CORDIA

INTERNATIONAL ZRT.

IFRS CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December			
In thousands of Hungarian Forints (THUF)	***Note***	**2022**	**2021**
Revenue	***6***	**68,292,867**	**92,226,058**
Cost of sales	***7***	**(42,872,702)**	**(67,268,255)**
Gross profit		**25,420,165**	**24,957,803**
Selling and marketing expenses	*8*	(4,634,836)	(4,007,912)
Administrative expenses	*9*	(5,961,170)	(6,236,740)
Net gain/loss from fair valuation of investment and development properties	*16*	2,187,730	402,222
Other expenses	*12*	(8,662,377)	(2,586,183)
Other income	*11*	1,252,687	791,449
Operating profit		**9,602,199**	**13,320,639**
Interest income		2,146,744	74,102
Other financial income		12,033,985	7,869,214
Finance income	***13***	**14,180,729**	**7,943,316**
Interest expense		(2,789,848)	(3,404,301)
Other financial expense		(5,069,064)	(2,275,595)
Finance expense	***13***	**(7,858,912)**	**(5,679,896)**
Net finance income/(expense)	***13***	**6,321,817**	**2,263,420**
Share of profit/(loss) in associate and joint venture	*19*	5,047,510	6,449,962
Profit before taxation		**20,971,526**	**22,034,021**
Current income tax		(1,184,428)	(1,023,054)
Deferred tax		(7,372)	(407,364)
Income tax expense	*14*	**(1,191,800)**	**(1,430,418)**
Profit for the period		**19,779,726**	**20,603,603**
Exchange differences on translating foreign operations net of tax and subsequently recycled to profit and loss		2,327,307	360,052
Other comprehensive income/(loss)		**2,327,307**	**360,052**
Total comprehensive income for the period, net of tax		**22,107,033**	**20,963,655**
Total profit/(loss) for the period attributable to:			
owners of the parent		19,114,005	13,494,499
non-controlling interests	*37, 38*	665,721	7,109,104
Total profit/(loss) for the period		**19,779,726**	**20,603,603**
Total comprehensive income attributable to:			
owners of the parent		21,248,388	13,929,341
non-controlling interests		858,645	7,034,314
Total comprehensive income for the period, net of tax		**22,107,033**	**20,963,655**

The notes on pages 8 to 107 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

In thousands of Hungarian Forints (THUF)	*Note*	31.12.2022	31.12.2021
Assets			
Non-current assets			
Intangible assets	*15*	132,918	181,204
Investment properties	*16*	9,503,483	25,616,165
Property, plant and equipment	*17*	3,142,624	2,479,075
Long-term receivables from third parties	*18*	708,509	6,175,227
Investments accounted for using equity method	*19*	25,055,827	23,088,434
Deferred tax assets		1,210,412	373,209
Restricted cash	*27*	1,934,905	30,432
Long-term VAT receivables		137,919	447,639
Other long-term assets	*20, 23*	317,410	349,813
Goodwill		524,094	461,549
Non-current derivative assets	*23*	1,330,375	2,128,281
Total non-current assets		**43,998,476**	**61,331,028**
Current assets			
Inventory	*22*	162,569,447	132,163,509
Trade and other receivables	*26*	1,450,403	2,098,505
Short-term receivables from related parties	*24*	2,945,913	546,922
Other short-term assets	*20*	4,419,685	3,070,042
Income tax receivables		64,271	84,831
Short-term VAT receivables	*21*	4,413,404	6,702,070
Restricted cash	*27*	3,544,627	3,979,801
Other financial assets	*23*	7,860,469	17,464,987
Cash and cash equivalents	*27*	64,888,186	53,590,085
Total current assets		**252,156,405**	**219,700,752**
Disposal group of assets classified as held for sale			
Assets classified as held for sale		145,095	244,112
Total disposal group of assets classified as held for sale		**145,095**	**244,112**
Total		**296,299,976**	**281,275,892**

The notes on pages 8 to 107 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position (cont'd)

In thousands of Hungarian Forints (THUF)	*Note*	31.12.2022	31.12.2021
Equity			
Shareholders' equity			
Share capital	*36*	18,013,760	18,013,760
Share premium	*36*	13,461,608	13,461,608
Currency translation reserve		2,870,088	735,705
Other reserves	*36*	(241,777)	(242,448)
Retained earnings		68,045,017	48,931,683
Equity attributable to equity holders of the parent		**102,148,696**	**80,900,308**
Non-controlling interests	*37*	130,343	161,437
Total equity		**102,279,039**	**81,061,745**
Net assets attributable to non-controlling investment unit holders	*38*	**908,070**	**16,252,666**
Liabilities			
Non-current liabilities			
Loans and borrowings	*28*	22,760,748	10,497,483
Bonds	*35*	91,655,524	91,250,362
Deferred tax liabilities		2,164,853	1,266,793
Other provision	*34*	824,096	1,195,077
Customer advances	*29*	6,754,712	4,175,325
Lease liabilities	*33*	1,602,596	5,726,544
Amounts withheld for guarantees	*32*	1,071,986	784,402
Other long-term liabilities		134,081	234,730
Total non-current liabilities (excluding net assets attributable to non-controlling investment unit holders)		**126,968,596**	**115,130,716**
Current liabilities			
Trade and other payables	*31*	9,319,639	12,910,027
Bonds	*35*	284,349	342,269
Short-term liabilities to related parties	*30*	2,208,206	837,281
Loans and borrowings	*28*	1,036,131	3,417,677
Customer advances	*29*	28,052,590	30,556,403
Lease liabilities	*33*	16,781,384	12,723,130
Other tax liabilities		2,447,058	1,820,533
Other provision	*34*	5,261,361	4,621,649
Income tax liabilities		633,778	651,534
Other short-term liabilities		119,775	509,455
Current derivative liabilities	*23*	0	440,807
Total current liabilities (excluding net assets attributable to non-controlling investment unit holders)		**66,144,271**	**68,830,765**
Total liabilities (excluding net assets attributable to non-controlling investment unit holders)		**193,112,867**	**183,961,481**
Total		**296,299,976**	**281,275,892**

The notes on pages 8 to 107 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the period ended 31 December	Attributable to the equity holders of the parent							
In thousands of Hungarian Forints (THUF)	Share capital	Share premium	Currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2021	**18,013,760**	**13,461,608**	**375,653**	**(286,680)**	**34,952,514**	**66,516,855**	**2,700,530**	**69,217,385**
Reclassification between equity lines	0	0	0	44,232	(44,232)	**0**	0	**0**
Profit/(loss) for the year	0	0	0	0	13,494,499	**13,494,499**	(133,164)	**13,361,335**
Other comprehensive income/(loss)	0	0	360,052	0	0	**360,052**	0	**360,052**
Non-controlling interests arising on acquisition	0	0	0	0	0	**0**	45,553	**45,553**
Retained earnings arising on transaction with Non-controlling interest	0	0	0	0	528,902	**528,902**	0	**528,902**
Decrease of NCI	0	0	0	0	0	**0**	(2,451,482)	**(2,451,482)**
Transactions with owners	0	0	360,052	44232	13,979,169	14,383,453	(2,539,093)	**11,844,360**
Balance at 30 June 2021	**18,013,760**	**13,461,608**	**735,705**	**(242,448)**	**48,931,683**	**80,900,308**	**161,437**	**81,061,745**
Balance at 1 January 2022	**18,013,760**	**13,461,608**	**735,705**	**(242,448)**	**48,931,683**	**80,900,308**	**161,437**	**81,061,745**
Reclassification between equity lines	0	0	0	671	(671)	**0**	0	**0**
Profit/(loss) for the year	0	0	0	0	19,114,005	**19,114,005**	(30,678)	**19,083,327**
Other comprehensive income/(loss)	0	0	2,134,383	0	0	**2,134,383**	197	**2,134,580**
Non-controlling interests arising on acquisition	0	0	0	0	0	**0**	(613)	**(613)**
Transactions with owners	0	0	2,134,383	671	19,113,334	**21,248,388**	(31,094)	**21,217,294**
Balance at 31 December 2022	**18,013,760**	**13,461,608**	**2,870,088**	**(241,777)**	**68,045,017**	**102,148,696**	**130,343**	**102,279,039**

The significant movements in the equity items presented above are explained in detail in Note 36.
Please also refer to Note 38 about Net assets attributable to non-controlling investment unit holders.

Consolidated Statement of Cash Flows

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	***Note***	**2022**	**2021**
Profit/(loss) before taxation for the period		20,971,526	22,034,021
Adjustments to reconcile profit before for taxation to net cash used in operating activities:			
Depreciation		731,674	645,856
Other non-cash movements*		3,894,774	2,418,213
Profit on sale of investment property		(819,792)	(33,677)
(Profit)/loss on sale of tangible and intangible assets		(8,501)	(28,814)
Net finance (income)/expense in the profit and loss statement	*13*	(6,321,817)	(2,263,420)
Change in derivative assets		797,906	0
Change in derivative liabilities		(440,807)	0
Write-down of long-term receivables	*18*	5,788,520	0
Decrease/(increase) in inventory	*22*	(6,657,453)	13,736,398
Share of (Profit)/loss in joint ventures and associates	*19*	(5,047,510)	(6,449,962)
Decrease/(increase) in trade and other receivables	*26*	770,525	7,322,097
Decrease/(increase) in receivables from related parties	*24*	(2,398,991)	(134,153)
(Decrease)/increase in liabilities to related parties	*30*	1,370,925	(712,526)
Decrease/(increase) in other long-term assets		(1,539)	236,316
(Decrease)/increase in other long and short term liabilities		(490,329)	586,723
(Decrease)/Increase in trade and other payables	*31*	(2,970,768)	(2,585,163)
Decrease/(increase) in short-term loan receivables		0	5,230,000
Increase/(decrease) in provision		(132,060)	(504,888)
Increase/(decrease) in advances received	29	(1,278,040)	263,500
Interest paid	*13*	(4,938,434)	(4,342,324)
Income tax paid		(1,120,767)	(173,521)
Net cash from/(used in) operating activities		**1,699,042**	**35,244,676**
Cash flows from/(used in) investing activities			
Consideration paid for acquisitions		(45)	(682,047)
Cash of deconsolidated subsidiaries		0	(344,773)
Acquisitions of investment property	*16*	(1,485,621)	(2,507,263)
Acquisitions of tangible and intangible assets		(320,530)	(1,121,470)
Sale of tangible and intangible assets		57,614	132,231
Investing in long-term financial assets		33,942	(136,827)
Investing in short-term financial assets	*23*	(10,316,463)	(14,105,621)
Proceeds from sale of short-term financial assets	*23*	19,548,667	0
Proceeds from sale of investment property	*16*	3,842,742	2,127,876
Interest received		2,146,819	71,707
Dividend recieved from joint-venture	*19*	2,970,290	5,474,163
Purhase of investment in associate		0	(1,069,807)
Sale of investment in associate	*19*	941,751	739,426
Sale of investment in joint ventures		1,070,482	0
Net cash from/(used in) investing activities		**18,489,648**	**(11,422,405)**

The notes on pages 8 to 107 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows (cont'd)

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	*Note*	**2022**	**2021**
Cash flows from/(used in) financing activities			
Proceeds from loans and borrowings	*28*	27,978,616	14,647,047
Repayment of loans and borrowings	*28*	(18,535,175)	(39,986,441)
Proceeds from bonds issue		0	5,305,596
Repayment and redemption of bonds		0	(4,879,375)
Purchase of non-controlling shares	*37*	208,287	1,803,068
Redemption of non controlling shares and investment notes		0	(2,036,080)
Distribution paid out to non-controlling investment unit holders	*38*	(16,442,009)	(10,944,001)
Repayment of lease liability	33	(1,873,003)	(748,628)
Net cash from financing activities		**(8,663,284)**	**(36,838,814)**
Net change in cash and cash equivalents		11,525,406	(13,016,543)
Cash and cash equivalents at beginning of the year		53,590,085	66,534,808
Effects of exchange rate changes on cash and cash equivalents		(227,305)	71,820
Cash and cash equivalents at end of the period	*27*	**64,888,186**	**53,590,085**

*The other non-cash movements derive mainly from foreign exchange differences (2.1 billion HUF), accounting of leasing liability (0.7 billion HUF).

Summary of significant accounting policies and other explanatory notes

1. Background and business of the Company

Company name: Cordia International Private Limited Company ('Cordia International Zrt.')
Headquarters: 2nd floor, 43-45 Futó street, 1082 Budapest
Company registration number: 01-10-048844
Statistical number: 25558098-6420-114-01
Tax registration number: 25558098-2-42

Cordia International Private Limited Company ('the Company'), a Hungarian private limited company with its statutory seat in Budapest, Hungary, was established on 27 April 2016 by Futureal Property Group Kft.
The core business of the company is to develop residential properties and then sell residential units.
The registered office is located at 43-45 Futó street, Budapest, Hungary. The Company (together with its Hungarian, Polish, Romanian, Spanish and UK subsidiaries 'the Group') is active in the development and sale of units, primarily apartments, in multi-family residential real-estate projects to individual customers in Hungary, in Poland, in Romania, in Spain and in the United Kingdom.

As of 31 December 2021 the Company had the following owners:

- Cordia Holding B.V. - 98% (place of business in 2021: 3030, Prins Hendriklaan 26, 1075BD Amsterdam)
- Finext Consultants Limited – 1.165% (place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)
- Private individuals – 0.835%

As of 31 December 2022 the Company had the following owners:

- Cordia Holding B.V. - 98% (place of business: Laan van Kronenburg 14, 1183 AS Amstelveen, the Netherlands)
- Finext Consultants Limited – 0.798% (place of business: Kyriakou Matsi 16, Eagle House, 10th Floor, Agioi Omologites, P.C. 1082, Nicosia, Cyprus)
- Private individuals – 1.202%

The ultimate controlling party has not changed during 2022. Gábor Futó (as the major shareholder) is the ultimate beneficial owners of CORDIA International Ingatlanfejlesztő Zrt. with its registered office in Budapest, Hungary. The ultimate consolidating entity is FR Group B.V. The changes of the companies from which the financial data are included in this Consolidated Financial Statements and the extent of ownership and control are presented in Note 4 and in the Appendix.

The auditor of Cordia International Zrt. is PWC Könyvvizsgáló Kft. and the signing director is Márton Kalavszky. PWC Könyvvizsgáló Kft. did not provide any services besides auditing the financial statements to Cordia International Zrt.

2. Basis of preparation and measurement

(a) Basis of preparation and statement of compliance

The consolidated financial statements of the Cordia International Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRIC). The financial statements are for the group consisting of Cordia International Plc and its subsidiaries.

The consolidated financial statements have been prepared on a going concern basis, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. The consolidated financial statements were authorized by the Boards of Directors of Cordia International Zrt. on the 28th April 2023.

The parent company and the subsidiaries operating in Hungary prepare their separate financial statements according to the Hungarian Accounting Standards (Act C of 2000, the HAS). The parent company prepares a separate IFRS financial statements for bond holders information purposes. The subsidiaries operating in Poland prepare their separate financial statements in accordance with accounting policies specified in the Polish Accounting Act dated 29 September 1994 with subsequent amendments and the regulations issued based on that Act (all together: 'Polish Accounting Standards'). The subsidiaries operating in Romania prepare their separate financial statements in accordance with accounting policies specified in Accounting Law no. 82/1991 with subsequent amendments and the regulations issued based on that Act (all together: 'Romanian Accounting Standards'). The subsidiaries operating in Spain prepare their separate financial statements in accordance with accounting policies specified in 'Plan General de Contabilidad 2008 (PGC2008)'. The subsidiaries operating in the United Kingdom prepare their separate financial statements in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. Some of the regulations in the Hungarian, Polish, Spanish, Romanian or British accounting standards are different from IFRS. These consolidated financial statements include a number of adjustments not included in the books of account of the Group entities, which were made in order to bring the financial statements of those entities to conformity with IFRSs as adopted by the EU.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

A number of new or amended standards became applicable for the current reporting period:

- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before intended use
- Amendments to IFRS 3: Reference to the Conceptual Framework
- Amendments to IAS 37: Onerous Contracts – Cost of fulfilling the contract
- Annual improvements to IFRS Standards 2018-2020:
    - IFRS 9
    - IFRS 16
    - IFRS 1 First time adoption
    - IAS 41 Agriculture

The above amendments and improvements to IFRSs do not impact the annual consolidated financial statements of the Group.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. The adoption of new accounting standards is in progress with Accounting policies being up-dated (where relevant).

- Amendments to IAS 1 – 'Classification of Liabilities as Current or Non-current'

  The amendments originally were effective for annual reporting periods starting on Jan. 1, 2022, but their effective date was delayed to Jan. 1, 2024. This amendment to IAS 1 clarifies that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. Such right needs to exist at the reporting date and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability unless it results from the exercise of a conversion option meeting the definition of an equity instrument.

- Amendments to IFRS 17 - to address concerns and implementation challenges that were identified after IFRS 17 'Insurance Contracts' was published in 2017. The amendments are effective for annual periods beginning on or after 1 January 2023.

- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' standard modification

  Amendments to IAS 8 - Definition of Accounting Estimates to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023

- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.

- Amendments to IAS 1 and IFRS Practice Statement 2 - 'Disclosure of Accounting Policies with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

These standards and amendments do not have material impact on the Cordia Group in the current or future reporting periods and on foreseeable future transactions.

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of the financial assets that have been measured at fair value through profit or loss. The methods used to measure fair values for the purpose to prepare the consolidated financial statements are discussed further in Note 23.

(c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in thousands of Hungarian Forint, which is the parent company's functional currency and the Group's presentation currency.

(d) Basis of consolidation

These Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group companies have 31 December as their year-end. If a subsidiary has different financial year-end then for consolidation purposes its most recent financial statements are adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements in line with requirements in IFRS10 par. B93.

Consolidated financial statements are prepared using uniform accounting policies for similar transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Inter-company transactions, balances and unrealized gains or losses on transactions between Group companies are fully eliminated, except where there are indications for impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Such transactions or events do not give rise to goodwill. As these transactions meet the exception definition as of IAS 12.15.b deferred tax related to the acquisition is not recognized at the transaction date. In case the transaction is between parties under common control the difference between the fair value of the assets and liabilities acquired and the consideration paid is accounted for in the other capital if it arose from a transaction with owners in their capacity as owners based on the analysis of the substance.

Otherwise, if an acquired subsidiary or group of assets meets the definition of "business" as defined by IFRS 3 the Group applies the acquisition method to account for business combinations. In this case the consideration transferred is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Use of estimates and critical judgments

The Group estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Revenue recognition

IFRS 15, Revenue from Contracts with Customers (issued in May 2014 and effective for the periods beginning on or after 1 January 2018):

(i) Capitalization of incremental costs to obtain a contract

- Cordia Group has already (before the adaptation of IFRS 15) capitalized variable sales commission of real estate agents in case those commissions can be directly linked to the specific sales contract in the previous year's consolidated financial statements. Capitalized sales commission is recognized as other asset and reversed to cost of sales upon transferring the control of property to the customer and recording the revenue.

(ii) Recognizing revenue

- IFRS 15 changed the indicators required to be assessed in order to determine, when revenue shall be recognized. In the case of Cordia Group, based on IFRS 15.35 revenue shall be recognized at a point time. This is the point, when control over the property is transferred to the customer.

Based on IFRS 15.38, there are five indicators that a customer has obtained control of an asset:

- The entity has a present right to payment.
- The customer has legal title.
- The customer has physical possession.
- The customer has the significant risks and rewards of ownership.
- The customer has accepted the asset.

(iii) Significant financing component

In determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the entity with a significant benefit of financing the transfer of goods to the customer. In those circumstances, the contract contains a significant financing component.

The objective when adjusting the promised amount of consideration for a significant financing component is for an entity to recognize revenue at an amount that reflects the price that a customer would have paid for the promised goods if the customer had paid cash for those goods when they transfer to the customer (ie the cash selling price).

It is the market practice that the customer pays in advance part of the transaction price, while the construction is being carried out and the remaining part of the transaction price is paid at handover. This transaction price differs from the cash selling price for various reason, eg. ensure the purchase of the apartment, different risks and market conditions at contract date and at delivery after the completion of the project.

The contract contains a significant financing component if the difference is significant between the amount of promised consideration and the cash selling price of the promised goods and the expected length of time between the transfer of the promised goods to the customer and when the customer pays for those goods depending on the prevailing interest rates in the relevant market.

The time value of money related to the customer advance is significant to the Group, where the project financing requires high discount compared to the value of the project and the macro environment.

Write-down revaluating the inventory

The company internally assesses the net realizable value of the inventory and decreases the value when the net realizable value is lower than the cost amount. In view of the situation in the Hungarian, Polish, Spanish, English and Romanian property market in which the Group operates, during the year ended 31 December 2022 and 31 December 2021 the Group performed an inventory review with regard to its valuation to net realizable value based on the valuation report issued by the independent property valuation expert. As a result, during the years ended 31 December 2022 and 31 December 2021, the Group did not make any write-down adjustment. The Group examined a possible write-down on inventory for each project separately, according to the projection of revenues net of cost of sales.

Subsidiaries with less than 50% ownership held by the Group

Judgement is required to deteremine whether the Group has controlling rights over entities with less than 50% ownership and can be consolidated fully or not. The shares of Non-controlling investment unit holders were redeemed in Finext BP SICAV-SIF in 2022, therefore there is no longer a subsidiary with less than 50% ownership held by the Group at year end.

The Non-controlling owners of Cordia Residential Partners 1 Fund of Funds Sub-Fund entities have also partially redeemed their shares. As of 31 December 2022, the Group still owns less than 50% of the investment units in Finext BP SICAV-SIF, but it is capable of controlling the entities through the rights provided by its shares. This means that the fund issued three classes of investment units, where the two types of investment units owned by the Group allow to control the entity as required by IFRS 10 (i.e. all the major decisions are to be decided by Cordia International). Please also refer to Note 38 about net assets attributable to non-controlling investment unit holders of this sub-fund.

Equity interest above 50% ownership held by the Group

The Group holds 50.78% of the investment units in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund, a newly set-up entity. Although the Group holds more than 50% of the units it has neither control nor significant influence above the sub-fund based on the criteria in IFRS 10 and IAS 28.

The Group is neither exposed nor has rights, to variable returns from its involvement with the investee and has no ability to affect those returns through its power over the investee.

The Group is a passive investor in the sub-fund and neither delegates nor has the power to nominate directors to the board of the investee. The investment is managed by an independent entity, the Board of Directors (BoD), on behalf of the investor. For this reason, the Group does not have management rights of the investee, nor does it delegate representatives to the board of directors of the investee. The investment decision was made based on the prospectus issued by the fund. The Group does not have the power to control the board of directors. The financial and operating policies of the fund are largely predetermined and had already been in place in the prospectus when the investment was made. The Group did not take part in the design of these policies and doesn't have the power to change them.

The Group invested money in the sub-fund for potential financial return. The investment is presented as other short-term financial asset, because the Group is planning to sell it and valued at fair value through profit and loss in line with IFRS 9.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss for the year except for the exchange gains and losses related to cash flow hedges or hedges for qualified investments shown in other comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance expense and finance income respectively, unless they are capitalized as explained in Note 3 (i) ("Borrowing costs"). All other foreign exchange gains and losses are presented net also in the income statement within finance expense and finance income respectively.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

IAS 21 requires entities to translate foreign currency monetary items outstanding at the balance sheet date using the closing rate. The closing rate is the spot exchange rate at the balance sheet date.

A foreign currency transaction is recorded, on initial recognition, at the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. This process is known as 'translation' – that is, financial data denominated in one currency is expressed in terms of another currency.

The date of transaction is the date on which the transaction first qualifies for recognition in accordance with IFRS. For revenues, expenses, gains and losses, the spot exchange rate at the dates on which those elements are recognized should be used; however, this might be impracticable. Management might, therefore, use a rate that approximates to the actual rate (such as an average rate).

(b) Revenue

Revenue is recorded based on IFRS 15 from 1 January 2018.
Below the accounting policy for IFRS 15 is described based on the 5-step model.

Identifying the contract

An agreement between two or more parties that creates enforceable rights and obligations meets the definition of a contract in the revenue standard. A contract can be written, oral, or implied by Cordia Group's customary business practices.

Cordia Group's customary business practices is to always have written contracts with customers.

The following criteria should be met before Cordia Group accounts for a contract with a customer:

a. the contract has been approved (in writing, orally, or in accordance with other customary business practices) and the parties are committed to perform their respective obligations,
b. the entity can identify each party's rights;
c. the entity can identify the payment terms;
d. the contract has commercial substance; and
e. it is probable that the entity will collect the consideration to which it is entitled for transferring the goods and services to the customer.

Cordia Group believes that the criteria above is met in the case of all its written customer contracts.

Identify the performance obligations

Performance obligations are the unit of account for the purposes of applying the revenue standard, and they therefore determine when and how revenue is recognized.

A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services. At contract inception, Cordia Group assesses the goods or services promised to a customer, and identifies each promise to transfer as either:

a. a good or service (or a bundle of goods or services) that is distinct; or

b. a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Promises in a contract can be explicit, or implicit if they create a valid expectation that the entity will provide a good or service based on the entity's customary business practices, published policies or specific statements.

A series of distinct goods or services provided over a period of time is a single performance obligation if the distinct goods or services are substantially the same and have the same pattern of transfer to the customer. A series of distinct goods or services has the 'same pattern of transfer' if both of the following criteria are met:
a. each distinct good or service meets the criteria to be a performance obligation satisfied over time; and
b. the same measure of progress towards complete satisfaction of the performance obligation is used.

A good or service that is promised to a customer is distinct if:
a. the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is, the good or service is capable of being distinct); and
b. the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the promise to transfer the good or service is distinct within the context of the contract).

Cordia Group considers each property (i.e. apartment, parking lot, storage) as one performance obligation. Cordia Group transfers the control to the customer over the properties at the same time. Services are not sold together with the properties. Based on this, Cordia Group treats properties in each customer contract as a single performance obligation, because separation would have no impact on the financial statements.

Determining the transaction price

The transaction price in a contract reflects the amount of consideration that Cordia Group expects to be entitled to in exchange for goods or services transferred. The transaction price includes only those amounts to which the entity has rights under the present contract and excludes amounts collected on behalf of third parties. The consideration promised in a contract with a customer might include fixed amounts, variable amounts, or both. Contractually stated prices for goods or services might not represent the amount of consideration that Cordia Group expects to be entitled to as a result of its customary business practices with customers.

Allocating the transaction price to separate performance obligations

The transaction price should be allocated to each separate performance obligation, or distinct good or service, so that revenue is recorded at an amount that depicts the amount of consideration that the entity expects to be entitled to in exchange for transferring the promised goods or services.
The transaction price should be allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer.

Recognizing revenue

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer.

Control either transfers over time or at a point in time. Management needs to determine, at contract inception, whether control of a good or service transfers to a customer over time or at a point in time. If the performance obligation is not satisfied over time, it is satisfied at a point in time.
Revenue is recognized over time if any of the following three criteria is met:
a. the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
b. the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c. the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

A performance obligation is satisfied at a point in time if none of the criteria for satisfying a performance obligation over time are met. The guidance on control should be considered, to determine when the performance obligation is satisfied by transferring control of the good or service to the customer. In addition, there are five indicators that a customer has obtained control of an asset:

- The entity has a present right to payment.
- The customer has legal title.
- The customer has physical possession.
- The customer has the significant risks and rewards of ownership.
- The customer has accepted the asset. [IFRS 15 para 38]

Based on the indicators above, Cordia Group recognizes revenue based on date of transferring the control of the properties to the customers. Please see the detailed accounting policy in Note 2 (e) about critical judgments.

Significant payment terms

The payment terms are defined in the customer contracts. The customer advance is received when the contract is signed and the remaining payment is typically due before the control is transferred to the customer. The payment does not contain variable consideration elements.

Other considerations

Cordia Group capitalises the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, costs to obtain a customer do not include payments to customers.

Cordia Group capitalizes variable sales commission of real estate agents in case those commissions can be directly linked to the specific sales contract. Capitalized sales commission is recognized as other asset and reversed to cost of sales upon transferring the property to the customer and recording the revenue.

Advances received related to pre-sales of residential units, which represent deferred income, are deferred when they do not meet the criteria to be recognized as revenue. When they subsequently meet these criteria, they are recognized as revenue.

Other revenues include rental income, service charges and management charges from properties. Revenue from service and management charges is measured at the fair value of the consideration received or receivable, and amounts disclosed as net of rebates and VAT.

Rental income from operating leases is recognized on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognized over the lease term, on a straight-line basis, as a reduction of rental income. Revenues from the early termination of operating leases recognized at the date of occurrence.

(c) Interest income and expense

Interest income and expense are recognized within `finance income' and `finance expense' in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. The Group has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not. Properties built in residential property development projects are considered to be qualifying assets for the Group.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(d) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in other comprehensive income or equity - in which case, the tax is also recognized in other comprehensive income or equity.

The Group based on the operation of the mother company considers the following taxes as income tax defined by IAS 12:

- corporate income tax;
- local business tax;
- innovation duty.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group established a tax-efficient legal structure, as the property development funds and subfunds are not obliged to pay income taxes under the current laws and regulations, therefore the Group's effective tax rate is low (please see effective tax reconciliation in Note 14).

(e) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Changes in fair values are recognized in the income statement. Investment properties are derecognized when they have been disposed of. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment. Its fair value as at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item as at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognized in the income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognized in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognized revaluation surplus, with any remaining decrease charged to the income statement.

Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

(f) Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred.

ii. Depreciation

Depreciation is calculated on the straight-line basis over the estimated useful life of each component of an item of property and equipment.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

- Buildings: 50 years;
- Equipment's: 7 years;
- Fixtures and fittings: 7 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the reporting date, and adjusted prospectively since the beginning of the following year, if appropriate.

(g) Recognising and measuring goodwill or a gain from a bargain purchase

Goodwill is defined as "an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized".
Goodwill is measured, at the acquisition date, as the amount by which the figure at 1 exceeds the figure at 2 below:

1. The aggregate of:

- The fair value of consideration transferred.
- The amount of any non-controlling interest recognized.
- In a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

2. The assets and liabilities recognized in accordance with IFRS 3 (see para 29.88 onwards). [IFRS 3 para 32].

A gain on a bargain purchase occurs where the consideration, non-controlling interest and the previously held interest are less than the value of the identifiable net assets. A gain on a bargain purchase is immediately recognized by the acquirer in profit or loss. [IFRS 3 para 34]

Acquisition costs
Acquisition-related costs are considered separate transactions and are not part of the consideration transferred. Acquisition-related costs represent services that have been rendered to and consumed by the acquirer. They are accounted for as an expense when the acquirer consumes the related service. [IFRS 3 para 53]

Measurement period
The acquirer has a period of time, referred to as the 'measurement period', to finalise the accounting for a business combination. The measurement period ends on the earlier of the date when the acquirer receives the information that it needs (or determines that it cannot obtain the information) and one year after the acquisition date.

Subsequent measurement of goodwill
Impairment assessment is performed annually or whenever there is an indication that the goodwill may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units, A cash-generating unit to which goodwill has been allocated is tested for impairment by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit will be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity will recognize the impairment loss.

(h) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's or a cash generating unit's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Leases

This section summarizes the accounting policies related to IFRS 16 Leases. The group leases various offices, parking places and cars. Rental contracts are typically made for fixed periods of 4 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option .

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are wholly immaterial.

Extension and termination options are included in a number of property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

The Group separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

The group does not provide residual value guarantees in relation to equipment leases.

The Group as lessor

Properties leased under operating leases are presented as investment and development properties in the consolidated statement of financial position, rental fees received are presented as rental income in revenue.

Rights of perpetual usufruct of land (Poland)

On 20 July 2018, the Act on the transformation of perpetual usufruct of land developed for residential purposes into ownership of that land came into force. In respect of land on which as of 1 January residential buildings were built for which an occupancy permit had been issued prior to that date, the perpetual usufruct of that land shall be transformed into ownership of that land. As regards land developed with multi-family residential buildings that have not been commissioned before 1 January 2019, the conversion date for such properties will be the day on which the decision permitting the occupancy of the building becomes final.

The Group is legally released from the debt arising from the obligation to pay perpetual usufruct fees or transformation fees only upon the legal (notarised) transfer to the buyer of the interest in the land appurtenant to the unit sold.

From 1 January 2019, costs related to lease of perpetual usufruct of land are recognized as inventories for the duration of the property project development. Before implementation of IFRS 16, these fees were expensed as incurred. Since these fees related to the land, no depreciation is recorded on these right-of-use assets.

The related lease liability is recognized under short-term liabilities.

Until the time of transfer of the above mentioned ownership, land-related lease liabilities remain on the balance sheet of the Group. At the time of handover of the unit (which is also the time of recognition of the revenue from the sale of the unit), the portion of the asset related to the lease is transferred from Inventory to Receivables from the customer, in the amount corresponding to the recognized land-related lease liability.

Until the time of transfer of the ownership to the customer, both the receivable and the liability are recognized as a short-term receivable or liability, because they will be settled through the transfer to the customer within the "operating cycle". At the date of ownership transfer to the buyer, land-related lease liability and the related receivables from the buyer of the unit are reversed from the accounting records.

The Group has decided to present right-of-use assets within the same item in which the relevant underlying assets would be presented if they were owned by the Group (as lessee).

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial
- application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(j) Inventories of residential units

Inventories consist of multi-family residential real estate projects to individual customers.

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred relating to the construction of a project. Costs relating to the construction of a project are included in inventories of residential units as follows: costs incurred relating to projects or a phase of a project which are not available for sale (work in progress), costs incurred relating to units unsold associated with a project.

Project construction costs include:

- land or leasehold rights for land;
- construction costs paid to the general contractor building the residential project;
- planning and design costs;
- borrowing costs to the extent they are directly attributable to the development of the project (see accounting policy (p));
- professional fees attributable to the development of the project;
- construction overheads and other directly related costs.

Inventory is recognized as a cost of sales in the statement of comprehensive income when the sale of residential units is recognized.

(k) Borrowing costs

Borrowing costs directly attributable to the inventory of properties which necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of the respective assets.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized equals the gross interest incurred on those borrowings. Interest is capitalized as from the commencement of the development work until the date of completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

To the extent that an entity borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifcally for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that an entity capitalises during a period shall not exceed the amount of borrowing costs it incurred during that period.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(I) Financial instruments

As described previously, the Group applies IFRS 9 for accounting of financial instruments from 1 January 2018.

Classification and measurement

Financial assets

All financial assets under IFRS 9 are to be initially recognized at fair value, plus or minus (in the case of a financial asset not at FVTPL) transaction costs that are directly attributable to the acquisition of the financial instrument.

IFRS 9 has two measurement categories: amortised cost and fair value. Movements in fair value are presented in either profit or loss or other comprehensive income (OCI), subject to certain criteria being met, as described below.

If the financial asset is a debt instrument (or does not meet the definition of an equity instrument in its entirety), management should consider the following assessments in determining its classification:

- The entity's business model for managing the financial asset.
- The contractual cash flow characteristics of the financial asset.
- A financial asset should be subsequently measured at amortised cost if both of the following conditions are met:
    - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
    - the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; 'principal' and 'interest'.
- A financial asset should be subsequently measured at FVOCI if both of the following conditions are met:
    - the financial asset is held within a business model whose objective is achieved by both holding financial assets in order to collect contractual cash flows and selling financial assets; and
    - the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

If the financial asset does not pass the business model assessment and SPPI criteria, or the fair value option is applied, it is measured at FVTPL. This is the residual measurement category.

Cordia Group's business model refers to how an entity manages its financial assets in order to generate cash flows. IFRS 9 prescribes two business models: holding financial assets to collect contractual cash flows; and holding financial assets to collect contractual cash flows and selling. FVTPL is the residual category which is used for financial assets that are held for trading or if a financial asset does not fall into one of the two prescribed business models.

Investments in equity instruments are always measured at fair value. Equity instruments that are held for trading (including all equity derivative instruments, such as warrants and rights issues) are required to be classified at FVTPL, with dividend income recognized in profit or loss.

For all other equities within the scope of IFRS 9, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in OCI rather than profit or loss.

Cordia Group's financial assets are debt instruments that are measured at amortized cost because those are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual term of the financial asset gives rise to cash flows that pass the SPPI test.

Financial liabilities

Cordia Group recognizes a financial liability when it first becomes a party to the contractual rights and obligations in the contract. It is, therefore, necessary to measure those contractual rights and obligations on initial recognition. All financial liabilities in IFRS 9 are initially recognized at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability.

There are two measurement categories for financial liabilities: fair value, and amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or an entity has opted to measure a liability at FVTPL.

Trade receivables that do not have a significant financing component are initially measured at their transaction price. A similar concept is commonly applied to short-term trade payables where the effect of discounting would be immaterial, consistent with the requirements of paragraph 8 of IAS 8.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

The amortised cost of a financial asset or financial liability is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

All the financial liabilities of the Group are kept at amortized cost.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and presented in the statement of financial position as a net amount when the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of financial assets

Cordia Group applies IFRS 9 impairment model to:

- investments in debt instruments measured at amortised cost;
- investments in debt instruments measured at fair value through other comprehensive income (FVOCI);
- all loan commitments not measured at fair value through profit or loss;
- financial guarantee contracts to which IFRS 9 is applied and that are not accounted for at fair value through profit or loss; and
- lease receivables that are within the scope of IFRS 16, 'Leases', trade receivables and contract assets within the scope of IFRS 15 that give rise to a conditional right to consideration.

The model does not apply to investments in equity instruments.

The entity follows the rules of IFRS 9 outlines a 'three-stage' model ('general model') for impairment based on changes in credit quality since initial recognition:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the ECL that results from events of default that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity) but that do not have objective evidence of impairment. For these assets, lifetime ECL is recognized, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL is the ECL that results from all possible events of default over the maximum contractual period during which the entity is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognized and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

Many of the Group's financial assets are inter-company loans within the scope of IFRS 9 might not require a material impairment provision to be recognized, because:

- they are repayable on demand and the lender expects to be able to recover the outstanding balance of the loan if demanded;
- they are low credit risk, so 12-month expected credit losses can be calculated, which might not be material; or
- they have not had a significant increase in credit risk since the loan was first recognized, or have a remaining life of less than 12 months, so 12-month expected credit losses are calculated, which, as noted above, might not be material.

Where inter-company loans do not meet any of the three criteria above, lifetime expected credit losses will need to be calculated, which are more likely not to give rise to a material impairment provision.

For trade receivables, contract assets and lease receivables Cordia Group applies simplifications to eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred.

For trade receivables or contract assets that do not contain a significant financing component, the loss allowance should be measured at initial recognition and throughout its life at an amount equal to lifetime ECL. As a practical expedient, a provision matrix is be used to estimate ECL for these financial instruments

(m) Trade and other receivables

Financial assets recognized in the consolidated statement of financial position as trade receivables are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment.

(n) Receivables from related parties

Financial assets recognized in the consolidated statement of financial position as receivables from related parties consist of contract amount receivable in the normal business activity for goods and services, as well as loans granted to affiliates. Receivables from related parties are recognized initially at fair value and subsequently measured at amortized cost calculated with the effective interest rate less provision for impairment. Receivables from related parties are classified as current assets if the payment term is less than 12 months, in any other case they are classified as non-current assets.

(o) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, except for collateralized deposits, treasury bills if those are considered highly liquid assets with no significant risk furthermore the advance payment received from customers for project financing purposes if withdraw process is considered perfunctory.

The restricted cash classified as cash equivalent are related to cash received from customers as advance payment for financing the projects and the cash withdrawn from the project loan facilities. The banks providing loan financing have light restriction over these funds to secure their loan facility however the approval process to use these funds are considered perfunctory.

Cordia's model of operations assumes that instead of using payments received from customers directly to cover the development costs, majority of the cash received is deposited in accounts with restricted use as cash securing construction loans received. The banks allow however for full or partial the use of such funds, (sometimes subject to utilization fees) and these balances are presented as cash and cash equivalents in the financial information.

The control over the use of the deposited sums is always with Cordia based upon the agreement between the respective bank and Cordia and such action of unlocking deposited cash can take place in due time after such decision of Cordia management, i.e. without any unnecessary delay (but in any case not later than within a few banking days). This means, that the cash, which is deposited in the accounts with some restrictions applicable, can be fully and immediately exploited by the subsidiaries in order to net with the pre-agreed financial liabilities (e.g. bank loans) as well as to finance the relevant costs of the projects co-financed by the customers buying apartments.

The overdrafts are shown in current liabilities in borrowings line.

(p) Equity

i. Share capital

Share capital includes the proceeds received from the issue of ordinary shares on the nominal value in exchange for cash.

ii. Share premium

Share premium includes the excess of proceeds received from the issue of shares over the nominal value of shares. Shares issuance costs are deducted from the share premium.

iii. Currency translation reserve

Exchange differences arising on translation of the entities with different functional currency are recognized in currency translation reserve

iv. Other reserves

Any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired entity during an asset acquisiton made between entities under common control are included other reserve. Other reserved could also change due to reclassification from Retained Earnings.

v. Retained Earnings

The cumulated profit and loss attributable to the owners of the parent.

(q) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down (and should be calculated with in the effective interest calculation and the amortized cost of the loan). In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

(r) Bonds

Bonds are initially recognized at fair value, net of transaction costs incurred then subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as financial income or finance costs.

Based on IAS23 general and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

(s) Amounts withheld for guarantees

Amounts withheld for guarantees is the conractual amount that the Group witholds from the vendor's final invoice at the time of delivery. The remaining amount serves as security for the Cordia Group's warranty rights. At the end of the warranty period, the remaining amount is paid to the contractor, provided that it has not been used up previously to cover the warranty claims of the developer due to non-contractual delivery. Amounts, where the expected payment date is after the balance sheet date by more 1 year are presented among non-current liabilities. The Group believes, that – since the payment date is generally within 2 years – the impact of discounting would be wholly immaterial, therefore presents these balances using the contractual amounts.

(t) Trade and other payables

Trade payables are contract amount payable in the normal business activity for goods and services. Trade payables are classified as current liabilities if the payment term is less than 12 months, in any other case they are classified as non-current liability. Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(u) Liabilities to related parties

Liabilities to related parties are contract amounts payable in the normal business activity for goods and services, as well as loans payable to affiliates. Liabilities to related parties are classified as current liabilities if the payment term is less than 12 months, in any other case they are classified as non-current liability.
Liabilities to related parties are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(v) Dividend distribution

Dividend distribution to the parent company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved.

(w) Fair Value

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4. Interests in other entities

(a) Group structure

The details of the Hungarian, Polish, Spanish, English and Romanian entities whose financial statements have been included in these Consolidated Financial Statements, the percentage of ownership and voting rights held by the Company and the classification of investments as at 31 December 2022 and 2021, are presented in the Appendix.

The projects managed by the companies are in various stages of development ranging from being in the process of acquiring land for development to projects which are completed or near completion.

Please refer to Note 5 for the changes in the group structure.

(b) Interests in joint-ventures and associates

Set out below is the joint ventures and associates of the group as at 31 December 2022. The entity listed below have share capital consisting solely of ordinary shares, which are held directly by the group.

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2022	31.12.2021	Nature of relationship	Measurement method
Cordia Global 6 Alap	Hungary	50%	50%	Joint venture	Equity method
Argo Properties N.V	Germany	14.75%	15.38%	Associate	Equity method
FPP Powsin Sp. z o.o.	Poland	49.00%	49.00%	Joint venture	Equity method
FPP Osiedle Moderno Sp. z o.o.	Poland	49.00%	49.00%	Joint venture	Equity method
Fadesa Polnord Polska Sp. z o.o.	Poland	49.00%	49.00%	Joint venture	Equity method
Hydrosspol Sp. z o.o. w likwidacji	Poland	30.00%	30.00%	Associate	Equity method
Osiedle Innova Sp. z o.o.	Poland	49.00%	49.00%	Joint venture	Equity method
Stacja Kazimierz I Sp. z o.o.	Poland	50.00%	50.00%	Join venture	Equity method
Stacja Kazimierz III Sp. z o.o.	Poland	50.00%	50.00%	Join venture	Equity method
Stacja Kazimierz III Sp. z o.o. SK	Poland	50.00%	50.00%	Join venture	Equity method

(c) Net assets attributable to non-controlling investment unit holders

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2022	31.12.2021	Nature of relationship	Measurement method
Finext BP SICAV-SIF	Luxembourg	100%	20%	Subsidiary	Full consolidation
Cordia Residential Partners 1. Alapok Alapja Részalap	Hungary	38.32%	17.01%	Subsidiary	Full consolidation

The Group has controlling investment in one investment fund as of 31 December 2022, namely Cordia Residential Partners 1. Alapok Alapja Részalap. At the financial year-end besides the Group, there were only other non-controlling investors as owners of this fund.
The non-controlling investment unit holders of Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund have redeemed their shares.

The sub-fund operates under a scheme in which the fund’s life is limited and pre-determined upon establishment. For further details please see Note 38.

(d) Non-controlling interests

Movements in non-controlling interests during the year ended 31 December 2022 and 31 December 2021 are as follows:

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Opening balance	**161,437**	**2,700,530**
Comprehensive income/(loss) attributable to non-controlling interests	(30,481)	(133,164)
Non-controlling interest arising on acquisition	(613)	45,553
Redemption of shares owned by non-controlling interest	0	(2,451,482)
Closing balance	**130,343**	**161,437**

5. Group composition

(a) Change in group structure

In comparison to 31 December 2021 there were the following changes in the group structure.

Newly established entities

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Development 12 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 13 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 14 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 15 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 16 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 17 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 18 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 19 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 20 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 21 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 22 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 23 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 24 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 25 sp. z o.o.	Poland	100%	Subsidiary
Cordia Development 11 sp. z o.o.	Poland	100%	Subsidiary
Cordia Idea sp. z o.o.	Poland	100%	Subsidiary
Projekt Stogi sp. z o.o.	Poland	100%	Subsidiary
FCM Jade Tower Ingatlanfejlesztő Befektetési Alap	Hungary	100%	Subsidiary
Cordia Project Holdings Limited	United Kingdom	100%	Subsidiary
Sasad Resort Élménypark Kft.	Hungary	100%	Subsidiary

Newly acquired entity

The entities were acquired from Futureal Advisors Luxembourg S.a.r.l.

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Blackswan (Mott Street) JPUT	United Kingdom	97%	Subsidiary
Cordia UK S.à r.l.	Luxembourg	100%	Subsidiary
Cordia Blackswan UK S.à r.l.	Luxembourg	100%	Subsidiary

The Finext Optimum Alapok Alapja 1. fund became wholly owned subsidiary from investment at the end of November 2022. The previous majority owner of the fund redeemed its shares.

Closed entities

Entity name	Place of operation	Voting rights	Nature of relationship
Cordia Development 1 Ingatlanbefektetési Alap	Hungary	100%	Subsidiary
FCM Jade Tower Ingatlanfejlesztő Befektetési Alap	Hungary	100%	Subsidiary
Stroj Dom ZSA	Russia	100%	Subsidiary

6. Revenue

For the period ended 31 December

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Revenue from sale of real estate and rental income	66,289,060	89,426,372
Other revenue	2,003,807	2,799,686
Total revenue	**68,292,867**	**92,226,058**

Revenue from sales of real estate is recognized at a point in time and consists of sale of residential units, parking lots, storage and land plots which were previously classified as inventory. Rental revenue from investment properties are recognized as revenue from sale of real estate and rental income. The IFRS 16 rental revenue was 229 million HUF in 2022 and 390 million in 2021.
Other revenue includes revenues from administrative service charges. Revenues from service and rental charges under IFRS 16 are recognized over time, other fees are recorded at a point in time.

During 2022, the Group finished two development projects in Hungary, one project in Poland and one in the UK and started to hand over the apartments to its customers. Revenue was also recognized from delivering apartments on projects finished in the previous period.

In the reporting period, two plots in Poland, previously held as inventory were sold for a total amount of 1.7 billion HUF and one plot in Hungary in the amount of 300 million HUF.

The following table presents how much revenue was recognized from Polnord group and its assets, which were acquired in 2020.

For the period ended 31 December

In thousands of Hungarian Forints (THUF)	**Cordia group without Polnord**	**Polnord**	**Total 2022**
Revenue from sale of real estate and rental income	61,453,940	4,835,120	66,289,060
Other revenue	1,815,293	188,514	2,003,807
Total revenue	**63,269,233**	**5,023,634**	**68,292,867**

The Group delivered 1,112 residental and commercial units to its customers during 2022, out of which 904 units were delivered in Hungary, 38 units in Romania, 165 units in Poland and 5 units in the UK. During 2021 the total amount of delivered residental units was 1,861 comprising 1,180 units in Hungary, 221 units in Romania and 460 units in Poland.

Residental and commercial units delivered during the year

Number of residental units	**2022**	**2021**
Hungary	904	1,180
Poland	165	460
Romania	38	221
United Kingdom	5	0
Total residential units handed over	**1,112**	**1,861**

Further to the above, in entities jointly controlled by Cordia and third-party investors, the Group delivered 43 residential units in Hungary and 80 unit in Poland. The profit on these transactions are reflected in the balance sheet as Investments accounted for using the equity method (see Note 19). The Group recognized the change in the net assets of these companies through share of profit/(loss) in associate and joint venture in the profit and loss statement (see Note 19).

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord 2022**	**Cordia group without Polnord 2021**
Revenue from sale of real estate and rental income	61,453,940	79,756,657
Other revenue	1,815,293	2,053,683
Total revenue	**63,269,233**	**81,810,340**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Polnord 2022**	**Polnord 2021**
Revenue from sale of real estate and rental income	4,835,120	9,669,715
Other revenue	188,514	746,003
Total revenue	**5,023,634**	**10,415,718**

7. Cost of sales

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Cost of sales of main activities	42,470,043	66,807,026
Cost of sales of other revenue	402,659	461,229
Total cost of sales	**42,872,702**	**67,268,255**

Under IFRS inventories are measured at the lower of cost and net realisable value.

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord**	**Polnord**	**Total 2022**
Cost of sales of main activities	38,259,796	4,210,247	42,470,043
Cost of sales of other revenue	383,670	18,989	402,659
Total cost of sales	**38,643,466**	**4,229,236**	**42,872,702**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord 2022**	**Cordia group without Polnord 2021**
Cost of sales of main activities	38,259,796	58,572,518
Cost of sales of other revenue	383,670	346,254
Total cost of sales	**38,643,466**	**58,918,772**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Polnord 2022**	**Polnord 2021**
Cost of sales of main activities	4,210,247	8,234,508
Cost of sales of other revenue	18,989	114,975
Total cost of sales	**4,229,236**	**8,349,483**

Gross Profit

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord**	**Polnord**	**Total 2022**
Gross Profit from sale of real estate	23,194,144	624,873	**23,819,017**
Gross margin from sale of real estate	38%	13%	**36%**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord**	**Polnord**	**Total 2021**
Gross Profit from sale of real estate	21,184,139	1,435,207	**22,619,346**
Gross margin from sale of real estate	27%	15%	**25%**

Capitalized variable sales commision is presented among other short-term assets.

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Opening balance of capitalized variable sales commissions	**489,012**	**578,898**
Increase	785,604	455,520
Amortization	(441,019)	(545,406)
Closing balance of capitalized variable sales commissions	**833,597**	**489,012**

8. Selling and marketing expenses

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Advertising	1,253,708	1,102,061
Sales and other	3,381,128	2,905,851
Total selling and marketing expenses	**4,634,836**	**4,007,912**

The majority of selling and marketing expenses are related to advertising residential properties under construction. Sales and other costs include all the sales costs not directly related and not incremental to a specific customer contract. Variable sales commission is considered as incremental cost hence it is capitalized as “Other current assets”.

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord 2022**	**Cordia group without Polnord 2021**
Advertising	1,223,600	1,053,651
Sales and other	3,197,936	2,721,414
Total selling and marketing expenses	**4,421,536**	**3,775,065**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Polnord 2022**	**Polnord 2021**
Advertising	30,108	48,410
Sales and other	183,192	184,437
Total selling and marketing expenses	**213,300**	**232,847**

9. Administrative expenses

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	2022	2021
Personnel expenses and external services	4,846,093	5,219,662
Materials and energy	199,781	172,173
Depreciation	729,363	645,856
Bank fees and other charges	185,933	199,049
Total administrative expenses	**5,961,170**	**6,236,740**

Personnel expenses are related to staff of the Hungarian, Polish, Romanian, Spanish and the British management companies (Cordia Management Szolgáltató Kft., Cordia Management Poland Sp. Z.o.o., Cordia Development Services Srl., Polnord S.A. and Blackswan Property Limited). This does not include construction and engineering staff costs, which are capitalized as inventory.

Personnel expenses also include payments to the key management team responsible for development of the residential projects made via participation in the earnings generated by relevant subsidiaries or funds dedicated to particular investments. These expenses are not capitalized to inventories and are disclosed as personnel expenses.

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	Cordia group without Polnord	Polnord	Total 2022
Personnel expenses and external services	4,170,094	675,999	4,846,093
Materials and energy	160,494	39,287	199,781
Depreciation	634,334	95,029	729,363
Bank fees and other charges	148,368	37,565	185,933
Total administrative expenses	**5,113,290**	**847,880**	**5,961,170**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	Cordia group without Polnord 2022	Cordia group without Polnord 2021
Personnel expenses and external services	4,170,094	3,825,316
Materials and energy	160,494	131,329
Depreciation	634,334	541,541
Bank fees and other charges	148,368	120,272
Total administrative expenses	**5,113,290**	**4,618,458**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	Polnord 2022	Polnord 2021
Personnel expenses and external services	675,999	1,394,346
Materials and energy	39,287	40,844
Depreciation	95,029	104,315
Bank fees and other charges	37,565	78,777
Total administrative expenses	**847,880**	**1,618,282**

10. Breakdown of expenses by nature

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Employee benefits expenses	2,086,865	2,412,834
Material type expenditures	7,779,778	7,185,962
Depreciation and amortization	729,363	645,856
Total	**10,596,006**	**10,244,652**

11. Other income

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Net gain (loss) on property, plant and equipment sold	8,501	28,814
Received compensation	0	302,413
Reversal of write-off on inventories	2,052	150,580
Reversal of provision	608,441	12,132
Other	633,693	297,510
Total other income	**1,252,687**	**791,449**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord 2022**	**Cordia group without Polnord 2021**
Net gain (loss) on property, plant and equipment sold	8,501	3,383
Reversal of write-off on inventories	2,052	0
Other	231,121	141,814
Total other income	**241,674**	**145,197**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Polnord 2022**	**Polnord 2021**
Net gain (loss) on property, plant and equipment sold	0	25,431
Received compensation	0	302,413
Reversal of write-off on inventories	0	150,580
Reversal of provision	608,441	12,132
Other	402,572	155,696
Total other income	**1,011,013**	**646,252**

12. Other expense

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Taxes	249,249	291,913
Fines, penalties, default interest and compensation	71,568	129,882
Abandoned projects & investments	79,697	21,667
Creation of a provision for KOWR, other	422,062	310,499
Write-downs on long term receivables (Note 18)	5,788,520	0
Write-downs on receivables	130,425	610,767
Write-off on inventory	180,345	106,165
Deconsolidation of KB DOM*	0	490,571
Other	1,740,511	624,719
Total other expense	**8,662,377**	**2,586,183**

The other expense increased mainly due to the write-downs of two long-term reveivables balance. These long-term receivables were recognized at fair value at the acquisition of Polnord Group in 2020. Due to recent events, there was a change in the certainty of the recoverability of the receivables balance. Please see more information in Note 18.

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Cordia group without Polnord 2022**	**Cordia group without Polnord 2021**
Taxes	215,566	239,316
Fines, penalties, default interest and compensation	65,964	105,222
Abandoned projects & investments	79,697	21,667
Write-downs on receivables	46,848	0
Write-off on inventory	58,778	0
Other	808,703	238,609
Total other expense	**1,275,556**	**604,814**

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**Polnord 2022**	**Polnord 2021**
Taxes	33,683	52,597
Fines, penalties, default interest and compensation	5,604	24,660
Creation of a provision for KOWR, other	422,062	310,499
Write-downs on long term receivables	5,788,520	0
Write-downs on receivables	83,577	610,767
Write-off on inventory	121,567	106,165
Deconsolidation of KB DOM*	0	490,571
Other	931,808	386,110
Total other expense	**7,386,821**	**1,981,369**

13. Finance income and expense

Interest income is the interest received from banks on cash balance and on short-term deposits.

ARGO Properties N.V. issued an option warrant letter to the Group prior to the initial public offering (IPO). The Group has been granted options to acquire 500,000 ARGO shares. The exercise period begins after 4 years of the trade date of shares on TASE, 11 May 2021 and the option is exercisable within a three months period. Exercise price shall be nominal price in the amount equal to 25% above the share price in the issuance under Argo's IPO Prospectus (70.09 NIS / share).
The option warrant is presented at fair value on the reporting date. The fair value was measured with the Black-Scholes model. The group had unrealized fair valuation gain on this option in the amount of THUF 2,068,124 in 2021. Due to the changes of the share price on the stock exchange market the group has unrealized fair valuation loss on the option in the amount of THUF 1,593,764 in 2022.

Part of fair valuation gain on the revaluation of the derivative liabilities is a contracted liability to sell 60,000 ARGO N.V. shares. The derivative contracted liability was derecognized, when the ARGO shares were sold. The remaining part of the fair valuation gain on derivative assets is coming from a forward exchange rate agreement with the bank.

The Group realized gain on the sale of the passive UK investments at fair value to a related party.
The fair value gain on the valuation of financial assets is the revaluation of the remaining UK investment and the investment in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund.

Interest expense includes the finance expenses that are not capitalized – directly or indirectly – to the inventories which are typically interest on project loans occurring after the related project has been finalized. This line also contains interest related to IFSR16 leasing liabilities.
Cost of bank financing if it relates to securing the needs of the asset under development (work in progress) are typically capitalized (directly) to the particular asset.

A portion of the bond interest expense is indirectly capitalized to the inventories, as the funds raised by the Company via the bonds issues are used – among other needs – for financing of property acquisitions and their preparations and development. The capitalization is calculated in line with IAS 23 Borrowing costs. The uncapitalized amount is presented on this line. Please refer to Note 35 for more detailed information on bonds.

For the period ended 31 December		
In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Interest income	2,146,744	74,102
Fair value gain on the valuation of derivative asset and liability	1,119,875	2,068,124
Fair value gain on the valuation of financial assets	169,898	2,751,063
Realized gain on sale of financial assets	2,794,295	0
Foreign exchange gain	7,296,782	2,771,659
Other finance income	653,135	278,368
Finance income	**14,180,729**	**7,943,316**
Interest expense	1,075,653	1,230,351
Bond interest expense	1,763,155	2,173,948
Fair value loss on the valuation of derivative asset and liability	1,593,764	428,348
Fair value loss on the valuation of financial assets	183,687	0
Foreign exchange loss	2,841,150	1,428,421
Other finance expense	401,503	418,828
Finance expense	**7,858,912**	**5,679,896**
Net finance income / (expense)	**6,321,817**	**2,263,420**

14. Income tax

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Current tax		
Current period	1,164,900	949,342
Taxation in respect of previous periods	19,528	73,712
Total current tax expense / (benefit)	**1,184,428**	**1,023,054**
Deferred tax		
Origination and (reversal) of temporary differences	7,372	407,364
Total deferred tax expense / (benefit)	**7,372**	**407,364**
Total income tax expense / (benefit)	**1,191,800**	**1,430,418**

Reconciliation of effective tax rate

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Profit / (loss) for the year	19,779,726	20,603,603
Total income tax expense / (benefit)	1,191,800	1,430,418
Profit / (loss) before income tax	**20,971,526**	**22,034,021**
Expected income tax using the Hungarian tax rate (9%)	**1,887,437**	**1,983,062**
***Tax effect of*:**		
Impact of other income taxes[1]	100,341	83,577
Non-taxable profit[2]	(1,182,826)	(1,208,367)
Other differences[3]	386,848	572,146
Tax expense for the period	**1,191,800**	**1,430,418**
Effective tax rate	**6%**	**6%**

1 This line mainly includes the impact of Hungarian local business tax, which is also classified as income tax based on IAS 12.
2 Hungarian investments funds are not subject to income tax. Share of loss/(profit) in joint venture and Bargain gain realized on acquisition is a non-taxable item.
3 Other differences contain non-deductible expenses, impacts of different tax rates used at foreign entities and foreign exchange differences. None of these items are material separately.

15. Intangible assets

For the year ended 31 December 2022

In thousands of Hungarian Forints (THUF)	Software	Intellectual property and rights	Total
Cost or deemed cost			
Balance at 1 January	120,014	397,478	517,492
Additions	10,922	38,393	49,315
Sales and disposals	(11,033)	(6,823)	(17,856)
Closing balance	**119,903**	**429,048**	**548,951**
Depreciation and impairment losses			
Balance at 1 January	94,755	243,017	337,772
Depreciation for the period	16,570	82,634	99,204
Sales and disposals	(11,033)	(6,799)	(17,832)
Closing balance	**100,292**	**318,852**	**419,144**
Currency Translation Adjustment	2,897	214	3,111
Carrying amounts			
At 1 January	26,668	154,536	181,204
Closing balance	**22,508**	**110,410**	**132,918**

All intangible assets have finite useful lives and they are amortized using the straight-line method. Average useful life is 3 years.

For the year ended 31 December 2021

In thousands of Hungarian Forints (THUF)	Software	Intellectual property and rights	Total
Cost or deemed cost			
Balance at 1 January	105,415	317,344	422,759
Additions	14,599	80,134	94,733
Sales and disposals	0	0	0
Closing balance	**120,014**	**397,478**	**517,492**
Depreciation and impairment losses			
Balance at 1 January	74,225	170,361	244,586
Depreciation for the period	20,530	72,656	93,186
Sales and disposals	0	0	0
Closing balance	**94,755**	**243,017**	**337,772**
Currency Translation Adjustment	1,409	75	1,484
Carrying amounts			
At 1 January	32,210	147,019	179,229
Closing balance	**26,668**	**154,536**	**181,204**

16. Investment properties

Based on IAS 40 the Investment property is real estate (land, building or part of a building or both) owned or leased, treated as a source of income from rents or held for capital appreciation or both.

At the moment of initial recognition, investment properties are measured at the purchase price or production cost, taking into account the costs of the transaction. After the initial recognition of the property, based on the accounting policy chosen by the Group it uses the fair value model and measures all investment properties at fair value, except when the entity is unable to reliably and regularly measure the fair value of the investment property.

The valuation of investment properties are usually carried out once a year as at the balance sheet date, primarily on the basis of reports prepared by independent appraisers who have appropriate experience and qualifications in the field of valuation of this type of property. Information presented by experts - assumptions and model adopted for the valuation - are reviewed by the Board of Directors. This analysis includes a review of changes in fair value from the previous measurement.

In accordance with the IFRS 13 standard, all resulting fair value estimates for investment and development properties are included as level 3 inputs of the fair value hierarchy.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Opening balance	**25,616,165**	**24,566,409**
Acquisition	997,185	0
Disposal of assets	(3,022,950)	(2,269,024)
Deconsolidation of KB DOM	0	(75,283)
Increase	488,435	2,682,088
Transfer (to) / from inventories and owner-occupied property	(16,752,658)	0
Revaluation of investment property to fair value	1,351,444	434,105
Translation differences	825,862	277,870
Closing balance	**9,503,483**	**25,616,165**

In thousands of Hungarian Forints (THUF)	**Cordia group without Polnord 31.12.2022**	**Polnord 31.12.2022**	**Total**
Investment properties	8,153,642	876,433	9,030,075
Investment properties - Rights of perpetual usufruct of land (lease)	0	473,408	473,408
Total closing balance	**8,153,642**	**1,349,841**	**9,503,483**

In thousands of Hungarian Forints (THUF)	**Cordia group without Polnord 2021**	**Polnord 31.12.2021**	**Total**
Investment properties	4,779,591	15,339,307	20,118,898
Investment properties - Rights of perpetual usufruct of land (lease)	0	5,497,267	5,497,267
Total closing balance	**4,779,591**	**20,836,574**	**25,616,165**

Please see the sensitivity analysis of the fair value measurement based on the type of investment properties hold by the Group.

In thousands of Hungarian Forints (THUF) Category	Valuation method	Fair value	Area (m2)	Sensitivity for yield -0.25% point	Sensitivity for yield 0.25% point	Sensitivity for rental fees -5.00%	Sensitivity for rental fees 5.00%
Properties under construction for rental purposes	Residual amount	1,084,105	1,194	n/a	n/a	n/a	n/a
Apartments	Comparable price method	5,849,080	4,285	(585,702)	732,376	(292,454)	292,454
Offices	Discounted cashflow method	912,161	627	(62,162)	5,838	45,608	(45,608)
Lands	Comparable price method	876,433	210,262	n/a	n/a	n/a	n/a
Individually not significant properties	Comparable price method	308,295	1,575	0	0	0	0
Rights of perpetual usufruct of land (lease)	IFRS 16	473,408	n/a	n/a	n/a	n/a	n/a

Amounts recognized in Profit and loss for investment and development properties

In thousands of Hungarian Forints (THUF)	2022	2021
Rental income from operating lease	167,263	100,272
Direct operating expenses	40,969	(51,618)
Leasing interest	35,011	494,770
Fair value gain recognized	1,351,444	223,296
Profit from sale of investment and development property	836,286	(33,677)
Amounts recognized in profit and loss for investment and development properties	**2,430,973**	**733,043**

17. Property, plant and equipment

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Buildings**	**Machinery and vehicles**	**Furniture, fittings and equipment**	**Assets under construction**	**Land Rights of perpetual usufruct**	**Total**
Cost or deemed cost						
Balance at 1 January	2,675,235	370,577	759,333	316,665	15,113	4,136,923
Additions	1,366,928	36,202	156,409	269,588	26,274	1,855,401
Sales and disposals	(561,204)	(18,256)	(68,899)	(10,619)	-	(658,978)
Capitalization	0	0	0	(568,297)	-	(568,297)
Closing balance	**3,480,959**	**388,523**	**846,843**	**7,337**	**41,387**	**4,765,049**
Depreciation and impairment losses						
Balance at 1 January	1,045,903	159,642	493,241	0	0	1,698,786
Depreciation charge for the period	436,484	66,963	109,965	0	19,058	632,470
Impairment	0	35	0	0	0	35
Sales and disposals	(549,203)	(16,777)	(43,885)	0	0	(609,865)
Closing balance	**933,184**	**209,863**	**559,321**	**0**	**19,058**	**1,721,426**
Currency Translation Adjustment	74,837	10,325	10,998	312	2,529	99,001
Carrying amounts						
At 1 January	1,649,972	214,664	271,885	327,441	15,113	2,479,075
Closing balance	**2,622,612**	**188,985**	**298,520**	**7,649**	**24,858**	**3,142,624**

For the year ended 31 December 2021

In thousands of Hungarian Forints (THUF)	Buildings	Machinery and vehicles	Furniture, fittings and equipment	Assets under construction	Land Rights of perpetual usufruct	Total
Cost or deemed cost						
Balance at 1 January	2,908,752	647,994	756,238	101,213	227,063	4,641,260
Additions	36,108	61,198	81,726	834,823	0	1,013,855
Sales and disposals	0	(10,665)	(34,725)	(85,381)	0	(130,771)
Deconsolidation of KB DOM	(781,402)	(355,883)	(48,379)	(20,126)	(227,063)	(1,432,853)
Reclassification*	511,777	27,933	4,473	188,266	15,113	747,562
Capitalization	0	0	0	(702,130)	0	(702,130)
Closing balance	**2,675,235**	**370,577**	**759,333**	**316,665**	**15,113**	**4,136,923**
Depreciation and impairment losses						
Balance at 1 January	689,278	128,152	419,743	0	1,505	1,238,678
Depreciation charge for the period	394,451	91,318	98,142	0	963	584,874
Deconsolidation of KB DOM	(35,554)	(55,702)	(4,462)	0	(2,468)	(98,186)
Reclassification	(2,272)	2,272	0	0	0	0
Impairment	0	0	774	0	0	774
Sales and disposals	0	(6,398)	(20,956)	0	0	(27,354)
Closing balance	**1,045,903**	**159,642**	**493,241**	**0**	**0**	**1,698,786**
Currency Translation Adjustment	20,640	3,729	5,793	10,776	0	40,938
Carrying amounts						
At 1 January	2,236,253	526,682	340,279	101,408	226,412	3,431,034
Closing balance	**1,649,972**	**214,664**	**271,885**	**327,441**	**15,113**	**2,479,075**

* Reclassification includes an item reclassed from inventory and an owner-occupied part of an office from Investment Properties.

The following table shows the movements of Right of use assets included within Property, plant and equipment tables above:

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Cost or deemed cost		
Balance at 1 January	1,806,131	1,996,996
Additions to right of use assets	1,017,457	36,198
Termination of contracts	(550,143)	(227,063)
Closing balance	**2,273,445**	**1,806,131**
Depreciation and impairment losses		
Balance at 1 January	998,304	637,667
Depreciation charge for right of use assets	412,863	363,105
Termination of contracts	(547,503)	(2,468)
Closing balance	**863,664**	**998,304**
Currency Translation Adjustment	64,806	0
Carrying amounts		
At 1 January	807,827	1,359,329
Closing balance	**1,474,587**	**807,827**

Impairment loss
Small amount of impairment was recognized in the amount of 35 THUF in 2022 and 774 THUF in 2021.

18. Long-term receivables from third parties

For the period ended 31 December 2022 *In thousands of Hungarian Forints (THUF)*	**31.12.2022**	**31.12.2021**
Claim against the City of Warsaw (Case 10H)	0	4,523,459
Claim against Pol-Aqua S.A. (not paid rent for the office building)	0	971,785
Amounts kept in the escrow account in connection with the sale of office buildings	588,803	566,280
Receivables from long-term deposits (office rental)	97,979	92,182
Other	21,727	21,521
Total Long-term receivables from third parties	**708,509**	**6,175,227**

The majority of the long-term receivables is related to the acquisition of Polnord Group by Cordia in 2020. The balances were recognized at fair value at the acquisition date.

In 2022 with respect to the Pol-Aqua case – the appeal court judgment became final, and the case was returned to the first instance and the procedure is currently ongoing. Further to the above in December 2022 the parties reached a partial settlement aiming to close one of the litigations. The settlement was approved by the competent court.

On 2 March 2023 the Voivodship Administrative Court dismissed four of five complaints filed by Polnord in 10H cases against the contradicting decisions of the competent authorities. The company will continue to take all relevant actions for legal remedies at the Supreme Administrative Court.

Taking into consideration the above and that these procedures have been ongoing for over several years and the potential timing of their ending cannot actually be foreseen, the Board of Directors believes that the chances of winning all these litigations have decreased, therefore has decided to write down the claim against the City of Warsaw (Case 10H) and the claim against Pol-Aqua S.A. regarding the unpaid rent for the office building. Please see the write-down amount within other expenses in Note 12.

19. Interests in joint-ventures and associates

Compared to 2021 the investments accounted with equity method changed due to an increase in the net assets of the joint ventures and associate, decreased with dividend and yield payment received.

Investments in joint-ventures and associates

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Cordia Global 6 Ingatlanbefektetési Részalap	272,948	744,782
Argo Properties N.V.	21,940,685	19,474,607
Group of Stacja Kazimierz	1,039,472	1,110,283
Group of Fadesa	1,802,722	1,758,762
Total investment value at year end	**25,055,827**	**23,088,434**

Share of profit/(loss) in associate and joint venture

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Share of profit and loss		
Cordia Global 6 Ingatlanbefektetési Részalap	803,527	3,211,141
Argo Properties N.V.	1,681,168	3,503,722
Stacja Kazimierz	975,765	(114,557)
Fadesa	1,587,050	(150,344)
Total share of profit and loss in associate and joint venture	**5,047,510**	**6,449,962**

Cordia Global 6 development sub-fund

Cordia Global 6 development sub-fund consists of two projects named Marina Life 1 and 2. The entity is jointly controlled with a third-party Hungarian legal entity also operating in the real estate industry. During the financial year 43 residental units were handed over in the sales value of HUF 3,252 million.

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Opening	**744,782**	**1,083,641**
Profit/(Loss) attributable to Group	803,527	3,211,141
Sale of investments	(275,361)	0
Yield received from the joint venture	(1,000,000)	(3,550,000)
Closing carrying amount	**272,948**	**744,782**

Argo Properties N.V.

ARGO Properties N.V. completed an initial public offering (IPO) on 11 May 2021 raising EUR 54m from investors at a pre-money valuation of EUR 270m. Cordia invested further EUR 3 million in ARGO during the IPO. The ownership percentage diluted due to the IPO, therefore the Group's share decreased compared to the 18% interest in ARGO at 31.12.2020. A small portion of shares was sold in 2021 and an additional portion in 2022, therefore the stake at reporting date is 14.75%.
The Group is considered to maintain a significant influence in Argo due to its right to delegate a member to the board of Argo and despite the fractured ownership structure of the entity, Cordia is still considered to be one of the largest shareholders.
The investment was tested for impairment in accordance with IAS 36. The recoverable amount of ARGO was determined by its value in use, which is higher than the carrying amount in the balance, therefore no impairment needed.

In thousands of Hungarian Forints (THUF)	2022	2021
Opening	**19,474,607**	**15,237,313**
Purchase of investments	0	1,069,807
Sale of investments	(941,751)	(616,851)
Profit or (Loss) attributable to the Group	1,681,168	3,503,722
Foreign currency translation difference	1,726,661	280,616
Closing carrying amount	**21,940,685**	**19,474,607**

Stacja Kazimierz

The Stacja Kazimierz project is carried out jointly with Grupa Holdingowa Waryński S.A. Throughout Polnord S.A. Cordia Group holds 50% directly in Stacja Kazimierz I Sp. z o.o., Stacja Kazimierz II Sp. z o.o. and Kazimierz Station III Sp. z o.o. Sp. k. The decrease in investments was the withdrawal of shares. The other owner also withdrew its shares, therefore there was no change in the interest of shares. During the reporting period 80 residental unit was handed over in the sales value of HUF 4,820 million in Stacja Kazimierz.

In thousands of Hungarian Forints (THUF)	2022	2021
Opening	**1,110,283**	**2,191,932**
Decrease in investments	(795,121)	(122,575)
Profit or (Loss) attributable to the Group	975,765	(114,557)
Dividend received	(318,100)	(847,115)
Foreign currency translation difference	66,645	2,598
Closing carrying amount	**1,039,472**	**1,110,283**

Fadesa

Polnord S.A. holds 49% directly in Fadesa Polnord Polska Sp. z o.o. and 49% indirectly (via Fadesa Polnord Polska Sp. z o.o.) in FPP Powsin Sp. z o.o., Osiedle Innova Sp. z o.o., FPP Osiedle Moderno Sp. z o.o. The company was established jointly with the Spanish developer, Martinsa Fadesa. In 2022 Osiedle Innova Sp. z o.o. and FPP Osiedle Moderno Sp. z o.o. were absorbed by Fadesa Polnord Polska Sp. z o.o.

In thousands of Hungarian Forints (THUF)	2022	2021
Opening	**1,758,762**	**2,975,869**
Profit or (Loss) attributable to the Group	1,587,050	(150,344)
Dividend received	(1,652,190)	(1,077,048)
Foreign currency translation difference	109,100	10,285
Closing carrying amount	**1,802,722**	**1,758,762**

20. Other Assets

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Advances and prepayments made for inventories	2,090,552	1,139,001
Advances and prepayments made for services	951,661	934,050
Other prepaid expenses	465,762	324,529
Other current assets	913,101	602,352
Other	1,911	70,110
Total closing balance	**4,422,987**	**3,070,042**

Closing balance includes:		
Other long-term assets	3,302	0
Other short-term assets	4,419,685	3,070,042
Total closing balance	**4,422,987**	**3,070,042**

Balances presented as other assets are not financial assets based on IFRS 9.

21. VAT receivables

Each year other tax receivables contain the receivables coming from different non-income tax type of taxes. The majority is VAT, balances from other taxes are not material. Since the Companies paid significant input VAT for their purchases and currently output VAT is not significant.

Based on the Hungarian legislation, in the case of advances from customers, VAT is paid by the Company upon receiving the advance from the customer. This amount is shown as other assets and it is deductible from the VAT payable upon invoicing the final invoice to the customer (i.e. upon handing over the finished apartments). Since finalizing the construction projects takes more than one year, the VAT related to a project to be completed after 31 December 2023 is classified as non-current.

VAT receivables mainly contain VAT receivable relating to customer advance payments. Similarly to restricted cash, the management's expectation is that these amounts may be realized within the normal operating cycle, therefore these balances are presented under current assets as at 31 December 2022.

22. Inventory

In thousands of Hungarian Forints (THUF)	**Closing balance 31.12.2022**	**Closing balance 31.12.2021**
Lands and Acquisition costs	81,893,823	66,934,057
Construction and Engineering costs	46,248,553	31,936,106
Planning	5,070,084	5,157,658
Borrowing costs	5,744,800	1,972,890
Other, including capitalized VAT	5,107,297	1,638,032
Work in progress	**144,064,557**	**107,638,743**

In thousands of Hungarian Forints (THUF)	**Closing balance 31.12.2022**	**Closing balance 31.12.2021**
Finished goods	**8,687,194**	**18,974,483**

In thousands of Hungarian Forints (THUF)	**Closing balance 31.12.2022**	**Closing balance 31.12.2021**
Goods for resale	**123,551**	**135,336**

In thousands of Hungarian Forints (THUF)	**Closing balance 31.12.2022**	**Closing balance 31.12.2021**
Advances for delivery of goods	**444,797**	**330,346**

In thousands of Hungarian Forints (THUF)	**Closing balance 31.12.2022**	**Closing balance 31.12.2021**
Rights of perpetual usufruct of land (lease)	**9,415,790**	**5,111,356**

In thousands of Hungarian Forints (THUF)	**Closing balance 31.12.2022**	**Closing balance 31.12.2021**
Write-down	**(166,442)**	**(26,755)**

In thousands of Hungarian Forints (THUF)	**Closing balance 31.12.2022**	**Closing balance 31.12.2021**
Total inventories at the lower of cost or net realizable value	**162,569,447**	**132,163,509**

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The Group examined a possible write-down on inventory for each project separately, according to the projection of revenues net of cost of sales. The inventory value is also supported by valuation reports prepared by independent property valuation experts.
The Group did not have to recognize a significant write-down on its inventory. The closing balance written down is THUF 166,442 at the year end of 2022, and THUF 26,755 at the year end of 2021. Based on the current market tendencies there is no indication of impairment triggering events. There is a significant buffer between the cost of inventory and its fair value, which information is also presented within the adjusted total assets in Note 43 at the bottom of the assets as of 31.12.2022 and 31.12.2021.

For information about future commitments to the general contractor for construction services related to inventory construction, see Note 39.
Inventory is pledged and used to secure bank loans.

23. Financial assets and financial liabilities

This note provides information about the group's financial instruments, including:

- valuation method of financial assets and liabilities
- an overview of all financial instruments held by the group
- specific information about each type of financial instrument.

Fair Value estimation of financial asssets and financial liabilities

The remaining part of the investments acquired during the first half of 2021 (RAF I) and the investment in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund are valued at fair value through profit and loss. The valuation is performed quarterly based on the latest available information in the reporting period for the investments and presented as current financial asset. The other long-term financial assets are measured at fair value through profit or loss in the consolidated financial statements containing other investments, which is not material in either reporting period.
Derivative assets and liabilities are also measured at fair value through profit and loss. The underlying asset of the derivatives are shares traded on stock market and forward exchange agreements, therefore Level 1 information is used in the valuation with financial model at the reporting date. The derivative liability was derecognized during the first half of 2022.

All other financial assets and liabilities are measured at amortized cost. Furthermore, there are no non-financial assets or liabilities that are measured at fair value.
The fair value of the financial assets and liabilities measured at amortized cost approximates their carrying value, except bonds as they are loans and receivables either with variable interest rate (e.g. in the case of borrowings) or short-term receivables and liabilities, where the time value of money is not material (e.g. in the case of related party loans). Please see additional information about the fair value of bond at the financial liabilities tables.

The group holds the following financial instruments:

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Financial assets at FV through P/L**	**Financial assets at amortized cost**	**Total**
Non-current financial assets			
Loan receivables from third parties	0	20,865	20,865
Long term bank deposits	0	272,691	272,691
Other long term receivables	0	693,783	693,783
Other long term financial assets	32,414	2,864	35,278
Derivative assets	1,330,375	0	1,330,375
Restricted cash	0	1,934,905	1,934,905
Total Non-current financial assets	**1,362,789**	**2,925,108**	**4,287,897**
Current financial assets			
Other short-term financial assets	7,840,156	20,313	7,860,469
Restricted Cash	0	3,544,627	3,544,627
Short-term receivables from related parties	0	2,945,913	2,945,913
Trade and other receivables less Other tax receivables	0	1,413,174	1,413,174
Cash and cash equivalents	0	64,888,186	64,888,186
Total Current financial assets	**7,840,156**	**72,812,213**	**80,652,369**
Total financial assets	**9,202,945**	**75,737,321**	**84,940,266**

Long-term bank deposits

Amounts deposited by the SPVs (Special Purpose Vehicle) mainly as guarantees provided for the infractructure development requirement for the state. It will be paid back to the SPVs after their obligation is fulfilled.

Other long-term receivables

Long-term receivables from third parties are mostly claims from litigation in Polnord detailed in Note 18.

Derivative assets

ARGO Properties N.V. issued an option warrant letter to the Group prior to the initial public offering (IPO) in May 2021. The Group has been granted options to acquire 500,000 ARGO shares . The exercise period begins after 4 years of the trade date of shares on TASE, 11 May 2021 and the option is exercisable within a three-month period. Exercise price shall be nominal price at an amount equal to 25% above the share price in the issuance under Argo's IPO Prospectus (70.09 NIS / share). The option warrant is presented at fair value on the reporting date. The fair value was measured with the Black-Scholes model.

The Parent company entered into foreign exchange agreements with financial institutions. These agreements are measured at fair value through profit or loss and the result on the revaluation included as other financial result in the profit and loss statement.

Restricted cash

The Restricted Cash relating to the payments that were deposited in escrow accounts by the customers purchasing premises in the projects of the Cordia Group. In the event that certain requirements are met, these payments can be released and used for project financing purposes based on which they will be reclassified to the cash and cash equivalent balance sheet line.
Restricted cash also contains deposits made in non-liquid collateral accounts which serve as guarantees for the subcontractors working on the projects. This money can be retrieved at the end of the project when all subcontractors have been duly paid.

Other short-term financial assets

In 2021 most of this amount consisted of the passive financial invetment in three British entities in which the Group saw substantial growth potential through value appreciation and also gives access to know-how in different business models. The financial investments have been sold in December 2022.
In 2022 the group had similar investment in RAF I fund managed by Matter Real Estate in the amount of 1.6 billion HUF. The investment is normally valued only once at the end of the year. The investment is financial investment from IFRS classification point of view. Major part of this investment was also sold in December. The investment in the amount of 1.6 billion HUF is classsified as currrent assets as the Group plans to sell it in the near future.

<u>RAF I</u>

On 7 May 2021, the Group invested in "Real Asset Fund I", a real estate investment fund with a select few large investors, managed by the London-based investment manager, Matter Real Estate. The stake in the fund is ca. 10%. The fund finances 3 development entities in England and Ireland. The funding for these developers is a mix of equity and debt. The fund acquires a majority stake in the operating entity, as well as provides a revolving debt facility for project financing. There are two residential developers – Placefirst in England and Genesis in Ireland – as well as an Irish health care facility developer called Zest, which the fund invests with. It is a passive investment for Cordia.

<u>Investments in FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund</u>

For liquidity management purposes the Group invested in units of FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund based on the prospectus issued by the fund. The investment is valued at fair value through profit and loss and classified as current asset in the amount of 6.2 billion HUF, because the Group manages its short term liquidity. The sub-fund's goal is to generate consistent returns without correlation to equity and credit market. It is focused on capital preservation by constructing a portfolio of 10-15 funds with proven track records of limited drawdowns.

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	Financial assets at FV through P/L	Financial assets at amortized cost	Total
Non-current financial assets			
Long-term bank deposits	0	302,079	302,079
Other long-term receivables	0	6,180,484	6,180,484
Derivative assets	2,128,281	0	2,128,281
Other long-term financial assets	0	40,714	40,714
Restricted cash	0	30,432	30,432
Total Non-current financial assets	**2,128,281**	**6,553,709**	**8,681,990**
Current financial assets			
Other financial assets	17,103,967	361,020	17,464,987
Restricted Cash	0	3,979,801	3,979,801
Short-term receivables from related parties	0	546,922	546,922
Trade and other receivables less Other tax receivables	0	2,041,162	2,041,162
Cash and cash equivalents	0	53,590,085	53,590,085
Total Current financial assets	**17,103,967**	**60,518,990**	**77,622,957**
Total financial assets	**19,232,248**	**67,072,699**	**86,304,947**

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Financial liabilites at FV through P/L**	**Financial liabilities at amortized cost**	**Total**
Non-current financial liabilities			
Loans and borrowings	0	22,760,748	22,760,748
Bond	0	91,655,524	91,655,524
Lease liabilities	0	1,602,596	1,602,596
Amount withheld for guarantees	0	1,071,986	1,071,986
Total Non-current financial liabilities	**0**	**117,090,854**	**117,090,854**
Current financial liabilities			
Trade and other payables	0	9,319,639	9,319,639
Loans and borrowings	0	1,036,131	1,036,131
Short-term liabilities to related parties	0	2,208,206	2,208,206
Bond	0	284,349	284,349
Lease liabilities	0	16,781,384	16,781,384
Total Current financial liabilities	**0**	**29,629,709**	**29,629,709**
Total financial liabilities	**0**	**146,720,563**	**146,720,563**

The fair value of financial liabilities is not significantly different than the amortised cost value in the balance, except for the bonds. The Hungarian bonds were issued with fixed interest rate, therefore in the current market environment the fair value of the bond liability is significantly lower than it is presented in the balance sheet.

In thousands of Hungarian Forints (THUF)	**31.12.2022**
Bonds at amortized cost in the balance	91,939,873
Fair value of the bonds	65,292,682

The fair value of the Polish bonds was determined based on unadjusted quoted price, Level 1 input from the official GPW Catalyst website. The fair value of these bonds is not significantly different from the amortised cost, because the bonds have variable coupon.
The fair value of the Hungarian bonds was calculated using a financial model based on benchmark data. Based on the rating of the Parent entity the credit spread was calculated from the interest rate of comparable bonds with similar conditions and added to the risk free yield. The fair value was calculated from the face value of the bonds and the estimated yields.

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	Financial liabilites at FV through P/L	Financial liabilities at amortized cost	Total
Non-current financial liabilities			
Loans and borrowings	0	10,497,483	10,497,483
Bond	0	91,250,362	91,250,362
Lease liabilities	0	5,726,544	5,726,544
Amount withheld for guarantees	0	784,402	784,402
Total Non-current financial liabilities	**0**	**108,258,791**	**108,258,791**
Current financial liabilities			
Trade and other payables	0	12,910,027	12,910,027
Loans and borrowings	0	3,417,677	3,417,677
Short-term liabilities to related parties	0	837,281	837,281
Bond	0	342,269	342,269
Lease liabilities	0	12,723,130	12,723,130
Current derivative liabilities	440,807	**0**	440,807
Total Current financial liabilities	**440,807**	**30,230,384**	**30,671,191**
Total financial liabilities	**440,807**	**138,489,175**	**138,929,982**

24. Receivables from related parties

The table below presents the breakdown of receivables from the related parties:

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Trade receivables	138,580	281,438
Loan receivables	5,096	37,793
Accrued expenses	2,456	0
Accrued revenue	203,535	226,820
Other receivables	2,596,246	871
Total closing balance	**2,945,913**	**546,922**

Closing balance includes:		
Current assets	2,945,913	546,922
Non-current assets	0	0
Total closing balance	**2,945,913**	**546,922**

The Other receivables balance contains the remaining purchase price amount receivable in exchange for the sale of shares in financial investmenrs in the amount of 2.6 billion HUF.

25. Loan receivable

The Parent company provided a short term interest free loan facility to Pedrano Homes Kft., which is the general contractor in numerous Hungarian projects and is considered strategic partner. This advance payment is to finance construction of Cordia projects.

26. Trade and other receivables

The table below presents the breakdown of trade and other receivables:

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Gross trade receivables	**892,547**	**599,245**
Decreased by impairment	(182,122)	(11,068)
Net trade receivables	**710,425**	**588,177**
Vendor overpayment	175,161	60,499
Accrued revenue	103,033	507,058
Accrued interest	11,014	0
Advances for the acquisition of real estate	0	88,330
Other taxes receivables	37,229	57,342
Other receivables	413,541	797,099
Total trade and other receivables	**1,450,403**	**2,098,505**

Trade and other receivables are regularly examined and monitored by the management. The presented balances are considered recoverable.

Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If the amounts are expected to be collected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The group's impairment and other accounting policies for trade and other receivables are outlined in different notes respectively.

Other receivables

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period.

The following tables presents the maturity of trade receivables:

In thousands of Hungarian Forints (THUF)		**31.12.2022**	**31.12.2021**
Trade receivables			
Overdue	Not	280,973	155,208
	1-30 days	82,485	54,368
	31-90 days	62,307	72,697
	91-364 days	171,387	74,569
	365+ day	295,395	242,403
Total closing balance		**892,547**	**599,245**

In thousands of Hungarian Forints (THUF)		**Cordia without Polnord**	**Polnord**	**Total 31.12.2022**
Trade receivables				
Overdue	Not	145,878	135,095	280,973
	1-30 days	76,106	6,379	474,941
	31-90 days	49,198	13,109	62,307
	91-364 days	154,694	16,693	171,387
	365+ day	36,074	259,321	295,395
Total closing balance		**461,950**	**430,597**	**1,285,003**

In thousands of Hungarian Forints (THUF)		**Cordia without Polnord**	**Polnord**	**Total 31.12.2021**
Trade receivables				
Overdue	Not	150,659	4,549	155,208
	1-30 days	49,663	4,705	54,368
	31-90 days	71,015	1,682	72,697
	91-364 days	43,948	30,621	74,569
	365+ day	54,186	188,217	242,403
Total closing balance		**369,471**	**229,774**	**599,245**

As at 31 December

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Opening	11,068	74,936
Impairment loss	167,840	7,504
Reversal of impairment	(353)	(72,281)
CTA	3,567	909
Closing impairment balance	**182,122**	**11,068**

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
HUF	397,864	741,886
EUR	50,561	65,806
PLN	839,234	1,176,497
RON	75,493	54,591
GBP	87,251	59,725
Total closing balance	**1,450,403**	**2,098,505**

27. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits or other highly liquid short-term financial instruments which are freely available for the Group and customer advances (restricted cash) available for project financing. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits have a duration varying between one day and three months depending on the immediate cash requirements of the Group. As at 31 December 2022 they earn interest at the respective short-term deposit rates.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Cash at bank and in hand	41,139,191	47,279,739
Short-term bank deposit	15,943,627	0
Restricted cash	7,805,368	6,310,346
Total cash and cash equivalents	**64,888,186**	**53,590,085**

The restricted cash classified as cash equivalent are related to cash received from customers as advance payments for financing the projects and the cash withdrawn from the project loan facilities. The banks providing loan financing have light restriction over these funds to secure their loan facility, however the approval process to use these funds are considered perfunctory. The cash which is deposited in the accounts with some restrictions applicable can be fully and immediately exploited by the subsidiaries in order to net with the pre-agreed financial liabilities (e.g. bank loans) as well as to finance the relevant costs of the projects co-financed by the customers buying apartments not later than within a few banking days.

The total amount of cash and cash equivalents was denominated in the following currencies:

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
EUR	9,473,717	7,700,861
PLN	13,469,877	15,973,012
HUF	36,945,285	27,033,884
RON	921,353	337,228
GBP	3,821,690	1,579,656
USD	1,460	128
ILS	254,770	965,284
Other	34	32
Total cash and cash equivalents	**64,888,186**	**53,590,085**

There is no pledge over cash and cash equivalents.

Please see the financial institutions with credit ratings.*

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
A	255,178	965,092
A+	6,822,952	1,648
A-	38,569,762	23,926,730
AA-	654,605	2,625,754
A2	0	19,314
BBB+	3,234,330	12,721,101
BBB	3,406,061	1,060,484
BBB-	5,539,816	3,377,511
BB	4,437,874	437,051
C	957	683,935
Cash at hand	10,302	9,655
N/A	1,956,349	7,761,810
Total cash and cash equivalents	**64,888,186**	**53,590,085**

*The presented credit ratings are based on S&P's and Moody's long-term ratings where available.

28. Loans and borrowings

The table below presents the movement in loans and borrowings from third parties:

For the period ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Opening balance	**13,915,160**	**40,017,204**
New bank loan drawdown	27,978,616	14,647,047
Loan repayments	(18,535,175)	(39,986,441)
Interest capitalized as principal	60,232	0
Deconsolidation KB DOM	0	(767,357)
Other changing (FX, other)	378,046	4,707
Total closing balance	**23,796,879**	**13,915,160**

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Closing balance includes:		
Current liabilities	1,036,131	3,417,677
Non-current liabilities	22,760,748	10,497,483
Total closing balance	**23,796,879**	**13,915,160**

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
HUF	18,460,548	9,396,029
EUR	3,626,475	2,224,289
PLN	765,644	1,312,887
RON	440	171,389
GBP	943,772	810,566
Total closing balance	**23,796,879**	**13,915,160**

Conditions of significant bank loans:

As at the period ended 31 December 2022

Legal entity	Bank	Loan Type	Maturity	Currency	Loan facility in currency	Withdrawn loan amount in THUF	Interest rate base
CG14	OTP Bank Nyrt.	Construction loan	2024.09.30	HUF	7,230,157,000	62,500	BUBOR 1M+margin
CG14	OTP Bank Nyrt.	VAT loan	2024.09.30	HUF	150,000,000	5,448,583	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	Construction loan	2025.09.07	HUF	4,561,910,400	1,456,567	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	VAT loan	2025.09.07	HUF	150,000,000	11,301	BUBOR 1M+margin
CG20	Raiffeisen Bank Zrt.	Construction loan	2024.07.31	HUF	4,844,500,000	1,481,740	BUBOR 1M+margin
CG20	Raiffeisen Bank Zrt.	VAT loan	2024.07.31	HUF	100,000,000	0	BUBOR 1M+margin
CG22	OTP Bank Nyrt.	Construction loan	2024.09.30	HUF	3,581,496,000	2,178,478	BUBOR 1M+margin
CG22	OTP Bank Nyrt.	VAT loan	2024.09.30	HUF	150,000,000	36,225	BUBOR 1M+margin
CG25	OTP Bank Nyrt.	Construction loan	2024.12.31	HUF	6,603,576,000	2,248,713	BUBOR 1M+margin
CG25	OTP Bank Nyrt.	VAT loan	2024.12.31	HUF	150,000,000	0	BUBOR 1M+margin
CG27	CIB Bank Zrt.	Land loan	2027.02.03	HUF	5,020,041,269	3,567,290	BUBOR 6M+margin
CG28	Raiffeisen Bank Zrt.	Construction loan	2024.06.30	HUF	4,209,591,000	1,936,016	BUBOR 1M+margin
CG28	Raiffeisen Bank Zrt.	VAT loan	2024.06.30	HUF	100,000,000	33,135	BUBOR 1M+margin
PPK4	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2024.07.31	PLN	34,640,000	633,738	WIBOR 3M+margin
PPK4	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	VAT loan	2024.07.31	PLN	2,000,000	31,303	WIBOR 3M+margin
PPW4	Alior Bank	Construction loan	2024.06.15	PLN	51,722,331	70	WIBOR 3M+margin
PPW4	Alior Bank	VAT loan	2024.06.15	PLN	3,000,000	0	WIBOR 3M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2024.06.30	PLN	65,400,000	98,493	WIBOR 3M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	VAT loan	2024.06.30	PLN	3,000,000	0	WIBOR 3M+margin
PPW7	Alior Bank	Construction loan	2025.03.31	PLN	119,000,000	0	WIBOR 3M+margin
PPW7	Alior Bank	VAT loan	2025.03.31	PLN	4,000,000	0	WIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2024.03.31	EUR	3,480,000	1,088,318	EURIBOR 3M+margin
RCPR	OTP Bank Nyrt.	Construction loan	2024.03.31	EUR	8,120,000	2,537,483	EURIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	VAT loan	2024.09.30	RON	4,948,000	440	ROBOR 3M+margin
SCFD	Banco Sabadell	Construction loan	2039.06.30	EUR	34,600,000	400	EURIBOR 12M+margin
UBDG	HSBC Bank plc	UK COVID Bounceback loan	2026.11.09	GBP	50,000	17,385	Free
UBSP	HSBC Bank plc	UK COVID Bounceback Loan	2026.10.07	GBP	50,000	17,575	Free
Total of fully consolidated entities						**22,885,753**	

Conditions of borrowings from partners:

As at the period ended 31 December 2022

Legal entity	Partner	Loan Type	Maturity	Currency	Loan facility	Withdrawn loan amount in THUF	Interest rate base
UBDG	Kandler Investments	Loan from previous owner	2022.12.31	GBP	875,110	395,532	Free
UBSP	Marcus Hawley	Pre-acquisition loan	2022.12.31	GBP	4,702	2,125	Free
UCBH	Marcus Hawley	Construction loan	2025.09.03	GBP	911,853	511,156	SONIA 12M+margin
Total of fully consolidated entities						**908,813**	
PSK2	Jointly from Polnord Finanse 50% and MS Waryński 50%	Operative financing	2022.12.31	PLN	160,000	13,656	5%
Total including JVs and associates						**922,467**	

The remaining balance of Loans and borrowings is overdraft in Polish entity in the amount of 2,313 thousand HUF.

Conditions of significant bank loans:

As at the period ended 31 December 2021

Legal entity	Bank	Loan Type	Maturity	Currency	Loan facility in currency	Withdrawn loan amount in THUF	Interest rate base
CG5	Takarék Kereskedelmi Bank Zrt.	Construction loan	2022.03.24	HUF	3,030,000,000	2,708,246	BUBOR 1M+margin
CG5	Takarék Kereskedelmi Bank Zrt.	VAT loan	2022.03.24	HUF	100,000,000	28,207	BUBOR 1M+margin
CG13	Takarék Kereskedelmi Bank Zrt.	Construction loan	2024.02.09	HUF	6,951,289,000	4,065,180	BUBOR 1M+margin
CG13	Takarék Kereskedelmi Bank Zrt.	VAT loan	2024.02.09	HUF	150,000,000	71,092	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	Construction loan	2025.09.07	HUF	4,561,910,400	691,389	BUBOR 1M+margin
CG16	Takarék Kereskedelmi Bank Zrt.	VAT loan	2025.09.07	HUF	150,000,000	20,530	BUBOR 1M+margin
CG27	CIB Bank Zrt.	Land loan	2027.02.03	HUF	3,250,000,000	1,811,385	BUBOR 6M+margin
PPK2	Alior Bank	Construction loan	2022.09.30	PLN	53,281,304	376,788	WIBOR 3M+margin
PPK2	Alior Bank	VAT loan	2022.04.30	PLN	2,000,000	93,389	WIBOR 3M+margin
PPW3	Santander Bank Polska S.A.	Construction loan	2025.01.25	PLN	46,446,760	384,194	WIBOR 1M+margin
PPW3	Santander Bank Polska S.A.	VAT loan	2025.01.25	PLN	4,000,000	18,723	WIBOR 1M+margin
PPW6	Powszechna Kasa Oszczędności Bank Polski S.A. PKO	Construction loan	2024.06.30	PLN	63,400,000	439,714	WIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2023.03.31	EUR	3,480,000	666,882	EURIBOR 3M+margin
RCPR	OTP Bank Nyrt.	VAT loan	2023.03.31	EUR	8,120,000	1,557,038	EURIBOR 3M+margin
RCPR	OTP Bank Romania S.A.	Construction loan	2022.09.30	RON	4,948,000	171,389	ROBOR 3M+margin
SCFD	Banco Sabadell	Construction loan	2044.06.30	EUR	27,571,000	369	EURIBOR 12M+margin
UBDG	HSBC Bank plc	UK COVID Bounceback loan	2021.11.09	GBP	50,000	21,611	Free
UBSP	HSBC Bank plc	UK COVID Bounceback Loan	2021.10.07	GBP	50,000	21,221	Free
Total of fully consolidated entities						**13,147,347**	

Conditions of borrowings from partners:

As at the period ended 31 December 2021

Legal entity	Partner	Loan Type	Maturity	Currency	Loan facility	Withdrawn loan amount in THUF	Interest rate base
UBDG	Kandler Investments	Loan from previous owner	2021.12.31	GBP	875,110	385,075	Free
UBSP	Marcus Hawley	Pre-acquisition loan	2021.12.31	GBP	4,702	2,069	Free
UCBH	Marcus Hawley	Construction loan	2025.09.03	GBP	864,920	380,590	Free
Total of fully consolidated entities						**767,734**	
PSK2	Jointly from Polnord Finanse 50% and MS Waryński50%	Operative financing	2021.12.31	PLN	160,000	85,684	5%
Total including JVs and associates						**853,418**	

The remaining balance of Loans and borrowings is overdraft in Polish entity in the amount of 79 thousand HUF.

29. Customer advances received

The table below presents the project level breakdown of the liability originated from customer advances received:

In thousands of Hungarian Forints (THUF)

Legal entity	Project name	31.12.2022	31.12.2021
CD2	Thermal Zugló 3	0	149,948
CG10	Sasad Hilltop	0	143,006
CG11	Grand Corvin	3,717	15,792
CG12	Marina Portside	83,239	1,336,617
CG13	Universo	265,376	3,982,002
CG14	Sasad Resort Panorama	2,544,656	1,081,852
CG16	Termál Zugló 4	1,991,899	996,528
CG17	Young City 3	800	1,125,969
CG18	Akadémia Garden	0	580,806
CG19	Grand Corvin 2	638,359	10,766,681
CG3	Young City 2	0	59,517
CG5	Grand'Or	114,558	3,120,039
CG7	Marina Garden	0	0
CG9	Centropolitan	30,354	416,460
CG20	Naphegy 12	1,067,665	96,667
CG21	Corvin Next	87,777	0
CG22	Millennium Residence 1	1,353,369	480,921
CG25	I6 Residence	879,664	71,347
CG28	Sasad Resort Sunlight	877,956	125,039
CG29	Woodland 1	236,507	0
COR	N/A	128,864	170,211
RCPR	Parcului20-1	20,908	191,003
RCPR	Parcului20-2	1,607,905	1,075,957
PPK1	Lotniczówka	0	52,615
PPW1	Zielone Bemowo 2	0	631
PPW1	Zielone Bemowo 1	0	51,303
PPW2	Horyzont Praga	55,902	1,878,727
PPW3	Fantazja 1	5,661,476	1,969,158
PPK3	HI Mokotów	15,363	14,454
PPW4	Jaśkowa Dolina 1	5,134,716	1,301,143
PPW4	Jaśkowa Dolina 2	1,354,230	485,200
PPK2	Jerozolimska	2,183,408	1,140,816
PPK4	Safrano	793,885	117,528
PPW6	Leśna Sonata	1,747,556	688,253
PPW7	Modena 1	1,313,145	0
PD14	Haffnera Residence	17,613	0
SCFD	Jade Tower- Fuenghirola	3,114,113	64,206
PNBW	Wilania	0	22,339
PNRE	Wiktoria	47,423	73,280
PSRW	Wioletta	72,348	845,835
UBDG	The Gothic	904	880
Other	N/A	8,033	38,998
Significant financing component accounted on the customer advance amount received		1,353,614	0
Total of fully consolidated entities		**34,807,302**	**34,731,728**

In thousands of Hungarian Forints (THUF)

Legal entity	Project name	31.12.2022	31.12.2021
CG6	Marina Life	0	169,970
CG6	Marina Life 2	0	540,667
PSK3	Stacja Kazimierz building 4AB	0	2,661,431
PSK3	Stacja Kazimierz building 5	644,020	
POSI	Osiedle Innova	0	64,240
Total including JVs and associates		**35,451,322**	**38,168,036**

For the year ended

In thousands of Hungarian Forints (THUF)	2022	2021
Opening balance of customer advances	**34,731,728**	**34,468,228**
Increase in contract liabilities from customer advances received for not completed performance obligations	22,987,778	22,014,603
Increase in significant financing component	1,353,614	0
VAT related contract liability decrease that was included in the contract liability balance at the beginning of the period	(1,223,348)	(765,398)
Revenue recognized that was included in the contract liability balance at the beginning of the period	(23,996,405)	(21,084,570)
Other changing (FX, other)	953,935	98,865
Closing balance of customer advances	**34,807,302**	**34,731,728**

In thousands of Hungarian Forints (THUF)	31.12.2022	31.12.2021
Closing balance includes:		
Current customer advance	28,052,590	30,556,403
Non-current customer advance	6,754,712	4,175,325
Total closing balance	**34,807,302**	**34,731,728**

30. Liabilities to related parties

The table below presents the breakdown of liabilities to the related parties:

In thousands of Hungarian Forints (THUF)	31.12.2022	31.12.2021
Trade payables	604,367	180,744
Accrued expenses payables	1,421,284	656,537
Other liabilities	182,555	0
Total closing balance	**2,208,206**	**837,281**

Closing balance includes:		
Current liabilities	2,208,206	837,281
Non-current liabilities	0	0
Total closing balance	**2,208,206**	**837,281**

There were no related party loans and borrowings as at 31 December 2022 and 31 December 2021.
At the reporting date the Group did not provide a loan to related parties outside of the consolidation group.

31. Trade and other payables

The table below presents the breakdown of trade and other payables:

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Trade payables	6,872,266	10,302,452
Accrued expenses	1,578,104	1,452,717
Other payables	798,126	251,873
Deferred income	71,143	64,732
Advance payment for the sale of real estate	0	838,253
Closing balance	**9,319,639**	**12,910,027**

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
HUF	4,035,737	7,695,802
EUR	1,484,507	1,008,252
PLN	2,927,991	3,320,404
RON	327,004	410,334
GBP	544,028	465,815
USD	372	5,473
Other	0	3,947
Total closing balance	**9,319,639**	**12,910,027**

32. Amount withheld for guarantees

Amounts withheld for guarantees is the contractual amount that the Group withholds from the vendor's final invoice at the time of delivery. The remaining amount serves as security for the Cordia Group's warranty rights. Amounts where the expected payment date follows the balance sheet date by more than 1 year are presented among non-current liabilities. The Group believes, that – since the payment date is generally within 2 years – the impact of discounting would be wholly immaterial, therefore it presents these balances using the contractual amounts.

33. Leasing Liabilities

This note provides information on leases where the group is a lessee.
The liabilities from leases are calculated and presented based on IFRS16 Leasing standard, which requires to present the discounted value of expected future cash-flows on this matter. By nature it is related to the Polish rights of perpetual usufruct of land (lease) and Investment properties.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Opening balance	**18,449,674**	**17,487,476**
Recognition of new lease liability	991,241	569,933
Derecognition of lease liability	(1,581,024)	(12,363)
Lease modification	226,576	0
Interest expense	1,045,110	848,783
Foreign exchange difference	13,942	(4,783)
Currency translation adjustment	1,111,464	309,256
Repayment of lease liability	(1,873,003)	(748,628)
Total closing balance	**18,383,980**	**18,449,674**

Closing balance includes:		
Short-term lease liabilities	16,781,384	12,723,130
Long-term lease liabilities	1,602,596	5,726,544
Total closing balance	**18,383,980**	**18,449,674**

The majority of the liability from leases relates to the Polnord group acquired amounts. Please see the breakdown of the leasing liability of Polnord based on the asset class below as of the reporting date.

In thousands of Hungarian Forints (THUF)	**Cordia group without Polnord**	**Polnord**	**Total 2022**
Leasing liability related to property, plant and equipments	1,211,866	338,418	1,550,284
Leasing liability related to investment property	0	946,527	946,527
Leasing liability related to rights of perpetual usufruct of land within inventory	1,959,434	13,927,734	15,887,168
Total closing balance of leasing liabilities	**3,171,300**	**15,212,679**	**18,383,979**

The statement of profit or loss shows the following amounts relating to leases except for depreciation charges of Right of use assets:

In thousands of Hungarian Forints (THUF)	*Note*	**2022**	**2021**
Interest expense	*13*	1,045,110	848,783
Expense relating to short-term leases	*9*	1,148	284,822
Expense relating to leases of low-value assets that are not shown above as short-term leases	*9*	4,268	1,701

The total cash outflow for leases was 1,878,148 thousand HUF in 2022 and 701,341 thousand HUF in 2021.

34. Provision

Most of the provisions were acquired upon the acquisiton of Polnord group in 2020.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Provision for severance pays, retirement benefits, holidays and similar	56,076	74,748
Provisions for warranties	665,580	613,456
Provisions for legal claims	357,622	369,784
Provisions for onerous contract	517,643	668,838
Provision for KOWR (interest and principal)	4,488,536	4,089,338
Other	0	562
Total provision	**6,085,457**	**5,816,726**

Provision for warranty repairs is recognized in relation to development projects in the subsidiaries of Polnord S.A.
The provision created for legal claims is related to housing associations' claim against Polnord's subsidiaries in projects in various locations in Poland.

The onerous contract provision is for liabilities and litigations in relation to a vacant space in the office building of Polnord's subsidiary.

Polnord's subsidiaries are the parties in litigation with the National Support Centre for Agriculture involvement, related to perpetual usufruct of land in Warsaw's Wilanów District and the connected annual fees for which the Polnord Group has provision as the right of perpetual usufruct of land.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Closing balance includes:		
Current liabilities	5,261,361	4,621,649
Non-current liabilities	824,096	1,195,077
Total closing balance	**6,085,457**	**5,816,726**

Movements in provision during the financial year

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Employee related privision**	**Warranties**	**Legal claim**	**Onerous contract**	**Perpetual usufruct**	**Other**	**Total**
Carrying amount at start of year	**72,764**	**601,956**	**362,852**	**656,763**	**4,012,678**	**572**	**5,707,585**
Charged/credited to profit or loss							
Additional provision recognized	*41,291*	*503,488*	*241,090*	*25,400*	*192,832*	*21,276*	*1,025,377*
Unused amounts reversed	*(55,349)*	*(535,695)*	*(227,224)*	*0*	*(50,354)*	*(6,363)*	*(874,985)*
Amounts used during the year	(7,016)	0	0	(236,347)	0	(584)	(243,947)
Reclassification	(3,926)	46,548	(46,512)	18,803	0	(14,913)	0
Currency Translation Adjustment	8,312	49,283	27,416	53,024	333,380	12	471,427
Closing balance	**56,076**	**665,580**	**357,622**	**517,643**	**4,488,536**	**0**	**6,085,457**

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	**Employee related privision**	**Warranties**	**Legal claim**	**Onerous contract**	**Perpetual usufruct**	**Other**	**Total**
Carrying amount at start of year	**142,478**	**506,302**	**527,860**	**818,184**	**3,926,379**	**95,809**	**6,017,012**
Charged/credited to profit or loss							
Additional provision recognized	*58,933*	*127,786*	*0*	*10,485*	*178,592*	*0*	*375,796*
Unused amounts reversed	*(17,387)*	*0*	*0*	*(44,605)*	*0*	*(3,008)*	*(65,000)*
Amounts used during the year	(84,471)	(48,104)	(161,647)	(211,003)	0	0	(505,225)
Reclassification	(1,303)	19,196	0	141,628	(67,292)	(92,229)	0
Deconsolidation of KB DOM	(23,786)	0	0	(53,044)	0	0	(76,830)
Revaluation at year end	78	0	0	259	0	0	337
Currency Translation Adjustment	206	8,276	3,571	6,934	51,659	(10)	70,636
Closing balance	**74,748**	**613,456**	**369,784**	**668,838**	**4,089,338**	**562**	**5,816,726**

35. Bonds

The Group carried out a successful bond issue on 5 November 2019 (Cordia 2026/I). The financial settlement date is 7 November 2019, the maturity is 7 November 2026 with funds raised in the amount of HUF 44.4 billion. The capitalization rate equals to the effective interest rate of the Bonds.

The Group successfully issued a new bond series named "CORDIA2030/I HUF" on 27 July 2020. The issue consisted of 720 Bonds. Each Bond has been issued in Hungarian forint and with a face value of HUF 50,000,000 (fifty million Hungarian forints), making up a Total Face Value issued in the amount of HUF 36,000,000,000 (i.e. thirty-six billion Hungarian forints). The term of the Bonds is a ten-year period commencing on the Issue Date and ending on 27 July 2030.

On 10 December 2020 a tap issuance was performed on the bond series named "CORDIA2030/I HUF" with the same conditions. The tap issuance consisted of 80 Bonds with a total face value of HUF 4,000,000,000 (i.e. four billion Hungarian forints).

On 15 July 2021, the wholly owned subsidiary Cordia Polska Finance z.o.o. ("CPF") succesfully completed its series A Bonds issuance program in the total aggregate nominal value of PLN 68,797,000. The A Series Bonds have a floating interest based on WIBOR6M + 4.25% margin with the redemption date on 15 July 2024. The Bonds have been traded at ATS Catalyst market organised by Warsaw Stock Exchange under CPF0724 code since 29 July 2021.

The table below presents the movement in bond related liabilities:

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Opening balance	**91,592,631**	**91,206,336**
Proceeds from bond loans	0	5,305,596
Repayment of bond loans	0	(4,879,375)
Effective interest	3,286,928	2,956,262
Interest payment	(3,289,742)	(3,056,680)
Other	350,056	60,492
Total closing balance	**91,939,873**	**91,592,631**

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Closing balance includes:		
Current liabilities	284,349	342,269
Non-current liabilities	91,655,524	91,250,362
Total closing balance	**91,939,873**	**91,592,631**

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
HUF	85,798,816	86,033,982
PLN	6,141,057	5,558,649
Total closing balance	**91,939,873**	**91,592,631**

Bond terms and conditions

Please see the bond conditions summarised below.

Bond series	**Cordia 2026/I**	**Cordia 2030/I**	**Cordia 2030/I tap issuance**	**Cordia Polska 2024/A**
ISIN code	HU0000359211	HU0000359773	HU0000359773	PLCRDPF00017
Date of issuance	07 November 2019	27 July 2020	27 July 2020	15 July 2021
Maturity	07 November 2026	27 July 2030	27 July 2030	15 July 2024
Face value	44,000,000,000 HUF	36,000,000,000 HUF	4,000,000,000 HUF	68,797,000 PLN
Bond issued	880	720	80	68,797
Face value/Bond	50,000,000 HUF	50,000,000 HUF	50,000,000 HUF	1,000 PLN
Coupon	Fixed 4%	Fixed 3%	Fixed 3%	WIBOR 6M + 4,25%
Coupon payment frequency	Semi-annually	Semi-annually	Semi-annually	Semi-annually
Coupon payment date	November 7, May 8	January 27, July 27	January 27, July 27	January 13, 13 July

Bond terms and conditions of bond series Cordia 2026/I:

Amortisation, Redemption and Purchases:
Each Bond shall be repaid by the Issuer at HUF 8,333,333 (per Bond) and payable semi-annually on the last five (5) Coupon Payment Dates, being 7 May 2024, 7 November 2024, 7 May 2025, 7 November 2025 and 7 May 2026 and at HUF 8,333,335 (per Bond) as the Final Redemption Amount is due and payable on 7 November 2026, being the last Coupon Payment Date, which is also the Maturity Date.

Bond terms and conditions of bond series Cordia 2030/I:

Amortisation, Redemption and Purchases:
Each Bond shall be repaid by the Issuer at HUF 5,000,000 (per Bond) and payable semi-annually on the last six (6) Coupon Payment Dates, being 27 July 2027, 27 January 2028, 27 July 2028, 27 January 2029, 27 July 2029, 27 January 2030 and at HUF 20,000,000 as the Final Redemption Amount is due and payable on 27 July 2030, being the last Coupon Payment Date, which is also the Maturity Date.

Bond terms and conditions of bond series Cordia Polska 2024/A:

The total aggregate nominal value of the bond is PLN 68,797,000. Interest is payable semi-anually on the face value of PLN 1,000 per Bond. According to the Terms & Conditions, A Series Bonds have a floating interest based on WIBOR6M + 4.25% margin with the redemption date on 15 July 2024.
Relating to the Bond issue, Cordia has undertaken suretyship for a duration until no later than 13 July 2025 and with voluntary submission to enforcement for the payment obligations deriving from the Bonds up to the total amount of PLN 103,195,500.

All bond series share the same Issuer Undertakings, please see details on the next page.

Valuation of the Bond liability

The fair value of bond liability was determined by reference to the average bid of commercial institutions which is considered as Level 1 information in the fair value hierarchy.
Bonds are initially recognized at fair value, net of transaction costs incurred, then subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Issuer undertakings:

No Shareholder Distributions and no New Acquisition shall be made in the event that any of the following conditions are not met, calculated on the basis of the most recently published financial statements of the Issuer:

(i) the Consolidated Leverage Ratio does not exceed 65 %, and
(ii) the Issuer Net Debt to Equity Ratio does not exceed 1.

(i) The Consolidated Leverage Ratio (tested on the basis of the Group Consolidated Financial Statements)

Consolidated Leverage Ratio = (Net Consolidated Debt) / (Total Consolidated Assets net of Cash & Customer Advances)
Net Consolidated Debt = CD - C – RC
Total Consolidated Assets net of Cash & Customer Advances = TA – CA - C – RC

CD = Consolidated Debt meaning the third party loans and borrowings of Cordia Group, including bank loans and bonds, plus provisions related to obligations by reason of any guarantee, suretyship or other liability agreement for such obligations of third parties (that are not fully or partially owned by any member(s) of Cordia Group), but not including any debt that is subordinated to the Bonds;
C = Cash and Cash Equivalents;
RC = Restricted Cash meaning

(i) restricted cash deposited by customers purchasing premises in the projects of the Cordia Group, plus
(ii) restricted cash (other than the cash under point (i) above) deposited in order to secure part of the Consolidated Debt;

TA = Total Assets meaning the consolidated total assets of Cordia Group less (i) right to use assets (IFRS 16) and (ii) deferred tax assets;
CA = Customer Advances meaning the total amount of the advances received by the Cordia Group from customers with respect to the sale of assets which have not yet been recognized as revenues.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Consolidated Debt (CD)	121,822,209	111,324,517
Cash and Cash Equivalents (C)	64,888,186	53,590,085
Restricted cash (RC)	5,479,532	2,542,420
Net Consolidated Debt	**51,454,491**	**55,192,012**
Total Assets (TA)	293,614,977	280,094,854
Customer Advances (CA)	34,807,302	34,731,728
Cash and cash equivalents (C)	64,888,186	53,590,085
Restricted cash (RC)	5,479,532	2,542,420
Total Consolidated Assets net of Cash & Customer Advances	**188,439,957**	**189,230,621**
Consolidated Leverage Ratio	**27.31%**	**29.17%**

Bond related Issuer Undertakings were fulfilled both at current reporting date and in previous periods as well.

(ii) The Issuer Net Debt to Equity Ratio (tested on the basis of the Company's Separate Financial Statement)

Issuer Net Debt to Equity Ratio = (Net Issuer Debt) / (Issuer Equity)

Issuer Debt means the loans and borrowings of the Issuer from entities outside of the Cordia Group, including bank loans and bonds, plus provisions related to obligations by reason of any guarantee, suretyship or other liability agreement for such obligations of third parties (that are not fully or partially owned by members of the Cordia Group), but not including any debt that is subordinated to the Bonds.

Subordinated Shareholder Loans means the debt incurred by the Issuer from the Controlling Shareholder or its Related Parties that are fully subordinated to the Bonds.

Issuer Equity means the total equity of the Issuer (as evidenced on the stand-alone financial statements of the Issuer), plus Subordinated Shareholder Loans;

Issuer Net Debt means Issuer Debt (as evidenced on the stand-alone financial statements of the Issuer) less (i) Cash and Cash Equivalents of the Issuer and (ii) Special Restricted Cash;

Special Restricted Cash means the restricted cash securing the Issuer Debt.

Cash and Cash Equivalents means the cash and cash equivalents of the Issuer.

The calculation presented below is based on the IFRS Separate Financial Statements of Cordia International Zrt.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Share capital	18,013,760	18,013,760
Share premium	13,461,608	13,461,608
Foreign currency translation reserve	4,026,128	851,325
Retained earnings	100,790,621	80,369,591
Issuer Equity	**136,292,117**	**112,696,284**

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Bonds (non-current)	85,549,513	85,796,805
Bonds (current)	249,303	237,177
Issuer Debt	**85,798,816**	**86,033,982**
Cash and Cash Equivalents	42,014,949	23,162,705
Issuer Net Debt	**43,783,867**	**62,871,277**
Issuer Net Debt to Equity Ratio	**0.32**	**0.56**

Bond related Issuer Undertakings were fulfilled both at the current reporting date and in previous periods as well.

36. Shareholders' equity

Share capital

A small portion of shares held by Finext Consultants Limited were sold to private individuals in 2021 and in 2022.

			31.12.2022
Company	**Number of shares**	**Nominal value of shares (THUF)**	**Ownership percentage**
Cordia Holding B.V.	17,653,485	17,653,485	98.00%
Finext Consultants Limited	143,717	143,717	0.798%
Private individuals	216,558	216,558	1.202%
Total	**18,013,760**	**18,013,760**	**100.00%**

			31.12.2021
Company	**Number of shares**	**Nominal value of shares (THUF)**	**Ownership percentage**
Cordia Holding B.V.	17,653,485	17,653,485	98.00%
Finext Consultants Limited	209,922	209,922	1.165%
Private individuals	150,353	150,353	0.835%
Total	**18,013,760**	**18,013,760**	**100.00%**

Other reserves

In thousands of Hungarian Forints (THUF)	**2022**
Opening balance	**(242,448)**
Reclassification between equity lines	671
Closing balance	**(241,777)**

The effect of the acquisitions accounted for using the predecessor method is recorded in other reserves. Due to legal regulation in Romania some part of the Retained Earnings must be reclassified under Other reserve from the Retained Earnings.

37. Non-controlling interests

Movements in non-controlling interests during the year are as follows:

In thousands of Hungarian Forints (THUF)	2022	2021
Opening balance	**161,437**	**2,700,530**
Comprehensive income/(loss) attributable to non-controlling interests	(30,481)	(133,164)
Non-controlling interest arising on acquisition	(613)	45,553
Redemption of shares owned by non-controlling interest	0	(2,451,482)
Closing balance	**130,343**	**161,437**

38. Net assets attributable to non-controlling investment unit holders

This line represents the investment of the non-controlling investment unit holders in the investment subfund subsidiaries out of which Finext Funds BP SICAV-SIF and Cordia Residential Partners 1. Alapok Alapja Részalap had non-controlling investment unit holders.

Please see below the movements in the balances during the period.

In thousands of Hungarian Forints (THUF)	2022	2021
Opening	**16,252,666**	**18,196,884**
Investment made by non-controlling investment unit holders	208,287	1,757,515
Change in net assets attributable to non-controlling investment unit holders	696,399	7,242,268
Revaluation of non-controlling investment unit holders in EUR	192,727	0
Redemption of investment units of non-controlling investment unit holders	(16,442,009)	(10,944,001)
Closing carrying amount	**908,070**	**16,252,666**

At each period end, the Group calculates the profit distribution to be paid out on finished projects to non-controlling investment unit holders and presents the balance in the statement of financial position among net assets attributable to non-controlling investment unit holders instead of non-controlling interests. The investors are expecting a return on their investment which depends on the performance of some selected projects. Their return is recognized when the SPVs are realizing the accounting profit of the projects. The carrying amount increased due to projects completed under this scheme.

Finext BP SICAV-SIF

The fund issued two classes of investment notes in the form of shares, Class C is held by the Group, Class P was purchased by the non-controlling investors. The two share classes provided different rights and they have different risk profiles.

The non-controlling investment unit holders of Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund have redeemed their P shares, therefore the Group is the only owner of the subfund at year end.

The notes on pages 8 to 107 are an integral part of these consolidated financial statements.

Cordia Residential Partners 1. Alapok Alapja Részalap

The fund issued three investment unit classes. Class 'AT' and 'AH' units are held by the Group, class 'P' was distributed to non-controlling investors. The three classes provide different controlling rights and risk/return schemes – all controlling rights regarding the development (underlying asset) are linked to 'AT' and 'AH' units. Repayment of the original investments and distribution of P&L are as follows:

- If the fund is profitable, exceeding the maximum return of Class 'P' investors – original investments of Class 'P' and its maximum return shall be paid out first, then Class 'AH' units receive the remaining capital of the fund.
- If the fund is profitable, but the cumulated return is less than the maximum return of Class 'P' investors – original investments of Class 'P' and its return shall be paid out first, then Class 'AH' units receive the remaining capital of the fund. (Initial investment)
- Potential losses are suffered pro-rata, based on the invested capital.

The non-controlling investment unit holders of Cordia Residential Partners 1. Alapok Alapja Részalap partially redeemed their P shares in 2022.

Under both schemes the Group does not provide any guarantee for the return on the capital invested by the non-controlling investment unit holders. Should the projects in the fund generate losses, the losses are shared between the Group and the non-controlling investment unit holders on a pro-rata basis up to the amount of the capital invested. Each parties' liability is limited to the amount of capital invested in the fund.

The Group has no unconditional obligation to pay back any amount invested by non-controlling investment unit holders, however – after the completion of any project in the fund – the generated free cash shall be returned to the investors and the Group has no sole right to decide about potential reinvestments into potential new projects. Therefore the Management believes that presenting these balances among general liabilities or among the Group equity would be misleading and it would not provide a fair view of the financial position of the Group. Based on the above, and based on the industry practice, net asset attributable to non-controlling investment unit holders are disclosed on a separate line in the consolidated statement of financial position.

At each period end, the Group calculates the profit distribution to be paid out on finished projects to non-controlling investment unit holders and presents the balance among net assets attributable to non-controlling investment unit holders.

As of 31 December 2022 the Group wholly owns the shares of Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund.

Please see below the most important financial information regarding Finext Real Estate Opportunities Budapest SICAV-SIF Sub-Fund as of 31 December 2021 for comparative purposes. Please note, that these figures are based on the stand-alone statutory financial statements, therefore consolidation adjustments are not included. In their stand-alone statutory financial statements, the fund measures its investments in other entities within the Group at fair value with gains and losses recognized through the P&L.

31.12.2021

In thousands of Hungarian Forints (THUF)	**Finext Funds BP SICAV-SIF**
Current assets	2,611,961
Current liabilities	25,086
Current net assets	2,586,875
Non-current assets*	31,250,100
Non-current liabilities	0
Non-current net assets	31,250,100
Net assets	**33,836,975**
Accumulated net assets attributable to non-controlling Class P investment unit holders	**14,495,151**

*Majority of Non-current assets represent the investments in subsidiaries.

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	**Finext Funds BP SICAV-SIF**
Revenue	0
Profit for period	10,013,395
Other comprehensive income	0
Total comprehensive income	10,013,395
Profit allocated to non-controlling investment unit holders	7,242,268
Dividends paid	10,944,001

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	**Finext Funds BP SICAV-SIF**
Cash flow from operating activities	3,779,223
Cash flow from investing activities	12,463,191
Cash flow from financing activities	(13,680,001)
Net change in cash and equivalents	**2,562,413**

Please see below the most important financial information regarding Cordia Residential Partners 1. Alapok Alapja Részalap. Please note, that these figures are based on the stand-alone statutory financial statements, therefore consolidation adjustments are not included. In their stand-alone statutory financial statements, the fund measures its investments in other entities within the Group at fair value with gains and losses recognized through the P&L.

31.12.2022

In thousands of Hungarian Forints (THUF)	**Cordia Residential Partners 1. Alapok Alapja Részalap**
Current assets	1,819,009
Current liabilities	2,441
Current net assets	1,816,568
Non-current assets*	1,053,842
Non-current liabilities	0
Non-current net assets	1,053,842
Net assets	**2,870,410**
Accumulated net assets attributable to non-controlling Class P investment unit holders	**908,070**

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Cordia Residential Partners 1. Alapok Alapja Részalap**
Revenue	0
Profit for period	3,073,082
Other comprehensive income	0
Total comprehensive income	3,073,082
Profit allocated to non-controlling investment unit holders	107,362

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Cordia Residential Partners 1. Alapok Alapja Részalap**
Cash flow from operating activities	1,377,206
Cash flow from investing activities	(679,009)
Cash flow from financing activities	(1,004,176)
Net change in cash and equivalents	**(305,979)**

31.12.2021

In thousands of Hungarian Forints (THUF)	**Cordia Residential Partners 1. Alapok Alapja Részalap**
Current assets	2,124,988
Current liabilities	1,797,512
Current net assets	327,476
Non-current assets	1,993,046
Non-current liabilities	0
Non-current net assets	1,993,046
Net assets	**2,320,522**
Accumulated net assets attributable to non-controlling Class P investment unit holders	**1,757,515**

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	**Cordia Residential Partners 1. Alapok Alapja Részalap**
Revenue	0
Profit for period	(5,843)
Other comprehensive income	0
Total comprehensive income	(5,843)
Profit allocated to non-controlling investment unit holders	0
Dividends paid	0

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	**Cordia Residential Partners 1. Alapok Alapja Részalap**
Cash flow from operating activities	1,799,238
Cash flow from investing activities	(1,791,502)
Cash flow from financing activities	2,117,252
Net change in cash and equivalents	**2,124,988**

39. Commitments and contingencies

Investment commitments:

The amounts in the table below present uncharged investment commitments of the Group in respect of construction services to be rendered by the general contractors:

In thousands of Hungarian Forints (THUF)

Legal entity	Project name	31.12.2022	31.12.2021
CG13	Universo	0	1,108,049
CG14	Sasad Panorama	700,642	4,427,420
CG15	Sasad Resort Sunrise	9,446,064	0
CG16	Thermal Zugló 4	225,757	2,424,420
CG19	Grand Corvin 2	0	2,679,791
CG20	Naphegy 12	2,288,440	3,585,456
CG21	Corvin Next	5,264,857	0
CG22	Millennium Residence 1	1,091,929	2,630,622
CG25	I6 Residence	3,249,018	1,206,947
CG28	Sasad Resort Sunlight	1,271,695	3,286,780
CG29	Woodland 1	670,593	0
PPK2	Jerozolimska	0	1,879,689
PPK4	Safrano	1,090,816	1,856,930
PPW3	Fantazja 1	570,054	2,787,516
PPW4	Jaskowa Dolina 1	234,341	1,666,913
PPW4	Jaskowa Dolina 2	3,258,614	3,095,067
PPW6	Leśna Sonata	2,957,265	3,337,939
PPW7	Modena 1	6,571,162	0
UBDG	The Gothic	0	613,965
UBDB	The Lamp Works	325,655	0
SCFD	Jade Tower	6,278,848	7,647,853
RCPR	Parcului20-2	0	1,133,702
Total of fully consolidated entities		**45,495,750**	**45,369,059**
PSK3	Stacja Kazimierz 5	0	672,537
Total including JVs and associates		**45,495,750**	**46,041,596**

Capital commitment

There is no capital commitment as of 31.12.2022.

In 2021 one of the subsidiaries of the Group had a subscription agreement with UK investments. The Company as the subscriber was required to subscribe for the Limited Partnership interests issued by the Investment Vehicle.

The total sub-fund commitment was up to GBP 11,400,000 and GBP 27,000,000. The remaining maximum commitment was GBP 578,958 and GBP 11,300,000 as of 31.12.2021, qualifying as an off-balance sheet item.

Unutilized construction loans:

The table below presents the list of the construction loan facilities including VAT loan facility, which the Company arranged for in conjunction with entering into loan agreements with the banks in order to secure financing of the construction and other outstanding costs of ongoing projects. The amounts presented in the table below include the unutilized part of the bank loans available to the Company:

In thousands of Hungarian Forints (THUF)

Legal entity	Project name	31.12.2022	31.12.2021
CG5	Grand'Or	0	393,547
CG13	Universo	0	2,965,017
CG14	Sasad Panorama	1,869,074	0
CG16	Termál Zugló 4	3,244,042	3,999,992
CG19	Grand Corvin 2	0	11,858,255
CG20	Naphegy 12	3,462,760	0
CG22	Millennium Residence 1	1,786,298	0
CG25	I6 Residence	4,354,863	0
CG26	Termál Zugló 5	0	8,167,599
CG27	Marina City	1,452,752	1,438,615
CG28	Sasad Resort Sunlight	2,340,440	4,309,591
PPK2	Jerozolimska	0	3,968,911
PPK4	Safrano	2,462,183	0
PPW3	Fantazja 1	0	3,647,958
PPW4	Jaśkowa Dolina	4,670,481	0
PPW6	Leśna Sonata	5,739,447	4,211,593
PPW7	Modena	10,498,050	0
SCFD	Jade Tower- Fuenghirola	11,034,893	10,173,330
RCPR	Parcului202	1,415,908	2,253,593
Total of fully consolidated entities		**54,331,191**	**57,388,001**

Contingent receivables - contracted sales not yet recognized:

The table below presents amounts to be received from the customers having bought apartments from Cordia and its subsidiary companies and which are based on the value of the sale and purchase agreements signed with customers until 31 December 2022 after deduction of payments received at the reporting date (such payments being presented in the Consolidated Statement of Financial Position as customer advances):

In thousands of Hungarian Forints (THUF)		Contracted sales	Contingent receivables	Contingent receivables
Legal entity	**Project name**	**31.12.2022**	**31.12.2022**	**31.12.2021**
CD2	Thermal Zugló 3	0	0	56,162
CG10	Sasad Hilltop	0	0	7,539
CG11	Grand Corvin	2,927	2,927	45,410
CG12	Marina Portside	359,031	280,932	2,267,845
CG13	Universo	438,683	186,611	3,936,716
CG14	Sasad Resort Panorama	7,792,371	5,397,699	3,163,134
CG16	Thermal Zugló 4	5,525,307	3,651,535	2,596,087
CG17	Young City 3	1,969	1,339	1,666,754
CG18	Akadémia Garden	0	0	614,162
CG19	Grand Corvin 2	783,424	179,744	4,141,533
CG20	Naphegy 12	3,672,877	2,670,754	550,030
CG21	Corvin Next	334,391	250,840	0
CG22	Millennium Residence 1	4,414,273	3,138,050	1,546,888
CG25	I6 Residence	3,235,871	2,404,760	235,318
CG28	Sasad Resort Sunlight	3,272,677	2,449,168	438,981
CG29	Woodland 1	1,181,507	956,337	0
CG3	Young City 2	0	0	151,453
CG5	Grand'Or	98,465	8,290	2,005,125
CG9	Centropolitan	119,506	95,605	508,087
RCPR	Parcului20-1	127,463	108,416	498,361
RCPR	Parcului20-2	7,942,367	6,337,727	4,870,215
PPW2	Horyzont Praga	61,514	5,612	580,169
PPW3	Fantazja 1	6,078,537	422,542	1,232,383
PPW4	Jaskowa Dolina 1	5,592,749	453,339	2,490,511
PPW4	Jaskowa Dolina 2	2,570,668	1,222,470	1,292,786
PPW6	Leśna Sonata	2,982,292	1,236,139	1,913,895
PPW7	Modena 1	4,108,168	2,796,563	0
PPK1	Lotniczówka	0	0	208,747
PPK2	Jerozolimska	2,642,266	458,858	1,684,185
PPK3	HI Mokotów	259,464	244,101	0
PPK4	Safrano	1,670,775	877,780	621,603
PD14	Haffnera Residence	162,838	145,251	0
PNBW	Wilania	0	0	94,442
PSRW	Wioletta	0	0	180,543
SCFD	Jade Tower- Fuenghirola	16,426,128	13,433,965	1,878,561
Total of fully consolidated entities		**81,858,508**	**49,417,354**	**41,477,625**
CG6	Marina Life	0	0	122,483
CG6	Marina Life 2	106,725	96,146	248,967
POSI	Osiedle Innova	0	0	47,779
PSK3	Stacja Kazimierz 5	959,667	315,647	998,477
Total including JVs and associates		**82,924,900**	**49,829,147**	**42,895,331**

40. Related parties

Open balances with related parties are presented in the Notes 24 and 30.

Transactions with parent company

There was no transaction during the reporting period with the Parent company.

Transactions with associates

The movement of the investment in Argo Properties N.V. is presented in Note 19. There was no other transaction with associates in 2022 and 2021.

Transactions with joint ventures

Services provided
For the year ended 31 December

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Other revenue	167,539	489,129
Total	**167,539**	**489,129**

Joint ventures paid the following amounts to the Group, which was accounted as decrease in Investments using equity method. Please see Note 19.

For the year ended 31 December

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Dividend recieved	1,970,290	1,924,163
Yield received	1,000,000	3,550,000
Total	**2,970,290**	**5,474,163**

Transactions with other related companies

Entities acquired from related parties is presented in Note 5 (a).

The passive UK financial investments have been sold in December to Futureal Residential One S.a.r.l. related company at their fair value.

Majority of the investment in RAF I was also sold in December to Finext Funds Luxembourg SICAV-SIF - Finext Family office and Endowment Fund at fair value.

The Group invested in units of FINEXT Pure Alpha Absolute Return Fund of Funds Sub-Fund.

Sales revenue

For the year ended 31 December *In thousands of Hungarian Forints (THUF)*	**2022**	**2021**
Revenue from sale of real estate and rental income	592,983	1,215,138
Other revenue	344,643	207,336
Closing balance	**937,626**	**1,422,474**

Sales revenue from related parties is mainly coming from administration, marketing and management fee.

Services rendered
For the year ended 31 December

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
External services	1,303,912	1,123,961
Closing balance	**1,303,912**	**1,123,961**

Services rendered from related parties are mainly utilities and rental costs, external services and IT costs, marketing and sales costs.

Transactions with key management personnel

Key management personnel purchased in total 61,413 shares of the Parent entity from Finext Consultants Limited, representing 0.34% ownership. The purchase agreement provides call option to the Seller of the acquired shares and put option to the key management personnel.

Compensation to Key Management Board personnel

Apart from the compensation listed below, there were no further benefits, including share based payments granted to key management personnel that were granted during 2022. Compensation to key management personnel can be presented as follows:

As at 31 December

In thousands of Hungarian Forints (THUF)	**2022**	**2021**
Salary and other short time benefit	68,542	37,063
Incentive plan linked to financial results	461,832	585,644
Total	**530,374**	**622,707**

Loans to directors

As at 31 December 2022 and 31 December 2021, there were no loans granted to directors.

41. Financial risk management, objectives and policies

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.
The primary objectives of the financial risk management program are to minimize the potential negative effect of the unexpected changes on financial markets on the Group's financial activities.

Risk management is carried out by a central treasury department (Group Treasury). Group Treasury identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk
The Group operates in foreign countries with different functional currencies too and is therefore exposed to foreign exchange risk, primarily with respect to Euro, Polish Zloty and the British pound sterling. Foreign exchange risk arises in respect of those recognized monetary financial assets and liabilities that are not in the functional currency of the respective Group entity.

Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency.

The Company and each of its subsidiaries are exposed to currency risk arising from financial instruments held in currencies other than their individual functional currencies. In addition, the Group manages foreign currency risk by matching its principal cash outflows to the currency in which the principal cash inflows (such as residential sales revenue) are denominated. This is generally achieved by obtaining loan finance in the relevant currency.

At 31 December 2022 if the euro had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 29,327 THUF lower / higher.

At 31 December 2022 if the Polish Zloty had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 2,006,529 THUF higher / lower.

At 31 December 2022 if the British pound had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 315,941 THUF lower / higher.

At 31 December 2022 if the Romanian lei had weakened/strengthened by 5% against the Hungarian forint the post-tax profit for the year would have been 76,716 THUF higher / lower.

(ii) Price risk
The Group has exposure to price risk as it holds equities in another entities as financial instruments (short-term financial assets measured through profit and loss, please see Note 23). The fair values of these assets are affected by changes in the market price of the underlying assets. These financial assets are not traded on regulated markets.

(iii) Cash flow and fair value interest rate risks
The group's cash-flow and fair value interest rate risk is predominantly controlled by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and mitigates financial risks in close co-operation with the group's operating units.

The Group's interest rate risk principally arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially covered by the variable rate cash and cash equivalents.
The Group has borrowings at fixed rates and therefore has exposure to fair value interest rate risk, however this is considered insignificant. The Group issued Bonds with fixed interest rate which bear a coupon of 3.00% and 4.00%. The Polish bond issued has variable coupon of WIBOR 6M plus 4.25%.

The Group's individual project financing development loans have an average duration of less than two years. Due to the changes in the market conditions the Group is exposed to interest rate risks. The interest rate risk is minimased by holding short-term deposits and liquid financial instruments with variable interest rates.
The management constantly monitors the Group's cash-flow forecasts which ensures that cash-flow risks are covered.

Taking into consideration the current market environment, the management expects interest rate increase or no change in the short-term and interest rate decrease in the long-term:

1 percentage point	**Yearly effect on profit before tax (THUF)**
Interest rate decrease:	**(287,576)**
Interest rate increase:	**287,576**

Please also refer to Note 28 for the main conditions of the loan agreements.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents held at banks, trade receivables and loan receivables. Credit is not material in the case of cash, since it is held at major international banks. Trade receivables are not material. Loans are only granted for companies under common control and they are guaranteed by the parent company or the ultimate owner. Based on this, credit is considered to be minimal for the Group.

(c) Liquidity risk

The cash flow forecast is prepared by the operating units of the Group. The forecasts are summarized by the Group's finance department. The finance department monitors the rolling forecasts on the Group's required liquidity position in order to provide the necessary cash balance for the daily operation. The Group aims to maintain flexibility in funding by keeping committed credit lines available not to overdraw the credit lines and to meet the credit covenants. These forecasts take into consideration the Group's financial plans, the contracts' covenants, the key performance indicators and the legal environment.

As at 31 December 2022

In thousands of Hungarian Forints (THUF)	**Less than 1 year**	**Between 1 and 5 years**	**Beyond 5 years**
Loans and borrowings	1,036,131	22,760,748	0
Trade and other payables	9,319,639	0	0
Liabilities to related parties	2,208,206	0	0
Bonds	3,635,638	61,599,778	38,860,000
Lease liabilities	16,781,384	1,602,596	0
Net assets attributable to non-controlling investment unit holders	908,070	0	0
Total	**33,889,068**	**85,963,122**	**38,860,000**

As at 31 December 2021

In thousands of Hungarian Forints (THUF)	Less than 1 year	Between 1 and 5 years	Beyond 5 years
Loans and borrowings	3,246,288	8,857,487	1,811,385
Trade and other payables	12,846,705	0	0
Liabilities to related parties	837,281	0	0
Bonds	2,960,322	53,645,133	43,540,000
Lease liabilities	12,723,130	5,726,544	0
Net assets attributable to non-controlling investment unit holders	14,500,000	1,752,666	0
Total	**47,113,726**	**69,981,830**	**45,351,385**

42. Capital management

When managing capital, it is the Group's objective to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the profit appropriation, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio and leverage.
Banking covenants vary according to each loan agreement, but typically are not related directly to the gearing ratio of the Company but to the proportion of loan to value of the mortgage collateral which usually is required not to cross the limit of 70% or 80%.
During the period the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.
There were no changes in the Group's approach to capital management during the year.
There are no covenants imposed on the Group by the terms and conditions of the Bonds issued by the Group. For the relevant calculation of the financial ratios which relate to the Undertakings committed by the Group see Note 35.

43. Net debt reconciliation

This section sets out an analysis of net debt and the movement in net debt.

In thousands of Hungarian Forints (THUF)	**31.12.2022**	**31.12.2021**
Cash and cash equivalents	(64,888,186)	(53,590,085)
Restricted cash	(5,479,532)	(4,010,233)
Lease liabilities	18,383,980	18,449,674
Liabilities to related parties	2,208,206	837,281
Customer advances	34,807,302	34,731,728
Amounts withheld for guarantees	1,071,986	784,402
Loans and borrowings	23,796,879	13,915,160
Bonds	91,939,873	91,592,631
Net debt	**101,840,508**	**102,710,558**

In thousands of Hungarian Forints (THUF)	**Cash and cash equivalents**	**Restricted cash**	**Lease liabilities***	**Liabilities to related parties**	**Customer advances**	**Amounts withheld for guarantees**	**Loans and borrowings***	**Bonds***	**Total**
Net debt as at 1 January 2022	**(53,590,085)**	**(4,010,233)**	**18,449,674**	**837,281**	**34,731,728**	**784,402**	**13,915,160**	**91,592,631**	**102,710,558**
Cash flow	(11,525,406)	(1,469,299)	(1,873,003)	1,370,925	(2,231,975)	287,584	9,443,441	(3,289,742)	**(9,287,475)**
Lease modification and recognition of new lease liability	0	0	1,217,817	0	0	0	0	0	**1,217,817**
Derecognition of new lease liability	0	0	(1,581,024)	0	0	0	0	0	**(1,581,024)**
Interest	0	0	1,045,110	0	1,353,614	0	60,232	3,286,928	**5,745,884**
Foreign exchange adjustments	227,305	0	1,125,406	0	953,935	0	378,046	350,056	**3,034,748**
Net debt as at 31 December 2022	**(64,888,186)**	**(5,479,532)**	**18,383,980**	**2,208,206**	**34,807,302**	**1,071,986**	**23,796,879**	**91,939,873**	**101,840,508**

* Reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

44. Segment report

Segment information

The Board of Directors is the Group's chief operating decision-making body. The Group's operating segments are defined as separate entities developing particular residential projects, which were aggregated for reporting purposes. The aggregation for reporting purposes is based on geographical locations.

The Board of Directors considers the business from a geographic perspective. Geographically, management looks into the performance in Hungary, Poland, Spain, Romania and in the United Kingdom. The segments derive their revenue primarily from the sales of residential properties to individual customers. According to the assessment of the Board of Directors, the operating segments identified have similar economic characteristics.

The Board of Directors monitors the budgeted and forecast financial results of the operating segments for the purpose of making decisions about resource allocation and performance assessment.

Revenue

The management believes, that revenue is currently not the most descriptive factor, since the projects are mostly in the development phase. There are no significant sales transactions between the segments. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the income statement.

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Hungary**	**Poland**	**Romania**	**Spain**	**United Kingdom**	**Total**
Revenue	52,987,458	11,666,010	2,084,283	0	1,555,116	**68,292,867**
Gross Profit	21,637,253	2,946,309	725,698	0	110,905	**25,420,165**
Net Profit	25,198,198	(4,775,370)	50,020	(181,980)	(511,142)	**19,779,726**

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	**Hungary**	**Poland**	**Romania**	**Spain**	**United Kingdom**	**Total**
Revenue	60,959,769	22,823,357	8,416,567	0	26,365	**92,226,058**
Gross Profit	16,265,257	5,813,987	2,852,194	0	26,365	**24,957,803**
Net Profit	19,950,850	(1,578,161)	1,906,889	5,809	318,216	**20,603,603**

Assets as of 31.12.2022

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Spain	UK	Total
Assets						
Non-current assets						
Intangible assets	103,683	21,876	371	422	6,566	**132,918**
Investment properties	6,157,375	1,349,842	0	0	1,996,266	**9,503,483**
Property, plant and equipment	2,073,331	597,496	87,865	19,593	364,339	**3,142,624**
Long-term receivables from third parties	20,865	687,644	0	0	0	**708,509**
Investments accounted for using equity method	21,940,685	3,115,142	0	0	0	**25,055,827**
Deferred tax assets	0	1,210,412	0	0	0	**1,210,412**
Restricted cash	1,934,905	0	0	0	0	**1,934,905**
Long-term VAT receivables	137,919	0	0	0	0	**137,919**
Other long-term assets	32,414	276,437	5,061	3,498	0	**317,410**
Goodwill	522,729	1,365	0	0	0	**524,094**
Non-current derivative assets	1,330,375	0	0	0	0	**1,330,375**
Total non-current assets	**34,254,281**	**7,260,214**	**93,297**	**23,513**	**2,367,171**	**43,998,476**
Current assets						
Inventory	51,596,821	69,161,529	14,340,518	12,636,521	14,834,058	**162,569,447**
Trade and other receivables	399,749	838,383	75,492	49,885	86,894	**1,450,403**
Short-term receivables from related parties	2,839,393	101,599	0	0	4,921	**2,945,913**
Other short-term assets	2,473,064	752,079	567,082	531,065	96,395	**4,419,685**
Income tax receivable	6,284	35,397	22,049	541	0	**64,271**
Short-term VAT receivables	2,243,626	1,982,739	66,517	20,514	100,008	**4,413,404**
Restricted cash	3,527,040	17,587	0	0	0	**3,544,627**
Other financial assets	7,840,456	0	0	20,013	0	**7,860,469**
Cash and cash equivalents	52,239,616	8,081,210	985,507	2,387,600	1,194,253	**64,888,186**
Total current assets	**123,166,049**	**80,970,523**	**16,057,165**	**15,646,139**	**16,316,529**	**252,156,405**
Disposal group of assets classified as held for sale						
Assets classified as held for sale	0	145,095	0	0	0	**145,095**
Total disposal group of assets classified as held for sale	**0**	**145,095**	**0**	**0**	**0**	**145,095**
Total assets	**157,420,330**	**88,375,832**	**16,150,462**	**15,669,652**	**18,683,700**	**296,299,976**
Fair value difference on inventories*	20,134,940					**20,134,940**
Adjusted total assets	**177,555,270**	**88,375,832**	**16,150,462**	**15,669,652**	**18,683,700**	**316,434,916**

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds revaluate inventories at fair value at the end of each period in the statutory financial statements. This figure represents the revaluation difference calculated based on local GAAP for these entities as of 31 December 2022. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities as of 31.12.2022

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Spain	UK	Total
Non-current liabilities						
Loans and borrowings	17,871,476	724,123	3626241	0	538,908	**22,760,748**
Bonds	85,549,513	6,106,011	0	0	0	**91,655,524**
Deferred tax liabilities	0	2,001,888	47,461	0	115,504	**2,164,853**
Other provision	0	823,860	236	0	0	**824,096**
Customer advances	2,879,966	679,768	0	3,194,978	0	**6,754,712**
Lease liabilities	744,189	822,520	35,887	0	0	**1,602,596**
Amount withheld for guarantees	416,877	289,035	366,074	0	0	**1,071,986**
Other long-term liabilities	125,991	8,090	0	0	0	**134,081**
Total non-current liabilities	**107,588,012**	**11,455,295**	**4,075,899**	**3,194,978**	**654,412**	**126,968,596**
Current liabilities						
Trade and other payables	4,734,369	2,894,106	324,506	825,515	541,143	**9,319,639**
Bonds	249,303	35,046	0	0	0	**284,349**
Short-term liabilities to related parties	1,086,340	1,005,405	43,549	14,467	58,445	**2,208,206**
Loans and borrowings	589,345	41,521	0	400	404,865	**1,036,131**
Customer advances	8,033,149	18,389,724	1,628,813	0	904	**28,052,590**
Lease liabilities	189,259	16,564,791	17,418	9,916	0	**16,781,384**
Other tax liabilities	957,463	1,365,106	11,369	31,024	82,096	**2,447,058**
Other provision	0	5,106,175	155,186	0	0	**5,261,361**
Income tax liabilities	532,342	91,661	75	0	9,700	**633,778**
Other short-term liabilities	0	0	0	0	119,775	**119,775**
Current derivative liabilities	0	0	0	0	0	**0**
Total current liabilities	**16,371,570**	**45,493,535**	**2,180,916**	**881,322**	**1,216,928**	**66,144,271**
Total liabilities	**123,959,582**	**56,948,830**	**6,256,815**	**4,076,300**	**1,871,340**	**193,112,867**

Assets as of 31.12.2021

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Spain	UK
Assets					
Non-current assets					
Intangible assets	150,903	25,054	834	0	4,413
Investment properties	4,409,264	20,836,574	0	0	370,327
Property, plant and equipment	1,325,967	804,472	102,677	40,467	205,492
Long-term receivables from third parties	18,971	6,156,203	0	53	0
Investments accounted for using equity method	15,236,365	3,625,843	0	1,644,264	2,581,962
Deferred tax assets	3,668	369,541	0	0	0
Restricted cash	7,500	0	22,932	0	0
Long-term VAT receivables	447,639	0	0	0	0
Other long-term assets	36,255	304,680	6,698	2,180	0
Goodwill	460,265	1,284	0	0	0
Non-current derivative assets	2,128,281	0	0	0	0
Total non-current assets	**24,225,078**	**32,123,651**	**133,141**	**1,686,964**	**3,162,194**
Current assets					
Inventory	53,746,356	45,375,324	12,264,326	9,024,177	11,753,326
Trade and other receivables	804,753	1,175,243	54,591	4,193	59,725
Short-term receivables from related parties	449,375	97,547	0	0	0
Other short-term assets	1,604,359	775,229	558,425	70,110	61,919
Income tax receivable	8,226	61,494	14,613	498	0
Short-term VAT receivables	3,588,645	1,945,851	110,972	102,875	953,727
Restricted cash	1,460,313	2,519,488	0	0	0
Other financial assets	247,535	0	0	360,736	16,856,716
Cash and cash equivalents	46,130,027	4,580,132	593,169	729,813	1,556,944
Total current assets	**108,039,589**	**56,530,308**	**13,596,096**	**10,292,402**	**31,242,357**
Disposal group of assets classified as held for sale					
Assets classified as held for sale	0	244,112	0	0	0
Total disposal group of assets classified as held for sale	**0**	**244,112**	**0**	**0**	**0**
Total assets	**132,264,667**	**88,898,071**	**13,729,237**	**11,979,366**	**34,404,551**
Fair value difference on inventories*	20,090,467				
Adjusted total assets	**152,355,134**	**88,898,071**	**13,729,237**	**11,979,366**	**34,404,551**

* CODM assesses the performance of the entities based on local GAAP statutory financial statements. In Hungary, the funds revaluate inventories at fair value at the end of each period in the statutory financial statements. This figure represents the revaluation difference calculated based on local GAAP for these entities as of 30 June 2021. In line with IFRS, this fair valuation is eliminated from the consolidated financial statements.

Liabilities as of 31.12.2021

In thousands of Hungarian Forints (THUF)	Hungary	Poland	Romania	Spain	UK
Non-current liabilities					
Loans and borrowings	6,567,954	1,297,327	2,223,921	0	408,281
Bonds	85,796,805	5,453,557	0	0	0
Deferred tax liabilities	0	1,163,461	43,125	0	60,207
Other provision	0	1,195,077	0	0	0
Customer advances	3,033,787	0	1,076,452	64,206	880
Lease liabilities	33,641	5,634,618	49,143	9,142	0
Amount withheld for guarantees	366,114	205,328	212,960	0	0
Other long-term liabilities	99,852	134,878	0	0	0
Total non-current liabilities	**95,898,153**	**15,084,246**	**3,605,601**	**73,348**	**469,368**
Current liabilities					
Trade and other payables	8,777,479	3,385,299	410,454	21,032	315,763
Bonds	237,177	105092	0	0	0
Short-term liabilities to related parties	713,687	53,877	29,761	17,143	22,813
Loans and borrowings	2,828,075	15,559	171,389	369	402,285
Customer advances	21,696,840	8,669,055	190,508	0	0
Lease liabilities	116,718	11,466,132	15,743	10,773	1,113,764
Other tax liabilities	1,211,356	532,117	15,097	27,651	34,312
Other provision	24,706	4,590,234	6,709	0	0
Income tax liabilities	163,767	468,399	2,637	0	16,731
Other short-term liabilities	0	34	0	107	509,314
Current derivative liabilities	440,807	0	0	0	0
Total current liabilities	**36,210,612**	**29,285,798**	**842,298**	**77,075**	**2,414,982**
Total liabilities	**132,108,765**	**44,370,044**	**4,447,899**	**150,423**	**2,884,350**

The Board of Directors examined the effect of Polnord Group's acquisition on the consolidated figures. For information purposes please see below this effect on the statement of financial position and on the statement of profit and loss. Polnord Group is not considered a separate operating segment but part of the Polish segment.

For the period ended 31 December 2022

In thousands of Hungarian Forints (THUF)	**Cordia group without Polnord**	**Polnord**	**Total in 2022**
Revenue	**63,269,233**	**5,023,634**	**68,292,867**
Cost of sales	**(38,643,466)**	**(4,229,236)**	**(42,872,702)**
Gross profit	**24,625,767**	**794,398**	**25,420,165**
Selling and marketing expenses	(4,421,536)	(213,300)	(4,634,836)
Administrative expenses	(5,137,297)	(823,873)	(5,961,170)
Net gain/loss from fair valuation of investment and development properties	1,251,340	936,390	2,187,730
Other expenses	(1,275,559)	(7,386,818)	(8,662,377)
Other income	241,673	1,011,014	1,252,687
Operating profit	**15,284,388**	**(5,682,189)**	**9,602,199**
Interest income	1,936,628	210,116	2,146,744
Other financial income	11,853,943	180,042	12,033,985
Finance income	**13,790,571**	**390,158**	**14,180,729**
Interest expense	(3,642,518)	852,670	(2,789,848)
Other financial expense	(5,183,893)	114,829	(5,069,064)
Finance expense	**(8,826,411)**	**967,499**	**(7,858,912)**
Net finance income/(expense)	**4,964,160**	**1,357,657**	**6,321,817**
Share of profit/(loss) in associate and joint venture	2,562,815	2,484,695	5,047,510
Profit before taxation	**22,811,363**	**(1,839,837)**	**20,971,526**

For the period ended 31 December 2021

In thousands of Hungarian Forints (THUF)	Cordia group without Polnord	Polnord	Total in 2021
Revenue	**81,810,340**	**10,415,718**	**92,226,058**
Cost of sales	**(58,918,772)**	**(8,349,483)**	**(67,268,255)**
Gross profit	**22,891,568**	**2,066,235**	**24,957,803**
Selling and marketing expenses	(3,775,065)	(232,847)	(4,007,912)
Administrative expenses	(4,618,458)	(1,618,282)	(6,236,740)
Net gain/loss from fair valuation of investment and development properties	335,024	67,198	402,222
Other expenses	(604,815)	(1,981,368)	(2,586,183)
Other income	145,197	646,252	791,449
Operating profit	**14,373,451**	**(1,052,812)**	**13,320,639**
Interest income	70,379	3,723	74,102
Other financial income	7,683,226	185,988	7,869,214
Finance income	**7,753,605**	**189,711**	**7,943,316**
Interest expense	(2,745,345)	(658,956)	(3,404,301)
Other financial expense	(1,849,448)	(426,147)	(2,275,595)
Finance expense	**(4,594,793)**	**(1,085,103)**	**(5,679,896)**
Net finance income/(expense)	**3,158,812**	**(895,392)**	**2,263,420**
Share of profit/(loss) in associate and joint venture	6,714,863	(264,901)	6,449,962
Profit before taxation	**24,247,126**	**(2,213,105)**	**22,034,021**

Assets as of 31 December 2022 and 31 December 2021

In thousands of Hungarian Forints (THUF)	Cordia group without Polnord	Polnord	Total in 2022	Total in 2021
Non-current assets				
Intangible assets	120,361	12,557	**132,918**	**181,204**
Investment properties	8,153,641	1,349,842	**9,503,483**	**25,616,165**
Property, plant and equipment	2,801,082	341,542	**3,142,624**	**2,479,075**
Long-term receivables from third parties	20,865	687,644	**708,509**	**6,175,227**
Investments accounted for using equity method	22,213,633	2,842,194	**25,055,827**	**23,088,434**
Deferred tax assets	0	1,210,412	**1,210,412**	**373,209**
Restricted cash	1,934,905	0	**1,934,905**	**30,432**
Long-term VAT receivables	137,919	0	**137,919**	**447,639**
Other long-term assets	298,483	18,927	**317,410**	**349,813**
Goodwill	522,729	1,365	**524,094**	**461,549**
Non-current derivative assets	1,330,375	0	**1,330,375**	**2,128,281**
Total non-current assets	**37,533,993**	**6,464,483**	**43,998,476**	**61,331,028**
Current assets				
Inventory	138,671,399	23,898,048	**162,569,447**	**132,163,509**
Trade and other receivables	863,585	586,818	**1,450,403**	**2,098,505**
Short-term receivables from related parties	2,901,948	43,965	**2,945,913**	**546,922**
Other short-term assets	4,409,385	10,300	**4,419,685**	**3,070,042**
Income tax receivable	36,120	28,151	**64,271**	**84,831**
Loan receivables	0	0	**0**	**-**
Short-term VAT receivables	3,885,908	527,496	**4,413,404**	**6,702,070**
Restricted cash	3,544,627	0	**3,544,627**	**3,979,801**
Other financial assets	7,860,469	0	**7,860,469**	**17,464,987**
Cash and cash equivalents	64,443,580	444,606	**64,888,186**	**53,590,085**
Total current assets	**226,617,021**	**25,539,384**	**252,156,405**	**219,700,752**
Disposal group of assets classified as held for sale				
Assets classified as held for sale	145,095	0	**145,095**	**244,112**
Total disposal group of assets classified as held for sale	**145,095**	**0**	**145,095**	**244,112**
Total assets	**264,296,109**	**32,003,867**	**296,299,976**	**281,275,892**

Liabilities as of 31 December 2022 and 31 December 2021

In thousands of Hungarian Forints (THUF)	Cordia group without Polnord	Polnord	Total in 2022	Total in 2021
Non-current liabilities				
Loans and borrowings	22,760,748	0	**22,760,748**	**10,497,483**
Bonds	91,655,524	0	**91,655,524**	**91,250,362**
Deferred tax liabilities	346,100	1,818,753	**2,164,853**	**1,266,793**
Other provision	236	823,860	**824,096**	**1,195,077**
Customer advances	6,754,712	0	**6,754,712**	**4,175,325**
Lease liabilities	913,563	689,033	**1,602,596**	**5,726,544**
Amount withheld for guarantees	907,006	164,980	**1,071,986**	**784,402**
Other long-term liabilities	126,418	7,663	**134,081**	**234,730**
Total non-current liabilities	**123,464,307**	**3,504,289**	**126,968,596**	**115,130,716**
Current liabilities				
Trade and other payables	8,645,889	673,750	**9,319,639**	**12,910,027**
Bonds	284,349	0	**284,349**	**342,269**
Short-term liabilities to related parties	1,437,547	770,659	**2,208,206**	**837,281**
Loans and borrowings	1,036,131	0	**1,036,131**	**3,417,677**
Customer advances	27,924,788	127,802	**28,052,590**	**30,556,403**
Lease liabilities	2,257,737	14,523,647	**16,781,384**	**12,723,130**
Other tax liabilities	1,212,591	1,234,467	**2447058**	**1,820,533**
Other provision	181,670	5,079,691	**5,261,361**	**4,621,649**
Income tax liabilities	568,370	65,408	**633,778**	**651,534**
Other short-term liabilities	119,775	0	**119,775**	**509,455**
Current derivative liabilities	0	0	**0**	**440,807**
Total current liabilities	**43,668,847**	**22,475,424**	**66,144,271**	**68,830,765**
Total liabilities	**167,133,154**	**25,979,713**	**193,112,867**	**183,961,481**

The notes on pages 8 to 107 are an integral part of these consolidated financial statements.

45. Other information

COVID-19

The Group introduced online sales meetings and implemented procedures for remote signing of sales agreements with clients. The sales offices continue to operate, obeying the safety measures recommended by the WHO and the relevant measures applicable locally and required by local regulators. Following the appropriate decisions and reorganization the apartments' deliveries and sales proceeded without disruptions. The construction sites in all countries of the Group's operations are progressing normally.

The impact of the Ukrainian-Russian conflict

The Group's management has analysed the impact of the Ukrainian-Russian conflict at the end of February 2022 and concluded that it has no direct implications for the assets presented in the books at the reporting date. The Group has no direct exposure or business relationships in Ukraine and Russia.

The situation does not have a material effect on the Group's assets and liabilities or its operations.

In the opinion of the management, the war conflict may only exert an indirect implications for the Group through the general economic situation.

For 2023, the management expects the Group's financial position to be stable, based on the cash flow projections, liquidity issues have not been identified for the next 12 months. The management is going to continue to analyse the situation due to the conflict.

46. Subsequent events

Completion and change of projects

The Company's subsidiary involved in development of the residential project Thermal Zugló 4 obtained the permit for occupancy of this project (comprising 110 apartments) in January 2023 and commenced delivery of the finished apartments to its customers in Budapest.

The Company's subsidiary involved in development of the residential project Sasad Resort Panorama obtained the permit for occupancy of this project (comprising 136 apartments) in Budapest.

The Company's subsidiary involved in development of the residential project Jaśkowa Dolina 1 obtained the permit for occupancy of this project (comprising 97 apartments) and commenced delivery of the finished apartments to its customers in Gdansk.

The refurbishment of "The Bank" a new office space in the heart of Jewellery Quarter in Birmingham was finished in 2023. The approximately 933 sqm complex will host six high quality office suites, along with the former banking hall being transformed into hospitality area. One of the suites has become Cordia UK's headquarter and the remaining office space is rented out to clients.

Project bank financing Loans

A new credit facility agreement was signed for the financing of office in Birmingham. The loan is provided by KBC bank in the total amount of HUF 0.9 billion.

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Tibor Földi
Chairman of the Board

Budapest, 28 April 2023

Appendix

Group composition as at 31 December

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2022	Share of ownership & voting rights at 31.12.2021	Nature of relationship 31.12.2022	Nature of relationship 31.12.2021
Argo Properties N.V.	Germany	14.75%	15.38%	Associate	Associate
Cereman Vagyonkezelő Zrt.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Development 1 Ingatlanbefektetési Alap	Hungary	N/A	100%	Subsidiary	Subsidiary
Cordia Development 2 Ingatlanbefektetési Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 3 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 5 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Ingatlanbefektetési Alap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Management Szolgáltató Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia New Ages Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Sasad Resort Élménypark Kft.	Hungary	100%	N/A	Subsidiary	N/A
Sasad Resort 2 Kft.	Hungary	72.50%	72.50%	Subsidiary	Subsidiary
Cordia Central Ingatlanfejlesztő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 6 Ingatlanbefektetési Részalap	Hungary	50%	50%	Joint-venture	Joint-venture
Cordia Global 7 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 8 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 9 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 10 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 11 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 12 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 13 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 14 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 15 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 16 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 17 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 18 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 19 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 20 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Munkavállalói Résztulajdonosi Program Szervezet	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Belváros Ingatlanfejlesztő Kft.	Hungary	70%	70%	Subsidiary	Subsidiary
Cordia FM Társasházkezelő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia New Times Ingatlanfejlesztő Kft.	Hungary	70%	70%	Subsidiary	Subsidiary
Cordia New Homes Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Europe Holding Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 21 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 22 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 23 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 24 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 25 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 26 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 27 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2022	31.12.2021	Nature of relationship 31.12.2022	31.12.2021
Cordia Global 28 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 29 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Global 30 Ingatlanbefektetési Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Finext Optimum Alapok Alapja 1.	Hungary	100%	2,42%	Subsidiary	Investment
Finext Optimum 2 értékpapír alapok alapja részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Romania Holding A Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
European Residential Investments Vagyonkezelő Kft.	Hungary	100%	100%	Subsidiary	Subsidiary
Finext Global 1. Ingatlanforgalmazó Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Preferred Return 1 Részalap	Hungary	100%	100%	Subsidiary	Subsidiary
Cordia Residential Partners Grand Corvin Alapok Alapja Részalap	Hungary	38.32%	17%	Subsidiary	Subsidiary
Cordia European Residential Investments Vagyonkezelő Korlátolt Felelősségű Társaság	Hungary	100%	100%	Subsidiary	Subsidiary
FCM Jade Tower Ingatlanfejlesztő Befektetési Alap	Hungary	N/A	N/A	N/A	N/A
Cordia Real Estate Funds Luxembourg SICAV-RAIF	Luxembourg	100%	100%	Subsidiary	Subsidiary
Finext Funds BP SICAV-SIF	Luxembourg	100%	20%	Subsidiary	Subsidiary
Cordia Blackswan UK GP S.à r.l.	Luxembourg	100%	N/A	Subsidiary	N/A
Cordia UK S.à r.l.	Luxembourg	100%	N/A	Subsidiary	N/A
Cordia Lands Investment Ltd.	Nicosia, Cyprus	100%	100%	Subsidiary	Subsidiary
Villena Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 10 Cordia Partner 2 Sp. z o.o. Sp. K. Previously: Cordia Zyrardów Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Management Poland Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Polska Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Poland GP One Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 1 Cordia Poland GP One Spólka z o.o. sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 2 Cordia Partner 3 Sp. z o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 3 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 1 Cordia Partner 3 Spółka z o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 3 Spółka z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 4 Spółka z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 5 Spółka z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 1 Spółka z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 5 Cordia Partner 2 Sp. z o.o. Sp. k.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 2 Cordia Partner 2 Sp. z o.o. Sp. k.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 3 Cordia Partner 2 Sp. z o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 2 Spółka z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 3 Spółka z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 2 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 10 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 6 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 8 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 9 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Partner 5 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2022	Share of ownership & voting rights at 31.12.2021	Nature of relationship 31.12.2022	Nature of relationship 31.12.2021
Cordia Partner 6 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 4 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Trójmiasto 1 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Leśna Sonata Cordia Partner 5 Sp. z o.o. Sp.k Previously: Projekt Warszawa 6 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 7 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Safrano Cordia Partner 5 Sp. z o.o. Sp.k Previously Projekt Kraków 5 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 6 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Trójmiasto 2 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 8 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Warszawa 9 Cordia Partner 2 Sp. z o.o. Sp.k	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Supernova Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Gdańsk 1 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Kraków 7 Cordia Partner 2 Sp. z o.o. Sp.k.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Polska Finance sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Cordia Development 11 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Idea sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 12 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 13 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 14 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 15 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 16 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 17 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 18 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 19 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 20 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 21 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 22 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 23 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 24 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Cordia Development 25 sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
Polnord SA	Poland	100%	100%	Subsidiary	Subsidiary
Projekt Stogi sp. z o.o.	Poland	100%	N/A	Subsidiary	N/A
FPP Powsin Sp. z o.o.	Poland	49.00%	49.00%	Joint venture	Joint venture
FPP Osiedle Moderno Sp. z o.o.	Poland	N/A	49.00%	N/A	Joint venture
Fadesa Polnord Polska Sp. z o.o.	Poland	49.00%	49.00%	Joint venture	Joint venture
Development PL 3 Sp. z o.o. Previously: Haffnera Apart Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Development PL 2 Sp. z o.o. Previously: Haffnera Park Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Hydrosspol Sp. z o.o. w likwidacji	Poland	30.00%	30.00%	Associate	Associate
Korporacja Budowlana DOM SA	Poland	34.65%	34.65%	Associate	Associate

Entity name	Place of operation	Share of ownership & voting rights at 31.12.2022	Share of ownership & voting rights at 31.12.2021	Nature of relationship 31.12.2022	Nature of relationship 31.12.2021
Korporacja Budowlana Dom Sp. z o.o. w restrukturyzacji	Poland	34.65%	34.65%	Associate	Associate
Cogilco Polonia Sp. z o. o.	Poland	34.65%	34.65%	Associate	Associate
KBD Prefabrykacja Sp. z o. o.	Poland	34.65%	34.65%	Associate	Associate
Polnord Spółka Akcyjna Finanse S.j.	Poland	100%	100%	Subsidiary	Subsidiary
Apartamenty PL Sp. z o.o. Previously: Polnord Apartamenty Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Brama Wilanowska PL Sp. z o.o. Previously: Polnord Brama Wilanowska Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Construction PL Sp. z o.o. Previously: Polnord Construction Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Gdańsk Dwa Tarasy PL Sp. z o.o. Previously: Polnord Gdańsk Dwa Tarasy Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Development PL 1 Sp. z o.o. Previously: Polnord Haffnera 1 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Polnord Inwestycje Sp. z o.o. S.j.	Poland	100%	100%	Subsidiary	Subsidiary
Polnord inwestycje Sp. z o.o. Łódź City	Poland	100%	100%	Subsidiary	Subsidiary
Inwestycje Wilanów PL Sp. z o.o. Previously: Polnord Inwestycje Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Olsztyn Tęczowy Las PL Sp. z o.o. Previously: Polnord Olsztyn Tęczowy Las Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Rezydencje Serwis PL Sp. z o.o. Previously: Polnord Rezydencje Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Szczecin Ku Słońcu PL Sp. z o.o. Previously: Polnord Szczecin Ku Słońcu Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Warszawa-Ząbki Neptun PL Sp. z o.o. Previously: Polnord Warszawa-Ząbki Neptun Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Osiedle Innova Sp. z o.o.	Poland	N/A	49.00%	N/A	Joint venture
Stacja Kazimierz I Sp. z o.o.	Poland	50.00%	50.00%	Joint venture	Joint venture
Stacja Kazimierz III Sp. z o.o.	Poland	50.00%	50.00%	Joint venture	Joint venture
Stacja Kazimierz III Sp. z o.o. SK	Poland	50.00%	50.00%	Joint venture	Joint venture
Śródmieście Wilanów PL Sp. z o.o. Previously: Śródmieście Wilanów Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Wilanów Office Park - B1 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
Wilanów Office Park - B3 Sp. z o.o.	Poland	100%	100%	Subsidiary	Subsidiary
CDS-Cordia Development Services Srl	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Parcului Residential Project Srl	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Dante Project SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Navigatorilor Project SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Corarilor Development SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Services SPV3 SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Development SPV2 SRL	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Real Estate Development SPV4 S.R.L.	Romania	100%	100%	Subsidiary	Subsidiary
Cordia Project Real Estate Services SPV5 S.R.L.	Romania	100%	100%	Subsidiary	Subsidiary
Stroj Dom ZSA (Rosja)	Russia	0.00%	100.00%	N/A	Subsidiary
Cordia Project Company Sociedad Limitada	Spain	100%	100%	Subsidiary	Subsidiary
Cordia Iberia Holding Sociedad Limitada	Spain	100%	100%	Subsidiary	Subsidiary
Cordia Marbella Project Company, S.L.	Spain	100%	100%	Subsidiary	Subsidiary

Entity name	Place of operation	Share of ownership & voting rights at		Nature of relationship	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Cordia Fuengirola Development Company Sociedad Limitada	Spain	100%	100%	Subsidiary	Subsidiary
Cordia UK Holdings Limited	United Kingdom	100%	100%	Subsidiary	Subsidiary
Cordia Blackswan Property Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan Holdings Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan Property Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan Developments (The Gothic) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan (Bradford Works) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Blackswan Developments (Barr Street) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (Thorp) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (22 Great Hampton Street) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (Key Hill) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (Nightingale) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (Cheapside) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (Project 1) Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Nightingale Knitwear Centre Limited	United Kingdom	97%	97%	Subsidiary	Subsidiary
Cordia Blackswan (Mott Street) Property Unit Trust	United Kingdom	97%	N/A	Subsidiary	N/A
Cordia Project Holdings Limited	United Kingdom	100%	N/A	Subsidiary	N/A