMENTS Ltd.
24 Aug 2022 17:14	The current Articles of Association of the Company
24 Aug 2022 17:08	Information on the registration of the share capital increase of NAVIGATOR INVESTMENTS Plc.





## 14. DISCLAIMER

Hereby NAVIGATOR Investments PLC. declares that the Interim Financial Statements published in the report, have not been audited by an independent auditor; the statements are based on similar accounting principles as the half-yearly and annual financial statements of the previous financial year in accordance with provisions of Act C of 2000.

NAVIGATOR Investments PLC. hereby informs all capital market participants that the Semi-Annual Report prepared on the results of business activities for the first half of 2022 will be published in its entirety on September 29, 2022, in the form of Announcement, on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)), as well as on the website operated by the National Bank of Hungary ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and furthermore on the Company's website ([www.navigatoinvest.com/befektetoknek/beszamolok/](http://www.navigatoinvest.com/befektetoknek/beszamolok/)).

NAVIGATOR Investments PLC. declares that the Semi-Annual report based on the applicable accounting standards – to the best of its knowledge – gives a true and reliable picture of the Company's assets, liabilities, financial position, as well as its profit and loss, furthermore it describes in a true and reliable way the main risks and uncertainty factors affecting the Company's position, development and performance in the remaining six months of the financial year, and does not withhold any fact or information that is significant in terms of assessing the Company's situation.

Budapest, September 29, 2022

**Zoltán Jutasi**

Navigator Investments Plc.  
Chairman of the Board of Directors







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